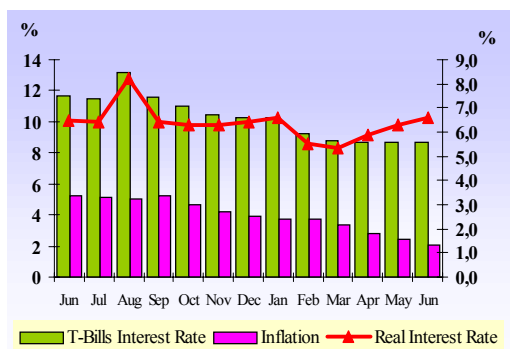


# HELLENIC REPUBLIC PUBLIC DEBT BULLETIN

**Inflation and Interest Rates of  
12-month T-Bills for the period  
June 98 – June 99**



# 14

**June 1999**

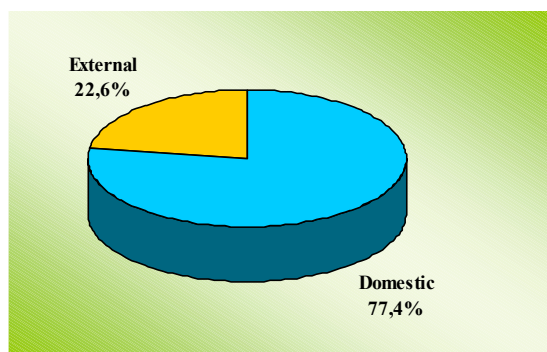
**Note:**

The monthly real interest rate is defined as the difference between the 12-month T-bill interest rate (prevailing at the end of the month) and the inflation rate (defined as the monthly change of the consumer price index (CPI) expressed on an annual basis) announced by the National Statistical Bureau. CPI = 100 base year 1994. It is assumed that the annual variation of the CPI from 6/99 to 6/00 will be equal to the variation of the previous 12 months (6/98 to 6/99).

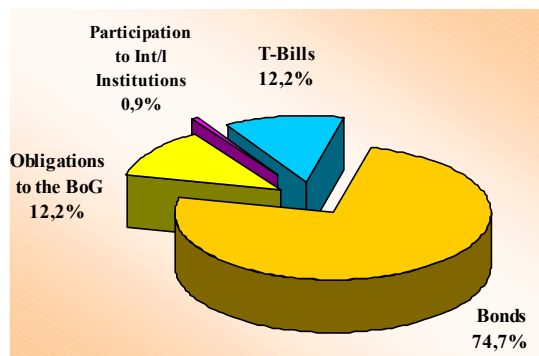
The real interest rate is depicted on the right vertical axis while the inflation and the 12-month interest rate on the left vertical axis.

## A. Central Government Debt

**Composition of Central  
Government Debt on 30-6-99**



**Composition of Domestic  
Central Government Debt on 30-6-99**

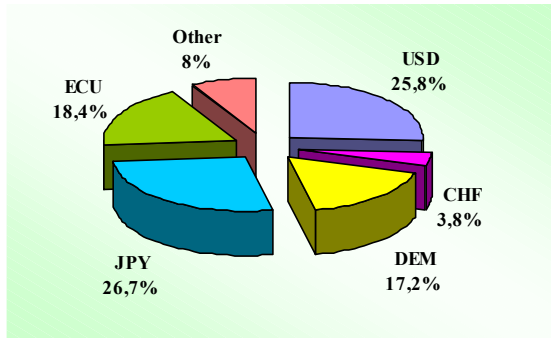


**Note:**

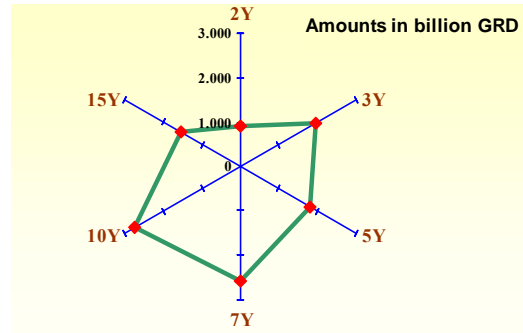
The above chart includes the Military Debt.

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Internet address: <http://www.mof-glk.gr>  
e-mail address: [mpapadon@mof-glk.gr](mailto:mpapadon@mof-glk.gr)  
REUTERS : GR/FINMIN01**

**Composition of External Government Debt, by Currency on 30-6-99**

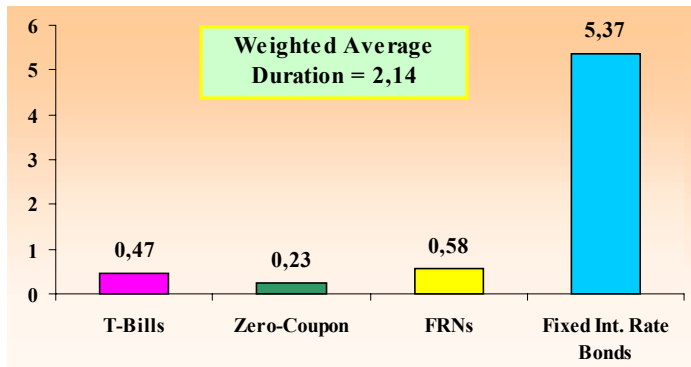


**Volume of Outstanding Fixed Interest Rate Bond Issues on 30-6-99**



**Note:** The above chart includes the Military Debt.

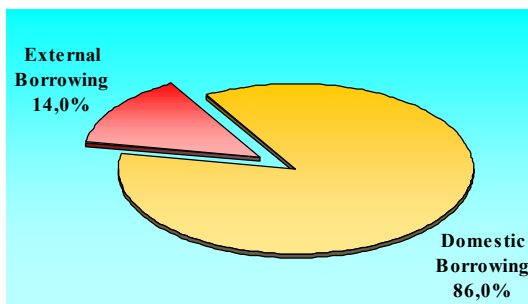
**Weighted Average Duration of the Outstanding Tradable Domestic Debt on 31-12-98, by category**



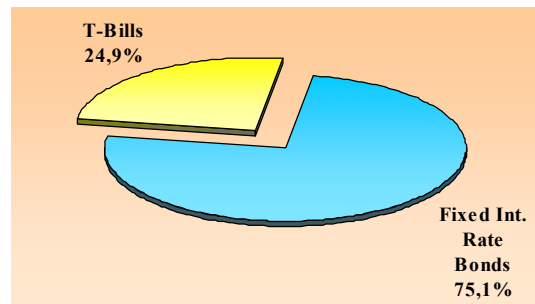
The weighted average duration of the outstanding domestic issues (tradable domestic debt) on 31/12/98, was **2,14 years, having increased by more than three times compared to the duration of 1996.** The ongoing participation of fixed interest rate bonds to the outstanding domestic debt is expected to increase the duration of domestic tradable debt even more, close to the levels of the other European countries. Of course, the weighted average duration of the total debt (including the non-tradable domestic debt and the external debt) is much higher.

**B. New Borrowing (Jan. – June 99)**

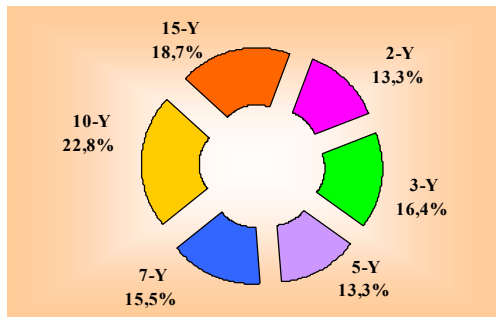
**Composition of New Borrowing (Jan. – June 99)**



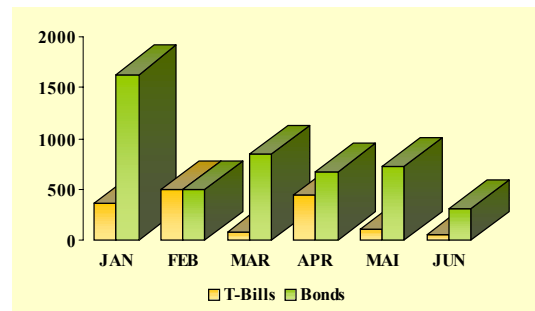
**Composition of Domestic Borrowing Jan. – June 99**



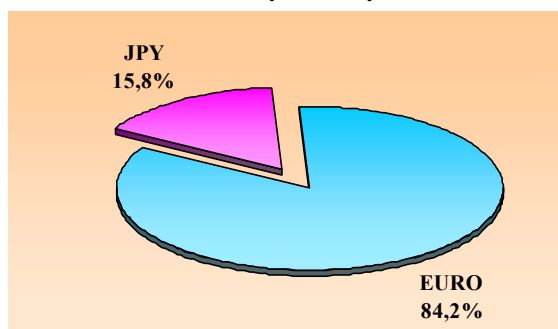
**Composition of Fixed Interest Rate Bonds issued in 1999, by maturity**



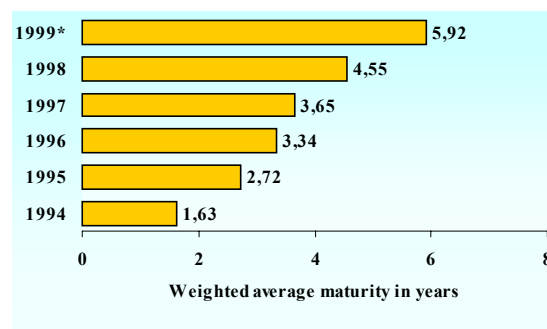
**New Issues of T-Bills and Bonds from 1-1-99 to 30-6-99**



**Composition of New External Borrowing in 1999, by currency**



**Weighted Average Maturity of Domestic Borrowing**

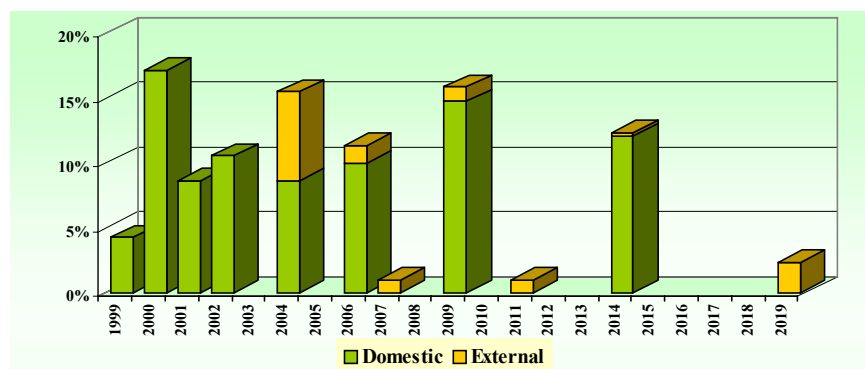


In view of the participation of Greece in the Economic and Monetary Union (EMU), the new external borrowing is carried out mainly in Euro.

\*Until 30/6/1999

Due to the fact that, the weighted average maturity of the external borrowing in the current year was 9,09 years, the weighted average maturity of the total new borrowing in 1999 increased to 6.35 years.

**Composition of New Borrowing in 1999, by maturity**



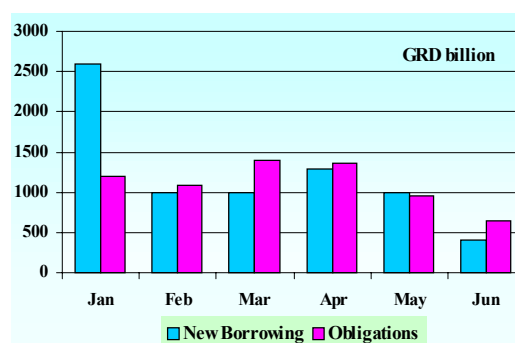
**Note:**

It is assumed that the 3-month and 6-month T-Bills issued in 1999 mature in the same year.

**Saving Certificate Issues (Apr. - June 1999)**

Issue	Maturity	Coupon	Amount (GRD bn)
1/4/99	2Y	8,60%	109
29/4/99	2Y	8,60%	90
1/6/99	2Y	8,60%	50
<b>Total</b>			<b>249</b>

**New Borrowing – Obligations in 1999 (A' Semester)**



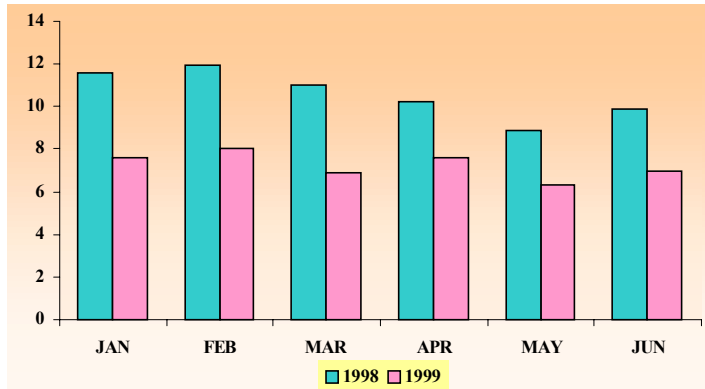
**Note:** Saving Certificates are issued in the beginning of every month and they are tax-free.

**Note:** The new borrowing includes both the domestic and the external borrowing. Respectively, the obligations include drachma and foreign currency obligations.

**C. Auction Results of Greek Government Securities (Oct.- Dec. 98)**

Auction	Tenor	Auctioned Amount (bn)	Offered Amount (bn)	Amount Issued (bn)	Highest Int. Rate	Lowest Int. Rate	Weighted Av. Int. Rate
<b>1. T-Bills</b>							
1-4-99	12M	200,0	450,5	240,0	8,85%	8,62%	8,75%
27-4-99	12M	140,0	306,3	168,0	8,83%	8,48%	8,70%
25-5-99	12M	100,0	106,3	103,3	8,97%	8,46%	8,68%
8-6-99	6M	30,0	104,0	31,5	9,12%	8,90%	9,02%
15-6-99	3M	25,0	88,0	25,0	9,50%	9,25%	9,44%
29-6-99	12M	100,0	263,6	104,6	8,74%	8,63%	8,69%
<b>2. Bonds</b>							
6-4-99	5Y	200,0	338,4	238,4	6,34%	6,24%	6,31%
20-4-99	7Y	200,0	432,8	210,5	6,09%	6,05%	6,07%
4-5-99	15Y	200,0	577,7	240,0	5,91%	5,89%	5,90%
11-5-99	10Y	240,0	580,5	288,0	5,67%	5,65%	5,66%
18-5-99	3Y	150,0	462,5	172,5	6,55%	6,47%	6,53%
1-6-99	5Y	125,0	199,8	129,5	6,14%	6,08%	6,12%
22-6-99	7Y	120,0	310,3	130,3	6,28%	6,26%	6,28%

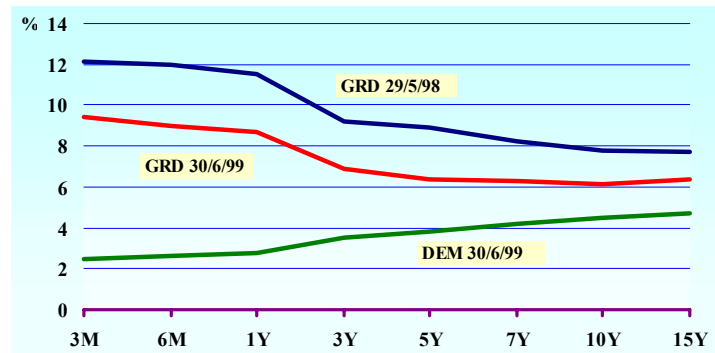
**Weighted Average Interest Rate of Domestic Borrowing  
(A' Semester 98 – A' Semester 99)**



The weighted average interest rate of domestic borrowing during the first semester of 1999, was significantly lower compared to that of the respective months of 1998 and despite the Balkan crisis. This demonstrates clearly the endurance of the Greek economy against negative external influences and confirms its steady course towards the EMU.

**E. Comparison of Yield Curves of Greece and Germany**

The downward shift of the Greek yield curve in the period 29/5/98 –30/6/99, indicates the further convergence of the Greek bond yields to the German yields.



Source: Reuters