

Monetary Statistics for July 2020

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

According to statistics published today (August 31) by the Hong Kong Monetary Authority, total deposits with authorised institutions grew by 2.7 per cent in July 2020. Among the total, Hong Kong dollar deposits and overall foreign currency deposits rose by 4.2 per cent and 1.1 per cent respectively. Renminbi deposits in Hong Kong increased by 2.9 per cent to RMB658.3 billion at the end of July. The total remittance of renminbi for cross-border trade settlement amounted to RMB588.5 billion in July, compared with RMB542.8 billion in June.

Total loans and advances increased by 1.7 per cent in July. Among the total, loans for use in Hong Kong (including trade finance) increased by 2.4 per cent, and loans for use outside Hong Kong edged up by 0.1 per cent. The Hong Kong dollar loan-to-deposit ratio decreased to 85.0 per cent at the end of July from 86.4 per cent at the end of June, as Hong Kong dollar deposits increased at a faster pace than Hong Kong dollar loans.

In July, 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 1.5 per cent and 1.8 per cent respectively in July, and total loans and advances would have edged up by 0.1 per cent in July.

Hong Kong dollar M2 and M3 both picked up by 4.1 per cent in July, and increased by 5.8 per cent and 5.7 per cent respectively compared to a year ago. The seasonally-adjusted Hong Kong dollar M1 rose by 3.0 per cent in July, and expanded by 15.8 per cent compared to a year ago, reflecting in part investment-related activities. Total M2 and M3 both grew by 2.6 per cent in July, and rose by 6.7 per cent and 6.6 per cent respectively from a year earlier. Excluding deposits created by IPO loans, Hong Kong dollar M2 and M3 both would have picked up by 1.8 per cent in July, and increased by 3.5 per cent compared to a year ago. Total M2 and M3 both would have grown by 1.4 per cent in July, and risen by 5.6 per cent and 5.4 per cent 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.