Vol. 20 No. 42

Weekly Economic Highlights

Week Ending
19th October 2018

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1. INTEREST RATES

Deposit Rates

Average deposit rates for savings deposits and deposits of 1-month and 3-month tenors increased from 3.88%, 3.60% and 3.94% in the week ending 12th October 2018, to close at 4.16%, 3.62% and 4.13%, respectively, during the week ending 19th October 2018.

Table 1: Average Deposit Rates (per annum)

Date	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
21-Sept-18	3.88	3.60	3.99
28-Sept-18	3.88	3.60	3.94
05-Oct-18	3.88	3.60	3.99
12-Oct-18	3.88	3.60	3.94
19-Oct-18	**4.16**	**3.62**	**4.13**

Source: Banking Institutions, 2018

Lending Rates

During the week under review, commercial bank weighted lending rates for individual clients decreased to 9.48%, from 9.52% recorded in the previous week. Lending rates for corporate clients, however, increased by 0.10 percentage points to 7.40%, during the same week.

Table 2: Lending Rates

Date	Lending Rates[1] (%) Commercial Banks (weighted)	
	Individuals	**Corporate clients**
21-Sept-18	9.54	7.24
28-Sept-18	9.56	7.11
05-Oct-18	9.54	7.32
12-Oct-18	9.52	7.30
19-Oct-18	**9.48**	**7.40**

Source: Banking Institutions, 2018

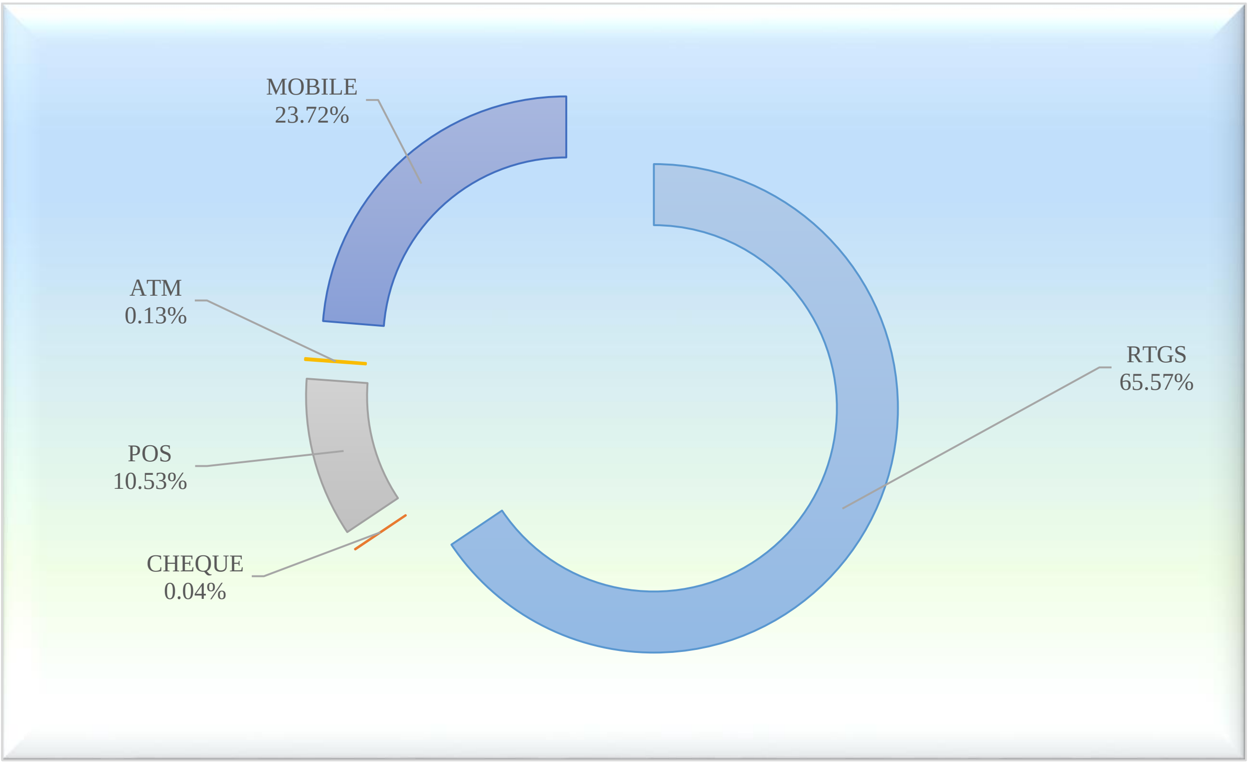
[1] Minimum weighted lending rates offered by commercial banks.

2. CLEARING AND SETTLEMENT ACTIVITY

The total value of transactions processed through the National Payments System (NPS) decreased to US$2.49 billion during the week ending 19th October 2018, from US$3.39 billion recorded in the previous week. Transactions processed through the Real Time Gross Settlement (RTGS) system recorded a 29.4% decline, to close the week under review at US$1.64 billion.

In terms of proportions, RTGS transfers accounted for 65.57% of the total value of transactions processed through the NPS; Mobile, 23.72%; Point of Sale (POS), 10.53%; Automated Teller Machines (ATMs), 0.13%; and Cheque, 0.04%, as shown in Figure 1.

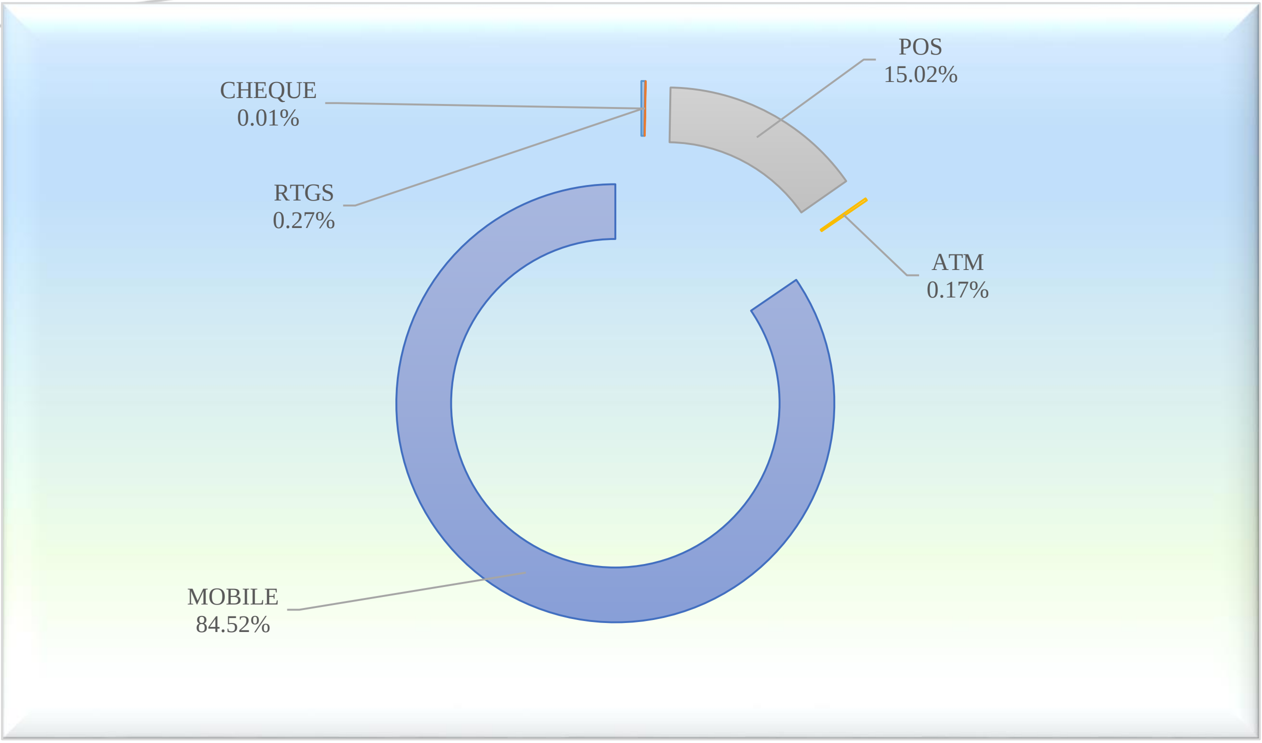
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2018

Transaction volumes processed through the NPS stood at 36.21 million, during the week under review, down from 41.50 million transactions recorded in the previous week. The distribution of the transaction volumes was as follows: Mobile, 84.52%; POS, 15.02%; ATM, 0.17%; RTGS, 0.27%; and Cheque 0.01%, as shown in Figure 2.

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 12th OCTOBER 2018	WEEK ENDING 19th OCTOBER 2018	% CHANGE FROM LAST WEEK	PERCENTAGE OF TOTAL
	VALUES IN US$ (millions)			
RTGS	2,317.48	1,635.84	-29.4%	65.57%
CHEQUE	1.02	0.96	-6.2%	0.04%
POS	321.28	262.75	-18.2%	10.53%
ATM	3.66	3.26	-11.0%	0.13%
MOBILE	745.39	591.85	-20.6%	23.72%
TOTAL	**3,388.83**	**2,494.65**	**-26.4%**	**100%**
	VOLUMES			
RTGS	129,419	98,644	-23.8%	0.27%
CHEQUE	5,050	4,485	-11.2%	0.01%
POS	7,069,725	5,439,158	-23.1%	15.02%
ATM	73,469	61,976	-15.6%	0.17%
MOBILE	34,222,030	30,607,330	-10.6%	84.52%
TOTAL	**41,499,693**	**36,211,593**	**-12.7%**	**100%**

Source: Reserve Bank of Zimbabwe, 2018

3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

During the week ending 19th October 2018, the international commodity prices of crude oil, nickel and copper, retreated from their previous week levels. Gold and platinum prices, however, firmed, as shown in Table 4.

Table 4: International Commodity Prices

	Gold	Platinum	Copper	Nickel	Crude Oil
2018	US$/ounce	US$/ounce	US$/ton	US$/ton	US$/barrel
Weekly Average (8- 12 Oct)	**1,197.20**	**824.00**	**6,226.40**	**12,660.00**	**83.32**
15-Oct	1,231.18	844.50	6,296.00	12,650.00	79.90
16-Oct	1,229.78	842.50	6,202.00	12,450.00	81.52
17-Oct	1,227.90	839.00	6,249.00	12,440.00	80.04
18-Oct	1,223.80	830.00	6,147.00	12,140.00	79.65
19-Oct	1,228.05	831.75	6,164.00	12,430.00	80.03
Weekly Average (15- 19 Oct)	**1,228.14**	**837.55**	**6,211.60**	**12,422.00**	**80.23**
Weekly Change (%)	*2.6*	*1.6*	*(0.2)*	*(2.0)*	*(3.7)*

Source: BBC, KITCO and Bloomberg

Gold

Gold prices increased by 2.6%, from an average of US$1,197.20/oz. in the previous week to US$1,228.14/oz., during the week under review. The increase was partly driven by the rise in demand for the metal as a safe haven asset, following bearish global stock markets, amid mounting tensions between Saudi Arabia and Western powers.

Platinum

Platinum prices firmed by 1.6%, to close the week under review at US$837.55/oz. This was on the back of a strong investment demand outlook for the metal.

Copper

Copper prices declined from US$6,226.40/ton in the previous week, to US$6,211.60/ton during the week under review. The price decline followed subdued performance of Chinese stock markets, which dampened demand prospects for the base metal.

Nickel

Nickel prices registered a 2.0% increase, from a weekly average price of US$12,660/ton in the previous week, to US$12,422/ton during the week under analysis. This followed reports of subdued growth prospects in China, one of the top consumers of the base metal.

Crude Oil

Crude oil prices retreated by 3.7% to close the week at an average of US$80.23/barrel, from US$83.32/barrel in the previous week. Huge increases in US crude inventories dampened supply concerns, underpinning the fall in the price.

4. EXCHANGE RATES

The US dollar depreciated against the rand and pula, during the week ending 19th October 2018. The greenback, however, appreciated against the euro and pound sterling, as shown in Table 5.

Table 5: International Exchange Rates per US$

	ZAR	GBP	BWP	EURO
Weekly Average (8 - 12 October)	**14.6965**	**0.7595**	**10.8098**	**0.8670**
15-Oct	14.5252	0.7626	10.7009	0.8658
16-Oct	14.3786	0.7607	10.6781	0.8645
17-Oct	14.1823	0.7589	10.6101	0.8652
18-Oct	14.2673	0.7640	10.6045	0.8701
19-Oct	14.3674	0.7678	10.7066	0.8724
Weekly Average (15 - 19 October)	**14.3442**	**0.7628**	**10.6600**	**0.8676**
Appr(+)/Depr(-) (%) of the USD	*-2.40*	*0.43*	*-1.39*	*0.07*

Source: Reuters, 2018

5. EQUITY MARKETS

During the week ending 19th October 2018, the Zimbabwe Stock Exchange (ZSE) was bearish. Resultantly, the All Share Index registered a decrease of 9.67%, to close the week at 180.93 points. Similarly, the industrial index registered a 12.09% decline, to close the week under analysis at 607.76 points. The decline in the mainstream index followed share price losses at Amalgamated Regional Trading (34.61%), Zimre Holdings Limited (20.10%), Old Mutual Limited (19.43%), SeedCo Limited (19.23%) and Axia Corporation Limited (17.93%).

The mining index also decreased from 227.37 points in the previous week, to 225.61 points during the week under review, largely attributable to the share price loss at RioZim (1.36%). Falgold and Hwange Colliery Company did not register any trade, while Bindura Nickel Corporation traded at the previous week price level, albeit on thin volumes.

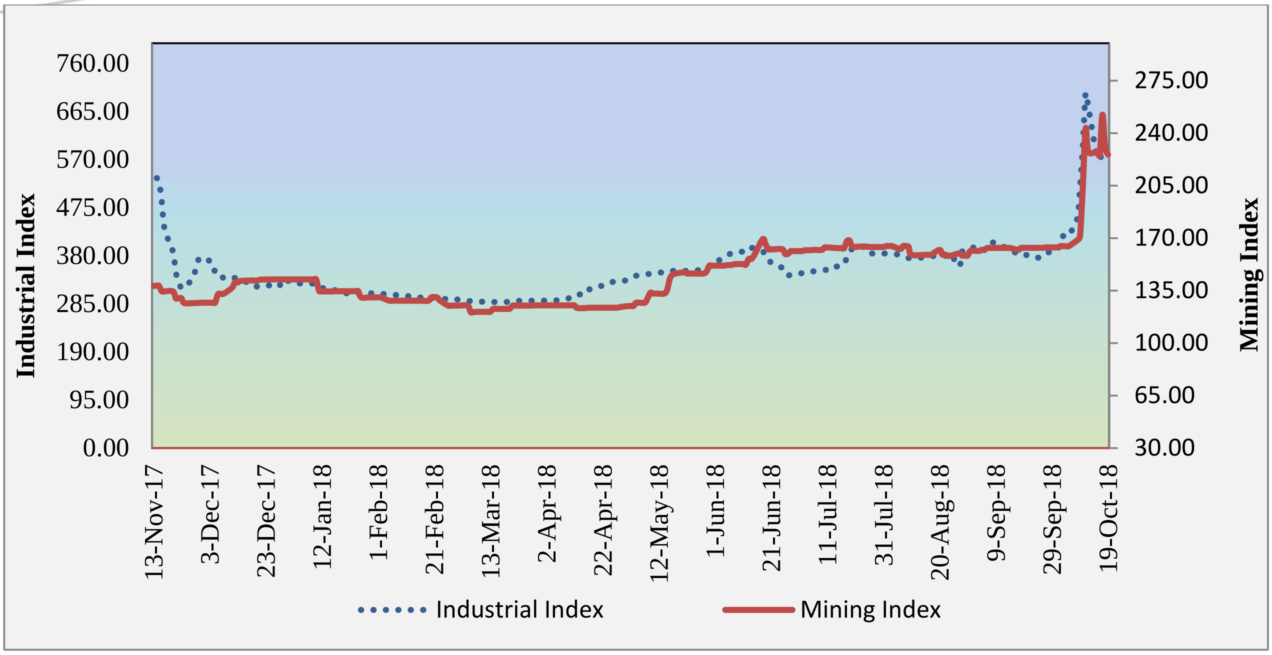
Table 6: Zimbabwe Stock Exchange Statistics

	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
21-September-18	112.35	113.77	377.58	163.44	11,951,472,881	19,768,934	78,454,959
28-September-18	115.12	117.60	386.97	163.76	12,265,508,935	6,807,520	18,459,390
05-October-18	125.07	128.96	420.80	164.55	13,666,186,908	11,489,161	102,056,774
12-October-18	200.29	217.81	673.42	227.37	22,219,721,525	370,756,768	93,959,109
19-October-18	180.93	191.48	607.59	225.61	20,008,100,464	47,240,257	74,836,768
Weekly Change (%)	**(9.67)**	**(12.09)**	**(9.78)**	**(0.77)**	**(9.95)**	**(87.26)**	**(20.35)**

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

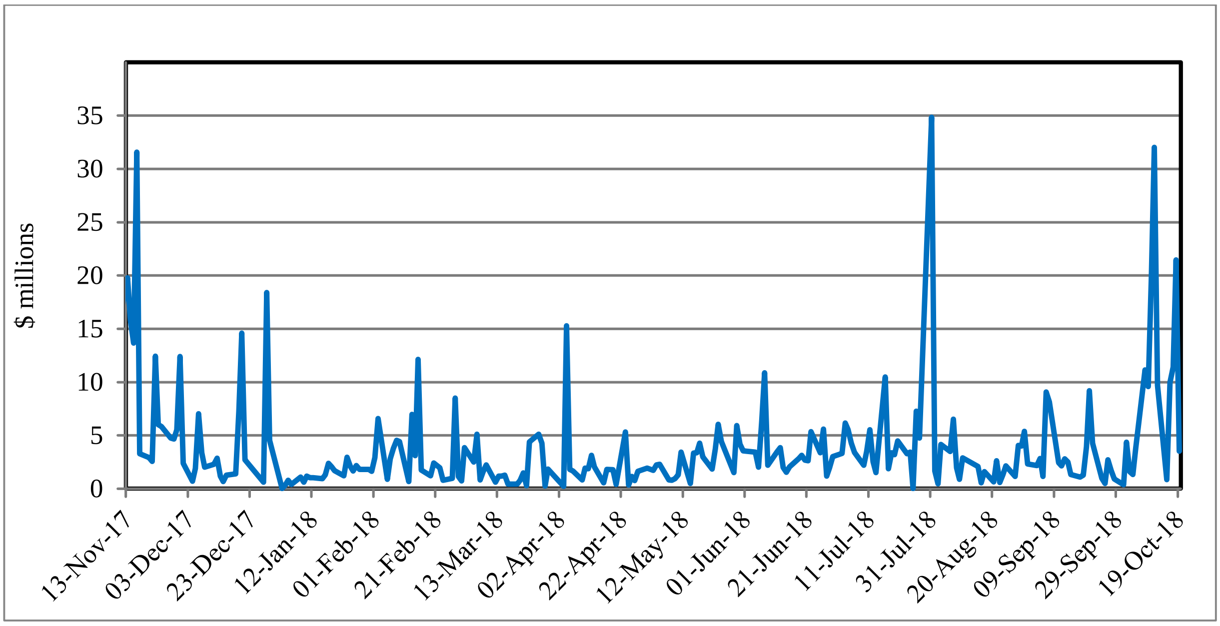


Source: Zimbabwe Stock Exchange, 2018

Market Turnover and Volume

The volume of shares traded on the ZSE decreased by 20.35%, to close the week under review at 74.84 million shares. Similarly, ZSE market turnover value decreased by 87.26% to US$47.24 million, during the week under review.

Figure 4: Market Turnover

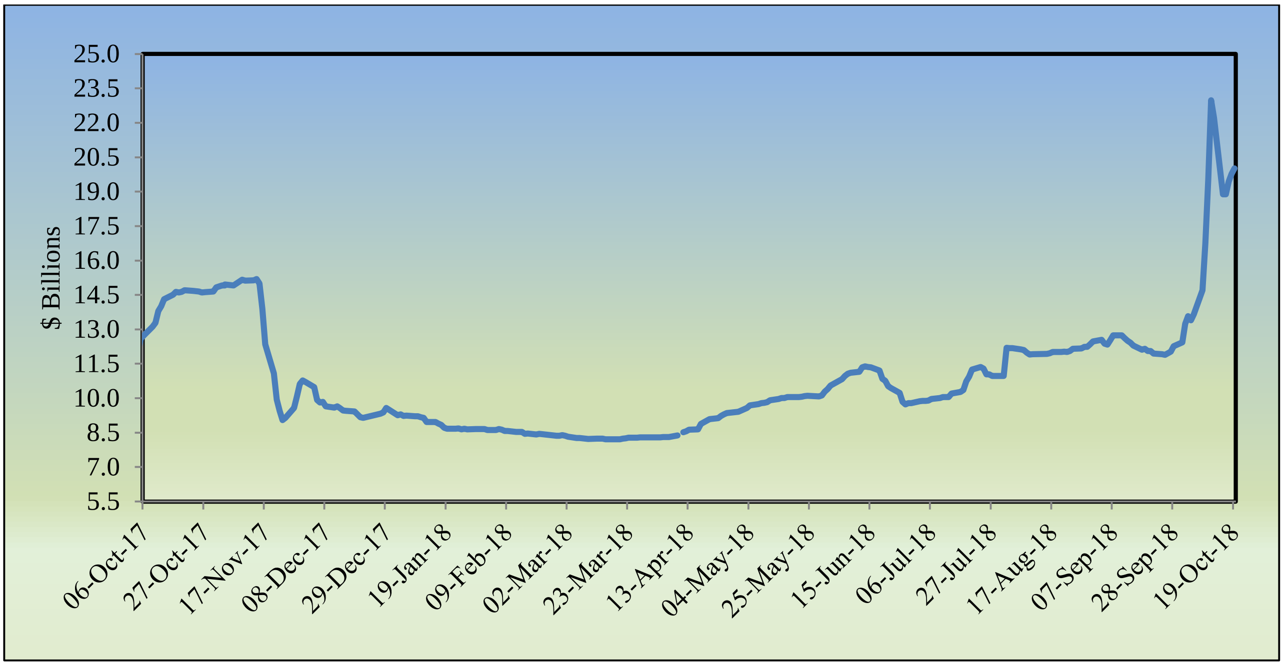


Source: Zimbabwe Stock Exchange, 2018

Market Capitalization

The ZSE market capitalization decreased by 9.95%, from US$22.22 billion in the previous week to US$20.01 billion, during the week ending 19th October 2018.

Figure 5: Market Capitalization



Source: Zimbabwe Stock Exchange, 2018

Johannesburg Stock Exchange (JSE) Developments

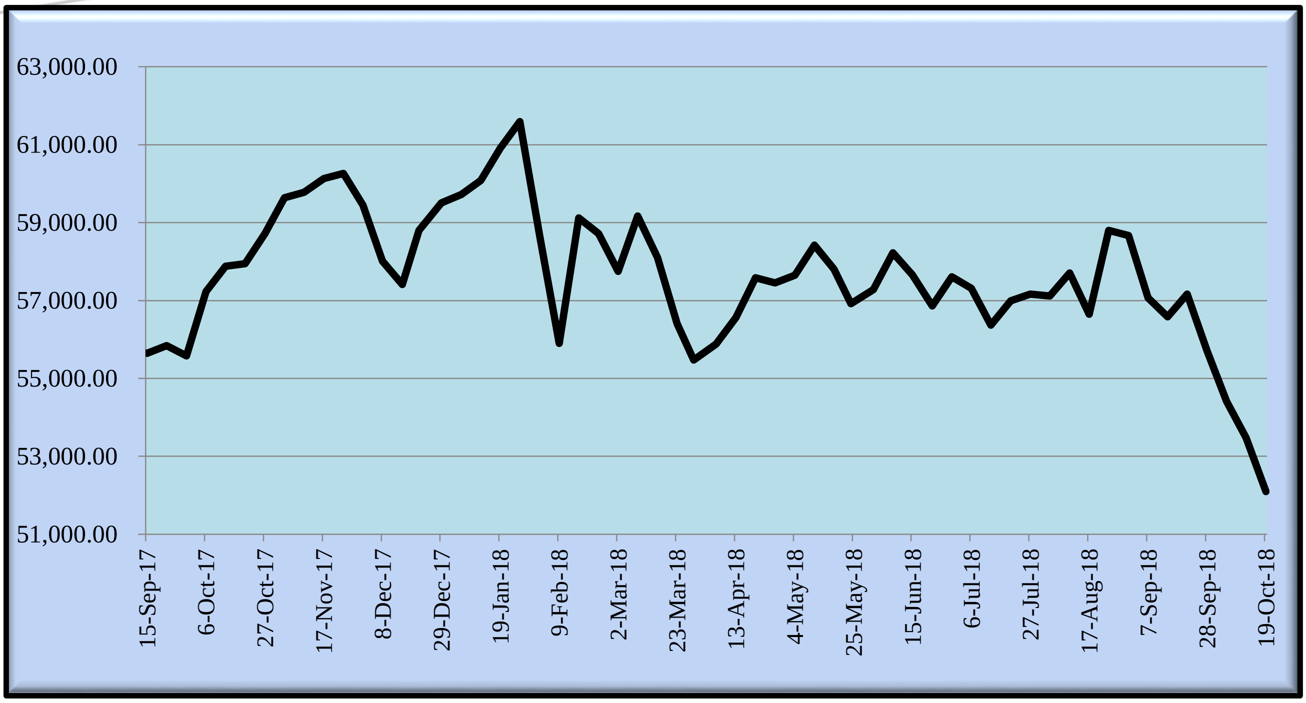
The JSE All Share closed the week ending 19th October 2018 at 52,092.68 points, a 2.6% decline from 53,437.11 points registered in the preceding week. Market capitalisation also decreased by 2.05% to R13.40 trillion, during the same week.

Table 7: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalization (ZAR trillion)
21-Sep-18	57,164.25	14.63
28-Sep-18	55,708.47	14.25
05-Oct-18	54,409.47	14.14
12-Oct-18	53,473.11	13.68
19-Oct-18	52,092.98	13.40
% Change	**-2.58**	**-2.05**

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

26th OCTOBER 2018