

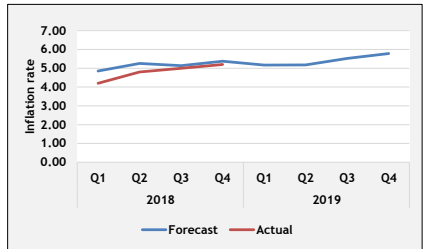


2018 CPI (% y/y)		
DATE	Forecasts - 2018	Actuals - 2018
<i>Quarter 1 Average</i>	4.85	4.2
<i>Quarter 2 Average</i>	5.25	4.8
<i>Quarter 3 Average</i>	5.14	5.0
<i>Quarter 4 Average</i>	5.37	5.2
<i>Annual Average</i>	5.16	4.8
2019 CPI (% y/y)		
DATE	Forecasts - 2019	
<i>Quarter 1 Average</i>	5.17	
<i>Quarter 2 Average</i>	5.18	
<i>Quarter 3 Average</i>	5.52	
<i>Quarter 4 Average</i>	5.78	
<i>Annual Average</i>	5.41	
MEDIUM TERM CPI PROJECTIONS (% y/y)		
2019	5.41	
2020	5.99	
2021	6.19	

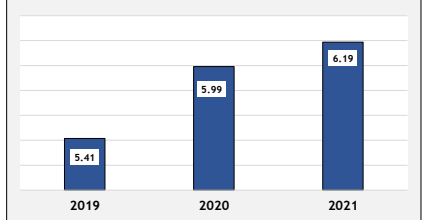
Forecasts notes

The Bank's inflation forecast for the year 2019 has been revised down to 5.41 per cent from the previously forecasted 5.87 per cent. The average forecast for the first quarter of 2019 has been adjusted down from 5.18 per cent to 5.17 per cent, 5.52 per cent and 5.78 per cent in the second, third and fourth quarter of 2019 respectively. The improvement in the overall inflation forecast is mainly driven by lower food prices, favourable appreciation and outlook of the Lilangeni as well as slower oil price increases which are expected to remain on the lower side on account of strong US Shale growth. The forecast for 2020 has been lowered by 0.28 percentage point to 5.99 per cent, from the previous forecast of 6.27 per cent.

Graphs



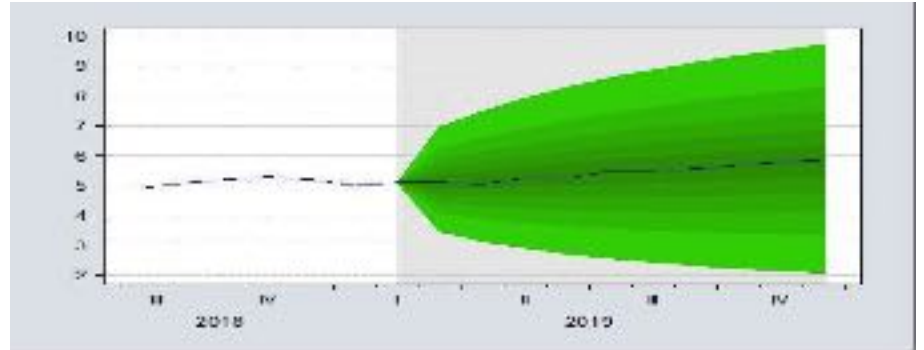
Inflation Forecasts 2019-2020



FAN CHART FOR 2019 INFLATION PROJECTIONS

Though risks to the outlook are biased to the downside, administered prices such as electricity tariff and a VAT on electricity pose as upside risk to the inflation outlook. Risks emanating from the developments in the exchange rate and oil prices, however, remain.

Even though inflation is forecasted to be contained in 2019, the fan chart points to an upward bias of inflation in the outer months of 2019.



Note that the Central Bank of Eswatini will not be held liable for any eventualities resulting from the use of this information. For any queries please contact the Research Department at 2408 2244/2415.