



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

UAE Monthly Monetary Survey - February 2012 -

Previous Monetary Surveys

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|------------------|-----------------|
| - December 2010 | - December 2011 |
| - November 2010 | - November 2011 |
| - October 2010 | - June 2011 |
| - September 2010 | - May 2011 |
| - August 2010 | - April 2011 |
| - July 2010 | - March 2011 |
| - June 2010 | - February 2011 |
| - May 2010 | - January 2011 |
| - April 2010 | |
| - March 2010 | |
| - February 2010 | |
| - January 2010 | |

Related Publications

- Governor's Speech: First Annual World Islamic Banking Conference - Singapore, 14 June 2010
- Governor's Speech on "The Regulatory Partnerships for Sustained Growth in MENASA AREA" - Dubai, 24 May 2010
- UAE Central Bank Monthly Statistical Bulletin, December 2011
- UAE Monetary Developments Report, 3rd Quarter 2011 (Arabic)

Monetary Developments ^(*)

Money supply M_0 increased from AED 52.3 billion at the end of January 2012 to AED 53.1 billion at the end of February of the same year (1.5%), while M_1 increased from AED 272.0 billion to AED 276.3 billion (1.6%), M_2 increased from AED 835.6 billion to AED 856.3 billion (2.5%) and M_3 increased from AED 1,008.6 billion to AED 1,036.2 billion (2.7%). During the first two months of 2012, M_0 increased by 1.9%, M_1 by 4.6%, M_2 by 3.7% and M_3 increased by 3.5%.

The Money Multiplier

The money multiplier indicates by how much the money supply (M_2) 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).

This multiplier increased slightly from 4.2 at the end of December 2011 to 4.3, at the end of February 2012, which was due mainly to a decrease in banks' current accounts at the Central Bank, in the amount of AED 1 billion.

(*) Monetary aggregates are defined in footnote of Table 1

Table 1. UAE Monthly Monetary Survey (February 2012)
(End of period, billions of Dirhams)

	December 2011	January 2012	February 2012	Change in February		Change during the first 2 months of 2012		
				In billions of Dirhams	%	In billions of Dirhams	%	Annualized in %
Money Supply M₀	52.1	52.3	53.1	0.8	1.5	1.0	1.9	12.1
-Currency in Circulation	41.6	42.6	43.3	0.7	1.6	1.7	4.1	27.2
-Monetary Deposits(*)	222.5	229.4	233.0	3.6	1.6	10.5	4.7	31.9
Money Supply M₁	264.1	272.0	276.3	4.3	1.6	12.2	4.6	31.1
-Quasi Monetary Deposits(**)	561.7	563.6	580.0	16.4	2.9	18.3	3.3	21.2
Money Supply M₂	825.8	835.6	856.3	20.7	2.5	30.5	3.7	24.3
-Government Deposits	175.6	173.0	179.9	6.9	4.0	4.3	2.4	15.6
Money Supply M₃	1,001.4	1008.6	1036.2	27.6	2.7	34.8	3.5	22.7

N.B. Data for December 2011 and 2012 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 2011	January 2012	February 2012	Change in February 2012	
				In billions of Dirhams	% change
Monetary Base	197.9	197.0	198.8	1.8	0.9
- Currency in Circulation	41.6	42.6	43.3	0.7	1.7
- Reserve Requirements	62.8	63.2	62.5	-0.7	-1.1
- Banks Current Accounts at CBUAE (Net)	13.5	12.9	12.5	-0.4	-3.1
- Certificates of Deposits (Net of Lending)	80.0	78.3	80.5	2.2	2.8
Money Supply (M ₁)	264.1	272.0	276.3	4.3	1.6
Money Multiplier of M₁ (M₁/Monetary Base)	1.3	1.4	1.4	-	-
Broad Money Supply (M ₂)	825.8	835.6	856.3	20.7	2.5
Money Multiplier of M₂ (M₂/Monetary Base)	4.2	4.2	4.3	-	-