

# Weekly Report on the Hungarian Government Securities Market

22. 02. 2010 - 28. 02. 2010

## Week 9

On Week 9 the net issuance of HUF Government Securities amounted to HUF 18,32 billion. A net amount of HUF 176,54 billion of HUF Government Securities has been issued in 2010.

## Next Week Summary

On Week 10 the net issuance of HUF Government Securities is expected to amount to HUF 36,49 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 30 billion concerning the 3-month T-bills, HUF 40 billion concerning the 12-month T-bills. During next week's switch auction the GDMA will issue Hungarian Government Bond 2014/C in exchange of Hungarian Government Bonds 2012/B and 2012/C worth HUF 10 billion each.

### Issuance of Government Securities (billion HUF)

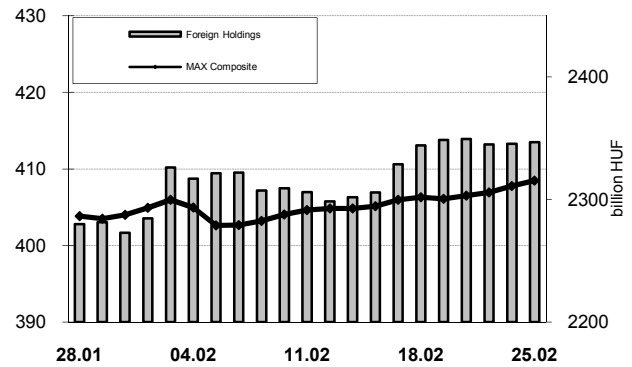
2010	GROSS ISSUANCE			REDEMPTION			REPURCHASE			NET ISSUANCE			CUMULATED NET ISSUANCE	
	week:	8	9	10	8	9	10	8	9	10	8	9	10	8
<b>Discount T-bills</b>	29,58	67,56	29,58	39,36	44,31	39,41	0,00	0,00	0,00	-9,78	23,25	-9,82	16,93	40,17
<b>Government Bonds</b>	67,03	20,00	58,26	0,00	0,00	0,00	25,40	20,00	10,81	41,63	0,00	47,45	152,83	152,83
<b>Interest-bearing T-bill*</b>	1,55	0,87	1,21	1,77	4,88	1,32	0,00	0,00	0,00	-0,22	-4,01	-0,11	-4,15	-8,15
<b>Treasury Saving Bill</b>	4,10	3,71	3,91	5,24	4,64	4,94	0,00	0,00	0,00	-1,13	-0,93	-1,03	-7,39	-8,32
<b>TOTAL</b>	102,27	92,14	92,96	46,37	53,82	45,66	25,40	20,00	10,81	30,50	18,32	36,49	158,22	176,54

\*concerning the Interest-bearing T-bill, data are approximations for the current week as well

## Summary of Week 9

The reference yield of the 5-year maturity decreased by 22 bps, the yield of the 3-year, 10-year, 6-month and 15-year maturity diminished by 9-14 bps, the yield of the 12-month and 3-month maturity diminished by 3-4 bps. The MAX Composite government securities index increased by 2,2 points to 408,5 while the amount of HUF Government Securities held by foreign investors grew by HUF 2,6 billion to HUF 2346,9 billion over the week. At the auction of 3-month T-bills the bid-to-cover ratio reached a level of 2,28 and the average auction yield diminished by 2 bps to 5,56%. At the auction of 3-year bonds the bid-to-cover ratio reached a level of 2,70 and the average auction yield diminished by 30 bp to 6,69%. At the auction of 5-year bonds the bid-to-cover ratio reached a level of 2,64 and the average auction yield diminished by 45 bp to 6,97%. At the auction of 10-year bonds the bid-to-cover ratio reached a level of 3,17 and the average auction yield diminished by 37 bp to 7,46%. GDMA held repurchase auctions of securities series 2010/B, 2010/D resulting in the buyback of HUF 0,61 and 10,20 billion.

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

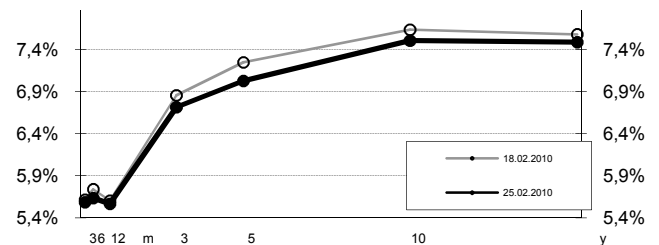


## Market Yields of HUF Government Securities

25. 02. 2010	PRICE QUOTATION of PRIMARY DEALERS		OTC-AVERAG E*	BENCH-MARK YIELDS
	BID	ASK		
<b>3 months</b>	5,80	5,40	5,61	5,60
<b>6 months</b>	5,90	5,40	5,50	5,65
<b>12 months</b>	5,80	5,40	5,58	5,58
<b>3 years</b>	6,80	6,65	6,76	6,73
<b>5 years</b>	7,15	6,95	7,10	7,04
<b>10 years</b>	7,65	7,45	7,67	7,52
<b>15 years</b>	7,70	7,30	7,67	7,50

\*OTC average are value day data

## Benchmark Yield Curve



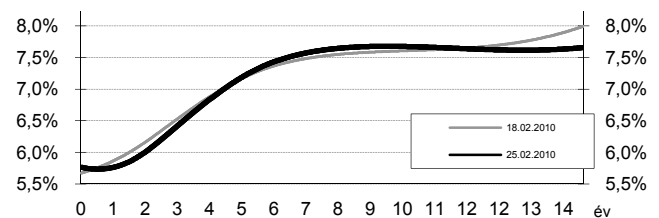
## Secondary Market Turnover (billion HUF)

19. 02. 2010 - 25. 02. 2010	T-bills		Gov. Bonds		Gov. Securities	
	BSE*	OTC**	BSE	OTC	BSE	OTC
<b>2010.02.19</b>	0,00	3,1	0,00	89,0	0,00	92,1
<b>2010.02.22</b>	0,00	4,2	0,00	136,2	0,00	140,4
<b>2010.02.23</b>	0,00	73,4	0,10	78,9	0,10	152,3
<b>2010.02.24</b>	0,00	86,7	0,00	209,1	0,00	295,8
<b>2010.02.25</b>	0,00	75,7	0,00	182,8	0,00	258,4
<b>TOTAL</b>	0,00	243,0	0,10	696,0	0,10	939,0

\*Budapest Stock Exchange

\*\*OTC turnover are value day data

## Zero Coupon Yield Curve



## Latest Auctions of Hungarian Government Securities (billion HUF)

26. 02. 2010	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
<b>Liquidity T-bill</b>	2009.11.30	6,52	6,48	12	40	75,0	40,0	1,87	0,0	40,0
<b>3-month T-bill</b>	2010.02.23	5,59	5,56	-2	30	68,3	30,0	2,28	0,0	30,0
<b>12-month T-bill</b>	2010.02.18	5,74	5,72	-6	50	74,2	40,0	1,48	0,0	40,0
<b>3-year Gov. Bond</b>	2010.02.25	6,71	6,69	-30	25	67,4	25,0	2,70	6,1	31,1
<b>5-year Gov. Bond</b>	2010.02.25	6,99	6,97	-45	15	39,7	15,0	2,64	2,1	17,1
<b>10-year Gov. Bond</b>	2010.02.25	7,48	7,46	-37	10	31,7	10,0	3,17	0,1	10,1
<b>15-year Gov. Bond</b>	2009.08.13	8,16	8,14	55	7	13,9	7,0	1,98	0,6	7,6