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MARCH
2024

MONTHLY BULLETIN

AGENCE FRANCE TRÉSOR IS TASKED WITH MANAGING THE GOVERNMENT DEBT AND CASH POSITIONS UNDER THE MOST SECURE CONDITIONS IN THE INTEREST OF THE TAXPAYER.

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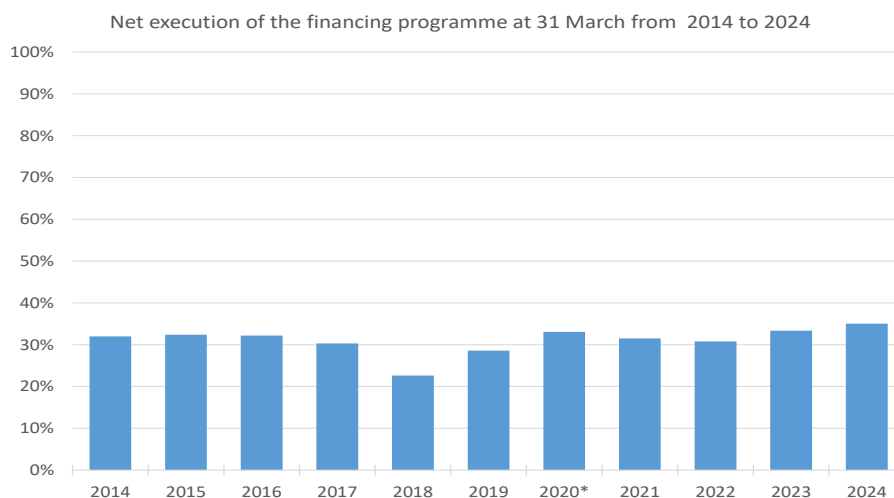
IMPLEMENTATION OF THE 2024 STATE-FINANCING PROGRAMME

In an environment of inflation moving progressively toward the European Central Bank (ECB) target and anticipations of central bank rate cuts, sovereign debt markets in the eurozone and France continue to show their resilience. Thus, Agence France Trésor (AFT) completed more than a third of its financing programme for 2024 in the first quarter of the year. By the end of March, AFT has borrowed around €99.8 bn through medium- and long-term OATs on the market out of the €285bn planned for 2024. By comparison, AFT had raised €90bn over the same period in 2023 for a €270bn programme.

As announced in [the 2024 financing programme](#), AFT has created two new benchmark bonds through syndication. The first one, [the Green OAT 3.00% 25 June 2049](#), France's fourth green sovereign bond, was launched on 16 January for an all-time high amount of €8bn. The second one, [the OAT 3.25% 25 May 2055](#), a new 30-year benchmark, was launched on 27 February for an amount of €8bn. In January, AFT also auctioned the new 3-year benchmark [OAT 2.50% 24 September 2027](#).

For the rest of the year, AFT plans to launch by auction a new 5/6-year benchmark and a new 10-year bonds. In the inflation-linked bond segment, AFT will examine the possibility of syndicating a 20-year European inflation-indexed bond (OAT€i).

With more than the third of issues completed in the first quarter, the completion rate of AFT's 2024 issuance programme is in line with previous years. This illustrates AFT's relevant strategy based on the principles of regularity, predictability and transparency.



* As calculated in Q1 2020, before the increase of the state financing programme to fund the policy response to the pandemic

After a peak of the 10-year rate in October 2023 at 3.57%, the 10-year rate has been fluctuating between 2.61% and 2.98% since the beginning of 2024. Furthermore, the weighted average yield stood at 2.81% at the end of March 2024, after 3.03% in 2023.

By Aditya Chordia and Elisabetta Ferrara, Euro Rates Strategist at J.P. Morgan – March 2024

After the ECB ended net asset purchases in 2022, investors have been increasingly interested in understanding the dynamics of demand for Euro area government bonds (EGBs) to assess who would be buying these bonds given that ECB was but then stopped being the main price-insensitive buyer via QE.

J.P. Morgan analysis of available data from official sources shows that, after the end of ECB net asset purchases in July 2022 (APP+PEPP), both domestic and foreign investors have been increasing their exposure to Euro area sovereign bonds. Domestic investors have been the main buyers in southern European countries, with especially strong demand coming from retail investors. In core European countries, instead, domestics have remained more cautious and non-domestics have been the main buyers post-QE.

Looking at the different types of investors, we note that post-QE there has been an increase in demand for EGBs coming mainly from pension funds, other domestic residents (especially retail investors) and foreign investors. Insurance companies have continued to be modest net sellers after QE, while demand coming from domestic banks has been mixed across the Euro area.

Since the ECB started its balance sheet reduction via QT in March 2023, this trend has continued in a similar way with non-domestic investors becoming net buyers of government bonds not only in core countries but also increasingly so in rest of the region. Additionally, retail investors have largely stepped-up purchases of government bonds, mainly in southern European countries.

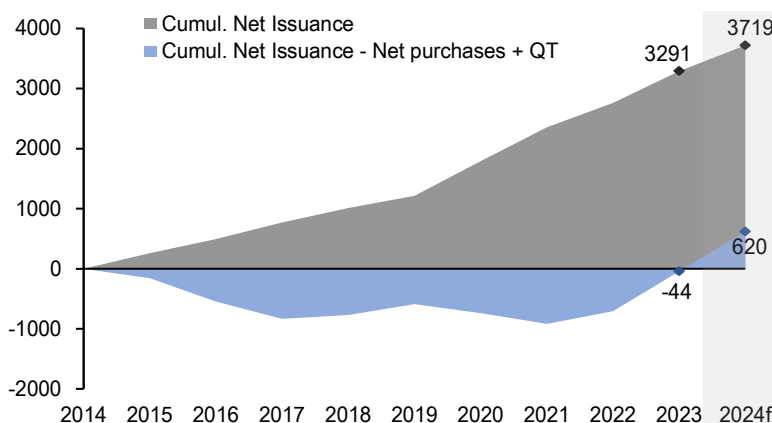
Building on this analysis, our expectation for 2024 is that private sector demand for EGBs will remain firm enough to absorb the ongoing heavy issuance by sovereigns and avoid any material pressure on intra-EMU spreads (Exhibit 1). This view is based on our expectation that yields and spread levels will remain attractive, under our base case of investors increasingly focusing on carry themes as the ECB starts the easing cycle. We indeed expect risk-adjusted carry on Euro area government bond yields and spread to Germany to keep improving during 2024, thus making EGBs attractive also for price-sensitive investors. We believe that 2024 EGBs demand would hold up also because, cumulatively since 2015, investors have been underinvested in Euro area government bonds notwithstanding the growing level of issuance (Exhibit 1). As a result, we would expect investors to continue increasing their EGB exposure after years of net selling into ECB QE. In terms of investor split, our expectation for this year is that domestics would continue to be the main buyers in southern European countries, with retail demand remaining solid, although at a lower pace than seen recently. Non-domestics, even remaining price-sensitive buyers, would continue to buy in core and increasingly so also in rest of the region.

From the available data so far in 2024, there is evidence of a quite strong investor appetite for Euro area government bonds. Indeed, since the start of the year, sovereign issuers have come to the market with new issuances via syndicated deals at around €110bn in January-February, a larger amount than seen over the past couple of years. The statistics on year-to-date EGB syndicates show higher book to deal size ratios relative to previous years, highlighting strong investor appetite for Euro area government bonds, in line with our expectation. Allocation details also indicate larger international investor participation across most Euro area sovereigns, broadly in line with our view that 2024 demand from non-domestics would pick-up across the region. There has been a strong pick-up in demand from central banks/official institutions followed by asset managers and bank treasuries in year-to-date EGB syndicates.

Overall, we expect demand for Euro area government bonds to stay robust over 2024 under our base case. We acknowledge, however, that the EGB supply vs. demand outlook remains in a fine balance, which could get overturned in case of negative shocks such as political noise, higher volatility, ECB staying higher for longer or aggressive QT. Such risk scenarios could indeed quickly raise concerns around Who will buy? the heavy supply of Euro area sovereign bonds.

Exhibit 1: We believe 2024 EGB demand would hold up also because, cumulatively since 2015, investors have been underinvested in Euro area government bonds notwithstanding the growing level of EGB issuance

Summary of Euro area government bond demand during QE and JPM expectations for 2024;



Sources: ECB, JP Morgan

INDICATIVE AUCTION SCHEDULE

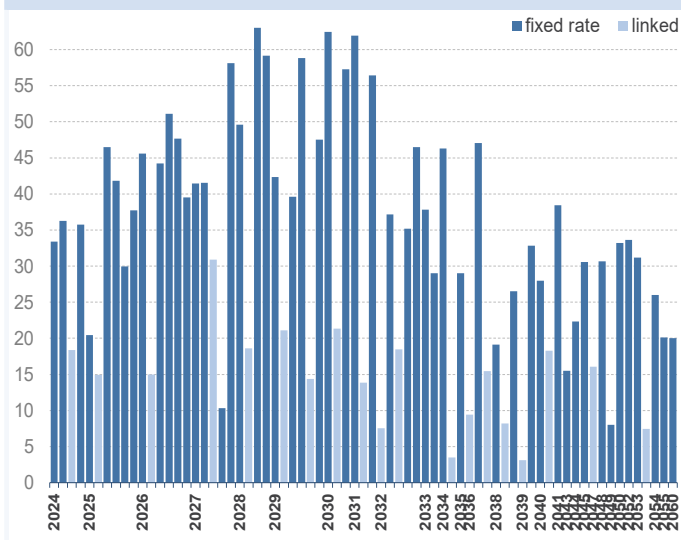
		Short-term					Medium-term	Long-term	Index-linked
April 2024	auction date	2	8	15	22	29	18	4	18
	settlement date	4	10	17	24	02/05	22	8	22
May 2024	auction date	6	13	20	27	/	16	2	16
	settlement date	8	15	23	29	/	20	6	20

 anticipated or delayed (bank holidays, etc.)

Source: Agence France Trésor

MEDIUM- AND LONG-TERM NEGOTIABLE GOVERNMENT DEBT AT 29 FEBRUARY 2024

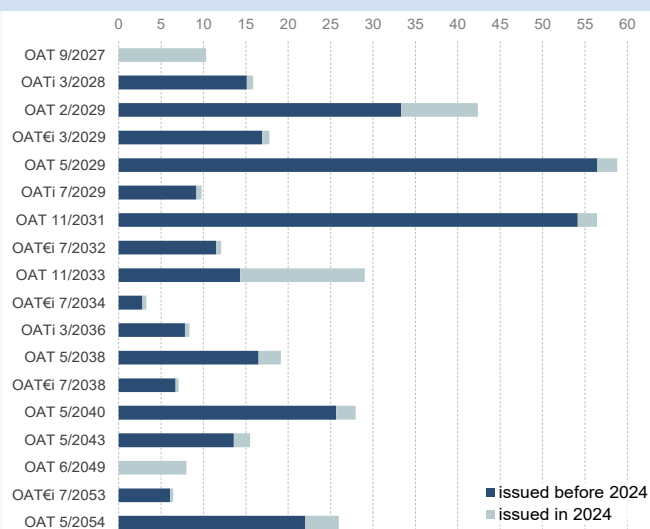
NOMINAL VALUE OF EACH LINE, IN € BILLION



Source: Agence France Trésor

MEDIUM- AND LONG-TERM: SECURITIES ISSUED DURING THE YEAR AND TOTAL ISSUANCE AT 29 FEBRUARY 2024

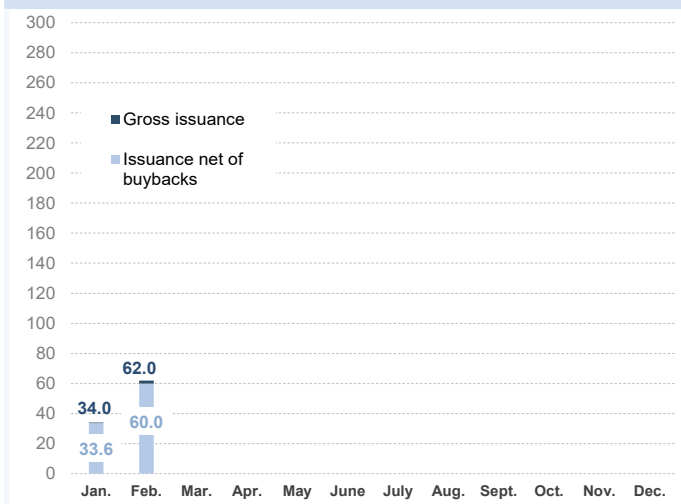
IN € BILLION



Source: Agence France Trésor

ISSUANCE AT 29 FEBRUARY 2024

IN € BILLION



Source: Agence France Trésor

MEDIUM- AND LONG-TERM: PROVISIONAL MATURITY SCHEDULE AT 29 FEBRUARY 2024

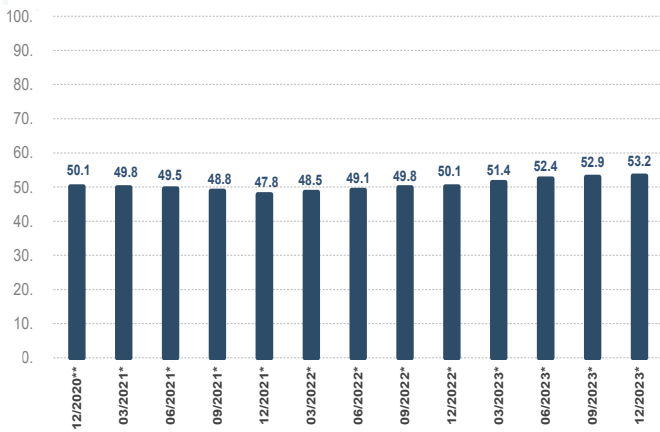
IN € BILLION

Month	Coupon	Redemption
Mar-24	0.1	33.4
Apr-24	8.4	
May-24	11.6	36.3
Jun-24	0.9	
Jul-24	2.3	18.7
Aug-24		
Sep-24	1.3	
Oct-24	6.5	
Nov-24	3.2	35.8
Dec-24		
Jan-25		
Feb-25	1.4	21.5

Source: Agence France Trésor

NON-RESIDENT HOLDERS OF NEGOTIABLE GOVERNMENT DEBT IN FOURTH QUARTER OF 2023

AS A % OF NEGOTIABLE DEBT OUTSTANDING
EXPRESSED IN MARKET VALUE



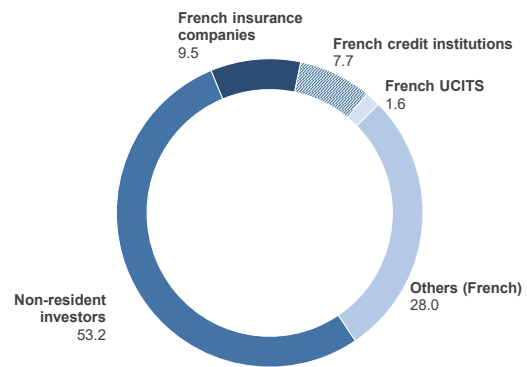
(*) figures quarterly revised

(**) figures annually revised

Source: Banque de France

NEGOTIABLE GOVERNMENT DEBT BY GROUP OF HOLDERS IN FOURTH QUARTER OF 2023

STRUCTURE IN % EXPRESSED IN MARKET VALUE



Source: Banque de France

NEGOTIABLE GOVERNMENT DEBT AT 29 FEBRUARY 2024

IN EUROS

Total medium- and long-term debt	2,289,916,542,390
Total stripping activity	46,945,235,000
Average maturity	9 years and 40 days
Total short-term debt	173,822,000,000
Average maturity	124 days
Total outstanding	2,463,738,542,390
Average maturity	8 years and 179 days

Source: Agence France Trésor

NEGOTIABLE GOVERNMENT DEBT SINCE 2020 AT 29 FEBRUARY 2024

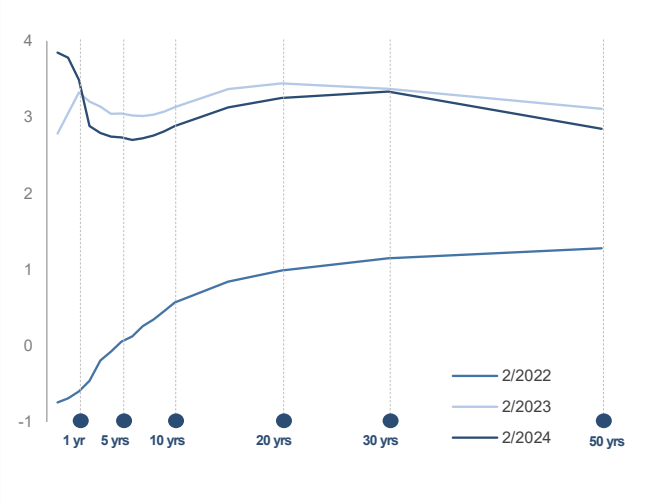
IN € BILLION

	End 2021	End 2022	End 2023	End january 2024	End february 2024
Negotiable government debt outstanding	2,145	2,278	2,430	2,463	2,464
<i>of which index-linked securities</i>	236	262	271	273	276
Medium- and long-term	1,990	2,129	2,261	2,294	2,290
Short-term	155	148	169	170	174
Average maturity of the negotiable debt	8 years	8 years	8 years	8 years	8 years
	153 days	184 days	168 days	164 days	179 days

Source: Agence France Trésor

YIELD CURVE FOR FRENCH GOVERNMENT SECURITIES

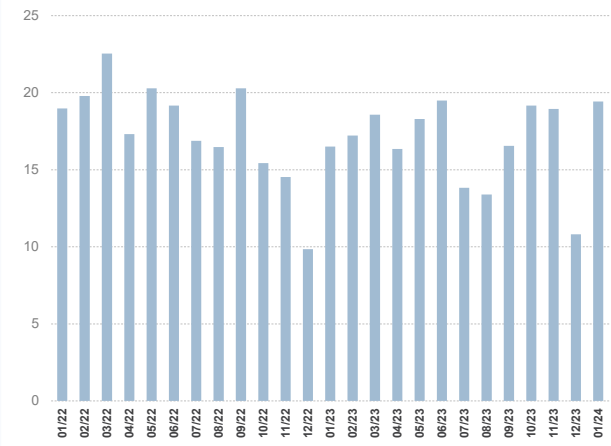
END-OF-MONTH VALUE, %



Source: Bloomberg

AVERAGE DAILY VOLUME OF MEDIUM- AND LONG-TERM TRANSACTIONS

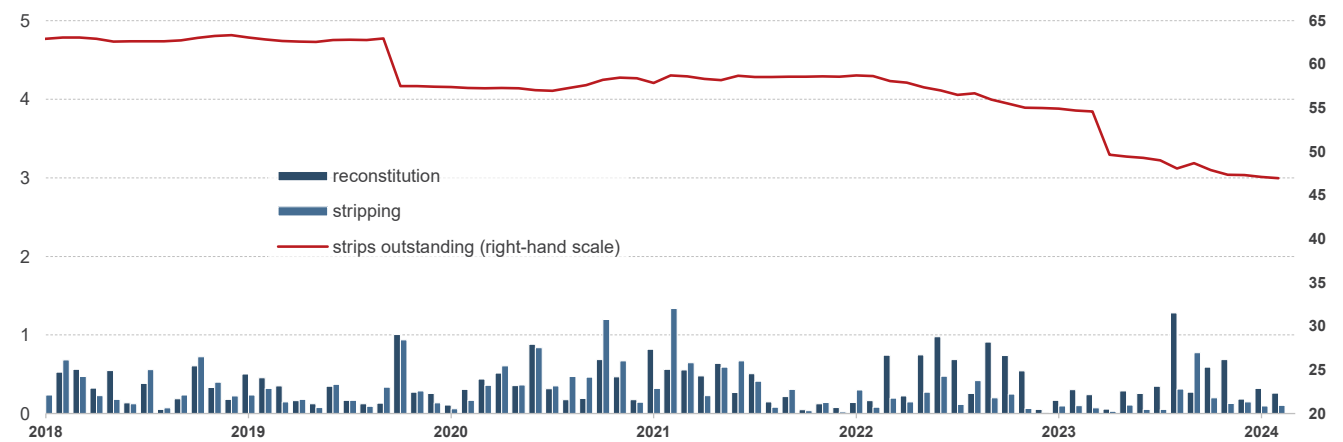
IN € BILLION



Source: reporting by primary dealers in government securities, excluding flows arising from the Eurosystem public sector purchase programme

TOTAL STRIPPING AND RECONSTITUTION

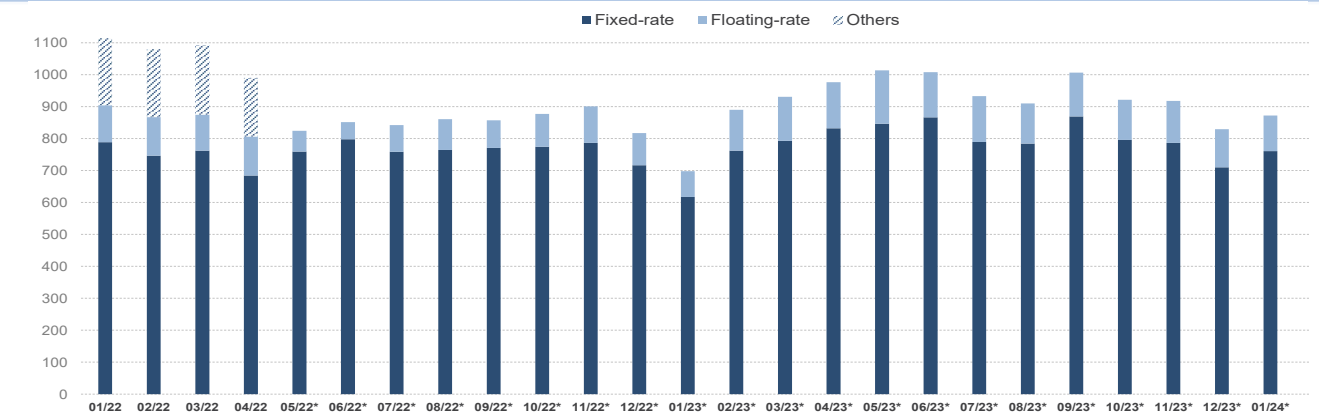
IN € BILLION



Source: Euroclear

PRIMARY DEALERS, CUMULATED REPO OUTSTANDING AT END OF MONTH

IN € BILLION



*new reporting framework now based on face value data

Source: reporting by primary dealers in government securities

SHORT-TERM DEBT AT 29 FEBRUARY 2024

ISIN Code	Maturity	Outstanding(€)
FR0127921304	BTF 6 March 2024	7,760,000,000
FR0128071000	BTF 13 March 2024	4,675,000,000
FR0127613513	BTF 20 March 2024	8,906,000,000
FR0128227693	BTF 27 March 2024	2,999,000,000
FR0128227685	BTF 4 April 2024	7,028,000,000
FR0128227701	BTF 10 April 2024	6,911,000,000
FR0127921064	BTF 17 April 2024	9,076,000,000
FR0128227719	BTF 24 April 2024	6,601,000,000
FR0128071034	BTF 2 May 2024	8,213,000,000
FR0128227727	BTF 8 May 2024	6,471,000,000
FR0127921072	BTF 15 May 2024	7,658,000,000
FR0128227735	BTF 23 May 2024	7,309,000,000
FR0128071042	BTF 29 May 2024	4,563,000,000
FR0127921080	BTF 12 June 2024	9,590,000,000
FR0127921312	BTF 10 July 2024	10,779,000,000
FR0128227768	BTF 24 July 2024	6,442,000,000
FR0127921320	BTF 7 August 2024	9,098,000,000
FR0128227776	BTF 21 August 2024	5,718,000,000
FR0127921338	BTF 4 September 2024	7,855,000,000
FR0128071059	BTF 2 October 2024	7,214,000,000
FR0128071067	BTF 30 October 2024	8,446,000,000
FR0128071075	BTF 27 November 2024	4,592,000,000
FR0128227792	BTF 2 January 2025	7,199,000,000
FR0128227800	BTF 29 January 2025	6,722,000,000
FR0128227818	BTF 26 February 2025	1,997,000,000

MEDIUM- AND LONG-TERM DEBT (MATURING 2024-2027) AT 29 FEBRUARY 2024

ISIN Code	Bond	Outstanding(€)	Ind. Coeff.	Face value(€)	Stripped(€)	CAC*
Maturity 2024		123,801,036,360				
FR0013344751	OAT 0.00% 25 March 2024	33,403,000,000			0	x
FR0011619436	OAT 2.25% 25 May 2024	36,268,000,000			0	x
FR0011427848	OAT€i 0.25% 25 July 2024	18,359,036,360 (1)	1.25369	14,644,000,000	0	x
FR0011962398	OAT 1.75% 25 November 2024	35,771,000,000			37,000,000	x
Maturity 2025		191,338,354,108				
FR0014007TY9	OAT 0.00% 25 February 2025	20,429,000,000			0	x
FR0012558310	OATi 0.10% 1 March 2025	14,932,425,990 (1)	1.17643	12,693,000,000	0	x
FR0013415627	OAT 0.00% 25 March 2025	46,464,000,000			0	x
FR0012517027	OAT 0.50% 25 May 2025	41,835,000,000			0	x
FR0000571150	OAT 6.00% 25 October 2025	29,955,928,118			2,569,834,400	
FR0012938116	OAT 1.00% 25 November 2025	37,722,000,000			0	x
Maturity 2026		243,072,955,840				
FR0013508470	OAT 0.00% 25 February 2026	45,590,000,000			0	x
FR0013519253	OAT€i 0.10% 1 March 2026	14,979,955,840 (1)	1.17619	12,736,000,000	0	x
FR0010916924	OAT 3.50% 25 April 2026	44,202,000,000			0	
FR0013131877	OAT 0.50% 25 May 2026	51,113,000,000			0	x
FR001400FYQ4	OAT 2.50% 24 September 2026	47,661,000,000			0	x
FR0013200813	OAT 0.25% 25 November 2026	39,527,000,000			0	x
Maturity 2027		182,314,391,230				
FR0014003513	OAT 0.00% 25 February 2027	41,446,000,000			0	x
FR0013250560	OAT 1.00% 25 May 2027	41,534,000,000			0	x
FR0011008705	OAT€i 1.85% 25 July 2027	30,915,391,230 (1)	1.31931	23,433,000,000	0	
FR001400NBC6	OAT 2.50% 24 September 2027	10,319,000,000			0	x
FR0011317783	OAT 2.75% 25 October 2027	58,100,000,000			25,273,600	

(1) face value x indexation coefficient (face value if coefficient < 1)

* Like all euro area bonds, the bonds issued after 1 March 2013 have collective action clauses (CACs), which means that they are not fungible with bonds issued prior to this date.

MEDIUM- AND LONG-TERM DEBT (MATURING IN 2028 AND BEYOND) AT 29 FEBRUARY 2024

ISIN Code	Bond	Outstanding(€)	Ind. Coeff.	Face value(€)	Stripped(€)	CAC*
Maturity 2028		190,704,987,798				
FR001400AIN5	OAT 0.75% 25 February 2028	49,601,000,000			0	x
FR0013238268	OATi 0.10% 1 March 2028	18,625,919,730 (1)	1.17447	15,859,000,000	0	x
FR0000571226	OAT zero coupon 28 March 2028	35,068,068 (2)		46,232,603	–	
FR0013286192	OAT 0.75% 25 May 2028	63,275,000,000			0	x
FR0013341682	OAT 0.75% 25 November 2028	59,168,000,000			0	x
Maturity 2029		223,812,579,254				
FR001400HI98	OAT 2.75% 25 February 2029	42,357,000,000			0	x
FR0013410552	OATe 0.10% 1 March 2029	21,110,114,760 (1)	1.18783	17,772,000,000	0	x
FR0000571218	OAT 5.50% 25 April 2029	39,618,880,458			1,215,967,100	
FR0013407236	OAT 0.50% 25 May 2029	58,805,000,000			0	x
FR0000186413	OATi 3.40% 25 July 2029	14,391,584,036 (1)	1.47136	9,781,144,000	0	
FR0013451507	OAT 0.00% 25 November 2029	47,530,000,000			0	x
Maturity 2030		141,064,150,880				
FR0011883966	OAT 2.50% 25 May 2030	62,459,000,000			0	x
FR0011982776	OATe 0.70% 25 July 2030	21,326,150,880 (1)	1.23759	17,232,000,000	0	x
FR0013516549	OAT 0.00% 25 November 2030	57,279,000,000			0	x
Maturity 2031		132,174,132,820				
FR0012993103	OAT 1.50% 25 May 2031	61,915,000,000			30,900,000	x
FR0014001N38	OATe 0.10% 25 July 2031	13,831,132,820 (1)	1.17802	11,741,000,000	0	x
FR0014002WK3	OAT 0.00% 25 November 2031	56,428,000,000			0	x
Maturity 2032		144,862,171,390				
FR0014003N51	OATi 0.10% 1 March 2032	7,520,994,510 (1)	1.12877	6,663,000,000	0	x
FR0014007L00	OAT 0.00% 25 May 2032	37,183,000,000			0	x
FR0000188799	OATe 3.15% 25 July 2032	18,459,854,280 (1)	1.52586	12,098,000,000	0	
FR0000187635	OAT 5.75% 25 October 2032	35,192,322,600			8,813,317,400	
FR001400BKZ3	OAT 2.00% 25 November 2032	46,506,000,000			0	x
Maturity 2033		66,832,000,000				
FR001400H7V7	OAT 3.00% 25 May 2033	37,804,000,000			0	x
FR001400L834	OAT 3.50% 25 November 2033	29,028,000,000			0	x
Maturity 2034		49,803,743,230				
FR0013313582	OAT 1.25% 25 May 2034	46,294,000,000			0	x
FR001400JI88	OATe 0.60% 25 July 2034	3,509,743,230 (1)	1.07037	3,279,000,000	0	x
Maturity in 2035 and beyond		600,136,039,480				
FR0010070060	OAT 4.75% 25 April 2035	29,004,000,000			1,610,687,000	
FR0013524014	OATi 0.10% 1 March 2036	9,420,686,100 (1)	1.12553	8,370,000,000	0	x
FR0013154044	OAT 1.25% 25 May 2036	47,051,000,000			0	x
FR0013327491	OATe 0.10% 25 July 2036	15,473,200,890 (1)	1.21387	12,747,000,000	0	x
FR0014009O62	OAT 1.25% 25 May 2038	19,145,000,000			0	x
FR001400AQH0	OATe 0.10% 25 July 2038	8,199,420,960 (1)	1.15664	7,089,000,000	0	x
FR0010371401	OAT 4.00% 25 October 2038	26,534,000,000			4,248,096,400	
FR001400IKW5	OATi 0.55% 1 March 2039	3,107,760,000 (1)	1.03592	3,000,000,000	0	x
FR0013234333	OAT 1.75% 25 June 2039	32,852,000,000			0	x
FR0013515806	OAT 0.50% 25 May 2040	27,956,000,000			0	x
FR0010447367	OATe 1.80% 25 July 2040	18,274,236,470 (1)	1.41343	12,929,000,000	0	
FR0010773192	OAT 4.50% 25 April 2041	38,446,000,000			3,849,399,000	
FR001400CMX2	OAT 2.50% 25 May 2043	15,502,000,000			28,700,000	x
FR0014002JM6	OAT 0.50% 25 June 2044	22,310,000,000			0	x
FR0011461037	OAT 3.25% 25 May 2045	30,557,000,000			888,110,000	x
FR0013209871	OATe 0.10% 25 July 2047	16,045,876,980 (1)	1.23174	13,027,000,000	0	x
FR0013257524	OAT 2.00% 25 May 2048	30,644,000,000			613,650,000	x
FR001400NEF3	OAT 3.00% 25 June 2049	8,000,000,000			0	x
FR0013404969	OAT 1.50% 25 May 2050	33,195,000,000			157,900,000	x
FR0013480613	OAT 0.75% 25 May 2052	33,622,000,000			722,100,000	x
FR0014004J31	OAT 0.75% 25 May 2053	31,169,000,000			270,000,000	x
FR0014008181	OATe 0.10% 25 July 2053	7,456,858,080 (1)	1.15664	6,447,000,000	0	x
FR001400FTH3	OAT 3.00% 25 May 2054	25,978,000,000			739,650,000	x
FR0010171975	OAT 4.00% 25 April 2055	20,118,000,000			10,983,418,000	
FR0010870956	OAT 4.00% 25 April 2060	20,029,000,000			8,866,652,100	
FR0013154028	OAT 1.75% 25 May 2066	16,828,000,000			1,148,480,000	x
FR0014001NN8	OAT 0.50% 25 May 2072	13,218,000,000			126,100,000	x

Caisse de la Dette Publique securities reserve outstanding at 29 February 2024
€20 billion, including €0 in outstanding repos on average over the month
Details of the securities in this reserve can be found on [the AFT website](#)

(1) Face value x indexation coefficient (face value if coefficient < 1)

(2) Revised on 28 March 2023; not open to subscription

* Like all euro area bonds, the bonds issued after 1 March 2013 have collective action clauses (CACs), which means that they are not fungible with bonds issued prior to this date.

MOST RECENT ECONOMIC INDICATORS

Industrial output, year-on-year	0.8%	Jan. 2024
Household consumption*, year-on-year	-1.0%	Jan. 2024
Unemployment rate (ILO)	7.5%	Q3-2022
Consumer prices, year-on-year		
• all items	3.0%	Feb. 2024
• all items excluding tobacco	2.7%	Feb. 2024
Trade balance, fob-fob, sa (€bn)	-€6.9bn	Jan. 2024
" "	-€6.4bn	Dec. 2023
Current account balance, sa (€bn)	-€1.0bn	Jan. 2024
" "	-€0.2bn	Dec. 2023
10-year constant maturity rate (TEC10)	2.83%	29 Mar. 2024
3-month interest rate (Euribor)	3.89%	29 Mar. 2024
EUR / USD	1.08	29 Mar. 2024
EUR / JPY	163.16	29 Mar. 2024

* manufactured products

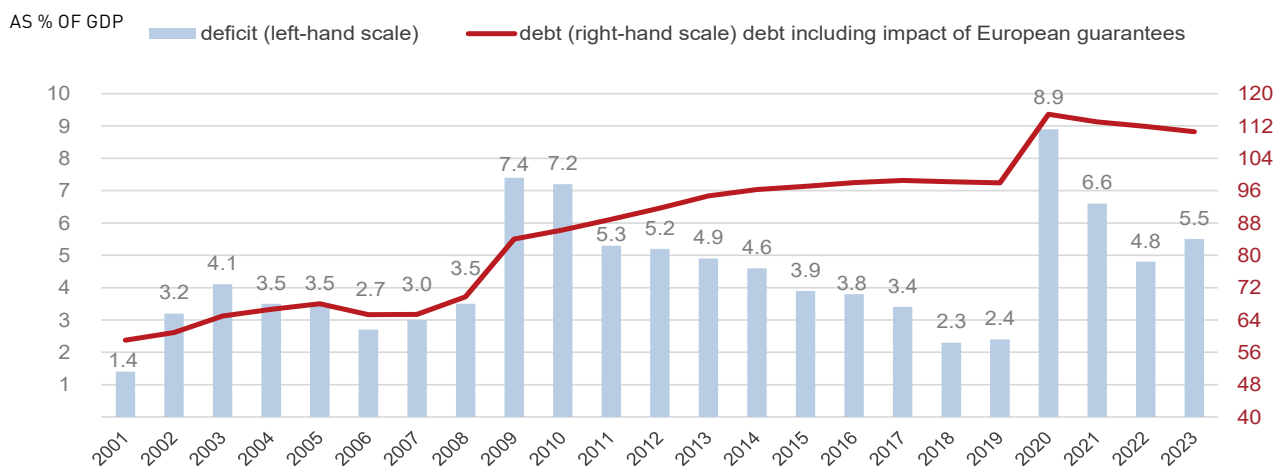
Sources: Insee, MEFSIM, Banque de France

MONTHLY GOVERNMENT BUDGET POSITION

	2022		end of January level		
	2022	2023	2022	2023	2024
General budget balance	-158.20	-168.16	-11.89	-16.35	-22.61
Revenue	354.74	361.72	23.53	23.02	20.83
Expenditure	512.94	519.92	34.42	39.37	43.44
Balance of special Treasury accounts	6.73	-5.10	-4.04	-4.80	-3.14
General budget outturn	-151.44	-173.26	-15.93	-21.15	-25.74

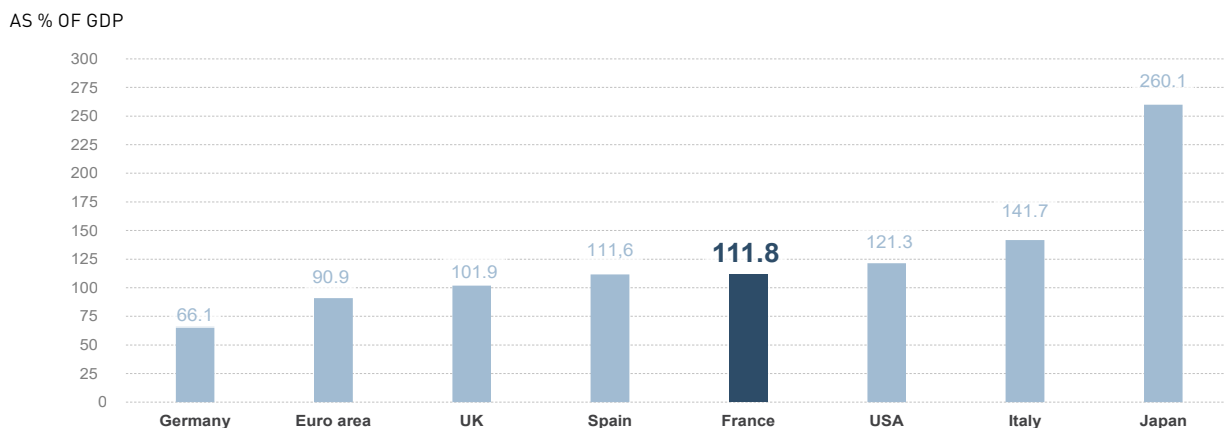
Source: Ministry of the Economy, Finance and Industrial and Digital Sovereignty

PUBLIC FINANCES: DEFICIT AND DEBT




Source: Insee


GENERAL GOVERNMENT DEBT IN 2022



Sources: Eurostat, IMF, Insee

APRIL 2024 

3 Inflation (HICP) : March index (preliminary results)	5 Industrial production: February index	9 Foreign trade by value in February	9 Balance of payments	12 Consumer prices: March index (final results)	15 Net international reserves in February
17 Inflation (HICP): March index (final)	25 Monthly business survey (goods- producing industries) in April	26 Consumer confidence survey: April survey	30 Household consumption expenditures on goods in March	30 Quarterly national accounts: initial estimate Q1	30 Industrial producer and import price: March indices
30 Consumer prices: April index (preliminary results)	30 Inflation (HICP) : April index (preliminary results)				

MAY 2024 

2 Inflation (HICP) : April index (preliminary results)	3 Industrial production: March index	7 Foreign trade by value in March	7 Balance of payments	7 Flash estimate of payroll employment	15 Net international reserves in March
15 Consumer prices: April index (final results)	17 ILO unemployment rate	17 Inflation (HICP): April index (final)	24 Monthly business survey (goods- producing industries) in May	29 Consumer confidence survey: May survey	31 Household consumption expenditures on goods in May
31 Quarterly national accounts: final results Q1	31 Industrial producer and import price: April indices	31 Consumer prices: May index (preliminary results)	31 Payroll employment (final results)		

Sources: Insee, Eurostat

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