

Weekly Report on the Hungarian Government Securities Market

17. febr. 2014 - 23. febr. 2014

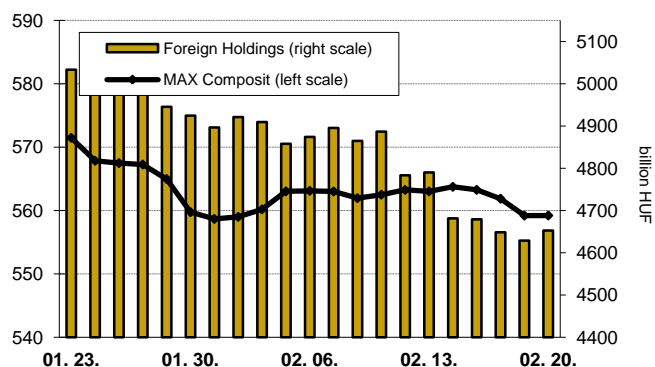
Summary of Week 8

- On Week 8 the net issuance of HUF Government Securities amounted to HUF 207,8 billion. A net amount of HUF 462,1 billion of HUF Government Securities has been issued in 2014.
- At the auction of liquidity T-bills the bid-to-cover ratio reached a level of 2,98 and the average auction yield diminished by 2 bps to 3,04%. At the auction of 3-month T-bills the bid-to-cover ratio reached a level of 2,41 and the average auction yield diminished by 3 bps to 3,04%. At the auction of 3-year bonds the bid-to-cover ratio reached a level of 3,06 and the average auction yield grew by 30 bps to 5,06%. At the auction of 5-year bonds the bid-to-cover ratio reached a level of 1,99 and the average auction yield grew by 36 bps to 5,34%. At the auction of 10-year bonds the bid-to-cover ratio reached a level of 2,94 and the average auction yield grew by 22 bps to 6,17%.
- The reference yield of the 6-month maturity decreased by 3 bps, the yield of the 3-month and 12-month maturity increased by 3-5 bps, the yield of the 15-year and 10-year maturity increased by 19-21 bps, the yield of the 3-year and 5-year maturity grew by 34 bps.
- The MAX Composite government securities index decreased by 3,8 points to 559,2 while the amount of HUF Government Securities held by foreign investors diminished by HUF 137,3 billion to HUF 4652,9 billion over the week.

Next Week Summary

- On Week 9 the net issuance of HUF Government Securities is expected to amount to HUF 26,16 billion.
- The auctions of liquidity T-bills, 3-month T-bills and 12-month T-bills are taking place over the week. The amounts offered for sale are HUF 50 billion concerning the liquidity T-bills, HUF 60 billion concerning the 3-month T-bills.
- During next week's switch auction the GDMA will issue Hungarian Government Bonds series 2023/A in exchange of Hungarian Government Bonds 2015/A and 2015/C worth HUF 10-10 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:	7	8	9	7	8	9	7	8	9	7	8	9	7
Discount T-bills	139,05	217,20	129,39	39,62	39,72	179,60	0,00	0,00	0,00	99,42	177,48	-50,21	396,41	573,90
Government Bonds	76,85	11,12	76,38	435,26	0,00	0,00	0,00	0,00	0,00	-358,42	11,12	76,38	-201,90	-190,78
Interest-bearing T-bill	12,76	33,35	20,50	15,88	14,20	20,50	0,00	0,00	0,00	-3,12	19,15	0,00	59,83	78,98
Semi-annual T-bill	1,00	1,45	0,70	0,51	0,55	0,70	0,00	0,00	0,00	0,49	0,89	0,00	1,06	1,95
TOTAL	228,66	261,67	226,26	490,77	53,92	200,10	0,00	0,00	0,00	-262,11	207,75	26,16	254,34	462,10

Market Yields of HUF Government Securities

2014.02.20	PRICE QUOTATION of PRIMARY DEALERS		OTC-AVERAGE*	BENCH-MARK YIELDS
	BID	ASK		
3 months	3,15	2,97	3,05	3,06
6 months	3,10	2,90	3,01	3,00
12 months	3,50	3,32	3,23	3,41
3 years	5,16	5,02	4,83	5,08
5 years	5,44	5,28	5,15	5,36
10 years	6,28	6,12	5,99	6,20
15 years	6,78	6,68	6,58	6,72

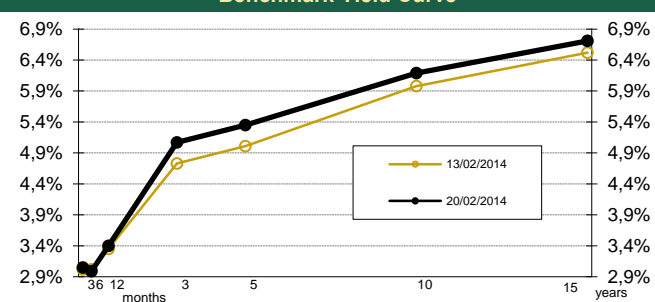
*OTC average are value day data

Secondary Market Turnover (billion HUF)

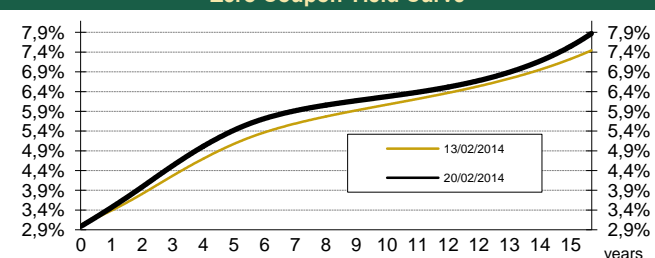
2012.02.17 - 2012.02.23.	T-bills		Gov. Bonds		Gov. Securities	
	MTS	OTC*	MTS	OTC*	MTS	OTC*
2012.02.17	1,46	11,0	0,00	237,7	1,46	248,6
2012.02.20	0,00	18,1	0,00	137,4	0,00	155,5
2012.02.21	0,00	8,6	7,33	340,0	7,33	348,6
2012.02.22	0,50	139,3	11,45	211,0	11,95	350,3
2012.02.23	0,00	21,0	0,30	257,1	0,30	278,2
TOTAL	1,95	198,0	19,08	1 183,2	21,03	1 381,1

*OTC turnover are value day data

Benchmark Yield Curve



Zero Coupon Yield Curve



Latest Auctions of Hungarian Government Securities (billion HUF)

2014.02.21	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	2014.02.17	3,06	3,04	-2	50	149,2	70,0	2,98	0,0	70,0
3-month T-bill	2014.02.18	3,07	3,04	-3	60	144,4	80,0	2,41	0,0	80,0
12-month T-bill	2014.02.13	3,35	3,27	-24	60	92,3	60,0	1,54	0,0	60,0
3-year Gov. Bond	2014.02.20	5,10	5,06	30	25	76,5	30,0	3,06	2,5	32,5
5-year Gov. Bond	2014.02.20	5,37	5,34	36	20	39,8	20,0	1,99	3,0	23,0
10-year Gov. Bond	2014.02.20	6,20	6,17	22	12	35,3	18,0	2,94	2,8	20,8
15-year Gov. Bond	2013.09.19	6,28	6,21	55	9	2,4	2,4	0,26	0,0	2,4

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.