

**PRESS RELEASE**

**Preliminary statistical balance sheet of the MNB  
January 2006**

In January 2006, the monetary base fell by HUF 165.2 billion, from HUF 2,405.0 billion in the preceding month to HUF 2,239.8 billion. Of the components of the monetary base, the monthly average stock of currency in circulation fell by HUF 103.5 billion to HUF 1,684.7 billion, the monthly average of other MFIs' current account balances rose by HUF 5.9 billion to HUF 534.5 billion and the monthly average stock of other MFIs' overnight deposits fell by HUF 67.6 billion to HUF 20.6 billion.

**Chart 1 Components of the monetary base**

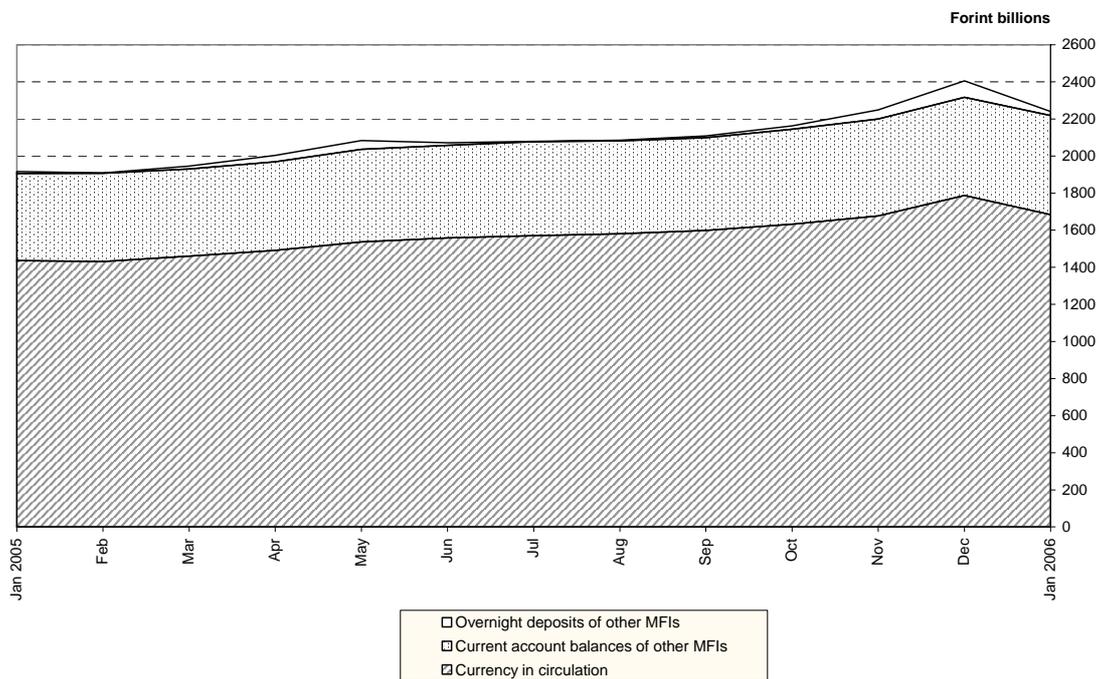
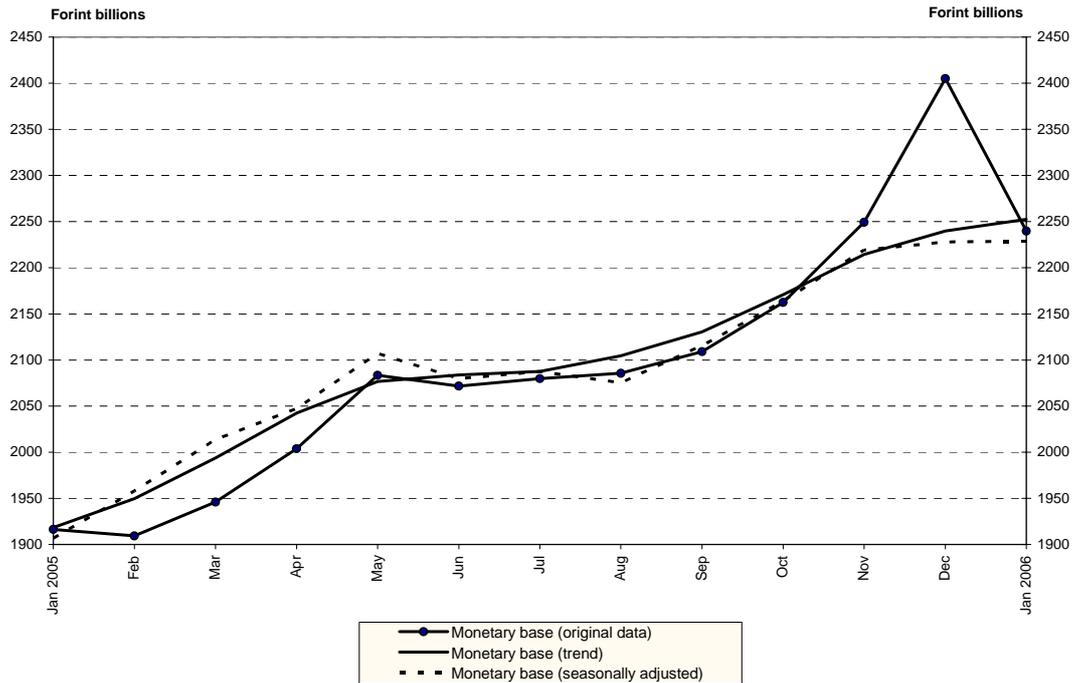
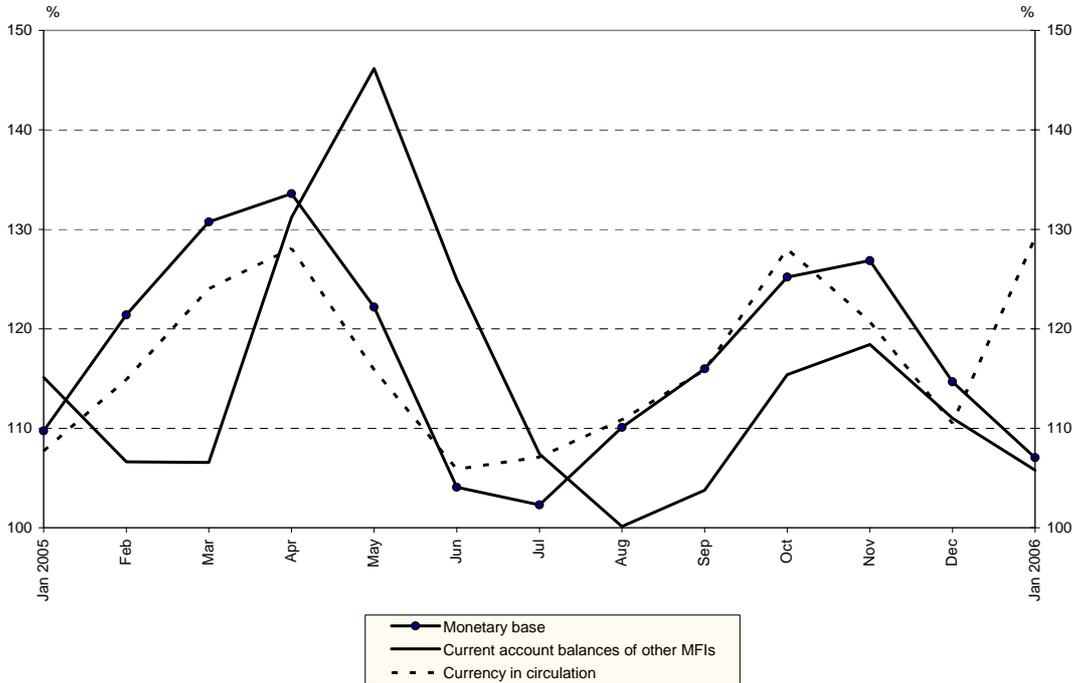


Chart 2 Changes in the monetary base



The annualised month-on-month growth index of the monetary base<sup>1</sup> stood at 107.0% in the month under review, down 7.6 percentage points on December 2005.

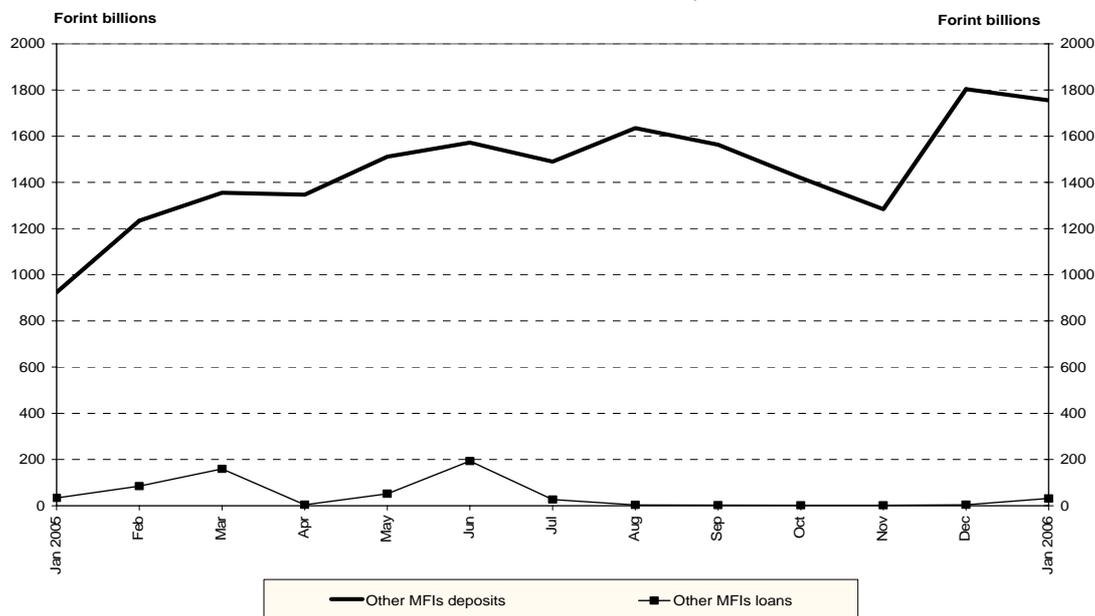
Chart 3 Annualised growth indices of the monetary base and its components



<sup>1</sup> See the note at the end of this press release.

In January, deposits of other MFIs with the MNB fell by HUF 48.3 billion to HUF 1,755.2 billion and the stock of loans granted by the MNB to other MFIs rose by HUF 27.1 billion to HUF 31.2 billion.

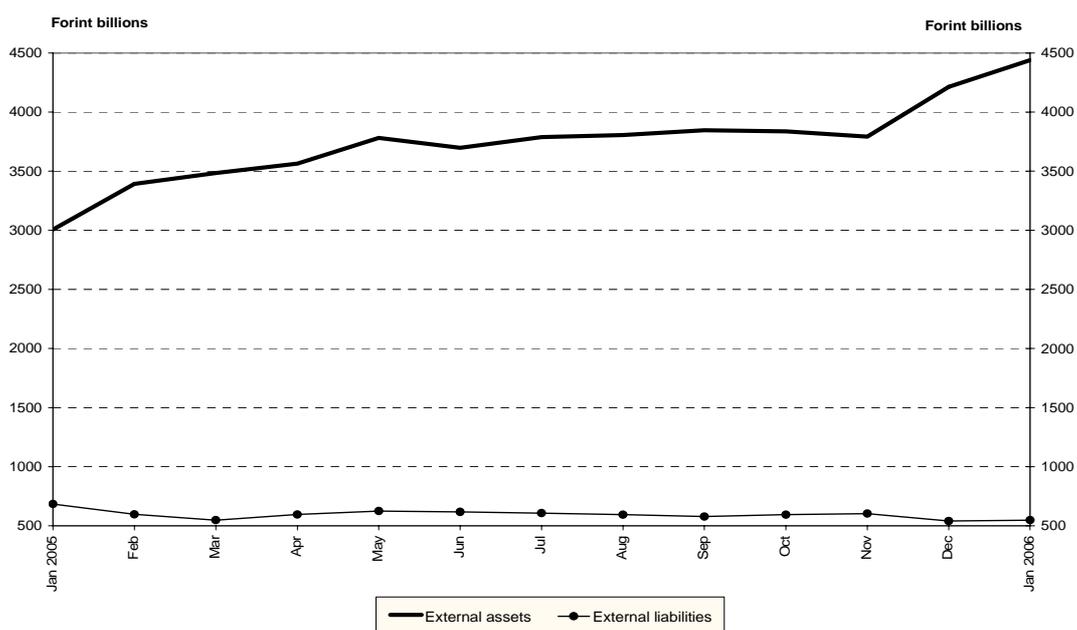
**Chart 4 Loans and deposits of other monetary financial institutions**



The stock of loans outstanding to the central government fell by HUF 2.1 billion to HUF 89.9 billion and deposits of the sub-sector rose by HUF 351.3 billion to HUF 634.8 billion.

Net external assets of the MNB were HUF 218.8 billion higher than in December. Its assets vis-à-vis non-residents rose by HUF 225.3 billion to HUF 4,438.9 billion and its liabilities by HUF 6.5 billion to HUF 547.3 billion.

**Chart 5 Assets and liabilities of the MNB vis-à-vis non-residents**



## Methodological notes to the press release

Ensuring comparability of data over periods requires eliminating seasonal variations and distortions from original data. Consequently, the time series for the monetary base (M0) is seasonally adjusted. Trend data are obtained from the seasonally adjusted data by eliminating outliers relating to deterministic effects and irregular components identified in the seasonal adjustment process. The growth indices in this press release are derived from trend data by dividing the base period data by data for the previous period, and by raising the quotient to the 12<sup>th</sup> power. The month-on-month growth rates, calculated using this method, better reflect developments in the most recent periods than year-on-year growth indices. Chart 3 plots the annualised month-on-month growth indices of the monetary base and its components. The Bank does not publish a separate index for overnight deposits, as they fluctuate considerably, frequently moving to zero. However, changes in the stock of overnight deposits are also taken account of in calculating the growth index of M0.

Monthly changes in stock data are calculated from data before rounding. Consequently, such differences between monthly data, derived using this method, may not add to those calculated from rounded data.

*The data used for the purposes of this press release are available on the MNB's website at [http://english.mnb.hu/Resource.aspx?ResourceID=mnbfile&resourcename=0708\\_monstatpubl\\_enxls](http://english.mnb.hu/Resource.aspx?ResourceID=mnbfile&resourcename=0708_monstatpubl_enxls).*

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STATISTICS DEPARTMENT