

Monthly Statistical Release

JAN /FEB 2021



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**CENTRAL BANK
OF ESWATINI**
Umntsholi Wemaswati



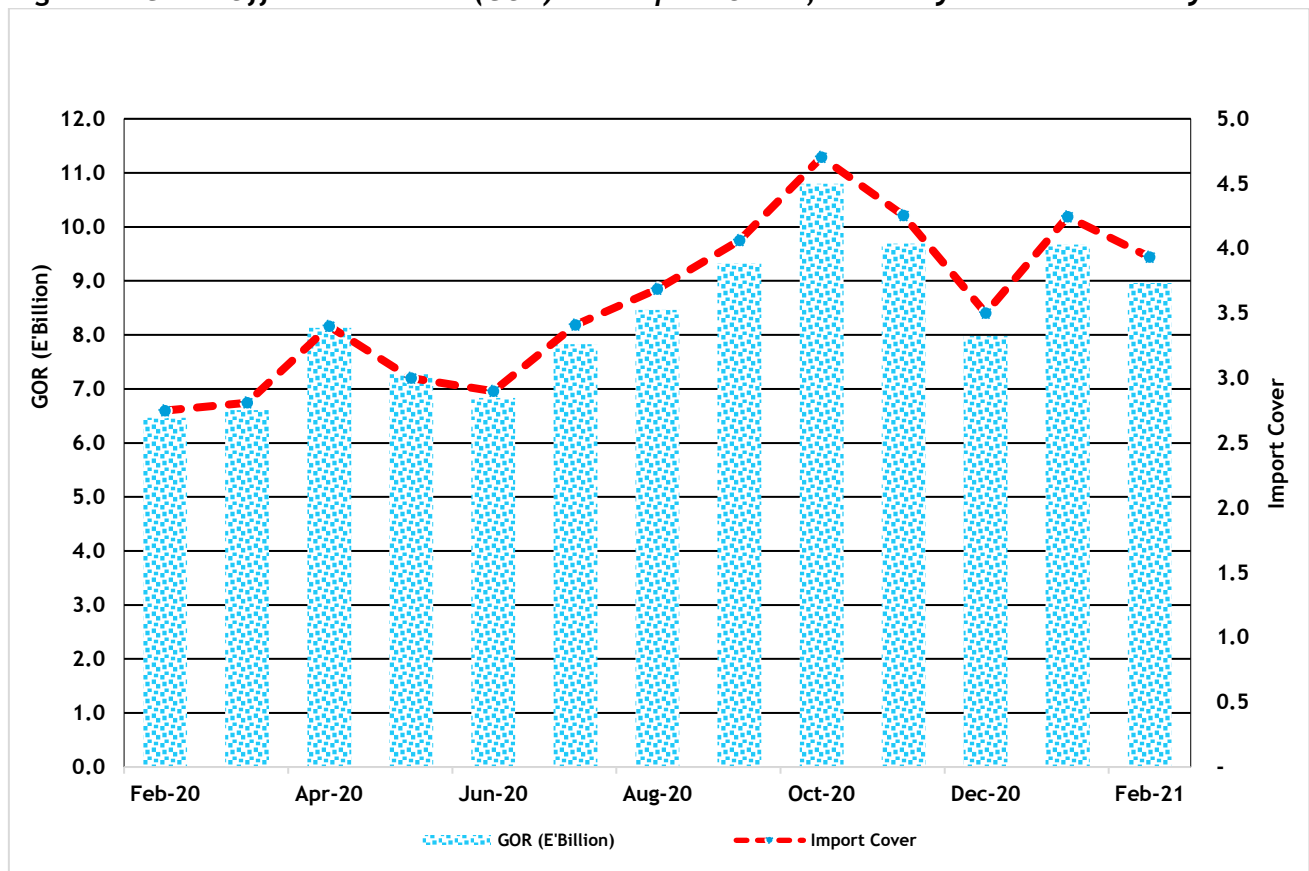
HIGHLIGHTS ON MAJOR MONETARY AGGREGATES	MONTHLY % CHANGE	ANNUAL % CHANGE
Gross official reserves receded by 7.3 per cent month-on-month but grew by 38.6 per cent year-on-year to close at E9.0 billion at the end of February 2021.	7.3 ▼	38.6 ▲
Credit extended to the private sector settled at E15.8 billion in January 2021, depicting a decline of 0.3 per cent month-on-month but an increase of 7.9 per cent over the year.	0.3 ▼	7.9 ▲
Broad money supply (M2) fell by 0.5 per cent month-on-month but grew by 17.8 per cent year-on-year to close at E21.1 billion in January 2021.	0.5 ▼	17.8 ▲
Domestic liquid assets stood at E7.6 billion in January 2021, reflecting a decrease of 7.7 per cent month-on-month but increased by 23.9 per cent year-on-year.	7.7 ▼	23.9 ▲
	PER CENT	
Discount rate: the discount rate stood at 3.75 per cent in February 2021.		3.75
Prime lending rate: the prime lending rate stood at 7.25 per cent in February 2021.		7.25
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Gross official reserves stood at E9.0 billion at the end of February 2021, depicting a decrease of 7.3 per cent month-on-month but grew by 38.6 per cent year-on-year. In line with the fall in reserves, the import cover fell from 4.2 months to 3.9 months over the review period. The fall in reserves was largely attributed to a net outflow from foreign exchange trades with commercial banks over the month under review.

Valued in special drawing rights (SDR), the reserves amounted to SDR414.1 million at the end of February 2021 reflecting a contraction of 7.3 per cent compared to the previous month but an increase of 37.3 per cent compared to the previous year.

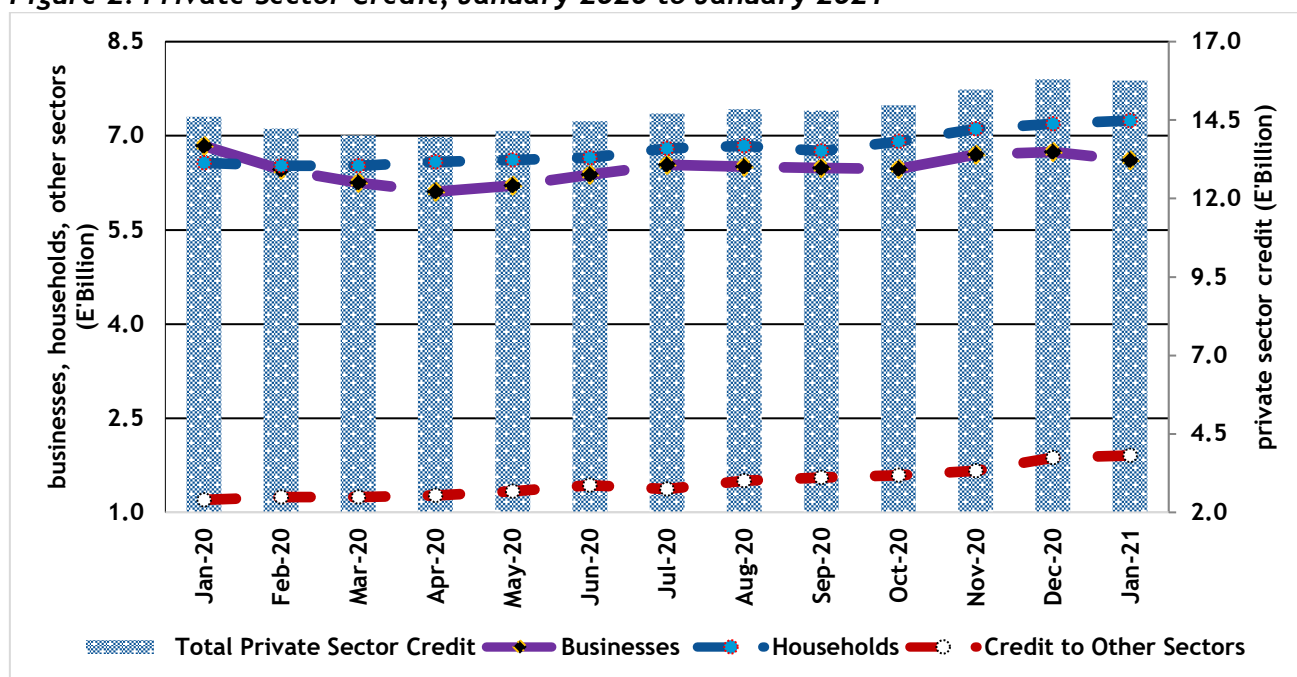
Figure 1: Gross Official Reserves (GOR) and Import Cover; February 2020 to February 2021



Source: Central Bank of Eswatini

Credit extended to the private sector decreased by 0.3 per cent from the previous month but increased by 7.9 per cent over the year to settle at E15.8 billion at the end of January 2021. The fall in private sector credit was mainly driven by a contraction in credit to businesses whilst credit to other sectors and households & non-profit institutions serving households (NPISH) improved over the review period.

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

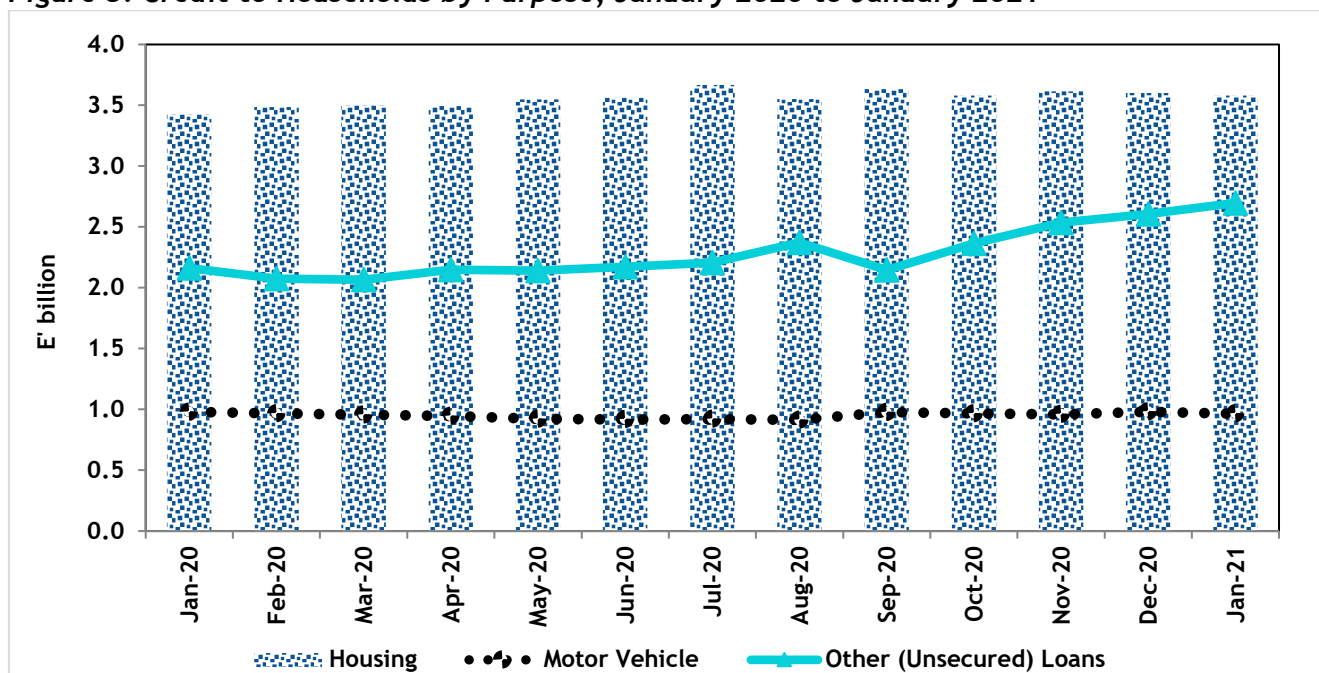


Source: Central Bank of Eswatini & Other Depository Corporations

Credit extended to businesses settled at E6.6 billion at the end of January 2021, down by 2.0 per cent over the month and 3.4 per cent annually. The following subsectors accounted for the month-on-month decline; real estate (-10.0 per cent), distribution & tourism (-8.6 per cent) as well as community, social & personal services (-4.7 per cent). Credit to these subsectors, on the other hand, increased over the review period; manufacturing (7.5 per cent), construction (6.5 per cent) agriculture & forestry (3.4 per cent), transport & communication (1.5 per cent) as well as mining & quarrying (0.8 per cent).

Credit to other sectors expanded by 2.0 per cent over the month and 58.9 per cent over the year to close at E1.9 billion at the end of January 2021. The month-on-month growth was driven by credit to other financial corporations, which rose by 4.4 per cent. Credit to public nonfinancial corporations and local government however, fell by 3.2 per cent and 0.8 per cent, respectively over the review period.

Credit extended to households & NPISH amounted to E7.2 billion at the end of January 2021, reflecting an increase of 0.8 per cent month-on-month and 10.3 per cent year-on-year. Contributing to the growth was credit to other personal (unsecured) loans, which grew by 3.4 per cent to close at E2.7 billion at the end of January 2021. Counteracting the increase was a fall in motor vehicle loans (-1.6 per cent) and housing loans (-0.6 per cent) to E1.0 billion and E3.6 billion, respectively.

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

Source: Central Bank of Eswatini & Other Depository Corporations

Net claims on government with the banking sector stood at E-528.7 million at the end of January 2021, depicting a decrease of 142.6 per cent over the month and 129.2 per cent over the year. The fall was due to a notable decline in claims (on government) as government repaid part of its CBE advance, combined with an increase in government deposits over the month under review.

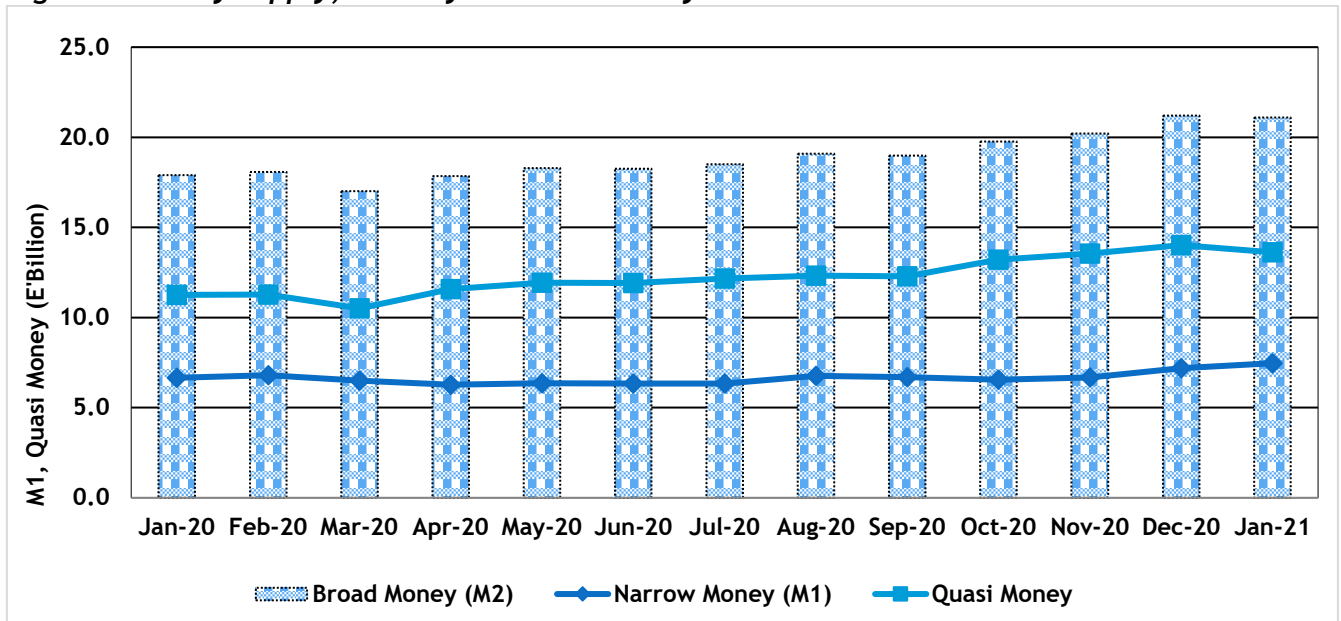
Broad money supply (M2) reached E21.1 billion at the end of January 2021, reflecting a decline of 0.5 per cent month-on-month but grew by 17.8 per cent year-on-year. The month-on-month decline was in line with the fall in credit extended to the private sector. The fall in broad money supply was reflected in quasi money supply whilst narrow money supply (M1) expanded over the review period.

Quasi money supply fell by 2.8 per cent month-on-month but grew by 21.1 per cent annually to close at E13.6 billion at the end of January 2021. The monthly decrease was driven by both components of quasi money supply. Time deposits fell by 3.1 per cent to E11.6 billion and savings deposits by 1.2 per cent to E2.0 billion at the end of the review month.

Narrow money supply (M1) settled at E7.5 billion at the end of January 2021, 3.8 per cent and 12.2 per cent higher than the previous month and year, respectively. The monthly expansion was underpinned by a rise of 4.8 per cent in transferable (demand) deposits to settle at E6.6 billion. On the contrary, Emalangeni outside depository corporations declined

to E868.0 million at the end of January 2021 reflecting a fall of 3.3 per over the review month.

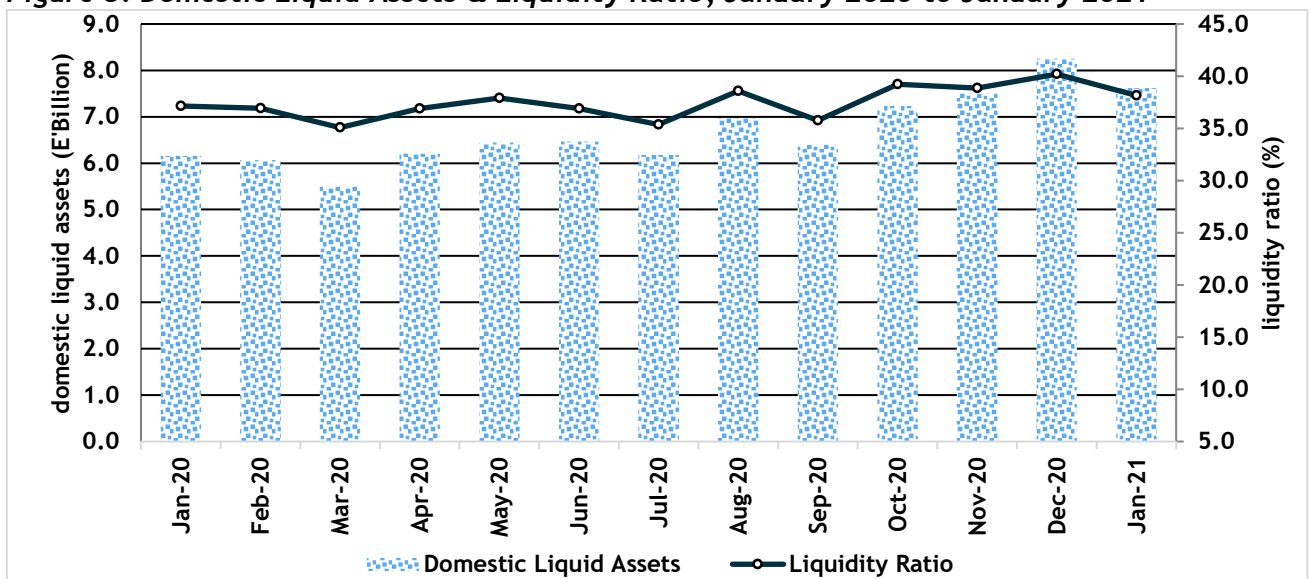
Figure 4: Money Supply; January 2020 to January 2021



Source: Central Bank of Eswatini & Other Depository Corporations

Banks' liquid assets amounted to E7.6 billion at the end of January 2021 reflecting a decline of 7.7 per cent month-on-month but an increase of 23.9 per cent annually. The month-on-month contraction was mainly explained by a fall in the banks' balances with the Central Bank as well as Emalangeni notes and coins held by banks. Consequently, the banks' liquidity ratio declined to 38.1 per cent at the end of January 2021 from 40.2 per cent in December 2020.

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



Source: Central Bank of Eswatini & Other Depository Corporations

RELEASE OF MONEY AND BANKING STATISTICS

ITEM	Jan-21 Amount (E'000)	Dec-20 Amount (E'000)	Jan-20 Amount (E'000)
CENTRAL BANK OF ESWATINI			
Claims on Non-residents	11,227,449	9,495,320	8,441,721
Claims on Domestic Economy	2,058,723	3,107,902 *	1,994,632
Government	1,910,191	3,074,472	1,964,407
Other Depository Corporations	117,512	2,512	2,082
Other Resident Sectors	31,020	30,919	28,143
Other Assets	400,798	547,345	1,333,783
Total Assets/Liabilities	13,686,971 *	13,150,567	11,770,137 *
OTHER DEPOSITORY CORPORATIONS			
Cash and Deposits with CBE	3,582,258	4,407,761	3,489,084
Net Balances with Banks Outside Eswatini	2,272,143	1,685,587	1,179,476
Loans and advances	14,519,160	14,607,124	13,886,865
Government Securities	4,419,324 *	4,171,315 *	2,973,237
Treasury Bills	2,401,213	2,234,208	2,060,674
Government Bonds	2,018,110	1,937,106	912,563
Other	-	-	-
Total Deposits	22,504,393	22,899,524	18,104,375
Transferable/Demand	7,171,493	7,000,635	6,115,995
Savings	2,115,502	2,138,966	1,857,113
Time	13,217,398	13,759,923	10,131,267
Capital and Reserves	4,343,463	4,310,094	4,177,379
Total Assets/Liabilities	29,380,195	29,117,955	24,788,091
Total Liquid Assets (Banks only)	7,621,719	8,253,269	6,152,950
Required Liquidity (Banks only)	3,963,425	4,069,290	4,085,428
Surplus/ Deficiency (-) (Banks only)	3,658,294	4,183,979	2,067,522
RATIOS (%)			
Actual Liquidity to Domestic Liabilities (Banks Only)	38.1	40.2	37.1
Loans and Advances to Deposits	64.5	63.8	76.7

DEPOSITORY CORPORATIONS SURVEY				<i>Jan-21</i>	<i>Dec-20</i>	<i>Jan-20</i>
Net Foreign Assets (E)		11,577,966	9,275,419	7,572,874		
Net Official Assets		8,361,225	6,654,059	5,997,973		
Foreign Assets - Central Bank of Eswatini		11,253,692	9,521,563	8,467,964		
Foreign Liabilities - Central Bank of Eswatini		2,892,467	2,867,504	2,469,991		
Net Other Depository Corporations Foreign holdings (ODC)		3,216,741 *	2,621,360 *	1,574,901		
Foreign Assets - ODC		3,922,164	2,997,168	2,052,931		
Foreign Liabilities - ODC		705,424	375,807	478,030		
Net Foreign Assets (SDR)		534,903	439,192	-		
Net Domestic Claims		15,228,879	17,038,605	16,413,590 *		
Net Claims on Government		-528,711 *	1,239,657	1,807,758 *		
Claims on Central Government		6,365,249	7,282,120	4,977,111		
Government Deposits		6,893,961	6,042,463	3,169,354		
Claims on other sectors		15,757,590 *	15,798,948 *	14,605,833 *		
Other nonfinancial corporations (Industry)		6,608,937	6,741,019	6,838,736		
Other resident sectors (Households & NPISH)		7,242,499	7,188,419	6,567,426		
Other sectors		1,906,155	1,869,509	1,199,670		
Broad Money Supply (M2)		21,089,322	21,205,786	17,902,306		
Narrow Money Supply (M1)		7,463,124	7,187,521	6,649,132		
Currency outside depository corporations (E)		867,990	897,234	698,779		
Transferable (demand) deposits		6,595,134	6,290,287	5,950,353		
Quasi Money		13,626,198	14,018,265	11,253,174 *		
Savings Deposits		2,044,925	2,068,789	1,809,462		
Time Deposits		11,581,273	11,949,476	9,443,711		
Shares and Other Equity		6,303,978	5,771,650	6,578,628		
Central Bank Of Eswatini		1,335,359	839,996	1,839,115		
Other Depository Corporations		4,968,619	4,931,654	4,739,513		
Other Items (net)		-586,456	-663,412	-494,470		
GROSS OFFICIAL RESERVES						
		<i>Feb-21</i>	<i>Jan-21</i>	<i>Dec-20</i>	<i>Jan-20</i>	<i>Feb-20</i>
		<i>Amount</i>	<i>Amount</i>	<i>Amount</i>	<i>Amount</i>	<i>Amount</i>
		<i>(E'000)</i>	<i>(E'000)</i>	<i>(E'000)</i>	<i>(E'000)</i>	<i>(E'000)</i>
Total Official (Gross) - Emalangeni E		8,962,483	9,670,346	7,976,034	6,816,438	6,464,327
Special Drawing Rights (SDR)		414,067	446,770	377,666	331,619	301,561
Central Bank		8,962,483	9,670,346	7,976,034	6,816,438	6,464,327
Government		26,243	26,243	26,243	26,243	26,243
Import Cover (reserves to months of estimated imports)		3.9	4.2	3.5	2.9	2.7
Net Bank Holdings		8,361,225	6,654,059	5,997,973	5,840,836	

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.