



# Weekly Economic Highlights

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Week Ending  
21 JUNE 2019

## 1. INTEREST RATES

### Deposit Rates

During the week ending 21<sup>st</sup> June 2019, average deposit rates for savings deposits remained unchanged at 3.91%. Deposit rates for deposits of 1 month and 3 month tenors, however, increased to 4.06% and 4.27%, respectively, as shown in Table 1.

**Table 1: Average Deposit Rates (per annum)**

Date	Savings Deposits (%)	1-Month Deposit (%)	3-Month Deposit (%)
24-May-19	4.16	4.10	4.24
31-May-19	4.16	4.10	4.24
7-Jun-19	3.91	4.00	4.24
14-Jun-19	3.91	4.00	4.21
21-Jun-19	3.91	<b>4.06</b>	<b>4.27</b>

Source: Banking Institutions, 2019

### Lending Rates

Weighted commercial bank lending rates for individual clients decreased by 0.04 percentage points, to close the week under review at 9.18%. Similarly, lending rates for corporate clients declined from 7.24% to 7.21%, during the same week.

**Table 2: Lending Rates**

Date	Lending Rates <sup>1</sup> (%)	
	Commercial Banks (weighted)	
	Individuals	Corporate clients
24-May-19	9.28	7.27
31-May-19	9.31	7.33
7-Jun-19	9.23	7.27
14-Jun-19	9.22	7.24
21-Jun-19	<b>9.18</b>	<b>7.21</b>

Source: Banking Institutions, 2019

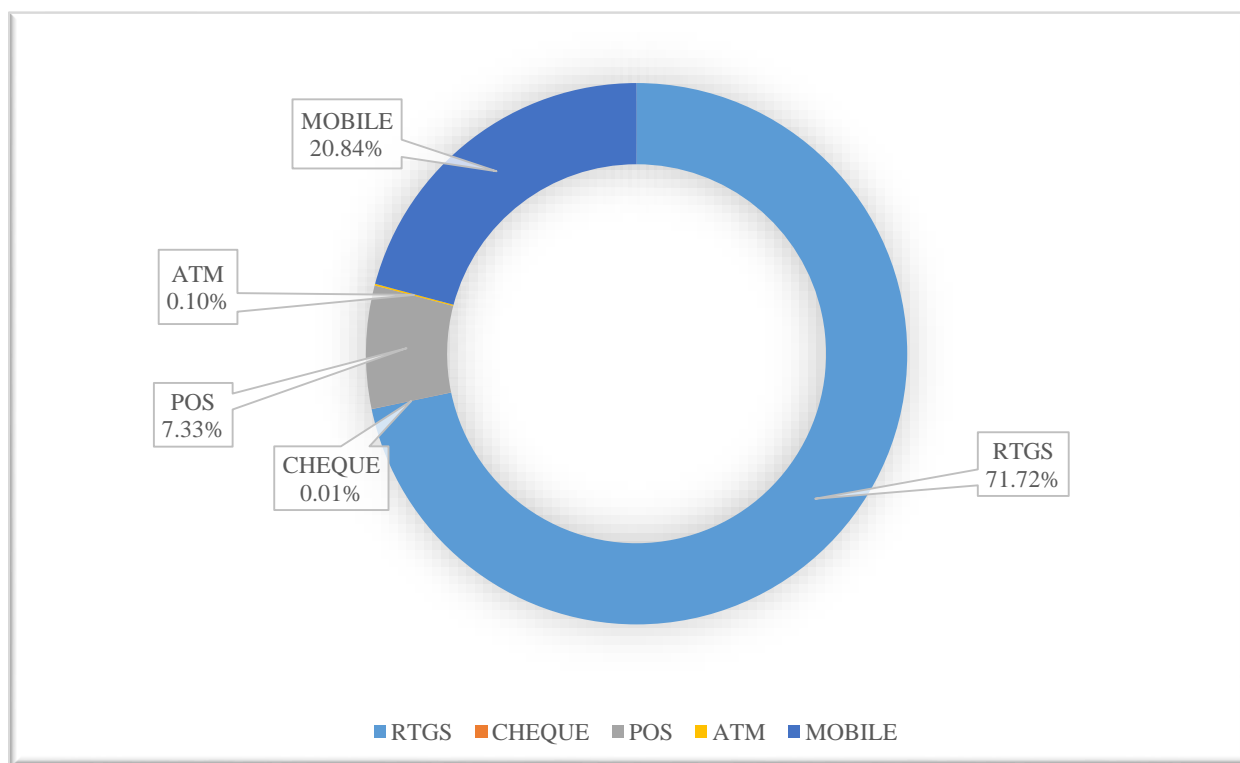
<sup>1</sup> Minimum weighted lending rates offered by commercial banks.

## 2. CLEARING AND SETTLEMENT ACTIVITY

The total value of transactions processed through the National Payment System (NPS) increased by 13.56% to US\$6.3 billion, from USD\$5.6 billion registered in the previous week. The increase was largely attributable to the rise in Real Time Gross Settlement (RTGS) transactions, from \$3.8 billion in the previous week to US\$4.5 billion, during the week under analysis.

The NPS transactions values were distributed as follows: RTGS 71.72%; Mobile 20.48%; Point of Sale (POS), 7.33% Automated Teller Machine (ATM), 0.10% and Cheque, 0.01%, as shown in Figure 1.

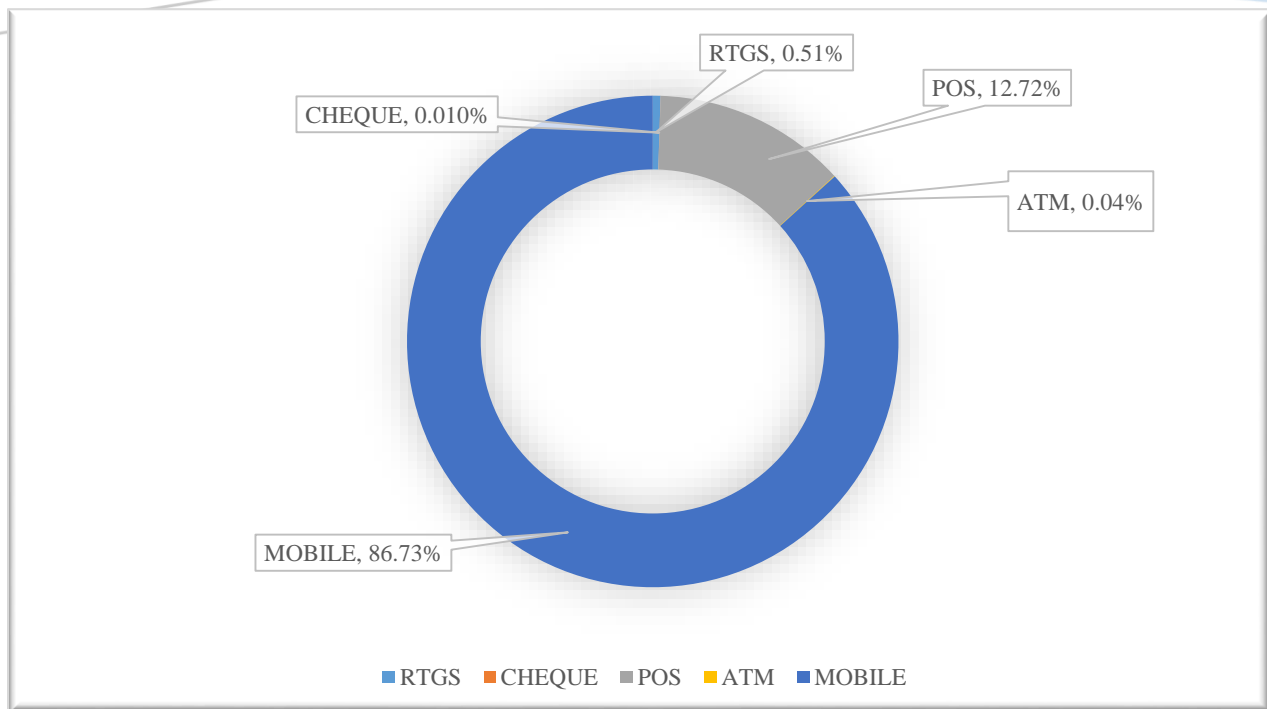
**Figure 1: Composition of NPS Transactions in Value Terms**



*Source: Reserve Bank of Zimbabwe, 2019*

Transaction volumes processed through the NPS stood at 37.9 million, during the week under review, down from 38.5 million transactions recorded in the previous week. The transaction volumes were distributed as follows: Mobile, 86.73%; POS, 12.72%; RTGS 0.51%; 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 14 <sup>th</sup> June 2019	WEEK ENDING 21 <sup>st</sup> June 2019	Weekly % Change	PERCENTAGE OF TOTAL(%)
<b>VALUES IN \$ (Millions)</b>				
<b>RTGS</b>	38,178.22	45,416.21	18.96	71.72
<b>CHEQUE</b>	10.71	9.06	-15.36	0.01
<b>POS</b>	4,941.95	4,639.25	-6.13	7.33
<b>ATM</b>	56.27	60.19	6.96	0.10
<b>MOBILE</b>	12,578.39	13,199.87	4.94	20.84
<b>TOTAL</b>	<b>55,765.54</b>	<b>63,324.58</b>	<b>13.56</b>	<b>100</b>
<b>VOLUMES</b>				
<b>RTGS</b>	148,752	193,396	30.01	0.51
<b>CHEQUE</b>	3,821	3,178	-16.83	0.01
<b>POS</b>	5,306,331	4,826,980	-9.03	12.72
<b>ATM</b>	14,889	13,584	-8.76	0.04
<b>MOBILE</b>	33,067,138	32,923,536	-0.43	86.73
<b>TOTAL</b>	<b>38,540,931</b>	<b>37,960,674</b>	<b>-1.51</b>	<b>100</b>

Source: Reserve Bank of Zimbabwe, 2019.

### 3. TOBACCO SALES

As at 21<sup>st</sup> June 2019 or day 64 of the 2019 tobacco selling season, a cumulative total of 272,243 kilograms of tobacco had been sold. This reflected a 20.4% decline, compared to the 341,834 kilograms sold during the same period in 2018. Cumulative tobacco sales amounted to US\$0.59 million, down from US\$0.9 million realized during the corresponding period in 2018.

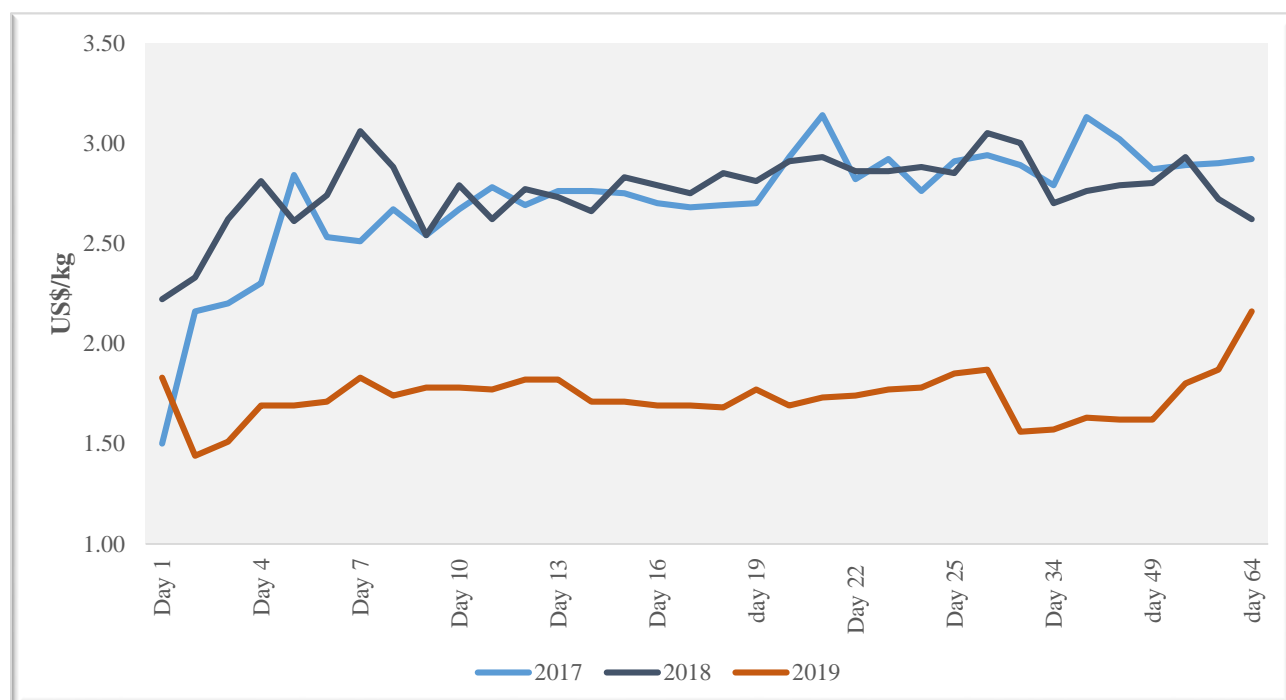
**Table 4: Weekly Cumulative Tobacco Sales: Day 64 (21<sup>st</sup> June 2019)**

	2018	2019	Variance (%)
<b>Cumulative Quantity Sold (kgs)</b>	341,834	272,243	(20.4)
<b>Cumulative Average Price(US\$/kg)</b>	2.62	2.16	(17.6)
<b>Cumulative value (US\$)</b>	896,628	588,172	(34.4)

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

The golden leaf was sold at an average price of US\$2.16/kg, during the week under review, compared to US\$2.62/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 commodity prices of copper, gold, nickel and crude oil firmed, during the week under analysis. Platinum prices, however, declined, 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 (10-14 June)</b>	<b>1,334.88</b>	<b>808.80</b>	<b>5,834.61</b>	<b>11,738.00</b>	<b>61.65</b>
<b>17-Jun</b>	1,337.25	797	5,823.00	11,875.00	60.76
<b>18-Jun</b>	1,342.95	799.5	5,930.00	11,861.00	62.25
<b>19-Jun</b>	1,343.23	801.5	5,875.00	12,041.00	62.79
<b>20-Jun</b>	1,380.58	815	5,957.50	12,244.75	64.23
<b>21-Jun</b>	1,392.75	804	5,994.00	12,033.50	65.46
<b>Weekly average (17-21 June)</b>	<b>1,359.35</b>	<b>803.40</b>	<b>5,915.90</b>	<b>12,011.05</b>	<b>63.10</b>
<b>Weekly Change (%)</b>	<i>1.8</i>	<i>-0.7</i>	<i>1.4</i>	<i>2.3</i>	<i>2.3</i>

Source: BBC, KITCO and Bloomberg, 2019

#### **Gold**

The US Federal Reserve is expected to announce a further reduction in interest rates, a move which boosted the appeal for gold, as a safe haven investment asset. Resultantly, gold prices surged by 1.8%, from an average of US\$1,334.88/oz in the previous week to US\$1,359.35 /oz, during the week under review.

#### **Platinum**

Platinum prices declined by 0.7%, from US\$808.80/oz. recorded in the previous week to US\$803.40/oz, during the week ending 21<sup>st</sup> June 2019. Prices continued to be weighed down by slowing global demand, particularly from the automotive industries and jewellery market.

#### **Copper**

Copper prices increased by 1.4%, from US\$5,834.61/tonne recorded in the previous week to 5,915.900.63/tonne, during the week under analysis. Prices increased due to anticipated positive outcomes from the US-China trade talks.

## Nickel

Mining disruptions in Indonesia, one of the largest nickel producers, exerted downward pressure on the price of the metal. Consequently, prices rose by 2.3%, from a weekly average of US\$11,738.00/ton in the previous week to US\$12,011.05 /ton, during the week under review.

## Crude Oil

Crude oil prices registered a 2.3% rise, from US\$61.65/barrel in the previous week to US\$63.10/barrel, during the week under review. The increase was supported by falling Iranian exports and the decision against an immediate production increase by OPEC and Saudi Arabia, to fill in the gap.

## EXCHANGE RATES

The ZWL depreciated against the euro, rand, pula, US dollar, and pound Sterling, during the week ending 21<sup>st</sup> June 2019, as shown in Table 6.

**Table 6: International Exchange Rates per ZWL<sup>2</sup>**

	USD	ZAR	GBP	BWP	EURO
<b>2019</b>					
<b>Weekly Average (10-14 June)</b>	<b>5.8648</b>	<b>0.3954</b>	<b>7.4476</b>	<b>0.539</b>	<b>6.5564</b>
<b>17-Jun</b>	6.0816	0.411	7.6597	0.5619	8.3781
<b>18-Jun</b>	6.1222	0.4138	7.6753	0.5629	6.88
<b>19-Jun</b>	6.1452	0.4219	7.7165	0.569	6.8783
<b>20-Jun</b>	6.1796	0.4321	7.8413	0.5728	6.9616
<b>21-Jun</b>	6.2867	0.4389	7.9866	0.5878	7.1014
<b>Weekly Average (14-21 June)</b>	<b>6.1322</b>	<b>0.4197</b>	<b>7.7232</b>	<b>0.5667</b>	<b>7.2745</b>
<i>Appr(-)/Depr(+)</i> (%) of the ZWL	4.56	6.16	3.7	5.13	10.95

Source: Reserve Bank of Zimbabwe, 2019

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

## 5. EQUITY MARKETS

The Zimbabwe Stock Exchange (ZSE) continued on a bull run, during the week under review. Accordingly, the All Share and Top 10 indices gained 18.94 points and 16.04 points to close at 222.73 points and 217.73 points respectively, during the week under review.

The industrial index gained 52.93 points, from 690.67 points in the week ending 14<sup>th</sup> June 2019 to 743.60 points, during the week ending 21<sup>st</sup> June 2019. The increase was driven by share price gains at Seed Co. International Limited (34.82%), Dairboard Holdings Limited (33.33%), FBC Holdings Limited (25.37%), Star Africa Corporation Limited (25.00%) and Mashonaland Holdings Limited (25.00%).

Similarly, the mining index registered a 34.13 point increase to close the week under review at 282.64 points. The increase was driven by share price gains at Bindura Nickel Corporation and Riozim Limited of 18.18% and 11.81%, respectively.

**Table 7: Zimbabwe Stock Exchange Statistics**

	All Share Index <sup>3</sup> (points)	Top 10 index <sup>4</sup> (points)	Industrial Index (points)	Mining Index (points)	Grand Market Cap (US\$ million)	Market Turnover (US\$ million)	Volume of Shares (million)
<b>17-May-19</b>	145.65	137.50	486.76	189.63	19,011	38.53	78.84
<b>24-May-19</b>	159.74	152.73	534.24	191.87	21,030	59.01	45.87
<b>31-May-19</b>	188.06	182.99	628.41	225.81	24,920	42.63	32.09
<b>7-June-19</b>	189.60	181.73	632.94	241.02	25,070	69.70	73.86
<b>14-June-19</b>	203.79	201.69	690.67	248.51	27,473	36.22	31.86
<b>21-June-19</b>	222.73	217.73	743.60	282.64	29,589	93.75	66.52
<b>Weekly Change (%)</b>	<b>9.29</b>	<b>7.95</b>	<b>7.66</b>	<b>34.13</b>	<b>7.70</b>	<b>158.87</b>	<b>108.78</b>

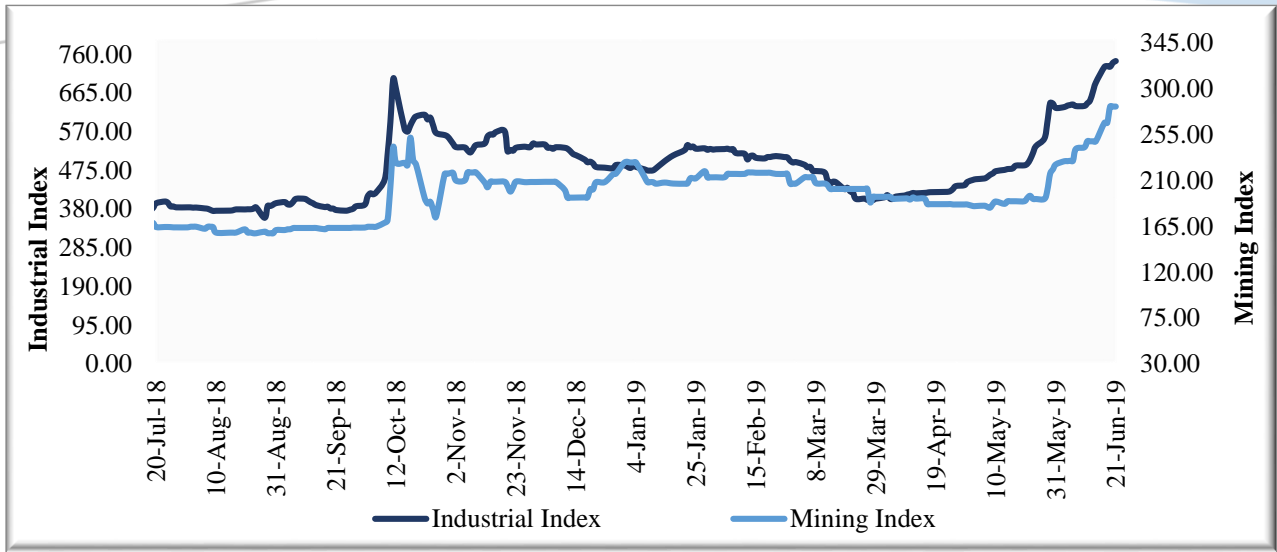
Source: Zimbabwe Stock Exchange (ZSE), 2019

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

<sup>4</sup> The Index is calculated using the market capitalisation method.



**Figure 4: Zimbabwe Stock Exchange Indices**

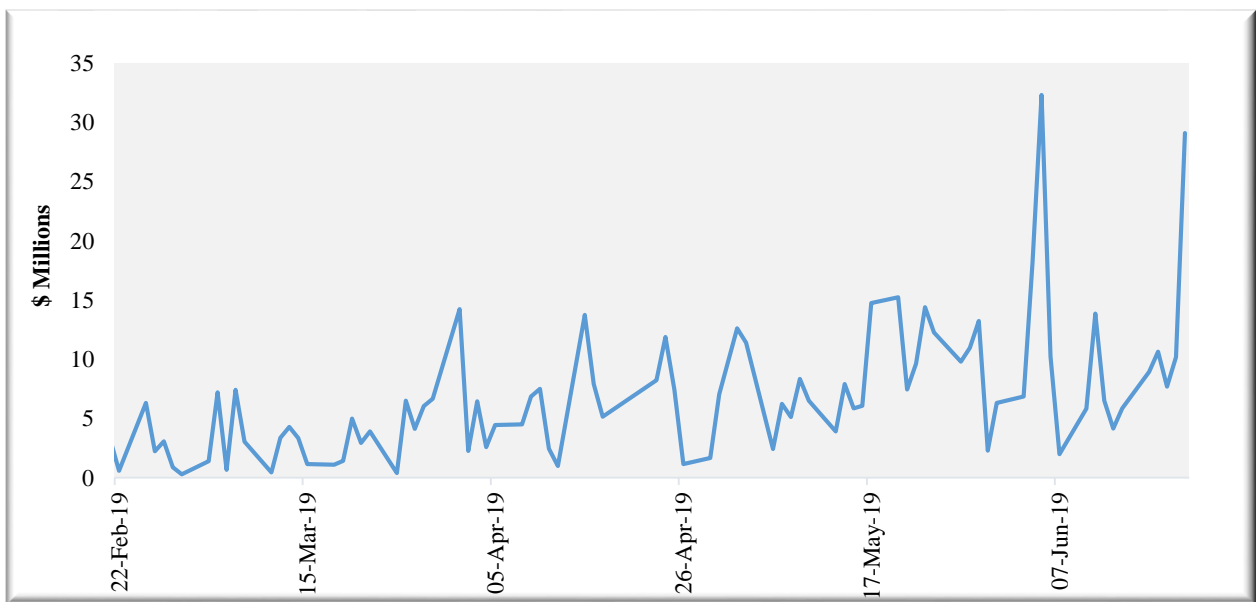


Source: Zimbabwe Stock Exchange, 2019

### Market Turnover and Volume

The volume of shares traded on the local bourse stood at 93.75 million shares, during the week under review, representing a 108.78% increase from 31.86 million shares traded during the week ending 14<sup>th</sup> June 2019. ZSE market turnover value also increased by 158.87% to \$66.52 million, during the week under review.

**Figure 5: Daily Market Turnover**

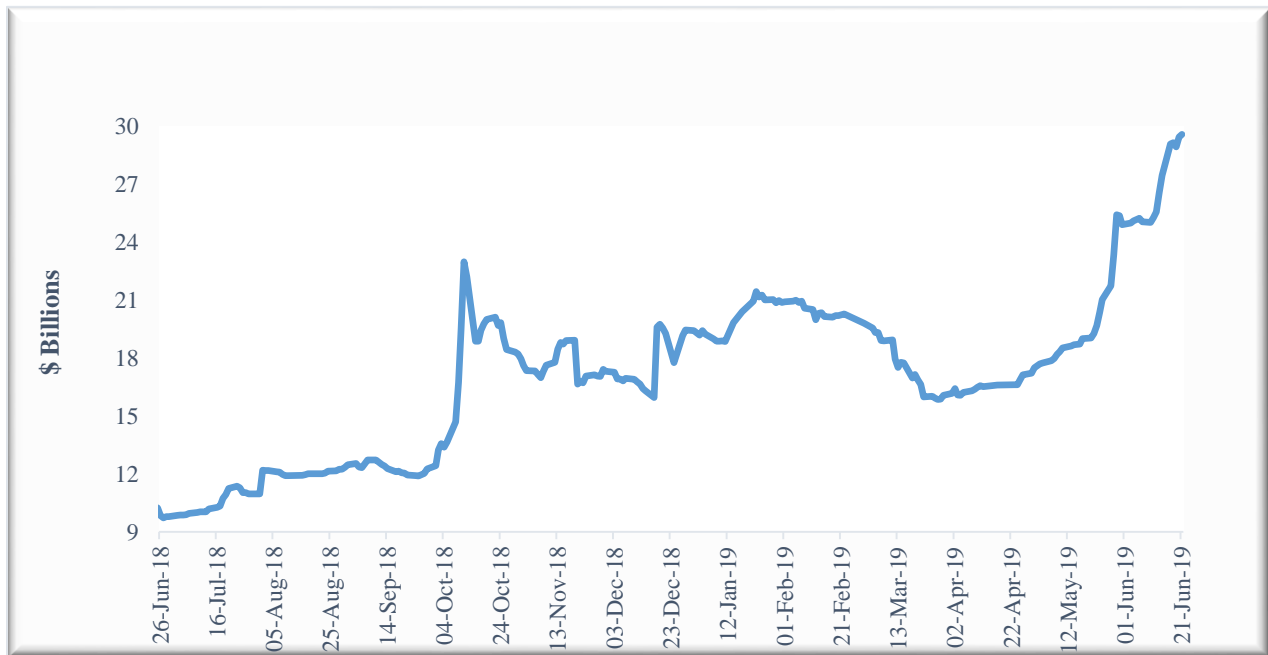


Source: Zimbabwe Stock Exchange, 2019

## Market Capitalization

The ZSE gained 7.70% worth of market capitalisation, to close the week under review at \$29.59 billion

**Figure 6: Daily Market Capitalization**



Source: Zimbabwe Stock Exchange, 2019

## Johannesburg Stock Exchange (JSE) Developments

During the week ending 21<sup>st</sup> June 2019, the JSE All Share index registered a 1.28% increase to 58,941.47 points, from 58,193.78 points in the previous week. JSE market capitalization also increased from R16.36 billion in the previous week to R16.51 billion, during the week under review.

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

Period	All Share Index (points)	Market Capitalization (ZAR billion)
17-May-19	56,183.21	15.89
24-May 19	54,423.56	15.56
31-May 19	55,650.41	15.58
7-Jun 19	58,099.84	16.31
14-Jun 19	58,193.78	16.36
21-Jun 19	58,941.47	16.51
% Change	1.28	0.92

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**

**21<sup>ST</sup> JUNE 2019**