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PRESS RELEASE

Distribution of securities holdings by sector 2000 Q4

In 2000 Q4, holdings of government securities by non-residents, and insurance corporations and pension funds grew significantly, in contrast with those of non-financial corporations, which fell, as seen in the same periods of previous few years. The trends observed in holdings of exchange-traded shares remained uninterrupted – the percentage shares that non-residents accounted for continued to fall, with those of the other sectors rising.

Government securities

The outstanding total of Hungarian government debt securities,¹ measured at market value, was nearly 1% higher in 2000 Q4 than in the previous quarter. That increase was almost exclusively accounted for by the slight increase of 2.6% in the outstanding total of government bonds, given that market holdings of NBH bills and treasury bills both fell somewhat, by 1.7% and 1.9% respectively.

Non-resident holdings of government securities rose by nearly Ft 73.5 billion, so the sector's percentage share of total holdings rose above 15%, the highest since 1997, the year when the Bank launched its regular statistical releases on securities holdings.

In contrast with the continued rise throughout the first three quarters of 2000, NFCs' holdings of government securities fell back considerably, by Ft 68.5 billion, reflecting the pattern seen in earlier years, so their share of total holdings stood at 6.3% on 31 December.

Households stepped up their government securities holdings by Ft 31.8 billion, at market value. As a result, their share of the market rose from 15.7% in Q3 to 16.1% in the period under review.

Financial corporations' holdings of government securities rose by Ft 41.2 billion in Q4. The percentage share of investment funds fell by 0.6 of a percentage point, that of insurance corporations and pension funds, in contrast, rose by 0.8 of a percentage point, and that of other financial corporations changed only a little relative to the previous quarter.

The percentage share of general government within market holdings fell from 2.9% to 2.3%, mainly on account of a drop in local authorities' holdings of government securities.

Non-profit institutions serving households experienced little change in their percentage share of the market in the period.

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.	Dec.
Non-financial corporations	8.2	8.5	8.7	10.0	7.9	6.6	7.3	7.8	6.3
Central bank	10.8	11.8	11.6	10.8	10.7	9.4	8.7	7.9	8.0
Credit institutions	33.4	28.4	26.8	24.2	22.9	22.1	22.6	22.8	23.1
Investment funds	7.3	8.4	8.4	9.1	8.6	9.4	9.6	9.9	9.3
Insurance companies, pension funds	11.1	12.3	13.4	14.1	15.5	15.5	15.8	15.8	16.6
Other financial corporations	2.2	2.9	2.4	2.0	1.9	2.3	2.2	2.5	2.3
Total financial corporations	64.8	63.8	62.6	60.2	59.5	58.7	58.9	58.9	59.3
Local government	2.7	3.2	3.0	3.1	2.7	3.0	2.9	2.9	2.2
Other general government	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.1
Total general government	2.9	3.2	3.1	3.2	2.8	3.1	2.9	2.9	2.3
Households	14.9	15.6	15.9	16.8	17.5	16.4	16.6	15.7	16.1
NPIs serving households	1.3	0.6	1.1	1.1	1.1	1.0	0.7	0.8	0.7
Rest of the world	8.0	8.3	8.6	8.7	11.2	14.2	13.6	13.9	15.3
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Exchange-traded shares

Following a decline of Ft 367 billion in the previous quarter, market capitalisation of shares issued by Hungarian residents fell by another Ft 284 billion in the period under review, to Ft 3,395 billion at year-end. That drop was attributable entirely to the fall in share prices, as holding losses amounted to Ft 287 billion, while the net contribution to market capitalisation of new listings and de-listings on the BSE as well as of capital enlargements and reductions was only Ft 3 billion.

Net sales of shares by households amounted to Ft 1 billion, in contrast with the previous quarter, when net purchases amounted to Ft 25 billion. The sector's holdings of shares fell by nearly Ft 19 billion in the period, mostly on account of holding losses, but even though its percentage share of total holdings rose slightly, to 8.0%, towards the end of the year.

After the fall in the previous two quarters, non-resident investors' percentage share of total holdings shrank further, from 73.7% at the end of September to 70.7% at the end of December. That was equal to a decline of Ft 309 billion, of which holding losses accounted for Ft 265 billion. Net disposals, at Ft 44 billion, meant a slight increase on the previous quarter.

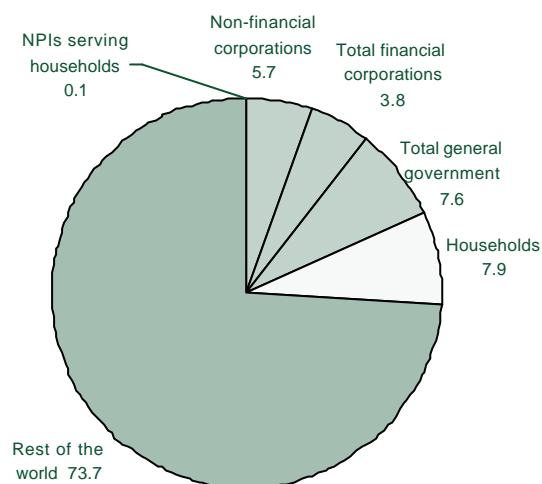
Holdings of exchange-traded shares by the financial corporations sector continued to grow, owing almost entirely to net purchases in the amount of Ft 28 billion. As a result, the sector's proportion to total holdings rose from 5% to 6.1%.

Following the increases seen in the previous two quarters, NFCs also continued to add to their holdings as a percentage of the total, reaching 6.7% towards the end of the quarter.

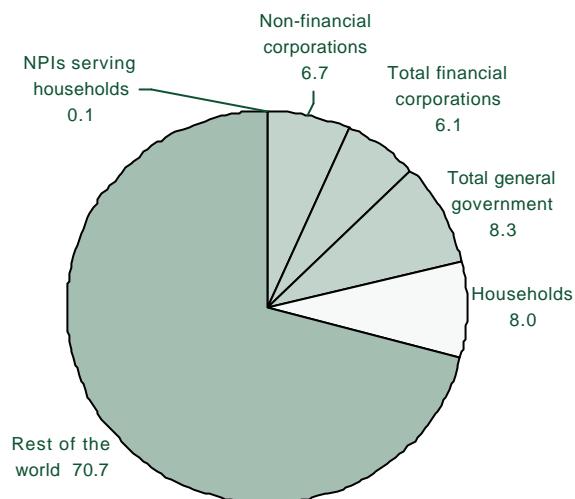
Existing holdings of the general government sector rose from 7.6% to 8.3%, mainly assisted by increases in local authorities' holdings of shares.

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

At end of 2000 Q3



At end of 2000 Q4



Investment fund certificates

The outstanding total of investment fund certificates, measured at net asset value, fell by 2.8% in 2000 Q4. At net asset value, the amount of certificates held by households was lower by 2.5%.

There continued to be only modest changes in the percentage shares of the individual institutional sectors – a slight increase in those of credit institutions contrasted with a moderate drop in that of other legal entities.