



Weekly Economic Highlights

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Week Ending
05 JULY 2019

1. INTEREST RATES

Deposit Rates

During the week under review, average deposit rates for deposits of 1-month tenor increased to 4.16%, from 4.06% recorded during the previous week. Deposit rates for savings deposits and deposits of 3-month tenor, however, remained unchanged at 4.16% and 4.27%, respectively.

Table 1: Average Deposit Rates (per annum)

Date	Savings Deposits (%)	1-Month Deposit (%)	3-Month Deposit (%)
7-Jun-19	3.91	4.00	4.24
14-Jun-19	3.91	4.00	4.21
21-Jun-19	3.91	4.06	4.27
28-Jun-19	4.16	4.06	4.27
5-Jul-19	4.16	4.16	4.27

Source: Banking Institutions, 2019

Lending Rates

Commercial bank lending rates for individual clients registered a decrease from 9.15% in the previous week, to 9.08% during the week under review. Similarly, lending rates for corporate clients decreased by 0.30 percentage points to close at 7.37% as at 5th July 2018.

Table 2: Lending Rates

Date	Lending Rates (%) Commercial Banks (weighted)	
	Individuals	Corporate Clients
7-Jun-19	9.23	7.27
14-Jun-19	9.22	7.24
21-Jun-19	9.18	7.21
28-Jun-19	9.15	7.67
5-Jul-19	9.08	7.37

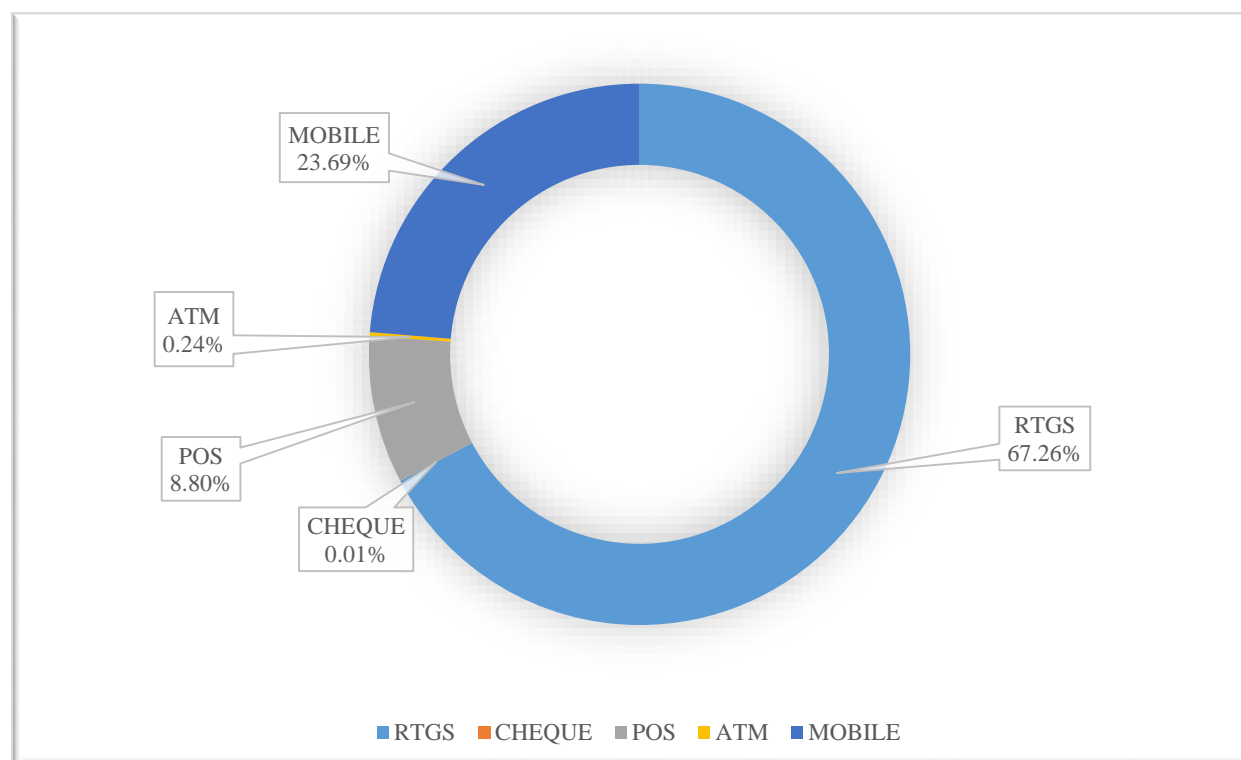
Source: Banking Institutions, 2019

2. CLEARING AND SETTLEMENT ACTIVITY

A total of \$6.4 billion transactions were processed through the National Payment System (NPS) during the week under review. This, however, reflected a decrease of 5.72% from a \$6.4 billion transactions processed in the previous week. Likewise, the value of transactions processed through the Real Time Gross Settlement (RTGS) system decreased by 14.02%, to close the week at \$4.34 billion transactions.

The distribution of NPS transaction values, in proportional terms, were as follows: RTGS, 67.26%; Mobile, 23.69%; Point of Sale (POS), 8.80%; Automated Teller Machine (ATMs), 0.24%; and Cheque, 0.01%, as shown in Figure 1.

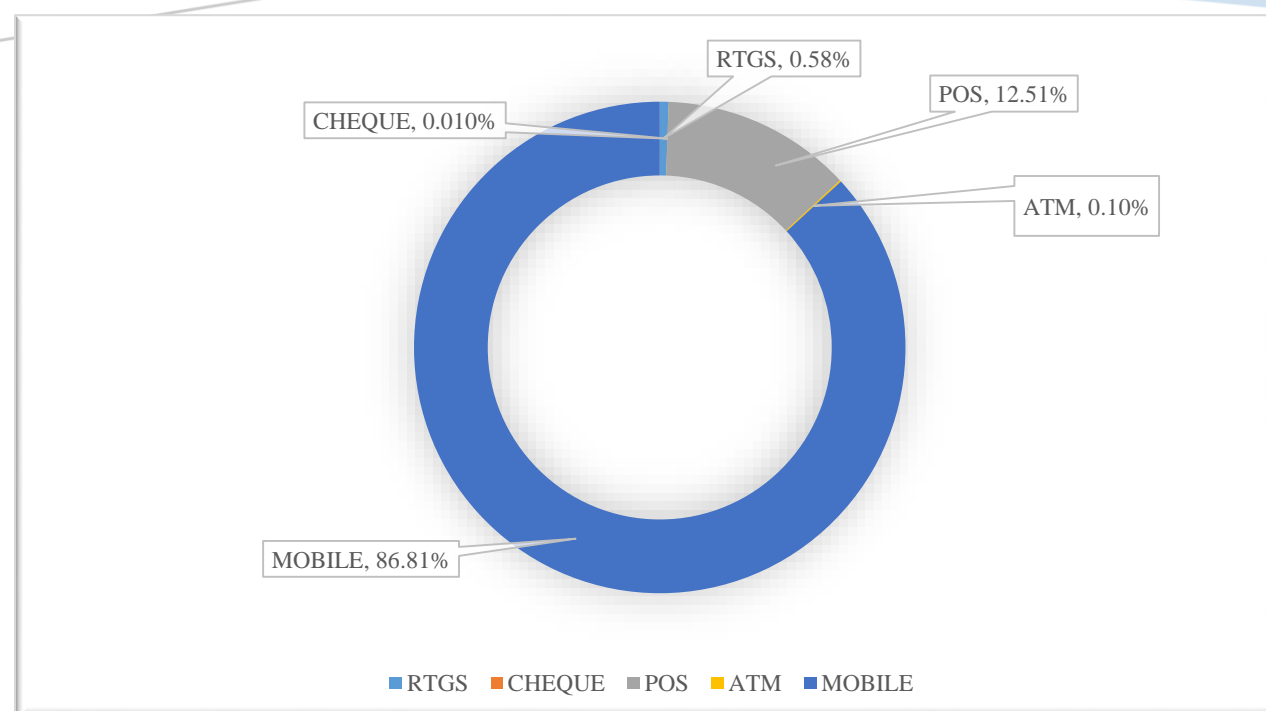
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2019

During the week under review, NPS volume transactions increased by 10.1% from 36.7 million transactions recorded during the week ending 28th June 2019 to 40.4 million. The NPS transaction volumes were distributed as follows: Mobile, 86.81%; POS, 12.51%; RTGS, 0.58%; ATM, 0.10%; 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 28 th JUNE 2019	WEEK ENDING 5 th JULY 2019	% CHANGE FROM LAST WEEK	PERCENTAGE OF TOTAL
VALUES IN \$ (millions)				
RTGS	5,053.14	4,344.53	-14.02%	67.26%
CHEQUE	0.82	0.82	0.90%	0.01%
POS	484.59	568.07	17.23%	8.80%
ATM	6.51	15.39	136.28%	0.24%
MOBILE	1,306.10	1,530.15	17.15%	23.69%
TOTAL	6,851.16	6,458.97	-5.72%	100%
VOLUMES				
RTGS	229,760	233,635	1.69%	0.58%
CHEQUE	2,918	3,043	4.28%	0.01%
POS	4,541,451	5,057,989	11.37%	12.51%
ATM	22,045	39,460	79.00%	0.10%
MOBILE	31,919,623	35,099,237	9.96%	86.81%
TOTAL	36,715,797	40,433,364	10.13%	100%

Source: Reserve Bank of Zimbabwe, 2019.

3. TOBACCO SALES

As at 5th July 2019 or day 74 of the 2019 tobacco selling season, a cumulative total of 216,645 kilograms of tobacco had been sold. The quantity sold was 4.96% lower than the cumulative total of 227,956 kilograms sold during the same period in 2018.

Cumulatively, the value of tobacco sold registered a 36.44% decrease to US\$432.02 million in 2019, from US\$665.63 million realized during the corresponding period in 2018.

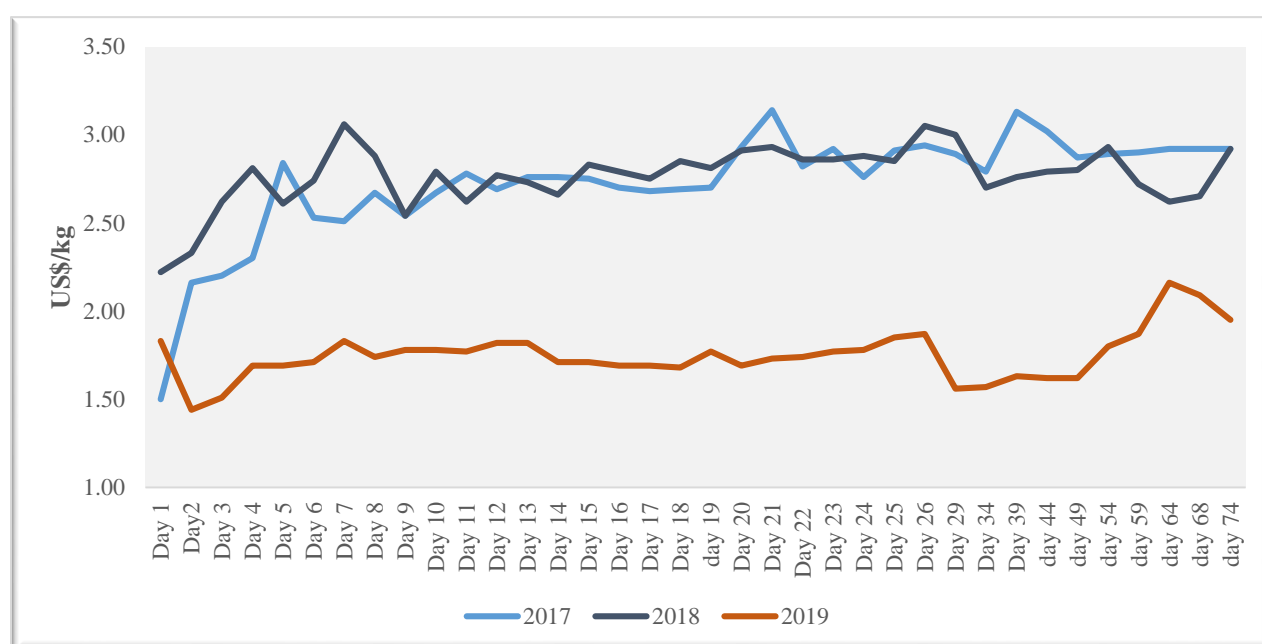
Table 4: Weekly Cumulative Tobacco Sales: Day 74 (5th July 2019)

	2018	2019	Variance (%)
Cumulative Quantity Sold (kgs)	227,956	216,645	(4.96)
Cumulative Average Price(US\$/kg)	2.92	1.95	(33.13)
Cumulative value (US\$ million)	665.63	423.02	(36.44)

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

The golden leaf was sold at an average price of US\$1.95/kg compared to the 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 international weekly average commodity prices of gold, copper, nickel and crude oil decreased, during the week under review. Platinum prices, however, increased 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 (24-28 June)	1,410.98	811.40	5,976.00	12,407.50	65.89
1-Jul	1390.08	838.00	5998.65	12231.00	65.24
2-Jul	1392.08	832.50	5873.50	11999.50	63.02
3-Jul	1419.30	870.00	5924.00	12281.50	63.12
4-Jul	1415.08	832.00	5903.00	12300.00	63.22
5-Jul	1401.53	832.00	5884.25	12363.00	64.23
weekly average (1-5July)	1,403.61	840.90	5,916.68	12,235.00	63.77
Weekly Change (%)	<i>(0.5)</i>	<i>3.6</i>	<i>(1.0)</i>	<i>(1.4)</i>	<i>(3.2)</i>

Source: BBC, KITCO and Bloomberg, 2019

Gold

The price of the yellow metal retreated by 0.5% from a weekly average of US\$1,410.98/oz. in the previous week to US\$1,403.61/oz during the week ending 5th July 2019. The decline was mainly driven by a stronger US dollar, which exerted downward pressure on the bullion price. In addition, brighter global economic prospects emanating from the US-China trade talks also weighed down the price of the precious mineral.

Platinum

During the week under review, platinum prices firmed by 3.6% to US\$840.90, from the previous weekly average of US\$811.40/oz. The price of platinum rose on account of strong industrial demand during the week under review.

Copper

Copper prices retreated by 1.0%, from an average of US\$5,976.00/tonne recorded in the previous, to US\$5,916.68/tonne during the week under analysis. Copper price reduction was mainly on account

of signs of increased copper supplies and a stronger US dollar which made the base metal expensive to holders of other currencies.

Nickel

Nickel prices declined by 1.4% to a weekly average of US\$12,235.00/tonne, during the week under analysis. Prices slumped over concerns on the economic outlook of China due to volatile trends within the equity markets.

Crude Oil

The weekly average oil prices declined by 3.2%, to close the week under review at US\$63.77/barrel. Prices retreated following a rise in shale oil production by US, coupled with global supply concerns of crude oil.

EXCHANGE RATES

The ZWL depreciated against the pound, euro, US dollar, rand, and pula, for the week ending 5th of July 2019 as shown in Table 6.

Table 6: International Exchange Rates per ZWL¹

2019	USD	ZAR	GBP	BWP	EURO
Weekly Average (24-28 June)	6.1322	0.4197	7.7232	0.5667	7.2745
1-Jul	7.2466	0.5150	9.1915	0.6833	8.2096
2-Jul	7.8015	0.5522	9.8575	0.7349	8.8059
3-Jul	8.3927	0.5943	10.5639	0.7906	9.4732
4-Jul	8.5857	0.6108	10.8007	0.8079	9.6872
5-Jul	8.6868	0.6180	10.9292	0.8178	9.7986
Weekly Average (1-5 July)	8.1427	0.5781	10.2685	0.7669	9.1949
<i>Appr(-)/Depr(+)</i> (%) <i>of the ZWL</i>	<i>32.79</i>	<i>37.73</i>	<i>32.96</i>	<i>35.32</i>	<i>26.40</i>

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

During the week ending 5th July 2019, the All share index on the Zimbabwe Stock Exchange (ZSE) declined by 7.84% to close the week at 188.70 points, from 204.75 points recorded in the previous week. Similarly, the Top 10 index recorded a loss of 9.45%, to close the same week at 178.57 points.

The industrial index declined by 7.89% to close the week under review at 629.20 points. The decline in the mainstream index was a result of share price losses in Turnal Holdings Limited (27.27%), First Mutual Properties Limited (20.00%), OK Zimbabwe Limited (19.86%), Zimre Holdings Limited (19.84%) and Cassava Smartech Zimbabwe Limited (16.82%). Partially offsetting the aforementioned losses, were gains in Powerspeed Electrical Limited (20.00%), PPC Limited (18.75%), First Mutual Holdings Limited (14.29%), Mashonaland Holdings Limited (11.86%) and Miekles (2.73%).

The mining index stood at 248.50 points, representing a 2.65% from 255.26 recorded in the previous week. The decline in the resource index stemmed from the 3.66% and 0.12% share price losses in Riozim Limited and Bindura Nickel Corporation (BNC), respectively.

Table 7: Zimbabwe Stock Exchange Statistics

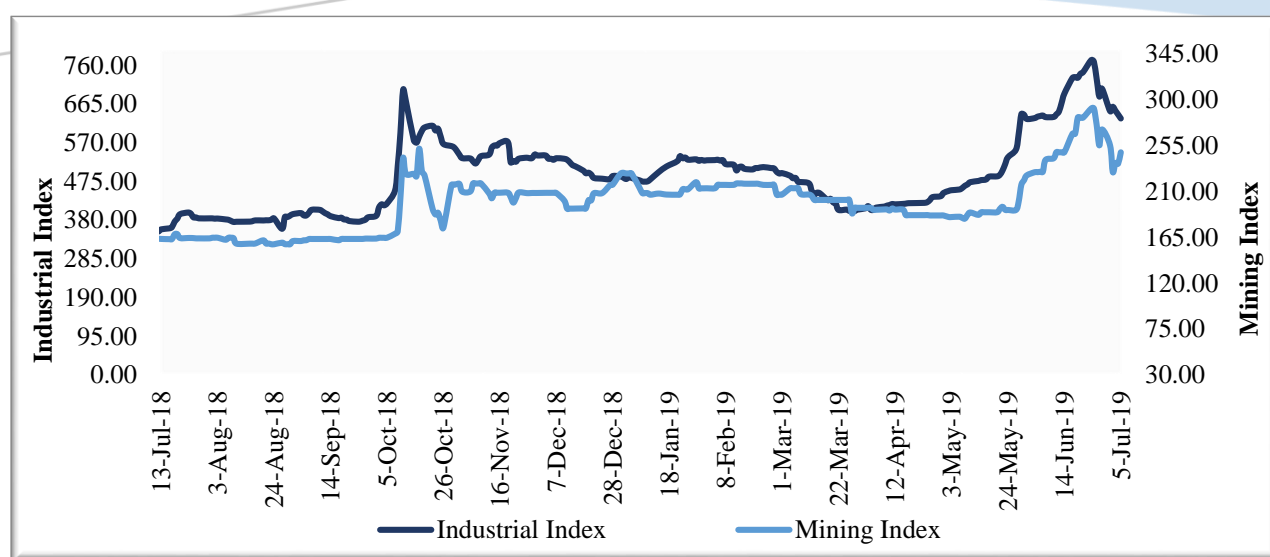
	All Share Index ² (points)	Top 10 index ³ (points)	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$ million)	Market Turnover (US\$ million)	Volume of Shares (million)
7-June-19	189.60	181.73	632.94	241.02	25,070	69.70	73.86
14-June-19	203.79	201.69	690.67	248.51	27,473	36.22	31.86
21-June-19	222.73	217.73	743.60	282.64	29,589	93.75	66.52
28-June-19	204.75	197.21	683.51	255.26	27,017	63.05	93.67
5-July-19	188.70	178.57	629.60	248.50	24,773	48.38	47.54
Weekly Change (%)	-7.84	-9.45	-7.89	-2.65	-8.31	-23.26	-49.24

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

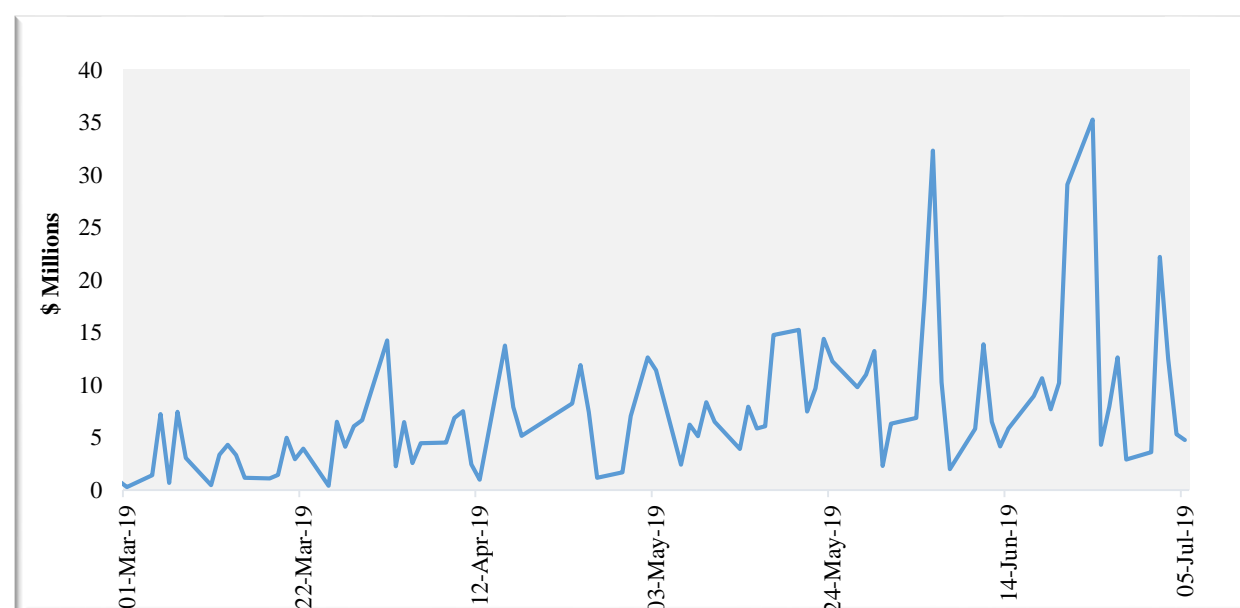


Source: Zimbabwe Stock Exchange, 2019

Market Turnover and Volume

The cumulative value of shares traded decreased by 23.26% to \$48.38 million, during the week ending 5th of July 2019. On the other hand, the volume of shares traded on the ZSE also registered a 49.24% decrease, from 93.67 million shares recorded in the previous week, to 47.54 million shares during the week under review.

Figure 5: Daily Market Turnover

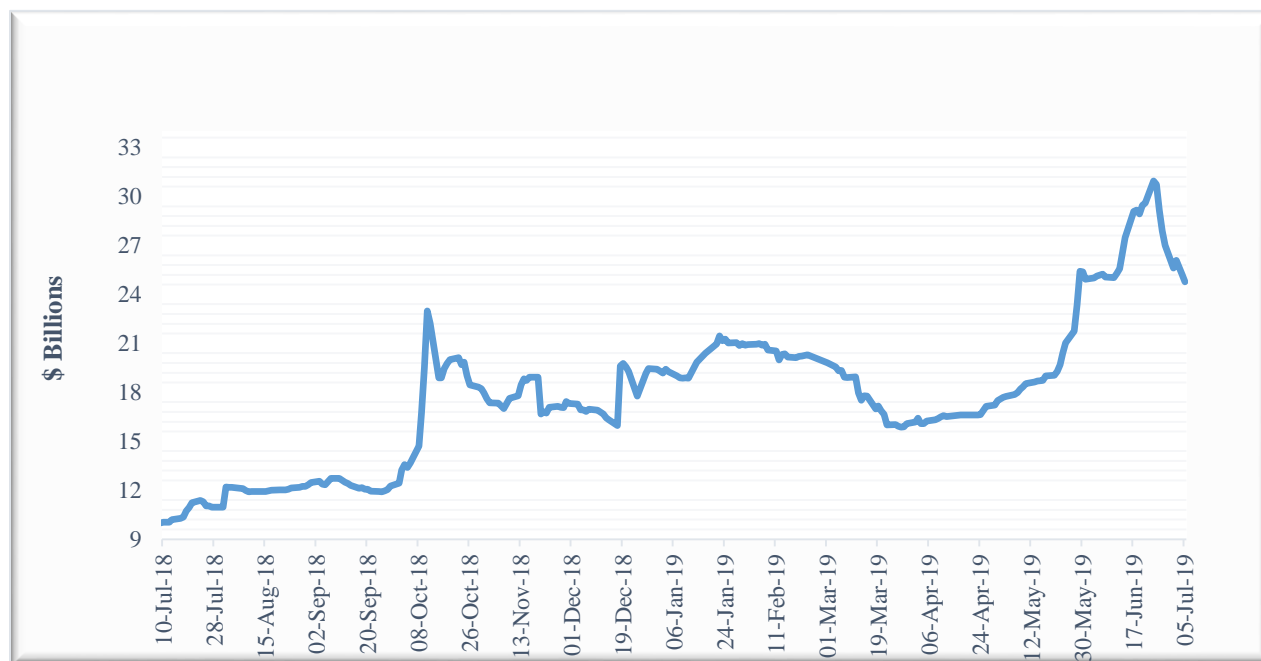


Source: Zimbabwe Stock Exchange, 2019

Market Capitalization

The ZSE lost \$2.24 billion worth of market capitalization, to close the week under review at \$24.77 billion, compared to \$27.02 billion recorded in the previous week.

Figure 6: Daily Market Capitalization



Source: Zimbabwe Stock Exchange, 2019

Johannesburg Stock Exchange (JSE) Developments

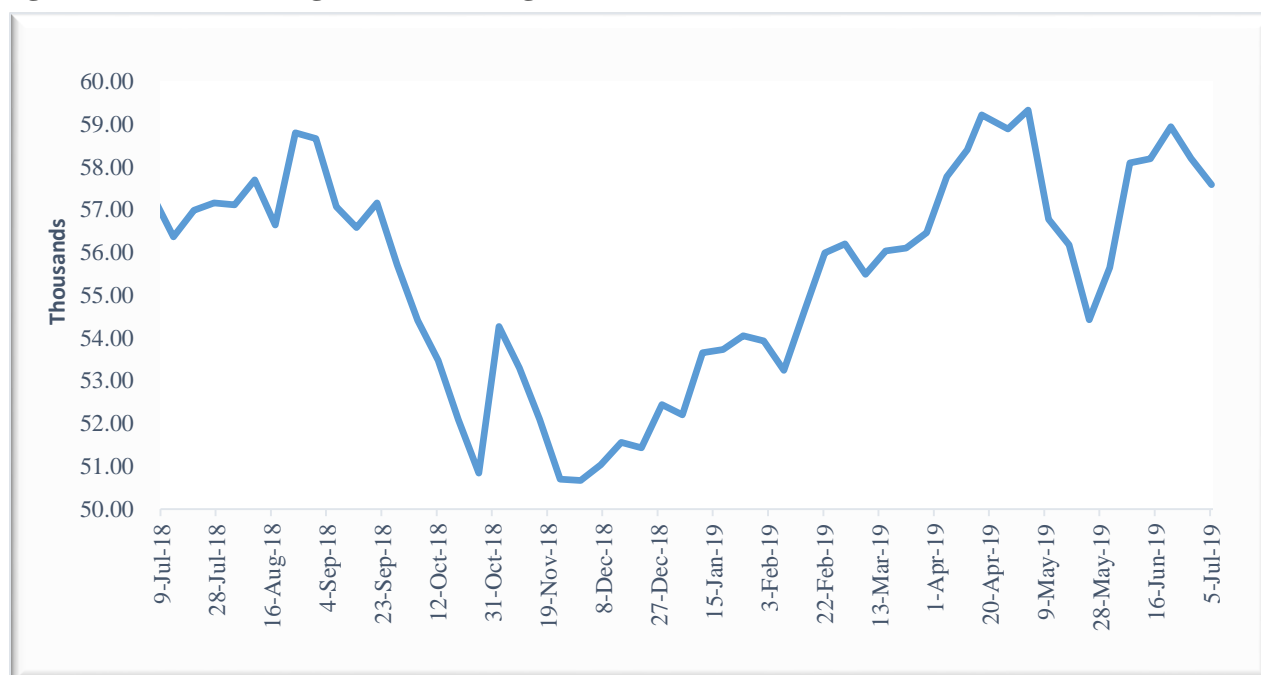
During the week under analysis, the All Share index decreased to 57,589.82 points, a 1.05% decline from 58,203.84 points realized in the previous week. In contrast, the JSE market capitalization rose by 0.62% from R16.24 billion recorded in the previous week, to R16.34 billion during the week under review.

Table 7: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalization (ZAR billion)
7-Jun-19	58,099.84	16.31
14-Jun-19	58,193.78	16.36
21-Jun-19	58,941.47	16.51
28-Jun-19	58,203.84	16.24
05-Jul-19	57,589.82	16.34
% Change	(1.05)	0.62

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

12TH JULY 2019