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Monetary indicators in May 2014

In May 2014 The monetary base was MDL 25551.3 million, decreasing by MDL 327.5 million (1.3 percent) compared to April 2014. The decrease of the monetary base was determined by the decrease in the net domestic assets by MDL 1053.2 million (19.1 percent). At the same time, net foreign assets increased by MDL 725.7 million (2.3 percent). Money supply M2 was MDL 44776.8 million, increasing during the reporting period by MDL 524.4 million, or by 1.2 percent as compared to April 2014. At the same time, Money supply M3 increased by MDL 835.5 million (1.3 percent) in May 2014. The analysis of the passive components of money supply (M3) denotes the fact that this increase was driven by the increase in the monetary aggregate balance, Money in circulation M0 - by MDL 273.6 million, compared to the previous month and the total deposits balance – by MDL 561.9 million (Table no. 1).

Net purchases of foreign currency by individuals, which constituted MDL 261.4 million, were the main factors which led to the increase in the balance of monetary aggregate (M0) during the analyzed period.

Table no.1. Passive components of money supply

	INDICATORS	Apr.14	May.14	May.14	May.14
		MDL, million	MDL, million	Apr.14	May.13
				%	%
1	Money in circulation (MO)	17027.48	17301.06	1.6	27.9
2	Sight deposits in MDL	9371.27	9641.04	2.9	23.9
3	MONEY SUPPLY (M1)	26398.75	26942.10	2.1	26.5
4	Term deposits in MDL	17853.69	17834.68	-0.1	15.9
5	Money market instruments	0.00	0.00		
6	MONEY SUPPLY (M2)	44252.43	44776.78	1.2	22.0
7	Deposits in foreign currency	18228.93	18540.12	1.7	24.6
8	MONEY SUPPLY (M3)	62481.37	63316.90	1.3	22.8

The balance of deposits in national currency was MDL 27475.7 million, which share equaled to 59.7 percent of total balance of deposits and the balance of deposits in foreign currency (recalculated in MDL) increased up to the level of MDL 18540.1 million (with a share of 40.3 percent) (Table no.2).

Table no.2. Deposits structure

	INDICATORS	Apr.14	May.14	May.14	May.14
		MDL, million	MDL, million	Apr.14	May.13
				%	%
I	Deposits balance (Total)	45453.89	46015.84	1.2	20.9
	Including:				
1.0	Deposits balance (in MDL:	27224.95	27475.72	0.9	18.6
	Share in deposits balance (Total) %	59.90	59.71		
1.1	Non-banking financial sector	716.56	733.44	2.4	-7.7
1.2	Non-financial companies sector, which majority ownership is public	1503.60	1638.55	9.0	63.3
1.3	Non-financial companies sector, which majority ownership is private	5850.36	5864.77	0.3	12.1
1.4	Other residential sectors (individuals, etc.)	19154.44	19238.96	0.4	19.2
2.0	Deposits balance in foreign currency (in MDL):	18228.93	18540.12	1.7	24.6
	Share in deposits balance (Total) %	40.10	40.29		
2.1	Non-banking financial sector	472.18	470.42	-0.4	-23.7
2.2	Non-financial companies sector, which majority ownership is public	467.33	453.37	-3.0	-12.3
2.3	Non-financial companies sector, which majority ownership is private	2880.72	2881.12	0.01	27.3
2.4	Other residential sectors (individuals, etc.)	14408.70	14735.21	2.3	28.3

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 917.0 million (2.8 percent). At the same time, net domestic assets

decreased by MDL 81.4 million (0.3 percent). Domestic credit of the banking system increased by MDL 575.8 million, up to the level of MDL 45524.5 million, due to the increase in the balance of credits granted to economy by MDL 669.3 million. At the same time, the balance of net credits granted to the Government decreased by MDL 93.4 million.

The balance of credits in economy increased by 1.5 percent in May 2014 at the expense of the increase of credits granted to the economy in national currency by MDL 258.2 million (1.0 percent), and those granted in foreign currency (expressed in MDL) by MDL 411.1 million (2.4 percent) (Table no.3).

Table no.3. Structure of credits granted to economy

	INDICATORS	Apr.14	May.14	May.14	May.14
		mil. Lei	mil. Lei	Apr.14	May.13
				%	%
I	CREDITS GRANTED TO ECONOMY	43995.73	44665.00	1.5	19.7
	Including:				
1	CREDITS GRANTED TO ECONOMY (in MDL):	26826.78	27084.97	1.0	28.4
	Share of Credits granted to economy, %	60.98	60.64		
1.1	Non-banking financial sector	502.46	503.95	0.3	33.3
1.2	Non-financial companies sector, which majority ownership is public	747.48	740.51	-0.9	-6.5
1.3	Non-financial companies sector, which majority ownership is private	18896.86	19024.19	0.7	26.0
1.4	Other resident sectors (individuals, etc.)	6679.97	6816.32	2.0	41.3
	including: Consumer loans	2896.13	2954.87	2.0	22.9
	Real estate loans	1868.62	1909.91	2.2	32.0
2	CREDITS GRANTED TO ECONOMY IN FOREIGN CURRENCY (recalculated in MDL):	17168.95	17580.03	2.4	8.4
	Share of Credits granted to economy, %	39.02	39.36		
2.1	Non-banking financial sector	814.17	819.48	0.7	40.9
2.2	Non-financial companies sector, which majority ownership is	832.78	813.39	-2.3	-0.5

	public				
2.3	Non-financial companies sector, which majority ownership is private	15213.89	15650.70	2.9	7.0
2.4	Other resident sectors (individuals, etc.)	308.11	296.46	-3.8	52.5
	including: Consumer loans	14.06	14.80	5.3	107.4
	Real estate loans	93.89	91.81	-2.2	4.6

Positive evolution of the balance of credits granted to economy in national currency was determined by the increase in the balance of credits granted to the non-financial companies sector, which majority ownership is private, by MDL 127.3 million (0.7 percent), balance of credits granted to other resident sectors (including individuals) by MDL 136.3 million and the balance of credits granted to non-banking financial sector by MDL 1.5 million (0.3 percent). At the same time, the balance of credits granted to the non-financial companies sector, which majority ownership is public, decreased by MDL 7.0 million (0.9 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 the non-financial companies sector, which majority ownership is private, by MDL 436.8 million (2.9 percent) and the balance of credits granted to non-banking financial sector by MDL 5.3 million (0.6 percent). The decrease in the balance of credits grated to non-financial companies sector, which majority ownership is public (by MDL 19.4 million or 2.3 percent) and the balance of credits granted to other resident sectors, including individuals (by MDL 11.6 million or 3.8 percent) influenced negatively the balance of credits granted to economy in foreign currency (expressed in MDL).

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