

Weekly report on the HUF government securities market

23rd week : 4th - 10th June 2007

On the 23rd week the total net issuance of HUF government securities amounted to HUF 17.1 billion. A total net amount of HUF 698.2 billion of HUF government securities has been issued in 2007.

24th week : 11th - 17th June 2007

On the 24th week the total net issuance of HUF government securities is expected to amount to HUF -179.0 billion. The auctions of 3-, 6- and 12-month T-bills are taking place over the week. The amounts offered for sale are HUF 30, 25 and 35 billion respectively concerning the T-bills.

Issuance in the HUF government securities market

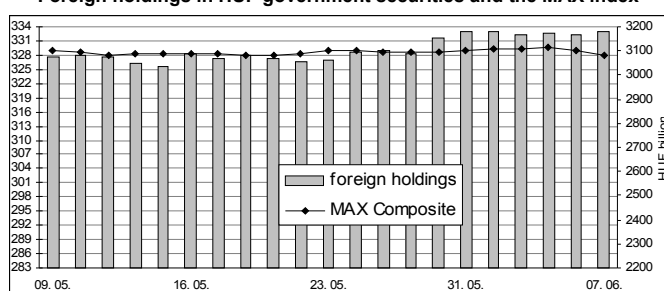
(HUF billion)

	GROSS ISSUANCE			REDEMPTIONS AND REPURCHASES			NET ISSUANCE		
	22/2007	23/2007	24/2007	22/2007	23/2007	24/2007	22/2007	23/2007	24/2007
<i>discount T-bills</i>	34.3	169.7	39.2	24.5	155.4	24.5	9.8	14.4	14.7
<i>government bonds</i>	75.0	0.0	85.0	31.4	0.0	270.2	43.6	0.0	-185.2
<i>interest-bearing T-bills</i>	1.5	3.4	4.8	6.6	0.0	12.6	-5.1	3.4	-7.7
<i>Treasury saving bills</i>	3.6	3.3	3.7	4.4	4.0	4.4	-0.8	-0.7	-0.8
TOTAL	114.4	176.5	132.7	67.0	159.4	311.7	47.4	17.1	-179.0

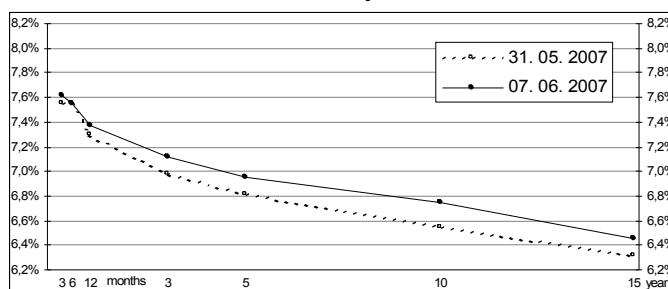
23rd week : 4th - 10th June 2007

On the 23rd week the reference yield-curve shifted upwards with the exception of the 6-month maturity: the yields of the 3-month and 12-month maturities increased by 7 bps, those of the longer maturities increased by 14-21 bps. The yield of the 6-month maturity stagnated. The MAX Composite government securities index decreased by 0.9 points, the amount of HUF government securities held by foreign investors decreased by HUF 2.8 billion to HUF 3179.5 billion over the week. At the auction of liquidity T-bills the bid-to-cover ratio reached a level of 3.0, the average auction yield increased by 5 bps to 7.95%. At the auction of 3-month T-bills the bid-to-cover ratio reached a level of 1.8, the average auction yield increased by 1 bps to 7.70%. At the auction of 5-year government bonds the bid-to-cover ratio reached a level of 2.4, the average auction yield increased by 25 bps to 6.96%. At the auction of 10-year government bonds the bid-to-cover ratio reached a level of 1.7, the average auction yield increased by 28 bps to 6.76%.

Foreign holdings in HUF government securities and the MAX index



HUF benchmark yield curve



Turnover of HUF government securities (HUF billion)

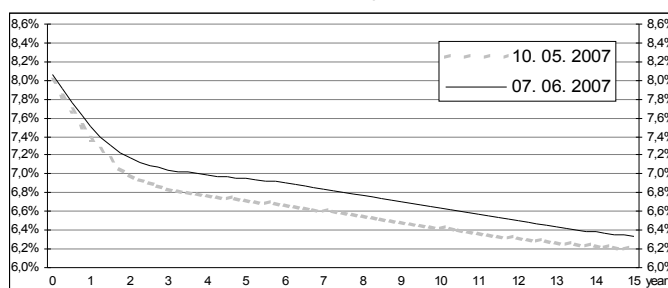
1st - 7th June 2007	TURNOVER AT BSE*	TURNOVER OVER-THE-COUNTER	TOTAL TURNOVER
<i>discount T-bills</i>	0.2	386.8	387.0
<i>government bonds</i>	0.0	1305.2	1305.2
TOTAL	0.2	1692.0	1692.2

* Budapest Stock Exchange

HUF government securities market yields

07.06.2007	PRIMARY DEALERS' PRICE QUOTATION		OTC AVERAGE	BENCHMARK YIELDS
	bid	ask		
3 months	7.75%	7.50%	7.66%	7.62%
6 months	7.70%	7.40%	7.54%	7.55%
12 months	7.50%	7.25%	7.28%	7.37%
3 years	7.25%	7.00%	7.30%	7.12%
5 years	7.05%	6.80%	7.03%	6.95%
10 years	6.85%	6.65%	6.55%	6.75%
15 years	6.55%	6.35%	6.03%	6.45%

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>	04.06.2007	7.95%	+5 bps	50.0	147.7	60.0	0.0	60.0
<i>3-month T-bill</i>	05.06.2007	7.70%	+1 bps	40.0	73.9	40.0	4.0	44.0
<i>6-month T-bill</i>	30.05.2007	7.53%	-6 bps	30.0	92.4	35.0	10.5	45.5
<i>12-month T-bill</i>	31.05.2007	7.32%	-5 bps	35.0	122.2	40.0	8.0	48.0
<i>3-year bond</i>	24.05.2007	7.00%	-3 bps	75.0	132.7	75.0	0.0	75.0
<i>5-year bond</i>	07.06.2007	6.96%	+25 bps	45.0	108.4	45.0	0.0	45.0
<i>10-year bond</i>	07.06.2007	6.76%	+28 bps	40.0	69.7	40.0	0.0	40.0
<i>15-year bond</i>	26.04.2007	6.39%	-21 bps	20.0	37.0	20.0	4.0	24.0