11 June 2018

PRESS RELEASE

Securities issued by Hungarian residents and breakdown by holding sectors

April 2018

According to securities statistics, the amount outstanding of equity securities and debt securities issued by Hungarian residents[1] was HUF 45,589 billion at market value at the end of April 2018, reflecting an increase of HUF 279 billion relative to the end of March. Within this, stocks of debt securities fell by HUF 7 billion and those of equity securities rose by HUF 285 billion, respectively. Stocks of securities held by households and those of non-residents rose by HUF 69 billion and HUF 153 billion, respectively, while there was a HUF 104 billion decline in financial corporations' security stocks.

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; April 2018

Securities	Opening positions	Transactions	Price changes	Foreign exchange rate changes	Other volume changes	Closing positions	Ratio %	Change
Debt securities								
Government securities	28 326	34	-103	69	0	28 325	62,1%	0
Mortgage bonds	972	52	-3	0	0	1 021	2,2%	49
Other bonds	1 945	-60	-2	8	0	1 890	4,1%	-55
total	**31 243**	**26**	**-109**	**76**	**0**	**31 236**	**68,5%**	**-7**
Equity and investment fund shares								
Investment fund shares	6 426	19	27	4	0	6 477	14,2%	50
Quoted shares	7 642	3	231	0	0	7 876	17,3%	235
total	**14 068**	**22**	**259**	**4**	**0**	**14 353**	**31,5%**	**285**
Total securities	**45 311**	**48**	**150**	**81**	**0**	**45 589**	**100,0%**	**279**

Overall, central government securities holdings remained unchanged in April as a result of conflicting impacts of several factors. The stock of forint-denominated securities amounted to HUF 22,369 billion and that of foreign currency-denominated securities to HUF 5,956 billion at the end of the month. The stock of securities classified into

[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/ertekpapir-modszertan-hu.pdf.

government securities was HUF 27,891 billion, the end-of-month stock of bonds, not classified into government securities, and issued by other organisations classified into the government sector[2] was HUF 434 billion.

One new bond was issued in a value of HUF 14 billion in the market of *long-term forint-denominated* government securities in April. Four securities matured in a total value of HUF 430 billion. At the auctions, tap issues amounted to HUF 297 billion and redemptions to HUF 78 billion at nominal value. Net sales of bonds to households, sold outside of auctions, resulted in a rise in total holdings by HUF 12 billion. In the market of *short-term forint-denominated* government securities, new issues and tap issues of discount Treasury bills amounted to HUF 310 billion and maturities to HUF 252 billion. The amount of interest bearing instruments (securities issued to households) was higher than that of maturities, sales and maturities reached HUF 319 billion and HUF 290 billion, respectively, at nominal value. Yields on forint-denominated securities increased, the price change was HUF -56 billion.

There was no issuance or maturity in the market of *foreign currency-denominated securities* issued by central government in April. The difference of interest accrued and interest payments resulted in the HUF 21 billion transaction. Price changes reduced the market value of securities by HUF 48 billion, while exchange rate changes led to an increase of HUF 69 billion.

The market value of mortgage bonds issued by resident credit institutions rose by HUF 49 billion in the month under review. One new mortgage bond was issued in the value of HUF 45 billion, and there was one tap issue amounting to HUF 7 billion in April. There was no maturity or redemption during the month. The stock of forint-denominated mortgage bonds amounted to HUF 1,011 billion and that of foreign currency-denominated mortgage bonds to HUF 10 billion at the end of April.

The market value of other bonds, issued by other than the central government, fell by HUF 55 billion. The stock of bonds issued by credit institutions was HUF 1,269 billion, while that of bonds issued by other sectors was HUF 621 billion at the end of the month. The value of new issuances amounted to HUF 20 billion in April; there was no tap issue or maturity. The transactions were basically related to credit institutions.

In April, the market value of mutual fund shares issued by Hungarian residents rose by HUF 50 billion. Shares issued by money market funds amounted to HUF 449 billion and those issued by other funds to HUF 6,028 billion at the end of the period. The value of new issues was HUF 10 billion and that of maturities was HUF 27 billion. Price changes raised the value of holdings by HUF 27 billion and exchange rate changes by HUF 4 billion.

Market capitalisation of quoted shares issued by resident companies rose by HUF 235 billion in the month and amounted to HUF 7,876 billion at the end of April. Within this, shares issued by credit institutions, non-financial corporations and the other sectors amounted to HUF 3,208 billion, HUF 4,621 billion and HUF 47 billion, respectively. The prices of blue chips were broadly unchanged or slightly decreased; however, market capitalisation rose by nearly 3 per cent as a result of a notable rise in the prices of one blue chip and some securities of smaller capitalisation relative to the previous month. The price change caused a rise in the value of holdings in the amount of HUF 231 billion in the month.

[2] Bonds issued by non-financial corporations and guarantee organisations, classified into the central government sector.

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; April 2018

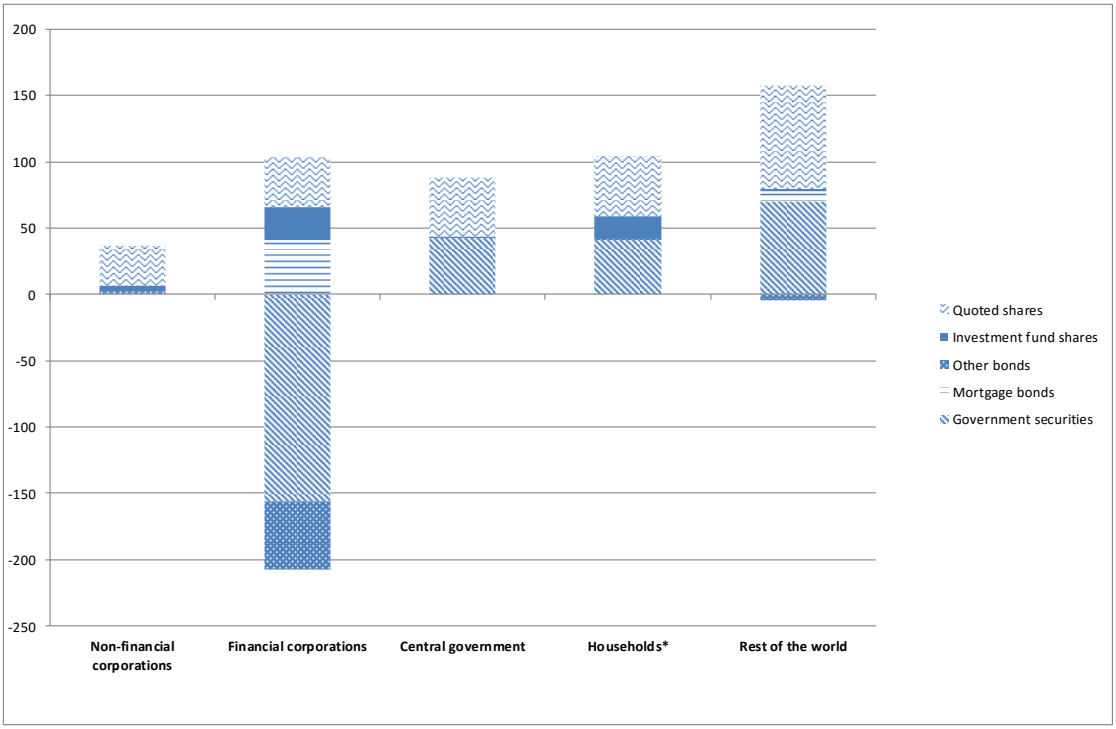
Holding sectors	**Opening positions**	Transactions	Price changes	Foreign exchange rate changes	Other volume changes	**Closing positions**	Ratio %	Change
Non-financial corporations	1 757	10	27	1	0	1 794	3,9%	37
Financial corporations total	16 487	-111	2	5	0	16 383	35,9%	-104
of which Credit institutions	10 024	-150	-15	2	0	9 862	*21,6%*	*-163*
Central government	1 550	44	45	0	0	1 638	3,6%	88
Households*	10 247	44	56	5	0	10 351	22,7%	104
Rest of the world	15 269	63	21	70	0	15 422	33,8%	153
Total	**45 311**	48	150	81	0	**45 589**	100,0%	279

* Including stock of non-profit institutions serving households.

The total market value of securities holdings reached HUF 45,589 billion at the end of April with changes to the opposite directions in the holding sectors. Here, *residents* and *non-residents* held HUF 30,167 billion (or 66.2%) and HUF 15,422 billion (or 33.8%), respectively.

Chart 1

Change in the distribution of securities holdings issued by residents by holding sector in April 2018; HUF billions



* Including stock of non-profit institutions serving households.

In April, the rise in holdings by non-residents due to transactions accounted for HUF 63 billion. The sector's holdings in the market of securities issued by the government sector rose by HUF 69 billion due to transactions, fundamentally reflecting the effect of an increase in stock of short-term forint-denominated securities. They also increased their stocks of mortgage bonds by HUF 8 billion during the month. Their holdings of other bonds, quoted shares and mutual fund shares declined by HUF 8 billion, HUF 5 billion and HUF 1 billion, respectively.

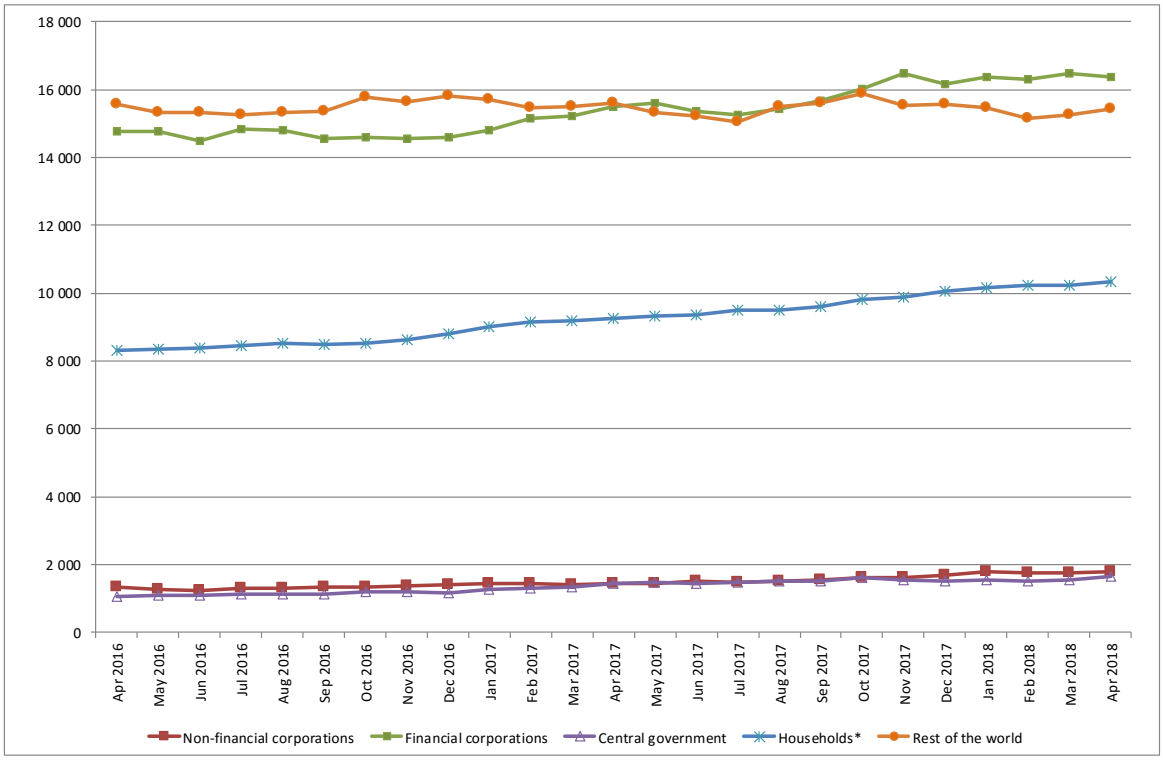
In April, credit institutions' securities stocks fell by HUF 150 billion due to transactions. Here, their holdings of securities issued by the government sector and their stock of other bonds fell by HUF 163 billion and HUF 4 billion, respectively, while there was a HUF 17 billion increase in mortgage bonds.

Holdings of securities by households (including non-profit institutions serving households) increased by HUF 44 billion, due to transactions, in the period under review. Households raised their stocks of government securities by HUF 7 billion. Here, their holdings of long-term forint-denominated securities, short-term securities and foreign currency-denominated securities rose by HUF 2 billion, HUF 2 billion and HUF 3 billion, respectively. Their savings in quoted shares also increased by HUF 4 billion, while their savings in mutual fund shares and other bonds declined by HUF 2 billion and HUF 1 billion, respectively. Holdings of securities by non-profit institutions serving households rose in the month.

In April, the increase in securities held by households continued to a moderate degree. Stocks of securities held by financial corporations fell in the month. Non-residents' share of total holdings rose relative to the previous month.

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 central government securities stocks issued by the sector recorded at market level *non-residents', general government sector's, non-financial corporations'* holdings rose by HUF 70 billion, *HUF* 43 billion and HUF 1 billion, respectively, in April; however, holdings of *financial corporations* fell by HUF 156 billion. The combined stocks of *households and non-profit institutions serving households* increased by HUF 41 billion.

Table 3

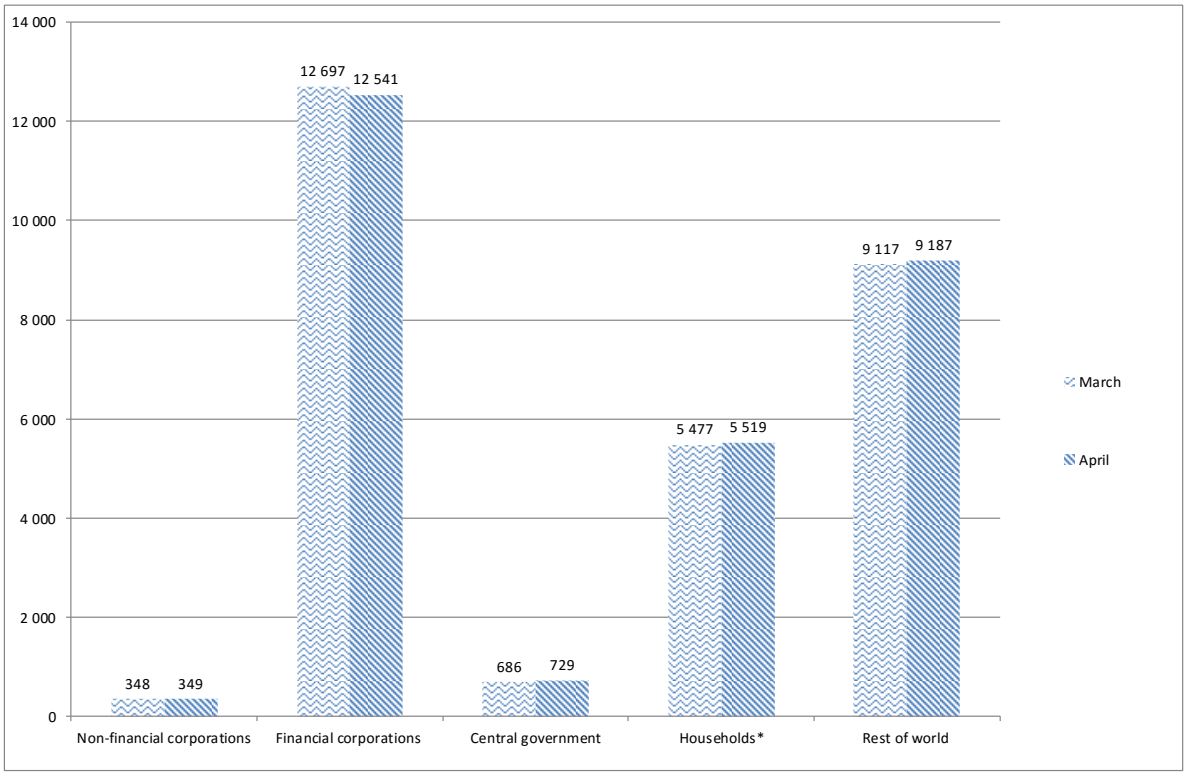
Distribution of securities holdings issued by central government in a breakdown by holding sector; at market value; HUF billions; April 2018

Holding sectors	**Opening positions**	Transactions	Price changes	Foreign exchange rate changes	Other volume changes	**Closing positions**	Ratio %	Change
Non-financial corporations	348	2	-1	0	0	349	1,2%	1
Financial corporations total	12 697	-120	-38	3	0	12 541	44,3%	-156
of which Credit institutions	8 833	-163	-23	2	0	8 649	*30,5%*	*-184*
Central government	686	43	0	0	0	729	2,6%	43
Households*	5 477	41	0	1	0	5 519	19,5%	41
Rest of the world	9 117	69	-64	65	0	9 187	32,4%	70
Total	**28 326**	34	-103	69	0	**28 325**	100,0%	0

* 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.

Comment

In relation to this data release securities statistics data have been revised back to January 2018. Data revision was not significant and it affected the quoted shares' components of the stock changes in January.

******

Detailed tables: Time series

Methodological notes: Methodological notes

MAGYAR NEMZETI BANK

DIRECTORATE STATISTICS

Contact information:
Phone: + 36 (1) 428-2751
Fax: + 36 (1) 429-8000
Email: sajto@mnb.hu