



11 September 2017

## PRESS RELEASE

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

July 2017

*According to securities statistics, the amount outstanding of equity securities and debt securities issued by Hungarian residents<sup>1</sup> was HUF 42,749 billion at market value at the end of July 2017, reflecting a HUF 122 billion decrease relative to the end of June. Within this, the stock of debt securities fell by HUF 382 billion and that of equity securities rose by HUF 260 billion. Holdings of securities by households increased by HUF 135 billion and the holdings of financial corporations decreased by HUF 75 billion, respectively. Non-residents' securities holdings also fell by HUF 173 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; July 2017*

| Securities                               | Opening positions | Transactions | Price changes | Foreign exchange rate changes | Other volume changes | Closing positions | Ratio %       | Change      |
|--|-------------------|--------------|---------------|-------------------------------|----------------------|-------------------|---------------|-------------|
| <b>Debt securities</b>                   |                   |              |               |                               |                      |                   |               |             |
| Government securities                    | 26 915            | -100         | -63           | -209                          | 0                    | 26 544            | 62,1%         | -371        |
| Mortgage bonds                           | 941               | 0            | -2            | 0                             | 0                    | 938               | 2,2%          | -2          |
| Other bonds                              | 2 100             | 29           | -1            | -37                           | 0                    | 2 091             | 4,9%          | -9          |
| <b>total</b>                             | <b>29 955</b>     | <b>-71</b>   | <b>-66</b>    | <b>-246</b>                   | <b>0</b>             | <b>29 573</b>     | <b>69,2%</b>  | <b>-382</b> |
| <b>Equity and investment fund shares</b> |                   |              |               |                               |                      |                   |               |             |
| Investment fund shares                   | 6 047             | 19           | -12           | -16                           | 0                    | 6 039             | 14,1%         | -8          |
| Quoted shares                            | 6 869             | 13           | 182           | -1                            | 74                   | 7 137             | 16,7%         | 268         |
| <b>total</b>                             | <b>12 916</b>     | <b>32</b>    | <b>171</b>    | <b>-17</b>                    | <b>74</b>            | <b>13 175</b>     | <b>30,8%</b>  | <b>260</b>  |
| <b>Total securities</b>                  | <b>42 871</b>     | <b>-39</b>   | <b>105</b>    | <b>-262</b>                   | <b>74</b>            | <b>42 749</b>     | <b>100,0%</b> | <b>-122</b> |

The market value of securities issued by the central government fell by HUF 371 billion in July. The stock of forint-denominated securities amounted to HUF 20,261 billion and that of foreign currency-denominated securities to HUF 6,283 billion at the end of the month.

There was one new issuance in the market of *long-term forint-denominated* government securities in July in the value of HUF 16 billion; however, there was no maturity. In the primary market, tap issues amounted to HUF 147 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:

and redemptions to HUF 141 billion at nominal value. Net sales of bonds to households resulted in a rise in total holdings by HUF 103 billion. In the market of *short-term forint-denominated* government securities, new issues and tap issues of discount Treasury bills amounted to HUF 90 billion and maturities to HUF 210 billion. The amount of securities issued to households was higher than that of maturities: sales and maturities reached HUF 364 billion and HUF 318 billion, respectively, at nominal value. Yields on forint-denominated securities rose, which resulted in a HUF -57 billion price change.

New issues amounted to HUF 47 billion in the market of *foreign currency-denominated* securities in July. One euro-denominated foreign currency bond matured: its value was HUF 243 billion. Price changes reduced the value of holdings by HUF 6 billion and exchange rate changes decreased them significantly by HUF 209 billion.

The market value of mortgage bonds issued by resident credit institutions fell by HUF 2 billion in the month under review. There were two tap issues in the value of HUF 15 billion, which was offset by the interest rates paid during the month, overall. The stock of forint-denominated mortgage bonds amounted to HUF 926 billion and that of foreign currency-denominated mortgage bonds to HUF 13 billion at the end of July.

The market value of other bonds, issued by other than the central government, fell by HUF 9 billion in July. The stock of forint and foreign currency-denominated bonds amounted to HUF 601 billion and HUF 1,490 billion, respectively, at the end of the month. In July, the amounts of issues and tap issues were HUF 34 billion, maturities amounted to HUF 5 billion. The new issues were related to credit institutions and the non-financial corporate sector, maturities to credit institutions. Exchange rate changes reduced the value of holdings by HUF 37 billion in July.

In July, the market value of mutual fund shares issued by Hungarian residents fell by HUF 8 billion. Shares issued by money market funds amounted to HUF 612 billion and those issued by other funds to HUF 5,427 billion at the end of the period. The value of new issues amounted to HUF 2 billion, and that of maturities to HUF 11 billion in the month. Price changes reduced the value of holdings by HUF 12 billion and exchange rate changes by HUF 16 billion.

Market capitalisation of quoted shares issued by resident companies rose by HUF 268 billion in the month and was up to HUF 7,137 billion at the end of July. Within this, shares issued by credit institutions, non-financial corporations and the other sectors amounted to HUF 2,703 billion, HUF 4,403 billion and HUF 31 billion, respectively. The movement in the prices of blue chips showed a mixed picture, and there was a sharp increase in the share-prices of several companies of smaller capitalisation, thereby market capitalisation rose by 3.9 per cent relative to the previous month. The price change increased the volume by HUF 182 billion, the reclassification of an unquoted share to quoted share caused other volume changes in a value of HUF 74 billion in 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; July 2017*

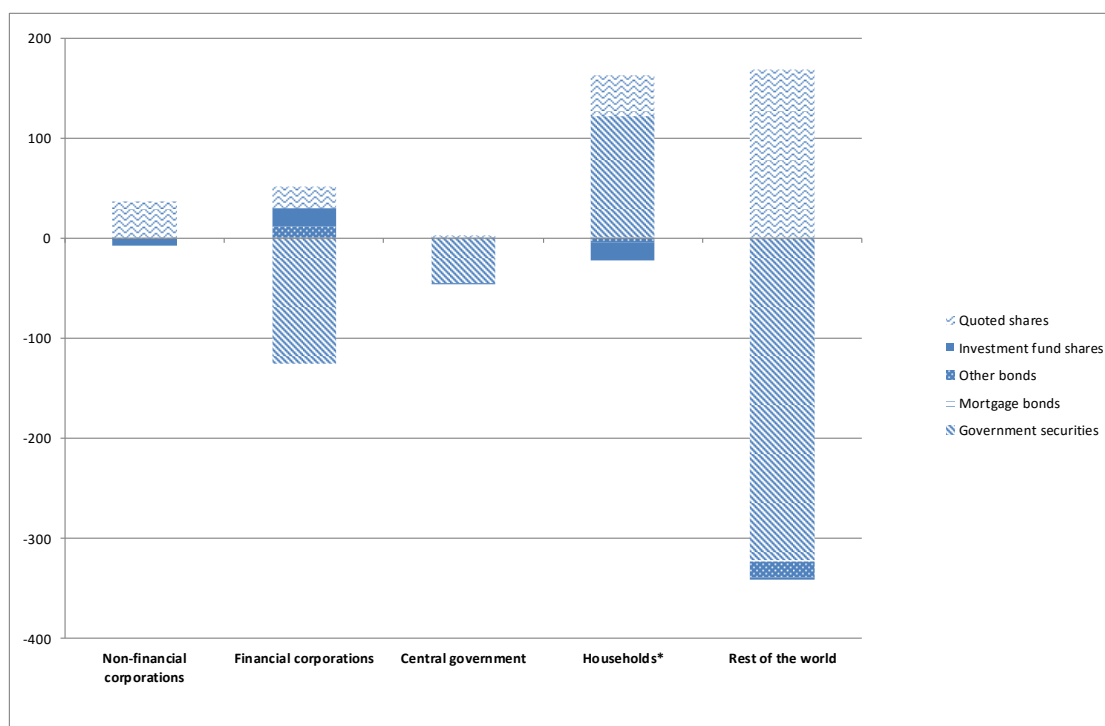
| Holding sectors                     | Opening positions | Transactions | Price changes | Foreign exchange rate changes | Other volume changes | Closing positions | Ratio %       | Change      |
|-------------------------------------|-------------------|--------------|---------------|-------------------------------|----------------------|-------------------|---------------|-------------|
| Non-financial corporations          | 1 501             | -5           | 36            | -3                            | 1                    | 1 530             | 3,6%          | 29          |
| Financial corporations total        | 15 344            | -16          | -29           | -30                           | 0                    | 15 268            | 35,7%         | -75         |
| <i>of which Credit institutions</i> | 9 413             | -53          | -25           | -13                           | 0                    | 9 321             | 21,8%         | -91         |
| Central government                  | 1 459             | -44          | 2             | 0                             | 0                    | 1 417             | 3,3%          | -42         |
| Households*                         | 9 357             | 133          | 22            | -16                           | 1                    | 9 497             | 22,2%         | 140         |
| Rest of the world                   | 15 210            | -107         | 75            | -214                          | 73                   | 15 037            | 35,2%         | -173        |
| <b>Total</b>                        | <b>42 871</b>     | <b>-39</b>   | <b>105</b>    | <b>-262</b>                   | <b>74</b>            | <b>42 749</b>     | <b>100,0%</b> | <b>-122</b> |

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

The total market value of securities holdings amounted to HUF 42,749 billion, accompanied by opposite changes in the investments by the holding sectors at the end of July. Here, *residents* and *non-residents* held HUF 27,712 billion (or 64.8%) and HUF 15,037 billion (or 35.2%), respectively.

Chart 1

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



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

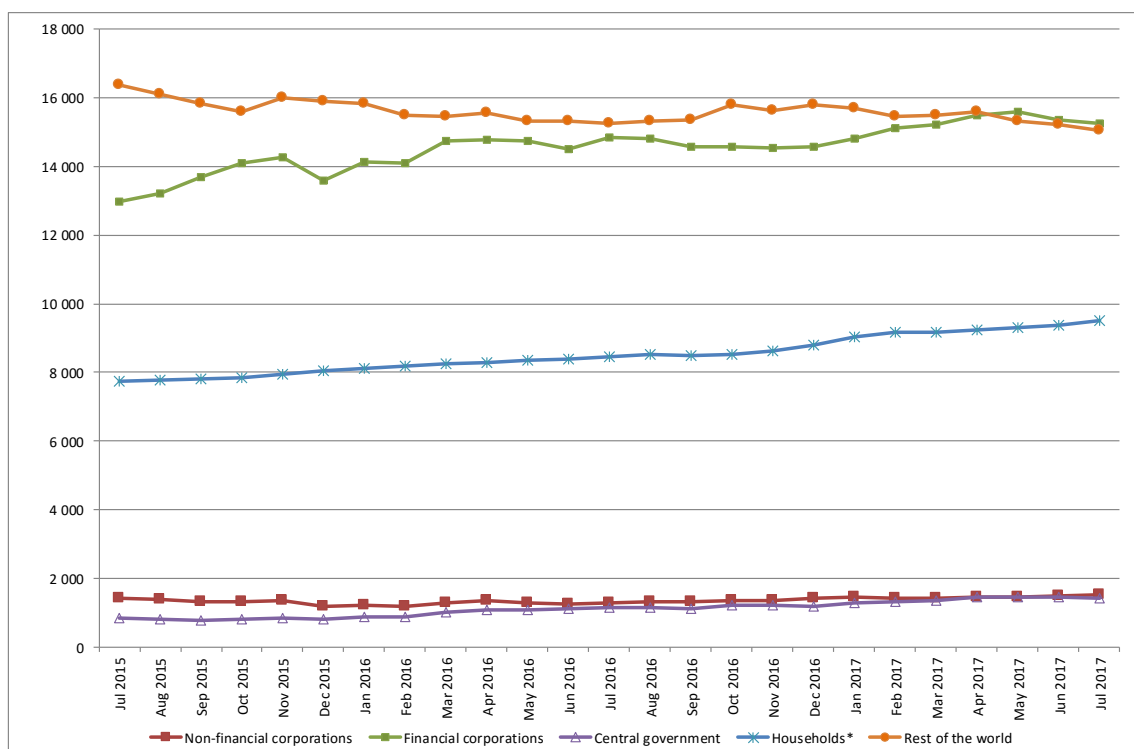
In July, the decline in holdings by non-residents due to transactions accounted for HUF 107 billion. The sector's holdings in the market of securities issued by the government sector fell by HUF 116 billion due to transactions, fundamentally reflecting the effect of a decrease in holdings of foreign currency-denominated securities. By contrast, their holdings of quoted shares and other bonds rose slightly by HUF 6 billion and HUF 5 billion, respectively, in the month.

In July, credit institutions' securities holdings fell by HUF 53 billion due to transactions. Within that, their holdings of securities issued by the government sector and quoted shares decreased by HUF 67 billion and HUF 4 billion, respectively; while their holdings of other bonds increased by HUF 19 billion in the month.

Holdings of securities by households (including non-profit institutions serving households) increased in the period. Transactions accounted for HUF 133 billion of the HUF 140 billion increase in holdings. Households raised their holdings of government securities by HUF 121 billion. Here, their holdings of long-term forint-denominated securities, short-term forint-denominated securities and foreign currency-denominated securities rose by HUF 65 billion, HUF 52 billion and HUF 4 billion, respectively. They also increased their holdings of quoted shares by HUF 11 billion. Their holdings of other bonds and mutual fund shares decreased by HUF 3 billion and HUF 2 billion, respectively. Holdings of securities by non-profit institutions serving households rose slightly in the month.

In July, 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', financial corporations'* and *the general government sector's* holdings fell by HUF 322 billion, HUF 126 billion and HUF 45 billion, respectively, in July. The increase in holdings by *households* and *non-profit institutions serving households* amounted to HUF 122 billion in July.

Table 3

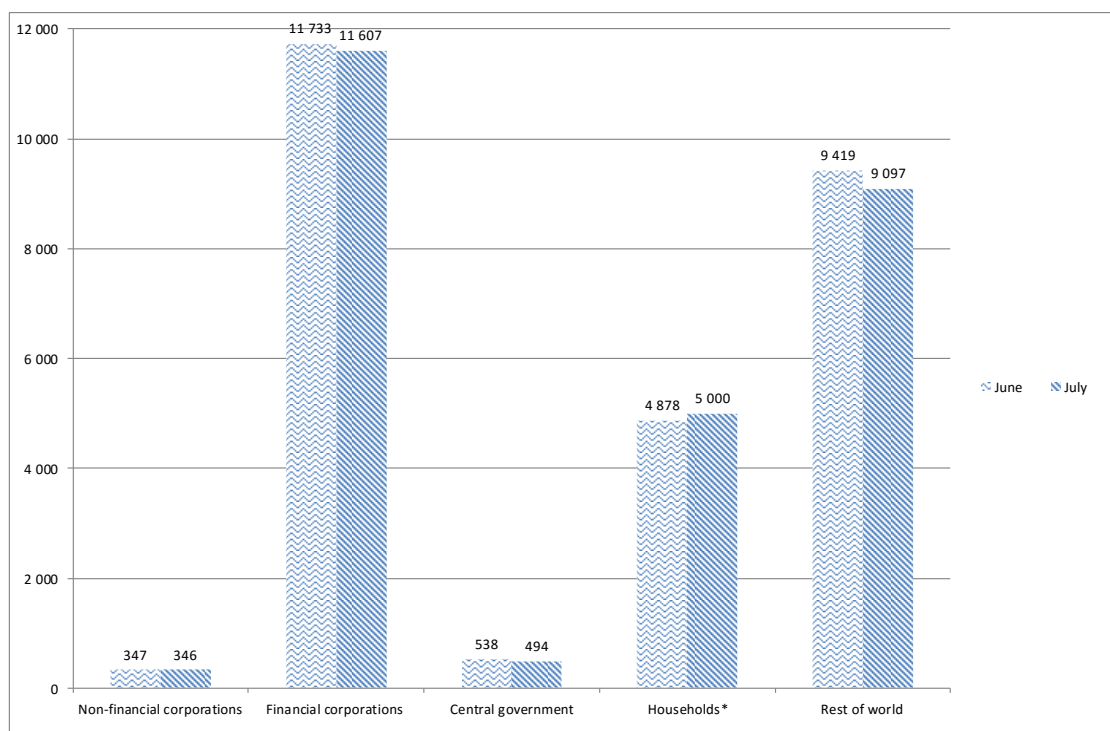
*Distribution of securities holdings issued by central government in a breakdown by holding sector; at market value; HUF billions; July 2017*

| <b>Holding sectors</b>              | <b>Opening positions</b> | Transactions | Price changes | Foreign exchange rate changes | Other volume changes | <b>Closing positions</b> | Ratio %       | Change      |
|-------------------------------------|--------------------------|--------------|---------------|-------------------------------|----------------------|--------------------------|---------------|-------------|
| Non-financial corporations          | 347                      | 1            | -1            | -1                            | 0                    | 346                      | 1,3%          | -1          |
| Financial corporations total        | 11 733                   | -68          | -43           | -15                           | 0                    | 11 607                   | 43,7%         | -126        |
| <i>of which Credit institutions</i> | 8 095                    | -67          | -30           | -10                           | 0                    | 7 988                    | 30,1%         | -107        |
| Central government                  | 538                      | -44          | -1            | 0                             | 0                    | 494                      | 1,9%          | -45         |
| Households*                         | 4 878                    | 126          | -1            | -3                            | 0                    | 5 000                    | 18,8%         | 122         |
| Rest of the world                   | 9 419                    | -116         | -17           | -189                          | 0                    | 9 097                    | 34,3%         | -322        |
| <b>Total</b>                        | <b>26 915</b>            | <b>-100</b>  | <b>-63</b>    | <b>-209</b>                   | <b>0</b>             | <b>26 544</b>            | <b>100,0%</b> | <b>-371</b> |

\* 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.

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Detailed tables: [Table set](#)

Methodology: [Methodological notes](#)

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