

CSDs: KELER (Hungary)

Date: 03 Jan 2012

SMI Markets: Hungary

CMIRR Markets: Hungary

Government Bonds to Be Traded on MTS Hungary - Update

Further to our previous newsflash, the Government Debt Management Agency (GDMA) has confirmed the continuation of secondary trading in government debt instruments on both the Budapest Stock Exchange (BSE) and the MTS platform, effective from yesterday, 2 January 2012. In a previous announcement the GDMA decided to delist such securities from the BSE. However, the primary trading platform for government debt will be MTS Hungary only.

Settlement of MTS trades will be executed on a netted basis guaranteed by KELER CCP but not the trades executed via the BSE. Secondary market transactions booked through the system of BSE will be settled on a gross basis with a settlement cycle of both platforms at T+2.

CSD Risk Impact

KELER (Hungary)

CSD Rating: A+

CSD Flash Impact: On Watch

Impacted Risk Type: Counterparty Risk

Current Rating = A+

Flash Impact = On Watch

At this stage, it is not known whether EuroMTS will gain market share over the OTC market. As the settlement of government bonds traded on EuroMTS will be guaranteed by KELER CCP, this could change the value of transactions covered by the CCP. Counterparty Risk has been set 'On Watch' accordingly.

Market Information Impact

Hungary

This information affects the data contained in the Other market where securities are traded sections of the Securities Market Information Service.

Infrastructure Risk Ratings Impact

Hungary

Market Rating: A

Market Flash Impact: On Watch

Impacted Risk Type: Counterparty Risk

Current Rating = A

Flash Impact = On Watch

At this stage, it is not known whether EuroMTS will gain market share over the OTC market. As the settlement of government bonds traded on EuroMTS will be guaranteed by KELER CCP, this could change the value of transactions covered by the CCP. Counterparty Risk has been set 'On Watch' accordingly.

Related Flash: [Government Bonds to Be Traded on EuroMTS - Update, 19/10/2011 \(click to view\)](#)

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