

Monthly Statistical Release

OCTOBER/NOVEMBER 2021



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**CENTRAL BANK
OF ESWATINI**
Umntsholi Wemaswati



HIGHLIGHTS ON MAJOR MONETARY AGGREGATES	MONTHLY	ANNUAL % CHANGE
Gross official reserves amounted to E8.9 billion, depicting a decrease of 9.0 per cent month-on-month and 8.6 per cent year-on-year.	9.0 ▼	8.6 ▼
Credit extended to the private sector stood at E16.2 billion in October 2021, reflecting an increase of 0.5 per cent month-on-month and 8.4 year-on-year.	0.5 ▲	8.4 ▲
Broad money supply (M2) reached E21.0 billion in October 2021, higher by 1.2 per cent over the month and 6.5 per cent over the year.	1.2 ▲	6.5 ▲
Domestic liquid assets grew by 3.2 per cent from the previous month and 14.0 per cent the previous year to E8.2 billion in October 2021.	3.2 ▲	14.0 ▲
	PER CENT	
Discount Rate: the discount rate was kept at 3.75 per cent in November 2021.	3.75	
Prime Lending Rate: the prime lending rate was kept at 7.25 per cent in November 2021.	7.25	

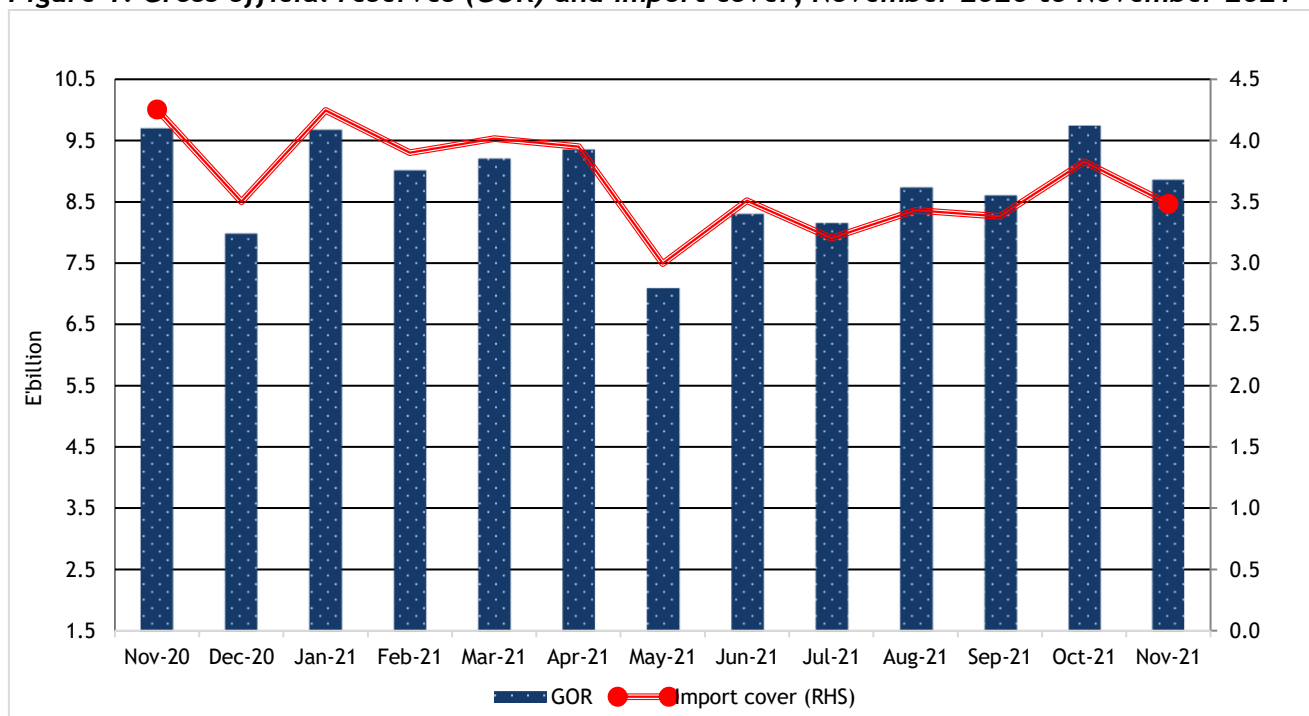
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Gross official reserves settled at E8.9 billion at the end of November 2021, lower by 9.0 per cent compared to October 2021 and 8.6 per cent compared to the previous year. This development was on account of the net outflow of Rands from trades with commercial banks. Consequently, the reserves were sufficient to cover 3.5 months in November 2021, lower than 3.8 months covered at the end of October 2021.

Valued in special drawing rights (SDR), the reserves stood at SDR392.3 million at the end of November 2021 reflecting a fall of 12.9 per cent compared to the previous month and 10.8 per cent compared to the previous year.

Figure 1: Gross official reserves (GOR) and Import cover; November 2020 to November 2021



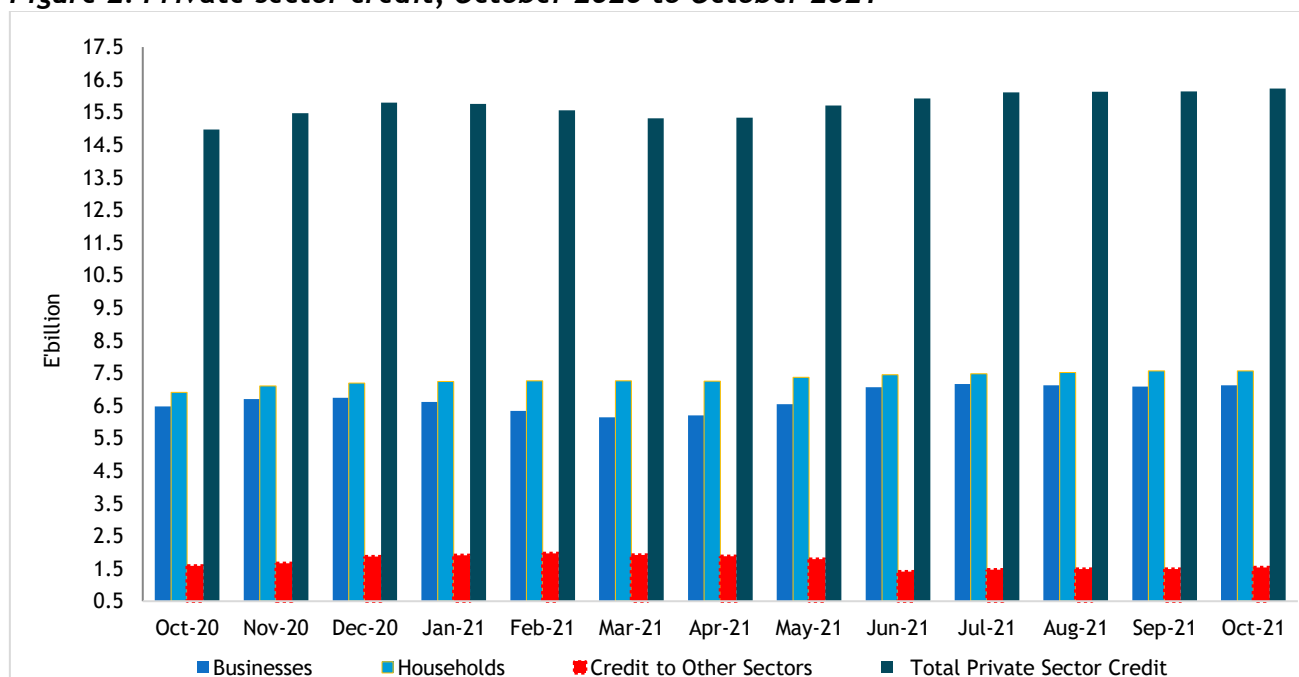
Source: Central Bank of Eswatini

Credit extended to the private sector increased by 0.5 per cent month-on-month and 8.4 per cent year-on-year to close at E16.2 billion in October 2021. Accounting for the rise were all private sector components; credit to other sectors, credit to businesses as well as credit to households & non-profit institutions serving households (NPISH).

Credit extended to other sectors stood at E1.5 billion at the end of October 2021, depicting an increase of 3.1 per cent compared to September 2021 but a decrease of 3.7 per cent compared to October 2020. The month-on-month improvement was due to credit to local government and other financial corporations, which grew by 11.3 per cent and 7.0 per cent, respectively. Credit to public nonfinancial corporations, however, declined by 6.7 per cent in the month under review.

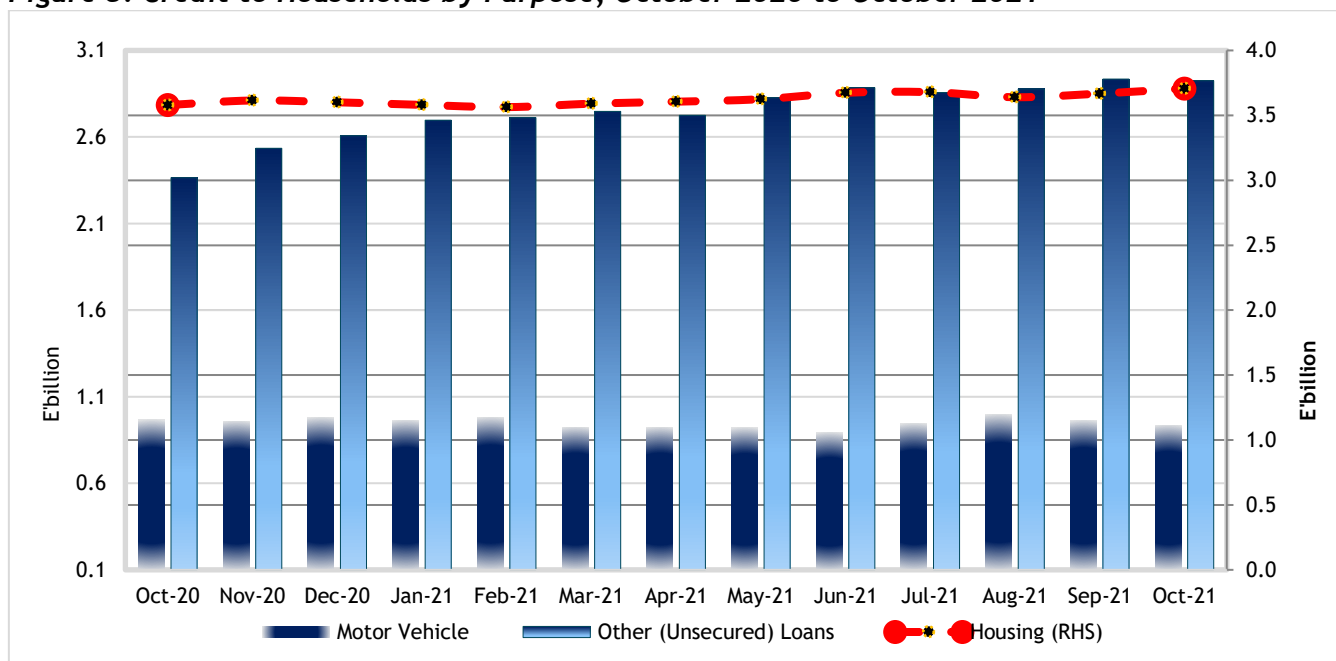
Credit extended to businesses grew by 0.5 per cent month-month and 10.1 per cent year-on-year to close at E7.1 billion in October 2021. Contributing to the month-on-month increase were the following subsectors; real estate (4.7 per cent), mining & quarrying (4.0 per cent), transport & communication (2.2 per cent), construction (1.7 per cent), as well as distribution & tourism (0.1 per cent). Declines were however, observed in the following subsectors; community, social & personal services (-4.9 per cent), agriculture & forestry (-2.6 per cent) as well as manufacturing (-1.0 per cent).

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



Source: Central Bank of Eswatini & Other Depository Corporations

Credit extended to households & NPISH amounted to E7.6 billion at the end of October 2021, higher by 0.03 per cent month-on-month and 9.5 per cent compared to the previous year. Growth emanated from mortgage loans, which grew by 1.0 per cent to close at E3.7 billion. The increase was partly offset by motor vehicle loans and other personal (unsecured) loans, which decreased by 2.7 per cent to E936.4 million and 0.3 per cent to E2.9 billion, respectively.

Figure 3: Credit to Households by Purpose; October 2020 to October 2021

Source: Central Bank of Eswatini & Other Depository Corporations

Net claims on government with the banking sector amounted to E1.1 billion at the end of October 2021, recording a month-on-month contraction of 37.6 per cent. Contributing to the decline was the 9.1 per cent fall in claims on government due to a notable reduction in the outstanding advance from the central bank. Government deposits, on the other hand, decreased by 0.2 per cent during the review month.

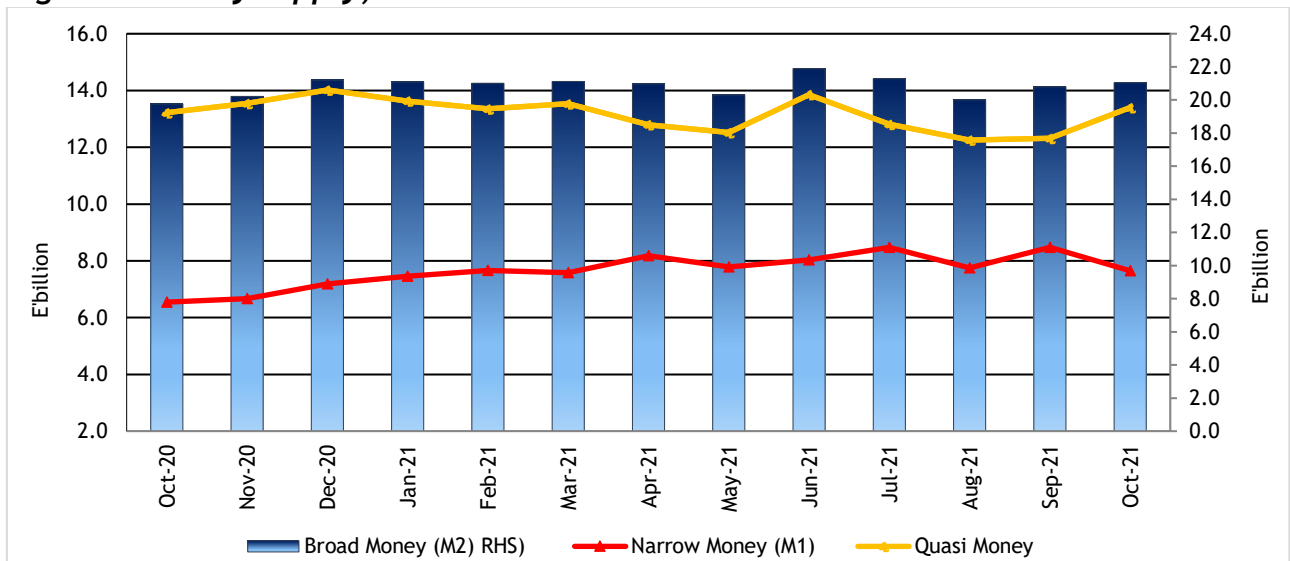
Broad money supply (M2) increased by 1.2 per cent month-on-month and 6.5 per cent year-on-year to close at E21.0 billion in October 2021. Growth was driven by quasi money supply while narrow money supply (M1) receded. The expansion in M2 was partly supported by growth in private sector credit.

Quasi money supply depicted a month-on-month increase of 8.8 per cent and 1.4 per cent from October 2020 to close at E13.4 billion at the end of October 2021. Growth was evident in both components of quasi money supply; savings and time deposits. Time deposits rose by 10.1 per cent to E11.4 billion while savings deposits grew by 1.7 per cent to E2.0 billion at the end of October 2021.

Narrow money supply (M1) reached E7.6 billion at the end of October 2021, depicting a decline of 9.8 per cent relative to September 2021 but an increase of 16.8 per cent compared to the previous year. The decline in M1 was on account of a 11.8 per cent fall in transferable (demand) deposits to reach E6.7 billion at the end of October 2021. On the

other hand, Emalangeneni outside depository corporations went up by 8.6 per cent compared to September 2021 to reach E913.7 million.

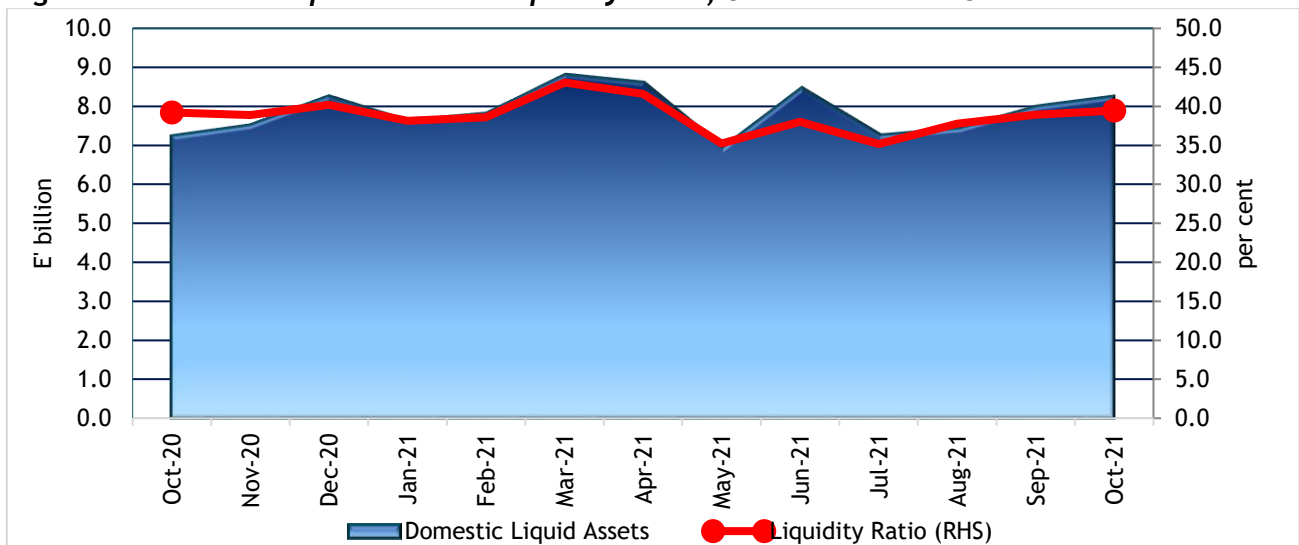
Figure 4: Money Supply; October 2020 to October 2021



Source: Central Bank of Eswatini & Other Depository Corporations

Overall liquidity position of banks' asset recorded an increase of 3.2 per cent month-on-month and 14.0 per cent year-on-year to settle at E8.2 billion at the end of October 2021. This development was due to a rise in banks' currency holdings, investments in government bonds as well as holdings of central bank bills. As a result, the banks' liquidity ratio rose to 39.5 per cent in October 2021 compared to 38.9 per cent observed the previous month.

Figure 5: Domestic Liquid Assets & Liquidity Ratio; October 2020 to October 2021



Source: Central Bank of Eswatini & Other Depository Corporations

RELEASE OF MONEY AND BANKING STATISTICS

ITEM	Oct-21	Sep-21	Oct-20
	Amount	Amount	Amount
	(E'000)	(E'000)	(E'000)
CENTRAL BANK OF ESWATINI			
Claims on Non-residents	11,282,962	10,126,567	12,453,467
Claims on Domestic Economy	2,042,926	2,913,585	1,962,408
Government	2,008,935	2,879,966	1,929,597
Other Depository Corporations	2,082	2,082	2,512
Other Resident Sectors	31,909	31,537	30,299
Other Assets	573,960	531,193	555,077
Total Assets/Liabilities	13,899,848	13,571,346 *	14,970,952
OTHER DEPOSITORY CORPORATIONS			
Cash and Deposits with CBE	3,715,286	3,721,865	3,727,985
Net Balances with Banks Outside Eswatini	2,461,913	2,317,326	1,557,714
Loans and advances	15,242,595	15,227,406	14,004,934
Government Securities	4,787,189 *	4,603,252	3,787,801
Treasury Bills	2,599,698	2,645,591	2,400,973
Government Bonds	2,187,490	1,957,661	1,386,828
Other	-	-	-
Total Deposits	22,739,744	22,617,140 *	20,742,932
Transferable/Demand	7,273,597	8,273,563	6,063,119
Savings	2,098,349	2,025,928	2,161,989
Time	13,367,798	12,317,648	12,517,824
Capital and Reserves	4,583,590	4,521,342	4,211,790
Total Assets/Liabilities	29,887,248	29,448,187	26,896,590
Total Liquid Assets (Banks only)	8,242,761	7,986,890	7,229,727
Required Liquidity (Banks only)	4,137,897	4,065,849	3,649,081
Surplus/ Deficiency (-) (Banks only)	4,104,863 *	3,921,041	3,580,646
RATIOS (%)			
Actual Liquidity to Domestic Liabilities (Banks Only)	39.5	38.9	39.2
Loans and Advances to Deposits	67.0	67.3	67.5



DEPOSITORY CORPORATIONS SURVEY		Oct-21	Sep-21	Oct-20	
Net Foreign Assets (E)		10,341,097	9,115,683	12,035,151	
Net Official Assets		7,448,513 *	6,337,360	9,543,567	
Foreign Assets - Central Bank of Eswatini		11,309,205	10,152,810	12,479,710	
Foreign Liabilities - Central Bank of Eswatini		3,860,691	3,815,450	2,936,143	
Net Other Depository Corporations Foreign holdings (ODC)		2,892,584	2,778,323 *	2,491,584	
Foreign Assets - ODC		3,437,186	3,370,483	2,782,727	
Foreign Liabilities - ODC		544,602	592,159	291,143	
Net Foreign Assets (SDR)		478,792	429,349	522,926	
Net Domestic Claims		17,338,986	17,925,895	13,829,565 *	
Net Claims on Government		1,116,111	1,788,040	- 1,142,297 *	
Claims on Central Government		6,843,310	7,528,075	5,749,151	
Government Deposits		5,727,199	5,740,035	6,891,447	
Claims on other sectors		16,222,875	16,137,855	14,971,861	
Other nonfinancial corporations (Industry)		7,124,189	7,087,221	6,472,196	
Other resident sectors (Households & NPISH)		7,567,311	7,565,122	6,909,795	
Other sectors		1,531,375	1,485,512	1,589,870	
Broad Money Supply (M2)		21,045,335	20,792,664	19,760,929	
Narrow Money Supply (M1)		7,647,121	8,475,393	6,545,702 *	
Currency outside depository corporations (E)		913,680	840,960	982,877	
Transferable (demand) deposits		6,733,441	7,634,433	5,562,826	
Quasi Money		13,398,214	12,317,271 *	13,215,227	
Savings Deposits		1,983,647	1,951,182	2,087,355	
Time Deposits		11,414,567	10,366,090	11,127,872	
Shares and Other Equity		7,410,179	6,927,040	6,712,880	
Central Bank Of Eswatini		2,155,485	1,733,148	1,895,361	
Other Depository Corporations		5,254,693	5,193,892	4,817,518	
Other Items (net)		-775,431	-678,126	-609,094	
GROSS OFFICIAL RESERVES		Nov-21	Oct-21	Sep-21	Oct-20
		Amount	Amount	Amount	Amount
		(E'000)	(E'000)	(E'000)	(E'000)
Total Official (Gross)	- Emalangeni E	8,854,543	9,729,222	8,599,217	10,797,813
	Special Drawing Rights (SDR)	392,256	450,462	405,024	469,164
Central Bank		8,854,543	9,729,222	8,599,217	10,797,813
Government		26,243	26,243	26,243	26,243
Import Cover (reserves to months of estimated imports)		3.5	3.8	3.4	4.7
Net Bank Holdings		2,892,584	2,778,323	2,491,584	2,564,426

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.

