

26 October 2022

Monetary developments – France • September 2022

Strong increase of the stock of deposits with agreed maturity in the context of a return to higher interest rates

On an annual basis, the growth in overnight deposits slows significantly in September (+2.7% down from +5.4% in August 2022).

The growth rate of the M2 – M1 aggregate increases strongly in September (+10.8%, up from +7.8% in August and +6.6% in July), driven by deposits with agreed maturity of up to 2 years (+43.9%, after +20.0% in August) and saving accounts (+6.2%, after +6.0% in August), in a context of rising remuneration for these products.

Growth in the M3-M2 aggregate, which had been negative for a year, turns positive in September (+3.0% after -5.5% in August) due to a smaller decline in the outstanding amount of money market funds.

Overall, after taking into account gross monetary liabilities and assets vis-à-vis the rest of the euro area, the growth rate of the French component of the euro area monetary aggregate M3 increases slightly in September 2022 (+ 6.2%, up from +6.1% in August).

France : Monetary Resources of Monetary Financial Institutions

	Outstandings (in € Bn) (a)		Annual growth rate (in %) (a)	
	Sep-22	Jul-22	Aug-22	Sep-22
Overnight deposits	1 539	5.7	5.4	2.7
= Domestic resources included in M1	1 539	5.7	5.4	2.7
<i>Domestic resources included in M1, 3-month moving average</i>	-	6.4	5.7	4.6
Deposits with agreed maturity of up to 2 years	160	13.4	20.0	43.9
+ Saving accounts	863	5.6	6.0	6.2
= Domestic resources included in M2-M1	1 023	6.6	7.8	10.8
<i>Domestic resources included in M2-M1, 3-month moving average</i>	-	5.6	6.9	8.4
MMF shares	219	-21.0	-20.3	-11.5
+ Repurchase agreements	42	53.7	50.7	30.9
+ Debt securities issued with a maturity of up to 2 years	42	40.0	46.0	74.6
= Domestic resources included in M3-M2	303	-6.5	-5.5	3.0
<i>Domestic resources included in M3-M2, 3-month moving average</i>	-	-4.7	-4.9	-3.3
Sum of domestic resources included in M3	2 865	4.5	4.8	5.4
<i>Sum of domestic resources included in M3, 3-month moving average</i>	-	4.7	4.8	4.9
+ Monetary external liabilities vis-à-vis other monetary union members	291	12.3	13.9	7.0
- Monetary external assets vis-à-vis other monetary union members	54	-14.7	-19.7	-27.1
= French component of euro area monetary aggregate M3	3 102	5.5	6.1	6.2
<i>French component of euro area monetary aggregate M3, 3-month moving average</i>	-	5.6	5.8	5.9

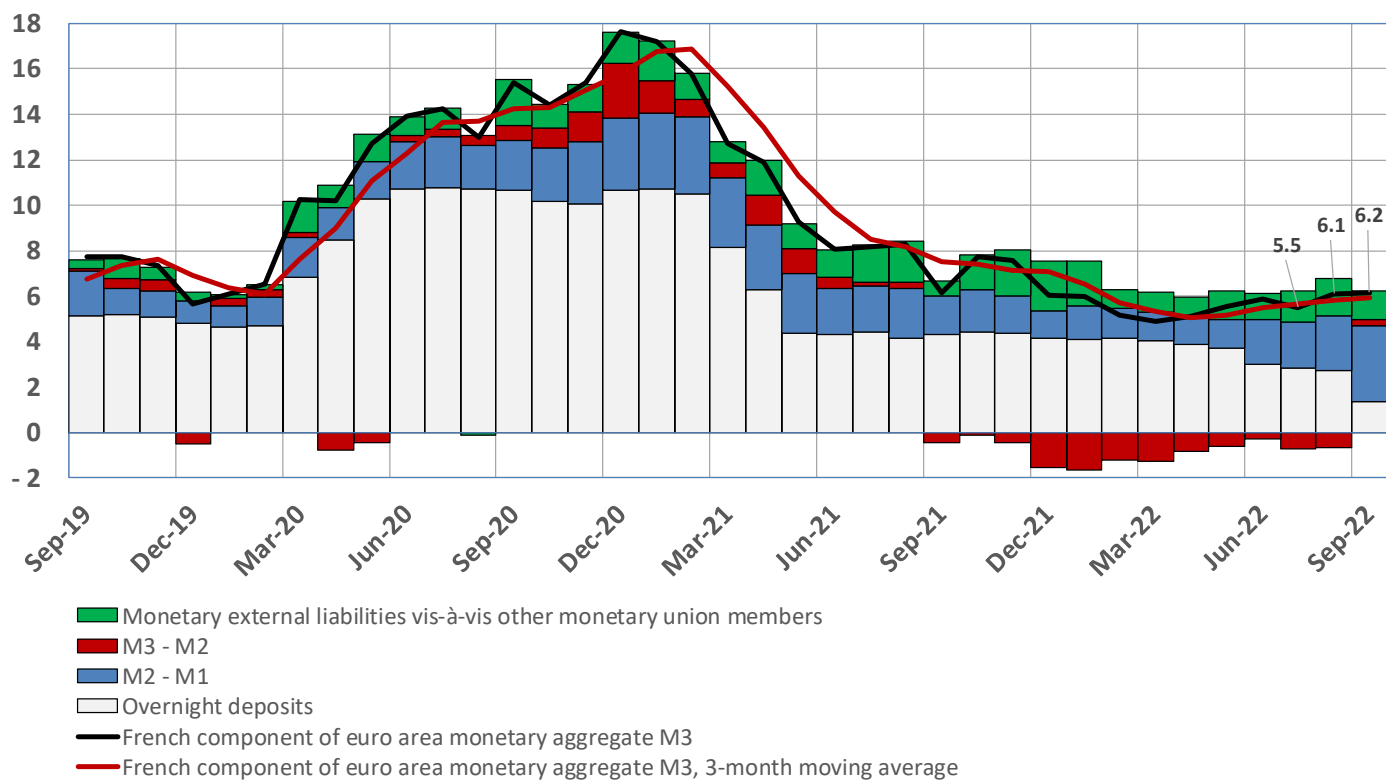
(a) Seasonally-adjusted data.

Source : Banque de France



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.

