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PRESS RELEASE

Preliminary statistical balance sheet of the MNB: November 2008

In November 2008, average holdings of two-week MNB bills fell slightly, due to banks exercising increased caution in managing their liquidity. By contrast, the average stock of credit institutions' overnight deposits rose significantly. On the assets side, there was strong demand for two-week and six-month central bank loans introduced in October.

1 Balance sheet of the MNB containing monthly average stocks

Table 1 Statistical balance sheet of the MNB – monthly average stocks

Forint billions							
Assets	Oct 2008	Nov 2008	Monthly changes	Liabilities	Oct 2008	Nov 2008	Monthly changes
External assets	4705.6	5770.0	1064.4	Currency in circulation	2270.3	2356.7	86.5
Remaining assets	400.3	820.7	420.4	Current account balances of other MFIs	758.7	780.0	21.3
				Overnight deposits of other MFIs	350.6	563.7	213.1
				Deposits of central government	426.2	1245.8	819.6
				Two-week MNB bills	620.6	681.9	61.3
				Foreign currency debt securities issued	96.8	106.3	9.5
				Remaining liabilities	582.9	856.4	273.6
Total assets	5105.9	6590.8	1484.8	Total liabilities	5105.9	6590.8	1484.8

In November 2008, banks continued to be cautious in their liquidity management. The majority of the increase in the average stock of other assets reflected the use of the MNB's two-week and six-month lending facilities by banks. Showing increased caution, credit institutions placed the greater part of their surplus liquidity in overnight central bank deposits (Chart 2).

The value of assets vis-à-vis non-residents increased significantly due to transactions (Tables 1 and 2). On the liabilities side, this was mainly offset by an increase in deposits of the central government sub-sector (Table 1).

The amount by which the average of the banking sector's current account balances exceeded its reserve requirements was higher than usual, nearly HUF 7 billion (Chart 1). Overnight interbank interest rates were slightly below the MNB's key interest rate throughout the month, except in the first 10-day period (Chart 3). As an effect of the reduction in the central bank base rate, the average interest rate, weighted by volume, also fell (Chart 3). The average stock of currency in circulation increased significantly in the month.

Chart 1 Reserve requirements of credit institutions

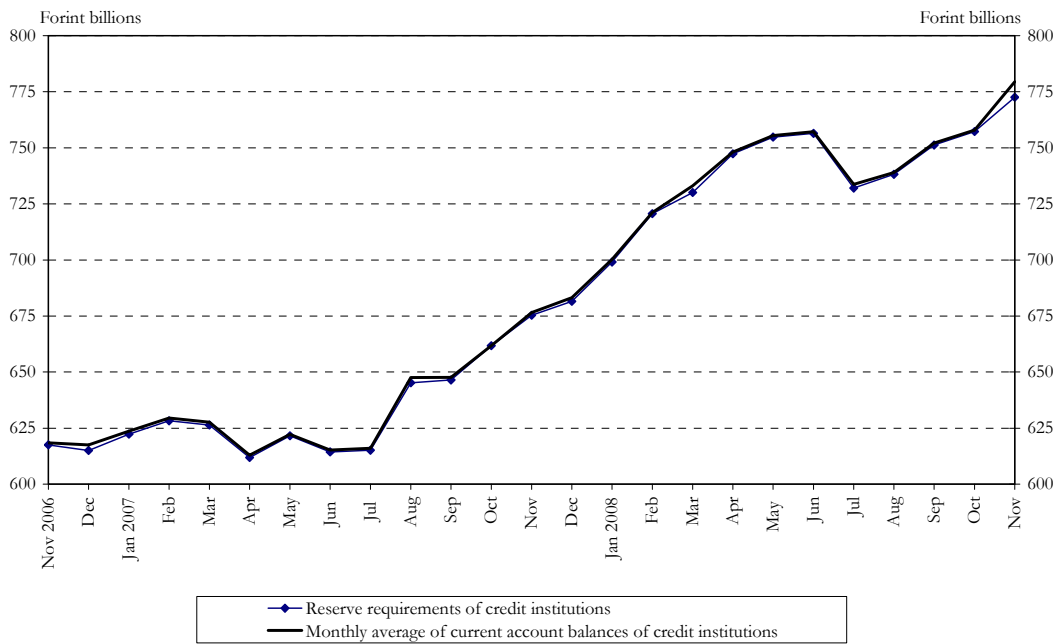


Chart 2 Monthly average overnight deposits of credit institutions

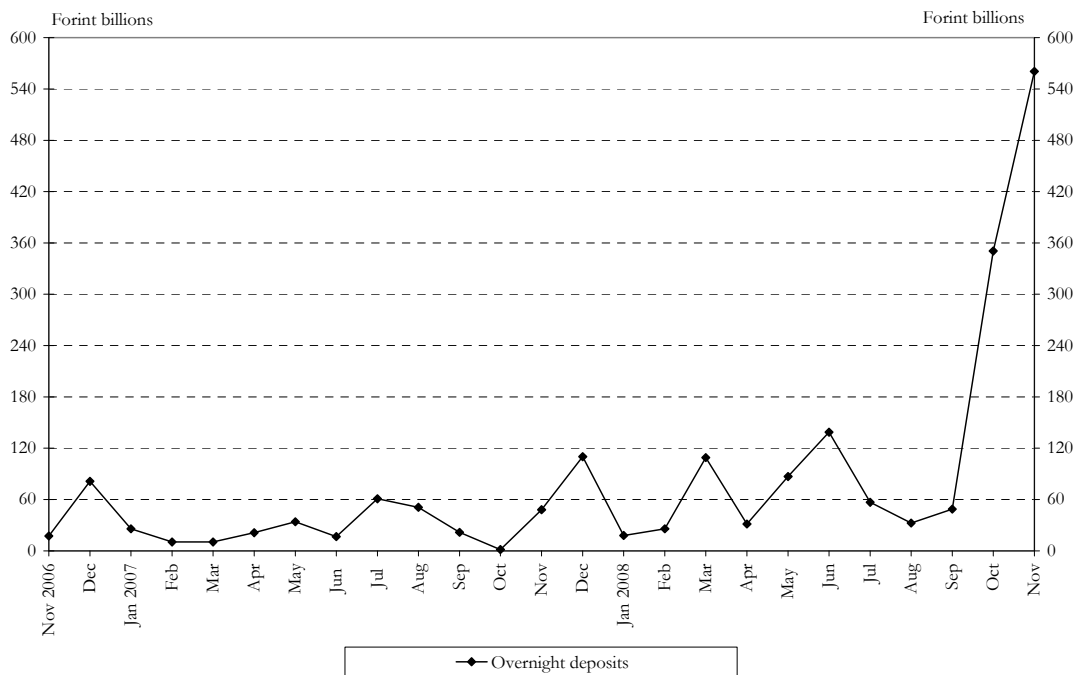
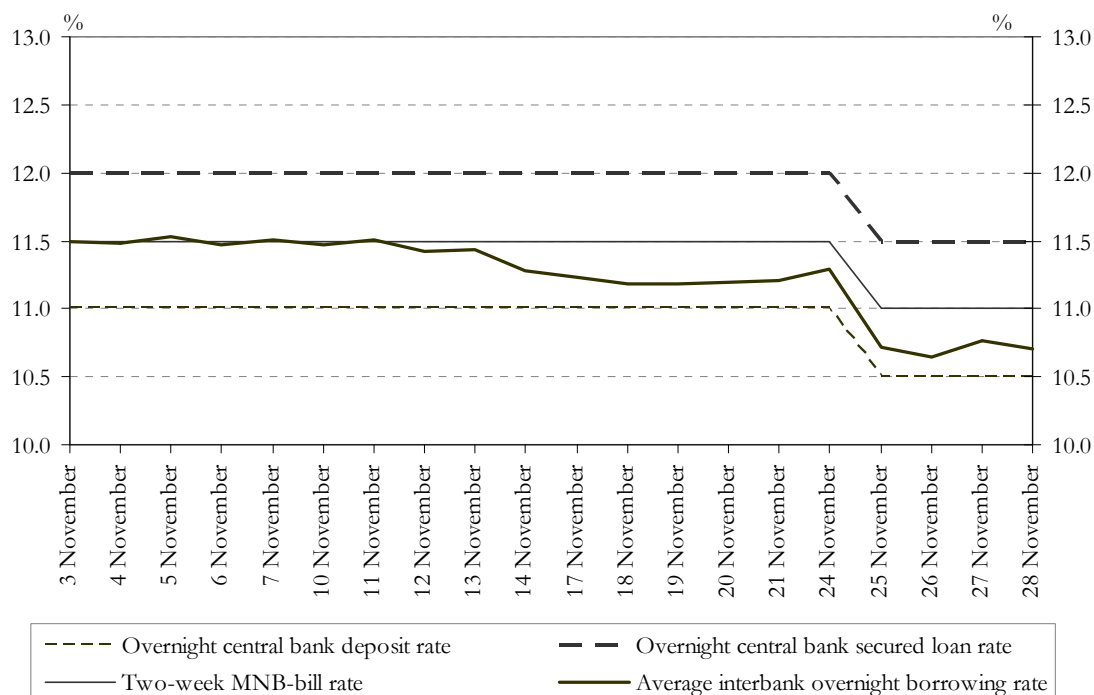


Chart 3 Central bank interest rates and average interbank overnight borrowing rates



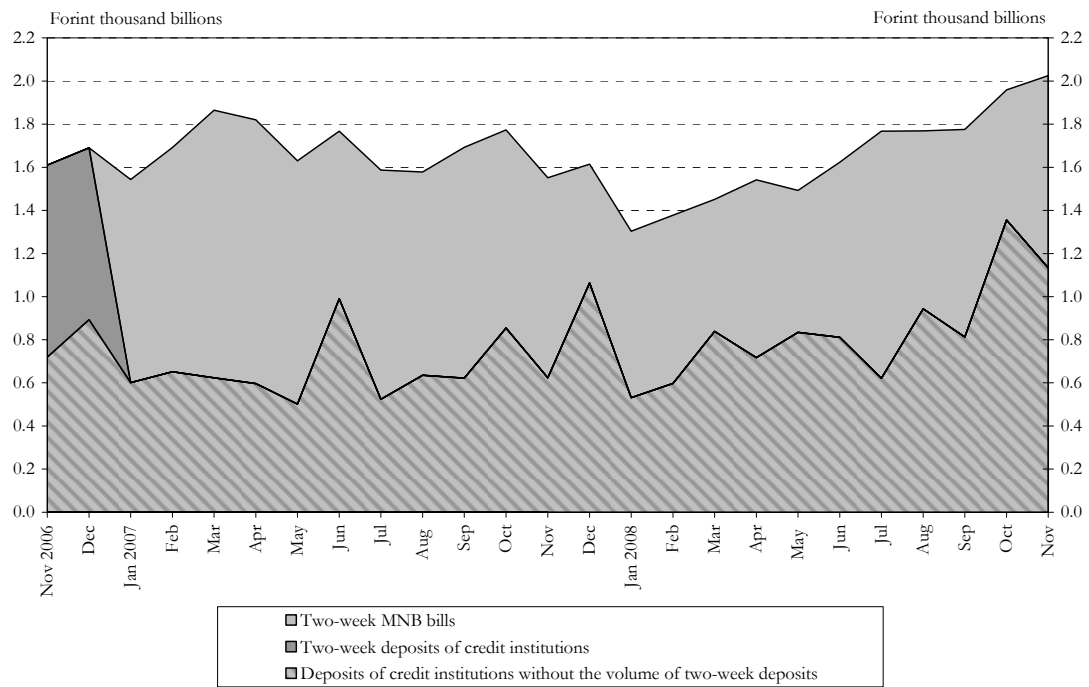
2 Transactions and revaluations in the balance sheet of the MNB compiled from end-of-month data

Table 2 Statistical balance sheet of the MNB – end-of-month stocks – November 2008

Forint billions

Assets	Opening stocks	Revaluations and other changes	Transactions	Closing stocks	Liabilities	Opening stocks	Revaluations and other changes	Transactions	Closing stocks
External assets	4896.0	-96.9	1376.6	6175.7	Currency in circulation	2310.4	0.0	25.0	2335.3
Remaining assets	646.9	-16.4	146.0	776.5	Deposits of other MFIs	1355.3	-0.3	-221.2	1133.8
					Deposits of central government	415.8	-73.2	1336.5	1679.1
					Two-week MNB bills	603.9	0.0	287.6	891.5
					External liabilities	573.5	-9.2	153.4	717.8
					Remaining liabilities	284.1	-30.7	-58.7	194.8
Total assets	5543.0	-113.3	1522.6	6952.2	Total liabilities	5543.0	-113.3	1522.6	6952.2

Chart 4 End-of-month stocks of credit institutions' deposits and two-week forint bills issued by the MNB



**MAGYAR NEMZETI BANK
STATISTICS**

Detailed tables: [Time series](#)

Charts: [Chart pack](#)

Notes: [Methodological notes](#)

Q&A: [Questions and answers](#)