

Weekly report on the HUF government securities market

17th week : 25th April - 1st May 2005

On the 17th week the total net issuance of HUF government securities amounted to HUF 71.4 billion. A total net amount of HUF 196.8 billion of HUF government securities has been issued in 2005.

18th week : 2nd - 8th May 2005

On the 18th week the total net issuance of HUF government securities is expected to amount to HUF 90.7 billion. The auctions of liquidity T-bills, along with 3-, 6- and 12-month T-bills are taking place over the week. The amounts offered for sale are HUF 25 billion concerning the liquidity T-bills, HUF 35, 35 and 35 billion respectively concerning the T-bills.

Issuance in the HUF government securities market

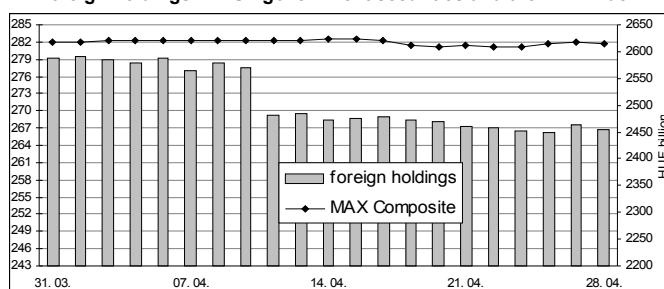
(HUF billion)

	GROSS ISSUANCE			REDEMPTIONS AND REPURCHASES			NET ISSUANCE		
	16/2005	17/2005	18/2005	16/2005	17/2005	18/2005	16/2005	17/2005	18/2005
<i>discount T-bills</i>	29.5	101.0	59.1	34.2	34.2	34.2	-4.8	66.7	24.9
<i>government bonds</i>	60.0	0.0	65.0	0.0	0.0	0.0	60.0	0.0	65.0
<i>interest-bearing T-bills</i>	4.1	3.7	5.3	5.4	0.0	5.3	-1.3	3.7	0.0
<i>Treasury saving bills</i>	5.4	5.7	6.0	4.2	4.8	5.2	1.2	0.9	0.8
TOTAL	98.9	110.4	135.4	43.9	39.0	44.7	55.1	71.4	90.7

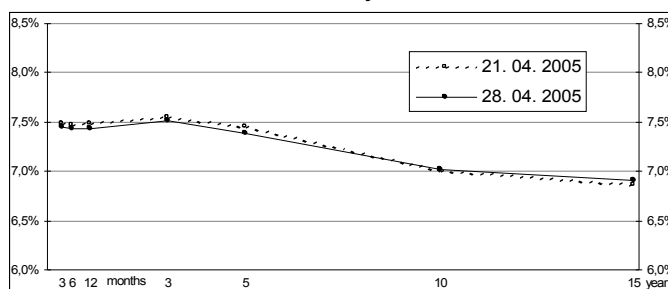
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On the 17th week the reference yield curve did not change significantly. Yields for the 3-month, 6-month and 12 month maturities diminished by 2-4 bps, yields for the 3-year and 5-year maturities decreased by 3-6 bps, yields for the longer maturities increased by 1-4 bps. The MAX Composite government securities index increased by 0.2 points, the amount of HUF government securities held by foreign investors reduced by HUF 4.4 billion over the week. At the auction of 3 month T-bills the bid-to-cover ratio reached a level of 2.9, the average auction yield decreased by 10 bps to 7.43%. At the auction of 3 year government bonds the bid-to-cover ratio reached a level of 2.4, the average auction yield increased by 30 bps to 7.52%. At the auction of 15 year government bonds the bid-to-cover ratio reached a level of 2.1, the average auction yield increased by 14 bps to 6.87%.

Foreign holdings in HUF government securities and the MAX index



HUF benchmark yield curve



Turnover of HUF government securities (HUF billion)

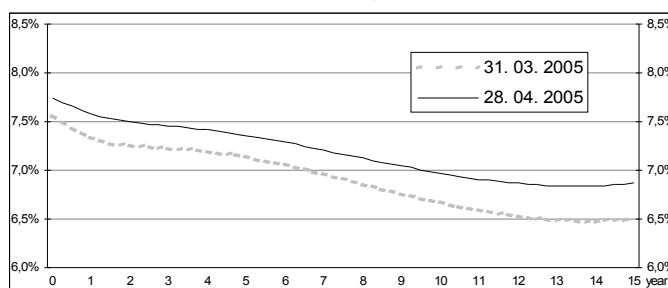
17/2005	TURNOVER AT BSE*	TURNOVER OVER-THE-COUNTER	TOTAL TURNOVER
<i>discount T-bills</i>	0.0	70.5	70.5
<i>government bonds</i>	0.1	529.9	529.9
TOTAL	0.1	600.4	600.4

* Budapest Stock Exchange

HUF government securities market yields

28.04.2005	PRIMARY DEALERS' PRICE QUOTATION		OTC AVERAGE	BENCHMARK YIELDS
	bid	ask		
3 months	7.70%	7.20%	7.40%	7.45%
6 months	7.65%	7.15%	7.46%	7.44%
12 months	7.60%	7.20%	7.50%	7.44%
3 years	7.65%	7.25%	7.48%	7.51%
5 years	7.60%	7.15%	7.42%	7.39%
10 years	7.15%	6.80%	7.01%	7.02%
15 years	7.05%	6.75%	7.06%	6.90%

HUF zero-coupon yield curve



Data on the latest HUF government securities auctions

(HUF billion)

	DATE OF AUCTION	AVERAGE AUCTION YIELD	CHANGE AS COMPARED TO PREVIOUS AUCTION	AMOUNT OFFERED FOR SALE	AMOUNT OF BIDS SUBMITTED	AMOUNT OF BIDS ACCEPTED	RETAINED ON GDMA ACCOUNT	TOTAL AMOUNT ISSUED
<i>liquidity T-bill</i>	04.04.2005	7.61%	-187 bps	25.0	72.8	30.0	0.0	30.0
<i>3-month T-bill</i>	26.04.2005	7.43%	-10 bps	35.0	102.1	35.0	3.5	38.5
<i>6-month T-bill</i>	20.04.2005	7.47%	+32 bps	30.0	62.0	30.0	3.0	33.0
<i>12-month T-bill</i>	21.04.2005	7.51%	+33 bps	35.0	69.6	35.0	3.5	38.5
<i>3-year bond</i>	28.04.2005	7.52%	+30 bps	50.0	122.3	50.0	0.0	50.0
<i>5-year bond</i>	14.04.2005	7.18%	-26 bps	35.0	58.7	35.0	10.5	45.5
<i>10-year bond</i>	14.04.2005	6.82%	-30 bps	25.0	63.9	25.0	0.0	25.0
<i>15-year bond</i>	28.04.2005	6.87%	+14 bps	15.0	31.1	15.0	3.0	18.0