Market Information

GOVERNMENT DEBT MANAGEMENT

GDM – Central Bank of Iceland – Kalkofnsvegi 1 – 101 Reykjavík – Web: lanamal.is – E-mail: lanamal@lanamal.is

Vol. 24 - No. 7 July 2023

Auction results in June 2023

	Type	Bond	Amount of bids m.kr.	Amount allocated m.kr.	Yield/ simple interest
2.6.2023	Auction	RIKB 26 1015	3,663	3,163	8.17
2.6.2023	Auction	RIKS 37 0115	6,352	5,202	1.97
19.6.2023	Auction	RIKV 23 0816	40,401	27,000	9.00
19.6.2023	Auction	RIKV 23 1018	20,850	11,850	9.20
26.6.2023	Auction	RIKV 23 0920	28,770	28,770	9.20
26.6.2023	Auction	RIKV 23 1129	12,850	10,350	9.25

Treasury bond issuance in Q2/2023

Amounts in b.kr.	*Actual*
RIKB 24 0415	11.5
RIKB 26 1015	15.0
RIKB 28 1115	4.4
RIKB 42 0217	3.4
RIKS 37 0115	5.3
Total issued in the quarter	39,6

Treasury bond issuance as of 30 June 2023

Regular auctions
Bond series

Amounts in b.kr.	*Sales value*
RIKB 24 0415	11,5
RIKB 26 1015	34,9
RIKB 28 1115	4,4
RIKB 31 0124	2,5
RIKB 42 0217	3,4
RIKS 26 0216	15,8
RIKS 37 0115	16,6
Total issued this year	89,1

Contents

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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.

The coverage of central government debt in the publication refers to the A1-part of central government excluding pension liabilities and accounts payable, unless otherwise specifically stated.

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*
T - bills							
RIKV 23 0719	IS0000034973	1.3.2023	19.7.2023	0.00	Bullet	0.05	0.05
RIKV 23 0816	IS0000035038	29.3.2023	16.8.2023	0.00	Bullet	0.13	0.13
RIKV 23 0920	IS0000035129	10.5.2023	20.9.2023	0.00	Bullet	0.23	0.22
RIKV 23 1018	IS0000035145	24.5.2023	18.10.2023	0.00	Bullet	0.31	0.30
RIKV 23 1129	IS0000034304	28.6.2023	29.11.2023	0.00	Bullet	0.42	0.42
Nominal T-bonds							
RIKB 24 0415	IS0000033009	15.4.2021	15.4.2024	2.50	Bullet	0.79	0.79
RIKB 25 0612	IS0000019321	12.6.2009	12.6.2025	8.00	Bullet	1.88	1.95
RIKB 26 1015	IS0000034874	15.10.2022	15.10.2026	6.75	Bullet	2.92	3.29
RIKB 28 1115	IS0000028249	15.11.2016	15.11.2028	5.00	Bullet	4.67	5.38
RIKB 31 0124	IS0000020386	24.1.2011	24.1.2031	6.50	Bullet	6.05	7.57
RIKB 42 0217	IS0000033884	17.2.2022	17.2.2042	4.50	Bullet	12.23	18.64
Inflation-linked T-bonds							
RIKS 26 0216	IS0000030732	16.2.2018	16.2.2026	1.50	Bullet	2.59	2.63
RIKS 30 0701	IS0000020576	1.7.2011	1.7.2030	3.25	Bullet	6.22	7.00
RIKS 33 0321	IS0000021251	21.3.2012	21.3.2033	3.00	Bullet	8.57	9.72
RIKS 37 0115	IS0000033793	15.1.2022	15.1.2037	1.00	Bullet	12.62	13.55
Average of benchmark series						4.5	5.3

* Macaulay.

Foreign marketable debt

Issues	*ISIN*	*Date of issue*	*Maturity date*	*Interest, %*	*Type of bond*	*Duration**	*Years to maturity*
EUR 0,1% 20 Jun 2024	XS2015295814	20.6.2019	20.6.2024	0.10	Bullet	0.97	0.97
EUR 0,625% 3 Jun 2026	XS2182399274	3.6.2020	3.6.2026	0.63	Bullet	2.91	2.93
EUR 0,0% 15 Apr 2028	XS2293755125	4.2.2021	15.4.2028	0.00	Bullet	4.79	4.79
Average of benchmark series						3.5	3.5

* Macaulay.

Government debt

Domestic central government debt 30 June 2023 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*
T-bills							
RIKV 23 0621	56,075		-56,075	0	0,00	0	0.0
RIKV 23 0719	47,831		0	47,831	0.05	47,654	3.5
RIKV 23 0816	27,550		27,000	54,550	0.13	53,961	4.0
RIKV 23 0920	18,800		28,770	47,570	0.22	46,628	3.5
RIKV 23 1018	5,003		11,850	16,853	0.30	16,398	1.2
RIKV 23 1129	0		10,350	10,350	0.42	9,959	0.8
Total	155,259			177,154	0.17	174,600	13.0
Nominal T-bonds							
RIKB 24 0415	99,335		0	99,335	0.79	94,458	7.3
RIKB 25 0612	106,346		0	106,346	1.95	105,570	7.9
RIKB 26 1015	32,523		3,163	35,686	3.29	34,801	2.6
RIKB 28 1115	103,351		0	103,351	5.38	94,773	7.6
RIKB 31 0124	124,632		0	124,632	7.57	124,259	9.2
RIKB 42 0217	48,187		0	48,187	18.64	40,781	3.6
Total	514,374			517,537	5.41	494,640	38.3
Inflation-linked T-bonds							
RIKS 26 0216	83,593	26,843	0	110,436	2.63	107,355	8.2
RIKS 30 0701	78,683	44,369	0	123,052	7.00	132,687	9.1
RIKS 33 0321	79,394	40,939	0	120,333	9.72	130,682	8.9
RIKS 37 0115	39,206	6,607	5,202	51,014	13.55	45,816	3.8
Total	280,875	118,759		404,836	7.44	416,540	30.0
*Other central government debt **							
Inflation-linked debt				262,402	6.18		19.4
Nominal debt				1	0.04		0.0
Total domestic debt				1,361,929	5.48		100.0

* Mostly inflation-linked loan from ÍL-fund. Also inflation-linked loans in relation to the purchase of Landsvirkjun (the National Power Company of Iceland) and Landsnet (the operator of Iceland's national energy grid) together with assumed gov. guarantees.

Foreign central government debt

Issues	*Issued nominal amount (millions)*	*Remaining nominal amount*	*Nominal amount ISK**	*Years to maturity*
Foreign bonds				
EUR 0,1% 20 Jun 2024	500	241	35,857	0.97
EUR 0,625% 3 Jun 2026	500	500	74,350	2.93
EUR 0,0% 15 Apr 2028	750	750	111,525	4.79
Other foreign central government debt**			44,554	3.92
Total foreign debt			266,286	3.61
Central government debt, total			1,628,215	

* Mid rate, official exchange rate of The Central Bank of Iceland.
** Loan due to the government's purchase of Landsnet hf.

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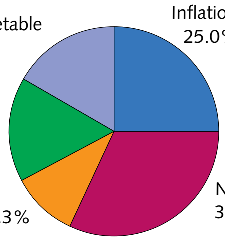
GOVERNMENT DEBT MANAGEMENT

Central government debt. total in m.kr.

	Nominal inc./ inflation compensation	*Weighted time to maturity*
Nominal debt	694,692	4.07
Inflation-linked debt	667,237	6.95
Foreign currency debt	266,286	3.61
Total	1,628,215	5.18
Total debt as percentage of GDP*		39.1

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

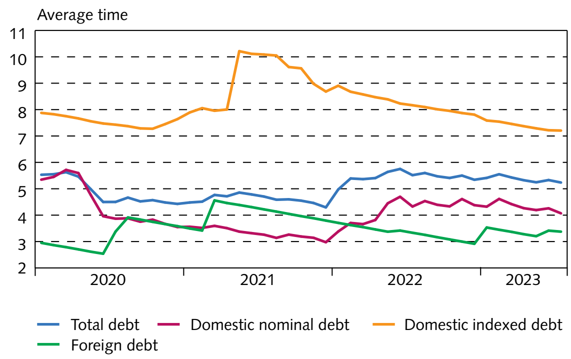
Central government debt, breakdown by type



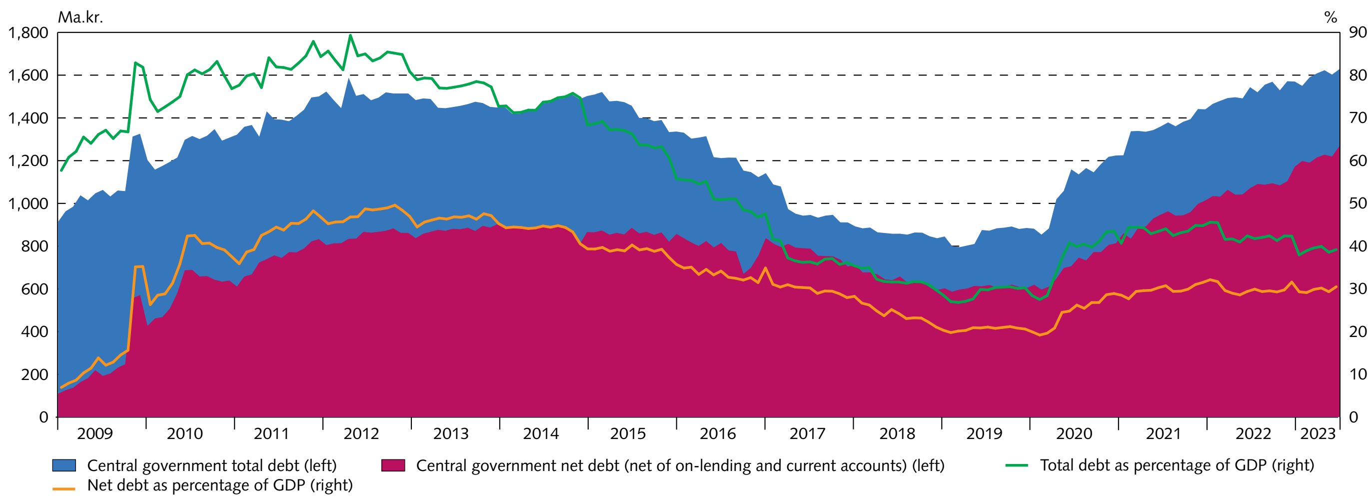
Net debt in m.kr.

On-lending and cash at the Central bank	*Nominal incl./ inflation compensation end of month*
Nominal on - lending	11,855
Inflation-linked on - lending	76,468
FX on - lending	6,887
Cash ISK	66,714
Cash FX	199,117
Total on-lending	361,041
Net debt	
Nominal debt	616,123
Inflation-linked debt	590,769
Foreign currency debt	60,282
Net central government debt	1,267,174
Total net debt as percentage of GDP	30.5

Average Time to Maturity of government debt including swaps



Changes in central government debt



Swaps

30 June 2023

Inflation and interest rate swaps in ISK (m.kr.)

Year	*New* Number of contracts	*New* Nominal amount	*Expired* Number of contracts	*Expired* Nominal amount	*Outstanding at year-end* Number of contracts	*Outstanding at year-end* 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	2	10,000	20	26,000	6	18,000
2022	0	0	0	0	6	18,000
2023	0	0	1	3,000	5	15,000
2024	0	0	0	0	5	15,000
2025	0	0	4	10,000	1	5,000
2026	0	0	1	5,000	0	0

Interest rate type (m.kr.)

	Without swaps Nominal amount with accrued indexation (ISK)	*Without swaps* Proportion, %	*With swaps* Nominal value with accrued indexation (ISK)	*With swaps* Proportion, %
Icelandic fixed inerest rates	517,537	32	501,537	31
Icelandic indexed interest rates	667,237	41	664,650	41
Icelandic floating interest rates	177,155	11	195,211	12
Foreign fixed interest rates	266,286	16	266,286	16
Foreign floating interest rates	0	0	0	0
Total	1,628,215	100	1,627,684	100

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

	Nominal amount with accrued indexation (ISK)	*Market value (ISK)*	*Proportion, %*	*Duration*
Government debt				
Nominal debt	694,692	676,515	43	3.16
Inflation-linked debt	667,237	665,546	41	6.65
Foreign currency debt	266,286	248,611	16	3.29
Total	1,628,215	1,590,672	100	4.64
Government debt with swaps				
Nominal debt	696,748	680,078	43	3.11
Inflation-linked debt	664,650	663,023	41	6.67
Foreign currency debt	266,286	248,611	16	3.29
Total	1,627,684	1,591,712	100	4.62

Investors*

Owners of T-bonds and bills 30 June 2023

	RIKB						*RIKS*					*Bills*
	24 0415	*25 0612*	*26 1015*	*28 1115*	*31 0124*	*42 0217*	*26 0216*	*30 0701*	*33 0321*	*37 0115*	*Total*	*total*
Nominal value in m.kr.												
Domestic investors												
Banks & Saving Banks	54,068	16,427	9,091	3,028	5,338	2,241	28,470	929	2,012	1,164	122,767	142,387
Miscellaneous credit untertakings	4,720	449	53	282	173	102	8,774	12,487	12,871	668	40,579	6,751
Mutual and inv. funds	15,200	13,003	16,172	20,396	16,637	10,028	12,460	11,827	8,648	4,798	129,168	19,925
Pension Funds	11,390	48,811	4,731	50,767	71,515	16,740	10,450	49,677	49,400	37,327	350,807	0
Firms	5,427	5,597	2,543	2,497	1,922	99	5,296	958	746	171	25,255	1,533
Insurance companies	6,044	9,532	2,974	8,026	9,139	2,416	15,203	3,045	4,230	1,499	62,108	5,800
Households	1,368	1,946	534	311	856	1	2,896	757	1,705	114	10,487	21
Others	364	5,519	250	8,233	7,200	153	159	135	177	50	22,240	737
Foreign investors	754	5,063	89	11,162	12,452	21,368	286	0	66	0	51,240	0
Total	99,335	106,346	36,436	104,701	125,232	53,147	83,993	79,813	79,854	45,792	814,649	177,154
Dirty price (T-bills nominal value) in m.kr.												
Domestic investors												
Banks & Saving Banks	51,642	16,368	9,289	2,870	5,459	1,932	36,726	1,609	3,333	1,207	130,435	142,387
Miscellaneous credit untertakings	4,508	447	54	267	177	88	11,318	21,638	21,323	693	60,514	6,751
Mutual and inv. funds	14,518	12,956	16,523	19,334	17,014	8,646	16,074	20,495	14,327	4,975	144,863	19,925
Pension Funds	10,879	48,636	4,834	48,125	73,137	14,434	13,480	86,085	81,840	38,700	420,150	0
Firms	5,183	5,577	2,598	2,367	1,966	85	6,832	1,659	1,236	177	27,681	1,533
Insurance companies	5,773	9,498	3,039	7,608	9,346	2,083	19,611	5,277	7,007	1,554	70,797	5,800
Households	1,307	1,939	545	295	875	1	3,736	1,311	2,825	118	12,951	21
Others	348	5,499	255	7,805	7,363	132	205	234	293	52	22,186	737
Foreign investors	720	5,045	91	10,581	12,735	18,425	369	0	109	0	48,074	0
Total	94,877	105,965	37,228	99,252	128,073	45,827	108,350	138,309	132,294	47,477	937,651	177,154

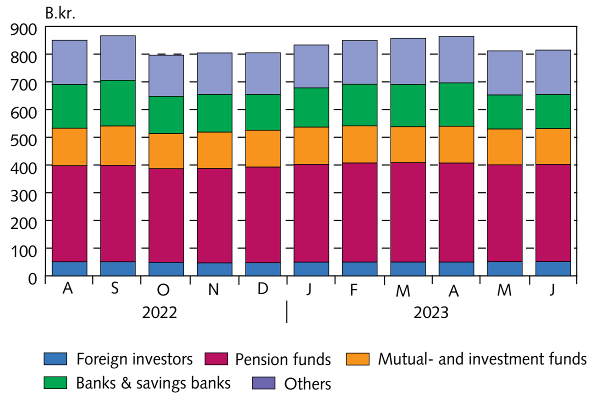
* Included outstanding repo with the primary dealers. From November 2020, owners are categorized according to the international statistical standard for national accounts (SNA08), adopted by the United Nations Statistical Commission.

	RIKB						*RIKS*					*Bills*
	24 0415	*25 0612*	*26 1015*	*28 1115*	*31 0124*	*42 0217*	*26 0216*	*30 0701*	*33 0321*	*37 0115*	*Total*	*total*
Changes between months Nominal value in m.k.												
Domestic investors												
Banks & Saving Banks	445	136	-700	-1,033	564	905	909	-593	-529	-197	-93	21,824
Miscellaneous credit untertakings	-140	-109	-50	145	101	92	-39	70	40	355	465	-1,650
Mutual and inv. funds	-73	-458	1,947	667	-826	366	-2,116	-9	323	356	176	925
Pension Funds	-60	107	553	-970	-1,939	-1,500	1,075	671	4	3,300	1,241	0
Firms	-72	-131	1,056	-120	35	-30	276	-15	-48	-5	947	900
Insurance companies	-586	-37	997	-120	-505	-690	129	176	256	0	-380	-100
Households	155	76	104	-1	-16	0	10	0	-17	3	315	-4
Others	172	0	0	0	0	-70	0	0	0	0	102	0
Foreign investors	159	16	6	2	13	-75	26	0	0	0	147	0
Total	-0	-400	3,913	-1,430	-2,572	-1,002	270	300	30	3,812	2,920	21,895

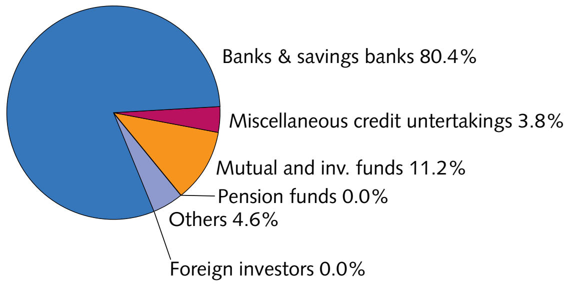
Market Information

GOVERNMENT
DEBT MANAGEMENT

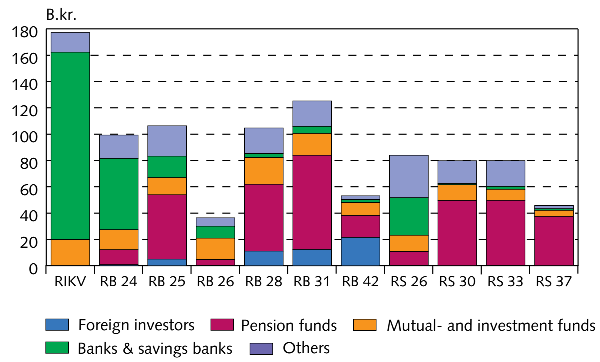
Owners of T-bonds 30 June 2023



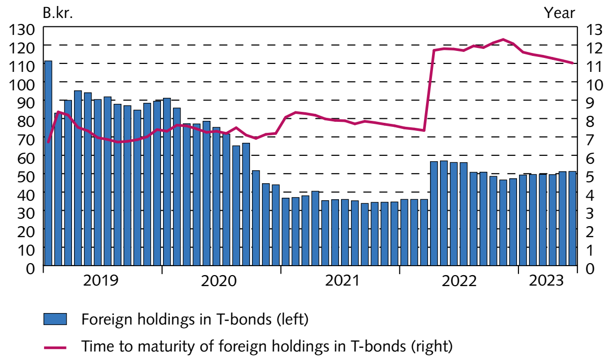
Owners of T-bills 30 June 2023



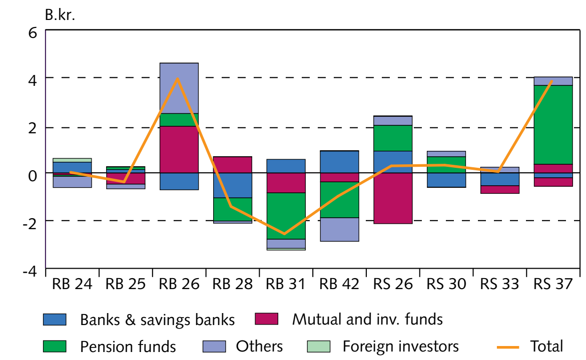
Owners of marketable T-bonds and bills 30 June 2023



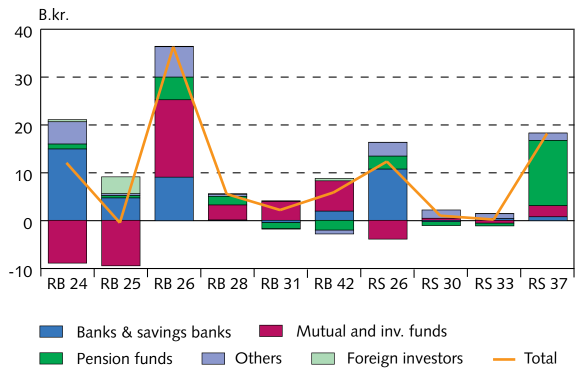
Time to maturity of non-residents' holdings in T-bonds and T-bills 30 June 2023



Net purchases by market participants between months

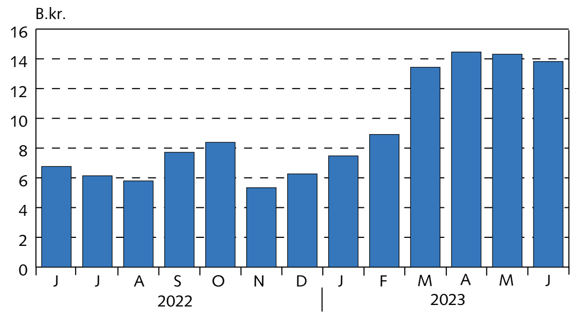


Net purchases by market participants from 31 December 2022



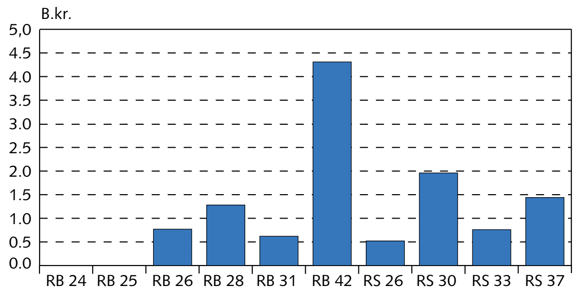
Securities lending facility, redemption profile, yield curves and turnover

Average outstanding amount of the securities lending facility*

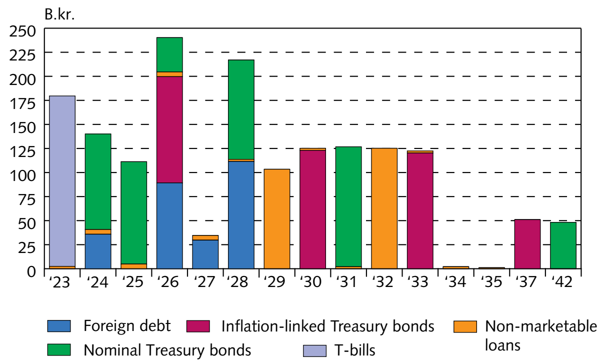


* Calculated at market price.

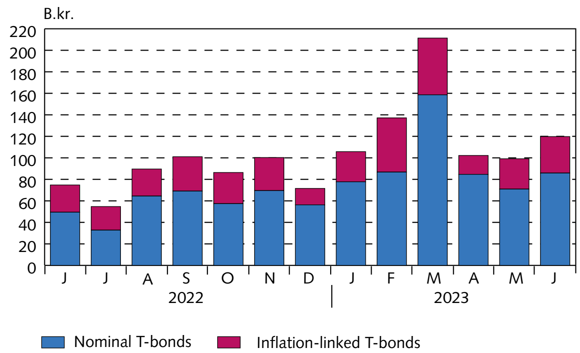
Outstanding amount of the securities lending facility at the end of last month*



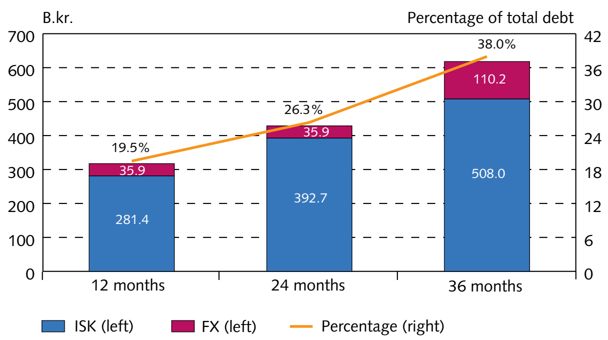
Redemption profile of government debt



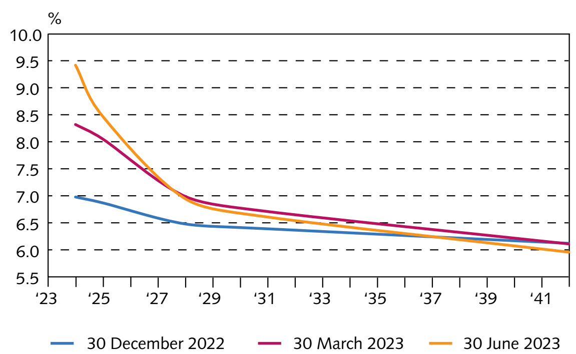
Monthly trading volume in T-bonds on NASDAQ Iceland Exchange



Accumulated maturities

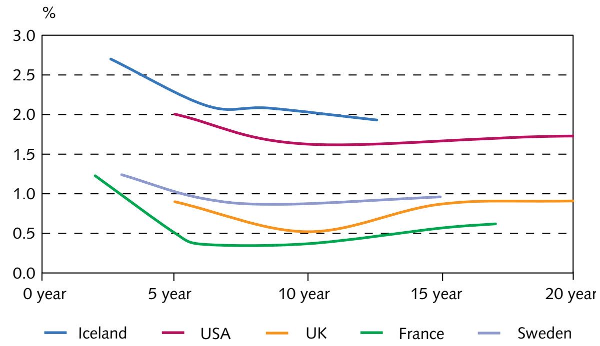


Nominal yield curves

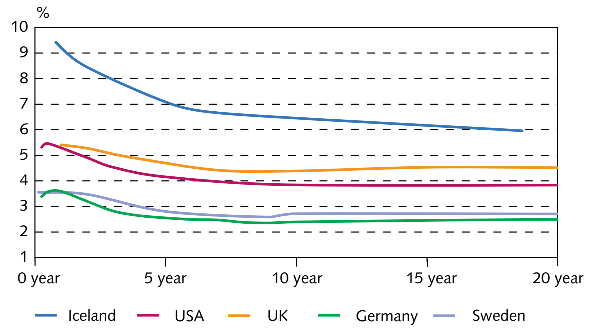


Government Debt Management

Yield curve inflation-linked T-bonds

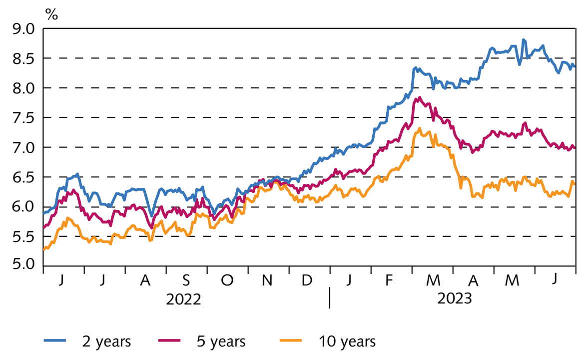


Yield curve Treasury bills and nominal T-bonds



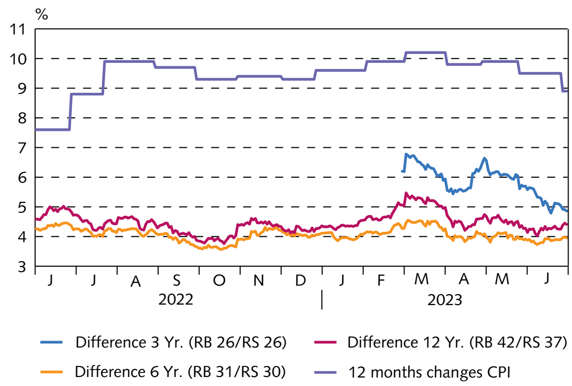
Yield for Treasury bonds

Zero-coupon



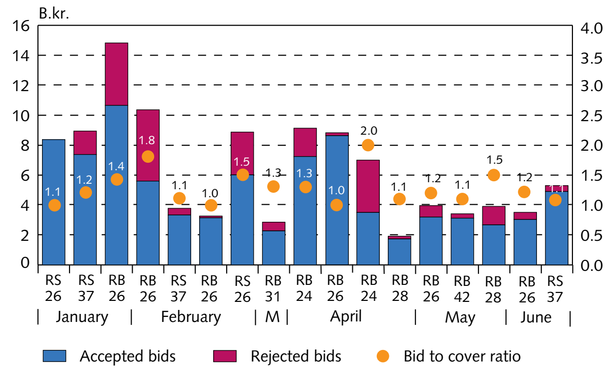
Inflation premium

Inflation premium nominal T-bonds



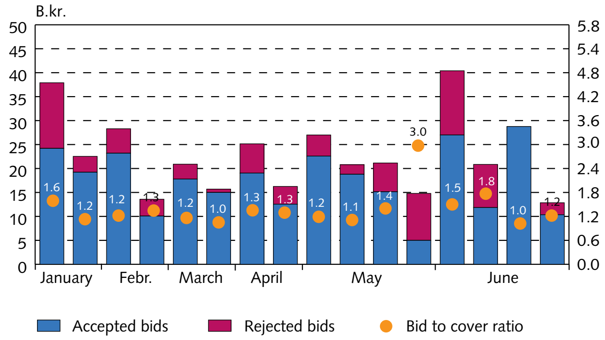
Treasury bond auctions

Treasury bonds at market value



Treasury bill auctions

Treasury bills at market value



Treasury auctions

Auctions in 2023, in m.kr.

Date		Offers Market value	Offers Nominal value	No. of bids	No. of acc. bids	Yield %	Acc. bids Market value	Acc. bids Nominal value	Non comp. auction nominal v.	Total value
Nominal T-bonds										
20.01.23	RIKB 26 1015	14,824	14,926	57	48	6.95	10,653	10,726	480	11,130
03.02.23	RIKB 26 1015	10,361	10,556	28	17	7.32	5,600	5,706	0	5,600
17.02.23	RIKB 26 1015	3,266	3,370	10	8	7.73	3,147	3,247	0	3,147
24.03.23	RIKB 31 0124	2,855	2,945	20	16	7.01	2,274	2,345	195	2,462
14.04.23	RIKB 24 0415	9,132	9,651	11	10	8.39	7,240	7,651	600	7,807
14.04.23	RIKB 26 1015	8,819	9,056	35	33	7.61	8,624	8,856	0	8,624
28.04.23	RIKB 24 0415	7,000	7,406	19	14	8.77	3,503	3,706	0	3,503
28.04.23	RIKB 28 1115	1,918	2,100	11	10	6.93	1,735	1,900	0	1,735
10.05.23	RIKB 26 1015	3,964	4,130	19	16	8.12	3,196	3,330	178	3,367
10.05.23	RIKB 42 0217	3,416	4,090	26	24	5.98	3,123	3,740	289	3,365
26.05.23	RIKB 28 1115	3,909	4,322	27	16	7.16	2,675	2,957	29	2,701
02.06.23	RIKB 26 1015	3,513	3,663	20	15	8.17	3,033	3,163	0	3,033
Total		72,977	76,215				54,803	57,327	1,991	56,682

Indexed T-bonds										Indexed value
06.01.23	RIKS 26 0216	8,268	8,394	26	15	2.00	8,371	6,758	650	9,176
06.01.23	RIKS 37 0115	8,941	10,173	36	28	2.00	7,374	7,673	680	8,027
03.02.23	RIKS 37 0115	3,781	4,272	20	14	1.95	3,333	3,422	0	3,333
17.02.23	RIKS 26 0216	8,872	8,900	40	17	1.61	6,013	4,745	475	6,614
02.06.23	RIKS 37 0115	5,300	5,985	20	12	1.97	4,904	4,835	367	5,275
Total		35,161	37,724				29,994	27,433	2,171	32,426
									Total value	89,108

T-bills								
30.01.23	RIKV 23 0315	37,606	37,900	16	8	6.70	24,012	24,200
30.01.23	RIKV 23 0621	21,930	22,525	14	11	6.98	18,717	19,225
27.02.23	RIKV 23 0419	28,017	28,300	21	10	7.43	22,968	23,200
27.02.23	RIKV 23 0719	13,184	13,580	10	5	7.73	9,786	10,080
27.03.23	RIKV 23 0621	20,512	20,900	16	12	8.10	17,470	17,800
27.03.23	RIKV 23 0816	15,209	15,700	10	9	8.31	14,531	15,000
24.04.23	RIKV 23 0621	24,832	25,150	19	16	8.22	18,809	19,050
24.04.23	RIKV 23 0816	15,835	16,250	12	8	8.42	12,229	12,550
08.05.23	RIKV 23 0719	26,557	27,000	20	13	8.58	22,229	22,600
08.05.23	RIKV 23 0920	20,149	20,800	12	10	8.75	18,211	18,800
22.05.23	RIKV 23 0719	20,872	21,151	16	10	8.60	14,951	15,151
22.05.23	RIKV 23 1018	14,292	14,803	9	4	8.75	4,830	5,003
19.06.23	RIKV 23 0816	39,843	40,401	24	19	9.00	26,627	27,000
19.06.23	RIKV 23 1018	20,235	20,850	12	9	9.20	11,500	11,850
26.06.23	RIKV 23 0920	28,166	28,770	13	13	9.20	28,166	28,770
26.06.23	RIKV 23 1129	12,361	12,850	8	7	9.25	9,956	10,350
Total		359,599	366,930				274,993	280,629

Market Information

GOVERNMENT DEBT MANAGEMENT

Primary dealers

Primary dealers in government securities	*Telephone*	*Bloomberg*
Arion Bank hf.	+354 444 6000	ARIO
Fossar Investment Bank hf.	+354 522 4000	
Islandsbanki hf.	+354 440 4000	ISLA
Kvika banki hf.	+354 540 3200	KVIK
Landsbankinn hf.	+354 410 4000	LAIS

Events

21 July, 2023	CPI announcement
24 July, 2023	Auction of Treasury bills
28 July, 2023	Auction of Treasury bonds

Iceland's sovereign credit ratings

		Foreign currency		*Domestic currency*		
	Last change	*Long-term*	*Short-term*	*Long-term*	*Short-term*	*Outlook*
Moody's	November 2019	A2		A2		Stable
S&P	May 2023	A	A-1	A	A-1	Positive
Fitch	March 2022	A	F-1+	A	F-1+	Stable

State guarantees

State guarantees

M.kr.	*May 2023*	*End of year 2022*
Lending agencies	801,284	800,622
HF - Fund	731,464	731,561
Regional Development Fund	10,177	10,533
Icelandic Student Loan Fund	59,643	58,528
Co-operative and Limited Partnerships	27,132	27,394
National Power Company sf.	22,455	22,725
RARIK ohf. (Iceland State Electricity)	152	287
Isavia ohf.	907	895
RUV ohf. (National Broadcasting Service)	3,618	3,486
Industries / Municipalities	7,706	9,064
Business Supplemental and Support loans	7,706	9,064
State Guarantees total	836,123	837,080

Currency ratio

ISK	97.3%
EUR	2.7%

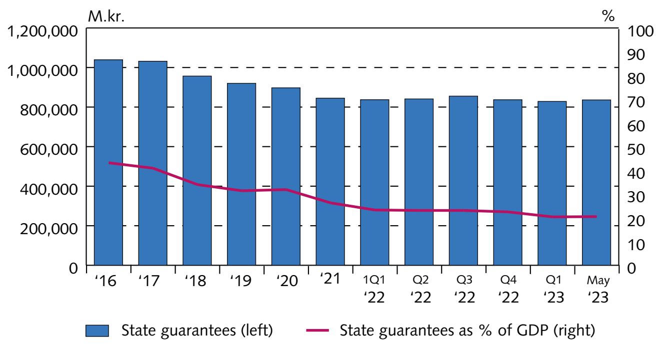
Type of lenders

Domestic marketable securities	88.7%
Domestic banks	0.9%
Foreign banks	2.7%
Other domestic entities	7.7%

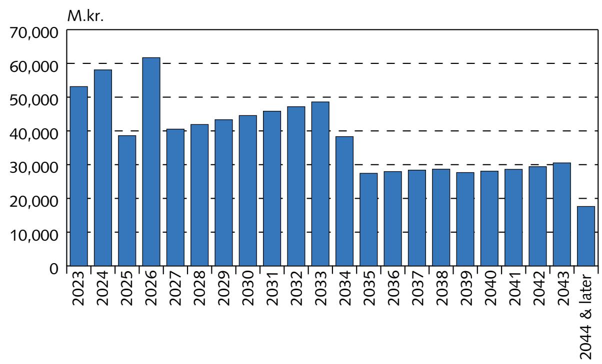
Interest rate type

Fixed	96.4%
Floating	3.6%

State guarantees and % of GDP 2016 - 2023



State guarantees - maturity profile



On-lending

May 2023	*Amount m.kr.*	*Weighted time to maturity*
Nominal on-lending	11,882	7.38
Inflation-linked on-lending	76,233	14.43
FX on-lending	6,955	5.37
Total	95,070	14.85

On-lending, redemption profile