

Monetary statistics for March 2022

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

According to statistics published today (April 29) by the Hong Kong Monetary Authority, total deposits with authorized institutions decreased by 0.3 per cent in March 2022. Among the total, Hong Kong dollar deposits increased by 0.4 per cent in March, while foreign currency deposits decreased by 1.1 per cent. Driven by fund flows of corporates, after increasing significantly in December and January, renminbi deposits in Hong Kong dropped in February and March, decreasing by 12.7 per cent in March to RMB791.3 billion at the end of March. The total remittance of renminbi for cross-border trade settlement amounted to RMB801.6 billion in March, compared with RMB500.7 billion in February. 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. In the first quarter of 2022, total deposits and Hong Kong dollar deposits grew by 1.1 per cent and 2.2 per cent respectively.

Total loans and advances increased by 0.3 per cent in March, and rose by 1.2 per cent in the first quarter of 2022. Among the total, loans for use in Hong Kong (including trade finance) increased by 1.1 per cent in March, while loans for use outside Hong Kong declined by 1.6 per cent. The Hong Kong dollar loan-to-deposit ratio edged down to 85.2 per cent at the end of March from 85.3 per cent at the end of February, as Hong Kong dollar deposits increased at a faster pace than Hong Kong dollar loans.

For the first quarter of 2022, loans for use in Hong Kong (including trade finance) increased by 1.9 per cent following a 0.7 per cent decline in the previous quarter. Analysed by economic use, the increase in loans during the first quarter was mainly led by trade finance, and loans to building, construction, property development and investment.

Hong Kong dollar M2 and M3 both rose by 0.3 per cent in March, and both increased by 1.0 per cent compared to a year ago. Large-scale IPO activities at the end of March 2021 led to 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 March increased by 1.6 per cent and 1.5 per cent respectively compared to a year ago. The seasonally-adjusted Hong Kong dollar M1 declined by 1.1 per cent in March, but grew by 6.9 per cent compared to a year ago, reflecting in part investment-related activities. Total M2 and M3 both declined by 0.5 per cent in March, but both increased by 4.0 per cent from a year earlier. Excluding the deposits created by the IPO-related loans, total M2 and M3 both picked up by 4.3 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.