



GOVERNMENT DEBT MANAGEMENT AGENCY PTE LTD.

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GOVERNMENT SECURITIES MARKET

MONTHLY REPORT
AUGUST 2023



The Central Government Debt increased by HUF 2,702.0 billion to HUF 48,264.3 billion in 2023. Total net issuance was HUF 3,631.2 billion; out of which net HUF denominated issuance including repos was HUF 2,055.4 billion and net foreign currency denominated issuance was HUF 1,575.7 billion in 2023.

CENTRAL GOVERNMENT DEBT

(HUF billion)	2022		2023		Change	
	December	%	August	%	HUF billion	%
HUF denominated debt	33,775.6	74.1	35,831.0	74.2	2,055.4	6.1
Loans	1,024.2	2.2	921.8	1.9	-102.4	-10.0
Government bonds	22,346.3	49.0	23,141.6	47.9	795.3	3.6
Retail securities	8,619.4	18.9	9,460.7	19.6	841.4	9.8
Discount treasury bills	1,785.8	3.9	2,306.9	4.8	521.1	29.2
Foreign exchange denominated debt	11,397.3	25.0	12,319.8	25.5	922.5	8.1
Total	45,173.0	99.1	48,150.8	99.8	2,977.9	6.6
Other obligations	389.4	0.9	113.5	0.2	-275.9	-70.9
Total central government debt	45,562.4	100.0	48,264.3	100.0	2,702.0	5.9

The HUF denominated debt of the central government increased by HUF 2,055.4 billion in 2023. The increase in domestic debt was the result of the net government bond issuance of HUF 795.3 billion and the increase of discount Treasury bills by HUF 521.1 billion. The total amount of retail government securities increased by HUF 841.4 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 102.4 billion in 2023.

The foreign currency debt of the central government increased by HUF 922.5 billion in 2023. The increase is mainly due to the foreign currency bonds issuance in January: 5-year foreign currency bond in the amount of USD 1.5 billion (HUF 558.1 billion) and 10-year foreign currency bond in the amount of USD 1.5 billion (HUF 558.1 billion), and 30-year foreign currency bond in the amount of 1.25 billion USD (HUF 465.1 billion HUF) was also issued. The foreign currency debt was further increased by the private placement in March. The 5- and 10-year foreign currency bonds issued in January were increased in the amounts of USD 150 million (HUF 54.3 billion) and USD 300 million (HUF 108.6 billion). The drawdown of foreign currency loans further increased the foreign currency debt by HUF 325.1 billion and the issuance of domestic foreign currency bonds grew by HUF 130.6 billion. The exchange rate revaluations totalling HUF 653.3 billion decreased the Hungarian forint value of the foreign currency debt. Foreign currency debt was decreased by the redemption of foreign currency bond by HUF 556.4 billion and the repayments of domestic foreign currency bond by HUF 8.4 billion. The total amount of other liabilities decreased by HUF 275.9 billion in 2023.

BENCHMARK YIELDS

Maturity	30.12.2022	31.07.2023	31.08.2023	Change in August basis point
3-month	12.32	9.82	9.32	-50
6-month	13.89	9.87	9.52	-35
1-year	13.82	10.06	9.26	-80
3-year	10.71	8.88	8.20	-68
5-year	9.73	7.59	7.18	-41
10-year	8.98	7.26	7.04	-22
15-year	8.41	7.24	7.09	-15
20-year	8.41	7.27	7.06	-21

Monthly OTC turnover of government securities increased by 24% to HUF 12,085.6 billion in August. Primary dealers, who account for the decisive part of all secondary government securities trading, made 63% of their secondary government securities deals with non-resident investors.

The volume of non-residents' holdings of Hungarian government securities increased altogether by HUF 120.8 billion in August and mounted to HUF 7,016.4 billion at the end of August. This volume represented 20.1% of the total amount of domestic government securities.

The EUR/HUF exchange rate according to the National Bank of Hungary was 380.05 on the last working day of August.

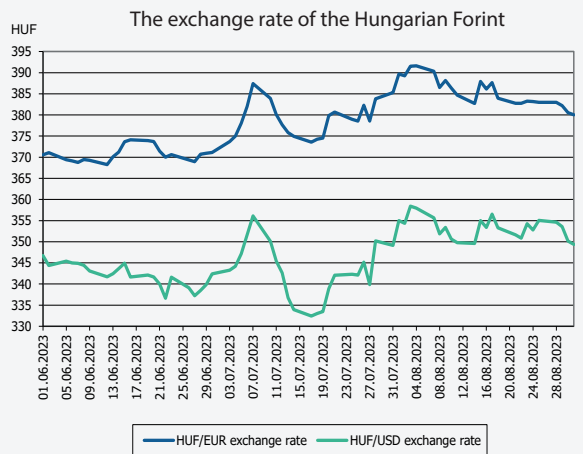
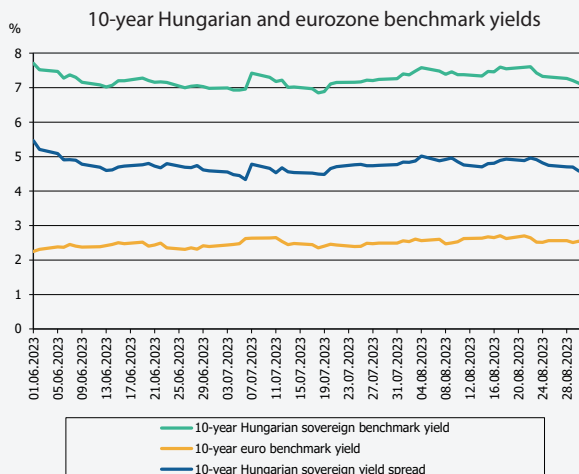
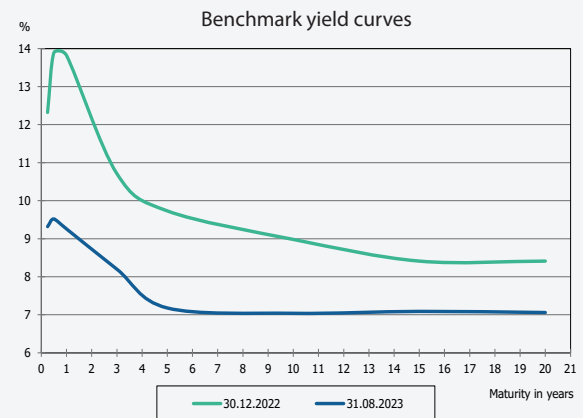
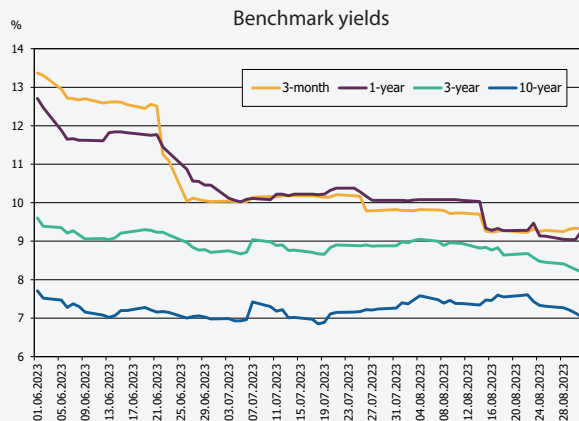
The credit rating of the long-term foreign currency debt of Hungary is as follows on the last working day of August: BBB- (Standard & Poor's); Baa2 (Moody's); BBB (Fitch).

CENTRAL GOVERNMENT GROSS DEBT

HUF BILLION

	2018	2019	2020	2021	2022	2023 June	2023 July	2023 August
1. Forint denominated debt	22,796.0	24,357.1	29,237.3	32,121.2	33,775.6	35,683.9	35,485.3	35,831.0
1.1. Loans	1,167.7	1,208.1	1,161.6	1,307.7	1,024.2	921.8	921.8	921.8
1.2. Government securities	21,628.3	23,149.0	28,075.7	30,813.5	32,751.4	34,762.1	34,563.5	34,909.2
1.2.1. Public issues	21,589.1	23,109.8	28,036.5	30,813.5	32,751.4	34,762.1	34,563.5	34,909.2
1.2.1.1. Bonds	12,836.1	13,378.5	18,206.6	20,220.0	22,346.3	23,224.3	22,923.9	23,141.6
1.2.1.2. Discount T-bills	1,237.3	657.3	658.2	583.2	1,785.8	2,401.1	2,320.3	2,306.9
1.2.1.3. Retail securities	7,515.7	9,074.0	9,171.7	10,010.2	8,619.4	9,136.7	9,319.3	9,460.7
1.2.2. Private placements	39.2	39.2	39.2	0.0	0.0	0.0	0.0	0.0
2. Foreign currency denominated debt*	5,724.8	5,121.2	7,318.2	8,395.2	11,397.3	12,067.4	12,520.8	12,319.8
2.1. Loans	795.0	825.4	1,291.1	1,345.2	1,959.1	2,093.4	2,192.6	2,125.0
2.1.1. Foreign loans	795.0	825.4	1,291.1	1,345.2	1,959.1	2,093.4	2,192.6	2,125.0
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	4,929.8	4,295.8	6,027.1	7,049.9	9,438.2	9,974.0	10,328.2	10,194.8
2.2.1. Issued abroad	4,246.2	3,713.5	5,481.3	6,594.9	9,085.5	9,541.9	9,873.4	9,739.5
2.2.2. Issued domestically	683.6	582.3	545.9	455.0	352.8	432.1	454.9	455.3
Total	28,520.7	29,478.3	36,555.5	40,516.4	45,173.0	47,751.3	48,006.1	48,150.8
Other liabilities	167.40	203.70	128.80	180.60	389.40	176.20	132.90	113.50
Total central government debt	28,688.2	29,682.0	36,684.3	40,697.0	45,562.4	47,927.5	48,139.0	48,264.3
Marketable HUF debt (1.2.1.1+1.2.1.2+1.2.2)	14,112.6	14,075.0	18,904.0	20,803.2	24,132.1	25,625.4	25,244.2	25,448.5
Gross debt/GDP	66.1%	62.4%	76.0%	73.8%	68.1%			

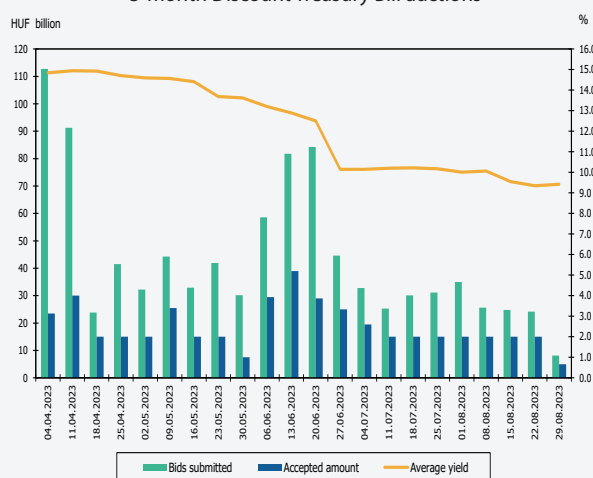
* Foreign exchange debt is recorded at the mid exchange rate of the NBH at the end of the year/month.



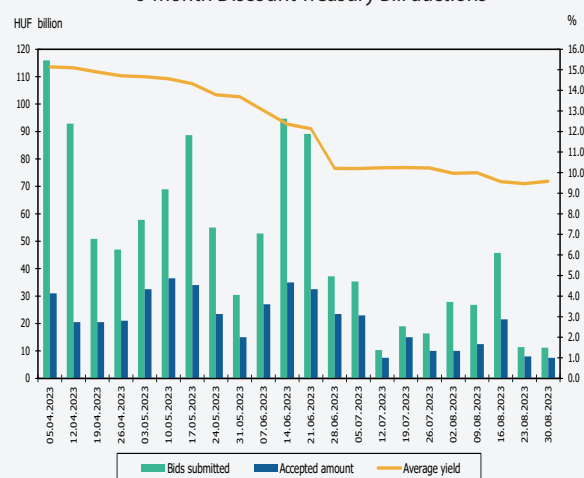
DISCOUNT TREASURY BILL AUCTION RESULTS

	3-month Discount T-bills					6-month Discount T-bills					12-month Discount T-bills		
Code of T-bills	D231108	D231115	D231122	D231129	D231206	D240124	D240320	D240320	D240320	D240320	D240626	D240821	D240821
ISIN code	HU0000524798	HU0000524806	HU0000524822	HU0000524657	HU0000524848	HU0000524731	HU0000524814	HU0000524814	HU0000524814	HU0000524814	HU0000524756	HU0000524830	HU0000524830
Maturity in days	91	91	91	91	91	168	217	210	203	196	322	364	350
Date of auction	01.08.2023	08.08.2023	15.08.2023	22.08.2023	29.08.2023	02.08.2023	09.08.2023	16.08.2023	23.08.2023	30.08.2023	03.08.2023	17.08.2023	31.08.2023
Date of financial settlement	09.08.2023	16.08.2023	23.08.2023	30.08.2023	06.09.2023	09.08.2023	16.08.2023	23.08.2023	30.08.2023	06.09.2023	09.08.2023	23.08.2023	06.09.2023
Redemption date	08.11.2023	15.11.2023	22.11.2023	29.11.2023	06.12.2023	24.01.2024	20.03.2024	20.03.2024	20.03.2024	20.03.2024	26.06.2024	21.08.2024	21.08.2024
Maximum yield (%) - ISMA	10.15	10.10	9.78	9.54	9.52	10.06	10.04	9.63	9.52	9.65	10.26	9.59	9.40
Minimum yield (%) - ISMA	9.00	9.90	9.33	9.20	9.00	9.60	9.50	9.00	9.15	9.20	9.50	8.80	9.14
Average yield (%) - ISMA	10.01	10.06	9.55	9.35	9.42	9.97	10.00	9.56	9.47	9.58	10.20	9.53	9.30
Maximum yield (%) - EHM	10.29	10.24	9.92	9.67	9.65	10.20	10.18	9.76	9.65	9.78	10.40	9.72	9.53
Minimum yield (%) - EHM	9.13	10.04	9.46	9.33	9.13	9.73	9.63	9.12	9.28	9.33	9.63	8.92	9.27
Average yield (%) - EHM	10.15	10.20	9.68	9.48	9.55	10.11	10.14	9.70	9.60	9.71	10.34	9.66	9.42
Average selling price (%)	97.5324	97.5210	97.6439	97.6900	97.6753	95.5530	94.3124	94.7160	94.9300	95.0423	91.6396	91.2102	91.7115
Amount offered for sale (HUF million)	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00	10,000.00	10,000.00	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00
Amount of bids submitted (HUF million)	34,972.97	25,627.90	24,798.71	24,200.64	8,135.34	27,852.21	26,811.72	45,761.45	11,405.80	11,190.81	26,495.61	35,063.99	22,571.89
Amount of bids accepted (HUF million)	14,999.97	14,999.98	14,999.99	14,999.98	5,000.00	10,000.00	12,499.97	21,499.98	7,999.99	7,499.98	15,000.00	14,999.98	14,999.98
Bid-to-cover ratio	2.33	1.71	1.65	1.61	1.63	2.79	2.14	2.13	1.43	1.49	1.77	2.34	1.50
Bids submitted (pcs)	110	92	96	90	63	77	67	89	46	47	50	80	57
Bids accepted (pcs)	73	64	56	56	51	47	38	56	34	38	33	48	45
Market sales (HUF million)	14,999.97	14,999.98	14,999.99	14,999.98	5,000.00	10,000.00	12,499.97	21,499.98	7,999.99	7,499.98	15,000.00	14,999.98	14,999.98
Retained on ÁKK's own account (HUF million)	15,000.03	15,000.02	20,000.01	0.02	20,000.00	7,000.00	25,000.03	43,000.02	35,000.01	4,000.02	30,000.00	45,000.02	30,000.02
Total amount issued (HUF million)	30,000.00	30,000.00	35,000.00	15,000.00	25,000.00	17,000.00	37,500.00	64,500.00	43,000.00	11,500.00	45,000.00	60,000.00	45,000.00

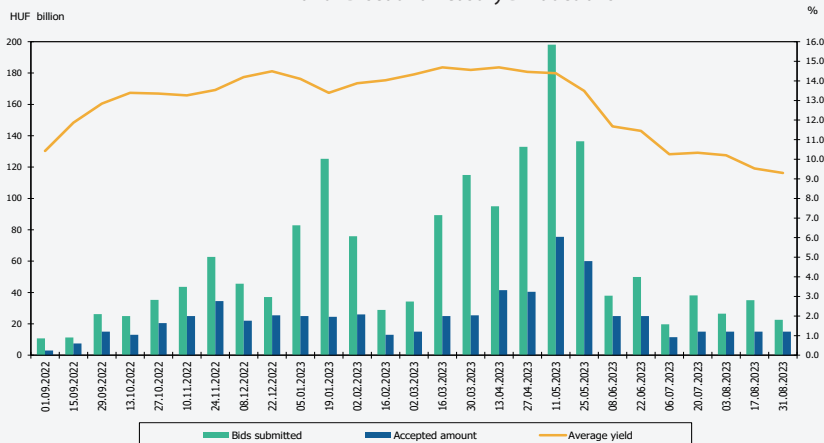
3-month Discount Treasury Bill auctions



6-month Discount Treasury Bill auctions



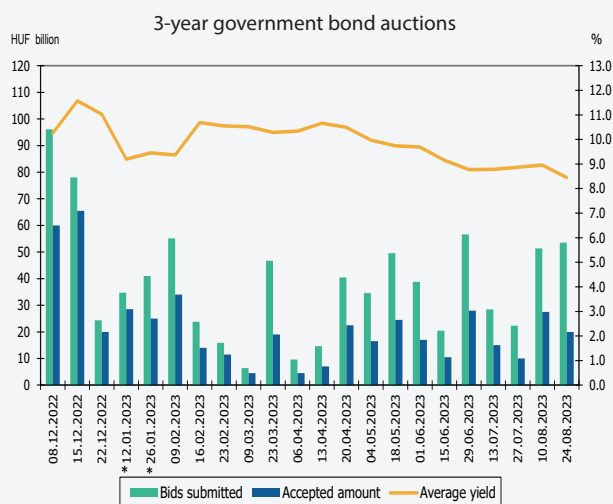
12-month Discount Treasury Bill auctions



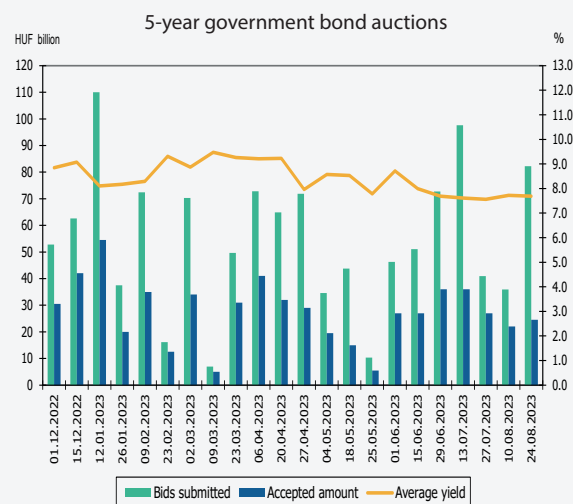
GOVERNMENT BOND AUCTION RESULTS

Government Bond	2038/A	2026/H	2028/A	2032/A
ISIN code	HU0000403555	HU0000406160	HU0000402532	HU0000405550
Maturity (in years)	15	3	5	10
Coupon	3.00%	9.50%	6.75%	4.75%
Auction	62nd auction	16th auction	63rd auction	41st auction
Date of auction	03.08.2023	10.08.2023	10.08.2023	10.08.2023
Date of financial settlement	09.08.2023	16.08.2023	16.08.2023	16.08.2023
Redemption date	27.10.2038	21.10.2026	22.10.2028	24.11.2032
Maximum annual yield (%) - ISMA	7.52	8.98	7.74	7.44
Minimum annual yield (%) - ISMA	7.47	8.93	7.69	7.40
Average annual yield (%) - ISMA	7.50	8.96	7.72	7.43
Maximum annual yield (%) - EHM	7.51	8.97	7.73	7.44
Minimum annual yield (%) - EHM	7.46	8.92	7.68	7.39
Average annual yield (%) - EHM	7.49	8.96	7.71	7.43
Maximum price (%)	60.1365	101.4917	96.0642	82.6403
Minimum price (%)	59.8169	101.3538	95.8622	82.3661
Average price (%)	59.9594	101.3995	95.9461	82.4268
Amount offered for sale (HUF million)	10,000.00	10,000.00	10,000.00	10,000.00
Amount of bids submitted (HUF million)	22,850.00	51,329.20	35,950.54	37,186.46
Amount of bids accepted (HUF million)	10,000.00	27,500.00	21,999.96	16,500.00
Bid-to-cover ratio	2.29	1.87	1.63	2.25
Bids submitted (pcs)	45	51	43	46
Bids accepted (pcs)	21	33	30	27
Tail (%) (average price - minimum price)	0.14	0.05	0.08	0.06
Market sales (HUF million)	10,000.00	27,500.00	21,999.96	16,500.00
Non-competitive offer (HUF million)	3,040.00	6,890.00	8,239.97	6,053.31
Total amount sales (HUF million)	13,040.00	34,390.00	30,239.93	22,553.31

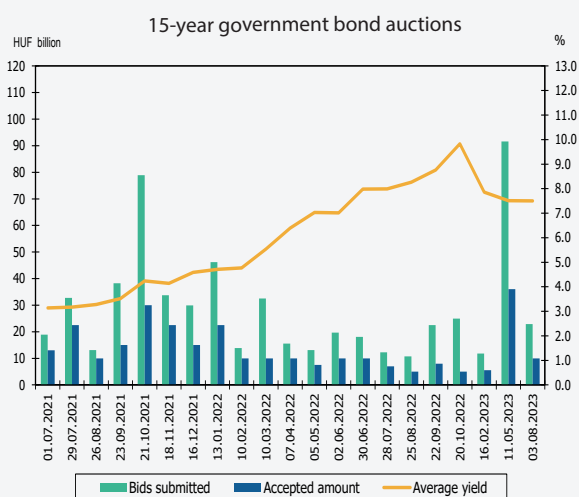
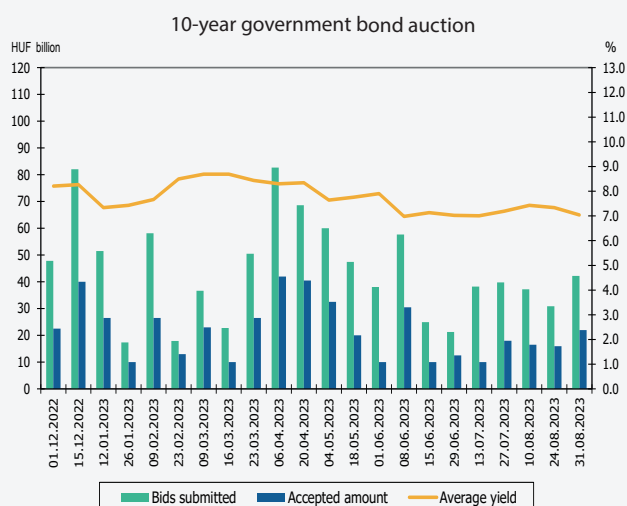
Government Bond	2032/B	2026/H	2028/A	2032/A	2032/G
ISIN code	HU0000406087	HU0000406160	HU0000402532	HU0000405550	HU0000405535
Maturity (in years)	10	3	5	10	10
Coupon	16.06%	9.50%	6.75%	4.75%	4.50%
Auction	13rd auction	17th auction	64th auction	42nd auction	13th auction
Date of auction	17.08.2023	24.08.2023	24.08.2023	24.08.2023	31.08.2023
Date of financial settlement	23.08.2023	30.08.2023	30.08.2023	30.08.2023	06.09.2023
Redemption date	25.08.2032	21.10.2026	22.10.2028	24.11.2032	27.05.2032
Maximum annual yield (%) - ISMA	-	8.47	7.72	7.36	7.07
Minimum annual yield (%) - ISMA	-	8.44	7.64	7.32	6.99
Average annual yield (%) - ISMA	-	8.45	7.69	7.34	7.04
Maximum annual yield (%) - EHM	-	8.46	7.71	7.35	7.06
Minimum annual yield (%) - EHM	-	8.43	7.63	7.31	6.98
Average annual yield (%) - EHM	-	8.45	7.69	7.34	7.04
Maximum price (%)	99.9100	102.7990	96.2961	83.1445	84.1084
Minimum price (%)	99.7000	102.7173	95.9738	82.9120	83.6527
Average price (%)	99.8900	102.7608	96.0754	82.9993	83.8010
Amount offered for sale (HUF million)	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
Amount of bids submitted (HUF million)	27,900.00	53,567.59	82,209.31	30,850.00	42,220.00
Amount of bids accepted (HUF million)	23,499.98	19,999.99	24,500.00	16,000.00	22,000.00
Bid-to-cover ratio	1.19	2.68	3.36	1.93	1.92
Bids submitted (pcs)	22	45	60	49	51
Bids accepted (pcs)	12	13	20	22	25
Tail (%) (average price - minimum price)	0.19	0.04	0.10	0.09	0.15
Market sales (HUF million)	23,499.98	19,999.99	24,500.00	16,000.00	22,000.00
Non-competitive offer (HUF million)	8,574.27	7,519.99	8,520.00	3,320.00	8,320.00
Total amount sales (HUF million)	32,074.25	27,519.98	33,020.00	19,320.00	30,320.00



*2-year government bond



The graph shows the yield on fixed-rate bonds.



GOVERNMENT SECURITIES BUY-BACK AUCTION RESULTS

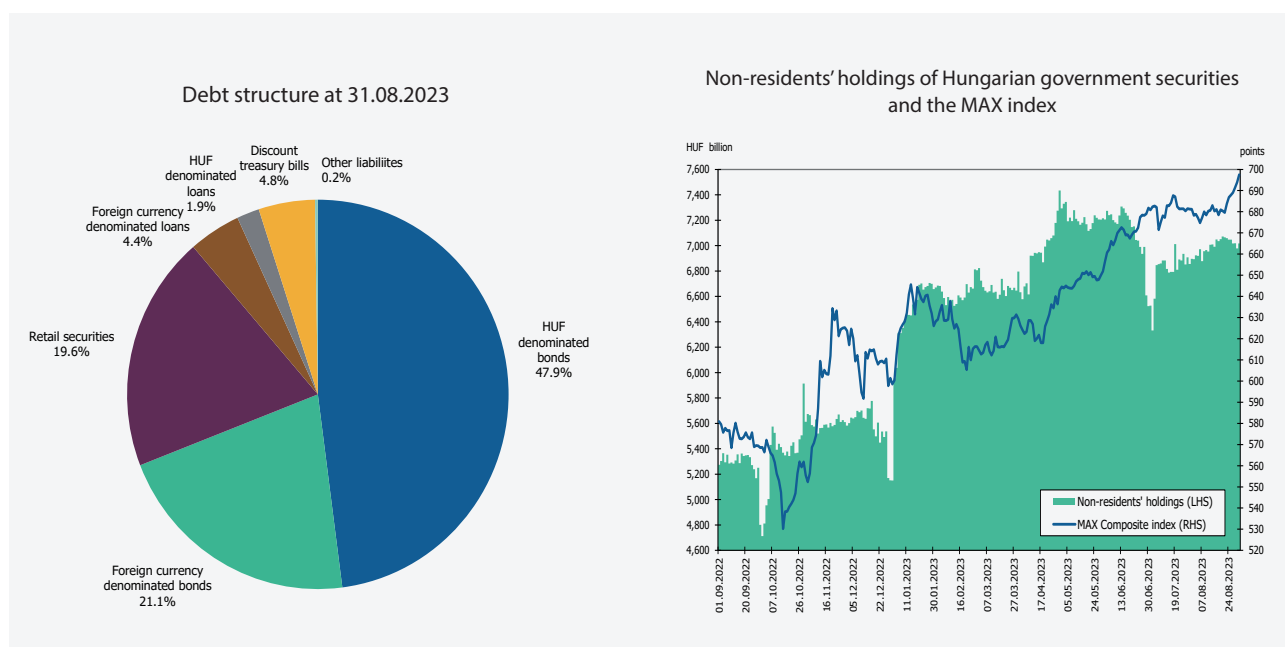
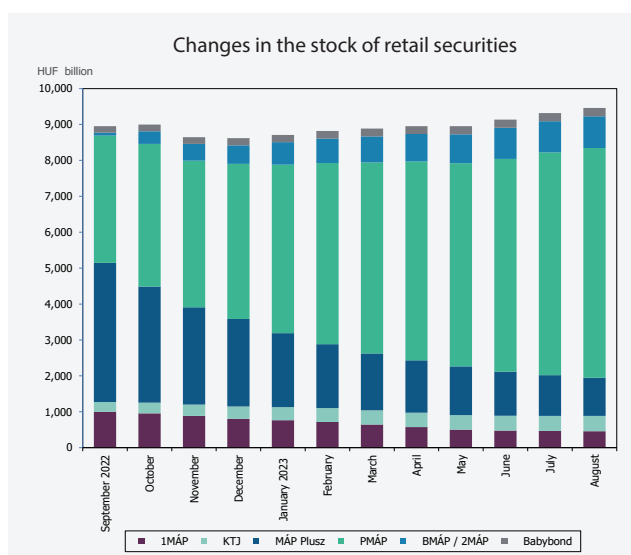
Government bond	2023/A	2024/C	2023/A	2023/A	2023/A	2023/A
ISIN code	HU0000402383	HU0000403571	HU0000402383	HU0000402383	HU0000402383	HU0000402383
Coupon (%)	6.0	2.5	6.0	6.0	6.0	6.0
Date of reverse auction	02.08.2023	02.08.2023	09.08.2023	16.08.2023	23.08.2023	30.08.2023
Date of financial settlement	09.08.2023	09.08.2023	16.08.2023	23.08.2023	30.08.2023	06.09.2023
Redemption date	24.11.2023	24.10.2024	24.11.2023	24.11.2023	24.11.2023	24.11.2023
Minimum annual yield (%)	11.02	10.39	10.96	10.48	10.20	10.21
Average annual yield- ISMA (%)	11.08	10.39	11.02	10.51	10.25	10.24
Average annual yield - EHM (%)	10.33	10.19	10.24	9.74	9.74	9.72
Amount of bids submitted (HUF million)	27,200.00	6,933.00	21,207.56	14,007.56	45,800.00	36,750.00
Amount of bids accepted (HUF million)	23,700.00	6,000.00	17,500.00	11,007.56	43,800.00	35,250.00

INTEREST RATE RESETS OF FLOATING RATE GOVERNMENT BONDS IN AUGUST 2023

Government bond	Date of interest rate reset	Interest period		Date of interest payment	Reset interest rate	Interest payable
2024/N	24.08.2023	26.08.2023	26.08.2024	26.08.2024	12.57%	12.78%
2029/B	17.08.2023	22.08.2023	22.11.2023	22.11.2023	14.00%	3.58%
2032/B	22.08.2023	25.08.2023	25.11.2023	27.11.2023	13.93%	3.56%

OUTSTANDING AMOUNT OF RETAIL SECURITIES

Retail securities	HUF billion		
	31.12.2022	31.08.2023	Change
1-year Hungarian Government Security / 1MÁP	807.8	459.3	-348.5
Treasury Saving Bills / KTJ	341.8	426.2	84.3
Hungarian Government Security Plus / MÁP Plusz	2,434.5	1,061.1	-1,373.4
Premium Hungarian Government Security / PMÁP	4,321.6	6,398.0	2,076.4
Bonus Hungarian Government Security / BMÁP	514.7	883.2	368.5
Babybond	198.8	232.9	34.0
Total	8,619.3	9,460.7	841.4



HUNGARIAN GOVERNMENT SECURITIES INDICES

	MAX index	HMAX index	MAX Composite index	RMAX index	ZMAX index
Value as at 31.08.2023	725.8064	84.6734	697.4626	630.1385	628.5407
Changes compared to the end of the previous month	17.3393	2.0774	16.2934	8.0098	6.7102
Annual yield earned on the index portfolio (%)	19.43	22.34	19.05	12.28	13.55

Government bonds with the highest secondary market turnover in August 2023

Government bond	Date of redemption	Turnover (HUF billion)
2028/A	22.10.2028	333.7
2032/A	24.11.2032	300.9
2026/H	21.10.2026	228.3
2023/A	24.11.2023	158.8
2038/A	27.10.2038	117.9
2027/A	27.10.2027	101.2
2033/A	20.04.2033	100.6
2030/A	21.08.2030	98.0
2026/E	22.04.2026	88.9
2025/B	24.06.2025	87.0

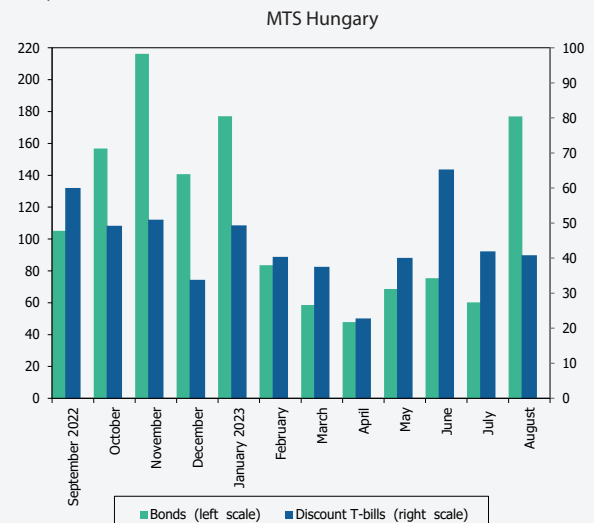
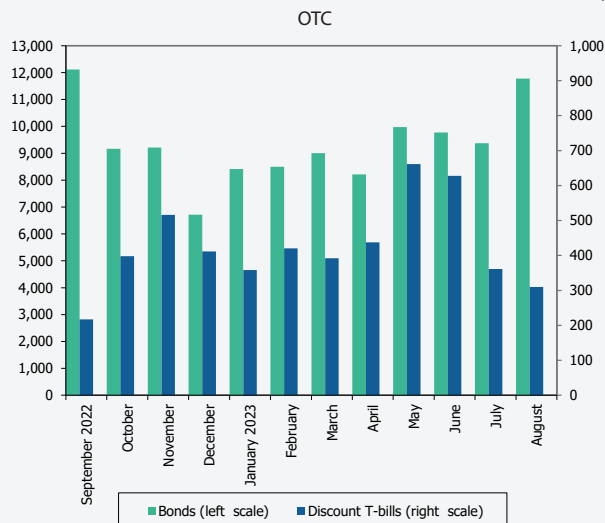
The outstanding volume of government bonds with benchmark status at the end of August 2023

Government bond	HUF billion	
	31.07.2023	31.08.2023
2026/H	309.85	384.36
2028/A	1,218.44	1,314.55
2032/A	1,083.04	1,147.97
2038/A	957.11	970.17
2041/A	574.48	574.55

The outstanding volume of the three largest government bonds at the end of August 2023

Government bond	HUF billion
2031/A	1,530.15
2025/C	1,479.76
2033/A	1,348.55

Secondary market trading of Hungarian government securities (HUF billion)



Breakdown of primary dealers' secondary market turnover by investor groups in August 2023

