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PRESS RELEASE

Securities issued by Hungarian residents and breakdown by holding sectors

June 2017

According to securities statistics, the amount outstanding of equity securities and debt securities issued by Hungarian residents¹ was HUF 42,869 billion at market value at the end of June 2017, reflecting a HUF 269 billion decrease relative to the end of May. Within this, the stock of debt securities fell by HUF 393 billion and that of equity securities rose by HUF 124 billion. Holdings of securities by households increased by HUF 28 billion and the holdings of financial corporations decreased by HUF 255 billion, respectively. Non-residents' securities holdings also fell by HUF 109 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 2017

Securities	Opening positions	Transactions	Price changes	Foreign exchange rate changes	Other volume changes	Closing positions	Ratio %	Change
Debt securities								
Government securities	27 070	-79	-10	-66	0	26 915	62,8%	-155
Mortgage bonds	1 092	-152	0	0	0	941	2,2%	-151
Other bonds	2 184	-81	0	-6	0	2 098	4,9%	-87
total	30 346	-311	-9	-73	0	29 953	69,9%	-393
Equity and investment fund shares								
Investment fund shares	6 033	26	-12	0	0	6 047	14,1%	14
Quoted shares	6 759	6	104	0	0	6 869	16,0%	110
total	12 792	32	92	0	0	12 916	30,1%	124
Total securities	43 137	-280	83	-72	0	42 869	100,0%	-269

The market value of securities issued by the central government fell by HUF 155 billion in June. The stock of forint-denominated securities amounted to HUF 20,232 billion and that of foreign currency-denominated securities to HUF 6,683 billion at the end of the month.

There was no issuance or maturity in the market of long-term forint-denominated government securities in June. In the primary market, tap issues amounted to HUF 222 billion and redemptions to HUF 238 billion at nominal value. The value of holdings was reduced by significant interest payments during the month. Net sales of bonds to

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:

households resulted in a rise in total holdings by HUF 115 billion. In the market of *short-term forint-denominated* government securities, new issues and tap issues of discount Treasury bills amounted to HUF 115 billion and maturities to HUF 81 billion. The amount of securities issued to households was slightly lower than that of maturities: sales and maturities reached HUF 272 billion and HUF 298 billion, respectively, at nominal value. Yields on forint-denominated securities changed only marginally, which resulted in a HUF -6 billion price change.

There was no issuance or maturity in the market of *foreign currency-denominated securities* issued by central government. Price changes reduced the value of holdings by HUF 4 billion and exchange rate changes by HUF 66 billion.

The market value of mortgage bonds issued by resident credit institutions fell significantly by HUF 151 billion in the month, which was caused by the redemption of a foreign currency-denominated mortgage bond. The stock of forint-denominated mortgage bonds amounted to HUF 928 billion and that of foreign currency-denominated mortgage bonds to HUF 13 billion at the end of June.

The market value of other bonds, issued by other than the central government, fell by HUF 87 billion in June. The stock of forint and foreign currency-denominated bonds amounted to HUF 594 billion and HUF 1,504 billion, respectively, at the end of the month. In June, the amounts of issues and tap issues were HUF 15 billion, maturities amounted to HUF 81 billion, and redemptions to HUF 18 billion. The new issues were related to credit institutions and the non-financial corporate sector, maturities to credit institutions, whereas redemptions basically affected financial auxiliaries.

In June, the market value of mutual fund shares issued by Hungarian residents rose by HUF 14 billion. Shares issued by money market funds amounted to HUF 634 billion and those issued by other funds to HUF 5,413 billion at the end of the period. The value of new issues amounted to HUF 8 billion, and that of maturities to HUF 18 billion in the month. Price changes reduced the value of holdings by HUF 12 billion in June.

Market capitalisation of quoted shares issued by resident companies rose by HUF 110 billion in the month and was up to HUF 6,869 billion at the end of June. Within this, shares issued by credit institutions, non-financial corporations and the other sectors amounted to HUF 2,562 billion, HUF 4,276 billion and HUF 31 billion, respectively. The prices of blue chips were typically up, market capitalisation rose by 1.6 per cent in June. The price change increased the volume by HUF 104 billion.

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 2017

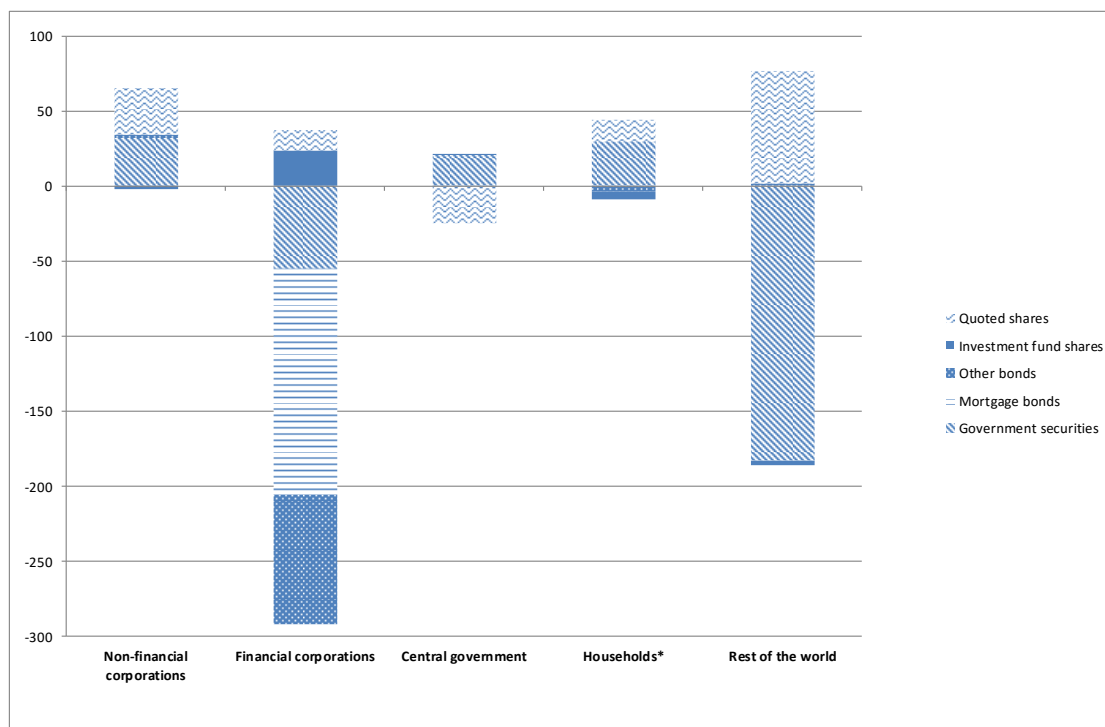
Holding sectors	Opening positions	Transactions	Price changes	Foreign exchange rate changes	Other volume changes	Closing positions	Ratio %	Change
Non-financial corporations	1 435	33	30	0	0	1 499	3,5%	64
Financial corporations total	15 599	-248	-2	-4	0	15 344	35,8%	-255
<i>of which Credit institutions</i>	9 699	-275	-11	0	0	9 413	22,0%	-286
Central government	1 463	21	-25	0	0	1 459	3,4%	-4
Households*	9 321	20	16	-1	0	9 356	21,8%	35
Rest of the world	15 319	-106	64	-67	0	15 210	35,5%	-109
Total	43 137	-280	83	-72	0	42 869	100,0%	-269

* Including stock of non-profit institutions serving households.

The total market value of securities holdings amounted to HUF 42,869 billion, accompanied by opposite changes in the investments by the holding sectors at the end of June. Here, *residents* and *non-residents* held HUF 27,659 billion (or 64.5%) and HUF 15,210 billion (or 35.5%), respectively.

Chart 1

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



* Including stock of non-profit institutions serving households.

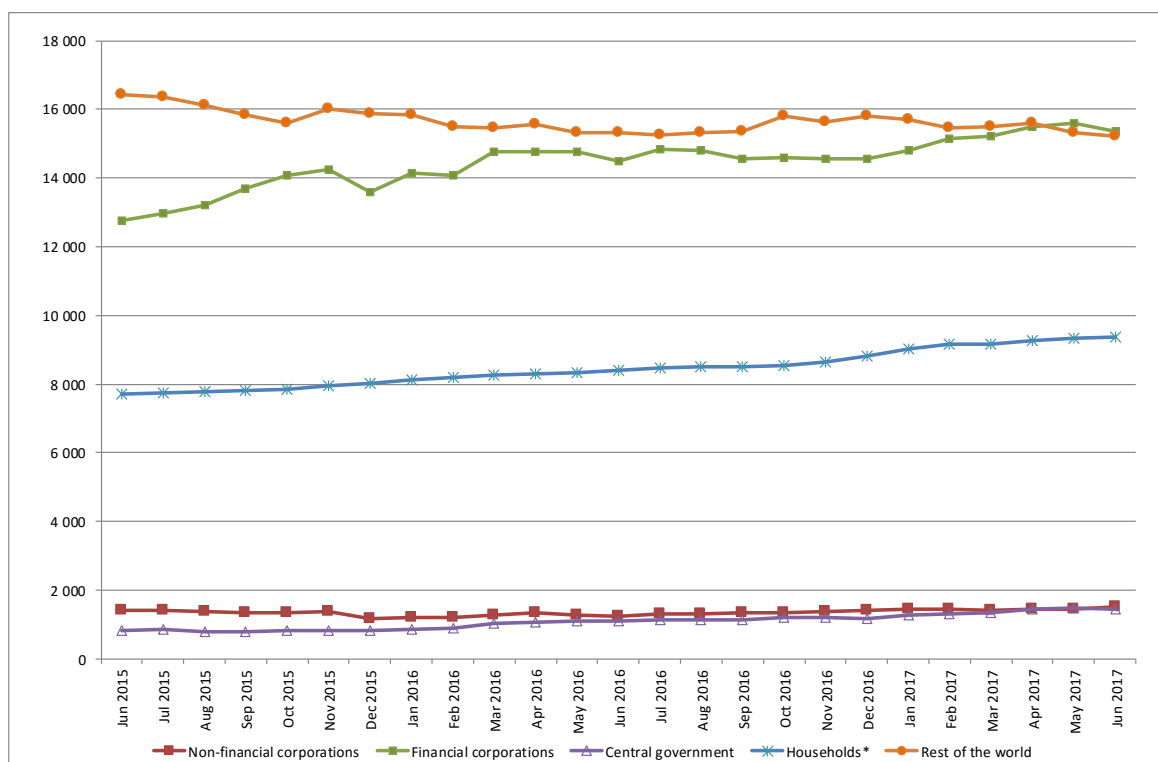
In June, the decline in holdings by non-residents due to transactions accounted for HUF 106 billion. The sector's holdings in the market of securities issued by the government sector fell by HUF 118 billion due to transactions, reflecting the effect of a decrease in holdings of long-term forint-denominated securities. They also decreased their holdings of mutual fund shares by HUF 3 billion. By contrast, their holdings of quoted shares and other bonds rose slightly by HUF 11 billion and HUF 5 billion, respectively, in the month.

In June, credit institutions' securities holdings fell by HUF 275 billion due to transactions. Within that, their holdings of securities issued by the government sector, mortgage bonds and other bonds decreased by HUF 62 billion, HUF 155 billion and HUF 60 billion, respectively.

Holdings of securities by households (including non-profit institutions serving households) increased in the period. Transactions accounted for HUF 20 billion of the HUF 35 billion increase in holdings. Households raised their holdings of government securities by HUF 23 billion. Here, their holdings of long-term securities rose by HUF 75 billion, those of short-term forint-denominated securities fell by HUF 54 billion, while those of foreign currency-denominated government securities rose HUF 2 billion, respectively. They increased slightly their holdings of mutual fund shares by HUF 4 billion. Their holdings of other bonds and quoted shares decreased by HUF 4 billion and HUF 11 billion, respectively. Holdings of securities by non-profit institutions serving households rose slightly in the month.

In June, the rise in the market value of securities held by households continued. Holdings of securities by financial corporations and non-residents' share thereof decreased in the 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 the central government, recorded at market value, *non-residents'* and *financial corporations'* holdings fell by HUF 183 billion and HUF 55 billion, respectively, in June. By contrast all other domestic sectors raised their holdings. The holdings of the *non-financial corporate sector* and the *general government sector* rose by HUF 32 billion and HUF 21 billion, respectively, in the month. The increase in holdings by *households* and *non-profit institutions serving households* amounted to HUF 30 billion in June.

Table 3

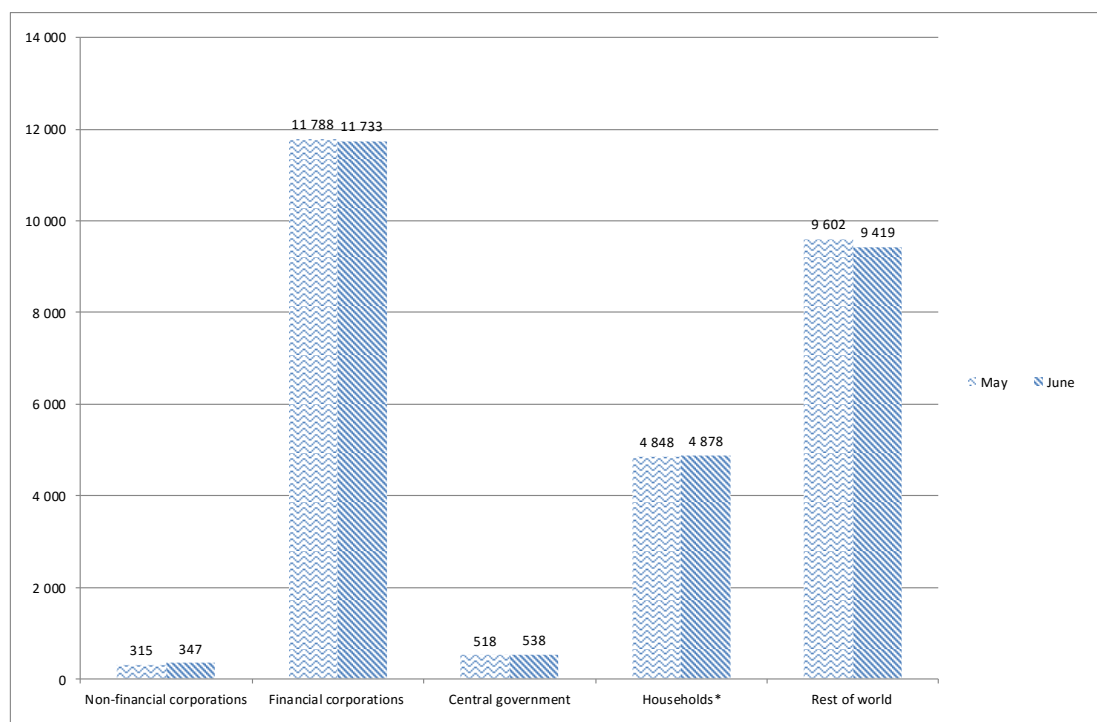
Distribution of securities holdings issued by central government in a breakdown by holding sector; at market value; HUF billions; June 2017

Holding sectors	Opening positions	Transactions	Price changes	Foreign exchange rate changes	Other volume changes	Closing positions	Ratio %	Change
Non-financial corporations	315	32	0	0	0	347	1,3%	32
Financial corporations total	11 788	-44	-9	-2	0	11 733	43,6%	-55
<i>of which Credit institutions</i>	8 164	-62	-6	-1	0	8 095	30,1%	-69
Central government	518	21	0	0	0	538	2,0%	21
Households*	4 848	30	0	0	0	4 878	18,1%	30
Rest of the world	9 602	-118	-1	-64	0	9 419	35,0%	-183
Total	27 070	-79	-10	-66	0	26 915	100,0%	-155

* Including stock of non-profit institutions serving households.

Chart 3

Distribution of central government securities holdings issued by sector recorded at market level; HUF billions



* Including stock of non-profit institutions serving households.

Detailed tables: [Table set](#)

Methodology: [Methodological notes](#)

MAGYAR NEMZETI BANK

DIRECTORATE STATISTICS

Contact information:

Phone: + 36 (1) 428-2751

Fax: + 36 (1) 429-8000

Email: sajto@mnbb.hu