



10 August 2016

## PRESS RELEASE

### Securities issued by Hungarian residents and breakdown by holding sectors

June 2016

According to securities statistics data, the amount outstanding of equity securities and debt securities issued by Hungarian residents<sup>1</sup> was HUF 40,526 billion at market value at the end of June 2016, reflecting a HUF 241 billion decline relative to the end of May. Within this, holdings of debt securities declined by HUF 104 billion and those of equity securities by HUF 137 billion. Households increased their securities holdings by HUF 32 billion and financial corporations reduced theirs by HUF 251 billion. Non-residents' securities holdings fell by HUF 16 billion during the month.

#### Developments in outstanding amount of securities by types of security

Table 1

Outstanding amount of securities issued by residents and components of changes by main types of security; at market value; HUF billions; June 2016

Securities	Opening positions	Transactions	Price changes	Foreign exchange rate changes	Other volume changes	Closing positions	Ratio %	Change
<b>Debt securities</b>								
Government securities	25 980	-224	79	41	0	25 875	63,8%	-105
Mortgage bonds	900	3	1	2	0	907	2,2%	6
Other bonds	2 745	-20	2	13	0	2 739	6,8%	-5
<b>total</b>	<b>29 625</b>	<b>-242</b>	<b>82</b>	<b>56</b>	<b>0</b>	<b>29 521</b>	<b>72,8%</b>	<b>-104</b>
<b>Equity and investment fund shares</b>								
Investment fund shares	5 754	-72	-10	4	0	5 676	14,0%	-78
Quoted shares	5 388	1	-60	0	0	5 330	13,2%	-59
<b>total</b>	<b>11 142</b>	<b>-71</b>	<b>-70</b>	<b>4</b>	<b>0</b>	<b>11 005</b>	<b>27,2%</b>	<b>-137</b>
<b>Total securities</b>	<b>40 767</b>	<b>-312</b>	<b>12</b>	<b>60</b>	<b>0</b>	<b>40 526</b>	<b>100,0%</b>	<b>-241</b>

Holdings of securities issued by central government fell by HUF 105 billion in June, amounting to HUF 25,875 billion. Within this, holdings of forint-denominated securities amounted to HUF 18,444 billion and those of foreign currency-denominated securities to HUF 7,431 billion.

<sup>1</sup> In the press release, equity securities include mutual fund shares and quoted shares issued by residents. For more details about the types of securities presented in the press release, see the methodological notes at the following link: <https://www.mnb.hu/letoltes/ertekpapir-modszertan-en.pdf>.

There was no issuance in the market of *long-term forint-denominated* government securities and there was no maturity in June. In the primary market, tap issues amounted to HUF 214 billion and redemptions to HUF 201 billion at nominal value. Within this, sales of bonds to households amounted to HUF 21 billion and redemptions to HUF 1 billion. In the market of *short-term forint-denominated* government securities, new issues and tap issues of discount Treasury bills amounted to HUF 259 billion and maturities to HUF 390 billion. The amount of securities issued to households continued to be significant in the month, with sales amounting to HUF 301 billion and maturities to HUF 269 billion at nominal value. Yields on forint-denominated securities generally fell, which resulted in a HUF 73 billion price change during the month.

There was no issuance or maturity in the market of *foreign currency-denominated securities* issued by central government. Price changes increased the value of holdings by HUF 6 billion and exchange rate changes by HUF 41 billion.

The market value of mortgage bonds issued by resident credit institutions was HUF 907 billion at the end of the month, rising by HUF 6 billion relative to the end of May. Within this, market holdings of forint and foreign currency-denominated mortgage bonds amounted to HUF 575 billion and HUF 332 billion, respectively. There was no issuance or maturity in June. Transactions reflected interest accruals and interest payments.

Market holdings of other bonds, not classified into government securities, fell by HUF 5 billion in June, with the effect of transactions accounting for HUF -20 billion. Holdings of forint and foreign currency-denominated bonds amounted to HUF 821 billion and HUF 1,918 billion, respectively, at the end of the month.

In June, seven new bonds were issued in the total amount of HUF 32 billion and eight bonds matured in a total value of HUF 13 billion. Redemptions amounted to HUF 39 billion. The new issues were basically related to the non-financial corporations sector, and maturities and redemptions to credit institutions.

In June, the market value of mutual fund shares issued by resident investment funds fell by HUF 78 billion to HUF 5,676 billion at the end of the period. Within this, shares issued by money market funds accounted for HUF 956 billion and those issued by other funds for HUF 4,720 billion. Eight new mutual fund shares were issued and eight matured in the month. The value of new issues was HUF 4 billion. There was a significant outflow of capital from money market funds during the month. In addition to transactions, price changes reduced the forint value of holdings by HUF 10 billion and exchange rate changes increased it by HUF 4 billion.

Market capitalisation of quoted shares issued by resident companies fell by HUF 59 billion during the month to HUF 5,330 billion at the end of June. Within this, shares issued by credit institutions, non-financial corporations and the other sectors, respectively, amounted to HUF 1,805 billion, HUF 3,501 billion and HUF 24 billion. Equity turnover on the Budapest Stock Exchange increased significantly in June relative to the previous month. The prices of blue chips generally fell, resulting in a HUF -60 billion price change. Market capitalisation declined by 1% relative to the previous month.

Securities holdings in a breakdown by holding sector

Table 2

*Holdings of securities issued by residents and components of changes in holdings in a breakdown by holding sector; at market value; HUF billions; June 2016*

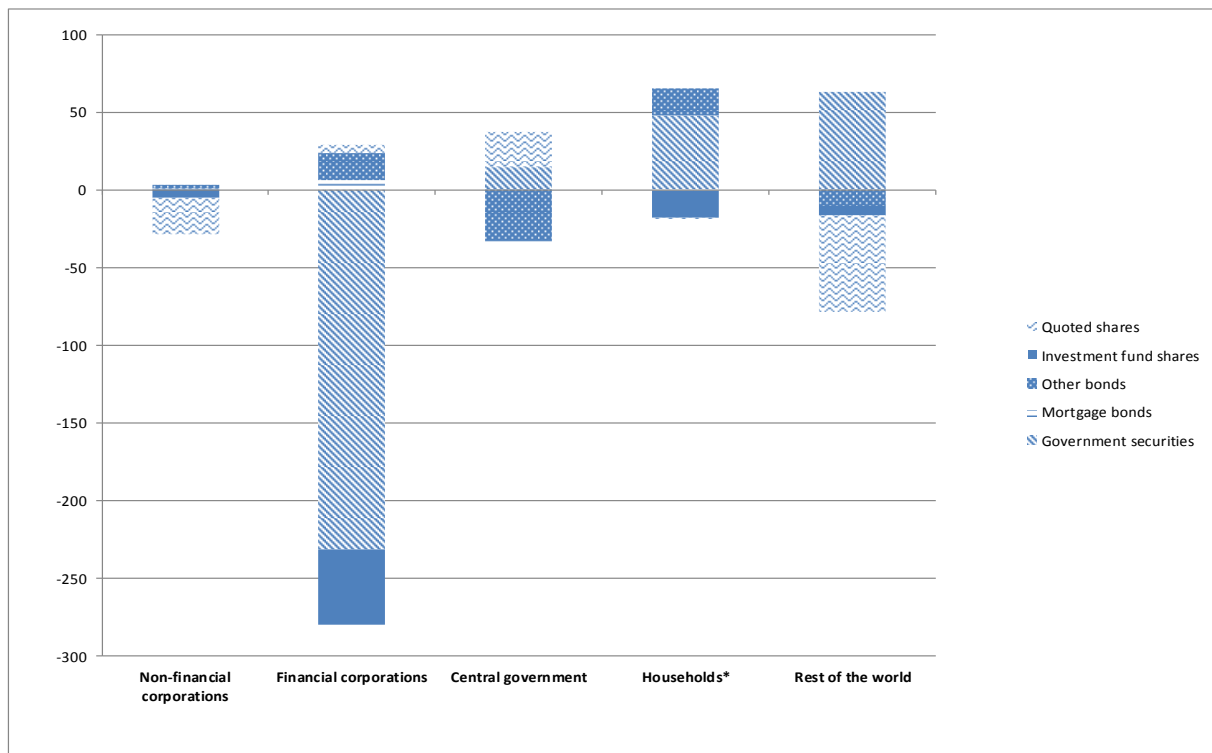
Holding sectors	Opening positions	Transactions	Price changes	Foreign exchange rate changes	Other volume changes	Closing positions	Ratio %	Change
Non-financial corporations	1 272	0	-26	1	0	1 246	3,1%	-25
Financial corporations total	14 742	-300	37	12	0	14 491	35,8%	-251
<i>of which Credit institutions</i>	8 973	-251	29	7	0	8 759	21,6%	-215
Central government	1 091	-18	22	0	0	1 095	2,7%	5
Households*	8 339	56	-14	5	0	8 386	20,7%	47
Rest of the world	15 323	-51	-7	42	0	15 308	37,8%	-16
<b>Total</b>	<b>40 767</b>	<b>-312</b>	<b>12</b>	<b>60</b>	<b>0</b>	<b>40 526</b>	<b>100,0%</b>	<b>-241</b>

\* Including stock of nonprofit institutions serving households.

The market value of total securities holdings rose by HUF 241 billion to HUF 40,526 billion at the end of June, accompanied by divergent changes in holdings by the individual sectors. Here, *residents* held HUF 25,219 billion (or 62.2%) and *non-residents* HUF 15,308 billion (or 37.8%). In June, holdings of securities by households and general government increased and those by the other sectors fell.

Chart 1

*Change in the distribution of securities holdings issued by residents by holding sector in June 2016; HUF billions*



\* Including stock of nonprofit institutions serving households.

The decline in non-residents' securities holdings due to transactions accounted for HUF 51 billion of the change in total holdings in June. Their holdings in the market of securities issued by the government sector fell by HUF 13 billion. Within this, the decline in holdings of long-term securities was dominant. Non-residents also reduced their holdings of other bonds and quoted shares by HUF 19 billion and HUF 12 billion, respectively. The sector's holdings of mutual fund shares fell by HUF 6 billion.

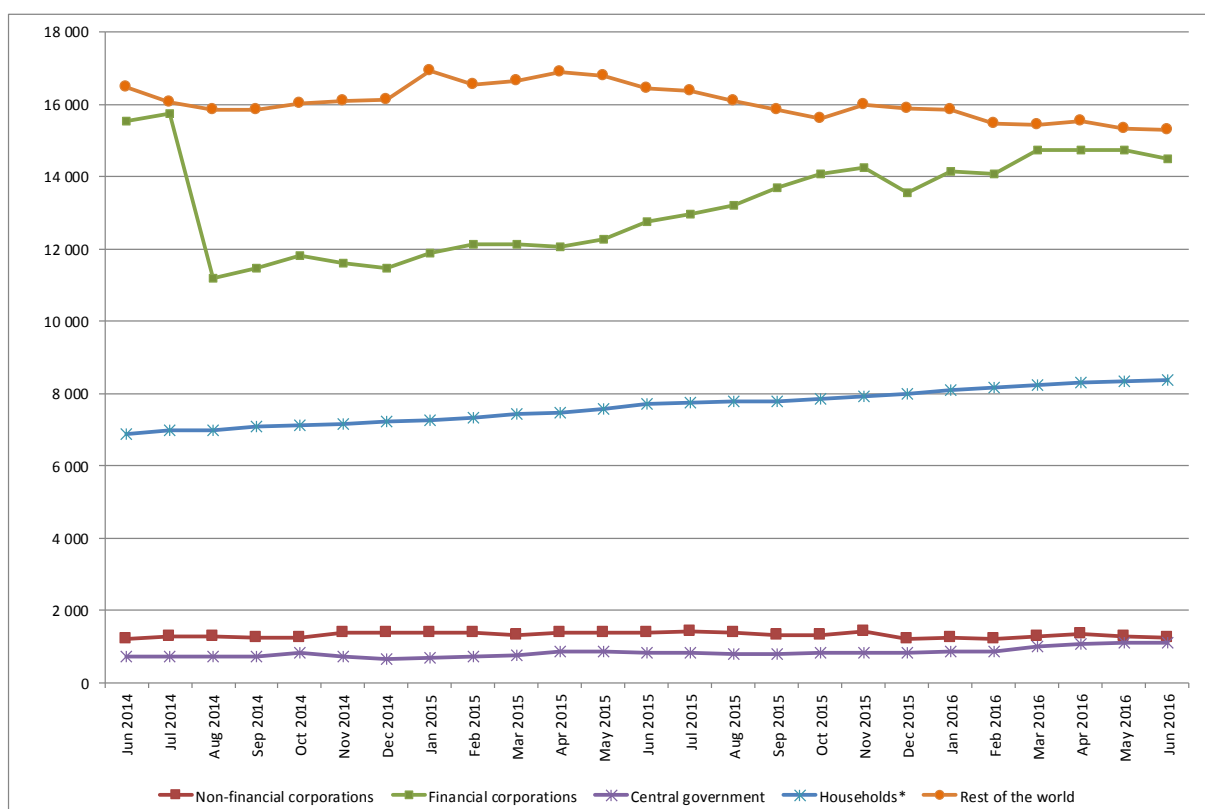
Credit institutions' securities holdings fell significantly, by HUF 215 billion in June, with the effect of transactions accounting for HUF -251 billion. Within this, their holdings of securities issued by the government sector declined by HUF 257 billion. Purchases contributed HUF 5 billion to their holdings of mortgage bonds and HUF 1 billion to their holdings of quoted shares. Price changes and exchange rate changes increased the sector's holdings by HUF 29 billion HUF 7 billion, respectively, during the month.

Holdings of securities by households (including non-profit institutions serving households) increased in the period. Transactions accounted for HUF 56 billion of the increase of HUF 47 billion in holdings. Purchases by households contributed HUF 59 billion to their investments in government securities. Here, their holdings of short-term securities, long-term forint-denominated securities and foreign currency-denominated government securities, respectively, rose by HUF 30 billion, HUF 23 billion and HUF 6 billion. Households were also net buyers of quoted shares, with their holdings rising by HUF 8 billion due to transactions. Households reduced their investments in other securities: holdings of other bonds fell by HUF 9 billion and those of mutual fund shares by HUF 16 billion. Holdings of securities by non-profit institutions serving households increased in June.

The longer-term increase in the market value of securities held by households continued in June. By contrast, holdings of securities by financial corporations declined. The share of non-residents declined again in June, as seen in the previous month.

Chart 2

*Distribution of securities holdings issued by residents in a breakdown by holding sector; at market value; HUF billions*



\* Including stock of nonprofit institutions serving households.

Distribution of securities issued by central government by holding sector

Within the distribution of holdings of securities issued by central government, recorded at market value, *non-resident* holdings of government securities rose by HUF 63 billion in June, reflecting positive price and exchange rate changes. Transactions accounted for HUF -14 billion. By contrast, government securities held by financial corporations fell by HUF 232 billion during the month. Here, holdings by credit institutions fell significantly and those of money market funds and other funds also fell. By contrast, insurance corporations and pension funds were net buyers. Holdings of government securities by households and the general government sector increased in the month.

Table 3

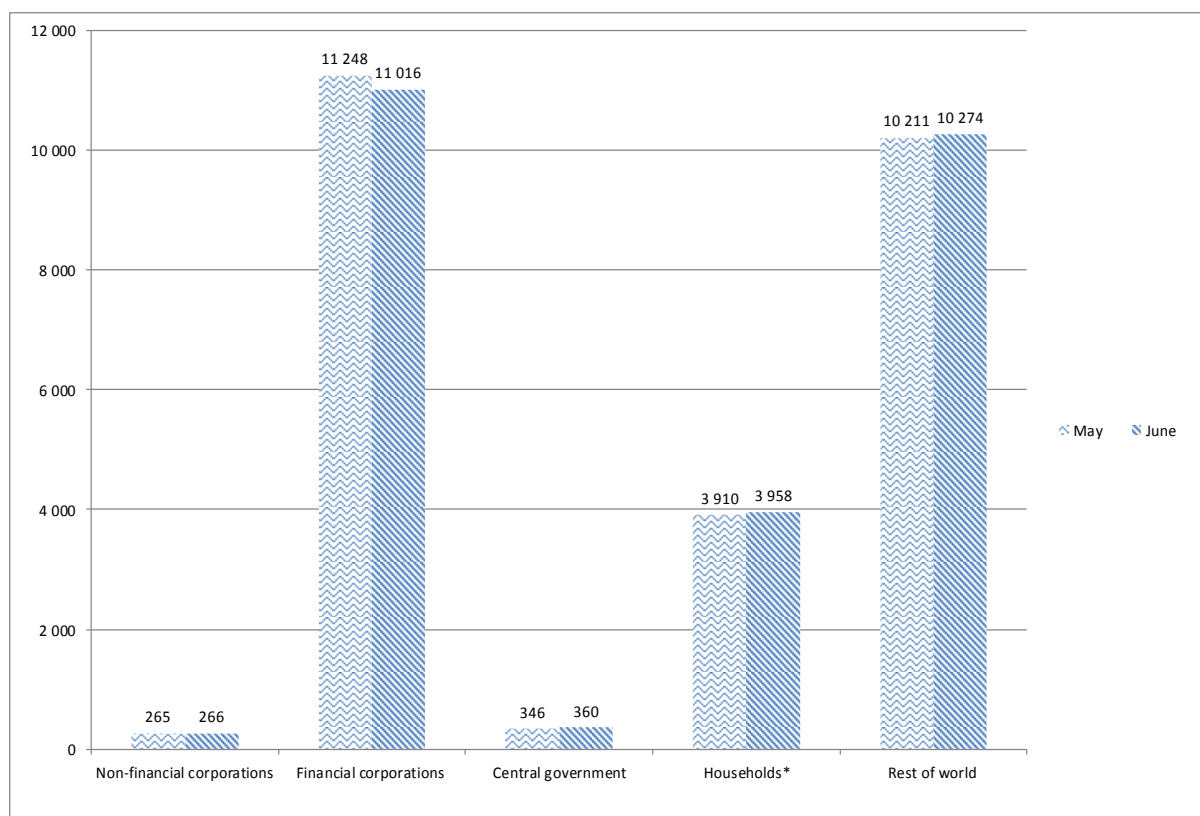
*Distribution of securities holdings issued by central government in a breakdown by holding sector; at market value; HUF billions; June 2016*

Holding sectors	Opening positions	Transactions	Price changes	Foreign exchange rate changes	Other volume changes	Closing positions	Ratio %	Change
Non-financial corporations	265	2	-1	0	0	266	1,0%	1
Financial corporations total	11 248	-275	37	6	0	11 016	42,6%	-232
<i>of which Credit institutions</i>	7 568	-257	22	4	0	7 337	28,4%	-231
Central government	346	15	0	0	0	360	1,4%	15
Households*	3 910	48	-1	1	0	3 958	15,3%	48
Rest of the world	10 211	-14	44	33	0	10 274	39,7%	63
<b>Total</b>	<b>25 980</b>	<b>-224</b>	<b>79</b>	<b>41</b>	<b>0</b>	<b>25 875</b>	<b>100,0%</b>	<b>-105</b>

\* Including stock of nonprofit institutions serving households.

Chart 3

*Distribution of central government securities holdings issued by sector; HUF billions*



\* Including stock of nonprofit institutions serving households.

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Detailed tables: [Table set](#)

Methodology: [Methodological notes](#)

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