![Magyar Nemzeti Bank logo] **MAGYAR NEMZETI BANK**

# PRESS RELEASE

## Preliminary statistical balance sheet of the MNB
## June 2006

In June 2006, the monetary base rose by HUF 44.0 billion, from HUF 2,394.4 billion in the preceding month to HUF 2,438.4 billion. Of the components of the monetary base, the monthly average stock of currency in circulation rose by HUF 38.4 billion to HUF 1,826.5 billion, the monthly average of other MFIs' current account balances fell by HUF 4.3 billion to HUF 581.8 billion and the monthly average stock of other MFIs' overnight deposits rose by HUF 9.9 billion to HUF 30.1 billion.

**Chart 1 Components of the monetary base**



Forint billions

Legend:
- Overnight deposits of other MFIs
- Current account balances of other MFIs
- Currency in circulation
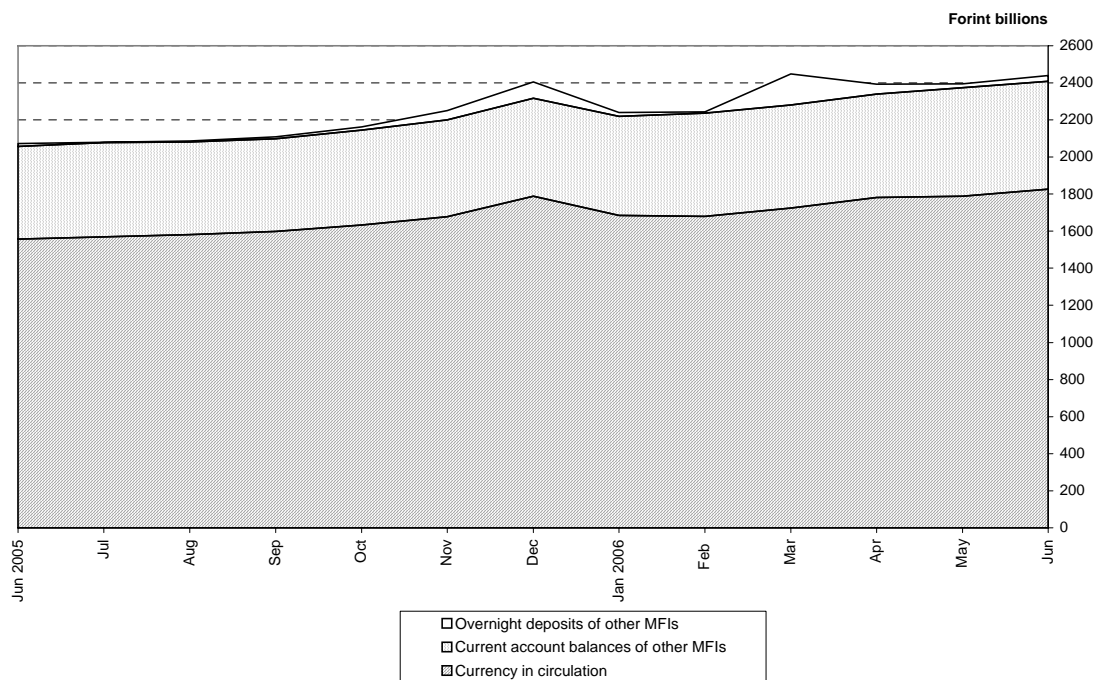
**Chart 2 Changes in the monetary base**
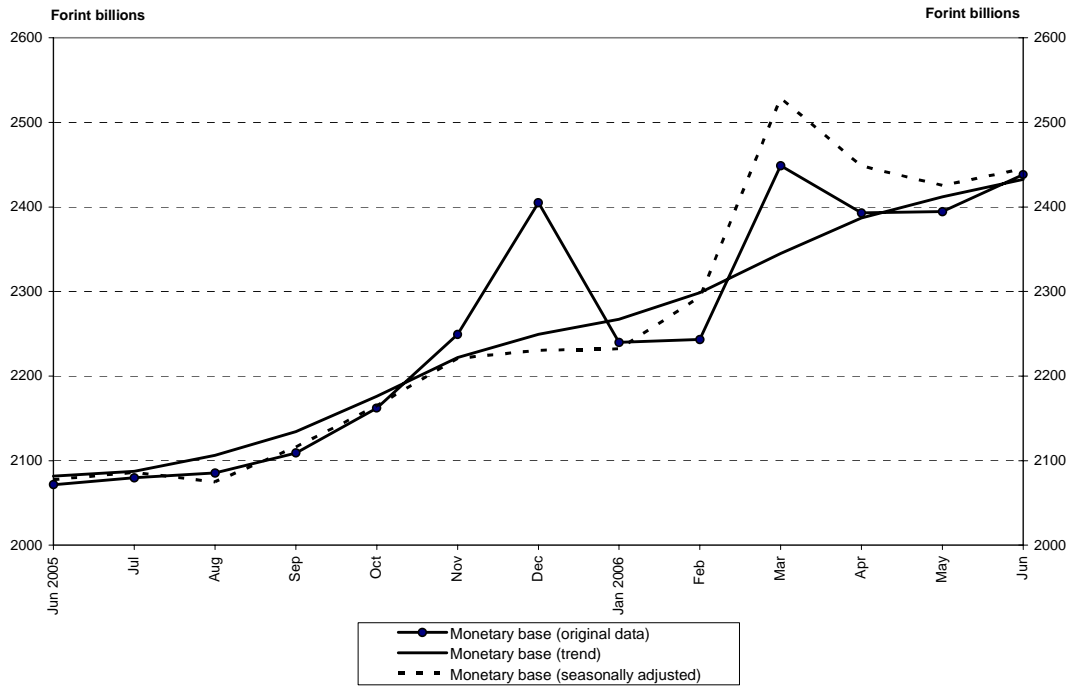


The annualised month-on-month growth index of the monetary base[1] stood at 110.8% in the month under review, down 2.6 percentage points on May.

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



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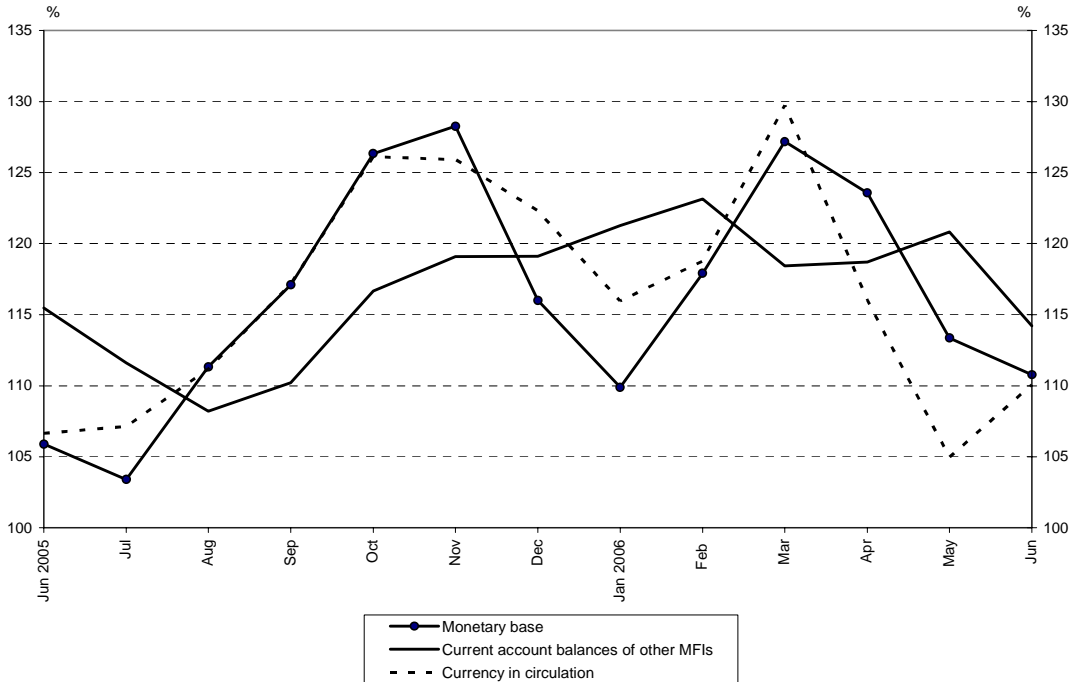
[1] See the note at the end of this press release.

In June, deposits of other MFIs with the MNB fell by HUF 154.4 billion to HUF 1,749.4 billion and the stock of loans granted by the MNB to other MFIs by HUF 200.7 billion to HUF 4.3 billion.

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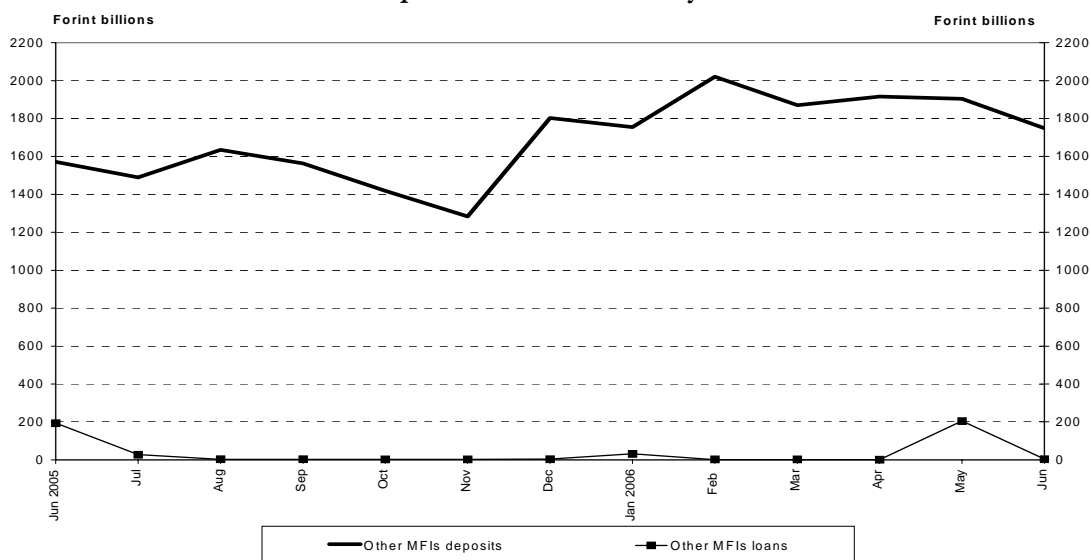


The stock of loans outstanding to the central government rose by HUF 6.5 billion to HUF 96.6 billion and deposits of the sub-sector fell by HUF 219.5 billion to HUF 451.9 billion.

Net external assets of the MNB were HUF 187.8 billion higher than in May. Its assets vis-à-vis non-residents increased by HUF 248.8 billion to HUF 4,955.5 billion and its liabilities by HUF 61.1 billion to HUF 632.3 billion.

**Chart 5 Assets and liabilities of the MNB vis-à-vis non-residents**
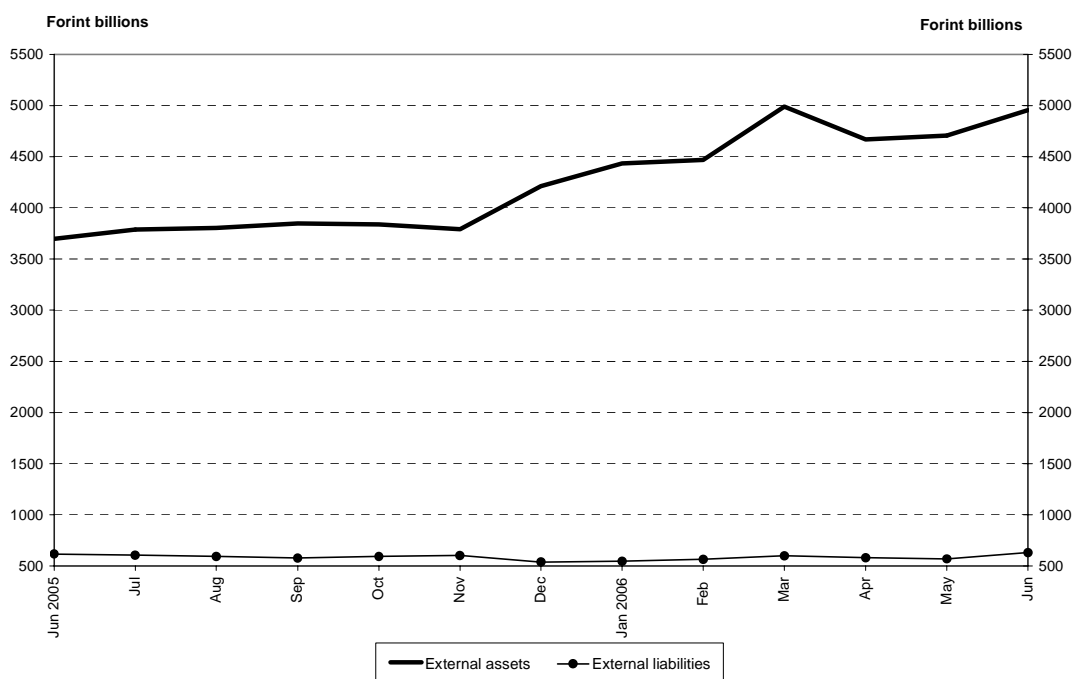
**Methodological notes to the press release**

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 $12^{th}$ 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.*

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