



TE TAI ŌHANGA
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New Zealand Government Debt Market Outlook

May 2023

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New Zealand Government



Overview



Economic & Fiscal Outlook



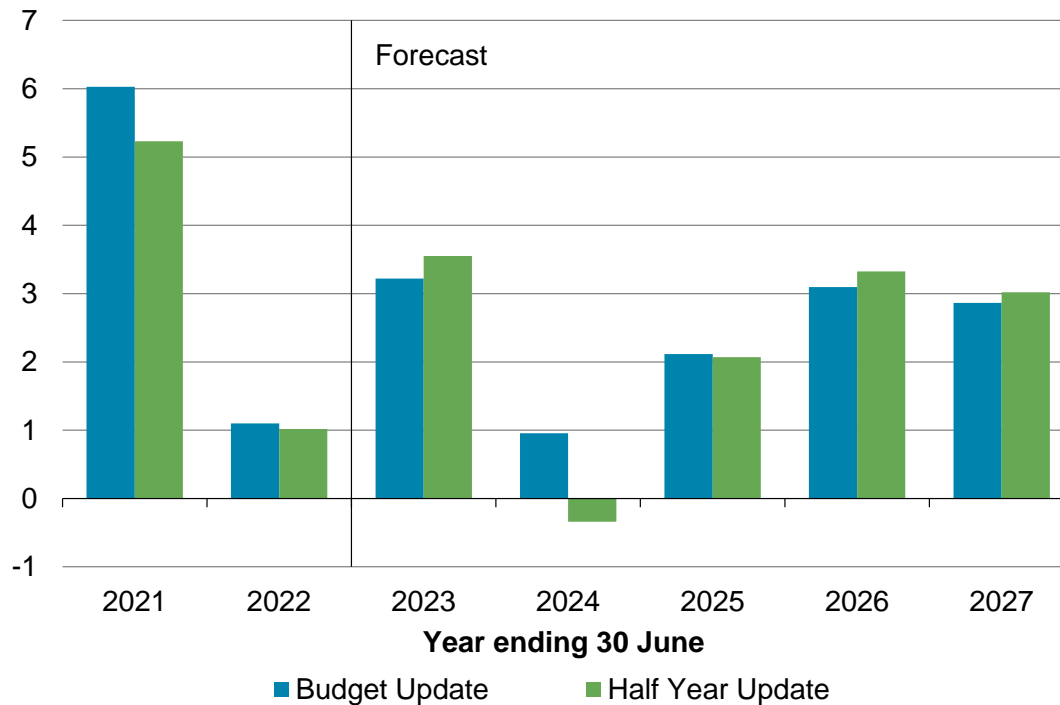
Funding Strategy

Economic & Fiscal Outlook

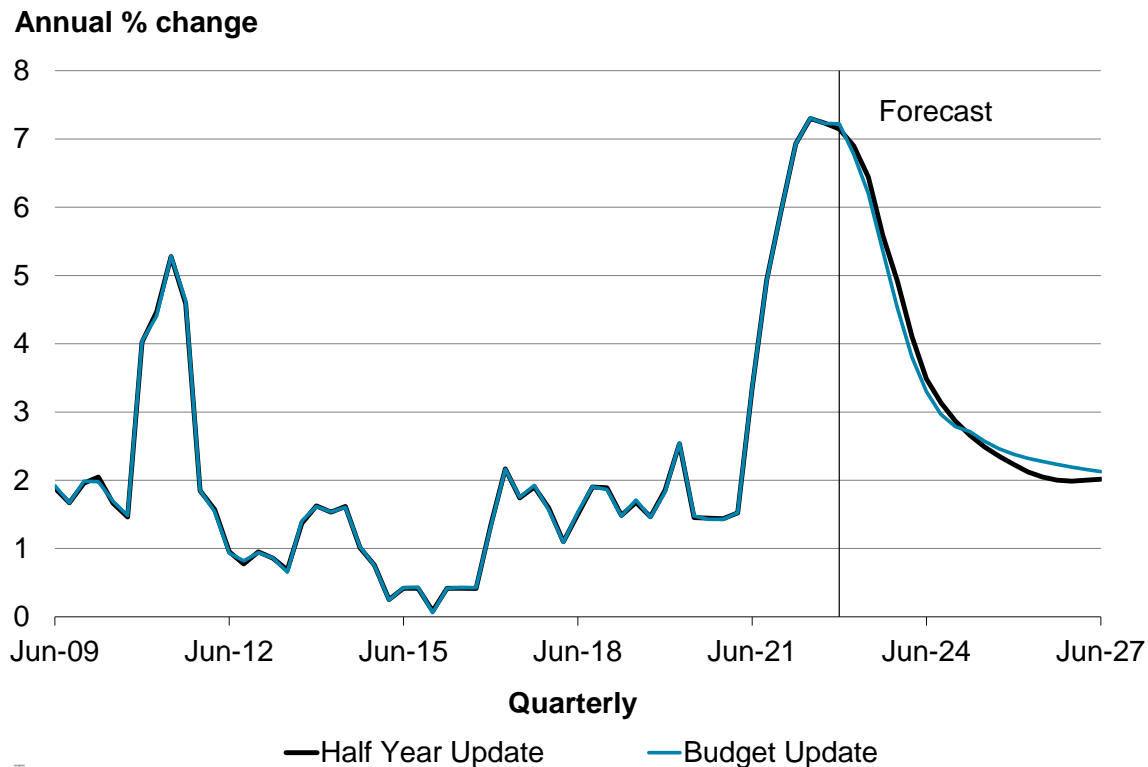


Real GDP Growth

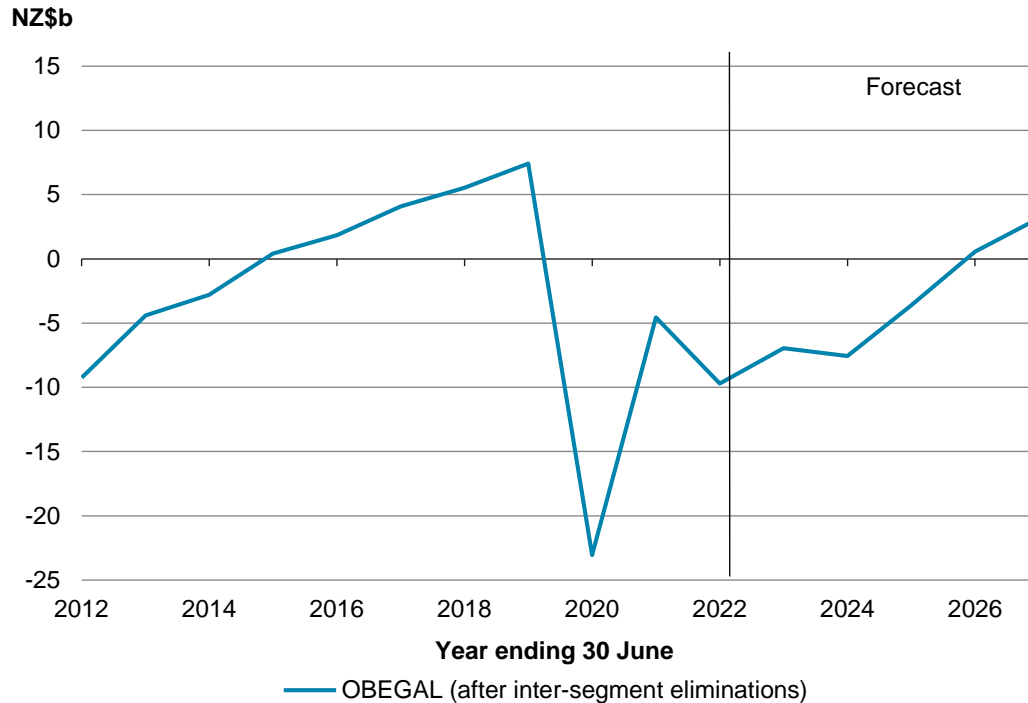
Annual average % change



Inflation – Annual Change in CPI



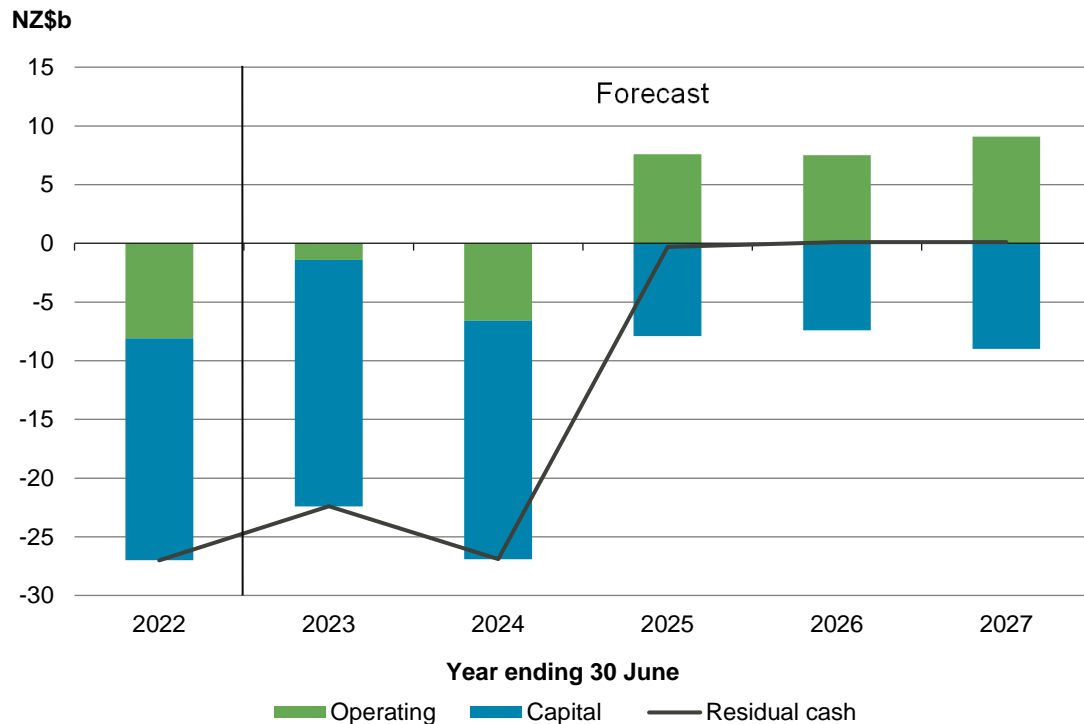
Operating Balance



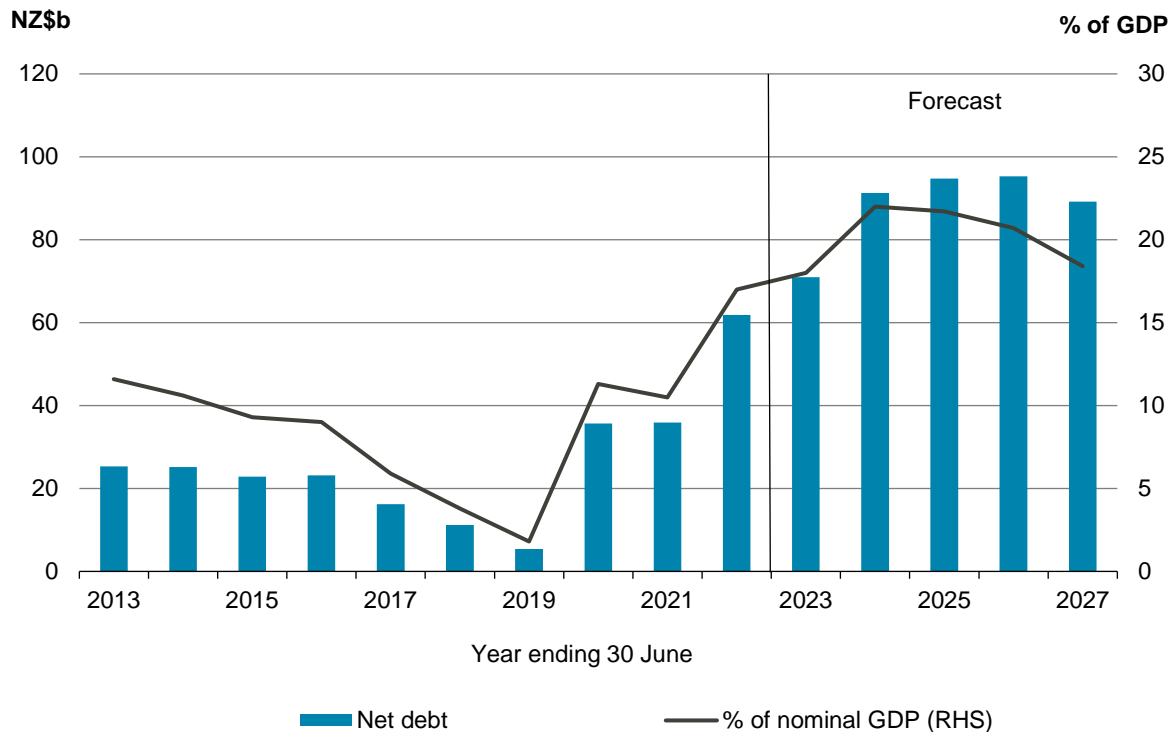
Source: The Treasury

* Lines in chart indicating the Operating balance excluding gains and losses

Core Crown Residual Cash Position



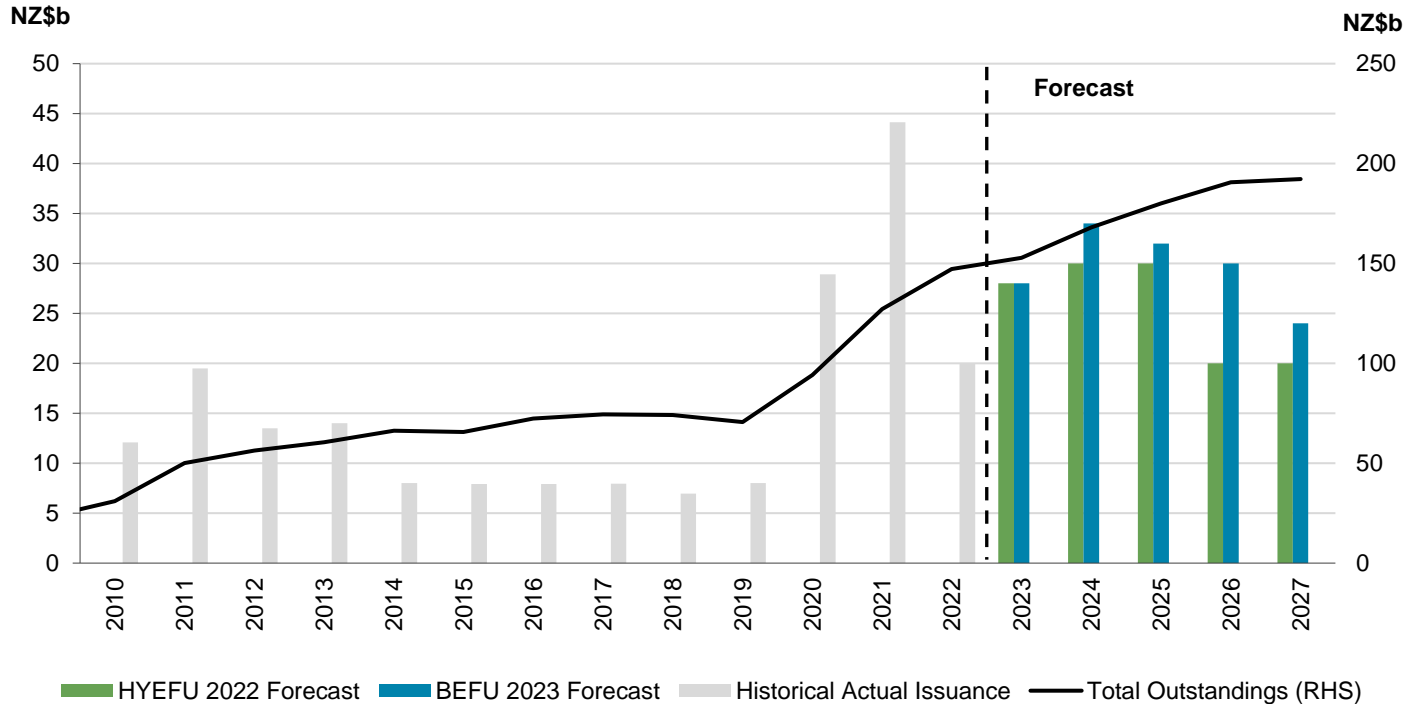
Net Debt Projections



Funding Strategy



Changes in NZGB Programme Forecasts



Forecasts

Year ending 30 June (face value)	2023	2024	2025	2026	2027	Total
Gross NZGB issuance (NZ\$ billion)	28.0	34.0	32.0	30.0	24.0	148.0
NZGB maturities and repurchases (NZ\$ billion) ¹	22.4	18.8	19.9	19.6	22.4	103.0
Net NZGB issuance (NZ\$ billion)	5.6	15.2	12.2	10.5	1.6	45.0

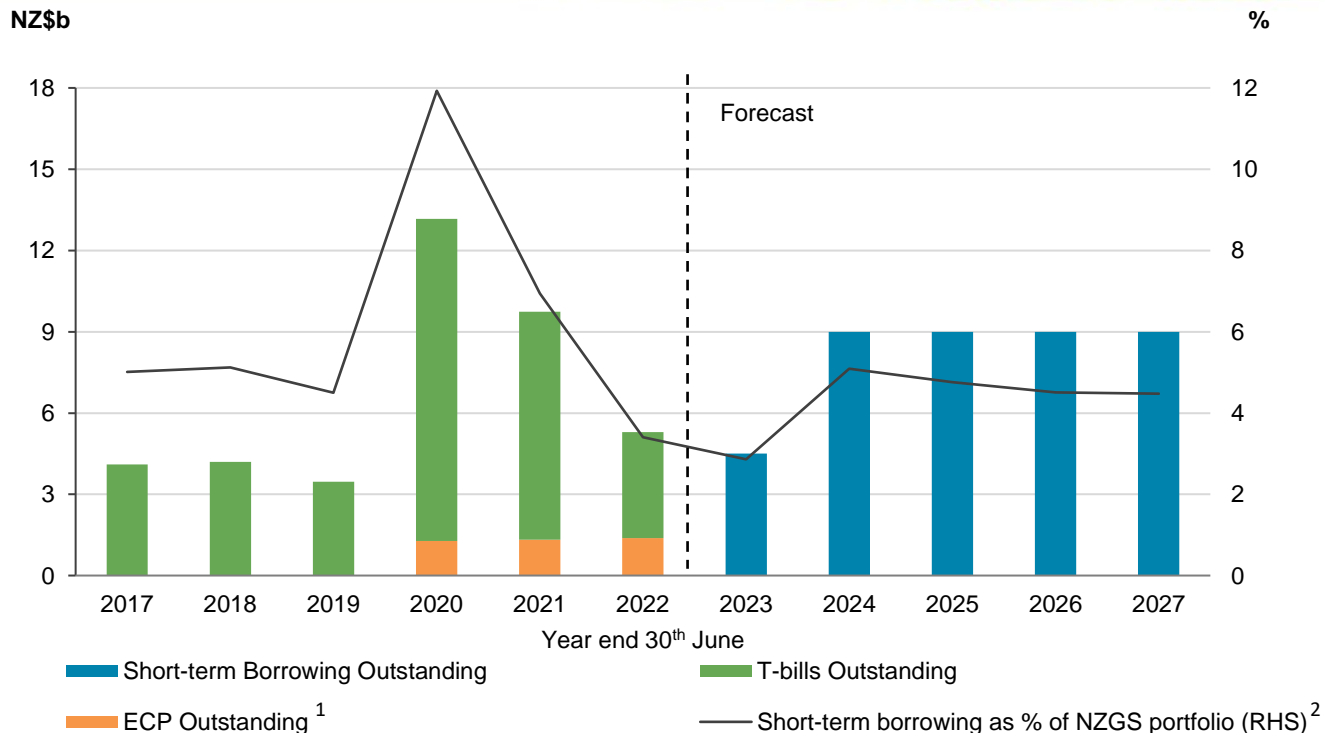
NZGBs outstanding (NZ\$ billion)	152.8	168.0	180.1	190.6	192.2	n/a
NZGBs outstanding (% GDP)	39%	40%	41%	41%	40%	n/a
Forecast short-term borrowings (NZ\$ billion)	4.5	9	9	9	9	n/a

Change in NZGB issuance (relative to HYEPU)	0	4	2	10	4	20
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Source: The Treasury

1. Includes repurchases of bonds from the Reserve Bank of New Zealand held under the Large Scale Asset Purchase programme.

Short-Term Borrowings at Fiscal Year-End

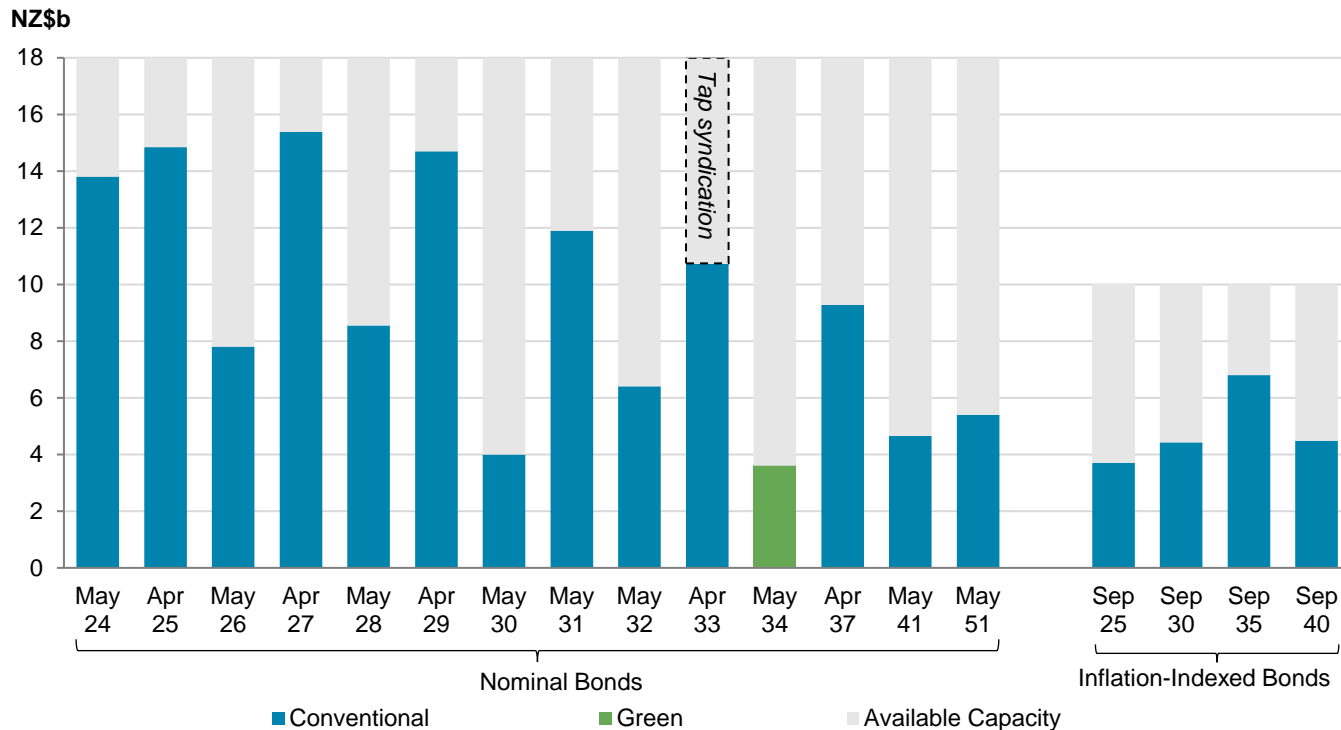


Source: Treasury

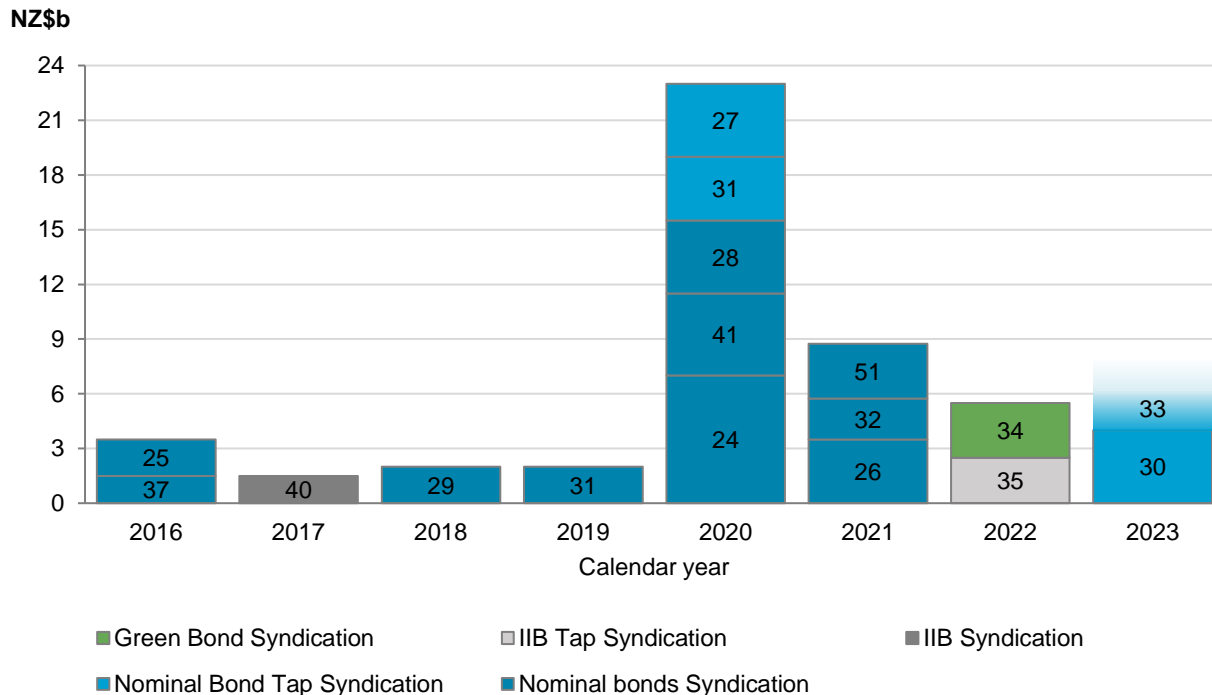
1. ECP – European Commercial Paper

2. NZGS – New Zealand Government Securities

Current NZGB Portfolio

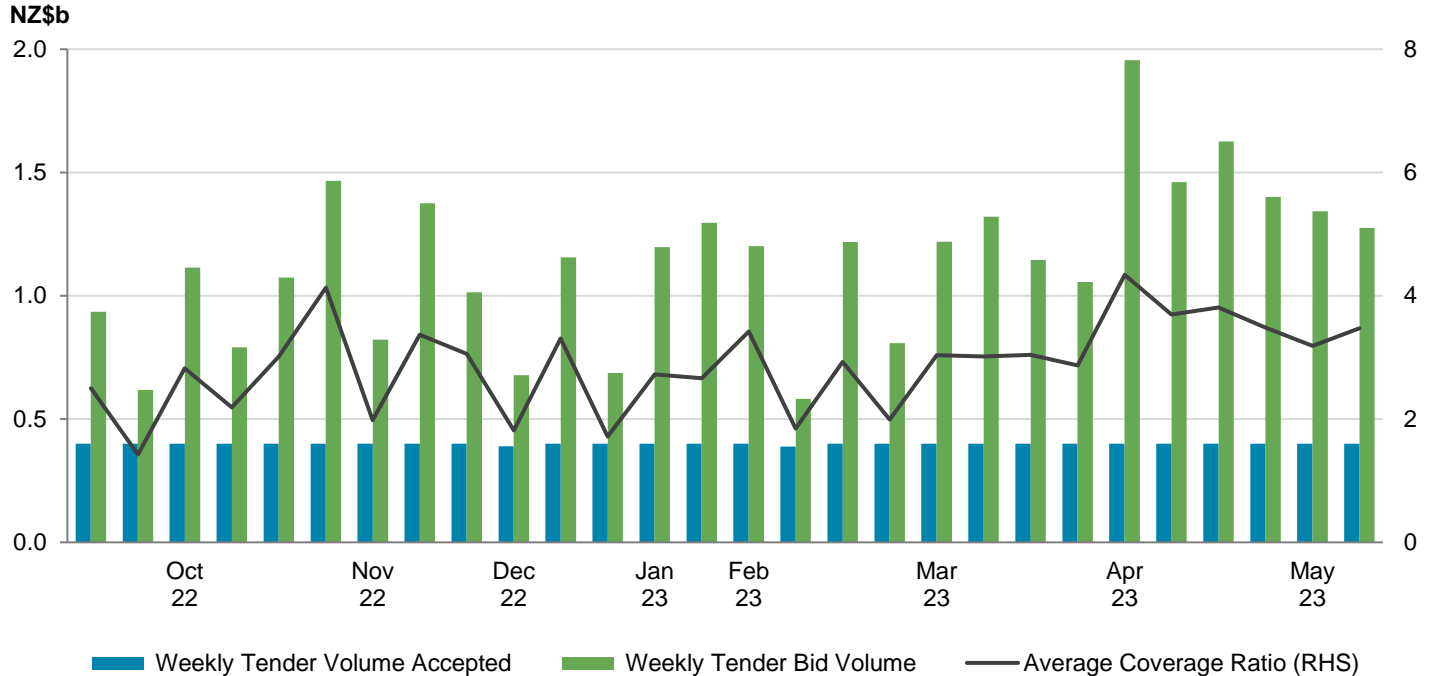


Syndication History

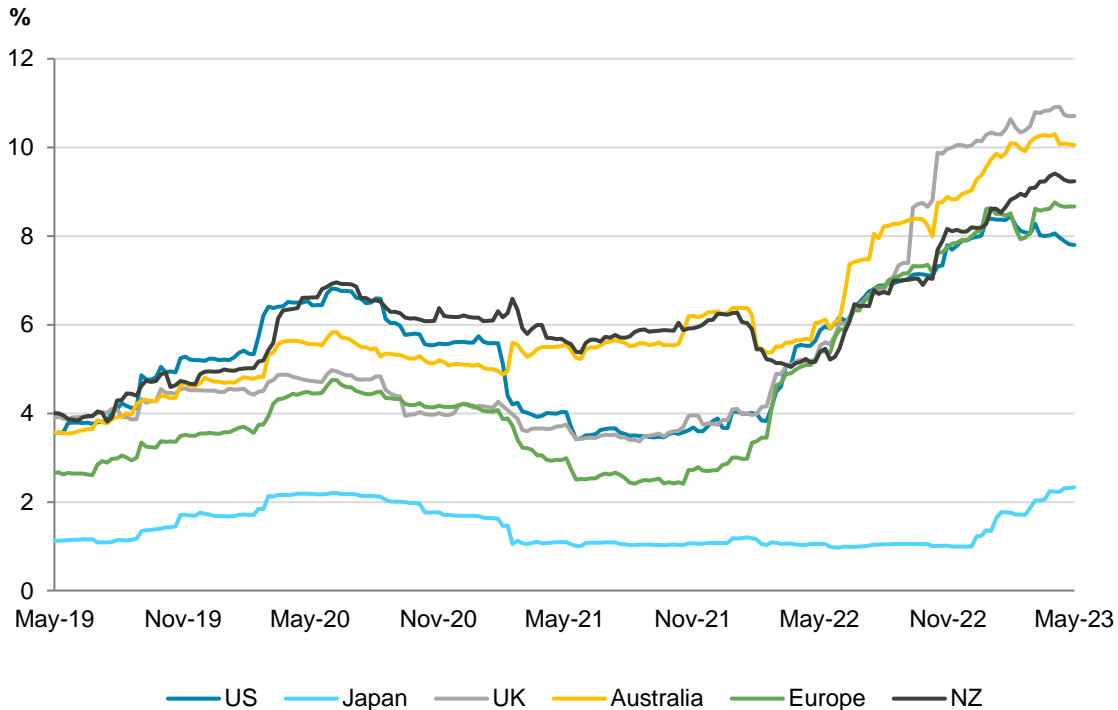


Source: The Treasury. The expected volume of the tap syndication of the 2033 nominal bond will be announced in subsequent updates.

Nominal Bond Tender Performance

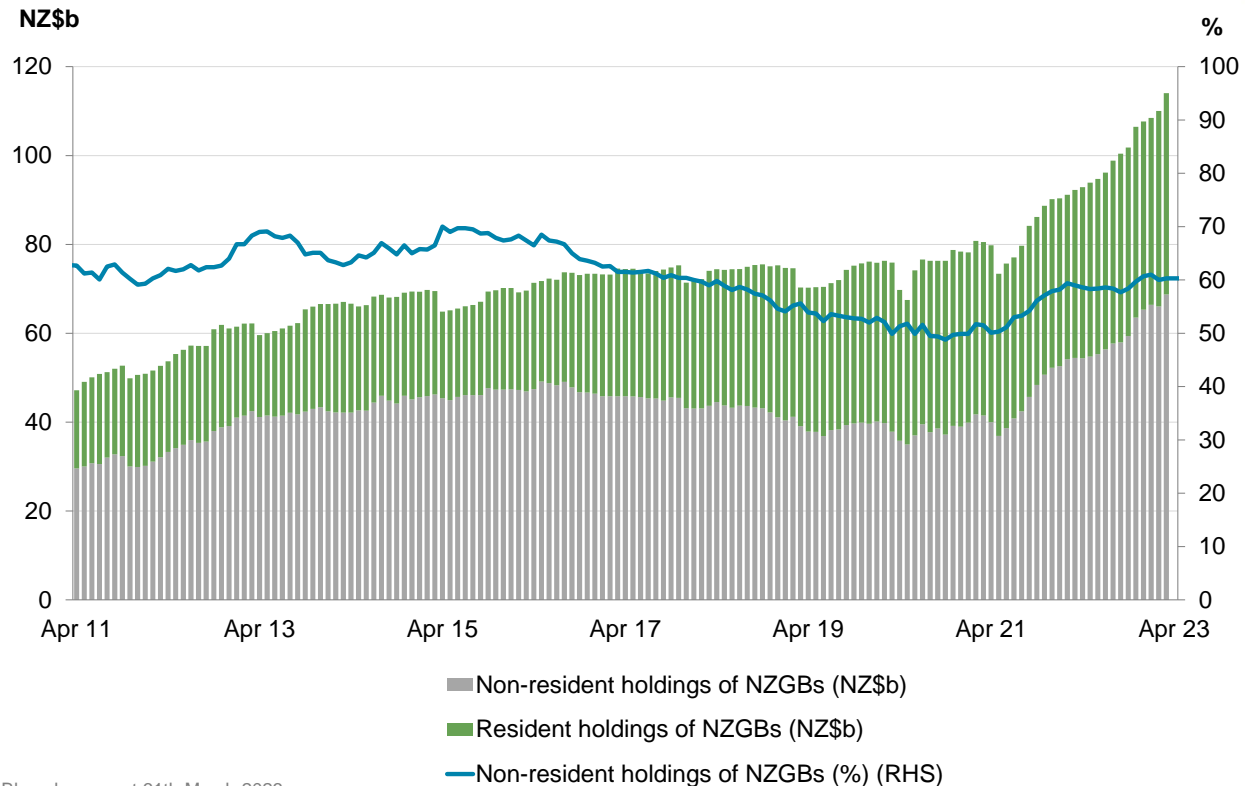


10-Year Bond Volatility



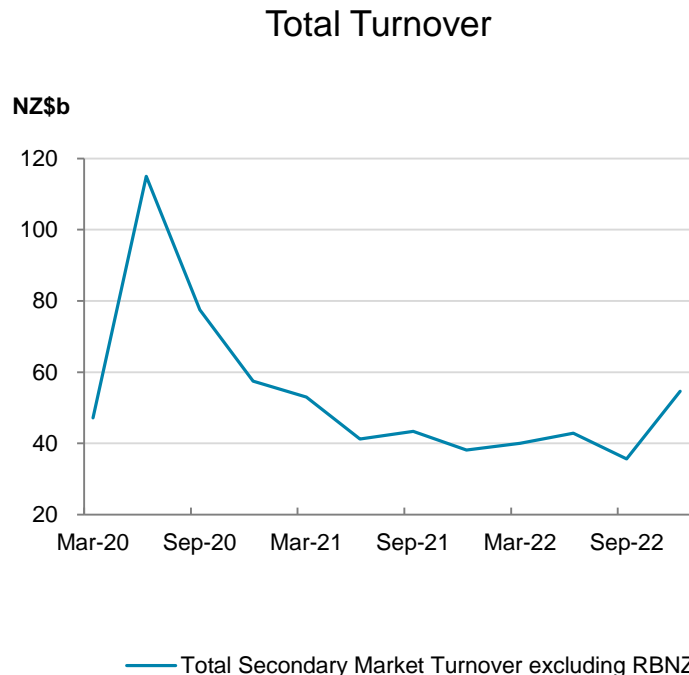
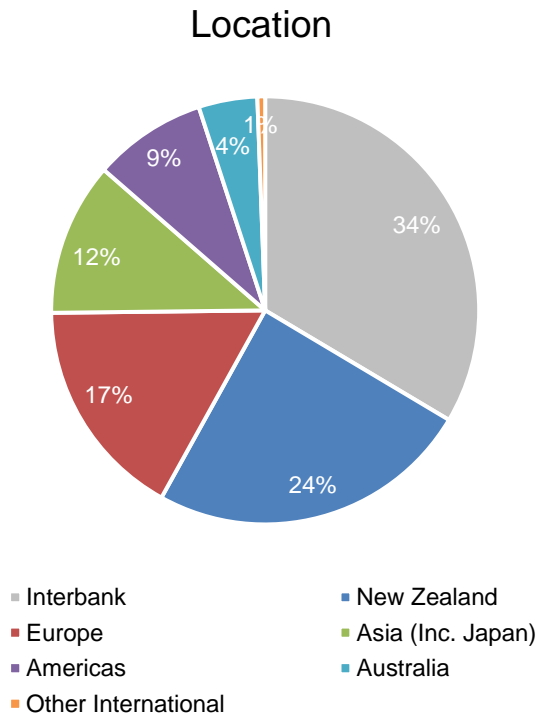
Source: Bloomberg, annualised 50 week return standard deviation, As at 12th May 2023

Offshore NZGB Holdings

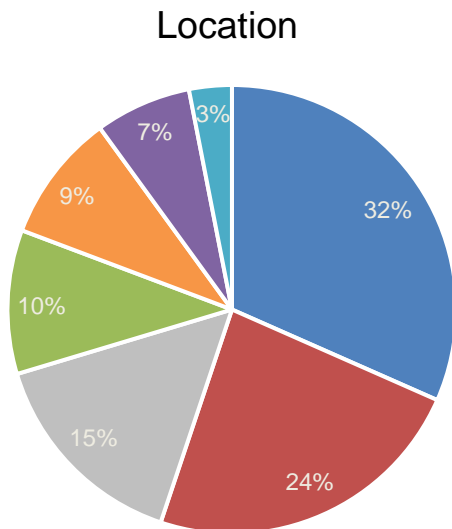


Source: RBNZ, Bloomberg as at 31th March 2023

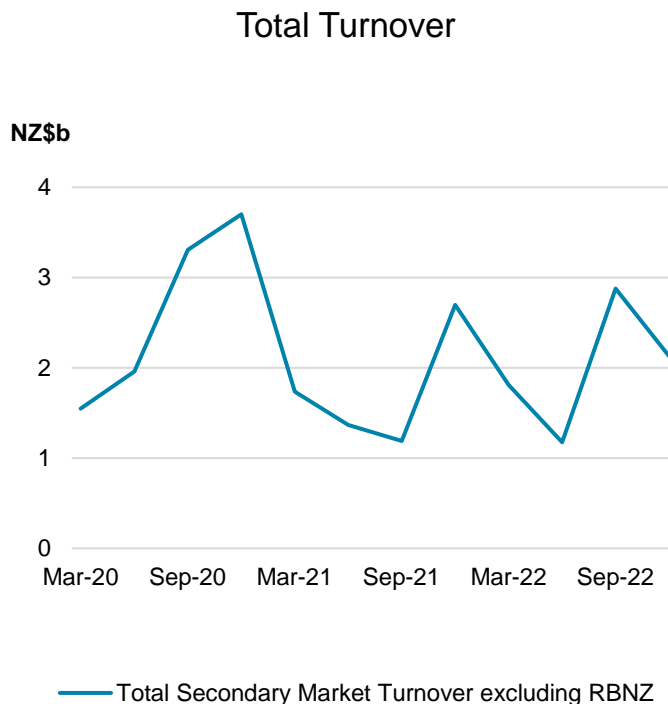
2020-2022 Nominal Bond Secondary Market Turnover



2020-2022 IIB Secondary Market Turnover



- NZ Domestic
- Europe/UK
- Interbank
- Asia
- Other International
- Americas
- Australia



Green Bond Eligible Expenditure

Green Categories	2021/22 \$m	2022/23 - 2024/25 \$m	Total \$m	Share %
Clean Transport	\$723.9	\$2,457.2	\$3,181.1	43.3%
Energy Efficiency and Renewable Energy	\$121.0	\$712.2	\$833.2	11.4%
Green Buildings	\$48.0	\$410.0	\$458.0	6.2%
Living and Natural Resources and Land Use	\$22.0	\$75.3	\$97.3	1.3%
Terrestrial and Aquatic Biodiversity	\$426.9	\$1,478.8	\$1,905.7	26.0%
Climate Change Adaptation	\$71.4	\$134.1	\$205.5	2.8%
Sustainable Water and Wastewater Management	\$281.6	\$239.5	\$521.1	7.1%
Pollution Prevention and Control	\$25.0	\$112.6	\$137.6	1.9%
Total	\$1,719.8	\$5,619.7	\$7,339.5	100.0%

Actuals and forecast as at 31 March 2023 – does not include Budget 2023 expenditure

Contact Details



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