

Monthly Statistical Release

NOV/DEC 2019



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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 E6.1 billion at the end of December 2019, 14.2 per cent lower than the previous month. The reserves were sufficient to cover 2.6 months of imports. Year-on-year, the reserves fell by 3.1 per cent.	-14.2 ▼	-3.1 ▼
Credit Extended to the Private Sector decelerated by 1.9 per cent month-on-month to E14.4 billion in November 2019. The reduction was observed in credit to households and businesses while credit to other sectors rose. Annually, private sector credit declined by 1.9 per cent.	-1.9 ▼	-1.9 ▼
Broad Money Supply (M2) declined by 0.8 per cent to E18.3 billion at the end of November 2019. The fall was observed in both its components; narrow money supply (M1) and quasi money supply. Year-on-year, M2 decreased by 0.2 per cent.	-0.8 ▼	-0.2 ▼
Domestic Liquid Assets grew by 10.7 per cent to E6.7 billion in November 2019. The banks' liquidity ratio stood at 39.8 per cent. Compared over the year, banks' liquid assets improved by 33.3 per cent.	10.7 ▲	33.3 ▲
	PERCENT	
Discount Rate: the discount rate was at 6.50 per cent in December 2019.		6.50
Prime Lending Rate: the prime lending rate was at 10.00 per cent in December 2019.		10.00

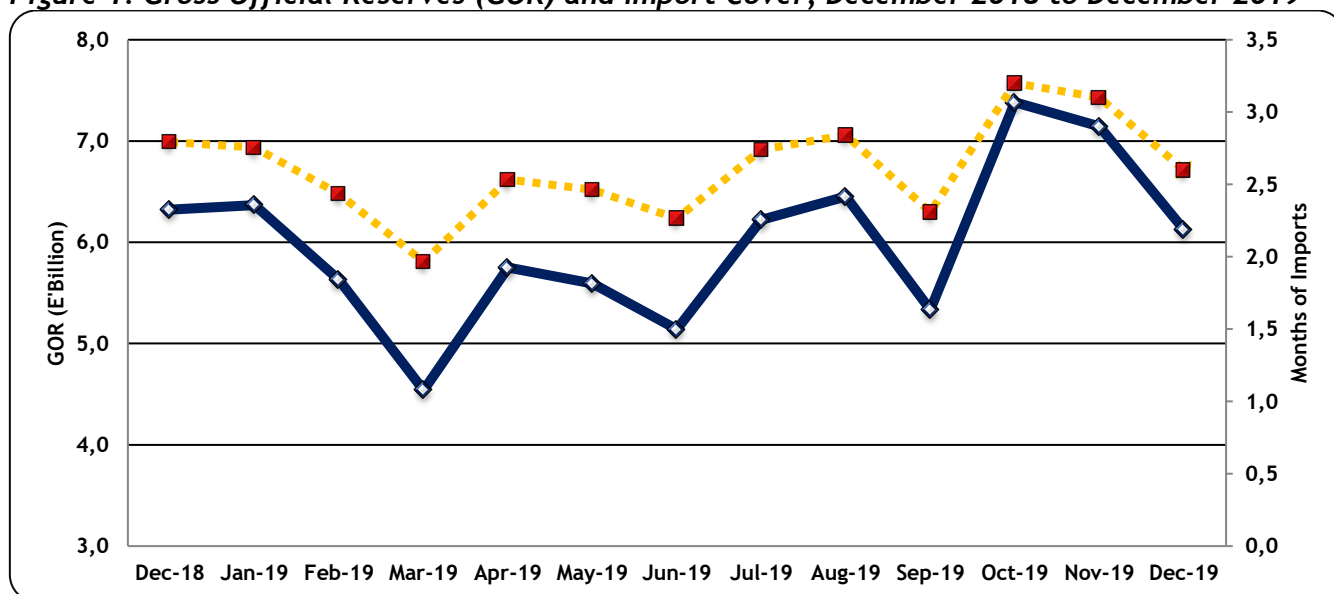
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Gross official reserves amounted to E6.1 billion at the end of December 2019, reflecting a month-on-month contraction of 14.2 per cent. At this level, the reserves were equivalent to an import cover of 2.6 months, lower than the 3.1 months observed in November 2019. Year-on-year, gross official reserves declined by 3.1 per cent.

Expressed in special drawing rights (SDRs), the reserves decelerated by 11.0 per cent from the previous month to SDR315.8 million at the end of December 2019. However, over the year, the SDR value of reserves recorded an increase of 0.02 per cent.

Figure 1: Gross Official Reserves (GOR) and Import Cover; December 2018 to December 2019



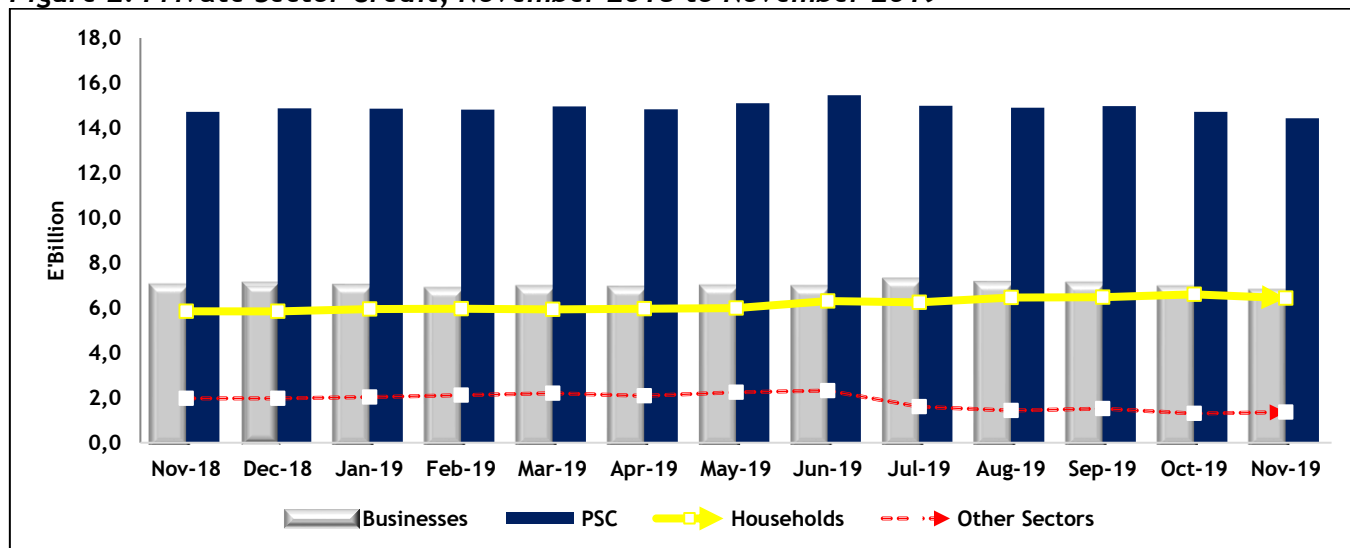
Source: Central Bank of Eswatini

Credit extended to the private sector shrank by 1.9 per cent to E14.4 billion at the end of November 2019 due to credit to households & non-profit institutions serving households (NPISH) and credit to businesses. Credit to other sectors however, reflected an increase over the month under review. On an annual basis, credit to the private sector declined by 1.9 per cent.

Credit extended to businesses amounted to E6.7 billion at the end of November 2019, depicting a fall of 2.3 per cent from the previous month. The reduction in credit to businesses was evident in the following subsectors; distribution & tourism (-13.5 per cent), construction (-7.7 per cent), real estate (-1.0 per cent) and community, social & personal services (-0.2 per cent). The fall was partially offset by increases in credit to these sectors; Manufacturing (6.7 per cent), transport and communication (4.8 per cent), agriculture and forestry (0.6 per cent) while mining & quarrying remained flat.

Credit to other sectors rebounded from a fall of 14.1 per cent recorded in October 2019 to grow by 4.7 per cent at the end of November 2019. As a result, credit to other sectors rose to E1.4 billion at the end of November 2019, from E1.3 billion registered in October 2019. The improvement was attributed to credit to public non-financial corporations (27.2 per cent) and credit to local government (3.0 per cent). Partly offsetting the increase was a fall in credit to other financial corporations (-5.4 per cent).

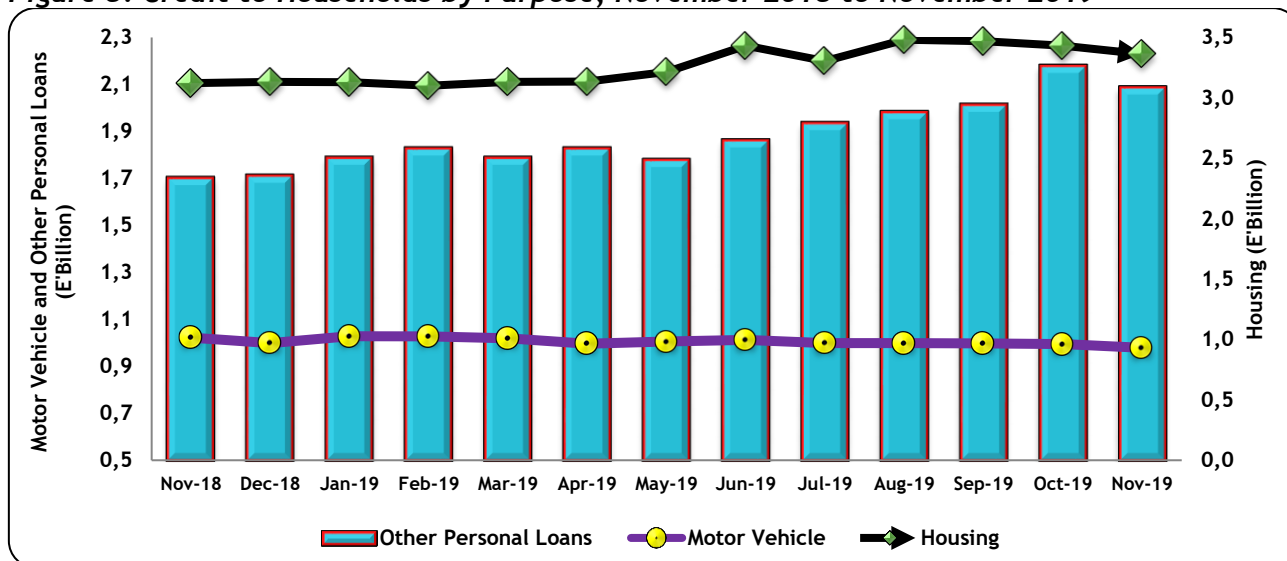
Figure 2: Private Sector Credit; November 2018 to November 2019



Source: Central Bank of Eswatini

Credit Extended to Households & NPISH contracted by 2.7 per cent month-on-month to settle at E6.4 billion at the end of November 2019. The fall was on account of a decrease in all its components; credit to other personal (unsecured) loans (-4.2 per cent) to E2.1 billion, mortgage loans (-2.0 per cent) to E3.4 billion and motor vehicle loans (-1.6 per cent) to E0.98 billion.

Figure 3: Credit to Households by Purpose; November 2018 to November 2019



Source: Other Depository Corporations

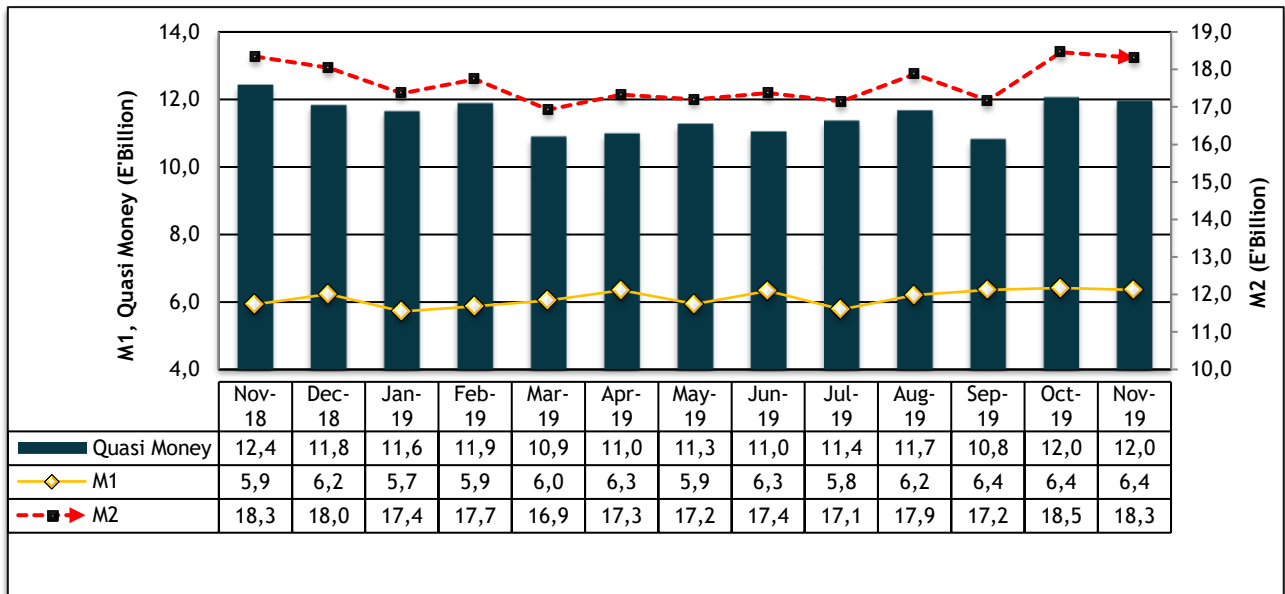
Net claims on government with the banking sector increased by 35.9 per cent to settle at E2.8 billion at the end of November 2019. This was as a result of government liabilities with the banking sector growing by 15.8 per cent whilst government deposits decreased by 1.2 per cent. Compared annually, net claims on government continued to trend upwards.

Broad money supply (M2) reached E18.3 billion at the end of November 2019, reflecting a decline of 0.8 per cent from the previous month. Both components of M2; narrow money supply (M1) and quasi money supply trended downwards over the month under review. Over the same period last year, M2 went down by 0.2 per cent.

Narrow money supply (M1) depicted a month-on-month reduction of 0.9 per cent to settle at E6.4 billion at the end of November 2019. The depletion was on account of transferable deposits which fell by 2.0 per cent to E5.5 billion. In contrast, Emalangeni outside depository corporations grew by 7.4 per cent to E0.8 billion.

Quasi money supply amounted to E12.0 billion at the end of November 2019, decreasing by 0.8 per cent from the previous month. The decline was driven by time deposits which fell by 1.0 per cent to E10.0 billion at the end of November 2019. Savings deposits on the contrary, expanded by 0.4 per cent month-on-month to E1.9 billion.

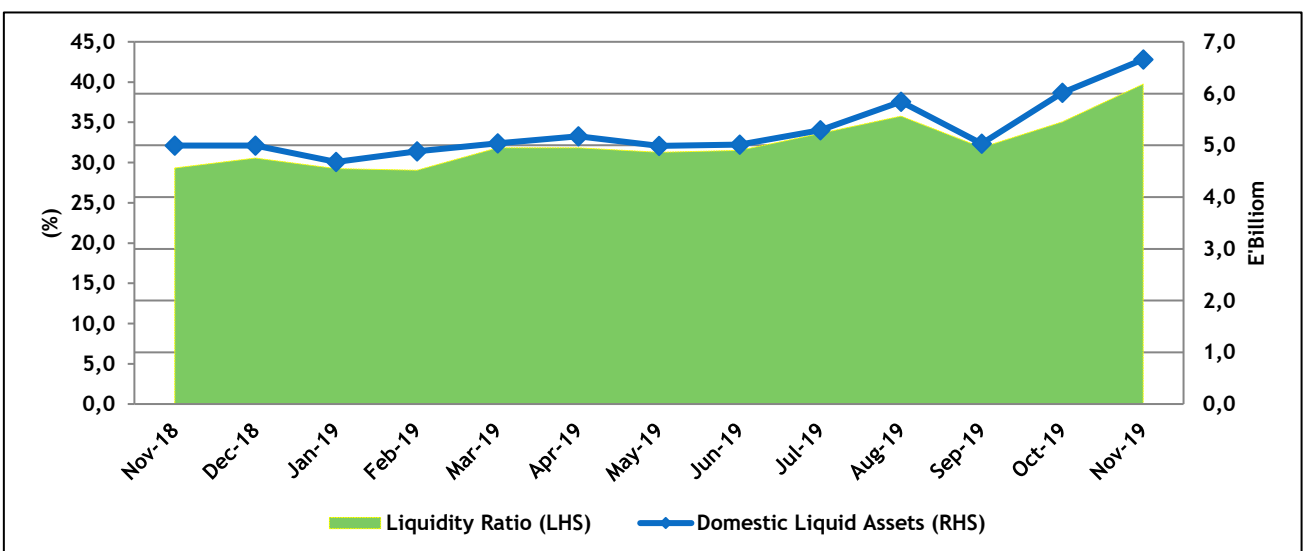
Figure 4: Money Supply; November 2018 to November 2019



Source: Other Depository Corporations & Central Bank of Eswatini

Domestic Liquid Assets of the banking industry grew to E6.7 billion at the end of November 2019, showing a month-on-month rise of 10.7 per cent. The improvement stemmed from its balances and investments in government securities at the end of November 2019. The liquidity ratio stood at 39.8 per cent reflecting an expansion of 4.7 per cent when compared to November 2019. Compared on an annual basis, banks’ domestic liquid assets expanded by 33.3 per cent.

Figure 5: Domestic Liquid Assets & Liquidity Ratio; November 2018 to November 2019



Source: Other Depository Corporations

RELEASE OF MONEY AND BANKING STATISTICS

Notes:

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- 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	Nov-19	Oct-19	Nov-18
	Amount	Amount	Amount
	(E'000)	(E'000)	(E'000)
CENTRAL BANK OF ESWATINI			
<i>Claims on Non-residents</i>	8 591 020	8 884 513	8 224 543
<i>Claims on Domestic Economy</i>	2 573 022	1 999 945	1 340 735
Government	2 544 002	1 971 015	1 304 850
Other Depository Corporations	2 082	2 081	2 038
Other Resident Sectors	26 938	26 848	33 847
<i>Other Assets</i>	483 344	489 428	463 678
Total Assets/Liabilities	11 647 385	11 373 887	10 028 956
OTHER DEPOSITORY CORPORATIONS			
<i>Cash and Deposits with CBS</i>	4 422 042	3 914 263	2 514 261
<i>Net Balances with Banks Outside Eswatini</i>	855 008	1 517 979	2 509 247
<i>Loans and advances</i>	13 620 801	13 847 283	13 952 813
<i>Government Securities</i>	2 572 024	2 438 506	2 733 064
Treasury Bills	1 627 033	1 498 674	1 777 010
Government Bonds	944 992	939 831	956 054
<i>Other</i>	0	0	0
Total Deposits	18 358 632	18 653 865	18 272 532
Transferable/Demand	5 716 406	5 814 291	5 321 601
Savings	1 983 703	1 976 251	1 799 046
Time	10 658 524	10 863 323	11 151 884
<i>Capital and Reserves</i>	4 124 557	4 016 504	3 678 497
Total Assets/Liabilities	25 008 723	25 551 028	24 489 508
Total Liquid Assets (Banks only)	6 660 031	6 017 738	4 995 206
<i>Required Liquidity (Banks only)</i>	4 133 268	4 233 932	4 200 430
<i>Surplus/ Deficiency (-) (Banks only)</i>	2 526 763	1 783 806	794 776
RATIOS (%)			
<i>Actual Liquidity to Domestic Liabilities (Banks Only)</i>	39,8	35,1	29,3
<i>Loans and Advances to Deposits</i>	74,2	74,2	76,4



DEPOSITORY CORPORATIONS SURVEY		Nov-19	Oct-19	Nov-18	
Net Foreign Assets (E)		7 531 889	8 500 074	8 435 797	
Net Official Assets		6 082 542	6 339 156	5 910 649	
Foreign Assets - Central Bank of Eswatini		8 617 263	8 910 756	8 250 786	
Foreign Liabilities - Central Bank of Eswatini		2 534 721	2 571 601	2 340 137	
Net Other Depository Corporations Foreign holdings (ODC)		1 449 347	2 160 918	2 525 148	
Foreign Assets - ODC		1 919 297	2 844 938	2 976 043	
Foreign Liabilities - ODC		469 950	684 020	450 894	
Net Foreign Assets (SDR)		374 335	407 154	442 880	
Net Domestic Claims		17 212 438	16 751 229	16 115 967	
Net Claims on Government		2 776 937	2 042 780	1 396 904	
Claims on Central Government		5 153 396	4 448 357	4 076 794	
Government Deposits		2 376 459	2 405 577	2 679 890	
Claims on other sectors		14 435 501	14 708 449	14 719 064	
Other nonfinancial corporations (Industry)		6 652 087	6 810 381	6 898 982	
Other resident sectors (Households & NPISH)		6 424 305	6 599 843	5 843 039	
Other sectors		1 359 109	1 298 225	1 977 042	
Broad Money Supply (M2)		18 310 684	18 459 608	18 343 543	
Narrow Money Supply (M1)		6 357 645	6 415 781	5 928 863	
Currency outside depository corporations (E)		808 393	752 554	730 259	
Transferable (Demand) deposits		5 549 252	5 663 226	5 198 603	
Quasi Money		11 953 040	12 043 827	12 414 680	
Savings Deposits		1 935 755	1 928 986	1 764 362	
Time Deposits		10 017 284	10 114 841	10 650 318	
Shares and Other Equity		6 858 548	7 029 413	6 649 787	
Central Bank Of Eswatini		2 170 452	2 434 212	2 422 048	
Other Depository Corporations		4 688 096	4 595 201	4 227 739	
Other Items (net)		-424 905	-237 718	-441 566	
GROSS OFFICIAL RESERVES		Dec-19	Nov-19	Oct-19	Nov-18
		Dec-18			
		Amount	Amount	Amount	Amount
		(E'000)	(E'000)	(E'000)	(E'000)
Total Official (Gross) - Emalangeni E	6 126 191	7 143 573	7 382 674	6 854 293	6 321 371
Special Drawing Rights (SDR)	315 806	355 036	353 631	359 851	315 753
Central Bank	6 126 191	7 143 573	7 382 674	6 854 293	6 321 371
Government	26 243	26 243	26 243	26 243	26 243
Import Cover (Reserves to months of estimated imports)	2,6	3,1	3,2	3,0	2,8
Net Bank Holdings		1 449 347	2 160 918	2 525 148	1 816 821
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5.Import cover figures are subject to revision as import figures used have a 3 month lag.					