

Monetary developments – France • October 2019

The French component of the euro area monetary aggregate M3 still grows at a sustained pace driven by overnight deposits

Overnight deposits grow at a very sustained pace, slightly higher than in September (+ 12.3 % after + 12.0 %). The contraction of deposits with agreed maturity of up to 2 years (- 5.5 % after + 8.9 %, due to a base effect), combined with a dynamic unchanged growth of saving deposits (+ 5.1 % after + 5.2 %) lead to a sharp deceleration of the growth of domestic resources included in M2-M1 (+ 3.4 % after + 5.8 %).

After taking into account monetary external liabilities and assets vis-à-vis other monetary union members, the pace of growth of the French component of the euro area monetary aggregate M3 goes on speeding up in October (+ 7.8 % after + 7.6 % in September).

France : Monetary Resources of Monetary Financial Institutions

	Outstandings (in € Bn) (a)		Annual growth rate (in %) (a)	
	Oct-19	Aug-19	Sep-19	Oct-19
Overnight deposits	1 117	11.0	12.0	12.3
= Domestic resources included in M1	1 117	11.0	12.0	12.3
<i>Domestic resources included in M1, 3-month moving average</i>		10.9	11.3	11.8
Deposits with agreed maturity of up to 2 years	122	-1.7	8.9	-5.5
+ Saving accounts	697	4.7	5.2	5.1
= Domestic resources included in M2-M1	819	3.7	5.8	3.4
<i>Domestic resources included in M2-M1, 3-month moving average</i>		3.4	4.1	4.3
MMF shares	258	-1.2	-0.5	0.2
+ Repurchase agreements	25	-17.7	28.7	18.5
+ Debt securities issued with a maturity of up to 2 years	65	6.8	-4.0	9.9
= Domestic resources included in M3-M2	348	-0.9	0.6	3.1
<i>Domestic resources included in M3-M2, 3-month moving average</i>		-2.2	-0.2	0.9
Sum of domestic resources included in M3	2 284	6.3	7.9	7.5
<i>Sum of domestic resources included in M3, 3-month moving average</i>		5.9	6.8	7.2
+ Monetary external liabilities vis-à-vis other monetary union members	250	11.5	11.6	15.9
- Monetary external assets vis-à-vis other monetary union members	57	21.8	43.1	35.7
= French component of euro area monetary aggregate M3	2 477	6.5	7.6	7.8
<i>French component of euro area monetary aggregate M3, 3-month moving average</i>		5.9	6.7	7.3

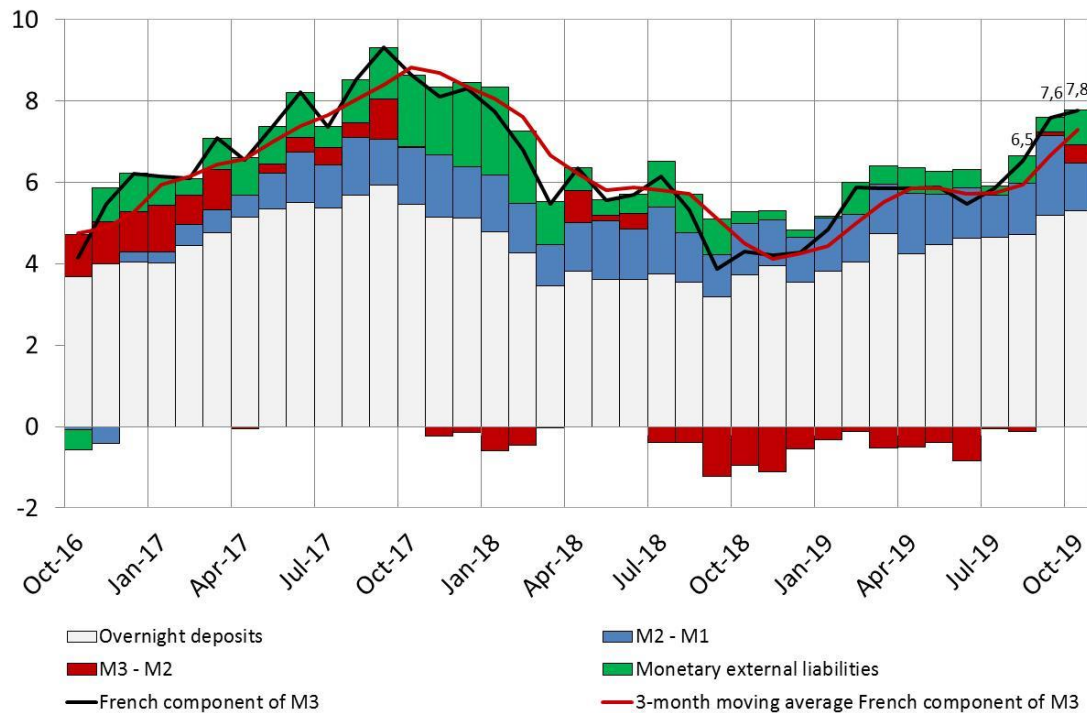
(a) Seasonally-adjusted data.

Source : BdF



Contributions to the growth of the French component of M3

(Annual growth rate in %)



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.

