

Monthly Statistical Release

FEB/MAR 2020



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**CENTRAL BANK
OF ESWATINI**
Umntsholi Wemaswati



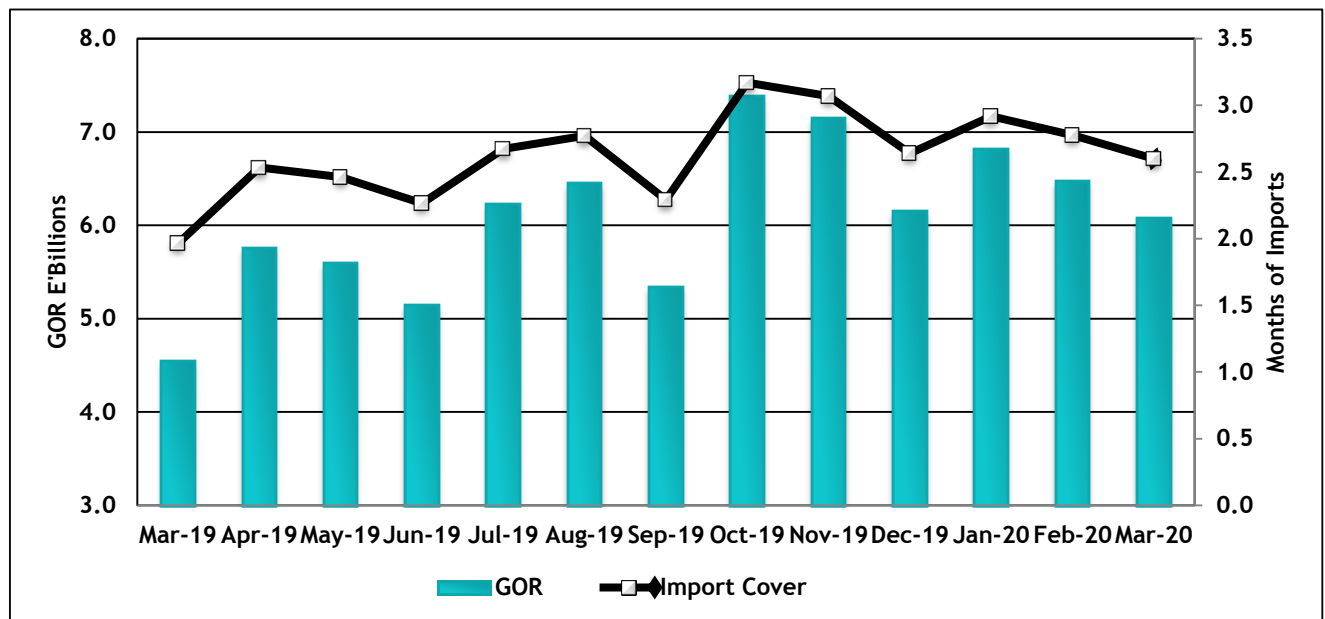
HIGHLIGHTS ON MAJOR MONETARY AGGREGATES	MONTHLY % CHANGE	ANNUAL % CHANGE
Gross official reserves contracted by 6.1 per cent month-on-month but increased by 33.7 per cent year-on-year to close at E6.1 billion at the end of March 2020. At this level, the reserves were sufficient to cover 2.6 months of imports of goods and services.	6.1 ▼	33.7 ▲
Credit extended to the private sector stood at E14.2 billion in February 2020, contracting by 2.6 per cent month-on-month and by 3.9 per cent over the year. The month-on-month reduction was observed in credit to businesses and households whilst credit to other sectors increased.	2.6 ▼	3.9 ▼
Broad money supply (M2) amounted to E18.1 billion in February 2020, increasing by 1.1 per cent month-on-month and by 1.8 per cent annually. The month-on-month rise was observed in both components, narrow money supply (M1) and quasi money supply.	1.1 ▲	1.8 ▲
Liquidity position of banks amounted to E6.1 billion in February 2020, declining by 1.4 per cent month-on-month but improved by 24.3 per cent year-on-year. The decline was driven by a fall in the cash holdings by banks as well as their investments in government securities. The banks' liquidity ratio was at 36.9 per cent in February 2020.	1.4 ▼	24.3 ▲
	PERCENT	
Discount rate: the discount rate was at 5.50 per cent in March 2020.		5.50
Prime lending rate: the prime lending rate was at 9.00 per cent in March 2020.		9.00
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Gross official reserves amounted to E6.1 billion at the end of March 2020 depicting a month-on-month decline of 6.1 per cent and growth of 33.7 per cent from the previous year. At this level, the reserves were sufficient to cover 2.6 months of estimated imports of goods and services, lower than the 2.8 months observed in February 2020.

Valued in special drawing rights (SDR), the reserves went down from SDR301.6 million registered in February 2020 to SDR249.5 million recorded at the end of March 2020, representing a month-on-month decrease of 17.3 per cent and year-on-year growth of 10.1 per cent.

Figure 1: Gross Official Reserves (GOR) and Import Cover; March 2019 to March 2020



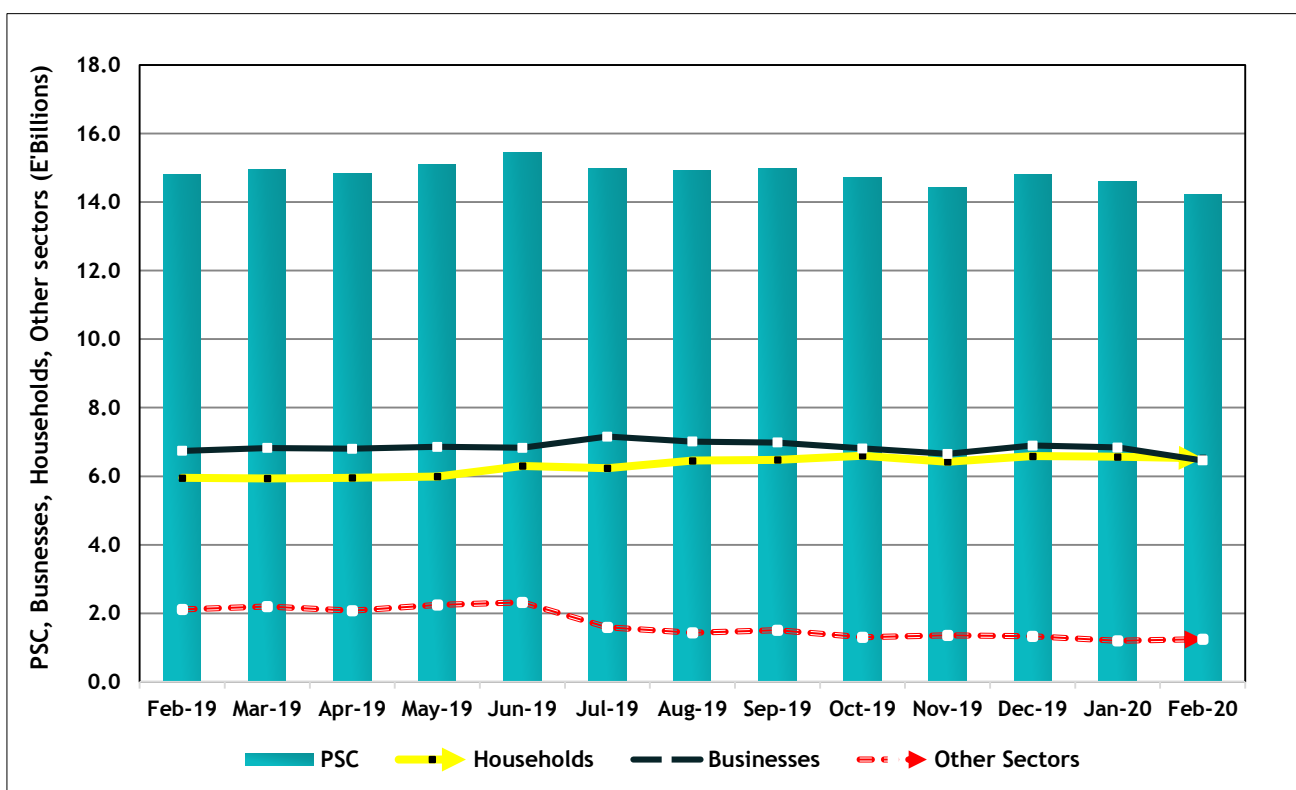
Source: Central Bank of Eswatini

Credit extended to the private sector amounted to E14.2 billion at the end of February 2020, posting a fall of 2.6 per cent month-on-month and a contraction of 3.9 per cent over the year. The month-on-month reduction in credit to the private sector was reflected in credit to businesses and households & non-profit institutions serving households (NPISH)). Credit to other sectors however, registered a positive turnaround from a contraction observed in the previous month.

Credit extended to businesses retreated by 5.5 per cent month-on-month from E6.8 billion in January 2020 to E6.5 billion at the end of February 2020. The reduction in credit to businesses was to a large extent evident in the distribution & tourism industry which fell by 20.0 per cent compared to January 2020. Another sector which depicted a substantial decline is the community, social & personal services which fell by 19.3 per cent over the review month.

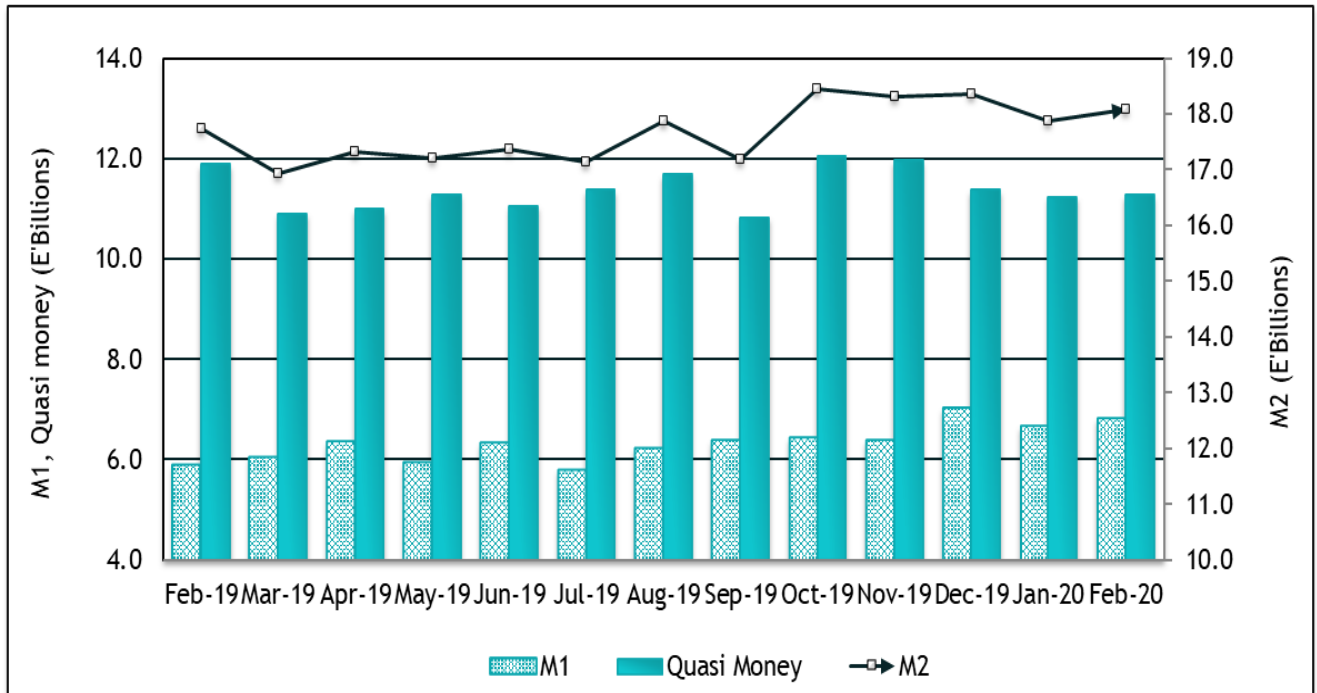
Credit to other sectors rebounded from a fall of 9.6 per cent registered in January 2020 to growth of 3.9 per cent at the end of February 2020. At this level, credit to other sectors rose to E1.3 billion at the end of February 2020 from E1.2 billion in January 2020. This recovery was reflected in credit to public non-financial corporations which grew by 30.7 per cent at the end of February 2020 from a fall of 15.5 per cent recorded in January 2020. Credit to other financial corporations and local government however, contracted by 11.8 per cent and 0.9 per cent, respectively.

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



Source: Central Bank of Eswatini & Other Depository Corporations

Credit extended to households & NPISH stood at E6.5 billion at the end of February 2020, depicting a fall of 0.6 per cent from the preceding month. The reduction was depicted in (unsecured) personal loans and motor vehicle finance which overshadowed growth in housing finance. As a result, credit to other (unsecured) personal loans decelerated by 4.1 per cent to E2.1 billion whilst motor vehicle finance receded by a lower margin of 1.4 per cent to E1.0 billion. Housing finance on the contrary, expanded by 1.8 per cent to E3.5 billion over the month under review.

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

Source: Central Bank of Eswatini & Other Depository Corporations

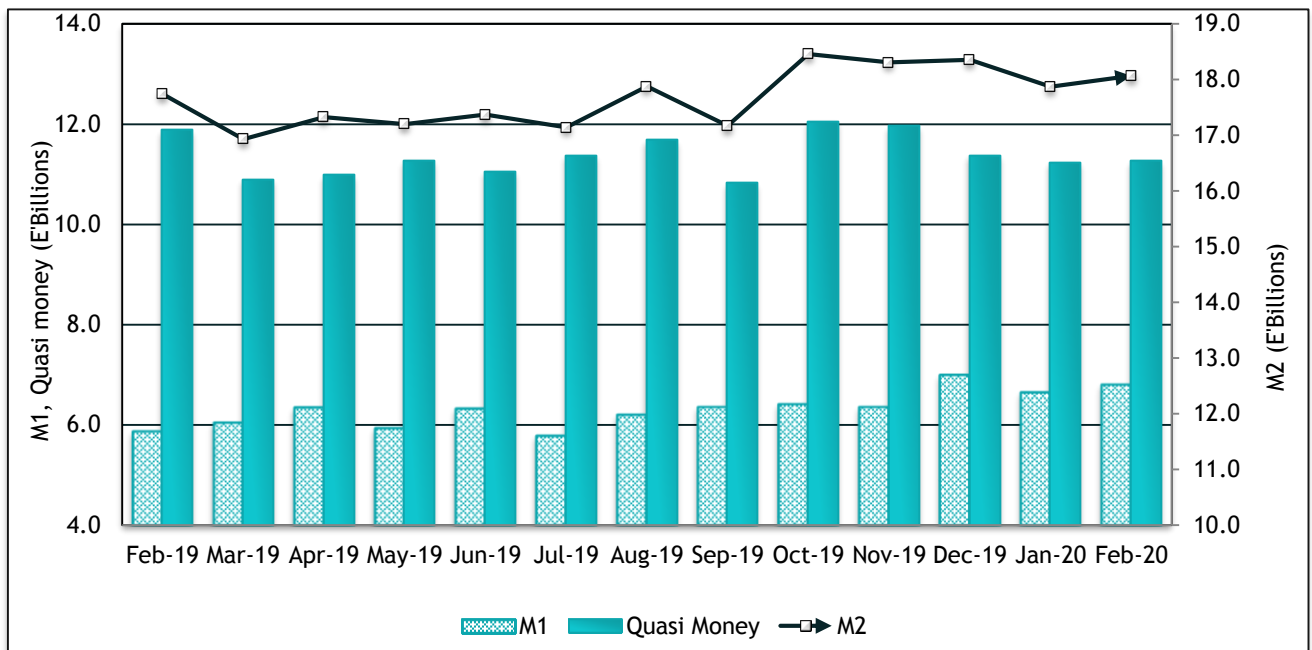
Net claims on government with the banking sector amounted to E3.1 billion at the end of February 2020, representing an increase of 12.6 per cent month-on-month and 2.2 per cent annually. The expansion was a result of claims on government which rose at a higher pace compared to government deposits. Resultantly, claims on government and government deposits grew by 11.0 per cent and 9.1 per cent, respectively.

Broad money supply (M2) edged up higher from E17.9 billion registered in January 2020 to E18.1 billion at the end of February 2020, representing growth of 1.1 per cent month-on-month and 1.8 per cent annually. This development was in response to growth in both components of M2, narrow money supply (M1) and quasi money supply.

Narrow money supply (M1) stood at E6.8 billion at the end of February 2020, 2.4 per cent higher than in January 2020. This was evident in both components of M1, Emalangeni outside depository corporations and transferable (demand) deposits. Emalangeni outside depository corporations rose by 2.9 per cent to E719.4 million whilst transferable (demand) deposits grew by a slightly lower margin of 2.3 per cent to E6.1 billion.

Quasi money supply closed the review month at E11.3 billion, higher by 0.4 per cent from the preceding month. The monthly increase was driven by growth in time deposits which outweighed a fall in savings deposits. Time deposits grew by 0.5 per cent month-on-month to E9.5 billion at the end of February 2020. In contrast, savings deposits retreated by 0.3 per cent over the review month to settle at E1.8 billion.

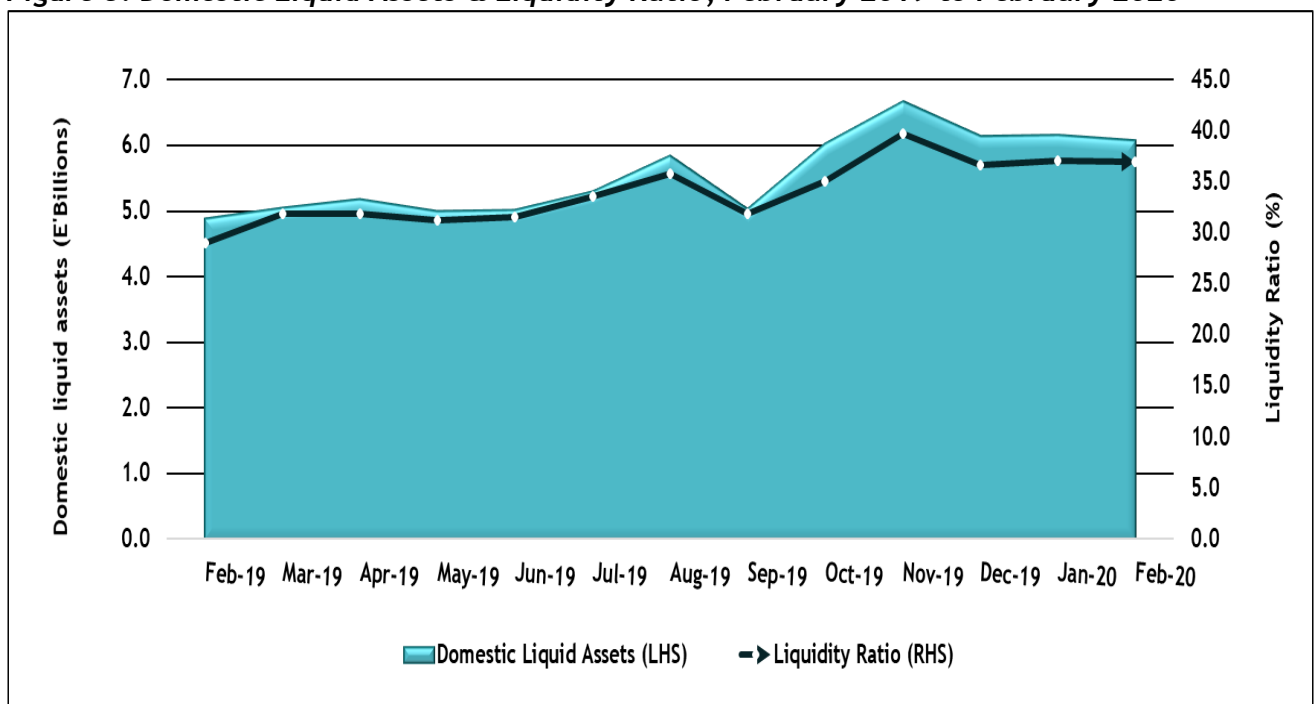
Figure 4: Money Supply; February 2019 to February 2020



Source: Central Bank of Eswatini & Other Depository Corporations

Liquidity position of banks amounted to E6.1 billion at the end of February 2020, reflecting a decline of 1.4 per cent month-on-month compared to an annual growth of 24.3 per cent. The reduction was mainly due to a decline in the cash holdings by banks as well as investments in government securities. Consequently, the banks' liquidity ratio receded by 0.2 percentage points from 37.1 per cent registered in January 2020 to 36.9 per cent at the end of February 2020.

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



Source: Other Depository Corporations

RELEASE OF MONEY AND BANKING STATISTICS

ITEM	Feb-20 Amount (E'000)	Jan-20 Amount (E'000)	Feb-19 Amount (E'000)
CENTRAL BANK OF ESWATINI			
<i>Claims on Non-residents</i>	8,006,408	8,295,127	7,032,180
<i>Claims on Domestic Economy</i>	2,619,189	1,994,632	2,548,331*
Government	2,589,506	1,964,407	2,514,974
Other Depository Corporations	2,082	2,082	2,064
Other Resident Sectors	27,601	28,143	31,292
<i>Other Assets</i>	469,871	477,117	464,758
Total Assets/Liabilities	11,095,469*	10,766,876	10,045,269
OTHER DEPOSITORY CORPORATIONS			
<i>Cash and Deposits with CBS</i>	3,444,857	3,489,084	2,154,543
<i>Net Balances with Banks Outside Eswatini</i>	1,644,335	1,179,476	2,542,824
<i>Loans and advances</i>	13,602,392	13,886,865	13,285,213
Government Securities	2,897,131	2,973,237	3,022,468*
Treasury Bills	2,037,075	2,060,674	2,061,187
Government Bonds	860,056	912,563	961,282
<i>Other</i>	-	-	-
Total Deposits	18,196,667	18,104,375	17,962,295*
Transferable/Demand	6,251,202	6,115,995	5,405,836
Savings	1,851,865	1,857,113	1,782,833
Time	10,093,600	10,131,267	10,773,627
<i>Capital and Reserves</i>	4,194,227	4,177,379	3,805,133
Total Assets/Liabilities	6,068,186	6,152,950	4,881,385
Total Liquid Assets (Banks only)	6,068,186	6,152,950	4,881,385
	(E'000)	(E'000)	(E'000)
<i>Required Liquidity (Banks only)</i>	4,051,308	4,085,428	4,142,261
<i>Surplus/ Deficiency (-) (Banks only)</i>	2,016,878	2,067,522	739,124
RATIOS (%)			
<i>Actual Liquidity to Domestic Liabilities (Banks Only)</i>	36.9	37.1	29.0
<i>Loans and Advances to Deposits</i>	74.8	76.7	74.0

DEPOSITORY CORPORATIONS SURVEY		Feb-20	Jan-20	Feb-19	
Net Foreign Assets (E)		7,482,883	7,320,030	7,115,847	
Net Official Assets		5,430,110*	5,745,128	4,691,315	
Foreign Assets - Central Bank of Eswatini		8,032,651	8,321,370	7,058,423	
Foreign Liabilities - Central Bank of Eswatini		2,602,532	2,576,242	2,367,108	
Net Other Depository Corporations Foreign holdings (ODC)		2,052,763	1,574,901	2,424,532	
Foreign Assets - ODC		2,410,640	2,052,931	2,885,789	
Foreign Liabilities - ODC		357,877	478,030	461,257	
Net Foreign Assets (SDR)		349,077	356,119	364,330	
Net Domestic Claims					
		17,310,801	17,338,963	17,821,072	
Net Claims on Government					
		3,077,485*	2,733,130	3,011,187	
Claims on Central Government		5,525,573	4,977,111	5,570,762	
Government Deposits		2,448,089	2,243,981	2,559,575	
Claims on other sectors					
		14,233,317	14,605,833*	14,809,885	
Other nonfinancial corporations (Industry)		6,462,451	6,838,736	6,739,309	
Other resident sectors (Households & NPISH)		6,524,857	6,567,426	5,952,050	
Other sectors		1,246,009	1,199,670	2,118,526	
Broad Money Supply (M2)					
		18,069,830	17,872,651	17,742,195	
Narrow Money Supply (M1)					
		6,806,057	6,649,132	5,868,937	
Currency outside depository corporations (E)		719,364	698,779	662,467	
Transferable (demand) deposits		6,086,693	5,950,353	5,206,470	
Quasi Money					
		11,263,772	11,223,519	11,873,258*	
Savings Deposits		1,804,240	1,809,462	1,746,355	
Time Deposits		9,459,532	9,414,057	10,126,904	
Shares and Other Equity		7,276,710	7,241,439	7,007,575	
Central Bank Of Eswatini		2,516,514	2,501,927	2,640,604	
Other Depository Corporations		4,760,196	4,739,513	4,366,970	
Other Items (net)		-552,855	-455,098	187,149	
GROSS OFFICIAL RESERVES					
		Mar-20	Feb-20	Jan-20	Feb-19
		Mar-19			
		Amount	Amount	Amount	Amount
		(E'000)	(E'000)	(E'000)	(E'000)
Total Official (Gross) - Emalangeni E		6,070,253	6,464,327	6,816,438	5,627,134
Special Drawing Rights (SDR)		249,487	301,561	331,619	288,109
Central Bank		6,070,253	6,464,327	6,816,438	5,627,134
Government		26,243	26,243	26,243	26,243
Import Cover (reserves to months of estimated imports)		2.6	2.8	2.9	2.4
Net Bank Holdings		2,052,763	1,574,901	2,424,532	1,260,929

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.