



GOVERNMENT DEBT MANAGEMENT AGENCY PTE LTD.

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GOVERNMENT SECURITIES MARKET

MONTHLY REPORT
JANUARY 2022



The Central Government Debt decreased by HUF 59.8 billion to HUF 40,637.3 billion in 2022. Total net issuance was HUF 224.3 billion; out of which net HUF denominated issuance including repos was HUF 201.2 billion and net foreign currency denominated issuance was HUF 23.0 billion in 2022.

CENTRAL GOVERNMENT DEBT

(HUF billion)	2021		2022		Change	
	December	%	January	%	HUF billion	%
HUF denominated debt	32,121.2	78.9	32,322.5	79.5	201.2	0.6
Loans	1,307.7	3.2	1,305.4	3.2	-2.3	-0.2
Government bonds	20,220.0	49.7	20,081.8	49.4	-138.2	-0.7
Retail securities	10,010.3	24.6	10,157.8	25.0	147.6	1.5
Discount treasury bills	583.2	1.4	777.4	1.9	194.2	33.3
Foreign exchange denominated debt	8,395.2	20.6	8,170.5	20.1	-224.7	-2.7
Total	40,516.4	99.6	40,493.0	99.6	-23.4	-0.1
<i>Other obligations</i>	180.6	0.4	144.3	0.4	-36.4	-20.1
Total central government debt	40,697.0	100.0	40,637.3	100.0	-59.8	-0.1

The HUF denominated debt of the central government increased by HUF 201.2 billion in 2022. The stock of government bonds decreased by HUF 138.2 billion, which was due to the decreased repo stock by HUF 352.0 billion in January and the net government bond issue HUF 213.7 billion to finance the budget deficit. The stock of discount treasury bills increased by HUF 194.2 billion. The total amount of retail government securities increased by HUF 147.6 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 2.3 billion in 2022.

The foreign currency debt of the central government decreased by HUF 224.7 billion in 2022. The decrease was mainly due to the exchange rate revaluation compared to the end of the last year totalling HUF 247.7 billion. Foreign currency debt was increased by the issuance of domestic foreign currency bonds by HUF 23.7 billion and decreased by the redemptions of domestic foreign currency bonds worth HUF 0.7 billion. The total amount of other liabilities decreased by HUF 36.4 billion in 2022.

BENCHMARK YIELDS

Maturity	30.12.2020	30.12.2021	31.01.2022	Change in January basis point
3-month	0.28	2.16	3.76	160
6-month	0.33	2.61	3.95	134
1-year	0.39	3.57	4.25	68
3-year	0.70	4.19	4.53	34
5-year	1.36	4.35	4.69	34
10-year	2.08	4.51	4.88	37
15-year	2.25	4.72	5.02	30
20-year	2.47	4.75	5.13	38

Monthly OTC turnover of government securities increased by 21% to HUF 9,503.6 billion in January. 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 611.9 billion in January and amounted to HUF 4,761.4 billion at the end of January. This volume represented 15.4% of the total amount of domestic government securities.

The EUR/HUF exchange rate according to the National Bank of Hungary was 358.1 on the last working day of January.

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

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

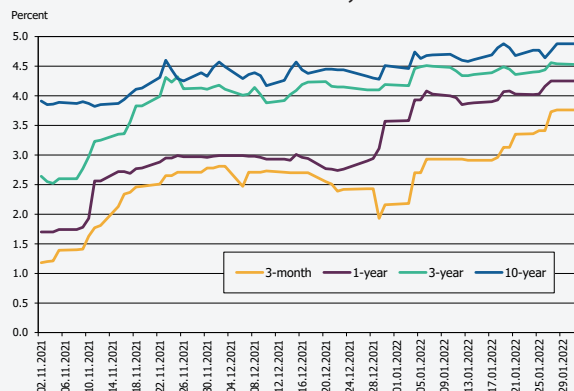
CENTRAL GOVERNMENT GROSS DEBT

HUF BILLION

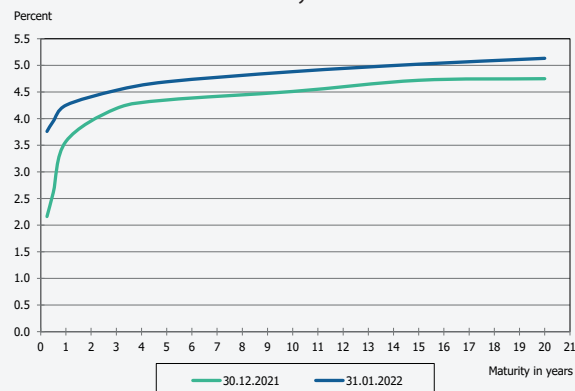
	2016	2017	2018	2019	2020	2021 November	2021 December	2022 January
1. Forint denominated debt	18,430.9	20,689.4	22,796.0	24,357.1	29,237.3	31,586.5	32,121.2	32,322.5
1.1. Loans	865.0	1,041.1	1,167.7	1,208.1	1,161.6	1,203.7	1,307.7	1,305.4
1.2. Government securities	17,565.8	19,648.3	21,628.3	23,149.0	28,075.7	30,382.8	30,813.5	31,017.0
1.2.1. Public issues	17,526.7	19,609.2	21,589.1	23,109.8	28,036.5	30,343.6	30,813.5	20,081.8
1.2.1.1. Bonds	11,562.4	11,767.1	12,836.1	13,378.5	18,206.6	19,891.5	20,220.0	20,081.8
1.2.1.2. Discount T-bills	896.4	1,039.2	1,237.3	657.3	658.2	590.4	583.2	777.4
1.2.1.3. Retail securities	5,067.9	6,802.9	7,515.7	9,074.0	9,171.7	9,861.8	10,010.2	10,157.8
1.2.2. Private placements	39.2	39.2	39.2	39.2	39.2	39.2	0.0	0.0
2. Foreign currency denominated debt*	6,256.5	5,782.5	5,724.8	5,121.2	7,318.2	8,452.9	8,395.2	8,170.5
2.1. Loans	1,101.6	929.1	795.0	825.4	1,291.1	1,338.7	1,345.2	1,305.5
2.1.1. Foreign loans	1,097.6	929.1	795.0	825.4	1,291.1	1,338.7	1,345.2	1,305.5
2.1.2. Domestic loans	4.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.2. Government securities	5,154.9	4,853.5	4,929.8	4,295.8	6,027.1	7,114.2	7,049.9	6,865.0
2.2.1. Issued abroad	4,618.9	4,145.9	4,246.2	3,713.5	5,481.3	6,598.6	6,594.9	6,400.4
2.2.2. Issued domestically	536.0	707.6	683.6	582.3	545.9	515.5	455.0	464.5
Total	24,687.4	26,472.0	28,520.7	29,478.3	36,555.5	40,039.4	40,516.4	40,493.0
Other liabilities	742.70	274.20	167.40	203.70	128.80	194.10	180.60	144.30
Total central government debt	25,430.0	26,746.2	28,688.2	29,682.0	36,684.3	40,233.4	40,697.0	40,637.3
Marketable HUF debt (1.2.1.1+1.2.1.2+1.2.2)	12,498.0	12,845.5	14,112.6	14,075.0	18,904.0	20,521.1	20,803.2	20,859.2
Gross debt/GDP	70.2%	68.1%	66.1%	62.4%	76.4%			

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

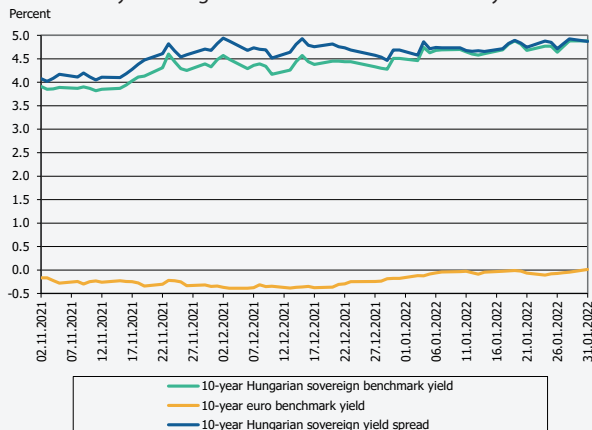
Benchmark yields



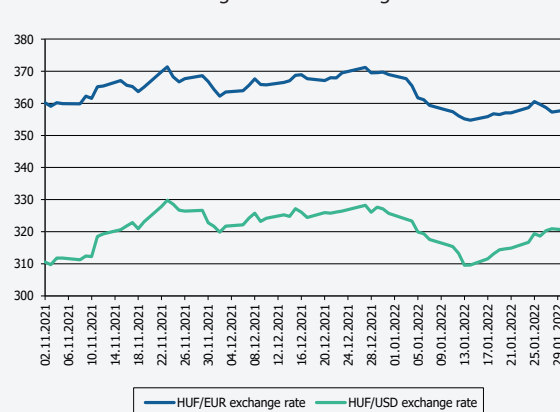
Benchmark yield curves



10-year Hungarian and eurozone benchmark yields



The exchange rate of the Hungarian Forint

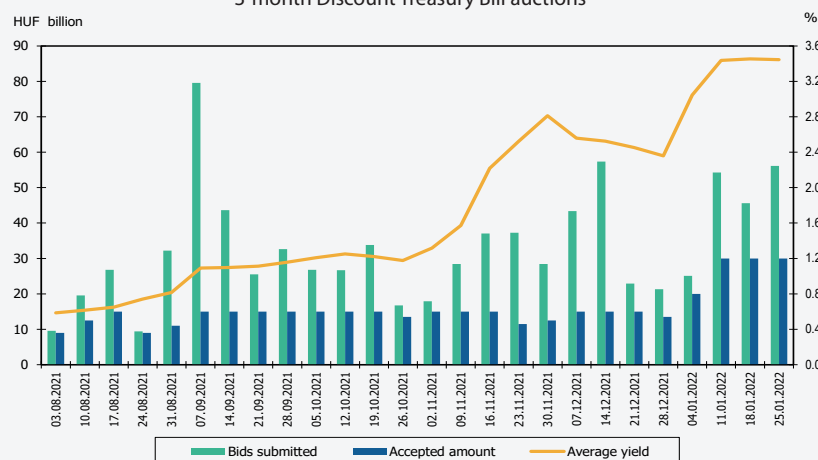


DISCOUNT TREASURY BILL AUCTION RESULTS

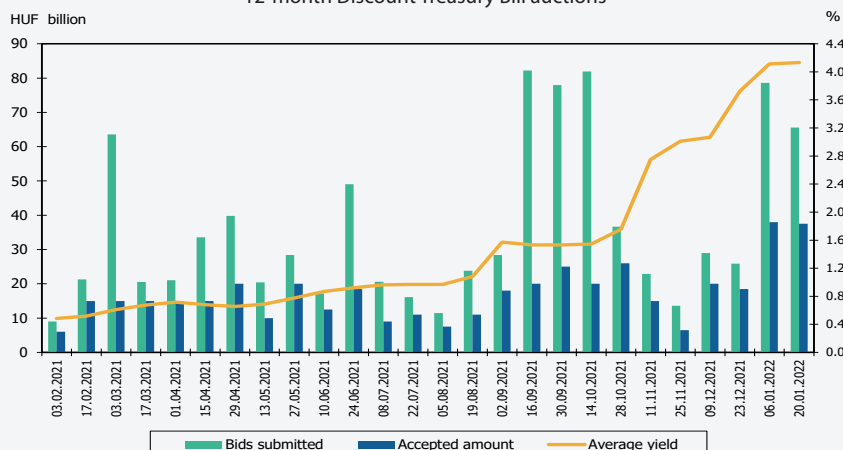
	3-month Discount T-bills				12-month Discount T-bills	
Code of T-bills	D220413	D220420	D220427	D220504	D221228	D221228
ISIN code	HU0000523972	HU0000523980	HU0000523998	HU0000523626	HU0000523956	HU0000523956
Maturity in days	91	91	91	91	350	336
Date of auction	04.01.2022	11.01.2022	18.01.2022	25.01.2022	06.01.2022	20.01.2022
Date of financial settlement	12.01.2022	19.01.2022	26.01.2022	02.02.2022	12.01.2022	26.01.2022
Redemption date	13.04.2022	20.04.2022	27.04.2022	04.05.2022	28.12.2022	28.12.2022
Maximum yield (%) - ISMA	3.60	3.50	3.49	3.48	4.25	4.20
Minimum yield (%) - ISMA	2.40	3.00	3.30	3.36	3.47	4.05
Average yield (%) - ISMA	3.04	3.44	3.45	3.44	4.11	4.13
Maximum yield (%) - EHM	3.65	3.55	3.54	3.53	4.31	4.26
Minimum yield (%) - EHM	2.43	3.04	3.35	3.41	3.52	4.11
Average yield (%) - EHM	3.09	3.48	3.50	3.49	4.17	4.19
Average selling price (%)	99.2363	99.1389	99.1344	99.1367	96.1548	96.2867
Amount offered for sale (HUF million)	20,000.00	20,000.00	20,000.00	30,000.00	30,000.00	30,000.00
Amount of bids submitted (HUF million)	25,117.08	54,249.00	45,601.02	56,124.32	78,574.61	65,564.39
Amount of bids accepted (HUF million)	20,000.00	29,999.98	29,999.98	30,000.00	37,999.97	37,499.99
Bid-to-cover ratio	1.26	1.81	1.52	1.87	2.07	1.75
Bids submitted (pcs)	18	46	39	37	35	23
Bids accepted (pcs)	17	20	21	15	22	11
Market sales* (HUF million)	20,000.00	29,999.98	29,999.98	30,000.00	37,999.97	37,499.99
Retained on ÁKK's own account (HUF million)	3,000.00	3,000.02	3,000.02	0.00	3,100.03	16,200.01
Total amount issued (HUF million)	23,000.00	33,000.00	33,000.00	30,000.00	69,000.00	53,700.00

* Without issuance onto ÁKK's own account

3-month Discount Treasury Bill auctions



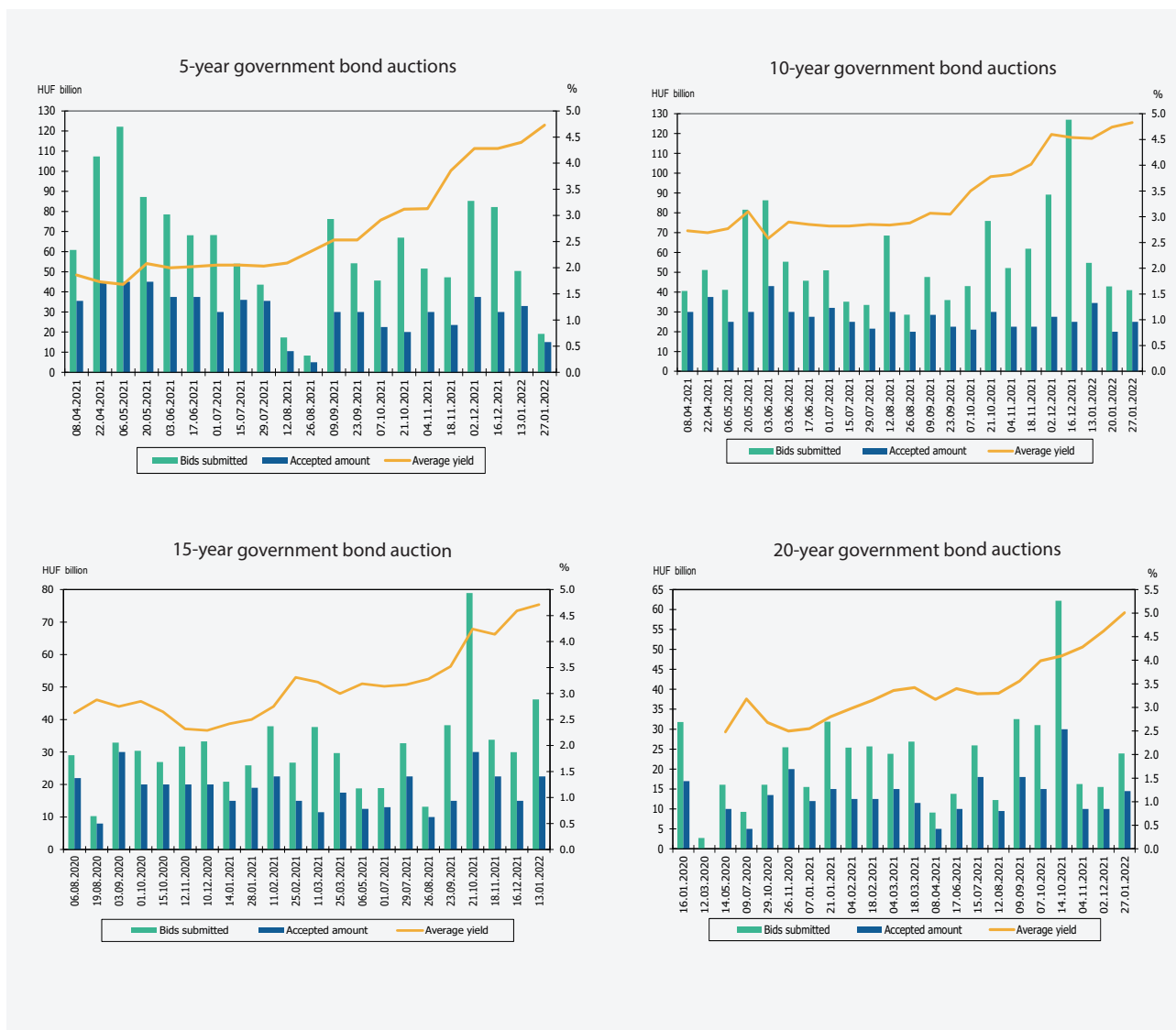
12-month Discount Treasury Bill auctions



GOVERNMENT BOND AUCTION RESULTS

Government Bond	2029/B	2028/B	2032/A	2038/A
ISIN code	HU0000404926	HU0000405543	HU0000405550	HU0000403555
Maturity (in years)	7	5	10	15
Coupon	2.45%	4.50%	4.75%	3.00%
Auction	21st auction	1st auction	1st auction	49th auction
Date of auction	06.01.2022	13.01.2022	13.01.2022	13.01.2022
Date of financial settlement	12.01.2022	19.01.2022	19.01.2022	19.01.2022
Redemption date	22.08.2029	23.03.2028	24.11.2032	27.10.2038
Maximum annual yield (%) - ISMA	-	4.42	4.54	4.72
Minimum annual yield (%) - ISMA	-	4.37	4.49	4.57
Average annual yield (%) - ISMA	-	4.40	4.52	4.71
Maximum annual yield (%) - EHM	-	4.42	4.54	4.71
Minimum annual yield (%) - EHM	-	4.37	4.49	4.57
Average annual yield (%) - EHM	-	4.40	4.52	4.71
Maximum price (%)	97.5000	100.6747	102.2065	81.8903
Minimum price (%)	97.3500	100.4083	101.7459	80.3810
Average price (%)	97.4000	100.5011	101.9388	80.4681
Amount offered for sale (HUF million)	20,000.00	25,000.00	25,000.00	15,000.00
Amount of bids submitted (HUF million)	60,800.00	50,400.00	54,720.00	46,186.81
Amount of bids accepted (HUF million)	29,999.99	32,999.98	34,500.00	22,500.00
Bid-to-cover ratio	2.03	1.53	1.59	2.05
Bids submitted (pcs)	43	56	67	53
Bids accepted (pcs)	23	34	39	15
Tail (%) (average price - minimum price)	0.05	0.09	0.19	0.09
Market sales (HUF million)	29,999.99	32,999.98	34,500.00	22,500.00
Non-competitive offer (HUF million)	11,253.33	4,359.37	7,620.00	5,903.99
Total amount sales (HUF million)	41,253.32	37,359.35	42,120.00	28,403.99

Government Bond	2029/B	2032/G	2028/B	2032/A	2041/A
ISIN code	HU0000404926	HU0000405535	HU0000405543	HU0000405550	HU0000404165
Maturity (in years)	7	10	5	10	20
Coupon	2.45%	4.50%	4.50%	4.75%	3.00%
Auction	22nd auction	1st auction	2nd auction	2nd auction	31st auction
Date of auction	20.01.2022	20.01.2022	27.01.2022	27.01.2022	27.01.2022
Date of financial settlement	26.01.2022	26.01.2022	02.02.2022	02.02.2022	02.02.2022
Redemption date	22.08.2029	27.05.2032	23.03.2028	24.11.2032	25.04.2041
Maximum annual yield (%) - ISMA	-	4.76	4.75	4.84	5.02
Minimum annual yield (%) - ISMA	-	4.73	4.67	4.81	4.99
Average annual yield (%) - ISMA	-	4.74	4.73	4.83	5.01
Maximum annual yield (%) - EHM	-	4.76	4.75	4.84	5.02
Minimum annual yield (%) - EHM	-	4.73	4.67	4.80	4.99
Average annual yield (%) - EHM	-	4.74	4.73	4.82	5.01
Maximum price (%)	97.3300	98.1820	99.0921	99.5250	75.7473
Minimum price (%)	97.1600	97.9373	98.6752	99.2239	75.4409
Average price (%)	97.2500	98.0895	98.7632	99.3793	75.5291
Amount offered for sale (HUF million)	15,000.00	15,000.00	30,000.00	20,000.00	10,000.00
Amount of bids submitted (HUF million)	91,080.00	42,870.00	19,062.00	40,951.68	23,891.00
Amount of bids accepted (HUF million)	22,500.00	19,999.98	15,000.00	25,000.00	14,499.98
Bid-to-cover ratio	4.05	2.14	1.27	1.64	1.65
Bids submitted (pcs)	46	66	27	46	57
Bids accepted (pcs)	20	21	23	26	26
Tail (%) (average price - minimum price)	0.09	0.15	0.09	0.16	0.09
Market sales (HUF million)	22,500.00	19,999.98	15,000.00	25,000.00	14,499.98
Non-competitive offer (HUF million)	7,944.00	800.00	0.00	5,645.07	1,720.00
Total amount sales (HUF million)	30,444.00	20,799.98	15,000.00	30,645.07	16,219.98

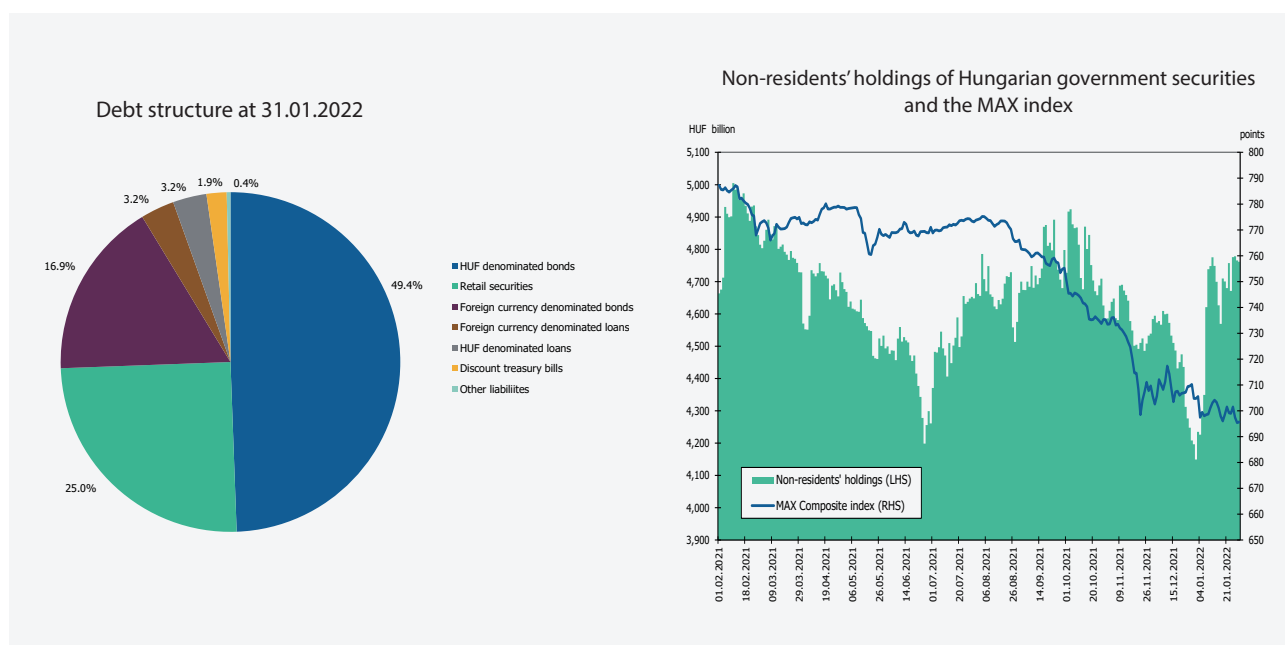
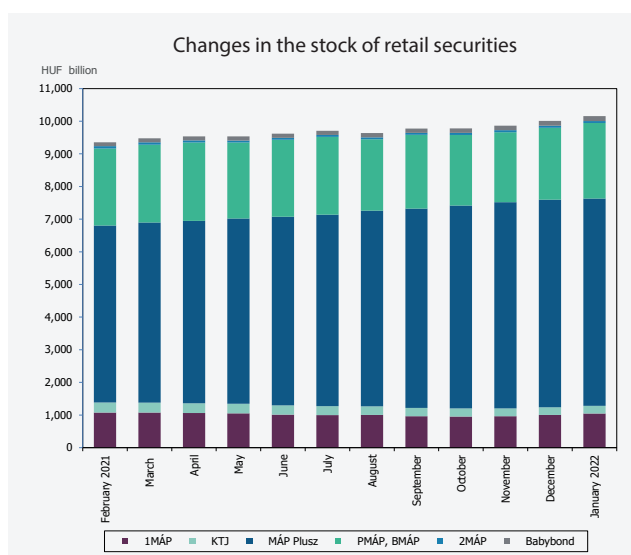


INTEREST RATE RESETS OF FLOATING RATE GOVERNMENT BONDS IN JANUARY 2022

Government bond	Date of interest rate reset	Interest period		Date of interest payment	Reset interest rate	Interest payable
2023/B	21.01.2022	26.01.2022	26.04.2022	26.04.2022	4.19%	1.05%
2025/K	14.01.2022	21.01.2022	27.03.2023	27.03.2023	5.85%	6.89%
2027/I	14.01.2022	21.01.2022	24.03.2023	24.03.2023	6.60%	7.72%
2027/B	19.01.2022	22.01.2022	22.04.2022	22.04.2022	4.19%	1.05%
2033/S	27.01.2022	01.02.2022	01.02.2023	01.02.2023	8.10%	8.10%
2034/S	27.01.2022	01.02.2022	01.02.2023	01.02.2023	8.10%	8.10%
2035/S	27.01.2022	01.02.2022	01.02.2023	01.02.2023	8.10%	8.10%
2036/S	27.01.2022	01.02.2022	01.02.2023	01.02.2023	8.10%	8.10%
2037/S	26.01.2022	01.02.2022	01.02.2023	01.02.2023	8.10%	8.10%
2038/S	26.01.2022	01.02.2022	01.02.2023	01.02.2023	8.10%	8.10%
2039/S	26.01.2022	01.02.2022	01.02.2023	01.02.2023	8.10%	8.10%
2040/S	26.01.2022	01.02.2022	01.02.2023	01.02.2023	8.10%	8.10%
2041/S	26.01.2022	01.02.2022	01.02.2023	01.02.2023	8.10%	8.10%

OUTSTANDING AMOUNT OF RETAIL SECURITIES

Retail securities	HUF billion		
	31.12.2021	31.01.2022	Change
1-year Hungarian Government Security / 1MÁP	1,001.6	1,048.4	46.9
Treasury Saving Bills / KTJ	234.7	232.1	-2.6
Hungarian Government Security Plus / MÁP Plusz	6,361.5	6,350.1	-11.4
Premium Hungarian Government Security / PMÁP	2,202.7	2,313.6	110.9
Bonus and 2-year Hungarian Government Security / BMÁP, 2MÁP	60.8	60.7	-0.2
Babybond	148.8	152.9	4.1
Total	10,010.2	10,157.8	147.6



HUNGARIAN GOVERNMENT SECURITIES INDICES

	MAX index	RMAX index	MAX Composite index	ZMAX index	HMAX index
Value as at 31.01.2022	732.0138	551.9525	695.6827	539.8504	86.4693
Changes compared to the end of the month before	-10.1259	-1.7508	-9.0789	-0.6509	-1.6568
Annual yield earned on the index portfolio (%)	-12.27	-0.91	-11.66	0.25	-14.74

Government bonds with the highest secondary market turnover in January 2022

Government bond	Date of redemption	Turnover (HUF billion)
2026/E	22.04.2026	954.5
2033/A	20.04.2033	524.2
2026/F	26.08.2026	457.4
2024/C	24.10.2024	357.2
2027/A	27.10.2027	337.1
2025/C	26.11.2025	266.6
2031/A	22.10.2031	240.4
2026/D	22.12.2026	209.1
D221228	28.12.2022	130.6
2032/A	24.11.2032	129.9

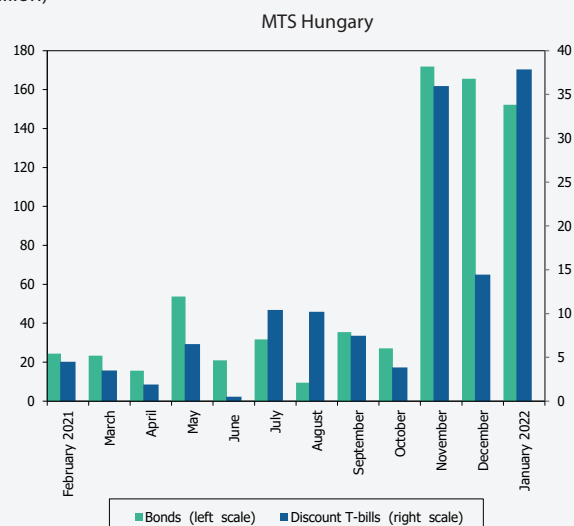
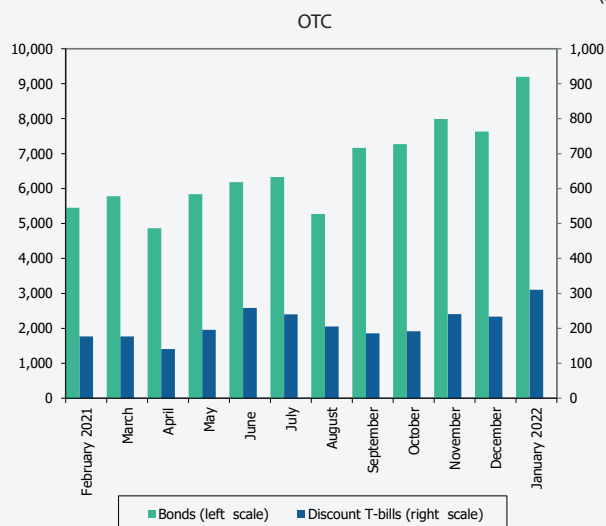
The outstanding volume of government bonds with benchmark status at the end of January 2022

Government bond	HUF billion	
	31.12.2021	31.01.2022
2024/C - 2025/C	1,138.42	1,350.39
2026/F	768.09	768.85
2033/A	1,182.17	1,202.36
2038/A	784.84	813.41
2041/A	415.24	415.24

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

Government bond	HUF billion
2031/A	1,473.25
2025/C	1,350.39
2027/A	1,255.24

Secondary market trading of Hungarian government securities (HUF billion)



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

