

12 December 2006

PRESS RELEASE

Preliminary statistical balance sheet of the MNB November 2006

In November 2006, the monetary base fell by HUF 68.9 billion to HUF 2,563.5 billion, and it thus returned to around trend. Of the components of the monetary base, the monthly average stock of currency in circulation rose by HUF 22.6 billion to HUF 1,936.8 billion. Its growth rate in November was faster than in the preceding month. At HUF 618.4 billion, the monthly average stock of other monetary financial institutions' current account balances was broadly unchanged at the October level. Following the temporary strong increase in the preceding month, the monthly average stock of other MFIs' overnight deposits fell by HUF 91.5 billion to HUF 8.3 billion.

Chart 1 Components of the monetary base

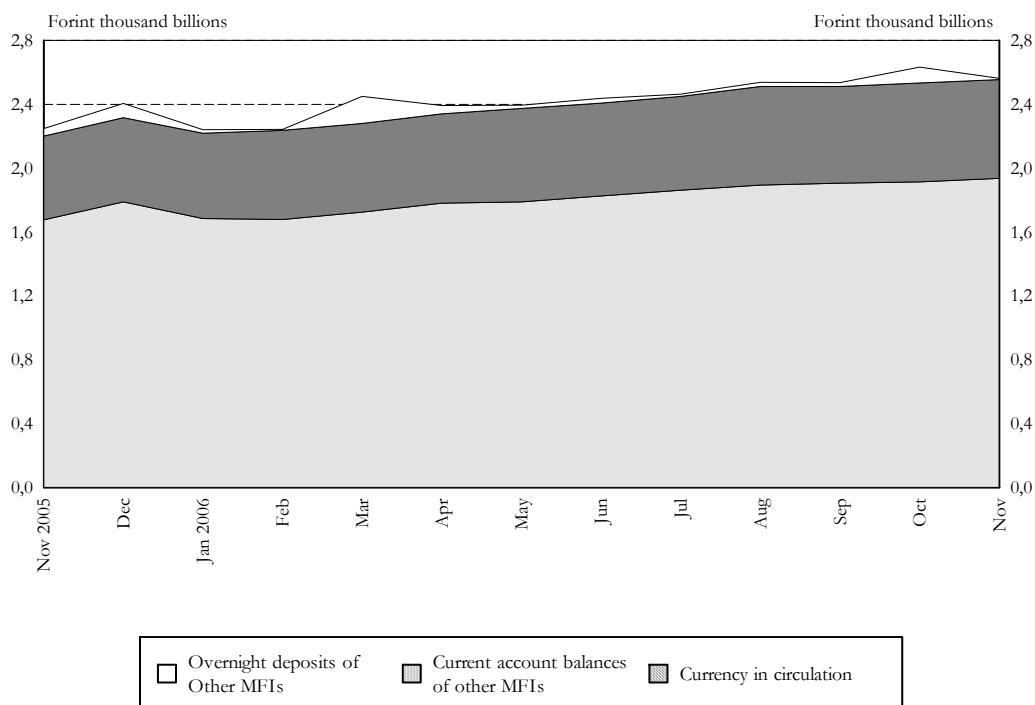
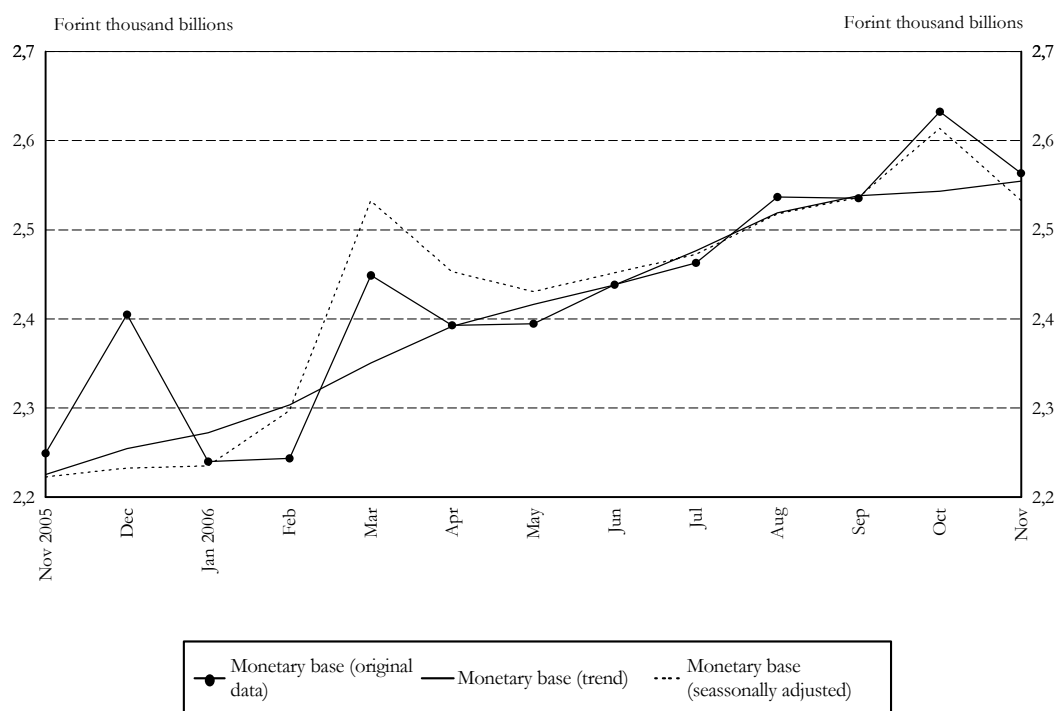
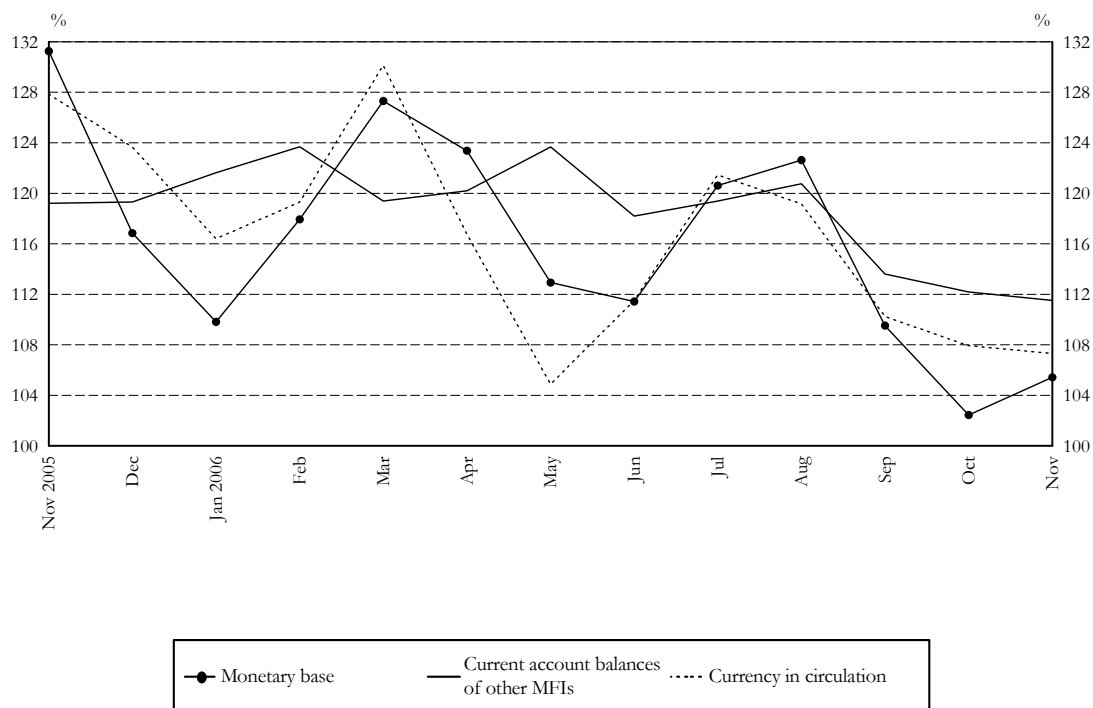


Chart 2 Changes in the monetary base



The annualised month-on-month growth index of the monetary base¹ stood at 105.4% in the month under review, up 3.0 percentage points on October.

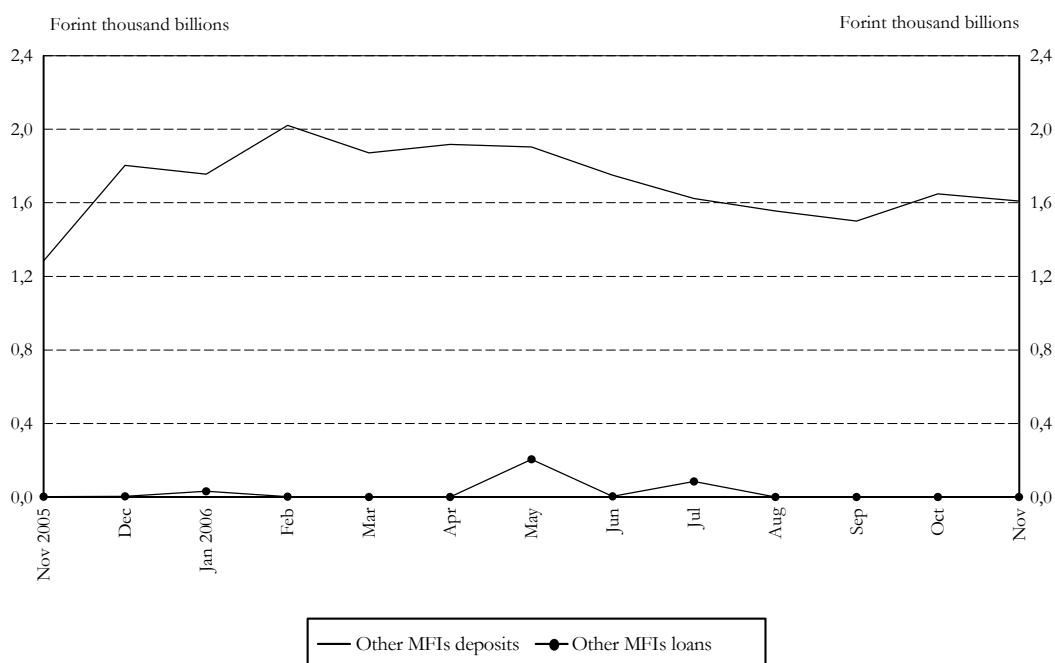
Chart 3 Annualised growth indices of the monetary base and its components



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

In November, deposits of other monetary financial institutions with the MNB fell by HUF 38.8 billion to HUF 1,609.8 billion, after increasing significantly in the preceding month. The stock of loans granted by the MNB to other MFIs was HUF 0.6 billion, showing little changes over a period of four months.

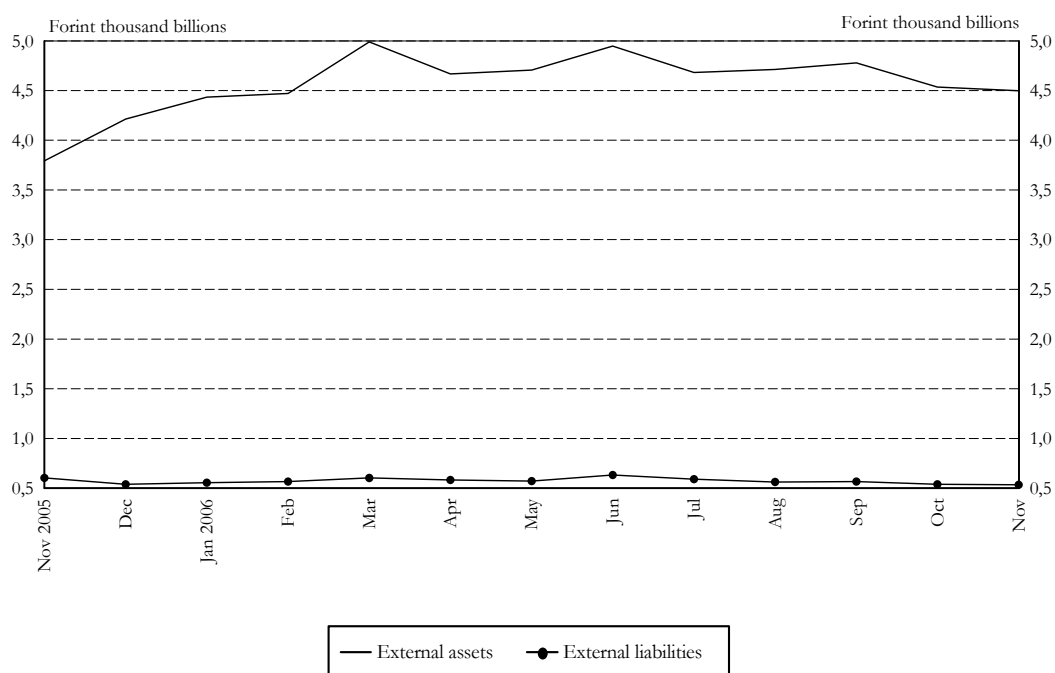
Chart 4 Loans and deposits of other monetary financial institutions



The stock of loans outstanding to the central government fell by HUF 4.8 billion to HUF 83.9 billion and deposits of the sub-sector increased by HUF 20.5 billion to HUF 530.0 billion.

Net external assets of the MNB were HUF 31.9 billion lower than in October. Here, exchange rate changes accounted for HUF 100.9 billion. Assets vis-à-vis non-residents have fallen below HUF 4,500 billion for the first time since March: their amount was HUF 4,499.6 billion in the review month. Liabilities fell by HUF 4.8 billion to HUF 533.7 billion, continuing the downward trend which began in July.

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=mnbfile&resourcename=0708_monstatpubl_en.xls.

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