



GOVERNMENT DEBT MANAGEMENT AGENCY PTE LTD.

Á | K | K

GOVERNMENT SECURITIES MARKET

MONTHLY REPORT
OCTOBER 2023



The Central Government Debt increased by HUF 4,155.8 billion to HUF 49,718.2 billion in 2023. Total net issuance was HUF 5,017.9 billion; out of which net HUF denominated issuance including repos was HUF 2,585.9 billion and net foreign currency denominated issuance was HUF 2,432.1 billion in 2023.

CENTRAL GOVERNMENT DEBT

(HUF billion)	2022		2023		Change	
	December	%	October	%	HUF billion	%
HUF denominated debt	33,775.6	74.1	36,361.5	73.1	2,585.9	7.7
Loans	1,024.2	2.2	921.8	1.9	-102.4	-10.0
Government bonds	22,346.3	49.0	23,749.5	47.8	1,403.2	6.3
Retail securities	8,619.4	18.9	9,678.6	19.5	1,059.3	12.3
Discount treasury bills	1,785.8	3.9	2,011.6	4.0	225.8	12.6
Foreign exchange denominated debt	11,397.3	25.0	13,249.5	26.6	1,852.2	16.3
Total	45,173.0	99.1	49,611.0	99.8	4,438.1	9.8
Other obligations	389.4	0.9	107.2	0.2	-282.2	-72.5
Total central government debt	45,562.4	100.0	49,718.2	100.0	4,155.8	9.1

The HUF denominated debt of the central government increased by HUF 2,585.9 billion in 2023. The increase in domestic debt was the result of the net government bond issuance of HUF 1,403.2 billion and the increase of discount Treasury bills by HUF 225.8 billion. The total amount of retail government securities increased by HUF 1,059.3 billion. The majority of the demand for retail government securities was the sale of Premium Hungarian Government Securities with a maturity of more than one year. The volume of HUF loans decreased by HUF 102.4 billion in 2023.

The foreign currency debt of the central government increased by HUF 1,852.2 billion in 2023. The increase is mainly due to the foreign currency bonds issuance in January: 5-year foreign currency bond in the amount of USD 1.5 billion (HUF 558.1 billion) and 10-year foreign currency bond in the amount of USD 1.5 billion (HUF 558.1 billion), and 30-year foreign currency bond in the amount of 1.25 billion USD (HUF 465.1 billion HUF) was also issued. The foreign currency debt was further increased by the private placement in March. The 5- and 10-year foreign currency bonds issued in January were increased in the amounts of USD 150 million (HUF 54.3 billion) and USD 300 million (HUF 108.6 billion). Further EUR 1.75 billion (HUF 673.2 billion) of 10-year foreign currency bond was issued in September. Foreign currency securities issued under the ECP (Euro Commercial Paper) programme amounted to USD 500 million (HUF 178.2 billion) at the end of October.

The drawdown of foreign currency loans further increased the foreign currency debt by HUF 396.8 billion and the issuance of domestic foreign currency bonds grew by HUF 159.7 billion. The exchange rate revaluations totalling HUF 579.9 billion decreased the Hungarian forint value of the foreign currency debt. Foreign currency debt was decreased by the redemption of foreign currency bond by HUF 626.3 billion and the repayments of domestic foreign currency bond by HUF 36.0 billion. The total amount of other liabilities decreased by HUF 282.2 billion in 2023.

BENCHMARK YIELDS

Maturity	30.12.2022	29.09.2023	31.10.2023	Change in October basis point
3-month	12.32	8.17	8.04	-13
6-month	13.89	8.54	7.98	-56
1-year	13.82	8.69	7.99	-70
3-year	10.71	8.28	8.15	-13
5-year	9.73	7.54	7.48	-6
10-year	8.98	7.40	7.48	8
15-year	8.41	7.32	7.49	17
20-year	8.41	7.31	7.50	19

Monthly OTC turnover of government securities increased by 8% to HUF 12,946.2 billion in October. Primary dealers, who account for the decisive part of all secondary government securities trading, made 63% of their secondary government securities deals with non-resident investors.

The volume of non-residents' holdings of Hungarian government securities increased altogether by HUF 874.8 billion in October and amounted to HUF 7,047.6 billion at the end of October. This volume represented 19.9% of the total amount of domestic government securities.

The EUR/HUF exchange rate according to the National Bank of Hungary was 382.48 on the last working day of October.

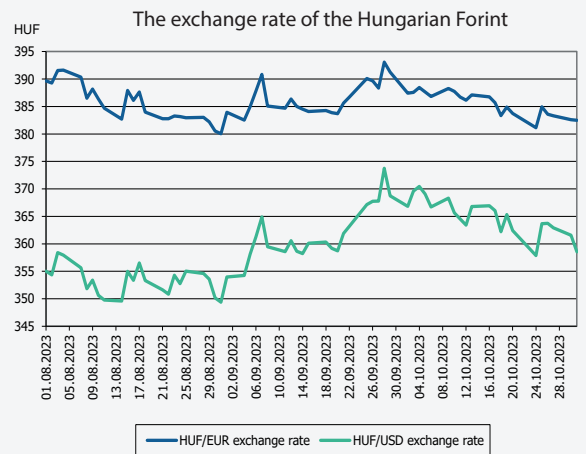
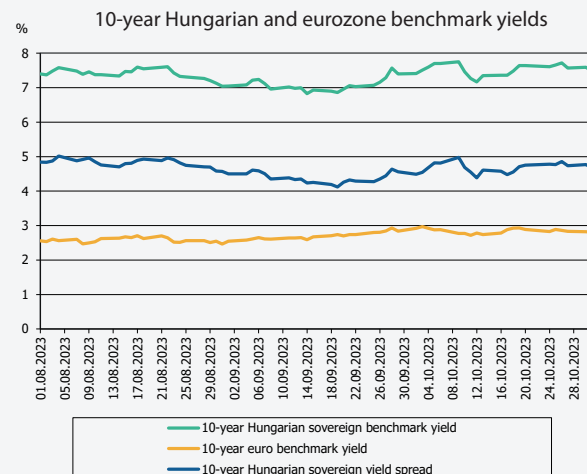
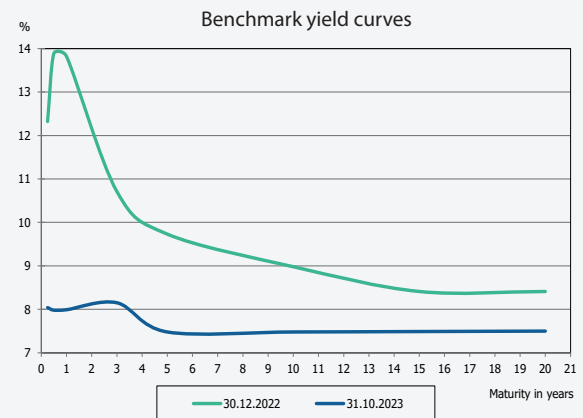
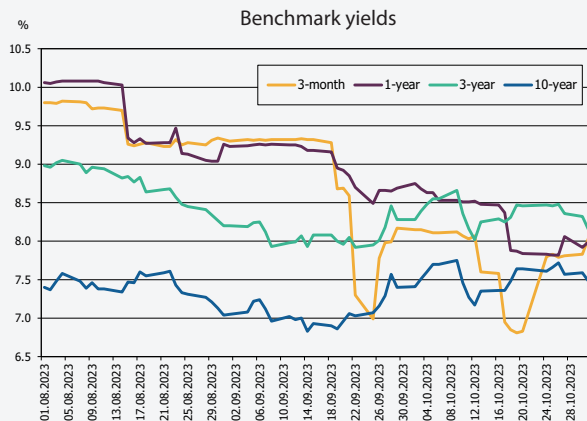
The credit rating of the long-term foreign currency debt of Hungary is as follows on the last working day of October: BBB- (Standard & Poor's); Baa2 (Moody's); BBB (Fitch).

CENTRAL GOVERNMENT GROSS DEBT

HUF BILLION

	2018	2019	2020	2021	2022	2023 August	2023 September	2023 October
1. Forint denominated debt	22,796.0	24,357.1	29,237.3	32,121.2	33,775.6	35,831.0	36,237.2	36,361.5
1.1. Loans	1,167.7	1,208.1	1,161.6	1,307.7	1,024.2	921.8	921.8	921.8
1.2. Government securities	21,628.3	23,149.0	28,075.7	30,813.5	32,751.4	34,909.2	35,315.4	35,439.7
1.2.1. Public issues	21,589.1	23,109.8	28,036.5	30,813.5	32,751.4	34,909.2	35,315.4	35,439.7
1.2.1.1. Bonds	12,836.1	13,378.5	18,206.6	20,220.0	22,346.3	23,141.6	23,667.3	23,749.5
1.2.1.2. Discount T-bills	1,237.3	657.3	658.2	583.2	1,785.8	2,306.9	2,155.3	2,011.6
1.2.1.3. Retail securities	7,515.7	9,074.0	9,171.7	10,010.2	8,619.4	9,460.7	9,492.8	9,678.6
1.2.2. Private placements	39.2	39.2	39.2	0.0	0.0	0.0	0.0	0.0
2. Foreign currency denominated debt*	5,724.8	5,121.2	7,318.2	8,395.2	11,397.3	12,319.8	13,544.3	13,249.5
2.1. Loans	795.0	825.4	1,291.1	1,345.2	1,959.1	2,125.0	2,259.8	2,209.3
2.1.1. Foreign loans	795.0	825.4	1,291.1	1,345.2	1,959.1	2,125.0	2,259.8	2,209.3
2.1.2. Domestic loans	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.2. Government securities	4,929.8	4,295.8	6,027.1	7,049.9	9,438.2	10,194.8	11,284.5	11,040.2
2.2.1. Issued abroad	4,246.2	3,713.5	5,481.3	6,594.9	9,085.5	9,739.5	10,823.4	10,580.7
2.2.2. Issued domestically	683.6	582.3	545.9	455.0	352.8	455.3	461.1	459.5
Total	28,520.7	29,478.3	36,555.5	40,516.4	45,173.0	48,150.8	49,781.5	49,611.0
Other liabilities	167.40	203.70	128.80	180.60	389.40	113.50	179.90	107.20
Total central government debt	28,688.2	29,682.0	36,684.3	40,697.0	45,562.4	48,264.3	49,961.4	49,718.2
Marketable HUF debt (1.2.1.1+1.2.1.2+1.2.2)	14,112.6	14,075.0	18,904.0	20,803.2	24,132.1	25,448.5	25,822.6	25,761.1
Gross debt/GDP	66.1%	62.3%	75.8%	73.7%	69.0%			

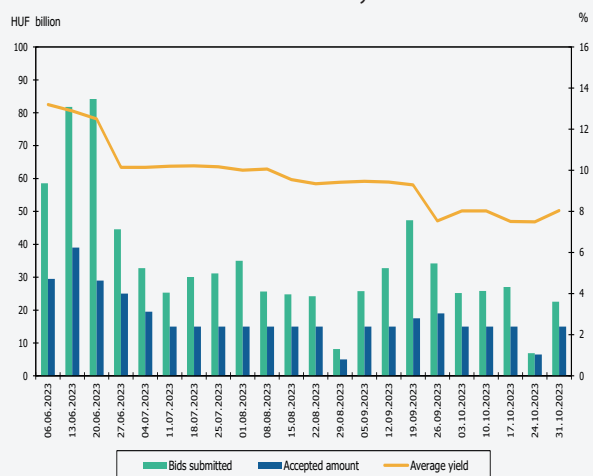
* Foreign exchange debt is recorded at the mid exchange rate of the NBH at the end of the year/month.



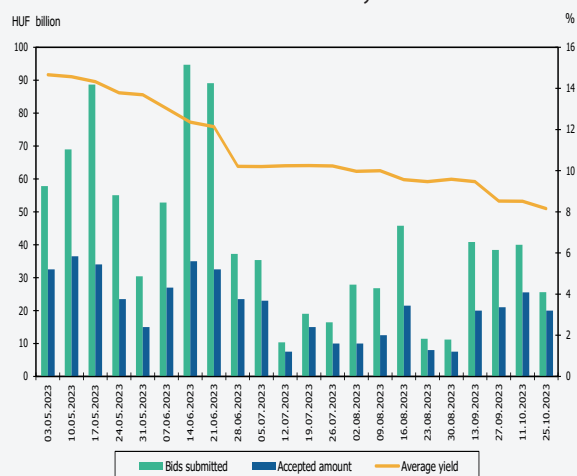
DISCOUNT TREASURY BILL AUCTION RESULTS

	3-month Discount T-bills					6-month Discount T-bills		12-month Discount T-bills	
Code of T-bills	D240110	D240117	D240124	D240131	D240207	D240320	D240626	D240821	D241030
ISIN code	HU0000524889	HU0000524897	HU0000524731	HU0000524921	HU0000524947	HU0000524814	HU0000524756	HU0000524830	HU0000524939
Maturity in days	91	91	91	90	91	154	237	308	363
Date of auction	03.10.2023	10.10.2023	17.10.2023	24.10.2023	31.10.2023	11.10.2023	25.10.2023	12.10.2023	26.10.2023
Date of financial settlement	11.10.2023	18.10.2023	25.10.2023	02.11.2023	08.11.2023	18.10.2023	02.11.2023	18.10.2023	02.11.2023
Redemption date	10.01.2024	17.01.2024	24.01.2024	31.01.2024	07.02.2024	20.03.2024	26.06.2024	21.08.2024	30.10.2024
Maximum yield (%) - ISMA	8.10	8.09	7.65	7.85	8.23	8.57	8.48	8.61	8.59
Minimum yield (%) - ISMA	7.65	7.80	7.15	7.00	7.30	7.50	7.00	8.45	7.80
Average yield (%) - ISMA	8.03	8.03	7.51	7.49	8.04	8.51	8.16	8.57	8.35
Maximum yield (%) - EHM	8.21	8.20	7.76	7.96	8.34	8.69	8.60	8.73	8.71
Minimum yield (%) - EHM	7.76	7.91	7.25	7.10	7.40	7.60	7.10	8.57	7.90
Average yield (%) - EHM	8.14	8.14	7.61	7.60	8.15	8.63	8.27	8.69	8.47
Average selling price (%)	98.0105	98.0115	98.1374	98.1611	98.0074	96.4868	94.9043	93.1652	92.2341
Amount offered for sale (HUF million)	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00	20,000.00	20,000.00	20,000.00	25,000.00
Amount of bids submitted (HUF million)	25,177.36	25,795.23	27,011.43	6,926.23	22,569.96	39,957.97	25,604.95	52,445.56	40,887.26
Amount of bids accepted (HUF million)	14,999.98	14,999.98	14,999.98	6,500.00	15,000.00	25,500.00	20,000.00	29,999.99	30,000.00
Bid-to-cover ratio	1.68	1.72	1.80	1.07	1.50	1.57	1.28	1.75	1.36
Bids submitted (pcs)	64	42	46	18	71	69	58	67	90
Bids accepted (pcs)	34	29	29	17	62	47	56	40	72
Market sales (HUF million)	14,999.98	14,999.98	14,999.98	6,500.00	15,000.00	25,500.00	20,000.00	29,999.99	30,000.00
Retained on ÁKK's own account (HUF million)	20,000.02	10,000.02	0.02	20,000.00	20,000.00	10,000.00	34,000.00	19,000.01	60,000.00
Total amount issued (HUF million)	35,000.00	25,000.00	15,000.00	26,500.00	35,000.00	35,500.00	54,000.00	49,000.00	90,000.00

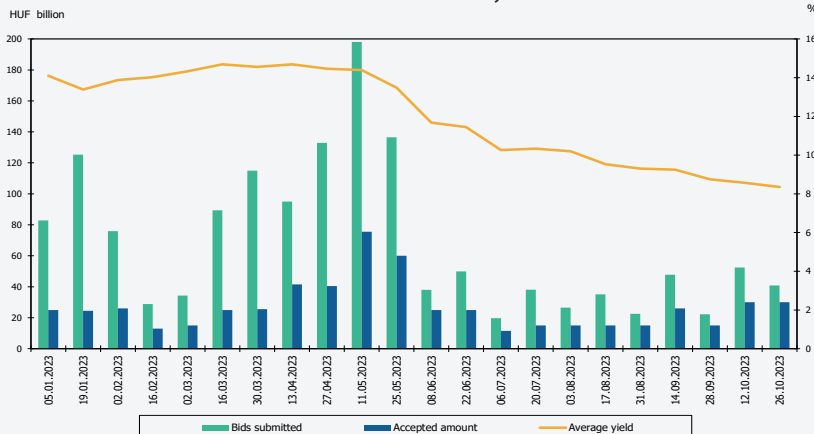
3-month Discount Treasury Bill auctions



6-month Discount Treasury Bill auctions



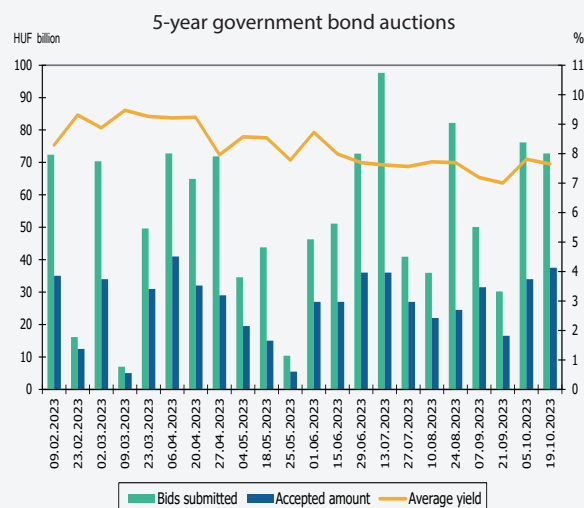
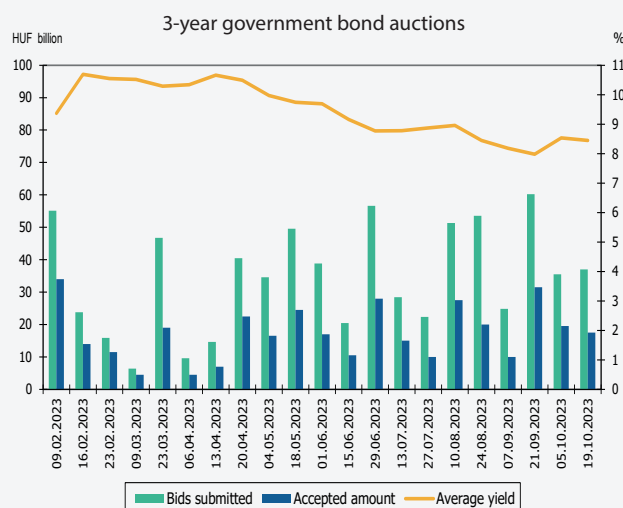
12-month Discount Treasury Bill auctions



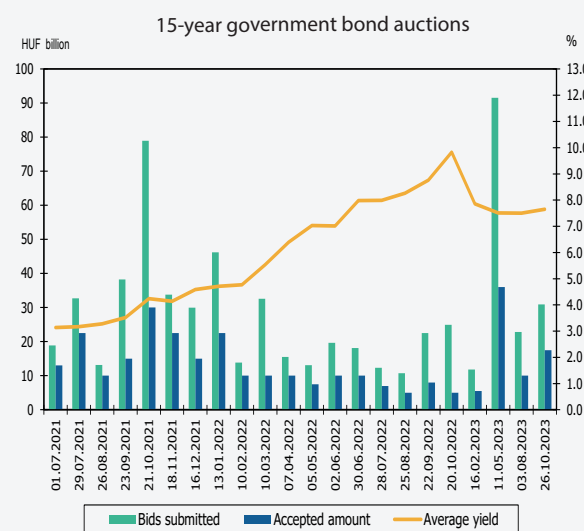
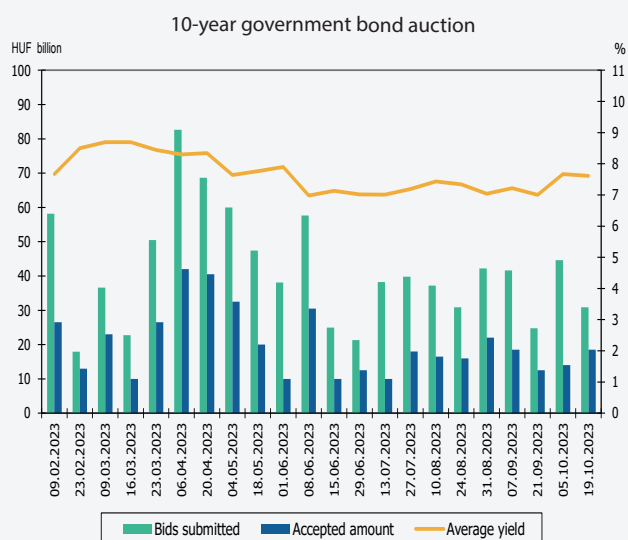
GOVERNMENT BOND AUCTION RESULTS

Government Bond	2026/H	2028/A	2032/A	2029/B	2032/B
ISIN code	HU0000406160	HU0000402532	HU0000405550	HU0000404926	HU0000406087
Maturity (in years)	3	5	10	5	10
Coupon	9.50%	6.75%	4.75%	14.00%	13.93%
Auction	20th auction	67th auction	45th auction	43rd auction	15th auction
Date of auction	05.10.2023	05.10.2023	05.10.2023	12.10.2023	12.10.2023
Date of financial settlement	11.10.2023	11.10.2023	11.10.2023	18.10.2023	18.10.2023
Redemption date	21.10.2026	22.10.2028	24.11.2032	22.08.2029	25.08.2032
Maximum annual yield (%) - ISMA	8.55	7.84	7.69	-	-
Minimum annual yield (%) - ISMA	8.50	7.76	7.65	-	-
Average annual yield (%) - ISMA	8.53	7.81	7.67	-	-
Maximum annual yield (%) - EHM	8.54	7.83	7.68	-	-
Minimum annual yield (%) - EHM	8.49	7.75	7.64	-	-
Average annual yield (%) - EHM	8.53	7.80	7.66	-	-
Maximum price (%)	102.5657	95.9141	81.4259	100.4600	99.2500
Minimum price (%)	102.4348	95.6003	81.2017	100.2500	99.0000
Average price (%)	102.4756	95.7288	81.3026	100.3400	99.2300
Amount offered for sale (HUF million)	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
Amount of bids submitted (HUF million)	35,500.00	76,200.00	44,600.00	19,033.00	46,100.00
Amount of bids accepted (HUF million)	19,500.00	33,999.97	13,999.98	10,000.00	33,999.99
Bid-to-cover ratio	1.82	2.24	3.19	1.90	1.36
Bids submitted (pcs)	34	56	33	33	26
Bids accepted (pcs)	21	22	14	18	14
Tail (%) (average price - minimum price)	0.04	0.13	0.10	0.09	0.23
Market sales (HUF million)	19,500.00	33,999.97	13,999.98	10,000.00	33,999.99
Non-competitive offer (HUF million)	4,680.00	7,519.97	3,024.23	2,120.00	13,519.98
Total amount sales (HUF million)	24,180.00	41,519.94	17,024.21	12,120.00	47,519.97

Government Bond	2026/H	2028/A	2032/A	2038/A	2051/G
ISIN code	HU0000406160	HU0000402532	HU0000405550	HU0000403555	HU0000404991
Maturity (in years)	3	5	10	15	30
Coupon	9.50%	6.75%	4.75%	3.00%	4.00%
Auction	21st auction	68th auction	46th auction	63rd auction	8th auction
Date of auction	19.10.2023	19.10.2023	19.10.2023	26.10.2023	26.10.2023
Date of financial settlement	25.10.2023	25.10.2023	25.10.2023	02.11.2023	02.11.2023
Redemption date	21.10.2026	22.10.2028	24.11.2032	27.10.2038	28.04.2051
Maximum annual yield (%) - ISMA	8.47	7.69	7.63	7.67	7.70
Minimum annual yield (%) - ISMA	8.42	7.62	7.59	7.63	7.65
Average annual yield (%) - ISMA	8.45	7.65	7.61	7.65	7.67
Maximum annual yield (%) - EHM	8.46	7.68	7.62	7.66	7.69
Minimum annual yield (%) - EHM	8.41	7.61	7.58	7.62	7.64
Average annual yield (%) - EHM	8.45	7.65	7.61	7.65	7.67
Maximum price (%)	102.7493	96.4941	81.8230	59.4808	58.5413
Minimum price (%)	102.6195	96.2222	81.5984	59.2316	58.1659
Average price (%)	102.6587	96.3572	81.6842	59.3459	58.3591
Amount offered for sale (HUF million)	10,000.00	10,000.00	10,000.00	10,000.00	8,000.00
Amount of bids submitted (HUF million)	36,970.50	72,765.00	30,900.00	30,900.00	14,450.00
Amount of bids accepted (HUF million)	17,499.99	37,500.00	18,500.00	17,499.98	11,000.00
Bid-to-cover ratio	2.11	1.94	1.67	1.77	1.31
Bids submitted (pcs)	34	51	32	60	44
Bids accepted (pcs)	19	24	16	31	29
Tail (%) (average price - minimum price)	0.04	0.14	0.09	0.11	0.19
Market sales (HUF million)	17,499.99	37,500.00	18,500.00	17,499.98	11,000.00
Non-competitive offer (HUF million)	4,828.56	4,400.00	800.00	1,465.71	0.00
Total amount sales (HUF million)	22,328.55	41,900.00	19,300.00	18,965.69	11,000.00



The graph shows the yield on fixed-rate bonds.



GOVERNMENT SECURITIES BUY-BACK AUCTION RESULTS

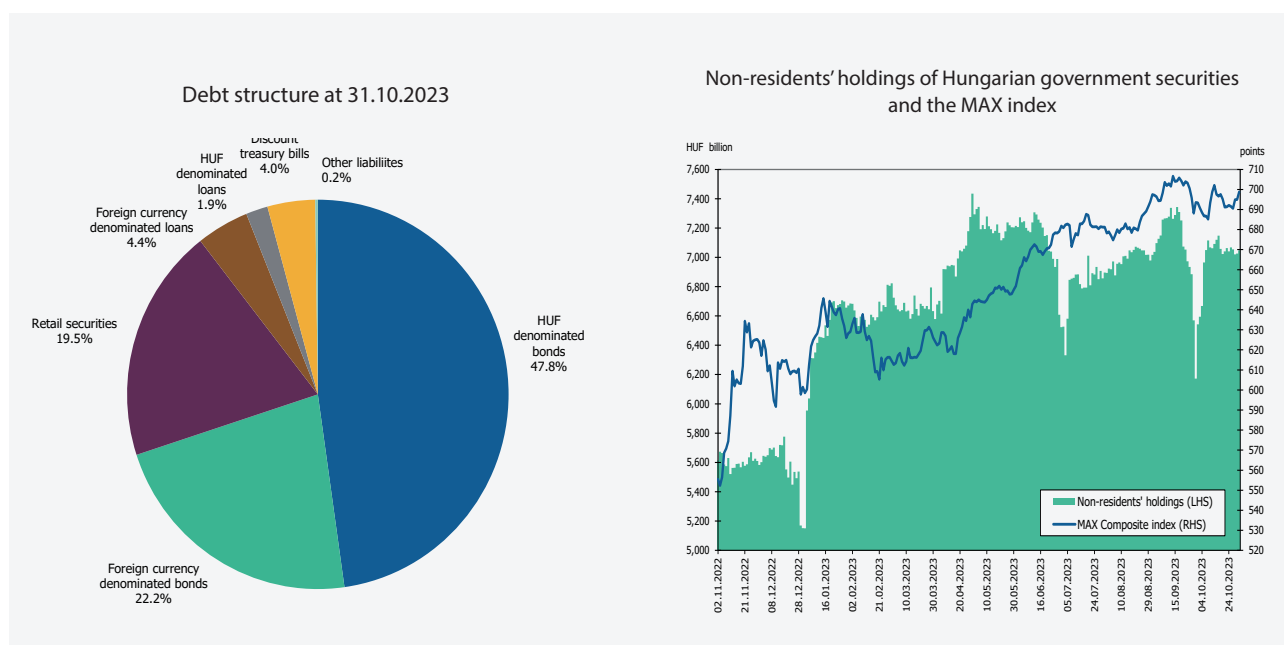
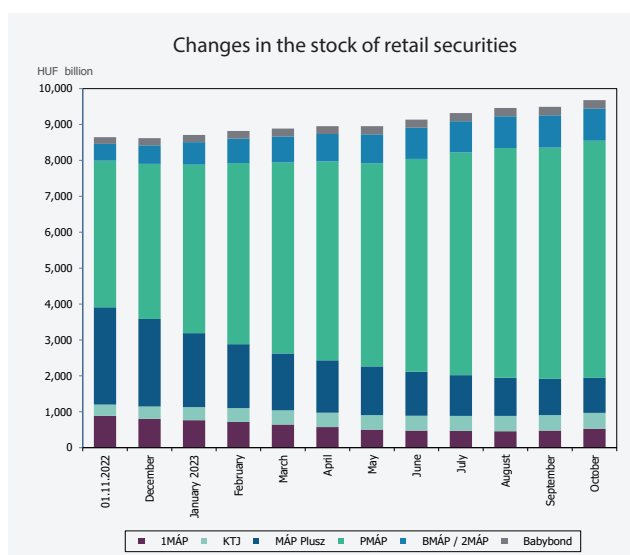
Government bond	2023/A	2023/A
ISIN code	HU0000402383	HU0000402383
Coupon (%)	6.0%	6.0%
Date of reverse auction	11.10.2023	25.10.2023
Date of financial settlement	18.10.2023	02.11.2023
Redemption date	24.11.2023	24.11.2023
Minimum annual yield (%)	9.54	9.35
Average annual yield- ISMA (%)	9.63	9.40
Average annual yield - EHM (%)	9.11	8.88
Amount of bids submitted (HUF million)	9,437.31	5,200.00
Amount of bids accepted (HUF million)	9,437.31	5,200.00

INTEREST RATE RESETS OF FLOATING RATE GOVERNMENT BONDS IN OCTOBER 2023

Government bond	Date of interest rate reset	Interest period		Date of interest payment	Reset interest rate	Interest payable
2026/O	17.10.2023	21.10.2023	21.01.2024	22.01.2024	8.76%	2.24%
2027/B	18.10.2023	22.10.2023	22.01.2024	22.01.2024	11.98%	3.06%

OUTSTANDING AMOUNT OF RETAIL SECURITIES

Retail securities	HUF billion		
	31.12.2022	31.10.2023	Change
1-year Hungarian Government Security / 1MÁP	807.8	531.5	-276.3
Treasury Saving Bills / KTJ	341.8	437.2	95.4
Hungarian Government Security Plus / MÁP Plusz	2,434.5	974.6	-1,459.9
Premium Hungarian Government Security / PMÁP	4,321.6	6,605.6	2,283.9
Bonus Hungarian Government Security / BMÁP	514.7	889.1	374.4
Babybond	198.8	240.6	41.7
Total	8,619.3	9,678.6	1,059.3



HUNGARIAN GOVERNMENT SECURITIES INDICES

	MAX index	HMAX index	MAX Composite index	RMAX index	ZMAX index
Value as at 31.10.2023	726.1764	83.6957	698.7415	642.2045	638.8493
Changes compared to the end of the previous month	5.4677	0.4153	5.2492	4.7850	4.3615
Annual yield earned on the index portfolio (%)	26.27	29.86	25.80	14.15	13.87

Government bonds with the highest secondary market turnover in October 2023

Government bond	Date of redemption	Turnover (HUF billion)
2026/H	21.10.2026	693.9
2028/A	22.10.2028	592.5
2032/A	24.11.2032	379.1
2033/A	20.04.2033	250.9
2025/B	24.06.2025	164.2
2026/E	22.04.2026	156.3
2024/B	26.06.2024	155.0
2028/B	23.03.2028	148.1
2030/A	21.08.2030	132.9
2031/A	22.10.2031	129.2

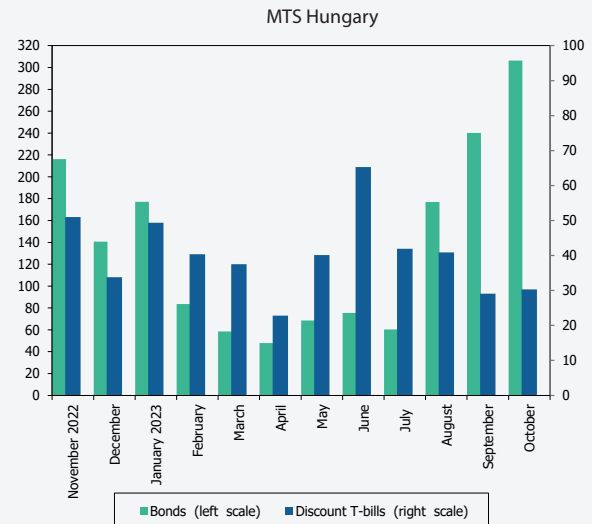
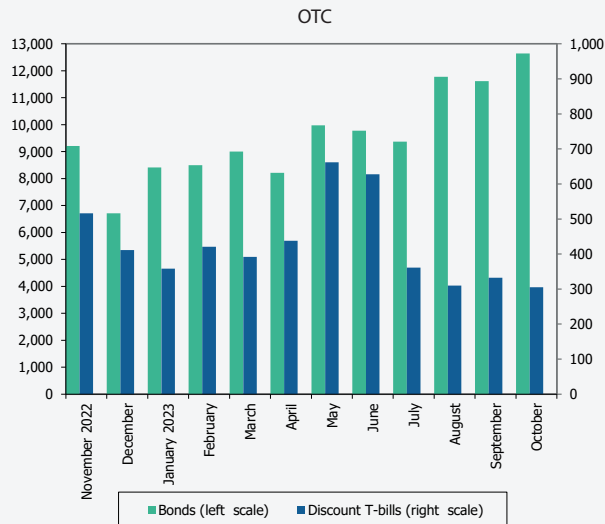
The outstanding volume of government bonds with benchmark status at the end of October 2023

Government bond	HUF billion	
	30.09.2023	31.10.2023
2026/H	431.69	483.47
2028/A	1,376.58	1,460.00
2032/A	1,185.99	1,222.35
2038/A	970.20	970.20
2041/A	574.57	584.64

The outstanding volume of the three largest government bonds at the end of October 2023

Government bond	HUF billion
2031/A	1,530.15
2025/C	1,464.66
2028/A	1,460.00

Secondary market trading of Hungarian government securities (HUF billion)



Breakdown of primary dealers' secondary market turnover by investor groups in October 2023

