



Australian Government  
Australian Office of Financial Management

**AOFM**

# **AGS Investor Chart Pack**

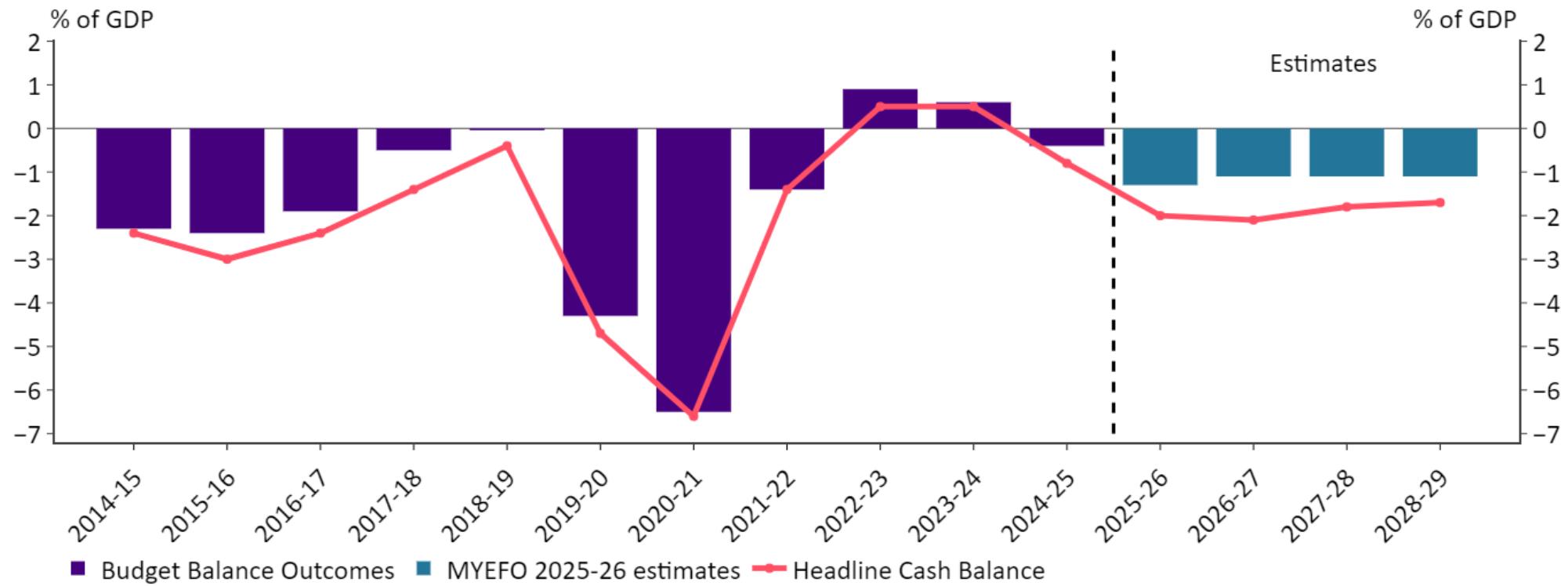
## **MYEFO 2025-26**

January 2026

# Australia's budget balance

## Underlying cash balance

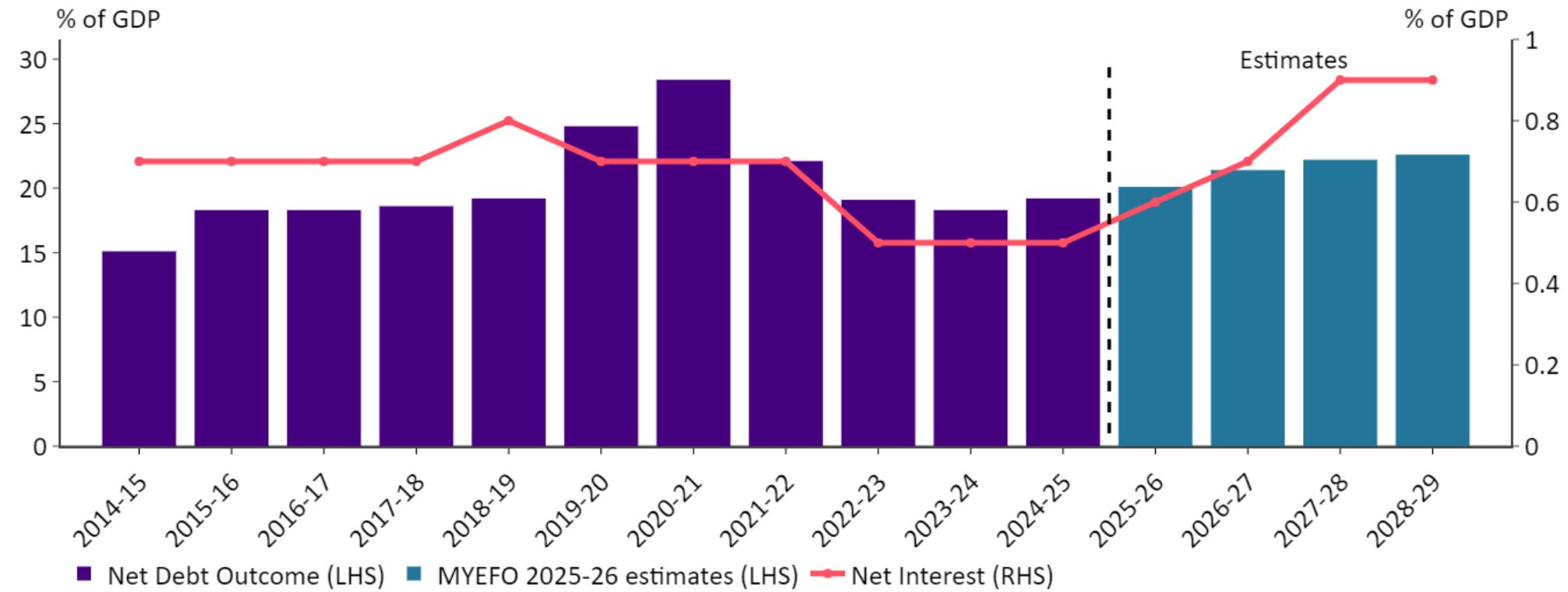
An underlying cash deficit of \$36.8 billion is forecast for 2025-26 (1.3 per cent of GDP), an improvement over the Budget 2025-26 estimate of 1.5 per cent of GDP. The deficit is expected to fall to 1.1 per cent of GDP in 2028-29.



Source: MYEFO 2025-26.

# Australia's net debt position

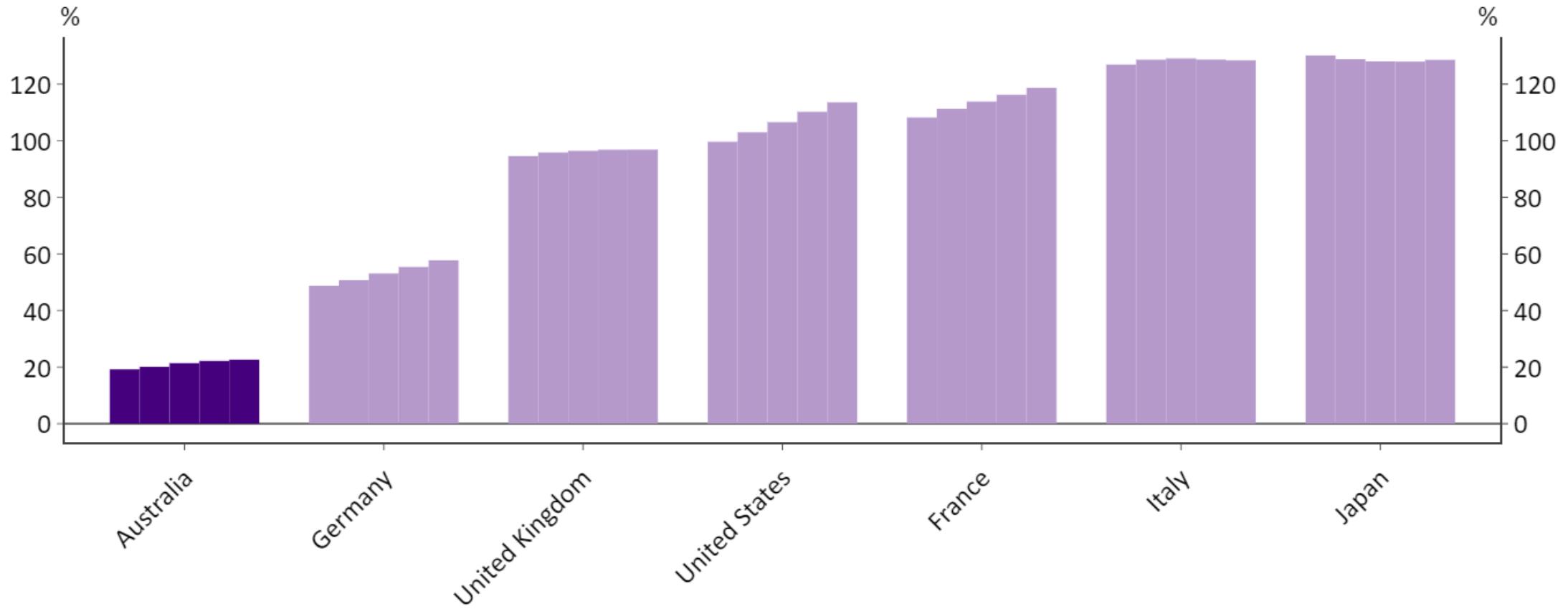
Net debt is estimated to be 20.1 per cent of GDP (\$587.5 billion) at 30 June 2026. Net debt is expected to increase marginally in each year of the forward estimates and reach 22.6 per cent of GDP in 2028-29. Net interest payments are forecast to be low in 2025-26 at 0.6 per cent of GDP and remain below 1 per cent of GDP across the forward estimates.



Source: MYEFO 2025-26.

# Comparison of government net debt

## 2025 to 2029 (forecast)



Source: MYEFO 2025-26, IMF Fiscal Monitor October 2025.

# Australian Government Securities

## Treasury Bonds

### *Amount Outstanding*

**\$877 billion**

29 lines on issue

### *Gross Issuance 2025-26 (F)*

**Around \$125 billion**

## Treasury Indexed Bonds

### *Amount Outstanding*

**\$39.3 billion**

6 lines on issue

### *Gross Issuance 2025-26 (F)*

**Around \$2 - \$3 billion**

## Treasury Notes

### *Amount Outstanding*

**\$46 billion**

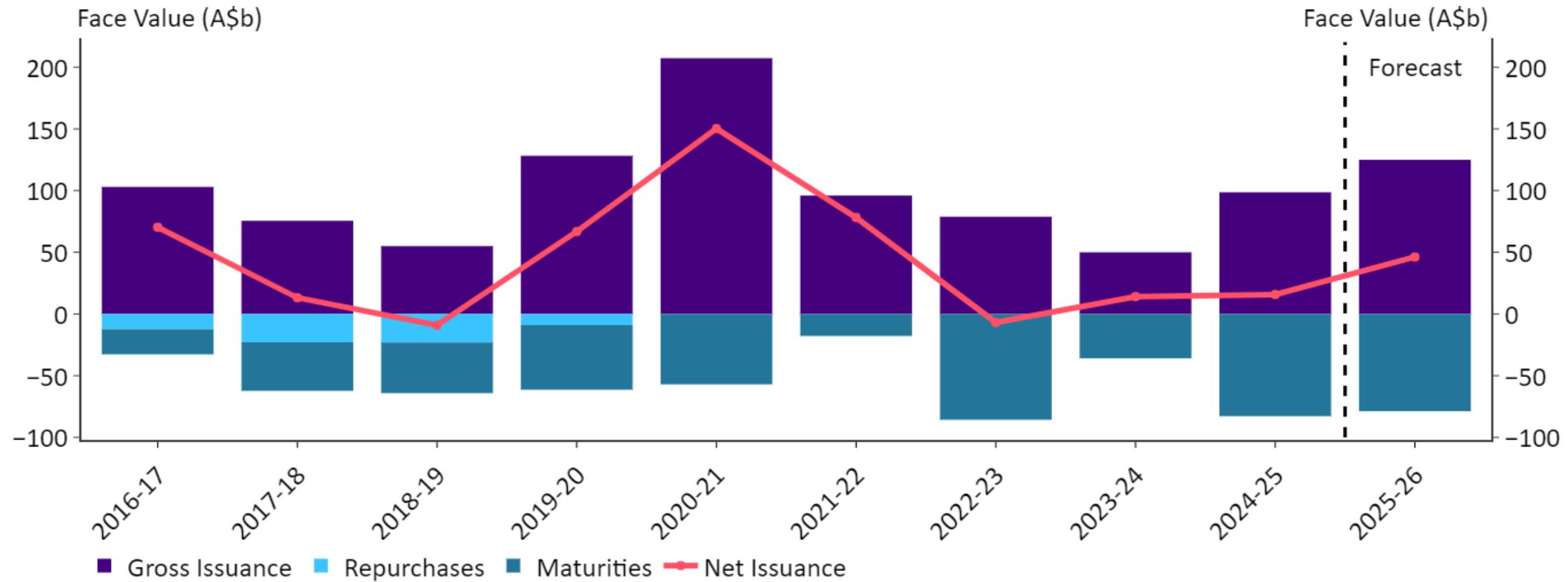
8 lines on issue

## Further information

- Based on MYEFO forecasts, issuance of Treasury Bonds (including Green Treasury Bonds) in 2025-26 has been revised to around \$125 billion (of which \$62.5 billion has been completed as of 9 January 2026).
- Issuance of Treasury Indexed Bonds in 2025-26 is planned to be between \$2 billion and \$3 billion (of which \$1.5 billion has been completed as of 9 January 2026).
- The AOFM will remain active in the Treasury Note market with regular issuance for cash management purposes.

Amounts outstanding as at 9 January 2026.

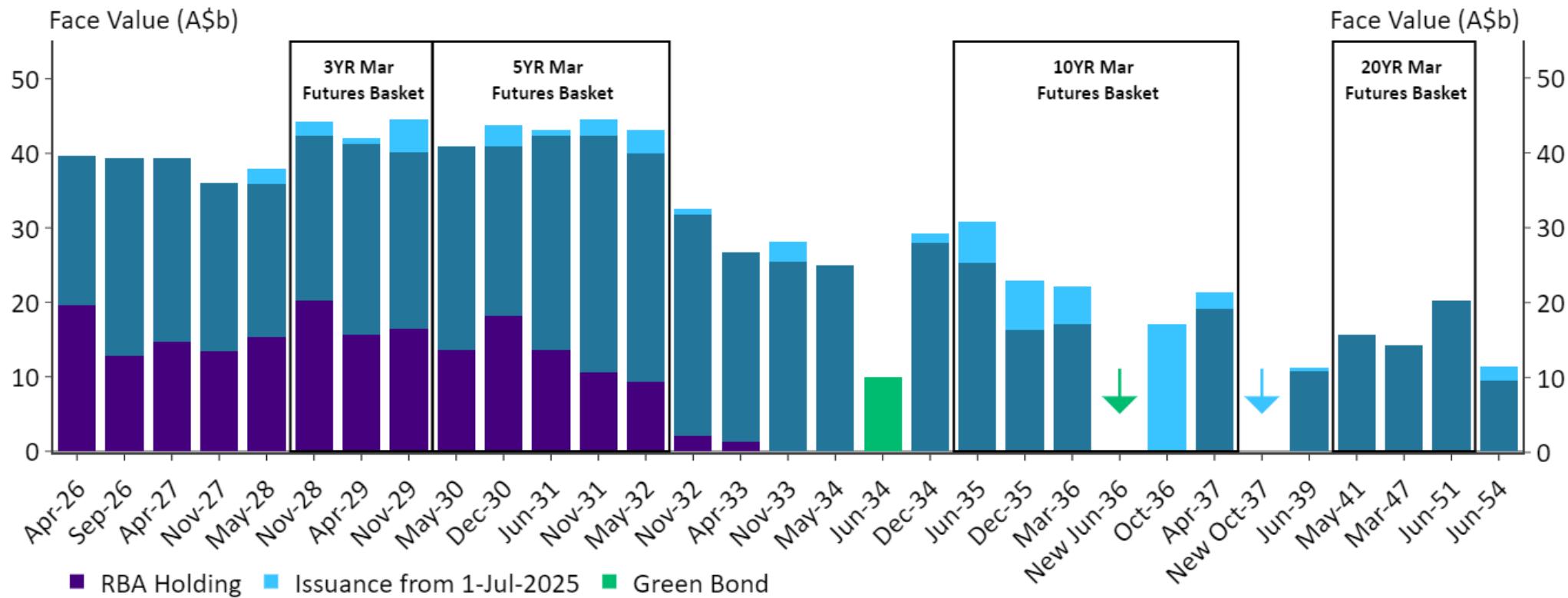
# Composition of Treasury Bond Issuance



Source: AOFM.

# Treasury Bonds on issue

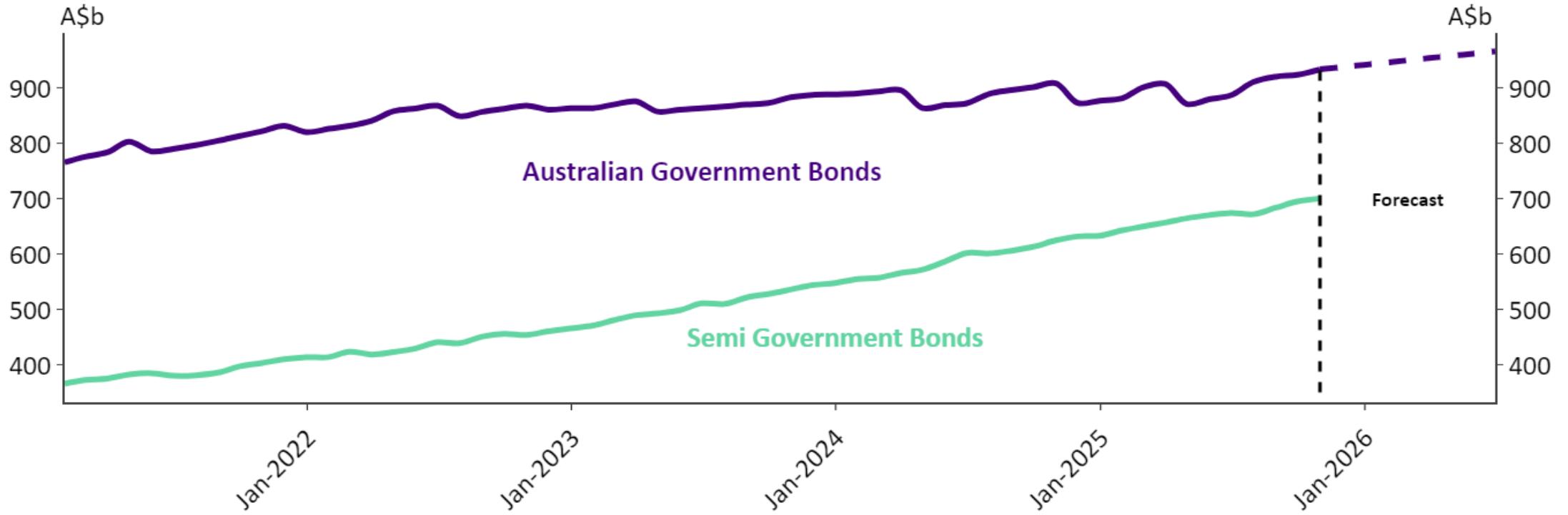
The AOFM will continue to use the most liquid (high-demand) parts of the yield curve to support the bulk of planned issuance, while supporting other parts of the market by responding to demand and issuing in appropriate volumes. Over the remainder of 2025-26 it is planned to issue a new October 2037 Treasury Bond and a new June 2036 Green Treasury Bond.



Source: AOFM. As at 09 January 2026.

\*The June 2036 bond is not included in the 10-year March 2026 futures contract.

# AGBs and semi-government bonds on issue

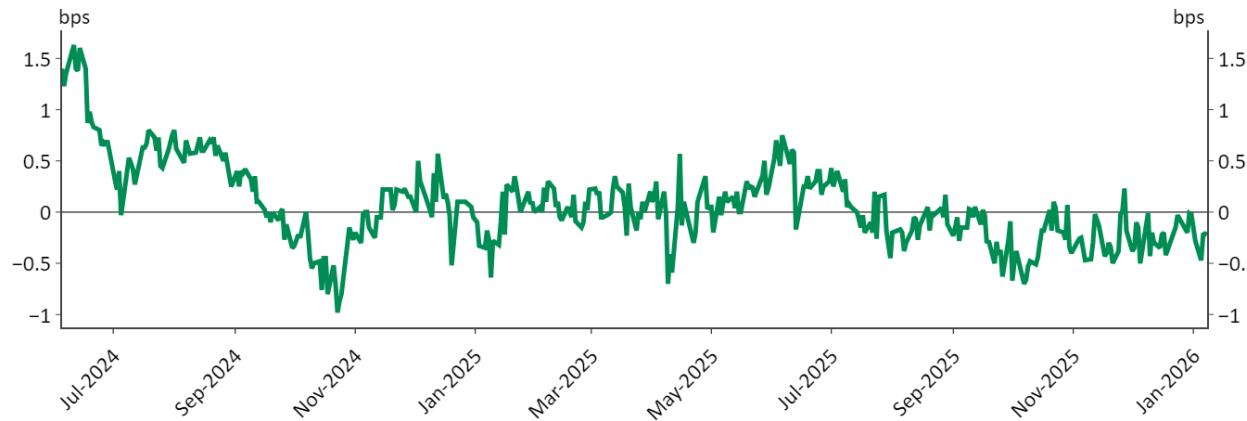


Source: RBA, AOFM.

# Green Treasury Bonds

- An active secondary market with around \$100 million average daily turnover.
- A new June 2036 Green Treasury Bond will be issued by the end of 2025-26 via syndication.
- Ongoing tender issuance of existing lines, to support liquidity
- Green Treasury Bonds outstanding will increase, but remain a small portion of overall issuance
- The yield of the June-34 Green Treasury Bond trades near the May-34 bond

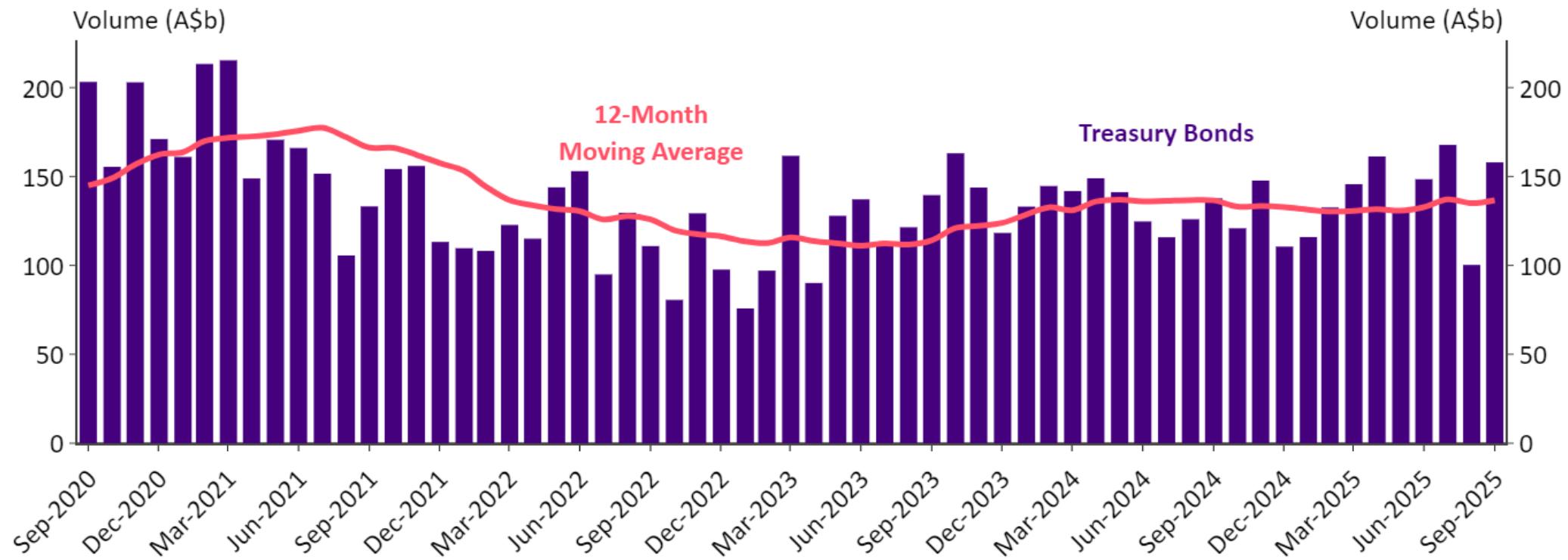
May-34 spread to June-34 green bond



Source: Refinitiv. Updated to 08 January 2026.

# Treasury Bond secondary market turnover

Liquidity in the AGS market remains supportive – particularly around the 3-year and 10-year futures baskets. Secondary market turnover has averaged around \$130 billion per month over the last two years.

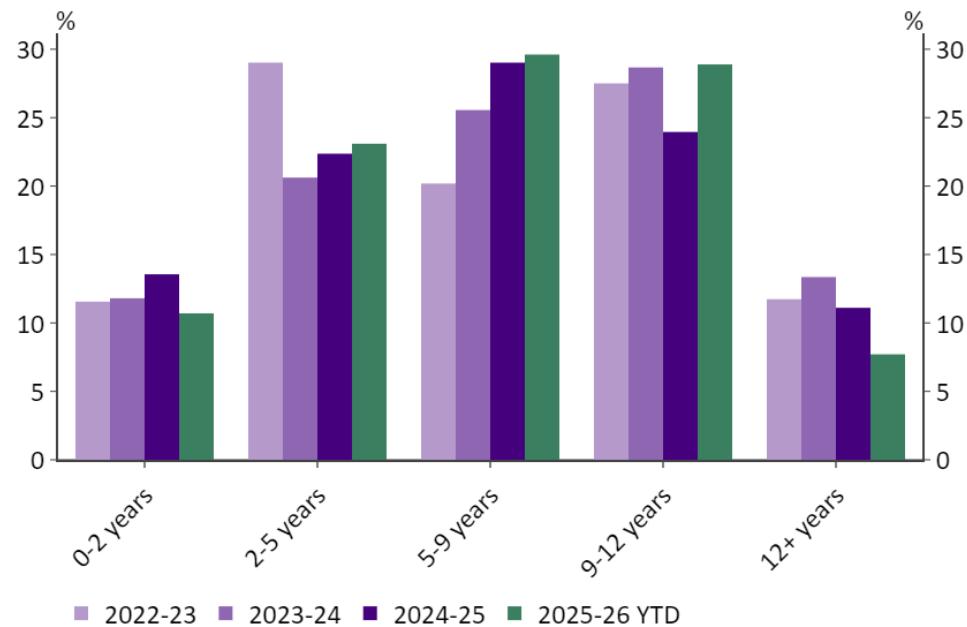


Source: AOFM. The AOFM relies on data provided by survey respondents and cannot guarantee the accuracy of this data.

# Turnover – Treasury Bonds

**Total turnover A\$1.59 trillion (2024-25)**  
A\$1.63 trillion (2023-24)

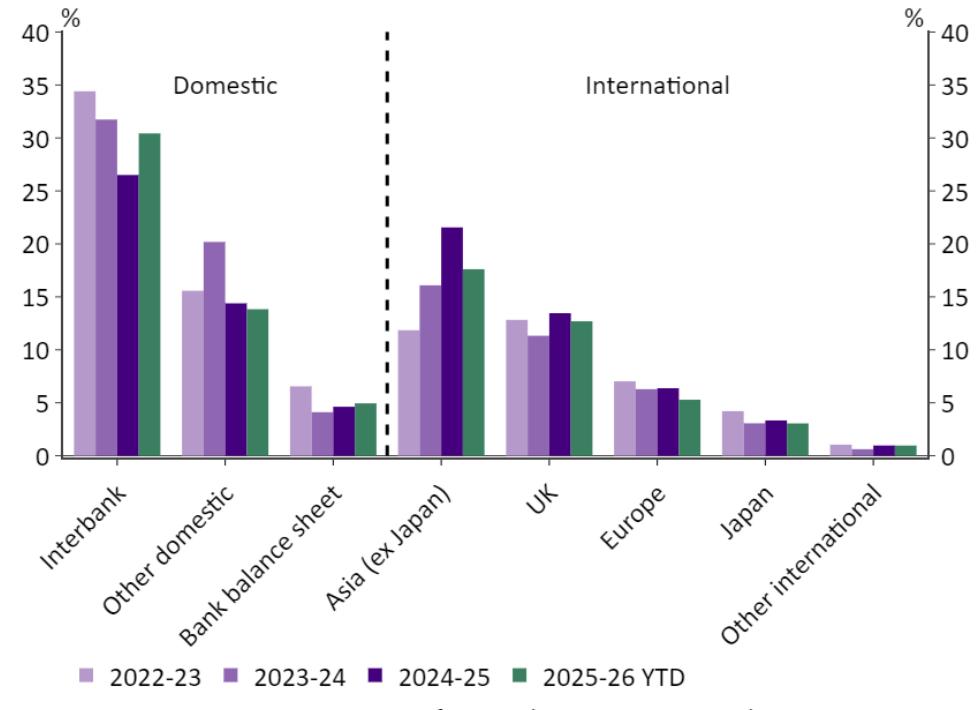
## Turnover by tenor



Source: AOFM. 2025-26 YTD ranges from 1 July 2025 to 30 September 2025.

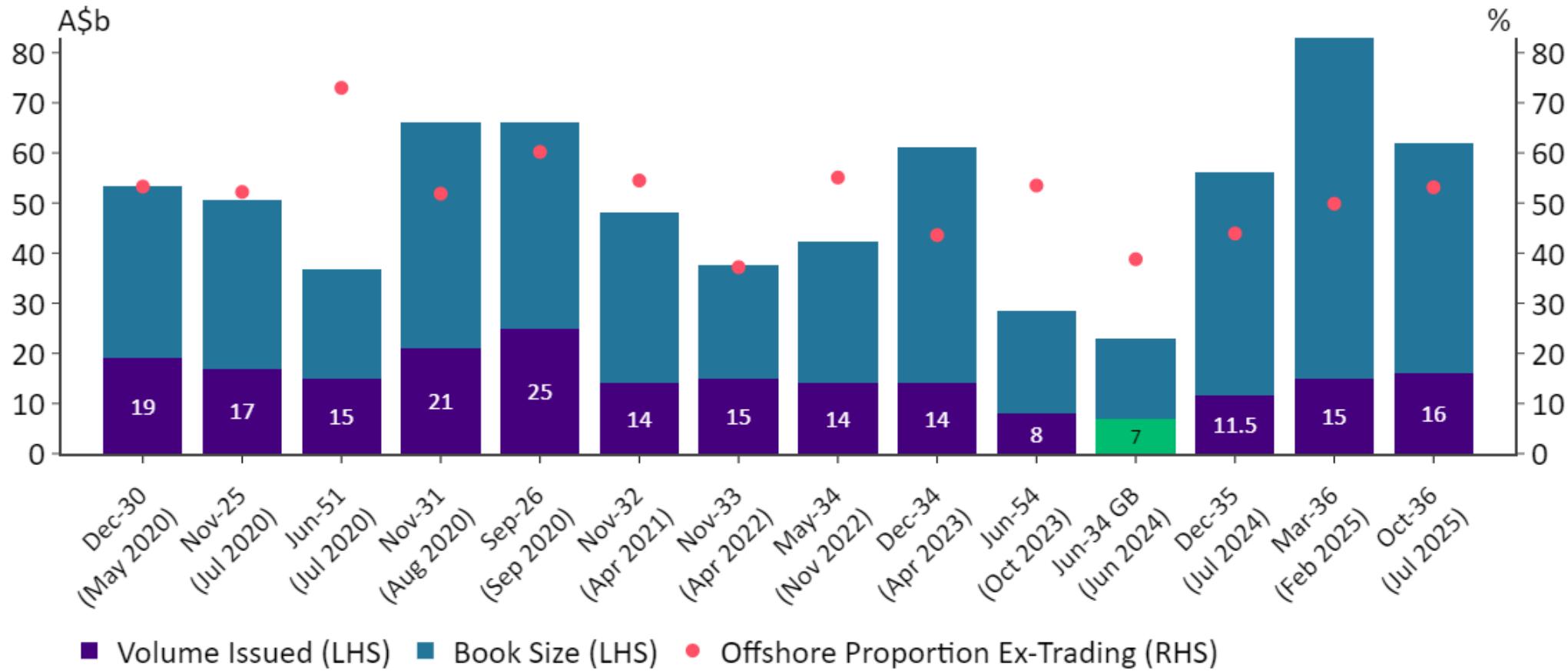
**Monthly average A\$133 billion (2024-25)**  
A\$136 billion (2023-24)

## Turnover by category



Source: AOFM. 2025-26 YTD ranges from 1 July 2025 to 30 September 2025.

# Treasury Bond syndications

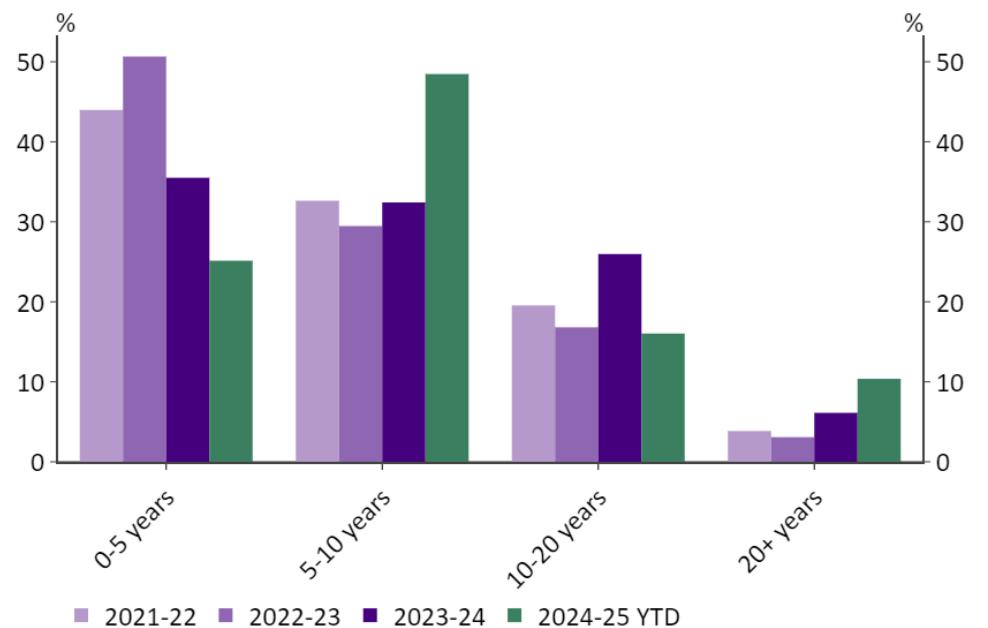


Source: AOFM.

# Turnover – Treasury Indexed Bonds

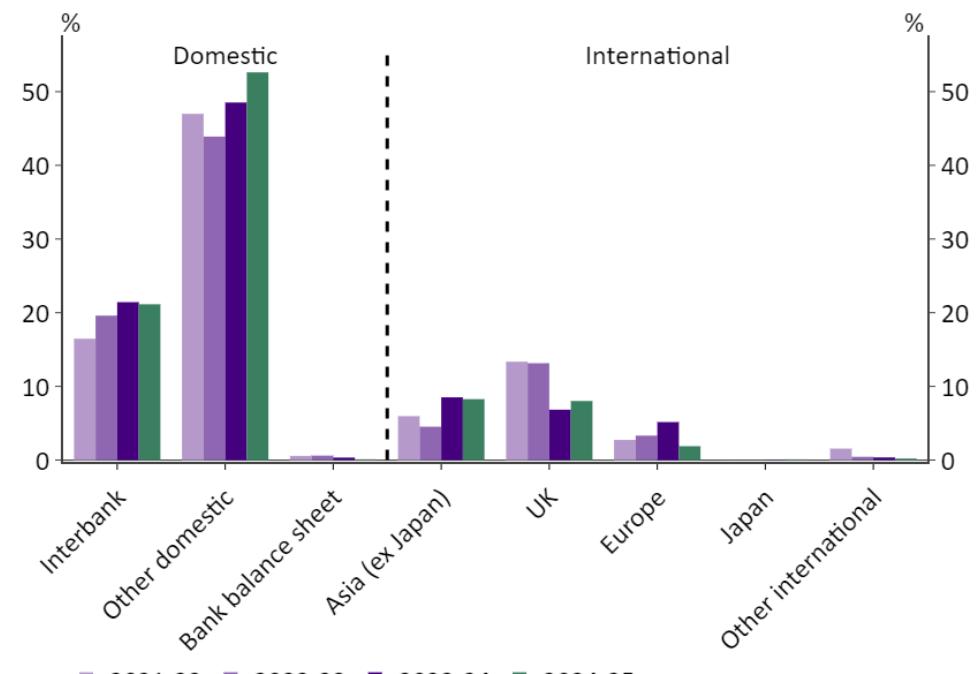
**Total turnover A\$45 billion (2024-25)**  
A\$38 billion (2023-24)

## Turnover by tenor



**Monthly average A\$3.8 billion (2024-25)**  
A\$3.2 billion (2023-24)

## Turnover by category



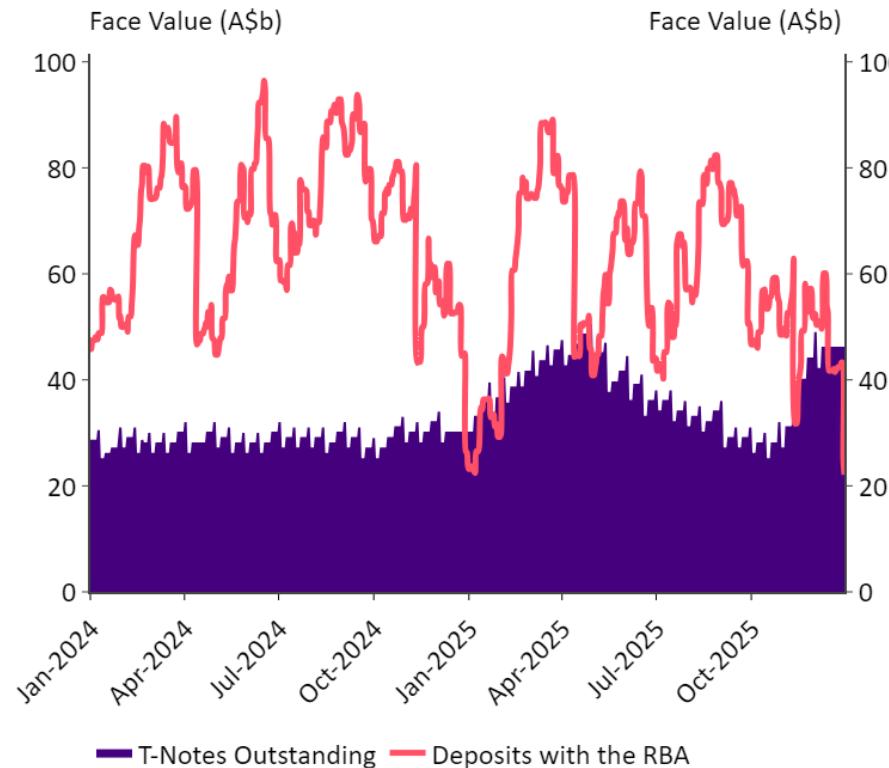
Source: AOFM. 2025-26 YTD ranges from 1 July 2025 to 30 September 2025.

Source: AOFM. 2025-26 YTD ranges from 1 July 2025 to 30 September 2025.

# Issuance of Treasury Notes

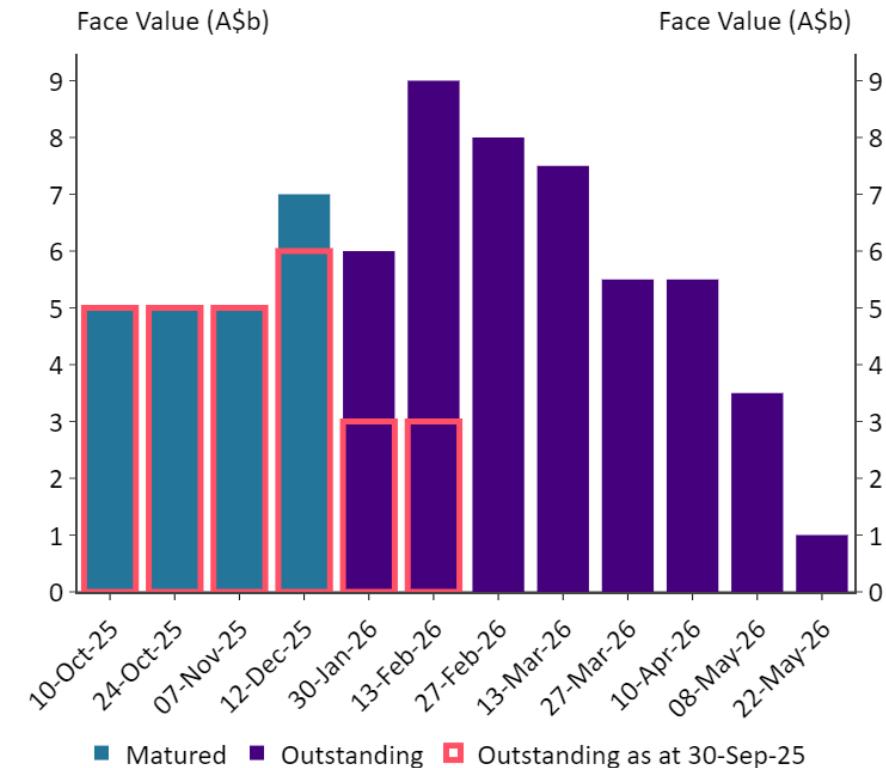
Regular issuance of Treasury Notes will continue. Weekly issuance volumes will depend on the timing and size of government receipts and payments and the AOFM's assessment of its cash portfolio requirements. There will be at least \$25 billion of Treasury Notes on issue to maintain investor engagement.

## T-Notes outstanding and deposits with the RBA



Source: AOFM. As at 08 January 2026.

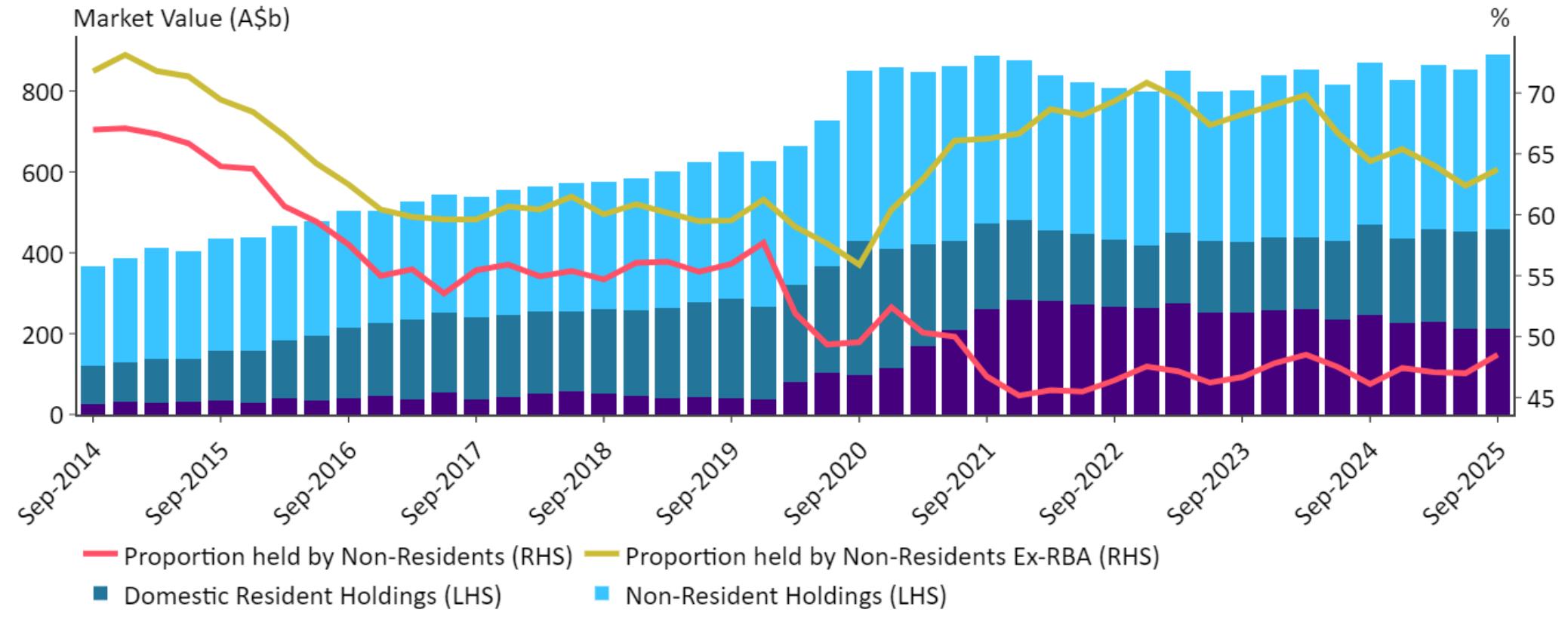
## T-Note lines on issue



Source: AOFM. As at 08 January 2026.

# Non-Resident holdings of AGBs

Over the last three years there has been little structural change in the overall AGS investor base. Non-resident holdings of AGS have remained relatively stable as a proportion of the total market.



Source: Australian Bureau of Statistics (ABS), RBA, AOFM. AGBs are Treasury Bonds and Treasury Indexed Bonds. Updated to 30 September 2025.

# Market Makers – Treasury Bonds

These institutions (listed alphabetically) have indicated that they make markets in Treasury Bonds. The level of activity can vary between institutions



Barrenjoey°



The bank for a changing world



Commonwealth  
Bank of Australia



J.P.Morgan

MIZUHO



NOMURA



Capital  
Markets

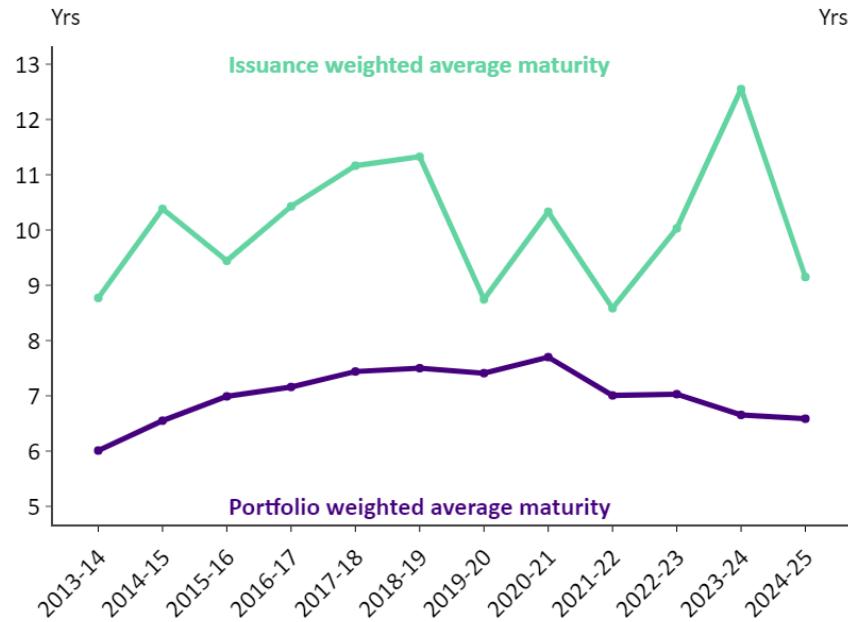


## Appendices

# Treasury Bonds curve

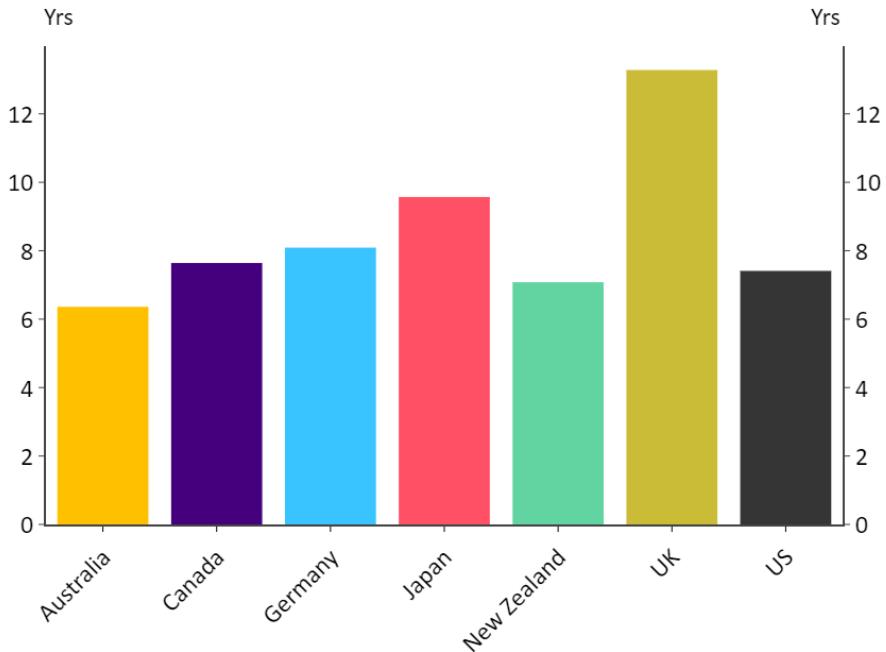
The AOFM's annual debt management strategy sets a target for the weighted average maturity of issuance. The AOFM will maintain the 30-year benchmark and support ultra-long maturities through issuance into existing lines. A new 30-year benchmark line will be considered when the longest bond approaches around 28 years to maturity.

**Weighted average maturity**



Source: AOFM. As at January 2026.

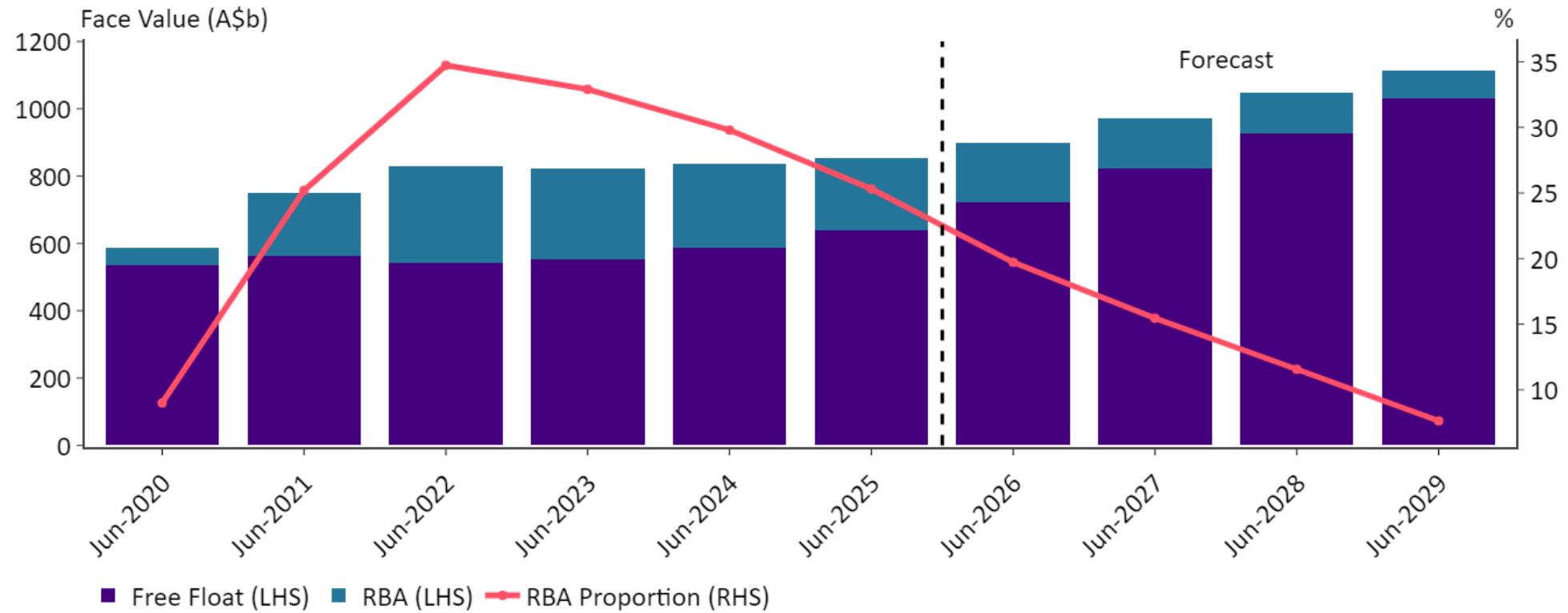
**Country comparison of portfolio weighted average maturity**



Source: Refinitiv. As at January 2026.

# Forecast Treasury Bonds outstanding and RBA holdings

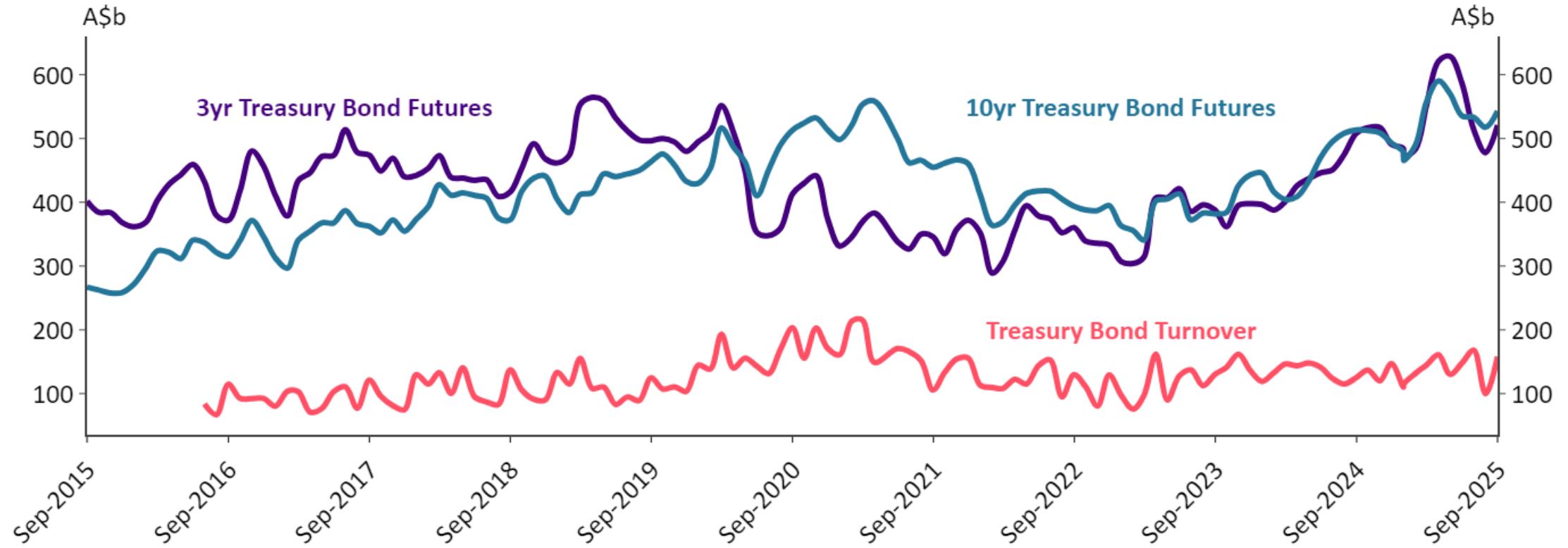
- The RBA's bond purchase program concluded in February 2022. The RBA currently holds around 22 per cent of Treasury Bonds on issue.
- RBA holdings as a proportion of total Treasury Bonds outstanding are expected to decline gradually as the bonds they hold mature.



Source: MYEFO 2025-26, RBA, AOFM.

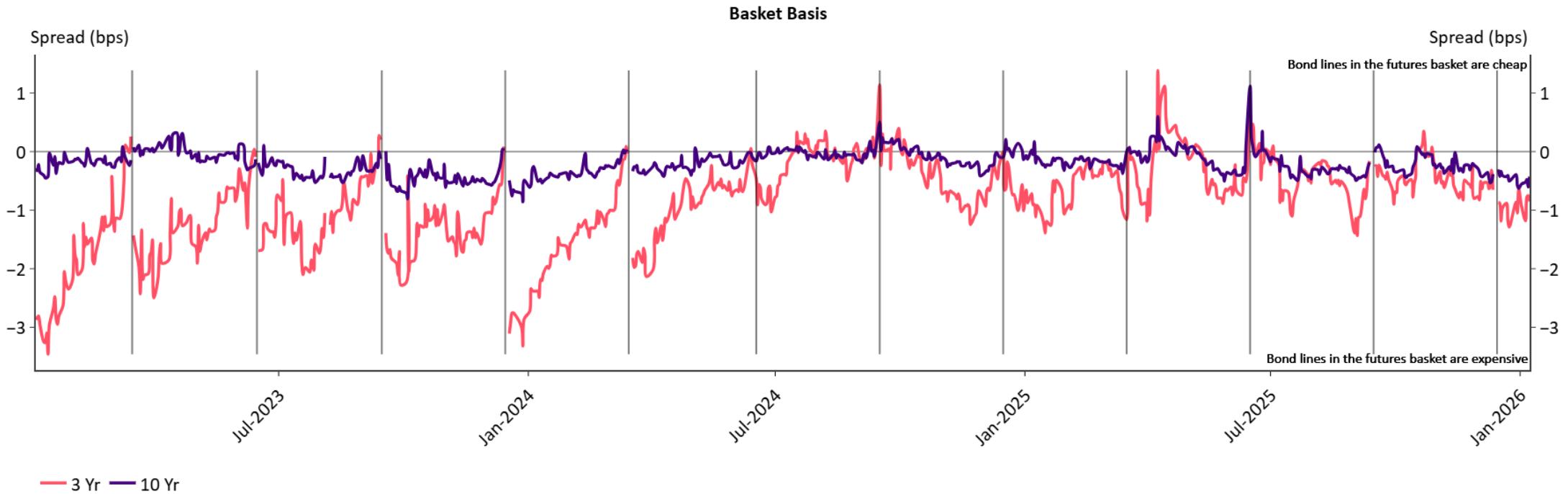
# Treasury Bond futures market activity

Monthly turnover (3-month M.A.)



Source: ASX, Refinitiv, AOFM. As at September 2025.

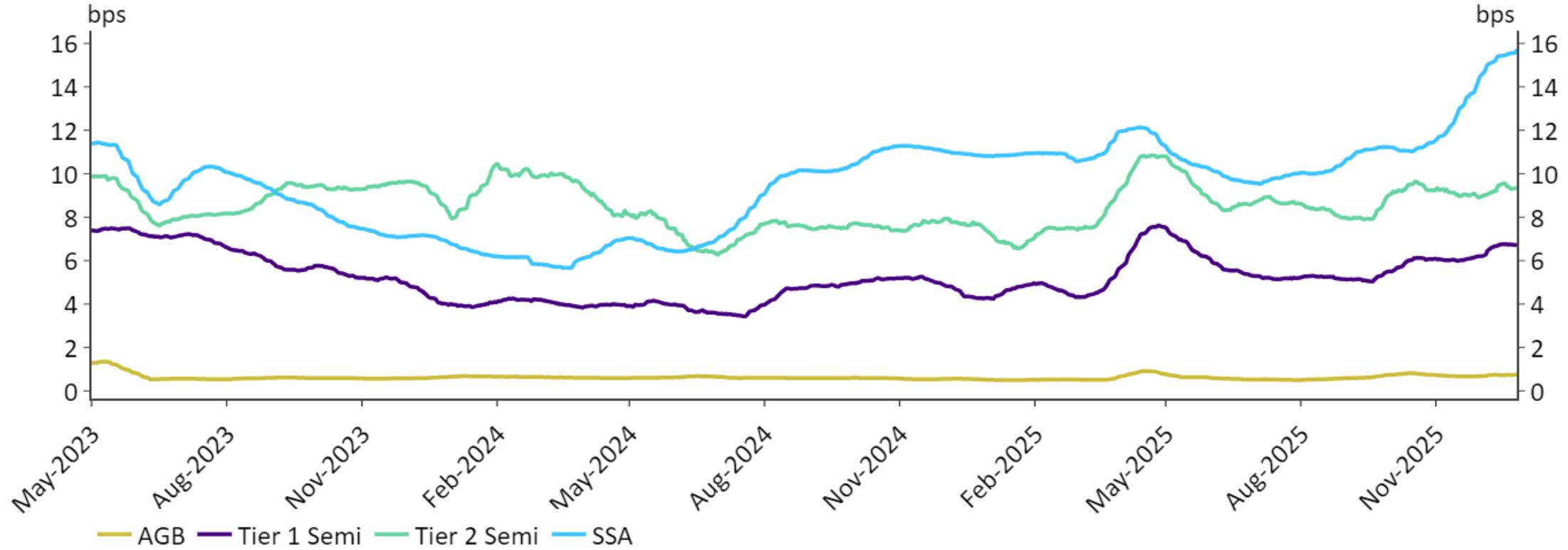
# Treasury Bond basket basis



Source: Refinitiv, AOFM. As at January 2026

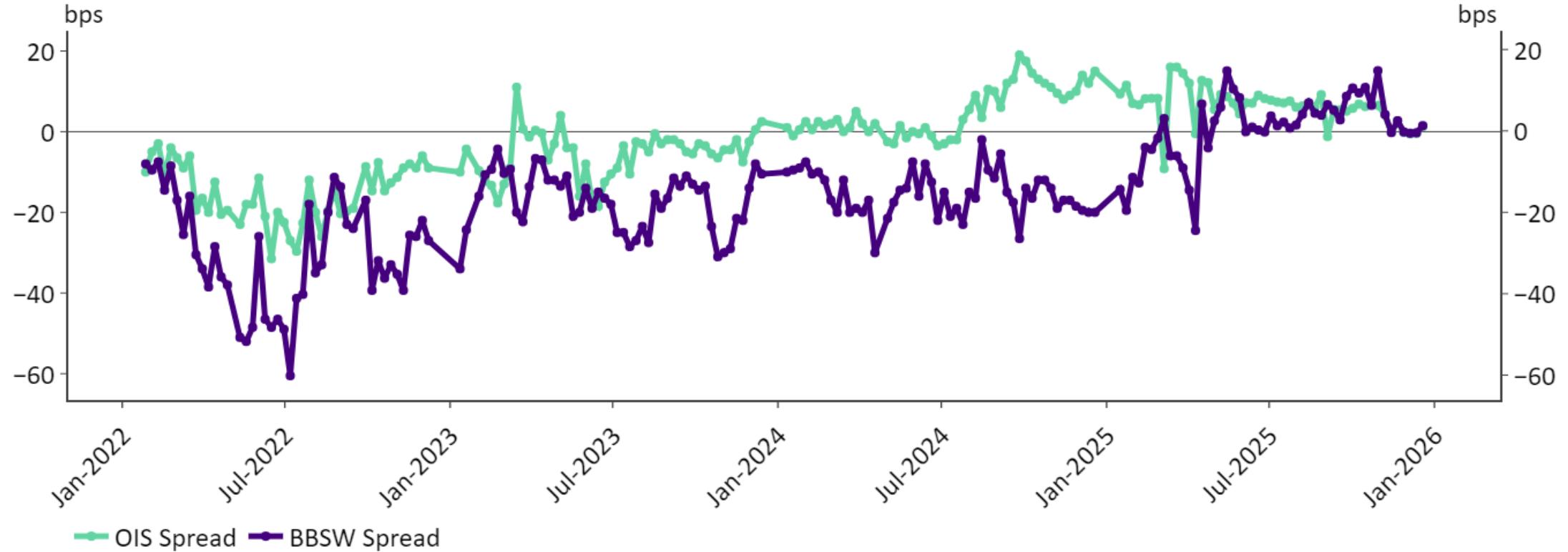
# 10-year Bid-Ask Spreads

20-day M.A.



Source: Bloomberg. Tier 1 Semis include: TCorp, TCV, QTC and WATC. Tier 2 Semis include: SAFA, TASCOR and ACT. SSA include: WB, ADB, IFC. As at January 2026.

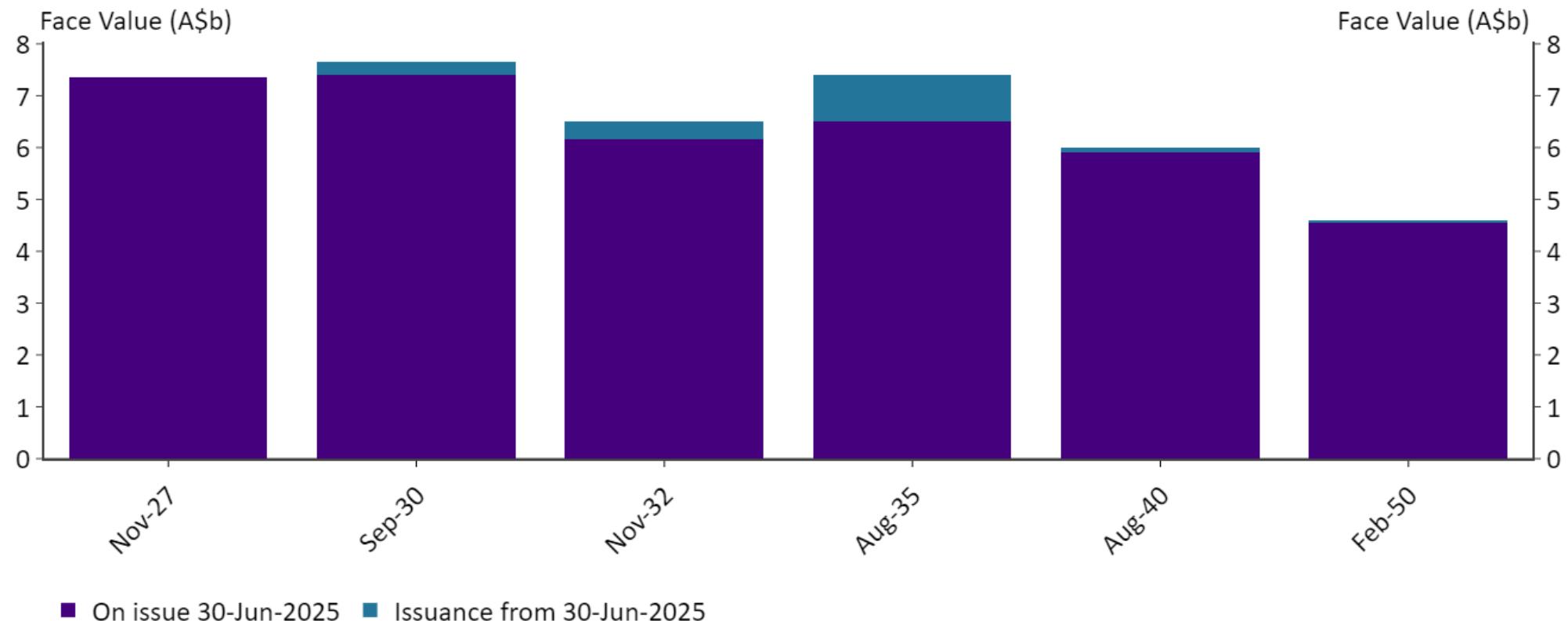
# Treasury Note Issuance Spreads



Source: Refinitiv, AOFM. As at December 2025.

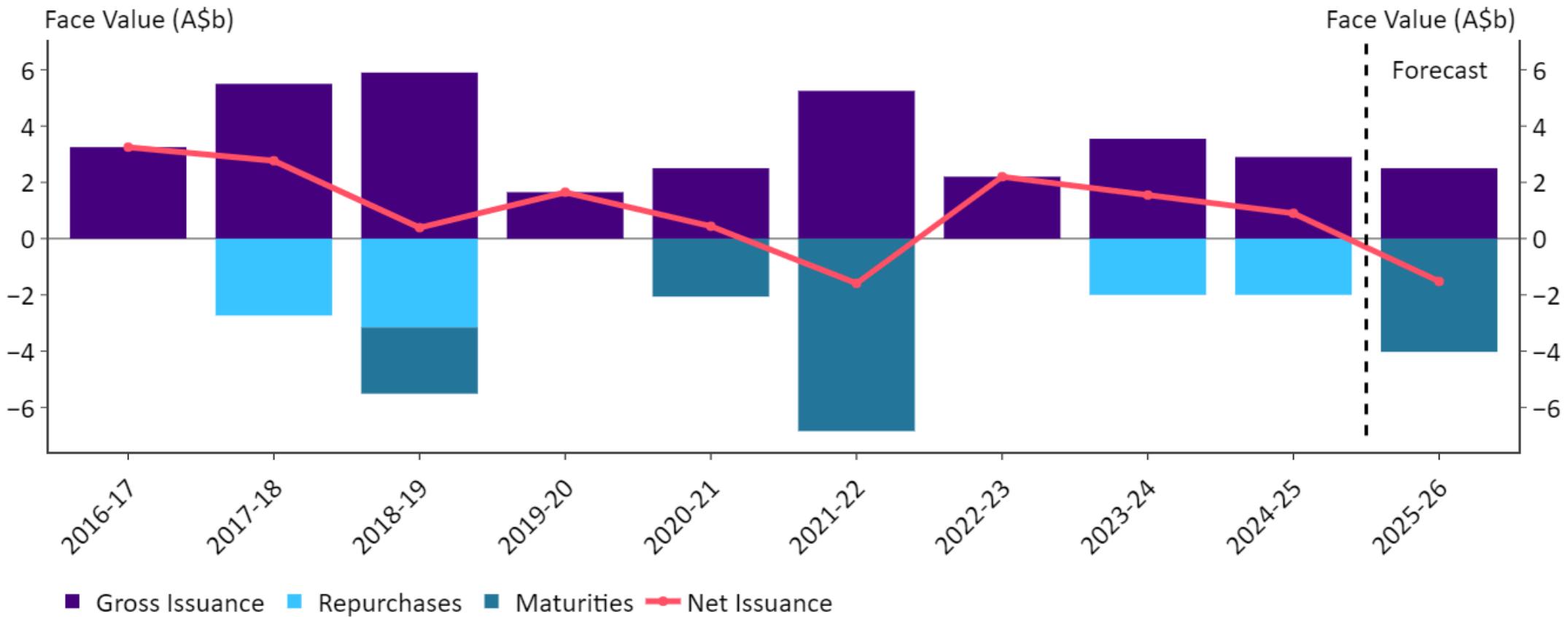
# Treasury Indexed Bonds on issue

The AOFM will continue to support the Treasury Indexed Bond market with regular supply. Prevailing market conditions and investor feedback will remain important determinants of issuance decisions. The ABS has moved from a quarterly to monthly CPI publication schedule. The AOFM is engaging with market participants on the implications for the Treasury Indexed Bond program.



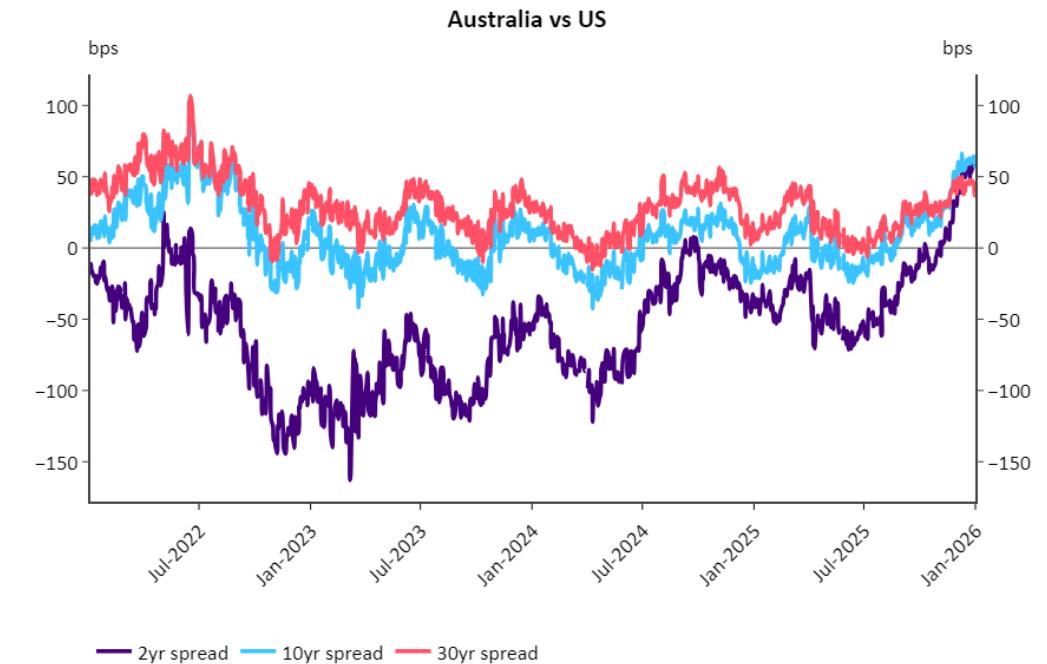
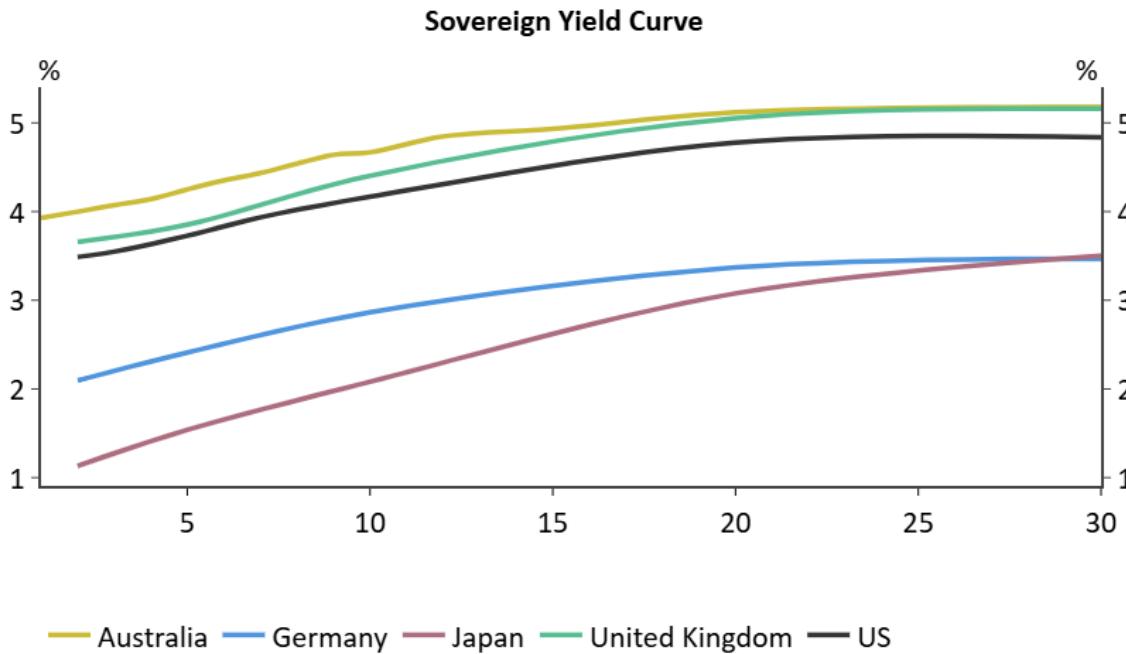
Source: AOFM. As at 09 January 2026.

# Composition of Treasury Indexed Bond Issuance



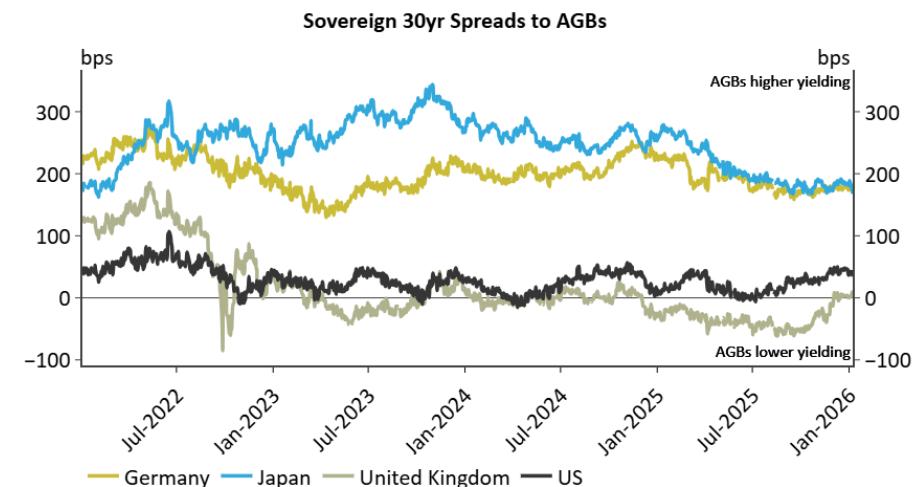
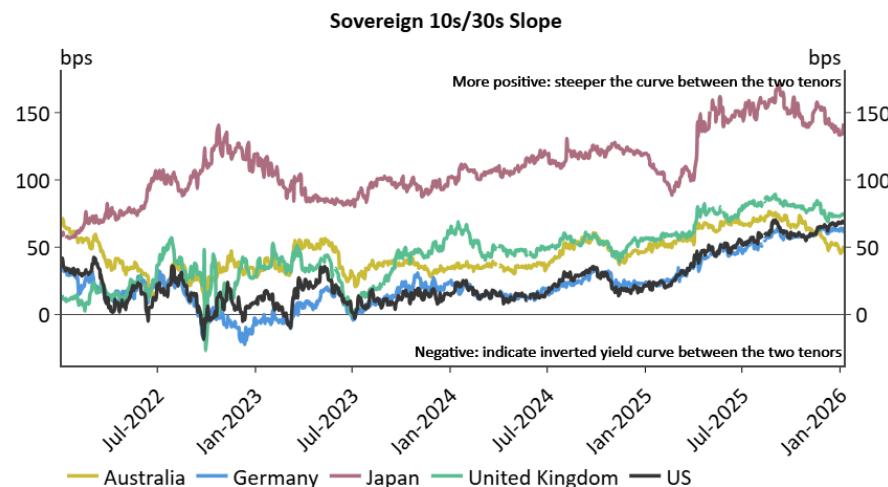
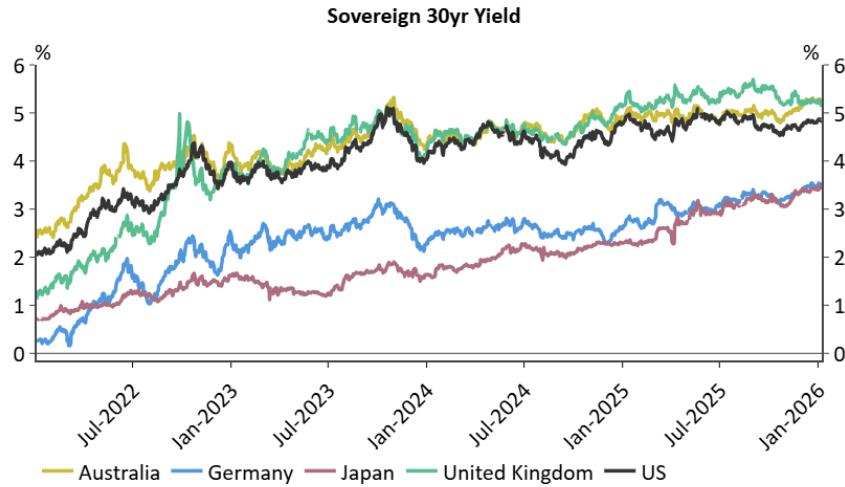
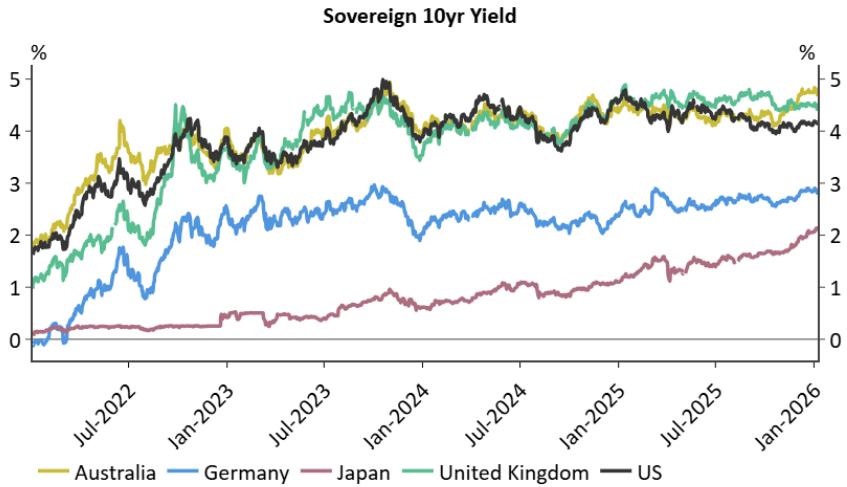
Source: AOFM.

# Australian sovereign bond spreads



Source: Bloomberg. 8 January 2026.

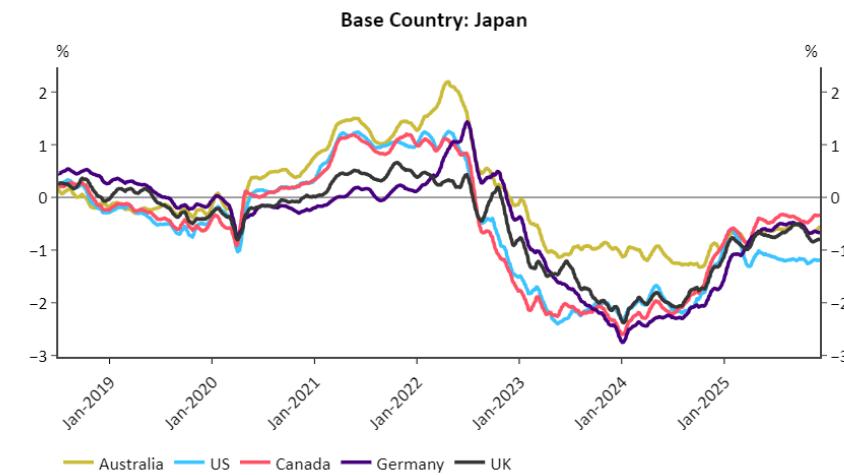
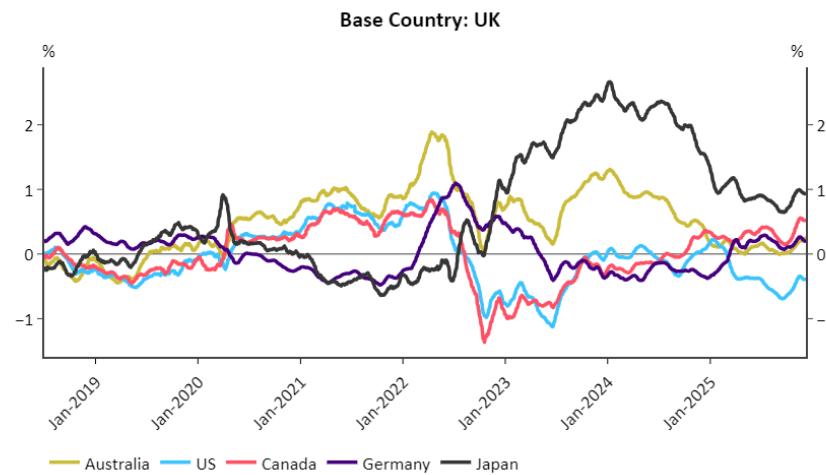
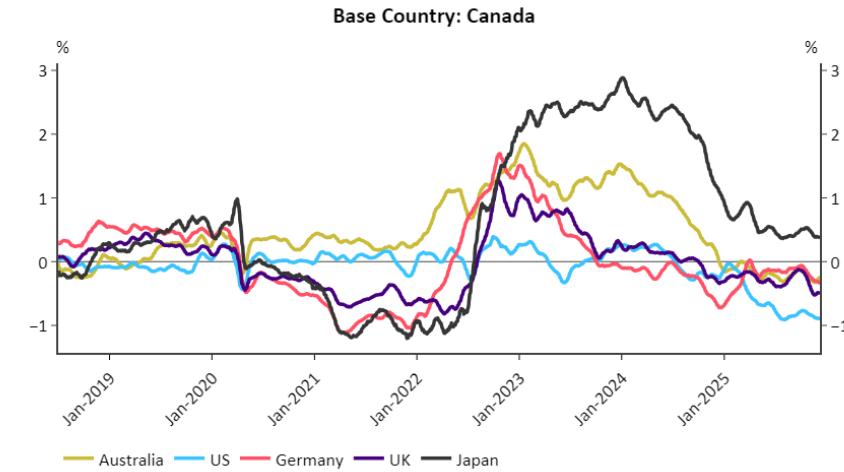
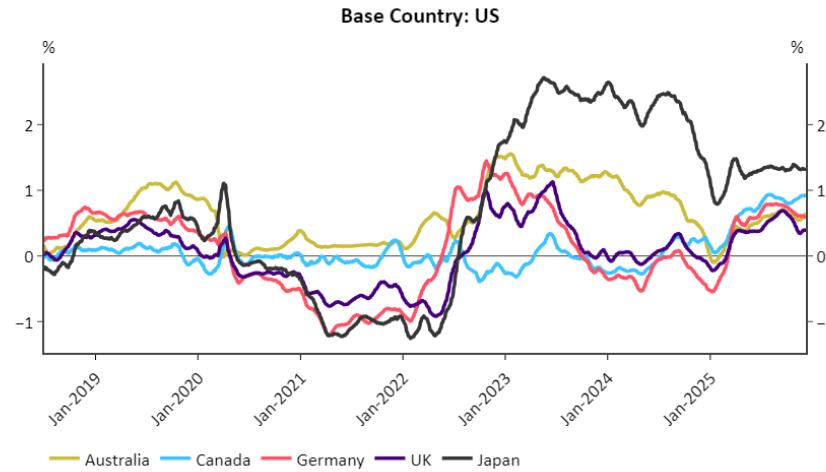
# Australian sovereign bond spreads



Source: Bloomberg. 8 January 2026.

# Currency hedged 10yr Yields

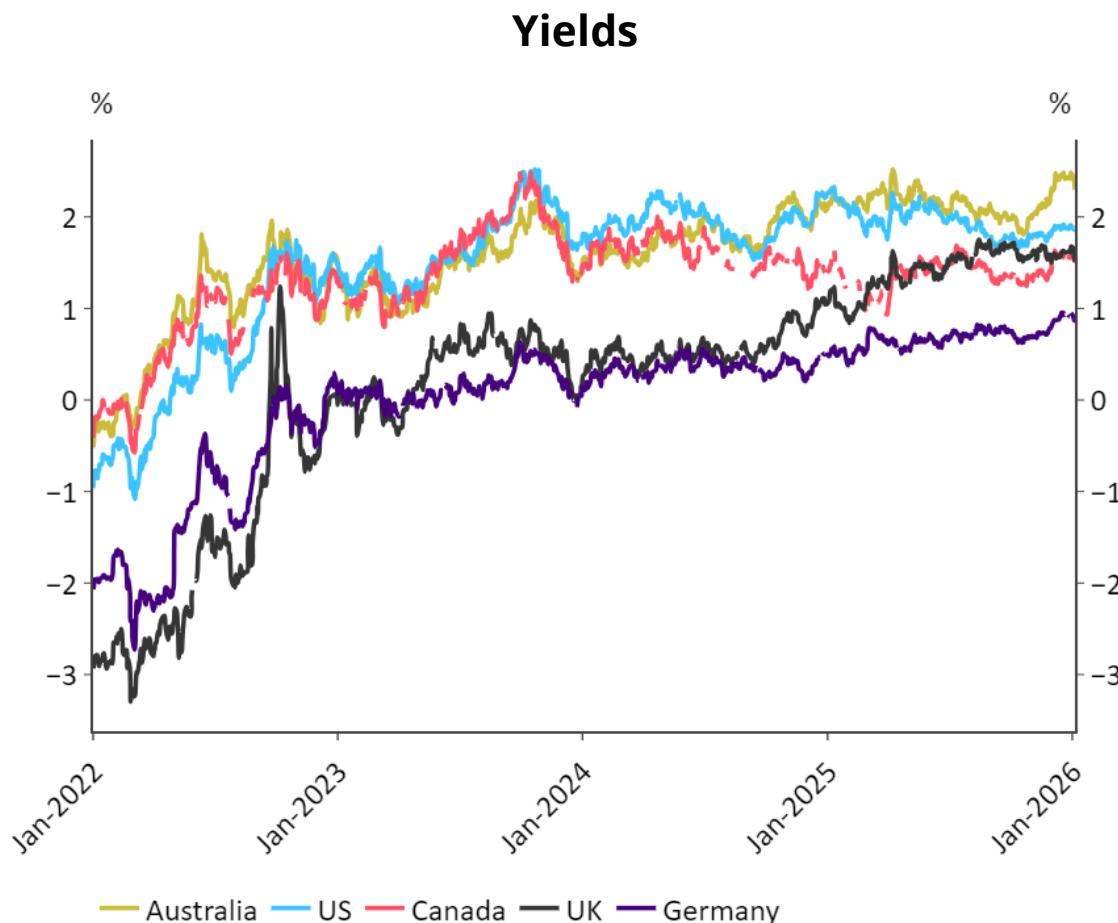
Hedged via 3m fx forwards relative spread to domestic market (20-day M.A.)



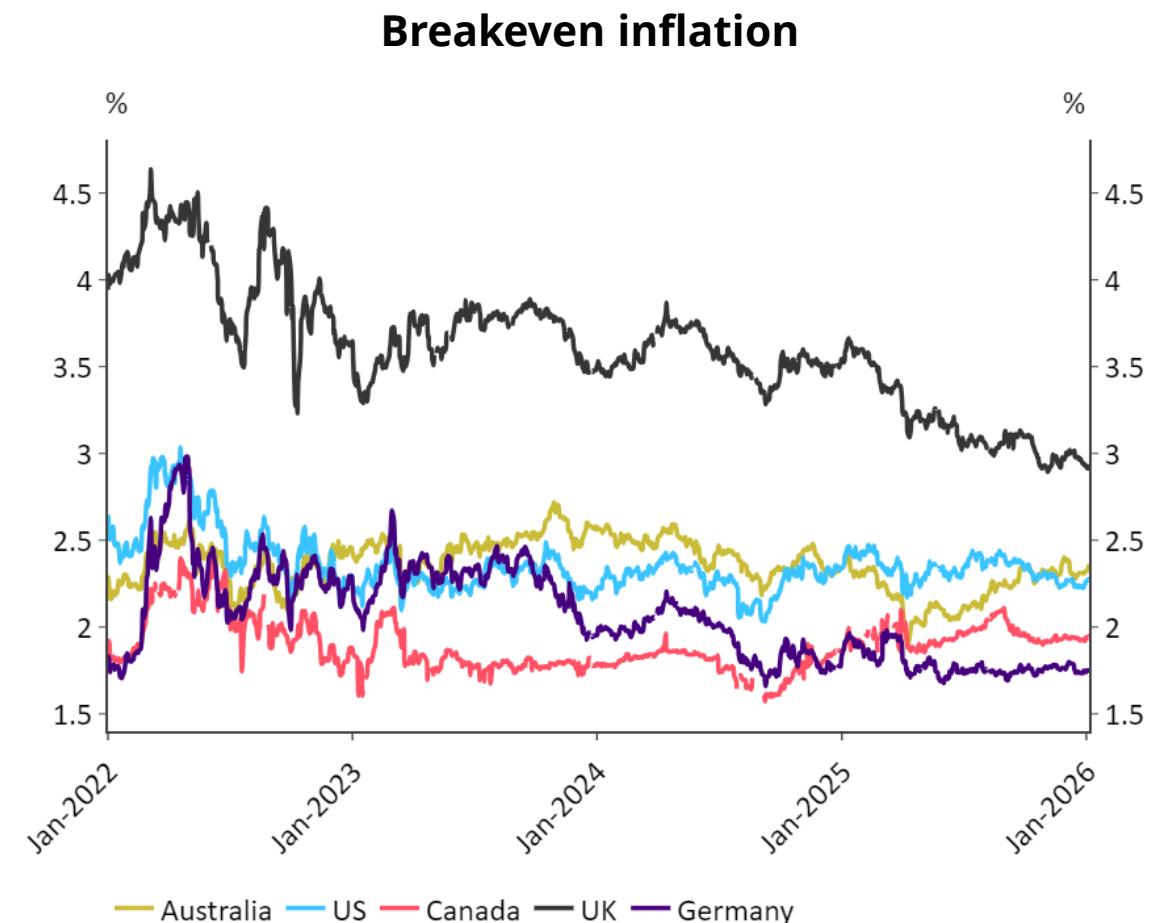
Source: Bloomberg. 8 January 2026.

# A comparison of sovereign inflation linked bonds

## 10-year bonds

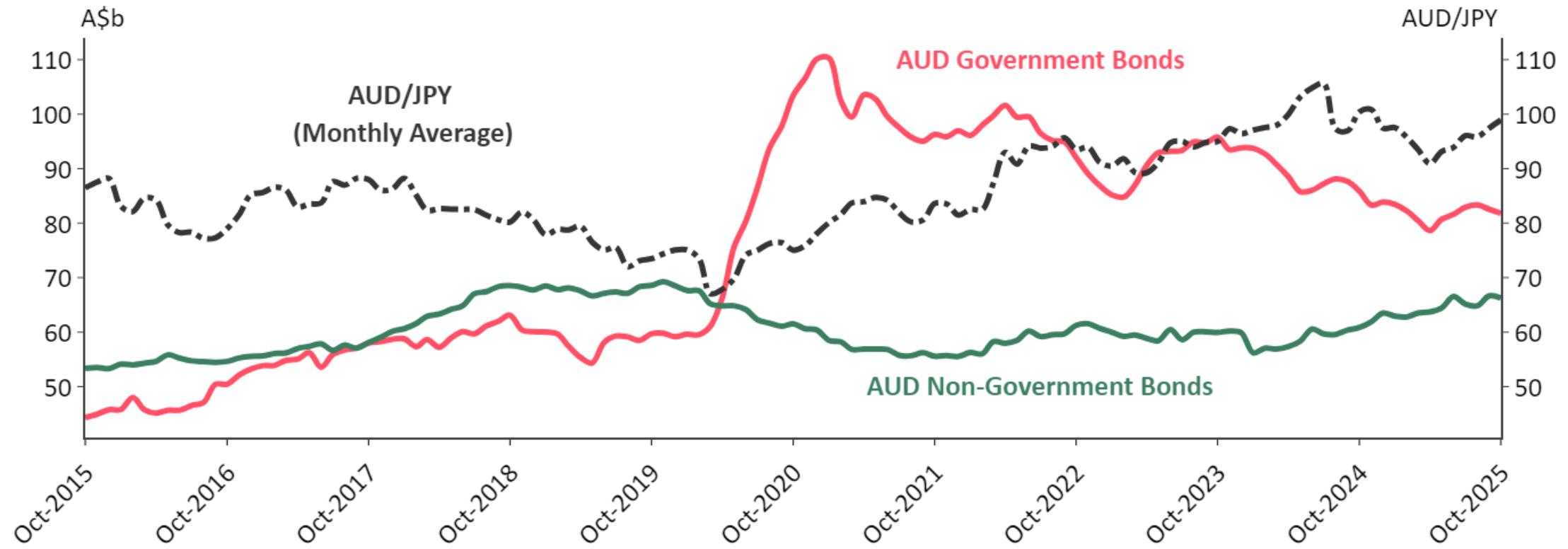


Source: Bloomberg. As at January 2026.



Source: Bloomberg. As at January 2026.

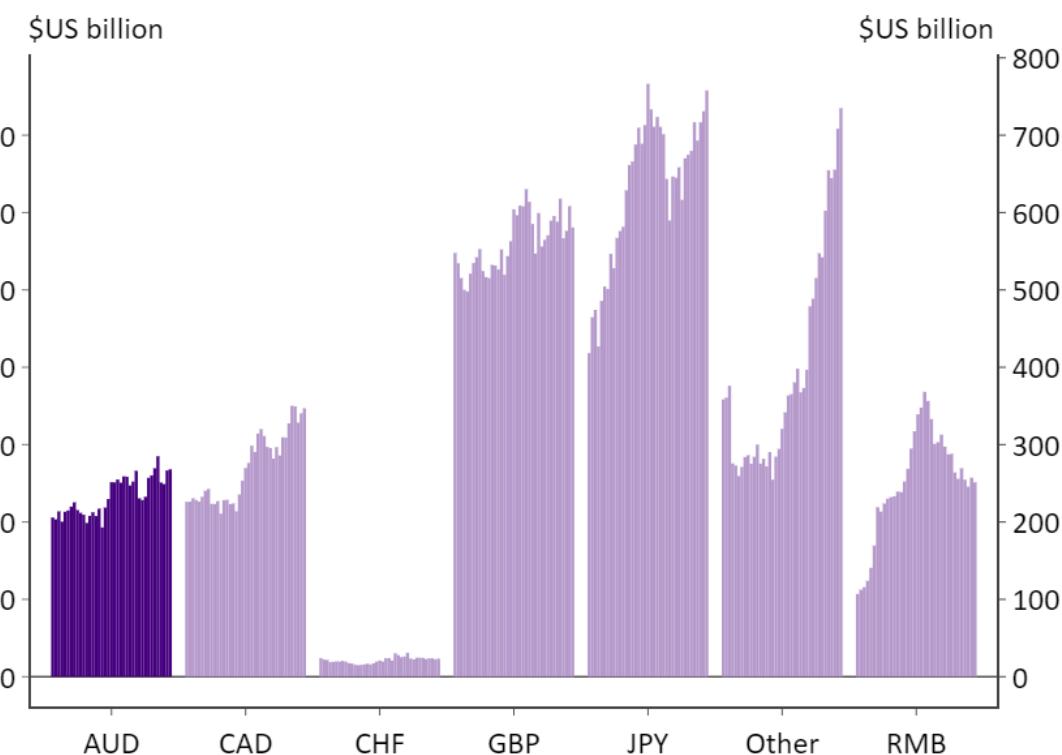
# Net capital flow into Australian government bonds by Japanese investors



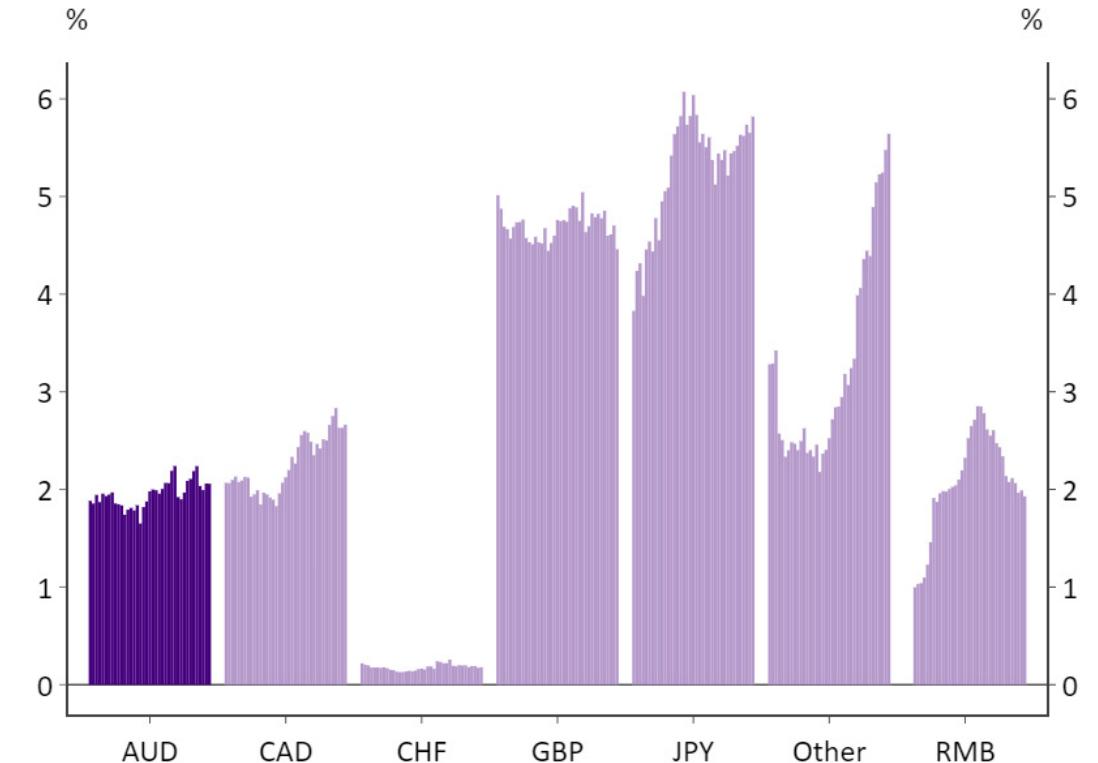
Source: Japan Ministry of Finance, Bloomberg. AUD Government includes both AGS and semi government bonds. \*Cumulative flows since 2005.

# Central Bank FX reserve allocation outside of USD & EUR 2016–2025

**Value of allocation**



**Proportion of allocated reserves**

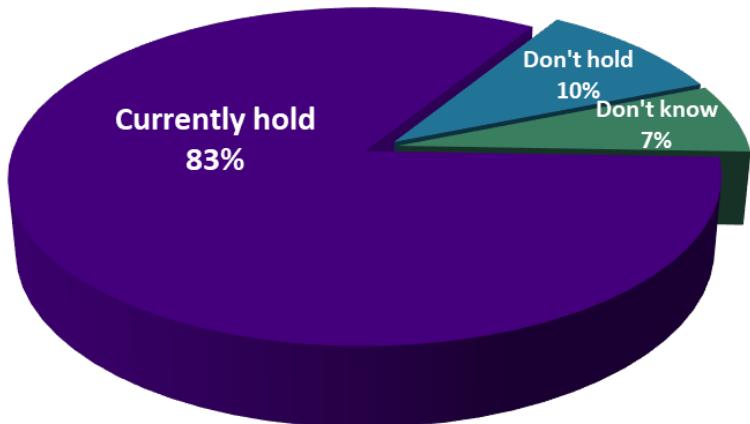


Source: IMF. As at September 2025.

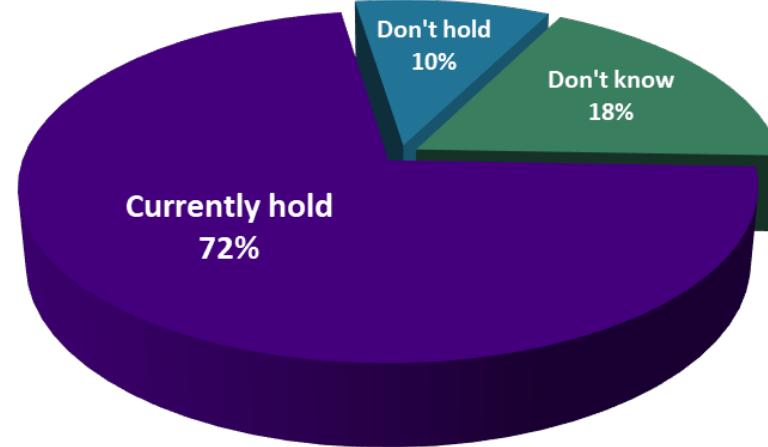
Source: IMF. As at September 2025.

# Holdings of AGS amongst Reserve Managers

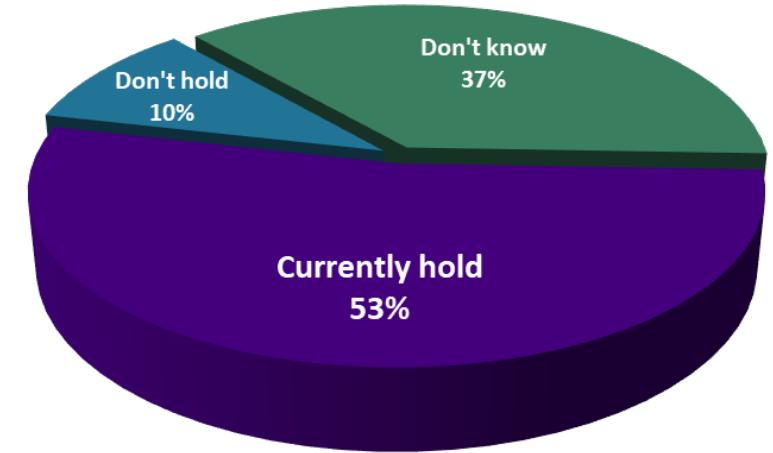
World's 30 Largest Foreign  
Currency Reserve Managers



World's 50 Largest Foreign  
Currency Reserve Managers



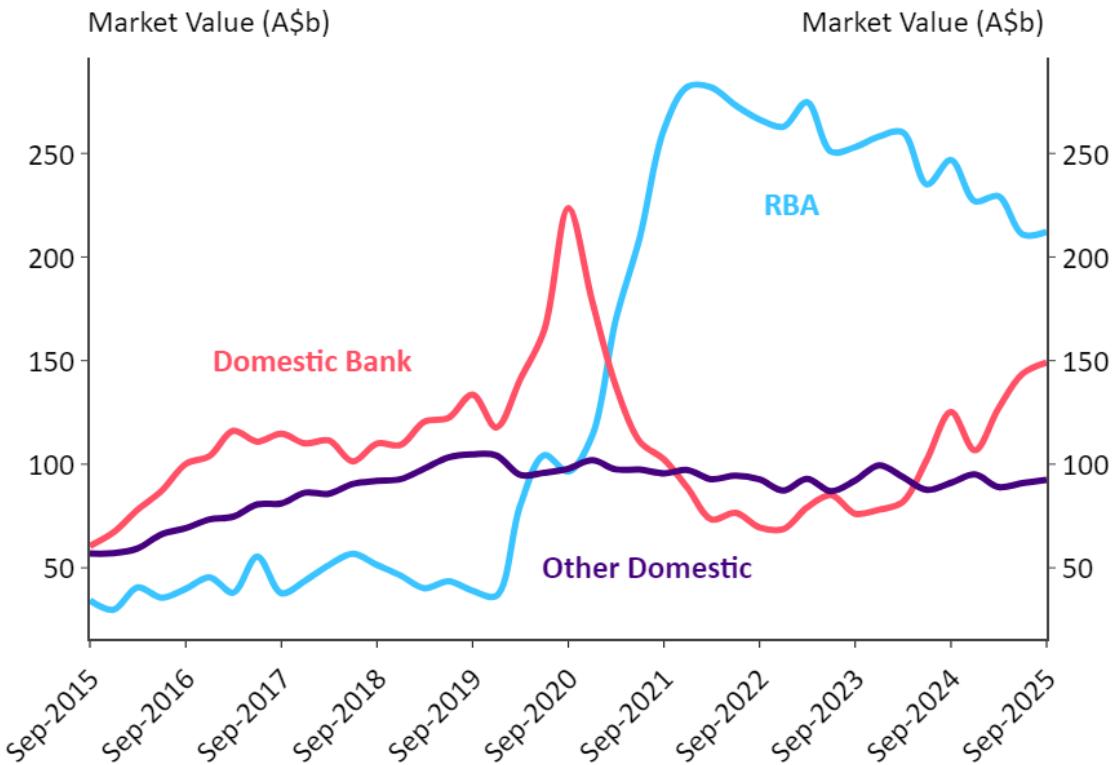
World's 100 Largest Foreign  
Currency Reserve Managers



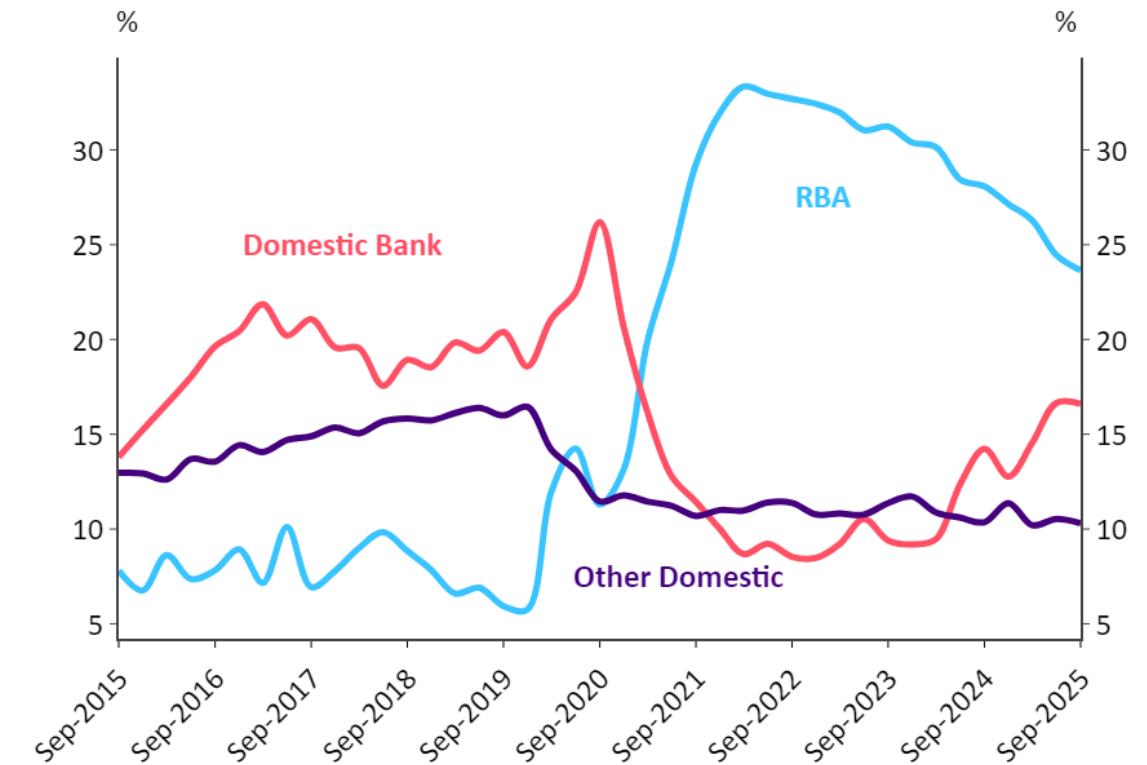
Source: AOFM, IMF.

# Domestic bank and non-bank holdings of AGBs

**Value of holdings**



**Proportion of AGB market**

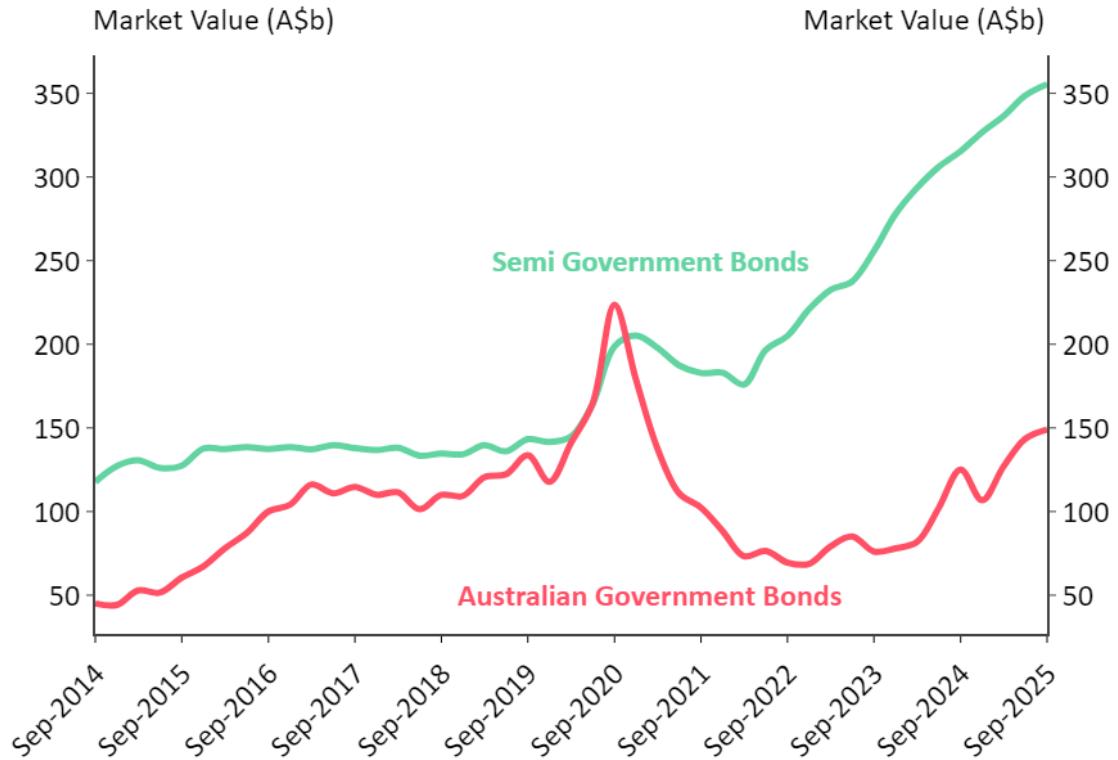


Source: ABS. AGBs are Treasury Bonds and Treasury Indexed Bonds. Updated to September 2025.

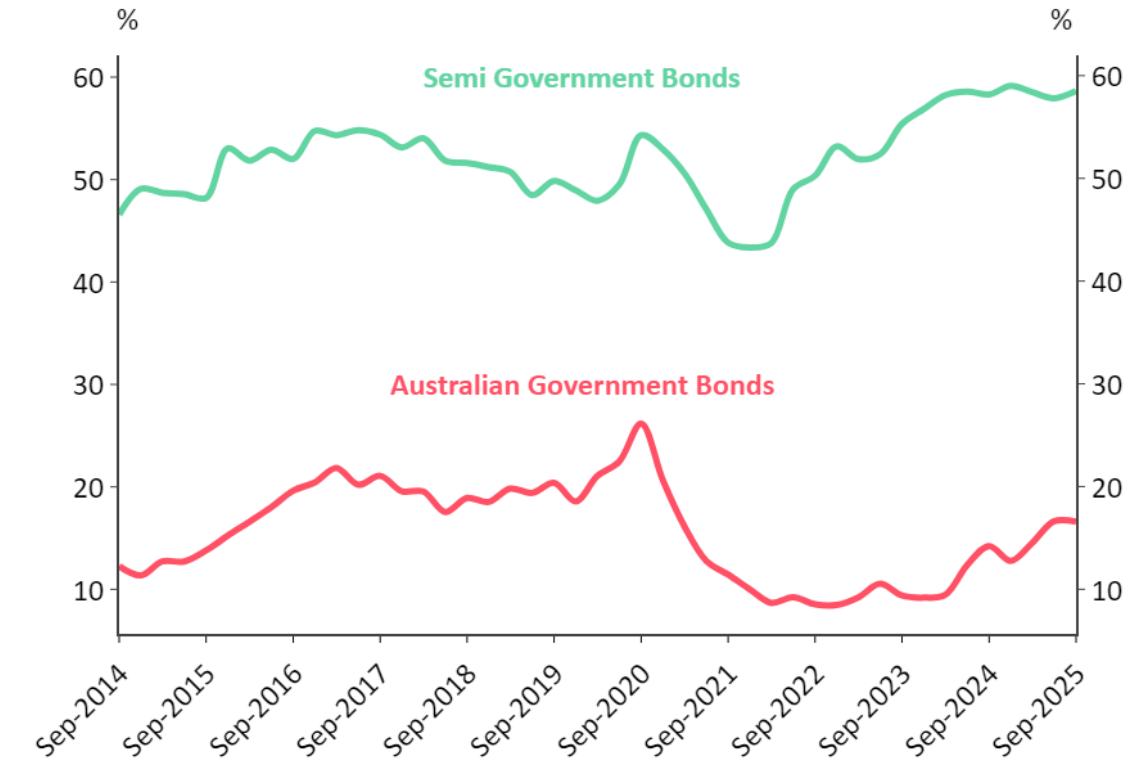
Source: ABS. AGBs are Treasury Bonds and Treasury Indexed Bonds. Updated to September 2025.

# Domestic bank holdings of AGBs and semi-government bonds

**Value of holdings**



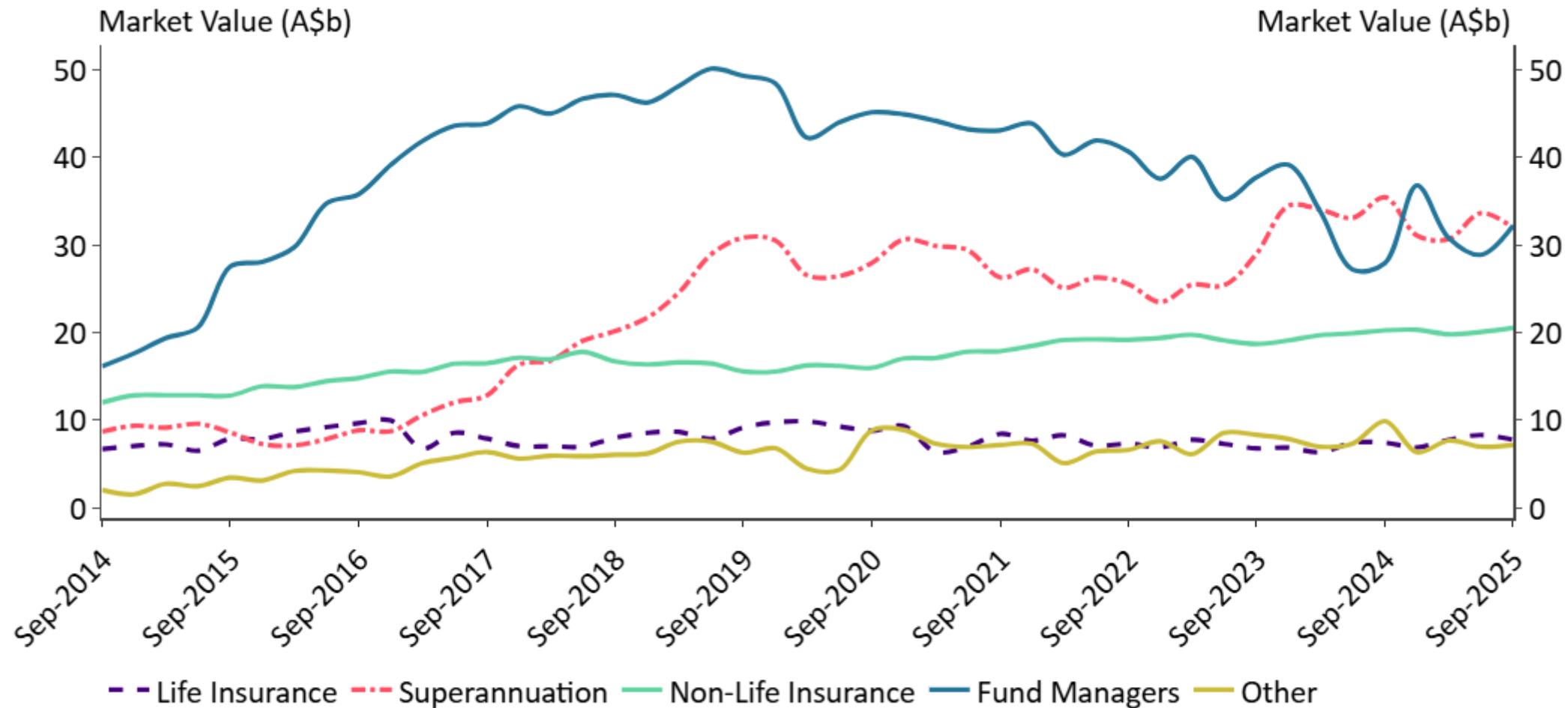
**Proportion of respective market**



Source: ABS. AGBs are Treasury Bonds and Treasury Indexed Bonds. Updated to September 2025.

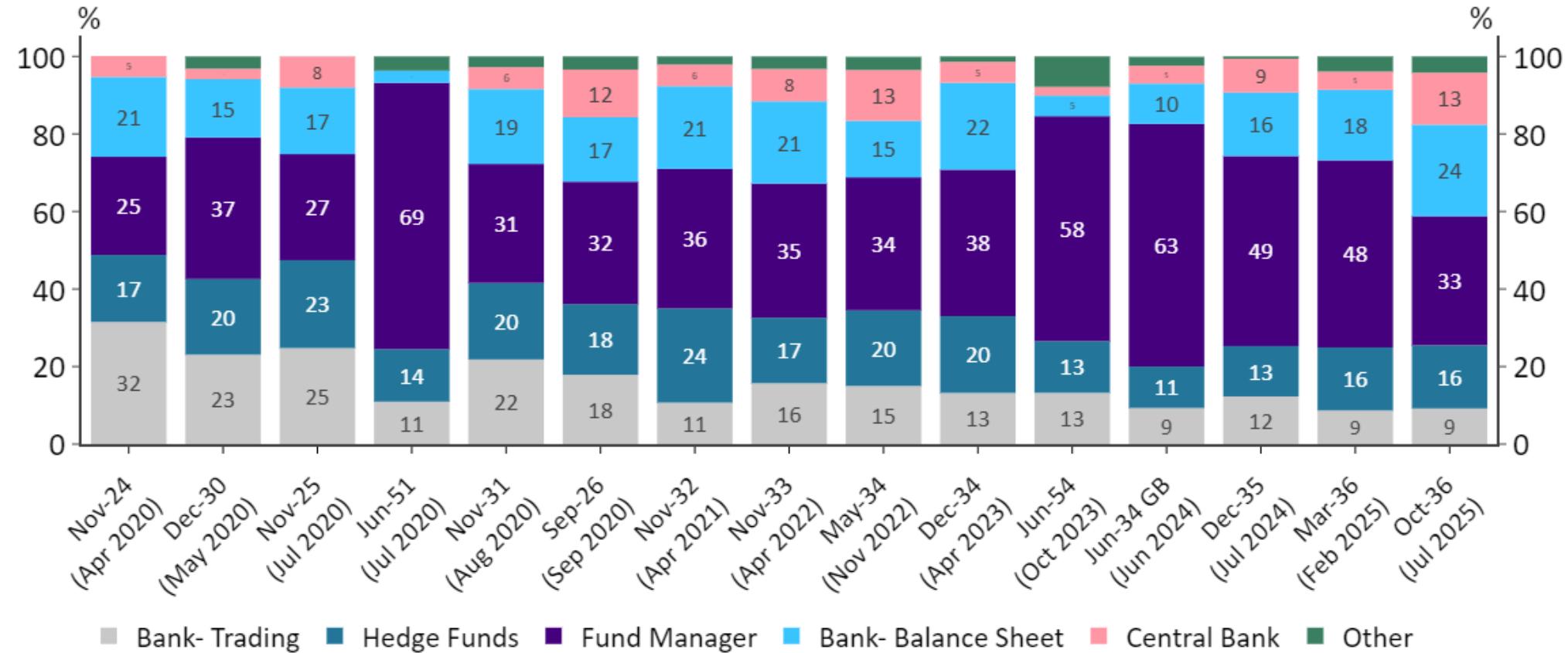
Source: ABS. AGBs are Treasury Bonds and Treasury Indexed Bonds. Updated to September 2025.

# Holdings of AGBs by non-bank domestic funds



Source: ABS. AGBs are Treasury Bonds and Treasury Indexed Bonds. Updated to September 2025.

# Treasury Bond syndications - Investor categories by deal



Source: AOFM.

# Australian government bonds

<b>Treasury Bonds:</b>	<b>Volume Outstanding (AUD)</b>	<b>Yield (%)</b>	<b>Modified Duration</b>
4.25% 21 April 2026	39,600,000,000	3.77	0.28
0.50% 21 September 2026	39,400,000,000	3.89	0.68
4.75% 21 April 2027	39,399,548,000	3.93	1.22
2.75% 21 November 2027	36,000,000,000	3.97	1.79
2.25% 21 May 2028	37,900,000,000	4.00	2.26
2.75% 21 November 2028	44,300,000,000	4.03	2.71
3.25% 21 April 2029	41,999,786,000	4.07	3.05
2.75% 21 November 2029	44,500,000,000	4.11	3.60
2.50% 21 May 2030	41,000,000,000	4.14	4.06
1.00% 21 December 2030	43,800,000,000	4.20	4.73
1.50% 21 June 2031	43,200,000,000	4.25	5.12
1.00% 21 November 2031	44,500,000,000	4.30	5.56
1.25% 21 May 2032	43,200,000,000	4.35	5.97
1.75% 21 November 2032	32,500,000,000	4.41	6.30
3.00% 21 November 2033	26,700,000,000	4.43	6.10
4.50% 21 April 2033	28,200,000,000	4.50	6.83
3.75% 21 May 2034	25,000,000,000	4.54	7.02
4.25% 21 June 2034	10,000,000,000	4.54	6.99
3.50% 21 December 2034	29,200,000,000	4.59	7.51
2.75% 21 June 2035	30,850,000,000	4.64	8.08
4.25% 21 December 2035	22,900,000,000	4.65	7.98
4.25% 21 March 2036	22,100,000,000	4.67	8.05
4.25% 21 October 2036	17,000,000,000	4.70	8.43
3.75% 21 April 2037	21,300,000,000	4.73	8.90
3.25% 21 June 2039	11,200,000,000	4.85	10.46
2.75% 21 May 2041	15,600,000,000	4.93	11.81
3.00% 21 March 2047	14,200,000,000	5.12	14.20
1.75% 21 June 2051	20,200,000,000	5.20	17.75
4.75% 21 June 2054	11,300,000,000	5.18	15.04
<b>Total:</b>	<b>877,049,334,000</b>		<b>5.1</b>
<hr/>			
<b>Treasury Indexed Bonds:</b>	<b>Volume Outstanding (AUD)</b>	<b>Yield (%)</b>	<b>Modified Duration</b>
0.75% 21 November 2027	7,350,000,000	1.07	1.85
2.50% 20 September 2030	7,642,346,000	1.70	4.43
0.25% 21 November 2032	6,500,000,000	2.03	6.77
2.00% 21 August 2035	7,250,000,000	2.30	8.69
1.25% 21 August 2040	6,000,000,000	2.59	13.13
1.00% 21 February 2050	4,600,000,000	2.82	20.55
<b>Total:</b>	<b>39,342,346,000</b>	<i>Portfolio:</i>	<b>7.6</b>

Source: AOFM, Refinitiv. As at 8 January 2026.

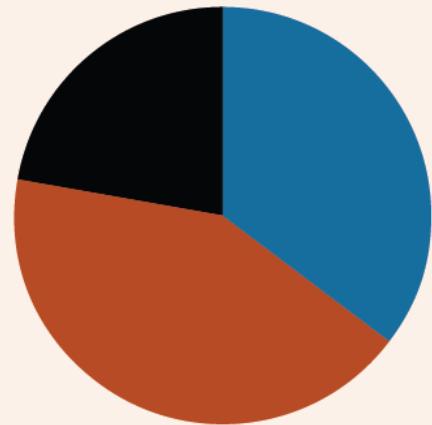
# Green Treasury Bonds – Framework

- The [Australian Government Green Bond Framework](#) and [Second Party Opinion \(SPO\)](#) are on the [AOFM website](#).
- The Framework aligns with the International Capital Market Association (ICMA) *Green Bond Principles* and is informed by the Climate Bonds Initiative's taxonomy.
- Green Treasury Bonds finance expenditures that align strongly with one or more of the program's three Green Goals:
  - Climate change mitigation
  - Climate change adaptation
  - Improved environmental outcomes
- An indicative list of Eligible Green Expenditures to be financed by Green Treasury Bonds is on the [AOFM website](#).

# Green Treasury Bonds – Reporting

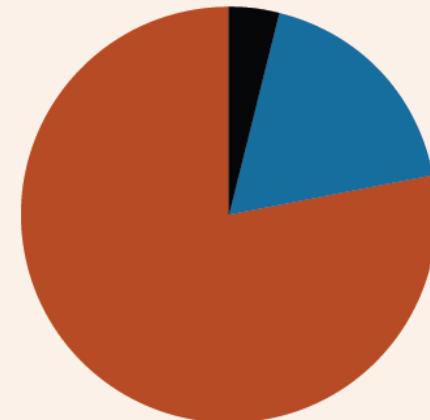
- The first [Allocation and Impact Report](#) is available on the AOFM website

\$5.4 billion of \$7 billion raised has been allocated to expenditures in 2022–23 and 2023–24



- \$2,487 million 2022–23
- \$2,922 million 2023–24
- \$1,560 million to be allocated

Most proceeds supported Australia's climate change mitigation efforts over 2022–23 and 2023–24



- 78% Climate change mitigation
- 18% Improved environmental outcomes
- 4% Climate change adaption

- Reports will be published annually
- Reporting is subject to external audit and verification

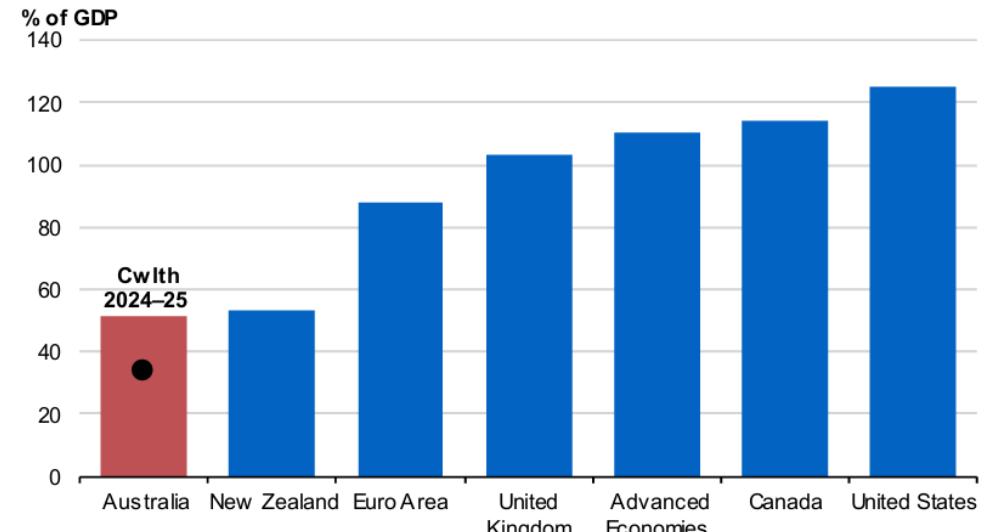
# Economic Outlook

## Economic parameter forecasts

	Outcome	Forecasts			
		2025-26	2026-27	2027-28	2028-29
Real GDP (% change)	1.4	2.25	2.25	2.5	2.75
Employment (% change)	2.2	1.25	1.5	1.75	1.75
Unemployment rate (%)	4.2	4.5	4.5	4.25	4.25
Consumer price index (% change)	2.1	3.75	2.75	2.5	2.5
Wage price index (% change)	3.4	3.25	3.25	3.5	3.75
Nominal GDP (% change)	3.6	5.25	3.25	4.75	5.5
Gross debt (% of GDP)	33.5	34.0	35.4	36.1	36.4
Net Debt (% of GDP)	19.2	20.1	21.4	22.2	22.6

Source: Treasury – MYEFO 2025-26.

## Gross debt in 2025



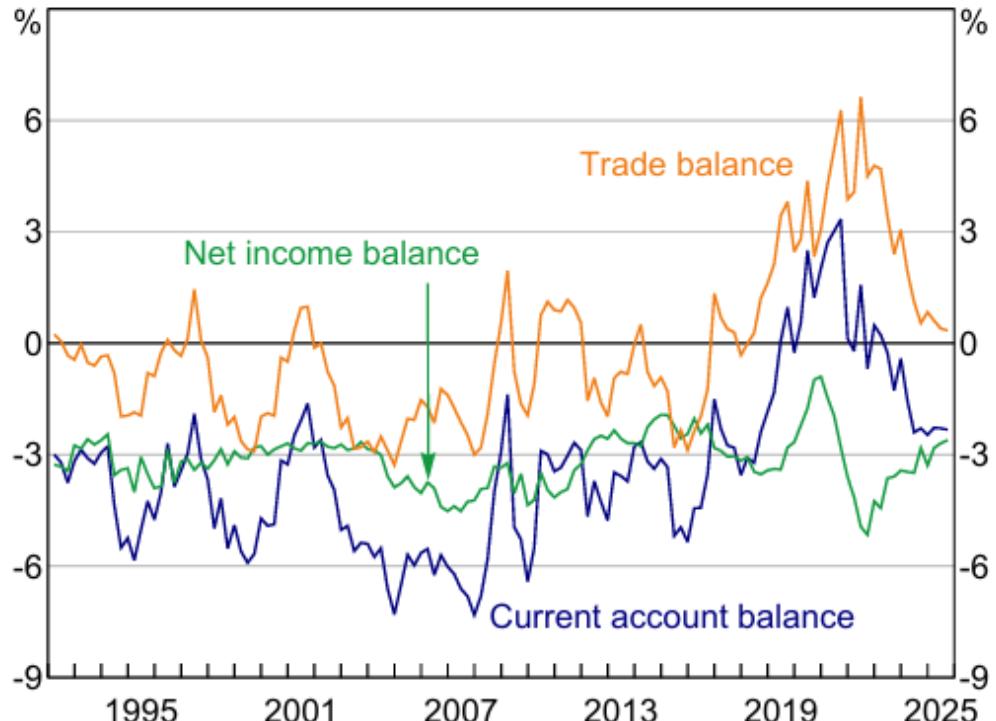
Note: International Monetary Fund fiscal data are produced on a consistent basis across countries. They are produced for calendar years and on a general government basis. They are not directly comparable with fiscal aggregates reported elsewhere in the MYEFO.

Source: Treasury, International Monetary Fund.

# Economic Outlook

## Current Account Balance

Per cent of nominal GDP

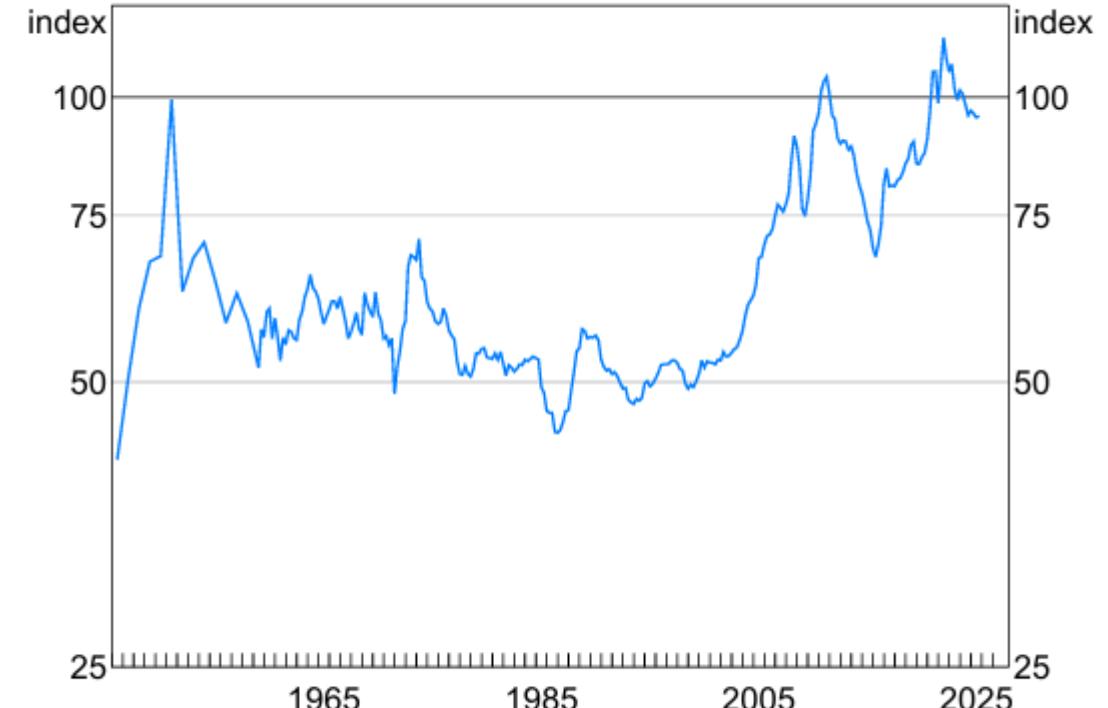


Source: ABS.

Source: RBA. December 2025

## Terms of Trade\*

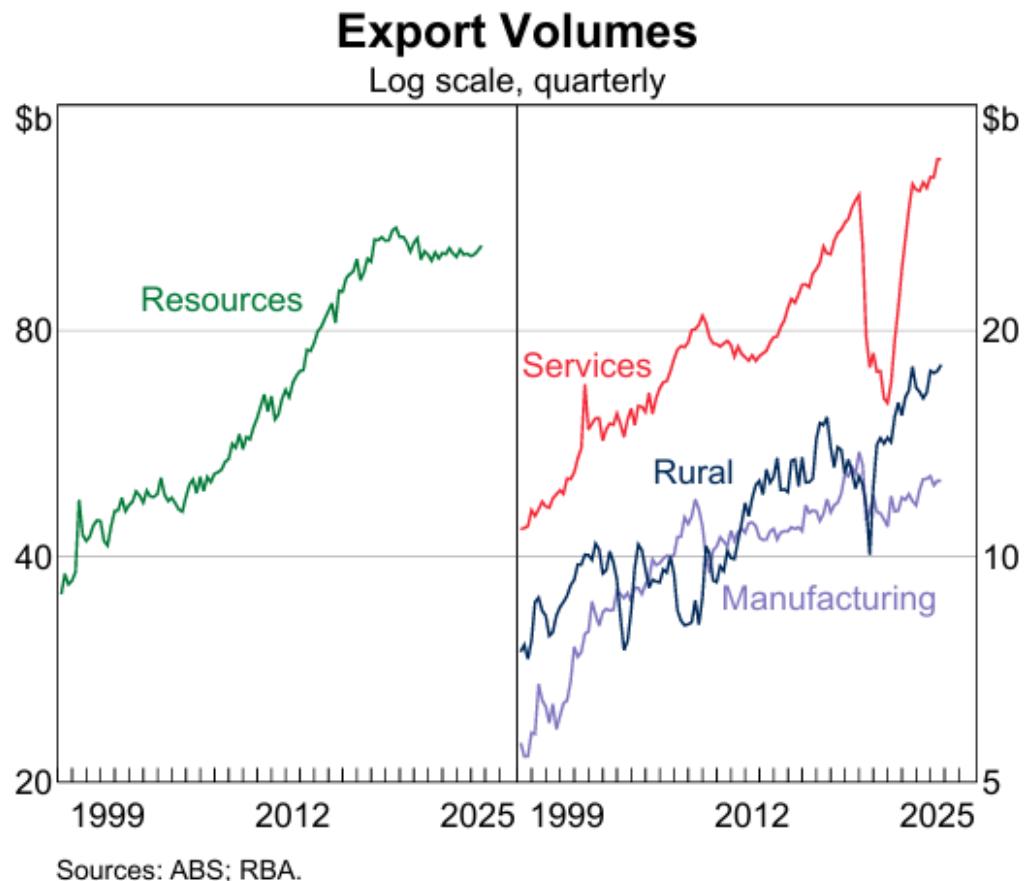
2023/24 average = 100, log scale



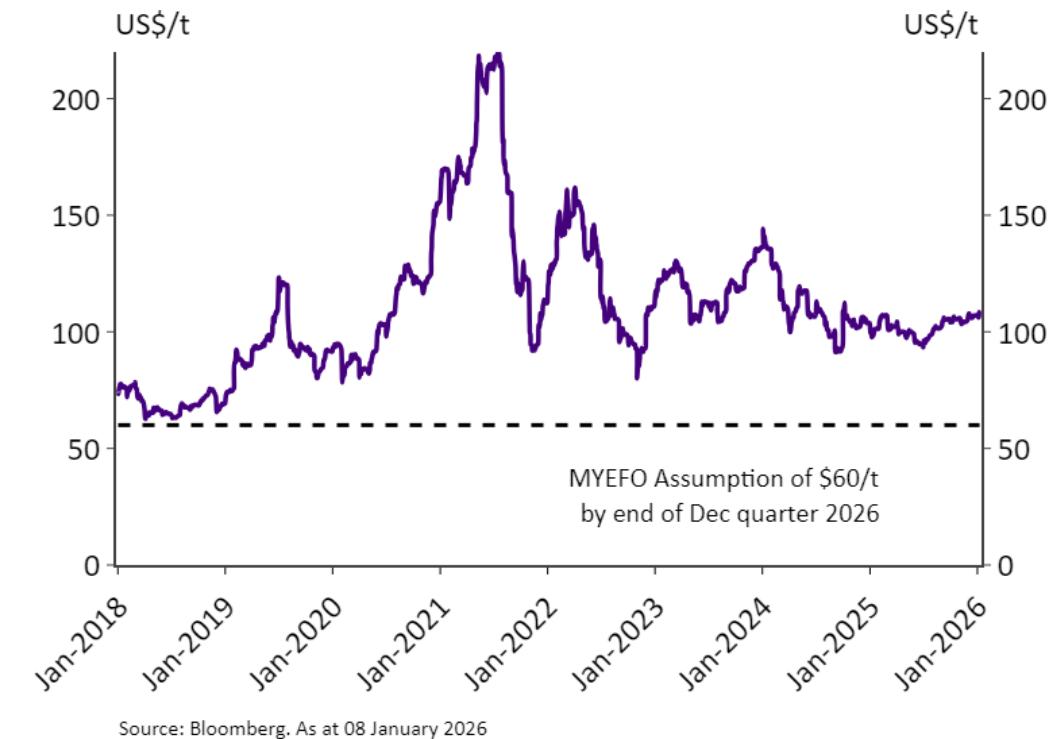
\* Annual data are used prior to 1960.

Sources: ABS; RBA.

# Economic Outlook



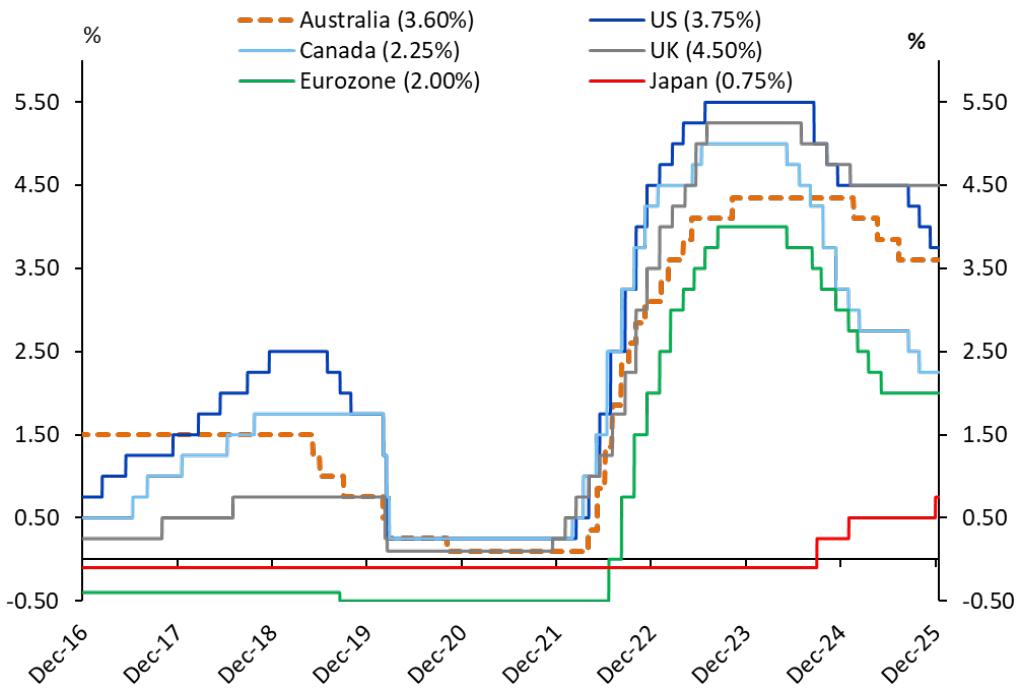
## 62% Iron ore futures price



Source: RBA. December 2025. Bulk commodity prices are assumed to decline from elevated levels over four quarters to the end of the December quarter of 2026: the iron ore spot price is assumed to decline to US\$60/tonne; the metallurgical coal spot price declines to US\$140/tonne; the thermal coal spot price declines to US\$70/tonne; and the LNG spot price converges to US\$10/mmBtu. All bulk prices are in free-on-board (FOB) terms.

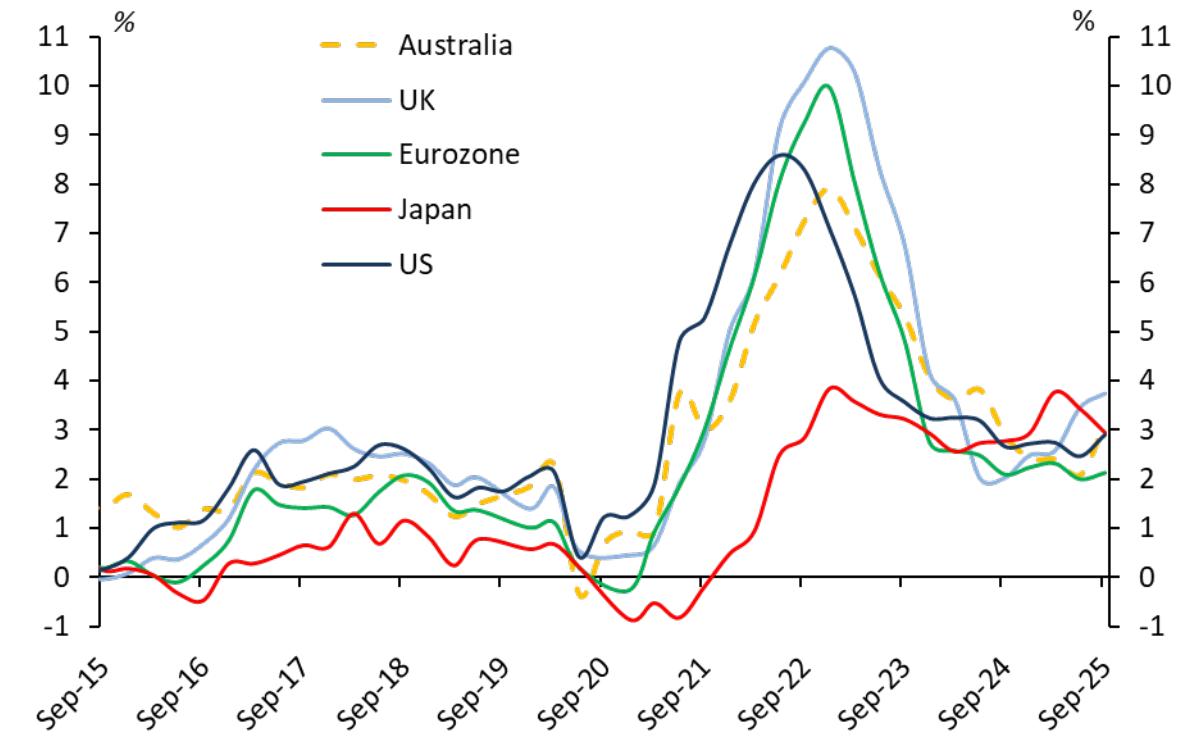
# Economic Outlook

## Central Bank policy rates



Source: Refinitiv. As at December 2025

## CPI global comparisons



Source: Refinitiv. As at September 2025.

# Further information

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Treasury Building, Level 3, Newlands Street  
Parkes ACT 2600 Australia

**Enquiries:** [InvestorRelations@aofm.gov.au](mailto:InvestorRelations@aofm.gov.au)

**Access to benchmark yields**

<https://www.rba.gov.au/statistics/tables/>

**Market data and live yields**

**Bloomberg:**

“AOFM Go” (*Homepage*)

“ACGB Govt Go” (*TBs and TIBs*)

“ACTB Govt Go” (*TNs*)

**Refinitiv:**

“AOFMINDEX” (*Homepage*)

“Yieldbroker” (*AGS yields*)

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