

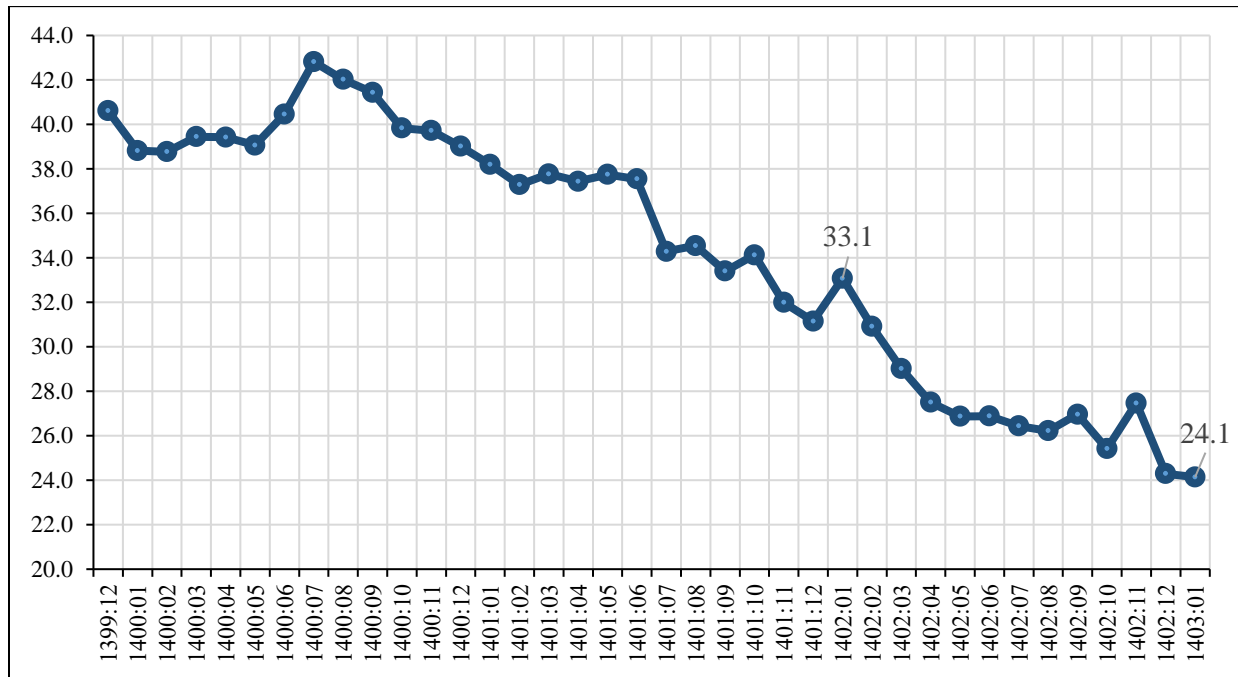
Selected Economic Indicators

Analysis on Developments of Monetary and Credit Aggregates

➤ Broad Money (M2)

Broad money (M2) amounted to 79,682.9 trillion rials in Farvardin 1403 (April 2024), indicating an increase of 1.2 percent compared with end-Esfand 1402 (March 2024). The twelve-month growth rate of broad money was 24.1 percent in April 2024, down by 9.0 percentage point compared with the growth rate of broad money in April 2023 (33.1 percent). Continued slowdown in broad money (M2) growth over the recent months is mainly attributable to the CBI's success in actualizing its monetary plan aimed at limiting growth in banks' balance sheets.

Figure 1: Twelve-month Growth of Broad Money (M2) in Recent Years
(Percent)



➤ Monetary Base

The monetary base reached 10,817.8 trillion rials in April 2024. The twelve-month growth rate of monetary base amounted to 22.7 percent in April 2024, down by 22.8 percentage points compared with the monetary base growth in April 2023 (45.5 percent). Furthermore, the monetary base experienced a growth rate of -0.8 percent in April 2024 compared with March 2024.

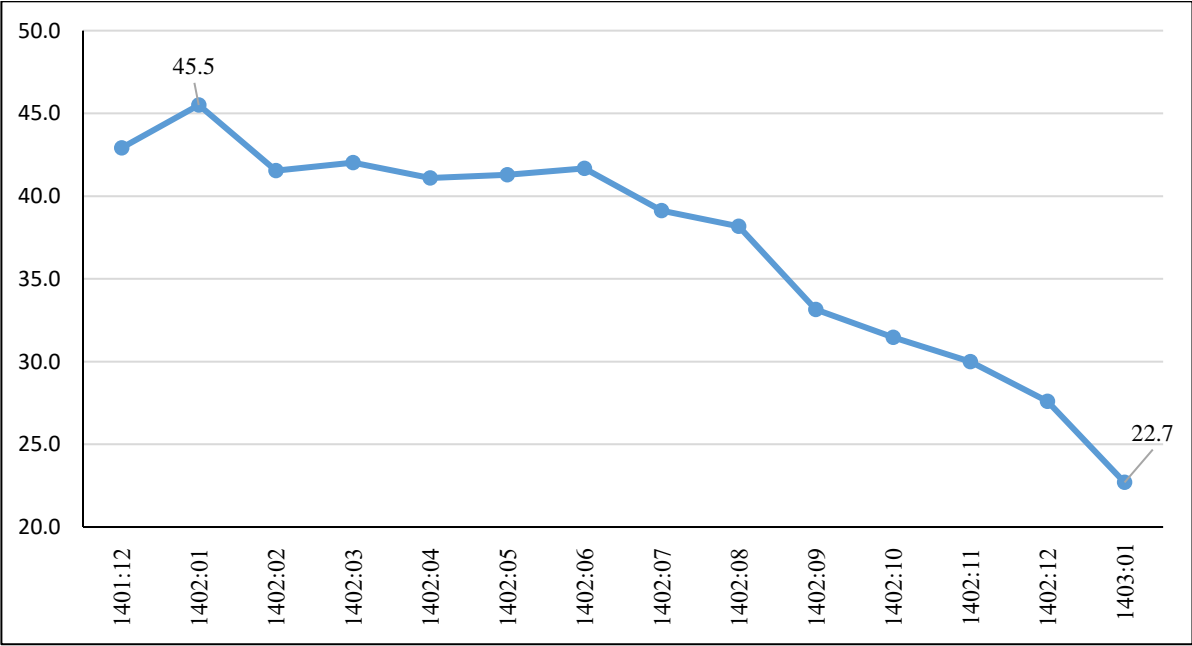
Based on the stipulation of the CBI's General Meeting of 2022/23 regarding the revaluation of foreign assets (based on their quality) and liabilities, the financial statements on the assets and liabilities of the CBI

for 2023/24 were revised in March 2024. Meanwhile, to ensure consistency with the international standards, the CBI has revised the classification of monetary base components in line with the IMF's Monetary and Financial Statistics Manual and Compilation Guide (MFSMCG, 2016) and the principle of economic territory. Accordingly, the figures related to the monetary base and its components have been revised as of 2021.

The amount of the public debt to the CBI (net) had a positive share of 3.0 percentage points in growth of the monetary base in April 2024 compared with March 2024 (-0.8 percent). The main factor behind this increase was the fall in the deposits of the government with the CBI in the mentioned period, indicating the government's reliance on its deposit resources. Meanwhile, the amount of the public debt to the CBI (net) had a decreasing share of 2.8 percentage points in the 22.7 percent growth of the monetary based in April 2024 as compared with April 2023. This was partly attributable to the rise in the notes payable as committed by the government in order to raise Iran's quota in the IMF. As the said rise has been registered under the "other liabilities of the CBI" heading as well, it contains no monetary effects.

The net foreign assets of the CBI had an increasing share of 1.8 percentage points in the growth of the monetary base in April 2024 compared with March 2024. Another factor responsible for the monetary base growth in April 2024 was the other items of the CBI (net) with a positive share of 0.2 percentage point. It should also be noted that the banks' debt to the CBI has a negative share of 5.8 percentage points in the growth rate of the monetary base (-0.8 percent).

**Figure 2: Twelve-month Growth of Monetary Base in Recent Years
(Percent)**



➤ **Money Multiplier**

The money multiplier amounted to 7.366 in April 2024. This was indicative of an increase of 2.0 percent compared with March 2024.

Prepared by the Economic Research and Policy Department, CBI