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MARCH
2020

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.

News at Agence France Trésor

page 1

Economic news

page 2

General debt-related data

page 3

Secondary Market

page 5

Negotiable government debt

page 6

The French economy and international comparisons

page 8

News at Agence France Trésor

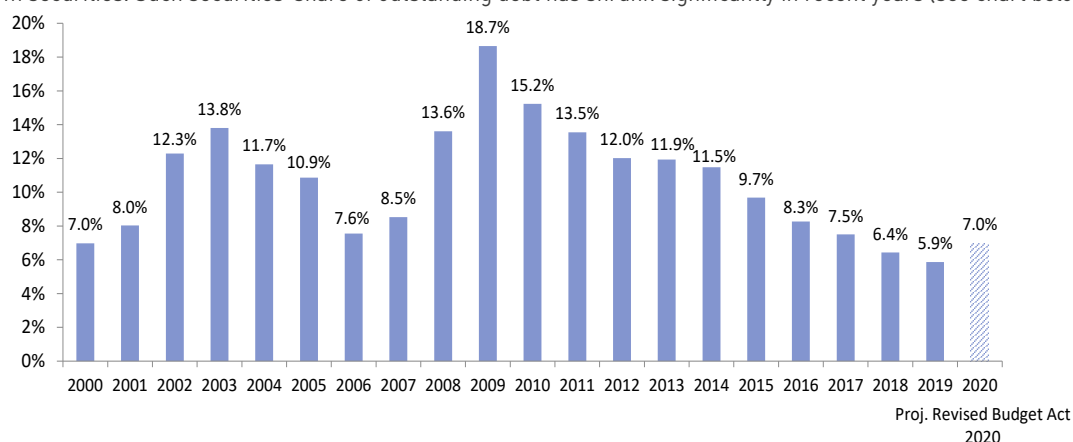
REVISED CENTRAL GOVERNMENT FINANCING PROGRAMME FOR 2020 FOLLOWING THE REVISED BUDGET ACT FOR 2020

Bruno Le Maire, France's Minister for the Economy and Finance announced the revised central government financing programme for 2020. The revised programme is based on the Supplementary Budget Bill submitted to the Cabinet Meeting on 18 March 2020 with funding for the measures introduced to address the coronavirus crisis and its repercussions.

Under the terms of the Revised Budget Act promulgated on 23 March, the central government borrowing requirement will increase by €15.6bn compared to the amount set out in the Initial Budget Act for 2020, rising to €246.1bn, including €109.0bn to finance the fiscal deficit. Funding sources other than debt issuance will decrease by €6.9bn.

In € billion	2020 Initial Budget Act	2020 Revised Budget Act
Financing requirements		
Redemption of medium- and long-term	136.4	136.4
Redemption of medium- and long-term debt (at nominal value)	130.5	130.5
Supplementary payments at maturity on inflation-linked bonds	5.9	5.9
Redemption of other debts	0.5	0.5
SNCF Réseau - redemption	1.8	1.7
Deficit to be financed	93.1	109.0
Other cash requirements	-1.3	-1.5
Total	230.5	246.1
Financing resources		
Issuance of medium- and long-term debt net of buybacks	205.0	210.0
Funds allocated to the Caisse de la Dette Publique to reduce debt	2.0	0.0
Net change in outstanding short-term government securities	10.0	27.5
Change in correspondents' deposits	6.4	0.0
Change in cash available in the Treasury's account	3.6	4.1
Other cash sources	3.5	4.5
Total	230.5	246.1

The cash-flow balance will mean an increase of €22.5bn in outstanding debt, compared to the Initial Budget Act. This increase breaks down into a further increase of €17.5bn in outstanding short-term debt securities, which will be €27.5bn higher than at end-2019 (versus €10bn higher under the Initial Budget Act) and an increase of €5bn in medium- and long-term debt issuance net of buybacks, which will stand at €210bn. Reliance on short-term borrowing will help absorb the impact of the economic support measures that the government announced to address the health crisis and maintain the liquidity of short-term securities. Such securities' share of outstanding debt has shrunk significantly in recent years (see chart below).



Reminder: gross medium- and long-term debt issuance by AFT stood at €246bn in 2019 and €235bn in 2018, with issuance net of buybacks of €200bn in 2019 and €195bn in 2018. Consequently, issuance of €210bn, net of buybacks, does not necessarily mean an increase in gross issuance. In the first quarter of 2020, France issued €72.4bn in medium- and long-term debt under exceptional borrowing conditions, with a weighted average yield of -0.07%, continuing the trend of negative yields seen in the third and fourth quarters of 2019.

The coronavirus epidemic has led governments in the European Union to take strong measures to respond to the health and epidemic challenge. The result is a double shock for the affected economies, of both demand and supply. The scenario presented here is that of the Finance Amendment Act, established on 16 March 2020. It ignores subsequent developments related to the epidemic, as well as economic policy decisions taken subsequently by various countries. It assumes that France and the other major economies of the European Union would apply activity and travel restrictions for a period of one month.

Household consumption is the main channel through which these measures would affect the economy. Consumption would suffer a sharp and temporary decline, concentrated in non-essential sectors. This decline would generate forced savings, partly consumed in the second half of the year. The decline in activity would have a negative impact on employment and the wage bill, partly offset by the short-time working and compensation measures taken by the government. Low inflation (0.6% in 2020, after 1.1% in 2019), due in particular to low oil prices, would however support the purchasing power of household disposable income. In total, over the whole of 2020, consumption would fall by around 2%.

Business investment, which had proved particularly resilient to adverse cyclical developments in 2019, would suffer from the general slowdown in activity, as well as from the gradual increase in the cost of business financing, although this would be mitigated by the measures taken by the Government to facilitate access to credit for businesses and limit the impact of the crisis on their cash flow.

As regards foreign trade, the measures implemented in the main European economies would have a very pronounced negative impact on their activity, affecting French exports (-1%). However, as a result of the decline in domestic demand in France and the fall in the energy bill, imports would display a similar decline.

Overall, the negative shock linked to the coronavirus epidemic is expected to lead to GDP growth of around -1% in 2020, mainly via the decline in household consumption and lower demand from China and the euro area. The measures implemented by the government will make it possible to limit the impact of the epidemic on the year 2020, by mitigating the fall in GDP in the first half of the year and contributing to the rebound in the second half of the year. In addition, the monetary authorities' response should have the effect of containing the shock on the cost of financing for governments and businesses. This assessment is subject to significant uncertainties, first and foremost the duration of the restrictive measures and the economic effects of the epidemic.


Growth assumptions used in the Revised Budget Act

	2018		2019		2020	
Transactions on goods and services in volumes						
Gross domestic product (working day adjusted)	1.7	(0.0)	1.3	(-0.1)	-1.0	(-2.3)
Household final consumption	0.9	(-0.0)	1.2	(0.0)	-2.0	(-3.5)
GFCF of non-financial corporations	3.9	(0.0)	4.3	(0.9)	-0.5	(-3.2)
Imports	1.2	(-0.0)	2.2	(-0.0)	-0.9	(-3.4)
Exports	3.5	(0.0)	1.9	(-0.4)	-1.0	(-3.5)
Potential growth and output gap						
Potential growth	1.25		1.25		1.25	
Output gap	-0.1	(0.0)	0.0	(-0.1)	-2.2	(-2.4)

Reading note: figure in bracket = deviation from the 2020 Draft Budget Bill.

INDICATIVE AUCTION SCHEDULE

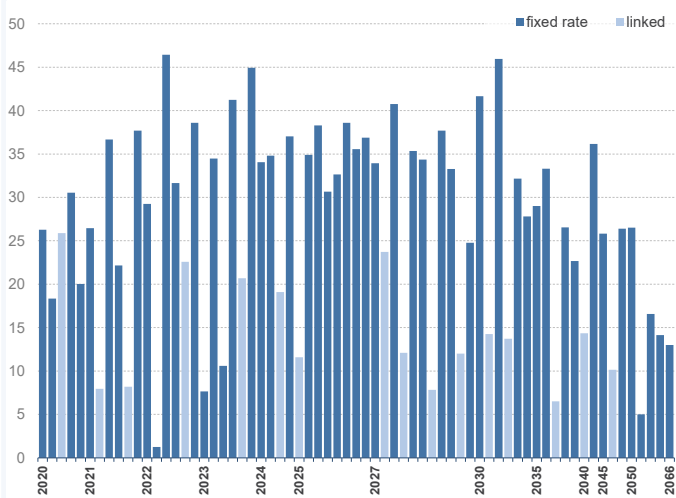
		Short-term					Medium-term	Long-term	Index-linked
April 2020	auction date	6	14	20	27	/	16	2	16
	settlement date	8	16	22	29	/	20	6	20
May 2020	auction date	4	11	18	25	/	20	7	20
	settlement date	6	13	20	27	/	25	11	25

 anticipated or delayed (bank holidays, etc.)

Source: Agence France Trésor

MEDIUM- AND LONG-TERM NEGOTIABLE GOVERNMENT DEBT AT 29 FEBRUARY 2020

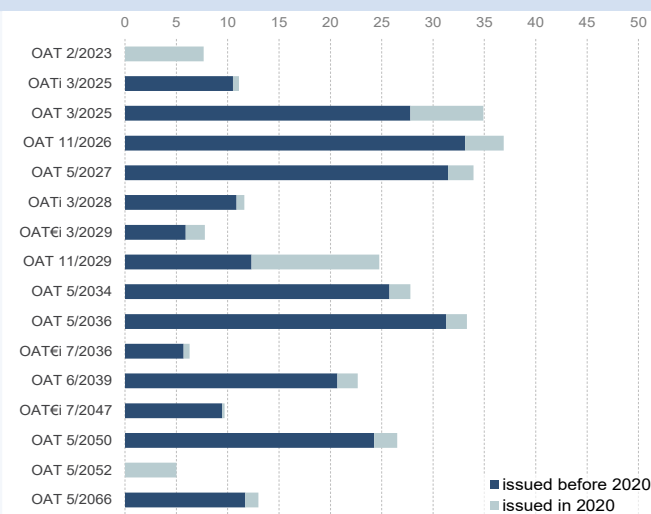
NOMINAL VALUE OF EACH LINE, IN € BILLION



Source: Agence France Trésor

MEDIUM- AND LONG-TERM: SECURITIES ISSUED DURING THE YEAR AND TOTAL ISSUANCE AT 29 FEBRUARY 2020

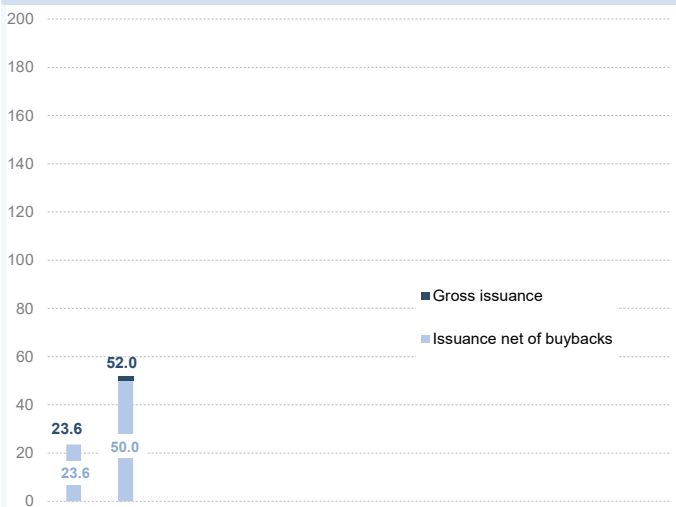
IN € BILLION



Source: Agence France Trésor

ISSUANCE AT 29 FEBRUARY 2020

IN € BILLION



Source: Agence France Trésor

MEDIUM- AND LONG-TERM: PROVISIONAL MATURITY SCHEDULE AT 29 FEBRUARY 2020

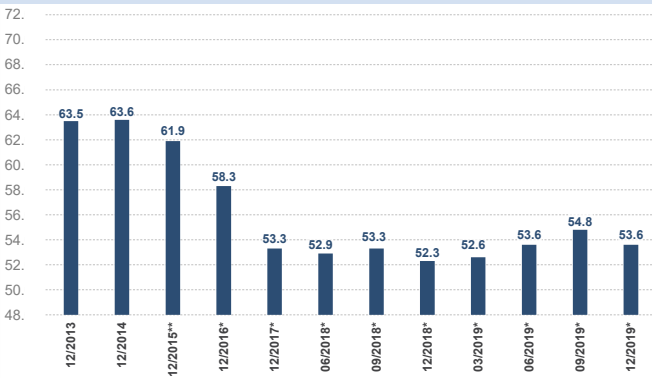
IN € BILLION

Month	Coupon	Redemption
Mar-20	0.0	
Apr-20	12.3	26.3
May-20	7.2	18.3
Jun-20	0.4	
Jul-20	3.0	26.1
Aug-20		
Sep-20		
Oct-20	10.6	30.5
Nov-20	1.4	20.0
Dec-20		
Jan-21		
Feb-21		26.4

Source: Agence France Trésor

NON-RESIDENT HOLDERS OF NEGOTIABLE GOVERNMENT DEBT IN FOURTH QUARTER OF 2019

AS A % OF NEGOTIABLE DEBT OUTSTANDING
EXPRESSED IN MARKET VALUE

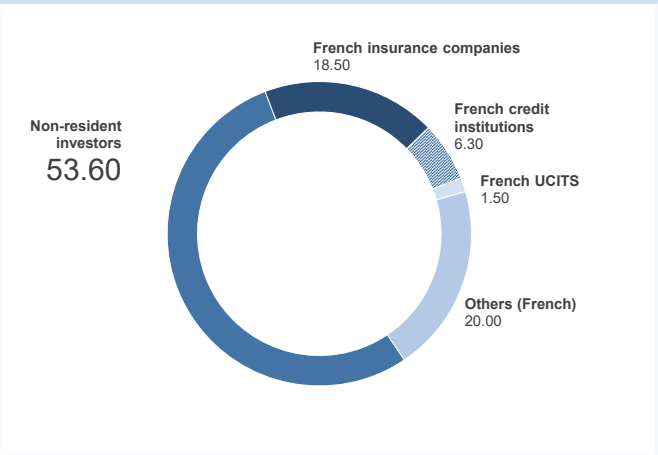


(*) figures quarterly revised

(**) figures annually revised

NEGOTIABLE GOVERNMENT DEBT BY GROUP OF HOLDERS IN FOURTH QUARTER OF 2019

STRUCTURE IN % EXPRESSED IN MARKET VALUE



Source: Banque de France

NEGOTIABLE GOVERNMENT DEBT AT 29 FEBRUARY 2020

IN EUROS

Total medium- and long-term debt	1,751,087,705,105
Total stripping activity	57,285,959,600
Average maturity	8 years and 256 days
Total short-term debt	97,377,000,000
Average maturity	114 days
Total outstanding	1,848,464,705,105
Average maturity	8 years and 95 days

Source: Agence France Trésor

NEGOTIABLE GOVERNMENT DEBT SINCE 2016 AT 29 FEBRUARY 2020

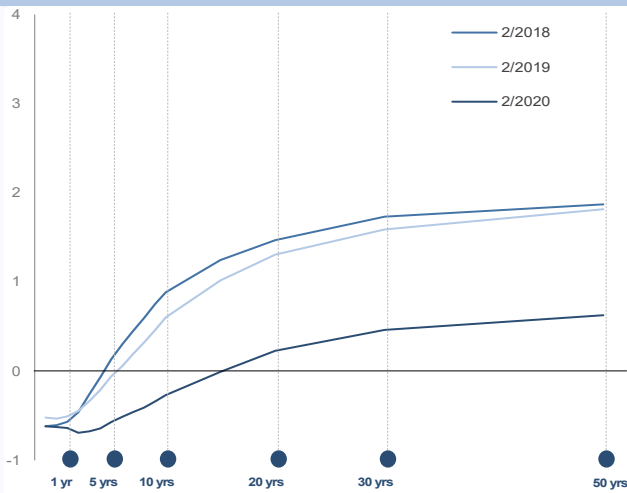
IN € BILLION

	End 2016	End 2017	End 2018	End Jan 2020	End Feb. 2020
Negotiable government debt outstanding	1,621	1,686	1,756	1,838	1,848
<i>of which index-linked securities</i>	<i>200</i>	<i>202</i>	<i>220</i>	<i>228</i>	<i>231</i>
Medium- and long-term	1,487	1,560	1,644	1,739	1,751
Short-term	134	126	113	99	97
Average maturity of the negotiable debt	7 years	7 years	7 years	8 years	8 years
	195 days	296 days	336 days	56 days	95 days

Source: Agence France Trésor

YIELD CURVE FOR FRENCH GOVERNMENT SECURITIES

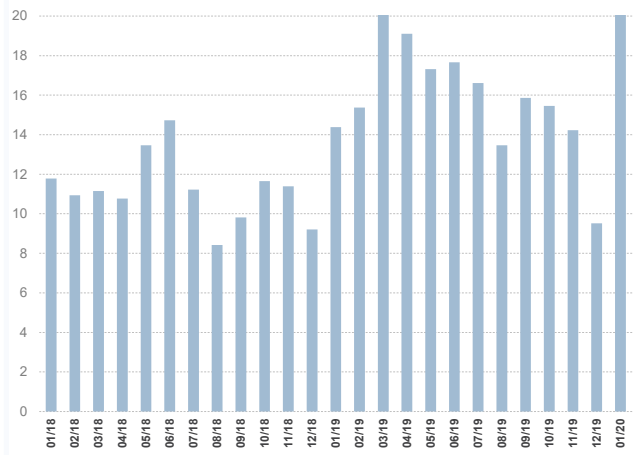
END-OF-MONTH VALUE, %



Source: Bloomberg

AVERAGE DAILY VOLUME OF MEDIUM- AND LONG-TERM TRANSACTIONS

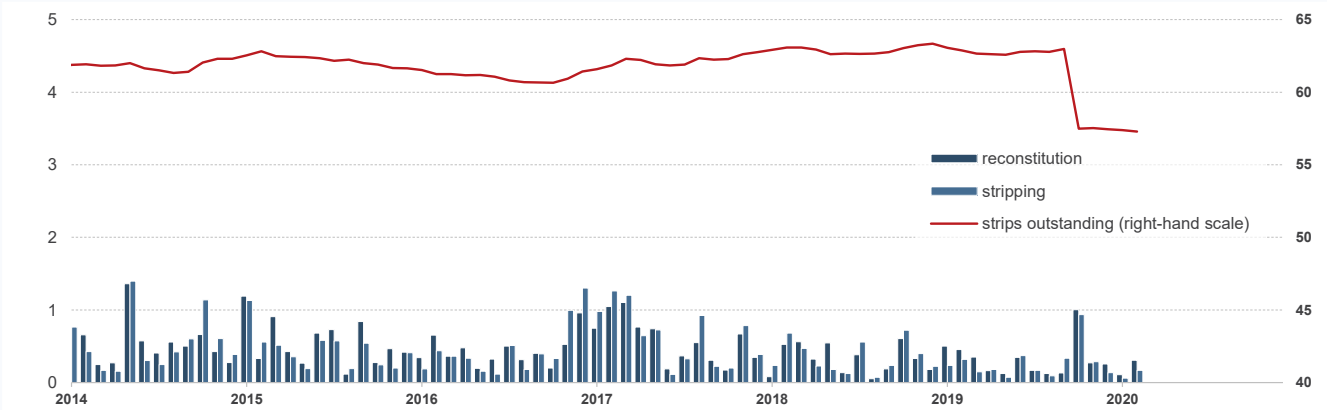
IN € BILLION



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

TOTAL STRIPPING AND RECONSTITUTION

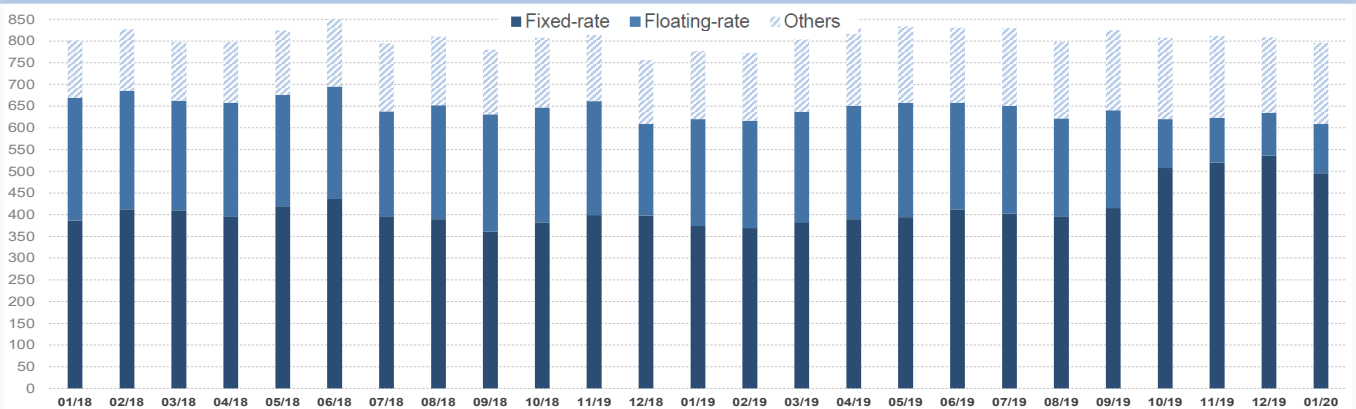
IN € BILLION



Source: Euroclear

PRIMARY DEALERS, REPO OUTSTANDING AT END OF MONTH

IN € BILLION



Source: reporting by primary dealers in government securities

SHORT-TERM DEBT AT 29 FEBRUARY 2020

ISIN Code	Maturity	Outstanding(€)
FR0125848533	BTF 4 March 2020	5,551,000,000
FR0125692444	BTF 11 March 2020	4,480,000,000
FR0125533119	BTF 25 March 2020	5,811,000,000
FR0125848558	BTF 8 April 2020	6,503,000,000
FR0125848582	BTF 16 April 2020	4,595,000,000
FR0125533127	BTF 22 April 2020	4,897,000,000
FR0125848590	BTF 29 April 2020	5,032,000,000
FR0125848566	BTF 6 May 2020	3,275,000,000
FR0125848608	BTF 13 May 2020	5,095,000,000
FR0125533135	BTF 20 May 2020	4,669,000,000
FR0125848616	BTF 27 May 2020	2,257,000,000
FR0125533143	BTF 17 June 2020	5,561,000,000
FR0125848640	BTF 1 July 2020	4,850,000,000
FR0125692451	BTF 15 July 2020	5,158,000,000
FR0125848657	BTF 29 July 2020	1,894,000,000
FR0125692469	BTF 12 August 2020	5,267,000,000
FR0125692477	BTF 9 September 2020	4,087,000,000
FR0125848467	BTF 7 October 2020	5,661,000,000
FR0125848475	BTF 4 November 2020	5,131,000,000
FR0125848483	BTF 2 December 2020	3,979,000,000
FR0125848673	BTF 27 January 2021	3,624,000,000

MEDIUM- AND LONG-TERM DEBT (MATURING 2020-2023) AT 29 FEBRUARY 2020

ISIN Code	Bond	Outstanding(€)	Ind. Coeff.	Face value(€)	Stripped(€)	CAC*
Maturity 2020		121,031,650,400				
FR0010854182	OAT 3.50% 25 April 2020	26,261,000,000			0	
FR0012557957	OAT 0.00% 25 May 2020	18,332,000,000			0	x
FR0010050559	OAT€i 2.25% 25 July 2020	25,873,650,400 (1)	1.28024	20,210,000,000	0	
FR0010949651	OAT 2.50% 25 October 2020	30,547,000,000			0	
FR0012968337	OAT 0.25% 25 November 2020	20,018,000,000			3,000,000	x
Maturity 2021		139,113,103,800				
FR0013311016	OAT 0.00% 25 February 2021	26,442,000,000			0	x
FR0013140035	OAT€i 0.10% 1 March 2021	7,940,517,000 (1)	1.04950	7,566,000,000	0	x
FR0010192997	OAT 3.75% 25 April 2021	36,680,000,000			0	
FR0013157096	OAT 0.00% 25 May 2021	22,159,000,000			0	x
FR0011347046	OATi 0.10% 25 July 2021	8,200,586,800 (1)	1.05406	7,780,000,000	0	
FR0011059088	OAT 3.25% 25 October 2021	37,691,000,000			0	
Maturity 2022		169,761,440,760				
FR0013398583	OAT 0.00% 25 February 2022	29,253,000,000			0	x
FR0000571044	OAT 8.25% 25 April 2022	1,243,939,990			629,888,400	
FR0011196856	OAT 3.00% 25 April 2022	46,422,000,000			0	
FR0013219177	OAT 0.00% 25 May 2022	31,666,000,000			0	x
FR0010899765	OAT€i 1.10% 25 July 2022	22,594,500,770 (1)	1.13809	19,853,000,000	0	
FR0011337880	OAT 2.25% 25 October 2022	38,582,000,000			0	
Maturity 2023		159,591,769,343				
FR0013479102	OAT 0.00% 25 February 2023	7,668,000,000			0	x
FR0013283686	OAT 0.00% 25 March 2023	34,487,000,000			0	x
FR0000571085	OAT 8.50% 25 April 2023	10,606,195,903			5,388,665,200	
FR0011486067	OAT 1.75% 25 May 2023	41,220,000,000			0	x
FR0010585901	OATi 2.10% 25 July 2023	20,692,573,440 (1)	1.14653	18,048,000,000	0	
FR0010466938	OAT 4.25% 25 October 2023	44,918,000,000			450,085,000	

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

(2) Including coupons capitalised at 31 December 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.

MEDIUM- AND LONG-TERM DEBT (MATURING IN 2024 AND BEYOND) AT 28 FEBRUARY 2020

ISIN Code	Bond	Outstanding (€)	Ind. Coeff.	Face value(€)	Stripped(€)	CAC*
Maturity 2024		125 000 532 630				
FR0013344751	OAT 0.00% 25 March 2024	34 068 000 000			0	×
FR0011619436	OAT 2.25% 25 May 2024	34 810 000 000			0	×
FR0011427848	OAT€i 0.25% 25 July 2024	19 097 532 630 (1)	1,06577	17 919 000 000	0	×
FR0011962398	OAT 1.75% 25 November 2024	37 025 000 000			42 000 000	×
Maturity 2025		148 078 688 578				
FR0012558310	OATi 0.10% 1 March 2025	11 590 760 460 (1)	1,04506	11 091 000 000	0	×
FR0013415627	OAT 0.00% 25 March 2025	34 899 000 000			0	×
FR0012517027	OAT 0.50% 25 May 2025	38 297 000 000			0	×
FR0000571150	OAT 6.00% 25 October 2025	30 653 928 118			2 844 964 400	
FR0012938116	OAT 1.00% 25 November 2025	32 638 000 000			0	×
Maturity 2026		111 020 000 000				
FR0010916924	OAT 3.50% 25 April 2026	38 595 000 000			0	
FR0013131877	OAT 0.50% 25 May 2026	35 550 000 000			0	×
FR0013200813	OAT 0.25% 25 November 2026	36 875 000 000			0	×
Maturity 2027		98 408 998 000				
FR0013250560	OAT 1.00% 25 May 2027	33 924 000 000			0	×
FR0011008705	OAT€i 1.85% 25 July 2027	23 731 998 000 (1)	1,12155	21 160 000 000	0	
FR0011317783	OAT 2.75% 25 October 2027	40 753 000 000			54 043 600	
Maturity 2028		81 840 969 971				
FR0013238268	OATi 0.10% 1 March 2028	12 110 858 560 (1)	1,04332	11 608 000 000	0	×
FR0000571226	OAT zero coupon 28 March 2028	28 111 411 (3)		46 232 603	-	
FR0013286192	OAT 0.75% 25 May 2028	35 344 000 000			0	×
FR0013341682	OAT 0.75% 25 November 2028	34 358 000 000			0	×
Maturity 2029		115 573 293 963				
FR0013410552	OAT€i 0.10% 1 March 2029	7 843 971 040 (1)	1,00978	7 768 000 000	0	×
FR0000571218	OAT 5.50% 25 April 2029	37 680 880 458			2 502 846 100	
FR0013407236	OAT 0.50% 25 May 2029	33 281 000 000			0	×
FR0000186413	OATi 3.40% 25 July 2029	12 005 442 465 (1)	1,30705	9 185 144 000	0	
FR0013451507	OAT 0.00% 25 November 2029	24 762 000 000			0	×
Maturity 2030		55 905 048 560				
FR0011883966	OAT 2.50% 25 May 2030	41 642 000 000			0	×
FR0011982776	OAT€i 0.70% 25 July 2030	14 263 048 560 (1)	1,05208	13 557 000 000	0	×
Maturity 2031		45 948 000 000				
FR0012993103	OAT 1.50% 25 May 2031	45 948 000 000			53 500 000	×
Maturity 2032		45 892 549 500				
FR0000188799	OAT€i 3.15% 25 July 2032	13 730 226 900 (1)	1,29714	10 585 000 000	0	
FR0000187635	OAT 5.75% 25 October 2032	32 162 322 600			10 924 757 400	
Maturity in 2033 and beyond		333 921 659 600				
FR0013313582	OAT 1.25% 25 May 2034	27 802 000 000			0	×
FR0010070060	OAT 4.75% 25 April 2035	29 004 000 000			4 567 637 000	
FR0013154044	OAT 1.25% 25 May 2036	33 300 000 000			0	×
FR0013327491	OAT€i 0.10% 25 July 2036	6 499 032 160 (1)	1,03192	6 298 000 000	0	×
FR0010371401	OAT 4.00% 25 October 2038	26 534 000 000			4 684 941 400	
FR0013234333	OAT 1.75% 25 June 2039	22 659 000 000			0	×
FR0010447367	OAT€i 1.80% 25 July 2040	14 355 037 320 (1)	1,20156	11 947 000 000	0	
FR0010773192	OAT 4.50% 25 April 2041	36 152 000 000			6 298 099 000	
FR0011461037	OAT 3.25% 25 May 2045	25 824 000 000			1 409 010 000	×
FR0013209871	OAT€i 0.10% 25 July 2047	10 148 590 120 (1)	1,04711	9 692 000 000	0	×
FR0013257524	OAT 2.00% 25 May 2048	26 409 000 000			700 900 000	×
FR0013404969	OAT 1.50% 25 May 2050	26 515 000 000			103 600 000	×
FR0013480613	OAT 0.75% 25 May 2052	5 000 000 000			0	×
FR0010171975	OAT 4.00% 25 April 2055	16 583 000 000			8 369 118 000	
FR0010870956	OAT 4.00% 25 April 2060	14 140 000 000			7 569 304 100	
FR0013154028	OAT 1.75% 25 May 2066	12 997 000 000			689 600 000	×

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

(3) Revised on 28 March 2020, 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	-1.8%	Jan. 2020
Household consumption*, year-on-year	-0.3%	Feb. 2020
Unemployment rate (ILO)	8.1%	Q4-2019
Consumer prices, year-on-year		
• all items	1.4%	Feb. 2020
• all items excluding tobacco	1.2%	Feb. 2020
Trade balance, fob-fob, sa (€bn)	-€5.9bn	Jan. 2020
" "	-€3.7bn	Dec. 2019
Current account balance, sa (€bn)	-€2.8bn	Jan. 2020
" "	-€0.2bn	Dec. 2019
10-year constant maturity rate (TEC10)	-0.09%	30 Mar. 2020
3-month interest rate (Euribor)	-0.35%	27 Mar. 2020
EUR / USD	1.10	30 Mar. 2020
EUR / JPY	119.34	30 Mar. 2020

MONTHLY GOVERNMENT BUDGET POSITION

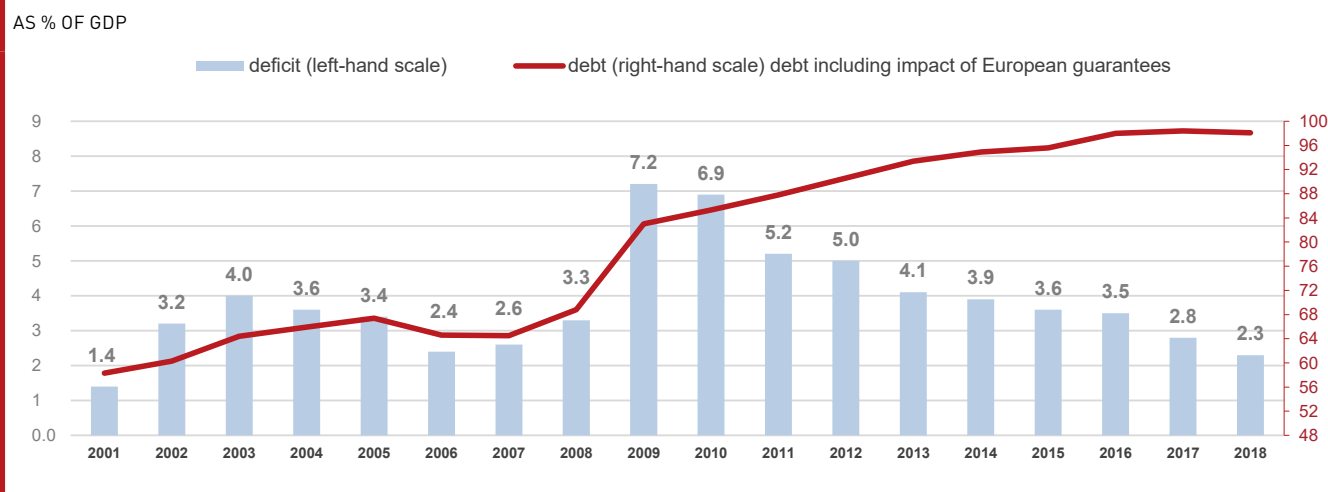
			end of January level		
	2018	2019	2018	2019	2020
General budget balance	-76.91	-96.91	-7.96	-12.57	-14.15
Revenue	313.79	301.07	25.66	19.24	21.06
Expenditure	390.69	397.98	33.62	31.80	35.21
Balance of special Treasury accounts	0.82	4.08	-2.79	-5.17	-5.82
General budget outturn	-76.00	-92.84	-10.76	-17.73	-19.97

* manufactured products

Sources: Insee, Minefi, Banque de France

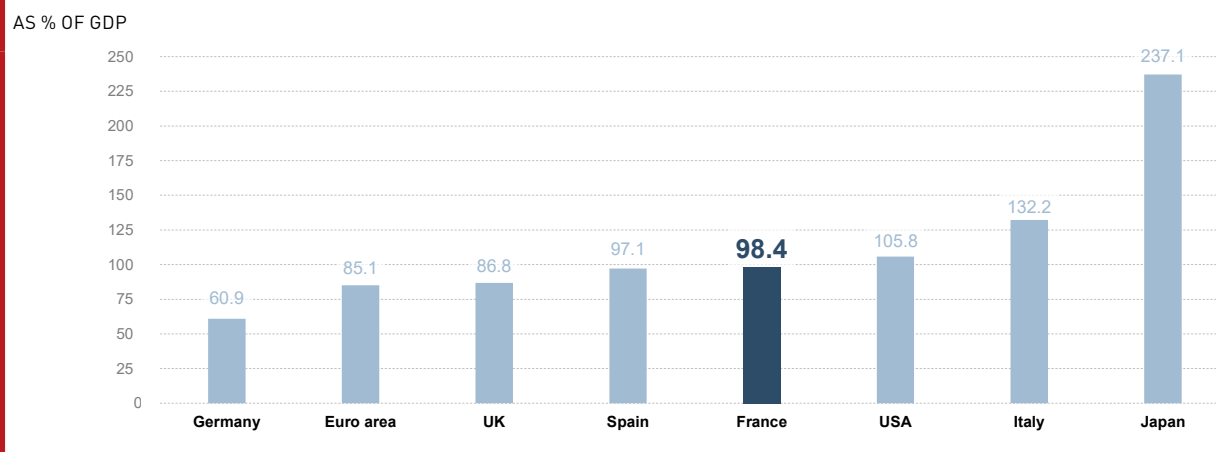
Source: Ministry of Public Action and Accounts

PUBLIC FINANCES: DEFICIT AND DEBT




Source: Insee


GENERAL GOVERNMENT DEBT IN 2018



Sources: Eurostat, FMI, Insee

APRIL 2020 

7 Foreign trade by value in February	7 Balance of payments in February	10 Industrial production: February index	15 Consumer prices: March index	15 Net international reserves in March	17 Inflation (HICP): March index
22 Quarterly business survey (goods-producing industries) in April	22 Monthly business survey (goods-producing industries) in April	27 Job seekers Q1 2020	28 Consumer confidence survey: April survey	30 Industrial producer and import price: April indices	30 Household consumption expenditure on goods in March

MAY 2020 

7 Foreign trade by value in March	7 Flash estimate of payroll employment: Q1 2020	7 Industrial investments: April survey	7 Balance of payments in March	7 Industrial production: March index	15 Consumer prices: April index
15 Net international reserves in April	20 Inflation (HICP): April index	26 Monthly business survey (goods-producing industries) in May	27 Household consumption expenditure on goods in May	29 Industrial producer and import price: April indices	29 Quarterly national accounts: final results Q1 2020
29 Household consumption expenditure on goods in April					

Sources: Insee, Eurostat

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