

Monthly Statistical Release

OCT/NOV 2020



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CENTRAL BANK OF ESWATINI
Umntsholi Wemaswati



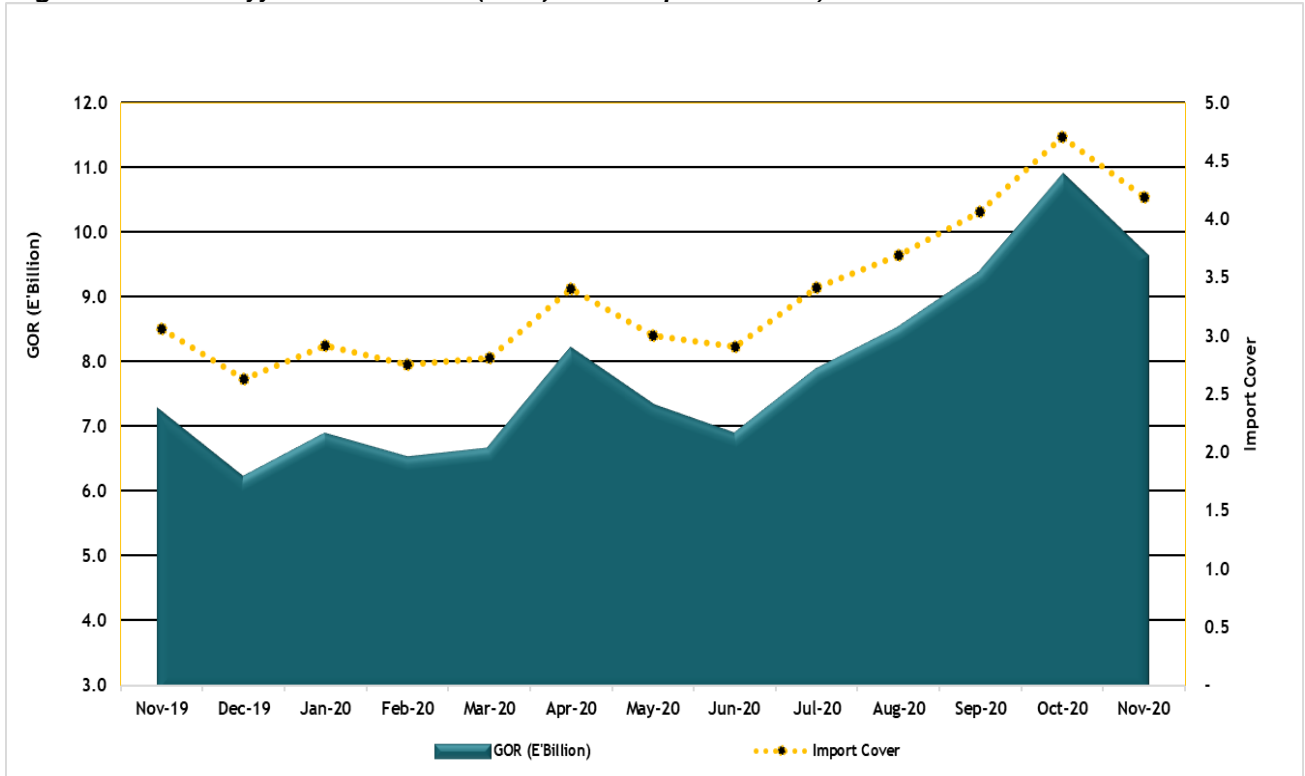
HIGHLIGHTS ON MAJOR MONETARY AGGREGATES	MONTHLY % CHANGE	ANNUAL % CHANGE
Gross official reserves stood at E9.6 billion at the end of November 2020, 11.1 per cent lower than in the previous month but 34.4 per cent higher compared year-on-year.	11.1 ▼	34.4 ▲
Credit extended to the private sector grew by 1.2 per cent month-on-month and 1.8 per cent year-on-year to close at E15.0 billion at the end of October 2020.	1.2 ▲	1.8 ▲
Broad money supply (M2) amounted to E19.8 billion at the end of October 2020, reflecting an increase of 4.1 per cent over the month and 6.9 per cent over the year.	4.1 ▲	6.9 ▲
Domestic Liquid Assets closed at E7.2 billion at the end of October 2020, expanding by 13.0 per cent month-on-month and by 20.1 per cent year-on-year.	13.0 ▲	20.1 ▲
	PERCENT	
Discount rate: the discount rate was maintained at 3.75 per cent in November 2020.		3.75
Prime lending rate: the prime lending rate was unchanged at 7.25 per cent in November 2020.		7.25
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Gross official reserves reached E9.6 billion at the end of November 2020, lower than the E10.8 billion observed in the previous month. At this level, the reserves represented a month-on-month decline of 11.1 per cent and a year-on-year growth of 34.4 per cent. The reserves were enough to cover 4.2 months of imports, lower than the 4.7 months observed in October 2020.

Valued in special drawing rights (SDR), the reserves amounted to SDR435.9 million at the end of November 2020, reflecting a month-on-month reduction of 7.1 per cent and year-on-year growth of 22.8 per cent.

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



Source: Central Bank of Eswatini

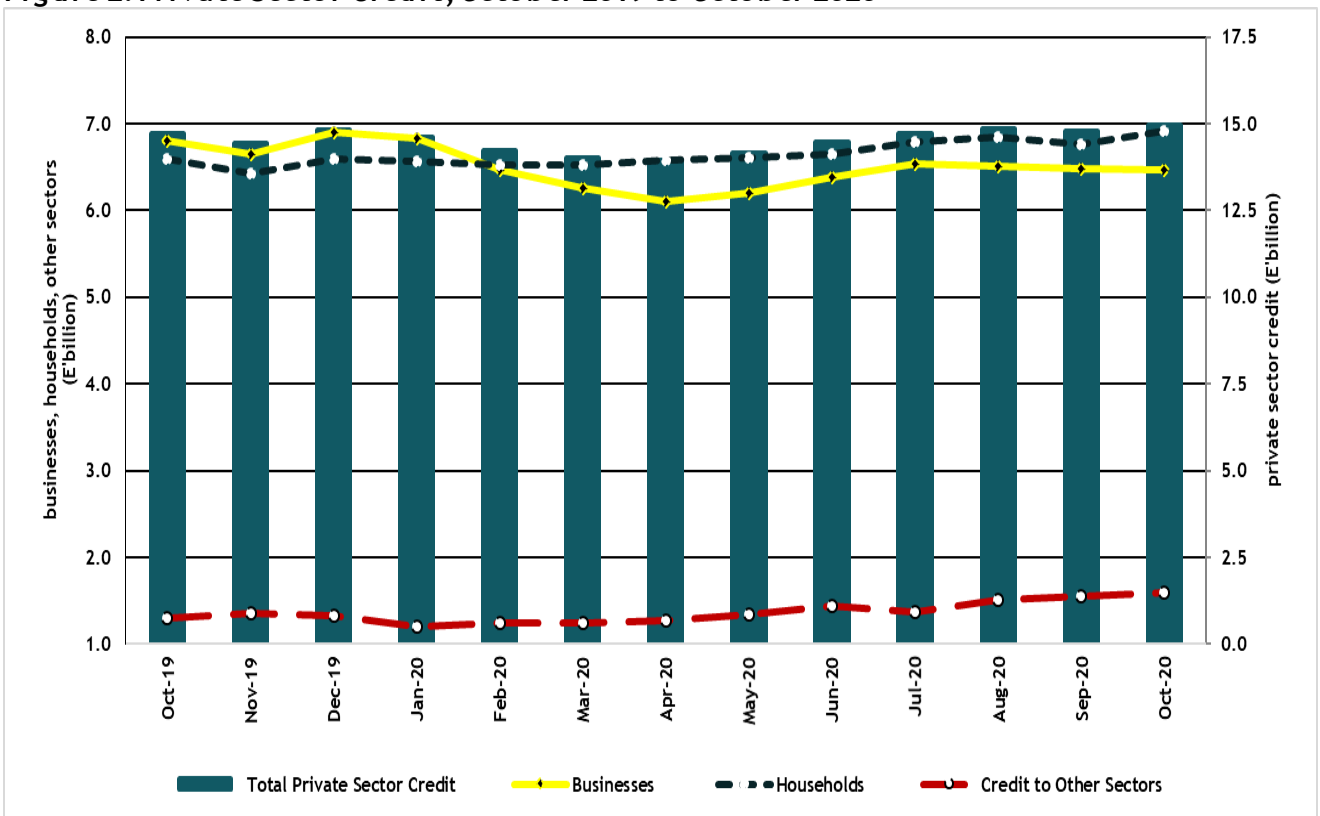
Credit extended to the private sector amounted to E15.0 billion at the end of October 2020, improving by 1.2 per cent month-on-month and by 1.8 per cent year-on-year. The increase in private sector credit benefitted from credit to other sectors as well as households & non-profit institutions serving households (NPISH). However, credit to businesses declined over the review month.

Credit to other sectors stood at E1.6 billion at the end of October 2020, reflecting an increase of 2.3 per cent month-on-month and 22.5 per cent annually. The month-on-month growth was attributed to credit by other financial corporations, which rose by 4.1 per cent.

Credit to local government and public non-financial corporations, on the other hand, declined by 7.1 and 0.3 per cent, respectively.

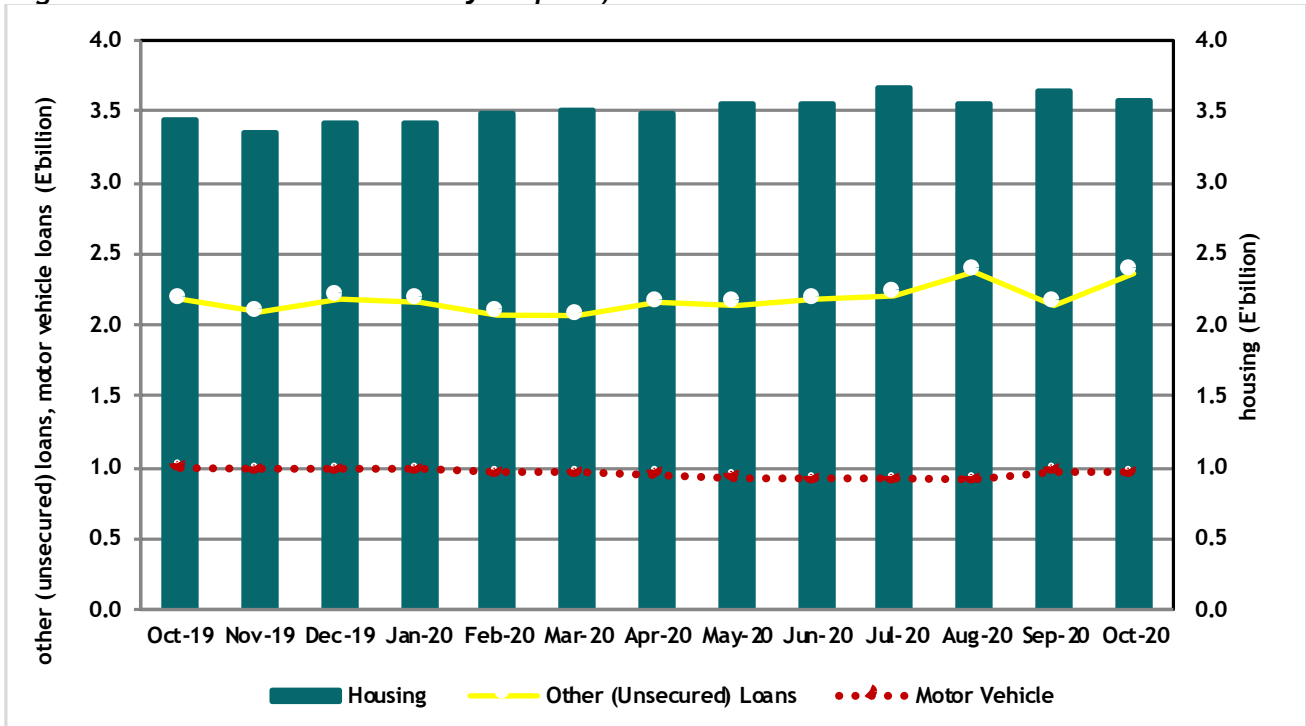
Credit extended to businesses fell by 0.2 per cent over the month and by 5.0 over the year to settle at E6.5 billion at the end of October 2020. The decrease was mainly observed in credit to these subsectors; manufacturing (-10.4 per cent), construction (-3.0 per cent), transport & communication (-0.9 per cent), as well as mining & quarrying (-0.7 per cent). The decline was partially counteracted by an increase in credit to the following; real estate (8.6 per cent), distribution & tourism (3.0 per cent), agriculture & forestry (2.3 per cent) as well as community, social & personal services (1.1 per cent).

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



Source: Central Bank of Eswatini & Other Depository Corporations

Credit extended to households & NPISH closed at E6.9 billion at the end of October 2020, depicting an expansion of 2.3 per cent month-on-month and 4.7 per cent over the year. The increase was on account of other personal (unsecured) loans which rose by 10.2 per cent to settle at E2.4 billion over the month under review. On the contrary, there was a fall in mortgage loans (-1.5 per cent) and motor vehicle loans (-1.2 per cent) to E3.6 billion and E1.0 billion, respectively.

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

Source: Central Bank of Eswatini & Other Depository Corporations

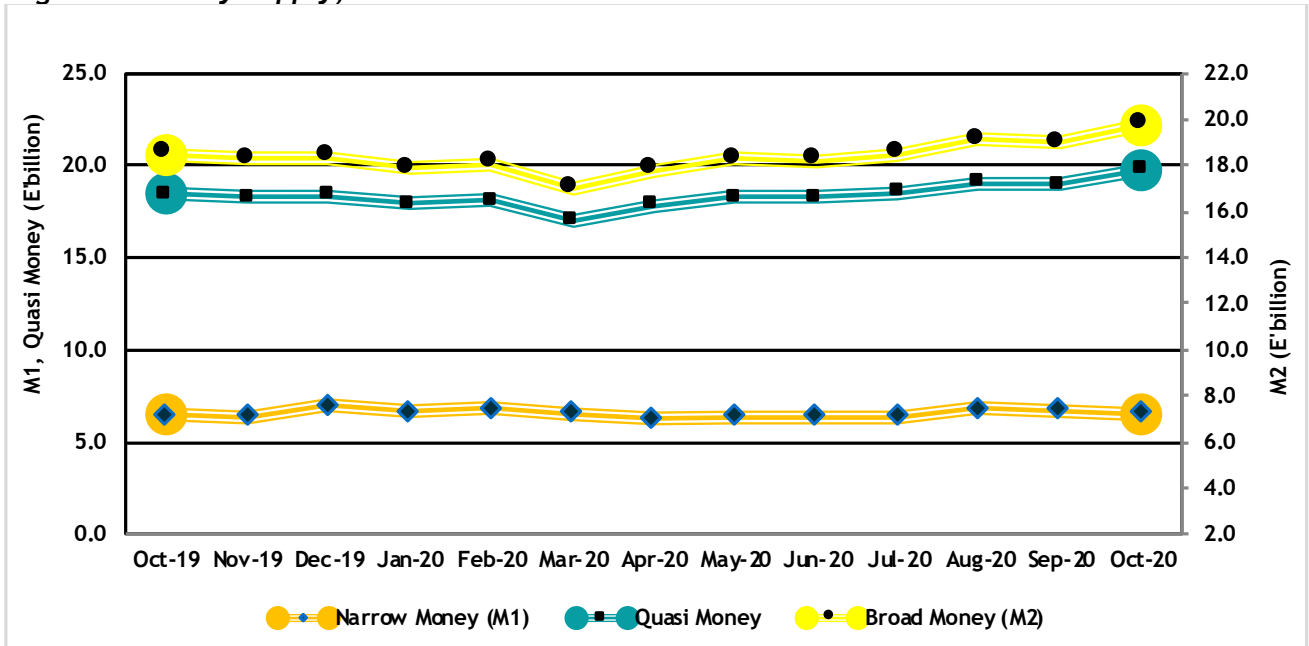
Net claims on government with the banking sector stood at -E1.1 billion at the end of October 2020 from -E512.5 million in September 2020, due to drawdowns on government deposits to finance budgetary commitments.

Broad money supply (M2) expanded by 4.1 per cent over the month and 6.9 per cent year-on-year to reach E19.8 billion at the end of October 2020. The month-on-month growth was driven by quasi money supply whilst narrow money supply (M1) contracted.

Quasi money supply grew by 7.6 per cent month-on-month and 9.4 per cent annually to settle at E13.2 billion at the end of October 2020, on account of both time and savings deposits. Time deposits rose by 8.8 per cent over the month and by 9.7 per cent over the year to settle at E11.1 billion at the end of October 2020. Savings deposits increased by 1.5 per cent month-on-month and 8.2 per cent year-on-year to reach E2.1 billion at the end of October 2020.

Narrow money supply (M1) reflected a contraction of 2.2 per cent month-on-month but grew by 2.0 per cent over the year to settle at E6.5 billion at the end of October 2020. The month-on-month reduction stemmed from transferable (demand) deposits, which fell by 4.2 per cent and 1.8 per cent annually to E5.6 billion. Emalangi outside depository corporations however, improved by 10.5 per cent from September 2020 and by 30.6 per cent over the year to settle at E92.9 million at the end of October 2020.

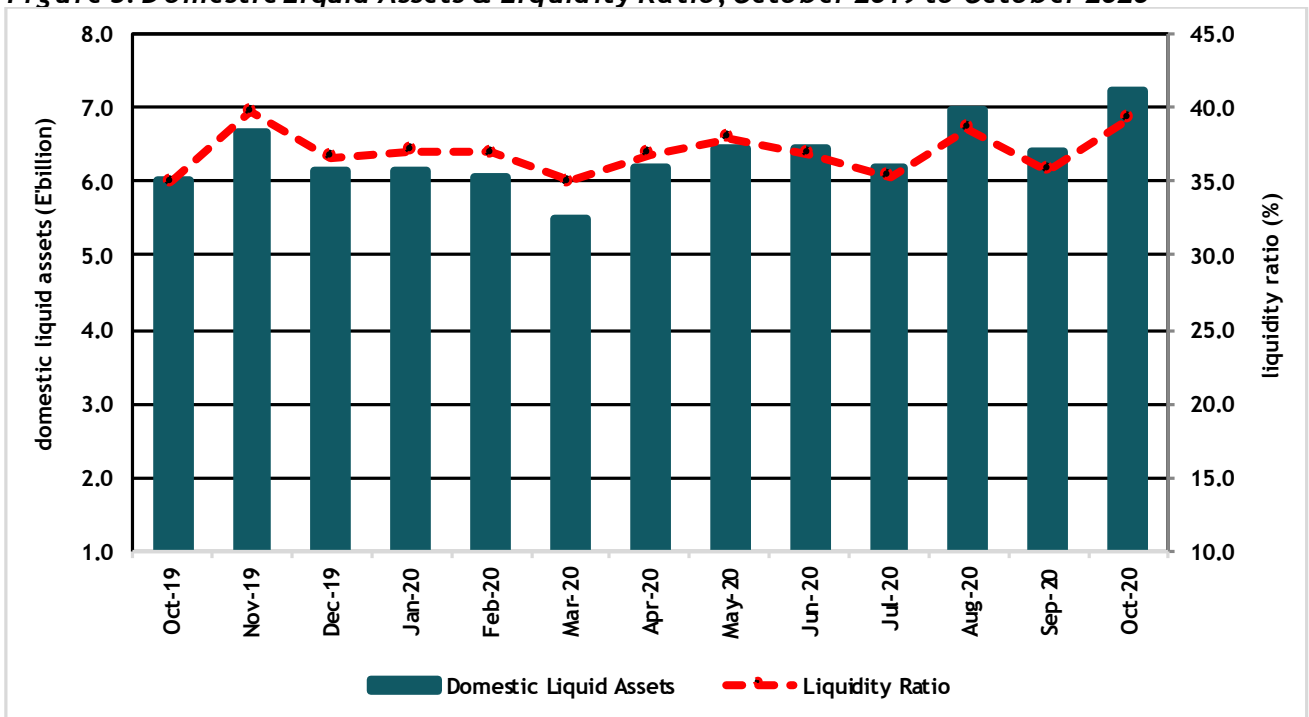
Figure 4: Money Supply; October 2019 to October 2020



Source: Central Bank of Eswatini & Other Depository Corporations

Bank liquid assets stood at E7.2 billion at the end of October 2020, increasing by 13.0 per cent month-on-month and by 20.1 per cent year-on-year. The month-on-month improvement was reflected in the banks’ balances held with other domestic banks, the Central Bank of Eswatini as well as investments in government securities. The banks’ liquidity ratio stood at 39.2 per cent at the end of October 2020, higher than the 35.8 per cent observed in September 2020.

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



Source: Other Depository Corporations

RELEASE OF MONEY AND BANKING STATISTICS

ITEM	Oct-20	Sep-20	Oct-19
	Amount	Amount	Amount
	(E'000)	(E'000)	(E'000)
CENTRAL BANK OF ESWATINI			
Claims on Non-residents	12,453,467	11,014,610	9,033,243
Claims on Domestic Economy	1,962,408	3,118,064	1,999,946 *
Government	1,929,597	3,085,897	1,971,015
Other Depository Corporations	2,512	2,512	2,082
Other Resident Sectors	30,299	29,655	26,848
Other Assets	555,077	554,585	1,353,360
Total Assets/Liabilities	14,970,952	14,687,259	12,386,549
OTHER DEPOSITORY CORPORATIONS			
Cash and Deposits with CBE	3,727,985	3,107,435	3,914,263
Net Balances with Banks Outside Eswatini	1,557,714	1,799,250	1,517,979
Loans and advances	14,004,934	13,910,930	13,847,283
Government Securities	3,787,801	3,560,540	2,438,506 *
Treasury Bills	2,400,973	2,303,956	1,498,674
Government Bonds	1,386,828	1,256,584	939,831
Other	-	-	-
Total Deposits	20,742,932	20,060,021	18,653,865
Transferable/Demand	6,063,119	6,327,071	5,814,291
Savings	2,161,989	2,132,591	1,976,251
Time	12,517,824	11,600,359	10,863,323
Capital and Reserves	4,211,790	4,228,237	4,016,504
Total Assets/Liabilities	26,896,590	26,442,997	25,551,028
Total Liquid Assets (Banks only)	7,229,727	6,397,805	6,017,738
Required Liquidity (Banks only)	3,649,081	3,540,153	4,233,931
Surplus/ Deficiency (-) (Banks only)	3,580,646	2,857,652	1,783,808
RATIOS (%)			
Actual Liquidity to Domestic Liabilities (Banks Only)	39.2	35.8	35.1
Loans and Advances to Deposits	67.5	69.3	74.2

DEPOSITORY CORPORATIONS SURVEY				<i>Oct-20</i>	<i>Sep-20</i>	<i>Oct-19</i>
Net Foreign Assets (E)		10,832,712	9,689,493	6,248,483		
Net Official Assets		9,543,567	8,079,491	6,594,136		
Foreign Assets - Central Bank of Eswatini		12,479,710	11,040,853	9,059,486		
Foreign Liabilities - Central Bank of Eswatini		2,936,143	2,961,362	2,465,350		
Net Other Depository Corporations Foreign holdings (ODC)		2,491,584	2,753,221	2,160,918		
Foreign Assets - ODC		2,782,727	3,171,746	2,844,938		
Foreign Liabilities - ODC		291,143	418,525	684,020		
Net Foreign Assets (SDR)		522,926	460,390	419,368		
Net Domestic Claims		13,829,565 *	14,283,121	17,201,371 *		
Net Claims on Government		-1,142,297 *	-512,467	2,227,139 *		
Claims on Central Government		5,749,151	6,709,750	5,527,931		
Government Deposits		6,891,447	7,222,217	3,300,792		
Claims on other sectors		14,971,861	14,795,588	14,708,449		
Other nonfinancial corporations (Industry)		6,472,196	6,485,810	6,810,381		
Other resident sectors (Households & NPISH)		6,909,795	6,755,786	6,599,843		
Other sectors		1,589,870	1,553,992	1,298,225		
Broad Money Supply (M2)		19,760,929	18,982,745 *	18,490,525 *		
Narrow Money Supply (M1)		6,545,702 *	6,695,878	6,415,781 *		
Currency outside depository corporations (E)		982,877	889,173	752,554		
Transferable (demand) deposits		5,562,826	5,806,705	5,663,226		
Quasi Money		13,215,227	12,286,866 *	12,074,745		
Savings Deposits		2,087,355	2,057,505	1,928,986		
Time Deposits		11,127,872	10,229,362	10,145,759		
Shares and Other Equity		6,712,880	6,791,680	6,488,815		
Central Bank Of Eswatini		1,895,361	1,962,197	1,893,614		
Other Depository Corporations		4,817,518	4,829,483	4,595,201		
Other Items (net)		-609,094	-658,592	-213,210		
GROSS OFFICIAL RESERVES						
	<i>Nov-20</i>	<i>Oct-20</i>	<i>Sep-20</i>	<i>Oct-19</i>	<i>Nov-19</i>	
	<i>Amount</i>	<i>Amount</i>	<i>Amount</i>	<i>Amount</i>	<i>Amount</i>	
	<i>(E'000)</i>	<i>(E'000)</i>	<i>(E'000)</i>	<i>(E'000)</i>	<i>(E'000)</i>	
Total Official (Gross) - Emalangi E	9,601,254	10,797,813	9,321,947	7,382,674	7,143,573	
Special Drawing Rights (SDR)	435,898	469,164	396,183	353,631	355,036	
Central Bank	9,601,254	10,797,813	9,321,947	7,382,674	7,143,573	
Government	26,243	26,243	26,243	26,243	26,243	
Import Cover (reserves to months of estimated imports)	4.2	4.7	4.1	3.2	3.1	
Net Bank Holdings		2,491,584	2,753,221	2,160,918	1,449,347	

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.