



EUROPEAN CENTRAL BANK

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MONETARY DEVELOPMENTS IN THE EURO AREA: APRIL 2000

In April 2000 the annual rate of increase in M3 was 6.5%. This compares with an annual growth rate of 6.4% in March 2000 (this figure was revised downwards from 6.5%). The three-month average of the annual growth rates of M3 covering the period from February to April 2000 was 6.3%, after 5.9% in the period from January to March 2000. (The latter figure was revised downwards from 6.0%.)

12-month percentage changes	FEBRUARY 2000	MARCH 2000	APRIL 2000	FEBRUARY – APRIL 2000 AVERAGE
M3	6.0	6.4	6.5	6.3

The monthly increase in M3 in April 2000 was EUR 41 billion. This increase was partly due to seasonal influences. Corrected for seasonal factors, M3 has risen in April 2000 by EUR 19 billion relative to March 2000 (see the table below). This reflected an increase in M1 (currency in circulation and overnight deposits) of EUR 17 billion and in other short-term deposits of EUR 2 billion, whereas, seasonally adjusted, there was a decline in marketable instruments of EUR 1 billion.

Seasonally-adjusted monthly changes	FEBRUARY 2000		MARCH 2000		APRIL 2000		FEBRUARY – APRIL 2000 AVERAGE	
	EUR billions	%	EUR billions	%	EUR billions	%	EUR billions	%
M3 (items I.1 to I.7) ¹⁾	41	0.9	42	0.9	19	0.4	34	0.7
Currency in circulation and overnight deposits (items I.1. and I.2) ¹⁾ (= M1)	25	1.3	21	1.1	17	0.9	21	1.1
Other short-term deposits (items I.3 and I.4) ¹⁾ (= M2-M1)	10	0.5	4	0.2	2	0.1	5	0.2
Marketable instruments (items I.5 to I.7) ¹⁾ (= M3-M2)	6	0.8	16	2.3	-1	-0.1	7	1.0

(1) The item numbers refer to those reported in the attached overview table.

Note: Due to rounding, the sum of the changes in the components of M3 in euro (billions) may not add up to the total reported for M3.

In April 2000 the annual rate of increase in M1 rose to 11.4%, from 10.2% in March 2000. This reflected an increase in the annual growth rate of both currency in circulation (to 5.5%, from 5.2% in March) and overnight deposits (to 12.6%, from 11.2% in March).

The annual rate of change in short-term deposits other than overnight deposits fell to 0.5% in April, from 0.8% in March. This decline reflected a reduction in the annual rate of change of deposits redeemable at notice up to three months (to -0.1% down from 0.9% in the previous month). By contrast, the annual growth rate of deposits with agreed maturity up to two years increased to 1.3% (from 0.6% in March).

The annual growth rate of marketable instruments included in M3 declined in April to 12.7% (it was 14.8% in the previous month). This reflected divergent developments in the components of this item. While the annual rate of change in repurchase agreements increased and became positive (it was 2.7% in April after -2.3% in March), the growth rate of money market fund shares and money market paper declined (to 13.6%, from 19.5% in March). Furthermore, the annual growth rate of debt securities issued with a maturity of up to two years also decreased (to 37.7%, from 40.0% in March).

Regarding the counterparts of M3, the annual rate of increase in longer-term financial liabilities of the MFI sector was broadly unchanged, at 6.9%. Among these liabilities, the annual growth rate of deposits with agreed maturity over two years declined to 4.0% (4.2% in March), while that of debt securities issued with a maturity of over two years was broadly unchanged (at 5.6%). By contrast, the annual rate of decline of deposits redeemable at notice over three-months became less pronounced (4.6%, which compared with an annual rate of decline of 6.0% in March). The annual growth rate of capital and reserves was broadly unchanged, at 15.2%.

The annual rate of change in the outstanding amount of central government deposits held with the MFI sector rose to 11.5% in April, following a rate of -3.6% in March.

On the assets side of the consolidated balance sheet of the MFI sector, the annual growth rate of total credit granted to euro area residents rose from 7.8% in March to 8.1% in April 2000. This reflected a higher growth in credit extended to the private sector (11.4% in April, compared with 10.9% in the previous month), whereas the rate of decline in credit extended to general government increased to 1.3% from 0.8% in March. The stronger expansion of credit to the private sector in April was mainly the result of an increase in the growth rate of loans to the private sector, to 10.3% from 9.7% in March.

During April 2000, the net external asset position of the euro area MFI sector decreased by EUR 32 billion, in absolute and non-seasonally adjusted terms. Over the 12 months up to April 2000, the net external assets of the MFI sector declined by EUR 202 billion.

More details on the latest monetary data as contained in the Tables 2.1 to 2.4 of the "Euro area statistics" section of the ECB Monthly Bulletin are available on the ECB's Web site (<http://www.ecb.int>) in the "Euro area statistics – download", "Latest monetary and financial statistics" page.

MONETARY DEVELOPMENTS IN THE EURO AREA : APRIL 2000

(1)

(non seasonally-adjusted data in EUR billions)

	MARCH 2000			APRIL 2000			AVERAGE FEB-00 APR-00
	End of month levels	Flows on previous month	Annual growth rate	End of month levels	Flows on previous month	Annual growth rate	Annual growth rate
COMPONENTS OF M3 ⁽²⁾							
(1) M3 (= items 1.1 to 1.7)	4841	33	6.4	4901	41	6.5	6.3
(1.1) Currency in circulation	334	3	5.2	337	3	5.5	5.5
(1.2) Overnight deposits	1640	12	11.2	1676	34	12.6	11.8
(1.3) Deposits with agreed maturity up to 2 years	885	8	0.6	893	6	1.3	0.5
(1.4) Deposits redeemable at notice up to 3 months	1262	-10	0.9	1255	-8	-0.1	0.8
(1.5) Repurchase agreements	174	15	-2.3	176	2	2.7	-4.4
(1.6) Money market fund shares/units and money market paper	457	8	19.5	474	2	13.6	17.6
(1.7) Debt securities issued with maturity up to 2 years	89	-2	40.0	90	0	37.7	40.0
COUNTERPARTS OF M3 ⁽³⁾							
MFI liabilities:							
(2) <i>Deposits of central government</i>	129	-16	-3.6	129	1	11.5	3.4
(3) <i>Longer-term financial liabilities against other euro area residents</i> (= items 3.1 to 3.4)	3642	8	7.0	3674	26	6.9	7.1
(3.1) Deposits with agreed maturity over 2 years	1163	-3	4.2	1164	0	4.0	4.4
(3.2) Deposits redeemable at notice over 3 months	114	1	-6.0	113	0	-4.6	-6.0
(3.3) Debt securities issued with maturity over 2 years	1465	0	5.7	1485	14	5.6	5.7
(3.4) Capital and reserves	900	10	15.3	913	13	15.2	15.5
(4) <i>External liabilities</i>	2063	103	13.9	2157	52	16.3	14.0
MFI assets:							
(5) <i>Credit to euro area residents</i> (= items 5.1 and 5.2)	8388	81	7.8	8453	53	8.1	7.9
(5.1) Credit to general government	2045	-13	-0.8	2026	-21	-1.3	-0.4
Of which Loans	837	3	-0.3	839	2	1.0	-0.1
Of which Securities other than shares	1208	-16	-1.2	1188	-22	-2.9	-0.6
(5.2) Credit to other euro area residents	6343	94	10.9	6427	74	11.4	11.0
Of which Loans	5662	62	9.7	5727	58	10.3	9.8
Of which Securities other than shares	234	-2	17.5	241	4	16.4	17.6
Of which Shares and other equities	447	34	25.8	460	12	24.7	24.6
(6) <i>External assets</i>	2245	35	2.9	2320	20	4.1	3.7
(7) <i>Other counterparts of M3 (residual)</i> (= M3 + items 2, 3 and 4 - items 5 and 6)	41	13	ND	89	46	ND	ND

(1) Discrepancies in the table can be due to rounding. The information in this table is based on consolidated balance sheet statistics reported by Monetary Financial Institutions (MFIs). These include the Eurosystem, credit institutions and money market funds located in the euro area. Figures refer to all currencies. The flows on the previous months have been adjusted to take into account reclassifications, exchange rate variations, other revaluations, and other changes which do not arise from transactions. The annual growth rates were calculated on flow data.

(2) Liabilities of Monetary Financial Institutions (MFIs) and specific units of the central government (post offices, treasury) vis-à-vis non-MFI euro area residents, excluding central government.

(3) Assets and liabilities of Monetary Financial Institutions (MFIs) vis-à-vis non-MFI euro area residents, including central government.

Note: More details of the latest data, as well as estimates for earlier periods going back to September 1997 may be found on the ECB's web site (<http://www.ecb.int>) in the "Euro area statistics - download" page.