



TE TAI ŌHANGA  
THE TREASURY



# New Zealand Government Debt Market Outlook

*March 2023*

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New Zealand Government



# Overview



Fiscal Outlook

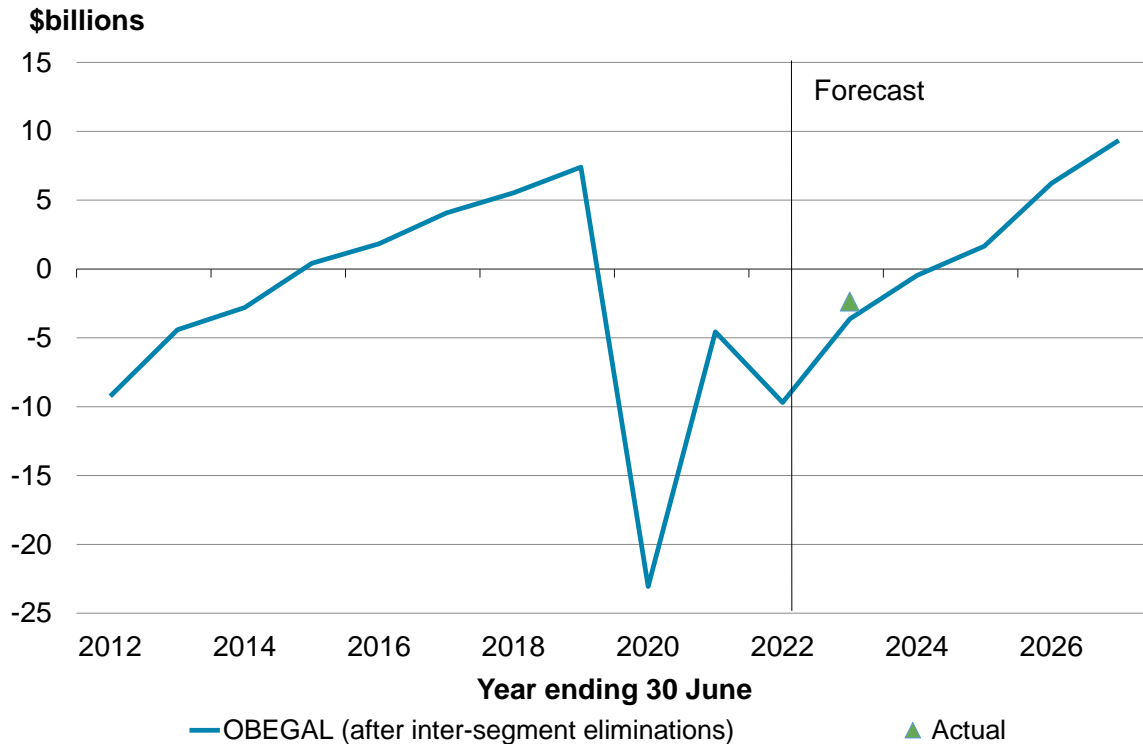


Funding Strategy

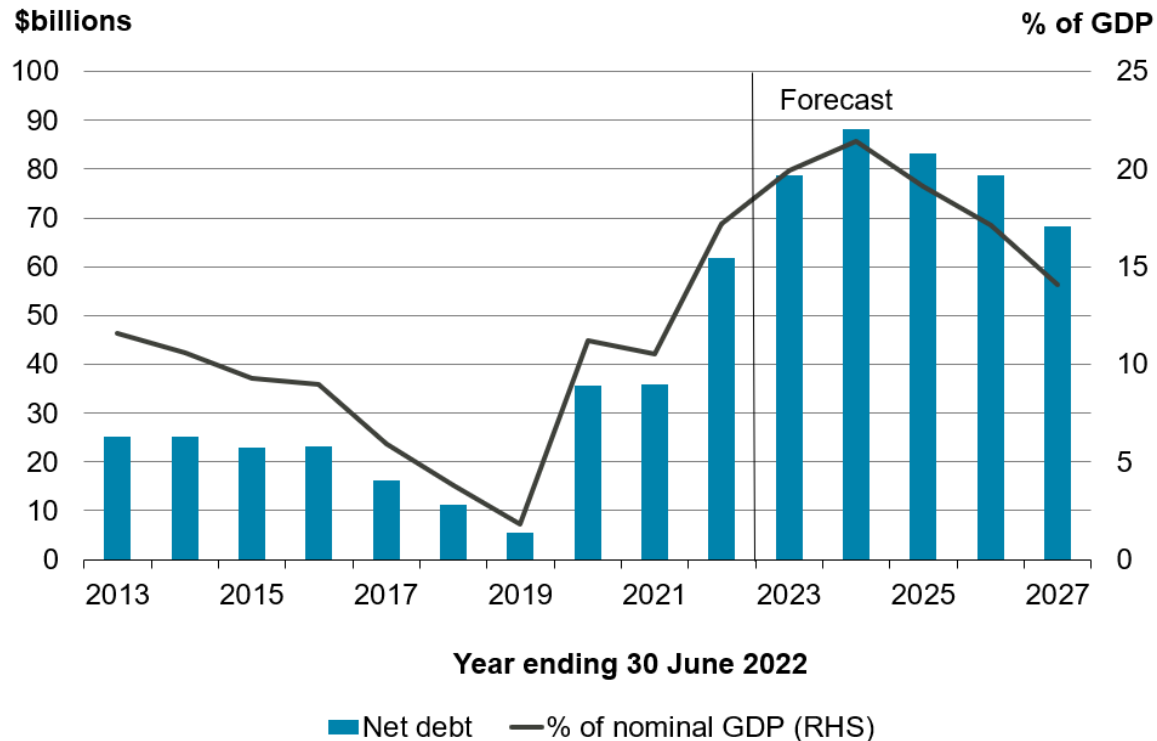


# Fiscal Outlook

# Operating Balance



# Net Core Crown Debt





# Funding Strategy

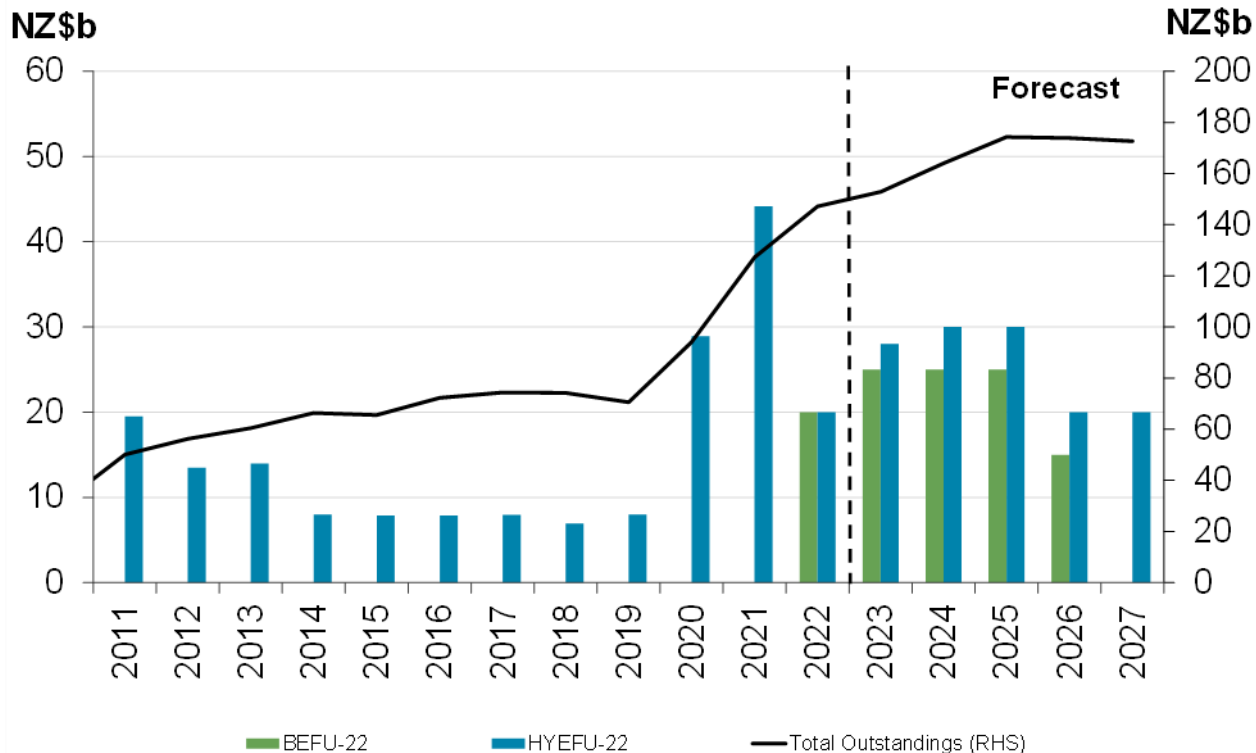


# Forecasts

Year ending 30 June (face value)	2022	2023	2024	2025	2026	2027	Total
Gross NZGB issuance (NZ\$ billion)	20.0	28.0	30.0	30.0	20.0	20.0	128.0
NZGB maturities and repurchases (NZ\$ billion)	0.0	22.4	18.8	19.7	20.4	21.2	102.5
Net NZGB issuance (NZ\$ billion)	20.0	5.6	11.2	10.4	-0.4	-1.2	25.5

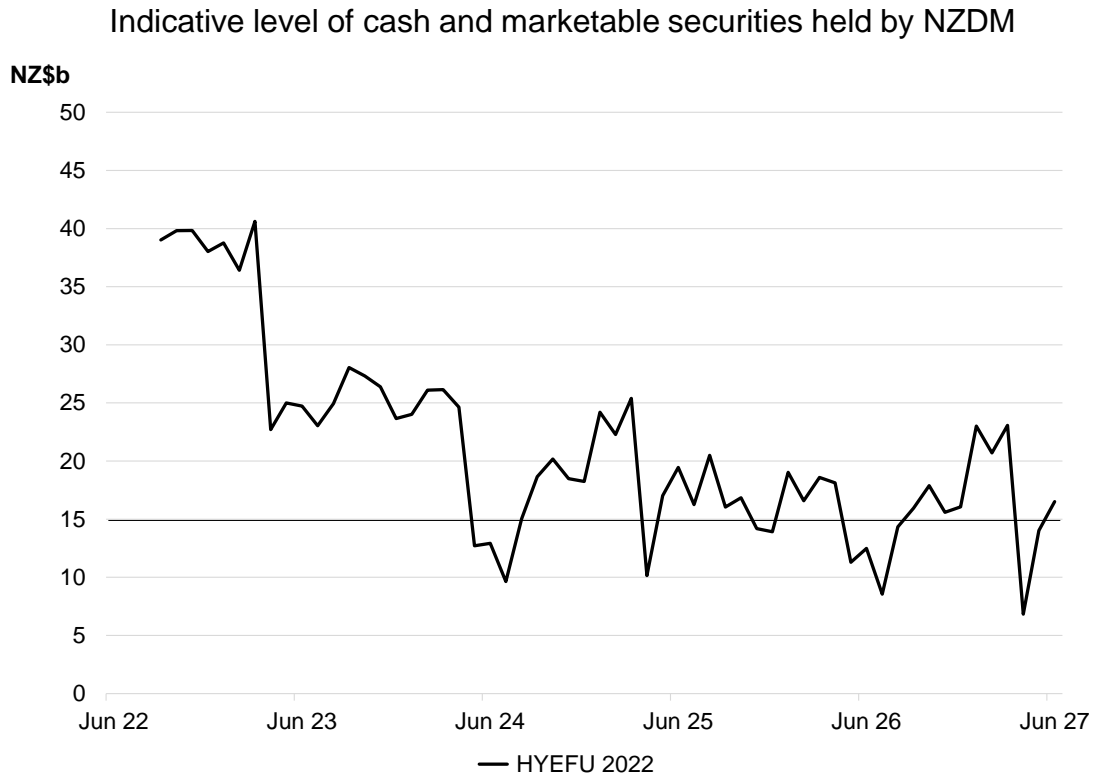
NZGBs outstanding (NZ\$ billion)	147.2	152.8	164.0	174.3	173.9	172.7	n/a
NZGBs outstanding (% GDP)	41%	39%	40%	40%	38%	36%	n/a
Forecast T-Bills on issue (NZ\$ billion)	4.0	3.0	3.0	3.0	3.0	3.0	n/a

# Changes in Forecasts

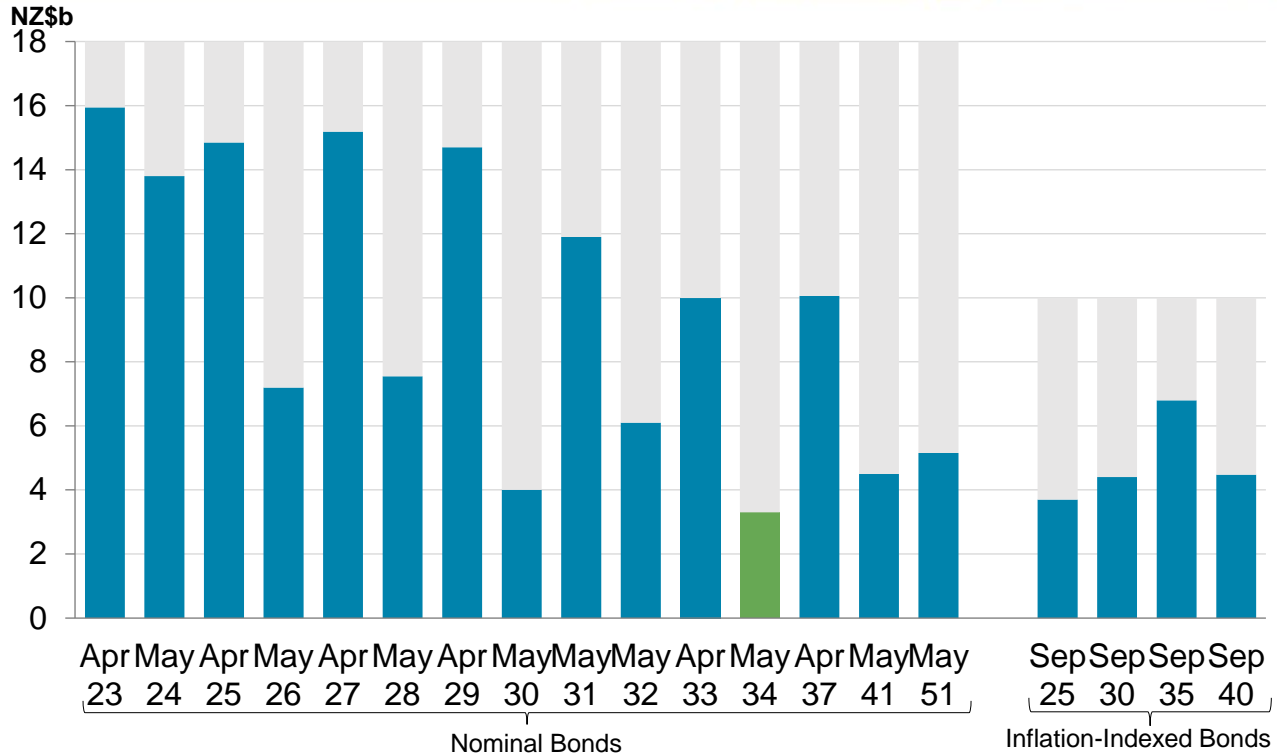




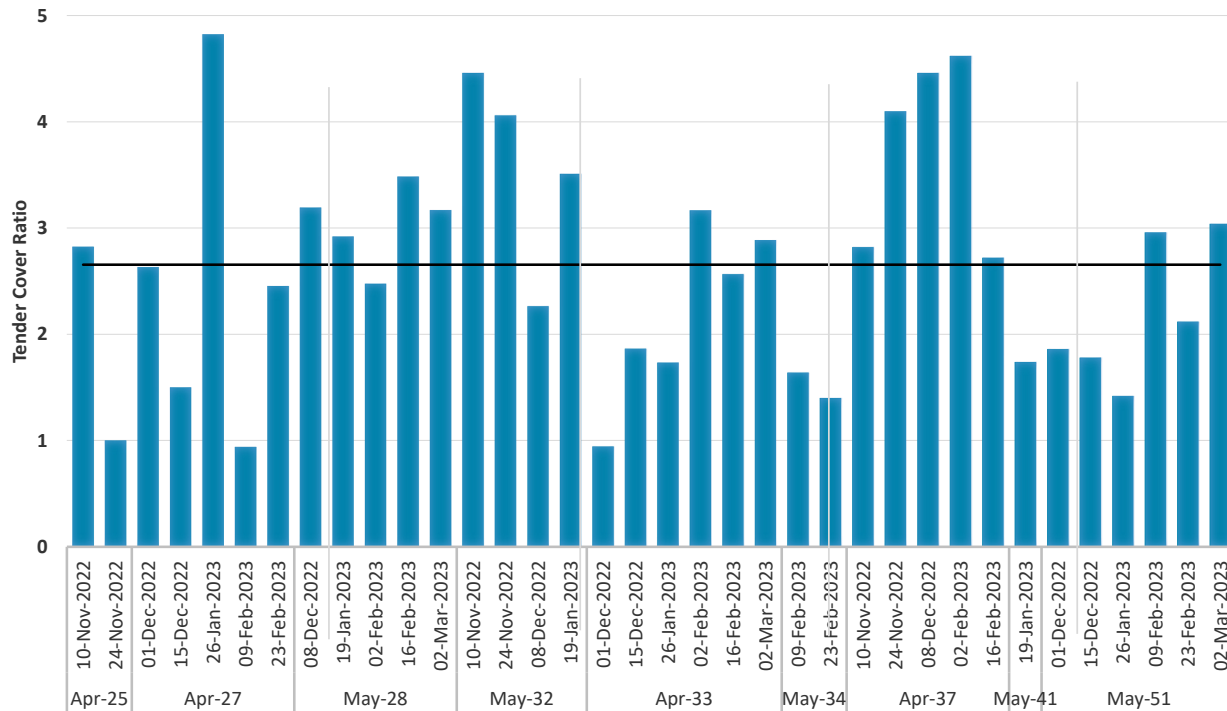
# Liquidity Buffer



# Current NZGB Portfolio

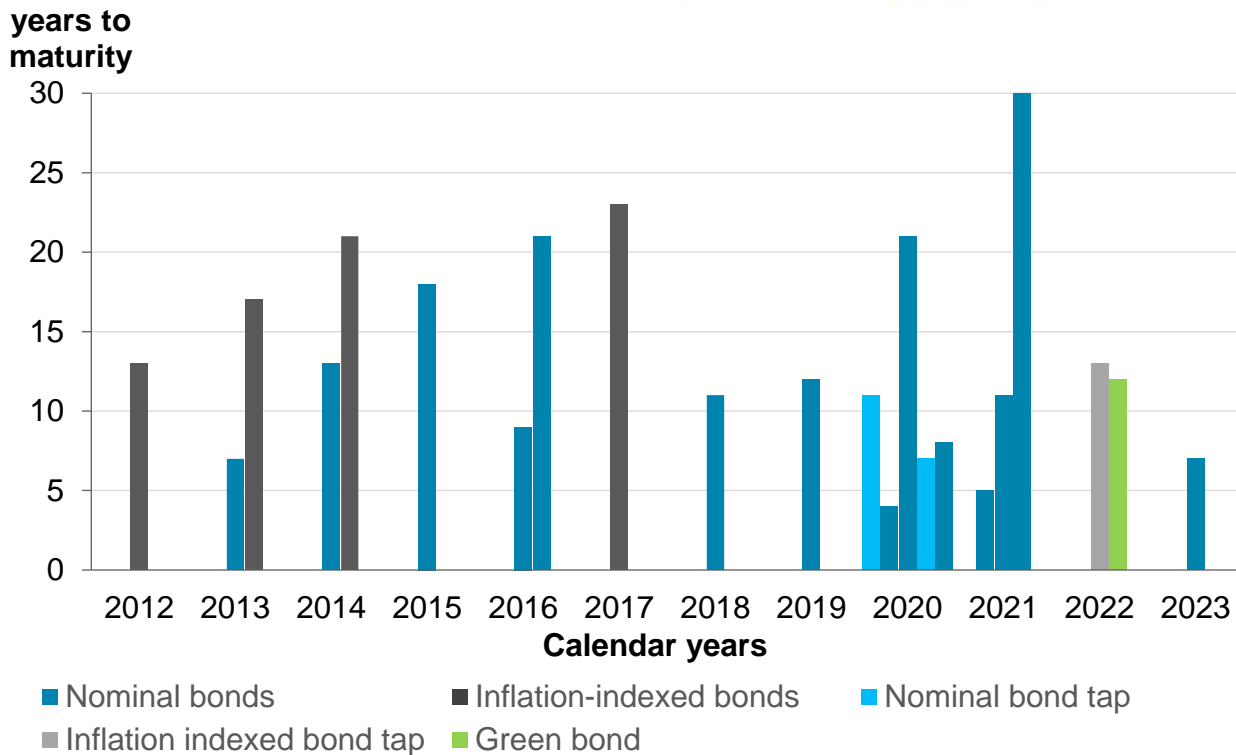


# Weekly Tender Issuance



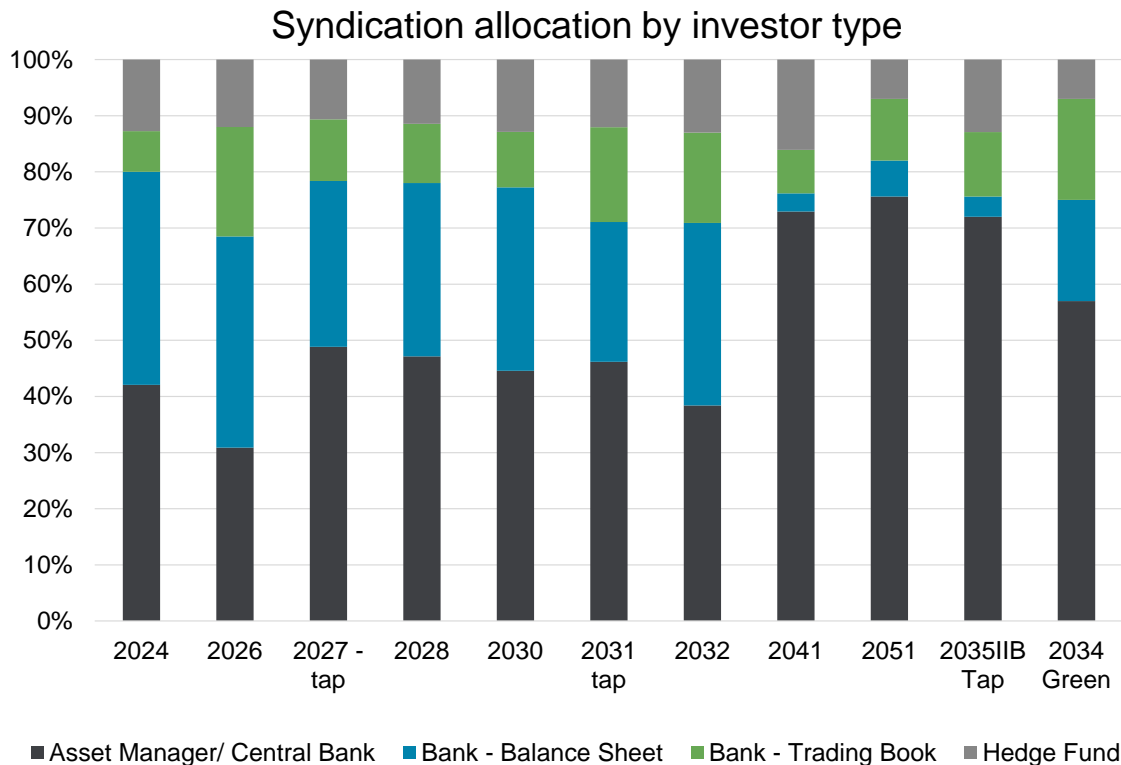
■ Tender Cover Ratio (LHS) — Average over last 4 Months

# Recent Syndications

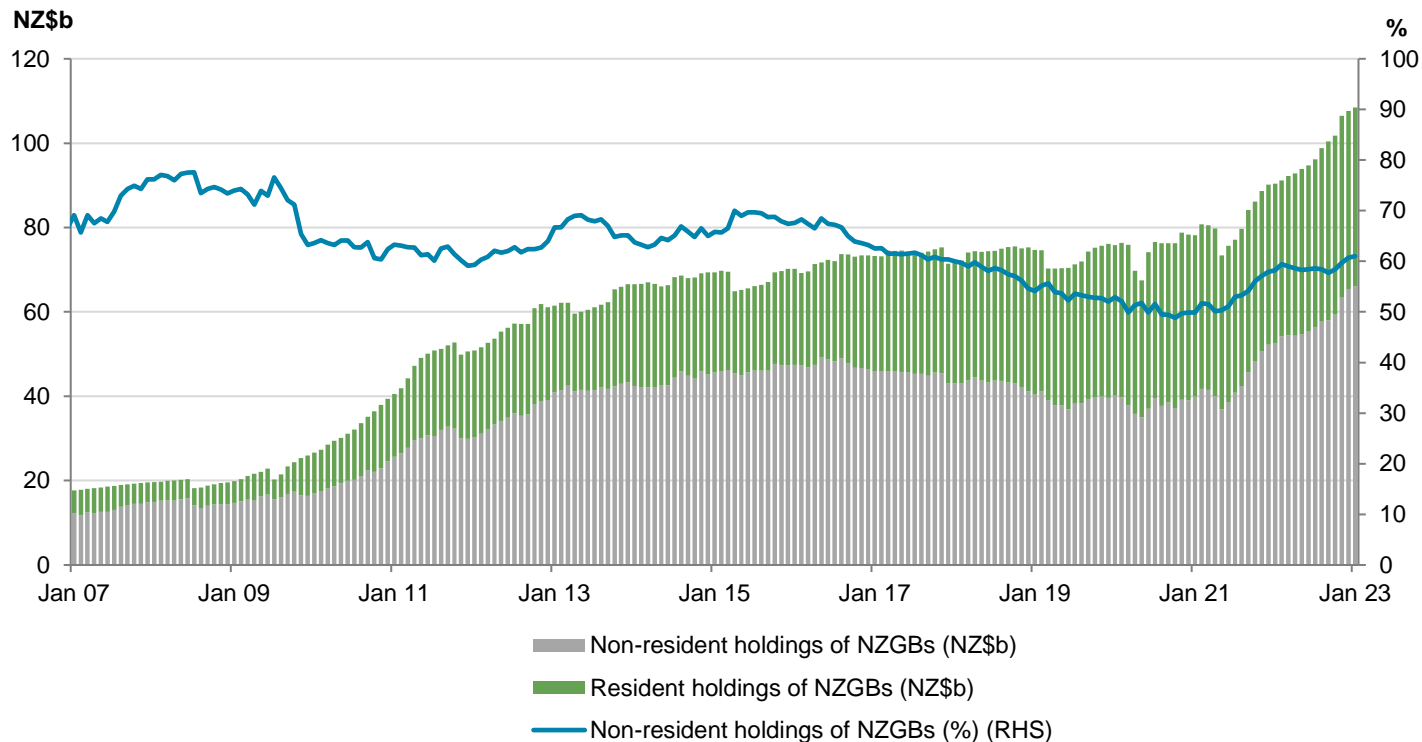




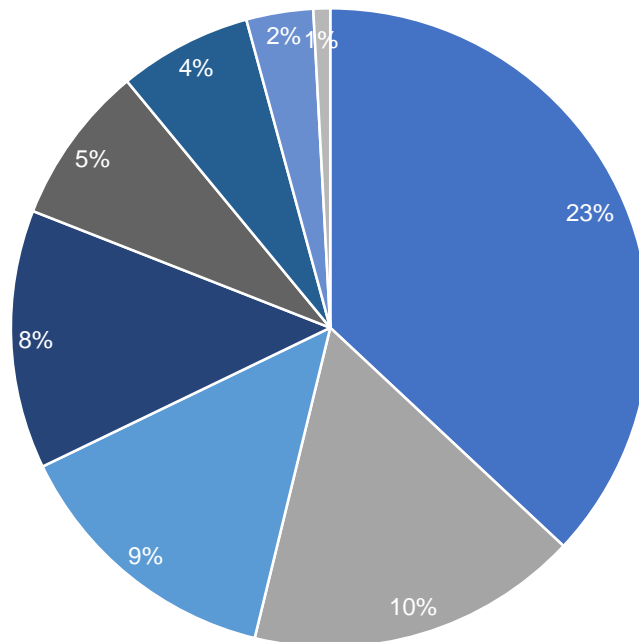
# Syndication Allocation



# Offshore Holdings



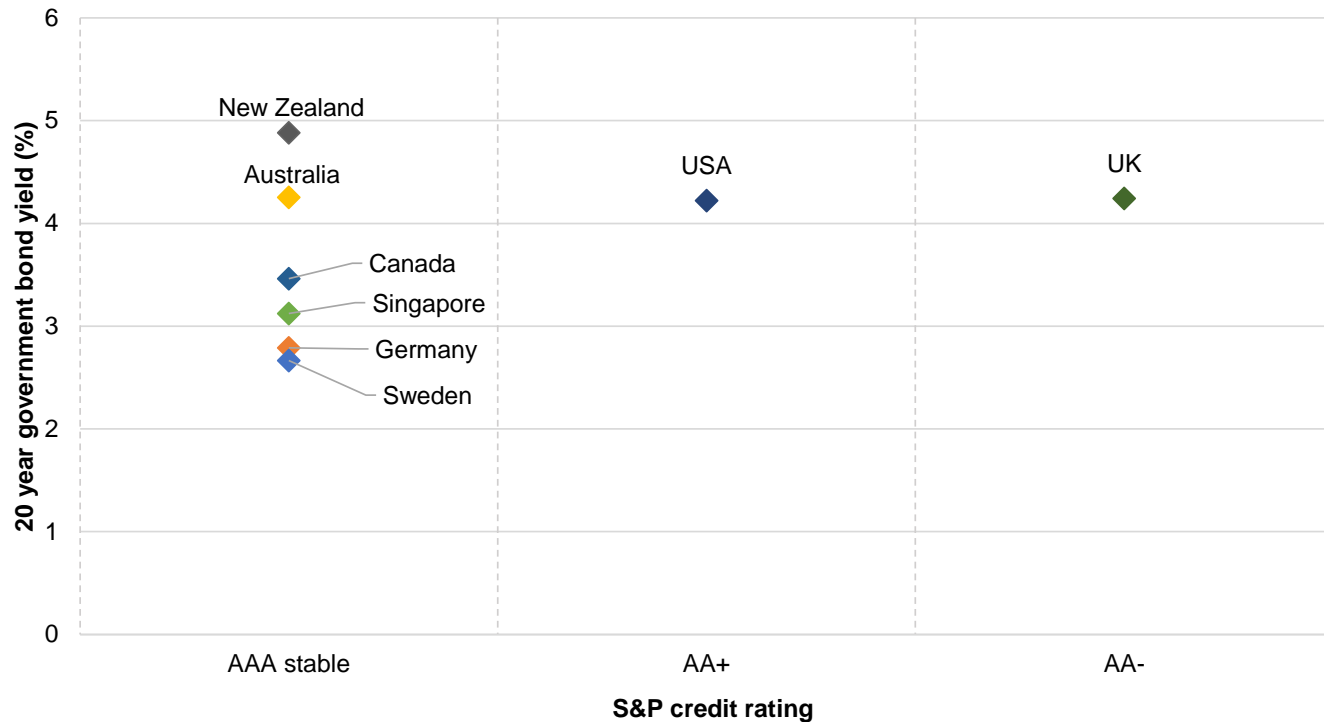
# Secondary Market Turnover Data



■ New Zealand ■ Europe ■ Asia (ex Japan) ■ Americas ■ UK ■ Australia ■ Japan ■ Other International

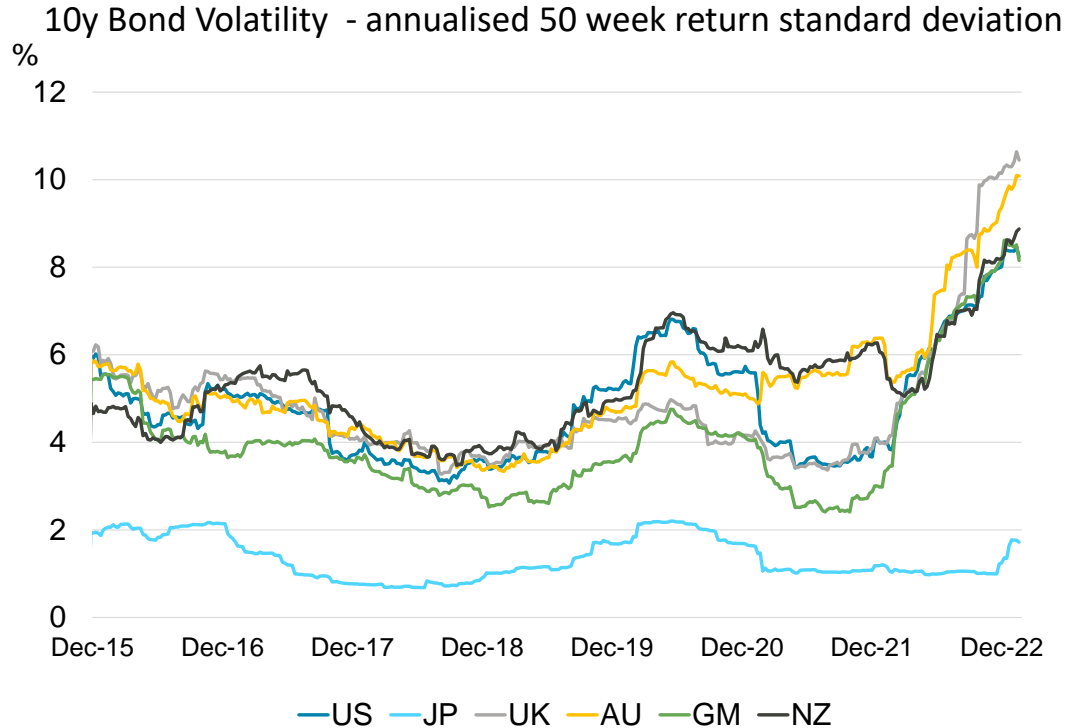
Source: The Treasury, Registered Tender Counterparties. Data from Dec 2019 – Dec 2022

# Credit Rating vs. Bond Yield





# 10-Year Bond Yield Volatility

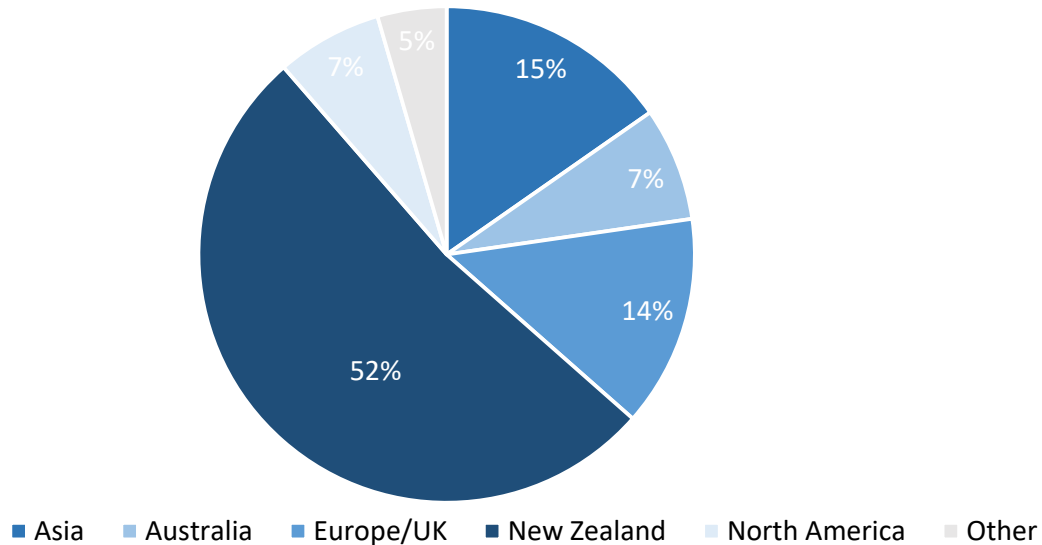


Source: The Treasury, Bloomberg. Yields as at 24 February 2023

\*annualised 50 week return standard deviation

# IIB 2035 Syndication Allocation

Investor Location (%)



# Green Bond Eligible Expenditure

Green Categories	2021/22 \$m	2022/23 - 2024/25 \$m	Total \$m	Share %
Clean Transport	\$750	\$2,339	\$3,089	45.4%
Energy Efficiency and Renewable Energy	\$172	\$775	\$947	13.9%
Green Buildings	TBC	TBC	TBC	TBC
Living and Natural Resources and Land Use	\$17	\$74	\$91	1.3%
Terrestrial and Aquatic Biodiversity	\$410	\$1,410	\$1,820	26.8%
Climate Change Adaptation	\$72	\$116	\$188	2.8%
Sustainable Water and Wastewater Management	\$322	\$150	\$472	6.9%
Pollution Prevention and Control	\$36	\$157	\$193	2.8%
<b>Total</b>	<b>\$1,779</b>	<b>\$5,021</b>	<b>\$6,800</b>	<b>100.0%</b>

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