

Monthly Statistical Release

AUGUST/SEPTEMBER 2018











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**CENTRAL BANK
OF ESWATINI**
Umntsholi Wemaswati

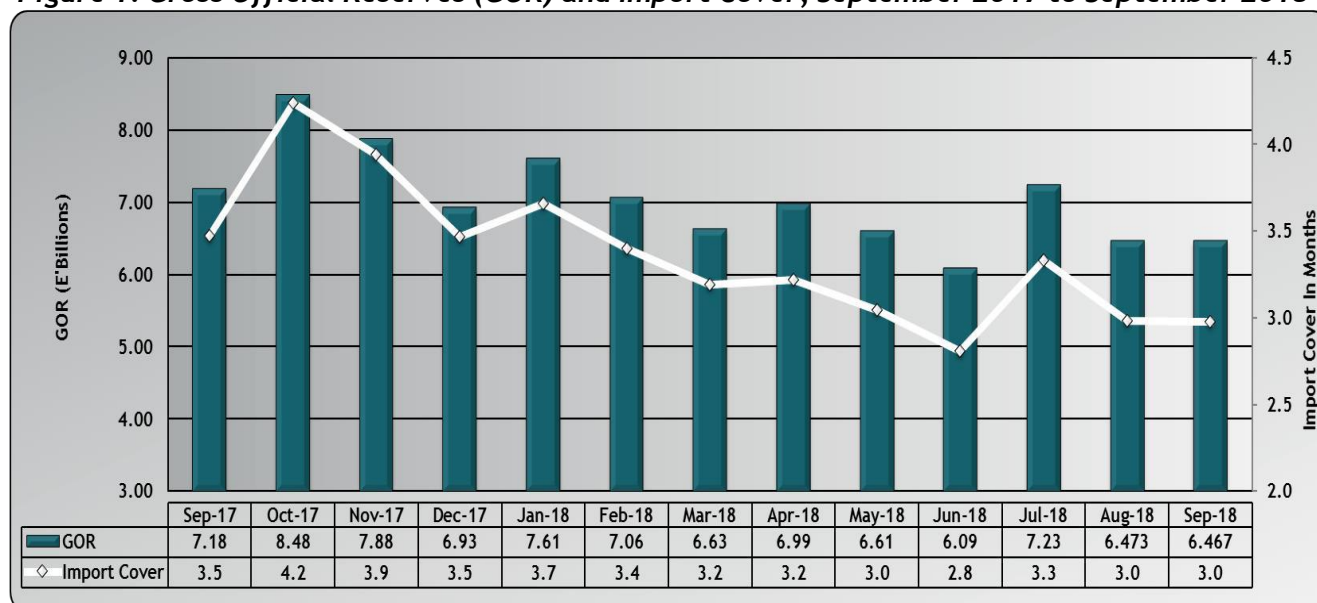


HIGHLIGHTS ON MAJOR MONETARY AGGREGATES	MONTHLY	ANNUAL % CHANGE
Gross Official Reserves amounted to E6.5 billion at the end of September 2018, 0.1 per cent lower than the preceding month. The Reserves were sufficient to cover 3.0 months of imports of goods and services. Year-on-year, the Reserves depicted a contraction of 10.0 per cent.	0.1 	10.0 
Credit Extended to the Private Sector fell by 2.3 per cent to reach E14.3 billion at the end of August 2018. The fall was observed in credit to Businesses and Other Sectors while credit to Households grew. Compared over the year, Private Sector credit expanded by 10.1 per cent.	2.3 	10.1 
Broad Money Supply (M2) amounted to E18.7 billion in August 2018, depicting an increase of 6.0 per cent month-on-month. The increase was observed in Quasi Money Supply whilst Narrow Money Supply (M1) declined. Year-on-year, M2 improved by 11.4 per cent.	6.0 	11.4 
Domestic Liquid Assets decelerated by 2.9 per cent to reach E5.0 billion at the end of the review month. The decline stemmed from a fall in the Banks' investment in Government securities. The Banks' liquidity ratio was at 28.6 per cent. Compared over the year, Liquid Assets edged up by 10.1 per cent.	2.9 	10.1 
	PERCENT	
Discount Rate: the discount rate was at 6.75 per cent in September 2018.		6.75
Prime Lending Rate: the prime lending rate was at 10.25 per cent in September 2018.		10.25

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Gross Official Reserves amounted to E6.5 billion at the end of September 2018, reflecting a month-on-month decline of 0.1 per cent. At this level, the Reserves were sufficient to cover an estimated 3.0 months of imports, the same level observed in the preceding month. Year-on-year, Gross Official Reserves declined by 10.0 per cent in Emalangeni terms and by 13.8 per cent in SDR terms.

Figure 1: Gross Official Reserves (GOR) and Import Cover; September 2017 to September 2018



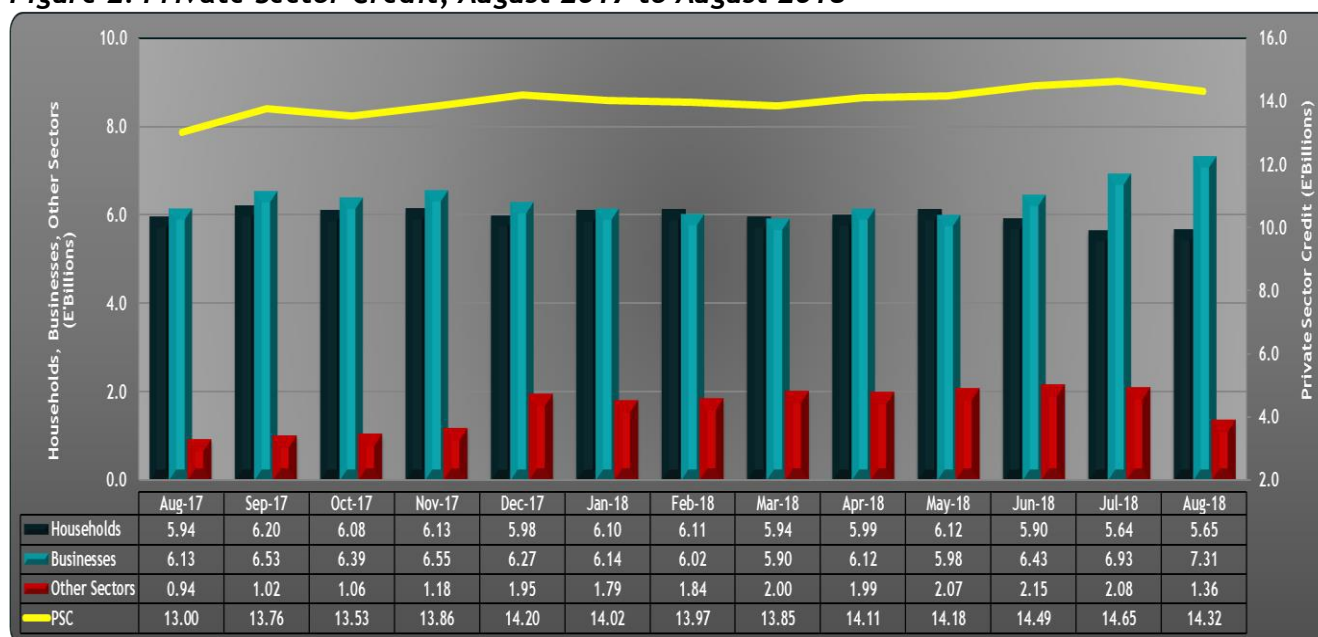
Source: Central Bank of Eswatini

Credit Extended to the Private Sector amounted to E14.3 billion at the end of August 2018, reflecting a month-on-month contraction of 2.3 per cent from the previous month. The decrease stemmed from contractions in; Credit to Businesses and credit to Other Sectors of the domestic economy. Credit to Households and Non-Profit Institutions Serving Households (NPISH) on the contrary, depicted an increase over the same review period. However, when compared year-on-year, Private Sector Credit expanded by 10.1 per cent.

Credit Extended to Businesses as at the end of August 2018 amounted to E6.6 billion depicting a decline of 4.6 per cent from the previous month. The reduction in credit to Businesses was largely observed in a fall in borrowing in these sectors; Mining and Quarrying (-13.4 per cent), Manufacturing (-8.5 per cent), Distribution and Tourism (-8.0 per cent), Real Estate (-4.8 per cent) as well as Construction (-2.0 per cent). On the other hand, growth was largely observed in these sectors; Agriculture and Forestry sector (9.6 per cent), Transport and Communication (6.2 per cent) and Community, Social and Personal Services (4.0 per cent).

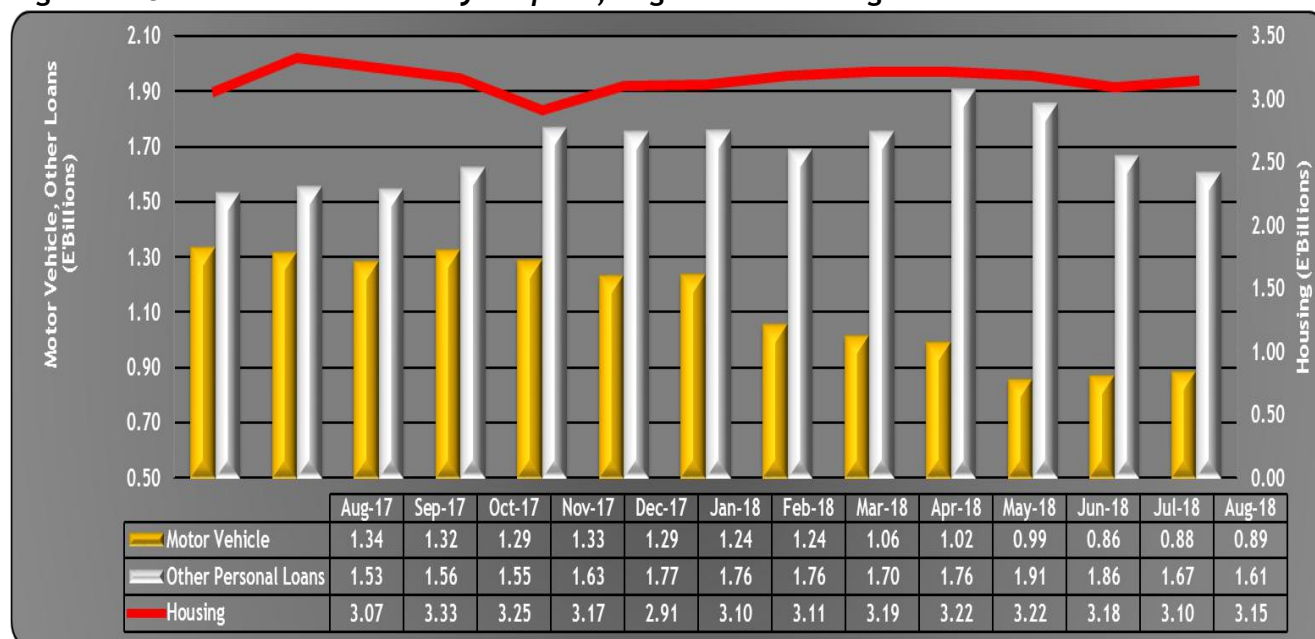
Credit Extended to Other Sectors recorded a contraction of 0.8 per cent to reach E2.1 billion at the end of August 2018, mainly driven by all its components with the exception of credit to Public Nonfinancial Corporations. As a result, credit extended to Other Financial Sectors and Local Government declined by the same level of 3.2 per cent. On the other hand, credit extended to Public Nonfinancial Corporations expanded by 5.4 per cent.

Figure 2: Private Sector Credit; August 2017 to August 2018



Source: Central Bank of Eswatini

Credit Extended to Households & Non-Profit Institutions Serving Households (NPISH) amounted to E5.6 billion at the end of August 2018, reflecting an increase of 0.1 per cent from the previous month. Growth was realised in Mortgage Loans and Motor Vehicle Finance whilst Other (unsecured) Personal Loans trended downwards at the end of August 2018. Mortgage Loans rose by 1.6 per cent to reach E3.2 billion and Motor Vehicle Finance by 1.7 per cent to reach E0.89 billion at the end of the review period. Other (unsecured) Personal Loans decelerated by 3.6 per cent to E1.6 billion at the end of August 2018.

Figure 3: Credit to Households by Purpose; August 2017 to August 2018

Source: Other Depository Corporations

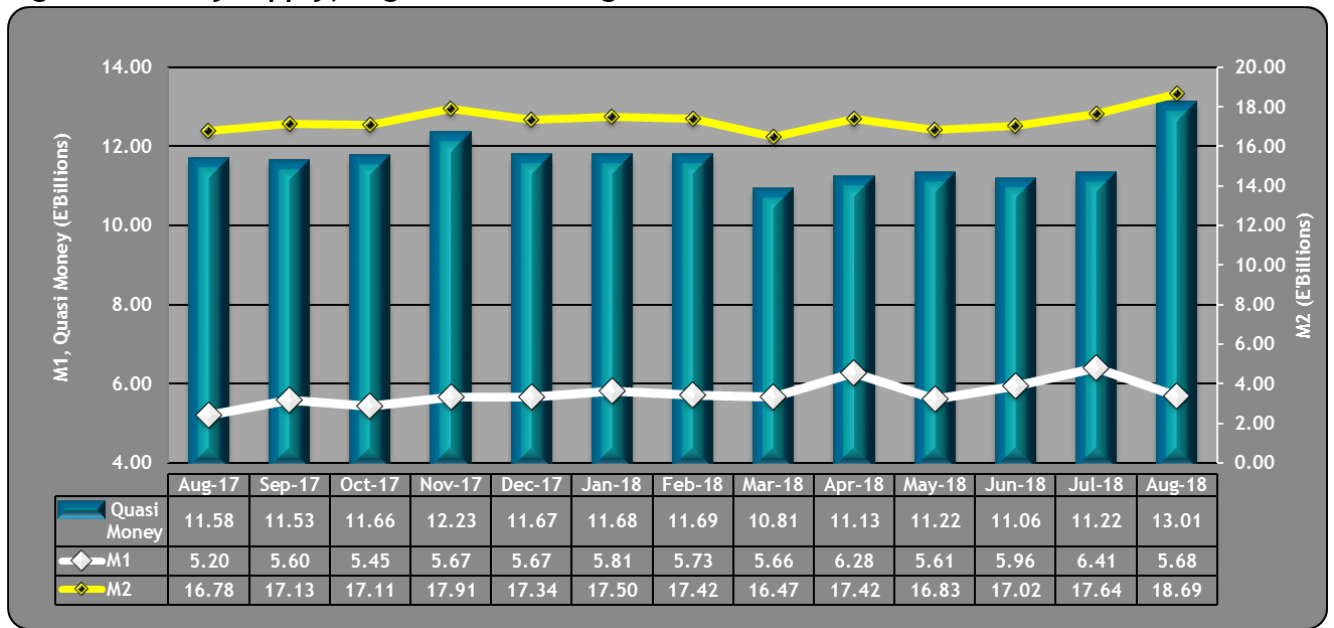
Net Government Balances with the banking sector stood at E1.9 billion at the end of August 2018, reflecting a month-on-month increase of 24.5 per cent. This development was mainly due to a decline in Government deposits over the review month. Year-on-year, net Government balances depicted a marked decline.

Broad Money Supply (M2) accelerated by 6.0 per cent from the previous month to settle at E18.7 billion, in line with the decline in Private Sector credit. The improvement was reflected in Quasi Money Supply whilst Narrow Money Supply (M1) receded over the month under review. Compared over the year, however, M2 depicted an increase of 11.4 per cent.

Quasi Money Supply expanded by 15.9 per cent at the end of August 2018 to reach E13.0 billion, due to Time Deposits and Savings Deposits over the month under review. Time deposits therefore, rose by 17.8 per cent to E11.3 billion and Savings Deposits by 4.9 per cent to E1.7 billion over the month under review.

M1 depicted a month-on-month contraction of 11.4 per cent to settle at E5.7 billion at the end of August 2018, driven by Transferable Deposits. As a result, Transferable Demand Deposits fell by 13.1 per cent to E5.0 billion. Currency Outside Depository Corporations rose by 3.4 per cent to E659.2 million at the end of the month under review.

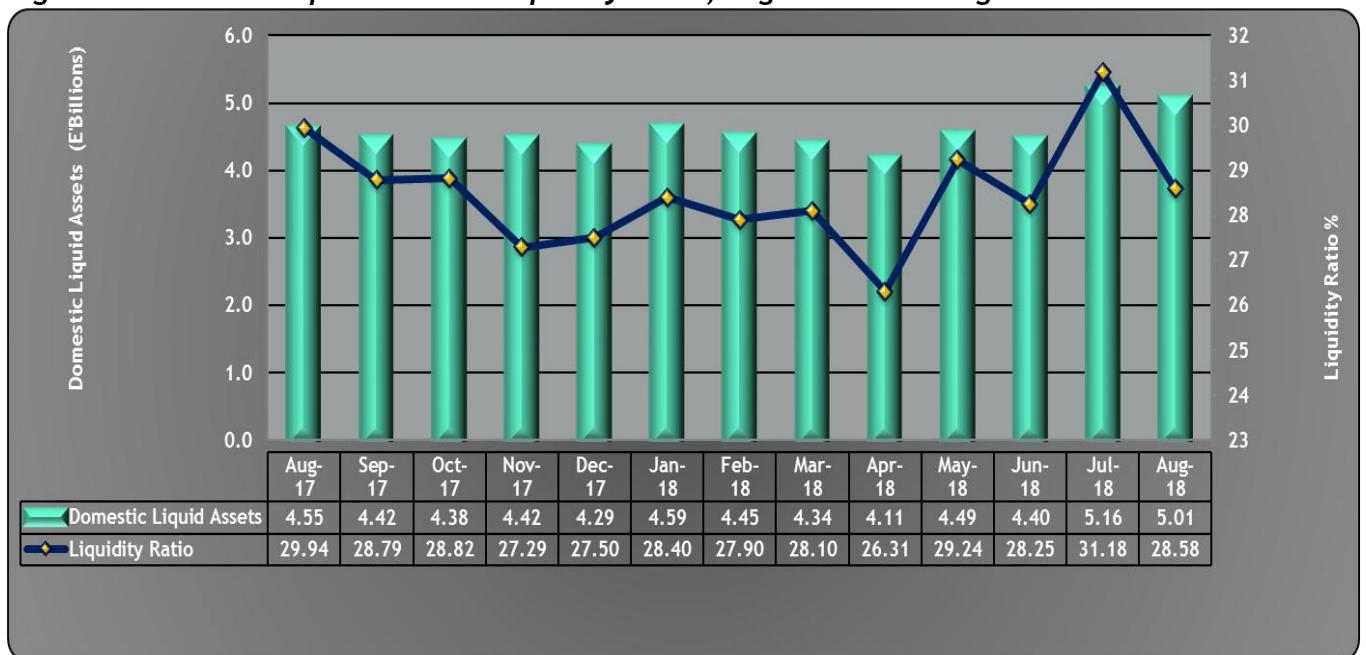
Figure 4: Money Supply; August 2017 to August 2018



Source: Other Depository Corporations & Central Bank of Eswatini

Liquidity Position of Other Depository Corporations stood at E5.0 billion at the end of August 2018 reflecting a decrease of 2.9 per cent from the level recorded in July 2018. The contraction emanated from a decline in Banks’ investment in Government securities during the review month. Consequently, the Banks’ liquidity ratio fell from 31.2 per cent recorded in the previous month to 28.6 per cent at the end of August 2018. Year-on-year, the banks’ liquid assets were 10.1 per cent higher.

Figure 5: Domestic Liquid Assets & Liquidity Ratio; August 2017 to August 2018



Source: Other Depository Corporations

Notes:

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- 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	Aug-18	Jul-18	Aug-17
	Amount	Amount	Amount
	(E'000)	(E'000)	(E'000)
CENTRAL BANK OF SWAZILAND			
Claims on Non-residents	7,950,469	8,559,698	8,658,708
Claims on Domestic Economy	1,341,635	1,357,271	1,148,041
Government	1,307,112	1,323,918	1,116,945
Other Depository Corporations	2,060	2,038	2,015
Other Resident Sectors	32,462	31,314	29,081
Other Assets	487,105	505,956	447,209
Total Assets/Liabilities	9,779,209	10,422,925	10,253,958
OTHER DEPOSITORY CORPORATIONS			
Cash and Deposits with CBS	2,568,742	2,427,466	2,102,244
Net Balances with Banks Outside Swaziland	2,890,212	1,984,713	2,607,642
Loans and advances	13,646,869	13,933,578	12,575,062
Government Securities	2,628,844	2,921,465	2,561,012
Treasury Bills	1,732,497	1,997,195	1,628,763
Government Bonds	896,347	924,271	932,249
Other	0	0	0
Total Deposits	18,500,477	17,419,155	16,369,134
Transferable/Demand	5,080,071	5,847,270	4,602,489
Savings	1,750,223	1,676,007	1,603,953
Time	11,670,183	9,895,878	10,162,691
Capital and Reserves	3,669,015	3,721,432	3,379,011
Total Assets/Liabilities	24,465,331	23,953,490	21,812,862
Total Liquid Assets (Banks only)	5,005,565	5,156,294	4,546,476
Required Liquidity (Banks only)	4,323,055	4,079,161	3,743,920
Surplus/ Deficiency (-) (Banks only)	682,510	1,077,132	802,555
RATIOS (%)			
Actual Liquidity to Domestic Liabilities (Banks Only)	28.6	31.2	29.9
Loans and Advances to Deposits	73.8	80.0	76.8

DEPOSITORY CORPORATIONS SURVEY		Aug-18	Jul-18	Aug-17	
Net Foreign Assets (E)		8,480,496	8,191,278	8,977,785	
Net Official Assets		5,559,937	6,258,282	6,348,950	
Foreign Assets - Central Bank of Swaziland		7,976,712	8,585,941	8,684,951	
Foreign Liabilities - Central Bank of Swaziland		2,416,775	2,327,659	2,336,001	
Net Other Depository Corporations Foreign holdings (ODC)		2,920,560	1,932,996	2,628,835	
Foreign Assets - ODC		3,091,479	2,443,800	2,864,474	
Foreign Liabilities - ODC		170,919	510,804	235,639	
Net Foreign Assets (SDR)		413,000	443,967	488,473	
Net Domestic Claims		16,199,369	16,158,724	12,401,543	
Net Claims on Government		1,881,931	1,511,713	(602,870)	
Claims on Central Government		3,968,763	4,284,091	3,681,047	
Government Deposits		2,086,832	2,772,378	4,283,917	
Claims on other sectors		14,317,438	14,647,012	13,004,414	
Other nonfinancial corporations (Industry)		6,607,168	6,925,082	6,130,140	
Other resident sectors (Households & NPISH)		5,646,700	5,642,686	5,937,730	
Other sectors		2,063,571	2,079,244	936,544	
Broad Money Supply (M2)		18,689,264	17,637,101	16,777,660	
Narrow Money Supply (M1)		5,680,455	6,413,690	5,198,655	
Currency outside depository corporations (E)		659,217	637,314	629,718	
Transferable (Demand) deposits		5,021,237	5,776,376	4,568,938	
Quasi Money		13,008,809	11,223,411	11,579,005	
Savings Deposits		1,719,065	1,638,187	1,572,493	
Time Deposits		11,289,744	9,585,223	10,006,512	
Shares and Other Equity		6,621,362	6,631,922	5,196,942	
Central Of Swaziland		2,416,180	2,378,683	1,353,013	
Other Depository Corporations		4,205,181	4,253,239	3,843,929	
Other Items (net)		-630,760	80,979	-595,273	
GROSS OFFICIAL RESERVES	Sep-18	Aug-18	Jul-18	Aug-17	Sep-17
	Amount	Amount	Amount	Amount	Amount
	(E'000)	(E'000)	(E'000)	(E'000)	(E'000)
Total Official (Gross) - Emalangeni E	6,466,917	6,473,298	7,232,424	7,336,534	7,183,709
Special Drawing Rights (SDR)	325,286	315,249	391,997	399,174	377,329
Central Bank	6,466,917	6,473,298	7,232,424	7,336,534	7,183,709
Government	26,243	26,243	26,243	26,243	26,243
Import Cover (Reserves to months of estimated imports)	3.0	3.0	3.3	3.5	3.5
Net Bank Holdings		2,920,560	1,932,996	2,628,835	2,093,531
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5.Import cover figures are subject to revision as import figures used have a 3 month lag.					

