



# Weekly Economic Highlights

## Table of Contents

1. INTEREST RATES.....	1
2. CLEARING AND SETTLEMENT ACTIVITY .....	2
3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS.....	4
4. EXCHANGE RATES.....	5
5. EQUITY MARKETS.....	6

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

## 1. INTEREST RATES

### Deposit Rates

During the week under review, average deposit rates for deposits of 3-month tenor increased by 0.39 percentage points to close at 3.86%. Average deposit rates for savings deposits and deposits of 1-month tenor, however, remained unchanged at 4.16% and 3.65%, respectively.

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

Date	Savings Deposits (%)	1-Month Deposits (%)	3-Month Deposits (%)
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
28-Dec-18	4.16	3.65	<b>3.86</b>

Source: Banking Institutions, 2018

### Lending Rates

Commercial bank weighted lending rates for individuals increased from 9.47% in the previous week, to 9.48% during the week ending 28<sup>th</sup> December 2018. Weighted lending rates for corporate clients also increased by 0.07 percentage points to 7.39% in the same week.

**Table 2: Lending Rates**

Date	Lending Rates <sup>1</sup> (%)	
	Commercial Banks (weighted)	
	Individuals	Corporate clients
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
28-Dec-18	<b>9.48</b>	<b>7.39</b>

Source: Banking Institutions, 2018

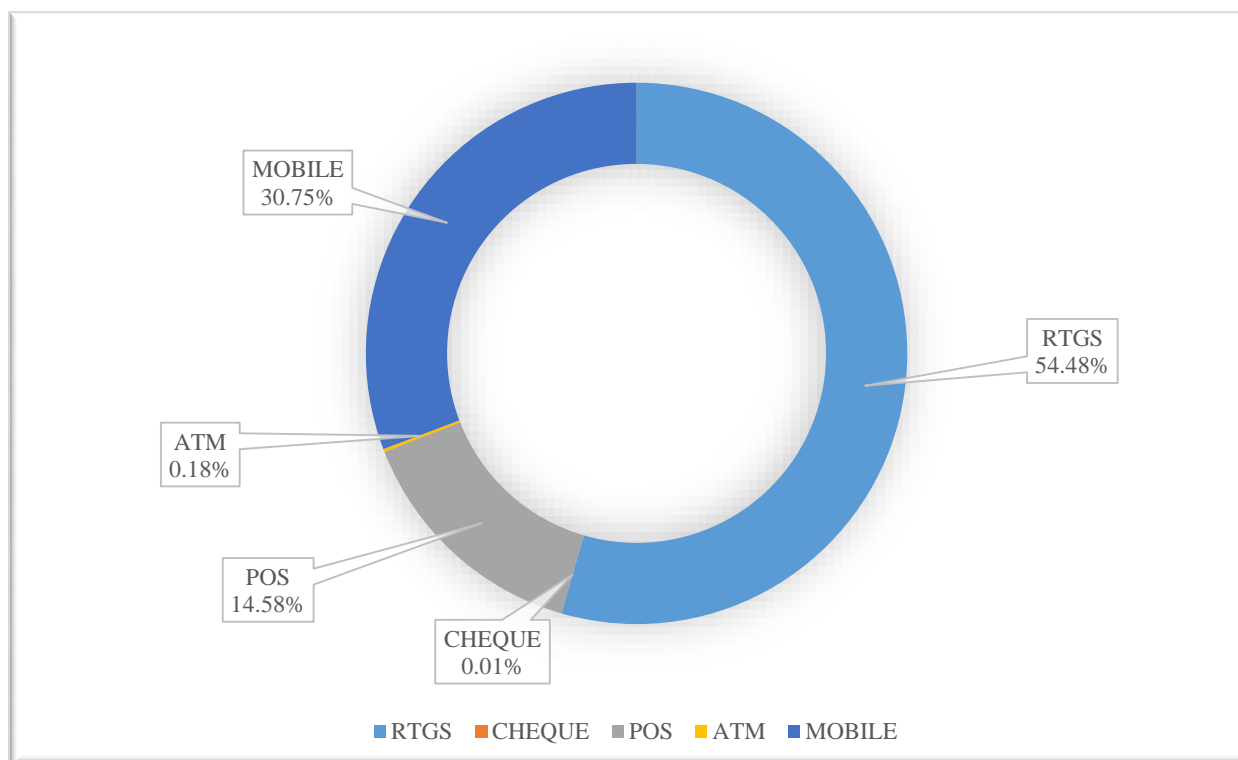
<sup>1</sup> Minimum weighted lending rates offered by commercial banks.

## 2. CLEARING AND SETTLEMENT ACTIVITY

During the week ending 28<sup>th</sup> December 2018, transactions worth US\$2.42 billion were processed through the National Payments System (NPS), a 35.8% decrease from the previous week value of US\$3.7 billion. Concurrently, the total value of transactions processed through Real Time Gross Settlement (RTGS) decreased by 48.1%, from US\$2.54 billion in the previous week, to US\$1.32 billion during the week under review.

The value of NPS transactions was distributed as follows: RTGS, 54.48%; Mobile, 30.75%; Point of Sale (POS), 14.58%; Automated Teller Machines (ATMs), 0.18%; and Cheque, 0.01%, as shown in Figure 1.

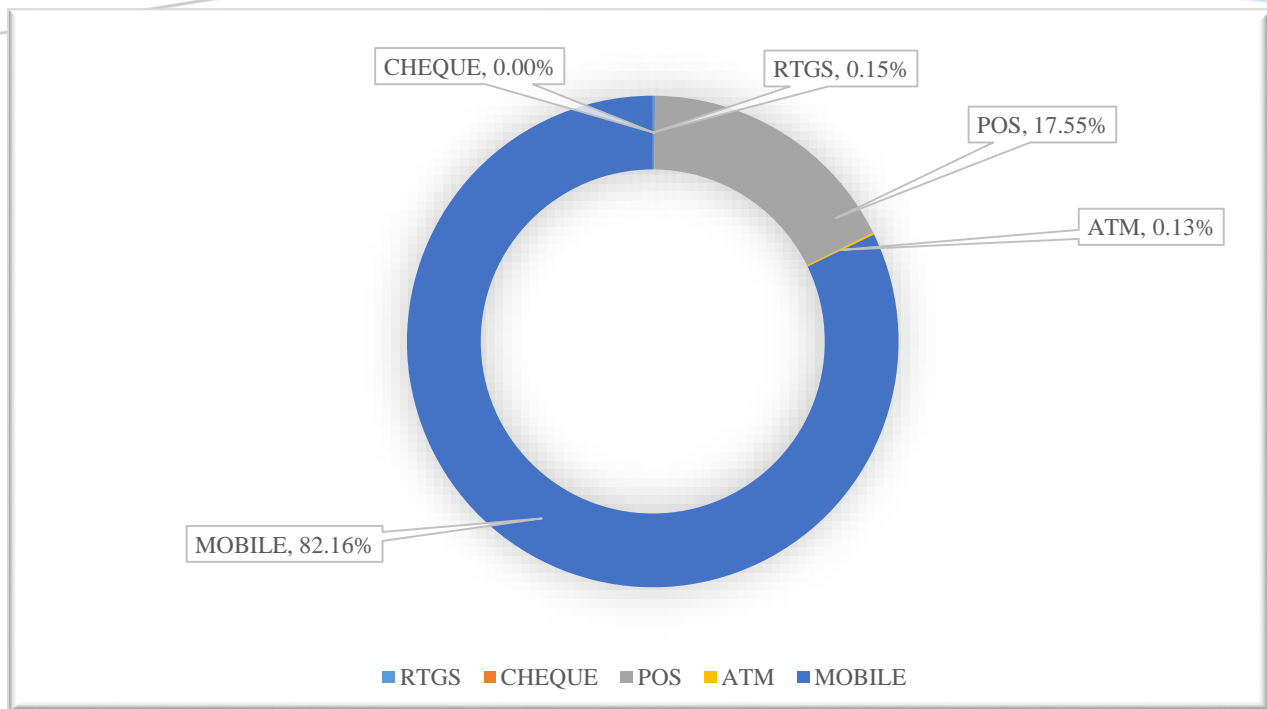
**Figure 1: Composition of NPS Transactions in Value Terms**



Source: Reserve Bank of Zimbabwe, 2018

The NPS processed 43.61 million transactions during the week under review, a 2.3% increase from 42.64 million transactions processed during the week ending 21<sup>st</sup> December 2018. Mobile based transactions constituted 82.16% of the total volume of transactions processed in the week ending 28<sup>th</sup> December 2018, followed by POS, 17.55%; RTGS, 0.15%; ATMs, 0.13% and Cheque 0.003%. Figure 2 shows the composition of NPS 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 21 <sup>st</sup> DECEMBER 2018	WEEK ENDING 28 <sup>th</sup> DECEMBER 2018	% CHANGE FROM LAST WEEK	PERCENTAGE OF TOTAL
<b>VALUES IN \$ (millions)</b>				
RTGS	2,543.73	1,321.10	-48.1%	54.48%
CHEQUE	0.77	0.29	-62.1%	0.01%
POS	300.78	353.58	17.6%	14.58%
ATM	2.98	4.31	44.8%	0.18%
MOBILE	927.08	745.55	-19.6%	30.75%
<b>TOTAL</b>	<b>3,775.28</b>	<b>2,424.84</b>	<b>-35.8%</b>	<b>100%</b>
<b>VOLUMES</b>				
RTGS	146,028	67,203	-54.0%	0.15%
CHEQUE	3,439	1,396	-59.4%	0.003%
POS	6,459,105	7,655,059	18.5%	17.55%
ATM	57,190	57,090	-0.2%	0.13%
MOBILE	35,972,597	35,828,609	-0.4%	82.16%
<b>TOTAL</b>	<b>42,637,580</b>	<b>43,609,357</b>	<b>2.3%</b>	<b>100%</b>

Source: Reserve Bank of Zimbabwe, 2018

### 3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

During the week ending 28<sup>th</sup> December 2018, the weekly average international commodity prices of platinum and gold firmed. Copper, nickel and crude oil prices, however, retreated 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
<b>Weekly Average (17 – 21 Dec)</b>	<b>1,251.00</b>	<b>787.80</b>	<b>6,054.10</b>	<b>10,975.00</b>	<b>55.60</b>
<b>24-Dec</b>	1,251.80	791.00	5,996.00	10,905.00	52.38
<b>27-Dec</b>	1,257.38	791.00	6,028.00	10,965.00	52.33
<b>28-Dec</b>	1,257.88	791.00	5,982.50	10,975.00	53.77
<b>Weekly Average (24 - 28 Dec )</b>	<b>1,255.69</b>	<b>791.00</b>	<b>6,002.17</b>	<b>10,948.33</b>	<b>52.82</b>
<i>Weekly Change (%)</i>	<i>0.37</i>	<i>0.41</i>	<i>(0.86)</i>	<i>(0.24)</i>	<i>(5.00)</i>

Source: BBC, KITCO and Bloomberg, 2018

#### Gold

Concerns of slowing global growth, coupled with a partial US government shutdown continued to increase the safe-haven demand for gold. Resultantly, average gold prices increased by 0.37% to close at US\$1, 255.69/oz., during the week under review.

#### Platinum

Platinum prices rose by 0.41%, to close at US\$791.00/oz. during the week under analysis, from a weekly average of US\$787.80/oz. recorded in the previous week. Prices increased on the back of rising prospects of strong investment demand for the precious metal.

#### Copper

Copper prices retreated from the previous week level, amid signs of increased supply and limited demand and concerns that global trade restrictions are anticipated to hurt global economic growth. The price of the base metal declined by 0.86%, from US\$6,054.10/tonne in the previous week to US\$6,002.57/tonne, during the week under review.

## Nickel

Nickel prices registered a 0.24% decline, from a weekly average of US\$10,975.00/tonne to US\$10,948.33/tonne during the week under review. The decline was occasioned by anticipation of a slump in demand, amid investor worries on the slowdown of global economic growth.

## Crude Oil

The weekly average oil price declined by 5.00%, to close the week under analysis at an average of US\$52.82/barrel. Prices retreated partly on account of slowing global economic growth and increased oil production in the US.

## EXCHANGE RATES

During the week ending 28<sup>th</sup> December 2018, the US dollar appreciated against the pound Sterling, pula and rand. The greenback, however, marginally softened against the euro. The appreciation of the greenback was, in large part, underpinned by strong U.S. economic data and a rise in US stock prices.

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

	ZAR	GBP	BWP	EURO
2018				
<b>Weekly Average ( 10- 14 Dec)</b>	<b>14.2521</b>	<b>0.7853</b>	<b>10.5554</b>	<b>0.8810</b>
<b>24-Dec</b>	14.5559	0.7894	10.7354	0.8779
<b>27-Dec</b>	14.5149	0.7903	10.8167	0.8787
<b>28-Dec</b>	14.5001	0.7896	10.8050	0.8728
<b>Weekly Average ( 24- 28 Dec)</b>	<b>14.5236</b>	<b>0.7898</b>	<b>10.7857</b>	<b>0.8765</b>
<i>Appr(+)/Depr(-) (%) of the USD</i>	<i>1.90</i>	<i>0.57</i>	<i>2.18</i>	<i>-0.51</i>

Source: Reuters, 2018

## 4. EQUITY MARKETS

The All Share and Top 10 indices gained by 1.06% and 1.34% to close the week at 146.43 points and 146.65 points, respectively. A 1% increase was recorded for the industrial index, to close the week under analysis at 488.24 points, from 483.39 points in the week ending 21<sup>st</sup> December 2018. Share price increases at National Tyre Services Limited (20%); Zimbabwe Newspapers (20%); PPC Limited (18%); Lafarge Cement Zimbabwe Limited (19%); and Amalgamated Regional Trading (9%), largely accounted for the increase in the industrial index. Partially offsetting the gains in the industrial index were losses at FBC Holdings (-14%); First Mutual Holdings (-7%); and First Mutual Properties (-7%).

The mining index surged by 4.04% to close the week under review at 216.77 points. This was underpinned by increases in Bindura Nickel Corporation (15%). Share price for Falcon Gold Zimbabwe Limited and Riozim Limited remained unchanged, during the same week.

**Table 6: Zimbabwe Stock Exchange Statistics**

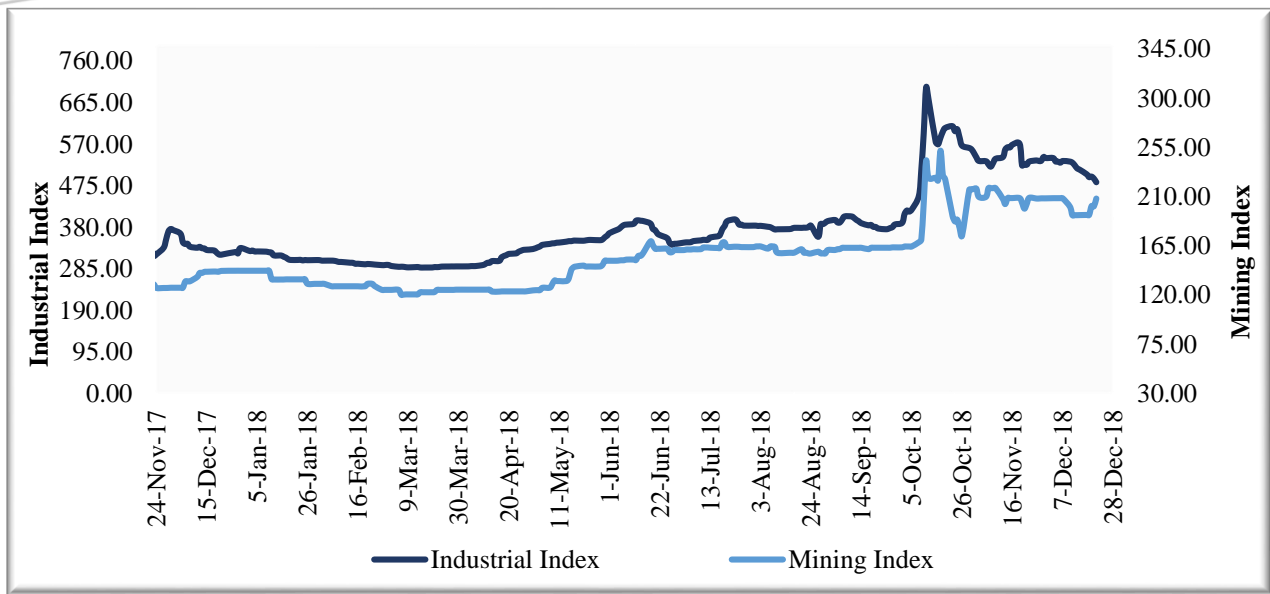
	All Share Index <sup>2</sup> (points)	Top 10 index <sup>3</sup> (points)	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
<b>30-Nov-18</b>	160.40	164.98	538.66	208.56	17,316,627,742	27,657,844	45,190,887
<b>7-Dec-18</b>	158.46	161.72	532.03	208.53	16,963,785,315	19,468,976	16,009,069
<b>14-Dec-18</b>	152.40	154.79	512.26	193.24	16,317,782,331	15,864,176	64,337,473
<b>21-Dec-18</b>	144.89	144.71	483.39	208.36	19,279,633,789	42,131,831	43,448,792
<b>28-Dec-18</b>	146.43	146.65	488.24	216.77	19,454,066,861	12,741,034	17,046,430
<b>Weekly Change (%)</b>	<b>1.06</b>	<b>1.34</b>	<b>1.00</b>	<b>4.04</b>	<b>0.90</b>	<b>(69.76)</b>	<b>(60.77)</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**

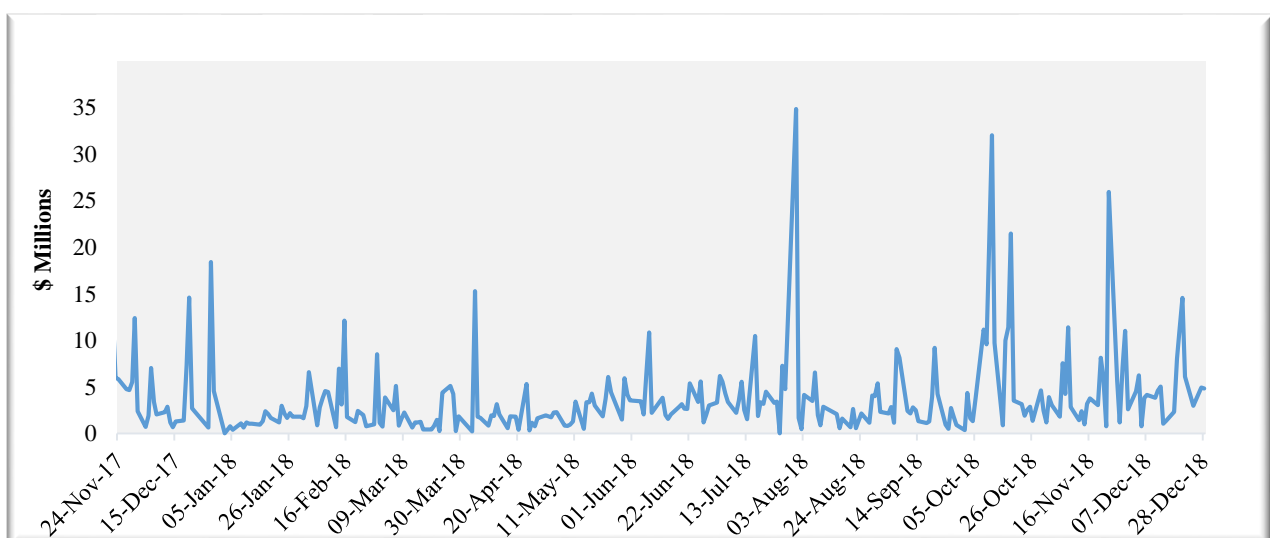


Source: Zimbabwe Stock Exchange, 2018

### Market Turnover and Volume

The cumulative ZSE market turnover recorded a 69.76% decline, from US\$42.13 million in the previous week to US\$12.74 million, during the week ending 28<sup>th</sup> December 2018. The cumulative volumes of shares traded declined by 60.77%, to close the week under review at 17.05 million shares.

**Figure 4: Daily Market Turnover**



Source: Zimbabwe Stock Exchange, 2018



## Market Capitalization

ZSE market capitalisation increased by 0.90%, to close the week under review at US\$19.45 billion.

**Figure 5: Daily Market Capitalization**



Source: Zimbabwe Stock Exchange, 2018

## Johannesburg Stock Exchange (JSE) Developments

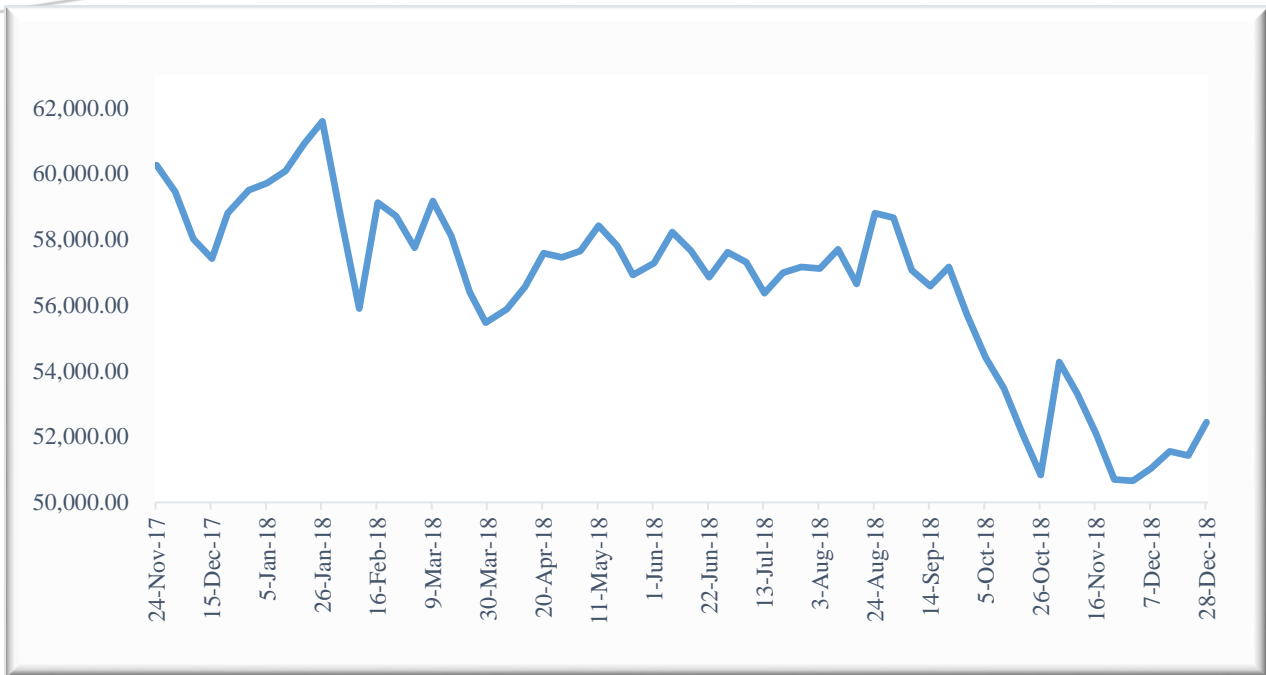
During the week ending 28<sup>th</sup> December 2018, the JSE All Share Index increased by 1.97% to close at 52,444.89 points. JSE market capitalisation gained 4.98%, to close at R12.65 trillion in the same week.

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

Period	All Share Index (points)	Market Capitalization (ZAR trillion)
<b>30-Nov-18</b>	50,663.94	12.52
<b>7-Dec-18</b>	51,037.69	12.46
<b>14-Dec-18</b>	51,560.47	12.59
<b>21-Dec-18</b>	51,430.36	12.05
<b>28-Dec-18</b>	52,444.89	12.65
<b>% Change</b>	<b>1.97</b>	<b>4.98</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**

**4<sup>th</sup> JANUARY 2019**