



GOVERNMENT DEBT MANAGEMENT AGENCY PTE LTD.

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GOVERNMENT SECURITIES MARKET

MONTHLY REPORT
JUNE 2023



The Central Government Debt increased by HUF 2,365.2 billion to HUF 47,927.5 billion in 2023. Total net issuance was HUF 3,521.5 billion; out of which net HUF denominated issuance including repos was HUF 1,908.3 billion and net foreign currency denominated issuance was HUF 1,613.3 billion in 2023.

CENTRAL GOVERNMENT DEBT

(HUF billion)	2022		2023		Change	
	December	%	June	%	HUF billion	%
HUF denominated debt	33,775.6	74.1	35,683.9	74.5	1,908.3	5.6
Loans	1,024.2	2.2	921.8	1.9	-102.4	-10.0
Government bonds	22,346.3	49.0	23,224.3	48.5	878.0	3.9
Retail securities	8,619.4	18.9	9,136.7	19.1	517.3	6.0
Discount treasury bills	1,785.8	3.9	2,401.1	5.0	615.3	34.5
Foreign exchange denominated debt	11,397.3	25.0	12,067.4	25.2	670.1	5.9
Total	45,173.0	99.1	47,751.3	99.6	2,578.4	5.7
Other obligations	389.4	0.9	176.2	0.4	-213.2	-54.7
Total central government debt	45,562.4	100.0	47,927.5	100.0	2,365.2	5.2

The HUF denominated debt of the central government increased by HUF 1,908.3 billion in 2023. The increase in domestic debt was the result of the net government bond issuance of HUF 878.0 billion and the increase of discount Treasury bills by HUF 615.3 billion. The total amount of retail government securities increased by HUF 517.3 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 670.1 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 286.2 billion and the issuance of domestic foreign currency bonds grew by HUF 115.4 billion. The exchange rate revaluations totalling HUF 943.2 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 525.2 billion and the repayments of domestic foreign currency bond by HUF 6.0 billion. The total amount of other liabilities decreased by HUF 213.2 billion in 2023.

BENCHMARK YIELDS

Maturity	30.12.2022	31.05.2023	30.06.2023	Change in June basis point
3-month	12.32	13.39	10.03	-336
6-month	13.89	13.61	10.04	-357
1-year	13.82	12.80	10.46	-234
3-year	10.71	9.73	8.71	-102
5-year	9.73	8.69	7.65	-104
10-year	8.98	7.89	6.98	-91
15-year	8.41	7.27	6.78	-49
20-year	8.41	7.20	6.82	-38

Monthly OTC turnover of government securities decreased by 2% to HUF 10,400.7 billion in June. Primary dealers, who account for the decisive part of all secondary government securities trading, made 81% of their secondary government securities deals with non-resident investors.

The volume of non-residents' holdings of Hungarian government securities decreased altogether by HUF 690.6 billion in June and mounted to HUF 6,523.9 billion at the end of June. This volume represented 18.8% of the total amount of domestic government securities. The EUR/HUF exchange rate according to the National Bank of Hungary was 371.13 on the last working day of June.

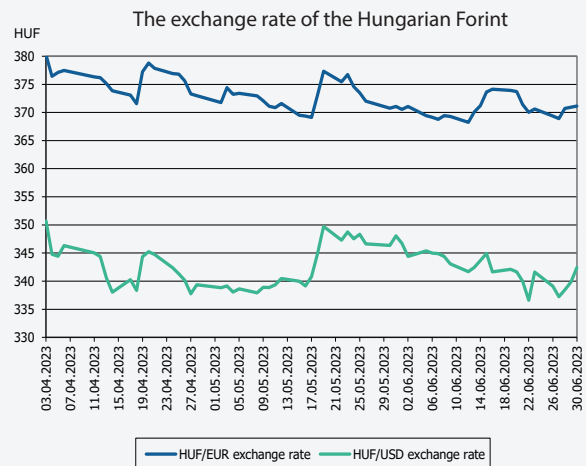
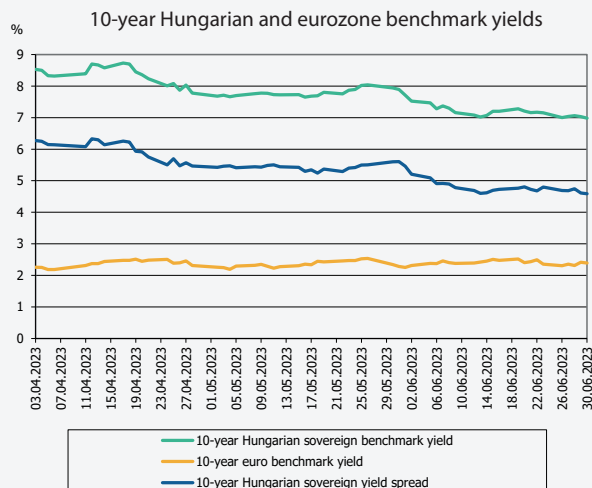
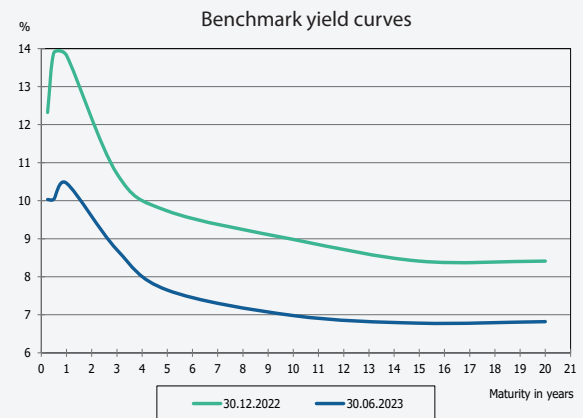
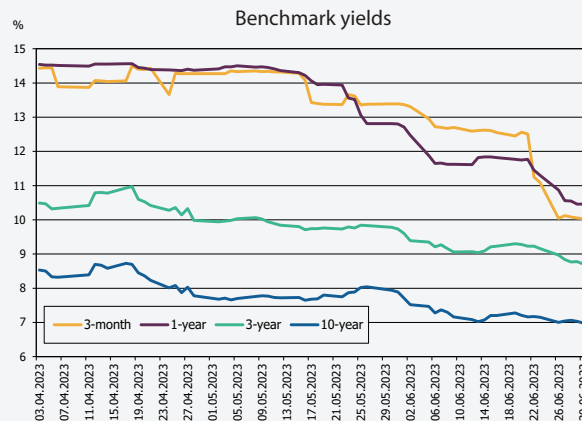
The credit rating of the long-term foreign currency debt of Hungary is as follows on the last working day of June: BBB- (Standard & Poor's); Baa2 (Moody's); BBB (Fitch).

CENTRAL GOVERNMENT GROSS DEBT

HUF BILLION

	2018	2019	2020	2021	2022	2023 April	2023 May	2023 June
1. Forint denominated debt	22,796.0	24,357.1	29,237.3	32,121.2	33,775.6	35,328.1	35,499.1	35,683.9
1.1. Loans	1,167.7	1,208.1	1,161.6	1,307.7	1,024.2	964.7	964.7	921.8
1.2. Government securities	21,628.3	23,149.0	28,075.7	30,813.5	32,751.4	34,363.3	34,534.4	34,762.1
1.2.1. Public issues	21,589.1	23,109.8	28,036.5	30,813.5	32,751.4	34,363.3	34,534.4	34,762.1
1.2.1.1. Bonds	12,836.1	13,378.5	18,206.6	20,220.0	22,346.3	23,276.6	23,342.6	23,224.3
1.2.1.2. Discount T-bills	1,237.3	657.3	658.2	583.2	1,785.8	2,133.1	2,240.7	2,401.1
1.2.1.3. Retail securities	7,515.7	9,074.0	9,171.7	10,010.2	8,619.4	8,953.6	8,951.0	9,136.7
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	11,967.9	11,978.1	12,067.4
2.1. Loans	795.0	825.4	1,291.1	1,345.2	1,959.1	1,960.5	2,013.8	2,093.4
2.1.1. Foreign loans	795.0	825.4	1,291.1	1,345.2	1,959.1	1,960.5	2,013.8	2,093.4
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	10,007.4	9,964.3	9,974.0
2.2.1. Issued abroad	4,246.2	3,713.5	5,481.3	6,594.9	9,085.5	9,589.3	9,540.3	9,541.9
2.2.2. Issued domestically	683.6	582.3	545.9	455.0	352.8	418.1	424.1	432.1
Total	28,520.7	29,478.3	36,555.5	40,516.4	45,173.0	47,295.9	47,477.2	47,751.3
Other liabilities	167.40	203.70	128.80	180.60	389.40	309.40	308.00	176.20
Total central government debt	28,688.2	29,682.0	36,684.3	40,697.0	45,562.4	47,605.3	47,785.2	47,927.5
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	25,409.7	25,583.3	25,625.4
Gross debt/GDP	66.1%	62.4%	76.0%	73.8%	68.1%			

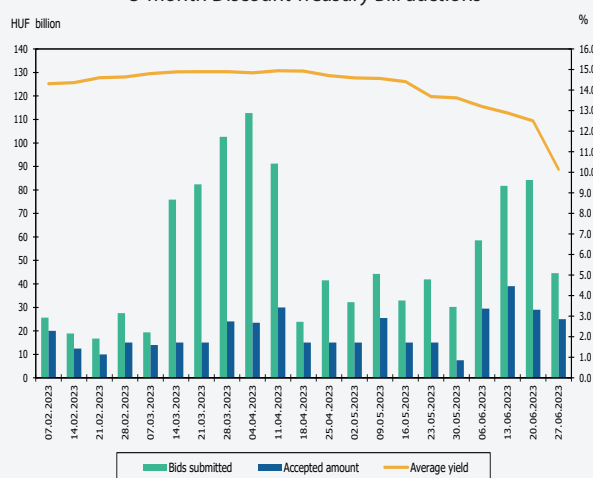
* Foreign exchange debt is recorded at the mid exchange rate of the NBH at the end of the year/month.



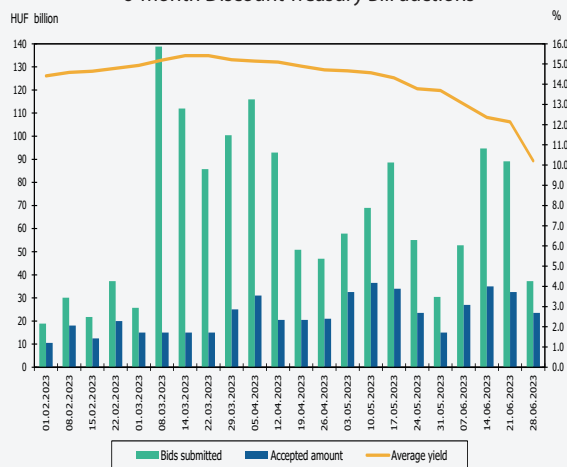
DISCOUNT TREASURY BILL AUCTION RESULTS

	3-month Discount T-bills				6-month Discount T-bills				12-month Discount T-bills	
Code of T-bills	D230913	D230920	D230927	D231004	D231129	D240124	D240124	D240124	D240430	D240626
ISIN code	HU0000524723	HU0000524541	HU0000524749	HU0000524764	HU0000524657	HU0000524731	HU0000524731	HU0000524731	HU0000524673	HU0000524756
Maturity in days	91	91	91	91	168	217	210	203	321	364
Date of auction	06.06.2023	13.06.2023	20.06.2023	27.06.2023	07.06.2023	14.06.2023	21.06.2023	28.06.2023	08.06.2023	22.06.2023
Date of financial settlement	14.06.2023	21.06.2023	28.06.2023	05.07.2023	14.06.2023	21.06.2023	28.06.2023	05.07.2023	14.06.2023	28.06.2023
Redemption date	13.09.2023	20.09.2023	27.09.2023	04.10.2023	29.11.2023	24.01.2024	24.01.2024	24.01.2024	30.04.2024	26.06.2024
Maximum yield (%) - ISMA	13.40	12.98	12.60	10.30	13.10	12.47	12.20	10.40	11.84	11.60
Minimum yield (%) - ISMA	12.90	12.20	12.00	9.70	12.00	11.00	11.50	9.50	11.35	10.50
Average yield (%) - ISMA	13.20	12.89	12.50	10.14	13.02	12.36	12.14	10.21	11.68	11.45
Maximum yield (%) - EHM	13.59	13.16	12.77	10.44	13.28	12.64	12.37	10.54	12.00	11.76
Minimum yield (%) - EHM	13.08	12.37	12.17	9.83	12.17	11.15	11.66	9.63	11.51	10.65
Average yield (%) - EHM	13.38	13.07	12.68	10.28	13.20	12.53	12.31	10.35	11.85	11.61
Average selling price (%)	96.7707	96.8435	96.9359	97.5018	94.2726	93.0683	93.3842	94.5557	90.5648	89.6223
Amount offered for sale (HUF million)	15,000.00	25,000.00	25,000.00	25,000.00	15,000.00	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00
Amount of bids submitted (HUF million)	58,556.34	81,776.07	84,209.96	44,584.78	52,811.50	94,675.89	89,104.83	37,236.75	38,015.39	49,883.30
Amount of bids accepted (HUF million)	29,499.96	39,000.00	29,000.00	24,999.99	26,999.95	34,999.99	32,499.93	23,500.00	24,999.98	24,999.98
Bid-to-cover ratio	1.98	2.10	2.90	1.78	1.96	2.71	2.74	1.58	1.52	2.00
Bids submitted (pcs)	107	92	110	74	124	132	122	50	85	110
Bids accepted (pcs)	64	43	60	35	58	46	57	38	56	68
Market sales (HUF million)	29,499.96	39,000.00	29,000.00	24,999.99	26,999.95	34,999.99	32,499.93	23,500.00	24,999.98	24,999.98
Retained on ÁKK's own account (HUF million)	20,000.04	-	20,000.00	20,000.01	0.05	52,500.01	15,500.07	-	10,000.02	37,500.02
Total amount issued (HUF million)	49,500.00	39,000.00	49,000.00	45,000.00	27,000.00	87,500.00	48,000.00	23,500.00	35,000.00	62,500.00

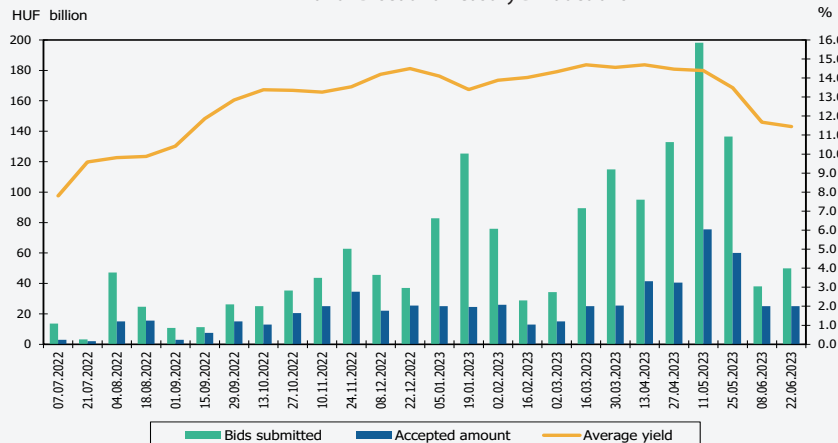
3-month Discount Treasury Bill auctions



6-month Discount Treasury Bill auctions



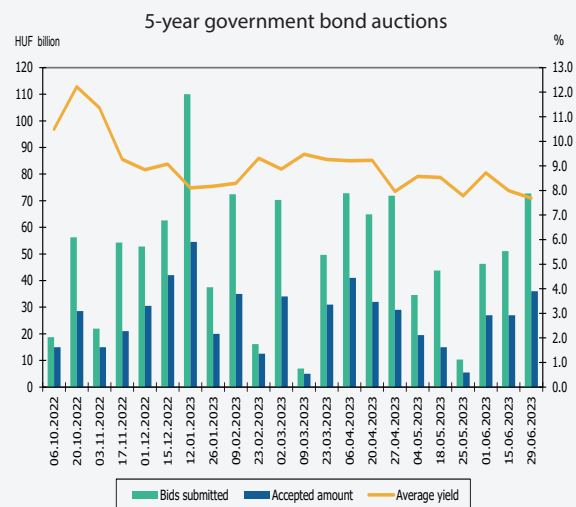
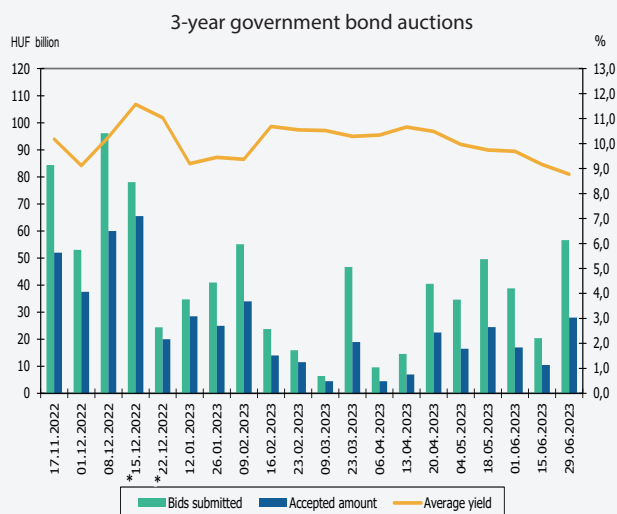
12-month Discount Treasury Bill auctions



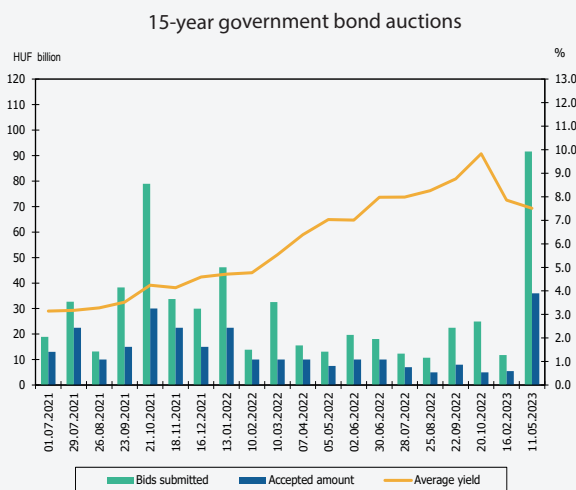
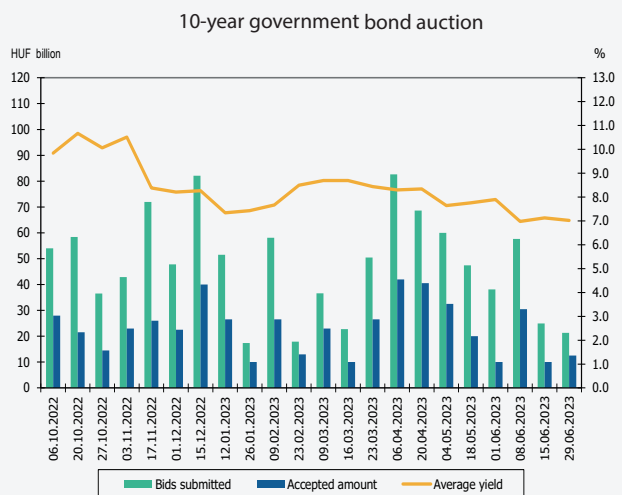
GOVERNMENT BOND AUCTION RESULTS

Government Bond	2026/H	2028/A	2032/A	2027/B	2033/A	2026/H
ISIN code	HU0000406160	HU0000402532	HU0000405550	HU0000404157	HU0000404744	HU0000406160
Maturity (in years)	3	5	10	3	10	3
Coupon	9.50%	6.75%	4.75%	16.29%	2.25%	9.50%
Auction	11th auction	58th auction	36th auction	40th auction	55th auction	12th auction
Date of auction	01.06.2023	01.06.2023	01.06.2023	08.06.2023	08.06.2023	15.06.2023
Date of financial settlement	07.06.2023	07.06.2023	07.06.2023	14.06.2023	14.06.2023	21.06.2023
Redemption date	21.10.2026	22.10.2028	24.11.2032	22.04.2027	20.04.2033	21.10.2026
Maximum annual yield (%) - ISMA	9.76	8.73	7.90	-	7.00	9.19
Minimum annual yield (%) - ISMA	9.61	8.65	7.89	-	6.93	9.14
Average annual yield (%) - ISMA	9.69	8.72	7.90	-	6.98	9.16
Maximum annual yield (%) - EHM	9.75	8.72	7.90	-	6.99	9.18
Minimum annual yield (%) - EHM	9.60	8.64	7.88	-	6.92	9.13
Average annual yield (%) - EHM	9.69	8.71	7.89	-	6.97	9.16
Maximum price (%)	99.6675	92.0314	79.5516	101.0500	67.3703	100.9667
Minimum price (%)	99.2538	91.7162	79.4729	100.4600	66.9809	100.8303
Average price (%)	99.4332	91.7648	79.4959	100.5500	67.0978	100.8971
Amount offered for sale (HUF million)	10,000.00	10,000.00	10,000.00	20,000.00	10,000.00	15,000.00
Amount of bids submitted (HUF million)	38,800.00	46,258.00	38,100.00	84,420.00	57,650.00	20,415.00
Amount of bids accepted (HUF million)	17,000.00	26,999.97	10,000.00	43,500.00	30,499.98	10,500.00
Bid-to-cover ratio	2.28	1.71	3.81	1.94	1.89	1.94
Bids submitted (pcs)	49	58	53	31	38	29
Bids accepted (pcs)	20	32	16	23	21	19
Tail (%) (average price - minimum price)	0.18	0.05	0.02	0.09	0.12	0.07
Market sales (HUF million)	17,000.00	26,999.97	10,000.00	43,500.00	30,499.98	10,500.00
Non-competitive offer (HUF million)	6,240.00	10,079.97	3,440.00	16,720.00	2,906.24	0.00
Total amount sales (HUF million)	23,240.00	37,079.94	13,440.00	60,220.00	33,406.22	10,500.00

Government Bond	2028/A	2032/A	2027/B	2026/H	2028/A	2032/A
ISIN code	HU0000402532	HU0000405550	HU0000404157	HU0000406160	HU0000402532	HU0000405550
Maturity (in years)	5	10	3	3	5	10
Coupon	6.75%	4.75%	16.29%	9.50%	6.75%	4.75%
Auction	59th auction	37th auction	41st auction	13th auction	60th auction	38th auction
Date of auction	15.06.2023	15.06.2023	22.06.2023	29.06.2023	29.06.2023	29.06.2023
Date of financial settlement	21.06.2023	21.06.2023	28.06.2023	05.07.2023	05.07.2023	05.07.2023
Redemption date	22.10.2028	24.11.2032	22.04.2027	21.10.2026	22.10.2028	24.11.2032
Maximum annual yield (%) - ISMA	8.01	7.14	-	8.80	7.71	7.03
Minimum annual yield (%) - ISMA	7.96	7.09	-	8.74	7.68	7.00
Average annual yield (%) - ISMA	7.99	7.13	-	8.77	7.69	7.02
Maximum annual yield (%) - EHM	8.00	7.13	-	8.79	7.70	7.02
Minimum annual yield (%) - EHM	7.95	7.08	-	8.73	7.67	6.99
Average annual yield (%) - EHM	7.98	7.13	-	8.76	7.69	7.01
Maximum price (%)	94.8520	84.2591	100.8100	102.0682	96.0204	84.8503
Minimum price (%)	94.6379	83.9581	100.4500	101.9000	95.9000	84.6667
Average price (%)	94.7253	84.0067	100.5100	101.9883	95.9640	84.7281
Amount offered for sale (HUF million)	15,000.00	10,000.00	15,000.00	10,000.00	15,000.00	10,000.00
Amount of bids submitted (HUF million)	51,100.00	24,950.00	68,080.00	56,600.00	72,700.00	21,306.46
Amount of bids accepted (HUF million)	26,999.98	9,999.99	35,999.99	28,000.00	36,000.00	12,499.99
Bid-to-cover ratio	1.89	2.50	1.89	2.02	2.02	1.70
Bids submitted (pcs)	52	38	31	35	46	30
Bids accepted (pcs)	30	21	13	20	15	19
Tail (%) (average price - minimum price)	0.09	0.05	0.06	0.09	0.06	0.06
Market sales (HUF million)	26,999.98	9,999.99	35,999.99	28,000.00	36,000.00	12,499.99
Non-competitive offer (HUF million)	0.00	0.00	14,159.99	9,960.00	14,080.00	1,766.13
Total amount sales (HUF million)	26,999.98	9,999.99	50,159.98	37,960.00	50,080.00	14,266.12



*2-year government bond

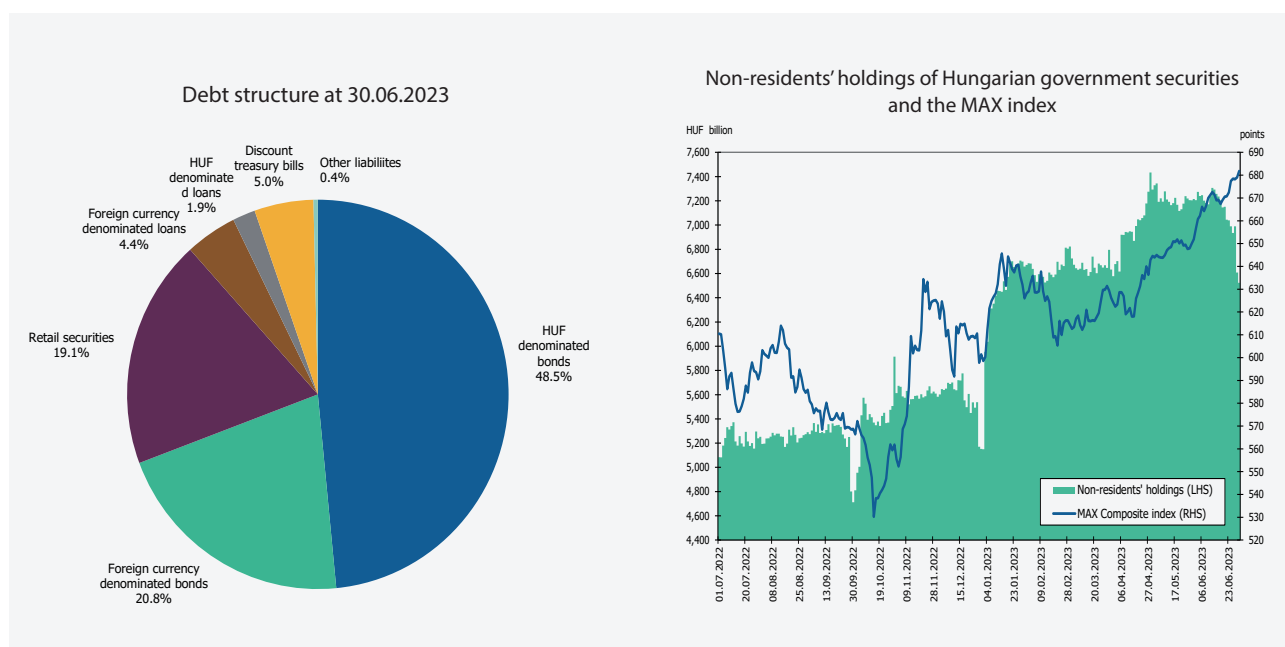
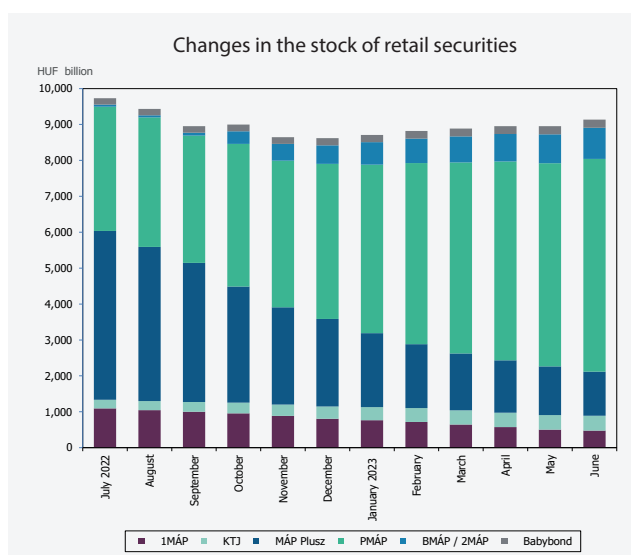


INTEREST RATE RESETS OF FLOATING RATE GOVERNMENT BONDS IN JUNE 2023

Government bond	Date of interest rate reset	Interest period		Date of interest payment	Reset interest rate	Interest payable
2025/N	26.06.2023	30.06.2023	30.09.2023	02.10.2023	13.92%	3.56%
2028/K	14.06.2023	20.06.2023	20.06.2024	20.06.2024	16.00%	16.00%

OUTSTANDING AMOUNT OF RETAIL SECURITIES

Retail securities	HUF billion		
	31.12.2022	30.06.2023	Change
1-year Hungarian Government Security / 1MÁP	807.8	478.0	-329.8
Treasury Saving Bills / KTJ	341.8	412.8	70.9
Hungarian Government Security Plus / MÁP Plusz	2,434.5	1,227.5	-1,207.0
Premium Hungarian Government Security / PMÁP	4,321.6	5,922.6	1,600.9
Bonus Hungarian Government Security / BMÁP	514.7	869.3	354.6
Babybond	198.8	226.5	27.7
Total	8,619.3	9,136.7	517.3



HUNGARIAN GOVERNMENT SECURITIES INDICES

	MAX index	HMAX index	MAX Composite index	RMAX index	ZMAX index
Value as at 30.06.2023	710.2455	83.2908	681.7572	616.1465	616.5396
Changes compared to the end of the previous month	32.6707	4.5071	29.9148	15.2280	12.1044
Annual yield earned on the index portfolio (%)	11.56	14.40	11.45	10.41	12.33

Government bonds with the highest secondary market turnover in June 2023

Government bond	Date of redemption	Turnover (HUF billion)
2032/A	24.11.2032	483.9
2028/A	22.10.2028	420.4
2024/B	26.06.2024	258.5
2033/A	20.04.2033	199.4
2028/B	23.03.2028	159.6
2041/A	25.04.2041	158.9
2025/B	24.06.2025	158.7
2026/H	21.10.2026	137.7
2027/A	27.10.2027	128.9
2023/A	24.11.2023	128.7

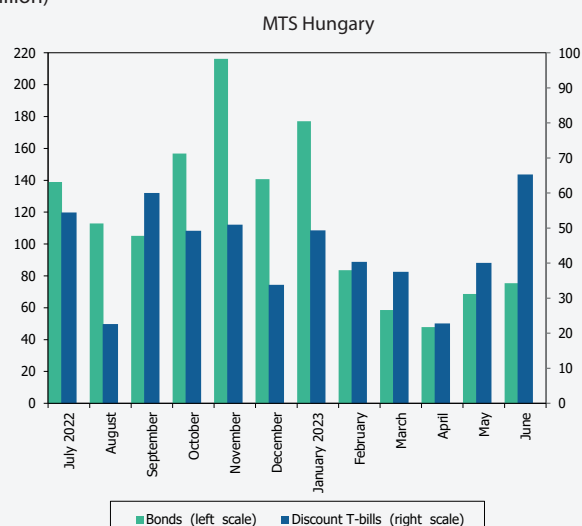
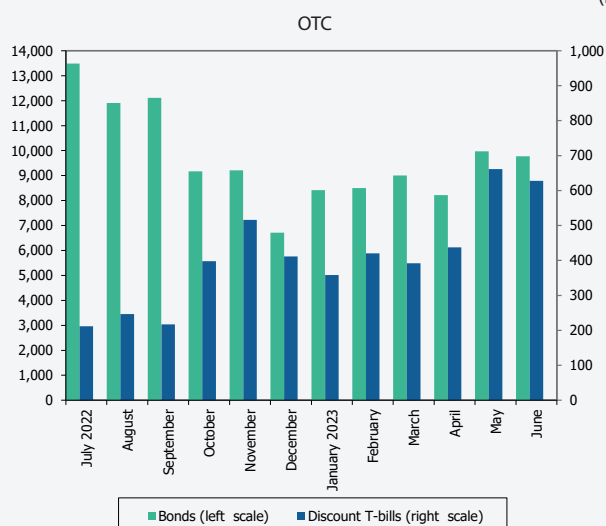
The outstanding volume of government bonds with benchmark status at the end of June 2023

Government bond	HUF billion	
	31.05.2023	30.06.2023
2026/H	222.30	256.19
2028/A	1,054.47	1,118.50
2032/A	1,033.05	1,056.48
2038/A	957.11	957.12
2041/A	565.36	565.35

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

Government bond	HUF billion
2031/A	1,530.15
2025/C	1,480.03
2033/A	1,348.56

Secondary market trading of Hungarian government securities (HUF billion)



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

