

Monthly Statistical Release

JAN/FEB 2020



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**CENTRAL BANK
OF ESWATINI**
Umntsholi Wemaswati



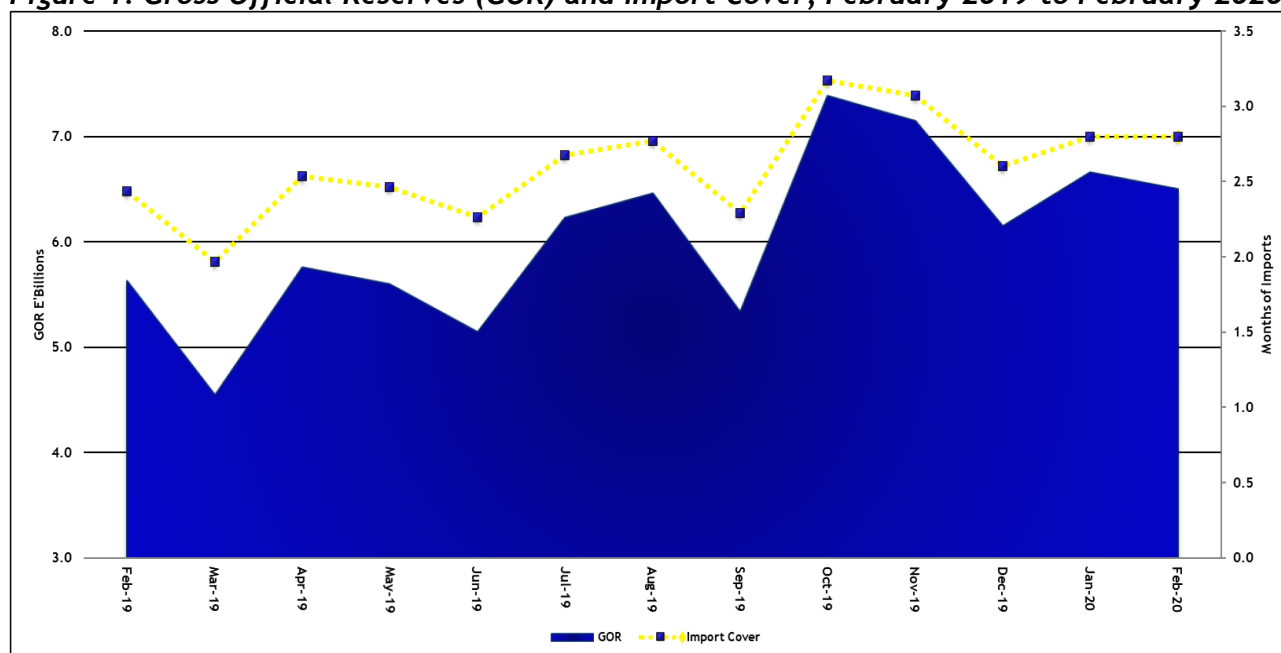
HIGHLIGHTS ON MAJOR MONETARY AGGREGATES	MONTHLY % CHANGE	ANNUAL % CHANGE
Gross official reserves stood at E6.5 billion at the end of February 2020, 5.9 per cent lower than in the previous month but 15.4 per cent higher year-on-year. The reserves were sufficient to cover 2.8 months of imports.	2.4 ▼	15.4 ▲
Credit extended to the private sector amounted to E14.6 billion in January 2020, decreasing by 1.4 per cent month-on-month and by 1.7 per cent year-on-year. The month-on-month contraction was depicted in credit to other sectors, businesses and households.	1.4 ▼	1.7 ▼
Broad money supply (M2) settled at E17.9 billion in January 2020, reflecting a fall of 2.6 per cent month-on-month and growth of 2.9 per cent annually. The month-on-month decline was observed in narrow money supply (M1) and quasi money supply.	2.6 ▼	2.9 ▲
Liquidity position of banks reached E6.2 billion in January 2020, expanding by 0.4 per cent month-on-month and by 31.5 per cent year-on-year. Growth was predominantly attributed to other depository corporations' investments in government securities. The banks' liquidity ratio reached 37.1 per cent in January 2020.	0.4 ▲	31.5 ▲
	PERCENT	
Discount rate: the discount rate was at 6.50 per cent in February 2020.		6.50
Prime lending rate: the prime lending rate was at 10.00 per cent in February 2020.		10.00
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Gross official reserves reached E6.5 billion at the end of February 2020, lower than the E6.7 billion observed in the previous month. At this level, the reserves depicted a month-on-month decline of 2.4 per cent and a year-on-year growth of 15.4 per cent. As at end of February 2020, the reserves represented an import cover of 2.8 months, maintaining the same level as that observed in January 2020.

Valued in special drawing rights (SDR), the reserves amounted to SDR302.9 million at the end of February 2020, representing a month-on-month reduction of 6.4 per cent and year-on-year growth of 5.1 per cent.

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



Source: Central Bank of Eswatini

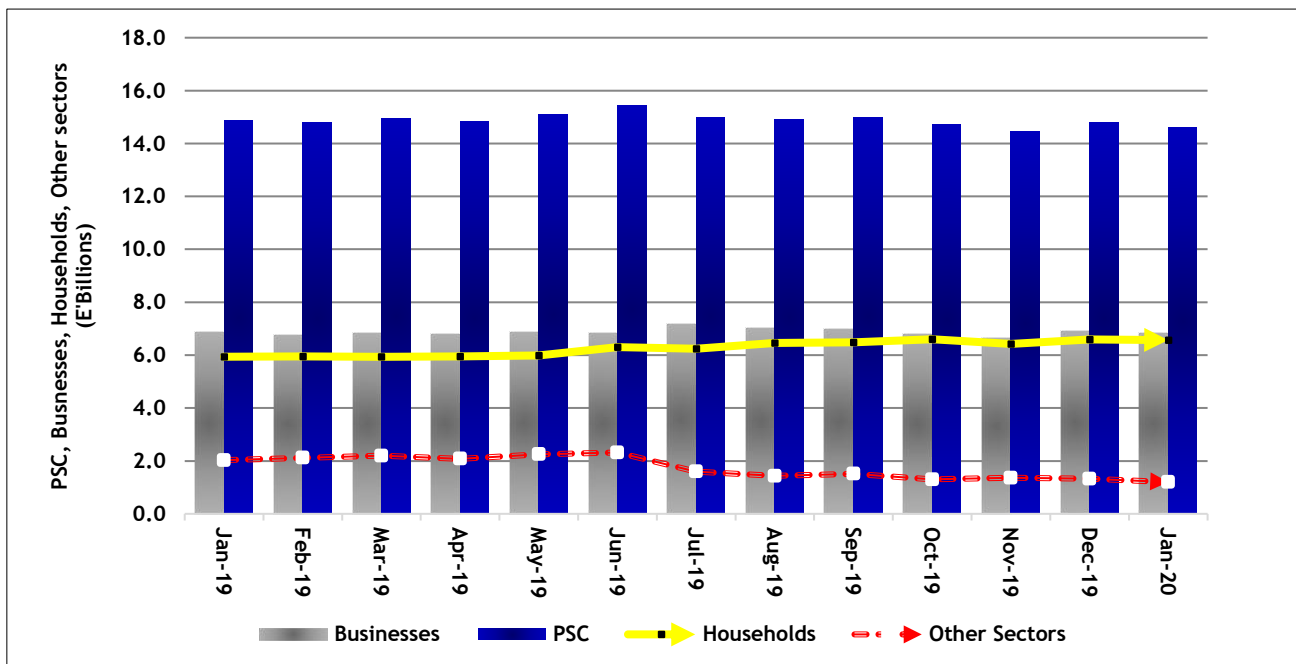
Credit extended to the private sector amounted to E14.6 billion at the end of January 2020, declining by 1.4 per cent month-on-month and by 1.7 per cent year-on-year. The month-on-month drop in credit to the private sector emanated from all subsectors; credit to other sectors of the domestic economy, businesses and households & non-profit institutions serving households (NPISH)).

Credit to other sectors stood at E1.2 billion at the end of January 2020, reflecting a month-on-month fall of 9.6 per cent. The reduction was observed in all the subsectors; public non-financial corporations, other financial corporations and local government which declined by 15.5 per cent, 6.0 per cent and 0.8 per cent, respectively.

Credit extended to businesses amounted to E6.8 billion at the end of January 2020, reflecting a month-on-month decrease of 0.8 per cent. The reduction in credit to businesses

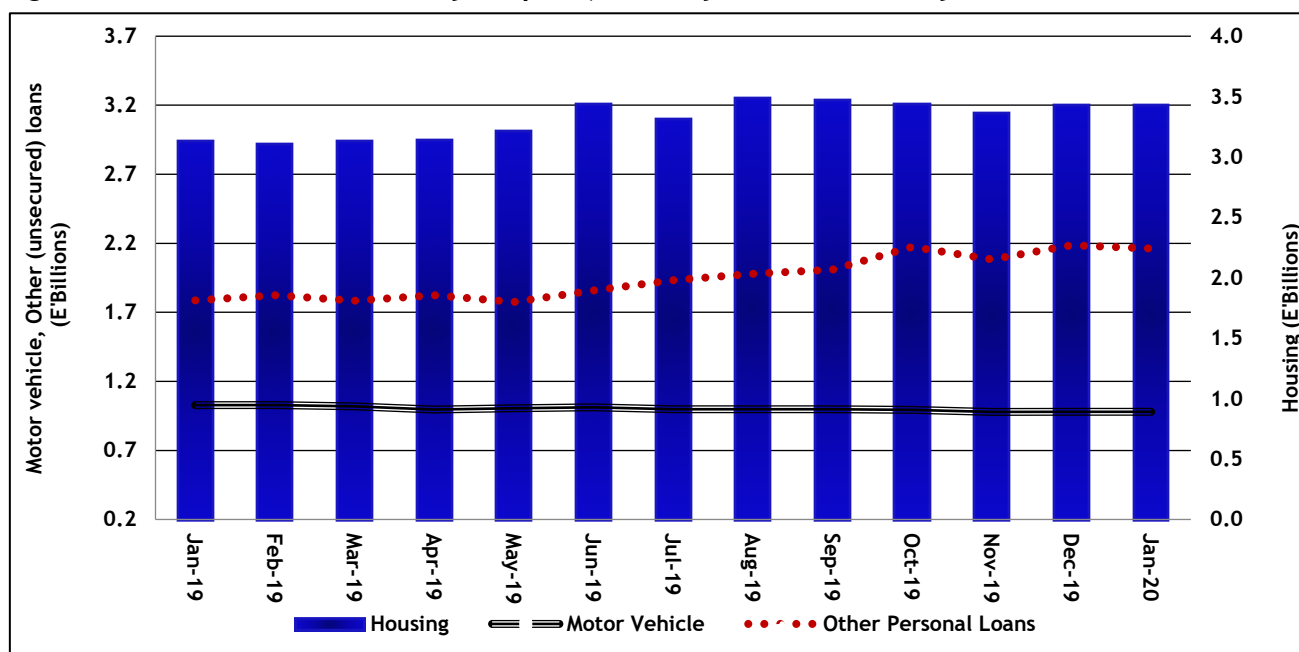
was observed in the following industries; agriculture & forestry (-14.7 per cent), distribution & tourism industry (-5.6 per cent), community, social & personal services (-5.5 per cent), transport & communication (-4.6 per cent), manufacturing (-2.9 per cent), real estate (-0.3 per cent) as well as mining & quarrying (-0.1 per cent). The fall was partly offset by an expansion of 8.9 per cent in lending to the construction sector.

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



Source: Central Bank of Eswatini & Other Depository Corporations

Credit extended to households & NPISH closed at E6.6 billion at the end of January 2020, decreasing by 0.3 per cent compared to the previous month. The contraction was on account of other (unsecured) loans which decelerated by 1.1 per cent to settle at E2.2 billion over the month under review. Counteracting the decline was a slight improvement in mortgage finance, which grew by 0.1 per cent to E3.4 billion at the end of January 2020. Motor vehicle finance on the other hand, remained flat at the end of January 2020 after increasing by 0.1 per cent in December 2019.

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

Source: Central Bank of Eswatini & Other Depository Corporations

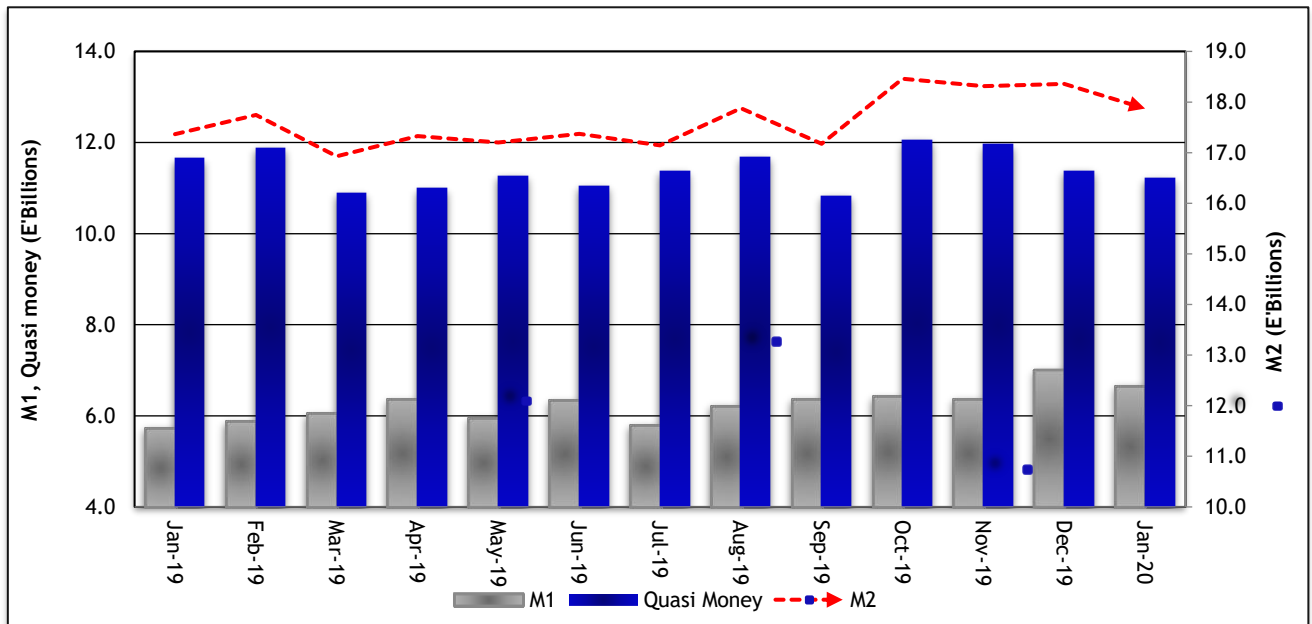
Net claims on government with the banking sector stood at E2.7 billion at the end of January 2020, decreasing by 18.2 per cent on a monthly basis but grew by 34.6 per cent annually. The fall resulted from a reduction in both claims on central government and government deposits by 15.3 per cent and 11.6 per cent, respectively.

Broad money supply (M2) eased by 2.6 per cent to E17.9 billion at the end of January 2020. The fall was attributed to both components of M2; narrow money supply (M1) and quasi money supply which trended downwards over the month under review. Compared over the year, M2 improved by 2.9 per cent from E17.4 billion recorded in January 2019.

Narrow money supply (M1) declined by 4.9 per cent to settle at E6.6 billion at the end of January 2020, down from the E7.0 billion registered in December 2019. The month-on-month drop stemmed from both transferable deposits and currency outside depository corporations. Transferable deposits narrowed by 5.2 per cent to E6.0 billion whilst currency outside depository corporations fell by 2.3 per cent to E0.7 billion.

Quasi money supply recorded a contraction of 1.2 per cent over the month under review to settle at E11.2 billion, lower than the E11.4 billion observed in December 2019. The reduction in quasi money supply was driven by both savings and time deposits. Savings deposits slowed by 2.2 per cent month-on-month to E1.8 billion whilst time deposits retreated by 1.1 per cent to E9.4 billion.

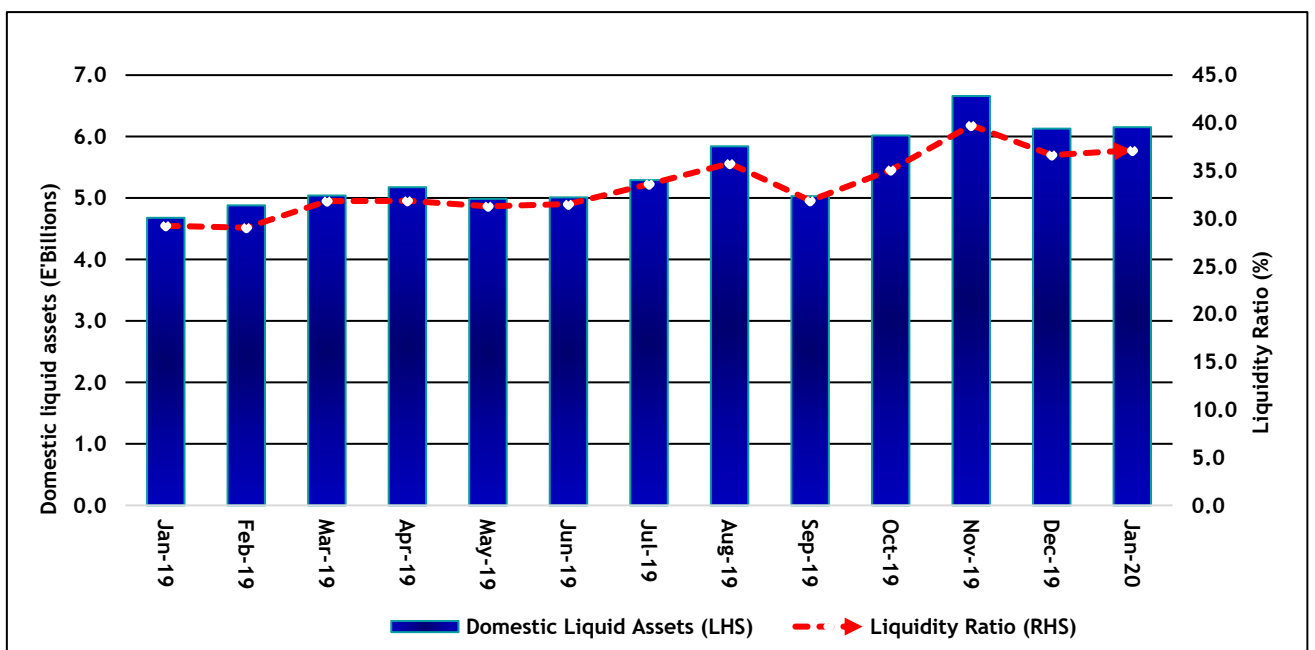
Figure 4: Money Supply; January 2019 to January 2020



Source: Central Bank of Eswatini & Other Depository Corporations

Liquidity position of banks settled at E6.2 billion at the end of January 2020, increasing by 0.4 per cent month-on-month and by 31.5 per cent year-on-year. The monthly improvement was reflected in banks’ investments in government securities and their balances held with the Central Bank of Eswatini. The banks’ liquidity ratio stood at 37.1 per cent at the end of January 2020, higher than the 36.7 per cent recorded in December 2019. Compared annually, the banks’ liquidity position rose by 31.5 per cent from E4.7 billion shown in January 2019.

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



Source: Other Depository Corporations

RELEASE OF MONEY AND BANKING STATISTICS

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.

	Jan-20	Dec-19	Jan-19
	Amount	Amount	Amount
ITEM	(E'000)	(E'000)	(E'000)
CENTRAL BANK OF ESWATINI			
Claims on Non-residents	8,131,950	7,539,361	7,700,287
Claims on Domestic Economy	1,994,632	3,077,285*	2,030,385
Government	1,964,407	3,048,192	1,994,194
Other Depository Corporations	2,082	2,082	2,064
Other Resident Sectors	28,143	27,010	34,127
Other Assets	477,117	478,610	465,777
Total Assets/Liabilities	10,603,699	11,095,256	10,196,450
OTHER DEPOSITORY CORPORATIONS			
Cash and Deposits with CBS	3,489,084	3,602,848	2,178,932
Net Balances with Banks Outside Eswatini	1,179,476	928,280	1,794,769
Loans and advances	13,886,865	14,044,263	13,419,619
Government Securities	2,973,237	2,792,847	2,796,600
Treasury Bills	2,060,674	1,871,126	1,808,191
Government Bonds	912,563	921,721	988,409
Other	0	0	0
Total Deposits	18,104,375	18,487,038	17,436,513
Transferable/Demand	6,115,995	6,453,789	5,270,550
Savings	1,857,113	1,898,367	1,769,419
Time	10,131,267	10,134,882	10,396,544
Capital and Reserves	4,177,379	4,161,947	3,767,906
Total Assets/Liabilities	24,788,091	25,001,534	23,747,330
Total Liquid Assets (Banks only)	6,152,950	6,129,446	4,678,692*
Required Liquidity (Banks only)	4,085,428	4,124,002	3,942,155
Surplus/ Deficiency (-) (Banks only)	2,067,522	2,005,444	736,538
RATIOS (%)			
Actual Liquidity to Domestic Liabilities (Banks Only)	37.1	36.7	29.3
Loans and Advances to Deposits	76.7	76.0	77.0

DEPOSITORY CORPORATIONS SURVEY		Jan-20	Dec-19	Jan-19	
Net Foreign Assets (E)		7,156,853	6,609,959	7,094,373	
Net Official Assets		5,581,951	5,043,582	5,390,242	
Foreign Assets - Central Bank of Eswatini		8,158,193	7,565,604	7,726,530	
Foreign Liabilities - Central Bank of Eswatini		2,576,242	2,522,022	2,336,288	
Net Other Depository Corporations Foreign holdings (ODC)		1,574,901	1,566,377	1,704,131	
Foreign Assets - ODC		2,052,931	2,104,312	2,246,010	
Foreign Liabilities - ODC		478,030	537,935	541,879	
Net Foreign Assets (SDR)		348,181	340,744	382,386	
Net Domestic Claims		17,338,963	18,151,271	16,884,141	
Net Claims on Government		2,733,130	3,339,770	2,029,881	
Claims on Central Government		4,977,111	5,878,277	4,825,429	
Government Deposits		2,243,981	2,538,507	2,795,548	
Claims on other sectors		14,605,833*	14,811,501	14,854,260*	
Other nonfinancial corporations (Industry)		6,838,736	6,895,654	6,882,238	
Other resident sectors (Households & NPISH)		6,567,426	6,588,374	5,944,604	
Other sectors		1,199,670	1,327,473	2,027,419	
Broad Money Supply (M2)		17,872,651	18,358,431	17,362,798	
Narrow Money Supply (M1)		6,649,132	6,993,174	5,718,229	
Currency outside depository corporations (E)		698,779	714,972	603,073	
Transferable (Demand) deposits		5,950,353	6,278,202	5,115,156	
Quasi Money		11,223,519	11,365,257*	11,644,569	
Savings Deposits		1,809,462	1,850,715	1,733,226	
Time Deposits		9,414,057	9,514,541	9,911,343	
Shares and Other Equity		7,078,262	7,068,618	6,900,102	
Central Bank Of Eswatini		2,338,750	2,348,358	2,576,165	
Other Depository Corporations		4,739,513	4,720,259	4,323,937	
Other Items (net)		-455,098	-665,819	-284,386	
GROSS OFFICIAL RESERVES					
	Feb-20	Jan-20	Dec-19	Jan-19	Feb-19
	Amount	Amount	Amount	Amount	Amount
	(E'000)	(E'000)	(E'000)	(E'000)	(E'000)
Total Official (Gross) - Emalangeni E	6,259,065	6,653,261	6,143,861	6,365,626	5,627,134
Special Drawing Rights (SDR)	291,986	323,681	316,717	343,107	288,109
Central Bank	6,259,065	6,653,261	6,143,861	6,365,626	5,627,134
Government	26,243	26,243	26,243	26,243	26,243
Import Cover (Reserves to months of estimated imports)	2.7	2.8	2.6	2.8	2.4
Net Bank Holdings		1,574,901	1,566,377	1,704,131	2,424,532
* Owing to the rounding of figures, the sum of separate items will sometimes differ in the final digit from the total shown.					
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5.Import cover figures are subject to revision as import figures used have a 3 month lag.					



