

Financing Programme for 2020

3rd Quarter Guidelines

1. Funding Program: Update for 2020

June, 19th 2020 – Following the submission to the Parliament of a supplementary budget by the Government, the Portuguese Government Treasury and Debt Agency (IGCP) announces revised funding needs for 2020.

The latest estimate for Funding needs for 2020 is as follow (as of 31st May 2020):

	2017	2018	2019 P	2020 P
State borrowing requirements	28,3	20,3	19,2	28,2
Net financing needs	10,4	7,3	9,5	20,3
Overall deficit ^(a)	4,8	3,7	4,0	14,8
Net acquisitions of financial assets ^(b)	5,2	3,7	5,6	5,4
One-off operations ^(c)	0,4			
MLT Redemptions	17,9	13,0	9,7	7,9
Tbonds (PGB + MTN) ^(d)	7,9	7,5	7,7	7,9
FRN/OTRV				
EU/IMF (executed)	10,0	5,5	2,0	
EU/IMF (to be executed)				
State financing sources	28,3	20,3	19,2	28,2
Use of deposits	0,4	0,5	2,5	-2,7
Financing in the year	27,9	19,9	16,7	30,9
Executed	27,9	19,9	16,7	15,2
Tbonds (PGB + MTN)	15,1	16,4	15,7	15,4
FRN/OTRV	3,5	1,0		
Retail debt (net)	2,8	1,3	0,8	
Tbills (net)	0,3	-1,8	-1,4	-0,2
Other flows (net) ^(e)	6,2	2,9	1,7	
To be executed				15,7
Tbonds (PGB + MTN)				14,0
FRN/OTRV				1,0
Retail debt (net)				0,1
Tbills (net)				3,4
Other flows (net) ^(e)				-2,9
State Treasury cash position at year-end ^(f)	9,8	9,3	6,8	9,5

^(a) State sub-sector cash deficit in 2017-20.

^(b) Includes refinancing of other public entities (namely SOEs) and credit lines to the Single Resolution Board and the National Resolution Fund.

^(c) Includes other operations that impact net financing needs (e.g. bank recapitalization in 2012-2013, privatization revenues).

^(d) Includes net impact of exchange offers.

^(e) Includes centralization of funds of other public entities in the Single Treasury Account.

^(f) Excluding cash-collateral.

The net borrowing needs of the central Government for 2020 stand now at 20.3 bn (compared with the initial projection of EUR 10.7 bn).

Tbonds (PGB+MTN) issuances net of buybacks are projected at EUR 29.3 bn (an increase of EUR 12.6 bn compared to the initial estimate) in 2020.

In 2020, net issuance of Treasury Bills will also increase from an initial projection of EUR 1.3 bn to EUR 3.2 bn.

Up to end of May, IGCP has already issued over EUR 15.4.bn of PGB in 2020, which represents more than 50% of the current issuance target for the year.

2. Issuance of Government Bonds (PGB)

During the quarter, IGCP intends to issue PGB using a combination of syndications and auctions, with an expected issuance amount between 1,250 and 1,500 million euro per auction.

PGB auctions will have the participation of the Primary Dealers (OEVT) and Other Auction Participants (OMP) and can be held on the 2nd or 4th Wednesday of the month after announcement of the indicative amount and the PGB to be tapped up to three days before the respective auction date.

3. Issuance of Treasury Bills (TBill)

The Treasury Bills' issuance calendar in the 3rd quarter of 2020 will be the following:

Instrument	Type	Indicative date	Indicative amount EUR million
BT15JAN2021	Reopening (6 months)	15-Jul-20	1500-1750
BT16JUL2021	Launch (12 months)		
BT20NOV2020	Reopening (3 months)	19-Aug-20	1000-1250
BT16JUL2021	Reopening (11 months)		
BT19MAR2021	Reopening (6 months)	16-Sep-20	1500-1750
BT17SEP2021	Launch (12 months)		

3. IGCP will continuously monitor market conditions, which may result in a change of the present quarter guidelines.