

29<sup>th</sup> May 2020

## Monetary developments – France • April 2020

### Overnight deposits remain the main factor in money supply growth

Overnight deposits, particularly those of non-financial corporations that secure their cash flow by making increasing use of bank credit, continue to grow atypically in April (+19.4%, after +15.7% in March and +11.1% in February). The slowdown in resident resources included in M2-M1 (up 4.3% after 5.2% in March and 3.8% in February) is attributable to the increase in growth in saving accounts (up 5.5% in April after 4.4% in March) compensated by the fall in time deposits (down 2.2% in April after 10.5% in March).

The sharp contraction in money market fund shares (-18.3% in April after -11.1% in March) and the deceleration in repurchase agreements and debt securities issued with a maturity of up to two years (+1.9% after +15.2% in March) explain why the M3-M2 aggregate decelerated and partly dampened the growth of the M1 aggregate.

After taking into account monetary assets and liabilities vis-à-vis other monetary union members, the growth rate of the French component of the M3 aggregate stabilizes at a high level (+ 10.1 % in March and April).

#### France : Monetary Resources of Monetary Financial Institutions

	Outstandings (in € Bn) (a)		Annual growth rate (in %) (a)	
	Apr-20	Feb-20	Mar-20	Apr-20
Overnight deposits	1 266	11.1	15.7	19.4
<b>= Domestic resources included in M1</b>	<b>1 266</b>	<b>11.1</b>	<b>15.7</b>	<b>19.4</b>
<i>Domestic resources included in M1, 3-month moving average</i>		11.0	12.5	15.4
Deposits with agreed maturity of up to 2 years	116	0.5	10.5	-2.2
+ Saving accounts	728	4.4	4.4	5.5
<b>= Domestic resources included in M2-M1</b>	<b>844</b>	<b>3.8</b>	<b>5.2</b>	<b>4.3</b>
<i>Domestic resources included in M2-M1, 3-month moving average</i>		3.1	3.9	4.5
MMF shares	229	-0.9	-11.1	-18.3
+ Repurchase agreements	48	23.2	149.5	128.9
+ Debt securities issued with a maturity of up to 2 years	62	12.4	15.2	1.9
<b>= Domestic resources included in M3-M2</b>	<b>339</b>	<b>2.8</b>	<b>3.1</b>	<b>-6.4</b>
<i>Domestic resources included in M3-M2, 3-month moving average</i>		0.7	2.8	-0.2
<b>Sum of domestic resources included in M3</b>	<b>2 448</b>	<b>7.1</b>	<b>9.8</b>	<b>9.7</b>
<i>Sum of domestic resources included in M3, 3-month moving average</i>		6.4	7.8	8.9
+ Monetary external liabilities vis-à-vis other monetary union members	256	11.3	12.6	9.6
- Monetary external assets vis-à-vis other monetary union members	49	62.5	9.0	-7.2
<b>= French component of euro area monetary aggregate M3</b>	<b>2 656</b>	<b>6.7</b>	<b>10.1</b>	<b>10.1</b>
<i>French component of euro area monetary aggregate M3, 3-month moving average</i>		6.1	7.6	9.0

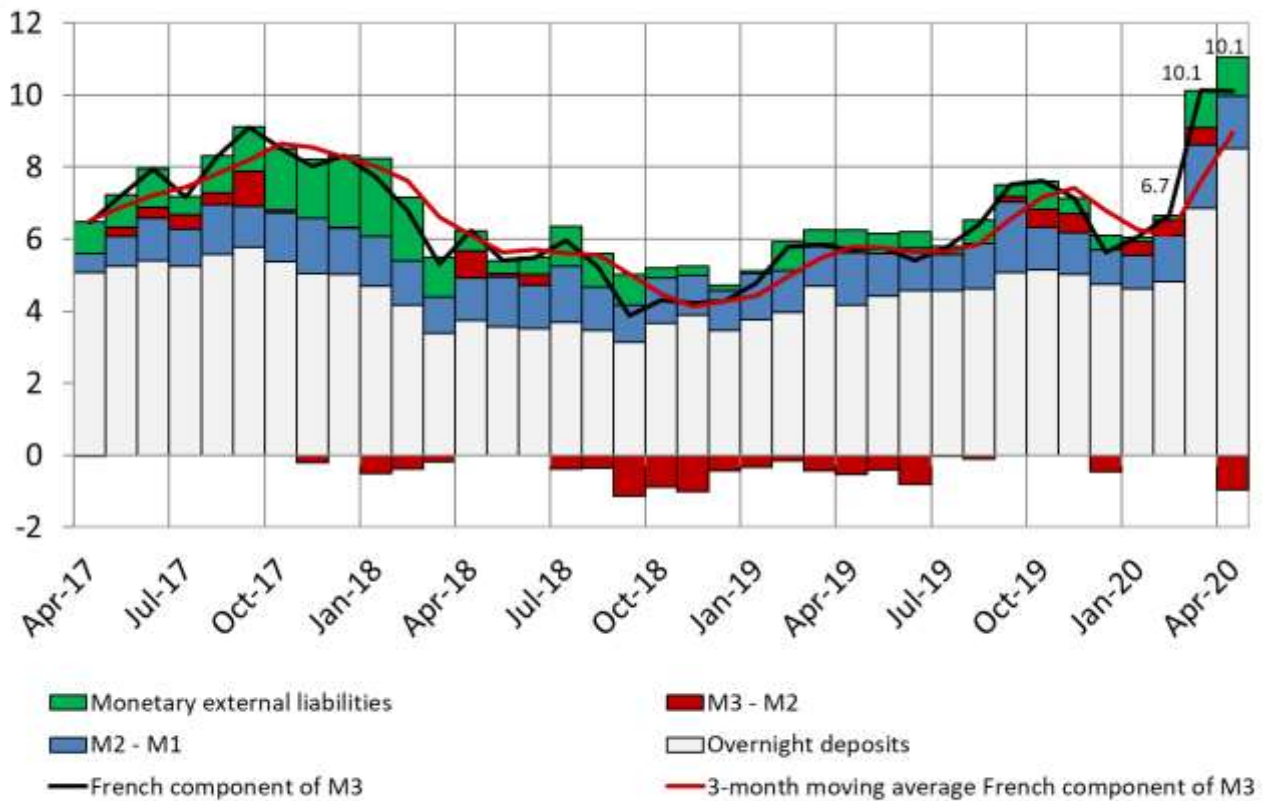
(a) Seasonally-adjusted data.

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.

