

Weekly Report on the Hungarian Government Securities Market

02 / 06 / 2014 - 08 / 06 / 2014

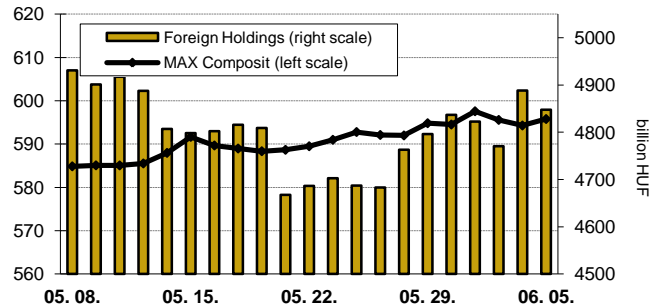
Summary of Week 23

- On Week 23 the net issuance of HUF Government Securities amounted to HUF 75,2 billion. A net amount of HUF 1303,2 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 3,01 and the average auction yield diminished by 4 bps to 2,37%. At the auction of 12-month T-bills the bid-to-cover ratio reached a level of 2,09 and the average auction yield diminished by 5 bps to 2,37%. Via this week's switch auction GDMA issued Hungarian Government Bonds series 2018/A in exchange of Hungarian Government Bonds 2015/C worth HUF 20,0 billion and series 2023/A in exchange of Hungarian Government Bonds 2016/C worth HUF 30 billion.
- The reference yield of the 3-year maturity decreased by 10 bps, the yield of the 6-month, 12-month and 5-year maturity diminished by 5 bps, the yield of the 3-month maturity decreased by 1, the yield of the 10-year and 15-year maturity grew by 4 bps.
- The MAX Composite government securities index increased by 1,0 points to 595,8 while the amount of HUF Government Securities held by foreign investors grew by HUF 51,3 billion to HUF 4847,4 billion over the week.

Next Week Summary

- On Week 24 the net issuance of HUF Government Securities is expected to amount to HUF 111,07 billion.
- The auctions of 3-month T-bills along with 3-year 5-year and 15-year Government Bonds are taking place over the week. The amounts offered for sale are HUF 60 billion concerning the 3-month T-bills and HUF 30 billion 30 billion and 15 billion respectively concerning the Government Bonds.
- GDMA is holding repurchase auctions of government securities series 2015/A, 2015/C over the week.

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:	22	23	24	22	23	24	22	23	24	22	23	24	22
Discount T-bills	167,55	69,58	138,01	139,04	89,33	77,73	0,00	0,00	0,00	28,51	-19,75	60,27	656,53	636,77
Government Bonds	88,36	140,86	102,10	0,00	0,00	0,00	48,63	53,40	51,30	39,73	87,46	50,80	378,08	465,54
Interest-bearing T-bill	22,57	27,54	12,57	18,15	20,06	12,57	0,00	0,00	0,00	4,42	7,48	0,00	193,44	200,91
Semi-annual T-bill	1,06	1,20	0,74	1,01	0,73	0,74	0,00	0,00	0,00	0,04	0,47	0,00	5,53	6,00
TOTAL	278,48	237,97	252,68	157,19	109,39	90,31	48,63	53,40	51,30	72,66	75,18	111,07	1228,04	1303,23

Market Yields of HUF Government Securities

05/06/2014	PRICE QUOTATION of PRIMARY DEALERS		OTC-AVERAGE*	BENCHMARK YIELDS
	BID	ASK		
3 months	2,45	2,27	2,39	2,36
6 months	2,40	2,20	2,31	2,30
12 months	2,40	2,20	2,28	2,30
3 years	3,33	3,16	3,34	3,24
5 years	3,65	3,48	3,65	3,56
10 years	4,81	4,64	4,77	4,72
15 years	5,23	5,06	5,15	5,14

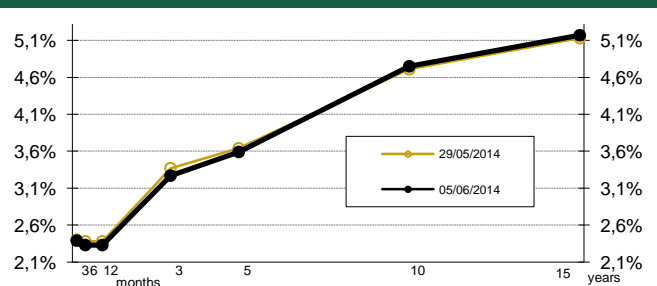
*OTC average are value day data

Secondary Market Turnover (billion HUF)

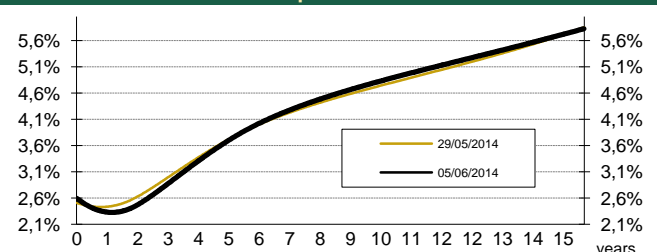
30/05/2014 - 05/06/2014	T-bills		Gov. Bonds		Gov. Securities	
	MTS	OTC*	MTS	OTC*	MTS	OTC*
30/05/2014	1,49	30,1	1,66	363,7	3,15	393,8
02/06/2014	0,00	5,8	13,33	423,2	13,33	429,0
03/06/2014	0,00	13,7	0,00	295,3	0,00	309,0
04/06/2014	0,00	88,0	2,99	856,7	2,99	944,7
05/06/2014	0,00	14,4	0,00	257,3	0,00	271,7
TOTAL	1,49	152,0	17,98	2 196,1	19,46	2 348,1

*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	17/03/2014	2,89	2,88	-4	50	118,0	60,0	2,36	0,0	60,0
3-month T-bill	03/06/2014	2,39	2,37	-4	60	180,7	70,0	3,01	0,0	70,0
12-month T-bill	05/06/2014	2,39	2,37	-5	60	125,5	70,0	2,09	0,0	70,0
3-year Gov. Bond	29/05/2014	3,34	3,34	-18	30	131,8	40,0	4,39	15,1	55,1
5-year Gov. Bond	29/05/2014	3,62	3,62	-15	30	123,5	40,0	4,12	15,1	55,1
10-year Gov. Bond	29/05/2014	4,68	4,68	-8	15	73,6	22,5	4,90	8,1	30,6
15-year Gov. Bond	19/09/2013	6,28	6,21	55	9	2,4	2,4	0,26	0,0	2,4
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	05/06/2014	98,60	98,67	-0,10	30	32,1	23,0	1,07	0,0	23,0
5-year Floating Bond	05/06/2014	96,55	96,60	1,03	15	50,9	21,5	3,40	7,6	29,1

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.