

Monetary Statistics for December 2020

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

According to statistics published today (January 29) by the Hong Kong Monetary Authority, total deposits with authorised institutions decreased by 0.9 per cent in December 2020. Among the total, Hong Kong dollar deposits and overall foreign currency deposits declined by 0.4 per cent and 1.4 per cent respectively. Renminbi deposits in Hong Kong increased by 0.5 per cent to RMB721.6 billion at the end of December. The total remittance of renminbi for cross-border trade settlement amounted to RMB535.8 billion in December, compared with RMB526.3 billion in November.

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. Fluctuations in monthly deposit changes are therefore normal. There was a rebound in total deposits according to the latest data up to the first three weeks of January 2021.

Total loans and advances decreased by 0.4 per cent in December. Among the total, while loans for use in Hong Kong (including trade finance) stayed virtually unchanged, loans for use outside Hong Kong decreased by 1.5 per cent. The Hong Kong dollar loan-to-deposit ratio increased to 83.5 per cent at the end of December from 82.7 per cent at the end of November, as Hong Kong dollar deposits decreased while Hong Kong dollar loans increased.

In the fourth quarter of 2020, loans for use in Hong Kong (including trade finance) decreased by 5.3 per cent following growth of 4.7 per cent in the previous quarter. Analysed by economic use, the decrease in loans during the fourth quarter was mainly led by loans to stockbrokers.

Hong Kong dollar M2 and M3 both dropped by 0.3 per cent in December, but grew by 6.5 per cent compared to a year ago. The seasonally-adjusted Hong Kong dollar M1 decreased by 1.0 per cent in December, but rose by 28.7 per cent compared to a year ago, reflecting in part investment-related activities. Total M2 and M3 both declined by 0.8 per cent in December, but expanded by 5.8 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.