

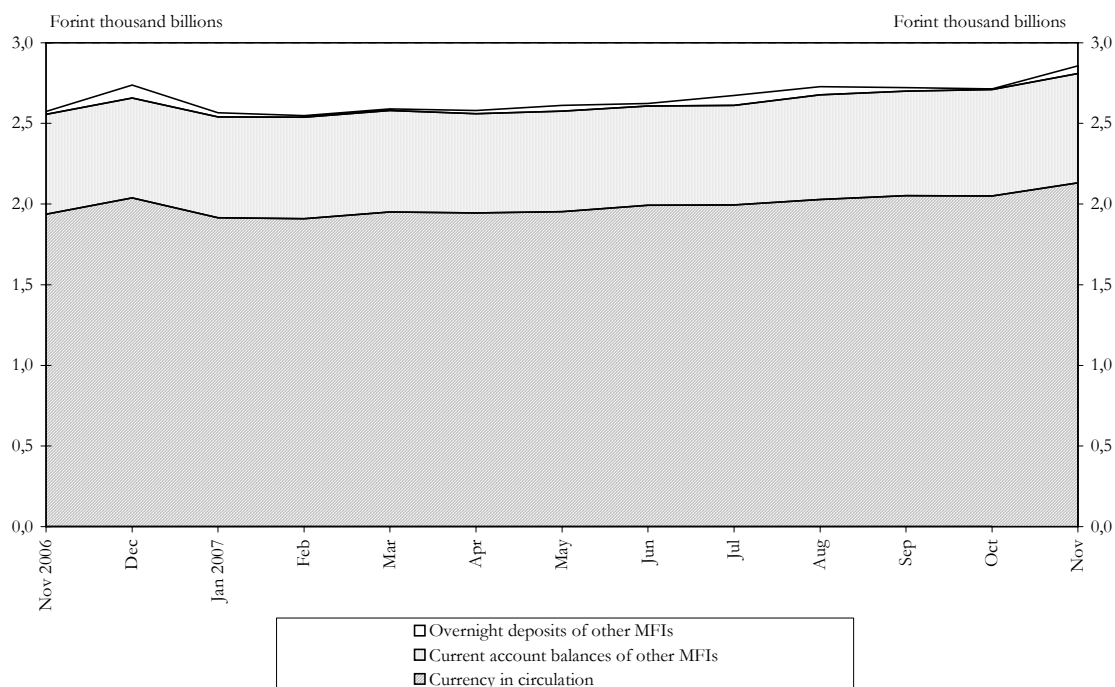
**PRESS RELEASE**

**Preliminary statistical balance sheet of the MNB  
November 2007**

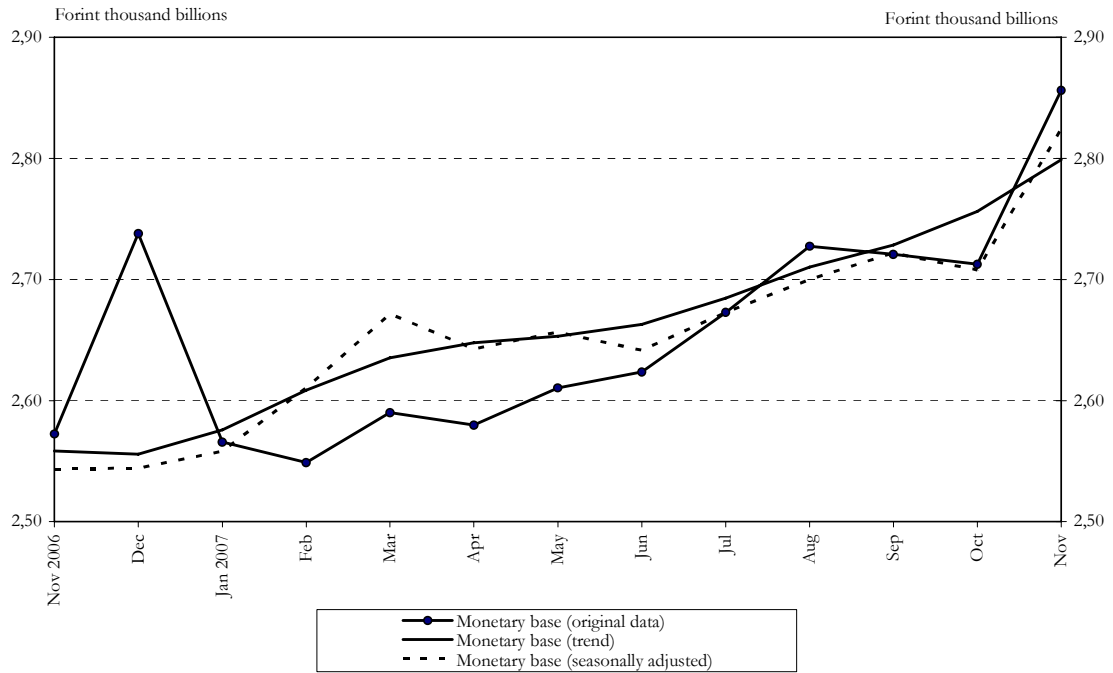
In November 2007, the monetary base rose by HUF 143.7 billion to HUF 2,856.3 billion. Of the components of the monetary base, the monthly average stocks of currency in circulation and other monetary financial institutions' current account balances, respectively, rose by HUF 82.5 billion to HUF 2,131.7 billion and by HUF 14.8 billion to HUF 676.6 billion. At HUF 48.0 billion, the monthly average stock of other monetary financial institutions' overnight deposits was up HUF 46.4 billion on October.

In November, the monthly averages of currency in circulation and other monetary financial institutions' current account balances fell to 74.6% and 23.7%, respectively, as a percentage of the monetary base. Other monetary financial institutions' overnight deposits rose to 1.7%.

**Chart 1 Components of the monetary base**

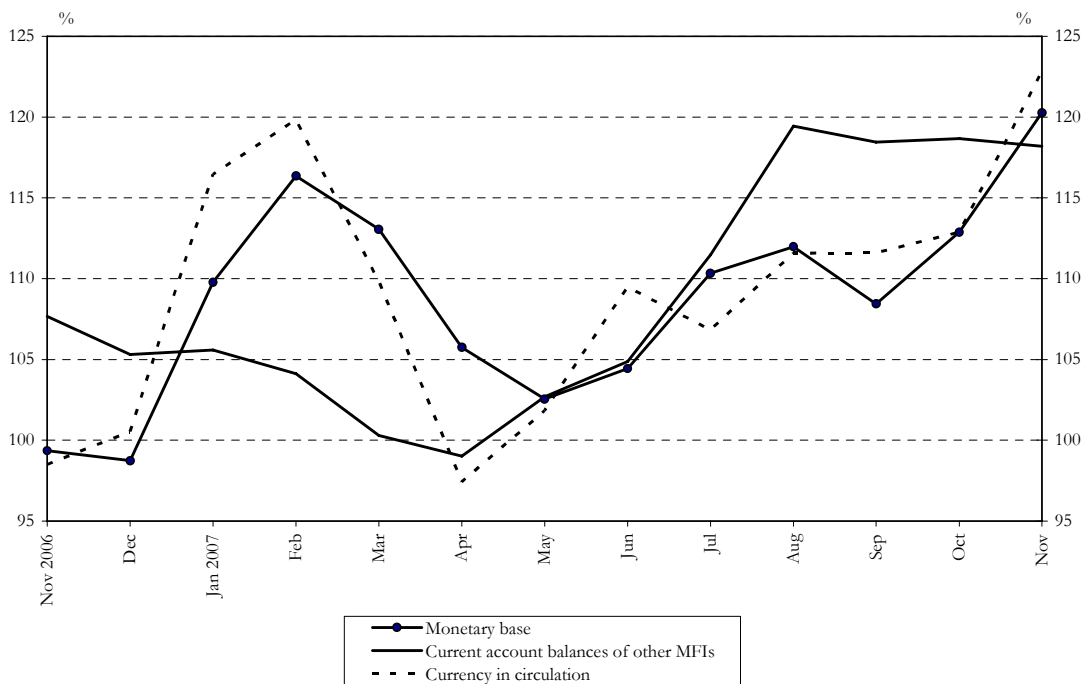


**Chart 2 Movements in the monetary base**



The annualised month-on-month growth index of the monetary base<sup>1</sup> was 120.3% in November, up 7.4 percentage points on the preceding month.

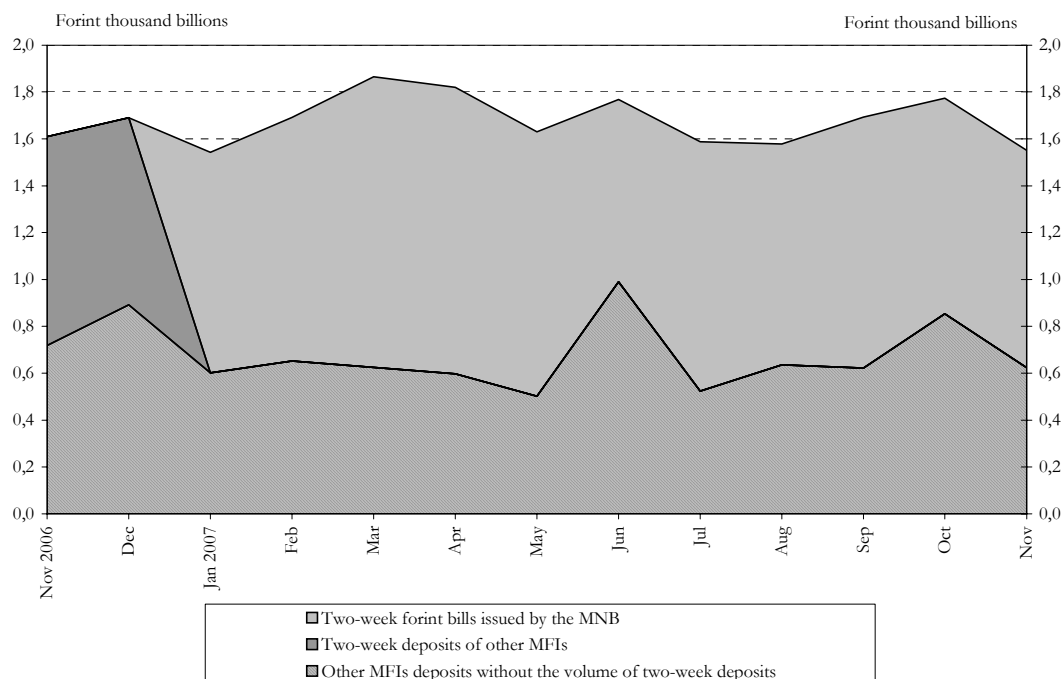
**Chart 3 Annualised growth indices of the monetary base and its components<sup>1</sup>**



<sup>1</sup> For an explanation, see the methodological notes at the end of this press release.

In November, other monetary financial institutions' end-of-month holdings of deposits with the MNB fell by HUF 230.7 billion to HUF 623.1 billion, returning to the level of two months before. Other MFIs' deposits fell by HUF 228.0 billion to HUF 621.9 billion and foreign currency deposits by HUF 2.7 billion to HUF 1.2 billion. The end-of-month total of two-week forint-denominated central bank bills<sup>2</sup> amounted to HUF 928.1 billion, up HUF 8.8 billion on October. The end-of-month stock of loans granted to other MFIs fell by HUF 91.2 billion to HUF 0.1 billion, back to September's level.

**Chart 4 End-of-month stocks of other MFIs' deposits and two-week forint bills issued by the MNB<sup>3</sup>**



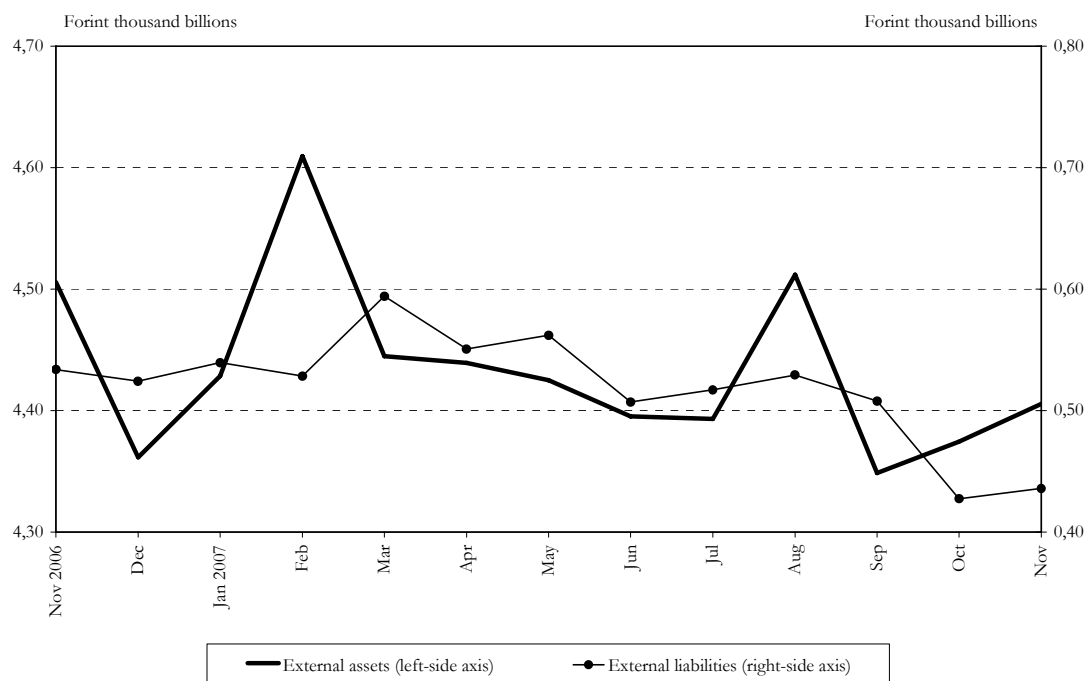
The month-end stock of loans outstanding to the central government rose by HUF 0.8 billion to HUF 76.5 billion and deposits from the sub-sector rose by HUF 21.7 billion to HUF 471.3 billion.

Net external assets of the Magyar Nemzeti Bank were HUF 22.4 billion higher than in October. Transactions reduced the value of net external assets by HUF 5.8 billion, exchange rates changes contributing HUF 28.1 billion. The end-of-month total of assets vis-à-vis non-residents rose by HUF 31.0 billion to HUF 4,405.3 billion. Transactions reduced the value of net external assets by HUF 0.3 billion; and the contribution of foreign exchange revaluations amounted to HUF 31.2 billion. The end-of-month total of external liabilities rose by HUF 8.6 billion to HUF 436.0 billion. Transactions and exchange rate changes, respectively, accounted for HUF 5.5 billion and HUF 3.1 billion of the increase in external liabilities.

<sup>2</sup> The press release on the procedure for issuance and auctions of the two-week MNB bill can be accessed via [http://www.mnb.hu/Engine.aspx?page=mnbbhu\\_mnbkozlem&ContentID=9165](http://www.mnb.hu/Engine.aspx?page=mnbbhu_mnbkozlem&ContentID=9165). Further information on the two-week central bank instrument is available on the MNB's website at [http://www.mnb.hu/engine.aspx?page=mnbbhu\\_jegybanki\\_betet](http://www.mnb.hu/engine.aspx?page=mnbbhu_jegybanki_betet).

<sup>3</sup> For an explanation, see the methodological notes at the end of this press release.

**Chart 5 Assets and liabilities of the MNB vis-à-vis non-residents at the end of the month**



### 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 12<sup>th</sup> power. The month-on-month growth rates, calculated using this method, better reflect developments in the most recent period 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.

Chart 4 shows other monetary financial institutions' total holdings of deposits and two-week forint-denominated central bank bills. The MNB has been issuing two-week forint-denominated bills since 9 January 2007, in order to facilitate credit institutions' efficient liquidity management and the development of financial markets. They replace the two-week central bank deposit as a key policy instrument. The new two-week MNB bill is a negotiable instrument, i.e. credit institutions may sell the securities they hold to other residents as well as non-residents prior to maturity.

Monthly changes in stock data are calculated from data before rounding. Consequently, such differences between monthly data, derived using this method, may be different from those calculated from rounded data.

*The data underlying this press release are available on the MNB's website at [http://english.mnb.hu/Resource.aspx?ResourceID=mnbfile&resourcename=0708\\_monstatpubl\\_en.xls](http://english.mnb.hu/Resource.aspx?ResourceID=mnbfile&resourcename=0708_monstatpubl_en.xls).*

**MAGYAR NEMZETI BANK  
STATISTICS**