Financial Conditions
June 2020

Monetary Aggregates  For the month of June 2020, the monthly growth rates of the monetary aggregates M1B and M2 (measured on a daily average basis) were 1.53% and 0.77%, respectively, both higher than those of the previous month. The annual growth rates of M1B and M2 increased to 9.90% and 5.42%, respectively, mainly because of net capital inflows and faster growth in bank loans and investments. For the first six months of this year, the average annual growth rates of M1B and M2 were 7.81% and 4.53%, respectively.

Deposits and Loans & Investments  At the end of June, the monthly growth rate of total deposits in monetary financial institutions was 0.50%, lower than that at the end of the previous month; the annual growth rate increased from 4.53% at the end of the previous month to 4.74%. The monthly growth rate of total outstanding loans and investments (measured on a cost basis) of monetary financial institutions was 0.95%, higher than that at the end of the previous month. Meanwhile, the annual growth rate increased from 5.72% at the end of the previous month to 6.97% because of a year-on-year increase in bank claims on the government and faster growth in bank claims on the private sector. If (1) loans and investments extended by life insurance companies, (2) non-accrual loans reclassified and bad loans written off by monetary financial institutions, and (3) funds raised directly from capital markets were all taken into account, the total outstanding amount of funds raised by the non-financial sector would show an annual growth rate of 5.61%, higher than the 4.99% registered at the end of the previous month.

Reserve Money  The daily average reserve money in May was NT$4,508.4 billion, an increase of NT$58.1 billion from the previous month. Of the components, currency in circulation increased by NT$19.0 billion, while reserves deposited with the Bank increased by NT$39.1 billion. The annual growth rate of the daily average reserve money increased by 1.27 percentage points from 6.75% of the previous month to 8.02%. For the first six months of this year, the average annual growth rate of reserve money was 7.39%.

Reserve Conditions and Call Loan Rate  For the month of June, the daily average net excess reserves of financial institutions were NT$59.4 billion. The average overnight call loan rate increased from 0.079% of the previous month to 0.082%.

Foreign Exchange Reserves  At the end of June, foreign exchange reserves amounted to US$488.69 billion, increasing by US$4.18 billion from the previous month.