



# Weekly Economic Highlights

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Week Ending  
14<sup>th</sup> December 2018

## 1. INTEREST RATES

### Deposit Rates

During the week ending 14<sup>th</sup> December 2018 average deposits rates for deposits of 1- month and 3- month tenor stood at 3.65% and 3.47%, respectively. Savings deposit rates have remained unchanged at 4.16%, since the week ending 23<sup>rd</sup> November 2018.

**Table 1: Average Deposit Rates (per annum)**

Date	Savings Deposits (%)	1-Month Deposits (%)	3-Month Deposits (%)
16-Nov-18	3.97	3.62	4.09
23-Nov-18	4.16	3.66	3.93
30-Nov-18	4.16	3.66	3.93
07-Dec-18	4.16	3.66	3.93
14-Dec-18	4.16	<b>3.65</b>	<b>3.47</b>

Source: Banking Institutions, 2018

### Lending Rates

Commercial bank weighted lending rates for individual clients decreased to 9.49% during the week under analysis, from 9.51% recorded in the previous week. Weighted lending rates for corporate clients declined marginally, from 7.38% recorded in the week ending 7<sup>th</sup> December 2018 to 7.37%, during the week ending 14<sup>th</sup> December 2018.

**Table 2: Lending Rates**

Date	Lending Rates <sup>1</sup> (%)	
	Commercial Banks (weighted)	
	Individuals	Corporate clients
16-Nov-18	9.49	7.40
23-Nov-18	9.49	7.42
30-Nov-18	9.49	7.38
07-Dec-18	9.51	7.38
14-Dec-18	<b>9.49</b>	<b>7.37</b>

Source: Banking Institutions, 2018

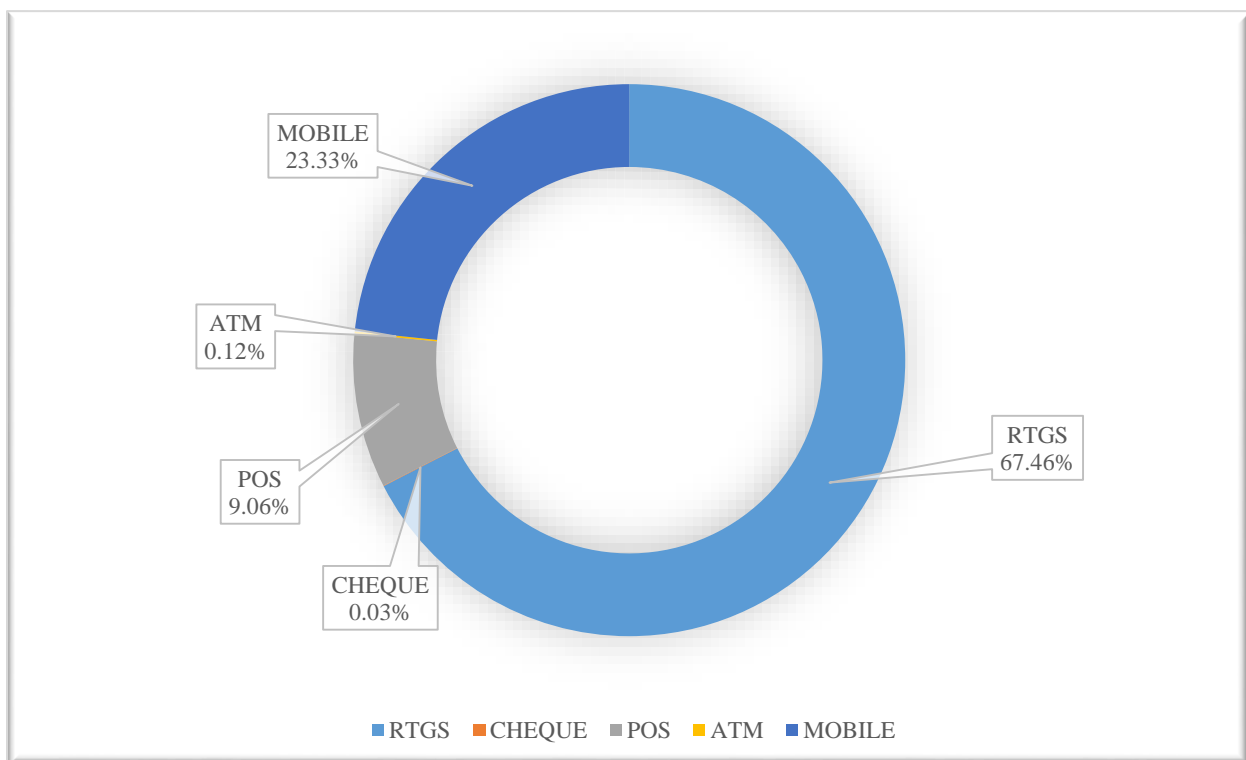
<sup>1</sup> Minimum weighted lending rates offered by commercial banks.

## 2. CLEARING AND SETTLEMENT ACTIVITY

During the week under review, the total value of transactions processed through the National Payment Systems (NPS) increased to \$3.17 billion, from \$2.89 billion recorded in the previous week. Transactions processed through the Real Time Gross Settlement (RTGS) increased by 18.79%, to close the week under analysis at \$2.14 billion.

In terms of proportions, NPS payment platforms were utilised as follows: RTGS, 67.46%; Mobile, 23.33%; Point of Sale (POS), 9.06%; Automated Teller Machines (ATMs), 0.12%; and Cheque, 0.03%, as shown in Figure 1.

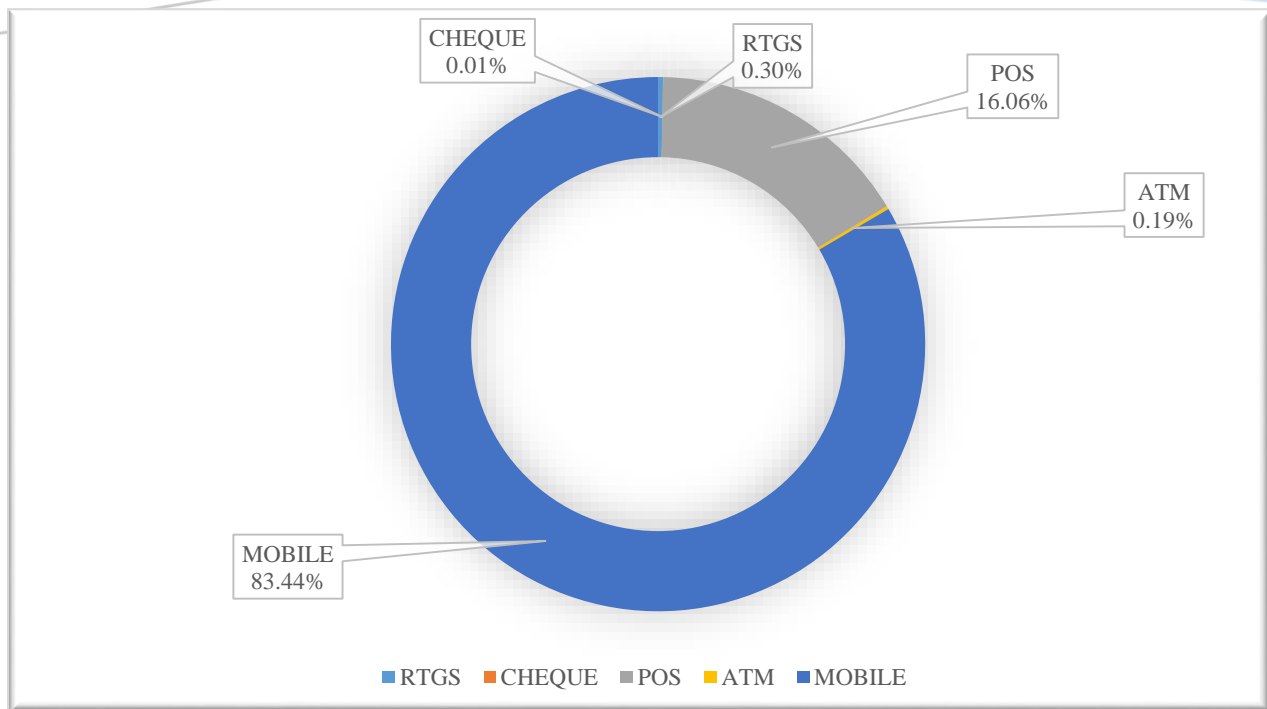
**Figure 1: Composition of NPS Transactions in Value Terms**



*Source: Reserve Bank of Zimbabwe, 2018*

NPS transaction volumes stood at 38.60 million transactions, a 14.7% decrease from 45.24 million transactions processed in the week ending 7<sup>th</sup> December 2018. Mobile-based transactions accounted for 83.44% of the total volume of transactions, followed by POS, 16.06%; RTGS, 0.30%; ATMs, 0.19% and Cheque, 0.01%. Figure 2 shows the composition of NPS transactions in volume terms.

**Figure 2: Composition of NPS Transactions in Volume Terms**



Source: Reserve Bank of Zimbabwe, 2018

**Table 3: National Payment Systems Activity**

PAYMENT STREAM	WEEK ENDING 7 <sup>th</sup> DECEMBER 2018	WEEK ENDING 14 <sup>th</sup> DECEMBER 2018	% CHANGE FROM LAST WEEK	PERCENTAGE OF TOTAL
<b>VALUES IN \$ (millions)</b>				
<b>RTGS</b>	1,799.54	2,137.65	18.79%	67.46%
<b>CHEQUE</b>	0.715	0.930	29.90%	0.03%
<b>POS</b>	293.99	287.20	-2.31%	9.06%
<b>ATM</b>	5.153	3.76	-27.11%	0.12%
<b>MOBILE</b>	790.83	739.45	-6.50%	23.33%
<b>TOTAL</b>	<b>2,890.44</b>	<b>3,168.98</b>	<b>9.60%</b>	<b>100.00%</b>
<b>VOLUMES</b>				
<b>RTGS</b>	125,946	115,294	-8.5%	0.30%
<b>CHEQUE</b>	3,541	4,243	19.8%	0.01%
<b>POS</b>	6,634,191	6,198,501	-6.6%	16.06%
<b>ATM</b>	71,917	73,119	1.7%	0.19%
<b>MOBILE</b>	38,404,715	32,213,489	-16.1%	83.44%
<b>TOTAL</b>	<b>45,241,338</b>	<b>38,604,646</b>	<b>-14.7%</b>	<b>100%</b>

Source: Reserve Bank of Zimbabwe, 2018

### 3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

During the week ending 14<sup>th</sup> December 2018, the weekly average international commodity prices of platinum, copper, nickel and crude oil retreated. Gold prices, however, firmed during the same week, as shown in Table 1.

**Table 4: International Commodity Prices**

	Gold	Platinum	Copper	Nickel	Crude Oil
<b>2018</b>	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
<b>Weekly Average (03 - 07 Dec)</b>	<b>1,237.63</b>	<b>797.50</b>	<b>6,211.20</b>	<b>11,129.00</b>	<b>61.25</b>
<b>10-Dec</b>	1,246.08	786.50	6,116.00	10,875.00	60.12
<b>11-Dec</b>	1,248.25	780.00	6,124.00	10,855.00	60.86
<b>12-Dec</b>	1,245.25	788.50	6,182.00	10,825.00	60.41
<b>13-Dec</b>	1,243.60	797.00	6,167.00	10,735.00	61.03
<b>14-Dec</b>	1,237.25	788.00	6,143.00	10,810.00	60.23
<b>Weekly Average (10 – 14 Dec)</b>	<b>1,244.09</b>	<b>788.00</b>	<b>6,146.40</b>	<b>10,820.00</b>	<b>60.53</b>
<b>Weekly Change (%)</b>	0.52	(1.19)	(1.04)	(2.78)	(1.18)

Source: BBC, KITCO and Bloomberg, 2018

#### Gold

Gold prices firmed by 0.52%, from a weekly average price of US\$1,237.63/oz to US\$1,244.09/oz during the week under analysis. The price of the yellow metal increased on account of renewed safe haven demand, ahead of the U.S Fed Res interest rate decision.

#### Platinum

Platinum prices recorded a decline of 1.19%, from US\$797.50/oz. recorded in the previous week to US\$788.00/oz, during the week ending 14<sup>th</sup> December 2018. Prices continued to be weighed down by excess supply, amid slowing global demand, particularly from the automotive industries.

## Copper

Base metal prices were subdued during the week under analysis, following the release of data that showed that China's industrial output had increased at a slower pace than expected. Consequently, copper prices declined by 1.04%, from US\$6,211.20/ton in the previous week, to close the week under review at an average of US\$6,146.40 /ton.

## Nickel

Similarly, nickel prices declined by 2.78%, from a weekly average of US\$11,129.00/ton in the previous week to US\$10,820.00/ton, during the week under analysis.

## Crude Oil

The weekly average price of crude oil fell by 1.18%, from US\$61.25/barrel in the previous week, to US\$60.53 /barrel during the week under analysis. This was, in large part, due to rising U.S stock- piles.

## EXCHANGE RATES

The U.S dollar firmed against the South African rand, pound Sterling and the Botswana pula, during the week ending 14<sup>th</sup> December 2018. The green back, however, depreciated against the euro, during the same week.

**Table 5: International Exchange Rates per US\$**

	ZAR	GBP	BWP	EURO
<b>2018</b>				
<b>Weekly Average ( 3- 7 Dec)</b>	<b>13.8316</b>	<b>0.7853</b>	<b>10.5554</b>	<b>0.8810</b>
10-Dec	14.1349	0.7844	10.6724	0.8747
11-Dec	14.3550	0.7952	10.6895	0.8797
12-Dec	14.2806	0.7992	10.7411	0.8824
13-Dec	14.1186	0.7926	10.7009	0.8799
14-Dec	14.3715	0.7948	10.7469	0.8843
<b>Weekly Average ( 10- 14 Dec)</b>	<b>14.2521</b>	<b>0.7932</b>	<b>10.7102</b>	<b>0.8802</b>
<i>Appr(+)/Depr(-) (%) of the USD</i>	<i>3.04</i>	<i>1.01</i>	<i>1.47</i>	<i>-0.10</i>

Source: Reuters, 2018

## 4. EQUITY MARKETS

The Zimbabwe Stock Exchange (ZSE) was bearish during the week ending 14<sup>th</sup> December 2018. As a result, the All Share Index (ASI) decreased by 3.82%, from 158.46 points registered in the previous week to 152.40 points, during the week under review. The Top 10 Index lost 6.93 points to close the week at 154.79, down from 161.72 points recorded in the previous week

The industrial index declined by 3.72%, from 532.03 points recorded in the week ending 7<sup>th</sup> December to close the week under review at 512.26 points. This followed losses in MedTech Holdings Limited (66.67%), Lafarge Cement (33.57%), Zimplot Holdings Limited (18.64%) and Amalgamated Regional Trading (18.52%).

Similarly, the resource index fell by 7.33% to close the week under analysis at 193.24 points. The decrease in the resource index largely emanated from losses in Bindura Nickel Corporation (BNC) (27.64%). RioZim Limited traded at the previous week price level. The Falgold counter did not register any trades during the week under analysis.

**Table 6: Zimbabwe Stock Exchange Statistics**

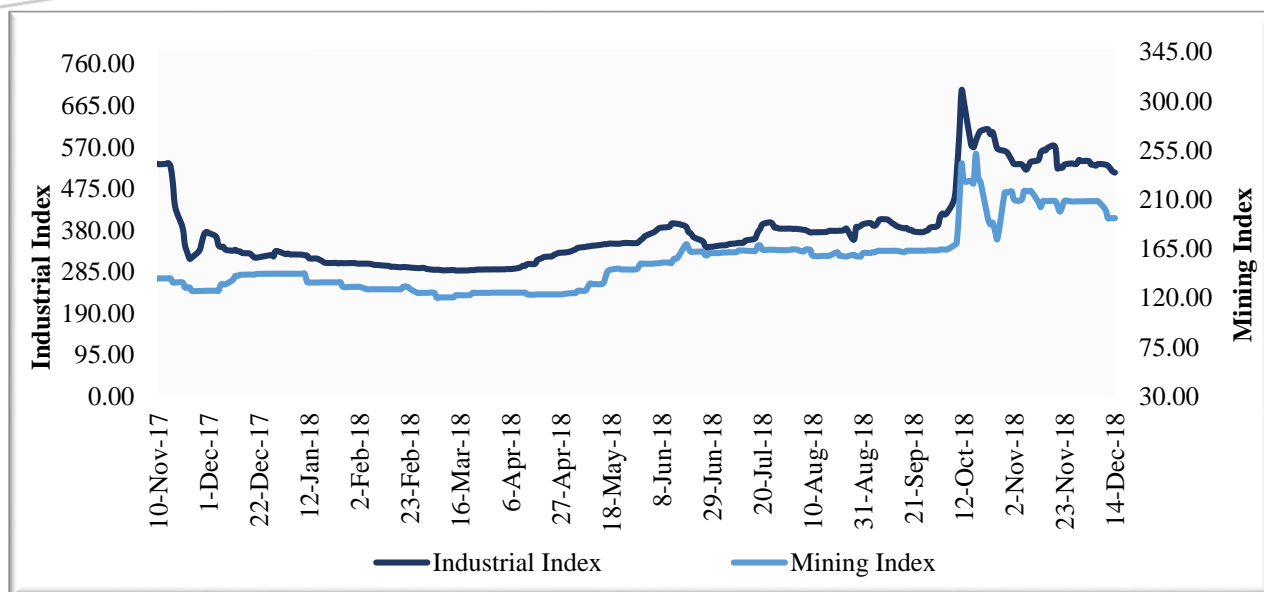
	All Share Index <sup>2</sup> (points)	Top 10 index <sup>3</sup> (points)	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
16-November-18	167.55	177.95	569.25	208.81	18,917,390,876	11,738,201	23,221,101
23-November 18	158.07	162.12	530.70	209.03	17,081,676,265	43,837,248	37,203,497
30-November 18	160.40	164.98	538.66	208.56	17,316,627,742	27,657,844	45,190,887
7-December 18	158.46	161.72	532.03	208.53	16,963,785,315	19,468,976	16,009,069
14-December 18	152.4	154.79	512.26	193.24	16,317,782,331	15,864,176	64,337,473
<b>Weekly Change (%)</b>	<b>-3.82</b>	<b>-4.29</b>	<b>-3.72</b>	<b>-7.33</b>	<b>-3.81</b>	<b>-18.52</b>	<b>301.88</b>

Source: Zimbabwe Stock Exchange (ZSE), 2018

<sup>2</sup> The All Share index shows the changing average value of shares of all companies on the market.

<sup>3</sup> The Index is calculated using the market capitalisation method.

**Figure 3: Zimbabwe Stock Exchange Indices**

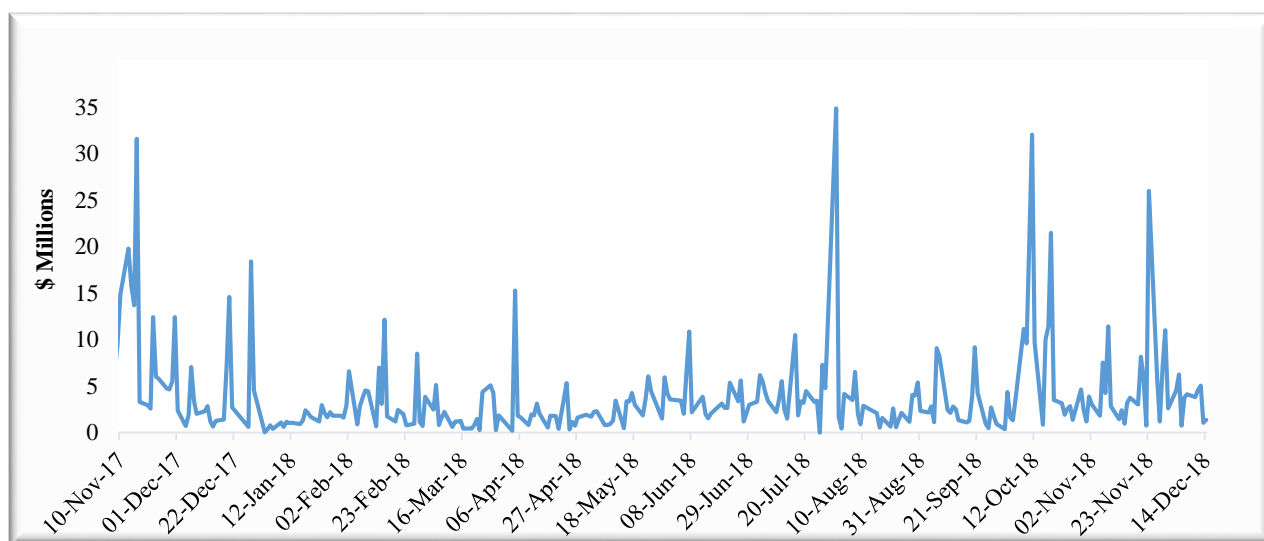


Source: Zimbabwe Stock Exchange, 2018

**Market Turnover and Volume**

The cumulative volume of shares traded on the ZSE surged by 301.88%, to close the week under review at 64.34 million shares. This was largely underpinned by block trades of 52 million and 1 million shares in MedTech Holdings and Meikles, respectively. The cumulative value of shares traded, however, decreased by 18.52% to close at \$15.86 million, during the week ending 14<sup>th</sup> December 2018.

**Figure 4: Daily Market Turnover**



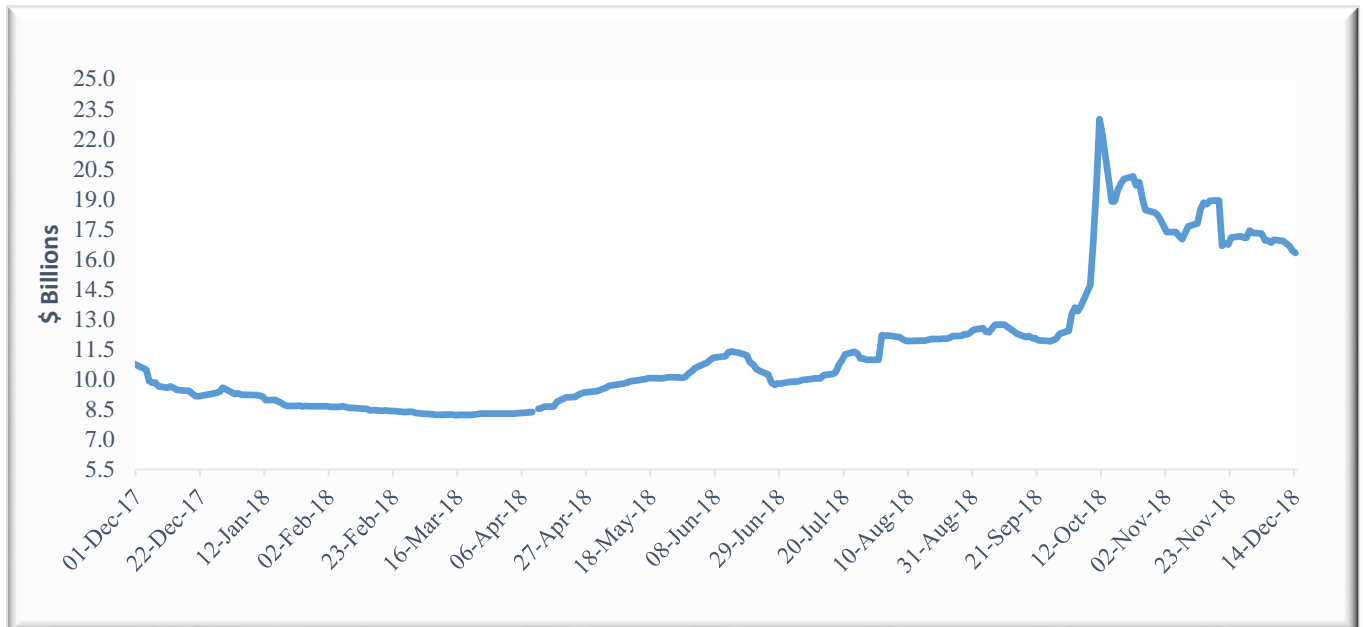
Source: Zimbabwe Stock Exchange, 2018



## Market Capitalization

ZSE market capitalization decreased by US\$646 million or 3.81% of the previous week value, to close the week under analysis at US\$16.32 billion.

**Figure 5: Daily Market Capitalization**



Source: Zimbabwe Stock Exchange, 2018

## Johannesburg Stock Exchange (JSE) Developments

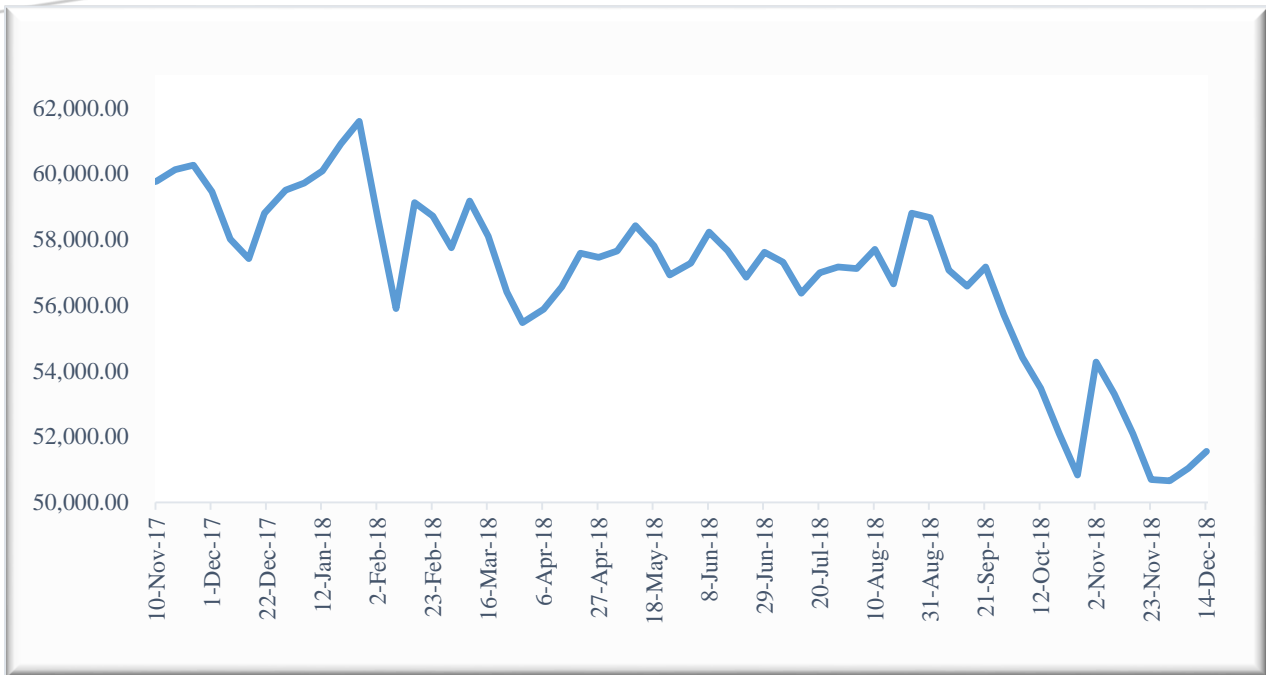
The JSE All Share Index closed the week under review at 51,560.47 points, a 1.02% increase from 51,037.69 points recorded in the previous week. JSE market capitalization increased by 1.04% to close at R12.59 trillion, during the same week.

**Table 7: Johannesburg Stock Exchange (JSE) Statistics**

Period	All Share Index (points)	Market Capitalization (ZAR trillion)
16-Nov-18	52,096.04	12.87
23-Nov-18	50,697.70	12.52
30-Nov-18	50,663.94	12.52
7-Dec-18	51,037.69	12.46
14-Dec-18	51,560.47	12.59
<b>% Change</b>	<b>1.02</b>	<b>1.04</b>

Source: <https://www.jse.co.za/services/market-data/market-statistics>, 2018

**Figure 6: Johannesburg Stock Exchange (JSE) All Share Index**



Source: <https://www.jse.co.za/services/market-data/market-statistics,2018>

**RESERVE BANK OF ZIMBABWE**

**21<sup>st</sup> DECEMBER 2018**