



GOVERNMENT DEBT MANAGEMENT AGENCY PTE LTD.

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GOVERNMENT SECURITIES MARKET

MONTHLY REPORT
MARCH 2022



The Central Government Debt increased by HUF 1,636.4 billion to HUF 42,333.5 billion in 2022. Total net issuance was HUF 1,605.6 billion; out of which net HUF denominated issuance including repos was HUF 1,349.3 billion and net foreign currency denominated issuance was HUF 256.3 billion in 2022.

CENTRAL GOVERNMENT DEBT

(HUF billion)	2021		2022		Change	
	December	%	March	%	HUF billion	%
HUF denominated debt	32,121.2	78.9	33,470.5	79.1	1,349.3	4.2
Loans	1,307.7	3.2	1,305.4	3.1	-2.3	-0.2
Government bonds	20,220.0	49.7	21,143.4	49.9	923.4	4.6
Retail securities	10,010.3	24.6	10,069.4	23.8	59.2	0.6
Discount treasury bills	583.2	1.4	952.2	2.2	369.0	63.3
Foreign exchange denominated debt	8,395.2	20.6	8,676.1	20.5	281.0	3.3
Total	40,516.4	99.6	42,146.7	99.6	1,630.3	4.0
Other obligations	180.6	0.4	186.8	0.4	6.2	3.4
Total central government debt	40,697.0	100.0	42,333.5	100.0	1,636.4	4.0

The HUF denominated debt of the central government increased by HUF 1,349.3 billion in 2022. The increase in domestic debt was the result of the net government bond issuance of HUF 923.4 billion and the increase of discount Treasury bills by HUF 369.0 billion. The total amount of retail government securities further increased by HUF 59.2 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 2.3 billion in 2022.

The foreign currency debt of the central government increased by HUF 281.0 billion in 2022. The increase is mainly due to the foreign currency bond issues in February. Japanese yen-denominated Samurai bonds were issued in total amount of HUF 205.4 billion (75.3 billion yen). Four series with different maturities, one of them is 3-year long traditional foreign currency bond and three of them are 5-7-10-year long green foreign currency bonds, which further broadened Hungary's relations with Japanese green investors. The drawdown of foreign currency loans further increased the foreign currency debt by HUF 62.5 billion and the issuance of domestic foreign currency bonds grew by HUF 52.5 billion. The exchange rate revaluations totalling HUF 24.7 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 49.5 billion, the foreign currency bond repayments by HUF 8.7 billion and the foreign currency loan redemptions by HUF 6.1 billion.

The total amount of other liabilities increased by HUF 6.2 billion in 2022.

BENCHMARK YIELDS

Maturity	30.12.2021	28.02.2022	31.03.2022	Change in March basis point
3-month	2.16	4.93	5.70	77
6-month	2.61	4.98	5.76	78
1-year	3.57	5.06	5.99	93
3-year	4.19	5.20	6.41	121
5-year	4.35	5.21	6.34	113
10-year	4.51	5.24	5.90	66
15-year	4.72	5.29	5.88	59
20-year	4.75	5.35	5.92	57

Monthly OTC turnover of government securities increased by 22% to HUF 8,351.9 billion in March. Primary dealers, who account for the decisive part of all secondary government securities trading, made 70% of their secondary government securities deals with non-resident investors.

The volume of non-residents' holdings of Hungarian government securities decreased altogether by HUF 328.1 billion in March and amounted to HUF 4,520.0 billion at the end of March. This volume represented 14.1% of the total amount of domestic government securities.

The EUR/HUF exchange rate according to the National Bank of Hungary was 369.6 on the last working day of March.

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

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

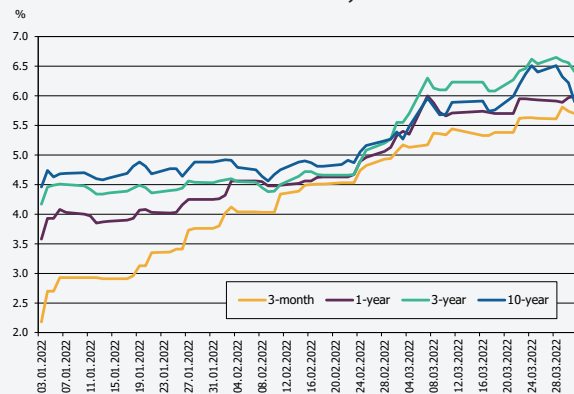
CENTRAL GOVERNMENT GROSS DEBT

HUF BILLION

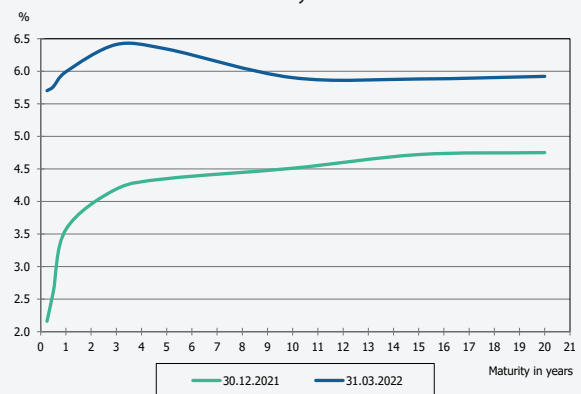
	2017	2018	2019	2020	2021	2022 January	2022 February	2022 March
1. Forint denominated debt	20,689.4	22,796.0	24,357.1	29,237.3	32,121.2	32,322.5	33,064.0	33,470.5
1.1. Loans	1,041.1	1,167.7	1,208.1	1,161.6	1,307.7	1,305.4	1,305.4	1,305.4
1.2. Government securities	19,648.3	21,628.3	23,149.0	28,075.7	30,813.5	31,017.0	31,758.5	32,165.1
1.2.1. Public issues	19,609.2	21,589.1	23,109.8	28,036.5	30,813.5	20,081.8	20,659.7	21,143.4
1.2.1.1. Bonds	11,767.1	12,836.1	13,378.5	18,206.6	20,220.0	20,081.8	20,659.7	21,143.4
1.2.1.2. Discount T-bills	1,039.2	1,237.3	657.3	658.2	583.2	777.4	874.7	952.2
1.2.1.3. Retail securities	6,802.9	7,515.7	9,074.0	9,171.7	10,010.2	10,157.8	10,224.1	10,069.4
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	8,170.5	8,669.3	8,676.1
2.1. Loans	929.1	795.0	825.4	1,291.1	1,345.2	1,305.5	1,348.2	1,403.4
2.1.1. Foreign loans	929.1	795.0	825.4	1,291.1	1,345.2	1,305.5	1,348.2	1,403.4
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	6,865.0	7,321.1	7,272.8
2.2.1. Issued abroad	4,145.9	4,246.2	3,713.5	5,481.3	6,594.9	6,400.4	6,822.1	6,811.9
2.2.2. Issued domestically	707.6	683.6	582.3	545.9	455.0	464.5	499.1	460.8
Total	26,472.0	28,520.7	29,478.3	36,555.5	40,516.4	40,493.0	41,733.3	42,146.7
Other liabilities	274.20	167.40	203.70	128.80	180.60	144.30	200.90	186.80
Total central government debt	26,746.2	28,688.2	29,682.0	36,684.3	40,697.0	40,637.3	41,934.2	42,333.5
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	20,859.2	21,534.4	22,095.6
Gross debt/GDP	68.1%	66.1%	62.4%	76.4%	73.9%			

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

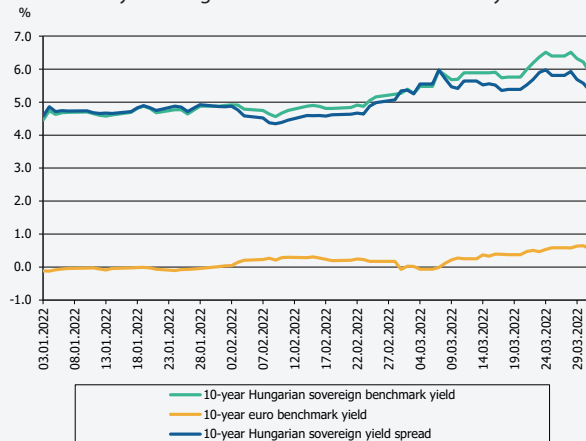
Benchmark yields



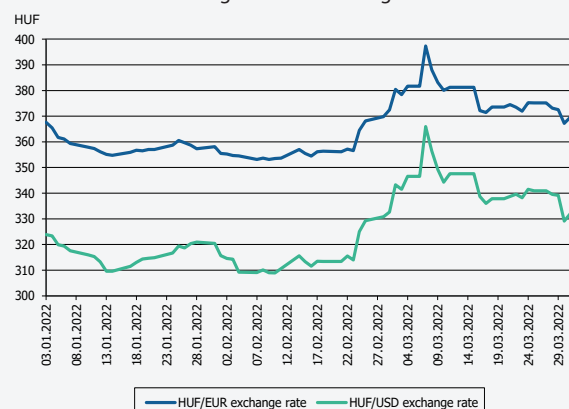
Benchmark yield curves



10-year Hungarian and eurozone benchmark yields



The exchange rate of the Hungarian Forint

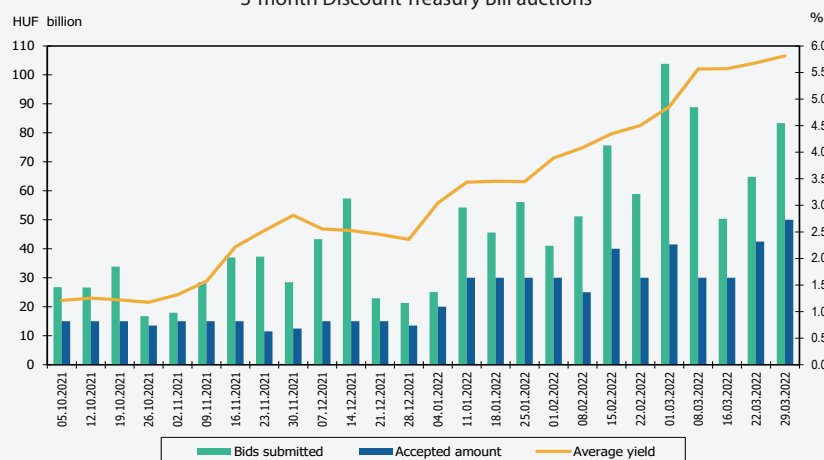


DISCOUNT TREASURY BILL AUCTION RESULTS

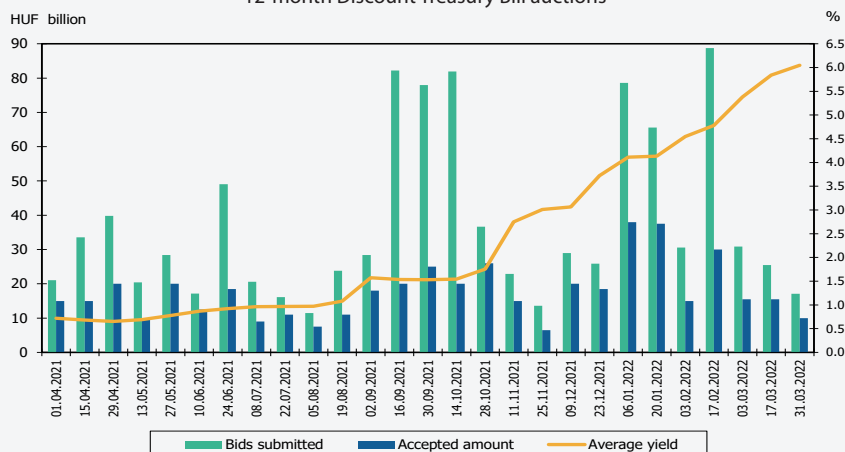
	3-month Discount T-bills					12-month Discount T-bills		
Code of T-bills	D220608	D220615	D220622	D220629	D220706	D230222	D230222	D230222
ISIN code	HU0000524053	HU0000524061	HU0000524079	HU0000523691	HU0000524087	HU0000524038	HU0000524038	HU0000524038
Maturity in days	91	91	91	91	91	350	336	322
Date of auction	01.03.2022	08.03.2022	16.03.2022	22.03.2022	29.03.2022	03.03.2022	17.03.2022	31.03.2022
Date of financial settlement	09.03.2022	16.03.2022	23.03.2022	30.03.2022	06.04.2022	09.03.2022	23.03.2022	06.04.2022
Redemption date	08.06.2022	15.06.2022	22.06.2022	29.06.2022	06.07.2022	22.02.2023	22.02.2023	22.02.2023
Maximum yield (%) - ISMA	4.92	5.70	5.70	5.80	5.98	5.50	5.98	6.09
Minimum yield (%) - ISMA	4.80	5.25	5.30	5.30	5.55	5.29	5.65	6.01
Average yield (%) - ISMA	4.85	5.57	5.57	5.68	5.81	5.38	5.84	6.05
Maximum yield (%) - EHM	4.99	5.78	5.78	5.88	6.06	5.58	6.06	6.17
Minimum yield (%) - EHM	4.87	5.32	5.37	5.37	5.63	4.36	5.73	6.09
Average yield (%) - EHM	4.92	5.64	5.65	5.76	5.89	5.45	5.92	6.13
Average selling price (%)	98.7878	98.6128	98.6110	98.5842	98.5517	95.0294	94.8293	94.8698
Amount offered for sale (HUF million)	30,000.00	30,000.00	30,000.00	30,000.00	50,000.00	30,000.00	30,000.00	30,000.00
Amount of bids submitted (HUF million)	103,791.88	88,868.72	50,357.14	64,848.53	83,323.39	30,848.80	25,495.00	17,124.21
Amount of bids accepted (HUF million)	41,499.99	29,999.99	30,000.00	42,499.99	49,999.99	15,500.00	15,500.00	10,000.00
Bid-to-cover ratio	2.50	2.96	1.68	1.53	1.67	1.99	1.64	1.71
Bids submitted (pcs)	73	77	48	63	92	38	30	19
Bids accepted (pcs)	37	31	37	52	70	21	23	10
Market sales* (HUF million)	41,499.99	29,999.99	30,000.00	42,499.99	49,999.99	15,500.00	15,500.00	10,000.00
Retained on ÁKK's own account (HUF million)	3,000.01	3,000.01	3,000.00	21,250.01	3,000.01	15,500.00	15,500.00	-
Total amount issued (HUF million)	44,500.00	33,000.00	33,000.00	63,750.00	53,000.00	31,000.00	31,000.00	10,000.00

* Without issuance onto ÁKK's own account

3-month Discount Treasury Bill auctions



12-month Discount Treasury Bill auctions

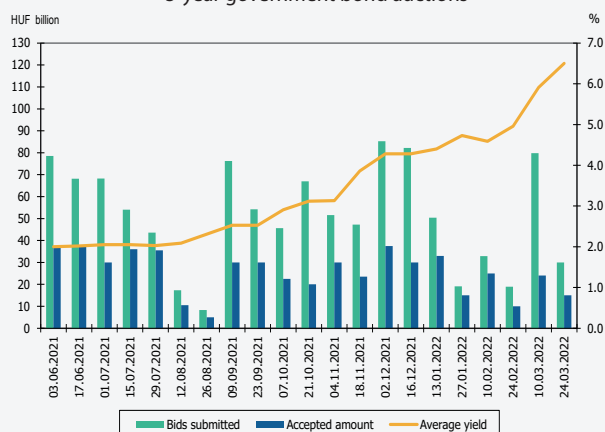


GOVERNMENT BOND AUCTION RESULTS

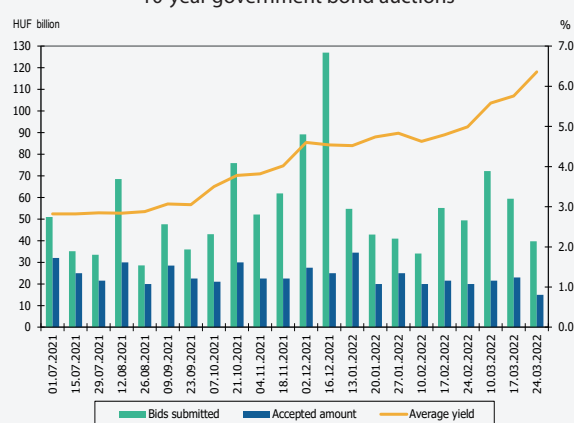
Government Bond	2029/B	2028/B	2032/A	2038/A	2029/B
ISIN code	HU0000404926	HU0000405543	HU0000405550	HU0000403555	HU0000404926
Maturity (in years)	7	5	10	15	7
Coupon	4.59%	4.50%	4.75%	3.00%	4.59%
Auction	26th auction	5th auction	5th auction	51st auction	27th auction
Date of auction	03.03.2022	10.03.2022	10.03.2022	10.03.2022	17.03.2022
Date of financial settlement	09.03.2022	16.03.2022	16.03.2022	16.03.2022	23.03.2022
Redemption date	22.08.2029	23.03.2028	24.11.2032	27.10.2038	22.08.2029
Maximum annual yield (%) - ISMA	-	5.94	5.61	5.56	-
Minimum annual yield (%) - ISMA	-	5.87	5.49	5.49	-
Average annual yield (%) - ISMA	-	5.91	5.58	5.54	-
Maximum annual yield (%) - EHM	-	5.93	5.61	5.56	-
Minimum annual yield (%) - EHM	-	5.86	5.48	5.48	-
Average annual yield (%) - EHM	-	5.90	5.58	5.54	-
Maximum price (%)	97.2000	93.1793	94.1503	73.3013	97.2100
Minimum price (%)	97.0000	92.8480	93.1902	72.6742	96.9800
Average price (%)	97.1200	93.0037	93.4183	72.8561	97.0800
Amount offered for sale (HUF million)	20,000.00	10,000.00	10,000.00	5,000.00	10,000.00
Amount of bids submitted (HUF million)	43,350.00	79,805.00	72,250.00	32,550.00	49,650.00
Amount of bids accepted (HUF million)	29,999.99	23,999.99	21,500.00	9,999.99	15,000.00
Bid-to-cover ratio	1.45	3.33	3.36	3.26	3.31
Bids submitted (pcs)	33	37	58	29	39
Bids accepted (pcs)	24	24	37	16	9
Tail (%) (average price - minimum price)	0.12	0.16	0.23	0.18	0.10
Market sales (HUF million)	29,999.99	23,999.99	21,500.00	9,999.99	15,000.00
Non-competitive offer (HUF million)	3,465.44	0.00	0.00	0.00	5,760.00
Total amount sales (HUF million)	33,465.43	23,999.99	21,500.00	9,999.99	20,760.00

Government Bond	2032/G	2028/B	2032/A	2041/A	2027/B	2029/B
ISIN code	HU0000405535	HU0000405543	HU0000405550	HU0000404165	HU0000404157	HU0000404926
Maturity (in years)	10	5	10	20	5	7
Coupon	4.50%	4.50%	4.75%	3.00%	4.19%	4.59%
Auction	3rd auction	6th auction	6th auction	33rd auction	36th auction	28th auction
Date of auction	17.03.2022	24.03.2022	24.03.2022	24.03.2022	31.03.2022	31.03.2022
Date of financial settlement	23.03.2022	30.03.2022	30.03.2022	30.03.2022	06.04.2022	06.04.2022
Redemption date	27.05.2032	23.03.2028	24.11.2032	25.04.2041	22.04.2027	22.08.2029
Maximum annual yield (%) - ISMA	5.78	6.53	6.39	6.44	-	-
Minimum annual yield (%) - ISMA	5.74	6.44	6.35	6.42	-	-
Average annual yield (%) - ISMA	5.76	6.50	6.36	6.42	-	-
Maximum annual yield (%) - EHM	5.78	6.52	6.38	6.44	-	-
Minimum annual yield (%) - EHM	5.73	6.43	6.34	6.41	-	-
Average annual yield (%) - EHM	5.76	6.49	6.36	6.42	-	-
Maximum price (%)	90.6603	90.5700	87.8750	63.0200	98.8100	97.2600
Minimum price (%)	90.3640	90.1615	87.6100	62.8237	98.4800	97.0000
Average price (%)	90.4921	90.3185	87.7785	62.9631	98.6700	97.1100
Amount offered for sale (HUF million)	15,000.00	15,000.00	15,000.00	10,000.00	20,000.00	10,000.00
Amount of bids submitted (HUF million)	59,380.00	30,010.00	39,700.00	21,900.00	24,663.00	76,256.00
Amount of bids accepted (HUF million)	23,000.00	14,999.99	15,000.00	5,999.98	15,000.00	54,999.99
Bid-to-cover ratio	2.58	2.00	2.65	3.65	1.64	1.39
Bids submitted (pcs)	65	41	42	27	13	50
Bids accepted (pcs)	32	31	19	13	11	25
Tail (%) (average price - minimum price)	0.13	0.16	0.17	0.14	0.19	0.11
Market sales (HUF million)	23,000.00	14,999.99	15,000.00	5,999.98	15,000.00	54,999.99
Non-competitive offer (HUF million)	1,688.00	0.00	0.00	0.00	1,560.00	17,224.92
Total amount sales (HUF million)	24,688.00	14,999.99	15,000.00	5,999.98	16,560.00	72,224.91

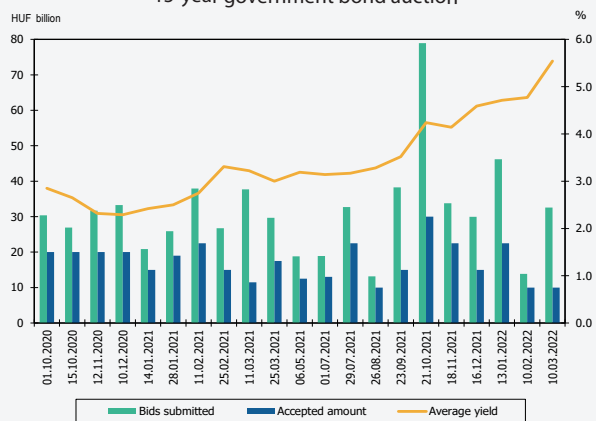
5-year government bond auctions



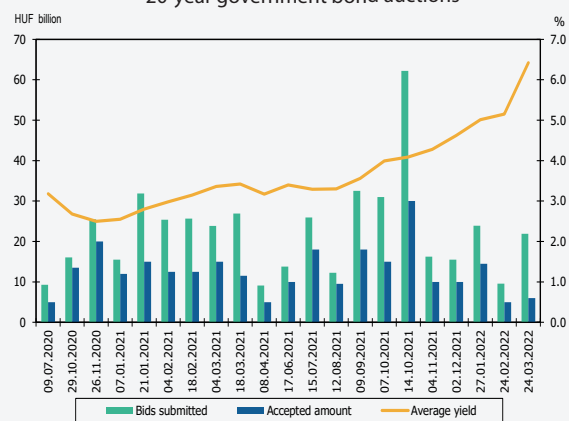
10-year government bond auctions



15-year government bond auction



20-year government bond auctions

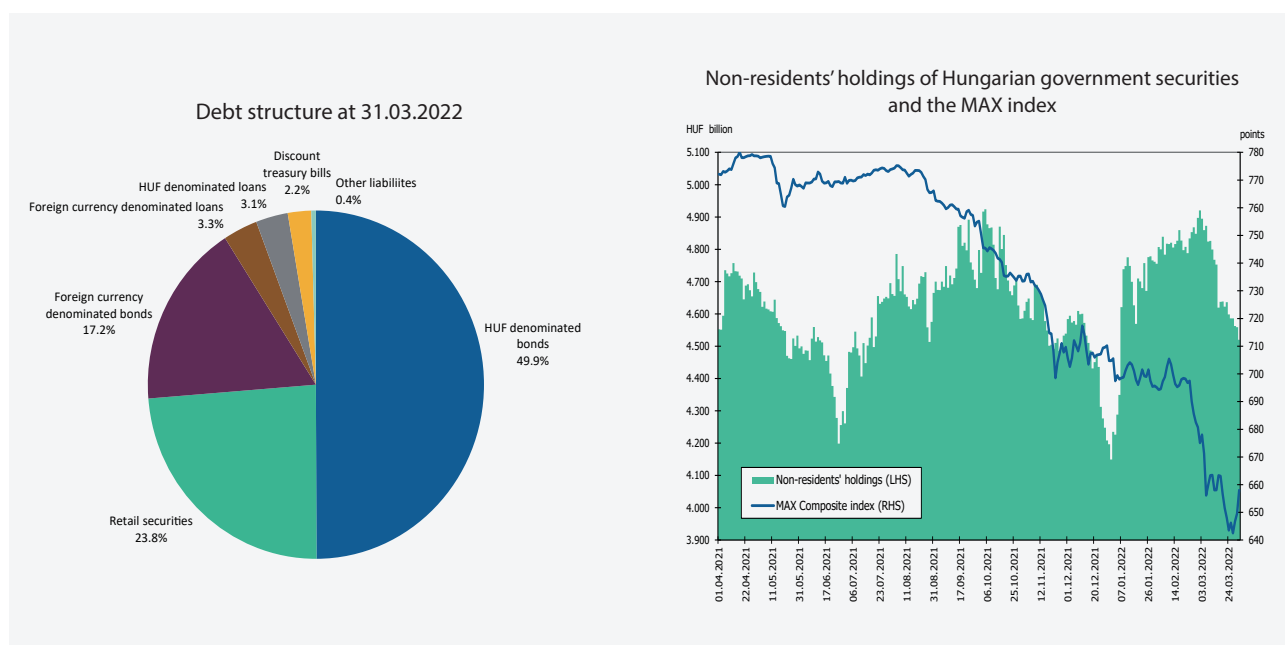
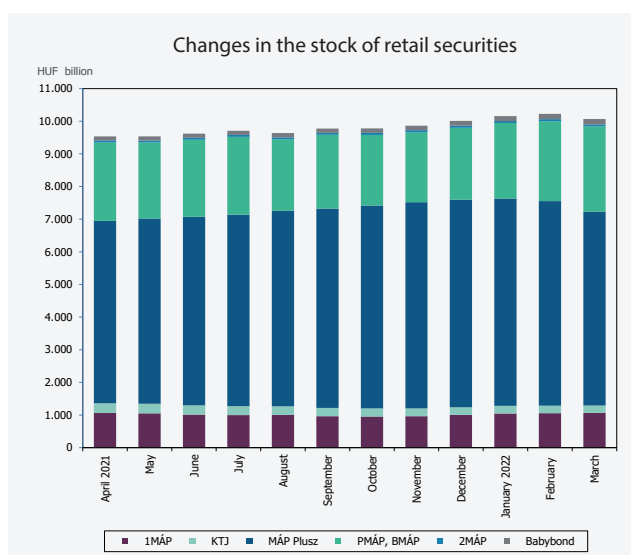


INTEREST RATE RESETS OF FLOATING RATE GOVERNMENT BONDS IN MARCH 2022

Government bond	Date of interest rate reset	Interest period		Date of interest payment	Reset interest rate	Interest payable
2023/I	16.03.2022	22.03.2022	22.03.2023	22.03.2023	6.60%	6.60%
2028/I	01.03.2022	08.03.2022	23.02.2023	23.02.2023	6.60%	6.36%
2028/N	16.03.2022	22.03.2022	22.03.2023	22.03.2023	7.59%	7.70%
2028/O	16.03.2022	22.03.2022	22.03.2023	22.03.2023	7.59%	7.70%

OUTSTANDING AMOUNT OF RETAIL SECURITIES

Retail securities	HUF billion		
	31.12.2021	31.03.2022	Change
1-year Hungarian Government Security / 1MÁP	1,001.6	1,066.3	64.7
Treasury Saving Bills / KTJ	234.7	226.8	-7.9
Hungarian Government Security Plus / MÁP Plusz	6,361.5	5,936.1	-425.5
Premium Hungarian Government Security / PMÁP	2,202.7	2,614.9	412.1
Bonus Hungarian Government Security / BMÁP	60.8	60.5	-0.4
Babybond	148.8	164.9	16.1
Total	10,010.2	10,069.4	59.2



HUNGARIAN GOVERNMENT SECURITIES INDICES

	MAX index	HMAX index	MAX Composite index	RMAX index	ZMAX index
Value as at 31.03.2022	688.4285	80.6560	657.9774	551.7880	541.5696
Changes compared to the end of the month before	-28.7297	-3.9652	-24.5335	1.0478	1.7431
Annual yield earned on the index portfolio (%)	-15.84	-18.43	-14.85	-0.89	0.52

Government bonds with the highest secondary market turnover in March 2022

Government bond	Date of redemption	Turnover (HUF billion)
2033/A	20.04.2033	386.9
2031/A	22.10.2031	294.9
2026/E	22.04.2026	276.4
2025/C	26.11.2025	264.7
2032/A	24.11.2032	246.9
2026/F	26.08.2026	216.9
2027/A	27.10.2027	214.6
2029/B	22.08.2029	206.2
2028/B	23.03.2028	171.5
2025/B	24.06.2025	142.4

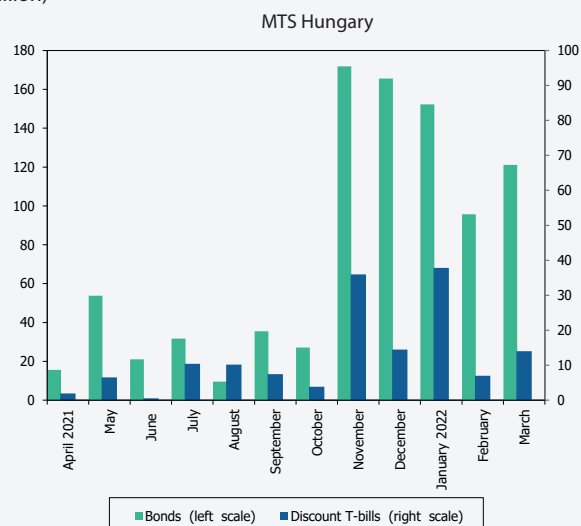
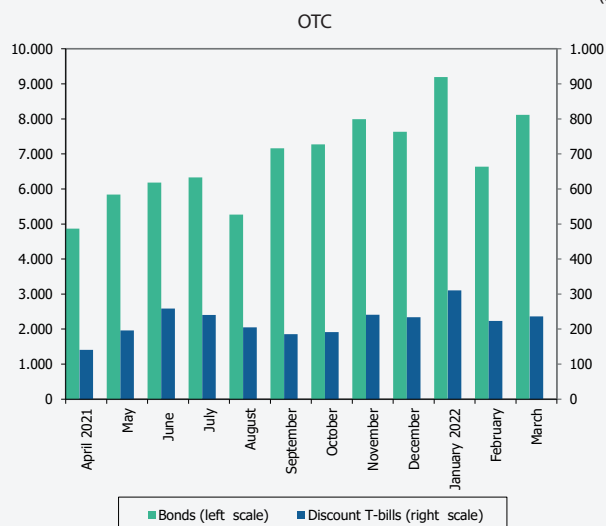
The outstanding volume of government bonds with benchmark status at the end of March 2022

Government bond	HUF billion	
	28.02.2022	31.03.2022
2025/C	1,350.36	1,350.39
2028/B	82.58	123.66
2032/A	97.13	153.73
2038/A	823.41	829.46
2041/A	431.50	442.56

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

Government bond	HUF billion
2031/A	1,487.24
2025/C	1,350.39
2033/A	1,261.46

Secondary market trading of Hungarian government securities (HUF billion)



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

