

# Weekly report on the HUF government securities market

## 16th week : 14th - 20th April 2008

On the 16th week the total net issuance of HUF government securities amounted to HUF 55.9 billion. A total net amount of HUF 449.1 billion of HUF government securities has been issued in 2008.

## 17th week : 21st - 27th April 2008

On the 17th week the total net issuance of HUF government securities is expected to amount to HUF -199.6 billion. The auctions of 3-month T-bills, along with 10-year government bonds are taking place over the week. The amounts offered for sale are HUF 40 billion concerning the T-bills and HUF 40 billion concerning the government bonds.

## Issuance in the HUF government securities market

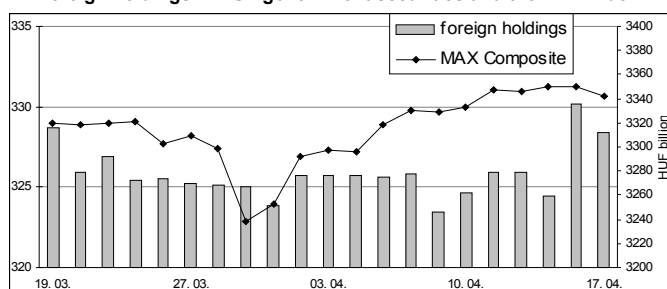
(HUF billion)

	GROSS ISSUANCE			REDEMPTIONS AND REPURCHASES			NET ISSUANCE		
	15/2008	16/2008	17/2008	15/2008	16/2008	17/2008	15/2008	16/2008	17/2008
<i>discount T-bills</i>	139.4	39.2	100.1	140.6	34.4	119.7	-1.2	4.8	-19.6
<i>government bonds</i>	0.0	50.0	0.0	0.0	0.0	173.8	0.0	50.0	-173.8
<i>interest-bearing T-bills</i>	2.8	4.4	0.2	6.7	3.2	6.2	-3.9	1.2	-5.9
<i>Treasury saving bills</i>	4.5	5.0	5.1	4.7	5.2	5.3	-0.2	-0.1	-0.2
<b>TOTAL</b>	<b>146.7</b>	<b>98.5</b>	<b>105.4</b>	<b>152.0</b>	<b>42.7</b>	<b>305.0</b>	<b>-5.3</b>	<b>55.9</b>	<b>-199.6</b>

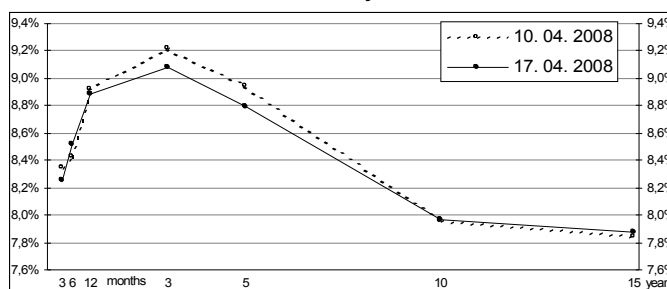
## 16th week : 14th - 20th April 2008

On the 16th week the yields of the 3-month and 12-month maturities diminished by 4-10 bps, the yields of the 3-year and 5-year maturities decreased by 14-15 bps, while the yields of the 10-year and 15-year maturities grew by 1-3 bps and the yield of the 6-month maturity increased by 9 bps. The MAX Composite government securities index increased by 0.6 points, the amount of HUF government securities held by foreign investors grew by HUF 49.7 billion to HUF 3311.5 billion over the week. At the auction of 3-month T-bills the bid-to-cover ratio reached a level of 3.0, the average auction yield decreased by 24 bps to 8.28%. At the auction of 6-month T-bills the bid-to-cover ratio reached a level of 2.9, the average auction yield decreased by 42 bps to 8.39%. At the auction of 12-month T-bills the bid-to-cover ratio reached a level of 1.8, the average auction yield decreased by 13 bps to 9.00%. During the week the issuance of Swiss franc denominated 5-year and 8-year fixed rate government bonds was completed worth CHF 150 million and CHF 200 million respectively.

## Foreign holdings in HUF government securities and the MAX index



## HUF benchmark yield curve



## Turnover of HUF government securities (HUF billion)

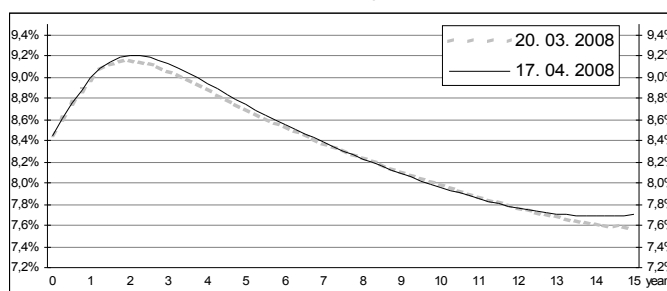
11th - 17th April 2008	TURNOVER AT BSE*	TURNOVER OVER-THE-COUNTER	TOTAL TURNOVER
<i>discount T-bills</i>	0.5	222.5	223.0
<i>government bonds</i>	0.1	1764.3	1764.4
<b>TOTAL</b>	<b>0.6</b>	<b>1986.8</b>	<b>1987.4</b>

\* Budapest Stock Exchange

## HUF government securities market yields

17.04.2008	PRIMARY DEALERS' PRICE QUOTATION		OTC AVERAGE	BENCHMARK YIELDS
	bid	ask		
3 months	8.40%	8.10%		8.25%
6 months	8.70%	8.30%	8.27%	8.52%
12 months	9.10%	8.70%	8.73%	8.88%
3 years	9.25%	9.00%	9.14%	9.08%
5 years	9.00%	8.70%	8.91%	8.79%
10 years	8.10%	7.80%	7.71%	7.97%
15 years	8.00%	7.85%	7.86%	7.87%

## 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>	07.04.2008	8.48%	-42 bps	40.0	152.8	40.0	0.0	40.0
<i>3-month T-bill</i>	15.04.2008	8.28%	-24 bps	40.0	118.3	40.0	4.0	44.0
<i>6-month T-bill</i>	16.04.2008	8.39%	-42 bps	25.0	73.6	25.0	5.0	30.0
<i>12-month T-bill</i>	17.04.2008	9.00%	-13 bps	40.0	71.8	40.0	8.0	48.0
<i>3-year bond</i>	27.03.2008	9.28%	+128 bps	70.0	169.5	70.0	0.0	70.0
<i>5-year bond</i>	10.04.2008	8.94%	+87 bps	50.0	181.2	50.0	0.0	50.0
<i>10-year bond</i>	13.03.2008	8.62%	+150 bps	40.0	140.2	40.0	8.0	48.0
<i>15-year bond</i>	14.02.2008	7.25%	+60 bps	20.0	27.7	15.0	3.0	18.0