



The evolution of monetary indicators in June 2013

In June 2013, the **monetary base**¹ was MDL 20940.6 million, increasing by MDL 424.9 million (2.1 percent) compared to May 2013. The increase of the monetary base was determined by the positive development in the net domestic assets of the National Bank of Moldova, which increased by MDL 468.9 million. The net foreign assets decreased by MDL 44.0 million.

Money in circulation (M0)² increased from MDL 13523.0 million in Mai 2013 to MDL 13997.7 million in June 2013.

Money supply M2³ was MDL 37417.5 million, increasing during the reporting period by MDL 727.1 million or by 2.0 percent as compared to May 2013.

Money supply M3⁴ increased by MDL 858.4 million or by 1.7 percent in June 2013.

The analysis of the passive components of money supply (**M3**) denotes the fact that this increase was driven by the upward trend of its components as a result of the increase of the balance of the monetary aggregate (**M0**) – money in circulation – by MDL 474.7 million as compared to the previous month and the total balance of deposits by MDL 383.7 million (Table no.1).

Table no.1. Passive components of money supply

INDICATORS	May 2013	June 2013	June 2013 May 2013	June 2013 June 2012
	million, MDL	million, MDL	%	%
Money in circulation (M0)	13522.98	13997.67	3.5	24.5
Sight deposits in MDL	7779.85	7748.71	-0.4	25.9
MONEY SUPPLY (M1)	21302.83	21746.38	2.1	25.0
Term deposits in MDL	15387.40	15670.99	1.8	29.1
Money market instruments	0.12	0.12		6.6
MONEY SUPPLY (M2)	36690.35	37417.48	2.0	26.7
Deposits in foreign currency	14883.30	15014.57	0.9	9.9
MONEY SUPPLY (M3)	51573.65	52432.05	1.7	21.4

The balance of deposits in national currency was MDL 23419.7 million, which share equaled to 60.9 percent of total balance of deposits and the balance of deposits in foreign currency (recalculated in MDL) was MDL 15014.6 million, which share amounted to 39.1 percent (Table no.2).

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.

Table no.2. Deposits structure⁵

INDICATORS	May 2013	June 2013	June 2013 May 2013	June 2013 June 2012
	million, MDL	million, MDL	%	%
Deposits balance (Total)	38050.55	38434.26	1.0	20.2
Including:				
Deposits balance (in MDL)	23167.25	23419.69	1.1	28.0
The share in Deposits balance (total), %	60.89	60.93		
Non-banking financial sector	794.83	808.07	1.7	11.3
Non-financial companies sector	6233.36	5996.10	-3.8	21.7
Other resident sectors (individuals, etc.)	16139.06	16615.52	3.0	31.4
Deposits balance in foreign currency (expressed in MDL)	14883.30	15014.57	0.9	9.9
The share in Deposits balance (total), %	39.11	39.07		
Non-banking financial sector	616.55	603.30	-2.1	43.6
Non-financial companies sector	2779.95	2914.74	4.8	-2.2
Other resident sectors (individuals, etc.)	11486.80	11496.53	0.1	12.0

The increase of money supply M3 in the reporting period was determined by the increase both in the net domestic assets of the banking system by MDL 463.2 million (1.7 percent) and in the net foreign assets of the banking system by MDL 395.2 million (1.7 percent).

Domestic credit of the banking system increased by MDL 893.7 million, up to the level of MDL 39536.1 million, due to the increase of the balance of credits granted to the economy by MDL 1125.3 million. At the same time, the balance of net payments to the Government has decreased by MDL 231.6 million.

The balance of credits in economy⁶ increased by 3.0 percent in June 2013, as compared to the previous month, at the expense of the increase of credits granted to the economy in national currency by MDL 868.8 million or by 4.1 percent, and the credits granted to the economy in foreign currency (expressed in MDL) - by MDL 256.5 million or by 1.6 percent (Table no.3).

The positive development of the balance of credits granted to economy in MDL was determined by the increase of the balance of credits granted to other resident sectors - by MDL 723.6 million (15.0 percent), private sector – by MDL 97.9 million (0.6 percent), other organizations performing certain financial operations - by MDL 48.0 million (12.7 percent). At the same time, the balance of credits granted to state enterprises decreased by MDL 0.7 million (0.1 percent).

⁵ Deposits structure is 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).

⁶ According to the IMF methodology, the interbank credits and the credits granted to the Government are excluded from the total credits in the economy (including the interest calculated for credits and for credits of banks - in liquidation process).



Table no.3. Structure of credits granted to economy

INDICATORS	May 2013	June 2013	June 2013	June 2013
	million, MDL	million, MDL	May 2013 %	June 2012 %
CREDITS GRANTED TO ECONOMY	37310.68	38435.99	3.0	16.7
Including:				
CREDITS GRANTED TO ECONOMY (in MDL)	21094.22	21963.04	4.1	18.5
The share of Credits granted to economy, %	56.54	57.14		
State enterprises	792.33	791.61	-0.1	42.3
Private sector	15098.78	15196.70	0.6	18.9
Other organizations performing certain financial operations	377.95	425.94	12.7	19.5
Other resident sectors (individuals, etc.)	4825.16	5548.79	15.0	14.7
including : Consumer loans	2404.82	2452.79	2.0	29.7
Real estate loans	1447.02	1494.40	3.3	26.5
CREDITS GRANTED TO ECONOMY IN FOREIGN CURRENCY (equivalent in MDL):	16216.46	16472.95	1.6	14.3
The share of Credits granted to economy, %	43.46	42.86		
State enterprises	817.18	873.83	6.9	42.5
Private sector	14623.09	14711.18	0.6	13.0
Other organizations performing certain financial operations	581.77	607.25	4.4	23.7
Other resident sectors (individuals, etc.)	194.42	280.69	44.4	-3.0
including : Consumer loans	7.13	8.19	14.7	
Real estate loans	87.78	86.68	-1.3	11.1

The increase in the balance of credits granted to economy in foreign currency (expressed in MDL) was influenced by the increase in the balance of credits granted to private sector by MDL 88.1 million (0.6 percent), individuals - by MDL 86.3 million (44.4 percent), state enterprises - by MDL 56.6 million (6.9 percent) and other organizations performing certain financial operations - by MDL 25.5 million (4.4 percent).