

Monthly Statistical Release

JUNE/JULY 2020



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**CENTRAL BANK
OF ESWATINI**
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HIGHLIGHTS ON MAJOR MONETARY AGGREGATES	MONTHLY % CHANGE	ANNUAL % CHANGE
Gross official reserves stood at E7.8 billion at the end of July 2020, 14.8 per cent higher than the previous month and 26.0 per cent annually. The reserves were sufficient to cover 3.3 months of imports of goods and services.	14.8 ▲	26.0 ▲
Credit extended to the private sector grew by 2.2 per cent month-on-month but fell by 6.4 per cent year-on-year to close at E14.5 billion at the end of June 2020.	2.2 ▲	6.4 ▼
Broad money supply (M2) amounted to E18.3 billion at the end of June 2020, reflecting a decline of 0.2 per cent over the month but rose by 5.0 per cent annually.	0.2 ▼	5.0 ▲
Domestic liquid assets stood at E6.5 billion at the end of June 2020, depicting an increase of 0.4 per cent month-on-month and 29.1 per cent year-on-year.	0.4 ▲	29.1 ▲
	PERCENT	
Discount Rate: the discount rate was at 3.75 per cent in July 2020.		3.75
Prime Lending Rate: the prime lending rate was at 7.25 per cent in July 2020.		7.25

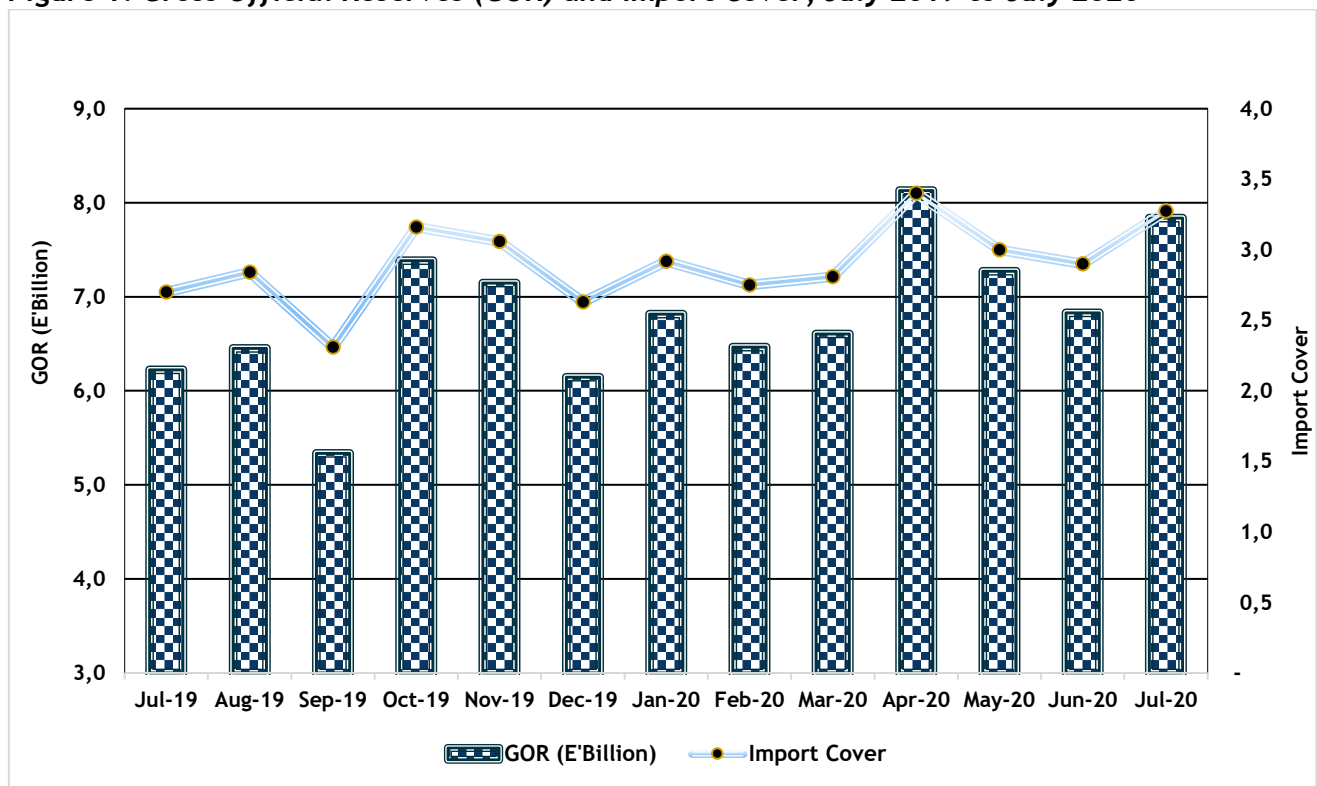
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Gross official reserves amounted to E7.8 billion at the end of July 2020, reflecting a month-on-month expansion of 14.8 per cent and 26.0 per cent year-on-year. The rise in the reserves was mainly attributed to the inflow of the usual quarterly SACU receipts at the beginning of July 2020. At this level, the reserves were equivalent to an import cover of 3.3 months, higher than the 2.9 months observed in June 2020.

Valued in special drawing rights (SDRs), the reserves amounted to SDR326.0 million at the end of July 2020, reflecting month-on-month growth of 13.9 percent and 2.4 per cent over the year.

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



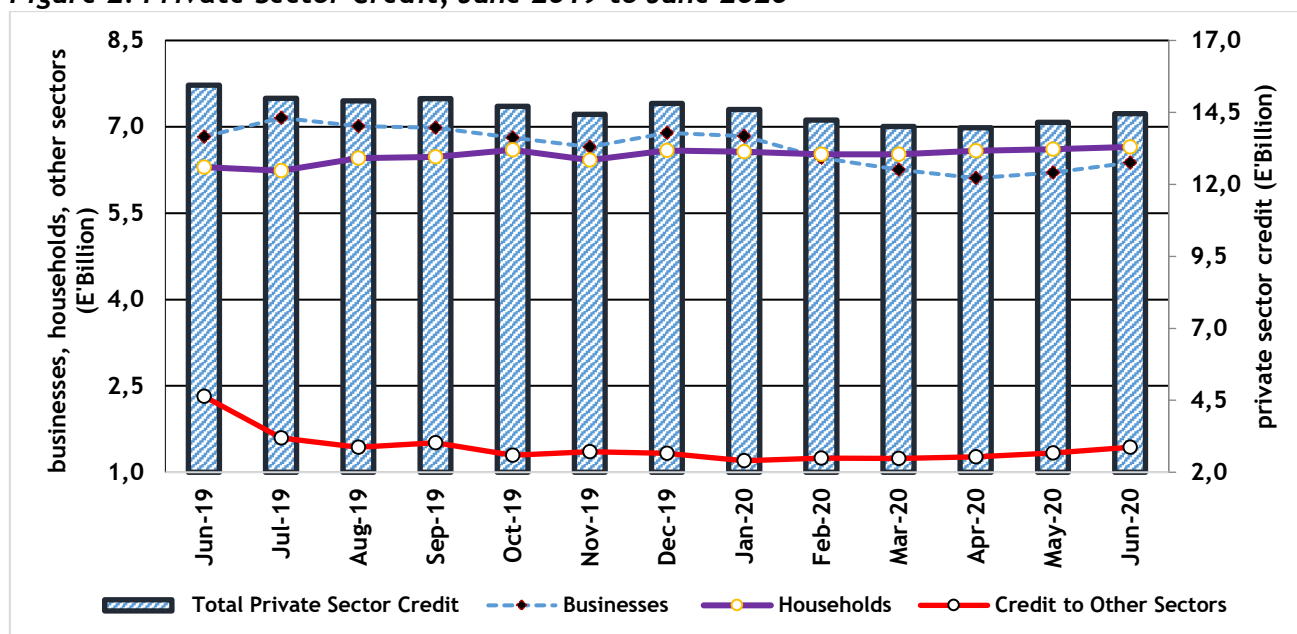
Source: Central Bank of Eswatini

Credit extended to the private sector grew by 2.2 per cent month-on-month but fell by 6.4 per cent year-on-year to close at E14.5 billion at the end of June 2020. The increase was discernible in all subsectors; credit to other sectors, businesses as well as households & non-profit institutions serving households (NPISH).

Credit extended to other sectors improved during the month of June recording an increase of 7.2 per cent compared to the month of May 2020. Credit extension however, decreased by 38.2 per cent over the year to settle at E1.4 billion at the end of June 2020. The rise was due to an increase in credit to other financial corporations and public non-financial corporations that grew by 12.7 per cent and 0.4 per cent, respectively. In contrast, credit to local government decreased by 3.7 per cent.

Credit extended to businesses amounted to E6.4 billion at the end of June 2020, reflecting an increase of 2.8 per cent month-on-month and a contraction of 6.6 per cent over the year. The rise was mainly observed in credit to these subsectors; distribution & tourism (10.7 per cent), construction (4.9 per cent), manufacturing (3.5 per cent), agriculture & forestry (1.4 per cent) as well as transport & communication (0.8 per cent). The increase was partially offset by a fall in credit to community, social & personal services (-0.6 per cent).

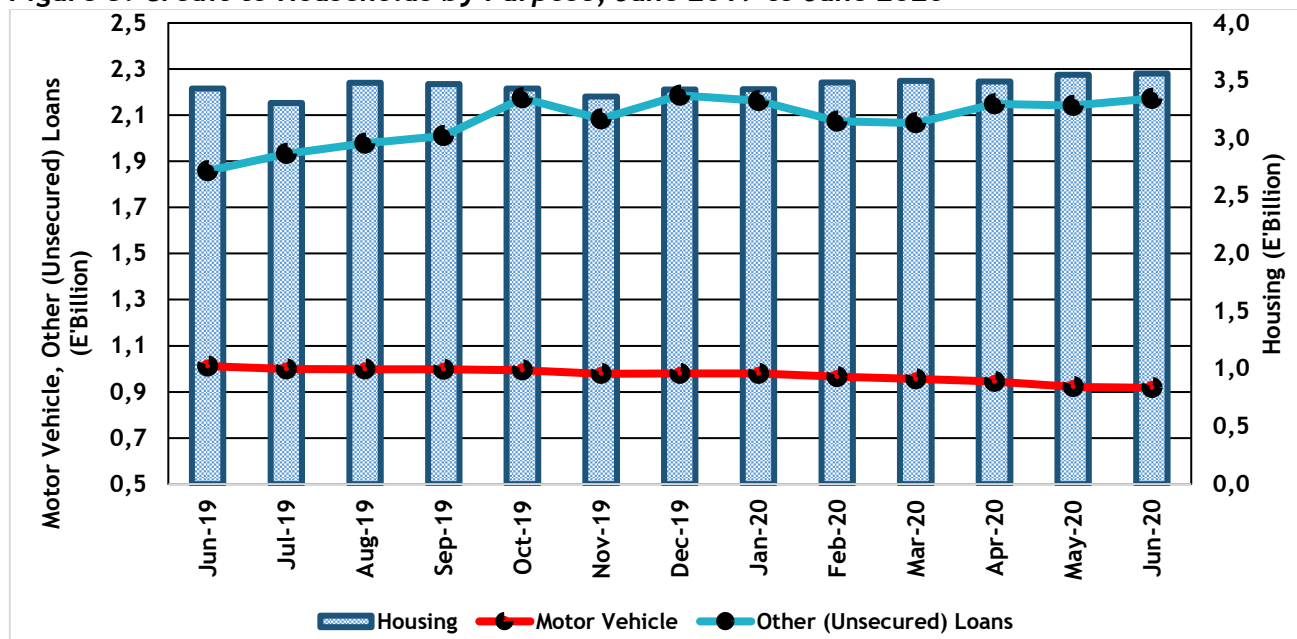
Figure 2: Private Sector Credit; June 2019 to June 2020



Source: Central Bank of Eswatini & Other Depository Corporations

Credit extended to households & NPISH reflected an improvement of 0.6 per cent month-on-month and 5.6 per cent year-on-year to settle at E6.7 billion at the end of June 2020. The month-on-month growth was attributed to other (unsecured) loans, which rose by 1.4 per cent to E2.2 billion and mortgage loans by 0.3 per cent to E3.6 billion. Motor vehicle loans on the contrary, fell by 0.5 per cent to close at E917.8 million at the end of June 2020.

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



Source: Central Bank of Eswatini & Other Depository Corporations

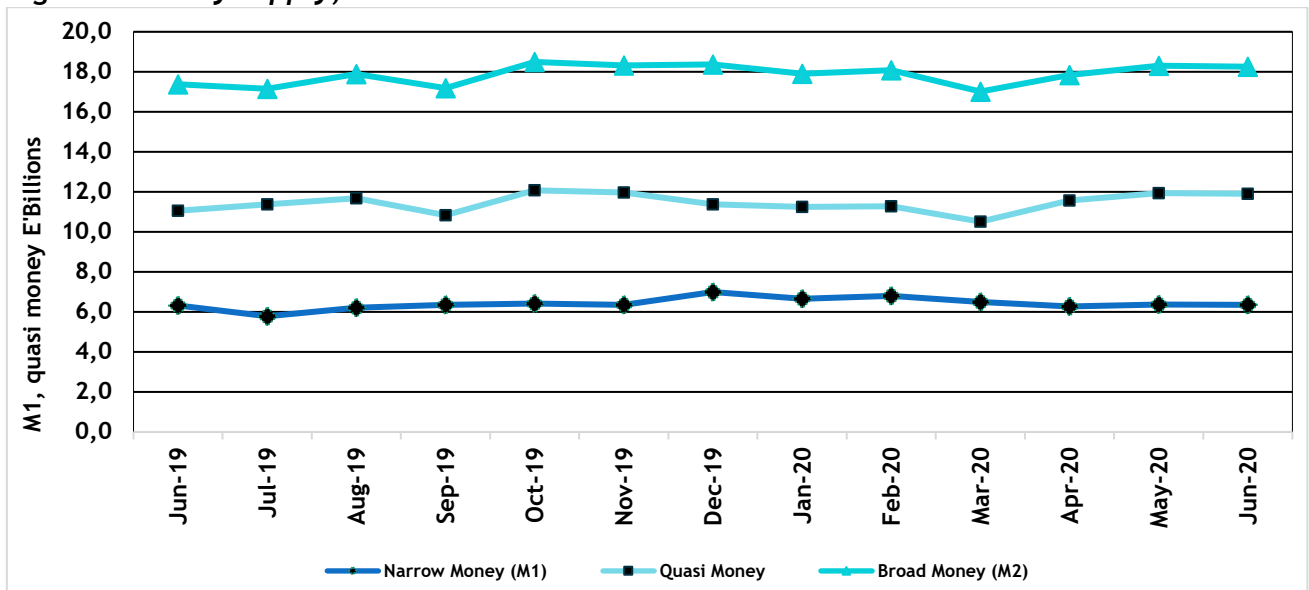
Net claims on government with the banking sector registered a month-on-month increase of 18.2 per cent and a decline of 20.7 per cent over the year to settle at E1.9 billion at the end of June 2020. The month-on-month increase was on account of a 7.8 per cent rise in government borrowing from the banking sector whilst government deposits grew by 4.0 per cent.

Broad money supply (M2) stood at E18.3 billion at the end of June 2020, fell by 0.2 per cent over the month but grew by 5.0 per cent over the year. The reduction in M2 emanated from both components; narrow money supply (M1) and quasi money supply.

M1 declined by 0.2 per cent month-on-month but grew by 0.3 per cent year-on-year to settle at E6.3 billion at the end of June 2020. The month-on-month decline in M1 was due to transferable (demand) deposits, which fell by 0.4 per cent to reach E5.5 billion at the end of June 2020. Emalangi outside depository corporations on the other hand, grew by 1.0 per cent to E810.2 million at the end of June 2020.

Quasi money supply fell by 0.2 per cent over the month but grew by 7.7 per cent annually to close at E11.9 billion at the end of June 2020. The decline was driven by time deposits, which fell by 0.3 per cent to E9.9 billion. However, savings deposits rose by 0.1 per cent to settle at E2.0 billion end of June 2020.

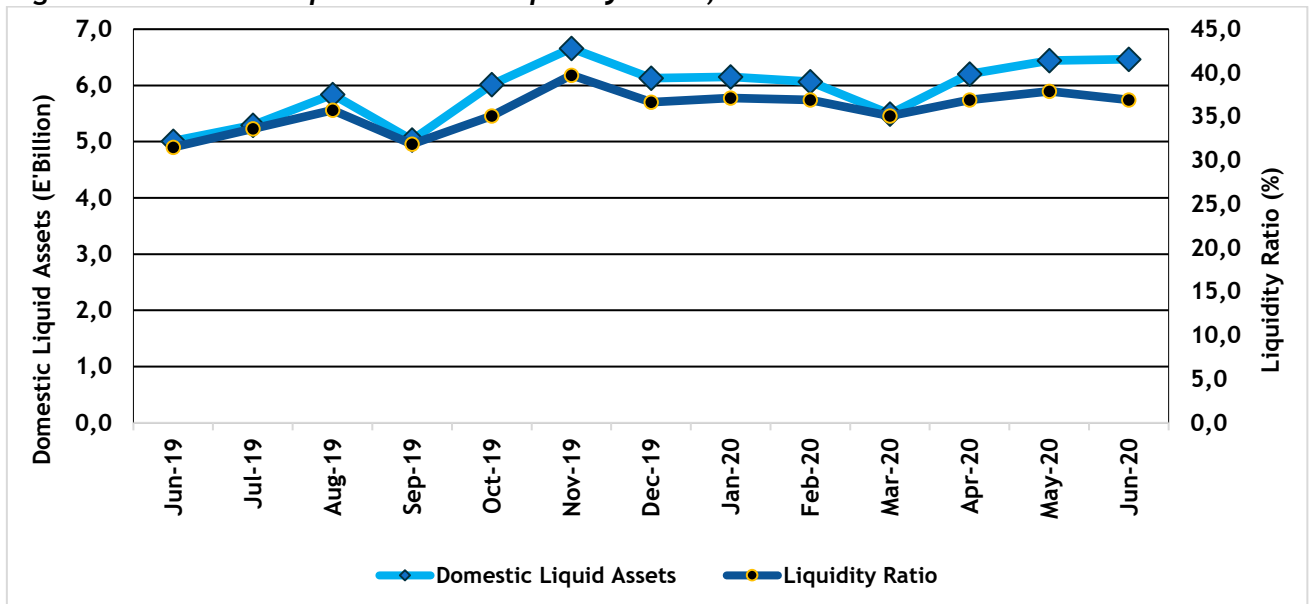
Figure 4: Money Supply; June 2019 to June 2020



Source: Central Bank of Eswatini & Other Depository Corporations

Banks' liquid assets grew by 0.4 per cent month-on-month and by 29.1 per cent year-on-year to close at E6.5 billion at the end of June 2020. The month-on-month increase emanated from the banks' cash holdings and balances held with the Central Bank of Eswatini over the review month. The liquidity ratio fell from 37.9 per cent recorded in May 2020 to 36.9 per cent at the end of June 2020.

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



Source: Central Bank of Eswatini & Other Depository Corporations

RELEASE OF MONEY AND BANKING STATISTICS

ITEM	Jun-20	May-20	Jun-19
	Amount (E'000)	Amount (E'000)	Amount (E'000)
CENTRAL BANK OF ESWATINI			
Claims on Non-residents	8 686 226	9 131 945	6 692 380
Claims on Domestic Economy	3 036 155	2 526 049	3 099 874
Government	3 005 525 *	2 496 374	3 071 639
Other Depository Corporations	2 082	2 092	2 064
Other Resident Sectors	28 547	27 583	26 171
Other Assets	529 317	548 862	508 627
Total Assets/Liabilities	12 251 698	12 206 856	10 300 882 *
OTHER DEPOSITORY CORPORATIONS			
Cash and Deposits with CBE	3 378 755	3 333 152	2 630 870
Net Balances with Banks Outside Eswatini	1 215 300	1 320 443	1 266 192
Loans and advances	13 620 044	13 414 003	13 748 366
Government Securities	3 356 144	3 398 084	2 676 617
Treasury Bills	2 425 326	2 482 949	1 758 696
Government Bonds	930 818	915 135	917 921
Other	-	-	-
Total Deposits	19 178 077 *	18 670 399 *	17 537 205
Transferable/Demand	6 080 758	5 895 892	5 806 199
Savings	2 065 198	2 063 671	1 927 898
Time	11 032 120	10 710 837	9 803 108
Capital and Reserves	4 214 737	4 171 338	3 954 186
Total Assets/Liabilities	25 823 291	25 221 599	24 042 041
Total Liquid Assets (Banks only)	6 467 705	6 442 171	5 010 798
Required Liquidity (Banks only)	3 467 080	3 367 594	3 916 805
Surplus/ Deficiency (-) (Banks only)	3 000 625	3 074 577 *	1 093 992 *
RATIOS (%)			
Actual Liquidity to Domestic Liabilities (Banks Only)	36,9	37,9	31,5
Loans and Advances to Deposits	71,0	71,8	78,4



DEPOSITORY CORPORATIONS SURVEY		Jun-20	May-20	Jun-19	
Net Foreign Assets (E)		8 325 877	8 957 813	5 437 784	
Net Official Assets		5 688 546	6 539 950	4 296 549	
Foreign Assets - Central Bank of Eswatini		8 712 469	9 158 188	6 718 623	
Foreign Liabilities - Central Bank of Eswatini		3 023 923	2 618 238	2 422 074	
Net Other Depository Corporations Foreign holdings (ODC)		2 637 331	2 417 864 *	1 141 235 *	
Foreign Assets - ODC		2 849 042	2 605 236	1 598 447	
Foreign Liabilities - ODC		211 711	187 373	457 211	
Net Foreign Assets (SDR)		348 855	373 541	276 783	
Net Domestic Claims		16 332 258	15 737 163	17 807 830	
Net Claims on Government		1 871 672 *	1 583 039	2 358 952	
Claims on Central Government		6 381 122	5 917 798	5 790 812	
Government Deposits		4 509 449	4 334 759	3 431 860	
Claims on other sectors		14 460 586	14 154 124	15 448 878	
Other nonfinancial corporations (Industry)		6 377 846	6 205 657	6 829 191	
Other resident sectors (Households & NPISH)		6 650 785	6 612 951	6 301 044	
Other sectors		1 431 955	1 335 516	2 318 643	
Broad Money Supply (M2)		18 250 939 *	18 296 011 *	17 382 582	
Narrow Money Supply (M1)		6 345 062 *	6 360 679	6 325 766	
Currency outside depository corporations (E)		810 248	801 932	717 843	
Transferable (demand) deposits		5 534 813	5 558 747	5 607 923	
Quasi Money		11 905 878 *	11 935 331	11 056 816 *	
Savings Deposits		2 021 913	2 020 254	1 890 809	
Time Deposits		9 883 964	9 915 077	9 166 008	
Shares and Other Equity		6 719 663	7 081 576	5 875 681	
Central Bank Of Eswatini		1 935 693	2 342 536	1 333 698	
Other Depository Corporations		4 783 970	4 739 040	4 541 982	
Other Items (net)		-312 467	-682 611	-12 649	
GROSS OFFICIAL RESERVES					
		Jul-20	Jun-20	May-20	Jun-19
		Amount	Amount	Amount	Amount
		(E'000)	(E'000)	(E'000)	(E'000) 0)
Total Official (Gross) - Emalangeni E		7 837 724	6 830 071	7 270 280	5 141 525
Special Drawing Rights (SDR)		326 049	268 915	303 171	261 703
Central Bank		7 837 724	6 830 071	7 270 280	5 141 525
Government		26 243	26 243	26 243	26 243
Import Cover (reserves to months of estimated imports)		3,3	2,9	3,0	2,3
Net Bank Holdings		2 637 331	2 417 864	1 141 235	1 250 839

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.