



EUROPEAN CENTRAL BANK

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## MONETARY DEVELOPMENTS IN THE EURO AREA: NOVEMBER 2000

In November 2000 the annual rate of growth of M3 declined to 4.9%, from 5.2% in the previous month (the latter figure was revised downwards from 5.3%). The three-month average of the annual rates of growth of M3 covering the period from September to November 2000 decreased to 5.1%, after 5.4% in the period from August to October 2000 (revised downwards from 5.5%).

12-month percentage changes	SEPTEMBER 2000	OCTOBER 2000	NOVEMBER 2000	SEPTEMBER – NOVEMBER 2000 AVERAGE
M3	5.3	5.2	4.9	5.1

On a month-to-month basis, M3 increased by EUR 34 billion in November 2000. Corrected for the estimated seasonal influences, M3 rose by EUR 13 billion relative to October 2000 (see the table below). This reflected mainly an increase in short-term deposits other than overnight deposits, by EUR 10 billion. The components of M1 increased by EUR 2 billion and the marketable instruments rose by EUR 1 billion.

Seasonally-adjusted monthly changes	SEPTEMBER 2000		OCTOBER 2000		NOVEMBER 2000		SEPTEMBER – NOVEMBER 2000 AVERAGE	
	EUR billions	%	EUR billions	%	EUR billions	%	EUR billions	%
M3 (items I.1 to I.7) <sup>(1)</sup>	1	0.0	28	0.6	13	0.3	14	0.3
Currency in circulation and overnight deposits (items I.1. and I.2) <sup>(1)</sup> (= M1)	-7	-0.3	1	0.0	2	0.1	-1	-0.1
Other short-term deposits (items I.3 and I.4) <sup>(1)</sup> (= M2-M1)	6	0.3	6	0.3	10	0.4	7	0.3
Marketable instruments (items I.5 to I.7) <sup>(1)</sup> (= M3-M2)	2	0.2	21	2.7	1	0.1	8	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 November 2000, the annual rate of growth of M1 decreased to 5.0%, from 5.8% in October. This was mainly due to a decline in the annual growth rate of overnight deposits (to 5.7%, from 6.6% in October). The annual rate of increase in currency in circulation stood at 2.0%, compared with 2.1% in October.

The annual rate of change of short-term deposits other than overnight deposits was 2.4% in November, compared with 1.8% in October. This reflected an increase in the annual rate of growth of deposits with an agreed maturity of up to two years to 13.5%, after 11.5% in October. By contrast, the annual rate of change in deposits redeemable at a period of notice of up to three months declined further (to -5.1%, from -4.8% in October).

The annual rate of growth of marketable instruments included in M3 decreased to 12.0% in November, from 14.3% in October. This reflected divergent movements in the main components. The annual rate of growth of money market fund shares/units and money market paper fell to 9.3% in November, from 14.5% in the previous month, and the annual rate of increase in repurchase agreements declined to 9.6% (from 10.1% in October). By contrast, the annual growth rate of debt securities issued with a maturity of up to two years rose strongly to 31.9%, from 19.7% in October.

Regarding the counterparts of M3, the annual rate of growth in longer-term financial liabilities of the MFI sector declined to 6.1%, from 6.7% in October. This mirrored a decrease in the annual growth rates of deposits with an agreed maturity of over two years (to 0.3%, from 1.5% in October) and debt securities issued with a maturity of over two years (to 4.5%, from 5.3% in October). By contrast, the annual growth rate of deposits redeemable at a period of notice of over three months rose to 12.6%, from 10.3% in October. Finally, the annual growth rate of the item capital and reserves was 16.0%, compared with 15.6% in October.

The annual rate of change of the outstanding amount of central government deposits held with the MFI sector decreased in November (to 15.4%, from 27.7% in October).

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 declined to 5.8%, from 6.4% in October. This decrease was observed in both main components. The annual rate of change of credit to general government declined further (to -6.8%, from -6.4% in October) and the annual rate of growth of credit extended to the private sector decreased to 10.1%, from 10.8% in October.

During November 2000, the net external asset position of the euro area MFI sector declined by EUR 7 billion, in absolute and non-seasonally adjusted terms. Over the 12 months up to November 2000, the net external assets of the MFI sector decreased by EUR 115 billion, compared to a decrease of EUR 119 billion recorded over the 12 months up to October 2000.

*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 : NOVEMBER 2000 <sup>(1)</sup>

(non seasonally-adjusted data in EUR billions)

	OCTOBER 2000			NOVEMBER 2000			AVERAGE SEP-00 NOV-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
<b>COMPONENTS OF M3 <sup>(2)</sup></b>							
(1) <b>M3</b> (= items 1.1 to 1.7)	4967	14	5.2	4996	34	4.9	5.1
(1.1) Currency in circulation	337	-2	2.1	337	0	2.0	2.5
(1.2) Overnight deposits	1653	-1	6.6	1671	20	5.7	6.4
(1.3) Deposits with agreed maturity up to 2 years	967	13	11.5	979	14	13.5	12.2
(1.4) Deposits redeemable at notice up to 3 months	1206	-9	-4.8	1197	-9	-5.1	-4.7
(1.5) Repurchase agreements	174	2	10.1	174	0	9.6	8.9
(1.6) Money market fund shares/units and money market paper	542	4	14.5	539	-2	9.3	13.1
(1.7) Debt securities issued with maturity up to 2 years	89	7	19.7	99	10	31.9	19.6
<b>COUNTERPARTS OF M3 <sup>(3)</sup></b>							
<b>MFI liabilities:</b>							
(2) <i>Deposits of central government</i>	173	13	27.7	169	-4	15.4	20.8
(3) <i>Longer-term financial liabilities against other euro area residents</i> (= items 3.1 to 3.4)	3814	17	6.7	3806	-1	6.1	6.6
(3.1) Deposits with agreed maturity over 2 years	1167	0	1.5	1160	-6	0.3	1.3
(3.2) Deposits redeemable at notice over 3 months	122	1	10.3	124	3	12.6	10.6
(3.3) Debt securities issued with maturity over 2 years	1550	11	5.3	1539	-6	4.5	5.1
(3.4) Capital and reserves	975	6	15.6	983	8	16.0	15.9
(4) <i>External liabilities</i>	2241	21	10.4	2214	6	8.9	10.7
<b>MFI assets:</b>							
(5) <i>Credit to euro area residents</i> (= items 5.1 and 5.2)	8642	34	6.4	8687	53	5.8	6.4
(5.1) Credit to general government	1929	-12	-6.4	1933	7	-6.8	-5.9
Of which Loans	815	2	-2.4	824	9	-2.9	-2.3
Of which Securities other than shares	1114	-14	-9.1	1109	-2	-9.6	-8.3
(5.2) Credit to other euro area residents	6712	46	10.8	6754	46	10.1	10.6
Of which Loans	5996	39	9.7	6030	40	9.2	9.6
Of which Securities other than shares	267	9	22.5	267	0	18.5	19.4
Of which Shares and other equities	449	-1	19.9	457	6	18.4	19.6
(6) <i>External assets</i>	2483	8	3.6	2448	-1	2.5	3.5
(7) <i>Other counterparts of M3 (residual)</i> (= M3 + items 2, 3 and 4 - items 5 and 6)	70	23	ND	51	-16	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.