



GOVERNMENT DEBT MANAGEMENT AGENCY PTE LTD.

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GOVERNMENT SECURITIES MARKET

MONTHLY REPORT
DECEMBER 2022



The Central Government Debt increased by HUF 4,865.4 billion to HUF 45,562.4 billion in 2022. Total net issuance was HUF 3,924.3 billion; out of which net HUF denominated issuance including repos was HUF 1,654.4 billion and net foreign currency denominated issuance was HUF 2,269.9 billion in 2022.

CENTRAL GOVERNMENT DEBT

(HUF billion)	2021		2022		Change	
	December	%	December	%	HUF billion	%
HUF denominated debt	32,121.2	78.9	33,775.6	74.1	1,654.4	5.2
Loans	1,307.7	3.2	1,024.2	2.2	-283.5	-21.7
Government bonds	20,220.0	49.7	22,346.3	49.0	2,126.2	10.5
Retail securities	10,010.3	24.6	8,619.4	18.9	-1,390.9	-13.9
Discount treasury bills	583.2	1.4	1,785.8	3.9	1,202.6	206.2
Foreign exchange denominated debt	8,395.2	20.6	11,397.3	25.0	3,002.2	35.8
Total	40,516.4	99.6	45,173.0	99.1	4,656.6	11.5
Other obligations	180.6	0.4	389.4	0.9	208.8	115.6
Total central government debt	40,697.0	100.0	45,562.4	100.0	4,865.4	12.0

The HUF denominated debt of the central government increased by HUF 1,654.4 billion in 2022. The increase in domestic debt was the result of the net government bond issuance of HUF 2,126.2 billion and the increase of discount Treasury bills by HUF 1,202.6 billion. The total amount of retail government securities decreased by HUF 1,390.9 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 283.5 billion in 2022.

The foreign currency debt of the central government increased by HUF 3,002.2 billion in 2022. The increase is mainly due to the HUF 205.4 billion (75.3 billion yen) of Samurai bonds issued in February, the HUF 1,441.3 billion (3 billion USD and 750 million EUR) of foreign currency bonds issued in June, the HUF 410.5 billion (1 million EUR) Green Bond and the HUF 110.9 billion (2 million yuan) Green Panda Bond issued in November. ÁKK re-opened the USD bond maturing in 2041 with a private placement of HUF157.5 billion (USD 400 million) in November (settled in December). The drawdown of foreign currency loans further increased the foreign currency debt by HUF 543.2 billion and the issuance of domestic foreign currency bonds grew by HUF 180.6 billion. The exchange rate revaluations totalling HUF 732.3 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 325.5 billion, the foreign currency bond repayments by HUF 413.0 billion and the foreign currency loan redemptions by HUF 41.1 billion. The total amount of other liabilities increased by HUF 208.8 billion in 2022.

BENCHMARK YIELDS

Maturity	30.12.2021	30.11.2022	30.12.2022	Change in December basis point
3-month	2.16	11.47	12.32	85
6-month	2.61	13.43	13.89	46
1-year	3.57	12.92	13.82	90
3-year	4.19	9.16	10.71	155
5-year	4.35	8.74	9.73	99
10-year	4.51	8.18	8.98	80
15-year	4.72	7.85	8.41	56
20-year	4.75	7.86	8.41	55

Monthly OTC turnover of government securities decreased by 27% to HUF 7,124.7 billion in December. Primary dealers, who account for the decisive part of all secondary government securities trading, made 70% of their secondary government securities deals with non-resident investors.

The volume of non-residents' holdings of Hungarian government securities decreased altogether by HUF 430.6 billion in December and mounted to HUF 5,152.0 billion at the end of December. This volume represented 15.7% of the total amount of domestic government securities.

The EUR/HUF exchange rate according to the National Bank of Hungary was 400.25 on the last working day of December.

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

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

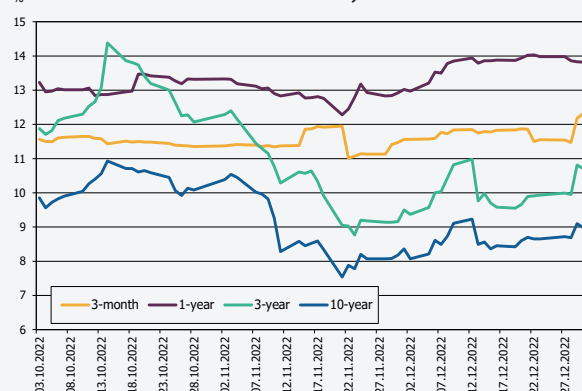
CENTRAL GOVERNMENT GROSS DEBT

HUF BILLION

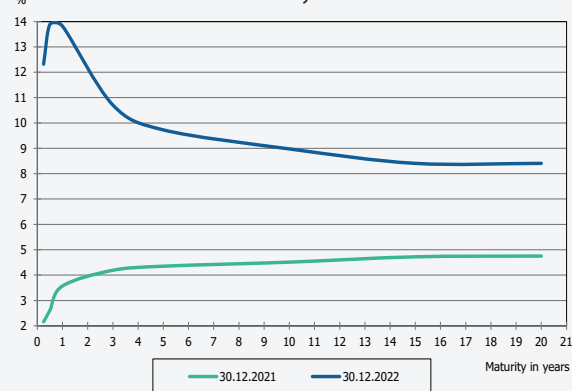
	2017	2018	2019	2020	2021	2022 October	2022 November	2022 December
1. Forint denominated debt	20,689.4	22,796.0	24,357.1	29,237.3	32,121.2	32,994.7	33,124.4	33,775.6
1.1. Loans	1,041.1	1,167.7	1,208.1	1,161.6	1,307.7	1,189.2	1,077.3	1,024.2
1.2. Government securities	19,648.3	21,628.3	23,149.0	28,075.7	30,813.5	31,805.5	32,047.0	32,751.4
1.2.1. Public issues	19,609.2	21,589.1	23,109.8	28,036.5	30,813.5	31,805.5	32,047.0	32,751.4
1.2.1.1. Bonds	11,767.1	12,836.1	13,378.5	18,206.6	20,220.0	21,557.2	21,798.2	22,346.3
1.2.1.2. Discount T-bills	1,039.2	1,237.3	657.3	658.2	583.2	1,250.4	1,602.6	1,785.8
1.2.1.3. Retail securities	6,802.9	7,515.7	9,074.0	9,171.7	10,010.2	8,997.9	8,646.2	8,619.4
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	10,771.5	11,304.3	11,397.3
2.1. Loans	929.1	795.0	825.4	1,291.1	1,345.2	1,705.8	1,809.1	1,959.1
2.1.1. Foreign loans	929.1	795.0	825.4	1,291.1	1,345.2	1,705.8	1,809.1	1,959.1
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	9,065.7	9,495.2	9,438.2
2.2.1. Issued abroad	4,145.9	4,246.2	3,713.5	5,481.3	6,594.9	8,670.5	9,096.4	9,085.5
2.2.2. Issued domestically	707.6	683.6	582.3	545.9	455.0	395.2	398.8	352.8
Total	26,472.0	28,520.7	29,478.3	36,555.5	40,516.4	43,766.2	44,428.6	45,173.0
Other liabilities	274.20	167.40	203.70	128.80	180.60	525.20	362.70	389.40
Total central government debt	26,746.2	28,688.2	29,682.0	36,684.3	40,697.0	44,291.5	44,791.4	45,562.4
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	22,807.6	23,400.8	24,132.1
Gross debt/GDP	68.1%	66.1%	62.3%	75.8%	73.8%			

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

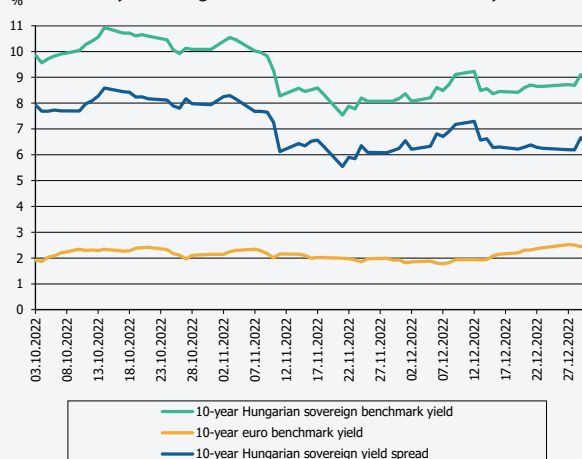
Benchmark yields



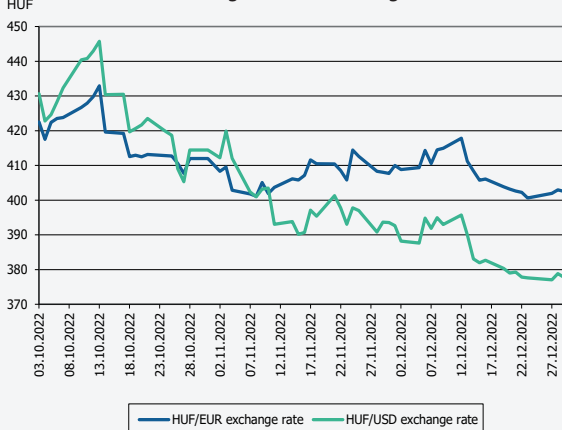
Benchmark yield curves



10-year Hungarian and eurozone benchmark yields



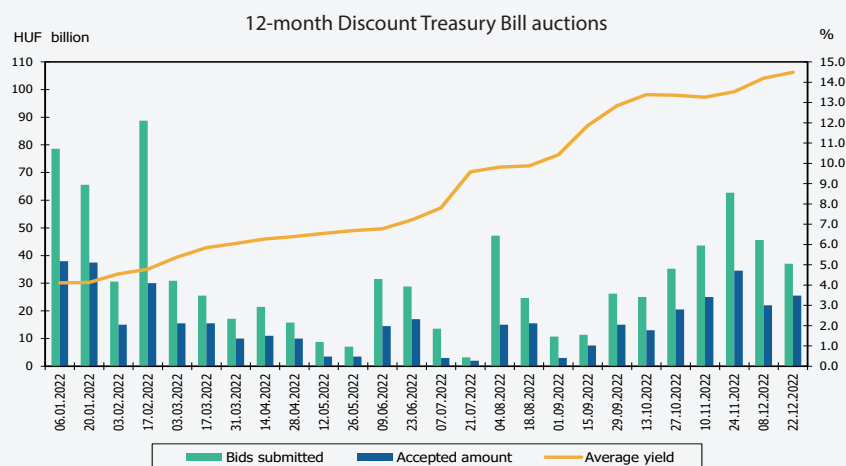
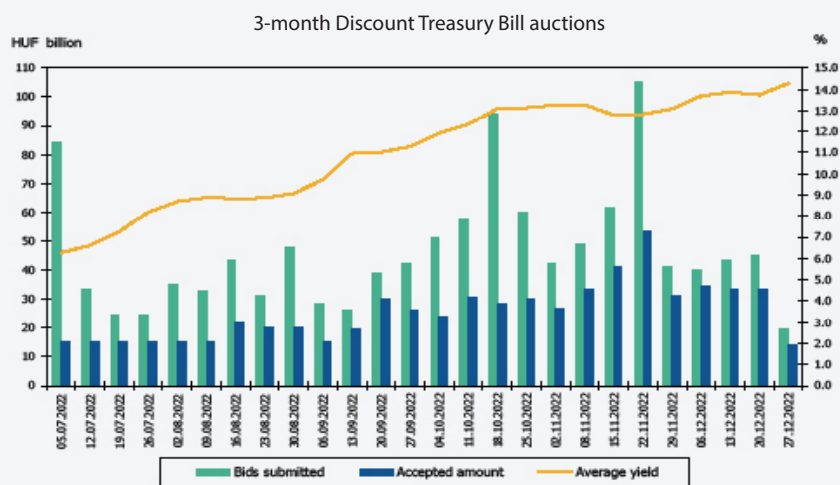
The exchange rate of the Hungarian Forint



DISCOUNT TREASURY BILL AUCTION RESULTS

	3-month Discount T-bills				6-month Discount T-bills*				12-month Discount T-bills	
Code of T-bills	D230316	D230322	D230329	D230405	D230726	D230726	D230726	D230726	D231018	D231227
ISIN code	HU0000524442	HU0000524459	HU0000524467	HU0000524509	HU0000524491	HU0000524491	HU0000524491	HU0000524491	HU0000524376	HU0000524475
Maturity in days	92	91	91	91	224	217	210	203	308	364
Date of auction	06.12.2022	13.12.2022	20.12.2022	27.12.2022	07.12.2022	14.12.2022	21.12.2022	28.12.2022	08.12.2022	22.12.2022
Date of financial settlement	14.12.2022	21.12.2022	28.12.2022	04.01.2023	14.12.2022	21.12.2022	28.12.2022	04.01.2023	14.12.2022	28.12.2022
Redemption date	16.03.2023	22.03.2023	29.03.2023	05.04.2023	26.07.2023	26.07.2023	26.07.2023	26.07.2023	18.10.2023	27.12.2023
Maximum yield (%) - ISMA	13.90	14.05	14.10	14.49	14.49	14.45	14.55	14.55	14.40	14.64
Minimum yield (%) - ISMA	12.20	12.00	12.25	12.25	13.49	10.00	12.20	12.00	12.80	12.50
Average yield (%) - ISMA	13.69	13.87	13.73	14.28	14.14	14.26	14.40	14.47	14.19	14.49
Maximum yield (%) - EHM	14.09	14.25	14.30	14.69	14.69	14.65	14.75	14.75	14.60	14.84
Minimum yield (%) - EHM	12.37	12.17	12.42	12.42	13.68	10.14	12.37	12.17	12.98	12.67
Average yield (%) - EHM	13.88	14.07	13.93	14.48	14.34	14.46	14.60	14.67	14.39	14.69
Average selling price (%)	96.6202	96.6121	96.6446	96.5160	91.9133	92.0845	92.2497	92.4571	89.1718	87.2201
Amount offered for sale (HUF million)	25,000.00	25,000.00	25,000.00	30,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00
Amount of bids submitted (HUF million)	40,175.70	43,627.50	45,226.50	19,675.79	36,317.27	38,582.11	26,241.87	41,389.22	45,642.20	37,071.09
Amount of bids accepted (HUF million)	34,500.00	33,499.99	33,499.97	13,999.99	22,999.99	24,999.99	18,000.00	26,500.00	21,999.99	25,500.00
Bid-to-cover ratio	1.16	1.30	1.35	1.41	1.58	1.54	1.46	1.56	2.07	1.45
Bids submitted (pcs)	70	94	111	37	69	70	79	70	73	77
Bids accepted (pcs)	64	87	94	35	59	46	67	46	44	61
Market sales (HUF million)	34,500.00	33,499.99	33,499.97	13,999.99	22,999.99	24,999.99	18,000.00	26,500.00	21,999.99	25,500.00
Retained on ÁKK's own account (HUF million)	20,000.00	20,000.01	20,000.03	20,000.01	23,000.01	25,000.01	18,000.00	26,500.00	28,000.01	25,500.00
Total amount issued (HUF million)	54,500.00	53,500.00	53,500.00	34,000.00	46,000.00	50,000.00	36,000.00	53,000.00	50,000.00	51,000.00

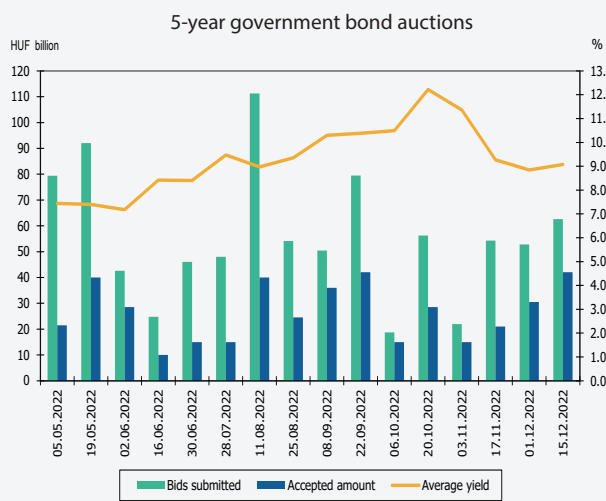
* ÁKK introduced the 6-month Discount Treasury Bill from the end of September 2022.



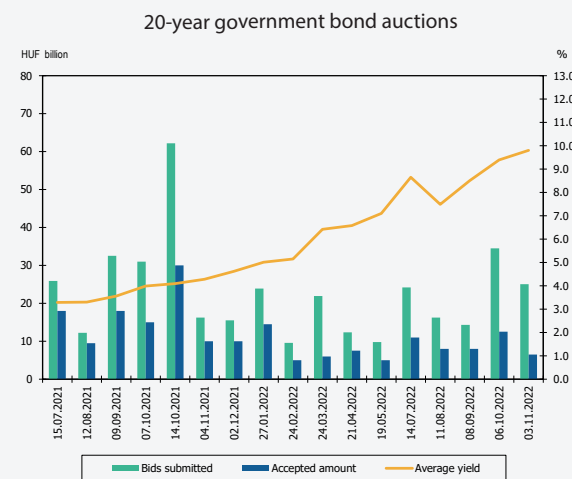
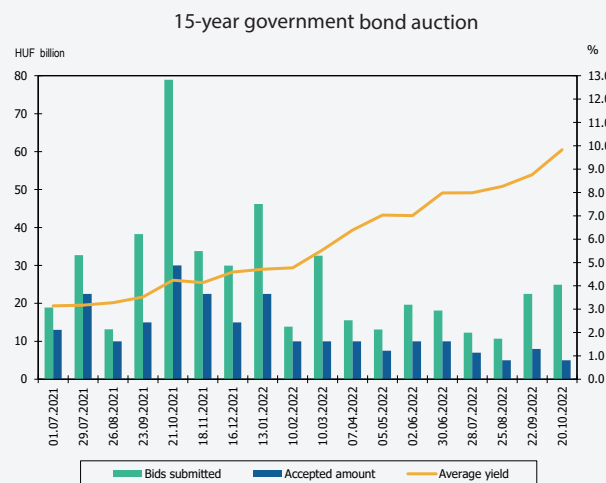
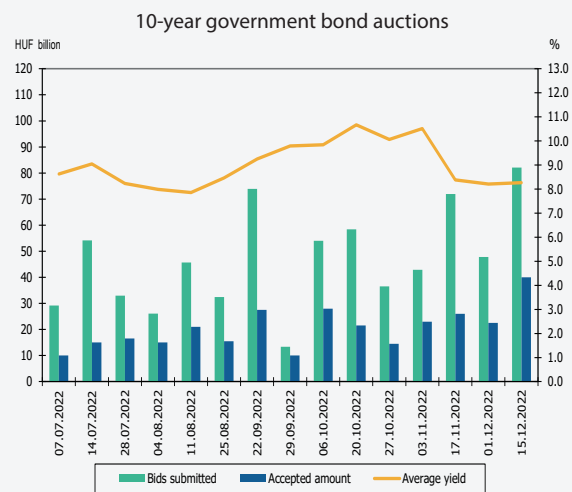
GOVERNMENT BOND AUCTION RESULTS

Government Bond	2026/F	2028/B	2032/A	2025/C	2032/B
ISIN code	HU0000404934	HU0000405543	HU0000405550	HU0000404058	HU0000406087
Maturity (in years)	3	5	10	3	10
Coupon	1.50%	4.50%	4.75%	1.00%	13.78%
Auction	26th auction	22nd auction	24th auction	33rd auction	5th auction
Date of auction	01.12.2022	01.12.2022	01.12.2022	08.12.2022	08.12.2022
Date of financial settlement	07.12.2022	07.12.2022	07.12.2022	14.12.2022	14.12.2022
Redemption date	26.08.2026	23.03.2028	24.11.2032	26.11.2025	25.08.2032
Maximum annual yield (%) - ISMA	9.14	8.86	8.22	10.29	-
Minimum annual yield (%) - ISMA	9.03	8.72	8.18	10.22	-
Average annual yield (%) - ISMA	9.12	8.84	8.21	10.25	-
Maximum annual yield (%) - EHM	9.13	8.85	8.21	10.28	-
Minimum annual yield (%) - EHM	9.02	8.71	8.17	10.21	-
Average annual yield (%) - EHM	9.11	8.83	8.20	10.24	-
Maximum price (%)	77.0652	82.6470	77.2173	77.4900	96.3100
Minimum price (%)	76.7833	82.1401	76.9929	77.3400	95.9000
Average price (%)	76.8459	82.2206	77.0648	77.4116	96.0500
Amount offered for sale (HUF million)	20,000.00	15,000.00	10,000.00	20,000.00	20,000.00
Amount of bids submitted (HUF million)	53,000.00	52,800.00	47,835.00	96,100.00	20,822.00
Amount of bids accepted (HUF million)	37,500.00	30,500.00	22,499.99	60,000.00	18,000.00
Bid-to-cover ratio	1.41	1.73	2.13	1.60	1.16
Bids submitted (pcs)	44	62	46	57	17
Bids accepted (pcs)	28	35	19	19	11
Tail (%) (average price - minimum price)	0.06	0.08	0.07	0.07	0.15
Market sales (HUF million)	37,500.00	30,500.00	22,499.99	60,000.00	18,000.00
Non-competitive offer (HUF million)	620.00	540.00	0.00	7,840.00	0.00
Total amount sales (HUF million)	38,120.00	31,040.00	22,499.99	67,840.00	18,000.00

Government Bond	2024/C	2028/A	2032/A	2025/B	2032/B
ISIN code	HU0000403571	HU0000402532	HU0000405550	HU0000402748	HU0000406087
Maturity (in years)	2	5	10	2	10
Coupon	2.50%	6.75%	4.75%	5.50%	13.78%
Auction	38th auction	47th auction	25th auction	64th auction	6th auction
Date of auction	15.12.2022	15.12.2022	15.12.2022	22.12.2022	22.12.2022
Date of financial settlement	21.12.2022	21.12.2022	21.12.2022	28.12.2022	28.12.2022
Redemption date	24.10.2024	22.10.2028	24.11.2032	24.06.2025	25.08.2032
Maximum annual yield (%) - ISMA	11.65	9.09	8.30	11.09	-
Minimum annual yield (%) - ISMA	11.44	9.04	8.25	10.89	-
Average annual yield (%) - ISMA	11.57	9.07	8.27	11.03	-
Maximum annual yield (%) - EHM	11.63	9.08	8.29	11.08	-
Minimum annual yield (%) - EHM	11.42	9.03	8.24	10.88	-
Average annual yield (%) - EHM	11.56	9.06	8.27	11.02	-
Maximum price (%)	85.8536	89.9157	76.8810	88.7062	96.0500
Minimum price (%)	85.5594	89.7111	76.6020	88.3241	95.8000
Average price (%)	85.6653	89.8114	76.7548	88.4425	95.9200
Amount offered for sale (HUF million)	40,000.00	20,000.00	10,000.00	30,000.00	15,000.00
Amount of bids submitted (HUF million)	78,028.19	62,600.00	82,069.80	24,379.02	46,100.00
Amount of bids accepted (HUF million)	65,499.97	41,999.99	39,999.99	19,999.99	29,500.00
Bid-to-cover ratio	1.19	1.49	2.05	1.22	1.56
Bids submitted (pcs)	50	52	36	32	39
Bids accepted (pcs)	29	23	13	27	21
Tail (%) (average price - minimum price)	0.11	0.10	0.15	0.12	0.12
Market sales (HUF million)	65,499.97	41,999.99	39,999.99	19,999.99	29,500.00
Non-competitive offer (HUF million)	8,525.19	13,939.99	8,559.99	0.00	8,480.00
Total amount sales (HUF million)	74,025.16	55,939.98	48,559.98	19,999.99	37,980.00



*2-year government bond

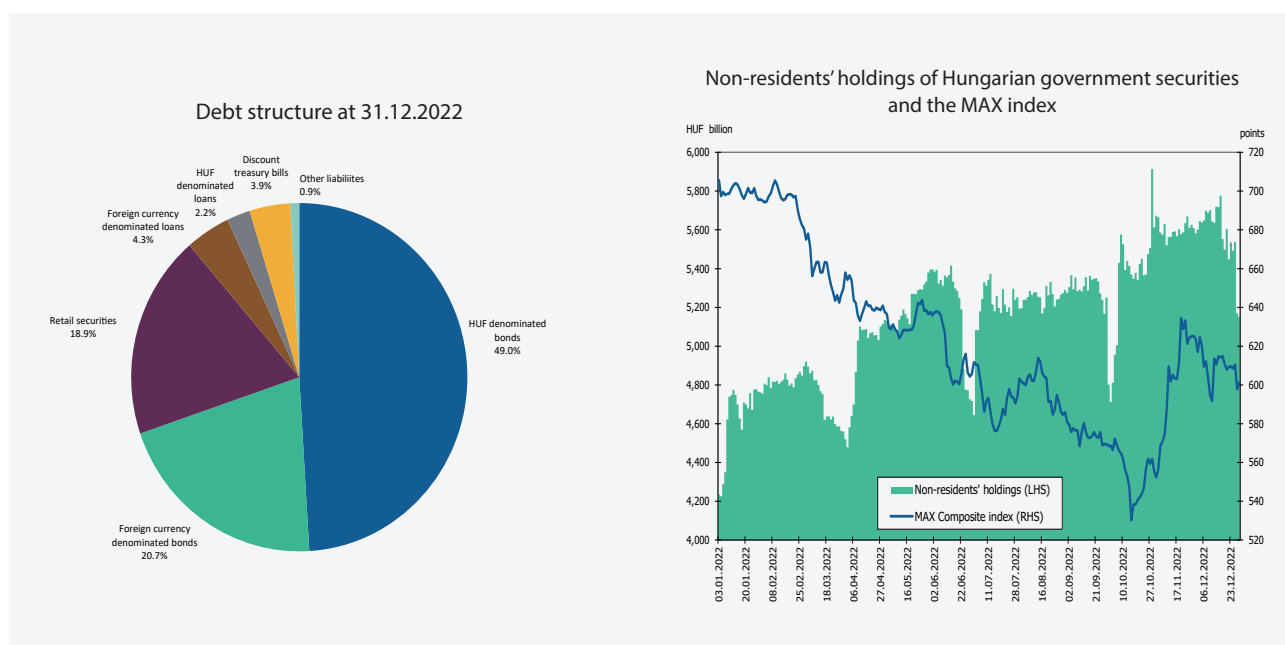
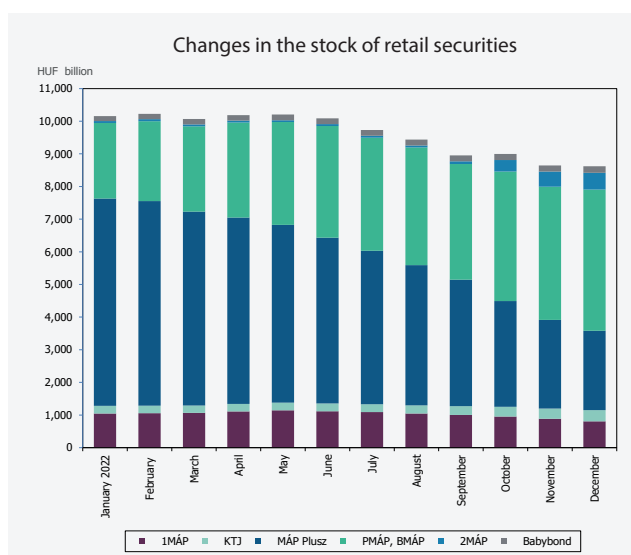


INTEREST RATE RESETS OF FLOATING RATE GOVERNMENT BONDS IN DECEMBER 2022

Government bond	Date of interest rate reset	Interest period		Date of interest payment	Reset interest rate	Interest payable
2024/K	14.12.2022	20.12.2022	20.12.2023	20.12.2023	5.85%	5.85%
2025/N	23.12.2022	30.12.2022	30.03.2023	30.03.2023	14.60%	3.65%

OUTSTANDING AMOUNT OF RETAIL SECURITIES

Retail securities	HUF billion		
	31.12.2021	31.12.2022	Change
1-year Hungarian Government Security / 1MÁP	1,001.6	807.8	-193.8
Treasury Saving Bills / KTJ	234.8	341.8	107.1
Hungarian Government Security Plus / MÁP Plusz	6,361.5	2,434.5	-3,927.0
Premium Hungarian Government Security / PMÁP	2,202.7	4,321.6	2,118.9
Bonus Hungarian Government Security / BMÁP	60.8	514.7	453.9
Babybond	148.8	198.8	50.1
Total	10,010.2	8,619.3	-1,390.9



HUNGARIAN GOVERNMENT SECURITIES INDICES

	MAX index	HMAX index	MAX Composite index	RMAX index	ZMAX index
Value as at 30.12.2022	623.0255	71.2383	601.3941	570.3822	572.4011
Changes compared to the end of the previous month	-25.8159	-3.4191	-22.3115	1.9733	5.7069
Annual yield earned on the index portfolio (%)	-16.05	-19.16	-14.67	3.01	5.90

Government bonds with the highest secondary market turnover in December 2022

Government bond	Date of redemption	Turnover (HUF billion)
2032/A	24.11.2032	454.2
2025/C	26.11.2025	285.6
2028/B	23.03.2028	214.2
2024/C	24.10.2024	126.3
2033/A	20.04.2033	119.6
2023/A	24.11.2023	103.0
2028/A	22.10.2028	99.2
2026/F	26.08.2026	89.8
2031/A	22.10.2031	83.7
D230726	26.07.2023	82.6

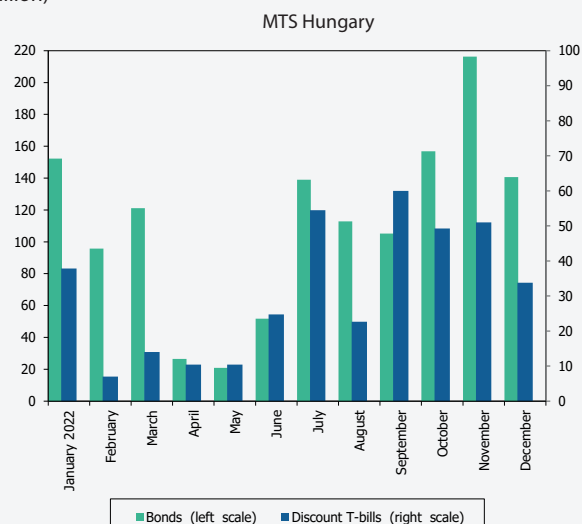
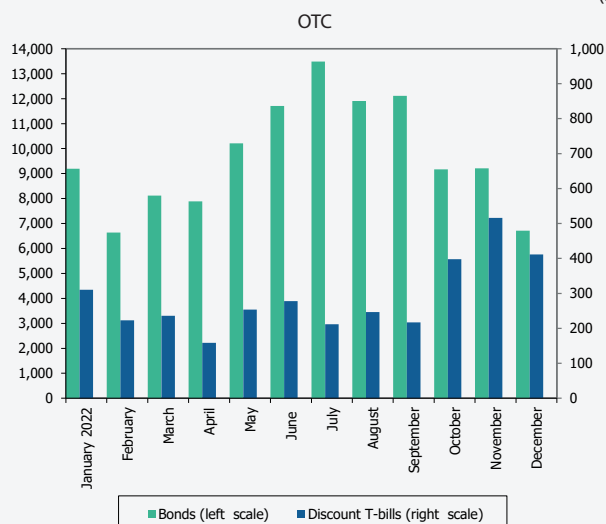
The outstanding volume of government bonds with benchmark status at the end of December 2022

Government bond	HUF billion	
	30.11.2022	31.12.2022
2025/C	1,399.50	1,466.83
2028/B	608.81	640.02
2032/A	636.67	707.93
2038/A	901.70	901.67
2041/A	519.20	519.40

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

Government bond	HUF billion
2031/A	1,529.62
2025/C	1,466.83
2033/A	1,314.72

Secondary market trading of Hungarian government securities (HUF billion)



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

