

20.05.2014

## Monetary indicators in April 2014

In April 2014, the monetary base The monetary base includes money in circulation (outside banking system), banking reserves (banks' reserves in MDL on correspondent accounts maintained at the National Bank of Moldova and cash in banks), deposits at sight of other organizations with the National Bank of Moldova, "overnight" deposits of banks and required reserves in foreign currency. was MDL 25878.9 million, increasing by MDL 781.9 million (3.1 percent) compared to March 2014. The increase of the monetary base was determined by the positive evolution of net foreign and net domestic assets of the National Bank of Moldova by MDL 730.4 million (2.4 percent) and by MDL 51.5 million (0.9 percent), respectively. Money supply M2 Money supply M2 includes money in circulation (M0), deposits in MDL and money market instruments. was MDL 44252.4 million, decreasing by MDL 156.5 million or by 0.4 percent as compared to March 2014. At the same time, money supply M3 Money supply M3 includes money supply M2 and deposits in foreign currency of residents expressed in MDL. increased by MDL 152.9 million (0.2 percent) in April 2014. The analysis of the passive components of money supply (M3) shows that this increase was driven by the increase in the balance of monetary aggregate money in circulation M0 Money in circulation M0 represents cash in circulation put by the National Bank of Moldova, except for cash in banks and NBM vault. by MDL 371.3 million, while the total deposits balance decreased by MDL 218.4 million in April 2014 (Table no.1).

Net withdrawals from banks vaults for the purchases of foreign currency by individuals and those from the deposits accounts of individuals, which constituted MDL 250.1 million and MDL 182.0 million, were the main factors which led to the increase in the balance of monetary aggregate (M0) during the analyzed period.

Table nr.1. Passive components of money supply

INDICATORS	Mar.14	Apr.14	Apr.14	Apr.14
	MDL, million	MDL, million	Mar.14	Apr.13
			%	%
1 Money in circulation (M0)	16656.23	17027.48	2.2	28.1
2 Sight deposits in MDL	9866.16	9371.27	-5.0	31.2
3 MONEY SUPPLY (M1)	26522.39	26398.75	-0.5	29.2
4 Term deposits in MDL	17886.49	17853.69	-0.2	16.7
5 Money market instruments	0.00	0.00		
6 MONEY SUPPLY (M2)	44408.88	44252.43	-0.4	23.8
7 Deposits in foreign currency	17919.60	18228.93	1.7	24.7

8	MONEY SUPPLY (M3)	62328.48	62481.37	0.2	24.1
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The balance of deposits in national currency was MDL 27225.0 million, which share equaled to 59.9 percent of total balance of deposits, while the balance of deposits in foreign currency (recalculated in MDL) increased up to MDL 18228.9 million (which share amounted to 40.1 percent ) (Table no.2).

Table no.2. Deposits structure Deposits structure is classified by institutional sectors, according to the Instruction on filling out by the licensed banks of the Report on monetary statistics (Official Monitor of the Republic of Moldova no.206-215 of December 2, 2011).

INDICATORS	Mar.14	Apr.14	Apr.14	Apr.14
	MDL, million	MDL, million	Mar.14 %	Apr.13 %
I Deposits balance (Total)	45672.25	45453.89	-0.48	22.62
Including:				
1.0 Deposits balance (in MDL):	27752.65	27224.95	-1.90	21.28
Share in deposits balance (Total) %	60.76	59.90		
1.1 Non-banking financial sector	800.39	716.56	-10.47	4.88
1.2 Non-financial companies sector, which majority ownership is public	1409.46	1503.60	6.68	52.67
1.3 Non-financial companies sector, which majority ownership is private	6355.45	5850.36	-7.95	17.85
1.4 Other residential sectors (individuals, etc.)	19187.35	19154.44	-0.17	21.11
2.0 Deposits balance in foreign currency (in MDL):	17919.60	18228.93	1.73	24.67
Share in deposits balance (Total) %	39.24	40.10		
2.1 Non-banking financial sector	469.82	472.18	0.50	-10.02
2.2 Non-financial companies sector, which majority ownership is public	442.14	467.33	5.70	3.33
2.3 Non-financial companies sector, which majority ownership is private	2867.87	2880.72	0.45	20.97
2.4 Other residential sectors (individuals, etc.)	14139.77	14408.70	1.9	27.9

The increase of money supply M3 in the reporting period was determined by the increase in net foreign assets of the banking system by MDL 687.5 million (2.1 percent), while the net domestic assets decreased by MDL 534.6 million (1.8 percent). Domestic credit of the banking system decreased by MDL 399.9 million, up to the level of MDL 44948.7 million, due to the decrease in net balance of claims to the Government and in balance of credits granted to economy by MDL 347.1 million and by MDL 52.8 million, respectively.

The balance of credits in economy According to the IMF methodology, the interbank credits and the credits granted to the Government are excluded from the total credits in the economy (including the interest calculated for credits and for credits of banks - in liquidation process). decreased by 0.1 percent in April 2014 due to the decrease of credits granted to the economy in foreign currency by MDL 501.7 million (2.8 percent), while those granted in national currency increased by MDL 448.9 million (1.7 percent). At the same time, the credits granted to economy in foreign currency, expressed in U.S. dollars, decreased by USD 40.7 (Table no.3).

Table nr.3. Structure of credits granted to economy

INDICATORS	Mar.14	Apr.14	Apr.14	Apr.14
	MDL, million	MDL, million	Mar.14	Apr.13
			%	%
I CREDITS GRANTED TO ECONOMY	44048.52	43995.73	-0.1	20.4
Including:				
1.0 CREDITS GRANTED TO ECONOMY (in MDL)::	26377.85	26826.78	1.7	32.4
Share of Credits granted to economy, %	59.88	60.98		
1.1 Non-banking financial sector	498.97	502.46	0.7	44.5
1.2 Non-financial companies sector, which majority ownership is public	754.60	747.48	-0.9	-5.2
1.3 Non-financial companies sector, which majority ownership is private	18606.96	18896.86	1.6	31.0
1.4 Other resident sectors (individuals, etc.)	6517.32	6679.97	2.5	41.9
including: Consumer loans	2837.028	2896.13	2.1	22.9
Real estate loans	1822.42	1868.62	2.5	31.7
2.0 CREDITS GRANTED TO ECONOMY IN FOREIGN CURRENCY (in MDL):	17670.66	17168.95	-2.8	5.6
Share of Credits granted to economy, %	40.12	39.02		
2.1 Non-banking financial sector	802.78	814.17	1.4	42.7

2.2	Non-financial companies sector, which majority ownership is public	851.90	832.78	-2.2	3.4
2.3	Non-financial companies sector, which majority ownership is private	15692.55	15213.89	-3.1	3.6
2.4	Other resident sectors (individuals, etc.)	323.44	308.11	-4.7	58.9
	including: Consumer loans	13.27	14.06	5.9	130.1
	Real estate loans	95.09	93.89	-1.3	7.9

Positive evolution of the balance of credits granted to economy in national currency was determined by the increase in balance of credits granted to non-financial companies sector with majority private ownership by MDL 289.9 million (1.6 percent), balance of credits granted to other resident sectors (including individuals) by MDL 162.6 million (2.5 percent) and the balance of credits granted to non-banking financial sector by MDL 3.5 million (0.7 percent), while the balance of credits granted to non-financial companies sector with majority public ownership decreased by MDL 7.1 million (0.9 percent).

At the same time, the decrease in the balance of credits granted to economy in foreign currency (expressed in MDL) was influenced by the decrease the balance of credits granted to non-financial companies with majority public ownership – by MDL 19.1 million (2.2 percent), balance of credits granted to non-financial companies with majority private ownership – by MDL 478.7 million (3.1 percent) and the balance of credits granted to other resident sectors (including individuals) – by MDL 15.3 million (4.7 percent), while the balance of credits granted to non-banking financial sector increased by MDL 11.4 million (1.4 percent).

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