



Monthly Report

(includes data up to the end of February 2001)

4/2001

Compiled by the Statistics Department
Issued by the Secretariat of the National Bank of Hungary
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ISSN 1216-4879

Date of publication: 27 April 2001

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Domestic economic activity

As seen in earlier months, output growth continued in February 2001, building on the unbroken strength of exports. However, the trend of domestic sales remained steadily upwards as well (see Charts 1 and 2).

According to the seasonally adjusted data, which take account of working-day variations, industrial output was 2.1% higher in February than in January, the volume of total sales rising even more strongly, by 3.4%.

Industrial output grew by 10.4% and total sales by 11.9% in February relative to a year before. Exports surged by 21.6% in twelve months, the level of domestic sales rising by 2.5%.

Looking at the performance indicators across the branches of manufacturing, further gains registered by the electrical equipment sub-sector remained the engine of output growth. Output of the electrical equipment sub-sector still rose by 38.3% in one year, assisted by a robust increase of 53.7% in exports and a somewhat more modest one of 9% in domestic sales. In addition to the electrical equipment sub-sector, output gains were recorded in most of the other branches of manufacturing relative to the same period of 2000.

Productivity continued to grow dynamically – gross production per capita in manufacturing was 12.9% higher in the first two months of 2001 than in the comparable period of a year before.

The available order data suggest further strong gains in exports and a modest rise in domestic sales. Fresh orders for manufacturers' output in the mainstream branches of manufacturing were nearly 30% higher in the month under review than twelve months previously. Here, export orders surged by 34.3%, domestic orders rising more moderately, by 3.1%. The volume of new orders in February was 18% higher than a year before, owing to increases of 21.8% and 4.7% in export and domestic orders respectively.

The performance of construction continued to improve in February. The sector's output was 8.7% higher than twelve months previously. Adjusted to reflect seasonal effects and working-day variations, the sector's output was 3.2% higher in the month compared with January (see Chart 3).

Chart 1 Volume indices of industrial production
Average of 1997 = 100

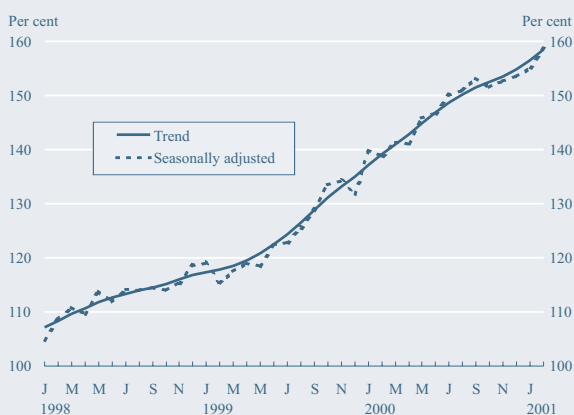


Chart 2 Volume indices of industrial production and sales
Trend values; annualised month-on-month changes

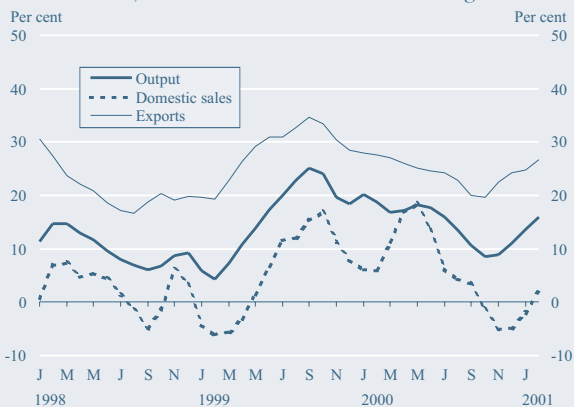


Chart 3 Volume index of construction output
Average of 1995 = 100

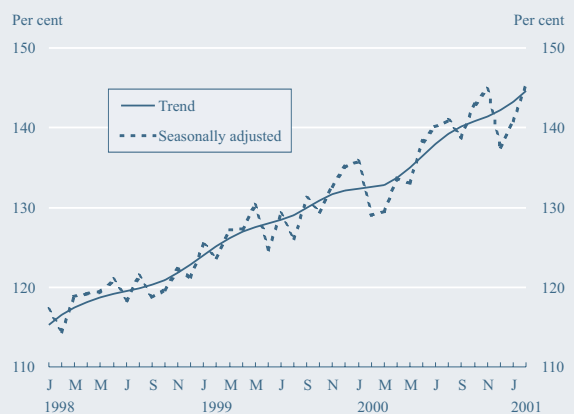
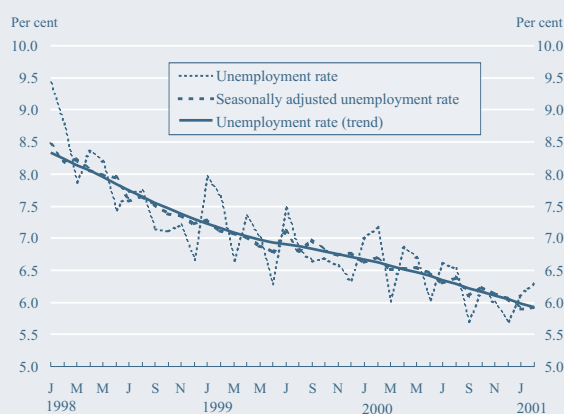


Chart 4 Number of employed persons**Chart 5 Whole-economy unemployment rate**

According to the seasonally adjusted values derived from the CSO's quarterly Labour Force Survey data, the number of economically active persons continued to rise, the unemployment rate remaining unchanged in February 2001.

The seasonally adjusted number of people in employment was only 0.1% higher than in January, but rose by 2.3% higher relative to a year earlier (see Chart 4). According to the seasonally adjusted data, the number of registered unemployed rose by 0.7% in one month, but fell by 10% relative to February 2000. The number of economically active persons grew by 0.2% in the month under review relative to the preceding month.

The whole-economy unemployment rate was 5.9% in February, remaining unchanged in comparison with January, falling, however, by 0.8 of a percentage point relative to the twelve-month previous outcome (see Chart 5).

Price trends

Consumer prices

The CSO release of the year-on-year consumer price index was 10.4% in February 2001, rising by 0.3 of a percentage point relative to January. The rate of core consumer price inflation, calculated using the Bank's method, was 10.83%, up 0.36 of one percentage point on the preceding month (see Chart 6). The annualised value of the trend of core inflation rose further (see Table A).

The outcomes of categories with the biggest impact on developments in the categories derived by the Bank on the basis of price determination were quite varied (see Chart 7). Whereas the prices of industrial goods, i.e. those that are traded internationally, which the Bank is able to exercise the greatest influence via its conduct of exchange rate policy, rose by only 5% in the past twelve months, the prices of both market services and foods rose strongly above the average – market services prices rose by 13.4% and food prices by 16.6%. As regards food prices, almost the whole of the drastic rises in unprocessed goods has by now fed through to processed goods prices. Changes in regulated prices remained below the average, with an average increase of 7.6% in twelve months.

The one-month increase in consumer prices, as reported by the CSO, was 1.4% in February, 0.3 of a percentage point higher than the outturn for February 2000. That was the consequence of the increases in food and household energy prices exceeding even the outturn for the previous year. Price developments in the other categories were similar to those recorded a year before. Food prices rose on average by 1.6% in one month and energy prices by 1.9%, on account of government measures. The pre-announced price measures taken by the central and local authorities collectively raised the value of the index by 0.5 of a percentage point. In addition to the change in energy prices, already noted, the prices of communal services rose similarly in a one-year comparison. Telephone call prices were 4.2% higher, that of wired phone calls in particular rising by 5.3%. The prices of drinks and tobacco, a category of excise goods, rose by 2.8% on average. The increase in motor fuel prices was 2.5% in the month.

Table A Core inflation rates in the twelve months to February 2001
NBH calculations

	Twelve-month core inflation	Annualised trend of one-month core inflation rates
February 2000	107.78	107.24
March	107.54	107.83
April	107.32	107.77
May	107.20	106.83
June	106.99	108.83
July	107.44	113.63
August	108.47	117.12
September	109.40	115.73
October	109.62	111.00
November	109.71	108.51
December	109.83	109.78
January 2001	110.47	110.78
February	110.83	113.80

Note:

The trend values are derived from a model applied to fixed-base indices. The trends are calculated by major commodity group, for a time series beginning in January 1994. The model is revised semi-annually.

Chart 6 Monthly consumer price index and the trend of core inflation

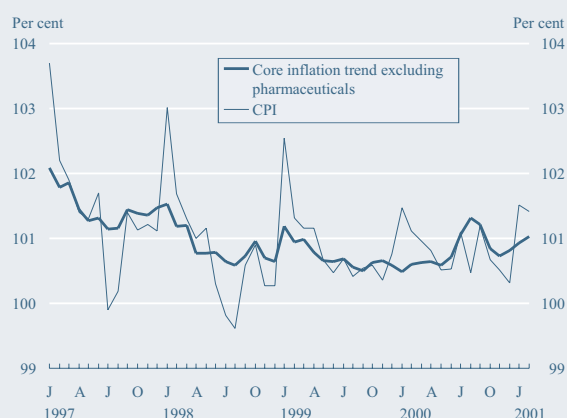
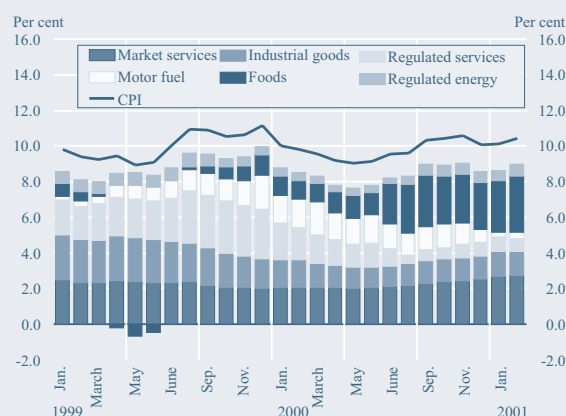


Chart 7 Contribution of the major price categories to the trend of core inflation*



* The Chart does not plot contributions of drinks and tobacco, and market energy.

Chart 8 Domestic producer price index
Preceding month = 100

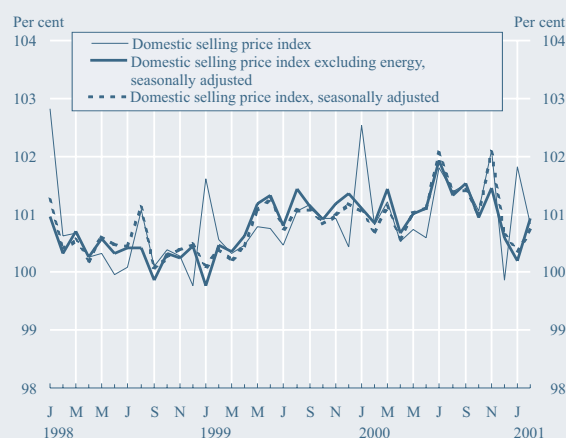
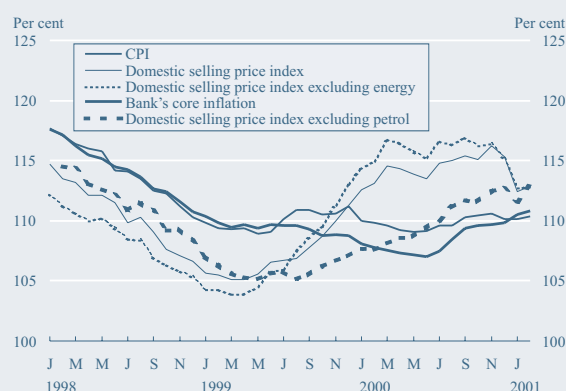


Chart 9 Comparison of the domestic producer price index excluding petrol with other price indices
Same month of previous year = 100



Producer prices

Producer prices (the CSO release of industrial firms' domestic selling prices) rose by 0.8% from January to February and by 12.9% relative to twelve months previously.¹ The one-month change in seasonally adjusted domestic producer prices excluding energy² was an increase of 0.93% in February (see Chart 8). The value of the index, calculated by eliminating the effect of movements in petrol price changes, was 112.9% (see Chart 9).

Manufacturing industry prices, which are a dominant factor influencing movements in domestic sales prices, rose on average by 1.1% in the month under review relative to the preceding month. Among the more important industry sectors, the change in food industry prices, at 2.3%, was considerable, due to re-pricing at the start of the year. But prices in the chemical industry rose only slightly, by 0.3%. As a result of the price of North Sea Brent fluctuating between \$24 and \$26 and the dollar appreciating against the euro, petroleum product prices rose by 0.19%. Price changes in the rest of manufacturing varied between 0.2% and 2.8%. Non-metal mineral products, with a share of 4% in the index, which also include construction materials, saw the biggest price increase in the month.

¹ The CSO has reprocessed data for 2001 January, taking into view changes in product categories within the refined petroleum products sub-sector. That in turn has affected the price indices for all aggregates within this product group.

² The index is calculated net of the effects of changes in government regulated prices, i.e. in those of electricity, gas, steam and hot water supply, and collection, purification and distribution of water.

Monetary developments

Monetary conditions

The Bank, in response to developments in the domestic financial markets, took the following policy decision in February 2001.

- Effective from 1 February 2001, the Bank reduced the compulsory reserve ratio by 4 percentage points, from 11% to 7%, with a simultaneous decision to cease the possibility of banks' to maintain reserves in government paper;
- Effective from 1 February 2001, the Bank set the interest rate used to calculate the rate remunerated on required reserves at 8%;
- Effective from 5 February 2001, the Bank reduced its main policy rate, the two-week deposit rate, from 11.5% to 11.25%. Leaving the width of the overnight interest rate corridor unchanged, the Bank also reduced the overnight repo and swap rates from 13.5% to 13.25%, and the overnight deposit rate from 9.5% to 9.25%. The official interest rate remunerated on compulsory reserves built for domestic-currency liabilities fell from 3.5% to 3.25%, and the rate remunerated on compulsory reserves built for foreign-currency liabilities fell from 4.0% to 3.75%.

The market rate of the forint fluctuated near the strong edge of the official intervention band throughout February. That meant the exchange rate depreciated by 0.25% vis-à-vis the currency basket in comparison with end-January. The National Bank of Hungary officially devalued the central rate by 0.27% in the month. (Since 1 January 2001, the forint is devalued against a currency basket consisting 100% of the euro. Since 1 April 2001, the monthly rate of devaluation is 0.3%³). The average deviation of the exchange rate from the central rate was 220 basis points toward the strong extreme of the intervention band (see Chart 10).

During the conduct of official interventions in the foreign exchange market, the Bank purchased foreign exchange in the amount of €513 million in the month.

Analytical accounts of the NBH

The value of banknotes and coin in circulation rose by Ft 3.5 billion and the combined end-of-month total of

³ The monthly rate of currency devaluation will be reduced further to 0.2% from April 2001.

Chart 10 Exchange rate movements within the intervention band
13 March 1995 = 100

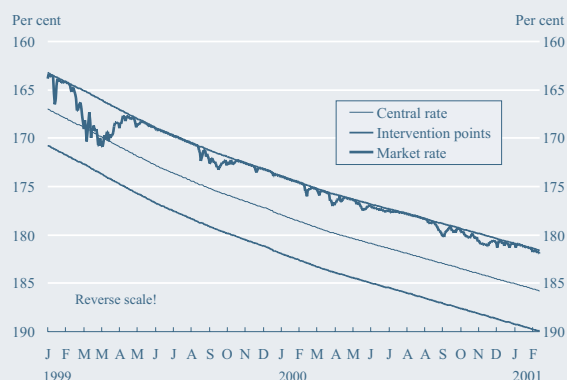


Table B Changes in the balance sheet of the NBH (calculated from end-of-month stocks)

Table 2 – Changes in the balance sheet of the MNB (calculated from end of month stocks)								Ft billions	
	1999		February	2000		February	2001		
	Q3	Q4		Q3	Q4		Of which:	Transactions	Revaluations
	Averages*			Averages*					
Banknotes and coin	11.9	28.9	−7.2	16.4	13.9	3.5	3.5	0.0	
Forint deposits of credit institutions	71.9	31.5	204.7	−21.3	11.3	51.3	51.3	0.0	
Foreign currency deposits of credit institutions	−27.5	−9.8	−21.1	9.3	−5.2	17.1	13.1	4.0	
Net claims on general government (excluding ÁPV Rt deposits)	−69.9	−64.6	42.8	10.2	−27.0	11.6	10.6	1.0	
Of which: forint loans	−6.0	−6.0	0.0	−6.0	−6.3	0.0	0.0	0.0	
government securities	−4.1	−1.9	−7.8	−4.4	−1.1	−1.9	−1.9	0.0	
foreign currency loan	−26.2	−51.5	6.9	−16.7	−11.1	1.9	0.0	1.9	
Claims on credit institutions	−3.1	−3.8	40.6	−1.7	−3.6	0.2	0.2	0.0	
Foreign and other net assets	129.3	118.9	93.0	−4.1	50.6	60.1	57.1	3.0	

* Quarterly average of changes relative to the preceding month.

domestic and foreign currency liabilities of the central bank to credit institutions by Ft 68.4 billion in February relative to end-January. Claims of the Bank on credit institutions were Ft 0.2 billion higher, mostly on account of an increase in outstanding short-term lending. The Bank's net liabilities to domestic credit institutions rose by Ft 68.2 billion, its claims on the general government sector by Ft 11.6 billion, and foreign and other net assets by Ft 60.1 billion (see Table B).

In order to improve the competitiveness of the banking sector and reduce the drain on the earnings of businesses via compulsory reserves, the Bank altered the system of required reserves. That made a major contribution to the average stocks showing divergent changes with month-end stock values in February. Under the new regulations, credit institutions were obliged to maintain in January 2001 an amount equal to 4% of their reserve base for December 2000 in eligible central bank paper (revaluation bonds or NBH forint bills). Consequently, the policy change did not affect the month-end stock values. Effective from 1 February 2001, the reserve ratio fell by 4 percentage points, from 11% to 7%, with a simultaneous decision to cease the possibility of banks' to maintain reserves in government paper. The change to the required reserves system also affected credit institutions' holdings of NBH forint bills, the Bank's holdings of government securities as well as the balances on credit institutions' current accounts with the Bank. As a result of the modification, the data for February are not directly comparable with those for earlier months. Eliminating the effect of the change to reserve requirements,⁴ the monthly average balance on credit institutions' current accounts would have rise by Ft 2.2 billion in the month, although it actually fell by Ft 216.5 billion. The change to the required reserves system account for Ft 187.4 billion of the Ft 189.1 billion drop in the average of the

⁴ When eliminating the effect of the change to the required reserves system, the January stock of banks' account balances has been estimated, on the assumption of a 7% reserve ratio at the time.

Bank's government securities holdings. Credit institutions' average holdings of NBH forint bills rose by Ft 53.6 billion relative to January, of which the purchase of five-year NBH bonds on 31 January accounted for Ft 32 billion. The average of non-callable deposits fell by Ft 79.3 billion, while that of foreign currency deposits rose by Ft 3.3 billion relative to the preceding month (see Table C).

Aggregate balance sheet of the banking sector

Calculated from the data which do not take account of the change to the required reserves system, annual growth in the monetary base (M0) moderated by 1.3 percentage points, to 112.1% in February relative to the preceding month. Not adjusted, the value of M0 fell by 3.7 percentage points in twelve months.

According to the final numbers, the annual indices of the monetary aggregates, derived from the liability items of the aggregate balance sheet of the banking sector, slowed in February, M4 providing the only exception. Annual growth in M1, a composite of banknotes and coin held by non-banks plus forint sight deposits, moderated by 2.9 percentage points from January to February, so its end-of-month stock stood 12.7% higher than a year before. Annual growth in the money measure M2, which comprises sight foreign currency deposits and time forint deposits, in addition to M1, was 1.2 of a percentage point weaker than in January, its end-February stock standing 11.6% higher in a twelve-month comparison. Growth in broad money M3, a measure of M2 plus holdings of bank securities, changed in the same direction and by the same amount as in the preceding month. The end-of-month stock of the aggregate rose by 12.7% in twelve-months. Annual growth in broadest money M4, an aggregate of M3 plus government securities and NBH bills held by the non-bank sector, changed the least in the month – it picked up 0.6 of a percentage point, its end-of-month stock standing 14.8% higher than in February 2000 (see Chart 11).

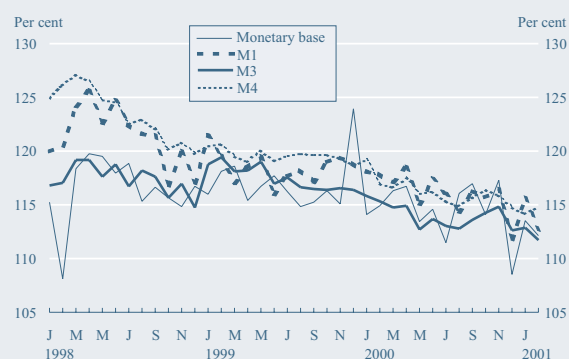
Looking at the individual liability items of the aggregate balance sheet of the banking sector, the month-end value of corporate sector deposits fell by Ft 28.4 billion due to the transaction effect. This change resulted from a decrease of Ft 13.4 billion in forint deposits and an increase of Ft 41.8 billion in foreign currency deposits. The sector's foreign currency deposits rose by another Ft 2 billion on account of movements in exchange rates. Household sector deposits rose by Ft 14 billion during the month. Here, domestic currency deposits grew by Ft 7.5 billion and foreign currency deposits by Ft 0.5 billion due to the transaction effect. The contribution of exchange rate movements on both household sector foreign currency deposits was an increase of Ft 6.1 billion.

**Table C Decomposing changes in average stock data
In the balance sheet of the NBH***

	2001		Monthly change
	January	February	
Banknotes and coin	918.3	908.7	-9.6
Forint deposits of credit institutions	1,101.2	903.2	-197.9
Of which: bankers' deposit accounts	601.3	384.8	-216.5
non-callable deposits	380.9	301.6	-79.3
Foreign currency deposits of credit institutions	406.7	410.0	3.3
Net claims on general government (excluding ÁPV Rt deposits)	1,695.0	1,408.2	-286.8
Of which: forint loans	289.5	289.5	0.0
government securities	361.3	172.1	-189.1
foreign currency loan	1,369.3	1,366.4	-2.9
Claims on credit institutions	90.9	90.7	-0.2
Foreign and other net assets	640.3	723.0	82.7

* Monthly average of daily stock data.

Chart 11 Annual growth rates of the money aggregates*



* The Chart plots M0 indices after eliminating the effect of the change to the required reserves system in effect since 1 February 2001.

Notes:

M1 = Currency in circulation plus forint sight deposits held at banks.

M2 = M1 plus forint time deposits plus foreign currency deposits plus bank securities (not shown in the chart as it hardly plots differently from M3).

M3 = M2 plus holdings of bank securities.

M4 = M3 plus government securities held by non-banks plus MNB domestic bills held by non-banks.

Monetary base (M0) = Currency in circulation plus banks' required reserves and other domestic currency accounts at the central bank.

M0 is calculated from the month-end value of banknotes and coin, and the average of banks' reserve deposits 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.

Table D Monthly changes in the net position of institutional sectors vis-à-vis the banking sector

								Ft billions
	1999		2000			2001		
	Q3	Q4	February	Q3	Q4	February	Of which:	
	Averages****			Averages****			Transactions	Revaluations
General government and non-profit sector, net*	58.6	42.7	-66.2	-6.8	7.7	12.9	14.2	-1.3
Consolidated central government, net*	50.2	40.1	-57.0	-22.1	13.3	21.5	22.8	-1.2
Local authorities, net	9.7	1.7	-11.3	14.2	0.7	-10.8	-10.8	0.0
Other (non-profit) institutions, net	-1.2	0.9	2.1	1.2	-6.3	2.2	2.3	0.0
Enterprise sector, net	0.2	-12.2	28.3	-60.3	11.0	10.0	16.0	-6.6
Of which: loans	-30.6	-57.5	-13.9	-74.8	-43.1	-21.1	-13.1	-8.6
deposits+cash+securities**	30.9	45.3	42.2	14.5	54.1	31.1	29.1	2.0
Households, net***	23.6	42.1	2.4	34.2	38.9	-3.5	-9.5	6.1
Of which: loans	-11.4	-11.5	-6.6	-18.9	-19.2	-15.6	-15.5	-0.1
deposits+cash+securities	34.9	53.6	9.0	53.1	58.2	12.1	6.0	6.1
Non-residents, net	-80.4	-82.5	-24.9	-20.7	-32.0	-106.8	-111.7	-4.2
Other, net	-2.0	9.9	60.4	53.6	-25.6	87.3	90.9	6.1

Note: Increase in outstanding borrowings or decrease in deposits = (-); decrease in outstanding borrowings or increase in deposits = (+).

* Includes blocked deposits of central government and those of APV Rt.

** Adjusted for technical cash holdings of the Hungarian Post.

*** Including accrued interest.

**** Quarterly average of monthly net changes in creditor position.

As regards the items on the assets side of the aggregate balance sheet of the banking sector, the domestic credit stock rose by Ft 9.8 billion due to transactions and by another Ft 10.3 billion due to exchange rate changes, resulting in a 16.6% rise in twelve months. Corporate sector domestic borrowings rose by Ft 21.1 billion in February. There was a Ft 16.5 billion increase in outstanding forint debt. The transaction effect on the sector's foreign currency borrowings was an increase of Ft 3.5 billion. Exchange rate movements caused an upward revaluation of Ft 8.6 billion, the effect of other volume changes on corporate sector foreign currency borrowings being a drop of Ft 0.6 billion. The total debt of the household sector owed to the banking sector rose by Ft 12.5 billion in February.

The changes in outstanding borrowings and deposits caused net liabilities of the general government and non-profit sector to fall by Ft 12.9 billion and net assets of households also to fall by Ft 3.5 billion in one month. Net corporate sector debt contracted by Ft 10 billion. The domestic banking sector, in contrast, registered a Ft 106.8 billion increase in net foreign assets (see Table D).

Government securities market

Yields in the government securities market rose slightly in February. Zero-coupon yields,⁵ which reflect movements in the secondary market, were only little changed, by 1, -4 and 0 basis points at the shorter end, i.e. at three, six and

⁵ The National Bank of Hungary calculates zero-coupon yields using the Svensson method. The estimates rely on the Debt Management Agency's release of the most favourable secondary market prices of discount treasury bills and fixed-rate government bonds with residual maturity of more than three months.

twelve months, but rose 13–27 basis points at the longer end, i.e. at two to ten years (see Chart 12). Shorter-term yields continued to fall in the first week of February, continuing the movement downwards seen in January. The Bank's decision to lower official interest rates by 25 basis points on 5 February also affected the market's direction. Later in the month, the large shifts in yields were followed by fast corrective phases, which, however, varied by maturity. Taking the month as a whole, as a balance of movements yields rose across every maturity, unlike in the preceding month.

Implied one-year forward rates⁶ in one and two years' time rose progressively, by 36–44 basis points, in contrast with those on the more distant horizon, which rose digressively, by 32 basis points and 21 basis points. The implied forward rate in nine years' time fell 17 basis points (see Chart 13).

Non-resident investors stepped up their holdings of Hungarian domestic currency-denominated government debt securities by Ft 69.8 billion, so the sector's total holdings amounted to Ft 793.8 billion at the end of the month under review.

The total amount of bids submitted at the auctions of government bonds fell relative to the preceding month. Four auctions of NBH bills were conducted in January.⁷ Yields fell some 40 basis points, with demand being very strong, Ft 160–170 billion, in the first part. The amount of bids halved in the second half of the month, although it remained significantly higher than at the auctions conducted in the second half of 2000. The average yield of all auctions held in the month, weighted by the amount sold, was 11.08%.

The value of the Hungarian Government Bond Index, the MAX, which reflects movements in the prices of publicly-issued, fixed-coupon government bonds with a residual maturity of more than one year, stood at 199.2665 on 28 February. Calculated from movements in the index values, the annual return achievable on a portfolio equal to the composition of the index basket was 7.37%.

Chart 12 Zero-coupon yields and annualised return on the central bank two-week deposit

Short-term yields on a compounded basis; weekly averages

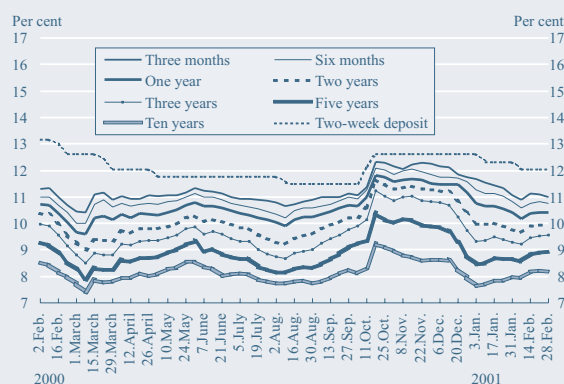
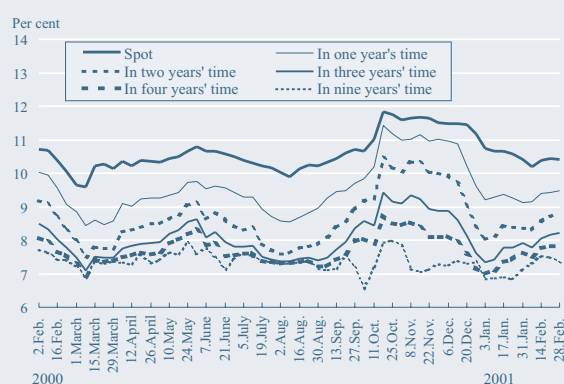


Chart 13 One-year spot rates and implied forward rates derived from the Bank's zero-coupon yields

On a compounded basis; weekly averages



⁶ Implied forward rates may be equal to expected future interest rates only if certain conditions are met. However, movements in derived rates may help anticipate shifts in the market's expectations of future interest rates even making mild assumptions. At present, only two ten-year government bonds trade in the market, and turnover volumes in the secondary market are relatively thin. Therefore, the estimate of the ten-year zero-coupon rate, and particularly the forward rate derived from the zero-coupon rate, which, for the purposes of the analysis, is substituted by the one-year rate in nine years' time, do not reflect adequately the rapid turns in the market's judgement.

⁷ On 22 March 2000, the National Bank of Hungary started to issue a zero coupon bond with maturity of three months, classified as a government bond. The inaugural sale of the paper took place on 20 March 2000. The Bank offers a new series of the bill at auction every Monday. No indications for bidders, whether in terms of quantity or quality, are given in advance (free competitive bidding). The maximum amount to be allocated is limited to the amount on offer, with no minimum amount being established.

Chart 14 Monthly averages of interbank lending rates and official dealing rates

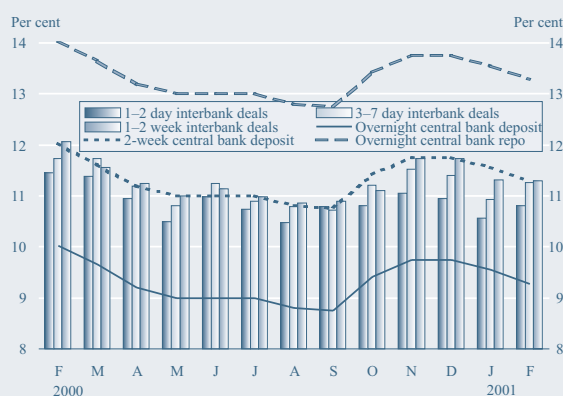
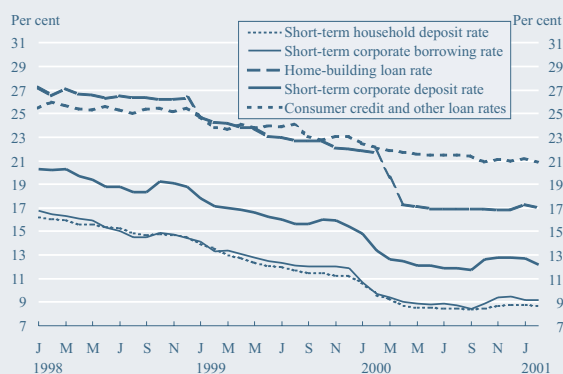


Chart 15 Corporate and household sector borrowing and deposit rates



Market interest rates

Despite the reduction in official interest rates on 5 February, the monthly averages of interbank lending rates at maturities of less than two weeks rose slightly in February. The upward movement in rates was explained by a strong demand, exceeding supply, experienced at the start of the month. The fairly high level of prices, evolving as a result, acted to maintain the monthly average of interest rates high as well.

The total value of transactions in the interbank market was Ft 1,327.2 billion in the month, showing a drop of some 30% (Ft 555.7 billion) following the massive, around 40% jump in the preceding month. The proportion of 1–2 day transactions, accounting for the largest volume within total turnover, fell by 4.3 percentage points, to 82%, the average rate rising 20 basis points relative to January, to 10.8%. The average rate in the maturity bracket of 3–7 day deals was 40 basis points lower, at 11.3%, the proportion of this market segment to the total rising by 0.4 of a percentage point, to 6.9%. Turnover in the 1–2 week bracket picked in the month – its ratio to the total rose by 2.9 percentage points to 7.5%, the average interest rate remaining unchanged at January's 11.3%. The percentage share of transactions extending beyond two weeks was 3.6% of the total, with an average interest rate of 11.2%. (see Chart 14).

There were few changes in corporate and household sector deposit interest rates and households sector borrowing rates in February relative to the preceding month. Corporate sector borrowing rates, however, continued to fall (see Chart 15).

The average price for corporate customers of short-term loans, negotiated at market conditions, fell 50 basis points to 12.2%. Deposit rates remained static at January's 9.2%. As a result of these movements in interest rate conditions, the banking spread narrowed from 3.5 percentage points to 3 percentage points. Generally playing a less significant role in corporate debts and deposits, the averages of long-term borrowing rates dropped 20 basis points to 12.9%, while that of deposits rose from 9.3% to 9.5%.

As a result of the changes in interest rates, corporate sector average short-term deposit rates were 50 basis points higher than the corresponding average of household sector deposit rates. The gap between corporate and household sector average short-term borrowing rates⁸ remained unchanged (8.2%).

Turning to households, the sector's average sight deposit rates fell 30 basis points to 3.4%, explained by stronger flows of deposits into banks that paid lower rates on sight deposits, unlike the picture of the preceding few

⁸ For both sectors, average borrowing rates have been defined taking into view the new contracts entered into during the course of the month.

months. Short and long-term deposit rates were at 8.7%, showing little change in relation to the level seen in January. Average long-term deposit rates rose 30 basis points to 9.2%. However, eliminating the effect of the change in the composition of deposit by credit institution, the average interest rate actually fell 10 basis points.

The banking sector average of household sector borrowing rates fell in February. Within lending by banks, the average of home-building and property loan rates slid 10 basis points to 17.0%, and that of rates on consumer credit and other loans fell 30 basis points to 20.9%. The rise in the proportion of facilities bearing lower interest rates accounted for 20 basis points of the drop in interest rates.

The BUX and the world's leading share market indicators

The share index of the Budapest Stock Exchange declined heavily in February, following consecutive gains of 13.9% in December and 3.8% in January. Prices were actually on an even downward trend throughout the month as a whole, interrupted only for short moments. The BUX fell to its monthly low at 7,015.59 on 22 February. The market closed the month only moderately higher, at 7,116.83, losing 12.6% compared with its finish in January (see Chart 16).

Measured on a dollar basis, the official index of the Budapest Stock Exchange fell by 13.1% in February, after gaining 19.3% in December and 2.2% in January. Prices experienced declines on virtually all the major international exchanges, although the losses suffered were comparatively less painful. The Dow Jones Industrial Average of New York saw the smallest change, falling by 3.6%. That followed a combined loss of 4.5% in December–January. The FTSE of London closed 7.8% lower in February following a two-months decline which took it 5.5% lower. Having gained 5.3% in December and 4.1% in January, the DAX of Frankfurt fell by 9.5% in February, practically sliding back to its November level. The 10.7% rise in technology stocks in January proved to be short-lived – the NASDAQ, which lost 35.0% in the period October–December, plummeted by another 26.4% in February (see Chart 17).

In the Far East, the Nikkei lost another 6.3% in dollar terms following a 10.3% plunge in December and a drop of 1.5% in January. Following a combined loss of 13.4% in the preceding two months, the Hang Seng of Hong Kong saw another heavy decline of 10.7%.

Chart 16 The BUX
2 January 1991 = 1000

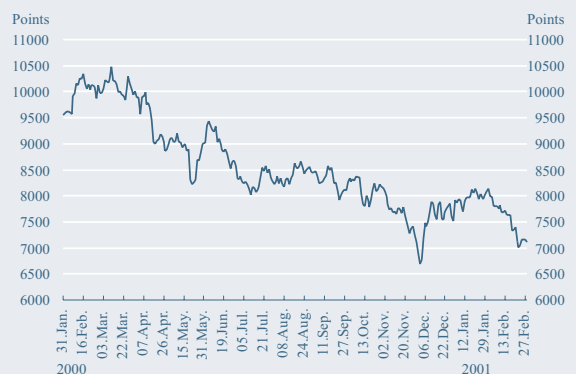
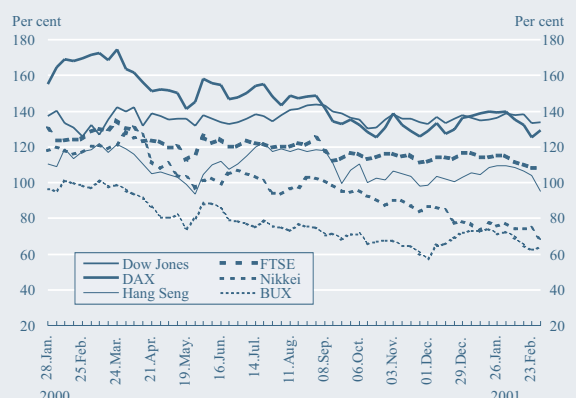


Chart 17 The world's leading exchanges and the BUX
5 Sep. 1997 = 100, on a dollar basis



Balance of payments and foreign trade

Chart 18 Current account

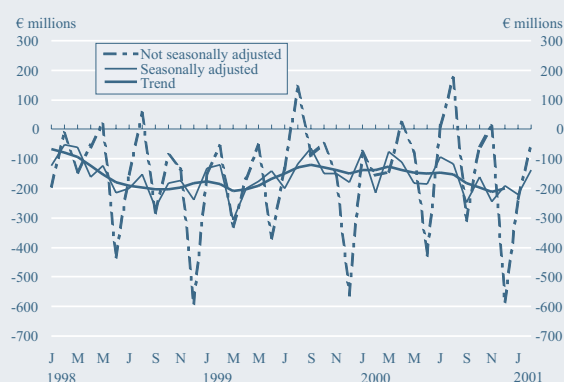
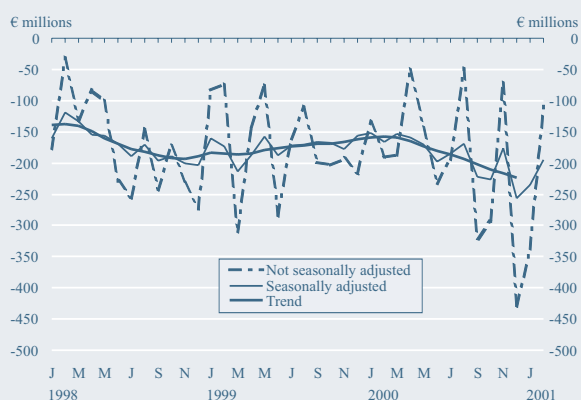


Table E Developments in the seasonally adjusted current account data*

	2000		2001	
	February	December	January	February
Goods	-165	-256	-235	-195
Exports	2,063	2,515	2,455	2,459
Imports	2,199	2,818	2,771	2,618
Services excluding tourism	-56	-89	-67	-59
Tourism	206	209	218	210
Non-debt income flows	-45	-47	-48	-48
Debt-related income flows	-79	-76	-52	-57
Current transfers	33	41	50	40
Current account balance	-214	-191	-219	-138

* There may be differences between the totals because of seasonal adjustment.

Chart 19 Trade balance



The balance of payments and financing

In a revision to misreported data, the Bank has modified retrospectively the balance of payments for November 2000 and Hungary's international investment position stated for the period November 2000–January 2001. Further information on the revision can be found in the Methodological Notes section of this Report.

According to the seasonally adjusted numbers,⁹ the current account ran a deficit of €138 million in February 2001 (see Chart 18). The deficit fell by €81 million in one month. This was accounted for by a much lower merchandise trade deficit, which in turn was due a drop in imports. The other sub-account of the current account showed only minor changes – the surplus on current transfers fell, with an increase in the deficit on debt-related flows, and a decrease in the tourism surplus which was comparable with a fall in the deficit on other services (see Table E).

According to the seasonally adjusted data, the merchandise trade deficit fell in both January and February 2001. However, this improvement has not yet become perceptible in the trend. Nevertheless, looking at the developments in trend values, the further increase in current account deficit now seems to have stalled (see Chart 19).

The current account deficit, not seasonally adjusted, fell by €76 million relative to February 2000. There were two sub-accounts which showed major changes – due to a strong pick-up in imports, the merchandise trade deficit rose; and the deficit on debt-related flows fell. The surplus on current transfers increased by €7 million, with changes between €3–4 million on the other sub-balances of the current account.

According to the not seasonally adjusted data, the current account was €54 million in deficit in February. The capital account closed with a surplus of €11 million, so whole-economy external financing requirement

⁹ Using the SEATS TRAMO software a model is constructed to seasonally adjust data for the period January 1994–December 1999. As a next step, this model is then fixed at the length of the year, in which subsequent data are adjusted. The sub-accounts of the balance of payments, derived from the not seasonally adjusted data, are adjusted directly. Consequently, a seasonally adjusted sub-balance cannot be re-produced from a set of seasonally adjusted data that underlie the given sub-balance.

amounted to €43 million in the month under review. Non-debt inflow, at €268 million, financed this gap – direct investments by non-residents in Hungary amounted to €263 million, and those by Hungarian residents abroad amounted to €3 million. Inward and outward portfolio investment transactions in equity securities were in a broad balance. The decrease of €197 million in net debt was attributable to two major factors – non-resident investors stepped up their holdings of Hungarian government debt securities by €263 million, on the one hand, and Hungary's international reserves rose by €482 million, on the other (see Table F).

Hungary's external accounts

Whole-economy gross foreign debt was €33.8 billion at the end of February 2001. The combined gross foreign currency debt of the NBH and the central government outstanding to non-residents amounted to €16 billion, forint debt accounting for €3 billion. The gross debt of credit institutions and the corporate and other sectors rose to €17.8 billion, inter-company loans accounting for €3.9 billion. Financial liabilities of direct investment enterprises to their parents, also known as inter-company loans, had a share of 31.3% within total corporate sector foreign debt.

Whole-economy net debt stood at €12.1 billion at end-February. The combined net debt of the NBH and the central government stood at €2.1 billion. However, taking foreign currency denominated assets and liabilities into account, the two sectors took a €903 million net lending position in foreign currency. Total private sector net foreign debt was €10.1 billion, inter-company loans accounting for €3.5 billion.

The total stock of direct investments by non-residents in Hungary amounted to €22.2 billion at the end of February, of which the value of holdings of shares and classes of equity capital was €18.3 billion (see Table G).

Table F Transaction effects on changes in Hungary's net foreign debt

		€ millions			
		2000		2001	
		February	December	January	February
1	Current account	-157	-583	-237	-54
2	Capital account	11	27	30	11
3	Net lending / net borrowing (1+2)*	-146	-556	-207	-43
4	Non-debt capital flows	160	-4	-158	263
5	Total (3+4)	14	-560	-365	221
6	Debt-creating flows (6a+6b)**	-40	533	344	-197
	6a In forint	250	158	-33	263
	6b In foreign currency	-291	375	377	-460
7	Financing gap (5+6)	-26	-27	-22	23
8	Errors and omissions	26	27	22	-23

* Net borrowing (-), or net lending (+).

** Net change in debt: fall (-), or increase (+).

Table G Hungary's assets and liabilities vis-à-vis non-residents
Monthly changes

		2001		€ millions			
		January	February	Change	Of which:		
					Transactions	Exchange rate movements	Other volume changes
Net foreign currency debt of the NBH and government		-314	-903	-589	-521	16	-84
Net forint debt of the NBH and government		2,731	2,983	252	263	-11	0
Total net debt of the NBH and government		2,417	2,080	-337	-259	6	-84
Assets of the NBH and government		13,300	13,908	608	450	36	122
Of which: international reserves		11,590	12,104	514	482	32	0
Gross foreign currency debt of the NBH and government		12,986	13,005	19	-71	52	39
Gross forint debt of the NBH and government		2,731	2,983	252	263	-11	0
Total gross debt of the NBH and government		15,717	15,988	271	191	41	39
Net debt of credit institutions and the corporate and other sectors*		6,327	6,533	206	69	8	107
Assets of credit institutions and the corporate and other sectors		7,096	7,400	304	318	42	-33
Gross debt of credit institutions and the corporate and other sectors		13,423	13,933	509	387	50	74
Inter-company loans, net		3,530	3,532	2	-8	4	0
Assets		276	332	56	54	2	0
Liabilities		3,806	3,864	58	46	6	0

* Excluding inter-company loans.

Chart 20 Annualised growth rates of merchandise foreign trade

In euros; preceding month = 100

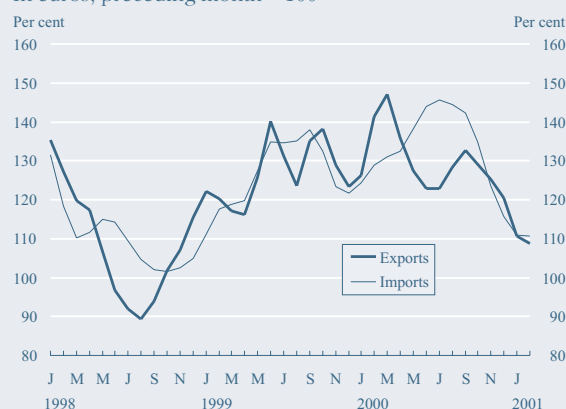


Chart 21 Merchandise exports

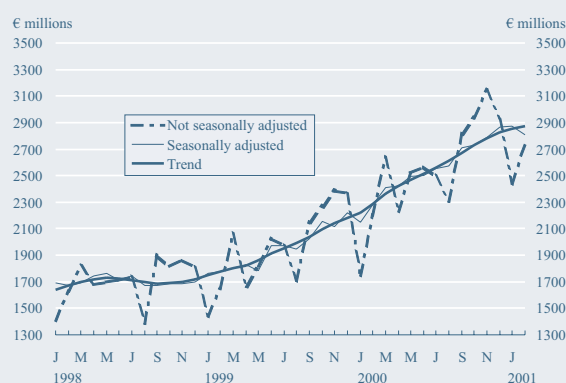


Chart 22 Merchandise imports

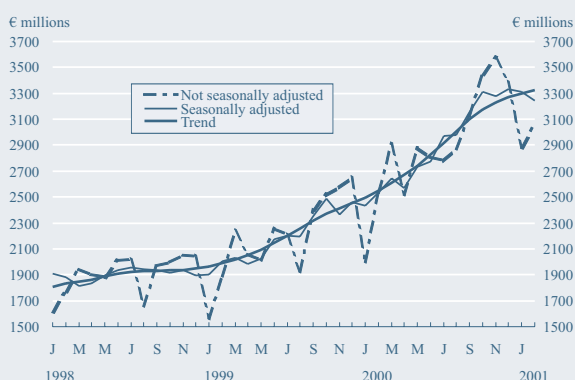
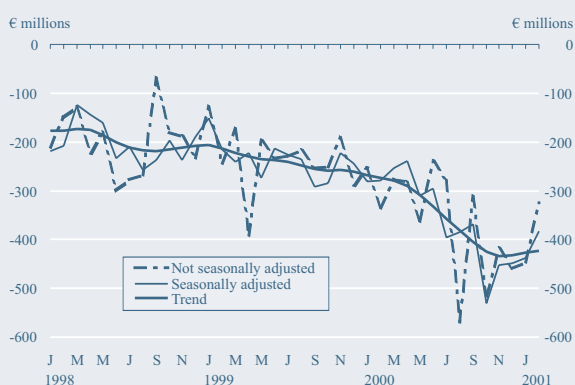


Chart 23 Trade balance



Foreign trade

The annualised growth rates of merchandise imports were a little above those of exports in February 2001. The trends of both exports and imports had been downwards in previous months, but they had been sloping downwards only slightly. The trend of merchandise foreign trade balance improved a little in February relative to earlier months (see Chart 20).

The unadjusted data, expressed in euros, show that the growth rate of exports exceeded that of imports in February relative to a year earlier. However, comparing January and February data, the growth rates were rather even.

Both exports and imports of goods grew at a faster rate in February in a one-month comparison, reflecting seasonal patterns. Imports grew at a somewhat more moderate pace than exports, so the merchandise trade balance improved relative to January. There was also a slight improvement in the merchandise trade balance in comparison with February 2000 (see Charts 21, 22 and 23).

The commodity pattern of Hungarian goods exports and imports show a slight increase in the degree of concentration relative to the same period of the previous year, with a minor decrease in the degree of regional concentration. Looking at the direction of Hungarian foreign trade, it was mostly the share of the CEFTA countries in Hungarian exports and an expansion of trade with countries of the Far East that explained the fall in the percentages that the members of the EU account for within whole-economy exports and imports. The further growth in outward and inward trade of machinery and equipment accounted for most of the increase in turnover with both the CEFTA and Far Eastern regions.

The rise in the world market price of energy continued to affect Hungarian merchandise foreign trade – in the first two months of 2001 Hungary's energy imports cost over €120 million more for practically unchanged amounts in calorific terms than in the same period of the previous year.¹⁰ The change in the price of energy played an important role in the trade balance deteriorating; however, the pattern of foreign trade remained practically unchanged.

¹⁰ Taking account of exports as well, net energy imports rose by around €80 million in the first two months of 2001 relative to the same period of 2000. The price effect of energy imports is primarily explained by the change in the price of natural gas, given that, according to the formula currently used to calculate the price of imported gas, the gas price changes follow with some delay changes in the prices of certain oil products which move more or less in tandem with crude oil prices.

Public finance

Net borrowing of general government

The net borrowing requirement of general government amounted to Ft 79.5 billion in February, nearly Ft 1 billion higher than a year earlier (see Chart 24). The borrowing requirement of central government was some Ft 10 billion lower, while that of the social security funds was Ft 3 billion and the local government authorities Ft 8.6 billion higher than in February 2000 (see Table H).

The central government borrowing requirement, including the accounts of ÁPV Rt and the extra-budgetary funds, and adjusted to reflect the Bank's calculation method, was Ft 48.6 billion in February. The primary surplus of central government, excluding interest payments and receipts as well as mutual assets and liabilities of the NBH and the central government, amounted to Ft 17.5 billion.

The extraordinary expenditure of Ft 94.5 billion accounted for by the Hungarian State Treasury and placed on the deposit account last December has not been treated as expenditure. Out of this amount, the asset manager received only Ft 35 billion to the end of February, consequently, taking other adjustments into view, the net borrowing requirement of central government was higher than the official outcome by the same amount.

Following large-amount revenues (primarily the transfer of Ft 35 billion by the central government) and expenditures (Ft 25 billion to recapitalise Reorg Apport Rt) in January, total adjusted revenue and expenditure of the State Privatisation and Holding Company were Ft 2.6 billion and Ft 2.8 billion respectively. The SNA deficit of the company, recorded as part of central government, was Ft 0.2 billion in February, with a surplus of Ft 9.3 billion in the first two months of the year. Proceeds from the privatisation activities of ÁPV Rt amounted to Ft 1.8 billion to the end of February, asset utilisation programmes raised Ft 0.6 billion and the interest income on gas utility bonds amounted to another Ft 2.4 billion.

Based on data received from the Hungarian State Treasury, the net borrowing requirement of the Health Insurance Fund and the Pension Insurance Fund, drawn as a balance of Ft 144.8 billion revenue and Ft 165 billion

Chart 24 Net borrowing/net lending of general government



* Five-month centred moving averages with varying weights are used up to January 2000. The February moving average is a trinomial average with equal weights. The March average is based on estimate (Ft 26.2 billion).

Table H General government net lending (+) / net borrowing (–) by sub-sector

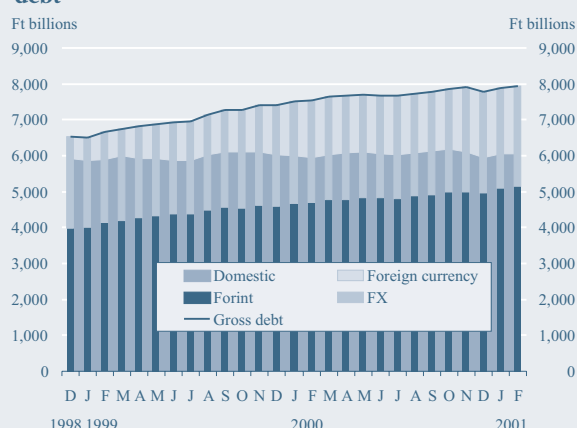
General government	Ft billions		
	2000 February	2001 January February	
Central government excluding extra-budgetary funds and ÁPV Rt (1)	–64.0	–25.2	–55.0
Extra-budgetary funds (2)	2.8	4.1	6.6
ÁPV Rt.(3)	2.2	9.5	–0.2
Central government (4=1+2+3)	–59.0	–11.6	–48.6
Social security funds (5)	–17.2	–11.5	–20.2
Local authorities* (6)	–2.1	–24.1	–10.7
General government, total (7=4+5+6)	–78.4	–47.1	–79.5

* In case no revenue and expenditure data are available for a given month, financing data are taken to estimate the monthly balances of local authorities.

Table I Changes in financial wealth of general government

	Stocks: Feb. 2001	Flows:			
		January		January–February	
		Total	Other	Transac- tions	Other changes in volume
Central government					
Assets	821.1	1.2	11.0	119.1	-0.6
Liabilities	7,890.1	49.1	19.6	160.2	9.8
Net financial assets	-7,069.0	-47.9	-8.5	-41.2	-10.5
Social security funds					
Assets	1.1	0.3	0.0	-5.3	0.0
Liabilities	132.6	20.5	0.0	32.0	0.0
Net financial assets	-131.5	-20.2	0.0	-37.2	0.0
Local government authorities					
Assets	413.9	-9.0	0.0	-33.9	0.0
Liabilities	155.6	2.2	0.1	1.3	0.1
Net financial assets	258.3	-11.2	-0.1	-35.2	-0.1
Consolidated general government					
Assets	1,002.2	-28.1	11.0	41.0	-0.6
Liabilities	7,944.5	51.3	19.6	161.5	9.9
Net financial assets	-6,942.3	-79.3	-8.6	-120.4	-10.5

Chart 25 Composition of general government gross debt



expenditure, amounted to Ft 20.2 billion in February. The balance of provision funded from non-social security sources was a Ft 0.3 billion deficit, which affected provisions funded by non-central government sources.

The deficit of local authorities, estimated taking into view their borrowings and deposits, was Ft 10.7 billion in February, virtually equal to the deficit recorded a year earlier. However, the authorities' deposits fell by nearly Ft 40 billion in the first two months of the year, which, compared with the fall of Ft 22.4 billion a year earlier, suggests a worse start in 2001 for the local authorities sub-sector.

General government borrowing requirement

The net lending or net borrowing requirement of general government can be calculated taking into view changes in assets and liabilities, in addition to the balance of revenue and expenditure. The difference between the two indicators of general government net borrowing requirement, derived from revenue and expenditure, on the one hand, and from financing data, on the other, stems from statistical error.

The change in general government net financial assets due to transactions (see Table I), which shows the sector's debt in terms of deficit financing, was a decrease of Ft 79.3 billion in February and a total Ft 120.4 billion in the first two months of 2001. Here, the borrowing requirement of the central government amounted to Ft 47.9, that of the social security funds was Ft 20.2 billion and that of the local government authorities was Ft 11.2 billion.

Financial assets of the central government rose by Ft 12.2 billion in February, mainly on account of lending to the social security authorities. The increase of Ft 68.7 billion in liabilities was caused by issues of forint-denominated government securities (to the amount of Ft 42 billion), interest accruals and the effect of exchange rate changes on foreign currency debt.

The outstanding borrowings of the social security funds from the central government rose by Ft 20.5 billion in February, reaching Ft 120 billion towards the end of the month. Taking into view also changes in other financial liabilities and assets, net assets of the sub-sector fell by Ft 20.2 billion.

In February, the gross debt of general government rose by Ft 70.9 billion, to Ft 7,944.5 billion. The total stock of financial assets, excluding the total value of the sector's equity shares, fell by Ft 17 billion, to Ft 1,013.1 billion. Analysing the composition of liabilities the trend appears to have continued – with an unchanged level of domestic liabilities. The increase in gross debt in the month under review was accounted for by the increase in foreign debt (see Chart 25).

Earnings and financial savings of households

Earnings

According to the Bank's calculations,¹¹ the pace of whole-economy gross earnings growth picked up speed in February 2001. Adjusted to eliminate the effect of changes in the composition of the workforce, corporate sector earnings grew by 19.6% in February relative to twelve months previously. Government sector earnings rose by 17.5% in the same period. Whole-economy average earnings grew by 19% in comparison with February 2000.

Corporate sector gross earnings growth was 19.6% in February year-on-year, broadly equal to that recorded in the preceding month. The CSO release of the same indicator, which shows unadjusted earnings growth numbers, indicated an increase of 17.2% (see Chart 26).

The gap between the outcomes for the two indicators is explained by the change in the number of hours worked and a variation in the composition of staff. The number of hours worked was 4.3% lower in February than a year before.

According to the CSO release of data, irregular pay to personnel¹² as a share of total gross pay was 11.2%. That was only 0.4 of a percentage point less than that measured a year earlier. The rise in average earnings, excluding irregular pay, amounted to 16.5%.

Government sector adjusted earnings growth was 17.5% in the month relative to February 2000. The index, as calculated by the CSO, was 0.7 of a percentage point higher than the Bank's.

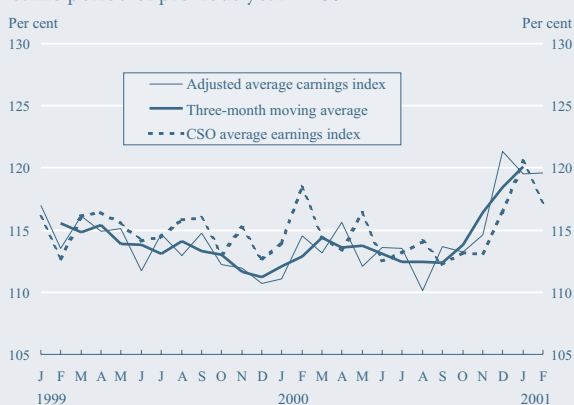
The share of irregular pay to personnel as a percentage of government sector earnings developed similarly to that recorded a year earlier – in February 2001 it accounted for 8.4% of total pay, only 0.3 of a percentage point higher than in February 2000. The rise in government sector average earnings, excluding irregular pay, amounted to 17.7%.

¹¹ Since June, 2000 the Bank uses its own indicator to analyse movements in earnings which eliminates from the CSO's index the effects of changes in the composition of labour, i.e. shifts in the distribution of blue-collar and white-collar workers, the composition of labour across sectors, and the number of hours worked, therefore, it provides a more accurate picture of actual movements in earnings. The revision and further development of the indicator is currently underway.

¹² Bonuses, overtime, profit-related pay, one-month pay awards, etc.

Chart 26 Corporate sector monthly gross average earnings index*

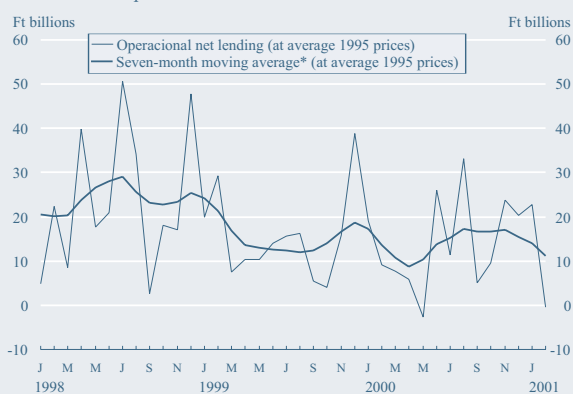
Same period of previous year = 100



* The series is smoothed calculating a three-month, equal-weight moving average.

Chart 27 Operational net lending (+) / net borrowing (–) of households

At constant prices



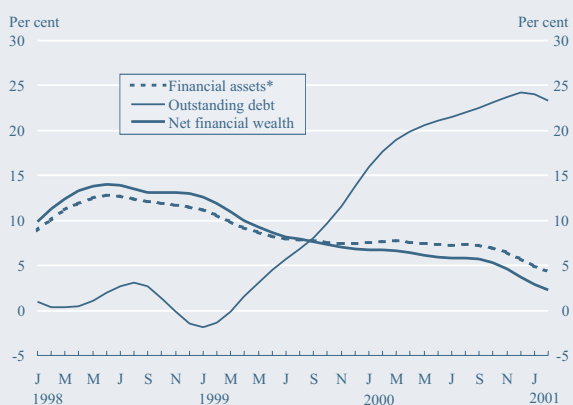
* The moving average is calculated using symmetrically reduced weights going back in time from the current month. The moving average values for the final three months may change when the latest data become available.

Table J Decomposing net financial wealth of households into the components of change

	Stocks: 28 February 2001	February flows:			
		Trans- actions net of compen- sation for inflation	Transactions:		Reva- luations
			Trans- actions net of compen- sation for inflation	Compen- sation for inflation incor- porated in inte- rest	
Cash	747.4	0.3	0.3	0.0	0.0
Forint deposits and bank securities	2,657.8	5.4	-10.9	16.3	0.0
Foreign currency deposits	762.8	6.4	-1.0	1.3	6.1
Non-bank securities	1,597.6	-17.7	11.4	10.8	-39.9
Pension funds and life insurance	855.0	16.0	9.0	7.0	0.0
Financial assets, total	6,620.6	10.4	8.8	35.4	-33.8
Home-building loans	201.4	5.6	4.0	1.6	0.0
Consumer credit	360.8	7.9	4.9	3.0	0.0
Other borrowings	191.3	2.1	1.0	1.1	0.0
Household debt	753.5	15.6	9.9	5.7	0.0
NET FINANCIAL WEALTH AND THE COMPONENTS OF CHANGE IN WEALTH	5,867.1	-5.2	-1.1	29.7	-33.8

Chart 28 Household sector financial wealth

At constant prices; percentage changes relative to the preceding month; at average 1995 prices using seven-month moving averages



* Financial assets do not include off-exchange shares and claims other than shares.

The strong pick-up in earnings growth at the start of the year was the result of a combination of factors, which, however, can be quantified only partially. In view of the inflation data for 2000, businesses are very likely to have made strong upward adjustments in earnings. The introduction of the Ft 40,000 minimum wage from 1 January was another factor contributing to this earnings growth. This is underlined by the fact that in the first two months of the year much higher than average earnings growth was recorded in sectors where the percentage of employees paid the minimum wage is significant. According to the January–February data released by the CSO, gross earnings grew by 21.1% in agriculture, by 28.8% in construction, by 24.6% in hotels and restaurants and by 21.3% in health care.

Financial savings of households

In February, operational net borrowing of households, i.e. their financial savings after eliminating the effects of inflation, amounted to Ft 1.1 billion, which meant the increase in liabilities was higher than that in financial assets. That has occurred only twice, in 1997 and then in 2000. The longer-term trend continues to be downwards since November 2000, similarly to the picture of a year earlier (see Chart 27).

Net financial wealth of households, valued at market prices, was Ft 5.2 billion lower in the month. Here, the value of financial assets rose by Ft 10.4 billion and household debt by Ft 15.6 billion (see Table J). In February, there was a continuation of the slowdown, seen since November, in the rate at which the value of financial assets rose, i.e. the rise in assets relative to the same month of the previous year. Similar developments are observable in outstanding borrowings (their growth rate moderated, as happened in January). However, it still continues to be high (see Chart 28).

Non-banking investment products, and investments in securities and pension funds in particular, continued to be the most sought after in February. The value of forint deposits grew only to the extent of compensation for inflation incorporated in interest.

Although the volume of operational transactions in non-bank securities, at Ft 11.4 billion, was lower than in the preceding few months, it exceeded that of the previous year's monthly average value. Flows of households' funds into investment fund certificates (Ft 3.6 billion), government securities (Ft 4.3 billion) and shares (Ft 3.5 billion) were about equal. However, due to a melt-down in share prices, households incurred a holding loss of Ft 35.2 billion on holdings of exchange-traded shares.

Excluding the effect of compensation for inflation incorporated in interest, net withdrawals characterised the

changes in households' forint and foreign currency deposits. Operational transactions in forint deposits amounted to Ft –10.9 billion and those in foreign currency deposits to Ft –1 billion. The drop affecting foreign currency deposits was the first since May 2000. Nevertheless, the value of deposit holdings rose, as households registered a Ft 6.1 billion holding gain on account of the appreciation of the dollar.

The fast increase in claims of households on insurance companies and pension funds continued in February. At the end of the month, the sector's equity in pension funds was higher than the value of life insurance reserves. Operational transactions had a negative contribution of Ft 1.7 billion (the first such occurrence in nearly two years), which resulted from a drop in deposit holdings. That in turn was caused by permanently low share prices affecting the value of life insurance schemes linked to investments in financial assets (see Table J and Chart 29).

Following the pause in January, household debt resumed rising in February. Outstanding home-building loans had been rising since March 2000. The increase in February (Ft 5.6 billion) was broadly comparable with the last year's monthly average, unlike that in outstanding consumer credit (Ft 7.9 billion), which fell short of it. Household debt rose by a total Ft 15.6 billion in the month, inflation-adjusted transactions accounting for Ft 9.9 billion (see Chart 30).

Chart 29 Household sector financial assets

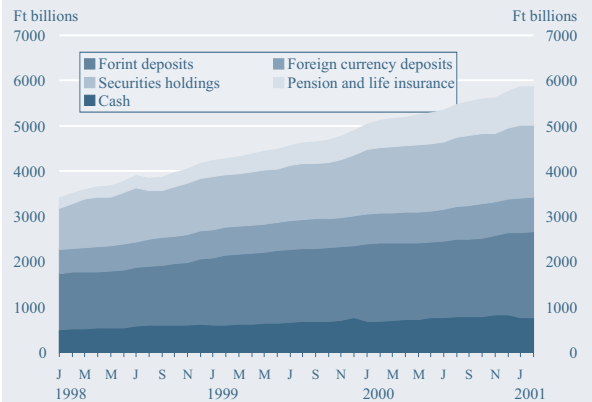
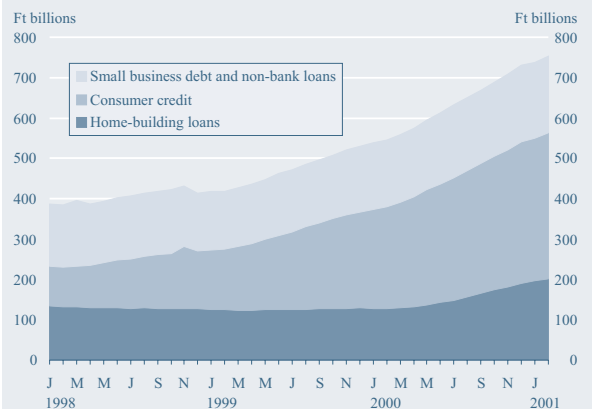


Chart 30 Outstanding borrowings of households by type of debt



Main economic and financial indicators

	GDP volume indices	Consumer price index	Core inflation (NBH)	Gross earnings index	Unemployment rate	Operational net lending	M0	M1	M3	Central bank policy rate (2 week deposit)	Current account balance	Direct investment in Hungary**	International reserves	General government net lending position
	Same quarter of previous year = 100	Same month of previous year = 100			Per cent	Ft billions	Same month of previous year = 100			Per cent	€ millions		€ millions, end of period	Ft billions
January 1999	103.2	109.8	110.4	119.6	8.0	34.8	116.0	121.4	118.8	16.17	-151	270	7,898	-33.2
February		109.4	109.9	113.3	7.6	51.7	118.1	119.5	119.4	16.00	-57	68	8,574	-105.1
March		109.3	109.5	117.1	6.7	13.3	118.6	117.1	118.1	16.00	-330	89	8,243	-70.0
April		109.4	109.7	116.5	7.3	18.7	115.4	118.5	118.2	15.58	-167	100	8,190	-25.0
May		108.9	109.5	117.2	7.0	18.9	116.7	119.4	119.0	15.10	-55	127	8,380	-80.9
June	103.3	109.1	109.7	114.6	6.3	25.8	117.7	116.0	116.9	14.85	-369	119	9,068	-54.9
July	104.2	110.0	109.6	115.0	7.5	28.8	116.2	117.7	117.4	14.75	-134	60	9,150	-38.9
August		110.9	109.6	116.6	6.8	30.2	114.8	118.2	116.5	14.75	144	113	9,285	-53.6
September		110.9	109.3	116.0	6.6	10.4	115.3	117.1	116.3	14.75	-87	103	9,635	-25.5
October		110.5	108.7	114.3	6.7	7.8	116.3	119.0	116.3	14.75	-50	61	9,743	-14.7
November		110.6	108.8	116.5	6.6	30.2	115.1	119.4	116.4	14.53	-157	146	10,768	-83.5
December	105.9	111.2	108.7	117.0	6.3	74.8	124.0	118.8	116.0	14.38	-562	296	10,874	-22.2
January 2000	106.5	110.0	108.0	110.7	7.0	36.8	114.1	118.1	115.8	13.17	-77	44	11,513	-21.5
February		109.8	107.8	116.0	7.2	17.6	114.9	117.8	115.3	12.04	-157	125	11,869	-78.4
March		109.6	107.5	113.0	6.0	15.0	116.3	117.2	114.8	11.60	-145	54	11,202	-23.4
April		109.2	107.3	113.6	6.9	11.7	116.7	118.4	115.0	11.20	21	162	11,380	-22.0
May		109.1	107.2	113.9	6.7	-5.2	113.5	115.1	112.8	11.00	-80	186	11,549	-12.9
June	105.6	109.1	107.0	112.0	6.0	52.4	114.6	117.4	113.7	11.00	-428	168	10,999	-41.0
July	104.5	109.6	107.4	114.7	6.6	23.1	111.5	115.9	113.0	11.00	10	42	11,110	27.9
August		109.6	108.5	112.4	6.5	68.0	116.1	114.4	112.8	10.81	174	253	11,628	-59.5
September		110.3	109.4	111.9	5.7	10.6	117.0	116.3	113.6	10.75	-311	229	12,047	-30.5
October		110.4	109.6	112.2	6.2	20.0	114.1	115.8	114.3	11.42	-55	37	12,069	-12.9
November		110.6	109.7	114.6	6.0	49.9	117.3	116.4	114.9	11.75	11	154	12,433	-94.5
December	104.2	110.1	109.8	116.5	5.7	43.1	108.5	111.9	112.6	11.75	-583	314	12,068	-28.3
January 2001	104.2	110.1	110.5	116.1	6.1	48.5	113.5	115.6	112.9	11.55	-237	109	11,590	-47.1
February		110.4	110.8	117.4	6.3	-1.1	112.1	112.7	111.7	11.28	-54	268	12,104	-79.5

Source: CSO, NBH
 * For 2000 preliminary data.
 ** Equity capital.