



The evolution of monetary indicators in September 2013

In September 2013, the **monetary base**¹ was MDL 23664.2 million, increasing by MDL 566.6 million (2.5 percent) compared to August 2013. The increase of the monetary base was determined by the positive development in the net foreign assets of the National Bank of Moldova, which increased by MDL 1459.8 million. The net domestic assets decreased by MDL 893.2 million.

Money in circulation (M0)² increased from MDL 15626.0 million in August 2013 to MDL 16155.9 million in September 2013.

Money supply M2³ was MDL 41186.3 million, increasing during the reporting period by MDL 731.8 million or by 1.8 percent as compared to August 2013.

Money supply M3⁴ increased by MDL 1115.1 million or by 2.0 percent in September 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 529.8 million as compared to the previous month and the total balance of deposits by MDL 585.2 million (Table no.1).

Table no.1. Passive components of money supply

	INDICATORS	August 2013	September 2013	September 2013	September 2013
		million, MDL	million, MDL	August 2013 %	September 2012 %
1	Money in circulation (M0)	15626.04	16155.85	3.4	26.4
2	Sight deposits in MDL	8197.70	8332.48	1.6	22.0
3	MONEY SUPPLY (M1)	23823.74	24488.33	2.8	24.8
4	Term deposits in MDL	16630.68	16697.91	0.4	25.4
5	Money market instruments	0.01	0.01	0.0	-94.6
6	MONEY SUPPLY (M2)	40454.43	41186.25	1.8	25.0
7	Deposits in foreign currency	15824.45	16207.68	2.4	17.2
8	MONEY SUPPLY (M3)	56278.88	57393.93	2.0	22.7

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 national currency was MDL 25030.4 million, which share equaled to 60.7 percent of total balance of deposits and the balance of deposits in foreign currency (recalculated in MDL) was MDL 16207.7 million, which share amounted to 39.3 percent (Table no.2).

Table no.2. Deposits structure⁵

INDICATORS	August 2013	September 2013	September 2013	September 2013
	million, MDL	million, MDL	August 2013 %	September 2012 %
Deposits balance (Total)	40652.83	41238.08	1.4	21.3
Including:				
Deposits balance (in MDL)	24828.38	25030.39	0.8	24.2
The share in Deposits balance (total), %	61.07%	60.70%		
Non-banking financial sector	846.83	879.51	3.9	21.9
Non-financial companies sector	6667.39	6435.83	-3.5	11.4
Other resident sectors (individuals, etc.)	17314.16	17715.05	2.3	29.7
Deposits balance in foreign currency (expressed in MDL)	15824.45	16207.68	2.4	17.2
The share in Deposits balance (total), %	38.93%	39.30%		
Non-banking financial sector	451.06	476.91	5.7	10.7
Non-financial companies sector	3241.62	3198.82	-1.3	27.3
Other resident sectors (individuals, etc.)	12131.77	12531.96	3.3	15.1

The increase of money supply M3 in the reporting period was determined by the increase in net foreign assets of the banking system by MDL 1492.3 million (5.3 percent). At the same time, net domestic assets of the banking system decreased by MDL 377.3 million (1.3 percent).

Domestic credit of the banking system increased by MDL 165.6 million, up to the level of MDL 40489.9 million, due to the increase of the balance of credits granted to the economy by MDL 368.2 million while the balance of net payments to the Government decreased by MDL 202.7 million.

The balance of credits in economy⁶ increased by 0.9 percent in September 2013, as compared to the previous month, at the expense of the increase of credits granted to the economy in national currency by MDL 195.0 million or by 0.9 percent, and the credits granted to the economy in foreign currency (expressed in MDL) - by MDL 173.2 million or by 1.0 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 private sector by MDL 133.9 million (0.9 percent), other resident sectors and state enterprises by MDL 56.5 million and MDL 12.7 million (1.0 and 1.6 percent). At the same time, the balance of credits granted to other organizations performing certain financial operations decreased by MDL 8.0 million (1.9 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	August 2013	September 2013	September 2013	September 2013
	million, MDL	million, MDL	August 2013	September 2012
			%	%
CREDITS GRANTED TO ECONOMY	39263.09	39631.32	0.9	14.1
Including:				
CREDITS GRANTED TO ECONOMY (in MDL)	22669.57	22864.59	0.9	17.7
The share of Credits granted to economy, %	57.74%	57.69%		
State enterprises	776.35	789.00	1.6	23.4
Private sector	15697.47	15831.38	0.9	18.8
Other organizations performing certain financial operations	423.07	415.04	-1.9	20.3
Other resident sectors (individuals, etc.)	5772.69	5829.18	1.0	13.7
including : Consumer loans	2553.89	2599.88	1.8	30.0
Real estate loans	1563.01	1599.40	2.3	22.8
CREDITS GRANTED TO ECONOMY IN FOREIGN CURRENCY (equivalent in MDL):	16593.52	16766.73	1.0	9.6
The share of Credits granted to economy, %	42.26%	42.31%		
State enterprises	843.75	845.17	0.2	24.7
Private sector	14791.50	14894.82	0.7	7.7
Other organizations performing certain financial operations	635.67	683.60	7.5	36.8
Other resident sectors (individuals, etc.)	322.59	343.14	6.4	16.8
including : Consumer loans	9.55	10.88	14.0	
Real estate loans	90.86	92.33	1.6	8.7

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 103.3 million (0.7 percent), other organizations performing certain financial operations - by MDL 47.9 million (7.5 percent), individuals - by MDL 20.5 million (6.4 percent) and the balance of credits granted to state enterprises by MDL 1.4 million (0.2 percent).