

## Press release

24 October 2018

# Monetary developments in the euro area: September 2018

- Annual growth rate of broad [monetary aggregate M3](#) stood at 3.5% in September 2018, after 3.4% in August 2018 (revised from 3.5%)
- Annual growth rate of narrower [monetary aggregate M1](#), comprising currency in circulation and overnight deposits, increased to 6.8% in September from 6.4% in August
- Annual growth rate of [adjusted loans to households](#) stood at 3.1% in September, unchanged from previous month
- Annual growth rate of [adjusted loans to non-financial corporations](#) increased to 4.3% in September from 4.1% in August

## Components of the broad monetary aggregate M3

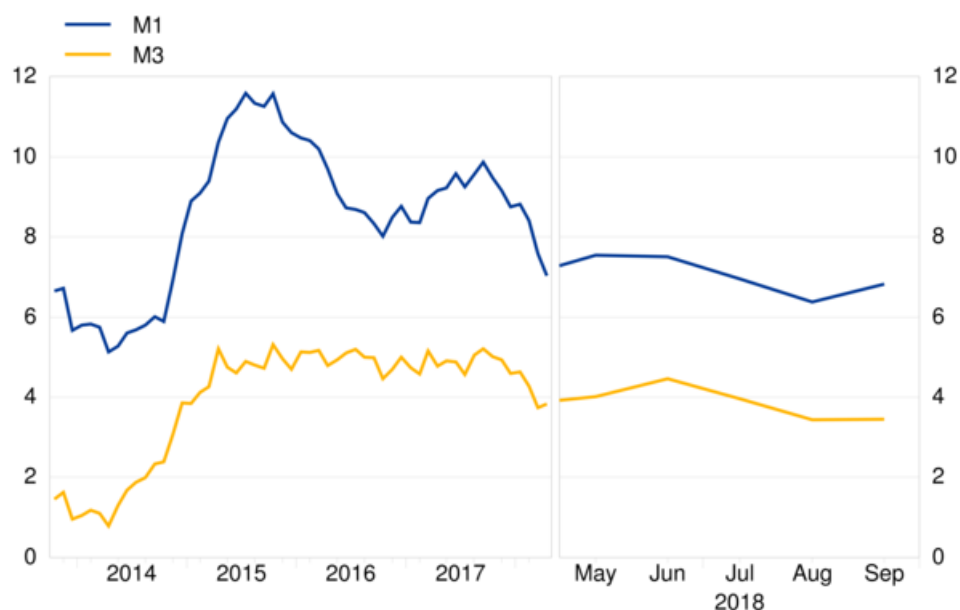
The annual growth rate of the broad monetary aggregate M3 stood at 3.5% in September 2018, after 3.4% in August, averaging 3.6% in the three months up to September. The [components of M3](#) showed the following developments. The annual growth rate of the narrower aggregate M1, which comprises currency in circulation and overnight deposits, increased to 6.8% in September from 6.4% in August. The annual growth rate of short-term deposits other than overnight deposits (M2-M1) stood at -1.5% in September, unchanged from the previous month. The annual growth rate of marketable instruments (M3-M2) was -8.9% in September, compared with -4.0% in August.

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## Chart 1 Monetary aggregates

(annual growth rates)



### [Data for monetary aggregates](#)

Looking at the [components' contributions to the annual growth rate of M3](#), the narrower aggregate M1 contributed 4.4 percentage points (up from 4.1 percentage points in August), short-term deposits other than overnight deposits (M2-M1) contributed -0.5 percentage point (as in the previous month) and marketable instruments (M3-M2) also contributed -0.5 percentage point (down from -0.2 percentage point).

From the perspective of the holding sectors of [deposits in M3](#), the annual growth rate of deposits placed by households stood at 4.6% in September, compared with 4.5% in August, while the annual growth rate of deposits placed by non-financial corporations increased to 4.5% in September from 4.0% in August. Finally, the annual growth rate of deposits placed by non-monetary financial corporations (excluding insurance corporations and pension funds) increased to 0.8% in September from -2.2% in August.

## Counterparts of the broad monetary aggregate M3

As a reflection of changes in the items on the monetary financial institution (MFI) consolidated balance sheet other than M3 ([counterparts of M3](#)), the annual growth rate of M3 in September 2018 can be broken down as follows: credit to the private sector contributed 3.3 percentage points (as in the previous

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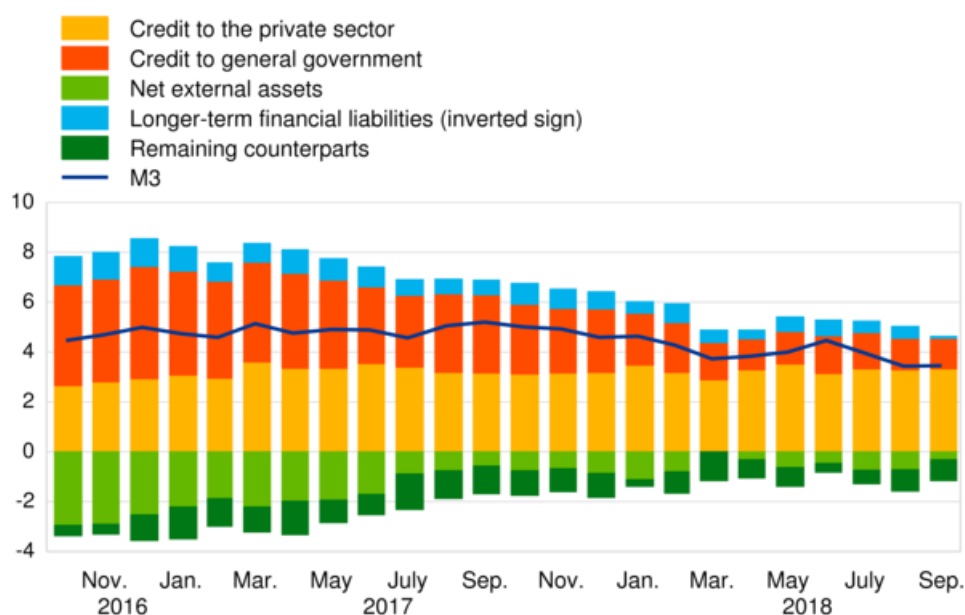
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month), credit to general government contributed 1.2 percentage points (down from 1.3 percentage points), longer-term financial liabilities contributed 0.1 percentage point (down from 0.5 percentage point), net external assets contributed -0.3 percentage point (up from -0.7 percentage point), and the remaining counterparts of M3 contributed -0.8 percentage point (up from -0.9 percentage point).

## Chart 2

### Contribution of the M3 counterparts to the annual growth rate of M3

(percentage points)



[Data for contribution of the M3 counterparts to the annual growth rate of M3](#)

## Credit to euro area residents

As regards the dynamics of credit, the annual growth rate of total [credit to euro area residents](#) stood at 3.1% in September 2018, compared with 3.0% in the previous month. The annual growth rate of [credit to general government](#) stood at 3.2% in September, compared with 3.3% in August, while the annual growth rate of [credit to the private sector](#) stood at 3.0% in September, unchanged from the previous month.

The annual growth rate of [adjusted loans to the private sector](#) (i.e. adjusted for loan sales, securitisation and notional cash pooling) stood at 3.4% in September, unchanged from the previous month. Among the borrowing sectors, the annual growth rate of [adjusted loans to households](#) stood at 3.1% in September, unchanged from the previous month, while the annual growth rate of [adjusted loans to](#)

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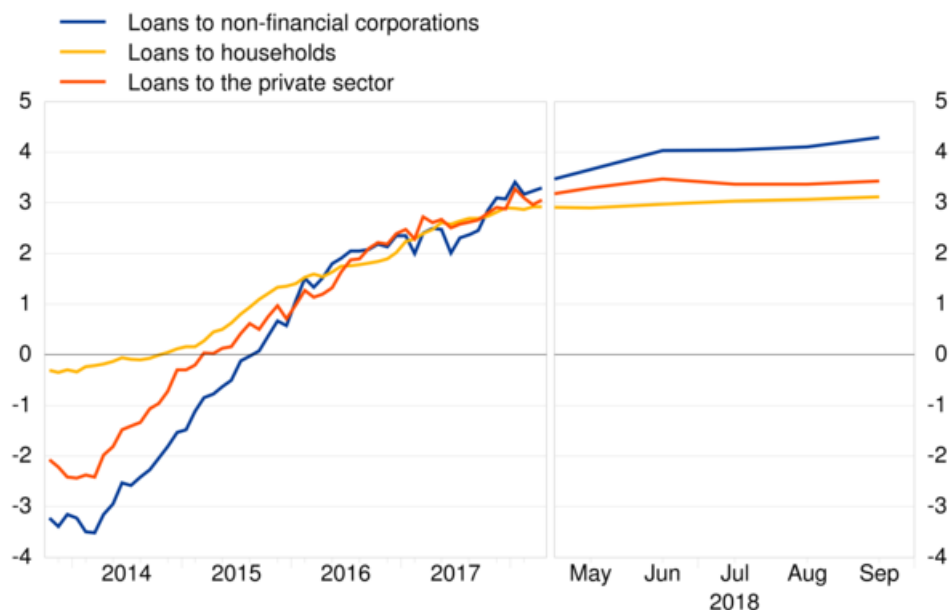
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[non-financial corporations](#) increased to 4.3% in September from 4.1% in August.

### Chart 3

#### Adjusted loans to the private sector

(annual growth rates)



[Data for adjusted loans to the private sector](#)

## Annex

[Table: Annex to the press release on monetary developments in the euro area](#)

### Notes:

- Data in this press release are adjusted for seasonal and end-of-month calendar effects, unless stated otherwise.
- "Private sector" refers to euro area non-MFIs excluding general government.
- Hyperlinks in the main body of the press release and in annex tables are dynamic. The data they lead to may therefore change with subsequent data releases as a result of revisions. Figures shown in annex tables are a snapshot of the data as at the time of the current release.

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