

Key themes for the week ahead

It will be a lighter data week across the board. The focus generally will remain on the more positive pace of growth/recovery/rebound in the US and what it means for inflation and low rates. Early in the week, markets will digest the stronger-than-expected non-farm payrolls report as well as the announcement of the proposed \$2.25tr infrastructure program.

This week, the minutes of the previous FOMC meeting will be released. The Fed announced clear guidance on the path to any potential rates 'lift-off' – and the minutes are not likely to deviate from that.

US Fed Chair Powell will speak this Wed at the IMF Spring meetings (5-11 Apr).

Data of focus in the US will be the ISM Services PMI for Mar. This will provide some insight into the pace of expansion among services firms. Data should reflect continued improvement as the reopening of services activity is supported by the roll-out of vaccinations. US PPI for Mar and Feb JOLTS will also be released this week.

China's CPI and PPI for Mar will be released this week.

Finally, the RBA will meet on rates this Tue.

The US Fed will purchase \$26.65bn in US Treasury securities (last week \$24.62bn). The Fed will also purchase at least \$28.61bn in MBS (\$23.35bn last week).

US Treasury issuance will be lighter this week. The US Treasury will settle approx. \$266bn in ST Bills this week, with a net paydown of -\$19bn.

This week, approx. \$21bn in ST Bills will mature on the Fed balance sheet and will be rolled over.

US Treasury Issuance & QE

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WEEK	Auction Date	Settlement Date	Marketable Securities	Auction Amount \$B (TBAC)	Amount Maturing \$B	New Money \$B			
Easter Monday (Holiday)									
5-9 Apr	01-Apr	06-Apr	4 week bill	40			Completed		
	01-Apr	06-Apr	8 week bill	40			Completed		
	31-Mar	06-Apr	119-Day CMB	35			Completed		
				115	120	-5			
	05-Apr	08-Apr	13 week bill	57			Announced		
	05-Apr	08-Apr	26 week bill	54			Announced		
	06-Apr	08-Apr	42-Day CMB	40			Announced		
				151	165	-14			
			Total - securities settling this week	266	285	-19			
			Net New Cash Raised Qtr to Date	266	285	-19			
			<i>Estimated Net Cash to be Raised Q2 (\$ Bn)</i>			95			
			Fed SOMA - Face Value of SOMA securities maturing	\$B					
		06-Apr	Bills	6.30					
		08-Apr	Bills	14.70					
				21.00					

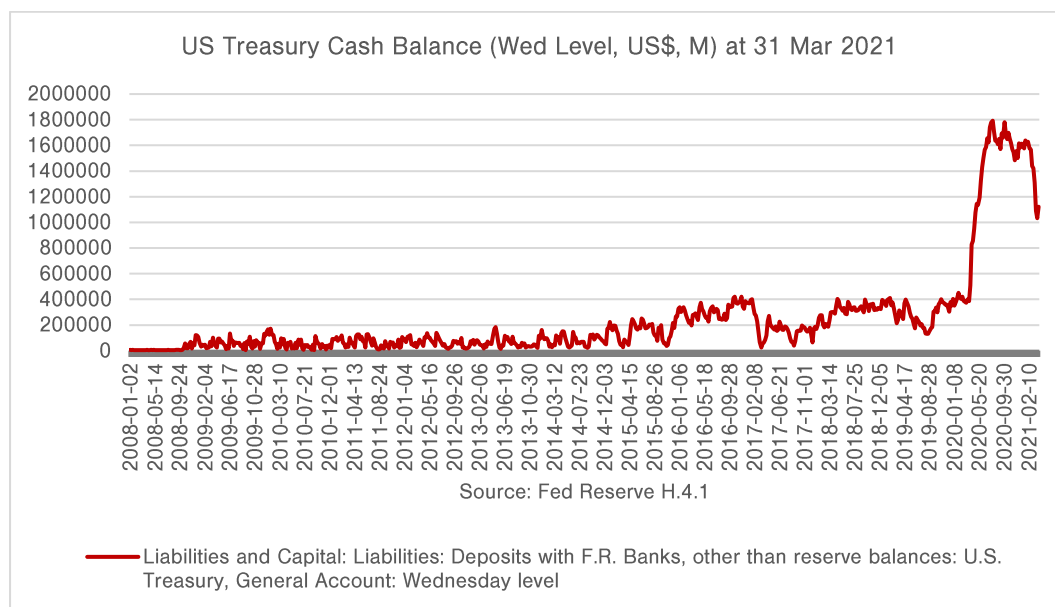
<https://www.treasurydirect.gov/instit/annceresult/press/press.htm>

This is the first week of Q2. The latest refunding statement (issued 3 Feb 2021) estimates that net cash to be raised this quarter by the US Treasury will be \$95bn. This will be the result of a net paydown in ST Bills of -\$615.56bn and +\$710bn in new money raised across Notes, Bonds, TIPS, and FRN's.

The next refunding announcement will be made on 5 May 2021 which will provide an updated estimate for Q2.

<https://home.treasury.gov/policy-issues/financing-the-government/quarterly-refunding/most-recent-quarterly-refunding-documents>

The US Treasury cash balance (TGA) has been updated for the latest week (Wed 31 Mar 2021 level). The level of the TGA had increased by \$90bn last week to \$1.12tr (Wed 31 Mar level). The estimated cash balance at the end of Q1 was forecast to be \$800bn.



<https://www.federalreserve.gov/datadownload/Download.aspx?rel=H41&series=53198152b62add5ad59ae42b6d3d720d&filetype=sheetml&label=include&layout=seriescolumn&from=01/01/2002&to=01/27/2021>

QE PROGRAMS

Date	Treasury Security Operations (\$ BN)	MBS Operations, Max Value (\$ BN)
Mon 5 Apr	12.825	5.259
Tue 6 Apr	1.750	8.066
Wed 7 Apr	6.025	5.259
Thur 8 Apr	2.425	4.770
Fri 9 Apr	3.625	5.259
Total Announced Purchases	\$26.65bn (last week \$24.62bn)	\$28.61bn (last week \$23.35bn)

Links to Operation Schedules -

<https://www.newyorkfed.org/markets/domestic-market-operations/monetary-policy-implementation/treasury-securities/treasury-securities-operational-details>

https://www.newyorkfed.org/markets/ombs_operation_schedule

REPO OPERATIONS

Current schedule

Date	Maturity Date	Term	Aggregate Operation Limit
Daily operations (pm)	Next day	O/N	\$500bn

<https://www.newyorkfed.org/markets/domestic-market-operations/monetary-policy-implementation/repo-reverse-repo-agreements/repurchase-agreement-operational-details#monthly-summary>

SWAP LINES

Announcements; <https://www.federalreserve.gov/newsevents/pressreleases/monetary20200315b.htm>

<https://www.newyorkfed.org/markets/international-market-operations/central-bank-swap-arrangements>

WEEK COMMENCING 5 APRIL 2021

MONDAY 5 APRIL (US Eastern Time)

US	ISM Services PMI (Mar), Markit Services & Composite PMI Final (Mar), Factory Orders (Feb)
Japan	Markit Services & Composite PMI Final (Mar)
	IMF Spring Meeting 5-11 Apr (virtual) https://meetings.imf.org/en/2021/Spring

TUESDAY 6 APRIL

US	JOLTS (Feb)
Australia	RBA Rates Decision

WEDNESDAY 7 APRIL

US	Mortgage Applications wk ending 2 Apr, Consumer Credit (Feb) FOMC Minutes
Europe	Eurozone Services & Composite PMI Final (Mar)

THURSDAY 8 APRIL

US	Initial Jobless Claims (wk ending 2 Apr), Continuing Unemployment Claims (wk ending 26 Mar), and PUA Claims US Fed Chair Powell – IMF Seminar on the Global Economy (https://meetings.imf.org/en/2021/Spring/Schedule/2021/04/08/imf-seminar-debate-on-global-economy)
Europe	ECB Minutes
China	CPI & PPI (Mar)

FRIDAY 9 APRIL

US	PPI (Mar)
Europe	Germany Industrial Production (Feb)
