

**On a monthly basis,** M3 aggregate rose in October 2018 by 0.8 percent to stand at 1,298.2 billion dirhams. This trend is mainly attributed to a 5.3 percent increase in net claims on the central government, owing mainly to the financing of VAT arrears by banks. As to other M3 counterparts, the stock of net international reserves remained virtually flat compared to September, while bank loans dropped 0.8 percent.

Bank loans' decline mainly reflects the 4.2 percent decrease in cash advances. Concerning the other components, real estate loans and consumer loans increased by 0.2 percent and 0.3 percent respectively, while equipment loans remained at the same level of the previous month.

**Year on year,** M3 growth rate accelerated from 3.5 percent in September to 4.6 percent in October. This trend reflects essentially a 7.9 percent increase in time deposits from 2.9 percent, due to a monthly increase by 9.7 billion dirhams in those of public nonfinancial corporations. Similarly, the drop in money market mutual funds slowed down from 10.2 percent to 3.5 percent. On the other hand, the growth of currency in circulation slightly decreased from 7 percent to 6.8 percent and the growth rate of demand deposits with banks remained unchanged at 4.4 percent.

By counterpart, net claims on the central government increased by 22.9 percent from 13.5 percent. Conversely, bank loans fell from 2.5 percent to 1.5 percent, while net international reserves posted a 1.5 percent decline after a 0.5 percent rise in the previous month.

As for bank loans by economic purpose, cash advances dropped 0.2 percent after rising 3.1 percent, reflecting notably a steeper decline in loans to nonfinancial private corporations from 0.1 percent to 2.4 percent. Likewise, the growth rate of equipment loans dropped from 4.1 percent to 3.4 percent and real estate loans from 3 percent to 2.1 percent. As to consumer loans, they rose by 5.8 percent from 5.6 percent in September.

By institutional sector, loans to the nonfinancial sector slowed down from 3.2 percent to 2.2 percent. The growth in loans to public corporations slowed from 10.4 percent to 5.9 percent, loans to private corporations returned to their October 2017 level after a 1.1 percent increase in the previous month and household loans dropped from 3.8 percent to 3.6 percent.

## Key indicators of monetary statistics

Million DH

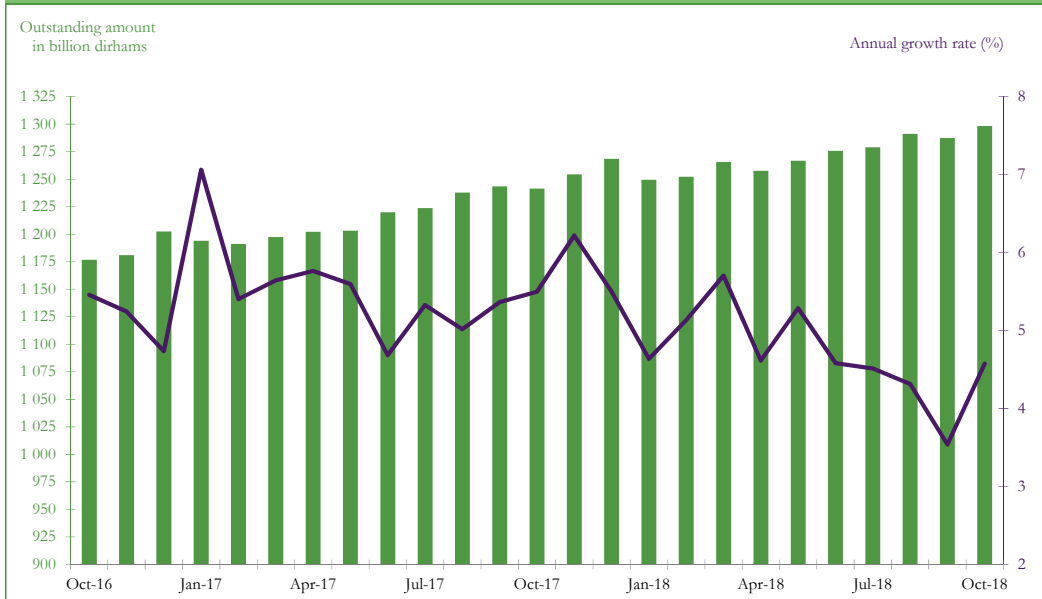
	Outstanding amount	Δ		Δ (%)	
	October-18	September-18	September-17	September-18	September-17
M1	826 478	-11 045	44 977	-1,3 ▼	5,8 ▲
M2	985 189	-10 513	50 995	-1,1 ▼	5,5 ▲
<b>M3</b>	<b>1 298 238</b>	<b>10 806</b>	<b>56 790</b>	<b>0,8 ▲</b>	<b>4,6 ▲</b>
Liquid investment aggregate	675 705	5 634	51 739	0,8 ▲	8,3 ▲
<b>Currency in circulation</b>	<b>231 739</b>	<b>-2 935</b>	<b>14 737</b>	<b>-1,3 ▼</b>	<b>6,8 ▲</b>
<b>Banking deposits included from broad money<sup>(1)</sup></b>	<b>900 323</b>	<b>2 935</b>	<b>33 904</b>	<b>0,3 ▲</b>	<b>3,9 ▲</b>
Demand deposits with the banking system	530 227	-9 246	22 534	-1,7 ▼	4,4 ▲
Time accounts and fixed-term bills	163 914	10 042	12 064	6,5 ▲	7,9 ▲
<b>Securities of money market UCITS</b>	<b>61 033</b>	<b>6 932</b>	<b>-2 238</b>	<b>12,8 ▲</b>	<b>-3,5 ▼</b>
<b>Net international reserves</b>	<b>224 376</b>	<b>-115</b>	<b>-3 533</b>	<b>-0,1 ▼</b>	<b>-1,5 ▼</b>
<b>Net claims on central government</b>	<b>196 287</b>	<b>9 877</b>	<b>36 555</b>	<b>5,3 ▲</b>	<b>22,9 ▲</b>
<b>Lending to the economy</b>	<b>996 894</b>	<b>-5 479</b>	<b>12 708</b>	<b>-0,5 ▼</b>	<b>1,3 ▲</b>
<b>Loans of other depository corporations<sup>(2)</sup></b>	<b>851 804</b>	<b>-6 943</b>	<b>11 727</b>	<b>-0,8 ▼</b>	<b>1,4 ▲</b>
<b>Bank loans</b>	<b>844 378</b>	<b>-6 979</b>	<b>12 231</b>	<b>-0,8 ▼</b>	<b>1,5 ▲</b>
<b>By economic purpose</b>					
Real estate loans	263 178	404	5 465	0,2 ▲	2,1 ▲
Home loans	201 438	446	5 716	0,2 ▲	2,9 ▲
Loans to property developers	57 926	-1 878	-1 796	-3,1 ▼	-3,0 ▼
Debtor accounts and overdraft facilities	169 363	-7 341	-318	-4,2 ▼	-0,2 ▼
Equipment loans	172 082	18	5 717	0,0 ▲	3,4 ▲
Consumer loans	53 780	164	2 927	0,3 ▲	5,8 ▲
Miscellaneous claims	119 387	-1 219	-3 976	-1,0 ▼	-3,2 ▼
Non-performing loans	66 587	995	2 417	1,5 ▲	3,8 ▲
<b>By institutional sectors</b>					
Other financial corporations	107 496	-2 835	-3 727	-2,6 ▼	-3,4 ▼
<b>Public sector</b>	<b>70 181</b>	<b>-629</b>	<b>4 696</b>	<b>-0,9 ▼</b>	<b>7,2 ▲</b>
Local government	17 769	298	1 777	1,7 ▲	11,1 ▲
Public nonfinancial corporations	52 412	-927	2 919	-1,7 ▼	5,9 ▲
<b>Private sector</b>	<b>666 701</b>	<b>-3 516</b>	<b>11 262</b>	<b>-0,5 ▼</b>	<b>1,7 ▲</b>
Other nonfinancial corporations	341 614	-3 482	-3	-1,0 ▼	0,0 ■
Households and NPISH <sup>(3)</sup>	325 086	-34	11 264	0,0 ■	3,6 ▲

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

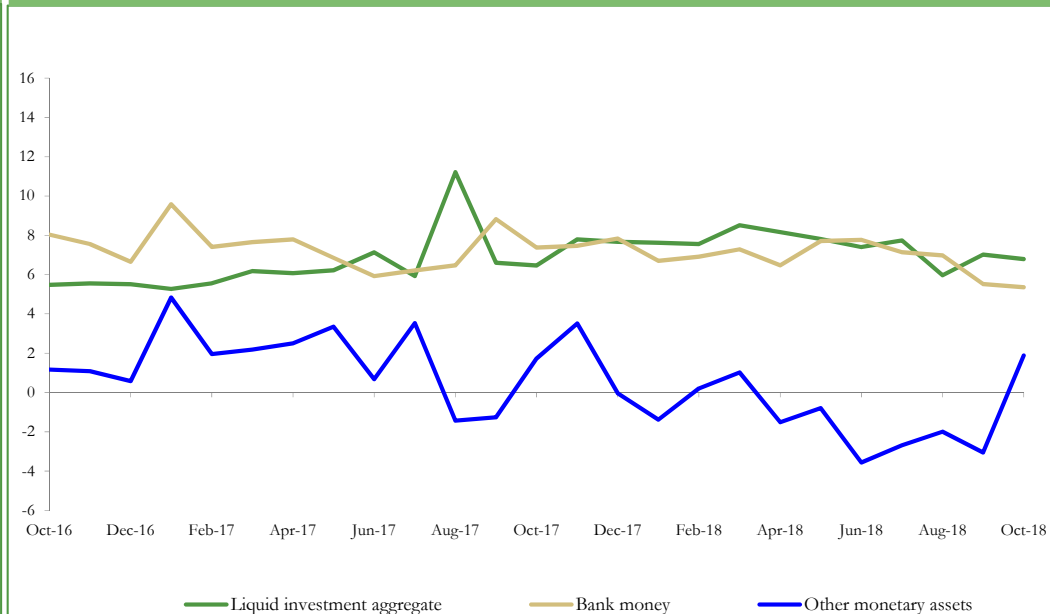
(2) Banks and monetary UCITS

(3) Nonprofit Institutions Serving Households

**Chart 1: Annual change in M3**



**Chart 2: Annual change in M3 components**  
Annual growth rate (%)



**Chart 3: Change in Net international reserves**



**Chart 4: Annual change in bank loans by economic purpose**  
Annual growth rate (%)

