

Residential mortgage survey results for April 2020

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

The Hong Kong Monetary Authority (HKMA) announced the results of the residential mortgage survey for April 2020.

The number of mortgage applications in April decreased month-on-month by 16.8 per cent to 10 838.

Mortgage loans approved in April decreased by 2.1 per cent compared with March to HK\$32.4 billion. Among these, mortgage loans financing primary market transactions decreased by 23.9 per cent to HK\$5.9 billion and those financing secondary market transactions increased by 9.1 per cent to HK\$20.7 billion. Mortgage loans for refinancing decreased by nine per cent to HK\$5.9 billion.

Mortgage loans drawn down during April decreased by 16.6 per cent compared with March to HK\$17.3 billion.

The ratio of new mortgage loans priced with reference to HIBOR increased from 88.7 per cent in March to 90.5 per cent in April. The ratio of new mortgage loans priced with reference to best lending rates decreased from 8.2 per cent in March to 6.4 per cent in April.

The outstanding value of mortgage loans increased month-on-month by 0.3 per cent to HK\$1,464.3 billion at end-April.

The mortgage delinquency ratio remained unchanged at 0.03 per cent and the rescheduled loan ratio remained unchanged at nearly 0 per cent.

Monetary Statistics for April 2020

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

According to statistics published today (May 29) by the Hong Kong Monetary Authority, total deposits with authorised institutions increased by 0.8 per cent in April 2020. Among the total, Hong Kong dollar deposits and overall foreign currency deposits increased by 0.5 per cent and 1.1 per cent respectively. Renminbi deposits in Hong Kong decreased by 1.5 per cent to RMB654.3 billion at the end of April. The total remittance of renminbi for

cross-border trade settlement amounted to RMB540.2 billion in April, compared with RMB645.7 billion in March.

Total loans and advances increased by 0.7 per cent in April. Among the total, loans for use in Hong Kong (including trade finance) edged down by 0.1 per cent, while loans for use outside Hong Kong grew by 2.6 per cent from a month ago. The Hong Kong-dollar loan-to-deposit ratio decreased to 88.7 per cent at the end of April from 90.1 per cent at the end of March, as Hong Kong dollar deposits increased while Hong Kong dollar loans decreased.

Hong Kong dollar M2 and M3 both increased by 0.5 per cent in April, but dropped by 1.0 per cent compared to a year ago. The seasonally-adjusted Hong Kong dollar M1 increased by 0.3 per cent in April, but dropped by 1.7 per cent compared to a year ago, reflecting in part investment-related activities. Total M2 and M3 both went up by 0.9 per cent in April, and expanded by 2.0 per cent and 1.9 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.

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 (May 29) that the total assets of the Exchange Fund amounted to HK\$4,096.0 billion as at April 30, 2020, HK\$1.4 billion higher than that at the end of March 2020. Foreign currency assets increased by HK\$67.3 billion while Hong Kong dollar assets decreased by HK\$65.9 billion.

The rise in foreign currency assets was mainly due to the mark-to-market revaluation on foreign currency investments and purchase of US dollars under the Currency Board arrangements. The decline in Hong Kong dollar assets was mainly due to a decrease in Exchange Fund Bills and Notes issued but not yet settled.

The Currency Board Account shows that the Monetary Base at the end of April 2020 was HK\$1,708.7 billion, increased by HK\$28.7 billion, or 1.7 per cent, from the end of March 2020. The rise was mainly due to the sale of Hong Kong dollars under the Currency Board arrangements and the issuance of Certificates of Indebtedness.

The amount of Backing Assets increased by HK\$30.8 billion, or 1.6 per cent, to HK\$1,912.2 billion. The increase was mainly attributable to the purchase of US dollars under the Currency Board arrangements and the issuance of Certificates of Indebtedness. The backing ratio decreased from 111.99 per cent at the end of March 2020 to 111.91 per cent at the end of April 2020.

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 May 2020, the scheduled dates for issuing the press releases are as follows:

May 7 (Issued)	SDDS International Reserves (Hong Kong's Latest Foreign Currency Reserve Assets Figures)
May 14 (Issued)	SDDS Analytical Accounts of the Central Bank (Analytical Accounts of the Exchange Fund)
May 29	SDDS Template on International Reserves and Foreign Currency Liquidity
May 29	Exchange Fund Abridged Balance Sheet and Currency Board Account

[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 (May 29) the analytical data on the Hong Kong Special Administrative Region's foreign currency reserves and foreign currency liquidity as at the end of April 2020 (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.

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 May 2020, the scheduled dates for issuing the press releases are as follows:

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Financial results for the month ended April 30, 2020

The Government announced today (May 29) its financial results for April 2020, the first month of the current financial year.

Expenditure for the first month amounted to HK\$45.5 billion and revenue HK\$29.4 billion, resulting in a deficit of HK\$16.1 billion.

A government spokesperson said that the deficit in April was mainly due to the fact that some major types of revenue including salaries and profits taxes are mostly received towards the end of a financial year.

The fiscal reserves stood at HK\$1,144.2 billion as at April 30, 2020.

Detailed figures are shown in Tables 1 and 2.

TABLE 1. CONSOLIDATED ACCOUNT (Note 1)

	Month ended April 30, 2020 HK\$ million
Revenue	29,395.3
Expenditure	(45,491.4)
Deficit	(16,096.1)
Financing	
Domestic	
Banking Sector (Note 2)	18,708.0
Non-Banking Sector	(2,611.9)
External	–
Total	16,096.1

Government Debts as at April 30, 2020 (Note 3)

HK\$7,751 million

Debts Guaranteed by Government as at April 30, 2020 (Note 4)

HK\$31,123.5 million

TABLE 2. FISCAL RESERVES

	Month ended April 30, 2020 HK\$ million
Fiscal Reserves at start of period	1,160,307.8
Consolidated Deficit	(16,096.1)
Fiscal Reserves at end of period (Note 5)	1,144,211.7

Notes:

1. This Account consolidates the General Revenue Account and the following

eight Funds: Capital Works Reserve Fund, Capital Investment Fund, Civil Service Pension Reserve Fund, Disaster Relief Fund, Innovation and Technology Fund, Land Fund, Loan Fund and Lotteries Fund. It excludes the Bond Fund, the balance of which is not part of the fiscal reserves. The Bond Fund balance as at April 30, 2020, was HK\$125,113 million.

2. Includes transactions with the Exchange Fund and resident banks.

3. These were the green bonds of US\$1,000 million (equivalent to HK\$7,751 million as at April 30, 2020) which were denominated in US dollars with maturity in May 2024. They do not include the outstanding bonds with nominal value of HK\$87,209 million and alternative bonds with nominal value of US\$2,000 million (equivalent to HK\$15,502 million as at April 30, 2020) issued under the Government Bond Programme (with proceeds credited to the Bond Fund). Of these bonds under the Government Bond Programme (including Silver Bonds with nominal value of HK\$8,809 million, which may be redeemed before maturity upon request from bond holders), bonds with nominal value of HK\$12,360 million and alternative bonds with nominal value of US\$1,000 million (equivalent to HK\$7,751 million as at April 30, 2020) will mature within the period from May 2020 to April 2021 and the rest within the period from May 2021 to March 2034.

4. Includes guarantees provided under the SME Loan Guarantee Scheme launched in 2001, the Special Loan Guarantee Scheme launched in 2008, the SME Financing Guarantee Scheme launched in 2012 and a commercial loan of the Hong Kong Science and Technology Parks Corporation.

5. Includes HK\$219,730 million being the balance of the Land Fund held in the name of "Future Fund" as from January 1, 2016, for long-term investments initially up to December 31, 2025. As from July 1, 2016, the Future Fund also includes HK\$4,800 million, being one-third of the actual surplus in 2015-16 as top-up.