

# Monthly Statistical Release

MAY 2019/JUNE 2019



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**CENTRAL BANK  
OF ESWATINI**  
Umntsholi Wemaswati



HIGHLIGHTS ON MAJOR MONETARY AGGREGATES	MONTHLY % CHANGE	ANNUAL % CHANGE
<b>Gross Official Reserves</b> stood at E5.2 billion at the end of June 2019, 7.7 per cent lower relative to the previous month. The Reserves were sufficient to cover 2.2 months of imports of goods and services. Year-on-year, the Reserves depicted a contraction of 15.2 per cent.	7.7 ▼	15.2 ▼
<b>Credit Extended to the Private Sector</b> grew by 1.8 per cent to reach E15.1 billion at the end of May 2019. Growth was observed in credit to all three sectors; Other Sectors, Businesses as well as Households. Compared over the year, Private sector credit expanded by 6.5 per cent.	1.8 ▲	6.5 ▲
<b>Broad Money Supply (M2)</b> amounted to E17.2 billion in May 2019, depicting a decline of 0.7 per cent month-on-month. The fall was observed in Narrow Money Supply (M1) while Quasi Money Supply increased. Year-on-year, M2 improved by 2.2 per cent.	0.7 ▼	2.2 ▲
<b>Domestic Liquid Assets</b> decelerated by 3.7 per cent to reach E5.0 billion at the end of the review month. The contraction was due to a reduction in the Banks' cash holdings as well as their investment in Government securities. Consequently, the Banks' liquidity ratio stood at 31.3 per cent. Compared over the year, Domestic Liquid Assets rose by 11.1 per cent.	3.7 ▼	11.1 ▲
	<b>PERCENT</b>	
<b>Discount Rate:</b> The Central Bank of Eswatini maintained its discount rate at 6.75 per cent at the end of June 2019.		6.75
<b>Prime Lending Rate:</b> Commercial Banks also maintained their prime lending rate at 10.25 per cent at the end of June 2019.		10.25

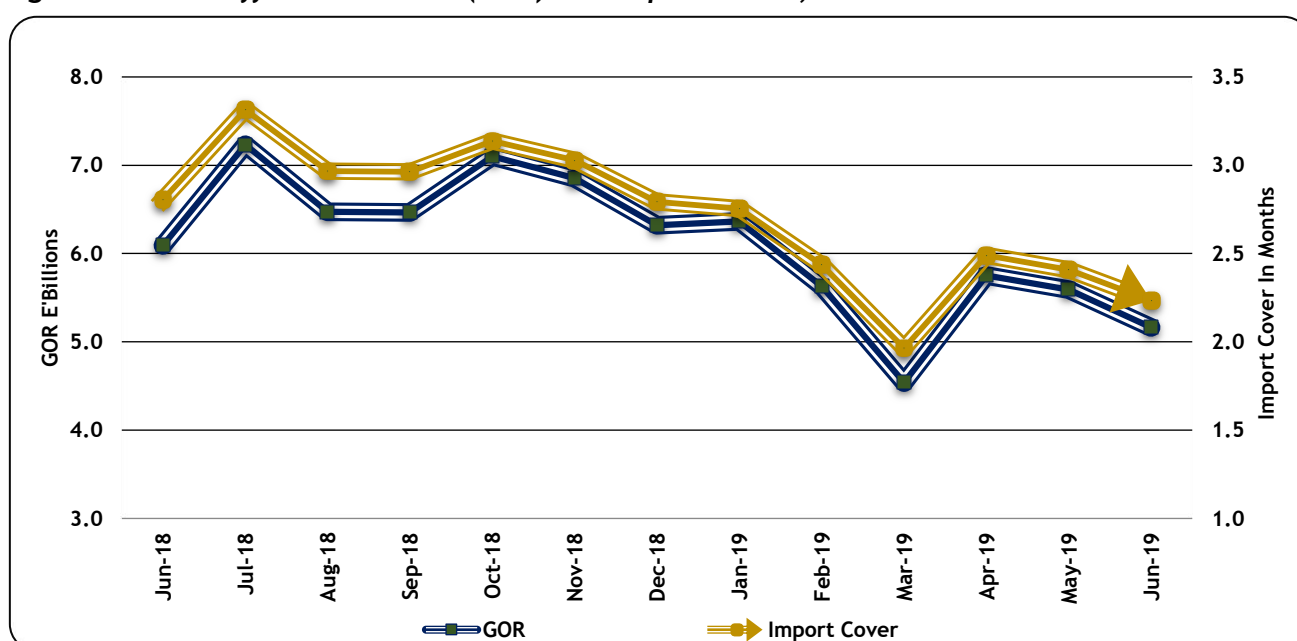
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**Gross Official Reserves** amounted to E5.2 billion at the end of June 2019, reflecting a month-on-month decline of 7.7 per cent from May 2019. At this level, the Reserves were equivalent to an import cover of 2.2 months, lower than the 2.4 months observed in May 2019. Year-on-year, Gross Official Reserves declined by 15.2 per cent.

**Valued in Special Drawing Rights (SDRs)**, the Reserves amounted to SDR262.8 million at the end of June 2019, 5.2 per cent lower relative to the previous month. Compared over the year, the SDR value of Reserves recorded a contraction of 16.2 per cent.

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



Source: Central Bank of Eswatini

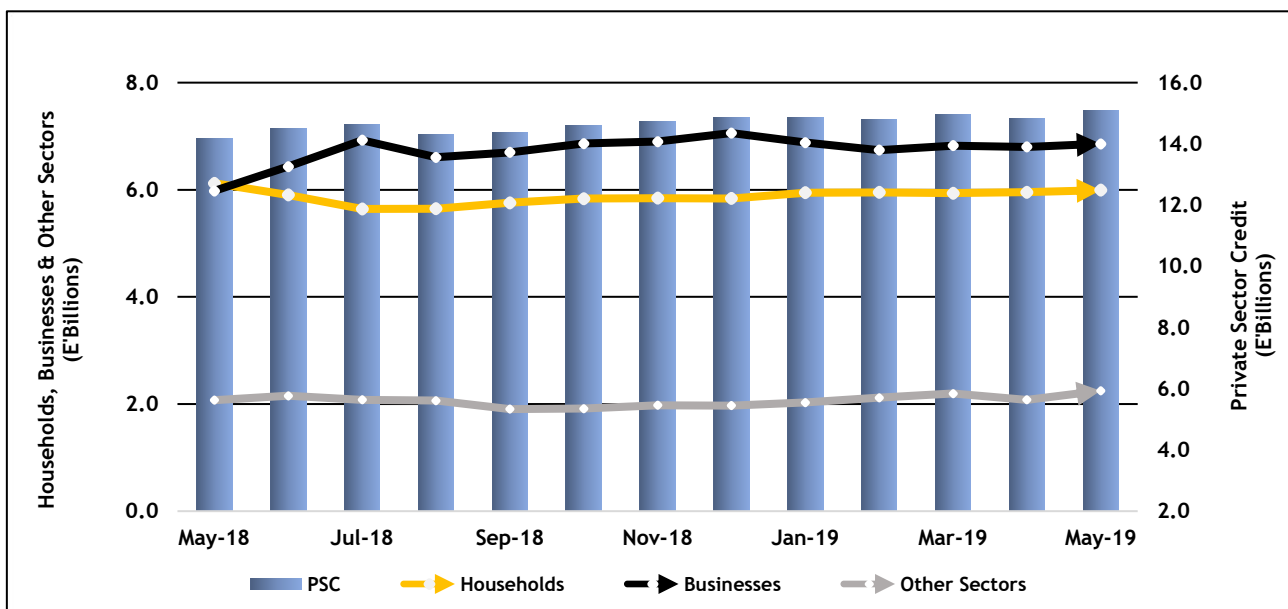
**Credit Extended to the Private Sector** rebounded from a decline of 0.8 per cent observed in April 2019 and grew by 1.8 per cent to reach E15.1 billion at the end of May 2019. The expansion was evident in all components; credit to Other Sectors (Other Financial Corporations, Public Non-Financial Corporations and Local Government), Businesses and Households & Non-profit Institutions Serving Households (NPISH). Compared over the year, credit to the Private sector grew by 6.5 per cent.

**Credit Extended to Other Sectors** stood at E2.2 billion at the end of May 2019, representing an increase of 8.1 per cent from April 2019. Growth was driven by credit to Other Financial Corporations and Public Non-Financial Corporations, which grew by 10.6 per cent and 1.8 per cent respectively. Credit to Local Government on the contrary,

trended in the opposite direction and depicted a reduction of 3.4 per cent relative to the previous month.

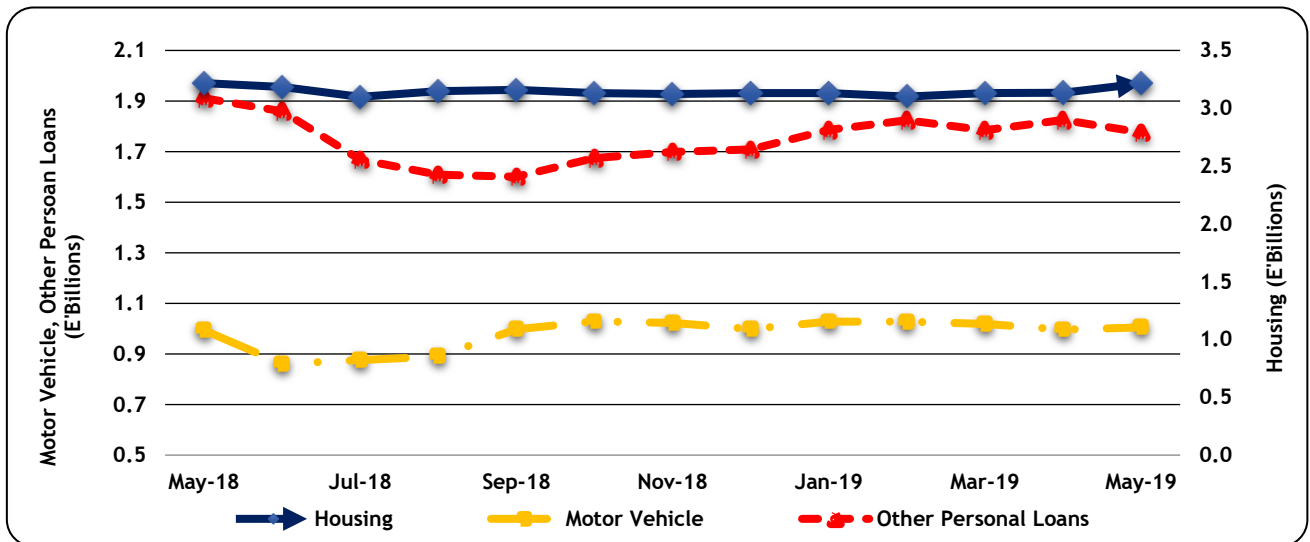
**Credit Extended to Businesses** picked up by 0.8 per cent from E6.8 billion in April 2019 to E6.9 billion at the end of May 2019. The month-on-month increase was predominantly underpinned by improved demand for credit by the Mining & Quarrying sector (6.9 per cent) and Transport & Communication sector (5.5 per cent). The above-mentioned increases were somewhat dampened by a reduction in credit to the Construction (-0.6 per cent), Community, Social & Personal Services (-0.6 per cent) as well as Distribution & Tourism (-0.4 per cent) sectors.

**Figure 2: Private Sector Credit; May 2018 to May 2019**



Source: Other Depository Corporations & Central Bank of Eswatini

**Credit Extended to Households & NPISH** amounted to E6.0 billion at the end of May 2019, depicting an increase of 0.6 per cent relative to the preceding month, due to Mortgage Finance and Motor Vehicle Finance. Mortgage Finance grew by 2.5 per cent to E3.2 billion and Motor Vehicle Finance rose by 0.9 per cent to E1.0 billion. Other Personal (unsecured) Loans on the other hand, retreated by 2.7 per cent to settle at E1.8 billion.

**Figure 3: Credit to Households by Purpose; May 2018 to May 2019**

Source: Other Depository Corporations & Central Bank of Eswatini

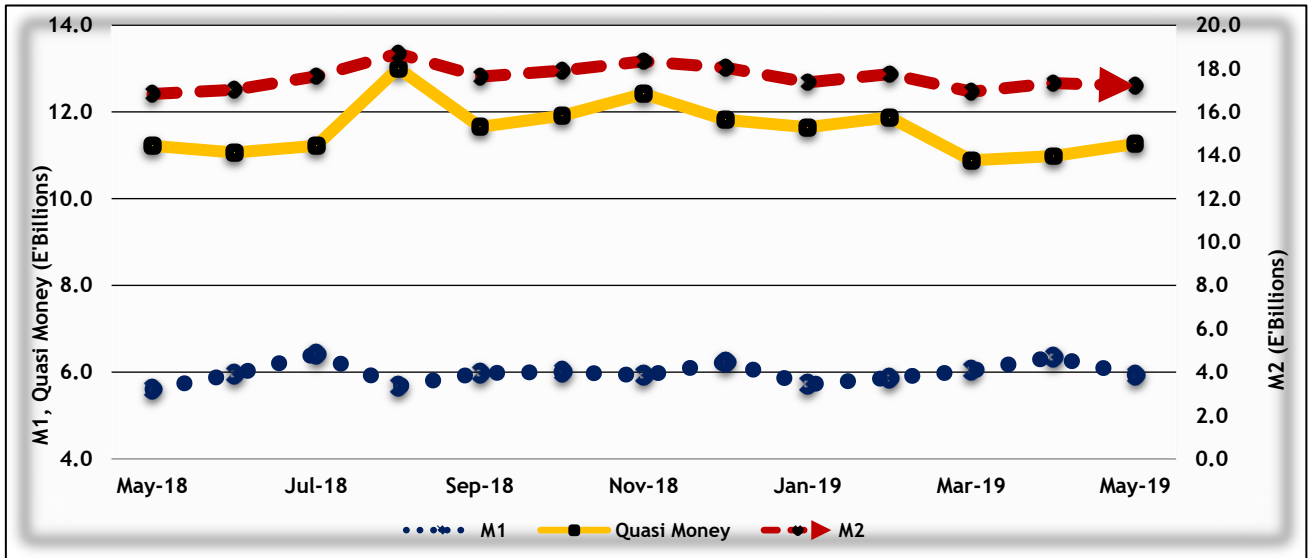
**Net Claims on Government by the banking sector** reflected a month-on-month growth of 13.7 per cent to E3.2 billion at the end of May 2019. The rise emanated from a higher draw down on Government deposits by 21.4 per cent alongside a lower fall of 5.0 per cent in claims on Government. Compared to the previous year, net claims on Government depicted positive growth rate.

**Broad Money Supply (M2)** registered a monthly decrease of 0.7 per cent from E17.3 billion in April 2019 to E17.2 billion at the end of May 2019. The contraction in M2 resulted from a downward movement in Narrow Money Supply (M1), which overshadowed growth in Quasi Money Supply. Compared annually, however, M2 expanded by 2.2 per cent.

**M1** receded by 6.5 per cent month-on-month to settle at E5.9 billion at the end of May 2019, weighed down by Transferable Deposits. As a result, Transferable (demand) Deposits declined by 7.9 per cent to E5.2 billion over the review month. Emalangi Outside Depository Corporations on the contrary, trended in the opposite direction and grew by 5.7 per cent at the end of May 2019.

**Quasi Money Supply** expanded by 2.6 per cent at the end of May 2019 to reach E11.3 billion, due to Time Deposits. Time deposits therefore, improved by 3.4 per cent to E9.4 billion whilst Savings Deposits fell by 1.4 per cent to E1.8 billion over the month under review.

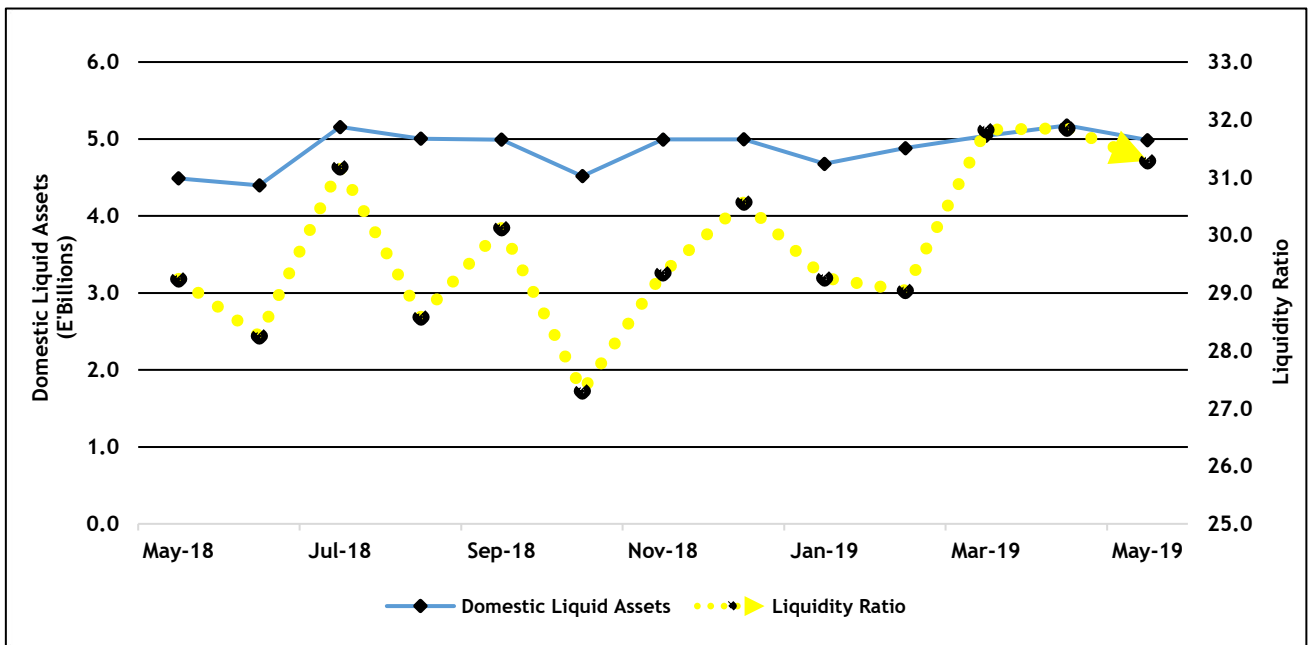
Figure 4: Money Supply; May 2018 to May 2019



Source: Other Depository Corporations & Central Bank of Eswatini

**Banks' Liquid Assets** retreated by 3.7 per cent on a monthly basis to settle at 5.0 billion at the end of May 2019, lower than the E5.2 billion registered in April 2019. This development was on account of a fall in Banks' cash holdings coupled with their investment in Government securities over the review period. The liquidity ratio consequently fell to 31.3 per cent at the end of May 2019, down from the 31.9 per cent recorded in April 2019. On a yearly comparison, Banks' liquid assets grew by 11.1 per cent.

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



Source: Other Depository Corporations & Central Bank of Eswatini



## 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	May-19	Apr-19	May-18
	Amount	Amount	Amount
	(E'000)	(E'000)	(E'000)
<b>CENTRAL BANK OF ESWATINI</b>			
Claims on Non-residents	7,042,347	7,182,164	7,895,449
Claims on Domestic Economy	3,060,406	3,037,025	1,383,758
Government	3,030,724	3,007,258	1,350,854
Other Depository Corporations	2,064	2,064	2,079
Other Resident Sectors	27,618	27,703	30,825
Other Assets	481,532	502,584	1,068,515
<b>Total Assets/Liabilities</b>	<b>10,584,285</b>	<b>10,721,772</b>	<b>10,347,722</b>
<b>OTHER DEPOSITORY CORPORATIONS</b>			
Cash and Deposits with CBS	2,551,882	2,438,591	1,901,240
Net Balances with Banks Outside Eswatini	1,576,082	1,801,903	1,780,863
Loans and advances	13,455,265	13,356,676	13,461,795
Government Securities	2,712,819	3,030,414	2,785,086
Treasury Bills	1,773,583	2,001,013	1,832,065
Government Bonds	939,236	1,029,402	953,021
Other	0	0	0
<b>Total Deposits</b>	<b>17,385,548</b>	<b>17,630,708</b>	<b>16,583,306</b>
Transferable/Demand	5,424,919	5,913,188	5,057,554
Savings	1,883,073	1,909,275	1,656,317
Time	10,077,557	9,808,245	9,869,435
Capital and Reserves	3,931,721	3,872,462	3,704,212
<b>Total Assets/Liabilities</b>	<b>23,870,884</b>	<b>23,930,593</b>	<b>22,543,859</b>
<b>Total Liquid Assets (Banks only)</b>	<b>4,986,813</b>	<b>5,176,518</b>	<b>4,489,465</b>
Required Liquidity (Banks only)	3,925,577	4,004,868	3,785,696
Surplus/ Deficiency (-) (Banks only)	1,061,236	1,171,651	703,769
<b>RATIOS (%)</b>			
Actual Liquidity to Domestic Liabilities (Banks Only)	31.3	31.9	29.2
Loans and Advances to Deposits	77.4	75.8	81.2



<i>DEPOSITORY CORPORATIONS SURVEY</i>		May-19	Apr-19	May-18	
<i>Net Foreign Assets (E)</i>		6,143,825	6,530,581	7,410,777	
<i>Net Official Assets</i>		4,672,620	4,817,336	5,607,098	
Foreign Assets - Central Bank of Eswatini		7,068,590	7,208,406	7,921,692	
Foreign Liabilities - Central Bank of Eswatini		2,395,970	2,391,070	2,314,593	
<i>Net Other Depository Corporations Foreign holdings (ODC)</i>		1,471,206	1,713,244	1,803,678	
Foreign Assets - ODC		1,966,525	2,019,903	2,182,233	
Foreign Liabilities - ODC		495,319	306,659	378,554	
<i>Net Foreign Assets (SDR)</i>		304,734	328,488	414,262	
<i>Net Domestic Claims</i>		18,338,289	17,682,505	14,280,719	
<i>Net Claims on Government</i>		3,238,066	2,847,775	103,942	
Claims on Central Government		5,778,508	6,081,028	4,157,110	
Government Deposits		2,540,442	3,233,253	4,053,168	
<i>Claims on other sectors</i>		15,100,223	14,834,730	14,176,777	
Other nonfinancial corporations (Industry)		6,858,246	6,800,569	5,980,009	
Other resident sectors (Households & NPISH)		5,993,323	5,954,714	6,122,406	
Other sectors		2,248,654	2,079,447	2,074,362	
<i>Broad Money Supply (M2)</i>		17,201,331	17,329,490	16,831,192	
<i>Narrow Money Supply (M1)</i>		5,934,962	6,348,037	5,608,038	
Currency outside depository corporations (E)		687,770	650,831	583,770	
Transferable (Demand) deposits		5,247,191	5,697,206	5,024,269	
<i>Quasi Money</i>		11,266,369	10,981,453	11,223,154	
Savings Deposits		1,846,426	1,872,792	1,621,982	
Time Deposits		9,419,943	9,108,661	9,601,172	
Shares and Other Equity		7,508,741	6,960,132	5,956,592	
Central Bank Of Eswatini		2,997,262	2,514,797	1,731,409	
Other Depository Corporations		4,511,479	4,445,334	4,225,182	
<i>Other Items (net)</i>		-227,958	-76,536	-1,096,288	
<i>GROSS OFFICIAL RESERVES</i>					
	Jun-19	May-19	Apr-19	May-18	Jun-18
	Amount (E'000)	Amount (E'000)	Amount (E'000)	Amount (E'000)	Amount (E'000)
<i>Total Official (Gross) - Emalangeni E</i>	5,163,953	5,591,980	5,751,982	6,608,540	6,091,782
<i>Special Drawing Rights (SDR)</i>	262,845	277,362	289,325	369,417	313,726
<i>Central Bank</i>	5,163,953	5,591,980	5,751,982	6,608,540	6,091,782
<i>Government</i>	26,243	26,243	26,243	26,243	26,243
<i>Import Cover (Reserves to months of estimated imports)</i>	2.2	2.4	2.5	3.0	2.8
Net Bank Holdings		1,471,206	1,713,244	1,803,678	1,745,759
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5.Import cover figures are subject to revision as import figures used have a 3 month lag.					

