

Monetary Statistics for October 2020

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

According to statistics published today (November 30) by the Hong Kong Monetary Authority, total deposits with authorised institutions increased by 6.4 per cent in October 2020. Among the total, Hong Kong dollar deposits and overall foreign currency deposits grew by 9.8 per cent and 2.6 per cent respectively. Renminbi deposits in Hong Kong increased by 1.8 per cent to RMB680.1 billion at the end of October. The total remittance of renminbi for cross-border trade settlement amounted to RMB414.2 billion in October, compared with RMB593.1 billion in September.

Total loans and advances increased by 4.7 per cent in October. Among the total, loans for use in Hong Kong (including trade finance) expanded by 7.1 per cent, while loans for use outside Hong Kong decreased by 1.3 per cent. The Hong Kong dollar loan-to-deposit ratio decreased to 84.0 per cent at the end of October from 85.2 per cent at the end of September, as Hong Kong dollar deposits increased at a faster pace than Hong Kong dollar loans.

In October, changes 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 3.1 per cent and 3.5 per cent respectively in October, and total loans and advances would have increased by 0.2 per cent in October.

Hong Kong dollar M2 and M3 both expanded by 9.2 per cent in October, and grew by 20.5 per cent compared to a year ago. The seasonally-adjusted Hong Kong dollar M1 increased by 1.1 per cent in October, and rose by 23.8 per cent compared to a year ago, reflecting in part investment-related activities. Total M2 and M3 both went up by 5.9 per cent in October, and expanded by 14.4 per cent and 14.3 per cent respectively from a year earlier. Excluding deposits created by IPO loans, Hong Kong dollar M2 and M3 both would have increased by 3.3 per cent in October, and increased by 8.7 per cent compared to a year ago. Total M2 and M3 both would have increased by 2.8 per cent in October, and grew by 8.4 per cent and 8.3 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.