



AGENCE FRANCE TRESOR 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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N° 280

September 2013

- Debt general data
- Primary market
- Secondary market
- News brief
- The French economy
- International comparisons
- French Government negotiable debt outstanding

- 1
- 2
- 4
- 6
- 7
- 8
- 9

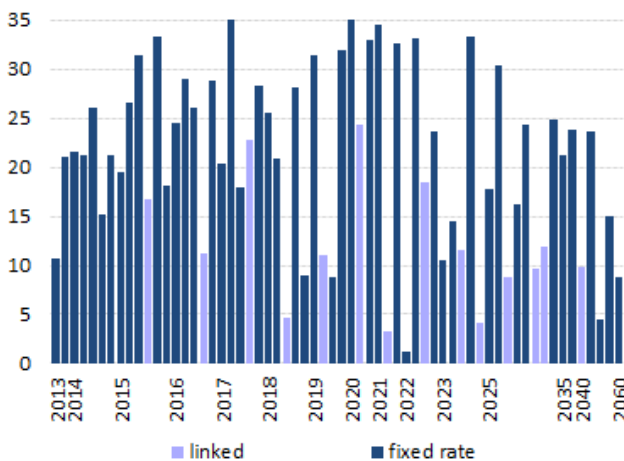


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Editor: Agence France Trésor
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Debt general data

French government long- and medium-term negotiable debt on August 31, 2013

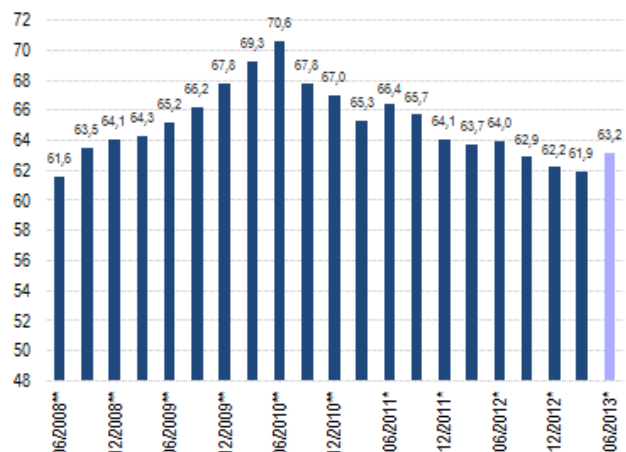
nominal value of each line, €bn



Source: Agence France Trésor

Non-resident holdings of French government negotiable debt securities

as a % of negotiable debt outstanding expressed in market value



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

Auction indicative calendar

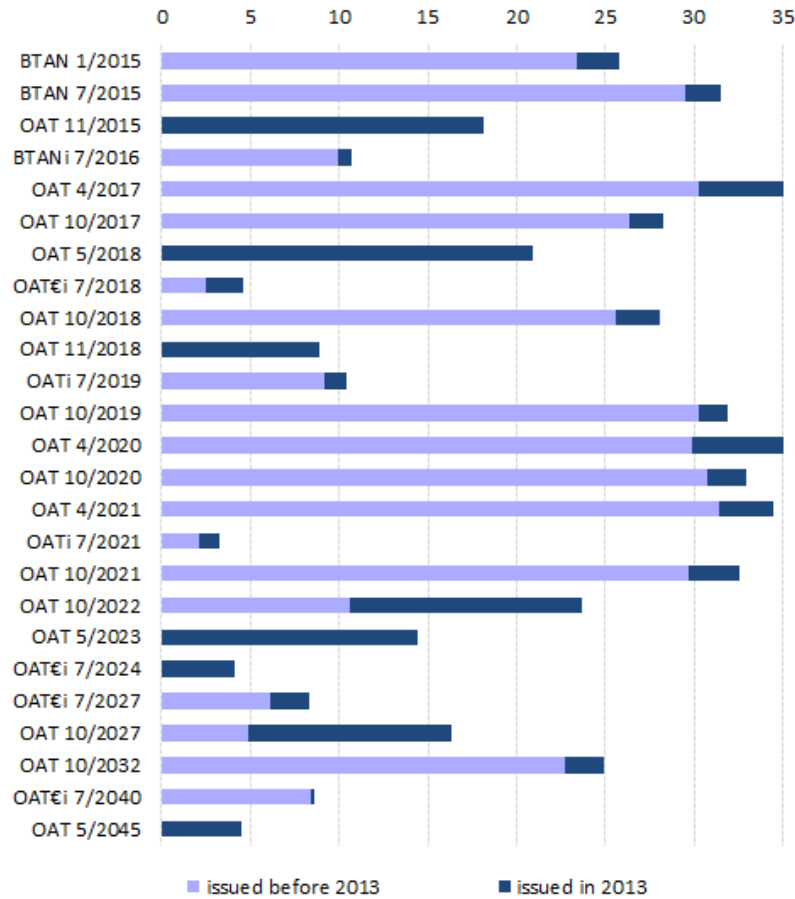
		Short-term				Medium-term and index	Long-term
						linked	
October 2013	auction date	7	14	21	28	17	3
	settlement date	10	17	24	31	22	8
November 2013	auction date	4	12	18	25	21	7
	settlement date	7	14	21	28	26	12

anticipated or delayed auctions (bank holidays, etc.)

Source: Agence France Trésor

OATs and BTANs issues and cumulative total on August 31, 2013

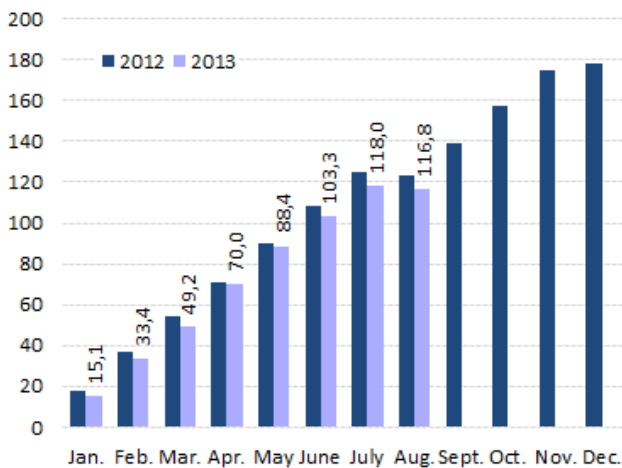
€bn



Source: Agence France Trésor

Long- and medium-term financing over the year on August 31, 2013

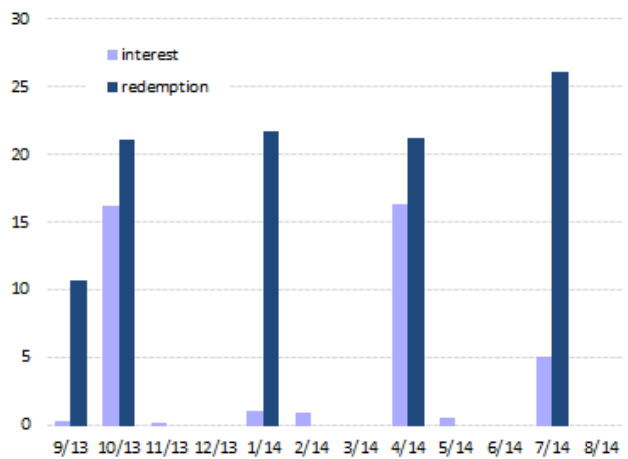
€bn



Source: Agence France Trésor

OATs and BTANs: indicative repayment schedule on August 31, 2013

€bn



Source: Agence France Trésor

OAT and BTAN auctions - August 2013

No OAT and BTAN auctions in August 2013

* €m

** as of the settlement date

Source: Agence France Trésor

BTF auctions - August 2013

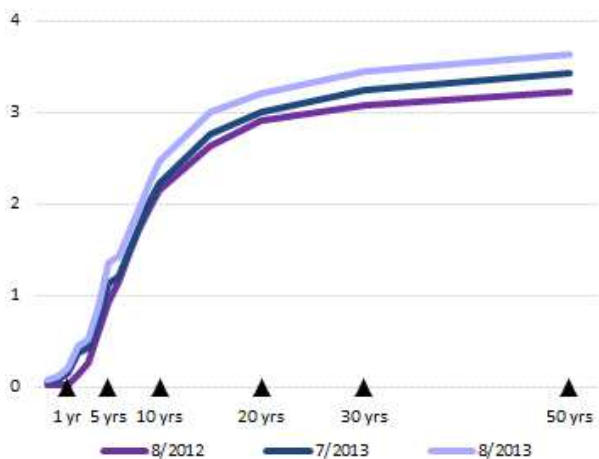
	BTF 3 month	BTF 6 month	BTF 12 month
Auction date	08/05/2013	08/05/2013	08/05/2013
Issue	13 weeks	24 weeks	50 weeks
Settlement date	08/08/2013	08/08/2013	08/08/2013
Maturity	11/07/2013	01/23/2014	07/24/2014
Amount served*	3,993	1,894	1,799
NCTs after auction*	45	0	117
Total issued amount*	4,038	1,894	1,916
Weighted average rate	0.043%	0.072%	0.138%
Auction date	08/12/2013	08/12/2013	08/12/2013
Issue	12 weeks	23 weeks	49 weeks
Settlement date	08/14/2013	08/14/2013	08/14/2013
Maturity	11/07/2013	01/23/2014	07/24/2014
Amount served*	3,993	1,745	1,995
NCTs after auction*	0	0	0
Total issued amount*	3,993	1,745	1,995
Weighted average rate	0.045%	0.079%	0.146%
Auction date	08/19/2013	08/19/2013	08/19/2013
Issue	13 weeks	22 weeks	48 weeks
Settlement date	08/22/2013	08/22/2013	08/22/2013
Maturity	11/21/2013	01/23/2014	07/24/2014
Amount served*	3,995	1,450	1,732
NCTs after auction*	0	5	146
Total issued amount*	3,995	1,455	1,878
Weighted average rate	0.061%	0.091%	0.178%
Auction date	08/26/2013	08/26/2013	08/26/2013
Issue	12 weeks	21 weeks	51 weeks
Settlement date	08/29/2013	08/29/2013	08/29/2013
Maturity	11/21/2013	01/23/2014	08/21/2014
Amount served*	3,998	1,594	1,993
NCTs after auction*	0	0	28
Total issued amount*	3,998	1,594	2,021
Weighted average rate	0.059%	0.092%	0.193%

* €m

Source: Agence France Trésor

French government yield curve

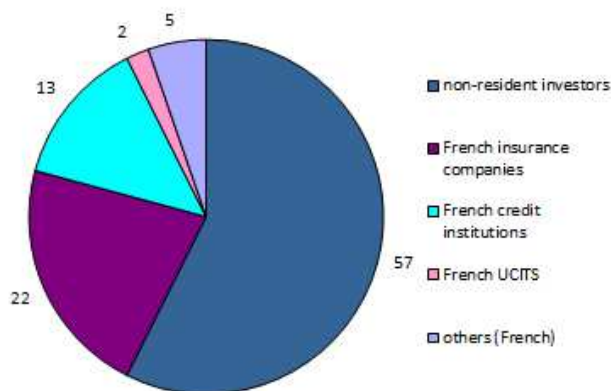
quote at end of the month, in %



Source: Bloomberg

OAT ownership by type of holder: second quarter 2013

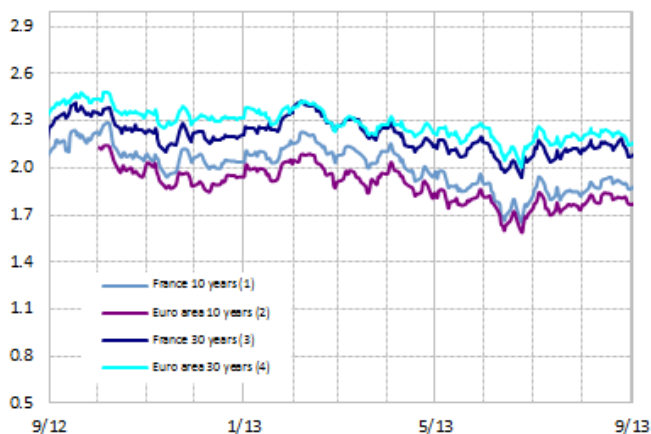
structure in %



Source: Banque de France

Breakeven inflation

daily quotes in %



(1) difference between the yield of the OAT 4.25% October 2023 and the yield of the OATi 2.1% July 2023

(2) difference between the yield of the OAT 2.25% October 2022 and the yield of the OATi 1.1% July 2022

(3) difference between the yield of the OAT 5.5% April 2029 and the yield of the OATi 3.4% August 2029

(4) difference between the yield of the OAT 4.5% October 2041 and the yield of the OATi 1.8% July 2040

Source: Bloomberg

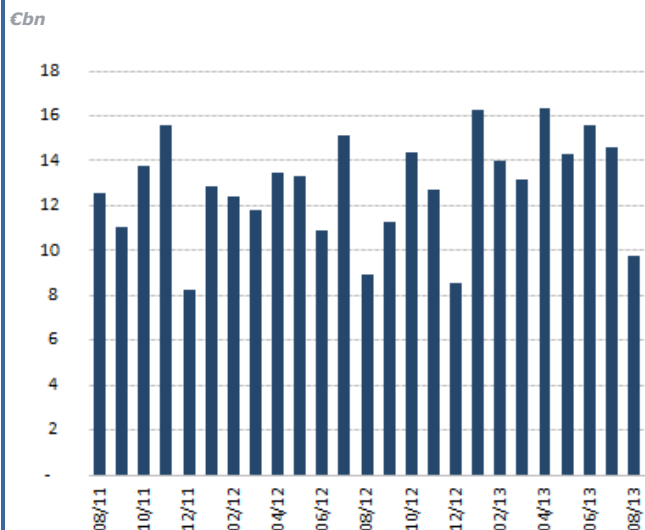
Negotiable government debt and swaps

€bn

	end 2006	end 2007	end 2008	end 2009	end 2010	end 2011	end 2012	end of July 2013	end of Aug. 2013
Negotiable government debt outstanding	877	921	1 017	1,148	1,229	1,313	1,386	1,443	1,443
of which index-linked securities	110	132	152	148	159	166	173	168	169
OAT	610	641	681	719	816	888	950	1,039	1,039
BTAN	200	202	198	215	226	247	270	226	225
BTF	66	78	138	214	187	178	167	179	179
Swaps outstanding	44	42	28	20	16	13	10	10	10
Average maturity of the negotiable debt									
before swaps	7 years	7 years	6 years	6 years	7 years	7 years	7 years	7 years	7 years
after swaps	45 days	51 days	292 days	246 days	68 days	57 days	37 days	32 days	7 days
before swaps	7 years	7 years	6 years	6 years	7 years	7 years	7 years	7 years	7 years
after swaps	16 days	29 days	276 days	233 days	60 days	52 days	34 days	29 days	4 days

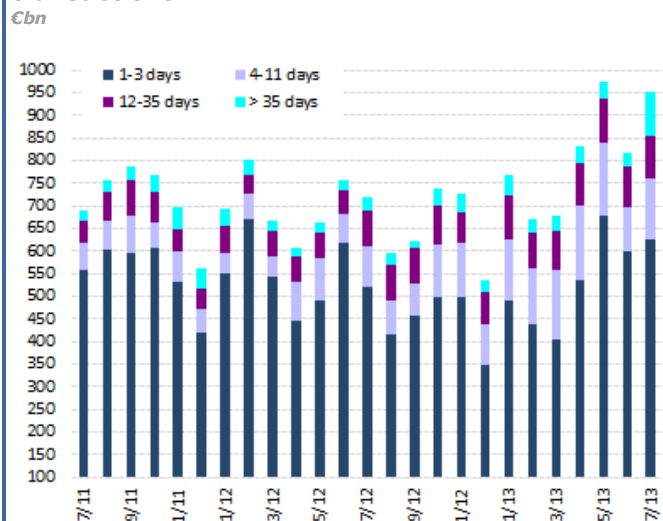
Source: Agence France Trésor

Average daily turnover on OATs and BTANs



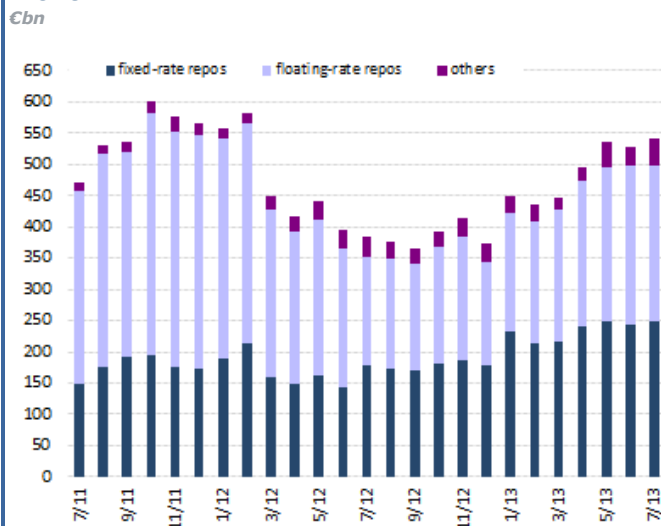
Source: primary dealers

Primary dealers, monthly fixed-rate repo transactions



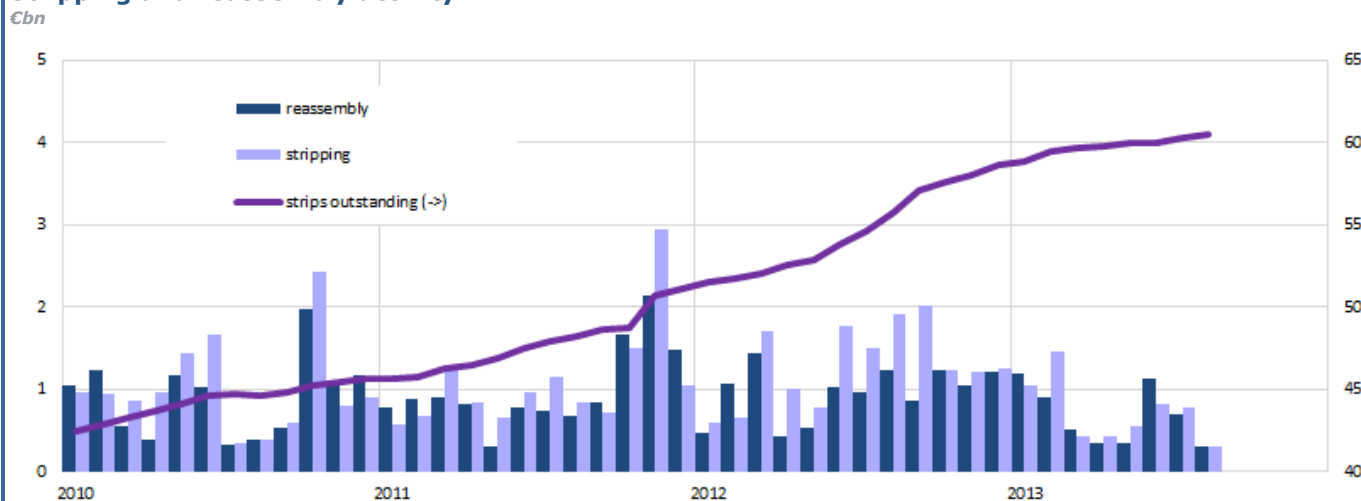
Source: primary dealers

Primary dealers, repo outstanding at end of month



Source: primary dealers

Stripping and reassembly activity



* New rules since November 09 / See tab on page 10 and 11 for more details on stripped bonds
Source: Euroclear France

Highly favourable borrowing terms in 2013

After hitting a record low in April, French yields picked up again in May in keeping with the majority of the major sovereign debt issuers and on the back of expectations that the US Fed may decide to taper its quantitative easing programme. The upturn came as the markets factored in the good economic news announced in the summer, with numerous green shoots signalling a gradual recovery in the global economy, including Q2 euro area growth of 0.3% and a 0.5% improvement in France in the same period.

Although largely a result of the overall situation outlined above, this across-the-board rise in yields nevertheless occurred extremely quickly and over a very short space of time. The French 10-year yield, which had touched bottom at 1.62% on the secondary market, bypassed the 2.60% mark at the beginning of September. The ECB's determination to take the necessary measures to support euro area growth if the macroeconomic climate deteriorates in a low-inflation environment helped keep yields stable. French 10-year bond yields were still very low at 2.33% at the end of September. The French spread was also stable against the Bund (at the end of September, around 50 basis points) and the correlation between French and German yields returned to pre-crisis levels.

Since the start of 2013, France has on the whole continued to benefit from more favourable borrowing terms than forecast in the initial Budget Act. Consequently, Agence France Trésor has been able to issue benchmark bonds with low coupons, with a weighted average of 1.49% in the first nine months of the year for medium- and long-term bond issues compared to 1.86% in 2012 and an average of 4.15% during the period 1998-2007. Yields on short-term treasury bills (BTFs) were also historically low at 0.05% compared to 0.08% during the previous financial year and an average of 3.10% during the period 1998-2007, reflecting the confidence shown by French and international investors in the French economy, as well as in its strategy of issuing debt to a diversified and stable investor base.

Given these favourable borrowing terms, the 2013 medium- and long-term debt issuance programme of €169bn is now 91% complete (€153.7bn), net of buybacks, compared to 87.9% (€156.5bn out of a planned €178bn) at the same time last year.

The scenario for 2014 outlined in the Budget Bill for long rates is one of a return to normal. After gaining 75 basis points between the beginning of May and the end of August, the French 10-year rate should add 50 basis points by the end of 2013 and another 50 basis points in 2014 to end that year at 3.5%. This can be compared to the consensus forecast for September which expects the French 10-year yield to reach 2.5% at the end of 2013 and 2.6% at end-September 2014, barely higher than the end-of-August level.

In the wake of an expected improvement in the economic climate and a reduction in excess liquidity, the money markets should gradually see a return to normal in the euro area. The 3-month BTF yield, out of negative territory since the start of 2013 but still very low (less than 0.1%), should by the end of 2014 be on a par with the European Central Bank's refinancing rate, assumed stable between now and then (i.e. 0.5%). The yearly average is estimated at 0.3%.

With 2013 yields and inflation rates lower than forecast in the initial 2012 Budget Act voted at end-2012, the estimate for the debt servicing cost and cash position has been revised down from €46.9bn to €45bn in 2013, i.e. €-1.9bn. In 2014, it is expected to stand at €46.7bn, although yields at issue of government bonds have gradually recovered since the end of spring 2013 and the outstanding debt has increased. This positive trend is mainly due to the delayed impact of the terms of issue of medium- and long-term securities on fiscal debt service. Indeed, the average coupon rate on the medium- and long-term debt issued in 2013 is lower than that the average coupon of the debt maturing this year.

Yield at issue

3-month BTF (Annual average)		10-year OAT (Annual average)	
2002	3.19%	2002	4.93%
2003	2.22%	2003	4.17%
2004	2.00%	2004	4.20%
2005	2.06%	2005	3.48%
2006	2.84%	2006	3.73%
2007	3.87%	2007	4.23%
2008	3.59%	2008	4.37%
2009	0.62%	2009	3.69%
2010	0.37%	2010	3.17%
2011	0.70%	2011	3.38%
2012	0.04%	2012	2.70%
2013	0.05% (estimate)	2013	2.3% (estimate)
2014	0.3% (forecast)	2014	3.3% (forecast)

Macro-economic forecast

Real growth rate as a %

	2012	2013	2014
French GDP	0.0	0.1	0.9
Euro zone GDP	-0.6	-0.4	1.2
Household consumption	-0.4	0.3	0.8
Business investment	-2.1	-2.2	1.5
Exports	2.4	1.2	3.5
Imports	-1.1	1.0	3.0
Consumer prices	2.0	0.9	1.30

(on an annual average basis)

Source: PLF 2014 (09/25/2013), Eurostat (07/27/2013)

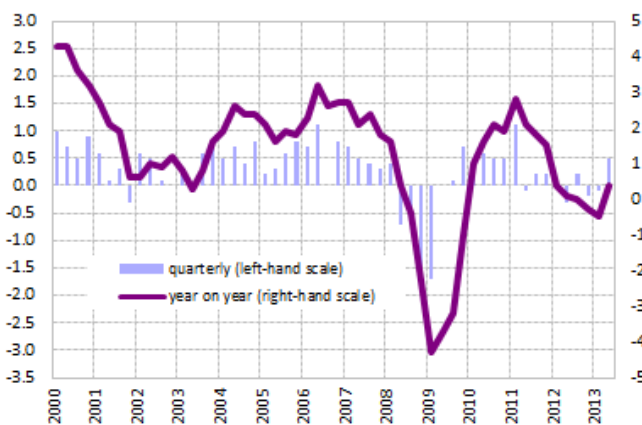
Recent economic indicators

Industrial output, year-on-year	-0.4%	7/2013
Household consumption*, year-on-year	-0.1%	8/2013
Unemployment rate (ILO)	10.9%	6/2013
Consumer prices, year-on-year		
all items	0.9%	8/2013
all items excluding tobacco	0.7%	8/2013
Trade balance, fob-fob, sa (€bn)	-€5.1 bn	7/2013
" " " " " "	-€4.5 bn	6/2013
Current account balance, sa (€bn)	-€3.2 bn	7/2013
" " " " " "	-€1.8 bn	6/2013
10-year constant maturity rate (TEC10)	2.50%	08/30/2013
3-month interest rate (Euribor)	0.224%	08/30/2013
EUR / USD	1.3235	08/30/2013
EUR / JPY	130.01	08/30/2013

*manufactured goods / Sources: Insee, Ministry of the Economy and Finance, Banque de France

Gross domestic product at chain-linked previous year prices

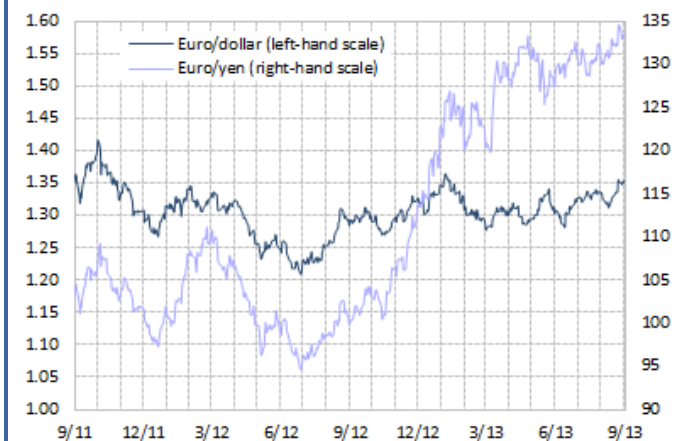
Variation in %



Source: Insee, quarterly national accounts (09/27/2013)

Euro exchange rate

Daily quotes



Source: European Central Bank

Government budget monthly position

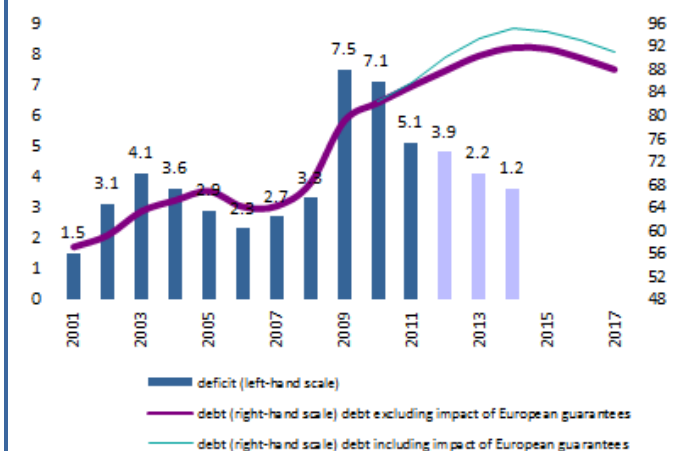
€bn

	2010	2011	end of July level		
	2010	2011	2011	2012	2013
General budget balance	-90.09	-88.16	-59.10	-63.76	-59.00
revenue	275.23	286.01	160.64	162.26	176.45
expenditure	365.32	374.17	219.74	226.02	235.45
Balance of special Treasury accounts	-0.63	1.01	-27.48	-21.78	-21.82
General budget outturn	-90.72	-87.15	-86.57	-85.54	-80.82

Source: Ministry of the Economy and Finance

Public finance: general government deficit and debt

As a % of GDP



Source: PLF 2014 (09/25/2013)

Timetable for the release of French economic indicators

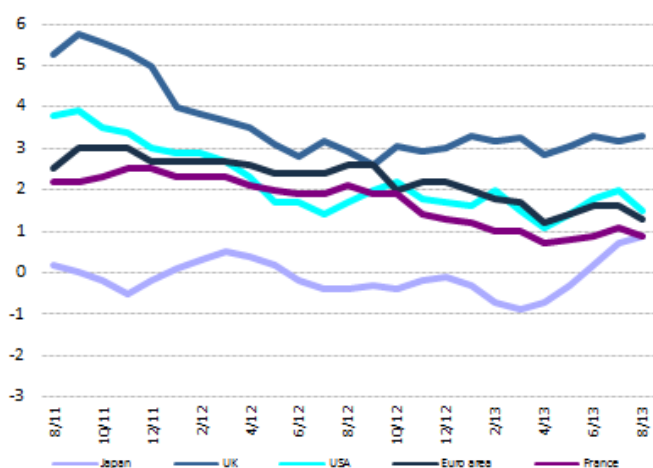
October 2013	November 2013
07/10 Eurozone economic outlook - Q3-2013	11/08 Industrial investments: October 2013
08/10 Foreign trade in August	11/08 Industrial output in September
10/10 Industrial output in August	11/08 Foreign trade in September
11/10 Balance of payments in August	11/08 Balance of payments in September
15/10 Consumer prices: index for September	11/14 Quarterly national accounts: first results Q3-2013
16/10 Inflation (HICP): September index	11/14 Payroll employment: provisional results Q3-2013
23/10 Industrial trends: quarterly survey for October	11/14 Consumer prices: index for October
23/10 Industrial trends: monthly survey for October	11/15 Inflation (HICP): October index
24/10 Job seekers in September	11/25 Industrial trends: monthly survey for November
24/10 Household confidence survey: October survey	11/26 Industrial trends: monthly survey for October
29/10 New building starts in September	11/27 New building starts in November
31/10 Industrial producer prices: September index	11/28 Job seekers in October
31/10 Household consumption of manufactured goods in September	11/28 Household consumption of manufactured goods in October
	11/29 Industrial producer prices: October index

Sources: Insee, Eurostat

International comparisons

Consumer price index

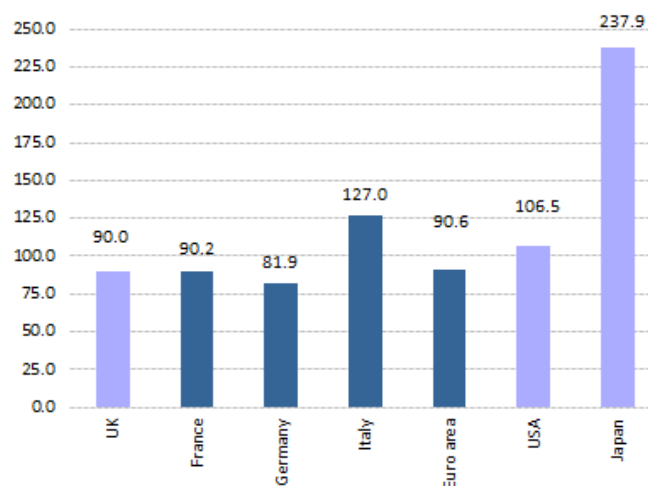
Year-on-year % change



Source: statistical institutes

General government debt in 2012

As a % of GDP



Sources: Eurostat (04/13), Insee (04/13), IMF(04/13)

Treasury notes at August 31, 2013

In euros

ISIN CODE Euroclear France	Bond	Outstanding	ISIN CODE Euroclear France	Face value
Maturity 2013		10,706,000,000		
FR0119580019	BTAN 2% 25 September 2013	10,706,000,000		
Maturity 2014		62,902,000,000		
FR0116114978	BTAN 2.5% 12 January 2014	21,652,000,000		
FR0116843535	BTAN 3% 12 July 2014	26,046,000,000		
FR0120634490	BTAN 0.75% 25 September 2014	15,204,000,000		
Maturity 2015		50,968,000,000		
FR0117836652	BTAN 2.5% 15 January 2015	19,480,000,000		
FR0118462128	BTAN 2% 12 July 2015	31,488,000,000		
Maturity 2016		61,769,652,520		
FR0119105809	BTAN 2.25% 25 February 2016	24,423,000,000		
FR0119580050	BTAN 2.5% 25 July 2016	26,119,000,000		
FR0119105791	BTANi 0.45% 25 July 2016	11,227,652,520 (1)	1.04804	10,713,000,000
Maturity 2017		38,331,000,000		
FR0120473253	BTAN 1.75% 25 February 2017	20,302,000,000		
FR0120746609	BTAN 1% 25 July 2017	18,029,000,000		

Total Treasury notes**224,676,652,520****Average maturity of BTNs****1 years and 355 days**

(1) Indexed bonds outstanding = face value x indexation coefficient

Fungible Treasury bonds at August 31, 2013

In euros

ISIN CODE Euroclear France	Bond	Outstanding	Indexation coefficient	Face value	Stripped
Maturity 2013		21,073,157,679			
FR0010011130	OAT 4% 25 October 2013	21,073,157,679			0
Maturity 2014		42,418,074,224			
FR0010061242	OAT 4% 25 April 2014	21,214,102,234			0
FR0010112052	OAT 4% 25 October 2014	21,203,971,990			0
Maturity 2015		94,724,575,133			
FR0010163543	OAT 3.5% 25 April 2015	26,547,313,893			0
FR0010135525	OAT€i 1.6% 25 July 2015	16,776,261,240 (1)	1.19387	14,052,000,000	0
FR0010216481	OAT 3% 25 October 2015	33,236,000,000			0
FR0011452721	OAT 0.25% 25 November 2015	18,165,000,000			0
Maturity 2016		57,859,000,000			
FR0010288357	OAT 3.25% 25 April 2016	29,070,000,000			0
FR0000187361	OAT 5% 25 October 2016	28,789,000,000			363,609,600
Maturity 2017		86,171,199,600			
FR0010415331	OAT 3.75% 25 April 2017	35,024,000,000			0
FR0010235176	OATi 1% 25 July 2017	22,846,199,600 (1)	1.13128	20,195,000,000	0
FR0010517417	OAT 4.25% 25 October 2017	28,301,000,000			0
Maturity 2018		88,153,799,300			
FR0010604983	OAT 4% 25 April 2018	25,520,000,000			0
FR0011394345	OAT 1% 25 May 2018	20,964,000,000			0
FR0011237643	OAT€i 0.25% 25 July 2018	4,732,799,300 (1)	1.03835	4,558,000,000	0
FR0010670737	OAT 4.25% 25 October 2018	28,047,000,000			0
FR0011523257	OAT 1% 25 November 2018	8,890,000,000			0
Maturity 2019		83,282,601,390			
FR0000189151	OAT 4.25% 25 April 2019	31,478,000,000			0
FR0010850032	OATi 1.3% 25 July 2019	11,077,371,100 (1)	1.06462	10,405,000,000	0
FR0000570921	OAT 8.5% 25 October 2019	8,844,392,893			6,033,930,100
FR0010776161	OAT 3.75% 25 October 2019	31,858,000,000			0
FR0000570954	OAT cap. 9.82% 31 December 2019	24,837,397 (2)		6,692,154	0
Maturity 2020		93,324,541,250			
FR0010854182	OAT 3.5% 25 April 2020	36,032,000,000			0
FR0010050559	OAT€i 2.25% 25 July 2020	24,336,541,250 (1)	1.21835	19,975,000,000	0
FR0010949651	OAT 2.5% 25 October 2020	32,956,000,000			0
Maturity 2021		70,331,466,880			
FR0010192997	OAT 3.75% 25 April 2021	34,492,000,000			0
FR0011347046	OATi 0.1% 25 July 2021	3,238,466,880 (1)	1.00824	3,212,000,000	0
FR0011059088	OAT 3.25% 25 October 2021	32,601,000,000			0
Maturity 2022		76,531,768,070			
FR0000571044	OAT 8.25% 25 April 2022	1,243,939,990			718,868,400
FR0011196856	OAT 3% 25 April 2022	33,062,000,000			0
FR0010899765	OAT€i 1.1% 25 July 2022	18,548,828,080 (1)	1.08308	17,126,000,000	0
FR0011337880	OAT 2.25% 25 October 2022	23,677,000,000			0

(1) Indexed bonds outstanding = face value x indexation coefficient

(2) Including coupons capitalized at 31/12/2010; not open to subscription

(3) Revised updated on 28/03/2010; not open to subscription

OATi: OAT indexed on the French consumer prices index (excluding tobacco)

OAT€i: OAT indexed on the eurozone harmonized index of consumer prices (excluding tobacco)

Fungible Treasury bonds at August 31, 2013

In euros

ISIN CODE Euroclear France	Bond	Outstanding	Indexation coefficient	Face value	Stripped
Maturity 2023		69,757,733,583			
FR0000571085	OAT 8.5% 25 April 2023	10,606,195,903			6,140,625,000
FR0011486067	OAT 1.75% 25 May 2023	14,438,000,000			0
FR0010585901	OATi 2.1% 25 July 2023	11,484,537,680 (1)	1.09669	10,472,000,000	0
FR0010466938	OAT 4.25% 25 October 2023	33,229,000,000			557,952,000
Maturity 2024		4,211,207,520			
FR0011427848	OAT€i 0.25% 25 July 2024	4,211,207,520 (1)	1.01426	4,152,000,000	0
Maturity 2025		17,780,928,118			
FR0000571150	OAT 6% 25 October 2025	17,780,928,118			2,844,826,900
Maturity 2026		30,306,000,000			
FR0010916924	OAT 3.5% 25 April 2026	30,306,000,000			158,550,000
Maturity 2027		25,128,709,880			
FR0011008705	OAT€i 1.85% 25 July 2027	8,839,709,880 (1)	1.06734	8,282,000,000	0
FR0011317783	OAT 2.75% 25 October 2027	16,289,000,000			0
Maturity 2028		20,176,175			
FR0000571226	OAT zéro coupon 28 March 2028	20,176,175 (3)		46,232,603	
Maturity 2029		33,854,074,361			
FR0000571218	OAT 5.5% 25 April 2029	24,265,880,458			4,093,709,500
FR0000186413	OATi 3.4% 25 July 2029	9,588,193,903 (1)	1.25023	7,669,144,000	0
Maturity 2032		36,769,042,040			
FR0000188799	OAT€i 3.15% 25 July 2032	11,882,719,440 (1)	1.23444	9,626,000,000	0
FR0000187635	OAT 5.75% 25 October 2032	24,886,322,600			11,814,399,000
Maturity 2035		21,183,000,000			
FR0010070060	OAT 4.75% 25 April 2035	21,183,000,000			5,634,086,000
Maturity 2038		23,889,000,000			
FR0010371401	OAT 4% 25 October 2038	23,889,000,000			4,723,950,000
Maturity 2040		9,832,784,520			
FR0010447367	OAT€i 1.8% 25 July 2040	9,832,784,520 (1)	1.14348	8,599,000,000	0
Maturity 2041		23,650,000,000			
FR0010773192	OAT 4.5% 25 April 2041	23,650,000,000			7,415,627,000
Maturity 2045		4,500,000,000			
FR0011461037	OAT 3.25% 25 May 2045	4,500,000,000			0
Maturity 2055		14,926,000,000			
FR0010171975	OAT 4% 25 April 2055	14,926,000,000			6,017,694,000
Maturity 2060		8,852,000,000			
FR0010870956	OAT 4% 25 April 2060	8,852,000,000			3,991,684,000

Total fungible Treasury bonds	1,038,530,839,723
Stripped outstanding	60,509,511,500
As a % strippable bonds	5.94%
Average maturity	9 years and 96 days

- (1) Indexed bonds outstanding = face value x indexation coefficient
(2) Including coupons capitalized at 31/12/2010; not open to subscription
(3) Revised updated on 28/03/2010; not open to subscription

OATi: OAT indexed on the French consumer prices index (excluding tobacco)
OAT€i: OAT indexed on the eurozone harmonized index of consumer prices (excluding tobacco)

Treasury bills at August 31, 2013

In euros

	Maturity	Outstanding
BTF	5 September 2013	5,985,000,000
BTF	12 September 2013	8,756,000,000
BTF	19 September 2013	6,030,000,000
BTF	26 September 2013	8,681,000,000
BTF	3 October 2013	6,332,000,000
BTF	10 October 2013	8,405,000,000
BTF	17 October 2013	7,130,000,000
BTF	24 October 2013	7,981,000,000
BTF	31 October 2013	7,678,000,000
BTF	7 November 2013	8,031,000,000
BTF	14 November 2013	5,635,000,000
BTF	21 November 2013	7,993,000,000
BTF	28 November 2013	7,007,000,000
BTF	12 December 2013	5,570,000,000
BTF	27 December 2013	7,593,000,000
BTF	9 January 2014	6,684,000,000
BTF	23 January 2014	8,682,000,000
BTF	6 February 2014	7,538,000,000
BTF	6 March 2014	5,319,000,000
BTF	3 April 2014	8,117,000,000
BTF	30 April 2014	7,444,000,000
BTF	28 May 2014	7,105,000,000
BTF	26 June 2014	8,266,000,000
BTF	24 July 2014	9,478,000,000
BTF	21 August 2014	2,021,000,000
Total Treasury bills		179,461,000,000
Average maturity of BTFs		123 days

Securities held in reserve by Caisse de la dette publique at 31 Aug. 2013

void

French government negotiable debt at 31 Aug. 2013

Total outstanding	1,442,668,492,243
Average maturity	7 years and 7 days