

Monetary statistics for July 2023

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 authorized institutions increased by 1.2 per cent in July 2023. Among the total, Hong Kong dollar deposits decreased by 0.2 per cent while foreign currency deposits increased by 2.7 per cent in July. In the year to end-July, total deposits and Hong Kong dollar deposits grew by 1.4 per cent and 1.5 per cent respectively. Renminbi deposits in Hong Kong increased by 0.1 per cent in July to RMB907.9 billion at the end of July. The total remittance of renminbi for cross-border trade settlement amounted to RMB1,022.1 billion in July, compared with RMB1,089.2 billion in June. 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.

Total loans and advances decreased by 1.0 per cent in July, and decreased by 1.5 per cent in the year to end-July. Among the total, loans for use in Hong Kong (including trade finance) and loans for use outside Hong Kong decreased by 1.1 per cent and 0.6 per cent respectively in July. The Hong Kong dollar loan-to-deposit ratio decreased to 87.8 per cent at the end of July from 88.7 per cent at the end of June, as Hong Kong dollar loans decreased by a larger extent than Hong Kong dollar deposits.

Hong Kong dollar M2 and M3 both decreased slightly by 0.2 per cent in July while both increased slightly by 0.3 per cent when compared to a year ago. The seasonally-adjusted Hong Kong dollar M1 decreased by 0.3 per cent in July and decreased by 19.5 per cent compared to a year ago, reflecting in part investment-related activities. Total M2 and total M3 both increased by 1.0 per cent in July. Compared to a year earlier, total M2 and total M3 both rose by 2.3 per cent.

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.