

Weekly Report on the Hungarian Government Securities Market

05 / 12 / 2016 - 11 / 12 / 2016

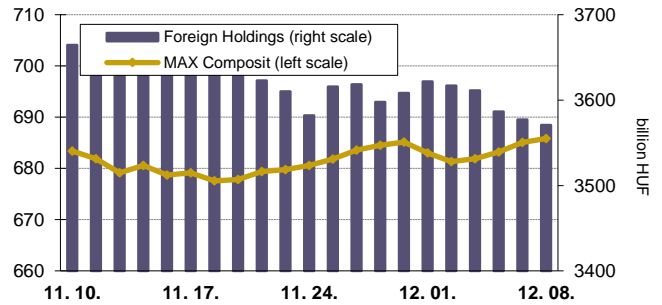
Summary of Week 49

- On Week 49 the net issuance of HUF Government Securities amounted to HUF 43,8 billion. A net amount of HUF 1694,1 billion of HUF Government Securities has been issued in 2016.
- At the auction of 3-month T-bills the bid-to-cover ratio reached a level of 3,47 and the average auction yield diminished by 5 bps to 0,20%. At the auction of 3-year bonds the bid-to-cover ratio reached a level of 4,25 and the average auction yield diminished by 19 bps to 1,03%. At the auction of 5-year bonds the bid-to-cover ratio reached a level of 5,55 and the average auction yield diminished by 24 bps to 1,94%. At the auction of 10-year bonds the bid-to-cover ratio reached a level of 6,67 and the average auction yield diminished by 21 bps to 3,30%. GDMA held repurchase auctions of securities series 2018/B, 2018/C resulting in the buyback of HUF 8,53 and 75,57 billion.
- The reference yield of the 10-year, 5-year and 6-month maturity diminished by 10-12 bps, the yield of the 3-year, 12-month, 15-year and 3-month maturity diminished by 5-8 bps.
- The MAX Composite government securities index increased by 2,8 points to 685,8 while the amount of HUF Government Securities held by foreign investors diminished by HUF 50,9 billion to HUF 3570,8 billion over the week.

Next Week Summary

- On Week 50 the net issuance of HUF Government Securities is expected to amount to HUF -49,00 billion.
- The auctions of 3-month T-bills and 12-month T-bills are taking place over the week. The amounts offered for sale are HUF 20 billion concerning the 3-month T-bills.
- GDMA is holding repurchase auctions of government securities series 2018/B, 2018/C over the week.
- During next week's switch auction the GDMA will issue Hungarian Government Bonds series 2025/B in exchange of Hungarian Government Bonds 2019/A worth HUF 20 billion and series 2024/B in exchange of Hungarian Government Bonds 2018/A worth HUF 20 billion.

MAX-index and Foreign Holdings in HUF Government Securities



Issuance of Government Securities (billion HUF)

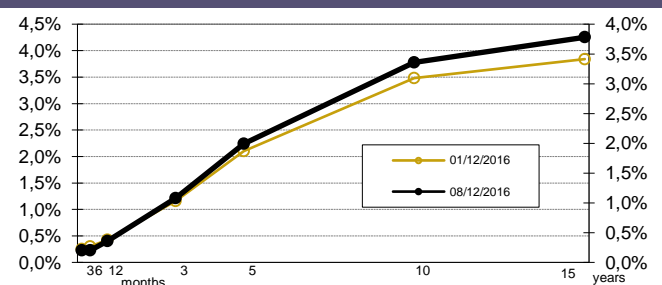
2016	GROSS ISSUANCE			REDEMPTION			REPURCHASE			NET ISSUANCE			CUMULATED NET ISSUANCE	
	week:	48	49	50	48	49	50	48	49	50	48	49	50	48
Discount T-bills	19,99	39,92	19,99	19,99	19,99	29,89	0,00	0,00	0,00	0,00	19,93	-9,90	150,80	170,73
Government Bonds	81,50	33,00	45,00	0,00	0,00	0,00	27,92	33,51	84,10	53,58	-0,51	-39,10	774,89	774,38
Interest-bearing T-bill	53,68	71,12	43,05	38,08	46,71	43,05	0,00	0,00	0,00	15,60	24,42	0,00	724,58	749,00
Semi-annual T-bill	17,54	23,17	20,10	14,16	14,00	20,10	0,00	0,00	0,00	3,38	9,17	0,00	347,87	357,04
TOTAL	155,16	144,04	108,04	58,07	66,70	72,94	27,92	33,51	84,10	69,18	43,84	-49,00	1650,27	1694,1

Market Yields of HUF Government Securities

08/12/2016	PRICE QUOTATION of PRIMARY DEALERS		OTC-AVERAGE*	BENCH-MARK YIELDS
	BID	ASK		
3 months	0,30	0,10	0,20	0,20
6 months	0,30	0,10	0,49	0,20
12 months	0,45	0,27	0,34	0,36
3 years	1,15	1,01	1,29	1,08
5 years	2,06	1,91	2,08	1,99
10 years	3,45	3,30	3,40	3,36
15 years	3,86	3,70	3,82	3,78

*OTC average are value day data

Benchmark Yield Curve

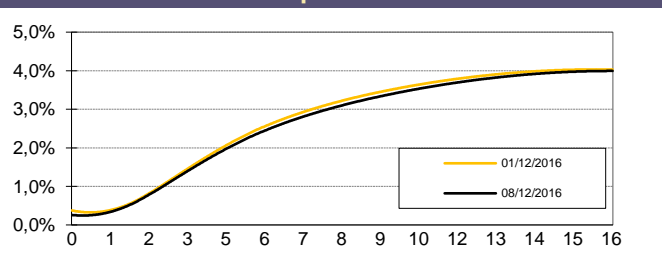


Secondary Market Turnover (billion HUF)

02/12/2016 - 08/12/2016	T-bills		Gov. Bonds		Gov. Securities	
	MTS	OTC*	MTS	OTC*	MTS	OTC*
02/12/2016	0,00	21,1	0,00	532,5	0,00	553,7
05/12/2016	0,00	17,2	0,00	383,3	0,00	400,4
06/12/2016	0,00	18,8	0,00	299,5	0,00	318,2
07/12/2016	0,00	45,7	0,00	435,6	0,00	481,3
08/12/2016	0,00	46,9	0,00	259,4	0,00	306,3
TOTAL	0,00	149,7	0,00	1 910,2	0,00	2 059,9

*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. ISSUANC	TOTAL MARKET ISSUANC
Liquidity T-bill	11/01/2016	1,20	1,18	-9	40	155,8	55,0	3,89	0,0	55,0
3-month T-bill	06/12/2016	0,20	0,20	-5	20	69,4	20,0	3,47	0,0	20,0
12-month T-bill	01/12/2016	0,39	0,38	-9	20	82,9	20,0	4,15	0,0	20,0
3-year Gov. Bond	08/12/2016	1,04	1,03	-19	20	85,0	20,0	4,25	0,0	20,0
5-year Gov. Bond	08/12/2016	1,95	1,94	-24	15	83,3	15,0	5,55	0,0	15,0
10-year Gov. Bond	08/12/2016	3,32	3,30	-21	10	66,7	10,0	6,67	0,0	10,0
15-year Gov. Bond	13/10/2016	3,31	3,29	17	10	21,7	15,0	2,17	5,1	20,1
Floating rate Government Bonds	AUCTION DATE	MIN. PRICE (%)	AVERAGE PRICE (%)	CHANGE TO PREVIOUS AUCTION (%)	AMOUNT OFFERED	BIDS	AMOUNT ACCEPTED	BID-TO-COVER	NON COMP. ISSUANC	TOTAL MARKET ISSUANC
3-year Floating Bond	20/10/2016	98,64	98,71	0,33	10	39,5	12,0	3,95	4,2	16,2
5-year Floating Bond	24/03/2016	97,40	97,55	-0,36	5	8,8	5,0	1,75	0,0	5,0

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