

29 January 2021

## Monetary developments – France • December 2020

### Strong growth of the French component of the M3

On an annual basis, growth in overnight deposits resumes in December (+ 22.8 %, up from + 21.7 % in November and + 22.4 % in October): the outstanding amount increases by € 260 Bn over the whole of 2020 (up from + € 112 Bn in 2019).

The M2 - M1 aggregate rises (+ 9.7 % year-on-year, up from + 8.2 % in November) under the combined effect of the increase in saving accounts outstandings (+ 9.4 %, up from + 9.2 % in November) and deposits with agreed maturity of up to 2 years (+ 11.0 % up from + 2.8 %). Overall over the year, M2-M1 outstanding amount increases by € 79 Bn (after + € 22 Bn in 2019).

The M3 - M2 aggregate rises strongly in December, driven mainly by the increase in money market fund shares/units outstanding amounts (+ 20.4 %, up from + 12.2 % in November).

After taking into account monetary assets and liabilities vis-à-vis other monetary union members, the growth of the French component of the M3 aggregate continues to accelerate, reaching an annualized rate of 17.5% in December 2020 (up from + 15.3 % in November). This is the highest point since 1978, the previous peak dating from March 1993 (+17.3% on an annual basis).

#### France : Monetary Resources of Monetary Financial Institutions

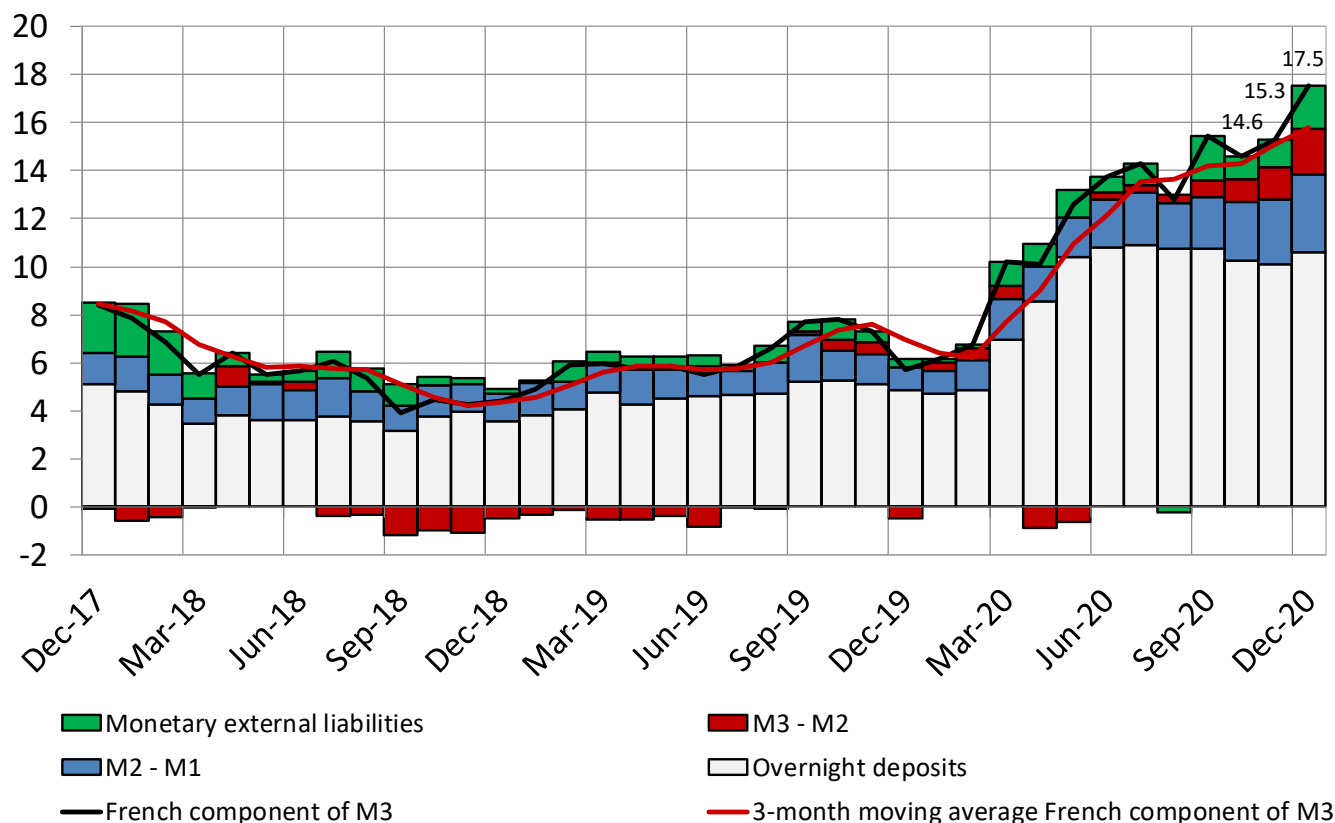
	Outstandings (in € Bn) (a)	Annual growth rate (in %) (a)			
		Dec-20	Oct-20	Nov-20	Dec-20
Overnight deposits	1 399	22.4	21.7	22.8	
<b>= Domestic resources included in M1</b>	<b>1 399</b>	<b>22.4</b>	<b>21.7</b>	<b>22.8</b>	
<i>Domestic resources included in M1, 3-month moving average</i>			23.2	22.5	22.3
Deposits with agreed maturity of up to 2 years	127	0.7	2.8	11.0	
+ Saving accounts	768	8.5	9.2	9.4	
<b>= Domestic resources included in M2-M1</b>	<b>895</b>	<b>7.3</b>	<b>8.2</b>	<b>9.7</b>	
<i>Domestic resources included in M2-M1, 3-month moving average</i>			6.5	7.3	8.4
MMF shares	282	10.1	12.2	20.4	
+ Repurchase agreements	30	47.3	58.1	23.5	
+ Debt securities issued with a maturity of up to 2 years	50	-18.8	-15.1	-11.2	
<b>= Domestic resources included in M3-M2</b>	<b>362</b>	<b>7.2</b>	<b>10.0</b>	<b>15.0</b>	
<i>Domestic resources included in M3-M2, 3-month moving average</i>			5.0	7.5	10.7
<b>Sum of domestic resources included in M3</b>	<b>2 656</b>	<b>14.8</b>	<b>15.2</b>	<b>17.0</b>	
<i>Sum of domestic resources included in M3, 3-month moving average</i>			14.5	14.9	15.7
+ Monetary external liabilities vis-à-vis other monetary union members	263	5.4	8.4	15.3	
- Monetary external assets vis-à-vis other monetary union members	44	-20.9	-17.3	-16.0	
<b>= French component of euro area monetary aggregate M3</b>	<b>2 875</b>	<b>14.6</b>	<b>15.3</b>	<b>17.5</b>	
<i>French component of euro area monetary aggregate M3, 3-month moving average</i>			14.3	15.1	15.8

(a) Seasonally-adjusted data.

Source : BdF

## Contributions to the growth of the French component of M3

(Annual growth rate in %)



## Additional information

The outstanding amount of monetary claims (excluding coins and banknotes) consists of claims with an initial maturity of up to and including 2 years that monetary counterparts (basically households, non-financial corporations, general government excluding central government, insurance corporations, non-money market funds, investment funds and financial vehicle corporations) hold against monetary financial institutions (deposit-taking institutions, *sociétés de financement* under French law, Caisse des dépôts et consignations, MMF and the central bank).

Saving accounts include regulated saving accounts, i.e. *livrets A*, *livrets de développement durable*, *comptes d'épargne logement*, *livrets d'épargne populaire*, and non-regulated saving accounts, i.e. *livrets jeunes* and *livrets ordinaires*. One part of the amounts held on regulated saving accounts is transferred by deposit-taking institutions to a fund managed by the Caisse des dépôts et consignations; the other part remains in banks' balance sheets. Debt securities with maturity of up to 2 years mainly include certificates of deposit (short term paper) issued by French deposit-taking institutions and subscribed by neither MMF nor deposit-taking institutions counterparts.

Annual growth rates are adjusted for reclassifications and revaluations but not for foreign exchange rate effects.

