



GOVERNMENT DEBT MANAGEMENT AGENCY PTE LTD.

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GOVERNMENT SECURITIES MARKET

MONTHLY REPORT
FEBRUARY 2023



The Central Government Debt increased by HUF 1,120.2 billion to HUF 46,682.5 billion in 2023. Total net issuance was HUF 1,844.2 billion; out of which net HUF denominated issuance including repos was HUF 696.1 billion and net foreign currency denominated issuance was HUF 1,148.0 billion in 2023.

CENTRAL GOVERNMENT DEBT

(HUF billion)	2022		2023		Change	
	December	%	February	%	HUF billion	%
HUF denominated debt	33,775.6	74.1	34,471.8	73.8	696.1	2.1
Loans	1,024.2	2.2	977.0	2.1	-47.2	-4.6
Government bonds	22,346.3	49.0	22,708.6	48.6	362.3	1.6
Retail securities	8,619.4	18.9	8,819.5	18.9	200.1	2.3
Discount treasury bills	1,785.8	3.9	1,966.7	4.2	180.9	10.1
Foreign exchange denominated debt	11,397.3	25.0	11,890.4	25.5	493.1	4.3
Total	45,173.0	99.1	46,362.2	99.3	1,189.2	2.6
Other obligations	389.4	0.9	320.4	0.7	-69.1	-17.7
Total central government debt	45,562.4	100.0	46,682.5	100.0	1,120.2	2.5

The HUF denominated debt of the central government increased by HUF 696.1 billion in 2023. The increase in domestic debt was the result of the net government bond issuance of HUF 362.3 billion and the increase of discount Treasury bills by HUF 180.9 billion. The total amount of retail government securities increased by HUF 200.1 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 47.2 billion in 2023.

The foreign currency debt of the central government increased by HUF 493.1 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. The drawdown of foreign currency loans further increased the foreign currency debt by HUF 52.8 billion and the issuance of domestic foreign currency bonds grew by HUF 46.9 billion. The exchange rate revaluations totalling HUF 654.9 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 531.4 billion and the repayments of domestic foreign currency bond by HUF 1.5 billion. The total amount of other liabilities decreased by HUF 69.1 billion in 2023.

BENCHMARK YIELDS

Maturity	30.12.2022	31.01.2023	28.02.2023	Change in February basis point
3-month	12.32	14.20	14.06	-14
6-month	13.89	13.85	14.71	86
1-year	13.82	13.51	13.82	31
3-year	10.71	10.27	10.50	23
5-year	9.73	8.63	9.23	60
10-year	8.98	7.95	8.55	60
15-year	8.41	7.63	8.22	59
20-year	8.41	7.56	8.06	50

Monthly OTC turnover of government securities increased by 2% to HUF 8,917.8 billion in February. Primary dealers, who account for the decisive part of all secondary government securities trading, made 86% of their secondary government securities deals with non-resident investors.

The volume of non-residents' holdings of Hungarian government securities increased altogether by HUF 134.6 billion in February and mounted to HUF 6,805.4 billion at the end of February. 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 379.90 on the last working day of February.

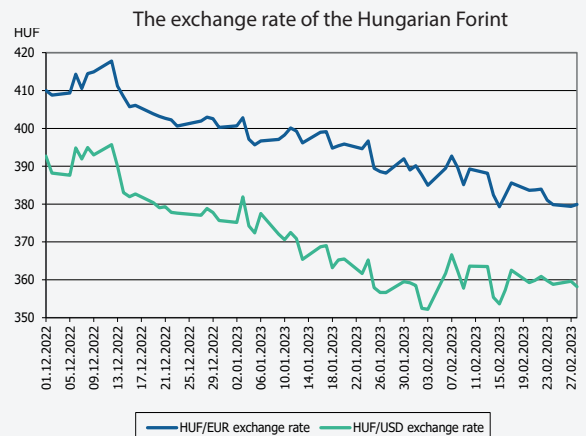
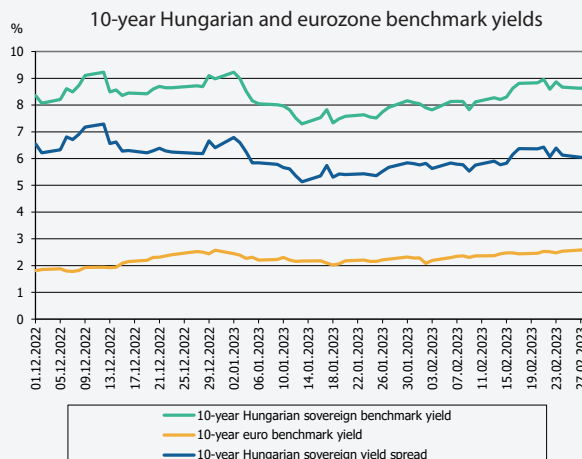
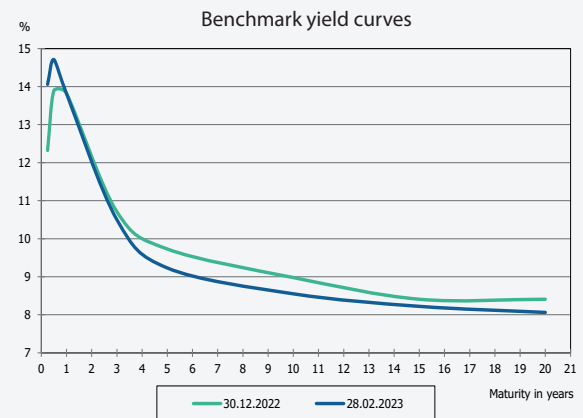
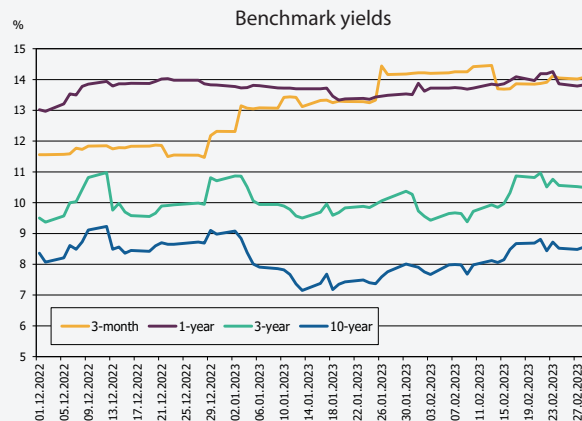
The credit rating of the long-term foreign currency debt of Hungary is as follows on the last working day of February: BBB- (Standard & Poor's); Baa2 (Moody's); BBB (Fitch).

CENTRAL GOVERNMENT GROSS DEBT

HUF BILLION

	2017	2018	2019	2020	2021	2022 December	2023 January	2023 February
1. Forint denominated debt	20,689.4	22,796.0	24,357.1	29,237.3	32,121.2	33,775.6	33,848.4	34,471.8
1.1. Loans	1,041.1	1,167.7	1,208.1	1,161.6	1,307.7	1,024.2	979.6	977.0
1.2. Government securities	19,648.3	21,628.3	23,149.0	28,075.7	30,813.5	32,751.4	32,868.8	33,494.7
1.2.1. Public issues	19,609.2	21,589.1	23,109.8	28,036.5	30,813.5	32,751.4	32,868.8	33,494.7
1.2.1.1. Bonds	11,767.1	12,836.1	13,378.5	18,206.6	20,220.0	22,346.3	22,177.5	22,708.6
1.2.1.2. Discount T-bills	1,039.2	1,237.3	657.3	658.2	583.2	1,785.8	1,980.8	1,966.7
1.2.1.3. Retail securities	6,802.9	7,515.7	9,074.0	9,171.7	10,010.2	8,619.4	8,710.5	8,819.5
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	11,397.3	12,421.7	11,890.4
2.1. Loans	929.1	795.0	825.4	1,291.1	1,345.2	1,959.1	1,939.2	1,906.1
2.1.1. Foreign loans	929.1	795.0	825.4	1,291.1	1,345.2	1,959.1	1,939.2	1,906.1
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	9,438.2	10,482.5	9,984.3
2.2.1. Issued abroad	4,145.9	4,246.2	3,713.5	5,481.3	6,594.9	9,085.5	10,112.0	9,605.4
2.2.2. Issued domestically	707.6	683.6	582.3	545.9	455.0	352.8	370.5	378.8
Total	26,472.0	28,520.7	29,478.3	36,555.5	40,516.4	45,173.0	46,270.1	46,362.2
Other liabilities	274.20	167.40	203.70	128.80	180.60	389.40	237.80	320.40
Total central government debt	26,746.2	28,688.2	29,682.0	36,684.3	40,697.0	45,562.4	46,507.9	46,682.5
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	24,132.1	24,158.3	24,675.3
Gross debt/GDP	68.1%	66.1%	62.3%	75.8%	73.8%	68.6%		

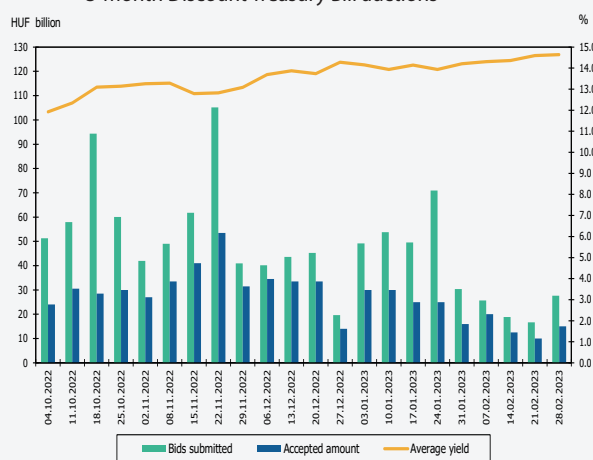
* Foreign exchange debt is recorded at the mid exchange rate of the NBH at the end of the year/month.



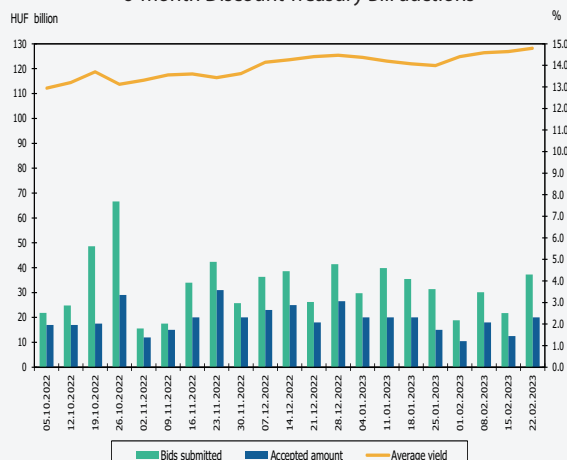
DISCOUNT TREASURY BILL AUCTION RESULTS

	3-month Discount T-bills				6-month Discount T-bills				12-month Discount T-bills	
Code of T-bills	D230517	D230524	D230531	D230607	D230726	D230920	D230920	D230920	D231227	D231227
ISIN code	HU0000524483	HU0000524558	HU0000524566	HU0000524574	HU0000524491	HU0000524541	HU0000524541	HU0000524541	HU0000524475	HU0000524475
Maturity in days	91	91	91	91	168	217	210	203	322	308
Date of auction	07.02.2023	14.02.2023	21.02.2023	28.02.2023	01.02.2023	08.02.2023	15.02.2023	22.02.2023	02.02.2023	16.02.2023
Date of financial settlement	15.02.2023	22.02.2023	01.03.2023	08.03.2023	08.02.2023	15.02.2023	22.02.2023	01.03.2023	08.02.2023	22.02.2023
Redemption date	17.05.2023	24.05.2023	31.05.2023	07.06.2023	26.07.2023	20.09.2023	20.09.2023	20.09.2023	27.12.2023	27.12.2023
Maximum yield (%) - ISMA	14.49	14.50	14.80	14.95	14.69	14.71	14.75	14.99	14.04	14.20
Minimum yield (%) - ISMA	12.00	13.00	13.20	13.90	13.00	13.00	14.00	13.90	12.99	13.20
Average yield (%) - ISMA	14.31	14.36	14.60	14.64	14.41	14.59	14.64	14.79	13.88	14.03
Maximum yield (%) - EHM	14.69	14.70	15.01	15.16	14.89	14.91	14.95	15.20	14.23	14.40
Minimum yield (%) - EHM	12.17	13.18	13.38	14.09	13.18	13.18	14.19	14.09	13.17	13.38
Average yield (%) - EHM	14.51	14.55	14.81	14.84	14.61	14.79	14.84	15.00	14.07	14.22
Average selling price (%)	96.5082	96.4984	96.4397	96.4323	93.7003	91.9155	92.1335	92.2998	88.9591	89.2858
Amount offered for sale (HUF million)	25,000.00	25,000.00	25,000.00	15,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00
Amount of bids submitted (HUF million)	25,670.93	18,899.36	16,690.63	27,595.57	18,868.95	30,124.43	21,727.74	37,295.13	75,879.46	28,857.14
Amount of bids accepted (HUF million)	19,999.99	12,499.98	10,000.00	15,000.00	10,500.00	17,999.99	12,499.99	19,999.99	25,999.99	12,999.99
Bid-to-cover ratio	1.28	1.51	1.67	1.84	1.80	1.67	1.74	1.86	2.92	2.22
Bids submitted (pcs)	92	71	59	61	46	62	72	72	100	71
Bids accepted (pcs)	83	67	54	51	43	49	53	56	38	46
Market sales (HUF million)	19,999.99	12,499.98	10,000.00	15,000.00	10,500.00	17,999.99	12,499.99	19,999.99	25,999.99	12,999.99
Retained on ÁKK's own account (HUF million)	20,000.01	20,000.02	20,000.00	20,000.00	-	36,000.01	25,000.01	12,000.01	16,500.01	0.01
Total amount issued (HUF million)	40,000.00	32,500.00	30,000.00	35,000.00	10,500.00	54,000.00	37,500.00	32,000.00	42,500.00	13,000.00

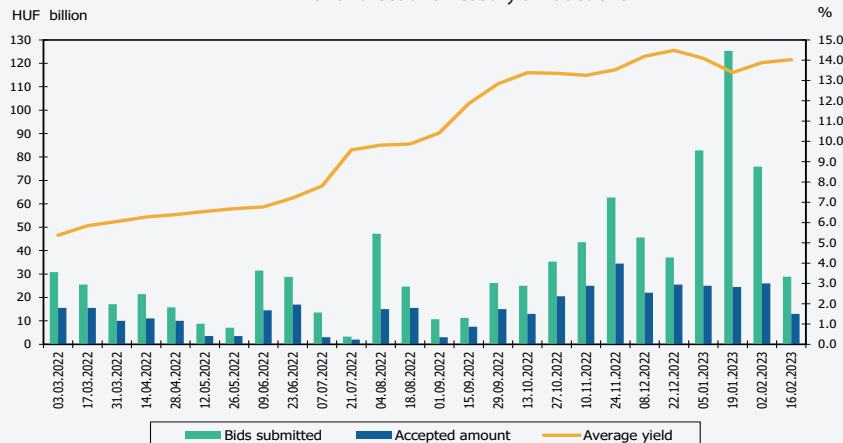
3-month Discount Treasury Bill auctions



6-month Discount Treasury Bill auctions



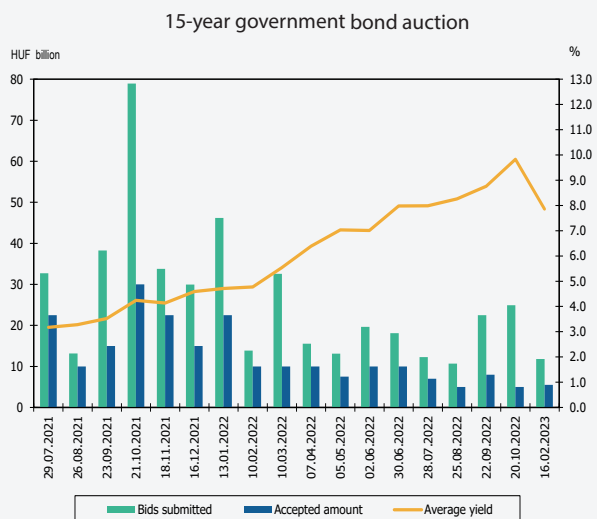
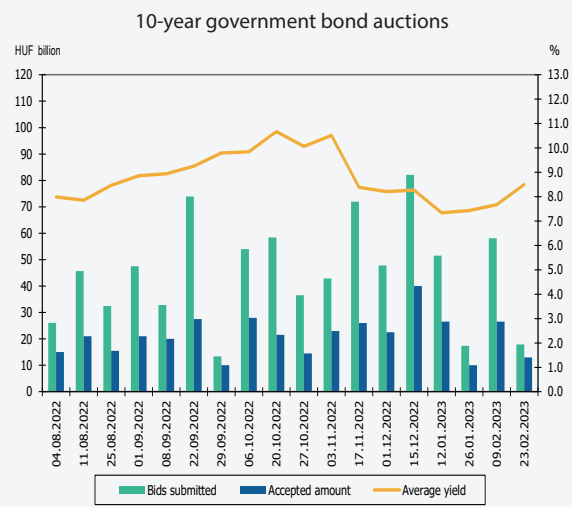
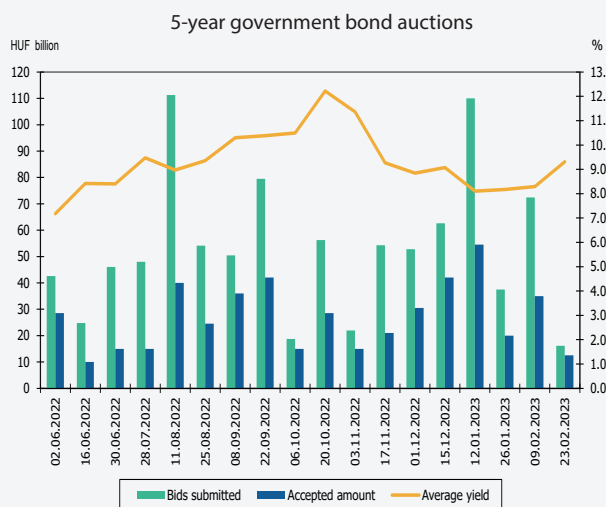
12-month Discount Treasury Bill auctions



GOVERNMENT BOND AUCTION RESULTS

Government Bond	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	8th auction	3rd auction	50th auction	28th auction
Date of auction	02.02.2023	09.02.2023	09.02.2023	09.02.2023
Date of financial settlement	08.02.2023	15.02.2023	15.02.2023	15.02.2023
Redemption date	25.08.2032	21.10.2026	22.10.2028	24.11.2032
Maximum annual yield (%) - ISMA	-	9.39	8.30	7.68
Minimum annual yield (%) - ISMA	-	9.35	8.28	7.66
Average annual yield (%) - ISMA	-	9.37	8.29	7.67
Maximum annual yield (%) - EHM	-	9.38	8.29	7.67
Minimum annual yield (%) - EHM	-	9.34	8.27	7.65
Average annual yield (%) - EHM	-	9.36	8.28	7.66
Maximum price (%)	96.4600	100.5000	93.2320	80.4520
Minimum price (%)	95.9000	100.3708	93.1383	80.3308
Average price (%)	96.0700	100.4371	93.1980	80.4025
Amount offered for sale (HUF million)	15,000.00	25,000.00	20,000.00	15,000.00
Amount of bids submitted (HUF million)	29,900.00	55,130.00	72,400.00	58,137.00
Amount of bids accepted (HUF million)	20,000.00	33,999.99	34,999.99	26,500.00
Bid-to-cover ratio	1.50	1.62	2.07	2.19
Bids submitted (pcs)	27	38	54	53
Bids accepted (pcs)	16	19	19	23
Tail (%) (average price - minimum price)	0.17	0.07	0.06	0.07
Market sales (HUF million)	20,000.00	33,999.99	34,999.99	26,500.00
Non-competitive offer (HUF million)	4,560.00	10,852.56	13,359.99	9,800.00
Total amount sales (HUF million)	24,560.00	44,852.55	48,359.98	36,300.00

Government Bond	2025/C	2038/A	2026/H	2028/A	2032/A
ISIN code	HU0000404058	HU0000403555	HU0000406160	HU0000402532	HU0000405550
Maturity (in years)	3	15	3	5	10
Coupon	1.00%	3.00%	9.50%	6.75%	4.75%
Auction	34th auction	60th auction	4th auction	51st auction	29th auction
Date of auction	16.02.2023	16.02.2023	23.02.2023	23.02.2023	23.02.2023
Date of financial settlement	22.02.2023	22.02.2023	01.03.2023	01.03.2023	01.03.2023
Redemption date	26.11.2025	27.10.2038	21.10.2026	22.10.2028	24.11.2032
Maximum annual yield (%) - ISMA	10.73	7.92	10.60	9.35	8.55
Minimum annual yield (%) - ISMA	10.65	7.81	10.50	9.25	8.43
Average annual yield (%) - ISMA	10.69	7.86	10.55	9.31	8.50
Maximum annual yield (%) - EHM	10.72	7.91	10.59	9.34	8.54
Minimum annual yield (%) - EHM	10.64	7.80	10.49	9.24	8.42
Average annual yield (%) - EHM	10.68	7.85	10.54	9.30	8.49
Maximum price (%)	77.9167	57.3403	97.1289	89.3090	76.1720
Minimum price (%)	77.7629	56.6605	96.8453	88.9146	75.5159
Average price (%)	77.8336	57.0316	96.9929	89.0724	75.7750
Amount offered for sale (HUF million)	25,000.00	10,000.00	25,000.00	20,000.00	15,000.00
Amount of bids submitted (HUF million)	23,800.50	11,800.00	15,900.00	16,100.00	17,895.46
Amount of bids accepted (HUF million)	14,000.00	5,499.99	11,500.00	12,499.99	12,999.99
Bid-to-cover ratio	1.70	2.15	1.38	1.29	1.38
Bids submitted (pcs)	39	39	30	23	35
Bids accepted (pcs)	22	26	24	19	28
Tail (%) (average price - minimum price)	0.07	0.37	0.15	0.16	0.26
Market sales (HUF million)	14,000.00	5,499.99	11,500.00	12,499.99	12,999.99
Non-competitive offer (HUF million)	0.00	0.00	0.00	0.00	0.00
Total amount sales (HUF million)	14,000.00	5,499.99	11,500.00	12,499.99	12,999.99

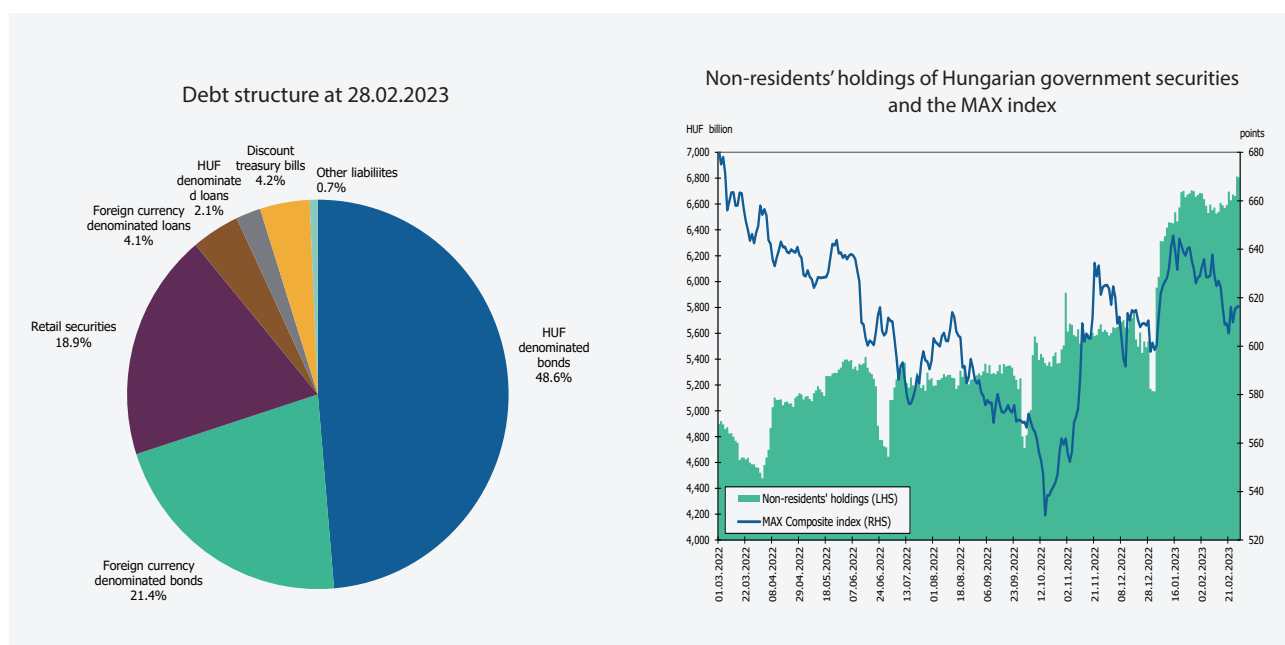
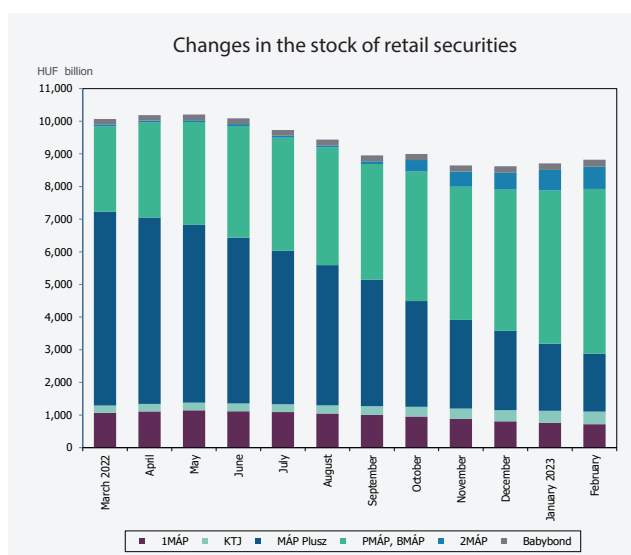


INTEREST RATE RESETS OF FLOATING RATE GOVERNMENT BONDS IN FEBRUARY 2023

Government bond	Date of interest rate reset	Interest period		Date of interest payment	Reset interest rate	Interest payable
2024/I	15.02.2023	21.02.2023	21.02.2024	21.02.2024	16.20%	16.20%
2025/I	14.02.2023	20.02.2023	20.02.2024	20.02.2024	15.90%	15.90%
2026/J	14.02.2023	20.02.2023	20.02.2024	20.02.2024	15.25%	15.25%
2026/O	15.02.2023	22.02.2023	21.04.2023	21.04.2023	15.17%	2.44%
2028/I	17.02.2023	23.02.2023	23.02.2024	23.02.2024	16.00%	16.00%
2029/I	15.02.2023	21.02.2023	21.02.2024	21.02.2024	16.00%	16.00%
2029/B	17.02.2023	22.02.2023	22.05.2023	22.05.2023	16.18%	4.00%
2032/B	22.02.2023	25.02.2023	25.05.2023	25.05.2023	16.29%	4.03%

OUTSTANDING AMOUNT OF RETAIL SECURITIES

Retail securities	HUF billion		
	31.12.2022	28.02.2023	Change
1-year Hungarian Government Security / 1MÁP	807.8	718.9	-88.9
Treasury Saving Bills / KTJ	341.8	385.0	43.2
Hungarian Government Security Plus / MÁP Plusz	2,434.5	1,777.6	-656.9
Premium Hungarian Government Security / PMÁP	4,321.6	5,045.1	723.4
Bonus Hungarian Government Security / BMÁP	514.7	680.1	165.4
Babybond	198.8	212.7	13.9
Total	8,619.3	8,819.4	200.1



HUNGARIAN GOVERNMENT SECURITIES INDICES

	MAX index	HMAX index	MAX Composite index	RMAX index	ZMAX index
Value as at 28.02.2023	639.3667	73.7755	616.3168	578.2946	582.8239
Changes compared to the end of the previous month	-14.1024	-2.1263	-11.8937	2.8815	4.9643
Annual yield earned on the index portfolio (%)	-10.85	-12.82	-9.70	5.00	7.96

Government bonds with the highest secondary market turnover in February 2023

Government bond	Date of redemption	Turnover (HUF billion)
2032/A	24.11.2032	323.5
2033/A	20.04.2033	309.7
2028/A	22.10.2028	228.7
2024/C	24.10.2024	155.5
2028/B	23.03.2028	138.3
2026/F	26.08.2026	132.0
2030/A	21.08.2030	113.4
2029/A	23.05.2029	106.1
2025/C	26.11.2025	102.3
2031/A	22.10.2031	95.6

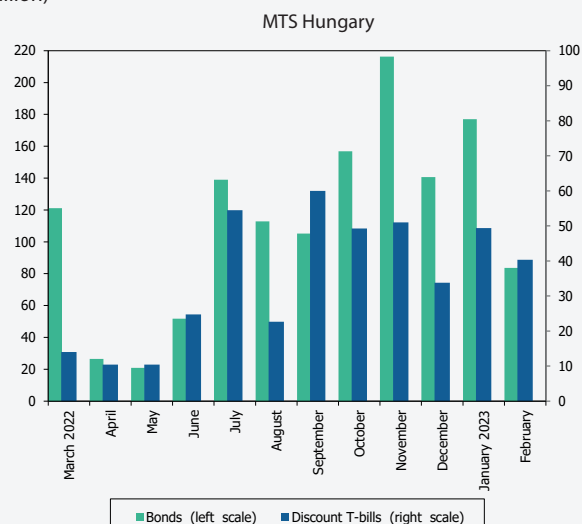
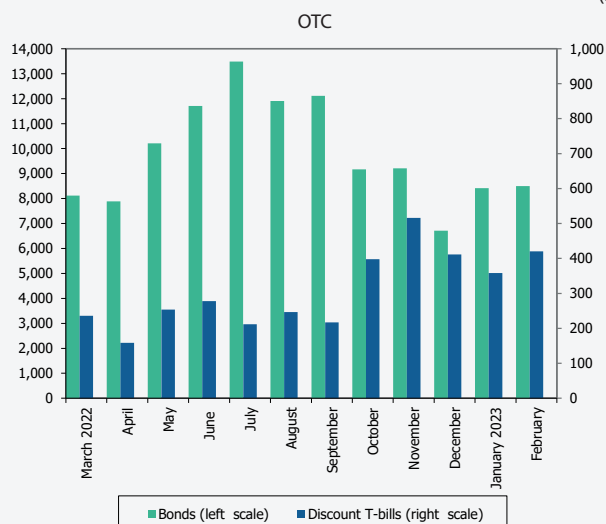
The outstanding volume of government bonds with benchmark status at the end of February 2023

Government bond	HUF billion	
	31.01.2023	28.02.2023
2025/C - 2026/H	1,466.39	98.67
2028/A	793.14	861.49
2032/A	744.65	790.99
2038/A	901.67	907.17
2041/A	540.15	540.31

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

Government bond	HUF billion
2031/A	1,530.13
2025/C	1,480.20
2033/A	1,315.13

Secondary market trading of Hungarian government securities (HUF billion)



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

