FINANCING OF THE CENTRAL GOVERNMENT IN FEBRUARY 2021

1. Government debt data

The debt of the central government increased by HUF 264.8 billion in February due to the following reasons:

- **The first factor** is the net forint issuance of HUF 254.4 billion, which finances the deficit of the central government budget.
- **The second – increasing – factor** is the net foreign currency issuance of HUF 90.6 billion, which increased the debt of the central government.
- **The third – also increasing – factor** is the change of the foreign currency exchange rates and other factors that increased the mark-to-market deposits placed at GDMA by HUF 1.1 billion.
- **The fourth – which had contrary effect than the above mentioned factors –** is the appreciation of the forint that decreased the HUF value of the foreign currency debt by HUF 81.3 billion.

According to the preliminary data **the domestic and foreign currency debt of the central government** was the following in 2021.

A központi költségvetés adósságának alakulása 2021-ben, milliárd forint

	2020. december 31.		kibocsátás (növekedés)	törlesztés (csökkenés)	egyéb változás	nettó változás	2021. február		változás
	előzetes állomány	Megoszlás	I-II. hónap				előzetes állomány	Megoszlás	százalékpont
1. Forint	**29,237.266**	*79.7%*	**1,340.490**	**1,086.085**	*0.000*	**254.405**	**29,491.671**	***79.8%***	***0.1%***
1.1. Hitel	**1,161.614**	*3.2%*	**0.000**	**4.784**	**0.000**	**-4.784**	**1,156.830**	***3.1%***	***0.0%***
1.1.1. Külföldi	1,161.614	*3.2%*	0.000	4.784	0.000	-4.784	1,156.830	***3.1%***	***0.0%***
1.1.2. Belföldi	0.000	*0.0%*	0.000	0.000	0.000	0.000	0.000	***0.0%***	***0.0%***
1.2. Állampapír	**28,075.652**	*76.5%*	**1,340.490**	**1,081.301**	**0.000**	**259.189**	**28,334.841**	***76.7%***	***0.2%***
1.2.1. Piaci értékesítésű	28,036.474	*76.4%*	1,340.490	1,081.301	0.000	259.189	28,295.663	***76.6%***	***0.2%***
1.2.1.1. Kötvény	*18,206.614*	*49.6%*	*587.460*	*456.380*	*0.000*	*131.080*	*18,337.694*	***49.6%***	***0.0%***
1.2.1.2. Diszkont kincstárjegy	*658.167*	*1.8%*	*152.822*	*207.803*	*0.000*	*-54.980*	*603.187*	***1.6%***	***-0.2%***
1.2.1.3. Lakossági állampapír	*9,171.693*	*25.0%*	*600.208*	*417.118*	*0.000*	*183.090*	*9,354.783*	***25.3%***	***0.3%***
1.2.2. Nem piaci értékesítésű	39.178	*0.1%*	0.000	0.000	0.000	0.000	39.178	***0.1%***	***0.0%***
2. Deviza	**7,318.230**	*19.9%*	**112.763**	**22.177**	**-81.287**	**9.300**	**7,327.530**	***19.8%***	***-0.1%***
2.1. Hitel	**1,291.084**	*3.5%*	**108.406**	**0.000**	**-13.228**	**95.179**	**1,386.263**	***3.8%***	***0.2%***
2.1.1. Külföldi	1,291.084	*3.5%*	108.406	0.000	*-13.228*	*95.179*	1,386.263	***3.8%***	***0.2%***
2.1.2. Belföldi	*0.000*	*0.0%*	*0.000*	*0.000*	*0.000*	*0.000*	*0.000*	***0.0%***	***0.0%***
2.2. Állampapír	**6,027.146**	*16.4%*	**4.357**	**22.177**	**-68.059**	**-85.879**	**5,941.268**	***16.1%***	***-0.4%***
2.2.1. Külföldi	5,481.262	*14.9%*	0.000	21.268	-61.924	-83.192	5,398.070	***14.6%***	***-0.3%***
2.2.2. Belföldi	545.885	*1.5%*	4.357	0.908	-6.135	-2.687	543.198	***1.5%***	***0.0%***
Összesen	**36,555.496**	***99.6%***	**1,453.253**	**1,108.261**	**-81.287**	**263.705**	**36,819.202**	***99.6%***	***0.0%***
Egyéb kötelezettség	128.840	*0.4%*	51.916	49.348	-1.426	1.142	129.982	***0.4%***	***0.0%***
MINDÖSSZESEN	**36,684.336**	***100.0%***	**1,505.169**	**1,157.610**	**-82.712**	**264.847**	**36,949.183**	***100.0%***	***0.0%***

The foreign currency debt of the central government increased by HUF 9.3 billion in 2021 and amounted to HUF 7,327.5 billion at the end of February 2021. The share of foreign currency denominated debt within the total debt decreased from 19.9 % to 19.8 % in 2021.

The forint denominated debt increased by HUF 254.4 billion to HUF 29,491.7 billion. The share of HUF-denominated debt reached 79.8% of the total debt, while in December 2020 this proportion was 79.7%.

The stock of retail securities increased by HUF 183.1 billion from the end of 2020 to HUF 9,354.8 billion at the end of February.

The stock of the Hungarian Government Securities Plus (dematerialised and printed) increased by HUF 197.9 billion this year and amounted to HUF 5,419.2 billion at the end of February. At the end of February 2021, the portfolio of Premium Hungarian Government Securities with a maturity of more than one year increased by HUF 46.3 billion due to the sales and the repurchases from dealers, thus amounted to HUF 2,356.3 billion. The stock of the 1-year Government Securities decreased by HUF 10.6 billion to HUF 1,077.7 billion at the end of February.

The volume of non-resident holdings of Hungarian government securities increased by HUF 163.6 billion in February. 99.9% of non-resident holdings was T-bonds, which amounted to HUF 4,840.5 billion. The non-resident holdings of Discount T-Bills amounted to HUF 3.5 billion, that represented only 0.1% of total non-resident holdings. The duration of the non-resident stock was 5.8 years at the end of February 2021.

In order to reduce counterparty risk associated with the swap transactions concluded by GDMA, so-called marked-to-market deposits are being placed as collateral covering the net value of the swap positions. Such deposits placed at GDMA are counted as part of the government debt as 'other obligations'. During the first two months of the year marked-to-market deposits increased by HUF 1.1 billion and reached HUF 130.0 billion (EUR 0.4 billion) at the end of the month.

2. Forint yields

The average bid-to-cover ratio of Discount T-bill auctions increased from 1.0 to 1.3. The bid-to-cover ratio of T-bond auctions hasn't changed in February compared to the previous month's 2.9.

The average yield of the last 3-month Discount Treasury Bill auction in February was 0.47%, 11 basis points higher than in the previous month. The average yield of the last 12-month Discount Treasury Bill auction in February was 0.52%, 7 basis points higher compared to January.

The average yield of the last 5-year government bond auction in February was 1.89%, 47 basis points higher compared to the previous month. The average yield of the last 10-year government bond auction was 2.65%, 39 basis points higher compared to January. The average yield of the last auction of 15-year government bond was 3.31%, higher by 81 basis points compared to the last January's average yield. The average yield of the last 20-year government bond auction was 3.15%, 35 basis points higher compared to the last January's yield.