# GOVERNMENT SECURITIES MARKET

## DECEMBER 2001 ▪ MONTHLY REPORT

In December 2001 government securities' yields decreased further. Due to the favourable macroeconomic figures and the excess liquidity yields – and inflation – reached their lowest level ever by the end of the month. The favourable expectations along the performance of the countries in Central-Eastern Europe contributed to the strong demand and yield decrease.

The short (T-bill) and long (government bonds) yields decreased in the beginning of the month due to favourable current account figures. The downward shift grew toward longer maturities and resulted in steeper yield curve reflecting investors' long run expectations. Foreigners enlarged their government securities holding by HUF 46 billion within a week. The HUF strengthened by 2.5 percentage points against the euro and neared to the stronger end of the floatation band in December because of the strong inflow of foreign investments. On 11th December a better than expected November CPI figure (7.1%) was published. On the same day the central bank cut its rates (by 50 bp), which coincided with the FED's same measure. The correction in yields occurred immediately after the announcement, the drop was strong on the short end but lessened toward longer maturities. In the second half of the month yields became stable, only the twelve months yield eased a bit, due to the significant demand for discount T-bills observed at the auction.

Buoyant demand and lower yields characterised the primary market. Significant demand attracted by discount T-bills caused yields to decrease. Bidders interested mostly for the twelve months T-bill auction, which spurred the Issuer to increase the amount by HUF 8 billion. Bond auctions also attracted twice more bids than the offered amount. The five year bond was the most popular, the record level of bids (HUF 111 billion) submitted at the auction exceeded the offered amount more than four times.

On the KELER OTC market turnover increased in discount T-bills and decreased in government bonds, while the stock exchange trading volume rose significantly. Benchmark yields decreased by 11–42 bp, and in December the slope of the benchmark yield curve became steeper only within the one year period. After the second auction of the new fifteen year bond series the long end of the yield curve extended to fifteen year with the new benchmark maturity. According to the Issuer's decision the two year bond issues were terminated from 2002, so benchmark yield for two year maturity won't be calculated from 2nd January 2002.

In December an annual yield of 12.40 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 11.14 per cent, while the MAX index yielded 13.02 per cent. The value of RMAX index rose just as, that of MAX index more than the amount of the interest accrued on them. The annual return both on MAX and RMAX decreased compared to November, because in December 2000 the price of the government securities rose significantly, so they could have been bought at higher price.

The monthly budget deficit – excl. privatisation proceeds – was HUF 234.7 bn. So the aggregate balance of the central government including the Social Security Funds' and the extrabudgetary funds' balances was HUF -117.9 bn. The net issuance amounted to HUF 144.3 bn during the month, so there was an overfunding of HUF 26.4 billion in December.

Effective from 1st January 2002 the number of primary dealers rose to thirteen with Magyar Külkereskedelmi Bank Rt. entering the system.

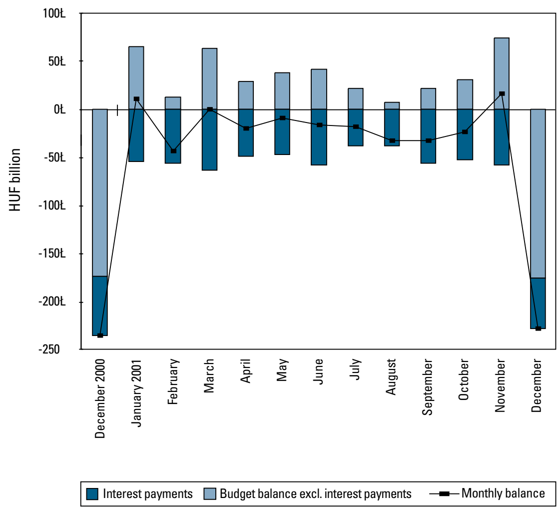
Hungary's ratings in December 2001 were the following: Standard and Poor's – 'A-', Moody's Investor Service – 'A3'; IBCA – 'A-'. Hungary's forint denominated debt stood at 'A1' with Moody's, 'A' with IBCA and 'A+' with Standard and Poor's.

According to the data supplied by the Central Clearing House and Depository Budapest for value date of 31st December 2001, foreign holdings of Hungarian government securities increased by HUF 60.3 bn (EUR 245 million) during December and amounted to HUF 1075.5 bn (EUR 4 billion) at the end of the month. Foreign holdings constituted 24.7% of the outstanding stock of publicly issued government securities in December (the same figure for November was 24.1%). In December according to primary dealers' reports foreigners' share decreased in the secondary market turnover, they traded a larger amount of government bonds and a smaller of discount T-bills. Their government securities holdings increased because of purchases at bond and T-bill auctions.

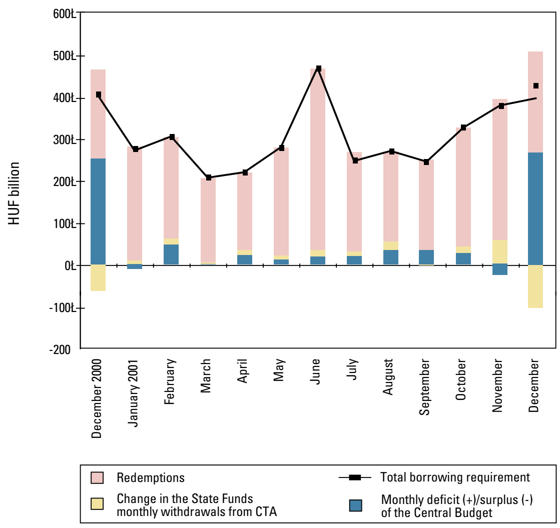
MAGYAR ÁLLAMPAPÍR
▪ ÁLLAMI GARANCIÁVAL ▪

# GOVERNMENT SECURITIES MARKET

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




Gross Borrowing Requirement and its main components

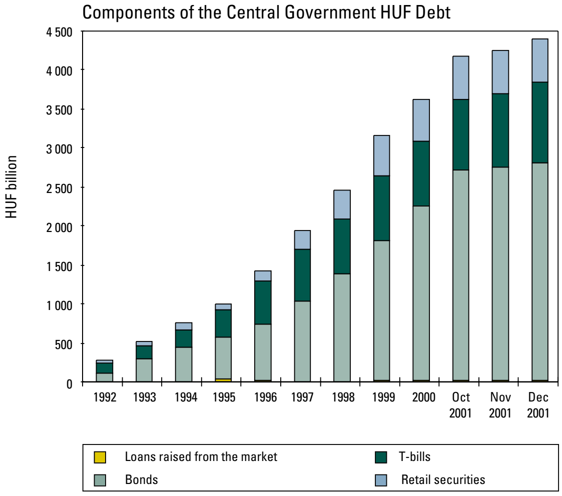



## THE CENTRAL GOVERNMENT GROSS DEBT

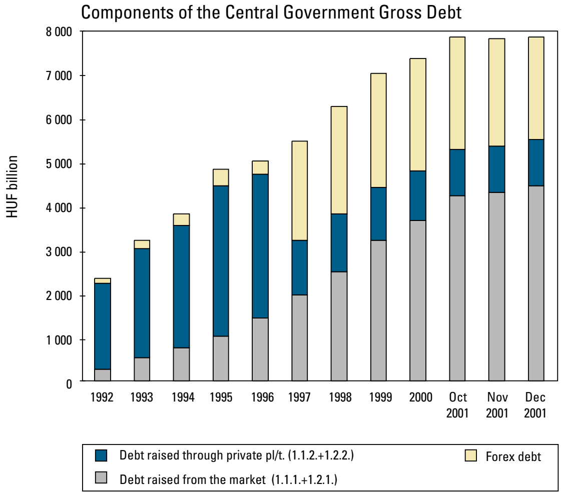
| Debt Stock | at current prices, in HUF billions | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | Oct 2001 | Nov 2001 | Dec 2001 |
| 1. Forint denominated | 2171.19 | 2944.77 | 3499.09 | 4377.40 | 4630.40 | 3151.67 | 3733.92 | 4350.19 | 4717.46 | 5198.81 | 5269.15 | 5393.55 |
| 1.1. Loans | 1704.50 | 1961.82 | 2181.95 | 2766.55 | 2193.32 | 502.67 | 434.96 | 380.21 | 303.84 | 246.60 | 246.32 | 228.27 |
| 1.1.1. Raised from the market | | | 8.49 | 28.49 | 19.00 | 0.19 | 0.06 | 17.79 | 14.34 | 11.21 | 10.93 | 10.92 |
| 1.1.2. Raised from NBH | 1704.50 | 1961.82 | 2173.46 | 2738.06 | 2174.32 | 502.48 | 434.90 | 362.43 | 289.50 | 235.39 | 235.39 | 217.36 |
| 1.1.2.1. Interest bearing loans | 815.60 | 779.82 | 733.40 | 714.76 | 611.01 | 502.48 | 434.90 | 362.43 | 289.50 | 235.39 | 235.39 | 217.36 |
| 1.1.2.2. Non-interest bearing loans | 888.90 | 1182.00 | 1440.06 | 2023.30 | 1563.31 | | | | | | | |
| 1.2. Government securities | 466.69 | 982.95 | 1317.14 | 1610.85 | 2437.08 | 2649.00 | 3298.97 | 3969.98 | 4413.61 | 4952.21 | 5022.83 | 5165.27 |
| 1.2.1. Public issues | 267.33 | 505.46 | 739.75 | 963.59 | 1392.90 | 1900.85 | 2432.82 | 3116.83 | 3582.37 | 4143.14 | 4213.75 | 4360.34 |
| 1.2.1.1. Bonds | 110.02 | 284.74 | 424.61 | 546.61 | 708.49 | 998.73 | 1386.46 | 1790.84 | 2221.22 | 2689.88 | 2718.16 | 2782.40 |
| 1.2.1.2. T-Bills | 122.70 | 179.12 | 236.02 | 339.74 | 560.66 | 661.26 | 689.89 | 826.74 | 837.90 | 899.54 | 946.83 | 1032.96 |
| 1.2.1.3. Retail securities | 34.60 | 41.60 | 79.11 | 77.24 | 123.75 | 240.86 | 356.47 | 499.25 | 523.25 | 553.71 | 548.77 | 544.99 |
| 1.2.2. Private placements | 199.37 | 477.49 | 577.39 | 647.26 | 1044.18 | 748.16 | 866.15 | 853.16 | 831.25 | 809.07 | 809.07 | 804.93 |
| 2. Forex denominated | 133.90 | 202.68 | 252.52 | 356.10 | 301.98 | 2219.05 | 2431.87 | 2536.21 | 2508.75 | 2498.14 | 2401.12 | 2328.02 |
| 2.1. Loans | 133.90 | 202.68 | 236.50 | 345.46 | 258.35 | 2161.31 | 2368.46 | 1929.88 | 1773.06 | 1533.73 | 1450.76 | 1416.57 |
| 2.1.1. Direct foreign loans | 133.90 | 202.68 | 236.50 | 319.89 | 256.94 | 274.60 | 250.28 | 361.51 | 369.11 | 340.44 | 334.66 | 323.98 |
| 2.1.1.1. Loans for reserves purposes | 116.20 | 141.90 | 166.30 | 152.30 | 107.40 | 72.11 | 50.49 | 56.84 | 65.11 | 62.56 | 62.93 | 61.86 |
| 2.1.1.2. Bős–Nagymaros | | | | | 66.19 | 59.40 | 54.21 | 38.86 | 23.07 | 10.10 | 7.82 | 5.91 |
| 2.1.1.3. Others | 17.70 | 60.78 | 70.20 | 167.59 | 83.35 | 143.08 | 145.59 | 265.82 | 280.92 | 267.78 | 263.91 | 256.20 |
| 2.1.2. Domestic | | | | 25.57 | 1.40 | 1886.71 | 2118.18 | 1568.37 | 1403.95 | 1193.29 | 1116.10 | 1092.59 |
| 2.1.2.1. Taken over in 1997 | | | | | | 1886.71 | 2118.18 | 1568.37 | 1403.95 | 1193.29 | 1116.10 | 1092.59 |
| 2.1.2.2. Others | | | | 25.57 | 1.40 | | | | | | | |
| 2.2. Government securities | | | 16.02 | 10.65 | 43.63 | 57.74 | 63.40 | 606.33 | 735.69 | 964.41 | 950.36 | 911.45 |
| 2.2.1. Issued abroad | | | | | 32.99 | 40.70 | 43.81 | 586.78 | 715.37 | 944.83 | 931.06 | 911.45 |
| 2.2.1.1. Loans for reserves purposes | | | | | 32.99 | 40.70 | 43.81 | 50.50 | | | | |
| 2.2.1.2. Others | | | | | | | | 536.27 | 715.37 | 944.83 | 931.06 | 911.45 |
| 2.2.2. Issued in the domestic market | | | 16.02 | 10.65 | 10.65 | 17.04 | 19.60 | 19.55 | 20.32 | 19.58 | 19.30 | |
| Total | 2305.09 | 3147.45 | 3751.60 | 4733.50 | 4932.38 | 5370.72 | 6165.79 | 6886.40 | 7226.20 | 7696.95 | 7670.27 | 7721.56 |
| Memo item: marketable HUF debt (1.2.1.1.+1.2.1.2.+1.2.2.) | 432.09 | 941.35 | 1238.03 | 1533.61 | 2313.33 | 2408.15 | 2942.49 | 3470.73 | 3890.37 | 4398.49 | 4474.06 | 4620.29 |

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

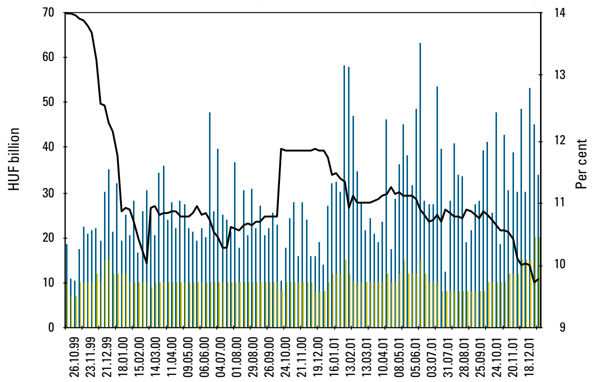


## DATA ON DISCOUNT TREASURY BILL AUCTIONS

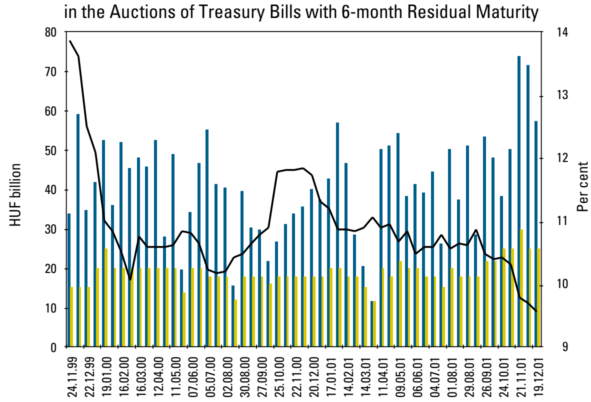
| | 3-month discount Treasury bill | | | | 6-month discount Treasury bill | | 12-month discount Treasury bill | |
|---|---|---|---|---|---|---|---|---|
| | N48 | N49 | N50 | N51 | D14 | D14 | K13 | K14 |
| Code of T-bill | D020306 | D020313 | D020320 | D020327 | D020612 | D020612 | D021030 | D021227 |
| Maturity in days | 91 | 91 | 91 | 90 | 182 | 167 | 322 | 365 |
| Date of auction | 27. 11. 01 | 04. 12. 01 | 11. 12. 01 | 18. 12. 01 | 05. 12. 01 | 19. 12. 01 | 06. 12. 01 | 20. 12. 01 |
| Date of financial settlement | 05. 12. 01 | 12. 12. 01 | 19. 12. 01 | 27. 12. 01 | 12. 12. 01 | 27. 12. 01 | 12. 12. 01 | 27. 12. 01 |
| Redemption date | 06. 03. 02 | 13. 03. 02 | 20. 03. 02 | 27. 03. 02 | 12. 06. 02 | 12. 06. 02 | 30. 10. 02 | 27. 12. 02 |
| Maximum annual bond yield equivalent (%) | 10.03 | 9.98 | 9.71 | 9.80 | 9.69 | 9.59 | 9.36 | 9.09 |
| Average annual bond yield equivalent (%) | 9.99 | 9.97 | 9.69 | 9.74 | 9.68 | 9.53 | 9.34 | 9.07 |
| Minimum annual bond yield equivalent (%) | 9.60 | 9.60 | 9.40 | 9.25 | 9.40 | 9.15 | 9.10 | 9.00 |
| Average selling price (%) | 97.5699 | 97.5758 | 97.6411 | 97.6547 | 95.3955 | 95.8219 | 92.3876 | 91.6842 |
| Offered for sale (HUF million) | 15,000.00 | 15,000.00 | 20,000.00 | 20,000.00 | 25,000.00 | 25,000.00 | 30,000.00 | 25,000.00 |
| Amount of bids submitted (HUF million) | 30,012.18 | 53,460.20 | 45,063.57 | 34,080.22 | 71,733.64 | 57,240.31 | 87,505.38 | 96,609.79 |
| Amount of bids accepted (HUF million) | 15,000.00 | 14,999.99 | 19,999.99 | 20,000.00 | 24,999.97 | 24,999.98 | 35,000.00 | 32,999.99 |
| Cover (amount of bids submitted/amount of bids accepted) | 2.00 | 3.56 | 2.25 | 1.70 | 2.87 | 2.29 | 2.50 | 2.93 |
| Bids submitted (no.s) | 89 | 133 | 128 | 73 | 184 | 148 | 169 | 156 |
| Bids accepted (no.s) | 54 | 47 | 68 | 62 | 68 | 93 | 65 | 33 |
| Market sales* (HUF million) | 15,000.00 | 14,999.99 | 19,999.99 | 20,000.00 | 24,999.97 | 24,999.98 | 35,000.00 | 32,999.99 |
| Retained on GDMA account (HUF million) | 1500.00 | 1500.01 | 0.01 | 2000.00 | 2500.03 | 2500.02 | 3500.00 | 9500.01 |
| Total issue amount (HUF million) | 16,500.00 | 16,500.00 | 20,000.00 | 22,000.00 | 27,500.00 | 27,500.00 | 38,500.00 | 42,500.00 |

* Without GDMA purchase

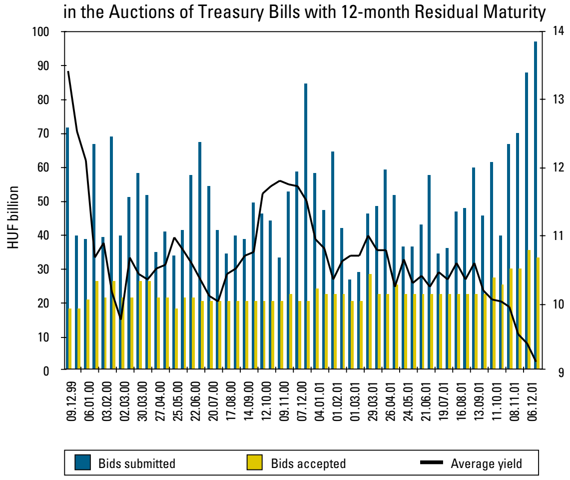
Data on Amounts of Bids Submitted and Accepted and Yields in the Auctions of Treasury Bills with 3-month Residual Maturity




Data on Amounts of Bids Submitted and Accepted and Yields in the Auctions of Treasury Bills with 6-month Residual Maturity




Data on Amounts of Bids Submitted and Accepted and Yields in the Auctions of Treasury Bills with 12-month Residual Maturity



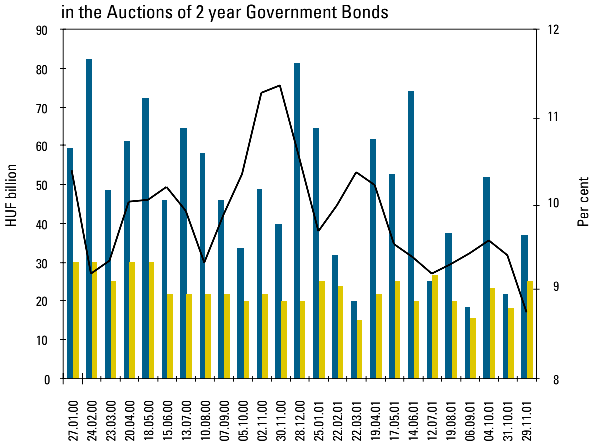
## DATA ON AUCTIONS OF GOVERNMENT BONDS

| Name of government bond | 2003/M | 2006/E | 2017/A | 2004/J | 2011/A |
|---|---|---|---|---|---|
| ISIN code of government bond | HU0000402011 | HU0000401963 | HU0000402037 | HU0000402029 | HU0000401922 |
| Maturity (in years) | 2 | 5 | 15 | 3 | 10 |
| Coupon (%) | 8.5 | 8.5 | 6.75 | 8.5 | 7.5 |
| Type of selling | 6. auction | 12. auction | 2. auction | 7. auction | 15. auction |
| Date of auction | 29-Nov-01 | 29-Nov-01 | 06-Dec-01 | 13-Dec-01 | 13-Dec-01 |
| Date of financial settlement | 06-Dec-01 | 06-Dec-01 | 13-Dec-01 | 20-Dec-01 | 20-Dec-01 |
| Redemption date | 24-Nov-03 | 12-May-06 | 17-Nov-24 | 12-Oct-04 | 12-Feb-11 |
| Minimum annual yield (%)** | 8.70 | 7.75 | 6.64 | 8.14 | 7.02 |
| Maximum annual yield (%)** | 8.76 | 7.93 | 6.74 | 8.18 | 7.10 |
| Average annual yield (%)** | 8.74 | 7.92 | 6.68 | 8.17 | 7.06 |
| Maximum selling price (%) | 99.8482 | 103.2896 | 101.0010 | 101.1862 | 103.9709 |
| Minimum selling price (%) | 99.7453 | 102.6370 | 100.0341 | 101.0899 | 103.4412 |
| Average selling price (%) | 99.7864 | 102.6702 | 100.5791 | 101.1215 | 103.7066 |
| Amount offered for sale (HUF million) | 20,000.00 | 25,000.00 | 15,000.00 | 30,000.00 | 15,000.00 |
| Amount of bids submitted (HUF million) | 36,720.26 | 111,465.23 | 22,274.93 | 63,272.12 | 19,441.48 |
| Amount of bids accepted (HUF million) | 25,000.00 | 32,999.98 | 15,000.00 | 35,000.00 | 15,000.00 |
| Cover (amount of bids submitted/amount of bids accepted) | 1.47 | 3.38 | 1.48 | 1.81 | 1.30 |
| Bids submitted (no.s) | 77 | 204 | 82 | 165 | 81 |
| Bids accepted (no.s) | 50 | 44 | 57 | 109 | 70 |
| Tail (average selling price – minimum selling price) | 0.04 | 0.03 | 0.55 | 0.03 | 0.27 |
| Market sales* (HUF million) | 25,000.00 | 32,999.98 | 15,000.00 | 35,000.00 | 15,000.00 |
| Retained on GDMA account (HUF million) | 5000.00 | 6600.02 | 3000.00 | 7000.00 | 3000.00 |
| Total issue amount (HUF million) | 30,000.00 | 39,600.00 | 18,000.00 | 42,000.00 | 18,000.00 |

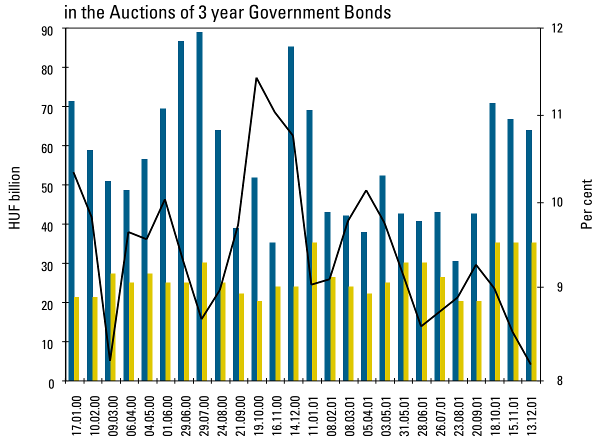
* Without GDMA purchase

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

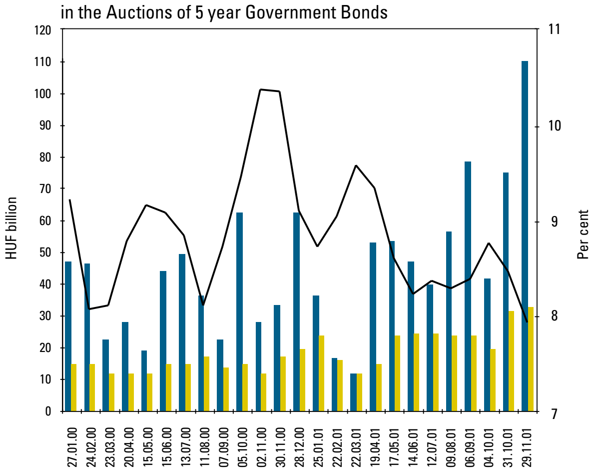
Data on Amount of Bids Submitted and Accepted and Yields in the Auctions of 2 year Government Bonds



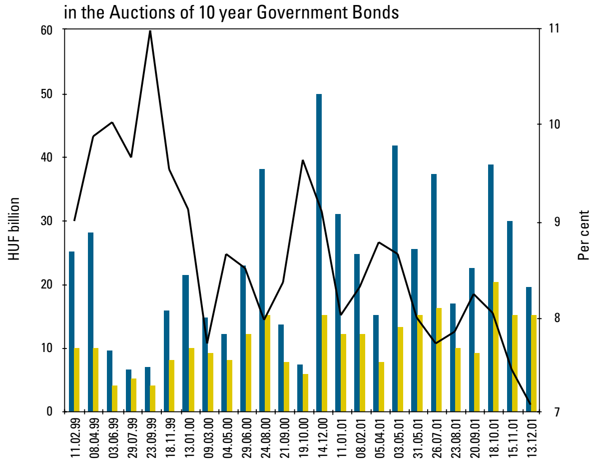

Data on Amount of Bids Submitted and Accepted and Yields in the Auctions of 3 year Government Bonds




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

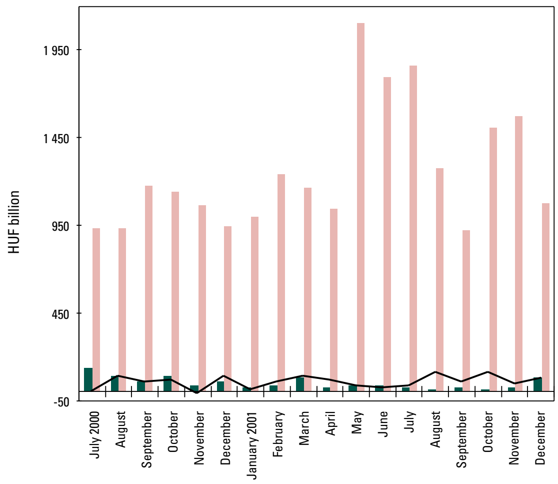



Data on Amount of Bids Submitted and Accepted and Yields in the Auctions of 10 year Government Bonds

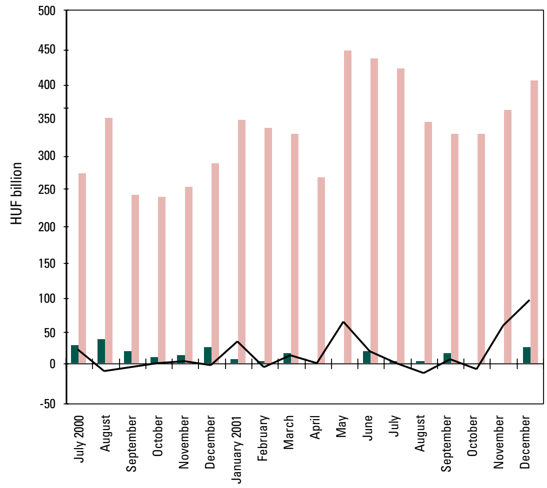



Bids submitted · Bids accepted · Average yield

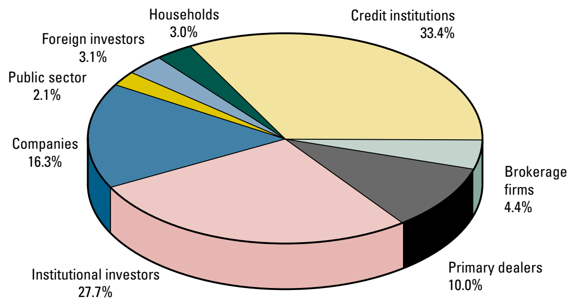
Secondary Market Turnover of Government Bonds
(data source: Budapest Stock Exchange and Central Clearing House and Depository Budapest Plc.)



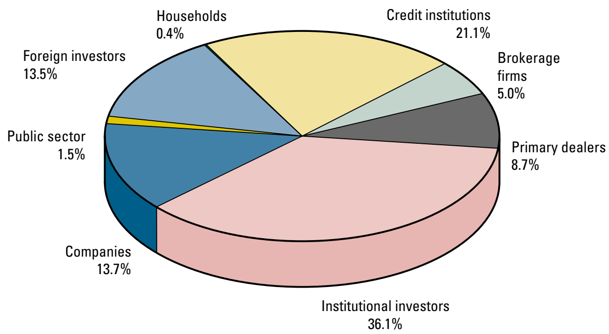

Secondary Market Turnover of Discount Treasury Bills
(data source: Budapest Stock Exchange and Central Clearing House and Depository Budapest Plc.)




Share of Main Investor Groups of the Secondary Market Turnover in Discount Treasury Bills in December, 2001




Share of Main Investor Groups of the Secondary Market Turnover in Government Bonds in December, 2001



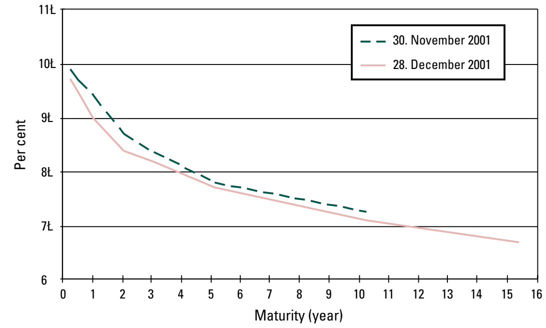

## HUNGARIAN GOVERNMENT SECURITIES TOTAL RETURN INDEX

| | MAX index | RMAX index | MAX Composite |
|---|---|---|---|
| Value on 28. December, 2001 | 220.5786 | 208.8695 | 215.7283 |
| Monthly change (in December) | 2.3432 | 1.7747 | 2.1346 |
| Annual yield ( December, 2000–2001) | 13.02% | 11.14% | 12.40% |

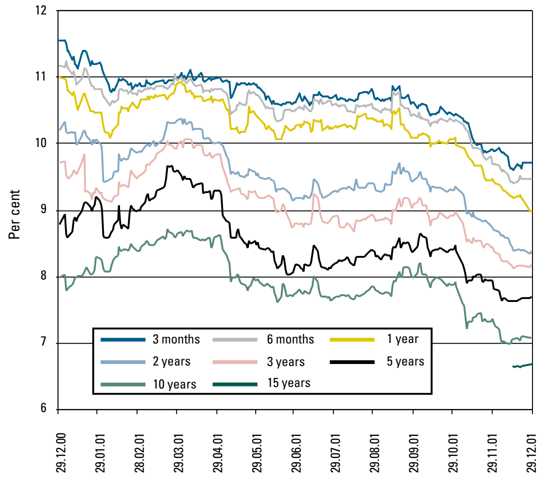
## PRIMARY DEALERS

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

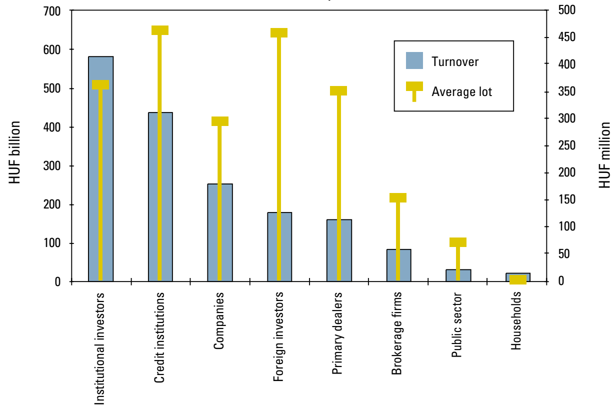
Benchmark Yield Curve



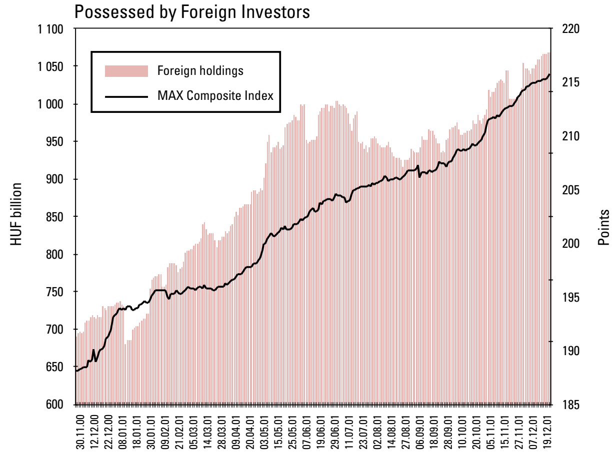

Benchmark Yields




Monthly Turnover and Average Lot Size of Primary Dealers with Different Investor Groups in December




Hungarian Government Securities Possessed by Foreign Investors




## 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 4,5,6 | 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

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

| Name of the bond | Redemption date | Turnover (HUF billion) |
|---|---|---|
| 2006/E | 12. 05. 2006 | 184.090 |
| 2004/J | 12. 10. 2004 | 139.106 |
| D021030 | 30. 10. 2002 | 126.601 |
| 2003/H | 12. 03. 2003 | 91.294 |
| D020123 | 23. 01. 2002 | 90.090 |
| 2003/M | 24. 11. 2003 | 87.014 |
| 2011/A | 12. 02. 2011 | 86.606 |
| D020612 | 12. 06. 2002 | 83.289 |
| 2005/E | 12. 05. 2005 | 77.651 |
| 2013/C | 20. 12. 2013 | 67.103 |

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

| Serial number of government bond | HUF billion 30. November 2001 | 28. December 2001 |
|---|---|---|
| 2003/M | 96.67 | 121.75 |
| 2004/J | 166.16 | 201.20 |
| 2006/E | 241.11 | 274.14 |
| 2011/A | 173.33 | 188.36 |
| 2017/A | 16.00 | 31.01 |

## February

| | Monday | Tuesday | Wednesday | Thursday | Friday | Sa | Su |
|---|---|---|---|---|---|---|---|
| | | | | | 1 | 2 | 3 |
| Discount T-bill Auction Announcement | | | 3-month Discount T-bills | | | | |
| Discount T-bill Auction | | D020508 | D020807 | D021227 | | | |
| Discount T-bill Settlement | | | D020502 | | | | |
| Discount T-bill Redemption | | | D020130 | | | | |
| Interest Bearing T-bill Subscription | | | 2003/03. | | | | |
| Government Bond Public Offer | | | | 3 and 10 /15 fix rate bonds | | | |
| | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| Discount T-bill Auction Announcement | | | 3- 6- and 12-month Discount T-bills | | | | |
| Discount T-bill Auction | | D020515 | | | | | |
| Discount T-bill Settlement | | | D020508/D020807/D021227 | | | | |
| Discount T-bill Redemption | | | D020206 | | | | |
| Interest Bearing T-bill Public Offer | | | 2003/04. | | | | |
| Interest Bearing T-bill Subscription | | | 2003/03. | | | | |
| Interest Bearing T-bill Redemption | | | | 2002/02. | | | |
| Government Bond Auction | | | | 3 and 10 /15 fix rate bonds | | | |
| | 11 | 12 | 13 | 14 | 15 | 16 | 17 |
| Discount T-bill Auction Announcement | | | 3-month Discount T-bills | | | | |
| Discount T-bill Auction | | D020522 | D020807 | D030219 | | | |
| Discount T-bill Settlement | | | D020515 | | | | |
| Discount T-bill Redemption | | | D020213 | | | | |
| Interest Bearing T-bill Subscription | | | 2003/04. | | | | |
| Government Bond Public Offer | | | | 3 and 5 year bonds | | | |
| Government Bond Interest Payment | | 2006/D, 2007/C, 2008/B and 2009/A semi-annual | | | | 2004/A annual | |
| Government Bond Interest Payment | | 2009/B, 2010/A and 2011/A semi-annual | | | | | |
| | 18 | 19 | 20 | 21 | 22 | 23 | 24 |
| Discount T-bill Auction Announcement | | | 3- 6- and 12-month Discount T-bills | | | | |
| Discount T-bill Auction | | D020529 | | | | | |
| Discount T-bill Settlement | | | D020522/D020807/D030219 | | | | |
| Discount T-bill Redemption | | | D020220 | | | | |
| Interest Bearing T-bill Public Offer | | | 2003/05. | | | | |
| Interest Bearing T-bill Subscription | | | 2003/04. | | | | |
| Government Bond Auction | | | | 3 and 5 year bonds | | | |
| Government Bond Interest Payment | 2004/D semi-annual | | | | | | |
| | 25 | 26 | 27 | 28 | | | |
| Discount T-bill Auction Announcement | | | 3-month Discount T-bills | | | | |
| Discount T-bill Auction | | D020605 | D020807 | D030219 | | | |
| Discount T-bill Settlement | | | D020529 | | | | |
| Discount T-bill Redemption | | | D020227 | | | | |
| Interest Bearing T-bill Subscription | | | 2003/05. | | | | |
| Government Bond Public Offer | | | | 3 and 10 /15 fix rate bonds | | | |
| Government Bond Interest Payment | 2005/F semi-annual | | | 2006/A and 2026/A annual | | | |

| | |
|---|---|
| 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 DECEMBER

| Code | Reset Date | Int. Period/ Date of Int. Payment | Reset Rate of Int. (per cent) | Int. Rate Payable (per cent) |
|---|---|---|---|---|
| 2004/A | 05. 12. 2001 | 01. 01. 01 – 31. 12. 01<br>15. 02. 2002 | 9.8000 | 9.8000 |
| 2013/C | 20. 12. 2001 | 20. 12. 01 – 20. 06. 02<br>20. 06. 2002 | 10.40 | 5.19 |
| 2014/B | 20. 12. 2001 | 20. 12. 01 – 20. 06. 02<br>20. 06. 2002 | 10.40 | 5.19 |
| 2016/B | 26. 12. 2000 | 02. 01. 02 – 02. 07. 02<br>02. 07. 2002 | 10.10 | 5.01 |
| 2016/A | 27. 12. 2001 | 31. 12. 01 – 31. 03. 02<br>31. 03. 2002 | 8.75 | 2.19 |
| 2003/E | 29. 12. 2001 | 30. 12. 01 – 30. 06. 02<br>30. 06. 02 – 30. 12. 02<br>30. 12. 2002 | 12.70 | |

# GOVERNMENT SECURITIES MARKET

## DATA ON REVERSE AUCTIONS OF GOVERNMENT SECURITIES

| Name of government security | 2002/J | 2002/H | 2002/H | 2002/K |
|---|---|---|---|---|
| ISIN code of government security | HU-0000401690 | HU-0000401286 | HU-0000401286 | HU-0000401898 |
| Coupon (%) | 9.5 | 12.5 | 12.5 | 9.5 |
| Date of reverse auction | 28. 11. 01 | 28. 11. 01 | 12. 12. 01 | 12. 12. 01 |
| Redemption date | 12. 01. 02 | 12. 04. 02 | 12. 04. 02 | 12. 06. 02 |
| Payment date | 05. – 06. 12. 01 | 05. – 06. 12. 01 | 19. – 20. 12. 01 | 19. – 20. 12. 01 |
| Minimum annual yield (%) | 10.15 | 9.70 | 9.38 | 9.30 |
| Average annual yield | 10.17 | 9.72 | 9.44 | 9.36 |
| Amount offered for sale (HUF million) | 912.99 | 18,526.75 | 1907.20 | 14,378.58 |
| Amount of bids submitted (HUF million) | 314.36 | 16,376.75 | 1907.20 | 8066.17 |
| Bids submitted (no.s) | 6 | 41 | 14 | 42 |
| Bids accepted (no.s) | 4 | 33 | 14 | 39 |

## MACROECONOMIC INDICATORS

| | 1996 | 1997 | 1998 | 1999 | 2000 | Oct 2001 | Nov 2001 | Dec 2001 |
|---|---|---|---|---|---|---|---|---|
| GDP growth (previous year = 100 per cent)***** | 1.3 | 4.6 | 4.9 | 4.2 | 5.2* | | | |
| Industrial production (previous year = 100 per cent)** | 3.4 | 11.1 | 10.6 | 12.7 | 14.9 | 1.4 | -1.0 | |
| Unemployment rate (per cent)# | 9.9 | 8.7 | 7.8 | 7.0 | 5.7 | 5.6 | 5.8 | |
| Consumer price index (same period of the previous year = 100 per cent)** | 19.8 | 18.4 | 10.3 | 11.2 | 10.1 | 7.6 | 7.1 | 6.8 |
| Consumer price index (previous month = 100 per cent) | | | | | 0.3 | 0.3 | 0.1 | 0.1 |
| Producer price index (same period of the previous year = 100 per cent)** | 20.1 | 19.5 | 7.1 | 8.2 | 12.4 | 1.9 | 0.0 | |
| Producer price index (previous month = 100 per cent) | | | | | -0.2 | -0.3 | -0.8 | |
| Net lending position of households (HUF Bn)##### | 612.8 | 650.9 | 794.2 | 637.0 | 678.9 | 56.4 | 113.5 | 125.4* |
| Current account of BoP (EUR Mn) | -1339.0 | -848.0 | -2020.0 | -1975.0 | -1620.0 | 17.0 | -46.0* | |
| Direct investment net (EUR Mn)### | 1817.0 | 1533.0 | 1387.0 | 1612.0 | 1232.0 | 284.0 | 191.0* | |
| Balance of the central gov. budget (HUF Bn)**** | -129.8 | -342.1 | -333.9 | -337.2 | -369.3 | -24.3 | 16.4 | -234.7 |
| Central government gross debt (HUF Bn) | 4932.38 | 5370.72 | 6165.79 | 6886.40 | 7226.20 | 7696.95 | 7670.27 | 7721.56 |
| Central government gross debt (per cent of GDP) | 71.52% | 62.88% | 61.13% * | 59.89%* | 56.04%* | | | |
| Central government gross foreign exchange denominated debt (HUF Bn) | 301.98 | 2219.05*** | 2431.87*** | 2536.21*** | 2508.75*** | 2498.14*** | 2401.12*** | 2328.02** |
| Central government gross HUF denominated debt (HUF Bn) | 4630.40 | 3151.67 | 3733.92 | 4350.19 | 4717.46 | 5198.81 | 5269.15 | 5393.55 |
| The country's net foreign debt (EUR Mn)## | 10,447.0 | 9154.0 | 8966.0 | 8650.2 | 9082.5 | 7186.4 | 6804.8* | |
| The country's net foreign debt (per cent of GDP) | 32.02% | 22.60% | 22.14% * | 19.18%* | 18.65%* | | | |
| The official exch. rate of the NBH (end of period USD/HUF)#### | 164.93 | 203.50 | 219.03 | 252.52 | 284.73 | 282.22 | 283.91 | 279.03 |
| The official exch. rate of the NBH (end of period ECU/HUF)#### | 204.89 | 224.54 | 255.70 | 254.92 | 264.94 | 255.35 | 251.63 | 246.33 |

**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
*** Including foreign exchange debt taken over by the central government since 2nd January, 1997
**** 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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