

26th November 2020

Monetary developments – France • October 2020

Monetary growth remains strong year-on-year, despite a slight decline in overnight deposits in October

On a monthly basis, the overnight deposits component of the monetary aggregates falls by 0.1% - mainly due to households and, to a lesser extent, non-financial corporations – making the growth of overnight deposits, expressed at an annual rate, fall slightly in October (+22.5%, after +23.8% in September). This pace of growth remains high due to the growth momentum of the previous three quarters.

The M2 – M1 aggregate continues its annual progression (+ 7.3 %, after + 6.4 % in September) driven both by the rebound in deposits with agreed maturity of up to 2 years (0.9 %, after - 3.0 %) and the increase in saving accounts (+ 8.5 %, after + 8.1 % in September).

The acceleration of the aggregate M3 - M2 (+ 6.9 % at annual pace, after + 4.9 % in September) is mainly linked to the increase in MMF shares (+ 9.1 %, after + 6.7 % in September)

After taking into account monetary assets and liabilities vis-à-vis other monetary union members, the growth of the French component of the M3 aggregate slows to 14.6%, after 15.5% in September.

France : Monetary Resources of Monetary Financial Institutions

	Outstandings (in € Bn) (a)		Annual growth rate (in %) (a)	
	Oct-20	Aug-20	Sep-20	Oct-20
Overnight deposits	1 369	23.9	23.8	22.5
= Domestic resources included in M1	1 369	23.9	23.8	22.5
<i>Domestic resources included in M1, 3-month moving average</i>		24.0	24.0	23.4
Deposits with agreed maturity of up to 2 years	124	-5.5	-3.0	0.9
+ Saving accounts	756	7.8	8.1	8.5
= Domestic resources included in M2-M1	880	5.8	6.4	7.3
<i>Domestic resources included in M2-M1, 3-month moving average</i>		6.1	6.3	6.5
MMF shares	286	1.0	6.7	9.1
+ Repurchase agreements	36	110.4	43.6	45.8
+ Debt securities issued with a maturity of up to 2 years	54	-22.4	-20.1	-16.7
= Domestic resources included in M3-M2	377	2.5	4.9	6.9
<i>Domestic resources included in M3-M2, 3-month moving average</i>		2.1	3.2	4.8
Sum of domestic resources included in M3	2 625	14.1	14.6	14.7
<i>Sum of domestic resources included in M3, 3-month moving average</i>		14.2	14.4	14.5
+ Monetary external liabilities vis-à-vis other monetary union members	251	-4.9	13.9	5.7
- Monetary external assets vis-à-vis other monetary union members	45	-9.7	-25.2	-20.1
= French component of euro area monetary aggregate M3	2 831	12.8	15.5	14.6
<i>French component of euro area monetary aggregate M3, 3-month moving average</i>		13.6	14.2	14.3

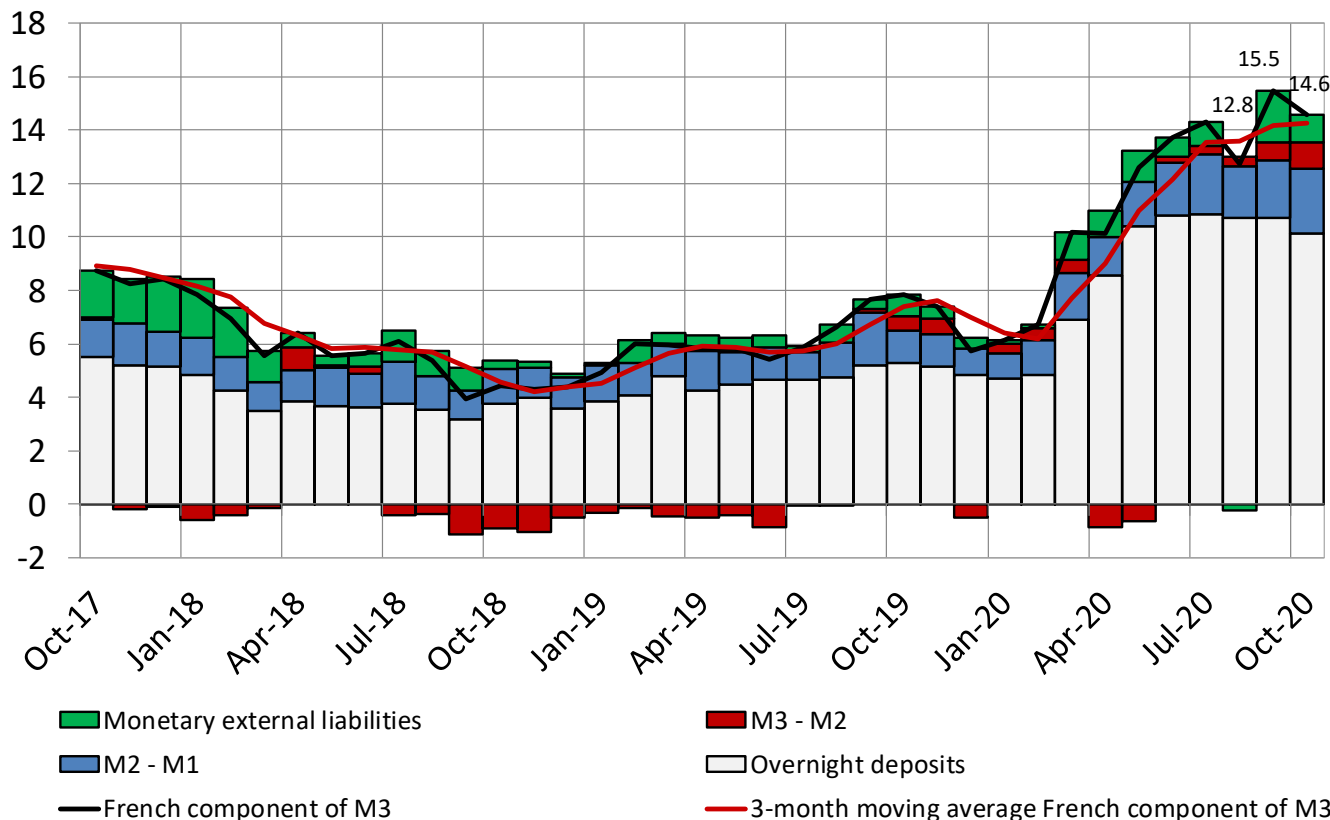
(a) Seasonally-adjusted data.

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.

