

# Weekly Report on the Hungarian Government Securities Market

29 / 09 / 2014 - 05 / 10 / 2014

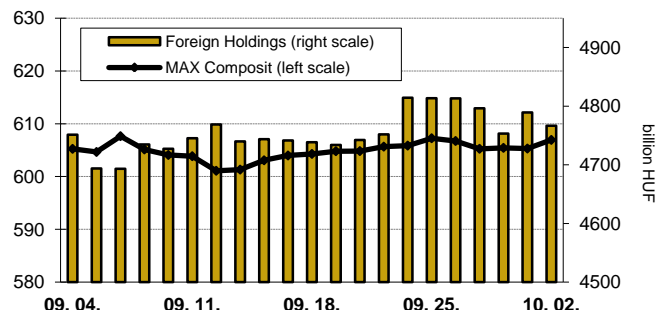
## Summary of Week 40

- On Week 40 the net issuance of HUF Government Securities amounted to HUF 48,8 billion. A net amount of HUF 1235,3 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 2,06 and the average auction yield diminished by 2 bps to 1,36%. At the auction of 3-year bonds the bid-to-cover ratio reached a level of 4,13 and the average auction yield diminished by 7 bps to 3,07%. At the auction of 5-year bonds the bid-to-cover ratio reached a level of 2,55 and the average auction yield did not change compared to the previous auction. At the auction of 10-year bonds the bid-to-cover ratio reached a level of 4,40 and the average auction yield diminished by 11 bps to 4,54%. GDMA held repurchase auctions of securities series 2015/A, 2015/C resulting in the buyback of HUF 24,33 and 13,09 billion.
- The reference yield of the 3-month and 6-month maturity did not change, the yield of the 12-month maturity increased by 1, the yield of the 15-year, 3-year, 5-year and 10-year maturity grew by 6-7 bps.
- The MAX Composite government securities index decreased by 0,3 points to 606,9 while the amount of HUF Government Securities held by foreign investors diminished by HUF 47,0 billion to HUF 4766,7 billion over the week.

## Next Week Summary

- On Week 41 the net issuance of HUF Government Securities is expected to amount to HUF 59,12 billion.
- The auctions of 3-month T-bills and 12-month T-bills along with floating rate Government Bonds are taking place over the week. The amounts offered for sale are HUF 40 billion concerning the 3-month T-bills.
- During next week's switch auction the GDMA will issue Hungarian Government Bonds series 2019/B in exchange of Hungarian Government Bonds 2015/B worth HUF 50 billion and series 2020/A in exchange of Hungarian Government Bonds 2016/D worth HUF 50 billion.

## 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:	39	40	41	39	40	41	39	40	41	39	40	41	39
Discount T-bills	59,79	89,20	49,83	69,56	69,61	62,46	0,00	0,00	0,00	-9,76	19,60	-12,63	148,30	167,90
Government Bonds	68,81	125,20	109,17	0,00	0,84	0,00	17,71	91,52	37,42	51,11	32,85	71,75	929,47	962,31
Interest-bearing T-bill	20,76	18,97	15,90	23,36	22,57	15,90	0,00	0,00	0,00	-2,60	-3,60	0,00	108,64	105,05
Semi-annual T-bill	1,18	1,26	0,91	1,26	1,24	0,91	0,00	0,00	0,00	-0,08	0,02	0,00	6,74	6,76
<b>TOTAL</b>	<b>149,36</b>	<b>233,38</b>	<b>174,90</b>	<b>92,92</b>	<b>93,01</b>	<b>78,37</b>	<b>17,71</b>	<b>91,52</b>	<b>37,42</b>	<b>38,74</b>	<b>48,85</b>	<b>59,12</b>	<b>1186,41</b>	<b>1235,26</b>

## Market Yields of HUF Government Securities

02/10/2014	PRICE QUOTATION OF PRIMARY DEALERS		OTC-AVERAGE*	BENCHMARK YIELDS
	BID	ASK		
3 months	1,44	1,25	1,41	1,35
6 months	1,55	1,35	1,55	1,45
12 months	1,68	1,48	1,62	1,58
3 years	3,16	3,03	3,15	3,10
5 years	3,66	3,50	3,62	3,58
10 years	4,63	4,48	4,53	4,55
15 years	4,80	4,64	4,57	4,72

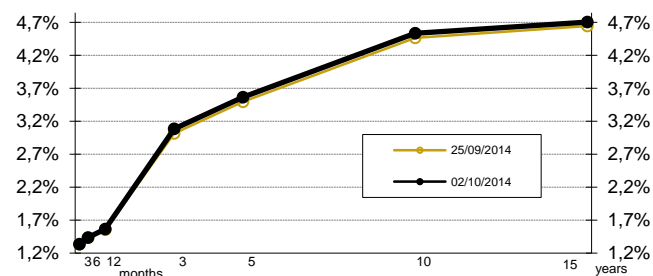
\*OTC average are value day data

## Secondary Market Turnover (billion HUF)

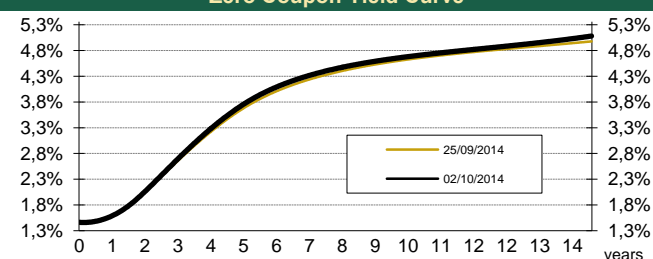
26/09/2014 - 02/10/2014	T-bills		Gov. Bonds		Gov. Securities	
	MTS	OTC*	MTS	OTC*	MTS	OTC*
26/09/2014	0,00	23,9	0,00	345,4	0,00	369,2
29/09/2014	0,00	22,6	0,00	255,8	0,00	278,4
30/09/2014	0,00	38,8	0,00	284,6	0,00	323,5
01/10/2014	0,00	72,8	0,00	488,8	0,00	561,6
02/10/2014	0,00	27,7	0,00	260,4	0,00	288,1
<b>TOTAL</b>	<b>0,00</b>	<b>185,7</b>	<b>0,00</b>	<b>1 635,1</b>	<b>0,00</b>	<b>1 820,8</b>

\*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	30/09/2014	1,38	1,36	-2	40	82,2	50,0	2,06	0,0	50,0
12-month T-bill	25/09/2014	1,65	1,63	-5	40	57,6	40,0	1,44	0,0	40,0
3-year Gov. Bond	02/10/2014	3,09	3,07	-7	20	82,5	30,0	4,13	11,1	41,1
5-year Gov. Bond	02/10/2014	3,80	3,77	0	20	51,0	30,0	2,55	7,3	37,3
10-year Gov. Bond	02/10/2014	4,55	4,54	-11	15	66,0	22,5	4,40	8,3	30,8
15-year Gov. Bond	12/06/2014	4,95	4,93	-128	15	43,8	22,5	2,92	8,1	30,6
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	25/09/2014	99,12	99,16	0,13	20	117,4	30,0	5,87	7,2	37,2
5-year Floating Bond	31/07/2014	96,91	97,04	0,00	10	8,9	5,0	0,89	0,0	5,0

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.