

25<sup>th</sup> September 2020

## Monetary developments – France • August 2020

### Growth of the French component of M3 remains high in August

Overnight deposits increase by € 12 Bn, less than in July (€ 16 Bn) and June (€ 23 Bn), but still greater than average monthly variations observed prior to the COVID-19 crisis (€ 8.3 Bn between January 2017 and February 2020).

As this rise is almost identical to the € 11 Bn increase observed in August 2019, the annual growth rate is therefore almost stable (+ 23.7 %, after + 23.9 % in July).

The growth rate of M2 – M1 aggregate decreases (+ 5.7 % after + 6.6 % in July) despite the slight increase in the saving accounts growth rate (+ 7.7 % at annual pace, after + 7.5 % in July).

All in all, due to a fall by € 12 Bn in August in monetary external assets and liabilities vis-à-vis other monetary union members, the growth of the French component of M3 is strengthening in August: + 12.6 % after + 14.2 % in July.

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

|  | Outstandings<br>(in € Bn) (a) |             | Annual growth rate (in %) (a) |             |
|--|-------------------------------|-------------|-------------------------------|-------------|
|  | Aug-20                        | Jun-20      | Jul-20                        | Aug-20      |
| Overnight deposits   | 1 369                         | 23.9        | 23.9                          | 23.7        |
| <b>= Domestic resources included in M1</b>   | <b>1 369</b>                  | <b>23.9</b> | <b>23.9</b>                   | <b>23.7</b> |
| <i>Domestic resources included in M1, 3-month moving average</i>                   |                               | 22.0        | 23.6                          | 23.8        |
| Deposits with agreed maturity of up to 2 years                                     | 119                           | 1.4         | 1.7                           | -5.6        |
| + Saving accounts  | 754                           | 6.7         | 7.5                           | 7.7         |
| <b>= Domestic resources included in M2-M1</b>                                      | <b>873</b>                    | <b>5.9</b>  | <b>6.6</b>                    | <b>5.7</b>  |
| <i>Domestic resources included in M2-M1, 3-month moving average</i>                |                               | 5.0         | 5.8                           | 6.1         |
| MMF shares   | 270                           | -2.6        | 0.1                           | 1.4         |
| + Repurchase agreements  | 39                            | 89.0        | 110.6                         | 104.8       |
| + Debt securities issued with a maturity of up to 2 years                          | 49                            | -3.8        | -18.5                         | -22.0       |
| <b>= Domestic resources included in M3-M2</b>                                      | <b>358</b>                    | <b>2.2</b>  | <b>2.8</b>                    | <b>2.9</b>  |
| <i>Domestic resources included in M3-M2, 3-month moving average</i>                |                               | -2.5        | 0.2                           | 2.6         |
| <b>Sum of domestic resources included in M3</b>                                    | <b>2 600</b>                  | <b>14.0</b> | <b>14.4</b>                   | <b>14.0</b> |
| <i>Sum of domestic resources included in M3, 3-month moving average</i>            |                               | 12.0        | 13.5                          | 14.1        |
| + Monetary external liabilities vis-à-vis other monetary union members             | 235                           | 4.9         | 7.2                           | -4.9        |
| - Monetary external assets vis-à-vis other monetary union members                  | 51                            | -8.0        | -7.3                          | -9.7        |
| <b>= French component of euro area monetary aggregate M3</b>                       | <b>2 784</b>                  | <b>13.6</b> | <b>14.2</b>                   | <b>12.6</b> |
| <i>French component of euro area monetary aggregate M3, 3-month moving average</i> |                               | 12.0        | 13.4                          | 13.5        |

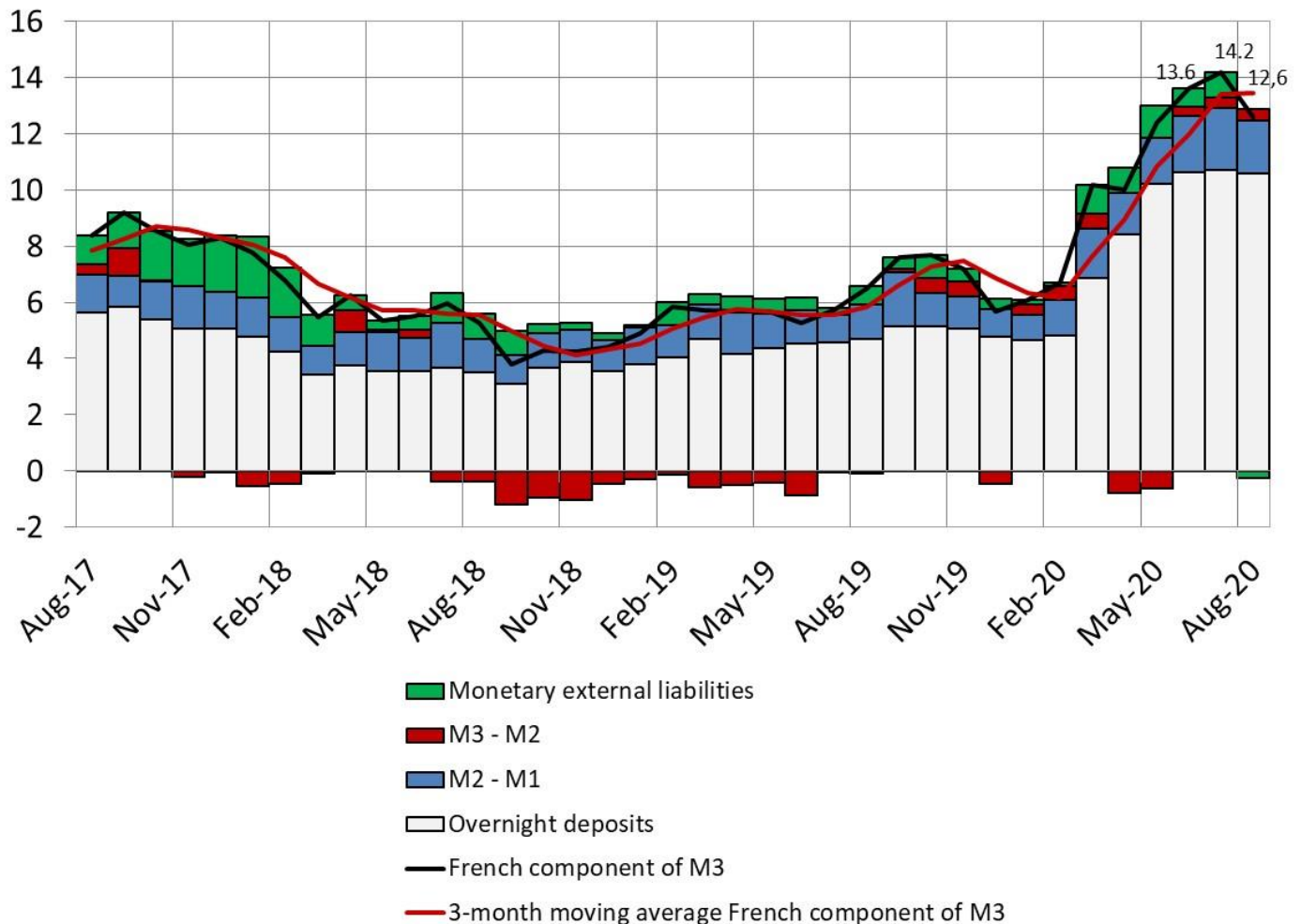
(a) Seasonally-adjusted data.

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.

