

16 December 2002

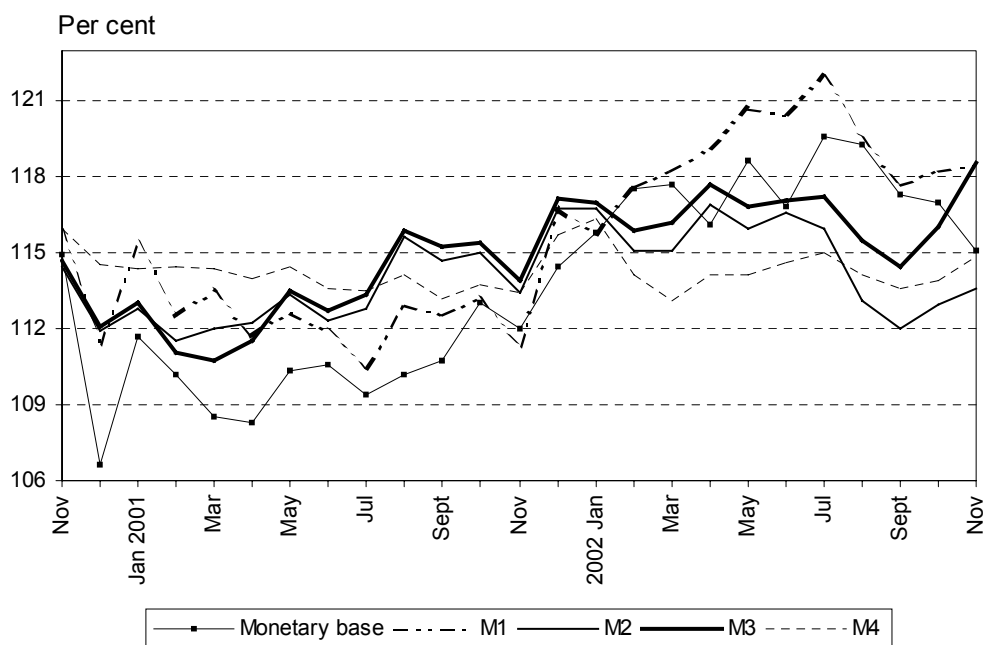
PRESS RELEASE

Monetary survey

November 2002 (preliminary)

The annual growth rates of every monetary aggregate, except the monetary base, picked up speed in November. The annual rate of growth of the monetary base^{a)} fell by 1.9 percentage points relative to October, the aggregate growing by 15.1% in twelve months. The monetary aggregate M1 is composed of currency outside monetary institutions plus forint sight deposits. Its growth rate increased by 0.3 percentage points in comparison with the preceding month. Consequently, M1 grew by 18.5% 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 October, with the result that M2 grew at a 13.6% year-on-year rate in November. The annual growth rate of broad money M3 saw the largest change, increasing by 2.6 percentage points in one month. As a result, M3 grew by 18.6% in one year. Annual broadest money M4 growth was 0.9 percentage points higher than in October, the aggregate growing by 14.9% relative to twelve months previously.

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		
	Sept	Oct	Nov	Sept	Preliminary Oct	Preliminary Nov
I. Domestic claims (S.1) (1+...+7)	7271.3	7307.1	7315.1	8350.6	8458.8	8594.4
1. <i>Claims on non-financial corporations (S.11)</i>	3690.1	3732.1	3769.6	4128.5	4178.4	4247.5
1.1 Credits	3446.7	3493.2	3525.3	3835.3	3855.5	3916.8
1.1.1 Forint	2226.2	2271.8	2313.0	2546.8	2552.7	2613.2
1.1.2 Foreign currency	1212.4	1213.2	1204.2	1288.6	1302.8	1303.7
1.1.3 Sale and repurchase agreements	8.1	8.1	8.1	0.0	0.0	0.0
1.2 Bonds	9.0	10.4	9.7	10.8	17.5	17.8
1.3 Shares and other equities	234.4	228.5	234.6	282.3	305.4	312.9
2. <i>Claims on other financial corporations (S.123+S.124+S.125)</i>	368.0	376.4	392.1	581.1	596.6	611.9
2.1 Credits	326.1	335.0	350.7	540.4	553.0	574.7
2.1.1 Forint	147.4	144.8	148.5	174.4	166.7	168.1
2.1.2 Foreign currency	176.7	184.4	192.6	364.9	384.8	401.3
2.1.3 Sale and repurchase agreements	2.0	5.7	9.6	1.1	1.5	5.3
2.2 Bonds	0.2	0.2	0.2	0.1	0.0	0.1
2.3 Shares and other equities	41.7	41.3	41.2	40.6	43.6	37.1
3. <i>Net claims on consolidated central government (S.1311)</i>	2354.3	2310.2	2229.3	2243.4	2225.8	2207.5
3.1 Government bonds	1319.8	1327.3	1306.3	1306.3	1311.6	1255.9
3.2 Treasury bills	202.8	210.0	207.3	280.8	280.2	316.9
3.3 Foreign currency loans	1327.2	1310.2	1297.3	953.9	891.5	872.8
3.4 Derivatives	-269.4	-258.0	-263.1	-132.0	-115.1	-99.1
3.5 Other claims on central government, net	-226.2	-279.4	-318.5	-165.6	-142.4	-139.1
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>	58.7	62.7	67.1	86.6	90.6	96.1
5.1 Forint	53.5	57.8	61.9	81.6	85.7	91.0
5.2 Foreign currency	5.2	4.9	5.1	5.0	4.8	5.0
6. <i>Credits to households (S.14)</i>	794.4	816.2	842.6	1297.7	1354.6	1418.5
6.1 Forint	776.2	796.7	822.0	1263.5	1319.8	1383.7
6.2 Foreign currency	18.2	19.5	20.6	34.2	34.8	34.8
7. <i>Non-profit institutions serving households (S.15)</i>	5.8	9.6	14.5	13.3	12.8	12.8
7.1 Forint	2.7	3.9	8.8	9.9	9.4	9.5
7.2 Foreign currency	3.1	5.7	5.6	3.4	3.4	3.3
II. Net foreign assets (S.2)	770.1	820.5	830.2	442.0	477.8	537.2^{a)}
1. Bonds	675.1	697.9	674.2	579.1	624.8	-
2. Shares and other equities	461.3	409.2	355.3	275.4	297.3	-
2.1 Portfolio investments ^{u)}	442.6	390.5	336.6	243.8	265.9	-
2.2 Foreign direct investments without intercompany loans ^{o)}	18.7	18.7	18.7	31.7	31.4	-
3. Intercompany loans	-82.7	-82.2	-86.5	-72.8	-84.3	-
4. Derivatives	230.5	239.3	244.7	118.3	104.4	-
5. Other	-514.0	-443.7	-357.5	-458.0	-464.4	-
III. Broad money (M3) (1 + 2 + 3)	6544.8	6637.4	6715.1	7491.1	7701.1	7964.6
1. M2	6410.5	6496.5	6570.2	7178.5	7337.9	7464.0
1.1 Currency outside monetary institutions (S.1+S.2-S.121-S.122)	957.4	965.6	1006.8	1149.4	1161.7	1190.1
1.1.1 Households (S.14)	873.8	883.4	916.9	1051.7	1064.4	1082.6
1.1.2 Other (S.1+S.2-S.121-S.122-S.14)	83.6	82.2	89.9	97.7	97.3	107.5
1.2 Deposits	5453.1	5530.8	5563.4	6029.1	6176.2	6273.9
1.2.1 Non-financial corporations (S.11)	1585.8	1677.3	1706.2	1835.8	1920.6	1966.2
1.2.2.1 Forint	1278.2	1342.3	1358.5	1460.6	1520.0	1551.0
1.2.2.2 Foreign currency	307.6	334.9	347.8	375.2	400.6	415.1
1.2.2 Other financial corporations (S.123+S.124+S.125)	176.0	125.9	89.9	140.3	172.1	214.5
1.2.2.1 Forint	157.8	107.4	75.5	120.4	152.7	198.4
1.2.2.2 Foreign currency	18.2	18.5	14.4	19.9	19.4	16.1
1.2.3 Local governments (S.1313)	171.2	126.6	114.8	196.4	142.9	140.2
1.2.3.1 Forint	170.9	126.2	114.4	185.4	132.9	130.6
1.2.3.2 Foreign currency	0.4	0.4	0.4	11.0	10.0	9.6
1.2.4 Households (S.14)	3426.5	3503.3	3554.3	3749.1	3826.2	3841.7
1.2.4.1 Forint	2689.1	2764.4	2809.0	3083.6	3168.1	3201.3
1.2.4.2 Foreign currency	737.4	738.9	745.2	665.5	658.2	640.4
1.2.5 Non-profit institutions serving households (S.15)	93.6	97.7	98.2	107.5	114.4	111.3
1.2.5.1 Forint	82.8	87.3	87.9	96.3	102.2	99.5
1.2.5.2 Foreign currency	10.8	10.4	10.4	11.2	12.1	11.9
2. Sale and repurchase agreements	38.8	40.8	37.0	96.6	136.5	195.7
2.1 Non-financial corporations (S.11)	14.0	20.8	18.6	21.9	30.9	34.0
2.2 Other financial corporations (S.123+S.124+S.125)	16.7	12.8	7.6	62.2	91.4	151.4
2.3 Local governments (S.1313)	7.4	6.5	10.3	12.2	13.9	10.1
2.4 Households (S.14) + Non-profit institutions serving households (S.15)	0.7	0.8	0.5	0.4	0.3	0.3
3. Securities issued by other monetary financial institutions (S.122)	95.5	100.1	107.9	216.0	226.7	304.9
IV. Money market instruments	444.0	470.9	428.9	0.2	0.2	1.0
V. Other claims net (III.+IV.-I.-II.)	-1052.5	-1019.3	-1001.3	-1301.4	-1235.3	-1166.0
Memorandum item:						
Domestic credit (I.1.1+I.2.1+I.3+I.4+I.5+I.6+I.7)	6986.0	7026.8	7029.4	8016.8	8092.3	8226.5

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		
	30 Sept	31 Oct	30 Nov	30 Sept	Preliminary 31 Oct	Preliminary 30 Nov
Monetary base (M0)	1447.5	1475.9	1514.2	1593.7	1621.8	1638.4
M1	2457.9	2478.7	2537.4	2893.8	2930.6	3006.7
M2	6410.5	6496.5	6570.2	7178.5	7337.9	7464.0
M3	6544.8	6637.4	6715.1	7491.1	7701.1	7964.6
M4	9436.1	9602.4	9696.0	10716.3	10939.0	11137.7

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.