

Monthly Statistical Release

DEC 2020/JAN 2021



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**CENTRAL BANK
OF ESWATINI**
Umntsholi Wemaswati



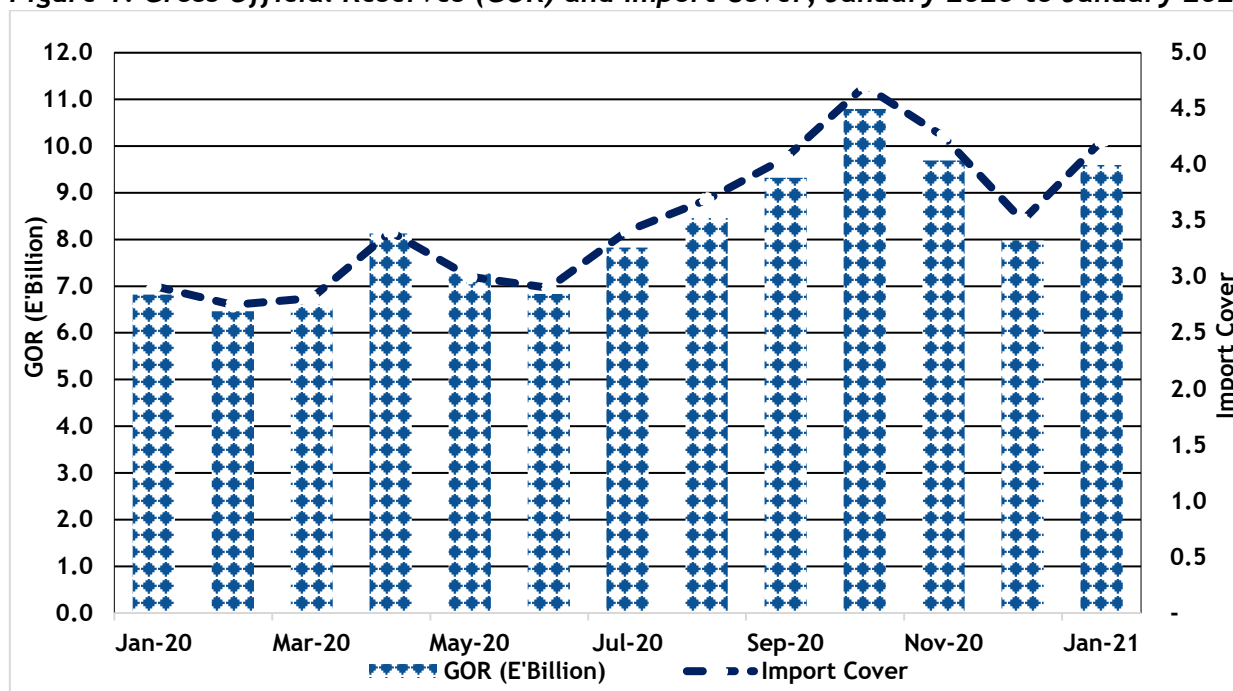
HIGHLIGHTS ON MAJOR MONETARY AGGREGATES	MONTHLY % CHANGE	ANNUAL % CHANGE
Gross official reserves amounted to E9.6 billion at the end of January 2021, higher by 20.3 per cent month-on-month and 40.7 per cent year-on-year.	20.3 ▲	40.7 ▲
Credit extended to the private sector increased to E15.8 billion in December 2020, reflecting an increase of 2.1 per cent month-on-month and 6.7 per cent over the year.	2.1 ▲	6.7 ▲
Broad money supply (M2) grew by 4.9 per cent month-on-month and by 15.4 per cent annually to reach E21.2 billion in December 2020.	4.9 ▲	15.4 ▲
Domestic liquid assets stood at E8.3 billion in December 2020, depicting an increase of 10.0 per cent month-on-month and 34.6 per cent year-on-year.	10.0 ▲	34.6 ▲
	PER CENT	
Discount rate: the discount rate was kept unchanged at 3.75 per cent in January 2021.		3.75
Prime lending rate: the prime lending rate was kept unchanged at 7.25 per cent in January 2021.		7.25
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Gross official reserves improved by 20.3 per cent month-on-month and 40.7 per cent year-on-year to settle at E9.6 billion at the end of January 2021. The growth in reserves was largely due to the inflow of quarterly SACU receipts during the first week of January 2021. As a result, the import cover rose to 4.2 months of imports of goods and services from 3.5 months observed in December 2020.

Valued in special drawing rights (SDR), the reserves amounted to SDR443.2 million at the end of January 2021 representing growth of 17.3 per cent compared to the previous month and 33.6 per cent compared to the previous year.

Figure 1: Gross Official Reserves (GOR) and Import Cover; January 2020 to January 2021



Source: Central Bank of Eswatini

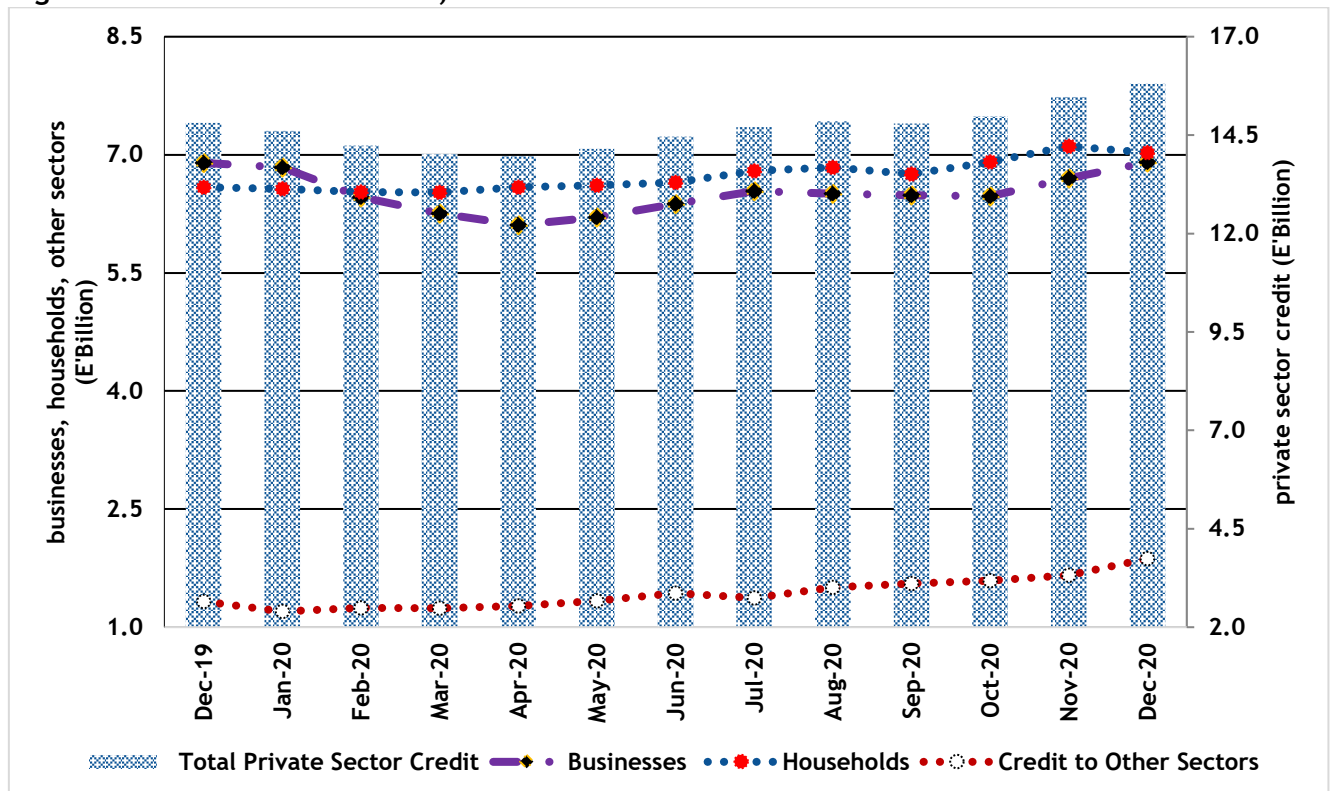
Credit extended to the private sector amounted to E15.8 billion at the end of December 2020, reflecting an increase of 2.1 per cent month-on-month and 6.7 per cent over the year. The month-on-month growth was evident in credit to other sectors and businesses whilst credit to households & non-profit institutions serving households (NPISH)) declined over the review period.

Credit to other sectors increased by 12.6 per cent over the review month and 40.8 per cent annually to close at E1.9 billion at the end of December 2020. The month-on-month improvement was driven by credit to other financial corporations and public nonfinancial corporations which grew by 19.3 per cent and 1.1 per cent, respectively. On the contrary, credit to local government fell by 1.6 per cent over the month under review.



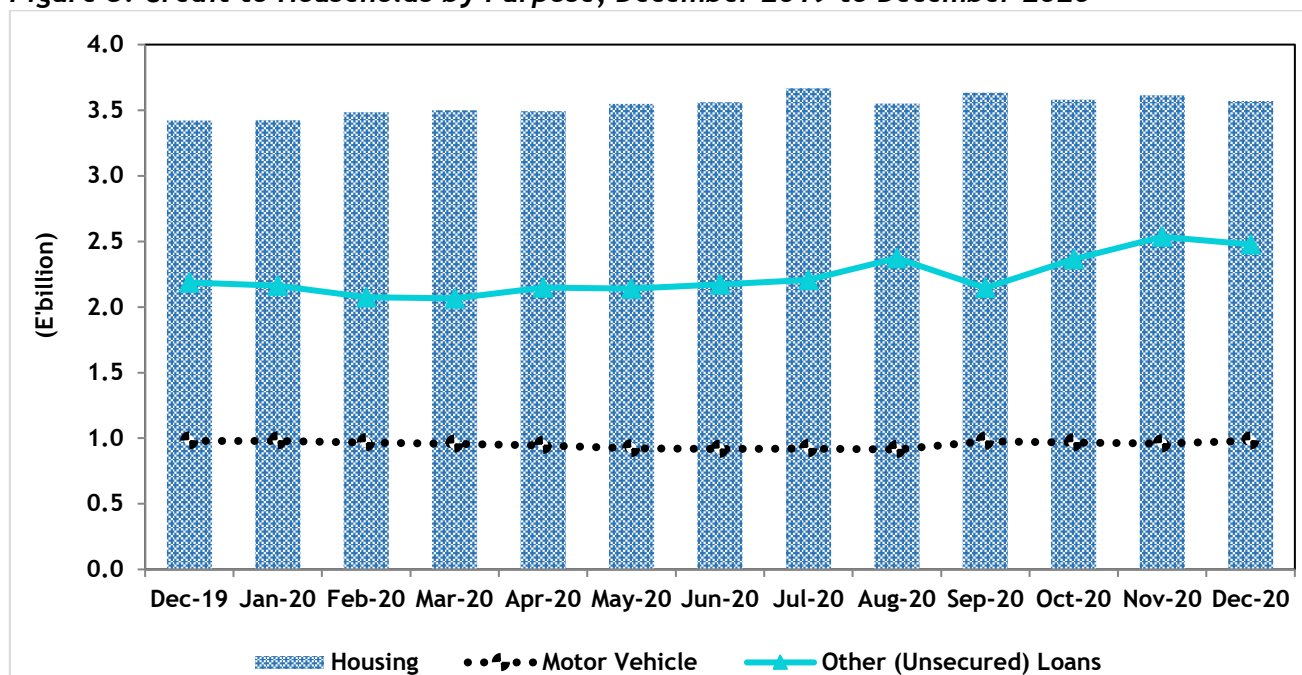
Credit extended to businesses amounted to E6.9 billion at the end of December 2020 reflecting an increase of 3.0 per cent month-on-month and 0.1 per cent higher year-on-year. The following subsectors; agriculture & forestry (14.2 per cent), manufacturing (4.6 per cent), distribution & tourism (3.1 per cent) as well as construction (2.7 per cent) accounted for the month-on-month increase. However partly offsetting the increase, was a fall in these subsectors; real estate (-12.4 per cent), community, social & personal services (-9.4 per cent), transport & communication (-3.2 per cent) as well as mining & quarrying (-0.8 per cent).

Figure 2: Private Sector Credit; December 2019 to December 2020



Source: Central Bank of Eswatini & Other Depository Corporations

Credit extended to households & NPISH stood at E7.0 billion at the end of December 2020, depicting a decline of 1.2 per cent month-on-month and an increase of 6.6 per cent year-on-year. The month-on-month fall was driven by other personal (unsecured) loans and housing loans whilst motor vehicle loans increased. Credit to other personal (unsecured) loans decelerated by 2.3 per cent to E2.5 billion whilst housing loans fell by 1.2 per cent to E3.6 billion. Motor vehicle loans, on the other hand, grew by 2.2 per cent to E1.0 billion over the month under review.

Figure 3: Credit to Households by Purpose; December 2019 to December 2020

Source: Central Bank of Eswatini & Other Depository Corporations

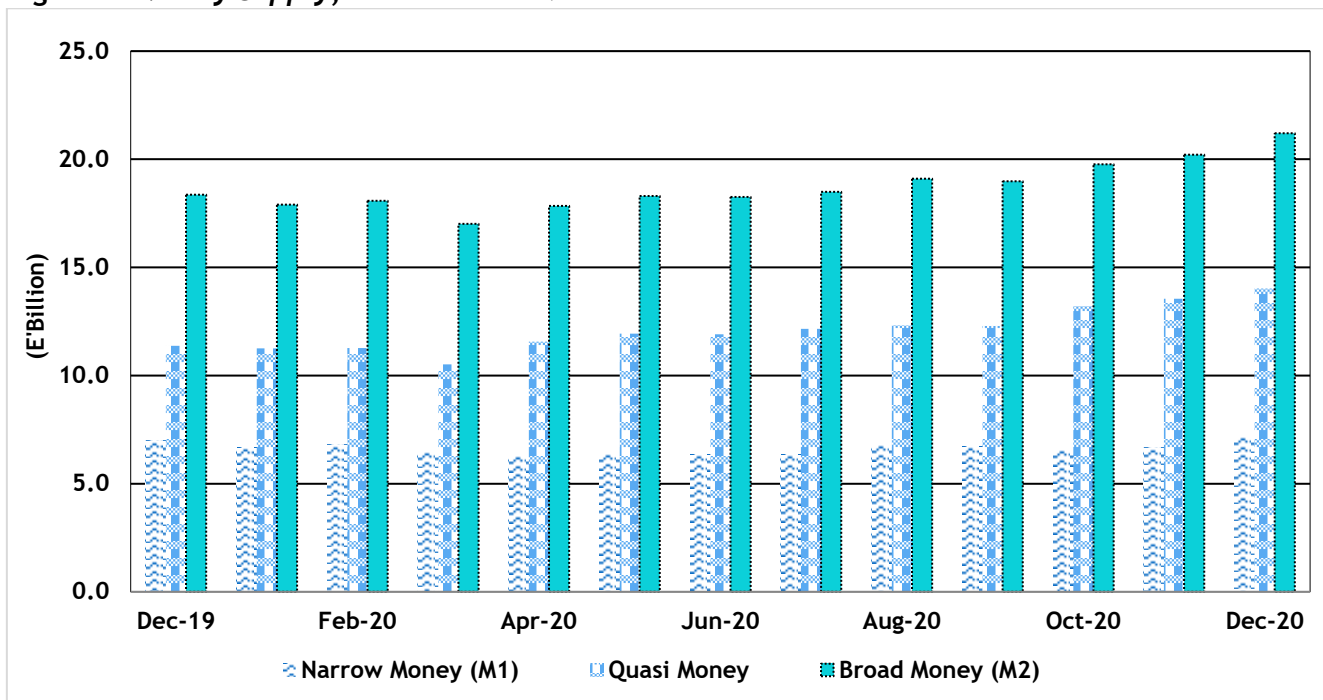
Net claims on government with the banking sector closed at E1.2 billion at the end of December 2020, indicating a deterioration from the previous month and an improvement from the previous year. Explaining the monthly deterioration was a 13.0 per cent decline in government deposits accompanied by a 13.6 per cent increase in claims on government.

Broad money supply (M2) reflected an increase of 4.9 per cent month-on-month and 15.4 per cent year-on-year to close at E21.2 billion in December 2020. The growth in broad money supply was supported by the rise in private sector credit extension and was reflected in both components of M2; narrow money supply (M1) and quasi money supply.

Narrow money supply (M1) stood at E7.2 billion at the end of December 2020, 7.7 per cent and 2.8 per cent higher than in November 2020 and December 2019, respectively. Contributing to the monthly expansion were transferable (demand) deposits, which rose by 10.4 per cent to settle at E6.3 billion. On the contrary, Emalangeni outside depository corporations declined to E897.2 million at the end of December 2020 reflecting a fall of 8.0 per cent month-on-month.

Quasi money supply grew by 3.5 per cent month-on-month and 23.2 per cent annually to close at E14.0 billion at the end of December 2020. The monthly increase was driven by time deposits which surpassed the fall in savings deposits. Time deposits grew by 4.3 per cent to E11.9 billion at the end of December 2020. Savings deposits on the contrary, declined by 0.7 per cent to settle at E2.1 billion at the end of December 2020.

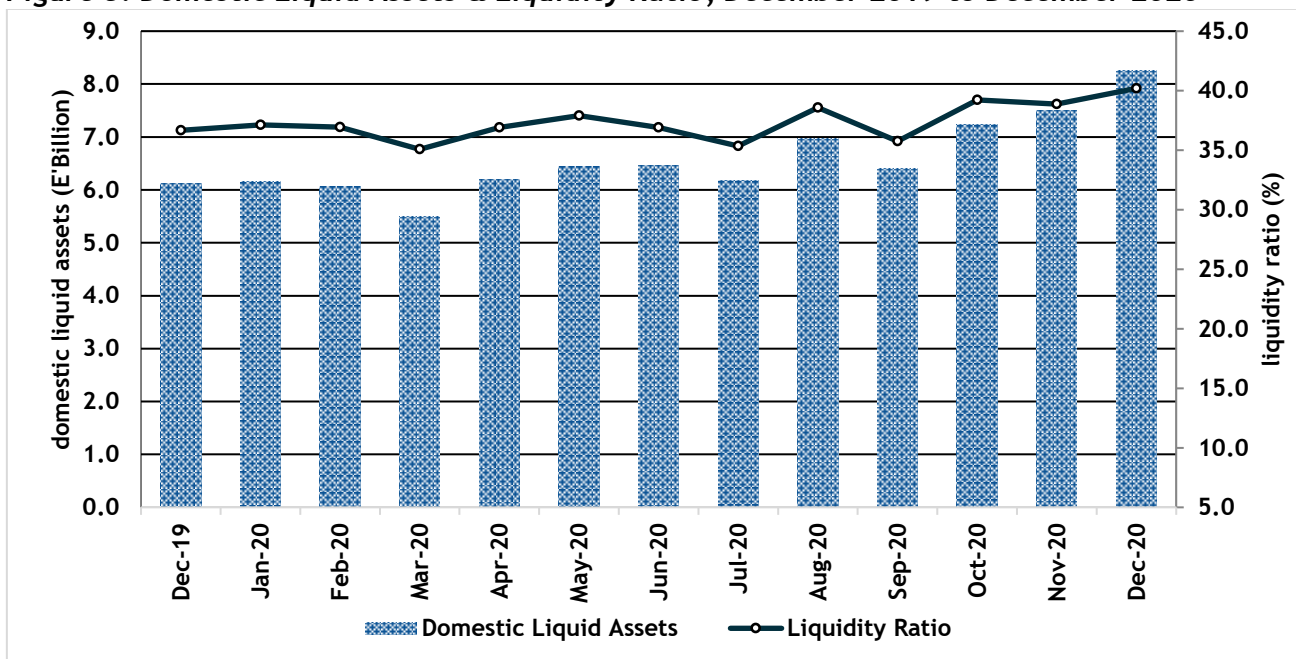
Figure 4: Money Supply; December 2019 to December 2020



Source: Central Bank of Eswatini & Other Depository Corporations

Banks' liquid assets depicted an increase of 10.0 per cent on a monthly basis and 34.6 per cent annually to settle at E8.3 billion at the end of December 2020. The month-on-month improvement was mainly due to a rise in the banks' balances with the Central Bank as well as investments in government securities. Consequently, the banks' liquidity ratio grew to 40.2 per cent at the end of December 2020 from 38.9 per cent in November 2020.

Figure 5: Domestic Liquid Assets & Liquidity Ratio; December 2019 to December 2020



Source: Central Bank of Eswatini & Other Depository Corporations

RELEASE OF MONEY AND BANKING STATISTICS

ITEM	Dec-20	Nov-20	Dec-19
	Amount	Amount	Amount
	(E'000)	(E'000)	(E'000)
CENTRAL BANK OF ESWATINI			
Claims on Non-residents	9,495,320	11,249,927	7,677,760
Claims on Domestic Economy	3,107,902 *	2,478,702	3,077,285 *
Government	3,074,472	2,445,523	3,048,192
Other Depository Corporations	2,512	2,512	2,082
Other Resident Sectors	30,919	30,667	27,010
Other Assets	547,345	549,304	1,344,924
Total Assets/Liabilities	13,150,567	14,277,933	12,099,969 *
OTHER DEPOSITORY CORPORATIONS			
Cash and Deposits with CBE	4,407,761	3,849,275	3,602,848
Net Balances with Banks Outside Eswatini	1,685,587	1,571,233	928,280
Loans and advances	14,607,124	14,487,997	14,044,263
Government Securities	4,171,315 *	3,918,908 *	2,792,847
Treasury Bills	2,234,208	2,382,435	1,871,126
Government Bonds	1,937,106	1,536,472	921,721
Other	-	-	-
Total Deposits	22,899,524	21,445,497	18,487,038
Transferable/Demand	7,000,635	6,180,947	6,453,789
Savings	2,138,966	2,152,682	1,898,367
Time	13,759,923	13,111,868	10,134,882
Capital and Reserves	4,310,094	4,252,207	4,161,947
Total Assets/Liabilities	29,117,955	27,826,671	25,001,534
Total Liquid Assets (Banks only)	8,253,269	7,502,108	6,129,446
Required Liquidity (Banks only)	4,069,290	3,822,405	4,124,002
Surplus/ Deficiency (-) (Banks only)	4,183,979	3,679,704	2,005,444
RATIOS (%)			
Actual Liquidity to Domestic Liabilities (Banks Only)	40.2	38.9	36.7
Loans and Advances to Deposits	63.8	67.6	76.0

DEPOSITORY CORPORATIONS SURVEY		Dec-20	Nov-20	Dec-19	
Net Foreign Assets (E)		9,275,420	10,968,019	6,854,609	
Net Official Assets		6,654,059	8,403,593	5,288,232 *	
Foreign Assets - Central Bank of Eswatini		9,521,563	11,276,169	7,704,003	
Foreign Liabilities - Central Bank of Eswatini		2,867,504	2,872,576	2,415,771	
Net Other Depository Corporations Foreign holdings (ODC)		2,621,361	2,564,426	1,566,377	
Foreign Assets - ODC		2,997,168	2,870,634	2,104,312	
Foreign Liabilities - ODC		375,807	306,208	537,935	
Net Foreign Assets (SDR)		439,192	497,949	353,356	
Net Domestic Claims		17,038,605	14,936,972	17,169,970	
Net Claims on Government		1,239,657	-534,863	2,358,469	
Claims on Central Government		7,282,120	6,408,367	5,878,277	
Government Deposits		6,042,463	6,943,230	3,519,808	
Claims on other sectors		15,798,948 *	15,471,835	14,811,501	
Other nonfinancial corporations (Industry)		6,903,097	6,702,946	6,895,654	
Other resident sectors (Households & NPISH)		7,026,341	7,108,680	6,588,374	
Other sectors		1,869,509	1,660,209	1,327,473	
Broad Money Supply (M2)		21,205,786	20,214,935	18,368,610	
Narrow Money Supply (M1)		7,187,521	6,671,307 *	6,993,174	
Currency outside depository corporations (E)		897,234	975,269	714,972	
Transferable (demand) deposits		6,290,287	5,696,039	6,278,202	
Quasi Money		14,018,265	13,543,628	11,375,436 *	
Savings Deposits		2,068,789	2,082,479	1,850,715	
Time Deposits		11,949,476	11,461,149	9,524,720	
Shares and Other Equity		5,771,650	6,400,654	6,263,375	
Central Bank Of Eswatini		839,996	1,531,610	1,543,116	
Other Depository Corporations		4,931,654	4,869,045	4,720,259	
Other Items (net)		-663,411	-710,599	-607,406	
GROSS OFFICIAL RESERVES		Jan-21	Dec-20	Nov-20	Dec-19
		Amount	Amount	Amount	Amount
		(E'000)	(E'000)	(E'000)	(E'000)
Total Official (Gross) - Emalangeni E		9,592,497	7,976,034	9,689,791	6,144,815
Special Drawing Rights (SDR)		443,174	377,666	439,917	316,766
Central Bank		9,592,497	7,976,034	9,689,791	6,144,815
Government		26,243	26,243	26,243	26,243
Import Cover (reserves to months of estimated imports)		4.2	3.5	4.3	2.6
Net Bank Holdings		2,621,361	2,564,426	1,566,377	1,574,901

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.
- 6.* Owing to the rounding of figures , the sum of separate items will sometimes differ in the final digit from the total shown.