



22 November 2000

PRESS RELEASE

Distribution of securities holdings by sector 2000 Q3

The data for 2000 Q2 have been adjusted to reflect fresh information on strategic holders, methodological changes to making certain estimates, and revisions from reporting entities. These revisions represent a significant effect on movements in stocks and their components.

In 2000 Q3, the percentage shares that the individual sectors accounted for stabilised at the levels seen in the previous quarter. There continued to be a modest fall in the value of shares held by non-residents. This was in contrast with increases in the proportions of other sectors' holdings to the total.

Government securities

The outstanding total of Hungarian government debt securities,¹ measured at market value, was 6.8% higher in 2000 Q3 than in the previous quarter. That increase was mainly accounted for by the doubling in the outstanding amount of NBH bills, given that market holdings of government bonds and treasury bills both fell, by 3.3% and 1.5% respectively.

As seen in the earlier quarters of the year, the distribution of outstanding government securities by institutional sector continued to stabilise in Q3. The percentage shares that the individual sectors accounted for changed only slightly relative to Q2.

Households continued to cut their share of the government securities market in the period under review.

Non-residents' holdings of government paper rose by more than Ft 60 billion, so the sector's percentage share of the total government securities market was only slightly less than 14%.

In the financial sphere, the percentage shares of life insurance firms and pension funds remained practically at the same levels seen in the previous quarter, while those of credit institutions and investment funds slightly rose.

NFCs stepped up their holdings of government securities broadly comparably with the increase registered in Q2, so their share of total holdings rose to 7.8%.

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	Sept.
Non-financial corporations	8.2	8.5	8.7	10.0	7.9	6.6	7.3	7.8
Central bank	10.8	11.8	11.6	10.8	10.7	9.4	8.7	7.9
Credit institutions	33.4	28.4	26.8	24.2	22.9	22.1	22.6	22.8
Investment funds	7.3	8.4	8.4	9.1	8.6	9.4	9.6	9.9
Insurance companies, pension funds	11.1	12.3	13.4	14.1	15.5	15.5	15.8	15.8
Other financial corporations	2.2	2.9	2.4	2.0	1.9	2.3	2.2	2.5
Total financial corporations	64.8	63.8	62.6	60.2	59.5	58.7	58.9	58.9
Local government	2.7	3.2	3.0	3.1	2.7	3.0	2.9	2.9
Other general government	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.0
Total general government	2.9	3.2	3.1	3.2	2.8	3.1	2.9	2.9
Households	14.9	15.6	15.9	16.8	17.5	16.4	16.6	15.7
NPIs serving households	1.3	0.6	1.1	1.1	1.1	1.0	0.7	0.8
Rest of the world	8.0	8.3	8.6	8.7	11.2	14.2	13.6	13.9
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Exchange-traded shares

Following a decline of Ft 878 billion in the previous quarter, market capitalisation of shares issued by Hungarian residents fell by another Ft 367 billion in the period under review, to Ft 3,678 billion at end-September. That drop was entirely due to the fall in prices, as holding losses amounted to Ft 382 billion, while the net contribution to market capitalisation of new listings and de-listings on the BSE as well as capital enlargements and reductions was only Ft 15 billion.

Net purchases by households amounted to Ft 25 billion, up 80% on the increase in Q2. The sector's share of total holdings rose to 7.9%.

After the fall in the previous quarter, non-resident investors' percentage share of total holdings shrank further, from 77.7% at the end of June to 73.7% at the end of September. That meant a decline of Ft 431 billion. Holding losses and net sales, respectively, accounted for Ft 389 billion Ft 42 billion.

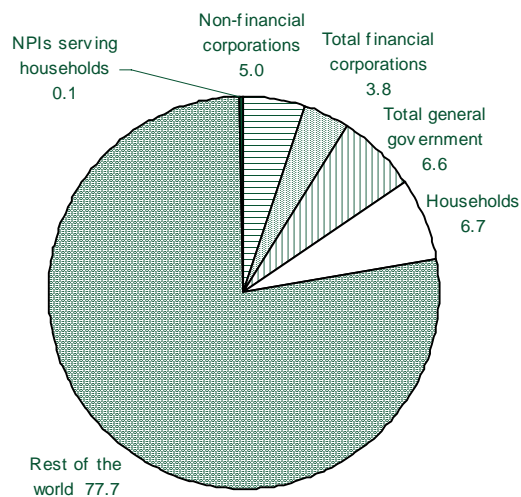
Holdings of exchange-traded shares by the financial corporations sector continued to grow, owing almost entirely to net purchases in the amount of Ft 27 billion. As a result, the sector's proportion to total holdings rose to 5%.

NFC's continued to increase their holdings as a percentage of the total, as seen in Q2, to 5.7% towards the end of the quarter.

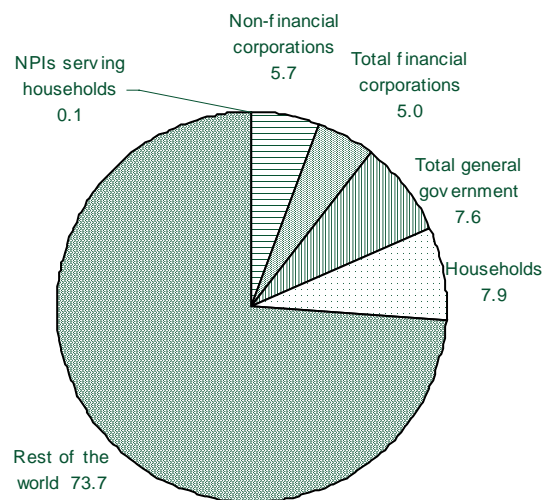
Holding gains helped existing holdings of the general government sector to rise to 7.6%. The sector took a net selling position in the period.

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

At end of 2000 Q2



At end of 2000 Q3



Investment fund certificates

The outstanding total of investment fund certificates, measured at net asset value, rose by 4.7% in 2000 Q3. The amount of certificates held by households was higher by 3.3%.

There were only modest changes in the percentage shares of the individual institutional sectors – slight falls in those of credit institutions and households contrasted with moderate rises in those of non-residents and other legal entities.