

20.03.2018

Monetary indicators in February 2018

In February 2018, 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 917.0 million (2.4 percent) compared to the previous month and accounted for MDL 37185.7 million. The decrease of the monetary base was determined by the decrease of one of its counterparts: net foreign assets by MDL 947.3 million (2.2 percent), while net domestic assets increased by - MDL 30.3 million (0.6 percent).

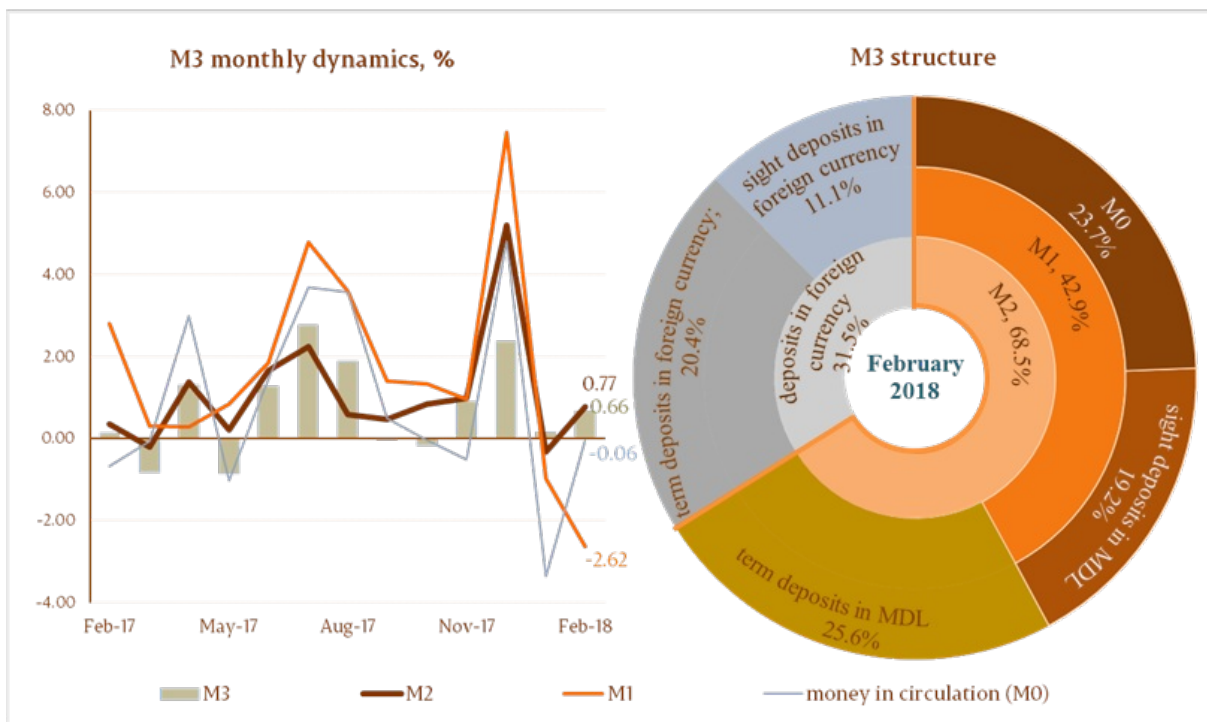
Money supply M2 Money supply M2 includes money in circulation (M0), deposits of residents in MDL and money market instruments.increased by MDL 405.0 million, or by 0.8 percent compared to January 2018 and accounted for MDL 53224.5 million, increasing by 14.5 percent compared to the same period of the precedent year.

Money supply M3 Money supply M3 includes money supply M2 and deposits of residents in foreign currency expressed in MDL.increased by MDL 513.1 million (0.7 percent), being by 9.8 percent higher to that of February 2017.

The analysis of the Money supply components (**M3**) shows that its increase during February 2018 was driven by the increase of the total balance of deposits by MDL 523.5 million, while 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. decreased by MDL 10.4 million(Chart 1)

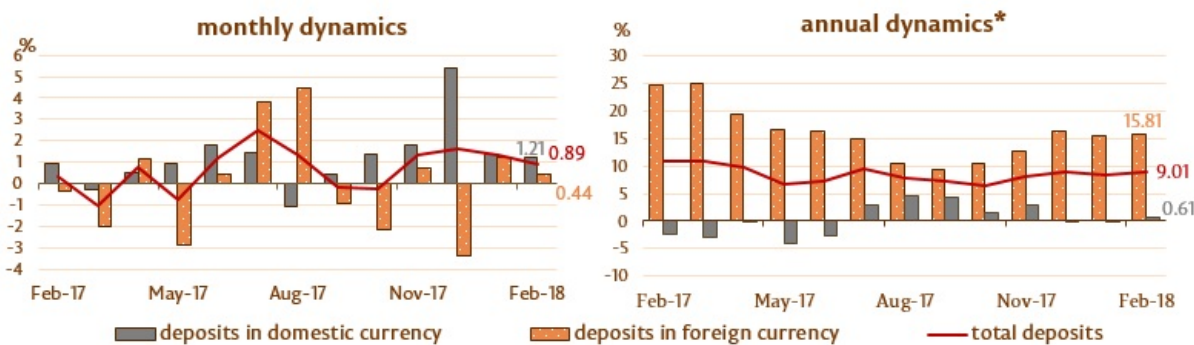
To be mentioned that Money in circulation (M0) and Money supply (M1)Money supply M1 includes money in circulation and residents' domestic currency sight deposits. have increased as compared to February 2017 by 12.2 and 20.5 percent, respectively.

Chart no. 1. Monetary aggregate M3



The balance of deposits in national currency increased by MDL 415.4 million and accounted for MDL 34823.8 million, representing a share of 58.7 percent of total deposits and the balance of deposits in foreign currency (recalculated in MDL) increased by MDL 108.1 million and accounted for MDL 24468.1 million with a share of 41.3 percent (Chart 2).

Chart no. 2. Deposits 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
+1.21	+15.81	Total	+0.44	+0.61
-6.82	+13.42	Non-banking financial sector	+0.15	-12.11
+3.83	+3.64	Non-financial companies' sector, which majority ownership is public	+3.04	+10.57
+1.06	+43.55	Non-financial companies' sector, which majority ownership is private	+2.69	+0.29
+1.34	+6.97	Other resident sectors	-0.28	+1.09

The increase of money supply M3 in the reporting period as regards to its counterparts was determined by the increase in net foreign assets Is 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 656.8 million (1.0 percent), while net

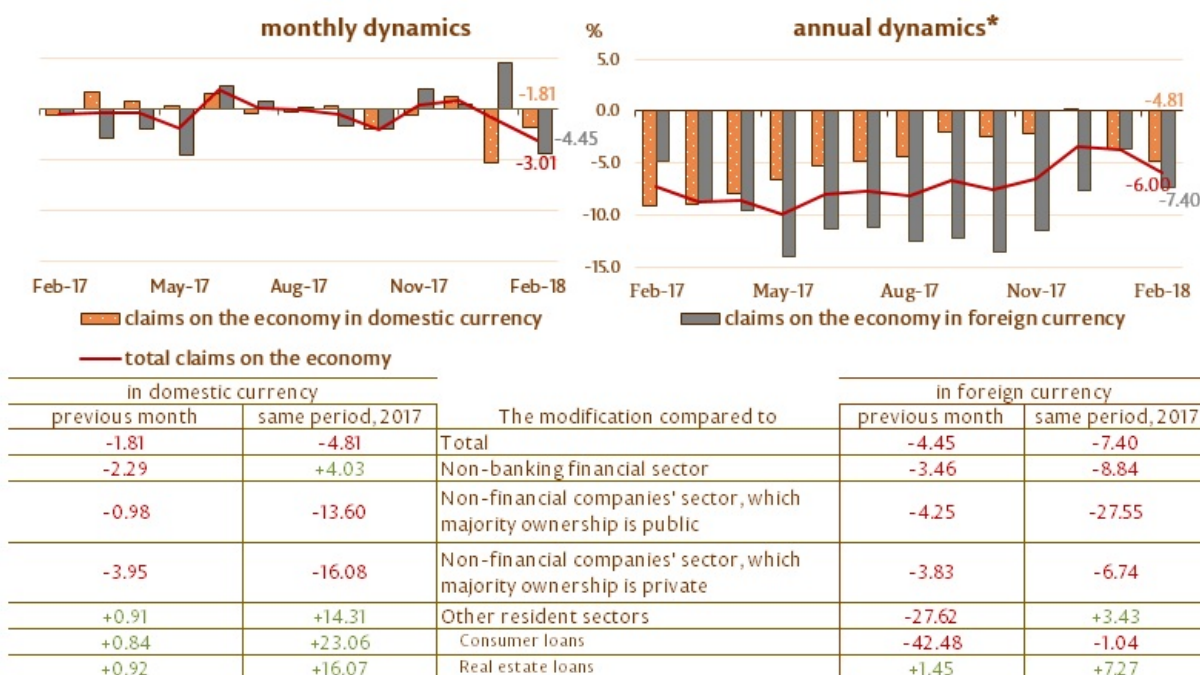
domestic assets is calculated by subtracting domestic liabilities from domestic assets.

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. decreased by MDL 143.7 million (1.6 percent).

In February 2018, 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).** decreased by MDL 1135.8 million (3.0 percent) at the expense of the decrease of claims on the economy in national currency by MDL 371.2 million (1.8 percent), and those in foreign currency (expressed in MDL) decreased by MDL 764.6 million (4.5 percent) (Chart no.3).

Chart no. 3. The dynamics of the claims on the economy



It should be mentioned that the claims on the economy in foreign currency, expressed in USD, have decreased during the reporting period by USD 44.3 million (4.3 percent).

The evolution of the balance of claims on the economy in national currency was influenced by the decrease of the balance of claims on the non-financial commercial companies, which majority ownership is public, of the balance of claims on non-financial companies, which majority ownership is private and of the balance of claims on the non-banking financial sector by MDL 8.2 million (1.0 percent), by MDL 421.1 million (4.0 percent) and by MDL 17.3 million (2.3 percent), respectively. At the same time, the balance of claims against other resident sectors (including individuals) increased by MDL 75.4 million (0.9 percent).

At the same time, the decrease of balance of claims on the economy in foreign currency (expressed in MDL) was determined by the decrease of all components, and namely: of the balance of claims to non-financial commercial companies, which majority ownership is public by MDL 20.4 million (4.3 percent), of the balance of claims to non-financial commercial companies, which majority ownership is private by MDL 592.1 (3.8 percent), of the balance of claims to non-banking financial sector and of the balance of claims to other resident sectors (including individuals) by MDL 28.0 million (3.5 percent) and by MDL 124.1 million (27.6 percent), respectively..

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

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