

# Monetary Developments

Data Governance and Statistics  
Department

May 2024

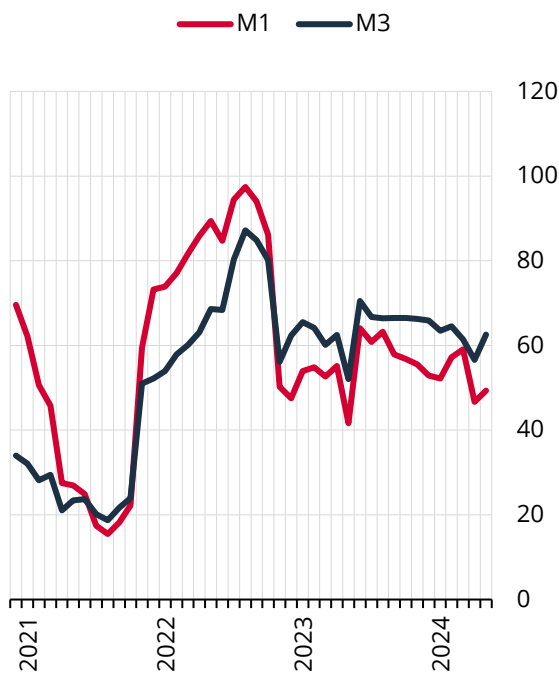


## Evaluations

The broad money supply M3 grew annually by 62.5% in May 2024 following the 56.6 -percent year-on-year growth in April 2024. The annual growth rate of M1, the narrowest measure of money supply, was 46.7% in April 2024 which was 49.3% in May 2024 (Chart 1).

The annual rate of increase in loans granted by the monetary sector to households was 51.2% in May 2024. Meanwhile, the loans extended to non-financial corporations increased by 46.5% in April 2024 compared to previous year, while it increased by 46.7% on year-on-year basis in May 2024 (Chart 2).

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



**Chart 2. Loans** (May 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.

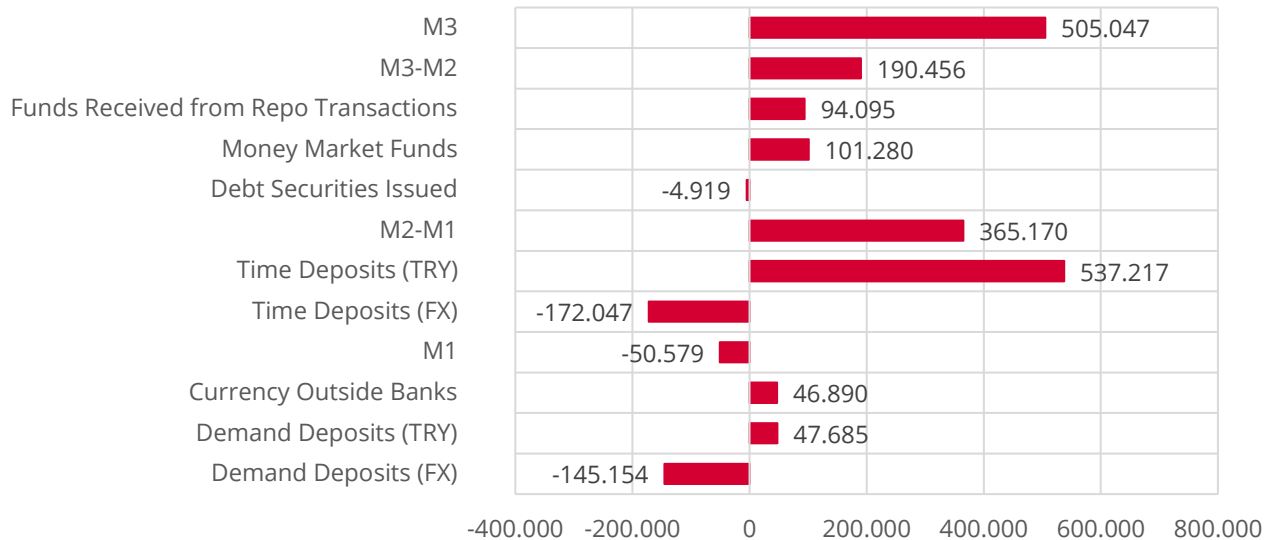
An analysis of the contribution of broad money components to the annual growth in money supply reveals that the largest contribution came from time deposits which is followed by demand deposits. In May 2024, 37.6% of the annual growth of 62.5% in M3 came from time deposits while 19.2% came from demand deposits. Meanwhile, other components had a limited contribution to the growth. Regarding the 3.3% monthly growth in the broad money M3 in May 2024, the main contribution came from the increase in TL time deposits which grew by 2.4% (Table 1).

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

	Money Supply (Million TRY)	Contribution of Components to M3 Annual Growth (%)	Contribution of Components to M3 Monthly Growth (%)
<b>M3</b>	<b>15.763.121</b>	<b>62,54</b>	<b>3,31</b>
<b>M3-M2</b>	<b>925.200</b>	<b>3,67</b>	<b>1,25</b>
Funds Received from Repo Transactions	450.176	1,79	0,62
Money Market Funds	446.220	1,77	0,66
Debt Securities Issued	28.804	0,11	-0,03
<b>M2-M1</b>	<b>9.488.610</b>	<b>37,64</b>	<b>2,39</b>
Time Deposits (TRY)	7.638.137	30,30	3,52
Time Deposits (FX)	1.850.472	7,34	-1,13
<b>M1</b>	<b>5.349.312</b>	<b>21,22</b>	<b>-0,33</b>
Currency Outside Banks	514.625	2,04	0,31
Demand Deposits (TRY)	1.420.827	5,64	0,31
Demand Deposits (FX)	3.413.860	13,54	-0,95

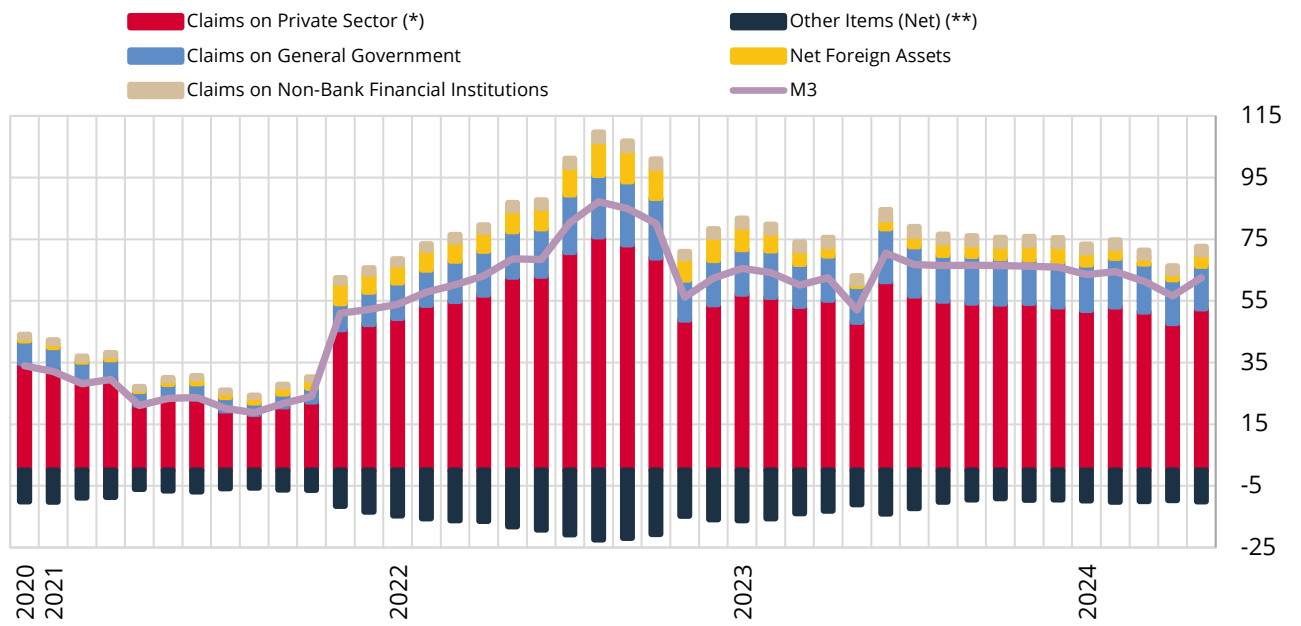
Source: CBRT

Broad money supply M3 increased by 505 Billion TL monthly in May 2024. In the same period, M1 decreased by 51 Billion TL due to the decrease in FX demand deposits (Chart 3).

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

The 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 52.5%, 13.9%, 2.5% and 3.7% respectively. On the other hand, other items (net) had a reducing effect by 10%.

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



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

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