

# Weekly Report on the Hungarian Government Securities Market

27 / 03 / 2017 - 02 / 04 / 2017

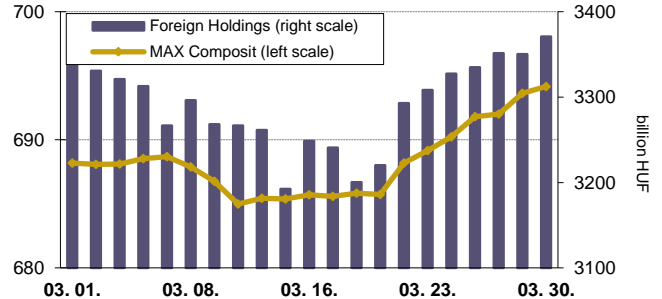
## Summary of Week 13

- On Week 13 the net issuance of HUF Government Securities amounted to HUF 58,0 billion. A net amount of HUF 321,1 billion of HUF Government Securities has been issued in 2017.
- At the auction of 3-month T-bills the bid-to-cover ratio reached a level of 1,76 and the average auction yield grew by 2 bps to 0,03%. At the auction of 3-year bonds the bid-to-cover ratio reached a level of 2,99 and the average auction yield diminished by 39 bps to 1,13%. At the auction of 5-year bonds the bid-to-cover ratio reached a level of 4,16 and the average auction yield diminished by 30 bps to 2,16%. At the auction of 15-year bonds the bid-to-cover ratio reached a level of 3,22 and the average auction yield diminished by 17 bps to 3,79%. GDMA held repurchase auctions of securities series 2018/A, 2019/C resulting in the buyback of HUF 11,18 and 48,00 billion.
- The reference yield of the 3-year maturity decreased by 27 bps, the yield of the 5-year and 10-year maturity diminished by 14-17 bps, the yield of the 15-year, 6-month and 12-month maturity diminished by 1-5 bps, the yield of the 3-month maturity did not change.
- The MAX Composite government securities index increased by 5,0 points to 694,2 while the amount of HUF Government Securities held by foreign investors grew by HUF 62,6 billion to HUF 3370,8 billion over the week.

## Next Week Summary

- On Week 14 the net issuance of HUF Government Securities is expected to amount to HUF -12,51 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 20 billion concerning the 3-month T-bills. 3- or 5-year floating rate bond auction may take place in case of sufficient demand.
- During next week's switch auction the GDMA will issue Hungarian Government Bonds series 2024/B in exchange of Hungarian Government Bonds 2019/A worth HUF 20 billion and series 2025/B in exchange of Hungarian Government Bonds 2019/C worth HUF 20 billion.

## MAX-index and Foreign Holdings in HUF Government Securities



## Issuance of Government Securities (billion HUF)

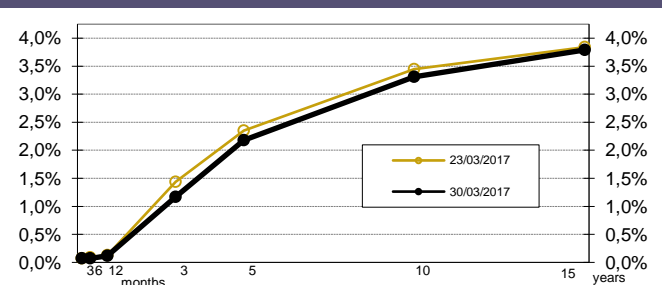
2017	GROSS ISSUANCE			REDEMPTION			REPURCHASE			NET ISSUANCE			CUMULATED NET ISSUANCE	
	week:	12	13	14	12	13	14	12	13	14	12	13	14	12
Discount T-bills	20,00	31,98	20,00	20,00	20,00	41,60	0,00	0,00	0,00	0,00	11,98	-21,60	30,86	42,83
Government Bonds	51,58	49,79	68,28	0,00	0,00	0,00	59,16	40,24	59,18	-7,58	9,56	9,10	-61,55	-52,00
Interest-bearing T-bill	46,78	94,53	60,61	34,76	58,05	60,61	0,00	0,00	0,00	12,02	36,49	0,00	293,74	330,23
Semi-annual T-bill	9,28	11,13	30,69	17,66	16,91	30,69	0,00	0,00	0,00	-8,38	-5,78	0,00	112,29	106,51
<b>TOTAL</b>	<b>118,37</b>	<b>176,30</b>	<b>148,89</b>	<b>54,76</b>	<b>78,05</b>	<b>102,21</b>	<b>59,16</b>	<b>40,24</b>	<b>59,18</b>	<b>4,44</b>	<b>58,02</b>	<b>-12,51</b>	<b>263,05</b>	<b>321,07</b>

## Market Yields of HUF Government Securities

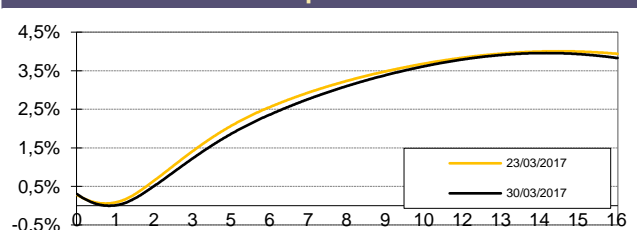
30/03/2017	PRICE QUOTATION of PRIMARY DEALERS		OTC-AVERAGE*	BENCHMARK YIELDS
	BID	ASK		
3 months	0,15	-0,01	0,10	0,07
6 months	0,15	0,00	0,08	0,07
12 months	0,20	0,03	0,11	0,12
3 years	1,25	1,10	1,11	1,17
5 years	2,26	2,10	2,07	2,18
10 years	3,39	3,23	3,37	3,31
15 years	3,86	3,71	3,67	3,79

\*OTC average are value day data

## Benchmark Yield Curve



## Zero Coupon Yield Curve



## Secondary Market Turnover (billion HUF)

24/03/2017 - 30/03/2017	T-bills		Gov. Bonds		Gov. Securities	
	MTS	OTC*	MTS	OTC*	MTS	OTC*
24/03/2017	0,00	17,8	0,00	442,0	0,00	459,8
27/03/2017	0,00	27,1	0,00	427,4	0,00	454,5
28/03/2017	0,00	33,3	1,74	537,9	1,74	571,2
29/03/2017	0,00	43,0	1,81	393,1	1,81	436,1
30/03/2017	0,00	18,7	0,05	515,3	0,05	534,0
<b>TOTAL</b>	<b>0,00</b>	<b>140,0</b>	<b>3,60</b>	<b>2 315,6</b>	<b>3,60</b>	<b>2 455,6</b>

\*OTC turnover are value day data

## 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	11/01/2016	1,20	1,18	-9	40	155,8	55,0	3,89	0,0	55,0
3-month T-bill	28/03/2017	0,05	0,03	2	20	35,2	20,0	1,76	0,0	20,0
12-month T-bill	23/03/2017	0,14	0,13	1	20	64,2	20,0	3,21	0,0	20,0
3-year Gov. Bond	30/03/2017	1,15	1,13	-39	18	53,9	18,0	2,99	6,6	24,6
5-year Gov. Bond	30/03/2017	2,17	2,16	-30	15	62,5	22,0	4,16	8,1	30,1
10-year Gov. Bond	16/03/2017	3,57	3,57	14	12	42,4	12,0	3,53	0,2	12,2
15-year Gov. Bond	30/03/2017	3,80	3,79	-17	10	32,2	10,0	3,22	3,6	13,6
Floating rate Government Bonds	AUCTION DATE	MIN. PRICE (%)	AVERAGE PRICE (%)	CHANGE TO PREVIOUS AUCTION (%)	AMOUNT OFFERED	BIDS	AMOUNT ACCEPTED	BID-TO-COVER	NON COMP. ISSUANCE	TOTAL MARKET ISSUANCE
3-year Floating Bond	09/02/2017	99,50	99,53	-0,05	5	15,7	5,0	3,14	1,2	6,2
5-year Floating Bond	23/03/2017	98,31	98,33	0,00	5	19,1	7,5	3,82	2,3	9,8

If you have any suggestions about the report please do not hesitate to contact Mr. László Bebesi via email [bebesi.laszlo@akk.hu](mailto:bebesi.laszlo@akk.hu) or phone +36-1-488-9463.