

Weekly Report on the Hungarian Government Securities Market

15 / 04 / 2019 - 21 / 04 / 2019

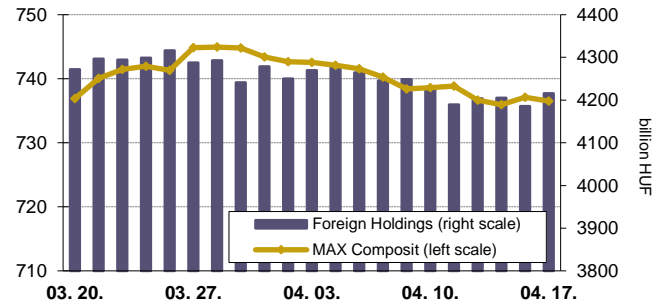
Summary of Week 16

- On Week 16 the net issuance of HUF Government Securities amounted to HUF -37,7 billion. A net amount of HUF 536,6 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 2,31 and the average auction yield diminished by 1 bp to 0,00%. At the auction of 12-month T-bills the bid-to-cover ratio reached a level of 2,24 and the average auction yield diminished by 2 bps to 0,20%. Via the auction of the 5-year floating rate bond securities worth of HUF 8 billion were issued. The coverage ratio reached 1,12, the average price was 98,5. 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 9 billion.
- The reference yield of the 6-month maturity decreased by 1 bps, the yield of the 3-month and 12-month maturity did not change, the yield of the 3-year, 5-year and 20-year maturity increased by 4-7 bps, the yield of the 10-year maturity grew by 12 bps.
- The MAX Composite government securities index decreased by 2,4 points to 736,5 while the amount of HUF Government Securities held by foreign investors grew by HUF 26,7 billion to HUF 4215,7 billion over the week.

Next Week Summary

- On Week 17 the net issuance of HUF Government Securities is expected to amount to HUF -113,10 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 20 billion concerning the 3-month T-bills and HUF 20 billion 25 billion and 20 billion respectively concerning the Government Bonds.
- GDMA is holding repurchase auctions of government securities series 2019/C, 2020/B over the week.

MAX-index and Foreign Holdings in HUF Government Securities



Issuance of Government Securities (billion HUF)

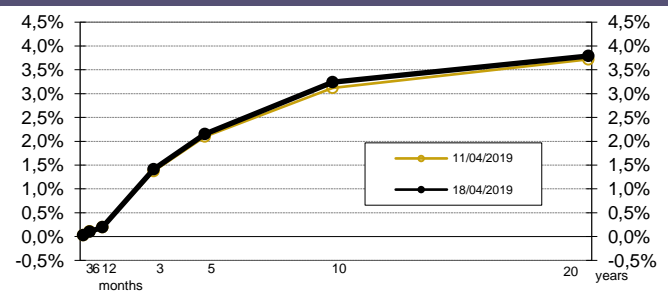
2019	GROSS ISSUANCE			REDEMPTION			REPURCHASE			NET ISSUANCE			CUMULATED NET ISSUANCE	
	week:	15	16	17	15	16	17	15	16	17	15	16	17	15
Discount T-bills	54,94	20,00	49,95	40,00	40,00	169,73	0,00	0,00	0,00	14,94	-20,00	-119,79	-37,06	-57,07
Government Bonds	53,80	90,38	37,00	0,00	0,00	0,00	44,00	102,89	30,31	9,80	-12,51	6,69	771,42	758,92
1-year Hun Gov Sec	53,35	51,46	46,17	48,28	59,69	46,17	0,00	0,00	0,00	5,07	-8,23	0,00	-168,05	-176,28
Half-year Hun Gov Sec	11,96	12,20	11,02	8,22	9,18	11,02	0,00	0,00	0,00	3,73	3,02	0,00	7,97	10,98
TOTAL	174,04	174,04	144,14	96,50	108,88	226,93	44,00	102,89	30,31	33,54	-37,72	-113,10	574,28	536,56

Market Yields of HUF Government Securities

17/04/2019	PRICE QUOTATION of PRIMARY DEALERS		OTC-AVERAGE*	BENCHMARK YIELDS
	BID	ASK		
3 months	0,09	-0,04	0,06	0,03
6 months	0,16	0,03	...	0,10
12 months	0,27	0,12	0,23	0,20
3 years	1,47	1,34	1,31	1,41
5 years	2,20	2,09	2,09	2,15
10 years	3,30	3,19	3,40	3,24
20 years**	3,85	3,74	3,73	3,79

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

Benchmark Yield Curve

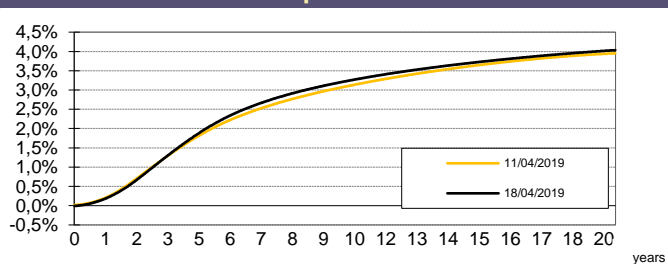


Secondary Market Turnover (billion HUF)

12/04/2019 - 18/04/2019	T-bills		Gov. Bonds		Gov. Securities	
	MTS	OTC*	MTS	OTC*	MTS	OTC*
12/04/2019	0,00	26,0	4,35	195,2	4,35	221,2
15/04/2019	0,10	18,1	0,00	272,6	0,10	290,7
16/04/2019	0,00	18,0	3,92	322,0	3,92	340,0
17/04/2019	0,00	31,6	0,00	979,0	0,00	1 010,6
18/04/2019	0,00	0,0	0,00	0,0	0,00	0,0
TOTAL	0,10	93,6	8,27	1 768,8	8,37	1 862,5

*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	16/04/2019	0,01	0,00	-1	20	46,1	20,0	2,31	0,0	20,0
12-month T-bill	18/04/2019	0,21	0,20	-2	30	67,3	30,0	2,24	0,0	30,0
3-year Gov. Bond	11/04/2019	1,38	1,37	11	20	63,5	30,0	3,18	7,6	37,6
5-year Gov. Bond	11/04/2019	2,09	2,09	23	25	78,3	33,5	3,13	8,8	42,3
10-year Gov. Bond	28/03/2019	2,87	2,82	-43	20	45,5	30,0	2,27	8,2	38,2
20-year Gov. Bond	11/04/2019	3,76	3,75	-2	15	19,5	10,5	1,30	0,0	10,5
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	18/04/2019	98,44	98,48	-0,07	10	11,2	8,0	1,12	0,0	8,0

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.