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The Central Bank of Malta's latest press release on monetary statistics covers the period January - April 2010. This wider coverage ensures that published information on monetary data and developments is the latest available. Monthly releases will resume from the end of the month with coverage of monetary developments in May.

The contribution of Maltese Monetary Financial Institutions (MFIs) to the euro area broad money stock (M3) increased by EUR237.5 million, or 2.8%, during the first four months of 2010, reaching EUR8.8 billion. As a result, its annual rate of growth turned positive, rising to 3.0% in April 2010 from -1.4% in December 2009.

The narrow money (M1) component surged by EUR253.7 million, or 5.8%, during the period reviewed, driven by an increase in overnight deposits. These rose by EUR249.4 million, or 6.7%, mainly due to increased balances belonging to resident private non-financial companies and households. Overnight deposits belonging to other euro area residents also increased, but to a considerably lesser extent. Meanwhile, currency issued increased by EUR4.2 million, or 0.7%. Thus, the annual rate of growth of M1 rose further to 15.6%, from 13.2% in December.

The intermediate money (M2) component went up by EUR237.2 million, or 2.7%, during the period, as the strong growth in M1 was dampened by a slight drop in deposits with an agreed maturity of up to two years. The latter fell by EUR15.5 million, or 0.4%. Within this category deposits belonging to Maltese residents contracted by 7.2% during the year to April as against a faster drop of 13.1% during the twelve months to December. Meanwhile, deposits redeemable at up to three months' notice increased marginally.

Overall, deposits belonging to Maltese residents rose by EUR258.5 million during the first four months of 2010. As a result, their annual rate of growth picked up substantially, rising to 3.2% from -1.3% four months earlier. This turnaround mainly reflected a more moderate contraction in time deposits with an agreed maturity of up to two years. A pick-up in overnight deposits also contributed.

Credit to residents of Malta expanded by EUR257.0 million, or 2.7%, between December 2009 and April 2010. Credit to the general government accounted for most of the rise, putting on EUR141.8 million as bank holdings of government securities increased. At the same time, borrowing by residents outside the general government sector added EUR115.2 million mainly as loans granted to households (for house purchases) and to the transport, storage & communications sector increased. Nevertheless, the annual rate of growth of credit to Maltese residents decelerated to 8.5% from 9.0% four months earlier.

Credit to residents of other euro area Member States rose by EUR480.0 million during the four-month period, as resident MFIs added to their holdings of debt securities issued by other euro area governments and increased the amount of loans granted to non-bank financial intermediaries residing elsewhere in the euro area. In sum, credit to all euro area residents expanded by EUR737.0 million during the period reviewed.

The external counterpart of M3, which reflects transactions between MFIs resident in Malta and non-euro area residents, increased by EUR1.1 billion, or 15.8%, during the first four months of 2010. The operations of a newly-licensed credit institution had a major impact on these developments in March 2010. An increase in MFI holdings of debt securities issued by governments outside the euro area coupled with a rise in loans granted to non-euro area banks boosted the external assets of resident credit institutions. This offset an increase in their liabilities in the form of higher time deposits belonging to non-euro area private non-financial companies.

The 'other' counterparts of M3 rose by EUR1.6 billion, or 13.8%, between end-December 2009 and end-April 2010. This stemmed mainly from an increase in banks' longer-term financial liabilities. In particular, the licensing of the credit institution referred to earlier led to a sharp rise in the equity of resident MFIs.

As regards bank interest rates during the period reviewed, the weighted average interest rate applied by resident credit institutions to customer deposits went down by four basis points, ending April at 1.40%, while that charged on loans rose by one basis point to 4.47%.

Further economic and monetary information can be obtained from the website of the Central Bank of Malta www.centralbankmalta.org

CENTRAL BANK OF MALTA

THE CONTRIBUTION OF RESIDENT MFIs TO THE EURO AREA MONETARY AGGREGATES AND SELECTED COUNTERPARTS⁽¹⁾

€ millions

		Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	Dec 09-Apr 10 Change	Dec 09-Apr 10 Percentage Change	Apr-09	Apr 09-Apr 10 Annual Change	Apr 09-Apr 10 Annual Percentage Change
MONETARY AGGREGATES⁽²⁾											
NARROW MONEY (M1)	1	4,359.5	4,386.6	4,415.5	4,425.8	4,613.2	253.7	5.8	3,989.8	623.4	15.6
Currency issued ⁽³⁾	1.1	639.8	636.7	635.9	637.8	644.0	4.2	0.7	605.2	38.8	6.4
Overnight deposits ⁽⁴⁾	1.2	3,719.8	3,749.9	3,779.6	3,788.0	3,969.2	249.4	6.7	3,384.6	584.6	17.3
of which: deposits belonging to local residents	1.2.1	3,633.6	3,650.2	3,678.6	3,688.4	3,869.9	236.3	6.5	3,307.6	562.3	17.0
INTERMEDIATE MONEY (M2)	2	8,671.1	8,846.6	8,702.0	8,720.8	8,908.3	237.2	2.7	8,682.4	225.9	2.6
Narrow money (M1)	2.1	4,359.5	4,386.6	4,415.5	4,425.8	4,613.2	253.7	5.8	3,989.8	623.4	15.6
Deposits redeemable at notice up to 3 months ⁽⁴⁾	2.2	111.7	111.6	111.7	110.4	110.7	-1.0	-0.9	110.4	0.3	0.3
of which: deposits belonging to local residents	2.2.1	111.6	111.5	111.6	110.3	110.6	-1.0	-0.9	110.4	0.2	0.2
Deposits with agreed maturity up to 2 years ⁽⁴⁾	2.3	4,199.9	4,348.4	4,174.8	4,184.6	4,184.4	-15.5	-0.4	4,582.1	-397.7	-8.7
of which: deposits belonging to local residents	2.3.1	4,057.2	4,148.8	4,051.2	4,081.2	4,080.4	23.2	0.6	4,395.8	-315.4	-7.2
BROAD MONEY (M3)	3	8,559.1	8,733.5	8,593.8	8,612.7	8,796.6	237.5	2.8	8,537.3	259.3	3.0
Intermediate money (M2)	3.1	8,671.1	8,846.6	8,702.0	8,720.8	8,908.3	237.2	2.7	8,682.4	225.9	2.6
Repurchase agreements	3.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Debt securities issued up to 2 years' initial maturity ⁽⁵⁾	3.3	-112.0	-113.1	-108.2	-108.1	-111.7	0.3	-0.3	-145.1	33.4	-23.0
SELECTED COUNTERPARTS OF M3											
CREDIT COUNTERPART	4	13,153.9	13,298.1	13,502.5	13,780.6	13,890.9	737.0	5.6	12,118.2	1,772.7	14.6
Credit to general government	4.1	3,101.7	3,139.8	3,288.6	3,362.3	3,471.9	370.2	11.9	2,372.6	1,099.3	46.3
of which: credit to the Maltese general government	4.1.1	1,863.4	1,888.3	1,966.3	1,976.6	2,005.2	141.8	7.6	1,767.9	237.3	13.4
Credit to other sectors	4.2	10,052.2	10,158.3	10,213.9	10,418.3	10,419.0	366.8	3.6	9,745.6	673.4	6.9
of which: credit to local residents	4.2.1	7,792.6	7,817.5	7,803.4	7,909.4	7,907.8	115.2	1.5	7,365.7	542.1	7.4
EXTERNAL COUNTERPART	5	6,653.5	6,105.4	5,606.1	9,063.3	7,704.1	1,050.6	15.8	5,166.5	2,537.6	49.1
Claims on non-residents of the euro area	5.1	24,924.6	25,100.1	25,293.5	30,170.1	29,458.4	4,533.8	18.2	25,713.0	3,745.4	14.6
Liabilities to non-residents of the euro area (-)	5.2	18,271.1	18,994.7	19,687.4	21,106.8	21,754.3	3,483.2	19.1	20,546.5	1,207.8	5.9
OTHER COUNTERPARTS	6	11,248.3	10,669.9	10,514.8	14,231.2	12,798.4	1,550.1	13.8	8,747.5	4,050.9	46.3
Liabilities to the central government	6.1	541.9	496.2	526.7	526.0	584.1	42.2	7.8	703.1	-119.0	-16.9
Longer term financial liabilities	6.2	5,524.9	5,540.6	5,307.2	10,209.3	10,288.0	4,763.1	86.2	4,694.4	5,593.6	119.2
Other liabilities (net)	6.3	5,181.5	4,633.1	4,680.9	3,495.9	1,926.3	-3,255.2	-62.8	3,350.1	-1,423.8	-42.5

(1) Figures show the contribution of Maltese monetary financial institutions (MFIs) to the euro area totals.

(2) Data on monetary aggregates include deposit liabilities to both residents of Malta and other euro area residents.

(3) This is not a measure of currency in circulation in Malta. It comprises the Central Bank of Malta's share of euro banknotes issued by the Eurosystem, based on the banknote allocation key (in turn reflecting its share in the paid-up capital of the ECB), plus coins issued by the Bank on behalf of the Treasury, less holdings of issued euro banknotes and coins held by the MFI sector.

(4) Deposits with MFIs exclude interbank deposits and deposits held by central government.

(5) Debt securities up to 2 years' issued by MFIs in Malta less holdings by MFIs in Malta of such securities issued by MFIs anywhere in the euro area. This row shows net amounts (issues less holdings by MFIs in Malta) and may be negative. Figures also include Money Market Fund (MMF) shares/units.

Notes:

Latest data should be considered as provisional. A '+' sign indicates a percentage change that exceeds +/- 100.

Source: Central Bank of Malta.