

# Weekly report on the HUF government securities market

## 19th week : 9th - 15th May 2005

On the 19th week the total net issuance of HUF government securities amounted to HUF -179.2 billion. A total net amount of HUF 109.1 billion of HUF government securities has been issued in 2005.

## 20th week : 16th - 22nd May 2005

On the 20th week the total net issuance of HUF government securities is expected to amount to HUF 80.7 billion. The auctions of 3-, 6- and 12-month T-bills are taking place over the week. The amounts offered for sale are HUF 35 billion at every T-bill maturity.

## Issuance in the HUF government securities market

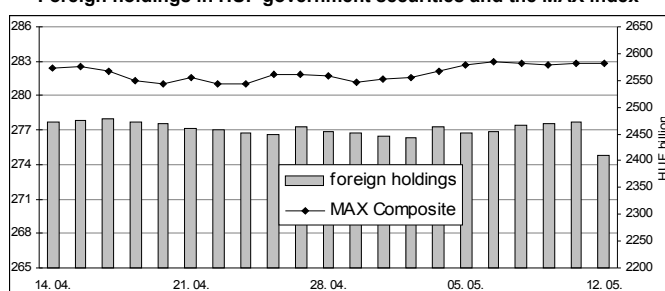
(HUF billion)

	GROSS ISSUANCE			REDEMPTIONS AND REPURCHASES			NET ISSUANCE		
	18/2005	19/2005	20/2005	18/2005	19/2005	20/2005	18/2005	19/2005	20/2005
<i>discount T-bills</i>	64.1	135.4	39.3	34.2	134.3	24.5	29.8	1.1	14.8
<i>government bonds</i>	65.0	0.0	65.0	0.0	185.0	0.0	65.0	-185.0	65.0
<i>interest-bearing T-bills</i>	1.2	3.6	13.2	5.3	0.0	13.2	-4.1	3.6	0.0
<i>Treasury saving bills</i>	4.2	5.2	5.5	3.4	4.2	4.6	0.8	1.0	0.9
<b>TOTAL</b>	<b>134.4</b>	<b>144.2</b>	<b>123.0</b>	<b>42.9</b>	<b>323.5</b>	<b>42.3</b>	<b>91.5</b>	<b>-179.2</b>	<b>80.7</b>

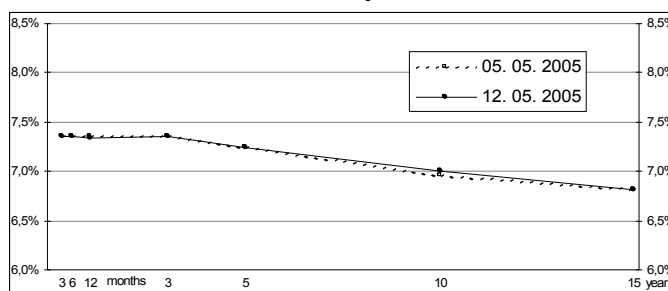
## 19th week : 9th - 15th May 2005

On the 19th week the reference yield curve did not change significantly with the sole exception of the 10-year yield's 5 bps increase. The MAX Composite government securities index increased by 0.2 points, the amount of HUF government securities held by foreign investors reduced by HUF 42.2 billion over the week. At the auction of liquidity T-bills the bid-to-cover ratio reached a level of 4.7, the average auction yield decreased by 8 bps to 7.40%. At the auction of 3 month T-bills the bid-to-cover ratio reached a level of 2.8, the average auction yield decreased by 3 bps to 7.37%. At the auction of 5 year government bonds the bid-to-cover ratio reached a level of 2.1, the average auction yield increased by 1 bps to 7.19%. At the auction of 10 year government bonds the bid-to-cover ratio reached a level of 3.1, the average auction yield increased by 16 bps to 6.98%.

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



## HUF benchmark yield curve



## Turnover of HUF government securities (HUF billion)

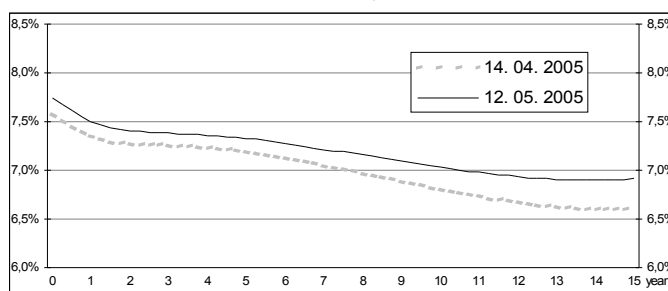
19/2005	TURNOVER AT BSE*	TURNOVER OVER-THE-COUNTER	TOTAL TURNOVER
<i>discount T-bills</i>	6.1	45.3	51.3
<i>government bonds</i>	7.6	440.0	447.6
<b>TOTAL</b>	<b>13.7</b>	<b>485.2</b>	<b>498.9</b>

\* Budapest Stock Exchange

## HUF government securities market yields

12.05.2005	PRIMARY DEALERS' PRICE QUOTATION		OTC AVERAGE	BENCHMARK YIELDS
	bid	ask		
3 months	7.60%	7.20%	7.34%	7.36%
6 months	7.60%	7.20%	7.34%	7.36%
12 months	7.50%	7.05%	7.35%	7.34%
3 years	7.55%	7.20%	7.33%	7.35%
5 years	7.50%	7.10%	7.29%	7.24%
10 years	7.15%	6.80%	6.99%	7.00%
15 years	7.05%	6.65%	6.80%	6.82%

## 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>	09.05.2005	7.40%	-8 bps	25.0	116.8	30.0	0.0	30.0
<i>3-month T-bill</i>	10.05.2005	7.37%	-3 bps	35.0	97.3	40.0	4.0	44.0
<i>6-month T-bill</i>	04.05.2005	7.37%	-10 bps	35.0	80.4	35.0	3.5	38.5
<i>12-month T-bill</i>	05.05.2005	7.35%	-16 bps	35.0	74.6	35.0	10.5	45.5
<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>	12.05.2005	7.19%	+1 bps	35.0	73.5	35.0	7.0	42.0
<i>10-year bond</i>	12.05.2005	6.98%	+16 bps	25.0	77.0	30.0	0.0	30.0
<i>15-year bond</i>	28.04.2005	6.87%	+14 bps	15.0	31.1	15.0	3.0	18.0