

Monthly Statistical Release

OCT/NOV 2018











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**CENTRAL BANK
OF ESWATINI**
Umntsholi Wemaswati



HIGHLIGHTS ON MAJOR MONETARY AGGREGATES	MONTHLY	ANNUAL % CHANGE
Gross Official Reserves contracted by 3.5 per cent to E6.9 billion at the end of November 2018, representing an import cover of 3.1 months. Annually, the Reserves declined by 13.0 per cent.	3.5 	13.0 
Credit Extended to the Private Sector improved by 1.8 per cent month-on-month to E14.6 billion in October 2018. The expansion stemmed from a rise in credit to Businesses, Households and Other Sectors. Over the year, Private Sector credit expanded by 8.0 per cent.	1.8 	8.0 
Broad Money Supply (M2) expanded by 1.6 per cent on a monthly basis to E17.9 billion at the end of October 2018. The improvement was observed in Quasi Money Supply and Narrow Money Supply (M1). Year-on-year, M2 grew by 4.7 per cent.	1.6 	4.7 
Domestic Liquid Assets fell by 9.5 per cent month-on-month to E4.5 billion in October 2018. The decline was attributed to a reduction in Banks' balances held with the Central Bank as well as their investment in Government securities. The Banks' liquidity ratio stood at 27.3 per cent. Compared over the year, Liquid Assets improved by 3.3 per cent.	9.5 	3.3 
	PERCENT	
Discount Rate: the discount rate was at 6.75 per cent in November 2018.		6.75
Prime Lending Rate: the prime lending rate was at 10.25 per cent in November 2018.		10.25

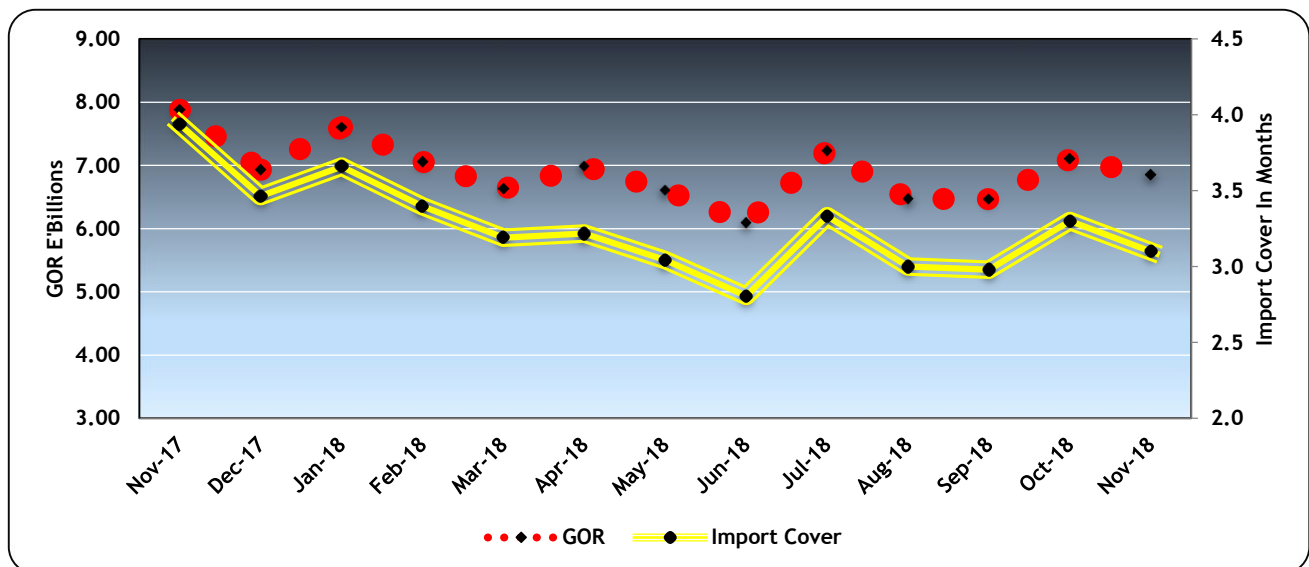
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Gross Official Reserves depicted a month-on-month contraction of 3.5 per cent from E7.1 billion observed in October 2018 to E6.9 billion at the end of November 2018. In line with the fall in Reserves, the import cover declined from 3.3 months in October 2018 to 3.1 months at the end of November 2018. Compared over the year, the Reserves receded by 13.0 per cent.

Valued in Special Drawing Rights (SDRs), the Reserves amounted to SDR359.8 million at the end of November 2018, higher than the SDR346.5 million recorded in the previous month. The expansion was on account of an appreciation of the Lilangeni/Rand exchange rate against its major trading currencies over the month under review. Year-on-year, however, the Reserves in SDRs went down by 11.8 per cent.

Figure 1: Gross Official Reserves (GOR) and Import Cover; November 2017 to November 2018



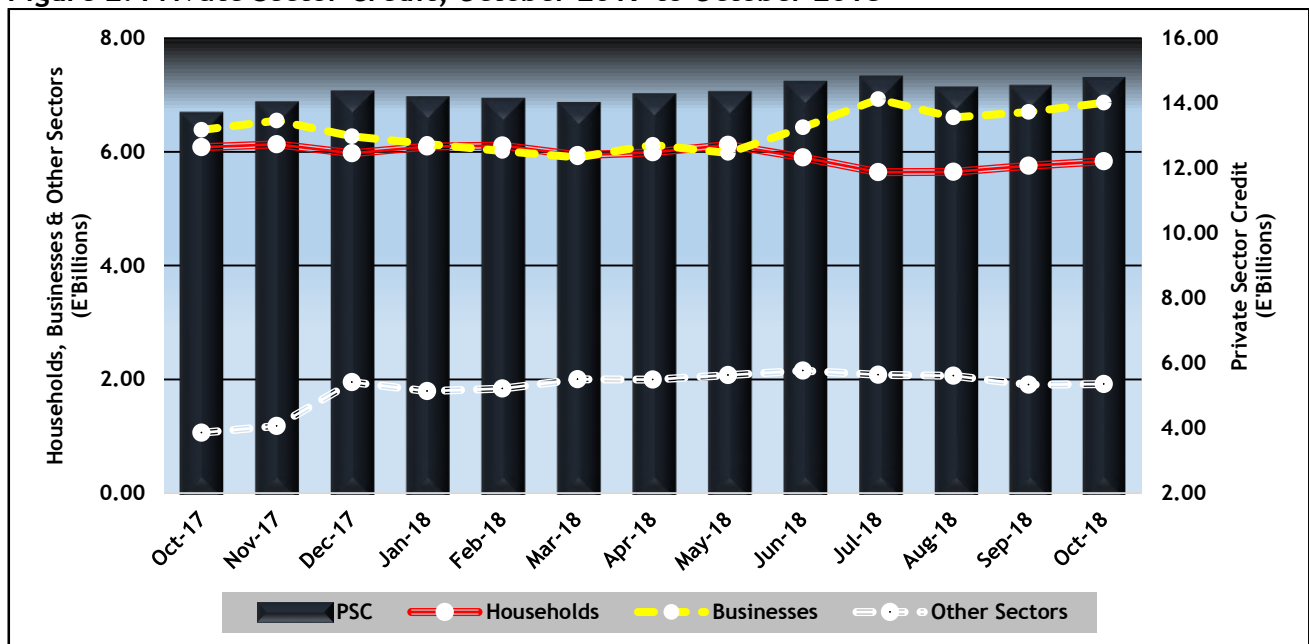
Source: Central Bank of Eswatini

Credit Extended to the Private Sector maintained an upward trajectory, rising by 1.8 per cent month-on-month to settle at E14.6 billion at the end of October 2018. This was driven by growth in all credit categories which comprise credit to Businesses, Households & Non-Profit Institutions Serving Households (NPISH) and Other Sectors. When compared year-on-year, Private Sector credit expanded by 8.0 per cent.

Credit Extended to Businesses edged up by 2.5 per cent month-on-month from E6.7 billion registered in September 2018 to E6.9 billion at the end of October 2018. The rise in credit to Businesses was mainly channelled to these subsectors in order of magnitude; Distribution & Tourism (5.9 per cent), Agriculture & Forestry (5.4 per cent) as well as Transport & Communication (1.9 per cent).

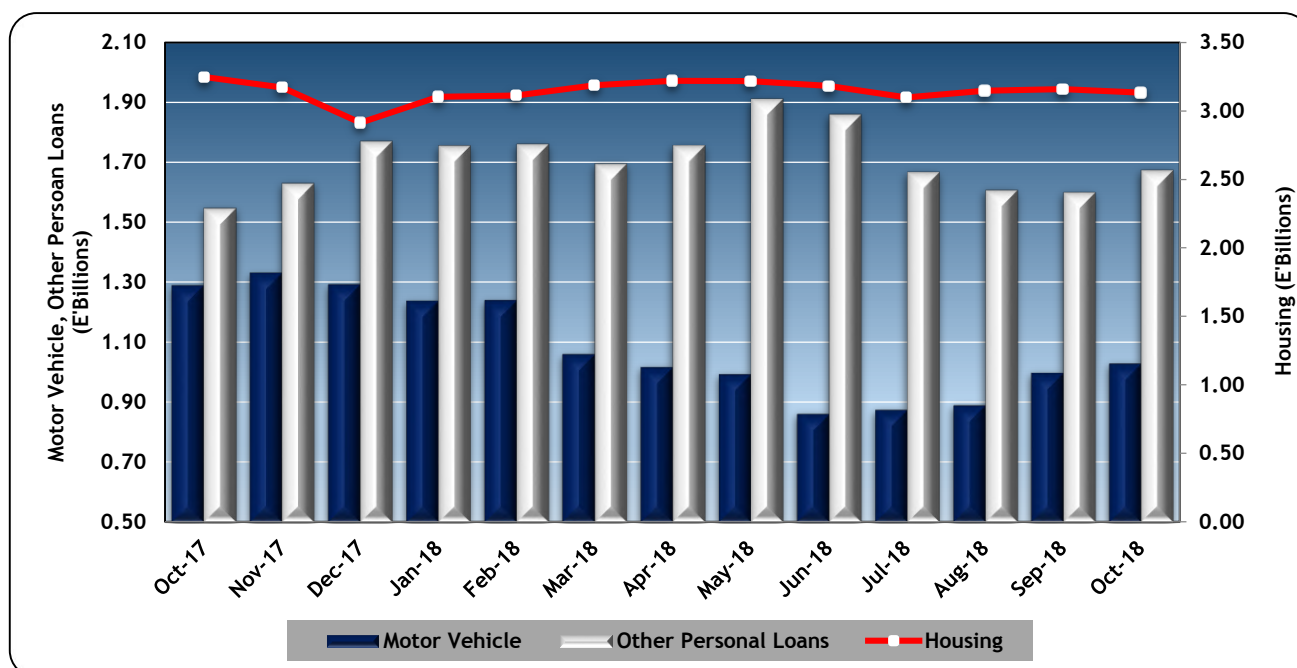
Credit Extended to Other Sectors stood at E1.9 billion at the end of October 2018, representing 0.5 per cent growth from September 2018. The improvement was observed in credit to Other Financial Corporations which expanded by 2.9 per cent. Credit to Public Non-Financial Corporations and Local Government however, declined by 6.8 per cent and 1.2 per cent respectively.

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



Source: Central Bank of Eswatini

Credit Extended to Households & NPISH edged up by 1.3 per cent month-on-month to settle at E5.8 billion at the end of October 2018. The expansion was supported by Other Personal (unsecured) Loans and Motor Vehicle Loans. Mortgage Loans however, trended downwards over the same period. Other Personal (unsecured) Loans rose by 4.6 per cent to E1.7 billion and Motor Vehicle Loans by 3.1 per cent month-on-month to E1.0 billion. Mortgage Loans in contrast, slipped by 0.9 per cent month-on-month to E3.1 billion.

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

Source: Other Depository Corporations

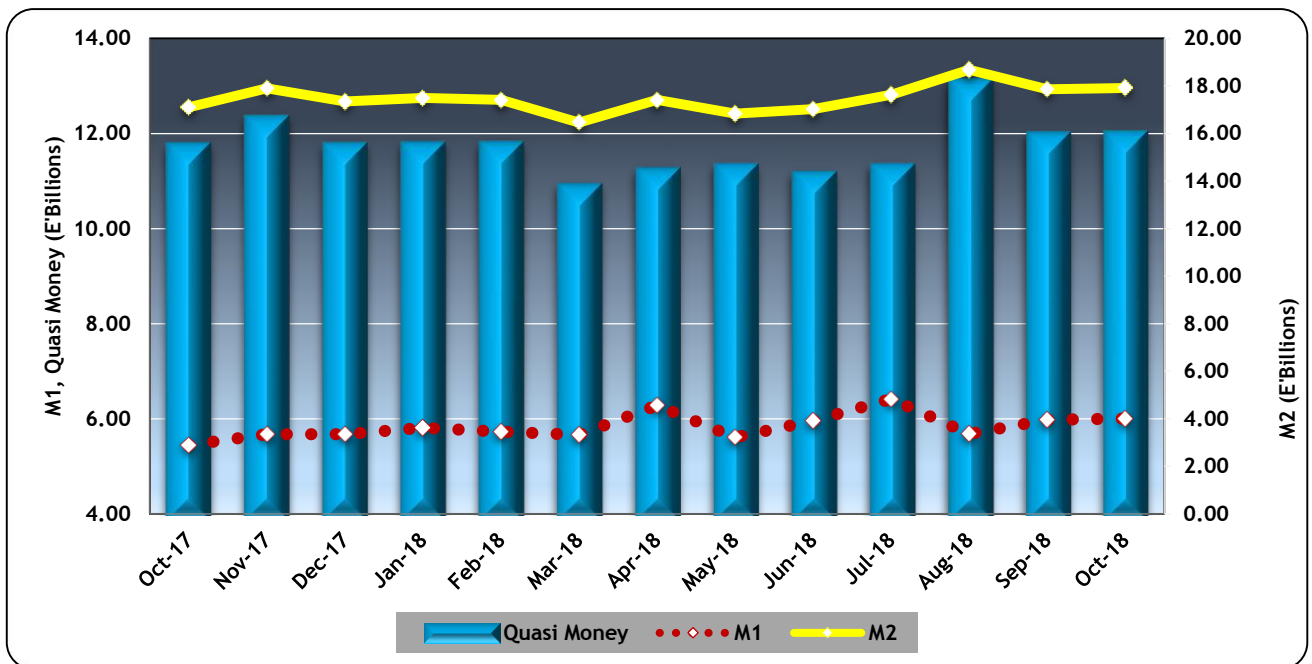
Net Claims on Government with the banking sector retreated by 53.8 per cent at the end of October 2018 to settle at E823.1 million. This resulted from a combined effect of a fall in Government liabilities with the banking system by 3.4 per cent and a rise in Government deposits by 36.7 per cent. Compared annually, net claims on Government contracted as both Government liabilities and deposits with banks trended downwards.

Broad Money Supply (M2) amounted to E17.9 billion at the end of October 2018, depicting an increase of 1.6 per cent from the previous month. Both components of M2, Quasi Money Supply and Narrow Money Supply (M1) trended upwards over the month under review; broadly in line with growth in credit to the Private Sector. Over the same period last year, M2 grew by 4.7 per cent.

Quasi Money Supply amounted to E11.9 billion at the end of October 2018, expanding by 2.2 per cent on a month-on-month basis. The improvement was supported by Time Deposits which accelerated by 2.6 per cent to E10.2 billion. Savings Deposits on the contrary, slipped by 0.2 per cent to E1.7 billion.

Narrow Money Supply (M1) depicted a month-on-month expansion of 0.5 per cent to settle at E6.0 billion at the end of October 2018, solely driven by Transferable (Demand) Deposits. Transferable Deposits as a result, improved by 1.0 per cent to E5.3 billion. Currency Outside Depository Corporations on the other hand, regressed by 3.4 per cent to E664.0 million.

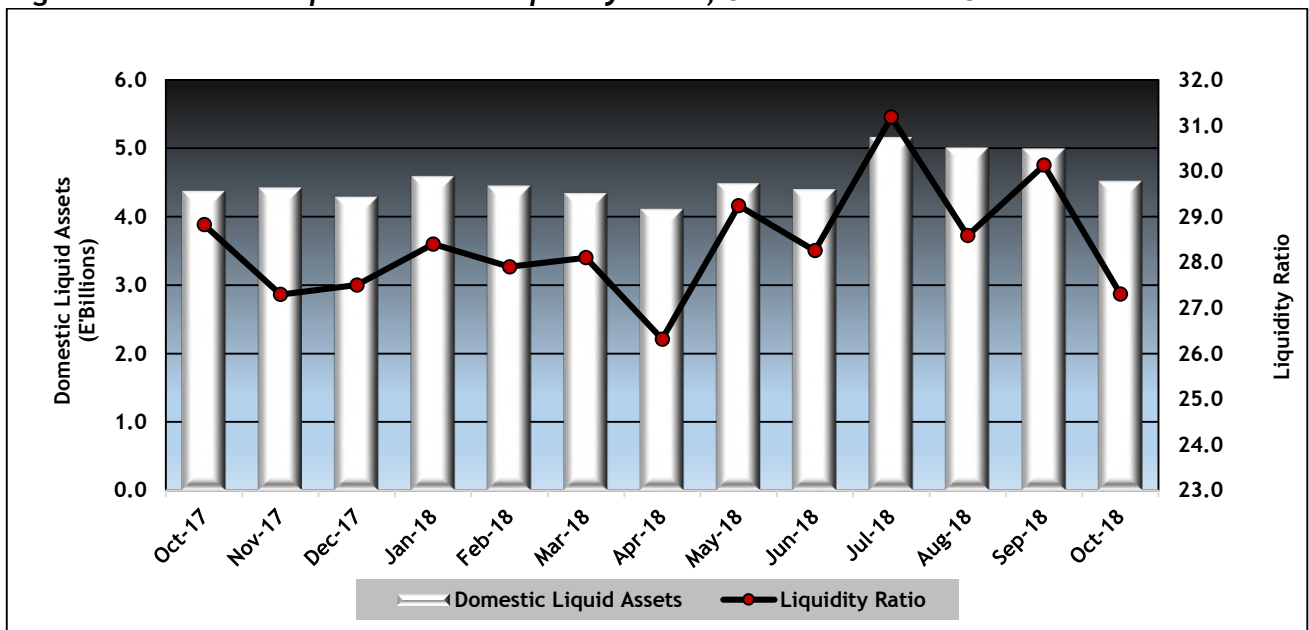
Figure 4: Money Supply; October 2017 to October 2018



Source: Other Depository Corporations & Central Bank of Eswatini

Domestic Liquid Assets of the banking industry amounted to E4.5 billion at the end of October 2018, representing a month-on-month contraction of 9.5 per cent. The slowdown in liquid assets emanated from Banks’ holdings with the Central Bank and their investment in Government securities. The liquidity ratio reflected a decline of 2.8 percentage points when compared to September 2018. Compared on an annual basis, Banks’ Domestic Liquid Assets expanded by 3.3 per cent.

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



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	Oct-18	Sep-18	Oct-17
	Amount	Amount	Amount
	(E'000)	(E'000)	(E'000)
CENTRAL BANK OF ESWATINI			
<i>Claims on Non-residents</i>	8 574 952	7 897 099	9 903 420
<i>Claims on Domestic Economy</i>	1 305 740	1 314 357	1 337 621
Government	1 270 779	1 279 466	1 306 471
Other Depository Corporations	2 038	2 038	2 055
Other Resident Sectors	32 922	32 853	29 095
<i>Other Assets</i>	518 038	543 935	1 876 435
Total Assets/Liabilities	10 398 729	9 755 391	13 117 477
OTHER DEPOSITORY CORPORATIONS			
<i>Cash and Deposits with CBS</i>	2 172 376	2 494 480	1 732 073
<i>Net Balances with Banks Outside Eswatini</i>	2 527 616	1 980 986	2 166 976
<i>Loans and advances</i>	13 870 278	13 653 576	13 022 120
Government Securities			
Treasury Bills	1 627 542	1 799 130	1 898 596
Government Bonds	956 580	919 182	940 536
Other	0	0	0
Total Deposits	18 031 415	17 672 743	16 635 235
Transferable/Demand	5 461 630	5 383 549	4 807 982
Savings	1 753 746	1 754 990	1 648 397
Time	10 816 038	10 534 204	10 178 855
<i>Capital and Reserves</i>	3 637 164	3 699 873	3 475 486
Total Assets/Liabilities	23 788 896	23 713 016	22 011 000
Total Liquid Assets (Banks only)	4 518 753	4 992 215	4 375 941
<i>Required Liquidity (Banks only)</i>	4 083 286	4 088 745	3 742 502
<i>Surplus/ Deficiency (-) (Banks only)</i>	435 467	903 471	633 438
RATIOS (%)			
<i>Actual Liquidity to Domestic Liabilities (Banks Only)</i>	27.3	30.1	28.8
<i>Loans and Advances to Deposits</i>	76.9	77.3	78.3

<i>DEPOSITORY CORPORATIONS SURVEY</i>		Oct-18	Sep-18	Oct-17	
<i>Net Foreign Assets (E)</i>		8 737 832	7 564 920	9 681 711	
<i>Net Official Assets</i>		6 194 062	5 553 514	7 487 413	
Foreign Assets - Central Bank of Eswatini		8 601 195	7 923 342	9 929 663	
Foreign Liabilities - Central Bank of Eswatini		2 407 133	2 369 827	2 442 250	
<i>Net Other Depository Corporations Foreign holdings (ODC)</i>		2 543 770	2 011 406	2 194 298	
Foreign Assets - ODC		2 822 226	2 288 409	2 413 158	
Foreign Liabilities - ODC		278 456	277 003	218 860	
<i>Net Foreign Assets (SDR)</i>		426 406	380 516	488 056	
<i>Net Domestic Claims</i>		15 438 728	16 146 394	12 283 498	
<i>Net Claims on Government</i>		823 100	1 783 237	-1 248 956	
Claims on Central Government		3 892 961	4 029 509	4 148 901	
Government Deposits		3 069 861	2 246 272	5 397 857	
<i>Claims on other sectors</i>		14 615 628	14 363 156	13 532 454	
Other nonfinancial corporations (Industry)		6 864 518	6 699 850	6 385 367	
Other resident sectors (Households & NPISH)		5 835 197	5 757 637	6 084 848	
Other sectors		1 915 913	1 905 670	1 062 240	
<i>Broad Money Supply (M2)</i>		17 915 630	17 634 231	17 111 153	
<i>Narrow Money Supply (M1)</i>		6 005 437	5 977 035	5 448 131	
Currency outside depository corporations (E)		664 004	687 084	669 737	
Transferable (Demand) deposits		5 341 433	5 289 951	4 778 394	
<i>Quasi Money</i>		11 910 193	11 657 196	11 663 021	
Savings Deposits		1 719 392	1 723 325	1 616 488	
Time Deposits		10 190 801	9 933 871	10 046 534	
Shares and Other Equity		6 866 898	6 852 322	6 972 131	
Central Bank Of Eswatini		2 679 763	2 613 512	3 010 422	
Other Depository Corporations		4 187 135	4 238 810	3 961 709	
<i>Other Items (net)</i>		-605 969	-775 239	-2 118 074	
<i>GROSS OFFICIAL RESERVES</i>		Nov-18	Oct-18	Sep-18	Oct-17
		Amount	Amount	Amount	Amount
		(E'000)	(E'000)	(E'000)	(E'000)
<i>Total Official (Gross)</i>	<i>Emalangenzi E</i>	6 854 085	7 100 809	6 466 917	8 476 361
	<i>Special Drawing Rights (SDR)</i>	359 840	346 520	325 286	427 294
<i>Central Bank</i>		6 854 085	7 100 809	6 466 917	8 476 361
<i>Government</i>		26 243	26 243	26 243	26 243
<i>Import Cover (Reserves to months of estimated imports)</i>		3.1	3.3	3.0	4.2
Net Bank Holdings			2 543 770	2 011 406	2 194 298
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5.Import cover figures are subject to revision as import figures used have a 3 month lag.					



