

Monetary statistics for May 2023

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

According to statistics published today (June 30) by the Hong Kong Monetary Authority, total deposits with authorized institutions decreased by 0.9 per cent in May 2023. Among the total, Hong Kong dollar deposits and foreign currency deposits decreased by 0.7 per cent and 1.1 per cent respectively in May, mainly reflecting fund flows of corporates. In the year to end-May, total deposits decreased by 0.3 per cent while Hong Kong dollar deposits grew by 1.5 per cent. Renminbi deposits in Hong Kong increased by 7.1 per cent in May to RMB891.7 billion at the end of May, mainly reflecting fund flows of corporates. The total remittance of renminbi for cross-border trade settlement amounted to RMB977.3 billion in May, compared with RMB725.3 billion in April. 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 0.6 per cent in May, and decreased by 0.5 per cent in the year to end-May. Among the total, loans for use in Hong Kong (including trade finance) and loans for use outside Hong Kong decreased by 0.2 per cent and 1.8 per cent respectively in May. The Hong Kong dollar loan-to-deposit ratio increased to 89.1 per cent at the end of May from 88.7 per cent at the end of April, as Hong Kong dollar deposits decreased by a larger extent than Hong Kong dollar loans.

Hong Kong dollar M2 and M3 both decreased by 0.7 per cent in May and both rose by 1.0 per cent when compared to a year ago. The seasonally-adjusted Hong Kong dollar M1 decreased by 1.9 per cent in May and decreased by 19.9 per cent compared to a year ago, reflecting in part investment-related activities. Total M2 and total M3 both decreased by 0.9 per cent in May. Compared to a year earlier, total M2 and total M3 both rose by 1.5 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.