

Monthly Statistical Release

MAY/JUNE 2018





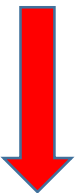





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**CENTRAL BANK
OF ESWATINI**
Umntsholi Wemaswati



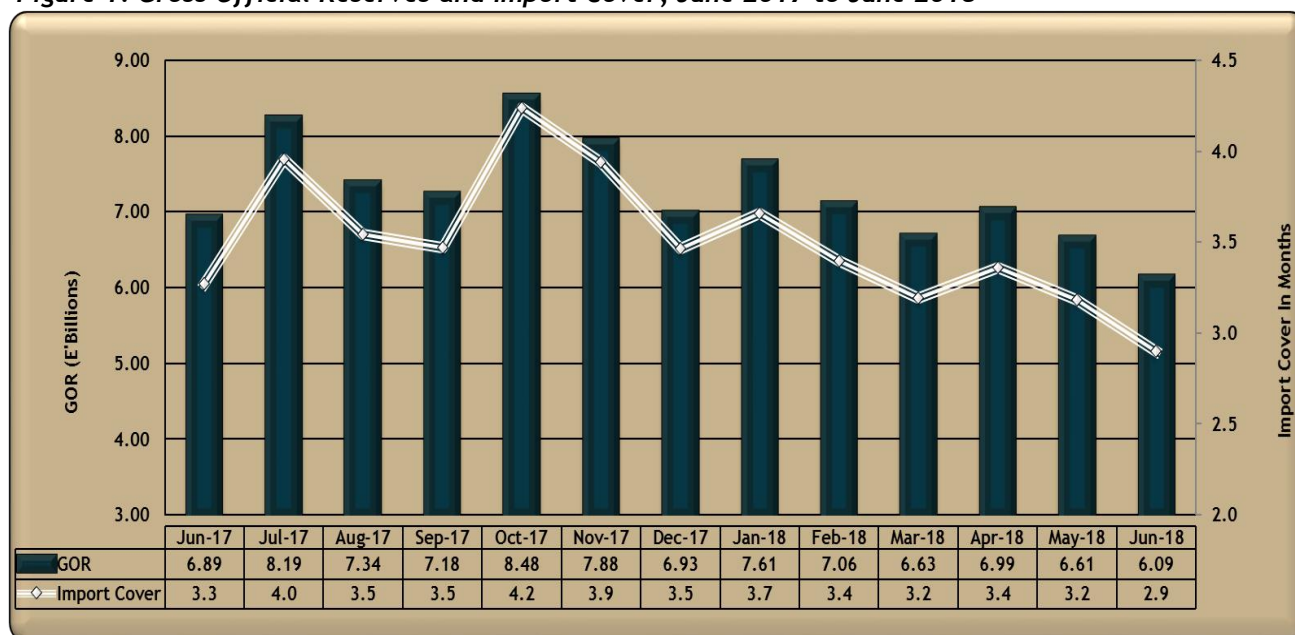
HIGHLIGHTS ON MAJOR MONETARY AGGREGATES	MONTHLY	ANNUAL % CHANGE
Gross Official Reserves contracted by 7.8 per cent to reach E6.1 billion at the end of June 2018. At this level, the Reserves represented an import cover of 2.9 months. Annually, the Reserves receded by 11.5 per cent.	7.8 	11.5 
Credit Extended to the Private Sector was E14.2 billion in May 2018, depicting month-on-month growth of 0.5 per cent. The rise was observed in credit to Other Sectors and Households, whilst credit to Businesses decelerated. Over the year, Private Sector credit rose by 11.0 per cent.	0.5 	11.0 
Broad Money Supply (M2) fell by 3.4 per cent month-on-month to E16.8 billion at the end of May 2018. The reduction was observed in Narrow Money Supply (M1) whilst Quasi Money increased over the review month. Year-on-year, M2 expanded by 9.2 per cent.	3.4 	9.2 
Domestic Liquid Assets grew by 9.2 per cent to E4.5 billion over the review month, due to a rise in Other Depository Corporations' balances with the Central Bank and their investments in Government Securities. Year-on-year, Liquid Assets accelerated by 5.0 per cent.	9.2 	5.0 
	PERCENT	
Discount Rate: the discount rate was maintained at 6.75 per cent in June 2018.		6.75
Prime Lending Rate: the prime lending rate also remained unchanged at 10.25 per cent in June 2018.		10.25

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Gross Official Reserves fell from E6.6 billion observed in May 2018 to E6.1 billion at the end of June 2018, depicting a monthly decrease of 7.8 per cent. In line with the fall in Reserves, the import cover went down from 3.2 months recorded in May 2018 to 2.9 months at the end of June 2018. The value of the Reserves in Special Drawing Rights (SDRs) amounted to SDR313.7 million, down from the SDR369.4 million observed in the previous month. Compared over the year, the Reserves reflected a reduction of 11.5 per cent, when valued in Emalangeni terms and a fall of 16.8 per cent in Special Drawing Rights (SDRs) terms.

Figure 1: Gross Official Reserves and Import Cover; June 2017 to June 2018

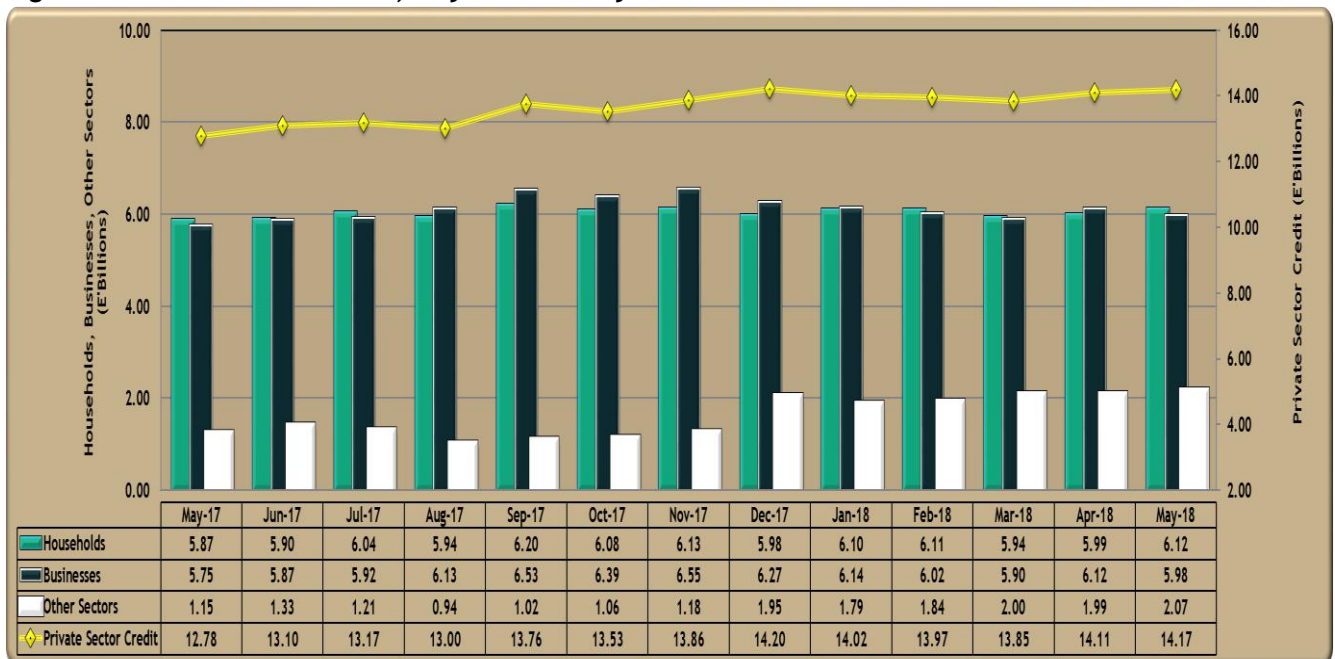


Source: Central Bank of Eswatini

Credit Extended to the Private Sector increased by 0.5 per cent from the previous month to settle at E14.2 billion at the end of May 2018. The improved performance in credit to the Private sector was mainly reflected in Other Sectors of the domestic economy and credit to Households & Non-Profit Institutions Serving Households (NPISH). However, credit to Businesses depicted a contraction over the same review period. Year-on-year, Private Sector Credit grew by 11.0 per cent.

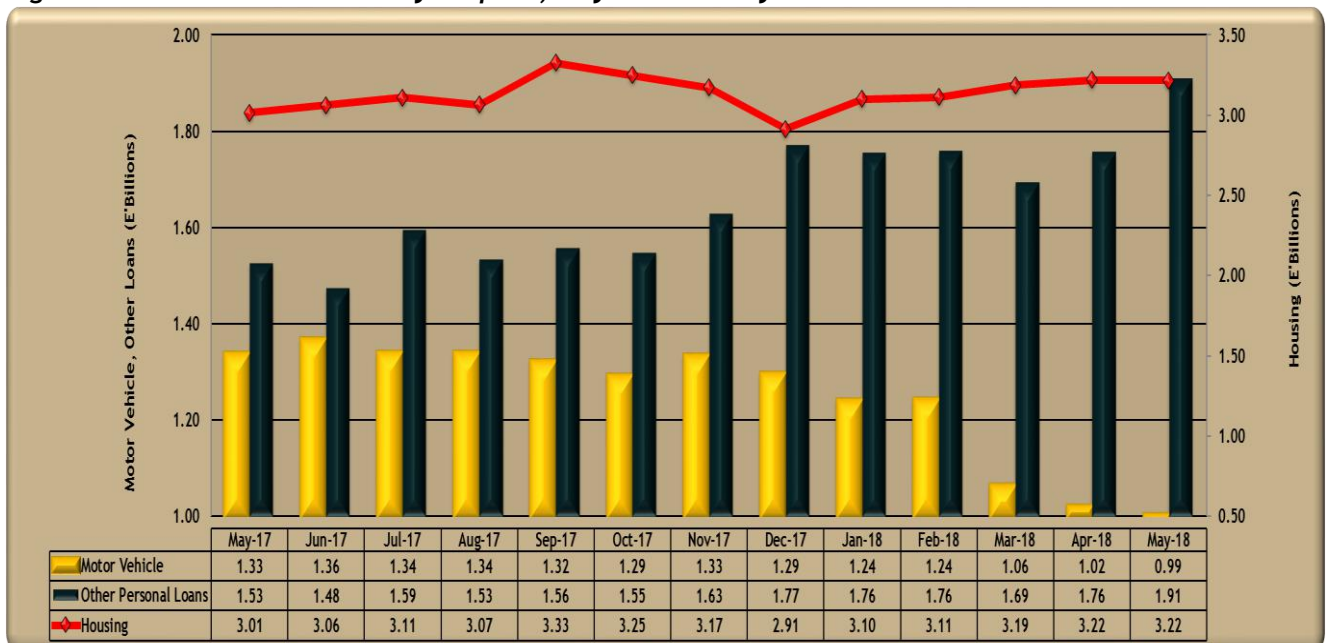
Credit Extended to Other Sectors stood at E2.1 billion at the end of May 2018, representing a 4.1 per cent increase from the E2.0 billion recorded in April 2018. The improvement in credit to Other Sectors was observed in all subsectors with the exception of credit to Local Government. As a result, credit to Other Financial Corporations grew by 4.8 per cent and Public Non-Financial Corporations by 3.3 per cent. Credit to Local Government on the contrary, depicted a fall of 8.8 per cent when compared with the previous month.

Credit Extended to Businesses stood at E6.0 billion at the end of May 2018, depicting a 2.3 per cent decline relative to the previous month. The fall in credit to Businesses was mainly constrained by these subsectors: Manufacturing (-13.2 per cent), Distribution & Tourism (-4.6 per cent), Mining & Quarry (-4.5 per cent), Construction (-2.6 per cent), Transport & Communications (-2.0 per cent) and Real Estate (-0.8 per cent). These contractions were against the backdrop of growth in these subsectors; Community, Social & Personal Services (1.5 per cent) and Agriculture & Forestry (1.3 per cent).

Figure 2: Private Sector Credit; May 2017 to May 2018

Source: Central Bank of Eswatini

Credit Extended to Households & NPISH closed the month under review at E6.1 billion, depicting month-on-month growth of 2.2 per cent. This outturn was explained by an increase in credit to Other Personal (Unsecured) Loans which grew by 8.7 per cent, month-on-month, to settle at E1.9 billion. Mortgage Loans as at end of May 2018 maintained the same level of E3.2 billion as that observed in April 2018, whilst credit to Motor Vehicle Finance reflected a month-on-month contraction of 2.3 per cent to E1.0 billion.

Figure 3: Credit to Households by Purpose; May 2017 to May 2018

Source: Other Depository Corporations

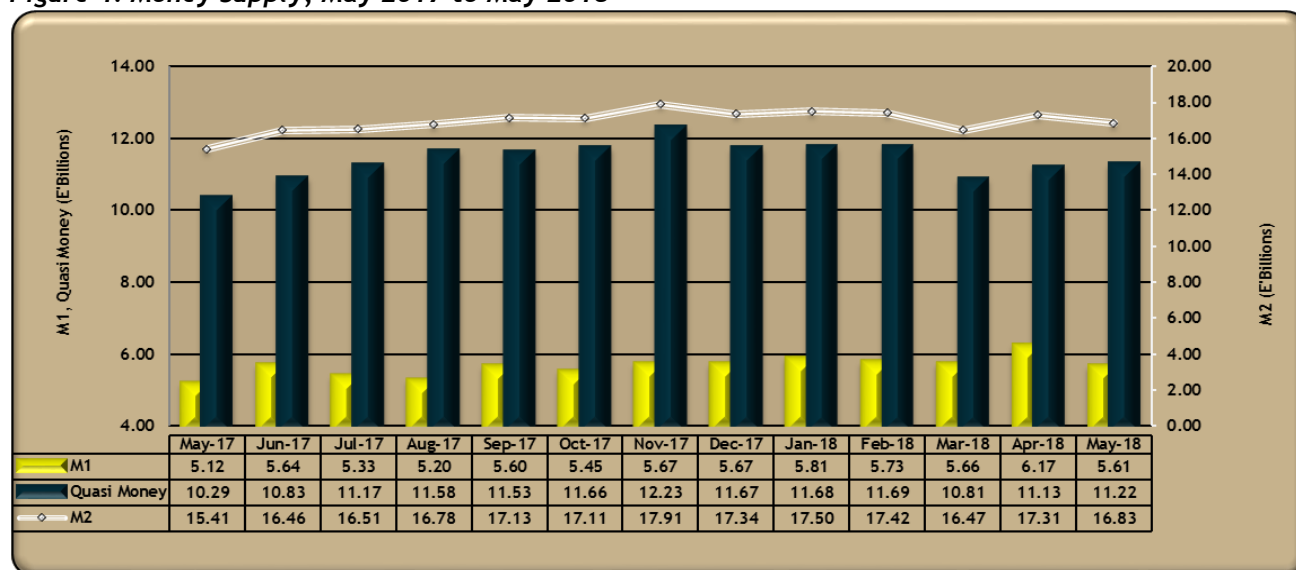
Net Government Balances held by Other Depository Corporations depicted a reduction at the end of May 2018 due to drawdowns on Government deposits to finance budgetary commitments over the month under review. As a result, Government deposits fell by 13.3 per cent offsetting an 8.4 per cent growth in claims on Government. When compared over the year, Net Government balances also reflected a decline.

Broad Money Supply (M2) reached E16.8 billion at the end of May 2018, down from the E17.4 billion realised in April 2018. The two components of M2 however, moved in opposite directions at the end of May 2018, with Narrow Money Supply (M1) depicting a negative growth whilst Quasi Money Supply recorded a positive growth over the review month. Compared over the year, M2 expanded by 9.2 per cent.

M1 fell by 10.7 per cent when compared with the previous month to reach E5.6 billion at the end of May 2018. An analysis of the components of M1 revealed that Transferable deposits tapered by 11.1 per cent month-on-month to E5.0 billion whilst Currency Outside Depository Corporations shrank by 7.9 per cent to E583.8 million at the end of May 2018.

Quasi Money Supply amounted to E11.2 billion at the end of May 2018, expanding by 0.8 per cent on a month-on-month basis. The improvement was supported by an increase in both components of Quasi money, Time and Savings Deposits. Time Deposits accelerated by 0.8 per cent to E9.6 billion and Savings Deposits by 0.7 per cent to E1.6 billion.

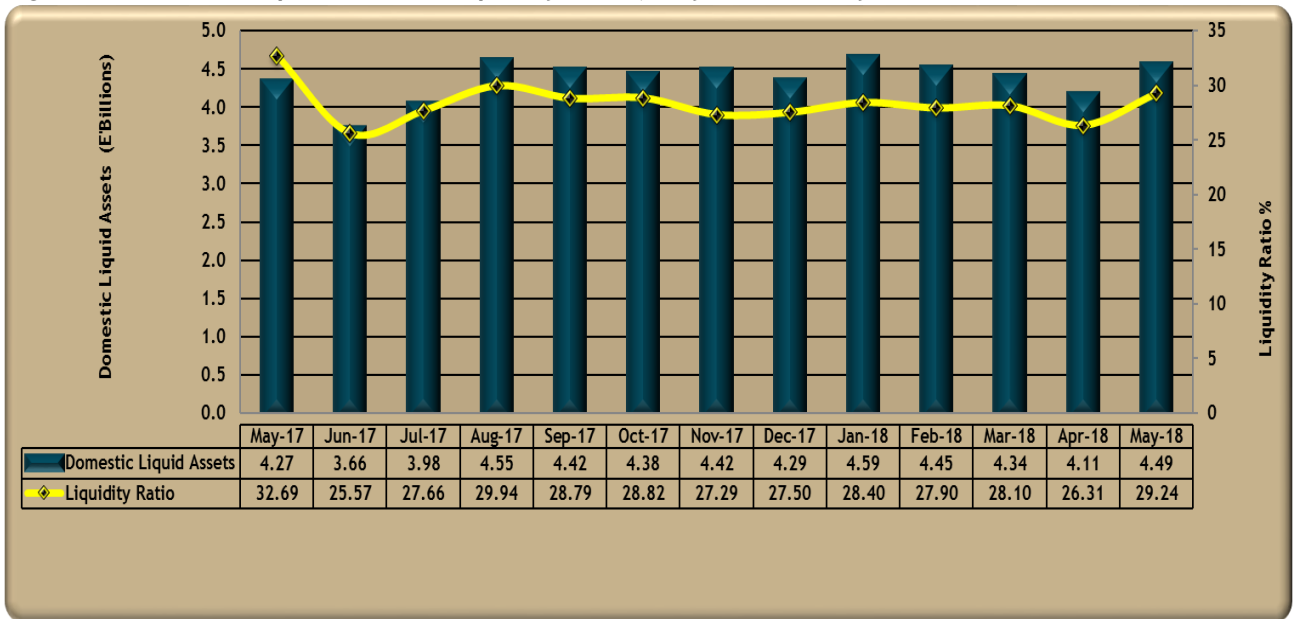
Figure 4: Money Supply; May 2017 to May 2018



Source: Other Depository Corporations & Central Bank of Eswatini

Liquidity Position of Banks closed at E4.5 billion at the end of May 2018, depicting growth of 9.2 per cent from the fall of 5.3 per cent observed in April 2018. The increase was attributed to a rise in Other Depository Corporations' balances with the Central Bank and their investment in Government securities. The Banks' liquidity ratio therefore closed at 29.2 per cent, higher than the 26.3 per cent recorded at the end of April 2018. Compared annually, the Banks' Domestic Liquid Assets rose by 5.0 per cent.

Figure 5: Domestic Liquid Assets & Liquidity Ratio; May 2017 to May 2018



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	May-18	Apr-18	May-17
	Amount	Amount	Amount
	(E'000)	(E'000)	(E'000)
CENTRAL BANK OF SWAZILAND			
<i>Claims on Non-residents</i>	7 895 449	8 273 509	8 732 176
<i>Claims on Domestic Economy</i>	1 383 758	1 328 241	1 147 093
Government	1 350 854	1 295 402	1 117 274
Other Depository Corporations	2 079	2 038	2 017
Other Resident Sectors	30 825	30 801	27 802
<i>Other Assets</i>	1 772 297	2 179 737	443 781
<i>Total Assets/Liabilities</i>	11 051 504	11 781 488	10 323 050
OTHER DEPOSITORY CORPORATIONS			
<i>Cash and Deposits with CBS</i>	1 901 240	1 774 559	2 030 088
<i>Net Balances with Banks Outside Swaziland</i>	1 780 863	2 557 195	1 624 823
<i>Loans and advances</i>	13 461 795	13 441 798	12 041 271
<i>Government Securities</i>	2 785 086	2 538 423	2 319 893
Treasury Bills	1 832 065	1 600 312	1 410 360
Government Bonds	953 021	938 111	909 534
<i>Other</i>	0	0	0
<i>Total Deposits</i>	16 583 306	17 084 906	15 115 881
Transferable/Demand	5 057 554	5 668 122	4 642 579
Savings	1 656 317	1 643 296	1 799 910
Time	9 869 435	9 773 488	8 673 393
<i>Capital and Reserves</i>	3 704 212	3 711 287	3 372 158
<i>Total Assets/Liabilities</i>	22 543 859	22 917 878	20 827 664
<i>Total Liquid Assets (Banks only)</i>	4 489 465	4 112 219	4 273 843
<i>Required Liquidity (Banks only)</i>	3 785 696	3 855 655	3 234 820
<i>Surplus/ Deficiency (-) (Banks only)</i>	703 769	256 564	1 039 024
RATIOS (%)			
<i>Actual Liquidity to Domestic Liabilities (Banks Only)</i>	29.2	26.3	32.7
<i>Loans and Advances to Deposits</i>	81.2	78.7	79.7



DEPOSITORY CORPORATIONS SURVEY		May-18	Apr-18	May-17	
Net Foreign Assets (E)		7 410 777	8 640 115	7 966 300	
Net Official Assets		5 607 098	6 027 235	6 322 076	
Foreign Assets - Central Bank of Swaziland		7 921 692	8 299 752	8 758 419	
Foreign Liabilities - Central Bank of Swaziland		2 314 593	2 272 517	2 436 343	
Net Other Depository Corporations Foreign holdings (ODC)		1 803 678	2 612 880	1 644 224	
Foreign Assets - ODC		2 182 233	3 046 367	2 132 173	
Foreign Liabilities - ODC		378 554	433 487	487 949	
Net Foreign Assets (SDR)		414 262	482 639	437 617	
Net Domestic Claims		14 280 719	13 271 365	12 292 531	
Net Claims on Government		103 942	-838 289	-484 890	
Claims on Central Government		4 157 110	3 835 112	3 441 819	
Government Deposits		4 053 168	4 673 401	3 926 709	
Claims on other sectors		14 176 777	14 109 654	12 777 421	
Other nonfinancial corporations (Industry)		5 980 009	6 123 496	5 750 626	
Other resident sectors (Households & NPISH)		6 122 406	5 993 117	5 874 067	
Other sectors		2 074 362	1 993 042	1 152 727	
Broad Money Supply (M2)		16 831 192	17 415 361	15 414 086	
Narrow Money Supply (M1)		5 608 038	6 282 813	5 122 603	
Currency outside depository corporations (E)		583 770	633 962	557 786	
Transferable (Demand) deposits		5 024 269	5 648 851	4 564 818	
Quasi Money		11 223 154	11 132 547	10 291 483	
Savings Deposits		1 621 982	1 611 161	1 770 130	
Time Deposits		9 601 172	9 521 386	8 521 353	
Shares and Other Equity		6 548 018	6 443 333	5 135 291	
Central Of Swaziland		2 322 836	2 217 622	1 293 160	
Other Depository Corporations		4 225 182	4 225 711	3 842 131	
Other Items (net)		-1 716 263	-1 977 072	-290 546	
GROSS OFFICIAL RESERVES	29-Jun-18	May-18	Apr-18	May-17	Jun-17
	Amount	Amount	Amount	Amount	Amount
	(E'000)	(E'000)	(E'000)	(E'000)	(E'000)
Total Official (Gross) - Emalangeni E	6 091 782	6 608 540	6 985 687	7 422 628	6 885 093
Special Drawing Rights (SDR)	313 722	390 223	390 223	407 752	377 038
Central Bank	6 091 782	6 608 540	6 985 687	7 422 628	6 885 093
Government	26 243	26 243	26 243	26 243	26 243
Import Cover (Reserves to months of estimated imports)	2.9	3.2	3.4	3.5	3.3
Net Bank Holdings		1 803 678	2 612 880	1 644 224	2 545 718
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5.Import cover figures are subject to revision as import figures used have a 3 month lag.					