

Weekly Report on the Hungarian Government Securities Market

17 / 12 / 2018 - 23 / 12 / 2018

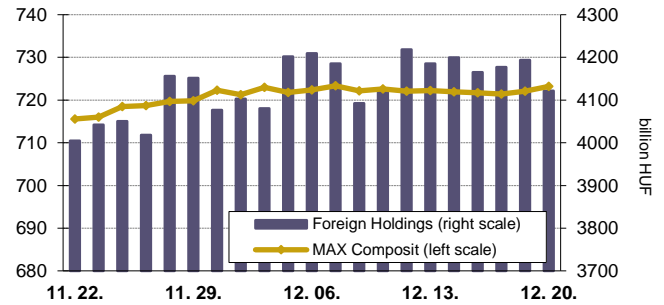
Summary of Week 51

- On Week 51 the net issuance of HUF Government Securities amounted to HUF -258,2 billion. A net amount of HUF 1451,3 billion of HUF Government Securities has been issued in 2018.
- At the auction of 3-month T-bills the bid-to-cover ratio reached a level of 3,63 and the average auction yield grew by 3 bps to -0,03%.
- The reference yield of the 5-year, 15-year, 3-month, 12-month and 3-year maturity diminished by 2-5 bps, the yield of the 10-year maturity did not change, the yield of the 6-month maturity grew by 11 bps.
- The MAX Composite government securities index increased by 1,0 points to 723,2 while the amount of HUF Government Securities held by foreign investors diminished by HUF 63,9 billion to HUF 4121,5 billion over the week.

Next Week Summary

- On Week 52 the net issuance of HUF Government Securities is expected to amount to HUF -204,47 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 50 billion concerning the 3-month T-bills, HUF 40 billion concerning the 12-month T-bills.

MAX-index and Foreign Holdings in HUF Government Securities



Issuance of Government Securities (billion HUF)

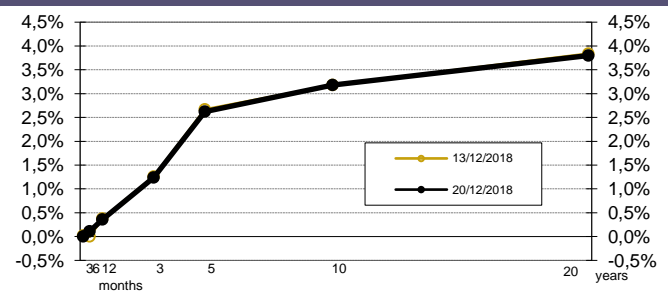
2018	GROSS ISSUANCE			REDEMPTION			REPURCHASE			NET ISSUANCE			CUMULATED NET ISSUANCE	
	week:	50	51	52	50	51	52	50	51	52	50	51	52	50
Discount T-bills	42,02	77,89	32,00	40,00	74,98	236,47	0,00	0,00	0,00	2,01	2,91	-204,47	423,28	426,19
Government Bonds	91,30	46,53	0,00	0,00	275,94	0,00	30,30	38,20	0,00	60,99	-267,61	0,00	1244,05	976,45
1-year Hun Gov Sec	58,63	67,02	63,79	58,32	60,47	63,79	0,00	0,00	0,00	0,31	6,54	0,00	42,10	48,64
Half-year Hun Gov Sec	9,33	13,78	8,61	8,19	7,64	8,61	0,00	0,00	0,00	1,14	6,14	0,00	-111,64	-105,49
TOTAL	191,95	191,44	95,79	98,32	411,39	300,26	30,30	38,20	0,00	63,32	-258,15	-204,47	1709,43	1451,28

Market Yields of HUF Government Securities

20/12/2018	PRICE QUOTATION of PRIMARY DEALERS		OTC-AVERAGE*	BENCHMARK YIELDS
	BID	ASK		
3 months	0,07	-0,07	0,01	0,00
6 months	0,17	0,05	0,12	0,11
12 months	0,42	0,30	0,39	0,36
3 years	1,29	1,20	1,15	1,24
5 years	2,67	2,56	2,82	2,62
10 years	3,23	3,13	3,30	3,18
20 years**	3,85	3,75	3,85	3,80

*OTC average are value day data ** formerly 15 years benchmark yield

Benchmark Yield Curve

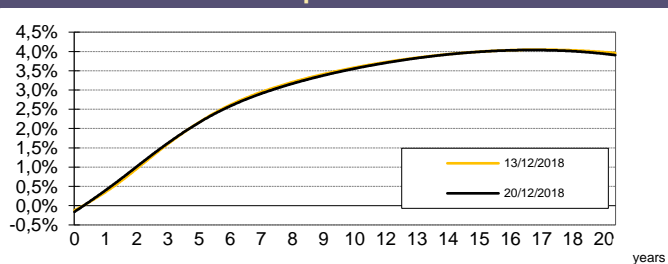


Secondary Market Turnover (billion HUF)

14/12/2018 - 20/12/2018	T-bills		Gov. Bonds		Gov. Securities	
	MTS	OTC*	MTS	OTC*	MTS	OTC*
14/12/2018	0,00	49,1	2,33	563,5	2,33	612,6
17/12/2018	0,00	104,4	0,00	790,9	0,00	895,3
18/12/2018	0,00	77,8	0,00	568,0	0,00	645,7
19/12/2018	0,00	95,2	2,53	470,8	2,53	566,0
20/12/2018	0,00	0,0	0,00	0,0	0,00	0,0
TOTAL	0,00	326,4	4,86	2 393,1	4,86	2 719,5

*OTC turnover are value day data

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. ISSUANCE	TOTAL MARKET ISSUANCE
Liquidity T-bill	19/11/2018	-0,08	-0,08	-15	40	133,6	50,0	3,34	0,0	50,0
3-month T-bill	18/12/2018	0,00	-0,03	3	50	181,4	32,0	3,63	0,0	32,0
12-month T-bill	13/12/2018	0,45	0,41	8	30	33,7	30,0	1,12	0,0	30,0
3-year Gov. Bond	06/12/2018	1,29	1,27	-20	20	29,6	22,5	1,48	1,2	23,7
5-year Gov. Bond	06/12/2018	2,68	2,66	-17	20	55,4	30,0	2,77	10,1	40,1
10-year Gov. Bond	06/12/2018	3,16	3,15	-48	15	60,5	22,5	4,04	5,0	27,5
15-year Gov. Bond	22/11/2018	4,10	4,08	11	8	11,9	9,0	1,48	0,1	9,1
Floating rate Government Bonds	AUCTION DATE	MIN. PRICE (%)	AVERAGE PRICE (%)	CHANGE TO PREVIOUS AUCTION (%)	AMOUNT OFFERED	BIDS	AMOUNT ACCEPTED	BID-TO-COVER	NON COMP. ISSUANCE	TOTAL MARKET ISSUANCE
Floating Bond	13/12/2018	97,63	97,66	-0,01	6	12,4	9,0	2,07	2,0	11,0

If you have any suggestions about the report please do not hesitate to contact Bálint Toronyai via email toronyai.balint@akk.hu or phone +36-1-488-9446.