

Monetary Statistics for August 2019

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

According to statistics published today (September 30) by the Hong Kong Monetary Authority, total deposits with authorised institutions edged up by 0.2 per cent in August 2019 as compared to July. Among the total, Hong Kong dollar deposits declined by 1.6 per cent, while overall foreign-currency deposits picked up by 2.1 per cent, mainly driven by a 2.7 per cent increase in US dollar deposits. Renminbi deposits in Hong Kong increased by 4.6 per cent to RMB644.1 billion at the end of August. The total remittance of renminbi for cross-border trade settlement amounted to RMB497.3 billion in August, compared with RMB455.8 billion in July.

The decline in Hong Kong dollar deposits in August reflected in part the less buoyant fund-raising activities during the month compared to July. It should be noted that changes in deposits are affected by a wide range of factors, such as interest rate movements, size of fund-raising activities and investors' allocation of Hong Kong dollar funds before and after fund-raising activities. Fluctuations in monthly deposit changes are therefore normal. Based on the latest data up to the first three weeks of September, Hong Kong dollar deposits recorded a slight increase.

The increase in US dollar deposits was mainly due to transfer of funds resulting in a higher amount of foreign-currency deposits placed by the Exchange Fund with authorised institutions. Excluding this amount, both the US dollar and foreign-currency deposits edged up by 0.2 per cent; and total deposits edged down by 0.7 per cent.

Total loans and advances increased by 0.7 per cent in August. Among the total, loans for use in Hong Kong (including trade finance) grew by 1.0 per cent from a month ago, while loans for use outside Hong Kong edged up by 0.1 per cent (Note). The Hong Kong dollar loan-to-deposit ratio picked up to 90.1 per cent at the end of August from 88.9 per cent at the end of July, as Hong Kong dollar deposits decreased at a faster pace than Hong Kong dollar loans.

On a month-on-month basis, Hong Kong dollar M2 and M3 in August decreased by 1.5 per cent and 1.4 per cent, respectively, but rose by 1.8 per cent and 1.9 per cent compared to a year ago. The decreases in the Hong Kong dollar M2 and M3 were due largely to the decline in Hong Kong dollar deposits. The seasonally-adjusted Hong Kong dollar M1 declined by 3.1 per cent in August and by 4.4 per cent from a year earlier, reflecting in part investment-related activities. Total M2 and M3 edged up by 0.1 per cent and 0.2 per cent respectively in August, and both rose by 3.3 per cent from a year earlier. Excluding the effect of transfer of funds by the Exchange Fund with authorised institutions, both total M2 and M3 edged down by 0.7 per cent.

Note: The December 2018 figures for loans for use in/outside Hong Kong have been restated to reflect authorised institutions' reclassification of working capital loans. The reported month-on-month and quarter-on-quarter growth rates are calculated based on the reclassified loan data. As reclassified loan data before December 2018 are not available, year-on-year growth rates of loans for use in/outside Hong Kong (including their sub-components) as shown in Table 1H of the Annex are calculated based on the data without such reclassification.