

News at Agence France Trésor <i>page 1</i>	Economic news <i>page 2</i>	General debt-related data <i>page 3</i>	Secondary market <i>page 5</i>	Negotiable government debt <i>page 6</i>	The French economy and international comparisons <i>page 8</i>
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Agence France Trésor is tasked with managing the government debt and cash positions under the most secure conditions in the interest of the taxpayer.

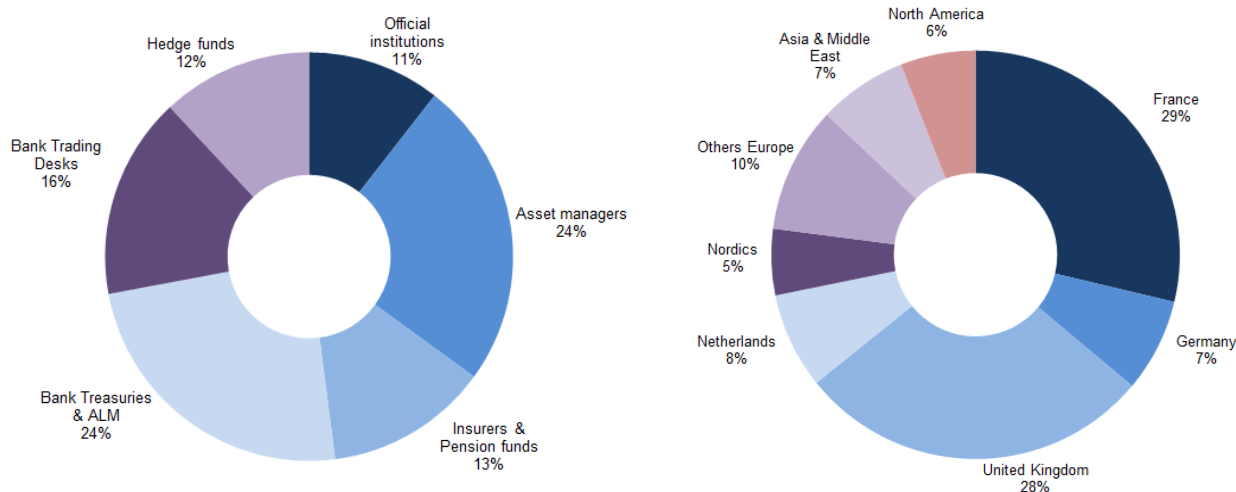
News at Agence France Trésor

France conducts a syndicated tap issue of the Green OAT 1.75% 25 June 2039 to raise €4bn

In response to investors' warm welcome of the release of the first allocation and output [report on the expenditure matched to Green OAT issuance in 2017](#), Agence France Trésor conducted a syndicated tap issue of the Green OAT 1.75% 25 June 2039, raising €4bn on 26 June.

The syndicated issue was conducted under highly secure conditions and attracted lively investor interest, with total demand of €13.75bn. Yield at issue stood at 1.462%, providing France with financing for green eligible expenditure matched to the Green OAT in 2018. At the start of the year, this expenditure was set at a maximum of €8bn. The financing comes at a low cost over a long period.

Some 136 end investors took part in the deal. The allocation testifies to the diversified investor base, both in terms of the geographical and sector distribution of investors (see charts).



Source : Agence France Trésor

The following investors wished to disclose their participation in the issue:

Achmea Investment Management BV, AG2R La Mondiale, Axa IM, Bankhaus Lampe, Barclays treasury, CASA, Candriam, CIC, Deutsche Apo, Donner & Reuschel, ERAFP, Generali France, HSBC AM, MAIF, Mutuelle d'Ivry, Nordea IM, PGGM Vermogensbeheer BV, ProBTP, Sparkasse Pforzheim, Swedish AP2, Triodos.

Outstanding Green OAT issuance now stands at €14.8bn, testifying once again to the importance France attaches to financing energy transition and bolstering its position as the leading sovereign issuer on the green finance market.

When the Green OAT was first issued in January 2017, and in addition to the expenditure allocation and output report, http://www.aft.gouv.fr/rubriques/green-oat_1661.html, France also made other reporting commitments, notably to report on the actual environmental impact of green expenditure matched to green bond issuance. The "Green Bond Evaluation Council", made up of independent scientists and economists of international repute, was inaugurated on 11 December 2017. Its task is to evaluate the environmental performance of the Eligible Green Expenditure. The Council's next meeting will be held in July 2018 and its first impact assessment report on the French energy transition tax credit (CITE) will be published before the end of the year.

The Pensions Advisory Council updates its pension forecasts

Annual report June 2018, Pensions Advisory Council (COR)

The Pensions Advisory Council, which is an independent advisory and coordination body, is responsible for tracking the long-term outlook for mandatory pension schemes in France.

In this capacity, it published its latest annual report on 14 June 2018. The report updates a serie of projections including pension system expenditures on the basis of the new economic assumptions in the Stability Programme and no change to legislation.

The Pensions Advisory Council publishes projections up to 2070 that are based on four variations of long-term labour productivity growth assumptions.

It uses the Insee demographic and labour force projections for the period from 2013 to 2070. These projections now cover all of France and not just metropolitan France, as was the case for the previous projections. This change has only a minor impact on the actual and projected series of demographic indicators tracked by the Pensions Advisory Council, therefore on resulting financial indicators.

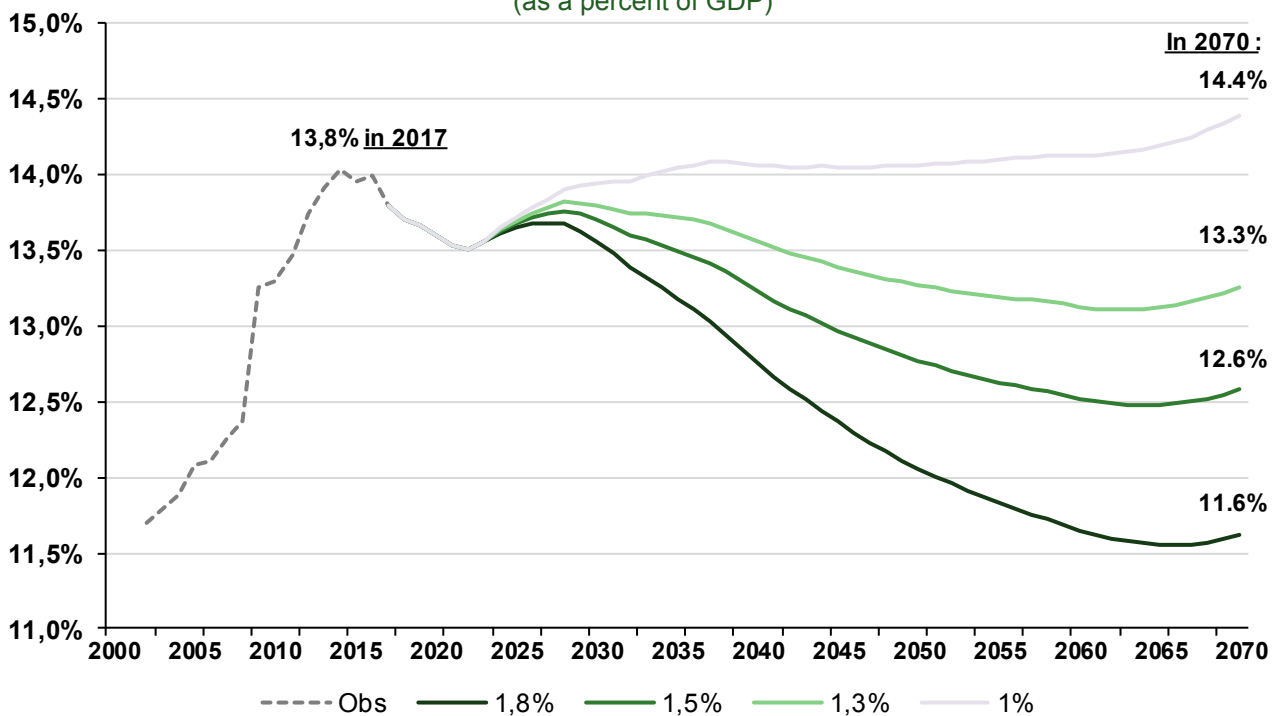
The 2018 annual report presents projections under four long-term labour productivity growth assumptions: 1.0%, 1.3%, 1.5% and 1.8%. These assumptions have a decisive impact on the financial equilibrium of pension schemes.

Under these assumptions, the ratio of pension system expenditure to GDP is lower over the forecast period compared to the 2017 forecast in all cases, except for the 1% productivity growth scenario, despite a slight uptick at the end of the period.

The lower ratio stems from: (i) lower average pension benefits relative to working income and (ii) the higher retirement age, which more than offset (iii) the higher proportion of elderly in the population. This trend stems from a succession of pension reforms and changing patterns in work histories.

Actual and projected pension system expenditure

(as a percent of GDP)



Source: Pensions Advisory Council, June 2018.

General debt-related data

Indicative auction schedule

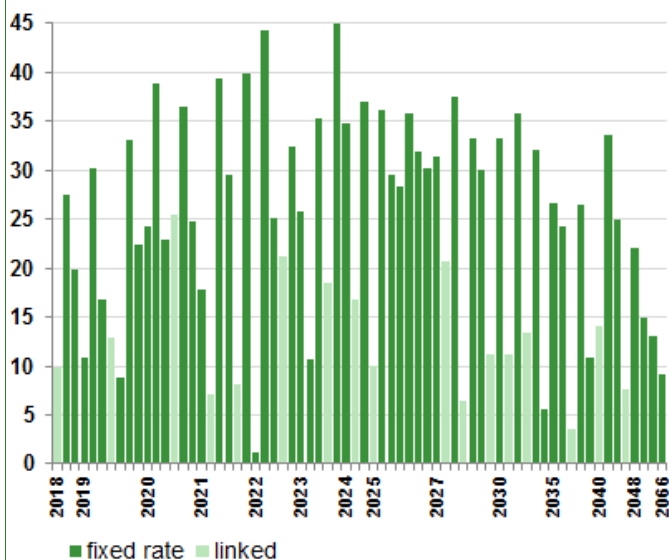
		Short-term					Medium-term	Long-term	Index-linked
July 2018	auction date	2	9	16	23	30	19	5	19
	settlement date	4	11	18	25	1 August	23	9	23
August 2018	auction date	6	13	20	27	/	2	2	2
	settlement date	8	15	22	29	/	6	6	6

optional auctions

Source: Agence France Trésor

Medium- and long-term negotiable government debt at 31 May 2018

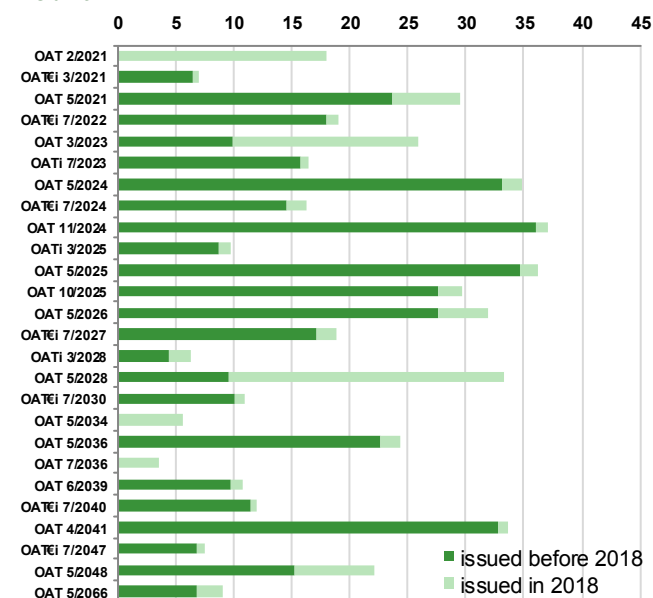
Nominal value of each line, in € billion



Source: Agence France Trésor

Medium- and long-term: securities issued during the year and total issuance at 31 May 2018

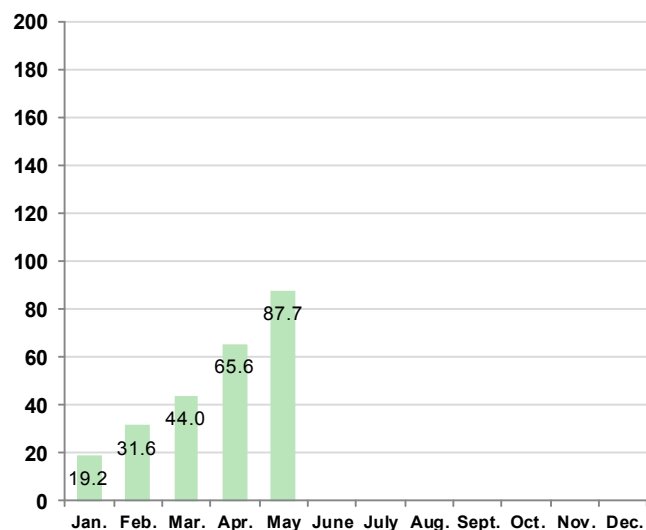
In € billion



Source: Agence France Trésor

Issuance net of buybacks at 31 May 2018

In € billion



Source: Agence France Trésor

Medium- and long-term: provisional maturity schedule at 31 May 2018

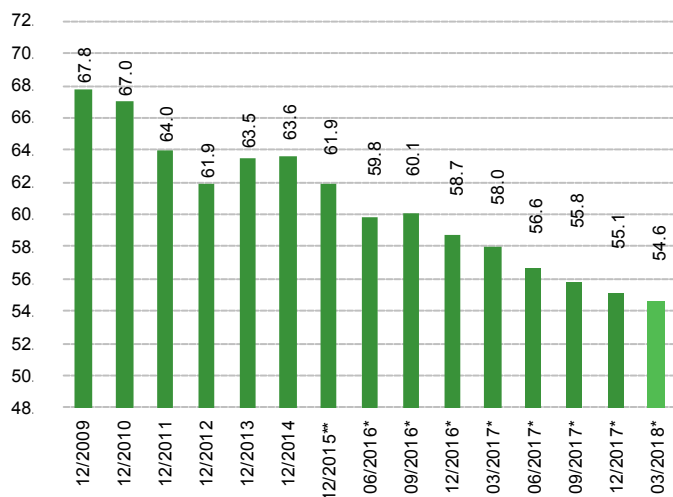
In € billion

Month	Coupon	Redemption
Jun-18	0.2	
Jul-18	3.0	9.9
Aug-18		
Sep-18		
Oct-18	13.7	27.5
Nov-18	1.4	19.9
Dec-18		
Jan-19		
Feb-19		10.9
Mar-19	0.0	
Apr-19	13.3	30.2
May-19	5.6	16.9

Source: Agence France Trésor

Non-resident holders of negotiable government debt in first quarter of 2018

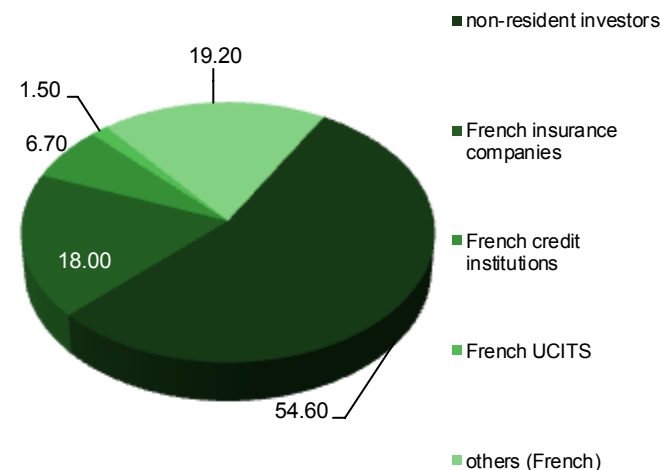
As a % of negotiable debt outstanding expressed in market value



(*) figures quarterly revised
(**) figures annually revised
Source: Banque de France

Negotiable government debt by group of holders in first quarter of 2018

Structure in % expressed in market value



Source: Banque de France

Negotiable government debt at 31 May 2018

In euros

Total medium- and long-term debt	1,590,294,122,844
Total stripping activity	62,610,334,700
Average maturity	8 years and 199 days
Total short-term debt	130,655,000,000
Average maturity	113 days
TOTAL OUTSTANDING	1,720,949,122,844
Average maturity	7 years and 336 days

Source: Agence France Trésor

Negotiable government debt since 2015 at 31 May 2018

In € billion

	End 2015	End 2016	End 2017	End April 2018	End May 2018
Negotiable government debt outstanding	1,576	1,621	1,686	1,718	1,721
<i>of which index-linked securities</i>	190	200	202	214	218
Medium- and long-term	1,424	1,487	1,560	1,584	1,590
short-term	153	134	126	134	131
Average maturity of the negotiable debt					
	7 years	7 years	7 years	7 years	7 years
	47 days	195 days	296 days	322 days	336 days

Source: Agence France Trésor



Yield curve for French government securities

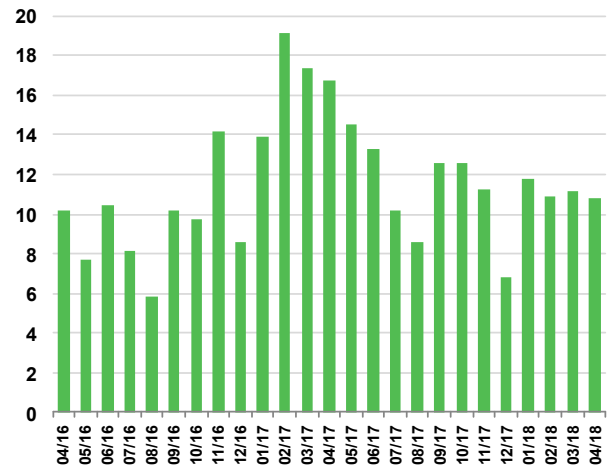
End-of-month value, %



Source: Bloomberg

Average daily volume of medium- and long-term transactions

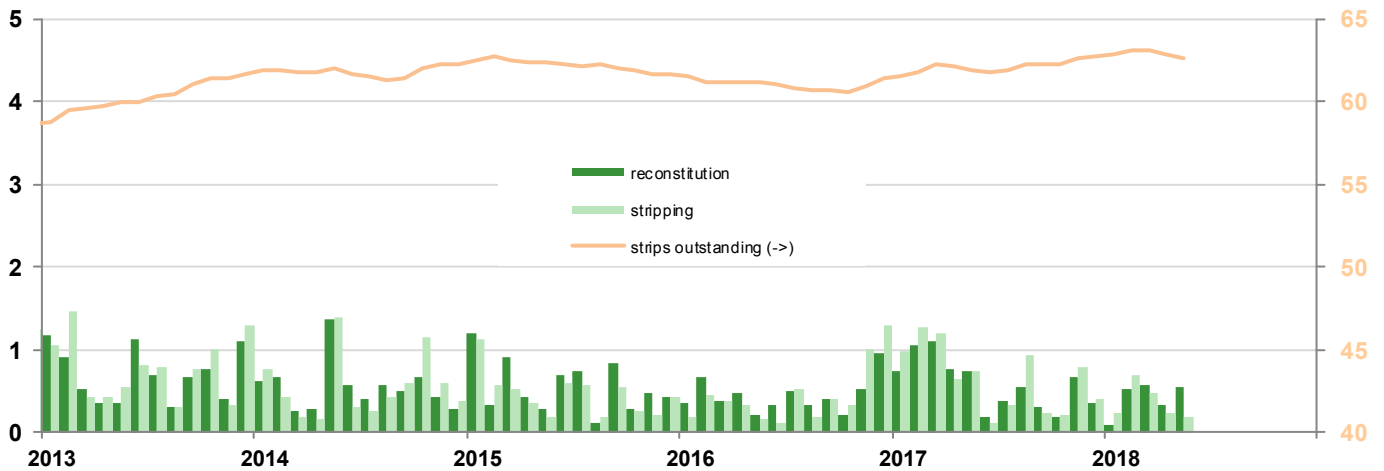
In € billion



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

Total stripping and reconstitution

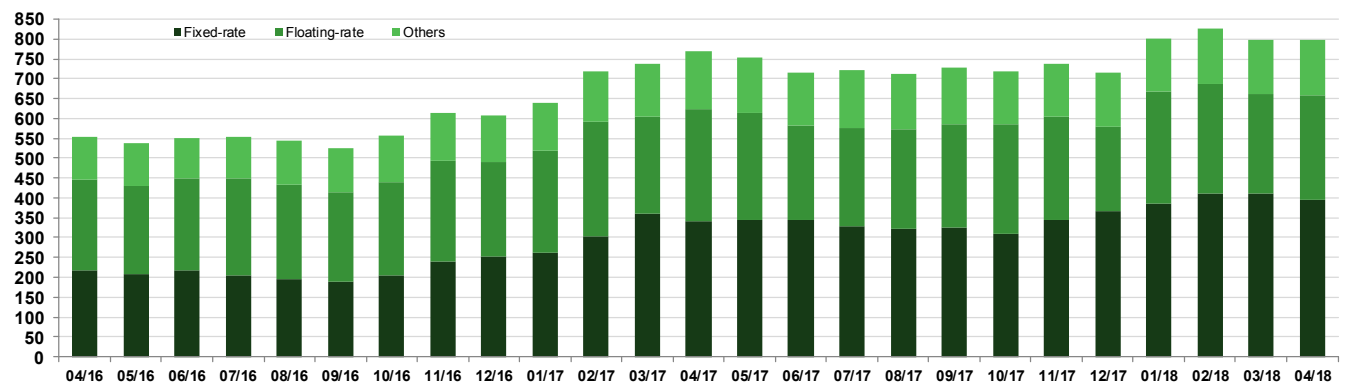
In € billion



Source: Euroclear

Primary dealers, repo outstanding at end of month

In € billion



Source: reporting by primary dealers in government securities

Short-term debt at 31 May 2018

	Maturity	Outstanding (€)
BTF	13 June 2018	8,240,000,000
BTF	20 June 2018	9,282,000,000
BTF	27 June 2018	6,995,000,000
BTF	4 July 2018	6,333,000,000
BTF	11 July 2018	7,380,000,000
BTF	18 July 2018	3,632,000,000
BTF	25 July 2018	7,191,000,000
BTF	1 August 2018	7,636,000,000
BTF	8 August 2018	6,350,000,000
BTF	15 August 2018	4,089,000,000
BTF	22 August 2018	7,527,000,000
BTF	29 August 2018	5,228,000,000
BTF	12 September 2018	1,947,000,000
BTF	26 September 2018	4,822,000,000
BTF	10 October 2018	4,734,000,000
BTF	24 October 2018	4,146,000,000
BTF	7 November 2018	4,847,000,000
BTF	5 December 2018	2,175,000,000
BTF	4 January 2019	5,257,000,000
BTF	30 January 2019	6,145,000,000
BTF	27 February 2019	5,540,000,000
BTF	27 March 2019	4,755,000,000
BTF	25 April 2019	4,890,000,000
BTF	22 May 2019	1,514,000,000

Medium- and long-term debt (maturing 2018-2021) at 31 May 2018

ISIN Code	Bond	Outstanding (€)	Ind. Coeff.	Face value	Stripped (€)
	Maturity 2018	57,298,566,735			
FR0011237643	OAT€i 0.25% 25 July 2018	9,841,566,735 (1)	1.06701	9,223,500,000	0
FR0010670737	OAT 4.25% 25 October 2018	27,527,000,000			0
FR0011523257	OAT 1.00% 25 November 2018*	19,930,000,000			20,000,000
	Maturity 2019	135,112,973,559			
FR0013101466	OAT 0.00% 25 February 2019*	10,880,000,000			0
FR0000189151	OAT 4.25% 25 April 2019	30,198,000,000			0
FR0011708080	OAT 1.00% 25 May 2019*	16,880,000,000			0
FR0010850032	OATi 1.30% 25 July 2019	12,818,906,000 (1)	1.09190	11,740,000,000	0
FR0000570921	OAT 8.50% 25 October 2019	8,844,392,893			5,596,585,100
FR0010776161	OAT 3.75% 25 October 2019	33,075,000,000			0
FR0011993179	OAT 0.50% 25 November 2019*	22,377,000,000			5,000,000
FR0000570954	OAT cap. 9.82% 31 December 2019	39,674,666 (2)		6,692,154	-
	Maturity 2020	172,895,713,800			
FR0013232485	OAT 0.00% 25 February 2020*	24,209,000,000			0
FR0010854182	OAT 3.50% 25 April 2020	38,946,000,000			0
FR0012557957	OAT 0.00% 25 May 2020*	22,969,000,000			0
FR0010050559	OAT€i 2.25% 25 July 2020	25,427,713,800 (1)	1.25198	20,310,000,000	0
FR0010949651	OAT 2.50% 25 October 2020	36,562,000,000			0
FR0012968337	OAT 0.25% 25 November 2020*	24,782,000,000			0
	Maturity 2021	141,800,991,440			
FR0013311016	OAT 0.00% 25 February 2021*	17,890,000,000			0
FR0013140035	OAT€i 0.10% 1 March 2021*	7,098,167,440 (1)	1.02634	6,916,000,000	0
FR0010192997	OAT 3.75% 25 April 2021	39,352,000,000			0
FR0013157096	OAT 0.00% 25 May 2021*	29,504,000,000			0
FR0011347046	OATi 0.10% 25 July 2021	8,065,824,000 (1)	1.03408	7,800,000,000	0
FR0011059088	OAT 3.25% 25 October 2021	39,891,000,000			0

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

(2) Including coupons capitalised at 31 December 2017; not open to subscription

* Like all euro area bonds, the bonds issued after 1 January 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 2022 and beyond) at 31 May 2018

ISIN Code	Bond	Outstanding (€)	Ind. Coeff.	Face value	Stripped (€)
Maturity 2022		124,313,838,600			
FR0000571044	OAT 8.25% 25 April 2022	1,243,939,990			508,888,400
FR0011196856	OAT 3.00% 25 April 2022	44,359,000,000			0
FR0013219177	OAT 0.00% 25 May 2022*	25,105,000,000			0
FR0010899765	OAT€i 1.10% 25 July 2022	21,160,898,610	(1) 1.11297	19,013,000,000	0
FR0011337880	OAT 2.25% 25 October 2022	32,445,000,000			0
Maturity 2023		135,074,539,903			
FR0013283686	OAT 0.00% 25 March 2023*	25,861,000,000			0
FR0000571085	OAT 8.50% 25 April 2023	10,606,195,903			5,371,565,200
FR0011486067	OAT 1.75% 25 May 2023*	35,237,000,000			0
FR0010585901	OATi 2.10% 25 July 2023	18,452,344,000	(1) 1.12480	16,405,000,000	0
FR0010466938	OAT 4.25% 25 October 2023	44,918,000,000			435,085,000
Maturity 2024		88,685,055,750			
FR0011619436	OAT 2.25% 25 May 2024*	34,810,000,000			0
FR0011427848	OAT€i 0.25% 25 July 2024*	16,850,055,750	(1) 1.04225	16,167,000,000	0
FR0011962398	OAT 1.75% 25 November 2024*	37,025,000,000			51,000,000
Maturity 2025		104,025,433,868			
FR0012558310	OATi 0.10% 1 March 2025*	9,968,505,750	(1) 1.02525	9,723,000,000	0
FR0012517027	OAT 0.50% 25 May 2025*	36,156,000,000			0
FR0000571150	OAT 6.00% 25 October 2025	29,593,928,118			2,851,064,400
FR0012938116	OAT 1.00% 25 November 2025*	28,307,000,000			0
Maturity 2026		97,898,000,000			
FR0010916924	OAT 3.50% 25 April 2026	35,814,000,000			0
FR0013131877	OAT 0.50% 25 May 2026*	31,870,000,000			0
FR0013200813	OAT 0.25% 25 November 2026*	30,214,000,000			0
Maturity 2027		89,548,781,380			
FR0013250560	OAT 1.00% 25 May 2027*	31,451,000,000			0
FR0011008705	OAT€i 1.85% 25 July 2027	20,643,781,380	(1) 1.09679	18,822,000,000	0
FR0011317783	OAT 2.75% 25 October 2027	37,454,000,000			75,043,600
Maturity 2028		39,741,783,914			
FR0013238268	OATi 0.10% 1 March 2028*	6,443,184,300	(1) 1.02354	6,295,000,000	0
FR0000571226	OAT zero coupon 28 March 2028	26,599,614	(3)	46,232,603	-
FR0013286192	OAT 0.75% 25 May 2028*	33,272,000,000			0
Maturity 2029		41,233,411,285			
FR0000571218	OAT 5.50% 25 April 2029	30,033,880,458			2,983,546,100
FR0000186413	OATi 3.40% 25 July 2029	11,199,530,827	(1) 1.28227	8,734,144,000	0
Maturity 2030		44,394,794,780			
FR0011883966	OAT 2.50% 25 May 2030*	33,208,000,000			0
FR0011982776	OAT€i 0.70% 25 July 2030*	11,186,794,780	(1) 1.02886	10,873,000,000	0
Maturity 2031		35,834,000,000			
FR0012993103	OAT 1.50% 25 May 2031*	35,834,000,000			71,500,000
Maturity 2032		45,589,500,950			
FR0000188799	OAT€i 3.15% 25 July 2032	13,427,178,350	(1) 1.26851	10,585,000,000	0
FR0000187635	OAT 5.75% 25 October 2032	32,162,322,600			11,307,157,400
Maturity 2033 and later		236,846,736,880			
FR0013313582	OAT 1.25% 25 Mai 2034*	5,644,000,000			0
FR0010070060	OAT 4.75% 25 April 2035	26,678,000,000			4,908,337,000
FR0013154044	OAT 1.25% 25 May 2036*	24,283,000,000			0
FR0013327491	OAT€i 0.10% 25 July 2036*	3,531,990,000	(1) 1.00914	3,500,000,000	0
FR0010371401	OAT 4.00% 25 October 2038	26,534,000,000			4,821,931,400
FR0013234333	OAT 1.75% 25 June 2039*	10,793,000,000			0
FR0010447367	OAT€i 1.80% 25 July 2040	14,038,202,880	(1) 1.17504	11,947,000,000	0
FR0010773192	OAT 4.50% 25 April 2041	33,670,000,000			6,908,699,000
FR0011461037	OAT 3.25% 25 May 2045*	24,908,000,000			1,150,710,000
FR0013209871	OAT€i 0.10% 25 July 2047*	7,660,544,000	(1) 1.02400	7,481,000,000	0
FR0013257524	OAT 2.00% 25 May 2048*	22,018,000,000			567,000,000
FR0010171975	OAT 4.00% 25 April 2055	14,926,000,000			7,714,618,000
FR0010870956	OAT 4.00% 25 April 2060	13,055,000,000			7,020,504,100
FR0013154028	OAT 1.75% 25 May 2066*	9,107,000,000			242,100,000

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

(3) Revised on 28 March 2018; not open to subscription

* Like all euro area bonds, the bonds issued after 1 January 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	2.1%	Apr. 2018
Household consumption*, year-on-year	0.3%	May 2018
Unemployment rate (ILO)	9.2%	Q1-2018
Consumer prices, year-on-year		
all items	2.0%	May 2018
all items excluding tobacco	1.7%	May 2018
Trade balance, fob-fob, sa (€bn)	-€5.0bn	Apr. 2018
" "	-€5.0bn	Mar. 2018
Current account balance, sa (€bn)	-€1.1bn	Apr. 2018
" "	-€0.6bn	Mar. 2018
10-year constant maturity rate (TEC10)	0.65%	28 Jun. 2018
3-month interest rate (Euribor)	-0.32%	25 Jun. 2018
EUR / USD	1.16	28 Jun. 2018
EUR / JPY	127.63	28 Jun. 2018

* manufactured products

Sources: Insee, Minefi, Banque de France

Monthly government budget position

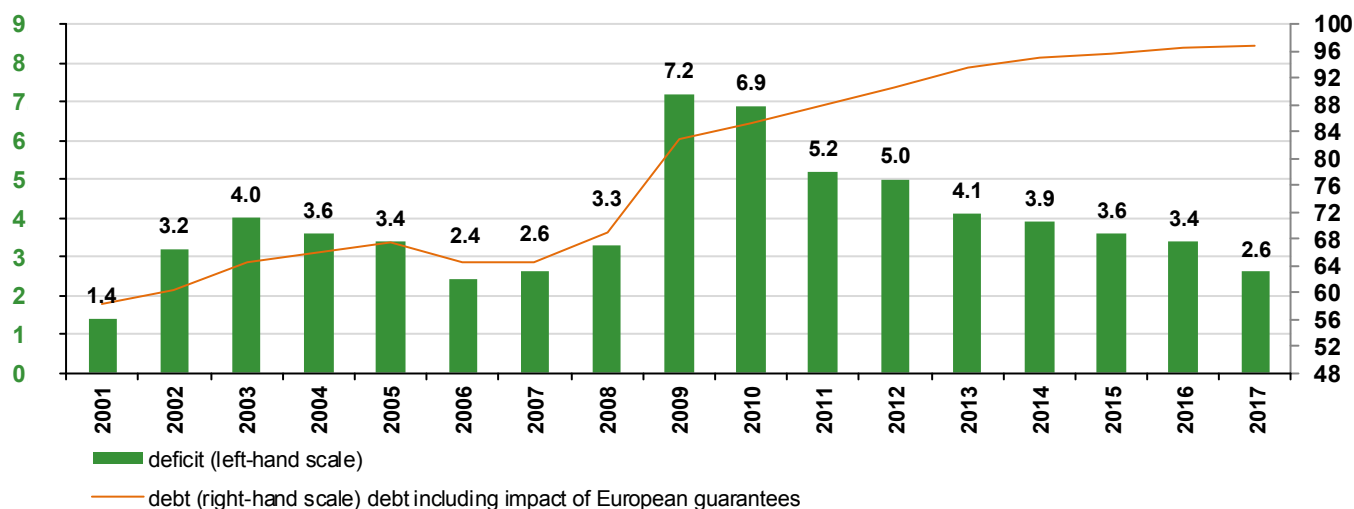
In € billion

			end of April level		
	2016	2017	2016	2017	2018
General budget balance	-75.85	-73.35	-32.82	-34.26	-35.01
revenue	303.97	313.59	98.51	100.25	98.18
expenditure	379.82	386.94	131.33	134.51	133.19
Balance of special Treasury accounts	6.80	5.53	-23.64	-23.67	-19.33
General budget outturn	-69.05	-67.67	-56.46	-57.93	-54.34

Source: Minefi

Public finances: deficit and debt

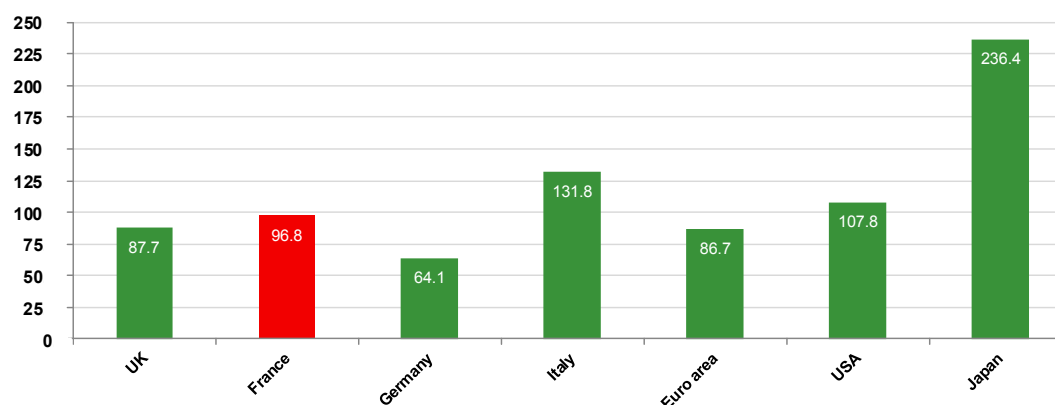
As % of GDP



Source: Insee

General government debt in 2017

As % of GDP



Sources: Eurostat, IMF, Insee

French economic indicators: timetable

July 2018		August 2018	
	Balance of payments in May		Foreign trade by value in June
	Foreign trade by value in May		Balance of payments in June
	Industrial production: May index		Industrial production: June index
	Consumer prices: June index		Flash estimate of payroll employment: Q2-2018
	Net international reserves in June		Consumer prices: July index
	Inflation (HICP): June index		Net international reserves in July
	Quarterly business survey (goods-producing industries) in July		Inflation (HICP): July index
	Monthly business survey (goods-producing industries) in July		Monthly business survey (goods-producing industries) in August
	Industrial producer and import price: June indices		Industrial investments: July survey
	Consumer confidence survey: July survey		Consumer confidence survey: August survey
	Quarterly national accounts: initial estimate Q2-2018		Quarterly national accounts: final results Q2-2018
	Household consumption expenditure on goods in June		Household consumption expenditure on goods in July
	Housing starts in June		Industrial producer and import price: July indices

Sources: Insee, Eurostat

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