



Monthly Report

(includes data up to the end of May 2001)

7/2001

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Domestic economic activity

As seen in the preceding few months of 2001, industrial output growth continued to be more modest in May than in the previous year, explained primarily by the base effect (see Chart 1).

Taking account of working-day variations,¹ seasonally adjusted industrial output was 1.9% higher in May relative to April. The volume of total sales rose by 3.7% in one month. Within total sales, the volumes of domestic sales and exports both rose in a one-month comparison (see Chart 2).

Turning to twelve-month industry developments, output grew by 7.2% in May relative to a year before. The increase in total sales was 6.1% in the same period. Within total sales, exports grew by 10.1% and domestic sales by 2%. (The slowdown in exports growth was primarily the result the high base, as in May 2000 exports had risen by 42.4% relative to twelve months previously.)

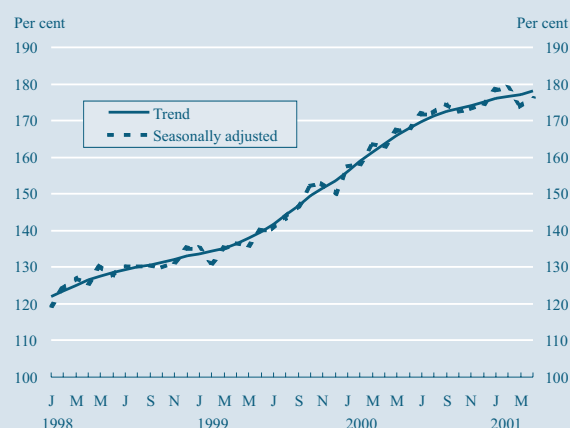
Continuing the trends of previous years, robust performance of the various branches of manufacturing provided the source of output growth. In May, manufacturers' output of machinery and equipment rose by 25.8% relative to a year earlier. In addition to machinery and equipment, strong growth by 16.7% was registered by manufacturers of electrical and optical equipment. Year-on-year output gains were recorded almost across the whole sector, a few branches reporting smaller or larger declines in output.

Fresh orders for manufacturers' output in the mainstream branches of manufacturing² were 25.3% higher in May than twelve months previously. Here, orders for exports of goods surged by 29.7%, domestic orders rising by 4.8% relative to the level of a year before. Although it is difficult to make a forecast for the longer term on the basis of one-month data, the lower volumes of new domestic and export orders in May, down 1%–2% on a year earlier, may signal a future fall in demand.

¹ Using the Bank's method.

² The mainstream branches of manufacturing are: manufacture of textiles and textile products, manufacture of paper and paper products, manufacture of chemicals and chemical products, manufacture of basic metals and fabricated metal products, manufacture of machinery and equipment, manufacture of electrical and optical equipment, manufacture of transport equipment. (The observation covers companies with more than 50 employees.)

Chart 1 Volume indices of industrial production*
Average of 1995 = 100



* Using the Bank's method to seasonally adjust and calculate trends.

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

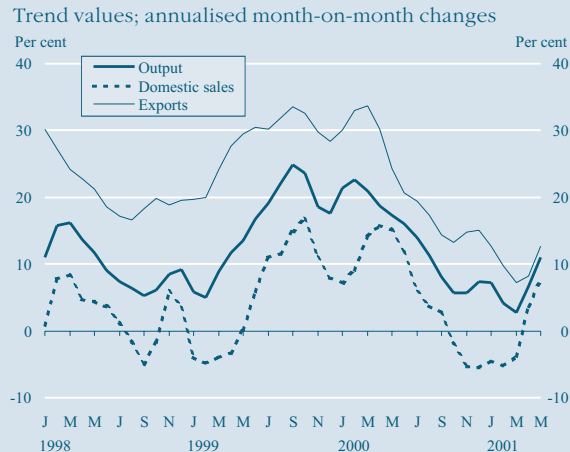
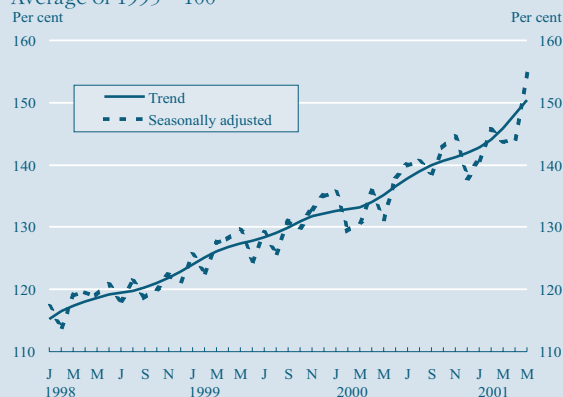
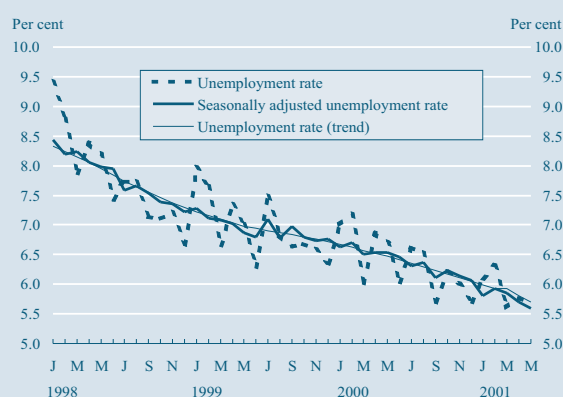


Chart 3 Volume index of construction output*

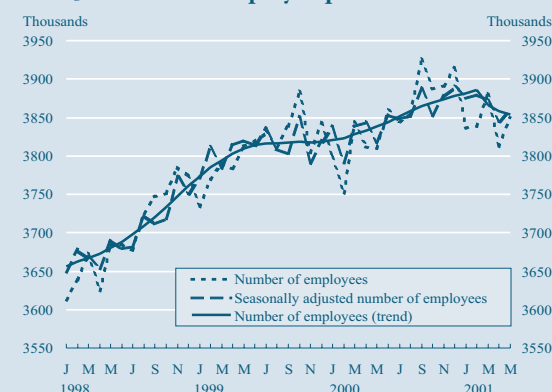
Average of 1995 = 100



* Using the Bank's method to seasonally adjust and calculate trends.

Chart 4 Whole-economy unemployment rate*

* Using the Bank's method to seasonally adjust and calculate trends.

Chart 5 Number of employed persons*

* Using the Bank's method to seasonally adjust and calculate trends.

Productivity continued to improve in the first five months of 2001. Per-capita output was 8.3% higher than in the comparable period of the previous year, accompanied by a slight, 1.1% drop in the number of staff.

Construction output grew strongly in May. Adjusted to reflect seasonal effects and working-day variations, the sector's output was 7.2% higher than in April. According to the not seasonally adjusted data, output grew by 17.7% relative to twelve months previously (see Chart 3). The driving force behind this robust output gain was a nearly 20% jump in output of the finished constructions and other structures branch, accounting for two-thirds of construction industry output. In addition, output of the building completion work branch also rose very strongly, by 30.9%, in May relative to a year earlier. However, this branch accounts for only 10% of total construction output. Measured at constant prices, the total volume of contracts was 89.3% higher at end-May than twelve months previously, suggesting that the construction industry boom may continue uninterrupted.

Turning to labour market trends, according to the values derived from the CSO's quarterly Labour Force Survey data, adjusted for seasonal effects, the whole-economy unemployment rate continued to fall in May 2001. The unemployment rate was 5.6% in the month under review, showing a drop of 0.9 of a percentage point relative to a year earlier (see Chart 4).

Following stagnation and a slight drop in the preceding few months of the year, the seasonally adjusted number of people in employment was 0.4% higher in May than in April and also 1.1% higher than in May 2000 (see Chart 5). The number of registered unemployed showed a decrease of 0.8% in one month and one of 14% relative to twelve months previously. The number of economically active persons was 0.3% higher in the same period compared with the outcome recorded in April, but remained virtually static relative to May 2000.

Price trends

Consumer prices

The CSO release of the year-on-year consumer price index was 10.8% in May 2001, rising by 0.5 of a percentage point relative to April. That was the highest outcome since December 1999. The rate of core consumer price inflation, calculated by the CSO,³ was 10.3%, up 0.1 of a percentage point on the preceding month (see Chart 6).

The outcomes for price categories with the biggest impact on developments in those derived by the Bank on the basis of price determination continued to be strongly varied in May (see Chart 7). The prices of industrial goods, on which the Bank is able to exercise the greatest influence via the conduct of its exchange rate policy, continued to rise by only 5.4% relative to a year earlier, well below the average. The prices of market services and foods rose by 11.8% and 20% respectively in a year-on-year comparison. But whereas market services prices have been rising at a slowing rate since the beginning of the year, food price inflation has been accelerating since June 2000. Showing a rise of 8.3% on average relative to a year earlier, the changes in regulated goods and services prices continued to be below the broad average.

The one-month increase in consumer prices, as reported by the CSO, was 0.91% in May, 0.4 of a percentage point higher than the outturn for May 2000 (see Chart 8). Following a quite low value in April, the one-month increase in food prices, at 2.6%, was once again very strong, with the prices of unprocessed foods rising the most robustly, by 8%. The prices of non-durable goods, a class of industrial goods, rose in May due to seasonal effects, while those of durable goods remained unchanged, continuing the trends of the preceding

Chart 6 Twelve-month consumer price index and the CSO's index of core inflation

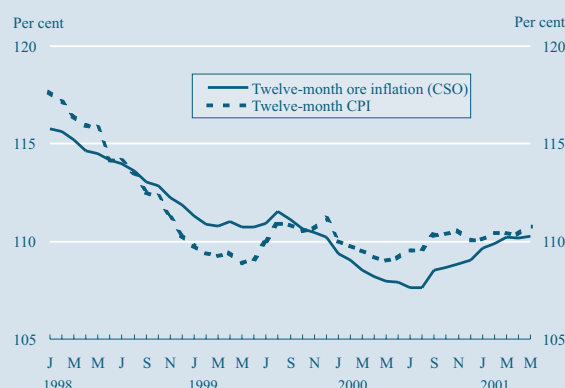


Chart 7 Developments in the major price categories derived from short bases

5-month moving averages of annualised trend values⁴

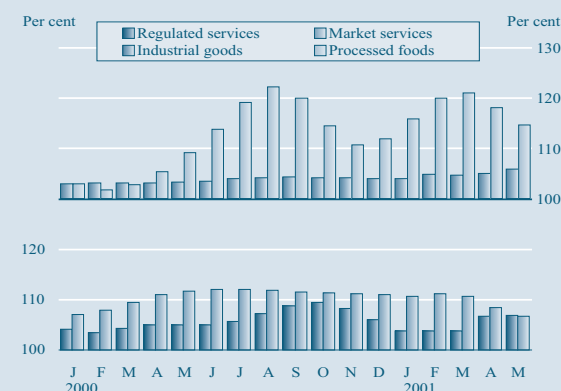
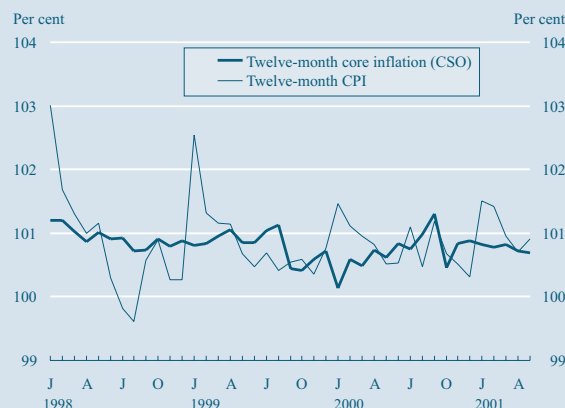


Chart 8 Seasonally adjusted twelve-month consumer price index and the CSO's index of core inflation



³ Under an agreement with the CSO, the Bank does not calculate and publish its own core inflation indicator from June 2001. Until publication of the new core inflation indicator, developed jointly with the CSO, the index calculated by the CSO is considered as the benchmark. The indicator calculated by the CSO eliminates changes in the prices of all unprocessed foods and energy, including motor fuel. (For a more detailed account of the agreement, see the Bank's web site.)

⁴ A five-member weighted central moving average of trend values derived from the formula $12 \cdot \ln(t/t-1) + 1$, where t denotes values of the series. (The first and last values are weighted asymmetrically.)

Chart 9 Domestic producer price indices
Preceding month = 100

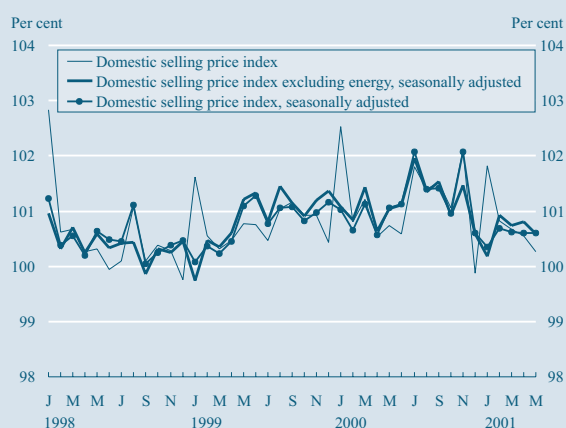
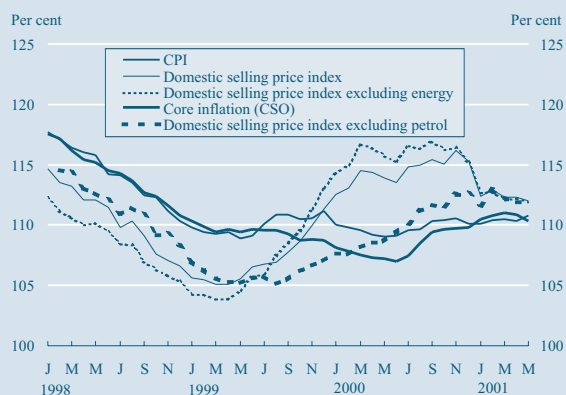


Chart 10 Comparison of the domestic producer price index excluding petrol with other price indices
Same month of previous year = 100



months. Motor fuel prices were 2.8% higher in the month, but those of market energy were 0.1% lower than in April. Regulated services prices continued to rise below the average, owing to the control maintained by the government over price movements. The change in market services prices, which represent a very important weight in overall price developments, was an increase of 0.3%, thus continuing to show a favourable picture.

Producer prices

Producer prices (the CSO release of industrial firms' domestic selling prices) rose by 0.3% from April to May and by 11.9% relative to twelve months previously (see Chart 9). The one-month change in seasonally adjusted domestic producer prices excluding energy⁵ was an increase of 0.59% in May.

Manufacturing industry prices, which are the most dominant factor influencing movements in domestic sales prices, rose on average by 0.4% in May relative to April. Among the more important industry sectors, the rate at which food industry prices rose (0.6%) continued to be above average, due mainly to price increases in meat processing. At 1.1%, prices in the chemical industry rose well above the average again. Despite the appreciation of the dollar against the euro, petroleum product prices rose by 2.9% in the month, mainly affected by the price of North Sea Brent fluctuating between \$27 and \$29. By contrast, machinery and equipment prices fell massively, by 0.4%. Price changes in the rest of manufacturing varied between -0.2% and 0.3% in the month (see Chart 10).

⁵ 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

Effective from 31 May 2001, the Bank took the following policy measures, in line with developments in the money and capital markets.

- The Bank abandoned the correction interest rate it had used to calculate the amount of interest on required reserves. As a consequence, effective from 1 July and in line with regulations in effect prior to 1 July 2000, interest remunerated by the Bank on required reserves is calculated by multiplying the average balance of banks' settlement account with the central bank with interest payable on reserves.

The exchange rate

On 4 May 2001, the Bank widened the earlier $\pm 2.25\%$ wide intervention band to $\pm 15\%$, maintaining the 0.2% monthly devaluation rate. Following this move, the market rate of the forint strengthened continuously throughout the remainder of the month, departing from the central rate by 7%. The exchange rate appreciated by 5.2% vis-à-vis the euro in comparison with end-April. The National Bank of Hungary officially devalued the central rate by 0.22% in the month.⁶ The average deviation of the exchange rate from the central rate was 561 basis points toward the strong extreme of the intervention band (see Chart 11).

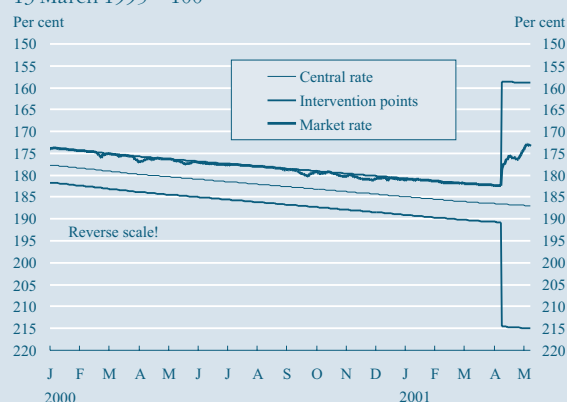
In the conduct of official interventions in the foreign exchange market, the Bank purchased foreign exchange in the amount of 104.7 million in the month.

Analytical accounts of the NBH

The value of banknotes and coin in circulation rose by Ft 15 billion, while the combined end-of-month total of domestic and foreign currency liabilities of the central bank to credit institutions fell by Ft 24.1 billion in May relative to end-April. Claims of the Bank on credit institutions were Ft 3.5 billion lower, mostly on account of a decrease in

Chart 11 Exchange rate movements within the intervention band

13 March 1995 = 100



⁶ Since 1 January 2000, the forint is devalued daily against a currency basket consisting 100% of the euro.

outstanding stock of long-term forint lending. The Bank's net liabilities to domestic credit institutions and net claims on the general government sector fell by Ft 20.6 billion and Ft 144.3 billion respectively, its foreign and other net assets rising by Ft 138.7 billion (see Table A). The appreciation of the forint against the euro following the move to widen the fluctuation band resulted in the outstanding stock of foreign currency borrowings of the state falling by Ft 90.3 billion and the combined stock of foreign and other net assets rising by Ft 86.1 billion.

Looking at the average stocks of central bank liabilities to credit institutions, the average of current account deposits decreased by Ft 2.4 billion, while that of non-callable deposits and foreign currency deposits rose by Ft 70.3 billion and Ft 36.4 billion respectively in May relative to the preceding month. Credit institutions' average holdings of NBH domestic currency bills fell by Ft 37.1 billion (see Table B).

Table A Changes in the balance sheet of the NBH

Calculated from end-of-month stocks

							Ft billions	
	1999	2000	2000		2001	2001		
	Q4	Q1	May	Q4	Q1	May	Of which:	
	Average*			Average*			Transactions	Revaluations
Banknotes and coin	28.9	-22.9	-5.0	13.9	-17.8	15.0	15.0	0.0
Forint deposits of credit institutions	31.5	124.7	-103.0	11.2	-63.6	-39.8	-39.8	0.0
Foreign currency deposits of credit institutions	-9.8	-25.8	-12.4	-5.2	-28.8	15.7	19.5	-3.8
Net claims on general government (excluding ÁPV Rt deposits)	-64.6	-37.5	-23.5	-27.0	-81.4	-144.3	-54.4	-89.9
Of which: forint loans	-6.0	-6.0	0.0	-6.3	-6.0	0.0	0.0	0.0
government securities	-1.9	-3.1	-3.6	-1.1	-65.3	0.0	0.0	0.0
foreign currency loans	-51.5	-25.8	13.8	-11.1	2.9	-90.3	0.0	-90.3
Claims on credit institutions	-3.8	5.3	-2.8	-3.6	-2.6	-3.5	-3.5	0.0
Foreign and other net assets	118.9	108.2	-94.1	50.6	-26.3	138.7	52.6	86.1

* Quarterly average of changes relative to the preceding month.

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

	Ft billions		
	2001		Monthly change
	April	May	
Banknotes and coin	936.9	941.8	4.9
Forint deposits of credit institutions	926.1	957.0	30.9
Of which: bankers' deposit accounts	382.8	380.4	-2.4
non-callable deposits	383.3	453.6	70.3
NBH domestic bills	160.1	123.0	-37.1
Foreign exchange deposits of credit institutions	371.2	407.6	36.4
Net claims on general government (excluding ÁPV Rt deposits)	1,417.7	1,342.9	74.8
Of which: forint loans	271.5	271.5	0.0
government securities	172.1	172.1	0.0
foreign currency loans	1,364.1	1,314.7	-49.4
Claims on credit institutions	86.7	85.7	-1.0
Foreign and other net assets	729.8	877.8	148.0

* Monthly average of daily stock data.

Aggregate balance sheet of the banking sector

Calculated from the data after eliminating the effect of the change to the required reserves system, annual growth in the monetary base (M0) accelerated by 2.1 percentage points to 12.3% in May relative to the preceding month.

The annual growth indices of the monetary aggregates, derived from the liability items of the aggregate balance sheet of the banking sector based on May's data, rose in the month under review, with the exception of broadest money M4. Annual growth in M1, a composite of banknotes and coin held by non-banks plus forint sight deposits, picked up 0.7 of a percentage point from April to

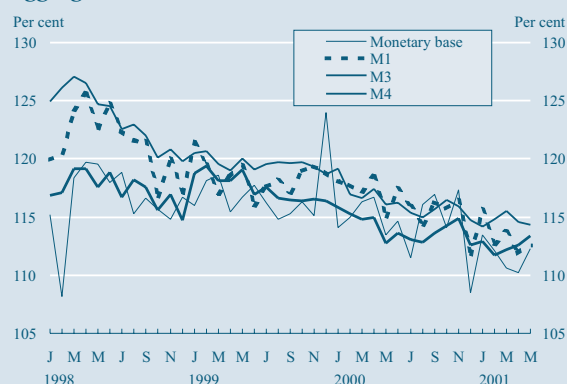
May, the end-of-month stock of M1 being 12.6% higher than a year before. Annual growth in the money measure M2, which comprises sight foreign currency deposits and time forint deposits, in addition to M1, was 0.8 of a percentage point faster than in April, the end-May stock of the aggregate standing 13.1% higher in a twelve-month comparison. Growth in broad money M3, a measure of M2 plus holdings of bank securities, was comparable with that in M2. The end-of-month stock of the aggregate rose by 13.4% in one year. Annual growth in broadest money M4, an aggregate of M3 plus government securities and NBH bills held by the non-bank sector, was 0.4 of a percentage point slower, the end-of-month stock of the aggregate being 14.3% higher than in May 2000 (see Chart 12).

Turning to the individual liability items of the aggregate balance sheet of the banking sector, the month-end value of corporate sector deposits was Ft 58.2 billion higher due to the transaction effect. Here, forint and foreign currency deposits rose by Ft 51.5 billion and Ft 6.7 billion respectively. The sector's foreign currency deposits fell by Ft 8.3 billion on account of the appreciation of the exchange rate following the move to widen the intervention band. Personal deposits, a class of household sector deposits, rose by Ft 12.5 billion during the month. Here, domestic currency deposits grew by Ft 23.4 billion and foreign currency deposits by Ft 3.7 billion due to the transaction effect. Exchange rate movements, in contrast, made a negative contribution to personal foreign currency deposits, causing a loss of Ft 14.6 billion.

As regards the items on the assets side of the aggregate balance sheet of the banking sector, the domestic credit stock rose by Ft 32.2 billion due to transactions, but fell by Ft 128.8 billion due to the appreciation of the exchange rate following the move to widen the intervention band, resulting in a 9.7% rise in twelve months. Corporate sector domestic borrowings were only Ft 2.3 billion higher. The transaction effect on the sector's outstanding forint and foreign currency borrowings resulted in increases of Ft 40.3 billion and Ft 0.6 billion respectively. Exchange rate movements caused a downward revaluation of Ft 38.4 billion on the end-of-month stock of corporate sector foreign currency borrowings. The effect of other volume changes, at Ft -0.2 billion, was negative. Within the total debt of the household sector owed to banks, personal borrowings rose by Ft 26.3 billion in May.

The changes in outstanding borrowings and deposits caused net liabilities of the general government and non-profit sector to fall by Ft 138 billion. Net assets of households rose by Ft 17 billion, net corporate sector debt fell by Ft 52.3 billion and net foreign assets of the domestic banking sector rose by Ft 82.7 billion (see Table C).

Chart 12 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 C Monthly changes in the net positions of institutional sectors vis-à-vis the banking sector

								Ft billions
	1999	2000	2000		2001	2001		
	Q4	Q1	May	Q4	Q1	May	Of which	
	Averages***			Averages***			Transactions	Revaluations
General government and non-profit sector, net*	42.5	49.6	-72.2	6.0	57.1	138.0	47.4	90.7
Consolidated central government, net*	40.2	48.6	-63.1	12.4	47.1	161.4	70.7	90.7
Local authorities, net	1.6	-1.0	-9.2	0.8	6.8	-23.8	-23.8	0.0
Other (non-profit) institutions, net	0.7	2.0	0.1	-7.2	3.2	0.5	0.5	0.0
Enterprise sector, net	-2.5	-51.5	-0.6	0.0	-65.1	52.3	22.1	30.1
Loans	-44.9	-41.9	-39.8	-52.4	-48.1	-2.3	-40.9	38.4
Deposits+cash+securities**	42.5	-9.6	39.3	52.4	-17.0	54.7	63.0	-8.3
Households, net**	42.2	-9.1	-22.0	35.7	-3.5	17.0	31.7	-14.6
Loans	-11.5	-10.2	-19.3	-20.5	-12.2	-29.0	-28.9	0.0
Deposits+cash+securities	53.7	1.1	-2.7	56.2	8.7	46.0	60.6	-14.6
Non-residents, net	-82.5	-42.2	47.2	-32.0	-81.8	-82.7	-69.0	-13.1
Other, net	0.3	53.3	47.6	-9.7	93.3	-124.7	-32.1	-93.0

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

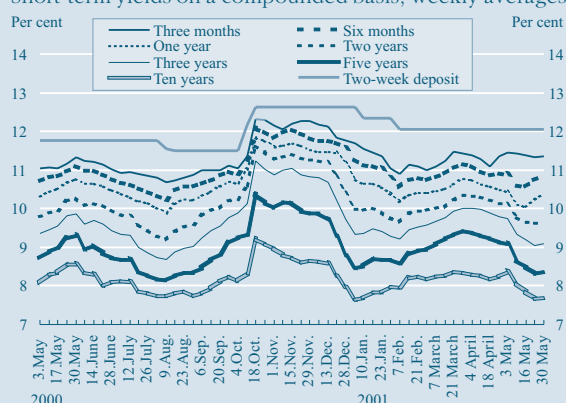
* Includes blocked deposits of central government and those of APV Rt.

** Including accrued interest.

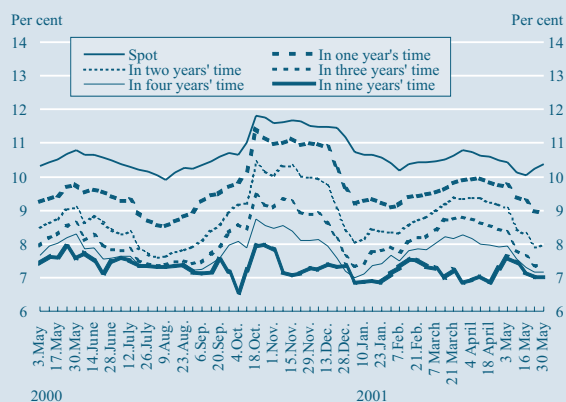
*** Quarterly average of monthly net changes in creditor position.

Chart 13 Zero-coupon yields and annualised return on the central bank two-week deposit

Short-term yields on a compounded basis; weekly averages

**Chart 14** One-year spot rates and implied forward rates derived from the Bank's zero-coupon yields

On a compounded basis; weekly averages



Government securities market

The downward trend of yields in the government securities market, which began in April, continued in the month under review. Zero-coupon yields,⁷ which reflect movements in the secondary market, were lower across every maturity. They fell modestly, by 6–16 basis points at the shorter end, i.e. at three, six and twelve months, and more strongly, by 46–77 basis points at the longer end (see Chart 13).

Implied one-year forward rates⁸ in one to two years' time rose progressively, by 75–108 basis points, those at the more distant maturities rising at diminishing rates, by 101 basis points, 83 basis points and 53 basis points respectively (see Chart 14).

Non-resident investors increased their holdings of Hungarian domestic currency-denominated government debt securities by another Ft 102.7 billion, so the sector's total holdings amounted to Ft 992.2 billion at the end of the month under review.

⁷ 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.

⁸ 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.

The amounts of bids submitted at the auctions of government bonds fell relative to April. Four auctions of NBH bills were conducted in the month.⁹ Yields were lower, accompanied by falling demand from the latter part of the month. The average yield at all auctions held in the month, weighted by the amount sold, was 11.07%.

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 205.7783 on 31 May. Calculated from movements in the index values, the annual return achievable on a portfolio equal to the composition of the index basket was 10.89%.

Market interest rates

Average interest rates at the shorter maturities continued to rise, but those at longer maturities were little changed in May relative to the preceding month. The total value of interbank transactions was Ft 1,526.6 billion, showing an increase of Ft 126.4 billion relative to April (see Chart 15).

The average 1–2 day rate was 11.3% in the month, up 110 basis points on the preceding month's level. Turnover in this maturity area rose slightly, its percentage share within the total being 4.9 percentage points higher, at 79.4%. The proportion of 3–7 day deals within the total was 7.6%, showing a drop of 0.6 of a percentage point relative to April. The average rate in this maturity bracket rose 80 basis points to 11.4%. The share of turnover between 1–2 weeks fell, to account for 8.4% of all transactions. That meant a drop of 2.9 percentage points in comparison with the preceding month. The average interest rate in this maturity area, at 11.3%, was 10 basis points lower than in April. Interest rates at maturities extending beyond two weeks stood at an average 11%. Transactions here accounted for 4.6% of total turnover.

Looking at corporate and household sector market interest rates, the average of corporate sector deposit rates rose, borrowing rates falling slightly. As regards household interest rates, home-building and property loan rates continued to fall, in contrast with deposit rates which remained broadly static (see Chart 16).

The average price for corporate customers of short-term loans, negotiated at market conditions, fell slightly, by 10 basis points to 12.3%, that of deposit rates rising 70 basis points to 9.7%. As a result of movements in interest rate

Chart 15 Monthly averages of interbank lending rates and official dealing rates

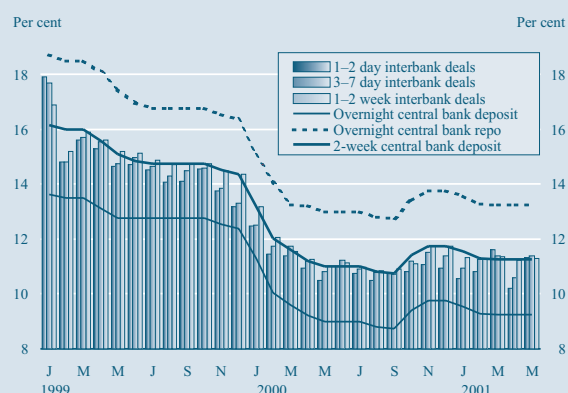
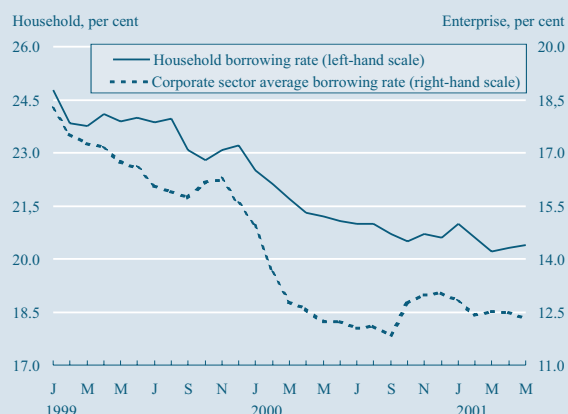
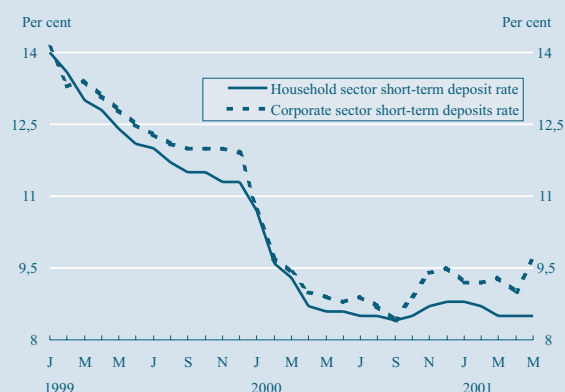
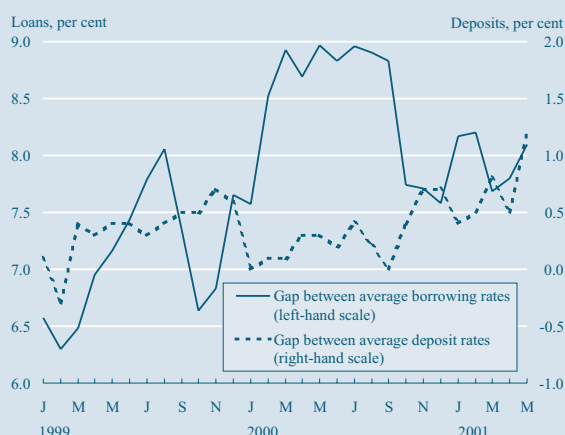
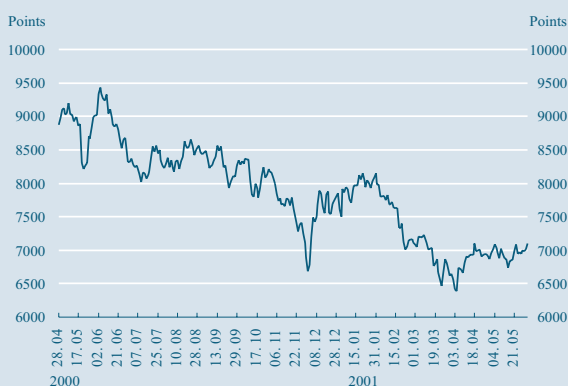


Chart 16 Corporate and household sector borrowing rates



⁹ 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 paper. 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 17 Corporate and household sector short-term deposit rates**Chart 18 Differential between corporate and household sector borrowing and deposit rates****Chart 19 The BUX**
2 January 1991 = 1,000

conditions, the short-term banking spread narrowed from 3.4 percentage points in April to 2.6 percentage points in the month under review. Generally playing a marginal role in corporate debts and deposits, the averages of long-term borrowing rates fell 40 basis points to 12.3%, while that of deposits rose from 9.2% to 9.6%.

Turning to households, the sector's average of sight and long-term deposit rates fell mostly on account of banks' policy decisions. The averages of sight and long-term deposit rate dropped 10 basis points to 3.3% and 20 basis points to 8.7%. The average interest rate on short-term deposits has remained unchanged at 8.5% since March (see Chart 17).

The banking sector average of household sector borrowing rates also remained largely static relative to April. That was the result of similar but divergent movements in interest rates on the various loan facilities. The average of home-building and property loan rates fell 30 basis points to 15.7%, mainly on account of effective changes to interest rate conditions. The average rates on consumer credit and other loans rose 30 basis points to 21%. That was basically due to more new lending by banks at above-average interest rates, rather than to lending policy decisions.

As a result of the changes in interest rates observed in May, the gap between corporate and household sector average borrowing rates¹⁰ widened by 30 basis points to 8.1 percentage points. The average of corporate sector short-term deposit rates was 1.2 percentage points higher than the corresponding average of household sector deposit rates (see Chart 18).

The BUX and the world's leading share market indicators

The share index of the Budapest Stock Exchange continued to rise in May, following a combined loss of 18.3% in February–March and a gain of 3.2% in April. The BUX closed below the April finish only on three trading days during the entire month. Movements in prices were fairly even, the largest daily fluctuations being +2.2% and –2.0%. The BUX reached its monthly low at 6,744.00 points on 16 May and its peak at 7,104.47, which was its monthly close. The market closed 3.5% higher in May than its finish in April (see Chart 19).

Measured on a dollar basis, the official index of the Budapest Stock Exchange rose by 3.9% in May, following a combined 23.3% loss in February–March and a 4.2% gain in April. The rise in May was very favourable compared with the major international exchanges, as the Dow Jones

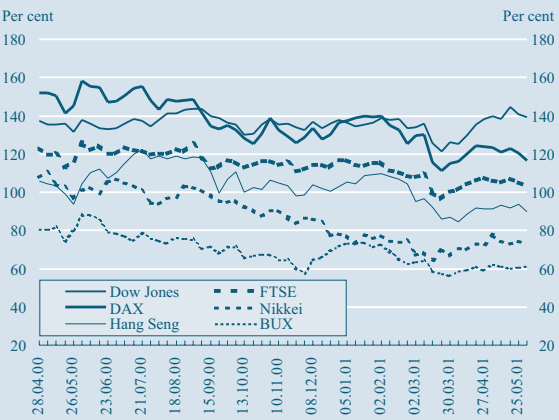
¹⁰ For both sectors, average borrowing rates have been defined taking into view the new contracts entered into during the course of the month.

Industrial Average of New York was the single market among the largest markets which gained in the month, though only 1.6% following an increase of 8.7% in April. The DAX of Frankfurt fell by 6.9% on a dollar basis, after an 8.7% rise in the preceding month. The London FTSE weakened by 3.8%, after rising by 7.1% in April. The NASDAQ, a gauge of movements in the prices of technology stocks, lost 3.0%, after a sharp decline of nearly 40% in February–March and a 17.9% gain in April (see Chart 20).

Looking at the Far Eastern markets, the Nikkei in Tokyo gained again, albeit slightly, by 1.4%. (In February–March, the index fell by 13.3% to rise by 9.5% in April.) Following the 20.6% drop in two months and a subsequent 4.9% gain in April, the Hang Seng of Hong Kong lost 1.6% of its value in the month under review.



Chart 20 The world's leading exchanges and the BUX
5 September 1997 = 100; on a dollar basis



Balance of payments and foreign trade

Table D Seasonally adjusted current account data*

	2000		2001	
	May	March	April	May
Goods	-166	-171	-167	-193
Exports	2,284	2,533	2,585	2,550
Imports	2,526	2,663	2,762	2,775
Services excluding tourism	-40	-29	-14	-28
Tourism	204	227	229	233
Non-debt income flows	-58	-55	-155	-53
Debt related income flows	-60	-59	-87	-91
Current transfers	49	31	41	29
Current account balance	-153	-66	-139	-186

* Due to the method used for seasonal adjustment, the balance cannot be reproduced from the seasonally adjusted data that underlie the given sub-balance.

Chart 21 Current account

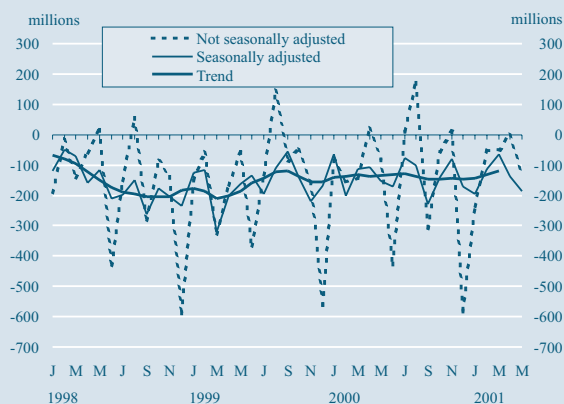
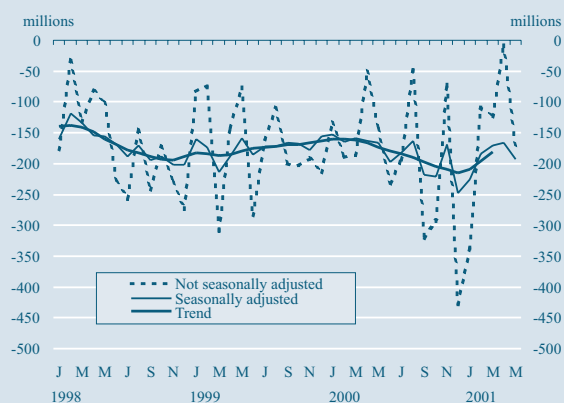


Chart 22 Trade balance



The balance of payments and financing

According to the seasonally adjusted data,¹¹ the current account was 186 million in deficit in May 2001 (see Table D). The trend of monthly current account deficits has been falling since January 2001 (see Chart 21). Although the fall in net expenditures for trade in goods, including the May data, stopped, the trend still indicates further improvements ahead (see Chart 22).

The seasonally adjusted current account deficit rose by 47 million in one month. Looking at developments in real economic transactions, the merchandise trade deficit increased as a result of a fall in exports and a rise in imports, while the rise in net revenues for tourism services were insufficient to offset a higher deficit on other service transactions. The 53 million outflow of non-debt investment income indicates that, following the spike in April which did not match the seasonal patterns of the series, the May data returned to the 45–55 million range characteristic since January 2000. The surplus on current transfers fell by 12 million in one month.

The current account deficit, not seasonally adjusted, was 33 million higher in May than a year earlier. The higher net expenditures for trade in goods and outflow of investment income as well as the lower surplus on current transfers contributed to the increase in the current account deficit. However, the surplus on tourism increased and the deficit on other services fell.

The not seasonally adjusted current account deficit amounted to 134 million in May. The capital account closed with a surplus of nearly 27 million, so whole-economy external financing requirement amounted to 106 million in the month under review (see Table E). Net

¹¹ Using the SEATS TRAMO software, the model settings which accord best with the characteristics of the times series ending with the final data for January 1994–December 2000 are fixed at the entire length of the year. The newly published data are adjusted within this model in the course of 2001. Taking account of the data for the latest month, the seasonally adjusted data for earlier periods will change. 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.

non-debt inflow, at 120 million, financed this deficit – direct investments by non-residents in Hungary amounting to nearly 124 million, and those by Hungarian residents abroad to 13 million. Inward and outward portfolio investment transactions in equity securities closed with a 8 million inflow. Non-resident investors stepped up their holdings of Hungarian government debt securities by 392 million.

Hungary's external accounts

Whole-economy gross foreign debt was 36.8 billion at the end of May 2001. The combined gross foreign currency debt of the NBH and the central government outstanding to non-residents amounted to 17.5 billion, forint debt accounting for 3.9 billion. The gross debt of credit institutions and the corporate sector rose to 19.3 billion, inter-company loans accounting for 4 billion. Financial liabilities of direct investment enterprises to their parents, also known as inter-company loans, had a share of 30% within total corporate sector foreign debt.

Whole-economy net debt amounted to 11.8 billion towards end-May. The combined net debt of the NBH and the central government stood at 2.2 billion. However, taking foreign currency denominated assets and liabilities into account, the two sectors took a 1.7 billion net lending position in foreign currency. Total private sector net foreign debt was 9.6 billion, inter-company loans accounting for 3.7 billion (see Table F).

The total stock of direct investments by non-residents in Hungary amounted to 23.7 billion at the end of May, of which the value of holdings of shares and classes of equity capital was 19.7 billion.

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

		millions			
		2000	2001		
		May	March	April	May
1	Current account	-80	-48	-2	-134
2	Capital account	27	14	47	27
3	Net lending/net borrowing (1+2)*	-53	-35	45	-106
4	Non-debt capital flows	46	181	61	120
5	Total (3+4)	-7	146	107	13
6	Debt creating flows (6a+6b)**	39	-136	-180	10
6a	In forint	-79	112	248	392
6b	In foreign currency	119	-248	-428	-382
7	Financing gap (5+6)	32	10	-73	24
8	Errors and omissions	-32	-10	73	-24

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

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

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

				millions			
	2001		Change	Of which:			
	April	May		Transactions	Exchange rate movements	Price changes	Other volume changes
Net foreign currency debt of the NBH and government	-1,351	-1,698	-348	-160	349	-538	0
Net forint debt of the NBH and government	3,330	3,913	583	392	190	0	0
Total net debt of the NBH and government	1,979	2,214	235	233	540	-538	0
Assets of the NBH and government	14,324	15,304	980	218	247	515	0
Of which: international reserves	12,536	12,990	455	241	219	-5	0
Gross foreign currency debt of the NBH and government	12,973	13,606	632	58	596	-23	0
Gross forint debt of the NBH and government	3,330	3,913	583	392	190	0	0
Total gross debt of the NBH and government	16,303	17,518	1,215	451	787	-23	0
Net debt of credit institutions and the corporate and other sectors*	6,120	5,953	-167	-220	99	-39	-8
Assets of credit institutions and the corporate and other sectors	8,294	9,312	1,018	693	280	37	8
Gross debt of credit institutions and the corporate and other sectors	14,414	15,265	851	473	380	-2	0
Inter-company loans, net	3,607	3,651	45	-2	47	0	0
Assets	288	352	65	52	12	0	0
Liabilities	3,894	4,004	109	50	59	0	0

* Excluding inter-company loans.

Chart 23 Annualised monthly growth rates of merchandise foreign trade

In euros; preceding month = 100

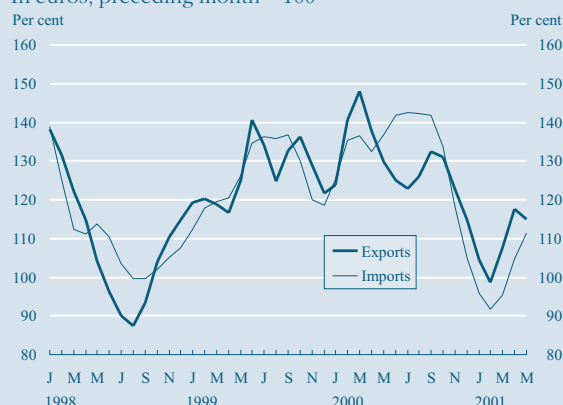


Chart 24 Merchandise exports

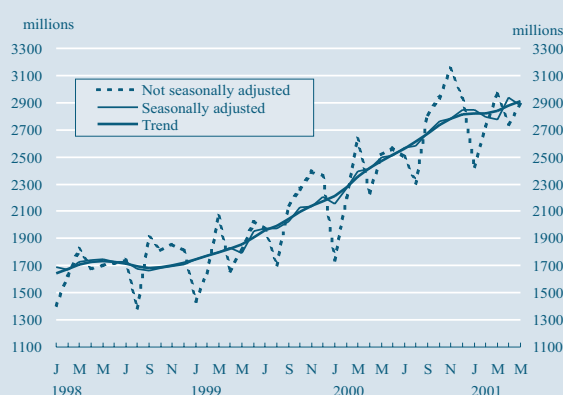


Chart 25 Merchandise imports

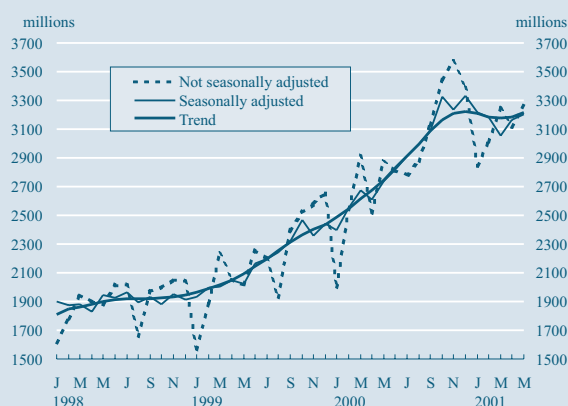
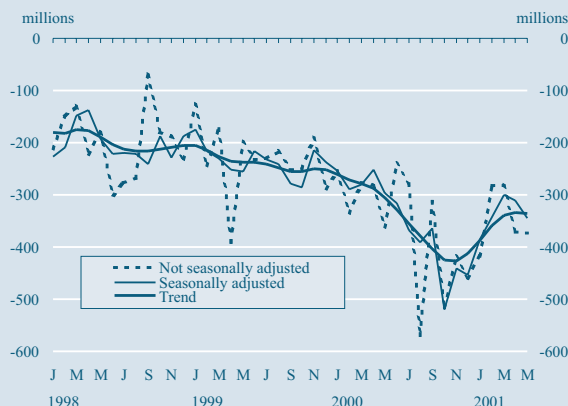


Chart 26 Trade balance



Foreign trade

The trend of goods exports continued to be upwards in May, but the rate of export growth fell slightly relative to the preceding month. By contrast, the trend rate of import growth continued to rise, although it still remained below the comparable indicator of exports. Following improvements in earlier months, in May the trend of merchandise foreign trade balance remained static at April's value (see Chart 23).

The annual growth rates of Hungarian exports and imports were only slightly different in May and the first five months of 2001. According to the seasonally adjusted data, the twelve-month growth rate of imports was a little higher than that of exports. However, the not seasonally adjusted data depict a different picture (see Charts 24, 25 and 26).

Inward and outward trade in machinery and equipment with countries of the European Union, conducted particularly by the large companies operating in customs-free areas, provide the backbone of Hungarian foreign trade. Little changes have been seen in this respect in 2001, apart from a few minor shifts. For example, in May and the first five months of 2001, the percentage share accounted for by the CEFTA countries increased relative to the comparable periods of the previous year. That was mainly attributable to foreign trade in manufacturing goods and machinery and equipment showing much stronger growth rates than the whole-economy average. There was a robust increase in imports of machinery and equipment from the Far East during the same period. These factors provide an explanation for the fact that, whereas the percentage shares of developed countries, and of the EU in particular, have been falling in a regional breakdown, those of machinery and equipment have been rising further.

The percentage share of energy within whole-economy imports continued to rise in May and the first five months of 2001.¹² The CIS states accounted for more than 75% of total energy imports. However, due to the problems in other product markets (foods and engineering industry goods) the share of the region within whole-economy imports fell in the first five months of 2001 relative to the same period of the previous year.

¹² Price increases continue to explain the rise in the value of energy imports. Measured in calorific terms, imports fell slightly, which was attributable to the change in the price of natural gas – the price of imported gas is set using a formula, which in turn is fixed to movements in the prices of certain oil products. This has delayed the drastic increase in crude oil prices in 2000 until now.

Public finance

Net borrowing of general government

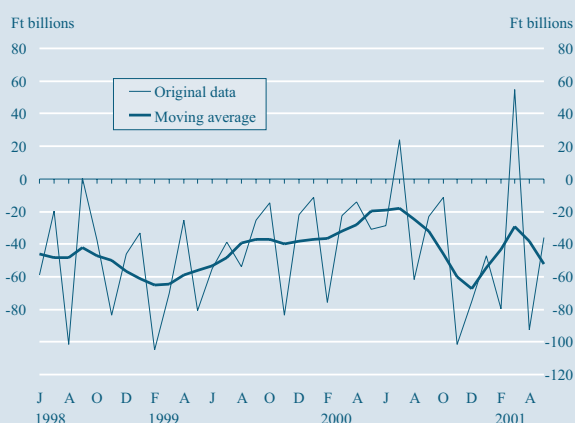
The net borrowing requirement of general government amounted to Ft 36 billion in May 2001, showing a slight increase relative to a year earlier (see Chart 27). The net borrowing requirement of central government rose by some Ft 1.5 billion and that of the local government authorities by Ft 1.1 billion in one year. The net borrowing requirement of the social security funds was Ft 2.4 billion in May 2000 (see Table G). According the Bank's calculations, the cumulative general government deficit amounted to Ft 200.7 billion in January–May 2001, in comparison with Ft 154.6 billion in the same period of the previous year.

The central government net borrowing requirement, including the accounts of ÁPV Rt and the extra-budgetary funds, and adjusted to reflect the Bank's calculation method, was Ft 19.1 billion in May. 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 31.1 billion.

Out of total central government expenditure, Ft 94.5 billion extraordinary expenditure was not actually transferred but placed on a suspense deposit account last December. The Bank's calculations do not treat this amount as expenditure affecting general government accounts for 2000. However, it has been recorded as actual expenditure for 2001, depending on actual transfers effected from the account. The expenditure items were the following in sequence: ÁPV Rt received Ft 35 billion in January, the local government authorities and units of central government receiving Ft 10 billion and Ft 5 billion respectively in March. The balance on the account did not change in May. The difference between interest expenditure recorded on cash and accrual bases increased central government borrowing requirement by Ft 4.2 billion in May, in contrast with Ft 12.2 billion a year earlier.

Taken together, owing to the correction items the net borrowing requirement of central government exceeded that calculated by the Ministry of Finance by Ft 0.9 billion in

Chart 27 Net lending/net borrowing of general government



*The smoothed time series is a five-month centred moving average with varying weights up to April 2001. The May moving average is calculated using a trinomial average with equal weights and an estimate for June (Ft -27.7 billion).

Table G General government net lending (+), net borrowing (-) by sub-sector

	Ft billions		
	2000 May	2001	
		April	May
Central government excluding extra-budgetary funds and ÁPV Rt (1)	-18.6	-41.9	-11.3
Extra-budgetary funds (2)	-0.6	0.9	-0.3
ÁPV Rt. (3)	1.6	-14.6	-7.5
Central government (4=1+2+3)	-17.6	-55.6	-19.1
Social security funds (5)	-10.7	-9.5	-13.1
Local authorities* (6)	-2.6	-27.6	-3.7
General government, total (7=4+5+6)	-30.9	-92.7	-36.0

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

May and by some Ft 78.6 billion in the January–May 2001 period.

The State Privatisation and Holding Company raised Ft 1.2 billion revenue in May, almost exclusively from transfers of dividend income. As regards the most important expenditure items, those on the company's operations amounted to Ft 1 billion, the transfer to local government authorities to settle their claims relating to gas utilities amounted to Ft 3.5 billion, and those on exchanging compensation vouchers into life annuity amounted to Ft 1.3 billion. According to the Bank's calculations, the net borrowing requirement of the company, recorded as part of the central government sector, was Ft 7.5 billion in May.

The net borrowing requirement of the Health Insurance Fund and the Pension Insurance Fund, drawn as a balance of Ft 153.1 billion revenue and Ft 166.2 billion expenditure, amounted to Ft 13.1 billion in May. On the revenue side, contribution receipts met the estimate, with a substantial lag observed only in receipts from the central government. On the expenditure side, pharmaceutical subsidies were the only item to significantly exceed the estimate. The balance of provision funded from non social security sources was Ft 2.6 billion.

The net financing capacity of local government authorities, estimated from changes in deposits and loans as well as taking into account cash-based data reported by the Ministry of Finance, amounted to Ft 3.7 billion in May, so the balance of the sub-sector for the period January–May rose to Ft 10.9 billion.

Financing and gross debt of general government

General government net lending/net borrowing can be calculated taking into account changes in financial assets and liabilities, in addition to the balance of revenue and expenditure. The difference between the two indicators of general government net lending, derived from revenue and expenditure as well as from financing data, stems from statistical error.

The change in general government net financial assets due to transactions (see Table H), which shows the sector's debt in terms of deficit financing, was a decrease of Ft 46.9 billion in May and a total Ft 180 billion in the first five months of 2001. The combined borrowing requirement of the central government and the social security funds was Ft 11.4 billion and that of the local government authorities was Ft 24.1 billion.

Financial assets of the central government rose by Ft 175.8 billion in May. That was due mainly to the nearly Ft 60 billion increase in the sector's deposits with the NBH,

¹³ Based on data reported by the social security funds.

Table H Changes in financial wealth of general government

	Stock: May 2001	Flows:			
		May		January–May	
		Transac- tions	Other changes in volume	Transac- tions	Other changes in volume
Central government					
Assets	1,035.9	64.6	111.2	226.4	980
Liabilities	8,065.5	76.0	–14.8	357.9	–12.3
Net financial assets	–7,029.6	–11.4	126.0	–131.4	110.2
Social security funds					
Assets	0.8	–0.5	0.0	–5.6	0.0
Liabilities	156.6	10.9	0.0	56.0	0.0
Net financial assets	–155.8	–11.4	0.0	–61.5	0.0
Local government authorities					
Assets	452.9	–19.1	0.0	11.1	0.0
Liabilities	166.9	5.0	–1.1	–1.8	–1.0
Net financial assets	286.0	–24.1	1.1	13.0	1.0
Consolidated general government					
Assets	1,218.7	35.1	111.2	157.6	980
Liabilities	8,118.1	82.0	–15.9	337.6	–13.2
Net financial assets	–6,899.4	–46.9	127.1	–180.0	111.2

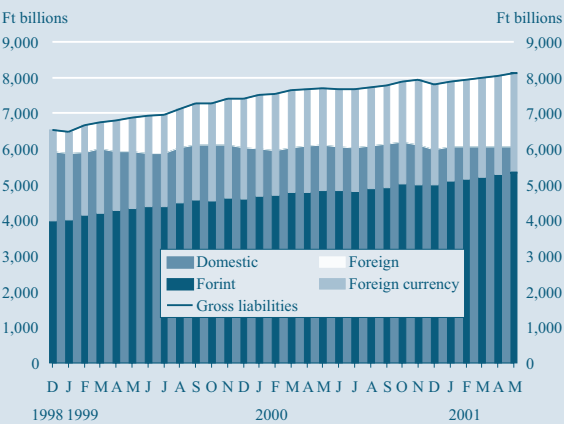
and a Ft 110.7 billion revaluation gain on derivatives related to outstanding debt. The increase of Ft 61.2 billion in liabilities was caused by issues of forint-denominated government securities to the amount of Ft 70.9 billion, interest accruals of Ft 4.2 billion, net foreign borrowing of Ft 4.9 billion and a revaluation loss of Ft 14.9 billion due to exchange rate movements.

The stock of outstanding borrowings of the social security funds from the central government rose by Ft 9.5 billion in May, reaching a total Ft 143.7 billion towards the end of the month. Taking into account changes in other financial liabilities and assets, net assets of the sub-sector fell by Ft 11.4 billion in the month under review.

Only transactions data on deposits and loans as well as on foreign debt are available in respect of financial assets and liabilities of the local government authorities. Accordingly, financial assets of local government authorities fell by Ft 18.9 billion, liabilities rising by Ft 3.8 billion, so the change in net financial assets was a decrease of Ft 22.9 billion in the month under review.

In May, the gross debt of general government rose by Ft 66 billion, to a total Ft 8,118.1 billion. The total stock of financial assets, excluding the value of the sector's equity shares, increased by Ft 146.3 billion. The change in liabilities continued to be accounted for mainly by the increase in holdings by non-residents of forint-denominated debt (see Chart 28).

Chart 28 Composition of general government gross liabilities



Earnings and financial savings of households

Earnings

According to the Bank's calculations,¹⁴ whole-economy gross earnings growth¹⁵ slowed in May following the strong outcomes towards the end of 2000 and early 2001. Average earnings in the total economy grew by 15.8% relative to a year earlier, showing a drop of 3.3 percentage points in comparison with April.

Adjusted to eliminate the effect of changes in the composition of the workforce, corporate sector earnings grew by 16% relative to a year earlier. That meant a slight, 0.3 of a percentage point increase in one month. The CSO release of the same indicator, which shows unadjusted earnings growth numbers, showed an increase of 14.6% (see Chart 29).

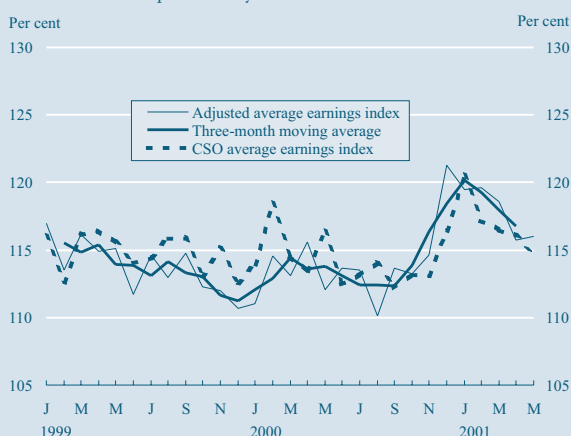
The gap between the outcomes for the two indicators is explained by the change in the number of hours worked and a variation in the composition of staff. The number of hours worked was 0.4% higher in May than a year before.

According to the data released by the CSO, irregular pay to personnel¹⁶ as a share of total gross pay was 15.6%. That was 0.9 of a percentage point higher than in May 2000.

Following a salient 27.3% growth in the preceding month, government sector adjusted earnings growth¹⁷ amounted to 15.2% in May year on year. The index as calculated by the CSO was 0.5 of a percentage point higher than that of the Bank. The strong outflow of earnings in the preceding months was accounted for mainly by a one-off settlement of wages, already discussed in the previous issue of the Monthly Report.

Chart 29 Corporate sector monthly gross average earnings*

Same month of previous year = 100



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

¹⁴ 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.

¹⁵ Companies with more than 5 employees (financial and non-financial companies), and units of central government and the social security authorities (general government sector).

¹⁶ Bonuses, overtime, profit-related pay, one-month pay awards etc.

¹⁷ The data have been adjusted by eliminating the percentage shares of manual and non-manual workers as well as the effect of changes in workforce across the sectors.

The share of irregular pay to personnel as a percentage of government sector earnings was 12.5% in May, following April's 23.4% and showing a decrease of 2.3 percentage points relative to May 2000.

The strong pick-up in earnings growth at the start of the year was triggered by the combined effect of a number of factors, which, however, can only partially be quantified. In view of 2000 inflation data, businesses most probably adjusted wages upwards significantly. The introduction of the Ft 40,000 statutory minimum wage on 1 January also contributed to earnings growth. This is underlined by the fact that in the early months of the year those sectors where the percentage share of people employed at the minimum wage was high registered a much higher than average growth in earnings.

Financial savings of households

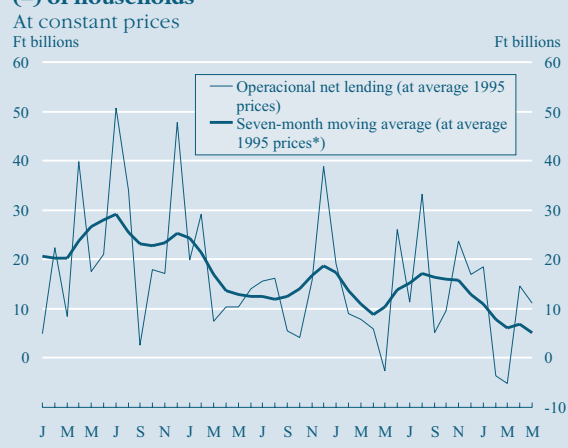
In May, operational net lending of households, i.e. their financial savings after eliminating compensation for inflation incorporated in interest, amounted to Ft 24.7 billion. That was higher than the monthly average of the previous year, the cumulative data for the first five months being broadly comparable with those for the same period of 2000. The trend of financial savings continued to be downwards (see Chart 30).

Net financial wealth of households, valued at market prices, rose by Ft 49.1 billion in the month. Here, the value of financial assets rose by Ft 78.5 billion and household debt by Ft 29.4 billion (see Table I). The growth rate of debt, i.e. the twelve-month change measured on the basis of constant prices, had slowed significantly since the beginning of the year, although it continued to be high, around 20%. (The previous year's high growth rates are explained by the low base, as outstanding household debt began to rise in 1999, which in turn implies strong growth due to the low initial stock.) This and the slowdown since November in the year-on-year rate at which the value of financial assets rises has led to stagnation in the growth rate of financial wealth (see Chart 31).

There was a clearly observable shift towards non-bank forms of savings in 2000. Cumulative data for the first five months of 2001, however, indicate a reversal of this trend – transactions affecting bank deposits have been given a greater role in household investments. The sector showed particular preference for bank deposits in April and May. In addition, the increase in cash holdings was also significant.

Forint deposits of households with credit institutions, excluding compensation for inflation incorporated in interest, rose by Ft 21.4 billion in May. Sight and short-term deposits accounted equally for the increase in deposits. Playing a role in the strong increase in deposits was the payment in May of a part of wages due only in the early

Chart 30 Operational net lending (+) / net borrowing (–) of households



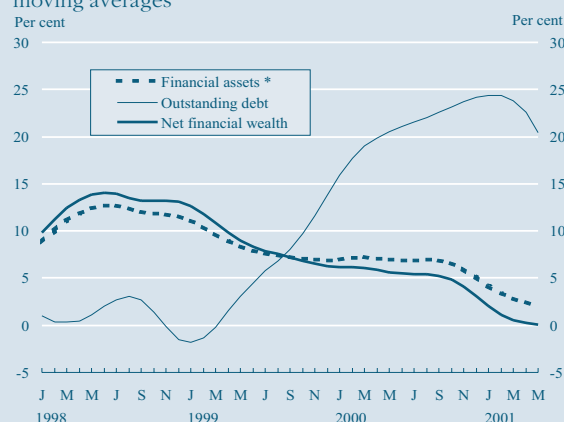
*The moving average is calculated using symmetrically reduced weights going back in time from the current month. The moving average values for the final three months may change when the latest data become available.

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

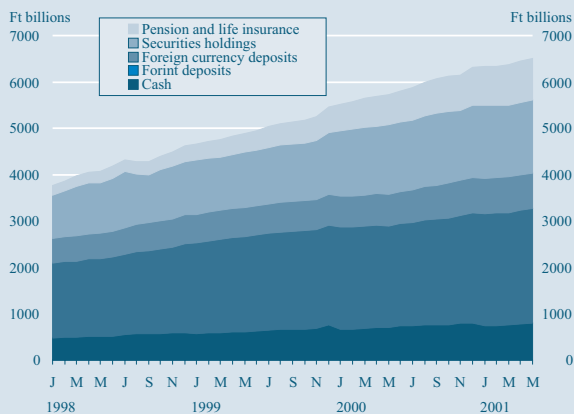
	Flows (May)					
	Stocks:, 31 May 2001	Transactions:			Revaluations	Other changes in volume
		Trans- actions net of compensation for inflation	Compensation net of compensation for inflation	Compensation for inflation incorporated in interest		
Cash	791.9	19.9	19.9	0.0	0.0	0.0
Forint deposits and bank securities	2,745.9	37.8	21.4	16.4	0.0	0.0
Foreign currency deposits	759.3	-11.6	1.7	1.3	-14.6	0.0
Non-bank securities	1,574.2	15.2	-4.8	11.3	8.7	0.0
Pension funds and life insurance	901.4	17.2	9.5	7.7	0.0	0.0
Financial assets, total	6,772.7	78.5	47.7	36.7	-5.9	0.0
Home-building loans	231.4	13.1	11.2	1.9	0.0	0.0
Consumer credit	393.2	13.9	10.6	3.3	0.0	0.0
Other borrowings	192.3	2.4	1.2	1.2	0.0	0.0
Household debt	816.9	29.4	23.0	6.4	0.0	0.0
NET FINANCIAL WEALTH AND THE COMPONENTS OF CHANGE IN WEALTH	5,955.8	49.1	24.7	30.3	-5.9	0.0

Chart 31 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.

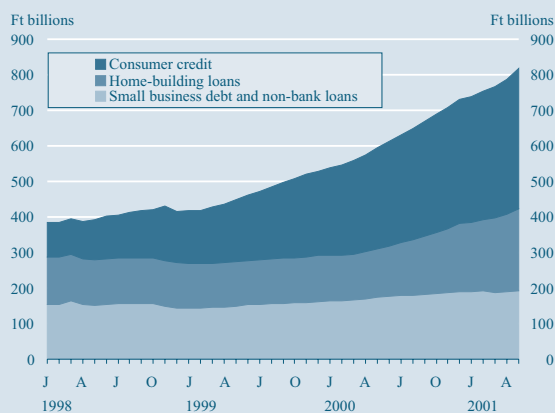
Chart 32 Household sector financial assets

days of June, on account of the holiday. This had an effect on cash holdings as well, in addition to sight current account deposits, which rose by Ft 19.9 billion in the month (see Chart 32 and Table I).

Following withdrawals from foreign currency deposits since February, the sector increased its holdings in May, albeit slightly, by Ft 1.7 billion. The Bank widened the fluctuation band of the forint in the beginning of the month and, subsequently, the market rate of the currency strengthened continuously throughout the period. Households incurred a holding loss of Ft 39.6 billion due to the appreciation of the forint, which the gain caused by exchange rate movements (the dollar's appreciation against the euro) reduced by Ft 25 billion. The sector's foreign currency holdings comprise 49.7% US dollar and 40.8% the currencies of the euro area. The remaining 9% comprises 5.5% pound sterling, 2.6% Swiss franc and 1% Canadian dollar. Looking at the breakdown of foreign currency accounts by currency, the share of dollar accounts rose by 3.3%, that of the euro area currencies falling by 3%.

Households continued to reduce their holdings of non-bank securities in May. Operational transactions amounted to Ft -4.8 billion. Of the various securities investments, there was slight demand only for investment units, while households took net selling positions in government securities, operational transactions amounting to Ft 1.7 billion and Ft -6.2 billion respectively.

Household sector debt rose strongly in May, by Ft 29.4 billion. Operational transactions amounted to Ft 23 billion, the highest outcome recorded to date as regards both home-building loans and consumer credit. Operational transactions in consumer credit amounted to Ft 10.6 billion. That was a salient value, especially taking into account the fact that the value of operational transactions had been stagnant at the previous year's monthly Ft 7 billion, with demand for these loan facilities being even lower around the start of 2001. Operational transactions in property loans rose as a trend throughout the previous year and, following a pause in early 2001, demand picked up again, amounting to Ft 11.2 billion in May (see Chart 33).

Chart 33 Outstanding borrowings of households by type of debt

Main economic and financial indicators

	GDP volume indices	Consumer price index	Core inflation (CSO)	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		109.8	111.3	119.6	8.0	34.8	116.0	121.4	118.8	16.17	-151	270	7,898	-33.2
February		109.4	110.8	113.3	7.6	51.7	118.1	119.5	119.4	16.00	-57	68	8,574	-105.1
March	103.2	109.3	110.7	117.1	6.7	13.3	118.6	117.1	118.1	16.00	-330	89	8,243	-70.0
April		109.4	111.0	116.5	7.3	18.7	115.4	118.5	118.2	15.58	-167	100	8,190	-25.0
May		108.9	110.7	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	110.7	114.6	6.3	25.8	117.7	116.0	116.9	14.85	-369	119	9,068	-54.9
July		110.0	110.9	115.0	7.5	28.8	116.2	117.7	117.4	14.75	-134	60	9,150	-38.9
August		110.9	111.5	116.6	6.8	30.2	114.8	118.2	116.5	14.75	144	113	9,285	-53.6
September	104.2	110.9	111.2	116.0	6.6	10.4	115.3	117.1	116.3	14.75	-87	103	9,635	-25.5
October		110.5	110.7	114.3	6.7	7.8	116.3	119.0	116.3	14.75	-50	61	9,743	-14.7
November		110.6	110.5	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	110.2	117.0	6.3	74.8	124.0	118.9	116.0	14.38	-562	296	10,874	-22.2
January 2000		110.0	109.4	110.7	7.0	36.9	114.1	118.1	115.9	13.17	-77	44	11,513	-11.3
February		109.8	109.1	116.0	7.2	17.7	114.9	117.8	115.3	12.04	-157	125	11,869	-75.7
March	106.5	109.6	108.5	113.0	6.0	15.3	116.3	117.2	114.8	11.60	-145	54	11,202	-22.4
April		109.2	108.2	113.6	6.9	11.5	116.7	118.4	115.0	11.20	21	162	11,380	-14.2
May		109.1	108.0	113.9	6.7	-5.2	113.5	115.1	112.8	11.00	-80	186	11,549	-30.9
June	105.6	109.1	108.0	112.0	6.0	52.3	114.6	117.4	113.7	11.00	-428	168	10,999	-23.9
July		109.6	107.7	114.7	6.6	22.9	111.5	115.9	113.0	11.00	10	42	11,110	23.9
August		109.6	107.6	112.4	6.5	67.9	116.1	114.4	112.8	10.81	174	253	11,628	-61.5
September	104.5	110.3	108.5	111.9	5.7	10.7	117.0	116.3	113.6	10.75	-311	229	12,047	-23.2
October		110.4	108.7	112.2	6.2	20.0	114.1	115.8	114.3	11.42	-55	37	12,069	-11.3
November		110.6	108.9	114.6	6.0	49.9	117.3	116.4	114.9	11.75	11	154	12,433	-101.3
December	104.2	110.1	109.0	116.5	5.7	35.9	108.5	111.7	112.4	11.75	-583	314	12,068	-75.0
January 2001		110.1	109.7	116.1	6.0	39.6	113.5	115.6	112.9	11.55	-237	109	11,590	-46.9
February		110.4	109.8	117.4	6.3	-7.8	112.1	112.7	111.7	11.28	-54	268	12,104	-79.7
March	104.4	110.5	110.2	116.3	5.6	-11.0	110.6	113.7	112.2	11.25	-48	142	12,187	54.7
April		110.3	110.2	119.4	5.8	32.0	110.2	111.9	112.6	11.25	-2	62	12,536	-92.7
May		110.8	110.3	114.9	5.7	24.7	112.3	112.5	113.3	11.25	-134	124	12,990	-36.0

Source: CSO, NBH

* For 2000 and 2001 preliminary data.

** Equity capital.

