

Monthly Statistical Release

JULY/AUGUST 2019



www.centralbank.org.sz



**CENTRAL BANK
OF ESWATINI**
Umntsholi Wemaswati



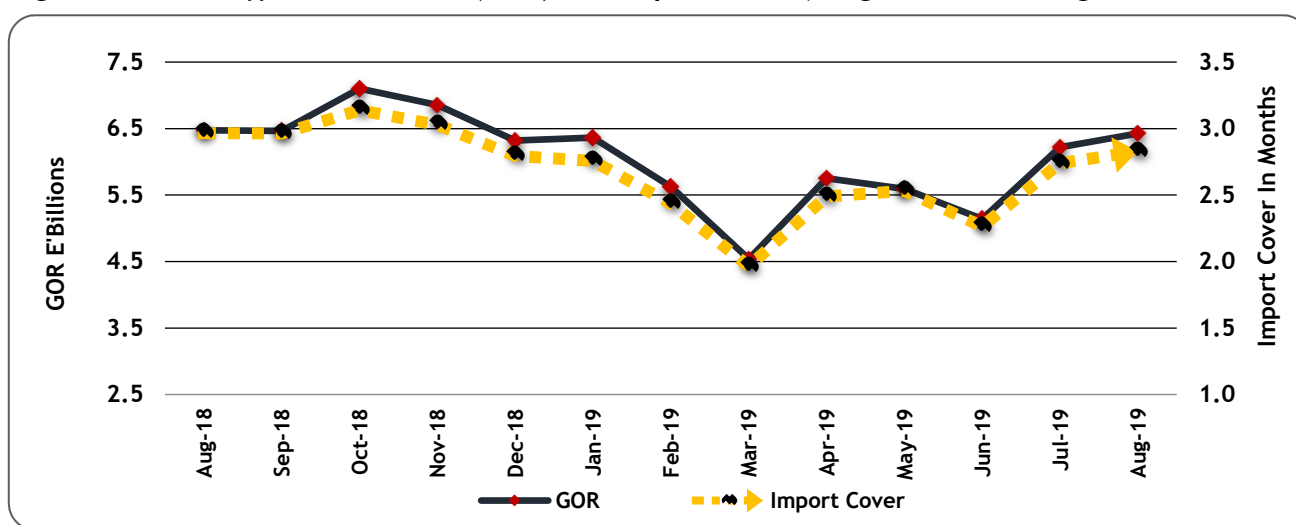
HIGHLIGHTS ON MAJOR MONETARY AGGREGATES	MONTHLY % CHANGE	ANNUAL % CHANGE
Gross Official Reserves stood at E6.4 billion at the end of August 2019, 3.3 per cent higher than the preceding month. The Reserves were sufficient to cover 2.8 months of imports of goods and services. Year-on-year, the Reserves depicted a contraction of 0.8 per cent.	3.3 	0.8 
Credit Extended to the Private Sector fell by 3.0 per cent month-on-month to reach E15.0 billion at the end of July 2019. The reduction was observed in credit to Other sectors and Households whilst credit to Businesses rose. Compared over the year, Private Sector credit expanded by 2.3 per cent.	3.0 	2.3 
Broad Money Supply (M2) amounted to E17.1 billion in July 2019, depicting a fall of 1.3 per cent month-on-month. The decrease was observed in Narrow Money Supply (M1) whilst Quasi Money Supply increased. Year-on-year, M2 contracted by 2.8 per cent.	1.3 	2.8 
Domestic Liquid Assets accelerated by 5.6 per cent to reach E5.3 billion at the end of the review month. Growth was due to an improvement in the Banks' balances with the Central Bank and their cash holdings. Consequently, the Banks' liquidity ratio stood at 33.6 per cent. Compared over the year, Liquid Assets edged up by 2.6 per cent.	5.6 	2.6 
	PERCENT	
Discount Rate: the discount rate was at 6.50 per cent in August 2019.	6.50	
Prime Lending Rate: the prime lending rate was at 10.00 per cent in August 2019.	10.00	

The content of this publication is intended for general information sharing purposes only and is not intended to serve as financial or other advice. While every precaution is taken to ensure the accuracy of this information the Central Bank of Eswatini shall not be liable to any person for inaccurate information or opinions contained in this publication. For more information on this publication, contact the Research Department at Tel (+268) 2408-2243.

Gross Official Reserves continued to show an improvement from E6.2 billion realised in July 2019 to E6.4 billion at the end of August 2019. At this level, the Reserves rose by 3.3 per cent representing an import cover of 2.8 months, higher than the 2.7 months registered at the end of July 2019. Year-on-year, however, the Reserves declined by 0.8 per cent.

Valued in Special Drawing Rights (SDRs), the Reserves amounted to SDR307.7 million at the end of July 2019, 3.4 per cent lower relative to the previous month. Compared over the same period last year, the SDR value of Reserves recorded a contraction of 2.4 per cent.

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



Source: Central Bank of Eswatini

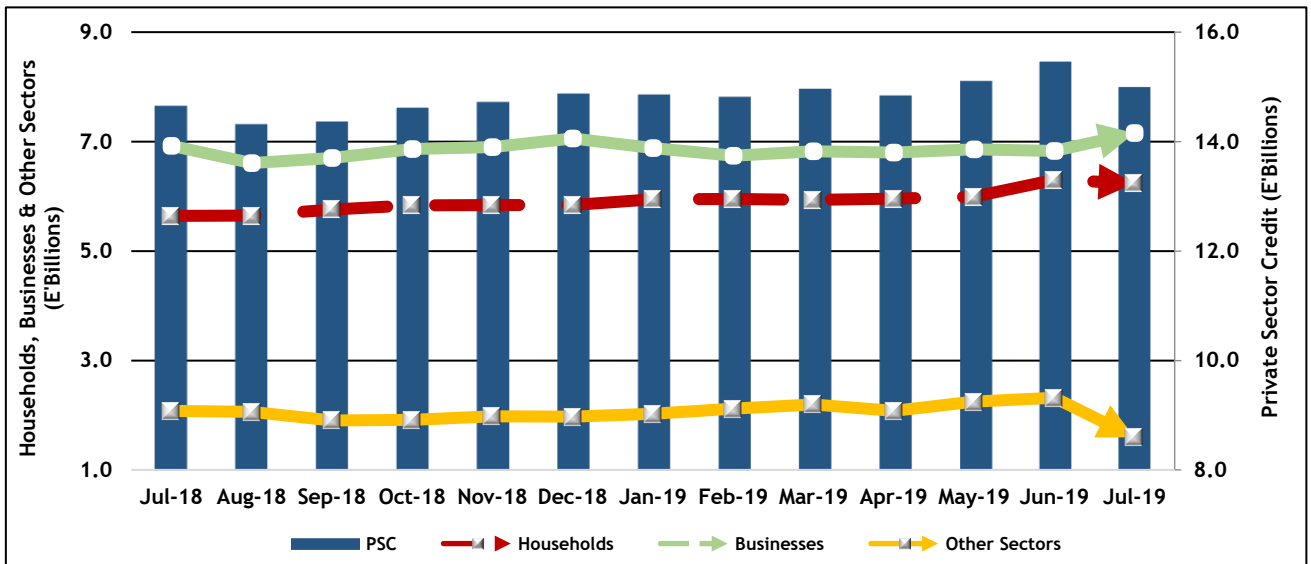
Credit Extended to the Private Sector stood at E15.0 billion at the end of July 2019, a 3.0 per cent decline from E15.1 billion recorded in June 2019. The reduction was driven by credit to Other Sectors and credit to Households & Non-profit Institutions Serving Households (NPISH) whilst credit to Businesses depicted an increase over the review month. Compared over the year, credit to the Private sector grew by 2.3 per cent.

Credit Extended to Other Sectors stood at E1.6 billion at the end of July 2019, reflecting a month-on-month decline of 31.2 per cent. The contraction resulted from a reduction in lending to Other Financial Corporations (-38.9 per cent) and Public Non-Financial Corporations (-8.7 per cent). In contrast, credit to Local Government expanded by 2.1 per cent.

Credit Extended to Businesses rose by 4.8 per cent to reach E7.2 billion at the end of July 2019. Growth was attributed to increased borrowing by these sectors; Construction (23.6 per cent), Transport & Communications (8.1 per cent), Agriculture & Forestry (6.4 per cent).

cent), Manufacturing (3.4 per cent), Real Estate (1.4 per cent), Mining & Quarrying (1.2 per cent) and Community, Social & personal Services (0.8 per cent). The rise was somewhat offset by a fall in credit to the Distribution & Tourism industry (0.3 per cent).

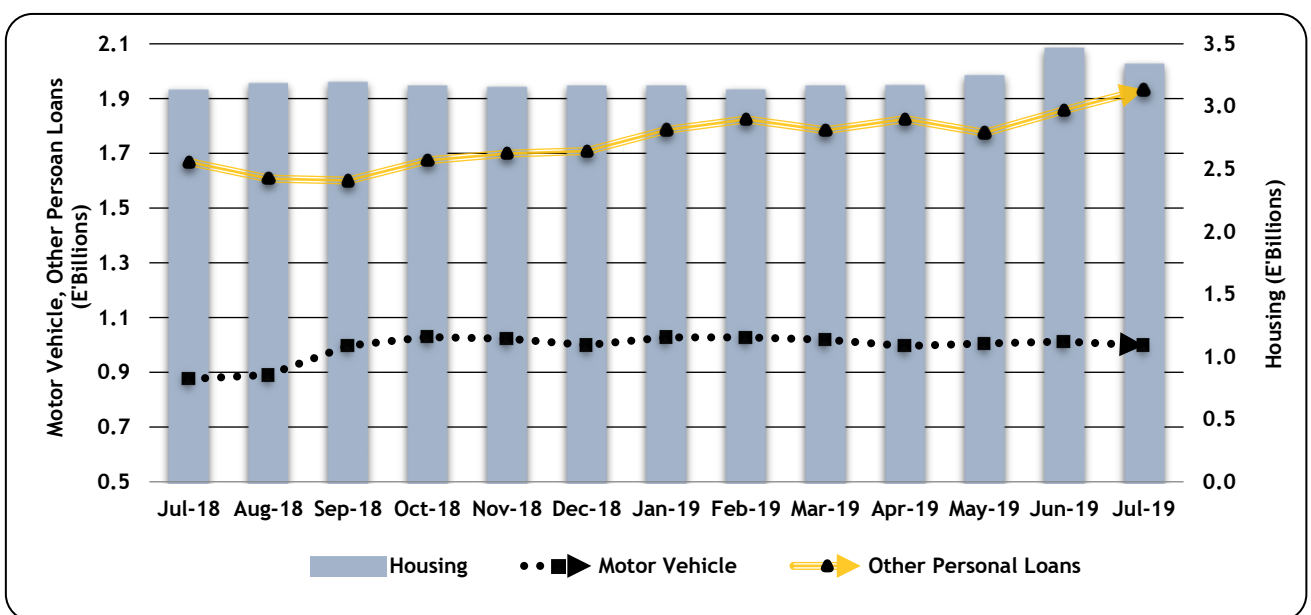
Figure 2: Private Sector Credit; July 2018 to July 2019



Source: Central Bank of Eswatini & Other Depository Corporations

Credit Extended to Households & NPISH contracted from E6.3 billion recorded in June 2019 to E6.2 billion at the end of July 2019. The month-on-month decline in credit to Households was due to a fall of 3.7 per cent in Housing Loans to E3.3 billion and Motor Vehicle Loans by 1.3 per cent to E1.0 billion. Other Personal (unsecured) Loans on the contrary, increased by 4.0 per cent to E1.9 billion.

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

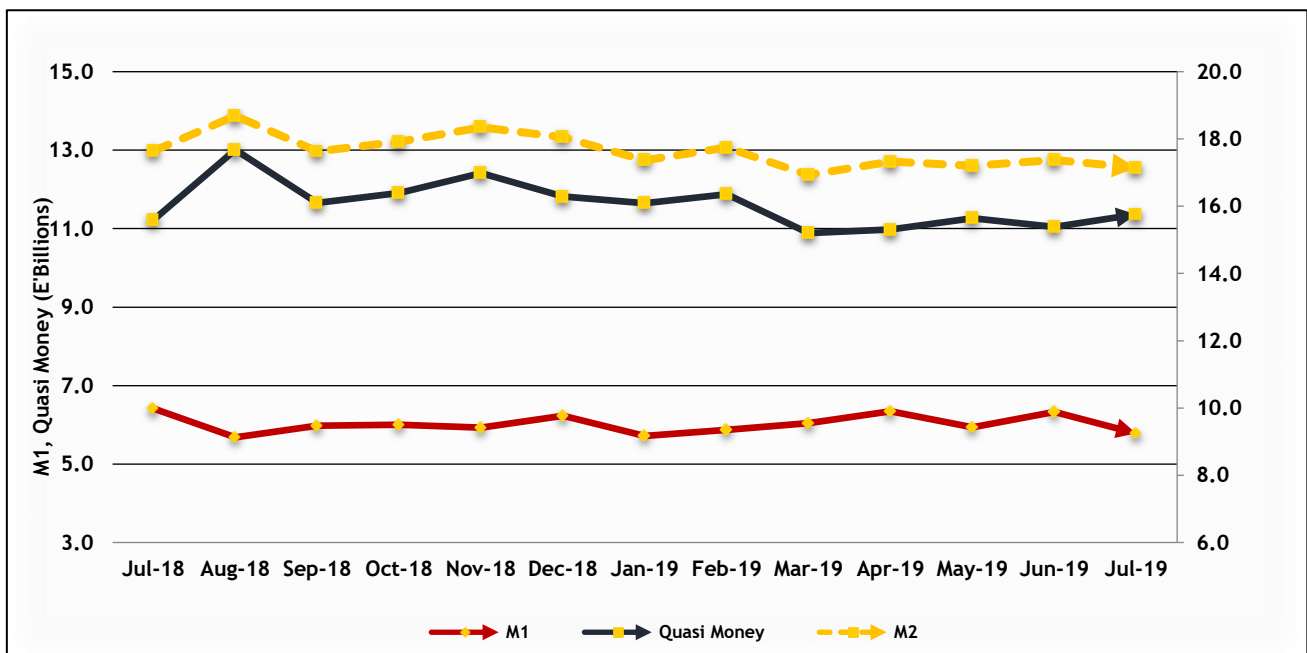


Source: Central Bank of Eswatini & Other Depository Corporations

Net Claims on Government with the banking sector decelerated by 31.0 per cent month-on-month to close at E2.2 billion at the end of July 2019. The fall emanated from a reduction in both claims on Government and Government deposits held by the banking sector over the review month. Compared to July 2018, net Government balances however rose by 42.4 per cent.

Broad Money Supply (M2) stood at E17.1 billion at the end of July 2019, depicting a month-on-month decline of 1.3 per cent, in line with the fall in Private Sector credit. The decrease in M2 was evident in Narrow Money Supply (M1) whilst Quasi Money Supply grew. Compared over the year, M2 was 2.8 per cent lower than in July 2018.

Figure 4: Money Supply; July 2018 to July 2019



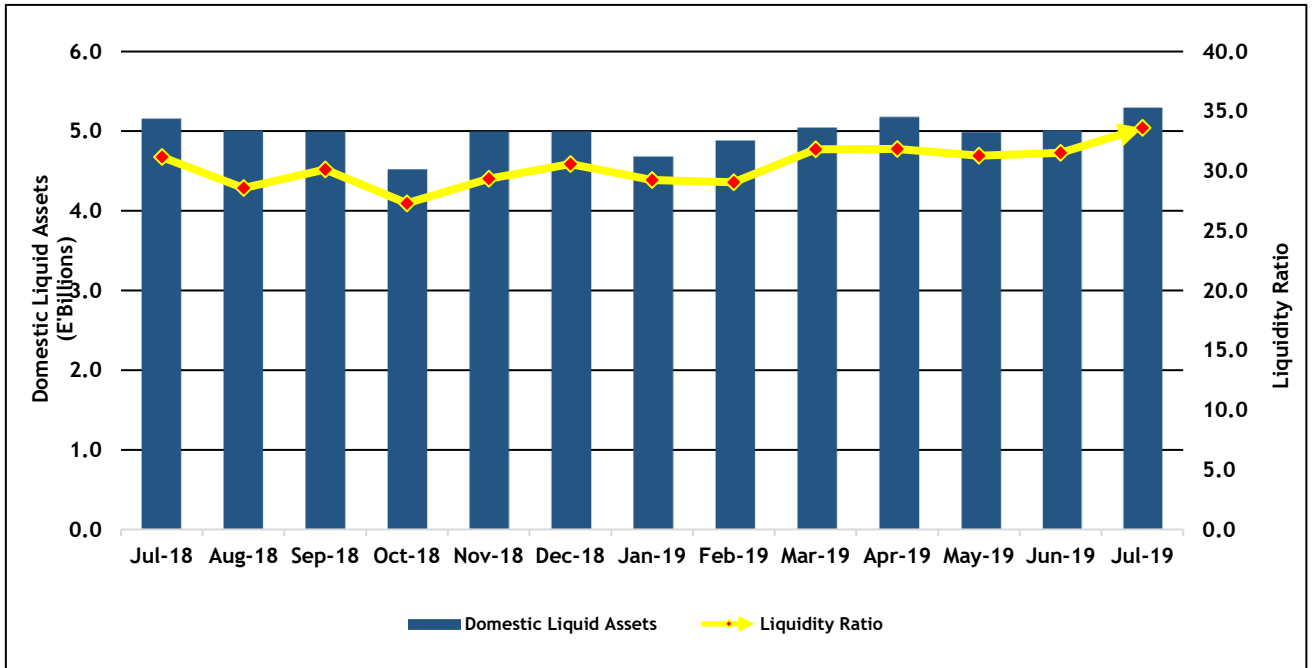
Source: Central Bank of Eswatini & Other Depository Corporations

Narrow Money Supply (M1) decelerated by 8.6 per cent to settle at E5.8 billion at the end of July 2019, down from E6.3 billion in June 2019. The month-on-month contraction in M1 was observed in both components, Transferable (Demand) Deposits and Currency Outside Depository Corporations. Transferable (Demand) deposits receded by 8.7 per cent to E5.1 billion. Similarly, Currency Outside Depository Corporations trended in the same direction and shrank by 7.5 per cent to E663.8 million.

Quasi Money Supply improved by 2.9 per cent to close at E11.4 billion at the end of July 2019, supported by both its components. Time Deposits depicted a rise of 2.9 per cent to reach E9.4 billion while Savings Deposits grew by 2.7 per cent to settle at E1.9 billion at the end of the review month.

Liquidity Position of Banks rose from E5.0 billion in June 2019 to E5.3 billion at the end of July 2019. Growth was due to an improvement in the Banks’ balances with the Central Bank and their cash holdings over the month under review. Consequently, the Banks’ liquidity ratio rose from 31.5 per cent in June 2019 to 33.6 per cent at the end of July 2019. Compared over the year, Banks’ Liquid Assets edged up by 2.6 per cent.

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



Source: Central Bank of Eswatini & 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	Jul-19	Jun-19	Jul-18
	Amount	Amount	Amount
	(E'000)	(E'000)	(E'000)
CENTRAL BANK OF ESWATINI			
<i>Claims on Non-residents</i>	7,626,374	6,554,851	8,559,698
<i>Claims on Domestic Economy</i>	1,820,565	3,099,819	1,357,271
Government	1,792,214	3,071,639	1,323,918
Other Depository Corporations	2,082	2,064	2,038
Other Resident Sectors	26,268	26,115	31,314
<i>Other Assets</i>	467,542	481,638	505,956
Total Assets/Liabilities	9,914,481	10,136,307	10,422,925
OTHER DEPOSITORY CORPORATIONS			
<i>Cash and Deposits with CBS</i>	3,073,688	2,630,870	2,427,466
<i>Net Balances with Banks Outside Eswatini</i>	752,799	1,266,192	1,984,713
<i>Loans and advances</i>	13,958,979	13,748,366	13,933,578
<i>Government Securities</i>	2,536,663	2,676,617	2,921,465
Treasury Bills	1,615,610	1,758,696	1,997,195
Government Bonds	921,053	917,921	924,271
<i>Other</i>	0	0	0
Total Deposits	17,460,580	17,537,205	17,419,155
Transferable/Demand	5,386,064	5,806,199	5,847,270
Savings	1,980,013	1,927,898	1,676,007
Time	10,094,503	9,803,108	9,895,878
<i>Capital and Reserves</i>	4,001,170	3,954,186	3,721,432
Total Assets/Liabilities	24,217,115	24,042,041	23,953,490
Total Liquid Assets (Banks only)	5,292,000	5,010,798	5,156,294
Required Liquidity (Banks only)	3,880,222	3,916,805	4,079,161
Surplus/ Deficiency (-) (Banks only)	1,411,778	1,093,992	1,077,132
RATIOS (%)			
<i>Actual Liquidity to Domestic Liabilities (Banks Only)</i>	33.6	31.5	31.2
<i>Loans and Advances to Deposits</i>	79.9	78.4	80.0

<i>DEPOSITORY CORPORATIONS SURVEY</i>		Jul-19	Jun-19	Jul-18	
Net Foreign Assets (E)		6,377,400	5,178,096	8,188,651	
Net Official Assets		5,126,561	4,036,861	6,258,282	
Foreign Assets - Central Bank of Eswatini		7,652,617	6,581,094	8,585,941	
Foreign Liabilities - Central Bank of Eswatini		2,526,056	2,544,233	2,327,659	
Net Other Depository Corporations Foreign holdings (ODC)		1,250,839	1,141,235	1,930,369	
Foreign Assets - ODC		2,008,478	1,598,447	2,441,173	
Foreign Liabilities - ODC		757,639	457,211	510,804	
Net Foreign Assets (SDR)		326,522	263,565	443,824	
Net Domestic Claims		17,139,230	18,565,353	16,158,724	
Net Claims on Government		2,151,950	3,116,530	1,511,713	
Claims on Central Government		4,370,315	5,790,812	4,284,091	
Government Deposits		2,218,365	2,674,281	2,772,378	
Claims on other sectors		14,987,280	15,448,822	14,647,012	
Other nonfinancial corporations (Industry)		7,155,192	6,829,191	6,925,082	
Other resident sectors (Households & NPISH)		6,236,651	6,300,989	5,642,686	
Other sectors		1,595,437	2,318,643	2,079,244	
Broad Money Supply (M2)		17,145,301	17,371,611	17,637,101	
Narrow Money Supply (M1)		5,781,957	6,325,766	6,413,690	
Currency outside depository corporations (E)		663,784	717,843	637,314	
Transferable (Demand) deposits		5,118,173	5,607,923	5,776,376	
Quasi Money		11,363,343	11,045,845	11,223,411	
Savings Deposits		1,942,499	1,890,809	1,638,187	
Time Deposits		9,420,845	9,155,037	9,585,223	
Shares and Other Equity		6,609,326	6,671,068	6,631,922	
Central Bank Of Eswatini		2,038,857	2,129,085	2,378,683	
Other Depository Corporations		4,570,470	4,541,982	4,253,239	
Other Items (net)		-237,997	-299,230	78,352	
GSOSS OFFICIAL RESERVES		Aug-19	Jul-19	Jun-19	Jul-18
		Amount	Amount	Amount	Amount
		(E'000)	(E'000)	(E'000)	(E'000)
Total Official (GSoss) - Emalangeni E	6,424,841	6,221,328	5,141,525	7,232,424	6,473,298
Special Drawing Rights (SDR)	307,750	318,531	261,703	391,997	315,249
Central Bank	6,424,841	6,221,328	5,141,525	7,232,424	6,473,298
Government	26,243	26,243	26,243	26,243	26,243
Import Cover (Reserves to months of estimated imports)	2.8	2.7	2.3	3.3	3.0
Net Bank Holdings		1,250,839	1,141,235	1,930,369	2,920,042
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.					

