

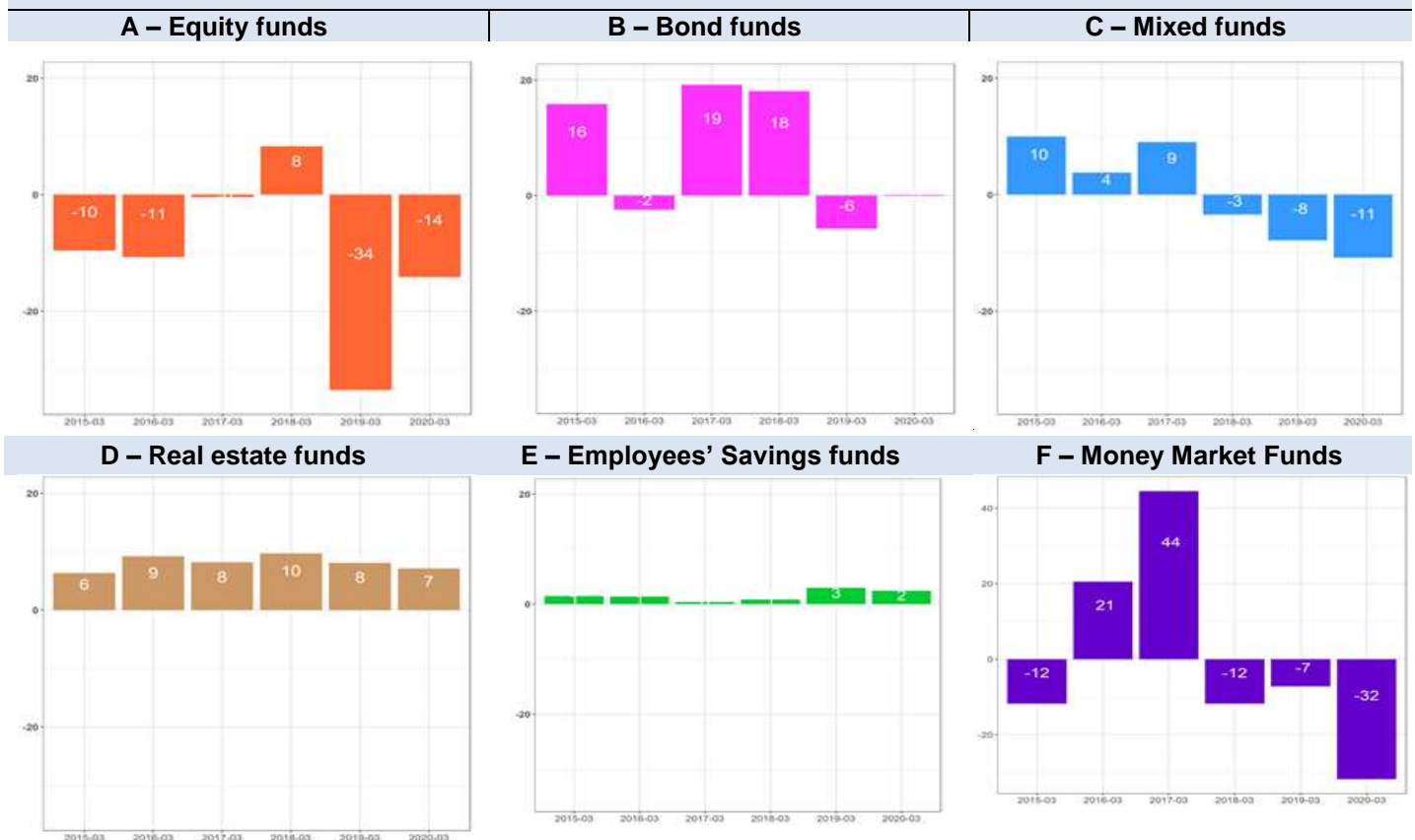
Financial overview of investment Funds – France

First quarter 2020

The effects of the health crisis in March: strong outflows from money market funds and decline in the value of non-money market funds

- First quarter of 2020:** non-monetary funds record a net outflow of -3 billion (see table p.2). Over one year, withdrawals amount to 21 billion, mainly from equity (-14 billion) and mixed funds (-11 billion), while real estate funds and employee savings funds record positive inflows (see G1). In terms of investments, non-monetary funds sell debt securities (-5 billion) and mutual fund shares/units (-8 billion) in Q1 2020, whereas they increase their deposits and other net investments (+10 billion). Money market funds also record an outflow of 9 billion in the first quarter, reaching 32 billion over one year, originating for more than half of the resident non-financial corporations. MMFs favour deposits and other net investments (+13 billion) at the expense of resident debt securities (-18 billion) and in particular those issued by credit institutions (-19 billion).
- Focus on March 2020 - Euro area non-market funds:** at end-March 2020, the outstanding amount of non-monetary funds in the euro area falls by 10.3% compared with February 2020 (- 1,322 billion, see Focus A) to stand at 11,463 billion. This sharp decline can be broken down into an 8.3% valuation loss and a 2% outflow. Equity funds are the most impacted by the decline in valuation (-452 billion, a decrease in outstanding amounts of -12.7%) while bond funds record the largest outflows (-139 billion, a decrease in outstanding amounts of -3.8%, cf. Focus B). Luxembourg and Ireland experience the largest withdrawals (78% of total outflows and -3.1% and -2.5% of net assets respectively) (see Focus C). By comparison, France record a small outflow from its non-money market funds in March (-3 bn or 0.5% of net assets) despite the decline in valuation (-103 billion or -8%). By contrast, French MMFs had to cope with large net redemptions in March (53 billion, or -15% over one month, see Focus D) owing to withdrawals mainly by insurance companies (-17 billion), non-financial companies (-13.5 billion) and foreign investors (-10 billion). By contrast, French MMFs had to cope with large net redemptions in March (53 billion, i.e. -15% over one month, see Focus D) owing to withdrawals mainly by insurance companies (-17 billion), non-financial corporations (-13.5 billion) and foreign investors (-10 billion). These net outflows, which are very concentrated in the second half of March, then come to a halt.

G1. Net subscriptions by type of funds (cumulative flows over 4 quarters - Billion €)



Investment funds assets and investors

(EUR billion)

Assets		Net flows (a)		Stocks Part (%)		Investors	Net flows (a)		Stocks Part (%)	
		2020Q1	4 moving quarters	2020Q1			2020Q1 (€)	4 moving quarters	2020Q1	
Non-money market funds	Total	-3	-21	1 170	100%	Total	-3	-21	1 170	100%
by type of instrument	Debt securities up to 1 year	-1	-7	26	2%	Resident	-4	-14	1 049	90%
	Debt securities over 1 year	-4	-2	350	30%	Insurance corporations	-5	-5	449	38%
	Equity	-2	-1	392	34%	Households and NPSH	-1	-5	237	20%
	Investment fund shares	-8	-17	281	24%	Non money market funds	-2	-8	127	11%
	Real estate assets	2	3	85	7%	General Government	0	1	132	11%
	Net deposits and loans and other assets (b)	10	4	36	3%	MFIs	4	3	51	4%
by geographical area (c)	Resident	-4	-8	522	50%	Non-Financial corporations	0	-2	47	4%
	Non-Resident euro area	-8	-16	344	33%	Other financial institutions	0	0	6	1%
	Non-Euro area	-3	-4	183	17%					
by issuer (c)	Non-Financial corporations and others (d)	-4	-8	499	48%	Non-Resident euro area	1	-5	103	9%
	MFIs	2	-3	153	15%	MFIs	0	-6	91	8%
	General Government	-2	-7	104	10%	Non MFIs	0	1	12	1%
	Others (e)	-11	-10	293	28%	Non-Euro area	0	-2	18	2%
	<i>of which non money market funds</i>	-10	-17	213	20%					
Money market funds (f)	Total	-9	-32	288	100%	Total	-9	-32	288	100%
by type of instrument	Debt securities up to 1 year	-15	-41	161	56%	Resident	1	-32	236	82%
	Debt securities over 1 year	-6	-3	76	26%	Insurance corporations	7	-6	98	34%
	Investment fund shares	-1	-3	0	0%	Non-Financial corporations	-5	-19	50	17%
	Net deposits and loans and other assets (b)	13	14	51	18%	Non money market funds	2	0	66	23%
by geographical area (c)	Resident	-18	-33	97	41%	Households and NPSH	0	0	4	1%
	Non-Resident euro area	-7	-4	83	35%	General Government	-2	-3	9	3%
	Non-Euro area	3	-10	57	24%	Credit Institutions	0	-3	4	1%
by issuer (c)	MFIs	-19	-35	150	63%	Other financial institutions	-1	0	5	2%
	Non-Financial corporations and others (d)	-1	-11	60	25%	Non-Resident euro area	-6	0	49	17%
	Others (e)	-1	-1	22	9%	MFIs	-4	1	46	16%
	General Government	-1	1	5	2%	Non MFIs	-2	-1	4	1%
					Non-Euro area	-4	-1	3	1%	

Note: As from this publication, real estate funds are integrated in data; Rounding differences mean that an aggregate may not be exactly equal to the sum of its components.

Source : Banque de France

(a) Variation of outstanding amounts for Money Market Funds

(b) net loans and net other assets include financial derivatives, non-financial assets and other receivables, net of other liabilities

(c) excluding loans and other net assets ; only securities portfolio

(d) Others added to Non-Financial Corporations include others Financial Institutions of the rest of the world (non MFIs as Insurance Corporations)

(e) Others : Non Money Market funds, Insurance and other Financial Institutions

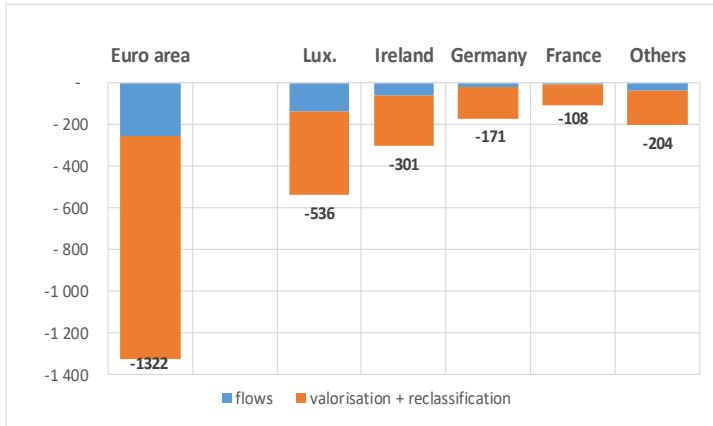
(f) Consolidated Data: consolidated outstanding of money market fund shares or units do not include the resident securities held by money market funds themselves

(g) Quarterly holdings data are provisional and will be revised next quarter

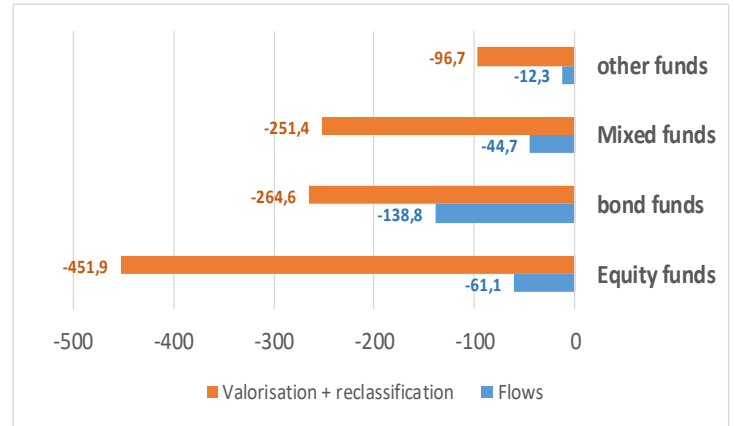
Focus March 2020 - Euro area investment funds

Change in net assets of Euro area non-monetary funds (March 2020 - €bn)

A – By country

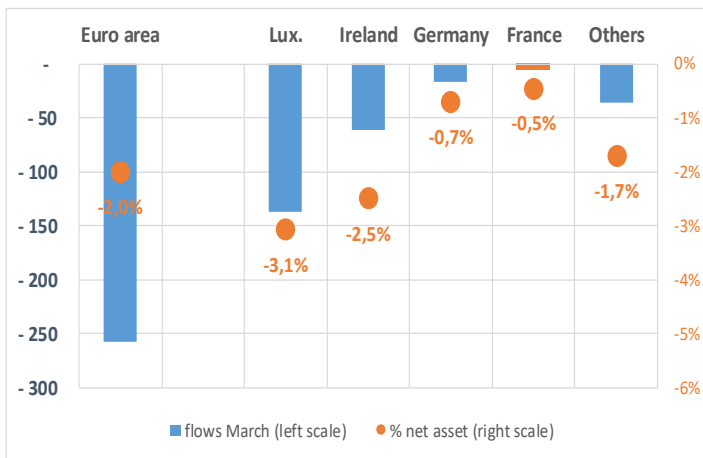


B – by type of funds

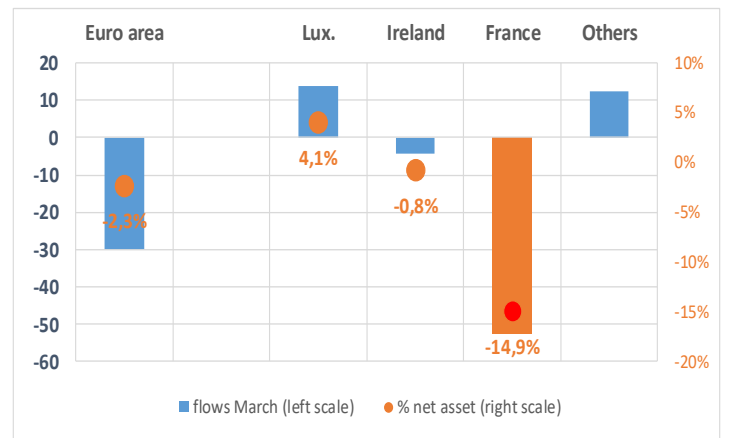


Net subscriptions by Euro area country (€ billion and % of net assets)

C – Non monetary funds



D – Monetary funds



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