



مصرف الإمارات العربية المتحدة المركزي
CENTRAL BANK OF THE U.A.E.

UAE Monthly Monetary Survey - November 2013 -

Previous Monetary Surveys

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|------------------|------------------|
| - December 2012 | - October 2013 |
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Related Publications

- UAE Central Bank Monthly Statistical Bulletin, September 2013
- UAE Monetary Developments Report, 3rdQuarter 2013 (Arabic)
- Governor's Speech on Strengthening Financial Sector Supervision and Current Regulatory Priorities (MENA Region) - 2013, Abu Dhabi, November 2013
- Governor's Speech at the Global Financial Markets Forum 2013 – Abu Dhabi, February 2013

Monetary Developments^(*)

Money supply M_0 increased from AED 62.8 billion at the end of October 2013 to AED 63.4 billion at the end of November of the same year (1.0%), while M_1 increased from AED 361.5 billion to AED 373.3 billion (3.3%), M_2 increased from AED 1,003.5 billion to AED 1,036.8 billion (3.3%), and M_3 decreased from AED 1,223.1 billion to AED 1,217.2 billion (-0.5%).

During the first eleven months of 2013, M_0 increased by 9.7%, M_1 by 24.8%, M_2 by 20.2% and M_3 by 12.4%.

The Money Multiplier

The money multiplier indicates by how much the money supply will grow following an increase of 1 billion Dirhams in the monetary base (currency in circulation + commercial banks' reserves at the Central Bank + certificates of deposit).

The multiplier of M_1 and M_2 remained unchanged at 1.5 and 4.1, respectively at the end of November 2013, i.e., at the same level of the previous month while the multiplier of M_3 decreased from 5.0 to 4.8 during the same period. This decrease in the money multiplier of M_3 was mainly due to a decrease in the Money Supply M_3 in the amount of AED 5.9 billion.

(*) The monetary aggregates are defined in footnote of Table 1

Table 1.UAE Monthly Monetary Survey (November 2013)
(End of period, billions of Dirhams)

	December 2012	October 2013	November 2013	Change in November		Change during the first eleven months of 2013	
				In billions of Dirhams	%	In billions of Dirhams	%
Money Supply M ₀	57.8	62.8	63.4	0.6	1.0	5.6	9.7
Currency in Circulation	45.6	49.9	51.1	1.2	2.4	5.5	12.1
Monetary Deposits(*)	253.6	311.6	322.2	10.6	3.4	68.6	27.1
Money Supply M ₁	299.2	361.5	373.3	11.8	3.3	74.1	24.8
Quasi Monetary Deposits(**)	563.2	641.9	663.5	21.6	3.4	100.3	17.8
Money Supply M ₂	862.4	1,003.5	1,036.8	33.3	3.3	174.4	20.2
Government Deposits	220.7	219.6	180.4	-39.2	-17.9	-40.3	-18.3
Money Supply M ₃	1,083.1	1,223.1	1,217.2	-5.9	-0.5	134.1	12.4

N.B. Data for 2013 are estimates subject to revision

M₀ = Currency in Circulation + Currency at Banks

M₁ = Currency in Circulation + Monetary Deposits

M₂ = M₁ + Quasi Monetary Deposits

M₃ = M₂ + Government Deposits

(*)Monetary Deposits: all short-term deposits on which bank customer can withdraw without prior notice

()Quasi-Monetary Deposits: Resident Time and Savings Deposits in Dirham + Commercial Prepayments in Dirham + Resident Deposits in foreign currencies**

**Table 2. Money Multiplier in the UAE
(End of period, billions of Dirhams)**

	December 2012	October 2013	November 2013	Change in November 2013	
				In billions of Dirhams	% Change
Monetary Base	223.7	245.4	251.5	6.1	2.5
- Currency in Circulation	45.6	49.9	51.1	1.2	2.4
- Reserve Requirements	70.4	82.9	84.7	1.8	2.2
- Banks Current Accounts at CBUAE (Net)	12.3	13.0	16.1	3.1	23.8
- Certificates of Deposit (Net of Lending)	95.4	99.6	99.6	0.0	0.0
Money Supply (M ₁)	299.2	361.5	373.3	11.8	3.3
Money Multiplier of M₁ (M₁/Monetary Base)	1.3	1.5	1.5	-	-
Money Supply (M ₂)	862.4	1,003.5	1,036.8	33.3	3.3
Money Multiplier of M₂ (M₂/Monetary Base)	3.9	4.1	4.1	-	-
Money Supply (M ₃)	1,083.1	1,223.1	1,217.2	-5.9	-0.5
Money Multiplier of M₃ (M₃/Monetary Base)	4.8	5.0	4.8	-	-

N.B. Data for 2013 are estimates subject to revision