

Monetary statistics for December 2021

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

According to statistics published today (January 31) by the Hong Kong Monetary Authority, total deposits with authorised institutions increased by 0.4 per cent in December 2021. Among the total, foreign currency deposits picked up by 1.5 per cent, while Hong Kong dollar deposits decreased by 0.8 per cent mainly related to normal large-value commercial payments by banks' individual customers, and the decline was within the normal range of fluctuation. 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. For 2021 as a whole, total deposits and Hong Kong dollar deposits grew by 4.6 per cent and 1.4 per cent respectively. In December, renminbi deposits in Hong Kong increased by 6.7 per cent, amounting to RMB926.8 billion at the end of December. The total remittance of renminbi for cross-border trade settlement amounted to RMB708.5 billion in December, compared with RMB606.6 billion in November.

Total loans and advances decreased by 0.8 per cent in December, but rose by 3.8 per cent in 2021 as a whole. Among the total, loans for use in Hong Kong (including trade finance) and loans for use outside Hong Kong decreased by 0.8 per cent and 0.9 per cent respectively in December. The Hong Kong dollar loan-to-deposit ratio increased to 86.7 per cent at the end of December from 85.7 per cent at the end of November, as Hong Kong dollar loans increased while Hong Kong dollar deposits decreased.

In the fourth quarter of 2021, loans for use in Hong Kong (including trade finance) decreased by 0.8 per cent following a 3.6 per cent decline in the previous quarter. Analysed by economic use, the decrease in loans during the quarter was mainly led by trade finance.

Hong Kong dollar M2 and M3 both dropped by 0.7 per cent in December, but both went up by 1.5 per cent compared to a year ago. The seasonally-adjusted Hong Kong dollar M1 decreased by 1.7 per cent in December, but grew by 5.4 per cent compared to a year ago, reflecting in part investment-related activities. Total M2 and M3 both rose by 0.5 per cent in December, and both picked up by 4.3 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.