



CENTRAL BANK OF SWAZILAND

MONTHLY STATISTICAL RELEASE - JUNE 2010

Phone +268 408-2000

Fax +268 404-0038

Direct Line: +268 408-2243

E-mail: research@centralbank.org.sz

Below is a summary of movements in major monetary aggregates for the month ended June 2010. Attached too are statistics for the previous month and year for ease of comparison.

Gross Official Reserves

Over the month ended June 2010, gross official reserves totaled E5, 015.4 million, depicting a decline of 9.2 percent. The reduction was mainly a result of government budgetary payments. The level of reserves was sufficient to cover 3.2 months of imports, slightly lower than the 3.5 months recorded in May 2010. Compared over a twelve-month period, gross official reserves also contracted by 22.2 percent. Valued in Special Drawing Rights (SDRs), the reserves also shrank by an almost similar rate of 9.3 percent from the previous month and 17.9 percent over the year to close at SDR 442.9 million.

Domestic Credit (Net)

Net domestic credit reflected a monthly rise of 29.1 percent to reach E3, 959.1 million. The rise was largely attributed to an increase in credit extended to the private sector combined with a decline in government net balances with the banking system. Credit extended to the private sector grew by 5.6 percent over the month and 14.2 percent over the year to close at E6, 677 million. The increase was reflected in credit to other sectors (largely investments held with other financial corporations) and households. Lending to the industry sector, however, reflected a decline of 0.3 percent. Government net balances with the banking sector continued to trend downwards by 16.5 percent over the month and 45.7 percent over the year to reach E2, 717.9 million.

Money Supply

Broad money supply (M2) decreased by 1.3 percent over the month to reach E8, 385.1 million. The fall was recorded in both components of M2 as narrow money supply (M1) fell by 4.1 percent to E2, 383.2 million. Quasi money supply, on the other hand, dropped by 0.2 percent to E6, 001.9 million. Compared year-on-year, both narrow and quasi money grew by 4.4 percent and 27.6 percent, respectively.

Domestic Liquidity

Banks' domestic liquid assets amounted to E1, 280.7 million at the end of June 2010. At this level, the assets registered a decline of 4.2 percent over the month but rose by 29.4 percent over the year. Consequently, the liquidity ratio went down by 0.4 percentage points from the previous month but 1.1 percentage points higher than the previous year.