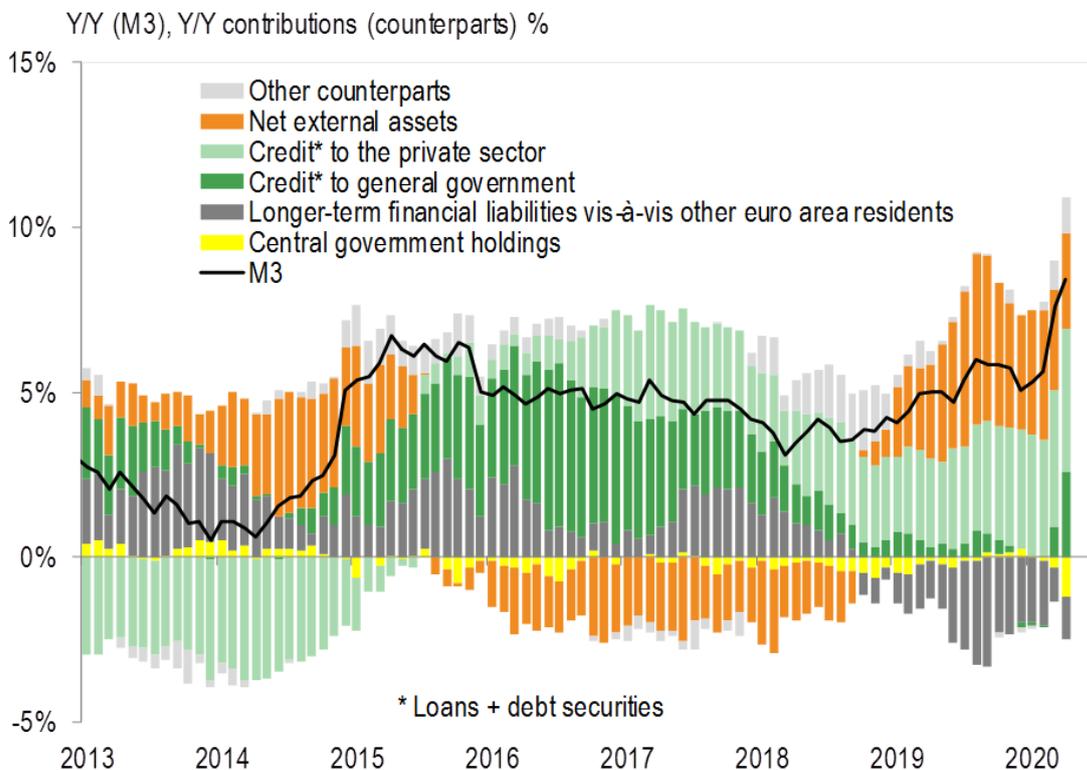




## Eurozone: Fastest broad money growth since 2009

M3 monetary aggregate growth continued to accelerate in the Eurozone in April, to 8.4% year-on-year from 7.5% in March, the strongest annual growth rate since early 2009. Yet the monthly growth rate of the money supply aggregate eased in April to a seasonally-adjusted 1.2% m/m, well below March's peak of 2.5% m/m, but still three times higher than the long-term trend of 0.4% m/m. Although credit to the private sector remains by far the largest counterpart of M3 money supply, credit to general government made the biggest contribution to the acceleration of money supply growth since early 2020, bolstered by the intensification of the Eurosystem's government securities purchasing programme (a cumulative total of EUR 67 billion in March and April 2020). Despite strong money supply growth, the Eurostat's preliminary estimates suggest that eurozone inflation declined again, to 0.1% in May 2020, the lowest level since June 2016, reflecting the impact of lockdown measures and the collapse of energy prices.

### M3 broad money has accelerated sharply since early 2020



Source: ECB, calculations BNP Paribas