GOVERNMENT DEBT MANAGEMENT AGENCY PTE LTD.

Á | K | K

GOVERNMENT SECURITIES MARKET

MONTHLY REPORT
OCTOBER 2024

The Central Government Debt increased by HUF 4,708.0 billion to HUF 55,573.2 billion in 2024. Total net issuance was HUF 3,872.0 billion; out of which net HUF denominated issuance including repos was HUF 2,051.3 billion and net foreign currency denominated issuance was HUF 1,820.6 billion in 2024.

CENTRAL GOVERNMENT DEBT

(HUF billion)	2023		2024		Change	
	December	%	October	%	HUF billion	%
HUF denominated debt	36,888.0	72.5	38,939.4	70.1	2,051.3	5.6
Loans	868.2	1.7	886.9	1.6	18.6	2.1
Government bonds	24,058.9	47.3	24,371.8	43.9	313.0	1.3
Retail securities	10,077.2	19.8	11,236.9	20.2	1,159.8	11.5
Discount treasury bills	1,883.8	3.7	2,443.7	4.4	560.0	29.7
Foreign exchange denominated debt	13,678.3	26.9	16,543.6	29.8	2,865.3	20.9
Total	50,566.3	99.4	55,483.0	99.8	4,916.6	9.7
Other obligations	298.8	0.6	90.2	0.2	-208.6	-69.8
Total central government debt	50,865.2	100.0	55,573.2	100.0	4,708.0	9.3

Source: ÁKK

The HUF denominated debt of the central government increased by HUF 2,051.3 billion in 2024. The increase in domestic debt was the result of the net government bond issuance of HUF 313.0 billion and the increase of discount Treasury bills by HUF 560.0 billion. The total amount of retail government securities increased by HUF 1,159.8 billion. The majority of the demand for retail government securities was the sale of Fix Hungarian Government Securities. The volume of HUF loans increased by HUF 18.6 billion in 2024.

The foreign currency debt of the central government increased by HUF 2,865.3 billion in 2024. The increase is mainly due to the foreign currency bond issuances in January. On 3 January 2024, Hungary's first international bond issuance this year was made in the amount of USD 2.5 billion (HUF 863.6 billion) with 12-year maturity, followed by Hungary's third EUR Green Bond issuance on 18 January in the amount of EUR 1.5 billion (HUF 577.6 billion) with a maturity of 5.5-year. On 5 September 2024, Hungary issued the next series of so-called Samurai bonds denominated in Japanese Yen. In the transaction, the Hungarian sovereign raised a total of JPY 39.6 billion (HUF 99.3 billion) by issuing two series with different maturities. One of the two series is a 3-year maturity conventional bond in the amount of JPY 38.3 billion (HUF 96.0 billion) and the other one is a 10-year maturity green bond in the amount of JPY 1.3 billion (HUF 3.3 billion). The amount of foreign currency securities issued under the ECP (Euro Commercial Paper) programme was USD 500 million (HUF 180.4 billion) in March. The drawdown of foreign currency loans further increased the foreign currency debt by HUF 578.0 billion and the issuance of domestic foreign currency bonds grew by HUF 83.4 billion. The exchange rate revaluations totalling HUF 1,044.7 billion increased the Hungarian forint value of the foreign currency debt.
Foreign currency debt was decreased by the redemption of foreign currency bond by HUF 481.7 billion, the repayments of domestic foreign currency bond by HUF 25.3 billion and the redemption of foreign currency loans by HUF 54.8 billion. The total amount of other liabilities decreased by HUF 208.6 billion in 2024.

BENCHMARK YIELDS

Maturity	29.12.2023	30.09.2024	31.10.2024	Change in October basis point
3-month	6.23	5.32	5.35	3
6-month	6.26	5.26	5.34	8
1-year	6.45	5.32	5.33	1
3-year	6.12	5.61	6.56	95
5-year	5.78	5.66	6.60	94
10-year	5.86	6.13	6.89	76
15-year	6.11	6.30	6.93	63
20-year	6.07	6.41	7.00	59

Source: ÁKK

Monthly OTC turnover of government securities increased by 26% to HUF 7,323.5 billion in October. Primary dealers, who account for the decisive part of all secondary government securities trading, made 62% of their secondary government securities deals with non-resident investors.

The volume of non-residents' holdings of Hungarian government securities increased altogether by HUF 257.2 billion in October and amounted to HUF 6,109.6 billion at the end of October. This volume represented 16.1% of the total amount of domestic government securities.

The EUR/HUF exchange rate according to the National Bank of Hungary was 408.43 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

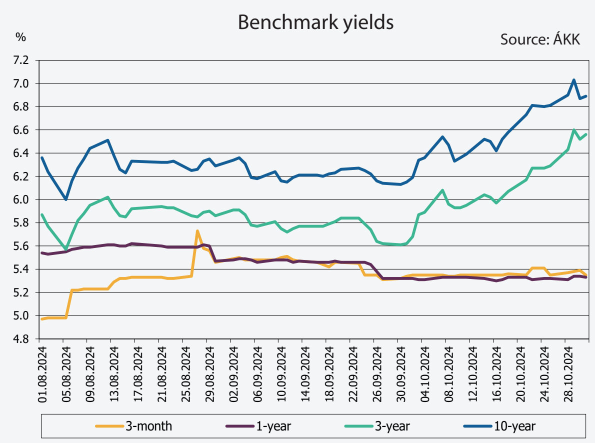
HUF BILLION

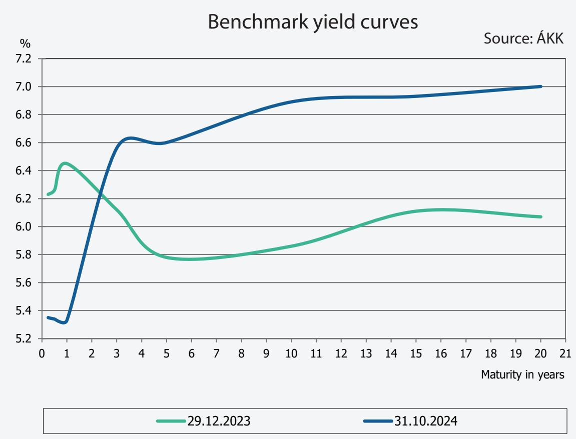
	2019	2020	2021	2022	2023	2024 August	2024 September	2024 October
1. Forint denominated debt	24,357.1	29,237.3	32,121.2	33,775.6	36,888.0	39,274.4	39,502.7	38,939.4
1.1. Loans	1,208.1	1,161.6	1,307.7	1,024.2	868.2	886.9	886.9	886.9
1.2. Government securities	23,149.0	28,075.7	30,813.5	32,751.4	36,019.8	38,387.5	38,615.8	38,052.5
1.2.1. Public issues	23,109.8	28,036.5	30,813.5	32,751.4	36,019.8	38,387.5	38,615.8	38,052.5
1.2.1.1. Bonds	13,378.5	18,206.6	20,220.0	22,346.3	24,058.9	24,774.5	24,866.8	24,371.8
1.2.1.2. Discount T-bills	657.3	658.2	583.2	1,785.8	1,883.8	2,387.2	2,531.1	2,443.7
1.2.1.3. Retail securities	9,074.0	9,171.7	10,010.2	8,619.4	10,077.2	11,225.8	11,217.9	11,236.9
1.2.2. Private placements	39.2	39.2	0.0	0.0	0.0	0.0	0.0	0.0
2. Foreign currency denominated debt*	5,121.2	7,318.2	8,395.2	11,397.3	13,678.3	15,947.0	16,084.4	16,543.6
2.1. Loans	825.4	1,291.1	1,345.2	1,959.1	2,670.0	3,231.3	3,289.4	3,395.2
2.2. Government securities	4,295.8	6,027.1	7,049.9	9,438.2	11,008.3	12,715.6	12,795.0	13,148.4
2.2.1. Issued abroad	3,713.5	5,481.3	6,594.9	9,085.5	10,535.4	12,180.1	12,247.7	12,583.1
2.2.2. Issued domestically	582.3	545.9	455.0	352.8	472.9	535.6	547.3	565.3
Total	29,478.3	36,555.5	40,516.4	45,173.0	50,566.3	55,221.4	55,587.0	55,483.0
Other liabilities	203.70	128.80	180.60	389.40	298.80	93.00	97.70	90.20
Total central government debt	29,682.0	36,684.3	40,697.0	45,562.4	50,865.2	55,314.4	55,684.8	55,573.2
Marketable HUF debt (1.2.1.1+1.2.1.2+1.2.2)	14,075.0	18,904.0	20,803.2	24,132.1	25,942.7	27,161.7	27,397.9	26,815.5
Gross debt/GDP	61.9%	75.2%	73.3%	68.9%	67.7%			

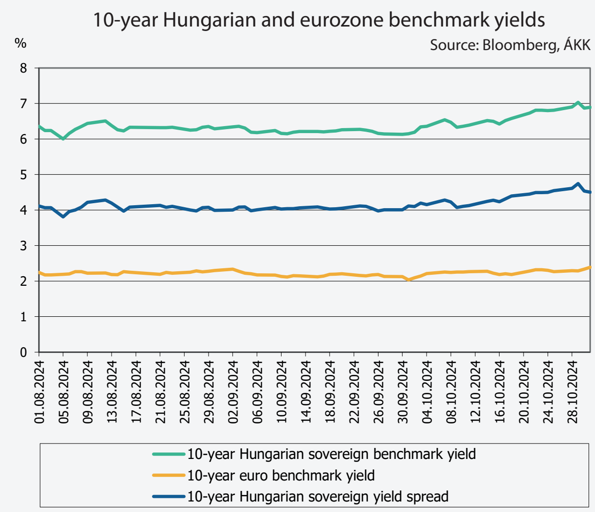
* Foreign exchange debt is recorded at the mid exchange rate of the NBH at the end of the year/month.

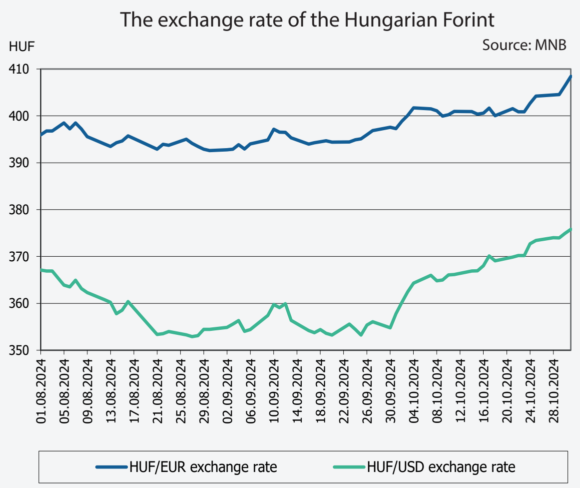
Source: ÁKK, KSH

ÁKK - Government Debt Management Agency
KSH - Hungarian Central Statictical Office







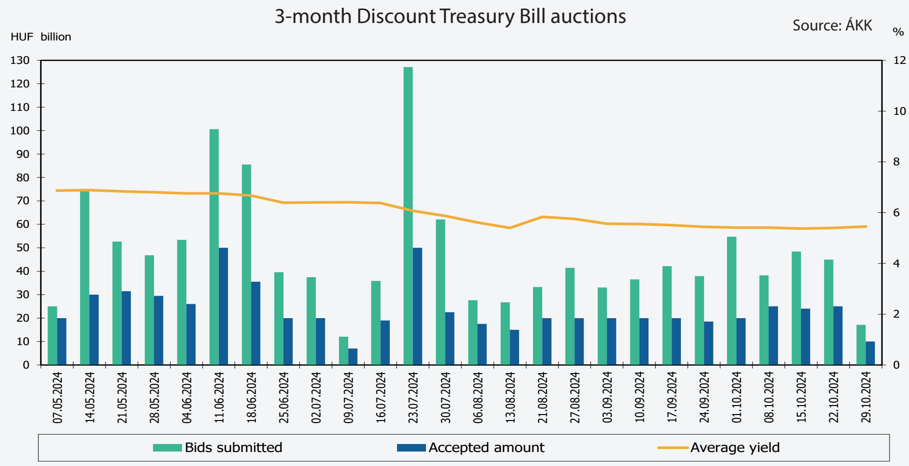


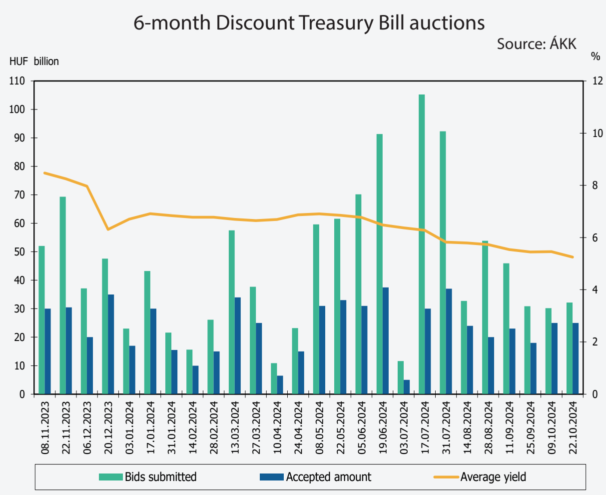
MNB - National Bank of Hungary

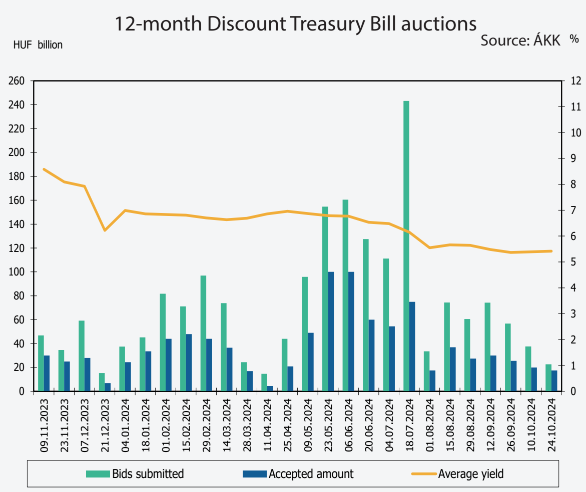
DISCOUNT TREASURY BILL AUCTION RESULTS

	3-month Discount T-bills					6-month Discount T-bills		12-month Discount T-bills	
Code of T-bills	D250122	D250122	D250219	D250219	D250219	D250430	D250430	D250821	D251029
ISIN code	HU0000525043	HU0000525043	HU0000525076	HU0000525076	HU0000525076	HU0000525068	HU0000525068	HU0000525100	HU0000525118
Maturity in days	105	98	118	112	105	196	182	309	364
Date of auction	01.10.2024	08.10.2024	15.10.2024	22.10.2024	29.10.2024	09.10.2024	22.10.2024	10.10.2024	24.10.2024
Date of financial settlement	09.10.2024	16.10.2024	24.10.2024	30.10.2024	06.11.2024	16.10.2024	30.10.2024	16.10.2024	30.10.2024
Redemption date	22.01.2025	22.01.2025	19.02.2025	19.02.2025	19.02.2025	30.04.2025	30.04.2025	21.08.2025	29.10.2025
Maximum yield (%) - ISMA	5.43	5.42	5.41	5.49	5.49	5.53	5.25	5.42	5.45
Minimum yield (%) - ISMA	5.25	5.20	5.25	5.20	5.25	5.35	5.25	5.35	5.10
Average yield (%) - ISMA	5.41	5.41	5.37	5.40	5.45	5.46	5.25	5.39	5.42
Maximum yield (%) - EHM	5.51	5.50	5.49	5.57	5.57	5.61	5.32	5.50	5.53
Minimum yield (%) - EHM	5.32	5.27	5.32	5.27	5.32	5.42	5.32	5.42	5.17
Average yield (%) - EHM	5.48	5.49	5.45	5.47	5.52	5.54	5.32	5.46	5.50
Average selling price (%)	98.4478	98.5483	98.2690	98.3487	98.4359	97.1116	97.4145	95.5788	94.8019
Amount offered for sale (HUF million)	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00
Amount of bids submitted (HUF million)	54,739.33	38,273.68	48,388.52	44,953.27	17,102.88	30,185.42	32,189.95	37,613.27	22,750.37
Amount of bids accepted (HUF million)	19,999.98	24,999.99	23,999.99	24,999.99	9,999.99	25,000.00	25,000.00	19,999.99	17,499.98
Bid-to-cover ratio	2.74	1.53	2.02	1.80	1.71	1.21	1.29	1.88	1.30
Bids submitted (pcs)	28	39	55	48	56	33	27	58	54
Bids accepted (pcs)	23	28	33	25	43	32	5	31	36
Market sales (HUF million)	19,999.98	24,999.99	23,999.99	24,999.99	9,999.99	25,000.00	25,000.00	19,999.99	17,499.98
Retained on ÁKK's own account (HUF million)	5,000.02	5,500.01	0.01	3,000.01	5,000.01	-	4,000.00	0.01	35,000.02
Total amount issued (HUF million)	25,000.00	30,500.00	24,000.00	28,000.00	15,000.00	25,000.00	29,000.00	20,000.00	52,500.00

Source: ÁKK





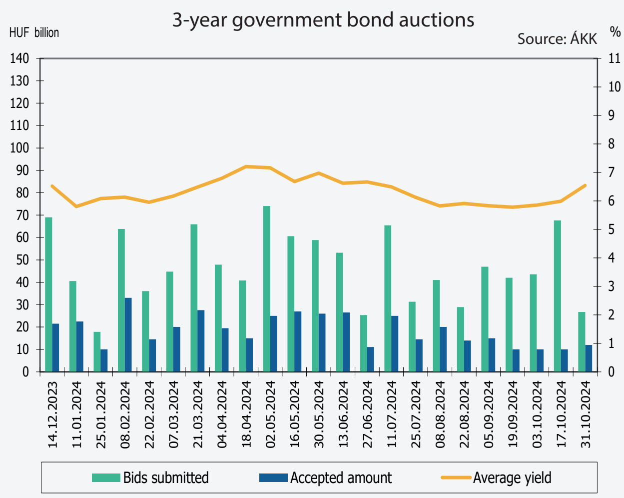


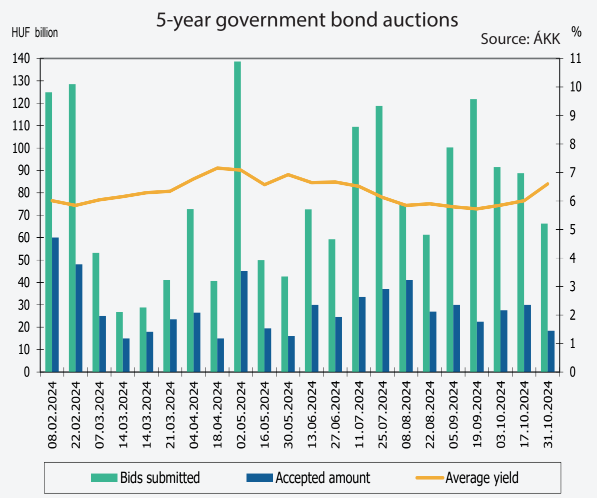
GOVERNMENT BOND AUCTION RESULTS

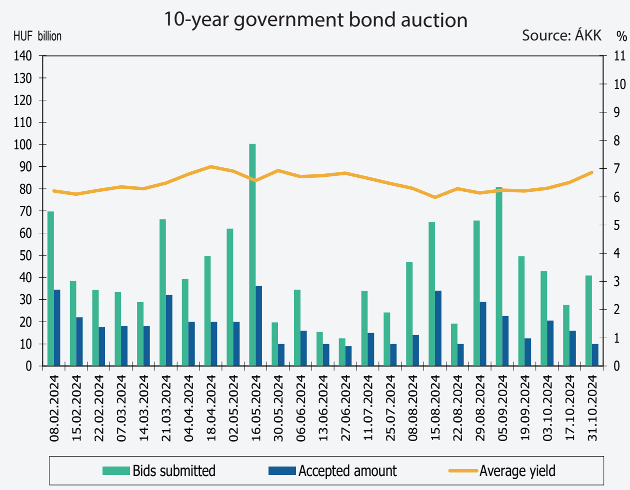
Government Bond	2027/A	2029/A	2035/A	2032/B	2027/A	2029/A
ISIN code	HU0000403118	HU0000404603	HU0000406624	HU0000406087	HU0000403118	HU0000404603
Maturity (in years)	3	5	10	7	3	5
Coupon	3.00%	2.00%	7.00%	6.54%	3.00%	2.00%
Auction	69th auction	85th auction	29th auction	28th auction	70th auction	86th auction
Date of auction	03.10.2024	03.10.2024	03.10.2024	10.10.2024	17.10.2024	17.10.2024
Date of financial settlement	09.10.2024	09.10.2024	09.10.2024	16.10.2024	24.10.2024	24.10.2024
Redemption date	27.10.2027	23.05.2029	24.10.2035	25.08.2032	27.10.2027	23.05.2029
Maximum annual yield (%) - ISMA	5.86	5.87	6.31	-	6.01	6.02
Minimum annual yield (%) - ISMA	5.81	5.82	6.27	-	5.98	6.00
Average annual yield (%) - ISMA	5.85	5.85	6.30	-	5.99	6.01
Maximum annual yield (%) - EHM	5.86	5.87	6.31	-	6.01	6.02
Minimum annual yield (%) - EHM	5.81	5.82	6.27	-	5.98	6.00
Average annual yield (%) - EHM	5.85	5.85	6.30	-	5.99	6.01
Maximum price (%)	92.3451	84.8936	105.6869	100.1900	92.0108	84.3763
Minimum price (%)	92.2220	84.7155	105.3639	100.1000	91.9420	84.3062
Average price (%)	92.2453	84.7695	105.4126	100.1100	91.9840	84.3328
Amount offered for sale (HUF million)	10,000.00	15,000.00	10,000.00	10,000.00	10,000.00	15,000.00
Amount of bids submitted (HUF million)	43,541.00	91,500.00	42,818.00	34,722.55	67,590.00	88,650.00
Amount of bids accepted (HUF million)	10,000.00	27,499.94	20,499.97	22,000.00	10,000.00	29,999.98
Bid-to-cover ratio	4.35	3.33	2.09	1.58	6.76	2.96
Bids submitted (pcs)	36	55	44	46	62	61
Bids accepted (pcs)	16	20	23	23	11	16
Tail (%) (average price - minimum price)	0.02	0.05	0.05	0.01	0.04	0.03
Market sales (HUF million)	10,000.00	27,499.94	20,499.97	22,000.00	10,000.00	29,999.98
Non-competitive offer (HUF million)	400.00	1,882.34	0.00	7,200.00	3,280.00	11,359.98
Total amount sales (HUF million)	10,400.00	29,382.28	20,499.97	29,200.00	13,280.00	41,359.96

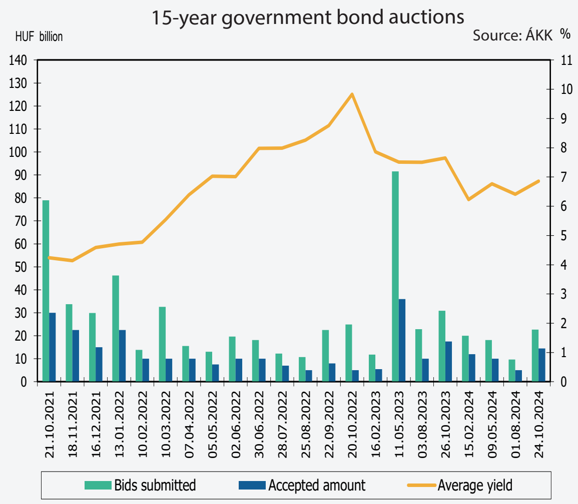
Government Bond	2035/A	2038/A	2051/G	2027/A	2029/A	2035/A
ISIN code	HU0000406624	HU0000403555	HU0000404991	HU0000403118	HU0000404603	HU0000406624
Maturity (in years)	10	15	30	3	5	10
Coupon	7.00%	3.00%	4.00%	3.00%	2.00%	7.00%
Auction	30th auction	67th auction	10th auction	71st auction	87th auction	31st auction
Date of auction	17.10.2024	24.10.2024	24.10.2024	31.10.2024	31.10.2024	31.10.2024
Date of financial settlement	24.10.2024	30.10.2024	30.10.2024	06.11.2024	06.11.2024	06.11.2024
Redemption date	24.10.2035	27.10.2038	28.04.2051	27.10.2027	23.05.2029	24.10.2035
Maximum annual yield (%) - ISMA	6.53	6.87	6.99	6.58	6.61	6.93
Minimum annual yield (%) - ISMA	6.48	6.83	6.91	6.50	6.59	6.85
Average annual yield (%) - ISMA	6.51	6.86	6.96	6.54	6.60	6.87
Maximum annual yield (%) - EHM	6.53	6.87	6.99	6.58	6.61	6.93
Minimum annual yield (%) - EHM	6.48	6.83	6.91	6.50	6.59	6.85
Average annual yield (%) - EHM	6.51	6.85	6.96	6.54	6.60	6.87
Maximum price (%)	104.0023	66.1719	65.0255	90.8048	82.4558	101.1229
Minimum price (%)	103.6084	65.9009	64.3325	90.6084	82.3882	100.5220
Average price (%)	103.7408	65.9969	64.5790	90.7056	82.4226	100.9715
Amount offered for sale (HUF million)	12,000.00	8,000.00	5,000.00	12,000.00	15,000.00	10,000.00
Amount of bids submitted (HUF million)	27,550.00	22,700.00	14,250.00	26,733.00	66,300.00	40,850.39
Amount of bids accepted (HUF million)	15,999.98	14,500.00	9,999.97	12,000.00	18,500.00	10,000.00
Bid-to-cover ratio	1.72	1.57	1.43	2.23	3.58	4.09
Bids submitted (pcs)	47	39	48	28	32	41
Bids accepted (pcs)	35	19	35	18	10	10
Tail (%) (average price - minimum price)	0.13	0.10	0.25	0.10	0.03	0.45
Market sales (HUF million)	15,999.98	14,500.00	9,999.97	12,000.00	18,500.00	10,000.00
Non-competitive offer (HUF million)	5,839.98	1,120.00	1,873.84	706.80	7,080.00	0.00
Total amount sales (HUF million)	21,839.96	15,620.00	11,873.81	12,706.80	25,580.00	10,000.00

Source: ÁKK









GOVERNMENT SECURITIES BUY-BACK AUCTION RESULTS

Government bond	2025/B	2025/C	2025/B	2025/C	2025/B	2025/C
ISIN code	HU0000402748	HU0000404058	HU0000402748	HU0000404058	HU0000402748	HU0000404058
Coupon (%)	5.50	1.00	5.50	1.00	5.50	1.00
Date of reverse auction	02.10.2024	02.10.2024	16.10.2024	16.10.2024	30.10.2024	30.10.2024
Date of financial settlement	09.10.2024	09.10.2024	24.10.2024	24.10.2024	06.11.2024	06.11.2024
Redemption date	24.06.2025	26.11.2025	24.06.2025	26.11.2025	24.06.2025	26.11.2025
Minimum annual yield (%)	5.21	-	5.23	5.17	5.20	5.20
Average annual yield- ISMA (%)	5.23	-	5.24	5.17	5.23	5.23
Average annual yield - EHM (%)	5.19	-	5.20	5.17	5.18	5.23
Amount of bids submitted (HUF million)	14,858.85	-	5,612.74	2,224.24	7,823.13	9,728.60
Amount of bids accepted (HUF million)	12,858.85	-	5,612.74	2,224.24	7,823.13	7,228.60

Source: ÁKK

INTEREST RATE RESETS OF FLOATING RATE GOVERNMENT BONDS IN OCTOBER 2024

Government bond	Date of interest rate reset	Interest period		Date of interest payment	Reset interest rate	Interest payable
2026/O	15.10.2024	21.10.2024	21.01.2025	21.01.2025	6.41%	1.64%
2027/B	17.10.2024	22.10.2024	22.01.2025	22.01.2025	6.35%	1.62%
2029/N	21.10.2024	26.10.2024	26.01.2025	27.01.2025	6.91%	1.77%

Source: ÁKK

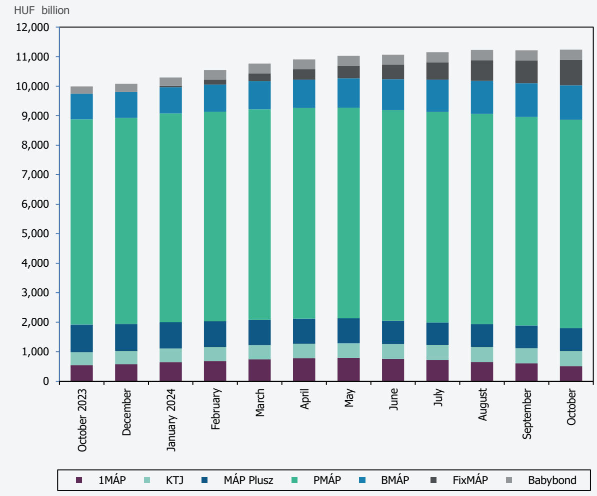
OUTSTANDING AMOUNT OF RETAIL SECURITIES

Retail securities	HUF billion		
	31.12.2023	31.10.2024	Change
1-year Hungarian Government Security / 1MÁP*	574.0	506.2	-67.8
Treasury Saving Bills / KTJ	453.7	520.0	66.3
Hungarian Government Security Plus / MÁP Plusz	907.3	769.8	-137.5
Premium Hungarian Government Security / PMÁP	6,992.7	7,064.9	72.2
Bonus Hungarian Government Security / BMÁP	873.2	1,169.5	296.3
Fix Hungarian Government Security / FixMÁP	0.0	857.2	857.2
Babybond	276.1	349.3	73.2
Total	**10,077.1**	**11,236.9**	**1,159.8**

Source: ÁKK

* From June 2024 the 1-Year Hungarian Government Security is being phased out.

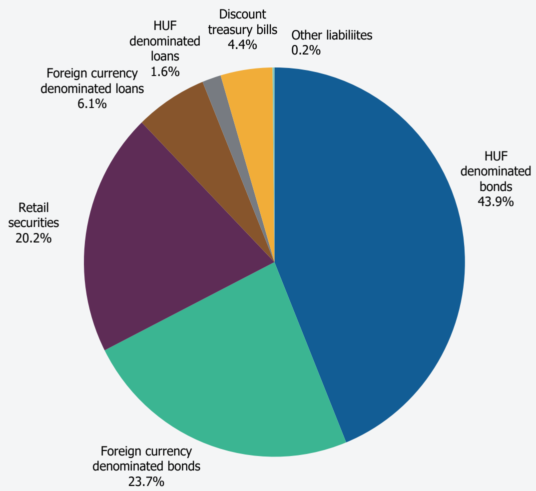
Changes in the stock of retail securities



Source: ÁKK

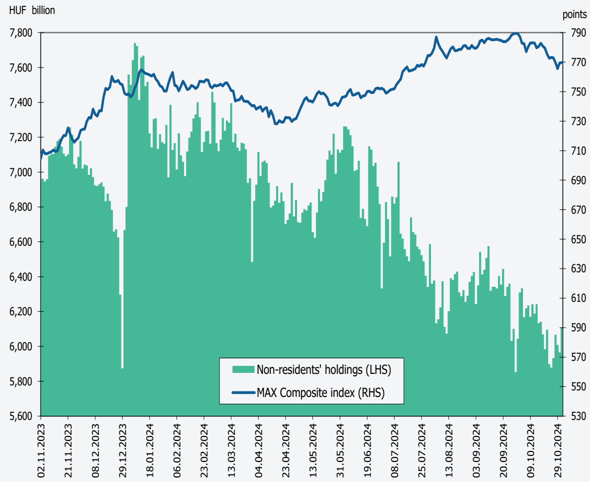
Debt structure at 31.10.2024

Source: ÁKK



Non-residents' holdings of Hungarian government securities and the MAX index

Source: KELER



HUNGARIAN GOVERNMENT SECURITIES INDICES

	MAX index	HMAX index	MAX Composite index	RMAX index	ZMAX index
Value as at 31.10.2024	802.3184	92.5143	769.6850	698.8948	688.1375
Changes compared to the end of the prevoius month	-23.5750	-3.8638	-19.9879	3.2199	4.1044
Annual yield earned on the index portfolio (%)	10.49	10.54	10.15	8.83	7.72

Source: ÁKK

Government bonds with the highest secondary market turnover in October 2024

Government bond	Date of redemption	Turnover (HUF billion)
2035/A	24.10.2035	413.6
2029/A	23.05.2029	375.5
2028/A	22.10.2028	339.3
2026/H	21.10.2026	304.1
2027/A	27.10.2027	193.2
2033/A	20.04.2033	132.7
2032/A	24.11.2032	129.5
2034/A	22.06.2034	117.8
2026/D	22.12.2026	102.9
2028/B	23.03.2028	100.8

Source: Primary Dealers, ÁKK

The outstanding volume of government bonds with benchmark status at the end of October 2024

Government bond	HUF billion	
	30.09.2024	31.10.2024
2027/A	1,406.1	1,429.9
2029/A	1,482.1	1,552.9
2035/A	598.4	641.0
2038/A	1,018.2	1,033.8
2041/A	625.7	657.1

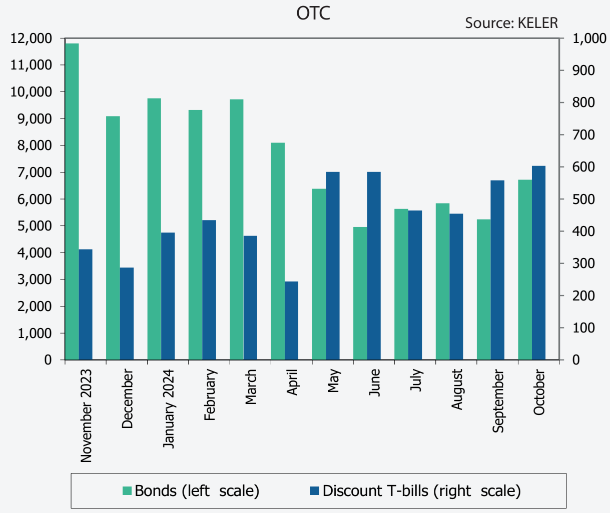
Source: ÁKK

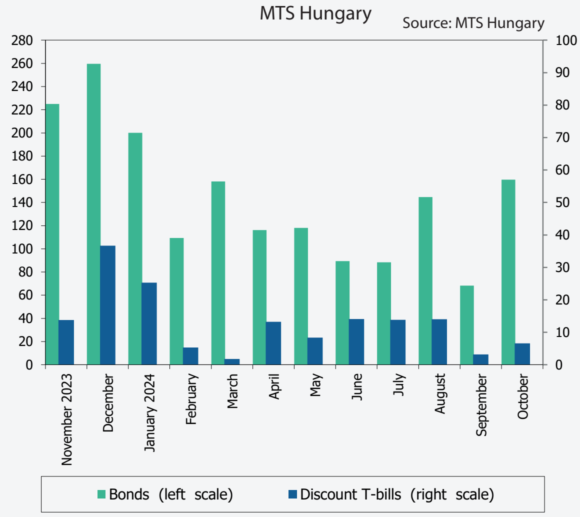
The outstanding volume of the three largest government bonds at the end of October 2024

Government bond	HUF billion
2028/A	1,960.4
2031/A	1,674.9
2033/A	1,564.1

Source: ÁKK

Secondary market trading of Hungarian government securities (HUF billion)

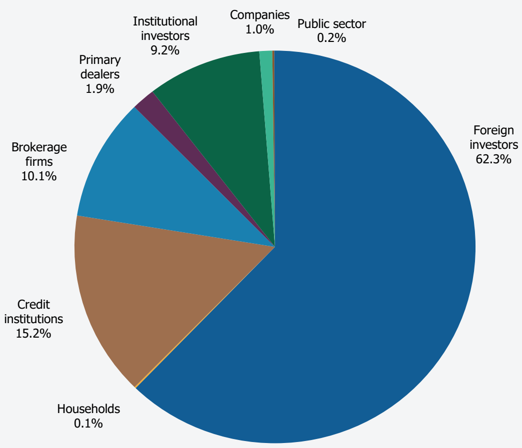




Breakdown of primary dealers' secondary market turnover by investor groups in October 2024

Government Bonds

Source: Primary Dealers, ÁKK



Discount Treasury Bills

Source: Primary Dealers, ÁKK