



Auction results in February 2020

	Type	Bond	Amount of bids m.kr.	Amount allocated m.kr.	Yield/Price/ Simple interest
21 February	Auction	RIKB 21 0805	9,200	1,600	2.85
27 February	Auction	RIKV 20 0715	4,400	4,100	3.02
27 February	Auction	RIKV 20 1116	9,400	9,050	3.12

Treasury bond issuance in Q1/2020

Amounts in b.kr.	Maximum	Actual
RIKB 21 0805	12	8.1
RIKB 28 1115	4	2.3

Treasury bond issuance as of 29 February 2020

Regular auctions

Bond series

Amounts in b.kr.	Sales value
RIKB 21 0805	8.1
RIKB 28 1115	2.3
Total issued this year	10.4

Contents

- Benchmark issues, attributes
- Central government debt
- Swaps
- Investors
- Securities lending facility, redemption profile and turnover
- Auction of Treasury bills
- Yield curves
- Yield for Treasury bonds
- Auctions of Nominal T-Bonds and T-Bills
- Auctions of Treasury Bonds
- Exchange rate development
- Credit Rating
- State Guarantees

Contributors

Bjorgvin Sighvatsson
bs@cb.is

Hafsteinn Hafsteinsson
haha@cb.is

Kjartan Hansson
kjh@cb.is

Laufey B. Ómarsdóttir
lbo@cb.is

Magnús Freyr Hrafnsson
mfh@cb.is

Oddgeir Gunnarsson
og@cb.is

Editor

Sturla Pálsson
sp@cb.is

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

<i>Issues</i>	<i>ISIN</i>	<i>Date of issue (d.m.y)</i>	<i>Maturity date</i>	<i>Interest, %</i>	<i>Type of bond</i>	<i>Duration*</i>	<i>Years to maturity</i>
<i>T - bills</i>							
RIKV 20 0316	IS0000031425	2.9.2019	16.3.2020	0.00	Bullet	0.00	0.00
RIKV 20 0715	IS0000031623	2.12.2019	15.7.2020	0.00	Bullet	0.38	0.37
RIKV 20 1116	IS0000031789	3.2.2020	16.11.2020	0.00	Bullet	0.73	0.71
RIKV 21 0115	IS0000031797	3.2.2020	15.1.2021	0.00	Bullet	0.89	0.88
<i>Nominal T-bonds</i>							
RIKB 21 0805	IS0000031482	5.8.2019	5.8.2021	3.50	Bullet	1.40	1.43
RIKB 22 1026	IS0000020717	26.10.2011	26.10.2022	7.25	Bullet	2.47	2.66
RIKB 25 0612	IS0000019321	12.6.2009	12.6.2025	8.00	Bullet	4.41	5.28
RIKB 28 1115	IS0000028249	15.11.2016	15.11.2028	5.00	Bullet	7.31	8.71
RIKB 31 0124	IS0000020386	24.1.2011	24.1.2031	6.50	Bullet	8.51	10.90
<i>Inflation-linked T-bonds</i>							
RIKS 21 0414	IS0000020014	14.4.2010	14.4.2021	3.80	Bullet	1.09	1.12
RIKS 26 0216	IS0000030732	16.2.2018	16.2.2026	1.50	Bullet	5.76	5.97
RIKS 30 0701	IS0000020576	1.7.2011	1.7.2030	3.25	Bullet	8.99	10.33
RIKS 33 0321	IS0000021251	21.3.2012	21.3.2033	3.00	Bullet	11.08	13.06
Average of benchmark series						5.8	6.8

* Macaulay.

Foreign marketable debt

<i>Issues</i>	<i>ISIN</i>	<i>Date of issue</i>	<i>Maturity date</i>	<i>Interest, %</i>	<i>Type of bond</i>	<i>Duration*</i>	<i>Years to maturity</i>
	US451029AE22						
USD 5,875% 11 May 2022	USX34650AA31	11.5.2012	11.5.2022	5.875	Bullet	2.05	2.20
EUR 2,5% 15 Jul 2020	XS1086879167	15.7.2014	15.7.2020	2.500	Bullet	0.38	0.37
EUR 0,5% 20 Dec 2022	XS1738511978	13.12.2017	20.12.2022	0.500	Bullet	2.79	2.81
EUR 0,1% 20 Jun 2024	XS2015295814	20.6.2019	20.6.2024	0.100	Bullet	4.30	4.30
Average of benchmark series						2.8	2.8

* Macaulay.



Government debt

Domestic central government debt 29 February 2020 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 20 0205	9,328		-9,328	0	0.00	0	0.0
RIKV 20 0316	10,320		0	10,320	0.04	10,307	1.6
RIKV 20 0715	2,000		4,500	6,500	0.37	6,425	1.0
RIKV 20 1116	0		11,102	11,102	0.70	10,848	1.7
RIKV 21 0115	0		12,610	12,610	0.87	12,251	1.9
Total	21,648			40,532	0.53	39,830	6.1
<i>Nominal T-bonds</i>							
RIKB 20 0205	56,881		-56,881	0	0.00	0	0.0
RIKB 21 0805	11,875		8,082	19,957	1.42	20,161	3.0
RIKB 22 1026	81,059		0	81,059	2.66	90,198	12.2
RIKB 25 0612	91,648		0	91,648	5.28	114,743	13.8
RIKB 28 1115	67,450		0	67,450	8.71	78,434	10.2
RIKB 31 0124	94,026		0	94,026	10.90	125,605	14.2
Total	402,939			354,139	6.61	429,141	53.4
<i>Inflation-linked T-bonds</i>							
RIKS 21 0414	62,171	18,587	0	80,758	1.12	84,133	12.2
RIKS 26 0216	20,283	1,041	0	21,323	5.96	22,942	3.2
RIKS 30 0701	73,727	18,026	0	91,753	10.34	118,728	13.8
RIKS 33 0321	34,172	7,043	0	41,216	13.06	54,815	6.2
Total	190,353	44,696		235,050	7.25	280,618	35.5
Other central government debt*				32,856	6.21		5.0
Total domestic debt				662,577	6.45		100.0

* 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	11,623	2.20
EUR 2,5% 15 Jul 2020	750	292	40,667	0.37
EUR 0,5% 20 Dec 2022	500	500	69,650	2.81
EUR 0,1% 20 Jun 2024	500	500	69,650	4.30
Total			191,590	2.80
Total foreign debt			191,590	2.80



Central government debt, total in m.kr.

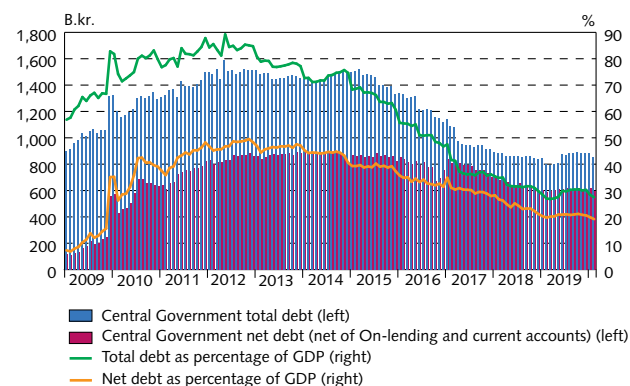
	Nominal inc./ inflation compensation	Weighted time to maturity
Nominal debt	394,671	5.98
Inflation-linked debt	267,906	7.12
Foreign currency debt	191,590	2.80
Total	854,167	5.63
Total debt as percentage of GDP *		27.5

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

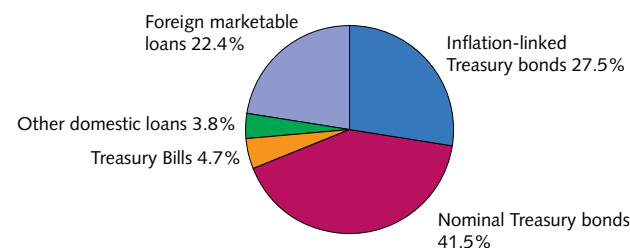
Net debt in m.kr.

On-lending and cash at the Central bank	Nominal incl./ inflation compensation end of month
Nominal on - lending	18,378
Inflation-linked on - lending	33,737
FX linked on - lending	6,488
Cash ISK	44,007
Cash FX	155,762
Total on-lending	258,373
Net debt	
Nominal debt	332,286
Inflation-linked debt	234,169
Foreign currency debt	29,339
Net central government debt	595,794
Total net debt as percentage of GDP	19.2

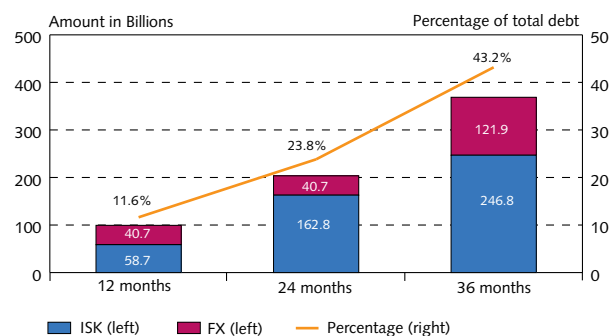
Changes in central government debt



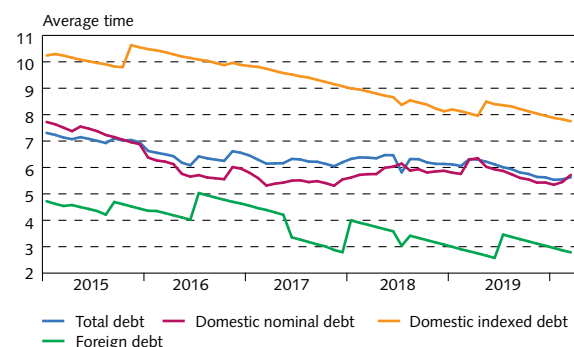
Total market value of benchmark issues



Percentage of debt maturing next;



Average Time to Maturity



Swaps

29 February 2020

Inflation swaps in ISK (m.kr.)

Year	New		Expired		Outstanding at year-end	
	Number of contracts	Nominal amount	Number of contracts	Nominal amount	Number of contracts	Nominal amount
2018	22	28,000	0	0	22	28,000
2019	0	0	0	0	22	28,000
2020	0	0	0	0	22	28,000
2021	0	0	20	26,000	2	2,000
2022	0	0	0	0	2	2,000
2023	0	0	0	0	2	2,000
2024	0	0	0	0	2	2,000
2025	0	0	2	2,000	0	0
2026	0	0	0	0	0	0

Interest rate swap in foreign currency

Maturity	Treasury pays	Treasury receives, %	Nominal amount (m. EUR)	Nominal amount (m. ISK)
15.7.2020	6M Euribor	0.791 p.a.	250	34,825

Interest rate type (m.kr.)

	Without swaps		With swaps	
	Nominal amount with accrued indexation (ISK)	Proportion, %	Nominal value with accrued indexation (ISK)	Proportion, %
Icelandic fixed interest rates	354,139	41	354,139	41
Icelandic indexed interest rates	267,906	31	239,089	28
Icelandic floating interest rates	40,532	5	68,532	8
Foreign fixed interest rates	191,590	22	156,765	18
Foreign floating interest rates	0	0	34,825	4
Total	854,167	100	853,350	100

Effect of swaps on Treasury debt (m.kr.)

	Nominal amount with accrued indexation (ISK)	Market value (ISK)	Proportion, %	Duration
<i>Government debt</i>				
Nominal debt	394,671	477,804	46	5.14
Inflation-linked debt	267,906	321,321	31	6.65
Foreign currency debt	191,590	199,321	22	2.77
Total	854,167	998,446	100	5.15
<i>Government debt with swaps</i>				
Nominal debt	422,671	505,883	50	4.86
Inflation-linked debt	239,089	291,490	28	7.14
Foreign currency debt	191,590	198,988	22	2.78
Total	853,350	996,362	100	5.11



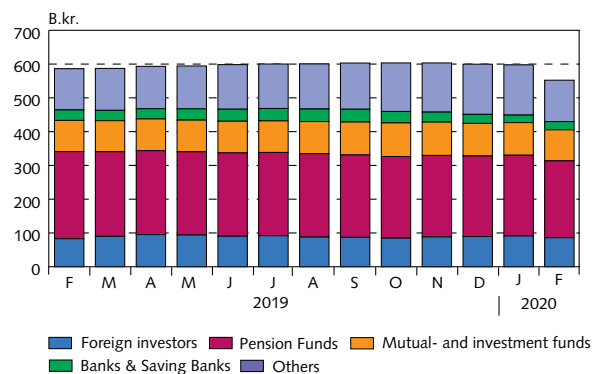
Investors

Owners of T-bonds and bills 29 February 2020*

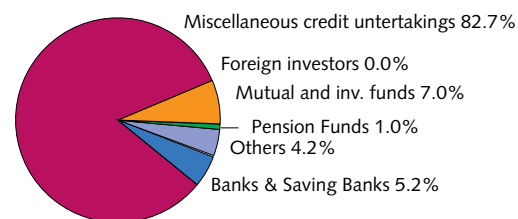
Nominal value in m.kr.	RIKB 21	RIKB 22	RIKB 25	RIKB 28	RIKB 31	RIKS 21	RIKS 26	RIKS 30	RIKS 33	Total	Bills total
Domestic investors											
Banks & Saving Banks	1,805	5,333	2,004	3,725	3,808	3,790	1,965	1,864	155	24,450	2,100
Miscellaneous credit undertakings	4,425	4,084	30	0	0	19,771	4,570	12,150	12,590	57,620	33,500
Mutual and inv. funds	9,167	16,443	12,984	6,588	4,152	17,301	8,336	11,577	5,327	91,875	2,840
Pension Funds	744	27,297	46,652	31,607	47,755	13,616	3,644	45,477	10,884	227,677	405
Firms	1,362	7,409	9,791	4,428	5,832	2,380	4,013	1,573	1,276	38,064	1,567
Households	17	2,313	1,088	293	114	2,890	541	668	1,430	9,354	0
Others	1,058	3,803	3,064	2,412	1,822	2,549	583	1,429	837	17,557	120
Foreign investors											
	2,028	14,573	16,614	18,929	31,029	904	0	3	1,653	85,733	0
Total	20,607	81,255	92,227	67,981	94,511	63,203	23,653	74,742	34,152	552,331	40,532

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

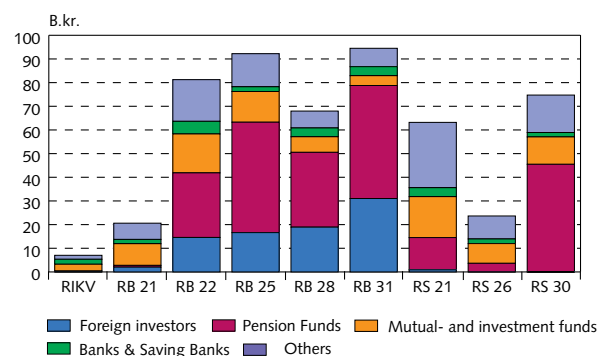
Owners of T-bonds 29 February 2020*



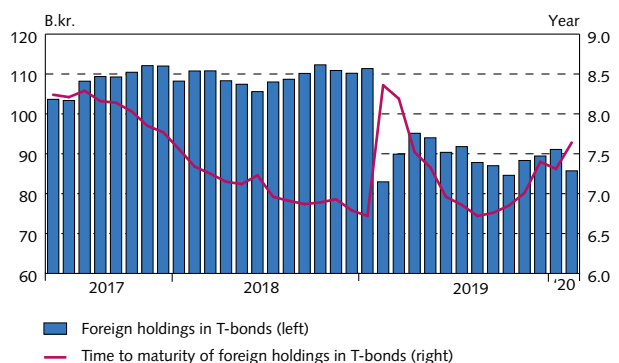
Owners of T-bills 29 February 2020*



Owners of marketable T-bonds and bills 29 February 2020*



Time to maturity of non-residents' holdings in T-bond and -bills 29 February 2020*



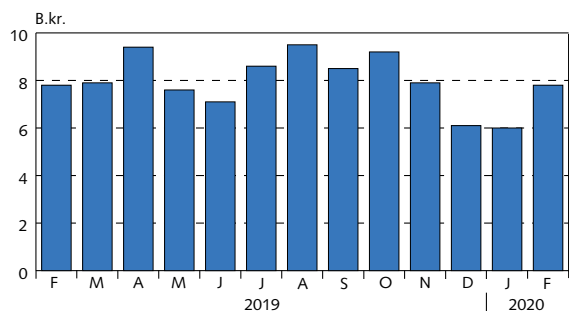
* Information on this page is based on the most recent data from the Icelandic Securities Depository and banks.



Market Information

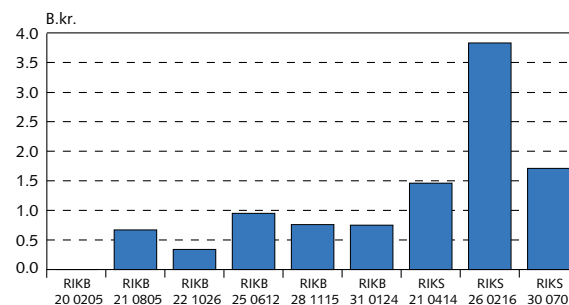
Securities lending facility, redemption profile and turnover

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

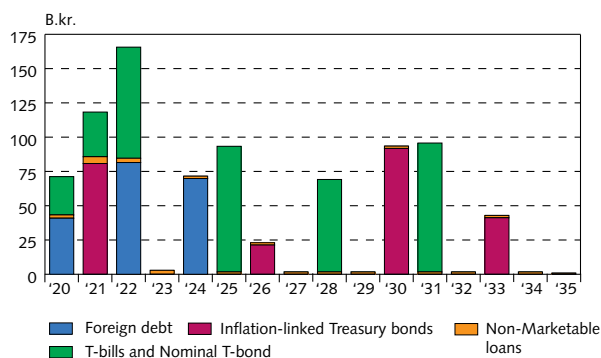


* Calculated at market price.

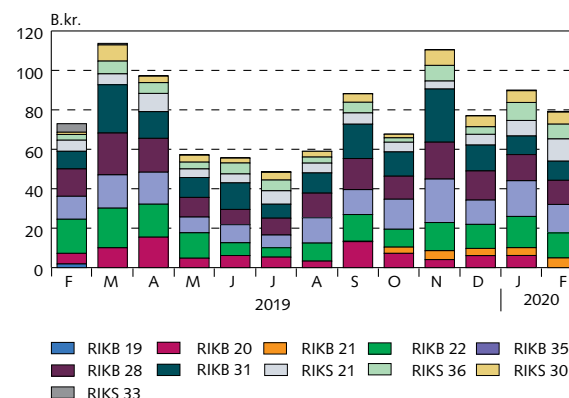
Outstanding amount in the securities lending facility* by series at the end of last month



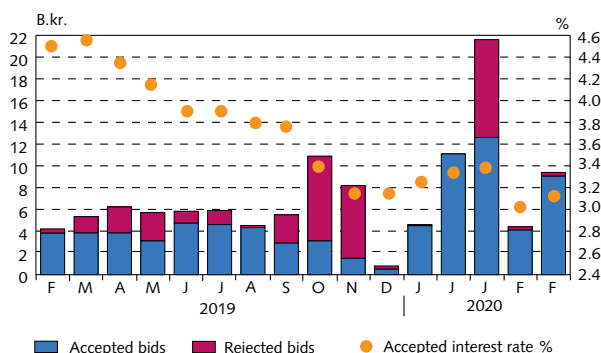
Redemption profile of government debt



Monthly trading volume in T-Bonds on NASDAQ Iceland Exchange

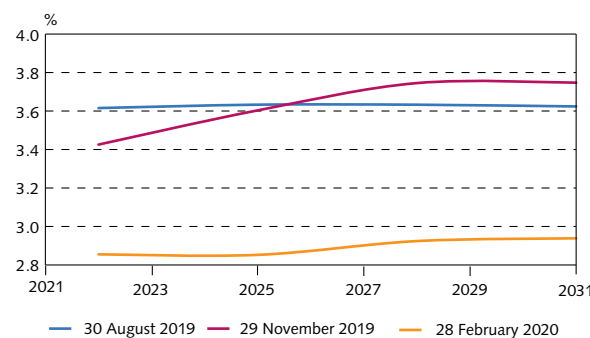


Auction of Treasury bills



Yield curves

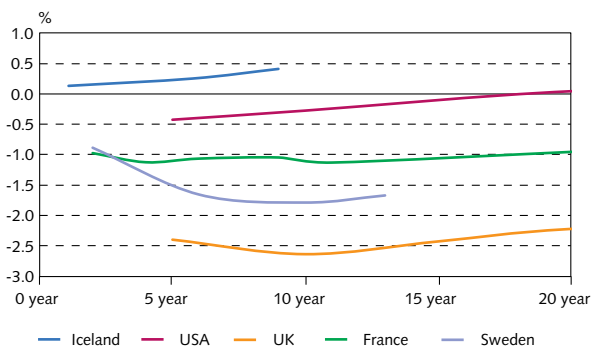
Nominal yield curves



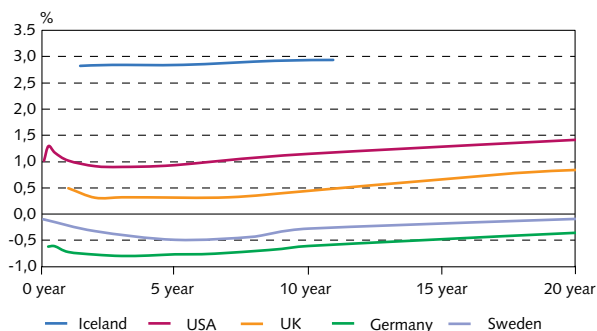


Market Information

Yield curve inflation-linked T-bonds

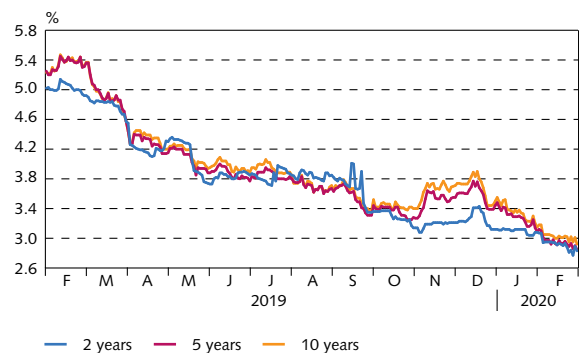


Yield curve Treasury bills and nominal T-bonds

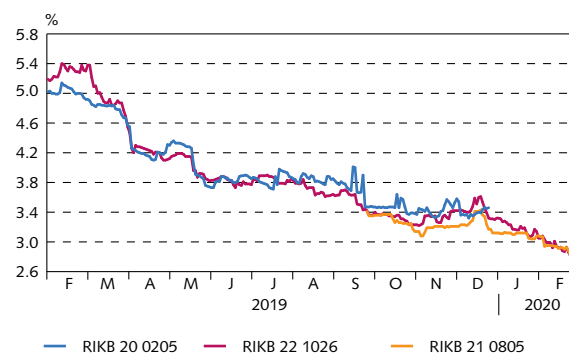


Yield for Treasury bonds

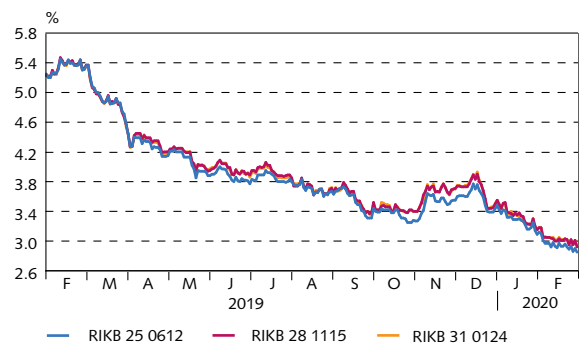
Generic Yield



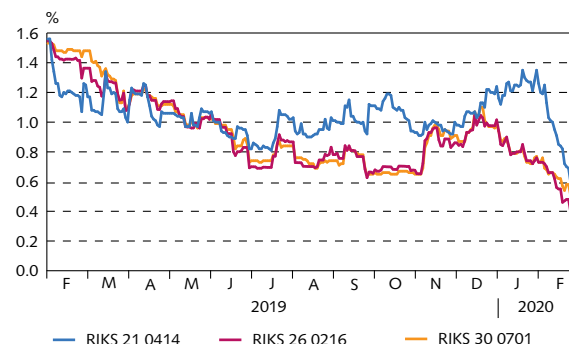
Yield for short and medium term nominal T-bonds



Yield for long term nominal T-bonds



Yield for inflation linked T-bonds





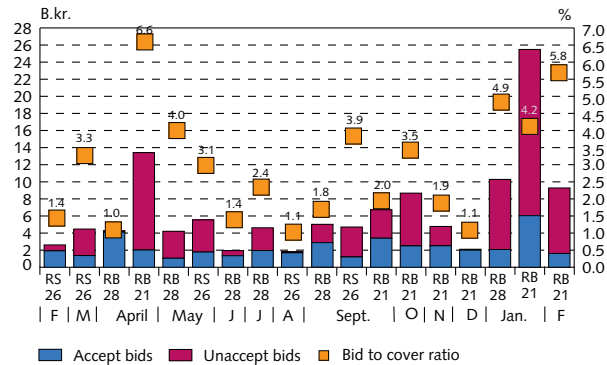
Auctions of Treasury bonds and bills

Auction in 2020, 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										
10.01.20	RIKB 28 1115	10,281	9,212	49	10	3.45	2,078	1,862	186	2,286
31.01.20	RIKB 21 0805	25,486	25,331	43	16	3.07	6,037	6,000	439	6,478
21.02.20	RIKB 21 0805	9,282	9,200	39	10	2.85	1,614	1,600	43	1,657
Total		45,049	43,743				9,729	9,462	668	10,421
Indexed T-Bonds										
Total		0	0				0	0	0	0
									Total value	10,421
Switch auction										
Total		0	0				0	0	0	0
T-Bills										
30.01.20	RIKV 20 0715	4,533	4,600	17	16	3.24	4,435	4,500		
30.01.20	RIKV 20 1116	10,814	11,102	12	12	3.34	10,814	11,102		
30.01.20	RIKV 21 0115	20,928	21,610	14	11	3.38	12,212	12,610		
27.02.20	RIKV 20 0715	4,351	4,400	15	12	3.02	4,054	4,100		
27.02.20	RIKV 20 1116	9,194	9,400	18	15	3.12	8,851	9,050		
Total		49,820	51,112				40,366	41,362		

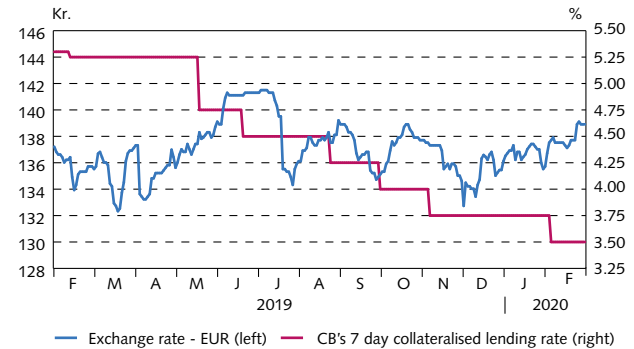
Auctions of Treasury bonds

Latest auction results of Treasury bonds at market value



Exchange rate development

Euro exchange rate versus 7 days collateralised lending rate

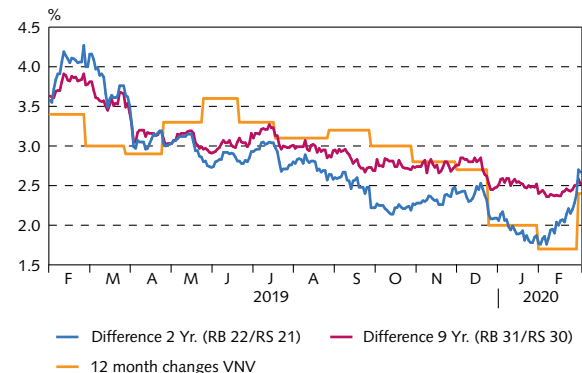


Primary dealers

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



Auctions of the month

18 March 2020	Central Bank Policy Rate
20 March 2020	Auction of Treasury bonds
27 March 2020	CPI announcement
30 March 2020	Auction of Treasury bills

Iceland Sovereign Credit Rating

	Confirm	Foreign currency		Domestic currency		Outlook
		Long-Term	Short-Term	Long-Term	Short-Term	
Moody's	Nov. 2019	A2		A2		Stable
S&P	Nov. 2019	A	A-1	A	A-1	Stable
Fitch	Nov. 2019	A	F-1+	A	F-1+	Stable

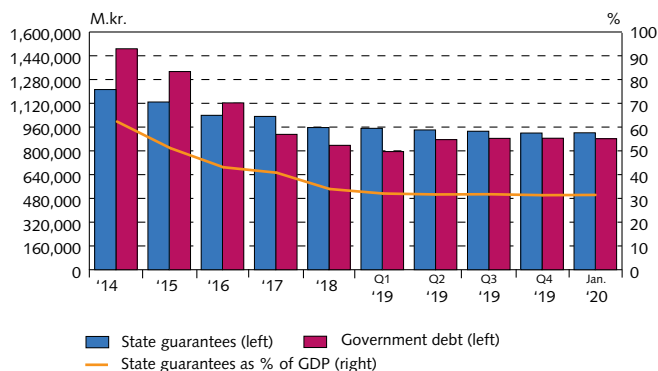


State guarantees

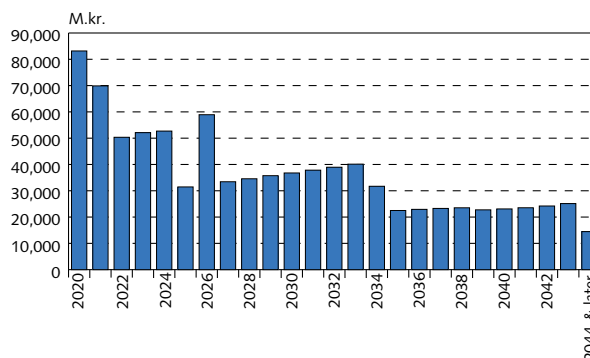
State guarantees 2016–2020

M.kr.	January	Outstanding end of year			
	2020	2019	2018	2017	2016
Lending agencies	826,388	825,323	849,610	865,609	830,231
Housing Financing Fund	754,175	753,380	777,716	794,068	821,180
Regional Development Fund	13,105	13,046	11,569	9,970	9,051
Icelandic Student Loan Fund	59,108	58,897	60,325	61,572	0
Co-operative and Limited Partnerships	92,605	92,010	104,596	163,766	207,073
National Power Company sf.	87,262	86,546	93,430	152,567	195,048
RARIK ohf. (Iceland State Electricity)	906	901	1,069	1,242	1,483
Farice ehf.	0	0	5,508	5,547	5,652
Isavia ohf.	1,021	1,034	1,123	1,213	1,401
RUV ohf. (National Broadcasting Service)	3,074	3,062	3,012	2,573	2,886
Other	342	467	454	624	603
Industries/ Municipalities	2,659	2,654	2,603	2,450	1,872
NIB - Nordic Investment Bank	2,659	2,654	2,603	2,450	1,862
Other	0	0	0	0	10
State Guarantees total	921,652	919,987	956,809	1,031,825	1,039,177

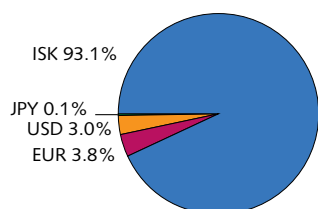
State guarantees - government debt and GDP 2014-2020



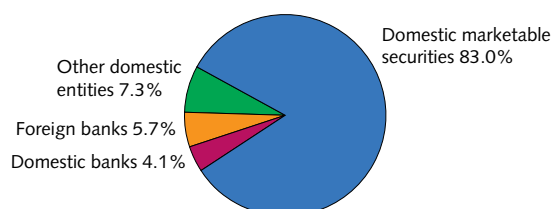
State guarantees - Maturity profile



Currency ratio



Type of lenders



Interest rate type

