

# Monthly Statistical Release

OCT/NOV 2019



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**CENTRAL BANK  
OF ESWATINI**  
Umntsholi Wemaswati



HIGHLIGHTS ON MAJOR MONETARY AGGREGATES	MONTHLY % CHANGE	ANNUAL % CHANGE
<b>Gross Official Reserves</b> amounted to E7.02 billion at the end of November 2019, reflecting a 5.0 per cent decline compared to the previous month. The reserves were equivalent to 3.0 months of import cover of goods and services. Year-on-year, the reserves grew by 2.4 per cent.	-5.0 ▼	2.4 ▲
<b>Credit Extended to the Private Sector</b> receded by 1.8 per cent to E14.71 billion at the end of October 2019. The contraction was explained by a fall in credit to other sectors and businesses. Annually, private sector credit rose by 0.6 per cent.	-1.8 ▼	0.6 ▲
<b>Broad Money Supply (M2)</b> grew to E18.46 billion at the end of October 2019, improving by 7.5 per cent. This development was due to a rise in both quasi money supply and narrow money supply (M1). Year-on-year, M2 increased by 3.0 per cent.	7.5 ▲	3.0 ▲
<b>Domestic Liquid Assets</b> amounted to E6.02 billion in October 2019. The banks' liquidity ratio stood at 35.1 per cent at the end of October 2019. Compared to the previous year, domestic liquid assets grew by 33.2 per cent.	19.6 ▲	33.2 ▲
	PERCENT	
<b>Discount Rate:</b> The Central Bank of Eswatini kept the discount rate unchanged at 6.5 per cent in November 2019.		6.50
<b>Prime Lending Rate:</b> Commercial banks also kept the prime lending rate at 10.0 per cent in November 2019.		10.00

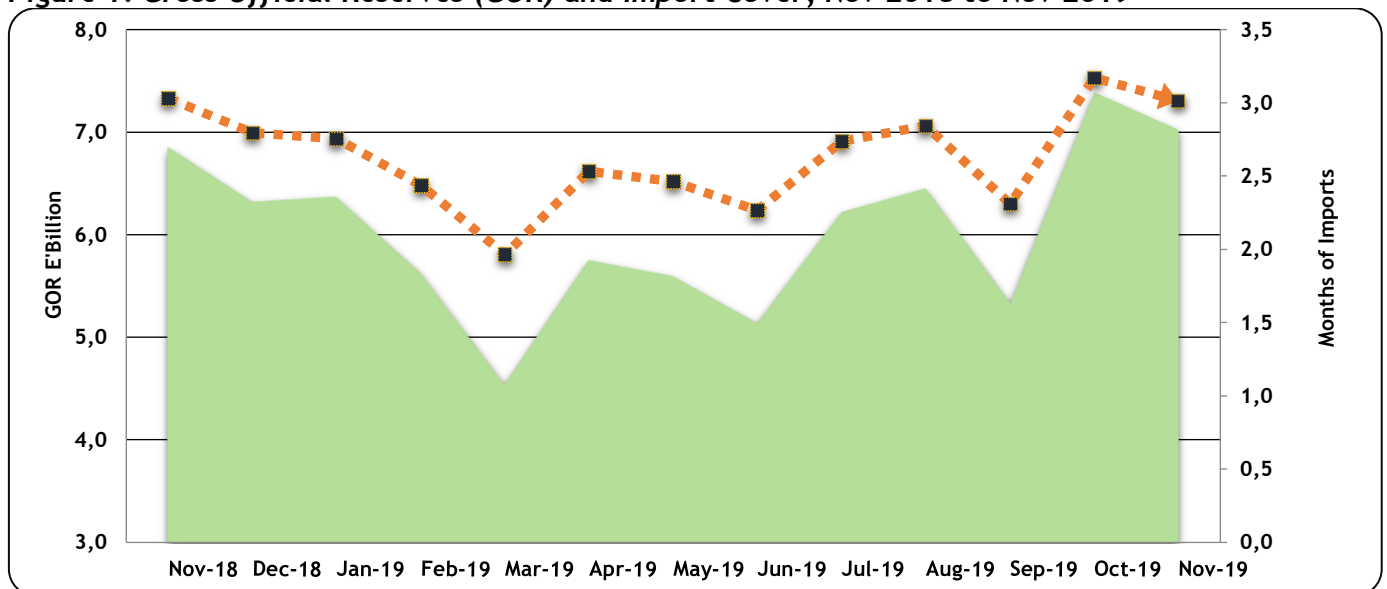
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**Gross Official Reserves** contracted by 5.0 per cent month-on-month to close at E7.02 billion at the end of November 2019 from E7.38 billion observed the previous month. Contributing to the decline was an outflow of Rands sold to commercial banks coupled with a drawdown in government deposits over the review period. At this level, the reserves were equivalent to an import cover of 3.0 months, lower than the 3.2 months reached in October 2019. Year-on-year, reserves grew by 2.4 per cent.

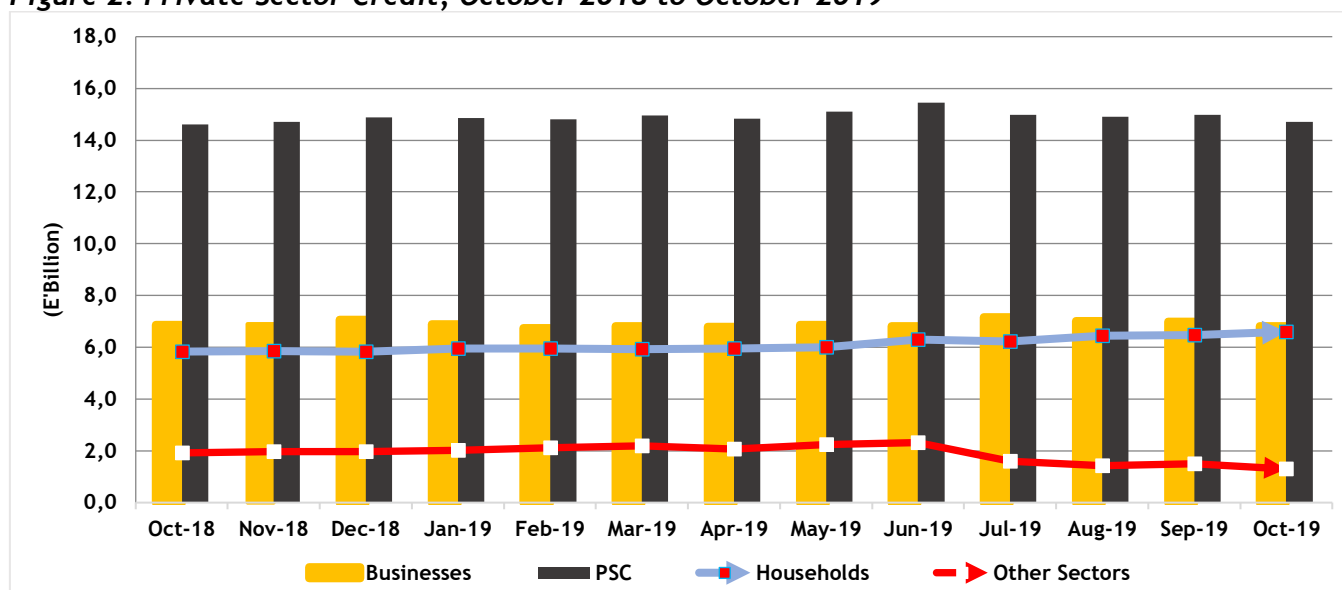
**Valued in Special Drawing Rights (SDRs)**, the reserves deteriorated by 1.4 per cent over the review month to settle at SDR348.73 million. Annually, the SDR value of reserves fell by 3.1 per cent.

**Figure 1: Gross Official Reserves (GOR) and Import Cover; Nov 2018 to Nov 2019**



Source: Central Bank of Eswatini

**Credit Extended to the Private Sector** receded by 1.8 per cent month-on-month to reach E14.71 billion at the end of October 2019. Accounting for the decline was credit to other sectors as well as credit to businesses. Credit to households & non-profit institutions serving households (NPISH) on the other hand increased over the review month. Year-on-year, private sector credit rose by 0.6 per cent.

**Figure 2: Private Sector Credit; October 2018 to October 2019**

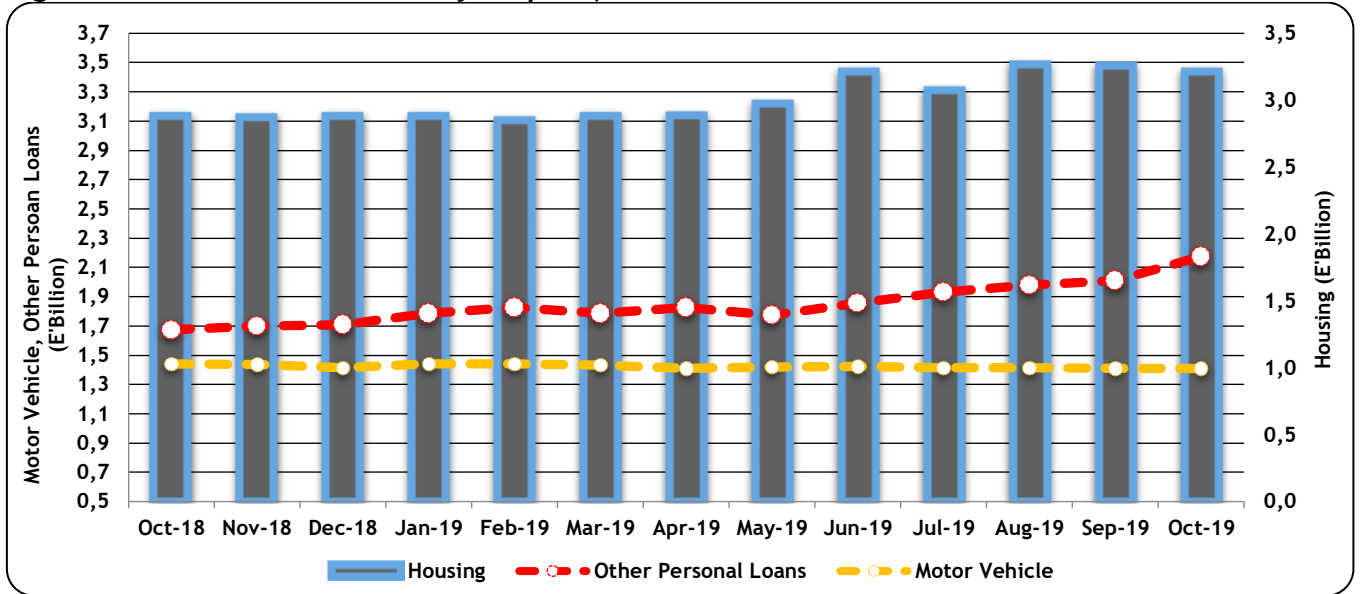
Source: Other Depository Corporations & Central Bank of Eswatini

**Credit Extended to Other Sectors** amounted to E1.30 billion at the end of October 2019, reflecting a month-on-month decline of 14.1 per cent. The fall was observed in all components, with credit to public nonfinancial corporations falling by 23.4 per cent, followed by credit to other financial corporations by 9.3 per cent, and lastly credit to local government by 2.6 per cent.

**Credit Extended to Businesses** contracted by 2.5 per cent to close the month of October 2019 at E6.81 billion compared to E6.98 billion recorded in September 2019. The reduction in credit to businesses was on account of the following sectors; manufacturing (-5.6 per cent), distribution & tourism (-2.3 per cent), agriculture & forestry (-2.3 per cent), community, social & personal services (-1.2 per cent) as well as transport & communication (-0.2 per cent). The decline was partly offset by a rise in these sectors; construction (10.7 per cent) and real estate (7.9 per cent) while mining & quarrying remained flat.

**Credit Extended to Households & Non-profit Institutions Serving Households (NPISH)** edged up by 1.9 per cent from the E6.48 billion observed the previous month to reach E6.60 billion at the end of October 2019. Supporting the upswing was other personal (unsecured) loans which grew by 8.2 per cent to E2.17 billion. However, housing loans declined by 1.1 per cent to close at E3.43 billion and motor vehicle loans by 0.4 per cent to close at E0.99 billion.

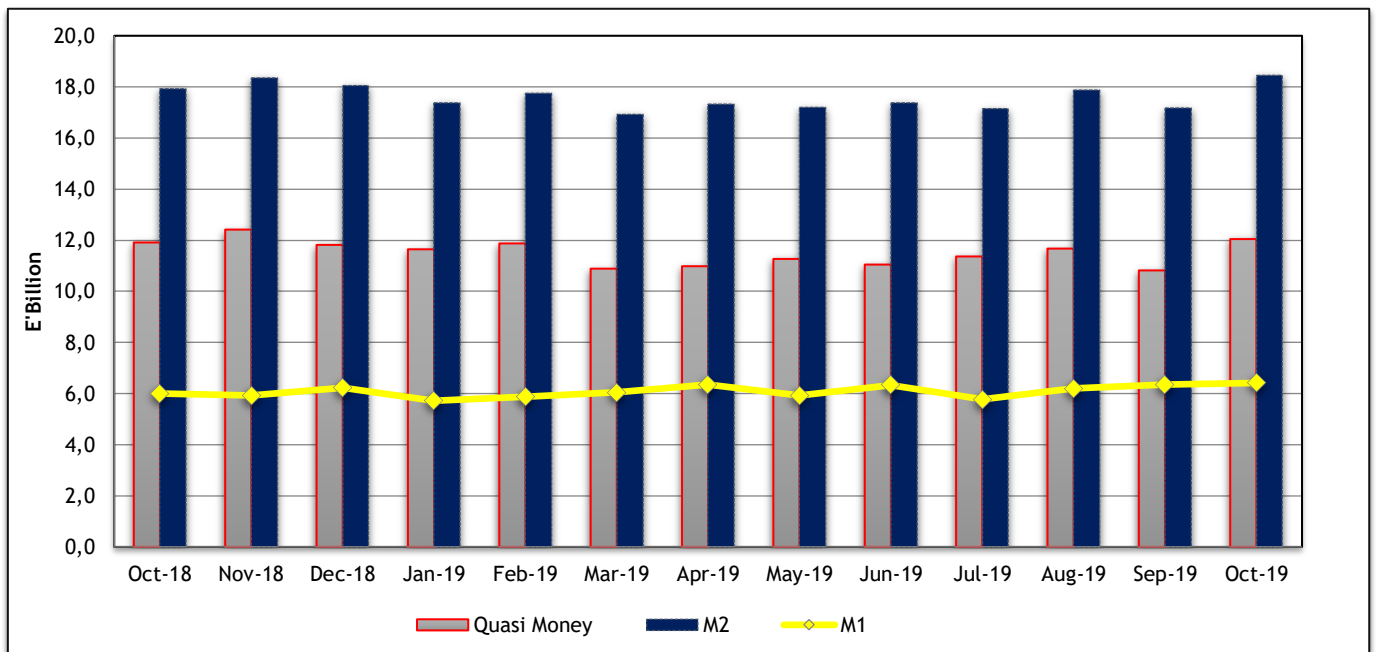
**Figure 3: Credit to Households by Purpose; October 2018 to October 2019**



Source: Other Depository Corporations & Central Bank of Eswatini

**Net Claims on Government by the banking sector** stood at E2.04 billion at the end of October 2019 depicting a decline of 33.5 per cent month-on-month. Explaining the contraction was both claims on government and government deposits which fell by 19.5 per cent and 2.1 per cent, respectively. Compared annually, net claims on government continued on an upward trend.

**Figure 4: Money Supply; October 2018 to October 2019**



Source: Other Depository Corporations & Central Bank of Eswatini

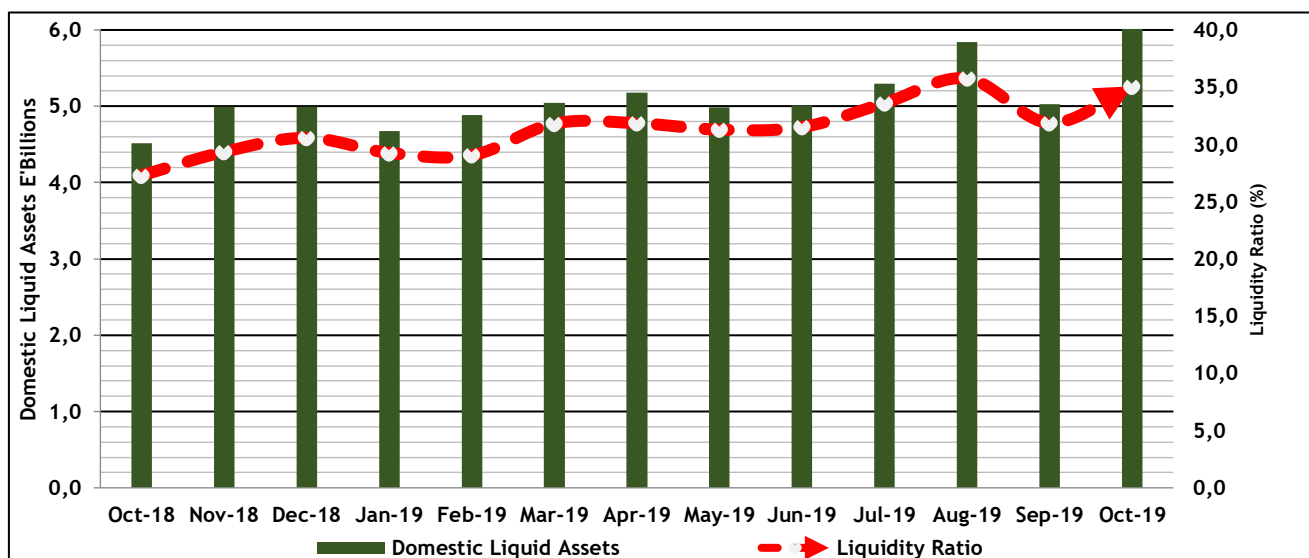
**Broad Money Supply (M2)** amounted to E18.46 billion at the end of October 2019, representing an increase of 7.5 per cent compared to the previous month. Both components of M2, quasi money supply and narrow money supply (M1) trended upwards over the month under review. Compared to the same period last year, M2 grew by 3.0 per cent.

**Quasi Money Supply** amounted to E12.04 billion at the end of October 2019, expanding by 11.3 per cent on a month-on-month basis. The improvement was supported by time deposits which accelerated by 14.7 per cent to E10.11 billion. Savings deposits on the contrary, slipped by 3.7 per cent to E1.93 billion.

**Narrow Money Supply (M1)** depicted a month-on-month expansion of 0.9 per cent to settle at E6.42 billion at the end of October 2019, driven by both Emalangi outside depository corporation and transferable (demand) deposits. Emalangi outside depository corporations and transferable deposits grew by 4.7 per cent and 0.5 per cent, respectively.

**Domestic Liquid Assets** of the banking industry amounted to E6.02 billion at the end of October 2019, representing a 19.6 per cent increase over the review month. The rise in banks' liquid assets emanated from an accumulation of holdings with the Central Bank. The liquidity ratio stood at 35.1 per cent reflecting an expansion of 3.2 percentage points when compared to September 2019. Annually, banks' domestic liquid assets expanded by 33.2 per cent.

**Figure 5: Domestic Liquid Assets & Liquidity Ratio; October 2018 to October 2019**



Source: Other Depository Corporations & Central Bank of Eswatini

## 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.

ITEM	Oct-19	Sep-19	Oct-18
	Amount	Amount	Amount
	(E'000)	(E'000)	(E'000)
<b>CENTRAL BANK OF ESWATINI</b>			
Claims on Non-residents	8 884 513	6 822 143	8 574 952
Claims on Domestic Economy	1 999 945	3 070 682	1 305 740
Government	1 971 015	3 041 898	1 270 779
Other Depository Corporations	2 081	2 082	2 038
Other Resident Sectors	26 848	26 702	32 922
Other Assets	489 428	466 239	518 038
<b>Total Assets/Liabilities</b>	<b>11 373 887</b>	<b>10 359 064</b>	<b>10 398 729</b>
<b>OTHER DEPOSITORY CORPORATIONS</b>			
Cash and Deposits with CBS	3 914 263	2 894 674	2 172 376
Net Balances with Banks Outside Eswatini	1 517 979	1 081 308	2 527 616
Loans and advances	13 847 283	14 023 119	13 870 278
Government Securities	2 438 506	2 446 494	2 584 122
Treasury Bills	1 498 674	1 471 833	1 627 542
Government Bonds	939 831	974 661	956 580
Other	0	0	0
<b>Total Deposits</b>	<b>18 653 865</b>	<b>17 247 264</b>	<b>18 031 415</b>
Transferable/Demand	5 814 291	5 858 160	5 461 630
Savings	1 976 251	2 039 427	1 753 746
Time	10 863 323	9 349 676	10 816 038
Capital and Reserves	4 016 504	3 994 902	3 637 164
<b>Total Assets/Liabilities</b>	<b>25 551 028</b>	<b>24 163 119</b>	<b>23 788 896</b>
<b>Total Liquid Assets (Banks only)</b>	<b>6 017 738</b>	<b>5 030 723</b>	<b>4 518 753</b>
Required Liquidity (Banks only)	4 233 931	3 890 842	4 083 286
Surplus/ Deficiency (-) (Banks only)	1 783 808	1 139 881	435 467
<b>RATIOS (%)</b>			
Actual Liquidity to Domestic Liabilities (Banks Only)	35,1	31,9	27,3
Loans and Advances to Deposits	74,2	81,3	76,9



<i>DEPOSITORY CORPORATIONS SURVEY</i>		Oct-19	Sep-19	Oct-18	
<i>Net Foreign Assets (E)</i>		<b>8 500 074</b>	<b>5 993 101</b>	<b>8 736 899</b>	
<i>Net Official Assets</i>		<b>6 339 156</b>	<b>4 285 048</b>	<b>6 194 062</b>	
Foreign Assets - Central Bank of Eswatini		8 910 756	6 848 386	8 601 195	
Foreign Liabilities - Central Bank of Eswatini		2 571 601	2 563 338	2 407 133	
<i>Net Other Depository Corporations Foreign holdings (ODC)</i>		<b>2 160 918</b>	<b>1 708 053</b>	<b>2 542 837</b>	
Foreign Assets - ODC		2 844 938	2 351 895	2 821 294	
Foreign Liabilities - ODC		684 020	643 841	278 457	
<i>Net Foreign Assets (SDR)</i>		<b>407 154</b>	<b>289 467</b>	<b>426 361</b>	
<i>Net Domestic Claims</i>		<b>16 751 229</b>	<b>18 045 542</b>	<b>15 438 728</b>	
<i>Net Claims on Government</i>		<b>2 042 780</b>	<b>3 071 310</b>	<b>823 100</b>	
Claims on Central Government		4 448 357	5 527 931	3 892 961	
Government Deposits		2 405 577	2 456 621	3 069 861	
<i>Claims on other sectors</i>		<b>14 708 449</b>	<b>14 974 232</b>	<b>14 615 628</b>	
Other nonfinancial corporations (Industry)		6 810 381	6 984 982	6 864 518	
Other resident sectors (Households & NPISH)		6 599 843	6 478 268	5 835 197	
Other sectors		1 298 225	1 510 982	1 915 913	
<i>Broad Money Supply (M2)</i>		<b>18 459 608</b>	<b>17 173 347</b>	<b>17 915 630</b>	
<i>Narrow Money Supply (M1)</i>		<b>6 415 781</b>	<b>6 356 025</b>	<b>6 005 437</b>	
Currency outside depository corporations (E)		752 554	718 563	664 004	
Transferable (Demand) deposits		5 663 226	5 637 462	5 341 433	
<i>Quasi Money</i>		<b>12 043 827</b>	<b>10 817 321</b>	<b>11 910 193</b>	
Savings Deposits		1 928 986	2 002 340	1 719 392	
Time Deposits		10 114 841	8 814 981	10 190 801	
Shares and Other Equity		7 029 413	6 850 825	6 866 898	
Central Bank Of Eswatini		2 434 212	2 282 974	2 679 763	
Other Depository Corporations		4 595 201	4 567 850	4 187 135	
<i>Other Items (net)</i>		<b>-237 718</b>	<b>14 472</b>	<b>-606 900</b>	
<i>GROSS OFFICIAL RESERVES</i>		Nov-19	Oct-19	Sep-19	Oct-18
		Amount	Amount	Amount	Amount
		(E'000)	(E'000)	(E'000)	(E'000)
<i>Total Official (GSoss) - Emalangeni E</i>		<b>7 016 769</b>	<b>7 382 674</b>	<b>5 332 743</b>	<b>7 100 809</b>
<i>Special Drawing Rights (SDR)</i>		<b>348 734</b>	<b>353 631</b>	<b>257 572</b>	<b>346 520</b>
<i>Central Bank</i>		<b>7 016 769</b>	<b>7 382 674</b>	<b>5 332 743</b>	<b>7 100 809</b>
<i>Government</i>		<b>26 243</b>	<b>26 243</b>	<b>26 243</b>	<b>26 243</b>
<i>Import Cover (Reserves to months of estimated imports)</i>		<b>3,0</b>	<b>3,2</b>	<b>2,3</b>	<b>3,1</b>
Net Bank Holdings			2 160 918	1 708 053	2 542 837
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5.Import cover figures are subject to revision as import figures used have a 3 month lag.					

