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M3 money supply is growing above 5 %

In place for a year, the almost continuous increase in the overnight deposits growth rate continues in July, reaching + 15.5 % (after + 14.4 % in June and + 3.9 % in July 2014). The increase in outstanding amounts of deposits with agreed maturity of up to 2 years (+ 9.2 %, after + 7.7 %) more than offsets the decrease in outstanding amounts of saving accounts (- 1.8 %, after - 1.9 %). The decline in outstanding amounts of MMF shares is less sharp (- 2.9 %, after - 5.1 %).

Overall, fuelled by the overnight deposits, the growth of domestic resources included in M3 bounces in July at + 4.8 %, after + 4.2 % in June. After taking monetary external liabilities and assets vis-à-vis other monetary union members into account, the growth rate of the French component of euro area monetary aggregate M3 also increases (+ 5.4 %, after + 4.5 %).

France : monetary resources of Monetary Financial Institutions

	Outstandings (in € Bn) (a)		Annual growth rate (in %) (a)	
	Jul-15	May-15	Jun-15	Jul-15
Overnight deposits	714	13.9	14.4	15.5
= Domestic resources included in M1	714	13.9	14.4	15.5
Deposits with agreed maturity of up to 2 years	137	4.5	7.7	9.2
+ Saving accounts	612	-2.0	-1.9	-1.8
= Domestic resources included in M2-M1	749	- 0.8	- 0.2	0.2
MMF shares	256	-0.7	-5.1	-2.9
+ Repurchase agreements	23	-11.5	-24.4	-22.8
+ Debt securities issued with a maturity of up to 2 years	58	13.0	10.8	0.9
= Domestic resources included in M3-M2	337	0.6	- 4.2	- 4.0
Sum of domestic resources included in M3	1801	4.7	4.2	4.8
+ Monetary external liabilities vis-à-vis other monetary union members	181	-0.4	-1.6	2.6
- Monetary external assets vis-à-vis other monetary union members	39	-13.7	-24.7	-25.1
= French component of euro area monetary aggregate M3	1943	4.7	4.5	5.4

(a) Seasonally-adjusted data.

Source : BdF

Additional information

The outstanding amount of monetary claims (excluding coins and banknotes) consists of claims with an initial maturity of up to and including 2 years that monetary counterparts (basically households, non-financial corporations, general government excluding central government, insurance corporations, investment funds and financial vehicle corporations) hold against monetary financial institutions (deposit-taking institutions, sociétés de financement under French law, Caisse des dépôts et consignations, MMF and the central bank).

Saving accounts include regulated saving accounts, i.e. livrets A, livrets de développement durable, comptes d'épargne logement, livrets d'épargne populaire, and non-regulated saving accounts, i.e. livrets jeunes and livrets ordinaires. Amounts held on regulated saving accounts are partly transferred by deposit-taking institutions to a fund managed by the Caisse des dépôts et consignations. At the end of July 2015, €242 billion out of €612 billion were removed from the deposit-taking institutions balance sheets. Debt securities with maturity of up to 2 years mainly include certificats de dépôts (short term paper) issued by French deposit-taking institutions and subscribed by neither MMF nor deposit-taking institutions counterparts.

Annual growth rates are adjusted for reclassifications and revaluations but not for foreign exchange rate effects.

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