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FOREIGN EXCHANGE AND LIQUIDITY AND MONTHLY BALANCE SHEET, OCTOBER 2016

THE FOREIGN-EXCHANGE RESERVE

In October 2016, the foreign-exchange reserve increased by kr. 0.1 billion to kr. 449.9 billion. The increase reflects Danmarks Nationalbank's net purchase of foreign exchange for kr. 0.2 billion, and the central government's net repayment of foreign debt for kr. 0.1 billion, cf. table 1. In October, Danmarks Nationalbank has not intervened in the foreign exchange market.

DANMARKS NATIONALBANK'S NET FOREIGN-EXCHANGE PURCHASES AND THE CHANGE IN THE FOREIGN-EXCHANGE RESERVE – TABLE 1

Kr. billion	October 2016	January-October 2016
Danmarks Nationalbank's interventions* to purchase foreign exchange,	0.0	32.8
Other**	0.2	0.9
Danmarks Nationalbank's net foreign-exchange purchases	0.2	33.7
The central government's net foreign borrowing***.	-0.1	-21.3
Change in the foreign-exchange reserve	0.1	12.4

Note: Details may not add because of rounding and previously published figure may have been revised. All transactions as per settlement date.

* Intervention takes place when Danmarks Nationalbank purchases and sells foreign exchange for Danish kroner in the foreign-exchange market in order to stabilise the exchange rate.

** Comprises e.g. interest accrued on the foreign-exchange reserve, the central government's net payments in foreign exchange, EU-payments, and changes in the banks' deposits in euro-denominated accounts at Danmarks Nationalbank.

*** Including net payments to the central government in foreign exchange as a result of currency swaps.

DEVELOPMENT IN LIQUIDITY

In October, the central government's net financing requirement amounted to kr. 17.1 billion. Since the turn of the year, the central government's net financing requirement has been kr. 28.5 billion, cf. table 2.

The net position of the banks and mortgage-credit institutes vis-à-vis Danmarks Nationalbank increased by kr. 14.6 billion in October, to an outstanding amount of kr. 179.4 billion. In October, transactions by the central government increased the net position by kr. 14.8 billion.

IMPACT OF VARIOUS FACTORS ON THE NET POSITION OF THE BANKS
AND MORTGAGE-CREDIT INSTITUTES VIS-À-VIS DANMARKS NATIONALBANK – TABLE 2

Kr. billion	October 2016	January-October 2016
The central government's net financing	17.1	28.5
Redemption on domestic central-government debt *	0.0	0.0
Other**	6.1	54.5
The central government's gross domestic financing requirement	23.3	83.0
The central government's gross domestic borrowing***	8.5	78.2
The central government's liquidity impact	14.8	4.8
Danmarks Nationalbank's net foreign-exchange purchases	0.2	33.7
Danmarks Nationalbank's net bond purchases	0.0	-0.5
Other factors****	-0.5	-3.3
Change in net position	14.6	34.6

Note: Details may not add because of rounding and previously published figures may have been revised. All transactions as per settlement date.

* Including krone-denominated payments by the central government in currency swaps.

** Comprises, *inter alia*, net bond purchases by the government funds and net collateral for the government's swap portfolio.

*** Gross long-term borrowing, net short-term borrowing and krone-denominated payments to the central government in currency swaps.

**** Comprises e.g. changes in banknotes and coins in circulation.

DANMARKS NATIONALBANK'S INTEREST RATES

Since 6 July 2012, the discount rate has been 0.00 per cent, since 1 June 2012, the current-account interest rate has been 0.00 per cent, since 20 January 2015, the lending rate has been 0.05 per cent and since 8 January 2016, the rate of interest on certificates of deposit has been -0.65 per cent.

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BALANCE SHEET OF DANMARKS NATIONALBANK 31 OCTOBER 2016

Assets	2016	2016	2015
1000 kr.	31/10	30/09	31/10
Stock of gold.....	15,490,447	15,490,447	15,707,167
Foreign assets.....	421,252,394	420,550,294	459,786,675
Claims on the International Monetary Fund.....	17,275,975	17,275,975	18,240,822
Claims related to banks' and mortgage credit institutes' TARGET accounts in ECB.....	37,027	50,248	60,054
Monetary-policy lending.....	-	150,000	1,500,000
Other lending.....	3,004,860	2,911,945	3,017,994
Banks ¹⁾	2,992,041	2,890,977	2,982,320
<i>Misc. loans</i>	12,820	20,968	35,674
Domestic bonds.....	33,022,276	33,011,211	33,007,081
Financial fixed assets, etc.	452,565	452,565	802,211
Tangible and intangible fixed assets	645,929	647,015	738,248
Other assets	1,195,762	1,177,724	2,024,044
	492,377,235	491,717,424	534,884,296

1) Including loans financing decentralised banknote holdings.

Liabilities	2016	2016	2015
1000 kr.	31/10	30/09	31/10
Banknotes.....	63,549,089	63,554,095	62,064,173
Coins.....	5,998,272	5,999,506	5,923,999
Monetary-policy deposits.....	179,436,600	165,034,297	176,602,630
<i>Net current accounts</i>	22,575,600	29,126,297	56,725,630
<i>Certificates of deposit</i>	156,861,000	135,908,000	119,877,000
Other deposits.....	16,363,946	16,284,511	13,848,729
<i>Deposits related to banks' and mortgage credit institutes' TARGET accounts in ECB</i>	37,027	50,248	60,054
<i>Other deposits from banks' and mortgage credit institutes'</i>	36	17,241	32
<i>Misc. deposits</i>	16,326,883	16,217,022	13,788,643
Central government.....	132,446,218	147,244,353	187,345,380
Foreign liabilities	4,103,991	3,550,972	2,103,379
Counterpart of Special Drawing Rights allocated by the IMF (SDR).....	14,507,188	14,507,188	13,575,439
Other liabilities	5,088,004	4,658,574	5,264,145
Capital and reserves	70,883,928	70,883,928	68,156,422
	492,377,235	491,717,424	534,884,296