



Auction results in June 2020

	Type	Bond	Amount of bids m.kr.	Amount allocated m.kr.	Yield/Price/ Simple interest
5 June	Auction	RIKB 21 0805	19,480	3,600	1.27
5 June	Auction	RIKB 28 1115	4,700	3,520	2.41
29 June	Auction	RIKV 20 0915	52,050	28,650	1.15

Treasury bond issuance in Q2/2020

Amounts in b.kr.	Maximum	Actual
RIKB 21 0805	-	27.1
RIKB 25 0612	-	3.6
RIKB 28 1115	-	5.5
RIKS 26 0216	-	3.6

Treasury bond issuance as of 30 June 2020

Regular auctions

Bond series

Amounts in b.kr.	Sales value
RIKB 21 0805	36.9
RIKB 25 0612	3.6
RIKB 28 1115	7.8
RIKS 26 0216	3.6
Total issued this year	52.0

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

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

Issues	ISIN	Date of issue (d.m.y)	Maturity date	Interest, %	Type of bond	Duration*	Years to maturity
<i>T - bills</i>							
RIKV 20 0715	IS0000031623	2.12.2019	15.7.2020	0.00	Bullet	0.04	0.04
RIKV 20 0805	IS0000031862	4.5.2020	5.8.2020	0.00	Bullet	0.10	0.10
RIKV 20 1005	IS0000031912	2.6.2020	5.10.2020	0.00	Bullet	0.27	0.27
RIKV 20 1116	IS0000031789	3.2.2020	16.11.2020	0.00	Bullet	0.39	0.38
RIKV 20 1215	IS0000031920	2.6.2020	15.12.2020	0.00	Bullet	0.47	0.46
RIKV 21 0115	IS0000031797	3.2.2020	15.1.2021	0.00	Bullet	0.55	0.55
<i>Nominal T-bonds</i>							
RIKB 21 0805	IS0000031482	5.8.2019	5.8.2021	3.50	Bullet	1.07	1.10
RIKB 22 1026	IS0000020717	26.10.2011	26.10.2022	7.25	Bullet	2.14	2.32
RIKB 25 0612	IS0000019321	12.6.2009	12.6.2025	8.00	Bullet	4.35	4.95
RIKB 28 1115	IS0000028249	15.11.2016	15.11.2028	5.00	Bullet	7.00	8.38
RIKB 31 0124	IS0000020386	24.1.2011	24.1.2031	6.50	Bullet	8.22	10.57
<i>Inflation-linked T-bonds</i>							
RIKS 21 0414	IS0000020014	14.4.2010	14.4.2021	3.80	Bullet	0.79	0.79
RIKS 26 0216	IS0000030732	16.2.2018	16.2.2026	1.50	Bullet	5.43	5.63
RIKS 30 0701	IS0000020576	1.7.2011	1.7.2030	3.25	Bullet	8.68	10.00
RIKS 33 0321	IS0000021251	21.3.2012	21.3.2033	3.00	Bullet	11.03	12.72
Average of benchmark series						4.8	5.6

* Macaulay.

Foreign marketable debt

Issues	ISIN	Date of issue	Maturity date	Interest, %	Type of bond	Duration*	Years to maturity
USD 5,875% 11 May 2022	US451029AE22						
USD 5,875% 11 May 2022	USX34650AA31	11.5.2012	11.5.2022	5.875	Bullet	1.81	1.86
EUR 2,5% 15 Jul 2020	XS1086879167	15.7.2014	15.7.2020	2.500	Bullet	0.04	0.04
EUR 0,5% 20 Dec 2022	XS1738511978	13.12.2017	20.12.2022	0.500	Bullet	2.46	2.47
EUR 0,1% 20 Jun 2024	XS2015295814	20.6.2019	20.6.2024	0.100	Bullet	3.97	3.97
EUR 0,625% 3 Jun 2026	XS2182399274	3.6.2020	3.6.2026	0.625	Bullet	5.83	5.92
Average of benchmark series						3.4	3.4

* Macaulay.



Government debt

Domestic central government debt 30 June 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 0615	35,000		-35,000	0	0.00	0	0.0
RIKV 20 0715	25,850		0	25,850	0.04	25,840	3.0
RIKV 20 0805	25,550		0	25,550	0.09	25,522	2.9
RIKV 20 1005	0		22,850	22,850	0.26	22,770	2.6
RIKV 20 1116	26,752		0	26,752	0.37	26,612	3.1
RIKV 20 1215	0		20,850	20,850	0.45	20,716	2.4
RIKV 21 0115	30,610		0	30,610	0.54	30,371	3.5
Total	143,762			152,462	0.30	151,830	17.6
<i>Nominal T-bonds</i>							
RIKB 21 0805	44,334		3,900	48,234	1.10	49,464	5.6
RIKB 22 1026	81,059		0	81,059	2.32	91,921	9.3
RIKB 25 0612	94,488		0	94,488	4.95	121,370	10.9
RIKB 28 1115	68,550		3,520	72,070	8.38	85,720	8.3
RIKB 31 0124	94,026		0	94,026	10.57	128,642	10.8
Total	382,457			389,877	5.92	477,116	44.9
<i>Inflation-linked T-bonds</i>							
RIKS 21 0414	62,171	20,321	0	82,492	0.79	85,446	9.5
RIKS 26 0216	23,467	1,734	0	25,201	5.63	27,859	2.9
RIKS 30 0701	73,727	19,996	0	93,723	10.00	123,143	10.8
RIKS 33 0321	34,172	7,929	0	42,101	12.72	57,678	4.8
Total	193,537	49,980		243,517	6.90	294,127	28.0
<i>Other central government debt *</i>							
Inflation-linked debt				32,358	6.10		3.7
Nominal debt				50,001	0.04		5.8
Total domestic debt				868,215	4.87		100.0

*Mostly loan from Íl-fund and 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	12,754	1.86
EUR 2,5% 15 Jul 2020	750	292	45,367	0.04
EUR 0,5% 20 Dec 2022	500	500	77,700	2.47
EUR 0,1% 20 Jun 2024	500	500	77,700	3.97
EUR 0,625% 3 Jun 2026	500	500	77,700	5.92
Total			291,221	3.39
Total foreign debt			291,221	3.39

Central government debt, total in m.kr.

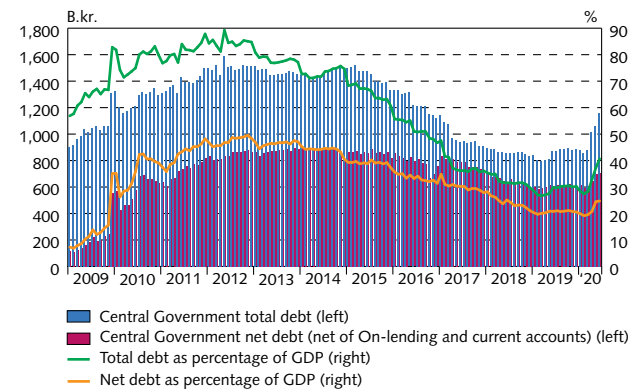
	Nominal inc./ inflation compensation	Weighted time to maturity
Nominal debt	592,339	3.97
Inflation-linked debt	275,876	6.81
Foreign currency debt	291,221	3.39
Total	1,159,436	4.50
Total debt as percentage of GDP *		40.7

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

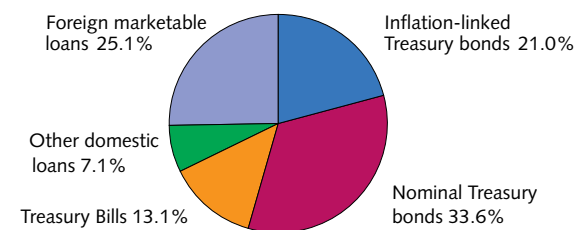
Net debt in m.kr.

On-lending and cash at the Central bank	Nominal incl./ inflation compensation end of month
Nominal on - lending	20,198
Inflation-linked on - lending	34,936
FX linked on - lending	6,983
Cash ISK	138,949
Cash FX	253,239
Total on-lending	454,305
Net debt	
Nominal debt	433,192
Inflation-linked debt	240,940
Foreign currency debt	31,000
Net central government debt	705,131
Total net debt as percentage of GDP	24.7

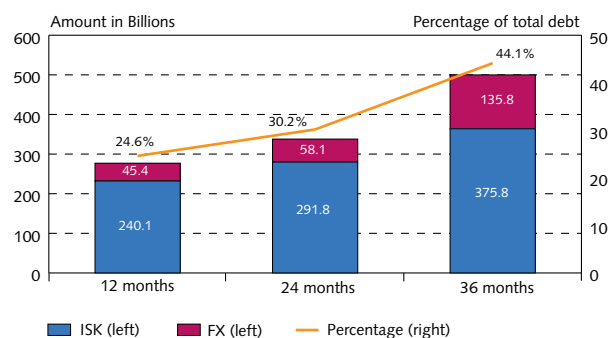
Changes in central government debt



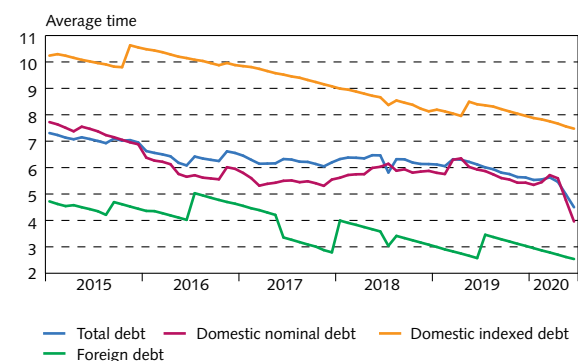
Total market value of benchmark issues



Percentage of debt maturing next;



Average Time to Maturity



Swaps

30 June 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	38,850

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	389,877	34	389,877	34
Icelandic indexed interest rates	275,876	24	246,448	21
Icelandic floating interest rates	202,463	17	230,463	20
Foreign fixed interest rates	291,221	25	252,371	22
Foreign floating interest rates	0	0	38,850	3
Total	1,159,436	100	1,158,008	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	592,339	690,205	51	3.66
Inflation-linked debt	275,876	332,412	24	6.47
Foreign currency debt	291,221	305,069	25	3.37
Total	1,159,436	1,327,686	100	4.30
<i>Government debt with swaps</i>				
Nominal debt	620,339	718,241	54	3.52
Inflation-linked debt	246,448	301,763	21	6.97
Foreign currency debt	291,221	304,698	25	3.38
Total	1,158,008	1,324,702	100	4.27

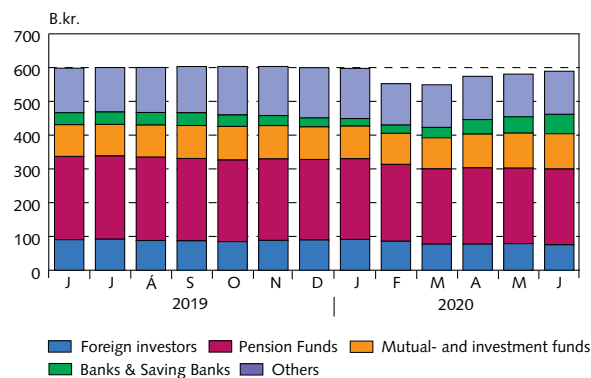
Investors

Owners of T-bonds and bills 30 June 2020*

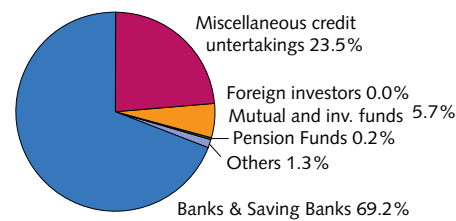
Nominal value in m.kr.	RIKB 21	RIKB 22	RIKB 25	RIKB 28	RIKB 31	RIKS 21	RIKS 26	RIKS 30	RIKS 33	Total	Bills total
Domestic investors											
Banks & Saving Banks	20,559	17,037	3,224	5,747	3,688	5,080	1,045	1,124	5	57,509	105,500
Miscellaneous credit undertakings	4,725	4,104	90	150	0	19,993	4,770	12,150	12,590	58,572	35,900
Mutual and inv. funds	15,537	14,853	16,001	8,210	5,198	17,350	9,054	12,702	5,377	104,284	8,720
Pension Funds	2,595	20,906	46,610	34,600	48,794	12,121	3,838	43,912	11,184	224,560	330
Firms	1,995	5,268	9,324	5,501	5,663	2,636	6,475	1,824	1,546	40,231	1,682
Households	237	2,150	1,085	326	176	2,606	542	790	1,410	9,321	46
Others	1,321	3,438	3,645	3,423	2,751	1,480	1,015	1,641	873	19,587	285
Foreign investors											
	1,544	13,356	14,842	13,970	29,386	904	39	5	1,168	75,215	0
Total	48,514	81,111	94,822	71,928	95,656	62,171	26,777	74,147	34,152	589,279	152,462

* Included securities lending from the issuer to the primary dealers

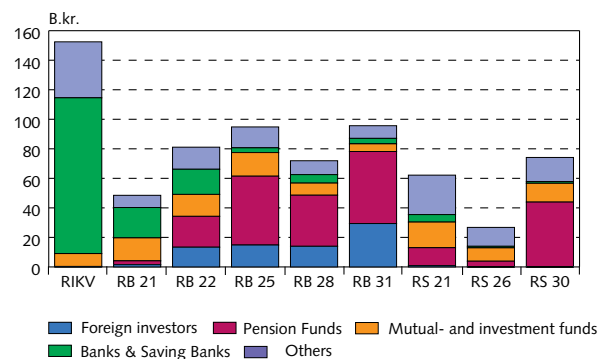
Owners of T-bonds 30 June 2020*



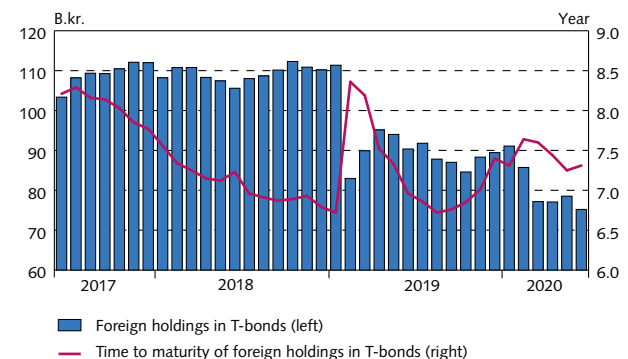
Owners of T-bills 30 June 2020*



Owners of marketable T-bonds and bills 30 June 2020*



Time to maturity of non-residents' holdings in T-bond and -bills 30 June 2020*



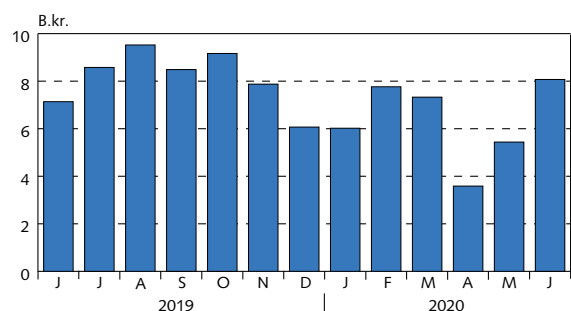
* Information on this page is based on the most recent data from the Icelandic Securities Depository and banks.



Market Information

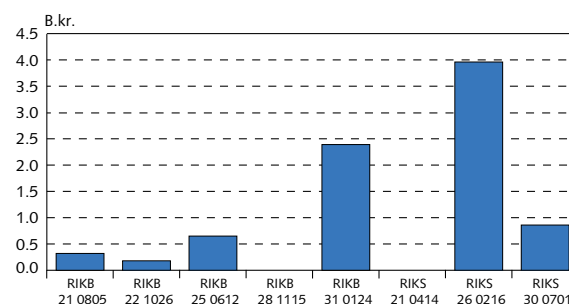
Securities lending facility, redemption profile and turnover

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

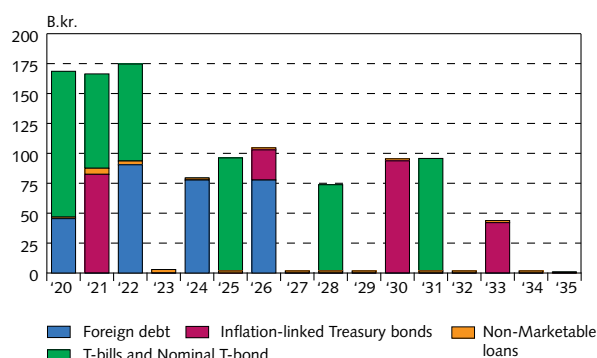


* Calculated at market price.

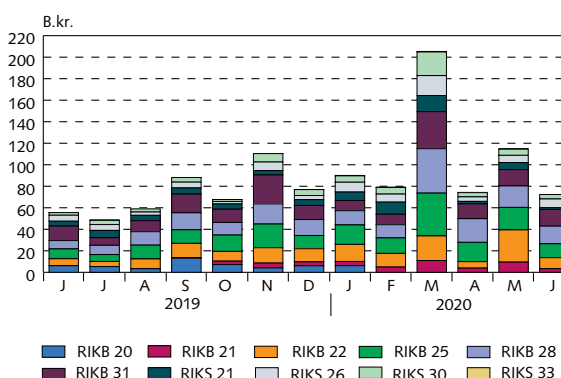
Outstanding amount in the securities lending facility* by series at the end of last month



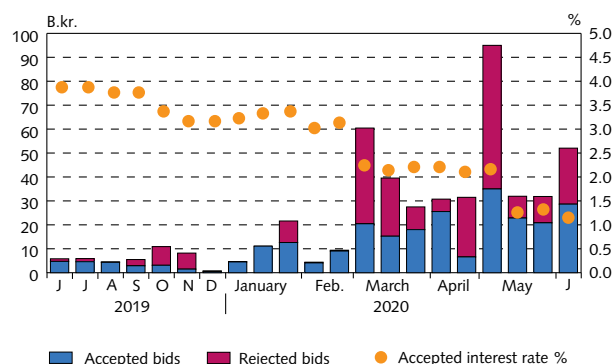
Redemption profile of government debt



Monthly trading volume in T-Bonds on NASDAQ Iceland Exchange

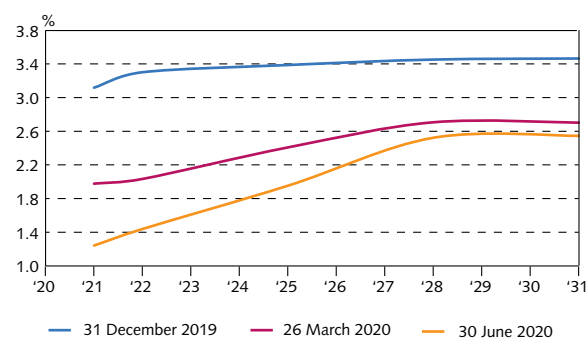


Auction of Treasury bills



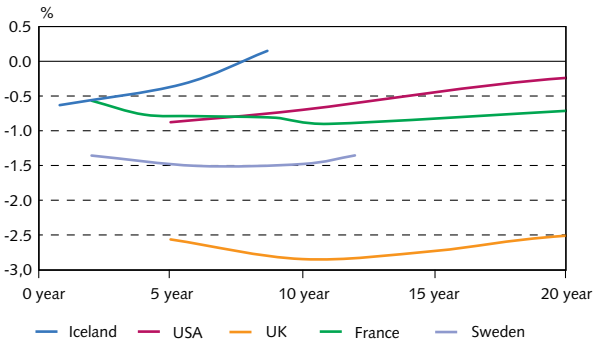
Yield curves

Nominal yield curves

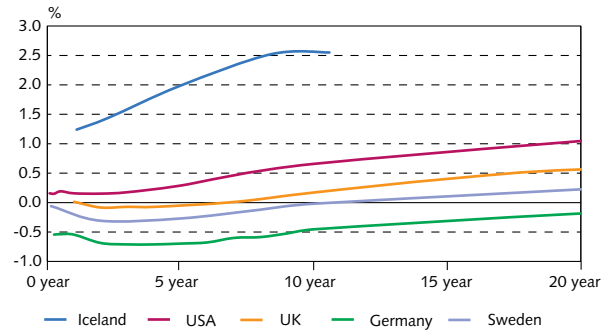




Yield curve inflation-linked T-bonds

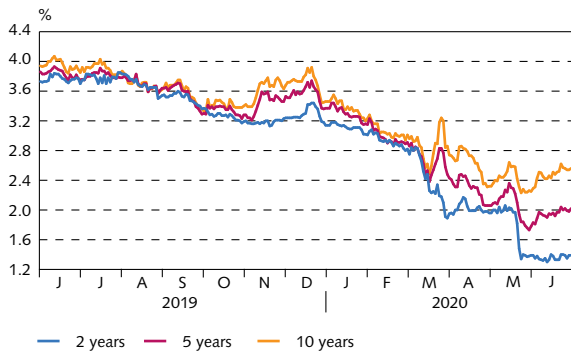


Yield curve Treasury bills and nominal T-bonds

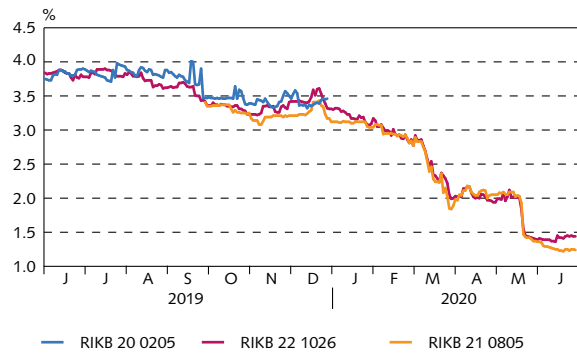


Yield for Treasury bonds

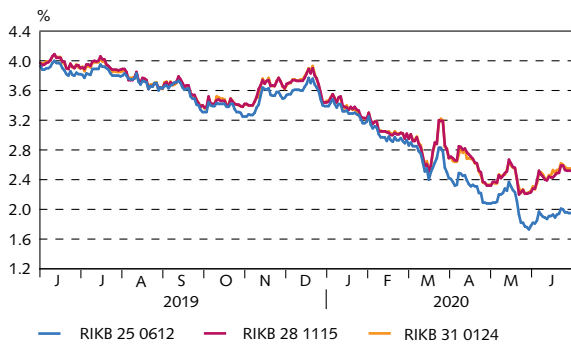
Generic Yield



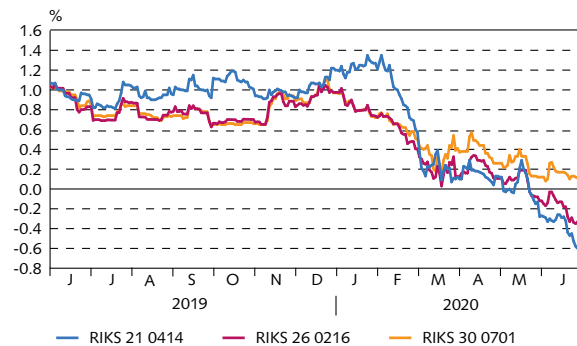
Yield for short and medium term nominal T-bonds



Yield for long term nominal T-bonds



Yield for inflation linked T-bonds





Auctions of Treasury bonds and bills

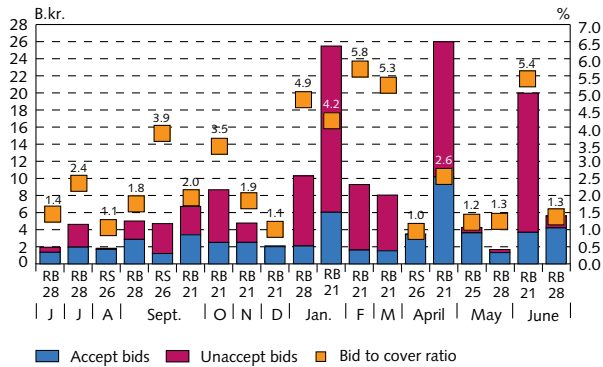
Auction in 2020, in m.kr.

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
20.03.20	RIKB 21 0805	8,045	7,892	36	6	2.04	1,529	1,500	143	1,674
03.04.20	RIKB 21 0805	17,552	17,250	33	30	2.14	11,752	11,550	740	12,505
17.04.20	RIKB 21 0805	25,987	25,540	36	31	2.10	10,175	10,000	445	10,628
08.05.20	RIKB 25 0612	4,263	3,340	21	18	2.19	3,625	2,840	0	3,625
08.05.20	RIKB 28 1115	1,674	1,400	12	10	2.42	1,316	1,100	0	1,316
05.06.20	RIKB 21 0805	19,973	19,480	14	2	1.27	3,691	3,600	300	3,999
05.06.20	RIKB 28 1115	5,617	4,700	38	25	2.41	4,206	3,520	0	4,206
Total		128,160	123,345				46,023	43,572	2,295	48,374
Indexed T-Bonds										
03/04/20	RIKS 26 0216	3,473	3,250	0	0	0	3,458	3,050	134	3,610
Total		3,473	3,250				3,458	3,050	134	3,610
									Total value	51,985
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		
30.03.20	RIKV 20 0513	60,293	60,450	5	3	2.23	20,397	20,450		
30.03.20	RIKV 20 0715	39,307	39,550	20	14	2.12	15,156	15,250		
30.03.20	RIKV 21 0115	27,023	27,500	24	14	2.20	17,688	18,000		
29.04.20	RIKV 20 0805	30,577	30,750	14	12	2.19	25,406	25,550		
29.04.20	RIKV 20 1116	31,148	31,500	20	5	2.08	6,526	6,600		
11.05.20	RIKV 20 0615	94,813	95,000	17	13	2.15	34,931	35,000		
28.05.20	RIKV 20 1005	31,812	31,950	20	8	1.25	22,751	22,850		
28.05.20	RIKV 20 1215	31,625	31,850	18	8	1.31	20,702	20,850		
29.06.20	RIKV 20 0915	51,938	52,050	27	16	1.15	28,588	28,650		
Total		448,356	451,712				232,513	234,562		



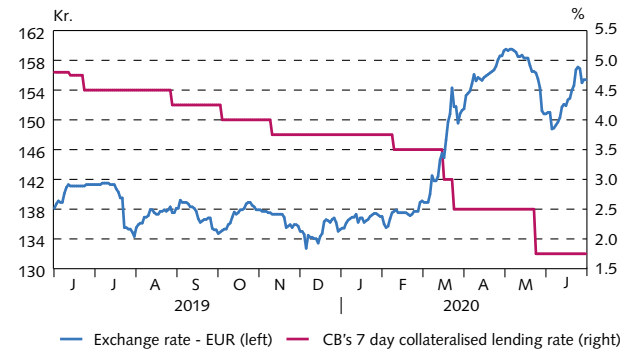
Auctions of Treasury bonds

Latest auction results of Treasury bonds at market value



Exchange rate development

Euro exchange rate versus 7 days collateralised lending rate



Primary dealers

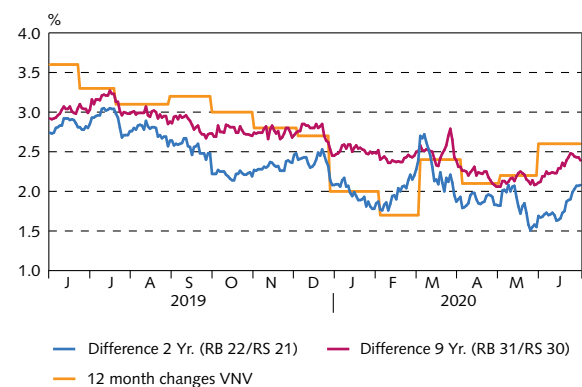
Primary dealers in government securities

Bank	Telephone
Íslandsbanki	+354 440 4000
Arion banki	+354 444 6000
Kvika banki hf.	+354 540 3200
Landsbankinn	+354 410 4000

Bloomberg

ISLA
ARIO
KVIK
LAIS

Inflation premium nominal T-bonds



Auctions of the month

24 July 2020	CPI announcement
30 July 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	P-1	A2	P-1	Stable
S&P	May 2020	A	A-1	A	A-1	Stable
Fitch	May 2020	A	F-1+	A	F-1+	Negative

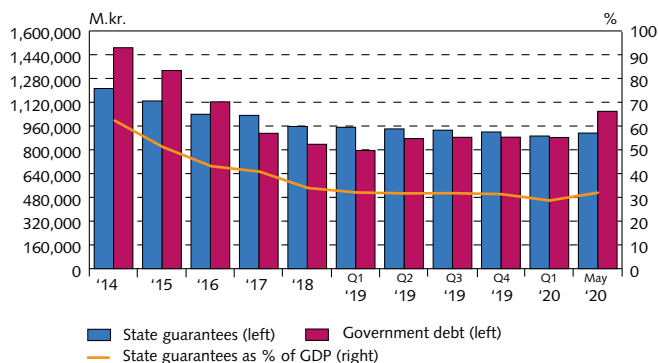


State guarantees

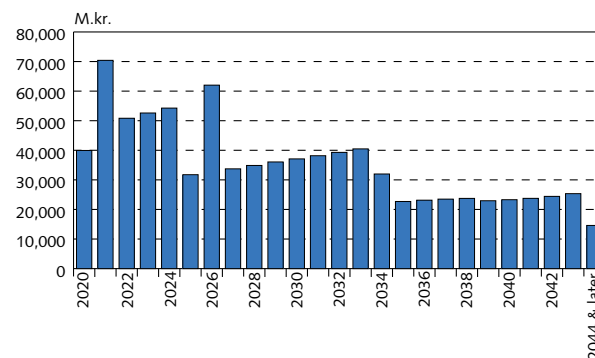
State guarantees 2016–2020

M.kr.	May	Outstanding end of year			
	2020	2019	2018	2017	2016
Lending agencies	836,296	825,323	849,610	865,609	830,231
ÍL - Fund	747,888	753,380	777,716	794,068	821,180
Regional Development Fund	14,863	13,046	11,569	9,970	9,051
Icelandic Student Loan Fund	73,546	58,897	60,325	61,572	0
Co-operative and Limited Partnerships	73,471	92,010	104,596	163,766	207,073
National Power Company sf.	65,461	86,546	93,430	152,567	195,048
RARIK ohf. (Iceland State Electricity)	883	901	1,069	1,242	1,483
Farice ehf.	0	0	5,508	5,547	5,652
Isavia ohf.	1,352	1,034	1,123	1,213	1,401
RUV ohf. (National Broadcasting Service)	5,388	3,062	3,012	2,573	2,886
Other	387	467	454	624	603
Industries/ Municipalities	2,949	2,654	2,603	2,450	1,872
NIB - Nordic Investment Bank	2,949	2,654	2,603	2,450	1,862
Other	0	0	0	0	10
State Guarantees total	912,716	919,987	956,809	1,031,825	1,039,177

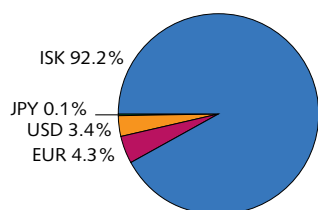
State guarantees - government debt and GDP 2014-2020



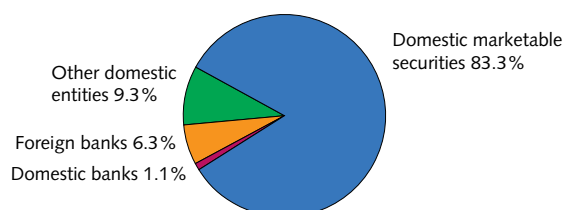
State guarantees - Maturity profile



Currency ratio



Type of lenders



Interest rate type

