

International Reserves and Foreign Currency Liquidity

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

The Hong Kong Monetary Authority (HKMA) released today (October 31) the analytical data on the Hong Kong Special Administrative Region's foreign currency reserves and foreign currency liquidity as at the end of September 2023 (Annex). These data are published monthly in the Template on International Reserves and Foreign Currency Liquidity in accordance with the International Monetary Fund's Special Data Dissemination Standard (SDDS).

Release calendar

The release calendar of the Template on International Reserves and Foreign Currency Liquidity for 2024 is announced below:

Reference Month	Release Date
January 2024	February 29, 2024
February 2024	March 28, 2024
March 2024	April 30, 2024
April 2024	May 31, 2024
May 2024	June 28, 2024
June 2024	July 31, 2024
July 2024	August 30, 2024
August 2024	September 30, 2024
September 2024	October 31, 2024
October 2024	November 29, 2024
November 2024	December 31, 2024
December 2024	January 28, 2025

At present, four press releases relating to the Exchange Fund's data are issued by the HKMA each month. Three of these releases are issued to disseminate monetary data in accordance with the International Monetary Fund's SDDS. The fourth press release, on the Exchange Fund's Abridged Balance Sheet and Currency Board Account, is made in accordance with the HKMA's policy of maintaining a high level of transparency. For the month of October 2023, the scheduled dates for issuing the press releases are as follows:

October 6 (Issued)	SDDS International Reserves (Hong Kong's Latest Foreign Currency Reserve Assets Figures)
October 13 (Issued)	SDDS Analytical Accounts of the Central Bank (Analytical Accounts of the Exchange Fund)
October 31	SDDS Template on International Reserves and Foreign Currency Liquidity
October 31	Exchange Fund Abridged Balance Sheet and Currency Board Account

[Residential mortgage survey results for September 2023](#)

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

The Hong Kong Monetary Authority announced the results of the residential mortgage survey for September 2023.

The number of mortgage applications in September increased month-on-month by 2 per cent to 8 787.

Mortgage loans approved in September decreased by 28.4 per cent compared with August to HK\$25.5 billion. Among these, mortgage loans financing primary market transactions decreased by 32.1 per cent to HK\$3.2 billion and those financing secondary market transactions decreased by 35.4 per cent to HK\$9.3 billion. Mortgage loans for refinancing decreased by 21.2 per cent to HK\$13 billion.

Mortgage loans drawn down during September decreased by 3.9 per cent compared with August to HK\$20.1 billion.

The ratio of new mortgage loans priced with reference to HIBOR decreased from 95.4 per cent in August to 94.1 per cent in September. The ratio of new mortgage loans priced with reference to best lending rates increased from 1.5 per cent in August to 1.7 per cent in September.

The outstanding value of mortgage loans increased month-on-month by 0.1 per cent to HK\$1,856.8 billion at end-September.

The mortgage delinquency ratio remained unchanged at 0.07 per cent and the rescheduled loan ratio remained unchanged at nearly 0 per cent.

Residential mortgage loans in negative equity: End of September 2023

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

The Hong Kong Monetary Authority announced today (October 31) the results of its survey on residential mortgage loans (RMLs) in negative equity at end-September 2023.

The estimated number of RMLs in negative equity increased to 11 123 cases at end-September 2023 from 3 341 cases at end-June 2023. These cases were related to bank staff housing loans or RMLs under mortgage insurance programme, which generally have a higher loan-to-value ratio.

The aggregate value of RMLs in negative equity increased to HK\$59.3 billion at end-September 2023 compared with HK\$17.4 billion at end-June 2023.

The unsecured portion of these loans increased to HK\$2 billion at end-September 2023 from HK\$0.3 billion at end-June 2023.

The three-month delinquency ratio of RMLs in negative equity decreased to 0.02 per cent at end-September 2023 from 0.09 per cent at end-June 2023.

It is important to note that the figures derived from this survey relate only to RMLs provided by authorized institutions on the basis of first mortgages and which the reporting institution knows to be in negative equity (i.e. the outstanding loan amount with the reporting institution exceeds the current market value of the mortgaged property). Not included in these figures are RMLs associated with co-financing schemes which would be in negative equity if the second mortgages were taken into account. The extent to which such RMLs are in negative equity is not known because authorized institutions do not maintain records on the outstanding balances of the second mortgages.

The mortgage portfolios of the surveyed authorized institutions represent about 99 per cent of the industry total. The survey results have been extrapolated to estimate the position of the banking sector as a whole.

Exchange Fund Abridged Balance Sheet and Currency Board Account

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

The Hong Kong Monetary Authority (HKMA) announced today (October 31) that the total assets of the Exchange Fund amounted to HK\$3,923.6 billion as at September 30, 2023, HK\$52.2 billion lower than that at the end of August 2023. Foreign currency assets decreased by HK\$47.0 billion and Hong Kong dollar assets decreased by HK\$5.2 billion.

The decline in foreign currency assets was mainly due to mark-to-market revaluation on investments and reduction in the month-end balance of unsettled purchase of securities. The decline in Hong Kong dollar assets was mainly due to mark-to-market revaluation on Hong Kong equities.

The Currency Board Account shows that the Monetary Base at the end of September 2023 was HK\$1,881.1 billion, increased by HK\$4.6 billion, or 0.2 per cent, from the end of August 2023. The rise was mainly due to increases in the outstanding amount of Certificates of Indebtedness and the market value of Exchange Fund Bills and Notes outstanding.

The amount of Backing Assets increased by HK\$2.7 billion, or 0.1 per cent, to HK\$2,064.4 billion at the end of September 2023. The increase was mainly attributable to the issuance of Certificates of Indebtedness. The backing ratio decreased from 109.87 per cent at the end of August 2023 to 109.75 per cent at the end of September 2023.

At present, four press releases relating to the Exchange Fund's data are issued by the HKMA each month. Three of these releases are issued to disseminate monetary data in accordance with the International Monetary Fund's Special Data Dissemination Standard (SDDS). The fourth press release, on the Exchange Fund's Abridged Balance Sheet and Currency Board Account, is made in accordance with the HKMA's policy of maintaining a high level of transparency. For the month of October 2023, the scheduled dates for issuing the press releases are as follows:

October 6 (Issued)	SDDS International Reserves (Hong Kong's Latest Foreign Currency Reserve Assets Figures)
October 13 (Issued)	SDDS Analytical Accounts of the Central Bank (Analytical Accounts of the Exchange Fund)
October 31	SDDS Template on International Reserves and Foreign Currency Liquidity
October 31	Exchange Fund Abridged Balance Sheet and Currency Board Account

Monetary statistics for September 2023

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

According to statistics published today (October 31) by the Hong Kong Monetary Authority, total deposits with Authorized Institutions increased by 0.2 per cent in September 2023. Among the total, Hong Kong dollar deposits decreased by 0.3 per cent while foreign currency deposits increased by 0.7 per cent in September. In the year to end-September, total deposits and Hong Kong dollar deposits grew by 2.3 per cent and 1.6 per cent respectively. Renminbi deposits in Hong Kong decreased by 1.0 per cent in September to RMB952.6 billion at the end of September. The total remittance of renminbi for cross-border trade settlement amounted to RMB1,002.5 billion in September, compared with RMB1,121.2 billion in August. 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 0.9 per cent in September, and decreased by 2.6 per cent in the year to end-September. Among the total, loans for use in Hong Kong (including trade finance) and loans for use outside Hong Kong decreased by 0.6 per cent and 1.8 per cent respectively in September. The Hong Kong dollar loan-to-deposit ratio decreased to 86.3 per cent at the end of September from 87.1 per cent at the end of August, as Hong Kong dollar loans decreased by a larger extent than Hong Kong dollar deposits.

For the third quarter of 2023 as a whole, loans for use in Hong Kong (including trade finance) decreased by 1.9 per cent after declining by 0.4 per cent in the previous quarter. Analysed by economic use, the decrease in loans during the third quarter was mainly led by loans to building, construction, property development and investment.

Hong Kong dollar M2 and M3 both decreased slightly by 0.2 per cent in September while both increased by 2.3 per cent when compared to a year ago. The seasonally-adjusted Hong Kong dollar M1 decreased by 4.5 per cent in September and decreased by 19.1 per cent compared to a year ago, reflecting in part investment-related activities. Total M2 and total M3 both remained virtually unchanged in September. Compared to a year earlier, total M2 and total M3 both increased by 2.8 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.

Release Schedule of Monetary Statistics in Hong Kong

The monthly release schedule of monetary statistics in Year 2024 is as follows.

Reference Month	Release Date
January 2024	February 29, 2024
February 2024	March 28, 2024
March 2024	April 30, 2024
April 2024	May 31, 2024
May 2024	June 28, 2024
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