

12 October 2006

PRESS RELEASE

Preliminary statistical balance sheet of the MNB September 2006

In September 2006, the monetary base fell by HUF 1.6 billion, from HUF 2,536.9 billion in the preceding month to HUF 2,535.3 billion. Of the components of the monetary base, the monthly average stock of currency in circulation rose by HUF 12.3 billion to HUF 1,906.3 billion. The monthly average of other MFIs' current account balances fell by HUF 12.5 billion to HUF 605.9 billion and the monthly average stock of other MFIs' overnight deposits by HUF 1.4 billion to HUF 23.1 billion.

Chart 1 Components of the monetary base

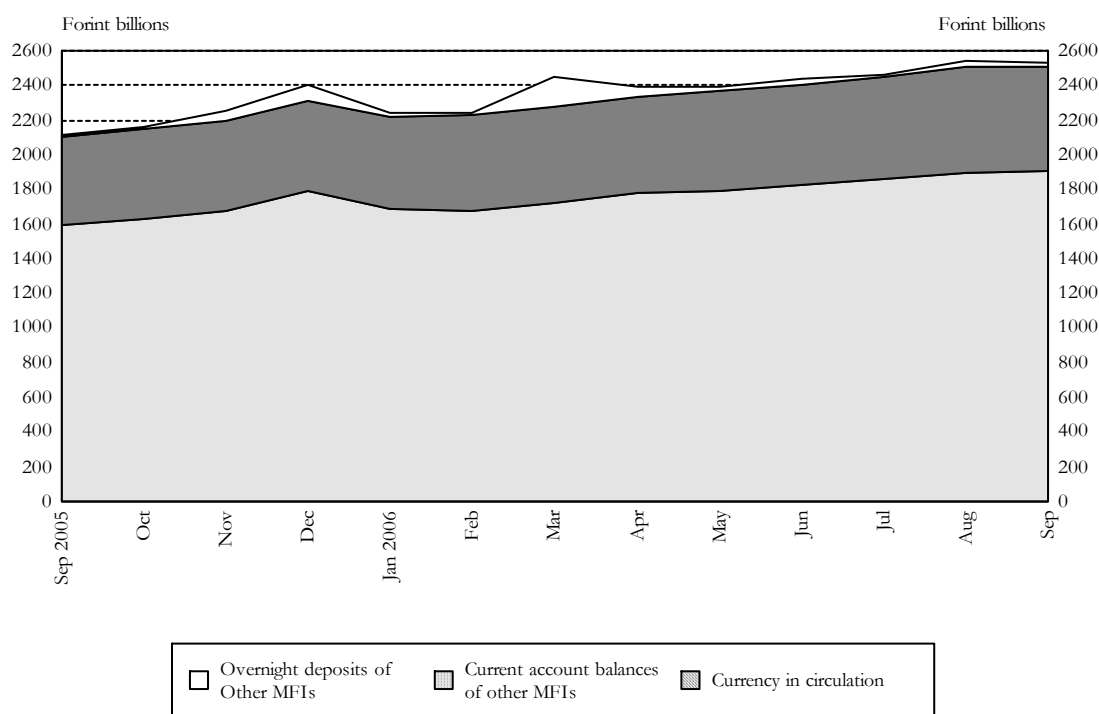
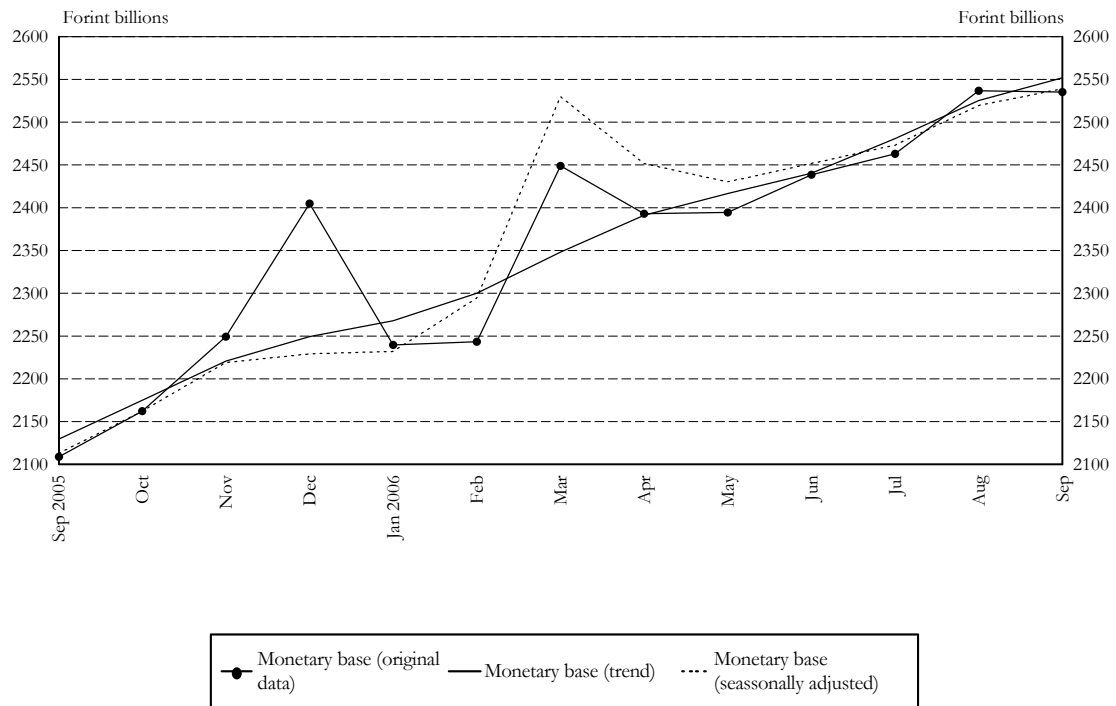
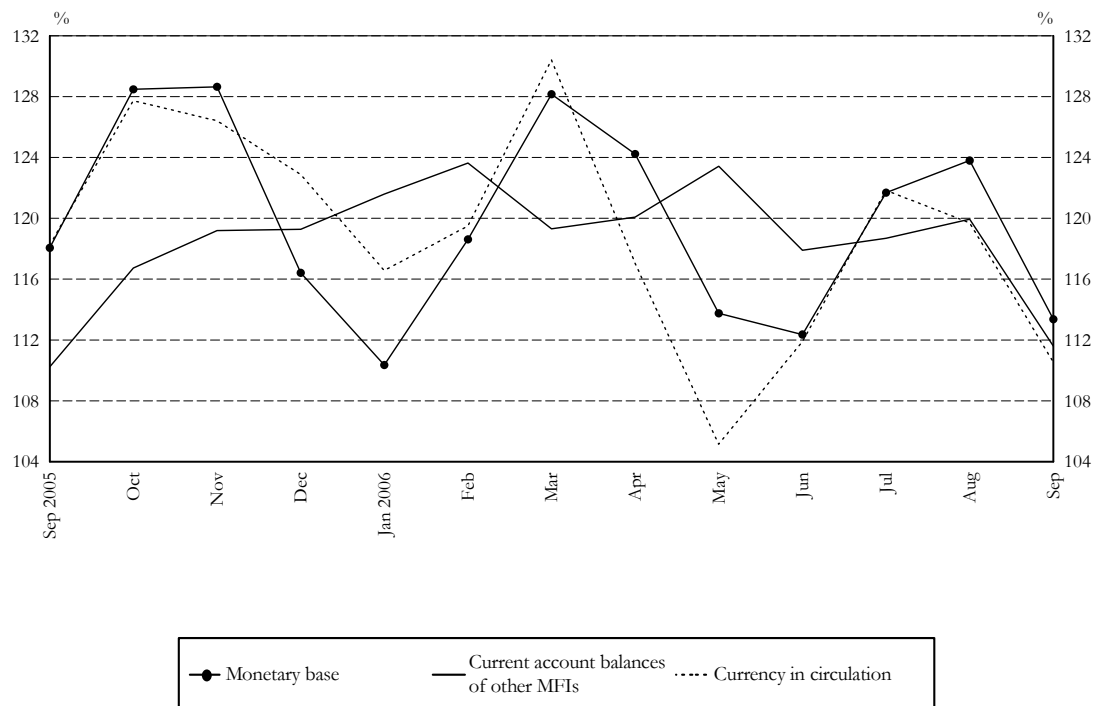


Chart 2 Changes in the monetary base



The annualised month-on-month growth index of the monetary base¹ stood at 113.4% in the month under review, down 10.4 percentage points on August.

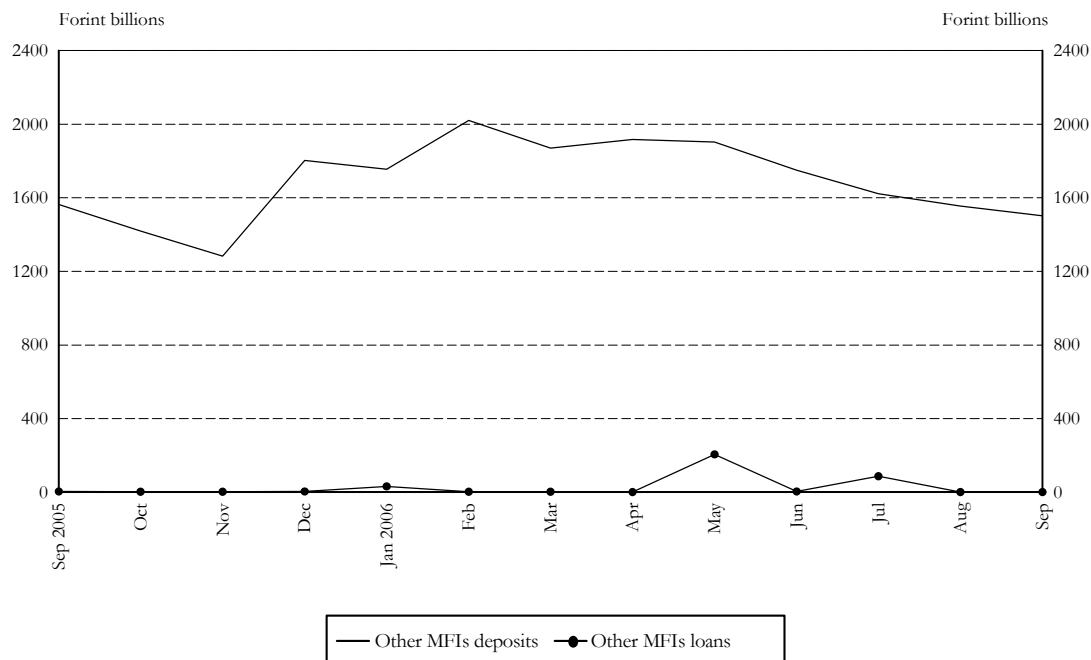
Chart 3 Annualised growth indices of the monetary base and its components



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

In September, deposits of other MFIs with the MNB fell by HUF 54.6 billion to HUF 1,501.0 billion and the stock of loans granted by the MNB to other MFIs by HUF 0.3 billion to HUF 0.5 billion.

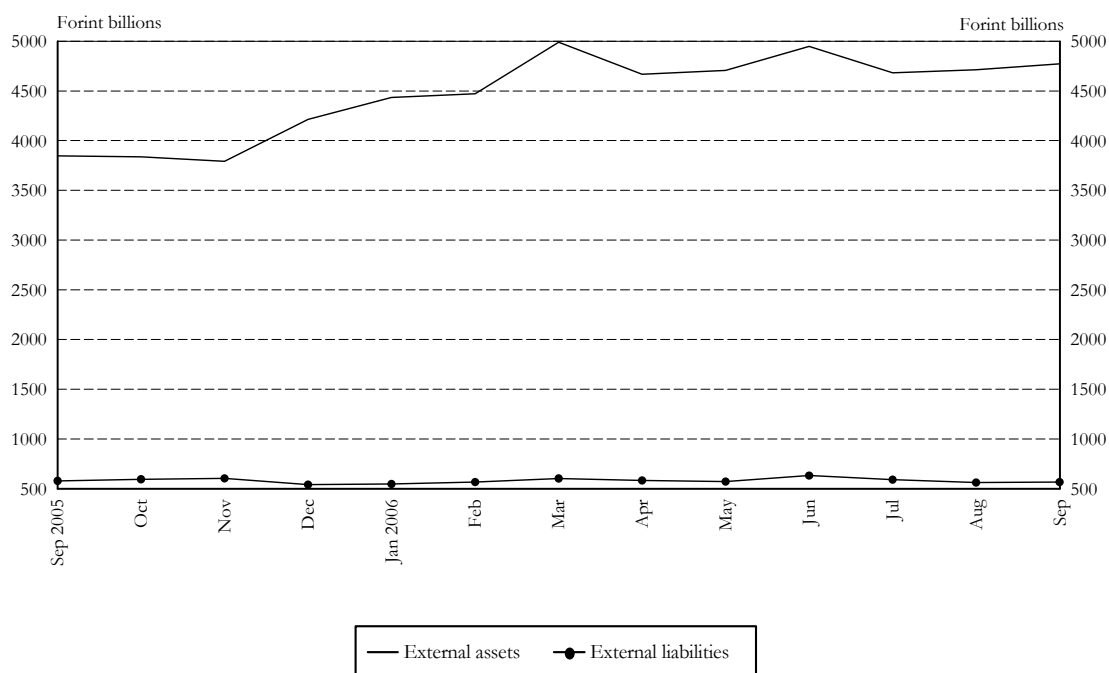
Chart 4 Loans and deposits of other monetary financial institutions



The stock of loans outstanding to the central government rose by HUF 0.4 billion to HUF 92.6 billion and deposits of the sub-sector by HUF 132.2 billion to HUF 638.8 billion.

Net external assets of the MNB were HUF 54.2 billion higher than in August. Its assets vis-à-vis non-residents increased by HUF 58.2 billion to HUF 4,771.5 billion and its liabilities by HUF 3.9 billion to HUF 566.0 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 12th 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=mnbfiler&resourcename=0708_monstatpubl_en.xls.

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