

Weekly Report on the Hungarian Government Securities Market

29 / 12 / 2014 - 04 / 01 / 2015

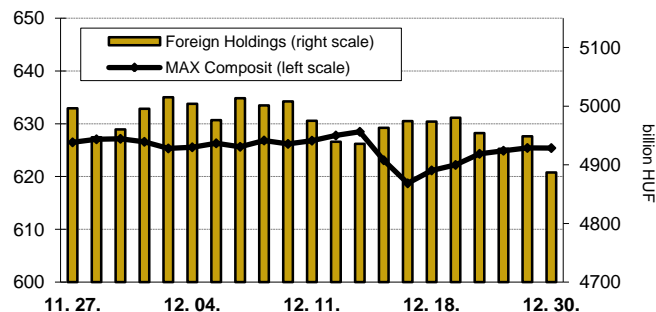
Summary of Week 1

- On Week 1 the net issuance of HUF Government Securities amounted to HUF -150,6 billion. A net amount of HUF 951,0 billion of HUF Government Securities has been issued in 2014.
- At the auction of 3-month T-bills the bid-to-cover ratio reached a level of 1,60 and the average auction yield grew by 20 bps to 1,53%. At the auction of 12-month T-bills the bid-to-cover ratio reached a level of 0,70 and the average auction yield grew by 21 bps to 1,76%.
- The reference yield of the 6-month, 3-year and 15-year maturity diminished by 1-3 bps, the yield of the 12-month and 10-year maturity did not change, the yield of the 5-year maturity increased by 1, the yield of the 3-month maturity grew by 10 bps.
- The MAX Composite government securities index increased by 0,5 points to 625,4 while the amount of HUF Government Securities held by foreign investors diminished by HUF 40,4 billion to HUF 4886,8 billion over the week.

Next Week Summary

- On Week 2 the net issuance of HUF Government Securities is expected to amount to HUF 146,41 billion.
- The auctions of liquidity T-bills, 3-month T-bills along with 3-2014 5-2014 and the 10-2014 Government Bonds are taking place over the week. The amounts offered for sale are HUF 60 billion concerning the liquidity T-bills, HUF 60 billion concerning the 3-month T-bills.

MAX-index and Foreign Holdings in HUF Government Securities



Issuance of Government Securities (billion HUF)

2014	GROSS ISSUANCE			REDEMPTION			REPURCHASE			NET ISSUANCE			CUMULATED NET ISSUANCE	
	week:	52	53	1	52	53	1	52	53	1	52	53	1	52
Discount T-bills	39,62	0,00	195,95	104,65	149,69	49,54	0,00	0,00	0,00	-65,03	-149,69	146,41	-320,50	-470,19
Government Bonds	12,00	0,00	0,00	16,61	0,84	0,00	6,69	0,00	0,00	-11,30	-0,84	0,00	1321,23	1320,40
Interest-bearing T-bill	19,75	0,00	8,43	-25,38	0,06	8,43	0,00	0,00	0,00	45,13	-0,06	0,00	100,89	100,83
Semi-annual T-bill	1,01	0,00	0,48	0,72	0,05	0,48	0,00	0,00	0,00	0,29	-0,05	0,00	8,60	8,55
TOTAL	71,37	0,00	204,39	95,88	150,58	57,98	6,69	0,00	0,00	-31,20	-150,58	146,41	1101,62	951,04

Market Yields of HUF Government Securities

30/12/2014	PRICE QUOTATION OF PRIMARY DEALERS		OTC-AVERAGE*	BENCH-MARK YIELDS
	BID	ASK		
3 months	1,40	1,30	1,41	1,35
6 months	1,50	1,32	1,84	1,41
12 months	1,60	1,40	1,48	1,50
3 years	2,80	2,66	2,73	2,74
5 years	3,24	3,09	3,15	3,17
10 years	3,65	3,53	3,59	3,60
15 years	3,90	3,76	3,74	3,83

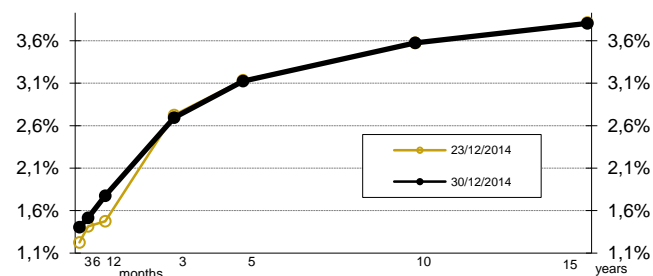
*OTC average are value day data

Secondary Market Turnover (billion HUF)

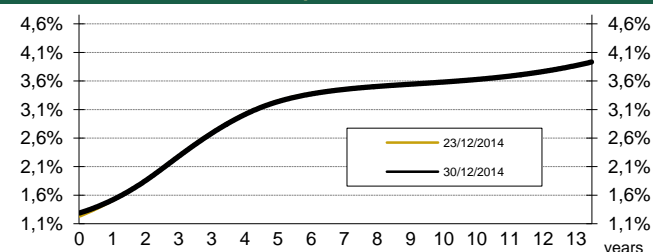
26/12/2014 - 01/01/2015	T-bills		Gov. Bonds		Gov. Securities	
	MTS	OTC*	MTS	OTC*	MTS	OTC*
26/12/2014	0,00	0,0	0,00	0,0	0,00	0,0
29/12/2014	1,50	29,6	0,00	324,4	1,50	354,0
30/12/2014	2,47	56,6	0,00	329,4	2,47	386,0
31/12/2014	0,00	0,0	0,00	0,0	0,00	0,0
01/01/2015	0,00	0,0	0,00	0,0	0,00	0,0
TOTAL	3,97	86,2	0,00	653,8	3,97	740,0

*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	01/12/2014	1,85	1,81	0	50	85,5	50,0	1,71	0,0	50,0
3-month T-bill	29/12/2014	1,57	1,53	20	60	96,2	60,0	1,60	0,0	60,0
12-month T-bill	30/12/2014	1,85	1,76	21	60	42,2	27,0	0,70	0,0	27,0
3-year Gov. Bond	11/12/2014	2,60	2,58	2	20	36,8	20,0	1,84	0,0	20,0
5-year Gov. Bond	11/12/2014	3,05	3,03	6	20	47,6	23,0	2,38	0,0	23,0
10-year Gov. Bond	27/11/2014	3,55	3,54	-12	15	36,8	18,0	2,45	1,2	19,2
15-year Gov. Bond	11/12/2014	3,83	3,82	-44	12	12,8	9,0	1,07	0,0	9,0
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	18/12/2014	97,26	97,31	-2,00	12	35,0	12,0	2,92	0,0	12,0
5-year Floating Bond	22/10/2014	96,71	96,96	-0,08	15	13,7	7,5	0,91	0,0	7,5

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.