

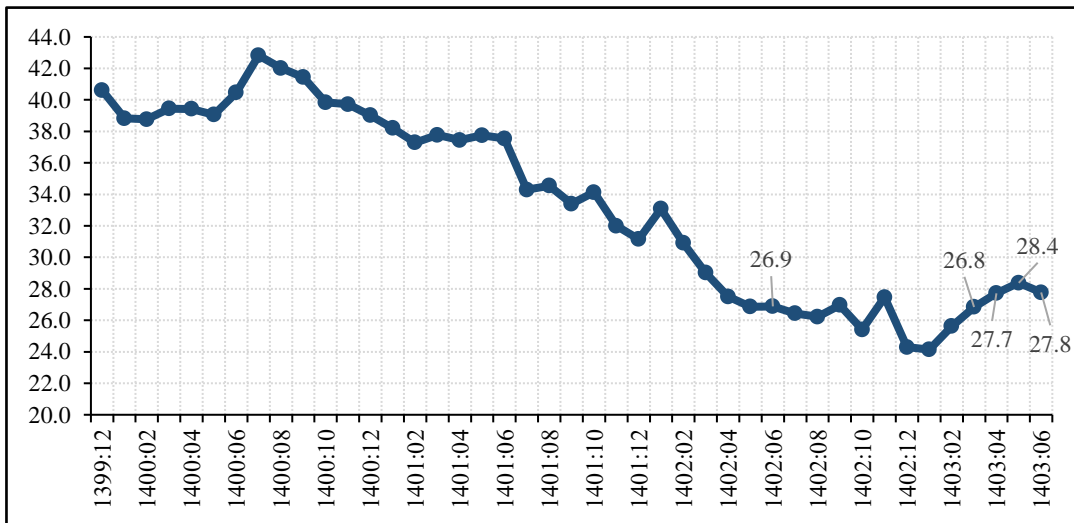
Selected Economic Indicators

Analysis on Developments of Monetary and Credit Aggregates

➤ Broad Money

Broad money amounted to 90,705.1 trillion rials in Shahrivar 1403 (September 2024), indicating an increase of 15.1 percent compared with end-Esfand 1402 (March 2024). The twelve-month growth rate of broad money was 27.8 percent in September 2024, up by 0.9 percentage point compared with the twelve-month growth rate of broad money in September 2023 (26.9 percent). A look at the twelve-month growth rate of broad money reveals a rising trend in June, July, and August 2024, with growth rates of 26.8, 27.7 and 28.4 percent, respectively. Broad money growth decreased to 27.8 percent in September 2024, however, driven primarily by government financing through the issuance of government debt instruments during the the first six months of 1403 (April-September 2024) compared with the same period in the previous year. It is anticipated that with proper coordination between the government and the CBI, along with the CBI's adoption of appropriate strategies and initiatives, the growth trend of broad money will be adjusted in the second half of the year (October 2024-March 2025).

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



➤ Monetary Base

The monetary base reached 11,541.5 trillion rials in September 2024, experiencing a growth rate of 5.7 percent compared with March 2024. The twelve-month growth rate of monetary base amounted to 18.7 percent in September 2024, down by 23.0 percentage points compared with the monetary base growth in September 2023 (41.7 percent).

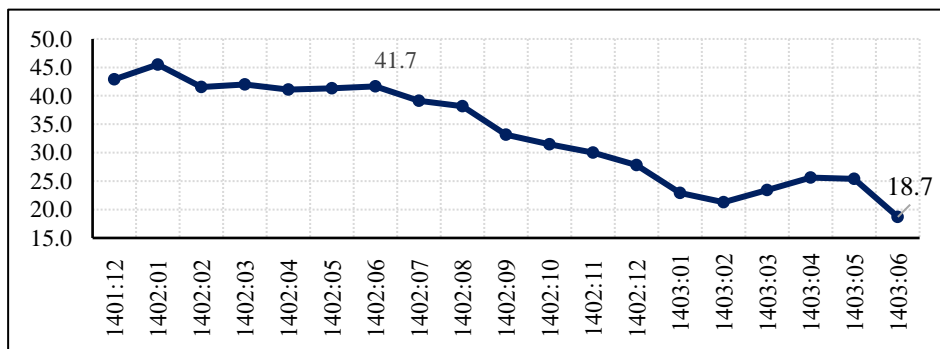
Based on revised data, the monetary base declined by 2.5 percent over the period August 22-September 21, 2024, mainly attributable to the fall in banks' and credit institutions' use of the CBI's overdraft facility. This decline can, in turn, be associated to the CBI's lowering of part of the reserve requirements of banks and credit institutions to be allocated to the applicants of Gharz-al-hasaneh facilities for marriage as well as childbearing purposes.

It is important to note that 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 March 2021.

During April-September 2024, the net foreign assets (NFAs) of the CBI were the major factor increasing the monetary base. The NFAs of the CBI had an increasing share of 29.0 percentage points in the growth of the monetary base in September 2024 as compared with March 2024. The main reason behind the increase in the net foreign assets of the CBI in 2024 was the rise in the revaluation rate. Meanwhile, the public debt to the CBI (net) had a positive share of 8.3 percentage points in the 5.7 percent growth of the monetary base in September 2024 compared with March 2024. The main factor behind the increase in the public debt to the CBI (net) in September 2024 as compared with March 2024 was the fall in the deposits of the government with the CBI.

The most influential factor decreasing the monetary base in September 2024 compared with March 2024 was the banks' debt to the CBI with a share of -17.0 percentage points. The major factor behind the fall in banks' debt to the CBI was the decline in banks' and credit institutions' use of the CBI's overdraft facility in September 2024. Another factor decreasing the monetary base in September 2024 compared with March 2024 was the other items of the CBI (net) with a share of -14.6 percentage points in monetary base growth.

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



➤ **Money Multiplier**

The money multiplier amounted to 7.859 in September 2024. This was indicative of a rise of 9.0 percent compared with March 2024.

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