



Key monetary statistics

August 2014

Month on month, the monetary aggregate M3 was up 0.5 percent to 1,052.6 billion dirhams, mainly due to the increase of 2.1 percent in net international reserves and 8.2 percent in net claims on the central government, following the decline in Treasury investments in the money market. Conversely, bank lending was down 0.8 percent.

The decrease in bank lending resulted primarily from the decline of 2.3 percent in cash advances, 1.3 percent in property development loans and 0.6 percent in equipment loans. In contrast, home loans rose 0.4 percent and consumer loans 0.2 percent.

By component, M3 growth reflects a 7.8 percent increase in money market funds shares/units held by institutional sectors¹, and to a lesser extent the expansion in the outstanding amount of savings accounts by 0.5 percent and currency in circulation by 0.3 percent. Demand deposits with banks edged down 0.2 percent.

Year on year, the growth rate of M3 accelerated from 3.7 percent in July to 3.9 percent in August, owing mostly to the 15.3 percent increase in money market funds shares/units held by institutional sectors¹ after declining 3.2 percent the previous month. Time deposits with banks grew by 3.3 percent, as against 2.4 percent a month earlier. Regarding the other components of M3, the growth rate of currency in circulation slowed from 5.9 to 3.2 percent and that of demand deposits with banks from 3.3 to 2.3 percent.

The acceleration of M3 is due to the increase from 13.9 to 16.9 percent in net international reserves and the less rapid decline in net claims on the central government from 15.9 to 7.5 percent. In contrast, bank credit slowed down from 3.9 to 3.2 percent.

The change in bank lending reflects the slowdown in the growth rate of credit to the private sector from 5.2 to 4.2 percent, due to the deceleration in loans to households from 7.6 to 7.2 percent and those to private nonfinancial corporations from 3.8 to 2.1 percent. However, the decline in loans to public nonfinancial corporations eased from 13.6 to 4.9 percent.

By economic purpose, the change in bank lending reflects varying trends of its different categories. Indeed, cash advances contracted by 0.5 percent after stagnating in July, while the increase in equipment loans slowed from 5.2 to 4.2 percent. Similarly, the rise in real estate loans fell from 2.4 to 1.8 percent, covering deeper decline in property development loans from 4.7 to 7.7 percent and rising home loans by 4.9 percent, the same rate as the previous month. Meanwhile, consumer loans grew by 7.8 percent, after 7.1 percent in July.

¹ Mainly social security bodies, pension funds, and private nonfinancial corporations.

Key indicators of monetary statistics

Million DH

| | Outstanding amount | △ | | | △ (%) | | |
|---|--------------------|---------------|----------------|----------------|---------------|---------------|---------------|
| | Aug-14 | Jul-14 | Dec-13 | Aug-13 | Jul-14 | Dec-13 | # Aug-13 |
| M1 | 641 988 | 105 | 13 047 | 16 535 | 0,0 ▲ | 2,1 ▲ | 2,6 ▲ |
| M2 | 768 813 | 686 | 19 550 | 25 543 | 0,1 ▲ | 2,6 ▲ | 3,4 ▲ |
| M3 | 1 052 564 | 4 733 | 29 398 | 39 847 | 0,5 ▲ | 2,9 ▲ | 3,9 ▲ |
| Liquid investment aggregate | 448 772 | 5 785 | 36 065 | 65 302 | 1,3 ▲ | 8,7 ▲ | 17,0 ▲ |
| Currency in circulation | 179 341 | 455 | 7 960 | 5 607 | 0,3 ▲ | 4,6 ▲ | 3,2 ▲ |
| Banking deposits included from broad money⁽¹⁾ | 731 379 | -436 | 15 589 | 29 180 | -0,1 ▼ | 2,2 ▲ | 4,2 ▲ |
| Demand deposits with the banking system | 417 241 | -914 | 672 | 9 404 | -0,2 ▼ | 0,2 ▲ | 2,3 ▲ |
| Time accounts and fixed-term bills | 151 989 | -284 | -663 | 4 832 | -0,2 ▼ | -0,4 ▼ | 3,3 ▲ |
| Securities of money market UCITS | 65 513 | 4 764 | 3 854 | 8 705 | 7,8 ▲ | 6,3 ▲ | 15,3 ▲ |
| Net international reserves | 175 595 | 3 619 | 25 328 | 25 351 | 2,1 ▲ | 16,9 ▲ | 16,9 ▲ |
| Net claims on central government | 138 322 | 10 478 | -10 959 | -11 152 | 8,2 ▲ | -7,3 ▼ | -7,5 ▼ |
| Lending to the economy | 867 378 | -5 113 | 8 279 | 35 556 | -0,6 ▼ | 1,0 ▲ | 4,3 ▲ |
| Loans of other depository corporations⁽²⁾ | 757 084 | -5 640 | 515 | 26 219 | -0,7 ▼ | 0,1 ▲ | 3,6 ▲ |
| Bank loans | 746 778 | -6 329 | -230 | 22 862 | -0,8 ▼ | 0,0 ▼ | 3,2 ▲ |
| By economic purpose | | | | | | | |
| Real estate loans | 234 314 | 604 | 3 772 | 4 076 | 0,3 ▲ | 1,6 ▲ | 1,8 ▲ |
| Home loans | 166 248 | 611 | 6 128 | 7 782 | 0,4 ▲ | 3,8 ▲ | 4,9 ▲ |
| Loans to property developers | 64 128 | -829 | -4 433 | -5 335 | -1,3 ▼ | -6,5 ▼ | -7,7 ▼ |
| Debtor accounts and overdraft facilities | 181 403 | -4 276 | 6 121 | -955 | -2,3 ▼ | 3,5 ▲ | -0,5 ▼ |
| Equipment loans | 140 536 | -896 | 407 | 5 618 | -0,6 ▼ | 0,3 ▲ | 4,2 ▲ |
| Consumer loans | 43 613 | 85 | 3 262 | 3 140 | 0,2 ▲ | 8,1 ▲ | 7,8 ▲ |
| Miscellaneous claims | 96 393 | -2 252 | -20 589 | 247 | -2,3 ▼ | -17,6 ▼ | 0,3 ▲ |
| Non-performing loans | 50 518 | 405 | 6 796 | 10 735 | 0,8 ▲ | 15,5 ▲ | 27,0 ▲ |
| By institutional sectors | | | | | | | |
| Other financial corporations | 84 012 | -2 603 | -20 875 | -1 059 | -3,0 ▼ | -19,9 ▼ | -1,2 ▼ |
| Public sector | 44 362 | 1 892 | 59 | -867 | 4,5 ▲ | 0,1 ▲ | -1,9 ▼ |
| Local government | 12 446 | 49 | 133 | 779 | 0,4 ▲ | 1,1 ▲ | 6,7 ▲ |
| Public nonfinancial corporations | 31 916 | 1 842 | -74 | -1 646 | 6,1 ▲ | -0,2 ▼ | -4,9 ▼ |
| Private sector | 618 404 | -5 617 | 20 585 | 24 788 | -0,9 ▼ | 3,4 ▲ | 4,2 ▲ |
| Other nonfinancial corporations | 345 113 | -5 869 | 11 015 | 7 169 | -1,7 ▼ | 3,3 ▲ | 2,1 ▲ |
| Households and NPISH ⁽³⁾ | 273 291 | 251 | 9 571 | 17 619 | 0,1 ▲ | 3,6 ▲ | 6,9 ▲ |

(1) All deposits opened by money-holding sectors with the banking system except regulated deposits and guarantee deposits.

(2) Banks et monetary UCITS

(3) Nonprofit Institutions Serving Households

Chart 1: Annual change in M3

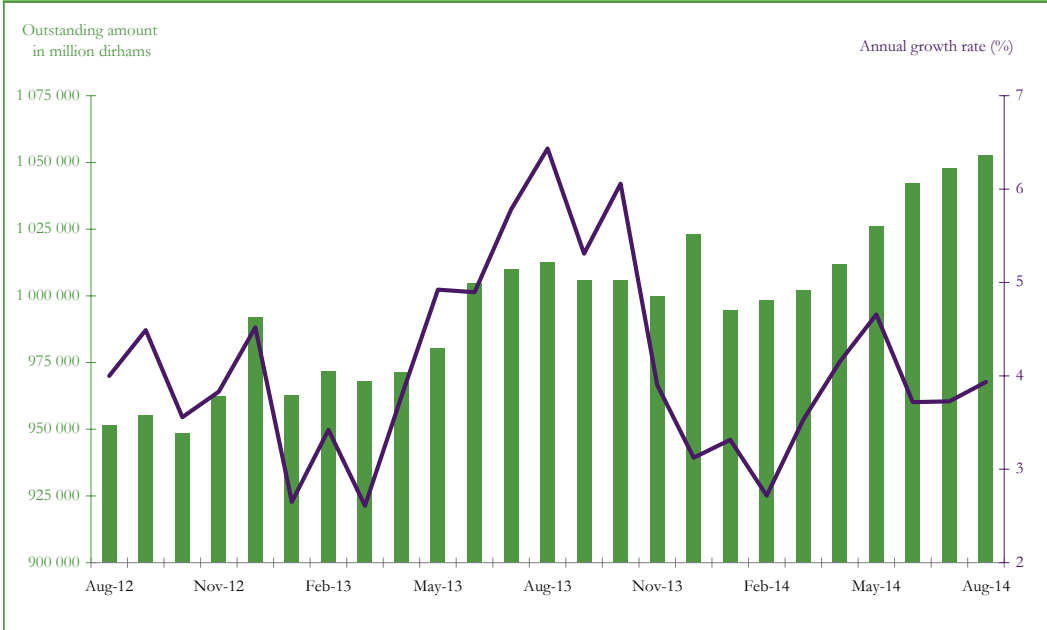


Chart 2: Annual change in M3 components

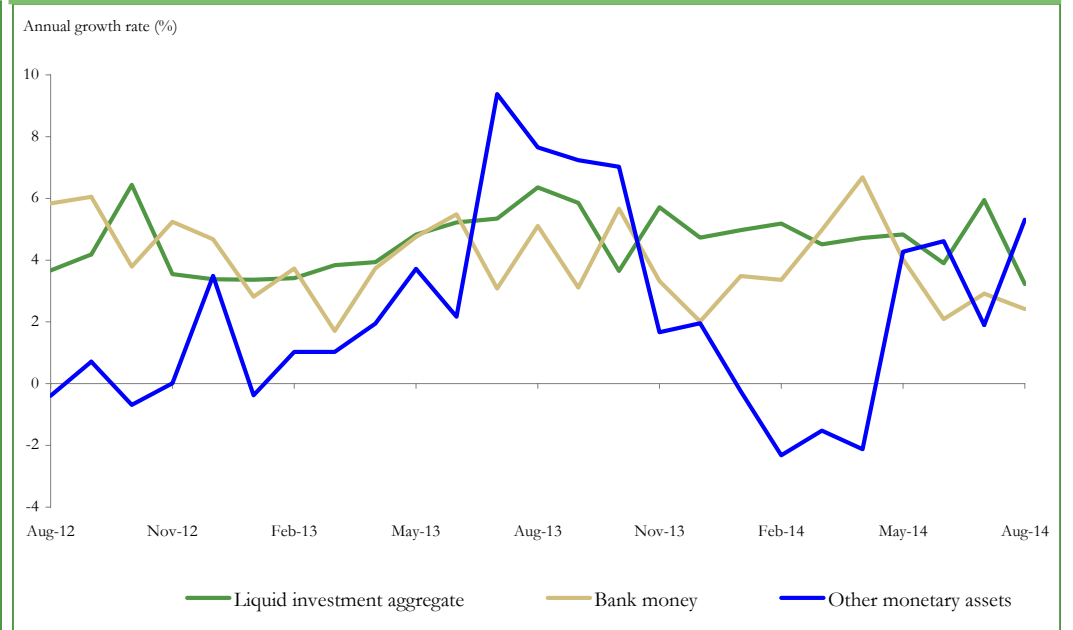


Chart 3: Change in Net international reserves



Chart 4: Annual change in bank loans by economic purpose

