

Monetary statistics for June 2019

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

According to statistics published today (July 31) by the Hong Kong Monetary Authority, total deposits with authorised institutions stayed virtually unchanged in June 2019. With increases in time deposits exceeding decreases in demand and savings deposits, Hong Kong-dollar deposits went up by 0.5 per cent during the month. Overall foreign-currency deposits decreased by 0.4 per cent in June. Renminbi deposits in Hong Kong decreased by 3.2 per cent to RMB604.2 billion at the end of June. The total remittance of renminbi for cross-border trade settlement amounted to RMB440.6 billion in June, compared with RMB477.3 billion in May.

Total loans and advances rose by 1.1 per cent in June. Among the total, loans for use in Hong Kong (including trade finance) picked up by 1.2 per cent from a month ago, while loans for use outside Hong Kong increased by 0.8 per cent (Note). The Hong Kong-dollar loan-to-deposit ratio climbed to 89.3 per cent at the end of June from 88.3 per cent at the end of May, as Hong Kong-dollar loans increased at a faster pace than Hong Kong-dollar deposits.

In the second quarter of 2019, loans for use in Hong Kong (including trade finance) increased by 2.3 per cent following growth of 2.2 per cent in the previous quarter. Analysed by economic use, the increase in loans during the second quarter was mainly led by residential mortgage loans and loans to building, construction, property development and investment.

Both the Hong Kong-dollar M2 and M3 increased by 0.5 per cent in June and rose by 3.5 per cent from a year earlier. The increases in the Hong Kong-dollar M2 and M3 were led by a rise in Hong Kong-dollar deposits. The seasonally-adjusted Hong Kong-dollar M1 decreased by 0.8 per cent in June and declined by 4.1 per cent year-on-year, reflecting in part of the investment-related activities. With the increase in Hong Kong-dollar deposits exceeding the decline in foreign-currency deposits, total M2 and M3 both edged up by 0.1 per cent in June and grew by 4.0 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.

Note: The December 2018 figures for loans for use in/outside Hong Kong have been restated to reflect authorised institutions' reclassification of working capital loans. The reported month-on-month and quarter-on-quarter growth rates are calculated based on the reclassified loan data. As reclassified loan data before December 2018 are not available, year-on-year growth rates of loans for use in/outside Hong Kong (including their sub-components) as shown in Table 1H of the Annex are calculated based on the data without such reclassification.