



GOVERNMENT DEBT MANAGEMENT AGENCY PTE LTD.

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GOVERNMENT SECURITIES MARKET

MONTHLY REPORT
MAY 2023



The Central Government Debt increased by HUF 2,222.8 billion to HUF 47,785.2 billion in 2023. Total net issuance was HUF 3,250.0 billion; out of which net HUF denominated issuance including repos was HUF 1,723.5 billion and net foreign currency denominated issuance was HUF 1,526.5 billion in 2023.

CENTRAL GOVERNMENT DEBT

(HUF billion)	2022		2023		Change	
	December	%	May	%	HUF billion	%
HUF denominated debt	33,775.6	74.1	35,499.1	74.3	1,723.5	5.1
Loans	1,024.2	2.2	964.7	2.0	-59.5	-5.8
Government bonds	22,346.3	49.0	23,342.6	48.8	996.3	4.5
Retail securities	8,619.4	18.9	8,951.0	18.7	331.7	3.8
Discount treasury bills	1,785.8	3.9	2,240.7	4.7	455.0	25.5
Foreign exchange denominated debt	11,397.3	25.0	11,978.1	25.1	580.8	5.1
Total	45,173.0	99.1	47,477.2	99.4	2,304.2	5.1
Other obligations	389.4	0.9	308.0	0.6	-81.4	-20.9
Total central government debt	45,562.4	100.0	47,785.2	100.0	2,222.8	4.9

The HUF denominated debt of the central government increased by HUF 1,723.5 billion in 2023. The increase in domestic debt was the result of the net government bond issuance of HUF 996.3 billion and the increase of discount Treasury bills by HUF 455.0 billion. The total amount of retail government securities increased by HUF 331.7 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 59.5 billion in 2023.

The foreign currency debt of the central government increased by HUF 580.8 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). The drawdown of foreign currency loans further increased the foreign currency debt by HUF 206.8 billion and the issuance of domestic foreign currency bonds grew by HUF 106.7 billion. The exchange rate revaluations totalling HUF 945.8 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 525.2 billion and the repayments of domestic foreign currency bond by HUF 5.3 billion. The total amount of other liabilities decreased by HUF 81.4 billion in 2023.

BENCHMARK YIELDS

Maturity	30.12.2022	28.04.2023	31.05.2023	Change in May basis point
3-month	12.32	14.27	13.39	-88
6-month	13.89	14.56	13.61	-95
1-year	13.82	14.37	12.80	-157
3-year	10.71	9.98	9.73	-25
5-year	9.73	8.69	8.69	0
10-year	8.98	7.78	7.89	11
15-year	8.41	7.57	7.27	-30
20-year	8.41	7.53	7.20	-33

Monthly OTC turnover of government securities increased by 23% to HUF 10,633.9 billion in May. Primary dealers, who account for the decisive part of all secondary government securities trading, made 70% of their secondary government securities deals with non-resident investors.

The volume of non-residents' holdings of Hungarian government securities decreased altogether by HUF 219.7 billion in May and mounted to HUF 7,214.5 billion at the end of May. This volume represented 20.9% of the total amount of domestic government securities. The EUR/HUF exchange rate according to the National Bank of Hungary was 371.06 on the last working day of May.

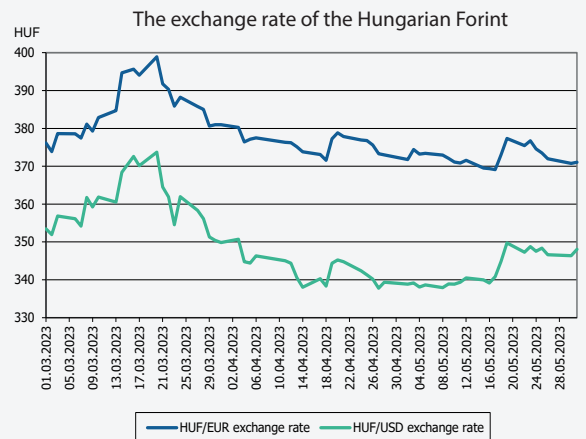
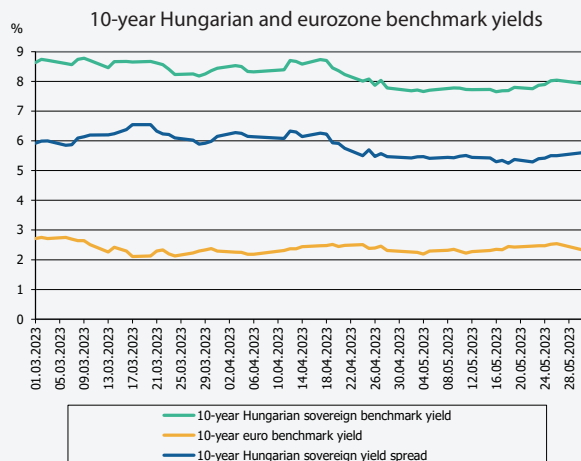
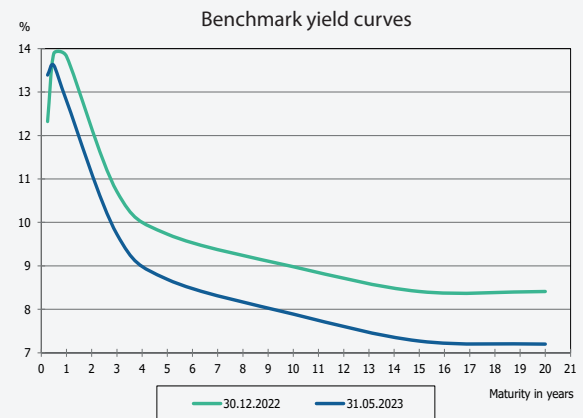
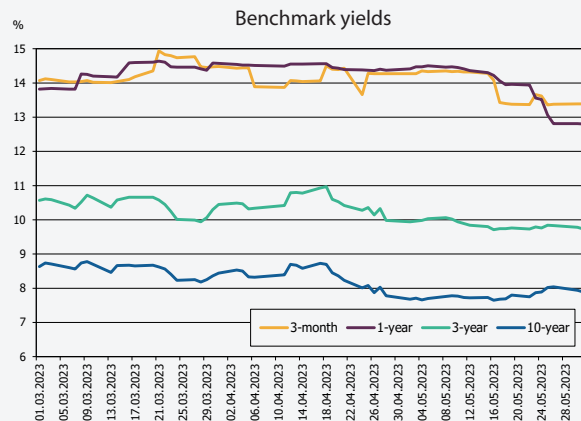
The credit rating of the long-term foreign currency debt of Hungary is as follows on the last working day of May: BBB- (Standard & Poor's); Baa2 (Moody's); BBB (Fitch).

CENTRAL GOVERNMENT GROSS DEBT

HUF BILLION

	2018	2019	2020	2021	2022	2023 March	2023 April	2023 May
1. Forint denominated debt	22,796.0	24,357.1	29,237.3	32,121.2	33,775.6	34,878.7	35,328.1	35,499.1
1.1. Loans	1,167.7	1,208.1	1,161.6	1,307.7	1,024.2	964.7	964.7	964.7
1.2. Government securities	21,628.3	23,149.0	28,075.7	30,813.5	32,751.4	33,914.0	34,363.3	34,534.4
1.2.1. Public issues	21,589.1	23,109.8	28,036.5	30,813.5	32,751.4	33,914.0	34,363.3	34,534.4
1.2.1.1. Bonds	12,836.1	13,378.5	18,206.6	20,220.0	22,346.3	23,012.5	23,276.6	23,342.6
1.2.1.2. Discount T-bills	1,237.3	657.3	658.2	583.2	1,785.8	2,016.4	2,133.1	2,240.7
1.2.1.3. Retail securities	7,515.7	9,074.0	9,171.7	10,010.2	8,619.4	8,885.1	8,953.6	8,951.0
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	12,177.0	11,967.9	11,978.1
2.1. Loans	795.0	825.4	1,291.1	1,345.2	1,959.1	1,960.7	1,960.5	2,013.8
2.1.1. Foreign loans	795.0	825.4	1,291.1	1,345.2	1,959.1	1,960.7	1,960.5	2,013.8
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	10,216.3	10,007.4	9,964.3
2.2.1. Issued abroad	4,246.2	3,713.5	5,481.3	6,594.9	9,085.5	9,795.3	9,589.3	9,540.3
2.2.2. Issued domestically	683.6	582.3	545.9	455.0	352.8	420.9	418.1	424.1
Total	28,520.7	29,478.3	36,555.5	40,516.4	45,173.0	47,055.7	47,295.9	47,477.2
Other liabilities	167.40	203.70	128.80	180.60	389.40	320.20	309.40	308.00
Total central government debt	28,688.2	29,682.0	36,684.3	40,697.0	45,562.4	47,375.9	47,605.3	47,785.2
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	25,028.9	25,409.7	25,583.3
Gross debt/GDP	66.1%	62.4%	76.0%	73.8%	68.1%			

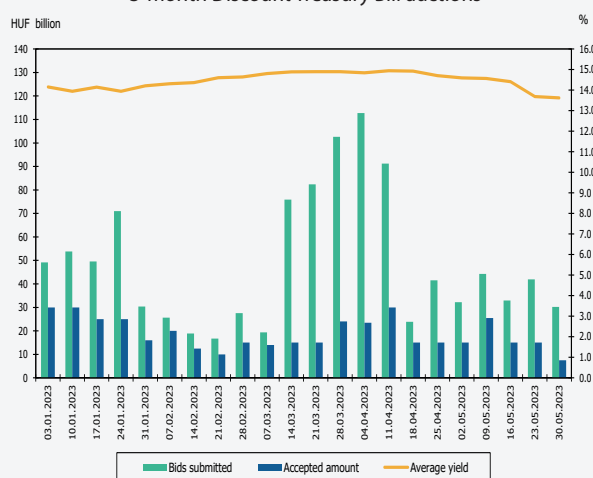
* Foreign exchange debt is recorded at the mid exchange rate of the NBH at the end of the year/month.



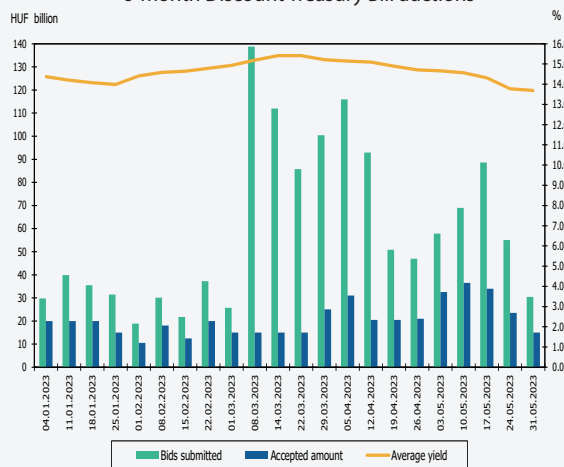
DISCOUNT TREASURY BILL AUCTION RESULTS

	3-month Discount T-bills					6-month Discount T-bills					12-month Discount T-bills	
Code of T-bills	D230809	D230816	D230823	D230830	D230906	D231129	D231129	D231129	D231129	D231129	D240430	D240430
ISIN code	HU0000524681	HU0000524699	HU0000524293	HU0000524707	HU0000524715	HU0000524657	HU0000524657	HU0000524657	HU0000524657	HU0000524657	HU0000524673	HU0000524673
Maturity in days	91	91	91	91	91	203	196	189	182	175	349	335
Date of auction	02.05.2023	09.05.2023	16.05.2023	23.05.2023	30.05.2023	03.05.2023	10.05.2023	17.05.2023	24.05.2023	31.05.2023	11.05.2023	25.05.2023
Date of financial settlement	10.05.2023	17.05.2023	24.05.2023	31.05.2023	07.06.2023	10.05.2023	17.05.2023	24.05.2023	31.05.2023	07.06.2023	17.05.2023	31.05.2023
Redemption date	09.08.2023	16.08.2023	23.08.2023	30.08.2023	06.09.2023	29.11.2023	29.11.2023	29.11.2023	29.11.2023	29.11.2023	30.04.2024	30.04.2024
Maximum yield (%) - ISMA	14.70	14.65	14.50	13.90	13.88	14.70	14.60	14.41	13.90	13.89	14.43	13.60
Minimum yield (%) - ISMA	14.00	14.00	14.00	13.19	12.50	14.00	14.00	14.00	12.20	12.00	14.00	13.00
Average yield (%) - ISMA	14.59	14.57	14.41	13.69	13.62	14.66	14.57	14.32	13.78	13.69	14.39	13.49
Maximum yield (%) - EHM	14.90	14.85	14.70	14.09	14.07	14.90	14.80	14.61	14.09	14.08	14.63	13.79
Minimum yield (%) - EHM	14.19	14.19	14.19	13.37	12.67	14.19	14.19	14.19	12.37	12.17	14.19	13.18
Average yield (%) - EHM	14.79	14.78	14.61	13.88	13.81	14.86	14.78	14.52	13.97	13.88	14.59	13.68
Average selling price (%)	96.4427	96.4468	96.4855	96.6561	96.6724	92.3648	92.6492	93.0056	93.4875	93.7595	87.7602	88.8436
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	15,000.00	15,000.00	15,000.00	15,000.00
Amount of bids submitted (HUF million)	32,198.23	44,265.32	32,944.23	41,935.24	30,172.11	57,815.31	68,962.68	88,647.67	55,027.17	30,403.75	198,122.53	136,484.36
Amount of bids accepted (HUF million)	14,999.95	25,499.98	14,999.96	14,999.98	7,500.00	32,499.94	36,499.92	33,999.99	23,499.98	14,999.98	75,499.95	59,999.98
Bid-to-cover ratio	2.15	1.74	2.20	2.80	4.02	1.78	1.89	2.61	2.34	2.03	2.62	2.27
Bids submitted (pcs)	65	100	96	107	42	72	124	109	119	64	156	141
Bids accepted (pcs)	51	75	61	43	36	46	73	82	79	52	70	81
Market sales (HUF million)	14,999.95	25,499.98	14,999.96	14,999.98	7,500.00	32,499.94	36,499.92	33,999.99	23,499.98	14,999.98	75,499.95	59,999.98
Retained on ÁKK's own account (HUF million)	20,000.05	20,000.02	0.04	20,000.02	20,000.00	5,000.06	5,000.08	5,000.01	19,000.02	5,000.02	69,500.05	29,000.02
Total amount issued (HUF million)	35,000.00	45,500.00	15,000.00	35,000.00	27,500.00	37,500.00	41,500.00	39,000.00	42,500.00	20,000.00	145,000.00	89,000.00

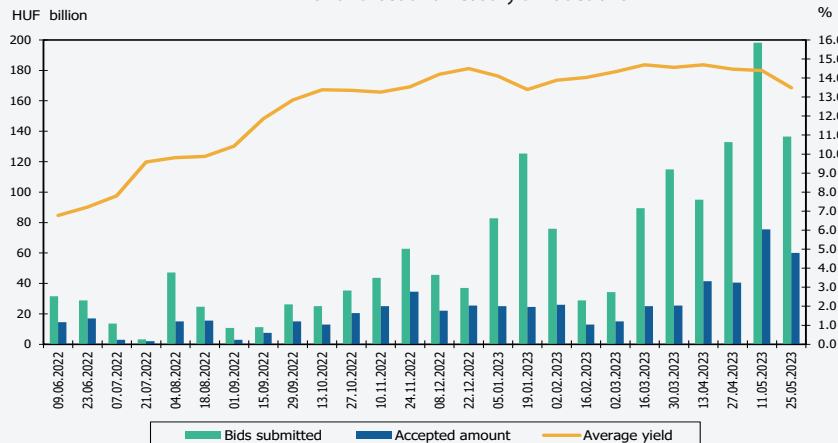
3-month Discount Treasury Bill auctions



6-month Discount Treasury Bill auctions



12-month Discount Treasury Bill auctions



GOVERNMENT BOND AUCTION RESULTS

Government Bond	2026/H	2028/A	2032/A	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	9th auction	56th auction	34th auction	61st auction	7th auction
Date of auction	04.05.2023	04.05.2023	04.05.2023	11.05.2023	11.05.2023
Date of financial settlement	10.05.2023	10.05.2023	10.05.2023	17.05.2023	17.05.2023
Redemption date	21.10.2026	22.10.2028	24.11.2032	27.10.2038	28.04.2051
Maximum annual yield (%) - ISMA	9.99	8.59	7.67	7.52	7.47
Minimum annual yield (%) - ISMA	9.93	8.51	7.60	7.51	7.44
Average annual yield (%) - ISMA	9.97	8.57	7.64	7.51	7.45
Maximum annual yield (%) - EHM	9.98	8.58	7.66	7.51	7.46
Minimum annual yield (%) - EHM	9.92	8.50	7.59	7.50	7.43
Average annual yield (%) - EHM	9.96	8.56	7.64	7.51	7.44
Maximum price (%)	98.7752	92.5001	81.0986	59.5500	59.9803
Minimum price (%)	98.6083	92.1785	80.6933	59.4786	59.7453
Average price (%)	98.6623	92.2554	80.8380	59.5145	59.8990
Amount offered for sale (HUF million)	10,000.00	10,000.00	10,000.00	15,000.00	5,000.00
Amount of bids submitted (HUF million)	34,600.00	34,600.00	60,000.00	91,572.05	15,530.00
Amount of bids accepted (HUF million)	16,499.99	19,499.97	32,499.99	35,999.99	5,000.00
Bid-to-cover ratio	2.10	1.77	1.85	2.54	3.11
Bids submitted (pcs)	33	35	58	65	36
Bids accepted (pcs)	18	25	38	14	13
Tail (%) (average price - minimum price)	0.05	0.08	0.14	0.04	0.15
Market sales (HUF million)	16,499.99	19,499.97	32,499.99	35,999.99	5,000.00
Non-competitive offer (HUF million)	4,004.54	3,921.54	6,879.99	13,919.98	1,600.00
Total amount sales (HUF million)	20,504.53	23,421.51	39,379.98	49,919.97	6,600.00

Government Bond	2026/H	2028/A	2032/A	2030/A	2032/B
ISIN code	HU0000406160	HU0000402532	HU0000405550	HU0000403696	HU0000406087
Maturity (in years)	3	5	10	7	10
Coupon	9.50%	6.75%	4.75%	3.00%	16.06%
Auction	10th auction	57th auction	35th auction	52nd auction	12th auction
Date of auction	18.05.2023	18.05.2023	18.05.2023	25.05.2023	25.05.2023
Date of financial settlement	24.05.2023	24.05.2023	24.05.2023	31.05.2023	31.05.2023
Redemption date	21.10.2026	22.10.2028	24.11.2032	21.08.2030	25.08.2032
Maximum annual yield (%) - ISMA	9.76	8.55	7.78	7.80	-
Minimum annual yield (%) - ISMA	9.68	8.48	7.74	7.74	-
Average annual yield (%) - ISMA	9.74	8.53	7.76	7.78	-
Maximum annual yield (%) - EHM	9.75	8.54	7.77	7.79	-
Minimum annual yield (%) - EHM	9.67	8.47	7.73	7.73	-
Average annual yield (%) - EHM	9.73	8.52	7.75	7.78	-
Maximum price (%)	99.4736	92.6627	80.3458	74.4777	95.5600
Minimum price (%)	99.2512	92.3827	80.1180	74.2092	95.4000
Average price (%)	99.3040	92.4699	80.2450	74.2783	95.4900
Amount offered for sale (HUF million)	15,000.00	15,000.00	10,000.00	10,000.00	5,000.00
Amount of bids submitted (HUF million)	49,556.00	43,800.00	47,429.50	10,361.20	36,270.00
Amount of bids accepted (HUF million)	24,500.00	14,999.99	20,000.00	5,499.99	18,499.99
Bid-to-cover ratio	2.02	2.92	2.37	1.88	1.96
Bids submitted (pcs)	53	50	43	20	41
Bids accepted (pcs)	25	15	15	13	22
Tail (%) (average price - minimum price)	0.05	0.09	0.13	0.07	0.09
Market sales (HUF million)	24,500.00	14,999.99	20,000.00	5,499.99	18,499.99
Non-competitive offer (HUF million)	7,711.20	5,759.99	7,760.00	0.00	5,226.66
Total amount sales (HUF million)	32,211.20	20,759.98	27,760.00	5,499.99	23,726.65

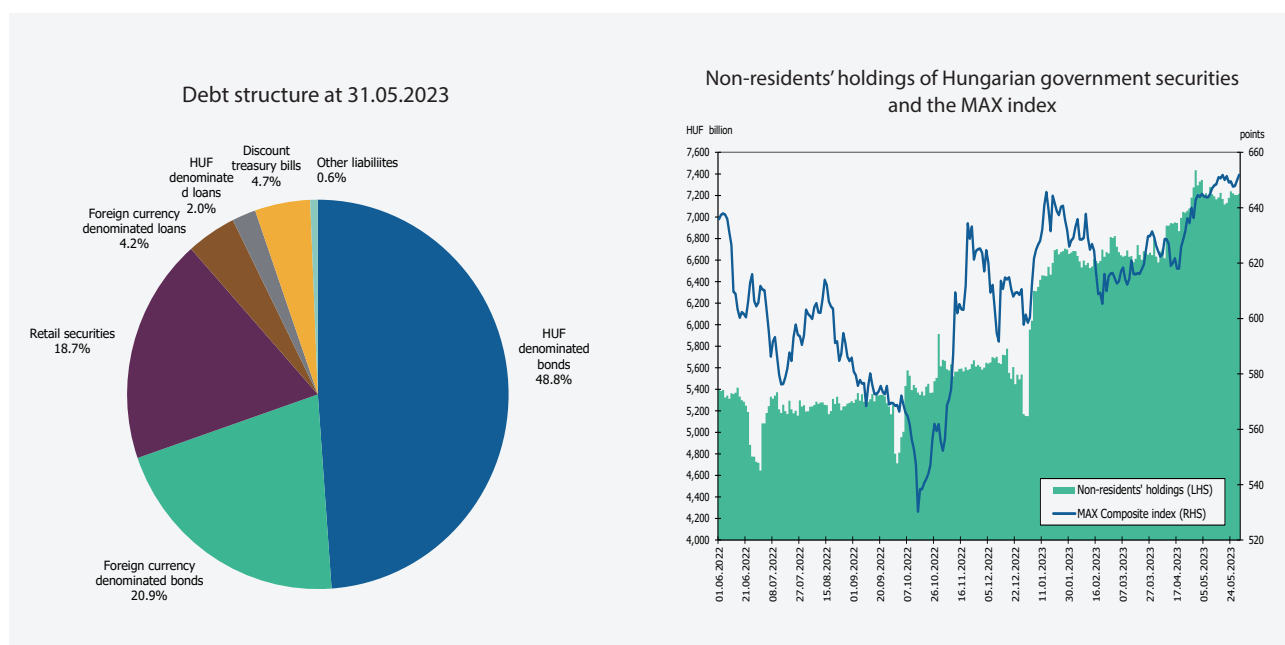
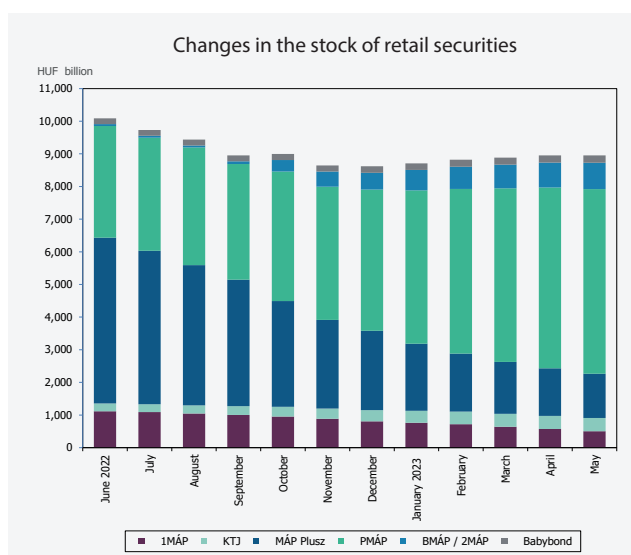


INTEREST RATE RESETS OF FLOATING RATE GOVERNMENT BONDS IN MAY 2023

Government bond	Date of interest rate reset	Interest period		Date of interest payment	Reset interest rate	Interest payable
2025/J	16.05.2023	21.05.2023	21.05.2024	21.05.2024	15.90%	15.90%
2028/L	24.05.2023	02.06.2023	26.07.2024	26.07.2024	14.75%	16.93%
2029/B	17.05.2023	22.05.2023	22.08.2023	22.08.2023	16.14%	4.12%
2031/I	24.05.2023	02.06.2023	21.05.2024	21.05.2024	15.50%	14.99%
2032/B	22.05.2023	25.05.2023	25.08.2023	25.08.2023	16.06%	4.10%

OUTSTANDING AMOUNT OF RETAIL SECURITIES

Retail securities	HUF billion		
	31.12.2022	31.05.2023	Change
1-year Hungarian Government Security / 1MÁP	807.8	502.3	-305.5
Treasury Saving Bills / KTJ	341.8	406.0	64.2
Hungarian Government Security Plus / MÁP Plusz	2,434.5	1,357.4	-1,077.1
Premium Hungarian Government Security / PMÁP	4,321.6	5,654.5	1,332.9
Bonus Hungarian Government Security / BMÁP	514.7	807.3	292.6
Babybond	198.8	223.4	24.6
Total	8,619.3	8,951.0	331.7



HUNGARIAN GOVERNMENT SECURITIES INDICES

	MAX index	HMAX index	MAX Composite index	RMAX index	ZMAX index
Value as at 31.05.2023	677.5748	78.7837	651.8424	600.9185	604.4352
Changes compared to the end of the previous month	9.4014	1.0817	8.9796	8.0547	7.5505
Annual yield earned on the index portfolio (%)	1.84	2.55	2.23	8.20	10.73

Government bonds with the highest secondary market turnover in May 2023

Government bond	Date of redemption	Turnover (HUF billion)
2032/A	24.11.2032	312.2
2033/A	20.04.2033	262.6
2028/A	22.10.2028	212.7
2025/B	24.06.2025	192.4
2038/A	27.10.2038	184.8
2024/B	26.06.2024	176.7
2024/C	24.10.2024	171.4
2026/E	22.04.2026	169.3
2028/B	23.03.2028	165.5
2026/H	21.10.2026	161.1

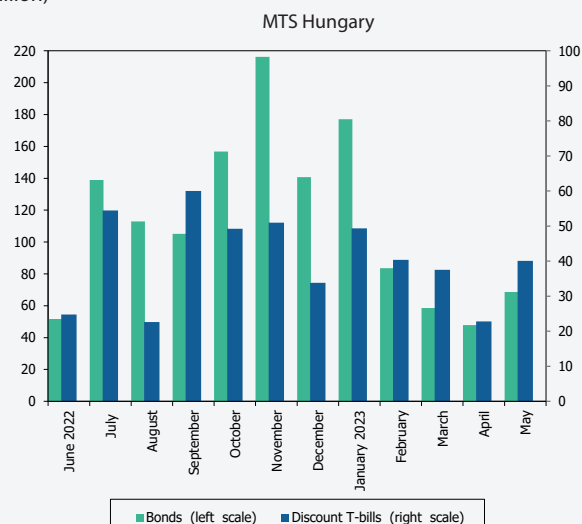
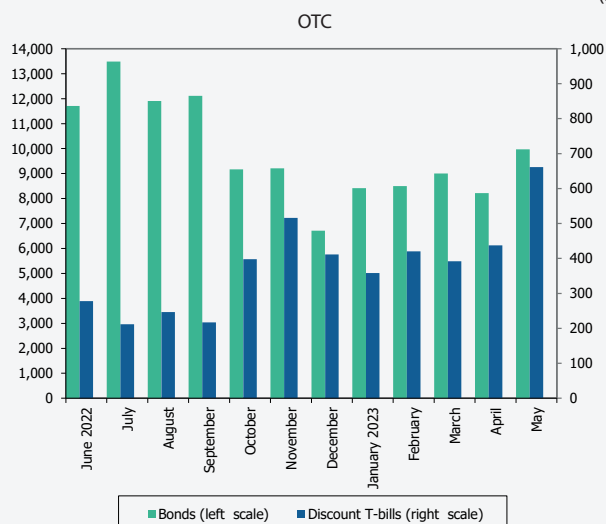
The outstanding volume of government bonds with benchmark status at the end of May 2023

Government bond	HUF billion	
	2023.04.30	2023.05.31
2026/H	169.26	222.30
2028/A	1,010.32	1,054.47
2032/A	965.91	1,033.05
2038/A	907.18	957.11
2041/A	565.37	565.36

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

Government bond	HUF billion
2031/A	1,530.15
2025/C	1,480.00
2033/A	1,315.15

Secondary market trading of Hungarian government securities (HUF billion)



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

