

28 January 2022

Monetary developments – France • December 2021

Growth of the M3 monetary aggregate returns to its pre-covid level in France

On an annual basis, growth of overnight deposits declines slightly in December, reaching +8.4% (down from +8.9% in November).

The growth of the M2 - M1 aggregate slows down (+3.9%, down from +5.3% in November and +5.9% in October) due to a lower growth of saving accounts (+6.8%, down from +7.1% in November) and an marked decline of term deposits with agreed maturity of up to 2 years (-13.3%, down from -6.6% in November 2021).

The M3-M2 aggregate falls sharply in December (-7.9%, down from -3.3% in November), mainly due to a sharp decline in money market fund shares/units (-5.4%, down from -2.2% in November).

After taking into account gross monetary external liabilities and assets vis-à-vis other monetary union members, the growth rate of the French component of the M3 aggregate decreases in December 2021 (+5.9%, down from +7.5% in November and +7.8% in October), returning to a level close to that observed at the end of 2019 (+5.7%) before the start of the health crisis.

France : Monetary Resources of Monetary Financial Institutions

	Outstandings (in € Bn) (a)	Annual growth rate (in %) (a)		
		Dec-21	Oct-21	Nov-21
Overnight deposits	1 518	9.0	8.9	8.4
= Domestic resources included in M1	1 518	9.0	8.9	8.4
<i>Domestic resources included in M1, 3-month moving average</i>	-	8.7	8.9	8.8
Deposits with agreed maturity of up to 2 years	109	-7.1	-6.6	-13.3
+ Saving accounts	820	8.0	7.1	6.8
= Domestic resources included in M2-M1	929	5.9	5.3	3.9
<i>Domestic resources included in M2-M1, 3-month moving average</i>	-	6.1	5.5	5.0
MMF shares	276	0.5	-2.2	-5.4
+ Repurchase agreements	27	2.0	20.3	-9.2
+ Debt securities issued with a maturity of up to 2 years	39	-7.8	-23.9	-21.8
= Domestic resources included in M3-M2	343	-0.6	-3.3	-7.9
<i>Domestic resources included in M3-M2, 3-month moving average</i>	-	-0.6	-2.4	-4.0
Sum of domestic resources included in M3	2 790	6.7	6.0	4.6
<i>Sum of domestic resources included in M3, 3-month moving average</i>	-	6.6	6.3	5.8
+ Monetary external liabilities vis-à-vis other monetary union members	297	22.1	26.5	20.6
- Monetary external assets vis-à-vis other monetary union members	49	26.2	23.2	11.5
= French component of euro area monetary aggregate M3	3 037	7.8	7.5	5.9
<i>French component of euro area monetary aggregate M3, 3-month moving average</i>	-	7.4	7.1	7.1

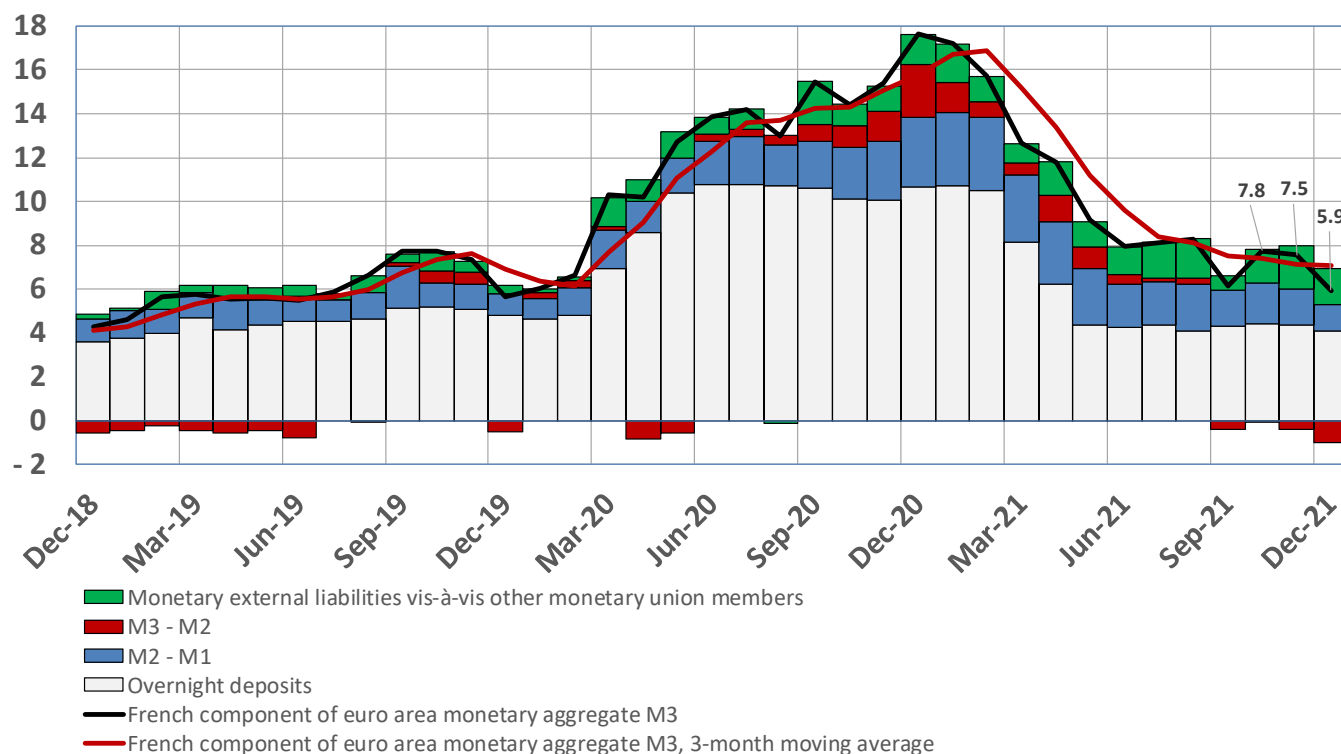
(a) Seasonally-adjusted data.

Source : Banque de France



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.

With this publication, the method of seasonal adjustment (SA) of money aggregates has been revised, resulting in small revisions (for example, the annual growth rate of resident resources included in M1 is +8.3% in August 2021, compared to 8.6% with the old method). The changes consist in switching to the X13-ARIMA method, instead of TRAMO-SEATS, and in adjusting the sum of the twelve monthly seasonally adjusted flows of a calendar year to the annual sum of gross flows.

