

27 October 2021

Monetary developments – France • September 2021

At +8.3% year on year, growth in overnight deposits is in line with the previous three months

On an annual basis, growth of the overnight deposit remains high in September 2021 at + 8.3 % (up from + 8.1 % in August).

The growth rate in the M2 - M1 aggregate amounts to + 5.4 % in September 2021 (down from + 6.9 % in August 2021 and + 6.4 % in July 2021), driven by a sharp decrease in deposits with agreed maturity of up to 2 years (- 11.7 % down from -3.3 % in August 2021).

The M3-M2 aggregate contracts in September 2021 (- 2.4 %, down from + 2.1 % in August and + 1.3 % in July), mainly due to a strong decline in investments in MMF shares (- 2.0 % down from + 8.2 % in August and + 9.7 % in July).

After taking into account gross monetary external liabilities vis-à-vis other monetary union members, the growth of the French component of euro area monetary aggregate M3 slows in September to + 5.8 %, down from + 8.2 % in August and + 8.0 % in July, probably reflecting short-term arbitrage between money and securities.

France : Monetary Resources of Monetary Financial Institutions

	Outstandings (in € Bn) (a)	Annual growth rate (in %) (a)		
		Sep-21	Jul-21	Aug-21
Overnight deposits	1 495	8,7	8,1	8,3
= Domestic resources included in M1	1 495	8,7	8,1	8,3
<i>Domestic resources included in M1, 3-month moving average</i>	-	8,7	8,4	8,4
Deposits with agreed maturity of up to 2 years	111	-7,0	-3,3	-11,7
+ Saving accounts	814	8,7	8,5	8,3
= Domestic resources included in M2-M1	925	6,4	6,9	5,4
<i>Domestic resources included in M2-M1, 3-month moving average</i>	-	7,0	6,6	6,2
MMF shares	251	9,7	8,2	-2,0
+ Repurchase agreements	33	-26,9	-19,7	-11,7
+ Debt securities issued with a maturity of up to 2 years	47	-14,7	-10,7	3,1
= Domestic resources included in M3-M2	331	1,3	2,1	-2,4
<i>Domestic resources included in M3-M2, 3-month moving average</i>	-	4,4	2,3	0,3
Sum of domestic resources included in M3	2 750	7,0	6,9	5,9
<i>Sum of domestic resources included in M3, 3-month moving average</i>	-	7,6	7,0	6,6
+ Monetary external liabilities vis-à-vis other monetary union members	283	17,4	20,5	8,7
- Monetary external assets vis-à-vis other monetary union members	51	-4,1	-0,7	32,1
= French component of euro area monetary aggregate M3	2 982	8,0	8,2	5,8
<i>French component of euro area monetary aggregate M3, 3-month moving average</i>	-	8,3	8,0	7,3

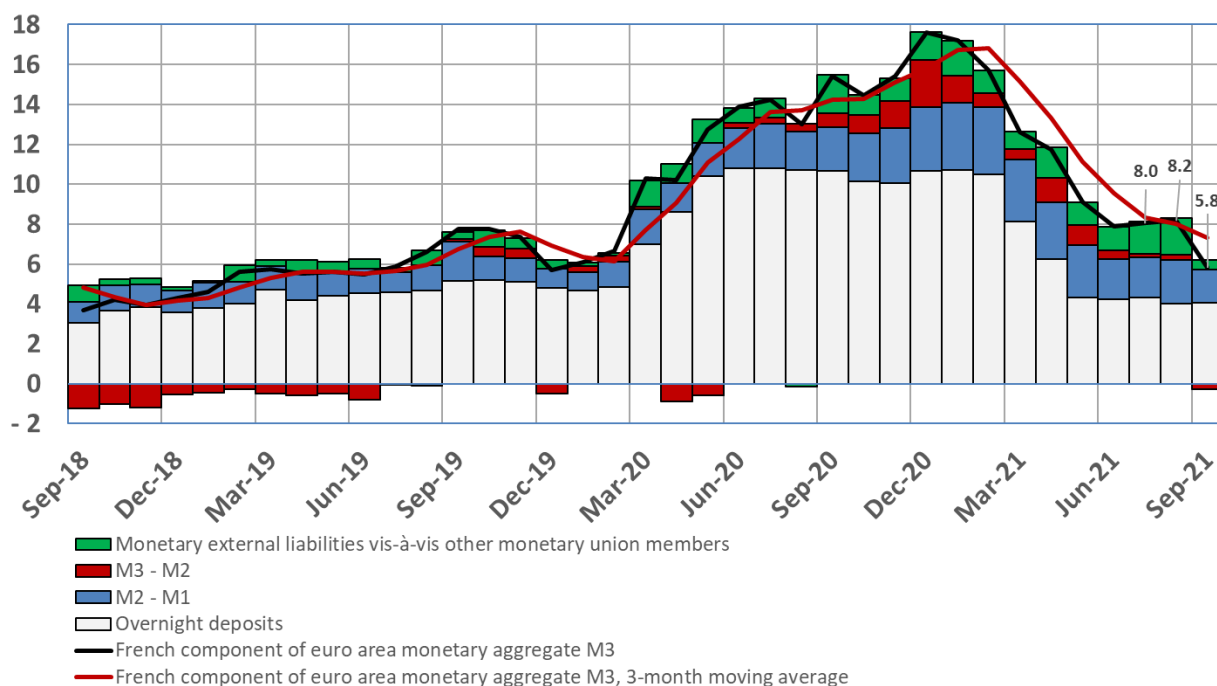
(a) Seasonally-adjusted data.

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.

With this publication, the method of seasonal adjustment (SA) of money aggregates has been revised, resulting in small revisions (for example, the annual growth rate of resident resources included in M1 is +8.3% in August 2021, compared to 8.6% with the old method). The changes consist in switching to the X13-ARIMA method, instead of TRAMO-SEATS, and in adjusting the sum of the twelve monthly seasonally adjusted flows of a calendar year to the annual sum of gross flows.

