



Weekly Economic Highlights

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Week Ending
23 August 2019

1. INTEREST RATES

Deposit Rates

During the week under review, average deposit rates for savings deposits, deposits of 1-month and 3-month tenors stood at 4.27%, 4.78% and 4.79%, respectively.

Table 1: Average Deposit Rates (per annum)

Date	Savings Deposits (%)	1-Month Deposit (%)	3-Month Deposit (%)
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
23-Aug-19	4.27	4.78	4.79

Source: Banking Institutions, 2019

Lending Rates

Weighted lending rates for individual clients decreased from 14.33% recorded in the previous week, to close at 14.24% during the week under review. Commercial bank weighted lending rates for corporate clients, however, increased by 0.22 percentage points to 16.77%, during the week under analysis.

Table 2: Lending Rates

Date	Lending Rates ¹ (%) Commercial Banks (weighted)	
	Individuals	Corporate Clients
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
23-Aug-19	14.24	16.77

Source: Banking Institutions, 2019

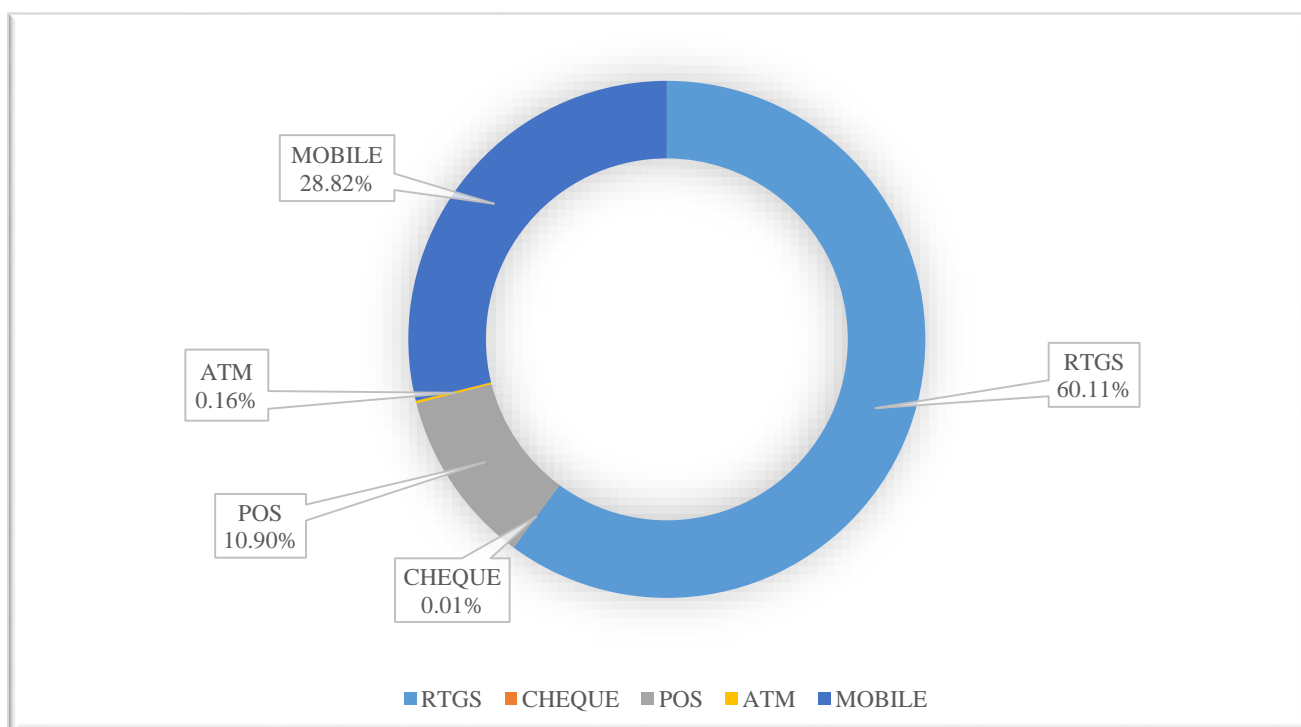
¹ Minimum weighted lending rates offered by commercial banks.

2. CLEARING AND SETTLEMENT ACTIVITY

The value of transactions processed through the National Payment System (NPS) amounted to \$9.14 billion during the week under review. This represented a 61.48% increase from \$5.66 billion recorded in the previous week. Real Time Gross Settlement (RTGS) transactions amounted to \$6.6 billion, reflecting a 93.79% increase from 3.4 billion recorded in the previous week.

In terms of proportions, the RTGS system constituted 72.14% of the NPS transactions, followed by mobile, 21.27%; Point of Sale (POS), 6.52%; Automated Teller Machine (ATM), 0.07% and cheque 0.01%, as shown in Figure 1.

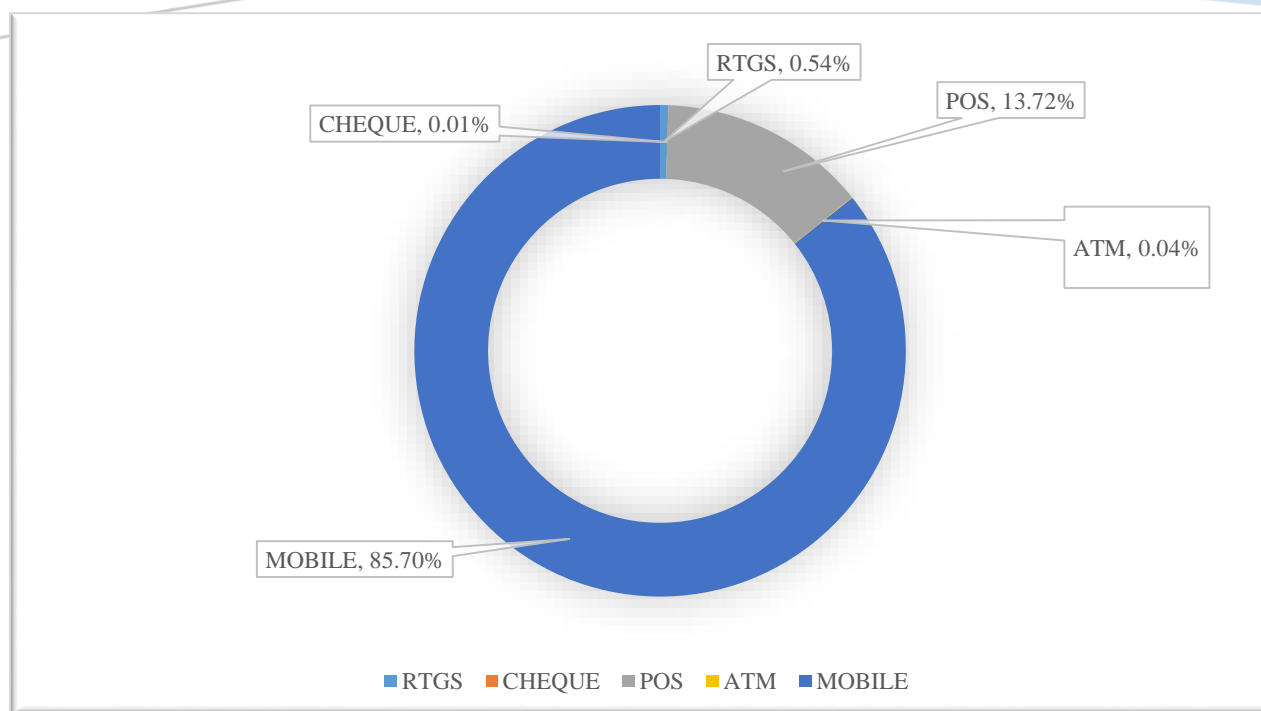
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2019

In volume terms, the total number of transactions processed through the NPS increased by 0.85% to 37.37 million, compared to 37.06 million transactions processed in the previous week. The distribution of NPS transaction volumes was as follows: Mobile, 85.70%; POS, 13.72%; RTGS, 0.54%; ATM, 0.04% 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 16 th AUGUST 2019	WEEK ENDING 23 rd AUGUST 2019	% CHANGE FROM LAST WEEK	PERCENTAGE OF TOTAL
VALUES IN \$ (millions)				
RTGS	3,403.86	6,596.42	93.79	72.14
CHEQUE	0.32	0.58	81.25	0.01
POS	617.41	596.14	-3.45	6.52
ATM	9.00	6.21	-30.97	0.07
MOBILE	1,631.98	1,944.60	19.16	21.27
TOTAL	5,662.56	9,143.95	61.48	100
VOLUMES				
RTGS	95,309	200,345	110.21	0.54
CHEQUE	1,312	2,187	66.69	0.01
POS	5,468,074	5,126,862	-6.24	13.72
ATM	17,031	16,003	-6.04	0.04
MOBILE	31,474,123	32,027,191	1.76	85.70
TOTAL	37,055,849	37,372,588	0.85	100

Source: Reserve Bank of Zimbabwe, 2019.

3. TOBACCO SALES

A cumulative total of 254.63 kilograms of tobacco had been sold as at 23rd August 2019 or day 107 of the 2019 tobacco selling season. This reflected a 1.34% increase from 251.26 kilograms sold during the same period in 2018. In value terms, tobacco sales decreased by 29.71% to US\$516.08 million, from US\$734.24 million realized during the corresponding period in 2018.

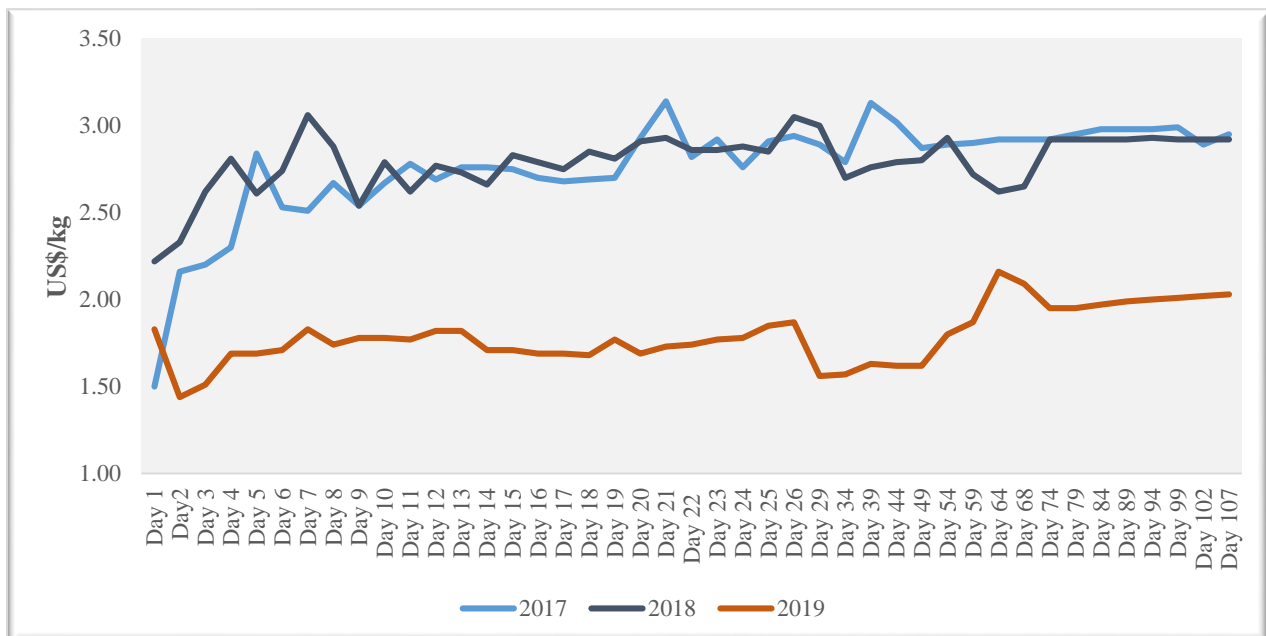
Table 4: Weekly Cumulative Tobacco Sales: Day 107 (23rd of August 2019)

	2018	2019	Variance (%)
Cumulative Quantity Sold (million kgs)	251.26	254.63	1.34
Cumulative Average Price(US\$/kg)	2.92	2.03	(30.64)
Cumulative value (US\$ million)	734.24	516.08	(29.71)

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

The average price of the golden leaf stood at US\$2.03/kg during the week under review, which was 30.64% lower than 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

During the week under analysis, the international commodity prices of platinum and crude oil firmed, while prices for gold, copper and nickel retreated during the same week under review, 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 (14-16 August)	1,511.87	840.67	5,728.00	16,101.33	59.19
19-Aug	1,497.98	844.50	5,738.50	15,963.00	59.85
20-Aug	1,499.78	846.00	5,726.00	15,981.00	59.76
21-Aug	1,501.45	848.50	5,706.75	15,812.00	60.02
22-Aug	1,500.38	852.50	5,670.50	15,670.00	60.23
23-Aug	1,499.65	855.50	5,674.90	15,723.00	58.73
Weekly average (19-23 August)	1,499.85	849.40	5,703.33	15,829.80	59.72
Weekly Change (%)	<i>(0.8)</i>	<i>1.0</i>	<i>(0.4)</i>	<i>(1.7)</i>	<i>0.9</i>

Source: BBC, KITCO and Bloomberg, 2019

Gold

Gold prices declined by 0.8% from a weekly average of US\$1,511.87/oz, to an average of 1,499.85/oz. during the week under review. The decline was mainly driven by a stronger US dollar, which exerted downward pressure on the price of the yellow metal. In addition, brighter global economic prospects emanating from the US-China trade talks also weighed down the price of the precious mineral.

Platinum

Platinum price firmed by 1% from the previous weekly average of US\$840.67/oz to a weekly average of US\$849.40/oz. Prices continued to firm on account of uncertainties surrounding the protracted trade dispute between the US and China.

Copper

The weekly average price of copper retreated by 0.4%, from US\$5,728.00/tonne recorded during the week ending 16th August 2019 to an average of US\$5,703.33/tonne, during the week under review. The price continued to be affected by the escalation of the US-China trade wars, which

continue to dampen investor outlook about global economic growth amid investor concerns about subdued global economic growth outlook. This resulted in lower the demand for the base metal.

Nickel

Nickel prices declined by 1.7% to a weekly average of US\$15,829.80/tonne, during the week ending under review. The decline was, underpinned, by ample supply conditions, following reports of higher build-ups of global stocks for the base metal.

Crude Oil

Brent crude oil prices closed the week under review at US\$59.72/barrel, a 0.9% increase from US\$59.19/barrel recorded in the previous week. This followed a reduction in U.S. crude oil inventories as well as reduced output from major producers, due to a combination of a tropical storm and rising tensions in the Middle East.

EXCHANGE RATES

The ZWL depreciated against the US dollar, rand, sterling pound, pula, and euro, during the week under review, as shown in Table 6.

Table 6: International Exchange Rates²

	USD	ZAR	GBP	BWP	EURO
2019					
Weekly Average (14-15 August)	9.9206	0.6518	11.9642	0.8983	11.0723
19-Aug	10.0873	0.6619	12.2742	0.9104	11.1888
20-Aug	10.1292	0.6565	12.2776	0.9126	11.2272
21-Aug	10.1778	0.6645	12.3649	0.9175	11.2932
22-Aug	10.2447	0.6720	12.4238	0.9261	11.3532
23-Aug	10.2825	0.6760	12.5734	0.9285	11.3791
Weekly Average (19-23 August)	10.1843	0.6662	12.3828	0.9190	11.2883
<i>Appr(-)/Depr(+)</i> (%) <i>of the ZWL</i>	<i>2.66</i>	<i>2.21</i>	<i>3.50</i>	<i>2.31</i>	<i>1.95</i>

Source: Reserve Bank of Zimbabwe, 2019

² Direct quote – the amount of domestic currency needed to exchange for 1 unit of foreign currency.

5. EQUITY MARKETS

During the week ending 23rd August 2019, the Zimbabwe Stock Exchange was characterized by bearish sentiments. Resultantly, the All Share and Top 10 index declined by 2.99% and 4.21% to close the week under review at 174.33 points and 158.69 points, respectively.

The industrial index closed at 580.60 points during week under analysis, a 3.1% decline from 599.18 points recorded in the previous week. The decline in the mainstream index was driven by share price losses at Simbisa Brands limited, (21.07%); Powerspeed Electrical Limited, (20.00%); Old Mutual Zimbabwe, (14.83%); Edgars Stores Limited, (14.08%) and British American Tobacco Zimbabwe, (5.56%). Partially offsetting the losses were share price gains at First Mutual Properties Limited, (20.00%); Dawn Properties Limited, (15.50%); PPC Ltd, (4.76%); Zimplot Holdings Limited, (2.65%) and Zimre Holdings Limited, (1.1%).

The mining index rose by 4.19%, to close the week under review at 259.15 points. This was on account of share price increases of 4.85% and 3.27% in Riozim Limited and Bindura Nickel Corporation, respectively.

Table 7: Zimbabwe Stock Exchange Statistics

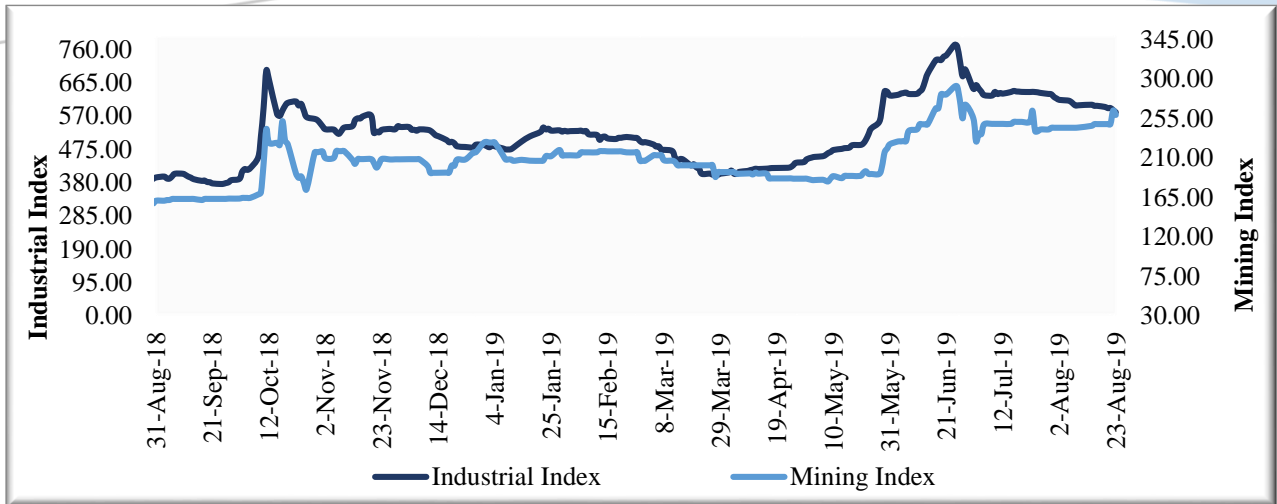
	All Share Index ³ (points)	Top 10 index ⁴ (points)	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$ million)	Market Turnover (US\$ million)	Volume of Shares (million)
26-July-19	190.50	180.46	635.93	242.61	24,665	42.79	33.00
02-Aug-19	184.63	172.77	616.00	244.57	24,288	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
23-Aug-19	174.33	158.69	580.60	259.15	23,008	22.72	32.75
Weekly Change (%)	-2.99	-4.21	-3.10	4.19	-1.78	12.20	126.26

Source: Zimbabwe Stock Exchange (ZSE), 2019

³ The All Share index shows the changing average value of shares of all companies on the market.

⁴ The Index is calculated using the market capitalisation method.

Figure 4: Zimbabwe Stock Exchange Indices

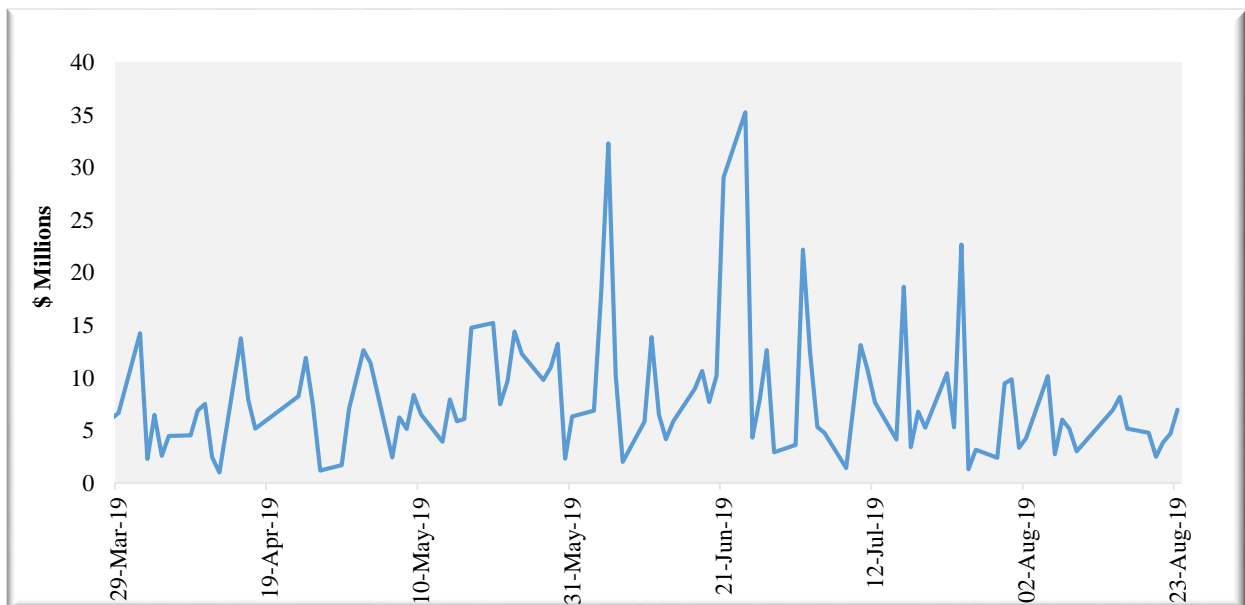


Source: Zimbabwe Stock Exchange, 2019

Market Turnover and Volume

ZSE market turnover stood at \$22.72 million during the week under review from \$20.25S million registered in the previous week. Similarly, the volume of shares traded increased by 126.26%, to close at 32.75 million shares during the same period under analysis.

Figure 5: Daily Market Turnover

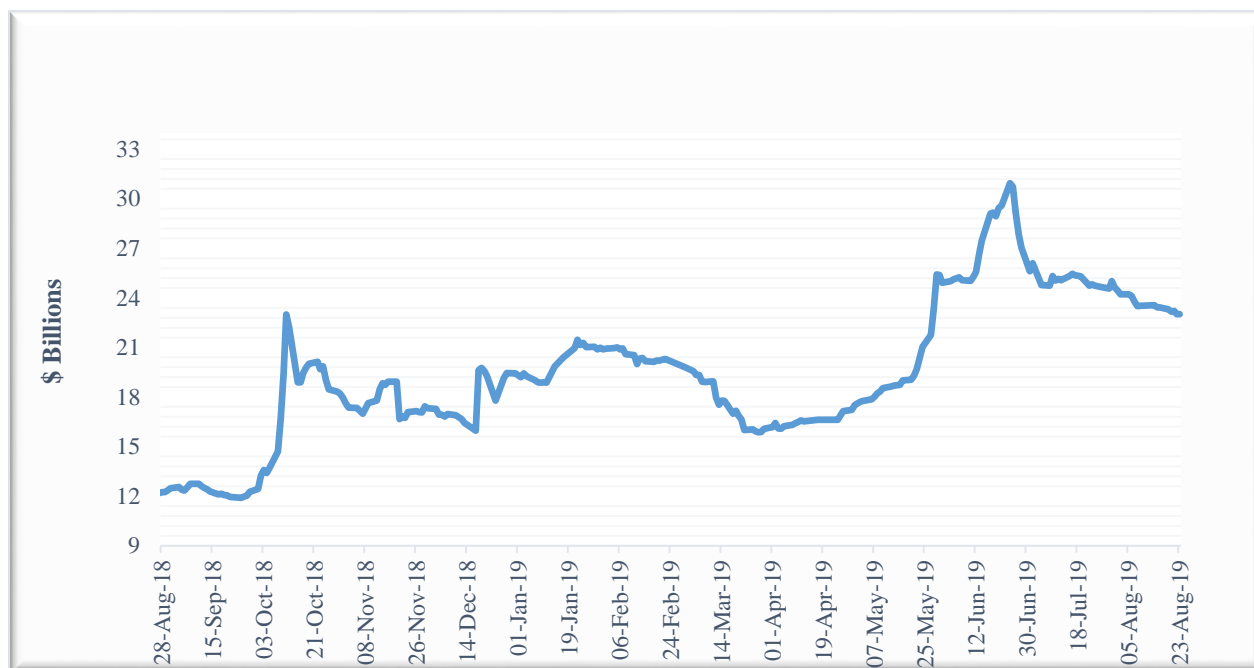


4Source: Zimbabwe Stock Exchange, 2019

Market Capitalization

ZSE market capitalization decreased by 1.78% to \$23.01 billion, during the week ending 23rd August 2019, from \$23.43 billion traded in the previous week.

Figure 6: Daily Market Capitalization



Source: Zimbabwe Stock Exchange, 2019

Johannesburg Stock Exchange (JSE) Developments

The JSE All Share Index increased by 0.23% to close at 53,995.82 points, during the week ending 23rd August 2019, from 53,874.52 points realized in the previous week. In tandem, the JSE market capitalisation rose by 0.06% from R15.79 billion recorded in the previous week, to R15.80 billion during the week under review.

Table 7: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalization (ZAR billion)
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
23-Aug-19	53,995.82	15.80
% Change	0.23	0.06

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

30TH AUGUST 2019