



GOVERNMENT DEBT MANAGEMENT AGENCY PTE LTD.

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GOVERNMENT SECURITIES MARKET

MONTHLY REPORT
SEPTEMBER 2022



The Central Government Debt increased by HUF 4,059.9 billion to HUF 44,756.9 billion in 2022. Total net issuance was HUF 2,287.0 billion; out of which net HUF denominated issuance including repos was HUF 1,026.1 billion and net foreign currency denominated issuance was HUF 1,260.9 billion in 2022.

CENTRAL GOVERNMENT DEBT

(HUF billion)	2021		2022		Change	
	December	%	September	%	HUF billion	%
HUF denominated debt	32,121.2	78.9	33,147.3	74.1	1,026.1	3.2
Loans	1,307.7	3.2	1,213.2	2.7	-94.5	-7.2
Government bonds	20,220.0	49.7	21,905.9	48.9	1,685.9	8.3
Retail securities	10,010.3	24.6	8,955.3	20.0	-1,055.0	-10.5
Discount treasury bills	583.2	1.4	1,072.9	2.4	489.7	84.0
Foreign exchange denominated debt	8,395.2	20.6	10,965.1	24.5	2,569.9	30.6
Total	40,516.4	99.6	44,112.4	98.6	3,596.0	8.9
Other obligations	180.6	0.4	644.5	1.4	463.9	256.8
Total central government debt	40,697.0	100.0	44,756.9	100.0	4,059.9	10.0

The HUF denominated debt of the central government increased by HUF 1,026.1 billion in 2022. The increase in domestic debt was the result of the net government bond issuance of HUF 1,685.9 billion and the increase of discount Treasury bills by HUF 489.7 billion. The total amount of retail government securities decreased by HUF 1,055.0 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 94.5 billion in 2022.

The foreign currency debt of the central government increased by HUF 2,569.9 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 178.5 billion and the issuance of domestic foreign currency bonds grew by HUF 110.4 billion. The exchange rate revaluations totalling HUF 1,309.0 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 228.9 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 463.9 billion in 2022.

BENCHMARK YIELDS

Maturity	30.12.2021	31.08.2022	30.09.2022	Change in September basis point
3-month	2.16	8.00	11.57	357
6-month	2.61	8.04	12.37	433
1-year	3.57	10.05	13.34	329
3-year	4.19	10.92	11.70	78
5-year	4.35	9.70	10.26	56
10-year	4.51	8.83	9.78	95
15-year	4.72	8.56	9.44	88
20-year	4.75	8.48	9.45	97

Monthly OTC turnover of government securities increased by 1% to HUF 12,328.7 billion in September. 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 decreased altogether by HUF 577.7 billion in September and mounted to HUF 4,712.4 billion at the end of September. This volume represented 14.8% of the total amount of domestic government securities.

The EUR/HUF exchange rate according to the National Bank of Hungary was 421.41 on the last working day of September.

The credit rating of the long-term foreign currency debt of Hungary is as follows on the last working day of September:

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

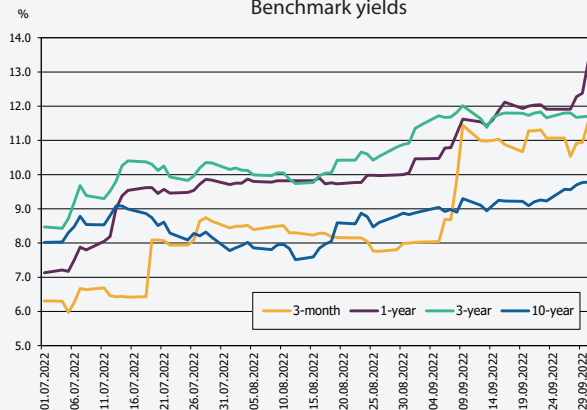
CENTRAL GOVERNMENT GROSS DEBT

HUF BILLION

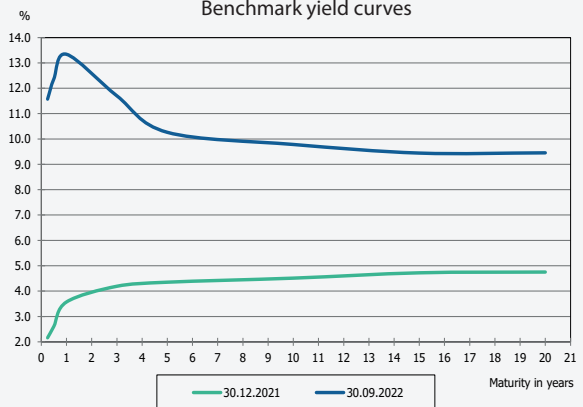
	2017	2018	2019	2020	2021	2022 July	2022 August	2022 September
1. Forint denominated debt	20,689.4	22,796.0	24,357.1	29,237.3	32,121.2	33,319.3	33,159.4	33,147.4
1.1. Loans	1,041.1	1,167.7	1,208.1	1,161.6	1,307.7	1,272.5	1,261.7	1,213.2
1.2. Government securities	19,648.3	21,628.3	23,149.0	28,075.7	30,813.5	32,046.8	31,897.6	31,934.1
1.2.1. Public issues	19,609.2	21,589.1	23,109.8	28,036.5	30,813.5	32,046.8	31,897.6	31,934.1
1.2.1.1. Bonds	11,767.1	12,836.1	13,378.5	18,206.6	20,220.0	21,393.0	21,544.1	21,905.9
1.2.1.2. Discount T-bills	1,039.2	1,237.3	657.3	658.2	583.2	922.4	917.8	1,072.9
1.2.1.3. Retail securities	6,802.9	7,515.7	9,074.0	9,171.7	10,010.2	9,731.4	9,435.7	8,955.3
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	10,423.8	10,512.8	10,965.1
2.1. Loans	929.1	795.0	825.4	1,291.1	1,345.2	1,515.7	1,575.8	1,697.3
2.1.1. Foreign loans	929.1	795.0	825.4	1,291.1	1,345.2	1,515.7	1,575.8	1,697.3
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	8,908.1	8,937.0	9,267.8
2.2.1. Issued abroad	4,145.9	4,246.2	3,713.5	5,481.3	6,594.9	8,505.8	8,525.3	8,868.5
2.2.2. Issued domestically	707.6	683.6	582.3	545.9	455.0	402.3	411.7	399.3
Total	26,472.0	28,520.7	29,478.3	36,555.5	40,516.4	43,743.1	43,672.1	44,112.4
Other liabilities	274.20	167.40	203.70	128.80	180.60	463.80	567.50	644.50
Total central government debt	26,746.2	28,688.2	29,682.0	36,684.3	40,697.0	44,206.9	44,239.6	44,756.9
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	22,315.4	22,461.9	22,978.8
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.

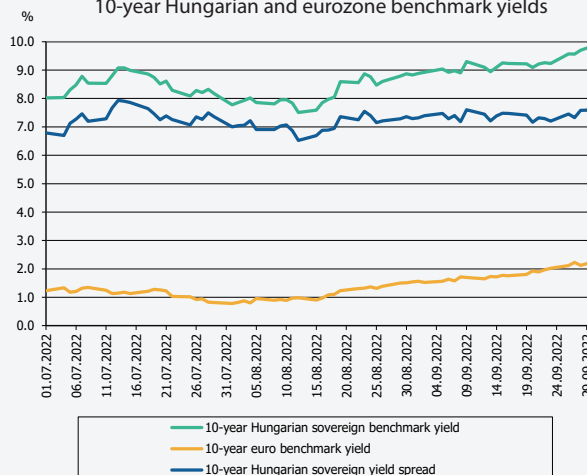
Benchmark yields



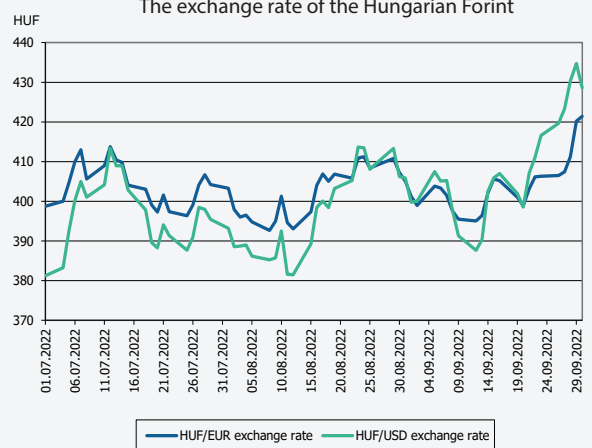
Benchmark yield curves



10-year Hungarian and eurozone benchmark yields



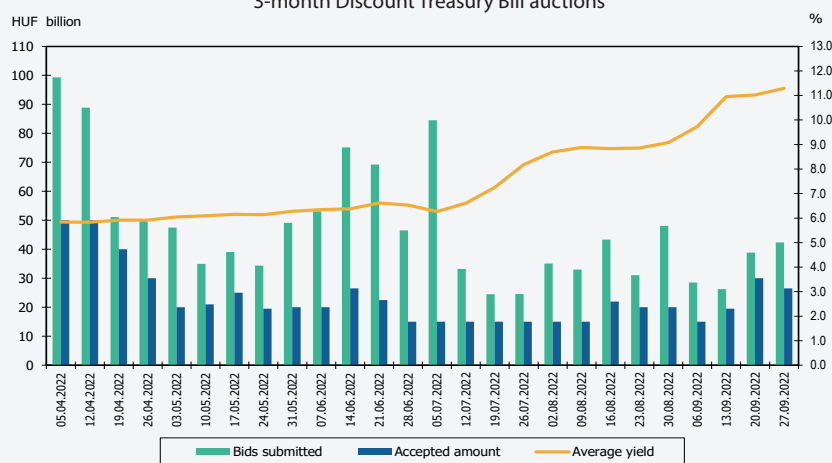
The exchange rate of the Hungarian Forint



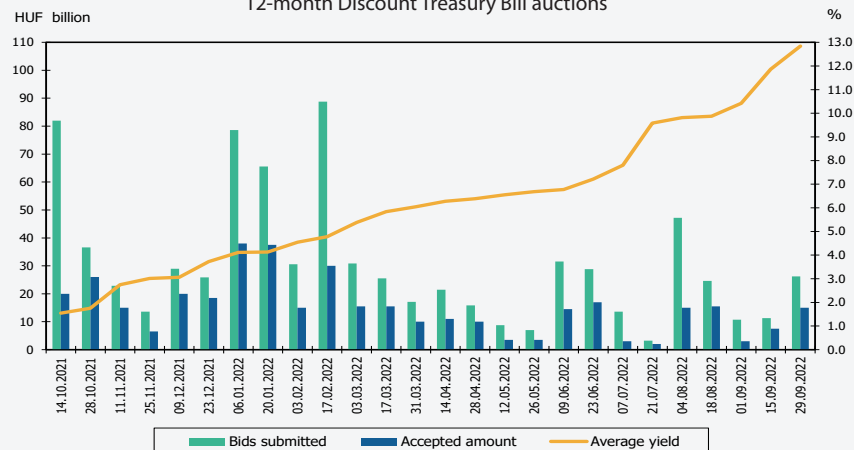
DISCOUNT TREASURY BILL AUCTION RESULTS

	3-month Discount T-bills				6-month Discount T-bills	12-month Discount T-bills		
Code of T-bills	D221214	D221221	D221228	D230104	D230517	D230823	D230823	D230823
ISIN code	HU0000524327	HU0000524335	HU0000523956	HU0000524343	HU0000524483	HU0000524293	HU0000524293	HU0000524293
Maturity in days	91	91	91	91	224	350	336	322
Date of auction	06.09.2022	13.09.2022	20.09.2022	27.09.2022	28.09.2022	01.09.2022	15.09.2022	29.09.2022
Date of financial settlement	14.09.2022	21.09.2022	28.09.2022	05.10.2022	05.10.2022	07.09.2022	21.09.2022	05.10.2022
Redemption date	14.12.2022	21.12.2022	28.12.2022	04.01.2023	17.05.2023	23.08.2023	23.08.2023	23.08.2023
Maximum yield (%) - ISMA	10.15	11.10	11.50	11.75	13.00	10.55	12.35	13.05
Minimum yield (%) - ISMA	8.50	6.00	8.50	9.00	11.00	10.00	10.50	11.20
Average yield (%) - ISMA	9.73	10.95	11.02	11.29	12.51	10.42	11.87	12.84
Maximum yield (%) - EHM	10.29	11.25	11.66	11.91	13.18	10.70	12.52	13.23
Minimum yield (%) - EHM	8.62	6.08	8.62	9.13	11.15	10.14	10.65	11.36
Average yield (%) - EHM	9.86	11.11	11.17	11.44	12.69	10.57	12.03	13.02
Average selling price (%)	97.5999	97.3056	97.2896	97.2263	92.7763	90.7999	90.0297	89.6961
Amount offered for sale (HUF million)	20,000.00	20,000.00	30,000.00	20,000.00	20,000.00	20,000.00	15,000.00	15,000.00
Amount of bids submitted (HUF million)	28,542.73	26,286.38	38,874.97	42,329.53	50,352.52	10,700.82	11,318.52	26,199.91
Amount of bids accepted (HUF million)	15,000.00	19,499.98	29,999.98	26,499.93	24,499.99	3,000.00	7,500.00	14,999.99
Bid-to-cover ratio	1.90	1.35	1.30	1.60	2.06	3.57	1.51	1.75
Bids submitted (pcs)	60	56	90	81	37	19	30	57
Bids accepted (pcs)	57	28	84	45	35	11	26	42
Market sales (HUF million)	15,000.00	19,499.98	29,999.98	26,499.93	24,499.99	3,000.00	7,500.00	14,999.99
Retained on ÁKK's own account (HUF million)	15,000.00	15,000.02	15,000.02	15,000.07	24,500.01	3,000.00	15,000.00	35,000.01
Total amount issued (HUF million)	30,000.00	34,500.00	45,000.00	41,500.00	49,000.00	6,000.00	22,500.00	50,000.00

3-month Discount Treasury Bill auctions



12-month Discount Treasury Bill auctions

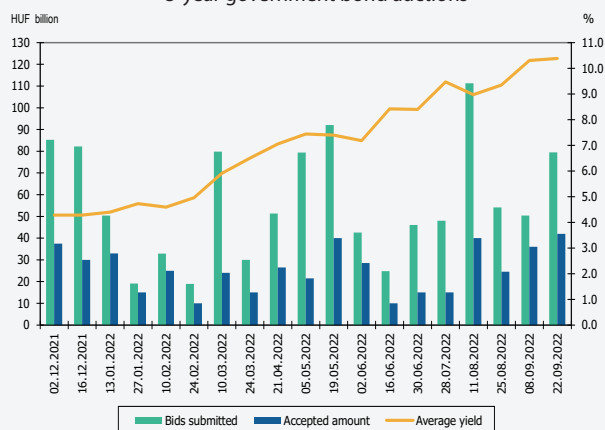


GOVERNMENT BOND AUCTION RESULTS

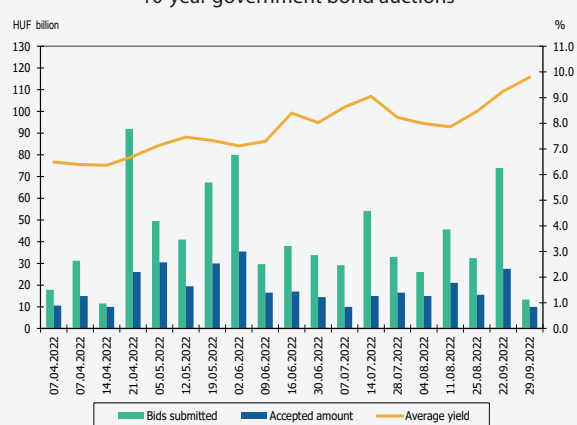
Government Bond	2029/B	2032/G	2028/B	2032/A	2041/A	2029/B
ISIN code	HU0000404926	HU0000405535	HU0000405543	HU0000405550	HU0000404165	HU0000404926
Maturity (in years)	7	10	5	10	20	7
Coupon	12.02%	4.50%	4.50%	4.75%	3.00%	12.02%
Auction	42nd auction	8th auction	16th auction	27th auction	23rd auction	9th auction
Date of auction	01.09.2022	01.09.2022	08.09.2022	08.09.2022	08.09.2022	15.09.2022
Date of financial settlement	07.09.2022	07.09.2022	14.09.2022	14.09.2022	14.09.2022	21.09.2022
Redemption date	22.08.2029	27.05.2032	23.03.2028	24.11.2032	25.04.2041	22.08.2029
Maximum annual yield (%) - ISMA	-	8.88	10.32	8.95	8.52	-
Minimum annual yield (%) - ISMA	-	8.82	10.28	8.92	8.49	-
Average annual yield (%) - ISMA	-	8.86	10.30	8.94	8.50	-
Maximum annual yield (%) - EHM	-	8.88	10.31	8.94	8.51	-
Minimum annual yield (%) - EHM	-	8.81	10.27	8.91	8.48	-
Average annual yield (%) - EHM	-	8.85	10.29	8.93	8.49	-
Maximum price (%)	99.2000	72.5241	76.4429	72.7947	49.5020	98.5400
Minimum price (%)	98.8500	72.2000	76.3051	72.6357	49.3281	98.2500
Average price (%)	98.9300	72.3259	76.3588	72.7092	49.4399	98.3500
Amount offered for sale (HUF million)	15,000.00	10,000.00	20,000.00	15,000.00	10,000.00	15,000.00
Amount of bids submitted (HUF million)	37,008.48	47,500.00	50,400.00	32,826.80	14,300.00	35,312.27
Amount of bids accepted (HUF million)	22,499.98	21,000.00	36,000.00	19,999.98	7,999.99	24,999.96
Bid-to-cover ratio	1.64	2.26	1.40	1.64	1.79	1.41
Bids submitted (pcs)	24	40	47	42	30	32
Bids accepted (pcs)	19	18	27	19	15	28
Tail (%) (average price - minimum price)	0.08	0.13	0.05	0.07	0.11	0.10
Market sales (HUF million)	22,499.98	21,000.00	36,000.00	19,999.98	7,999.99	24,999.96
Non-competitive offer (HUF million)	8,050.70	8,160.00	9,840.00	6,504.34	0.00	8,323.44
Total amount sales (HUF million)	30,550.68	29,160.00	45,840.00	26,504.32	7,999.99	33,323.40

Government Bond	2051/G	2028/B	2032/A	2038/A	2027/B	2032/G
ISIN code	HU0000404991	HU0000405543	HU0000405550	HU0000403555	HU0000404157	HU0000405535
Maturity (in years)	30	5	10	15	5	10
Coupon	4.00%	4.50%	4.75%	3.00%	11.56%	4.50%
Auction	17th auction	28th auction	44th auction	10th auction	18th auction	29th auction
Date of auction	15.09.2022	22.09.2022	22.09.2022	22.09.2022	29.09.2022	29.09.2022
Date of financial settlement	21.09.2022	28.09.2022	28.09.2022	28.09.2022	05.10.2022	05.10.2022
Redemption date	28.04.2051	23.03.2028	24.11.2032	27.10.2038	22.04.2027	27.05.2032
Maximum annual yield (%) - ISMA	8.62	10.38	9.26	8.77	-	9.81
Minimum annual yield (%) - ISMA	8.56	10.35	9.24	8.75	-	9.78
Average annual yield (%) - ISMA	8.59	10.37	9.25	8.76	-	9.79
Maximum annual yield (%) - EHM	8.61	10.37	9.25	8.76	-	9.80
Minimum annual yield (%) - EHM	8.55	10.34	9.23	8.74	-	9.77
Average annual yield (%) - EHM	8.58	10.36	9.25	8.75	-	9.78
Maximum price (%)	51.7814	76.3305	71.1922	51.3332	100.1100	67.9320
Minimum price (%)	51.4005	76.2287	71.0895	51.2249	99.7400	67.7813
Average price (%)	51.6136	76.2461	71.1179	51.2837	99.9800	67.8894
Amount offered for sale (HUF million)	8,000.00	20,000.00	15,000.00	8,000.00	15,000.00	10,000.00
Amount of bids submitted (HUF million)	31,760.00	79,500.00	73,950.00	22,504.80	20,150.00	13,325.00
Amount of bids accepted (HUF million)	17,999.99	42,000.00	27,499.99	8,000.00	15,000.00	10,000.00
Bid-to-cover ratio	1.76	1.89	2.69	2.81	1.34	1.33
Bids submitted (pcs)	55	42	59	24	12	12
Bids accepted (pcs)	21	14	13	8	14	10
Tail (%) (average price - minimum price)	0.21	0.02	0.03	0.06	0.24	0.11
Market sales (HUF million)	17,999.99	42,000.00	27,499.99	8,000.00	15,000.00	10,000.00
Non-competitive offer (HUF million)	451.76	14,400.00	10,685.71	2,560.00	0.00	0.00
Total amount sales (HUF million)	18,451.75	56,400.00	38,185.70	10,560.00	15,000.00	10,000.00

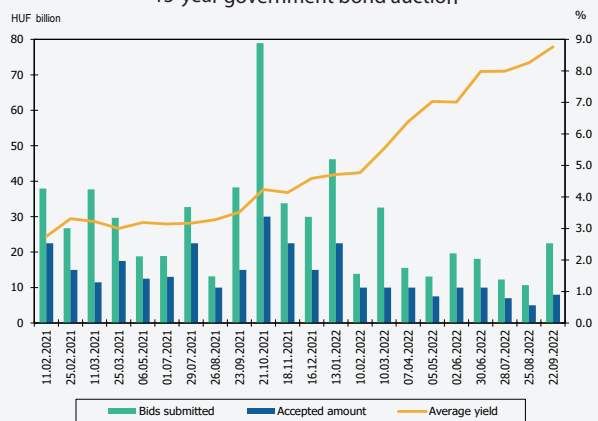
5-year government bond auctions



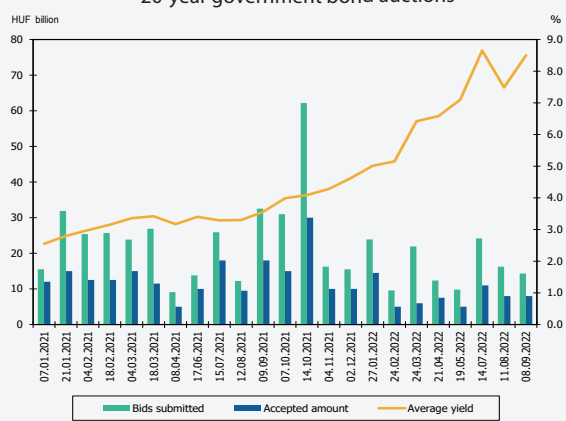
10-year government bond auctions



15-year government bond auction



20-year government bond auctions

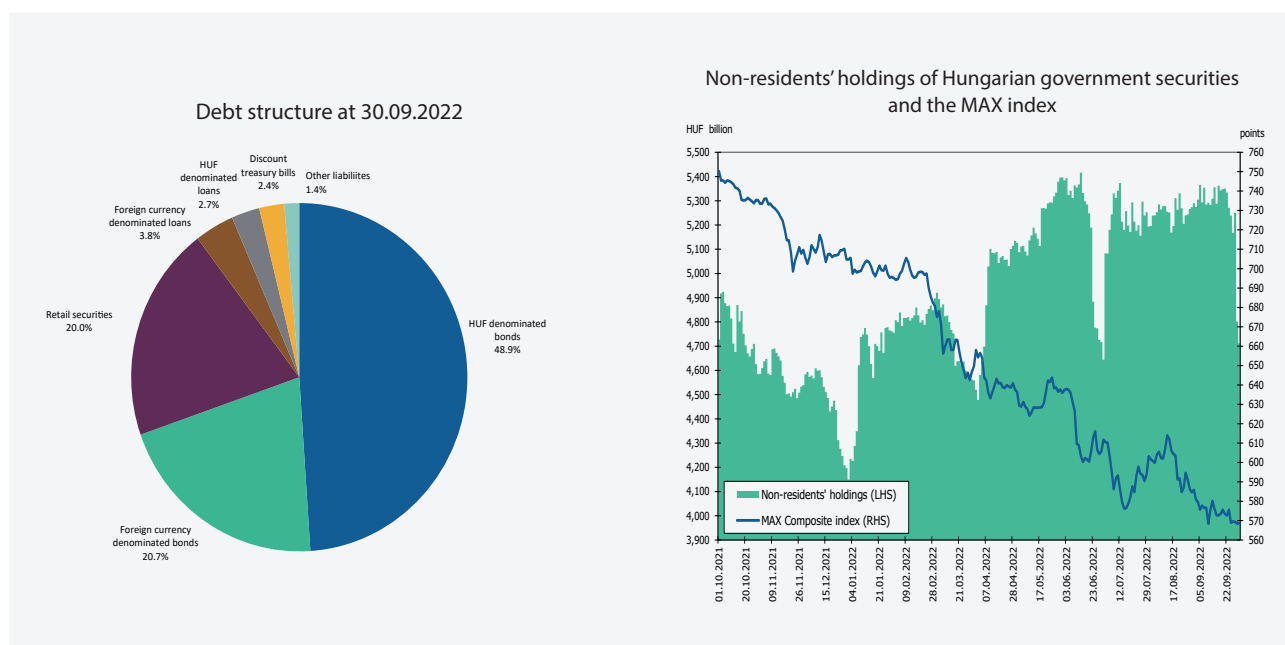
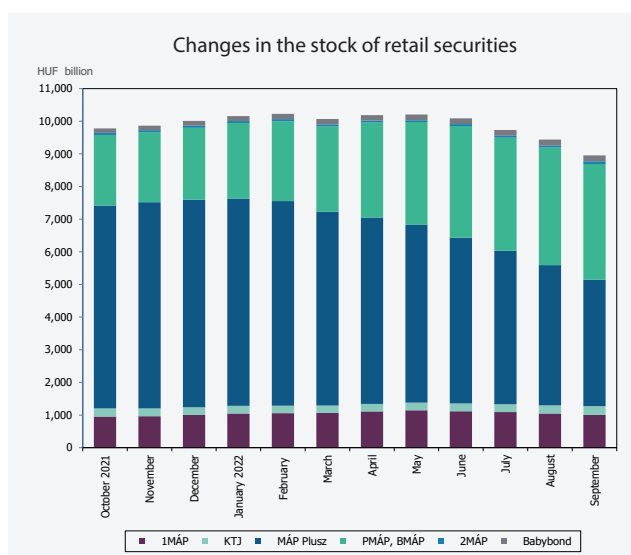


INTEREST RATE RESETS OF FLOATING RATE GOVERNMENT BONDS IN SEPTEMBER 2022

Government bond	Date of interest rate reset	Interest period		Date of interest payment	Reset interest rate	Interest payable
2023/J	22.09.2022	28.09.2022	28.09.2023	28.09.2023	6.50%	6.50%
2024/J	20.09.2022	25.09.2022	25.09.2023	25.09.2023	6.80%	6.80%
2025/N	26.09.2022	30.09.2022	30.12.2022	30.12.2022	11.32%	2.86%
2026/N	19.09.2022	22.09.2022	22.09.2023	22.09.2023	13.01%	13.19%
2027/J	26.09.2022	30.09.2022	27.01.2023	27.01.2023	11.75%	3.83%
2029/I	26.09.2022	30.09.2022	21.02.2023	21.02.2023	11.75%	4.64%

OUTSTANDING AMOUNT OF RETAIL SECURITIES

Retail securities	HUF billion		
	31.12.2021	30.09.2022	Change
1-year Hungarian Government Security / 1MÁP	1,001.6	1,002.0	0.4
Treasury Saving Bills / KTJ	234.8	272.5	37.7
Hungarian Government Security Plus / MÁP Plusz	6,361.5	3,870.4	-2,491.2
Premium Hungarian Government Security / PMÁP	2,202.7	3,546.0	1,343.3
Bonus Hungarian Government Security / BMÁP	60.8	81.0	20.2
Babybond	148.8	183.4	34.6
Total	10,010.2	8,955.3	-1,054.9



HUNGARIAN GOVERNMENT SECURITIES INDICES

	MAX index	HMAX index	MAX Composite index	RMAX index	ZMAX index
Value as at 30.09.2022	589.5200	66.6928	568.7147	557.2452	555.6352
Changes compared to the end of the previous month	-18.1798	-2.5181	-17.1461	-3.9902	2.1199
Annual yield earned on the index portfolio (%)	-26.19	-30.51	-24.69	0.01	2.88

Government bonds with the highest secondary market turnover in September 2022

Government bond	Date of redemption	Turnover (HUF billion)
2032/A	24.11.2032	480.2
2028/B	23.03.2028	400.4
2033/A	20.04.2033	217.9
2027/A	27.10.2027	168.2
2025/C	26.11.2025	146.3
2031/A	22.10.2031	144.9
2030/A	21.08.2030	136.3
2026/F	26.08.2026	131.5
2024/C	24.10.2024	125.5
2023/A	24.11.2023	113.3

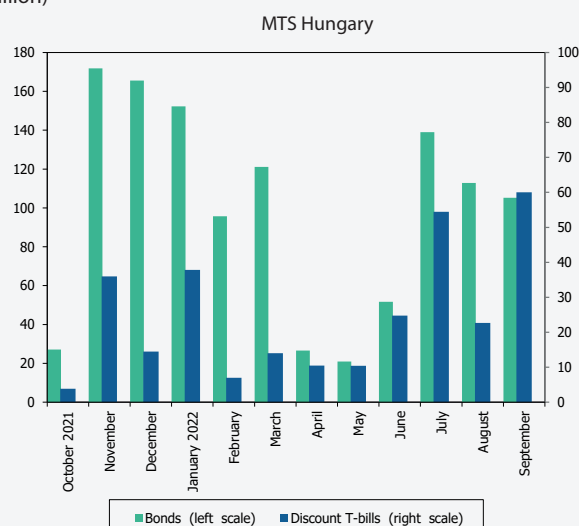
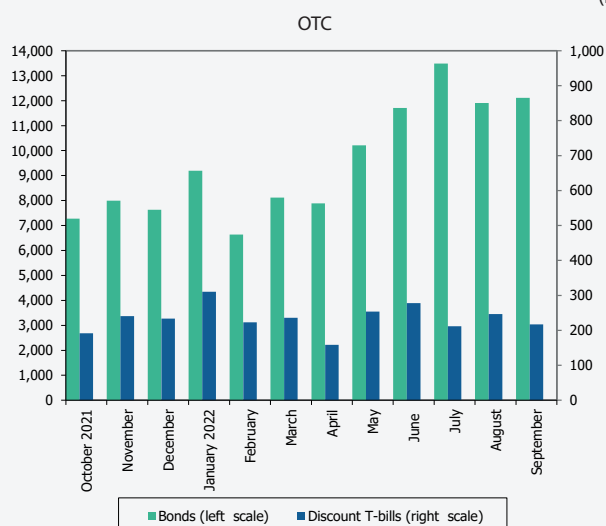
The outstanding volume of government bonds with benchmark status at the end of September 2022

Government bond	HUF billion	
	31.08.2022	30.09.2022
2025/C	1,339.18	1,340.46
2028/B	414.10	516.94
2032/A	445.83	511.32
2038/A	886.02	896.59
2041/A	484.76	493.03

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

Government bond	HUF billion
2031/A	1,529.50
2025/C	1,340.46
2033/A	1,314.42

Secondary market trading of Hungarian government securities (HUF billion)



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

