

Monetary Statistics for October 2021

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 authorized institutions increased by 0.2 per cent in October 2021. Among the total, Hong Kong dollar deposits remained virtually unchanged and overall foreign currency deposits increased by 0.4 per cent. In the year to end-October, total deposits and Hong Kong dollar deposits grew by 3.6 per cent and 2.3 per cent respectively. Renminbi deposits in Hong Kong decreased by 2.5 per cent to RMB834.9 billion at the end of October. The total remittance of renminbi for cross-border trade settlement amounted to RMB498.7 billion in October, compared with RMB623.6 billion in September.

Total loans and advances decreased by 0.3 per cent in October, but picked up by 4.7 per cent in the year to end-October. 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 0.6 per cent respectively. The Hong Kong dollar loan-to-deposit ratio increased to 84.9 per cent at the end of October from 84.7 per cent at the end of September, as Hong Kong dollar loans increased while Hong Kong dollar deposits remained virtually unchanged.

Hong Kong dollar M2 and M3 both edged up by 0.1 per cent in October, but dropped by 10.1 per cent and 10.0 per cent respectively compared to a year ago. The seasonally-adjusted Hong Kong dollar M1 decreased by 0.6 per cent in October, but picked up 10.6 per cent compared to a year ago, reflecting in part investment-related activities. Total M2 and M3 both remained virtually unchanged in October, but declined by 4.3 per cent and 4.2 per cent respectively from a year earlier. Large-scale IPO activities at the end of October 2020 led to an increase in deposits that resulted in a high base effect on the year-on-year growth of money supply. Excluding the deposits created by the IPO-related loans, Hong Kong dollar M2 and M3 in October both edged down by 0.2 per cent compared to a year ago; total M2 and M3 both picked up by 1.1 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.