

Monetary Statistics for August 2021

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 down slightly by 0.1 per cent in August 2021. Among the total, Hong Kong dollar deposits declined by 0.3 per cent, while overall foreign currency deposits increased by 0.2 per cent. In the year to end-August, total deposits and Hong Kong dollar deposits grew by 2.7 per cent and 2.0 per cent respectively. Renminbi deposits in Hong Kong increased by 2.7 per cent to RMB842.7 billion at the end of August. The total remittance of renminbi for cross-border trade settlement amounted to RMB626.1 billion in August, compared with RMB627.1 billion in July.

Total loans and advances increased by 0.3 per cent in August, and grew by 4.6 per cent in the year to end-August. Among the total, loans for use in Hong Kong (including trade finance) and loans for use outside Hong Kong increased by 0.1 per cent and 0.8 per cent respectively. The Hong Kong dollar loan-to-deposit ratio increased to 84.2 per cent at the end of August from 83.7 per cent at the end of July, as Hong Kong dollar deposits decreased while Hong Kong dollar loans increased.

Hong Kong dollar M2 and M3 both declined by 0.3 per cent in August, and dropped by 2.9 per cent and 3.0 per cent respectively compared to a year ago. The seasonally-adjusted Hong Kong dollar M1 decreased by 3.5 per cent in August, but rose by 10.8 per cent compared to a year ago, reflecting in part investment-related activities. Total M2 and M3 both edged down by 0.1 per cent in August, but rose by 0.4 per cent from a year earlier. Large-scale initial public offering (IPO) activities at the end of August 2020 led to an increase in deposits that resulted in a high base effect on the year-on-year growth of money supply. Excluding the deposits created by the IPO-related loans, Hong Kong dollar M2 and M3 in August both grew by 2.3 per cent compared to a year ago, and total M2 and M3 both picked up by 3.2 per cent from a year earlier.

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.