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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

RELEASE OF AGENCE FRANCE TRÉSOR'S ANNUAL REPORT: A LOOK BACK ON 2022 HIGHLIGHTS

AFT has just published its 2022. It presents the duties, organisation and staff of Agence France Trésor in 2022, a year that was marked by the acceleration of inflation after the outbreak of the war in Ukraine and the swift normalization of monetary policy.

The year 2022 was notably characterised by:

- (i) The completion of a €260 billion medium- and long-term financing programme;
- (ii) The financing conditions marked by the accelerated normalisation of monetary policy, which has resulted in a rapid rise in interest rates, with the cost of borrowing for medium- and long-term debt securities averaging 1.43% in 2022;
- (iii) The syndicated launch of 2 new very long-term benchmark bonds, 30-year (inflation-linked) and 20-year:
 - The OAT€i 0.10% 25 July 2053, in January 2022, with an issuance of €3 billion and a historically low real yield at issue of -0.926%,
 - The OAT 2.50% 25 May 2043, in September 2022, with issuance of €5 billion and a yield at issue of 2.596%;
- (iv) The syndicated launch of a third Green OAT in May 2022: the Green inflation-linked OAT€i 0.10% 25 July 2038, with issuance of €4 billion, with a yield at issue of -0.415%. As the first security to be both green and inflation-indexed, the Green OAT€i offers unique features and has met with strong market demand since its launch. In total, AFT's teams issued €9.6 billion of green bonds in 2022, as well as €38 billion of social bonds on behalf of the Social Security Debt Repayment Fund (CADES).

An informative annual report for the general public and experts

The Annual Report also includes materials, such as fact sheets and a glossary of economic and financial terms to provide the general public with a better grasp of the data relating to management of State's debt and cash requirements.

The financial and statistical reports are comprehensive technical documents for public finance experts and market professionals that contain all of the data relating to AFT's activities.

Key figures in 2022

State net medium- and long-term financing programme in 2022: €260 billion

Short-term issuance in 2022: €148.5 billion in 3-month, 6-month and 12-month securities with a weighted average yield of 0.19%

Medium-term and long-term issuance in 2022: €286.2 billion with a weighted average yield of 1.43%

Negotiable debt securities outstanding at 31 December 2022: €2,278 billion (non-residents holding 50.1% of this debt)

Average residual maturity of debt at 31 December 2022: 8 years and 184 days

Medium-term and long-term issuance on behalf of CADES: €38.1 billion, of which €38 billion as social bonds

AFT announced a 2023 indicative financing programme worth €270 in medium- and long-term issuance. As of 31 August 2023, AFT has already issued €214.8 billion. The completion rate of AFT's 2023 issuance programme is in line with previous years.

Policymakers at Jackson Hole continued to emphasize upside risks to inflation and the appropriateness of restrictive monetary policy. Economic growth remains feeble in Europe and China, but resilient in the US.

Weak August PMI prints refueled concerns about recessionary risks in H2 and 2024 and led to a bond market rally. But the Fed Chair's speech at Jackson Hole reiterated that the Fed will keep the federal funds rate at the current level or higher for longer, due to still-elevated inflation. Overall, markets remain volatile for markets, with data not offering a clear direction on whether major central banks have still more ground to cover to tame inflation or whether they have already overtightened, but the full effect of the fast, sizable and synchronized increase in policy rates is not yet visible, due to the long and variable lags with which monetary policy affects the real economy.

On growth, we continue to expect the US to outperform other major economies. However, despite divergence elsewhere, we think policy rates are likely to stay higher for long across the major jurisdictions. We believe the ECB has already concluded its tightening cycle and that it will pause in September but maintain a hiking bias, while the Fed and the BoE will hike one more time in November and September, respectively.

Advanced economies' PMIs declined in August, indicating slowing momentum. However, the level of the indices, as well as other data released, continues to tell a tale of divergence across countries and sectors. While in the euro area and the UK the composite PMI index is below 50, the mark indicating whether real GDP is contracting or expanding, it remains above that benchmark in the US. Similarly, the level of the manufacturing PMI is higher in the US than in Europe. Even in terms of changes, declines in services PMIs have been larger in the euro area and UK than in the US.

Although highly watched by market participants, the level of PMIs has not been as reliable a leading indicator of GDP growth post-pandemic as it was pre-COVID, and lately these indices have understated actual real GDP growth. That said, other high-frequency activity indicators released also continue to point to the discrepancy between the European and US outlook. In Europe, consumer and business confidence indices remain at very low levels and some indicators show further deterioration in August.

In the US, however, the recent data highlighted resilient housing demand despite elevated mortgage rates. July new home sales increased (4.4% m/m, to 714k, although the June print was revised down 13k), while the supply of existing homes declined, and the median new home price increased. These data support the "mortgage lock" theory, based on which homeowners are unwilling to give up their historically low interest rates to move. This pushes more buyers into the new home market, supporting demand even with mortgage rates reaching 7.5%, a level not touched since the beginning of the millennium. While headline new durable goods orders fell sharply, following a June run-up in the volatile nondefense aircraft category, orders elsewhere showed surprising vigor, having strengthened of late, as retailers look to replenish stocks drawn down by the surprising recent pickup in consumer demand.

Weaker European growth is beginning to percolate into labour market dynamics, with softer employment PMI indicators in the euro area and UK. More interestingly, speaking against concerns about nominal wage growth gaining steam in the euro area, negotiated wage growth was unchanged from Q1 (4.34% y/y in Q2 vs. 4.36% y/y in Q1). In the US, the BLS's preliminary benchmark revision estimate suggests that average monthly payroll employment gains were down from 337k to 312k in April 2022-March 2023. Such a decline would point to only a slightly less tight labour market and, in our view, would not have any material effect on the Fed's policy decisions. Also, our research suggests that these revisions do not have implications for monthly changes in payroll employment in subsequent months, for the payroll survey's estimates of average hourly earnings or for the household survey, which placed the unemployment rate at just 3.5% in July.

Figure 1: Manufacturing PMIs trail in the high 40s in the US and in the low 40s in the euro area and the UK

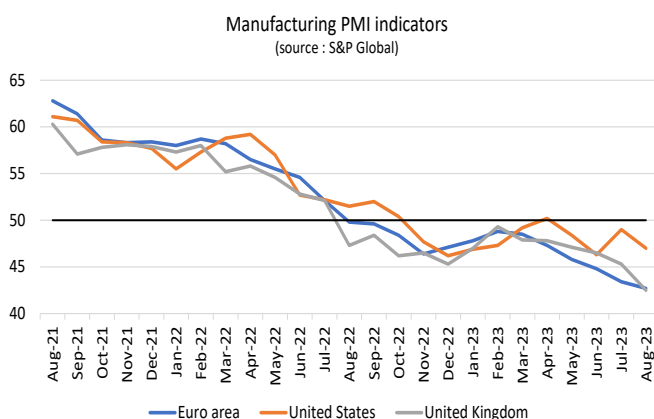
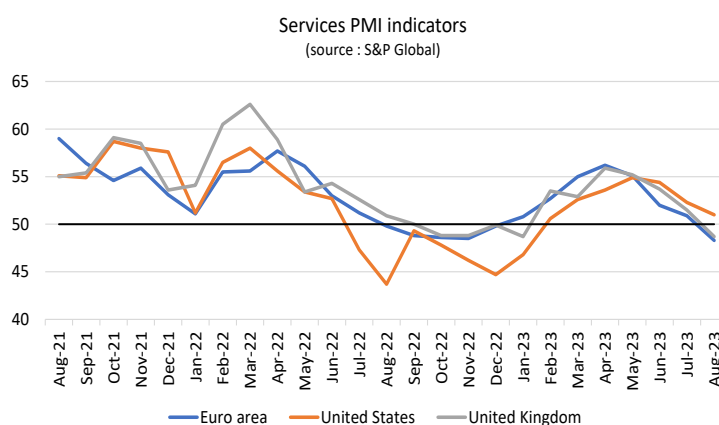


Figure 2: The decline in services PMI is much larger in the euro area and the UK than in the US



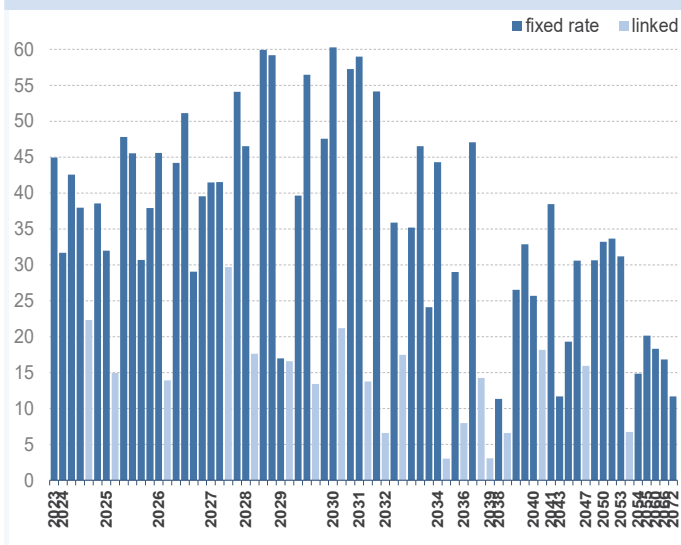
INDICATIVE AUCTION SCHEDULE

		Short-term					Medium-term	Long-term	Index-linked
September 2023	auction date	4	11	18	25	/	21	7	21
	settlement date	6	13	20	27	/	25	11	25
October 2023	auction date	2	9	16	23	30	19	5	19
	settlement date	4	11	18	25	01/11	23	9	23

Source: Agence France Trésor

MEDIUM- AND LONG-TERM NEGOTIABLE GOVERNMENT DEBT AT 31 JULY 2023

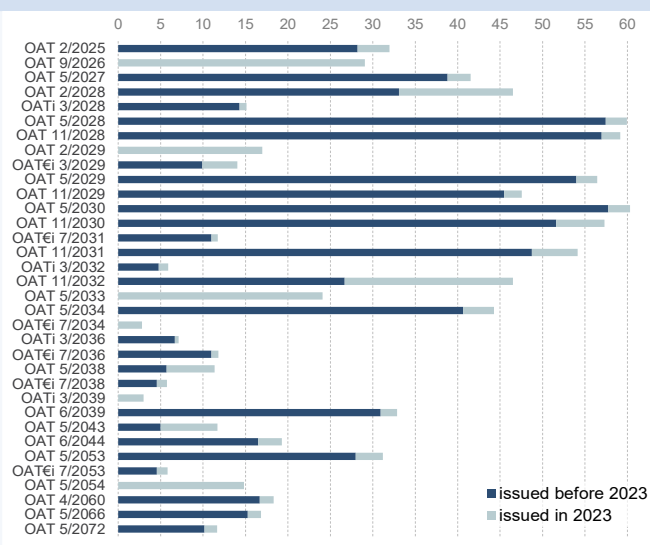
NOMINAL VALUE OF EACH LINE, IN € BILLION



Source: Agence France Trésor

MEDIUM- AND LONG-TERM: SECURITIES ISSUED DURING THE YEAR AND TOTAL ISSUANCE AT 31 JULY 2023

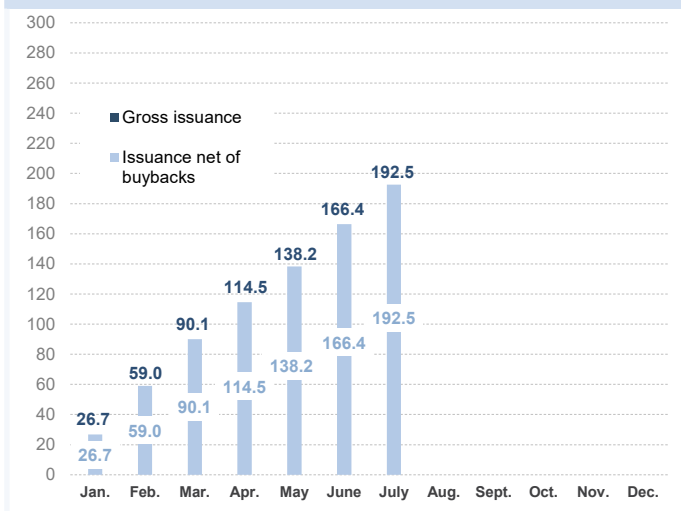
IN € BILLION



Source: Agence France Trésor

ISSUANCE AT 31 JULY 2023

IN € BILLION



Source: Agence France Trésor

MEDIUM- AND LONG-TERM: PROVISIONAL MATURITY SCHEDULE AT 31 JULY 2023

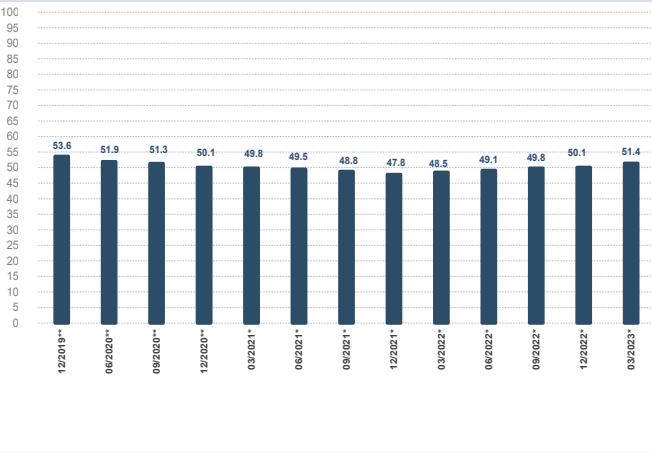
IN € BILLION

Month	Coupon	Redemption
Aug-23		
Sep-23	0.7	
Oct-23	8.3	44.9
Nov-23	2.5	
Dec-23		
Jan-24		
Feb-24	0.8	31.7
Mar-24	0.1	42.5
Apr-24	8.4	
May-24	10.7	37.9
Jun-24	0.7	
Jul-24	2.2	22.9

Source: Agence France Trésor

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

AS A % OF NEGOTIABLE DEBT OUTSTANDING
EXPRESSED IN MARKET VALUE



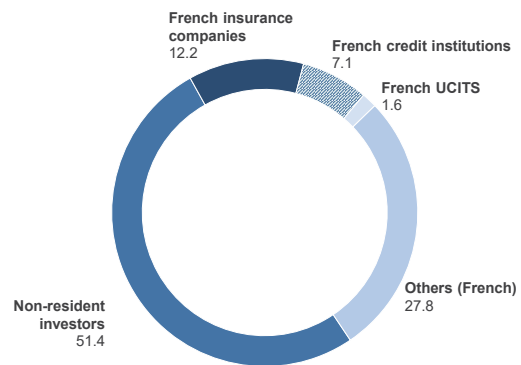
(*) figures quarterly revised

(**) figures annually revised

Source: Banque de France

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

STRUCTURE IN % EXPRESSED IN MARKET VALUE



Source: Banque de France

NEGOTIABLE GOVERNMENT DEBT AT 31 JULY 2023

IN EUROS

Total medium- and long-term debt	2,224,737,339,833
Total stripping activity	49,013,071,400
Average maturity	9 years and 46 days
Total short-term debt	164,636,000,000
Average maturity	125 days
Total outstanding	2,389,373,339,833
Average maturity	8 years and 190 days

Source: Agence France Trésor

NEGOTIABLE GOVERNMENT DEBT SINCE 2019 AT 31 JULY 2023

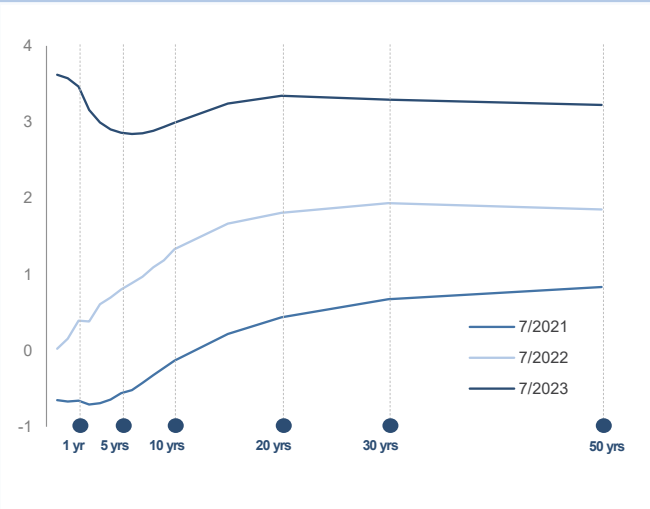
IN € BILLION

	End 2020	End 2021	End 2022	End June 2023	End July 2023
Negotiable government debt outstanding	2,001	2,145	2,278	2,384	2,389
<i>of which index-linked securities</i>	220	236	262	283	263
Medium- and long-term	1,839	1,990	2,129	2,222	2,225
Short-term	162	155	148	162	165
Average maturity of the negotiable debt	8 years	8 years	8 years	8 years	8 years
	73 days	153 days	184 days	184 days	190 days

Source: Agence France Trésor

YIELD CURVE FOR FRENCH GOVERNMENT SECURITIES

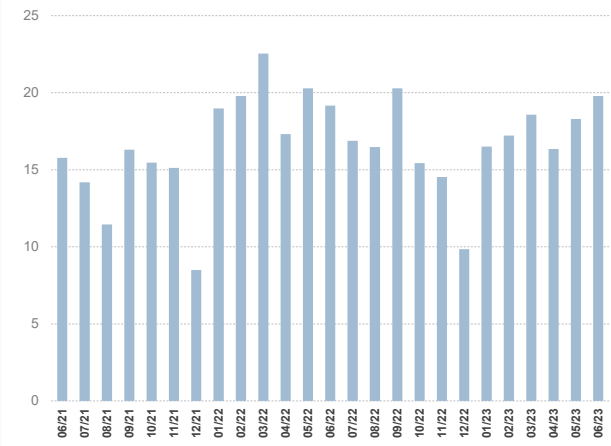
END-OF-MONTH VALUE, %



Source: Bloomberg

AVERAGE DAILY VOLUME OF MEDIUM- AND LONG-TERM TRANSACTIONS

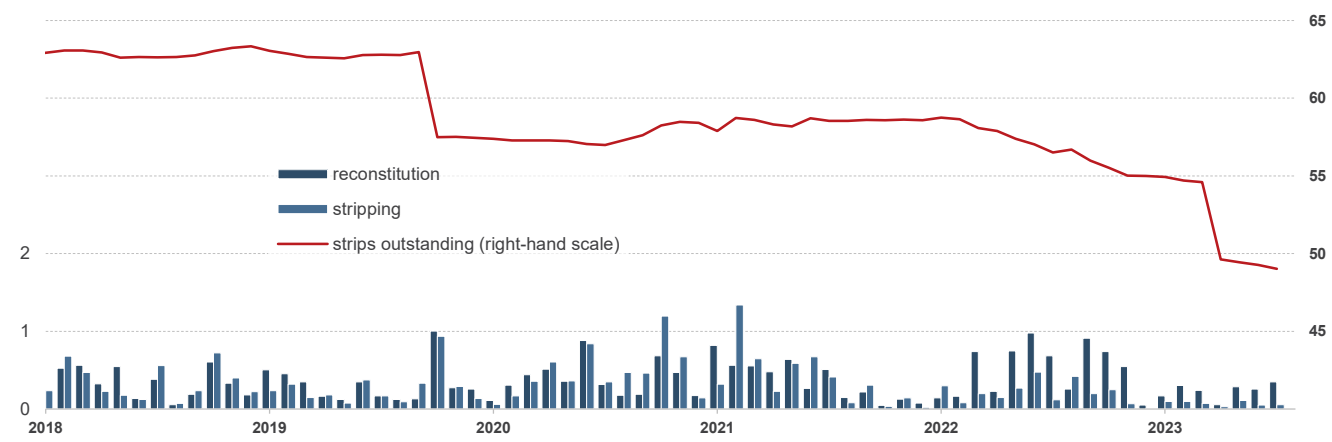
IN € BILLION



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

TOTAL STRIPPING AND RECONSTITUTION

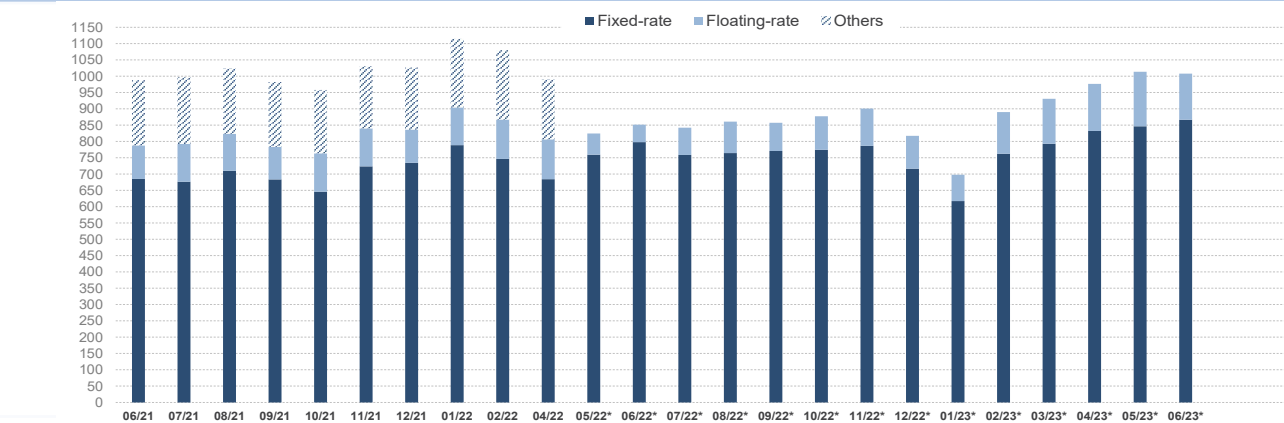
IN € BILLION



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 31 JULY 2023

ISIN Code	Maturity	Outstanding(€)
FR0127921114	BTF 2 August 2023	5,323,000,000
FR0127317024	BTF 9 August 2023	7,825,000,000
FR0127921122	BTF 16 August 2023	5,675,000,000
FR0127613489	BTF 23 August 2023	6,509,000,000
FR0127921130	BTF 30 August 2023	5,805,000,000
FR0127317032	BTF 6 September 2023	6,597,000,000
FR0127921148	BTF 13 September 2023	5,396,000,000
FR0127921155	BTF 20 September 2023	8,344,000,000
FR0127921163	BTF 27 September 2023	5,434,000,000
FR0127462895	BTF 4 October 2023	6,936,000,000
FR0127921213	BTF 11 October 2023	5,112,000,000
FR0127921171	BTF 18 October 2023	7,595,000,000
FR0127921221	BTF 25 October 2023	2,697,000,000
FR0127462903	BTF 1 November 2023	6,485,000,000
FR0127921189	BTF 15 November 2023	6,972,000,000
FR0127462911	BTF 29 November 2023	12,535,000,000
FR0127921262	BTF 13 December 2023	6,999,000,000
FR0127613497	BTF 24 January 2024	8,829,000,000
FR0127613505	BTF 21 February 2024	6,668,000,000
FR0127613513	BTF 20 March 2024	8,507,000,000
FR0127921064	BTF 17 April 2024	8,376,000,000
FR0127921072	BTF 15 May 2024	7,658,000,000
FR0127921080	BTF 12 June 2024	7,855,000,000
FR0127921312	BTF 10 July 2024	4,504,000,000

MEDIUM- AND LONG-TERM DEBT (MATURING 2023-2026) AT 31 JULY 2023

ISIN Code	Bond	Outstanding(€)	Ind. Coeff.	Face value(€)	Stripped(€)	CAC*
	Maturity 2023	44,918,000,000				
FR0010466938	OAT 4.25% 25 October 2023	44,918,000,000			493,875,000	
	Maturity 2024	173,004,663,660				
FR0014001N46	OAT 0.00% 25 February 2024	31,676,000,000			0	x
FR0013344751	OAT 0.00% 25 March 2024	42,533,000,000			0	x
FR0011619436	OAT 2.25% 25 May 2024	37,948,000,000			0	x
FR0011427848	OAT€i 0.25% 25 July 2024	22,311,663,660 (1)	1.24514	17,919,000,000	0	x
FR0011962398	OAT 1.75% 25 November 2024	38,536,000,000			42,000,000	x
	Maturity 2025	208,808,079,818				
FR0014007TY9	OAT 0.00% 25 February 2025	31,960,000,000			0	x
FR0012558310	OATi 0.10% 1 March 2025	14,928,151,700 (1)	1.16690	12,793,000,000	0	x
FR0013415627	OAT 0.00% 25 March 2025	47,814,000,000			0	x
FR0012517027	OAT 0.50% 25 May 2025	45,530,000,000			0	x
FR0000571150	OAT 6.00% 25 October 2025	30,653,928,118			2,638,034,400	
FR0012938116	OAT 1.00% 25 November 2025	37,922,000,000			0	x
	Maturity 2026	223,395,223,000				
FR0013508470	OAT 0.00% 25 February 2026	45,590,000,000			0	x
FR0013519253	OAT€i 0.10% 1 March 2026	13,901,223,000 (1)	1.16817	11,900,000,000	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	29,062,000,000			0	x
FR0013200813	OAT 0.25% 25 November 2026	39,527,000,000			0	x

(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 2027 AND BEYOND) AT 31 JULY 2023

ISIN Code	Bond	Outstanding(€)	Ind. Coeff.	Face value(€)	Stripped(€)	CAC*
Maturity 2027		166,784,811,300				
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	29,705,811,300 (1)	1.31030	22,671,000,000	0	
FR0011317783	OAT 2.75% 25 October 2027	54,099,000,000			0	
Maturity 2028		183,234,417,988				
FR001400AIN5	OAT 0.75% 25 February 2028	46,492,000,000			0	x
FR0013238268	OATi 0.10% 1 March 2028	17,622,349,920 (1)	1.16496	15,127,000,000	0	x
FR0000571226	OAT zero coupon 28 March 2028	35,068,068 (2)		46,232,603	-	
FR0013286192	OAT 0.75% 25 May 2028	59,917,000,000			0	x
FR0013341682	OAT 0.75% 25 November 2028	59,168,000,000			0	x
Maturity 2029		190,529,237,497				
FR001400H198	OAT 2.75% 25 February 2029	16,967,000,000			0	x
FR0013410552	OAT€i 0.10% 1 March 2029	16,556,190,480 (1)	1.17972	14,034,000,000	0	x
FR0000571218	OAT 5.50% 25 April 2029	39,618,880,458			1,553,667,100	
FR0013407236	OAT 0.50% 25 May 2029	56,452,000,000			0	x
FR0000186413	OATi 3.40% 25 July 2029	13,405,166,559 (1)	1.45944	9,185,144,000	0	
FR0013451507	OAT 0.00% 25 November 2029	47,530,000,000			0	x
Maturity 2030		138,753,540,480				
FR0011883966	OAT 2.50% 25 May 2030	60,294,000,000			0	x
FR0011982776	OAT€i 0.70% 25 July 2030	21,180,540,480 (1)	1.22914	17,232,000,000	0	x
FR0013516549	OAT 0.00% 25 November 2030	57,279,000,000			0	x
Maturity 2031		126,857,735,180				
FR0012993103	OAT 1.50% 25 May 2031	58,987,000,000			48,900,000	x
FR0014001N38	OAT€i 0.10% 25 July 2031	13,736,735,180 (1)	1.16998	11,741,000,000	0	x
FR0014002WK3	OAT 0.00% 25 November 2031	54,134,000,000			0	x
Maturity 2032		141,627,655,080				
FR0014003N51	OATi 0.10% 1 March 2032	6,595,740,330 (1)	1.11963	5,891,000,000	0	x
FR0014007L00	OAT 0.00% 25 May 2032	35,865,000,000			0	x
FR0000188799	OAT€i 3.15% 25 July 2032	17,468,592,150 (1)	1.51545	11,527,000,000	0	
FR0000187635	OAT 5.75% 25 October 2032	35,192,322,600			10,049,057,400	
FR001400BKZ3	OAT 2.00% 25 November 2032	46,506,000,000			0	x
Maturity 2033		24,079,000,000				
FR001400H7V7	OAT 3.00% 25 May 2033	24,079,000,000			0	x
Maturity in 2034 and beyond		602,744,975,830				
FR0013313582	OAT 1.25% 25 May 2034	44,284,000,000			0	x
FR001400J188	OAT€i 0.60% 25 July 2034	2,993,605,120 (1)	1.06307	2,816,000,000	0	x
FR0010070060	OAT 4.75% 25 April 2035	29,004,000,000			1,837,837,000	
FR0013524014	OATi 0.10% 1 March 2036	7,956,654,070 (1)	1.11641	7,127,000,000	0	x
FR0013154044	OAT 1.25% 25 May 2036	47,051,000,000			0	x
FR0013327491	OAT€i 0.10% 25 July 2036	14,253,572,340 (1)	1.20558	11,823,000,000	0	x
FR0014009O62	OAT 1.25% 25 May 2038	11,345,000,000			0	x
FR001400AQH0	OAT€i 0.10% 25 July 2038	6,597,271,250 (1)	1.14875	5,743,000,000	0	x
FR0010371401	OAT 4.00% 25 October 2038	26,534,000,000			4,540,041,400	
FR001400IKW5	OATi 0.55% 1 March 2039	3,082,590,000 (1)	1.02753	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	25,660,000,000			0	x
FR0010447367	OAT€i 1.80% 25 July 2040	18,149,471,620 (1)	1.40378	12,929,000,000	0	
FR0010773192	OAT 4.50% 25 April 2041	38,446,000,000			3,968,799,000	
FR001400CMX2	OAT 2.50% 25 May 2043	11,681,000,000			2,000,000	x
FR0014002JM6	OAT 0.50% 25 June 2044	19,273,000,000			0	x
FR0011461037	OAT 3.25% 25 May 2045	30,557,000,000			902,110,000	x
FR0013209871	OAT€i 0.10% 25 July 2047	15,936,450,180 (1)	1.22334	13,027,000,000	0	x
FR0013257524	OAT 2.00% 25 May 2048	30,644,000,000			640,300,000	x
FR0013404969	OAT 1.50% 25 May 2050	33,195,000,000			178,900,000	x
FR0013480613	OAT 0.75% 25 May 2052	33,622,000,000			691,100,000	x
FR0014004J31	OAT 0.75% 25 May 2053	31,169,000,000			183,000,000	x
FR0014008181	OAT€i 0.10% 25 July 2053	6,698,361,250 (1)	1.14875	5,831,000,000	0	x
FR001400FTH3	OAT 3.00% 25 May 2054	14,837,000,000			39,000,000	x
FR0010171975	OAT 4.00% 25 April 2055	20,118,000,000			11,112,318,000	
FR0010870956	OAT 4.00% 25 April 2060	18,312,000,000			8,882,452,100	
FR0013154028	OAT 1.75% 25 May 2066	16,828,000,000			1,118,480,000	x
FR0014001NN8	OAT 0.50% 25 May 2072	11,665,000,000			91,200,000	x

(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	1.1%	Jun. 2023
Household consumption*, year-on-year	-0.9%	Jun. 2023
Unemployment rate (ILO)	7.2%	Q2-2023
Consumer prices, year-on-year		
• all items	4.3%	Jul. 2023
• all items excluding tobacco	4.2%	Jul. 2023
Trade balance, fob-fob, sa (€bn)	-€6.7bn	Jun. 2023
" "	-€7.9bn	May. 2023
Current account balance, sa (€bn)	€0.8bn	Jun. 2023
" "	-€0.7bn	May. 2023
10-year constant maturity rate (TEC10)	3.06%	31 Aug. 2023
3-month interest rate (Euribor)	3.80%	31 Aug. 2023
EUR / USD	1.09	31 Aug. 2023
EUR / JPY	158.67	31 Aug. 2023

* manufactured products

Sources: Insee, MEFSIM, Banque de France

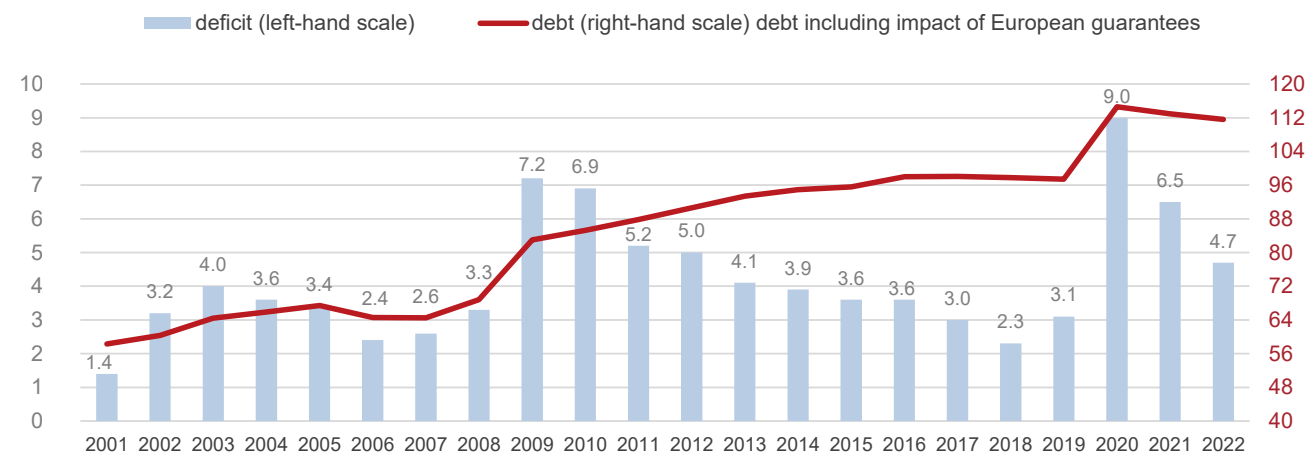
MONTHLY GOVERNMENT BUDGET POSITION

			end of June level		
	2021	2022	2021	2022	2023
General budget balance	-171.52	-158.20	-100.94	-62.92	-96.37
Revenue	324.95	354.74	110.98	135.58	164.29
Expenditure	496.47	512.94	211.92	198.50	260.66
Balance of special Treasury accounts	0.79	6.73	-17.85	-19.35	-19.81
General budget outturn	-170.73	-151.47	-118.79	-82.27	-116.18

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

PUBLIC FINANCES: DEFICIT AND DEBT

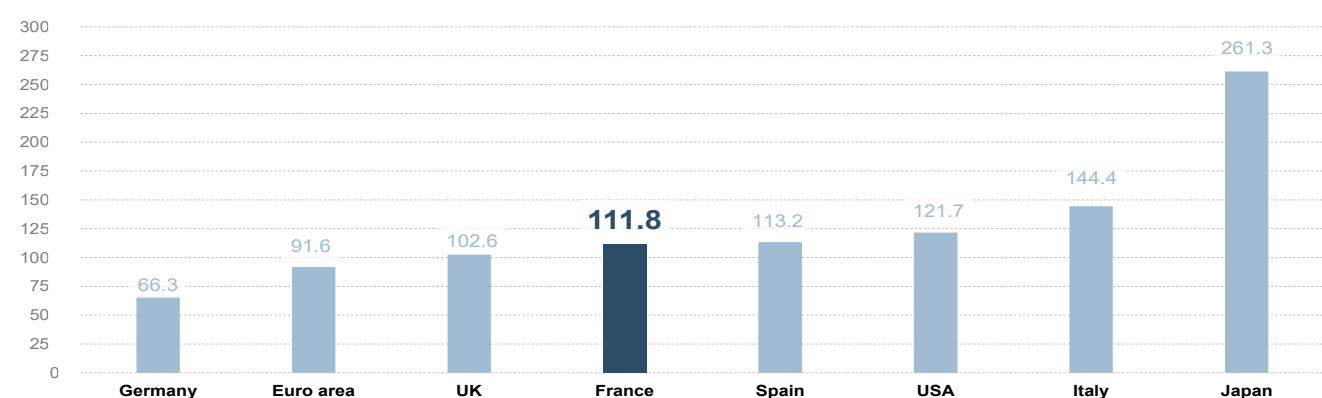
AS % OF GDP



Source: Insee

GENERAL GOVERNMENT DEBT IN 2022


AS % OF GDP



Sources: Eurostat, IMF, Insee

SEPTEMBER 2023 

7 Balance of payments	7 Foreign trade by value in July	7 Payroll employment Q2	8 Industrial production: July index	15 Net international reserves in August	15 Consumer prices: August index (final results)
19 Eurozone inflation (HICP): August index (final)	21 Monthly business survey (goods-producing industries) in September	29 Debt of general government according to Maastricht definition Q2	29 Consumer confidence survey: September survey	29 Industrial producer and import price: August indices	29 Household consumption expenditure on goods in August
29 Consumer prices: September index (preliminary results)	29 Eurozone inflation (HICP): September index (preliminary results)				

OCTOBER 2023 

5 Industrial production: August index	6 Balance of payments	6 Foreign trade by value in August	13 Consumer prices: September index (final results)	13 Net international reserves in September	18 Eurozone inflation (HICP): September index (final)
19 Monthly business survey (goods-producing industries) in October	27 Consumer confidence survey: October survey	31 Industrial producer and import price: September indices	31 Quarterly national accounts: initial estimate Q3	31 Household consumption expenditure on goods in September	31 Consumer prices: October index (preliminary results)
31 Eurozone inflation (HICP): October index (preliminary results)					

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