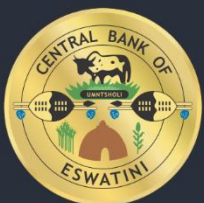


Monthly Statistical Release

SEPTEMBER/OCTOBER 2021



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CENTRAL BANK
OF ESWATINI

Umntsholi Wemaswati



HIGHLIGHTS ON MAJOR MONETARY AGGREGATES	MONTHLY	ANNUAL % CHANGE
Gross official reserves grew by 12.7 per cent month-on-month but fell by 10.3 per cent year-on-year to reach E9.7 billion in October 2021.	12.7 ▲	10.3 ▼
Credit extended to the private sector stood at E16.1 billion in September 2021, higher by 0.1 per cent month-on-month and 9.1 year-on-year.	0.1 ▲	9.1 ▲
Broad money supply (M2) amounted to E20.8 billion in September 2021, reflecting an increase of 3.9 per cent month-on-month and 9.5 per cent over the year.	3.9 ▲	9.5 ▲
Domestic liquid assets grew by 7.6 per cent from August 2021 and 24.8 per cent over the year to settle at E8.0 billion in September 2021.	7.6 ▲	24.8 ▲
	PER CENT	
Discount Rate: the discount rate was at 3.75 per cent in October 2021.		3.75
Prime Lending Rate: the prime lending rate was at 7.25 per cent in October 2021.		7.25

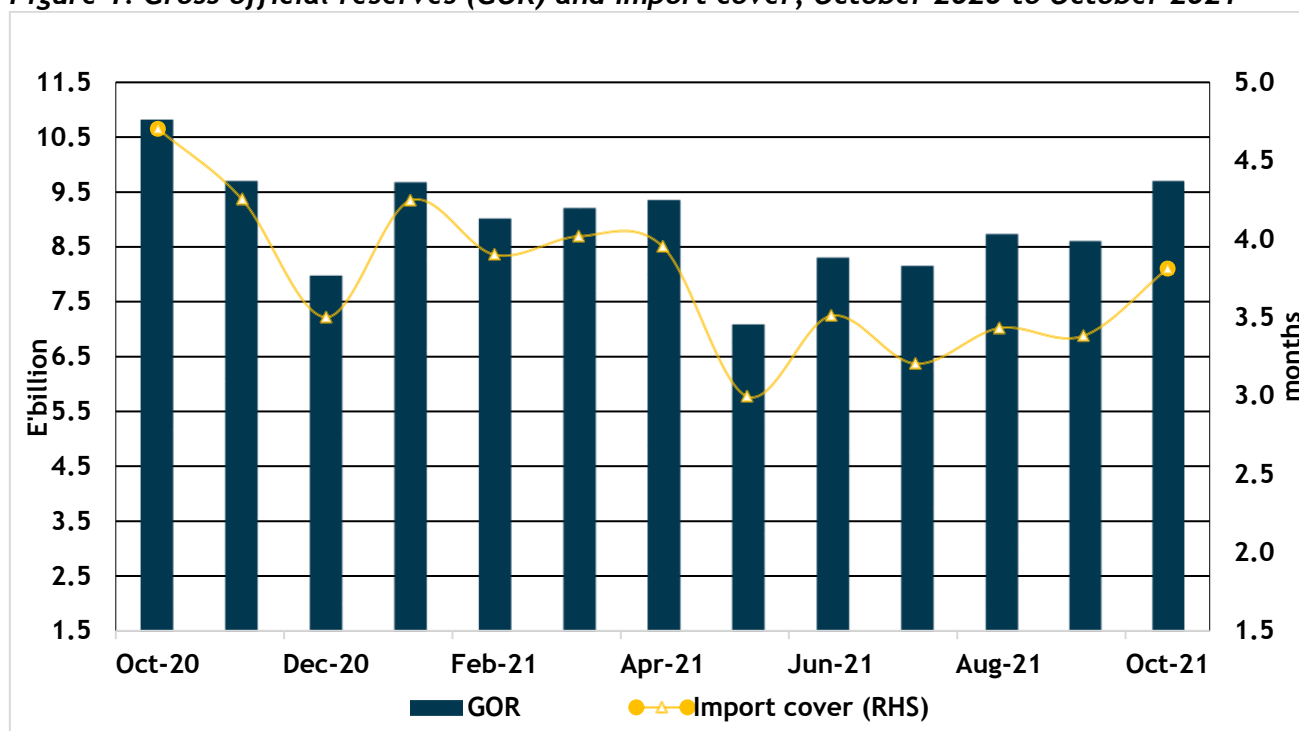
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Gross official reserves amounted to E9.7 billion at the end of October 2021. At this level, the reserves were higher by 12.7 per cent to levels at the end of September 2021 but lower by 10.3 per cent over the year. The increase was mainly due to the inflow of quarterly Southern African Customs Union (SACU) receipts at the beginning of October 2021. Consequently, the reserves were sufficient to cover 3.8 months in October 2021, notably higher than 3.4 months covered at the end of September 2021.

Valued in special drawing rights (SDR), the reserves stood at SDR448.7 million at the end of October 2021 reflecting an expansion of 10.8 per cent compared to the previous month and a contraction of 4.4 per cent compared to the previous year.

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



Source: Central Bank of Eswatini

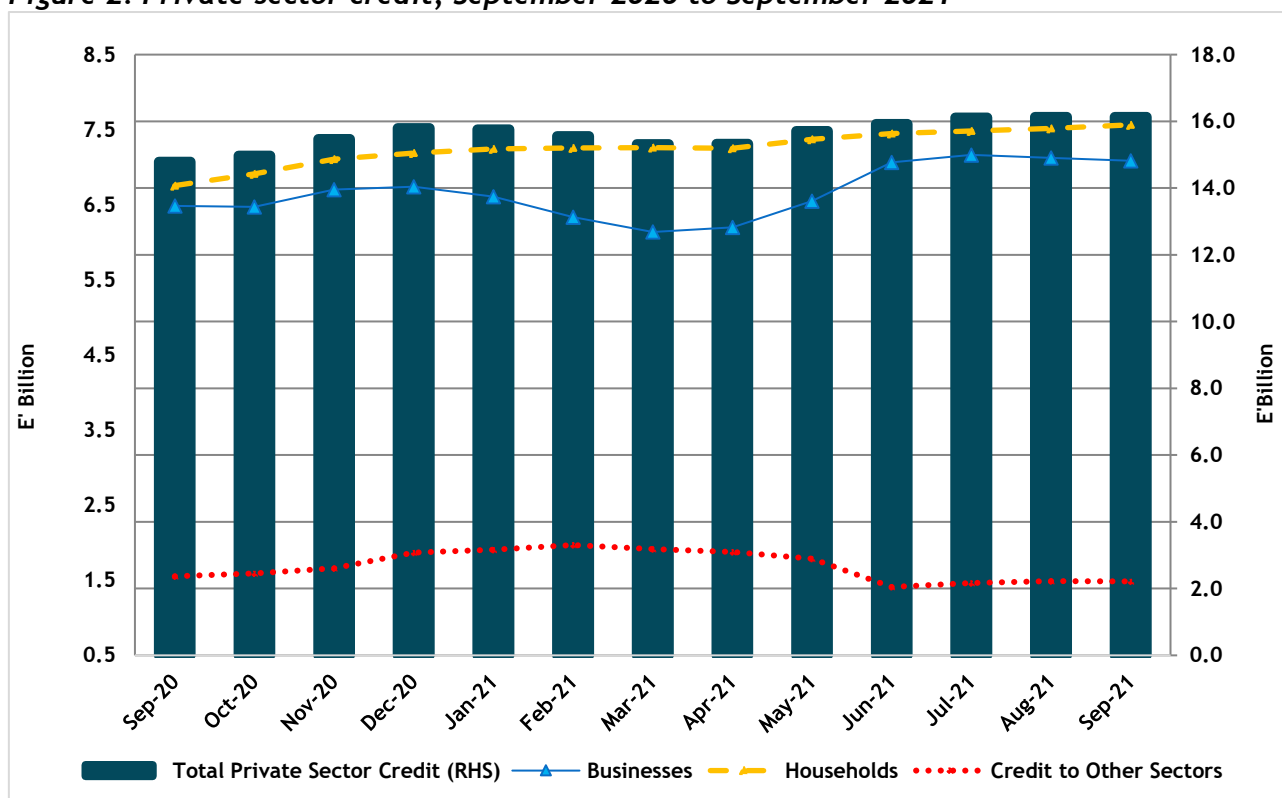
Credit extended to the private sector grew slightly by 0.1 per cent relative to August 2021 and 9.1 per cent over the year to reach E16.1 billion at the end of September 2021. Growth was observed in credit to households & non-profit institutions serving households (NPISH) while credit to businesses and other sectors contracted.

Credit extended to businesses closed the review month at E7.1 billion, reflecting a decline of 0.5 per cent month-on-month but grew by 9.3 per cent year-on-year. The following subsectors accounted for the month-on-month reduction in credit to businesses; distribution & tourism (-2.1 per cent), construction (-1.4 per cent), mining & quarrying (-1.2 per cent) as well as transport & communication (-0.9 per cent). Growth was however,

observed in the following subsectors; manufacturing (4.7 per cent), real estate (1.9 per cent), community, social & personal services (1.4 per cent) as well as agriculture & forestry (1.0 per cent).

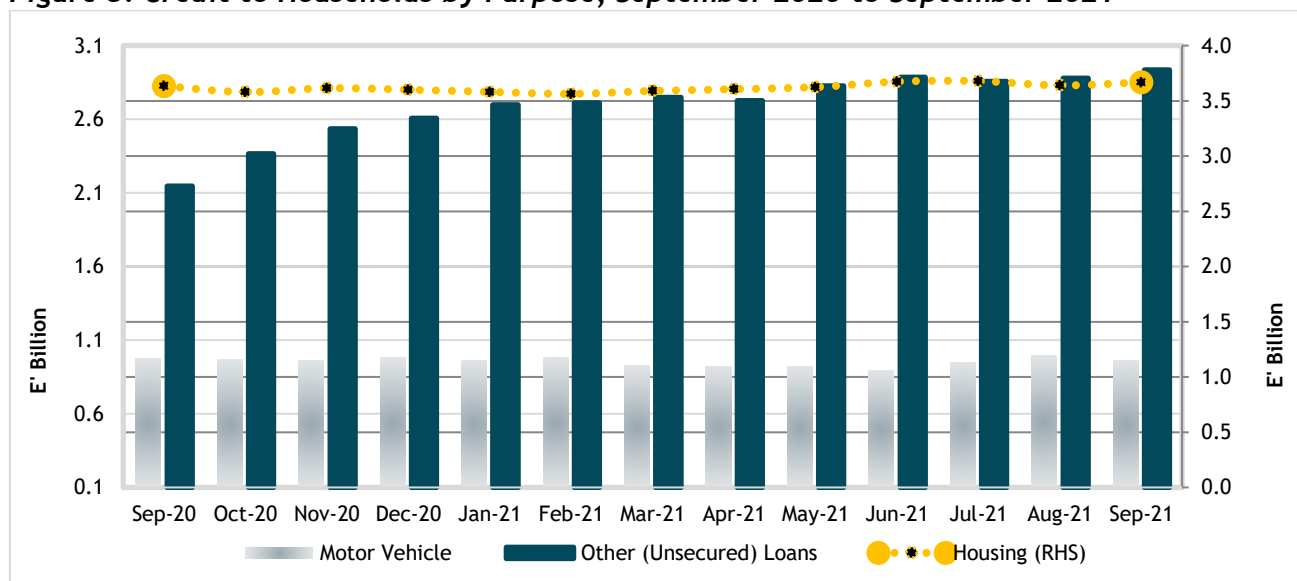
Credit extended to other sectors registered a decline of 0.1 per cent from August 2021 and 4.4 per cent compared to September 2020 recording E1.5 billion at the end of the review month. The decrease was observed in credit to local government and public nonfinancial corporations, which fell by 7.1 per cent and 5.2 per cent, respectively. Credit to other financial corporations, grew by 2.6 per cent in the month under review.

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



Source: Central Bank of Eswatini & Other Depository Corporations

Credit extended to households & NPISH improved by 0.6 per cent month-on-month and 12.0 per cent year-on-year to reach E7.6 billion at the end of September 2021. Accounting for the growth were other personal (unsecured) loans and mortgage loans, which rose by 2.0 per cent to E2.9 billion and 0.8 per cent to E3.7 billion, respectively. In contrast, motor vehicle loans fell by 3.7 per cent to E1.0 billion at the end of September 2021.

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

Source: Central Bank of Eswatini & Other Depository Corporations

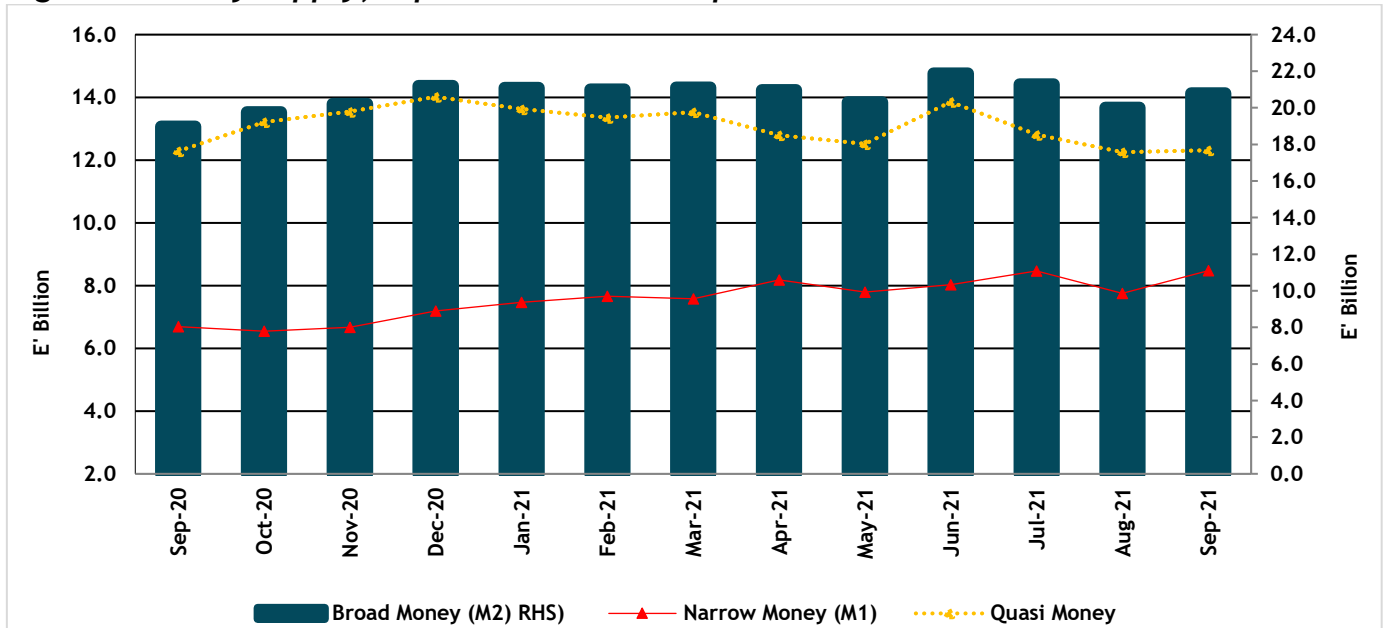
Net claims on government with the banking sector rose to E1.8 billion at the end of September 2021 from E953.6 million recorded in August 2021. The increase was largely due to an advance from the Central Bank in September. Consequently, claims on government grew by 7.3 per cent during the month under review. Government deposits on the other hand, depicted a month-on-month fall of 5.3 per cent.

Broad money supply (M2) closed the review month at E20.8 billion, up by 3.9 per cent month-on-month and 9.5 per cent year-on-year., driven by both components of M2; narrow money supply (M1) and quasi money supply. Growth in M2 was attributed to inflows of export proceeds from the external sector, an increase in private sector credit as well as the pick-up in economic activity following the progressive easing of COVID-19 restrictions by the government.

Narrow money supply (M1) stood at E8.5 billion at the end of September 2021, depicting an expansion of 9.3 per cent from August 2021 and 26.6 per cent from the previous year. The improvement in M1 was on account of a 10.7 per cent rise in transferable (demand) deposits to reach E7.6 billion at the end of September 2021. Emalangeni outside depository corporations however, went down by 1.6 per cent month-on-month to reach E841.0 million.

Quasi money supply grew by 0.5 per cent relative to the previous review month and 0.2 per cent year-on-year to settle at E12.3 billion at the end of September 2021. Growth was observed in both components of quasi money supply; savings and time deposits. Savings deposits rose by 2.1 per cent to E2.0 billion while time deposits grew by 0.2 per cent to E10.4 billion at the end of September 2021.

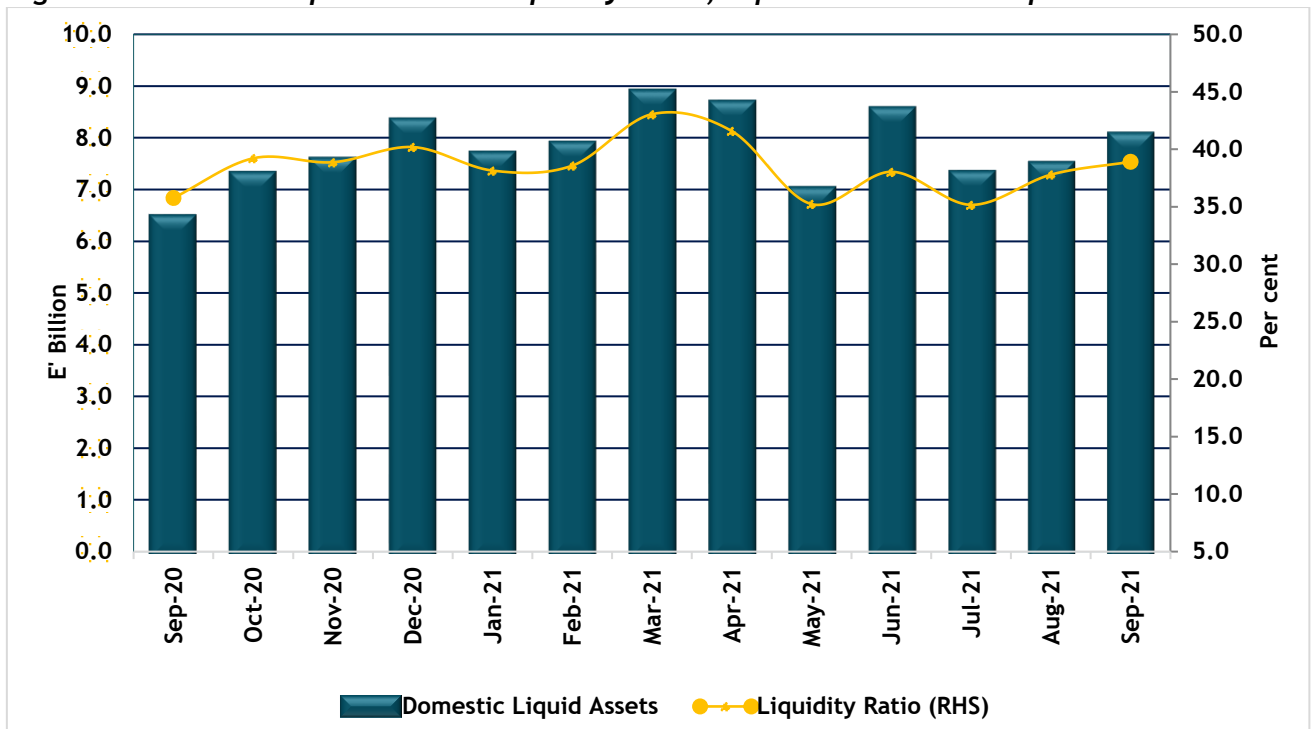
Figure 4: Money Supply; September 2020 to September 2021



Source: Central Bank of Eswatini & Other Depository Corporations

Overall liquidity position of banks' assets reached E8.0 billion at the end of September 2021, higher by 7.6 per cent month-on-month and 24.8 per cent year-on-year. The increase was predominantly underpinned by a rise in the banks' balances held with the Central Bank. As a result, the banks' liquidity ratio rose from 37.8 per cent recorded in the preceding month to 38.9 per cent at the end of September 2021.

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



Source: Central Bank of Eswatini & Other Depository Corporations

RELEASE OF MONEY AND BANKING STATISTICS

ITEM	Sep-21	Aug-21	Sep-20
	Amount (E'000)	Amount (E'000)	Amount (E'000)
CENTRAL BANK OF ESWATINI			
Claims on Non-residents	10,126,567	10,212,803	11,014,610
Claims on Domestic Economy	2,913,585	2,408,586	3,118,064
Government	2,879,966	2,375,279	3,085,897
Other Depository Corporations	2,082	2,082	2,512
Other Resident Sectors	31,537	31,225	29,655
Other Assets	531,193	519,659	554,585
Total Assets/Liabilities	13,571,346 *	13,141,048	14,687,259
OTHER DEPOSITORY CORPORATIONS			
Cash and Deposits with CBE	3,721,865	3,020,062	3,107,435
Net Balances with Banks Outside Eswatini	2,317,326	1,967,094	1,799,250
Loans and advances	15,227,406	15,247,664	13,910,930
Government Securities	4,603,252	4,590,933 *	3,560,540
Treasury Bills	2,645,591	2,441,484	2,303,956
Government Bonds	1,957,661	2,149,450	1,256,584
Other	-	-	-
Total Deposits	22,617,140 *	21,845,511	20,060,021
Transferable/Demand	8,273,563	7,460,661	6,327,071
Savings	2,025,928	1,985,641	2,132,591
Time	12,317,648	12,399,209	11,600,359
Capital and Reserves	4,521,342	4,483,876	4,228,237
Total Assets/Liabilities	29,448,187	28,435,574	26,442,997
Total Liquid Assets (Banks only)	7,986,890	7,423,601	6,397,805
Required Liquidity (Banks only)	4,065,849	3,889,098	3,540,153
Surplus/ Deficiency (-) (Banks only)	3,921,041	3,534,503	2,857,652
RATIOS (%)			
Actual Liquidity to Domestic Liabilities (Banks Only)	38.9	37.8	35.8
Loans and Advances to Deposits	67.3	69.8	69.3

DEPOSITORY CORPORATIONS SURVEY					
	Sep-21	Aug-21	Sep-20		
Net Foreign Assets (E)	9,115,683	8,533,734	10,832,712		
Net Official Assets	6,337,360	6,202,285	8,079,491		
Foreign Assets - Central Bank of Eswatini	10,152,810	10,239,045	11,040,853		
Foreign Liabilities - Central Bank of Eswatini	3,815,450	4,036,760	2,961,362		
Net Other Depository Corporations Foreign holdings (ODC)	2,778,323 *	2,331,449	2,753,221		
Foreign Assets - ODC	3,370,483	2,841,996	3,171,746		
Foreign Liabilities - ODC	592,159	510,547	418,525		
Net Foreign Assets (SDR)	429,349	412,607	460,390		
Net Domestic Claims	17,925,895	17,082,899	14,283,121		
Net Claims on Government	1,788,040	953,632 *	512,467 *		
Claims on Central Government	7,528,075	7,012,663	6,709,750		
Government Deposits	5,740,035	6,059,032	7,222,217		
Claims on other sectors	16,137,855	16,129,267 *	14,795,588		
Other nonfinancial corporations (Industry)	7,087,221	7,125,970	6,485,810		
Other resident sectors (Households & NPISH)	7,565,122	7,516,404	6,755,786		
Other sectors	1,485,512	1,486,892	1,553,992		
Broad Money Supply (M2)	20,792,664	20,004,417	18,982,745 *		
Narrow Money Supply (M1)	8,475,393	7,751,470	6,695,878		
Currency outside depository corporations (E)	840,960	854,884	889,173		
Transferable (demand) deposits	7,634,433	6,896,586	5,806,705		
Quasi Money	12,317,271 *	12,252,947 *	12,286,866 *		
Savings Deposits	1,951,182	1,910,968	2,057,505		
Time Deposits	10,366,090	10,341,978	10,229,362		
Shares and Other Equity	6,927,040	6,502,559	6,791,680		
Central Bank Of Eswatini	1,733,148	1,346,357	1,962,197		
Other Depository Corporations	5,193,892	5,156,203	4,829,483		
Other Items (net)	-678,126	-890,343	-658,592		
GROSS OFFICIAL RESERVES	Oct-21	Sep-21	Aug-21	Sep-20	Oct-20
	Amount	Amount	Amount	Amount	Amount
	(E'000)	(E'000)	(E'000)	(E'000)	(E'000)
Total Official (Gross) - Emalangení E	9,690,756	8,599,217	8,724,939	9,321,947	10,797,813
Special Drawing Rights (SDR)	448,681	405,024	421,851	396,183	469,164
Central Bank	9,690,756	8,599,217	8,724,939	9,321,947	10,797,813
Government	26,243	26,243	26,243	26,243	26,243
Import Cover (reserves to months of estimated imports)	3.8	3.4	3.4	4.1	4.7
Net Bank Holdings	2,778,323	2,331,449	2,753,221	2,491,584	

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.

