

22 August 2000

PRESS RELEASE

Distribution of securities holdings by sector 2000 Q2

Starting from the next release, the data for securities holdings by sector will not be included in the Appendix but in the tables on the Bank's web site. The time series data accompanying this Release are already accessible electronically at Financial Data / Statistical Time Series / VIII. Distribution of securities holdings by institutional sector.

The percentage shares that the individual sectors accounted for did not change materially in the second quarter of 1999. There were slight falls in the shares of non-residents, households and the National Bank of Hungary, with rises in those of the corporate sector and credit institutions. Non-residents' holdings of exchange-traded shares also fell back. By contrast, the proportions of other sectors, particularly of financial corporations, increased.

Government securities

The outstanding total of Hungarian government debt securities,¹ measured at market value, was 2.1% higher in 2000 Q2 than in the preceding quarter. The increase of 154% in the outstanding amount of NBH bills was responsible for this rise, as the outstanding totals of government bonds and treasury bills, respectively, fell by 1.05% and 1.26%.

The distribution of outstanding government securities by institutional sector appears to have stabilised.

In the financial sphere, the percentage shares of investment funds, life insurance firms and pension funds remained practically at the same level seen in the preceding quarter, those of credit institutions and other financial corporations slightly rose and that of the National bank of Hungary fell further.

As in earlier periods, there was a modest fall in the ratio of households' government securities holdings to the total.

Unlike in Q1, NFCs increased their holdings of government securities in Q2, their share of total holdings rising above 7%.

Non-residents' holdings of government paper fell by more than Ft 16.5 billion, so their share of the market dropped to 13.5%.

¹ Government securities comprise domestically issued forint denominated government bonds, treasury bills and domestic currency bills issued by the NBH.

Distribution of Government Securities Holdings by Sector

per cent

	Government Securities Total						
	1998	1999				2000	
	Dec.	March	June	Sept.	Dec.	March	June
Non-financial corporations	8.2	8.5	8.7	10.0	7.9	6.6	7.2
Central bank	10.8	11.8	11.6	10.8	10.7	9.4	8.7
Credit institutions	33.4	28.4	26.8	24.2	22.9	22.1	22.5
Investment funds	7.3	8.4	8.4	9.1	8.6	9.5	9.5
Insurance companies, pension funds	11.1	12.3	13.4	14.1	15.5	15.5	15.8
Other financial corporations	2.2	2.9	2.4	2.0	1.9	2.3	2.8
Total financial corporations	64.8	63.8	62.6	60.2	59.5	58.6	59.2
Local government	2.7	3.2	3.0	3.1	2.7	3.0	2.9
Other general government	0.2	0.1	0.1	0.1	0.1	0.1	0.2
Total general government	2.9	3.2	3.1	3.2	2.8	3.1	3.1
Households	14.9	15.6	15.9	16.8	17.5	16.6	16.3
NPIs serving households	1.3	0.6	1.1	1.1	1.1	1.1	0.7
Rest of the world	8.0	8.3	8.6	8.7	11.2	14.1	13.5
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Exchange-traded shares

Market capitalisation of shares issued by Hungarian residents fell by Ft 876 billion in the period under review, to Ft 4,045 billion at end-June, following a rise of Ft 831 billion in the preceding quarter. This was entirely due to the fall in prices. In contrast with a revaluation loss of Ft 936 billion, the balance of new listings and de-listings on the BSE as well as capital enlargements and reductions contributed Ft 60 billion to market capitalisation.

Non-resident investors' percentage share as a total fell from 80% at the end of March to 75.7%. Accordingly, unlike the picture of earlier periods, the importance of non-residents stopped growing further in the second quarter. Non-resident investors' holdings shrank by Ft 879 billion, in which net sales, at Ft 159 billion, definitely played a role, in addition to a holding loss of Ft 720 billion.

Existing holdings of the general government sector fell below 7% due to the greater-than-average holding loss registered in Q2.

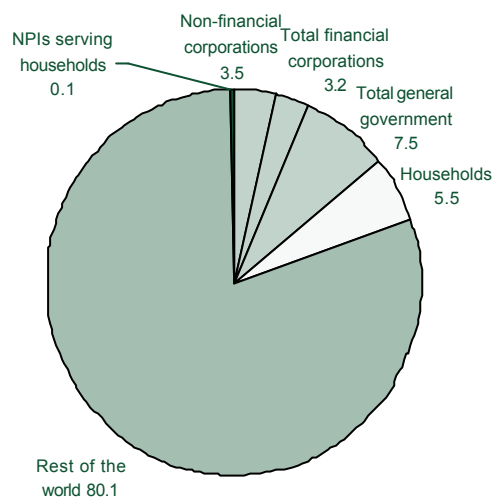
Holdings of exchange-traded shares by the financial corporations sector surged by 47% as a result of net purchases to the tune of nearly Ft 106 billion. The sector's proportion to total holdings rose by 1.8 times.

Net purchases by households amounted to Ft 43 billion, so the sector's share of total holdings rose to 6.5%. However, due to the Ft 51.5 billion holding loss incurred, the value of the sector's holdings fell by 8.5 billion.

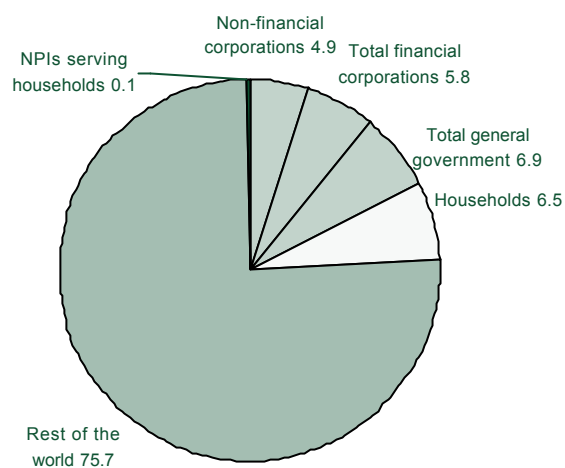
NFC's increased their proportion to 4.9% to the end of the quarter.

Exchange-traded shares held by institutional sectors At market prices; percentages

At end of 2000 Q1



At end of 2000 Q2



Investment fund certificates

The outstanding total of investment fund certificates, measured at net asset value, rose by 0.9% in 2000 Q2. Here, the amount of certificates held by households was higher by 1.36%. The percentage shares of the individual institutional sectors did not change considerably in comparison with the preceding quarter.

Appendix 1

GOVERNMENT SECURITIES BY INSTITUTIONAL SECTORS AT MARKET PRICES (Outstanding at the end of quarters)

Ft millions

	Government bonds				NBH bills			
	1998	1999	2000		1998	1999	2000	
	Dec.	Dec.	March	June	Dec.	Dec.	March	June
Non-financial corporations	118 166	160 293	132 543	121 008	52 313	0	5 626	44 506
Central bank	406 260	445 207	429 788	402 546	0		0	0
Credit institutions	887 236	768 540	780 605	797 493	129 679		23 032	42 085
Investment funds	162 498	234 645	258 498	221 502	34 312		54 058	107 561
Insurance companies, pension funds	281 876	496 259	531 300	578 337	43 288		6 585	22 660
Other financial corporations	40 950	45 137	59 184	72 458	9 795		2 447	8 770
Total financial corporations	1 778 820	1 989 788	2 059 376	2 072 336	217 073	0	86 121	181 076
Local government	46 959	58 754	73 769	70 432	16 321		767	5 323
Other general government	6 211	1 972	431	823	157		312	518
Total general government	53 170	60 726	74 200	71 255	16 479	0	1 079	5 840
Households	70 687	97 831	105 163	105 559	9 595	0	265	5 975
NPIs serving households	28 803	25 620	21 679	9 545	2 636	0	906	1 491
Rest of the world	299 269	467 762	645 595	626 897	0	0	0	0
Total	2 348 915	2 802 020	3 038 557	3 006 601	298 097	0	93 997	238 888

There was no NBH bill outstanding in the market in December 1999.

Ft millions

	Treasury bills				Total			
	1998	1999	2000		1998	1999	2000	
	Dec.	Dec.	March	June	Dec.	Dec.	March	June
Non-financial corporations	137 753	168 265	160 360	170 012	308 232	328 558	298 529	335 526
Central bank	0	0	0	0	406 260	445 207	429 788	402 546
Credit institutions	239 370	186 573	203 741	203 360	1 256 285	955 114	1 007 378	1 042 937
Investment funds	76 112	123 746	118 655	112 568	272 922	358 391	431 211	441 632
Insurance companies, pension funds	92 567	148 993	167 861	131 666	417 731	645 252	705 747	732 663
Other financial corporations	32 907	33 348	41 430	47 582	83 652	78 485	103 061	128 811
Total financial corporations	440 956	492 659	531 687	495 176	2 436 849	2 482 447	2 677 185	2 748 589
Local government	37 059	55 261	62 021	59 919	100 339	114 015	136 557	135 674
Other general government	2 120	2 861	2 728	6 258	8 488	4 833	3 471	7 599
Total general government	39 179	58 122	64 749	66 177	108 828	118 848	140 028	143 273
Households	480 674	632 561	639 468	651 167	560 956	730 392	744 896	762 701
NPIs serving households	15 921	18 493	25 382	21 224	47 360	44 113	47 968	32 259
Rest of the world	0	0	0	0	299 269	467 762	645 595	626 897
Total	1 114 483	1 370 101	1 421 647	1 403 773	3 761 495	4 172 121	4 554 201	4 649 261

Appendix 2

Holdings of shares quoted on the BSE in sectoral breakdown, at market prices (Outstanding at the end of quarters)

	Stock of shares, Ft millions				Distribution of shares, %			
	1998	1999	2000		1998	1999	2000	
	Dec.	Dec.	March	June	Dec.	Dec.	March	June
Non-financial corporations	80 377	157 473	172 262	198 558	2.7	3.8	3.5	4.9
Credit institutions	19 237	24 307	29 745	38 144	0.6	0.6	0.6	0.9
Investment funds	30 738	20 140	24 121	27 757	1.0	0.5	0.5	0.7
Insurance companies, pension funds	49 842	51 783	59 654	81 041	1.7	1.3	1.2	2.0
Other financial corporations	40 905	63 363	46 055	88 177	1.4	1.5	0.9	2.2
Total financial corporations	140 722	159 593	159 575	235 118	4.7	3.9	3.2	5.8
Local government	25 572	32 492	28 867	26 357	0.9	0.8	0.6	0.7
Other general government	315 078	255 987	338 350	252 043	10.6	6.3	6.9	6.2
Total general government	340 650	288 479	367 217	278 401	11.5	7.1	7.5	6.9
Households	301 983	239 816	272 051	263 557	10.2	5.9	5.5	6.5
NPIs serving households	1 802	7 020	7 270	5 744	0.1	0.2	0.1	0.1
Rest of the world	2 104 179	3 238 096	3 942 725	3 063 562	70.9	79.2	80.1	75.7
Total	2 969 713	4 090 476	4 921 101	4 044 940	100.0	100.0	100.0	100.0

Appendix 3

Components of the changes in stocks of shares quoted on the BSE, at market value during the 2nd quarter of 2000: transactions, revaluations*

	Changes in stocks	From:		
		Ft millions		
		Transactions	Revaluations	Other volume changes
Non-financial corporations	26 296	42 410	-25 566	9 453
Credit institutions	8 399	15 685	-7 286	0
Investment funds	3 635	8 154	-4 520	1
Insurance companies, pension funds	21 387	33 860	-12 500	27
Other financial corporations	42 122	60 497	-5 838	-12 536
Total financial corporations	75 543	118 196	-30 145	-12 508
Local government	-2 510	3 080	-5 589	0
Other general government	-86 307	14 685	-100 992	0
Total general government	-88 817	17 765	-106 581	0
Households	-8 495	4 874	-51 531	38 162
NPIs serving households	-1 526	-135	-1 392	0
Rest of the world	-879 163	-172 958	-720 551	14 346
Total	-876 161	10 151	-935 766	49 454

Investment fund certificates in sectoral breakdown at net asset value
(Outstanding at the end of quarters)

	Net asset value							
	Ft millions				Distribution, %			
	1998	1999	2000		1998	1999	2000	
	Dec.	Dec.	March	June	Dec.	Dec.	March	June
Credit institutions	7 083	7 869	9 986	9 827	2.1	1.8	1.8	1.8
Other fin. and non-fin. cor	55 165	66 396	81 802	80 265	16.3	14.8	14.8	14.4
Households	268 117	365 018	453 473	459 633	79.4	81.6	82.0	82.4
Rest of the world	7 253	7 877	7 715	8 039	2.1	1.8	1.4	1.4
Total	337 618	447 159	552 976	557 765	100.0	100.0	100.0	100.0