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PRESS RELEASE

Securities issued by Hungarian residents and breakdown by holding sectors

March 2018

According to securities statistics, the amount outstanding of equity securities and debt securities issued by Hungarian residents¹ was HUF 45,311 billion at market value at the end of March 2018, reflecting an increase of HUF 329 billion relative to the end of February. Within this, stocks of debt securities rose by HUF 482 billion and those of equity securities fell by HUF 154 billion, respectively. Stock of securities held by households and those of financial corporations rose by HUF 8 billion and by HUF 197 billion, respectively, while non-residents' securities stocks also increased by HUF 105 billion.

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; March 2018

Securities	Opening positions	Transactions	Price changes	Foreign exchange rate changes	Other volume changes	Closing positions	Ratio %	Change
Debt securities								
Government securities	27 905	453	26	-58	0	28 326	62,5%	421
Mortgage bonds	935	38	-1	0	0	972	2,1%	38
Other bonds	1 921	36	-1	-11	0	1 945	4,3%	24
total	30 760	527	24	-69	0	31 243	69,0%	482
Equity and investment fund shares								
Investment fund shares	6 440	19	-25	-7	0	6 426	14,2%	-13
Quoted shares	7 782	-2	-138	0	0	7 642	16,9%	-140
total	14 222	17	-163	-8	0	14 068	31,0%	-154
Total securities	44 982	545	-139	-77	0	45 311	100,0%	329

The market value of securities issued by the central government rose by HUF 421 billion in March. The stock of forint-denominated securities amounted to HUF 22,412 billion and that of foreign currency-denominated securities to HUF 5,914 billion at the end of the month. The stock of securities classified into government securities was HUF 27,888

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/ertekpapier-modszertan-hu.pdf>.

billion, the end-of-month stock of bonds, not classified into government securities, and issued by other organisations classified into the government sector² was HUF 438 billion.

There was no new issuance or maturity in the market of *long-term forint-denominated* government securities. At the auctions, tap issues amounted to HUF 269 billion and redemptions to HUF 58 billion at nominal value. Net sales of bonds to households, sold outside of auctions, resulted in a rise in total holdings by HUF 47 billion. In the market of *short-term forint-denominated* government securities, new issues and tap issues of discount Treasury bills amounted to HUF 240 billion and maturities to HUF 109 billion. The amount of interest bearing instruments (securities issued to households) was lower than that of maturities: sales and maturities reached HUF 357 billion and HUF 408 billion, respectively, at nominal value. Yields on forint-denominated securities decreased: the price change was HUF 49 billion.

In the market of *foreign currency-denominated* securities issued by central government one Japanese yen-denominated bond was issued in the value of HUF 72 billion. There was no Maturity in March. There was interest payment on several securities in the month, which reduced the stock. Price changes resulted in a decline in the value of holdings by HUF 23 billion and exchange rate changes by HUF 58 billion.

The market value of mortgage bonds issued by resident credit institutions rose by HUF 38 billion in the month under review. Seven new mortgage bonds were issued in the value of HUF 79 billion, and there was one tap issue amounting to HUF 11 billion in March. By contrast, the amounts of maturities were HUF 41 billion, and redemptions amounted to HUF 9 billion. The stock of forint-denominated mortgage bonds amounted to HUF 963 billion and that of foreign currency-denominated mortgage bonds to HUF 10 billion at the end of March.

The market value of other bonds, issued by other than the central government, rose by HUF 24 billion. The stock of bonds issued by credit institutions was HUF 1,321 billion, while that of bonds issued by other sectors was HUF 623 billion at the end of the month. New issues amounted to HUF 21 billion, tap issues to HUF 52 billion, maturities to HUF 38 billion in March. The transactions were basically related to credit institutions and the non-financial corporate sector.

In March, the market value of mutual fund shares issued by Hungarian residents fell by HUF 13 billion. Shares issued by money market funds amounted to HUF 448 billion and those issued by other funds to HUF 5,978 billion at the end of the period. The value of new issues was HUF 22 billion and that of maturities was HUF 21 billion. Price changes reduced the value of holdings by HUF 25 billion and exchange rate changes by HUF 7 billion.

Market capitalisation of quoted shares issued by resident companies fell by HUF 140 billion in the month and amounted to HUF 7,642 billion at the end of March. Within this, shares issued by credit institutions, non-financial corporations and the other sectors amounted to HUF 3,227 billion, HUF 4,371 billion and HUF 43 billion, respectively. The prices of blue chips mostly decreased: market capitalisation fell by nearly 2 per cent relative to the previous month. The price change caused a fall in the value of holdings in the amount of HUF 138 billion in the month.

² Bonds issued by non-financial corporations and guarantee organisations, classified into the central government sector.

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; March 2018

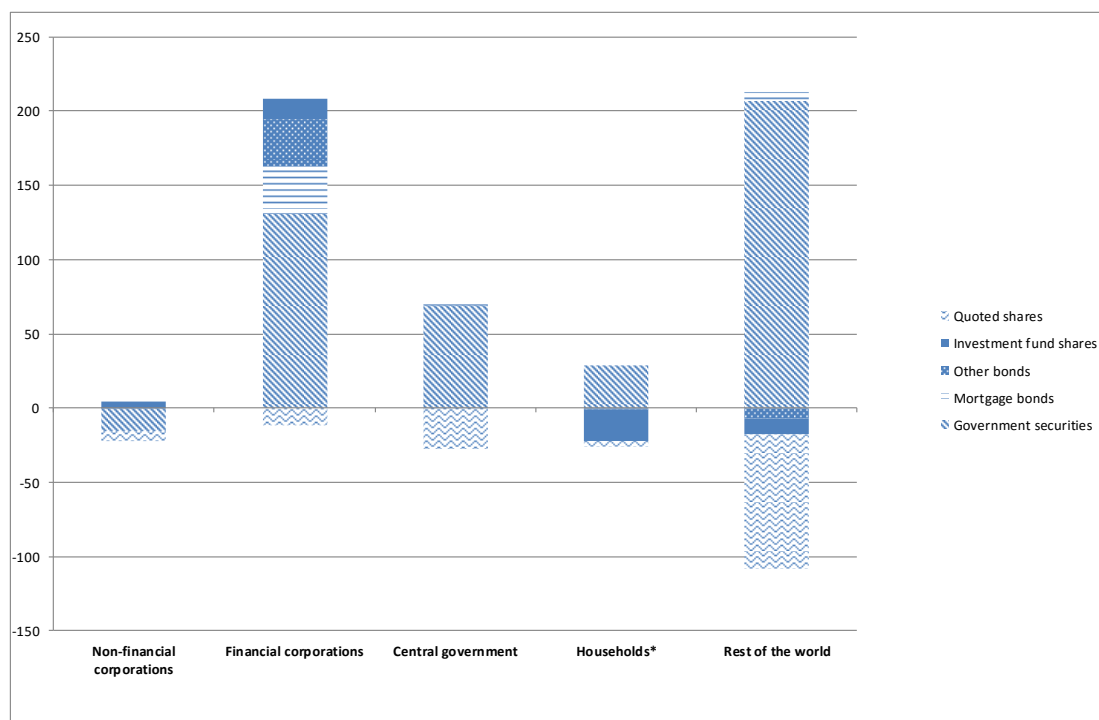
Holding sectors	Opening positions	Transactions	Price changes	Foreign exchange rate changes	Other volume changes	Closing positions	Ratio %	Change
Non-financial corporations	1 775	-9	-8	-1	0	1 757	3,9%	-18
Financial corporations total	16 291	206	0	-9	0	16 487	36,4%	197
<i>of which Credit institutions</i>	9 860	157	11	-5	0	10 024	22,1%	164
Central government	1 508	70	-28	0	0	1 550	3,4%	42
Households*	10 244	35	-26	-6	0	10 247	22,6%	3
Rest of the world	15 164	243	-77	-61	0	15 269	33,7%	105
Total	44 982	545	-139	-77	0	45 311	100,0%	329

* Including stock of non-profit institutions serving households.

The total market value of securities holdings reached HUF 45,311 billion at the end of March with changes to the opposite directions in the holding sectors. Here, *residents* and *non-residents* held HUF 30,042 billion (or 66.3%) and HUF 15,269 billion (or 33.7%), respectively.

Chart 1

Change in the distribution of securities holdings issued by residents by holding sector in March 2018; HUF billions



* Including stock of non-profit institutions serving households.

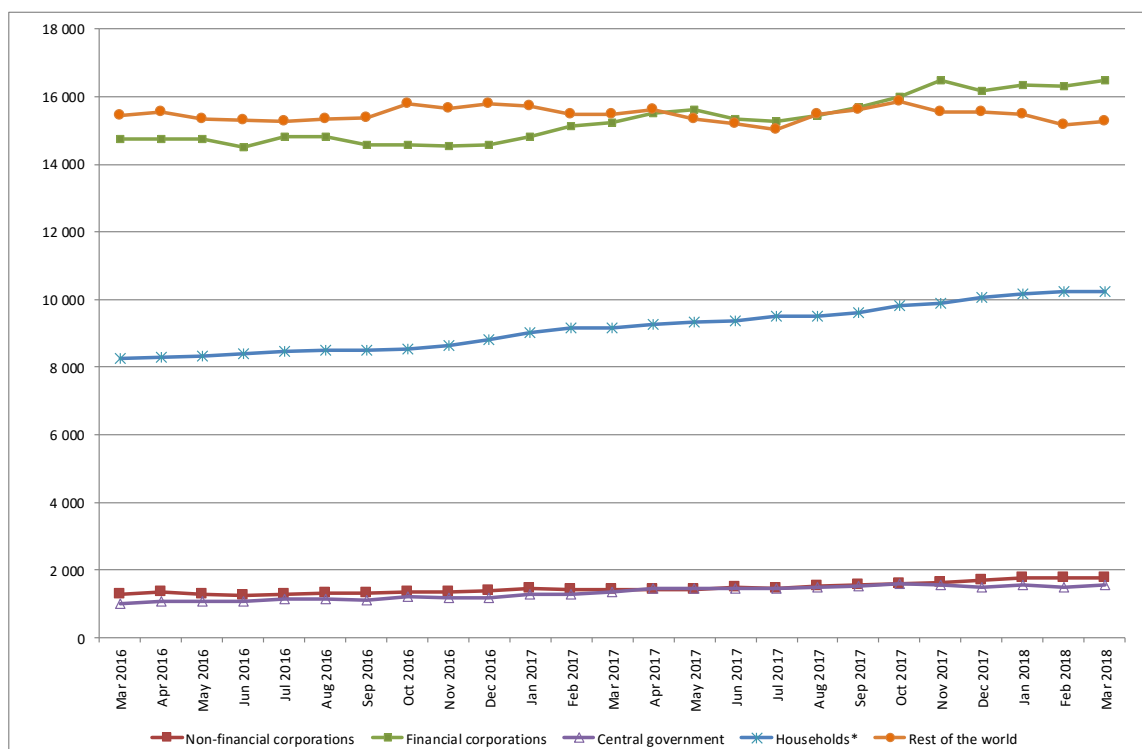
In March, the rise in holdings by non-residents due to transactions accounted for HUF 243 billion. The sector's holdings in the market of securities issued by the government sector rose by HUF 259 billion due to transactions, fundamentally reflecting the effect of an increase in stock of long-term forint-denominated securities. They also increased their stocks of mortgage bonds and other bonds by HUF 6 billion and HUF 1 billion, respectively, during the month. There was a decline in mutual fund shares in the value of HUF 13 billion, while the decrease in quoted shares was HUF 10 billion.

In March, credit institutions' securities holdings rose by HUF 157 billion due to transactions. Here, their holdings of securities issued by the government sector and their stock of other bonds rose by HUF 131 billion and HUF 27 billion, respectively, while there was a HUF 1 billion decline in mortgage bonds and mutual fund shares.

Holdings of securities by households (including non-profit institutions serving households) increased by HUF 35 billion, due to transactions, in the period under review. Households raised their stock of government securities by HUF 37 billion. Here, their holdings of long-term forint-denominated government securities and foreign currency-denominated securities rose by HUF 42 billion and HUF 2 billion, respectively; while there was a HUF 7 billion decrease in their stocks of short-term government securities. Their savings in quoted shares also increased by HUF 4 billion. Holdings of securities by non-profit institutions serving households fell in the month.

In March, the increase in securities held by households continued to a moderate degree. Stock of securities held by financial corporations rose in the month. Non-residents' share of total holdings also rose 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 central government securities holdings issued by the sector recorded at market level *non-residents', financial corporations', general government's* stocks rose by HUF 207 billion, HUF 131 billion and HUF 69 billion, respectively, in March; however, holdings of *non-financial corporations* fell by HUF 15 billion. The combined stocks of *households and non-profit institutions serving households* increased by HUF 29 billion.

Table 3

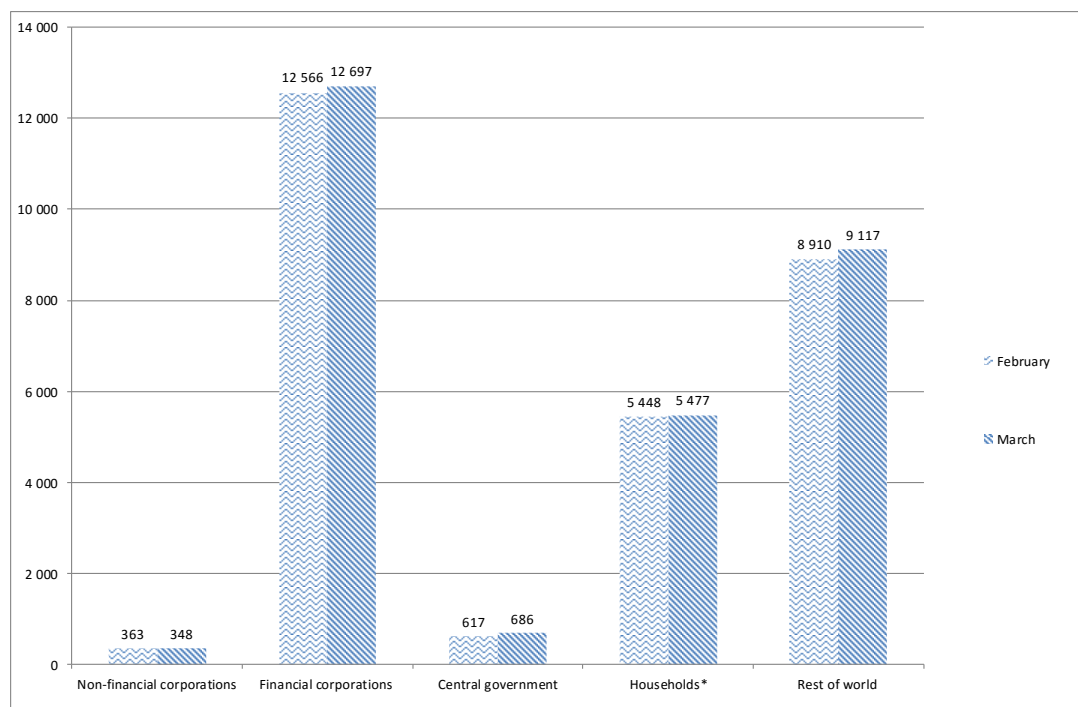
Distribution of securities holdings issued by central government in a breakdown by holding sector; at market value; HUF billions; March 2018

Holding sectors	Opening positions	Transactions	Price changes	Foreign exchange rate changes	Other volume changes	Closing positions	Ratio %	Change
Non-financial corporations	363	-14	-1	0	0	348	1,2%	-15
Financial corporations total	12 566	107	28	-4	0	12 697	44,8%	131
<i>of which Credit institutions</i>	8 688	131	17	-3	0	8 833	31,2%	145
Central government	617	69	0	0	0	686	2,4%	69
Households*	5 448	32	-2	-1	0	5 477	19,3%	29
Rest of the world	8 910	259	0	-52	0	9 117	32,2%	207
Total	27 905	453	26	-58	0	28 326	100,0%	421

* 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: [Time series](#)

Methodological notes: [Methodological notes](#)

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