

# Monthly Statistical Release

SEPT/OCT 2019



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**CENTRAL BANK  
OF ESWATINI**  
Umntsholi Wemaswati



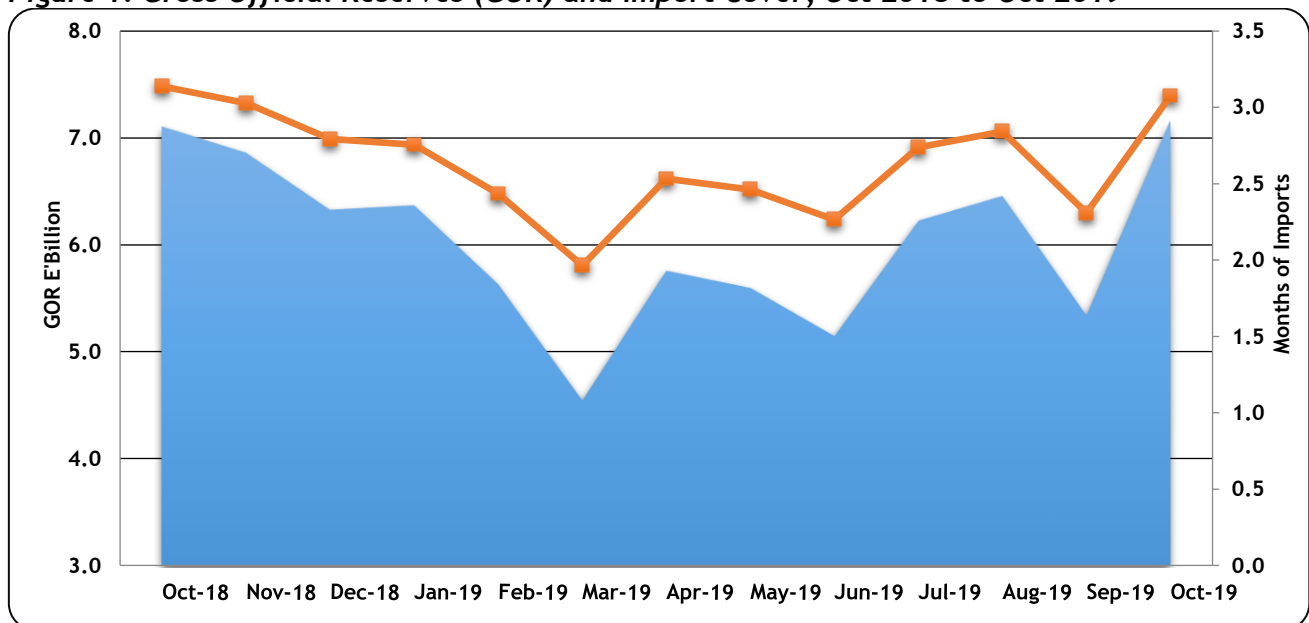
HIGHLIGHTS ON MAJOR MONETARY AGGREGATES	MONTHLY	ANNUAL % CHANGE
<b>Gross Official Reserves</b> stood at E7.2 billion at the end of October 2019, 34.3 per cent higher than the preceding month. The reserves were sufficient to cover 3.1 months of imports of goods and services. Year-on-year, the reserves depicted an upswing of 0.9 per cent.	34.3 ▲	0.9 ▲
<b>Credit Extended to the Private Sector</b> rose by 0.5 per cent to E15.0 billion at the end of September 2019. Growth was underpinned by the expansion of credit to other sectors and households. Year-on-year, private sector credit increased by 4.3 per cent.	0.5 ▲	4.3 ▲
<b>Broad Money Supply (M2)</b> decelerated by 3.9 per cent to E17.2 billion at the end of September 2019. The fall was reflected in quasi money supply whilst narrow money supply (M1) increased at the end of September 2019. Compared to the previous year, M2 receded by 2.6 per cent.	-3.9 ▼	-2.6 ▼
<b>Domestic Liquid Assets</b> stood at E5.0 billion at the end of September 2019, reflecting a month-on-month decline of 13.9 per cent. The banks' liquidity ratio stood at 31.9 per cent at the end of September 2019. Year-on-year, domestic liquid assets rose by 0.8 per cent.	-13.9 ▼	0.8 ▲
	PERCENT	
<b>Discount Rate:</b> The Central Bank of Eswatini kept the discount rate unchanged at 6.5 per cent in September 2019.		6.50
<b>Prime Lending Rate:</b> Commercial banks also kept the prime lending rate at 10.0 per cent in September 2019.		10.00

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**Gross Official Reserves** amounted to E7.2 billion at the end of October 2019, reflecting a month-on-month growth of 34.3 per cent. The reserves were boosted by an inflow of Rands from commercial banks over the review period. At this level, the reserves were equivalent to an import cover of 3.1 months, higher than the 2.3 months observed in September 2019. Year-on-year, reserves grew by 0.9 per cent.

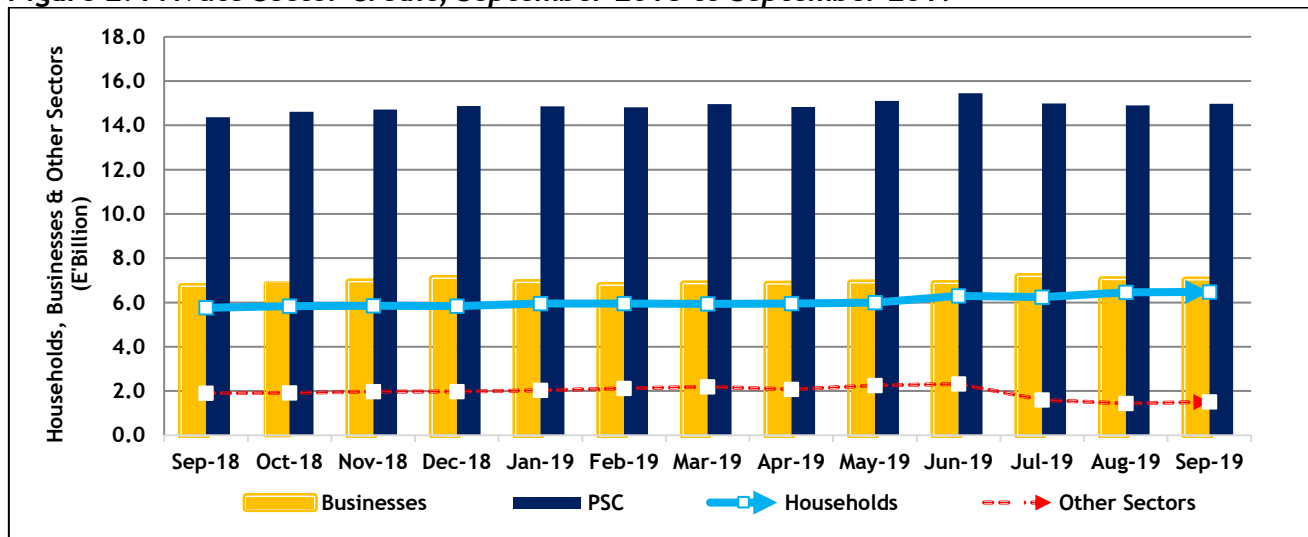
**Valued in Special Drawing Rights (SDRs)**, the reserves improved by 33.2 per cent month-on-month to settle at SDR343.1 million. Annually, the SDR value of reserves fell by 1.0 per cent.

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



Source: Central Bank of Eswatini

**Credit Extended to the Private Sector** stood at E15.0 billion depicting a month-on-month increase of 0.5 per cent at the end of September 2019, picking up from E14.9 billion recorded in August 2019. The expansion was underpinned by growth in credit to other sectors of the domestic economy as well as credit to households & non-profit institutions serving households (NPISH). The improvement in credit to private sector was however, partly dampened by negative growth in credit to businesses over the review month. Compared annually, private sector credit rose by 4.3 per cent.

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

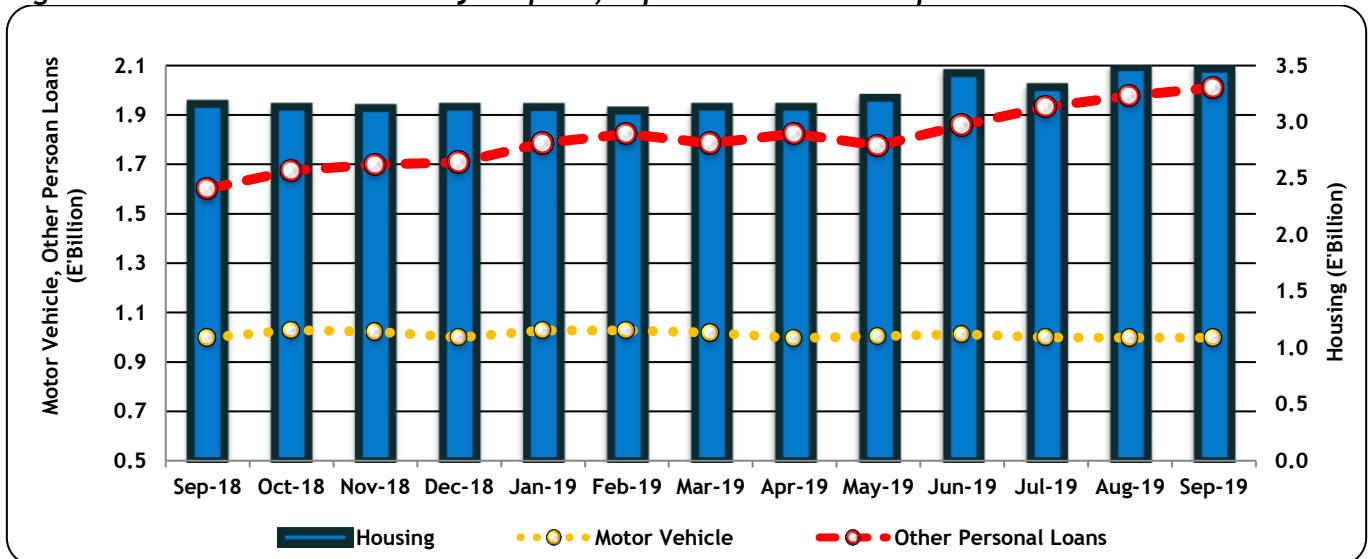
Source: Other Depository Corporations & Central Bank of Eswatini

**Credit Extended to Other Sectors** amounted to E1.5 billion at the end of September 2019, up from E1.4 billion observed in the previous month. This translated to a month-on-month increase of 5.2 per cent. The improvement was discernible in all components, with credit to public nonfinancial corporations rising by 15.7 per cent, followed by credit to local government which rose by 1.0 per cent, and lastly credit to other financial corporations which rose by 0.5 per cent.

**Credit Extended to Businesses** amounted to E7.0 billion at the end of September 2019, depicting a 0.4 per cent decline from the previous month. The contraction in credit to businesses was mainly driven by transport & communication (-5.4 per cent), community, social & personal services (-2.0 per cent), real estate (-1.9 per cent) as well as manufacturing (-0.2 per cent). This was counteracted by a rise in credit to these sectors was observed; construction (6.9 per cent), distribution & tourism (2.6 per cent) and agriculture & forestry (0.4 per cent).

**Credit Extended to Households & NPISH** depicted a month-on-month increase of 0.3 per cent to settle at E6.5 billion at the end of September 2019. Credit to households was spurred upwards by other personal (unsecured) loans which grew by 1.6 per cent to E2.0 billion over the review month. The expansion was partly weighed down by a 0.3 per cent and 0.1 per cent decline in mortgage and motor vehicle finance to E3.5 billion and to E1.0 billion, respectively.

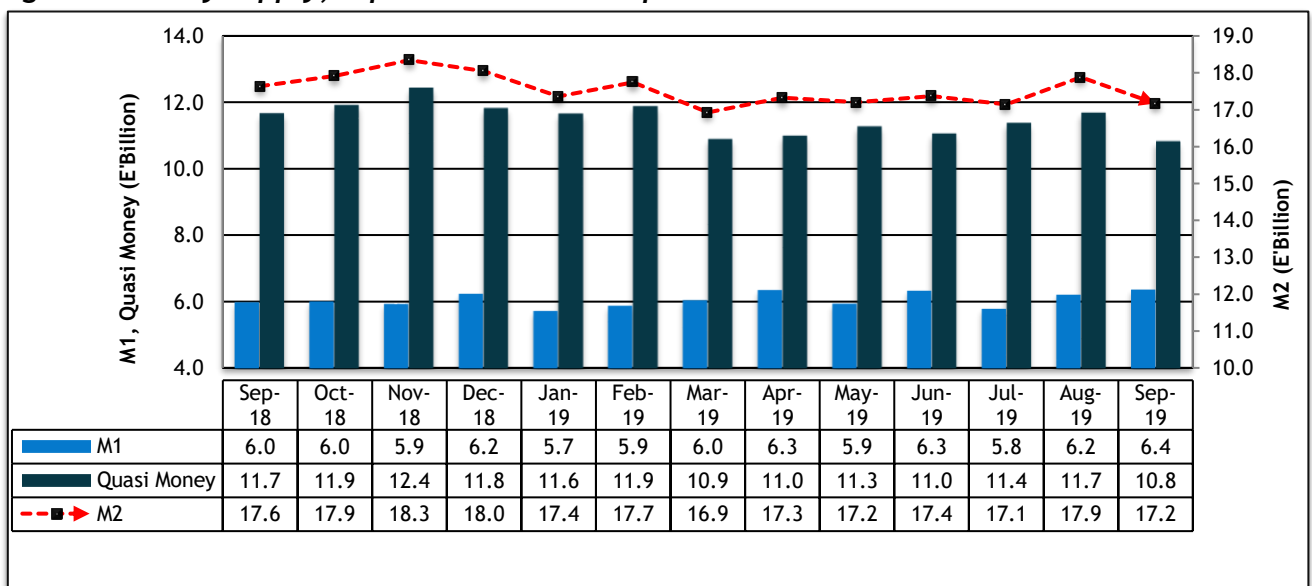
**Figure 3: Credit to Households by Purpose; September 2018 to September 2019**



Source: Other Depository Corporations & Central Bank of Eswatini

**Net Claims on Government by the banking sector** continued on an upward trajectory and grew by a further 20.1 per cent from the 18.8 per cent observed in the previous month. The rise was underpinned by claims on government which accelerated by a higher rate while government deposits grew by a lesser margin over the review month. Year-on-year, net claims on government grew by 72.2 per cent.

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



Source: Other Depository Corporations & Central Bank of Eswatini

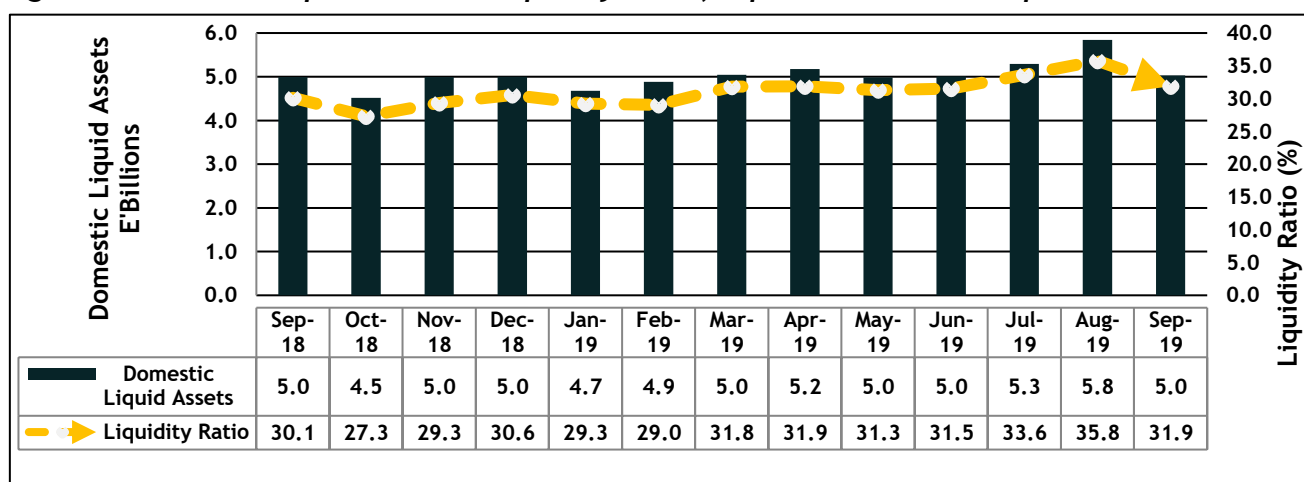
**Broad Money Supply (M2)** amounted to E17.2 billion at the end of September 2019, representing a decline of 3.9 per cent from E17.9 billion registered in the previous month. The fall in M2 was driven by quasi money supply which surpassed growth in narrow money supply (M1). On an annual basis, M2, retreated by 2.6 per cent.

**Quasi Money Supply** decreased from E11.7 billion registered in August 2019 to E10.8 billion at the end of September 2019, representing a 7.3 per cent reduction from the previous month. The fall was attributed to time deposits which trended downwards by 9.4 per cent month-on-month to E8.8 billion. Savings deposits on the contrary, depicted an improvement of 3.2 per cent to E2.0 billion at the end of September 2019.

**Narrow Money Supply (M1)** picked up by 2.4 per cent month-on-month to E6.4 billion at the end of September 2019 from E6.2 billion observed in August 2019. Explaining the increase was transferable (demand) deposits which surged up by 3.2 per cent to reach E5.6 billion at the end September 2019. On the other hand, there was a 3.6 per cent reduction in emalangeni outside depository corporations to reach E718.6 million.

**The Overall Liquidity Position of the Banking Industry** decelerated by 13.9 per cent month-on-month from E5.8 billion observed in August 2019 to E5.0 billion at the end of September 2019. The contraction was on account of a reduction in balances held with other local banks, the central bank as well as investments in government securities. As a result, the liquidity ratio fell by 3.9 percentage points to 31.9 per cent at the end of September 2019. Annually, the liquidity position of the banking industry grew by 0.8 per cent.

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



Source: Other Depository Corporations & Central Bank of Eswatini



## RELEASE OF MONEY AND BANKING STATISTICS

### Notes:

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- 4.For definitions of concepts used reference should be made to the relevant notes in the Central Bank's Quarterly Review.

ITEM	Sep-19	Aug-19	Sep-18
	Amount	Amount	Amount
	(E'000)	(E'000)	(E'000)
<b>CENTRAL BANK OF ESWATINI</b>			
Claims on Non-residents	6,822,143	7,953,675	7,897,099
Claims on Domestic Economy	3,070,682	2,459,113	1,314,357
Government	3,041,898	2,430,567	1,279,466
Other Depository Corporations	2,082	2,082	2,038
Other Resident Sectors	26,702	26,464	32,853
Other Assets	466,239	473,078	543,935
<b>Total Assets/Liabilities</b>	<b>10,359,064</b>	<b>10,885,865</b>	<b>9,755,391</b>
<b>OTHER DEPOSITORY CORPORATIONS</b>			
Cash and Deposits with CBS	2,894,674	3,652,682	2,494,480
Net Balances with Banks Outside Eswatini	1,081,308	598,082	1,980,986
Loans and advances	14,023,119	13,965,053	13,653,576
Government Securities	2,446,494	2,527,371	2,718,313
Treasury Bills	1,471,833	1,552,851	1,799,130
Government Bonds	974,661	974,520	919,182
Other	0	0	0
<b>Total Deposits</b>	<b>17,247,264</b>	<b>17,979,075</b>	<b>17,672,743</b>
Transferable/Demand	5,858,160	5,664,216	5,383,549
Savings	2,039,427	1,978,370	1,754,990
Time	9,349,676	10,336,490	10,534,204
Capital and Reserves	3,994,902	4,050,448	3,699,873
<b>Total Assets/Liabilities</b>	<b>24,163,119</b>	<b>25,117,351</b>	<b>23,713,016</b>
<b>Total Liquid Assets (Banks only)</b>	<b>5,030,723</b>	<b>5,841,519</b>	<b>4,992,215</b>
Required Liquidity (Banks only)	3,890,842	4,028,942	4,088,745
Surplus/ Deficiency (-) (Banks only)	1,139,881	1,812,577	903,471
<b>RATIOS (%)</b>			
Actual Liquidity to Domestic Liabilities (Banks Only)	31.9	35.8	30.1
Loans and Advances to Deposits	81.3	77.7	77.3



<i>DEPOSITORY CORPORATIONS SURVEY</i>		Sep-19	Aug-19	Sep-18	
<b>Net Foreign Assets (E)</b>		<b>5,993,101</b>	<b>6,729,869</b>	<b>7,557,405</b>	
<b>Net Official Assets</b>		<b>4,285,048</b>	<b>5,405,016</b>	<b>5,553,514</b>	
Foreign Assets - Central Bank of Eswatini		6,848,386	7,979,917	7,923,342	
Foreign Liabilities - Central Bank of Eswatini		2,563,338	2,574,902	2,369,827	
<b>Net Other Depository Corporations Foreign holdings (ODC)</b>		<b>1,708,053</b>	<b>1,324,853</b>	<b>2,003,891</b>	
Foreign Assets - ODC		2,351,895	2,314,540	2,280,894	
Foreign Liabilities - ODC		643,841	989,686	277,003	
<b>Net Foreign Assets (SDR)</b>		<b>289,467</b>	<b>322,361</b>	<b>380,138</b>	
<b>Net Domestic Claims</b>		<b>18,045,542</b>	<b>17,462,295</b>	<b>16,146,394</b>	
<b>Net Claims on Government</b>		<b>3,071,310</b>	<b>2,556,451</b>	<b>1,783,237</b>	
Claims on Central Government		5,527,931	5,002,196	4,029,509	
Government Deposits		2,456,621	2,445,744	2,246,272	
<b>Claims on other sectors</b>		<b>14,974,232</b>	<b>14,905,844</b>	<b>14,363,156</b>	
Other nonfinancial corporations (Industry)		6,984,982	7,012,334	6,699,850	
Other resident sectors (Households & NPISH)		6,478,268	6,457,743	5,757,637	
Other sectors		1,510,982	1,435,767	1,905,670	
<b>Broad Money Supply (M2)</b>		<b>17,173,347</b>	<b>17,877,581</b>	<b>17,634,231</b>	
<b>Narrow Money Supply (M1)</b>		<b>6,356,025</b>	<b>6,205,666</b>	<b>5,977,035</b>	
Currency outside depository corporations (E)		718,563	745,357	687,084	
Transferable (Demand) deposits		5,637,462	5,460,309	5,289,951	
<b>Quasi Money</b>		<b>10,817,321</b>	<b>11,671,915</b>	<b>11,657,196</b>	
Savings Deposits		2,002,340	1,940,920	1,723,325	
Time Deposits		8,814,981	9,730,995	9,933,871	
Shares and Other Equity		6,850,825	6,607,867	6,852,322	
Central Bank Of Eswatini		2,282,974	1,979,053	2,613,512	
Other Depository Corporations		4,567,850	4,628,814	4,238,810	
<b>Other Items (net)</b>		<b>14,472</b>	<b>-293,283</b>	<b>-782,754</b>	
<b>GROSS OFFICIAL RESERVES</b>		<b>Oct-19</b>	<b>Sep-19</b>	<b>Aug-19</b>	<b>Sep-18</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>Total Official (GSoss) - Emalangeni E</b>		<b>7,162,558</b>	<b>5,332,743</b>	<b>6,451,836</b>	<b>6,466,917</b>
<b>Special Drawing Rights (SDR)</b>		<b>343,087</b>	<b>257,572</b>	<b>309,043</b>	<b>325,286</b>
<b>Central Bank</b>		<b>7,162,558</b>	<b>5,332,743</b>	<b>6,451,836</b>	<b>6,466,917</b>
<b>Government</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>3.1</b>	<b>2.3</b>	<b>2.8</b>	<b>3.0</b>
<b>Net Bank Holdings</b>			<b>1,708,053</b>	<b>1,324,853</b>	<b>2,003,891</b>
<b>Net Bank Holdings</b>					<b>2,542,838</b>
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5.Import cover figures are subject to revision as import figures used have a 3 month lag.					

