



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

UAE Monthly Monetary Survey - September 2013 -

Previous Monetary Surveys

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|------------------|---------------|
| - December 2012 | - August 2013 |
| - November 2012 | - July 2013 |
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| - August 2012 | - April 2013 |
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Related Publications

- UAE Central Bank Monthly Statistical Bulletin, July 2013
- UAE Monetary Developments Report, 2nd Quarter 2013 (Arabic)
- Governor's Speech at the Global Financial Markets Forum 2013 – Abu Dhabi, February 2013

Monetary Developments ^(*)

Money supply M_0 decreased from AED 60.7 billion at the end of August 2013 to AED 60.5 billion at the end of September of the same year (-0.3%), while M_1 increased from AED 348.0 billion to AED 354.4 billion (1.8%), M_2 increased from AED 939.5 billion to AED 955.0 billion (1.6%) and M_3 increased from AED 1,197.2 billion to AED 1,199.6 billion (0.2%).

During the first nine months of 2013, M_0 increased by 4.7%, M_1 by 18.4%, M_2 by 10.7% and M_3 by 10.8%.

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 decreased from 1.5 at the end of August 2013 to 1.4 at the end of September 2013 while the multiplier of M_2 decreased from 4.0 to 3.9 and the multiplier of M_3 decreased from 5.1 to 4.9 during the same period. This decrease in the money multipliers of M_1 , M_2 and M_3 was mainly due to an increase in the Monetary Base resulting from an increase in Banks' Current Accounts at CBUAE (Net) by AED 7.4 billion and an increase in Certificates of Deposit (Net of Lending) by AED 3.6 billion.

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

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

	December 2012	August 2013	September 2013	Change in September		Change during the first nine months of 2013	
				In billions of Dirhams	%	In billions of Dirhams	%
Money Supply M ₀	57.8	60.7	60.5	-0.2	-0.3	2.7	4.7
Currency in Circulation	45.6	48.7	48.9	0.2	0.4	3.3	7.2
Monetary Deposits(*)	253.6	299.4	305.5	6.1	2.0	51.9	20.5
Money Supply M ₁	299.2	348.0	354.4	6.4	1.8	55.2	18.4
Quasi Monetary Deposits(**)	563.2	591.4	600.6	9.2	1.6	37.4	6.6
Money Supply M ₂	862.4	939.5	955.0	15.5	1.6	92.6	10.7
Government Deposits	220.7	257.7	244.6	-13.1	-5.1	23.9	10.8
Money Supply M ₃	1,083.1	1,197.2	1,199.6	2.4	0.2	116.5	10.8

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	August 2013	September 2013	Change in September 2013	
				In billions of Dirhams	% change
Monetary Base	223.7	235.0	245.7	10.7	4.6
- Currency in Circulation	45.6	48.7	48.9	0.2	0.4
- Reserve Requirements	70.4	82.9	82.4	-0.5	-0.6
- Banks Current Accounts at CBUAE (Net)	12.3	12.0	19.4	7.4	61.7
- Certificates of Deposit (Net of Lending)	95.4	91.4	95.0	3.6	3.9
Money Supply (M ₁)	299.2	348.0	354.4	6.4	1.8
Money Multiplier of M₁ (M₁/Monetary Base)	1.3	1.5	1.4	-	-
Money Supply (M ₂)	862.4	939.5	955.0	15.5	1.6
Money Multiplier of M₂ (M₂/Monetary Base)	3.9	4.0	3.9	-	-
Money Supply (M ₃)	1,083.1	1,197.2	1,199.6	2.4	0.2
Money Multiplier of M₃ (M₃/Monetary Base)	4.8	5.1	4.9	-	-