

27<sup>th</sup> July 2020

## Monetary developments – France • June 2020

### The pace of overnight deposits accumulation is declining relative to the previous three months, but in terms of annual rate, money growth is still sustained

Regarding aggregate M1, overnight deposits increase by 25.0 billion in June, down from May (55.0 billion) and April (58.8 billion), but still higher than the amounts observed prior to the COVID-19 crisis (21.5 billion in June 2019 for reference). This results in a further strengthening of the growth rate expressed as an annual rate, of + 23.6 %, after + 23.0 % in May and + 19.1 % in April.

For the M2 – M1 aggregate, the slight recovery in time deposits (+ 1.6 % in June after - 1.6 % in May) and especially the rise in saving accounts (+ 6.7 %, after + 6.0 % in May) contributed to the sharp increase in the growth rate of domestic resources included in M2-M1 in June (+ 6.0 % after + 4.9 % in May and + 4.4 % in April).

M3 – M2 aggregate returns to positive growth (+ 2.7 % in June after - 4.3 % in May) due to the slightest contraction in money market fund shares in June (- 2.0 %, after - 13.7 % in May) and monetary liquidity resulting from repurchase agreements operations.

In total, after taking into account monetary assets and liabilities vis-à-vis the other members of the euro area, the growth of the French component of the M3 aggregate is strengthening in June: + 13.9 % after + 12.6 % in May.

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

	Outstandings (in € Bn) (a)	Annual growth rate (in %) (a)		
		Jun-20	Apr-20	May-20
Overnight deposits	1 344	19.1	23.0	23.6
<b>= Domestic resources included in M1</b>	<b>1 344</b>	<b>19.1</b>	<b>23.0</b>	<b>23.6</b>
<i>Domestic resources included in M1, 3-month moving average</i>		15.2	19.2	21.9
Deposits with agreed maturity of up to 2 years	118	-2.4	-1.6	1.6
+ Saving accounts	741	5.5	6.0	6.7
<b>= Domestic resources included in M2-M1</b>	<b>858</b>	<b>4.4</b>	<b>4.9</b>	<b>6.0</b>
<i>Domestic resources included in M2-M1, 3-month moving average</i>		4.5	4.8	5.1
MMF shares	244	-18.4	-13.7	-2.0
+ Repurchase agreements	37	131.3	92.4	77.5
+ Debt securities issued with a maturity of up to 2 years	59	1.4	0.0	-3.8
<b>= Domestic resources included in M3-M2</b>	<b>341</b>	<b>-5.7</b>	<b>-4.3</b>	<b>2.7</b>
<i>Domestic resources included in M3-M2, 3-month moving average</i>		0.6	-2.0	-2.4
<b>Sum of domestic resources included in M3</b>	<b>2 543</b>	<b>9.9</b>	<b>12.3</b>	<b>14.1</b>
<i>Sum of domestic resources included in M3, 3-month moving average</i>		9.1	10.7	12.1
+ Monetary external liabilities vis-à-vis other monetary union members	251	8.8	11.2	6.7
- Monetary external assets vis-à-vis other monetary union members	48	-6.4	-4.7	-8.5
<b>= French component of euro area monetary aggregate M3</b>	<b>2 746</b>	<b>10.2</b>	<b>12.6</b>	<b>13.9</b>
<i>French component of euro area monetary aggregate M3, 3-month moving average</i>		9.1	11.0	12.2

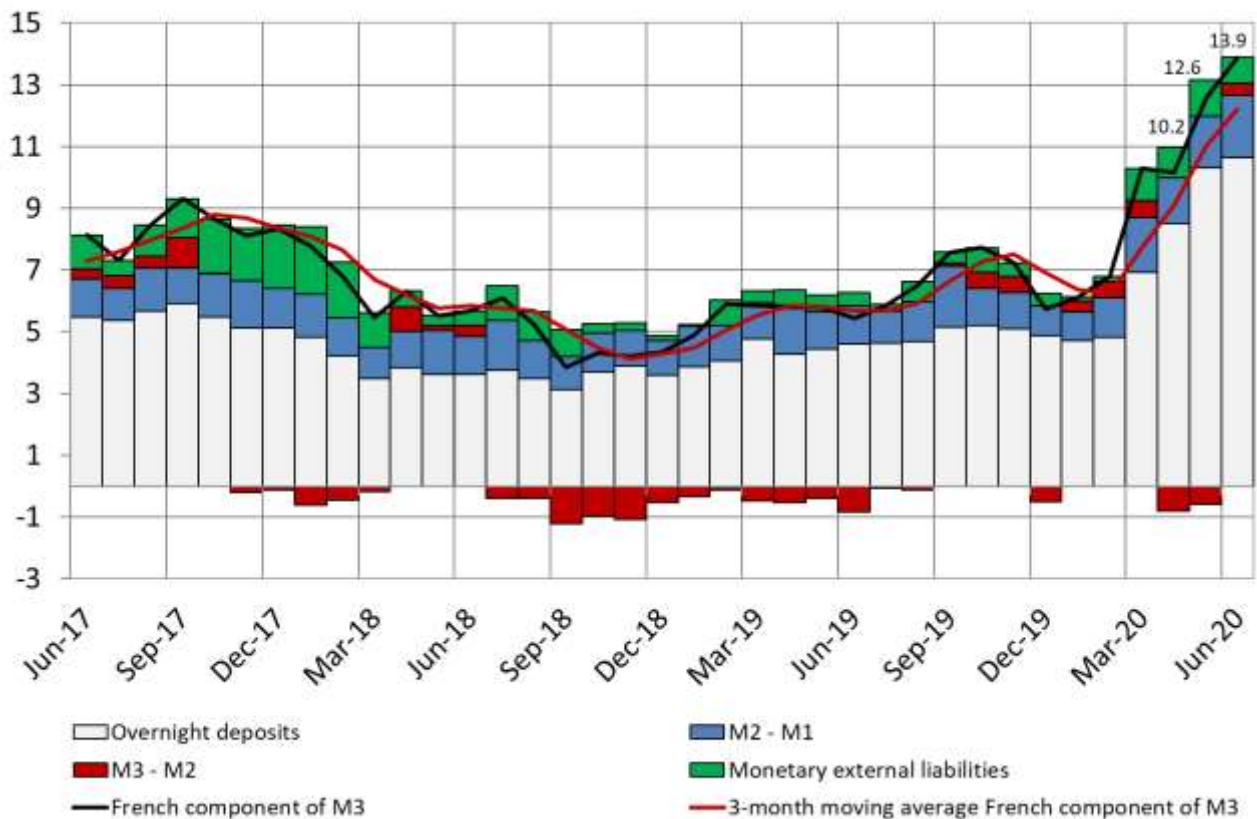
(a) Seasonally-adjusted data.

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.

