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PRESS RELEASE

Securities issued by Hungarian residents and breakdown by holding sectors

September 2016

According to securities statistics data, the amount outstanding of equity securities and debt securities issued by Hungarian residents¹ was HUF 40,883 billion at market value at the end of September 2016, reflecting a HUF 212 billion decline relative to the end of August. Within this, stocks of debt securities fell by HUF 168 billion and those of equity securities by HUF 44 billion. Households and financial corporations reduced their securities holdings by HUF 11 billion and HUF 245 billion, respectively. Non-residents' securities holdings rose by HUF 40 billion in 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; September 2016

Securities	Opening positions	Transactions	Price changes	Foreign exchange rate changes	Other volume changes	Closing positions	Ratio %	Change
Debt securities								
Government securities	26 133	130	61	-37	0	26 286	64,3%	154
Mortgage bonds	897	-160	0	-1	0	736	1,8%	-161
Other bonds	2 725	-156	2	-7	0	2 565	6,3%	-160
total	29 754	-186	63	-45	0	29 587	72,4%	-168
Equity and investment fund shares								
Investment fund shares	5 693	11	2	-2	0	5 704	14,0%	11
Quoted shares	5 648	-1	-55	0	0	5 592	13,7%	-55
total	11 341	10	-52	-2	0	11 296	27,6%	-44
Total securities	41 095	-176	11	-47	0	40 883	100,0%	-212

Holdings of securities issued by central government rose by HUF 154 billion in September, amounting to HUF 26,286 billion. Within this, stocks of forint-denominated securities amounted to HUF 19,187 billion and those of foreign currency-denominated securities to HUF 7,099 billion.

¹ 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/ertekpapier-modszertan-en.pdf>.

There was no new issue in the market of *long-term forint-denominated* government securities and there was no maturity in September. In the primary market, tap issues amounted to HUF 200 billion and redemptions to HUF 76 billion at nominal value. Sales of bonds to households amounted to HUF 26 billion and redemptions to HUF 4 billion. In the market of *short-term forint-denominated* government securities, new issues and tap issues of discount Treasury bills amounted to HUF 180 billion, agency distribution to HUF 32 billion and maturities to HUF 304 billion. The amount of securities issued to households continued to be significant in September, with sales amounting to HUF 289 billion and maturities to HUF 234 billion at nominal value. Yields on forint-denominated securities fell overall, which resulted in a HUF 27 billion price change during the month.

There was no new issue or maturity in the market of *foreign currency-denominated* central government securities. Transactions reflected interest accruals and interest payments. Price changes increased the value of holdings by HUF 35 billion and exchange rate changes reduced it by HUF 37 billion.

The market value of mortgage bonds issued by resident credit institutions was HUF 736 billion at the end of the month, falling by HUF 161 billion relative to the end of August. Market holdings of forint and foreign currency-denominated mortgage bonds amounted to HUF 566 billion and HUF 170 billion, respectively. There was one new issue in a value of HUF 2 billion and one tap issue in a value of HUF 0.2 billion. Two securities matured in a value of HUF 7 billion and one security with a large outstanding stock was redeemed with a total value of HUF 155 billion.

Market holdings of other bonds, issued by other than central government, fell by HUF 160 billion in September. Stocks of forint and foreign currency-denominated bonds amounted to HUF 833 billion and HUF 1,732 billion, respectively, at the end of the month.

In September, four new bonds were issued with a total value of HUF 8 billion and six bonds matured with a total value of HUF 163 billion. The new issues were related to other financial intermediaries and credit institutions, and maturities to credit institutions.

In September, the market value of mutual fund shares issued by Hungarian residents rose by HUF 11 billion to HUF 5,704 billion at the end of the period. Within this, shares issued by money market funds accounted for HUF 847 billion and those issued by other funds for HUF 4,857 billion. Eighteen new mutual fund shares were issued and five matured in the month. The value of new issues was HUF 13 billion and that of maturities HUF 4 billion. In addition to transactions, price changes increased the forint value of holdings by HUF 2 billion and exchange rate changes reduced it by HUF 2 billion.

Market capitalisation of quoted shares issued by resident companies fell by HUF 55 billion in the month to HUF 5,592 billion at the end of September. Within this, shares issued by credit institutions, non-financial corporations and the other sectors, respectively, amounted to HUF 2,037 billion, HUF 3,531 billion and HUF 24 billion. Equity turnover on the Budapest Stock Exchange rose in September relative to the previous month. The prices of blue chips mainly fell, which resulted in a HUF 55 billion price change. Market capitalisation fell by nearly 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 broken down by holding sector; at market value; HUF billions; September 2016

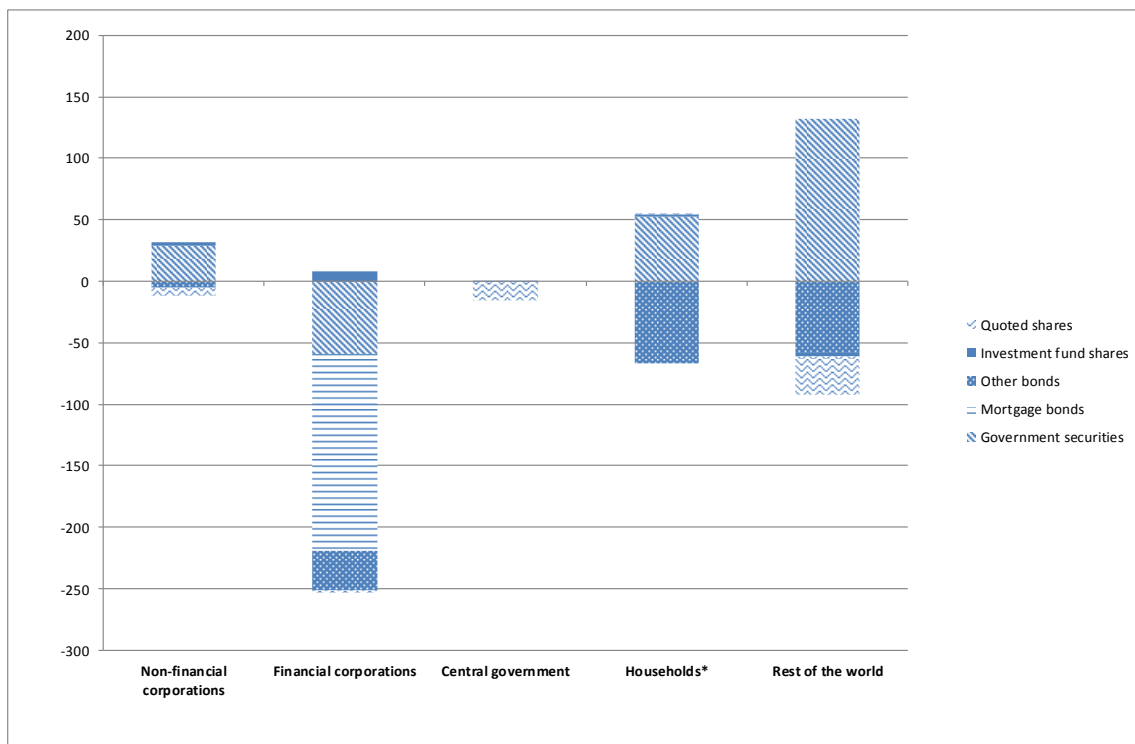
Holding sectors	Opening positions	Transactions	Price changes	Foreign exchange rate changes	Other volume changes	Closing positions	Ratio %	Change
Non-financial corporations	1 315	26	-6	0	0	1 335	3,3%	20
Financial corporations total	14 810	-256	18	-6	0	14 565	35,6%	-245
<i>of which Credit institutions</i>	9 024	-194	12	-3	0	8 839	21,6%	-184
Central government	1 134	1	-15	0	0	1 119	2,7%	-15
Households*	8 517	-6	-3	-3	0	8 505	20,8%	-11
Rest of the world	15 320	60	17	-38	0	15 359	37,6%	40
Total	41 095	-176	11	-47	0	40 883	100,0%	-212

* Including stock of non-profit institutions serving households.

The total market value of securities holdings fell by HUF 212 billion to HUF 40,883 billion at the end of September, accompanied by contrasting developments in holdings by the individual sectors. Here, *residents* held HUF 25,524 billion (or 62.4%) and *non-residents* HUF 15,359 billion (or 37.6%). In September, holdings of securities by financial corporations, general government and households fell and those by the other sectors increased.

Chart 1

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



* Including stock of non-profit institutions serving households..

In September, the increase in non-residents' securities holdings due to transactions accounted for HUF 60 billion of the change in total holdings. Their holdings in the market of securities issued by the government sector rose by HUF 121 billion, reflecting the increase in holdings of forint-denominated securities. Non-residents reduced their holdings of other bonds, quoted shares and mutual fund shares by HUF 54 billion, HUF 2 billion and HUF 5 billion, respectively.

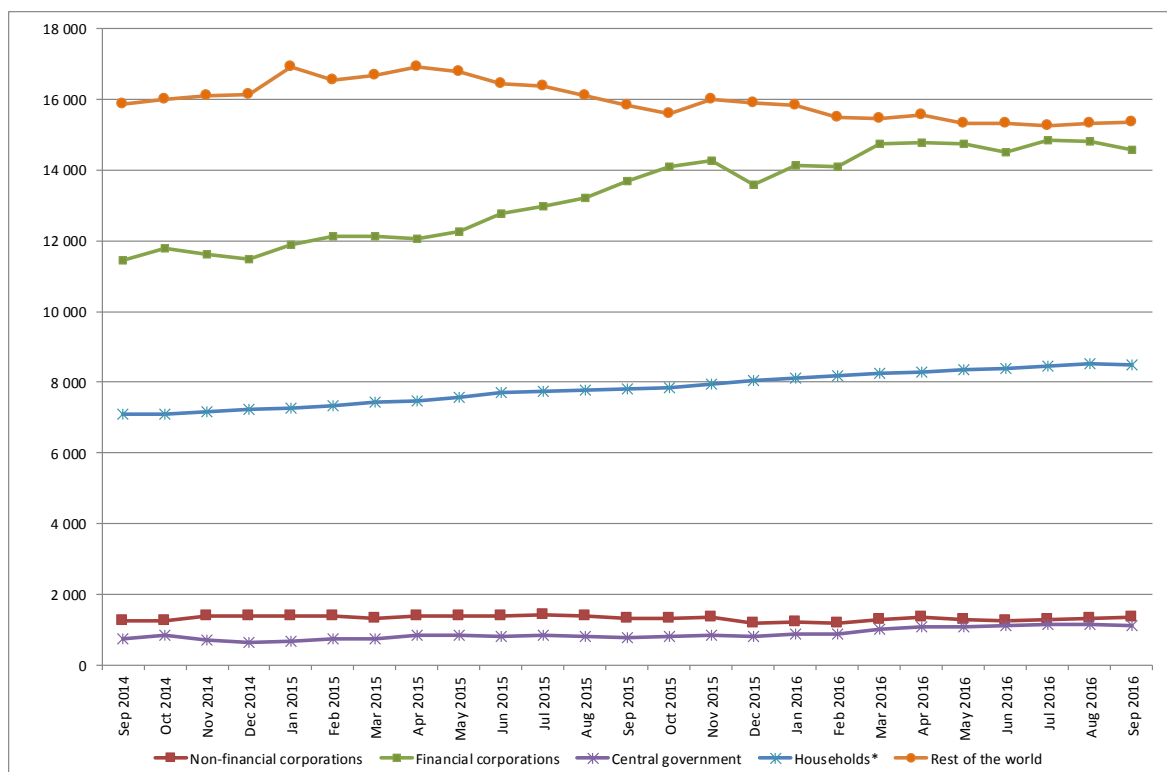
Credit institutions' securities holdings fell by HUF 184 billion in September, with the effect of transactions accounting for HUF 194 billion. Within this, their holdings of securities issued by the government sector and of mortgage bonds declined by HUF 34 billion and HUF 162 billion, respectively. By contrast, their holdings of mutual fund shares and quoted shares remained broadly unchanged. Price changes contributed HUF 12 billion to the sector's holdings and exchange rate changes caused a decline of HUF 3 billion in the month.

Holdings of securities by households (including non-profit institutions serving households) fell in the period. Transactions accounted for HUF 6 billion of the HUF 11 billion decline in holdings. Purchases by households contributed HUF 53 billion to their holdings of government securities. Here, their holdings of short-term securities, long-term forint-denominated securities and foreign currency-denominated government securities, respectively, rose by HUF 26 billion, HUF 23 billion and HUF 4 billion. Households were also net buyers of mutual fund shares and quoted shares, with their holdings rising by HUF 4 billion and HUF 2 billion, respectively, due to transactions. Households reduced their holdings of other bonds significantly, by HUF 65 billion, while holdings of mortgage bonds were broadly unchanged. Holdings of securities by non-profit institutions serving households were unchanged in September.

In September, the market value of securities held by households fell slightly following a prolonged increase. The sector's holdings of securities by financial corporations also fell. By contrast, the share of non-residents increased relative to 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 non-profit 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 132 billion in September. Exchange rate changes had a negative effect and prices changes contributed HUF 44 billion to the value of holdings. By contrast, government securities held by financial corporations fell by HUF 59 billion in the month. Here, holdings by credit institutions, other financial intermediaries, money market funds and insurance corporations and pension funds declined. By contrast, other funds were buyers. Holdings of government securities by households and the non-financial corporate sector increased in the month.

Table 3

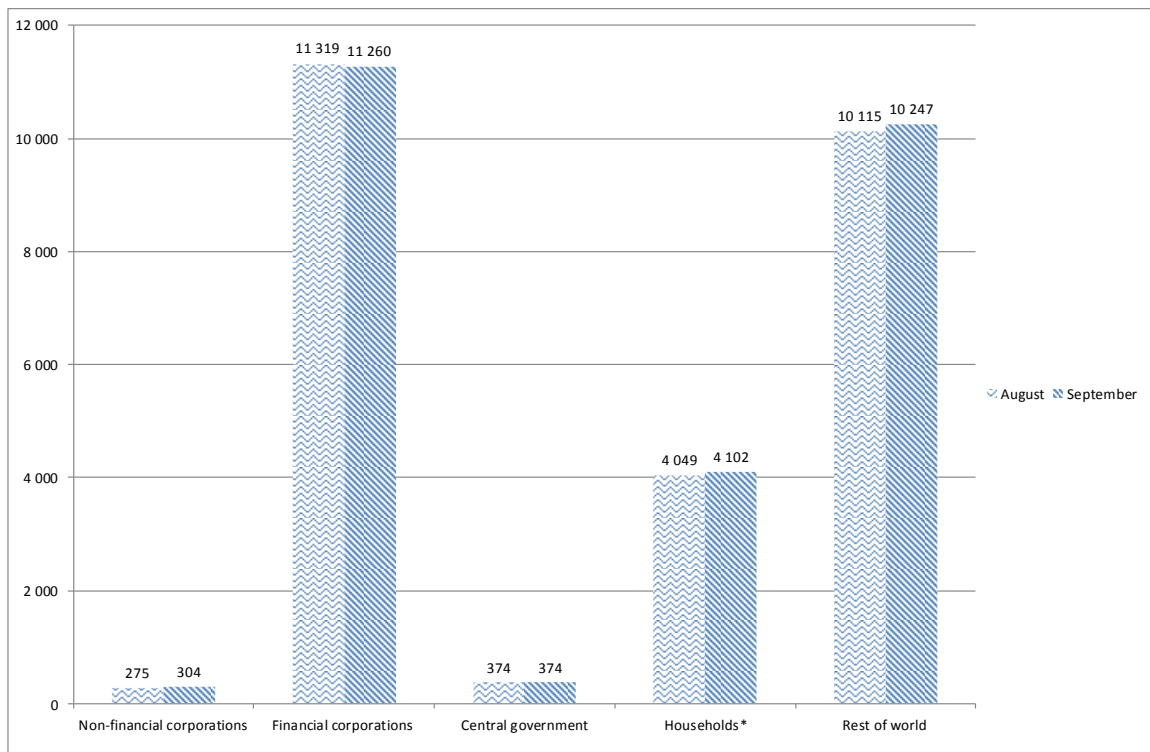
Distribution of securities holdings issued by central government in a breakdown by holding sector; at market value; HUF billions; September 2016

Holding sectors	Opening positions	Transactions	Price changes	Foreign exchange rate changes	Other volume changes	Closing positions	Ratio %	Change
Non-financial corporations	275	29	0	0	0	304	1,2%	29
Financial corporations total	11 319	-73	17	-3	0	11 260	42,8%	-59
<i>of which Credit institutions</i>	7 612	-34	13	-2	0	7 589	28,9%	-23
Central government	374	0	0	0	0	374	1,4%	0
Households*	4 049	53	0	-1	0	4 102	15,6%	52
Rest of the world	10 115	121	44	-33	0	10 247	39,0%	132
Total	26 133	130	61	-37	0	26 286	100,0%	154

* Including stock of non-profit institutions serving households.

Chart 3

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



* Including stock of non-profit institutions serving households.

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Detailed tables: [Table set](#)

Methodology: [Methodological notes](#)

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