



# CYPRUS CENTRAL GOVERNMENT DEBT

QUARTERLY BULLETIN

No.38: 2<sup>nd</sup> QUARTER 2020

## Review of operations for the 2<sup>nd</sup> Quarter of 2020

### New issues:

In April the Republic of Cyprus proceeded with another dual tranche transaction consisting of a €1,25bn 7-year bond and a €500 mn 30-year bond at a coupon of 1,5% (yield 1,56%) and 2,25% (yield 2,34%) respectively.

Short-term debt for the quarter amounted to a total of €1,455bn. On the 15<sup>th</sup> of April a 52-week Treasury Bill was issued through private placement for a total amount of €1,25bn. The 13-week Treasury Bills auctions amounted to €205 million. The weighted average yield of the June auction increased to 0.14% when compared to 0.08% in the March auction. The bid-to-cover ratio in June recorded a minor decline to 0.9 compared to the auction in June which was 1,0.

The issuance of 6-year retail bonds continued with sales of €6 million over the quarter.

Loans granted by the CEDB amounted to €16 million.

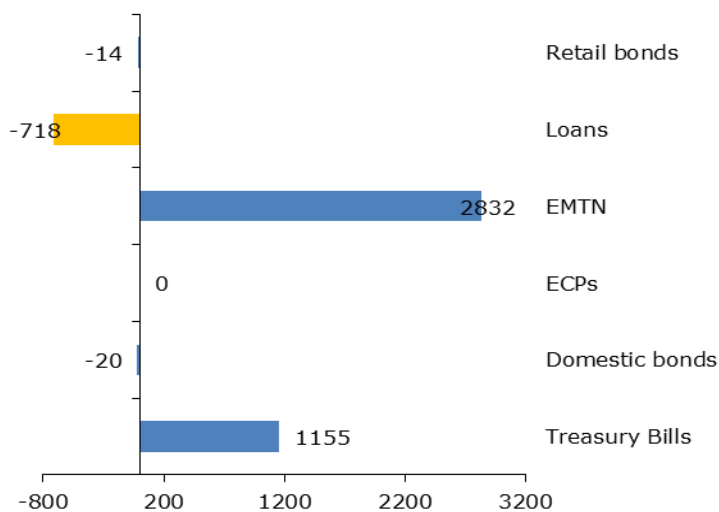
### Debt redemptions:

Most debt redemptions related to short term issued in the previous quarter, these being Treasury Bills for a total amount of €261 million. Loan amortisations amounted to €20 million. A private placed EMTN of €4 million matured in May. Repayments of retail bond securities amounted to €22 million.

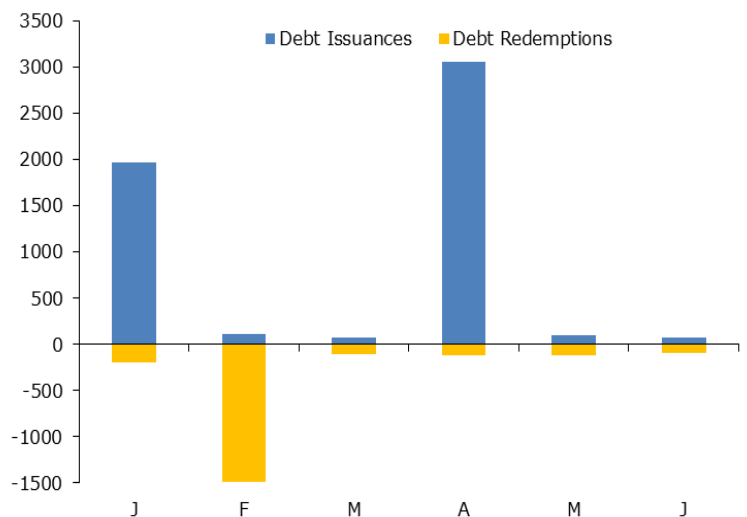
*Important note:* Due to the continuation of the Covid-19 pandemic, yield fluctuations under the Secondary market bond yields diagram continued for the aforementioned quarter, however following changes in the economic policy decision making within the European Union level and the enhancement of the quantitative easing programme, there were changes as to risk perception.

### Change in debt January – June 2020

By instrument, € mln.

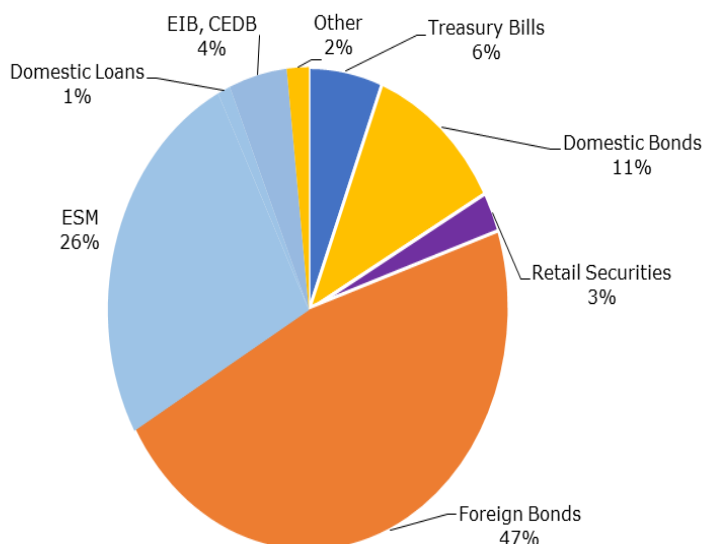


By month, € mln.

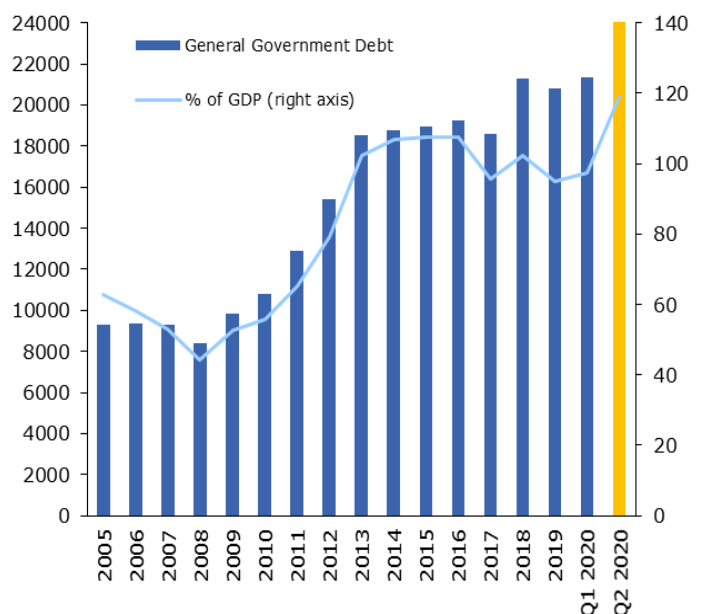


### Size and structure of debt

By instrument June 2020



Evolution of public debt, € mln



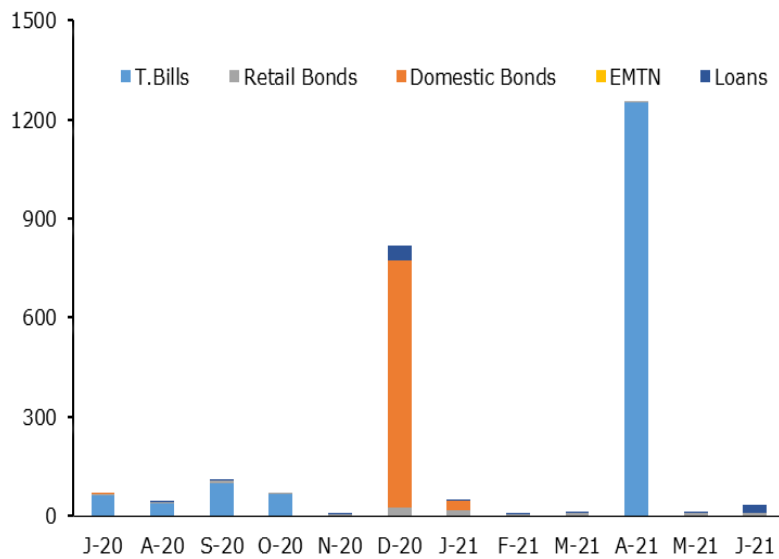
## Debt Structure

	30-06-20 € 24.201 mln.	31-03-20 € 21.295 mln.	31-12-19 €20.756 mln.
Outstanding Central Government Debt <sup>1</sup>			
Domestic market	22%	19%	20%
Foreign market	78%	81%	80%
Short term <sup>2</sup>	6%	1%	1%
Medium and long term	94%	99%	99%
Securities	67%	63%	59%
Loans	33%	37%	41%
Fixed interest rate	71%	68%	61%
Floating interest rate <sup>3</sup>	29%	32%	39%
Local currency	100%	100%	97%
Foreign currencies	0%	0%	3%

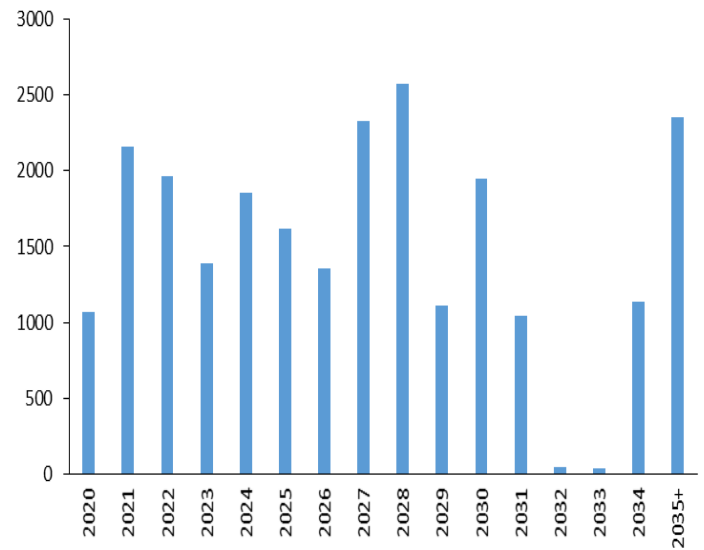
1. Provisional data. Excludes intragovernmental obligations of the central government and debt of central government state-owned enterprises. Also excluding the nominal value of euro coins in circulation.
2. By original maturity at issue.
3. After swap transactions.

## Repayments Schedule

### Debt within next 12 months

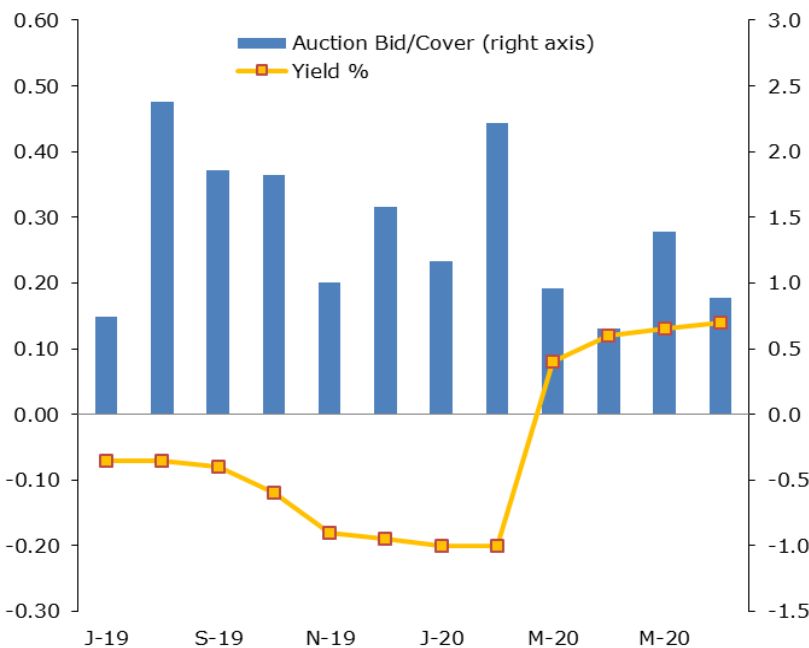


### Total debt, € mln

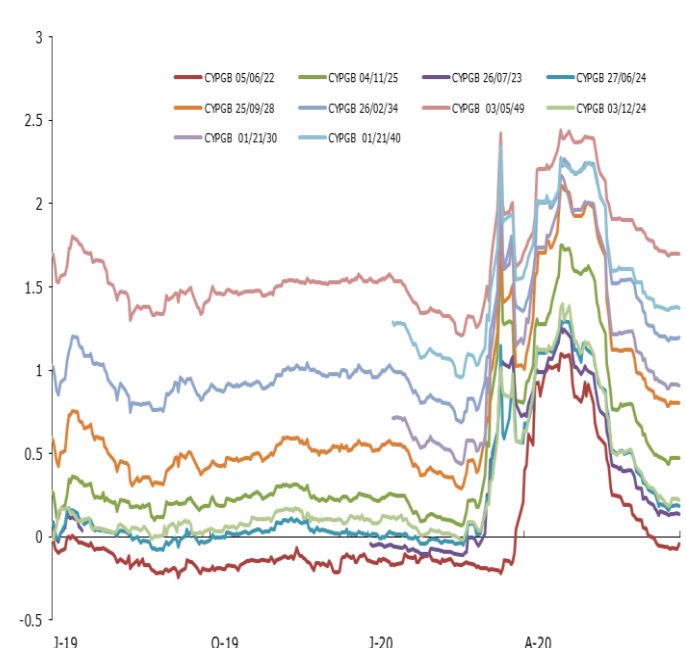


## Marketable debt borrowing cost

### Primary market Treasury Bill yields (13 weeks)



### Secondary market bond yields



Source : Bloomberg

Abbreviations: TB: Treasury Bill; CEDB: Council of Europe Development Bank; DB: domestic-law bond; ECP: Euro Commercial Paper; EIB: European Investment Bank; EMTN: Euro Medium Term Note (foreign-law bond); ESM: European Stability Mechanism; IMF: International Monetary Fund; PDMO: Public Debt Management Office. All data as at 30/06/20 unless otherwise specified. Replication is permitted, provided that the source is stated. The information has been compiled and verified to the best of our knowledge. The possibility of a factual mistake cannot, however, be excluded.



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