



Weekly Economic Highlights

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Week Ending
16 August 2019

1. INTEREST RATES

Deposit Rates

As at the close of the week ending 16th August 2019, deposit rates for deposits of 3 month tenor increased to 4.51% from 4.43% in the previous week. Average interest rates for savings deposits and deposits of 1 month tenor, however, remained unchanged at 4.16% and 3.99%, respectively, during the week under review.

Table 1: Average Deposit Rates (per annum)

Date	Savings Deposits (%)	1-Month Deposit (%)	3-Month Deposit (%)
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
16-Aug-19	4.16	3.99	4.51

Source: Banking Institutions, 2019

Lending Rates

Commercial bank weighted lending rates for individual clients increased to 14.33%, during the week ending 16th August 2019, from 9.56% in the previous week. Similarly, weighted lending rates for corporate clients rose to 16.55% during the week under analysis, from 8.60% recorded in the previous week.

Table 2: Lending Rates

Date	Lending Rates (%) Commercial Banks (weighted)	
	Individuals	Corporate Clients
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	9.56	8.60
16-Aug-19	14.33	16.55

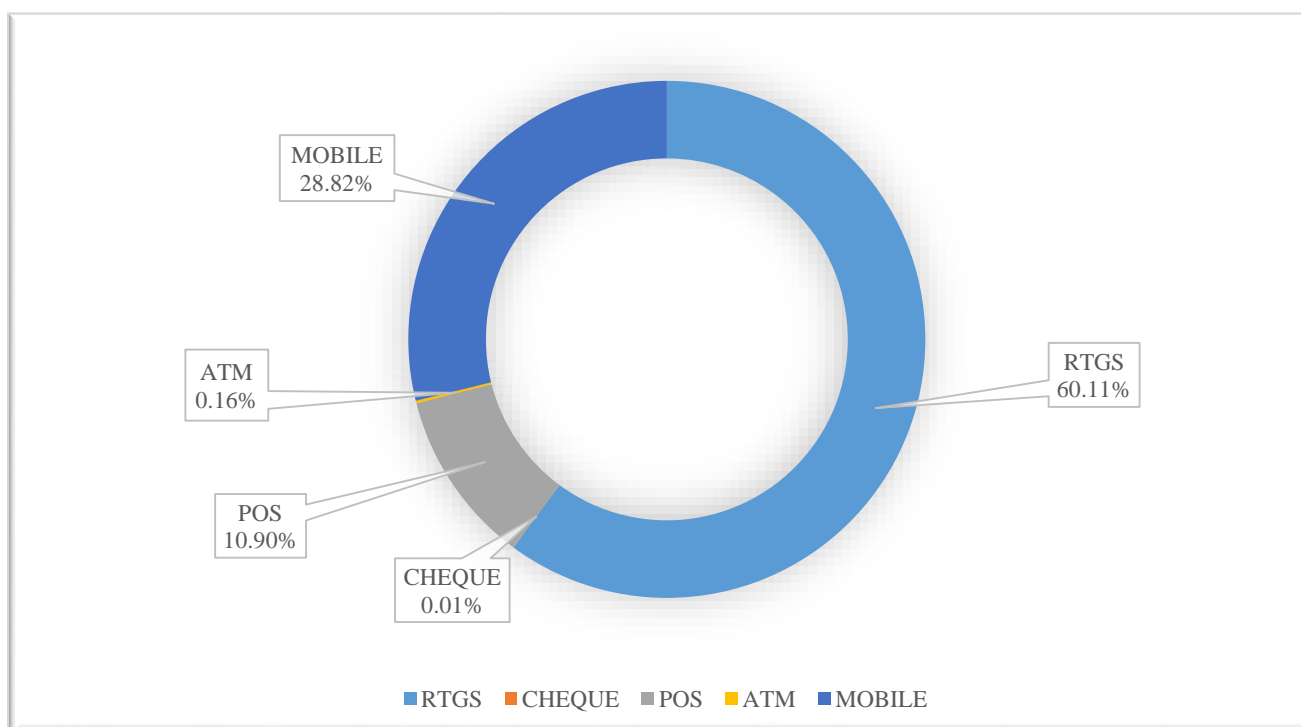
Source: Banking Institutions, 2019

2. CLEARING AND SETTLEMENT ACTIVITY

A total of \$5.7 billion transactions were processed through the National Payment System (NPS) during the week ending 16th August 2019. This reflected a decrease of 0.26% from a \$7.7 billion in the previous week. The the value of transactions processed through the Real Time Gross Settlement (RTGS) system decreased by 0.35%, to close the week at \$3.4 billion transactions.

The distribution of NPS transactions values, was as follows: RTGS, 60.11%; Mobile, 28.82%; Point of Sale (POS), 10.90%; Automated Teller Machine (ATM), 0.16%; and cheque, 0.01%, as shown in Figure 1.

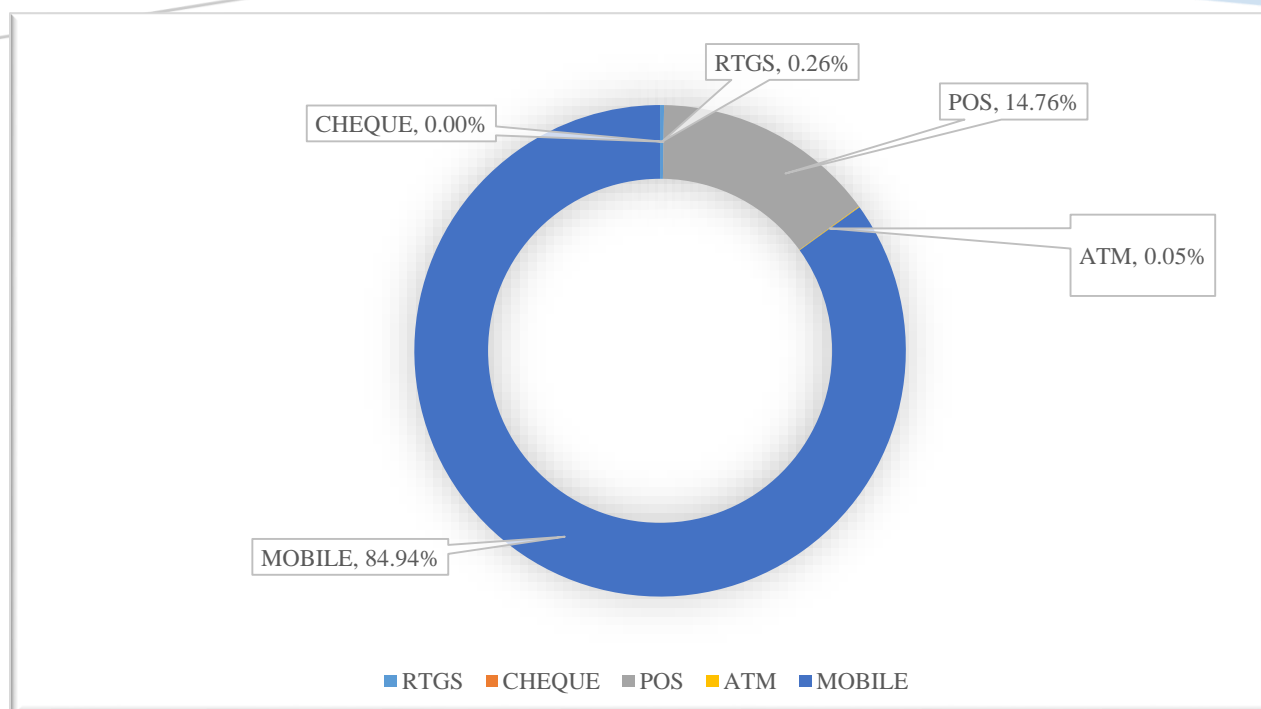
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2019

During the week under review, NPS volume transactions increased by 6.93% from 34.66 million transactions recorded in the previous week, to 37.06 million during the week under review. The NPS transaction volumes were distributed as follows: Mobile, 84.92%; POS, 14.76%; RTGS, 0.26%; ATM, 0.05%, and Cheque 0.0%; 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 9 th AUGUST 2019	WEEK ENDING 16 th AUGUST 2019	% CHANGE FROM LAST WEEK	PERCENTAGE OF TOTAL
VALUES IN \$ (millions)				
RTGS	5,273.01	3,403.86	-35.45	60.11
CHEQUE	0.62	0.32	-48.39	0.01
POS	706.39	617.40	-12.60	10.90
ATM	10.80933	9.00273	-16.71	0.16
MOBILE	1,712.55	1,631.98	-4.70	28.82
TOTAL	7,703.38	5,662.56	-26.49	100
VOLUMES				
RTGS	230,238	95,309	-58.60	0.26
CHEQUE	2,599	1,312	-49.52	0.00
POS	6,364,197	5,468,074	-14.08	14.76
ATM	21,964	17,031	-22.46	0.05
MOBILE	28,036,197	31,474,123	12.26	84.94
TOTAL	34,655,195	37,055,849	6.93	100

Source: Reserve Bank of Zimbabwe, 2019.

3. TOBACCO SALES

As at 16th August 2019, or day 102 of the 2019 tobacco selling season, a cumulative total of 251.31 kilograms of tobacco had been sold. This reflected a 0.68% increase, compared to the 249.61 kilograms sold during the same period in 2018. Cumulative tobacco sales amounted to US\$507.45 million, from US\$730.02 million realized during the corresponding period in 2018.

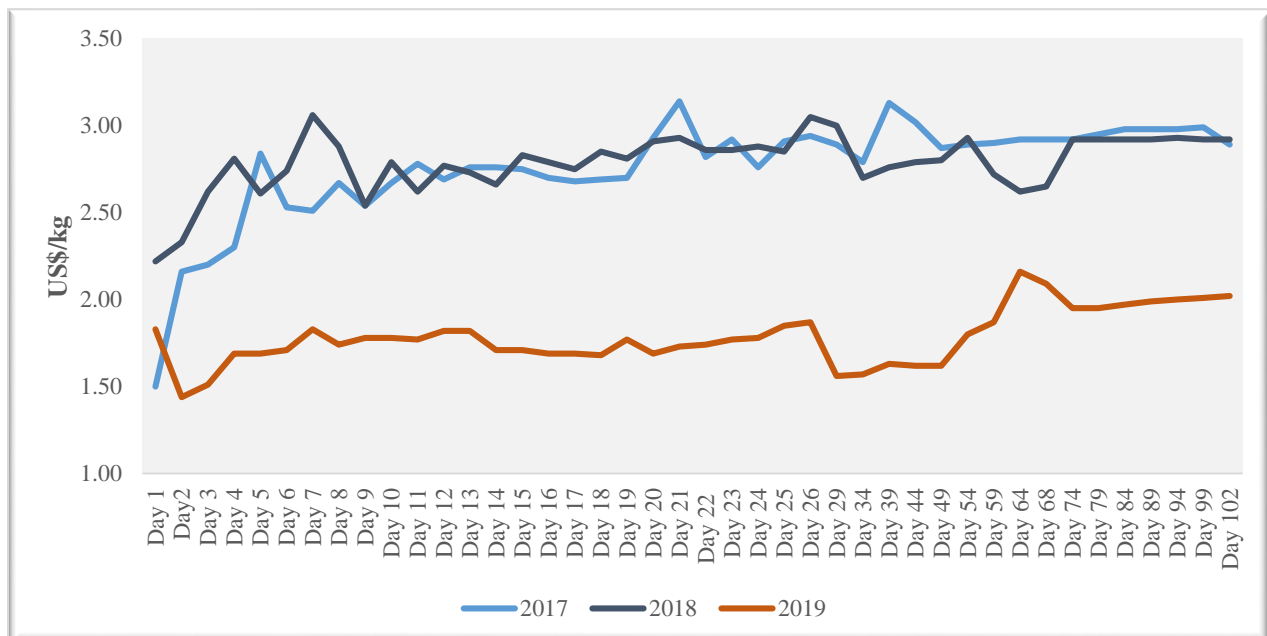
Table 4: Weekly Cumulative Tobacco Sales: Day 102 (16th of August 2019)

	2018	2019	Variance (%)
Cumulative Quantity Sold (million kgs)	249.61	251.31	0.68
Cumulative Average Price(US\$/kg)	2.92	2.02	(30.96)
Cumulative value (US\$ million)	730.02	507.45	(30.96)

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

The golden leaf was sold at an average price of US\$2.02/kg during the week under review, compared to US\$2.92/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 weekly average international prices of gold, copper, nickel and crude oil firmed during the week ending 16th August 2019. Platinum prices, however, retreated during the same week, as shown in Table 5.

Table 5: International Commodity Prices

	Gold	Platinum	Copper	Nickel	Crude Oil
2019	<i>US\$/ounce</i>	<i>US\$/ounce</i>	<i>US\$/tonne</i>	<i>US\$/tonne</i>	<i>US\$/barrel</i>
Weekly average (05-09 August)	1,485.89	855.70	5,717.82	15,152.60	59.07
12-Aug	1503.33	856.00	5715.00	15630.00	59.50
13-Aug	1512.80	861.00	5804.00	15720.00	60.27
14-Aug	1,506.8	850	5,742	15,898	59.29
15-Aug	1,516.65	838.5	5,714	16,209	58.97
16-Aug	1,512.15	833.5	5,728	16,197	59.31
Weekly average (14-16 August)	1,510.35	847.80	5,740.60	15,930.80	59.47
Weekly Change (%)	<i>1.6</i>	<i>(0.9)</i>	<i>0.4</i>	<i>5.1</i>	<i>0.7</i>

Source: BBC, KITCO and Bloomberg, 2019

Gold

The weekly average price of gold increased by 1.6%, to close the week under review at US\$1,510.35/oz.. This, was in, part underpinned by fears of a global economic slowdown that prompted investors to move away from riskier assets.

Platinum

Average weekly prices of platinum declined by 0.9% to US\$847.80/oz, from an average of US\$855.70/oz in the previous week. Prices continued to be weighed down by slowing global demand, particularly from the automotive industries and jewellery markets.

Copper

Copper prices increased by 0.4%, from US\$5,717.82/tonne recorded in the previous week to 5,740.60/tonne, during the week under analysis. This followed reports that China, the world's top consumer of the red metal, announced new measures to support its economy amid an escalation of the trade war with the United States.

Nickel

Nickel prices increased from a weekly average of 15,152.60/tonne to US\$15,930.80/tonne, during the week ending 16th August 2019. Threats of a ban on exports of raw nickel by Indonesia, a major world producer of the base metal weighed up the prices.

Crude Oil

Crude oil prices increased marginally by 0.7% from US\$59.07/barrel to close the week ending 16th August 2019 at US\$59.47/barrel. This was underpinned by higher global demand.

EXCHANGE RATES

During the week ending 15th August 2019, the ZWL depreciated against the US dollar, pound sterling, pula, and rand. The ZWL, however, appreciated against the euro, as shown in Table 6.

Table 6: International Exchange Rates¹

	USD	ZAR	GBP	BWP	EURO
2019					
Weekly Average (05-09 August)	9.6087	0.6435	11.6739	0.8778	11.2340
7-Aug	9.6089	0.6434	11.6815	0.8782	10.7667
8-Aug	9.7171	0.6482	11.8174	0.8871	10.8894
9-Aug	9.7955	0.6521	11.8911	0.8933	10.9665
14-Aug	9.8975	0.6535	11.9363	0.8987	11.0560
15-Aug	9.9437	0.6501	11.9920	0.8979	11.0887
Weekly Average (14-15 August)	9.9206	0.6518	11.9642	0.8983	11.0723
Appr(-)/Depr(+)(%) of the ZWL	3.25	1.29	2.49	2.33	(1.44)

Source: Reserve Bank of Zimbabwe, 2019

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

5. EQUITY MARKETS

Zimbabwe Stock Exchange (ZSE) registered losses during the week under review. All Share and Top 10 indices declined by 0.35 points and 1.01 points to close at 179.70 points and 165.66 points respectively, during the week ending 16th August 2019.

Similarly, the industrial index declined by 0.23% to close the week under review at 599.18 points. The decline in the industrial index was largely on account of losses in Econet Wireless Zimbabwe Ltd, (3.70%); Inncor Africa Ltd, (2.92%); OK Zimbabwe Ltd, (0.44%); and Cassava Smartech Zimbabwe Ltd, (0.19%). Partially offsetting the aforementioned losses, were gains in Zimre Property Investments, (11.55%); First Capital Bank Ltd, (9.38%); PPC Ltd, (5.52%); Bindura Nickel Corporation Ltd, (4.76%) and Dairibord Holdings Ltd, (3.33%).

The mining index stood at 248.74 points during the week ending 16th August 2019, a 1.61% increase from 244.79 points recorded in the previous week. The increase in the resource index was occasioned by gains in the Bindura Nickel Corporation Ltd, (4.76%). Riozim Limited remained inactive during the same week.

Table 7: Zimbabwe Stock Exchange Statistics

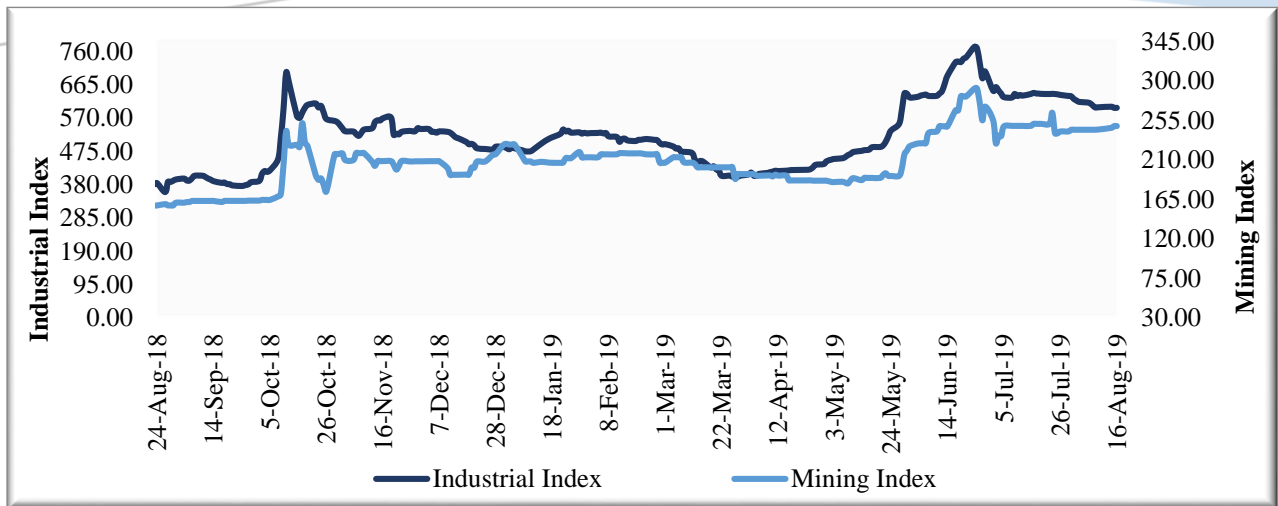
	All Share Index ² (points)	Top 10 index ³ (points)	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$ million)	Market Turnover (US\$ million)	Volume of Shares (million)
12-July-19	189.98	180.94	633.92	248.97	25,062	39.99	30.49
19-July-19	191.47	183.22	638.82	251.30	25,309	38.17	30.15
26-July-19	190.50	180.46	635.93	242.61	24,665	42.79	33.00
02-Aug-19	184.63	172.77	616.00	244.57	24,288	29.29	33.28
09-Aug-19	180.05	166.67	600.56	244.79	23,518	27.03	20.67
16-Aug-19	179.70	165.66	599.18	248.74	23,425	20.25	14.47
Weekly Change (%)	(0.19)	(0.61)	(0.23)	1.61	(0.40)	(25.08)	(30.00)

Source: Zimbabwe Stock Exchange (ZSE), 2019

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 4: Zimbabwe Stock Exchange Indices

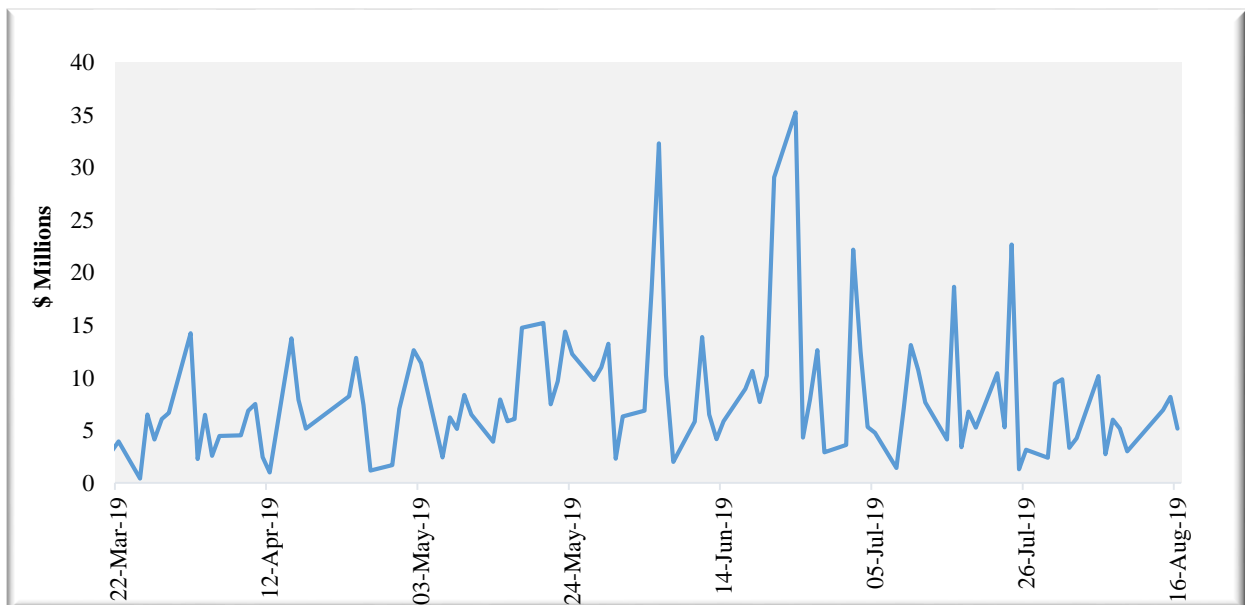


Source: Zimbabwe Stock Exchange, 2019

Market Turnover and Volume

The volume of shares traded at the ZSE declined by 29.26%, to close the week under review at \$14.47 million shares. In tandem, the ZSE market turnover value declined by 25.11% to \$20.25 million during the week under analysis from \$27.03 million in the previous week.

Figure 5: Daily Market Turnover

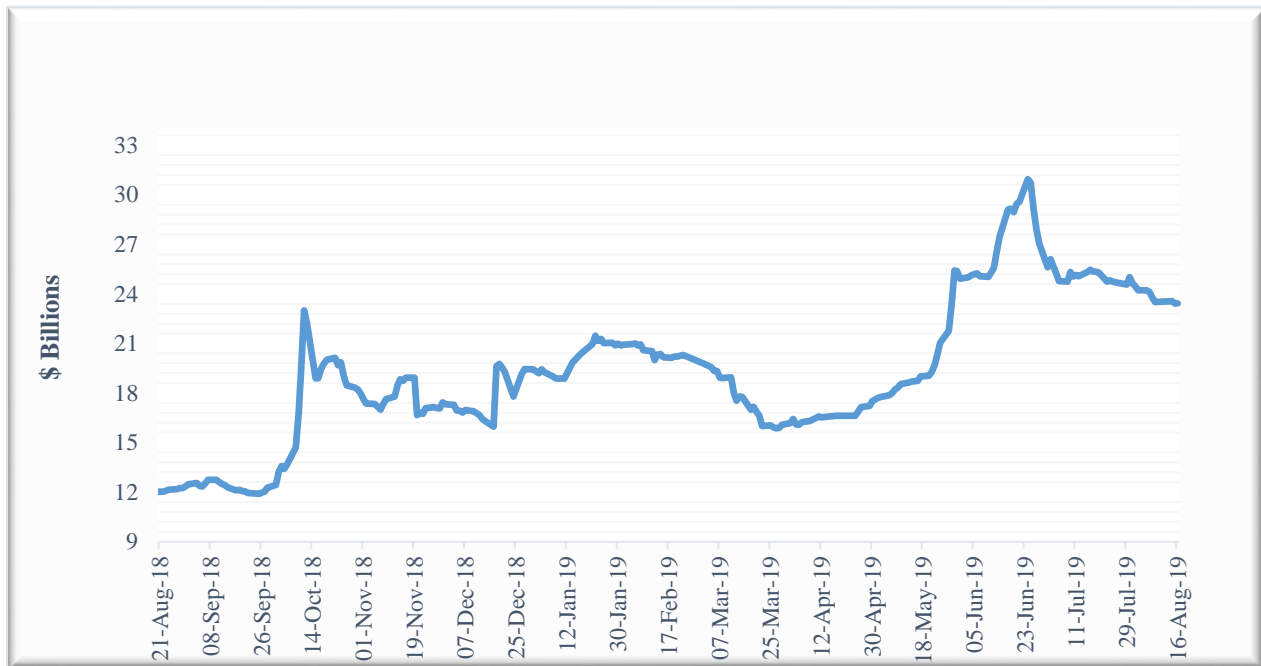


Source: Zimbabwe Stock Exchange, 2019

Market Capitalization

The ZSE lost 0.40% of market capitalization to close the week under review at \$23.43 billion from \$23.52 in the previous week.

Figure 6: Daily Market Capitalization



Source: Zimbabwe Stock Exchange, 2019

Johannesburg Stock Exchange (JSE) Developments

The JSE All Share Index and the JSE market capitalisation both registered declines of 2.99% and 2.11% to close the week at 53,874.52 points and R15.79 billion, respectively.

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
16-Aug-19	53,874.52	15.79
% Change	-2.99	-2.11

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

23TH AUGUST 2019