

Weekly Report on the Hungarian Government Securities Market

08. 08. 2011 - 14. 08. 2011

Week 33

On Week 33 the net issuance of HUF Government Securities amounted to HUF 33,0 billion. A net amount of HUF 608,9 billion of HUF Government Securities has been issued in 2011.

Next Week Summary

On Week 34 the net issuance of HUF Government Securities is expected to amount to HUF 42,91 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 40 billion concerning the 3-month T-bills, HUF 50 billion concerning the 12-month T-bills. During next week's switch auction the GDMA will issue Hungarian Government Bonds series 2019/A in exchange of Hungarian Government Bonds 2013/D and 2013/E worth HUF 8-8 billion.

Issuance of Government Securities (billion HUF)

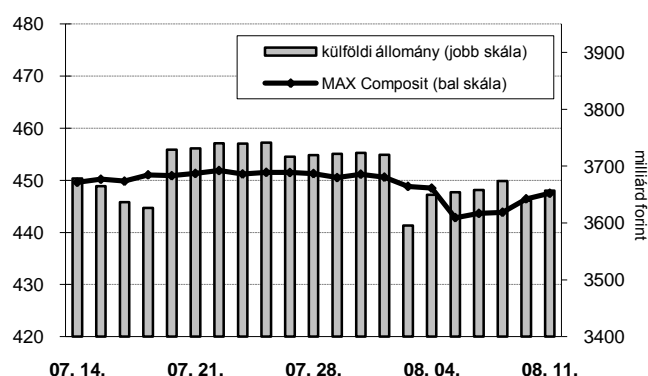
2011	GROSS ISSUANCE			REDEMPTION			REPURCHASE			NET ISSUANCE			CUMULATED NET ISSUANCE	
	week:	32	33	34	32	33	34	32	33	34	32	33	34	32
Discount T-bills	39,43	74,05	39,40	49,26	49,26	49,26	0,00	0,00	0,00	-9,83	24,79	-9,86	222,80	247,59
Government Bonds	45,00	7,87	66,24	0,00	0,00	0,00	11,43	0,00	12,92	33,57	7,87	53,32	354,13	362,01
Interest-bearing T-bill	1,28	1,82	0,78	2,00	1,73	1,43	0,00	0,00	0,00	-0,72	0,09	-0,66	1,78	1,87
Treasury Saving Bill*	3,67	4,62	1,69	3,41	4,37	1,58	0,00	0,00	0,00	0,27	0,25	0,11	-2,74	-2,58
TOTAL	89,39	88,37	108,11	54,67	55,37	52,28	11,43	0,00	12,92	23,29	33,01	42,91	575,97	608,99

*concerning the Treasury Saving Bill, data are approximations for the current week as well

Summary of Week 33

The reference yield of the 3-year maturity decreased by 2 bps, the yield of the 12-month, 10-year and 15-year maturity increased by 5-7 bps, the yield of the 3-month, 6-month and 5-year maturity grew by 10 bps. The MAX Composite government securities index decreased by 1,0 points to 447,5 while the amount of HUF Government Securities held by foreign investors grew by HUF 7,2 billion to HUF 3656,6 billion over the week. At the auction of 3-month T-bills the bid-to-cover ratio reached a level of 2,14 and the average auction yield grew by 26 bps to 5,98%. At the auction of 3-year bonds the bid-to-cover ratio reached a level of 5,22 and the average auction yield grew by 33 bps to 6,90%. At the auction of 5-year bonds the bid-to-cover ratio reached a level of 5,75 and the average auction yield grew by 36 bps to 7,48%. At the auction of 10-year bonds the bid-to-cover ratio reached a level of 7,27 and the average auction yield grew by 29 bps to 7,69%. GDMA held repurchase auctions of securities series 2012/B, 2012/C resulting in the buyback of HUF 7,33 and 5,59 billion.

MAX-index and Foreign Holdings in HUF Government Securities

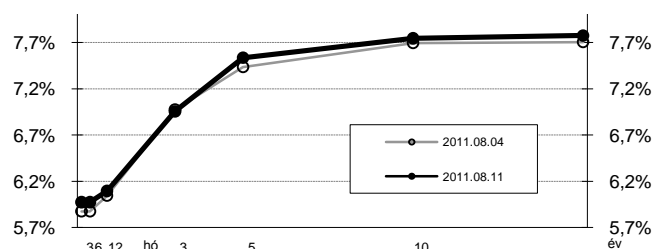


Market Yields of HUF Government Securities

2011.08.11	PRICE QUOTATION of PRIMARY DEALERS		OTC-AVERAGE*	BENCHMARK YIELDS
	BID	ASK		
3 months	6,10	5,80	5,95	5,95
6 months	6,10	5,80	6,13	5,95
12 months	6,09	5,95	6,00	6,07
3 years	7,05	6,81	7,16	6,93
5 years	7,60	7,40	7,45	7,51
10 years	7,80	7,60	7,85	7,72
15 years	7,85	7,65	7,96	7,75

*OTC average are value day data

Benchmark Yield Curve



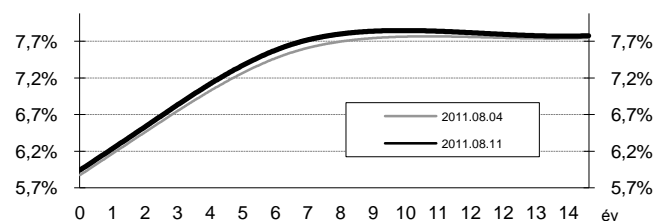
Secondary Market Turnover (billion HUF)

2011. 08. 05 - 2011. 08. 11.	T-bills		Gov. Bonds		Gov. Securities	
	BSE*	OTC**	BSE	OTC	BSE	OTC
2011.08.05	0,01	2,9	6,40	319,3	6,41	322,2
2011.08.08	0,00	25,0	1,70	415,5	1,70	440,5
2011.08.09	0,00	62,0	1,30	335,5	1,30	397,4
2011.08.10	0,00	136,1	0,80	479,8	0,80	615,8
2011.08.11	0,00	113,4	0,00	503,3	0,00	616,7
TOTAL	0,01	339,3	10,20	2 053,4	10,21	2 392,7

*Budapest Stock Exchange

**OTC turnover are value day data

Zero Coupon Yield Curve



Latest Auctions of Hungarian Government Securities (billion HUF)

2011.08.12	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	2011.06.06	6,00	5,95	1	50	91,8	50,0	1,84	0,0	50,0
3-month T-bill	2011.08.09	6,01	5,98	26	40	85,7	40,0	2,14	0,0	40,0
12-month T-bill	2011.08.04	6,08	6,04	16	50	105,5	50,0	2,11	0,0	50,0
3-year Gov. Bond	2011.08.11	6,92	6,90	33	15	78,3	22,5	5,22	4,4	26,9
5-year Gov. Bond	2011.08.11	7,50	7,48	36	15	86,2	22,5	5,75	2,9	25,4
10-year Gov. Bond	2011.08.11	7,70	7,69	29	8	58,1	12,0	7,27	2,0	14,0
15-year Gov. Bond	2011.06.30	7,32	7,31	27	10	12,4	8,0	1,24	0,0	8,0

If you have any suggestions about the report please do not hesitate to contact Mr. Péter István Héjjas via email hejjaspi@akk.hu or phone +36-1-488-9446.