

Weekly Report on the Hungarian Government Securities Market

25 / 05 / 2015 - 31 / 05 / 2015

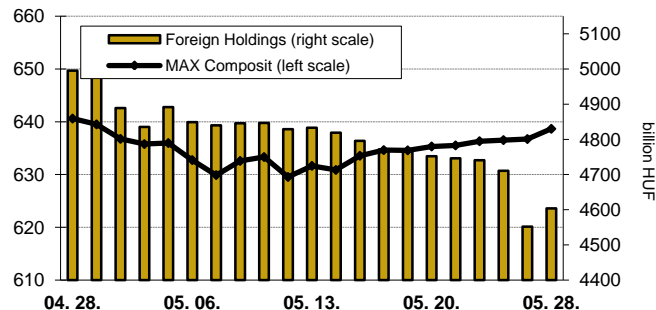
Summary of Week 22

- On Week 22 the net issuance of HUF Government Securities amounted to HUF -175,9 billion. A net amount of HUF 327,9 billion of HUF Government Securities has been issued in 2015.
- At the auction of 3-month T-bills the bid-to-cover ratio reached a level of 2,48 and the average auction yield diminished by 4 bps to 1,39%. At the auction of 3-year bonds the bid-to-cover ratio reached a level of 3,01 and the average auction yield diminished by 24 bps to 2,24%. At the auction of 5-year bonds the bid-to-cover ratio reached a level of 6,75 and the average auction yield diminished by 31 bps to 2,88%. At the auction of 10-year bonds the bid-to-cover ratio reached a level of 4,73 and the average auction yield diminished by 28 bps to 3,45%. GDMA held repurchase auctions of securities series 2016/D and 2016/C resulting in the buyback of HUF 21,21 billion from 2016/D.
- The reference yield of the 6-month maturity decreased by 16 bps, the yield of the 3-month, 5-year, 10-year, 3-year and 12-month maturity diminished by 9-13 bps, the yield of the 15-year maturity diminished by 7 bps.
- The MAX Composite government securities index increased by 3,1 points to 638,7 while the amount of HUF Government Securities held by foreign investors diminished by HUF 142,5 billion to HUF 4603,7 billion over the week.

Next Week Summary

- On Week 23 the net issuance of HUF Government Securities is expected to amount to HUF 51,32 billion.
- The auctions of 3-month T-bills and 12-month T-bills along with 3- or 3-year floating rate Government Bonds are taking place over the week. The amounts offered for sale are HUF 40 billion concerning the 3-month T-bills.
- During next week's switch auction the GDMA will issue Hungarian Government Bonds series 2024/B in exchange of Hungarian Government Bonds 2017/A and 2017/B worth HUF 25-25 billion.

MAX-index and Foreign Holdings in HUF Government Securities



Issuance of Government Securities (billion HUF)

2015	GROSS ISSUANCE			REDEMPTION			REPURCHASE			NET ISSUANCE			CUMULATED NET ISSUANCE	
	week:	21	22	23	21	22	23	21	22	23	21	22	23	21
Discount T-bills	39,85	79,34	39,86	49,79	294,35	55,85	0,00	0,00	0,00	-9,94	-215,01	-15,99	78,41	-136,60
Government Bonds	79,90	40,72	88,51	0,00	0,00	0,00	31,41	21,80	21,21	48,48	18,92	67,30	288,21	307,13
Interest-bearing T-bill	41,64	42,69	27,45	32,06	22,52	27,45	0,00	0,00	0,00	9,58	20,17	0,00	137,23	157,40
Semi-annual T-bill	1,15	1,37	1,16	1,25	1,17	1,16	0,00	0,00	0,00	-0,09	0,21	0,00	5,30	5,51
TOTAL	161,39	162,75	155,82	81,86	316,88	83,29	31,41	21,80	21,21	48,12	-175,93	51,32	503,85	327,93

Market Yields of HUF Government Securities

28/05/2015	PRICE QUOTATION of PRIMARY DEALERS		OTC-AVERAGE*	BENCHMARK YIELDS
	BID	ASK		
3 months	1,40	1,23	1,31	1,32
6 months	1,38	1,20	1,45	1,29
12 months	1,48	1,30	1,38	1,39
3 years	2,30	2,17	2,32	2,24
5 years	2,92	2,80	2,83	2,87
10 years	3,50	3,37	3,48	3,43
15 years	3,63	3,47	3,62	3,55

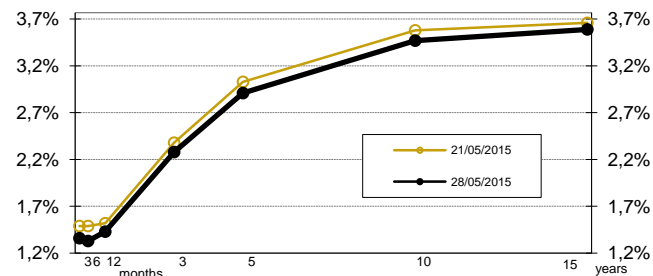
*OTC average are value day data

Secondary Market Turnover (billion HUF)

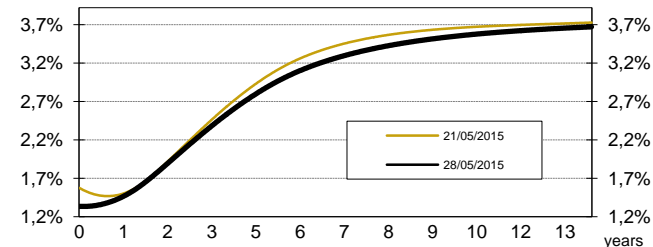
22/05/2015 - 28/05/2015	T-bills		Gov. Bonds		Gov. Securities	
	MTS	OTC*	MTS	OTC*	MTS	OTC*
22/05/2015	0,00	34,7	0,00	252,6	0,00	287,4
25/05/2015	0,00	0,0	0,00	0,0	0,00	0,0
26/05/2015	0,49	56,7	0,00	292,5	0,49	349,1
27/05/2015	1,98	135,4	3,75	381,5	5,73	516,9
28/05/2015	0,00	31,4	2,16	221,6	2,16	253,0
TOTAL	2,48	258,2	5,91	1 148,2	8,39	1 406,4

*OTC turnover are value day data

Benchmark Yield Curve



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	12/01/2015	1,90	1,86	-8	60	238,4	90,0	3,97	0,0	90,0
3-month T-bill	26/05/2015	1,40	1,39	-4	40	99,3	40,0	2,48	0,0	40,0
12-month T-bill	21/05/2015	1,49	1,46	-9	40	136,0	40,0	3,40	0,0	40,0
3-year Gov. Bond	28/05/2015	2,27	2,24	-24	20	60,2	25,0	3,01	8,4	33,4
5-year Gov. Bond	28/05/2015	2,90	2,88	-31	15	101,3	22,5	6,75	8,1	30,6
10-year Gov. Bond	28/05/2015	3,47	3,45	-28	12	56,7	18,0	4,73	6,5	24,5
15-year Gov. Bond	16/04/2015	3,60	3,56	-26	10	20,0	10,0	2,00	1,3	11,3
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	07/05/2015	99,10	99,27	-0,18	10	18,2	10,0	1,82	0,6	10,6
5-year Floating Bond	21/05/2015	98,30	98,35	-0,02	10	22,4	12,0	2,24	3,7	15,7

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