

# Monthly Statistical Release

MAY 2020/JUNE 2020



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**CENTRAL BANK  
OF ESWATINI**  
Umntsholi Wemaswati



HIGHLIGHTS ON MAJOR MONETARY AGGREGATES	MONTHLY % CHANGE	ANNUAL % CHANGE
<b>Gross official reserves</b> stood at E6.8 billion at the end of June 2020, 6.1 per cent lower than the previous month and 32.8 per cent higher annually. The reserves were sufficient to cover 2.9 months of imports of goods and services.	6.1 ▼	32.8 ▲
<b>Credit extended to the private sector</b> increased by 1.4 per cent month-on-month, but fell by 6.3 per cent over the year to E14.2 billion at the end of May 2020. Growth was observed in credit to all three sectors; other sectors, businesses as well as households.	1.4 ▲	6.3 ▼
<b>Broad money supply (M2)</b> amounted to E18.3 billion in May 2020, depicting an increase of 2.5 per cent month-on-month and 6.3 per cent year-on-year. The rise was observed in quasi money supply and narrow money supply (M1).	2.5 ▲	6.3 ▲
<b>Domestic liquid assets</b> grew by 3.8 per cent month-on-month and by 29.2 per cent over the year to reach E6.4 billion at the end of May 2020. Growth was on account of the banks' cash holdings as well as their investment in government securities. Consequently, the banks' liquidity ratio stood at 37.9 per cent.	3.8 ▲	29.2 ▲
	PERCENT	
<b>Discount Rate:</b> the discount rate was at 4.00 per cent in June 2020.		4.00
<b>Prime Lending Rate:</b> the prime lending rate was at 7.50 per cent in June 2020.		7.50

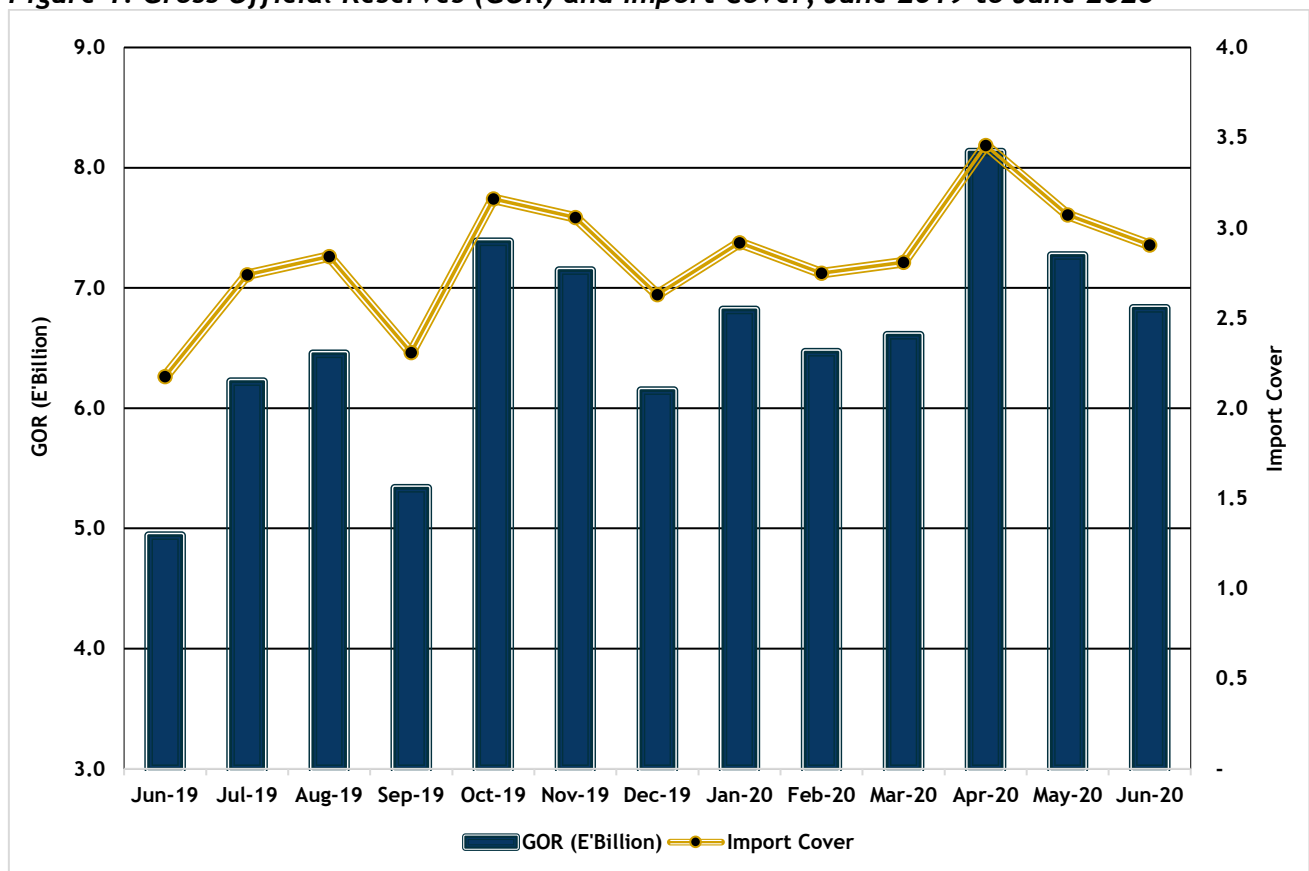
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**Gross official reserves** amounted to E6.8 billion at the end of June 2020, reflecting a month-on-month decline of 6.1 per cent but over the year grew by 32.8 per cent. At this level, the reserves were equivalent to an import cover of 2.9 months, lower than the 3.1 months observed in May 2020.

**Valued in special drawing rights (SDRs)**, the reserves amounted to SDR286.2 million at the end of June 2020, reflecting a contraction of 5.6 per cent month-on-month, but over the year increased by 13.8 per cent.

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



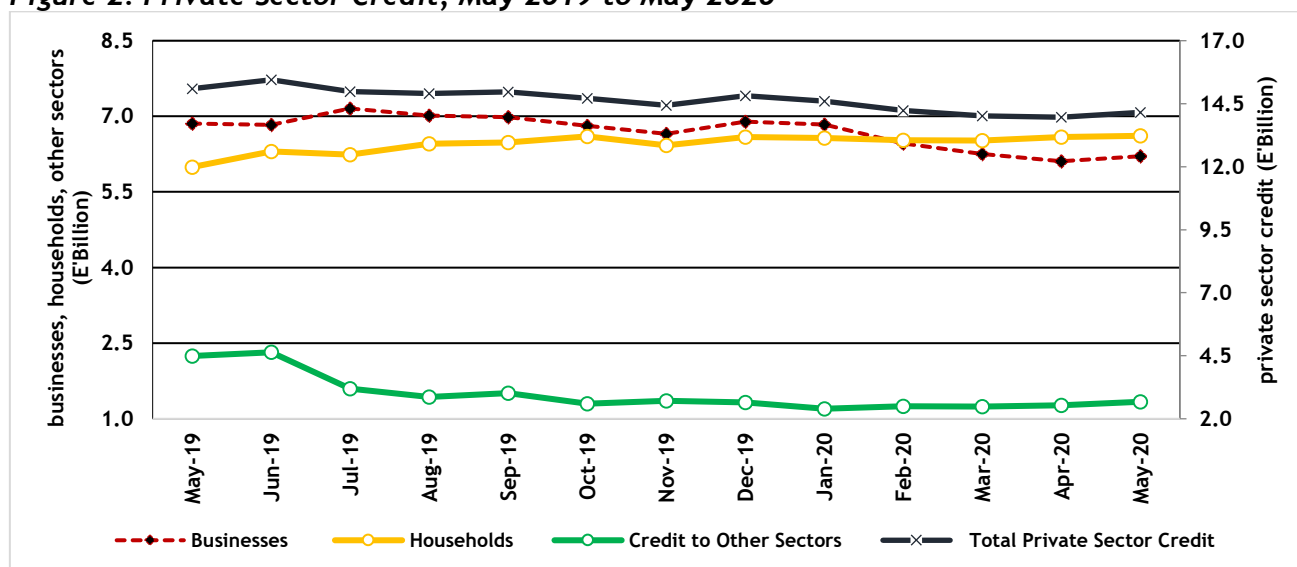
Source: Central Bank of Eswatini

**Credit extended to the private sector** amounted to E14.2 billion at the end of May 2020, reflecting an increase of 1.4 per cent month-on-month and a contraction of 6.3 per cent over the year. The month-on-month expansion was evident in all components; credit to other sectors, businesses and households & non-profit institutions serving households (NPISH).

**Credit extended to other sectors** stood at E1.3 billion at the end of May 2020, representing an increase of 5.2 per cent month-on-month, but annually declined by 40.6 per cent. The month-on-month growth was driven by credit to other financial corporations and local government, which rose by 13.6 per cent and 1.6 per cent, respectively. Credit to public non-financial corporations on the contrary, trended in the opposite direction and declined by 4.2 per cent relative to the previous month.

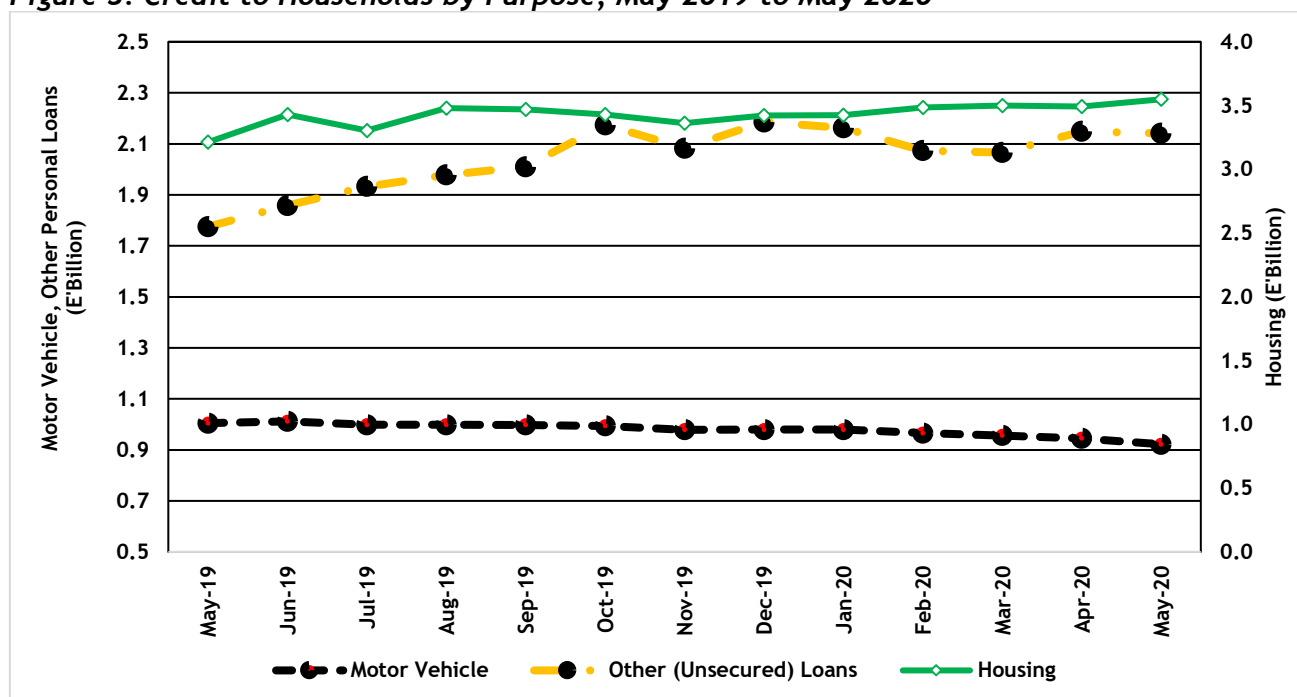
**Credit extended to businesses** expanded by 1.6 per cent month-on-month but fell by 9.5 per cent over the year to settle at E6.2 billion at the end of May 2020. The month-on-month increase was predominantly underpinned by credit to the manufacturing (9.6 per cent), distribution & tourism (6.8 per cent), community, social & personal services (5.9 per cent) as well as transport & communication (4.8 per cent) sectors. The increases were somewhat dampened by a reduction in credit to the construction sector (-3.7 per cent), agriculture & forestry sector (-2.3 per cent) and real estate sector (-1.2 per cent).

**Figure 2: Private Sector Credit; May 2019 to May 2020**



Source: Central Bank of Eswatini & Other Depository Corporations

**Credit extended to households & NPISH** amounted to E6.6 billion at the end of May 2020, depicting an increase of 0.4 per cent month-on-month and 10.3 per cent annually. The monthly improvement was driven by mortgage finance, which grew by 1.6 per cent to E3.5 billion. In contrast, motor vehicle finance contracted by 2.4 per cent to E922.3 million whilst other personal (unsecured) loans declined by 0.3 per cent to settle at E2.1 billion.

**Figure 3: Credit to Households by Purpose; May 2019 to May 2020**

Source: Central Bank of Eswatini & Other Depository Corporations

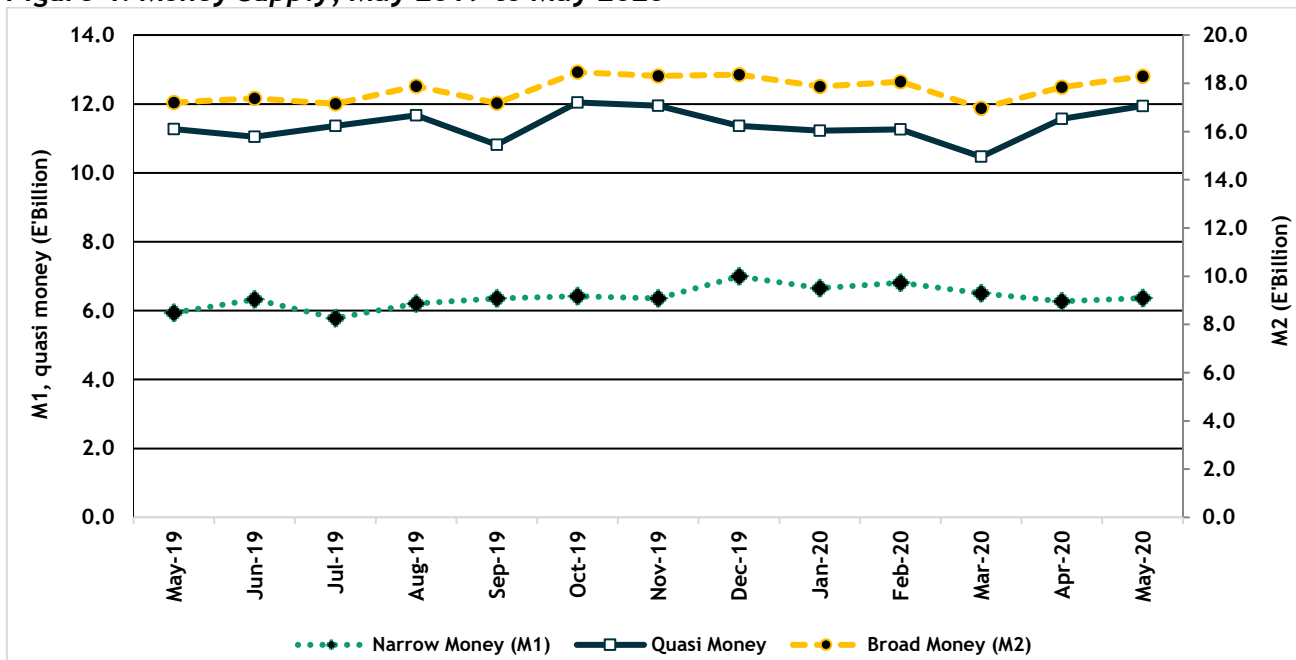
**Net claims on government with the banking sector** grew from E723.4 million registered in April 2020 to E1.6 billion at the end of May 2020. This development emanated from a 14.6 per cent increase in claims on government alongside a 2.4 per cent drawdown in government deposits.

**Broad money supply (M2)** registered an improvement of 2.5 per cent month-on-month and 6.3 per cent annually to close at E18.3 billion at the end of May 2020. Growth in M2 was registered in both narrow money supply (M1) and quasi money supply.

**Quasi money supply** expanded by 3.2 per cent on a monthly basis and by 5.8 per cent over the year to reach E11.9 billion, due to time deposits. Time deposits therefore, improved by 3.9 per cent to E9.9 billion whilst savings deposits fell by 0.4 per cent to E2.0 billion over the month under review.

**M1** rose by 1.4 per cent month-on-month and by 7.2 per cent year-on-year to settle at E6.4 billion at the end of May 2020. An analysis of the components of M1 revealed that both Emalangeneni outside depository corporations and transferable (demand) deposits trended upwards over the month under review. As a result, Emalangeneni outside depository corporations rose by 5.2 per cent to E801.9 million whilst transferable demand deposits grew by a lower rate of 0.9 per cent to E5.6 billion.

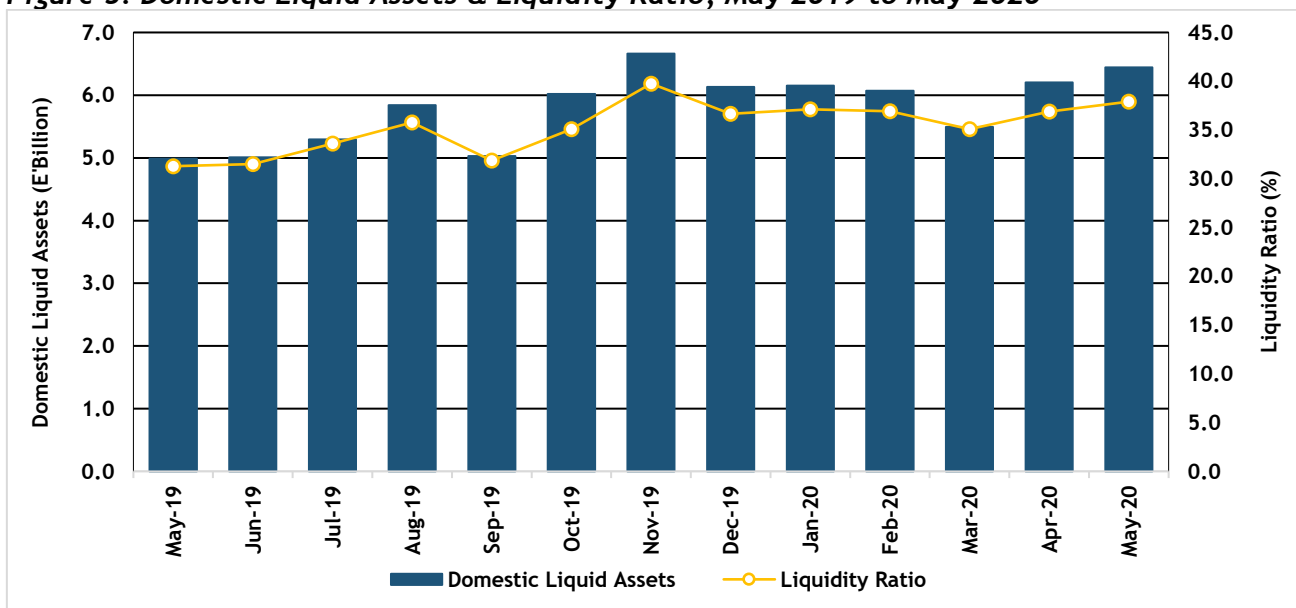
Figure 4: Money Supply; May 2019 to May 2020



Source: Central Bank of Eswatini & Other Depository Corporations

**Banks' liquid assets** increased by 3.8 per cent on a monthly basis and by 29.2 per cent over the year to settle at E6.4 billion at the end of May 2020. The improvement was mainly attributed to a rise in the banks' cash holdings and their investment in government securities over the review month. The liquidity ratio rose to 37.9 per cent at the end of May 2020, up from 36.9 per cent recorded in April 2020.

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



Source: Central Bank of Eswatini & Other Depository Corporations

## RELEASE OF MONEY AND BANKING STATISTICS

ITEM	May-20	Apr-20	May-19
	Amount (E'000)	Amount (E'000)	Amount (E'000)
<b>CENTRAL BANK OF ESWATINI</b>			
Claims on Non-residents	9,131,945	10,345,592	7,185,853
Claims on Domestic Economy	2,526,049	1,945,047	3,060,406
Government	2,496,374	1,915,727	3,030,724
Other Depository Corporations	2,092	2,082	2,064
Other Resident Sectors	27,583	27,238	27,618
Other Assets	548,862	1,408,711	475,927
<b>Total Assets/Liabilities</b>	<b>12,206,856</b>	<b>13,699,350</b>	<b>10,722,187 *</b>
<b>OTHER DEPOSITORY CORPORATIONS</b>			
Cash and Deposits with CBE	3,333,152	3,289,046	2,551,882
Net Balances with Banks Outside Eswatini	1,320,443	1,566,247	1,576,082
Loans and advances	13,414,003	13,314,319	13,455,265
<b>Government Securities</b>	<b>3,398,084</b>	<b>3,222,419</b>	<b>2,712,819</b>
Treasury Bills	2,482,949	2,307,689	1,773,583
Government Bonds	915,135	914,730	939,236
Other	-	-	-
<b>Total Deposits</b>	<b>18,670,399 *</b>	<b>18,258,707</b>	<b>17,385,548 *</b>
Transferable/Demand	5,895,892	5,863,865	5,424,919
Savings	2,063,671	2,071,805	1,883,073
Time	10,710,837	10,323,037	10,077,557
Capital and Reserves	4,171,338	4,183,299	3,931,721
<b>Total Assets/Liabilities</b>	<b>25,221,599</b>	<b>25,026,075</b>	<b>23,870,884</b>
Total Liquid Assets (Banks only)	6,442,171	6,203,671	4,986,813
Required Liquidity (Banks only)	3,367,594	3,325,940	3,925,577
Surplus/ Deficiency (-) (Banks only)	3,074,577	2,877,730 *	1,061,236
<b>RATIOS (%)</b>			
Actual Liquidity to Domestic Liabilities (Banks Only)	37.9	36.9	31.3
Loans and Advances to Deposits	71.8	72.9	77.4



<b>DEPOSITORY CORPORATIONS SURVEY</b>		<b>May-20</b>	<b>Apr-20</b>	<b>May-19</b>		
<b>Net Foreign Assets (E)</b>		<b>8,957,813</b>	<b>10,257,410</b>	<b>6,240,139</b>		
<b>Net Official Assets</b>		<b>6,539,950</b>	<b>7,706,399 *</b>	<b>4,768,934</b>		
Foreign Assets - Central Bank of Eswatini		9,158,188	10,371,835	7,212,096		
Foreign Liabilities - Central Bank of Eswatini		2,618,238	2,665,435	2,443,162		
<b>Net Other Depository Corporations Foreign holdings (ODC)</b>		<b>2,417,864 *</b>	<b>2,551,011</b>	<b>1,471,206</b>		
Foreign Assets - ODC		2,605,236	2,750,647	1,966,525		
Foreign Liabilities - ODC		187,373	199,636	495,319		
<b>Net Foreign Assets (SDR)</b>		<b>373,541</b>	<b>411,321</b>	<b>309,511</b>		
<b>Net Domestic Claims</b>		<b>15,737,163</b>	<b>14,687,023 *</b>	<b>17,235,944</b>		
<b>Net Claims on Government</b>		<b>1,583,039</b>	<b>723,401</b>	<b>2,135,721</b>		
Claims on Central Government		5,917,798	5,162,510	5,778,508		
Government Deposits		4,334,759	4,439,109	3,642,786		
<b>Claims on other sectors</b>		<b>14,154,124</b>	<b>13,963,623</b>	<b>15,100,223</b>		
Other nonfinancial corporations (Industry)		6,205,657	6,108,578	6,858,246		
Other resident sectors (Households & NPISH)		6,612,951	6,585,997	5,993,323		
Other sectors		1,335,516	1,269,048	2,248,654		
<b>Broad Money Supply (M2)</b>		<b>18,296,011 *</b>	<b>17,842,240</b>	<b>17,211,015</b>		
<b>Narrow Money Supply (M1)</b>		<b>6,360,679</b>	<b>6,273,210 *</b>	<b>5,934,962 *</b>		
Currency outside depository corporations (E)		801,932	761,979	687,770		
Transferable (demand) deposits		5,558,747	5,511,232	5,247,191		
<b>Quasi Money</b>		<b>11,935,331</b>	<b>11,569,030</b>	<b>11,276,053</b>		
Savings Deposits		2,020,254	2,028,981	1,846,426		
Time Deposits		9,915,077	9,540,049	9,429,627		
Shares and Other Equity		7,081,576	7,540,111	6,216,193		
Central Bank Of Eswatini		2,342,536	2,792,829	1,704,714		
Other Depository Corporations		4,739,040	4,747,281	4,511,479		
<b>Other Items (net)</b>		<b>-682,611</b>	<b>-437,918</b>	<b>48,876</b>		
<b>GROSS OFFICIAL RESERVES</b>		<b>Jun-20</b>	<b>May-20</b>	<b>Apr-20</b>	<b>May-19</b>	<b>Jun-19</b>
		<b>Amount</b>	<b>Amount</b>	<b>Amount</b>	<b>Amount</b>	<b>Amount</b>
		<b>(E'000)</b>	<b>(E'000)</b>	<b>(E'000)</b>	<b>(E'000)</b>	<b>(E'000)</b>
<b>Total Official (Gross) - Emalangeni E</b>		<b>6,830,071</b>	<b>7,270,280</b>	<b>8,129,839</b>	<b>5,591,980</b>	<b>5,141,525</b>
<b>Special Drawing Rights (SDR)</b>		<b>286,181</b>	<b>303,171</b>	<b>326,006</b>	<b>277,362</b>	<b>261,703</b>
<b>Central Bank</b>		<b>6,830,071</b>	<b>7,270,280</b>	<b>8,129,839</b>	<b>5,591,980</b>	<b>5,141,525</b>
<b>Government</b>		<b>26,243</b>	<b>26,243</b>	<b>26,243</b>	<b>26,243</b>	<b>26,243</b>
<b>Import Cover (reserves to months of estimated imports)</b>		<b>2.9</b>	<b>3.1</b>	<b>3.5</b>	<b>2.5</b>	<b>2.3</b>
<b>Net Bank Holdings</b>		<b>2,417,864</b>	<b>2,551,011</b>	<b>1,471,206</b>	<b>1,471,206</b>	<b>1,141,235</b>

**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.