

Abstract of the articles

TRANSPARENCY AND PREDICTABILITY OF THE HUNGARIAN NATIONAL BANK

KINGA MARCZELL

The degree of transparency and predictability are two strongly interrelated but not interchangeable aspects of monetary policy. In this study I evaluate the practice of the Hungarian National Bank using the transparency index of Eijffinger–Geraats and another one developed for central banks following the practice of inflation targeting. For my measure of the ability of financial markets to correctly anticipate monetary policy decisions I follow previous work; and motivated by the significant volume of distortion I also propose another method for measuring predictability. I also pose the question of whether the recent change in the frequency of the Monetary Policy Committee's policy meetings has affected the uncertainty corresponding to the timing of interest rate changes.

While the HNB proves to be a highly transparent central bank in international comparison, the predictability of its decisions appears to be very weak. The reason behind these seemingly inconsistent results lies in the turbulent and volatile macroeconomic conditions in which the HNB operates and the existence of the exchange rate band as an exogenous factor in the central bank's decisions.

THE NEW REGULATION OF BANK GUARANTEE IN HUNGARY

KATALIN GULYÁSNÉ CSEKÓ

The reform of Hungarian Civil Code gives rise to the revision of rules of personal securities, too. The aim of that paper is to examine the new regulation of guarantees and to compare it with the legal solutions and practice of other nations, international contracts and usages. The draft confirms the abstract and independent nature of guarantees and makes its contractual feature more exact and precise. In the jurisdictional process not only the usage of International Chamber of Commerce (URDG), the UNCITRAL Agreement on bank guarantees, but as well the proposal of European experts on rules of personal security contracts (PSC) have been taken into consideration. Although there are several new rules of „revolutionary” art, unfortunately the draft seems not to follow its train of thoughts consequently, e.g. do not complete the text by the regulation of injunction or prohibition of transfer. The questions, such as the legal status of guarantees in an insolvency process of a bank, a beneficiary or an applicant also need to be defined.

MICROFINANCE FOR THE POOREST: THE CASE OF INDIA
SZABOLCS IMREH-ANDRÉASZ KOSZTOPULOSZ-ZSÓFIA MÉSZÁROS

The microfinancing practice of the developing countries provides interesting and valuable lessons for the financing of the neediest Hungarian micro enterprises. In recent article we present two successful Indian microfinancing models. The first one is based on the methodology of the Grameen Bank, while the second one is the model of self-help groups. What makes them common is the method of group-lending, which recons upon the “power of collectivity” and can be considered as a means of guarantee substitution. We point out the main features of the two models by the detailed demonstration of two programmes. On the ground of the Indian experience we draw conclusions on the possible Hungarian adaptation of the methods.

**SECULAR TRENDS AND KONDRAATTIEF CYCLES IN USA,
CHINA AND WORLD ECONOMY**
DÁNIEL KEHL-BÉLA SIPOS

The aim of our study was to identify the megatrends (century-long trends) and long (45–50 years) cycles. The megatrend of the prices showed usually a declining trend and long waves could also be observed. Due to the long-term shrinkage of real prices, the companies are constantly forced to improve their productivity by means of technological and/or organizational innovations.

Besides century-long trends we also identified and analyzed the long cycles.

We based our research on the databases of minerals and raw materials of the United States, China and of the world. Using mainly sources on the Internet, we analysed time series of prices of different goods in 2000-constant-prices in USD. Moreover, we also processed natural series that were corrected with population data, so that we could work with per capita production volumes.

DETERMINING OF LOSS DISTRIBUTIONS BY FOURIER TRANSFORMATION
ZSOLT ARMAI

Credit institutions should estimate their loss distributions according to different risk types (credit, market and operational risks). There are two important reasons behind: the need to measure real performance and to comply with the regulatory capital requirements. Determining the loss distributions is based on the mutually unambiguous relation between possibility distributions and their characteristic functions. To utilize this relation Fourier transformation method is applied, where producing the loss distributions is fairly quick and brings numerically stable results. The flexibility of this method is presented by numerical examples.