



EUROPEAN CENTRAL BANK
EUROSYSTEM

Press release

3 January 2019

Monetary developments in the euro area: November 2018

- Annual growth rate of broad [monetary aggregate M3](#) decreased to 3.7% in November 2018 from 3.9% in October
- Annual growth rate of narrower [monetary aggregate M1](#), comprising currency in circulation and overnight deposits, stood at 6.7% in November, compared with 6.8% in October
- Annual growth rate of [adjusted loans to households](#) stood at 3.3% in November, compared with 3.2% in October
- Annual growth rate of [adjusted loans to non-financial corporations](#) stood at 4.0% in November, compared with 3.9% in October

Components of the broad monetary aggregate M3

The annual growth rate of the broad monetary aggregate M3 decreased to 3.7% in November 2018 from 3.9% in October, averaging 3.7% in the three months up to November. The [components of M3](#) showed the following developments. The annual growth rate of the narrower aggregate M1, which comprises currency in circulation and overnight deposits, stood at 6.7% in November, compared with 6.8% in October. The annual growth rate of short-term deposits other than overnight deposits (M2-M1) stood at -1.0% in November, unchanged from the previous month. The annual growth rate of marketable instruments (M3-M2) was -6.0% in November, compared with -4.6% in October.

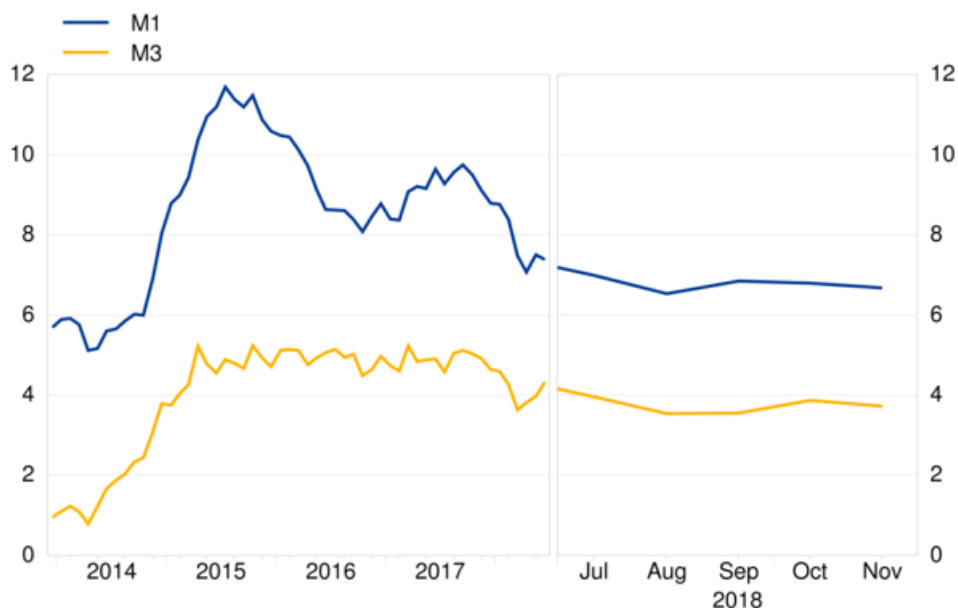
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Chart 1 Monetary aggregates

(annual growth rates)



[Data for monetary aggregates](#)

Looking at the [components' contributions to the annual growth rate of M3](#), the narrower aggregate M1 contributed 4.4 percentage points (as in the previous month), short-term deposits other than overnight deposits (M2-M1) contributed -0.3 percentage point (as in the previous month) and marketable instruments (M3-M2) contributed -0.3 percentage point (as in the previous month).

From the perspective of the holding sectors of [deposits in M3](#), the annual growth rate of deposits placed by households increased to 4.9% in November from 4.7% in October, while the annual growth rate of deposits placed by non-financial corporations decreased to 3.7% in November from 4.1% in October. Finally, the annual growth rate of deposits placed by non-monetary financial corporations (excluding insurance corporations and pension funds) decreased to 0.5% in November from 3.0% in October.

Counterparts of the broad monetary aggregate M3

As a reflection of changes in the items on the monetary financial institution (MFI) consolidated balance sheet other than M3 ([counterparts of M3](#)), the annual growth rate of M3 in November 2018 can be broken down as follows: credit to the private sector contributed 3.1 percentage points (down from 3.3 percentage points in October), credit to general government contributed 0.9 percentage point (down

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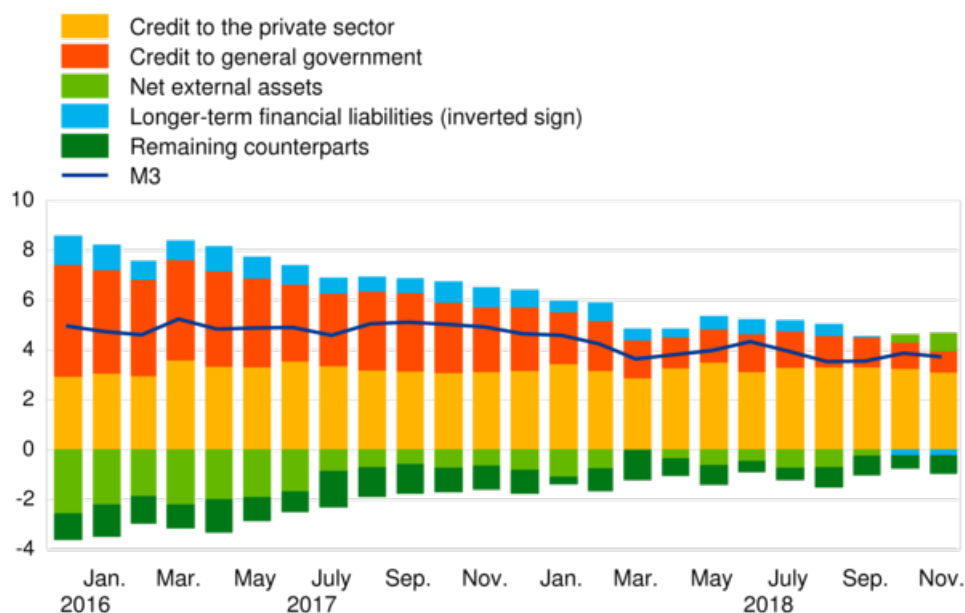
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from 1.0 percentage points), net external assets contributed 0.7 percentage point (up from 0.3 percentage point), longer-term financial liabilities contributed -0.2 percentage point (as in the previous month), and the remaining counterparts of M3 contributed -0.7 percentage point (down from -0.5 percentage point).

Chart 2

Contribution of the M3 counterparts to the annual growth rate of M3

(percentage points)



[Data for contribution of the M3 counterparts to the annual growth rate of M3](#)

Credit to euro area residents

As regards the dynamics of credit, the annual growth rate of total [credit to euro area residents](#) decreased to 2.7% in November 2018 from 2.9% in the previous month. The annual growth rate of [credit to general government](#) decreased to 2.2% in November from 2.7% in October, while the annual growth rate of [credit to the private sector](#) decreased to 2.8% in November from 3.0% in October.

The annual growth rate of [adjusted loans to the private sector](#) (i.e. adjusted for loan sales, securitisation and notional cash pooling) stood at 3.3% in November, unchanged from the previous month. Among the borrowing sectors, the annual growth rate of [adjusted loans to households](#) stood at 3.3% in November, compared with 3.2% in October, while the annual growth rate of [adjusted loans to non-financial](#)

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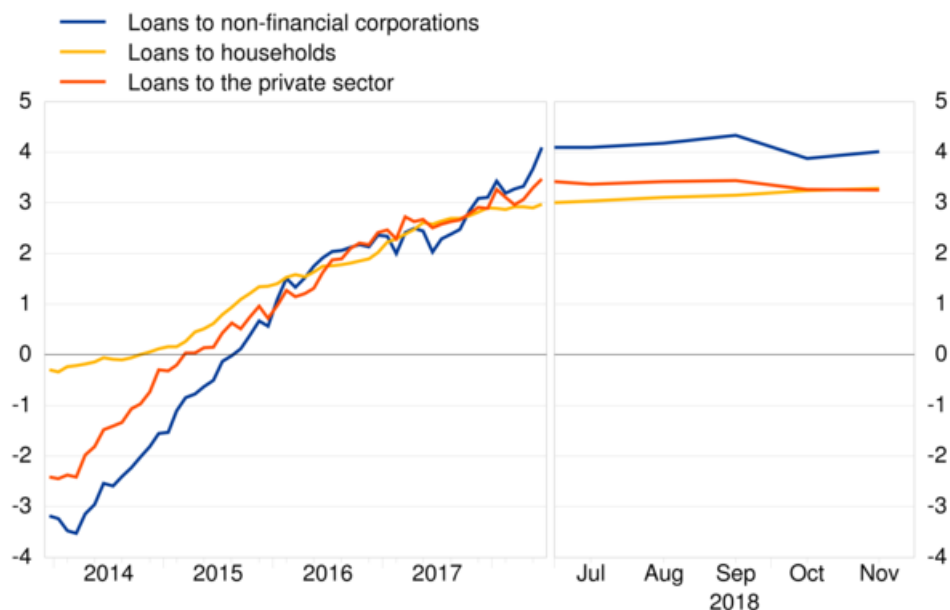
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[corporations](#) stood at 4.0% in November, compared with 3.9% in October.

Chart 3

Adjusted loans to the private sector

(annual growth rates)



[Data for adjusted loans to the private sector](#)

Annex

[Table: Annex to the press release on monetary developments in the euro area](#)

Notes:

- Data in this press release are adjusted for seasonal and end-of-month calendar effects, unless stated otherwise.
- "Private sector" refers to euro area non-MFIs excluding general government.
- Hyperlinks in the main body of the press release and in annex tables are dynamic. The data they lead to may therefore change with subsequent data releases as a result of revisions. Figures shown in annex tables are a snapshot of the data as at the time of the current release.

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