

20.12.2017

Monetary indicators in November 2017

In November 2017, monetary base The 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. increased by MDL 311.8 million (0.8 percent) compared to the previous month, and totaled MDL 37,414.9 million. The growth of the monetary base was determined by the increase of its counterparts: net foreign assets, which increased by MDL 84.0 million (0.2 percent), and net domestic assets - increased by MDL 227.8 million (5.6 percent).

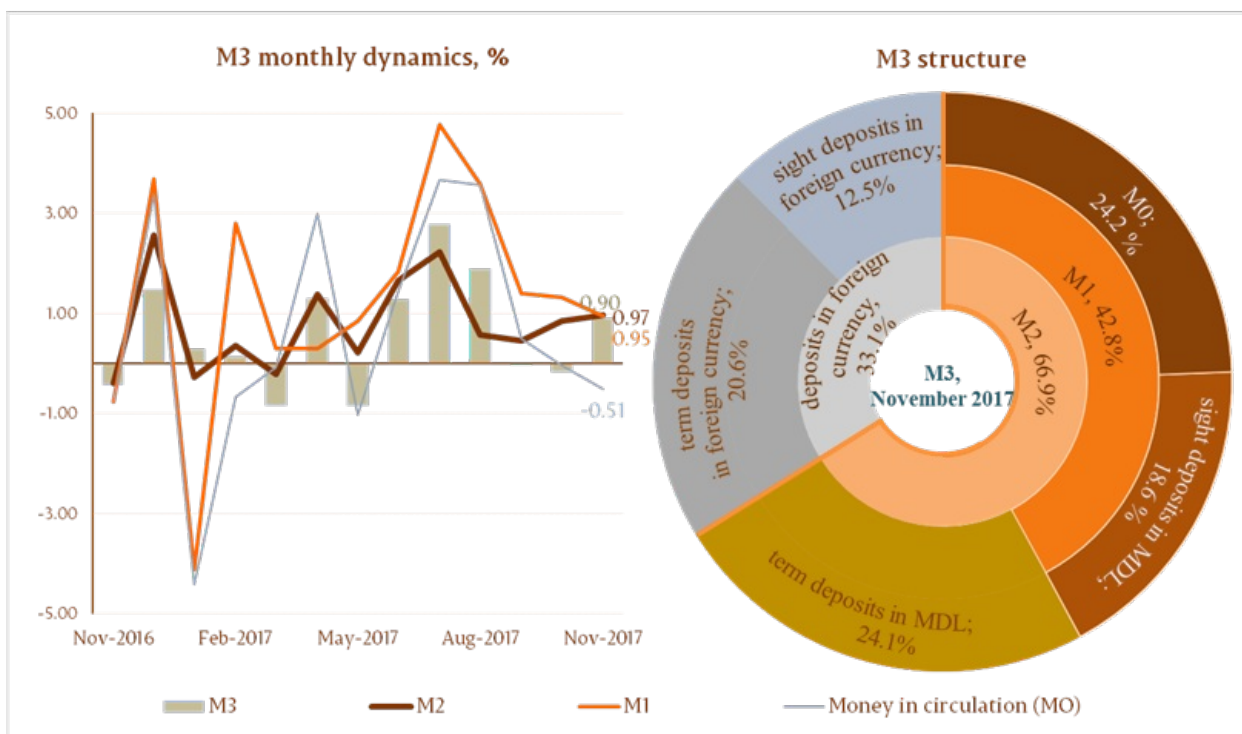
Money supply M2 Money supply M2 includes money in circulation (M0), deposits of residents in MDL and money market instruments. increased by MDL 482.9 million, or by 1.0 percent compared to October 2017, and amounted to MDL 50,372.0 million, having increased by 11.3 percent compared to the same period 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 668.9 million (by 0.9 percent), that is by 8.3 percentage points higher than in November 2016.

The analysis of the Money supply components (**M3**) shows that its increase over November 2017 was driven by the increase in total deposit balance, by MDL 762.0 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. has decreased by MDL 93.1 million (Chart 1)

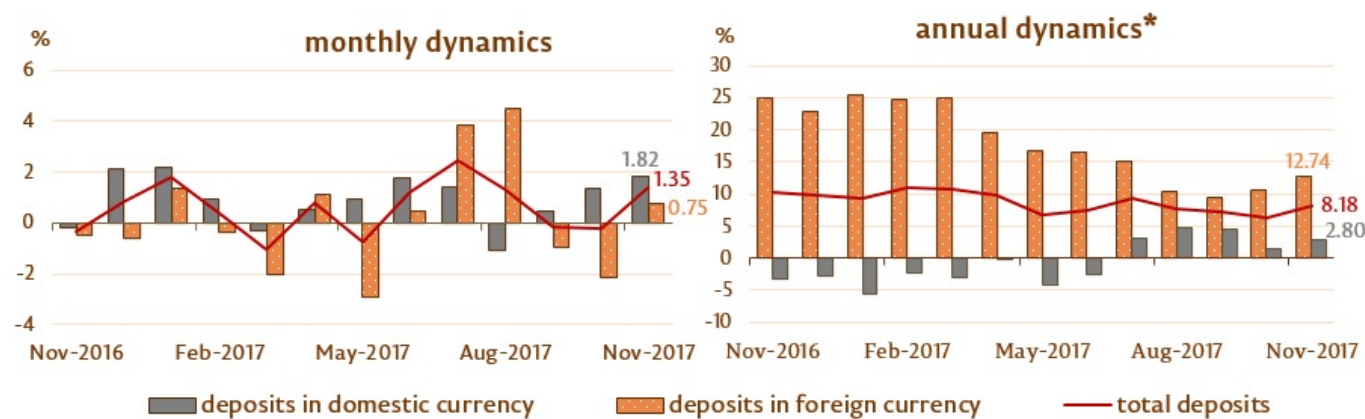
It should be mentioned that Money in circulation (M0) and Money supply (M1) Money supply M1 includes money in circulation and residents' domestic currency sight deposits. increased compared to November 2016 by 8.8 and 18.8 percentage points, respectively.

Chart no. 1. Monetary aggregate M3



The domestic currency deposit balance has increased by MDL 576.0 million, having amounted to MDL 32,190.4 million, accounting for a share of 56.4 percent of total deposit balance, while the foreign currency deposit balance (recalculated in MDL) has increased by MDL 186.0 million, up to MDL 24,902.7 million, accounting for a share of 43.6 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
+1.82	+12.74	Total	+0.75	+2.80
+4.63	+20.59	Non-banking financial sector	-3.24	-12.87
+1.50	-4.69	Non-financial companies' sector, which majority ownership is public	+14.76	+21.74
+3.45	+50.22	Non-financial companies' sector, which majority ownership is private	-1.03	+12.49
+1.12	+2.84	Other resident sectors	+1.21	+0.16

From the perspective of its counterparts, the decrease of M3 Money supply over the reporting period 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.

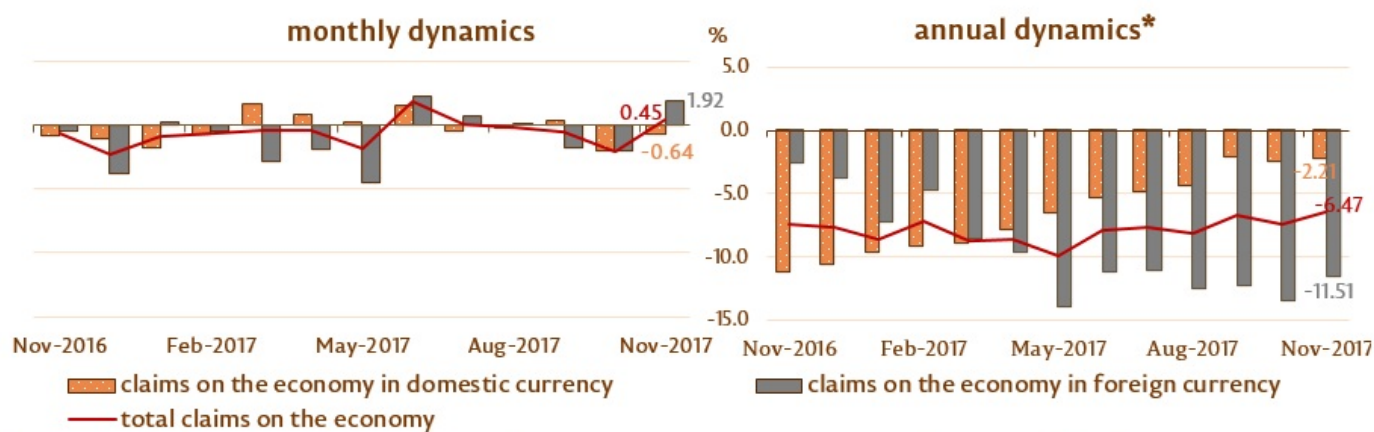
Foreign liabilities include the resources attracted from non-residents: deposits, debt securities, credits and IMF loans, liabilities for distributed SDRs and other liabilities of the banking system, by MDL 549.3 million (0.8 percent), as well as in net domestic assets calculated by subtracting domestic 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 119.6 million (1.6 percent).

In November, 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 169.9 million (0.5 percent) as a result of the growth of claims on the economy in foreign currency (recalculated in MDL), by MDL 308.3 million (1.9 percent), while domestic currency claims on economy decreased by MDL 138.4 (0.6 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
-0.64	-2.21	Total	+1.92	-11.51
-4.52	-12.29	Non-banking financial sector	+0.47	-12.19
-2.94	-18.03	Non-financial companies' sector, which majority ownership is public	-1.85	-26.16
-1.00	-10.23	Non-financial companies' sector, which majority ownership is private	+2.15	-10.49
+0.44	+15.62	Other resident sectors	+0.95	-30.05
+0.62	+24.21	Consumer loans	-1.04	-56.13
+2.08	+16.79	Real estate loans	+3.15	-31.95

It should be mentioned that claims on the economy in foreign currency, expressed in USD, have increased over the reference period by USD 25.2 million.

The positive evolution of the balance of claims on the economy in foreign currency (expressed in MDL) was determined by the increase in balance of claims on such sectors as: the sector of non-financial companies, which majority ownership is private, the non-banking financial sector, and the other resident sectors (including individuals) by MDL 312.1 million (2.2 percent), 3.7 million (0.5 percent), and 2.2 million (1.0 percent), respectively. At the same time, the balance of claims on non-financial companies, which majority ownership is public, has decreased by MDL 9.7 million (1.9 percent).

The decrease of balance of claims on the economy in domestic currency was determined by the decline in balance of claims on the sector of non-financial companies, which majority ownership is public, non-financial commercial companies, which majority ownership is private, the non-banking financial sector by MDL 26.7 million (2.9 percent), MDL 117.2 million (1.0 percent), and MDL 30.6 million (4.5 percent), respectively. At the same time, the balance of claims on the

other resident sectors (including individuals) increased by MDL 36.1 million (0.4 percent).

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

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