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Monetary Policy Statistics Expand Hide

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Monetary indicators in July 2018

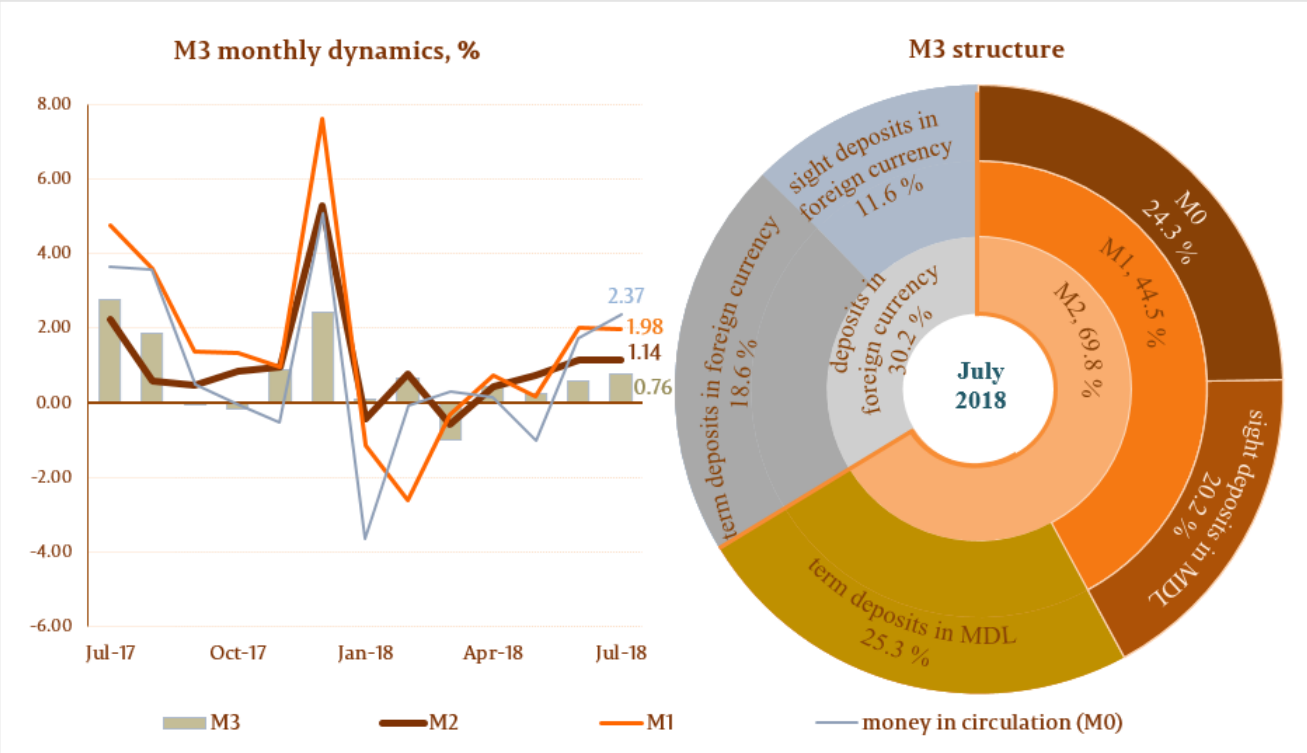
In July 2018, **the monetary base**[1] decreased by MDL 609.6 million (1.6 percent) compared to the previous month, totalling MDL 38,187.3 million. This decrease of the monetary base was determined by the decline of one of its counterparties - net domestic assets, which decreased by MDL 1,278.0million (31.5 percent), whereas net foreign assets increased by MDL 668.4 million (1.6 percent).

Money supply M2[2] increased by MDL 615.6 million or by 1.1 percent compared to June 2018 and recorded MDL 54,764.7 million, increasing by 11.9 percent compared to the same period of the previous year.

Money supply M3[3] increased by MDL 591.7 million (by 0.8 percent), recording values 7.0 percent higher, year-on-year.

The analysis of Money supply components (M3) shows that its increase over July 2018 was driven by the growth of the monetary aggregate **Money in circulation (M0)**[4] by MDL 442.0 million as well as of total deposit balance by MDL 149.7 million (Chart 1).

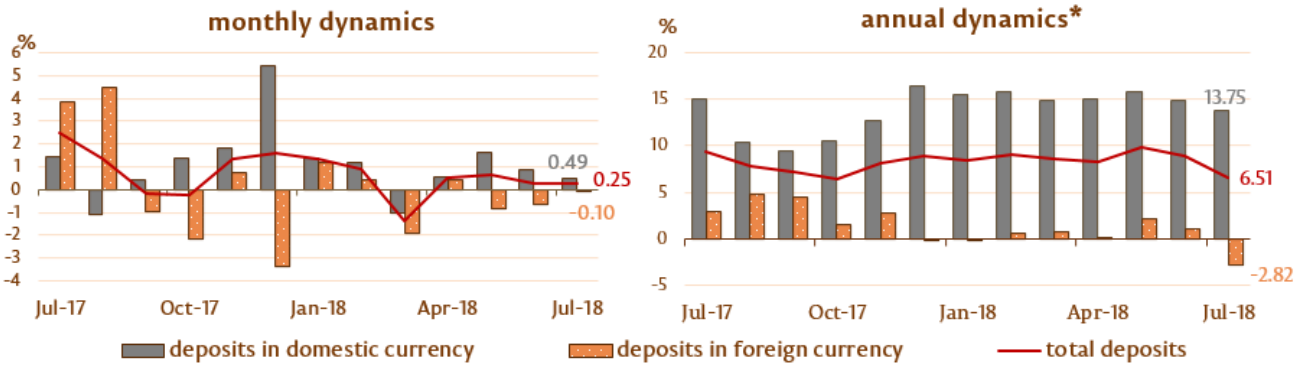
Chart no. 1. Monetary aggregate M3



It should be mentioned that monetary aggregates Money in circulation (M0) and Money supply (M1)[5] have increased compared to July 2017 by 8.5 and 16.5 percent, respectively.

The domestic currency deposit balance increased by MDL 173.6 million, reaching MDL 35,711.6 million, accounting for a share of 60.1 percent of the total deposit balance, whereas the foreign currency deposit balance (recalculated in MDL) decreased by MDL 23.9 million, to MDL 23,722.2 million, accounting for a share of 39.9 percent (Chart 2).

Chart no. 2. Deposits[6] dynamics, %

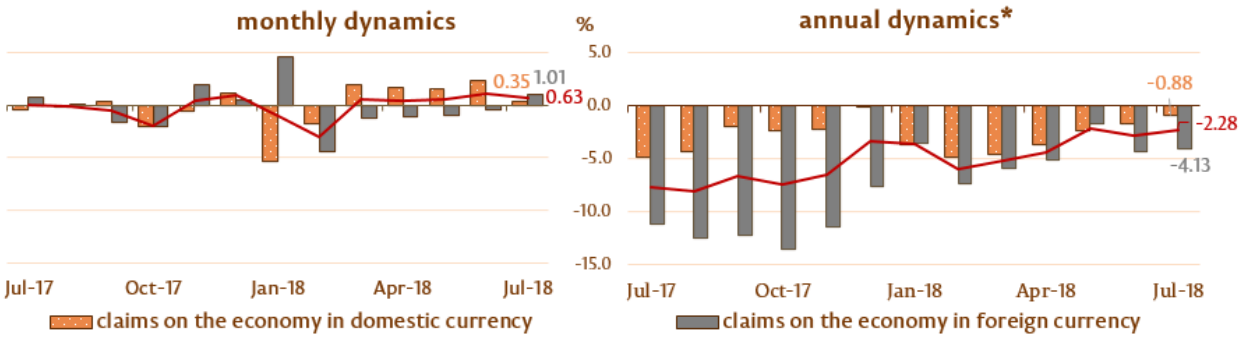


in domestic currency			in foreign currency	
previous month	same period, 2017	the modification compared to	previous month	same period, 2017
+0.49	+13.75	Total	-0.10	-2.82
+10.13	+4.86	Non-banking financial sector	-1.27	-27.86
+7.43	+32.96	Non-financial companies' sector, which majority ownership is public	-3.62	-8.58
+0.29	+24.16	Non-financial companies' sector, which majority ownership is private	+2.54	-1.41
-0.04	+8.73	Other resident sectors	-0.76	-1.77

The increase of Money supply M3 over the reporting period was determined, in terms of its counterparties, by the increase in net foreign assets[7] of the banking system by MDL 587.1 million (0.9 percent) as well as in net domestic assets[8] by MDL 4.6 million (0.1 percent).

In July 2018, **the balance of claims on economy**[9] increased by MDL 235.7 million (0.6 percent) as a result of the increase of domestic currency claims on economy by MDL 75.2 million (0.4 percent) as well as of foreign currency claims on economy (recalculated in MDL) - by MDL 160.5 million (1.0 percent) (Chart 3).

Chart no. 3. The dynamics of the claims on the economy



in domestic currency		The modification compared to	in foreign currency	
previous month	same period, 2017		previous month	same period, 2017
+0.35	-0.88	Total	+1.01	-4.13
+1.88	-1.08	Non-banking financial sector	-2.55	-13.97
-5.72	-8.98	Non-financial companies' sector, which majority ownership is public	-7.77	-43.57
-0.84	-13.64	Non-financial companies' sector, which majority ownership is private	+1.35	-2.84
+2.25	+19.78	Other resident sectors	+3.98	+44.99
+2.26	+20.83	Consumer loans	+11.80	+53.90
+3.08	+29.75	Real estate loans	-0.85	+68.09

It should be mentioned that foreign currency claims on economy, expressed in USD, have increased over the reference period by USD 24.6 million (2.6 percent).

The evolution of the balance of domestic currency claims on economy was determined by the increase in balance of claims on the non-banking financial sector and the other resident sectors (including individuals) by MDL 12.90 million (1.9 percent) and MDL 209.9 million (2.3 percent), respectively. At the same time, the balance of claims on non-financial companies which majority ownership is public and non-financial companies which majority ownership is private decreased by MDL 58.6 million (5.7 percent) and MDL 89.0 million (0.8 percent), respectively.

The increase in the balance of foreign currency claims on economy (expressed in MDL) was determined by the increase in the balance of claims on non-financial companies which majority ownership is private and the other resident sectors (including individuals) by MDL 193.8 million (1.4 percent) and MDL 13.8 million (4.0 percent), respectively. At the same time, the balance of claims on non-financial commercial companies which majority ownership is public and the non-banking financial sector decreased by MDL 28.0 million (7.8 percent) and MDL 19.1 million (2.6 percent), respectively.

** changes recorded against the values of the same period of the previous year.*

1. Broad monetary base includes money in circulation (outside banking system), banks' reserves (banks' MDL reserves, held in correspondent accounts at the National Bank of Moldova, and banks' till cash), sight deposits of other organizations placed at the National Bank of Moldova , banks' overnight deposits, and the required reserves in foreign currency.

2. Money supply M2 includes monetary aggregate (M0), domestic currency resident deposits, and money market instruments.

3. Money supply M3 includes money supply M2 and foreign currency resident deposits, recalculated in

Moldovan lei.

4. Money in circulation M0 represents circulating cash issued by the National Bank of Moldova, except for till cash of banks and of the National Bank of Moldova.

5. Money supply M1 includes money in circulation and domestic currency resident sight deposits.

6. Deposits are structured by institutional sectors, in accordance with the Guidelines on Preparing Monetary Statistic Reports by Licensed Banks (Official Monitor of the Republic of Moldova No. 206-215, dated 2 December 2011).

7. Is calculated by subtracting foreign liabilities from foreign assets.
Foreign assets include: non-resident deposits; non-resident loans; debt securities held (issued by non-residents); shares and other equity held by non-residents; monetary gold.
Foreign liabilities include resources attracted from non-residents: bonds issued by monetary authorities and banks to non-residents; deposits, debt securities, IMF credits and loans, SDR bonds, and other bonds.

8. Is calculated by subtracting domestic liabilities from domestic assets.
Domestic assets include: resident loans; debt securities held (issued by residents); shares and other equity investments held by residents.
Domestic liabilities (excluding components of money supply M (3)) include the resources attracted from residents: deposits, debt securities with over 2 years' maturity issued on domestic market; capital and reserves.

9. According to the IMF methodology, the non-resident loans, interbank loans, and loans extended to the Government of the Republic of Moldova should be excluded of total claims on economy (including interest calculated on loans extended by liquidating banks).

Statistics [1]

See also

Tags
M0 [2]
M1 [3]
M2 [4]
M3 [5]
money supply [6]
monetary aggregates [7]
monetary indicators [8]

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