

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 issues 20-year and 50-year syndicated bonds with historically low yields

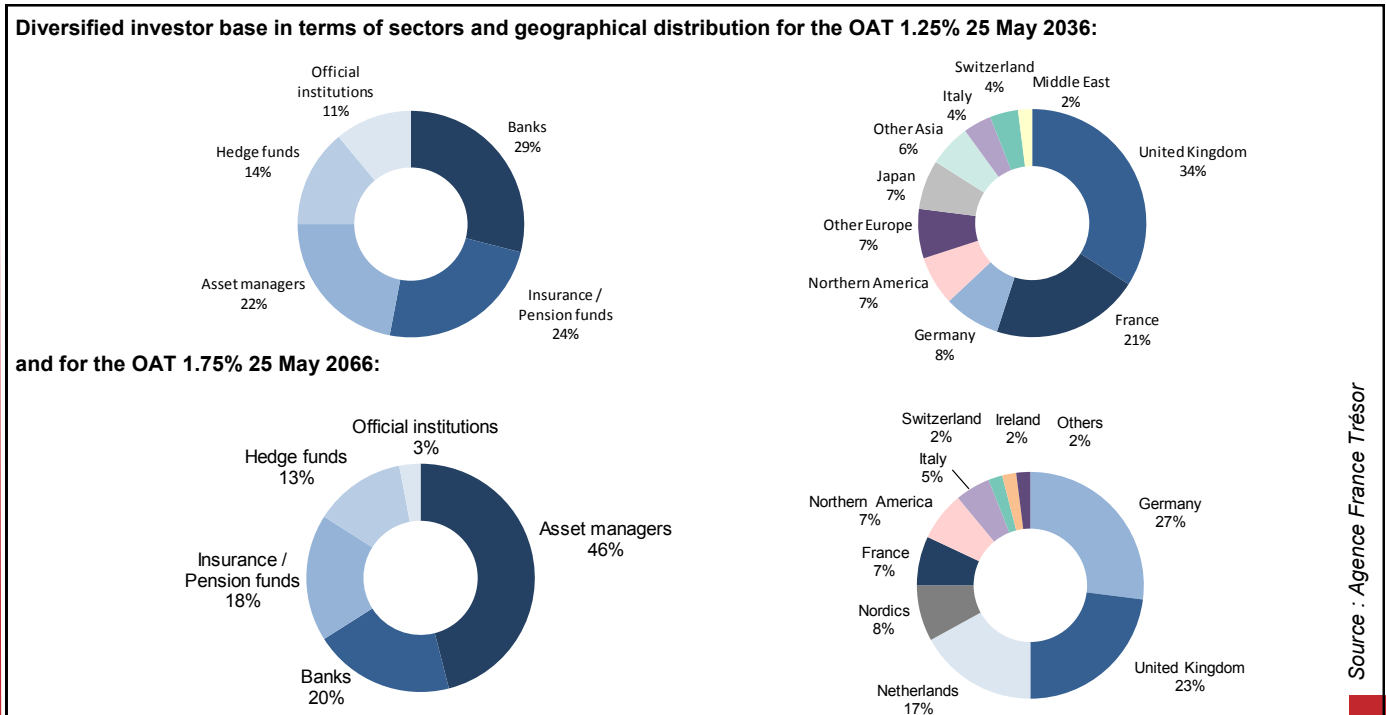
For the first time in its history Agence France Trésor carried out a double issue of syndicated bonds, creating two new benchmarks at the long end of the French yield curve. On Tuesday 12 April 2016, AFT launched two new benchmark bonds, OAT 1.25% 25 May 2036 (20 years) and OAT 1.75% 25 May 2066 (50 years), in accordance with the government borrowing programme for 2016 published in December 2015.

The total amount served came to €9bn, including €3bn for the new 50-year OAT. This success affirms France's position as a benchmark issuer for this maturity. The syndicated issue was the largest ever in the euro area in terms of amount weighted by the maturity of the securities issued. The bonds were issued under very good conditions, since total demand stood at €19.6bn. The diverse nature of the orders that AFT received for both bonds reflects the wide diversity of its investor base, both in terms of geographical distribution and types of counterparties (see investor sector and geographical distribution charts for the 20-year and 50-year bonds below).

The very favourable market conditions meant that the two new bonds were issued with record low yields of 1.320% for the 20-year OAT and 1.923% for the 50-year OAT. The latter is in contrast to the 4.2% yield at issuance in 2010, for the syndicated OAT 2060.

The successful launch of both OATs and the yields at issuance are further evidence of the confidence that investors and the markets show in France's signature. Both bonds will continue to be tapped to ensure their liquidity and will be strippable to suit investors' demands and needs.

Following this syndicated issue, the amount of medium-term and long-term debt that France issued in 2016 stood at €86.6bn on 21 April. This represents the completion of 46.3% of the €187bn issuance programme, as compared to 45.5% on the same date one year earlier.



Source : Agence France Trésor

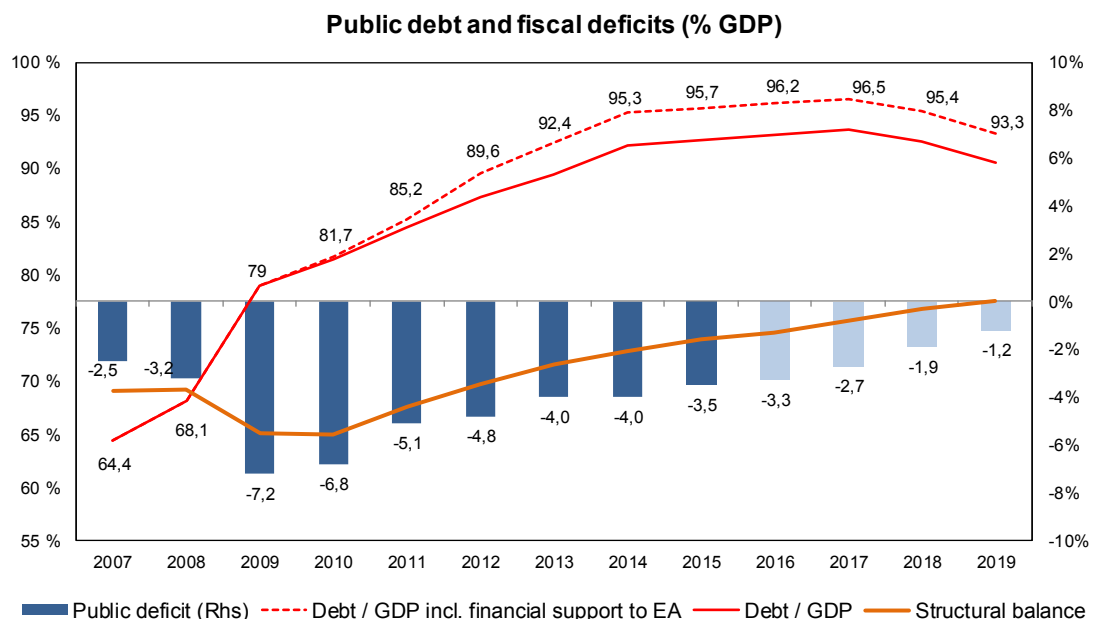
[France's 2016-2019 Stability Programme](#) was submitted to the cabinet and sent to Parliament on 13 April. It will be submitted to the Council of the European Union and to the European Commission at the end of April 2016. The Stability Programme provides details about France's fiscal strategy for the coming years, in light of the 2015 budget outturn and the macroeconomic outlook.

France met its fiscal commitments: after posting a smaller-than-expected government deficit in 2015, standing at 3.5% of GDP, as opposed to the forecast of 3.8% in the 2016 Draft Budget, France is maintaining its deficit targets of 3.3% in 2016 and 2.7% in 2017, in keeping with its commitments to the European Union. The government deficit targets and the growth assumptions (1.5% in 2016 and 2017, the same as in the 2016 Draft Budget) will lead to a reduction of the debt-to-GDP ratio starting in 2018, after a peak of 96.5% in 2017. The forecast for the peak has been trimmed as a consequence of the 2015 budget outturn, which was better than expected. This led to a debt-to-GDP ratio of 95.7% at the end of 2015, compared to the forecast of 96.3% in the 2015 Stability Programme.

Fiscal consolidation is continuing through containment of expenditure: government expenditure (excluding tax credits) shrank by 0.8 percentage points of GDP in 2015, and will continue to decrease in 2016 and 2017.

The aggregate tax and social security contribution rate will also continue the decline started in 2015 to stand at 44% at the end of 2017. This adjustment path relies on further budgetary savings, totalling €3.8 billion in 2016 and €5 billion in 2017. These savings will offset the weak inflation rate, which is now expected to be lower than forecast in the 2016 Draft Budget, standing at 0.1% in 2016 and 1.0% in 2017. Yield forecasts were also trimmed and 10-year bonds are now expected to carry a yield of 1.25% at the end of 2016 and 2.0% at the end of 2017, which will also curb government expenditure growth.

One of the major objectives of France's fiscal strategy is still to underpin the economic recovery. The Tax Credit on Competitiveness and Employment (TCCE) is now in full effect, providing businesses with €27.4 billion in savings since it was first introduced. The second phase of the Responsibility and Solidarity Pact also came into force at the start of 2016. Deployment of the Pact will continue in 2017, providing businesses with total savings of €41 billion on their payroll contributions as it becomes fully operational. Economic and social reforms are continuing to consolidate the recovery and modernise the public administration. They are described and assessed in the [National Reform Programme](#) submitted with the [2016-2019 Stability Programme](#).



Sources: *Stability Programme for France 2016-2019*

Indicative auction schedule

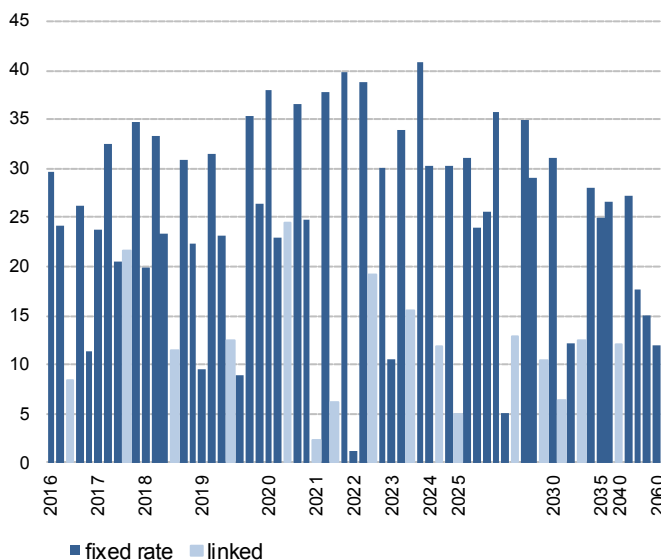
		Short-term					Medium-term	Long-term	Index-linked
May 2016	auction date	2	9	17	23	30	19	4	19
	settlement date	4	11	19	25	1 June	23	9	23
June 2016	auction date	6	13	20	27	/	16	2	16
	settlement date	8	15	22	29	/	20	6	20

anticipated or delayed auctions (bank holidays, etc.)

Source: Agence France Trésor

Medium- and long-term negotiable government debt at 31 March 2016

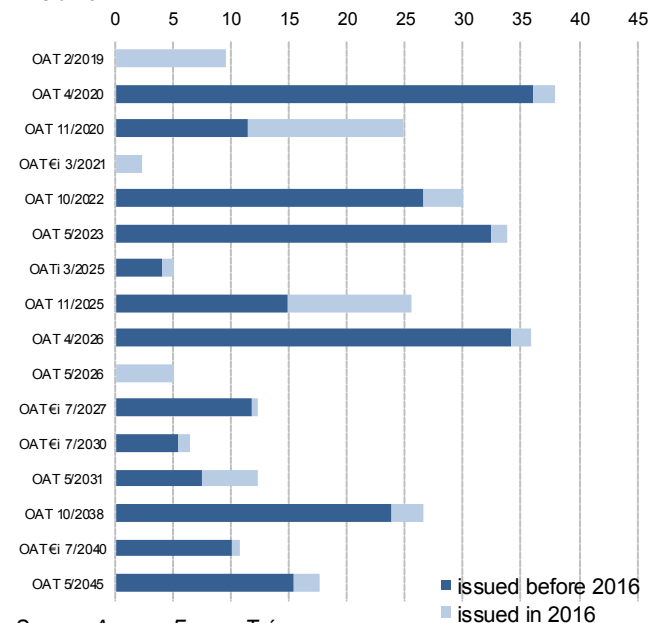
Nominal value of each line, in € billion



Source: Agence France Trésor

Medium- and long-term: securities issued during the year and total issuance at 31 March 2016

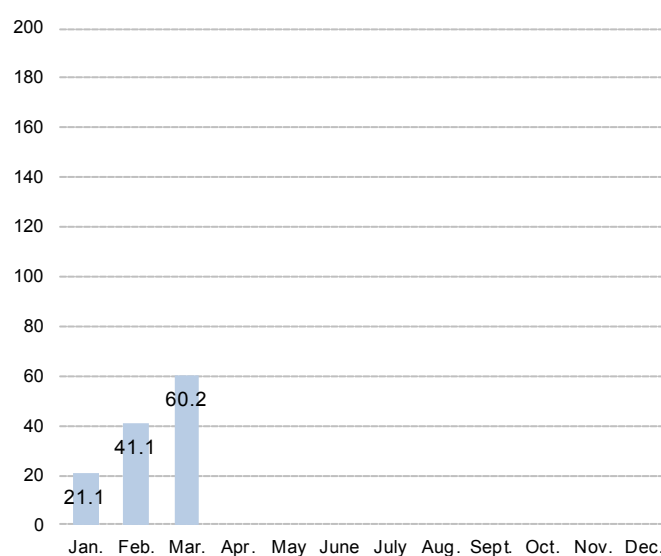
In € billion



Source: Agence France Trésor

Issuance net of buybacks at 31 March 2016

In € billion



Source: Agence France Trésor

Medium- and long-term: provisional maturity schedule at 31 March 2016

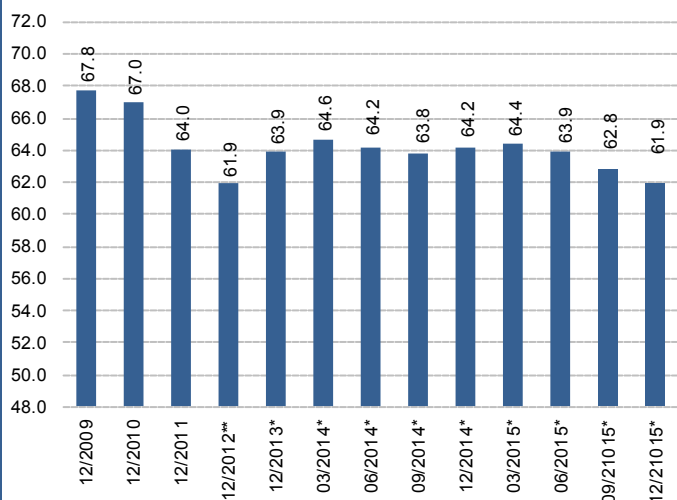
In € billion

Month	Coupon	Redemption
Apr-16	16.1	29.7
May-16	3.5	
Jun-16		
Jul-16	3.7	32.2
Aug-16		
Sep-16		
Oct-16	15.9	26.2
Nov-16	1.2	11.4
Dec-16		
Jan-17		
Feb-17	0.4	23.8
Mar-17	0.0	

Source: Agence France Trésor

Non-resident holders of negotiable government debt in fourth quarter of 2015

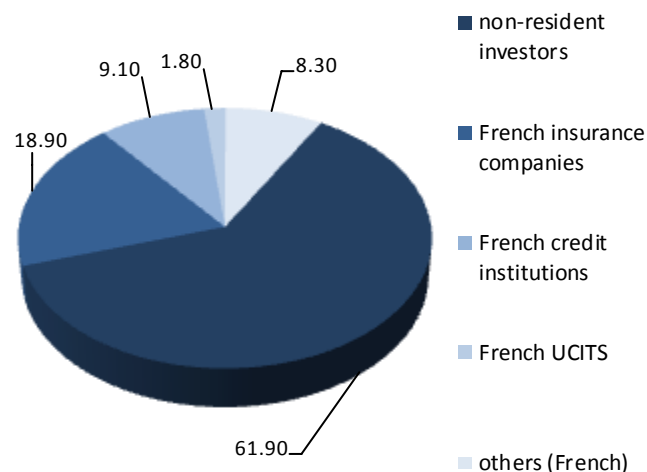
As a % of negotiable debt outstanding expressed in market value



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

Negotiable government debt by group of holders in fourth quarter of 2015

Structure in % expressed in market value



Source: Banque de France

Negotiable government debt at 31 March 2016

In euros

Total medium- and long-term debt	1,456,595,705,400
Total stripping activity	61,250,789,100
Average maturity	7 years and 296 days
Total short-term debt	154,603,000,000
Average maturity	119 days
TOTAL OUTSTANDING	1,611,198,705,400
Average maturity	7 years and 33 days

Source: Agence France Trésor

Negotiable government debt and interest rate swaps at 31 March 2016

In € billion

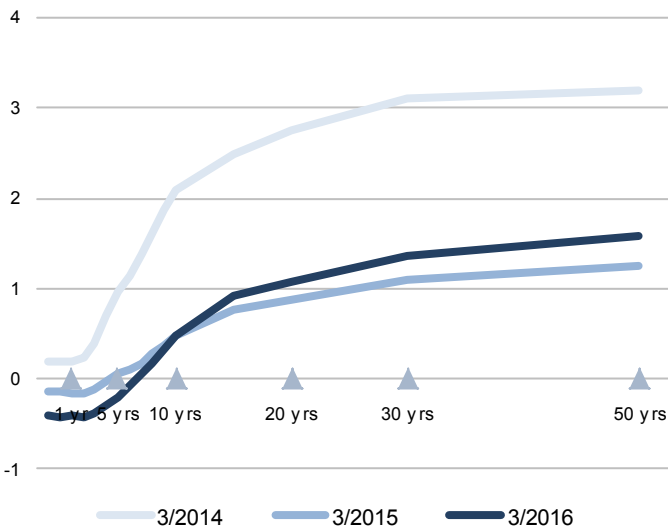
	End 2013	End 2014	End 2015	End Feb. 2016	End March 2016
Negotiable government debt outstanding	1,457	1,528	1,576	1,589	1,611
of which index-linked securities	174	189	190	193	192
Medium- and long-term	1,283	1,352	1,424	1,440	1,457
short-term	174	175	153	149	155
Swaps outstanding	7	6	6	6	6
Average maturity of the negotiable debt					
before swaps	7 years	6 years	7 years	7 years	7 years
after swaps	5 days	363 days	47 days	67 days	33 days
before swaps	7 years	6 years	7 years	7 years	7 years
after swaps	2 days	362 days	47 days	67 days	33 days

Source: Agence France Trésor



Yield curve for French government securities

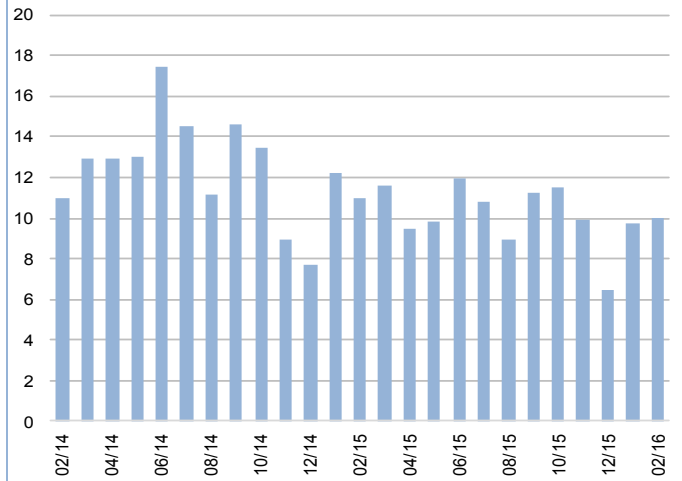
End-of-month value, %



Source: Bloomberg

Average daily volume of medium- and long-term transactions

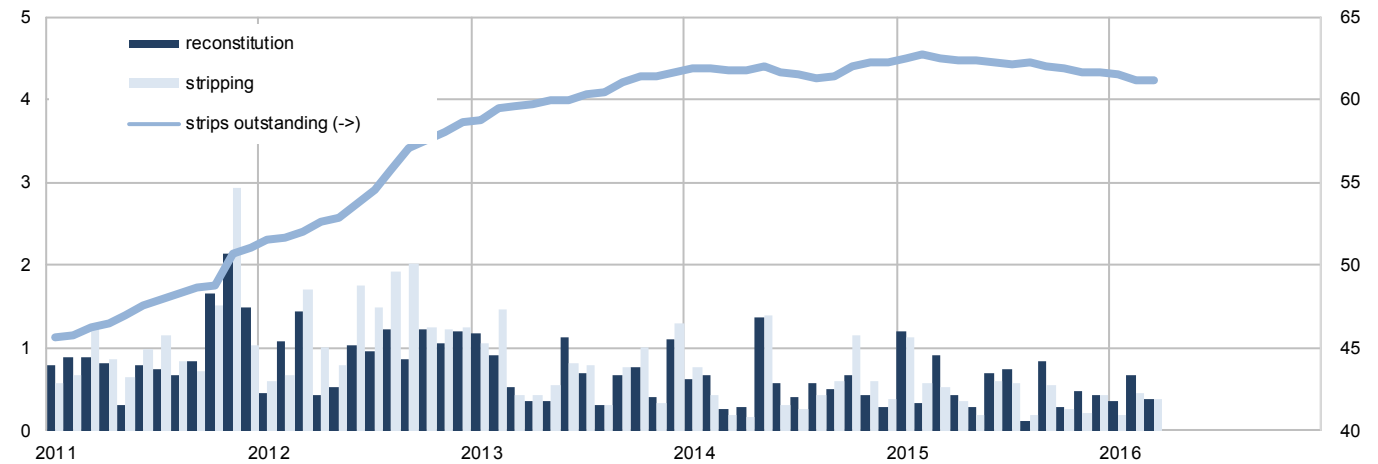
In € billion



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

Total stripping and reconstitution

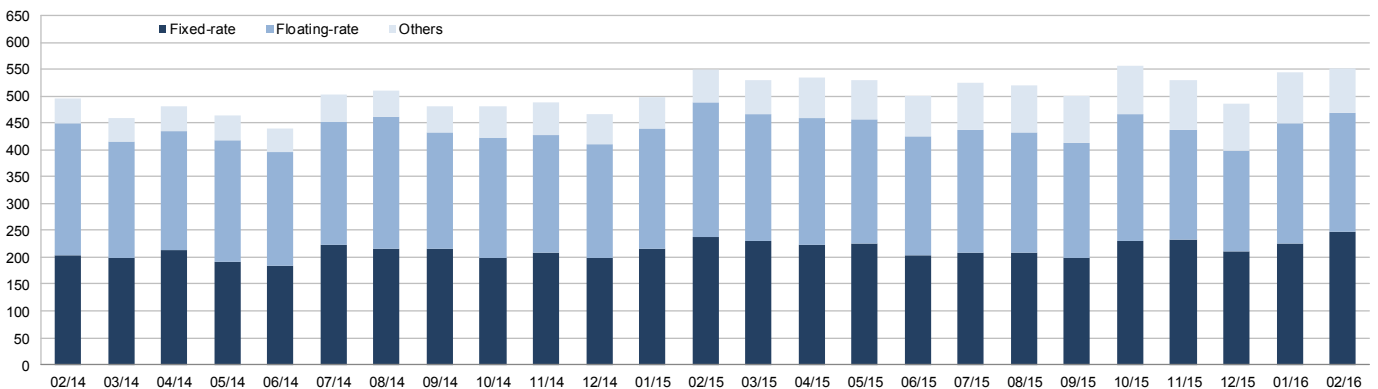
In € billion



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 March 2016

	Maturity	Outstanding (€)
BTF	06 April 2016	7 289 000 000
BTF	13 April 2016	7 019 000 000
BTF	20 April 2016	6 381 000 000
BTF	27 April 2016	6 357 000 000
BTF	04 May 2016	6 286 000 000
BTF	11 May 2016	6 018 000 000
BTF	19 May 2016	7 302 000 000
BTF	25 May 2016	4 895 000 000
BTF	01 June 2016	7 601 000 000
BTF	08 June 2016	5 454 000 000
BTF	15 June 2016	7 092 000 000
BTF	22 June 2016	7 262 000 000
BTF	29 June 2016	3 861 000 000
BTF	06 July 2016	6 366 000 000
BTF	20 July 2016	5 332 000 000
BTF	03 August 2016	6 538 000 000
BTF	18 August 2016	5 862 000 000
BTF	31 August 2016	3 131 000 000
BTF	14 September 2016	5 555 000 000
BTF	12 October 2016	8 049 000 000
BTF	09 November 2016	7 161 000 000
BTF	07 December 2016	3 590 000 000
BTF	04 January 2017	7 090 000 000
BTF	01 February 2017	6 746 000 000
BTF	01 March 2017	6 366 000 000

Medium- and long-term debt (maturing 2016–2019) at 31 March 2016

ISIN Code	Bond	Outstanding (€)	Ind. Coeff.	Face value	Stripped (€)
	Maturity 2016	99 885 422 880			
FR0010288357	OAT 3.25% 25 April 2016	29 725 000 000			0
FR0119580050	BTAN 2.5% 25 July 2016	24 221 500 000			–
FR0119105791	BTANi 0.45% 25 July 2016	8 331 922 880 (1)	1,04032	8 009 000 000	–
FR0000187361	OAT 5% 25 October 2016	26 204 000 000			221 517 000
FR0011857218	OAT 0.25% 25 November 2016	11 403 000 000			0
	Maturity 2017	133 517 661 200			
FR0120473253	BTAN 1.75% 25 February 2017	23 840 000 000			–
FR0010415331	OAT 3.75% 25 April 2017	32 586 000 000			0
FR0120746609	BTAN 1% 25 July 2017	20 593 000 000			–
FR0010235176	OATi 1% 25 July 2017	21 723 661 200 (1)	1,12296	19 345 000 000	0
FR0010517417	OAT 4.25% 25 October 2017	34 775 000 000			0
	Maturity 2018	141 324 597 620			
FR0012634558	OAT 0% 25 February 2018	19 897 000 000			0
FR0010604983	OAT 4% 25 April 2018	33 269 000 000			0
FR0011394345	OAT 1% 25 May 2018	23 412 000 000			0
FR0011237643	OAT€i 0.25% 25 July 2018	11 534 597 620 (1)	1,02466	11 257 000 000	0
FR0010670737	OAT 4.25% 25 October 2018	30 947 000 000			0
FR0011523257	OAT 1% 25 November 2018	22 265 000 000			0
	Maturity 2019	147 079 886 646			
FR0013101466	OAT 0% 25 février 2019	9 480 000 000			0
FR0000189151	OAT 4.25% 25 April 2019	31 478 000 000			0
FR0011708080	OAT 1% 25 May 2019	23 095 000 000			0
FR0010850032	OATi 1.3% 25 July 2019	12 406 597 200 (1)	1,05678	11 740 000 000	0
FR0000570921	OAT 8.5% 25 October 2019	8 844 392 893			5 687 385 100
FR0010776161	OAT 3.75% 25 October 2019	35 410 000 000			0
FR0011993179	OAT 0.5% 25 November 2019	26 333 000 000			0
FR0000570954	OAT cap. 9.82% 31 December 2019	32 896 553 (2)		6 692 154	–

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

(2) Including coupons capitalised at 31 December 2015; not open to subscription

Medium- and long-term debt (maturing in 2020 and beyond) at 31 March 2016

ISIN Code	Bond	Outstanding (€)	Ind. Coeff.	Face value	Stripped (€)
	Maturity 2020	146 658 509 900			
FR0010854182	OAT 3.5% 25 April 2020	37 927 000 000			0
FR0012557957	OAT 0% 25 May 2020	22 969 000 000			0
FR0010050559	OAT€i 2.25% 25 July 2020	24 418 509 900	(1) 1,20229	20 310 000 000	0
FR0010949651	OAT 2.5% 25 October 2020	36 562 000 000			0
FR0012968337	OAT 0.25% 25 November 2020	24 782 000 000			0
	Maturity 2021	86 114 934 520			
FR0013140035	OAT€i 0.1% 1 March 2021	2 290 000 000	(1) 0,98560	2 290 000 000	0
FR0010192997	OAT 3.75% 25 April 2021	37 837 000 000			0
FR0011347046	OATi 0.1% 25 July 2021	6 096 934 520	(1) 1,00081	6 092 000 000	0
FR0011059088	OAT 3.25% 25 October 2021	39 891 000 000			0
	Maturity 2022	89 183 455 190			
FR0000571044	OAT 8.25% 25 April 2022	1 243 939 990			617 468 400
FR0011196856	OAT 3% 25 April 2022	38 725 000 000			0
FR0010899765	OAT€i 1.1% 25 July 2022	19 162 515 200	(1) 1,06880	17 929 000 000	0
FR0011337880	OAT 2.25% 25 October 2022	30 052 000 000			0
	Maturity 2023	100 795 093 363			
FR0000571085	OAT 8.5% 25 April 2023	10 606 195 903			5 490 900 200
FR0011486067	OAT 1.75% 25 May 2023	33 867 000 000			0
FR0010585901	OATi 2.1% 25 July 2023	15 439 897 460	(1) 1,08862	14 183 000 000	0
FR0010466938	OAT 4.25% 25 October 2023	40 882 000 000			459 585 000
	Maturity 2024	72 439 418 320			
FR0011619436	OAT 2.25% 25 May 2024	30 355 000 000			10 000 000
FR0011427848	OAT€i 0.25% 25 July 2024	11 849 418 320	(1) 1,00088	11 839 000 000	0
FR0011962398	OAT 1.75% 25 November 2024	30 235 000 000			46 000 000
	Maturity 2025	85 592 928 118			
FR0012558310	OATi 0.1% 1 March 2025	4 987 000 000	(1) 0,99227	4 987 000 000	0
FR0012517027	OAT 0.5% 25 May 2025	31 065 000 000			0
FR0000571150	OAT 6% 25 October 2025	23 968 928 118			3 138 464 400
FR0012938116	OAT 1% 25 November 2025	25 572 000 000			0
	Maturity 2026	40 914 000 000			
FR0010916924	OAT 3.5% 25 April 2026	35 814 000 000			135 313 000
FR0013131877	OAT 0.5% 25 May 2026	5 100 000 000			0
	Maturity 2027	47 924 062 180			
FR0011008705	OAT€i 1.85% 25 July 2027	12 895 062 180	(1) 1,05326	12 243 000 000	0
FR0011317783	OAT 2.75% 25 October 2027	35 029 000 000			0
	Maturity 2028	23 815 557			
FR0000571226	OAT zero coupon 28 March 2028	23 815 557	(3)	46 232 603	-
	Maturity 2029	39 602 342 236			
FR0000571218	OAT 5.5% 25 April 2029	29 091 880 458			3 537 109 100
FR0000186413	OATi 3.4% 25 July 2029	10 510 461 778	(1) 1,24103	8 469 144 000	0
	Maturity 2030	37 396 000 000			
FR0011883966	OAT 2.5% 25 May 2030	31 023 000 000			0
FR0011982776	OAT€i 0.7% 25 July 2030	6 373 000 000	(1) 0,98802	6 373 000 000	0
	Maturity 2031	12 220 000 000			
FR0012993103	OAT 1.5% 25 May 2031	12 220 000 000			0
	Maturity 2032 and later	175 923 577 670			
FR0000188799	OAT€i 3.15% 25 July 2032	12 376 505 600	(1) 1,21816	10 160 000 000	0
FR0000187635	OAT 5.75% 25 October 2032	28 114 322 600			11 076 157 400
FR0010070060	OAT 4.75% 25 April 2035	25 004 000 000			5 230 667 000
FR0010371401	OAT 4% 25 October 2038	26 534 000 000			4 867 011 400
FR0010447367	OAT€i 1.8% 25 July 2040	12 036 749 470	(1) 1,12841	10 667 000 000	0
FR0010773192	OAT 4.5% 25 April 2041	27 307 000 000			7 385 039 000
FR0011461037	OAT 3.25% 25 May 2045	17 707 000 000			500 600 000
FR0010171975	OAT 4% 25 April 2055	14 926 000 000			7 227 088 000
FR0010870956	OAT 4% 25 April 2060	11 918 000 000			5 620 484 100

(1) face value x indexation coefficient (face value if coefficient < 1)
(3) Revised on 28 March 2016; not open to subscription

The French economy and International comparisons

Most recent economic indicators

Industrial output, year-on-year	0.6%	1 Feb. 2016
Household consumption*, year-on-year	2.8%	1 Mar. 2016
Unemployment rate (ILO)	10.3%	1 Dec. 2015
Consumer prices, year-on-year		
all items	-0.1%	1 Mar. 2016
all items excluding tobacco	-0.1%	1 Mar. 2016
Trade balance, fob-fob, sa (€bn)	-€5.2bn	1 Feb. 2016
" "	-€3.9bn	1 Jan. 2016
Current account balance, sa (€bn)	-€3.9bn	1 Feb. 2016
" "	-€2.2bn	1 Jan. 2016
10-year constant maturity rate (TEC10)	0.56%	29 Apr. 2016
3-month interest rate (Euribor)	-0.251%	27 Apr. 2016
EUR / USD	1.1358	28 Apr. 2016
EUR / JPY	122.84	28 Apr. 2016

* manufactured products

Sources: Insee, Minefi, Banque de France

Monthly government budget position

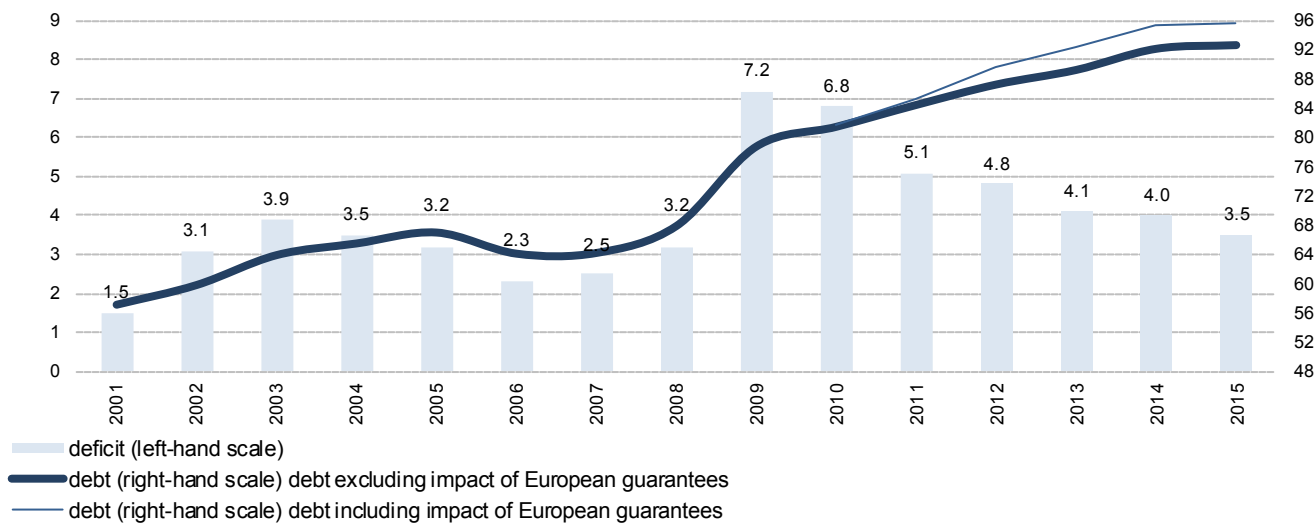
In € billion

	2014	2015	end of February level		
			2014	2015	2016
General budget balance	-85.71	-72.15	-17.97	-16.26	-12.15
revenue	291.95	299.66	46.79	47.94	48.43
expenditure	377.66	371.80	64.76	64.20	60.58
Balance of special Treasury accounts	0.16	1.62	-7.71	-7.19	-13.43
General budget outturn	-85.56	-70.52	-25.68	-23.45	-25.58

Source: Minefi

Public finances: deficit and debt

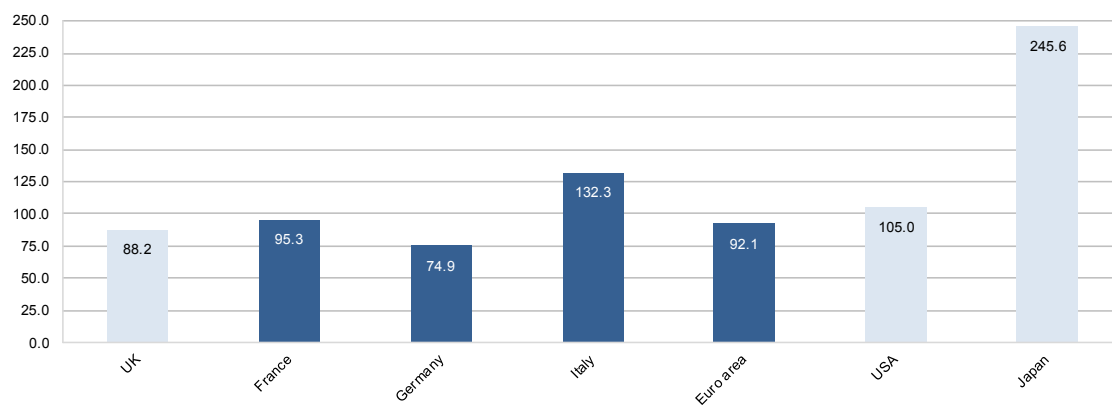
As % of GDP



Source: Eurostat, Insee































General government debt in 2014

As % of GDP



Sources: Eurostat (2016), IMF (2015), Insee (2016)

French economic indicators: timetable

May 2016		June 2016	
 4	Balance of payments in March	 7	Foreign trade in April
 4	Foreign trade in March	 7	Balance of payments in April
 10	Industrial output in March	 9	Payroll employment: final results Q1-2016
 10	Industrial investments: April	 10	Industrial output in April
 12	Consumer prices: index for April	 15	Consumer prices: index for May
 13	Payroll employment: provisional results Q1-2016	 16	Inflation (HICP): May index
 18	Inflation (HICP): index for April	 23	Industrial trends: monthly survey for June
 19	Job seekers Q1-2016 (ILO)	 24	Job seekers in May
 24	Industrial outlook: monthly survey for May	 24	Quarterly national accounts: final results Q1-2016
 25	Job seekers in April	 28	Household confidence survey: June survey
 27	Household confidence survey: May survey	 28	New building starts in May
 27	Quarterly national accounts: first results Q1-2016	 30	Industrial producer prices: May index
 31	New building starts in April	 30	General government debt Q1-2016
 31	Net foreign exchange reserves in April	 30	Household consumption of manufactured goods in May
 31	Household consumption of manufactured products in April	 30	Net foreign exchange reserves in May
 31	Industrial producer prices: April index		

Sources: Insee, Eurostat

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English translation: Centre de traduction des ministères économiques et financiers