

# Monthly Statistical Release

SEPT/OCT 2018











[www.centralbank.org.sz](http://www.centralbank.org.sz)



**CENTRAL BANK  
OF ESWATINI**  
Umntsholi Wemaswati



HIGHLIGHTS ON MAJOR MONETARY AGGREGATES	MONTHLY	ANNUAL % CHANGE
<b>Gross Official Reserves</b> grew by 9.8 per cent to reach E7.1 billion at the end of October 2018. At this level the Reserves represented an import cover of 3.3 months. Annually the Reserves fell by 16.2 per cent.	9.8 	16.2 
<b>Credit Extended to the Private Sector</b> stood at E14.4 billion in September 2018, depicting 0.3 per cent month-on-month growth. The rise was observed in credit to Households and Businesses. In contrast, credit to Other Sectors depicted a decline. Over the year, Private Sector Credit rose by 4.4 per cent.	0.3 	4.4 
<b>Broad Money Supply (M2)</b> fell by 4.4 per cent month-on-month to E17.9 billion. The reduction was observed in Quasi Money Supply whilst Narrow Money Supply (M1) increased. Year-on-year, M2 expanded by 4.3 per cent.	4.4 	4.3 
<b>Domestic Liquid Assets</b> decreased by 0.3 per cent month-on-month to E5.0 billion in September 2018. The decline stemmed from a contraction in Other Depository Corporations' balances and currency holdings. The Banks' liquidity ratio was at 30.1 per cent. Compared over the year, Liquid Assets edged up by 12.9 per cent.	0.3 	12.9 
	PERCENT	
<b>Discount Rate:</b> the discount rate was at 6.75 per cent in October 2018.		6.75
<b>Prime Lending Rate:</b> the prime lending rate was at 10.25 per cent in October 2018.		10.25

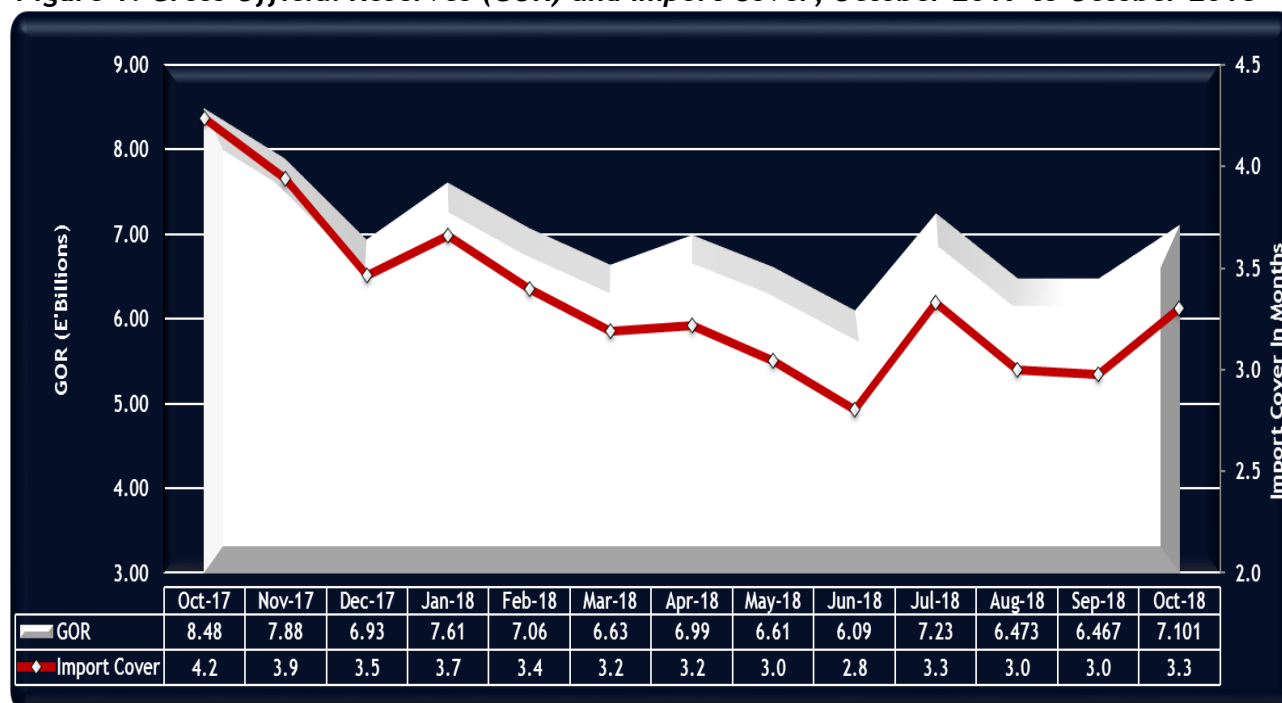
*The content of this publication is intended for general information sharing purposes only and is not intended to serve as financial or other advice. While every precaution is taken to ensure the accuracy of this information the Central Bank of Eswatini shall not be liable to any person for inaccurate information or opinions contained in this publication. For more information on this publication, contact the Research Department at Tel (+268) 2408-2243.*



**Gross Official Reserves** amounted to E7.1 billion at the end of October 2018, 9.8 per cent higher compared to September 2018. The expansion in Reserves was mainly boosted by the quarterly inflow of the Southern African Custom Union (SACU) receipts at the beginning of October 2018. At this level, the Reserves were enough to cover 3.3 months of imports of goods and services, higher than the 3.0 months observed in September 2018. When compared over the year, the Reserves receded by 16.2 per cent in Emalangeni terms.

**In Special Drawing Rights (SDRs)** the Reserves were worth SDR346.5 million at the end of October 2018, registering a rise of 6.5 per cent from the preceding month. Compared year-on-year, the Reserves in SDRs terms receded by 18.9 per cent.

**Figure 1: Gross Official Reserves (GOR) and Import Cover; October 2017 to October 2018**



Source: Central Bank of Eswatini

**Credit Extended to the Private Sector** stood at E14.4 billion at the end of September 2018, 0.3 per cent higher and depicting a recovery from the fall of 2.3 per cent observed in August 2018. This performance was evident in credit to Households and Non-Profit Making Institutions Serving Households (NPISH) and credit to Businesses which grew by 2.0 per cent and 1.4 per cent respectively. Credit to Other Sectors of the economy however, slipped by 7.7 per cent.

**Credit Extended to Businesses** closed the review month at E6.7 billion depicting a month-on-month expansion of 1.4 per cent. This development was on account of growth in credit to Distribution & Tourism (6.5 per cent); Community, Social & Personal Services (6.4 per

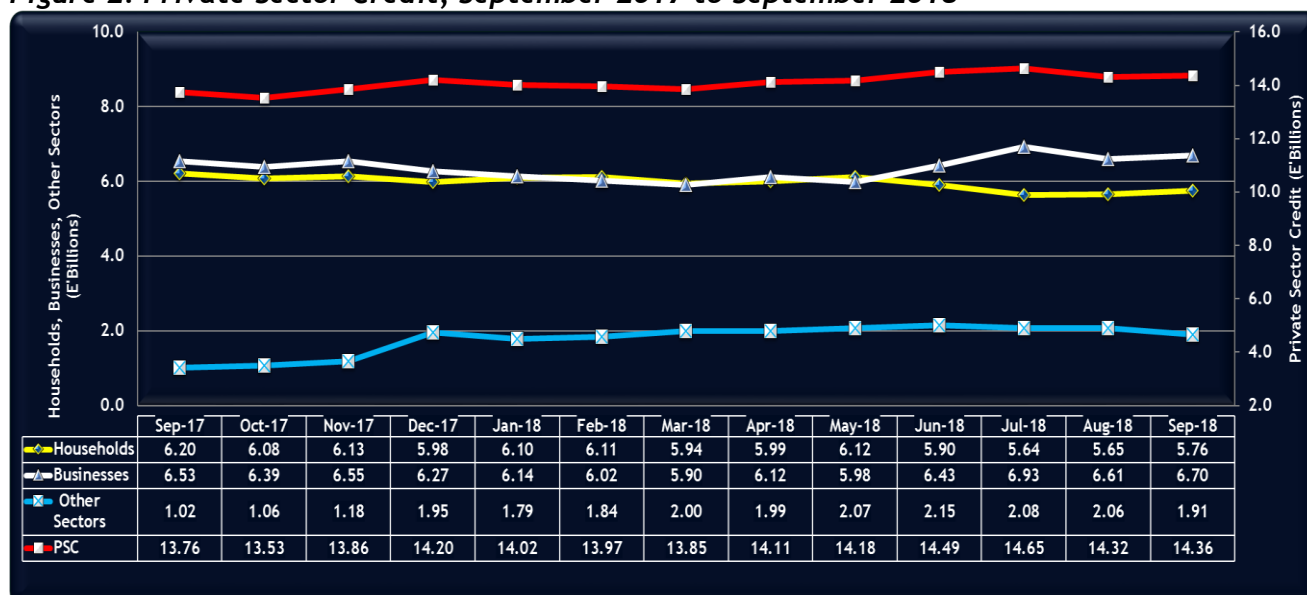
[www.centralbank.org.sz](http://www.centralbank.org.sz)



cent) and Transport & Communications (0.6 per cent). Partly offsetting these increases were reductions in Mining & Quarrying (-5.1 per cent), Construction (-4.6 per cent), Agriculture & Forestry (-1.4 per cent), Real Estate (-0.9 per cent) as well as Manufacturing (-0.4 per cent).

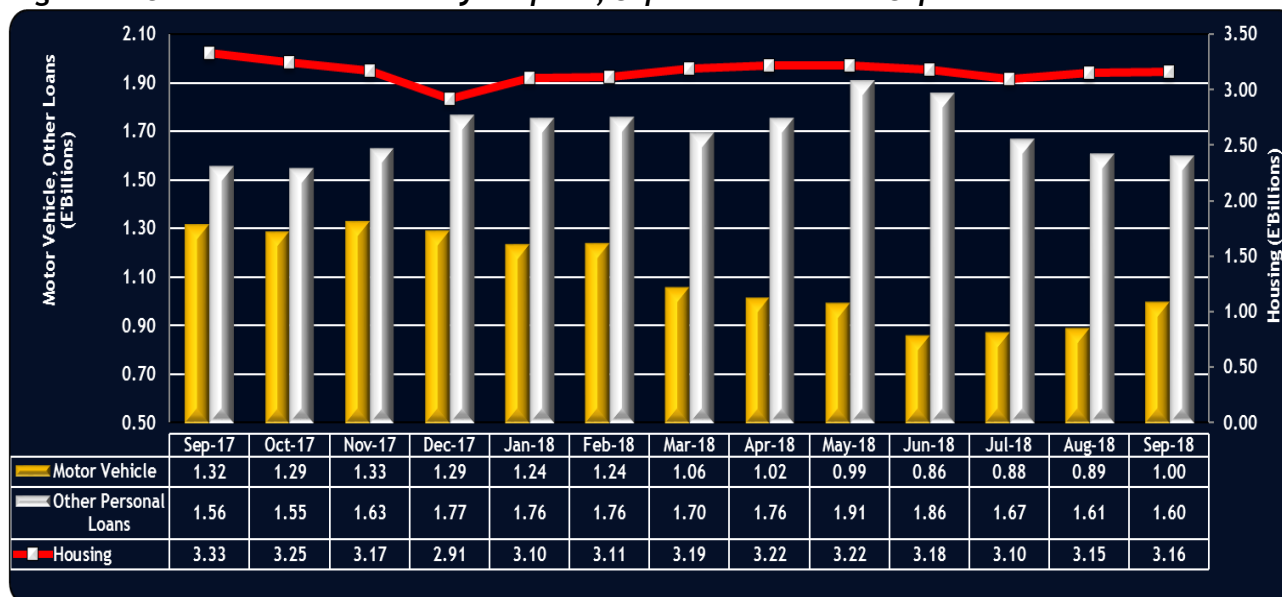
**Credit Extended to Other Sectors** amounted to E1.9 billion at the end of September 2018 depicting a contraction of 7.7 per cent from the preceding month. The fall was mainly driven by credit to Local Government which receded by 49.3 per cent and credit to Public Non-Financial Corporations which fell by 26.6 per cent. Other Financial Corporations on the contrary, rose by 1.7 per cent.

**Figure 2: Private Sector Credit; September 2017 to September 2018**



Source: Central Bank of Eswatini

**Credit Extended to Households & NPISH** went up from E5.7 billion registered in August 2018 to E5.8 billion at the end of September 2018. At this amount, credit to Households represented a month-on-month growth of 2.0 per cent. The expansion was driven by a rise in Motor Vehicle Finance and Mortgage Loans. Other Personal (unsecured) Loans on the other hand depicted a decline. Motor Vehicle Finance grew by 12.1 per cent month-on-month to E1.0 billion and Mortgage Loans increased by 0.4 per cent to E3.2 billion over the review month. Other Personal (unsecured) Loans decreased by 0.5 per cent month-on-month to close the review month at E1.6 billion.

**Figure 3: Credit to Households by Purpose; September 2017 to September 2018**

Source: Other Depository Corporations

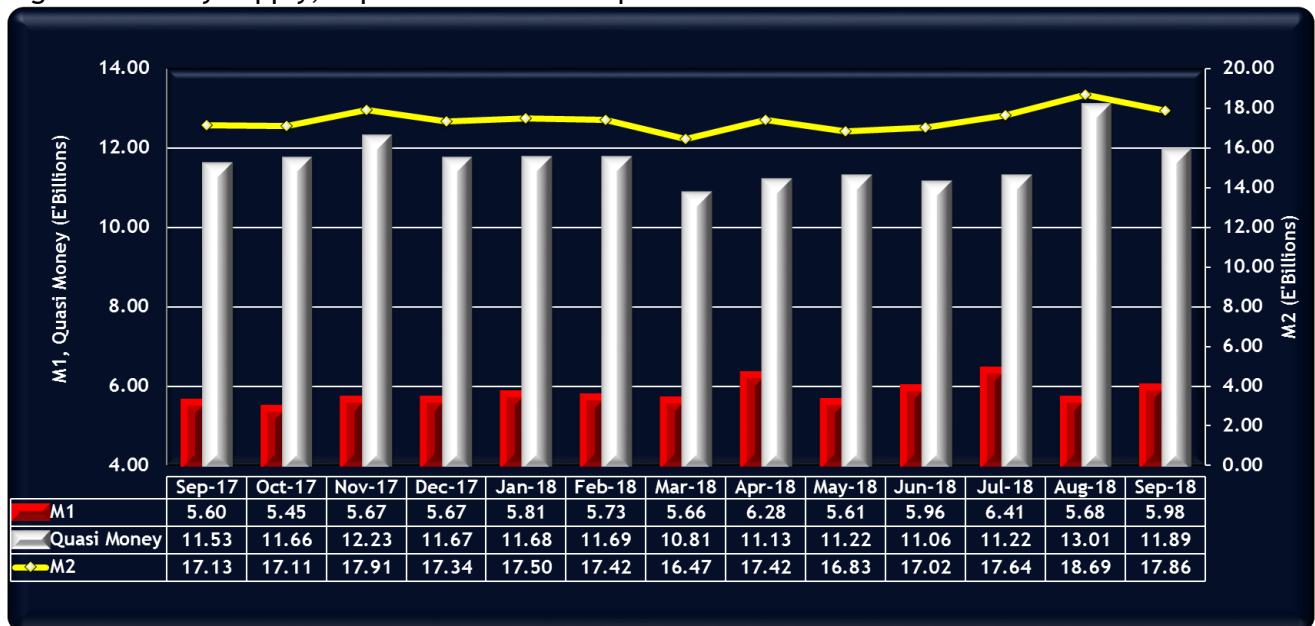
**Net government balances with the banking sector** increased by 7.0 per cent month-on-month to reach E2.0 million at the end of the review month. The growth was mainly driven by Other Depository Corporations increasing their investments in Government securities over the review month. When compared over the year, net Government balances also increased.

**Broad Money Supply (M2)** trended downwards decreasing by 4.4 per cent at the end of September 2018 to close the review month at E17.9 billion. An analysis of the components of M2 displayed diverging trends, with Narrow Money Supply expanding whilst Quasi Money Supply declined at the end of the review month. Over a period of twelve months, M2 grew by 4.3 per cent.

**Quasi Money Supply** totaled E11.9 billion at the end of September 2018 reflecting a month-on-month decline of 8.6 per cent, underpinned by a reduction in Time Deposits. Time Deposits therefore, declined by 10.0 per cent month-on-month to settle at E10.2 billion at the end of September 2018. Savings Deposits on the other hand, rose by 0.2 per cent over the review month to close at E1.7 billion.

**Narrow Money Supply (M1)** stood at E6.0 billion at the end of September 2018, showing an improvement from the E5.7 billion recorded in August 2018. This development in M1 translated to a month-on-month growth of 5.2 per cent. Transferable (Demand) Deposits rose by 5.4 per cent to E5.3 billion and Emalangeni Outside Depository Corporations increased by 4.2 per cent to E687.1 million at the end of September 2018.

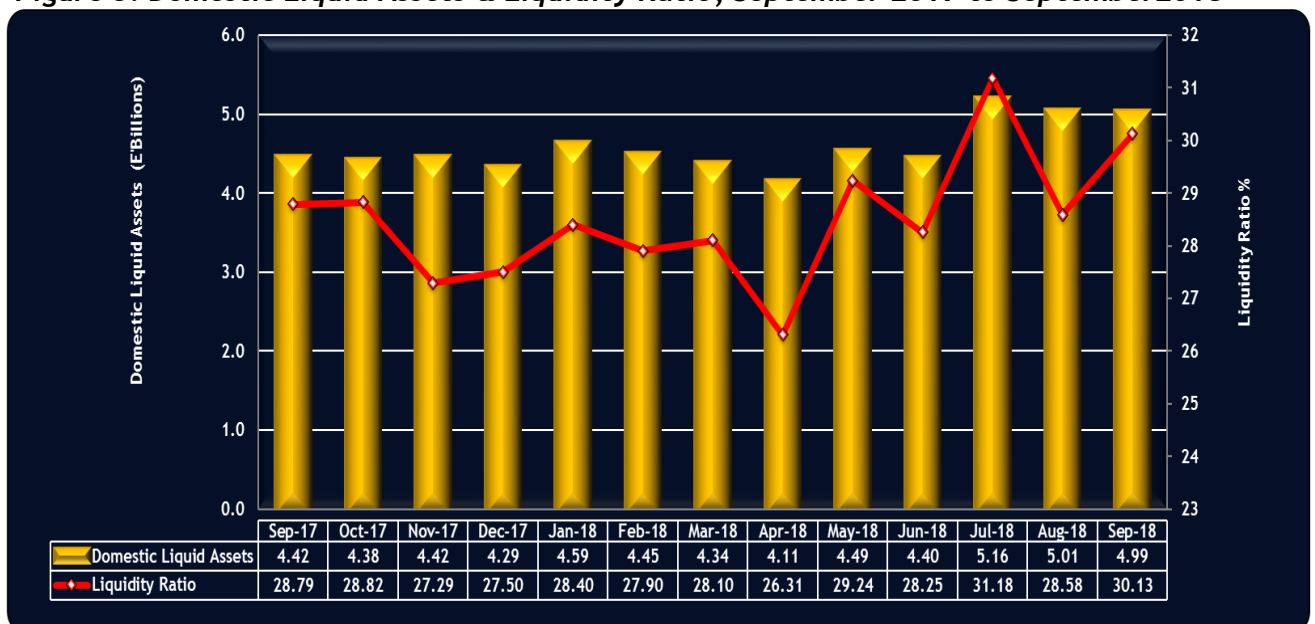
Figure 4: Money Supply; September 2017 to September 2018



Source: Other Depository Corporations & Central Bank of Eswatini

The liquidity position of the banking industry stood at E5.0 billion at the end of September 2018 reflecting a fall of 0.3 per cent from the level recorded in August 2018. The contraction was attributed to a reduction in Other Depository Corporations' balances at the Central Bank and currency holdings. The banks' liquidity ratio however grew from 28.6 per cent recorded in the previous month to 30.1 per cent at the end of September 2018, in line with the fall in domestic deposits. Year-on-year, the banks' liquid assets were 12.9 per cent higher.

Figure 5: Domestic Liquid Assets &amp; Liquidity Ratio; September 2017 to September 2018



Source: Other Depository Corporations

## RELEASE OF MONEY AND BANKING STATISTICS

### 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.

ITEM	Sep-18	Aug-18	Sep-17
	Amount	Amount	Amount
	(E'000)	(E'000)	(E'000)
<b>CENTRAL BANK OF SWAZILAND</b>			
Claims on Non-residents	7 897 099	7 950 469	8 553 290
Claims on Domestic Economy	1 314 357	1 341 635	1 329 558
Government	1 279 466	1 307 112	1 298 403
Other Depository Corporations	2 038	2 060	2 065
Other Resident Sectors	32 853	32 462	29 090
Other Assets	543 935	487 105	436 303
<b>Total Assets/Liabilities</b>	<b>9 755 391</b>	<b>9 779 209</b>	<b>10 319 151</b>
<b>OTHER DEPOSITORY CORPORATIONS</b>			
Cash and Deposits with CBS	2 494 480	2 568 742	1 851 672
Net Balances with Banks Outside Swaziland	1 980 986	2 890 212	2 076 516
Loans and advances	13 653 576	13 646 869	13 299 742
<b>Government Securities</b>	<b>2 718 313</b>	<b>2 628 844</b>	<b>2 737 130</b>
Treasury Bills	1 799 130	1 732 497	1 802 765
Government Bonds	919 182	896 347	934 364
Other	0	0	0
<b>Total Deposits</b>	<b>17 672 743</b>	<b>18 500 477</b>	<b>16 628 867</b>
Transferable/Demand	5 383 549	5 080 071	4 940 478
Savings	1 754 990	1 750 223	1 634 576
Time	10 534 204	11 670 183	10 053 813
<b>Capital and Reserves</b>	<b>3 699 873</b>	<b>3 669 015</b>	<b>3 423 770</b>
<b>Total Assets/Liabilities</b>	<b>23 713 016</b>	<b>24 465 331</b>	<b>21 937 352</b>
<b>Total Liquid Assets (Banks only)</b>	<b>4 992 215</b>	<b>5 005 565</b>	<b>4 420 676</b>
<b>Required Liquidity (Banks only)</b>	<b>4 088 745</b>	<b>4 323 055</b>	<b>3 787 539</b>
<b>Surplus/ Deficiency (-) (Banks only)</b>	<b>903 471</b>	<b>682 510</b>	<b>633 138</b>
<b>RATIOS (%)</b>			
<b>Actual Liquidity to Domestic Liabilities (Banks Only)</b>	<b>30.1</b>	<b>28.6</b>	<b>28.8</b>
<b>Loans and Advances to Deposits</b>	<b>77.3</b>	<b>73.8</b>	<b>80.0</b>

<b>DEPOSITORY CORPORATIONS SURVEY</b>		<b>Sep-18</b>	<b>Aug-18</b>	<b>Sep-17</b>	
<b>Net Foreign Assets (E)</b>		<b>7 564 920</b>	<b>8 480 496</b>	<b>8 299 308</b>	
<b>Net Official Assets</b>		<b>5 553 514</b>	<b>5 559 937</b>	<b>6 205 777</b>	
Foreign Assets - Central Bank of Swaziland		7 923 342	7 976 712	8 579 533	
Foreign Liabilities - Central Bank of Swaziland		2 369 827	2 416 775	2 373 756	
<b>Net Other Depository Corporations Foreign holdings (ODC)</b>		<b>2 011 406</b>	<b>2 920 560</b>	<b>2 093 531</b>	
Foreign Assets - ODC		2 288 409	3 091 479	2 175 175	
Foreign Liabilities - ODC		277 003	170 919	81 644	
<b>Net Foreign Assets (SDR)</b>		<b>380 516</b>	<b>413 000</b>	<b>435 927</b>	
<b>Net Domestic Claims</b>		<b>16 376 233</b>	<b>16 199 369</b>	<b>13 761 527</b>	
<b>Net Claims on Government</b>		<b>2 013 076</b>	<b>1 881 931</b>	<b>2 749</b>	
Claims on Central Government		4 029 509	3 968 763	4 038 954	
Government Deposits		2 016 433	2 086 832	4 036 204	
<b>Claims on other sectors</b>		<b>14 363 156</b>	<b>14 317 438</b>	<b>13 758 777</b>	
Other nonfinancial corporations (Industry)		6 699 850	6 607 168	6 533 804	
Other resident sectors (Households & NPISH)		5 757 637	5 646 700	6 203 925	
Other sectors		1 905 670	2 063 571	1 021 048	
<b>Broad Money Supply (M2)</b>		<b>17 864 070</b>	<b>18 689 264</b>	<b>17 131 384</b>	
<b>Narrow Money Supply (M1)</b>		<b>5 977 035</b>	<b>5 680 455</b>	<b>5 599 767</b>	
Currency outside depository corporations (E)		687 084	659 217	698 082	
Transferable (Demand) deposits		5 289 951	5 021 237	4 901 685	
<b>Quasi Money</b>		<b>11 887 035</b>	<b>13 008 809</b>	<b>11 531 617</b>	
Savings Deposits		1 723 325	1 719 065	1 601 944	
Time Deposits		10 163 710	11 289 744	9 929 674	
Shares and Other Equity		6 852 322	6 621 362	5 370 246	
Central Of Swaziland		2 613 512	2 416 180	1 463 872	
Other Depository Corporations		4 238 810	4 205 181	3 906 374	
<b>Other Items (net)</b>		<b>-775 239</b>	<b>-630 760</b>	<b>-440 796</b>	
<b>GROSS OFFICIAL RESERVES</b>	<b>Oct-18</b>	<b>Sep-18</b>	<b>Aug-18</b>	<b>Sep-17</b>	<b>Oct-17</b>
	<b>Amount</b>	<b>Amount</b>	<b>Amount</b>	<b>Amount</b>	<b>Amount</b>
	<b>(E'000)</b>	<b>(E'000)</b>	<b>(E'000)</b>	<b>(E'000)</b>	<b>(E'000)</b>
<b>Total Official (Gross) - Emalangeni E</b>	<b>7 100 809</b>	<b>6 466 917</b>	<b>6 473 298</b>	<b>7 183 709</b>	<b>8 476 361</b>
<b>Special Drawing Rights (SDR)</b>	<b>346 520</b>	<b>325 286</b>	<b>315 249</b>	<b>377 329</b>	<b>427 294</b>
<b>Central Bank</b>	<b>7 100 809</b>	<b>6 466 917</b>	<b>6 473 298</b>	<b>7 183 709</b>	<b>8 476 361</b>
<b>Government</b>	<b>26 243</b>	<b>26 243</b>	<b>26 243</b>	<b>26 243</b>	<b>26 243</b>
<b>Import Cover (Reserves to months of estimated imports)</b>	<b>3.3</b>	<b>3.0</b>	<b>3.0</b>	<b>3.5</b>	<b>4.2</b>
Net Bank Holdings		2 011 406	2 920 560	2 093 531	2 194 298
<b>NOTES:</b>					
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.					





