

Weekly Report on the Hungarian Government Securities Market

16. dec. 2013 - 22. dec. 2013

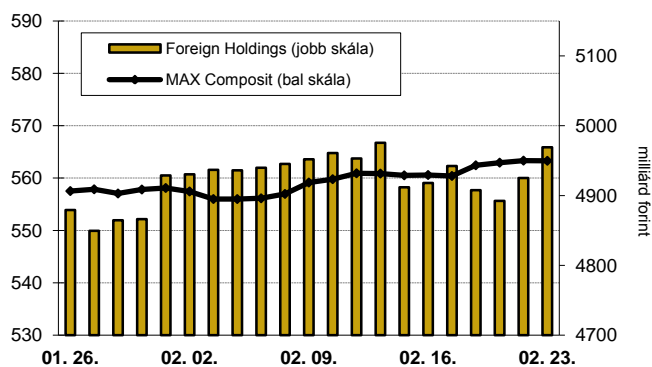
Summary of Week 51

- On Week 51 the net issuance of HUF Government Securities amounted to HUF -148,6 billion. A net amount of HUF 673,0 billion of HUF Government Securities has been issued in 2013.
- At the auction of 3-month T-bills the bid-to-cover ratio reached a level of 1,81 and the average auction yield diminished by 2 bps to 2,88%. At the auction of 12-month T-bills the bid-to-cover ratio reached a level of 1,89 and the average auction yield diminished by 5 bps to 3,06%. GDMA held repurchase auctions of securities series 2015/A, 2015/C resulting in the buyback of HUF 4,20 and 16,70 billion.
- The reference yield of the 5-year and 10-year maturity diminished by 14 bps, the yield of the 15-year maturity decreased by 12, the yield of the 3-year maturity decreased by 9, the yield of the 12-month, 3-month and 6-month maturity diminished by 5-7 bps.
- The MAX Composite government securities index increased by 2,7 points to 563,3 while the amount of HUF Government Securities held by foreign investors grew by HUF 51,1 billion to HUF 4969,1 billion over the week.

Next Week Summary

- On Week 52 the net issuance of HUF Government Securities is expected to amount to HUF -4,54 billion.
- The auctions of 3-month T-bills are taking place over the week. The amounts offered for sale are HUF 50 billion concerning the 3-month T-bills.

MAX-index and Foreign Holdings in HUF Government Securities



Issuance of Government Securities (billion HUF)

2013	GROSS ISSUANCE			REDEMPTION			REPURCHASE			NET ISSUANCE			CUMULATED NET ISSUANCE	
	week:	50	51	52	50	51	52	50	51	52	50	51	52	50
Discount T-bills	78,53	29,78	68,70	49,54	64,40	51,50	0,00	0,00	0,00	28,99	-34,61	17,20	16,02	-18,60
Government Bonds	5,00	40,00	0,00	0,00	127,93	0,84	0,00	30,50	20,90	5,00	-118,43	-21,74	266,86	148,43
Interest-bearing T-bill	17,94	15,74	14,89	8,44	11,30	14,89	0,00	0,00	0,00	9,50	4,43	0,00	538,73	543,17
Semi-annual T-bill	0,76	0,73	0,65	0,65	0,41	0,65	0,00	0,00	0,00	0,10	0,32	0,00	10,50	10,82
TOTAL	101,47	85,52	83,59	57,98	203,63	67,23	0,00	30,50	20,90	43,49	-148,61	-4,54	821,61	673,00

Market Yields of HUF Government Securities

2013.12.19	PRICE QUOTATION of PRIMARY DEALERS		OTC-AVERAGE*	BENCHMARK YIELDS
	BID	ASK		
3 months	2,95	2,78	2,92	2,86
6 months	3,00	2,85	2,92	2,93
12 months	3,15	2,95	3,04	3,05
3 years	4,09	3,95	4,04	4,02
5 years	4,75	4,60	4,40	4,67
10 years	5,75	5,60	5,67	5,67
15 years	6,31	6,20	6,28	6,26

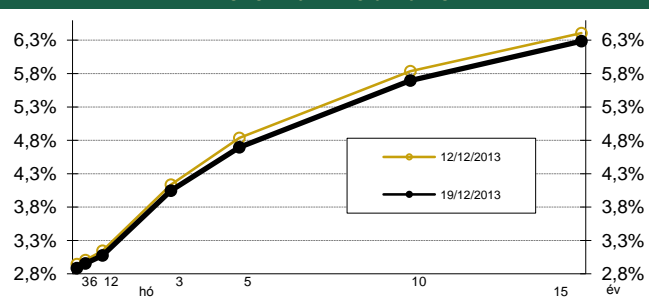
*OTC average are value day data

Secondary Market Turnover (billion HUF)

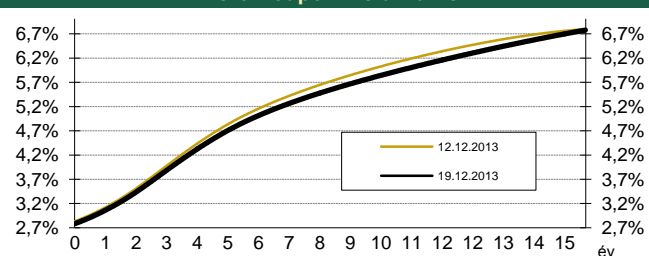
2012.02.17 - 2012.02.23.	T-bills		Gov. Bonds		Gov. Securities	
	MTS	OTC*	MTS	OTC*	MTS	OTC*
2012.02.17	0,00	13,7	0,00	228,2	0,00	241,9
2012.02.20	0,00	5,9	0,00	227,4	0,00	233,3
2012.02.21	0,00	5,3	0,21	230,0	0,21	235,2
2012.02.22	0,00	49,4	2,84	486,1	2,84	535,5
2012.02.23	0,00	7,8	0,00	514,4	0,00	522,1
TOTAL	0,00	82,1	3,05	1 686,0	3,05	1 768,1

*OTC turnover are value day data

Benchmark Yield Curve



Zero Coupon Yield Curve



Latest Auctions of Hungarian Government Securities (billion HUF)

2013.12.20	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	2013.02.04	5,52	5,50	-16	50	55,7	40,0	1,11	0,0	40,0
3-month T-bill	2013.12.17	2,90	2,88	-2	30	54,3	30,0	1,81	0,0	30,0
12-month T-bill	2013.12.19	3,09	3,06	-5	40	75,5	40,0	1,89	0,0	40,0
3-year Gov. Bond	2013.12.12	4,11	4,09	-3	18	50,7	18,0	2,82	0,0	18,0
5-year Gov. Bond	2013.12.12	4,78	4,77	-19	13	35,9	13,0	2,76	0,0	13,0
10-year Gov. Bond	2013.12.12	5,81	5,79	-19	9	18,7	9,0	2,08	0,0	9,0
15-year Gov. Bond	2013.09.19	6,28	6,21	55	9	2,4	2,4	0,26	0,0	2,4

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