

Monthly Statistical Release

MAY/JUNE 2021



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**CENTRAL BANK
OF ESWATINI**
Umntsholi Wemaswati



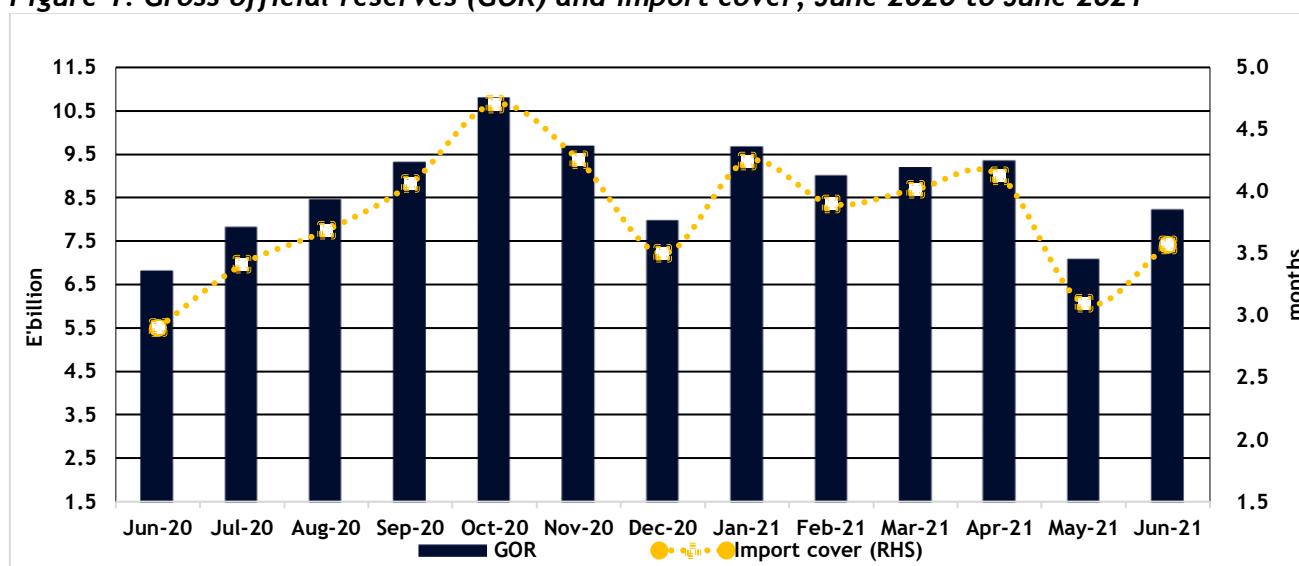
HIGHLIGHTS ON MAJOR MONETARY AGGREGATES	MONTH-ON-MONTH % CHANGE	ANNUAL % CHANGE
Gross official reserves increased by 16.1 per cent month-on-month and 20.4 per cent year-on-year to close at E8.2 billion at the end of June 2021.	16.1 ▲	20.4 ▲
Credit extended to the private sector stood at E15.7 billion at the end of May 2021, depicting an increase of 2.5 per cent month-on-month and 11.0 per cent year-on-year.	2.5 ▲	11.0 ▲
Broad money supply (M2) amounted to E20.3 billion in May 2021, reflecting a decline of 3.2 per cent month-on-month and growth of 11.0 per cent year-on-year.	3.2 ▼	11.0 ▲
Domestic liquid assets reached E6.9 billion in May 2021, decreasing by 19.3 per cent month-on-month and rose by 7.7 per cent year-on-year.	19.3 ▼	7.7 ▲
	PERCENT	
Discount rate: the discount rate was at 3.75 per cent in June 2021.		3.75
Prime lending rate: the prime lending rate was at 7.25 per cent in June 2021.		7.25
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Gross official reserves amounted to E8.2 billion at the end of June 2021, higher by 16.1 per cent from April 2021 and 20.4 per cent year-on-year. The growth in reserves was mainly due to inflows from foreign exchange proceeds for government projects' funding as well as revaluation gains from the depreciation of the Lilangeni/Rand against its major trading currencies over the month under review. As a result, the reserves were sufficient to cover 3.6 months of imports of goods and services, higher than the 3.1 months observed in May 2021.

Valued in special drawing rights (SDR), the reserves increased from SDR357.1 million registered in May 2021 to SDR403.7 million at the end of June 2021, representing an increase of 13.1 per cent month-on-month and 41.1 per cent year-on-year.

Figure 1: Gross official reserves (GOR) and import cover; June 2020 to June 2021



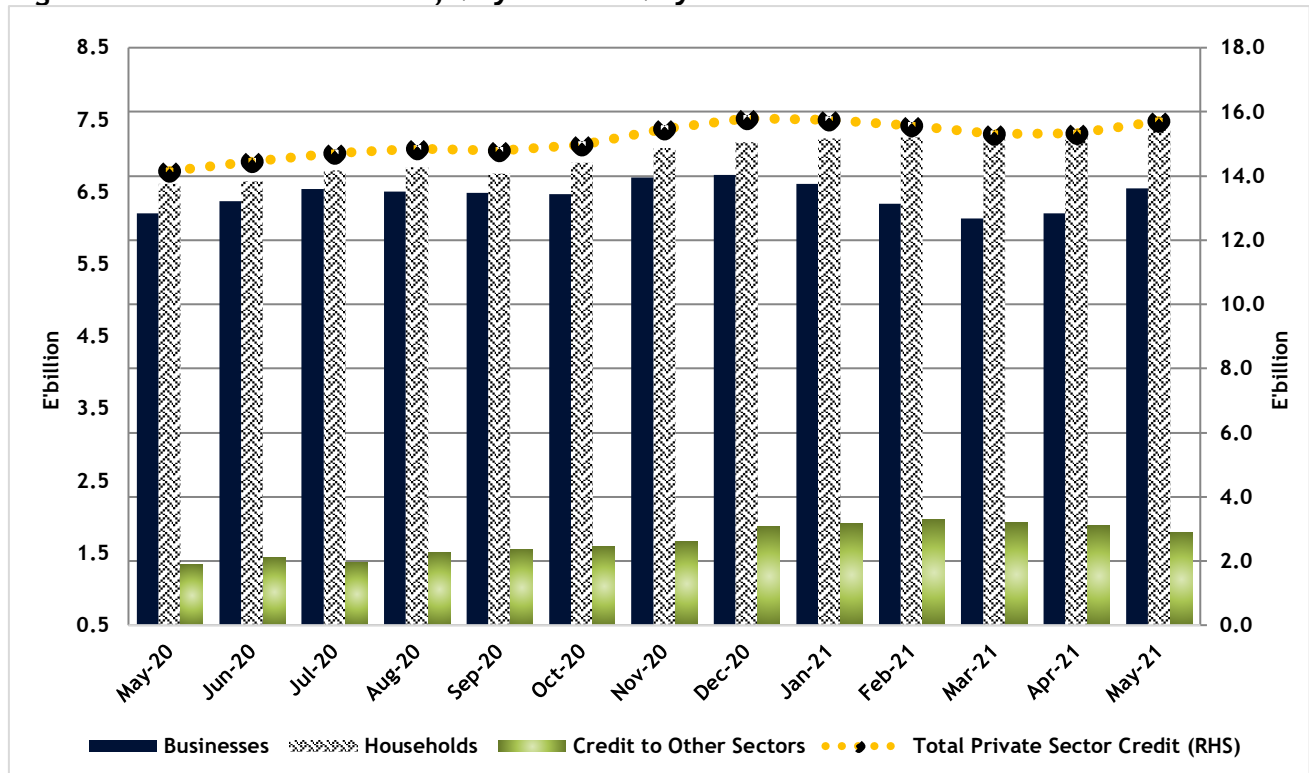
Source: Central Bank of Eswatini

Credit extended to the private sector amounted to E15.7 billion at the end of May 2021, representing an improvement of 2.5 per cent from April 2021 and 11.0 per cent year-on-year. The month-on-month expansion was observed in all components of private sector credit with the exception of credit to other sectors.

Credit extended to businesses improved by 5.6 per cent relative to April 2021 and 5.5 per cent year-on-year to reach E6.5 billion at the end of May 2021. The month-on-month growth in credit to businesses was supported by these subsectors; distribution & tourism (10.6 per cent), construction (6.1 per cent), agriculture & forestry (5.2 per cent), transport & communication (3.6 per cent), community, social & personal services (3.5 per cent) as well as manufacturing (2.0 per cent). Against this backdrop, however, a reduction was observed in these subsectors; real estate (-1.8 per cent) and mining & quarrying (-1.1 per cent).

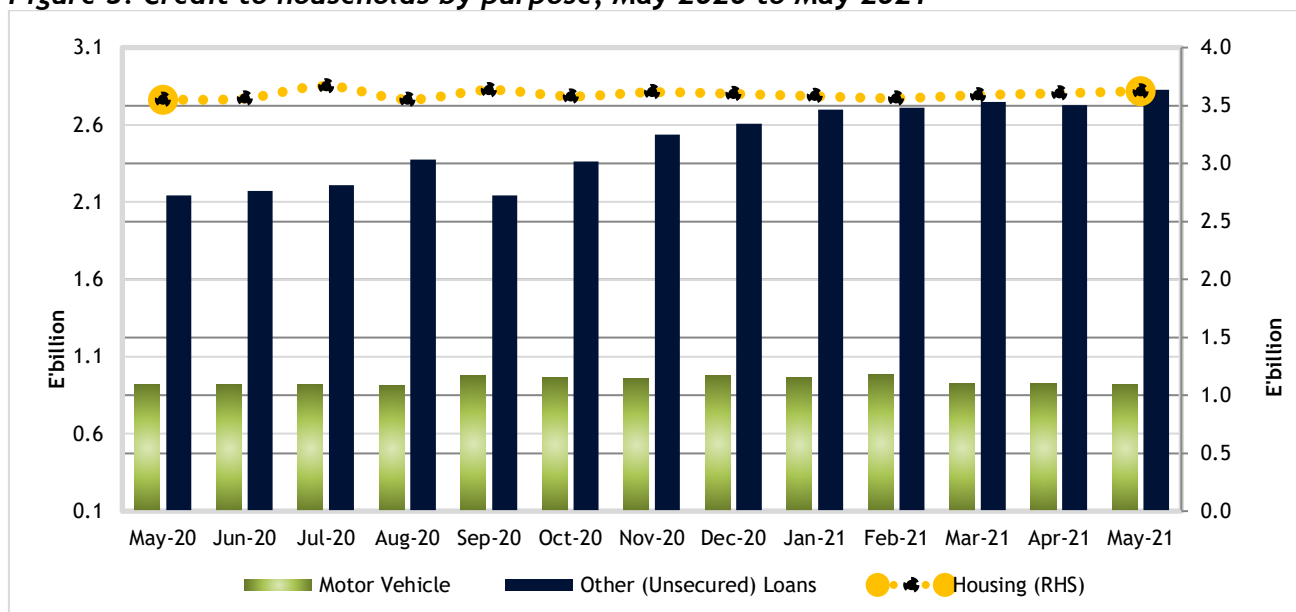
Credit to other sectors closed the review month at E1.8 billion, reflecting a decline of 4.7 per cent month-on-month and growth of 33.9 per cent year-on-year. The month-on-month reduction was driven by credit to parastatals and other financial corporations which fell by 14.4 per cent and 1.2 per cent, respectively. Credit to local government on the other hand, improved by 6.8 per cent from April 2021.

Figure 2: Private sector credit; May 2020 to May 2021



Source: Central Bank of Eswatini & Other Depository Corporations

Credit extended to households & NPISH stood at E7.4 billion at the end of May 2021, depicting an improvement of 1.6 per cent from April 2021 and 11.5 per cent year-on-year. The month-on-month rise was on account of other personal (unsecured) loans and housing loans whilst motor vehicle loans decreased. As a result, other personal (unsecured) loans accelerated by 3.7 per cent to E2.8 billion whilst housing loans rose by a lower margin of 0.5 per cent to E3.6 billion. In contrast, motor vehicle loans decreased by 0.3 per cent to E920.9 million over the month under review.

Figure 3: Credit to households by purpose; May 2020 to May 2021

Source: Central Bank of Eswatini & Other Depository Corporations

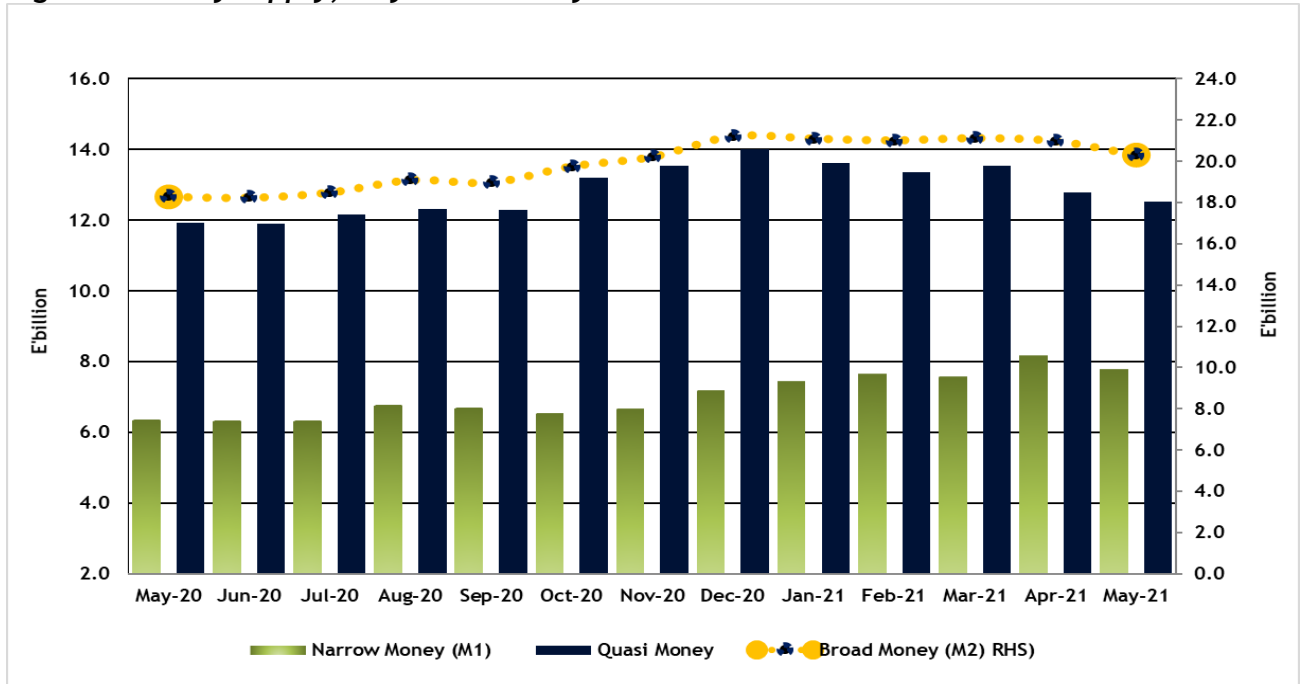
Net claims on government with the banking sector rose to E852.0 million at the end of May 2021. This was as a result of claims on government which grew by 6.2 per cent combined with a fall of 7.4 per cent in government deposits over the month under review.

Broad money supply (M2) comprising both narrow money (M1) and quasi money supply, stood at E20.3 billion at the end of May 2021. At this level, M2 reflected a decline of 3.2 per cent month-on-month and growth of 11.0 per cent year-on-year. The month-on-month fall in M2 was in line with the current weak economic conditions.

Narrow money supply (M1) contracted by 4.7 per cent relative to April 2021 and grew by 22.5 per cent year-on-year to reach E7.8 billion at the end of May 2021. The month-on-month reduction in M1 was registered in both components; Emalangeni outside depository corporation and transferable (demand) deposits. Emalangeni outside depository corporations decreased by 5.1 per cent month-on-month to settle at E789.5 million at the end of May 2021. Transferable (demand) deposits also fell but by a lesser margin of 4.7 per cent month-on-month to reach E7.0 billion at the end of May 2021.

Quasi money supply closed the review month at E12.5 billion, lower by 2.2 per cent from the previous review month and higher by 4.9 per cent year-on-year. The month-on-month reduction was driven by time and savings deposits. As a result, time deposits fell by 2.5 per cent month-on-month to E10.6 billion at the end of May 2021. Savings deposits also declined albeit at a slower pace of 0.1 per cent to E1.9 billion at the end of May 2021.

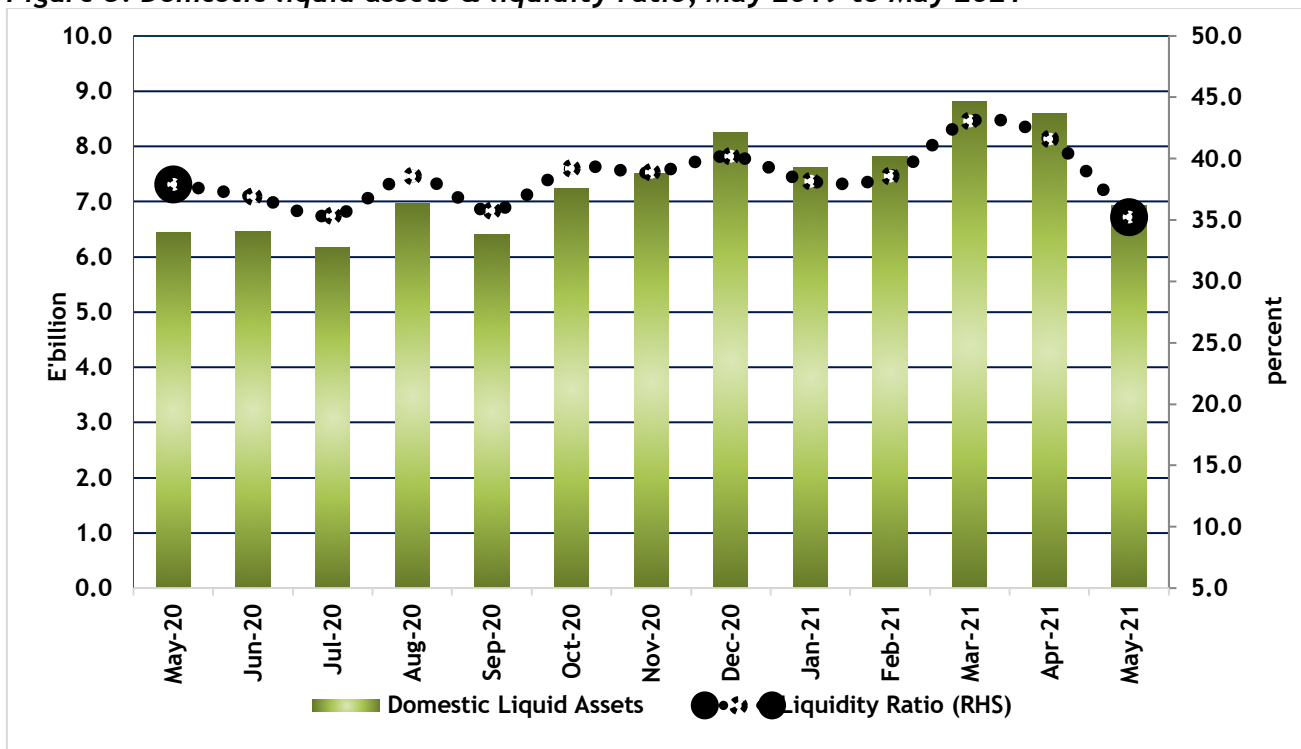
Figure 4: Money supply; May 2020 to May 2021



Source: Central Bank of Eswatini & Other Depository Corporations

Bank liquid assets amounted to E6.9 billion at the end of May 2021, reflecting a month-on-month contraction of 19.3 per cent and growth of 7.7 per cent year-on-year. The month-on-month reduction was largely due to a fall in the banks’ balances held with the Central Bank and investment in Central bank bills. Consequently, the banks’ liquidity ratio fell to 35.2 per cent from 41.6 per cent observed in April 2021.

Figure 5: Domestic liquid assets & liquidity ratio; May 2019 to May 2021



Source: Central Bank of Eswatini & Other Depository Corporations

RELEASE OF MONEY AND BANKING STATISTICS

ITEM	May-21	Apr-21	May-20
	Amount (E'000)	Amount (E'000)	Amount (E'000)
CENTRAL BANK OF ESWATINI			
Claims on Non-residents	8,512,659	10,823,783	9,131,945
Claims on Domestic Economy	2,415,775 *	1,882,748	2,526,049
Government	2,382,366	1,849,115	2,496,374
Other Depository Corporations	2,512	2,512	2,092
Other Resident Sectors	30,898	31,121	27,583
Other Assets	671,117	723,873	548,862
Total Assets/Liabilities	11,599,552 *	13,430,404	12,206,856
OTHER DEPOSITORY CORPORATIONS			
Cash and Deposits with CBE	2,698,856	4,141,377	3,333,152
Net Balances with Banks Outside Eswatini	2,397,085	2,344,000	1,320,443
Loans and advances	14,546,654	14,103,863	13,414,003
Government Securities	4,608,051	4,738,678 *	3,398,084
Treasury Bills	2,578,344	2,677,937	2,482,949
Government Bonds	2,029,707	2,060,740	915,135
Other	-	-	-
Total Deposits	21,865,185	22,870,449	18,670,399 *
Transferable/Demand	7,422,581	7,962,107	5,895,892
Savings	1,971,763	1,973,672	2,063,671
Time	12,470,841	12,934,670	10,710,837
Capital and Reserves	4,405,047	4,389,753	4,171,338
Total Assets/Liabilities	28,355,549	29,560,321	25,221,599
Total Liquid Assets (Banks only)	6,935,942	8,598,184	6,442,171
Required Liquidity (Banks only)	3,899,853	4,097,824	3,367,594
Surplus/ Deficiency (-) (Banks only)	3,036,090 *	4,500,360	3,074,577
RATIOS (%)			
Actual Liquidity to Domestic Liabilities (Banks Only)	35.2	41.6	37.9
Loans and Advances to Deposits	66.5	61.7	71.8



DEPOSITORY CORPORATIONS SURVEY		<i>May-21</i>	<i>Apr-21</i>	<i>May-20</i>	
Net Foreign Assets (E)		8,887,870 *	11,142,335 *	8,957,813 *	
Net Official Assets		5,758,313	8,014,089	6,539,950	
Foreign Assets - Central Bank of Eswatini		8,538,902	10,850,025	9,158,188	
Foreign Liabilities - Central Bank of Eswatini		2,780,589	2,835,936	2,618,238	
Net Other Depository Corporations Foreign holdings (ODC)		3,129,558 *	3,128,245	2,417,864 *	
Foreign Assets - ODC		3,483,073	3,652,763	2,605,236	
Foreign Liabilities - ODC		353,516	524,518	187,373	
Net Foreign Assets (SDR)		447,948	535,947	373,541	
Net Domestic Claims		16,560,740 *	15,276,604 *	15,737,163	
Net Claims on Government		851,999	-55,112 *	1,583,039	
Claims on Central Government		7,034,391	6,622,941	5,917,798	
Government Deposits		6,182,392	6,678,053	4,334,759	
Claims on other sectors		15,708,742	15,331,716 *	14,154,124	
Other nonfinancial corporations (Industry)		6,549,002	6,201,871	6,205,657	
Other resident sectors (Households & NPISH)		7,371,934	7,254,714	6,612,951	
Other sectors		1,787,806	1,875,132	1,335,516	
Broad Money Supply (M2)		20,304,680 *	20,971,710 *	18,296,011 *	
Narrow Money Supply (M1)		7,789,069 *	8,177,051	6,360,679	
Currency outside depository corporations (E)		789,468	831,460	801,932	
Transferable (demand) deposits		6,999,602	7,345,591	5,558,747	
Quasi Money		12,515,610	12,794,658	11,935,331	
Savings Deposits		1,913,742	1,915,671	2,020,254	
Time Deposits		10,601,868	10,878,987	9,915,077	
Shares and Other Equity		6,223,852	6,301,388	7,081,576	
Central Bank Of Eswatini		1,150,367	1,241,349	2,342,536	
Other Depository Corporations		5,073,485	5,060,039	4,739,040	
Other Items (net)		-1,079,921	-854,159	-682,611	
GROSS OFFICIAL RESERVES					
		<i>Jun-21</i>	<i>May-21</i>	<i>Apr-21</i>	<i>May-20</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>
Total Official (Gross) - Emalangeni E		8,222,766	7,085,315	9,345,026	7,270,280
Special Drawing Rights (SDR)		403,738	357,099	449,496	303,171
Central Bank		8,222,766	7,085,315	9,345,026	7,270,280
Government		26,243	26,243	26,243	26,243
Import Cover (reserves to months of estimated imports)		3.6	3.1	4.1	3.0
Net Bank Holdings		3,129,558	3,128,245	2,417,864	2,637,331

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.