

Monetary Statistics for November 2020

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

According to statistics published today (December 31) by the Hong Kong Monetary Authority, excluding the effects induced by the initial public offering (IPO) activities, total deposits and Hong Kong dollar deposits with authorized institutions would have decreased by 1.2 per cent and 2.2 per cent respectively in November 2020, mainly due to withdrawals of deposits by large corporations for repayment of loans. The recent large-scale IPO activities brought a 6.4 per cent increase in total deposits in October, with Hong Kong dollar deposits increasing by 9.8 per cent. As these IPO activities ended and issuers returned application monies, total deposits decreased by 6.8 per cent in November. Among the total, Hong Kong dollar deposits declined by 12.6 per cent and overall foreign currency deposits edged down by 0.2 per cent. Renminbi deposits in Hong Kong increased by 5.6 per cent to RMB718.3 billion at the end of November. The total remittance of renminbi for cross-border trade settlement amounted to RMB526.3 billion in November, compared with RMB414.2 billion in October. 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 unnecessary to overemphasise fluctuations in a single month.

Excluding the effects induced by the IPO activities, total loans and advances would have decreased by 1.0 per cent in November. The recent large-scale IPO activities brought a 4.7 per cent increase in total loans and advances in October. As these IPO activities ended and customers repaid subscription loans, total loans and advances decreased by 8.7 per cent in November. Among the total, loans for use in Hong Kong (including trade finance) and loans for use outside Hong Kong decreased by 11.7 per cent and 0.8 per cent respectively. The Hong Kong dollar loan-to-deposit ratio decreased to 82.7 per cent at the end of November from 84.0 per cent at the end of October, as Hong Kong dollar deposits decreased at a slower pace than Hong Kong dollar loans.

Hong Kong dollar M2 and M3 went down by 11.7 per cent and 11.6 per cent respectively in November, but both grew by 6.5 per cent compared to a year ago. The seasonally-adjusted Hong Kong dollar M1 increased by 6.3 per cent in November, and rose by 30.7 per cent compared to a year ago, reflecting in part investment-related activities. Total M2 and M3 both declined by 6.2 per cent in November, but expanded by 6.6 per cent from a year earlier. Excluding deposits created by IPO loans, Hong Kong dollar M2 and M3 would have decreased only by 2.0 per cent and 1.9 per cent respectively in November. Total M2 and M3 both would have decreased only by 1.0 per cent in November.

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.