

Weekly Report on the Hungarian Government Securities Market

04 / 03 / 2019 - 10 / 03 / 2019

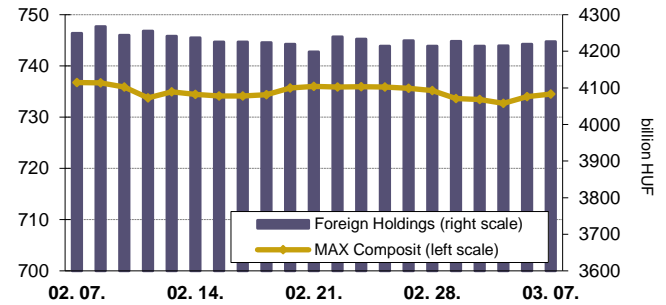
Summary of Week 10

- On Week 10 the net issuance of HUF Government Securities amounted to HUF 115,1 billion. A net amount of HUF 255,1 billion of HUF Government Securities has been issued in 2019.
- At the auction of 3-month T-bills the bid-to-cover ratio reached a level of 2,25 and the average auction yield diminished by 1 bp to 0,01%. At the auction of 12-month T-bills the bid-to-cover ratio reached a level of 3,44 and the average auction yield grew by 1 bp to 0,37%. Via the auction of the 5-year floating rate bond securities worth of HUF 9 billion were issued and an additional HUF 3 billion were accepted of the non-competitive offers. The coverage ratio reached 3,90, the average price was 98,3. Via this week's switch auction GDMA issued Hungarian Government Bonds series 2026/D in exchange of Hungarian Government Bonds 2020/C worth HUF 20,0 billion and series 2028/A in exchange of Hungarian Government Bonds 2020/A worth HUF 20 billion.
- The reference yield of the 12-month and 3-month maturity diminished by 4-6 bps, the yield of the 6-month, 15-year, 5-year and 3-year maturity increased by 1-4 bps, the yield of the 10-year maturity grew by 51 bps, the 10-year reference yield was calculated with a new reference government bond.
- The MAX Composite government securities index decreased by 0,7 points to 734,5 while the amount of HUF Government Securities held by foreign investors grew by HUF 12,2 billion to HUF 4226,8 billion over the week.

Next Week Summary

- On Week 11 the net issuance of HUF Government Securities is expected to amount to HUF 21,07 billion.
- The auctions of 3-month T-bills along with 3-year 5-year and the 10-year Government Bond are taking place over the week. The amounts offered for sale are HUF 25 billion concerning the 3-month T-bills.

MAX-index and Foreign Holdings in HUF Government Securities



Issuance of Government Securities (billion HUF)

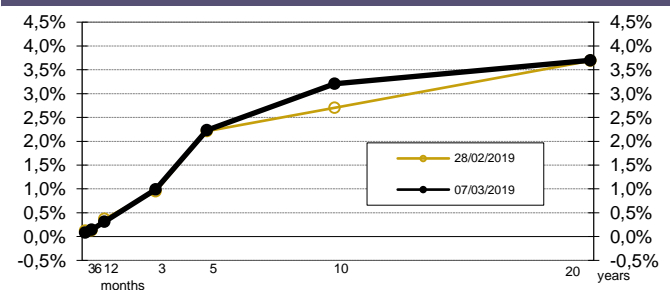
2019	GROSS ISSUANCE			REDEMPTION			REPURCHASE			NET ISSUANCE			CUMULATED NET ISSUANCE	
	week:	9	10	11	9	10	11	9	10	11	9	10	11	9
Discount T-bills	54,91	25,00	54,89	200,53	50,01	42,51	0,00	0,00	0,00	-145,62	-25,01	12,39	-22,77	-47,78
Government Bonds	56,04	107,78	51,54	0,00	0,00	0,00	43,69	12,44	42,86	12,35	95,34	8,68	449,63	544,97
1-year Hun Gov Sec	38,93	98,07	58,47	57,98	54,70	58,47	0,00	0,00	0,00	-19,05	43,37	0,00	-282,77	-239,41
Half-year Hun Gov Sec	6,57	12,77	9,00	8,39	11,37	9,00	0,00	0,00	0,00	-1,82	1,39	0,00	-4,09	-2,69
TOTAL	156,46	243,62	173,91	266,90	116,09	109,98	43,69	12,44	42,86	-154,13	115,09	21,07	140,00	255,08

Market Yields of HUF Government Securities

07/03/2019	PRICE QUOTATION of PRIMARY DEALERS		OTC-AVERAGE*	BENCHMARK YIELDS
	BID	ASK		
3 months	0,14	0,01	0,09	0,08
6 months	0,18	0,09	0,15	0,14
12 months	0,37	0,25	0,31	0,31
3 years	1,05	0,92	0,84	0,99
5 years	2,29	2,18	2,25	2,23
10 years	3,27	3,14	2,92	3,21
20 years**	3,77	3,64	3,63	3,70

*OTC average are value day data ** formerly 15 years benchmark yield

Benchmark Yield Curve

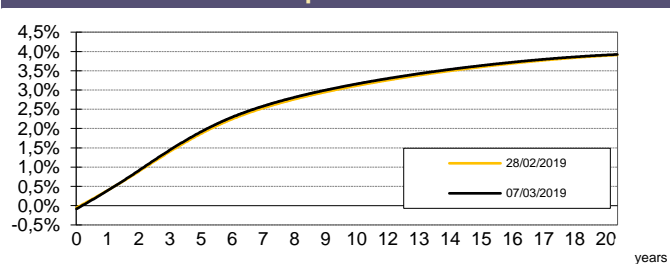


Secondary Market Turnover (billion HUF)

01/03/2019 - 07/03/2019	T-bills		Gov. Bonds		Gov. Securities	
	MTS	OTC*	MTS	OTC*	MTS	OTC*
01/03/2019	0,00	35,9	0,15	348,1	0,15	384,0
04/03/2019	0,00	28,2	0,00	242,2	0,00	270,3
05/03/2019	0,00	18,4	0,00	305,7	0,00	324,1
06/03/2019	0,50	46,0	0,00	479,4	0,50	525,4
07/03/2019	2,50	34,5	6,19	397,3	8,69	431,8
TOTAL	3,00	162,9	6,35	1 772,7	9,34	1 935,6

*OTC turnover are value day data

Zero Coupon Yield Curve



Latest Auctions of Hungarian Government Securities (billion HUF)

Fix rate Government Securities	AUCTION DATE	MAX. YIELD (%)	AVERAGE YIELD (%)	CHANGE TO PREVIOUS AUCTION (bp)	AMOUNT OFFERED	BIDS	AMOUNT ACCEPTED	BID-TO-COVER	NON COMP. ISSUANCE	TOTAL MARKET ISSUANCE
Liquidity T-bill	19/11/2018	-0,08	-0,08	-15	40	133,6	50,0	3,34	0,0	50,0
3-month T-bill	05/03/2019	0,02	0,01	-1	25	56,3	25,0	2,25	0,0	25,0
12-month T-bill	07/03/2019	0,39	0,37	1	30	103,1	30,0	3,44	0,0	30,0
3-year Gov. Bond	28/02/2019	1,53	1,46	43	25	27,4	25,0	1,10	0,0	25,0
5-year Gov. Bond	28/02/2019	2,22	2,21	-2	25	79,5	33,5	3,18	12,9	46,4
10-year Gov. Bond	28/02/2019	3,17	3,16	2	20	40,4	30,0	2,02	6,4	36,4
15-year Gov. Bond	31/01/2019	3,78	3,77	-31	10	27,3	15,0	2,73	2,4	17,4
Floating rate Government Bonds	AUCTION DATE	MIN. PRICE (%)	AVERAGE PRICE (%)	CHANGE TO PREVIOUS AUCTION (%)	AMOUNT OFFERED	BIDS	AMOUNT ACCEPTED	BID-TO-COVER	NON COMP. ISSUANCE	TOTAL MARKET ISSUANCE
Floating Bond	07/03/2019	98,29	98,33	0,11	8	31,2	9,0	3,90	3,0	12,0

If you have any suggestions about the report please do not hesitate to contact Bálint Toronyai via email toronyai.balint@akk.hu or phone +36-1-488-9446.