

# Monetary Developments

Data Governance and Statistics  
Department

June 2024

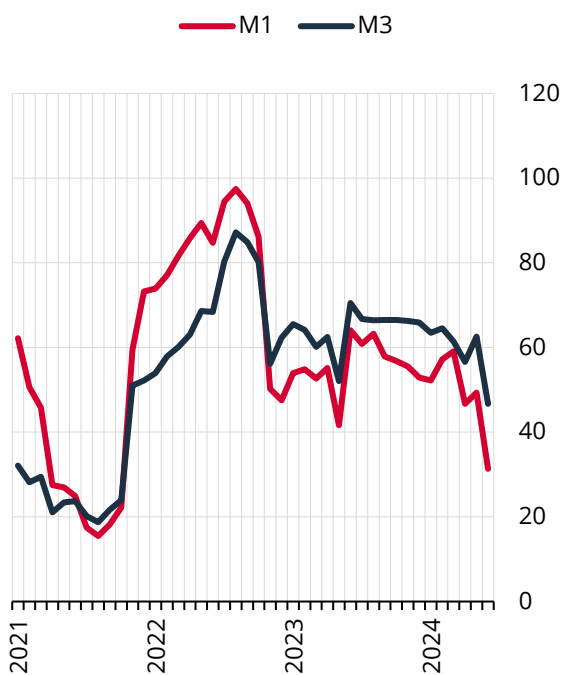


## Evaluations

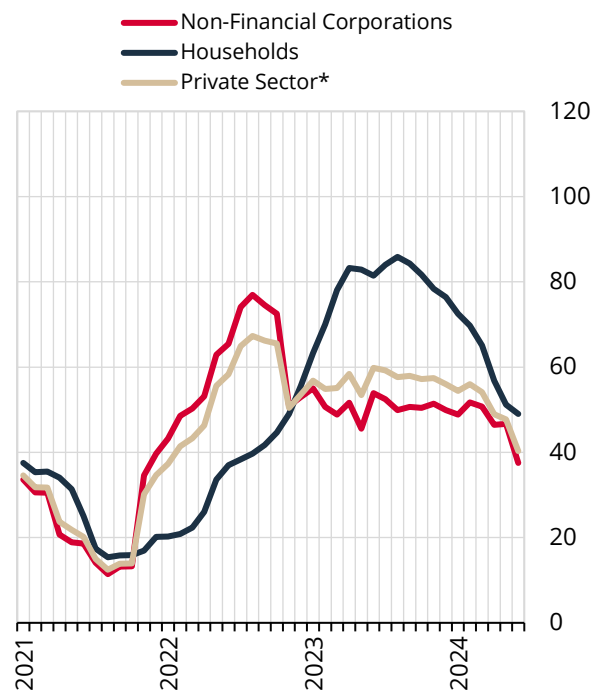
The broad money supply M3 grew annually by 46.7% in June 2024 following the 62.5 -percent year-on-year growth in May 2024. The annual growth rate of M1, the narrowest measure of money supply, was 49.3% in May 2024 which was 31.4% in June 2024 (Chart 1).

The annual rate of increase in loans granted by the monetary sector to households was 49% in June 2024. Meanwhile, the loans extended to non-financial corporations increased by 46.7% in May 2024 compared to previous year, while it increased by 37.5% on year-on-year basis in June 2024 (Chart 2).

**Chart 1. Monetary Aggregates** (June 2024, Annual % Growth)



**Chart 2. Loans** (June 2024, Annual % Growth)



(\*) Private Sector includes Agricultural Sales and Credit Cooperatives, Non-profit Inst. Serving Households and Other as well as Non-Financial corp. and Households.

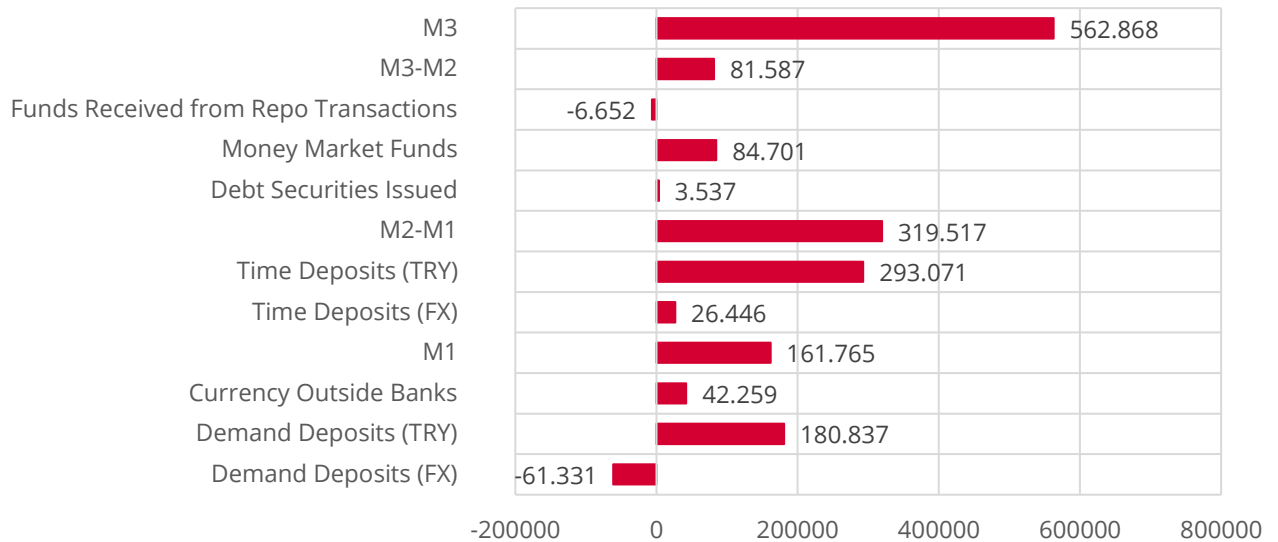
An analysis of the contribution of broad money components to the annual growth in money supply reveals that the largest contribution came from time deposits which is followed by demand deposits. In June 2024, 28% of the annual growth of 46.7% in M3 came from time deposits while 14.2% came from demand deposits. Meanwhile, other components had a limited contribution to the growth. Regarding the 3.57% monthly growth in the broad money M3 in June 2024, the main contribution came from the increase in TRY time deposits which grew by 2.03% (Table 1).

**Table 1. Contribution of Broad Money Components to the Annual and Monthly Growth in M3 Money Supply** (June 2024)

	Money Supply (Million TRY)	Contribution of Components to M3 Annual Growth (%)	Contribution of Components to M3 Monthly Growth (%)
<b>M3</b>	<b>16.325.990</b>	<b>46,66</b>	<b>3,57</b>
<b>M3-M2</b>	<b>1.006.787</b>	<b>2,88</b>	<b>0,52</b>
Funds Received from Repo Transactions	443.524	1,27	-0,04
Money Market Funds	530.921	1,52	0,54
Debt Securities Issued	32.342	0,09	0,02
<b>M2-M1</b>	<b>9.808.126</b>	<b>28,03</b>	<b>2,03</b>
Time Deposits (TRY)	7.931.208	22,67	1,86
Time Deposits (FX)	1.876.918	5,36	0,17
<b>M1</b>	<b>5.511.077</b>	<b>15,75</b>	<b>1,03</b>
Currency Outside Banks	556.884	1,59	0,27
Demand Deposits (TRY)	1.601.664	4,58	1,15
Demand Deposits (FX)	3.352.529	9,58	-0,39

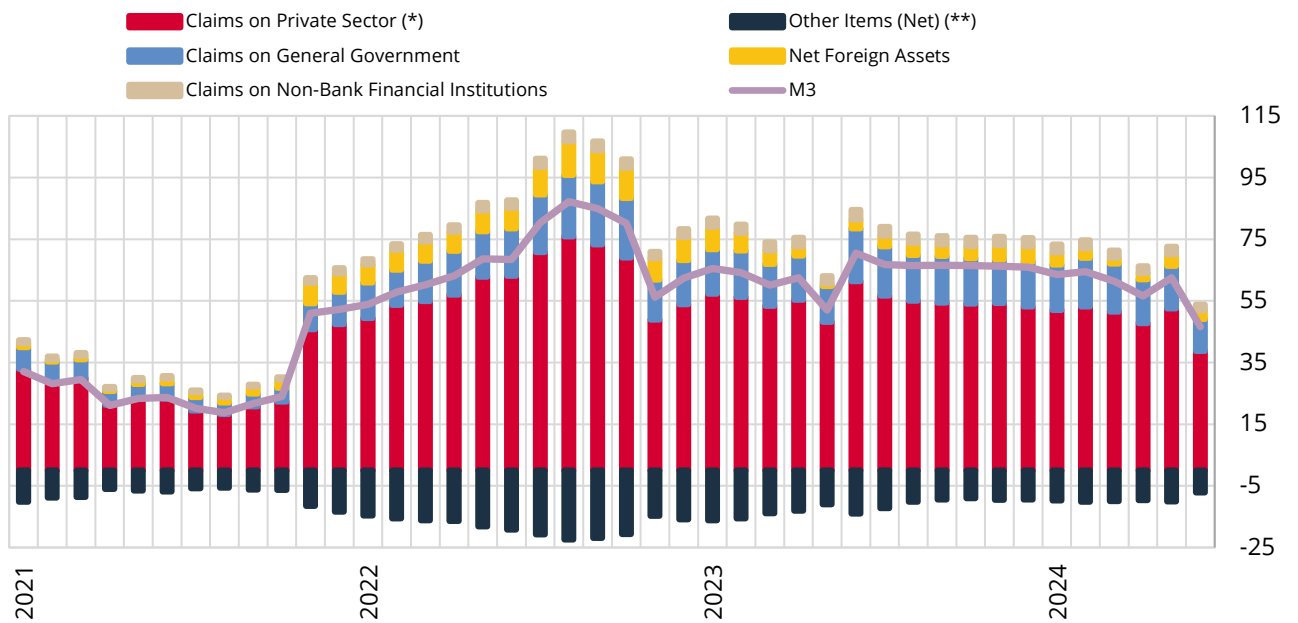
Source: CBRT

Broad money supply M3 increased by 563 Billion TRY monthly in April 2024. In the same period, M1 increased by 162 Billion TRY due to the increase in TRY demand deposits (Chart 3).

**Chart 3. Monthly Change of M3 Money Supply and Its Components** (Million TRY)

The annual growth in M3 is reflected in counterparts as an increase in claims on the private sector, the general government, non-bank financial institutions and net foreign assets by 38.7%, 10.3%, 1.9% and 2.9% respectively. On the other hand, other items (net) had a reducing effect by 7.1% (Chart 4).

**Chart 4. Reflection of Annual Growth in M3 Money Supply to Counterpart Items (June 2024)**

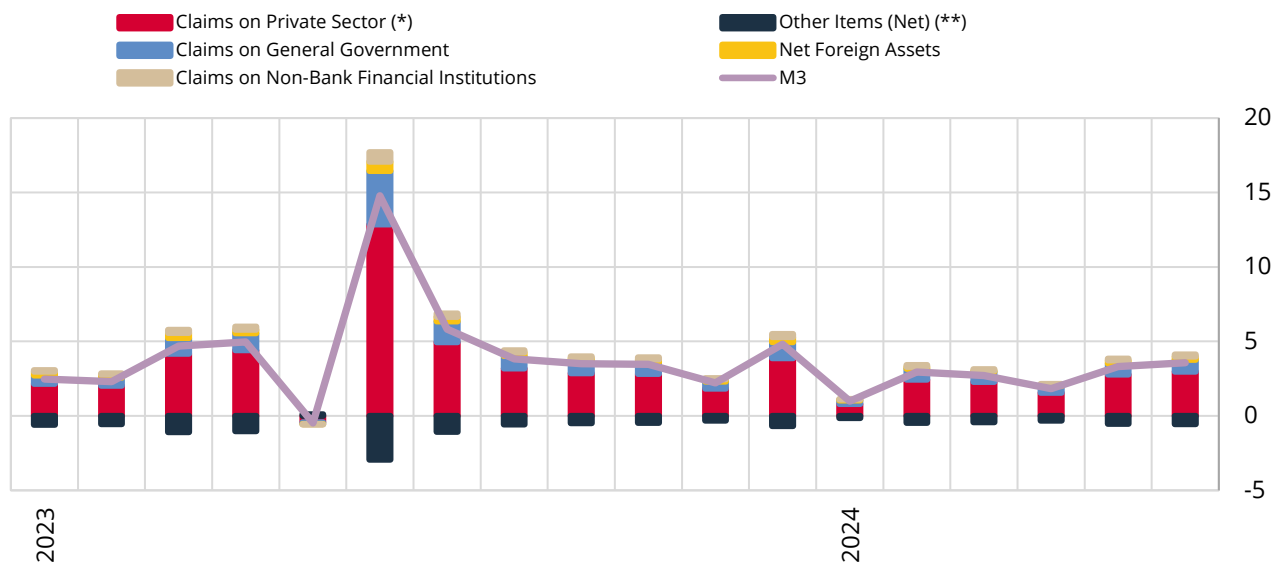


(\* ) Claims on Private Sector includes Claims on Non-Financial Public Enterprises.

(\*\* ) Transactions of the monetary sector are netted under “Other Items (Net)”.

The monthly growth in M3 is reflected in counterparts as an increase in claims on the private sector, the general government, non-bank financial institutions and net foreign assets by 2.96%, 0.79%, 0.14% and 0.22% respectively. On the other hand, other items (net) had a reducing effect by 0.55% (Chart 5).

**Chart 5. Reflection of Monthly Growth in M3 Money Supply to Counterpart Items (June 2024)**



(\* ) Claims on Private Sector includes Claims on Non-Financial Public Enterprises.

(\*\* ) Transactions of the monetary sector are netted under “Other Items (Net)”.