



GOVERNMENT DEBT MANAGEMENT AGENCY PTE LTD.

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GOVERNMENT SECURITIES MARKET

MONTHLY REPORT
JANUARY 2023



The Central Government Debt increased by HUF 945.5 billion to HUF 46,507.9 billion in 2023. Total net issuance was HUF 1,464.7 billion; out of which net HUF denominated issuance including repos was HUF 72.8 billion and net foreign currency denominated issuance was HUF 1,391.9 billion in 2023.

CENTRAL GOVERNMENT DEBT

(HUF billion)	2022		2023		Change	
	December	%	January	%	HUF billion	%
HUF denominated debt	33,775.6	74.1	33,848.4	72.8	72.8	0.2
Loans	1,024.2	2.2	979.6	2.1	-44.6	-4.4
Government bonds	22,346.3	49.0	22,177.5	47.7	-168.8	-0.8
Retail securities	8,619.4	18.9	8,710.5	18.7	91.2	1.1
Discount treasury bills	1,785.8	3.9	1,980.8	4.3	195.0	10.9
Foreign exchange denominated debt	11,397.3	25.0	12,421.7	26.7	1,024.3	9.0
Total	45,173.0	99.1	46,270.1	99.5	1,097.1	2.4
Other obligations	389.4	0.9	237.8	0.5	-151.6	-38.9
Total central government debt	45,562.4	100.0	46,507.9	100.0	945.5	2.1

The HUF denominated debt of the central government increased by HUF 72.8 billion in 2023. The increase in domestic debt was the result of the net government bond redemption of HUF 168.8 billion and the increase of discount Treasury bills by HUF 195.0 billion. The total amount of retail government securities increased by HUF 91.2 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 44.6 billion in 2023.

The foreign currency debt of the central government increased by HUF 1,024.3 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 HUF 558.1 billion (USD 1.5 billion) and 10-year foreign currency bond in the amount of HUF 558.1 billion (USD 1.5 billion), and 30-year foreign currency bond in the amount of HUF 465.1 billion (USD 1.25 billion) was also issued. A part of this issuance was used to partially repurchase two USD bonds maturing in 2023-24.

The drawdown of foreign currency loans further increased the foreign currency debt by HUF 40.5 billion and the issuance of domestic foreign currency bonds grew by HUF 28.9 billion. The exchange rate revaluations totalling HUF 367.6 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 258.1 billion and the repayments of domestic foreign currency bond by HUF 0.7 billion. The total amount of other liabilities decreased by HUF 151.6 billion in 2023.

BENCHMARK YIELDS

Maturity	30.12.2021	30.12.2022	31.01.2023	Change in January basis point
3-month	2.16	12.32	14.20	188
6-month	2.61	13.89	13.85	-4
1-year	3.57	13.82	13.51	-31
3-year	4.19	10.71	10.27	-44
5-year	4.35	9.73	8.63	-110
10-year	4.51	8.98	7.95	-103
15-year	4.72	8.41	7.63	-78
20-year	4.75	8.41	7.56	-85

Monthly OTC turnover of government securities increased by 23% to HUF 8,769.9 billion in January. Primary dealers, who account for the decisive part of all secondary government securities trading, made 79% of their secondary government securities deals with non-resident investors.

The volume of non-residents' holdings of Hungarian government securities increased altogether by HUF 1,518.8 billion in January and mounted to HUF 6,670.8 billion at the end of January. This volume represented 20.3% of the total amount of domestic government securities.

The EUR/HUF exchange rate according to the National Bank of Hungary was 388.99 on the last working day of January.

The credit rating of the long-term foreign currency debt of Hungary is as follows on the last working day of January: BBB- (Standard & Poor's); Baa2 (Moody's); BBB (Fitch). In January, Fitch Ratings affirmed Hungary's BBB sovereign rating but changed the outlook to negative from stable and Standard & Poor's downgraded Hungary from BBB to BBB minus with a stable outlook.

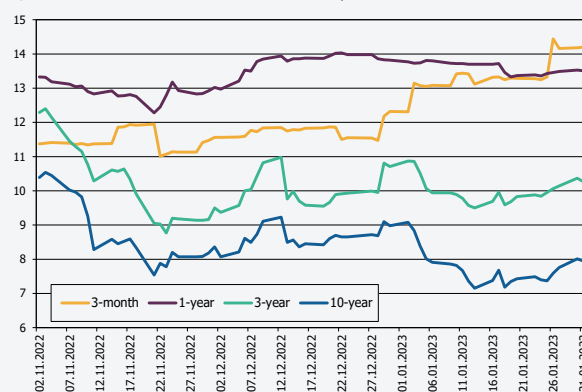
CENTRAL GOVERNMENT GROSS DEBT

HUF BILLION

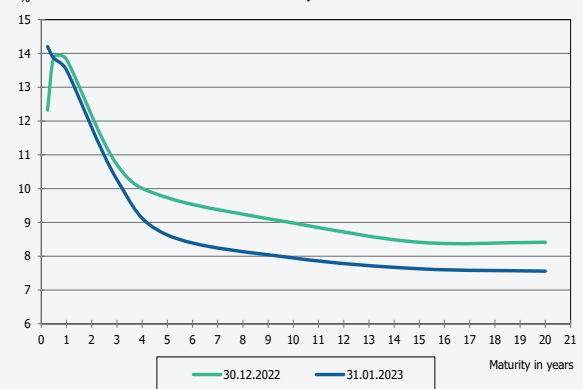
	2017	2018	2019	2020	2021	2022 November	2022 December	2023 January
1. Forint denominated debt	20,689.4	22,796.0	24,357.1	29,237.3	32,121.2	33,124.4	33,775.6	33,848.4
1.1. Loans	1,041.1	1,167.7	1,208.1	1,161.6	1,307.7	1,077.3	1,024.2	979.6
1.2. Government securities	19,648.3	21,628.3	23,149.0	28,075.7	30,813.5	32,047.0	32,751.4	32,868.8
1.2.1. Public issues	19,609.2	21,589.1	23,109.8	28,036.5	30,813.5	32,047.0	32,751.4	32,868.8
1.2.1.1. Bonds	11,767.1	12,836.1	13,378.5	18,206.6	20,220.0	21,798.2	22,346.3	22,177.5
1.2.1.2. Discount T-bills	1,039.2	1,237.3	657.3	658.2	583.2	1,602.6	1,785.8	1,980.8
1.2.1.3. Retail securities	6,802.9	7,515.7	9,074.0	9,171.7	10,010.2	8,646.2	8,619.4	8,710.5
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	11,304.3	11,397.3	12,421.7
2.1. Loans	929.1	795.0	825.4	1,291.1	1,345.2	1,809.1	1,959.1	1,939.2
2.1.1. Foreign loans	929.1	795.0	825.4	1,291.1	1,345.2	1,809.1	1,959.1	1,939.2
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	9,495.2	9,438.2	10,482.5
2.2.1. Issued abroad	4,145.9	4,246.2	3,713.5	5,481.3	6,594.9	9,096.4	9,085.5	10,112.0
2.2.2. Issued domestically	707.6	683.6	582.3	545.9	455.0	398.8	352.8	370.5
Total	26,472.0	28,520.7	29,478.3	36,555.5	40,516.4	44,428.6	45,173.0	46,270.1
Other liabilities	274.20	167.40	203.70	128.80	180.60	362.70	389.40	237.80
Total central government debt	26,746.2	28,688.2	29,682.0	36,684.3	40,697.0	44,791.4	45,562.4	46,507.9
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	23,400.8	24,132.1	24,158.3
Gross debt/GDP	68.1%	66.1%	62.3%	75.8%	73.8%			

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

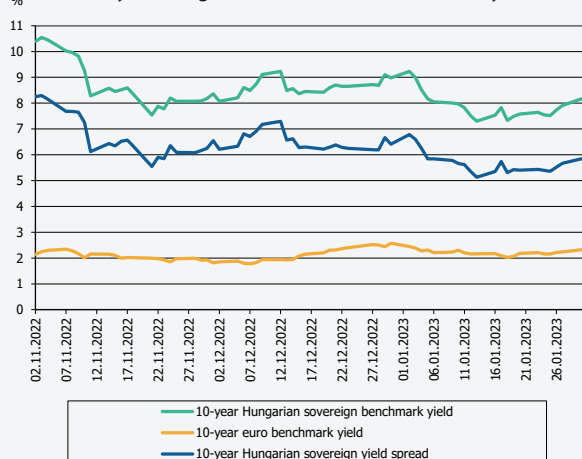
Benchmark yields



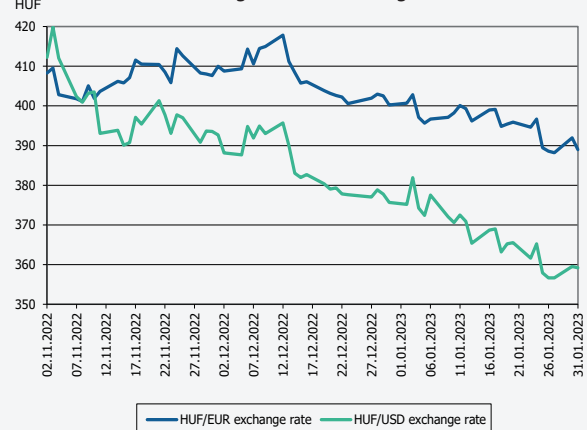
Benchmark yield curves



10-year Hungarian and eurozone benchmark yields



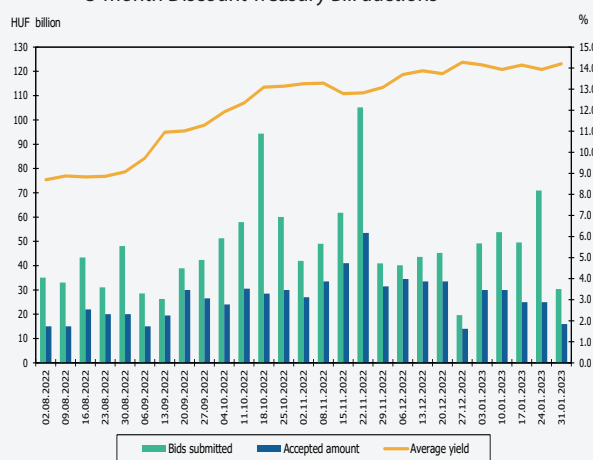
The exchange rate of the Hungarian Forint



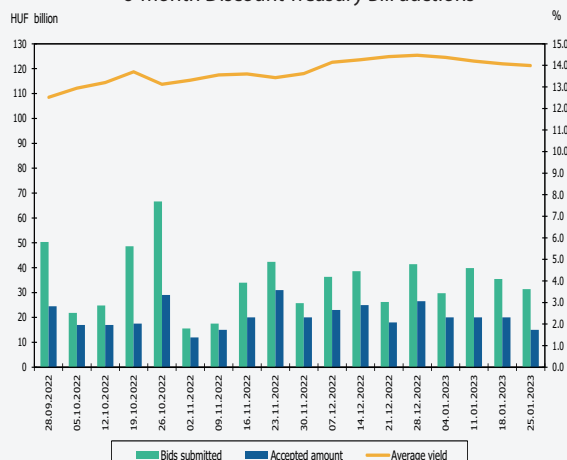
DISCOUNT TREASURY BILL AUCTION RESULTS

	3-month Discount T-bills					6-month Discount T-bills				12-month Discount T-bills	
Code of T-bills	D230412	D230419	D230426	D230503	D230510	D230726	D230726	D230726	D230726	D231227	D231227
ISIN code	HU0000524517	HU0000524111	HU0000524525	HU0000524616	HU0000524533	HU0000524491	HU0000524491	HU0000524491	HU0000524491	HU0000524475	HU0000524475
Maturity in days	91	91	91	91	91	196	189	182	175	350	336
Date of auction	03.01.2023	10.01.2023	17.01.2023	24.01.2023	31.01.2023	04.01.2023	11.01.2023	18.01.2023	25.01.2023	05.01.2023	19.01.2023
Date of financial settlement	11.01.2023	18.01.2023	25.01.2023	01.02.2023	08.02.2023	11.01.2023	18.01.2023	25.01.2023	01.02.2023	11.01.2023	25.01.2023
Redemption date	12.04.2023	19.04.2023	26.04.2023	03.05.2023	10.05.2023	26.07.2023	26.07.2023	26.07.2023	26.07.2023	27.12.2023	27.12.2023
Maximum yield (%) - ISMA	14.40	14.20	14.27	14.07	14.40	14.48	14.29	14.22	14.05	14.25	13.49
Minimum yield (%) - ISMA	12.30	12.30	12.30	12.30	13.50	13.45	12.50	13.80	13.20	13.50	13.37
Average yield (%) - ISMA	14.15	13.94	14.14	13.94	14.21	14.37	14.20	14.07	13.99	14.10	13.39
Maximum yield (%) - EHM	14.60	14.40	14.47	14.27	14.60	14.68	14.49	14.42	14.25	14.45	13.68
Minimum yield (%) - EHM	12.47	12.47	12.47	12.47	13.69	13.64	12.67	13.99	13.38	13.69	13.56
Average yield (%) - EHM	14.35	14.13	14.34	14.13	14.41	14.57	14.40	14.26	14.18	14.29	13.58
Average selling price (%)	96.5461	96.5961	96.5479	96.5965	96.5327	92.7419	93.0619	93.3606	93.6325	87.9467	88.8889
Amount offered for sale (HUF million)	30,000.00	30,000.00	25,000.00	25,000.00	25,000.00	20,000.00	20,000.00	20,000.00	20,000.00	25,000.00	20,000.00
Amount of bids submitted (HUF million)	49,163.32	53,820.67	49,587.55	70,964.29	30,406.99	29,780.40	39,882.04	35,450.09	31,422.29	82,834.38	125,305.37
Amount of bids accepted (HUF million)	29,999.94	29,999.95	24,999.99	25,000.00	15,999.96	19,999.99	19,999.99	19,999.99	14,999.98	25,000.00	24,500.00
Bid-to-cover ratio	1.64	1.79	1.98	2.84	1.90	1.49	1.99	1.77	2.09	3.31	5.11
Bids submitted (pcs)	109	122	111	130	79	62	83	74	89	87	111
Bids accepted (pcs)	85	86	83	76	62	40	54	53	62	23	12
Market sales (HUF million)	29,999.94	29,999.95	24,999.99	25,000.00	15,999.96	19,999.99	19,999.99	19,999.99	14,999.98	25,000.00	24,500.00
Retained on ÁKK's own account (HUF million)	20,000.06	20,000.05	20,000.01	20,000.00	16,000.04	10,000.01	6,000.01	10,000.01	6,000.02	-	30,000.00
Total amount issued (HUF million)	50,000.00	50,000.00	45,000.00	45,000.00	32,000.00	30,000.00	26,000.00	30,000.00	21,000.00	25,000.00	54,500.00

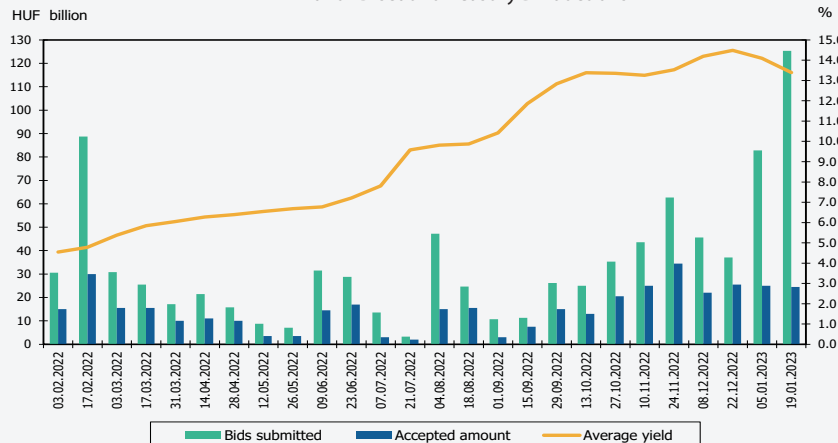
3-month Discount Treasury Bill auctions



6-month Discount Treasury Bill auctions



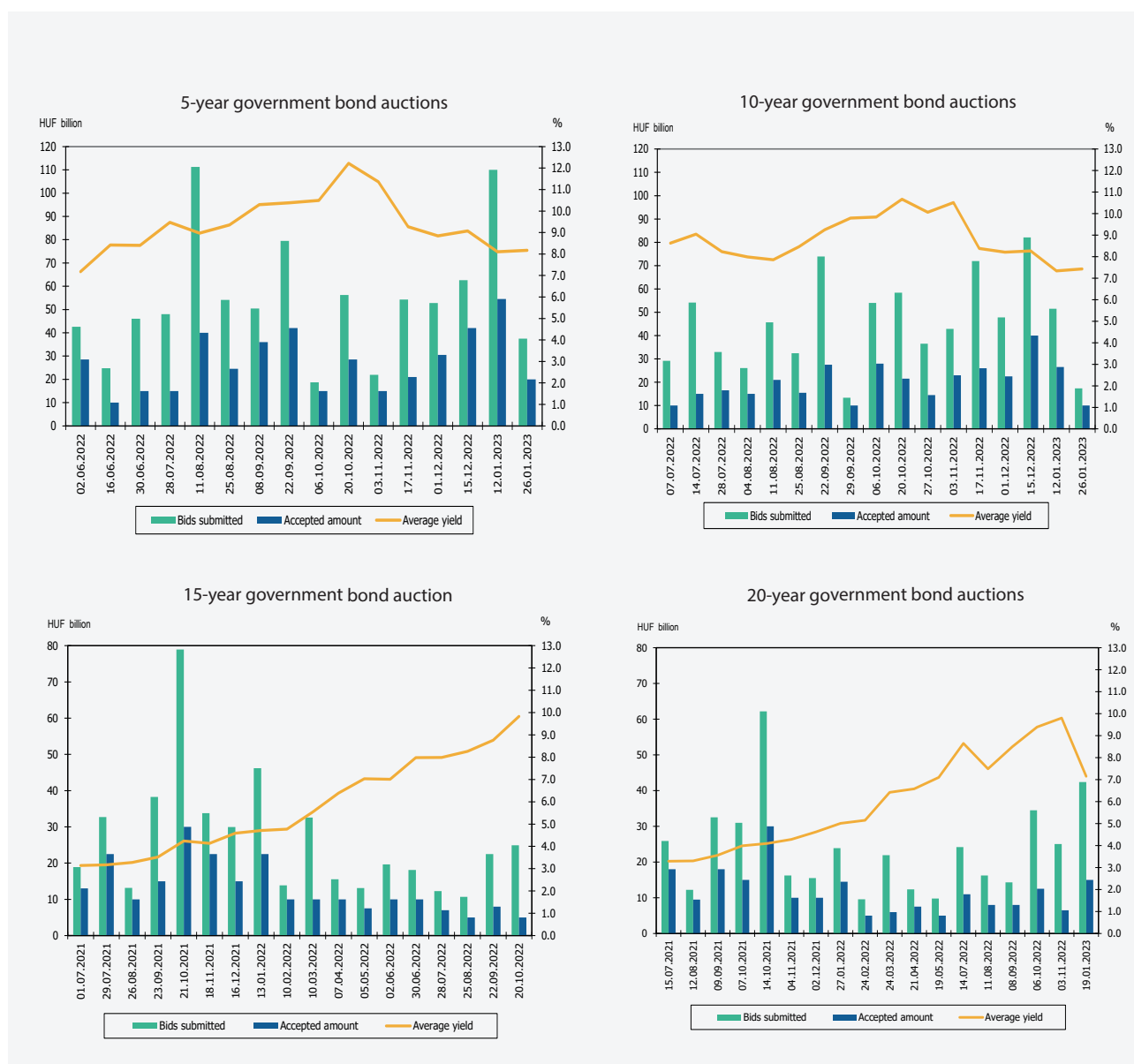
12-month Discount Treasury Bill auctions



GOVERNMENT BOND AUCTION RESULTS

Government Bond	2032/B	2026/H	2028/A	2032/A
ISIN code	HU0000406087	HU0000406160	HU0000402532	HU0000405550
Maturity (in years)	10	3	5	10
Coupon	13.78%	9.50%	6.75%	4.75%
Auction	7th auction	1st auction	48th auction	26th auction
Date of auction	05.01.2023	12.01.2023	12.01.2023	12.01.2023
Date of financial settlement	11.01.2023	18.01.2023	18.01.2023	18.01.2023
Redemption date	25.08.2032	21.10.2026	22.10.2028	24.11.2032
Maximum annual yield (%) - ISMA	-	9.25	8.14	7.37
Minimum annual yield (%) - ISMA	-	9.15	8.06	7.27
Average annual yield (%) - ISMA	-	9.20	8.10	7.34
Maximum annual yield (%) - EHM	-	9.24	8.13	7.36
Minimum annual yield (%) - EHM	-	9.14	8.05	7.26
Average annual yield (%) - EHM	-	9.20	8.10	7.34
Maximum price (%)	95.9000	101.1500	94.1001	82.6815
Minimum price (%)	95.7800	100.8350	93.7568	82.0755
Average price (%)	95.8200	100.9745	93.9075	82.2271
Amount offered for sale (HUF million)	15,000.00	30,000.00	25,000.00	20,000.00
Amount of bids submitted (HUF million)	54,550.00	34,700.00	109,984.19	51,550.00
Amount of bids accepted (HUF million)	15,000.00	28,500.00	54,499.99	26,499.99
Bid-to-cover ratio	3.64	1.22	2.02	1.95
Bids submitted (pcs)	54	33	68	41
Bids accepted (pcs)	12	19	34	23
Tail (%) (average price - minimum price)	0.04	0.14	0.15	0.15
Market sales (HUF million)	15,000.00	28,500.00	54,499.99	26,499.99
Non-competitive offer (HUF million)	4,120.00	0.00	18,971.66	9,039.99
Total amount sales (HUF million)	19,120.00	28,500.00	73,471.65	35,539.98

Government Bond	2041/A	2026/H	2028/A	2032/A
ISIN code	HU0000404165	HU0000406160	HU0000402532	HU0000405550
Maturity (in years)	20	3	5	10
Coupon	3.00%	9.50%	6.75%	4.75%
Auction	42nd auction	2nd auction	49th auction	27th auction
Date of auction	19.01.2023	26.01.2023	26.01.2023	26.01.2023
Date of financial settlement	25.01.2023	01.02.2023	01.02.2023	01.02.2023
Redemption date	25.04.2041	21.10.2026	22.10.2028	24.11.2032
Maximum annual yield (%) - ISMA	7.18	9.49	8.20	7.46
Minimum annual yield (%) - ISMA	7.15	9.40	8.14	7.41
Average annual yield (%) - ISMA	7.15	9.45	8.17	7.43
Maximum annual yield (%) - EHM	7.17	9.48	8.19	7.45
Minimum annual yield (%) - EHM	7.14	9.39	8.13	7.40
Average annual yield (%) - EHM	7.14	9.44	8.16	7.43
Maximum price (%)	58.4120	100.3620	93.7846	81.8794
Minimum price (%)	58.1911	100.0861	93.5295	81.5750
Average price (%)	58.4105	100.2008	93.6489	81.7311
Amount offered for sale (HUF million)	15,000.00	25,000.00	20,000.00	15,000.00
Amount of bids submitted (HUF million)	42,400.00	40,990.00	37,500.00	17,400.00
Amount of bids accepted (HUF million)	15,000.00	24,999.99	19,999.99	10,000.00
Bid-to-cover ratio	2.83	1.64	1.88	1.74
Bids submitted (pcs)	45	37	46	34
Bids accepted (pcs)	5	25	30	21
Tail (%) (average price - minimum price)	0.22	0.11	0.12	0.16
Market sales (HUF million)	15,000.00	24,999.99	19,999.99	10,000.00
Non-competitive offer (HUF million)	5,840.00	0.00	0.00	0.00
Total amount sales (HUF million)	20,840.00	24,999.99	19,999.99	10,000.00

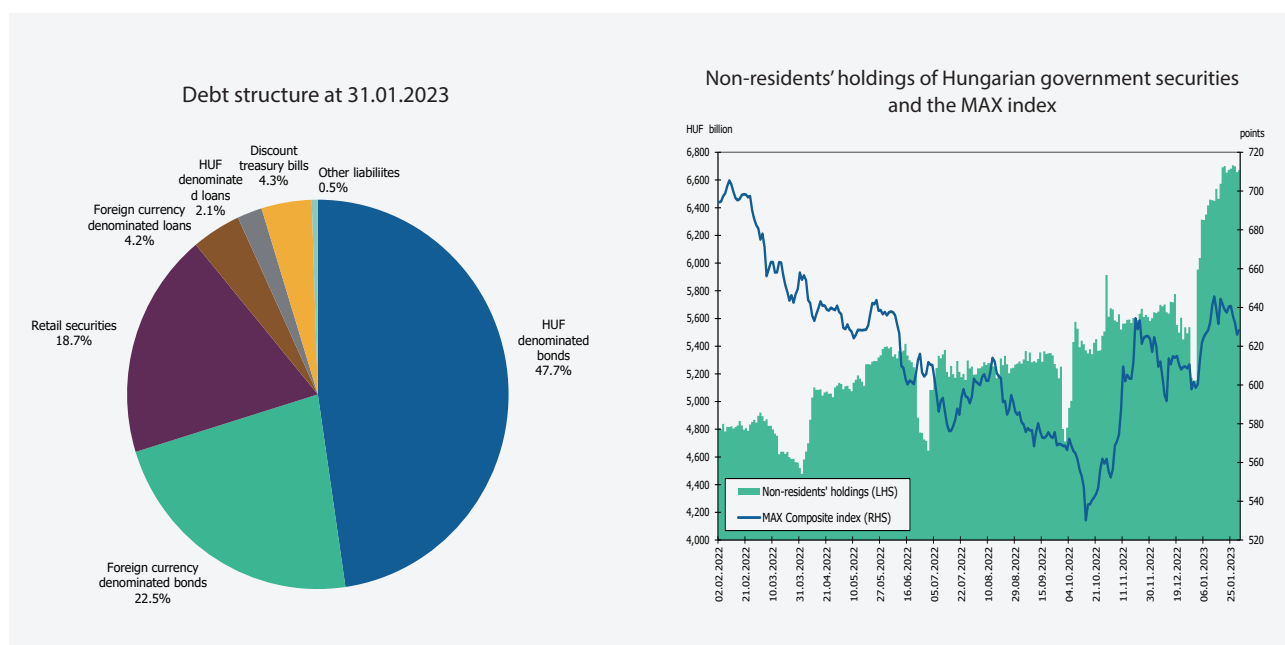
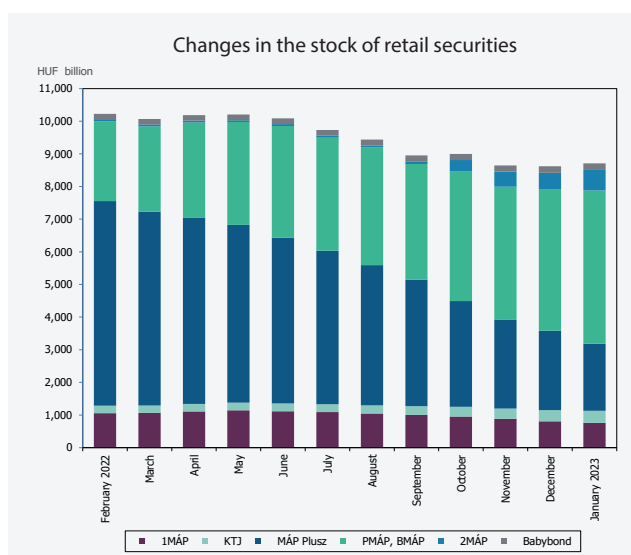


INTEREST RATE RESETS OF FLOATING RATE GOVERNMENT BONDS IN JANUARY 2023

Government bond	Date of interest rate reset	Interest period		Date of interest payment	Reset interest rate	Interest payable
2023/B	23.01.2023	26.01.2023	26.04.2023	26.04.2023	16,00%	4,00%
2027/J	23.01.2023	27.01.2023	27.01.2024	29.01.2024	15,25%	15,25%
2027/K	13.01.2023	20.01.2023	24.02.2024	26.02.2024	15,25%	16,71%
2027/B	18.01.2023	22.01.2023	22.04.2023	24.04.2023	16,03%	4,01%
2030/I	13.01.2023	20.01.2023	20.02.2024	20.02.2024	16,00%	17,36%
2033/S	26.01.2023	01.02.2023	01.02.2024	01.02.2024	17,50%	17,50%
2034/S	26.01.2023	01.02.2023	01.02.2024	01.02.2024	17,50%	17,50%
2035/S	26.01.2023	01.02.2023	01.02.2024	01.02.2024	17,50%	17,50%
2036/S	26.01.2023	01.02.2023	01.02.2024	01.02.2024	17,50%	17,50%
2037/S	26.01.2023	01.02.2023	01.02.2024	01.02.2024	17,50%	17,50%
2038/S	26.01.2023	01.02.2023	01.02.2024	01.02.2024	17,50%	17,50%
2039/S	26.01.2023	01.02.2023	01.02.2024	01.02.2024	17,50%	17,50%
2040/S	26.01.2023	01.02.2023	01.02.2024	01.02.2024	17,50%	17,50%
2041/S	26.01.2023	01.02.2023	01.02.2024	01.02.2024	17,50%	17,50%
2042/S	26.01.2023	01.02.2023	01.02.2024	01.02.2024	17,50%	17,50%

OUTSTANDING AMOUNT OF RETAIL SECURITIES

Retail securities	HUF billion		
	31.12.2022	31.01.2023	Change
1-year Hungarian Government Security / 1MÁP	807.8	763.5	-44.3
Treasury Saving Bills / KTJ	341.8	368.1	26.2
Hungarian Government Security Plus / MÁP Plusz	2,434.5	2,055.7	-378.8
Premium Hungarian Government Security / PMÁP	4,321.6	4,692.7	371.1
Bonus Hungarian Government Security / BMÁP	514.7	628.2	113.5
Babybond	198.8	202.3	3.4
Total	8,619.3	8,710.5	91.2



HUNGARIAN GOVERNMENT SECURITIES INDICES

	MAX index	HMAX index	MAX Composite index	RMAX index	ZMAX index
Value as at 31.01.2023	653.4691	75.9018	628.2105	575.4131	577.8596
Changes compared to the end of the previous month	30.4436	4.6635	26.8164	5.0309	5.4585
Annual yield earned on the index portfolio (%)	-10.73	-12.22	-9.70	4.25	7.04

Government bonds with the highest secondary market turnover in January 2023

Government bond	Date of redemption	Turnover (HUF billion)
2032/A	24.11.2032	464.6
2028/B	23.03.2028	333.4
2028/A	22.10.2028	217.7
2024/B	26.06.2024	208.9
2027/A	27.10.2027	182.5
2030/A	21.08.2030	160.2
2025/B	24.06.2025	153.0
2024/C	24.10.2024	150.5
2025/C	26.11.2025	137.4
2041/A	25.04.2041	133.5

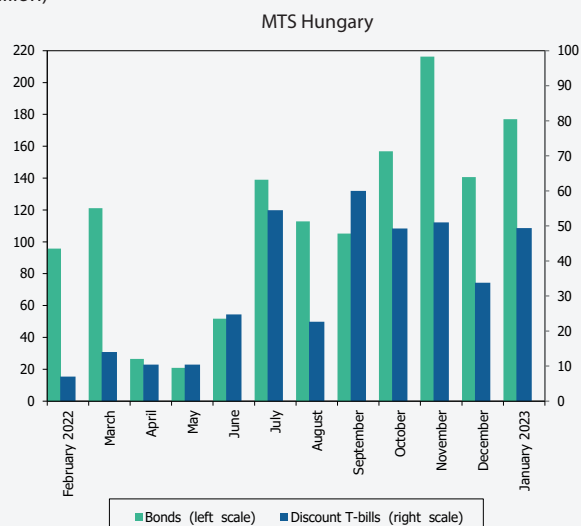
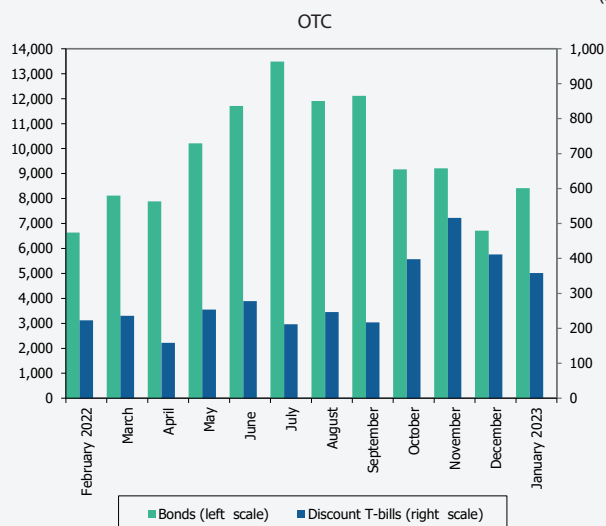
The outstanding volume of government bonds with benchmark status at the end of January 2023

Government bond	HUF billion	
	31.12.2022	31.01.2023
2025/C	1,466.83	1,466.39
2028/A	719.77	793.14
2032/A	707.93	744.65
2038/A	901.67	901.67
2041/A	519.40	540.15

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

Government bond	HUF billion
2031/A	1,530.13
2025/C	1,466.39
2033/A	1,315.12

Secondary market trading of Hungarian government securities (HUF billion)



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

