CENTRAL BANK OF ESWATINI
UMNTSHOLI WEMASWATI

Monthly Statistical Release

May/June 2024

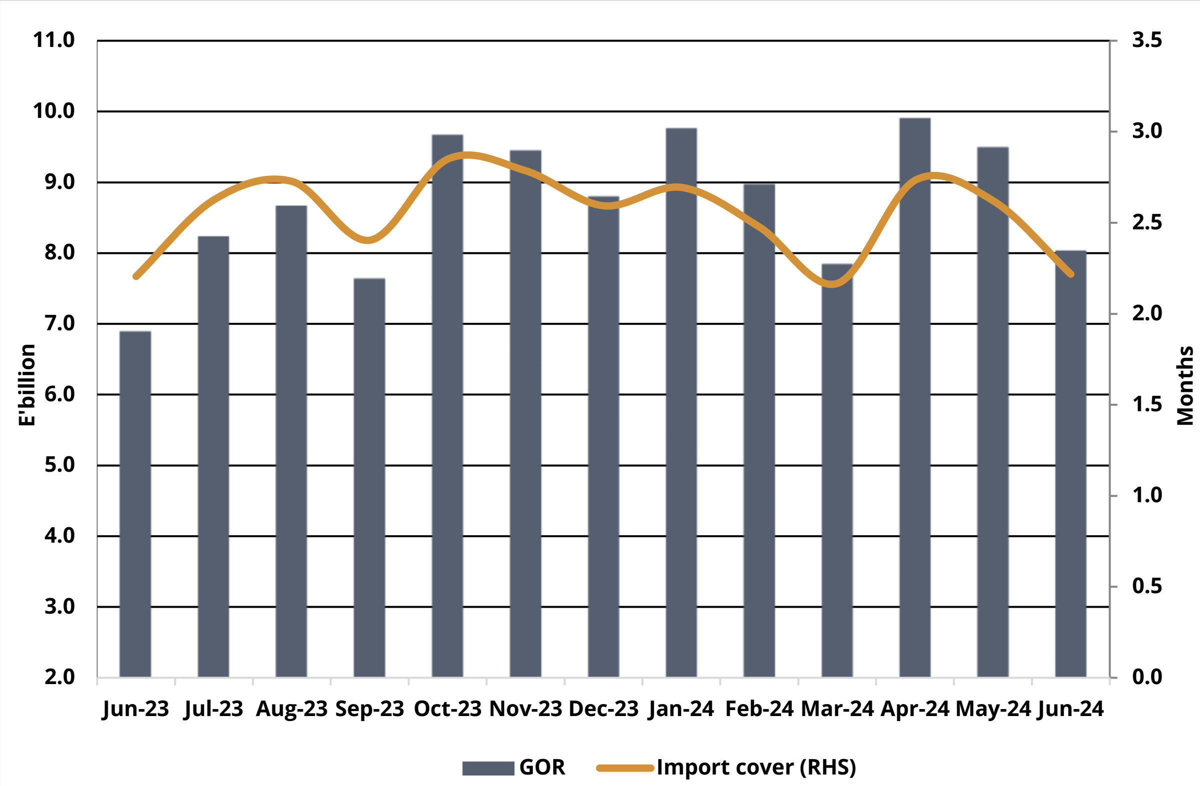
Bek'e-Langa
Re-imagining Central Bank for a sustainable future

HIGHLIGHTS ON MAJOR MONETARY AGGREGATES	MONTHLY % CHANGE	ANNUAL % CHANGE
Credit extended to the private sector stood at E19.8 billion in May 2024, higher by 2.6 per cent month-on-month and 10.8 per cent year-on-year.	2.6 ▲	10.8 ▲
Broad money supply (M2) amounted to E23.1 billion in May 2024, down by 0.5 per cent month-on-month and higher by 10.0 per cent year-on-year.	0.5 ▼	10.0 ▲
Domestic liquid assets rose by 2.5 per cent month-on-month and 1.3 per cent year-on-year to reach E7.4 billion in May 2024.	2.5 ▲	1.3 ▲
Preliminary gross official reserves declined by 15.4 per cent month-on-month and grew by 16.4 per cent year-on-year to reach E8.0 billion in June 2024.	15.4 ▼	16.4 ▲
Reserves import cover fell to 2.2 months of imports in June 2024 from 2.6 months in May 2024. Compared year- on-year import cover remained at 2.2 months.	**June 2024** 2.2 months	**June 2023** 2.2 months
	PER CENT	
Discount rate*:* The discount rate was at 7.50 per cent in June 2024.	7.50	
Prime lending rate: commercial banks' prime lending rate was at 11.00 per cent in June 2024.	11.00	

Preliminary gross official reserves figure amounted to E8.0 billion at the end of June 2024, reflecting a decline of 15.4 per cent month-on-month and growth by 16.4 per cent year-on-year. The month-on-month reduction was mainly attributed to a net outflow of foreign currency from trades with local banks coupled with payment of government's fiscal obligations. At this level, the reserves were enough to cover 2.2 months of imports of goods and services, lower than the 2.6 months covered in May 2024.

Valued in special drawing rights (SDR), the reserves closed the month under review at SDR334.8 million, reflecting a contraction of 12.7 per cent month-on-month and growth of 21.7 per cent year-on-year.

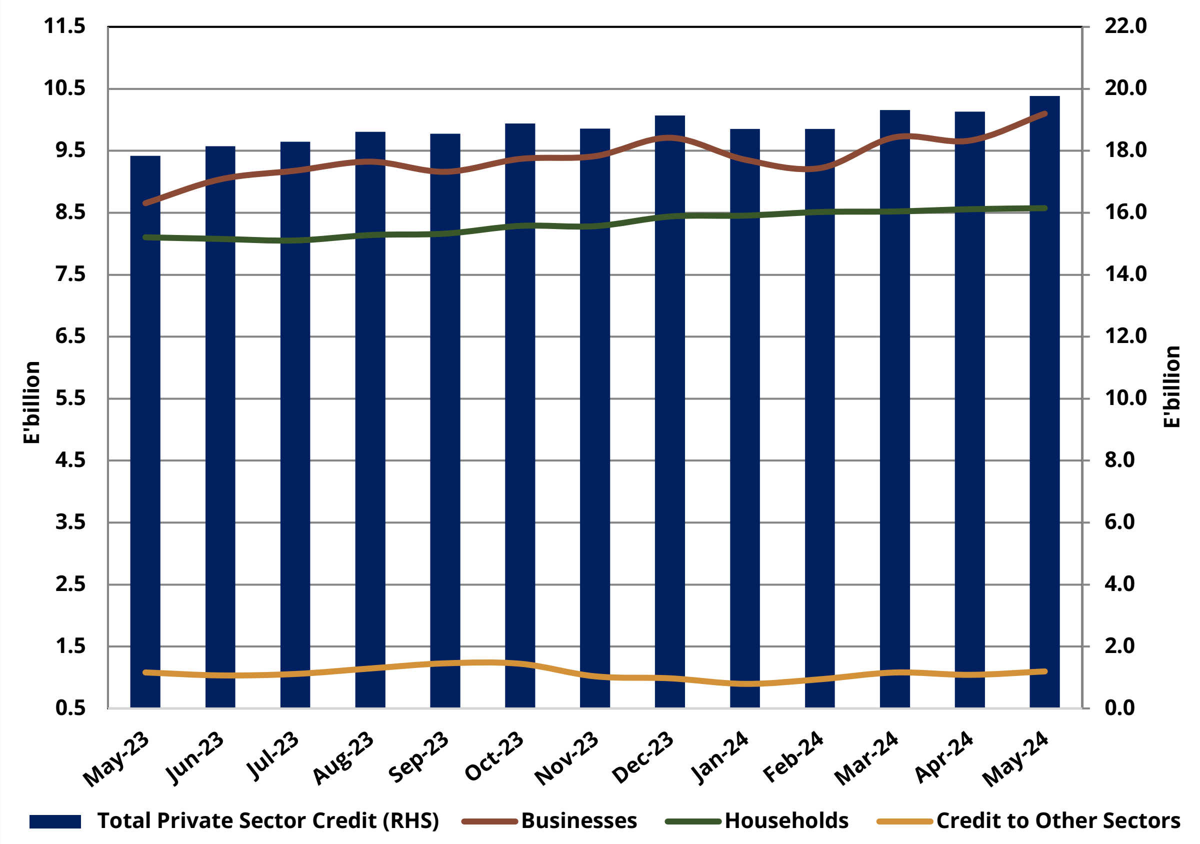
Figure 1: Gross Official Reserves (GOR) and Import Cover; June 2023 to June 2024



Source: Central Bank of Eswatini

Credit extended to the private sector reflected an increase of 2.6 per cent month-on-month and 10.8 per cent year-on-year to close the month under review at E19.8 billion. The rise was supported by all subsectors, namely; credit to other sectors of the domestic economy, businesses and households & non-profit institutions serving households (NPISH).

Figure 2: Private Sector Credit; May 2023 to May 2024



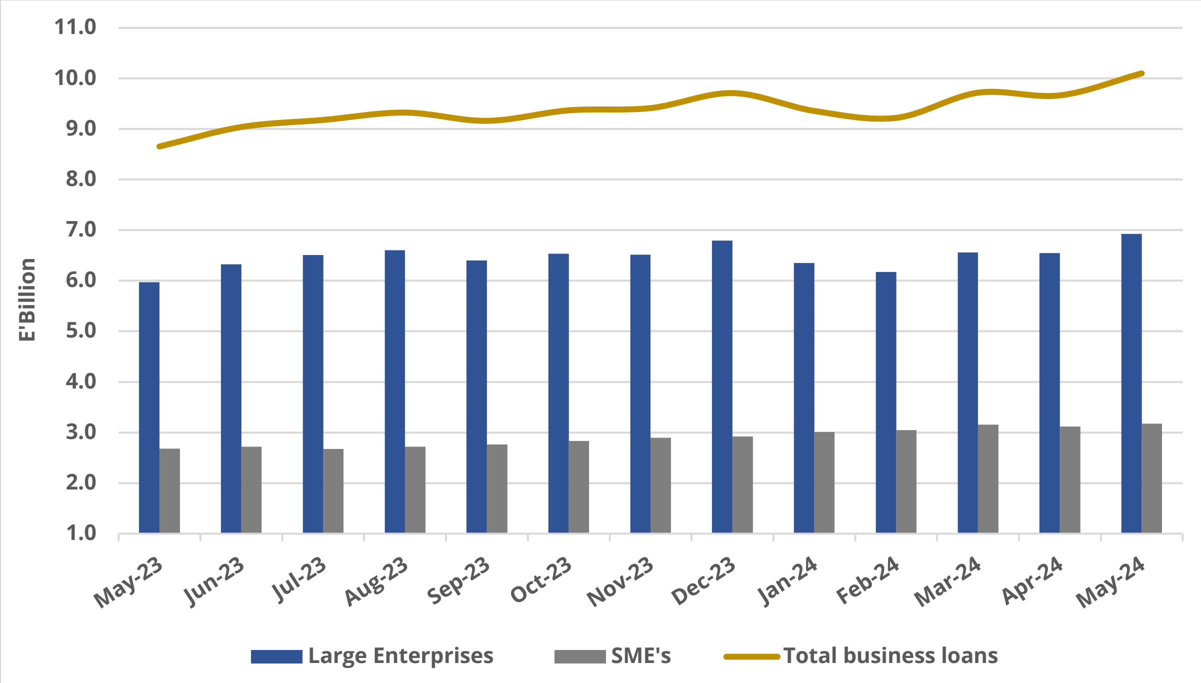
Source: Central Bank of Eswatini & Other Depository Corporations

Credit extended to other sectors registered growth of 5.3 per cent month-on-month and 1.6 per cent year-on-year to settle at E1.1 billion at the end of May 2024. The increase was supported by credit to parastatals and local government, which grew by 13.4 per cent to E473.4 million and 10.8 per cent to E83.2 million, respectively. Credit to other financial corporations, on the contrary, fell by 1.5 per cent to reach E541.7 million at the end of May 2024.

Credit extended to businesses closed the month under review at E10.1 billion, depicting an increase of 4.5 per cent month-on-month and 16.7 per cent year-on-year. Growth in credit to businesses was recorded in the following subsectors: distribution & tourism (16.5 per cent), manufacturing (6.2 per cent), community, social & personal services (4.0 per cent), transport & communication (2.7 per cent), and construction (1.2 per cent). A decline was however, registered in the following subsectors, mining & quarrying (-4.3 per cent), agriculture & forestry (-1.3 per cent) and real estate (-0.5 per cent).

An analysis of credit to the business sector by size reflected growth in both credit to large enterprises and small & medium enterprises (SMEs). Therefore, credit to large enterprises accelerated by 5.8 per cent month-on-month and 16.0 per cent year-on-year to reach E6.9 billion at the end of May 2024. Credit to SMEs amounted to E3.2 billion at the end of May 2024, higher by 1.8 per cent month-on-month and 18.4 per cent year-on-year.

Figure 3: Credit to Large Enterprises & SMEs; May 2023 to May 2024

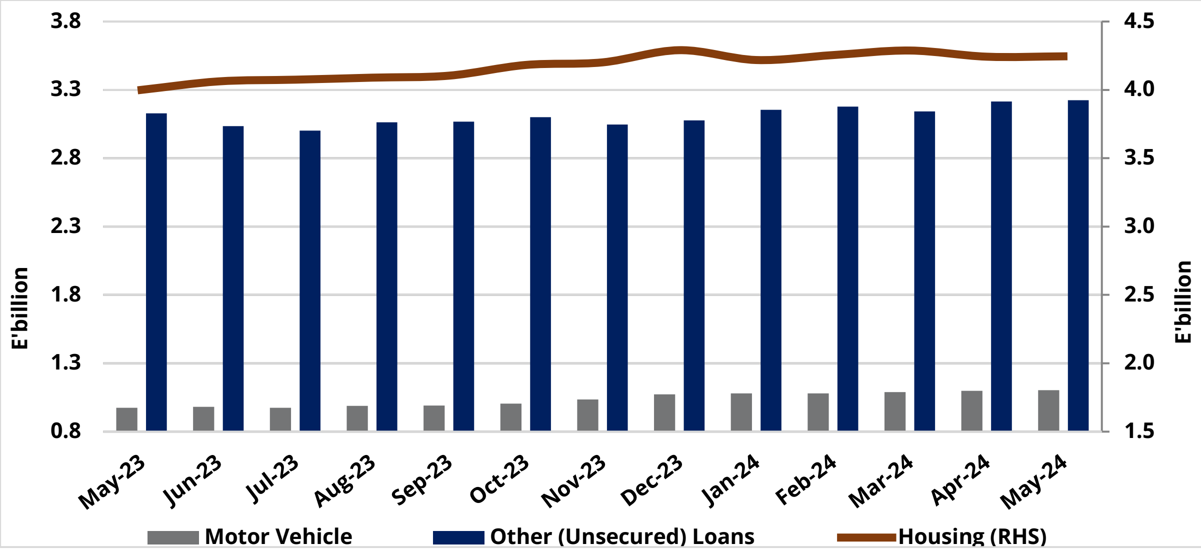


Source: Central Bank of Eswatini & Other Depository Corporations

Credit extended to households & NPISH improved slightly by 0.2 per cent month-on-month and 5.8 per cent year-on-year to reach E8.6 billion at the end of May 2024. The increase was observed in all subsectors, namely, motor vehicle, other personal (unsecured) and mortgage loans. An analysis of the subsectors revealed the following;

- Motor vehicle loans went up by 0.4 per cent to E1.1 billion,
- Other personal (unsecured) loans grew by 0.3 per cent to E3.2 billion and,
- Mortgage loans rose by 0.1 per cent to E4.2 billion.

Figure 4: Credit to Households by Purpose; May 2023 to May 2024



Source: Central Bank of Eswatini & Other Depository Corporations

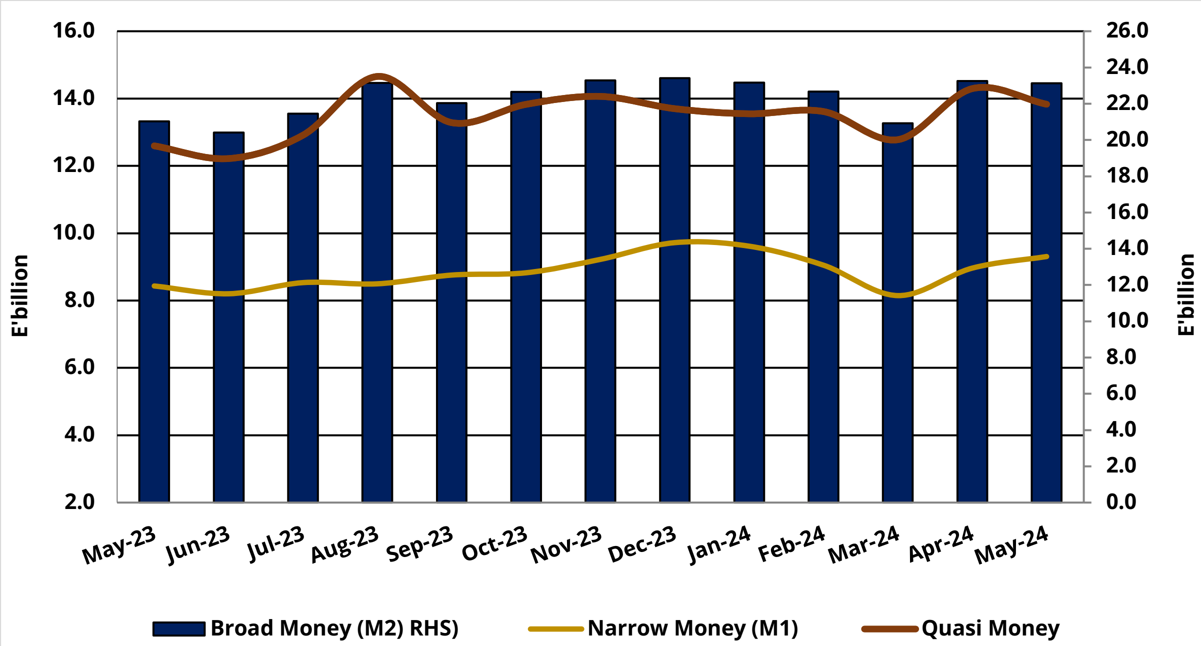
Net claims on government by the banking sector reflected an increase of 47.6 per cent month-on-month and a decline of 54.5 per cent year-on-year to reach E1.4 billion at the end of May 2024. The month-on-month expansion was largely on account of an advance from the Central Bank. Notably, claims on government grew by 13.8 per cent to E7.3 billion. Government deposits also rose by 7.7 per cent to E5.9 billion at the end of May 2024.

Broad money supply (M2) closed the month under review at E23.1 billion, representing a reduction of 0.5 per cent month-on-month and 10.0 per cent year-on-year. The contraction was driven by quasi money supply whereas narrow money supply (M1) increased.

Quasi money supply fell by 3.2 per cent month-on- month and grew by 9.8 per cent year-on-year to stand at E13.8 billion at the end of May 2024. The decrease was evident in both components; time and savings deposits. Consequently, time and savings deposits receded by 3.6 per cent to E11.8 billion and 0.9 per cent to E2.0 billion, respectively.

Narrow money supply (M1) expanded by 3.8 per cent month-on-month and 10.4 per cent year-on-year to close the month under review at E9.3 billion. Growth was observed in both components; Emalangeni outside depository corporations and transferable (demand) deposits, which grew by 4.1 per cent to E8.6 billion and 0.7 per cent to E695.9 million, respectively.

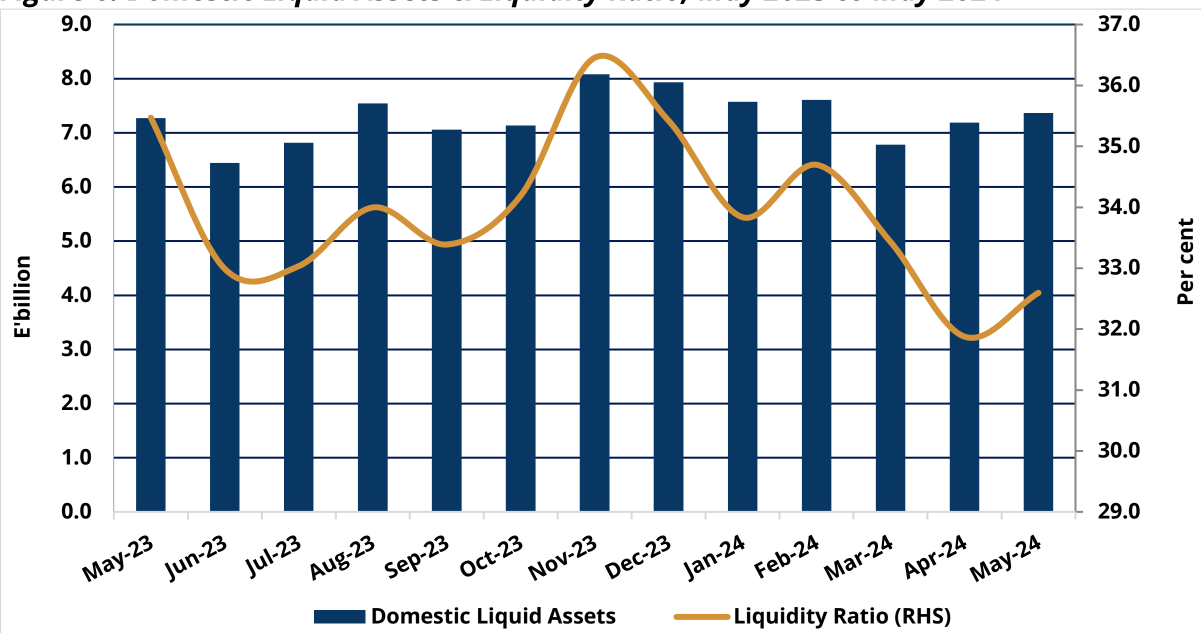
Figure 5: Money Supply; May 2023 to May 2024



Source: Central Bank of Eswatini & Other Depository Corporations

The liquidity position of the banking industry improved by 2.5 per cent month-on-month and 1.3 per cent year-on-year to reach E7.4 billion at the end of May 2024. Growth in domestic liquid assets was driven by a rise in the banks' balances held with the Central Bank and other domestic banks. The liquidity ratio stood at 32.6 per cent at the end of May 2024, depicting a slight increase of 0.7 percentage points compared to the previous month.

Figure 6: Domestic Liquid Assets & Liquidity Ratio; May 2023 to May 2024



Source: Central Bank of Eswatini & Other Depository Corporations

RELEASE OF MONEY AND BANKING STATISTICS			
	May-24	*Apr-24*	*May-23*
ITEM	*Amount (E'000)*	*Amount (E'000)*	*Amount (E'000)*
CENTRAL BANK OF ESWATINI			
Claims on Non-residents	***11,272,269***	***11,676,322***	***10,482,647***
Claims on Domestic Economy	***3,104,496 ****	***2,185,669***	***2,840,520 ****
Government	3,039,373	2,121,694	2,785,117
Other Depository Corporations	2,082	2,082	2,082
Other Resident Sectors	63,040	61,893	53,322
Other Assets	**715,301**	**741,878**	**514,114**
Total Assets/Liabilities	***15,092,065 ****	***14,603,869***	***13,837,281***
OTHER DEPOSITORY CORPORATIONS			
Cash and Deposits with CBE	***3,389,043***	***3,178,946***	***2,956,768***
Net Balances with Banks Outside Eswatini	***2,205,035***	***3,124,886***	***2,027,528***
Loans and advances	***19,389,327***	***18,883,041***	***17,313,100***
Government Securities	***4,152,235 ****	***4,176,933***	***4,532,467***
Treasury Bills	1,485,372	1,576,983	1,872,554
Government Bonds	2,666,864	2,599,950	2,659,913
Other	-	-	-
Total Deposits	***24,287,847***	***24,698,106 ****	***22,374,834 ****
Transferable/Demand	9,091,667	8,965,660	8,128,174
Savings	2,044,700	2,068,215	2,002,567
Time	13,151,480	13,664,232	12,244,092
Capital and Reserves	5,423,580	5,358,482	5,057,150
Total Assets/Liabilities	34,783,418	34,349,002	31,381,792
Total Liquid Assets (Banks only)	**7,366,335**	**7,188,036**	**7,268,937**
Required Liquidity (Banks only)	***4,932,325***	***4,922,527***	***4,471,336***
Surplus/ Deficiency (-) (Banks only)	***2,434,010***	***2,265,509***	***2,797,601***

RATIOS (%)			
Actual Liquidity to Domestic Liabilities (Banks Only)	***32.6***	***31.9***	***35.5***
Loans and Advances to Deposits	***79.8***	***76.5***	***77.4***

DEPOSITORY CORPORATIONS SURVEYDEPOSITORY CORPORATIONS SURVEY	May-24	Apr-24	May-23
Net Foreign Assets (E)	***8,893,024***	***10,098,641***	***8,145,494***
Net Official Assets	***6,484,389*** *	**6,849,725**	**5,950,017**
Foreign Assets - Central Bank of Eswatini	11,298,512	11,702,565	10,508,890
Foreign Liabilities - Central Bank of Eswatini	4,814,122	4,852,840	4,558,873
Net Other Depository Corporations Foreign holdings (ODC)	**2,408,635**	**3,248,916**	**2,195,477**
Foreign Assets - ODC	4,901,066	5,445,421	4,135,866
Foreign Liabilities - ODC	2,492,431	2,196,505	1,940,389
Net Foreign Assets (SDR)	**359,278**	**407,985**	**311,158**
Net Domestic Claims	***21,212,370***	***20,240,368***	***21,007,116*** *
Net Claims on Government	*1,439,806*	*975,363*	*3,167,295*
Claims on Central Government	7,292,226	6,407,184	7,356,546
Government Deposits	5,852,420	5,431,821	4,189,251
Claims on other sectors	***19,772,564*** *	***19,265,005***	***17,839,820*** *
Other nonfinancial corporations (Industry)	10,100,155	9,664,920	8,654,274
Other resident sectors (Households &NPISH)	8,574,203	8,557,537	8,104,485
Other sectors	1,098,207	1,042,548	1,081,062
Broad Money Supply (M2)	***23,139,833***	***23,260,478***	***21,028,472***
Narrow Money Supply (M1)	**9,307,976** *	**8,964,386**	**8,433,408**
Currency outside depository corporations (E)	695,864	691,172	681,058
Transferable (demand) deposits	8,612,113	8,273,214	7,752,350
Quasi Money	***13,831,857*** *	***14,296,092***	***12,595,064*** *
Savings Deposits	1,984,358	2,002,742	1,947,815
Time Deposits	11,847,498	12,293,350	10,647,248
	11,847,498		
Shares and Other Equity	8,351,393	8,122,929	8,781,917
Central Bank Of Eswatini	2,237,123	2,076,372	3,053,726
Other Depository Corporations	6,114,269	6,046,556	5,728,191
Other Items (net)	***(1,385,831)***	***(1,044,397)***	***(657,778)***

GROSS OFFICIAL RESERVES		Jun-24	May-24	Apr-24	May-23	Jun-23
		Amount (E'000)	Amount (E'000)	Amount (E'000)	Amount (E'000)	Amount (E'000)
Total Official (Gross)	***- Emalangeni E***	***8,029,414***	***9,491,621***	***9,895,674***	***8,599,449***	***6,897,687***
	Special Drawing Rights (SDR)	***334,827***	***383,461***	***399,785***	***328,499***	***275,217***
Central Bank		***8,029,414***	***9,491,621***	***9,895,674***	***8,599,449***	***6,897,687***
Government		***26,243***	***26,243***	***26,243***	***26,243***	***26,243***
Import Cover (reserves to months of estimated imports)		**2.2**	**2.6**	**2.7**	**2.7**	**2.2**
Net Bank Holdings			2,408,635	3,248,916	2,195,477	1,792,868

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.

7. *The figures of total assets/liabilities reflected in this table includes all assets/liabilities however, only selected assets/liabilities are listed in the table above.