

Weekly Report on the Hungarian Government Securities Market

21. okt. 2013 - 27. okt. 2013

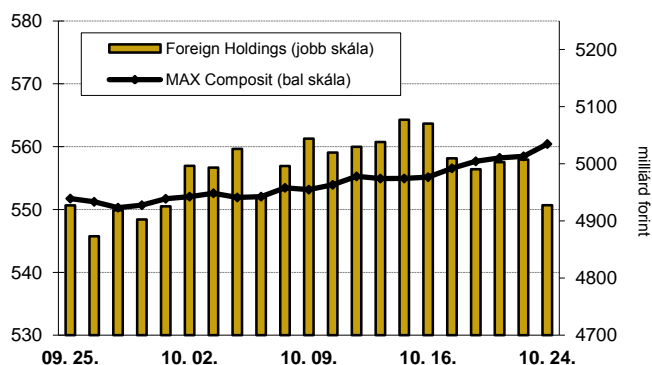
Summary of Week 43

- On Week 43 the net issuance of HUF Government Securities amounted to HUF -317,4 billion. A net amount of HUF 906,2 billion of HUF Government Securities has been issued in 2013.
- At the auction of 3-month T-bills the bid-to-cover ratio reached a level of 2,16 and the average auction yield diminished by 7 bps to 3,28%. At the auction of 12-month T-bills the bid-to-cover ratio reached a level of 1,98 and the average auction yield diminished by 12 bps to 3,30%.
- The reference yield of the 5-year, 10-year and 15-year maturity diminished by 20-22 bps, the yield of the 3-year maturity decreased by 12, the yield of the 6-month and 12-month maturity diminished by 8 bps, the yield of the 3-month maturity diminished by 2 bps.
- The MAX Composite government securities index increased by 3,9 points to 560,4 while the amount of HUF Government Securities held by foreign investors diminished by HUF 81,9 billion to HUF 4927,6 billion over the week.

Next Week Summary

- On Week 44 the net issuance of HUF Government Securities is expected to amount to HUF 13,29 billion.
- The auctions of 3-month T-bills along with 3-year 5-year and 10-year Government Bonds are taking place over the week. The amounts offered for sale are HUF 40 billion concerning the 3-month T-bills.
- GDMA is holding repurchase auctions of government securities series 2014/C, 2014/D over the week.

MAX-index and Foreign Holdings in HUF Government Securities



Issuance of Government Securities (billion HUF)

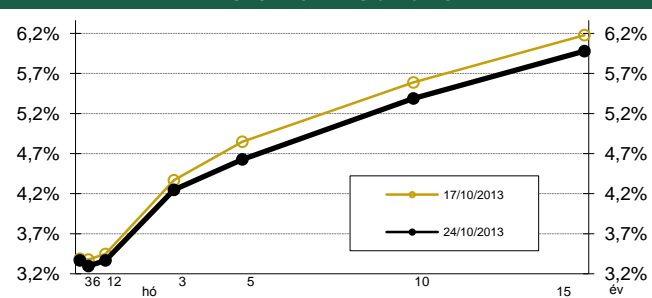
2013	GROSS ISSUANCE			REDEMPTION			REPURCHASE			NET ISSUANCE			CUMULATED NET ISSUANCE	
	week:	42	43	44	42	43	44	42	43	44	42	43	44	42
Discount T-bills	87,99	39,67	78,43	54,47	49,48	65,14	0,00	0,00	0,00	33,51	-9,81	13,29	221,66	211,86
Government Bonds	14,00	67,42	0,00	0,00	377,36	0,00	15,30	4,69	0,00	-1,30	-314,63	0,00	522,85	208,21
Interest-bearing T-bill	15,94	15,74	8,89	9,25	8,67	8,89	0,00	0,00	0,00	6,69	7,08	0,00	479,03	486,11
Semi-annual T-bill	0,52	0,47	0,88	0,37	0,75	0,88	0,00	0,00	0,00	0,15	-0,28	0,00	9,25	8,97
TOTAL	117,93	122,83	87,32	63,72	435,50	74,03	15,30	4,69	0,00	38,90	-317,36	13,29	1223,55	906,18

Market Yields of HUF Government Securities

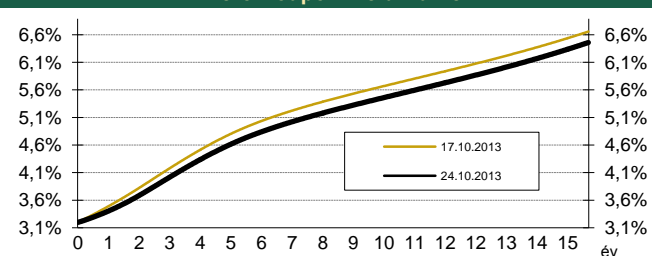
2013.10.24	PRICE QUOTATION of PRIMARY DEALERS		OTC-AVERA GE*	BENCH-MARK YIELDS
	BID	ASK		
3 months	3,42	3,25	3,31	3,33
6 months	3,35	3,16	3,31	3,26
12 months	3,41	3,25	3,31	3,33
3 years	4,28	4,14	4,41	4,21
5 years	4,67	4,52	4,74	4,59
10 years	5,43	5,27	5,54	5,35
15 years	6,03	5,85	5,98	5,94

*OTC average are value day data

Benchmark Yield Curve



Zero Coupon Yield Curve



Secondary Market Turnover (billion HUF)

2013.10.18 - 2013.10.24.	T-bills		Gov. Bonds		Gov. Securities	
	MTS	OTC*	MTS	OTC*	MTS	OTC*
2013.10.18	0,00	7,5	0,00	215,1	0,00	222,6
2013.10.21	0,00	17,9	0,00	210,4	0,00	228,2
2013.10.22	0,00	31,1	0,00	124,5	0,00	155,6
2013.10.23	0,00	0,0	0,00	0,0	0,00	0,0
2013.10.24	0,00	84,9	0,00	352,2	0,00	437,2
TOTAL	0,00	141,4	0,00	902,2	0,00	1 043,6

*OTC turnover are value day data

Latest Auctions of Hungarian Government Securities (billion HUF)

2013.10.25	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	2013.02.04	5,52	5,50	-16	50	55,7	40,0	1,11	0,0	40,0
3-month T-bill	2013.10.22	3,30	3,28	-7	40	86,4	40,0	2,16	0,0	40,0
12-month T-bill	2013.10.24	3,34	3,30	-12	40	79,4	40,0	1,98	0,0	40,0
3-year Gov. Bond	2013.10.17	4,34	4,32	-16	18	38,3	20,0	2,13	4,3	24,3
5-year Gov. Bond	2013.10.17	4,80	4,78	-21	15	62,1	22,0	4,14	7,8	29,8
10-year Gov. Bond	2013.10.17	5,54	5,51	-24	10	24,1	12,0	2,41	1,3	13,3
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. Andras Kadar via email kadara@akk.hu or phone +36-1-488-9404.