

Monthly Statistical Release

FEB/MAR 2019



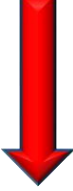
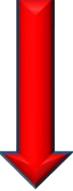
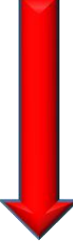


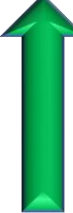

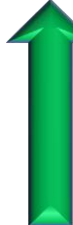
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CENTRAL BANK
OF ESWATINI

Umntsholi Wemaswati

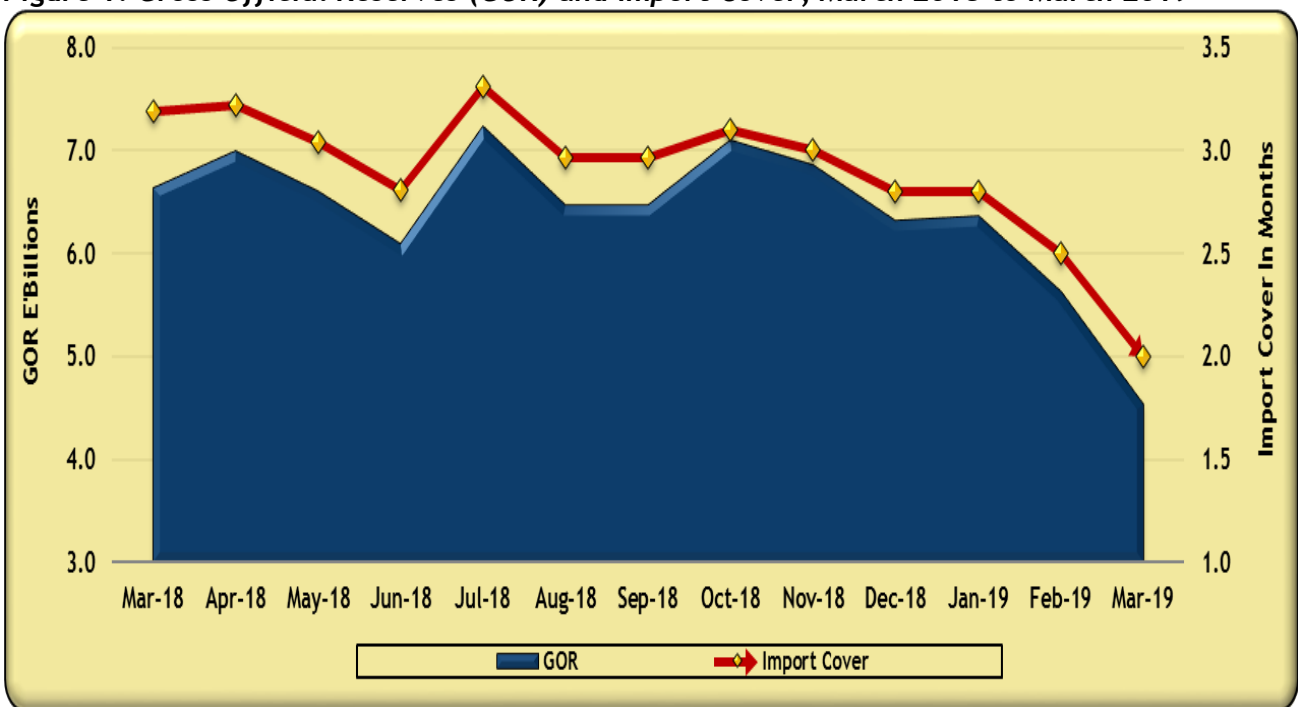


HIGHLIGHTS ON MAJOR MONETARY AGGREGATES	MONTHLY	ANNUAL % CHANGE
Gross Official Reserves amounted to E4.5 billion in March 2019, 19.3 per cent lower than the previous month. The Reserves were sufficient to cover 2.0 months of imports. Year-on-year, the Reserves were 31.6 per cent lower.	19.3 	31.6 
Credit Extended to the Private Sector contracted by 0.3 per cent month-on-month to settle at E14.8 billion in February 2019. The decline was due to credit to Businesses while credit to Other Sectors and Households improved. Year-on-year, Private Sector credit increased by 6.0 per cent.	0.3 	6.0 
Broad Money Supply (M2) stood at E17.7 billion in February 2019, 2.2 per cent higher compared to January 2019. Growth emanated from both Narrow Money Supply (M1) and Quasi Money Supply. Year-on-year, M2 grew by 1.9 per cent.	2.2 	1.9 
Domestic Liquid Assets improved by 4.3 per cent to E4.9 billion in February 2019. However, the Banks' liquidity ratio fell from 29.3 per cent in January 2019 to 29.0 per cent in February 2019. Year-on-year, Banks' Liquid Assets increased by 9.8 per cent.	4.3 	9.8 
	PERCENT	
Discount Rate: the discount rate remained unchanged at 6.75 per cent in March 2019.		6.75
Prime Lending Rate: the prime lending rate was left unchanged at 10.25 per cent in March 2019.		10.25

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Gross Official Reserves declined from E5.6 billion in February 2019 to E4.5 billion at the end of March 2019, depicting a monthly decrease of 19.3 per cent. At this level, the Reserves were sufficient to cover an estimated 2.0 months of imports, lower than the 2.5 months observed the previous month. Compared over the year, the Reserves depicted a decline of 31.6 per cent. Valued in Special Drawing Rights (SDRs), Gross Official Reserves amounted to SDR226.5 million, 21.4 per cent lower than the previous month. Year-on-year, the SDR value of Reserves contracted by 41.0 per cent.

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



Source: Central Bank of Eswatini

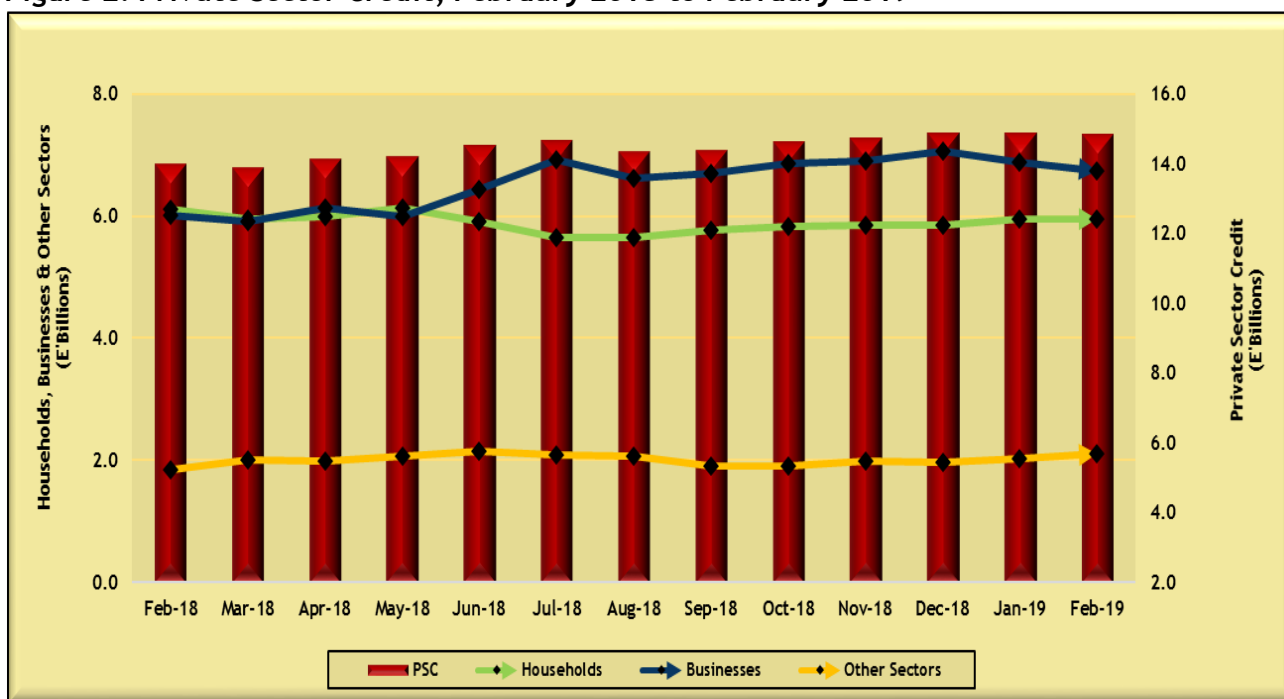
Credit Extended to the Private Sector contracted by 0.3 per cent from the previous month to settle at E14.8 billion at the end of February 2019. The decline in credit to the Private sector was a result of a fall in credit to the Business sector. However, credit to Other sectors and Households & Non-Profit Institutions Serving Households (NPISH) depicted increases over the same period. Compared to the previous year, Private sector credit was however, 6.0 per cent higher.

Credit Extended to Businesses contracted by 2.1 per cent month-on-month to settle at E6.7 billion at the end of February 2019. The lower demand for credit was observed in these subsectors: Construction (-3.6 per cent), Distribution & Tourism (-1.8 per cent),

Transport & Communication (-1.3 per cent), Mining & Quarrying (-1.1 per cent), Real Estate (-0.8 per cent) and Community, Social & Personal Services (-0.4 per cent). However, the decline was partly offset by an increase in credit to the Manufacturing (9.3 per cent) and Agriculture & Forestry (2.7 per cent) subsectors.

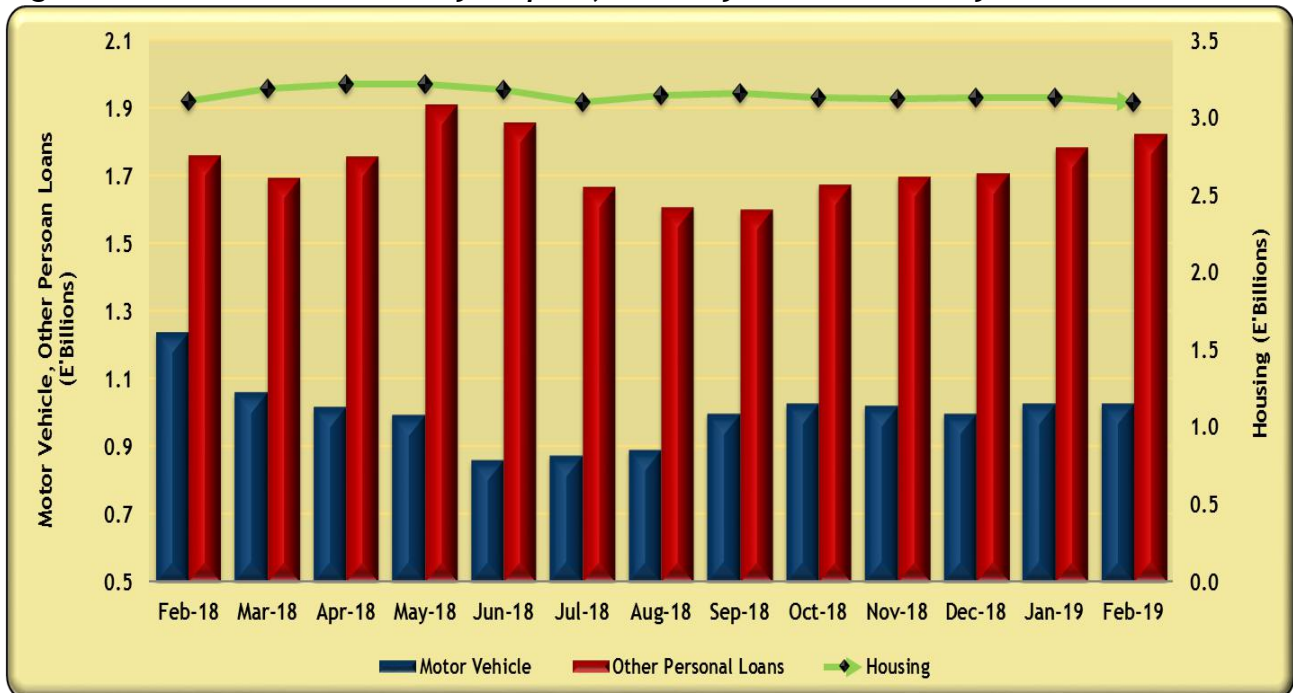
Credit Extended to Other Sectors amounted to E2.1 billion at the end of February 2019 due to a month-on-month increase of 4.5 per cent. Growth emanated from a rise in credit to Other Financial Corporations (6.3 per cent) and Local Government (1.9 per cent) over the review month. However, credit to Public Non-Financial Corporations recorded a decline of -0.2 per cent over the same review period.

Figure 2: Private Sector Credit; February 2018 to February 2019



Source: Central Bank of Eswatini

Credit Extended to Households & NPISH grew by 0.1 per cent between January 2019 and February 2019 to reach E6.0 billion. The increase in credit to Households resulted from a rise in Other Personal (unsecured) loans while Housing and Motor Vehicle Finance receded. Other Personal (unsecured) loans increased by 2.2 per cent to E1.8 billion at the end of February 2019. On the other hand, Housing and Motor Vehicle Finance contracted by 1.0 per cent and 0.1 per cent to E3.1 billion and E1.0 billion, respectively.

Figure 3: Credit to Households by Purpose; February 2018 to February 2019

Source: Other Depository Corporations

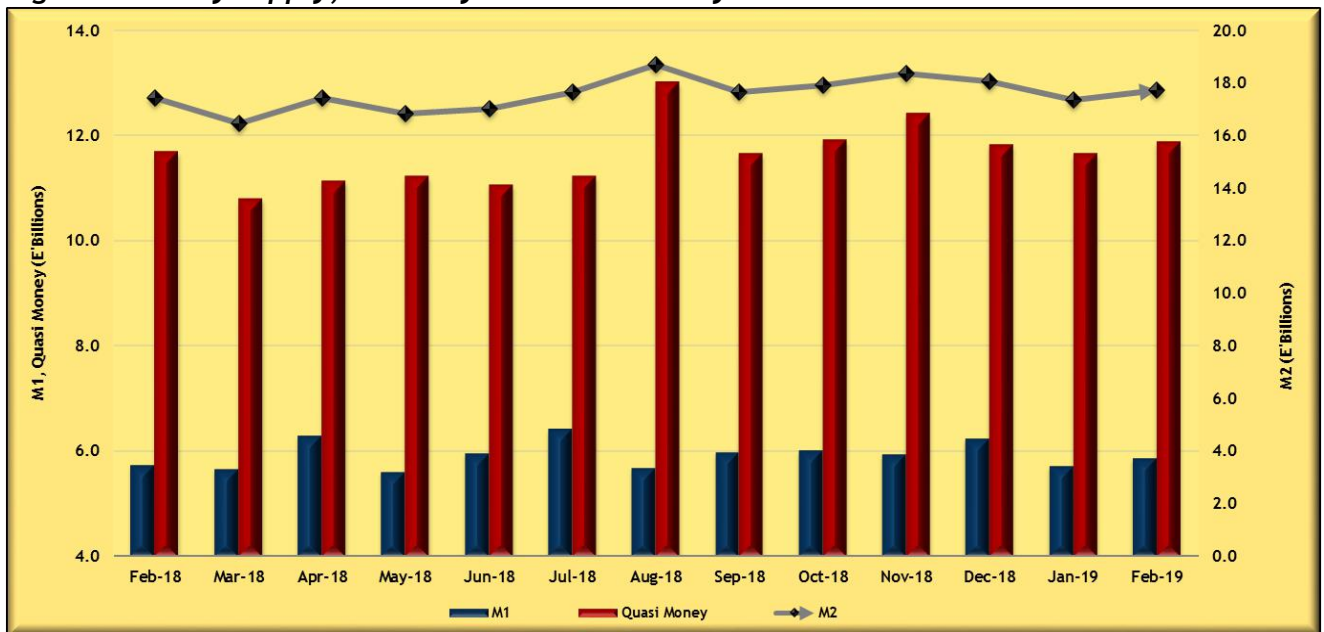
Net Claims on Government by the banking sector increased by 48.3 per cent compared to the previous month to close at E3.0 billion at the end of February 2019. This development was due to a rise in claims on Government against the backdrop of a decline in Government deposits. Claims on Government increased by 15.4 per cent while Government deposits fell by 8.4 per cent. Year-on-year, net claims on Government were significantly lower.

Broad Money Supply (M2) amounted to E17.7 billion at the end of February 2019, depicting a 2.2 per cent increase compared to the previous month. Growth in M2 was supported by a rise in both its components, Narrow Money Supply (M1) and Quasi Money Supply. Compared over the same period last year, Broad Money Supply reflected an increase of 1.9 per cent.

Narrow Money Supply (M1) stood at E5.9 billion at the end of February 2019, depicting an increase of 2.6 per cent compared to the previous month. Growth was driven by both Emalangi Outside Depository Corporations and Transferable (demand) Deposits. Emalangi Outside Depository Corporations grew by 9.8 per cent to E662.5 million. Transferable (demand) Deposits increased by 1.8 per cent to E5.2 billion at the end of February 2019.

Quasi Money Supply expanded by 2.0 per cent month-on-month to settle at E11.9 billion at the end of February 2019. The increase was supported by a rise in both Time and Savings Deposits over the review month. Time Deposits grew by 2.2 per cent to reach E10.1 billion while Savings Deposits increased by 0.8 per cent to settle at E1.7 billion.

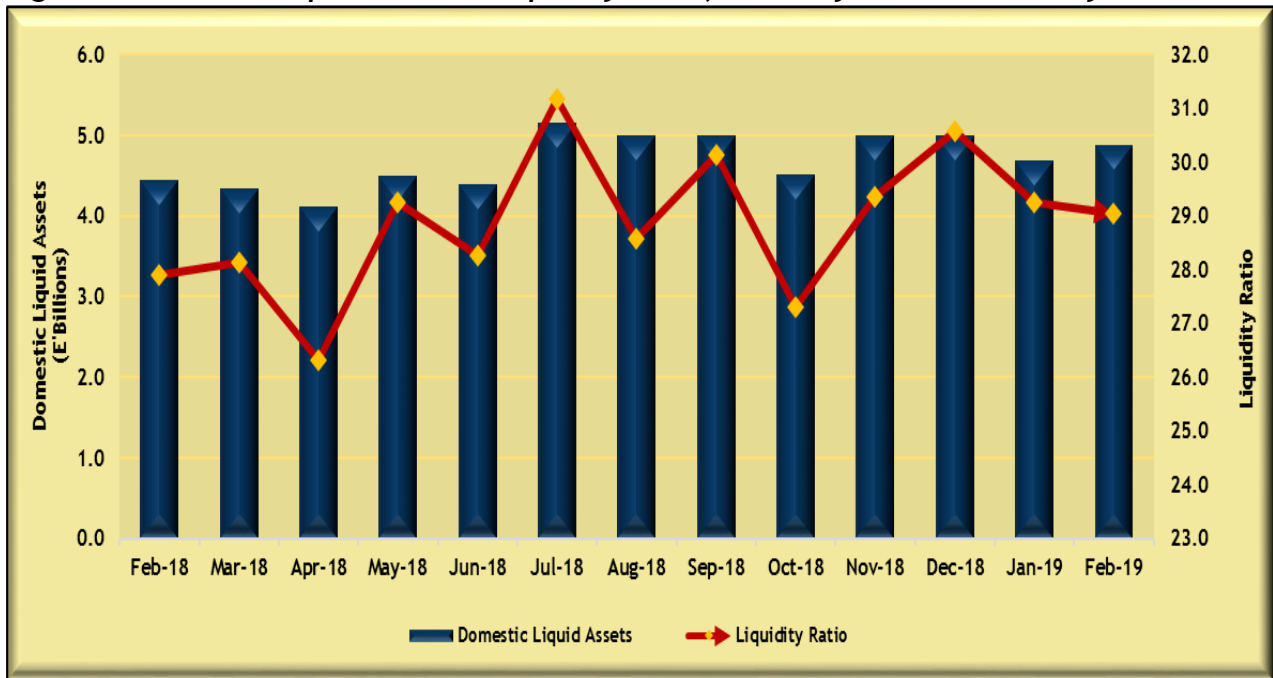
Figure 4: Money Supply; February 2018 to February 2019



Source: Other Depository Corporations & Central Bank of Eswatini

The Overall Liquidity Position of the Banking Industry stood at E4.9 billion at the end of February 2019, reflecting an increase of 4.3 per cent compared to January 2019 levels. The increase was on account of a rise in banks’ cash holdings of Rands coupled with an expansion in investments in Government’s short term securities. However, the increase in domestic liquid assets was overshadowed by an increase in liabilities for which liquidity is required. As a result, the banks’ liquidity ratio fell from 29.3 per cent the previous month to 29.0 per cent in February 2019. Year-on-year, the banks’ liquid assets were 9.8 per cent higher.

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



Source: Other Depository Corporations

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	Feb-19	Jan-19	Feb-18
	Amount	Amount	Amount
	(E'000)	(E'000)	(E'000)
CENTRAL BANK OF ESWATINI			
Claims on Non-residents	7,032,180	7,700,287	8,282,373
Claims on Domestic Economy	2,548,331	2,030,385	1,369,465
Government	2,514,974	1,994,194	1,337,137
Other Depository Corporations	2,064	2,064	2,066
Other Resident Sectors	31,292	34,127	30,263
Other Assets	464,758	465,777	1,842,627
Total Assets/Liabilities	10,045,269	10,196,450	11,494,466
OTHER DEPOSITORY CORPORATIONS			
Cash and Deposits with CBS	2,154,543	2,178,932	1,918,854
Net Balances with Banks Outside Eswatini	2,542,824	1,794,769	2,355,998
Loans and advances	13,285,213	13,419,619	13,325,958
Government Securities			
Treasury Bills	2,061,187	1,808,191	1,800,101
Government Bonds	961,282	988,409	939,547
Other	0	0	0
Total Deposits	17,962,295	17,436,513	17,035,058
Transferable/Demand	5,405,836	5,270,550	5,186,923
Savings	1,782,833	1,769,419	1,668,518
Time	10,773,627	10,396,544	10,179,617
Capital and Reserves	3,805,133	3,767,906	3,648,848
Total Assets/Liabilities	24,494,964	23,747,330	22,933,397
Total Liquid Assets (Banks only)	4,881,385	4,678,692	4,447,705
Required Liquidity (Banks only)	4,142,261	3,942,155	3,931,673
Surplus/ Deficiency (-) (Banks only)	739,124	736,538	516,032
RATIOS (%)			
Actual Liquidity to Domestic Liabilities (Banks Only)	29.0	29.3	27.9
Loans and Advances to Deposits	74.0	77.0	78.2

<i>DEPOSITORY CORPORATIONS SURVEY</i>		Feb-19	Jan-19	Feb-18	
<i>Net Foreign Assets (E)</i>		7,190,795	7,095,153	8,432,635	
<i>Net Official Assets</i>		4,691,315	5,390,242	6,064,368	
Foreign Assets - Central Bank of Eswatini		7,058,423	7,726,530	8,308,616	
Foreign Liabilities - Central Bank of Eswatini		2,367,108	2,336,288	2,244,249	
<i>Net Other Depository Corporations Foreign holdings (ODC)</i>		2,499,480	1,704,911	2,368,267	
Foreign Assets - ODC		2,960,737	2,246,790	2,651,003	
Foreign Liabilities - ODC		461,257	541,879	282,736	
<i>Net Foreign Assets (SDR)</i>		368,168	382,428	496,417	
<i>Net Domestic Claims</i>		17,821,072	16,884,141	13,518,839	
<i>Net Claims on Government</i>		3,011,187	2,029,881	(448,250)	
Claims on Central Government		5,570,762	4,825,429	4,078,338	
Government Deposits		2,559,575	2,795,548	4,526,588	
<i>Claims on other sectors</i>		14,809,885	14,854,260	13,967,089	
Other nonfinancial corporations (Industry)		6,739,309	6,882,238	6,017,111	
Other resident sectors (Households & NPISH)		5,952,050	5,944,604	6,113,293	
Other sectors		2,118,526	2,027,419	1,836,685	
<i>Broad Money Supply (M2)</i>		17,742,195	17,362,798	17,415,798	
<i>Narrow Money Supply (M1)</i>		5,868,937	5,718,229	5,727,077	
Currency outside depository corporations (E)		662,467	603,073	565,173	
Transferable (Demand) deposits		5,206,470	5,115,156	5,161,904	
<i>Quasi Money</i>		11,873,258	11,644,569	11,688,721	
Savings Deposits		1,746,355	1,733,226	1,636,833	
Time Deposits		10,126,904	9,911,343	10,051,888	
Shares and Other Equity		7,007,575	6,900,102	6,546,060	
Central Bank Of Eswatini		2,640,604	2,576,165	2,392,109	
Other Depository Corporations		4,366,970	4,323,937	4,153,951	
<i>Other Items (net)</i>		262,097	-283,606	-2,010,385	
<i>GROSS OFFICIAL RESERVES</i>	<i>Mar-19</i>	<i>Feb-19</i>	<i>Jan-19</i>	<i>Feb-18</i>	<i>Mar-18</i>
	<i>Amount</i>	<i>Amount</i>	<i>Amount</i>	<i>Amount</i>	<i>Amount</i>
	<i>(E'000)</i>	<i>(E'000)</i>	<i>(E'000)</i>	<i>(E'000)</i>	<i>(E'000)</i>
<i>Total Official (Gross) - Emalangeni E</i>	4,539,081	5,627,134	6,365,626	7,060,360	6,631,873
<i>Special Drawing Rights (SDR)</i>	226,500	288,109	343,107	415,633	383,702
<i>Central Bank</i>	4,539,081	5,627,134	6,365,626	7,060,360	6,631,873
<i>Government</i>	26,243	26,243	26,243	26,243	26,243
<i>Import Cover (Reserves to months of estimated imports)</i>	2.0	2.5	2.8	3.4	3.2
Net Bank Holdings		2,499,480	1,704,911	2,368,267	2,048,034
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5.Import cover figures are subject to revision as import figures used have a 3 month lag.					