



The evolution of monetary indicators in June 2012

In June 2012, the **monetary base**¹ increased by 523.9 million lei (3.1 percent) compared to May 2012 and constituted 17580.2 million lei. The positive development of the monetary base was determined by the increase in the net foreign assets of the National Bank of Moldova by 668.1 million lei (3.4 percent). At the same time, net domestic assets decreased by 144.2 million lei (5.3 percent).

Net domestic credit increased by 55.7 million lei (1.1 percent), due to the increase of payment requests of the NBM to banks by 103.6 million lei (1.8 percent). At the same time, the payment requests to the Government decreased by 47.9 million lei (5.6 percent)

Money in circulation² increased from 10858.8 million lei in May 2012 to 11243.9 million lei in June 2012.

Money supply M2³ increased during the reporting period by 582.6 million lei or by 2.0 percent, up to 29541.1 million lei. At the same time, **money supply M3**⁴ increased by 1425.7 million lei or by 3.4 percent and constituted 43206.1 million lei at the end of June 2012 (Table no.1).

Table no.1 Evolution of money supply structure at the end of period (million, lei)

Money supply components	Dec. 2011	Share %	May 2012	Share %	Jun. 2012	Growth %	Share %
MONEY SUPPLY (M3)	40977.12	100.0	41780.44	100.0	43206.12	3.4	100.0
MONEY SUPPLY (M2)	28265.39	69.0	28958.44	69.3	29541.06	2.0	68.4
MONEY IN CIRCULATION	10864.51	26.5	10858.80	26.0	11243.88	3.5	26.0
DEPOSITS AT SIGHT IN NATIONAL CURRENCY	6521.06	15.9	6045.01	14.5	6156.44	1.8	14.2
TERM DEPOSITS IN NATIONAL CURRENCY (including on long-term)	10879.30	26.5	12054.52	28.8	12140.64	0.7	28.1
DEPOSITS IN FOREIGN CURRENCY	12711.73	31.0	12822.00	30.7	13665.05	6.6	31.6
MONETARY POLICY INSTRUMENTS	0.52	0.0013	0.11	0.0003	0.11	0.8	0.0003

The increase of M2 indicator was determined by the increase of the balance of cash in circulation by 385.1 million lei (3.5 percent) and of the balance of deposits in national currency by 197.6 million lei (1.1 percent).

¹ The monetary base includes cash 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.

² Money in circulation M0 represents cash in circulation put by the National Bank of Moldova, except for cash in banks and NBM vault.

³ Money supply M2 includes currency in circulation (M0), deposits in MDL and money market instruments.

⁴ Money supply M3 includes broad money M2 and deposits in foreign currency of residents expressed in MDL.



The balance of deposits in foreign currency (recalculated in MDL) increased by 843.1 million lei (6.6 percent). Expressed in U.S. dollars, these have increased by USD 46.4 million. The share of deposits in foreign currency (recalculated in MDL) in the total volume of money supply (M3) increased from 30.7 percent in May 2012 to 31.6 percent in June 2012.

Net foreign assets convertible of the banking system increased by USD 68.5 million, accounting for USD 1538.4 million. Within their structure, the net foreign assets convertible of the National Bank of Moldova increased by USD 21.1 million, while those of the commercial banks increased by USD 47.4 million.

Foreign assets of the banking system totalled USD 2429.5 million in June 2012, increasing by USD 82.7 million versus the previous month. **The NBM external reserves** increased by USD 16.0 million, up to the level of USD 2059.0 million. **The external liabilities of the banking system** constituted USD 891.2 million, including those of the NBM (to the IMF) – USD 390.8 million⁵.

In June 2012, the **net domestic assets** of the banking system increased by 223.4 million lei (0.9 percent), the payment requests to the economy increased by 863.7 million lei, while the payment requests to the Government decreased by 180.4 million lei.

⁵ Including accrued interest