

# Weekly Report on the Hungarian Government Securities Market

17. 05. 2010 - 23. 05. 2010

## Week 21

On Week 21 the net issuance of HUF Government Securities amounted to HUF 42,49 billion. A net amount of HUF -86,90 billion of HUF Government Securities has been issued in 2010.

## Next Week Summary

On Week 22 the net issuance of HUF Government Securities is expected to amount to HUF 93,25 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 45 billion concerning the 3-month T-bills, HUF 50 billion concerning the 12-month T-bills.

### Issuance of Government Securities (billion HUF)

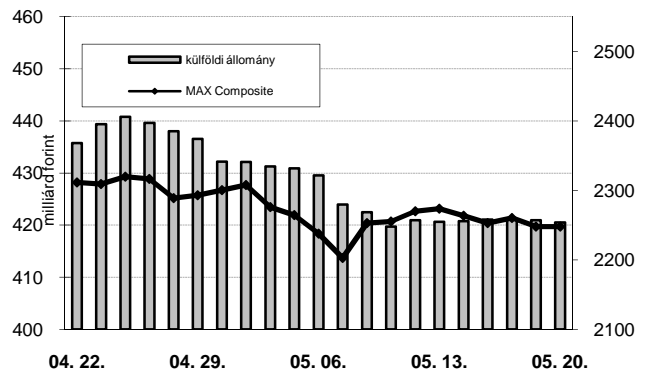
2010	GROSS ISSUANCE			REDEMPTION			REPURCHASE			NET ISSUANCE			CUMULATED NET ISSUANCE	
	week:	20	21	22	20	21	22	20	21	22	20	21	22	20
<b>Discount T-bills</b>	29,64	77,79	79,22	39,44	29,58	29,58	0,00	0,00	0,00	-9,80	48,21	49,64	-217,99	-169,78
<b>Government Bonds</b>	45,22	0,00	50,00	0,00	0,00	0,00	24,12	0,00	4,40	21,09	0,00	45,60	147,20	147,20
<b>Interest-bearing T-bill</b>	1,83	0,65	1,50	1,44	5,24	2,42	0,00	0,00	0,00	0,39	-4,59	-0,92	-33,46	-38,05
<b>Treasury Saving Bill*</b>	2,14	2,61	2,20	3,26	3,74	3,27	0,00	0,00	0,00	-1,12	-1,13	-1,07	-25,52	-26,27
<b>TOTAL</b>	78,82	<b>81,05</b>	132,92	44,14	<b>38,56</b>	35,27	24,12	<b>0,00</b>	4,40	10,56	<b>42,49</b>	93,25	-129,77	<b>-86,90</b>

\*concerning the Treasury Saving Bill, data are approximations for the current week as well

### Summary of Week 21

The reference yield of the 12-month maturity decreased by 1 bps, the yield of the 6-month maturity did not change, the yield of the 3-month maturity increased by 10, the yield of the 3-year maturity increased by 25, the yield of the 10-year, 15-year and 5-year maturity grew by 37-46 bps. The MAX Composite government securities index decreased by 3,4 points to 419,7 while the amount of HUF Government Securities held by foreign investors diminished by HUF 1,2 billion to HUF 2253,6 billion over the week. At the auction of liquidity T-bills the bid-to-cover ratio reached a level of 3,93 and the average auction yield diminished by 128 bps to 5,20%. At the auction of 3-month T-bills the bid-to-cover ratio reached a level of 1,91 and the average auction yield grew by 1 bps to 4,96%. At the auction of 3-year bonds the bid-to-cover ratio reached a level of 2,04 and the average auction yield diminished by 31 bps to 6,18%. At the auction of 5-year bonds the bid-to-cover ratio reached a level of 2,13 and the average auction yield grew by 4 bps to 6,81%. At the auction of 10-year bonds the bid-to-cover ratio reached a level of 1,87 and the average auction yield grew by 64 bps to 7,05%. GDMA held repurchase auctions of securities series 2010/D, 2010/B resulting in the buyback of HUF 3,02 and 1,39 billion.

### MAX-index and Foreign Holdings in HUF Government Securities

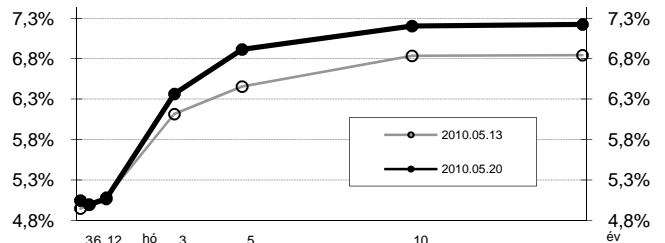


### Market Yields of HUF Government Securities

2010.05.20	PRICE QUOTATION of PRIMARY DEALERS		OTC-AVERAGE*	BENCHMARK YIELDS
	BID	ASK		
<b>3 months</b>	5,15	4,85	4,96	5,00
<b>6 months</b>	5,10	4,80	4,95	4,95
<b>12 months</b>	5,15	4,90	4,95	5,02
<b>3 years</b>	6,40	6,20	6,19	6,32
<b>5 years</b>	6,95	6,75	6,53	6,87
<b>10 years</b>	7,30	7,05	6,67	7,16
<b>15 years</b>	7,30	7,05	7,07	7,18

\*OTC average are value day data

### Benchmark Yield Curve



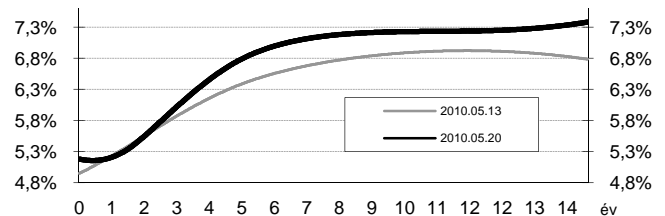
### Secondary Market Turnover (billion HUF)

2010. 05. 14 - 2010. 05. 20.	T-bills		Gov. Bonds		Gov. Securities	
	BSE*	OTC**	BSE	OTC	BSE	OTC
<b>2010.05.14</b>	0,00	2,5	0,80	211,0	0,80	213,5
<b>2010.05.17</b>	0,00	8,4	1,20	104,2	1,20	112,6
<b>2010.05.18</b>	0,00	3,3	0,00	200,4	0,00	203,7
<b>2010.05.19</b>	0,00	40,6	5,40	146,0	5,40	186,5
<b>2010.05.20</b>	0,00	10,5	1,20	89,1	1,20	99,6
<b>TOTAL</b>	0,00	65,3	8,60	750,5	8,60	815,8

\*Budapest Stock Exchange

\*\*OTC turnover are value day data

### Zero Coupon Yield Curve



### Latest Auctions of Hungarian Government Securities (billion HUF)

2010.05.21	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
<b>Liquidity T-bill</b>	2010.05.21	5,20	5,20	-128	40	157,0	40,0	3,93	0,0	40,0
<b>3-month T-bill</b>	2010.05.18	4,99	4,96	1	40	76,3	40,0	1,91	0,0	40,0
<b>12-month T-bill</b>	2010.05.13	5,04	5,01	9	40	100,6	40,0	2,51	0,0	40,0
<b>3-year Gov. Bond</b>	2010.05.20	6,25	6,18	-31	25	51,0	25,0	2,04	0,0	25,0
<b>5-year Gov. Bond</b>	2010.05.20	6,84	6,81	4	15	32,0	15,0	2,13	0,0	15,0
<b>10-year Gov. Bond</b>	2010.05.20	7,09	7,05	64	10	18,7	10,0	1,87	0,0	10,0
<b>15-year Gov. Bond</b>	2010.05.06	7,11	7,10	-6	10	22,2	10,0	2,22	0,0	10,0