



GOVERNMENT DEBT MANAGEMENT AGENCY PTE LTD.

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GOVERNMENT SECURITIES MARKET

MONTHLY REPORT
OCTOBER 2022



The Central Government Debt increased by HUF 3,594.4 billion to HUF 44,291.5 billion in 2022. Total net issuance was HUF 2,186.2 billion; out of which net HUF denominated issuance including repos was HUF 873.5 billion and net foreign currency denominated issuance was HUF 1,312.7 billion in 2022.

CENTRAL GOVERNMENT DEBT

(HUF billion)	2021		2022		Change	
	December	%	October	%	HUF billion	%
HUF denominated debt	32,121.2	78.9	32,994.7	74.5	873.5	2.7
Loans	1,307.7	3.2	1,189.2	2.7	-118.5	-9.1
Government bonds	20,220.0	49.7	21,557.2	48.7	1,337.2	6.6
Retail securities	10,010.3	24.6	8,997.9	20.3	-1,012.4	-10.1
Discount treasury bills	583.2	1.4	1,250.4	2.8	667.2	114.4
Foreign exchange denominated debt	8,395.2	20.6	10,771.5	24.3	2,376.3	28.3
Total	40,516.4	99.6	43,766.2	98.8	3,249.8	8.0
Other obligations	180.6	0.4	525.2	1.2	344.6	190.8
Total central government debt	40,697.0	100.0	44,291.5	100.0	3,594.4	8.8

The HUF denominated debt of the central government increased by HUF 873.5 billion in 2022. The increase in domestic debt was the result of the net government bond issuance of HUF 1,337.2 billion and the increase of discount Treasury bills by HUF 667.2 billion. The total amount of retail government securities decreased by HUF 1,012.4 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 118.5 billion in 2022.

The foreign currency debt of the central government increased by HUF 2,376.3 billion in 2022. The increase was mainly due to the foreign currency bonds issuance in February and June. The issuance of Japanese yen-denominated Samurai bonds was in total amount of 205.4 billion forints (75.3 billion yen) in February, and the foreign currency bonds issuance was in total amount of 1,441.3 billion forints (3 billion USD and 750 million EUR) in June. The drawdown of foreign currency loans further increased the foreign currency debt by HUF 225.4 billion and the issuance of domestic foreign currency bonds grew by HUF 117.2 billion. The exchange rate revaluations totalling HUF 1,063.6 billion increased the Hungarian forint value of the foreign currency debt. Foreign currency debt was decreased by the redemptions of domestic foreign currency bond by HUF 230.8 billion, the foreign currency bond repayments by HUF 414.0 billion and the foreign currency loan redemptions by HUF 31.9 billion.

The total amount of other liabilities increased by HUF 344.6 billion in 2022.

BENCHMARK YIELDS

Maturity	30.12.2021	30.09.2022	28.10.2022	Change in October basis point
3-month	2.16	11.57	11.35	-22
6-month	2.61	12.37	12.90	53
1-year	3.57	13.34	13.32	-2
3-year	4.19	11.70	12.07	37
5-year	4.35	10.26	11.51	125
10-year	4.51	9.78	10.08	30
15-year	4.72	9.44	9.31	-13
20-year	4.75	9.45	9.21	-24

Monthly OTC turnover of government securities decreased by 22% to HUF 9,566.9 billion in October. Primary dealers, who account for the decisive part of all secondary government securities trading, made 66% of their secondary government securities deals with non-resident investors.

The volume of non-residents' holdings of Hungarian government securities increased altogether by HUF 1,201.3 billion in October and mounted to HUF 5,913.7 billion at the end of October. This volume represented 18.6% of the total amount of domestic government securities.

The EUR/HUF exchange rate according to the National Bank of Hungary was 412.01 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:

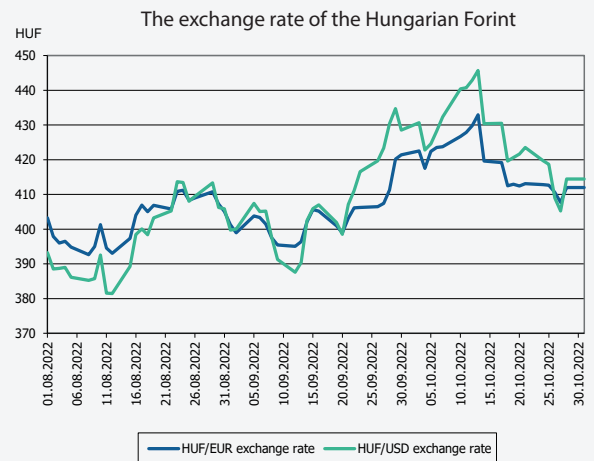
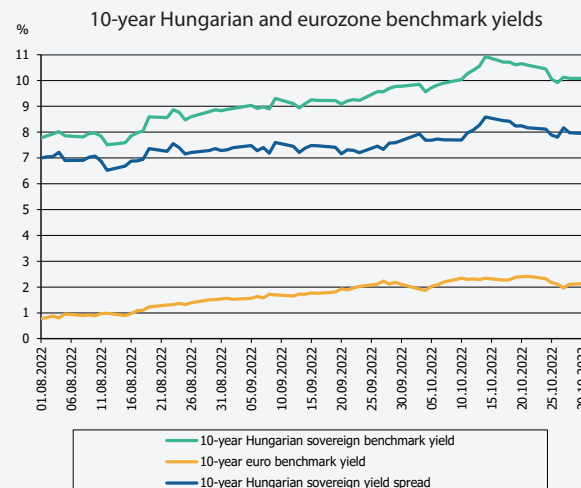
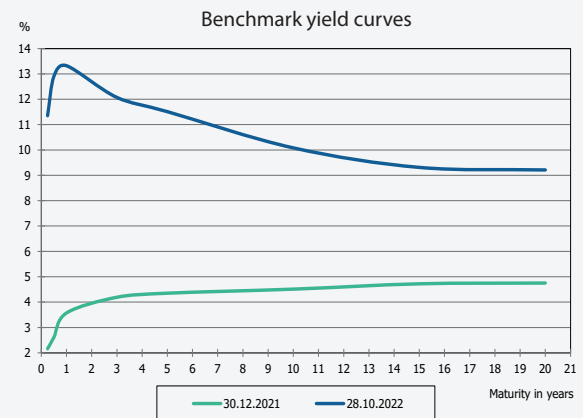
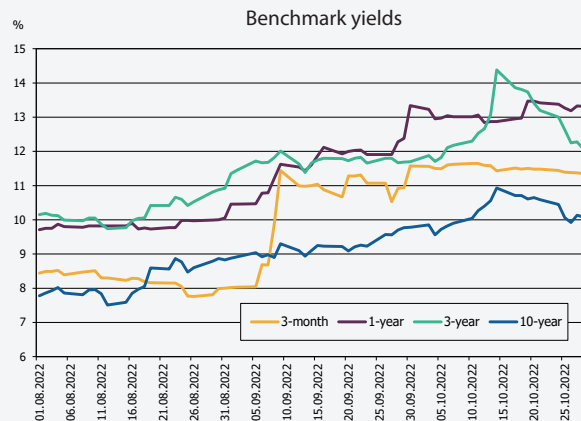
BBB (Standard & Poor's);
Baa2 (Moody's);
BBB (Fitch).

CENTRAL GOVERNMENT GROSS DEBT

HUF BILLION

	2017	2018	2019	2020	2021	2022 August	2022 September	2022 October
1. Forint denominated debt	20,689.4	22,796.0	24,357.1	29,237.3	32,121.2	33,159.4	33,147.4	32,994.7
1.1. Loans	1,041.1	1,167.7	1,208.1	1,161.6	1,307.7	1,261.7	1,213.2	1,189.2
1.2. Government securities	19,648.3	21,628.3	23,149.0	28,075.7	30,813.5	31,897.6	31,934.1	31,805.5
1.2.1. Public issues	19,609.2	21,589.1	23,109.8	28,036.5	30,813.5	31,897.6	31,934.1	31,805.5
1.2.1.1. Bonds	11,767.1	12,836.1	13,378.5	18,206.6	20,220.0	21,544.1	21,905.9	21,557.2
1.2.1.2. Discount T-bills	1,039.2	1,237.3	657.3	658.2	583.2	917.8	1,072.9	1,250.4
1.2.1.3. Retail securities	6,802.9	7,515.7	9,074.0	9,171.7	10,010.2	9,435.7	8,955.3	8,997.9
1.2.2. Private placements	39.2	39.2	39.2	39.2	0.0	0.0	0.0	0.0
2. Foreign currency denominated debt*	5,782.5	5,724.8	5,121.2	7,318.2	8,395.2	10,512.8	10,965.1	10,771.5
2.1. Loans	929.1	795.0	825.4	1,291.1	1,345.2	1,575.8	1,697.3	1,705.8
2.1.1. Foreign loans	929.1	795.0	825.4	1,291.1	1,345.2	1,575.8	1,697.3	1,705.8
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	4,853.5	4,929.8	4,295.8	6,027.1	7,049.9	8,937.0	9,267.8	9,065.7
2.2.1. Issued abroad	4,145.9	4,246.2	3,713.5	5,481.3	6,594.9	8,525.3	8,868.5	8,670.5
2.2.2. Issued domestically	707.6	683.6	582.3	545.9	455.0	411.7	399.3	395.2
Total	26,472.0	28,520.7	29,478.3	36,555.5	40,516.4	43,672.1	44,112.4	43,766.2
Other liabilities	274.20	167.40	203.70	128.80	180.60	567.50	644.50	525.20
Total central government debt	26,746.2	28,688.2	29,682.0	36,684.3	40,697.0	44,239.6	44,756.9	44,291.5
Marketable HUF debt (1.2.1.1+1.2.1.2+1.2.2)	12,845.5	14,112.6	14,075.0	18,904.0	20,803.2	22,461.9	22,978.8	22,807.6
Gross debt/GDP	68.1%	66.1%	62.4%	76.0%	73.7%			

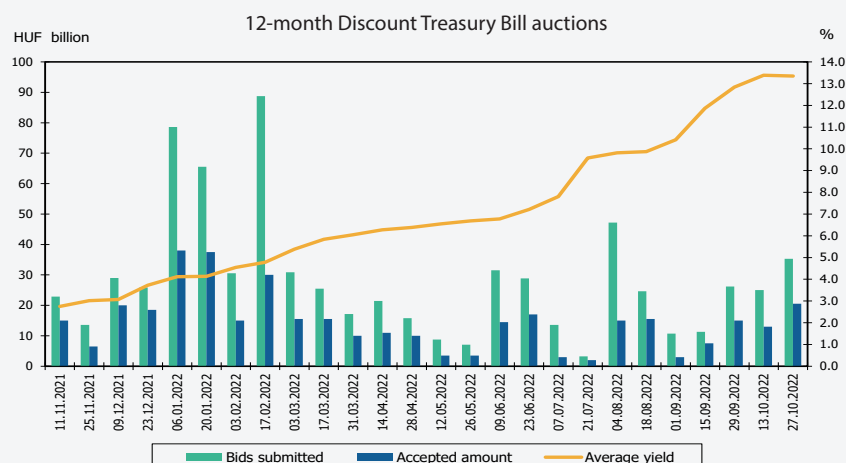
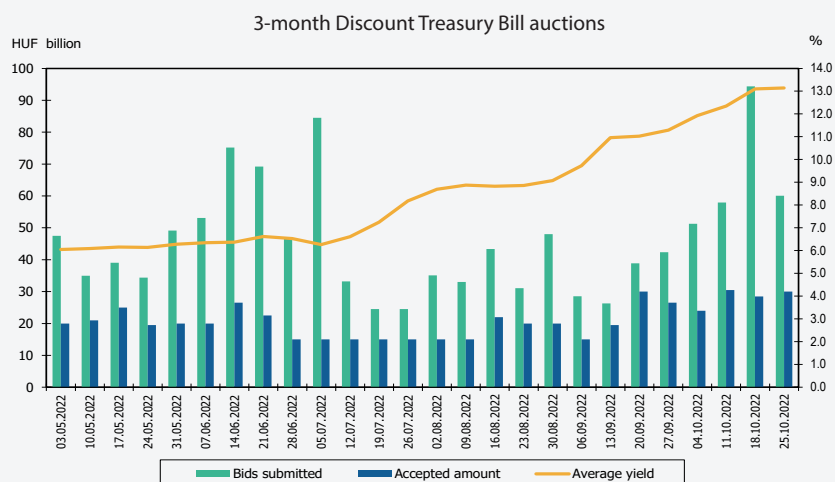
*Foreign exchange debt is recorded at the mid exchange rate of the NBH at the end of the year/month.



DISCOUNT TREASURY BILL AUCTION RESULTS

	3-month Discount T-bills				6-month Discount T-bills*				12-month Discount T-bills	
Code of T-bills	D230111	D230118	D230125	D230201	D230517	D230517	D230517	D230517	D231018	D231018
ISIN code	HU0000524350	HU0000524368	HU0000524384	HU0000524392	HU0000524483	HU0000524483	HU0000524483	HU0000524483	HU0000524376	HU0000524376
Maturity in days	91	91	91	91	217	210	203	196	364	350
Date of auction	04.10.2022	11.10.2022	18.10.2022	25.10.2022	05.10.2022	12.10.2022	19.10.2022	26.10.2022	13.10.2022	27.10.2022
Date of financial settlement	12.10.2022	19.10.2022	26.10.2022	02.11.2022	12.10.2022	19.10.2022	26.10.2022	02.11.2022	19.10.2022	02.11.2022
Redemption date	11.01.2023	18.01.2023	25.01.2023	01.02.2023	17.05.2023	17.05.2023	17.05.2023	17.05.2023	18.10.2023	18.10.2023
Maximum yield (%) - ISMA	12.45	12.60	13.75	13.50	13.05	13.40	14.25	13.49	13.85	13.65
Minimum yield (%) - ISMA	10.00	11.00	11.50	9.00	11.00	11.50	11.50	12.00	12.00	12.99
Average yield (%) - ISMA	11.92	12.34	13.10	13.14	12.94	13.20	13.70	13.12	13.39	13.35
Maximum yield (%) - EHM	12.62	12.78	13.94	13.69	13.23	13.59	14.45	13.68	14.04	13.84
Minimum yield (%) - EHM	10.14	11.15	11.66	9.13	11.15	11.66	11.66	12.17	12.17	13.17
Average yield (%) - EHM	12.09	12.52	13.28	13.33	13.12	13.39	13.89	13.30	13.57	13.54
Average selling price (%)	97.0739	96.9739	96.7949	96.7845	92.7635	92.8495	92.8303	93.3321	88.0777	88.5095
Amount offered for sale (HUF million)	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	15,000.00	15,000.00	15,000.00	15,000.00
Amount of bids submitted (HUF million)	51,266.23	57,907.71	94,350.99	60,058.64	21,819.85	24,826.38	48,651.93	66,591.87	24,992.74	35,280.24
Amount of bids accepted (HUF million)	23,999.99	30,499.98	28,499.98	29,999.84	16,999.99	17,000.00	17,499.99	29,000.00	12,999.99	20,500.00
Bid-to-cover ratio	2.14	1.90	3.31	2.00	1.28	1.46	2.78	2.30	1.92	1.72
Bids submitted (pcs)	145	117	176	166	45	79	89	110	64	81
Bids accepted (pcs)	85	75	72	129	39	60	68	59	51	57
Market sales (HUF million)	23,999.99	30,499.98	28,499.98	29,999.84	16,999.99	17,000.00	17,499.99	29,000.00	12,999.99	20,500.00
Retained on ÁKK's own account (HUF million)	15,000.01	15,000.02	20,000.02	20,000.16	25,500.01	17,000.00	17,500.01	29,000.00	13,000.01	20,500.00
Total amount issued (HUF million)	39,000.00	45,500.00	48,500.00	50,000.00	42,500.00	34,000.00	35,000.00	58,000.00	26,000.00	41,000.00

* ÁKK introduced the 6-month Discount Treasury Bill from the end of September 2022.

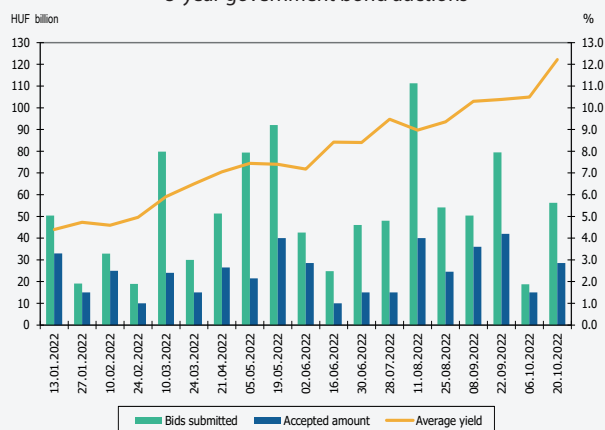


GOVERNMENT BOND AUCTION RESULTS

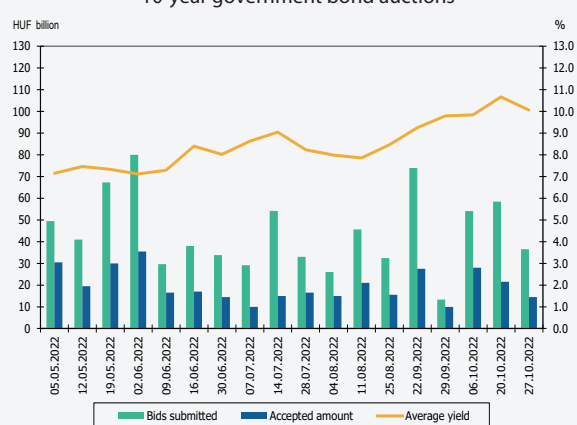
Government Bond	2028/B	2032/A	2041/A	2032/B
ISIN code	HU0000405543	HU0000405550	HU0000404165	HU0000406087
Maturity (in years)	5	10	20	10
Coupon	4.50%	4.75%	3.00%	13.78%
Auction	18th auction	20th auction	40th auction	1st auction
Date of auction	06.10.2022	06.10.2022	06.10.2022	13.10.2022
Date of financial settlement	12.10.2022	12.10.2022	12.10.2022	19.10.2022
Redemption date	23.03.2028	24.11.2032	25.04.2041	25.08.2032
Maximum annual yield (%) - ISMA	10.51	9.86	9.39	-
Minimum annual yield (%) - ISMA	10.45	9.81	9.37	-
Average annual yield (%) - ISMA	10.49	9.83	9.39	-
Maximum annual yield (%) - EHM	10.50	9.85	9.38	-
Minimum annual yield (%) - EHM	10.44	9.80	9.36	-
Average annual yield (%) - EHM	10.48	9.83	9.38	-
Maximum price (%)	76.1211	68.4203	44.9103	98.5000
Minimum price (%)	75.9197	68.1719	44.8020	95.8100
Average price (%)	75.9899	68.2952	44.8180	97.0500
Amount offered for sale (HUF million)	15,000.00	10,000.00	5,000.00	15,000.00
Amount of bids submitted (HUF million)	18,750.00	54,050.00	34,494.98	60,100.00
Amount of bids accepted (HUF million)	15,000.00	27,999.94	12,500.00	16,000.00
Bid-to-cover ratio	1.25	1.93	2.76	3.76
Bids submitted (pcs)	31	66	51	33
Bids accepted (pcs)	22	40	17	13
Tail (%) (average price - minimum price)	0.07	0.12	0.02	1.24
Market sales (HUF million)	15,000.00	27,999.94	12,500.00	16,000.00
Non-competitive offer (HUF million)	0.00	9,996.52	4,300.00	5,040.00
Total amount sales (HUF million)	15,000.00	37,996.46	16,800.00	21,040.00

Government Bond	2028/B	2032/A	2038/A	2032/B	2032/G
ISIN code	HU0000405543	HU0000405550	HU0000403555	HU0000406087	HU0000405535
Maturity (in years)	5	10	15	10	10
Coupon	4.50%	4.75%	3.00%	13.78%	4.50%
Auction	19th auction	21st auction	59th auction	2nd auction	11th auction
Date of auction	20.10.2022	20.10.2022	20.10.2022	27.10.2022	27.10.2022
Date of financial settlement	26.10.2022	26.10.2022	26.10.2022	02.11.2022	02.11.2022
Redemption date	23.03.2028	24.11.2032	27.10.2038	25.08.2032	27.05.2032
Maximum annual yield (%) - ISMA	12.25	10.68	9.84	-	10.07
Minimum annual yield (%) - ISMA	12.20	10.67	9.83	-	10.01
Average annual yield (%) - ISMA	12.22	10.67	9.83	-	10.06
Maximum annual yield (%) - EHM	12.24	10.67	9.83	-	10.06
Minimum annual yield (%) - EHM	12.19	10.66	9.82	-	10.00
Average annual yield (%) - EHM	12.21	10.67	9.83	-	10.05
Maximum price (%)	70.6720	64.4820	46.0070	98.8000	67.0050
Minimum price (%)	70.5147	64.4284	45.9720	96.2100	66.7289
Average price (%)	70.5969	64.4556	45.9912	96.9800	66.7945
Amount offered for sale (HUF million)	10,000.00	10,000.00	5,000.00	15,000.00	10,000.00
Amount of bids submitted (HUF million)	56,253.23	58,440.00	24,925.00	46,160.00	36,550.00
Amount of bids accepted (HUF million)	28,499.99	21,500.00	5,000.00	15,000.00	14,499.98
Bid-to-cover ratio	1.97	2.72	4.99	3.08	2.52
Bids submitted (pcs)	29	48	41	19	56
Bids accepted (pcs)	11	12	12	10	19
Tail (%) (average price - minimum price)	0.08	0.03	0.02	0.77	0.07
Market sales (HUF million)	28,499.99	21,500.00	5,000.00	15,000.00	14,499.98
Non-competitive offer (HUF million)	10,759.99	7,880.00	0.00	1,800.00	0.00
Total amount sales (HUF million)	39,259.98	29,380.00	5,000.00	16,800.00	14,499.98

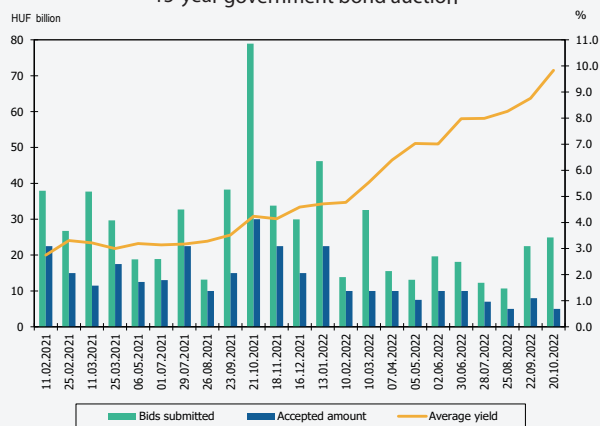
5-year government bond auctions



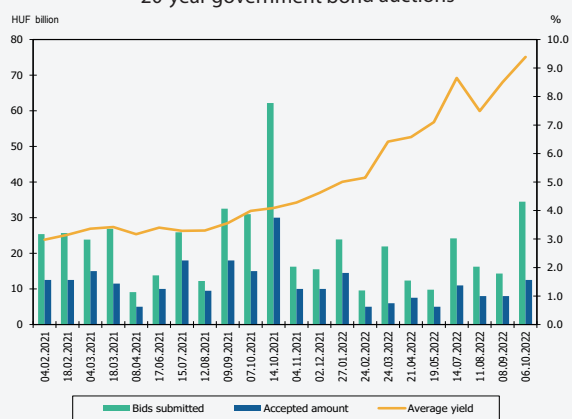
10-year government bond auctions



15-year government bond auction



20-year government bond auctions

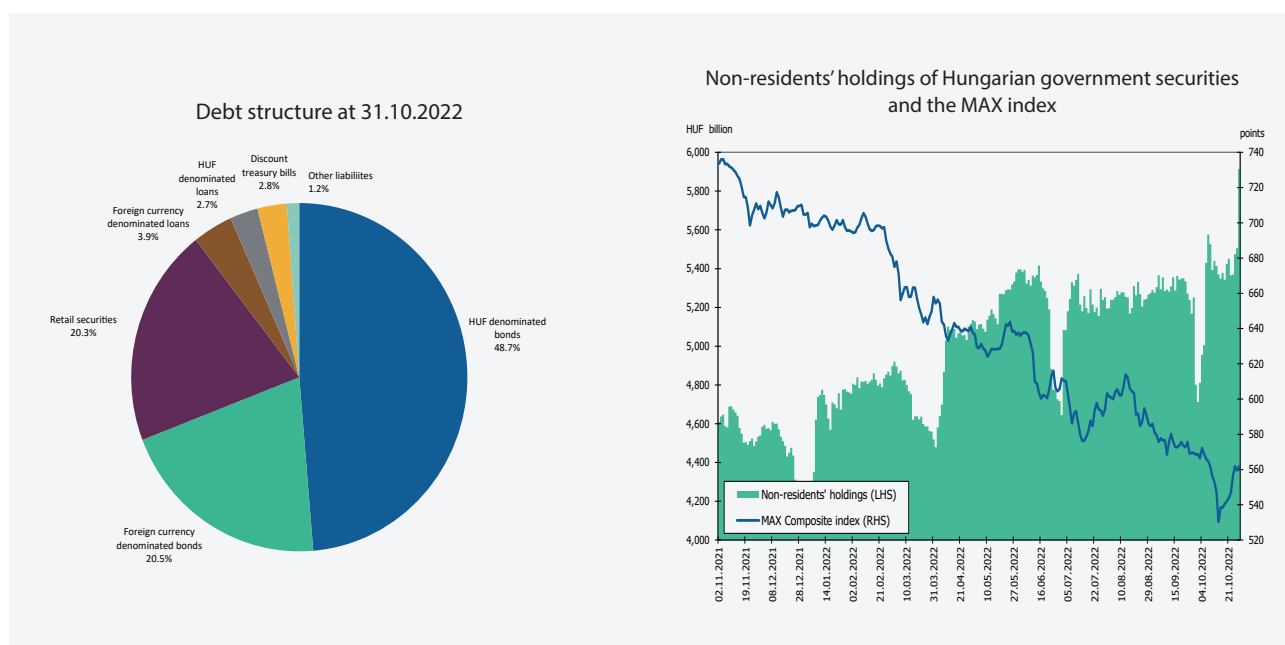
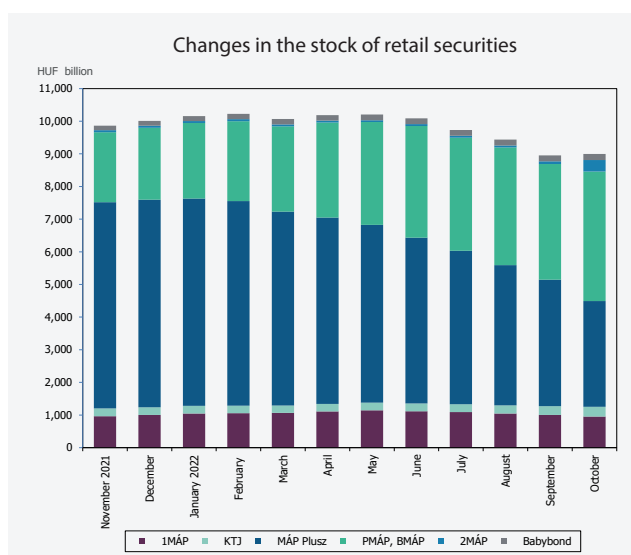


INTEREST RATE RESETS OF FLOATING RATE GOVERNMENT BONDS IN OCTOBER 2022

Government bond	Date of interest rate reset	Interest period		Date of interest payment	Reset interest rate	Interest payable
2023/B	21.10.2022	26.10.2022	26.01.2023	26.01.2023	16.69%	4.27%
2027/B	19.10.2022	22.10.2022	22.01.2023	23.01.2023	16.66%	4.26%
2029/J	13.10.2022	19.10.2022	21.03.2023	21.03.2023	11.75%	4.93%
2032/B	10.10.2022	19.10.2022	25.02.2023	27.02.2023	13.78%	4.94%

OUTSTANDING AMOUNT OF RETAIL SECURITIES

Retail securities	HUF billion		
	31.12.2021	31.10.2022	Change
1-year Hungarian Government Security / 1MÁP	1,001.6	957.0	-44.6
Treasury Saving Bills / KTJ	234.8	296.8	62.0
Hungarian Government Security Plus / MÁP Plusz	6,361.5	3,236.4	-3,125.1
Premium Hungarian Government Security / PMÁP	2,202.7	3,967.6	1,764.8
Bonus Hungarian Government Security / BMÁP	60.8	354.7	293.9
Babybond	148.8	185.3	36.5
Total	10,010.2	8,997.8	-1,012.4



HUNGARIAN GOVERNMENT SECURITIES INDICES

	MAX index	HMAX index	MAX Composite index	RMAX index	ZMAX index
Value as at 28.10.2022	581.9678	65.5418	561.8409	562.6707	561.9272
Changes compared to the end of the previous month	-7.5522	-1.1510	-6.8738	5.4255	6.2920
Annual yield earned on the index portfolio (%)	-25.07	-29.24	-23.59	1.06	3.98

Government bonds with the highest secondary market turnover in October 2022

Government bond	Date of redemption	Turnover (HUF billion)
2032/A	24.11.2032	608.1
2028/B	23.03.2028	267.8
2023/A	24.11.2023	160.9
2023/C	23.08.2023	150.2
2033/A	20.04.2033	134.4
2038/A	27.10.2038	129.7
2025/C	26.11.2025	111.5
2026/D	22.12.2026	101.0
2025/B	24.06.2025	99.8
D230517	17.05.2023	93.3

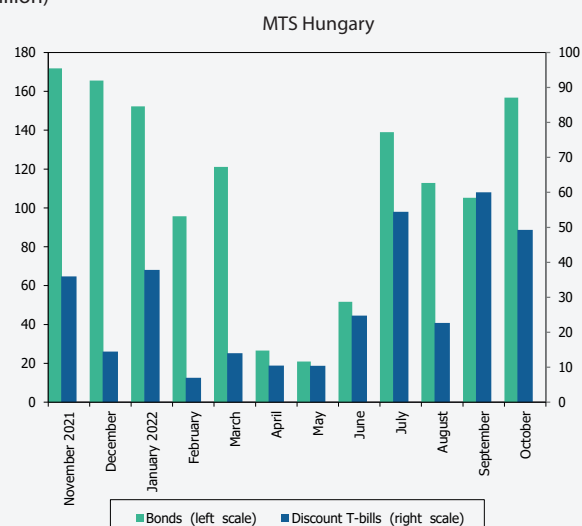
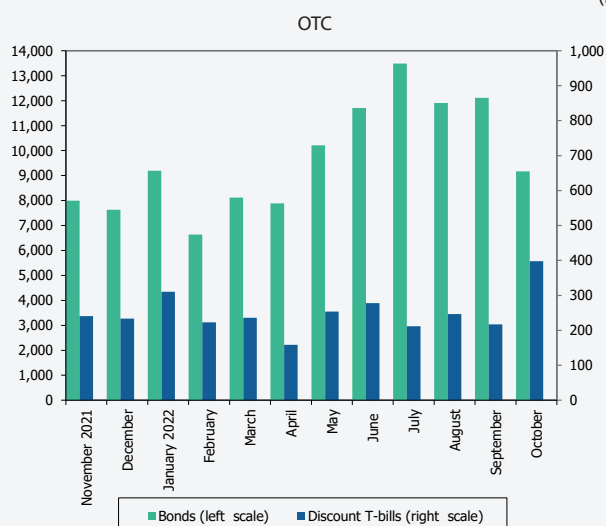
The outstanding volume of government bonds with benchmark status at the end of October 2022

Government bond	HUF billion	
	30.09.2022	31.10.2022
2025/C	1,340.46	1,345.41
2028/B	516.94	572.13
2032/A	511.32	579.87
2038/A	896.59	901.67
2041/A	493.03	510.75

The outstanding volume of the three largest government bonds at the end of October 2022

Government bond	HUF billion
2031/A	1,529.55
2025/C	1,345.41
2033/A	1,314.59

Secondary market trading of Hungarian government securities (HUF billion)



Breakdown of primary dealers' secondary market turnover by investor groups in October 2022

