

Weekly Report on the Hungarian Government Securities Market

28. 11. 2011 - 04. 12. 2011

Week 49

On Week 49 the net issuance of HUF Government Securities amounted to HUF 68,1 billion. A net amount of HUF 689,9 billion of HUF Government Securities has been issued in 2011.

Next Week Summary

On Week 50 the net issuance of HUF Government Securities is expected to amount to HUF 49,69 billion. The auctions of 3-month T-bills and 12-month T-bills along with series 2015/B változó kamatozású Government Bonds are taking place over the week. The amounts offered for sale are HUF 40 billion concerning the 3-month T-bills, HUF 40 billion concerning the 12-month T-bills and HUF HAMIS5 billion concerning the Government Bonds.

Issuance of Government Securities (billion HUF)

2011	GROSS ISSUANCE			REDEMPTION			REPURCHASE			NET ISSUANCE			CUMULATED NET ISSUANCE	
	week:	48	49	50	48	49	50	48	49	50	48	49	50	48
Discount T-bills	89,01	102,36	39,27	39,43	34,51	39,44	0,00	0,00	0,00	49,58	67,85	-0,16	142,66	210,52
Government Bonds	58,88	10,00	50,40	0,00	0,00	0,00	13,08	10,00	0,00	45,80	0,00	50,40	469,66	469,66
Interest-bearing T-bill	3,28	1,83	1,28	1,80	1,92	2,23	0,00	0,00	0,00	1,48	-0,09	-0,95	3,11	3,01
Treasury Saving Bill*	7,76	5,83	2,91	6,37	5,50	2,51	0,00	0,00	0,00	1,39	0,33	0,40	6,45	6,67
TOTAL	158,93	120,01	93,86	47,60	41,92	44,17	13,08	10,00	0,00	98,26	68,09	49,69	621,88	689,86

*concerning the Treasury Saving Bill, data are approximations for the current week as well

Summary of Week 49

The reference yield of the 5-year, 10-year and 15-year maturity diminished by 14-20 bps, the yield of the 3-year and 3-month maturity increased by 6-22 bps, the yield of the 12-month maturity increased by 44, the yield of the 6-month maturity grew by 65 bps. The MAX Composite government securities index increased by 1,4 points to 441,2 while the amount of HUF Government Securities held by foreign investors diminished by HUF 15,3 billion to HUF 3747,6 billion over the week. At the auction of liquidity T-bills the bid-to-cover ratio reached a level of 1,05 and the average auction yield grew by 61 bps to 7,24%. At the auction of 3-month T-bills the bid-to-cover ratio reached a level of 2,58 and the average auction yield grew by 69 bps to 7,32%. At the auction of 3-year bonds the bid-to-cover ratio reached a level of 4,73 and the average auction yield grew by 6 bps to 8,44%. At the auction of 5-year bonds the bid-to-cover ratio reached a level of 2,27 and the average auction yield grew by 2 bps to 8,70%. At the auction of 10-year bonds the bid-to-cover ratio reached a level of 2,10 and the average auction yield did not change compared to the previous auction.

Market Yields of HUF Government Securities

2011.12.01	PRICE QUOTATION of PRIMARY DEALERS		OTC-AVERAGE*	BENCHMARK YIELDS
	BID	ASK		
3 months	7,00	6,70	7,17	6,85
6 months	7,50	7,30	7,82	7,40
12 months	7,70	7,45	7,95	7,57
3 years	8,50	8,30	8,90	8,42
5 years	8,65	8,50	9,32	8,59
10 years	8,80	8,60	9,24	8,69
15 years	8,80	8,60	8,70	8,69

*OTC average are value day data

Secondary Market Turnover (billion HUF)

2011. 11. 25 - 2011. 12. 01.	T-bills		Gov. Bonds		Gov. Securities	
	BSE*	OTC**	BSE	OTC	BSE	OTC
2011.11.25	0,90	129,2	23,34	181,2	24,24	310,4
2011.11.28	0,20	159,2	9,72	165,3	9,92	324,5
2011.11.29	0,00	162,2	3,21	208,6	3,21	370,8
2011.11.30	0,10	263,5	10,47	302,1	10,57	565,6
2011.12.01	0,00	226,0	12,04	178,2	12,04	404,1
TOTAL	1,20	940,0	58,77	1 035,4	59,97	1 975,4

*Budapest Stock Exchange

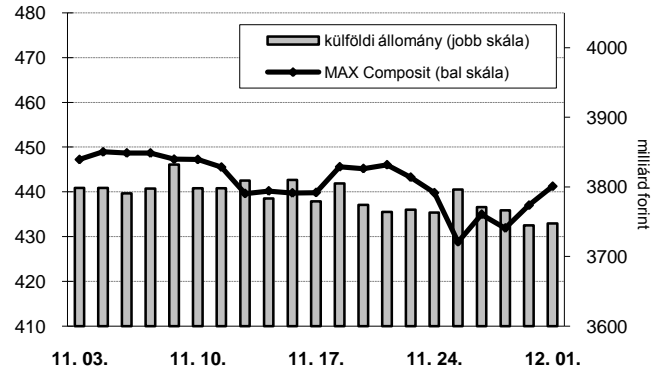
**OTC turnover are value day data

Latest Auctions of Hungarian Government Securities (billion HUF)

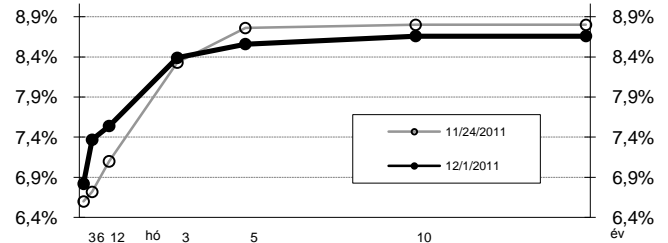
2011.12.02	AUCTION DATE	MAX. YIELD (%)	AVERAGE YIELD (%)	CHANGE TO PREVIOUS AUCTION (bp)	AMOUNT OFFERED	BIDS	AMOUNT ACCEPTED	BID-TO-COVER	NON COMP. ISSUANC	TOTAL MARKET ISSUANC
Liquidity T-bill	2011.11.28	7,50	7,24	61	50	52,3	35,0	1,05	0,0	35,0
3-month T-bill	2011.11.29	7,41	7,32	69	40	103,2	40,0	2,58	0,0	40,0
12-month T-bill	2011.11.24	7,20	7,07	28	30	80,4	30,0	2,68	0,0	30,0
3-year Gov. Bond	2011.12.01	8,44	8,44	6	15	70,9	18,0	4,73	6,4	24,4
5-year Gov. Bond	2011.12.01	8,70	8,70	2	12	27,3	12,0	2,27	4,1	16,1
10-year Gov. Bond	2011.12.01	8,80	8,78	0	8	16,8	8,0	2,10	1,9	9,9
15-year Gov. Bond	2011.10.20	7,95	7,92	99	8	9,3	5,0	1,16	0,0	5,0

If you have any suggestions about the report please do not hesitate to contact Mr. Péter István Héjjas via email hejjaspi@akk.hu or phone +36-1-488-9446.

MAX-index and Foreign Holdings in HUF Government Securities



Benchmark Yield Curve



Zero Coupon Yield Curve

