



## Quarterly Report on Debt Management for the Quarter Oct-Dec 2016 (Q 3 FY 17) Released; Net Market Borrowings from April-December of FY17 Were at Rs. 362,012 Crore, 85.1 Per Cent of B.E.

Government Issued Dated Securities Worth Rs.161,000 Crore Taking the Gross Borrowings in April-December of Fy17 to Rs. 5,02,000 Crore or 83.7 Per Cent of B.E., vis-a-vis 85.6 Per Cent of B.E. in April-December of FY 16.

Posted On: 21 FEB 2017 5:15PM by PIB Delhi

Since April-June (Q1) 2010-11, Public Debt Management Office (PDMC) (earlier Middle Office), Budget Division, Department of Economic Affairs, Ministry of Finance, is bringing-out a Quarterly Report on Debt Management on regular basis. The Current Report pertains to the Quarter October-December 2016 (Q 3 FY 17).

During Q3 of FY17, the Government issued dated securities worth Rs.161,000 crore taking the Gross Borrowings in April-December of FY17 to Rs. 5,02,000 crore or 83.7 per cent of BE, vis-a-vis 85.6 per cent of BE in April-December of FY 16. Net market borrowings from April-December of FY17 were at Rs.362,012 crore, 85.1 per cent of BE. Auctions of both Government dated Securities and Treasury Bills, during Q3 of FY17 were held in accordance with the pre-announced issuance calendar. In the 11 tranches of G-securities auction, five new securities, namely 7.06% GS 2046, 6.51% FRB 2024, 6.62% GS 2051, 6.57%GS 2033 and 6.79% GS 2029 were issued during the Quarter on October 10, November 7, November 28, December 5 and December 26, 2016, respectively. The Weighted Average Maturity (WAM) and Weighted Average Yield (WAY) issued during Q3 FY17 was 15.59 years and 6.78 per cent. The liquidity condition in the economy continued to improve during the quarter. The cash position of the Government during Q3 of FY17 was comfortable and remained in surplus mode.

The Public Debt (excluding liabilities under the 'Public Account') of the Central Government provisionally increased by 2.4 per cent in Q3 of FY 17 on Q-o-Q basis. Internal debt constituted 92.6 per cent of Public Debt as at end-December 2016, while marketable securities accounted for 83.6 per cent of Public Debt. About 26.6 per cent of outstanding stock has a residual maturity of up to 5 years at end - December 2016, which implies that over the next five years, on an average, around 5.3 per cent of outstanding stock needs to be repaid every year. Thus, rollover risk in the debt portfolio continues to be low. The implementation of budgeted buy back/ switches in coming period is expected to further reduce roll over risk.

G-sec yields declined sharply across the curve during the quarter, post the Government's decision on November 8, 2016 to demonetize high denomination value notes which was viewed positively by market as deposits were expected to surge in banks and led to bullish market sentiment, particularly for short end bonds. The bullish market sentiment was however, restrained to a certain extent with rise in global crude prices on OPEC agreement with Russia in its meeting to cut oil output, hiking by US Fed of key policy rate by 25 bps and FOMC commentary suggesting further rate hikes at a faster pace. The trading volume of Government Securities on an outright basis during Q3 FY 17 decreased by 11.87 per cent over the previous quarter.

The Quarterly Report is attached here with and is also available on the Finance Ministry website: [finmin.nic.in](http://finmin.nic.in)

[Click Here to See the Quarterly Report:](#)

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