



18.04.2014

Monetary indicators in March 2014

In March 2014, The monetary baseThe 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.[1] [1] was MDL 25097.0 million, increasing by MDL 330.8 million (1.3 percent) compared to February 2014. The growth of the monetary base was determined by the increase in the net domestic assets of the National Bank of Moldova by MDL 970.2 million. At the same time, net foreign assets decreased by MDL 639.5 million.

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.[2] [2] decreased from MDL 16715.9 million in February 2014 to MDL 16656.2 million in March 2014.

Money supply M2 Money supply M2 includes money in circulation (M0), deposits in MDL and money market instruments.[3] [3] was MDL 44408.9 million, increasing during the reporting period by MDL 48.4 million or by 0.1 percent as compared to February 2014.

Money supply M3Money supply M3 includes broad money M2 and deposits in foreign currency of residents expressed in MDL.[4] [4] decreased by MDL 227.4 million or by 0.4 percent in March 2014.

The analysis of the passive components of money supply (M3) denotes the fact that this decrease was driven by the decrease in the total deposits balance by MDL 167.7 million compared to the previous month, while the balance of money in circulation (M0) decreased by MDL 59.7 million compared to the previous month (Table no.1).

Table no.1. Passive components of money supply

| | INDICATORS | Feb.14 | Mar.14 | Mar.14 | Mar.14 |
|---|------------------------------|--------------|--------------|--------|--------|
| | | MDL, million | MDL, million | Feb.14 | Mar.13 |
| | | | | % | % |
| 1 | Money in circulation (M0) | 16715.92 | 16656.23 | -0.4 | 29.2 |
| 2 | Sight deposits in MDL | 9563.55 | 9866.16 | 3.2 | 41.2 |
| 3 | MONEY SUPPLY (M1) | 26279.48 | 26522.39 | 0.9 | 33.4 |
| 4 | Term deposits in MDL | 18080.95 | 17886.49 | -1.1 | 19.2 |
| 5 | Money market instruments | 0.00 | 0.00 | | |
| 6 | MONEY SUPPLY (M2) | 44360.43 | 44408.88 | 0.1 | 27.3 |
| 7 | Deposits in foreign currency | 18195.49 | 17919.60 | -1.5 | 20.9 |
| 8 | MONEY SUPPLY (M3) | 62555.92 | 62328.48 | -0.4 | 25.4 |

The balance of deposits in national currency was MDL 27752.6 million, which share equaled to 60.8 percent of total balance of deposits and the balance of deposits in foreign currency (recalculated in MDL) decreased up to MDL 17919.6 million, which share amounted to 39.2 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).[5] [5]

| | INDICATORS | Feb.14 | Mar.14 | Mar.14 | Mar.14 |
|-----|---|--------------|--------------|--------|--------|
| | | MDL, million | MDL, million | Feb.14 | Mar.13 |
| | | | | % | % |
| I | Deposits balance (Total) | 45840.00 | 45672.25 | -0.4 | 24.1 |
| | Including: | | | | |
| 1.0 | Deposits balance (in MDL) | 27644.51 | 27752.65 | 0.4 | 26.2 |
| | Share in deposits balance (Total) % | 60.31 | 60.76 | 0.8 | 1.7 |
| 1.1 | Non-banking financial sector | 847.11 | 800.39 | -5.5 | 17.8 |
| 1.2 | Non-financial companies sector, which majority ownership is public | 1257.62 | 1409.46 | 12.1 | 56.2 |
| 1.3 | Non-financial companies sector, which majority ownership is private | 6263.21 | 6355.45 | 1.5 | 31.8 |
| 1.4 | Other resident sectors (individuals, etc.) | 19276.57 | 19187.35 | -0.5 | 23.1 |
| 2.0 | Deposits balance in foreign currency (in MDL) | 18195.49 | 17919.60 | -1.5 | 20.9 |
| | Share in deposits balance (Total) % | 39.69 | 39.24 | -1.1 | -2.6 |
| 2.1 | Non-banking financial sector | 470.85 | 469.82 | -0.2 | -1.21 |
| 2.2 | Non-financial companies sector, which majority ownership is public | 380.97 | 442.14 | 16.1 | -5.6 |
| 2.3 | Non-financial companies sector, which majority ownership is private | 3017.13 | 2867.87 | -4.9 | 7.9 |
| 2.4 | Other resident sectors (individuals, etc.) | 14326.55 | 14139.77 | -1.3 | 26.0 |

The decrease of money supply M3 in the reporting period was determined by the decrease in net foreign assets of the banking system by MDL 726.7 million (2.2 percent), and by the increase in net domestic assets of the banking system by MDL 499.3 million (1.7 percent). Domestic credit of the banking system increased by MDL 295.0 million, up to the level of MDL 45348.5 million, due to the increase in the balance of credits granted to economy by MDL 634.6 million. At the same time, the balance of credits granted to the Government decreased by MDL 339.6 million.

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). increased by 1.5 percent in March 2014, at the expense of the increase of credits granted to the economy in national currency by MDL 678.8 million or by 2.6 percent, while those granted in foreign currency (expressed in MDL) decreased by MDL 41.2 million or by 0.2 percent (Table no.3).

Table no.3. Structure of credits granted to economy

| INDICATORS | Feb.14 | Mar.14 | Mar.14 | Mar.14 |
|---|----------|----------|--------|--------|
| | mil. Lei | mil. Lei | Feb.14 | Mar.13 |
| | | | % | % |
| I CREDITS GRANTED TO ECONOMY | 43413.89 | 44048.52 | 1.5 | 21.7 |
| Including: | | | | |
| 1.0 CREDITS GRANTED TO ECONOMY (in MDL) | 25702.00 | 26377.85 | 2.6 | 28.8 |
| Share of Credits granted to economy, % | 59.20 | 59.88 | 1.2 | 5.8 |
| 1.1 Non-banking financial sector | 469.97 | 498.97 | 6.2 | 31.6 |
| 1.2 Non-financial companies sector, which majority ownership is public | 785.05 | 754.60 | -3.9 | -0.5 |
| 1.3 Non-financial companies sector, which majority ownership is private | 18083.32 | 18606.96 | 2.9 | 26.2 |
| 1.4 Other resident sectors (individuals, etc.) | 6363.657 | 6517.318 | 2.4 | 41.6 |
| including: Consumer loans | 2777.038 | 2837.018 | 2.2 | 23.0 |
| Real estate loans | 1789.761 | 1822.416 | 1.8 | 31.8 |
| 2.0 CREDITS GRANTED TO ECONOMY IN FOREIGN CURRENCY (in MDL) | 17711.89 | 17670.66 | -0.2 | 12.5 |
| Share of Credits granted to economy, % | 40.80 | 40.12 | -1.7 | -7.6 |
| 2.1 Non-banking financial sector | 804.47 | 802.78 | -0.2 | 42.4 |
| 2.2 Non-financial companies sector, which majority ownership is public | 876.31 | 851.90 | -2.8 | 10.0 |
| 2.3 Non-financial companies sector, which majority ownership is private | 15695.89 | 15692.55 | 0.0 | 10.7 |
| 2.4 Other resident sectors (individuals, etc.) | 335.22 | 323.44 | -3.5 | 63.1 |
| including: Consumer loans | 13.84 | 13.27 | -4.1 | 103.0 |
| | | | | |

| | | | | | |
|--|-------------------|-------|-------|------|------|
| | Real estate loans | 96.84 | 95.09 | -1.8 | 11.3 |
|--|-------------------|-------|-------|------|------|

Positive evolution of the balance of credits granted to economy in national currency was determined by the increase of all its components: balance of credits granted to private sector – by MDL 523.6 million (2.9 percent), balance of credits granted to individuals – by MDL 153.7 million (2.4 percent), balance of credits granted to non-banking financial sector by MDL 29.0 million (6.2 percent), while the balance of credits granted to state enterprises decreased by MDL 30.4 million (3.9 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 in the balance of credits granted to state enterprises – by MDL 24.4 million (2.8 percent), balance of credits granted to individuals – by MDL 11.8 million (3.5 percent), balance of credits granted to non-banking financial sector by MDL 1.7 million (0.2 percent) and the balance of credits granted to private sector – by MDL 3.3 million (0.02 percent).

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 - [money supply](#) ^[7]
 - [monetary aggregates](#) ^[8]
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