

Monthly Statistical Release

FEB / MAR 2021



www.centralbank.org.sz



CENTRAL BANK
OF ESWATINI
Umntsholi Wemaswati

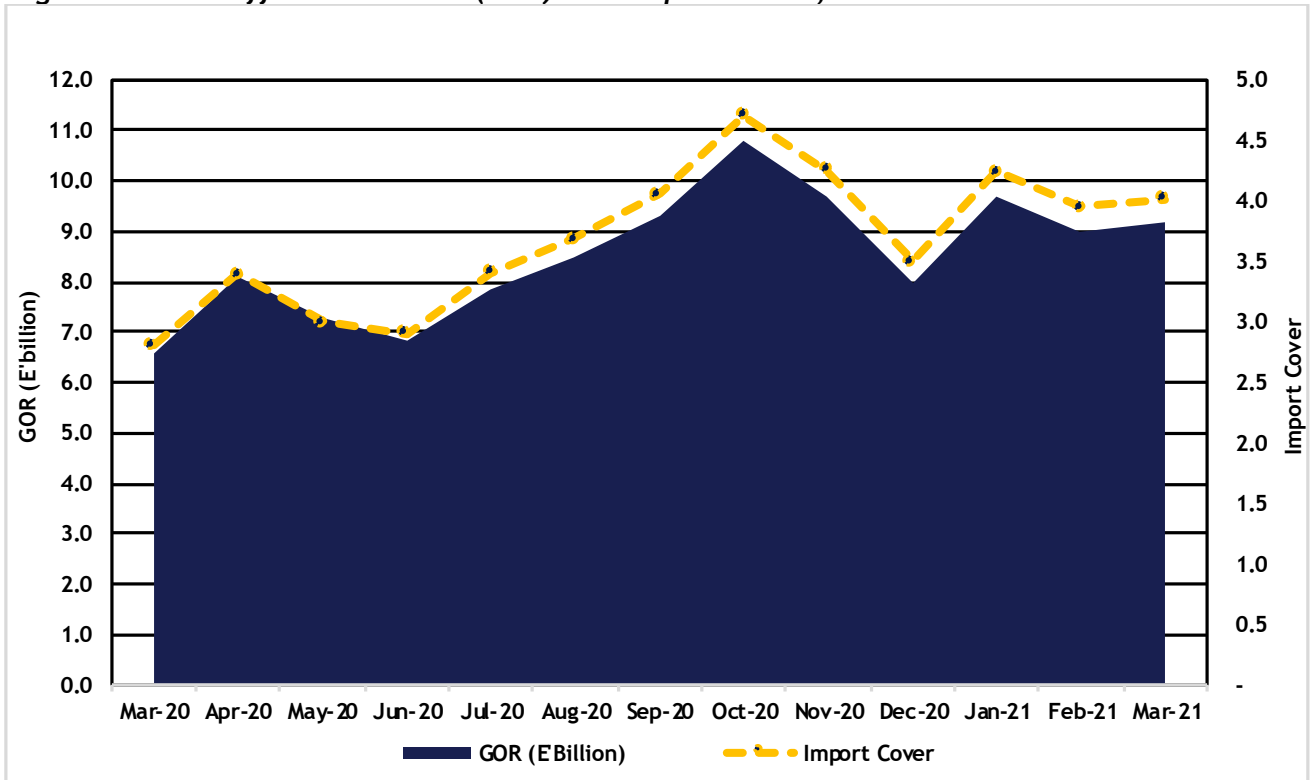


HIGHLIGHTS ON MAJOR MONETARY AGGREGATES	MONTHLY % CHANGE	ANNUAL % CHANGE
Gross official reserves stood at E9.2 billion at the end of March 2021, higher by 1.6 per cent over the month and 38.5 per cent year-on-year.	1.6 ▲	38.5 ▲
Credit extended to the private sector declined by 1.2 per cent month-on-month and grew by 9.3 per cent year-on-year to close at E15.6 billion at the end of February 2021.	1.2 ▼	9.3 ▲
Broad money supply (M2) amounted to E21.0 billion at the end of February 2021, reflecting a contraction of 0.4 per cent over the month and growth of 16.2 per cent over the year.	0.4 ▼	16.2 ▲
Domestic liquid assets reached E7.8 billion at the end of February 2021, expanding by 2.5 per cent month-on-month and by 28.8 per cent year-on-year.	2.5 ▲	28.8 ▲
	PER CENT	
Discount rate: the discount rate was kept at 3.75 per cent in March 2021.		3.75
Prime lending rate: the prime lending rate was kept at 7.25 per cent in March 2021.		7.25
<p><i>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.</i></p>		

Gross official reserves reached E9.2 billion at the end of March 2021, slightly higher than the E9.0 billion observed in the previous month. At this level, the reserves represented a month-on-month increase of 1.6 per cent and year-on-year growth of 38.5 per cent. The reserves were enough to cover 4.0 months of imports at the end of March 2021 and at the same level observed in February 2021.

Valued in special drawing rights (SDR), the reserves amounted to SDR437.4 million at the end of March 2021, reflecting an increase of 5.1 per cent over the month and 61.1 per cent annually.

Figure 1: Gross Official Reserves (GOR) and Import Cover; March 2020 to March 2021



Source: Central Bank of Eswatini

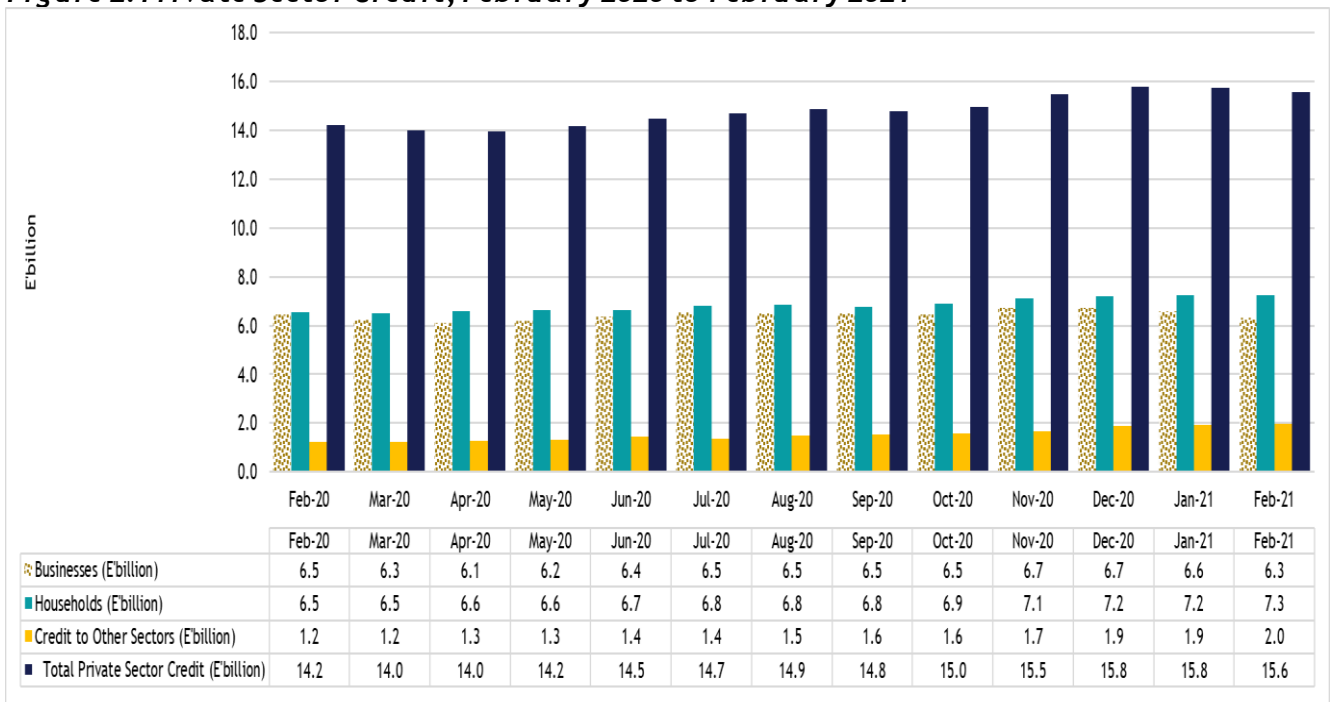
Credit extended to the private sector amounted to E15.6 billion at the end of February 2021, depicting a monthly decline of 1.2 per cent and a year-on-year expansion of 9.3 per cent. The monthly contraction in private sector credit was driven by lower credit to businesses whilst credit to other sectors and households & non-profit institutions serving households (NPISH) increased.

Credit extended to businesses fell by 4.1 per cent month-on-month and 1.9 per cent year-on-year to settle at E6.3 billion at the end of February 2021. Accounting for the decline in credit to businesses were the following sectors; mining & quarrying (-91.4 per cent), distribution & tourism (-25.5 per cent), transport & communication (-6.0 per cent), real

estate (-4.2 per cent), as well as manufacturing (-1.2 per cent). Partly offsetting the decrease were increases in the following subsectors; community, social & personal services (15.8 per cent), construction (7.0 per cent) as well as agriculture & forestry (5.6 per cent).

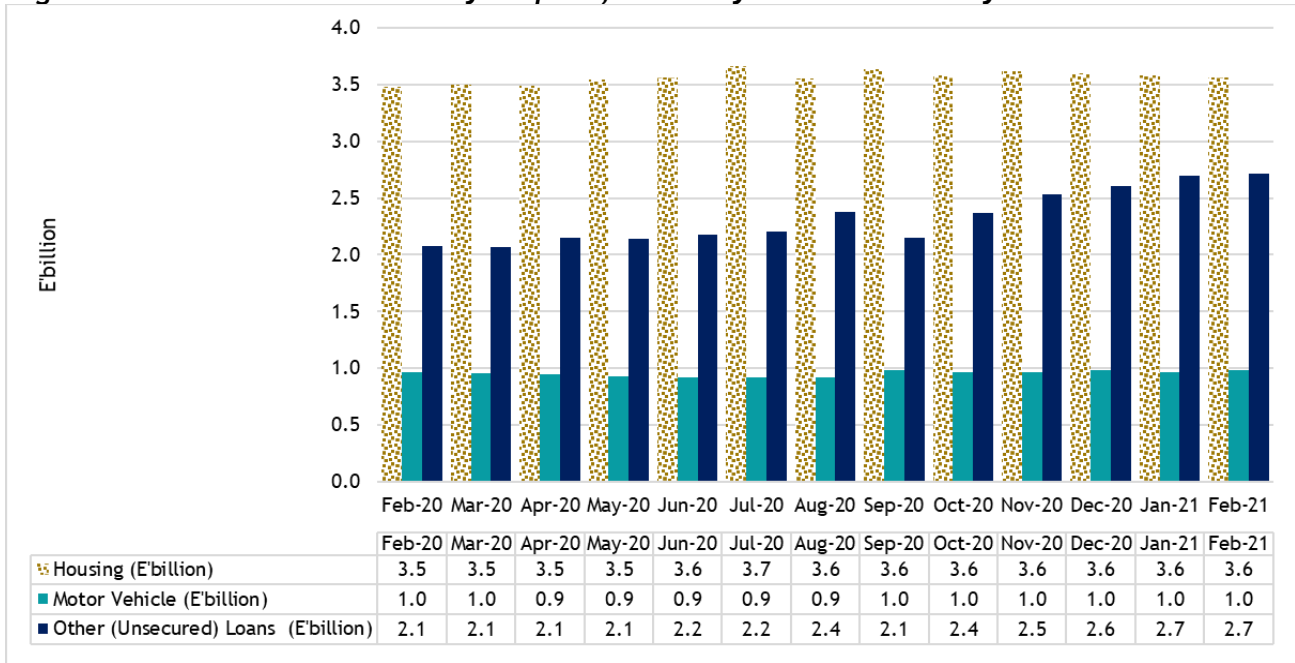
Credit to other sectors recorded an expansion of 3.3 per cent over the month and 58.0 per cent compared to the previous year to reach E2.0 billion at the end of February 2021. The month-on-month improvement was observed in credit to other financial corporations, which rose by 9.4 per cent whilst credit to local government and public nonfinancial corporations fell by 35.3 per cent and 8.4 per cent, respectively.

Figure 2: Private Sector Credit; February 2020 to February 2021



Source: Central Bank of Eswatini & Other Depository Corporations

Credit extended to households & NPISH stood at E7.3 billion at the end of February 2021, reflecting an increase of 0.2 per cent month-on-month and 11.2 per cent year-on-year. The month-on-month increase was observed in motor vehicle loans and other (personal) loans, which rose by 1.8 per cent to E1.0 billion and 0.5 per cent to E2.7 billion, respectively. Housing loans on the other hand, decreased by 0.5 per cent to E3.6 billion over the review month.

Figure 3: Credit to Households by Purpose; February 2020 to February 2021

Source: Central Bank of Eswatini & Other Depository Corporations

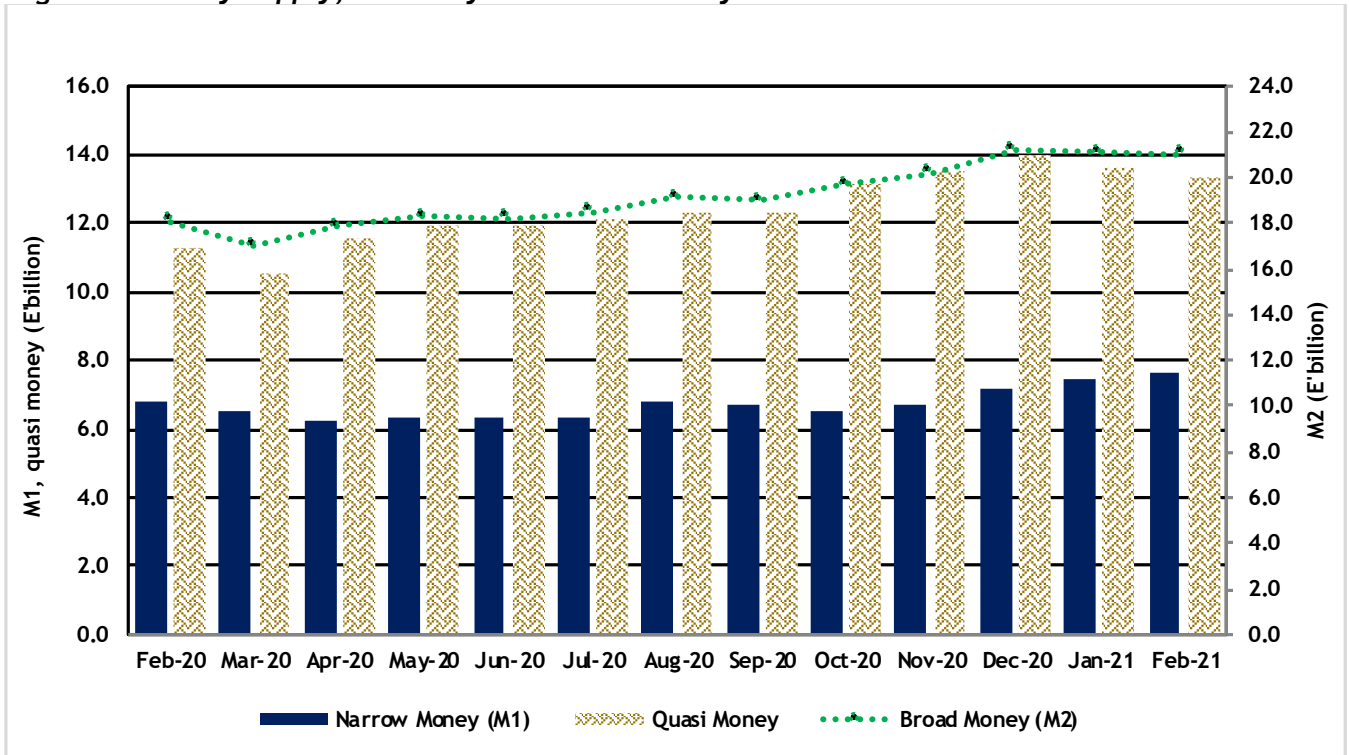
Net claims on government with the banking sector deteriorated compared to the previous month to reach E403.0 million at the end of February 2021. An analysis of the components of net claims on government revealed that claims on government increased by 9.1 per cent whilst government deposits fell by 5.1 per cent.

Broad money supply (M2) stood at E21.0 billion at the end of February 2021, reflecting a monthly decline of 0.4 per cent and growth of 16.2 per cent annually. The monthly fall was on account of quasi money supply while narrow money supply (M1) increased.

Quasi money supply stood at E13.4 billion at the end of February 2021, reflecting a monthly contraction of 2.0 per cent but growth of 18.4 per cent over the year. The contraction in quasi money was driven by both components, savings and time deposits. Savings deposits fell by 3.4 per cent over the review month to settle at E2.0 billion at the end of February 2021. Similarly, time deposits trended in the same direction and declined by 1.8 per cent on a monthly basis to reach E11.4 billion at the end of February 2021.

M1 rose by 2.6 per cent month-on-month and by 12.5 per cent year-on-year to settle at E7.7 billion at the end of February 2021, driven by transferable (demand) deposits. As a result, transferable (demand) deposits rose by 3.1 per cent to E6.8 billion whilst Emalangeni outside depository corporations contracted by 1.1 per cent to E858.5 million over the month under review.

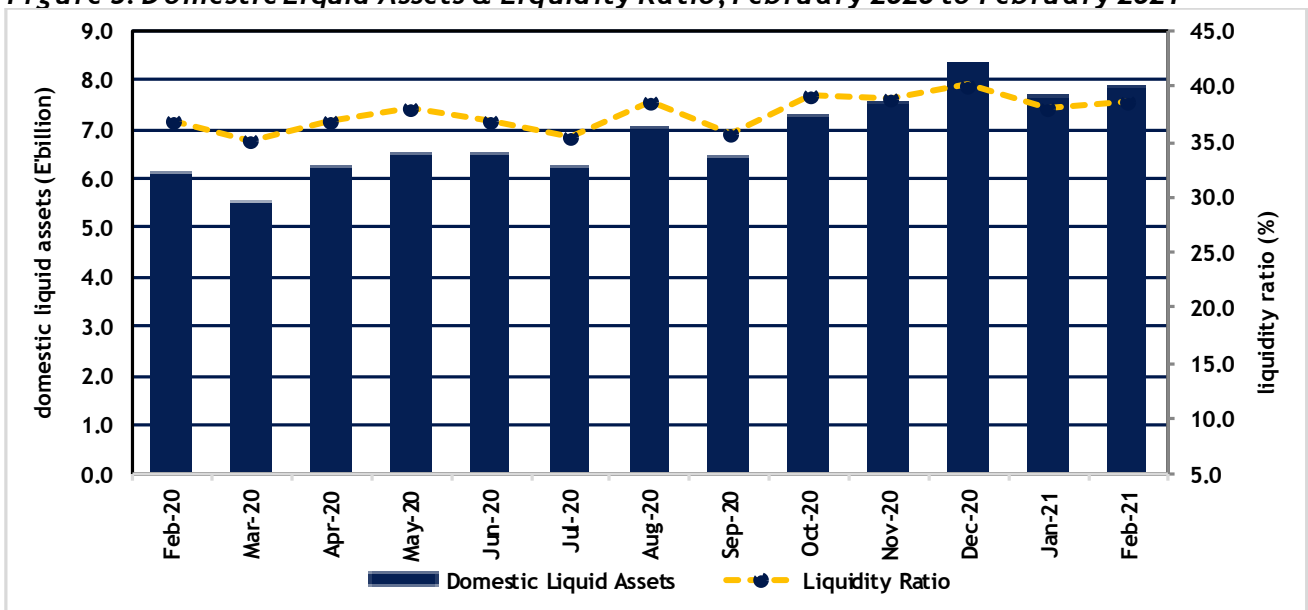
Figure 4: Money Supply; February 2020 to February 2021



Source: Central Bank of Eswatini & Other Depository Corporations

Banks' liquid assets increased by 2.5 per cent on a monthly basis and by 28.8 per cent over the year to settle at E7.8 billion at the end of February 2021. The month-on-month expansion was attributed to a rise in the banks' balances with the Central Bank as well as their investment in government securities over the review month. Consequently, the banks' liquidity ratio rose to 38.6 per cent at the end of February 2021 from 38.1 per cent registered in January 2021.

Figure 5: Domestic Liquid Assets & Liquidity Ratio; February 2020 to February 2021



Source: Central Bank of Eswatini & Other Depository Corporations

RELEASE OF MONEY AND BANKING STATISTICS

ITEM	Feb-21	Jan-21	Feb-20
	Amount	Amount	Amount
	(E'000)	(E'000)	(E'000)
CENTRAL BANK OF ESWATINI			
Claims on Non-residents	10,563,138	11,227,449	8,310,874
Claims on Domestic Economy	2,396,436	2,058,723	2,619,189
Government	2,363,093	1,910,191	2,589,506
Other Depository Corporations	2,512	117,512	2,082
Other Resident Sectors	30,831	31,020	27,601
Other Assets	410,998	400,798	1,343,025
Total Assets/Liabilities	13,370,571 *	13,686,971 *	12,273,088
OTHER DEPOSITORY CORPORATIONS			
Cash and Deposits with CBE	3,666,038	3,582,258	3,444,857
Net Balances with Banks Outside Eswatini	2,394,045	2,272,143	1,644,335
Loans and advances	14,238,011	14,519,160	13,602,392
Government Securities	4,542,194	4,419,324 *	2,897,131
Treasury Bills	2,515,787	2,401,213	2,037,075
Government Bonds	2,026,407	2,018,110	860,056
Other	-	-	-
Total Deposits	22,476,469 *	22,504,393	18,196,667
Transferable/Demand	7,377,725	7,171,493	6,251,202
Savings	2,046,164	2,115,502	1,851,865
Time	13,052,581	13,217,398	10,093,600
Capital and Reserves	4,377,283	4,343,463	4,194,227
Total Assets/Liabilities	28,831,427	29,380,195	24,680,482
Total Liquid Assets (Banks only)	7,813,024	7,621,719	6,068,186
Required Liquidity (Banks only)	4,012,226	3,963,425	4,051,308
Surplus/ Deficiency (-) (Banks only)	3,800,798	3,658,294	2,016,878
RATIOS (%)			
Actual Liquidity to Domestic Liabilities (Banks Only)	38.6	38.1	36.9
Loans and Advances to Deposits	63.3	64.5	74.8



DEPOSITORY CORPORATIONS SURVEY		Feb-21	Jan-21	Feb-20	
Net Foreign Assets (E)		10,850,552	11,577,966	7,893,599	
Net Official Assets		7,697,673 *	8,361,225	5,840,836	
Foreign Assets - Central Bank of Eswatini		10,589,380	11,253,692	8,337,117	
Foreign Liabilities - Central Bank of Eswatini		2,891,708	2,892,467	2,496,281	
Net Other Depository Corporations Foreign holdings (ODC)		3,152,880 *	3,216,741 *	2,052,763	
Foreign Assets - ODC		3,435,359	3,922,164	2,410,640	
Foreign Liabilities - ODC		282,480	705,424	357,877	
Net Foreign Assets (SDR)		501,296	534,903	368,237	
Net Domestic Claims		15,965,909	15,228,879 *	16,435,132	
Net Claims on Government		402,988	-528,711	2,201,815	
Claims on Central Government		6,946,855	6,365,249	5,525,573	
Government Deposits		6,543,867	6,893,961	3,323,758	
Claims on other sectors		15,562,921	15,757,590 *	14,233,317	
Other nonfinancial corporations (Industry)		6,337,108	6,608,937	6,462,451	
Other resident sectors (Households & NPISH)		7,256,997	7,242,499	6,524,857	
Other sectors		1,968,816	1,906,155	1,246,009	
Broad Money Supply (M2)		21,008,796	21,089,322	18,082,427	
Narrow Money Supply (M1)		7,655,940	7,463,124	6,806,057	
Currency outside depository corporations (E)		858,532	867,990	719,364	
Transferable (demand) deposits		6,797,408	6,595,134	6,086,693	
Quasi Money		13,352,856	13,626,198	11,276,370	
Savings Deposits		1,975,323	2,044,925	1,804,240	
Time Deposits		11,377,533	11,581,273	9,472,130	
Shares and Other Equity		6,287,057	6,303,978	6,794,162	
Central Bank Of Eswatini		1,279,164	1,335,359	2,033,966	
Other Depository Corporations		5,007,893	4,968,619	4,760,196	
Other Items (net)		-479,392	-586,456	-547,859	
GROSS OFFICIAL RESERVES					
	Mar-21	Feb-21	Jan-21	Feb-20	Mar-20
	Amount	Amount	Amount	Amount	Amount
	(E'000)	(E'000)	(E'000)	(E'000)	(E'000)
Total Official (Gross) - Emalangeni E	9,150,446	9,006,034	9,670,346	6,464,327	6,605,328
Special Drawing Rights (SDR)	437,391	416,079	446,770	301,561	271,479
Central Bank	9,150,446	9,006,034	9,670,346	6,464,327	6,605,328
Government	26,243	26,243	26,243	26,243	26,243
Import Cover (reserves to months of estimated imports)	4.0	4.0	4.2	2.7	2.8
Net Bank Holdings		3,152,880	3,216,741	2,052,763	1,960,627

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.