

Monthly Statistical Release

SEP/OCT 2020



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**CENTRAL BANK
OF ESWATINI**
Umntsholi Wemaswati



HIGHLIGHTS ON MAJOR MONETARY AGGREGATES	MONTHLY % CHANGE	ANNUAL % CHANGE
Gross official reserves stood at E10.8 billion at the end of October 2020, higher by 15.8 per cent month-on-month and 46.3 per cent year-on-year, due to SACU receipts. The reserves were sufficient to cover 4.7 months of imports of goods and services.	15.8 ▲	46.3 ▲
Credit extended to the private sector declined by 0.4 per cent month-on-month and by 1.2 per cent year-on-year to settle at E14.8 billion at the end of September 2020.	0.4 ▼	1.2 ▼
Broad money supply (M2) contracted by 0.6 per cent month-on-month but rose by 10.5 per cent year-on-year to close at E19.0 billion at the end of September 2020.	0.6 ▼	10.5 ▲
Domestic liquid assets stood at E6.4 billion at the end of September 2020, down by 8.2 per cent month-on-month but grew by 27.2 per cent over the year.	8.2 ▼	27.2 ▲
	PERCENT	
Discount Rate: the discount rate was at 3.75 per cent in October 2020.		3.75
Prime Lending Rate: prime lending rate was at 7.25 per cent at the end of October 2020.		7.25

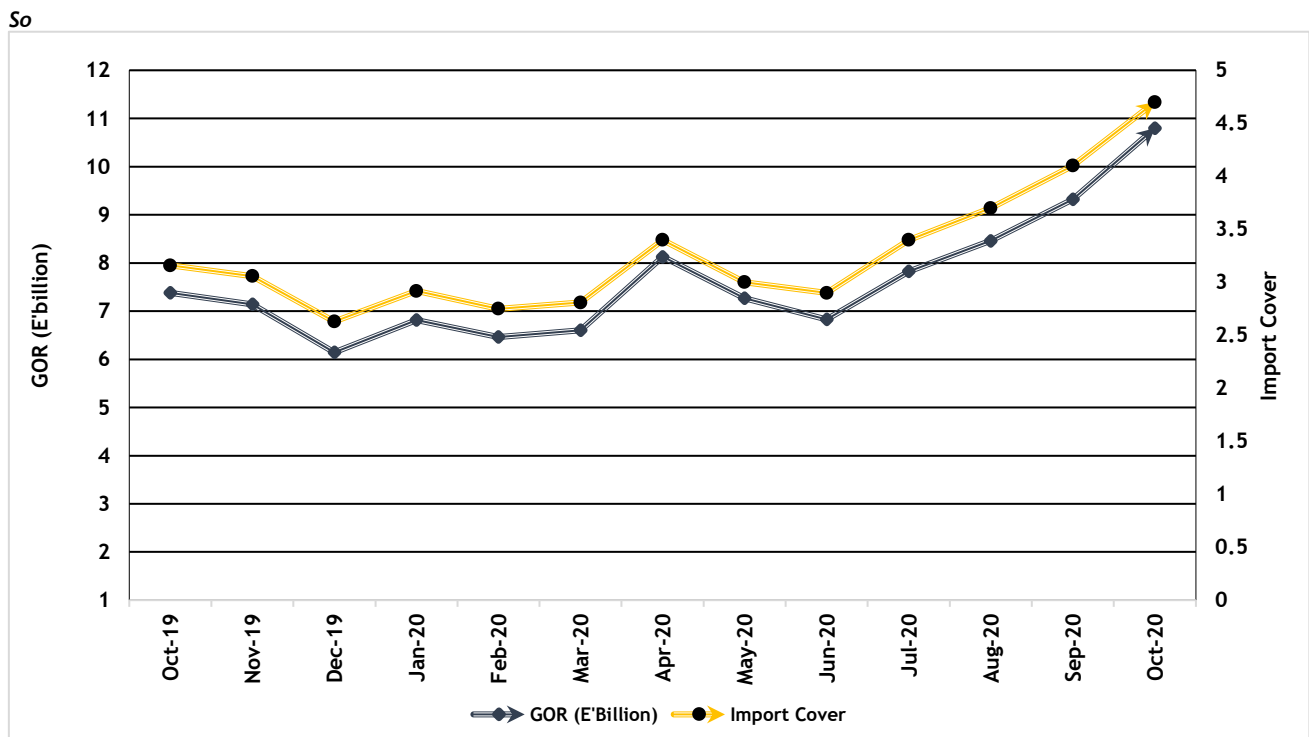
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Gross official reserves amounted to E10.8 billion at the end of October 2020, reflecting growth of 15.8 per cent month-on-month and 46.3 per cent year-on-year. The sharp increase in reserves was mainly due to the quarterly inflow of the Southern African Customs Union revenues at the beginning of October 2020. At this level, the reserves were equivalent to an import cover of 4.7 months, higher than the 4.1 months observed in September 2020.

Valued in special drawing rights (SDRs), the reserves improved by 18.4 per cent month-on-month and by 32.7 per cent over the year to settle at SDR469.2 million at the end of October 2020.

Figure 1: Gross Official Reserves (GOR) and Import Cover; October 2019 to October 2020

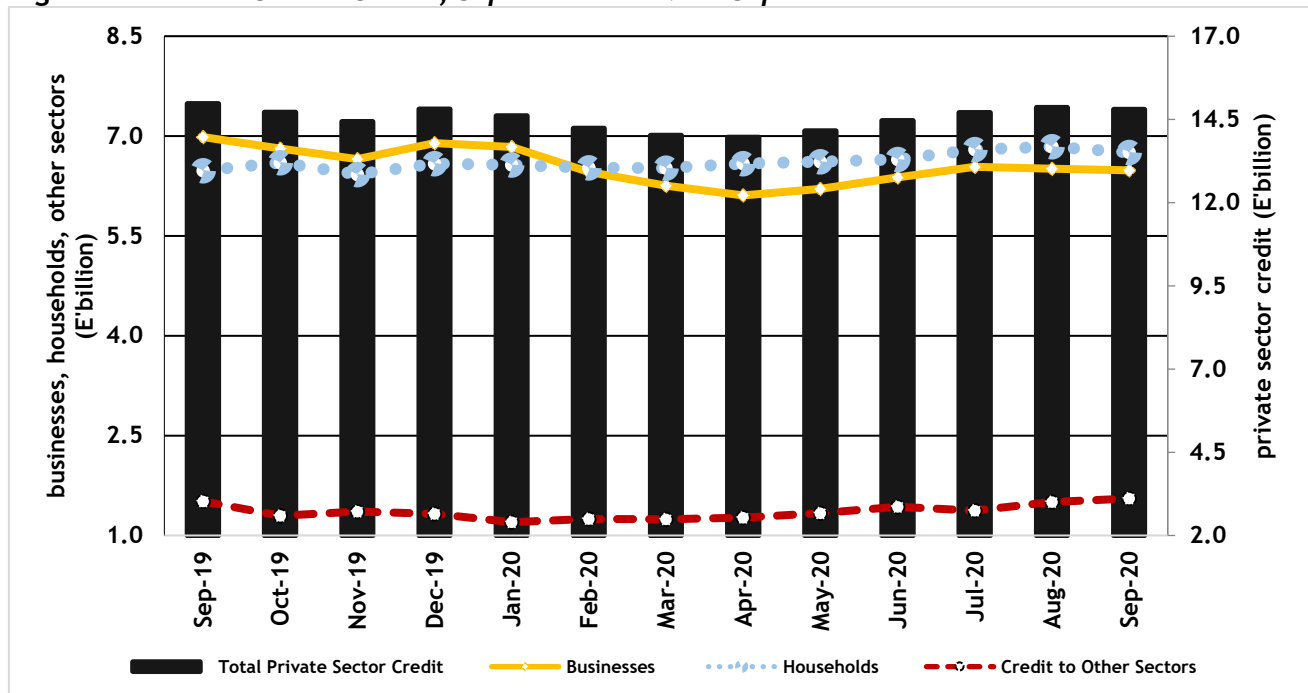


Credit extended to the private sector contracted marginally by 0.4 per cent month-on-month and by 1.2 per cent year-on-year to reach E14.8 billion at the end of September 2020. The month-on-month decline was observed in credit to households & non-profit institutions serving households (NPISH) and businesses. Credit to other sectors on the other hand, depicted an increase over the month of September 2020.

Credit extended to businesses amounted to E6.5 billion at the end of September 2020, reflecting a decline of 0.3 per cent month-on-month and 7.1 per cent over the year. The month-on-month contraction in credit to businesses was predominantly observed in credit to mining & quarrying sector, construction sector, as well as real estate sector. In contrast, growth was largely observed in the manufacturing sector over the review month.

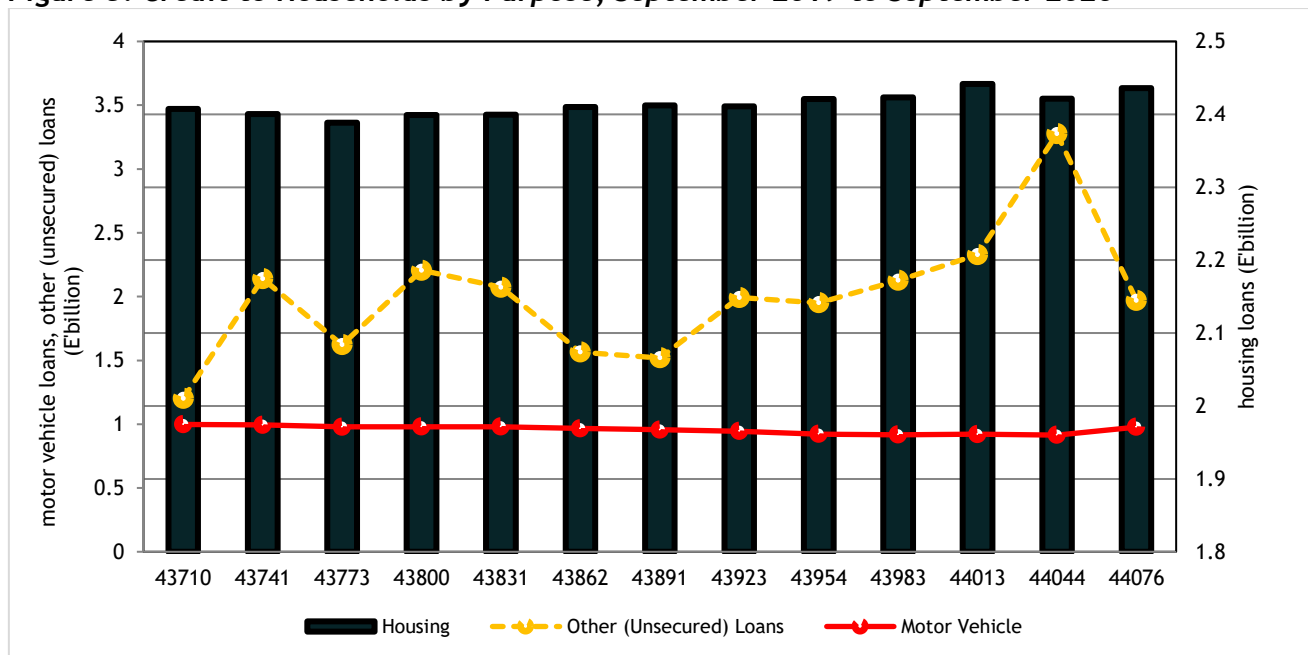
Credit extended to other sectors closed the review month at E1.6 billion, reflecting an improvement of 3.2 per cent month-on-month and 2.8 per cent over the year. Growth was driven by credit to other financial corporations whilst public nonfinancial corporation and local government depicted a contraction over the review month.

Figure 2: Private Sector Credit; September 2019 to September 2020



Source: Central Bank of Eswatini & Other Depository Corporations

Credit extended to households & NPISH depicted a decline of 1.2 per cent month-on-month but grew by 4.3 per cent year-on-year to reach E6.8 billion at the end of September 2020. The month-on-month reduction was attributed to other personal (unsecured) loans which fell by 9.6 per cent to E2.1 billion. Motor vehicle and mortgage loans on the other hand, increased by 6.9 per cent to E1.0 billion and 2.3 per cent to E3.6 billion, respectively.

Figure 3: Credit to Households by Purpose; September 2019 to September 2020

Source: Central Bank of Eswatini & Other Depository Corporations

Net claims on government by the banking sector declined to E417.5 million at the end of September 2020 from E1.2 billion observed in August 2020. The month-on-month fall was on account of a significant increase in government deposits held by the banking sector.

Broad money supply (M2) stood at E19.0 billion at the end of September 2020, reflecting a decline of 0.6 per cent month-on-month and growth of 10.5 per cent over the year on account of both narrow money supply (M1) and quasi money supply.

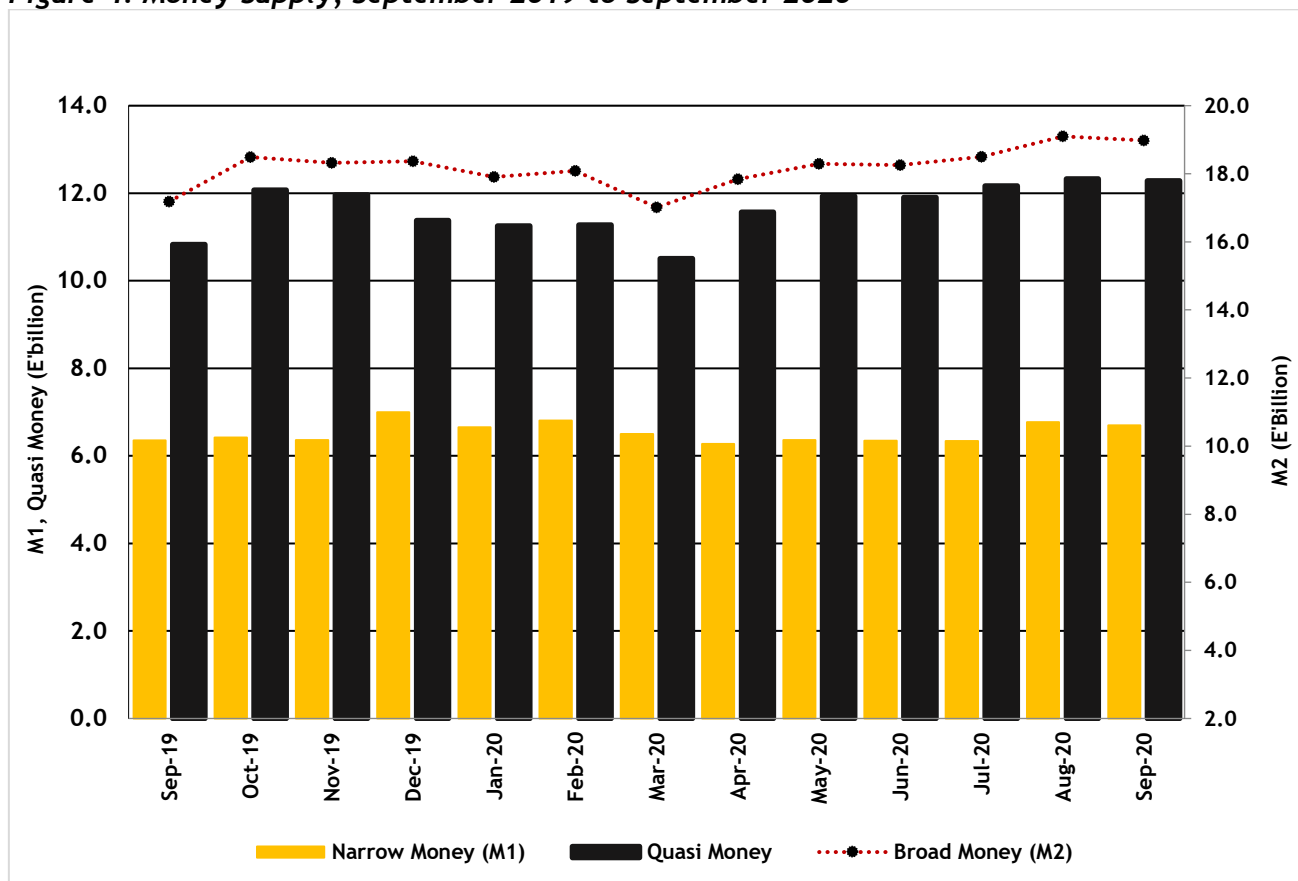
Narrow money supply (M1) contracted by 1.1 per cent month-on-month but grew by 5.3 per cent year-on-year to settle at E6.7 billion at the end of September 2020. An analysis of the components of M1 showed that Emalangeni outside depository corporations decreased by 9.9 per cent month-on-month but grew by 23.7 per cent year-on-year. Transferable (demand) deposits on the other hand, rose by 0.4 per cent month-on-month and 3.0 per cent over the year to settle at E5.8 billion at the end of September 2020.

Quasi money supply stood at E12.3 billion at the end of September 2020, reflecting a decline of 0.3 per cent month-on-month but over the year grew by 13.5 per cent.

The contraction in quasi money was driven by both components, savings and time deposits. Savings deposits fell by 1.6 per cent month-on-month but grew by 2.8 per cent year-on-

year to settle at E2.1 billion at the end of September 2020. Similarly, time deposits declined by 0.1 per cent month-on-month but rose by 15.9 per cent year-on-year to E10.2 billion at the end of September 2020.

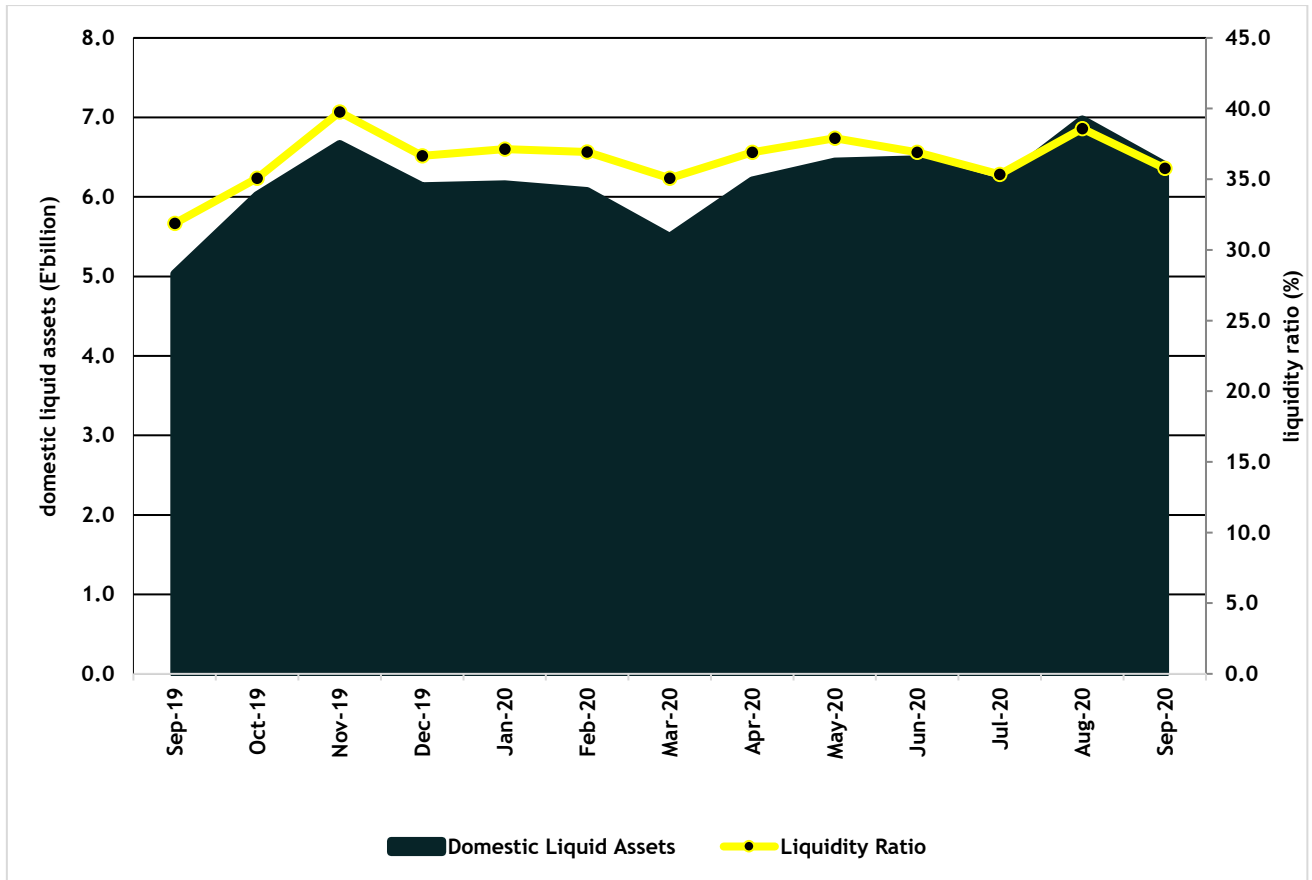
Figure 4: Money Supply; September 2019 to September 2020



Source: Central Bank of Eswatini & Other Depository Corporations

The overall liquidity position of the banking industry declined by 8.2 per cent month-on-month but grew by 27.2 per cent year-on-year to settle at E6.4 billion at the end of September 2020. This development was on account of a fall in the banks' balances held within the banking sector and the Central Bank of Eswatini over the month under review. Consequently, the liquidity ratio reflected a reduction from 38.6 per cent recorded in August 2020 to 35.8 per cent at the end of September 2020.

Figure 5: Domestic Liquid Assets & Liquidity Ratio; September 2019 to September 2020



Source: Other Depository Corporations



RELEASE OF MONEY AND BANKING STATISTICS

ITEM	Sep-20	Aug-20	Sep-19
	Amount	Amount	Amount
	(E'000)	(E'000)	(E'000)
CENTRAL BANK OF ESWATINI			
Claims on Non-residents	11,014,610	10,161,431	6,971,274
Claims on Domestic Economy	3,118,064	2,536,348 *	3,070,682
Government	3,085,897	2,503,898	3,041,898
Other Depository Corporations	2,512	2,512	2,082
Other Resident Sectors	29,655	29,939	26,702
Other Assets	554,585	552,241	1,344,115
Total Assets/Liabilities	14,687,259	13,250,020	11,386,071
OTHER DEPOSITORY CORPORATIONS			
Cash and Deposits with CBE	3,107,435	3,901,443	2,894,674
Net Balances with Banks Outside Eswatini	1,799,250	1,369,799	1,081,308
Loans and advances	13,910,930	13,978,947	14,023,119
Government Securities	3,655,519	3,385,147 *	2,446,494
Treasury Bills	2,398,935	2,389,768	1,471,833
Government Bonds	1,256,584	995,380	974,661
Other	-	-	-
Total Deposits	20,060,021	20,087,680	17,247,264 *
Transferable/Demand	6,327,071	6,419,454	5,858,160
Savings	2,132,591	2,133,145	2,039,427
Time	11,600,359	11,535,081	9,349,676
Capital and Reserves	4,228,237	4,283,774	3,994,902
Total Assets/Liabilities	26,442,997	26,662,883	24,163,119
Total Liquid Assets (Banks only)	6,397,805	6,970,731	5,030,723
Required Liquidity (Banks only)	3,540,153	3,575,324	3,890,842
Surplus/ Deficiency (-) (Banks only)	2,857,652	3,395,407	1,139,881
RATIOS (%)			
Actual Liquidity to Domestic Liabilities (Banks Only)	35.8	38.6	31.9
Loans and Advances to Deposits	69.3	69.6	81.3

DEPOSITORY CORPORATIONS SURVEY				Sep-20	Aug-20	Sep-19
Net Foreign Assets (E)				10,832,712	9,689,493	6,248,483
Net Official Assets				8,079,491	7,220,933	4,540,430 *
Foreign Assets - Central Bank of Eswatini				11,040,853	10,187,674	6,997,517
Foreign Liabilities - Central Bank of Eswatini				2,961,362	2,966,741	2,457,088
Net Other Depository Corporations Foreign holdings (ODC)				2,753,221	2,468,560	1,708,053 *
Foreign Assets - ODC				3,171,746	2,887,590	2,351,895
Foreign Liabilities - ODC				418,525	419,030	643,841
Net Foreign Assets (SDR)				460,390	409,865	301,802
Net Domestic Claims				14,378,100	16,009,289	17,201,371
Net Claims on Government				-417,488 *	1,156,345	2,227,139
Claims on Central Government				6,804,729	5,897,471	5,527,931
Government Deposits				7,222,217	4,741,126	3,300,792
Claims on other sectors				14,795,588	14,852,944 *	14,974,232
Other nonfinancial corporations (Industry)				6,485,810	6,508,232	6,984,982
Other resident sectors (Households & NPISH)				6,755,786	6,839,539	6,478,268
Other sectors				1,553,992	1,505,172	1,510,982
Broad Money Supply (M2)				18,982,745 *	19,097,978	17,183,721
Narrow Money Supply (M1)				6,695,878	6,771,809	6,356,025
Currency outside depository corporations (E)				889,173	986,869	718,563
Transferable (demand) deposits				5,806,705	5,784,940	5,637,462
Quasi Money				12,286,866 *	12,326,169 *	10,827,696
Savings Deposits				2,057,505	2,090,039	2,002,340
Time Deposits				10,229,362	10,236,131	8,825,356
Shares and Other Equity				6,791,680	7,054,878	6,242,874
Central Bank Of Eswatini				1,962,197	2,172,353	1,675,024
Other Depository Corporations				4,829,483	4,882,525	4,567,850
Other Items (net)				-563,613	-454,074	23,258
GROSS OFFICIAL RESERVES						
		Oct-20	Sep-20	Aug-20	Sep-19	Oct-19
		Amount	Amount	Amount	Amount	Amount
		(E'000)	(E'000)	(E'000)	(E'000)	(E'000)
Total Official (Gross)	-	Emalangen E				
		10,797,813	9,321,947	8,460,765	5,332,743	7,382,674
		Special Drawing Rights (SDR)				
		469,164	396,183	357,890	257,572	353,631
Central Bank		10,797,813	9,321,947	8,460,765	5,332,743	7,382,674
Government		26,243	26,243	26,243	26,243	26,243
Import Cover (reserves to months of estimated imports)		4.7	4.1	3.7	2.3	3.2
Net Bank Holdings			2,753,221	2,468,560	1,708,053	2,160,918

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.
- 6.* Owing to the rounding of figures , the sum of separate items will sometimes differ in the final digit from the total shown.