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Monetary indicators in December 2018

In December 2018, the monetary base[1] increased by MDL 2,378.4 million (5.8 percent) as compared to the previous month and accounted for MDL 43,556.9 million. The rise of the monetary base was determined by the increase of one of its counterparts, mainly of net domestic assets by MDL 2,985.7 million (58.2 percent), whilst the net external assets decreased by MDL 607.3 million (1.3 percent).

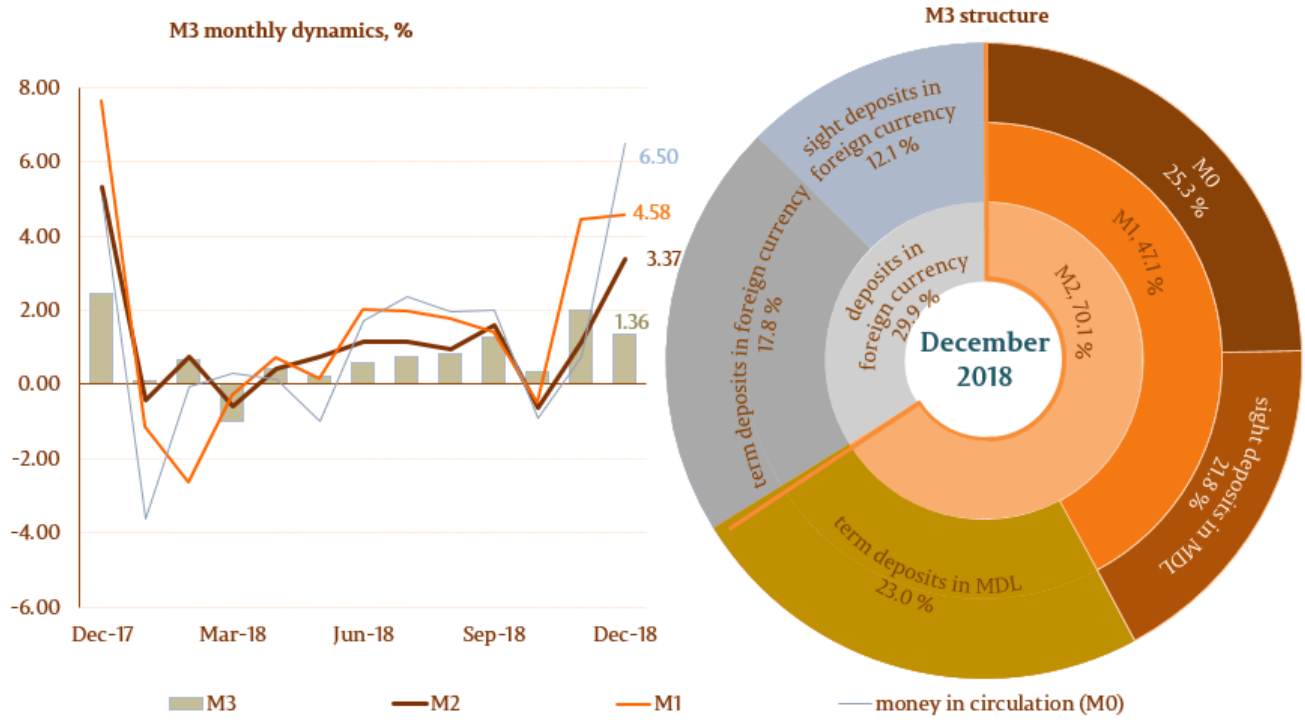
Money supply M2[2] increased by MDL 1,903.8 million or by 3.4 percent compared to November 2018 and accounted for MDL 58,334.2 million, by 10.0 percent more compared to the same period of the previous year.

Money supply M3[3] increased by 1,117.3 million (1.4 percent), being by 7.8 percent higher than in December 2017.

The analysis of money supply components (M3) shows that its increase during December 2018 was influenced by the rise of the monetary aggregate Money in circulation (M0)[4] by MDL 1,286.2 million, whilst the total balance of deposits decreased by MDL 168,9 million (Chart 1)

In should be mentioned that the monetary aggregate Money in circulation (M0) and the Monetary supply (M1)[5] increased as compared to December 2017 by 10.3 and by 13.0 percent, respectively.

Chart 1.
Monetary aggregate M3.

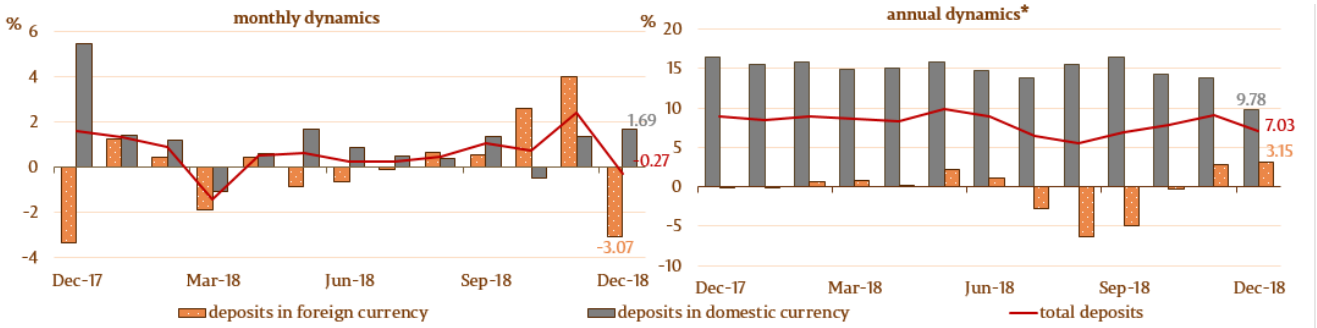


The balance of deposits in national currency increased by MDL 617.5 million and accounted for MDL

37,256.7 million, representing a share of 60.0 percent of the total balance of deposits and the balance of deposits in foreign currency (recalculated in MDL) decreased by MDL 786.4 million and accounted for MDL 24,824.5 million, with a share of 40.0 percent (Chart 2).

Chart 2.

Deposits dynamics[6], %



in domestic currency			in foreign currency	
previous month	same period, 2017	the modification compared to	previous month	same period, 2017
+1.69	+9.78	Total	-3.07	+3.15
-3.48	-5.92	Non-banking financial sector	-11.43	-35.02
-21.64	+11.31	Non-financial companies' sector, which majority ownership is public	-5.08	+4.69
+2.07	+13.41	Non-financial companies' sector, which majority ownership is private	-11.96	+11.66
+3.06	+8.49	Other resident sectors	+0.46	+2.33

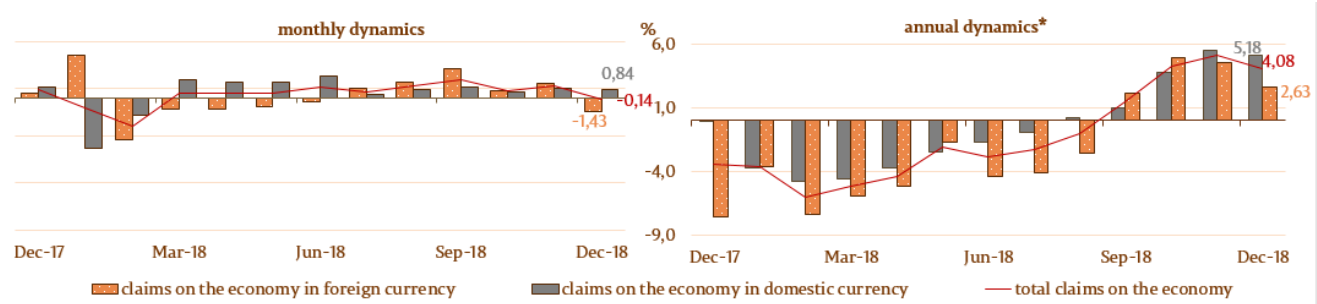
**modification as compared to the similar period of the previous year*

The increase of money supply M3 in the reporting period as regards to its counterparts was determined by the increase of net domestic assets[7] of the banking system by MDL 2,646.8 million (30.3 percent), whilst the net external assets[8] decreased by MDL 1,529.5 million (2.1 percent).

The balance of claims on economy[9] decreased in the reporting month by MDL 54.5 million (0.1 percent) at the expense of the decrease of claims on the economy in foreign currency (recalculated in MDL) by MDL 244.1 million (1.4 percent) whilst the claims in national currency increased by MDL 189.6 million (0.8 percent) (Chart 3).

Chart 3.

Dynamics of claims on economy



in domestic currency			in foreign currency	
previous month	same period, 2017	The modification compared to	previous month	same period, 2017
+0.84	+5.18	Total	-1,43	+2.63
+4.76	-5,44	Non-banking financial sector	+4.55	+14.41
+1.75	+11.72	Non-financial companies' sector, which majority ownership is public	-4,21	-50,38
+0.44	-9,20	Non-financial companies' sector, which majority ownership is private	-1,79	+3.44
+0.91	+25.65	Other resident sectors	+1.96	+18.25
+0.39	+22.22	Consumer loans	+2.43	2.2 times
+3.75	+45.83	Real estate loans	+3.51	2.1 times

It should be mentioned that the claims on the economy in foreign currency, expressed in USD, have decreased during the reporting period by USD 9.0 million (0.9 percent).

The evolution of the balance of claims on the economy in foreign currency (expressed in MDL) was influenced by the decrease of the balance of claims on the non-financial commercial companies' sector, which majority ownership is public, by MDL 10.9 million (4.2 percent) and the balance of claims on the non-financial commercial companies' sector, which majority ownership is private, by MDL 279.8 million (1.8 percent). At the same time, the balance of claims on non-banking financial sector and the balance of claims on other resident sectors (including individuals) increased by MDL 38.9 million (4.6 percent), and by MDL 7.7 million (2.0 percent), respectively.

Furthermore, the increase of the balance of claims on economy in national currency was influenced by the increase of all the components: the balance of claims on non-financial commercial companies, which majority ownership is public, by MDL 16.7 million (1.8 percent), the balance of claims on non-financial commercial companies, which majority ownership is private, by MDL 46.5 million (0.4 percent), the balance of claims on non-banking financial sector and the balance of claims on other resident sectors (including individuals) by MDL 32.3 million (4.8 percent) and by MDL 94.1 million (0.9 percent), respectively.

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1. Broadly, the monetary base includes money in circulation (outside the banking system), banks reserves (reserves of banks in MDL held in correspondent accounts at the National Bank of Moldova and cash in banks' safes), sight deposits of other organizations at the National Bank of Moldova, overnight deposits of banks and foreign currency obligatory reserves.

2. Money supply M2 includes monetary aggregate (M0), deposits in Moldovan lei of residents and money market instruments.

3. Money supply M3 includes the money supply M2 and foreign currency deposits of residents denominated in Moldovan lei.

4. Money in circulation M0 represents cash released by the National Bank of Moldova, except for cash in banks' safes and in the vault of the National Bank of Moldova.

5. Money supply includes money in circulation and sight deposits in Moldovan Lei of residents.

6. Deposits are structured by institutional sectors, in accordance with the Instruction on the method of filling in the licensed banks of the Report on monetary statistics (Official Monitor of the Republic of Moldova No. 206-215 of 2 December 2011)

7. is calculated by subtracting from liabilities internal assets. Domestic assets include: loans to residents; debt securities held (issued by residents); shares held and other equity investments of residents. Domestic liabilities (excluding components of money supply M (3) include the resources attracted from residents: deposits, debt securities with a maturity of more than two years matured in the domestic market; capital and reserves.

8. is calculated by subtracting foreign liabilities from external assets. Foreign assets include: deposits placed with non-residents; loans to non-residents; debt securities held (issued by non-residents); shares held and other equity held by non-residents; monetary gold. Foreign liabilities include the resources attracted from

non-residents: types of bonds of the monetary authorities and banks towards non-residents: deposits, debt securities, loans and loans from the IMF, bonds for SDRs distributed and other bonds.

9. According to the IMF methodology, out of total loans to the economy (including interest calculated on loans of banks in the process of liquidation) are excluded credits of non-residents, interbank credits and credits granted to the Government of the Republic of Moldova.

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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