

Monetary developments – France • March 2018

Monetary resources keep slowing down

Since September 2017, domestic monetary resources have continuously decelerated (+4.6%, down from +5.3% in February and +8.9% in September 2017). In the framework of a reduction in the Eurosystem asset purchases, the deceleration was mainly driven by overnight deposits (+8.6%, down from +10.4% in February and +15.5% in September). In March, M2-M1 slowed down too (+2.9% after +3.4% in February). It was mainly due to term accounts (with agreed maturity of up to 2 years), while (mostly regulated) saving accounts were still rather dynamic.

Taking into account assets and liabilities vis-à-vis the rest of the euro area, the French component of the monetary aggregate M3 decelerated (+5.4% after +6.7%).

France : Monetary Resources of Monetary Financial Institutions

	Outstandings (in € Bn) (a)		Annual growth rate (in %) (a)	
	Mar-18	Jan-18	Feb-18	Mar-18
Overnight deposits	936	11.7	10.4	8.6
= Domestic resources included in M1	936	11.7	10.4	8.6
Deposits with agreed maturity of up to 2 years	120	1.0	-0.9	-3.1
+ Saving accounts	656	4.4	4.3	4.0
= Domestic resources included in M2-M1	776	3.9	3.4	2.9
MMF shares	265	-1.4	-2.0	-4.3
+ Repurchase agreements	27	14.0	22.2	44.2
+ Debt securities issued with a maturity of up to 2 years	63	-17.7	-13.8	-0.7
= Domestic resources included in M3-M2	355	-3.7	-2.8	-1.1
Sum of domestic resources included in M3	2 067	5.9	5.3	4.6
+ Monetary external liabilities vis-à-vis other monetary union members	224	27.0	23.3	16.5
- Monetary external assets vis-à-vis other monetary union members	47	8.7	14.8	21.9
= French component of euro area monetary aggregate M3	2 243	7.6	6.7	5.4

(a) Seasonally-adjusted data.

Source : Banque de France



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, non-money market funds, 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*. One part of the amounts held on regulated saving accounts is transferred by deposit-taking institutions to a fund managed by the Caisse des dépôts et consignations; the other part remains in banks' balance sheets. Debt securities with maturity of up to 2 years mainly include certificates of deposit (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.

