

# Notes to tables

**Table S-22: Liabilities of monetary banking sector, and Tables S-26 and S-27: Money and near-money**

Data on near-money and long-term deposits of the private sector with monetary banking institutions (commercial banks, merchant banks and monetary hire-purchase and general banks), as shown in the tables on pages S-22, S-26 and S-27, have been revised as from September 1967. The main reason for these revisions is found in adjustments to these data necessitated by changes in ownership of negotiable certificates of deposit (NCDs) as a result of transactions in the secondary market between monetary banking institutions and the private non-bank sector.

Negotiable certificates of deposit are receipts given by banks for funds to be left on deposit for a stated period of time and at a stated rate of interest. They involve a promise by the issuing bank to repay the deposit plus interest to the holder of the certificate on its maturity date; the certificates can be traded prior to the repayment date of the deposit. Over the past few years, a relatively active secondary market in NCD's has developed within the South African money market. NCD's are now issued by the majority of commercial banks, merchant banks and monetary hire-purchase and general banks; in recent months, the total of certificates outstanding has reached a level of R350 to R400 million.

The liabilities to the public that arise from the issue of NCD's (i.e., from acceptance of the deposits concerned) are reported by the issuing banks as deposit liabilities to the original purchasers of the certificates. The ownership of NCD's, however, frequently changes in subsequent trading without the issuing banks being advised of the transactions concerned. A purchase of NCD's of short- or medium-term unexpired maturity by a monetary bank from a private non-bank party will

therefore bring about a reduction in near-money deposits held by the private sector that cannot be identified in a direct manner from the banks' returns.

At the end of any given month, monetary banking institutions (including the discount houses) will generally emerge as net buyers or sellers of NCD's from or to the private sector. Adjustments to monetary banks' liabilities to the public ranking as near-money or private sector long-term deposits must therefore be made to the extent that net amounts of NCD's of short- or medium-term and long-term unexpired maturities, respectively, have actually shifted to the monetary banks from the private sector, or to the private sector from the monetary banks. The amounts of these shifts are calculated from the discrepancies between the amounts of NCD's that are reported originally to have been issued to monetary banking institutions and the amounts actually held by them at the month-end concerned. Since early 1968 the amount of net purchases of NCD's by monetary banking institutions, as calculated from the banks' month-end positions, has occasionally reached a level of R40 to R50 million. In respect of November 1968, for example, the required adjustments to near-money and long-term deposit holdings of the private sector read as follows:

Downward revision of near-money . . . . .	R47 million
Downward revision of private sector long-term deposits . . . . .	R 3 million

Although relatively minor amounts of NCD's have been issued in South Africa since 1964, fairly substantial shifts in ownership necessitating revision of the data on near-money and private sector long-term deposits may be regarded as going back to approximately the third quarter of 1967. Data collected by the Reserve Bank have therefore been aimed at a revision of these statistics as from September of that year. Tables S-22, S-26 and S-27 as in this issue of the *Quarterly Bulletin* incorporate these revisions.

# Opmerkings oor tabelle

## Tabel S-22: Laste van die monetêre banksektor, en Tabelle S-26 en S-27: Geld en kwasi-geld

Die gegewens betreffende kwasi-geld en langtermyn-deposito's van die private sektor by monetêre bankinstellings (handelsbanke, aksepbanke en monetêre huurkoop- en algemene banke), wat in die tabelle op baldsye S-22, S-26 en S-27 getoon word, is vanaf September 1967 hersien. Die belangrikste rede vir hierdie hersienings is die aansuiwering van hierdie gegewens wat noodsaaklik gemaak word deur veranderinge in die besit van verhandelbare deposito-sertifikate (VD-sertifikate) as gevolg van transaksies in die sekondêre mark tussen monetêre bankinstellings en die private nie-banksektor.

Verhandelbare depositosertifikate is ontvangsbewyse wat deur banke uitgereik word vir fondse wat vir 'n tydperk en teen 'n rentekoers soos daarop vermeld, op deposito gehou sal word. Hulle behels 'n belofte van die uitreikende bank om die deposito, plus rente, op die vervaldatum daarvan aan die houer van die sertifikaat terug te betaal; die sertifikate kan voor die terugbetalingsdatum van die deposito's verhandel word. Oor die afgelope paar jaar het 'n betreklik aktiewe sekondêre mark in VD-sertifikate binne die Suid-Afrikaanse geldmark ontwikkel. VD-sertifikate word nou uitgereik deur die meerderheid van die handelsbanke, aksepbanke en monetêre huurkoop- en algemene banke; in die afgelope paar maande het die totaal aan uitstaande sertifikate 'n peil van R350 miljoen tot R400 miljoen bereik.

Die verpligtings teenoor die publiek wat deur die uitgifte van VD-sertifikate (d.w.s. deur aanname van die betrokke deposito's) ontstaan, word deur die uitreikende banke as depositoverpligtings teenoor die oorspronklike kopers van die sertifikate opgegee. VD-sertifikate verander egter dikwels van eienaar deur latere verhandelinge daarvan sonder dat die uitreikende banke van die betrokke transaksies in kennis gestel word. 'n Aankoop van VD-sertifikate met 'n onverstreke looptyd wat in die kort- of middeltermyn val, deur 'n monetêre bank van 'n private nie-bank-teenparty, sal daardeur 'n vermindering in kwasi-geld-deposito's gehou deur

die private sektor teweegbring wat nie op regstreekse wyse uit die opgawes van die banke geïdentifiseer kan word nie.

Aan die einde van enige gegewe maand sal gewoonlik blyk dat monetêre bankinstellings (met insluiting van die diskontohuise) 'n sekere netto bedrag aan VD-sertifikate van die private sektor aangekoop of aan die private sektor verkoop het. Aansuiwering van die monetêre banke se verpligtings teenoor die publiek wat as kwasi-geld of as langtermyn-deposito's van die private sektor beskou word, moet daarom gemaak word in die mate waarin VD-sertifikate met kort- of middel- en langtermyn-onverstreke looptye, onderskeidelik, in werklikheid van die private sektor na die monetêre banke, of van die monetêre banke na die private sektor, verskuif het. Die bedrae van hierdie verskuiwings word bereken uit die afwykings tussen die bedrae aan VD-sertifikate wat opgegee word as oorspronklik aan monetêre bankinstellings uitgereik en die bedrae wat in werklikheid op die betrokke maandeinde deur die banke gehou is. Sedert die eerste paar maande van 1968 het die bedrag aan netto aankope van VD-sertifikate deur monetêre bankinstellings, soos dit uit die maandeindeposities van die banke bereken word, by geleentheid 'n peil van R40 tot R50 miljoen bereik. Met betrekking tot November 1968 is die vereiste aansuiwering van kwasi-geld en die besit aan langtermyn-deposito's van die private sektor bv. soos volg:

Afwaartse hersiening van kwasi-geld . . . . . R47 miljoen  
Afwaartse hersiening van langtermyn-deposito's van die private sektor . . . . . R 3 miljoen

Hoewel betreklik geringe bedrae aan VD-sertifikate sedert 1964 in Suid-Afrika uitgereik is, kan taamlik aansienlike verskuiwings in die besit daarvan, wat 'n hersiening van die gegewens betreffende kwasi-geld en langtermyn-deposito's van die private sektor noodsaaklik maak, geag word om tot ongeveer die derde kwartaal van 1967 terug te gaan. Gegewens wat deur die Reserwebank ingewin is, is derhalwe gerig op 'n hersiening van hierdie statistiek vanaf September van daardie jaar. Hierdie hersienings is in tabelle S-22, S-26 en S-27 van hierdie uitgawe van die *Kwartaalblad* opgeneem.