



GOVERNMENT DEBT MANAGEMENT AGENCY PTE LTD.

Á | K | K

# GOVERNMENT SECURITIES MARKET

MONTHLY REPORT  
JUNE 2022



The Central Government Debt increased by HUF 3,583.2 billion to HUF 44,280.2 billion in 2022. Total net issuance was HUF 2,709.0 billion; out of which net HUF denominated issuance including repos was HUF 1,522.2 billion and net foreign currency denominated issuance was HUF 1,186.8 billion in 2022.

## CENTRAL GOVERNMENT DEBT

| (HUF billion)                     | 2021     |       | 2022     |       | Change      |       |
|-----------------------------------|----------|-------|----------|-------|-------------|-------|
|                                   | December | %     | June     | %     | HUF billion | %     |
| HUF denominated debt              | 32,121.2 | 78.9  | 33,643.4 | 76.0  | 1,522.2     | 4.7   |
| Loans                             | 1,307.7  | 3.2   | 1,272.5  | 2.9   | -35.2       | -2.7  |
| Government bonds                  | 20,220.0 | 49.7  | 21,294.9 | 48.1  | 1,074.8     | 5.3   |
| Retail securities                 | 10,010.3 | 24.6  | 10,087.0 | 22.8  | 76.8        | 0.8   |
| Discount treasury bills           | 583.2    | 1.4   | 989.0    | 2.2   | 405.8       | 69.6  |
| Foreign exchange denominated debt | 8,395.2  | 20.6  | 10,246.7 | 23.1  | 1,851.6     | 22.1  |
| Total                             | 40,516.4 | 99.6  | 43,890.2 | 99.1  | 3,373.8     | 8.3   |
| Other obligations                 | 180.6    | 0.4   | 390.0    | 0.9   | 209.4       | 115.9 |
| Total central government debt     | 40,697.0 | 100.0 | 44,280.2 | 100.0 | 3,583.2     | 8.8   |

The HUF denominated debt of the central government increased by HUF 1,522.2 billion in 2022. The increase in domestic debt was the result of the net government bond issuance of HUF 1,074.8 billion and the increase of discount Treasury bills by HUF 405.8 billion. The total amount of retail government securities further increased by HUF 76.8 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 1,851.6 billion in 2022. The increase is mainly due to the foreign currency bond issues in February and in June. In February Japanese yen-denominated Samurai bonds were issued in total amount of HUF 205.4 billion (75.3 billion yen). On 8 June two USD denominated bonds were issued: HUF 666.4 billion (USD 1.75 billion) with a 7-year term and HUF 476.0 billion (USD 1.25 billion) with a 12-year term. In parallel with USD bonds, a 9-year long foreign currency bond in the amount of HUF 298.9 billion (EUR 750 million) was also issued. A portion of this inflow was used to repurchase three USD bonds maturing between 2023-24. 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 83.1 billion. The exchange rate revaluations totalling HUF 664.8 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 190.8 billion, the foreign currency bond repayments by HUF 414.0 billion and the foreign currency loan redemptions by HUF 6.8 billion.

The total amount of other liabilities increased by HUF 209.4 billion in 2022.

## BENCHMARK YIELDS

| Maturity | 30.12.2021 | 31.05.2022 | 30.06.2022 | Change in June basis point |
|----------|------------|------------|------------|----------------------------|
| 3-month  | 2.16       | 6.30       | 6.28       | -2                         |
| 6-month  | 2.61       | 6.68       | 6.62       | -6                         |
| 1-year   | 3.57       | 6.58       | 7.16       | 58                         |
| 3-year   | 4.19       | 6.98       | 8.41       | 143                        |
| 5-year   | 4.35       | 7.18       | 8.36       | 118                        |
| 10-year  | 4.51       | 7.16       | 8.01       | 85                         |
| 15-year  | 4.72       | 7.03       | 7.95       | 92                         |
| 20-year  | 4.75       | 7.02       | 7.89       | 87                         |

Monthly OTC turnover of government securities increased by 15% to HUF 11,988.5 billion in June. Primary dealers, who account for the decisive part of all secondary government securities trading, made 65% of their secondary government securities deals with non-resident investors.

The volume of non-residents' holdings of Hungarian government securities decreased altogether by HUF 751.1 billion in June and amounted to HUF 4,644.4 billion at the end of June. This volume represented 14.3% of the total amount of domestic government securities.

The EUR/HUF exchange rate according to the National Bank of Hungary was 396.75 on the last working day of June.

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

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

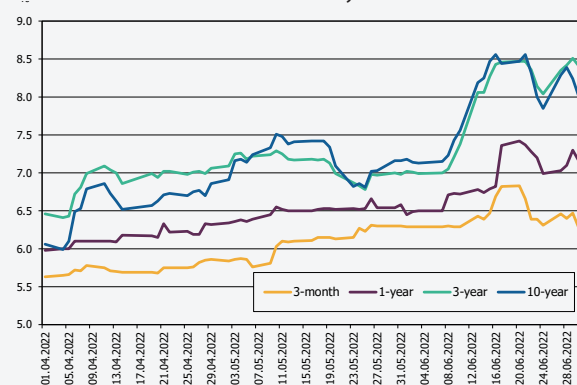
# CENTRAL GOVERNMENT GROSS DEBT

HUF BILLION

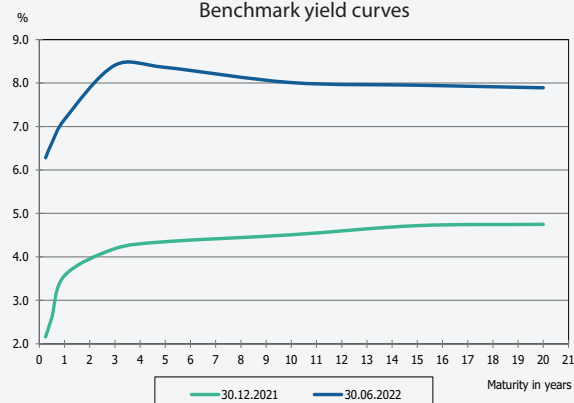
|                                             | 2017     | 2018     | 2019     | 2020     | 2021     | 2022<br>April | 2022<br>May | 2022<br>June |
|---------------------------------------------|----------|----------|----------|----------|----------|---------------|-------------|--------------|
| 1. Forint denominated debt                  | 20,689.4 | 22,796.0 | 24,357.1 | 29,237.3 | 32,121.2 | 33,760.4      | 33,974.2    | 33,643.4     |
| 1.1. Loans                                  | 1,041.1  | 1,167.7  | 1,208.1  | 1,161.6  | 1,307.7  | 1,305.4       | 1,302.5     | 1,272.5      |
| 1.2. Government securities                  | 19,648.3 | 21,628.3 | 23,149.0 | 28,075.7 | 30,813.5 | 32,454.9      | 32,671.7    | 32,370.9     |
| 1.2.1. Public issues                        | 19,609.2 | 21,589.1 | 23,109.8 | 28,036.5 | 30,813.5 | 32,454.9      | 32,671.7    | 32,370.9     |
| 1.2.1.1. Bonds                              | 11,767.1 | 12,836.1 | 13,378.5 | 18,206.6 | 20,220.0 | 21,184.6      | 21,450.9    | 21,294.9     |
| 1.2.1.2. Discount T-bills                   | 1,039.2  | 1,237.3  | 657.3    | 658.2    | 583.2    | 1,082.1       | 1,015.8     | 989.0        |
| 1.2.1.3. Retail securities                  | 6,802.9  | 7,515.7  | 9,074.0  | 9,171.7  | 10,010.2 | 10,188.2      | 10,204.9    | 10,087.0     |
| 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  | 8,862.0       | 9,265.2     | 10,246.7     |
| 2.1. Loans                                  | 929.1    | 795.0    | 825.4    | 1,291.1  | 1,345.2  | 1,431.9       | 1,498.3     | 1,511.7      |
| 2.1.1. Foreign loans                        | 929.1    | 795.0    | 825.4    | 1,291.1  | 1,345.2  | 1,431.9       | 1,498.3     | 1,511.7      |
| 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  | 7,430.2       | 7,766.9     | 8,735.1      |
| 2.2.1. Issued abroad                        | 4,145.9  | 4,246.2  | 3,713.5  | 5,481.3  | 6,594.9  | 6,950.6       | 7,255.4     | 8,348.8      |
| 2.2.2. Issued domestically                  | 707.6    | 683.6    | 582.3    | 545.9    | 455.0    | 479.6         | 511.5       | 386.3        |
| Total                                       | 26,472.0 | 28,520.7 | 29,478.3 | 36,555.5 | 40,516.4 | 42,622.4      | 43,239.3    | 43,890.2     |
| Other liabilities                           | 274.20   | 167.40   | 203.70   | 128.80   | 180.60   | 256.80        | 346.20      | 390.00       |
| Total central government debt               | 26,746.2 | 28,688.2 | 29,682.0 | 36,684.3 | 40,697.0 | 42,879.2      | 43,585.5    | 44,280.2     |
| 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 | 22,266.7      | 22,466.7    | 22,283.9     |
| Gross debt/GDP                              | 68.1%    | 66.1%    | 62.4%    | 76.4%    | 73.7%    |               |             |              |

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

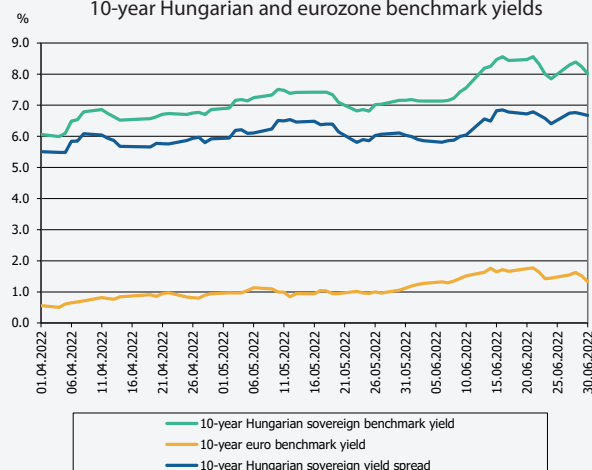
Benchmark yields



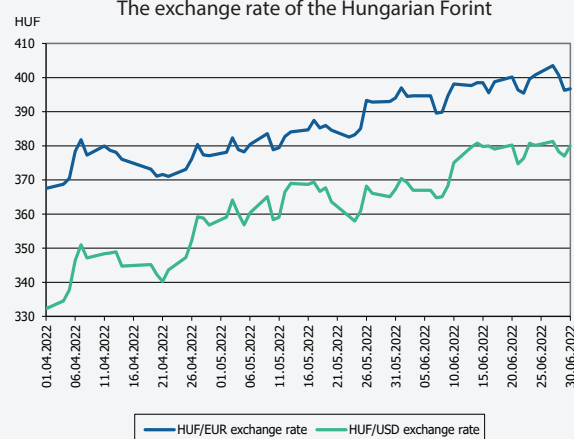
Benchmark yield curves



10-year Hungarian and eurozone benchmark yields



The exchange rate of the Hungarian Forint

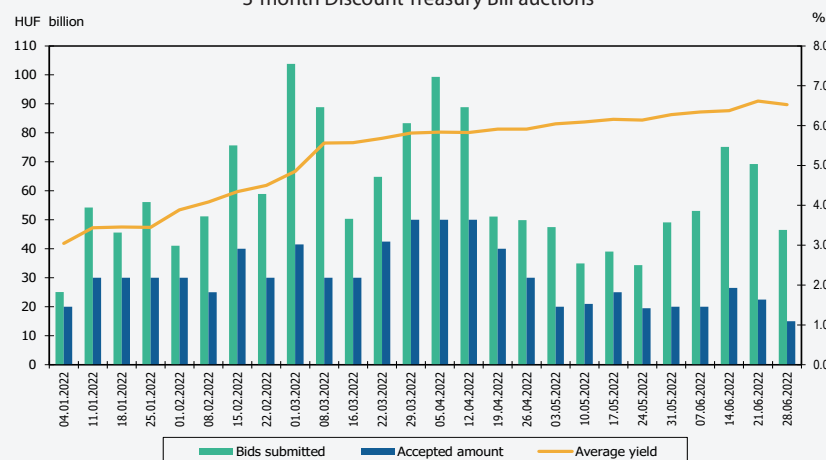


## DISCOUNT TREASURY BILL AUCTION RESULTS

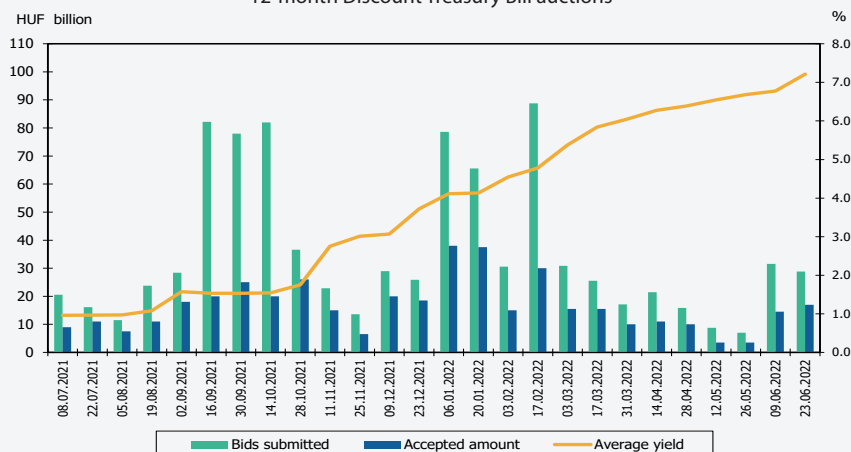
|                                             | 3-month Discount T-bills |              |              |              | 12-month Discount T-bills |              |
|---------------------------------------------|--------------------------|--------------|--------------|--------------|---------------------------|--------------|
| Code of T-bills                             | D220914                  | D220921      | D220928      | D221005      | D230419                   | D230628      |
| ISIN code                                   | HU0000524186             | HU0000524194 | HU0000524202 | HU0000524228 | HU0000524111              | HU0000524210 |
| Maturity in days                            | 91                       | 91           | 91           | 91           | 308                       | 364          |
| Date of auction                             | 07.06.2022               | 14.06.2022   | 21.06.2022   | 28.06.2022   | 09.06.2022                | 23.06.2022   |
| Date of financial settlement                | 15.06.2022               | 22.06.2022   | 29.06.2022   | 06.07.2022   | 15.06.2022                | 29.06.2022   |
| Redemption date                             | 14.09.2022               | 21.09.2022   | 28.09.2022   | 05.10.2022   | 19.04.2023                | 28.06.2023   |
| Maximum yield (%) - ISMA                    | 6.41                     | 6.41         | 6.68         | 6.60         | 6.80                      | 7.27         |
| Minimum yield (%) - ISMA                    | 6.20                     | 6.30         | 6.40         | 6.20         | 6.70                      | 7.01         |
| Average yield (%) - ISMA                    | 6.34                     | 6.37         | 6.61         | 6.53         | 6.77                      | 7.21         |
| Maximum yield (%) - EHM                     | 6.50                     | 6.50         | 6.77         | 6.69         | 6.89                      | 7.37         |
| Minimum yield (%) - EHM                     | 6.29                     | 6.39         | 6.49         | 6.29         | 6.79                      | 7.11         |
| Average yield (%) - EHM                     | 6.43                     | 6.46         | 6.71         | 6.62         | 6.87                      | 7.31         |
| Average selling price (%)                   | 98.4222                  | 98.4141      | 98.3554      | 98.3768      | 94.5221                   | 93.2023      |
| Amount offered for sale (HUF million)       | 20,000.00                | 20,000.00    | 20,000.00    | 15,000.00    | 10,000.00                 | 20,000.00    |
| Amount of bids submitted (HUF million)      | 53,086.78                | 75,150.26    | 69,222.26    | 46,537.77    | 31,529.27                 | 28,832.10    |
| Amount of bids accepted (HUF million)       | 19,999.99                | 26,499.98    | 22,500.00    | 14,999.95    | 14,499.96                 | 17,000.00    |
| Bid-to-cover ratio                          | 2.65                     | 2.84         | 3.08         | 3.10         | 2.17                      | 1.70         |
| Bids submitted (pcs)                        | 77                       | 98           | 109          | 103          | 45                        | 40           |
| Bids accepted (pcs)                         | 49                       | 37           | 33           | 58           | 17                        | 28           |
| Market sales* (HUF million)                 | 19,999.99                | 26,499.98    | 22,500.00    | 14,999.95    | 14,499.96                 | 17,000.00    |
| Retained on ÁKK's own account (HUF million) | 3,000.01                 | 3,000.02     | 3,000.00     | 3,000.05     | 0.04                      | 17,000.00    |
| Total amount issued (HUF million)           | 23,000.00                | 29,500.00    | 25,500.00    | 18,000.00    | 14,500.00                 | 34,000.00    |

\* Without issuance onto ÁKK's own account

### 3-month Discount Treasury Bill auctions



### 12-month Discount Treasury Bill auctions

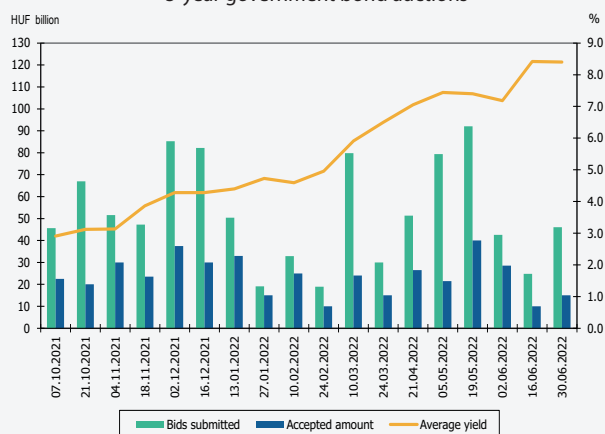


## GOVERNMENT BOND AUCTION RESULTS

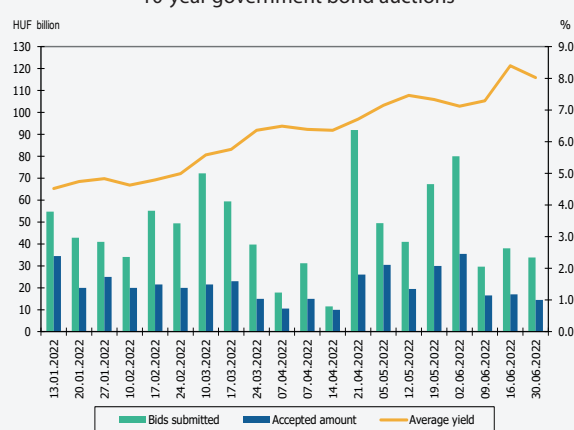
| Government Bond                          | 2028/B       | 2032/A       | 2038/A       | 2029/B       | 2032/G       | 2028/B       |
|------------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| ISIN code                                | HU0000405543 | HU0000405550 | HU0000403555 | HU0000404926 | HU0000405535 | HU0000405543 |
| Maturity (in years)                      | 5            | 10           | 15           | 7            | 10           | 5            |
| Coupon                                   | 4.50%        | 4.75%        | 3.00%        | 6.81%        | 4.50%        | 4.50%        |
| Auction                                  | 10th auction | 11th auction | 54th auction | 34th auction | 6th auction  | 11th auction |
| Date of auction                          | 02.06.2022   | 02.06.2022   | 02.06.2022   | 09.06.2022   | 09.06.2022   | 16.06.2022   |
| Date of financial settlement             | 08.06.2022   | 08.06.2022   | 08.06.2022   | 15.06.2022   | 15.06.2022   | 22.06.2022   |
| Redemption date                          | 23.03.2028   | 24.11.2032   | 27.10.2038   | 22.08.2029   | 27.05.2032   | 23.03.2028   |
| Maximum annual yield (%) - ISMA          | 7.20         | 7.14         | 7.03         | -            | 7.30         | 8.45         |
| Minimum annual yield (%) - ISMA          | 7.13         | 7.08         | 6.98         | -            | 7.25         | 8.40         |
| Average annual yield (%) - ISMA          | 7.18         | 7.12         | 7.01         | -            | 7.29         | 8.42         |
| Maximum annual yield (%) - EHM           | 7.19         | 7.13         | 7.03         | -            | 7.29         | 8.44         |
| Minimum annual yield (%) - EHM           | 7.12         | 7.07         | 6.97         | -            | 7.24         | 8.39         |
| Average annual yield (%) - EHM           | 7.17         | 7.12         | 7.01         | -            | 7.28         | 8.41         |
| Maximum price (%)                        | 87.8077      | 83.1588      | 61.8403      | 97.2500      | 80.9675      | 82.6925      |
| Minimum price (%)                        | 87.5103      | 82.7749      | 61.4806      | 97.1500      | 80.6658      | 82.4966      |
| Average price (%)                        | 87.5965      | 82.8740      | 61.6026      | 97.2000      | 80.7464      | 82.6163      |
| Amount offered for sale (HUF million)    | 20,000.00    | 15,000.00    | 10,000.00    | 10,000.00    | 10,000.00    | 10,000.00    |
| Amount of bids submitted (HUF million)   | 42,558.00    | 80,005.00    | 19,660.00    | 47,030.00    | 29,605.00    | 24,770.00    |
| Amount of bids accepted (HUF million)    | 28,499.99    | 35,499.97    | 9,999.98     | 15,499.99    | 16,499.98    | 10,000.00    |
| Bid-to-cover ratio                       | 1.49         | 2.25         | 1.97         | 3.03         | 1.79         | 2.48         |
| Bids submitted (pcs)                     | 53           | 74           | 45           | 44           | 52           | 21           |
| Bids accepted (pcs)                      | 34           | 31           | 25           | 15           | 28           | 8            |
| Tail (%) (average price - minimum price) | 0.09         | 0.10         | 0.12         | 0.05         | 0.08         | 0.12         |
| Market sales (HUF million)               | 28,499.99    | 35,499.97    | 9,999.98     | 15,499.99    | 16,499.98    | 10,000.00    |
| Non-competitive offer (HUF million)      | 5,532.39     | 9,657.46     | 2,239.98     | 4,290.00     | 0.00         | 0.00         |
| Total amount sales (HUF million)         | 34,032.38    | 45,157.43    | 12,239.96    | 19,789.99    | 16,499.98    | 10,000.00    |

| Government Bond                          | 2032/A       | 2029/B       | 2051/G       | 2028/B       | 2032/A       | 2038/A       |
|------------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| ISIN code                                | HU0000405550 | HU0000404926 | HU0000404991 | HU0000405543 | HU0000405550 | HU0000403555 |
| Maturity (in years)                      | 10           | 7            | 30           | 5            | 10           | 15           |
| Coupon                                   | 4.75%        | 6.81%        | 4.00%        | 4.50%        | 4.75%        | 3.00%        |
| Auction                                  | 12th auction | 35th auction | 5th auction  | 12th auction | 13th auction | 55th auction |
| Date of auction                          | 16.06.2022   | 23.06.2022   | 23.06.2022   | 30.06.2022   | 30.06.2022   | 30.06.2022   |
| Date of financial settlement             | 22.06.2022   | 29.06.2022   | 29.06.2022   | 06.07.2022   | 06.07.2022   | 06.07.2022   |
| Redemption date                          | 24.11.2032   | 22.08.2029   | 28.04.2051   | 23.03.2028   | 24.11.2032   | 27.10.2038   |
| Maximum annual yield (%) - ISMA          | 8.44         | -            | 7.94         | 8.41         | 8.03         | 7.98         |
| Minimum annual yield (%) - ISMA          | 8.35         | -            | 7.91         | 8.39         | 8.00         | 7.96         |
| Average annual yield (%) - ISMA          | 8.40         | -            | 7.94         | 8.40         | 8.02         | 7.98         |
| Maximum annual yield (%) - EHM           | 8.43         | -            | 7.93         | 8.40         | 8.03         | 7.98         |
| Minimum annual yield (%) - EHM           | 8.34         | -            | 7.90         | 8.38         | 7.99         | 7.95         |
| Average annual yield (%) - EHM           | 8.40         | -            | 7.93         | 8.39         | 8.02         | 7.97         |
| Maximum price (%)                        | 75.5497      | 97.3700      | 56.0534      | 82.8211      | 77.6177      | 55.5313      |
| Minimum price (%)                        | 75.0435      | 97.2500      | 55.8395      | 82.7500      | 77.4194      | 55.3800      |
| Average price (%)                        | 75.2410      | 97.2700      | 55.8665      | 82.7881      | 77.4840      | 55.4157      |
| Amount offered for sale (HUF million)    | 10,000.00    | 10,000.00    | 5,000.00     | 15,000.00    | 10,000.00    | 5,000.00     |
| Amount of bids submitted (HUF million)   | 37,980.00    | 64,350.00    | 26,280.00    | 46,074.38    | 33,850.00    | 18,100.00    |
| Amount of bids accepted (HUF million)    | 17,000.00    | 10,000.00    | 11,000.00    | 15,000.00    | 14,500.00    | 10,000.00    |
| Bid-to-cover ratio                       | 2.23         | 6.44         | 2.39         | 3.07         | 2.33         | 1.81         |
| Bids submitted (pcs)                     | 43           | 40           | 61           | 58           | 57           | 34           |
| Bids accepted (pcs)                      | 26           | 9            | 16           | 13           | 20           | 14           |
| Tail (%) (average price - minimum price) | 0.20         | 0.02         | 0.03         | 0.04         | 0.06         | 0.04         |
| Market sales (HUF million)               | 17,000.00    | 10,000.00    | 11,000.00    | 15,000.00    | 14,500.00    | 10,000.00    |
| Non-competitive offer (HUF million)      | 0.00         | 1,920.00     | 3,640.00     | 5,320.00     | 4,560.00     | 3,520.00     |
| Total amount sales (HUF million)         | 17,000.00    | 11,920.00    | 14,640.00    | 20,320.00    | 19,060.00    | 13,520.00    |

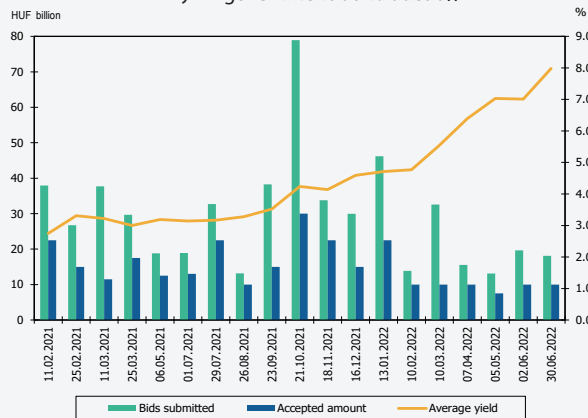
5-year government bond auctions



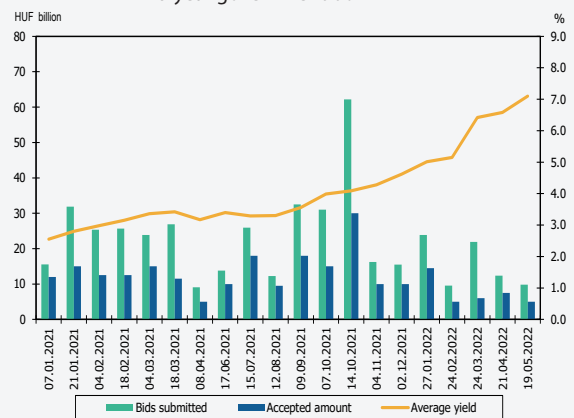
10-year government bond auctions



15-year government bond auction



20-year government bond auctions

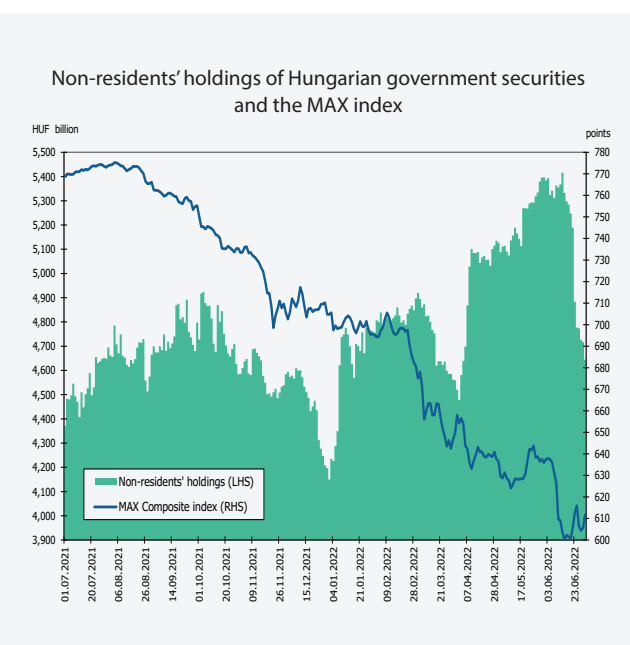
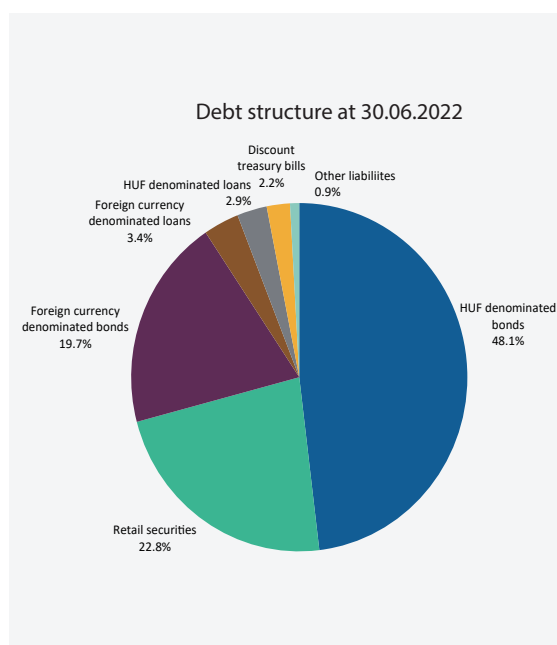
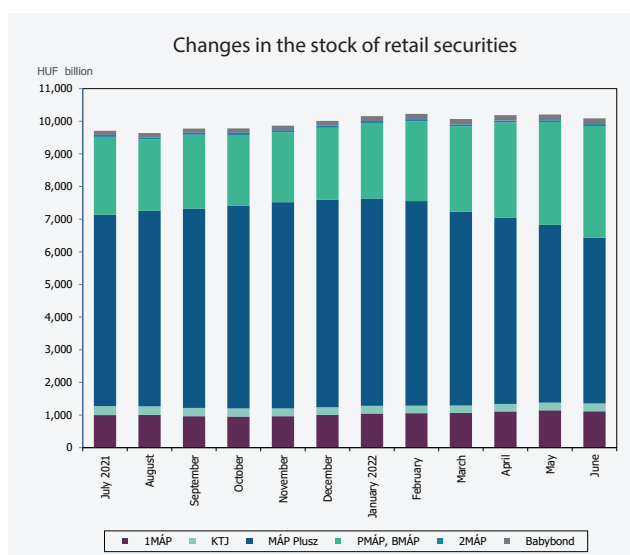


## INTEREST RATE RESETS OF FLOATING RATE GOVERNMENT BONDS IN JUNE 2022

| Government bond | Date of interest rate reset | Interest period |            | Date of interest payment | Reset interest rate | Interest payable |
|-----------------|-----------------------------|-----------------|------------|--------------------------|---------------------|------------------|
| 2026/J          | 16.06.2022                  | 23.06.2022      | 20.02.2023 | 20.02.2023               | 5.85%               | 3.88%            |
| 2028/K          | 16.06.2022                  | 23.06.2022      | 20.06.2023 | 20.06.2023               | 6.60%               | 6.55%            |

## OUTSTANDING AMOUNT OF RETAIL SECURITIES

| Retail securities                              | HUF billion     |                 |             |
|------------------------------------------------|-----------------|-----------------|-------------|
|                                                | 31.12.2021      | 30.06.2022      | Change      |
| 1-year Hungarian Government Security / 1MÁP    | 1,001.6         | 1,117.0         | 115.5       |
| Treasury Saving Bills / KTJ                    | 234.8           | 236.8           | 2.0         |
| Hungarian Government Security Plus / MÁP Plusz | 6,361.5         | 5,080.3         | -1,281.3    |
| Premium Hungarian Government Security / PMÁP   | 2,202.7         | 3,420.4         | 1,217.6     |
| Bonus Hungarian Government Security / BMÁP     | 60.8            | 56.1            | -4.7        |
| Babybond                                       | 148.8           | 176.4           | 27.6        |
| <b>Total</b>                                   | <b>10,010.2</b> | <b>10,087.0</b> | <b>76.8</b> |



## HUNGARIAN GOVERNMENT SECURITIES INDICES

|                                                   | MAX index | HMAX index | MAX Composite index | RMAX index | ZMAX index |
|---------------------------------------------------|-----------|------------|---------------------|------------|------------|
| Value as at 30.06.2022                            | 636.6411  | 72.8078    | 611.7260            | 558.0359   | 548.8802   |
| Changes compared to the end of the previous month | -28.6753  | -4.0197    | -25.8717            | 2.6631     | 2.9931     |
| Annual yield earned on the index portfolio (%)    | -21.98    | -26.19     | -20.66              | 0.04       | 1.73       |

Government bonds with the highest secondary market turnover in June 2022

| Government bond | Date of redemption | Turnover (HUF billion) |
|-----------------|--------------------|------------------------|
| 2032/A          | 24.11.2032         | 248.7                  |
| 2026/D          | 22.12.2026         | 152.2                  |
| 2030/A          | 21.08.2030         | 151.2                  |
| 2031/A          | 22.10.2031         | 150.5                  |
| 2028/B          | 23.03.2028         | 145.0                  |
| 2027/A          | 27.10.2027         | 134.9                  |
| 2033/A          | 20.04.2033         | 126.9                  |
| 2026/F          | 26.08.2026         | 121.8                  |
| 2026/E          | 22.04.2026         | 98.5                   |
| 2038/A          | 27.10.2038         | 94.7                   |

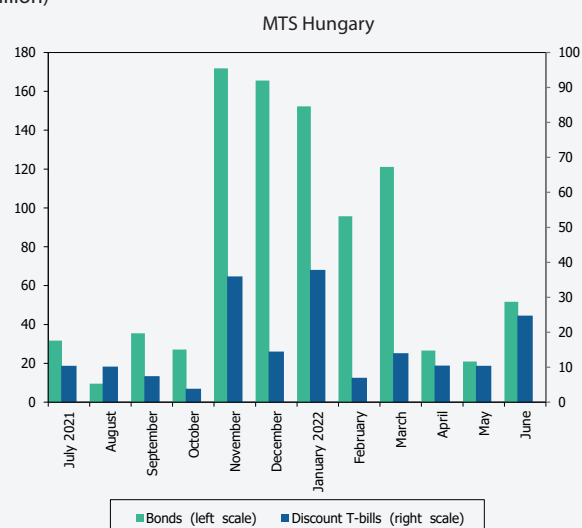
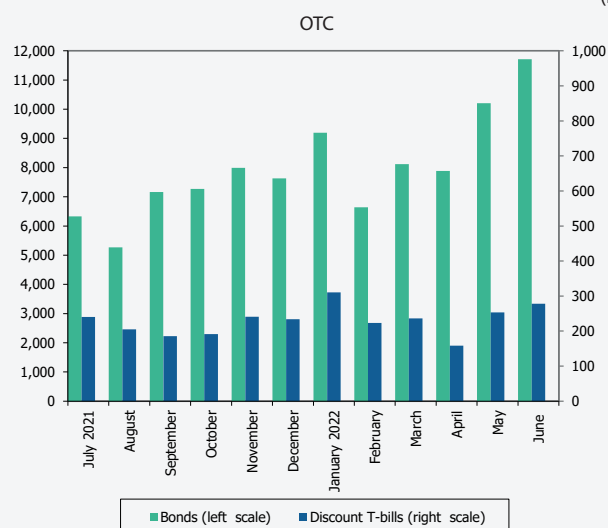
The outstanding volume of government bonds with benchmark status at the end of June 2022

| Government bond | HUF billion |            |
|-----------------|-------------|------------|
|                 | 31.05.2022  | 30.06.2022 |
| 2025/C          | 1,350.58    | 1,354.46   |
| 2028/B          | 243.57      | 288.46     |
| 2032/A          | 278.55      | 341.59     |
| 2038/A          | 847.00      | 859.33     |
| 2041/A          | 460.25      | 460.57     |

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

| Government bond | HUF billion |
|-----------------|-------------|
| 2031/A          | 1,497.26    |
| 2025/C          | 1,354.46    |
| 2033/A          | 1,293.19    |

Secondary market trading of Hungarian government securities (HUF billion)



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

