

Monthly Statistical Release

JUNE/JULY 2018











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**CENTRAL BANK
OF ESWATINI**
Umntsholi Wemaswati



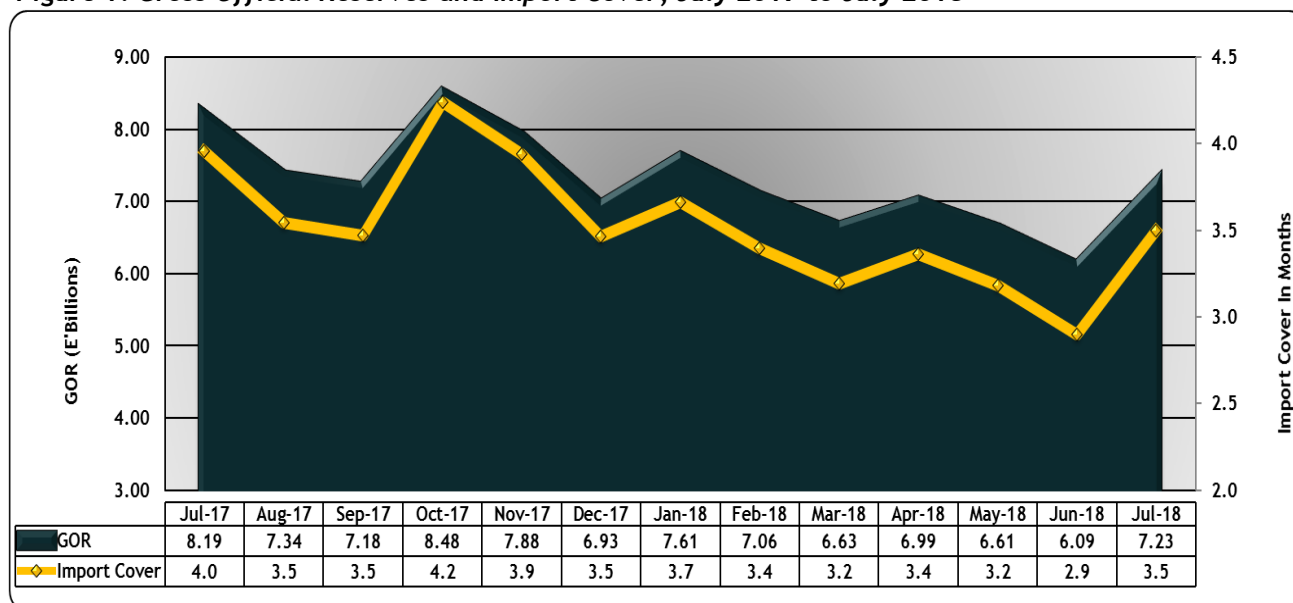
HIGHLIGHTS ON MAJOR MONETARY AGGREGATES	MONTHLY	ANNUAL % CHANGE
Gross Official Reserves grew by 18.7 per cent to reach E7.2 billion at the end of July 2018. At this level, the Reserves represented an import cover of 3.5 months. Annually, the Reserves receded by 11.7 per cent.	18.7 	11.7 
Credit Extended to the Private Sector was E14.5 billion in June 2018, depicting a 2.2 per cent month-on-month growth. The rise was recorded in credit to Businesses and Other Sectors whilst credit to Households receded. Over the year, Private Sector credit rose by 10.7 per cent.	2.2 	10.7 
Broad Money Supply (M2) rose by 1.1 per cent month-on-month to E17.0 billion. The increase was observed in Narrow Money Supply (M1) whilst Quasi Money declined in June 2018. Year-on-year, M2 expanded by 3.4 per cent.	1.1 	3.4 
Domestic Liquid Assets declined by 2.0 per cent to E4.4 billion over the review month, due to a fall in Other Depository Corporations' cash holdings and their investments in Government Securities. Year-on-year, Liquid Assets rose by 20.2 per cent.	2.0 	20.2 
	PERCENT	
Discount Rate: the discount rate was at 6.75 per cent in July 2018.		6.75
Prime Lending Rate: the prime lending rate was at 10.25 per cent in July 2018.		10.25

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Gross Official Reserves depicted growth of 18.7 per cent at the end of July 2018 to close the review month at E7.2 billion. The increase in Reserves was mainly boosted by the quarterly inflow of the Southern African Custom Union (SACU) receipts at the beginning of July 2018. The Reserves were therefore enough to cover 3.5 months of imports of goods and services, higher than the 2.9 months observed in June 2018. Compared over the year, the Reserves decelerated by 11.7 per cent in Emalangeni terms and by 11.1 per cent in SDR terms.

Figure 1: Gross Official Reserves and Import Cover; July 2017 to July 2018

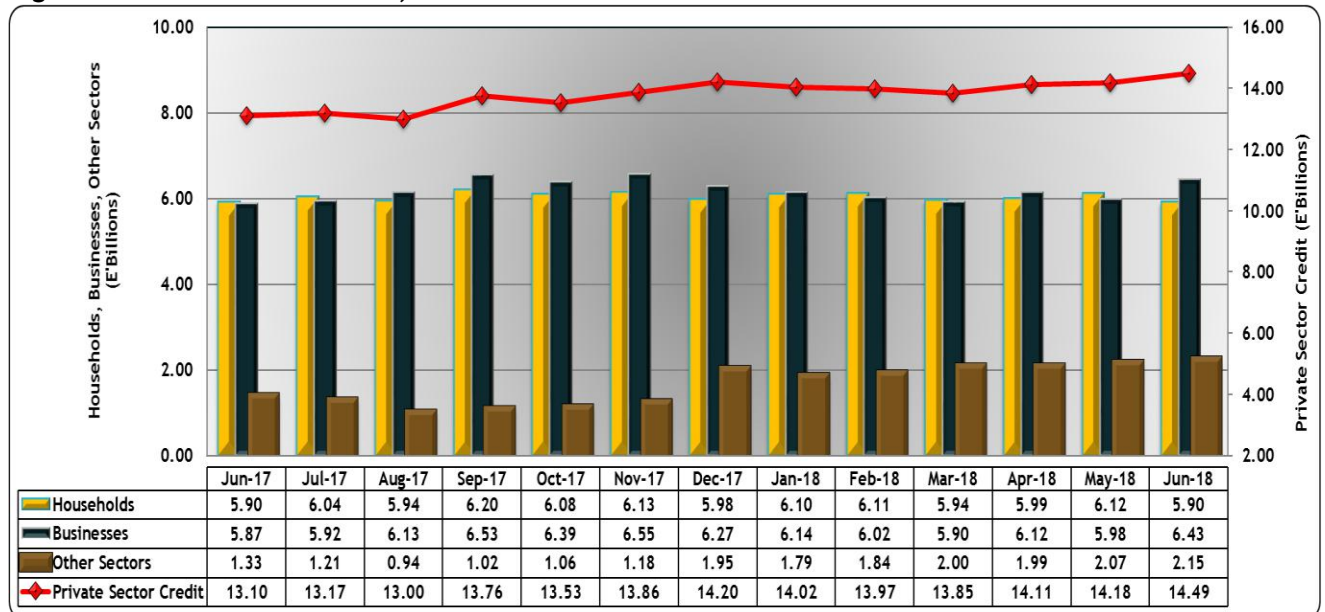


Source: Central Bank of Eswatini

Credit Extended to the Private Sector continued to grow steadily reflecting a month-on-month growth of 2.2 per cent at the end of June 2018 to reach E14.5 billion from E14.2 billion in May 2018. The rise was a result of increases in credit to Businesses and Other Sectors (mainly Local Government) at the end of June 2018. Credit to Households & Non-profit Institutions Serving Households (NPISH) however, reflected a reduction over the review month. When compared over the year, Private Sector Credit expanded by 10.7 per cent.

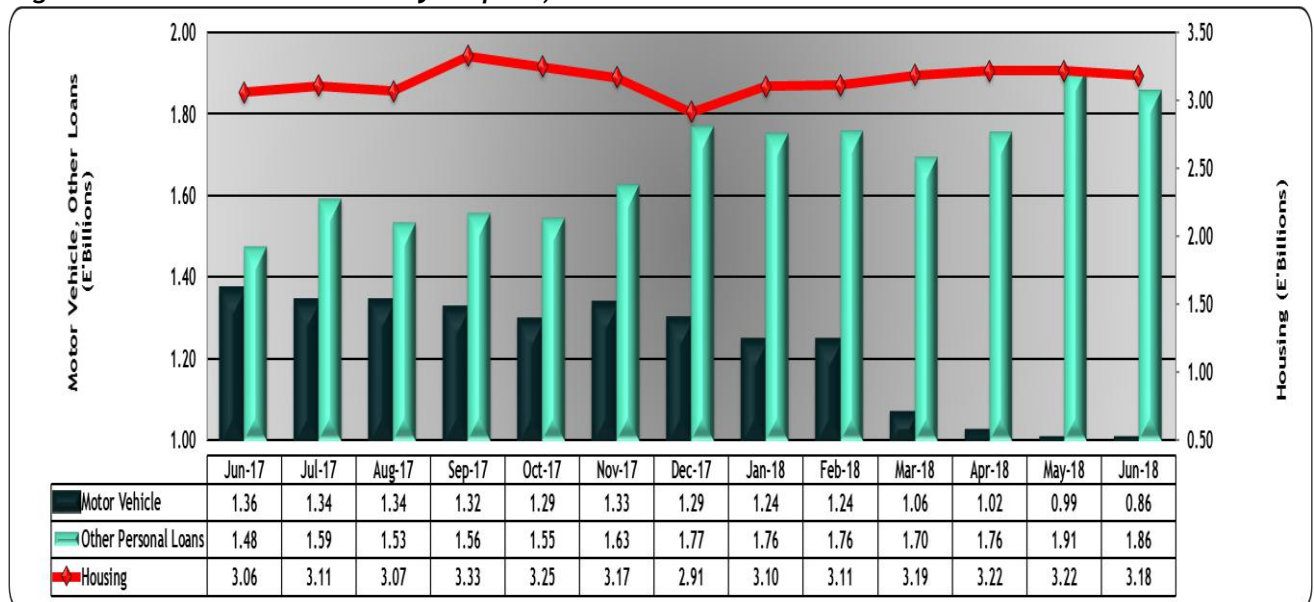
Credit Extended to Businesses accelerated by 7.6 per cent month-on-month to E6.4 billion at the end of June 2018, up from E6.0 billion recorded in May 2018. Sectoral contribution of credit to Businesses was as follows: Manufacturing (22.8 per cent), Community, Social & Personal Services (14.3 per cent), Distribution & Tourism (10.9 per cent), Mining & Quarry (7.9 per cent), Construction (6.0 per cent), Agriculture & Forestry (4.2 per cent), Real Estate (3.2 per cent) and Transport & Communications (1.4 per cent). Year-on-year, credit to Businesses accelerated by 9.6 per cent.

Credit Extended to Other Sectors reached E2.2 billion at the end of June 2018, depicting a month-on-month increase of 3.9 per cent. Growth was driven by Local Government which increased by 67.8 per cent, followed by Public Nonfinancial Corporations at 10.0 per cent. Other Financial Corporations on the other hand, fell by 0.5 per cent.

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

Source: Central Bank of Eswatini

Credit Extended to Households & NPISH amounted to E5.9 billion at the end of June 2018, reflecting a decline of 3.6 per cent from the previous month. The decline was evident in all components of credit to Households. Motor Vehicle Finance fell by 13.4 per cent to E860.9 million, Other Personal (unsecured) Loans by 2.7 per cent to E1.9 billion and lastly Mortgage Loans by 1.0 per cent to E3.18 billion.

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

Source: Other Depository Corporations

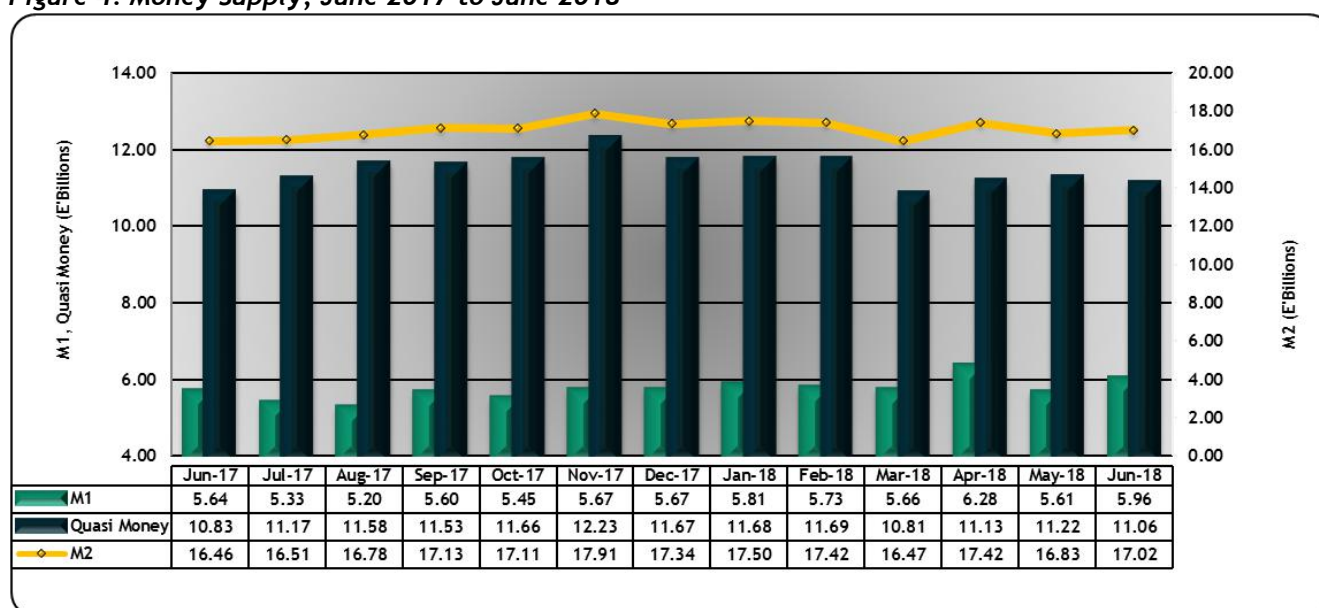
Net Government Balances placed with Other Depository Corporations rose to E1.5 billion at the end of June 2018, predominantly due to a significant decline in claims on Government. However, when compared over the year, Net Government balances reflected a decline.

Broad Money Supply (M2) improved by 1.1 per cent to E17.0 billion at the end of June 2018, higher than the E16.8 billion realised in May 2018. Growth in M2 was attributed to Narrow Money Supply (M1) which surpassed a contraction in Quasi Money Supply over the month under review. Compared over the year, M2 expanded by 3.4 per cent.

M1 grew by 6.2 per cent month-on-month to reach E6.0 billion at the end of June 2018, higher than the E5.6 billion registered in May 2018. Growth was driven by a 17.4 per cent increase in Currency Outside Depository Corporations to settle at E685.4 million and a 4.9 per cent rise in Transferable (Demand) Deposits to E5.3 billion.

Quasi Money Supply reflected a fall of 1.4 per cent from the previous month to settle at E11.1 billion at the end of June 2018. The reduction stemmed from a 1.8 per cent decline in Time Deposits to E9.4 billion, from E9.6 billion observed in May 2018. Savings Deposits on the contrary, grew by 0.8 per cent month-on-month to reach E1.6 billion at the end of June 2018.

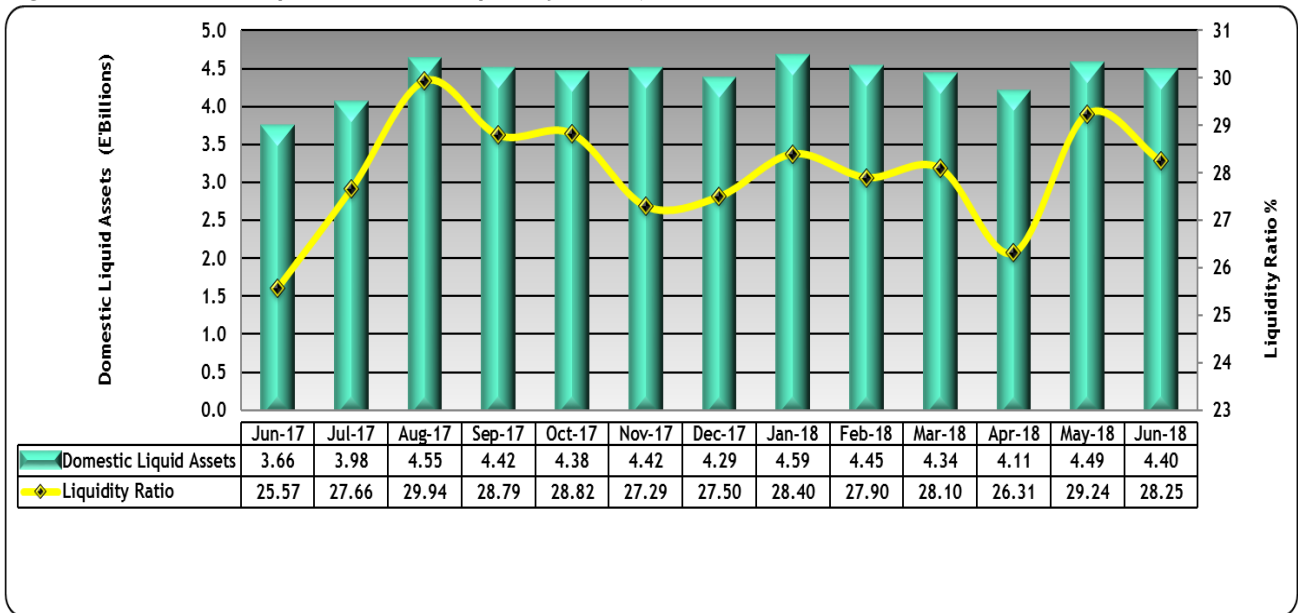
Figure 4: Money Supply; June 2017 to June 2018



Source: Other Depository Corporations & Central Bank of Eswatini

Liquidity Position of Banks stood at E4.4 billion at the end of June 2018 reflecting a decrease of 2.0 per cent from the level recorded in May 2018. The contraction emanated from a decline in Other Depository Corporations' cash holdings coupled with their investment in Government securities during the month under review. Consequently, the Banks' liquidity ratio fell from 29.2 per cent recorded in the previous month to 28.3 per cent at the end of June 2018. Year-on-year, the Banks' liquid assets were 20.2 per cent higher.

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



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	Jun-18	May-18	Jun-17
	Amount	Amount	Amount
	(E'000)	(E'000)	(E'000)
CENTRAL BANK OF SWAZILAND			
Claims on Non-residents	7 491 605	7 895 449	8 198 756
Claims on Domestic Economy	1 355 249	1 383 758	1 197 473
Government	1 322 329	1 350 854	1 124 211
Other Depository Corporations	2 088	2 079	45 667
Other Resident Sectors	30 832	30 825	27 595
Other Assets	506 734	1 772 297	468 754
Total Assets/Liabilities	9 353 588	11 051 504	9 864 983
OTHER DEPOSITORY CORPORATIONS			
Cash and Deposits with CBS	1 911 860	1 901 240	1 551 573
Net Balances with Banks Outside Swaziland	1 750 373	1 780 863	2 535 959
Loans and advances	13 766 352	13 461 795	12 301 677
Government Securities	2 707 776	2 785 086	2 233 044
Treasury Bills	1 753 667	1 832 065	1 339 413
Government Bonds	954 108	953 021	893 631
Other	0	0	0
Total Deposits	16 809 548	16 583 306	15 998 322
Transferable/Demand	5 301 527	5 057 554	5 024 427
Savings	1 672 073	1 656 317	1 763 487
Time	9 835 948	9 869 435	9 210 408
Capital and Reserves	3 715 437	3 704 212	3 283 639
Total Assets/Liabilities	22 809 612	22 543 859	21 269 578
Total Liquid Assets (Banks only)	4 397 759	4 489 465	3 657 439
Required Liquidity (Banks only)	3 838 332	3 785 696	3 522 704
Surplus/ Deficiency (-) (Banks only)	559 427	703 769	134 736
RATIOS (%)			
Actual Liquidity to Domestic Liabilities (Banks Only)	28.3	29.2	25.6
Loans and Advances to Deposits	81.9	81.2	76.9



DEPOSITORY CORPORATIONS SURVEY		Jun-18	May-18	Jun-17	
Net Foreign Assets (E)		6 879 064	7 410 777	8 446 334	
Net Official Assets		5 133 305	5 607 098	5 900 616	
Foreign Assets - Central Bank of Swaziland		7 517 848	7 921 692	8 224 998	
Foreign Liabilities - Central Bank of Swaziland		2 384 543	2 314 593	2 324 383	
Net Other Depository Corporations Foreign holdings (ODC)		1 745 759	1 803 678	2 545 718	
Foreign Assets - ODC		2 077 937	2 182 233	2 861 589	
Foreign Liabilities - ODC		332 178	378 554	315 871	
Net Foreign Assets (SDR)		354 271	414 262	462 534	
Net Domestic Claims		16 022 230	14 280 719	12 339 296	
Net Claims on Government		1 530 696	103 942	-757 184	
Claims on Central Government		4 030 756	4 157 110	3 360 646	
Government Deposits		2 500 061	4 053 168	4 117 830	
Claims on other sectors		14 491 535	14 176 777	13 096 480	
Other nonfinancial corporations (Industry)		6 432 588	5 980 009	5 869 331	
Other resident sectors (Households & NPISH)		5 904 029	6 122 406	5 901 194	
Other sectors		2 154 918	2 074 362	1 325 954	
Broad Money Supply (M2)		17 019 943	16 831 192	16 462 608	
Narrow Money Supply (M1)		5 955 723	5 608 038	5 637 439	
Currency outside depository corporations (E)		685 399	583 770	633 077	
Transferable (Demand) deposits		5 270 324	5 024 269	5 004 361	
Quasi Money		11 064 221	11 223 154	10 825 169	
Savings Deposits		1 635 572	1 621 982	1 731 976	
Time Deposits		9 428 649	9 601 172	9 093 194	
Shares and Other Equity		6 462 589	6 548 018	5 070 480	
Central Of Swaziland		2 222 969	2 322 836	1 329 479	
Other Depository Corporations		4 239 619	4 225 182	3 741 001	
Other Items (net)		-581 238	-1 716 265	-747 458	
GROSS OFFICIAL RESERVES	31-Jul-18	Jun-18	May-18	Jun-17	Jul-17
	Amount	Amount	Amount	Amount	Amount
	(E'000)	(E'000)	(E'000)	(E'000)	(E'000)
Total Official (Gross) - Emalangeni E	7 232 424	6 091 782	6 608 540	6 885 093	8 189 310
Special Drawing Rights (SDR)	391 997	313 726	369 417	377 038	440 954
Central Bank	7 232 424	6 091 782	6 608 540	6 885 093	8 189 310
Government	26 243	26 243	26 243	26 243	26 243
Import Cover (Reserves to months of estimated imports)	3.5	2.9	3.2	3.3	4.0
Net Bank Holdings		1 745 759	1 803 678	2 545 718	2 282 129
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5.Import cover figures are subject to revision as import figures used have a 3 month lag.					

