



Weekly Economic Highlights

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Week Ending
21st December 2018

1. INTEREST RATES

Deposit Rates

Average deposit rates for all three classes of deposits remained unchanged, during the week under review.

Table 1: Average Deposit Rates (per annum)

Date	Savings Deposits (%)	1-Month Deposits (%)	3-Month Deposits (%)
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	3.65	3.47
21-Dec-18	4.16	3.65	3.47

Source: Banking Institutions, 2018

Lending Rates

During the week ending 21st December 2018, commercial bank weighted lending rates for individual and corporate clients declined by 0.02 percentage points each, to close at 9.47% and 7.32%, respectively.

Table 2: Lending Rates

Date	Lending Rates ¹ (%)	
	Commercial Banks (weighted)	
	Individuals	Corporate clients
23-Nov-18	9.49	7.42
30-Nov-18	9.49	7.38
07-Dec-18	9.51	7.38
14-Dec-18	9.49	7.37
21-Dec-18	9.47	7.32

Source: Banking Institutions, 2018

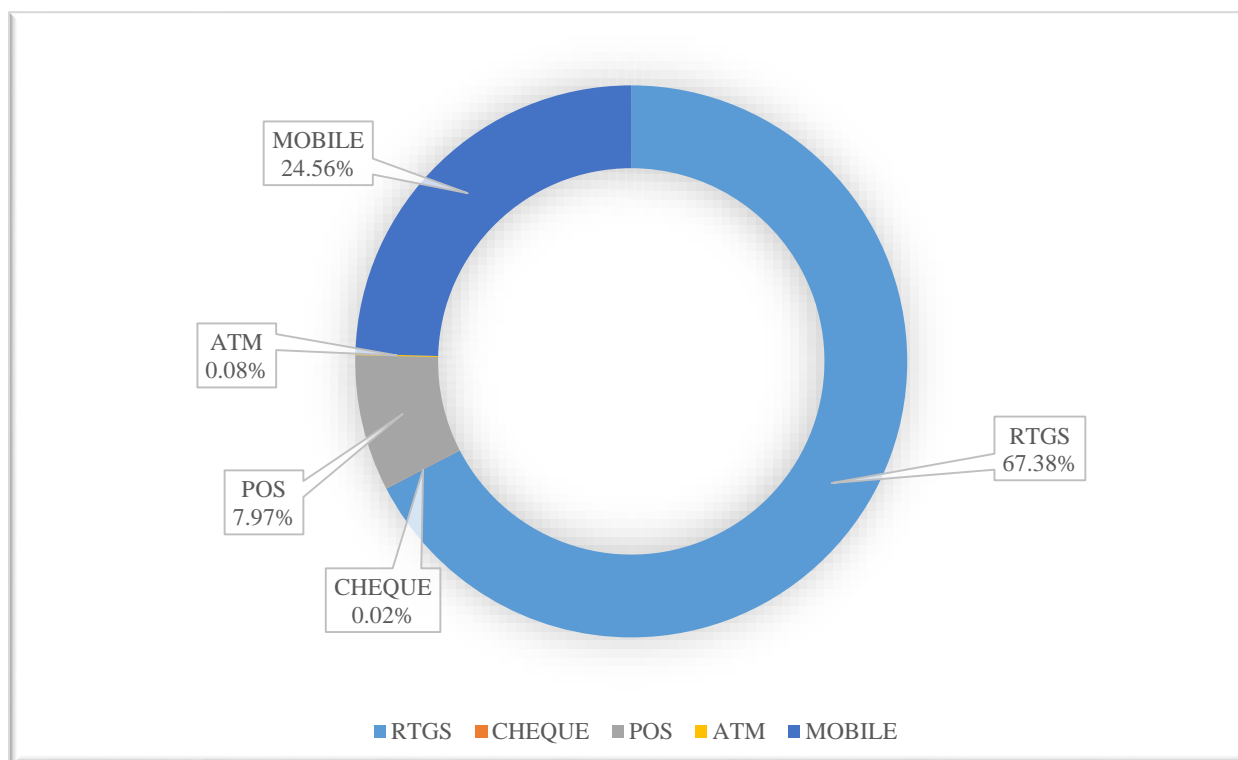
¹ Minimum weighted lending rates offered by commercial banks.

2. CLEARING AND SETTLEMENT ACTIVITY

The total value of NPS transactions processed through the NPS stood at US\$3.87 billion, during the week under review. This represented a 19.13% increase from US\$3.17 billion recorded in the previous week. Real Time Gross Settlement (RTGS) transactions increased by 19% to close at US\$2.54 billion during week under analysis, from US\$2.14 billion processed during the week ending 14th December 2018.

The composition of NPS transactions in value terms was as follows: RTGS, 67.38%; Mobile, 24.56%; Point of Sale (POS), 7.97%; Automated Teller Machines (ATMs), 0.08%; and Cheque, 0.02%, as shown in Figure 1.

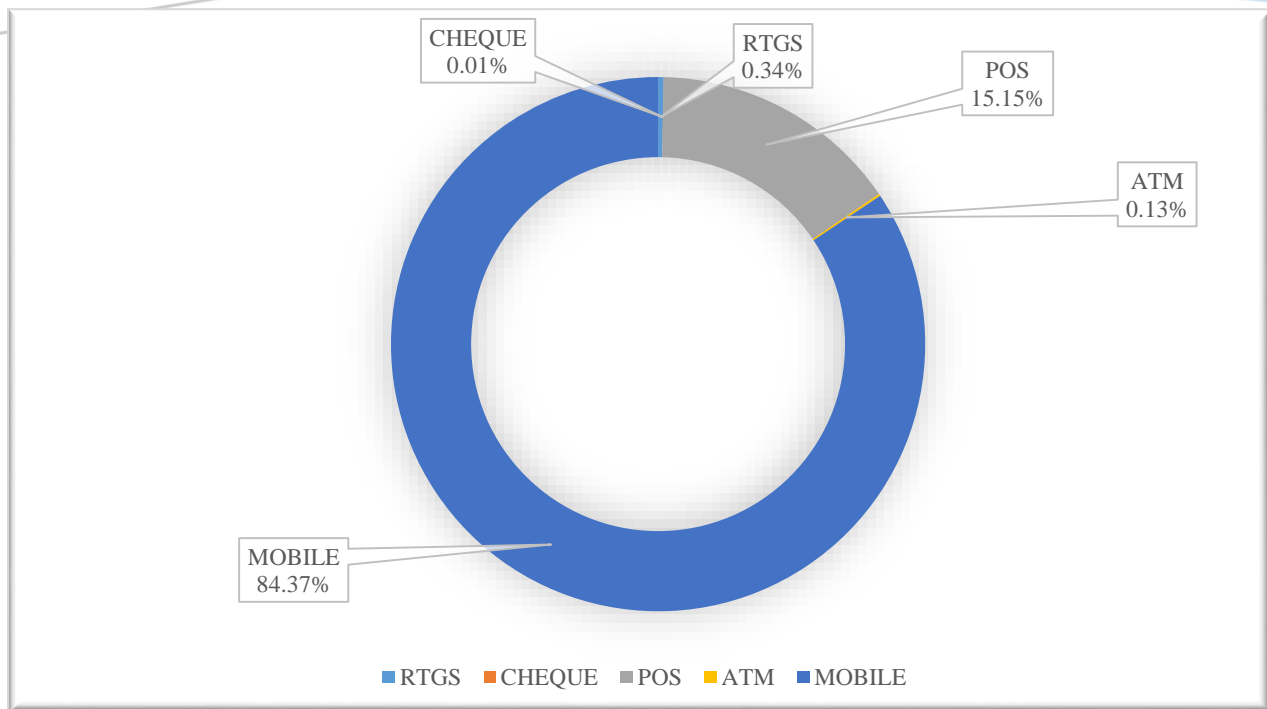
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2018

The volume of transactions processed through the NPS increased by 10.45% to 42.64 million, during the week under review. This compares with 38.60 million transactions recorded in the previous week. Transaction volumes were distributed as follows: Mobile, 84.37%; POS, 15.15%; RTGS, 0.34%; ATMs, 0.13% and Cheque 0.01%. Figure 2 shows the composition of NPS transaction volumes.

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 14 th DECEMBER 2018	WEEK ENDING 21 st DECEMBER 2018	% CHANGE FROM LAST WEEK	PERCENTAGE OF TOTAL
VALUES IN \$ (millions)				
RTGS	2,137.65	2,543.73	19.0%	67.38%
CHEQUE	0.93	0.77	-17.3%	0.02%
POS	287.20	300.78	4.7%	7.97%
ATM	3.76	2.98	-20.7%	0.08%
MOBILE	739.45	927.08	25.4%	24.56%
TOTAL	3,168.98	3,775.28	19.1%	100.00%
VOLUMES				
RTGS	115,294	146,028	26.7%	0.34%
CHEQUE	4,243	3,439	-18.9%	0.01%
POS	6,198,501	6,459,105	4.2%	15.15%
ATM	73,119	57,190	-21.8%	0.13%
MOBILE	32,213,489	35,972,597	11.7%	84.37%
TOTAL	38,604,646	42,637,580	10.4%	100%

Source: Reserve Bank of Zimbabwe, 2018

3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The weekly average international commodity prices of platinum, copper and crude oil retreated during the week under review. Gold and nickel prices, however, firmed during the same period, as shown in Table 4.

Table 4: International Commodity Prices

	Gold	Platinum	Copper	Nickel	Crude Oil
	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
Weekly Average (10 – 14 Dec)	1244.09	788.00	6146.00	10820.00	60.53
17-Dec	1240.38	783.00	6133.00	11005.00	57.67
18-Dec	1247.55	783.00	6131.00	11025.00	56.57
19-Dec	1251.80	791.00	5996.00	10905.00	55.40
20-Dec	1257.38	791.00	6028.00	10965.00	54.56
21-Dec	1257.88	791.00	5982.50	10975.00	53.82
Weekly Average (17 – 21 Dec)	1,251.00	787.80	6,054.10	10,975.00	55.60
Weekly Change (%)	<i>0.56</i>	<i>(0.03)</i>	<i>(1.50)</i>	<i>1.43</i>	<i>(8.14)</i>

Source: BBC, KITCO and Bloomberg, 2018

Gold

Gold prices continued on a positive trajectory, registering a 0.56% increase, from an average price of US\$1,244.38/oz. in the previous week to US\$1,251.00/oz., during the week under review. Prices were supported by an increase in the safe haven demand for the yellow metal and losses in the global equities market, triggered by the looming US government shutdown.

Platinum

Platinum prices declined by 0.03%, to close at US\$787.80/oz. during the week under review. Subdued demand from automotive and jewellery industries weighed down the prices.

Copper

Copper prices fell by 1.50%, from US\$6,146.40/tonne in the previous week, to US\$6,054.10/tonne, during the week under review. The ongoing demand-side uncertainties kept prices low, despite the slower than expected growth in mining output.

Nickel

Nickel prices rose by 1.43%, from a weekly average of US\$10,820/tonne during the week ending 21st December 2018 to US\$10,975/tonne, during the week under review. This coincided with Hyundai's announcement about the proposed construction of a new electric motor vehicle plant in Indonesia.

Crude Oil

Weekly average oil price stood at US\$55.60 /barrel, during the week under analysis. This represented a 8.14% decline from US\$60.53/barrel in the previous week. Oil prices retreated on account of growing U.S. stockpiles, as China shunned US crude imports.

EXCHANGE RATES

During the week ending 21st December 2018, the US dollar marginally gained against the South African rand and the Botswana pula. The greenback, however, depreciated by 0.19% and 0.11% against the pound Sterling and euro, respectively.

Table 5: International Exchange Rates per US\$

	ZAR	GBP	BWP	EURO
2018				
Weekly Average (10- 14 Dec)	14.2521	0.7932	10.7102	0.8802
17-Dec	14.3715	0.7948	10.7469	0.8843
18-Dec	14.3801	0.7921	10.7411	0.8816
19-Dec	14.3129	0.7902	10.7411	0.8786
20-Dec	14.3593	0.7911	10.7181	0.8779
21-Dec	14.3510	0.7903	10.7239	0.8734
Weekly Average (17- 21 Dec)	14.3550	0.7917	10.7342	0.8792
<i>Appr(+)/Depr(-) (%) of the USD</i>	<i>0.72</i>	<i>-0.19</i>	<i>0.22</i>	<i>-0.11</i>

Source: Reuters, 2018

4. EQUITY MARKETS

During the week ending 21st December 2018, the Zimbabwe Stock Exchange (ZSE) was bearish. Consequently, the All Share and Top 10 indices declined by 4.93% and 6.51%, to close at 144.89 points and 144.71 points, respectively.

The industrial index declined by 5.64% to close the week under review at 483.39 points. This was largely on account of losses in Masimba Holdings Limited (26.17%); Fidelity Life Assurance (19.72%); Dairiboard Holdings (17.75%); Ariston Holdings Limited (19.60%); and OK Zimbabwe Limited (14.07%). Partially offsetting the losses were gains in National Tyre Services (20%); Lafarge Cement Zimbabwe (19.89%); Nampack (19.20%) and Mashonaland Holdings Limited (17.08).

The mining index rose from 193.24 points in the previous week to 208.36 points, during the week under review. The increase was attributable to gains in Bindura Nickel Corporation, (37.25%). RioZim and Falgold share prices remained unchanged, during the same week.

Table 6: Zimbabwe Stock Exchange Statistics

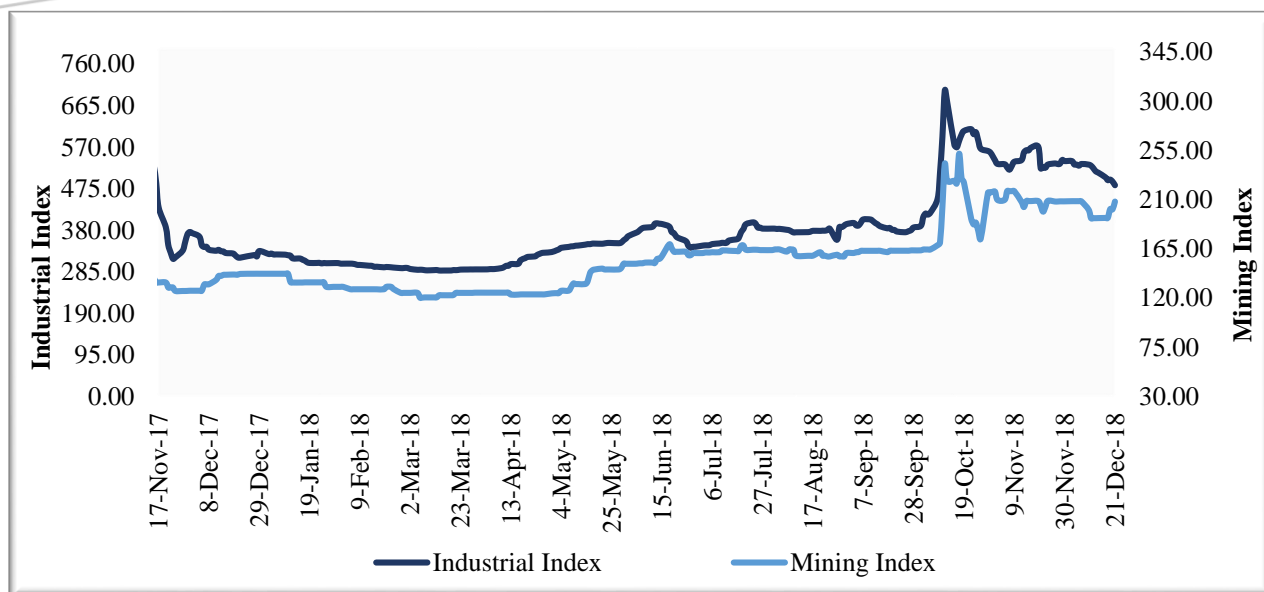
	All Share Index ² (points)	Top 10 index ³ (points)	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
23-November 18	158.07	162.12	530.70	209.03	17,081,676,265	43,837,248	37,203,497
30-November 18	160.40	164.98	538.66	208.56	17,316,627,742	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	152.40	154.79	512.26	193.24	16,317,782,331	15,864,176	64,337,473
21-December 18	144.89	144.71	483.39	208.36	19,279,633,789	42,131,831	43,448,792
Weekly Change (%)	(4.93)	(6.51)	(5.64)	7.82	18.15	165.58	(32.47)

Source: Zimbabwe Stock Exchange (ZSE), 2018

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

³ The Index is calculated using the market capitalisation method.

Figure 3: Zimbabwe Stock Exchange Indices

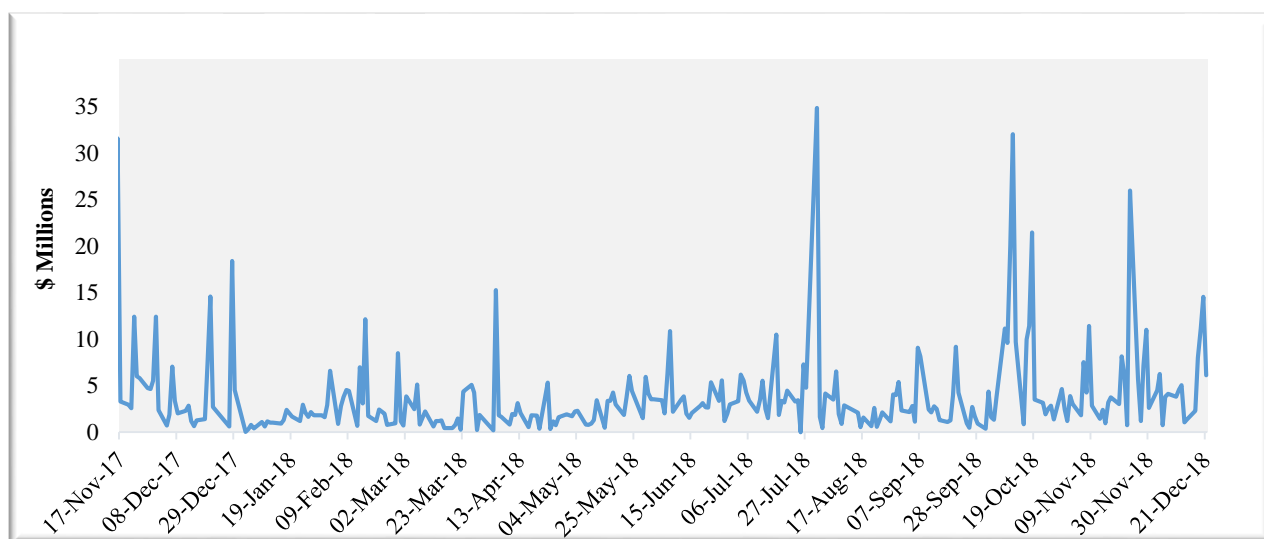


Source: Zimbabwe Stock Exchange, 2018

Market Turnover and Volume

During the period under review, the cumulative value of shares traded on the ZSE increased by 165.58% to US\$42.13 million. The cumulative volume of shares traded on the ZSE stood at 43.44 million shares, a 32.47% decrease from the previous week level.

Figure 4: Daily Market Turnover



Source: Zimbabwe Stock Exchange, 2018

Market Capitalization

The ZSE gained \$2.96 billion or 18.15% of the previous week value, to close the week under review at \$19.28 billion.

Figure 5: Daily Market Capitalization



Source: Zimbabwe Stock Exchange, 2018

Johannesburg Stock Exchange (JSE) Developments

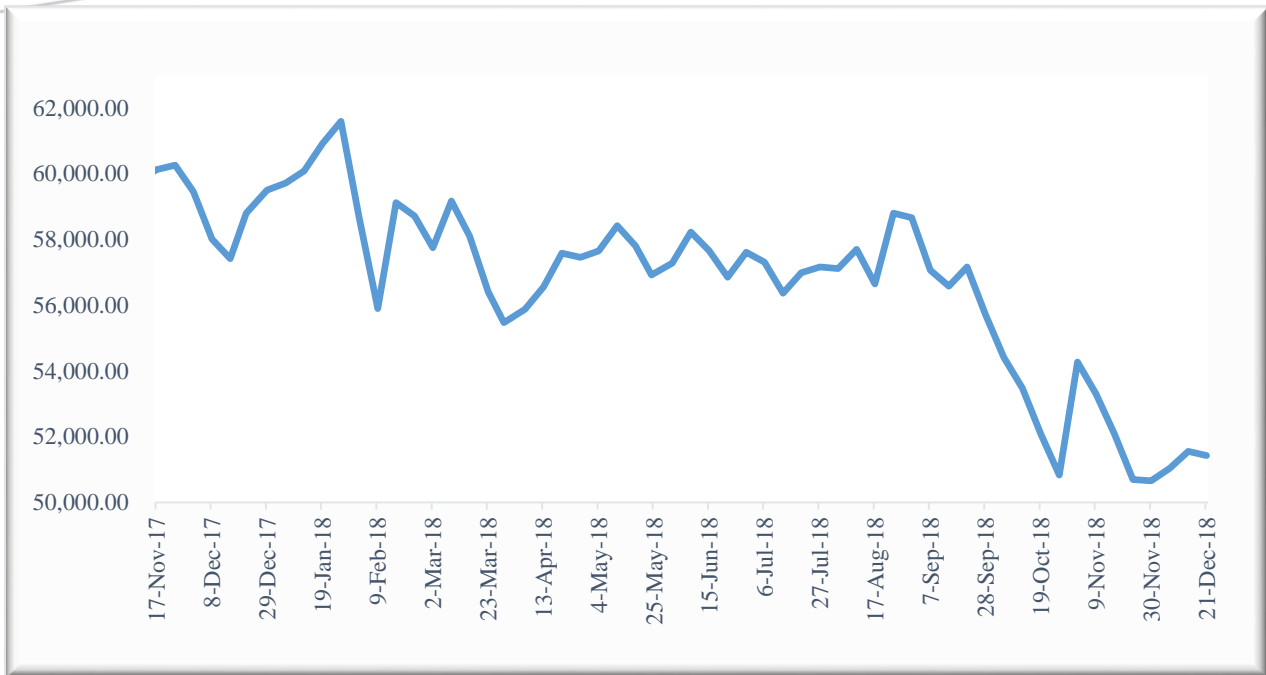
The JSE All Share Index declined by 0.25% to close at 51,430.36 points, during the week under review. Similarly, JSE market capitalization registered a decline of 4.29%, from R12.59 trillion in the previous week to R12.05 trillion, during the week ending 21st December 2018.

Table 7: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalization (ZAR trillion)
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
21-Dec-18	51,430.36	12.05
% Change	(0.25)	(4.29)

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

3rd JANUARY 2019