



GOVERNMENT DEBT MANAGEMENT AGENCY PTE LTD.

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GOVERNMENT SECURITIES MARKET

MONTHLY REPORT
MAY 2022



The Central Government Debt increased by HUF 2,888.5 billion to HUF 43,585.5 billion in 2022. Total net issuance was HUF 2,123.9 billion; out of which net HUF denominated issuance including repos was HUF 1,852.9 billion and net foreign currency denominated issuance was HUF 270.9 billion in 2022.

CENTRAL GOVERNMENT DEBT

(HUF billion)	2021		2022		Change	
	December	%	May	%	HUF billion	%
HUF denominated debt	32,121.2	78.9	33,974.2	77.9	1,852.9	5.8
Loans	1,307.7	3.2	1,302.5	3.0	-5.2	-0.4
Government bonds	20,220.0	49.7	21,450.9	49.2	1,230.9	6.1
Retail securities	10,010.3	24.6	10,204.9	23.4	194.7	1.9
Discount treasury bills	583.2	1.4	1,015.8	2.3	432.6	74.2
Foreign exchange denominated debt	8,395.2	20.6	9,265.2	21.3	870.0	10.4
Total	40,516.4	99.6	43,239.3	99.2	2,722.9	6.7
<i>Other obligations</i>	180.6	0.4	346.2	0.8	165.6	91.7
Total central government debt	40,697.0	100.0	43,585.5	100.0	2,888.5	7.1

The HUF denominated debt of the central government increased by HUF 1,852.9 billion in 2022. The increase in domestic debt was the result of the net government bond issuance of HUF 1,230.9 billion and the increase of discount Treasury bills by HUF 432.6 billion. The total amount of retail government securities further increased by HUF 194.7 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 5.2 billion in 2022.

The foreign currency debt of the central government increased by HUF 870.0 billion in 2022. The increase is mainly due to the foreign currency bond issues in February. Japanese yen-denominated Samurai bonds were issued in total amount of HUF 205.4 billion (75.3 billion yen). Four series with different maturities, one of them is 3-year long traditional foreign currency bond and three of them are 5-7-10-year long green foreign currency bonds. The drawdown of foreign currency loans further increased the foreign currency debt by HUF 64.6 billion and the issuance of domestic foreign currency bonds grew by HUF 72.8 billion. The exchange rate revaluations totalling HUF 599.0 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 50.3 billion, the foreign currency bond repayments by HUF 15.5 billion and the foreign currency loan redemptions by HUF 6.1 billion.

The total amount of other liabilities increased by HUF 165.6 billion in 2022.

BENCHMARK YIELDS

Maturity	30.12.2021	29.04.2022	31.05.2022	Change in May basis point
3-month	2.16	5.86	6.30	44
6-month	2.61	5.87	6.68	81
1-year	3.57	6.32	6.58	26
3-year	4.19	7.06	6.98	-8
5-year	4.35	7.15	7.18	3
10-year	4.51	6.86	7.16	30
15-year	4.72	6.73	7.03	30
20-year	4.75	6.68	7.02	34

Monthly OTC turnover of government securities increased by 30% to HUF 10,462.3 billion in May. 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 260.4 billion in May and amounted to HUF 5,395.5 billion at the end of May. This volume represented 16.5% of the total amount of domestic government securities. The EUR/HUF exchange rate according to the National Bank of Hungary was 394.05 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).

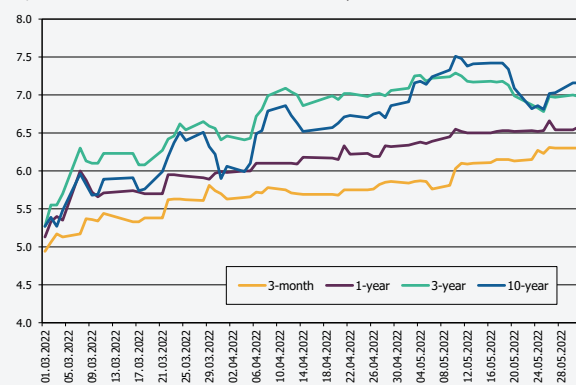
CENTRAL GOVERNMENT GROSS DEBT

HUF BILLION

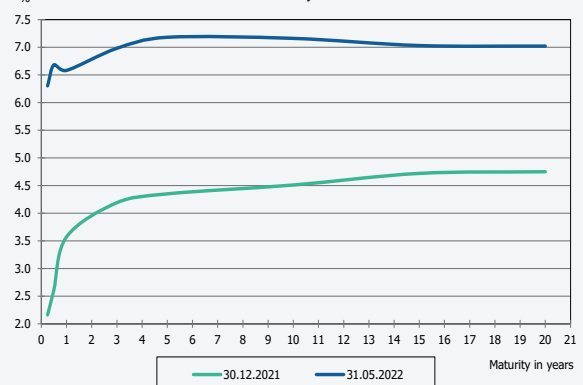
	2017	2018	2019	2020	2021	2022 March	2022 April	2022 May
1. Forint denominated debt	20,689.4	22,796.0	24,357.1	29,237.3	32,121.2	33,470.5	33,760.4	33,974.2
1.1. Loans	1,041.1	1,167.7	1,208.1	1,161.6	1,307.7	1,305.4	1,305.4	1,302.5
1.2. Government securities	19,648.3	21,628.3	23,149.0	28,075.7	30,813.5	32,165.0	32,454.9	32,671.7
1.2.1. Public issues	19,609.2	21,589.1	23,109.8	28,036.5	30,813.5	32,165.0	32,454.9	32,671.7
1.2.1.1. Bonds	11,767.1	12,836.1	13,378.5	18,206.6	20,220.0	21,143.4	21,184.6	21,450.9
1.2.1.2. Discount T-bills	1,039.2	1,237.3	657.3	658.2	583.2	952.2	1,082.1	1,015.8
1.2.1.3. Retail securities	6,802.9	7,515.7	9,074.0	9,171.7	10,010.2	10,069.4	10,188.2	10,204.9
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	8,676.1	8,862.0	9,265.2
2.1. Loans	929.1	795.0	825.4	1,291.1	1,345.2	1,403.4	1,431.9	1,498.3
2.1.1. Foreign loans	929.1	795.0	825.4	1,291.1	1,345.2	1,403.4	1,431.9	1,498.3
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	4,853.5	4,929.8	4,295.8	6,027.1	7,049.9	7,272.8	7,430.2	7,766.9
2.2.1. Issued abroad	4,145.9	4,246.2	3,713.5	5,481.3	6,594.9	6,811.9	6,950.6	7,255.4
2.2.2. Issued domestically	707.6	683.6	582.3	545.9	455.0	460.8	479.6	511.5
Total	26,472.0	28,520.7	29,478.3	36,555.5	40,516.4	42,146.7	42,622.4	43,239.3
Other liabilities	274.20	167.40	203.70	128.80	180.60	186.80	256.80	346.20
Total central government debt	26,746.2	28,688.2	29,682.0	36,684.3	40,697.0	42,333.5	42,879.2	43,585.5
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	22,095.6	22,266.7	22,466.7
Gross debt/GDP	68.1%	66.1%	62.4%	76.4%	73.7%			

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

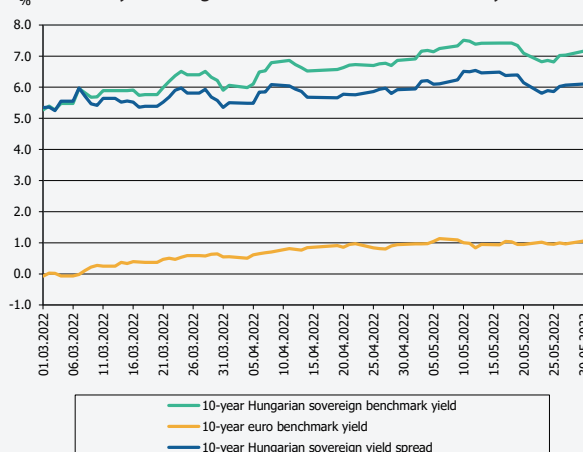
Benchmark yields



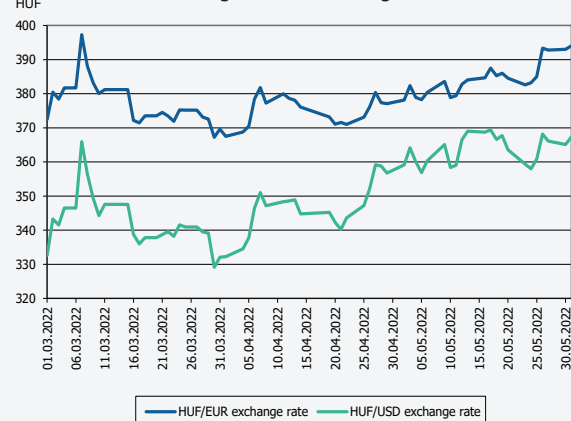
Benchmark yield curves



10-year Hungarian and eurozone benchmark yields



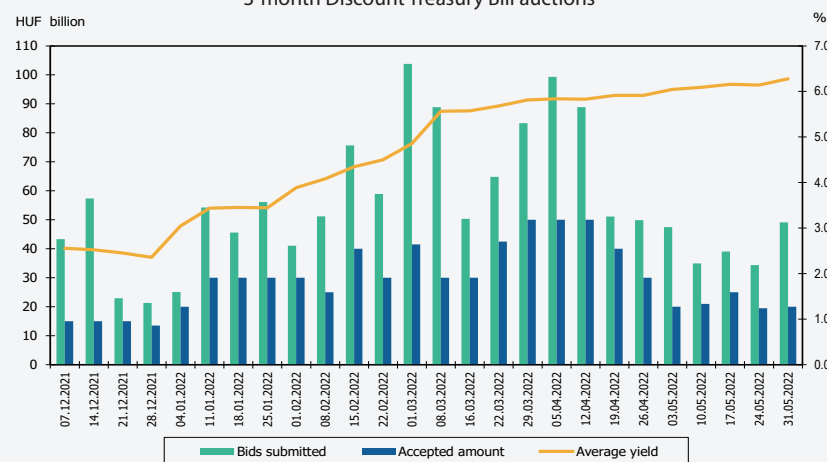
The exchange rate of the Hungarian Forint



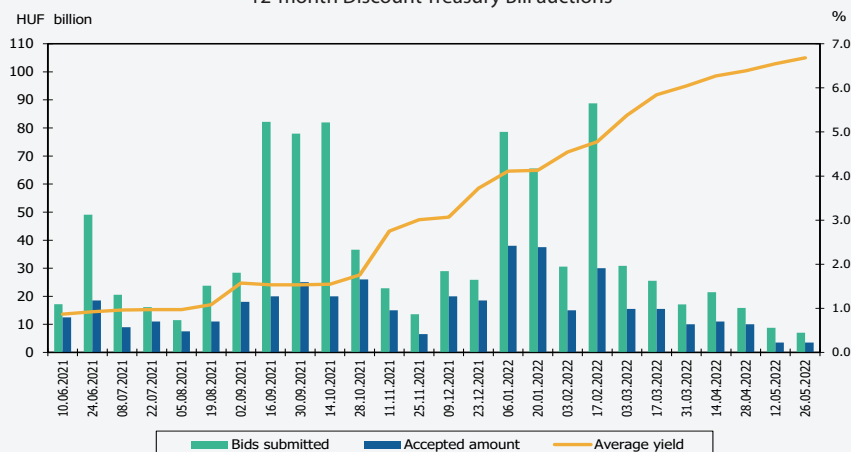
DISCOUNT TREASURY BILL AUCTION RESULTS

	3-month Discount T-bills					12-month Discount T-bills	
Code of T-bills	D220810	D220817	D220824	D220831	D220907	D230419	D230419
ISIN code	HU0000524145	HU0000524152	HU0000523774	HU0000524160	HU0000524178	HU0000524111	HU0000524111
Maturity in days	91	91	91	91	91	336	322
Date of auction	03.05.2022	10.05.2022	17.05.2022	24.05.2022	31.05.2022	12.05.2022	26.05.2022
Date of financial settlement	11.05.2022	18.05.2022	25.05.2022	01.06.2022	08.06.2022	18.05.2022	01.06.2022
Redemption date	10.08.2022	17.08.2022	24.08.2022	31.08.2022	07.09.2022	19.04.2023	19.04.2023
Maximum yield (%) - ISMA	6.10	6.15	6.25	6.25	6.35	6.55	6.77
Minimum yield (%) - ISMA	5.85	5.90	5.90	5.90	5.90	6.50	6.52
Average yield (%) - ISMA	6.05	6.09	6.16	6.14	6.28	6.55	6.68
Maximum yield (%) - EHM	6.18	6.24	6.34	6.34	6.44	6.64	6.86
Minimum yield (%) - EHM	5.93	5.98	5.98	5.98	5.98	6.59	6.61
Average yield (%) - EHM	6.13	6.18	6.24	6.23	6.37	6.64	6.78
Average selling price (%)	98.4949	98.4834	98.4676	98.4715	98.4378	94.2408	94.3596
Amount offered for sale (HUF million)	30,000.00	30,000.00	25,000.00	25,000.00	20,000.00	20,000.00	20,000.00
Amount of bids submitted (HUF million)	47,484.66	34,961.94	39,034.34	34,366.08	49,140.35	8,750.00	7,038.49
Amount of bids accepted (HUF million)	19,999.98	20,999.98	25,000.00	19,499.96	19,999.97	3,500.00	3,500.00
Bid-to-cover ratio	2.37	1.66	1.56	1.76	2.46	2.50	2.01
Bids submitted (pcs)	69	56	47	57	80	16	24
Bids accepted (pcs)	41	39	41	40	46	7	17
Market sales* (HUF million)	19,999.98	20,999.98	25,000.00	19,499.96	19,999.97	3,500.00	3,500.00
Retained on ÁKK's own account (HUF million)	3,000.02	3,000.02	0.00	3,000.04	3,000.03	3,500.00	3,500.00
Total amount issued (HUF million)	23,000.00	24,000.00	25,000.00	22,500.00	23,000.00	7,000.00	7,000.00

3-month Discount Treasury Bill auctions



12-month Discount Treasury Bill auctions

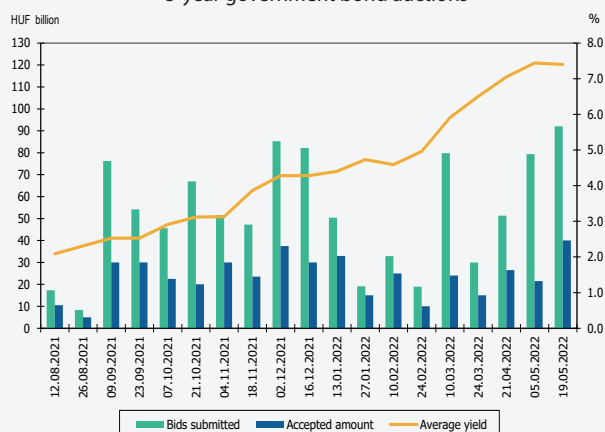


GOVERNMENT BOND AUCTION RESULTS

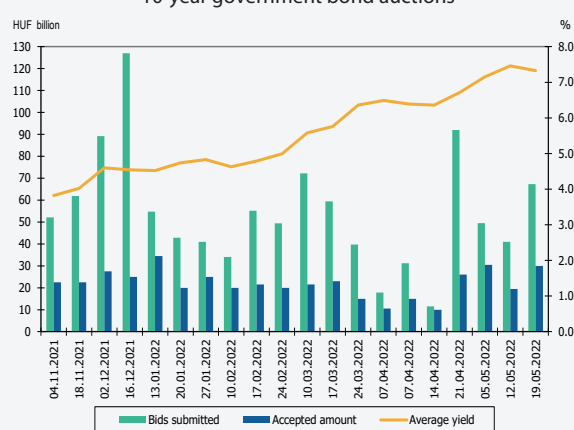
Government Bond	2028/B	2032/A	2038/A	2032/G	2029/B
ISIN code	HU0000405543	HU0000405550	HU0000403555	HU0000405535	HU0000404926
Maturity (in years)	5	10	15	10	7
Coupon	4.50%	4.75%	3.00%	4.50%	4.59%
Auction	8th auction	9th auction	53rd auction	5th auction	31st auction
Date of auction	05.05.2022	05.05.2022	05.05.2022	12.05.2022	12.05.2022
Date of financial settlement	11.05.2022	11.05.2022	11.05.2022	18.05.2022	18.05.2022
Redemption date	23.03.2028	24.11.2032	27.10.2038	27.05.2032	22.08.2029
Maximum annual yield (%) - ISMA	7.45	7.16	7.04	7.47	-
Minimum annual yield (%) - ISMA	7.38	7.12	7.01	7.43	-
Average annual yield (%) - ISMA	7.44	7.15	7.03	7.46	-
Maximum annual yield (%) - EHM	7.45	7.16	7.04	7.47	-
Minimum annual yield (%) - EHM	7.37	7.11	7.00	7.42	-
Average annual yield (%) - EHM	7.43	7.15	7.02	7.45	-
Maximum price (%)	86.6147	82.8212	61.5320	79.7894	97.2100
Minimum price (%)	86.2979	82.5393	61.3119	79.5273	97.0600
Average price (%)	86.3564	82.6022	61.3919	79.6110	97.1200
Amount offered for sale (HUF million)	15,000.00	15,000.00	10,000.00	10,000.00	15,000.00
Amount of bids submitted (HUF million)	79,380.00	49,500.00	13,100.00	40,940.20	66,775.30
Amount of bids accepted (HUF million)	21,500.00	30,500.00	7,499.99	19,500.00	29,999.98
Bid-to-cover ratio	3.69	1.62	1.75	2.10	2.23
Bids submitted (pcs)	83	63	26	67	67
Bids accepted (pcs)	20	28	15	34	44
Tail (%) (average price - minimum price)	0.06	0.06	0.08	0.08	0.06
Market sales (HUF million)	21,500.00	30,500.00	7,499.99	19,500.00	29,999.98
Non-competitive offer (HUF million)	6,840.00	6,560.00	0.00	2,571.92	10,919.98
Total amount sales (HUF million)	28,340.00	37,060.00	7,499.99	22,071.92	40,919.96

Government Bond	2028/B	2032/A	2041/A	2027/B	2029/B
ISIN code	HU0000405543	HU0000405550	HU0000404165	HU0000404157	HU0000404926
Maturity (in years)	5	10	20	5	7
Coupon	4.50%	4.75%	3.00%	6.60%	6.81%
Auction	9th auction	10th auction	36th auction	37th auction	32nd auction
Date of auction	19.05.2022	19.05.2022	19.05.2022	26.05.2022	26.05.2022
Date of financial settlement	25.05.2022	25.05.2022	25.05.2022	01.06.2022	01.06.2022
Redemption date	23.03.2028	24.11.2032	25.04.2041	22.04.2027	22.08.2029
Maximum annual yield (%) - ISMA	7.42	7.35	7.12	-	-
Minimum annual yield (%) - ISMA	7.38	7.30	7.06	-	-
Average annual yield (%) - ISMA	7.40	7.33	7.10	-	-
Maximum annual yield (%) - EHM	7.41	7.34	7.11	-	-
Minimum annual yield (%) - EHM	7.37	7.29	7.05	-	-
Average annual yield (%) - EHM	7.40	7.32	7.10	-	-
Maximum price (%)	86.6903	81.7203	58.3103	99.0000	97.2600
Minimum price (%)	86.5210	81.4047	57.8803	98.4000	97.0600
Average price (%)	86.5813	81.5335	58.0155	98.6600	97.1800
Amount offered for sale (HUF million)	20,000.00	15,000.00	10,000.00	15,000.00	15,000.00
Amount of bids submitted (HUF million)	92,050.00	67,270.00	9,800.00	22,500.00	47,111.00
Amount of bids accepted (HUF million)	39,999.99	29,999.96	5,000.00	15,000.00	16,999.98
Bid-to-cover ratio	2.30	2.24	1.96	1.50	2.77
Bids submitted (pcs)	65	72	30	22	38
Bids accepted (pcs)	28	40	14	22	18
Tail (%) (average price - minimum price)	0.06	0.13	0.14	0.26	0.12
Market sales (HUF million)	39,999.99	29,999.96	5,000.00	15,000.00	16,999.98
Non-competitive offer (HUF million)	15,439.99	11,390.66	0.00	2,360.00	5,178.17
Total amount sales (HUF million)	55,439.98	41,390.62	5,000.00	17,360.00	22,178.15

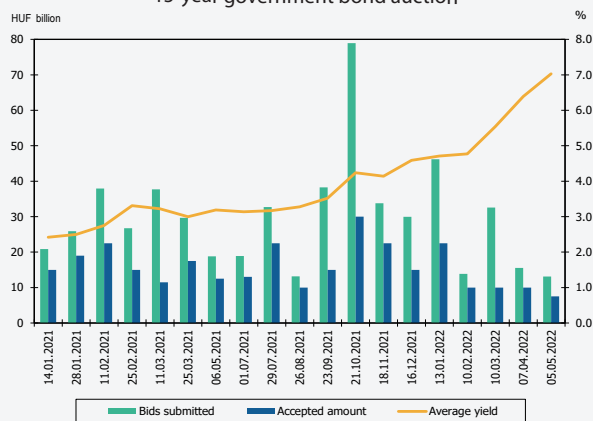
5-year government bond auctions



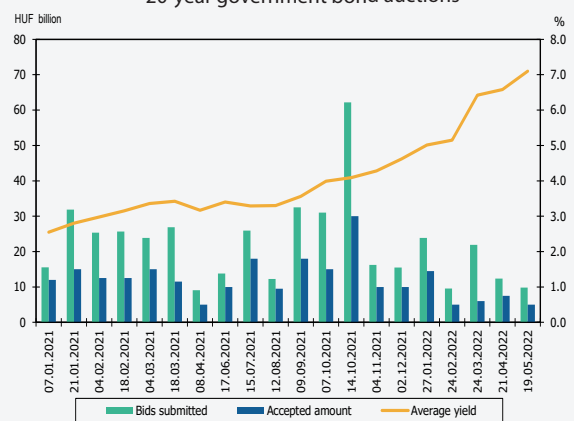
10-year government bond auctions



15-year government bond auction



20-year government bond auctions

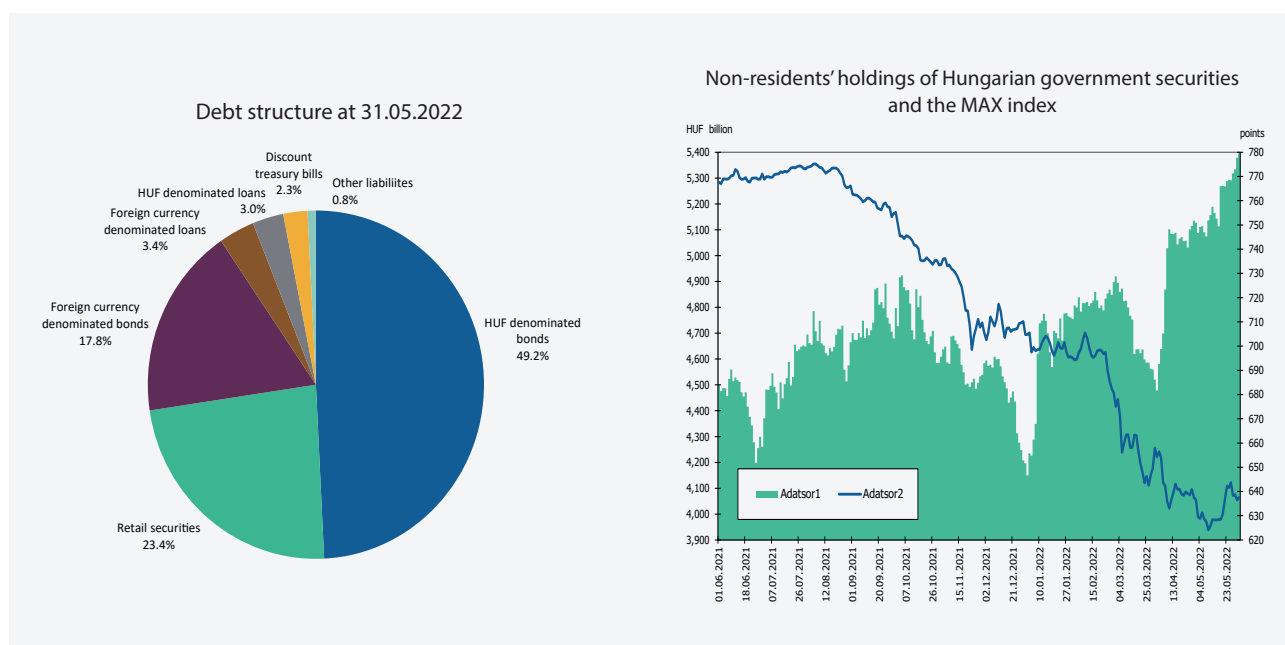
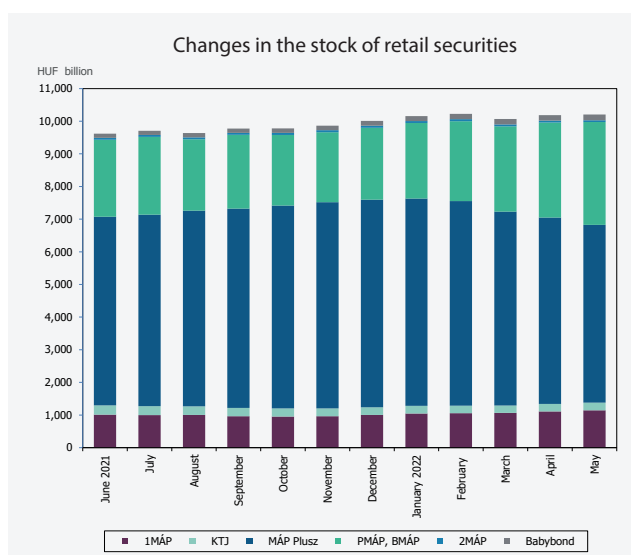


INTEREST RATE RESETS OF FLOATING RATE GOVERNMENT BONDS IN MAY 2022

Government bond	Date of interest rate reset	Interest period		Date of interest payment	Reset interest rate	Interest payable
2023/L	25.05.2022	31.05.2022	31.05.2023	31.05.2023	6.10%	6.10%
2025/J	17.05.2022	21.05.2022	21.05.2023	22.05.2023	6.50%	6.50%
2029/B	18.05.2022	22.05.2022	22.08.2022	22.08.2022	6.81%	1.74%

OUTSTANDING AMOUNT OF RETAIL SECURITIES

Retail securities	HUF billion		
	31.12.2021	31.05.2022	Change
1-year Hungarian Government Security / 1MÁP	1,001.6	1,146.8	145.2
Treasury Saving Bills / KTJ	234.8	234.9	0.2
Hungarian Government Security Plus / MÁP Plusz	6,361.5	5,441.5	-920.1
Premium Hungarian Government Security / PMÁP	2,202.7	3,152.6	949.8
Bonus Hungarian Government Security / BMÁP	60.8	56.2	-4.7
Babybond	148.8	173.0	24.2
Total	10,010.2	10,204.9	194.7



HUNGARIAN GOVERNMENT SECURITIES INDICES

	MAX index	HMAX index	MAX Composite index	RMAX index	ZMAX index
Value as at 31.05.2022	665.3164	76.8275	637.5977	555.3728	545.8871
Changes compared to the end of the previous month	-0.3208	-0.2544	0.0084	1.8686	2.1113
Annual yield earned on the index portfolio (%)	-18.17	-21.66	-17.01	-0.32	1.24

Government bonds with the highest secondary market turnover in May 2022

Government bond	Date of redemption	Turnover (HUF billion)
2032/A	24.11.2032	171.9
2031/A	22.10.2031	164.0
2026/F	26.08.2026	156.9
2027/A	27.10.2027	131.9
2028/B	23.03.2028	123.3
2029/B	22.08.2029	117.9
2025/B	24.06.2025	99.9
2033/A	20.04.2033	90.5
2026/D	22.12.2026	89.8
2032/G	27.05.2032	82.2

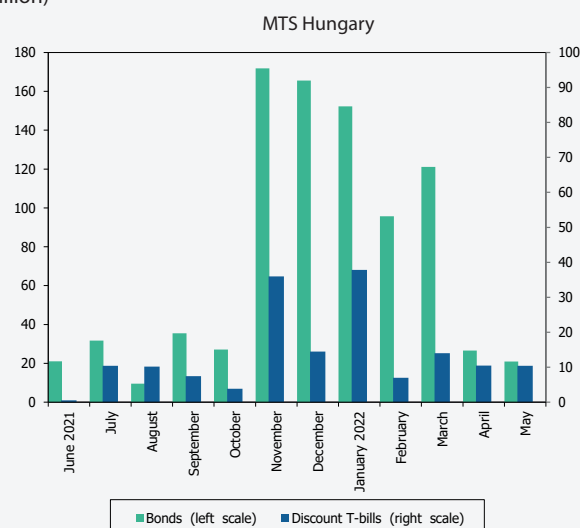
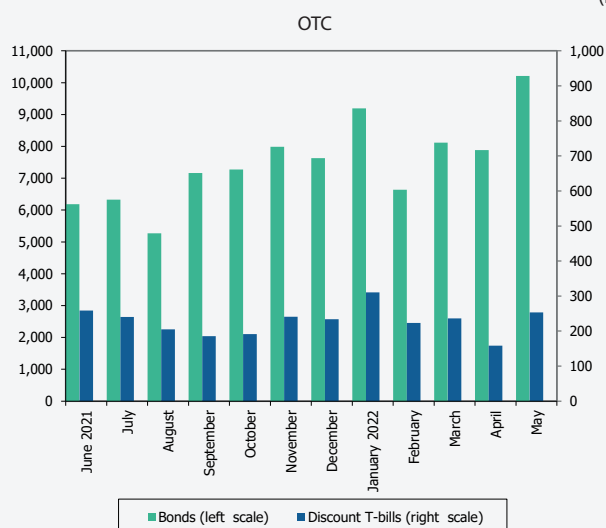
The outstanding volume of government bonds with benchmark status at the end of May 2022

Government bond	HUF billion	
	30.04.2022	31.05.2022
2025/C	1,350.49	1,350.58
2028/B	159.19	243.57
2032/A	199.67	278.55
2038/A	839.48	847.00
2041/A	455.09	460.25

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

Government bond	HUF billion
2031/A	1,497.27
2025/C	1,350.58
2033/A	1,293.09

Secondary market trading of Hungarian government securities (HUF billion)



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

