



# Weekly Economic Highlights

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Week Ending  
09 August 2019

## 1. INTEREST RATES

### Deposit Rates

During the week ending 9<sup>th</sup> August 2019, average deposit rates for savings deposits, and deposits of 1 month and 3 month tenors, remained unchanged at 4.16%, 3.99% and 4.43%, respectively.

**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	4.43
9-Aug-19	4.16	3.99	4.43

Source: Banking Institutions, 2019

### Lending Rates

Weighted commercial bank lending rates for individual clients increased by 0.01 percentage points, to close the week under review at 9.56%. Similarly, weighted lending rates for corporate clients also increased from 8.39% to 8.60%, during the same week.

**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	9.55	8.39
9-Aug-19	<b>9.56</b>	<b>8.60</b>

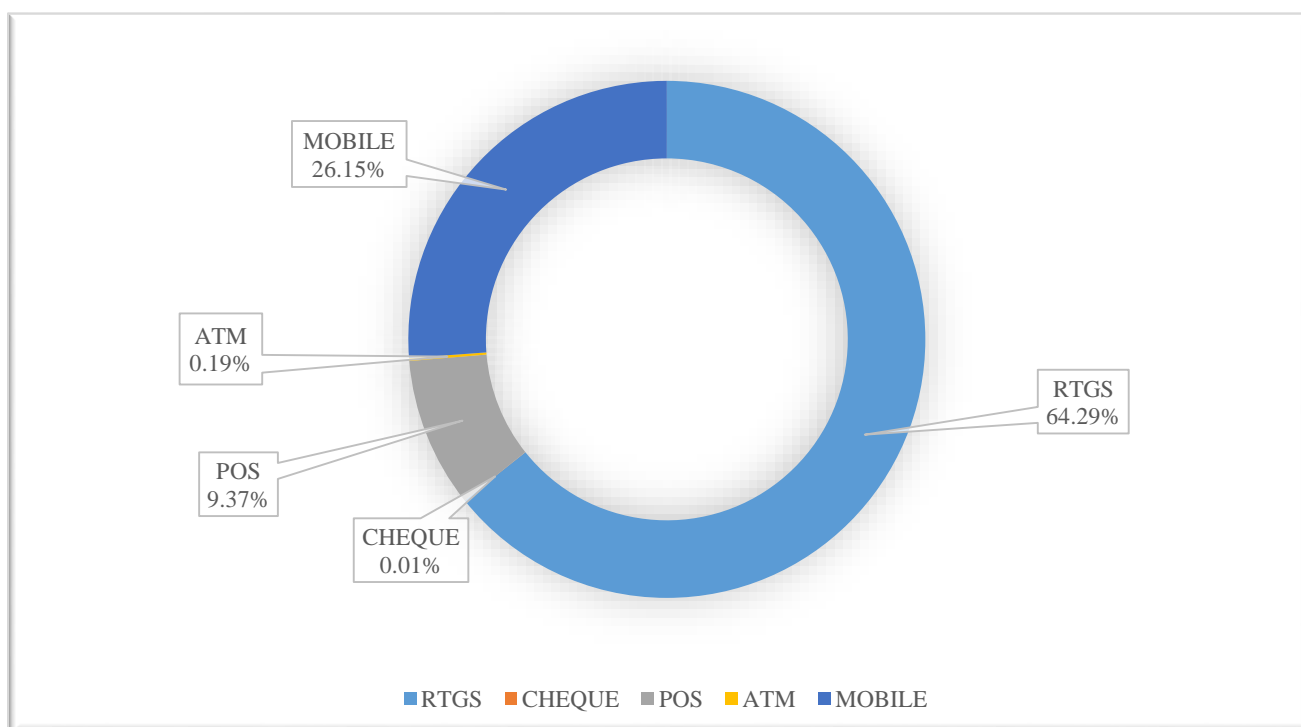
Source: Banking Institutions, 2019

## 2. CLEARING AND SETTLEMENT ACTIVITY

The total value of transactions processed through national Payment System (NPS) increased by 7.49% to \$7.7 billion in the week under review, from \$7.1 billion recorded in the previous week. This followed a rise in Real Time Gross Settlement (RTGS) transactions, from USD\$4.6 billion in the previous week to USD\$5.3 billion, during the week under review.

In terms of proportions, the Real Time Gross Settlement (RTGS) system constituted 68.45% of NPS transactions, followed by Mobile, 22.23%; Point of Sale (POS), 9.17%; Automated Teller Machine (ATM), 0.14% and cheque 0.01%, as shown in Figure 1.

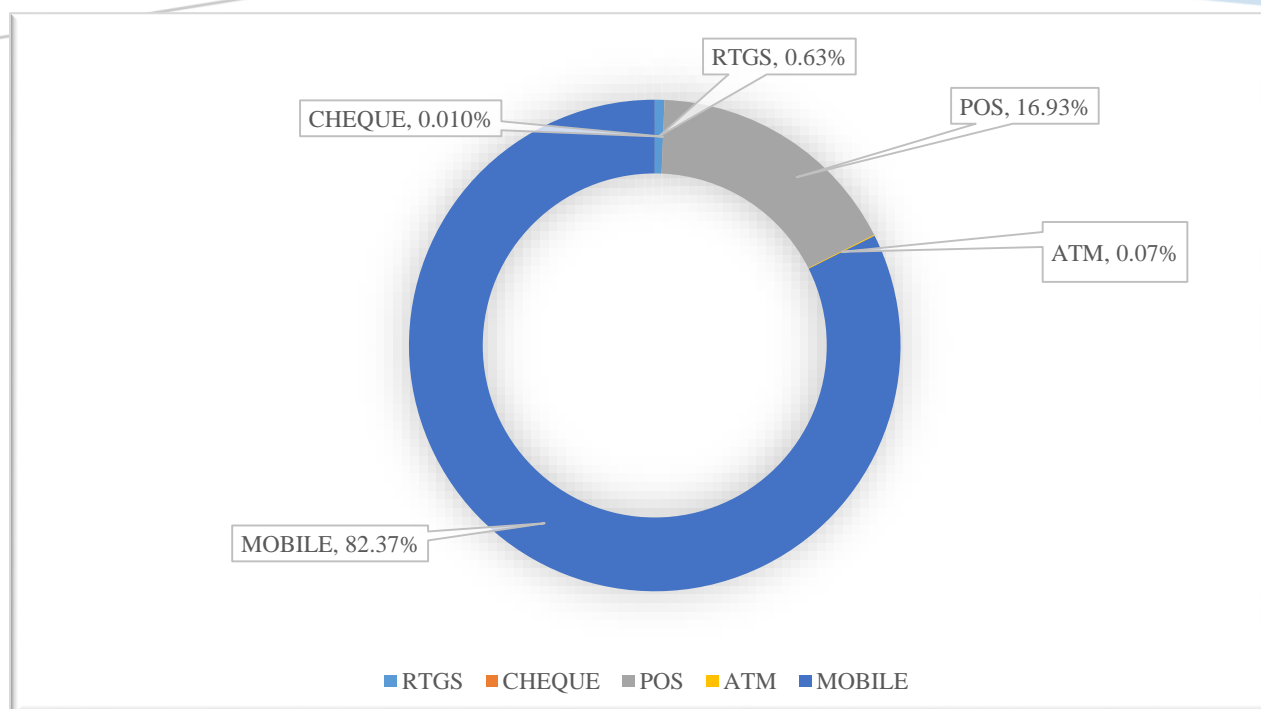
**Figure 1: Composition of NPS Transactions in Value Terms**



*Source: Reserve Bank of Zimbabwe, 2019*

Total transaction volumes processed through the NPS amounted to 34.66 million, during the week under review, representing a 7.02% decrease from 37.27 million transactions processed in the previous week. The NPS transaction volumes were distributed as follows: Mobile, 80.90%; POS, 18.36%; RTGS, 0.66%; ATM, 0.06% 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 2 <sup>nd</sup> AUGUST 2019	WEEK ENDING 9 <sup>th</sup> AUGUST 2019	% CHANGE FROM LAST WEEK	PERCENTAGE OF TOTAL
<b>VALUES IN \$ (millions)</b>				
<b>RTGS</b>	4,607.63	5,273.01	14.44%	68.45%
<b>CHEQUE</b>	0.69231	0.61725	-10.84%	0.01%
<b>POS</b>	671.36991	706.39	5.22%	9.17%
<b>ATM</b>	13.36486	10.809	-19.12%	0.14%
<b>MOBILE</b>	1,873.86	1,712.55	-8.61%	22.23%
<b>TOTAL</b>	<b>7,166.92</b>	<b>7,703.38</b>	7.49%	<b>100%</b>
<b>VOLUMES</b>				
<b>RTGS</b>	233,527	230,238	-1.41%	0.66%
<b>CHEQUE</b>	2,228	2,599	16.65%	0.01%
<b>POS</b>	6,310,088	6,364,197	0.86%	18.36%
<b>ATM</b>	24,422	21,964	-10.06%	0.06%
<b>MOBILE</b>	30,702,728	28,036,197	-8.68%	80.90%
<b>TOTAL</b>	<b>37,272,993</b>	<b>34,655,195</b>	-7.02%	<b>100%</b>

Source: Reserve Bank of Zimbabwe, 2019.

### 3. TOBACCO SALES

Weekly cumulative tobacco sales stood at 249.17 killograms as at 9<sup>th</sup> August 2019 or day 99 of the 2019 tobacco selling season. This was 0.19% higher than the quantity sold during the same period in 2018. The value of tobacco sold stood at US\$501.52 million, reflecting a 31.05% decline from the comparable period in 2018.

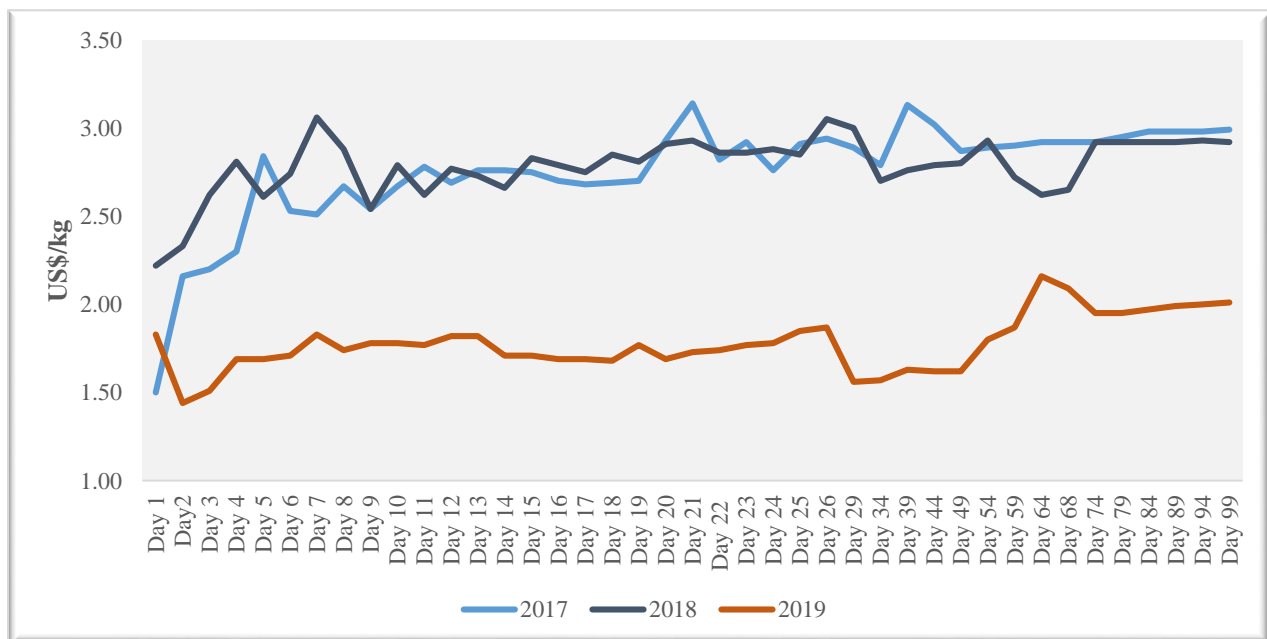
**Table 4: Weekly Cumulative Tobacco Sales: Day 99 (9<sup>th</sup> of August 2019)**

	2018	2019	Variance (%)
<b>Cumulative Quantity Sold (million kgs)</b>	248.70	249.17	0.19
<b>Cumulative Average Price(US\$/kg)</b>	2.92	2.01	(31.18)
<b>Cumulative value (US\$ million)</b>	727.34	501.52	(31.05)

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

The average price of the golden leaf at \$2.01/kg, was lower compared to 2.92/kg realised during the same period in 2018. Tobacco prices have remained subdued since the beginning of the tobacco selling season.

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



Source: TIMB and ZTA, 2019

#### 4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

During the week ending 9<sup>th</sup> August 2019, the international commodity prices of gold and nickel firmed. Platinum, copper and crude oil prices, however, retreated, 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 (29 July-02 August)</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>5-Aug</b>	1461.35	854.00	5660.00	14848.00	60.36
<b>6-Aug</b>	1461.85	853.50	5675.25	14944.00	58.95
<b>7-Aug</b>	1496.85	852.50	5717.75	15432.00	57.69
<b>8-Aug</b>	1496.575	853.5	5718.10	14810.00	57.51
<b>9-Aug</b>	1512.8	865	5818.00	15729.00	60.82
<b>Weekly average (05-09 August)</b>	<b>1,485.89</b>	<b>855.70</b>	<b>5,717.82</b>	<b>15,152.60</b>	<b>59.07</b>
<b>Weekly Change (%)</b>	<i>4.3</i>	<i>(0.8)</i>	<i>(2.5)</i>	<i>5.3</i>	<i>(7.0)</i>

Source: BBC, KITCO and Bloomberg, 2019

#### **Gold**

Gold prices increased by 4.3%, from a weekly average of US\$1,424.15/oz in the previous week to US\$1,485.89/oz, during the week under review. The price of the yellow metal rose on account of increased demand from investors, amid concerns about a global economic downturn driven by U.S.-China trade tensions.

#### **Platinum**

Platinum prices retreated from US\$862.30/oz in the previous week to US\$855.70/oz, during the week under analysis. This was on account of a fall in the demand for the precious metal amid fears of a global economic recession.

#### **Copper**

Copper prices fell by 2.5%, from a weekly average of US\$5,866.50/tonne, in the week ending 9<sup>th</sup> August 2019 to US\$5,717.82/tonne during the week under review. The escalation of the the U.S.-China trade conflict continued to dampen the demand for the base metal.

## Nickel

Nickel prices firmed by 5.3%, from an average of US\$14,394.60/tonne in the previous week to US\$15,152.60/tonne in the week ending 9<sup>th</sup> August 2019. This followed disruptions in Indonesian mines, one of the largest nickel producers, leading to upward pressure on the price of the base metal.

## Crude Oil

Brent crude oil prices closed the week under review at US\$59.07/barrel, a 7% decrease from the US\$63.50/barrel recorded in the previous week. Crude oil prices continued on a negative trajectory, due to the unexpected increase in the US stockpiles.

## EXCHANGE RATES

The ZWL depreciated against the euro, US dollar, pound Sterling, pula, and rand, during the week ending 9<sup>th</sup> August 2019, as shown in Table 6.

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

	USD	ZAR	GBP	BWP	EURO
<b>2019</b>					
<b>Weekly Average (26 July-02 Aug)</b>	<b>9.1566</b>	<b>0.6387</b>	<b>11.1496</b>	<b>0.8524</b>	<b>10.1724</b>
<b>5-Aug</b>	9.4026	0.6317	11.4100	0.8598	10.4613
<b>6-Aug</b>	9.5196	0.6421	11.5696	0.8706	13.0860
<b>7-Aug</b>	9.6089	0.6434	11.6815	0.8782	10.7667
<b>8-Aug</b>	9.7171	0.6482	11.8174	0.8871	10.8894
<b>9-Aug</b>	9.7955	0.6521	11.8911	0.8933	10.9665
<b>Weekly Average (05-09 August)</b>	<b>9.6087</b>	<b>0.6435</b>	<b>11.6739</b>	<b>0.8778</b>	<b>11.2340</b>
<b>Appr(-)/Depr(+)(%) of the ZWL</b>	<i>4.94</i>	<i>0.75</i>	<i>4.70</i>	<i>2.98</i>	<i>10.44</i>

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

Trading on the Zimbabwe Stock Exchange (ZSE) was characterized by bearish sentiments, during the week ending 9<sup>th</sup> August 2019. Resultantly, the ZSE All Share and Top 10 indices decreased by 2.48% and 3.53%, to end the week under review at 180.05 points and 166.67 points, respectively. The industrial index shed 15.44 points, from 616 points in the previous week to 600.56 points, during the week under review. This was driven by share price losses at Willdale Ltd, (31.20%); Econet Wireless Zimbabwe Ltd, (13.32%); Cassava Smartech Zimbabwe Ltd, (12.55%); Edgars Stores Ltd, (5.44%) and Simbisa Brands Ltd, (5.26%). The losses were partially offset by share price gains registered at Old Mutual Zimbabwe, (23.09%); Ariston Holdings Ltd, (20.04%); Zimbabwe Newspapers, (14.29%); NMBZ Holdings Ltd, (6.75%) and Dairibord Holdings Ltd, (3.45%).

The mining index recorded a 0.09% gain, to close at 244.79 points, during the week under review. This emanated from share price gains for Riozim Limited, 0.14%. Bindura Nickel Corporation Limited, however, traded at the previous week price level.

**Table 7: Zimbabwe Stock Exchange Statistics**

	All Share Index <sup>2</sup> (points)	Top 10 index <sup>3</sup> (points)	Industr ial Index (points)	Mining Index (points)	Grand Market Capitaliz ation (US\$ million)	Market Turnov er (US\$ million)	Volume of Shares (million)
<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>09-Aug-19</b>	180.05	166.67	600.56	244.79	23,518	2.7	20.67
<b>Weekly Change (%)</b>	<b>(2.48)</b>	<b>(3.53)</b>	<b>(2.51)</b>	<b>0.09</b>	<b>(3.17)</b>	<b>(90.78)</b>	<b>(37.91)</b>

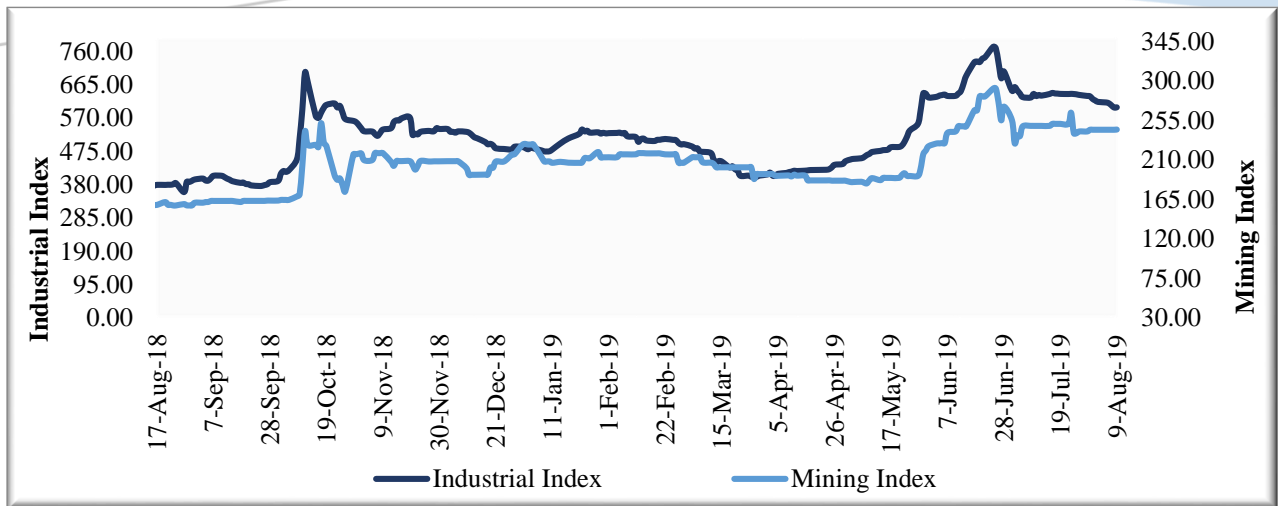
Source: Zimbabwe Stock Exchange (ZSE), 2019

<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**

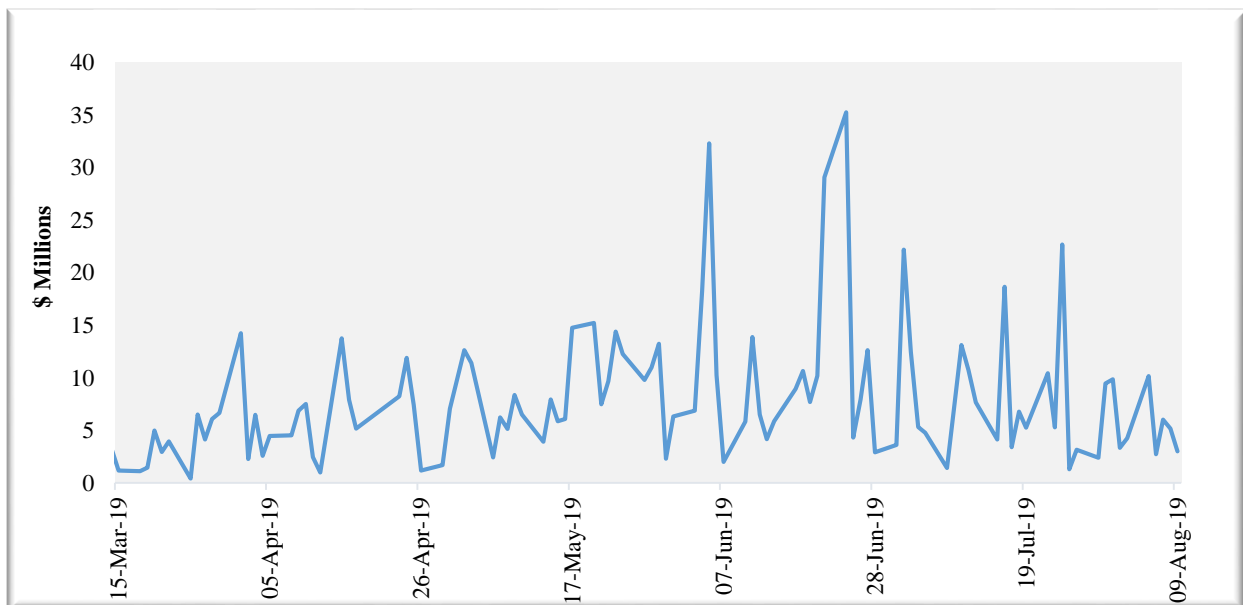


Source: Zimbabwe Stock Exchange, 2019

### Market Turnover and Volume

The volumes of shares traded on the ZSE decreased by 37.91% to 20.67 million shares, during the week under review. In tandem, market turnover also decreased by 90.77%, to close at \$2.7 million in the same week.

**Figure 5: Daily Market Turnover**

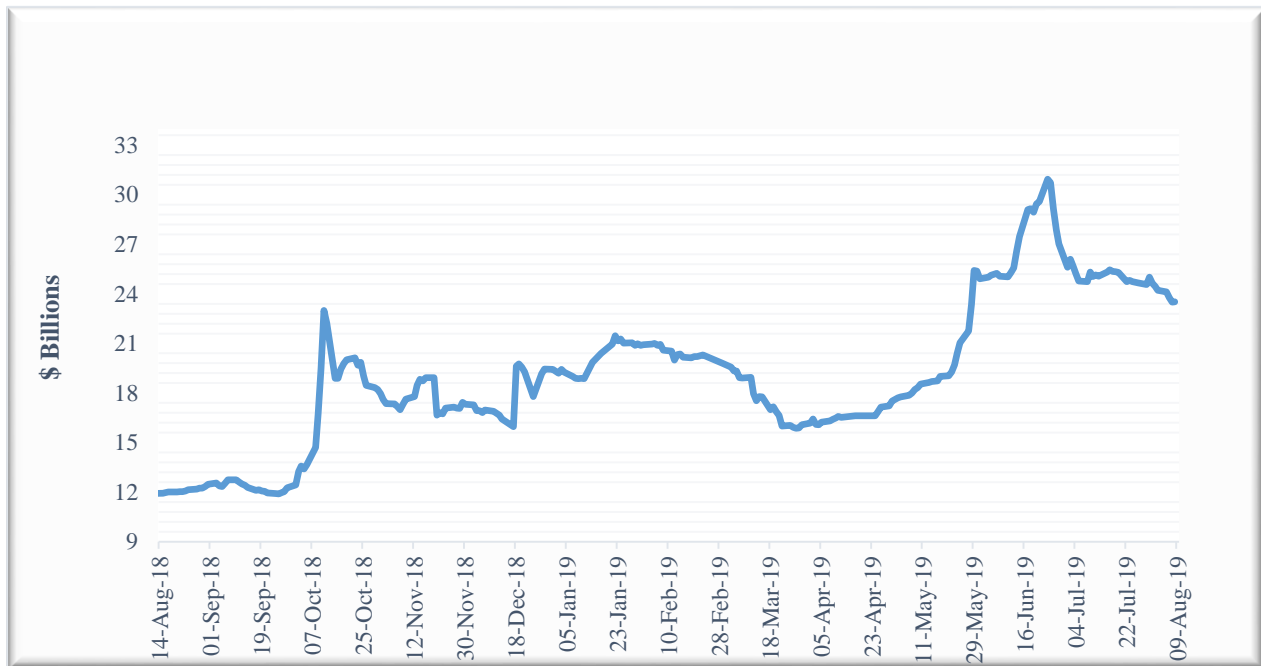


Source: Zimbabwe Stock Exchange, 2019

## Market Capitalization

ZSE market capitalization decreased by 3.17% to \$23.52 billion, during the week ending 9<sup>th</sup> August 2019, from \$24.29 billion registered in the prior week.

**Figure 6: Daily Market Capitalization**



Source: Zimbabwe Stock Exchange, 2019

## Johannesburg Stock Exchange (JSE) Developments

The JSE All Share index fell by 1.31%, to close the week under review at 55,535.24 points, from 56,273.92 points recorded in the previous week. JSE market capitalization also declined by 0.80% to close at R16.13 billion, during the same week.

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

Period	All Share Index (points)	Market Capitalization (ZAR billion)
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
09-Aug-19	55,535.24	16.13
% Change	<b>-1.31</b>	<b>-0.80</b>

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**

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