Mr Rob Nicholl
Chief Executive Officer
Australian Office of Financial Management

Tuesday 03 June

Does the 2014-15 Budget and fiscal policy regime set a new course for the CGS market?

Rob Nicholl
Chief Executive Officer
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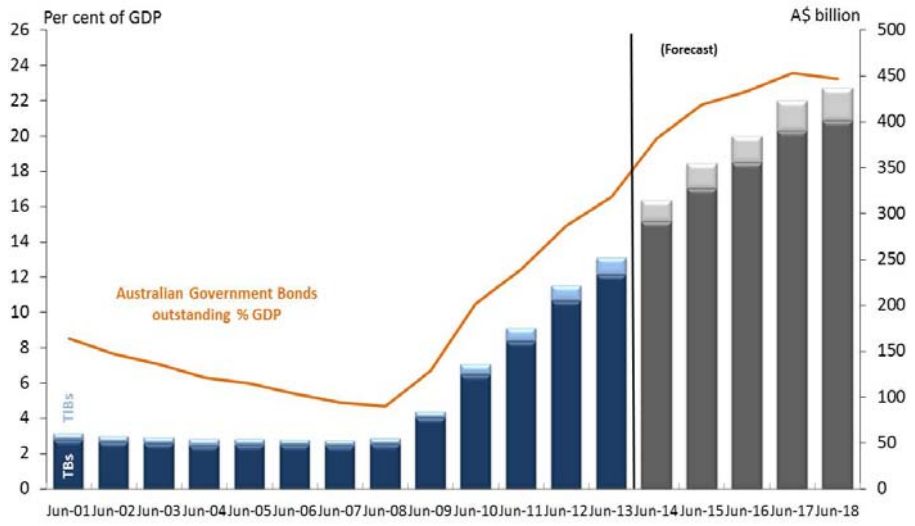
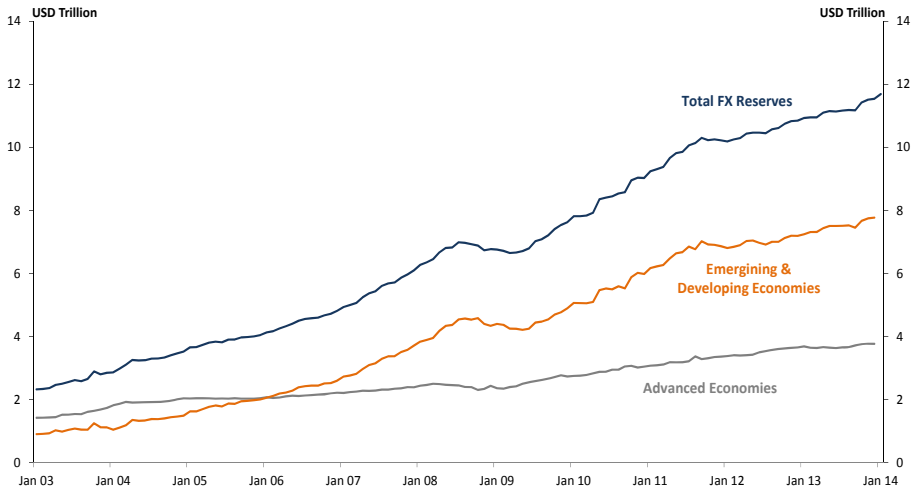
Australian Government Bonds on Issue



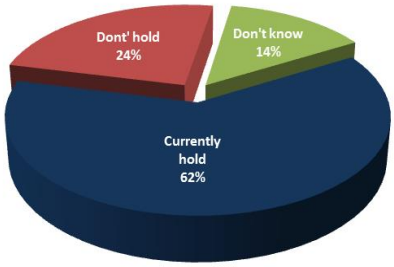
Source: Australian Office of Financial Management, Australian Bureau of Statistics, Treasury – Budget 2014-15: Budget Paper No. 1

Growth in Global FX Reserves

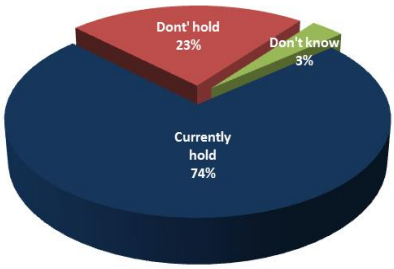


Source: IMF, Bloomberg

Holding of ACGBs amongst Reserve Managers



World's 50 Largest Foreign Currency Reserve Managers

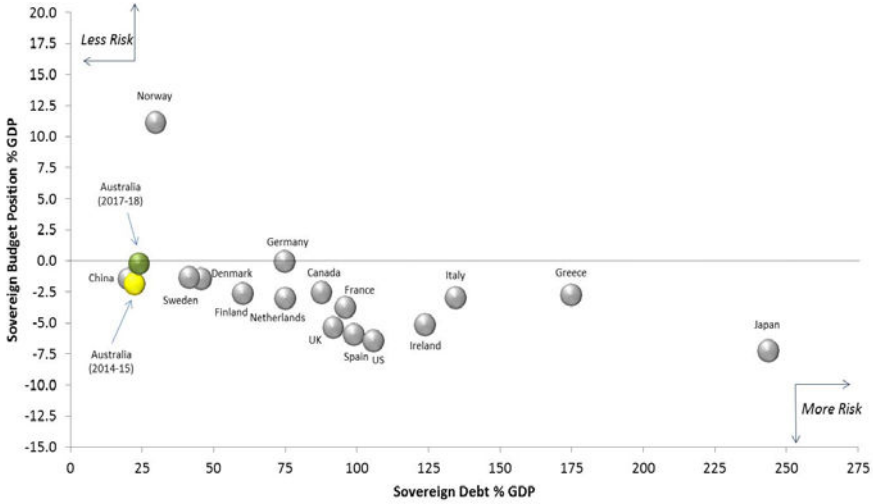


World's 30 Largest Foreign Currency Reserve Managers

5

Source: Australian Office of Financial Management, Bloomberg

Budget Balance and Gross Debt



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Source: Treasury – Budget 2014-15; Budget Paper No. 1, IMF Fiscal Monitor

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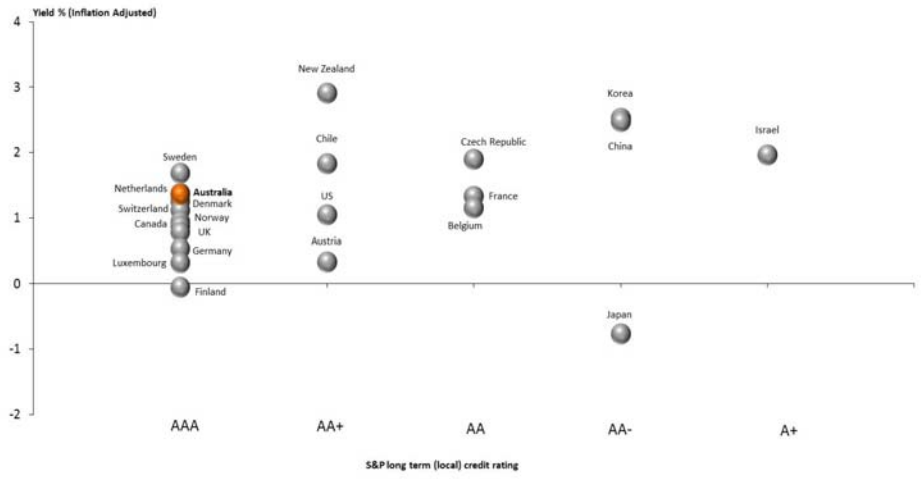
Sovereign Bond Yields & Credit Ratings

Australia vs. OECD countries

10yr Bond (Inflation Adjusted)



China is not part of the OECD group officially but does participate in OECD work as an Observer on some OECD Committees - it is included for comparative purposes. Estonia is not shown due to the absence of a government bond market. Greece is not shown due to the degree of divergence with other countries (risk which makes comparisons difficult.

Source: Bloomberg, S&P

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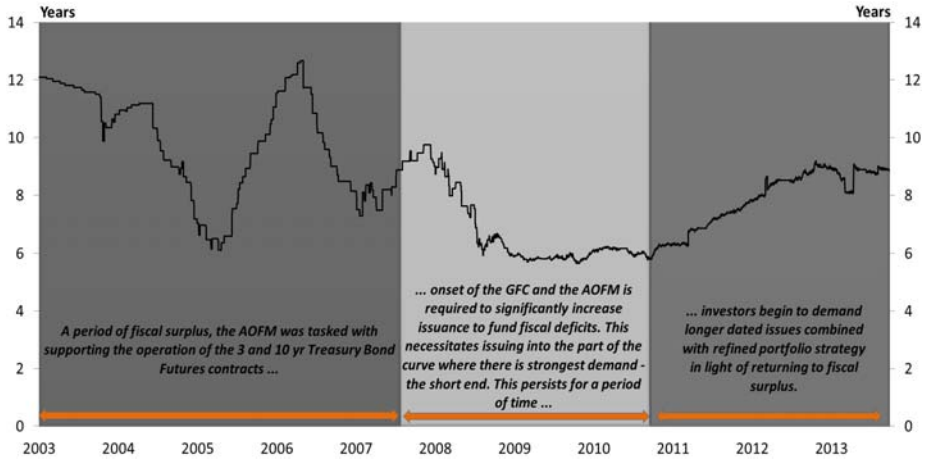
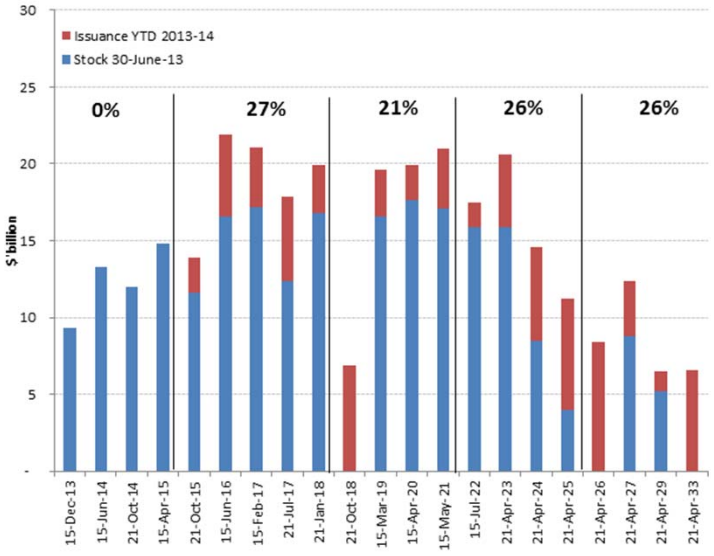
Lengthening Issuance



1yr rolling volume weighted tenor of new Treasury Bond issuance

Source: Australian Office of Financial Management

Treasury Bonds – Distribution of 2013-14 Issuance



Australian Business Economists

The Hon Andrew Constance MP
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Budget 2014-15

Wednesday 18 June, Four Seasons Sydney

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