



MONEY AND BANKING STATISTICS

JULY/AUGUST 2017

HIGHLIGHTS ON MAJOR MONETARY AGGREGATES

MONTHLY
% CHANGE

ANNUAL %
CHANGE

Gross Official Reserves declined by 10.4 per cent to E7.3 billion at the end of August 2017. At this level, the Reserves represented an import cover of 3.5 months. Year-on-year, the Reserves fell by 6.8 per cent.

10.4



6.8



Credit Extended to the Private Sector grew by 0.6 per cent month-on-month to settle at E13.2 billion at the end of July 2017. Growth was realised in credit to Households and Business sectors. Over the year, Private Sector credit rose by 6.2 per cent.

0.6

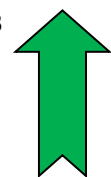


6.2

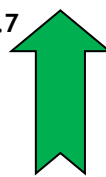


Broad Money Supply (M2) amounted to E16.5 billion at the end of July 2017, increasing by 0.3 per cent month-on-month. The rise was observed in Quasi Money whilst Narrow Money Supply (M1) fell by 5.4 per cent. Annually, M2 expanded by 15.7 per cent.

0.3

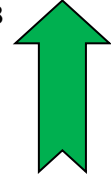


15.7

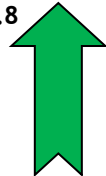


Domestic Liquid Assets went up by 8.8 per cent to reach E4.0 billion at the end of July 2017, due to improvements in Commercial Banks' cash holdings and balances with the Central Bank. Year-on-year, Domestic Liquid Assets accelerated by 24.8 per cent.

8.8



24.8



PERCENT

Discount Rate: the discount rate stood at 7.25 per cent at the end of August 2017.

7.25

Prime Lending Rate: the prime lending rate stood at 10.75 per cent at the end of August 2017.

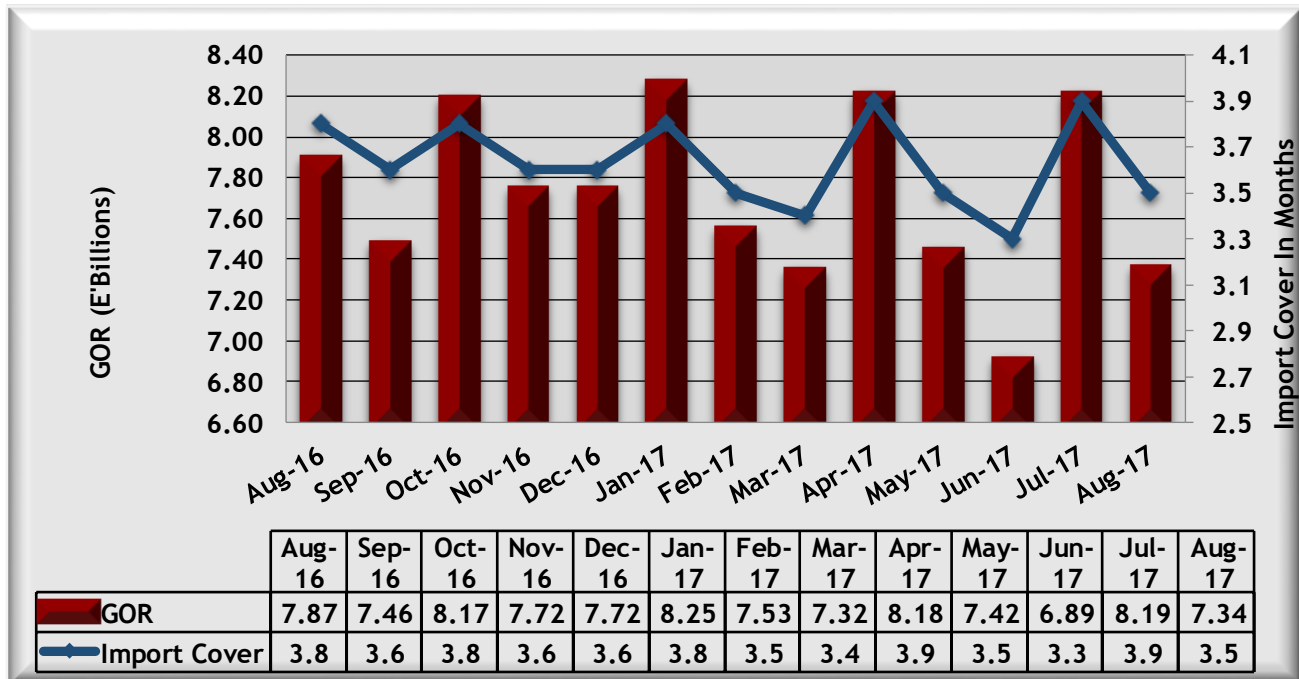
10.75



Summary of Movements in Major Monetary Aggregates

Gross Official Reserves trended downwards from E8.2 billion in July 2017 to E7.3 billion at the end of August 2017, depicting a month-on-month decline of 10.4 per cent. At this level, the Reserves were equivalent to an import cover of 3.5 months, lower than the 3.9 months observed in July 2017. Year-on-year, Gross Official Reserves fell by 6.8 per cent in Emalangeni terms, but increased by 3.6 per cent in Special Drawing Rights (SDR) terms.

Figure 1: Gross Official Reserves and Import Cover; August 2016 to August 2017



Source: Central Bank of Swaziland

Credit Extended to the Private Sector grew by 0.6 per cent from E13.1 billion in June 2017 to E13.2 billion at the end of July 2017, mainly due to credit extended to Households and Businesses. Partly offsetting the increase was a fall in credit extended to Other Sectors. Year-on-year, credit to the Private sector grew by 6.2 per cent.

Credit Extended to Households & Non-Profit Institutions Serving Households (NPISH) amounted to E6.0 billion at the end of July 2017, up from E5.9 billion recorded in the previous month, depicting a month-on-month rise of 2.4 per cent. The increase in credit to Households was mainly due to growth of 8.1 percent in Other (unsecured) Loans to reach E1.6 billion and 1.6 per cent in Mortgage Loans to settle at E3.1 billion. On the other hand, Motor Vehicle Finance receded by 2.0 per cent to E1.3 billion at the end of the review month.

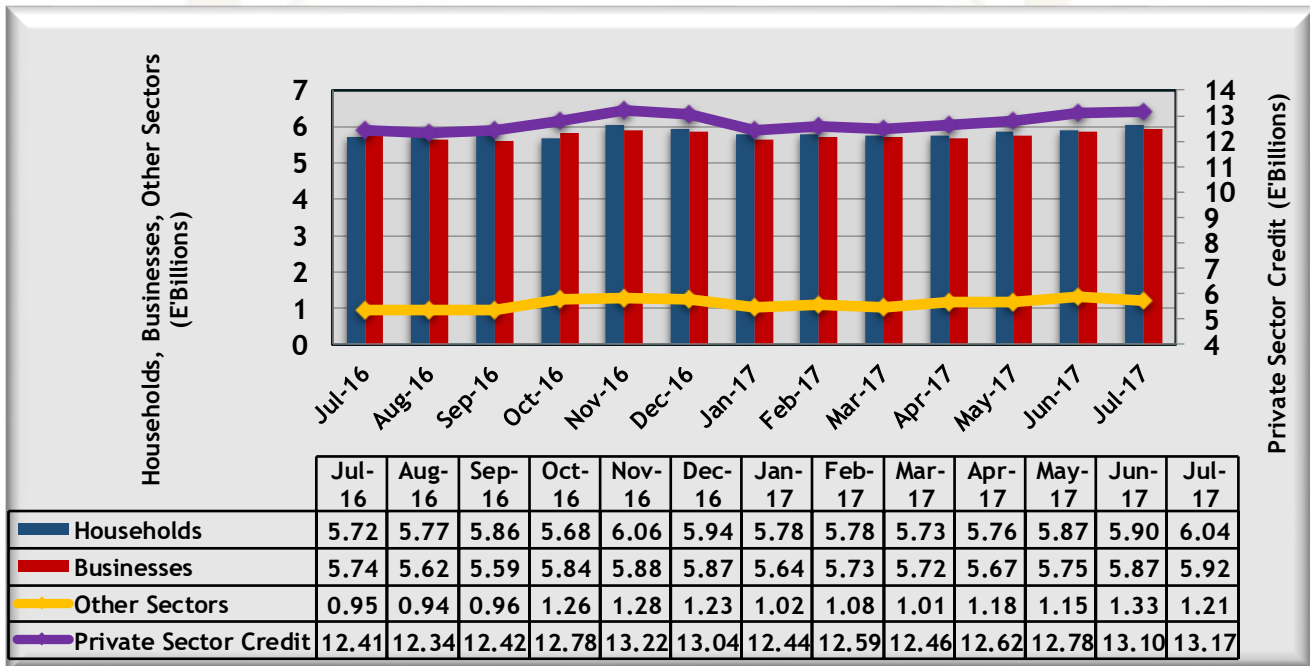
Credit Extended to Businesses increased by 0.9 per cent month-on-month to reach E5.9 billion at the end of July 2017. Growth was observed in the Manufacturing (25.6 per cent), Distribution & Tourism (10.3 per cent), and Transport & Communication (2.8 per cent) sectors. In contrast, lending to the following sectors contracted; Community, Social & Personal Services (-17.3 per cent), Mining & Quarrying (-14.9 per cent), Real Estate (-6.0 per cent), Construction (-4.8 per cent) and Agriculture & Forestry (-4.7 per cent).



Summary of Movements in Major Monetary Aggregates

Credit Extended to Other Sectors contracted by 8.5 per cent from E1.3 billion in June 2017 to reach E1.2 billion at the end of July 2017. The decline resulted from a month-on-month fall in lending to Other Financial Corporations (-11.1 per cent) and Public Non-Financial Corporations (-5.6 per cent).

Figure 2: Private Sector Credit; July 2016 to July 2017



Source: Central Bank of Swaziland

Net Government Balances held with Other Depository Corporations amounted to E1.3 billion at the end of July 2017, depicting growth of 75.7 per cent month-on-month. The expansion was boosted by the quarterly inflow of the Southern African Customs Union (SACU) receipts. Year-on-year, Net Government Balances fell by 36.9 per cent.

Broad Money Supply (M2) grew by 0.3 per cent to reach E16.5 billion at the end of July 2017, mainly driven by a rise in Quasi Money Supply which offset a decline of 5.4 per cent in Narrow Money Supply (M1). Year-on-year, M2 expanded by 15.7 per cent.

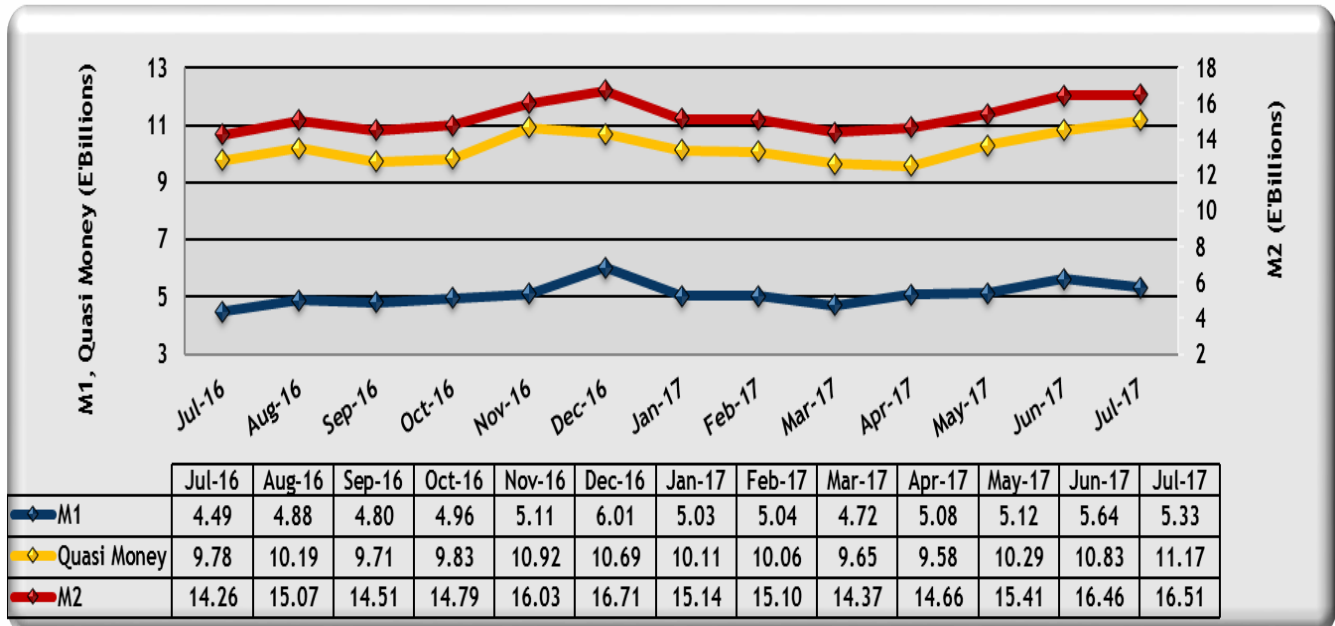
Quasi Money Supply amounted to E11.2 billion at the end of July 2017, depicting a 3.2 per cent rise month-on-month. Growth was supported by a 5.3 per cent rise in Time Deposits to reach E9.6 billion. On the other hand, Savings Deposits decelerated by 7.9 per cent to close the review month at E1.6 billion.

Narrow Money Supply (M1) receded by 5.4 per cent to settle at E5.3 billion at the end of July 2017. The contraction was mainly on account of a 6.8 per cent fall in Transferable (Demand) Deposits. Emalangeni Outside Depository Corporations, on the contrary, trended upwards, and grew by 5.6 per cent month-on-month.



Summary of Movements in Major Monetary Aggregates

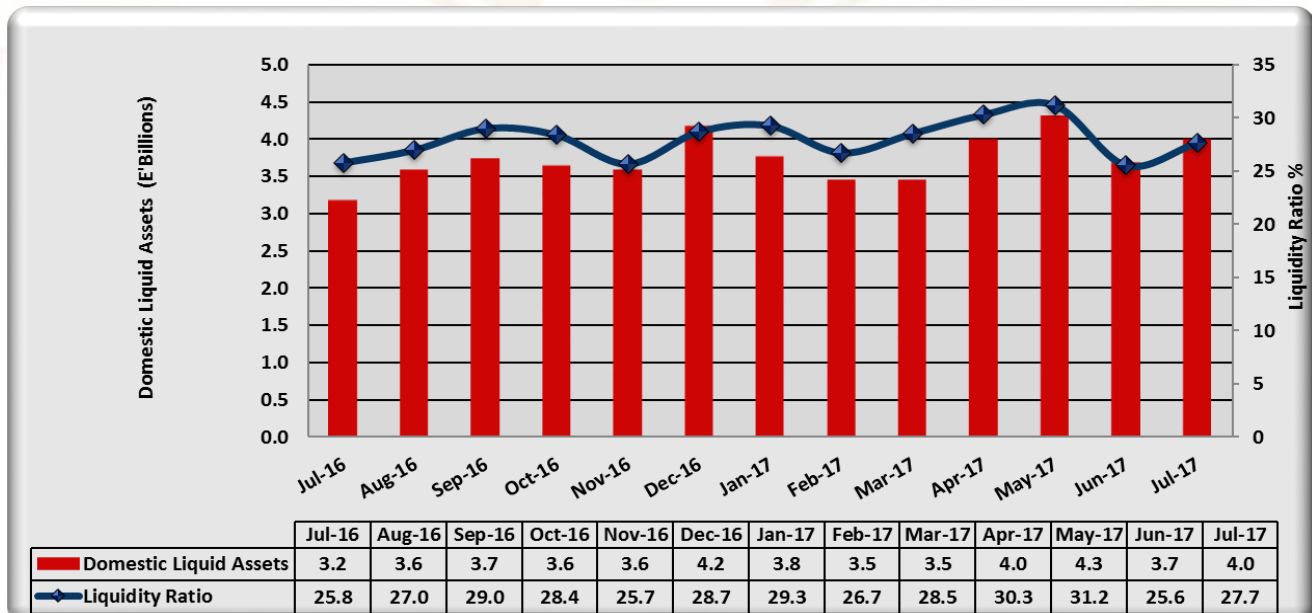
Figure 3: Money Supply; July 2016 to July 2017



Source: Other Depository Corporations & Central Bank of Swaziland

Liquidity Position of Banks rose by 8.8 per cent from E3.7 billion in June 2017 to E4.0 billion at the end of July 2017. The growth was predominantly observed in Other Depository Corporations' cash holdings and balances with the Central Bank whilst their investments in Government securities declined over the month under review. As a result, the banks' liquidity ratio increased from 25.6 per cent registered in the previous month to 27.7 per cent at the end of July 2017. Compared over the year, the banks' liquid assets improved by 24.8 per cent.

Figure 5: Domestic Liquid Assets & Liquidity Ratio; July 2016 to July 2017



Source: Other Depository Corporations

ITEM	Jul-17	Jun-17	Jul-16
	Amount	Amount	Amount
	(E'000)	(E'000)	(E'000)
CENTRAL BANK OF SWAZILAND			
Claims on Non-residents	9,525,332	8,198,756	9,820,137
Claims on Domestic Economy	1,204,493	1,197,473	587,180
Government	1,130,028	1,124,211	560,424
Other Depository Corporations	45,667	45,667	1,844
Other Resident Sectors	28,798	27,595	24,912
Other Assets	443,212	468,754	478,760
Total Assets/Liabilities	11,173,037	9,864,983	10,886,077
OTHER DEPOSITORY CORPORATIONS			
Cash and Deposits with CBS	1,964,676	1,551,573	1,286,524
Net Balances with Banks Outside Swaziland	2,262,473	2,535,959	1,318,551
Loans and advances	12,459,607	12,301,098	11,819,545
Government Securities	2,152,046	2,233,044	1,993,507
Treasury Bills	1,222,393	1,339,413	1,387,963
Government Bonds	929,653	893,631	605,543
Other	0	0	0
Total Deposits	16,037,989	15,998,322	13,854,798
Transferable/Demand	4,706,274	5,024,427	3,889,797
Savings	1,627,573	1,763,487	1,775,845
Time	9,704,142	9,210,408	8,189,155
Capital and Reserves	3,328,981	3,283,639	3,089,093
Total Assets/Liabilities	21,408,979	21,268,999	18,977,683
Total Liquid Assets (Banks only)	3,980,568	3,657,439	3,189,231
Required Liquidity (Banks only)	3,544,218	3,522,704	3,049,136
Surplus/ Deficiency (-) (Banks only)	436,349	134,736	140,095
RATIOS (%)			
Actual Liquidity to Domestic Liabilities (Banks Only)	27.7	25.6	25.8
Loans and Advances to Deposits	77.7	76.9	85.3

DEPOSITORY CORPORATIONS SURVEY		Jul-17	Jun-17	Jul-16	
Net Foreign Assets (E)		9,217,137	8,446,334	8,290,741	
Net Official Assets		6,935,008	5,900,616	6,941,240	
Foreign Assets - Central Bank of Swaziland		9,551,575	8,224,998	9,850,122	
Foreign Liabilities - Central Bank of Swaziland		2,616,566	2,324,383	2,908,882	
Net Other Depository Corporations Foreign holdings (ODC)		2,282,129	2,545,718	1,349,500	
Foreign Assets - ODC		2,746,820	2,861,589	2,045,021	
Foreign Liabilities - ODC		464,691	315,871	695,521	
Net Foreign Assets (SDR)		496,297	462,534	424,987	
Net Domestic Claims		11,844,304	12,339,296	10,300,217	
Net Claims on Government		(1,330,657)	(757,184)	(2,110,404)	
Claims on Central Government		3,284,884	3,360,646	2,567,343	
Government Deposits		4,615,540	4,117,830	4,677,747	
Claims on other sectors		13,174,960	13,096,480	12,410,621	
Other nonfinancial corporations (Industry)		5,921,972	5,869,331	5,740,485	
Other resident sectors (Households & NPISH)		6,040,187	5,901,194	5,720,393	
Other sectors		1,212,801	1,325,954	949,742	
Broad Money Supply (M2)		16,507,279	16,462,608	14,262,579	
Narrow Money Supply (M1)		5,333,891	5,637,439	4,487,572	
Currency outside depository corporations (E)		668,377	633,077	657,550	
Transferable (Demand) deposits		4,665,514	5,004,361	3,830,023	
Quasi Money		11,173,388	10,825,169	9,775,007	
Savings Deposits		1,595,782	1,731,976	1,749,099	
Time Deposits		9,577,606	9,093,194	8,025,908	
Shares and Other Equity		5,159,963	5,070,480	4,903,688	
Central Of Swaziland		1,369,469	1,329,479	1,377,315	
Other Depository Corporations		3,790,494	3,741,001	3,446,110	
Other Items (net)		-605,801	-747,458	-575,310	
GROSS OFFICIAL RESERVES		Aug-17	Jul-17	Jun-17	Jul-16
		Amount	Amount	Amount	Amount
		(E'000)	(E'000)	(E'000)	(E'000)
Total Official (Gross) - Emalangeni E		7,336,534	8,189,310	6,885,093	8,416,752
Special Drawing Rights (SDR)		399,174	440,954	377,038	431,447
Central Bank		7,336,534	8,189,310	6,885,093	8,416,752
Government		26,243	26,243	26,243	29,985
Import Cover (Reserves to months of estimated imports)		3.5	3.9	3.3	4.0
Net Bank Holdings			2,282,129	2,545,718	1,349,500
NOTES:					
1.Data supplied in this Monthly Release represent an abstract of those provided regularly in the Central Bank's Quarterly Review.					
2.This Release is issued every month.					
3.All figures shown are subject to revision.					
4.For definitions of concepts used reference should be made to the relevant notes in the Central Bank's Quarterly Review.					
5.Import cover figures are subject to revision as import figures used have a 3 month lag.					