

Monthly Statistical Release

MAR 2020/APR 2020



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**CENTRAL BANK
OF ESWATINI**
Umntsholi Wemaswati



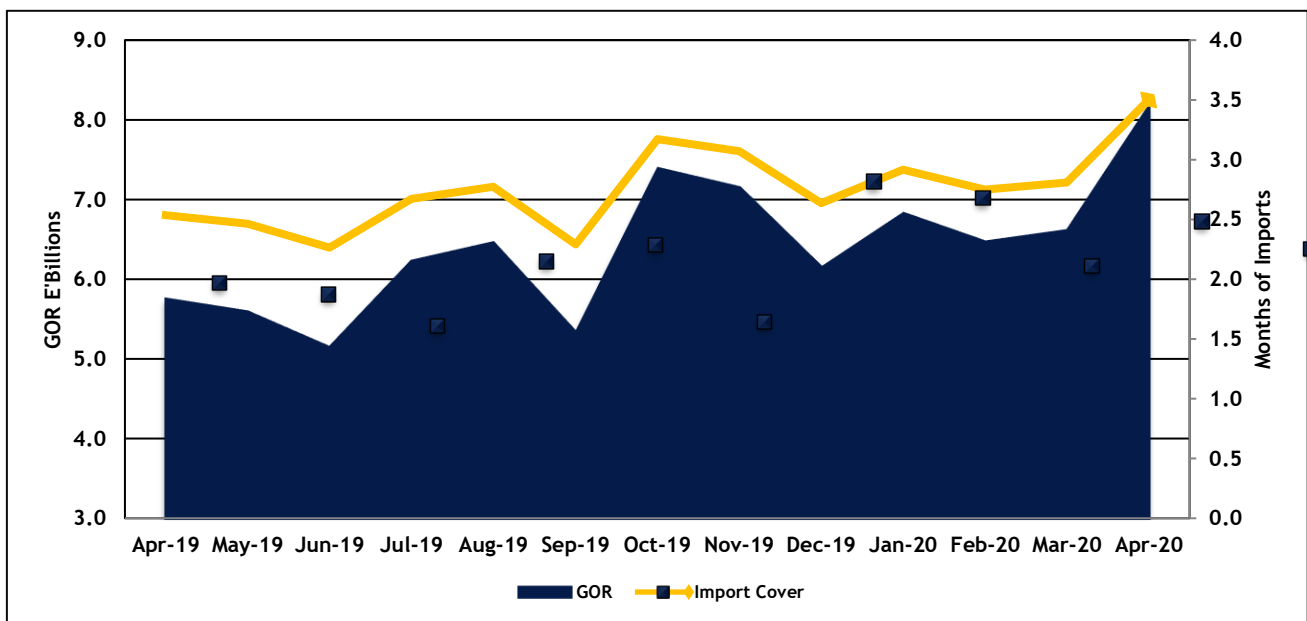
HIGHLIGHTS ON MAJOR MONETARY AGGREGATES	MONTHLY % CHANGE	ANNUAL % CHANGE
Gross Official Reserves stood at E8.2 billion at the end of April 2020, higher by 23.6 per cent month-on-month and 41.9 per cent year-on-year, due to SACU receipts. The reserves were sufficient to cover 3.5 months of imports of goods and services.	23.6 ▲	41.9 ▲
Credit Extended to the Private Sector declined by 1.5 per cent month-on-month and by 6.3 per cent year-on-year to settle at E14.0 billion at the end of March 2020. The fall was observed in credit to businesses, other sectors and households.	1.5 ▼	6.3 ▼
Broad Money Supply (M2) contracted by 6.1 per cent month-on-month but rose by 0.2 per cent year-on-year to close at E17.0 billion at the end of March 2020. The fall was due to quasi money supply and narrow money supply (M1).	6.1 ▼	0.2 ▲
Domestic Liquid Assets stood at E5.5 billion at the end of March 2020, down by 9.5 per cent month-on-month but grew by 9.0 per cent over the year. The monthly decline was driven by a fall in the banks' balances held within the banking sector and the Central Bank of Eswatini. The banks' liquidity ratio closed at 35.1 per cent at the end of March 2020.	9.5 ▼	9.0 ▲
	PERCENT	
Discount Rate: the discount rate was at 4.50 per cent in April 2020.	4.50	
Prime Lending Rate: prime lending rate was at 8.00 per cent at the end of April 2020.	8.00	
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Gross Official Reserves amounted to E8.2 billion at the end of April 2020, reflecting growth of 23.6 per cent month-on-month and 41.9 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 April 2020. At this level, the reserves were equivalent to an import cover of 3.5 months, higher than the 2.8 months observed in March 2020.

Valued in Special Drawing Rights (SDRs), the reserves improved by 20.6 per cent month-on-month and by 13.2 per cent over the year to settle at SDR327.4 million at the end of April 2020.

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



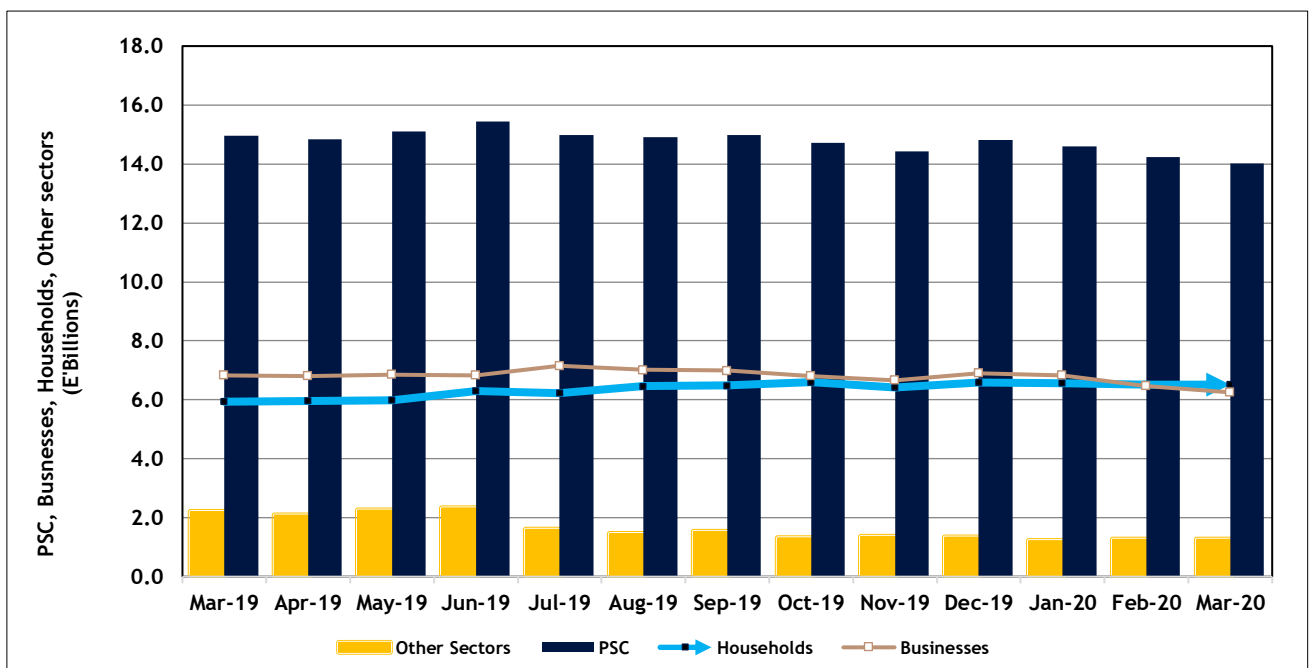
Source: Central Bank of Eswatini

Credit extended to the private sector trended downwards by 1.5 per cent month-on-month and by 6.3 per cent year-on-year to reach E14.0 billion at the end of March 2020. The contraction was observed in all subsectors; credit to businesses, other sectors and households & non-profit institutions serving households (NPISH).

Credit extended to other sectors closed the review month at E1.2 billion, reflecting a fall of 0.3 per cent month-on-month and 43.4 per cent over the year. The reduction was solely driven by a fall in credit to other financial corporations, which surpassed a rise in credit to local government and public nonfinancial corporations.

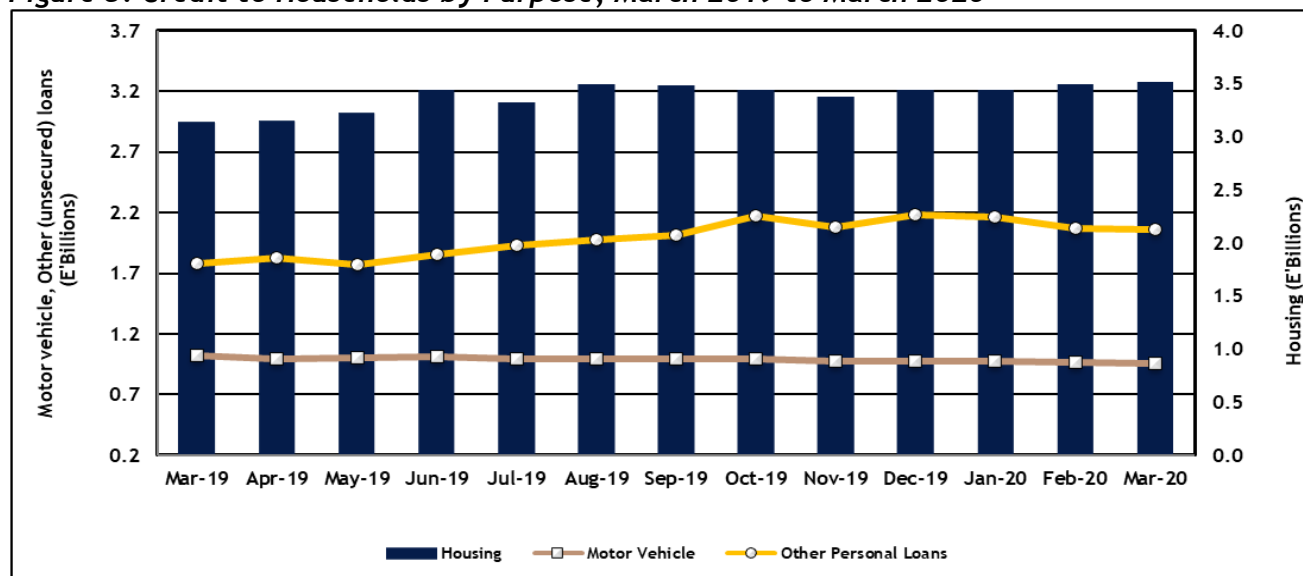
Credit extended to businesses amounted to E6.3 billion at the end of March 2020, reflecting a decline of 3.2 per cent month-on-month and 8.4 per cent over the year. The month-on-month contraction in credit to businesses was predominantly observed in credit to distribution & tourism and manufacturing sectors which declined by 12.7 per cent and 4.0 per cent, respectively. In contrast, growth was largely observed in the transport & communications sector and community, social & personal services sector which rose by 6.0 per cent and 3.4 per cent, respectively.

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



Source: Central Bank of Eswatini & Other Depository Corporations

Credit Extended to Households & NPISH depicted a decline of 0.1 per cent month-on-month but grew by 9.9 per cent year-on-year. The decline was attributed to motor vehicle loans and other personal (unsecured) loans. As a result, motor vehicle loans decreased by 1.0 per cent to E1.0 billion whilst other personal (unsecured) loans fell by a lower margin of 0.4 per cent to E2.1 billion. Mortgage loans on the other hand, increased by 0.4 per cent to E3.5 billion over the review month.

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

Source: Central Bank of Eswatini & Other Depository Corporations

Net claims on government by the banking sector reached E2.3 billion at the end of March 2020, reflecting a month-on-month expansion of 4.5 per cent compared to a decline of 7.6 per cent over the year. This was on account of a 10.0 per cent increase in government borrowing from the banking sector whilst government deposits grew by 13.7 per cent.

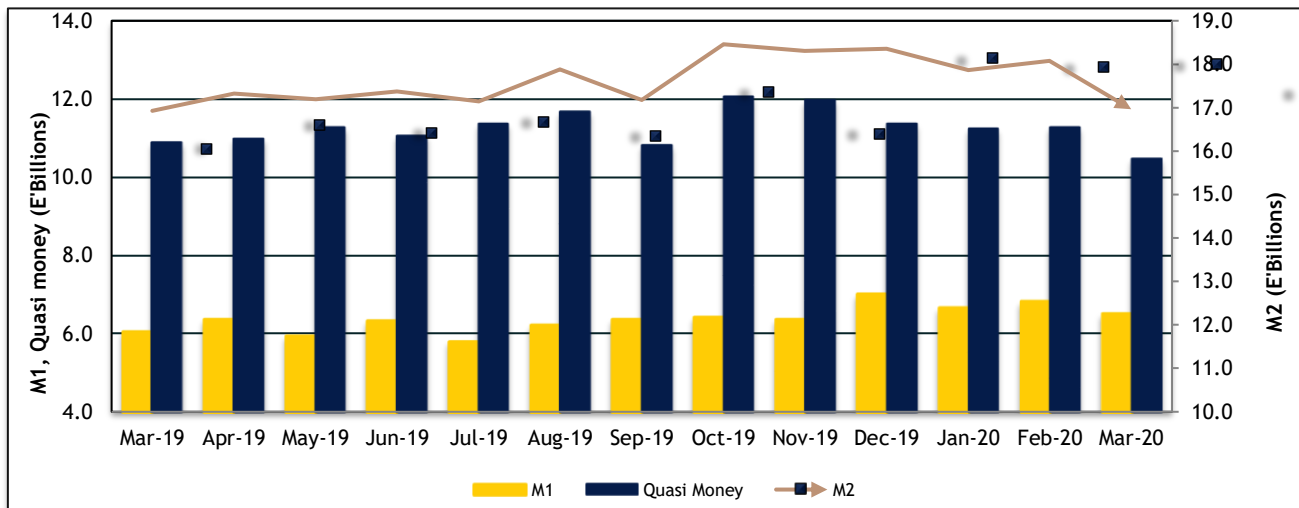
Broad money supply (M2) trended downwards from E18.1 billion recorded in the previous month to E17.0 billion at the end of March 2020, on account of both quasi money supply and narrow money supply (M1). At this level, M2 fell by 6.1 per cent month-on-month but grew by 0.2 per cent year-on-year.

Quasi money supply stood at E10.5 billion at the end of March 2020, reflecting a decline of 7.1 per cent month-on-month and 3.8 per cent annually. The contraction was driven by time deposits, which fell by 9.3 per cent month-on-month and 5.3 per cent year-on-year to settle at E8.6 billion at the end of March 2020. Savings deposits on the other hand grew by 4.7 per cent month-on-month and 3.5 per cent year-on-year to E1.9 billion at the end of March 2020.

Narrow money supply (M1) retreated by 4.5 per cent month-on-month but grew by 7.6 per cent year-on-year to settle at E6.5 billion at the end of March 2020. An analysis of the components of M1 revealed that Emalangeneni outside depository corporations fell by 6.9 per cent month-on-month and by 4.5 per cent year-on-year. Transferable (demand) deposits

also trended downwards by 4.2 per cent on a monthly basis but increased by 9.2 per cent annually to reach E5.8 billion at the end of March 2020.

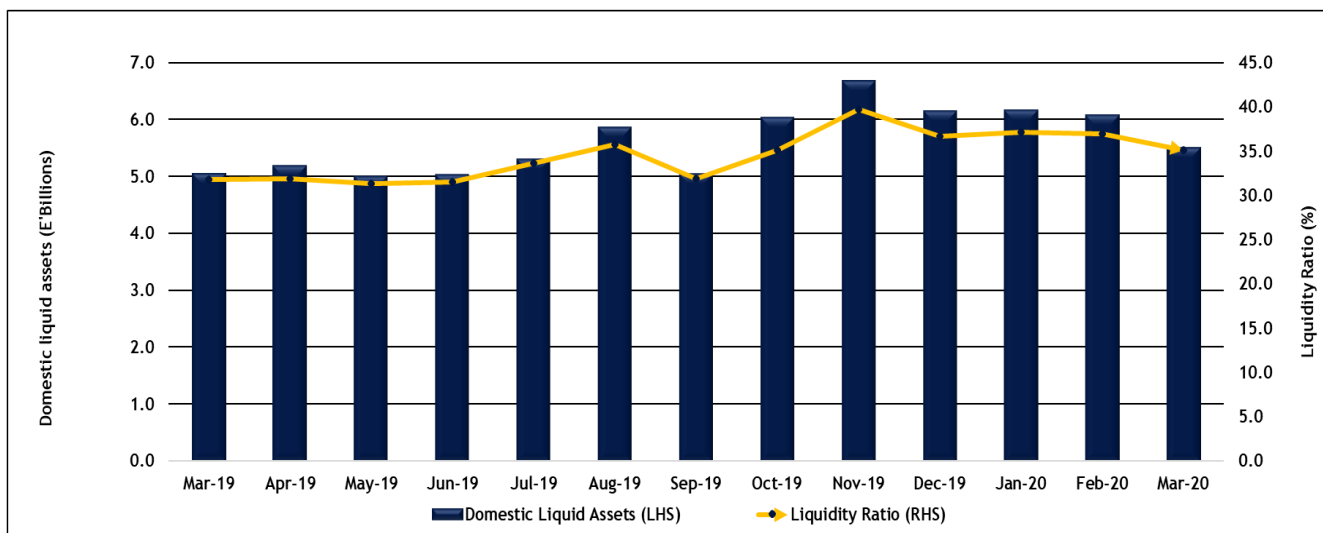
Figure 4: Money Supply; March 2019 to March 2020



Source: Central Bank of Eswatini & Other Depository Corporations

The overall liquidity position of the banking industry declined by 9.5 per cent month-on-month but grew by 9.0 per cent year-on-year to settle at E5.5 billion at the end of March 2020. This development was due to 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 36.9 per cent recorded in February 2020 to 35.1 per cent at the end of March 2020. 24220708

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



Source: Other Depository Corporations



RELEASE OF MONEY AND BANKING STATISTICS

ITEM	Mar-20 Amount (E'000)	Feb-20 Amount (E'000)	Mar-19 Amount (E'000)
CENTRAL BANK OF ESWATINI			
Claims on Non-residents	8,355,649	8,006,408	5,980,730
Claims on Domestic Economy	3,039,604	2,619,189	3,037,925
Government	3,010,406	2,589,506	3,007,685
Other Depository Corporations	2,082	2,082	2,064
Other Resident Sectors	27,116	27,601	28,176
Other Assets	546,124	469,871	464,574
Total Assets/Liabilities	11,941,376.58 *	11,095,469 *	9,483,229
OTHER DEPOSITORY CORPORATIONS			
Cash and Deposits with CBS	2,762,629	3,444,857	2,311,132
Net Balances with Banks Outside Eswatini	1,190,638	1,644,335	1,373,172
Loans and advances	13,400,821	13,602,392	13,336,720
Government Securities	3,046,252	2,897,131	3,027,116
Treasury Bills	2,132,592	2,037,075	2,066,697
Government Bonds	913,660	860,056	960,419
Other	-	-	-
Total Deposits	17,220,106	18,196,667	17,010,573
Transferable/Demand	5,933,592	6,251,202	5,524,266
Savings	1,932,502	1,851,865	1,862,626
Time	9,354,012	10,093,600	9,623,681
Capital and Reserves	4,189,996	4,194,227	3,853,189
Total Assets/Liabilities	23,907,518	24,680,482	23,675,726
Total Liquid Assets (Banks only)	5,493,024	5,041,617	5,041,617
Required Liquidity (Banks only)	3,656,195	4,051,308	3,902,605
Surplus/ Deficiency (-) (Banks only)	1,836,829	2,016,878	1,139,011
RATIOS (%)			
Actual Liquidity to Domestic Liabilities (Banks Only)	35.1	36.9	31.8
Loans and Advances to Deposits	77.8	74.8	78.4



DEPOSITORY CORPORATIONS SURVEY				Mar-20	Feb-20	Mar-19
Net Foreign Assets (E)		7,597,196	7,482,883	4,875,390		
Net Official Assets		5,636,570 *	5,430,120 *	3,614,461		
Foreign Assets - Central Bank of Eswatini		8,381,891	8,032,651	6,006,973		
Foreign Liabilities - Central Bank of Eswatini		2,745,322	2,602,532	2,392,512		
Net Other Depository Corporations Foreign holdings (ODC)		1,960,627	2,052,763	1,260,929		
Foreign Assets - ODC		2,291,923	2,410,640	1,781,819		
Foreign Liabilities - ODC		331,296	357,877	520,890		
Net Foreign Assets (SDR)		312,245	349,077	243,282		
Net Domestic Claims		16,324,088	16,440,907	17,453,964		
Net Claims on Government		2,306,891 *	2,207,591	2,497,978		
Claims on Central Government		6,078,119	5,525,573	6,072,269		
Government Deposits		3,771,229	3,317,982	3,574,291		
Claims on other sectors		14,017,197	14,233,317	14,955,987		
Other nonfinancial corporations (Industry)		6,253,165	6,462,451	6,825,178		
Other resident sectors (Households & NPISH)		6,521,338	6,524,857	5,936,058		
Other sectors		1,242,694	1,246,009	2,194,751		
Broad Money Supply (M2)		16,969,577	18,069,830 *	16,927,651 *		
Narrow Money Supply (M1)		6,502,407	6,806,057	6,041,542		
Currency outside depository corporations (E)		669,623	719,364	701,460		
Transferable (demand) deposits		5,832,784	6,086,693	5,340,082		
Quasi Money		10,467,170	11,263,772	10,886,110		
Savings Deposits		1,889,778	1,804,240	1,825,772		
Time Deposits		8,577,392	9,459,532	9,060,338		
Shares and Other Equity		7,633,482	6,406,816	5,456,845		
Central Bank Of Eswatini		2,873,871	1,646,620	1,039,783		
Other Depository Corporations		4,759,611	4,760,196	4,417,062		
Other Items (net)		-681,774	-552,855	-55,142		
GROSS OFFICIAL RESERVES		Apr-20	Mar-20	Feb-20	Mar-19	Apr-19
		Amount	Amount	Amount	Amount	Amount
		(E'000)	(E'000)	(E'000)	(E'000)	(E'000)
Total Official (Gross) - Emalangeni E		8,164,166	6,605,328	6,464,327	4,539,081	5,751,982
Special Drawing Rights (SDR)		327,382	271,479	301,561	226,500	289,325
Central Bank		8,164,166	6,605,328	6,464,327	4,539,081	5,751,982
Government		26,243	26,243	26,243	26,243	26,243
Import Cover (reserves to months of estimated imports)		3.5	2.8	2.7	2.0	2.5
Net Bank Holdings		1,960,627	2,052,763	1,260,929	1,705,018	

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.

