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Monetary indicators in May 2012

In May 2012, the monetary base[1] [1] decreased by 256.5 million lei (1.5 percent) compared to April 2012 and constituted 17056.2 million lei. The reduction of the monetary base was determined by the deterioration in the net foreign assets of the National Bank of Moldova, which were reduced by 276.0 million lei (1.4 percent). At the same time, net domestic assets increased by 19.5 million lei (0.7 percent).

Net domestic credit fell by 234.8 million lei (5.1 percent), due to lower payment requests of the NBM to banks by 645.2 million lei (12.7 percent). At the same time, the payment requests to the Government increased by 410.4 million lei (91.5 percent).

Money in circulation[2] [2] decreased from 10960.7 million lei in April 2012 to 10858.8 million lei in May 2012.

Money supply M2[3] [3] increased during the reporting period by 357.0 million lei or by 1.2 percent, up to 28958.4 million lei. At the same time, money supply M3[4] [4] increased by 144.0 million lei or by 0.3 percent and constituted 41780.4 million lei at the end of May 2012 (Table no.1).

The increase of M2 indicator was determined by the increase of the balance of deposits in national currency by 458.9 million lei (2.6 percent) and the decrease of the balance of cash in circulation by 101.9 million lei (0.9 percent).

The balance of deposits in foreign currency (recalculated in MDL) decreased by 213.0 million lei (1.6 percent). Expressed in U.S. dollars these have decreased by USD 38.4 million. The share of deposits in foreign currency (recalculated in MDL) in the total volume of money supply (M3) decreased from 31.3 percent in April 2012 to 30.7 percent in May 2012.

[1] [5] The monetary base includes cash 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.

[2] [6] Money in circulation M0 represents cash in circulation put by the National Bank of Moldova, except for cash in banks and NBM vault.

[3] [7] Money supply M2 includes currency in circulation (M0), deposits in MDL and money market instruments.

[4] [8] Money supply M3 includes broad money M2 and deposits in foreign currency of residents expressed in MDL.

Table no.1 Evolution of money supply structure at the end of period (million, lei)

Money supply components	Dec. 2011	Share %	Apr. 2012	Share %	May 2012	Growth %	Share %
Money supply (M3)	40977.12	100.0	41636.40	100.0	41780.44	0.3	100.0
Money supply (M2)	28265.39	69.0	28601.42	68.7	28958.44	1.2	69.3
MONEY IN CIRCULATION	10864.51	26.5	10960.70	26.3	10858.80	-0.9	26.0
DEPOSITS AT SIGHT IN NATIONAL CURRENCY	6521.06	15.9	5782.23	13.9	6045.01	4.5	14.5
TERM DEPOSITS IN NATIONAL CURRENCY (including on long-term)	10879.30	26.5	11858.38	28.5	12054.52	1.7	28.8
DEPOSITS IN FOREIGN CURRENCY	12711.73	31.0	13034.98	31.3	12822.00	-1.6	30.7
MONETARY POLICY INSTRUMENTS	0.52	-0.0	0.11	0.0	0.11	0.9	0.0

Net foreign assets convertible of the banking system decreased by USD 28.7 million, accounting for USD 1469.9 million. Within their structure, the net foreign assets convertible of the National Bank of Moldova decreased by USD 58.1 million, while those of the commercial banks increased by USD 29.4 million.

Foreign assets of the banking system totalled USD 2346.8 million in May 2012, decreasing by USD 84.4 million versus the previous month. The NBM external reserves decreased by USD 71.0 million, up to the level of USD 2043.0 million. The external liabilities of the banking system constituted USD 876.9 million, including those of the NBM (to the IMF) – USD 395.9 million[5] [1].

In May 2012, the net domestic assets of the banking system increased by 409.7 million lei (1.7 percent), the

payment requests to the Government increased by 254.1 million lei while the payment requests of the banking system to the economy decreased by 183.7 million lei.

[5] [5] Including accrued interest

See also

Tags

broad money [9]

money supply [10]

monetary aggregates [11]

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M0 [13]

M1 [14]

M2 [15]

M3 [16]

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