

Monetary Statistics for August 2020

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 grew by 2.7% in August 2020. Among the total, Hong Kong dollar deposits and overall foreign currency deposits rose by 4.8% and 0.4% respectively. Renminbi deposits in Hong Kong increased by 2.0% to RMB671.7 billion at the end of August. The total remittance of renminbi for cross-border trade settlement amounted to RMB530.3 billion in August, compared with RMB588.5 billion in July.

Total loans and advances increased by 2.3% in August. Among the total, loans for use in Hong Kong (including trade finance) increased by 3.4%, while loans for use outside Hong Kong edged down by 0.1%. The Hong Kong dollar loan-to-deposit ratio edged up to 85.1% at the end of August from 85.0% at the end of July, as Hong Kong dollar loans increased at a faster pace than Hong Kong dollar deposits.

In August, growth in deposits and loans were partly driven by initial public offering (IPO) activities. Excluding IPO loans and the resulting creation of deposits, total deposits and Hong Kong dollar deposits would have increased by 0.9% and 1.4% respectively in August, and total loans and advances would have edged down by 0.1% in August.

Hong Kong dollar M2 and M3 both picked up by 4.5% in August, and increased by 12.2% and 12.1% respectively compared to a year ago. The seasonally-adjusted Hong Kong dollar M1 rose by 3.1% in August, and expanded by 23.2% compared to a year ago, reflecting in part investment-related activities. Total M2 and M3 both grew by 2.5% in August, and expanded by 9.2% and 9.1% respectively from a year earlier. Excluding deposits created by IPO loans, Hong Kong dollar M2 and M3 both would have picked up by 1.3% in August, and increased by 6.4% compared to a year ago. Total M2 and M3 both would have grown by 0.8% in August, and risen by 6.3% and 6.1% respectively compared to a year ago.

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.