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Developments in monetary indicators in November 2018

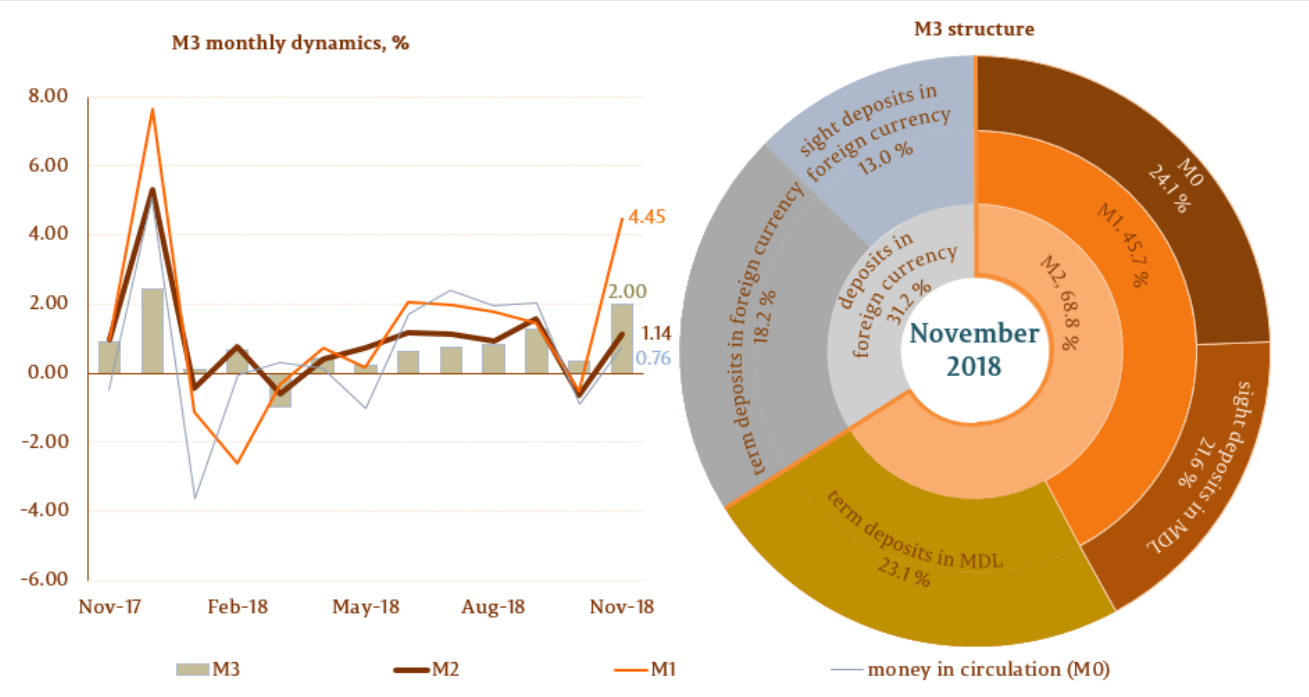
In November 2018, the monetary base[1] increased by MDL 447.0 million (1.1 percent) compared to the previous month, totalling MDL 41,178.5 million. This increase of the monetary base was determined by the increase of one of its counterparties - net foreign assets, which increased by MDL 318.7 million (0.7 percent) and net domestic assets which increased by MDL 128.3 million (2.4 percent).

Money supply M2[2] increased by MDL 633.7 million or by 1.1 percent compared to October 2018 and recorded MDL 56,430.4 million, increasing by 12.0 percent compared to the same period of the previous year.

Money supply M3[3] increased by MDL 1,611.6 million (by 2.0 percent), recording values 9.0 percent higher, year-on-year.

The analysis of Money supply components (M3) shows that its increase during November 2018 was driven by the increase of Money in circulation (M0)[4] by MDL 149.4 million, and by the increase of the total balance of deposits by MDL 1,462.2 million (Chart 1).

Chart 1. Monetary aggregate M3

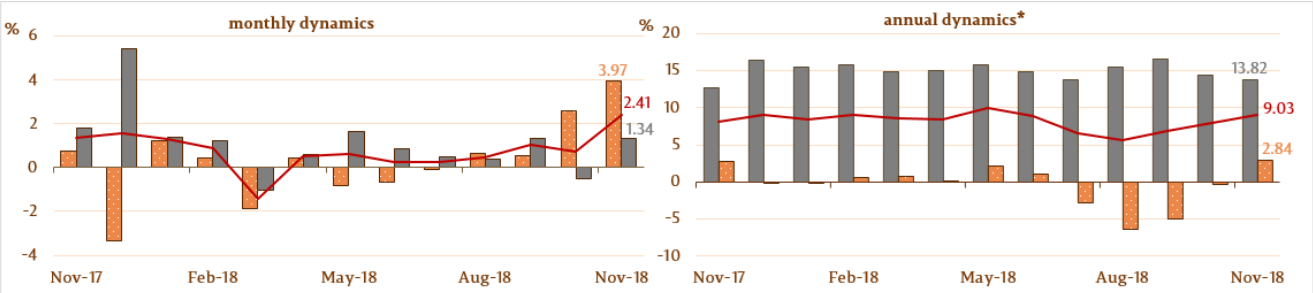


It should be mentioned that monetary aggregates Money in circulation (M0) and Money supply (M1)[5] have increased compared to November 2017 by 8.9 and 16.3 percent, respectively.

The balance of deposits in national currency increased by MDL 484.3 million and accounted for MDL 36,639.2 million, representing a share of 58.9 percent of total deposits and the balance of deposits in foreign currency (recalculated in MDL) increased by MDL 977.9 million and accounted for MDL 25,611.0 million with

a share of 41.1 percent (Chart 2).

Chart 2. Deposits[6] dynamics, %

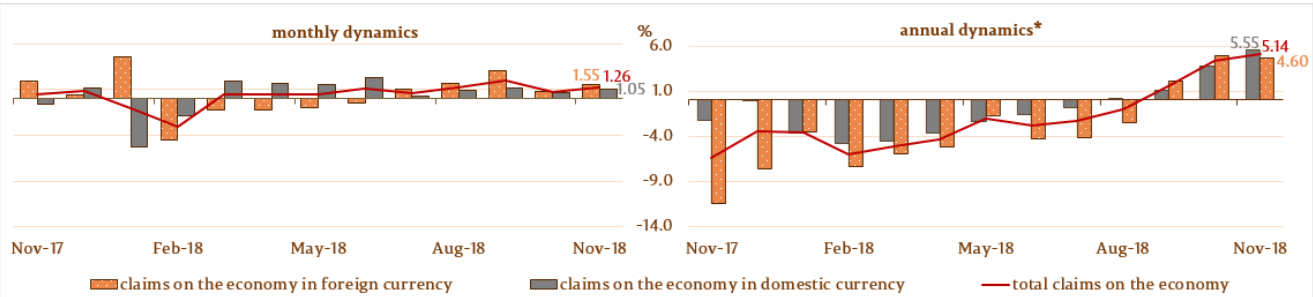


in domestic currency		the modification compared to	in foreign currency	
previous month	same period, 2017		previous month	same period, 2017
+1.34	+13.82	Total	+3.97	+2.84
+10.25	+11.05	Non-banking financial sector	-1.50	-32.02
-2.32	+50.08	Non-financial companies' sector, which majority ownership is public	-2.27	+3.79
+0.87	+23.56	Non-financial companies' sector, which majority ownership is private	+14.17	+6.01
+1.61	+8.26	Other resident sectors	+1.10	+3.39

The increase of Money supply M3 in the reporting period as regards to its counterparties was determined by the increase in net foreign assets[7] of the banking system by MDL 1,212.1 million (1.7 percent) and in net domestic assets[8] by MDL 399.5 million (4.8 percent).

The balance of claims on economy[9] increased in the reporting month by MDL 494.7 million (1.3 percent) at the expense of the increase of claims on the economy in national currency by MDL 233.8 million (1.1 percent), as well as of claims in foreign currency (recalculated in MDL) - by MDL 260.9 million or by 1.6 percent (Chart 3).

Chart 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
+1.05	+5.55	Total	+1.55	+4.60
-1.56	+4.99	Non-banking financial sector	+6.33	+8.51
-22.92	+8.41	Non-financial companies' sector, which majority ownership is public	-75.44	-49.70
+3.30	-8.69	Non-financial companies' sector, which majority ownership is private	+6.72	+5.25
+1.87	+25.19	Other resident sectors	+5.60	+71.06
+0.79	+21.93	Consumer loans	+1.04	2.1 times
+5.20	+42.97	Real estate loans	+8.97	2.0 times

It should be mentioned that the claims on the economy in foreign currency, expressed in USD, have increased during the reporting period by USD 9.4 million (1.0 percent).

The evolution of the balance of claims on the economy in national currency was influenced by the increase of the balance of claims on the non-financial companies' sector, which majority ownershipis private by MDL 337.6 million (3.3 percent) and of the balance of claims on other resident sectors (including individuals) - by MDL 190.1 million (1.9 percent). At the same time the balance of claims on the non-financial companies'

sector, which majority ownership is public and of the balance of claims on the non-banking financial sector decreased by MDL 283.1 million (22.9 percent) and by MDL 10.8 million (1.6 percent), respectively.

At the same time, the increase of the balance of claims on the economy in foreign currency (recalculated in MDL) was determined by the increase of the balance of claims on non-financial companies' sector, which majority ownership is private by MDL 983.1 million (6.7 percent), of the balance of claims on non-banking financial sector and the balance of claims on other resident sectors (including individuals) by MDL 50.9 million (6.3 percent) and MDL 20.7 million (5.6 percent), respectively. At the same time, the balance of claims on non-financial companies' sector, which majority ownership is public decreased by MDL 793.8 million (75.4 percent)..

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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)

** modification as compared to the similar period of the precedent year.*

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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