



Weekly Economic Highlights

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Week Ending
28 JUNE 2019

1. INTEREST RATES

Deposit Rates

As at the close of the week ending 28th June 2019, average interest rates for deposits of 1 month and 3 month tenors remained unchanged at 4.06% and 4.27%, respectively. Deposit rates for savings deposits were, however, quoted higher at 4.16%.

Table 1: Average Deposit Rates (per annum)

Date	Savings Deposits (%)	1-Month Deposit (%)	3-Month Deposit (%)
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	4.06	4.27
21-Jun-19	4.16	4.06	4.27

Source: Banking Institutions, 2019

Lending Rates

The weighted commercial bank lending rates for individual clients decreased from 9.18% in the previous week, to 9.15% in the week ending 28th June 2019. Lending rates for corporate clients, however, increased by 0.46 percentage points to close at 7.67%, during the same week.

Table 2: Lending Rates

Date	Lending Rates ¹ (%)	
	Commercial Banks (weighted)	
	Individuals	Corporate clients
31-May-19	9.31	7.33
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

Source: Banking Institutions, 2019

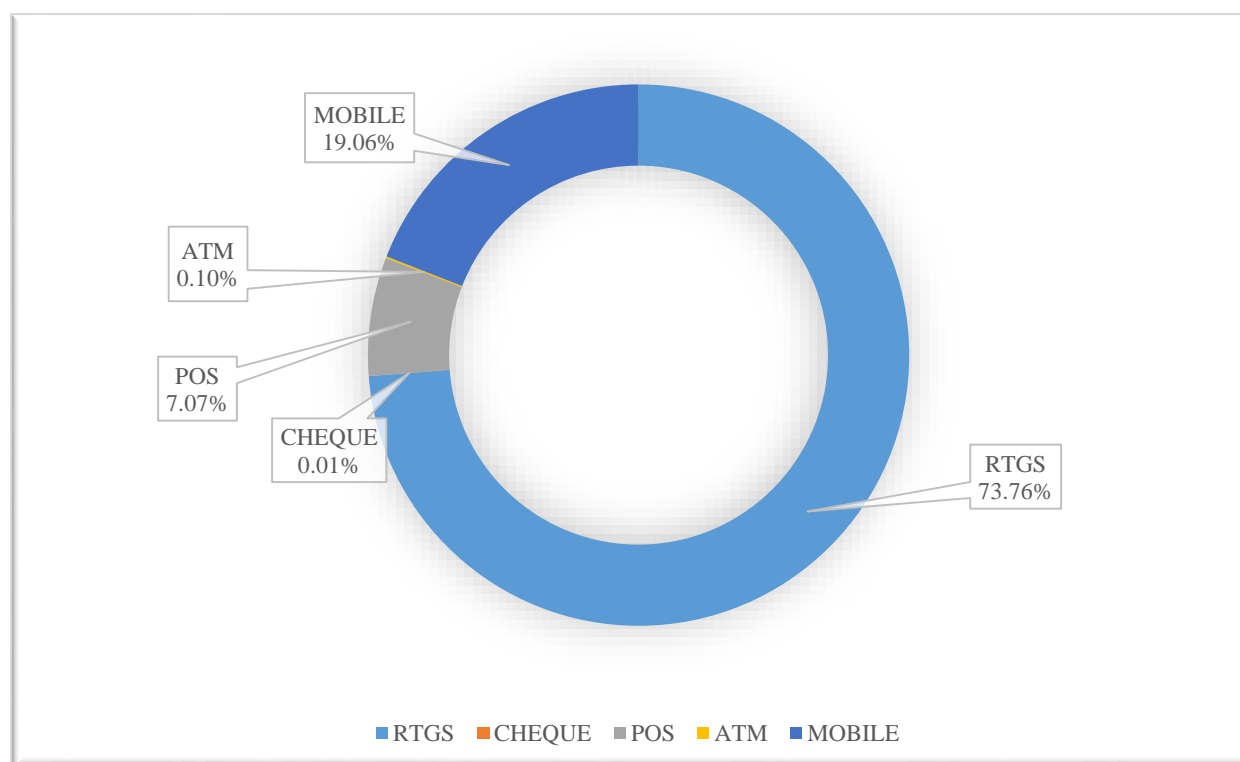
¹ Minimum weighted lending rates offered by commercial banks.

2. CLEARING AND SETTLEMENT ACTIVITY

During the week ending 28th June 2019, the total value of transactions processed through the National Payment System (NPS) increased by 10% to \$6.9 billion, from \$6.3 billion registered in the previous week. This was largely on account of an 11.26% increase in RTGS transactions, which closed the week under review at RTGS\$5,05 billion.

In value terms, NPS transactions were distributed as follows: RTGS, 73.76%; Mobile, 19.06%; Point of Sale (POS), 7.07%; Automated Teller Machine (ATM), 0.10%; cheque transactions, 0.01%, as illustrated in Figure 1.

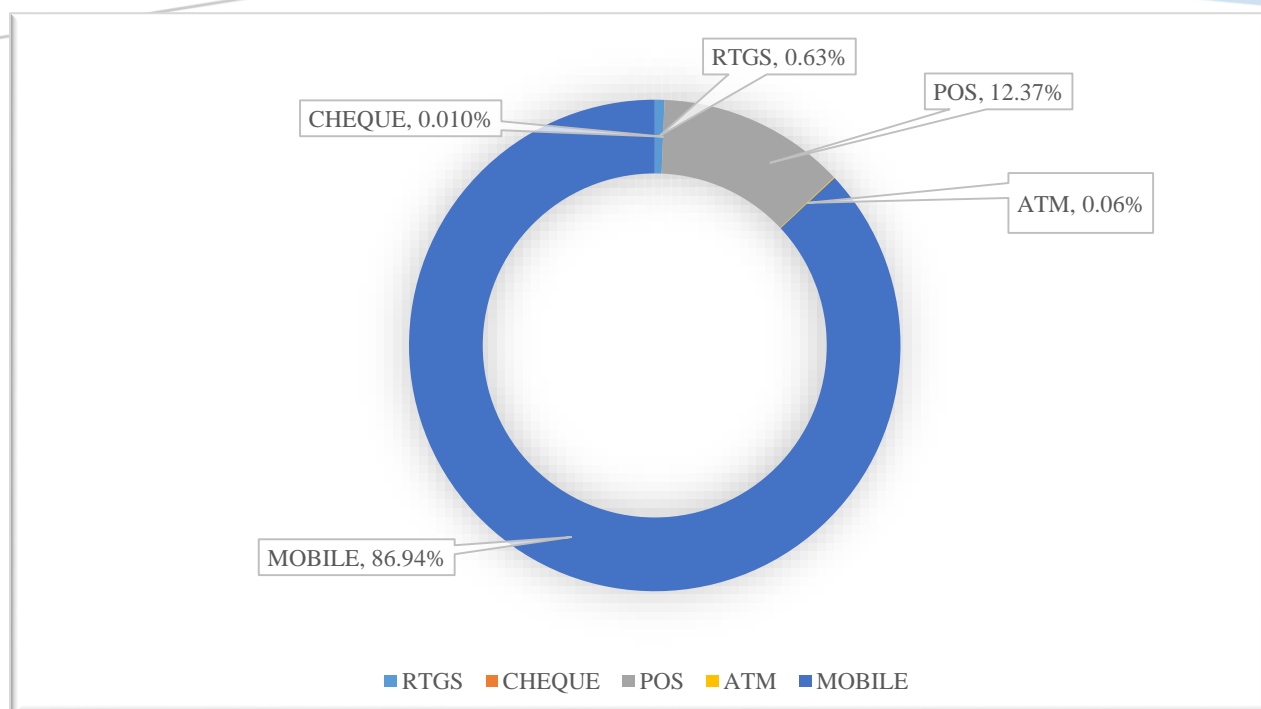
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2019

The week under review saw NPS transaction volumes decrease by 3.60% to 36,715,797 transactions. Small value Mobile transactions dominated the volumes of NPS transactions at 86.9%, while high value RTGS transactions which accounted for the largest share of NPS values, accounted for only 0.63% of transaction volumes. Volumes for other payment platforms were distributed as follows: POS, 12.37%; RTGS, 0.63%, ATM, 0.06%; 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	WEEK ENDING	Weekly % Change	PERCENTAGE OF TOTAL(%)
	21st June 2019	28th June 2019		
VALUES IN \$ (Millions)				
RTGS	4,541.62	5,053.14	11.26	73.76
CHEQUE	0.91	0.82	-9.81	0.01
POS	484.60	484.59	0.00	7.07
ATM	5.55	6.51	17.45	0.10
MOBILE	1,319.99	1,306.10	-1.05	19.06
TOTAL	6,352.66	6,851.16	7.85	100
VOLUMES				
RTGS	193,396	229,760	18.80	0.63
CHEQUE	3,178	2,918	-8.18	0.01
POS	4,949,090	4,541,451	-8.24	12.37
ATM	19,365	22,045	13.84	0.06
MOBILE	32,923,536	31,919,623	-3.05	86.94
TOTAL	38,088,565	36,715,797	-3.60	100

Source: Reserve Bank of Zimbabwe, 2019.

3. TOBACCO SALES

Weekly cumulative tobacco sales stood at 217,669 kgs as at 28th June 2019 or day 68 of the 2019 tobacco selling season. This compared unfavourably with the quantity of tobacco sold during the same period in 2018. The value of tobacco sold stood at US\$455.80 million, reflecting a 24.8% decline from the comparable period in 2018. Table 4 shows tobacco sales statistics.

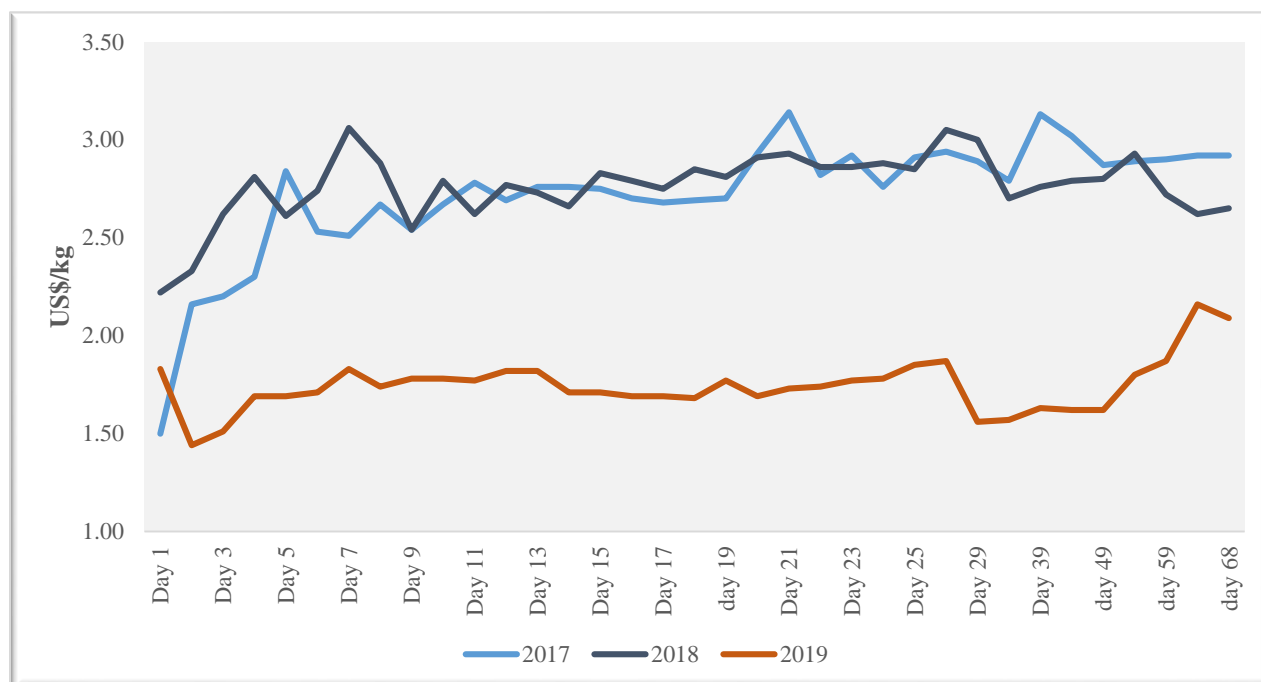
Table 4: Weekly Cumulative Tobacco Sales: Day 68 (28th June 2019)

	2018	2019	Variance (%)
Cumulative Quantity Sold (kgs)	228,758	217,669	(4.8)
Cumulative Average Price(US\$/kg)	2.65	2.09	(21.0)
Cumulative value (US\$ million)	606.09	455.80	(24.8)

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

The average price of the golden leaf at \$2.09/kg, was 21.0% lower compared to \$2.65 realised during the same period in 2018. Tobacco prices have remained subdued since the beginning of the tobacco selling season.

Figure 3: Average Tobacco Daily Price (US\$)



Source:TIMB and ZTA, 2019

4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

During the week ending 28th June 2019, the international commodity prices of gold, platinum, copper, nickel and crude oil firmed, as shown in Table 5.

Table 5: International Commodity Prices

	Gold	Platinum	Copper	Nickel	Crude Oil
2019	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
weekly average (17-21 June)	1,359.35	803.40	5,915.90	12,011.05	63.10
24-Jun	1,405.58	811.00	5,944.25	12,109.50	64.72
25-Jun	1,430.48	812.00	5,997.00	12,234.00	65.93
26-Jun	1,405.35	805.50	5,981.25	12,429.00	66.23
27-Jun	1,402.38	811.50	5,969.50	12,673.00	66.10
28-Jun	1,411.10	817.00	5,988.00	12,592.00	66.47
weekly average (21-28 June)	1,410.98	811.40	5,976.00	12,407.50	65.89
Weekly Change (%)	<i>3.8</i>	<i>1.0</i>	<i>1.0</i>	<i>3.3</i>	<i>4.4</i>

Source: BBC, KITCO and Bloomberg, 2019

Gold

Gold prices firmed by 3.8%, from a weekly average price of US\$1,359.35/oz in the previous week, to close at US\$1,410.98/oz during the week under review. This was on the back of rising anticipation of an interest rate cut by the Fed Res, which increased the appeal of gold as a safe haven asset.

Platinum

Platinum prices rose and closed the week under review at US\$811.40/oz, a 1% increase from 803.40/oz registered in the previous week. The increase in demand for platinum as a safe haven asset boosted prices.

Copper

The price of copper increased by 1.0%, to US\$5,976.00/tonne during the week ending 28th June 2019, from 5,915,90/tonne realized in the previous week. The gains were driven by high demand from China.

Nickel

Nickel prices rose by 3.3%, from a weekly average of US\$12,011.05/tonne in the previous week to US\$12,407.50 /ton, during the week under review. Prices continued to be supported by supply concerns, following mining disruptions in Indonesia.

Crude Oil

Brent crude oil prices increased by 2.7% to US\$51.32/barrel, during the week under analysis. This was largely attributed to a fall in U.S crude inventories, on the back of rising global demand.

EXCHANGE RATES

During the week ending 28th June 2019, the ZWL depreciated against the rand; pula; pound Sterling; US dollar; and euro, as shown in Table 6.

Table 6: International Exchange Rates per ZWL²

2019	USD	ZAR	GBP	BWP	EURO
Weekly Average (17-21 June)	6.1322	0.4197	7.7232	0.5667	7.2745
24-Jun	6.0816	0.4422	8.0630	0.5919	7.1960
25-Jun	6.1222	0.4393	8.0432	0.5904	7.1919
26-Jun	6.1452	0.4441	8.0688	0.5968	7.2350
27-Jun	6.1796	0.4595	8.2981	0.6115	7.4298
28-Jun	6.2867	0.4673	8.3906	0.6231	7.5245
Weekly Average (24-28 June)	6.4339	0.4505	8.1727	0.6027	7.3154
Appr(-)/Depr(+) (%) of the ZWL	4.92	7.34	5.82	6.35	0.56

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

The Zimbabwe Stock Exchange (ZSE) market was bearish during the week under review. Resultantly, the All Share and Top 10 indices declined by 5.41% and 6.49%, to close at 210.68 points and 203.61 points, respectively.

The industrial index closed the week ending 28th June 2019 at 702.83 points, a 5.48% decline from 743.60 points in the previous week. This was underpinned by share price gains at Dawn Properties Ltd, (44.05%); Edgars Stores Ltd, (20.00%); Powerspeed Electrical Ltd, (19.05%); Lafarge Cement Zimbabwe Ltd, (16.84); and First Mutual Holdings Ltd (16.67%).

The mining index declined by 4.13% to close the week under review at 270.97 points. This was underpinned by a 35.31% share price loss in Bindura Nickel Corporation (BNC). The losses were, however, partially offset by gains registered in Riozim Limited shares, 5.09%.

Table 7: Zimbabwe Stock Exchange Statistics

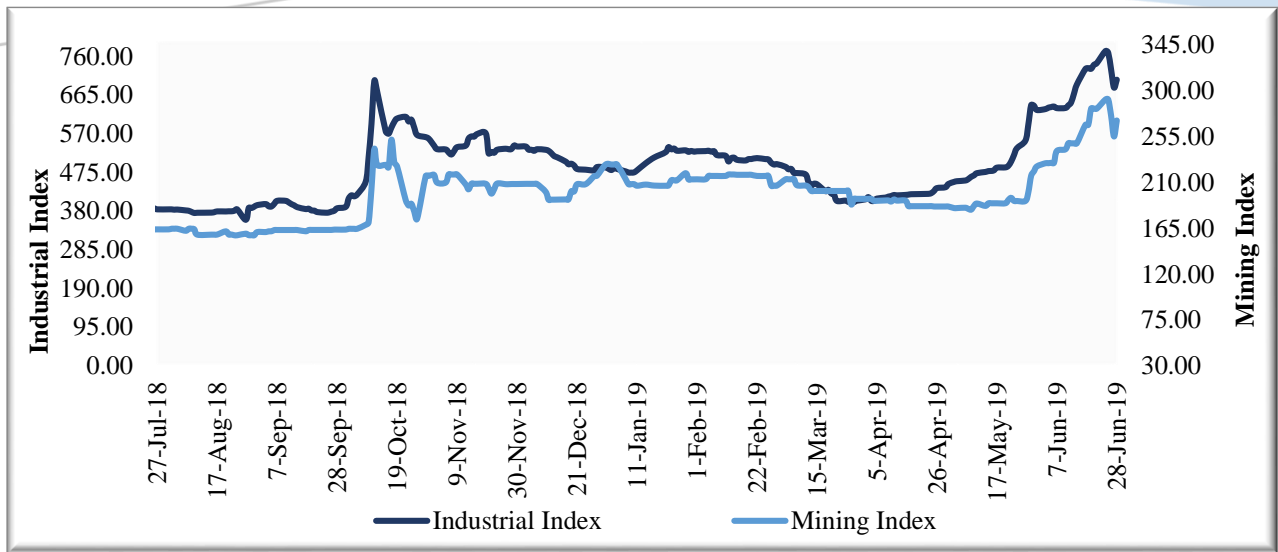
	All Share Index ³ (points)	Top 10 index ⁴ (points)	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$ million)	Market Turnover (US\$ million)	Volume of Shares (million)
31-May-19	188.06	182.99	628.41	225.81	24,920	42.63	32.09
7-June-19	189.60	181.73	632.94	241.02	25,070	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	210.68	203.61	702.83	270.97	27,017	63.05	93.67
Weekly Change (%)	-5.41	-6.49	-5.48	-4.13	-8.69	-32.75	40.82

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

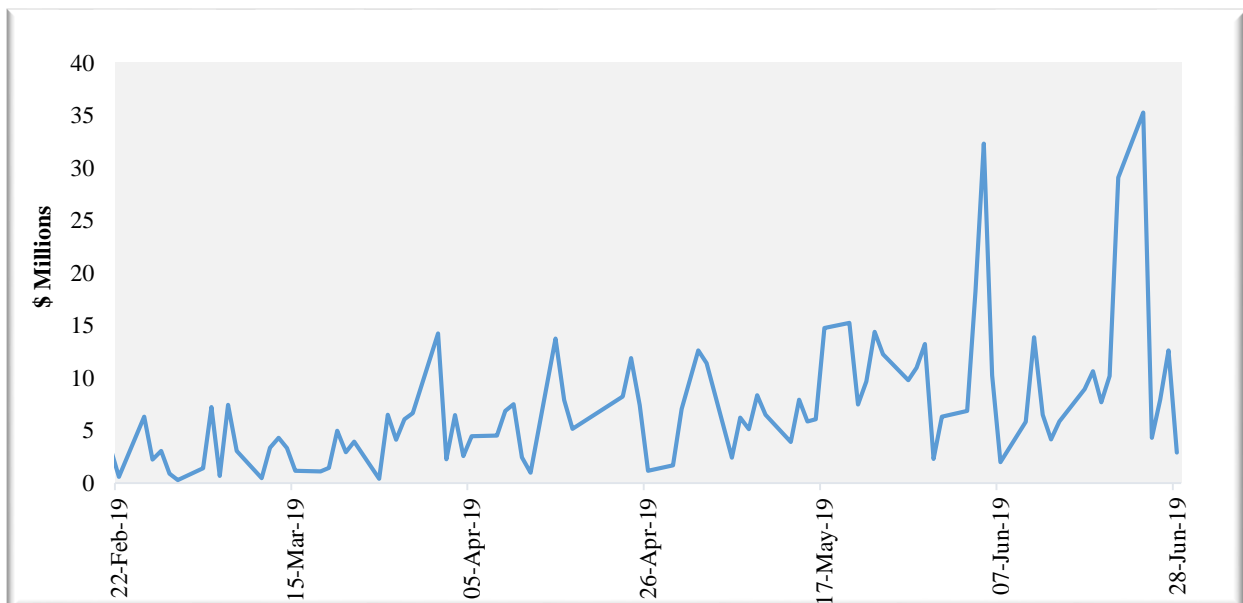


Source: Zimbabwe Stock Exchange, 2019

Market Turnover and Volume

Trading activity on the ZSE was concentrated in some selected mid-cap and low-tier counters, during the week under analysis. The volume of shares traded increased by 40.82% to 93.67 million shares. Market turnover value, however, registered a 32.75% decline, to close the week at \$63.05 million.

Figure 5: Daily Market Turnover

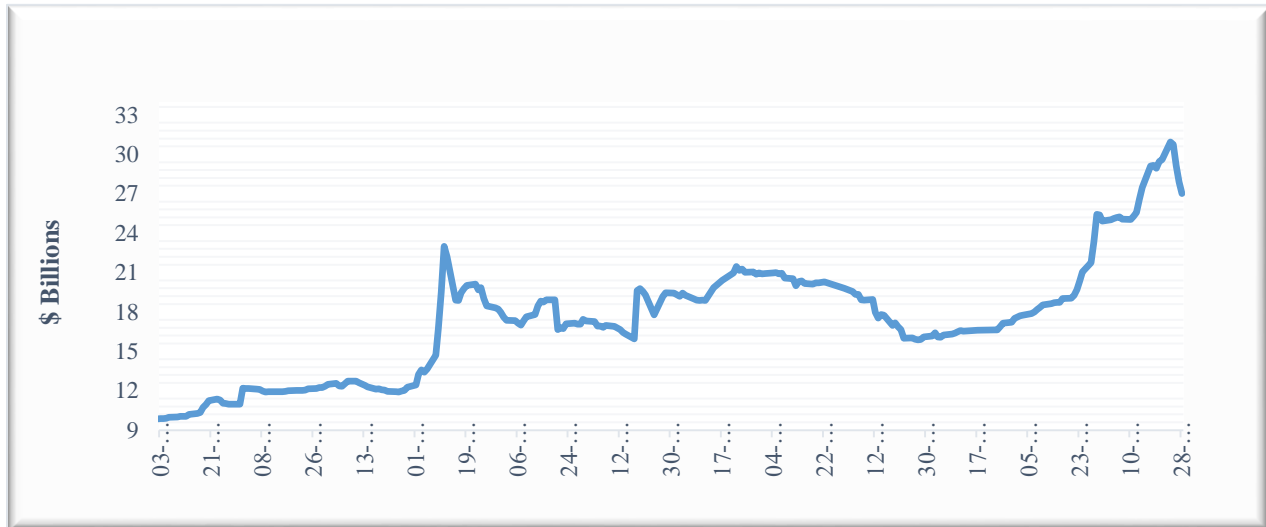


Source: Zimbabwe Stock Exchange, 2019

Market Capitalization

As a consequence of subdued trading activity, the local bourse shed \$2.57 billion or 8.69% worth of market capitalization to close at \$27.02 billion, during the week under review.

Figure 6: Daily Market Capitalization



Source: Zimbabwe Stock Exchange, 2019

Johannesburg Stock Exchange (JSE) Developments

The JSE All Share index decreased by 1.25%, from 58,941.47 points in the previous week to 58,203.84 points, during the week under review. In tandem, market capitalisation also declined to R16,24 billion, from R16.51 billion registered in the previous week.

Table 7: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalization (ZAR billion)
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
28-Jun 19	58,203.84	16.24
% Change	-1.25	-1.64

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

28TH JUNE 2019