



10 July 2018

## PRESS RELEASE

### Securities issued by Hungarian residents and breakdown by holding sectors

May 2018

*According to securities statistics, the amount outstanding of equity securities and debt securities issued by Hungarian residents<sup>1</sup> was HUF 45,525 billion at market value at the end of May 2018, reflecting a decrease of HUF 64 billion relative to the end of April. Within this, stocks of debt securities increased significantly by HUF 746 billion and those of equity securities fell sharply by HUF 810 billion. Holdings of securities by households and the stocks of financial corporations increased by HUF 45 billion, HUF 485 billion, respectively, while non-residents' securities holdings decreased by HUF 391 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; May 2018*

Securities	Opening positions	Transactions	Price changes	Foreign exchange rate changes	Other volume changes	Closing positions	Ratio %	Change
<b>Debt securities</b>								
Government securities	28 325	684	-288	230	0	28 952	63,6%	627
Mortgage bonds	1 021	7	-6	0	0	1 022	2,2%	1
Other bonds	1 890	87	-10	41	0	2 008	4,4%	118
<b>total</b>	<b>31 236</b>	<b>778</b>	<b>-303</b>	<b>271</b>	<b>0</b>	<b>31 982</b>	<b>70,3%</b>	<b>746</b>
<b>Equity and investment fund shares</b>								
Investment fund shares	6 477	-11	-16	24	0	6 475	14,2%	-2
Quoted shares	7 876	7	-816	1	0	7 068	15,5%	-808
<b>total</b>	<b>14 353</b>	<b>-4</b>	<b>-832</b>	<b>26</b>	<b>0</b>	<b>13 543</b>	<b>29,7%</b>	<b>-810</b>
<b>Total securities</b>	<b>45 589</b>	<b>775</b>	<b>-1 135</b>	<b>297</b>	<b>0</b>	<b>45 525</b>	<b>100,0%</b>	<b>-64</b>

Securities holdings issued by central government increased significantly by HUF 627 billion in May accompanied by the opposite effects of several factors. The stock of forint-denominated securities amounted to HUF 22,778 billion and that of foreign currency-denominated securities to HUF 6,174 billion at the end of the month. The stock of securities classified into government securities was HUF 28,516 billion, the end-of-month stock of bonds, not

<sup>1</sup> 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>.

classified into government securities, and issued by other organisations classified into the government sector<sup>2</sup> was HUF 436 billion.

There was no issuance or maturity in the market of *long-term forint-denominated* government securities in May. At the auctions, tap issues amounted to HUF 339 billion and redemptions to HUF 15 billion at nominal value. Net sales of bonds to households, sold outside of auctions, resulted in a rise in total holdings by HUF 75 billion. In the market of *short-term forint-denominated* government securities, new issues and tap issues of discount Treasury bills amounted to HUF 562 billion and maturities to HUF 288 billion. The amount of interest bearing instruments (securities issued to households) was lower than that of maturities: sales and maturities reached HUF 321 billion and HUF 371 billion, respectively, at nominal value. Yields on forint-denominated securities increased, the price change was HUF -266 billion.

There was no issuance or maturity in the market of *foreign currency-denominated securities* issued by central government in May. The difference of interest accrual and interest payment resulted in the HUF 9 billion transaction. Price changes reduced the market value of securities by HUF 22 billion, while exchange rate changes led to an increase of HUF 230 billion.

The market value of mortgage bonds issued by resident credit institutions remained unchanged, overall, in the month under review. There was one tap issue amounting to HUF 4 billion in May. There was no maturity or redemption during the month. The stock of forint-denominated mortgage bonds amounted to HUF 1,012 billion and that of foreign currency-denominated mortgage bonds to HUF 10 billion at the end of May.

The market value of other bonds, issued by other than the central government, rose by HUF 118 billion. The stock of bonds issued by credit institutions was HUF 1,314 billion, while that of bonds issued by other sectors was HUF 694 billion at the end of the month. In May, the amounts of new issues were HUF 69 billion, tap issues amounted to HUF 19 billion, while maturities to HUF 3 billion. The transactions were basically related to the non-financial corporation sector and credit institutions.

In May, the market value of mutual fund shares issued by Hungarian residents fell by HUF 2 billion. Shares issued by money market funds amounted to HUF 430 billion and those issued by other funds to HUF 6,045 billion at the end of the period. The value of new issues was HUF 4 billion and that of maturities was HUF 5 billion. Price changes reduced the value of holdings by HUF 16 billion, while exchange rate changes raised it by HUF 24 billion.

Holdings of quoted shares issued by resident companies, at market level, fell significantly by HUF 808 billion in the month and amounted to HUF 7,068 billion at the end of May. Within this, shares issued by credit institutions, non-financial corporations and the other sectors amounted to HUF 2,771 billion, HUF 4,252 billion and HUF 45 billion, respectively. Prices of most blue chips decreased significantly, market capitalisation fell by a degree of over 10 per cent compared with the previous month. The price change caused a fall in the value of holdings in the amount of HUF 816 billion in the month.

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<sup>2</sup> 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; May 2018*

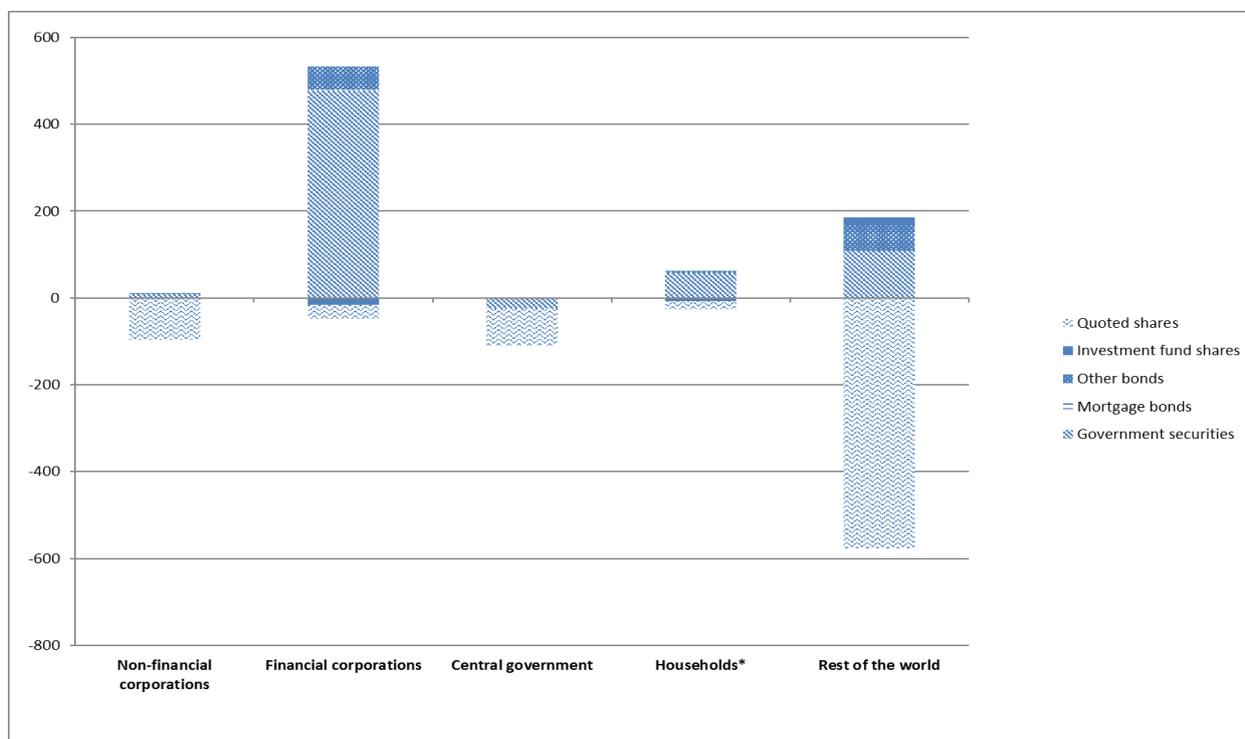
Holding sectors	Opening positions	Transactions	Price changes	Foreign exchange rate changes	Other volume changes	Closing positions	Ratio %	Change
Non-financial corporations	1 794	14	-103	3	0	1 709	3,8%	-85
Financial corporations total	16 383	692	-240	33	0	16 868	37,1%	485
<i>of which Credit institutions</i>	9 862	505	-139	17	0	10 245	22,5%	383
Central government	1 638	-24	-85	0	0	1 529	3,4%	-109
Households*	10 351	64	-52	25	0	10 388	22,8%	37
Rest of the world	15 422	28	-655	236	0	15 031	33,0%	-391
<b>Total</b>	<b>45 589</b>	<b>775</b>	<b>-1 135</b>	<b>297</b>	<b>0</b>	<b>45 525</b>	<b>100,0%</b>	<b>-64</b>

\* Including stock of non-profit institutions serving households.

The total market value of securities holdings reached HUF 45,525 billion at the end of May with changes in the opposite direction in the holding sectors. Here, *residents* and *non-residents* held HUF 30,167 billion (or 67.0%) and HUF 15,031 billion (or 33.0%), respectively.

Chart 1

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



\* Including stock of non-profit institutions serving households.

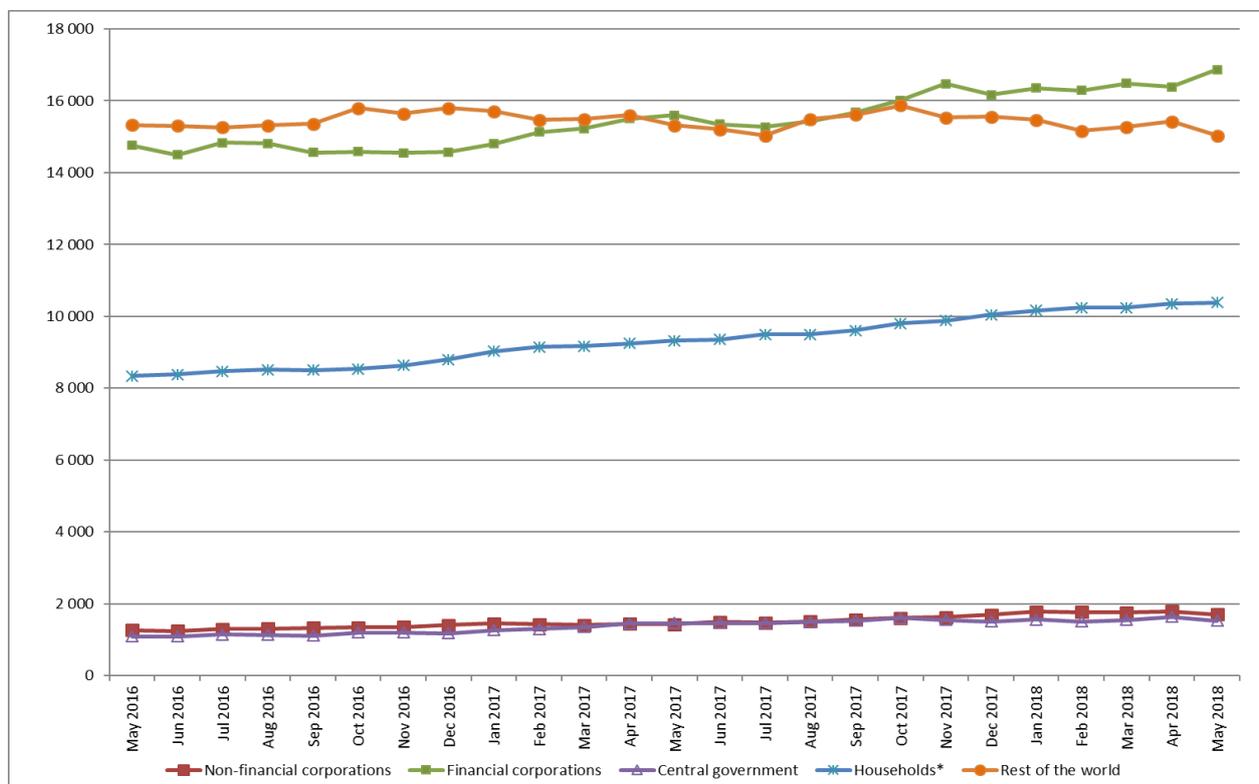
In May, the rise in holdings by non-residents due to transactions accounted for HUF 28 billion. The sector's holdings in the market of securities issued by the government sector rose by HUF 10 billion due to transactions, reflecting the effect of an increase in stock of short- and long-term forint-denominated securities and changes in the stocks of foreign currency-denominated bonds. They also increased their stocks of other bonds and mutual fund shares by HUF 38 billion and HUF 18 billion, respectively, during the month. There was a fall in their stocks of quoted shares in the value of HUF 39 billion.

In May, credit institutions' securities holdings rose significantly by HUF 506 billion due to transactions. Here, their stocks of securities issued by the government sector, of other bonds and of quoted shares rose by HUF 480 billion, HUF 24 billion and HUF 2 billion, respectively.

Holdings of securities by households (including non-profit institutions serving households) increased by HUF 64 billion, due to transactions, in the period under review. Households raised their stocks of government securities by HUF 65 billion. Here, their holdings of long-term forint-denominated securities, foreign currency-denominated securities rose by HUF 60 billion and HUF 5 billion, respectively, while their short-term securities' stocks fell by HUF 1 billion. Their savings in quoted shares also increased by HUF 26 billion, but there was a decrease of HUF 17 billion in mutual fund shares. Holdings of securities by non-profit institutions serving households fell in the month.

In May, the increase in securities held by households continued. Stock of securities held by financial corporations rose considerably in the month. Non-residents' share of total holdings fell more significantly 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 holdings issued by the sector recorded at market level *financial corporations', non-residents' and non-financial corporations'* stocks rose by HUF 477 billion, *HUF 108 billion* and *HUF 10 billion*, respectively, in May; however, holdings of *the general government* fell by HUF 25 billion. The combined stocks of *households and non-profit institutions serving households* increased by HUF 57 billion.

Table 3

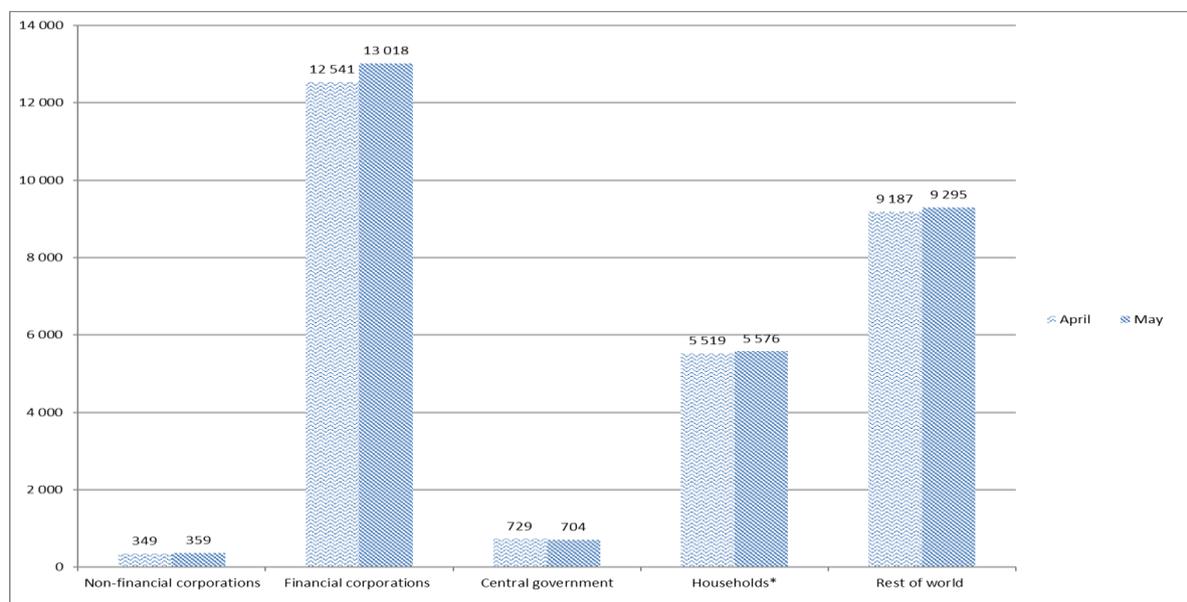
*Distribution of securities holdings issued by central government in a breakdown by holding sector; at market value; HUF billions; May 2018*

Holding sectors	Opening positions	Transactions	Price changes	Foreign exchange rate changes	Other volume changes	Closing positions	Ratio %	Change
Non-financial corporations	349	11	-2	1	0	359	1,2%	10
Financial corporations total	12 541	633	-174	18	0	13 018	45,0%	477
<i>of which Credit institutions</i>	8 649	479	-113	13	0	9 028	31,2%	379
Central government	729	-23	-1	0	0	704	2,4%	-25
Households*	5 519	54	-1	5	0	5 576	19,3%	57
Rest of the world	9 187	10	-109	207	0	9 295	32,1%	108
<b>Total</b>	<b>28 325</b>	<b>684</b>	<b>-288</b>	<b>230</b>	<b>0</b>	<b>28 952</b>	<b>100,0%</b>	<b>627</b>

\* 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.

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Detailed tables: [Time series](#)

Methodological notes: [Methodological notes](#)

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