



GOVERNMENT DEBT MANAGEMENT AGENCY PTE LTD.

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GOVERNMENT SECURITIES MARKET

MONTHLY REPORT
JULY 2022



The Central Government Debt increased by HUF 3,509.9 billion to HUF 44,206.9 billion in 2022. Total net issuance was HUF 2,369.1 billion; out of which net HUF denominated issuance including repos was HUF 1,198.1 billion and net foreign currency denominated issuance was HUF 1,171.1 billion in 2022.

CENTRAL GOVERNMENT DEBT

(HUF billion)	2021		2022		Change	
	December	%	July	%	HUF billion	%
HUF denominated debt	32,121.2	78.9	33,319.3	75.4	1,198.1	3.7
Loans	1,307.7	3.2	1,272.5	2.9	-35.2	-2.7
Government bonds	20,220.0	49.7	21,393.0	48.4	1,173.0	5.8
Retail securities	10,010.3	24.6	9,731.4	22.0	-278.9	-2.8
Discount treasury bills	583.2	1.4	922.4	2.1	339.2	58.2
Foreign exchange denominated debt	8,395.2	20.6	10,423.8	23.6	2,028.6	24.2
Total	40,516.4	99.6	43,743.1	99.0	3,226.7	8.0
<i>Other obligations</i>	180.6	0.4	463.8	1.0	283.2	156.8
Total central government debt	40,697.0	100.0	44,206.9	100.0	3,509.9	8.6

The HUF denominated debt of the central government increased by HUF 1,198.1 billion in 2022. The increase in domestic debt was the result of the net government bond issuance of HUF 1,173.0 billion and the increase of discount Treasury bills by HUF 339.2 billion. The total amount of retail government securities decreased by HUF 278.9 billion. The majority of the demand for retail government securities was the sale of Premium Hungarian Government Securities with a maturity of more than one year. The volume of HUF loans decreased by HUF 35.2 billion in 2022.

The foreign currency debt of the central government increased by HUF 2,028.6 billion in 2022. The increase was mainly due to the foreign currency bonds issuance in February and June. The issuance of Japanese yen-denominated Samurai bonds was in total amount of 205.4 billion forints (75.3 billion yen) in February, and the foreign currency bonds issuance was in total amount of 1,441.3 billion forints (3 billion USD and 750 million EUR) in June. The drawdown of foreign currency loans further increased the foreign currency debt by HUF 68.4 billion and the issuance of domestic foreign currency bonds grew by HUF 93.0 billion. The exchange rate revaluations totalling HUF 857.6 billion increased the Hungarian forint value of the foreign currency debt. Foreign currency debt was decreased by the redemptions of domestic foreign currency bond by HUF 191.8 billion, the foreign currency bond repayments by HUF 414.0 billion and the foreign currency loan redemptions by HUF 31.3 billion.

The total amount of other liabilities increased by HUF 283.2 billion in 2022.

BENCHMARK YIELDS

Maturity	30.12.2021	30.06.2022	29.07.2022	Change in July basis point
3-month	2.16	6.28	8.64	236
6-month	2.61	6.62	8.85	223
1-year	3.57	7.16	9.84	268
3-year	4.19	8.41	10.34	193
5-year	4.35	8.36	9.47	111
10-year	4.51	8.01	8.17	16
15-year	4.72	7.95	7.90	-5
20-year	4.75	7.89	7.69	-20

Monthly OTC turnover of government securities increased by 14% to HUF 13,697.2 billion in July. Primary dealers, who account for the decisive part of all secondary government securities trading, made 69% of their secondary government securities deals with non-resident investors.

The volume of non-residents' holdings of Hungarian government securities increased altogether by HUF 608.4 billion in July and amounted to HUF 5,252.8 billion at the end of July. This volume represented 16.4% of the total amount of domestic government securities.

The EUR/HUF exchange rate according to the National Bank of Hungary was 404.20 on the last working day of July.

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

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

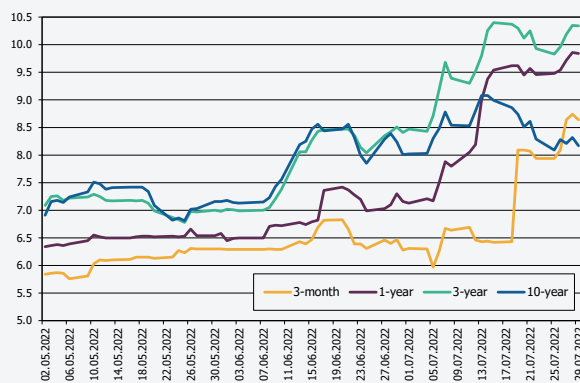
CENTRAL GOVERNMENT GROSS DEBT

HUF BILLION

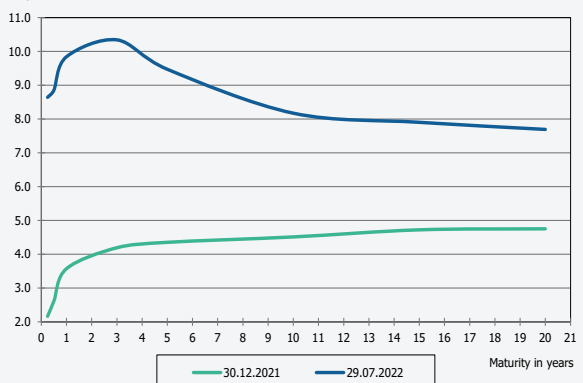
	2017	2018	2019	2020	2021	2022 May	2022 June	2022 July
1. Forint denominated debt	20,689.4	22,796.0	24,357.1	29,237.3	32,121.2	33,974.2	33,643.4	33,319.3
1.1. Loans	1,041.1	1,167.7	1,208.1	1,161.6	1,307.7	1,302.5	1,272.5	1,272.5
1.2. Government securities	19,648.3	21,628.3	23,149.0	28,075.7	30,813.5	32,671.7	32,370.9	32,046.8
1.2.1. Public issues	19,609.2	21,589.1	23,109.8	28,036.5	30,813.5	32,671.7	32,370.9	32,046.8
1.2.1.1. Bonds	11,767.1	12,836.1	13,378.5	18,206.6	20,220.0	21,450.9	21,294.9	21,393.0
1.2.1.2. Discount T-bills	1,039.2	1,237.3	657.3	658.2	583.2	1,015.8	989.0	922.4
1.2.1.3. Retail securities	6,802.9	7,515.7	9,074.0	9,171.7	10,010.2	10,204.9	10,087.0	9,731.4
1.2.2. Private placements	39.2	39.2	39.2	39.2	0.0	0.0	0.0	0.0
2. Foreign currency denominated debt*	5,782.5	5,724.8	5,121.2	7,318.2	8,395.2	9,265.2	10,246.7	10,423.8
2.1. Loans	929.1	795.0	825.4	1,291.1	1,345.2	1,498.3	1,511.7	1,515.7
2.1.1. Foreign loans	929.1	795.0	825.4	1,291.1	1,345.2	1,498.3	1,511.7	1,515.7
2.1.2. Domestic loans	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.2. Government securities	4,853.5	4,929.8	4,295.8	6,027.1	7,049.9	7,766.9	8,735.1	8,908.1
2.2.1. Issued abroad	4,145.9	4,246.2	3,713.5	5,481.3	6,594.9	7,255.4	8,348.8	8,505.8
2.2.2. Issued domestically	707.6	683.6	582.3	545.9	455.0	511.5	386.3	402.3
Total	26,472.0	28,520.7	29,478.3	36,555.5	40,516.4	43,239.3	43,890.2	43,743.1
Other liabilities	274.20	167.40	203.70	128.80	180.60	346.20	390.00	463.80
Total central government debt	26,746.2	28,688.2	29,682.0	36,684.3	40,697.0	43,585.5	44,280.2	44,206.9
Marketable HUF debt (1.2.1.1+1.2.1.2+1.2.2)	12,845.5	14,112.6	14,075.0	18,904.0	20,803.2	22,466.7	22,283.9	22,315.4
Gross debt/GDP	68.1%	66.1%	62.4%	76.0%	73.7%			

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

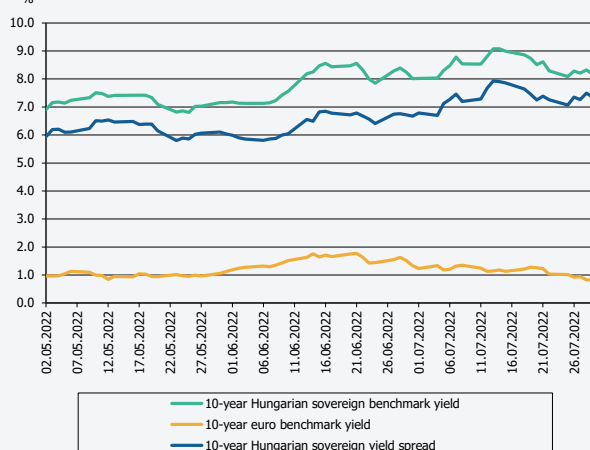
Benchmark yields



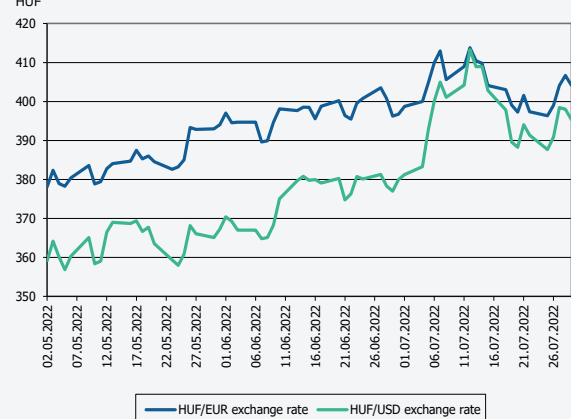
Benchmark yield curves



10-year Hungarian and eurozone benchmark yields



The exchange rate of the Hungarian Forint

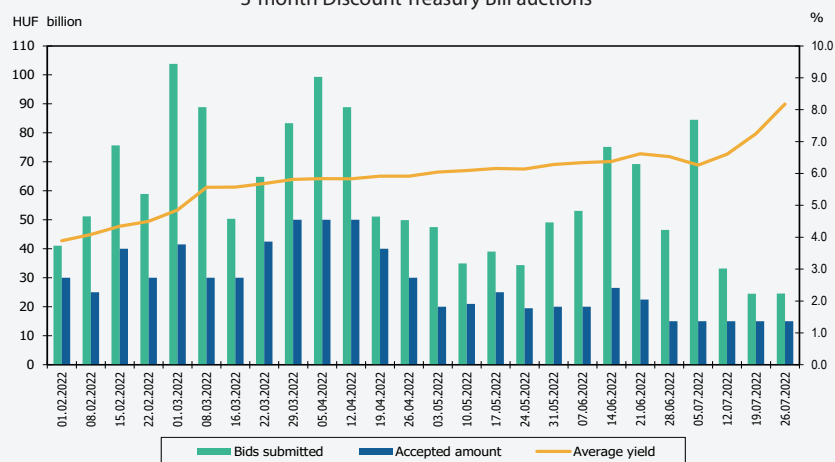


DISCOUNT TREASURY BILL AUCTION RESULTS

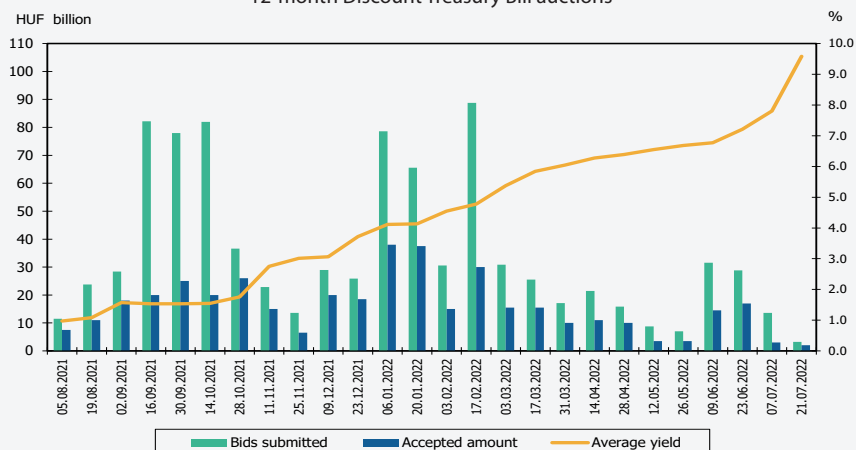
	3-month Discount T-bills				12-month Discount T-bills	
Code of T-bills	D221012	D221019	D221026	D221102	D230628	D230628
ISIN code	HU0000524236	HU0000523857	HU0000524244	HU0000524251	HU0000524210	HU0000524210
Maturity in days	91	91	91	91	350	336
Date of auction	05.07.2022	12.07.2022	19.07.2022	26.07.2022	07.07.2022	21.07.2022
Date of financial settlement	13.07.2022	20.07.2022	27.07.2022	03.08.2022	13.07.2022	27.07.2022
Redemption date	12.10.2022	19.10.2022	26.10.2022	02.11.2022	28.06.2023	28.06.2023
Maximum yield (%) - ISMA	6.30	6.71	7.80	8.75	7.90	9.65
Minimum yield (%) - ISMA	6.10	6.00	6.50	6.50	7.65	9.45
Average yield (%) - ISMA	6.27	6.61	7.25	8.18	7.80	9.58
Maximum yield (%) - EHM	6.39	6.80	7.91	8.87	8.01	9.78
Minimum yield (%) - EHM	6.18	6.08	6.59	6.59	7.76	9.58
Average yield (%) - EHM	6.35	6.70	7.35	8.29	7.91	9.71
Average selling price (%)	98.4409	98.3573	98.2001	97.9749	92.9488	91.7918
Amount offered for sale (HUF million)	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00
Amount of bids submitted (HUF million)	84,499.53	33,192.89	24,532.19	24,545.20	13,568.93	3,230.00
Amount of bids accepted (HUF million)	15,000.00	15,000.00	15,000.00	15,000.00	3,000.00	2,000.00
Bid-to-cover ratio	5.63	2.21	1.64	1.64	4.52	1.62
Bids submitted (pcs)	120	54	37	48	13	11
Bids accepted (pcs)	24	37	28	46	8	9
Market sales* (HUF million)	15,000.00	15,000.00	15,000.00	15,000.00	3,000.00	2,000.00
Retained on ÁKK's own account (HUF million)	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	2,000.00
Total amount issued (HUF million)	18,000.00	18,000.00	18,000.00	18,000.00	6,000.00	4,000.00

* Without issuance onto ÁKK's own account

3-month Discount Treasury Bill auctions



12-month Discount Treasury Bill auctions

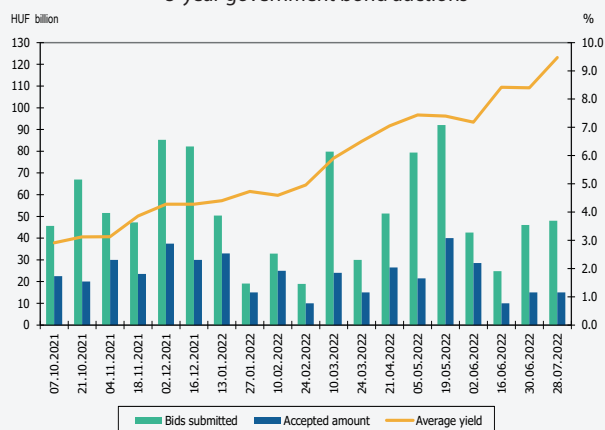


GOVERNMENT BOND AUCTION RESULTS

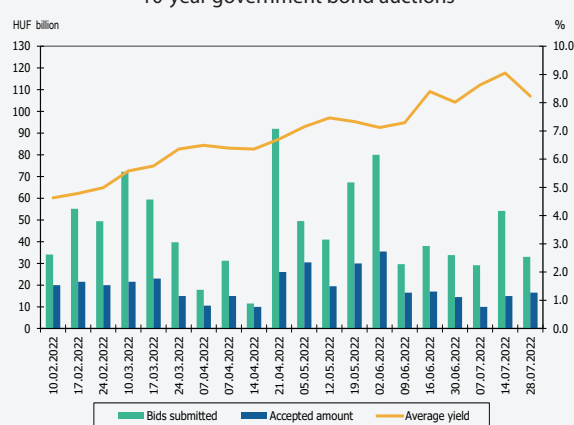
Government Bond	2029/B	2032/G	2032/A	2041/A
ISIN code	HU0000404926	HU0000405535	HU0000405550	HU0000404165
Maturity (in years)	7	10	10	20
Coupon	6.81%	4.50%	4.75%	3.00%
Auction	36th auction	7th auction	14th auction	37th auction
Date of auction	07.07.2022	07.07.2022	14.07.2022	14.07.2022
Date of financial settlement	13.07.2022	13.07.2022	20.07.2022	20.07.2022
Redemption date	22.08.2029	27.05.2032	24.11.2032	25.04.2041
Maximum annual yield (%) - ISMA	-	8.67	9.07	8.68
Minimum annual yield (%) - ISMA	-	8.62	8.98	8.63
Average annual yield (%) - ISMA	-	8.63	9.05	8.65
Maximum annual yield (%) - EHM	-	8.66	9.06	8.67
Minimum annual yield (%) - EHM	-	8.61	8.97	8.62
Average annual yield (%) - EHM	-	8.63	9.04	8.64
Maximum price (%)	97.4500	73.3300	72.2203	48.5510
Minimum price (%)	97.2000	73.0498	71.7396	48.2646
Average price (%)	97.3200	73.2450	71.8468	48.4487
Amount offered for sale (HUF million)	10,000.00	10,000.00	10,000.00	5,000.00
Amount of bids submitted (HUF million)	32,220.00	29,180.00	54,150.00	24,200.00
Amount of bids accepted (HUF million)	19,999.99	9,999.99	15,000.00	10,999.98
Bid-to-cover ratio	1.61	2.92	3.61	2.20
Bids submitted (pcs)	38	35	65	34
Bids accepted (pcs)	25	18	17	15
Tail (%) (average price - minimum price)	0.12	0.20	0.11	0.18
Market sales (HUF million)	19,999.99	9,999.99	15,000.00	10,999.98
Non-competitive offer (HUF million)	2,520.00	0.00	5,015.00	3,148.96
Total amount sales (HUF million)	22,519.99	9,999.99	20,015.00	14,148.94

Government Bond	2029/B	2028/B	2032/A	2038/A
ISIN code	HU0000404926	HU0000405543	HU0000405550	HU0000403555
Maturity (in years)	7	5	10	15
Coupon	6.81%	4.50%	4.75%	3.00%
Auction	37th auction	13th auction	15th auction	56th auction
Date of auction	21.07.2022	28.07.2022	28.07.2022	28.07.2022
Date of financial settlement	27.07.2022	03.08.2022	03.08.2022	03.08.2022
Redemption date	22.08.2029	23.03.2028	24.11.2032	27.10.2038
Maximum annual yield (%) - ISMA	-	9.53	8.24	7.99
Minimum annual yield (%) - ISMA	-	8.55	8.07	7.97
Average annual yield (%) - ISMA	-	9.47	8.22	7.99
Maximum annual yield (%) - EHM	-	9.52	8.23	7.98
Minimum annual yield (%) - EHM	-	8.54	8.06	7.96
Average annual yield (%) - EHM	-	9.46	8.22	7.98
Maximum price (%)	97.6000	82.3854	77.3197	55.5799
Minimum price (%)	97.4600	78.7410	76.3446	55.4587
Average price (%)	97.5100	78.9607	76.4360	55.4883
Amount offered for sale (HUF million)	10,000.00	15,000.00	10,000.00	10,000.00
Amount of bids submitted (HUF million)	64,700.20	47,995.39	32,984.20	12,300.00
Amount of bids accepted (HUF million)	20,500.00	15,000.00	16,499.98	6,999.99
Bid-to-cover ratio	3.16	3.20	2.00	1.76
Bids submitted (pcs)	51	44	30	26
Bids accepted (pcs)	12	17	16	11
Tail (%) (average price - minimum price)	0.05	0.22	0.09	0.03
Market sales (HUF million)	20,500.00	15,000.00	16,499.98	6,999.99
Non-competitive offer (HUF million)	7,080.00	0.00	0.00	0.00
Total amount sales (HUF million)	27,580.00	15,000.00	16,499.98	6,999.99

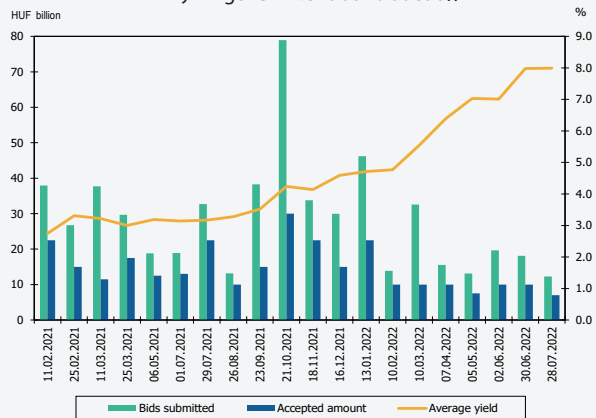
5-year government bond auctions



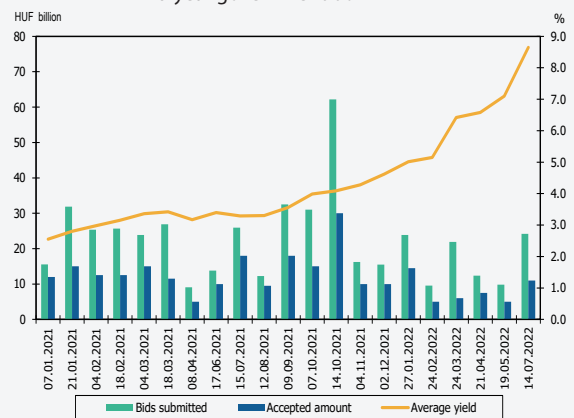
10-year government bond auctions



15-year government bond auction



20-year government bond auctions

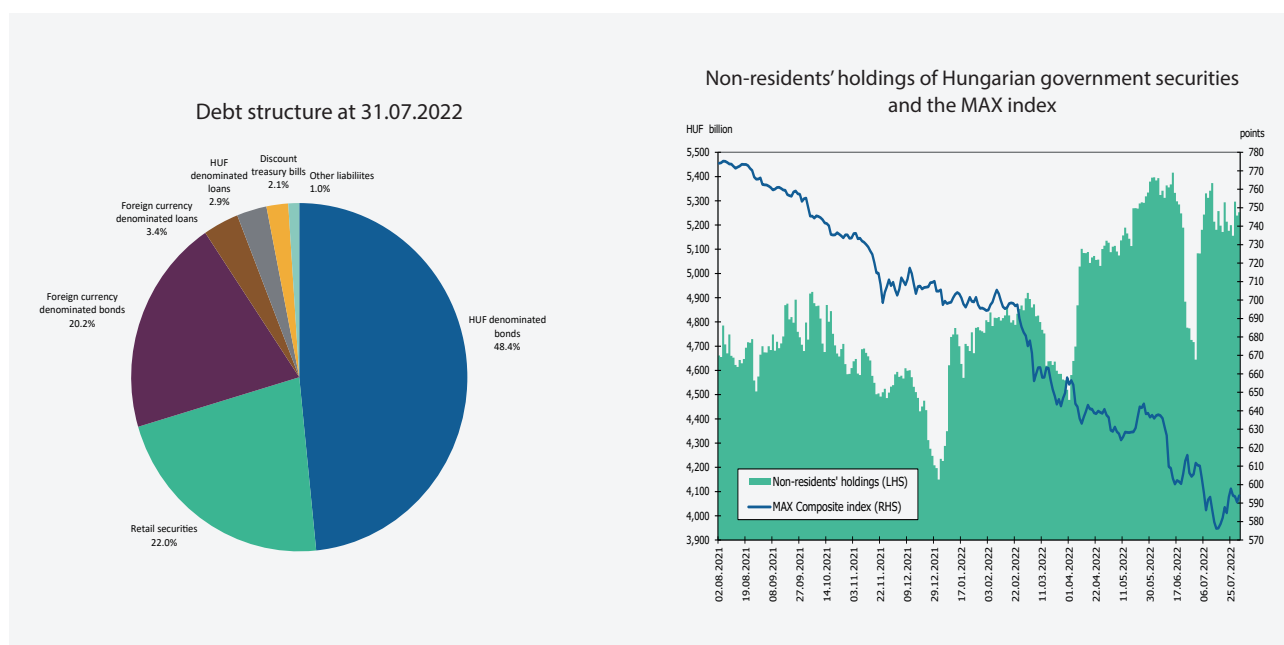
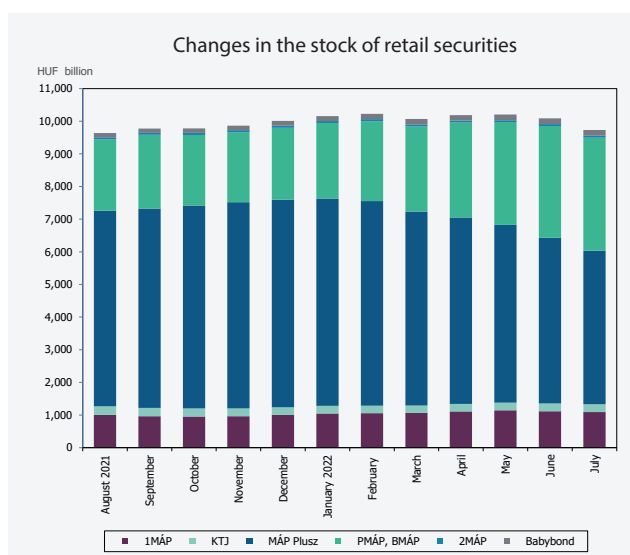


INTEREST RATE RESETS OF FLOATING RATE GOVERNMENT BONDS IN JULY 2022

Government bond	Date of interest rate reset	Interest period		Date of interest payment	Reset interest rate	Interest payable
2023/B	21.07.2022	26.07.2022	26.10.2022	26.10.2022	11.58%	2.96%
2026/I	14.07.2022	20.07.2022	20.07.2023	20.07.2023	6.35%	6.35%
2027/B	19.07.2022	22.07.2022	22.10.2022	24.10.2022	11.56%	2.95%

OUTSTANDING AMOUNT OF RETAIL SECURITIES

Retail securities	HUF billion		
	31.12.2021	31.07.2022	Change
1-year Hungarian Government Security / 1MÁP	1,001.6	1,092.9	91.3
Treasury Saving Bills / KTJ	234.8	240.5	5.8
Hungarian Government Security Plus / MÁP Plusz	6,361.5	4,701.1	-1,660.4
Premium Hungarian Government Security / PMÁP	2,202.7	3,462.1	1,259.4
Bonus Hungarian Government Security / BMÁP	60.8	56.0	-4.8
Babybond	148.8	178.6	29.8
Total	10,010.2	9,731.3	-278.9



HUNGARIAN GOVERNMENT SECURITIES INDICES

	MAX index	HMAX index	MAX Composite index	RMAX index	ZMAX index
Value as at 29.07.2022	616.3989	70.7898	593.9811	556.0376	549.1849
Changes compared to the end of the previous month	-20.2422	-2.0180	-17.7449	-1.9983	0.3047
Annual yield earned on the index portfolio (%)	-24.68	-28.49	-23.17	-0.40	1.72

Government bonds with the highest secondary market turnover in July 2022

Government bond	Date of redemption	Turnover (HUF billion)
2031/A	22.10.2031	283.5
2032/A	24.11.2032	263.7
2027/A	27.10.2027	197.6
2033/A	20.04.2033	165.8
2025/C	26.11.2025	165.0
2028/B	23.03.2028	164.1
2023/C	23.08.2023	152.3
2022/B	26.10.2022	147.8
2029/A	23.05.2029	146.0
2030/A	21.08.2030	123.0

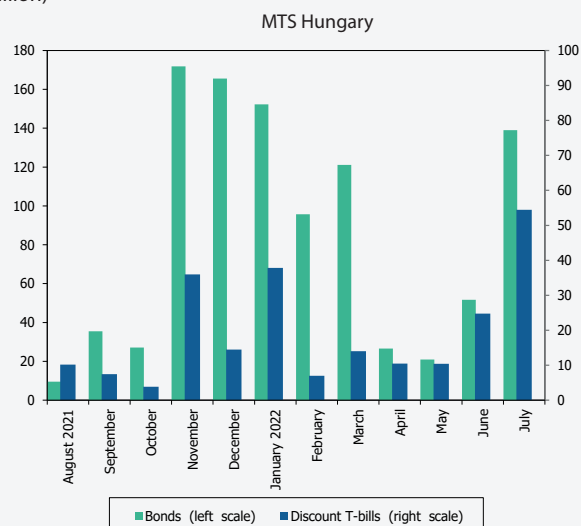
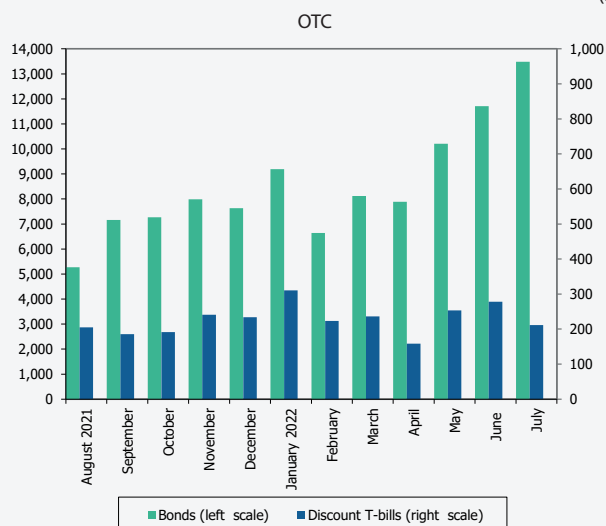
The outstanding volume of government bonds with benchmark status at the end of July 2022

Government bond	HUF billion	
	30.06.2022	31.07.2022
2025/C	1,354.46	1,337.03
2028/B	288.46	309.88
2032/A	341.59	381.04
2038/A	859.33	873.09
2041/A	460.57	475.55

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

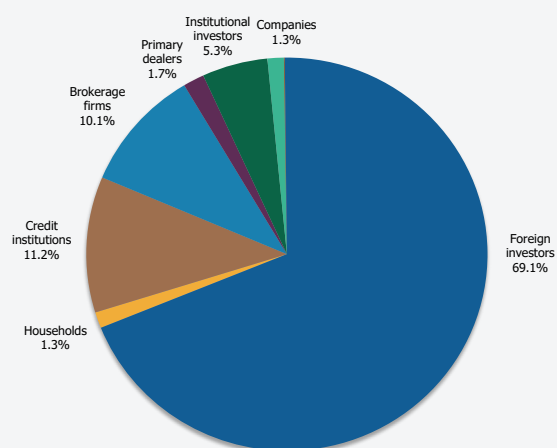
Government bond	HUF billion
2031/A	1,509.04
2025/C	1,337.03
2033/A	1,308.45

Secondary market trading of Hungarian government securities (HUF billion)



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

Government Bonds



Discount Treasury Bills

