



EUROPEAN CENTRAL BANK
EUROSYSTEM

Press release

2 January 2024

Monetary developments in the euro area: November 2023

- Annual growth rate of broad [monetary aggregate M3](#) stood at -0.9% in November 2023, after -1.0% in October 2023
- Annual growth rate of narrower [monetary aggregate M1](#), comprising currency in circulation and overnight deposits, was -9.5% in November, compared with -10.0% in October
- Annual growth rate of [adjusted loans to households](#) stood at 0.5% in November, compared with 0.6% in October
- Annual growth rate of [adjusted loans to non-financial corporations](#) increased to 0.0% in November from -0.3% in October

Components of the broad monetary aggregate M3

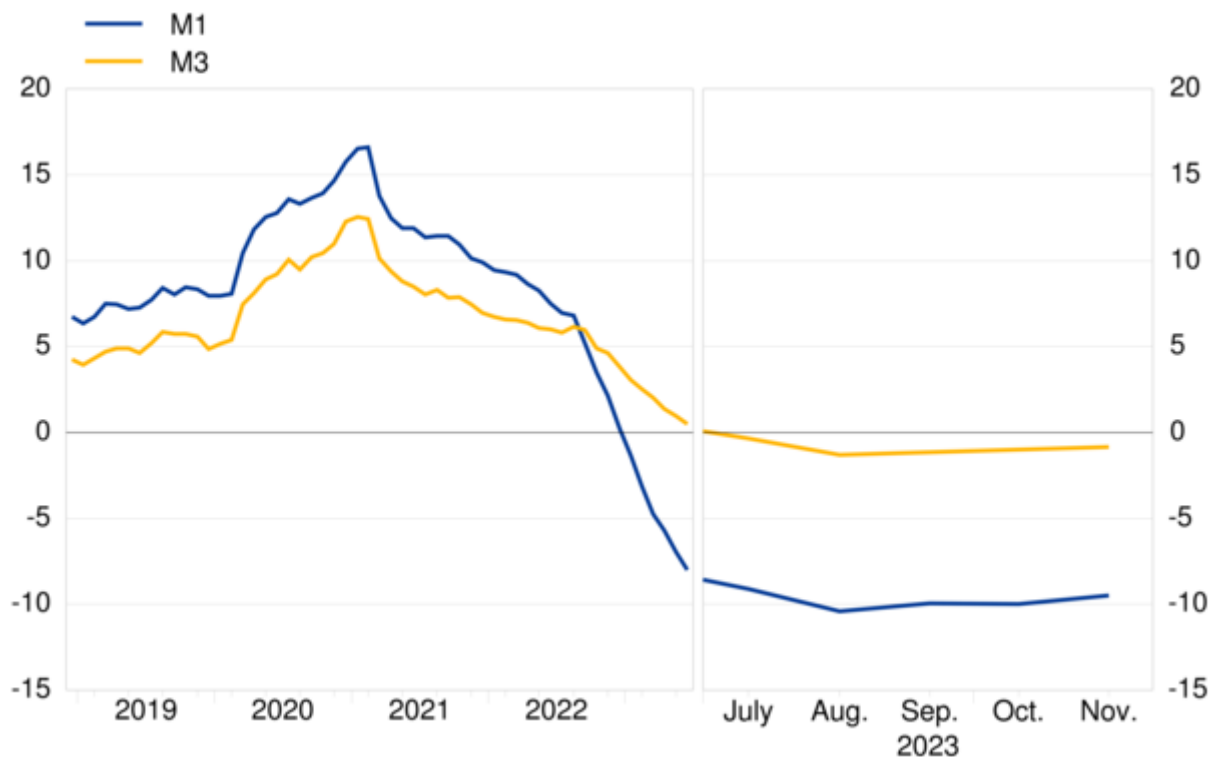
The annual growth rate of the broad monetary aggregate M3 stood at -0.9% in November 2023, after -1.0% in October, averaging -1.0% in the three months up to November. The [components of M3](#) showed the following developments. The annual growth rate of the narrower aggregate M1, which comprises currency in circulation and overnight deposits, was -9.5% in November, compared with -10.0% in October. The annual growth rate of short-term deposits other than overnight deposits (M2-M1) decreased to 20.8% in November from 21.4% in October. The annual growth rate of marketable instruments (M3-M2) decreased to 17.9% in November from 22.9% 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 -6.7 percentage points (up from -7.2 percentage points in October), short-term deposits other than overnight deposits (M2-M1) contributed 5.0 percentage points (down from 5.1 percentage points) and marketable instruments (M3-M2) contributed 0.9 percentage points (down from 1.1 percentage points).

From the perspective of the holding sectors of [deposits in M3](#), the annual growth rate of deposits placed by households was -0.3% in November, compared with -0.5% in October, while the annual growth rate of deposits placed by non-financial corporations was -1.8% in November, compared with -2.0% in October. Finally, the annual growth rate of deposits placed by non-monetary financial corporations (excluding insurance corporations and pension funds) was -8.3% in November, compared with -10.7% in October.

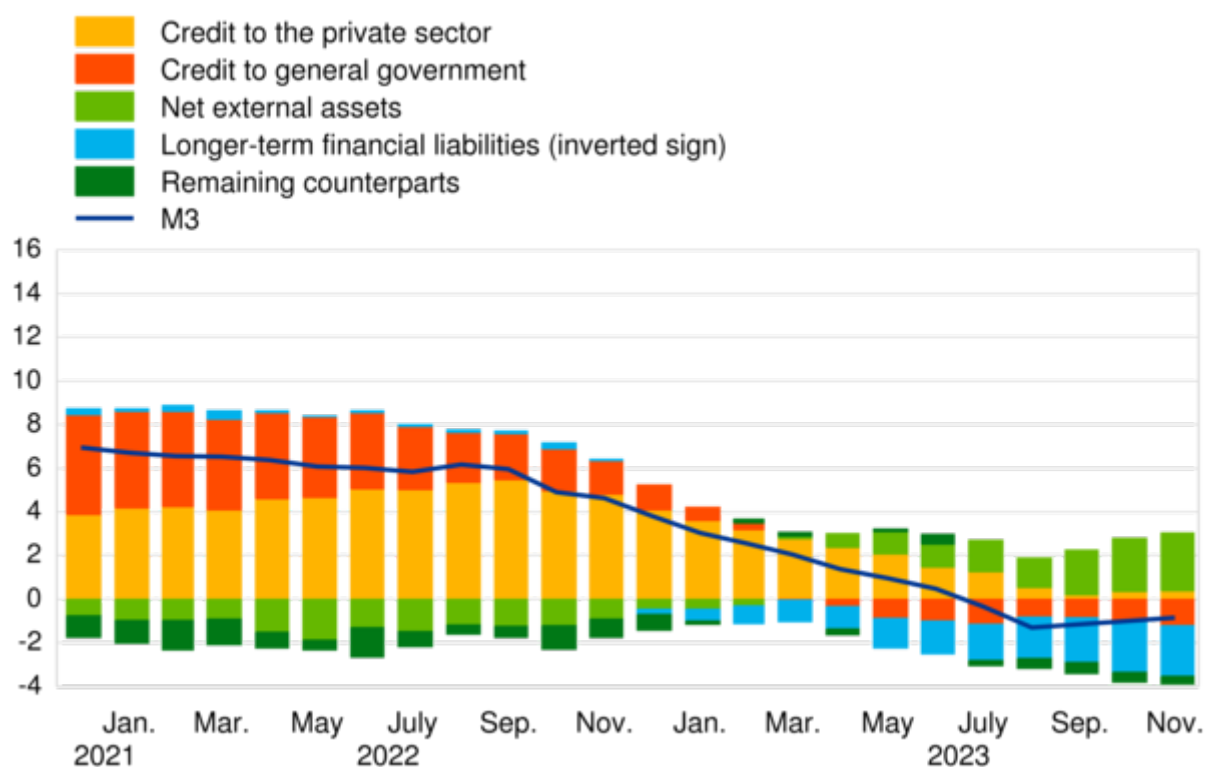
Counterparts of the broad monetary aggregate M3

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 2023 can be broken down as follows: net external assets contributed 2.6 percentage points (up from 2.4 percentage points in October), credit to the private sector contributed 0.4 percentage points (as in the previous month), credit to general government contributed -1.2 percentage points (down from -1.0 percentage points), longer-term financial liabilities contributed -2.3 percentage points (as in the previous month), and the remaining counterparts of M3 contributed -0.4 percentage points (up from -0.5 percentage points).

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](#)

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Credit to euro area residents

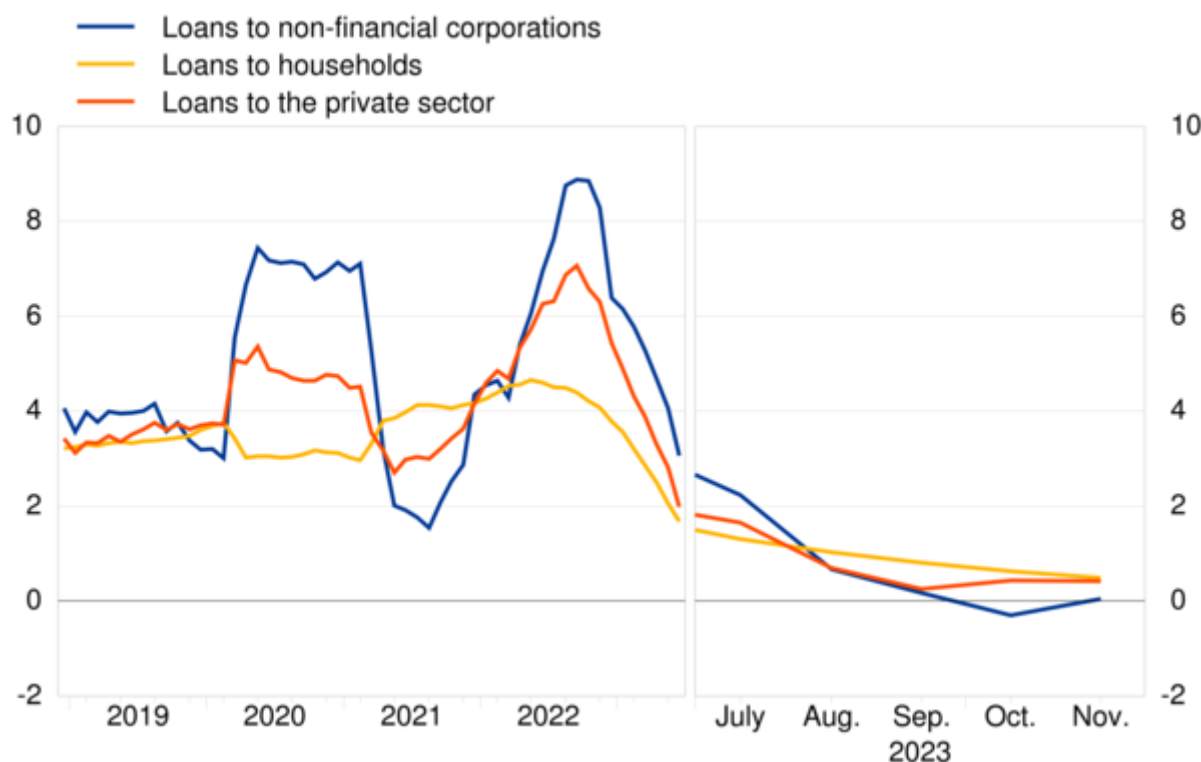
As regards the dynamics of credit, the annual growth rate of total [credit to euro area residents](#) stood at -0.6% in November 2023, compared with -0.5% in the previous month. The annual growth rate of [credit to general government](#) was -3.0% in November, compared with -2.6% in October, while the annual growth rate of [credit to the private sector](#) stood at 0.4% in November, unchanged from the previous month.

The annual growth rate of [adjusted loans to the private sector](#) (i.e. adjusted for loan sales, securitisation and notional cash pooling) stood at 0.4% in November, unchanged from the previous month. Among the borrowing sectors, the annual growth rate of [adjusted loans to households](#) stood at 0.5% in November, compared with 0.6% in October, while the annual growth rate of [adjusted loans to non-financial corporations](#) increased to 0.0% in November from -0.3% in October.

Chart 3

Adjusted loans to the private sector

(annual growth rates)



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

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 lead to data that may change with subsequent 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.