



# Weekly Economic Highlights

## Table of Contents

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

Week Ending  
02 August 2019

## 1. INTEREST RATES

### Deposit Rates

As at the close of the week ending 2<sup>nd</sup> August 2019, average deposit rates for deposits of 3 month tenor stood at 4.43%, a 0.03 percentage point decrease from 4.46% registered in the previous week. Average deposit rates for savings deposits and deposits of 1 month tenor, however, remained unchanged at 3.99% and 4.16%, respectively, during the same week.

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

Date	Savings Deposits (%)	1-Month Deposit (%)	3-Month Deposit (%)
5-Jul-19	4.16	4.16	4.27
12-Jul-19	4.16	4.37	4.43
19-Jul-19	4.16	3.97	4.43
26-Jul-19	4.16	3.99	4.46
2-Aug-19	4.16	3.99	<b>4.43</b>

Source: Banking Institutions, 2019

### Lending Rates

Commercial banks weighted lending rates for individual clients increased by 0.01 percentage points, to 9.55% during the week under review. Weighted lending rates for corporate clients, however, declined marginally from 8.40% during the previous week, to 8.39% in the week ending 2<sup>nd</sup> August 2019.

**Table 2: Lending Rates**

Date	Lending Rates (%)	
	Commercial Banks (weighted)	
	Individuals	Corporate Clients
5-Jul-19	9.08	7.37
12-Jul-19	9.51	8.49
19-Jul-19	9.56	8.39
26-Jul-19	9.54	8.40
2-Aug-19	<b>9.55</b>	<b>8.39</b>

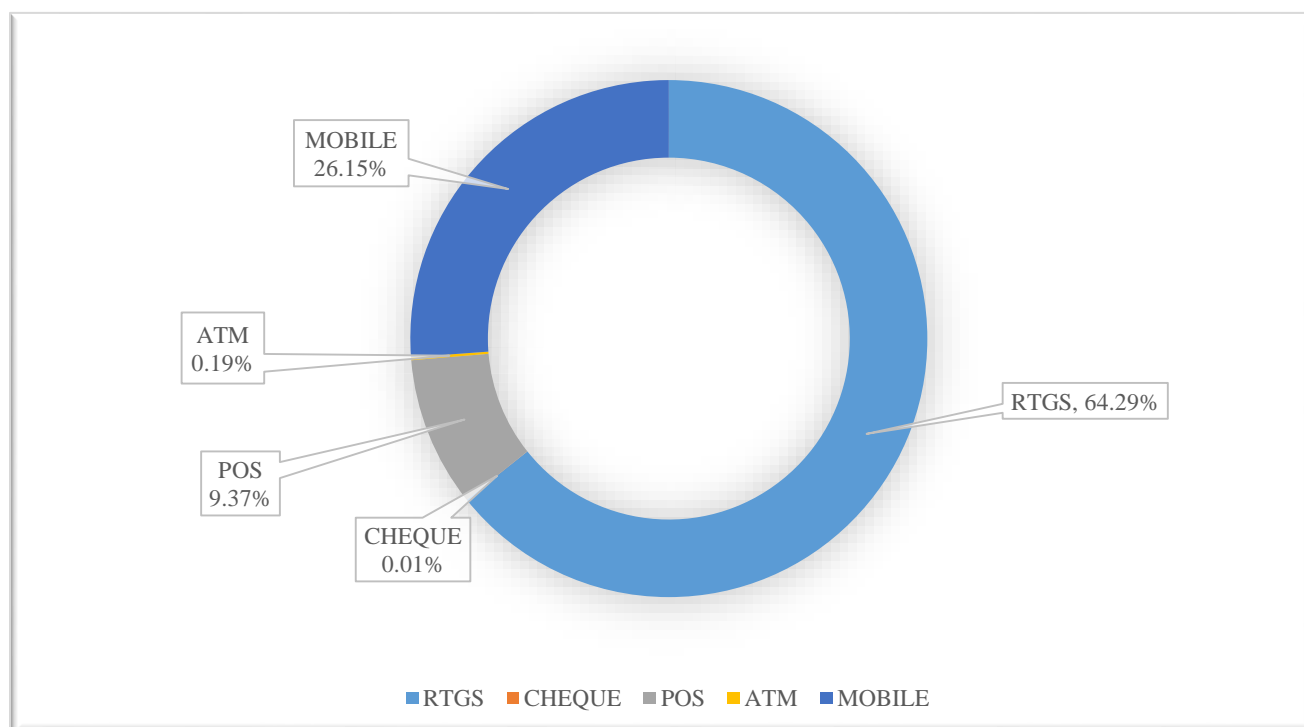
Source: Banking Institutions, 2019

## 2. CLEARING AND SETTLEMENT ACTIVITY

During the week ending 2<sup>nd</sup> August 2019, transactions worth \$7.17 billion were processed through the National Payment System (NPS). This reflected a 0.74% decrease from the \$7.22 billion recorded in the previous week. Transactions processed through the Real Time Gross Settlement (RTGS) declined by 4.27%, from \$4.81 billion in the previous week to \$4.61 billion, during the week under review.

The value of NPS transactions was distributed as follows: RTGS, 64.29%; Mobile, 26.15%; Point of Sale (POS), 9.37%; Automated Teller Machine (ATM), 0.19%; and cheque, 0.01%, as shown in Figure 1.

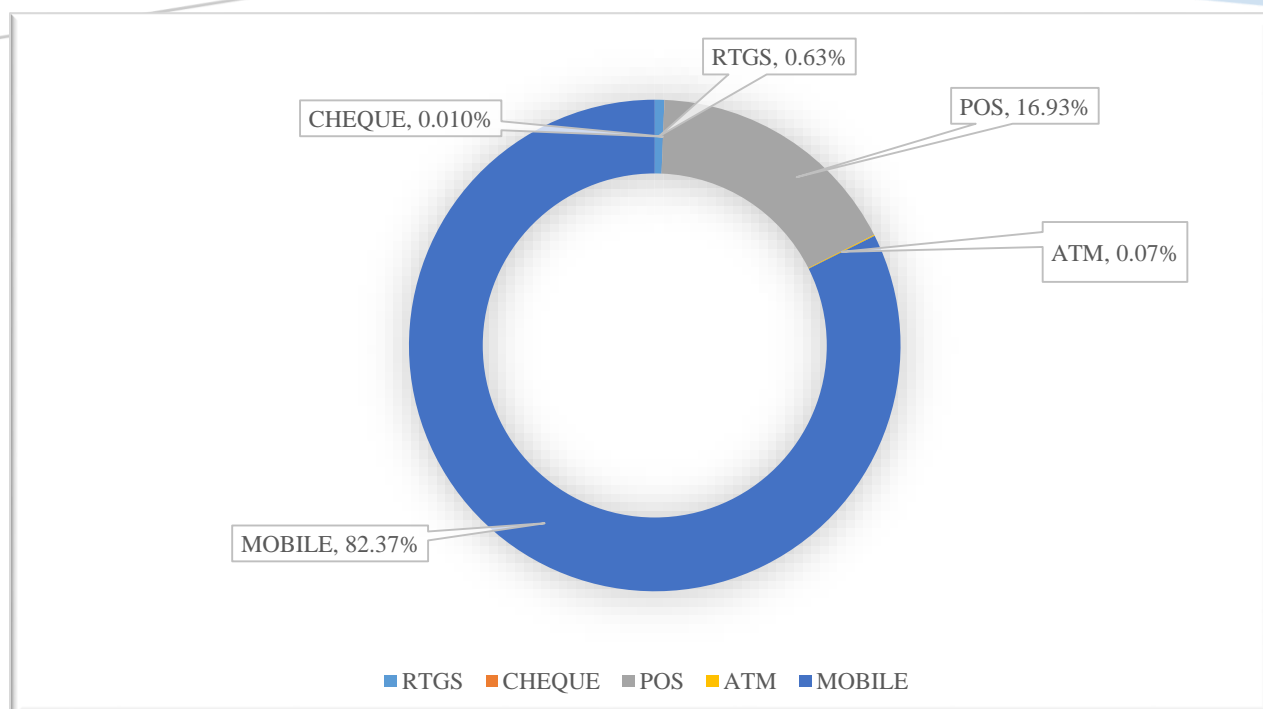
**Figure 1: Composition of NPS Transactions in Value Terms**



Source: Reserve Bank of Zimbabwe, 2019

The volume of transactions processed through the NPS decreased by 10.64%, from 41.71 million transactions in the previous week to 37.27 million, during the week under review. Mobile based transactions constituted 82.37% of the total volume of transactions processed through the NPS; POS, 16.93%; RTGS, 0.63%; ATM, 0.07%, and cheque, 0.01%, as shown in Figure 2.

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



Source: Reserve Bank of Zimbabwe, 2019

**Table 3: National Payment Systems Activity**

PAYMENT STREAM	WEEK ENDING 26 <sup>th</sup> JULY 2019	WEEK ENDING 2 <sup>nd</sup> AUGUST 2019	% CHANGE FROM LAST WEEK	PERCENTAGE OF TOTAL
<b>VALUES IN \$ (millions)</b>				
<b>RTGS</b>	4,813.13	4,607.63	-4.27%	64.29%
<b>CHEQUE</b>	0.71646	0.69231	-3.37%	0.01%
<b>POS</b>	574.226	671.37	16.92%	9.37%
<b>ATM</b>	7.16717	13.3649	86.47%	0.19%
<b>MOBILE</b>	1,824.81	1,873.86	2.69%	26.15%
<b>TOTAL</b>	<b>7,220.05</b>	<b>7,166.92</b>	<b>-0.74%</b>	<b>100%</b>
<b>VOLUMES</b>				
<b>RTGS</b>	234,760	233,527	-0.53%	0.63%
<b>CHEQUE</b>	2,634	2,228	-15.41%	0.01%
<b>POS</b>	7,046,892	6,310,088	-10.46%	16.93%
<b>ATM</b>	24,626	24,422	-0.83%	0.07%
<b>MOBILE</b>	34,403,845	30,702,728	-10.76%	82.37%
<b>TOTAL</b>	<b>41,712,757</b>	<b>37,272,993</b>	<b>-10.64%</b>	<b>100%</b>

Source: Reserve Bank of Zimbabwe, 2019.

### 3. TOBACCO SALES

A cumulative total of 244.96 kilograms of tobacco had been sold as at 2<sup>nd</sup> August 2019 or day 94 of the 2019 tobacco selling season. The quantity sold was 1% lower than the cumulative total of 246.22 kilograms sold during the same period in 2018. Similarly, the total sales value of the golden leaf decreased to US\$490.37 million, compared to US\$720.55 million realized during the corresponding period of 2018.

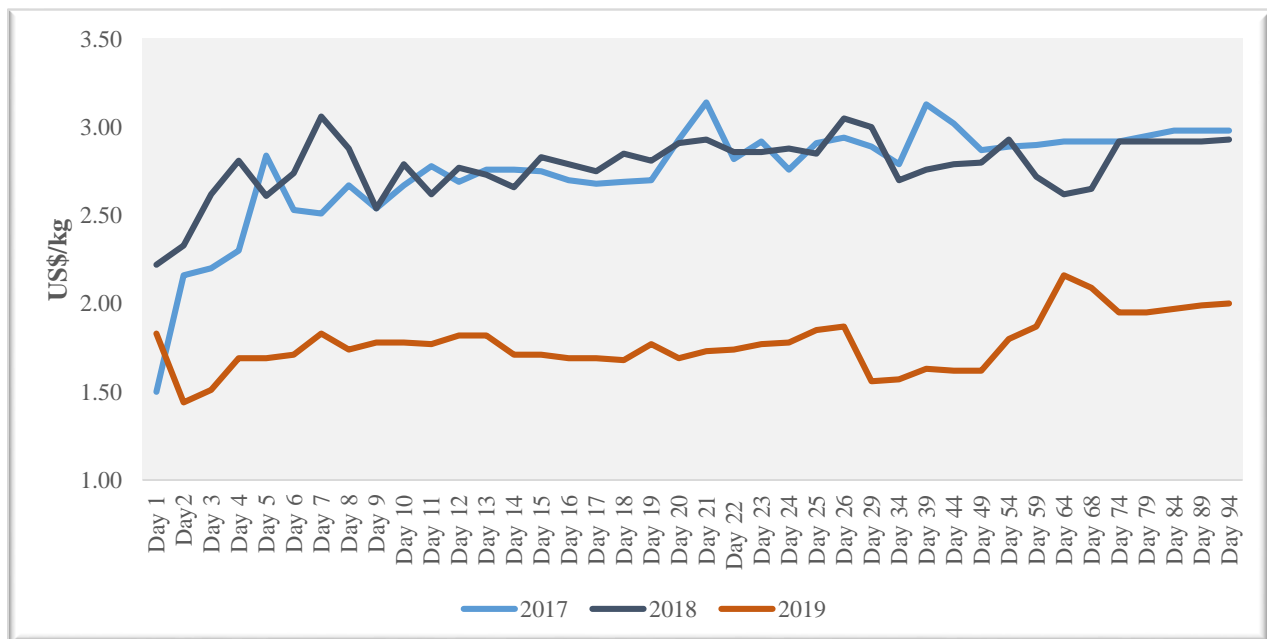
**Table 4: Weekly Cumulative Tobacco Sales: Day 94 (2<sup>nd</sup> of August 2019)**

	2018	2019	Variance (%)
<b>Cumulative Quantity Sold (million kgs)</b>	246.22	244.96	(0.51)
<b>Cumulative Average Price(US\$/kg)</b>	2.93	2.00	(31.94)
<b>Cumulative value (US\$ million)</b>	720.55	490.37	(31.60)

Source: Tobacco Industry and Marketing Board (TIMB), 2019

The average selling price for the golden lesaf stood at US\$2.00/kg, during the week under review. This reflected a 40.9% decrease, compared to the average selling price of US\$2.93/kg realized during the same period in 2018.

**Figure 3: Average Tobacco Daily Price (US\$)**



Source:TIMB and ZTA, 2019

#### 4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international weekly average prices of gold, platinum and nickel firmed, during the week ending 2<sup>nd</sup> August 2019. Copper and crude oil prices, however, retreated in the same week, as shown in Table 5.

**Table 5: International Commodity Prices**

	<b>Gold</b>	<b>Platinum</b>	<b>Copper</b>	<b>Nickel</b>	<b>Crude Oil</b>
<b>2019</b>	<i>US\$/ounce</i>	<i>US\$/ounce</i>	<i>US\$/tonne</i>	<i>US\$/tonne</i>	<i>US\$/barrel</i>
<b>Weekly average (22-26 July)</b>	<b>1,422.86</b>	<b>860.80</b>	<b>5,967.55</b>	<b>14,181.00</b>	<b>63.56</b>
29-Jul	1,419.00	868.00	5,974.00	14,315.00	64.09
30-Jul	1,427.18	879.00	5,913.00	14,255.00	65.23
31-Jul	1,429.05	873.50	5,913.25	14,507.00	64.39
1-Aug	1,406.60	848.00	5,838.00	14,423.00	62.69
2-Aug	1,438.90	843.00	5,694.25	14,473.00	61.10
<b>Weekly average (29 Jul-2Aug)</b>	<b>1,424.15</b>	<b>862.30</b>	<b>5,866.50</b>	<b>14,394.60</b>	<b>63.50</b>
<b>Weekly Change (%)</b>	<i>0.1</i>	<i>0.2</i>	<i>(1.7)</i>	<i>1.5</i>	<i>(0.1)</i>

Source: BBC, KITCO and Bloomberg, 2019

##### **Gold**

The weekly average price of gold rose by 0.1%, to close the week under review at US\$1,424.15/ounce. This was underpinned by a weaker US dollar, following the Federal Reserve's decision to cut its key benchmark interest rate by a quarter of a percentage point. Trade tensions between the US and China also bolstered the demand for gold as safe haven investment asset.

##### **Platinum**

During the week under review, average weekly prices of platinum rose by 0.2% to US\$862.30/ounce, compared to an average of US\$860.80/ounce in the previous week. Similar to gold, fears of a global downturn, emanating from US-China trade war, increased the prospects for strong investment demand.

##### **Copper**

Copper prices decreased by 1.7%, to a weekly average of US\$5,866.50/tonne, during the week under review. This followed an increase in US stockpiles, coupled with the slowdown in the demand for the base metal by China.

## Nickel

Nickel prices increased by 1.5%, from a weekly average of \$14,181.00/tonne to \$14,394.60/tonne, during the week under review. The increase was on account of higher industrial demand for nickel by electric car manufacturers.

## Crude Oil

The weekly average oil price declined by 0.1%, to close the week under analysis at US\$63.50/barrel. Prices retreated on account of the trade tension between the US and China. Fears of slackening global demand, on account of the trade tension between the US and China, also contributed to the fall in crude oil prices.

## EXCHANGE RATES

During the week ending 2<sup>nd</sup> August 2019, the Zimbabwean dollar weakened against the US dollar, euro, pula, pound Sterling and rand, as shown in Table 6.

**Table 6: International Exchange Rates<sup>1</sup>**

	USD	ZAR	GBP	BWP	EURO
<b>2019</b>					
<b>Weekly Average (22-26 July)</b>	<b>8.8963</b>	<b>0.6377</b>	<b>11.0902</b>	<b>0.8401</b>	<b>9.9346</b>
29-Jul	8.9931	0.6283	11.1204	0.8381	10.0057
30-Jul	9.0938	0.6413	11.0298	0.8493	10.1286
31-Jul	9.1856	0.6476	11.1715	0.8588	10.2474
1-Aug	9.2280	0.6423	11.1922	0.8582	10.1955
2-Aug	9.2826	0.6342	11.2342	0.8577	10.2846
<b>Weekly Average (26 Jul-02 Aug)</b>	<b>9.1566</b>	<b>0.6387</b>	<b>11.1496</b>	<b>0.8524</b>	<b>10.1724</b>
<b>Appr(-)/Depr(+)(%) of the ZWL</b>	<b>2.93</b>	<b>0.16</b>	<b>0.54</b>	<b>1.46</b>	<b>2.39</b>

Source: Reserve Bank of Zimbabwe, 2019

<sup>1</sup> Direct quote – the amount of domestic currency needed to exchange for 1 unit of foreign currency.

## 5. EQUITY MARKETS

The Zimbabwe Stock Exchange (ZSE) retreated after registered losses, during the week ending 2<sup>nd</sup> August 2019. Consequently, both the All Share and Top 10 indices declined by 3.08% and 4.26% to close at 184.63 points and 172.77 points, respectively.

The industrial index declined by 3.13%, to close the week under analysis at 616.00 points. This was largely on account of share price losses at Willdale Ltd, (28.57%); Masimba Holdings Ltd, (19.84%); Mashonaland Holdings Ltd, (15.80%); Starafrika Corporation Limited, (10%), and Simbisa Ltd, (8.43%). The losses were partially offset by gains registered at Amalgamated Regional Trading, (12.50%); CBZ Ltd, (11.78%); Zimplow Holdings Ltd, (11.11%); Old Mutual Zimbabwe, (8.01%), and Zimre Holdings Ltd, (5.32%).

The mining index, however, registered an increase of 0.81% to close the week under review at 244.57 points. This emanated from share price gains for Bindura Nickel Corporation Limited and Riozim Ltd of 22.02% and 0.005%, respectively.

**Table 7: 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\$ million)	Market Turnover (US\$ million)	Volume of Shares (million)
<b>5-July-19</b>	188.70	178.57	629.60	248.50	24,773	48.38	47.54
<b>12-July-19</b>	189.98	180.94	633.92	248.97	25,062	39.99	30.49
<b>19-July-19</b>	191.47	183.22	638.82	251.30	25,309	38.17	30.15
<b>26-July-19</b>	190.50	180.46	635.93	242.61	24,665	42.79	33.00
<b>02-Aug-19</b>	184.63	172.77	616.00	244.57	24,288	29.29	33.28
<b>Weekly Change (%)</b>	<b>-3.08</b>	<b>-4.26</b>	<b>-3.13</b>	<b>0.81</b>	<b>-1.53</b>	<b>-31.56</b>	<b>0.81</b>

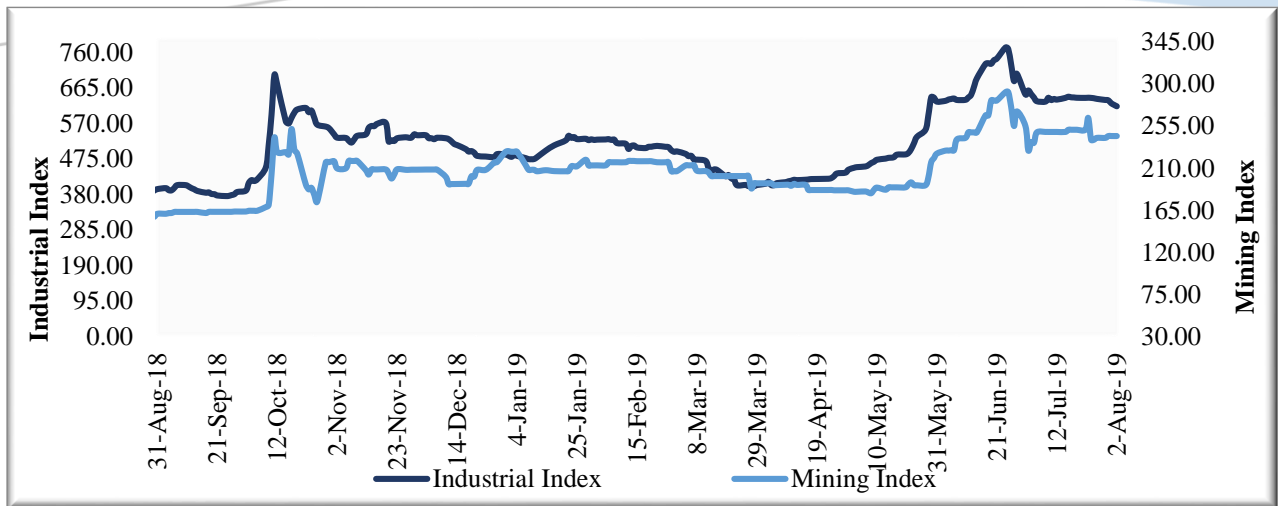
Source: Zimbabwe Stock Exchange (ZSE), 2019

<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 4: Zimbabwe Stock Exchange Indices**

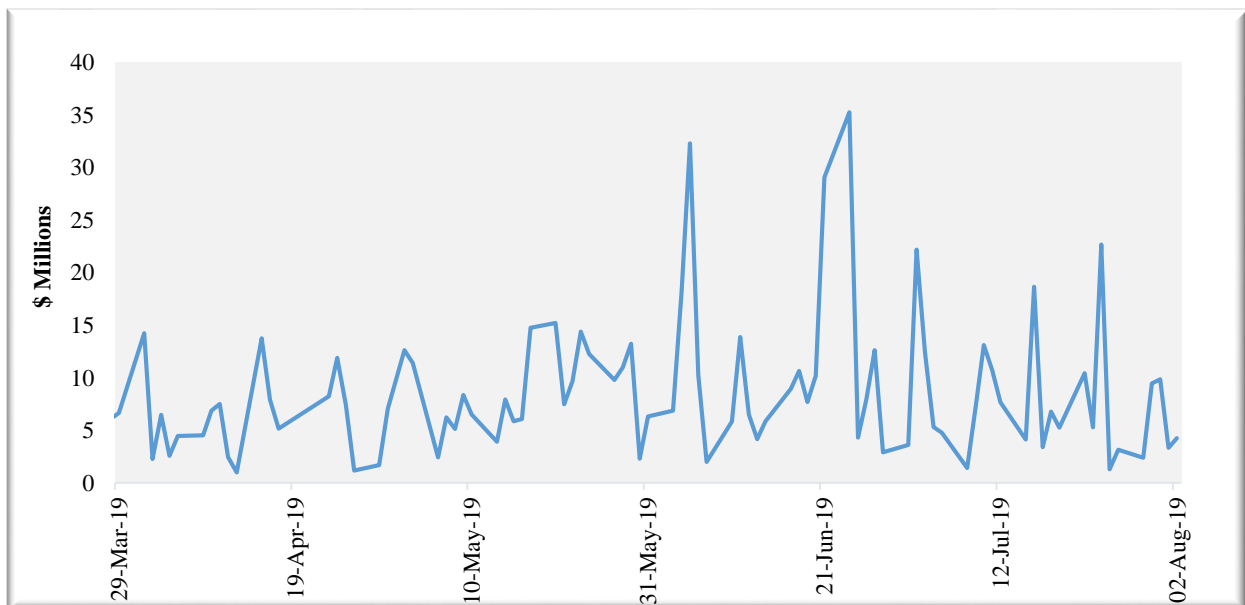


Source: Zimbabwe Stock Exchange, 2019

### Market Turnover and Volume

ZSE market turnover declined by 31.56% to close at \$29.29 million, during the week under review. The total volume of shares traded, however, increased by 0.81%, to close the week at 33.28 million shares.

**Figure 5: Daily Market Turnover**

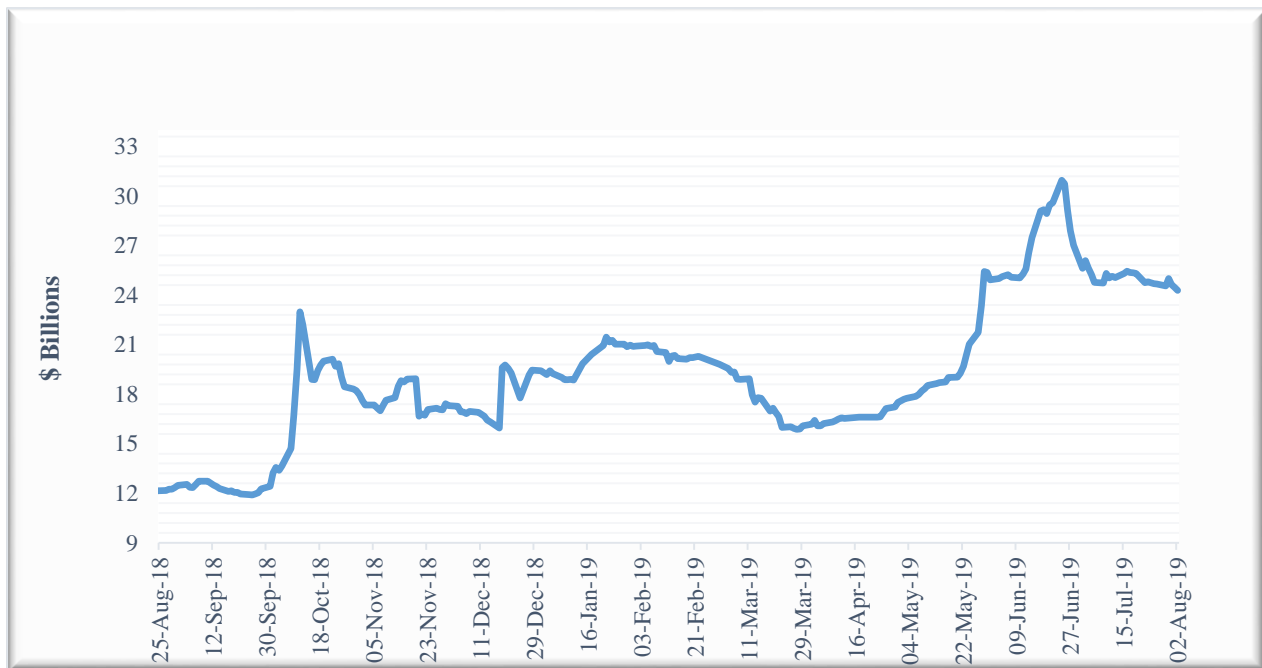


Source: Zimbabwe Stock Exchange, 2019

## Market Capitalization

The ZSE shed 1.53% worth of market capitalization, to close the week under review at at \$24.29 billion, This compares with the market capitalisation level of \$24.66 billion recorded in the previous week.

**Figure 6: Daily Market Capitalization**



Source: Zimbabwe Stock Exchange, 2019

## Johannesburg Stock Exchange (JSE) Developments

The JSE All Index registered a 2.25% decrease, from 58,248.73 points in the previous week to 56 273.92 points, during the week ending 2<sup>nd</sup> August 2019. In tandem, JSE market capitalization also decreased by 1.28%, to close the same week at R16.26 billion.

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

Period	All Share Index (points)	Market Capitalization (ZAR billion)
05-Jul-19	57,589.82	16.34
12-Jul-19	57,277.35	16.09
19-Jul-19	58,248.73	16.41
26-Jul-19	57,570.54	16.47
02-Aug-19	56 273.92	16.26
% Change	-2.25	-1.28

Source: <https://www.jse.co.za/services/market-data/market-statistics>, 2019

**Figure 7: Johannesburg Stock Exchange (JSE) All Share Index**



Source: <https://www.jse.co.za/services/market-data/market-statistics,2019>

**RESERVE BANK OF ZIMBABWE**

**9<sup>TH</sup> AUGUST 2019**