



Australian Government

Australian Office of Financial Management

AOFM

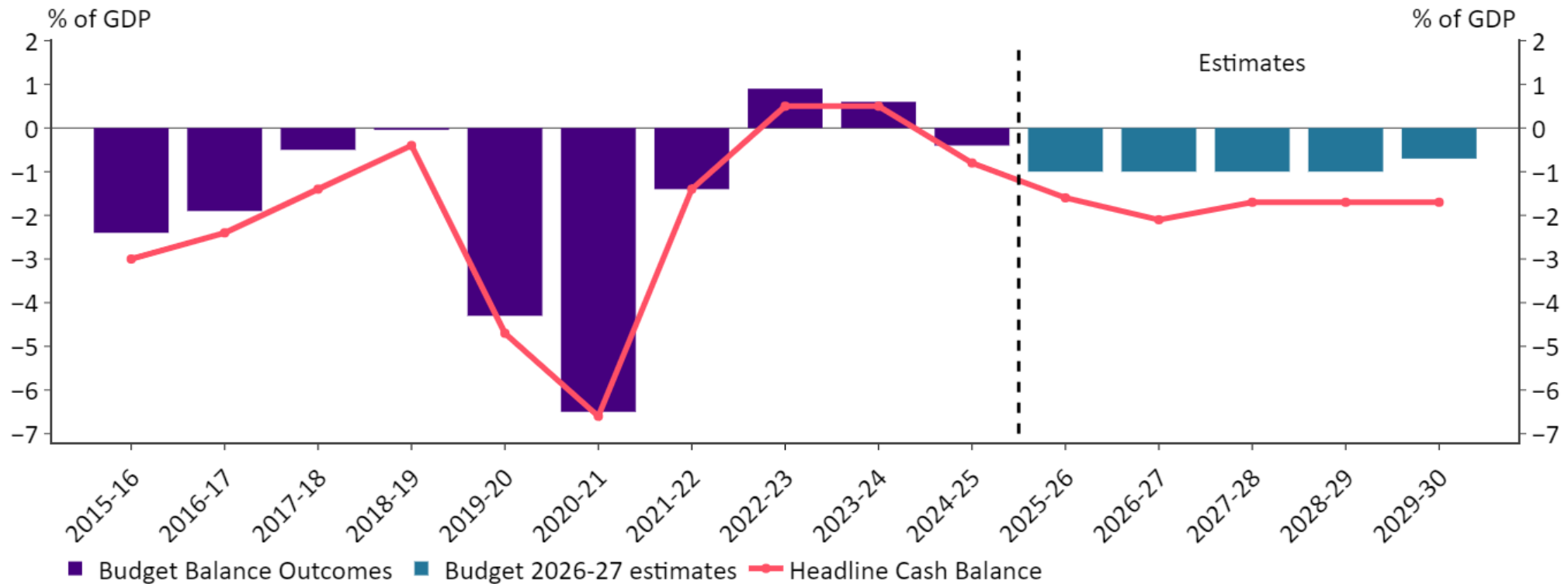
AGS Investor Chart Pack Budget 2026-27

May 2026

Australia's budget balance

Underlying cash balance

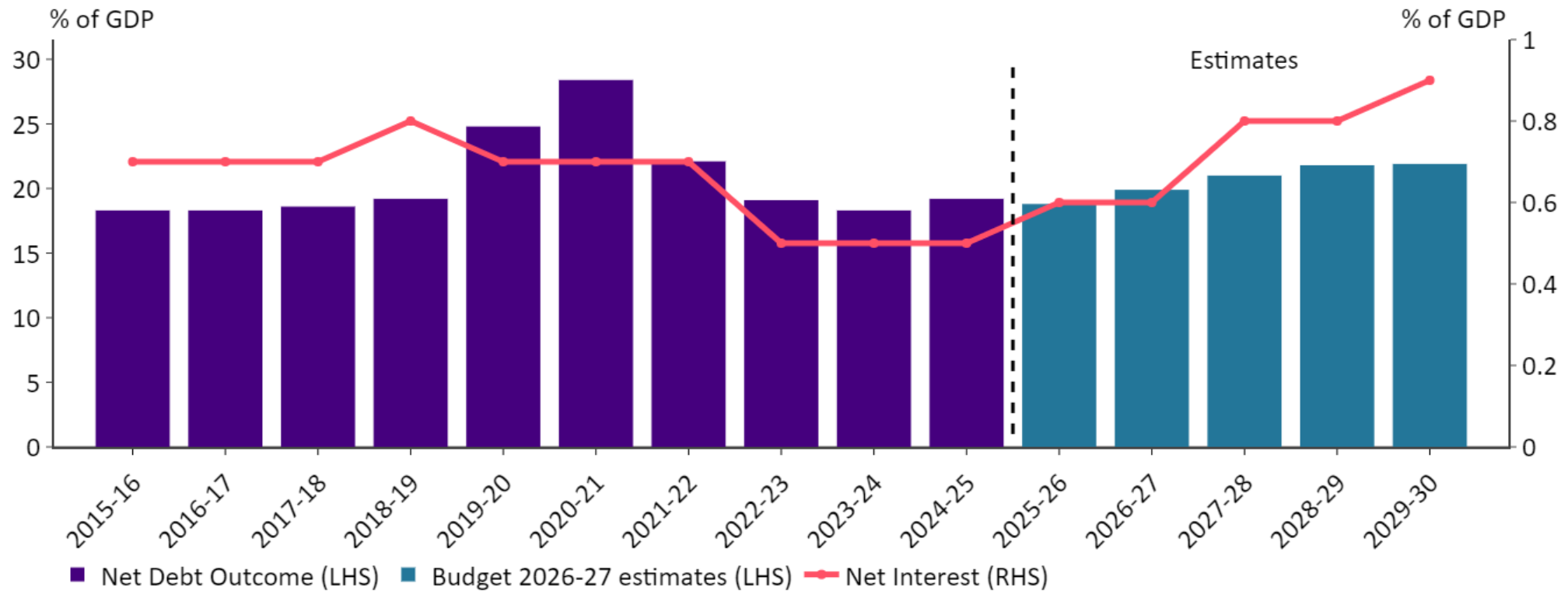
An underlying cash deficit of \$28.3 billion is forecast for 2025-26 (1.0 per cent of GDP), an improvement of \$8.5 billion compared to a deficit of \$36.8 billion forecast in the 2025-26 MYEFO. A deficit of \$31.5 billion (1.0 per cent of GDP) is forecast in 2026-27. The deficit is expected to remain at around 1.0 per cent of GDP until 2028-29 before falling to 0.7 per cent of GDP in 2029-30.



Source: Budget 2026-27.

Australia's net debt position

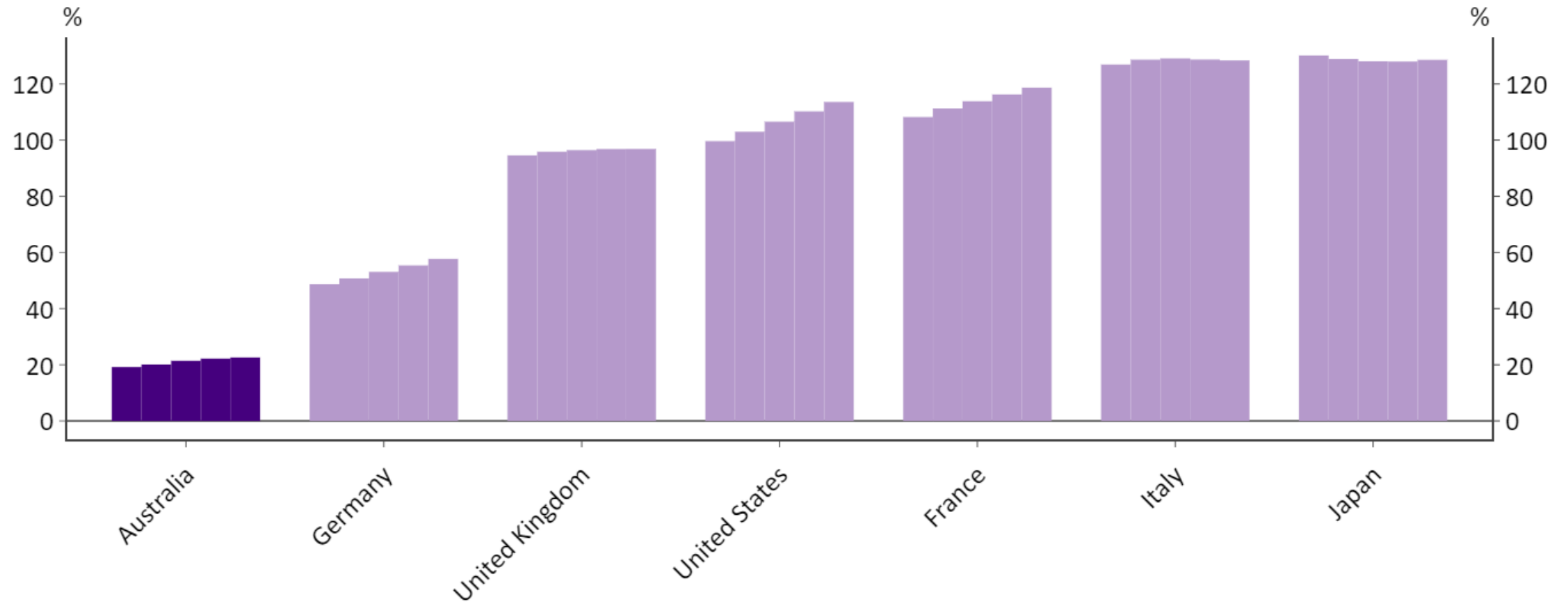
Net debt is estimated to be 18.8 per cent of GDP (\$556.0 billion) at 30 June 2026. Net debt is expected to increase gradually in each year of the forward estimates and reach 21.9 per cent of GDP in 2029-30. Net interest payments are forecast to be low in 2025-26 at 0.6 per cent of GDP and remain below 1 per cent of GDP across the forward estimates.



Source: Budget 2026-27.

Comparison of government net debt

2025 to 2029 (forecast)



Source: Budget 2026-27, IMF Fiscal Monitor April 2026.

Australian Government Securities

Treasury Bonds

Amount Outstanding

\$882.1 billion

29 lines on issue

Gross Issuance 2026-27 (F)

Around \$125 billion

Treasury Indexed Bonds

Amount Outstanding

\$40.4 billion

6 lines on issue

Gross Issuance 2026-27 (F)

Around \$2 billion - \$3 billion

Treasury Notes

Amount Outstanding

\$45 billion

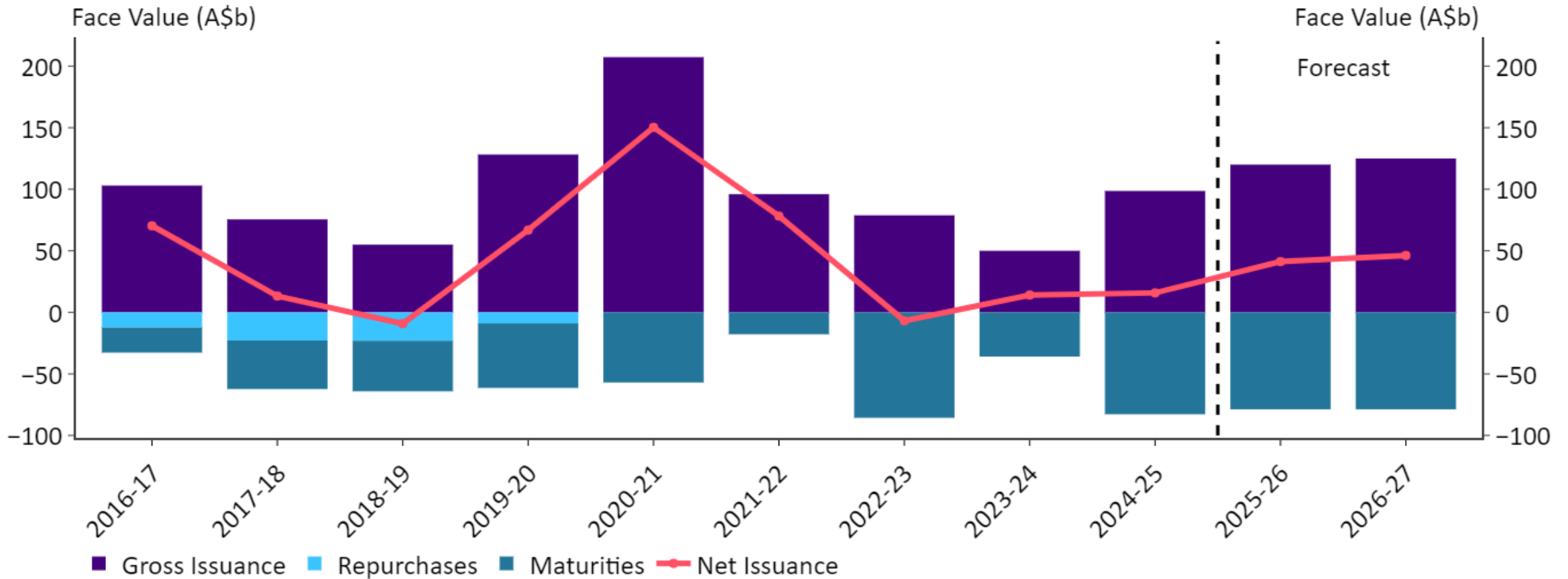
9 lines on issue

Further information

- Based on Budget forecasts, issuance of Treasury Bonds (including Green Treasury Bonds) in 2025-26 has been revised to around \$120 billion (of which \$107.2 billion has been completed as of 15 May 2026).
- Issuance of Treasury Bonds (including Green Treasury Bonds) in 2026-27 is expected to be around \$125 billion.
- Issuance of Treasury Indexed Bonds in 2025-26 is planned to be around \$3 billion (of which \$2.6 billion has been completed as of 15 May 2026).
- Issuance of Treasury Indexed Bonds by tender in 2026-27 is expected to be between \$2 billion and \$3 billion (additional issuance by syndication may be considered).
- The AOFM will remain active in the Treasury Note market with regular issuance for cash management purposes.

Amounts outstanding as at 15 May 2026.

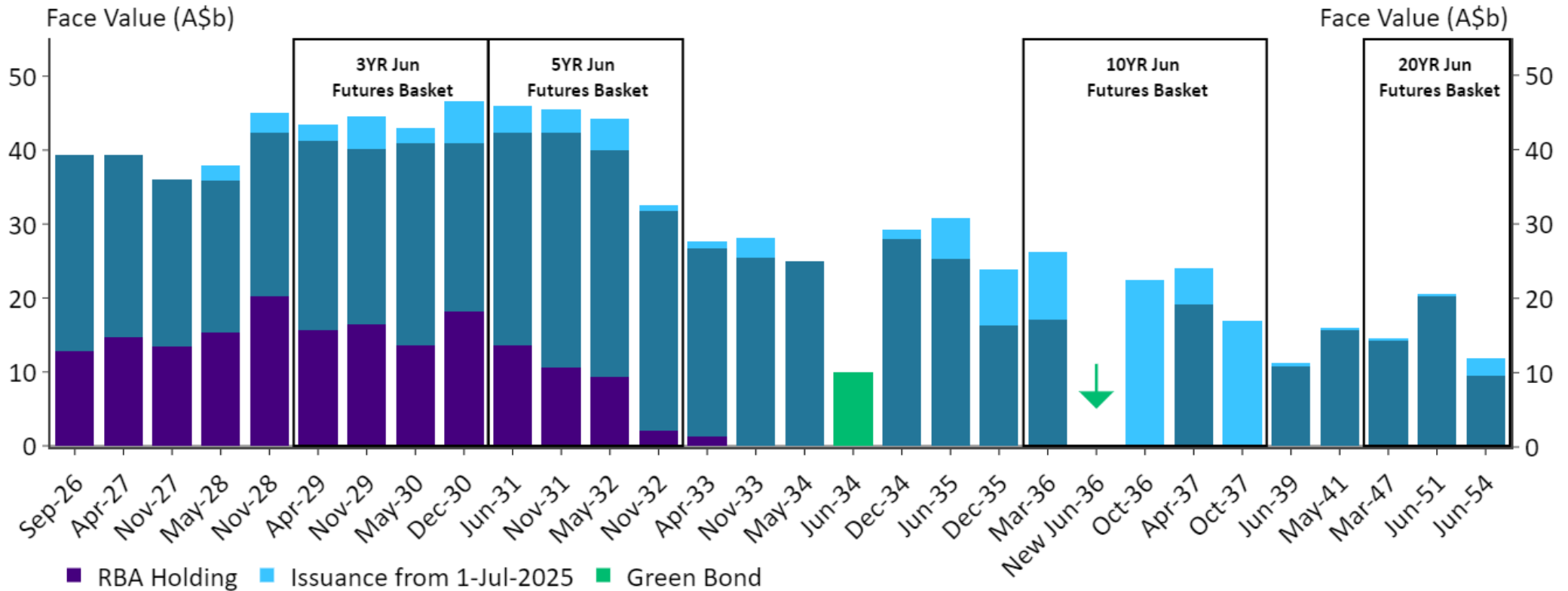
Composition of Treasury Bond Issuance



Source: AOFM.

Treasury Bonds on issue

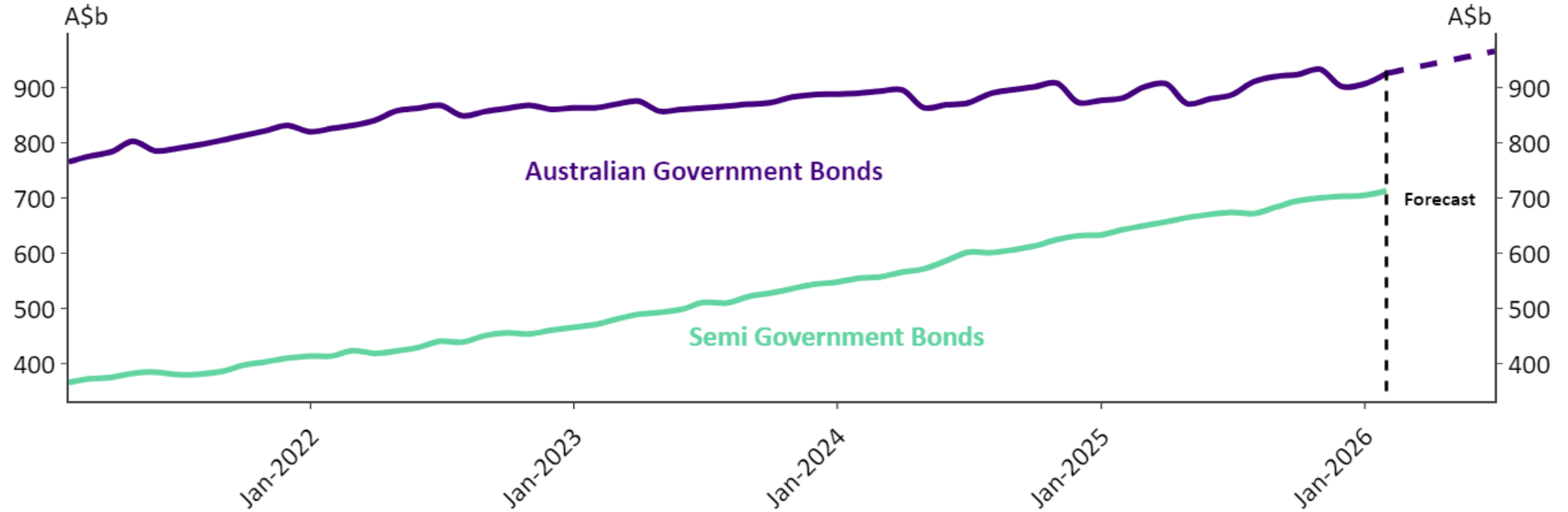
The AOFM will continue to use the most liquid (high-demand) parts of the yield curve to support the bulk of planned issuance, while supporting other parts of the market by responding to demand and issuing in appropriate volumes. Over the remainder of 2025-26 the AOFM plans to issue a new June 2036 Green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



Source: AOFM. As at 15 May 2026.

*The June 2036 Green Treasury Bond is not included in the 10-year June 2026 futures contract.

AGBs and semi-government bonds on issue

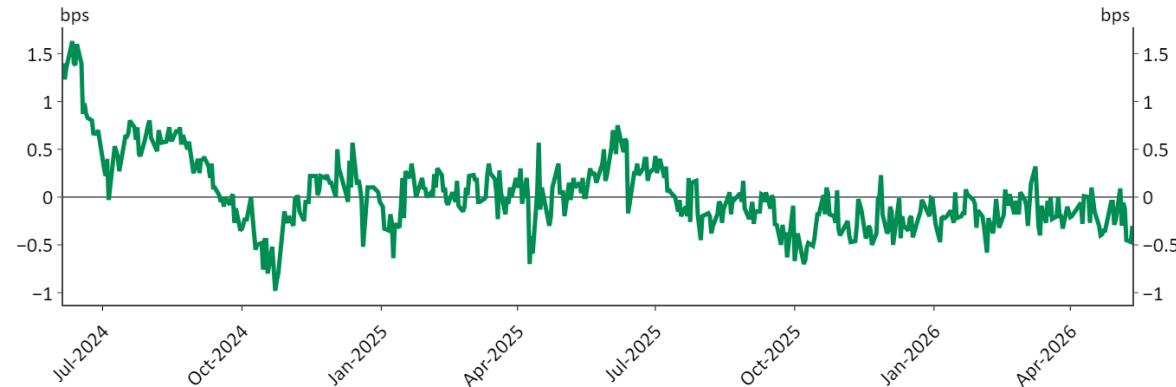


Source: RBA, AOFM.

Green Treasury Bonds

- There is an active secondary market for Green Treasury Bonds.
- A new June 2036 Green Treasury Bond is planned to be issued via syndication in the week beginning 18 May 2026.
- Existing lines will continue to be issued through regular tenders to support market liquidity.
- Green Treasury Bonds outstanding will increase, but will remain a small portion of overall issuance.
- The yield of the June-34 Green Treasury Bond trades broadly in line with the May-34 bond.

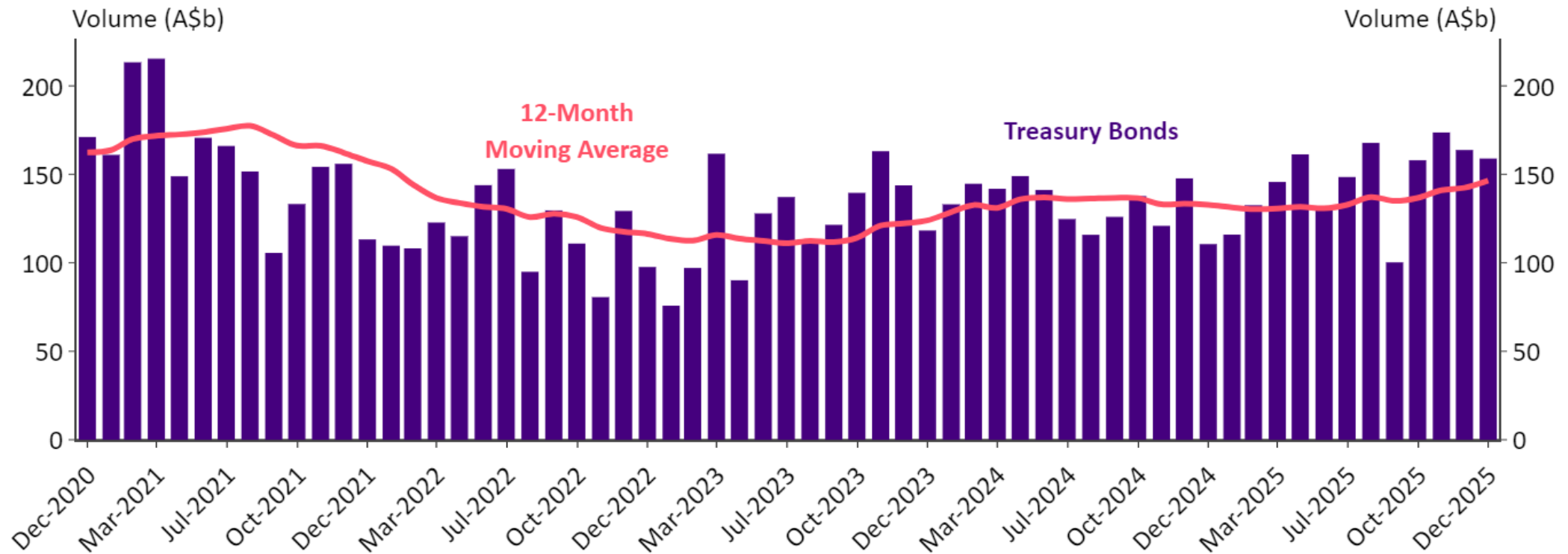
May-34 spread to June-34 green bond



Source: Refinitiv. Updated to 12 May 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 trended a little higher in 2025 to around \$150 billion per month.



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

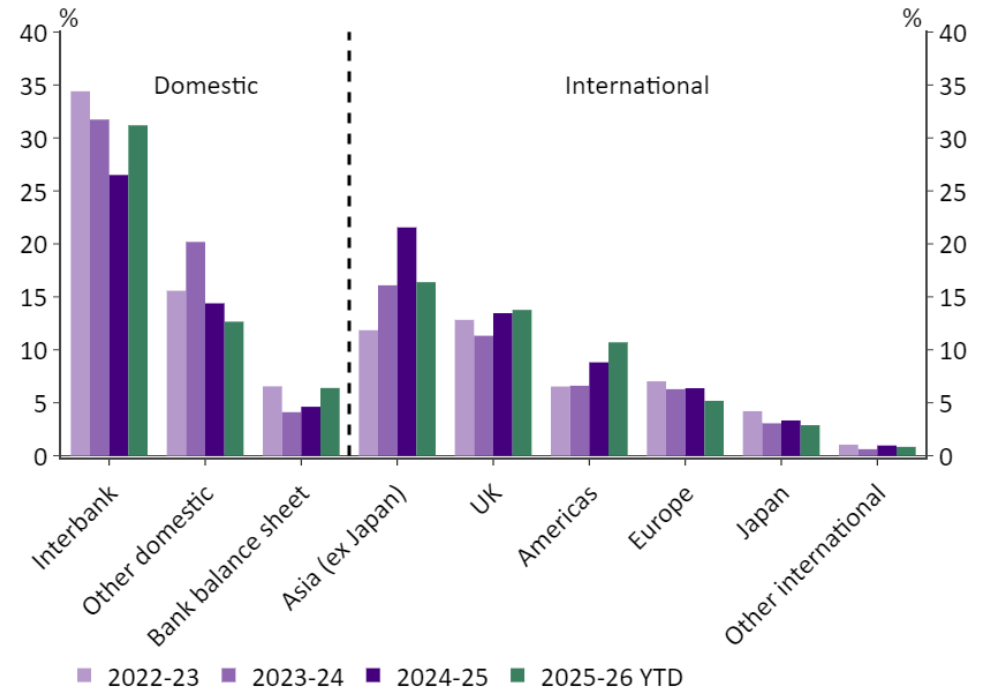
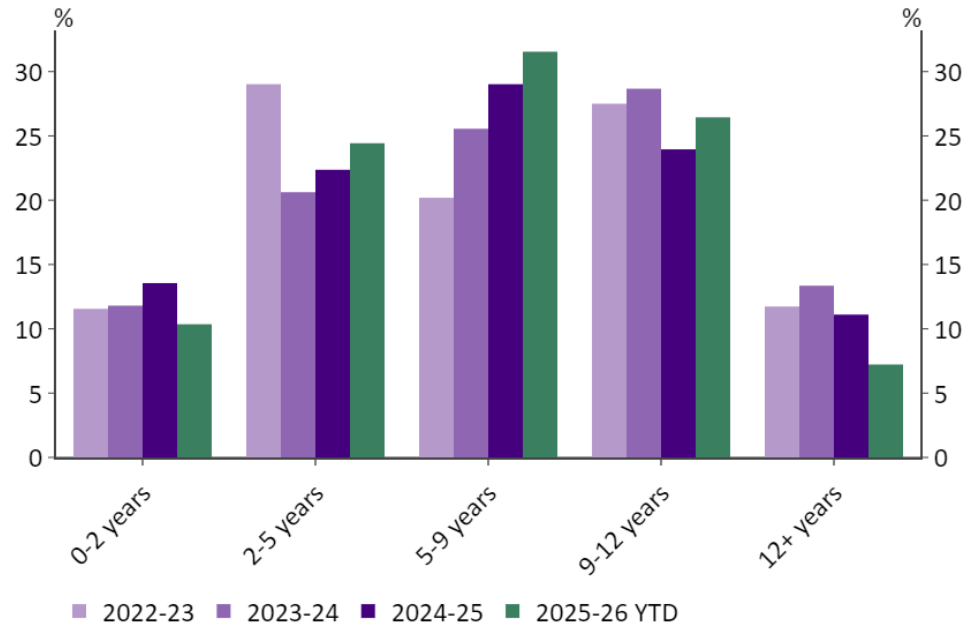
Turnover – Treasury Bonds

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

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

Turnover by tenor

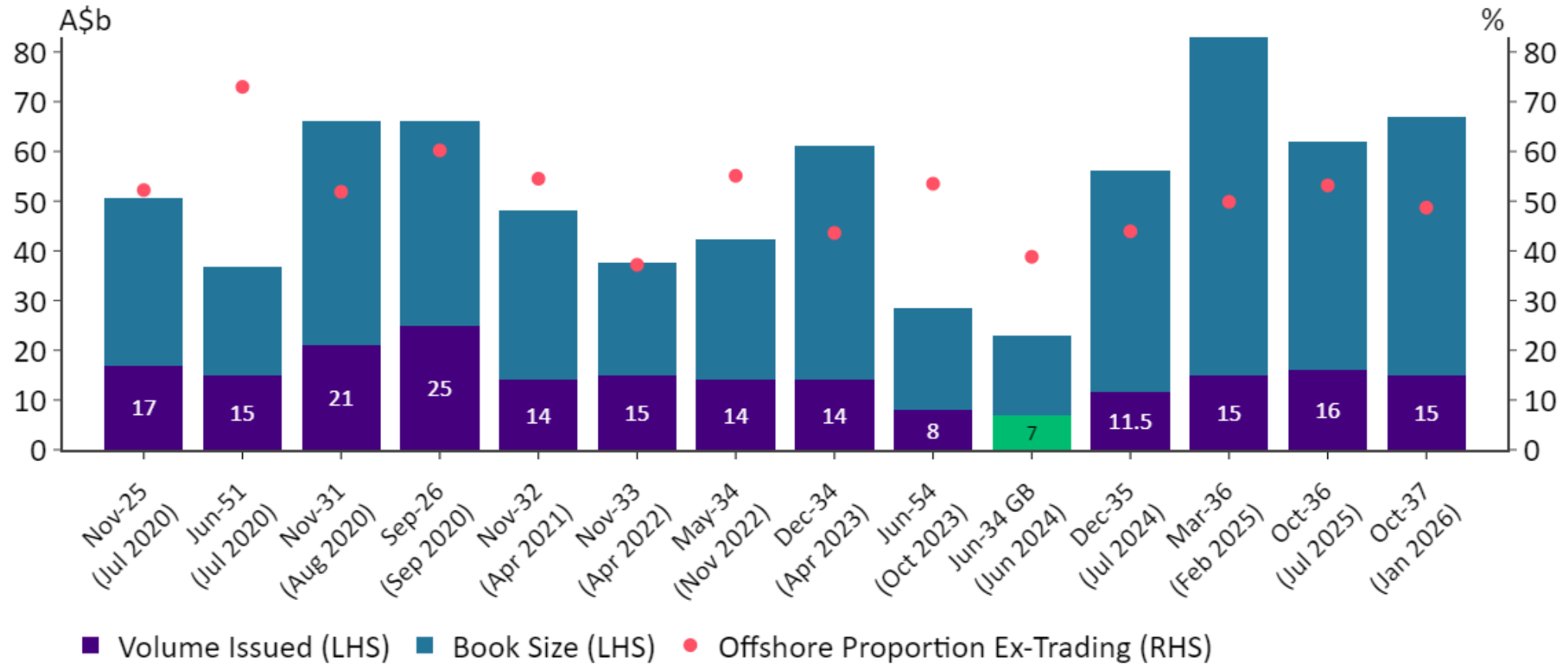
Turnover by category



Source: AOFM. 2025-26 YTD ranges from 1 July 2025 to 31 December 2025.

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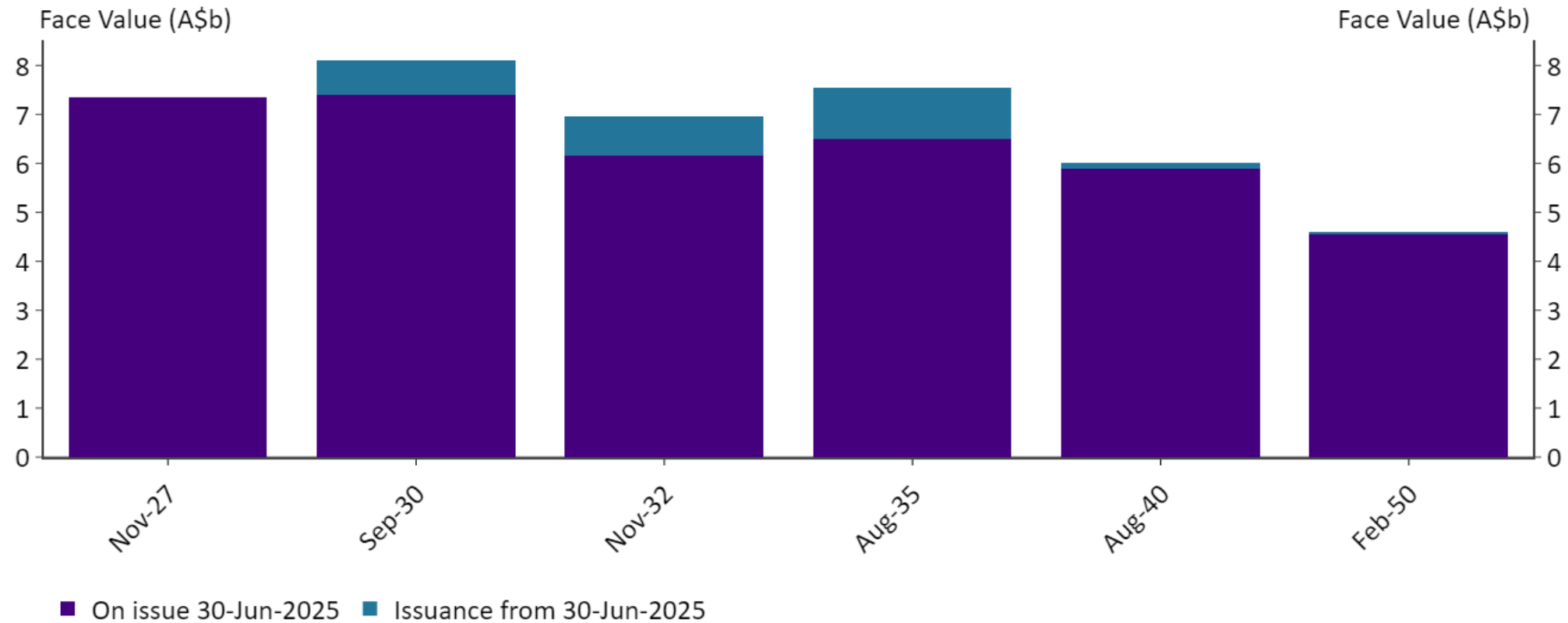
Treasury Bond syndications



Source: AOFM.

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. Future TIB lines will reference the monthly CPI.

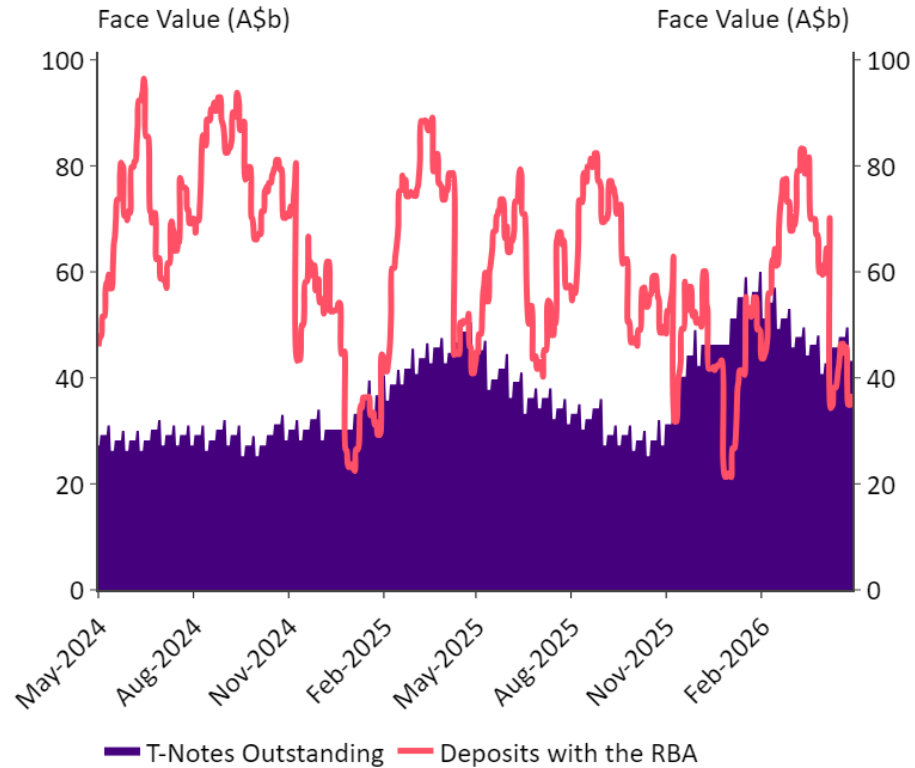


Source: AOFM. As at 15 May 2026.

Issuance of Treasury Notes

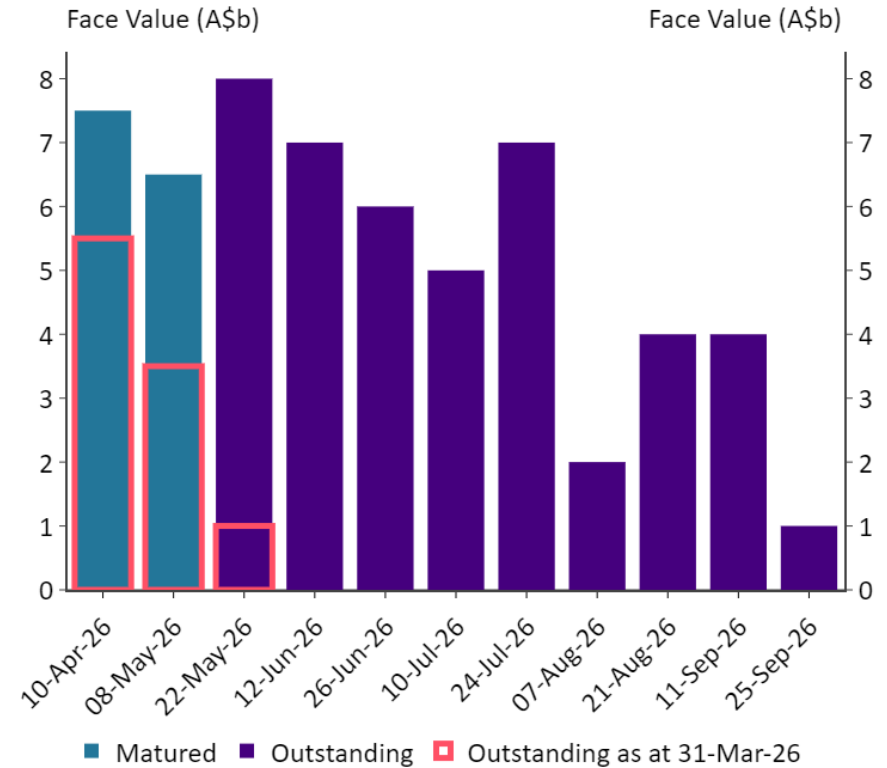
Regular issuance of Treasury Notes will continue. Weekly issuance volumes will depend on the timing and size of government receipts and payments and the AOFM's assessment of its cash portfolio requirements. There will be at least \$25 billion of Treasury Notes on issue to maintain investor engagement.

T-Notes outstanding and deposits with the RBA



Source: AOFM. As at 12 May 2026.

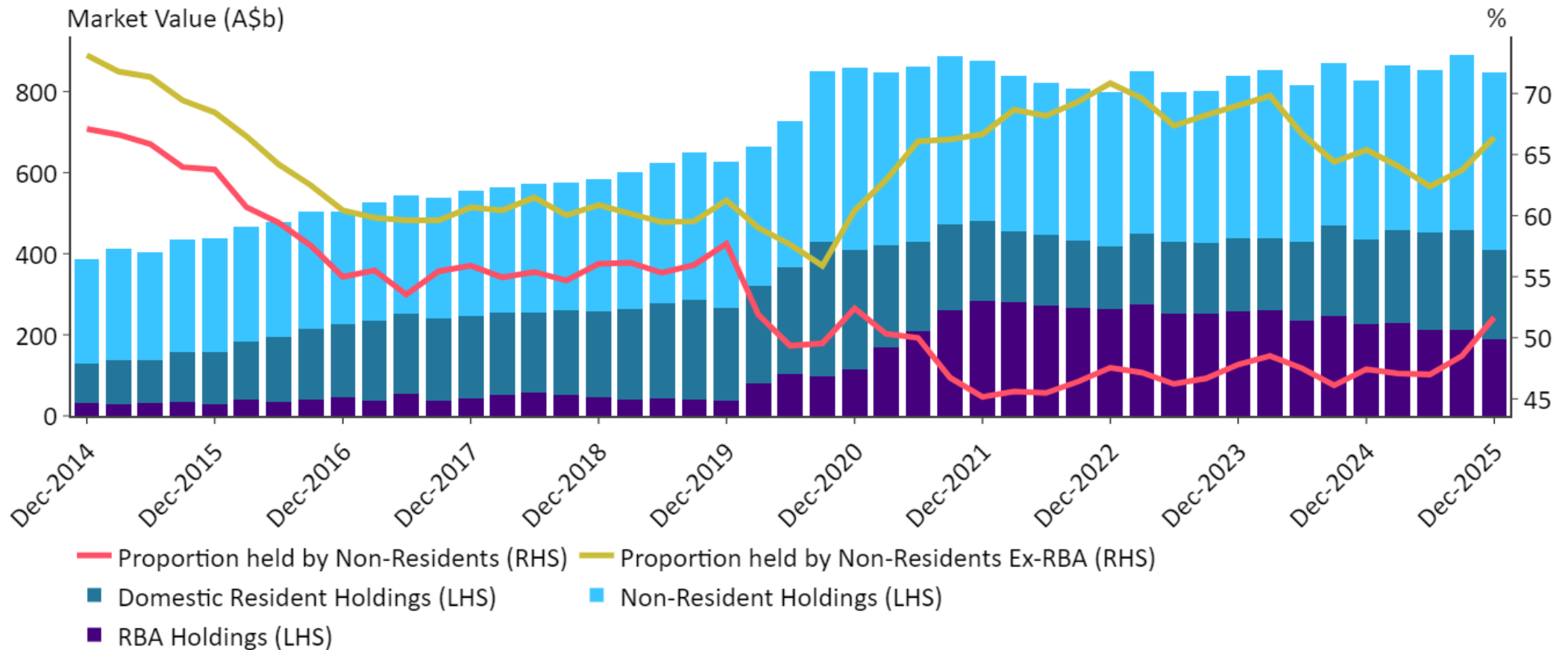
T-Note lines on issue



Source: AOFM. As at 15 May 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 AGBs have trended higher over the last year. Non-residents hold just over 50% of AGBs outstanding and around two-thirds of the “free float”.



Source: Australian Bureau of Statistics (ABS), RBA, AOFM. AGBs are Treasury Bonds and Treasury Indexed Bonds. Updated to 31 December 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^o



J.P.Morgan



NOMURA

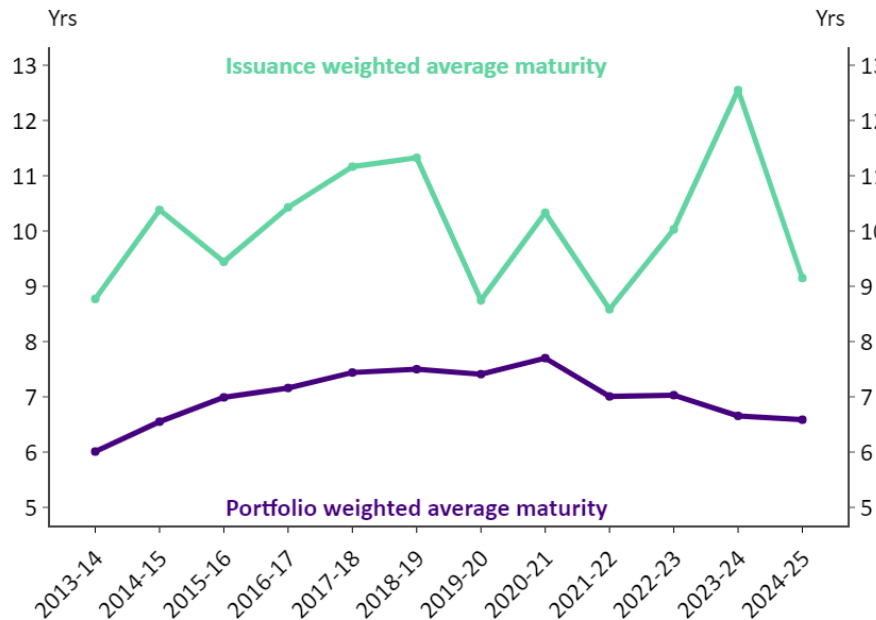


Appendices

Treasury Bonds curve

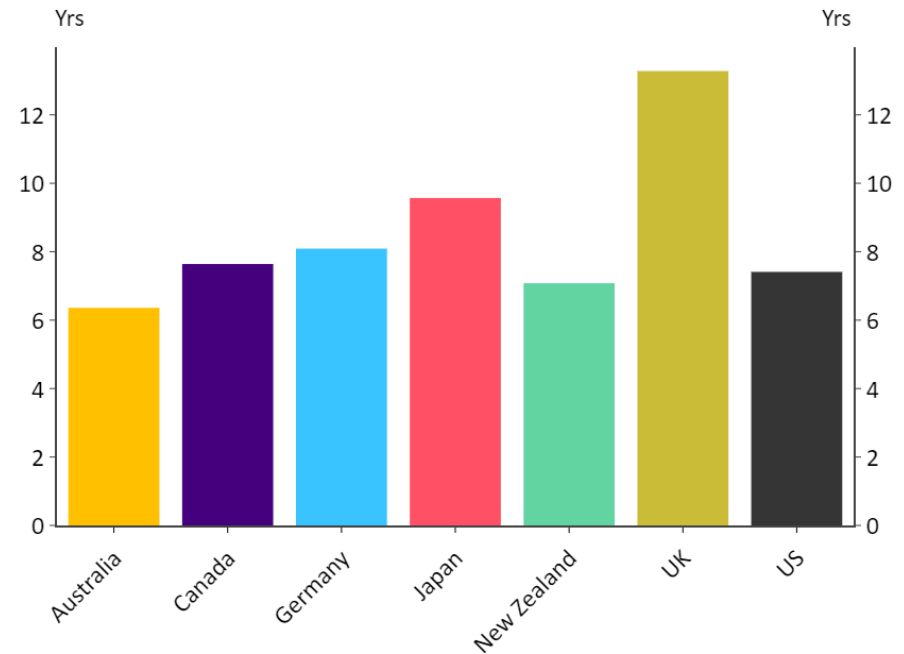
The AOFM's annual debt management strategy sets a target for the weighted average maturity of issuance. The AOFM will maintain the 30-year benchmark and support ultra-long maturities through issuance into existing lines. A new 30-year benchmark line will be considered when the longest bond approaches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

Weighted average maturity



Source: AOFM. As at January 2026.

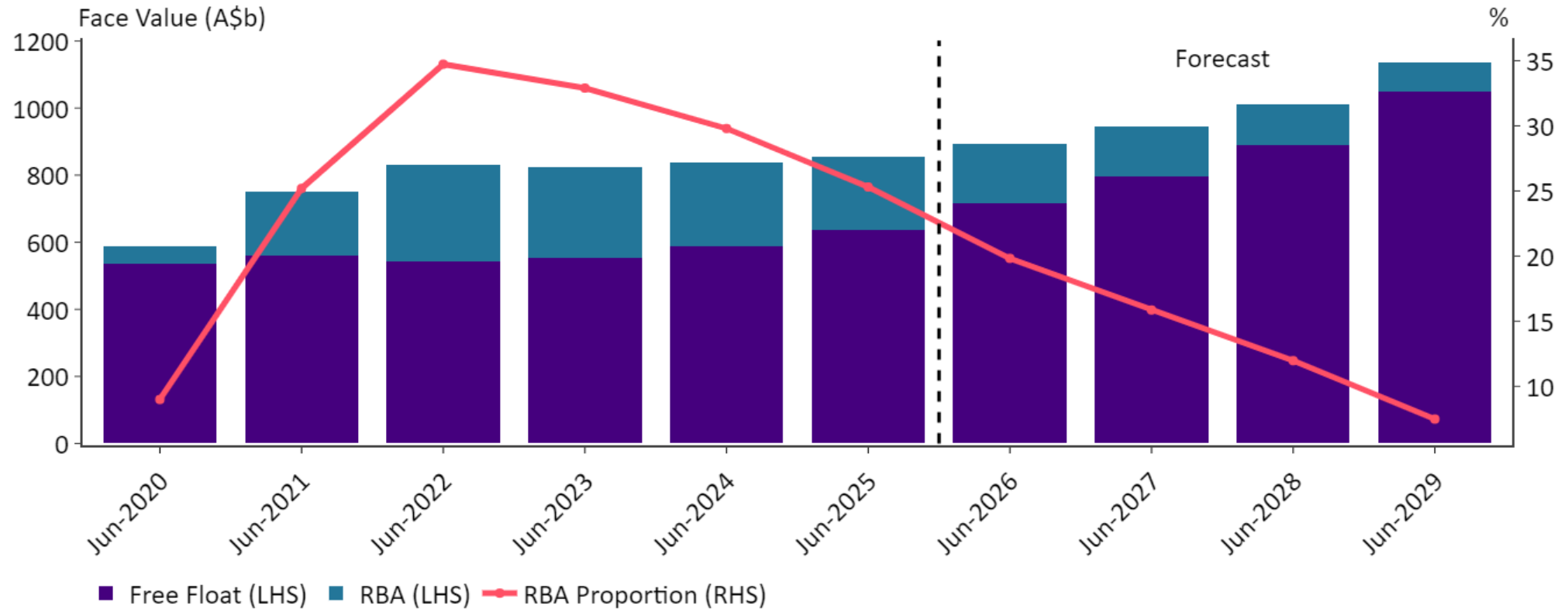
Country comparison of portfolio weighted average maturity



Source: Refinitiv. As at January 2026.

Forecast Treasury Bonds outstanding and RBA holdings

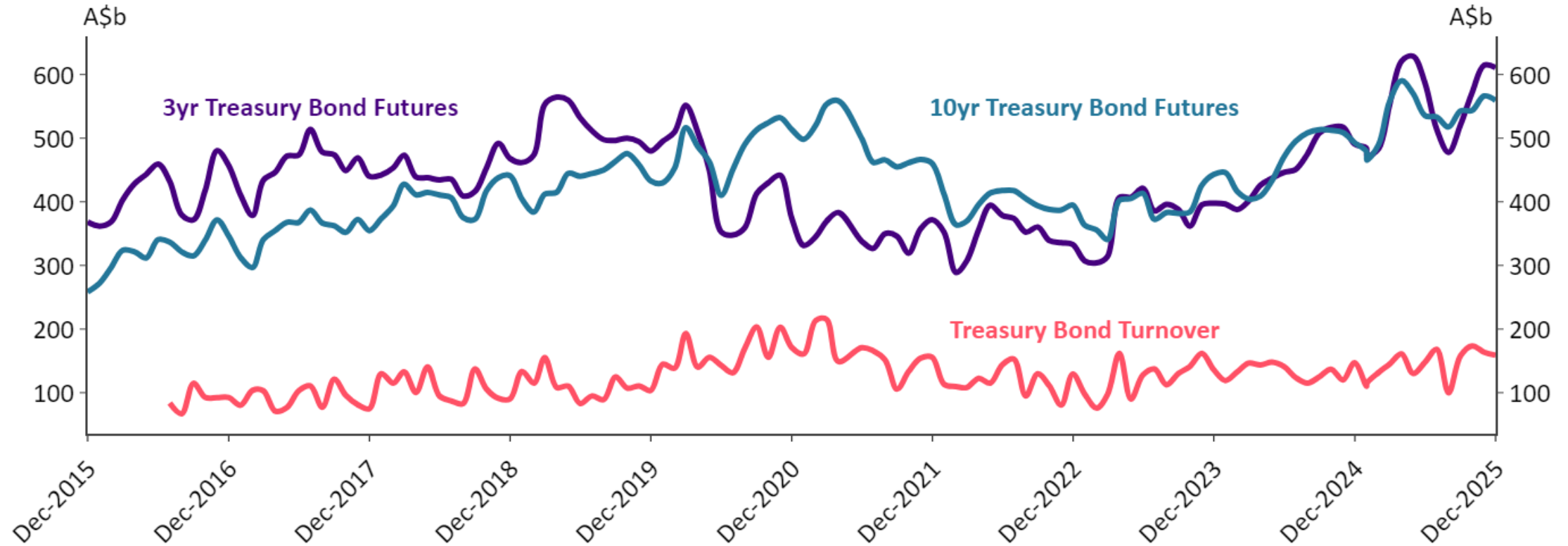
- The RBA's bond purchase program concluded in February 2022. The RBA currently holds around 20 per cent of Treasury Bonds on issue.
- RBA holdings as a proportion of total Treasury Bonds outstanding are expected to decline gradually as the bonds they hold mature.



Source: Budget 2026-27, RBA, AOFM.

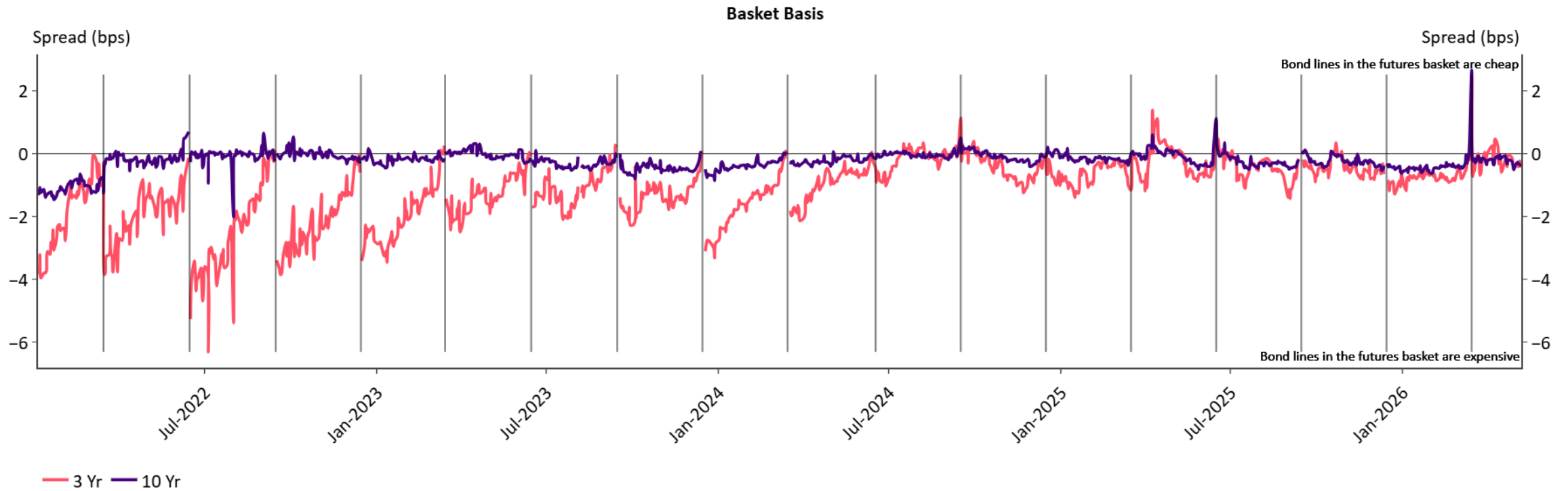
Treasury Bond futures market activity

Monthly turnover (3-month M.A.)



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

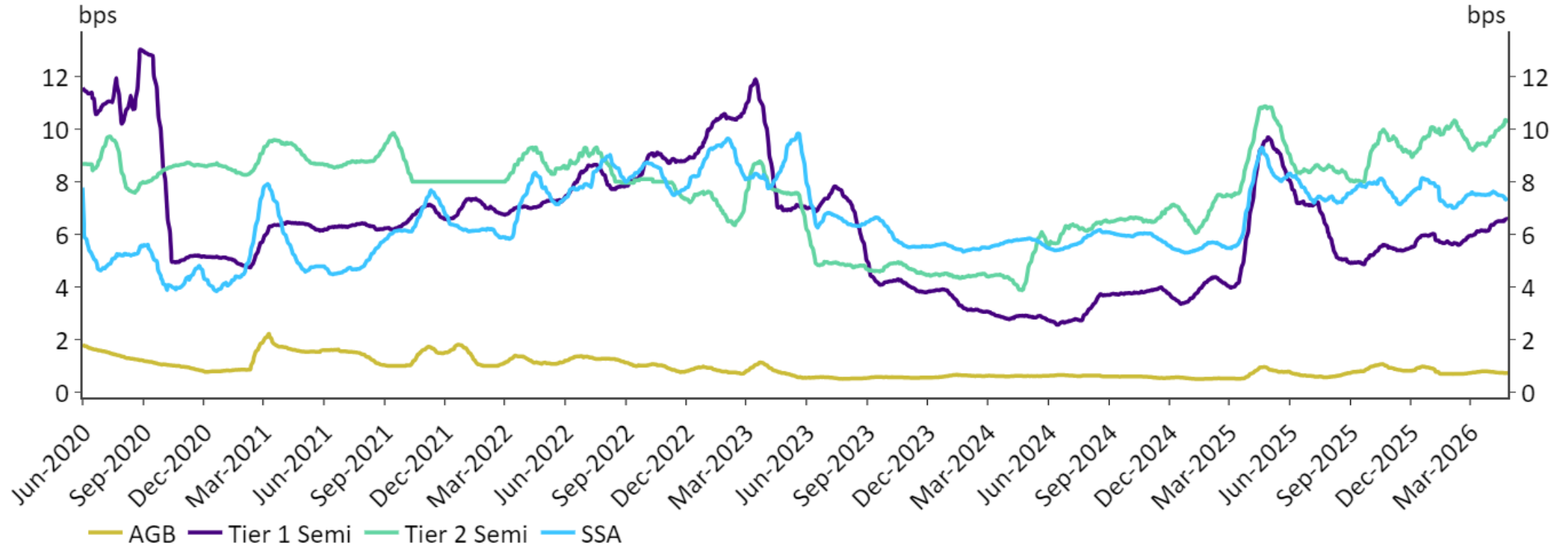
Treasury Bond basket basis



Source: Refinitiv, AOFM. As at May 2026

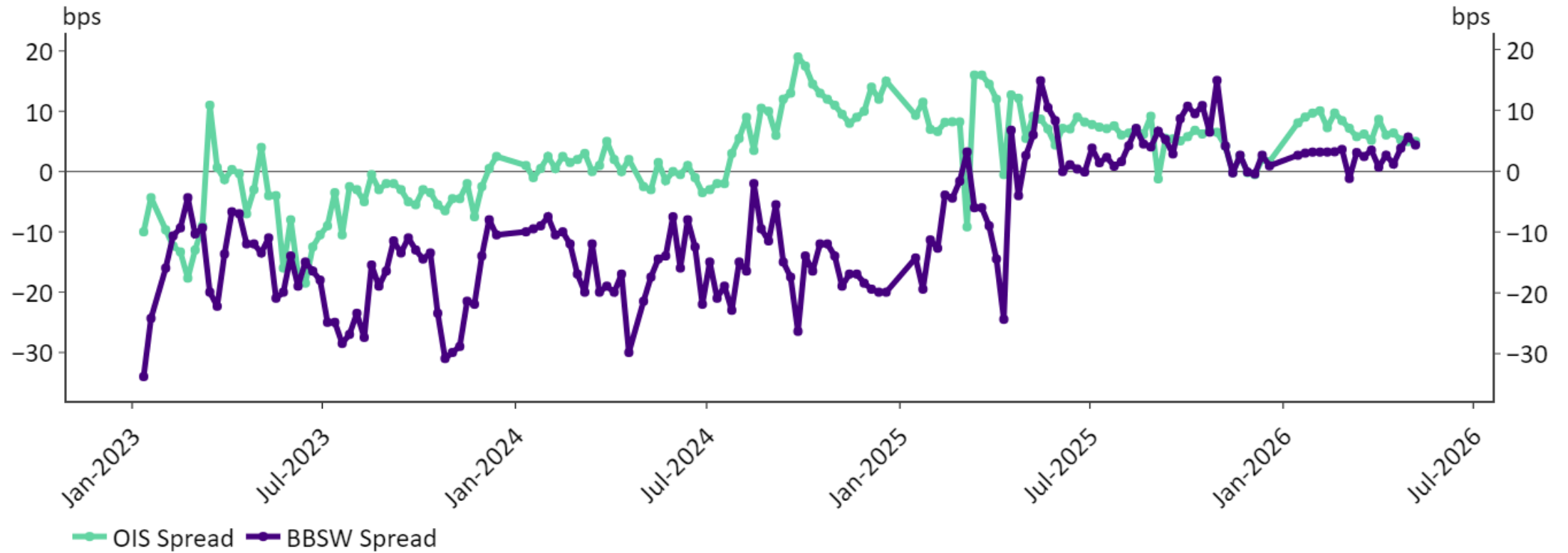
10-year Bid-Ask Spreads

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 May 2026.

Treasury Note Issuance Spreads

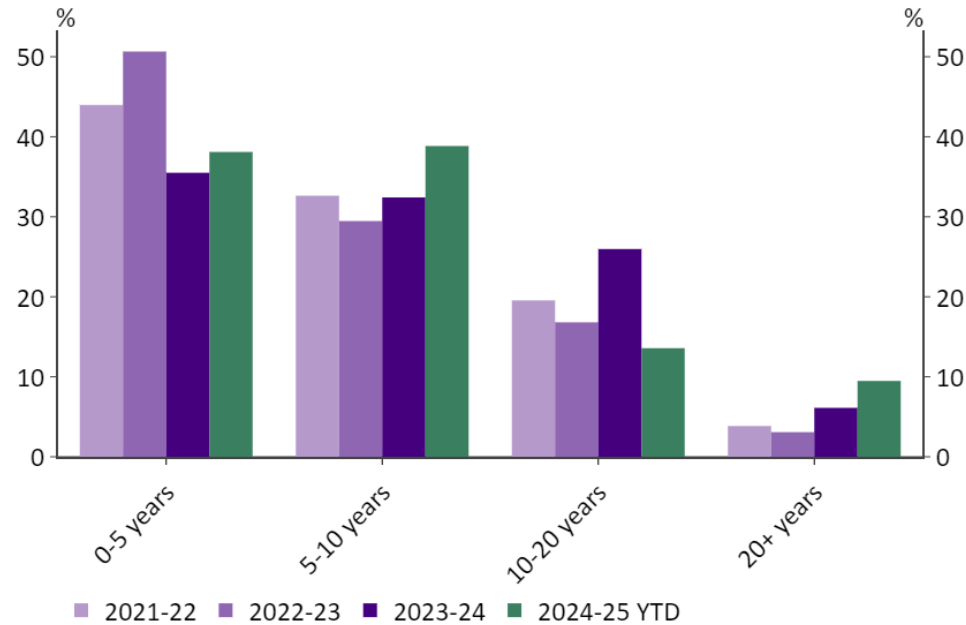


Source: Refinitiv, AOFM. As at May 2026.

Turnover – Treasury Indexed Bonds

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

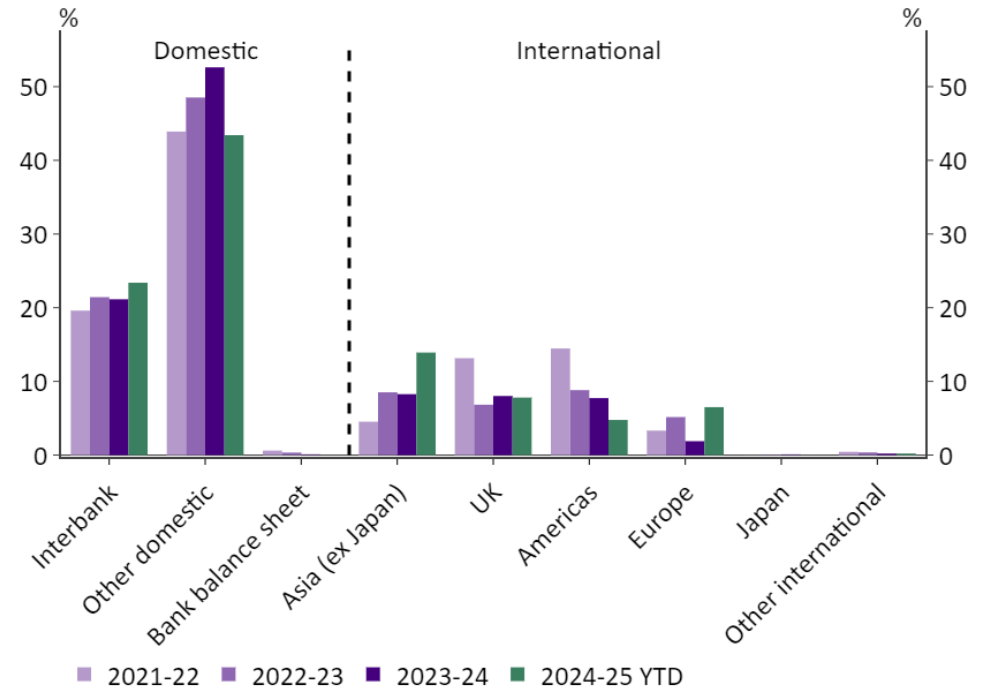
Turnover by tenor



Source: AOFM. 2025-26 YTD ranges from 1 July 2025 to 31 December 2025.

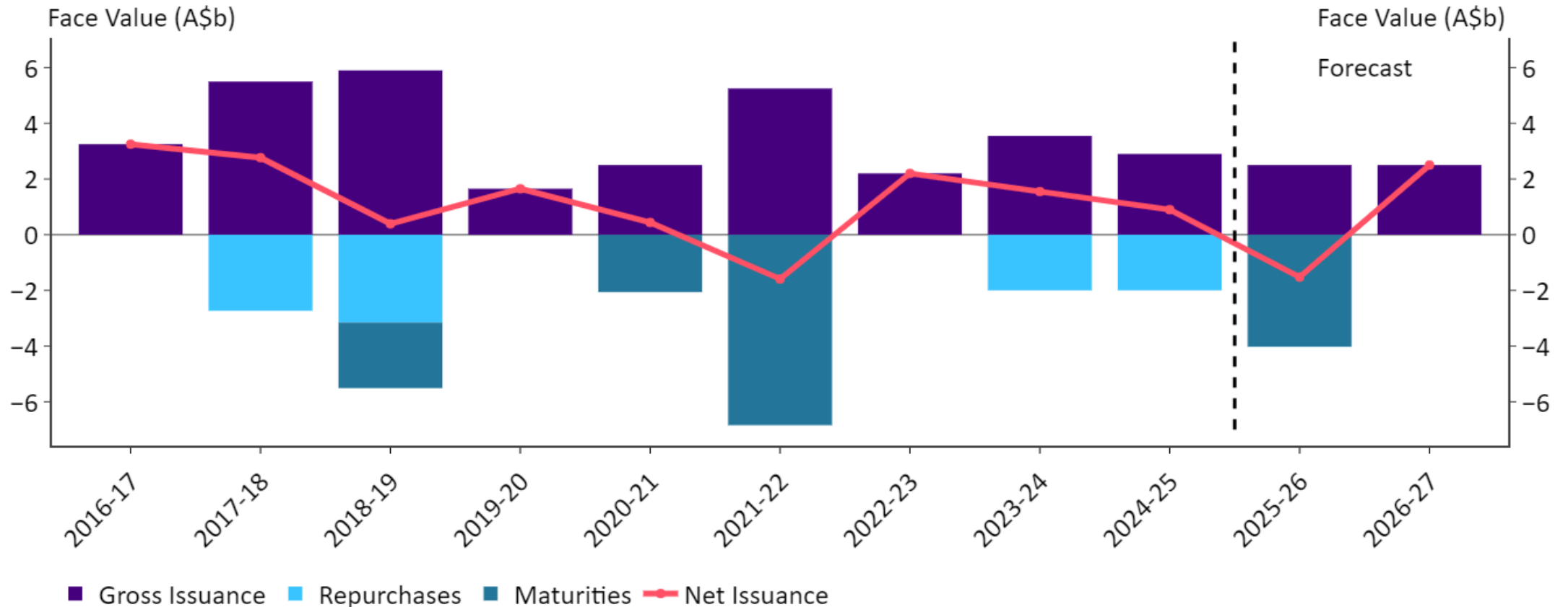
Monthly average A\$3.8 billion (2024-25)
A\$3.2 billion (2023-24)

Turnover by category



Source: AOFM. 2025-26 YTD ranges from 1 July 2025 to 31 December 2025.

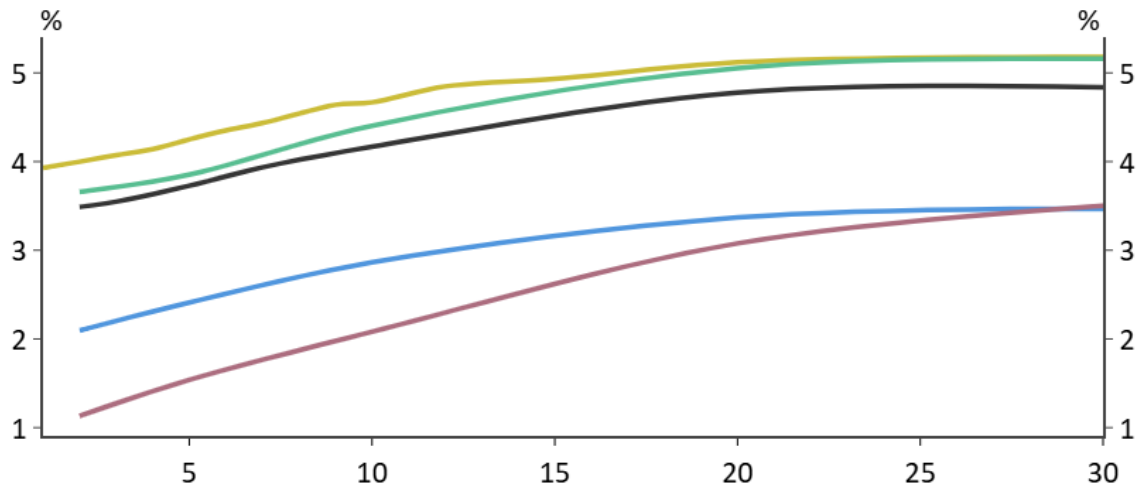
Composition of Treasury Indexed Bond Issuance



Source: AOFM.

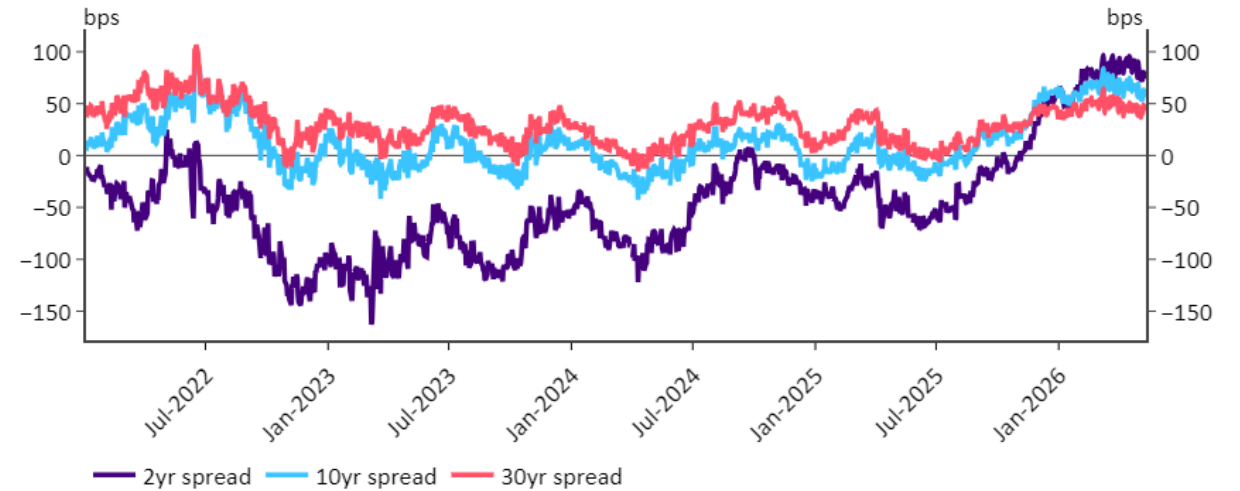
Australian sovereign bond spreads

Sovereign Yield Curve



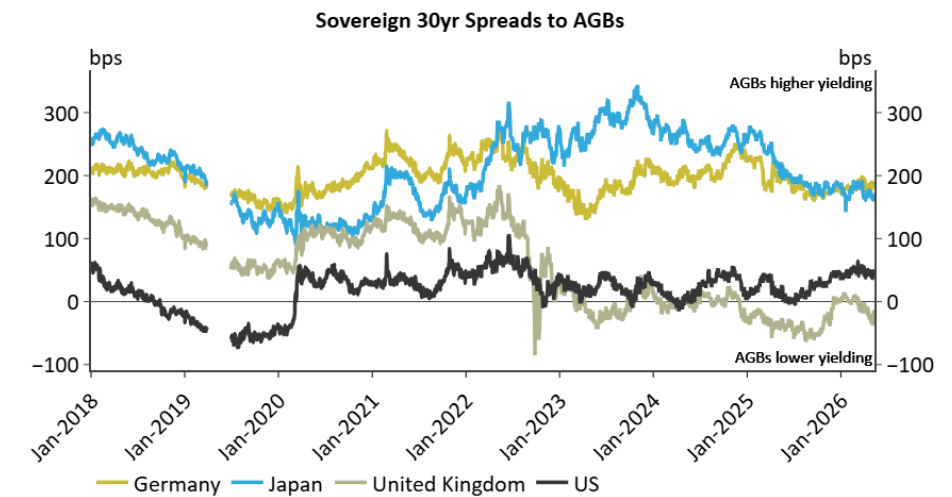
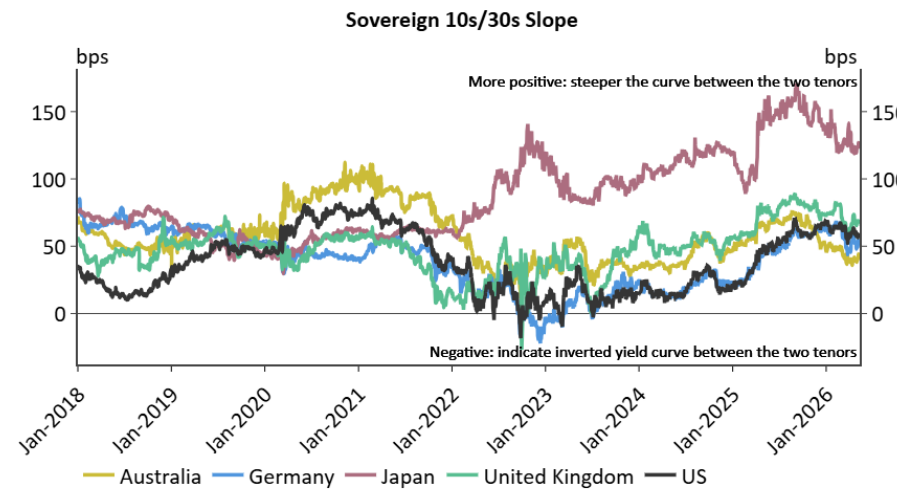
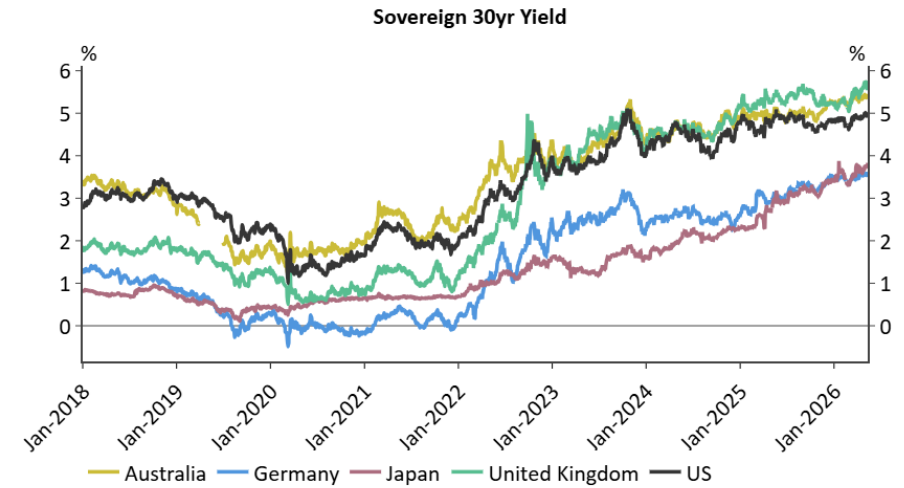
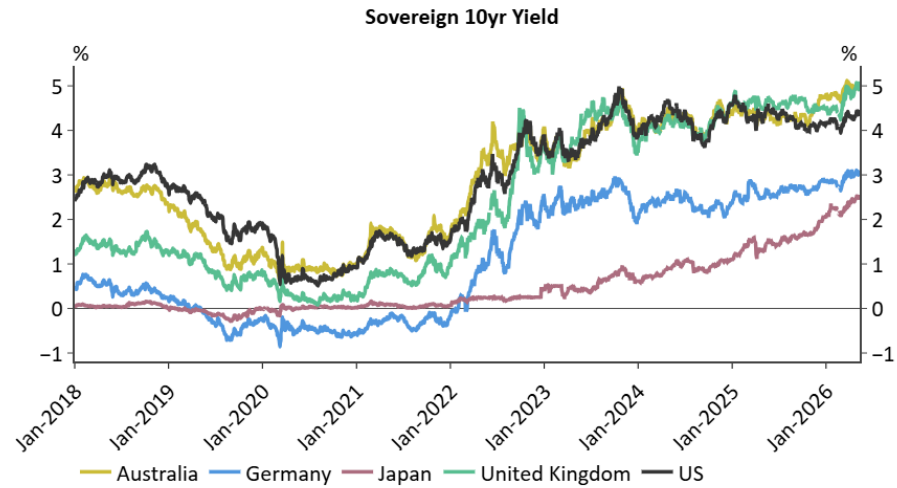
— Australia — Germany — Japan — United Kingdom — US

Australia vs US



Source: Bloomberg. 12 May 2026.

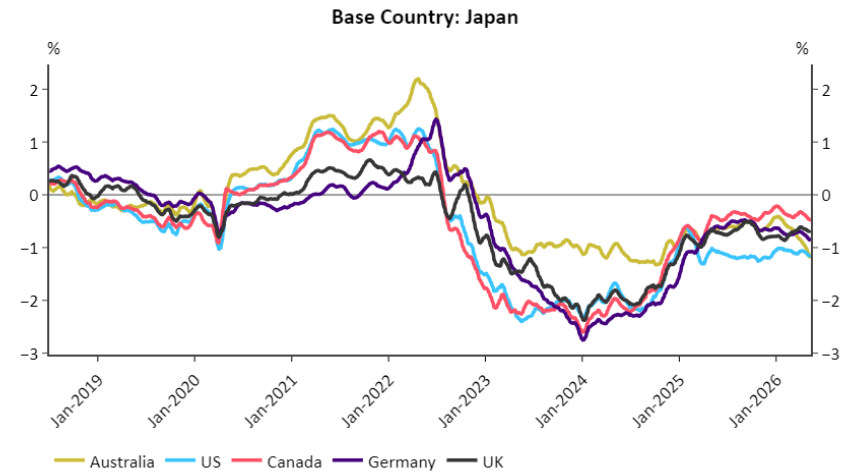
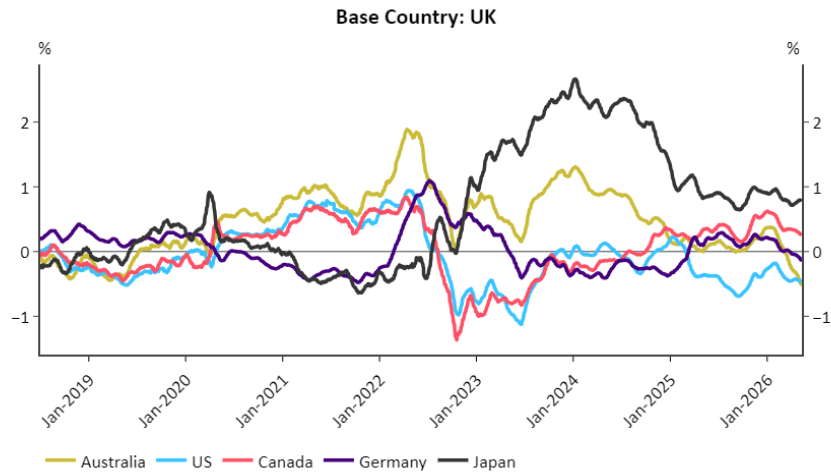
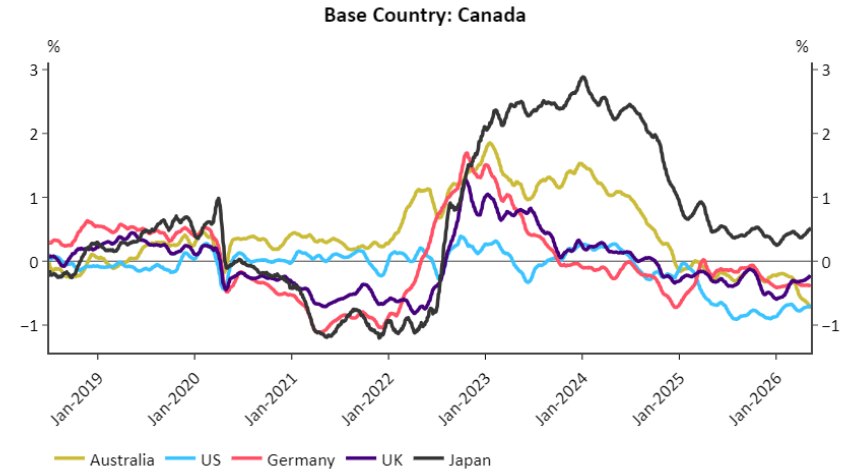
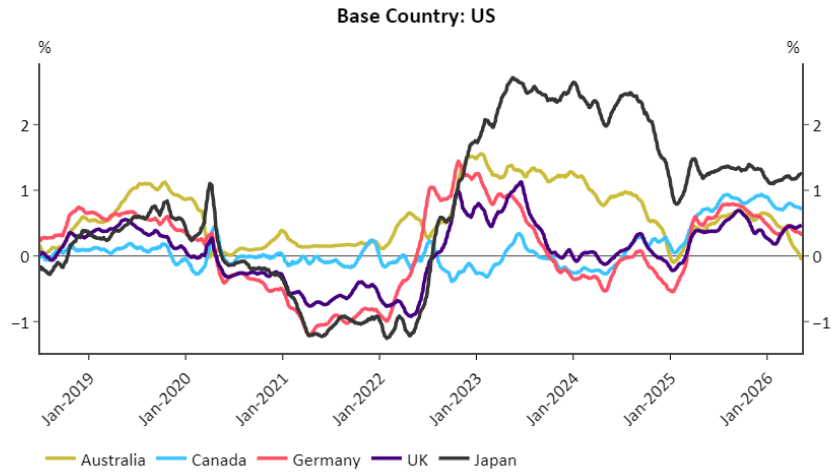
Australian sovereign bond spreads



Source: Bloomberg. 12 May 2026.

Currency hedged 10yr Yields

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

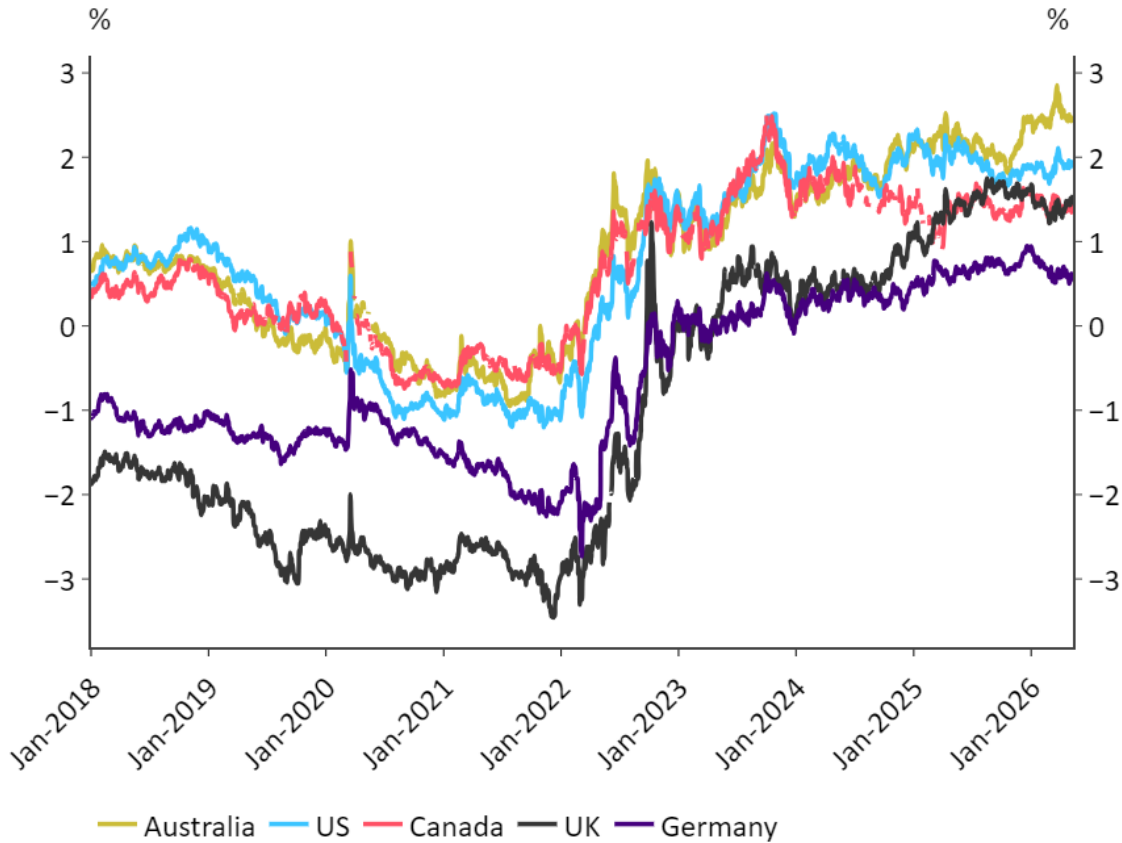


Source: Bloomberg. 12 May 2026.

A comparison of sovereign inflation linked bonds

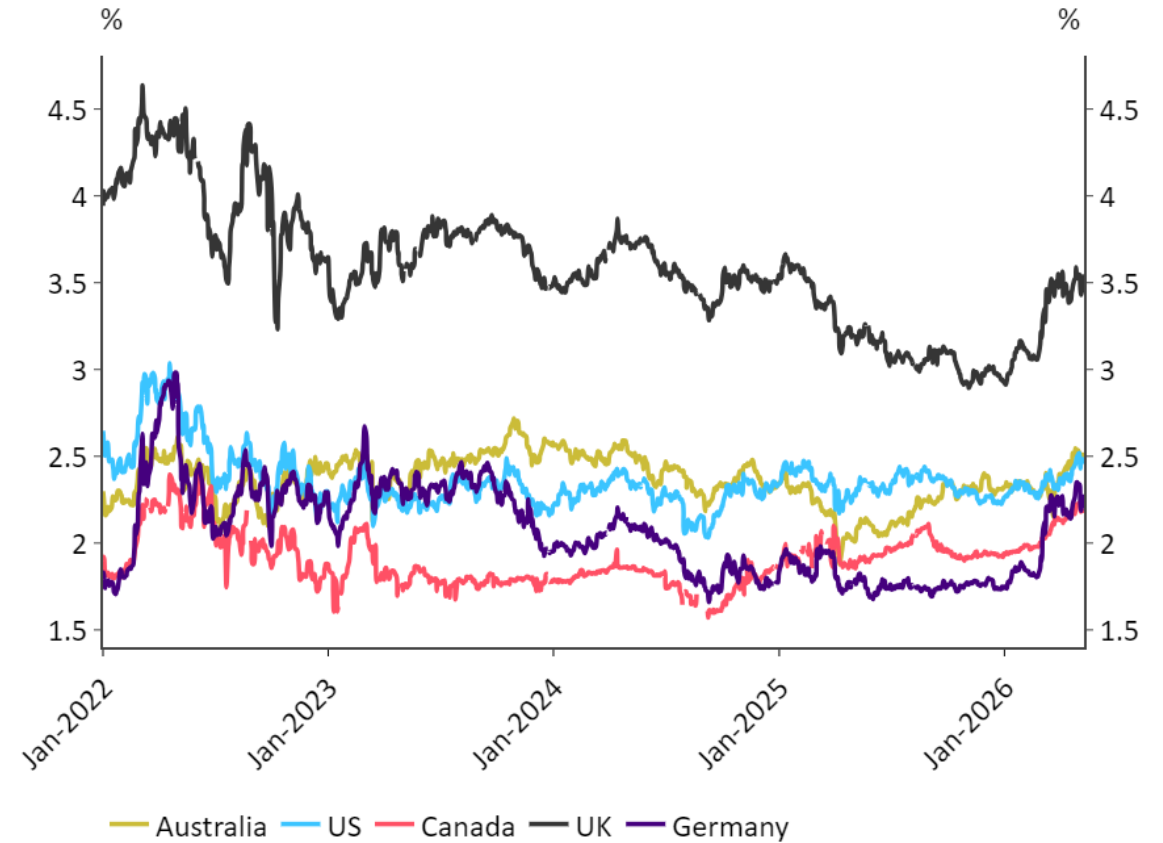
10-year bonds

Yields



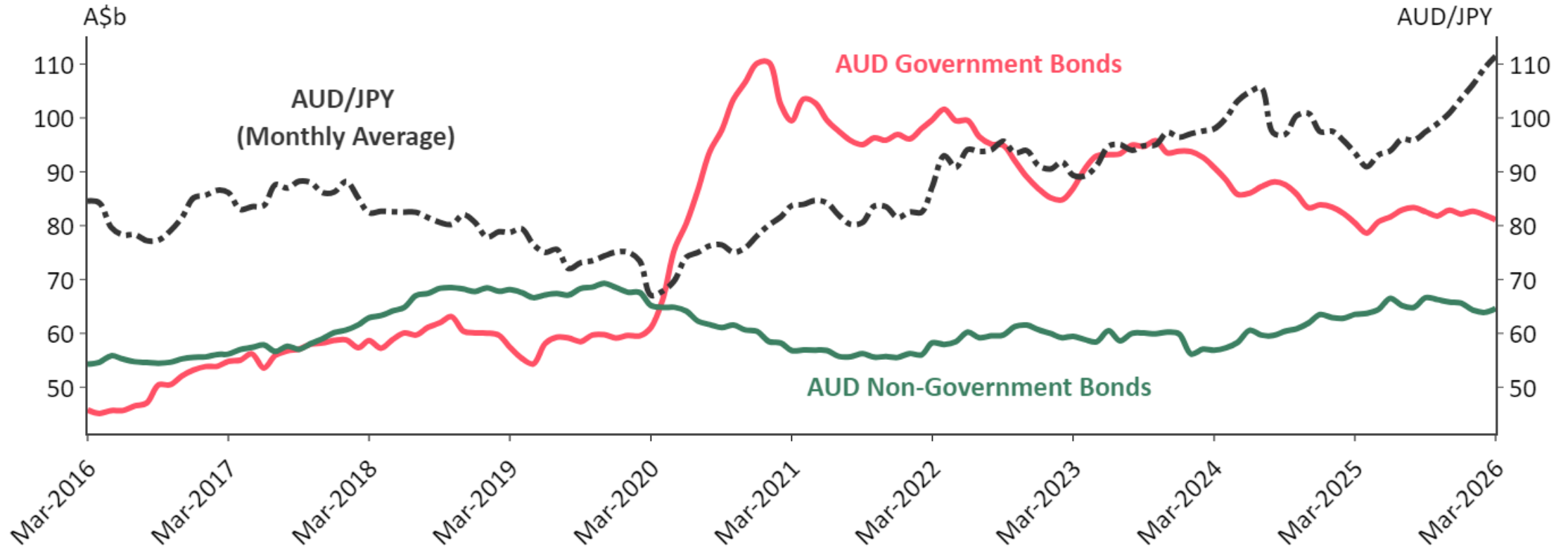
Source: Bloomberg. As at May 2026.

Breakeven inflation



Source: Bloomberg. As at May 2026.

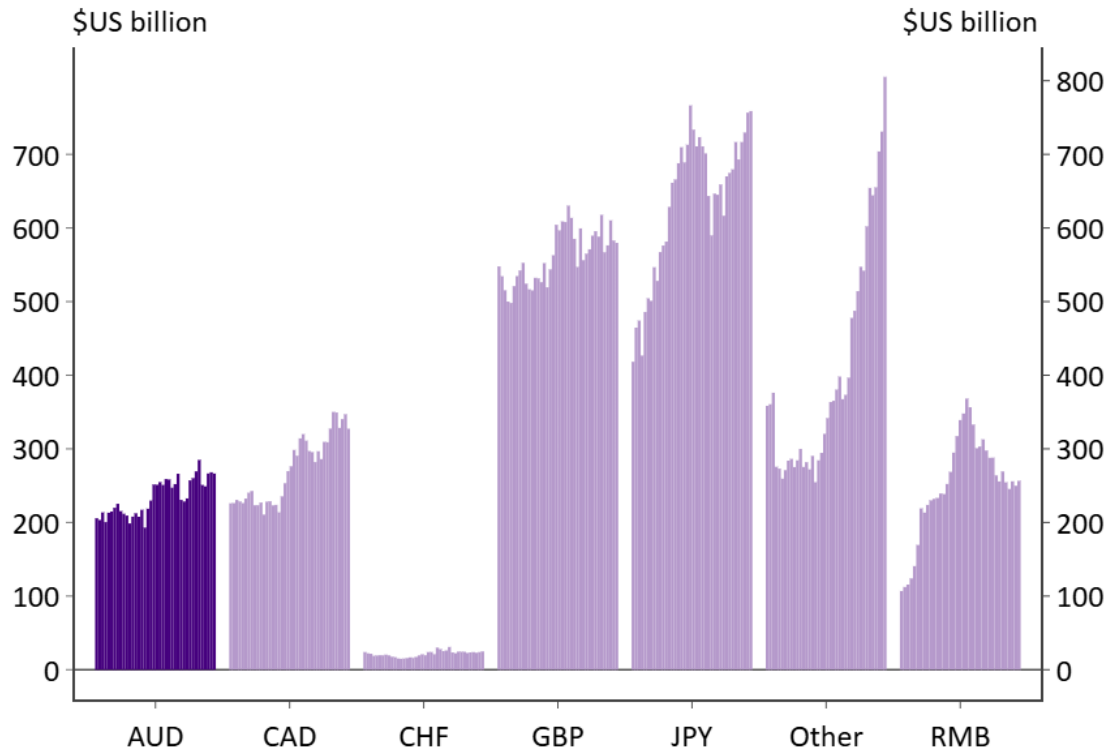
Net capital flow into Australian government bonds by Japanese investors



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

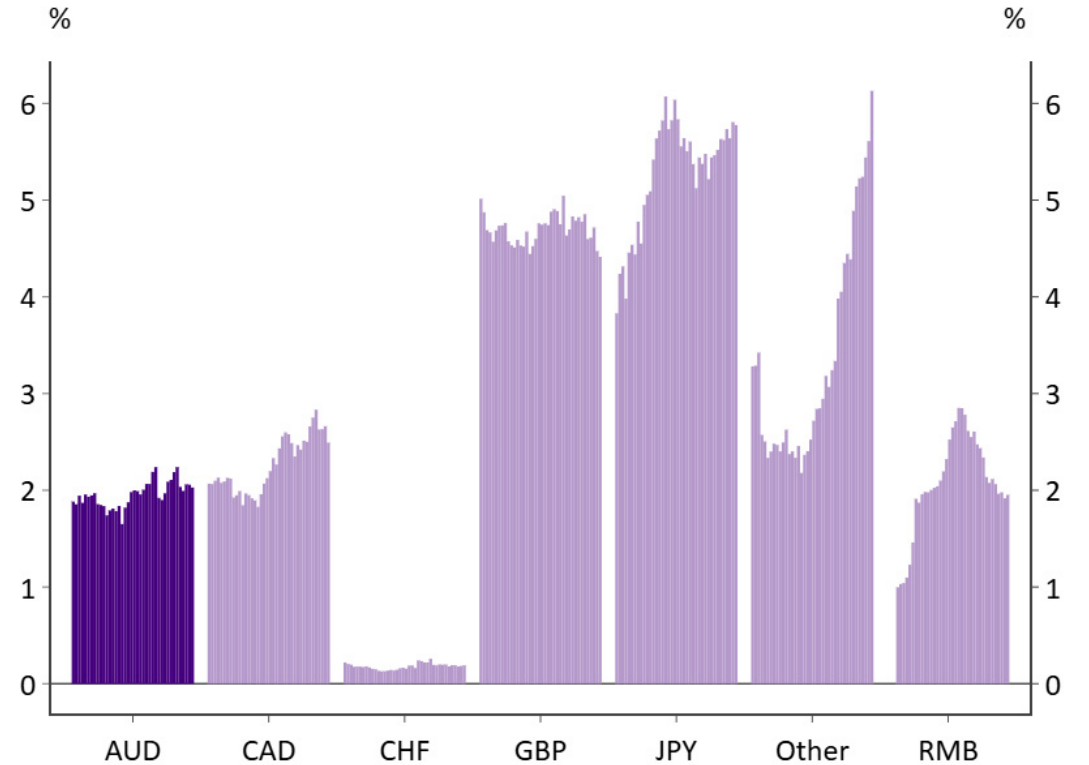
Central Bank FX reserve allocation outside of USD & EUR 2016–2025

Value of allocation



Source: IMF. As at December 2025.

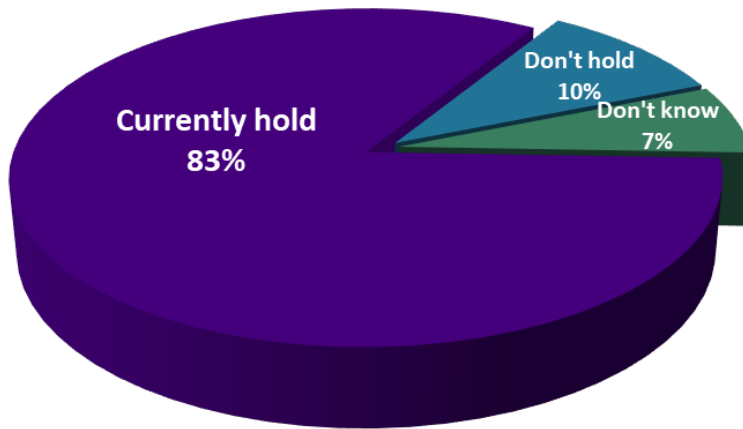
Proportion of allocated reserves



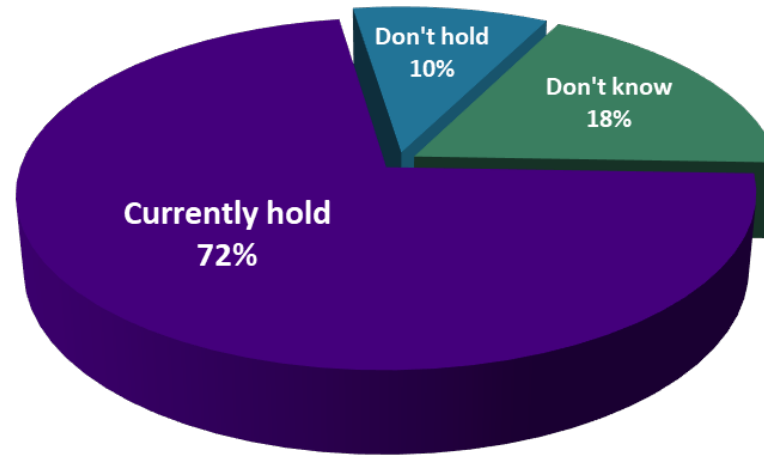
Source: IMF. As at December 2025.

Holdings of AGS amongst Reserve Managers

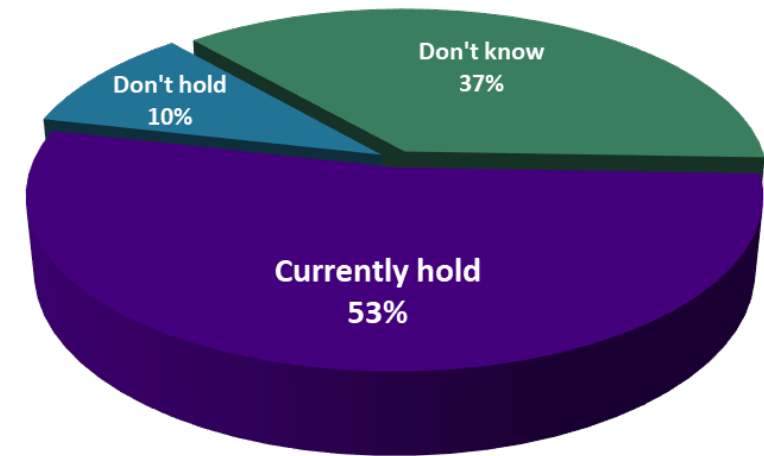
World's 30 Largest Foreign Currency Reserve Managers



World's 50 Largest Foreign Currency Reserve Managers



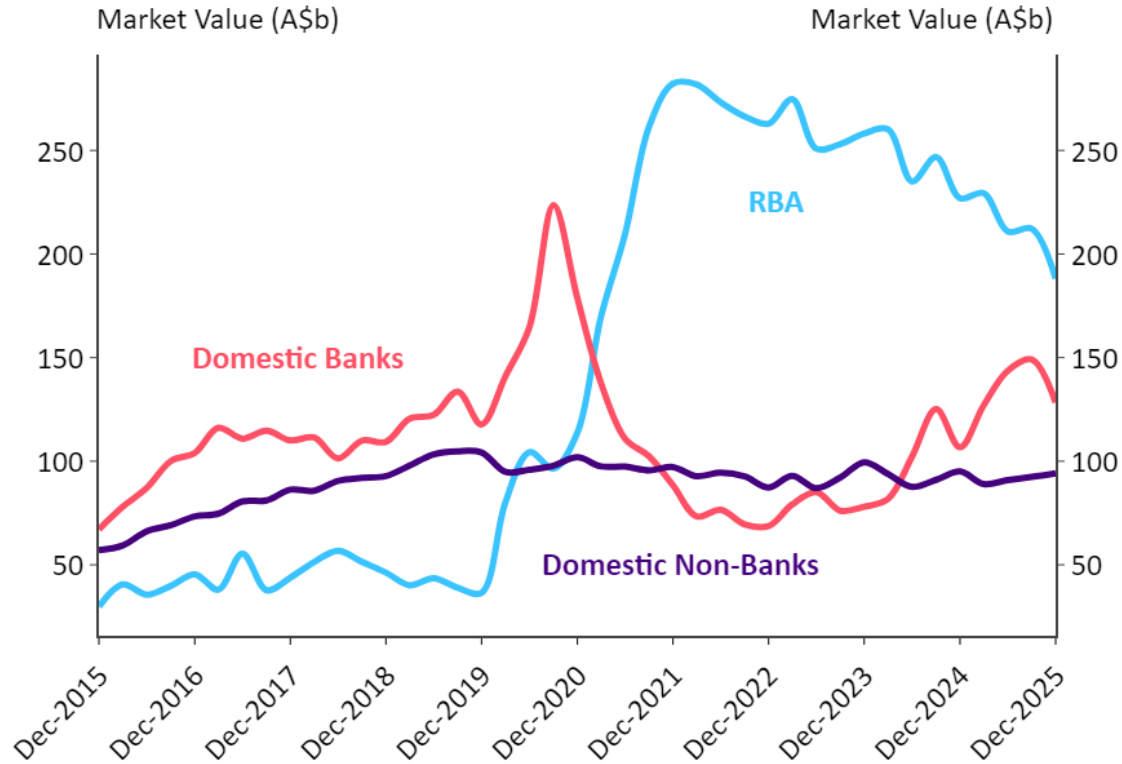
World's 100 Largest Foreign Currency Reserve Managers



Source: AOFM, IMF.

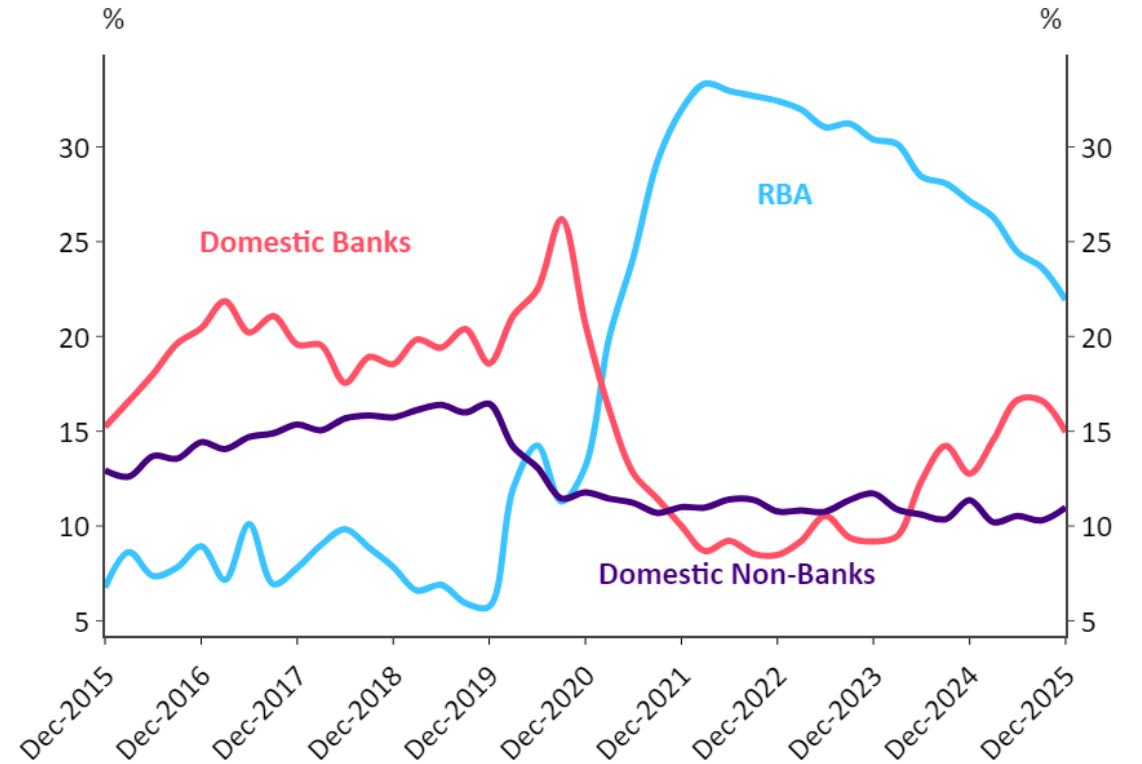
Domestic bank and non-bank holdings of AGBs

Value of holdings



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

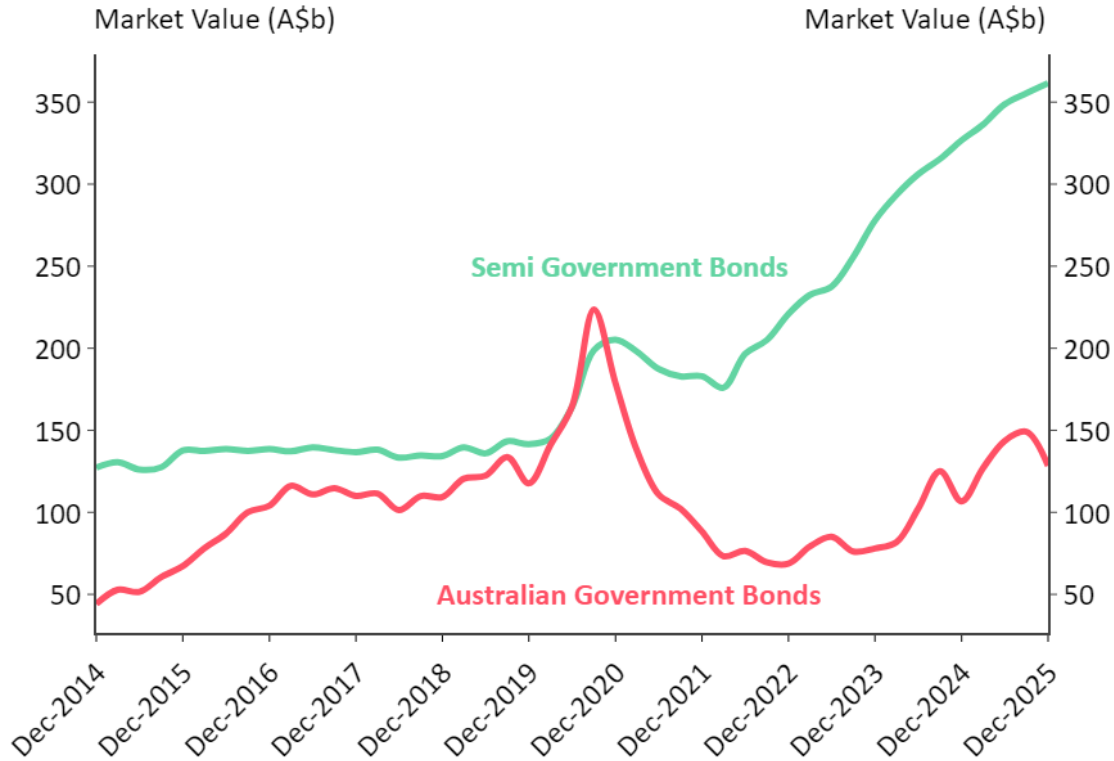
Proportion of AGB market



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

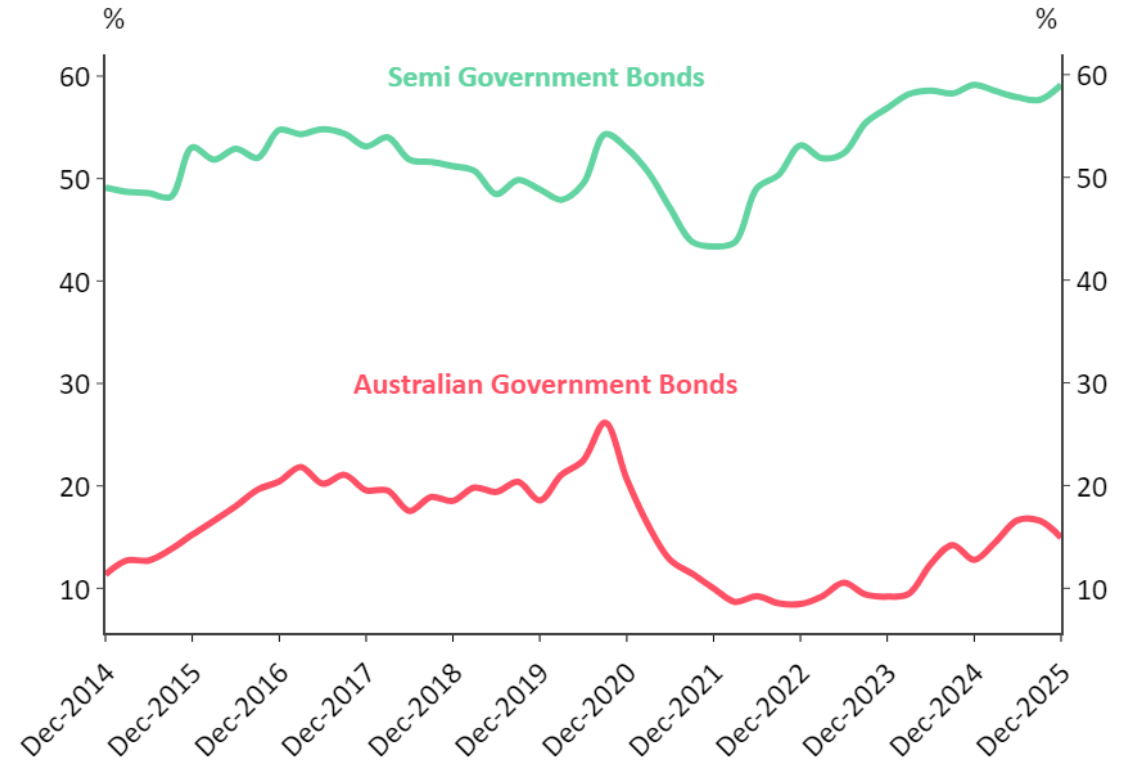
Domestic bank holdings of AGBs and semi-government bonds

Value of holdings



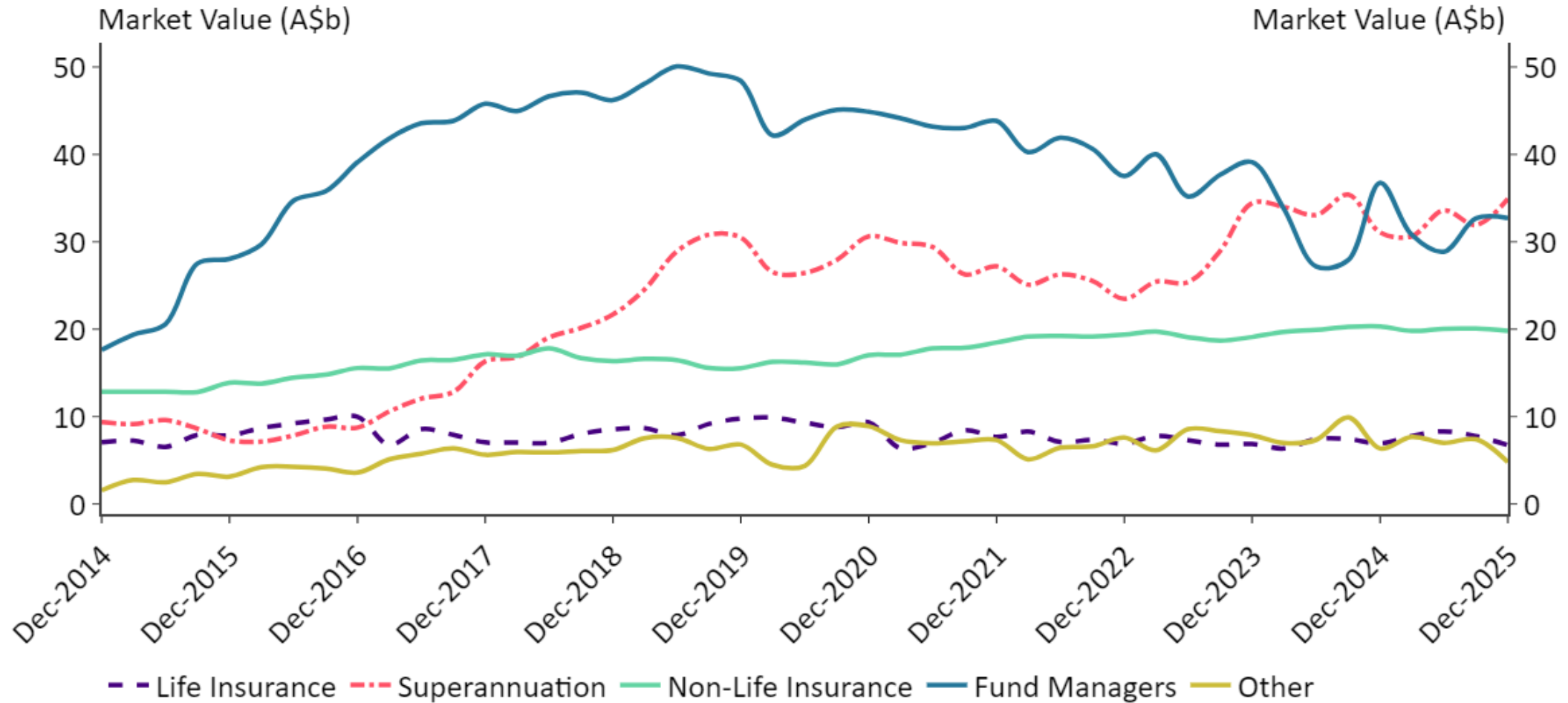
Source: ABS. AGBs are Treasury Bonds and Treasury Indexed Bonds. Updated to December 2025.

Proportion of respective market



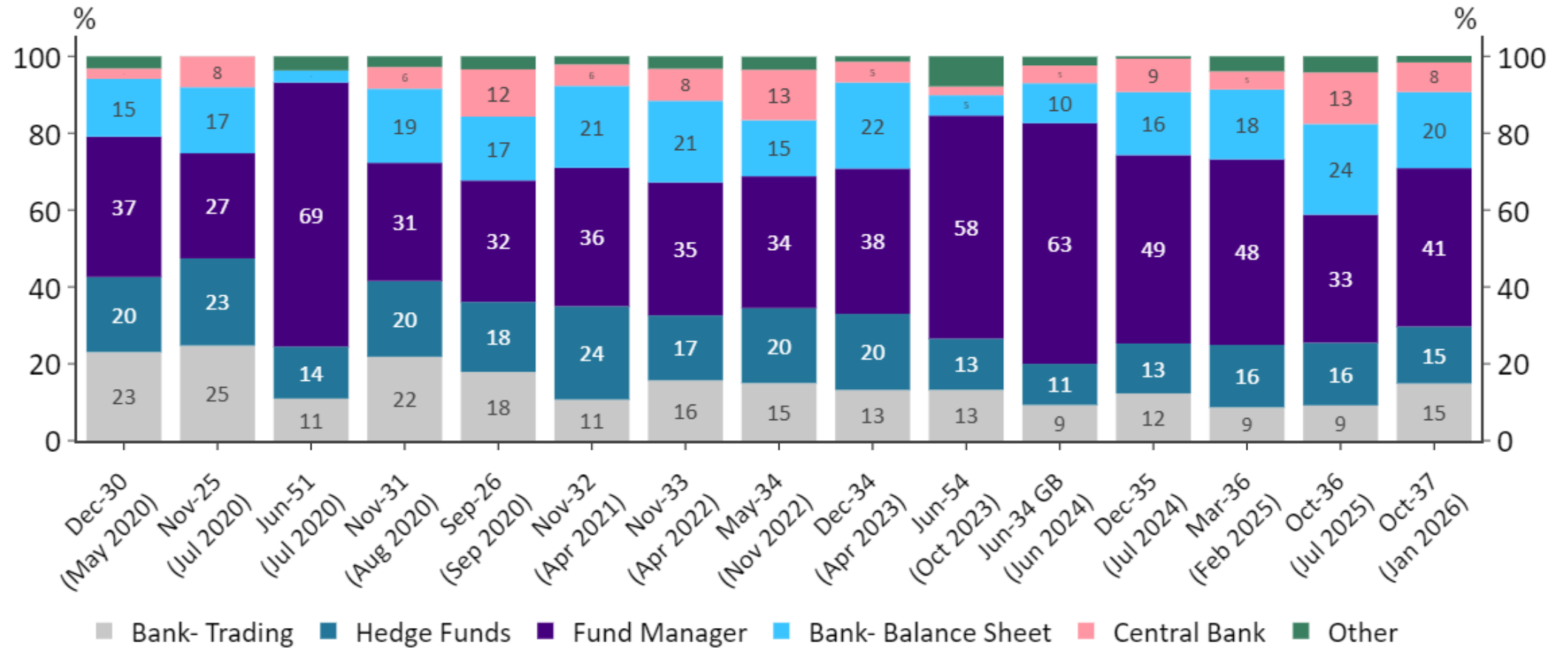
Source: ABS. AGBs are Treasury Bonds and Treasury Indexed Bonds. Updated to December 2025.

Holdings of AGBs by non-bank domestic funds



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

Treasury Bond syndications - Investor categories by deal



Source: AOFM.

Australian government bonds

<i>Treasury Bonds:</i>	<i>Volume Outstanding (AUD)</i>	<i>Yield (%)</i>	<i>Modified Duration</i>
0.50% 21 September 2026	39,400,000,000	4.51	0.35
4.75% 21 April 2027	39,399,488,000	4.73	0.91
2.75% 21 November 2027	36,000,000,000	4.74	1.45
2.25% 21 May 2028	37,900,000,000	4.73	1.92
2.75% 21 November 2028	45,100,000,000	4.72	2.36
3.25% 21 April 2029	43,499,786,000	4.71	2.75
2.75% 21 November 2029	44,500,000,000	4.71	3.25
2.50% 21 May 2030	43,000,000,000	4.71	3.71
1.00% 21 December 2030	46,600,000,000	4.72	4.38
1.50% 21 June 2031	46,000,000,000	4.74	4.77
1.00% 21 November 2031	45,500,000,000	4.77	5.21
1.25% 21 May 2032	44,200,000,000	4.81	5.62
1.75% 21 November 2032	32,500,000,000	4.85	5.95
3.00% 21 November 2033	27,700,000,000	4.87	5.87
4.50% 21 April 2033	28,200,000,000	4.91	6.46
3.75% 21 May 2034	25,000,000,000	4.94	6.65
4.25% 21 June 2034	10,000,000,000	4.95	6.63
3.50% 21 December 2034	29,200,000,000	4.98	7.14
2.75% 21 June 2035	30,850,000,000	5.01	7.71
4.25% 21 December 2035	23,900,000,000	5.02	7.60
4.25% 21 March 2036	26,300,000,000	5.03	7.84
4.25% 21 October 2036	22,400,000,000	5.06	8.23
3.75% 21 April 2037	24,000,000,000	5.08	8.69
4.75% 21 October 2037	16,900,000,000	5.09	8.67
3.25% 21 June 2039	11,200,000,000	5.17	10.06
2.75% 21 May 2041	15,900,000,000	5.23	11.39
3.00% 21 March 2047	14,500,000,000	5.41	13.98
1.75% 21 June 2051	20,600,000,000	5.48	17.18
4.75% 21 June 2054	11,900,000,000	5.46	14.41
Total:	882,149,274,000		5.2
<i>Treasury Indexed Bonds:</i>	<i>Volume Outstanding (AUD)</i>	<i>Yield (%)</i>	<i>Modified Duration</i>
0.75% 21 November 2027	7,350,000,000	1.19	1.51
2.50% 20 September 2030	7,942,346,000	1.86	4.11
0.25% 21 November 2032	6,950,000,000	2.24	6.43
2.00% 21 August 2035	7,550,000,000	2.48	8.38
1.25% 21 August 2040	6,000,000,000	2.81	12.80
1.00% 21 February 2050	4,600,000,000	3.11	20.15
Total:	40,392,346,000	Portfolio:	7.2

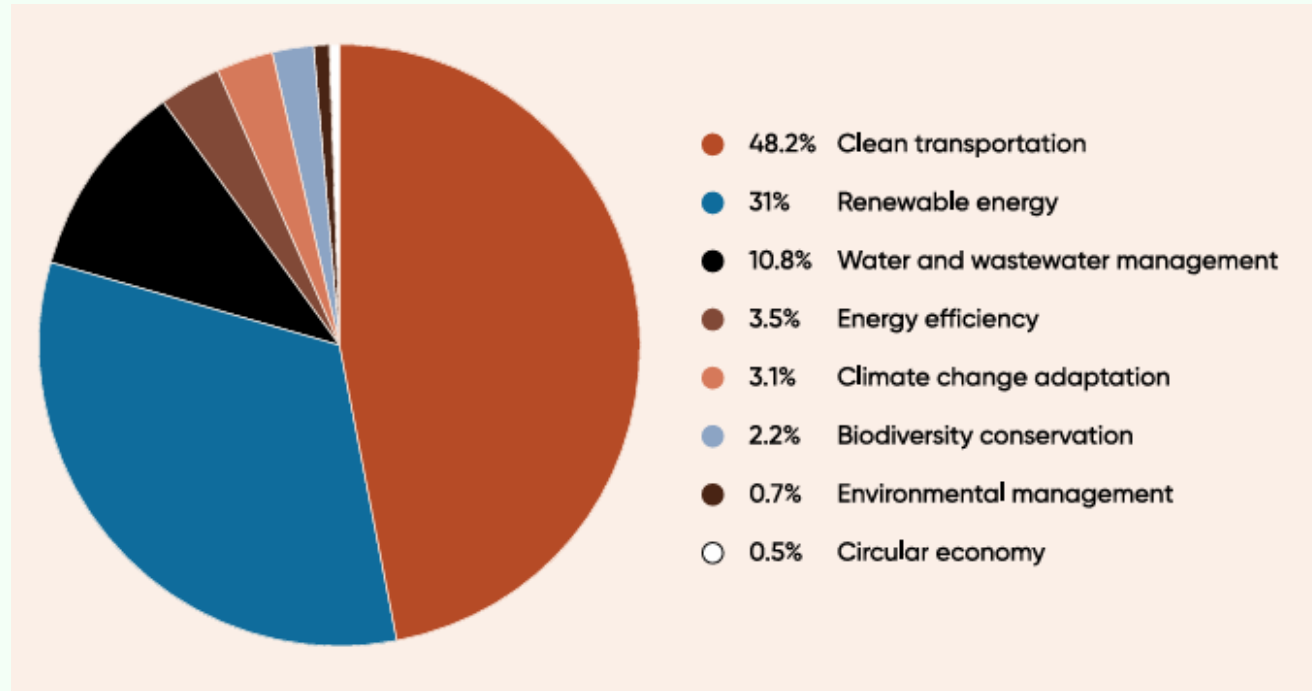
Source: AOFM, Refinitiv. As at 12 May 2026.

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 2026 [Allocation and Impact Report](#) is available on the AOFM website. The 2026 Report details the allocation of \$3.6 billion in proceeds to the following ICMA categories:



- All proceeds from the \$9 billion issued to the end of 2024-25 have been fully allocated to Eligible Green Expenditures across 2022-2025.
- Reports will be published annually
- Reporting is subject to external audit and verification

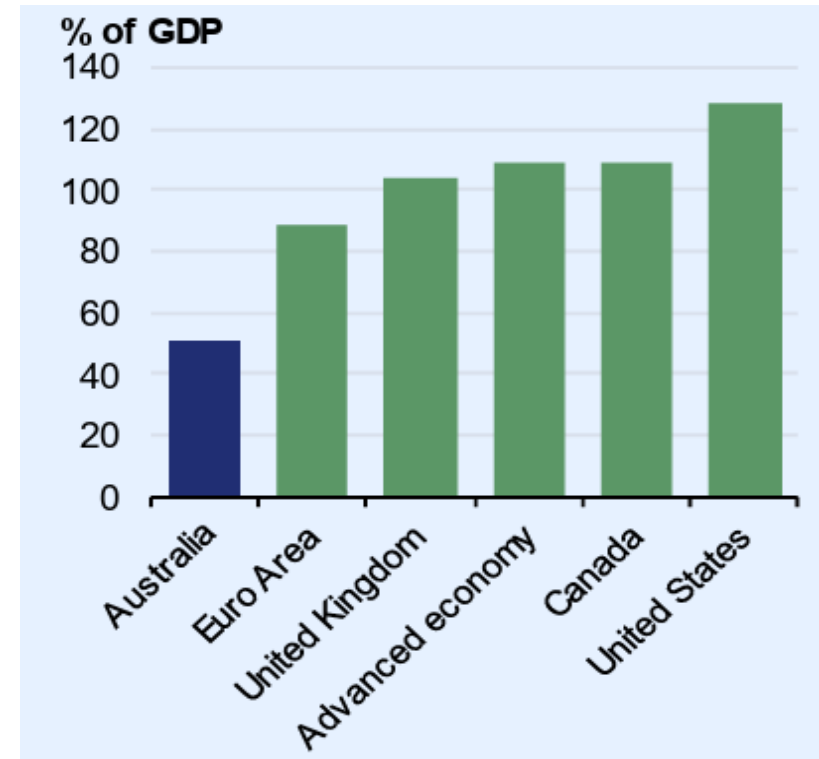
Economic Outlook

Economic parameter forecasts

	Outcome	Forecasts				
	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Real GDP (% change)	1.3	2.25	1.75	2.25	2.5	2.5
Employment (% change)	2.1	1.5	1.5	1.75	1.75	1.75
Unemployment rate (%)	4.2	4.25	4.5	4.5	4.5	4.25
Consumer price index (% change)	2.1	5	2.5	2.5	2.5	2.5
Wage price index (% change)	3.4	3.25	3.5	3.5	3.5	3.75
Nominal GDP (% change)	3.6	6.75	4.25	2.75	4.75	5.25
Gross debt (% of GDP)	33.4	33.1	34.0	35.2	35.8	35.6
Net Debt (% of GDP)	19.2	18.8	19.9	21.0	21.8	21.9

Source: Treasury – Budget 2026-27.

International gross debt-to-GDP in 2027

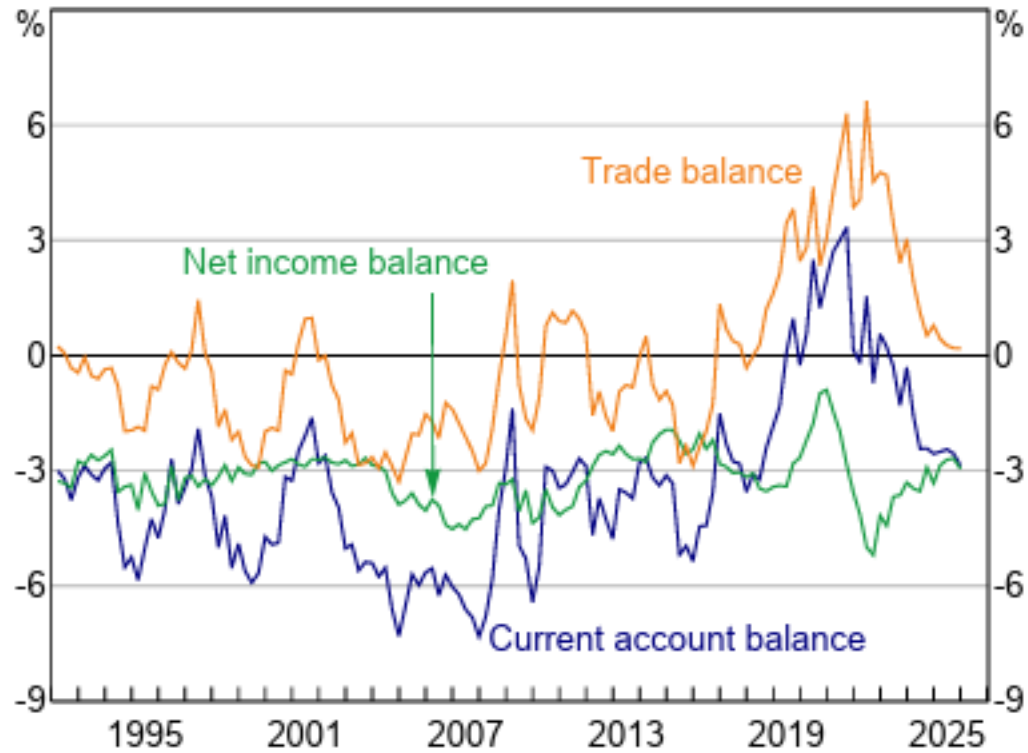


Source: Treasury – Budget 2026-27 and IMF. Produced on a general government basis, which includes state, territory and local government debt.

Economic Outlook

Current Account Balance

Per cent of nominal GDP

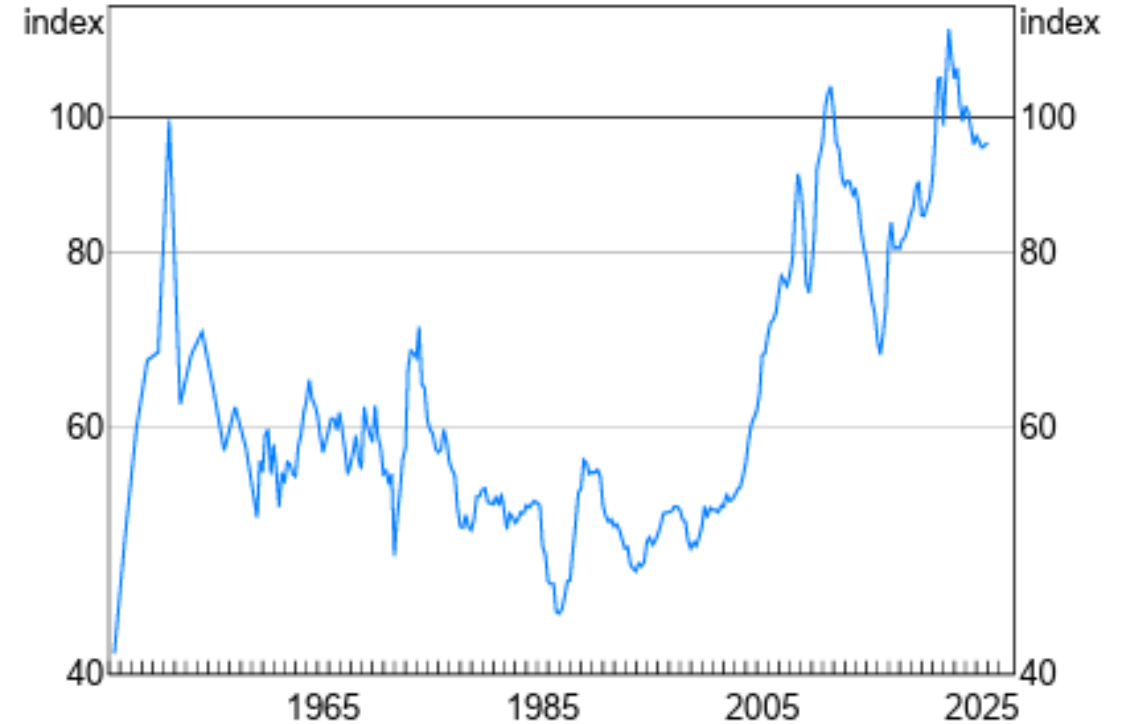


Source: ABS.

Source: RBA. April 2026

Terms of Trade*

2023/24 average = 100, log scale



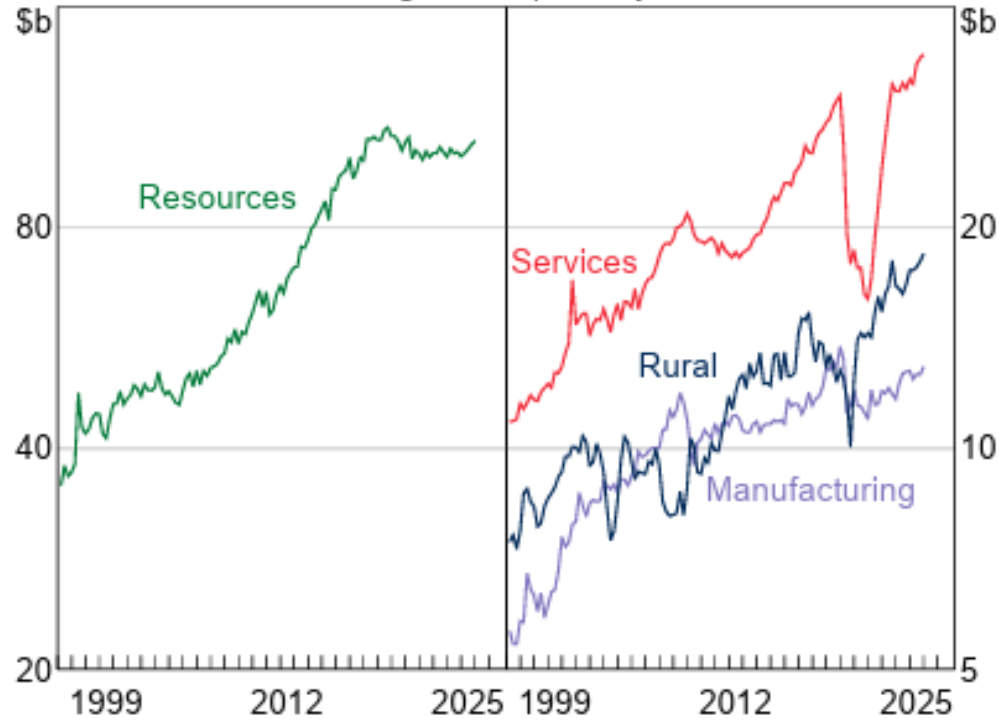
* Annual data are used prior to 1960.

Sources: ABS; RBA.

Economic Outlook

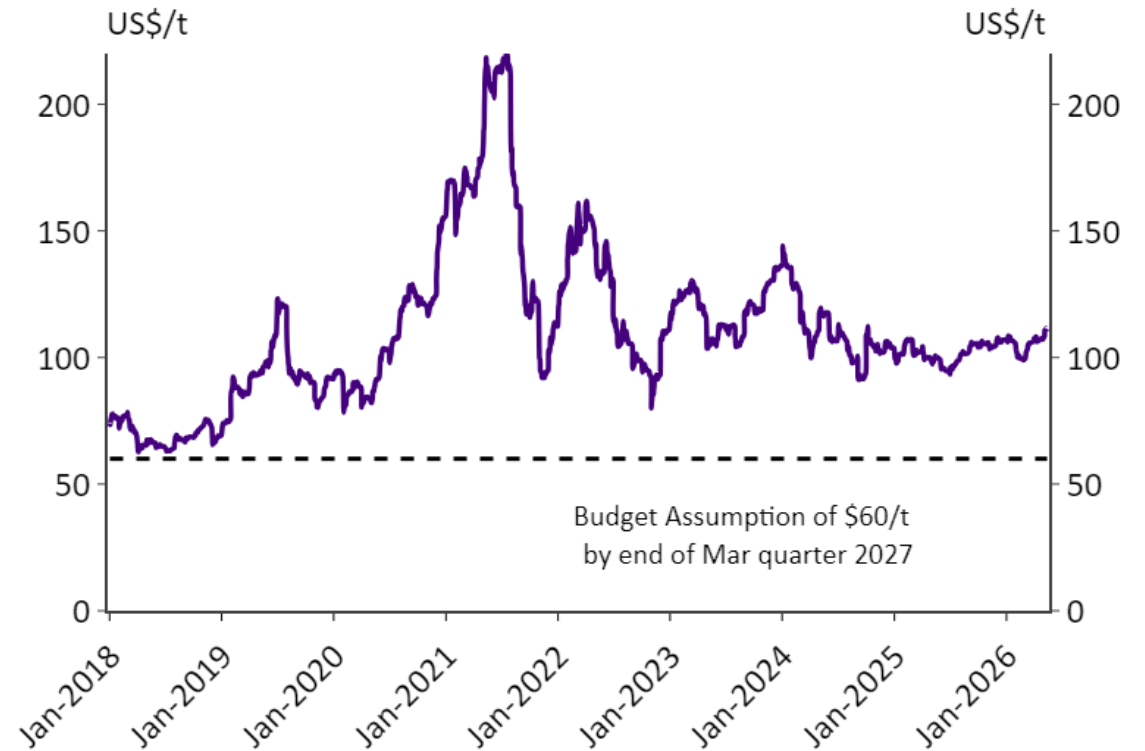
Export Volumes

Log scale, quarterly



Sources: ABS; RBA.

62% Iron ore futures price

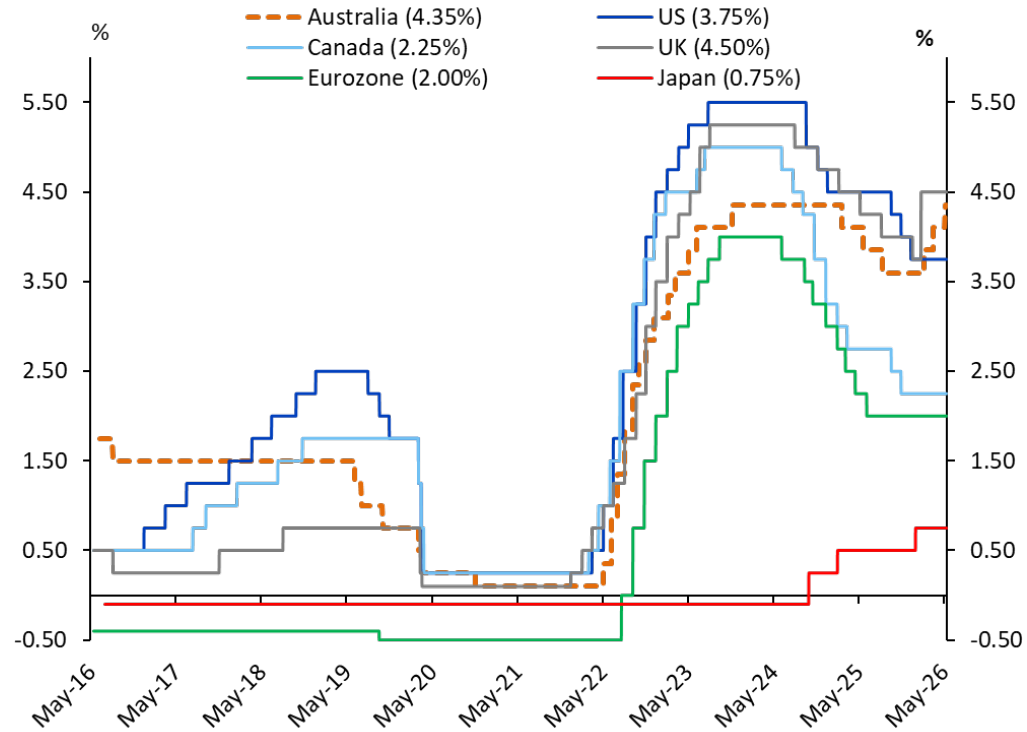


Source: Bloomberg. As at 13 May 2026

Source: RBA. April 2026. Bulk commodity prices are assumed to decline from elevated levels over four quarters to the end of the March quarter of 2027: 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.

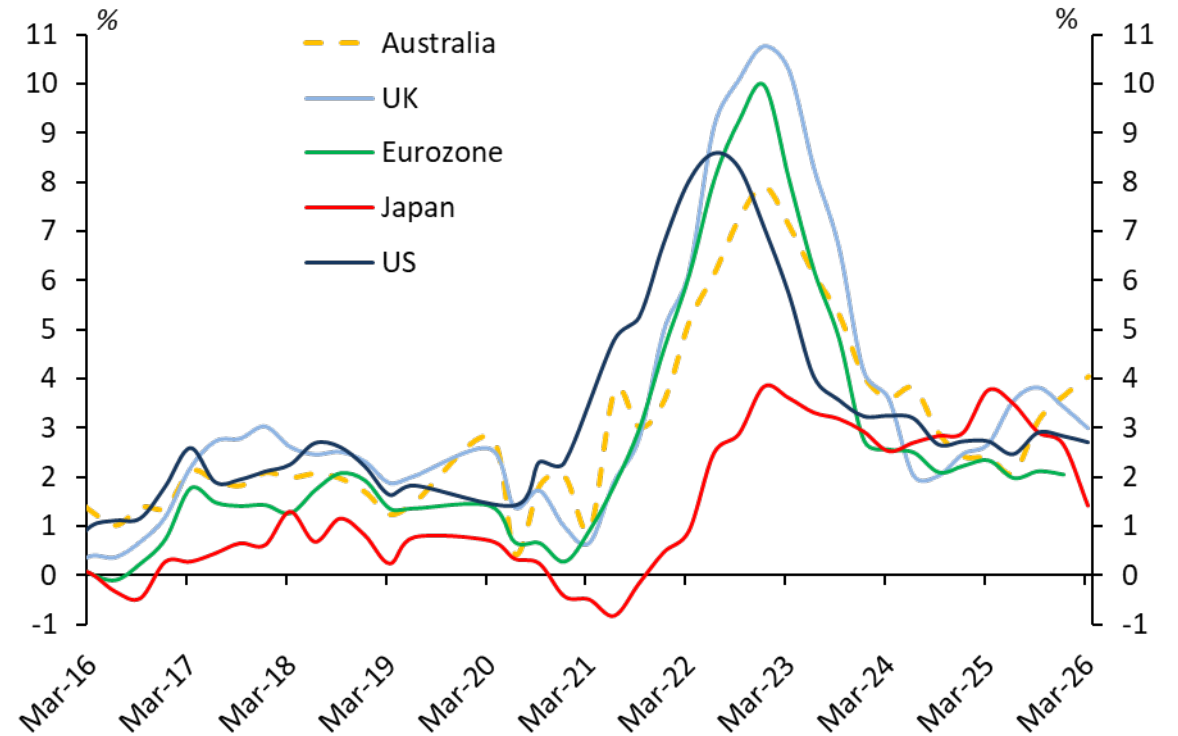
Economic Outlook

Central Bank policy rates



Source: Refinitiv. As at March 2026

CPI global comparisons



Source: Refinitiv. As at March 2026.

Further information

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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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