



GOVERNMENT DEBT MANAGEMENT AGENCY PTE LTD.

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GOVERNMENT SECURITIES MARKET

MONTHLY REPORT
SEPTEMBER 2023



The Central Government Debt increased by HUF 4,399.1 billion to HUF 49,961.4 billion in 2023. Total net issuance was HUF 4,884.8 billion; out of which net HUF denominated issuance including repos was HUF 2,461.6 billion and net foreign currency denominated issuance was HUF 2,423.2 billion in 2023.

CENTRAL GOVERNMENT DEBT

(HUF billion)	2022		2023		Change	
	December	%	September	%	HUF billion	%
HUF denominated debt	33,775.6	74.1	36,237.2	72.5	2,461.6	7.3
Loans	1,024.2	2.2	921.8	1.8	-102.4	-10.0
Government bonds	22,346.3	49.0	23,667.3	47.4	1,321.0	5.9
Retail securities	8,619.4	18.9	9,492.8	19.0	873.4	10.1
Discount treasury bills	1,785.8	3.9	2,155.3	4.3	369.5	20.7
Foreign exchange denominated debt	11,397.3	25.0	13,544.3	27.1	2,147.0	18.8
Total	45,173.0	99.1	49,781.5	99.6	4,608.5	10.2
Other obligations	389.4	0.9	179.9	0.4	-209.5	-53.8
Total central government debt	45,562.4	100.0	49,961.4	100.0	4,399.1	9.7

The HUF denominated debt of the central government increased by HUF 2,461.6 billion in 2023. The increase in domestic debt was the result of the net government bond issuance of HUF 1,321.0 billion and the increase of discount Treasury bills by HUF 369.5 billion. The total amount of retail government securities increased by HUF 873.4 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 2,147.0 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 180.3 billion) at the end of September.

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 148.7 billion. The exchange rate revaluations totalling HUF 276.2 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 33.8 billion. The total amount of other liabilities decreased by HUF 209.5 billion in 2023.

BENCHMARK YIELDS

Maturity	30.12.2022	31.08.2023	30.09.2023	Change in September basis point
3-month	12.32	9.32	8.17	-115
6-month	13.89	9.52	8.54	-98
1-year	13.82	9.26	8.69	-57
3-year	10.71	8.20	8.28	8
5-year	9.73	7.18	7.54	36
10-year	8.98	7.04	7.40	36
15-year	8.41	7.09	7.32	23
20-year	8.41	7.06	7.31	25

Monthly OTC turnover of government securities decreased by 1% to HUF 11,948.6 billion in September. Primary dealers, who account for the decisive part of all secondary government securities trading, made 62% of their secondary government securities deals with non-resident investors.

The volume of non-residents' holdings of Hungarian government securities decreased altogether by HUF 843.6 billion in September and amounted to HUF 6,172.8 billion at the end of September. This volume represented 17.5% of the total amount of domestic government securities.

The EUR/HUF exchange rate according to the National Bank of Hungary was 391.25 on the last working day of September.

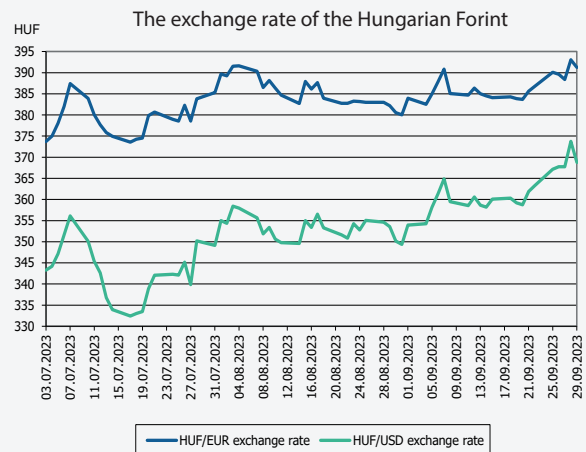
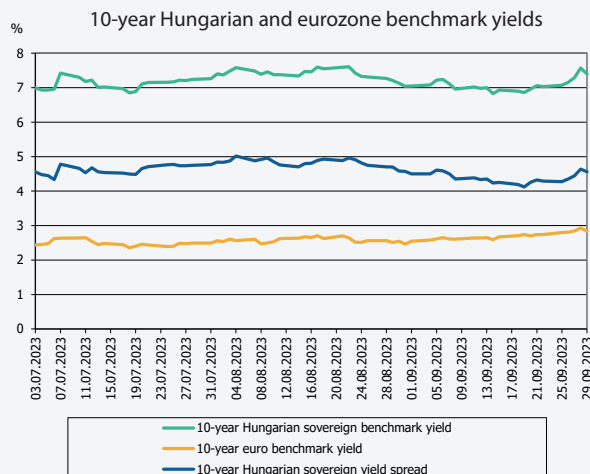
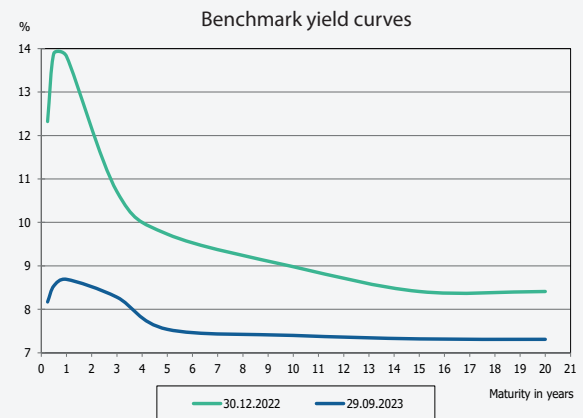
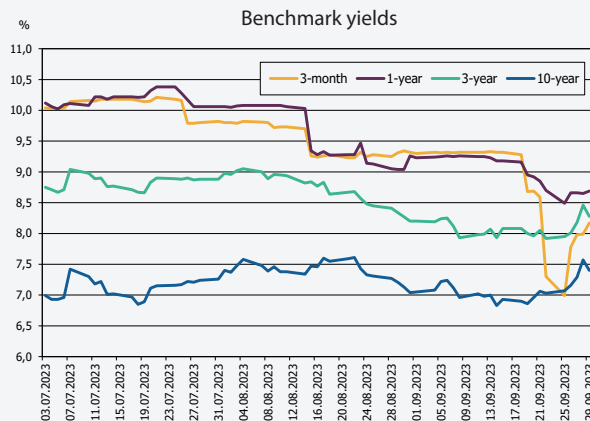
The credit rating of the long-term foreign currency debt of Hungary is as follows on the last working day of September: BBB- (Standard & Poor's); Baa2 (Moody's); BBB (Fitch).

CENTRAL GOVERNMENT GROSS DEBT

HUF BILLION

	2018	2019	2020	2021	2022	2023 July	2023 August	2023 September
1. Forint denominated debt	22,796.0	24,357.1	29,237.3	32,121.2	33,775.6	35,485.3	35,831.0	36,237.2
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	34,563.5	34,909.2	35,315.4
1.2.1. Public issues	21,589.1	23,109.8	28,036.5	30,813.5	32,751.4	34,563.5	34,909.2	35,315.4
1.2.1.1. Bonds	12,836.1	13,378.5	18,206.6	20,220.0	22,346.3	22,923.9	23,141.6	23,667.3
1.2.1.2. Discount T-bills	1,237.3	657.3	658.2	583.2	1,785.8	2,320.3	2,306.9	2,155.3
1.2.1.3. Retail securities	7,515.7	9,074.0	9,171.7	10,010.2	8,619.4	9,319.3	9,460.7	9,492.8
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	12,520.8	12,319.8	13,544.3
2.1. Loans	795.0	825.4	1,291.1	1,345.2	1,959.1	2,192.6	2,125.0	2,259.8
2.1.1. Foreign loans	795.0	825.4	1,291.1	1,345.2	1,959.1	2,192.6	2,125.0	2,259.8
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	10,328.2	10,194.8	11,284.5
2.2.1. Issued abroad	4,246.2	3,713.5	5,481.3	6,594.9	9,085.5	9,873.4	9,739.5	10,823.4
2.2.2. Issued domestically	683.6	582.3	545.9	455.0	352.8	454.9	455.3	461.1
Total	28,520.7	29,478.3	36,555.5	40,516.4	45,173.0	48,006.1	48,150.8	49,781.5
Other liabilities	167.40	203.70	128.80	180.60	389.40	132.90	113.50	179.90
Total central government debt	28,688.2	29,682.0	36,684.3	40,697.0	45,562.4	48,139.0	48,264.3	49,961.4
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	25,244.2	25,448.5	25,822.6
Gross debt/GDP	66.1%	62.3%	75.8%	73.7%	69.0%			

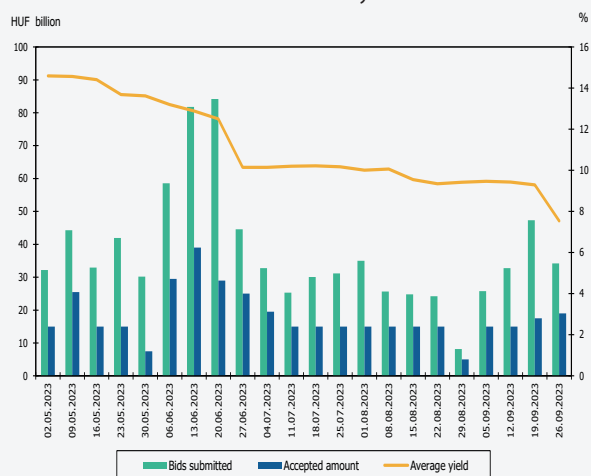
* Foreign exchange debt is recorded at the mid exchange rate of the NBH at the end of the year/month.



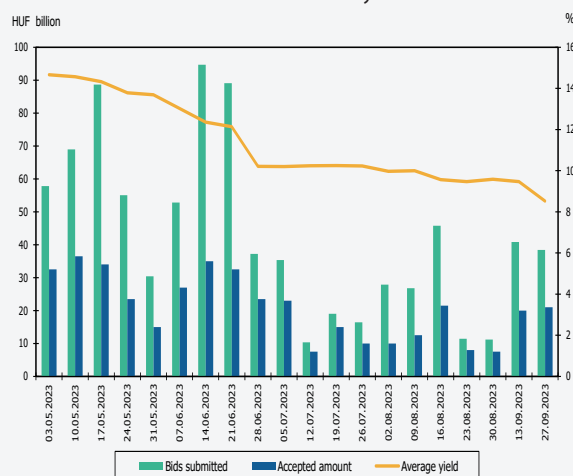
DISCOUNT TREASURY BILL AUCTION RESULTS

	3-month Discount T-bills				6-month Discount T-bills		12-month Discount T-bills	
Code of T-bills	D231213	D231220	D231227	D240103	D240320	D240320	D240821	D240821
ISIN code	HU0000524855	HU0000524863	HU0000524475	HU0000524871	HU0000524814	HU0000524814	HU0000524830	HU0000524830
Maturity in days	91	91	91	91	182	168	336	322
Date of auction	05.09.2023	12.09.2023	19.09.2023	26.09.2023	13.09.2023	27.09.2023	14.09.2023	28.09.2023
Date of financial settlement	13.09.2023	20.09.2023	27.09.2023	04.10.2023	20.09.2023	04.10.2023	20.09.2023	04.10.2023
Redemption date	13.12.2023	20.12.2023	27.12.2023	03.01.2024	20.03.2024	20.03.2024	21.08.2024	21.08.2024
Maximum yield (%) - ISMA	9.53	9.51	9.30	7.80	9.51	8.65	9.29	8.95
Minimum yield (%) - ISMA	9.20	9.10	9.00	7.35	9.20	7.50	9.20	8.20
Average yield (%) - ISMA	9.47	9.43	9.29	7.54	9.47	8.52	9.25	8.75
Maximum yield (%) - EHM	9.66	9.64	9.43	7.91	9.64	8.77	9.42	9.07
Minimum yield (%) - EHM	9.33	9.23	9.13	7.45	9.33	7.60	9.33	8.31
Average yield (%) - EHM	9.60	9.56	9.42	7.65	9.60	8.64	9.38	8.87
Average selling price (%)	97.6619	97.6715	97.7047	98.1285	95.4297	96.1740	92.0509	92.7402
Amount offered for sale (HUF million)	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00
Amount of bids submitted (HUF million)	25,764.38	32,771.54	47,296.59	34,206.07	40,834.56	38,398.01	47,770.72	22,197.07
Amount of bids accepted (HUF million)	14,999.99	14,999.99	17,499.94	18,999.98	20,000.00	20,999.98	25,999.98	15,000.00
Bid-to-cover ratio	1.72	2.18	2.70	1.80	2.04	1.83	1.84	1.48
Bids submitted (pcs)	57	68	108	76	85	101	70	55
Bids accepted (pcs)	45	56	24	22	46	63	37	47
Market sales (HUF million)	14,999.99	14,999.99	17,499.94	18,999.98	20,000.00	20,999.98	25,999.98	15,000.00
Retained on ÁKK's own account (HUF million)	15,000.01	20,000.01	0.06	20,000.02	8,000.00	23,000.02	46,000.02	29,500.00
Total amount issued (HUF million)	30,000.00	35,000.00	17,500.00	39,000.00	28,000.00	44,000.00	72,000.00	44,500.00

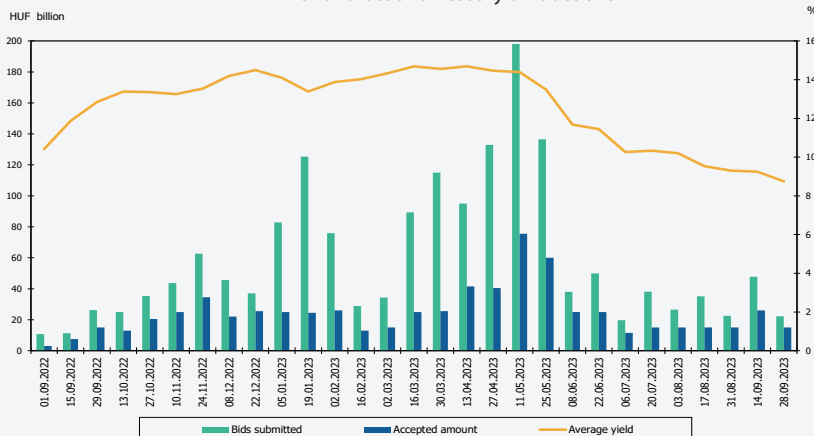
3-month Discount Treasury Bill auctions



6-month Discount Treasury Bill auctions



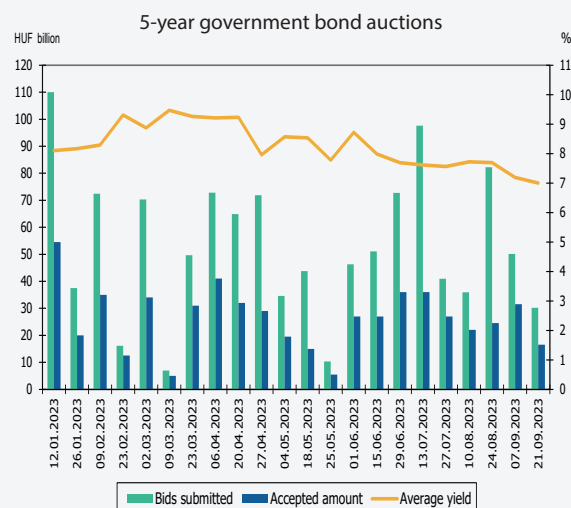
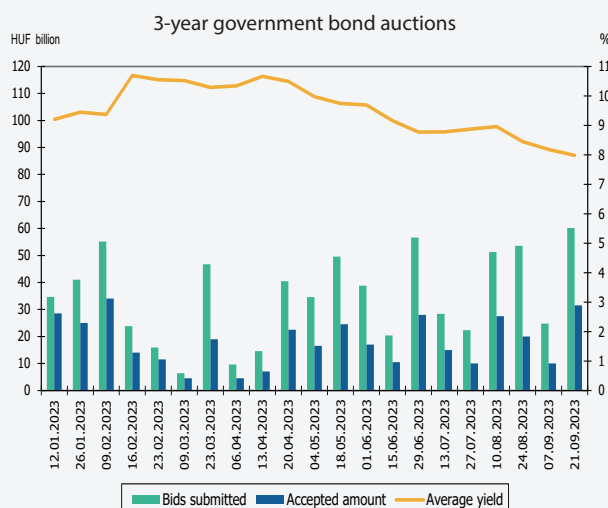
12-month Discount Treasury Bill auctions



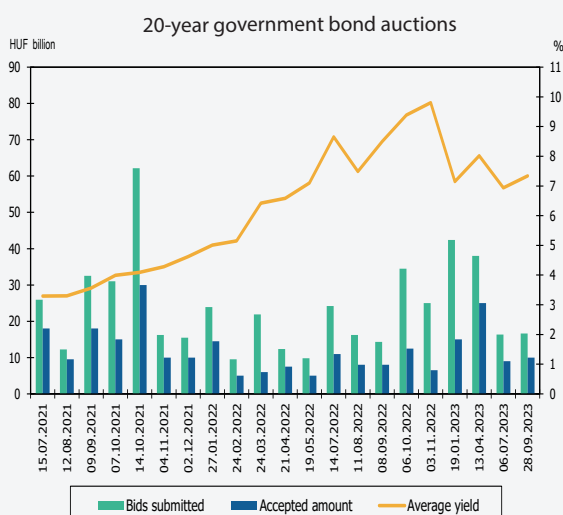
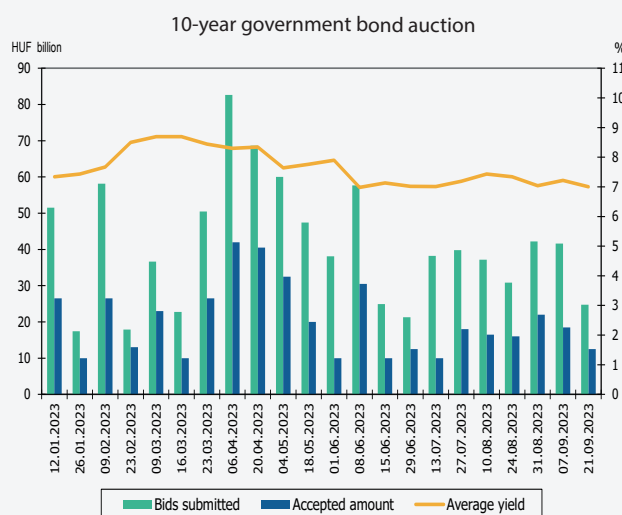
GOVERNMENT BOND AUCTION RESULTS

Government Bond	2026/H	2028/A	2032/A	2029/B
ISIN code	HU0000406160	HU0000402532	HU0000405550	HU0000404926
Maturity (in years)	3	5	10	5
Coupon	9.50%	6.75%	4.75%	14.00%
Auction	18th auction	65th auction	43rd auction	42nd auction
Date of auction	07.09.2023	07.09.2023	07.09.2023	14.09.2023
Date of financial settlement	13.09.2023	13.09.2023	13.09.2023	20.09.2023
Redemption date	21.10.2026	22.10.2028	24.11.2032	22.08.2029
Maximum annual yield (%) - ISMA	8.20	7.20	7.23	-
Minimum annual yield (%) - ISMA	8.16	7.18	7.20	-
Average annual yield (%) - ISMA	8.18	7.19	7.22	-
Maximum annual yield (%) - EHM	8.19	7.19	7.22	-
Minimum annual yield (%) - EHM	8.15	7.17	7.19	-
Average annual yield (%) - EHM	8.17	7.19	7.22	-
Maximum price (%)	103.5320	98.2010	83.8984	100.6100
Minimum price (%)	103.4206	98.1094	83.7224	100.4000
Average price (%)	103.4867	98.1359	83.7571	100.5000
Amount offered for sale (HUF million)	10,000.00	10,000.00	10,000.00	10,000.00
Amount of bids submitted (HUF million)	24,800.00	50,100.00	41,600.00	33,600.00
Amount of bids accepted (HUF million)	9,999.95	31,499.98	18,499.99	19,999.99
Bid-to-cover ratio	2.48	1.59	2.25	1.68
Bids submitted (pcs)	45	40	44	46
Bids accepted (pcs)	22	17	16	24
Tail (%) (average price - minimum price)	0.07	0.03	0.03	0.10
Market sales (HUF million)	9,999.95	31,499.98	18,499.99	19,999.99
Non-competitive offer (HUF million)	3,478.30	12,199.97	6,999.99	2,919.99
Total amount sales (HUF million)	13,478.25	43,699.95	25,499.98	22,919.98

Government Bond	2032/B	2026/H	2028/A	2032/A	2041/A
ISIN code	HU0000406087	HU0000406160	HU0000402532	HU0000405550	HU0000404165
Maturity (in years)	10	3	5	10	20
Coupon	13.93%	9.50%	6.75%	4.75%	3.00%
Auction	14th auction	19th auction	66th auction	44th auction	45th auction
Date of auction	14.09.2023	21.09.2023	21.09.2023	21.09.2023	28.09.2023
Date of financial settlement	20.09.2023	27.09.2023	27.09.2023	27.09.2023	04.10.2023
Redemption date	25.08.2032	21.10.2026	22.10.2028	24.11.2032	25.04.2041
Maximum annual yield (%) - ISMA	-	8.00	7.01	7.02	7.36
Minimum annual yield (%) - ISMA	-	7.96	6.98	6.95	7.28
Average annual yield (%) - ISMA	-	7.98	7.00	7.00	7.34
Maximum annual yield (%) - EHM	-	7.99	7.00	7.01	7.35
Minimum annual yield (%) - EHM	-	7.95	6.97	6.94	7.27
Average annual yield (%) - EHM	-	7.98	6.99	6.99	7.33
Maximum price (%)	99.6600	104.0353	99.0309	85.4313	58.3020
Minimum price (%)	99.3100	103.9262	98.9072	85.0130	57.7599
Average price (%)	99.3900	103.9670	98.9587	85.1248	57.9125
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)	44,600.00	60,200.00	30,200.00	24,770.00	16,638.09
Amount of bids accepted (HUF million)	20,500.00	31,499.98	16,499.96	12,500.00	9,999.99
Bid-to-cover ratio	2.18	1.91	1.83	1.98	1.66
Bids submitted (pcs)	36	53	34	35	37
Bids accepted (pcs)	28	31	20	20	16
Tail (%) (average price - minimum price)	0.08	0.04	0.05	0.11	0.15
Market sales (HUF million)	20,500.00	31,499.98	16,499.96	12,500.00	9,999.99
Non-competitive offer (HUF million)	5,960.00	1,800.00	1,800.00	0.00	0.00
Total amount sales (HUF million)	26,460.00	33,299.98	18,299.96	12,500.00	9,999.99



The graph shows the yield on fixed-rate bonds.



GOVERNMENT SECURITIES BUY-BACK AUCTION RESULTS

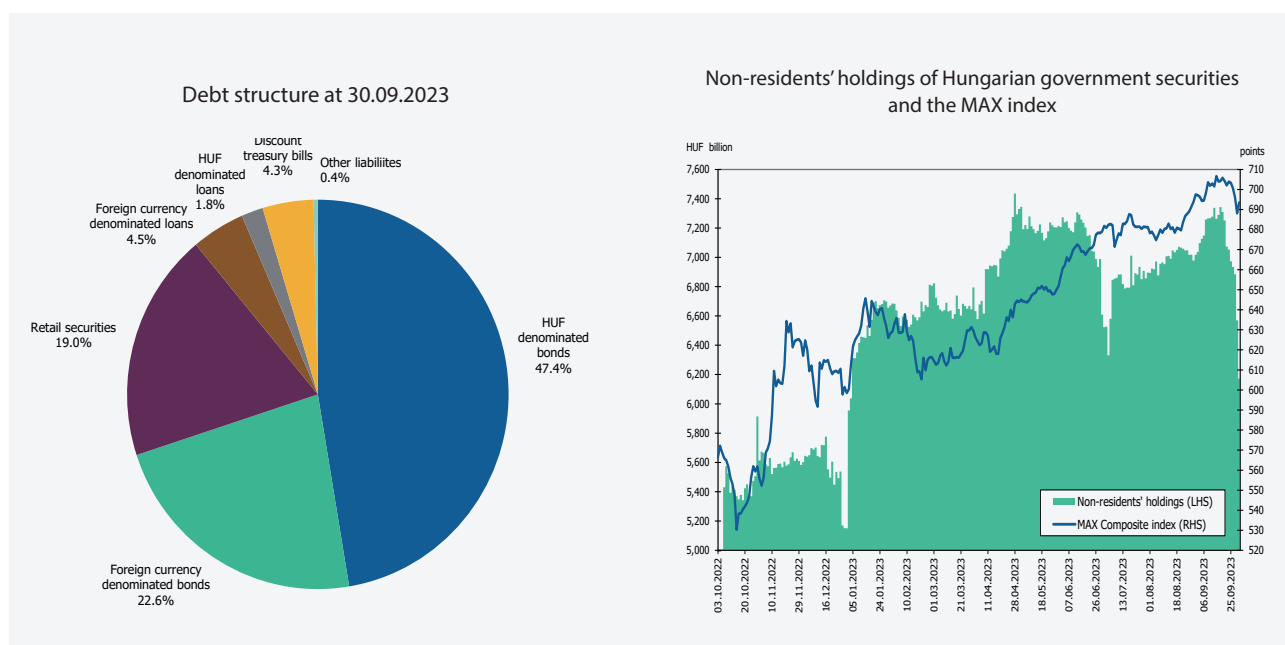
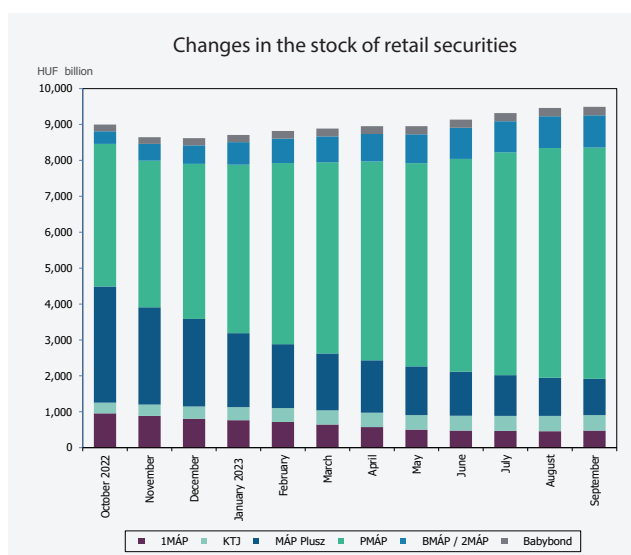
Government bond	2023/A	2024/B	2023/A
ISIN code	HU0000402383	HU0000403068	HU0000402383
Coupon (%)	6.0	3.0	6.0
Date of reverse auction	13.09.2023	13.09.2023	27.09.2023
Date of financial settlement	20.09.2023	20.09.2023	04.10.2023
Redemption date	24.11.2023	26.06.2024	24.11.2023
Minimum annual yield (%)	10.24	0.00	9.59
Average annual yield- ISMA (%)	10.30	0.00	9.74
Average annual yield - EHM (%)	9.75	0.00	9.23
Amount of bids submitted (HUF million)	3,470.23	0.00	25,116.23
Amount of bids accepted (HUF million)	2,446.30	0.00	20,116.23

INTEREST RATE RESETS OF FLOATING RATE GOVERNMENT BONDS IN SEPTEMBER 2023

Government bond	Date of interest rate reset	Interest period		Date of interest payment	Reset interest rate	Interest payable
2024/J	19.09.2023	25.09.2023	25.09.2024	25.09.2024	16.20%	16.20%
2025/N	26.09.2023	30.09.2023	30.12.2023	02.01.2024	9.86%	2.49%
2026/N	19.09.2023	22.09.2023	22.09.2024	23.09.2024	12.27%	12.47%

OUTSTANDING AMOUNT OF RETAIL SECURITIES

Retail securities	HUF billion		
	31.12.2022	30.09.2023	Change
1-year Hungarian Government Security / 1MÁP	807.8	474.4	-333.4
Treasury Saving Bills / KTJ	341.8	432.1	90.2
Hungarian Government Security Plus / MÁP Plusz	2,434.5	1,012.4	-1,422.0
Premium Hungarian Government Security / PMÁP	4,321.6	6,437.2	2,115.6
Bonus Hungarian Government Security / BMÁP	514.7	900.3	385.6
Babybond	198.8	236.3	37.5
Total	8,619.3	9,492.7	873.4



HUNGARIAN GOVERNMENT SECURITIES INDICES

	MAX index	HMAX index	MAX Composite index	RMAX index	ZMAX index
Value as at 29.09.2023	720.7087	83.2804	693.4923	637.4195	634.4878
Changes compared to the end of the previous month	-5.0977	-1.3930	-3.9703	7.2810	5.9471
Annual yield earned on the index portfolio (%)	22.30	25.06	21.98	14.23	14.14

Government bonds with the highest secondary market turnover in September 2023

Government bond	Date of redemption	Turnover (HUF billion)
2026/H	21.10.2026	373.5
2032/A	24.11.2032	371.5
2028/A	22.10.2028	305.2
2033/A	20.04.2033	215.3
2029/A	23.05.2029	142.6
2031/A	22.10.2031	124.0
2028/B	23.03.2028	109.4
2026/F	26.08.2026	101.2
2027/A	27.10.2027	95.1
2029/B	22.08.2029	90.9

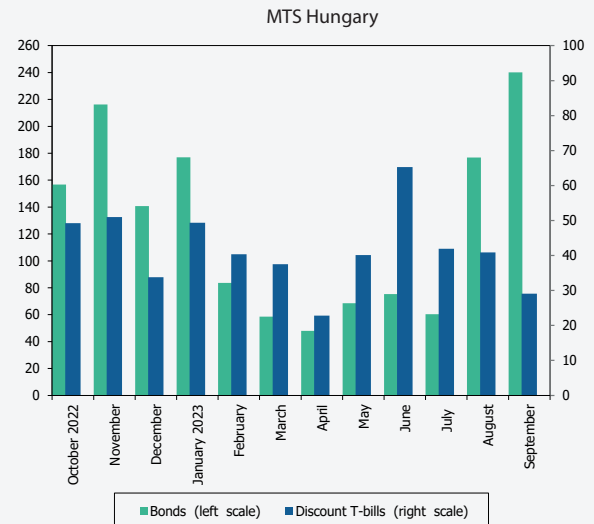
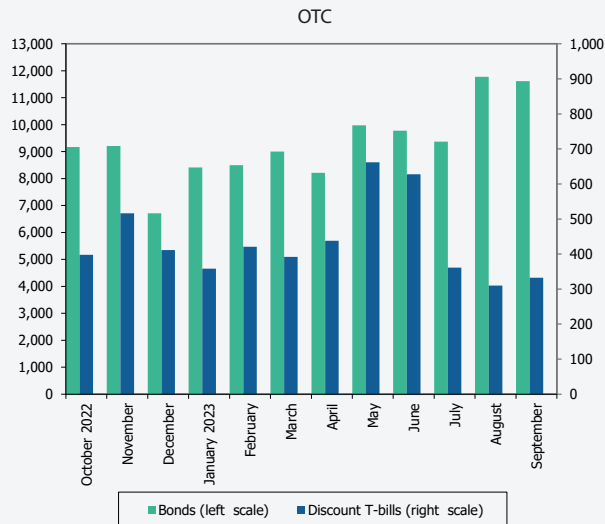
The outstanding volume of government bonds with benchmark status at the end of September 2023

Government bond	HUF billion	
	31.08.2023	30.09.2023
2026/H	384.36	431.69
2028/A	1,314.55	1,376.58
2032/A	1,147.97	1,185.99
2038/A	970.17	970.20
2041/A	574.55	574.57

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

Government bond	HUF billion
2031/A	1,530.15
2025/C	1,464.14
2028/A	1,376.58

Secondary market trading of Hungarian government securities (HUF billion)



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

