

Auction results in November 2020

	Type	Bond	Amount of bids m.kr.	Amount allocated m.kr.	Yield/Price/ Simple interest
6.11.2020	Auction	RIKB 23 0515	6,960	6,760	1.91
6.11.2020	Auction	RIKB 28 1115	5,400	5,200	2.95
6.11.2020	Auction	RIKS 33 0321	3,937	3,537	0.70
20.11.2020	Auction	RIKB 23 0515	10,070	9,570	1.8
20.11.2020	Auction	RIKB 31 0124	1,460	1,360	3.08
20.11.2020	Auction	RIKS 33 0321	2,320	2,320	0.75
27.11.2020	Auction	RIKV 21 0517	5,900	4,900	1.05
27.11.2020	Auction	RIKV 21 0915	0	0	0

Treasury bond issuance in Q4/2020

Amounts in b.kr.	Maximum	Actual
RIKB 23 0515	-	27.0
RIKB 25 0612	-	5.8
RIKB 28 1115	-	5.9
RIKB 31 0124	-	1.8
RIKS 33 0321	-	16.4
Total issued in the quarter		56.8

Treasury bond issuance as of 30 November 2020

Regular auctions

Bond series

Amounts in b.kr.	Sales value
RIKB 21 0805	49.2
RIKB 23 0515	61.1
RIKB 25 0612	9.4
RIKB 28 1115	13.8
RIKB 31 0124	10.4
RIKS 26 0216	4.4
RIKS 33 0321	20.6
Total issued this year	168.8

Switch auction this year

Amounts in b.kr.	Sold*	Bought*
RIKB 22 1026	3.3	
RIKS 26 0216	3.4	
RIKS 21 0414		5.5

* Nominal amount

The staff of Government Debt Management would like to take this opportunity to wish all readers of Market Information a happy holiday season and a fruitful and rewarding new year.



Contents

- Benchmark issues, attributes
- Central government debt
- Swaps
- Investors T-bonds and bills
- Securities lending facility, redemption profile, yield curves and turnover
- Yield for Treasury bonds
- Inflation premium
- Auction of Treasury bonds
- Auctions of Treasury bills
- Auctions of Treasury bonds and bills
- Iceland Sovereign 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@lanamal.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 1215	IS0000031920	2.6.2020	15.12.2020	0.00	Bullet	0.04	0.04
RIKV 21 0115	IS0000031797	3.2.2020	15.1.2021	0.00	Bullet	0.13	0.13
RIKV 21 0215	IS0000032183	4.8.2020	15.2.2021	0.00	Bullet	0.21	0.21
RIKV 21 0517	IS0000032381	2.11.2020	17.5.2021	0.00	Bullet	0.47	0.46
RIKV 21 0915	IS0000032316	1.10.2020	15.9.2021	0.00	Bullet	0.80	0.79
<i>Nominal T-bonds</i>							
RIKB 21 0805	IS0000031482	5.8.2019	5.8.2021	3.50	Bullet	0.68	0.68
RIKB 22 1026	IS0000020717	26.10.2011	26.10.2022	7.25	Bullet	1.84	1.90
RIKB 23 0515	IS0000032191	15.5.2020	15.5.2023	1.50	Bullet	2.41	2.45
RIKB 25 0612	IS0000019321	12.6.2009	12.6.2025	8.00	Bullet	3.93	4.53
RIKB 28 1115	IS0000028249	15.11.2016	15.11.2028	5.00	Bullet	6.84	7.96
RIKB 31 0124	IS0000020386	24.1.2011	24.1.2031	6.50	Bullet	7.74	10.15
<i>Inflation-linked T-bonds</i>							
RIKS 21 0414	IS0000020014	14.4.2010	14.4.2021	3.80	Bullet	0.37	0.37
RIKS 26 0216	IS0000030732	16.2.2018	16.2.2026	1.50	Bullet	5.01	5.21
RIKS 30 0701	IS0000020576	1.7.2011	1.7.2030	3.25	Bullet	8.45	9.58
RIKS 33 0321	IS0000021251	21.3.2012	21.3.2033	3.00	Bullet	10.53	12.30
Average of benchmark series						4.6	5.4

* Macaulay.

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	1.39	1.44
EUR 0,5% 20 Dec 2022	XS1738511978	13.12.2017	20.12.2022	0.500	Bullet	2.04	2.05
EUR 0,1% 20 Jun 2024	XS2015295814	20.6.2019	20.6.2024	0.100	Bullet	3.55	3.55
EUR 0,625% 3 Jun 2026	XS2182399274	3.6.2020	3.6.2026	0.625	Bullet	5.42	5.51
Average of benchmark series						3.6	3.6

* Macaulay.



Government debt

Domestic central government debt 30 November 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 1116	26,752		-26,752	0	0.00	0	0.0
RIKV 20 1215	20,850		0	20,850	0.04	20,846	2.2
RIKV 21 0115	30,610		0	30,610	0.13	30,576	3.2
RIKV 21 0215	50,350		0	50,350	0.21	50,239	5.2
RIKV 21 0517	0		10,800	10,800	0.46	10,744	1.1
RIKV 21 0915	1,200		300	1,500	0.79	1,485	0.2
Total	129,762			114,110	0.19	113,890	11.8
<i>Nominal T-bonds</i>							
RIKB 21 0805	60,234		0	60,234	0.68	61,264	6.2
RIKB 22 1026	84,354		0	84,354	1.90	93,506	8.7
RIKB 23 0515	44,893		16,636	61,529	2.45	61,307	6.4
RIKB 25 0612	99,153		0	99,153	4.53	123,346	10.3
RIKB 28 1115	72,070		5,200	77,270	7.96	88,505	8.0
RIKB 31 0124	100,416		1,360	101,776	10.15	131,647	10.5
Total	461,120			484,316	5.06	559,576	50.1
<i>Inflation-linked T-bonds</i>							
RIKS 21 0414	57,473	18,880	-3,804	72,549	0.37	73,928	7.5
RIKS 26 0216	26,602	2,590	935	30,127	5.21	32,492	3.1
RIKS 30 0701	73,727	21,757	0	95,484	9.58	119,403	9.9
RIKS 33 0321	41,068	11,973	5,857	58,899	12.30	74,006	6.1
Total	198,870	55,200		257,059	7.09	299,829	26.6
<i>Other central government debt *</i>							
Inflation-linked debt				31,689	5.93		3.3
Nominal debt				80,001	0.04		8.3
Total domestic debt				967,174	4.64		100.0

* Mostly nominal 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*	Years to maturity
<i>Foreign bonds</i>				
USD 5,875% 11 May 2022	1,000	92	12,213	1.44
EUR 0,5% 20 Dec 2022	500	500	79,500	2.05
EUR 0,1% 20 Jun 2024	500	500	79,500	3.55
EUR 0,625% 3 Jun 2026	500	500	79,500	5.51
Total foreign debt			250,713	3.59
Central government debt, total			1,217,887	

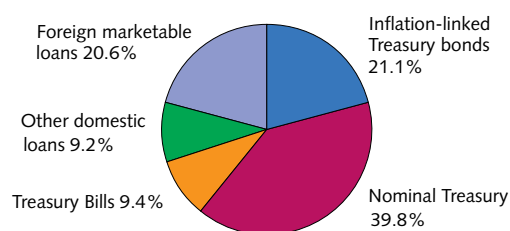
* Mid rate, official exchange rate of The Central Bank of Iceland.

Central government debt. total in m.kr.

	<i>Nominal incl./ inflation compensation</i>	<i>Weighted time to maturity</i>
Nominal debt	678,426	3.65
Inflation-linked debt	288,748	6.97
Foreign currency debt	250,713	3.59
Total	1,217,887	4.42
Total debt as percentage of GDP *		43.3

* GDP according to the Central bank of Iceland latest forecast.

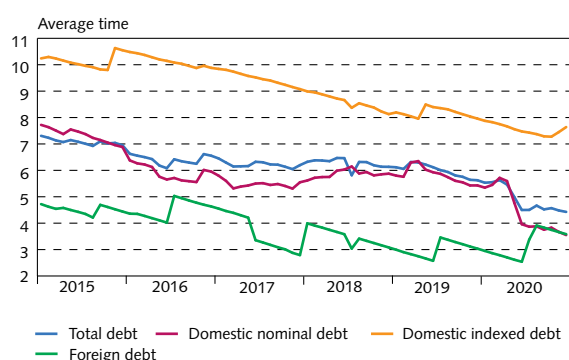
Total market value of benchmark issues



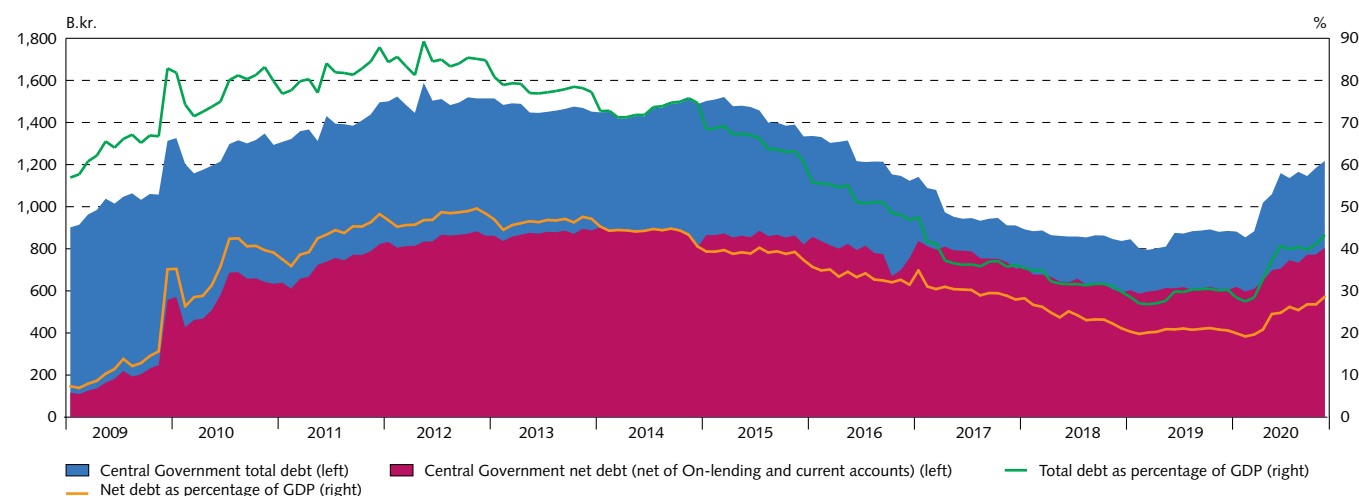
Net debt in m.kr.

<i>On-lending and cash at the Central bank</i>	<i>Nominal incl./ inflation compensation end of month</i>
Nominal on - lending	22,014
Inflation-linked on - lending	36,025
FX on - lending	7,672
Cash ISK	129,741
Cash FX	217,742
Total on-lending	413,195
Nominal debt	526,671
Inflation-linked debt	252,723
Foreign currency debt	25,299
Net central government debt	804,693
Total net debt as percentage of GDP	28.6

Average Time to Maturity



Changes in central government debt



Swaps

30 November 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	2	6,000	0	0	24	34,000
2021	0	0	20	26,000	4	8,000
2022	0	0	0	0	4	8,000
2023	0	0	1	3,000	3	5,000
2024	0	0	0	0	3	5,000
2025	0	0	3	5,000	0	0
2026	0	0	0	0	0	0

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	484,316	40	484,316	40
Icelandic indexed interest rates	288,748	24	252,731	21
Icelandic floating interest rates	194,111	16	228,111	19
Foreign fixed interest rates	250,713	21	250,713	21
Foreign floating interest rates	0	0	0	0
Total	1,217,887	100	1,215,870	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	678,426	700,609	56	3.64
Inflation-linked debt	288,748	342,128	24	6.52
Foreign currency debt	250,713	263,200	21	3.57
Total	1,217,887	1,305,937	100	4.38
<i>Government debt with swaps</i>				
Nominal debt	706,389	728,496	58	3.48
Inflation-linked debt	258,767	310,791	21	7.05
Foreign currency debt	250,713	263,200	21	3.57
Total	1,215,870	1,302,487	100	4.35

Investors*

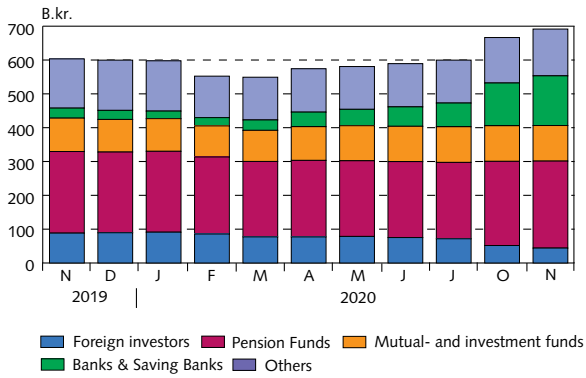
Owners of T-bonds and bills 30 November 2020

	RIKB						RIKS				Total	Bills Total
	21 0805	22 1026	23 0515	25 0612	28 1115	31 0124	21 0414	26 0216	30 0701	33 0321		
<i>Nominal value in m.kr.</i>												
Domestic investors												
Banks & Saving Banks	31,609	34,982	44,468	16,132	4,271	8,357	3,173	1,517	1,081	1,322	146,911	89,288
Miscellaneous credit undertakings	4,525	4,829	100	335	0	85	20,869	5,119	12,177	12,844	60,882	13,200
Mutual and inv. funds	13,286	13,359	5,645	14,821	8,073	8,320	12,163	12,714	11,316	5,448	105,146	6,286
Pension Funds	4,367	22,075	9,427	48,201	38,152	55,048	11,175	2,948	44,586	21,140	257,120	4,122
Firms	347	1,337	288	1,903	1,051	987	715	576	825	1,194	9,223	644
Insurance companies	1,283	3,902	1,583	9,960	9,736	10,185	2,147	6,554	2,825	2,766	50,940	50
Households	134	1,071	15	2,149	303	225	2,532	767	840	2,123	10,158	20
Others	636	761	0	154	2,499	2,426	25	67	287	213	7,068	0
Foreign investors	4,047	2,038	4	5,748	15,185	16,144	869	0	0	60	44,096	501
Total	60,234	84,354	61,529	99,403	79,270	101,776	53,669	30,262	73,937	47,110	691,544	114,110
<i>Dirty price (T-bills nominal value) in m.kr.</i>												
Domestic investors												
Banks & Saving Banks	32,507	39,010	44,624	20,658	4,890	11,238	4,459	1,809	1,765	2,112	163,072	89,288
Miscellaneous credit undertakings	4,653	5,385	100	428	0	114	29,331	6,101	19,883	20,523	86,519	13,200
Mutual and inv. funds	13,663	14,897	5,665	18,979	9,244	11,189	17,095	15,155	18,478	8,705	133,072	6,286
Pension Funds	4,491	24,617	9,460	61,724	43,686	74,030	15,706	3,514	72,804	33,779	343,812	4,122
Firms	357	1,491	289	2,437	1,203	1,327	1,005	687	1,348	1,907	12,051	644
Insurance companies	1,319	4,351	1,589	12,754	11,148	13,697	3,018	7,812	4,613	4,419	64,720	50
Households	138	1,194	15	2,752	347	302	3,558	914	1,371	3,393	13,985	20
Others	654	849	0	197	2,861	3,263	35	80	469	340	8,748	0
Foreign investors	4,162	2,273	4	7,360	17,387	21,711	1,222	0	0	96	54,216	501
Total	61,945	94,067	61,745	127,290	90,766	136,872	75,430	36,073	120,732	75,275	880,195	114,110

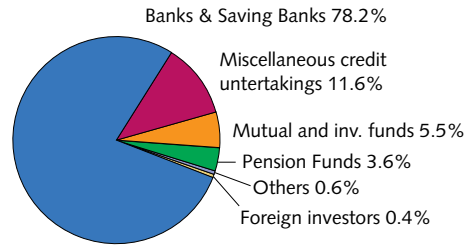
* Included outstanding repo with the primary dealers. From October 2020, owners are categorized according to the international statistical standard for national accounts (SNA08), adopted by the United Nations Statistical Commission.



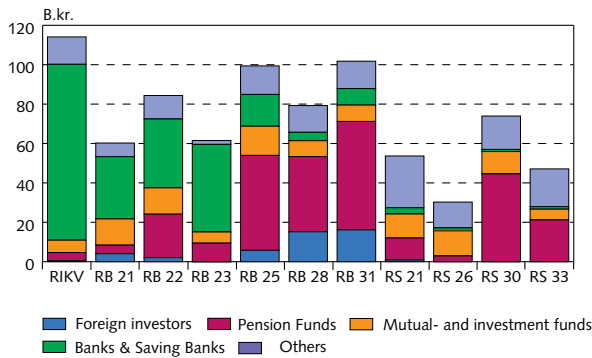
Owners of T-bonds 30 November 2020



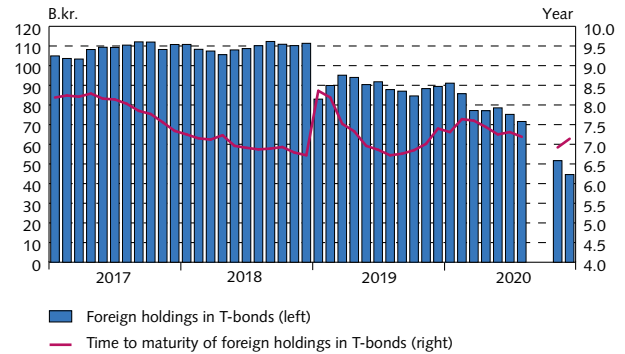
Owners of T-bills 30 November 2020



Owners of marketable T-bonds and bills 30 November 2020



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

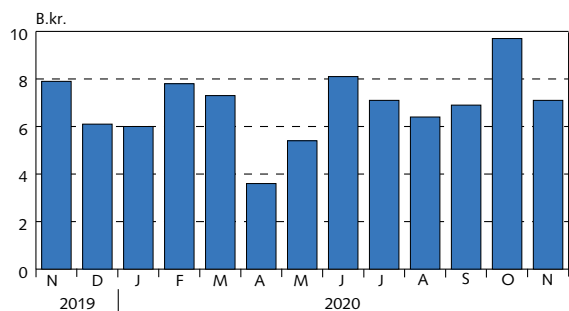




Market Information

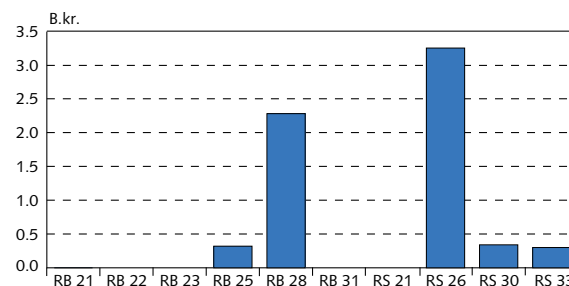
Securities lending facility, redemption profile, yield curves and turnover

Average amount in the security lending facility*

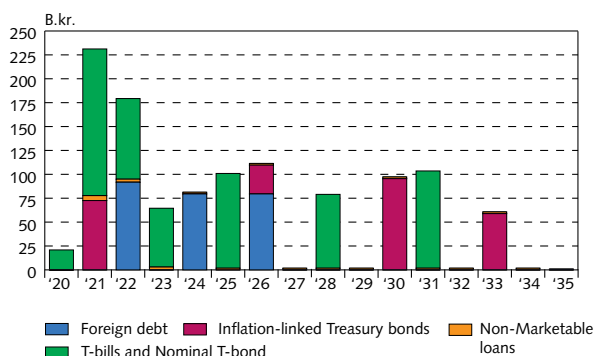


* Calculated at market price.

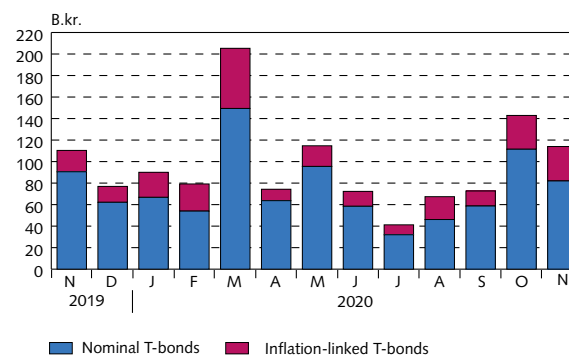
Outstanding amount in the securities lending facility at the end of last month*



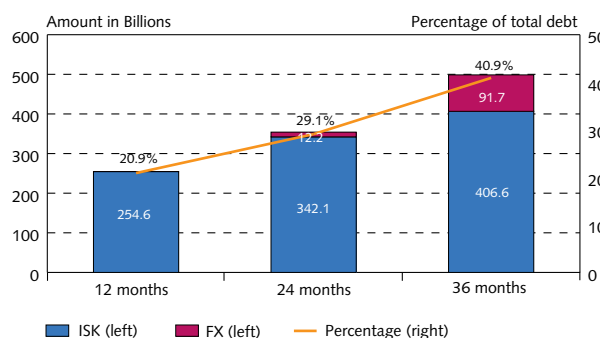
Redemption profile of government debt



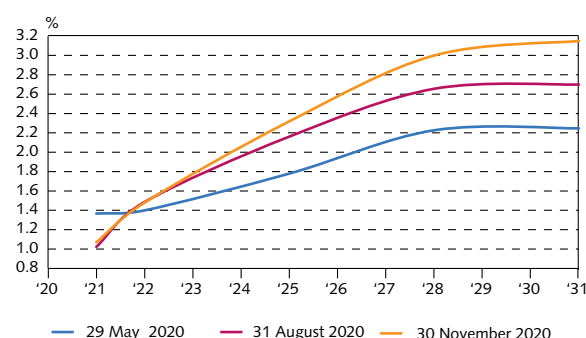
Monthly trading volume in T-Bonds on NASDAQ Iceland Exchange



Accumulated Maturities



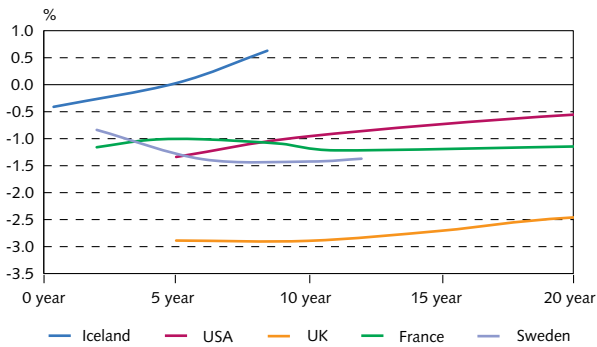
Nominal yield curves



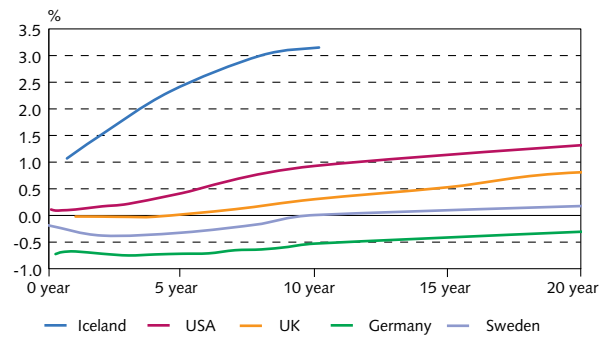


Market Information

Yield curve inflation-linked T-bonds

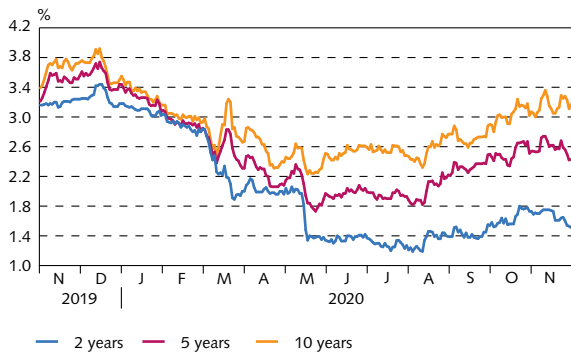


Yield curve Treasury bills and nominal T-bonds



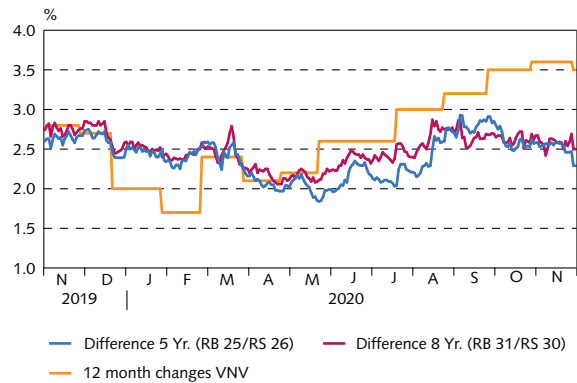
Yield for Treasury bonds

Zero-coupon



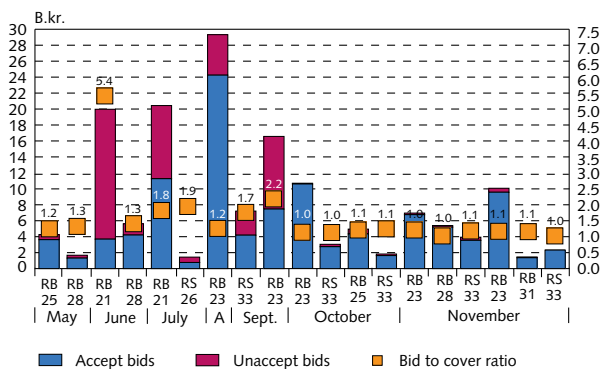
Inflation premium

Inflation premium nominal T-bonds



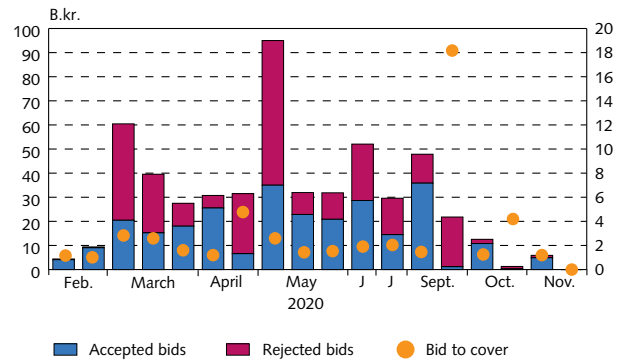
Auctions of Treasury bonds

Treasury bonds at market value



Auctions of Treasury bills

Treasury bills at market value





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
03.07.20	RIKB 21 0805	20,435	19,950	18	7	1.21	11,268	11,000	1,000	12,292
21.08.20	RIKB 23 0515	29,322	29,470	52	30	1.69	24,247	24,370	2,435	26,670
21.08.20	RIKB 31 0124	8,590	6,350	19	18	2.59	8,454	6,250	140	8,644
18.09.20	RIKB 23 0515	16,568	16,650	22	13	1.69	7,463	7,500	0	7,463
09.10.20	RIKB 23 0515	10,594	10,688	26	25	1.85	10,495	10,588	0	10,495
23.10.20	RIKB 25 0612	6,106	4,950	11	9	2.57	5,366	4,350	315	5,755
06.11.20	RIKB 23 0515	6,890	6,960	10	8	1.91	6,692	6,760	306	6,995
06.11.20	RIKB 28 1115	6,178	5,400	22	20	2.95	5,949	5,200	0	5,949
20.11.20	RIKB 23 0515	9,997	10,070	15	14	1.80	9,501	9,570	0	9,501
20.11.20	RIKB 31 0124	1,890	1,460	12	11	3.08	1,760	1,360	0	1,760
Total		244,731	235,293				137,220	130,520	6,491	143,899
Indexed T-Bonds										
										Indexed value
03.04.20	RIKS 26 0216	3,473	3,250	11	10	0.32	3,458	3,050	134	3,610
03.07.20	RIKS 26 0216	1,438	1,309	7	2	-0.25	767	649	0	767
04.09.20	RIKS 33 0321	7,209	5,385	48	19	0.25	4,190	2,522	0	4,190
09.10.20	RIKS 33 0321	3,965	3,045	20	17	0.49	4,457	2,745	0	4,457
23.10.20	RIKS 33 0321	2,334	1,829	16	15	0.67	2,597	1,629	0	2,597
06.11.20	RIKS 33 0321	5,005	3,937	21	19	0.70	5,629	3,537	0	5,629
20.11.20	RIKS 33 0321	2,931	2,320	13	13	0.75	3,677	2,320	0	3,677
Total		26,356	21,075				24,775	16,452	134	24,927
										Total value 168,825
Switch auction										
23.10.20	RIKB 22 1026	3,648	3,295	6	6	1.74	3,648	3,295	0	3,648
23.10.20	RIKS 26 0216	2,786	2,586	8	7	0.04	2,917	2,486	0	2,917
20.11.20	RIKS 26 0216	1,012	935	6	6	-0,08	1,107	935	0	1,107
Total		7.447	6.816				7.672	6.716	0	7.672



Auction in 2020. in m.kr. (cont.)

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		
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		
30.07.20	RIKV 21 0215	29,417	29,600	18	14	1.15	14,410	14,500		
29.09.20	RIKV 21 0215	47,641	47,850	16	13	1.15	35,694	35,850		
29.09.20	RIKV 21 0915	21,570	21,800	9	3	1.10	1,187	1,200		
29.10.20	RIKV 21 0517	12,469	12,550	12	6	1.19	10,730	10,800		
29.10.20	RIKV 21 0915	1,287	1,300	4	3	1.14	297	300		
27.11.20	RIKV 21 0517	5,871	5,900	7	6	1.05	4,876	4,900		
27.11.20	RIKV 21 0915	0	0	0	0	0.00	0	0		
Total		566,612	570,712				299,708	302,112		

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

Auctions of the month and more

18 December, 2020	Auction of Treasury bonds
22 December, 2020	CPI announcement
22 December, 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	November 2019	A2		A2		Stable
S&P	November 2020	A	A-1	A	A-1	Stable
Fitch	October 2020	A	F-1+	A	F-1+	Negative



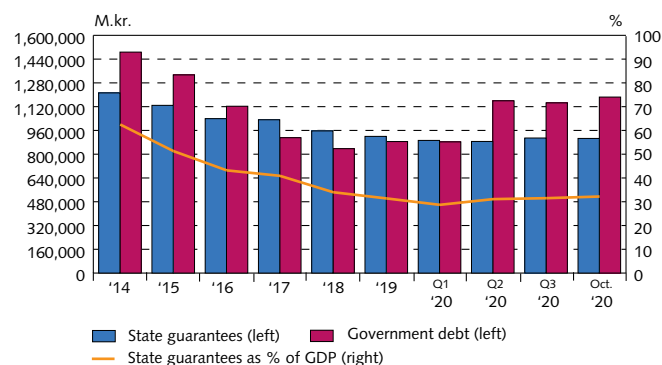
State guarantees¹

State guarantees 2016-2020

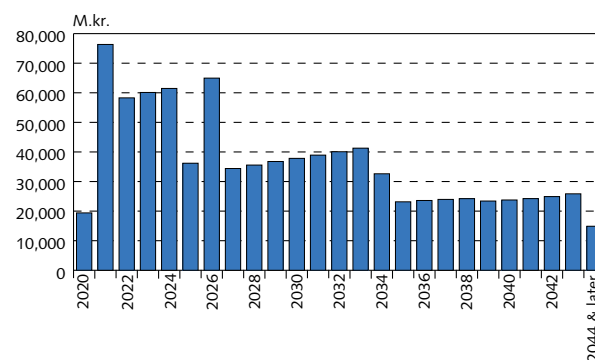
M.kr.	October 2020	Outstanding end of year			
		2019	2018	2017	2016
Lending agencies	806,562	825,323	849,610	865,609	830,231
ÍL - Fund	737,404	753,380	777,716	794,068	821,180
Regional Development Fund	11,737	13,046	11,569	9,970	9,051
Icelandic Student Loan Fund	57,421	58,897	60,325	61,572	0
Co-operative and Limited Partnerships	73,919	92,010	104,596	163,766	207,073
National Power Company sf.	68,799	86,546	93,430	152,567	195,048
RARIK ohf. (Iceland State Electricity)	707	901	1,069	1,242	1,483
Farice ehf.	0	0	5,508	5,547	5,652
Isavia ohf.	950	1,034	1,123	1,213	1,401
RUV ohf. (National Broadcasting Service)	3,094	3,062	3,012	2,573	2,886
Other	368	467	454	624	603
Industries/ Municipalities	25,702	2,654	2,603	2,450	1,872
NIB - Nordic Investment Bank	3,211	2,654	2,603	2,450	1,862
Business Supplemental and Support loans	7,311	0	0	0	0
Icelandair hf.	15,180	0	0	0	0
Other	0	0	0	0	10
State Guarantees total	906,183	919,987	956,809	1,031,825	1,039,177

1. Government of Iceland has guaranteed 90% of a revolving credit facility to Icelandair of \$120 million, in total \$108 million.

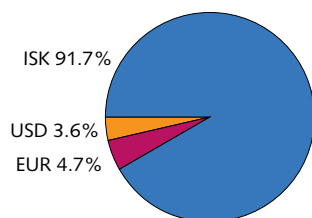
State guarantees - government debt and GDP 2014-2020



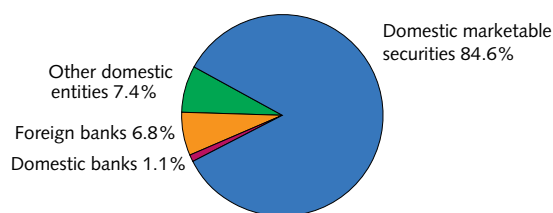
State guarantees - Maturity profile



Currency ratio



Type of lenders



Interest rate type

