

Ukraine monetary base increases 5% in April

Ukraine

Posted by:

Posted on : 2018/5/14 22:27:43

Analyst: “We project a 6.1% YTD monetary base increase in 2018 (vs. 4.6% YTD in 2017) on the back of limited budget deficit financing and potential gross reserves accumulation.”

KYIV, May 14, 2018 - Ukraine's monetary base increased 4.8% m/m (3.3% YTD) in April, or UAH 19.0 bln, recovering after a 2.9% m/m drop in the prior month, Concorde Capital informed its clients based on the National Bank of Ukraine (NBU) provisional report on May 11. Meanwhile, money supply increased 1.9% m/m (-1.5% YTD) after a 0.1% m/m slide in March. Concorde analyst Evgeniya Akhtyrko added: “The growth of gross international reserves, which was mostly due to the central bank's currency purchase of USD 302.7 mln on the Forex, was the main reason for April's monetary base growth. Rising public spending also played a role as treasury residuals dropped by 33.3% m/m to UAH 5.5 bln from UAH 8.3 bln in the prior month. “We project a 6.1% YTD monetary base increase in 2018 (vs. 4.6% YTD in 2017) on the back of limited budget deficit financing and potential gross reserves accumulation. However, the monetary base indicator is likely to show high volatility month-to-month amid overall economic weakness.”

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