Selected Economic Indicators

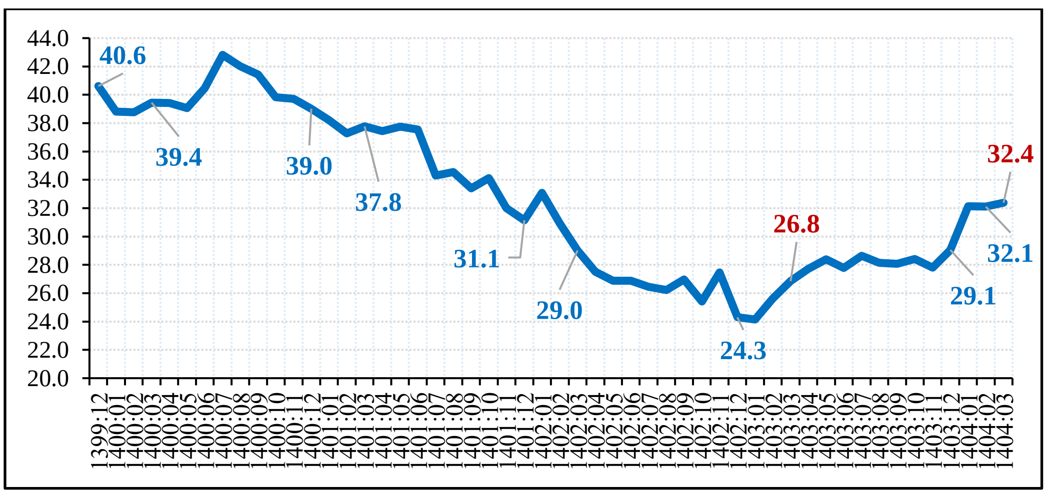
Analysis on Developments of Monetary and Credit Aggregates

➢ Broad Money

Broad money amounted to 110,588.0 trillion rials in Khordad 1404 (June 2025), indicating an increase of 8.8 percent compared with end-Esfand 1403 (March 2025). The twelve-month growth rate of broad money was 32.4 percent in June 2025 as compared with June 2024. This is indicative of a rise of 5.6 percentage points when compared with the 26.8 percent growth of the broad money in June 2024 as against June 2023. Due to the adoption of certain policy measures including the issuance of government debt instruments beyond the limit approved in the budget law, banks' purchasing of a significant portion of the instruments issued by the government, lowering of banks' reserve requirement to finance marriage loan facilities as well as Gharz-al-hasaneh facilities extended to childbearing purposes, increase of the CBI's gold stockpiles in rials, and the implementation of part of the stipulations of Article (46), Law on Removing Obstacles to Production (settlement of part of banks' claims on the CBI), the growth rate of the broad money surpassed the target set for 2024/25. This unfavorable trend continued through April-June 2025 as well. Meanwhile, the government's utilization of the revolving fund of the Treasury based on the Budget Law for 2025/26 had a significant share of 2.7 percentage points in broad money growth over the April-June 2025 period.

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

(Percent)



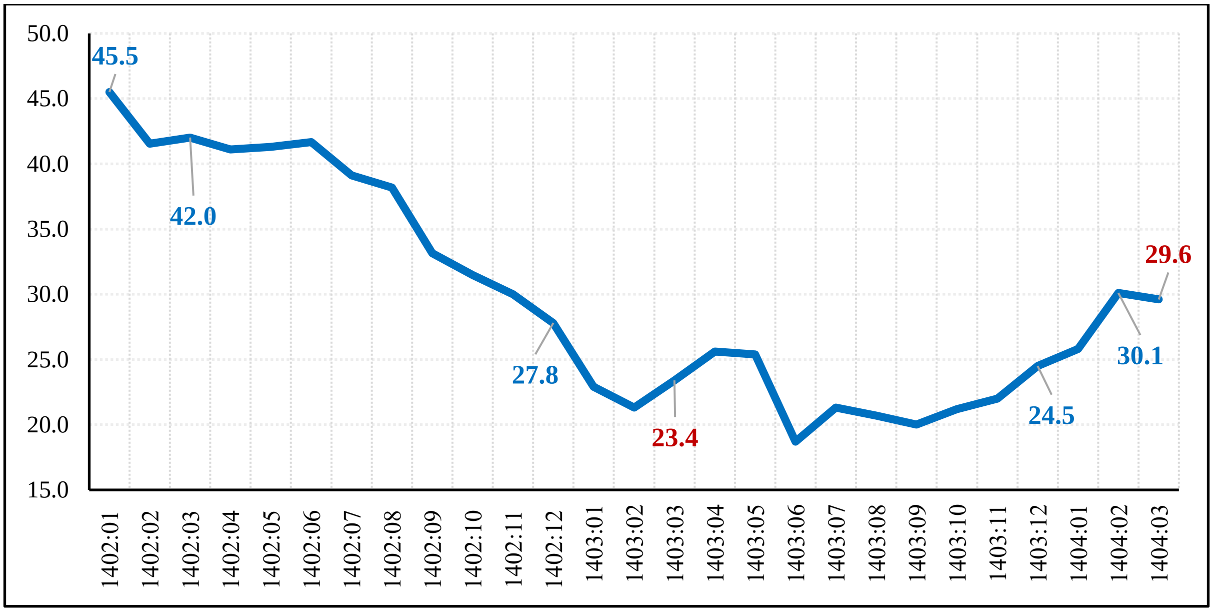
➢ Monetary Base

The monetary base stood at 14,444.4 trillion rials in June 2025, indicating a rise of 6.3 percent compared with March 2025. The twelve-month growth rate of monetary base was 29.6 percent in June 2025, up by 6.2 percentage points compared with the figure of the monetary base growth in June 2024 (23.4 percent).

During April-June 2025 period, the public debt to the CBI (net) was the major factor increasing the monetary base. This variable had an increasing share of 18.5 percentage points in the 6.3 percent growth of the monetary base in June 2025 as compared with March 2025. The main reason behind the rise in the public debt to the CBI (net) in June 2025 compared with March 2025 was the decline in the government's deposits with the CBI. The second factor raising the monetary base in June 2025 compared with March 2025 was the net foreign assets (NFAs) of the CBI, with a share of 12.5 percentage points in the 6.3 percent growth of the monetary base in June 2025 as compared with March 2025, and the third factor was the other items of the CBI (net), with a share of 7.6 percentage points in the rise of the monetary base. The only factor decreasing the monetary base in June 2025 as compared with March 2025 was the banks' debt to the CBI with a negative share of -32.3 percentage points in the 6.3 percent growth of the monetary base.

Figure 2: Twelve-month Growth of Monetary Base in Recent Years

(Percent)



- **Money Multiplier**

The money multiplier amounted to 7.656 in June 2025. This was indicative of a rise of 2.4 percent compared with March 2025.

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Economic Research Department, CBI