

20.01.2018

## Monetary indicators in December 2017

In December 2017, monetary baseThe 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. decreased by MDL 417.9 million (1.1 percent) compared to the previous month, and totaled MDL 36,997.0 million. The decrease of the monetary base was determined by the decline of one of its counterparts: net domestic assets, which decreased by MDL 1303.1 million (33.8 percent), while net foreign assets increased by MDL 885.2 million (2.2 percent).

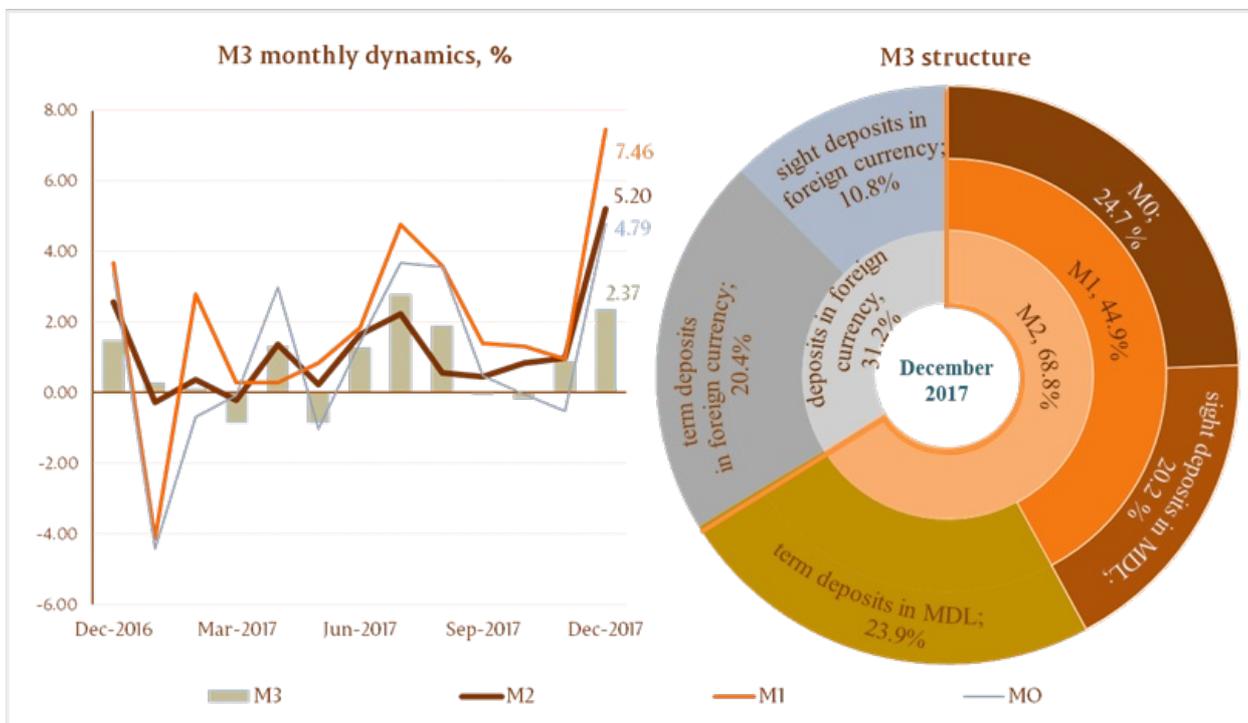
Money supply M2 Money supply M2 includes money in circulation (M0), deposits of residents in MDL and money market instruments.increased by MDL 2,617.3 million, or by 5.2 percent compared to November 2017, and amounted to MDL 52,989.3 million, having increased by 14.1 percent compared to the same period of the previous year.

Money supply M3 Money supply M3 includes money supply M2 and deposits of residents in foreign currency expressed in MDL.increased by MDL 1,781.3 million (by 2.4 percent), recording values which are 9.3 percentage points higher than in December 2016.

The analysis of the Money supply components (M3) shows that its increase over December 2017 was driven by the increase in the monetary aggregate money in circulation (M0)Money in circulation M0 represent circulating cash issued by the National Bank of Moldova, except for cash in banks and NBM vault. by MDL 871.0 million, as well as by the increase in total balance of deposits, by MDL 910.3 million (Chart 1)

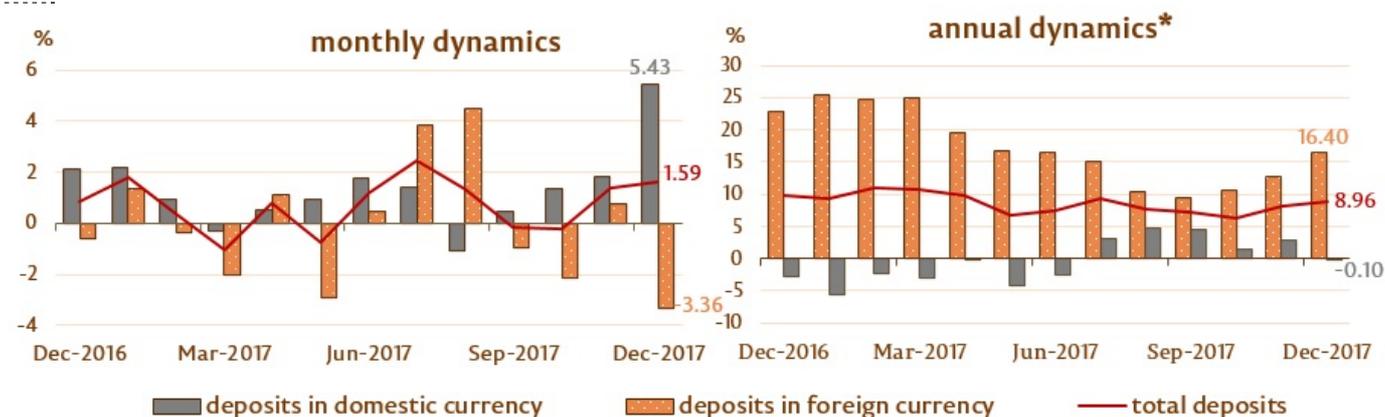
It should be mentioned that Money in circulation (M0) and Money supply (M1)Money supply M1 includes money in circulation and residents' domestic currency sight deposits. have increased as compared to December 2016 by 10.3 and 23.1 percentage points, respectively.

Chart no. 1. Monetary aggregate M3



The balance of domestic currency deposits increased by MDL 1,746.4 million, having amounted to MDL 33,936.7 million, accounting for a share of 58.5 percent of total balance of deposits, while the balance of foreign currency deposits (recalculated in MDL) decreased by MDL 836.1 million, to MDL 24,066.6 million, accounting for a share of 41.5 percent (Chart 2).

Chart no. 2. Deposits are 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). dynamics, %



in domestic currency		the modification compared to	in foreign currency	
previous month	same period, 2016		previous month	same period, 2016
+5.43	+16.40	<b>Total</b>	-3.36	-0.10
+13.93	+26.39	Non-banking financial sector	-7.33	-15.55
+5.65	+9.03	Non-financial companies' sector, which majority ownership is public	-5.90	+11.04
+11.21	+60.26	Non-financial companies' sector, which majority ownership is private	-16.41	-7.24
+2.84	+3.85	Other resident sectors	+1.50	+2.72

From the perspective of its counterparts, the growth of Money supply M3 over the reporting period was determined by the increase in net foreign assets calculated by subtracting foreign liabilities from foreign assets.

Foreign assets include: deposits placed in non-residents institutions; loans to non-residents; debt securities held (issued by non-residents); non-resident; shares and other equity held by residents, monetary gold.

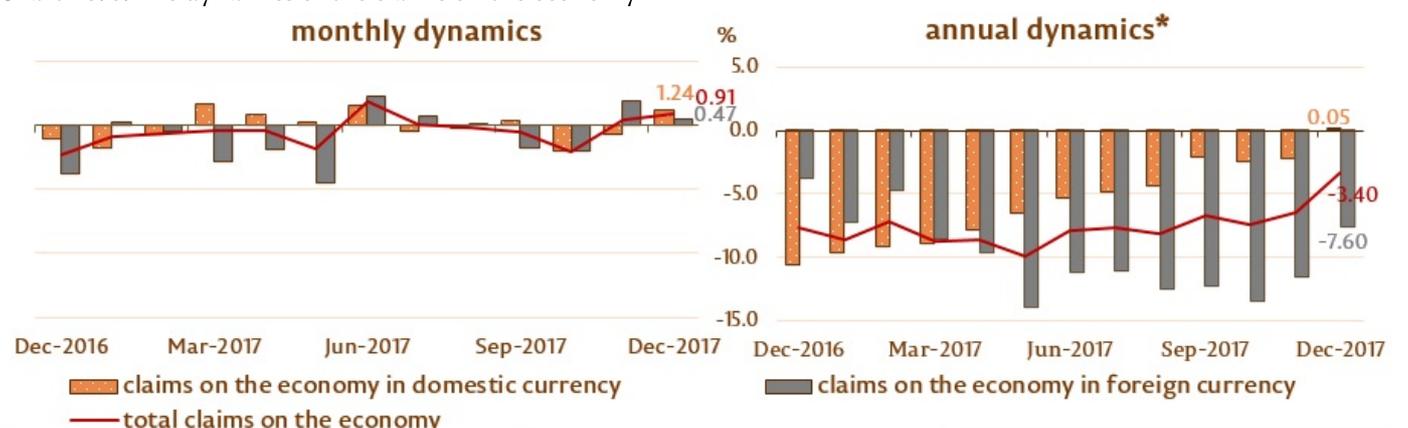
Foreign liabilities include the resources attracted from non-residents: deposits, debt securities, credits and IMF loans, liabilities for distributed SDRs and other liabilities of the banking system, by MDL 81.9 million (0.1 percent), as well as in net domestic assets calculated by subtracting domestic 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 M3) include the resources attracted from residents: deposits, debt securities with over 2 years' maturity issued on domestic market; capital and reserves., by MDL 1699.4 million (22.7 percent).

In December 2017, the balance of claims on the economy According to the IMF methodology, non-resident loans, interbank loans and loans extended to the Government of the Republic of Moldova are excluded from the total claims on the economy, (including the interest calculated for credits and for credits of banks - in liquidation process). increased by MDL 343.0 million (0.9 percent) as a result of the increase in domestic currency claims on economy, by MDL 266.2 million (1.2 percent) and in foreign currency claims on economy (recalculated in MDL), by MDL 76.8 or be 0.5 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, 2016		previous month	same period, 2016
+1.24	+0.05	<b>Total</b>	+0.47	-7.60
+16.42	+2.26	Non-banking financial sector	-0.85	-10.55
-1.29	-17.41	Non-financial companies' sector, which majority ownership is public	-2.90	-26.21
+1.08	-7.15	Non-financial companies' sector, which majority ownership is private	-0.07	-6.99
+0.56	+14.86	Other resident sectors	+47.51	+9.98
+0.15	+22.35	Consumer loans	-2.12	-51.87
+1.71	+17.49	Real estate loans	-0.54	-29.38

It should be mentioned that foreign currency claims on economy, expressed in USD, have increased over the reference period by USD 9.1 million.

The evolution of the balance of domestic currency claims on economy was determined by the increase in balance of claims on such sectors as non-financial companies sector which majority ownership is private, the non-banking financial sector and other resident sectors (including individuals) by MDL 125.1 million (1.1 percent), by MDL 106.0 million (16.4 percent) and by MDL 46.4 million (0.6 percent), respectively. At the same time, the balance of claims on non-financial companies which majority ownership is public decreased by MDL 11.3 million (1.3 percent).

The increase of balance of foreign currency claims on the economy (expressed in MDL) was determined by the increase in balance of claims on the other resident sectors (including individuals) by MDL 108.7 million (47.5 percent). At the same time, the balance of claims on non-financial companies which majority ownership is public, non-financial commercial companies which majority ownership is private and the non-banking financial sector decreased by MDL 14.9 million (2.9 percent), by MDL 10.3 million (0.1 percent) and by MDL 6.7 million (0.9 percent), respectively.

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\* change recorded against the values of the same period of the previous year

Statistics <sup>[1]</sup>

See also

Tags

M0 <sup>[2]</sup>

M1 <sup>[3]</sup>

M2 <sup>[4]</sup>

M3 <sup>[5]</sup>

money supply <sup>[6]</sup>

monetary aggregates <sup>[7]</sup>

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