

Monetary Statistics for May 2020

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

According to statistics published today (June 30) by the Hong Kong Monetary Authority, total deposits with authorized institutions decreased by 0.3 per cent in May 2020. Among the total, Hong Kong dollar deposits edged up by 0.1 per cent while overall foreign currency deposits declined by 0.6 per cent. Renminbi deposits in Hong Kong increased by 6.2 per cent to RMB694.9 billion at the end of May. The total remittance of renminbi for cross-border trade settlement amounted to RMB521.5 billion in May, compared with RMB540.2 billion in April.

It should be noted that changes in deposits are affected by a wide range of factors, such as interest rate movements, fund-raising activities and investors' allocation of funds. Fluctuations in monthly deposit changes are therefore normal. There was a rebound in total deposits according to the latest data up to the first three weeks of June.

Total loans and advances decreased by 0.3 per cent in May. Among the total, loans for use in Hong Kong (including trade finance) and loans for use outside Hong Kong dropped by 0.2 per cent and 0.5 per cent respectively from a month ago. The Hong Kong dollar loan-to-deposit ratio decreased to 88.4 per cent at the end of May from 88.7 per cent at the end of April, as Hong Kong dollar deposits increased while Hong Kong dollar loans decreased.

Hong Kong dollar M2 and M3 both edged up by 0.1 per cent in May, and increased by 0.2 per cent and 0.1 per cent respectively compared to a year ago. The seasonally-adjusted Hong Kong dollar M1 rose by 3.0 per cent in May, and grew by 3.5 per cent compared to a year ago, reflecting in part investment-related activities. Total M2 and M3 both declined by 0.4 per cent in May, but picked up by 2.4 per cent and 2.3 per cent respectively 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.