

## Box 2

**SEASONAL ADJUSTMENT OF SECURITIES ISSUES STATISTICS**

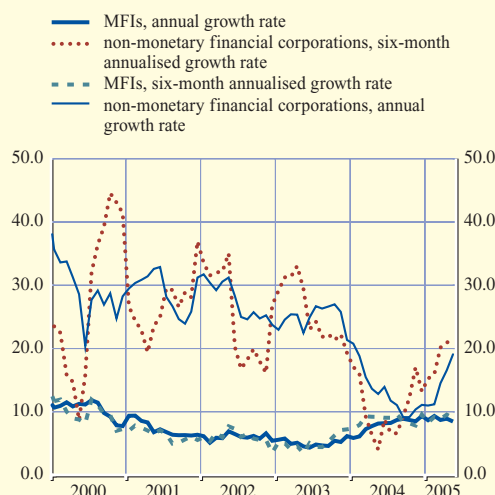
This issue of the Monthly Bulletin for the first time includes seasonally adjusted statistics on securities issuance and thereby provides a new tool for the analysis of net debt securities issuance activity in the euro area. In particular, the availability of seasonally adjusted data facilitates an analysis of the short-term dynamics and the identification of changes in trends.<sup>1</sup>

These new seasonally adjusted data have been produced for all sectors, with a further breakdown by maturity (short-term and long-term), using the X-12-ARIMA method. The seasonally adjusted data on total securities issuance are derived indirectly through the aggregation of the seasonally adjusted sector and maturity breakdowns.

<sup>1</sup> More detailed information and data are available on the ECB's website (<http://www.ecb.int/stats/money/securities/sadj/html/index.en.html>).

**Chart A Debt securities issued by monetary financial institutions and non-monetary financial corporations**

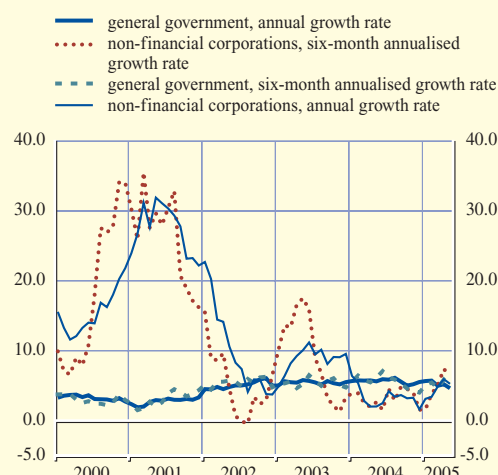
(annual growth rates)



Source: ECB.

**Chart B Debt securities issued by non-financial corporations and general government**

(annual growth rates)



Source: ECB.

The seasonally adjusted data on outstanding amounts, net issuance and growth rates of securities issues are based on the seasonal adjustment of the index of notional stocks, which reflects the changes in outstanding amounts due to net securities issuance. This approach is consistent with the regular procedure for the seasonal adjustment of monetary aggregates.

The seasonal pattern varies depending on the sector and maturity breakdowns. In particular, long-term debt securities issuance displays seasonal troughs of equal size in January and December. Seasonal peaks can be noted for June and July. Euro area total debt securities issuance shows a seasonal trough in December and a smaller but significant peak in May.

The new seasonally adjusted statistics allow the analysis of the short-term dynamics of net issuance activity to be improved. Seasonally adjusted annualised growth rates, such as the three-month and six-month growth rates, tend to indicate changes in the issuance cycle in a more timely manner than the annual growth rates. This more timely information, however, may come at the cost of a more erratic behaviour, particularly in periods of sideward movements of the annual growth rate (see, for example, the growth of securities issued by non-monetary financial corporations between 2000 and the end of 2003 in Chart A). However, in periods prior to turning-points, the analysis of the short-term dynamics signals a change in the growth of securities issuance earlier than the annual growth rates. The use of six-month growth rates seems to be an acceptable compromise between the increase in volatility in these growth rates and the improved timeliness of the signals. This can be illustrated by the development of the six-month growth rates of debt securities issued by non-financial corporations (see Chart B). The changes in the trend in issuance activity for these securities, which took place in the second half of 2000, the middle of 2001, the beginning of 2003 and again at the end of 2003, are indicated considerably earlier by the six-month growth rates than by the annual growth rates. In 2004, by contrast, when developments in securities issuance were rather stable, the six-month and the annual growth rates show similar patterns (see Chart B).