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PRESS RELEASE

Securities issued by Hungarian residents and breakdown by holding sectors

April 2017

According to securities statistics, the amount outstanding of equity securities and debt securities issued by Hungarian residents¹ was HUF 43,248 billion at market value at the end of April 2017, reflecting a HUF 601 billion increase relative to the end of March. Within this, the stock of debt securities rose by HUF 131 billion and that of equity securities by HUF 470 billion. Holdings of securities by households and financial corporations increased by HUF 101 billion and HUF 274 billion, respectively. Non-residents' securities holdings rose by HUF 112 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; April 2017

Securities	Opening positions	Transactions	Price changes	Foreign exchange rate changes	Other volume changes	Closing positions	Ratio %	Change
Debt securities								
Government securities	26 873	354	34	-20	0	27 241	63,0%	368
Mortgage bonds	1 072	7	2	2	0	1 082	2,5%	10
Other bonds	2 433	-254	3	4	0	2 186	5,1%	-247
total	30 378	107	39	-14	0	30 509	70,5%	131
Equity and investment fund shares								
Investment fund shares	5 942	13	35	6	0	5 996	13,9%	54
Quoted shares	6 326	0	417	0	0	6 742	15,6%	417
total	12 268	13	452	6	0	12 738	29,5%	470
Total securities	42 646	120	491	-9	0	43 248	100,0%	601

The market value of securities issued by the central government rose significantly by HUF 368 billion in April. The stock of forint-denominated securities amounted to HUF 20,173 billion and that of foreign currency-denominated securities to HUF 7,068 billion at the end of the month.

In the *market of long-term forint-denominated* government securities one security matured and there were three new issues in April; the net issues amounted to HUF 177 billion. In the primary market, tap issues amounted to HUF

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: <http://www.mnb.hu/letoltes/ertekpapir-modszertan-hu.pdf>

214 billion and redemptions to HUF 173 billion at nominal value. Net sales of bonds to households contributed HUF 302 billion to total holdings, of which HUF 169-billion worth of newly issued two-year maturity government securities were sold in the first month. In the market of *short-term forint-denominated* government securities, new issues and tap issues of discount Treasury bills amounted to HUF 120 billion and maturities to HUF 133 billion. The amount of securities issued to households was lower than that of maturities: sales and maturities reached HUF 298 billion and HUF 336 billion, respectively, at nominal value. Yields on forint-denominated securities changed slightly, which resulted in a HUF 9 billion price change.

One security matured in the market of *foreign currency-denominated* government securities in April in the amount of HUF 39 billion and one new bond was put on the market in a value of HUF 48 billion. Price changes rose the value of holdings by HUF 25 billion and exchange rate changes reduced it by HUF 20 billion.

The market value of mortgage bonds issued by resident credit institutions rose by HUF 10 billion. There were tap issues in the case of two securities in a value of HUF 13 billion, redemptions amounted to a HUF 8 billion. There was no maturity in the month. The stock of forint-denominated mortgage bonds amounted to HUF 913 billion and that of foreign currency-denominated mortgage bonds to HUF 169 billion at the end of April.

The market value of other bonds, issued by other than the central government, fell by HUF 247 billion in April. The stock of forint and foreign currency-denominated bonds amounted to HUF 675 billion and HUF 1,511 billion, respectively, at the end of the month. The amount of issues was HUF 14 billion, and maturities amounted to HUF 256 billion in the month. The new issues were related to credit institutions, whereas maturities affected non-financial corporations and credit institutions.

In April, the market value of mutual fund shares issued by Hungarian residents rose by HUF 54 billion. Shares issued by money market funds amounted to HUF 661 billion and those issued by other funds to HUF 5,335 billion at the end of the period. The value of new issues was HUF 9 billion and that of maturities was HUF 15 billion in the month. Price changes raised the value of holdings by HUF 35 billion and exchange rate changes by HUF 6 billion in the reference month.

Market capitalisation of quoted shares issued by resident companies rose considerably by HUF 417 billion in the month and was up to HUF 6,742 billion at the end of April. Within this, shares issued by credit institutions, non-financial corporations and the other sectors amounted to HUF 2,384 billion, HUF 4,329 billion and HUF 29 billion, respectively. Volume changes were exclusively caused by the significant increase in the prices of blue chips in April. One share was delisted during the 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; April 2017

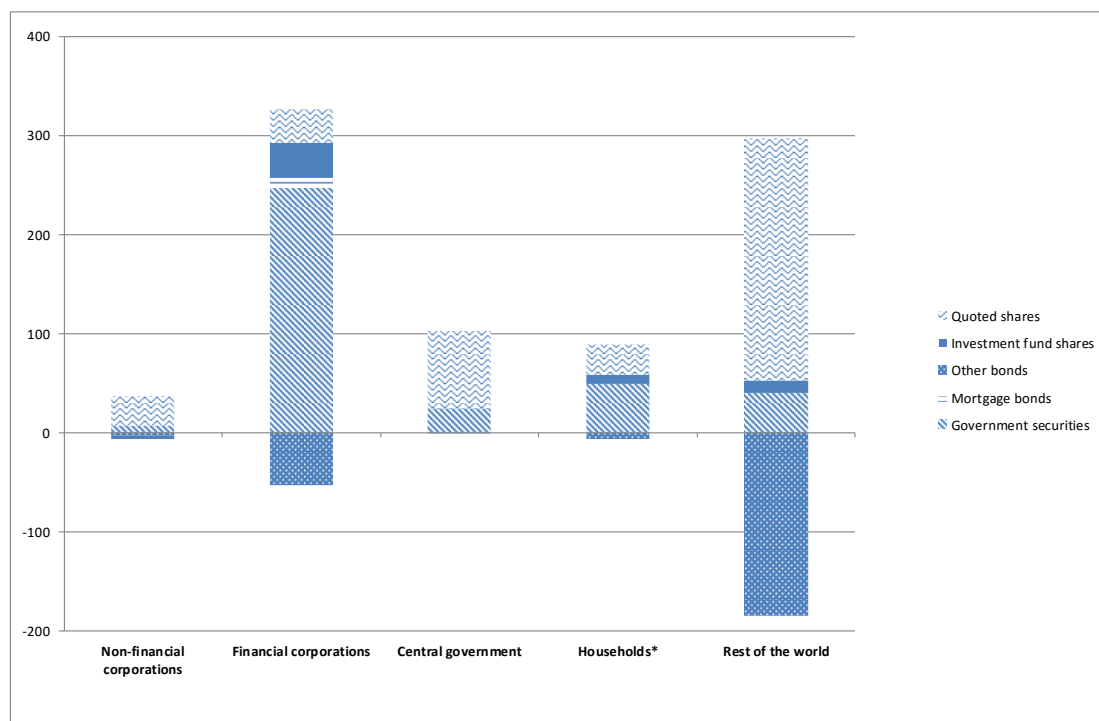
Holding sectors	Opening positions	Transactions	Price changes	Foreign exchange rate changes	Other volume changes	Closing positions	Ratio %	Change
Non-financial corporations	1 408	-4	34	1	0	1 438	3,3%	30
Financial corporations total	15 225	222	47	5	0	15 500	35,8%	274
of which Credit institutions	9 397	213	18	4	0	9 633	22,3%	236
Central government	1 355	24	78	0	0	1 458	3,4%	103
Households*	9 169	43	35	4	0	9 250	21,4%	82
Rest of the world	15 489	-165	296	-19	0	15 602	36,1%	112
Total	42 646	120	491	-9	0	43 248	100,0%	601

* Including stock of non-profit institutions serving households.

The total market value of securities holdings amounted to HUF 43,248 billion, accompanied by the increase in holdings by the holding sectors at the end of April. Here, *residents* and *non-residents* held HUF 27,646 billion (or 63.9%) and HUF 15,602 billion (or 36.1%), respectively.

Chart 1

Change in the distribution of securities holdings issued by residents by holding sector in April 2017; HUF billions



* Including stock of non-profit institutions serving households.

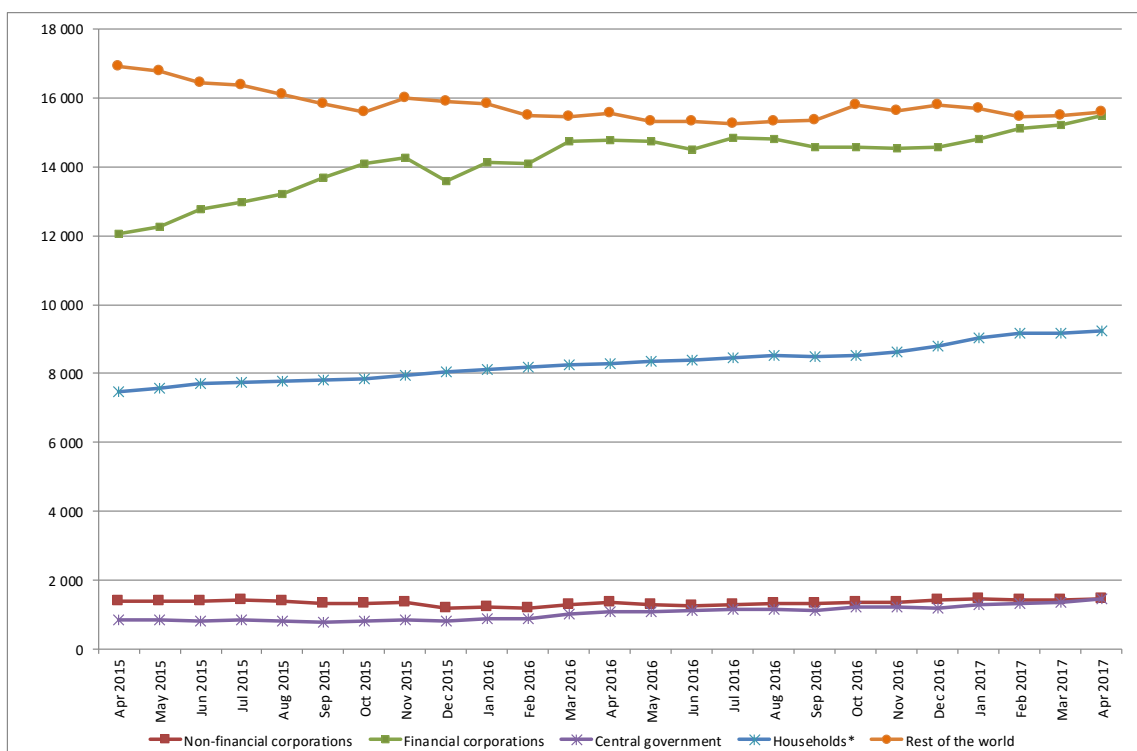
In April, the decline in holdings by non-residents due to transactions accounted for HUF 165 billion. The sector's holdings in the market of securities issued by the government sector rose by HUF 34 billion due to transactions, reflecting the effect of an increase in holdings of foreign currency-denominated securities. They also increased their holdings of mutual fund shares by HUF 6 billion. By contrast, their holdings of other bonds fell significantly by HUF 189 billion, while there was a less intense decrease in their holdings of quoted shares in a value of HUF 17 billion in the month.

In April, credit institutions' securities holdings rose by HUF 213 billion due to transactions. Within that, their holdings of securities issued by the government sector, mutual fund shares and mortgage bonds rose by HUF 212 billion, by HUF 9 billion and HUF 5 billion respectively. However, their holdings of other bonds showed a HUF 12 billion decrease.

Holdings of securities by households (including non-profit institutions serving households) increased in the period. Transactions accounted for HUF 43 billion of the HUF 82 billion increase in holdings. Households raised their holdings of government securities by HUF 69 billion. Here, their holdings of long-term securities rose by HUF 88 billion, those of short-term forint-denominated securities and foreign currency-denominated government securities fell by HUF 16 billion and HUF 3 billion, respectively. They increased their holdings of quoted shares by HUF 10 billion. They were net sellers of mutual fund shares and other bonds, with their holdings falling by HUF 8 and HUF 7 billion, respectively, due to transactions. Holdings of securities by non-profit institutions serving households fell in the month.

In April, the sustained rise in the market value of securities held by households continued. The upward trend in holdings of securities by financial corporations and non-residents' share thereof also continued.

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 the central government, recorded at market value, all sectors rose their holdings in April. Holdings of *non-residents*, as well as those of financial corporations rose by HUF 40 billion, and HUF 247 billion, respectively, during the month. Within financial corporations the share of the credit institution and insurance corporation sub-sectors rose most strongly. The increase amounted to HUF 218 billion and HUF 23 billion, respectively. Decrease was only observable in the case of money market funds. The increase in holdings by *households* (including non-profit institutions serving households) amounted to HUF 50 billion in April.

Table 3

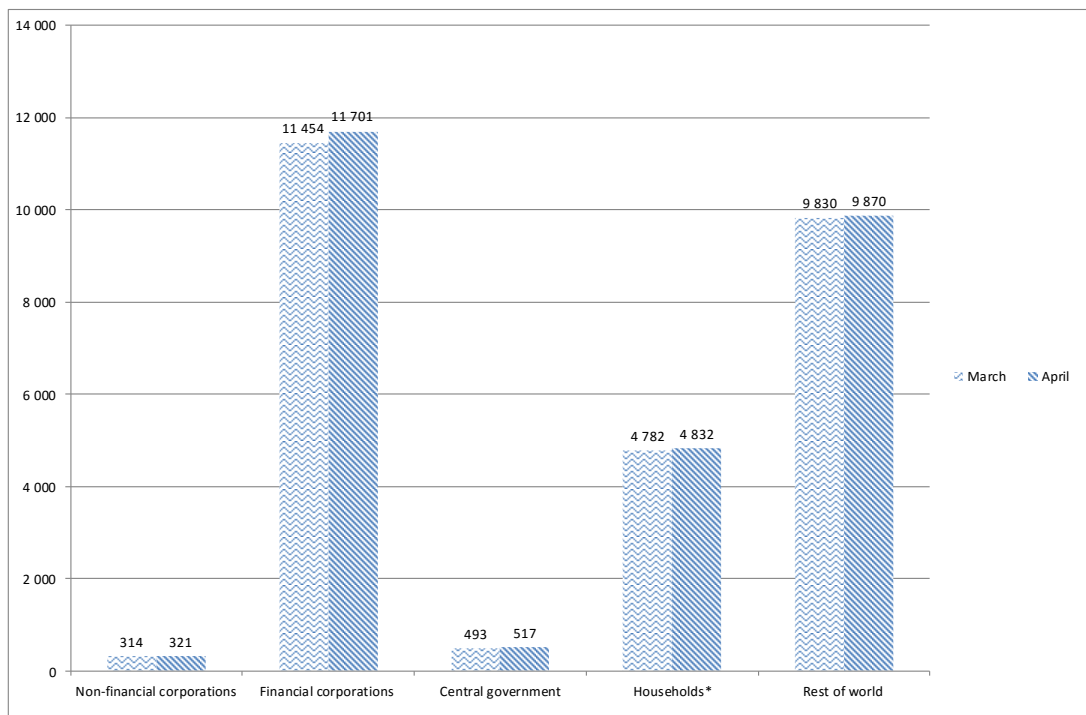
Distribution of securities holdings issued by central government in a breakdown by holding sector; at market value; HUF billions; April 2017

Holding sectors	Opening positions	Transactions	Price changes	Foreign exchange rate changes	Other volume changes	Closing positions	Ratio %	Change
Non-financial corporations	314	7	0	0	0	321	1,2%	7
Financial corporations total	11 454	239	6	2	0	11 701	43,0%	247
<i>of which Credit institutions</i>	7 879	212	4	2	0	8 097	29,7%	218
Central government	493	25	-1	0	0	517	1,9%	24
Households*	4 782	50	-1	1	0	4 832	17,7%	50
Rest of the world	9 830	34	30	-24	0	9 870	36,2%	40
Total	26 873	354	34	-20	0	27 241	100,0%	368

* 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.

Detailed tables: [Table set](#)

Methodology: [Methodological notes](#)

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