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Developments in monetary indicators in September 2018

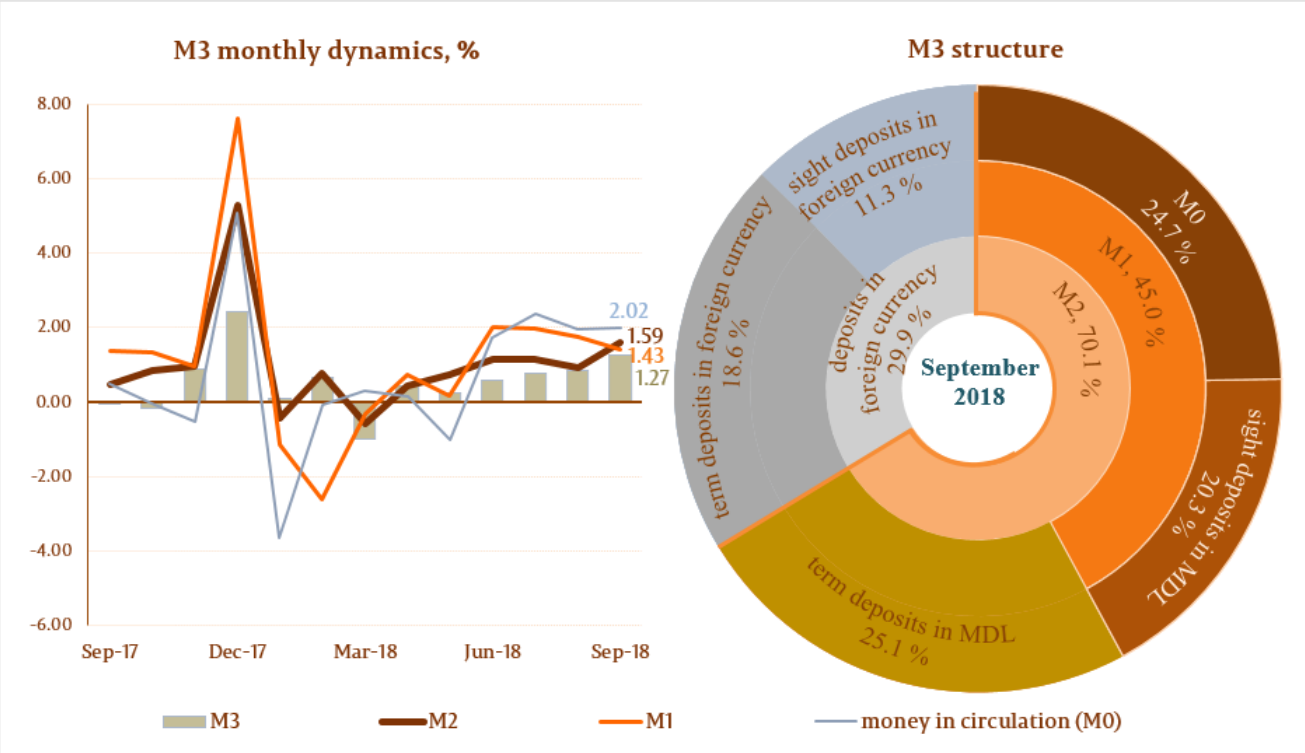
In September 2018, monetary base[1] increased by MDL 1,669.2 million (4.3 percent) compared to the previous month, totalling MDL 40,723.3 million. This increase of the monetary base was determined by the increase in its counterparties - net foreign assets, which increased by MDL 1,350.0 million (3.1 percent) and net domestic assets - by MDL 319.20 million (6.6 percent).

Money supply M2[2] increased by MDL 876.6 million or by 1.6 percent compared to August 2018 and recorded MDL 56,152.8 million, increasing by 13.5 percent compared to the same period of the previous year.

Money supply M3[3] increased by MDL 1,008.0 million (by 1.3 percent), recording values 7.3 percent higher, year-on-year.

The analysis of Money supply components (M3) shows that its increase over September 2018 was driven by the growth of the monetary aggregate Money in circulation (M0)[4] by MDL 391.9 million as well as of total deposit balance by MDL 616.1 million (Chart 1).

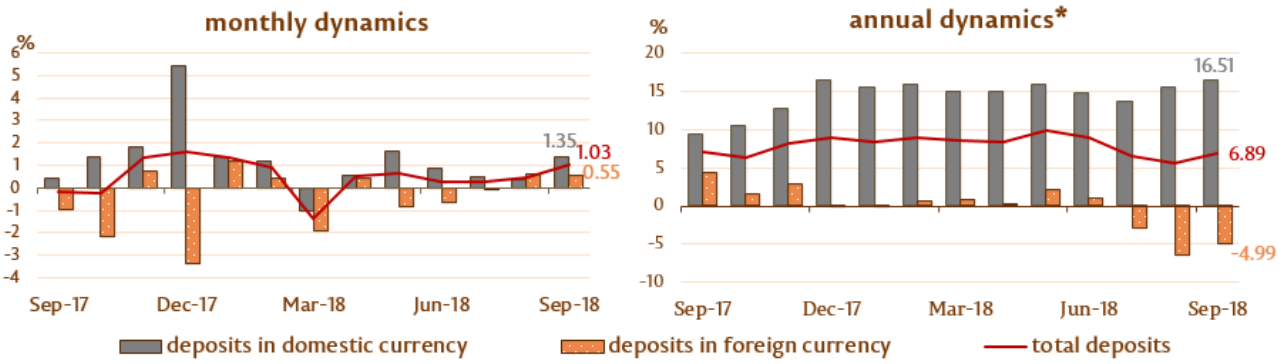
Chart no. 1. Monetary aggregate M3



It should be mentioned that monetary aggregates Money in circulation (M0) and Money supply (M1)[5] have increased compared to September 2017 by 8.4 and 14.5 percent, respectively.

The domestic currency deposit balance increased by MDL 484.7 million, reaching MDL 36,333.8 million, accounting for a share of 60.2 percent of the total deposit balance, whereas the foreign currency deposit balance (recalculated in MDL) increased by MDL 131.4 million, to MDL 24,004.7 million, accounting for a share of 39.8 percent (Chart 2).

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

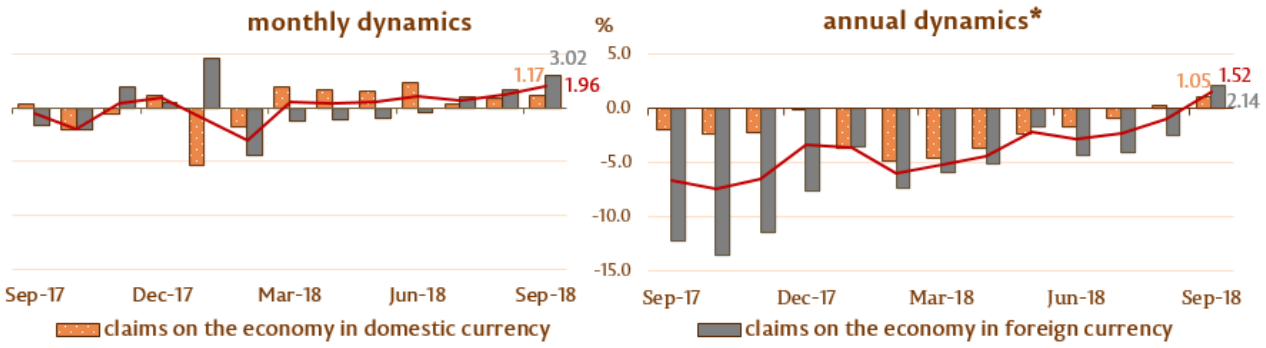


in domestic currency			in foreign currency	
previous month	same period, 2017	the modification compared to	previous month	same period, 2017
+1.35	+16.51	Total	+0.55	-4.99
+19.23	+15.15	Non-banking financial sector	-10.25	-34.95
+2.82	+58.58	Non-financial companies' sector, which majority ownership is public	+18.94	+4.78
+2.28	+35.66	Non-financial companies' sector, which majority ownership is private	-5.69	-19.80
+0.45	+7.14	Other resident sectors	+2.48	+1.76

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 1,873.1 million (2.7 percent), while net domestic assets[8] decreased by MDL 865.1 million (9.4 percent).

In September 2018, the balance of claims on economy[9] increased by MDL 748.3 million (2.0 percent) as a result of the increase of domestic currency claims on economy by MDL 257.2 million (1.2 percent) as well as of foreign currency claims on economy (recalculated in MDL) - by MDL 491.1 million (3.0 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
+1.17	+1.05	Total	+3.02	+2.14
+0.78	-3.04	Non-banking financial sector	+3.84	-4.34
+2.76	+3.54	Non-financial companies' sector, which majority ownership is public	-11.04	-49.23
+0.23	-12.95	Non-financial companies' sector, which majority ownership is private	+3.27	+3.59
+2.04	+21.59	Other resident sectors	+3.46	+52.96
+1.64	+21.04	Consumer loans	+20.38	+68.28
+3.87	+33.99	Real estate loans	+3.71	+82.30

It should be mentioned that foreign currency claims on economy, expressed in USD, have increased over the reference period by USD 20.3 million (2.1 percent).

The evolution of the balance of domestic currency claims on economy was determined by the increase in balance of claims on all its components: the balance of claims on non-financial companies' sector which majority ownership is public - by MDL 27.0 million (2.8 percent), non-financial companies' sector which majority ownership is private - by MDL 24.5 million (0.2 percent), the non-banking financial sector and other resident sectors (including individuals) - by MDL 5.4 million (0.8 percent) and MDL 200.3 million (2.0 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' sector which majority ownership is private by MDL 485.6 million (3.3 percent), the non-banking financial sector and other resident sectors (including individuals) by MDL 28.1 million (3.8 percent) and MDL 12.3 million (3.5 percent). At the same time, the balance of claims on non-financial companies' sector which majority ownership is public decreased by MDL 34.9 million (11.0 percent)..

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