



Weekly Economic Highlights

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Week Ending
12 JULY 2019

1. INTEREST RATES

Deposit Rates

Average deposit rates for deposits of 1-month and 3-month tenors increased by 0.21 and 0.16 percentage points to 4.37% and 4.43%, respectively, during the week ending 12th July 2019. Deposit rates for savings deposits, however, remained unchanged at 4.16%.

Table 1: Average Deposit Rates (per annum)

Date	Savings Deposits (%)	1-Month Deposit (%)	3-Month Deposit (%)
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
12-Jul-19	4.16	4.37	4.43

Source: Banking Institutions, 2019

Lending Rates

During the week under review, commercial bank weighted lending rates for individual clients increased by 0.43 percentage points to close at 9.51%. Weighted lending rates for corporate clients also increased from 7.37% to 8.49%, during the week ending 12th July 2019.

Table 2: Lending Rates

Date	Lending Rates (%) Commercial Banks (weighted)	
	Individuals	Corporate Clients
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
12-Jul-19	9.51	8.49

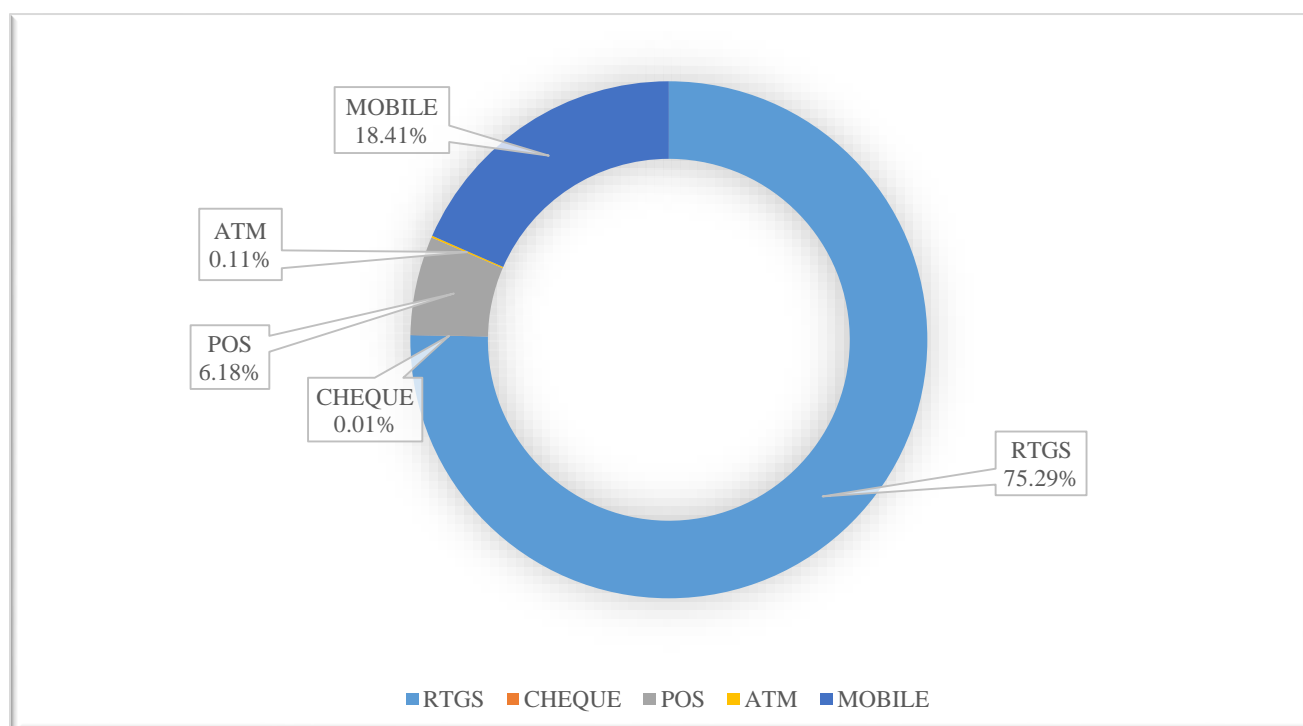
Source: Banking Institutions, 2019

2. CLEARING AND SETTLEMENT ACTIVITY

The total value of transactions processed through the National Payment System (NPS) increased from \$6.4 billion in the previous week to \$8.5 billion, during the week under analysis. Transactions processed through the Real Time Gross Settlement (RTGS) system increased by 46.69%, in value, to close at \$6.4 billion in the same week.

NPS transaction values were distributed as follows: RTGS, 75.29%; Mobile, 18.41%; Point of Sale (POS), 6.18%; Automated Teller Machine (ATMs), 0.11%; and Cheque, 0.01%, as shown in Figure 1.

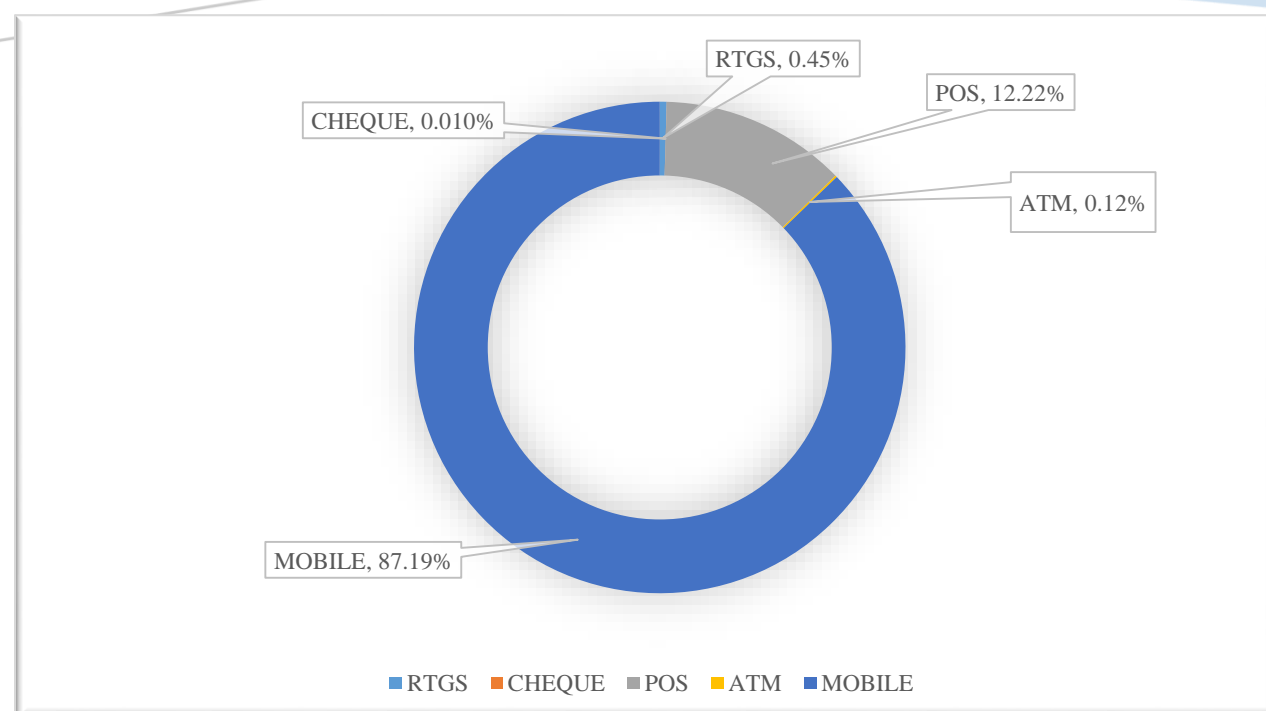
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2019

The total volume of transactions processed through the NPS increased by 4.58% to 42.28 million transactions, during the week under review. This compares with 40.43 million transactions recorded during the week ending 5th July 2019. Mobile based transactions dominated NPS transaction volumes, accounting for 87.19%; POS, 12.22%; RTGS, 0.45%; ATM, 0.12%; 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 5 th JULY 2019	WEEK ENDING 12 th JULY 2019	% CHANGE FROM LAST WEEK	PERCENTAGE OF TOTAL
	VALUES IN \$ (millions)			
RTGS	4,344.53	6,372.89	46.69%	75.29%
CHEQUE	0.82	0.87	6.08%	0.01%
POS	568.07	523.53	-7.84%	6.18%
ATM	15.39	8.90	-42.18%	0.11%
MOBILE	1,530.15	1,558.44	1.85%	18.41%
TOTAL	6,458.97	8,464.63	31.05%	100%
	VOLUMES			
RTGS	233,635	191,554	-18.01%	0.45%
CHEQUE	3,043	3,245	6.64%	0.01%
POS	5,057,989	5,167,967	2.17%	12.22%
ATM	39,460	51,822	31.33%	0.12%
MOBILE	35,099,237	36,869,440	5.04%	87.19%
TOTAL	40,433,364	42,284,028	4.58%	100%

Source: Reserve Bank of Zimbabwe, 2019.

3. TOBACCO SALES

The weekly cumulative quantity of tobacco sold by the end of the 79th day of the 2019 tobacco selling season stood at 226.28 million kilograms, down from 234 million kilograms sold during the same period in 2018. The value of tobacco sold registered a 35.2% decrease to \$442.25 million, from \$682.58 million realized during the corresponding period in 2018.

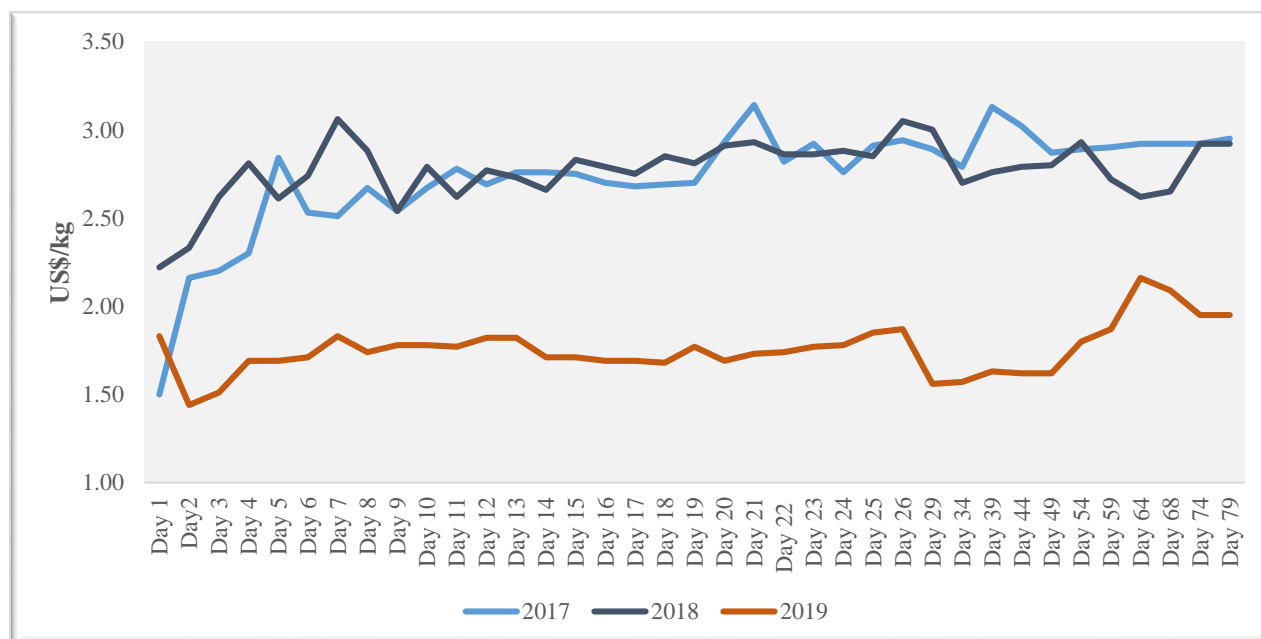
Table 4: Weekly Cumulative Tobacco Sales: Day 79 (12th July 2019)

	2018	2019	Variance (%)
Cumulative Quantity Sold (million kgs)	226.28	234.00	(3.3)
Cumulative Average Price(US\$/kg)	2.92	1.95	(33)
Cumulative value (US\$ million)	442.25	682.58	(35.2)

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

The average selling price for the golden leaf stood at US\$1.95/kg, reflecting a 33% decline from 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

During the week ending 12th July 2019, the weekly average international commodity prices of gold, nickel and crude oil firmed. Platinum and copper 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 (1-5 July)	1,403.61	840.90	5,916.68	12,235.00	63.77
8-Jul	1,402.50	832.00	5,859.25	12,661.00	64.07
9-Jul	1,389.73	812.00	5,807.50	12,686.50	64.77
10-Jul	1,401.88	808.50	5,951.50	12,943.00	67.11
11-Jul	1,418.43	808.50	5,928.50	13,053.00	67.02
12-Jul	1,406.60	818.00	5,951.75	13,504.50	66.54
weekly average (8-12July)	1,403.83	815.80	5,899.70	12,969.60	65.90
Weekly Change (%)	<i>0.02</i>	<i>(3.0)</i>	<i>(0.3)</i>	<i>6.0</i>	<i>3.3</i>

Source: BBC, KITCO and Bloomberg, 2019

Gold

The price of the yellow metal firmed by 0.02%, from an average of US\$1,403.61/oz in the previous week to US\$1,403.83/oz, during the week under review. This was mainly on account of stronger inflation expectations in the US, which diminished the prospects of an interest rate reduction by the Federal Reserve.

Platinum

Platinum prices declined by 3%, from a weekly average of US\$840.90/oz in the week ending 5th July 2019 to US\$815.80/oz, in the week under analysis. Subdued investment demand for the industrial metal, against accommodative global supply conditions, weighed down the prices.

Copper

Copper prices fell by 0.3%, from US\$5,916.68/tonne in the previous week to US\$5,899.70/tonne, during the week under review. This was on account of slowing demand, owing to the on-going trade dispute between the US and China.

Nickel

Nickel prices rose by 6%, from US\$12,235.00/tonne recorded in the previous week, to US\$12,969.60/tonne in the week under analysis. This was driven by industrial consumers' speculative tendencies, as concerns of constrained supply in the future increased.

Crude Oil

Crude oil prices rose by 3.3%, from a weekly average of US\$63.77/barrel in the previous week to US\$65.90/barrel, during the week under review. 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

During the week under analysis, the ZWL depreciated against the rand, pula, US dollar, pound Sterling and euro, as shown in Table 6.

Table 6: International Exchange Rates¹

	USD	ZAR	GBP	BWP	EURO
2019					
Weekly Average (1-5 July)	6.1322	0.4197	7.7232	0.5667	7.2745
8-Jul	8.6840	0.6116	10.8801	0.8136	9.7513
9-Jul	8.6176	0.6067	10.7810	0.8083	9.6650
10-Jul	8.6747	0.6113	10.8069	0.8136	9.7221
11-Jul	8.7120	0.6255	10.9170	0.8198	9.8215
12-Jul	8.7462	0.6280	10.9725	0.8274	9.8600
Weekly Average (8-12 July)	8.6869	0.6166	10.8715	0.8165	9.7640
Appr(-)/Depr(+) (%) of the ZWL	41.66	46.92	40.76	44.08	34.22

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

The week ending 12th July 2019 saw positive trading on the Zimbabwe Stock Exchange (ZSE). Resultantly, the All Share and Top 10 Indices gained 1.28 points and 2.37 points to close at 189.98 points and 180.94 points, respectively.

The industrial index closed the week under review at 633.92 points, a 0.69% increase from 629.60 registered in the previous week. This emanated from share price gains at Powerspeed Electrical Limited (20.00%), Old Mutual Zimbabwe (10.59%), Seed Co Limited (6.63%), Econet Wireless Zimbabwe Limited (5.88%) and Cafca Limited (2.00%). Partially offsetting the gains were losses in Zimre Holdings Limited (26.38%), Truworths Limited (19.92%), First Mutual Properties Limited (19.23%), Dawn Properties Limited (17.36%) and Star Africa Corporation Limited (14.42%).

The mining index increased by 0.47 percentage points, to close the week under review at 248.97 points. This followed a 0.27% share price gain at Riozim Limited. Bindura Nickel Corporation traded at the previous week price level.

Table 7: Zimbabwe Stock Exchange Statistics

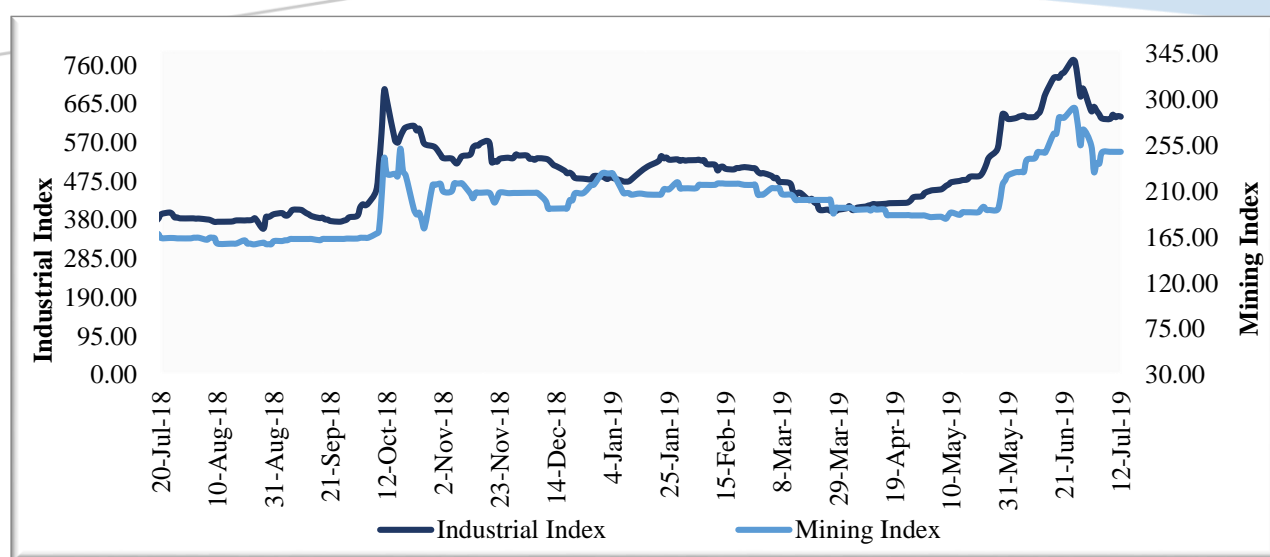
	All Share Index ² (points)	Top 10 index ³ (points)	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$ million)	Market Turnover (US\$ million)	Volume of Shares (million)
14-June-19	203.79	201.69	690.67	248.51	27,473	36.22	31.86
21-June-19	222.73	217.73	743.60	282.64	29,589	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
12-July-19	189.98	180.94	633.92	248.97	25,062	39.99	30.49
Weekly Change (%)	0.68	1.33	0.69	0.19	1.17	-17.34	-35.85

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

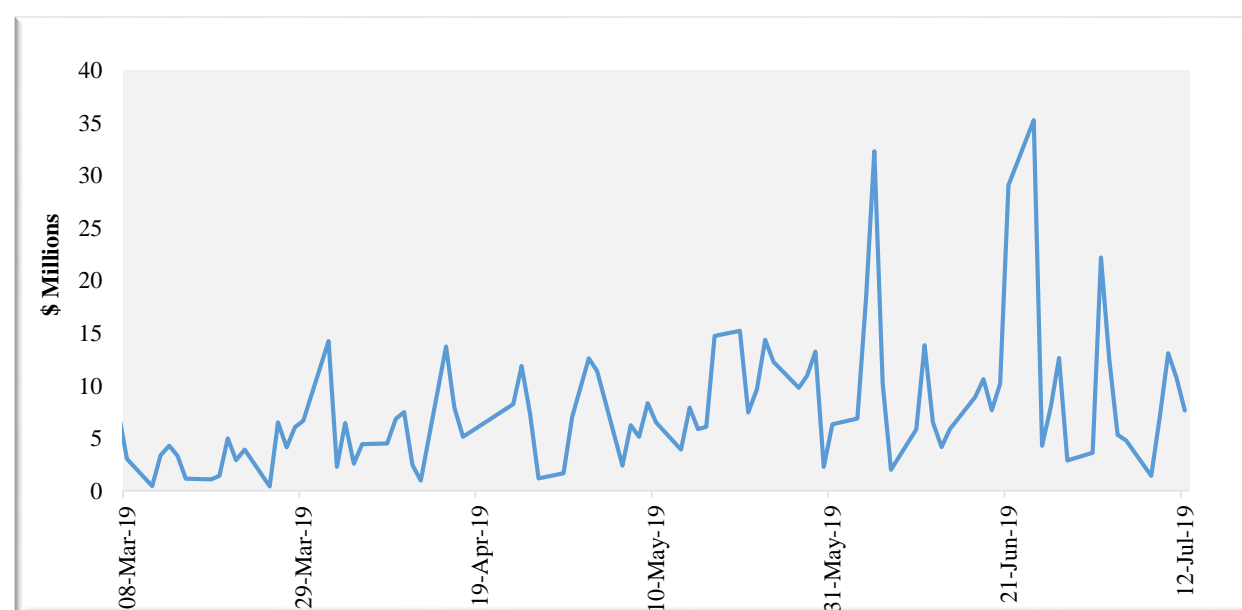


Source: Zimbabwe Stock Exchange, 2019

Market Turnover and Volume

The volume of shares traded on the ZSE declined by 35.85%, to close the week under review at \$30.50 million shares. Similarly, ZSE market turnover value decreased from \$48.38 million in the previous week to \$39.99 million.

Figure 5: Daily Market Turnover

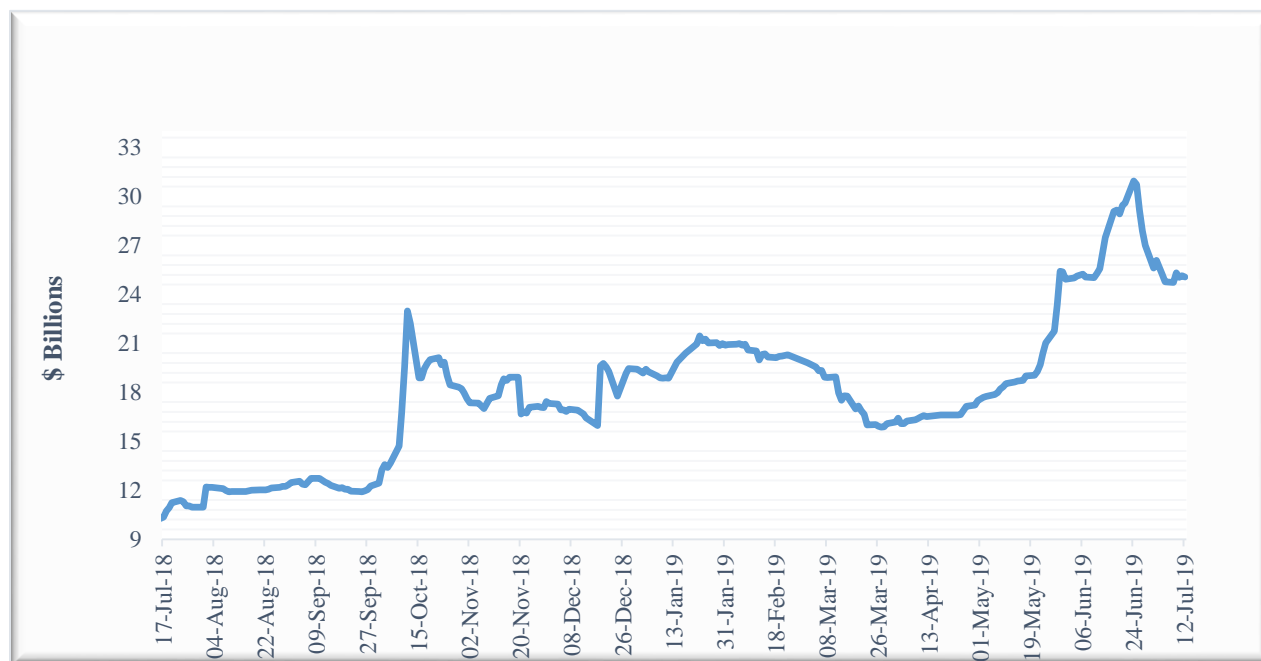


Source: Zimbabwe Stock Exchange, 2019

Market Capitalization

In line with the positive trading developments on the local bourse, market capitalization rose by \$289.10 million, to close the week under review at \$25.06 billion.

Figure 6: Daily Market Capitalization



Source: Zimbabwe Stock Exchange, 2019

Johannesburg Stock Exchange (JSE) Developments

The JSE All Share index shed-off 0.54%, from 57,589.82 points in the previous week to 57,277.35 points, during week ending 12th July 2019. In tandem, JSE market capitalization decreased from R16.34 billion in the previous week to R16.09 billion, during the week under analysis.

Table 7: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalization (ZAR billion)
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
12-Jul-19	57,277.35	16.09
% Change	-0.54	-1.53

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

19TH JULY 2019