

20.07.2015

Monetary indicators in June 2015

In June 2015, **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 833.3 million (3.2 percent) compared to May 2015 and accounted for MDL 26569.1 million. The increase of the monetary base was determined by the increase of net foreign assets by MDL 1525.3 million (6.1 percent). At the same time, net domestic assets decreased by MDL 692.0 million (85.5 percent).

Money supply M2 Money supply M2 includes money in circulation (M0), deposits of residents in MDL and money market instruments. increased by MDL 319.2 million during the reporting period or by 0.8 percent compared to May 2015 and accounted for MDL 39970.0 million.

Money supply M3 Money supply M3 includes money supply M2 and deposits of residents in foreign currency expressed in MDL. increased by MDL 1078.8 million (1.7 percent) in June 2015.

The analysis of the passive components of Money supply (M3) denotes the fact 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 446.7 million and the total balance of deposits by MDL 632.1 million in June 2015 (Table no.1).

Table no.1. Passive components of money supply

| INDICATORS | May | June | June | June |
|---|-----------------|-----------------|-------------|--------------|
| | 2015 | 2015 | 2015 | 2015 |
| | MDL, million | MDL, million | May 2015 | June 2014 |
| | % | % | | |
| 1 Money in circulation (M0) | 15676.8 | 16123.5 | 2.8 | -8.4 |
| 2 Sight deposits in MDL | 8603.2 | 8478.7 | -1.4 | -13.1 |
| 3 Money supply M1 <u>Money supply M1 includes money in circulation and sight deposits of residents in MDL.</u> | 24280.0 | 24602.2 | 1.3 | -10.1 |
| 4 Term deposits in MDL | 15370.9 | 15367.9 | -0.02 | -13.2 |
| 5 Money market instruments | 0.0 | 0.0 | | |
| 6 MONEY SUPPLY (M2) | 39650.9 | 39970.0 | 0.8 | -11.3 |

| | | | | | |
|---|------------------------------|---------|---------|-----|------|
| 7 | Deposits in foreign currency | 25153.9 | 25913.6 | 3.0 | 33.7 |
| 8 | MONEY SUPPLY (M3) | 64804.8 | 65883.6 | 1.7 | 2.2 |

The balance of deposits in foreign currency (recalculated in MDL) increased by MDL 759.7 million, up to the level of MDL 25913.6 million (with a share of 51.2 percent of total deposits), while the balance of deposits in national currency decreased by MDL 127.5 million and accounted for MDL 23846.6 million (with a share of 47.9 percent) (Table no.2).

Table no.2. Structure of deposits 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).

| INDICATORS | May 2015 | June 2015 | June 2015 | June 2015 |
|---|--------------|--------------|-----------|-----------|
| | MDL, million | MDL, million | May 2015 | June 2014 |
| | % | % | | |
| I Deposits balance (Total) | 49128.0 | 49760.1 | 1.3 | 6.2 |
| including: | | | | |
| 1.0 Deposits balance (in MDL): | 23974.1 | 23846.6 | -0.5 | -13.1 |
| Share in deposits balance (Total) % | 48.8 | 47.9 | | |
| 1.1 Non-banking financial sector | 414.9 | 376.8 | -9.2 | -52.0 |
| 1.2 Non-financial companies sector, which majority ownership is public | 1190.9 | 1259.0 | 5.7 | -23.7 |
| 1.3 Non-financial companies sector, which majority ownership is private | 5932.1 | 5654.4 | -4.7 | -1.1 |
| 1.4 Other residential sectors (individuals, etc.) | 16436.2 | 16556.4 | 0.7 | -14.2 |
| 2.0 Balance of deposits in foreign currency (recalculated in MDL): | 25153.9 | 25913.6 | 3.0 | 33.7 |
| Share in deposits balance (Total) % | 51.2 | 52.1 | | |
| 2.1 Non-banking financial sector | 1165.9 | 1317.2 | 13.0 | 191.5 |
| 2.2 Non-financial companies sector, which majority ownership is public | 353.4 | 369.7 | 4.6 | -17.0 |

| | | | | | |
|-----|---|---------|---------|-----|------|
| 2.3 | Non-financial companies sector, which majority ownership is private | 5279.6 | 5304.4 | 0.5 | 58.5 |
| 2.4 | Other residential sectors (individuals, etc.) | 18354.9 | 18922.3 | 3.1 | 24.9 |

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 1660.1 million (3.7 percent), while the net domestic assets of the banking system decreased by MDL 581.3 million (3.0 percent).

Domestic credit of the banking system increased by MDL 762.7 million, up to MDL 43716.9 million, due to the increase in the balance of credits granted to economy by MDL 999.2 million. At the same time, the balance of credits granted to the Government decreased by MDL 236.6 million.

Balance of credits in economy increased by 2.3 percent in June 2015 at the expense of the increase of both its components: credits to economy in national currency by MDL 7.3 million (0.03 percent) and credits in foreign currency (expressed in MDL) by MDL 992.0 million (5.7 percent) (Table no.3). At the same time, the credits to economy in foreign currency, expressed in USD, have increased by USD 20.4 million.

Table no.3. Structure of credits granted to economy

| INDICATORS | May 2015 | June 2015 | June 2015 | June 2015 |
|---|--------------|--------------|-----------|-----------|
| | MDL, million | MDL, million | May 2015 | June 2014 |
| | % | % | | |
| I CREDITS GRANTED TO ECONOMY | 42611.7 | 43611.0 | 2.3 | -4.7 |
| including: | | | | |
| 1 CREDITS GRANTED TO ECONOMY (in MDL): | 25286.4 | 25293.7 | 0.03 | -9.9 |
| Share of Credits granted to economy, % | 59.3 | 58.0 | | |
| 1.1 Non-banking financial sector | 670.7 | 672.8 | 0.3 | 26.5 |
| 1.2 Non-financial companies sector, which majority ownership is public | 842.3 | 863.0 | 2.5 | 19.0 |
| 1.3 Non-financial companies sector, which majority ownership is private | 16404.7 | 16346.1 | -0.4 | -17.5 |
| 1.4 Other residential sectors (individuals, etc.) | 7368.6 | 7411.7 | 0.6 | 5.8 |
| including: Consumer loans | 3481.8 | 3520.0 | 1.1 | 15.5 |
| Real estate loans | 2284.7 | 2308.8 | 1.1 | 17.6 |
| CREDITS GRANTED TO ECONOMY IN FOREIGN CURRENCY | | | | |

| | | | | | |
|-----|---|---------|---------|------|------|
| 2 | (recalculated in MDL): | 17325.3 | 18317.3 | 5.7 | 3.6 |
| | Share of Credits granted to economy, % | 40.7 | 42.0 | | |
| 2.1 | Non-banking financial sector | 714.6 | 778.1 | 8.9 | -6.7 |
| 2.2 | Non-financial companies sector, which majority ownership is public | 884.2 | 907.5 | 2.6 | 13.0 |
| 2.3 | Non-financial companies sector, which majority ownership is private | 15409.6 | 16299.5 | 5.8 | 3.4 |
| 2.4 | Other residential sectors (individuals, etc.) | 317.0 | 332.1 | 4.8 | 19.0 |
| | including: Consumer loans | 17.5 | 16.5 | -5.7 | 6.9 |
| | Real estate loans | 138.3 | 148.1 | 7.1 | 63.0 |

Positive evolution of the balance of credits granted to economy in national currency was determined by the increase of credits granted to non-financial companies sector, which majority ownership is public by MDL 20.7 million (2.5 percent), balance of credits to non-banking sector by MDL 2.1 million (0.3 percent), and other resident sectors (including individuals) by MDL 43.1 million (0.6 percent), while the balance of credits granted to non-financial companies sector, which majority ownership is private decreased by MDL 58.6 million (0.4 percent).

At the same time, the increase in the balance of credits granted to economy in foreign currency (expressed in MDL) was influenced by the increase in the balance of credits granted to all sectors: balance of credits granted to non-financial companies sector, which majority ownership is public by MDL 23.3 million (2.6 percent), non-financial companies sector, which majority ownership is private by MDL 889.9 million (5.8 percent), non-banking financial sector by MDL 63.6 million (8.9 percent) and that of credits granted to other resident sectors (including individuals) by MDL 15.1 million (4.8 percent), respectively.

[Statistics](#) ^[1]

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