



MONEY AND BANKING STATISTICS

SEPTEMBER/OCTOBER 2016

HIGHLIGHTS ON MAJOR ECONOMIC AGGREGATES

MONTHLY %
CHANGE

ANNUAL %
CHANGE

Gross Official Reserves amounted to E8.2 billion in October 2016, higher than the E7.5 billion recorded in September 2016. The growth was on account of the SACU inflows at the beginning of October 2016. Import Cover settled at 3.9 months in October 2016, higher than the cover of 3.6 months recorded in September 2016.

9.5



8.9



Credit to the Private Sector increased by 0.6 per cent m/m but grew by 10.9 per cent y/y. Credit to other sectors improved by 2.2 per cent and households by 1.6 per cent. Credit to businesses however, fell by 0.6 per cent in September 2016.

0.6



10.9



Broad Money Supply (M2) was 3.7 per cent lower than in August 2016 but 10.9 per cent higher than in September 2015. The m/m contraction in M2 was reflected in both quasi money supply (-4.7 per cent) and M1 (-1.6 per cent).

3.7



10.9



Domestic Liquid Assets increased by 4.2 per cent from the preceding month. The improvement in domestic liquid assets was due to growth in commercial banks' balances with the Central Bank and their Rand currency holdings.

4.2



40.6



PERCENT

Bank Rate remained unchanged at 7 per cent at the end of September 2016.

7.0

Prime Lending Rate was at 10.5 per cent at the end of September 2016.

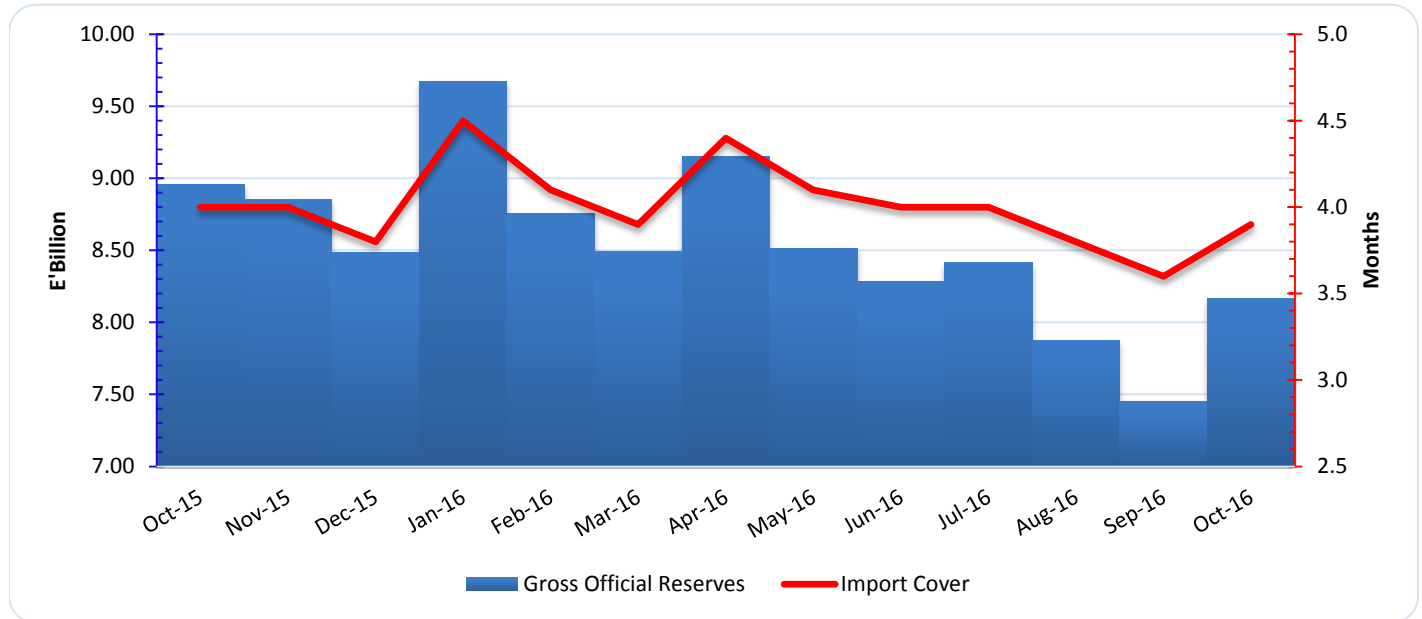
10.5



Summary of Movements in Major Monetary Aggregates

Gross Official Reserves amounted to E8.2 billion at the end of October 2016, lower than the E7.5 billion recorded in September 2016. The observed growth in Reserves was on account of the inflow of the Southern African Customs Union (SACU) receipts at the beginning of October 2016. Import cover amounted to 3.9 months at the end of October 2016, higher than the 3.6 months recorded in September 2016. When valued in Special Drawing Rights (SDR), the Reserves settled at SDR438.5 million, higher than the SDR386.3 million recorded in September 2016. When compared with October 2015, Gross Official Reserves were 8.9 per cent lower when valued in Emalangeni terms and 5.5 per cent lower when valued in SDR terms.

Figure 1 - Gross Official Reserves and Import Cover; October 2015 to October 2016



Source: Central Bank of Swaziland

Credit Extended to the Private Sector grew by 0.6 per cent month-on-month to E12.4 billion. The improvement in credit extended to the private sector was mainly observed in credit to other sectors (mainly Local Government and Public Non-Financial Corporations) and credit to Households and Non-Profit Institutions Serving Households (NPISH). Credit to Businesses on the other hand reflected a decline from the preceding month.

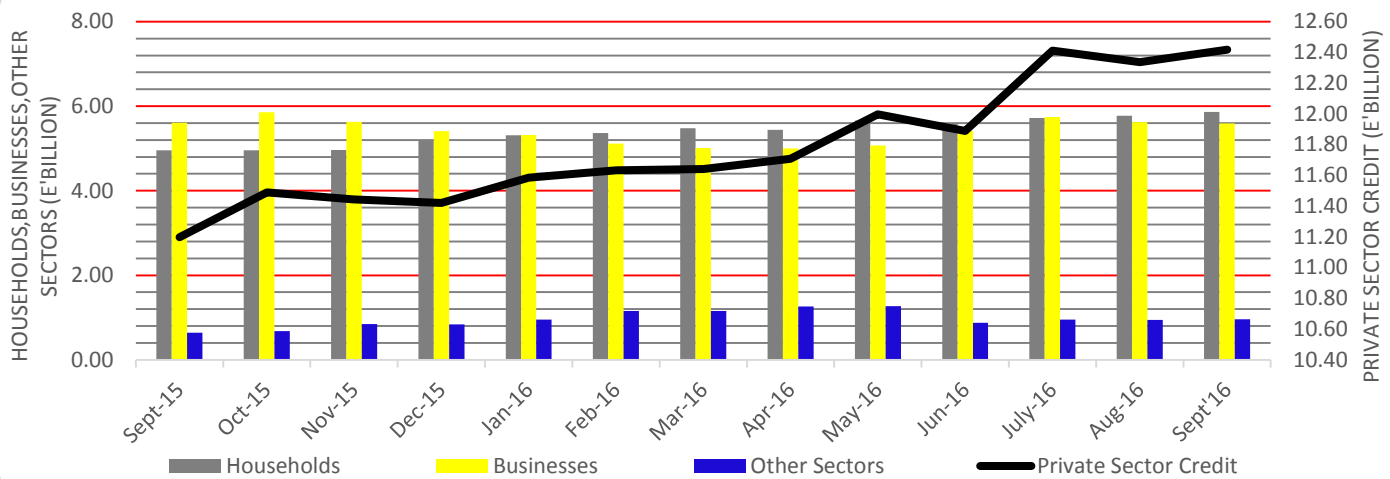
Credit Extended to Other Sectors amounted to E961.8 million, 2.2 per cent higher than recorded in the preceding month and 79.8 per cent when compared with September 2015. The month-on-month growth was observed in a rise in credit to Public Non-Financial Corporations (9.5 per cent) and Local Governments (4.8 per cent). Credit to Other Financial Corporations on the other hand fell by 0.8 per cent from the preceding month.

Credit Extended to Businesses contracted by 0.6 per cent month-on-month and by 0.3 per cent year-on-year. The month-on-month fall in credit to Businesses was driven by a decline in credit to the Distribution & Tourism (-15.7 per cent), Real Estate (-7.4 per cent), Agriculture & Forestry (-2.1 per cent) and Construction (-1.7 per cent) sectors. Sectors that reflected month-on-month improvement in credit uptake include the Community, Social & Personal Services (35.8 per cent), Transport & Communications (4.4 per cent), Manufacturing (3.5 per cent) as well as Mining & Quarrying (3.5 per cent) sectors.



Summary of Movements in Major Monetary Aggregates

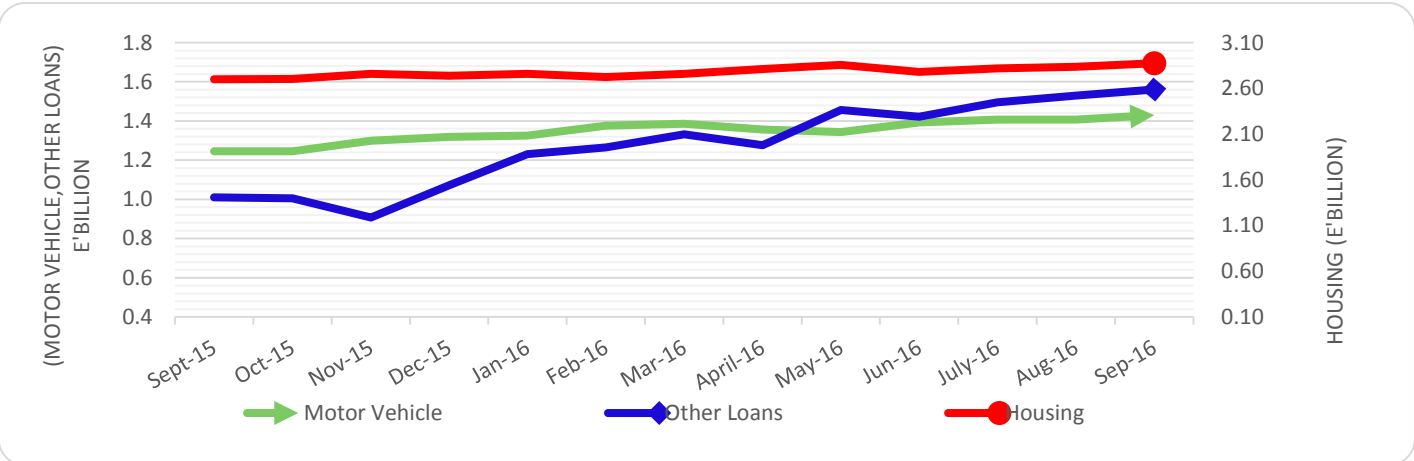
Figure 2: Private Sector Credit; September 2015 to September 2016



Source: Central Bank of Swaziland

Credit Extended to Households & NPISH improved by 1.6 per cent and grew by 18.4 per cent year-on-year. The rise in credit to Households and NPISH was on account of growth in all its components. Other (unsecured) loans grew by 2 per cent over the review month to close at E1.6 billion. Credit extended to Households for motor vehicle finance increased by 1.6 per cent month-on-month to close at E1.4 billion. Credit extended for mortgage finance rose by 1.4 per cent to E2.9 billion over the month ended September 2016.

Figure 3: Credit to Households by Purpose; September 2015 to September 2016



Source: Other Depository Corporations

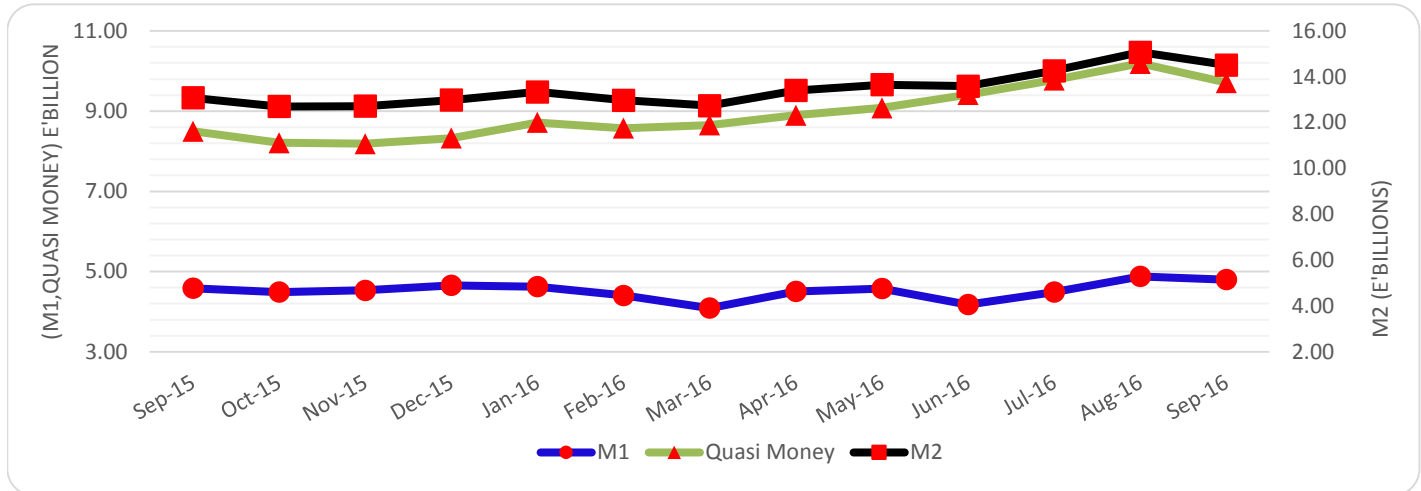
Net Government Balances amounted to E453.8 million, 63.4 per cent lower than recorded in the preceding month and 85.4 per cent lower when compared with September 2015. The month-on-month decline in net Government balances was largely on account of a fall in Government deposits (mainly Government's current account). Government deposits declined by 16.6 per cent over the review month to close at E3.9 billion.

Broad Money Supply (M2) fell by 3.7 per cent month-on-month to E14.5 billion. The fall in M2 was driven by both Quasi Money Supply and Narrow Money Supply (M1). Quasi money supply decreased by 4.7 per cent over the month to settle at E9.7 billion. The fall in quasi money supply was mainly observed in time deposits (-5.8 per cent). Savings deposits on the other hand increased by 0.4 per cent over the review month. M1 was 1.6 per cent lower than recorded in the preceding month. The decrease in M1 was reflected in transferable deposits (-2.8 per cent). Currency outside depository corporations on the other hand expanded by 7 per cent in the review month. Over the year, quasi money supply grew by 14.3 per cent, M2 by 10.9 per cent and M1 rose by 4.6 per cent.



Summary of Movements in Major Monetary Aggregates

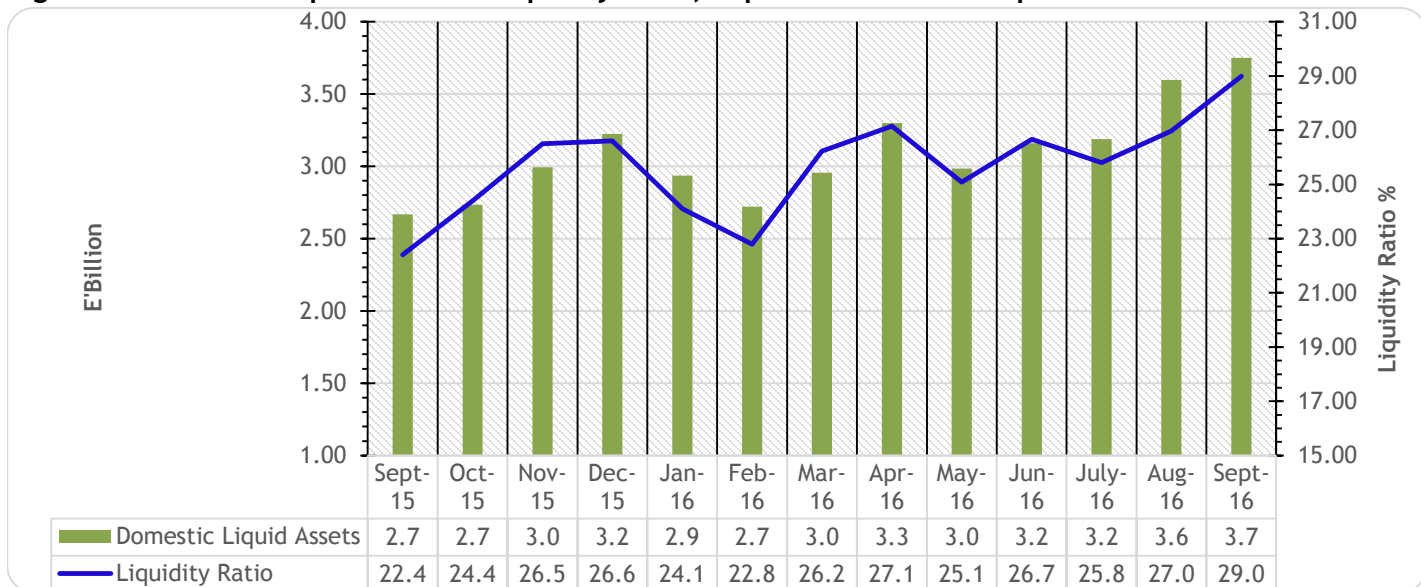
Figure 4: Money Supply; September 2015 to September 2016



Source: Other Depository Corporations & Central Bank of Swaziland

Domestic Liquid Assets amounted to E3.7 billion at the end of September 2016, higher than the E3.6 billion recorded in August 2016. The growth in domestic liquid assets was largely on account of an increase in commercial banks' balances with the Central Bank (19.5 per cent) and their Rand currency holdings (11.7 per cent) over the review month. As at the month ended September 2016, the liquidity ratio increased to 29 per cent from 27 per cent recorded in August 2016.

Figure 5: Domestic Liquid Assets & Liquidity Ratio; September 2015 to September 2016



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	Sep-16	Aug-16	Sep-15
	Amount (E'000)	Amount (E'000)	Amount (E'000)
CENTRAL BANK OF SWAZILAND			
Claims on Non-residents	8,843,416	9,340,681	8,873,547
Claims on Domestic Economy	1,148,441	1,143,159	26,514
Government	1,122,620	1,116,425	2,744
Other Depository Corporations	1,313	1,850	1,708
Other Resident Sectors	24,509	24,884	22,061
Other Assets	433,118	432,842	435,218
Total Assets/Liabilities	10,424,975	10,916,682	9,335,279
OTHER DEPOSITORY CORPORATIONS			
Cash and Deposits with CBS	1,569,869	1,435,311	1,195,210
Net Balances with Banks Outside Swaziland	1,285,134	2,081,692	2,444,726
Loans and advances	11,845,773	11,750,114	10,963,210
Government Securities	2,276,325	2,270,143	1,597,454
Treasury Bills	1,620,419	1,621,629	1,050,066
Government Bonds	655,907	648,514	547,388
Other	0	0	0
Total Deposits	14,104,036	14,709,394	13,017,720
Transferable/Demand	4,205,187	4,340,032	4,023,482
Savings	1,827,482	1,819,173	1,670,066
Time	8,071,367	8,550,189	7,324,172
Capital and Reserves	3,184,269	3,139,528	2,833,145
Total Assets/Liabilities	19,374,935	19,772,532	17,638,989
Total Liquid Assets (Banks only)	3,749,899	3,598,784	2,667,666

	Sep-16	Aug-16	Sep-15		
	Amount (E'000)	Amount (E'000)	Amount (E'000)		
Required Liquidity (Banks only)	3,189,665	3,293,537	2,344,148		
Surplus/ Deficiency (-) (Banks only)	560,233	305,247	323,518		
RATIOS (%)					
Actual Liquidity to Domestic Liabilities (Banks Only)	29.0	27.0	22.4		
Loans and Advances to Deposits	84.0	79.9	84.2		
DEPOSITORY CORPORATIONS SURVEY					
Net Foreign Assets	7,049,175	8,499,554	9,634,528		
Net Official Assets	5,743,852	6,395,124	7,193,170		
Foreign Assets - Central Bank of Swaziland	8,872,529	9,371,827	8,962,123		
Foreign Liabilities - Central Bank of Swaziland	3,128,676	2,976,703	1,768,953		
Net Other Depository Corporations Foreign holdings (ODC)	1,305,322	2,104,430	2,441,358		
Foreign Assets - ODC	1,739,418	2,522,300	2,648,430		
Foreign Liabilities - ODC	434,095	417,870	207,072		
Net Domestic Claims	11,962,807	11,098,944	8,080,257		
Net Claims on Government	(453,800)	(1,238,296)	(3,117,249)		
Claims on Central Government	3,415,918	3,400,148	1,613,387		
Government Deposits	3,869,718	4,638,444	4,730,637		
Claims on other sectors	12,416,607	12,337,239	11,197,506		
Other nonfinancial corporations (Industry)	5,589,979	5,623,671	5,605,192		
Other resident sectors (Households &NPISH)	5,864,873	5,772,740	4,954,255		
Other sectors	961,755	940,828	638,059		
Broad Money Supply (M2)	14,510,253	15,069,101	13,084,593		
Narrow Money Supply (M1)	4,797,878	4,878,305	4,586,129		
Currency outside depository corporations (E)	620,687	580,149	586,066		
Transferable (Demand) deposits	4,177,192	4,298,156	4,000,063		
Quasi Money	9,712,374	10,190,796	8,498,464		
Savings Deposits	1,798,748	1,791,916	1,644,045		
Time Deposits	7,913,626	8,398,880	6,854,419		
Shares and other equity	4,993,891	5,074,298	4,833,596		
Central Of Swaziland	1,366,578	1,493,917	1,618,636		
Other Depository Corporations	3,627,313	3,580,381	3,214,960		
Other Items (net)	-492,162	-544,902	-203,404		
SWAZILAND'S INTERNATIONAL RESERVES	Oct-16	Sep-16	Aug-16	Sep-15	Oct-15
	Amount (E'000)	Amount (E'000)	Amount (E'000)	Amount (E'000)	Amount (E'000)
Total Official (Gross) - Emalangeni E	8,165,597	7,455,239	7,870,955	8,014,433	8,959,948
Special Drawing Rights (SDR)	438,546	386,346	385,257	411,753	464,304
Central Bank	8,165,597	7,455,239	7,870,955	8,014,433	8,959,948
Government	29,113	29,113	31,146	88,576	34,396
Import Cover (Reserves to months of estimated imports)	3.9	3.6	3.8	3.5	4.0
Net Bank Holdings	1,305,322	2,104,430	2,441,358	1,453,892	

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5.Import cover figures are subject to revision as import figures used have a 3 month lag.

