



GOVERNMENT DEBT MANAGEMENT AGENCY PTE LTD.

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GOVERNMENT SECURITIES MARKET

MONTHLY REPORT
JULY 2023



The Central Government Debt increased by HUF 2,576.6 billion to HUF 48,139.0 billion in 2023. Total net issuance was HUF 3,317.1 billion; out of which net HUF denominated issuance including repos was HUF 1,709.7 billion and net foreign currency denominated issuance was HUF 1,607.4 billion in 2023.

CENTRAL GOVERNMENT DEBT

(HUF billion)	2022		2023		Change	
	December	%	July	%	HUF billion	%
HUF denominated debt	33,775.6	74.1	35,485.3	73.7	1,709.7	5.1
Loans	1,024.2	2.2	921.8	1.9	-102.4	-10.0
Government bonds	22,346.3	49.0	22,923.9	47.6	577.6	2.6
Retail securities	8,619.4	18.9	9,319.3	19.4	700.0	8.1
Discount treasury bills	1,785.8	3.9	2,320.3	4.8	534.5	29.9
Foreign exchange denominated debt	11,397.3	25.0	12,520.8	26.0	1,123.5	9.9
Total	45,173.0	99.1	48,006.1	99.7	2,833.2	6.3
Other obligations	389.4	0.9	132.9	0.3	-256.5	-65.9
Total central government debt	45,562.4	100.0	48,139.0	100.0	2,576.6	5.7

The HUF denominated debt of the central government increased by HUF 1,709.7 billion in 2023. The increase in domestic debt was the result of the net government bond issuance of HUF 577.6 billion and the increase of discount Treasury bills by HUF 534.5 billion. The total amount of retail government securities increased by HUF 700.0 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 1,123.5 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 305.7 billion and the issuance of domestic foreign currency bonds grew by HUF 122.4 billion. The exchange rate revaluations totalling HUF 483.9 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 556.4 billion and the repayments of domestic foreign currency bond by HUF 6.9 billion. The total amount of other liabilities decreased by HUF 256.5 billion in 2023.

BENCHMARK YIELDS

Maturity	30.12.2022	30.06.2023	31.07.2023	Change in July basis point
3-month	12.32	10.03	9.82	-21
6-month	13.89	10.04	9.87	-17
1-year	13.82	10.46	10.06	-40
3-year	10.71	8.71	8.88	17
5-year	9.73	7.65	7.59	-6
10-year	8.98	6.98	7.26	28
15-year	8.41	6.78	7.24	46
20-year	8.41	6.82	7.27	45

Monthly OTC turnover of government securities decreased by 6% to HUF 9,733.9 billion in July. Primary dealers, who account for the decisive part of all secondary government securities trading, made 80% of their secondary government securities deals with non-resident investors.

The volume of non-residents' holdings of Hungarian government securities increased altogether by HUF 371.7 billion in July and mounted to HUF 6,895.6 billion at the end of July. This volume represented 20.0% of the total amount of domestic government securities. The EUR/HUF exchange rate according to the National Bank of Hungary was 385.28 on the last working day of July.

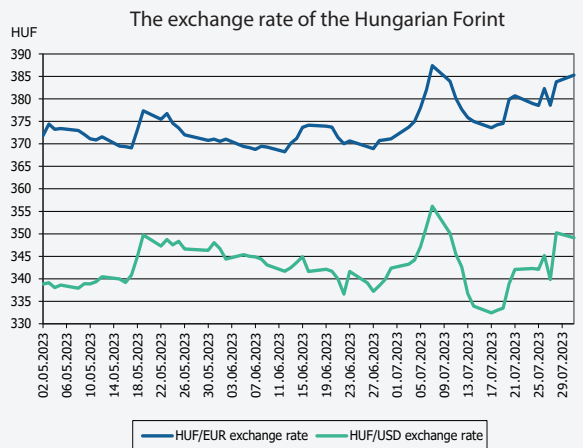
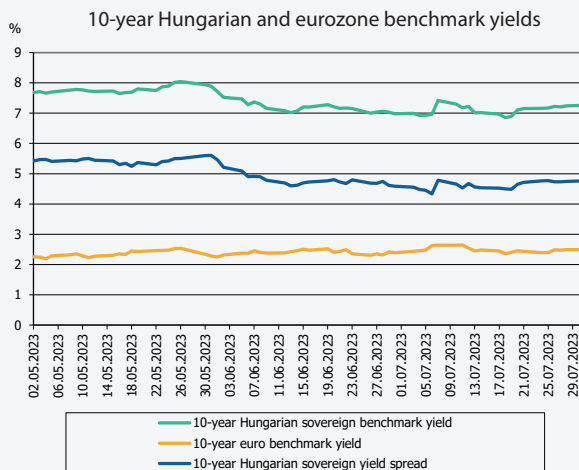
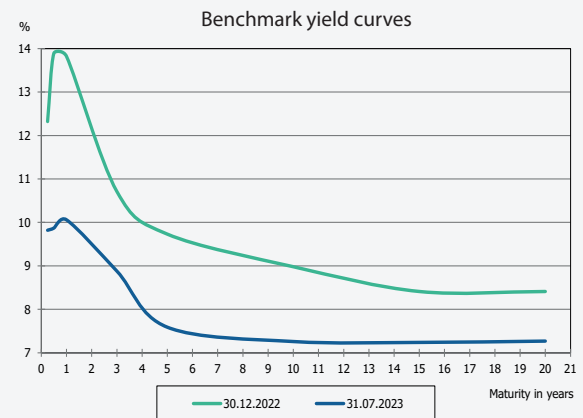
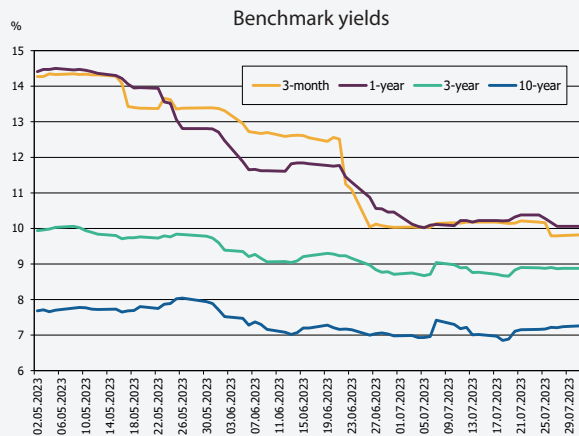
The credit rating of the long-term foreign currency debt of Hungary is as follows on the last working day of July: BBB- (Standard & Poor's); Baa2 (Moody's); BBB (Fitch).

CENTRAL GOVERNMENT GROSS DEBT

HUF BILLION

	2018	2019	2020	2021	2022	2023 May	2023 June	2023 July
1. Forint denominated debt	22,796.0	24,357.1	29,237.3	32,121.2	33,775.6	35,499.1	35,683.9	35,485.3
1.1. Loans	1,167.7	1,208.1	1,161.6	1,307.7	1,024.2	964.7	921.8	921.8
1.2. Government securities	21,628.3	23,149.0	28,075.7	30,813.5	32,751.4	34,534.4	34,762.1	34,563.5
1.2.1. Public issues	21,589.1	23,109.8	28,036.5	30,813.5	32,751.4	34,534.4	34,762.1	34,563.5
1.2.1.1. Bonds	12,836.1	13,378.5	18,206.6	20,220.0	22,346.3	23,342.6	23,224.3	22,923.9
1.2.1.2. Discount T-bills	1,237.3	657.3	658.2	583.2	1,785.8	2,240.7	2,401.1	2,320.3
1.2.1.3. Retail securities	7,515.7	9,074.0	9,171.7	10,010.2	8,619.4	8,951.0	9,136.7	9,319.3
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	11,978.1	12,067.4	12,520.8
2.1. Loans	795.0	825.4	1,291.1	1,345.2	1,959.1	2,013.8	2,093.4	2,192.6
2.1.1. Foreign loans	795.0	825.4	1,291.1	1,345.2	1,959.1	2,013.8	2,093.4	2,192.6
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	9,964.3	9,974.0	10,328.2
2.2.1. Issued abroad	4,246.2	3,713.5	5,481.3	6,594.9	9,085.5	9,540.3	9,541.9	9,873.4
2.2.2. Issued domestically	683.6	582.3	545.9	455.0	352.8	424.1	432.1	454.9
Total	28,520.7	29,478.3	36,555.5	40,516.4	45,173.0	47,477.2	47,751.3	48,006.1
Other liabilities	167.40	203.70	128.80	180.60	389.40	308.00	176.20	132.90
Total central government debt	28,688.2	29,682.0	36,684.3	40,697.0	45,562.4	47,785.2	47,927.5	48,139.0
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	25,583.3	25,625.4	25,244.2
Gross debt/GDP	66.1%	62.4%	76.0%	73.8%	68.1%			

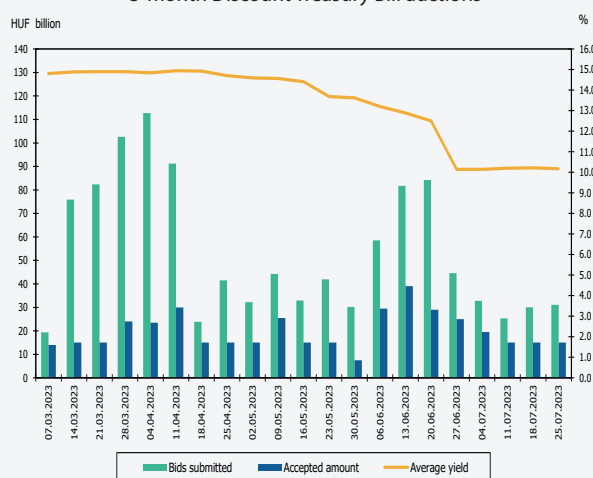
* Foreign exchange debt is recorded at the mid exchange rate of the NBH at the end of the year/month.



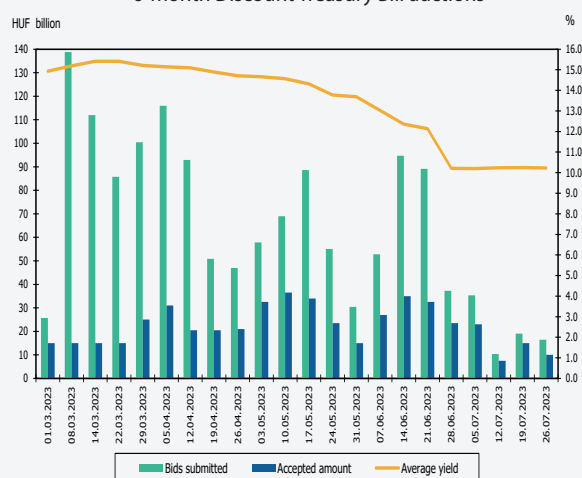
DISCOUNT TREASURY BILL AUCTION RESULTS

	3-month Discount T-bills				6-month Discount T-bills				12-month Discount T-bills	
Code of T-bills	D231011	D231018	D231025	D231031	D240124	D240124	D240124	D240124	D240626	D240626
ISIN code	HU0000524913	HU0000524376	HU0000524772	HU0000524780	HU0000524731	HU0000524731	HU0000524731	HU0000524731	HU0000524756	HU0000524756
Maturity in days	91	91	91	90	196	189	182	175	350	336
Date of auction	04.07.2023	11.07.2023	18.07.2023	25.07.2023	05.07.2023	12.07.2023	19.07.2023	26.07.2023	06.07.2023	20.07.2023
Date of financial settlement	12.07.2023	19.07.2023	26.07.2023	02.08.2023	12.07.2023	19.07.2023	26.07.2023	02.08.2023	12.07.2023	26.07.2023
Redemption date	11.10.2023	18.10.2023	25.10.2023	31.10.2023	24.01.2024	24.01.2024	24.01.2024	24.01.2024	26.06.2024	26.06.2024
Maximum yield (%) - ISMA	10.28	10.28	10.27	10.26	10.29	10.30	10.29	10.29	10.35	10.38
Minimum yield (%) - ISMA	8.00	10.00	9.80	9.00	9.00	9.99	10.00	9.70	9.45	9.50
Average yield (%) - ISMA	10.14	10.20	10.22	10.17	10.20	10.24	10.25	10.23	10.26	10.33
Maximum yield (%) - EHM	10.42	10.42	10.41	10.40	10.43	10.44	10.43	10.43	10.49	10.52
Minimum yield (%) - EHM	8.11	10.14	9.94	9.13	9.12	10.13	10.14	9.83	9.58	9.63
Average yield (%) - EHM	10.28	10.34	10.36	10.31	10.34	10.38	10.40	10.37	10.40	10.48
Average selling price (%)	97.5005	97.4876	97.4827	97.5209	94.7387	94.8978	95.0720	95.2622	90.9331	91.2037
Amount offered for sale (HUF million)	25,000.00	20,000.00	15,000.00	15,000.00	25,000.00	20,000.00	15,000.00	12,000.00	25,000.00	15,000.00
Amount of bids submitted (HUF million)	32,767.05	25,292.09	30,081.25	31,132.72	35,346.72	10,355.30	19,016.27	16,403.79	19,747.33	38,137.69
Amount of bids accepted (HUF million)	19,500.00	14,999.99	14,999.98	14,999.98	22,999.99	7,499.99	14,999.97	9,999.98	11,499.99	15,000.00
Bid-to-cover ratio	1.68	1.69	2.01	2.08	1.54	1.38	1.27	1.64	1.72	2.54
Bids submitted (pcs)	67	68	52	88	51	30	51	73	44	50
Bids accepted (pcs)	48	48	35	61	35	22	44	62	30	28
Market sales (HUF million)	19,500.00	14,999.99	14,999.98	14,999.98	22,999.99	7,499.99	14,999.97	9,999.98	11,499.99	15,000.00
Retained on ÁKK's own account (HUF million)	14,000.00	15,000.01	15,000.02	15,000.02	0.01	0.01	0.03	5,000.02	23,000.01	30,000.00
Total amount issued (HUF million)	33,500.00	30,000.00	30,000.00	30,000.00	23,000.00	7,500.00	15,000.00	15,000.00	34,500.00	45,000.00

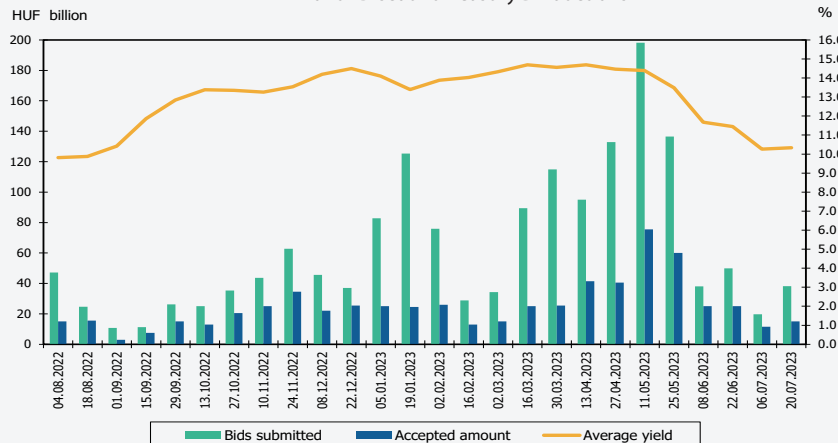
3-month Discount Treasury Bill auctions



6-month Discount Treasury Bill auctions



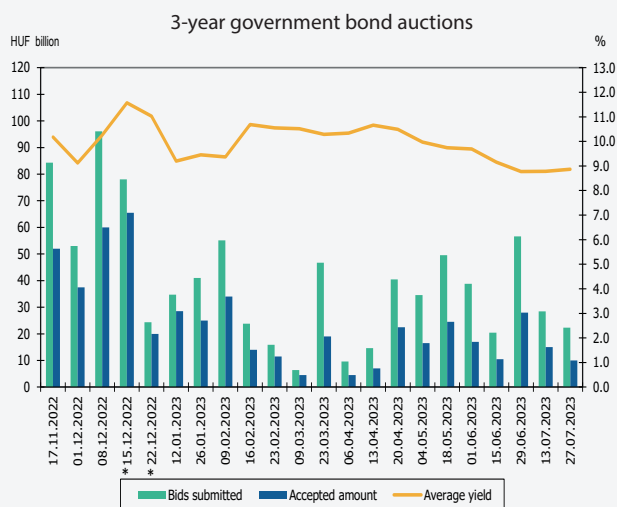
12-month Discount Treasury Bill auctions



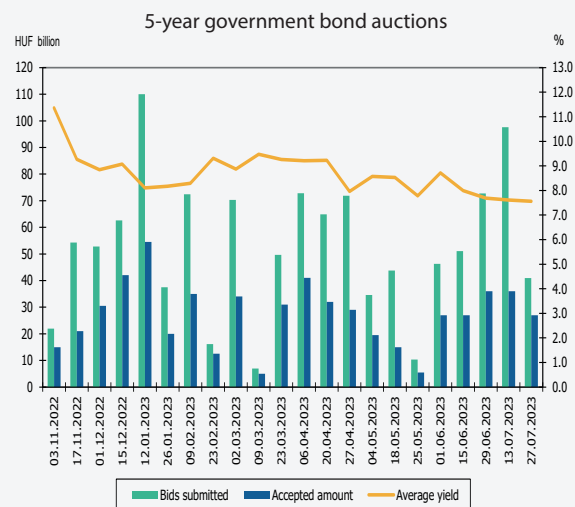
GOVERNMENT BOND AUCTION RESULTS

Government Bond	2027/B	2041/A	2026/H	2028/A
ISIN code	HU0000404157	HU0000404165	HU0000406160	HU0000402532
Maturity (in years)	3	20	3	5
Coupon	16.29%	3.00%	9.50%	6.75%
Auction	42nd auction	44th auction	14th auction	61st auction
Date of auction	06.07.2023	06.07.2023	13.07.2023	13.07.2023
Date of financial settlement	12.07.2023	12.07.2023	19.07.2023	19.07.2023
Redemption date	22.04.2027	25.04.2041	21.10.2026	22.10.2028
Maximum annual yield (%) - ISMA	-	6.97	8.81	7.62
Minimum annual yield (%) - ISMA	-	6.90	8.71	7.57
Average annual yield (%) - ISMA	-	6.94	8.78	7.61
Maximum annual yield (%) - EHM	-	6.96	8.80	7.61
Minimum annual yield (%) - EHM	-	6.89	8.70	7.56
Average annual yield (%) - EHM	-	6.94	8.78	7.60
Maximum price (%)	100.8500	60.7118	102.1298	96.4993
Minimum price (%)	100.4600	60.2070	101.8524	96.2935
Average price (%)	100.6000	60.3910	101.9225	96.3463
Amount offered for sale (HUF million)	15,000.00	10,000.00	10,000.00	15,000.00
Amount of bids submitted (HUF million)	72,560.52	16,330.00	28,410.00	97,625.50
Amount of bids accepted (HUF million)	34,500.00	8,999.99	15,000.00	36,000.00
Bid-to-cover ratio	2.10	1.81	1.89	2.71
Bids submitted (pcs)	37	38	23	59
Bids accepted (pcs)	22	20	15	20
Tail (%) (average price - minimum price)	0.14	0.18	0.07	0.05
Market sales (HUF million)	34,500.00	8,999.99	15,000.00	36,000.00
Non-competitive offer (HUF million)	6,820.00	0.00	400.00	13,840.00
Total amount sales (HUF million)	41,320.00	8,999.99	15,400.00	49,840.00

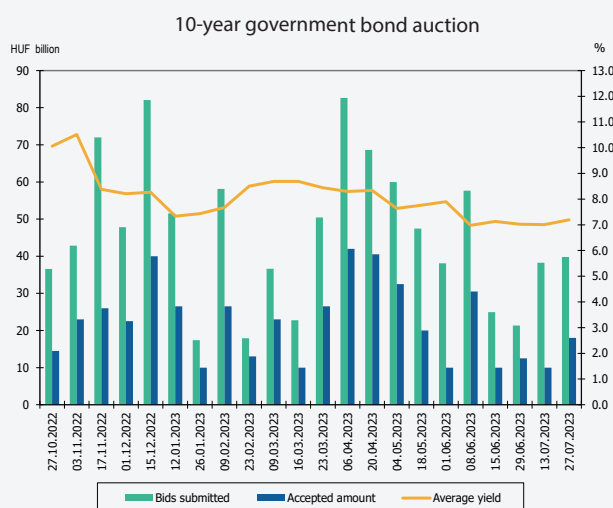
Government Bond	2032/A	2027/B	2026/H	2028/A	2032/A
ISIN code	HU0000405550	HU0000404157	HU0000406160	HU0000402532	HU0000405550
Maturity (in years)	10	3	3	5	10
Coupon	4.75%	15.02%	9.50%	6.75%	4.75%
Auction	39th auction	43rd auction	15th auction	62nd auction	40th auction
Date of auction	13.07.2023	20.07.2023	27.07.2023	27.07.2023	27.07.2023
Date of financial settlement	19.07.2023	26.07.2023	02.08.2023	02.08.2023	02.08.2023
Redemption date	24.11.2032	22.04.2027	21.10.2026	22.10.2028	24.11.2032
Maximum annual yield (%) - ISMA	7.02	-	8.89	7.57	7.21
Minimum annual yield (%) - ISMA	6.98	-	8.83	7.52	7.15
Average annual yield (%) - ISMA	7.01	-	8.87	7.56	7.19
Maximum annual yield (%) - EHM	7.01	-	8.88	7.56	7.20
Minimum annual yield (%) - EHM	6.97	-	8.82	7.51	7.14
Average annual yield (%) - EHM	7.00	-	8.86	7.55	7.18
Maximum price (%)	85.0151	100.6000	101.7791	96.7300	84.0427
Minimum price (%)	84.7734	100.4200	101.6250	96.5249	83.6869
Average price (%)	84.8445	100.4600	101.6818	96.5691	83.8084
Amount offered for sale (HUF million)	10,000.00	12,000.00	10,000.00	15,000.00	10,000.00
Amount of bids submitted (HUF million)	38,250.00	23,860.00	22,350.00	40,945.00	39,801.00
Amount of bids accepted (HUF million)	10,000.00	12,000.00	10,000.00	26,999.98	17,999.97
Bid-to-cover ratio	3.83	1.99	2.24	1.52	2.21
Bids submitted (pcs)	50	29	27	34	40
Bids accepted (pcs)	12	18	15	23	24
Tail (%) (average price - minimum price)	0.07	0.04	0.06	0.04	0.12
Market sales (HUF million)	10,000.00	12,000.00	10,000.00	26,999.98	17,999.97
Non-competitive offer (HUF million)	2,400.00	2,320.00	2,020.00	5,833.32	5,042.25
Total amount sales (HUF million)	12,400.00	14,320.00	12,020.00	32,833.30	23,042.22



*2-year government bond



The graph shows the yield on fixed-rate bonds.

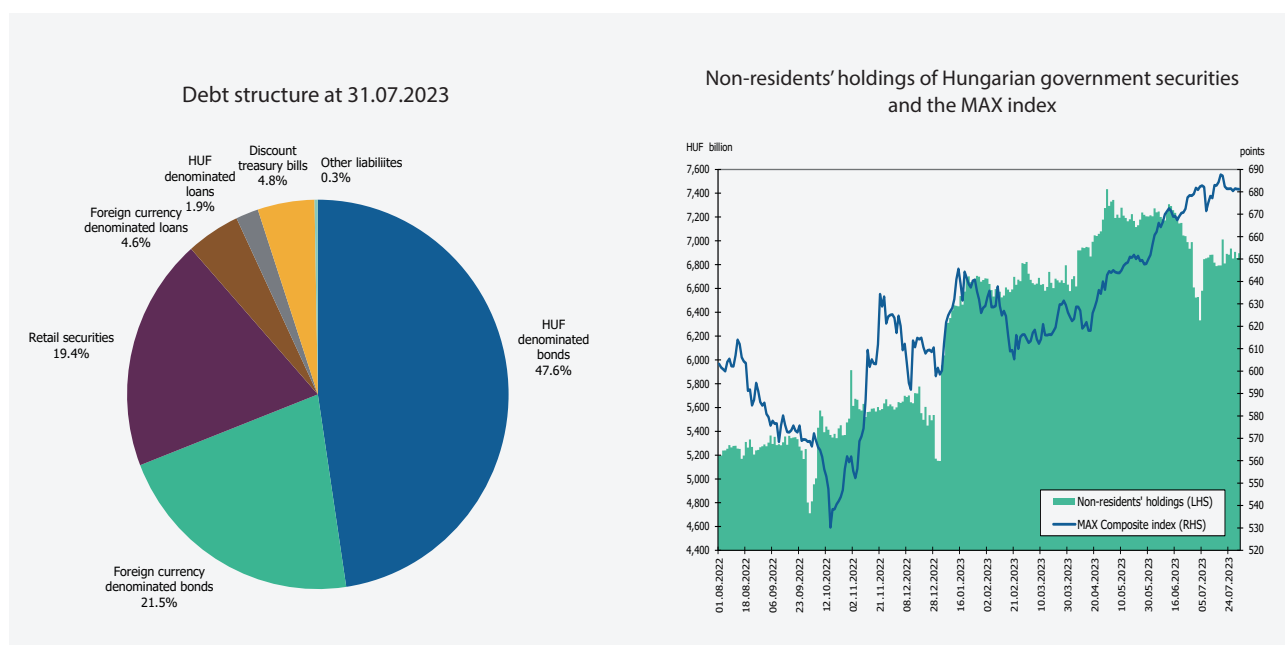
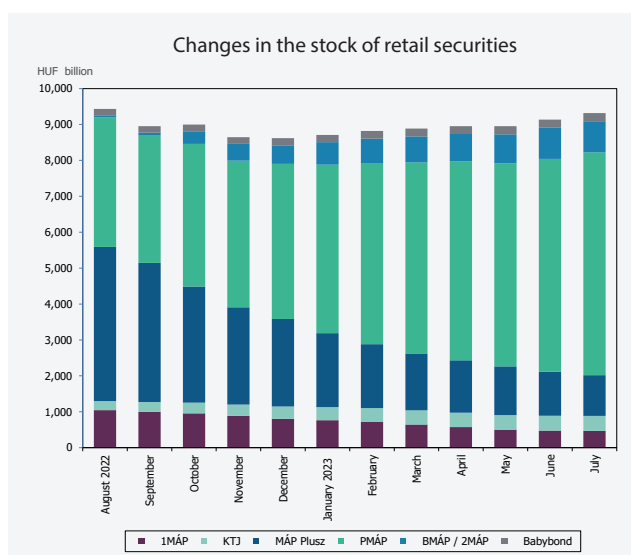


INTEREST RATE RESETS OF FLOATING RATE GOVERNMENT BONDS IN JULY 2023

Government bond	Date of interest rate reset	Interest period		Date of interest payment	Reset interest rate	Interest payable
2026/I	14.07.2023	20.07.2023	20.07.2024	22.07.2024	15.75%	15.75%
2026/O	17.07.2023	21.07.2023	21.10.2023	24.10.2023	11.92%	3.05%
2027/B	19.07.2023	22.07.2023	22.10.2023	24.10.2023	15.02%	3.84%
2033/I	26.07.2023	02.08.2023	20.01.2024	22.01.2024	14.75%	6.91%

OUTSTANDING AMOUNT OF RETAIL SECURITIES

Retail securities	HUF billion		
	31.12.2022	31.07.2023	Change
1-year Hungarian Government Security / 1MÁP	807.8	466.6	-341.2
Treasury Saving Bills / KTJ	341.8	418.5	76.6
Hungarian Government Security Plus / MÁP Plusz	2,434.5	1,134.0	-1,300.5
Premium Hungarian Government Security / PMÁP	4,321.6	6,203.4	1,881.8
Bonus Hungarian Government Security / BMÁP	514.7	867.2	352.5
Babybond	198.8	229.6	30.8
Total	8,619.3	9,319.3	700.0



HUNGARIAN GOVERNMENT SECURITIES INDICES

	MAX index	HMAX index	MAX Composite index	RMAX index	ZMAX index
Value as at 31.07.2023	708.4671	82.5960	681.1692	622.1287	621.8305
Changes compared to the end of the previous month	-1.7784	-0.6948	-0.5880	5.9822	5.2909
Annual yield earned on the index portfolio (%)	13.16	14.18	12.92	11.79	13.13

Government bonds with the highest secondary market turnover in July 2023

Government bond	Date of redemption	Turnover (HUF billion)
2028/A	22.10.2028	542.1
2032/A	24.11.2032	267.9
2033/A	20.04.2033	259.9
2029/A	23.05.2029	145.4
2026/H	21.10.2026	137.0
2031/A	22.10.2031	103.2
2024/C	24.10.2024	101.8
2027/B	22.04.2027	101.7
2038/A	27.10.2038	97.4
2025/B	24.06.2025	90.9

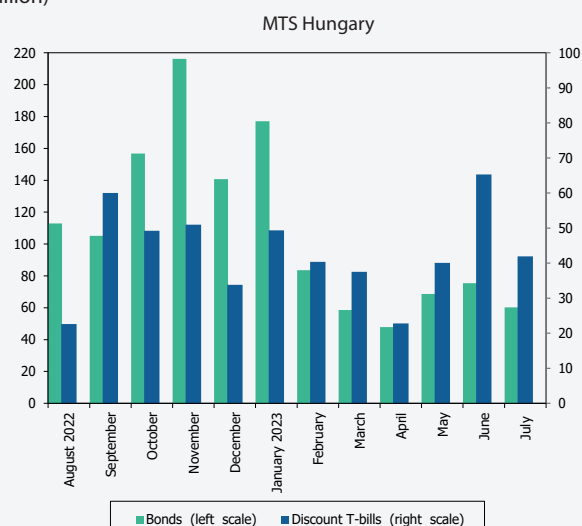
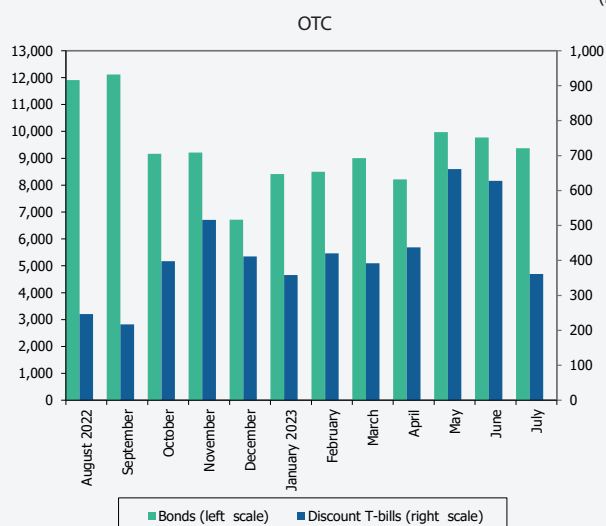
The outstanding volume of government bonds with benchmark status at the end of July 2023

Government bond	HUF billion	
	30.06.2023	31.07.2023
2026/H	256.19	309.85
2028/A	1,118.50	1,218.44
2032/A	1,056.48	1,083.04
2038/A	957.12	957.11
2041/A	565.35	574.48

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

Government bond	HUF billion
2031/A	1,530.15
2025/C	1,479.52
2033/A	1,348.55

Secondary market trading of Hungarian government securities (HUF billion)



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

