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Monetary indicators in December 2016

In December 2016, 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.increased by MDL 94.3 million (0.3 percent) compared to November 2016 and accounted for MDL 33276.5 million. The increase of the monetary base was determined by the increase of net foreign assets by MDL 1158.7 million (3.1 percent), while net domestic assets decreased by MDL 1064.4 million (31.7 percent).

Money supply M2 Money supply M2 includes money in circulation (M0), deposits of residents in MDL and money market instruments.increased during the reporting period by MDL 1165.4 million or by 2.6 percent compared to November 2016 and accounted for MDL 46429.5 million.

Money supply M3 Money supply M3 includes money supply M2 and deposits of residents in foreign currency expressed in MDL.increased by MDL 1031.4 million (0.4 percent) during the reporting period.

The analysis of the passive components of Money supply (M3) shows that this increase was driven by the increase of the balance of Money in circulation M0 Money in circulation M0 represents cash released in circulation by the National Bank of Moldova, except for cash in banks and NBM vault. by MDL 563.7 million and of the total balance of deposits by MDL 467.7 million in December 2016 (Table no.1).

Table no.1. Passive components of money supply

	INDICATORS	November 2016	December 2016	December 2016	December 2016
		MDL, million	MDL, million	November 2016	December 2015
				%	%
1	Money in circulation (M0)	16710.6	17274.3	3.4	11.4
2	Sight deposits in MDL	10385.1	10816.9	4.2	34.3
3	MONEY SUPPLY (M1)Money supply M1 includes money in circulation and sight deposits of residents in MDL	27095.7	28091.2	3.7	19.2
4	Term deposits in MDL	18168.4	18338.3	0.9	16.8

5	Money market instruments	0.0	0.0		
6	MONEY SUPPLY (M2)	45264.1	46429.5	2.6	18.3
7	Deposits in foreign currency	24224.1	24090.1	-0.6	-2.6
8	MONEY SUPPLY (M3)	69488.2	70519.6	1.5	10.2

The balance of deposits in national currency increased by MDL 601.7 million and accounted for MDL 29155.2 million, representing a share of 54.8 percent of total deposits, while the balance of deposits in foreign currency (recalculated in MDL) decreased by MDL 134.0 million and accounted for MDL 24090.1 million (with a share of 45.2 percent) (Table no.2).

Table no.2. Structure of depositsDeposits 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	November 2016	December 2016	December 2016	December 2016
		MDL, million	MDL, million	November 2016	December 2015
				%	%
I	Deposits balance (Total)	52777.6	53245.3	0.9	9.8
	including:				
1.0	Deposits balance (in MDL):	28553.5	29155.2	2.1	22.8
	Share in deposits balance (Total) %	54.1	54.8		
1.1	Non-banking financial sector	409.4	445.1	8.7	8.4
1.2	Non-financial companies sector, which majority ownership is public	1013.6	936.2	-7.6	-8.4
1.3	Non-financial companies sector, which majority ownership is private	5970.1	6223.1	4.2	29.4
1.4	Other resident sectors (individuals, etc.)	21160.4	21550.8	1.8	23.1
2.0	Balance of deposits in foreign currency (recalculated in MDL):	24224.1	24090.1	-0.6	-2.6
	Share in deposits balance (Total) %	45.9	45.2		
2.1	Non-banking financial sector	964.2	921.9	-4.4	-8.5

2.2	Non-financial companies sector, which majority ownership is public	446.9	461.1	3.2	26.7
2.3	Non-financial companies sector, which majority ownership is private	5431.9	5506.0	1.4	9.5
2.4	Other resident sectors (individuals, etc.)	17381.1	17201.1	-1.0	-6.2

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 1587.9 million (2.7 percent), while the net domestic assets decreased by MDL 556.5 million (5.8 percent).

Balance of credits in economyAccording 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 MDL 925.2 million (2.3 percent) in December 2016 due to decrease of credits to economy in national currency by MDL 226.8 million (1.0 percent), and credits in foreign currency (expressed in MDL) by MDL 698.4 million (3.8 percent) (Table no.3).

It should be mentioned that the credits granted to economy in foreign currency, expressed in USD, have decreased by USD 21.3 million. during the reporting period.

Table no.3. Structure of credits granted to economy

	INDICATORS	November 2016	December 2016	December 2016	December 2016
		MDL, million	MDL, million	November 2016	December 2015
				%	%
I	CREDITS GRANTED TO ECONOMY	40380.4	39455.2	-2.3	-7.6
	including:				
1	CREDITS GRANTED TO ECONOMY (in MDL):	21883.6	21656.8	-1.0	-10.6
	Share of Credits granted to economy, %	54.2	54.9		
1.1	Non-banking financial sector	736.4	735.3	-0.2	-3.2
1.2	Non-financial companies sector, which majority ownership is public	1071.6	1049.9	-2.0	8.7
1.3	Non-financial companies sector, which majority ownership is private	12904.6	12612.5	-2.3	-18.6
1.4	Other resident sectors (individuals, etc.)	7171.0	7259.1	1.2	3.7

	including: Consumer loans	3752.3	3815.0	1.7	12.8
	Real estate loans	2132.6	2156.2	1.1	-3.1
2	CREDITS GRANTED TO ECONOMY IN FOREIGN CURRENCY (recalculated in MDL):	18496.8	17798.4	-3.8	-3.8
	Share of Credits granted to economy, %	45.8	45.1		
2.1	Non-banking financial sector	897.7	873.7	-2.7	3.4
2.2	Non-financial companies sector, which majority ownership is public	695.8	676.0	-2.8	-19.6
2.3	Non-financial companies sector, which majority ownership is private	16576.2	15941.8	-3.8	-3.4
2.4	Other resident sectors (individuals, etc.)	327.1	306.9	-6.2	-2.3
	including: Consumer loans	9.9	8.9	-10.8	-31.8
	Real estate loans	178.6	171.2	-4.2	8.9

The negative evolution of the balance of credits granted to economy in national currency was determined by the decrease in the following components: the balance of credits granted to non-financial companies sector, which majority ownership is public by MDL 21.7 million (2.0 percent), non-financial companies sector, which majority ownership is private by MDL 292.1 million (2.3 percent), non-banking financial sector by MDL 1.1 million (0.2 percent), respectively. At the same time, the balance of credits granted to other resident sectors (including individuals) increased by MDL 88.1 million (1.2 percent).

At the same time, the decrease in balance of credits granted to economy in foreign currency (expressed in MDL) was influenced by the decrease in all its components, such as: the balance of credits granted to non-financial companies sector, which majority ownership is public by MDL 19.8 million (2.8 percent), non-financial companies sector, which majority ownership is private by MDL 634.4 million (3.8 percent), non-banking financial sector and other resident sectors (including individuals) - by MDL 24.0 million (2.7 percent) and by MDL 20.2 million (6.2 percent), respectively.

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