

Monthly Statistical Release

AUG/SEPT 2020



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**CENTRAL BANK
OF ESWATINI**
Umntsholi Wemaswati



HIGHLIGHTS ON MAJOR MONETARY AGGREGATES	MONTHLY % CHANGE	ANNUAL % CHANGE
Gross official reserves settled at E9.3 billion at the end of September 2020, reflecting an increase of 10.5 per cent month-on-month and 75.3 per cent year-on-year. At this level, the reserves were enough to cover 3.9 months of imports of goods and services.	10.5 ▲	75.3 ▲
Credit extended to the private sector grew by 1.0 per cent month-on-month but declined by 0.4 per cent over the year to close at E14.9 billion at the end of August 2020.	1.0 ▲	0.4 ▼
Broad money supply (M2) amounted to E19.1 billion at the end of August 2020, reflecting an increase of 3.2 per cent over the month and 6.8 per cent over the year.	3.2 ▲	6.8 ▲
Domestic liquid assets improved by 12.9 per cent month-on-month and 19.3 per cent year-on-year to settle at E7.0 billion at the end of August 2020.	12.9 ▲	19.3 ▲
	PERCENT	
Discount Rate: the discount rate was unchanged at 3.75 per cent in September 2020.		3.75
Prime Lending Rate: the prime lending rate was unchanged at 7.25 per cent in September 2020.		7.25

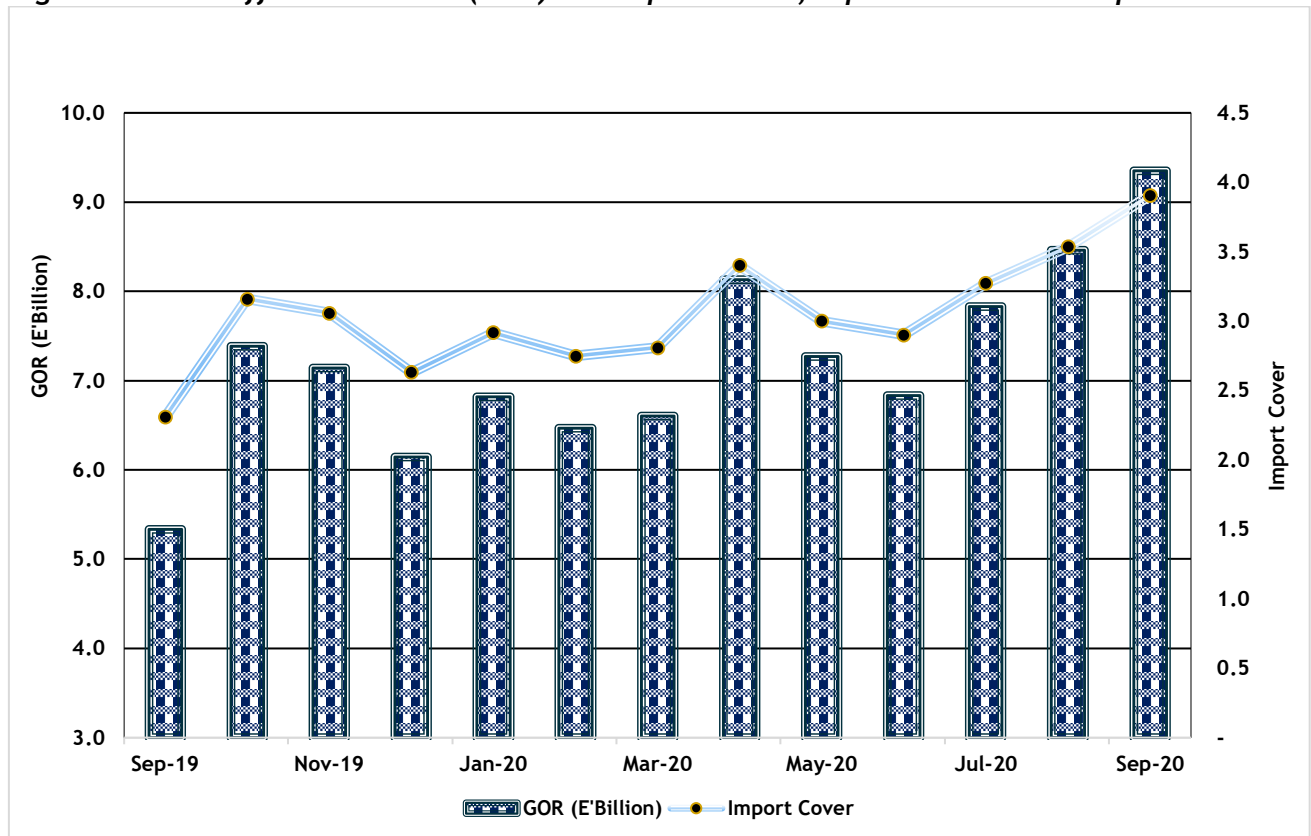
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Gross official reserves stood at E9.3 billion at the end of September 2020, depicting an increase of 10.5 per cent over the month and 75.3 per cent year-on-year. In line with the improvement in reserves, the import cover increased to 3.9 months in September 2020, from 3.5 months in August 2020. The reserves were boosted by foreign exchange proceeds from the IMF budget support loan to government received over the month.

Valued in special drawing rights (SDRs), the reserves grew to SDR397.3 million at the end of September 2020, from the SDR357.9 million registered the previous month. This was equivalent to growth of 11.0 per cent month-on-month and 54.2 percent over the year.

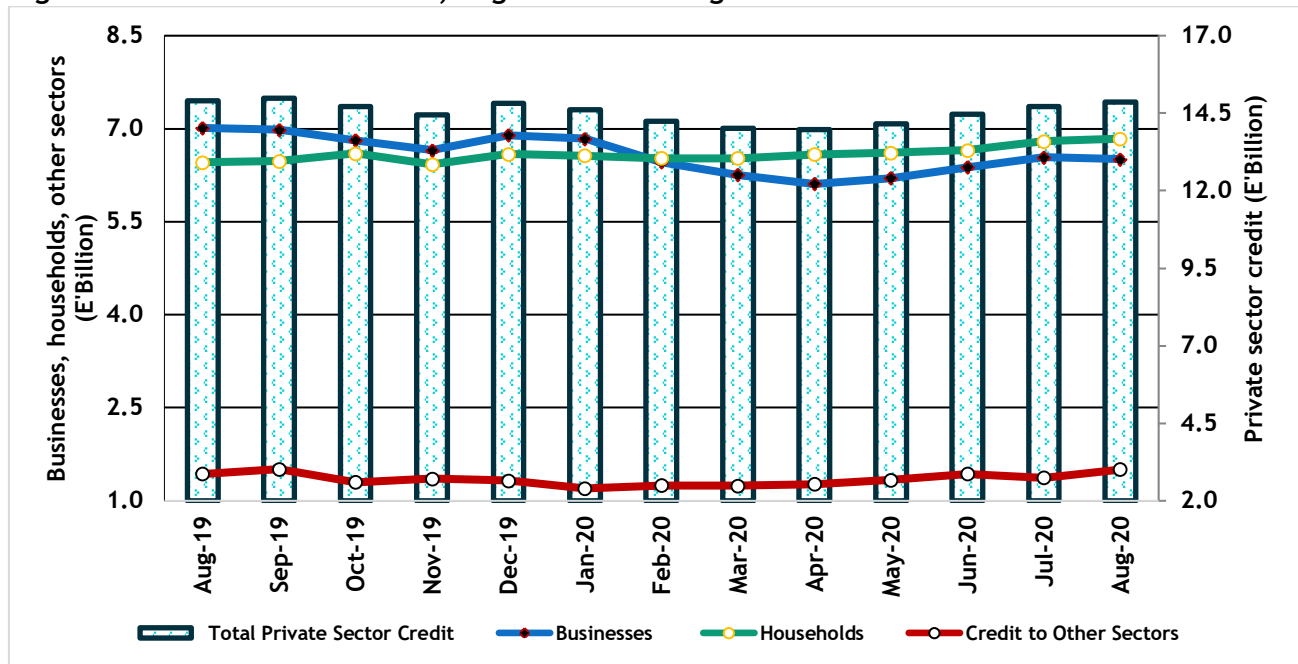
Figure 1: Gross Official Reserves (GOR) and Import Cover; September 2019 to September 2020



Source: Central Bank of Eswatini

Credit extended to the private sector grew by 1.0 per cent from the previous month but decreased by 0.4 per cent over the year to settle at E14.9 billion at the end of August 2020. The rise in private sector credit was driven by credit to other sectors and households whilst credit to businesses declined over the review period.

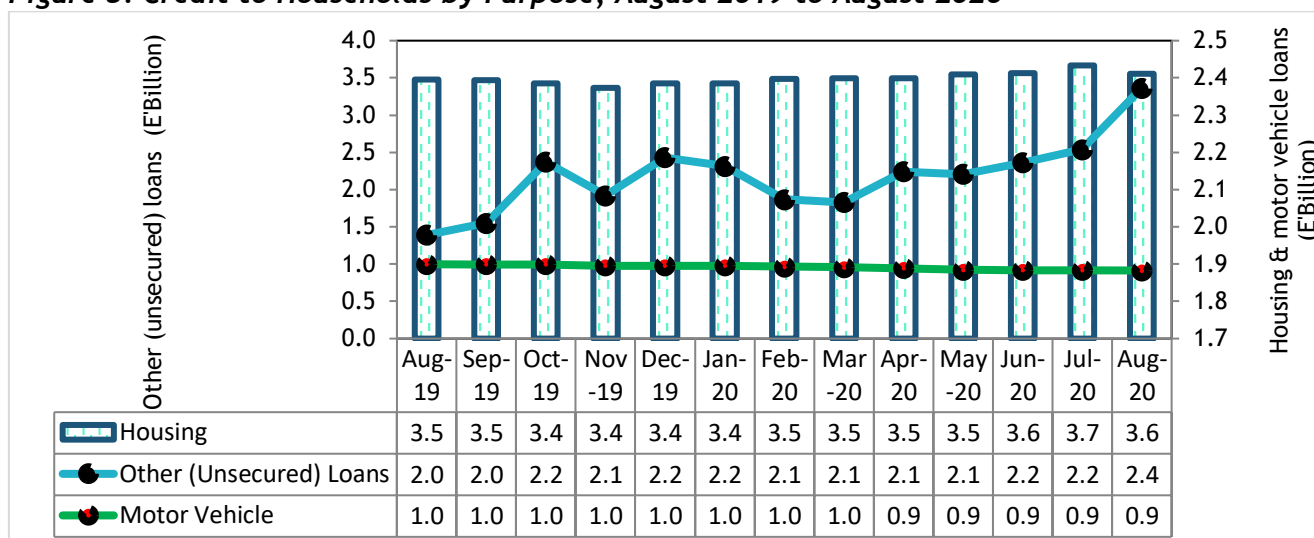
Figure 2: Private Sector Credit; August 2019 to August 2020



Source: Central Bank of Eswatini & Other Depository Corporations

Credit extended to other sectors expanded by 9.8 per cent over the month and 4.8 per cent over the year to close at E1.5 billion at the end of August 2020. The month-on-month growth was driven by all components; credit to local government (36.8 per cent); credit to parastatals (9.2 per cent) and credit to other financial corporations (9.0 per cent).

Credit extended to households & NPISH amounted to E6.8 billion at the end of August 2020, reflecting an increase of 0.6 per cent month-on-month and 5.9 per cent year-on-year. Contributing to the growth was credit to other (unsecured) loans, which grew by 7.5 per cent to close at E2.4 billion at the end of August 2020. Partly offsetting the increase was a fall in mortgage loans (-3.2 per cent) as well as motor vehicle loans (-0.7 per cent) to reach E3.6 billion and E914.3 million, respectively.

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

Source: Central Bank of Eswatini & Other Depository Corporations

Credit extended to businesses declined by 0.5 per cent over the month and 7.2 per cent over the year to close at E6.5 billion at the end of August 2020. Contributing to the contraction was credit to these subsectors; manufacturing (-4.2 per cent), real estate (-3.4 per cent), transport & communication (-2.3 per cent) and community, social & personal services (-2.2 per cent). Credit to these subsectors, on the other hand, increased over the review period; distribution & tourism (7.8 per cent), construction (6.6 per cent) and agriculture & forestry (2.8 per cent).

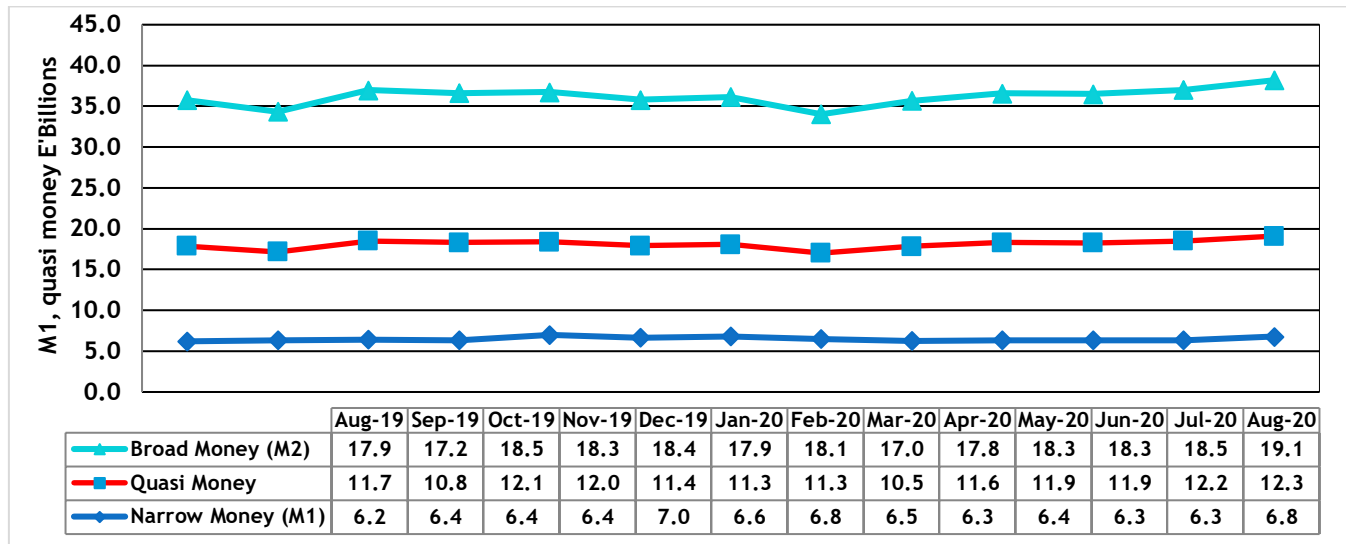
Net claims on government by the banking sector stood at E1.2 billion at the end of August 2020, 96.6 per cent higher than the previous month but 38.2 per cent lower than the previous year. The monthly increase was largely attributed to growth of 13.4 per cent in claims on central government, in line with an increase in its borrowing from the Central Bank. The rise in claims surpassed the 2.8 per cent growth in government deposits.

Broad money supply (M2) reached E19.1 billion at the end of August 2020, depicting an increase of 3.2 per cent over the month and 6.8 per cent over the year. This was partly in line with the rise in private sector credit over the review month. The increase was depicted in both narrow money supply (M1) and quasi money supply over the review period.

M1 rose by 6.9 per cent month-on-month and 9.1 per cent year-on-year to close at E6.8 billion at the end of August 2020. The month-on-month expansion was due to Emalangeni outside depository corporations, which grew by 14.9 per cent to reach E986.9 million and transferable (demand) deposits by 5.6 per cent to reach E5.8 billion at the end of August 2020.

Quasi money supply improved by 1.3 per cent month-on-month and by 5.5 per cent annually to close at E12.3 billion at the end of August 2020. The increase was driven by both time and savings deposits, which increased by 1.5 per cent to E10.2 billion and by 0.6 per cent to E2.1 billion, respectively.

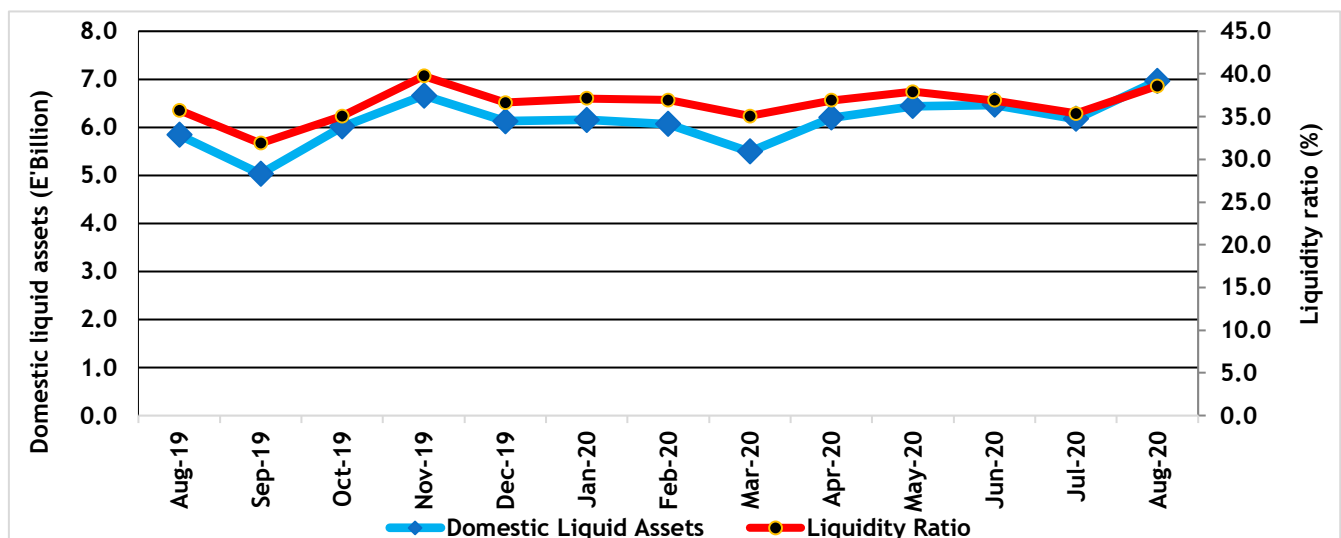
Figure 4: Money Supply; August 2019 to August 2020



Source: Central Bank of Eswatini & Other Depository Corporations

Banks' liquid assets settled at E7.0 billion at the end of August 2020 depicting an increase of 12.9 per cent over the month and 19.3 per cent over the year. The month-on-month growth was observed in banks' balances held with the Central Bank and other local banks as well as their investment in Central Bank bills re-introduced in mid-August 2020. Likewise, the liquidity ratio rose from 35.4 per cent in July 2020 to 38.6 per cent at the end of August 2020.

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



Source: Central Bank of Eswatini & Other Depository Corporations

RELEASE OF MONEY AND BANKING STATISTICS

ITEM	Aug-20	Jul-20	Aug-19
	Amount (E'000)	Amount (E'000)	Amount (E'000)
CENTRAL BANK OF ESWATINI			
Claims on Non-residents	10,161,431	9,862,448	8,103,419
Claims on Domestic Economy	2,536,348 *	1,844,312	2,459,113
Government	2,503,898	1,812,854	2,430,567
Other Depository Corporations	2,512	2,082	2,082
Other Resident Sectors	29,939	29,376	26,464
Other Assets	552,241	532,526	1,384,432
Total Assets/Liabilities	13,250,020	12,239,285 *	11,946,964
OTHER DEPOSITORY CORPORATIONS			
Cash and Deposits with CBE	3,901,443	3,130,269	3,652,682
Net Balances with Banks Outside Eswatini	1,369,799	1,569,895	598,082
Loans and advances	13,978,947	13,913,118	13,965,053
Government Securities	3,385,147 *	3,360,479	2,527,371
Treasury Bills	2,389,768	2,379,087	1,552,851
Government Bonds	995,380	981,392	974,520
Other	-	-	-
Total Deposits	20,087,680	19,463,682 *	17,979,075 *
Transferable/Demand	6,419,454	5,923,916	5,664,216
Savings	2,133,145	2,121,347	1,978,370
Time	11,535,081	11,418,420	10,336,490
Capital and Reserves	4,283,774	4,238,603	4,050,448
Total Assets/Liabilities	26,662,883	25,869,083	25,117,351
Total Liquid Assets (Banks only)	6,970,731	6,174,382	5,841,519
Required Liquidity (Banks only)	3,575,324	3,454,309	4,028,942
Surplus/ Deficiency (-) (Banks only)	3,395,407	2,720,073	1,812,577
RATIOS (%)			
Actual Liquidity to Domestic Liabilities (Banks Only)	38.6	35.4	35.8
Loans and Advances to Deposits	69.6	71.5	77.7



DEPOSITORY CORPORATIONS SURVEY		Aug-20	Jul-20	Aug-19	
Net Foreign Assets (E)		9,689,493	9,577,339	6,985,864	
Net Official Assets		7,220,933	6,880,283 *	5,661,011 *	
Foreign Assets - Central Bank of Eswatini		10,187,674	9,888,690	8,129,661	
Foreign Liabilities - Central Bank of Eswatini		2,966,741	3,008,408	2,468,651	
Net Other Depository Corporations Foreign holdings (ODC)		2,468,560	2,697,056	1,324,853 *	
Foreign Assets - ODC		2,887,590	2,975,278	2,314,540	
Foreign Liabilities - ODC		419,030	278,222	989,686	
Net Foreign Assets (SDR)		409,865	398,417	334,623	
Net Domestic Claims		16,009,289	15,294,041	16,777,618	
Net Claims on Government		1,156,345	588,057 *	1,871,774	
Claims on Central Government		5,897,471	5,201,798	5,002,196	
Government Deposits		4,741,126	4,613,742	3,130,422	
Claims on other sectors		14,852,944 *	14,705,984	14,905,844	
Other nonfinancial corporations (Industry)		6,508,232	6,538,976	7,012,334	
Other resident sectors (Households & NPISH)		6,839,539	6,795,970	6,457,743	
Other sectors		1,505,172	1,371,038	1,435,767	
Broad Money Supply (M2)		19,097,978	18,501,116 *	17,888,416	
Narrow Money Supply (M1)		6,771,809	6,335,721 *	6,205,666	
Currency outside depository corporations (E)		986,869	858,942	745,357	
Transferable (demand) deposits		5,784,940	5,476,778	5,460,309	
Quasi Money		12,326,169 *	12,165,396	11,682,750 *	
Savings Deposits		2,090,039	2,077,656	1,940,920	
Time Deposits		10,236,131	10,087,740	9,741,831	
Shares and Other Equity		7,054,878	6,800,274	5,745,781	
Central Bank Of Eswatini		2,172,353	1,988,186	1,116,967	
Other Depository Corporations		4,882,525	4,812,088	4,628,814	
Other Items (net)		-454,074	-430,011	129,284	
GROSS OFFICIAL RESERVES		Sep-20	Aug-20	Jul-20	Aug-19
		Amount	Amount	Amount	Amount
		(E'000)	(E'000)	(E'000)	(E'000) D
Total Official (Gross) - Emalangeni E		9,347,110	8,460,765	7,828,245	6,451,836
Special Drawing Rights (SDR)		397,252	357,890	325,654	309,043
Central Bank		9,347,110	8,460,765	7,828,245	6,451,836
Government		26,243	26,243	26,243	26,243
Import Cover (reserves to months of estimated imports)		3.9	3.5	3.3	2.8
Net Bank Holdings		2,468,560	2,697,056	1,324,853	1,708,053

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.