

Monetary statistics for April 2021

The following is issued on behalf of the Hong Kong Monetary Authority:

According to statistics published today (May 31) by the Hong Kong Monetary Authority, excluding the deposits created by the initial public offering (IPO)-related loans, total deposits and Hong Kong dollar deposits with authorised institutions increased by 0.3 per cent and 0.1 per cent respectively in April 2021. In the year to end-April, total deposits and Hong Kong dollar deposits grew by 1.2 per cent and 2.2 per cent respectively.

Large-scale IPO activities at the end of March caused an increase in deposits that resulted in a high base effect. As these IPO activities ended and issuers returned application monies, total deposits remained virtually unchanged in April. Among the total, Hong Kong dollar deposits declined by 0.5 per cent, while overall foreign currency deposits increased by 0.6 per cent. Renminbi deposits in Hong Kong increased by 1.2 per cent to RMB782.0 billion at the end of April. The total remittance of renminbi for cross-border trade settlement amounted to RMB561.8 billion in April, compared with RMB676.4 billion in March. It should be noted that changes in deposits are affected by a wide range of factors, such as interest rate movements and fund-raising activities. It is therefore more appropriate to observe the longer-term trends, and not to over-generalise fluctuations in a single month.

Excluding the IPO-related loans, total loans and advances edged up by 0.2 per cent in April, and increased by 2.6 per cent in the year to end-April. As IPO activities ended and customers repaid subscription loans, total loans and advances edged down by 0.2 per cent in April. Among the total, loans for use in Hong Kong (including trade finance) and loans for use outside Hong Kong decreased by 0.2 per cent and 0.1 per cent respectively. The Hong Kong dollar loan-to-deposit ratio edged down to 83.2 per cent at the end of April from 83.3 per cent at the end of March, as Hong Kong dollar deposits decreased at a slower pace than Hong Kong dollar loans.

Hong Kong dollar M2 and M3 both went down by 0.6 per cent in April, but grew by 8.1 per cent and 8.0 per cent respectively compared to a year ago. The seasonally-adjusted Hong Kong dollar M1 edged up by 0.2 per cent in April, and rose by 27.4 per cent compared to a year ago, reflecting in part investment-related activities. Total M2 and M3 both edged up by 0.1 per cent in April, and rose by 5.6 per cent and 5.5 per cent respectively from a year earlier. Excluding the deposits created by the IPO-related loans, Hong Kong dollar M2 and M3 both edged down by 0.1 per cent in April, but both went up by 2.0 per cent in the year to end-April; total M2 and M3 both increased by 0.3 per cent in April, and both increased by 1.0 per cent in the year to end-April.

As monthly monetary statistics are subject to volatilities due to a wide range of transient factors, such as seasonal and IPO-related funding demand

as well as business and investment-related activities, caution is required when interpreting the statistics.