



Press release

Date: 6 December 2016

2017 issuance calendar for Confederation bonds and money market debt register claims

The Federal Finance Administration (FFA) is planning to issue bonds with a face value of just over CHF 4 billion in 2017. Taking account of bonds maturing, the volume of bonds outstanding will be reduced by about CHF 1.6 billion. Provided the development of liquidity allows it, the volume of outstanding money market debt register claims is to be raised to around CHF 10 billion towards the end of the year. Bond auctions take place on a monthly basis, except in August, while money market debt register claims are auctioned on a weekly basis.

Based on current planning, funds amounting to some CHF 8 billion have to be raised in the year ahead. The funding requirement arises from a bond issue of CHF 5.6 billion maturing and the Federal Council's budgeted deficit of CHF 0.6 billion. Furthermore, the Federal Treasury will increase liquidity by almost CHF 2 billion at the end of 2017 because of another bond maturing in January 2018.

Confederation bonds

The FFA is planning to raise CHF 5 billion (2016: CHF 4.4 billion) with the issuance of bonds in 2017. Due to an accounting change as of 1 January 2017, this amount now includes not only the face value, but also the premiums earned upon issuance (cf. box). Because market interest rates in 2017 are again likely to be significantly lower than some bond coupons, premiums of up to CHF 1 billion could be earned. Accordingly, the face value of the planned issuance will be just over CHF 4 billion. Taking account of maturities, outstanding capital market debt can be expected to be reduced by approximately CHF 1.6 billion (2016: CHF -6.1 billion).

Bond auctions always take place between 9.30 am and 11 am on the second Wednesday of the month. No auction is held in August. The dates in April and October are optional. The FFA will announce in good time whether or not the auction will take place. The bonds to be issued (maturities) and the payment date are announced the day before the auction.

The auction dates for Confederation bonds (see the issuance calendar) are:

11.01.2017
08.02.2017
08.03.2017
12.04.2017 optional date
10.05.2017
14.06.2017
12.07.2017
13.09.2017
11.10.2017 optional date
08.11.2017
13.12.2017

Money market debt register claims

The federal budget's cash inflow was considerably higher than budgeted in 2016 because of negative interest rates. The FFA left the volume of outstanding money market debt register claims at the relatively low level of around CHF 7 billion to avoid an excessive increase in liquidity. Next year, it will seek to increase the volume to a normal level of around CHF 10 billion, provided the liquidity trend allows this. In the current interest rate environment, additional receipts cannot be excluded in 2017 either.

Money market debt register claims are issued weekly on Tuesdays, and the payment date is two days later (Thursday). As with bonds, the subscription period runs from 9.30 am to 11 am. The auction details can be found in the issuance calendar.

Further information

Issuance calendars, issue results and further information on Confederation bonds and money market debt register claims can be found on the website of the FFA (www.efv.admin.ch) and of the Swiss National Bank (www.snb.ch).

Valuation of Confederation bonds at amortized cost

Until now, Confederation bonds were posted at face values and the above par premiums earned upon issuance flowed into the corresponding year's federal budget as a reduction in expenditure. From 1 January 2017, the Confederation will use new accounting standards for financial instruments (International Public Sector Accounting Standards, IPSAS 28-30): bonds will subsequently be carried at amortized cost. Premiums will thus be recognised under debt upon issuance and then amortized over the entire term. In this way, premiums will become a component of the Confederation's financing activities and will be taken into account by the Federal Treasury when covering the funding requirement. A nominal target amount will also continue to be indicated in the issuance programme.

Further details

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The following can be found as an enclosure to this press release at www.finance.admin.ch:

- Confederation bonds – 2017 issuance calendar
- Money market debt register claims – 2017 issuance calendar