

Auction result in February

	Type	Bond	Amount of bids m.kr.	Amount allocated m.kr.	Price
9 February	Buyback	RIKH 18 1009	10,200	10,200	99.980 - 99.990
22 February	Auction	RIKV 18 0807	4,828	4,128	98.148
23 February	Switch auction	RIKB 22 1026	1,070	1,070	109.435
23 February	Switch auction	RIKB 28 1115	1,250	1,250	98.1

Treasury bond issuance in Q1/2018

Bond series Amounts in b.kr.	Maximum	Actual	Útgefið á árinu
RIKB 22 1026	8	2.5	2.5
RIKB 28 1115	12	0.0	0.0
Total			2.5

Switch auction this year

Amounts in b.kr.	Sold*	Bought*
RIKB 22 1026	1.1	
RIKB 28 1115	1.3	
RIKB 19 0226		2.3

* Nominal amount

Events in March

14 March	Central Bank Policy Rate
22 March	Auction of Treasury bills
23 March	Auction of Treasury bonds
26 March	CPI announcement

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The information in this publication is from the Central Bank of Iceland and from data vendors that are considered reliable.

The information is as of the last month-end unless otherwise specified.

Government Debt Management cannot be held liable for possible errors, typographical or otherwise, that may appear in Market Information. Comments on the contents of this publication may be submitted to lanamal@sedlabanki.is.



Benchmark issues, attributes

Domestic marketable debt

Issues	ISIN	Date of issue (d.m.y)	Maturity date	Interest, %	Type of bond	Duration*	Years to maturity
<i>T - bills</i>							
RIKV 18 0315	IS0000029189	15.9.2017	15.3.2018	0.00	Bullet	0.04	0.04
RIKV 18 0416	IS0000029312	15.10.2017	16.4.2018	0.00	Bullet	0.13	0.13
RIKV 18 0515	IS0000029395	15.11.2017	15.5.2018	0.00	Bullet	0.21	0.21
RIKV 18 0615	IS0000029486	15.12.2017	15.6.2018	0.00	Bullet	0.30	0.29
RIKV 18 0807	IS0000029718	26.2.2018	7.8.2018	0.00	Bullet	0.44	0.44
<i>Nominal T-bonds</i>							
RIKB 19 0226	IS0000017077	26.2.2008	26.2.2019	8.75	Bullet	0.99	0.99
RIKB 20 0205	IS0000024453	5.2.2014	5.2.2020	6.25	Bullet	1.88	1.94
RIKB 22 1026	IS0000020717	26.10.2011	26.10.2022	7.25	Bullet	4.06	4.66
RIKB 25 0612	IS0000019321	12.6.2009	12.6.2025	8.00	Bullet	5.66	7.29
RIKB 28 1115	IS0000028249	15.11.2016	15.11.2028	5.00	Bullet	8.42	10.71
RIKB 31 0124	IS0000020386	24.1.2011	24.1.2031	6.50	Bullet	9.29	12.90
RIKH 18 1009	IS0000019453	2.9.2009	9.10.2018	Fl. rate	Bullet	0.08**	0.61
<i>Inflation-linked T-bonds</i>							
RIKS 21 0414	IS0000020014	14.4.2010	14.4.2021	3.80	Bullet	2.92	3.12
RIKS 30 0701	IS0000020576	1.7.2011	1.7.2030	3.25	Bullet	10.32	12.34
RIKS 33 0321	IS0000021251	21.3.2012	21.3.2033	3.00	Bullet	12.23	15.063
Average of benchmark series						6.2	7.8

* Macaulay.

** If coupon for this bond were fixed at current rates until maturity duration would be: 0.61.

Foreign marketable debt

Issues	ISIN	Date of issue	Maturity date	Interest, %	Type of bond	Duration*	Years to maturity
	US451029AE22						
USD 5.875% 11 May 2022	USX34650AA31	11.5.2012	11.5.2022	5.875	Bullet	3.72	4.20
EUR 2.5% 15 Jul 2020	XS1086879167	15.7.2014	15.7.2020	2.500	Bullet	2.31	2.38
EUR 0.5% 20 Dec 2022	XS1738511978	13.12.2017	20.12.2022	0.500	Bullet	4.76	4.81
Average of benchmark series						3.7	3.8

* Macaulay.

Interest rate swaps

Maturity	Treasury pays	Treasury receives, %	Nominal amount (m. EUR)
15.7.2020	6M Euribor	0.791 p.a.	250



Government debt

Domestic central government debt 28 February 2018 in m.kr.

Issues	Nominal amount. beg. of month	Inflation compensation	Issue/ buybacks nominal	Inc. inflation compensation, end of month	Years to maturity	Market value	% of domestic debt
<i>T-bills</i>							
RIKV 18 0215	1,300		-1,300	0	0.00	0	0.0
RIKV 18 0315	2,700			2,700	0.04	2,696	0.4
RIKV 18 0416	7,245			7,245	0.13	7,207	0.9
RIKV 18 0515	2,390			2,390	0.21	2,369	0.3
RIKV 18 0615	1,910			1,910	0.29	1,886	0.2
RIKV 18 0807	0		4,128	4,128	0.44	4,050	0.5
Total	15,545			18,373	0.21	18,208	2.4
<i>Nominal T-bonds</i>							
RIKB 19 0226	83,175		-2,342	80,833	0.99	84,143	10.5
RIKB 20 0205	74,724			74,724	1.94	76,704	9.7
RIKB 22 1026	70,453		1,070	71,523	4.66	78,246	9.3
RIKB 25 0612	96,703			96,703	7.29	113,771	12.6
RIKB 28 1115	42,600		1,250	43,850	10.71	43,260	5.7
RIKB 31 0124	95,420			95,420	12.90	106,833	12.4
RIKH 18 1009*	49,985		-10,200	39,785	0.61	39,692	5.2
Total	513,061			502,839	5.94	542,649	65.4
<i>Inflation-linked T-bonds</i>							
RIKS 21 0414	60,934	14,325		75,259	3.12	79,729	9.8
RIKS 30 0701	73,727	13,514		87,241	12.34	99,695	11.4
RIKS 33 0321	34,172	5,017		39,189	15.06	44,462	5.1
Total	168,833	32,855		201,689	9.43	223,886	26.2
Other central government debt**				45,528	6.41		5.9
Total domestic debt				768,429	6.75		100.0

* Capital contribution from the state to financial institutions.

** Mostly government indexed debt due to the National Power Company, (Landsvirkjun) and assumed gov. Guarantees.

Foreign central government debt

Issues	Issued nominal amount (millions)	Remaining nominal amount	Nominal amount ISK (m.kr.)	Years to maturity
<i>Foreign bonds</i>				
USD 5,875% 11 May 2022	1,000	92	9,335	4.20
EUR 2,5% 15 Jul 2020	750	352	43,718	2.38
EUR 0,5% 20 Dec 2022	500	500	62,025	4.81
Total			115,078	3.83
Total foreign debt			115,078	3.83



Central government debt, total in m.kr.

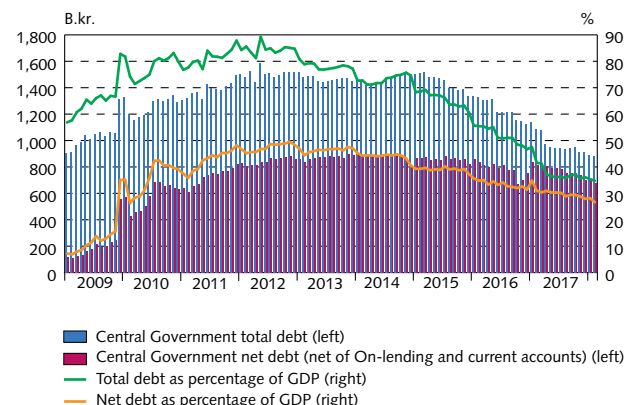
	Nominal incl./ inflation compensation	Weighted time to maturity
Nominal debt	521,212	5.74
Inflation-linked debt	247,217	8.87
Foreign currency debt	115,078	3.831
Total	883,507	6.37
Total debt as percentage of GDP*		34.8

* GDP is from the latest edition of *Monetary Bulletin* published by Central bank of Iceland.

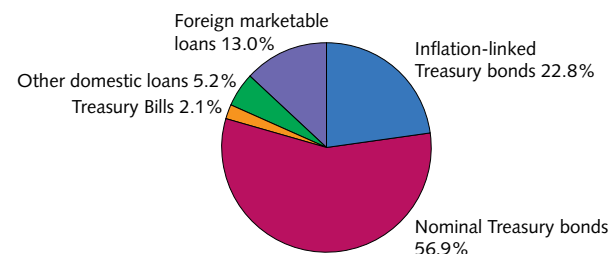
Net debt in m.kr.

On-lending and cash at the Central bank	Nominal incl./ inflation compensation end of month
Nominal on - lending	11,273
Inflation-linked on - lending	40,631
Cash ISK	77,118
Cash FX	80,312
Total	209,333
Net debt	
Nominal debt	432,822
Inflation-linked debt	206,586
Foreign currency debt	34,767
Net central government debt	677,174
Total net debt as percentage of GDP	26.5

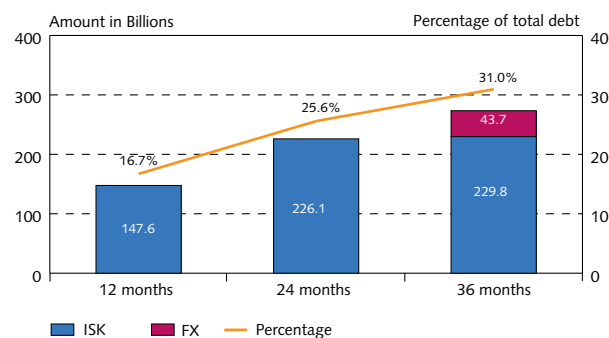
Changes in central government debt



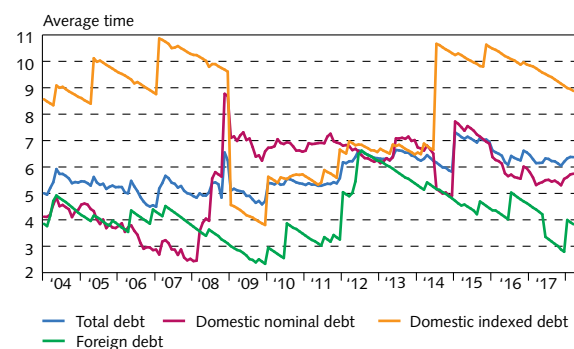
Total market value of benchmark issues



Percentage of debt maturing after;



Average Time to Maturity





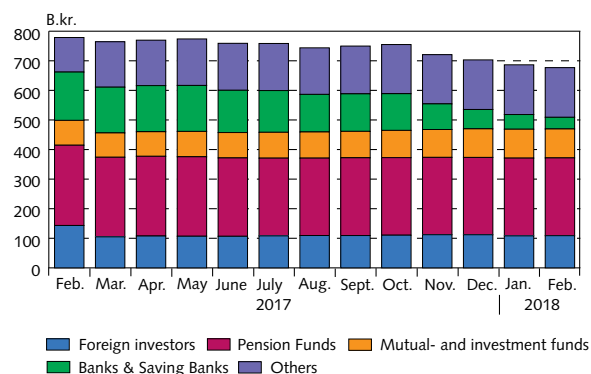
Investors

Owners of T-bonds and bills 28 February 2018*

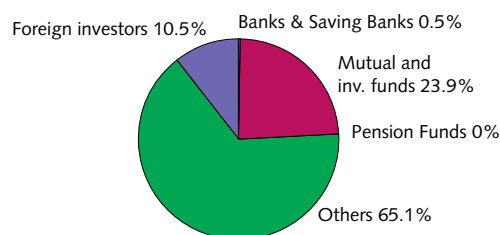
Nominal value in m.kr.	RIKB 19	RIKB 20	RIKB 22	RIKB 25	RIKB 28	RIKB 31	RIKH 18	RIKS 21	RIKS 30	RIKS 33	Total	Total bills
Domestic investors												
Banks & Saving Banks	958	4,413	2,153	1,881	3,858	2,043	22,548	754	725	0	39,333	100
Miscellaneous credit undertakings	5,096	1,500	0	0	0	0	133	11,782	11,900	12,590	43,001	10,200
Mutual and inv. funds	12,372	17,467	13,001	7,219	9,265	5,622	460	16,927	13,790	1,714	97,835	4,390
Pension Funds	7,614	24,537	26,172	48,768	18,952	52,078	11,865	21,438	46,272	5,205	262,901	0
Firms	2,379	9,208	6,280	5,187	3,907	6,057	0	4,221	469	1,424	39,133	650
Households	2,680	1,217	1,404	788	327	213	0	4,652	377	2,039	13,697	902
Others	23,487	11,276	10,774	11,915	2,032	2,660	4,705	2,561	914	1,778	72,103	208
Foreign investors												
	26,247	5,510	12,399	21,356	5,567	27,882	75	383	0	9,423	108,842	1,923
Total	80,833	75,129	72,183	97,112	43,907	96,555	39,785	62,719	74,447	34,172	676,843	18,373

* Included securities lending from the issuer to the primary dealers.

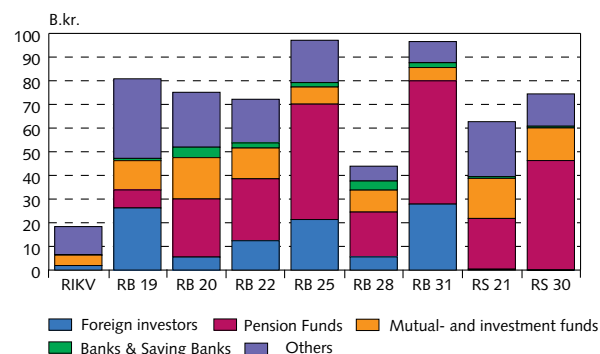
Owners of T-bonds 28 February 2018*



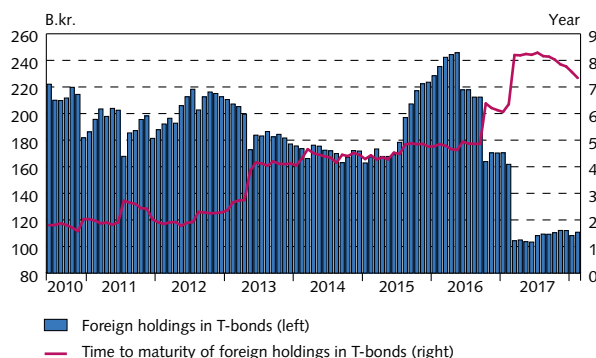
Owners of T-bills 28 February 2018*



Owners of marketable T-bonds and bills 28 February 2018*



Time to maturity of non-residents' holdings in T-bond and -bills 28 February 2018*



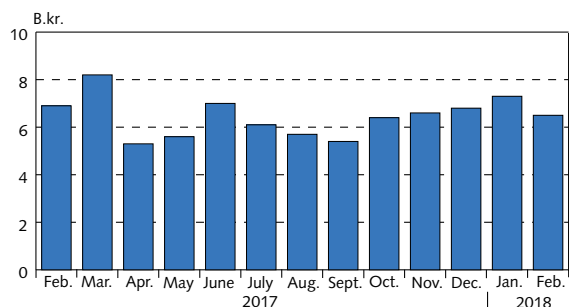
* Information on this page is based on the most recent data from the Icelandic Securities Depository and banks.



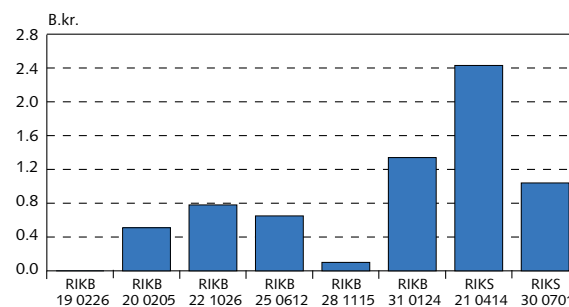
Market Information

Securities lending facility, redemption profile and turnover

Average amount in the security lending facility* of GDM at market value

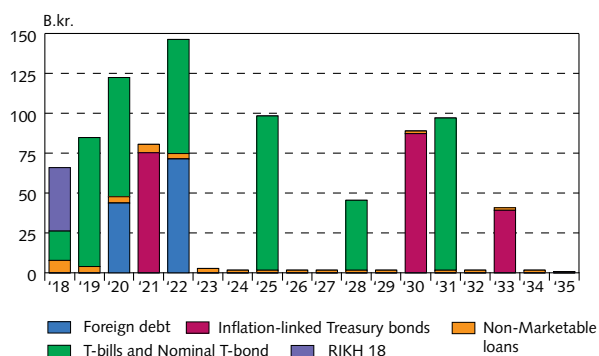


Outstanding amount in the securities lending facility* by series at the end of last month

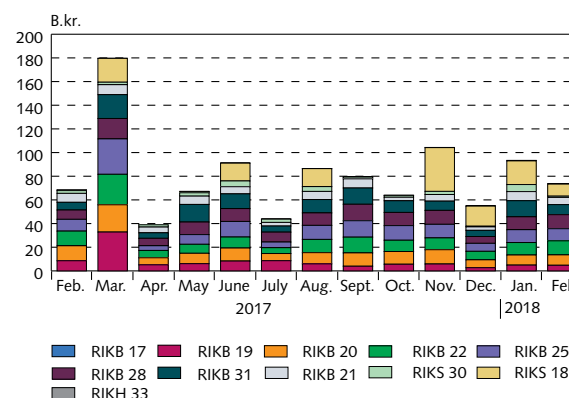


* Calculated at market price.

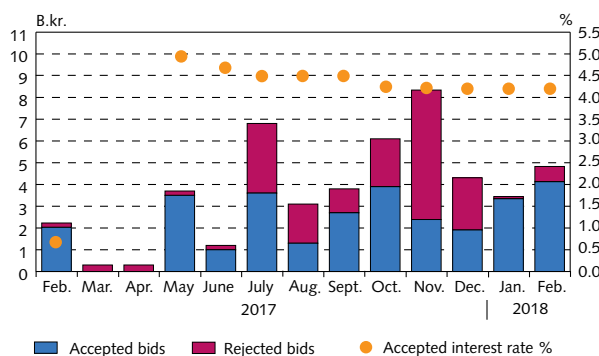
Redemption profile of government debt



Monthly trading volume in T-Bonds on NASDAQ Iceland Exchange

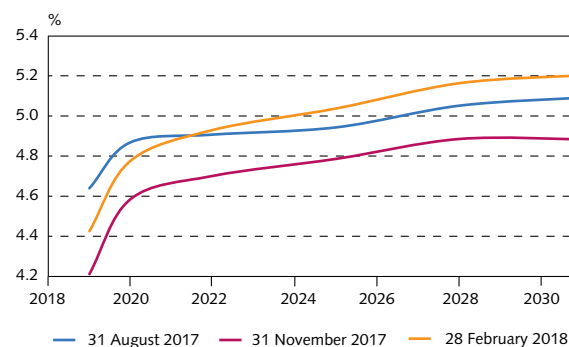


Auction of Treasury bills



Yield curves

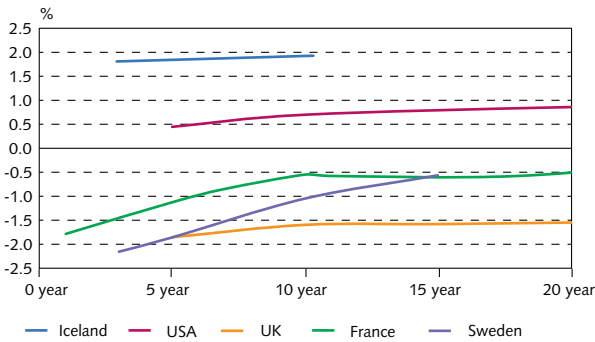
Nominal yield curves



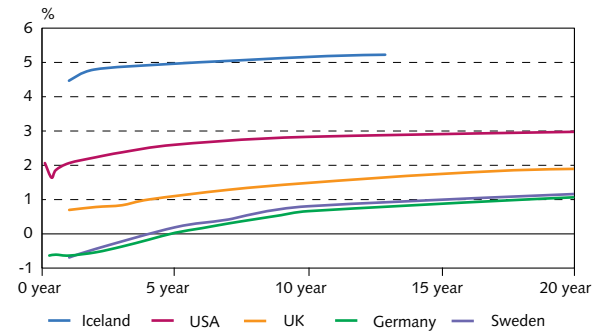


Market Information

Yield curve inflation-linked T-bonds

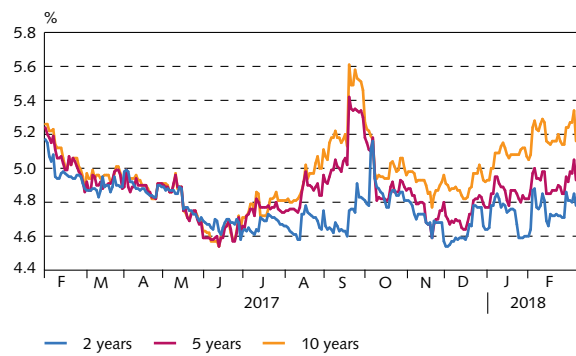


Yield curve Treasury bills and nominal T-bonds

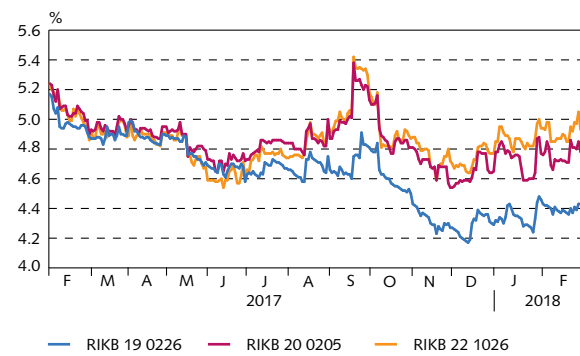


Yield for Treasury bonds

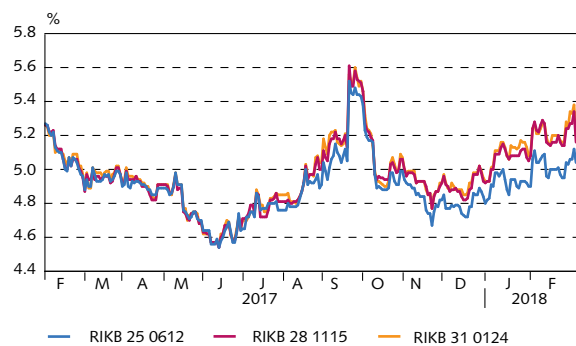
Generic Yield



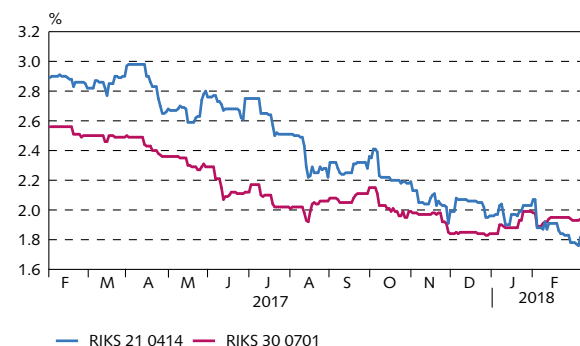
Yield for short and medium term nominal T-bonds



Yield for long term nominal T-bonds



Yield for inflation linked T-bonds





Auctions of Treasury bonds and bills

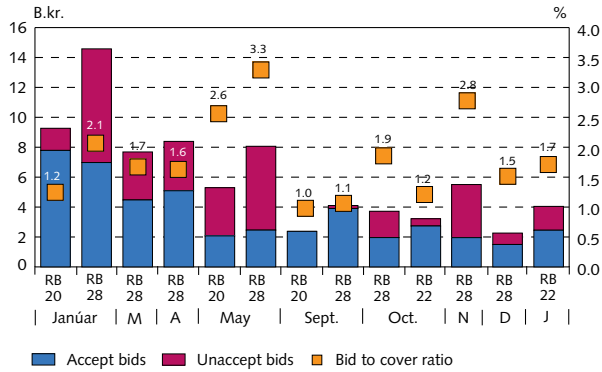
Auction in 2018, in m.kr.

Date		Offers		No. of bids	No. of acc. bids	Yield %	Acc. bids		Non comp. auction nominal v.	Total value	
		Market value	Nominal value				Market value	Nominal value			
Nominal T-Bonds											
26.01.18	RIKB 22 1026	4,046	3,680	31	17	4.84	2,452	2,230	0	2,452	
Total		4,046	3,680				2,452	2,230	0	2,452	
										Total value	2,452
Switch auction											
23.02.18	RIKB 22 1026	1,171	1,070	0	0	0	1,171	1,070	0	1,171	
23.02.18	RIKB 28 1115	1,226	1,250	0	0	0	1,226	1,250	0	1,226	
Total		2,397	2,320				2,397	2,320	0	2,397	
T-Bills											
25.01.18	RIKV 18 0416	3,414	3,445	12	11	4.20	3,315	3,345			
22.02.18	RIKV 18 0807	4,739	4,828	13	8	4.19	4,052	4,128			
Total		8,153	8,273				7,367	7,473			



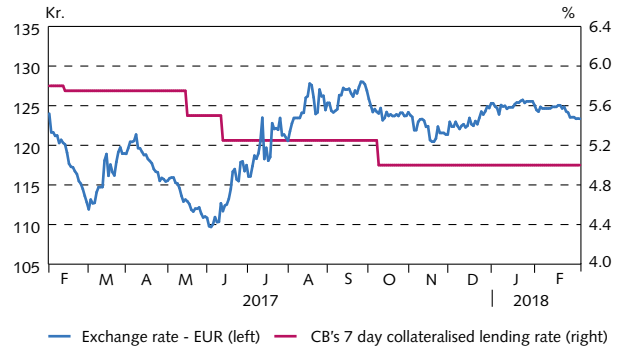
Auctions of Treasury bonds

Latest auction results of Treasury bonds at market value



Exchange rate development

Euro exchange rate versus 7 days collateralised lending rate



Primary dealers

Primary dealers in

government securities

Telephone

Bloomberg

Íslandsbanki

+354 440 4000

ISLA

Arion banki

+354 444 6000

ARIO

Kvika banki hf.

+354 540 3200

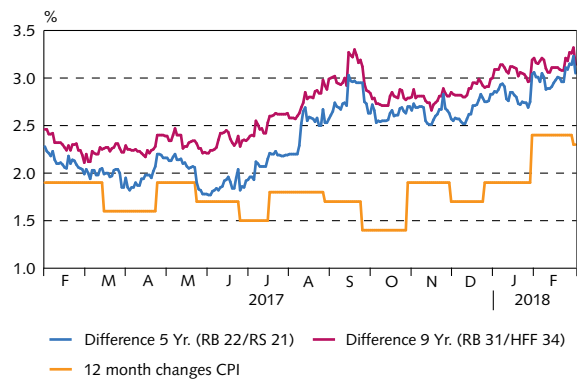
KVIK

Landsbankinn

+354 410 4000

LAIS

Inflation premium nominal T-bonds



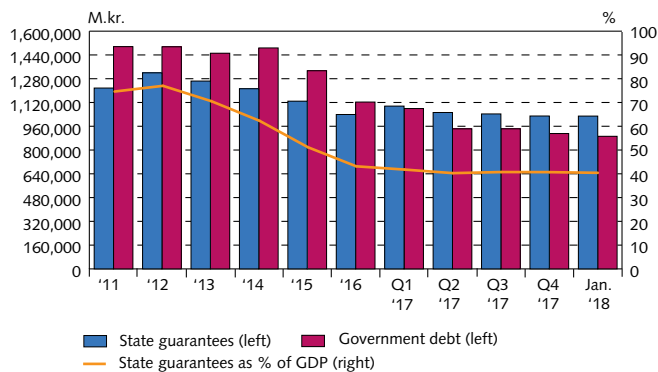


State guarantees

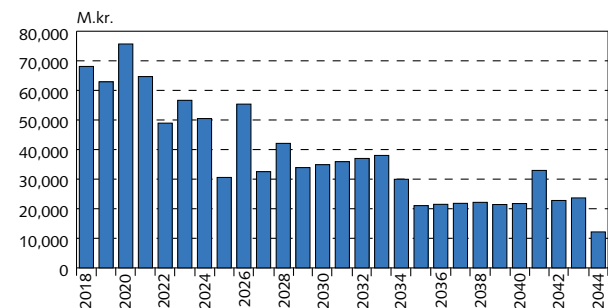
State guarantees 2013–2018

M.kr.	January	Outstanding end of year				
	2018	2017	2016	2015	2014	2013
Lending agencies	865,488	862,909	830,231	855,054	892,205	935,645
Housing Financing Fund	796,269	794,068	821,180	844,130	881,045	923,492
Regional Development Fund	10,039	9,970	9,051	10,923	11,160	12,153
Icelandic Student Loan Fund	59,179	58,871	0	0	0	0
Co-operative and Limited Partnerships	160,558	164,178	207,073	271,548	317,940	324,844
National Power Company sf.	149,431	152,646	195,048	257,155	302,586	309,531
RARIK ohf. (Iceland State Electricity)	1,249	1,363	1,483	1,786	2,075	2,343
Farice ehf.	5,604	5,547	5,652	7,214	7,588	6,446
Isavia ohf.	1,183	1,213	1,401	1,749	2,130	2,507
RUV ohf. (National Broadcasting Service)	2,591	2,796	2,886	3,011	2,760	3,224
Other	500	612	603	633	801	793
Industries/Municipalities	2,453	1,947	1,872	2,229	2,440	3,760
NIB - Nordic Investment Bank	2,453	1,947	1,862	2,209	2,411	2,956
Other	0	0	10	20	29	804
State Guarantees total	1,028,499	1,029,033	1,039,177	1,128,831	1,212,585	1,264,249

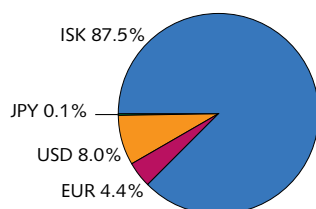
State guarantees - government debt and GDP 2011-2018



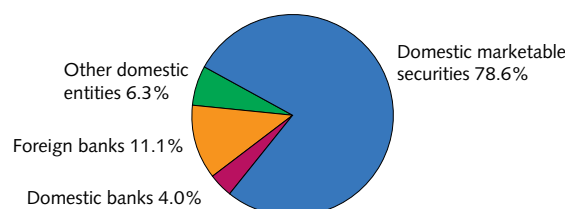
State guarantees - Maturity profile



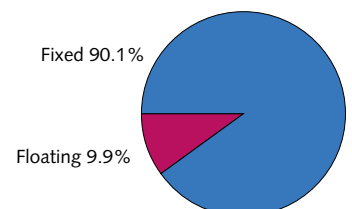
Currency ratio



Type of lenders



Interest rate type



Notes:

- Guarantees shown include accrued interest and indexation at the end of each period. Guarantees in foreign currency are shown at ask exchange rate. Numbers for 2017 and 2018 are preliminary.
- Numbers for the Housing Financing Fund are at nominal value and include accrued interest and indexation on securities issued. Included in the position of HFF-bonds are bonds reserved for security lending contracts.
- The Treasury paid down its accrued pension obligation to the Pension Fund for State Employees by handing over bonds issued by the Icelandic Student Loan Fund, totalling 60. b. ISK in estimated value by the end of 2016. Figures on State Guarantees for each quarter of 2017 have been corrected accordingly.
- The Treasury redeemed the contingent liabilities of Kaupthing bank hf as of the end of 2012, amounting to 1.5 b. ISK.