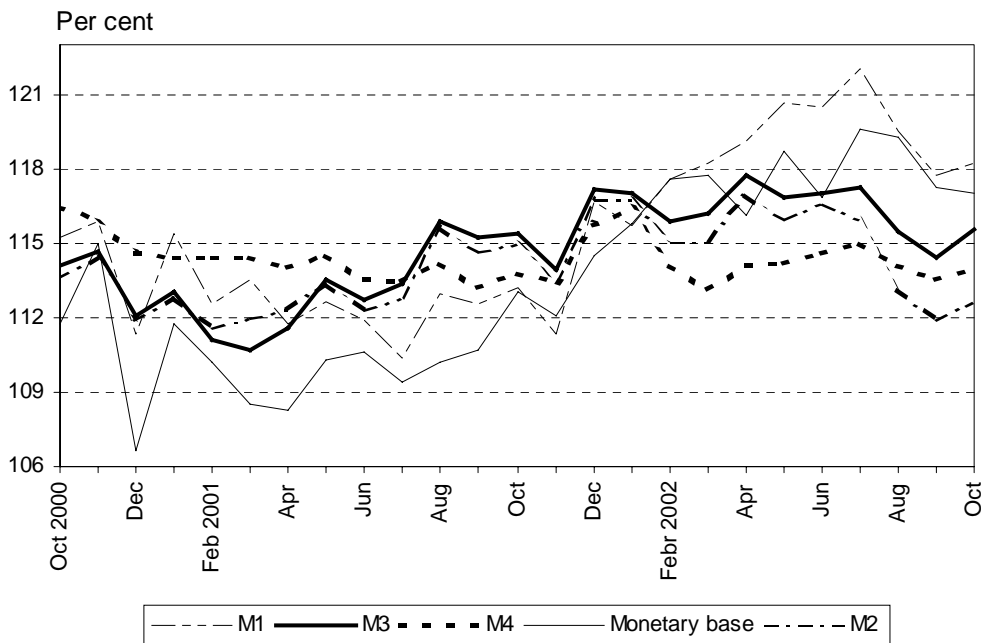


PRESS RELEASE

Monetary survey October 2002 (preliminary)

The annual growth rates of every monetary aggregate, except the monetary base, picked up in October. The annual rate of growth of the monetary base^{a)} fell by 0.3 percentage points relative to September, the aggregate growing by 17.0% in twelve months. The monetary aggregate M1 is composed of currency outside monetary institutions plus forint sight deposits. Its growth rate increased by 0.5 percentage points in comparison with the preceding month. Consequently, M1 grew by 18.3% year on year. M2 is a measure of sight foreign currency deposits plus time forint and foreign currency deposits, in addition to the constituents of M1. Annual growth in the aggregate picked up 0.7 percentage points relative to September, with the result that M2 grew at a 12.6% year-on-year rate in October. The annual growth rate of broad money M3 increased by 1.2 percentage points in one month, the aggregate growing by 15.6% in one year. Annual broadest money M4 growth was 0.4 percentage point higher than in September. As a result, the aggregate grew by 14.0% in twelve months.

Annual growth rates of the monetary aggregates



^{a)} As of 1 August 2002, the Bank lowered the reserve ratio from 6% to 5%, with a reduction in the range of bank liabilities subject to reserve requirements. The Chart shows the index for M0 calculated after eliminating the effects of the change to reserve requirements.

Appendix 1

Monetary survey (S.121+S.122)

Ft billions

	2001			2002		
	Aug	Sept	Oct	Aug	Preliminary Sept	Preliminary Oct
I. Domestic claims (S.1) (1+...+7)	7165.4	7271.5	7307.2	8250.9	8350.6	8427.3
1. <i>Claims on non-financial corporations (S.11)</i>	3638.2	3690.3	3732.2	4069.6	4128.5	4181.6
1.1 Credits	3391.9	3446.9	3493.3	3770.4	3835.3	3853.1
1.1.1 Forint	2194.9	2226.4	2272.0	2499.6	2546.8	2547.2
1.1.2 Foreign currency	1196.9	1212.4	1213.2	1270.8	1288.6	1305.8
1.1.3 Sale and repurchase agreements	0.0	8.1	8.1	0.0	0.0	0.0
1.2 Bonds	9.4	9.0	10.4	16.9	10.8	17.5
1.3 Shares and other equities	236.9	234.4	228.5	282.4	282.3	311.0
2. <i>Claims on other financial corporations (S.123+S.124+S.125)</i>	363.5	368.0	376.4	557.3	581.1	586.1
2.1 Credits	321.6	326.1	335.0	516.4	540.4	551.7
2.1.1 Forint	150.1	147.4	144.8	163.4	174.4	163.5
2.1.2 Foreign currency	162.8	176.7	184.4	351.4	364.9	384.7
2.1.3 Sale and repurchase agreements	8.7	2.0	5.7	1.6	1.1	3.4
2.2 Bonds	0.2	0.2	0.2	0.1	0.1	0.3
2.3 Shares and other equities	41.7	41.7	41.3	40.8	40.6	34.2
3. <i>Net claims on consolidated central government (S.1311)</i>	2320.9	2354.3	2310.2	2290.6	2243.4	2200.9
3.1 Government bonds	1290.9	1319.8	1327.3	1340.5	1306.3	1288.2
3.2 Treasury bills	203.6	202.8	210.0	287.0	280.8	278.6
3.3 Foreign currency loans	1307.5	1327.2	1310.2	977.2	953.9	891.5
3.4 Derivatives	-264.3	-269.4	-258.0	-156.0	-132.0	-115.1
3.5 Other claims on central government, net	-216.9	-226.2	-279.4	-158.0	-165.6	-142.3
4. <i>Credits to social security funds (S.1314)</i>	0.0	0.0	0.0	0.0	0.0	0.0
5. <i>Credits to local governments (S.1313)</i>	68.2	58.7	62.7	95.6	86.6	90.4
5.1 Forint	63.2	53.5	57.8	90.4	81.6	85.5
5.2 Foreign currency	5.1	5.2	4.9	5.2	5.0	4.8
6. <i>Credits to households (S.14)</i>	768.9	794.4	816.2	1225.0	1297.7	1355.2
6.1 Forint	751.7	776.2	796.7	1193.0	1263.5	1320.4
6.2 Foreign currency	17.2	18.2	19.5	32.0	34.2	34.8
7. <i>Non-profit institutions serving households (S.15)</i>	5.7	5.8	9.6	12.7	13.3	13.1
7.1 Forint	2.7	2.7	3.9	9.3	9.9	9.8
7.2 Foreign currency	3.0	3.1	5.7	3.4	3.4	3.4
II. Net foreign assets (S.2)	709.2	770.1	820.5	509.2	442.0	531.7^{a)}
1. Bonds	593.4	675.1	697.9	632.6	579.1	-
2. Shares and other equities	522.9	461.3	409.2	285.8	275.4	-
2.1 Portfolio investments ^{b)}	504.6	442.6	390.5	260.1	243.8	-
2.2 Foreign direct investments without intercompany loans ^{c)}	18.3	18.7	18.7	25.7	31.7	-
3. Intercompany loans	-81.4	-82.7	-82.2	-73.4	-72.8	-
4. Derivatives	239.9	230.5	239.3	132.5	118.3	-
5. Other	-565.7	-514.0	-443.7	-468.3	-458.0	-
III. Broad money (M3) (1 + 2 + 3)	6516.2	6544.8	6637.4	7523.0	7489.1	7671.8
1. M2	6404.6	6410.5	6496.5	7245.5	7176.5	7316.4
1.1 Currency outside monetary institutions (S.1+S.2-S.121-S.122)	932.2	957.4	965.6	1153.5	1149.4	1163.4
1.1.1 Households (S.14)	851.9	873.8	883.4	1056.3	1051.7	1066.0
1.1.2 Other (S.1+S.2-S.121-S.122-S.14)	80.2	83.6	82.2	97.2	97.7	97.4
1.2 Deposits	5472.4	5453.1	5530.8	6092.0	6027.1	6153.0
1.2.1 Non-financial corporations (S.11)	1688.9	1585.8	1677.3	1953.4	1833.7	1920.6
1.2.2.1 Forint	1343.6	1278.2	1342.3	1564.6	1459.6	1520.9
1.2.2.2 Foreign currency	345.3	307.6	334.9	388.8	374.2	399.8
1.2.2.3 Other financial corporations (S.123+S.124+S.125)	180.1	176.0	125.9	132.2	140.3	159.1
1.2.2.4 Forint	163.6	157.8	107.4	113.8	120.4	143.9
1.2.2.5 Foreign currency	16.5	18.2	18.5	18.4	19.9	15.2
1.2.3 Local governments (S.1313)	106.0	171.2	126.6	129.3	196.4	144.5
1.2.3.1 Forint	105.7	170.9	126.2	118.4	185.4	134.5
1.2.3.2 Foreign currency	0.4	0.4	0.4	10.9	11.0	10.0
1.2.4 Households (S.14)	3404.8	3426.5	3503.3	3768.2	3749.1	3815.0
1.2.4.1 Forint	2676.4	2689.1	2764.4	3094.8	3083.6	3157.5
1.2.4.2 Foreign currency	728.4	737.4	738.9	673.4	665.5	657.5
1.2.5 Non-profit institutions serving households (S.15)	92.6	93.6	97.7	108.9	107.5	113.8
1.2.5.1 Forint	82.9	82.8	87.3	99.6	96.3	101.7
1.2.5.2 Foreign currency	9.7	10.8	10.4	9.3	11.2	12.2
2. Sale and repurchase agreements	20.1	38.8	40.8	85.9	96.6	135.7
2.1 Non-financial corporations (S.11)	10.7	14.0	20.8	32.4	21.9	30.9
2.2 Other financial corporations (S.123+S.124+S.125)	6.1	16.7	12.8	52.4	62.2	91.4
2.3 Local governments (S.1313)	2.9	7.4	6.5	0.8	12.2	13.1
2.4 Households (S.14) + Non-profit institutions serving households (S.15)	0.4	0.7	0.8	0.4	0.4	0.4
3. Securities issued by other monetary financial institutions (S.122)	91.5	95.5	100.1	191.6	216.0	219.6
IV. Money market instruments	417.1	444.0	470.9	0.2	0.2	0.2
V. Other claims net (III.+IV.-I.-II.)	-941.3	-1052.7	-1019.5	-1237.0	-1303.4	-1287.0
Memorandum item:						
Domestic credit (I.1.1+I.2.1+I.3+I.4+I.5+I.6+I.7)	6877.2	6986.2	7026.9	7910.8	8016.8	8064.4

Foreign currency denominated assets and liabilities are converted into forint equivalent using official mid-point exchange rates of the central bank. The aggregates may not sum to the totals because of rounding.

a) Central bank data are preliminary; those for credit institutions reflect bank estimates.

b) From 15 April 2002, portfolio investments of non-residents in other monetary financial institutions have been recorded as part of registered capital, under 'Other claims, net'. The change has been made retroactively from the beginning of 1996.

c) From 21 January 2002, ownership shares of non-residents in other monetary financial institutions have been moved from 'Foreign direct investments' under 'Net foreign assets' to 'Other claims, net'. The change has been made retroactively from the beginning of 2000.

Monetary aggregates

Ft billions

	2001			2002		
	31 Aug	30 Sept	31 Oct	31 Aug	Preliminary 30 Sept	Preliminary 31 Oct
Monetary base (M0)	1421.0	1447.5	1475.9	1695.4	1593.7	1621.8
M1	2438.3	2457.9	2478.7	2913.3	2893.3	2931.3
M2	6404.6	6410.5	6496.5	7245.5	7176.5	7316.4
M3	6516.2	6544.8	6637.4	7523.0	7489.1	7671.8
M4	9367.2	9436.1	9602.4	10688.9	10714.3	10942.3

Notes:

Monetary base (M0) = Currency in circulation plus other monetary financial institutions' reserves and other domestic currency balances at the central bank. M0 is calculated from the month-end value of banknotes and coin, and the average of other monetary financial institutions' reserves and other forint balances with the central bank, taking the averages of the last two weeks up to end-August 1998 and monthly averages from September. M0 does not include the stock of central bank remunerated deposits.

M1 = Currency outside monetary institutions plus forint sight deposits.

M2 = M1 plus foreign currency deposits plus forint time deposits.

M3 = M2 plus outstanding repos plus holdings of securities issued by other monetary financial institutions.

M4 = M3 plus resident holdings of government securities outside monetary institutions plus MNB domestic bills held by non-banks.