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PRESS RELEASE

Securities issued by Hungarian residents and breakdown by holding sectors

November 2017

According to securities statistics, the amount outstanding of equity securities and debt securities issued by Hungarian residents¹ was HUF 45,093 billion at market value at the end of November 2017, reflecting an increase of HUF 166 billion relative to the end of October. Within this, holdings of debt securities increased by HUF 314 billion and those of equity securities fell by HUF 148 billion. Holdings of securities by households, the holdings of financial corporations increased by HUF 83 billion, HUF 463 billion, respectively, while non-residents' securities holdings fell by HUF 338 billion.

Developments in outstanding amount of securities by types of security

Table 1

Outstanding amount of securities issued by residents and components of changes by main types of security; at market value; HUF billions; November 2017

Securities	Opening positions	Transactions	Price changes	Foreign exchange rate changes	Other volume changes	Closing positions	Ratio %	Change
Debt securities								
Government securities	27 666	318	50	-41	0	27 992	62,1%	326
Mortgage bonds	940	9	0	0	0	949	2,1%	9
Other bonds	2 107	-17	-1	-3	0	2 086	4,6%	-21
total	30 713	309	49	-44	0	31 027	68,8%	314
Equity and investment fund shares								
Investment fund shares	6 257	34	-16	2	0	6 276	13,9%	19
Quoted shares	7 956	-14	-154	0	0	7 789	17,3%	-167
total	14 213	20	-170	2	0	14 065	31,2%	-148
Total securities	44 926	329	-120	-43	0	45 093	100,0%	166

The market value of securities issued by the central government rose by HUF 326 billion in November. The stock of forint-denominated securities amounted to HUF 21,664 billion and that of foreign currency-denominated securities to HUF 6,328 billion at the end of the month.

¹ In the press release, equity securities include mutual fund shares and quoted shares issued by residents. For more details about the types of securities presented in the press release, see the methodological notes at the following link: <http://www.mnb.hu/letoltes/ertekpapier-modszertan-hu.pdf>.

One government bond matured in the market of *long-term forint-denominated* government securities in a total value of HUF 308 billion in November. In the primary market, tap issues amounted to HUF 276 billion at nominal value. There was no redemption in the month. Net sales of bonds to households resulted in a rise in total holdings by HUF 71 billion. In the market of *short-term forint-denominated* government securities, new issues and tap issues of discount Treasury bills amounted to HUF 478 billion and maturities to HUF 90 billion. The amount of securities issued to households was lower than that of maturities: sales and maturities reached HUF 280 billion and HUF 348 billion, respectively, at nominal value. Yields on forint-denominated securities decreased at longer maturities: the price change amounted to HUF 71 billion.

There was no issuance or maturity in the market of foreign currency-denominated securities issued by central government in November, the stock increased by HUF 9 billion due to transactions. Price changes decreased the value of holdings by HUF 21 billion and exchange rate changes by HUF 41 billion in November.

The market value of mortgage bonds issued by resident credit institutions rose by HUF 9 billion in the month under review. There was one new issuance in the amount of HUF 7 billion. The stock of forint-denominated mortgage bonds amounted to HUF 937 billion and that of foreign currency-denominated mortgage bonds to HUF 12 billion at the end of November.

The market value of other bonds, issued by other than the central government, fell by HUF 21 billion. The stock of forint and foreign currency-denominated bonds amounted to HUF 547 billion and HUF 1,539 billion, respectively, at the end of the month. In November, the amounts of issues were HUF 9 billion, tap issues amounted to HUF 12 billion, while maturities to HUF 41 billion. The transactions were basically related to credit institutions and the non-financial corporate sector.

In November, the market value of mutual fund shares issued by Hungarian residents rose by HUF 19 billion. Shares issued by money market funds amounted to HUF 502 billion and those issued by other funds to HUF 5,774 billion at the end of the period. The value of new issues was HUF 5 billion and that of maturities was HUF 4 billion. Price changes reduced the value of holdings by HUF 16 billion and exchange rate changes increased it by HUF 2 billion.

Market capitalisation of quoted shares issued by resident companies fell by HUF 167 billion in the month, and amounted to HUF 7,789 billion at the end of November. Within this, shares issued by credit institutions, non-financial corporations and the other sectors amounted to HUF 2,849 billion, HUF 4,902 billion and HUF 37 billion, respectively. Prices of most blue chips decreased by the end of the month, market capitalisation fell by over 2 per cent relative to the previous month, which was also accompanied by outstanding turnover. The price change caused a fall in the value of holdings in the amount of HUF 154 billion in the month.

Securities holdings in a breakdown by holding sector

Table 2

Holdings of securities issued by residents and components of changes in holdings in a breakdown by holding sector; at market value; HUF billions; November 2017

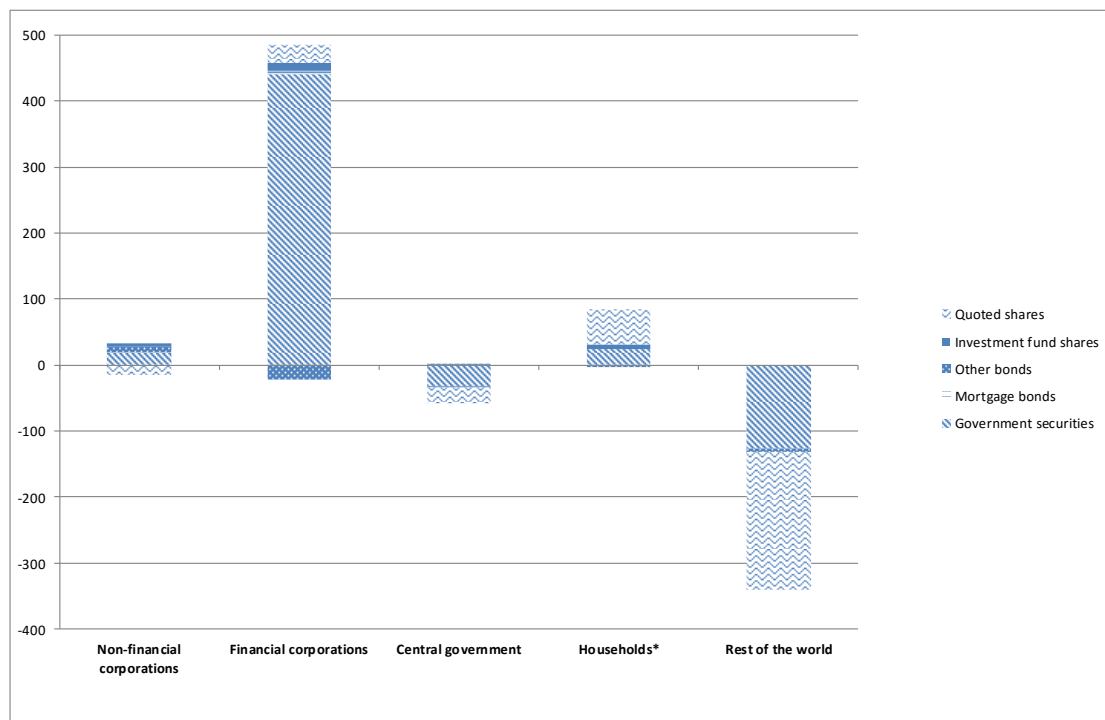
Holding sectors	Opening positions	Transactions	Price changes	Foreign exchange rate changes	Other volume changes	Closing positions	Ratio %	Change
Non-financial corporations	1 620	35	-17	0	0	1 638	3,6%	18
Financial corporations total	15 999	410	54	-1	0	16 462	36,5%	463
<i>of which Credit institutions</i>	9 866	340	19	0	0	10 226	22,7%	360
Central government	1 605	-34	-23	0	0	1 548	3,4%	-57
Households*	9 803	44	37	0	0	9 884	21,9%	81
Rest of the world	15 898	-125	-172	-41	0	15 560	34,5%	-338
Total	44 926	329	-120	-43	0	45 093	100,0%	166

* Including stock of non-profit institutions serving households.

The total market value of securities holdings rose to HUF 45,093 billion at the end of November with the holding sectors moving in the opposite direction. Here, *residents* and *non-residents* held HUF 29,532 billion (or 65.5%) and HUF 15,560 billion (or 34.5%), respectively.

Chart 1

Change in the distribution of securities holdings issued by residents by holding sector in November 2017; HUF billions



* Including stock of non-profit institutions serving households.

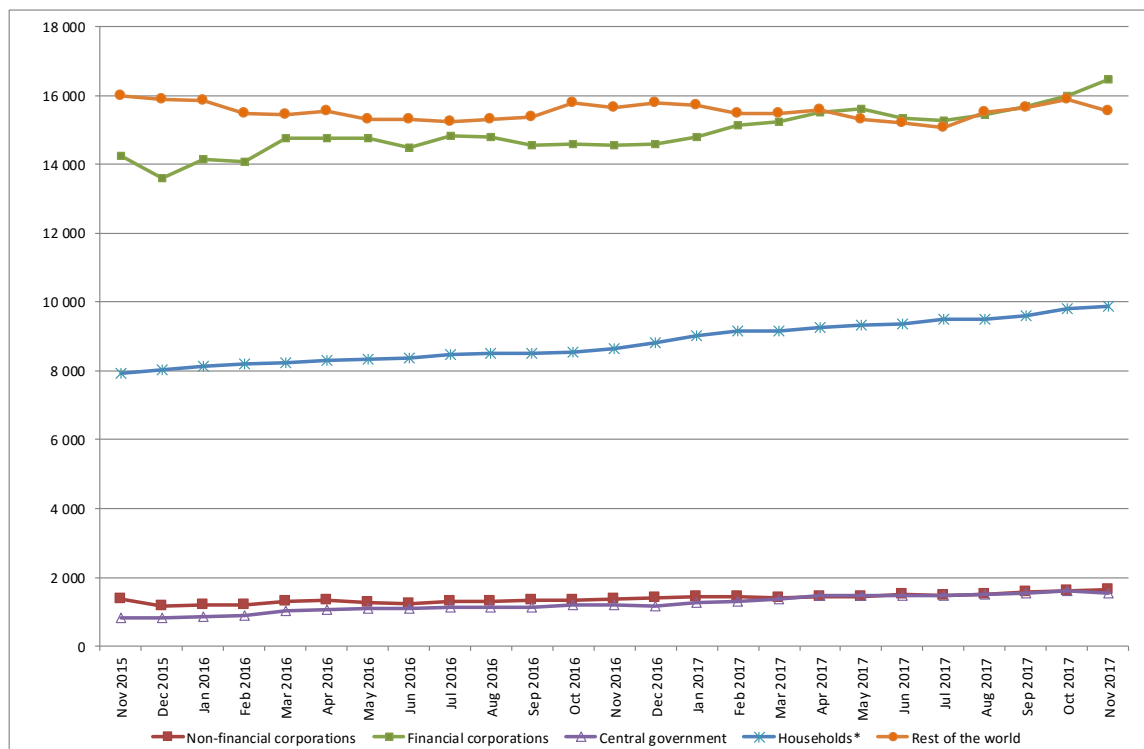
In November, the decline in holdings by non-residents due to transactions accounted for HUF 125 billion. The sector's holdings in the market of securities issued by the government sector fell by HUF 99 billion due to transactions, fundamentally reflecting the effect of a decrease in holdings of forint-denominated long-term securities. They also decreased their holdings of quoted shares, other bonds and mutual fund shares by HUF 24 billion, HUF 3 billion and HUF 2 billion in the month.

In November, credit institutions' securities holdings rose substantially, by HUF 340 billion due to transactions. Within that, their holdings of securities issued by the government sector, of other bonds, mortgage bonds and quoted shares increased by HUF 289 billion, HUF 41 billion, HUF 6 billion and HUF 4 billion, respectively.

Holdings of securities by households (including non-profit institutions serving households) increased in the period. Transactions accounted for HUF 44 billion of the HUF 81 billion increase in holdings. Households raised their holdings of government securities by HUF 28 billion. Here, their holdings of long-term forint-denominated government securities and foreign currency-denominated government securities rose by HUF 40 billion and HUF 2 billion, respectively, while those of short-term forint-denominated securities fell by HUF 14 billion. Their savings in mutual fund shares and quoted shares also increased by HUF 15 billion and HUF 7 billion, respectively; however, there was a HUF 4 billion decrease in other bonds. Holdings of securities by non-profit institutions serving households fell in the month.

In November, the rise in the market value of securities held by households continued. Holdings of securities by financial corporations also rose, while non-residents' share thereof decreased.

Chart 2
Distribution of securities holdings issued by residents in a breakdown by holding sector; at market value; HUF billions



* Including stock of non-profit institutions serving households.

Distribution of securities issued by central government by holding sector

Within the distribution of holdings of securities issued by the central government, recorded at market value, *non-residents'* and *the general government sector's* holdings fell by HUF 126 billion and HUF 32 billion, respectively, in November. By contrast, holdings of the *financial corporate sector* and *the non-financial corporate sector* increased by HUF 440 billion and HUF 20 billion, respectively. The combined holdings of *households and non-profit institutions serving households* increased by HUF 25 billion.

Table 3

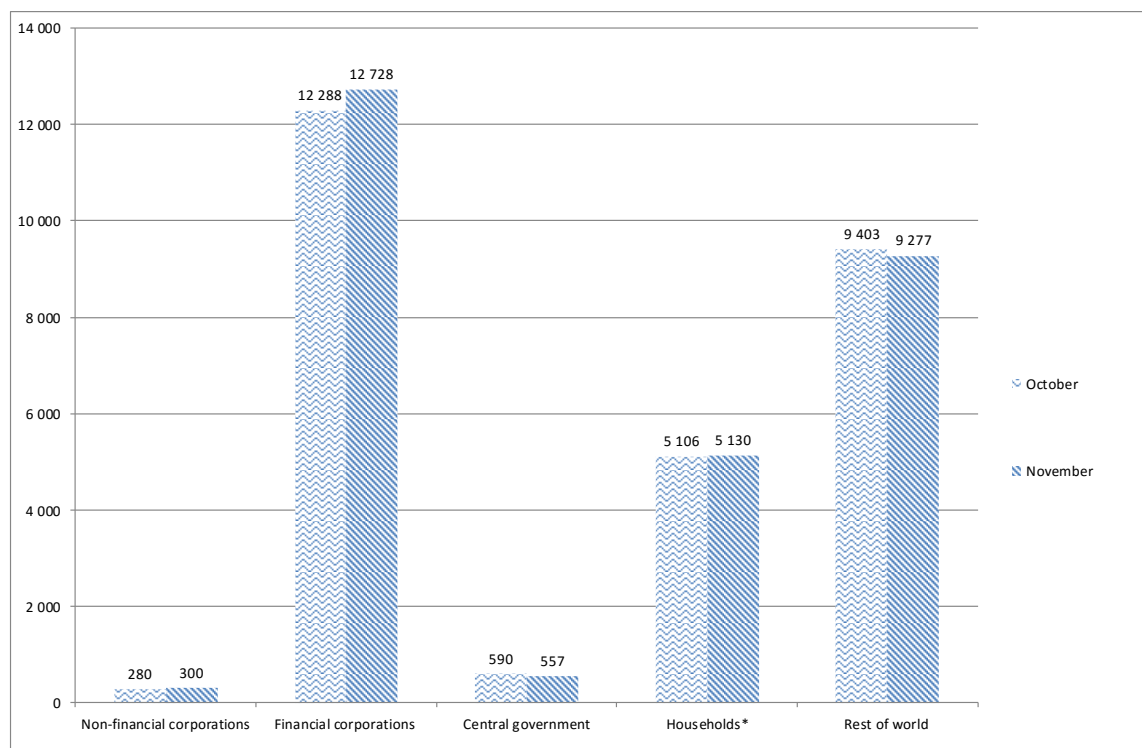
Distribution of securities holdings issued by central government in a breakdown by holding sector; at market value; HUF billions; November 2017

Holding sectors	Opening positions	Transactions	Price changes	Foreign exchange rate changes	Other volume changes	Closing positions	Ratio %	Change
Non-financial corporations	280	20	0	0	0	300	1,1%	20
Financial corporations total	12 288	404	36	0	0	12 728	45,5%	440
<i>of which Credit institutions</i>	8 643	289	17	0	0	8 949	32,0%	306
Central government	590	-33	0	0	0	557	2,0%	-32
Households*	5 106	25	-1	0	0	5 130	18,3%	25
Rest of the world	9 403	-99	14	-41	0	9 277	33,1%	-126
Total	27 666	318	50	-41	0	27 992	100,0%	326

* Including stock of non-profit institutions serving households.

Chart 3

Distribution of central government securities holdings issued by sector recorded at market level; HUF billions



* Including stock of non-profit institutions serving households.

Detailed tables: [Time series](#)

Methodological notes [Methodological notes](#)

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