

# GOVERNMENT SECURITIES MARKET

## MARCH 2002 ■ MONTHLY REPORT

In March 2002 in spite of heavy fluctuations the yield level of government securities remained unchanged. There were political and also economical motives of these fluctuations: the former was the uncertainty about the outcome of the Hungarian parliamentary elections in April, the latter was the mixed picture that showed the development of the macroeconomic figures published during March (inflation was better, the balance of the current account and government budget were worse than expected). The reduction in the risk premium required by foreign investors on Hungarian government securities contributed to the smoothening of the yield development.

The short (T-bill) and long (government bonds) yields moved in the opposite direction during the month. Due to the current account and government budget figures published at the beginning of March the yield curve flattened, which reflected investors' unfavourable expectations. The better than expected CPI figure (6.2%) published on 12th March did not change the current mood of the market. Next week at the time of the bond auctions yield decreasing expectations enhanced and remained till the end of the month, which was in line with the continuous strengthening of the HUF exchange rate against the Euro.

The buoyant demand for government bonds on the primary market spurred the Issuer to increase the total offered amount by HUF 18 billion, so bonds were sold at yield level 30 bp higher than in February. The three-month discount T-bill auctions attracted significant demand resulting in lower yields, while the six- and twelve-months T-bill auctions were less popular, which was reflected in the yield level. The five-year bond auction attracted the most bids (HUF 74 billion) during the month, and led to a HUF 8 billion higher amount sold and a more than 2.0 cover ratio. On the KELLER OTC market turnover increased by one fourth in government bonds, while on the stock exchange the trading volume fell back. Only at the ten- and fifteen-year benchmark maturities occurred any significant change in yields, namely decrease by 10–20 basis points. The gap between short and long yields narrowed till the middle of the month, when this development reversed and the decrease in longer yields caused the slope of the benchmark yield curve to become slightly steeper in March.

In March an annual yield of 13.07 per cent could have been earned on the portfolio of the MAX Composite index which covers the whole government securities market (at least three months residual maturity). The annual yield of the RMAX index (which shows the price movements of government securities with a residual maturity of less than one year) was 11.09 per cent, while the MAX index yielded 14.10 per cent. The values of the MAX and RMAX indices rose by less than the amount of the interest accrued on them. The annual return both on MAX and RMAX increased compared to February, while the yield level stabilised.

The monthly budget deficit – excl. privatisation proceeds – was HUF 43.8 bn. The aggregate balance of the central government including the Social Security Funds' and the extrabudgetary funds' balances was HUF -62.2 bn. An extraordinary item of the borrowing requirement turned up in March and amounted to HUF 250.2 billion, namely the covering of the losses in the books of the National Bank of Hungary on its forex position because of the strengthening of the HUF against the Euro. The financing burden of this item was evenly spread among the issuances of the preceding months. The net issuance of government securities amounted to HUF 141.5 bn during the month, so there was an underfunding of HUF 170.9 billion in March.

Effective from 4th March 2002 CIB Central-European Bank Ltd., the parent bank of CIB Securities Ltd. and from 2nd April 2002 Bank of Hungarian Savings Cooperatives Ltd., the parent bank of Takarékbörker Ltd. took over its affiliates' primary dealer status as a legal successor. In both cases the new entrants represent the same financial service provider groups, and they contracted to take over all the responsibilities and rights of their predecessors under the same conditions.

Hungary's ratings in March 2002 were the following: Standard and Poor's – 'A-', Moody's Investor Service – 'A3'; Fitch Ratings Ltd. – 'A-'. Hungary's Forint denominated debt stood at 'A1' with Moody's, 'A' with Fitch Ratings Ltd. and 'A+' with Standard and Poor's.

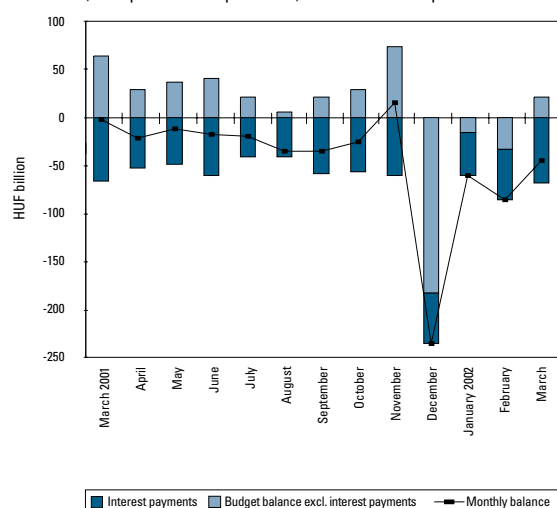
According to the data supplied by the Central Clearing House and Depository (Budapest) Ltd. for value date of 29th March 2002, foreign holdings of Hungarian government securities increased by HUF 34.4 bn (EUR 141 million) during March and amounted to HUF 1219.9 bn (EUR 5 billion) at the end of the month. Foreign holdings constituted 25% of the outstanding stock of publicly issued government securities at the end of March (the same figure for February was 25.1%). Their government securities holdings increased because of purchases at bond and T-bill auctions. During the month foreigners' share decreased by 10% in the secondary market due to the falling turnover in discount T-bills, according to primary dealers' reports. In the trading of government bonds foreigners caught up with the institutional investors, the most active investor group of the secondary market in March.



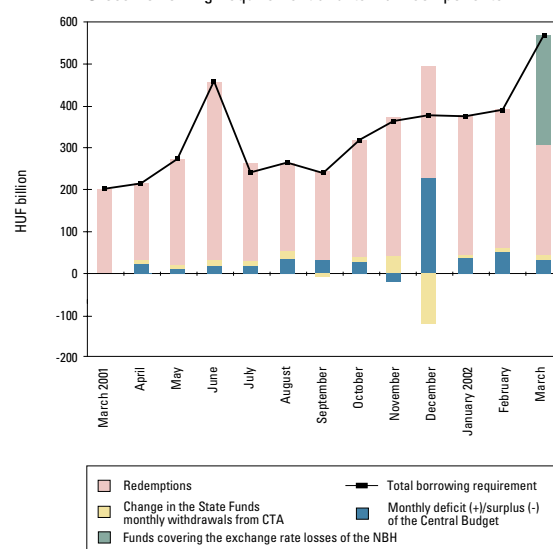
■ ÁLLAMI GARANCIÁVAL ■

# GOVERNMENT SECURITIES MARKET

Monthly Balance of the Central Government Budget  
(excl. privatization proceeds) and its main components



Gross Borrowing Requirement and its main components



## THE CENTRAL GOVERNMENT GROSS DEBT

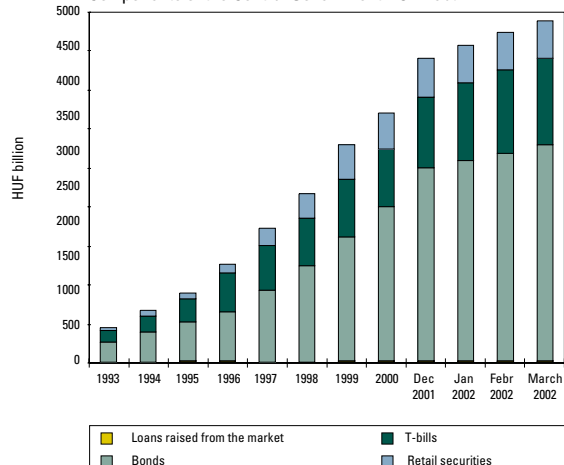
| Debt Stock                              | at current prices, in HUF billions |         |         |         |         |         |         |         |         |          |           |            |
|-----------------------------------------|------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|----------|-----------|------------|
|                                         | 1993                               | 1994    | 1995    | 1996    | 1997    | 1998    | 1999    | 2000    | 2001    | Jan 2002 | Febr 2002 | March 2002 |
| 1. Forint denominated                   | 2944.77                            | 3499.09 | 4377.40 | 4630.40 | 3151.67 | 3733.92 | 4350.19 | 4717.46 | 5397.92 | 5586.40  | 5762.63   | 5885.75    |
| 1.1. Loans                              | 1961.82                            | 2181.95 | 2766.55 | 2193.32 | 502.67  | 434.96  | 380.21  | 303.84  | 228.29  | 237.83   | 237.42    | 219.09     |
| 1.1.1. Raised from the market           |                                    | 8.49    | 28.49   | 19.00   | 0.19    | 0.06    | 17.79   | 14.34   | 10.93   | 20.47    | 20.06     | 20.06      |
| 1.1.2. Raised from NBH                  | 1961.82                            | 2173.46 | 2738.06 | 2174.32 | 502.48  | 434.90  | 362.43  | 289.50  | 217.36  | 217.36   | 217.36    | 199.02     |
| 1.1.2.1. Interest bearing loans         | 779.82                             | 733.40  | 714.76  | 611.01  | 502.48  | 434.90  | 362.43  | 289.50  | 217.36  | 217.36   | 217.36    | 199.02     |
| 1.1.2.2. Non-interest bearing loans     | 1182.00                            | 1440.06 | 2023.30 | 1563.31 |         |         |         |         |         |          |           |            |
| 1.2. Government securities              | 982.95                             | 1317.14 | 1610.85 | 2437.08 | 2649.00 | 3298.97 | 3969.98 | 4413.61 | 5169.64 | 5348.58  | 5525.21   | 5666.66    |
| 1.2.1. Public issues                    | 505.46                             | 739.75  | 963.59  | 1392.90 | 1900.85 | 2432.82 | 3116.83 | 3582.37 | 4360.56 | 4543.65  | 4724.91   | 4887.27    |
| 1.2.1.1. Bonds                          | 284.74                             | 424.61  | 546.61  | 708.49  | 998.73  | 1386.46 | 1790.84 | 2221.22 | 2782.40 | 2880.84  | 2996.47   | 3111.46    |
| 1.2.1.2. T-Bills                        | 179.12                             | 236.02  | 339.74  | 560.66  | 661.26  | 689.89  | 826.74  | 837.90  | 1032.96 | 1121.29  | 1194.58   | 1250.74    |
| 1.2.1.3. Retail securities              | 41.60                              | 79.11   | 77.24   | 123.75  | 240.86  | 356.47  | 499.25  | 523.25  | 545.21  | 541.52   | 533.86    | 525.07     |
| 1.2.2. Private placements               | 477.49                             | 577.39  | 647.26  | 1044.18 | 748.16  | 866.15  | 853.16  | 831.25  | 809.07  | 804.93   | 800.29    | 779.40     |
| 2. Forex denominated                    | 202.68                             | 252.52  | 356.10  | 301.98  | 2219.05 | 2431.87 | 2536.21 | 2508.75 | 2322.10 | 2293.80  | 2190.45   | 2202.01    |
| 2.1. Loans                              | 202.68                             | 236.50  | 345.46  | 258.35  | 2161.31 | 2367.83 | 1929.55 | 1772.75 | 1410.40 | 1392.61  | 1280.56   | 1300.79    |
| 2.1.1. Direct foreign loans             | 202.68                             | 236.50  | 319.89  | 256.94  | 274.60  | 249.65  | 361.19  | 368.80  | 317.81  | 312.62   | 315.08    | 344.50     |
| 2.1.1.1. Loans for reserves purposes    | 141.90                             | 166.30  | 152.30  | 107.40  | 72.11   | 50.49   | 56.84   | 65.11   | 61.04   | 62.45    | 62.12     | 57.58      |
| 2.1.1.2. Bös-Nagyvaros                  |                                    |         |         | 66.19   | 59.40   | 54.21   | 38.86   | 23.07   | 0.00    | 0.00     | 0.00      | 0.00       |
| 2.1.1.3. Others                         | 60.78                              | 70.20   | 167.59  | 83.35   | 143.08  | 144.95  | 265.49  | 280.62  | 256.78  | 250.17   | 252.96    | 286.92     |
| 2.1.2. Domestic                         |                                    |         | 25.57   | 1.40    | 1886.71 | 2118.18 | 1568.37 | 1403.95 | 1092.59 | 1079.99  | 965.47    | 956.28     |
| 2.1.2.1. Taken over in 1997             |                                    |         |         |         | 1886.71 | 2118.18 | 1568.37 | 1403.95 | 1092.59 | 1079.99  | 965.47    | 956.28     |
| 2.1.2.2. Others                         |                                    |         | 25.57   | 1.40    |         |         |         |         |         |          |           |            |
| 2.2. Government securities              |                                    | 16.02   | 10.65   | 43.63   | 57.74   | 64.04   | 606.66  | 735.99  | 911.70  | 901.19   | 909.89    | 901.23     |
| 2.2.1. Issued abroad                    |                                    |         |         | 32.99   | 40.70   | 44.44   | 587.11  | 715.67  | 911.70  | 901.19   | 909.89    | 901.23     |
| 2.2.1.1. Foreign currency bonds         |                                    |         |         | 32.99   | 40.70   | 43.81   | 586.78  | 715.37  | 911.45  | 900.94   | 909.64    | 900.98     |
| 2.2.1.2. Kingdom of Hungary 1924 issues |                                    |         |         |         |         | 0.64    | 0.33    | 0.30    | 0.25    | 0.25     | 0.25      | 0.25       |
| 2.2.2. Issued in the domestic market    |                                    | 16.02   | 10.65   | 10.65   | 17.04   | 19.60   | 19.55   | 20.32   |         |          |           |            |
| Total                                   | 3147.45                            | 3751.60 | 4733.50 | 4932.38 | 5370.72 | 6165.79 | 6886.40 | 7226.20 | 7720.03 | 7880.20  | 7953.07   | 8087.76    |

Memo item: marketable HUF debt

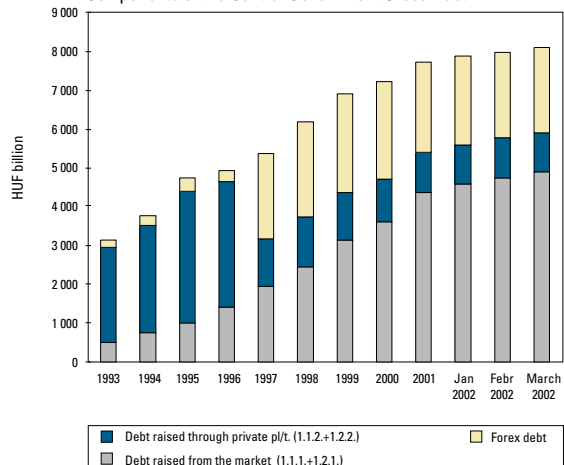
(1.2.1.1.+1.2.1.2.+1.2.2.) 941.35 1238.03 1533.61 2313.33 2408.15 2942.49 3470.73 3890.37 4624.43 4807.06 4991.34 5141.60

According to the declaration of the MoF Accounting Department the forex denominated debt is calculated upon the mid exchange rate quoted by the National Bank of Hungary on the last working day of the month.

Components of the Central Government HUF Debt



Components of the Central Government Gross Debt

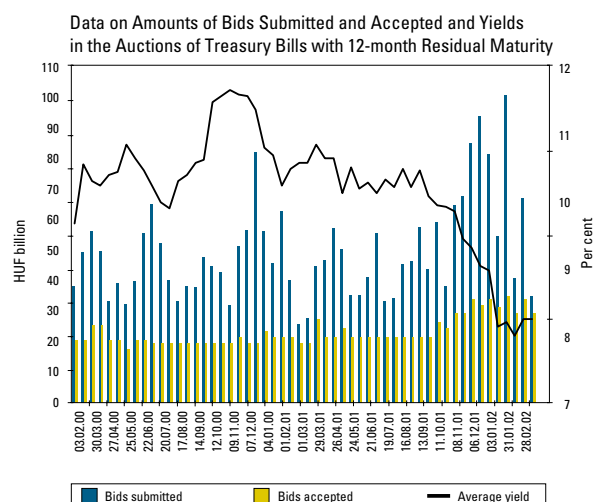
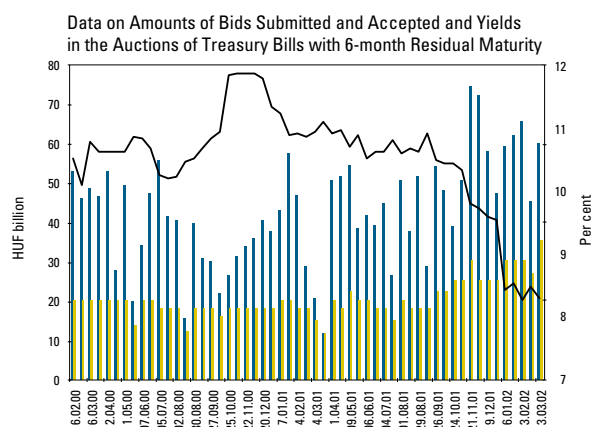
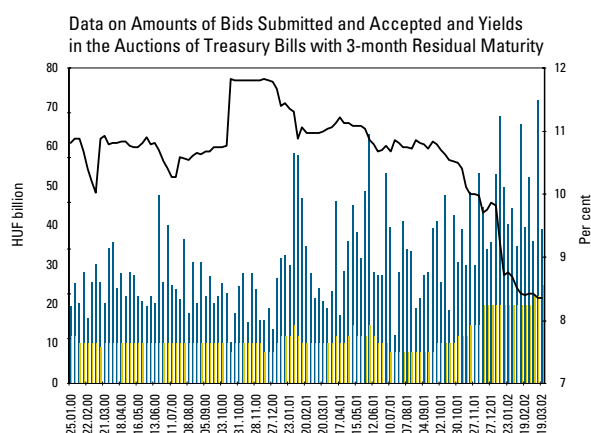


# ■ GOVERNMENT SECURITIES MARKET ■

## DATA ON DISCOUNT TREASURY BILL AUCTIONS

|                                                          | 3-month discount Treasury bill |            |            |            | 6-month discount Treasury bill |            | 12-month discount Treasury bill |            |
|----------------------------------------------------------|--------------------------------|------------|------------|------------|--------------------------------|------------|---------------------------------|------------|
|                                                          | N9                             | N10        | N11        | N12        | D1                             | D2         | K1                              | K1         |
| Code of T-bill                                           | D020605                        | D020612    | D020619    | D020626    | D020807                        | D021002    | D030219                         | D030219    |
| Maturity in days                                         | 91                             | 91         | 91         | 91         | 154                            | 196        | 350                             | 336        |
| Date of auction                                          | 26. 02. 02                     | 05. 03. 02 | 12. 03. 02 | 19. 03. 02 | 27. 02. 02                     | 13. 03. 02 | 28. 02. 02                      | 14. 03. 02 |
| Date of financial settlement                             | 06. 03. 02                     | 13. 03. 02 | 20. 03. 02 | 27. 03. 02 | 06. 03. 02                     | 20. 03. 02 | 06. 03. 02                      | 20. 03. 02 |
| Redemption date                                          | 05. 06. 02                     | 12. 06. 02 | 19. 06. 02 | 26. 06. 02 | 07. 08. 02                     | 02. 10. 02 | 19. 02. 03                      | 19. 02. 03 |
| Maximum annual bond yield equivalent (%)                 | 8.41                           | 8.43       | 8.35       | 8.38       | 8.47                           | 8.29       | 8.29                            | 8.31       |
| Average annual bond yield equivalent (%)                 | 8.40                           | 8.41       | 8.34       | 8.34       | 8.44                           | 8.25       | 8.26                            | 8.26       |
| Minimum annual bond yield equivalent (%)                 | 8.20                           | 8.20       | 8.20       | 8.10       | 8.05                           | 8.00       | 8.05                            | 8.10       |
| Average selling price (%)                                | 97.9487                        | 97.9463    | 97.9631    | 97.9631    | 96.5615                        | 95.7578    | 92.6608                         | 92.9336    |
| Offered for sale (HUF million)                           | 20,000.00                      | 20,000.00  | 22,000.00  | 22,000.00  | 27,000.00                      | 30,000.00  | 30,000.00                       | 30,000.00  |
| Amount of bids submitted (HUF million)                   | 52,325.09                      | 36,362.41  | 72,121.10  | 38,964.14  | 44,655.47                      | 59,538.46  | 69,215.85                       | 35,957.90  |
| Amount of bids accepted (HUF million)                    | 19,999.99                      | 22,000.00  | 22,000.00  | 25,000.00  | 27,000.00                      | 34,999.94  | 35,000.00                       | 30,000.00  |
| Cover (amount of bids submitted/amount of bids accepted) | 2.62                           | 1.65       | 3.28       | 1.56       | 1.65                           | 1.70       | 1.98                            | 1.20       |
| Bids submitted (no.s)                                    | 101                            | 98         | 148        | 116        | 95                             | 167        | 136                             | 130        |
| Bids accepted (no.s)                                     | 43                             | 62         | 49         | 80         | 63                             | 120        | 95                              | 123        |
| Market sales* (HUF million)                              | 19,999.99                      | 22,000.00  | 22,000.00  | 25,000.00  | 27,000.00                      | 34,999.94  | 35,000.00                       | 30,000.00  |
| Retained on GDMA account (HUF million)                   | 2000.01                        | 0.00       | 2000.00    | 2500.00    | 2500.00                        | 10,500.06  | 3500.00                         | 3000.00    |
| Total issue amount (HUF million)                         | 22,000.00                      | 22,000.00  | 24,000.00  | 27,500.00  | 29,500.00                      | 45,500.00  | 38,500.00                       | 33,000.00  |

\* Without GDMA purchase



# GOVERNMENT SECURITIES MARKET

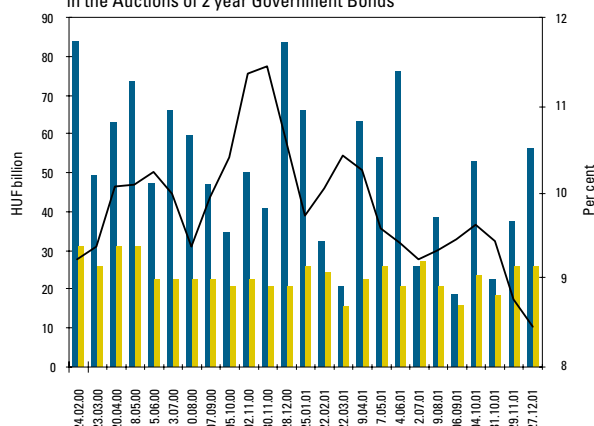
## DATA ON AUCTIONS OF GOVERNMENT BONDS

| Name of Government Bond                                  | 2005/G       | 2017/A       | 2005/G       | 2007/D       |
|----------------------------------------------------------|--------------|--------------|--------------|--------------|
| ISIN code of Government Bond                             | HU0000402060 | HU0000402037 | HU0000402060 | HU0000402052 |
| Maturity (in years)                                      | 3            | 15           | 3            | 5            |
| Coupon (%)                                               | 7.75         | 6.75         | 7.75         | 6.25         |
| Type of selling                                          | 5. auction   | 3. auction   | 6. auction   | 3. auction   |
| Date of auction                                          | 07-March-02  | 07-March-02  | 21-March-02  | 21-March-02  |
| Date of financial settlement                             | 14-March-02  | 14-March-02  | 28-March-02  | 28-March-02  |
| Redemption date                                          | 12-Apr-05    | 24-Nov-17    | 12-Apr-05    | 12-Jun-07    |
| Minimum annual yield (%)**                               | 7.55         | 6.78         | 7.70         | 7.38         |
| Maximum annual yield (%)**                               | 7.83         | 6.87         | 7.90         | 7.43         |
| Average annual yield (%)**                               | 7.79         | 6.83         | 7.88         | 7.42         |
| Maximum selling price (%)                                | 100,5406     | 99,6650      | 100,1330     | 95,2772      |
| Minimum selling price (%)                                | 99,7975      | 98,8176      | 99,6100      | 95,0742      |
| Average selling price (%)                                | 99,9025      | 99,2322      | 99,6698      | 95,1337      |
| Amount offered for sale (HUF million)                    | 25,000.00    | 15,000.00    | 30,000.00    | 24,000.00    |
| Amount of bids submitted (HUF million)                   | 54,338.01    | 24,583.06    | 54,826.48    | 73,776.00    |
| Amount of bids accepted (HUF million)                    | 29,999.95    | 14,999.98    | 35,000.00    | 32,000.00    |
| Cover (amount of bids submitted/amount of bids accepted) | 1.81         | 1.64         | 1.57         | 2.31         |
| Bids submitted (no.s)                                    | 129          | 94           | 113          | 153          |
| Bids accepted (no.s)                                     | 95           | 56           | 70           | 67           |
| Tail (average selling price – minimum selling price)     | 0.11         | 0.41         | 0.06         | 0.06         |
| Market sales* (HUF million)                              | 29,999.95    | 14,999.98    | 35,000.00    | 32,000.00    |
| Retained on GDMA account (HUF million)                   | 0.05         | 3000.02      | 0.00         | 0.00         |
| Total issue amount (HUF million)                         | 30,000.00    | 18,000.00    | 35,000.00    | 32,000.00    |

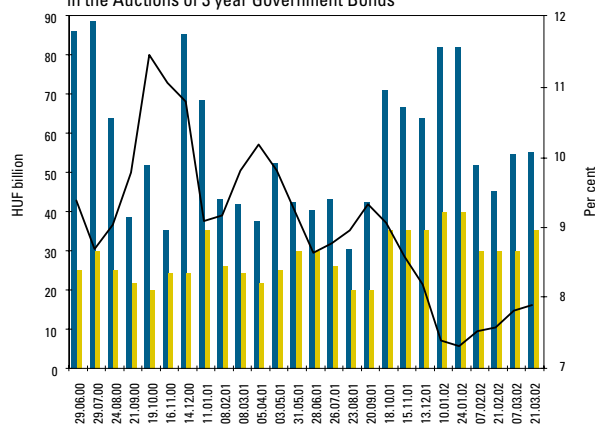
\* Without GDMA purchase

\*\* Assuming reinvestment of interest proceeds at the same rate of interest

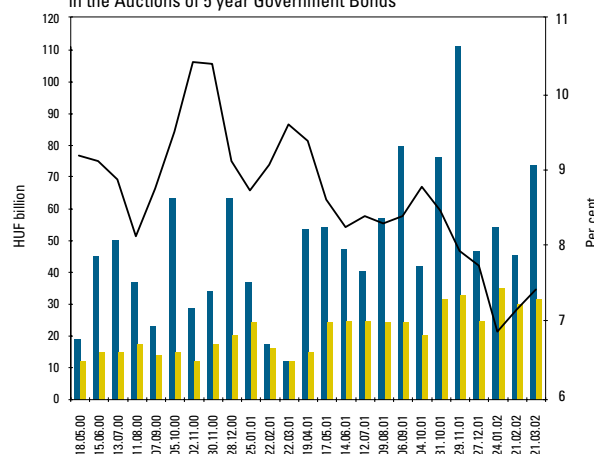
Data on Amount of Bids Submitted and Accepted and Yields in the Auctions of 2 year Government Bonds



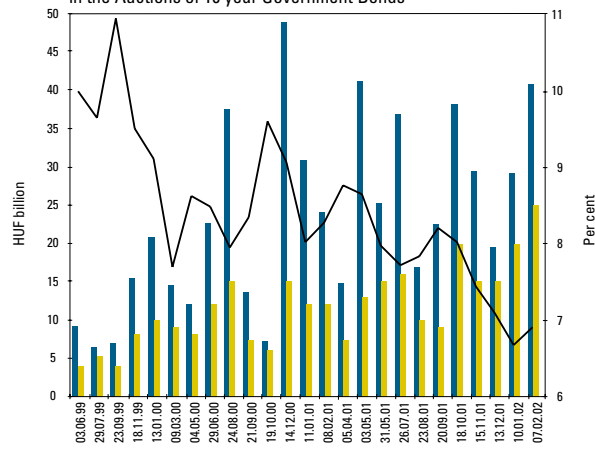
Data on Amount of Bids Submitted and Accepted and Yields in the Auctions of 3 year Government Bonds



Data on Amount of Bids Submitted and Accepted and Yields in the Auctions of 5 year Government Bonds



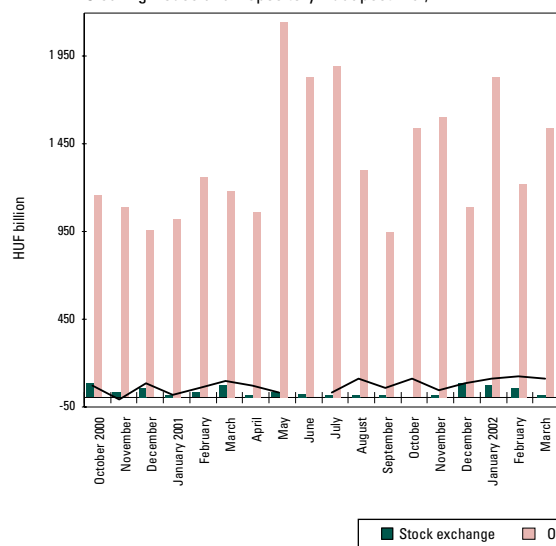
Data on Amount of Bids Submitted and Accepted and Yields in the Auctions of 10 year Government Bonds



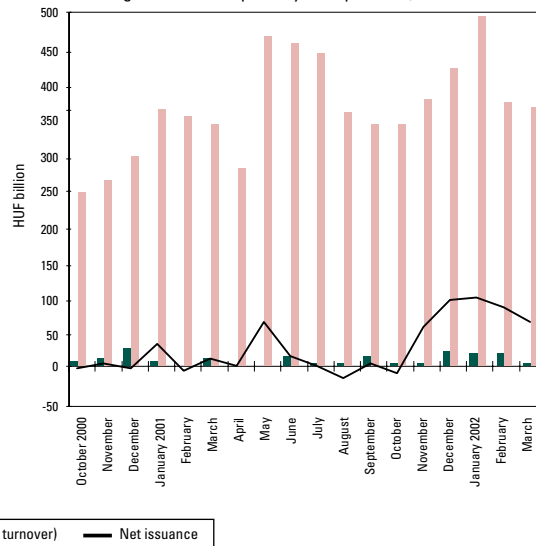
■ Bids submitted ■ Bids accepted — Average yield

# GOVERNMENT SECURITIES MARKET

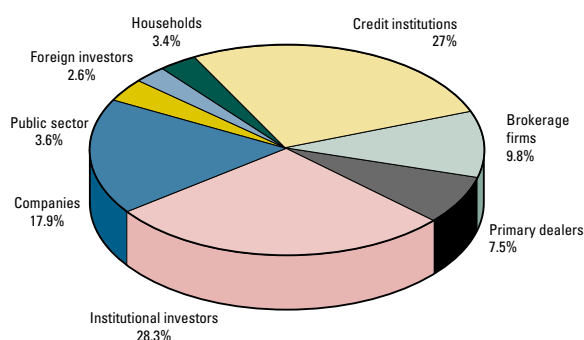
Secondary Market Turnover of Government Bonds  
(data source: Budapest Stock Exchange and Central Clearing House and Depository Budapest Plc.)



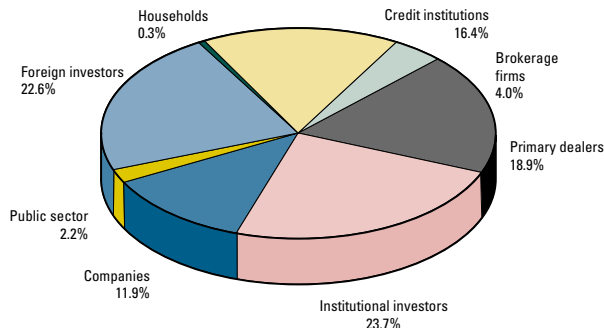
Secondary Market Turnover of Discount Treasury Bills  
(data source: Budapest Stock Exchange and Central Clearing House and Depository Budapest Plc.)



Share of Main Investor Groups of the Secondary Market Turnover in Discount Treasury Bills in March, 2002



Share of Main Investor Groups of the Secondary Market Turnover in Government Bonds in March, 2002



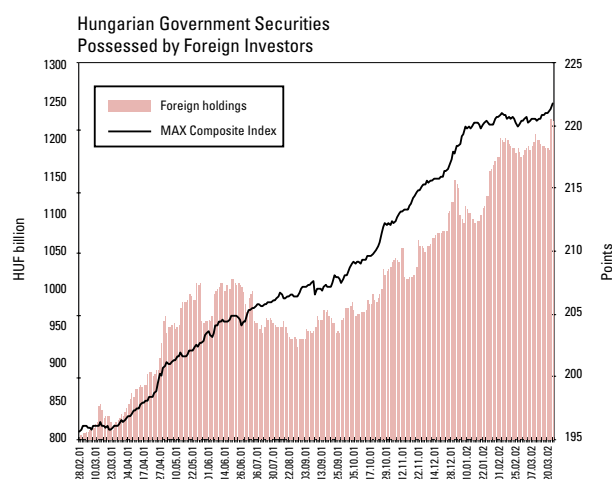
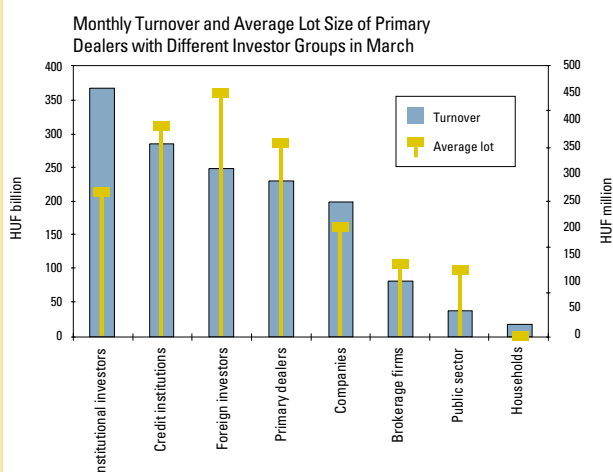
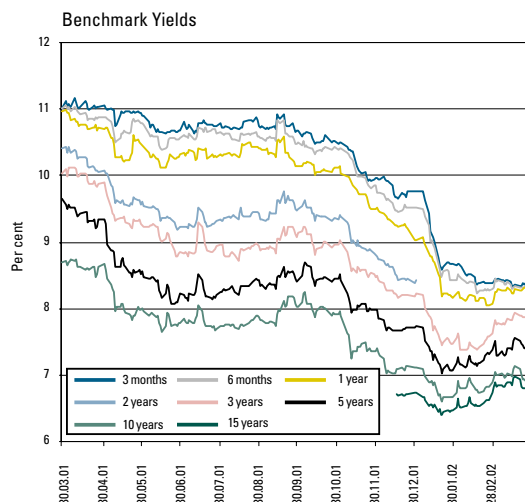
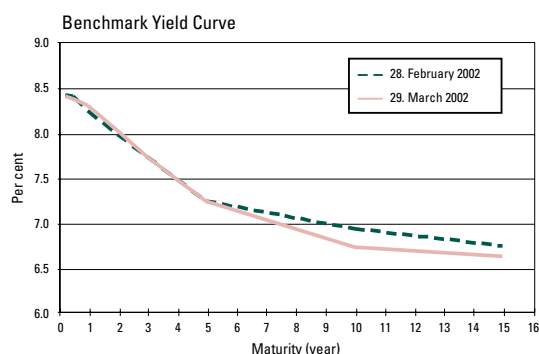
## HUNGARIAN GOVERNMENT SECURITIES TOTAL RETURN INDEX

|                                 | MAX index | RMAX index | MAX Composite |
|---------------------------------|-----------|------------|---------------|
| Value on 29. March 2002         | 226.739   | 214.2712   | 221.5512      |
| Monthly change (in March)       | 2.0943    | 1.5289     | 1.8959        |
| Annual yield (March, 2001–2002) | 14.10%    | 11.09%     | 13.07%        |

## PRIMARY DEALERS

| Primary dealers                         |                                                  | Primary dealers for retail securities            |
|-----------------------------------------|--------------------------------------------------|--------------------------------------------------|
| AEGON Magyarország Értékpapír Rt.       | Kereskedelmi és Hitelbank Rt.                    | CIB Bank Rt.                                     |
| CIB Bank Rt.                            | Országos Takarékpénztár és Kereskedelmi Bank Rt. | Kereskedelmi és Hitelbank Rt.                    |
| CITIBANK Rt.                            | Magyar Külkereskedelmi Bank Rt.                  | Országos Takarékpénztár és Kereskedelmi Bank Rt. |
| CAIB Értékpapír Rt.                     | Postabank és Takarékpénztár Rt.                  | Magyar Takarékszövetkezeti Bank Rt.              |
| Deutsche Bank Rt.                       | Raiffeisen Értékpapír és Befektetési Rt.         | and as Network Dealer:                           |
| ERSTE Bank Befektetési Magyarország Rt. | Magyar Takarékszövetkezeti Bank Rt.              | Hungarian State Treasury Branch Network          |
| ING Barings Értékpapír Rt.              |                                                  |                                                  |

# GOVERNMENT SECURITIES MARKET



## REUTERS PAGES (CODES)

Main page: HUTREASURY

### Data on auctions are accessible from 12.00

HUISSUE Publication of the following issues and reverse auctions

HUAUCTION01 Discount T-bills' auction results

HUAUCTION02 T-bonds' auction results

### Secondary market data

HUBONDFIX Benchmark yields' fixing (from 14.30 updated)

HUBONDINDEX Hungarian Government Total Return Index (MAX) (from 16.00 updated)

HUBONDINDEX2 Benchmark Indices for Government Bonds BMX2Y-10Y (from 16.00 updated)

.HUMAXBOND Hungarian Government Total Return Index (MAX) statistics

### Other

HUFLOATER Interest rate reset of floating rate bonds

HUBEST 456 Market makers listed by the codes of government securities

HUINDEXED Accrued interest and capital uplift (inflation adjusted capital) of the index-linked government bond on daily basis (till 2 month in advance)

HUBONDINFO Current list of authorized dealers (phone numbers)

Bloomberg pages (code): GDMA

Telerate pages (codes): 47184-47190

Homepage: [www.allampapir.hu](http://www.allampapir.hu)

## THE MOST LIQUID GOVERNMENT SECURITIES ON THE SECONDARY MARKET IN MARCH

| Name of the bond | Redemption date | Turnover |
|------------------|-----------------|----------|
| 2005/G           | 12. 04. 2005    | 124.969  |
| 2006/E           | 12. 05. 2006    | 105.976  |
| 2011/A           | 12. 02. 2011    | 94.474   |
| D030219          | 19. 02. 2003    | 94.014   |
| 2007/D           | 12. 06. 2007    | 89.944   |
| 2003/M           | 24. 11. 2003    | 61.311   |
| 2003/J           | 12. 04. 2003    | 60.183   |
| 2004/J           | 12. 10. 2004    | 57.186   |
| D020807          | 07. 08. 2002    | 54.212   |
| 2003/K           | 24. 09. 2003    | 53.880   |

## STOCK OUTSTANDING OF GOVERNMENT BONDS WHICH WERE OFFERED FOR SALE DURING MARCH

| Serial number of government bond | HUF billion       |                |
|----------------------------------|-------------------|----------------|
|                                  | 28. February 2002 | 29. March 2002 |
| 2005/G                           | 140.29            | 205.68         |
| 2007/D                           | 65.07             | 97.16          |
| 2013/D                           | 45.03             | 45.05          |
| 2017/A                           | 31.03             | 46.04          |

# ■ GOVERNMENT SECURITIES MARKET ■

| May                                                                    |                                                                                             |               |                                      |                                      |              |          |          |
|------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|---------------|--------------------------------------|--------------------------------------|--------------|----------|----------|
|                                                                        | Monday                                                                                      | Tuesday       | 1<br>Wednesday                       | 2<br>Thursday                        | 3<br>Friday  | 4<br>Sa  | 5<br>Su  |
| Discount T-bill Auction Announcement                                   |                                                                                             |               |                                      | 3-, 6- and 12-month Discount T-bills |              |          |          |
| Discount T-bill Auction                                                |                                                                                             | D020807       |                                      |                                      |              |          |          |
| Discount T-bill Settlement                                             |                                                                                             |               |                                      | D020731/D021002/D030416              |              |          |          |
| Discount T-bill Redemption                                             |                                                                                             |               |                                      | D020502                              |              |          |          |
| Interest Bearing T-bill Public Offer                                   |                                                                                             |               |                                      | 2003/10                              |              |          |          |
| Interest Bearing T-bill Subscription                                   | 2003/09                                                                                     |               |                                      | 2003/09                              |              |          |          |
| Government Bond Auction                                                |                                                                                             |               |                                      | 3 and 10 /15 fix rate bonds          |              |          |          |
| Government Bond Interest Payment                                       |                                                                                             |               |                                      | 2014/A semi-annual                   |              |          |          |
|                                                                        | 6<br>Monday                                                                                 | 7<br>Tuesday  | 8<br>Wednesday                       | 9<br>Thursday                        | 10<br>Friday | 11<br>Sa | 12<br>Su |
| Discount T-bill Auction Announcement                                   |                                                                                             |               | 3-month Discount T-bills             |                                      |              |          |          |
| Discount T-bill Auction                                                |                                                                                             | D020814       | D021127                              | D030416                              |              |          |          |
| Discount T-bill Settlement                                             |                                                                                             |               | D020807                              |                                      |              |          |          |
| Discount T-bill Redemption                                             |                                                                                             |               | D020508                              |                                      |              |          |          |
| Interest Bearing T-bill Subscription                                   | 2003/10                                                                                     |               |                                      |                                      |              |          |          |
| Interest Bearing T-bill Redemption                                     |                                                                                             |               |                                      | 2002/05                              |              |          |          |
| Government Bond Public Offer                                           |                                                                                             |               |                                      | 3 and 5 year bonds                   |              |          |          |
|                                                                        | 13<br>Monday                                                                                | 14<br>Tuesday | 15<br>Wednesday                      | 16<br>Thursday                       | 17<br>Friday | 18<br>Sa | 19<br>Su |
| Discount T-bill Auction Announcement                                   |                                                                                             |               | 3-, 6- and 12-month Discount T-bills |                                      |              |          |          |
| Discount T-bill Auction                                                |                                                                                             | D020821       |                                      |                                      |              |          |          |
| Discount T-bill Settlement                                             |                                                                                             |               | D020814/D021127/D030416              |                                      |              |          |          |
| Discount T-bill Redemption                                             |                                                                                             |               | D020515                              |                                      |              |          |          |
| Interest Bearing T-bill Public Offer                                   |                                                                                             |               | 2003/11                              |                                      |              |          |          |
| Interest Bearing T-bill Subscription                                   | 2003/10                                                                                     |               |                                      |                                      |              |          |          |
| Government Bond Auction                                                |                                                                                             |               |                                      | 3 and 5 year bonds                   |              |          |          |
| Government Bond Interest Payment 2004/H, 2005/E and 2006/E semi-annual |                                                                                             |               |                                      |                                      |              |          |          |
|                                                                        | 20<br>Monday                                                                                | 21<br>Tuesday | 22<br>Wednesday                      | 23<br>Thursday                       | 24<br>Friday | 25<br>Sa | 26<br>Su |
| Discount T-bill Auction Announcement                                   |                                                                                             |               | 3-month Discount T-bills             |                                      |              |          |          |
| Discount T-bill Auction                                                |                                                                                             | D020828       | D021127                              | D030416                              |              |          |          |
| Discount T-bill Settlement                                             |                                                                                             |               | D020821                              |                                      |              |          |          |
| Discount T-bill Redemption                                             |                                                                                             |               | D020522                              |                                      |              |          |          |
| Interest Bearing T-bill Subscription                                   | 2003/11                                                                                     |               |                                      |                                      |              |          |          |
| Government Bond Public Offer                                           |                                                                                             |               |                                      | 3 and 10 /15 fix rate bonds          |              |          |          |
| Government Bond Interest Payment                                       |                                                                                             |               |                                      | 2002/L and 2003/M semi-annual        |              |          |          |
|                                                                        | 27<br>Monday                                                                                | 28<br>Tuesday | 29<br>Wednesday                      | 30<br>Thursday                       | 31<br>Friday |          |          |
| Discount T-bill Auction Announcement                                   |                                                                                             |               | 3-, 6- and 12-month Discount T-bills |                                      |              |          |          |
| Discount T-bill Auction                                                |                                                                                             | D020904       |                                      |                                      |              |          |          |
| Discount T-bill Settlement                                             |                                                                                             |               | D020828/D021127/D030416              |                                      |              |          |          |
| Discount T-bill Redemption                                             |                                                                                             |               | D020529                              |                                      |              |          |          |
| Interest Bearing T-bill Public Offer                                   |                                                                                             |               | 2003/12                              |                                      |              |          |          |
| Interest Bearing T-bill Subscription                                   | 2003/11                                                                                     |               |                                      |                                      |              |          |          |
| Government Bond Auction                                                |                                                                                             |               |                                      | 3 and 10 /15 fix rate bonds          |              |          |          |
| Government Bond Redemption                                             |                                                                                             |               |                                      |                                      |              |          |          |
| Discount T-bill                                                        | D + the last two digits of the year of redemption and month, day (two digits) of redemption |               |                                      |                                      |              |          |          |
| Interest Bearing T-bill                                                | KK + the serial number denotes the year and month of redemption                             |               |                                      |                                      |              |          |          |
| Government Bonds                                                       | the four digit number denotes the year of redemption                                        |               |                                      |                                      |              |          |          |

## RESET OF GOVERNMENT BOND FLOATING RATES IN MARCH

| Code   | Reset Date   | Int. Period/<br>Date of Int. Payment | Reset Rate of Int.<br>(per cent) | Int. Rate Payable<br>(per cent) |
|--------|--------------|--------------------------------------|----------------------------------|---------------------------------|
| 2004/B | 01. 03. 2002 | 28. 03. 02 – 28. 09. 02              | 10.15                            | 5.12                            |
|        |              | 28. 09. 2002                         |                                  |                                 |
| 2003/H | 05. 03. 2002 | 12. 03. 02 – 12. 09. 02              | 8.38                             | 4.22                            |
|        |              | 12. 09. 2002                         |                                  |                                 |
| 2004/G | 20. 03. 2002 | 24. 03. 02 – 24. 09. 02              | 9.20                             |                                 |
|        |              | 24. 09. 02 – 24. 03. 03              |                                  |                                 |
| 2013/A | 20. 03. 2002 | 24. 03. 2003                         | 9.30                             |                                 |
|        |              | 20. 03. 02 – 20. 09. 02              |                                  |                                 |
|        |              | 20. 09. 02 – 20. 03. 03              |                                  |                                 |
|        |              | 20. 03. 2003                         |                                  |                                 |
| 2003/F | 20. 03. 2002 | 24. 09. 01 – 24. 03. 02              | 11.70                            | 10.44                           |
|        |              | 24. 03. 02 – 24. 09. 02              | 9.20                             |                                 |
|        |              | 24. 09. 2002                         |                                  |                                 |

# ■ GOVERNMENT SECURITIES MARKET ■

## MACROECONOMIC INDICATORS

|                                                                          | 1997    | 1998     | 1999    | 2000    | 2001    | Jan 2002 | Febr 2002 | March 2002 |
|--------------------------------------------------------------------------|---------|----------|---------|---------|---------|----------|-----------|------------|
| GDP growth (previous year = 100 per cent)****                            | 4.6     | 4.9      | 4.2     | 5.2*    | 3.8     |          |           |            |
| Industrial production (previous year = 100 per cent)**                   | 11.1    | 10.6     | 12.7    | 14.9    | 1.6     | -0.9     | -0.2      |            |
| Unemployment rate (per cent)#                                            | 8.7     | 7.8      | 7.0     | 6.4     | 5.7     | 5.6      | 5.7       |            |
| Consumer price index (same period of the previous year = 100 per cent)** | 18.4    | 10.3     | 11.2    | 10.1    | 9.2     | 6.6      | 6.2       | 5.9        |
| Consumer price index (previous month = 100 per cent)                     |         |          |         |         |         | 1.3      | 1.0       | 0.7        |
| Producer price index (same period of the previous year = 100 per cent)** | 19.5    | 7.1      | 8.2     | 11.6    | 5.2     | -0.4     | -0.1      |            |
| Producer price index (previous month = 100 per cent)                     |         |          |         |         |         | 0.1      | 0.3       |            |
| Net lending position of households (HUF Bn)#####                         | 650.9   | 794.2    | 637.0   | 678.9   | 721.4   | 62.7     | 22.1      | 19.8*      |
| Current account of BoP (EUR Mn)                                          | -848.0  | -2020.0  | -1975.0 | -1434.0 | -1248.0 | -390.3   | -198.0    |            |
| Direct investment net (EUR Mn)###                                        | 1533.0  | 1387.0   | 1612.0  | 1179.0  | 2348.0  | 182.9    | -49.1     |            |
| Balance of the central gov. budget (HUF Bn)***                           | -342.1  | -333.9   | -337.2  | -369.3  | -413.2  | -59.3    | -83.8     | -43.8      |
| Central government gross debt (HUF Bn)                                   | 5370.72 | 6165.79  | 6886.40 | 7226.20 | 7720.03 | 7883.99  | 7953.07   | 8087.76    |
| Central government gross debt (per cent of GDP)                          | 62.88%  | 61.13% * | 59.89%* | 55.29%* |         |          |           |            |
| Central government gross foreign exchange denominated debt (HUF Bn)      | 2219.05 | 2431.87  | 2536.21 | 2508.75 | 2322.10 | 2297.59  | 2190.45   | 2202.01    |
| Central government gross HUF denominated debt (HUF Bn)                   | 3151.67 | 3733.92  | 4350.19 | 4717.46 | 5397.92 | 5586.40  | 5762.63   | 5885.75    |
| The country's net foreign debt (EUR Mn)##                                | 9154.0  | 8966.0   | 8650.2  | 9062.1  | 6965.4  | 8384.8   | 8537.7    |            |
| The country's net foreign debt (per cent of GDP)                         | 22.60%  | 22.14% * | 19.18%* | 18.65%* |         |          |           |            |
| The official exch. rate of the NBH (end of period USD/HUF)####           | 203.50  | 219.03   | 252.52  | 284.73  | 279.03  | 282.21   | 283.98    | 279.18     |
| The official exch. rate of the NBH (end of period ECU/HUF)#####          | 224.54  | 255.70   | 254.92  | 264.94  | 246.33  | 243.49   | 245.84    | 243.50     |

Source: NBH, Central Statistical Office, MoF

\* Provisional

\*\* In the case of annual data December/previous December, of quarterly data March/previous March ratio is indicated

\*\*\* Excluding privatization proceeds

\*\*\*\* The provisional data on GDP growth in III. Quarter of 2001 were 3.7 per cent, in II. Quarter 4.0 per cent

##### Central Statistical Office

# Without intercompany loans

## With intercompany loans

### Between 1994–1996 the mid. exchange rate of National Bank of Hungary is indicated. From January of 1999 the exchange rate of the ECU has been replaced by the Euro

#### Calculated by the NBH, it is based on the Households' Savings excluding the revaluation of securities due to price and exchange rate changes and the effect of volume changes



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