



Weekly Economic Highlights

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Week Ending
7 JUNE 2019

1. INTEREST RATES

Deposit Rates

As at the close of the week ending 7th June 2019, average interest rates for deposits of 1 month tenor and savings deposits decreased to 4.00% and 3.91%, respectively. Deposit rates for deposits of 3 month tenor, however, remained unchanged.

Table 1: Average Deposit Rates (per annum)

Date	Savings Deposits (%)	1-Month Deposit (%)	3-Month Deposit (%)
10-May-19	4.16	3.90	4.17
17-May-19	4.16	3.90	4.17
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

Source: Banking Institutions, 2019

Lending Rates

Commercial bank weighted lending rates for individual clients declined to 9.23%, during the week under analysis, from 9.31% in the previous week. Similarly, weighted lending rates for corporate clients declined to 7.27%, from 7.33% recorded in the previous week.

Table 2: Lending Rates

Date	Lending Rates ¹ (%)	
	Commercial Banks (weighted)	
	Individuals	Corporate clients
10-May-19	9.32	7.31
17-May-19	9.32	7.31
24-May-19	9.28	7.27
31-May-19	9.31	7.33
7-Jun-19	9.23	7.27

Source: Banking Institutions, 2019

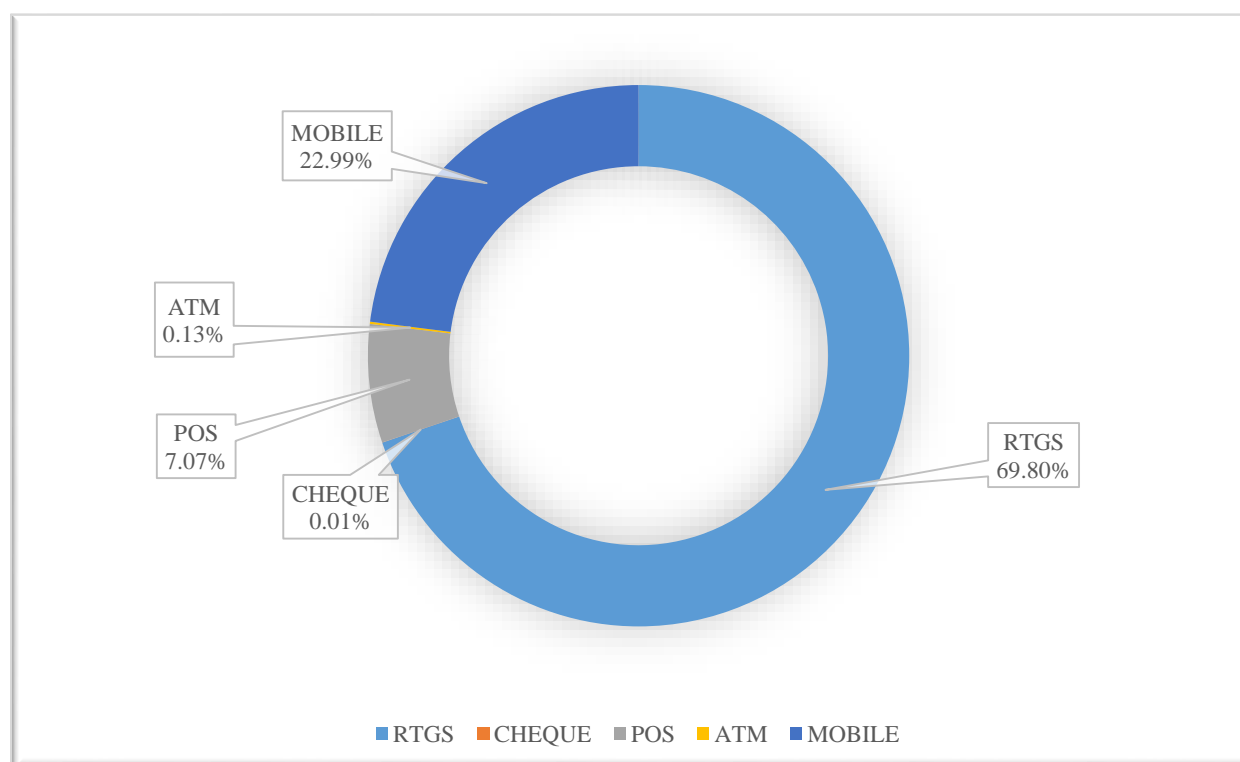
¹ Minimum weighted lending rates offered by commercial banks.

2. CLEARING AND SETTLEMENT ACTIVITY

The total value of transactions processed through the National Payment Systems (NPS) stood at \$6.4 billion, during the week ending 7th June 2019, from \$5.99 billion in the previous week. This followed a 7.21% increase in the value of transactions processed through the Real Time Gross Settlement (RTGS) system to \$4.47 billion.

The NPS transactions values were distributed as follows: RTGS 69.80%; Mobile, 22.99%; Point of Sale (POS), 7.07%, Automated Teller Machines (ATMs), 0.13% and Cheque, 0.01%, as shown in Table1.

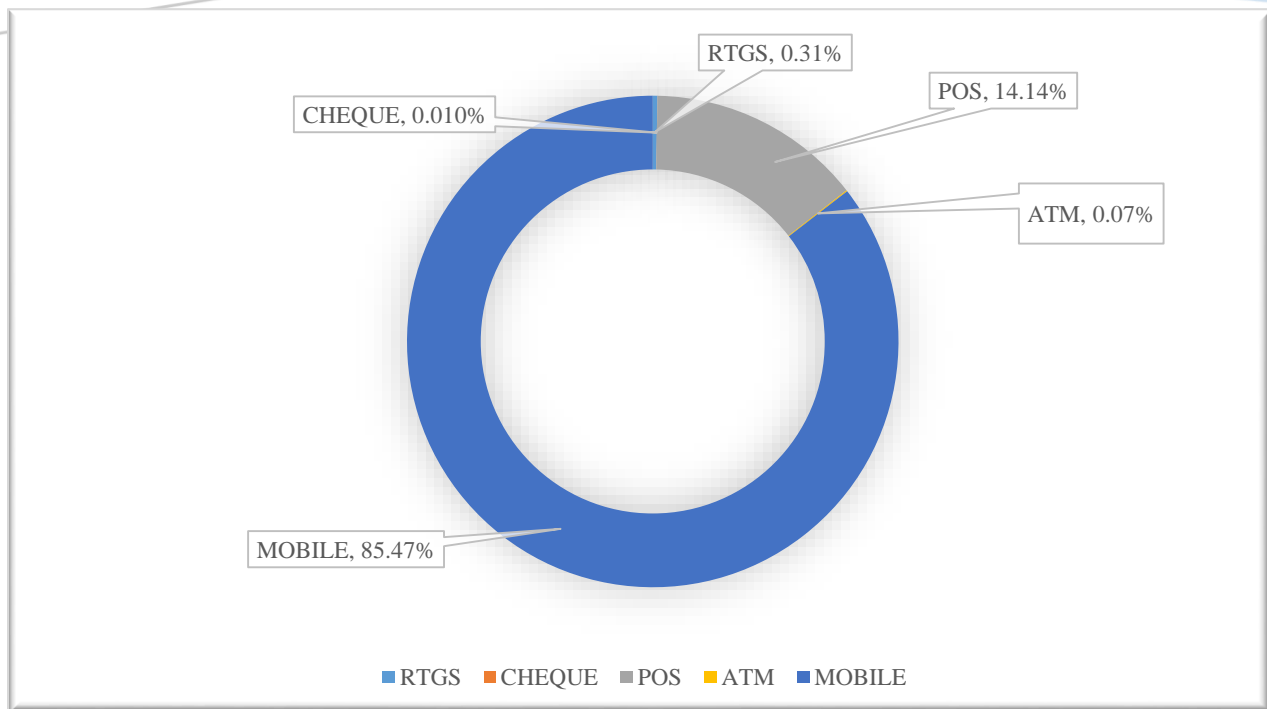
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2019

During the week under review, transaction volumes processed through the NPS amounted to 43.20 million, a 3.68% increase from 41.67 million transactions processed in the previous week. The distribution of NPS transaction volumes was as follows: Mobile, 85.47%; POS, 14.14%; RTGS, 0.31%; ATM, 0.07%; and cheque 0.01%.

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 24 th April 2019	WEEK ENDING 31 st May 2019	% CHANGE FROM LAST WEEK	PERCENTAGE OF TOTAL
VALUES IN \$ (Millions)				
RTGS	4,168.29	4,468.62	7.21%	69.80%
CHEQUE	0.94	0.94	-0.48%	0.01%
POS	456.47	452.53	-0.86%	7.07%
ATM	5.14	8.04	56.46%	0.13%
MOBILE	1,358.84	1,471.87	8.32%	22.99%
TOTAL	5,989.68	6,402.00	6.88%	100%
VOLUMES				
RTGS	143,944	134,050	-6.87%	0.31%
CHEQUE	3,229	3,426	6.10%	0.01%
POS	5,481,723	6,108,663	11.44%	14.14%
ATM	23,139	30,479	31.72%	0.07%
MOBILE	36,014,337	36,924,882	2.53%	85.47%
TOTAL	41,666,372	43,201,500	3.68%	100%

Source: Reserve Bank of Zimbabwe, 2019

3. TOBACCO SALES

As at 7th June 2019, or day 54 of the 2019 tobacco selling season, a cumulative total of 382,172 kilograms of tobacco had been sold. This reflected a 9.1% decline, compared to the 420,542 kilograms sold during the same period in 2018. Cumulative tobacco sales amounted to US\$0.69 million, down from US\$1.23 million realised during the corresponding period in 2018.

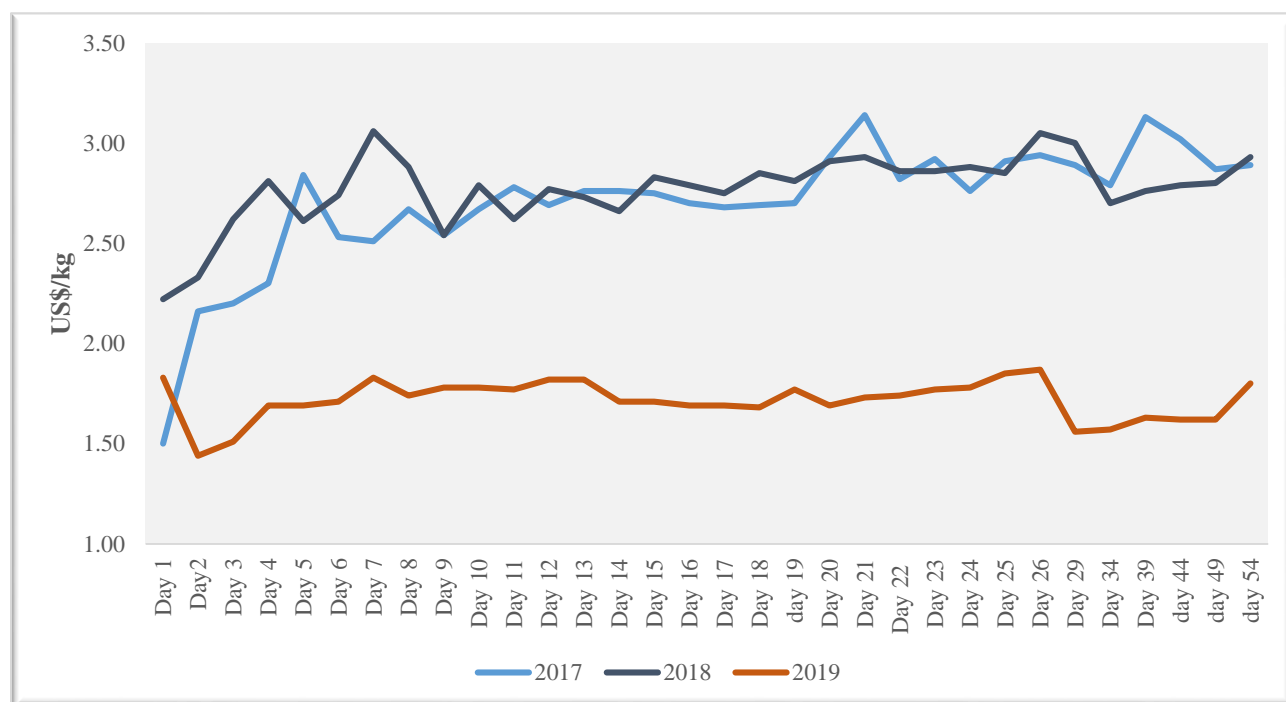
Table 4: Weekly cumulative Tobacco Sales: Day 54 (7th June 2019)

	2018	2019	Variance (%)
Cumulative Quantity Sold (kgs)	420,542	382,172	(9.1)
Cumulative Average Price(US\$/kg)	2.93	1.80	(44.1)
Cumulative value (US\$)	1,234,041	689,720	(38.5)

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

The golden leaf was sold at an average price of US\$1.80/kg during the week under review, compared to US\$2.93/kg realised 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 prices of copper, nickel and crude oil retreated, during the week ending 7th June 2019. Gold and platinum prices, however, firmed in the same week, 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 (28-31 May)	1,284.54	796.75	5,856.00	12,005.00	64.85
3-Jun	1,315.05	788.50	5,839.50	11,812.00	60.88
4-Jun	1,323.94	818.50	5,803.65	11,736.00	61.50
5-Jun	1,336.40	825.00	5,850.18	11,637.00	60.88
6-Jun	1,336.08	804.50	5,819.25	11,593.00	62.53
7-Jun	1,337.48	803.50	5,769.25	11,535.00	63.57
Weekly average (3-7 June)	1,329.79	808.00	5,816.37	11,662.60	61.87
<i>Weekly Change (%)</i>	3.5	1.4	(0.7)	(2.9)	(4.6)

Source: BBC, KITCO and Bloomberg, 2019

Gold

The weekly average price of gold increased by 3.5%, to close the week under review at US\$1,329.79/ounce. This was on the back of expectations of lower interest rates, due to easing inflationary pressures in the United States. Additionally, fears of a global downturn also saw investors seek the precious metal, as a safe haven investment asset.

Platinum

Average weekly prices of platinum rose by 1.4% to US\$808.00/oz, compared to an average of US\$796.75 in the previous week. Similar to gold, fears of a global downturn emanating from threats of the imposition of tariffs on Mexican products by the US, increased the demand for the precious metal, spurring prices.

Copper

Copper prices decreased by 0.7%, to a weekly average of US\$5,816.37/tonne, during the week under review. This followed the increase in stockpiles, coupled with the slowdown in the demand for the base metal by China.

Nickel

Nickel prices declined from a weekly average of 12,005.00/tonne to US\$11,662.60/tonne, during the week under review. The on-going trade tension between the U.S. and China dampened the demand outlook for the base metal.

Crude Oil

Crude oil prices retreated to US\$61.87/barrel, from a previous week average of US\$64.85/barrel. Prices declined on account of slowing global demand, due to the US-China trade dispute.

EXCHANGE RATE

During the week ending 7th June 2019, the ZWL depreciated against the US dollar, South African rand, British pound, Botswana pula and euro, as shown in Table 6.

Table 6: International Exchange Rates per ZWL²

	USD	ZAR	GBP	BWP	EURO
2019					
Weekly Average (27-31 May)	5.1038	0.3508	6.4717	0.4719	5.7035
3-Jun	5.4179	0.3722	6.8487	0.4998	6.0544
4-Jun	5.5135	0.3816	6.9870	0.5116	6.2054
5-Jun	5.5926	0.3823	7.1104	0.5162	6.2995
6-Jun	5.6496	0.3798	7.1690	0.5192	6.3461
7-Jun	5.7386	0.3810	7.2848	0.5259	6.4642
Weekly Average (3-7 June)	5.5434	0.3790	7.0287	0.5117	6.2263
<i>Appr(-)/Depr(+)(%) of the ZWL</i>	<i>8.61</i>	<i>8.04</i>	<i>8.61</i>	<i>8.43</i>	<i>9.17</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

The Zimbabwe Stock Exchange (ZSE) was characterized by positive sentiment, during the week ending 7th June 2019. Resultantly, the All Share and Top 10 indices gained 1.54 points and 1.26 points to close the week under review at 189.60 points and 181.73 points, respectively.

The industrial index surged to 632.94 points, a 4.53 points gain from the previous week index of 628.41 points. The increase emanated from share price gains at National Tyre Services Limited (20.11%); Ariston Holdings Limited; Dawn Properties Limited; Powerspeed Electrical Limited; and Zimre Holdings Limited, (20.0% each). Partially offsetting the gains were losses in Star Africa Corporation Limited (9.50%), African Sun Limited (6.98%), Old Mutual Zimbabwe (3.52%) and Cassava Smartech Zimbabwe Limited (3.16%).

The mining index increased from 225.81 points in the previous week to 241.02 points, during the week under review. The increase was driven by share price gains at RioZim Limited (8.0%) and Bindura Nickel Corporation (4.69%).

Table 7: Zimbabwe Stock Exchange Statistics

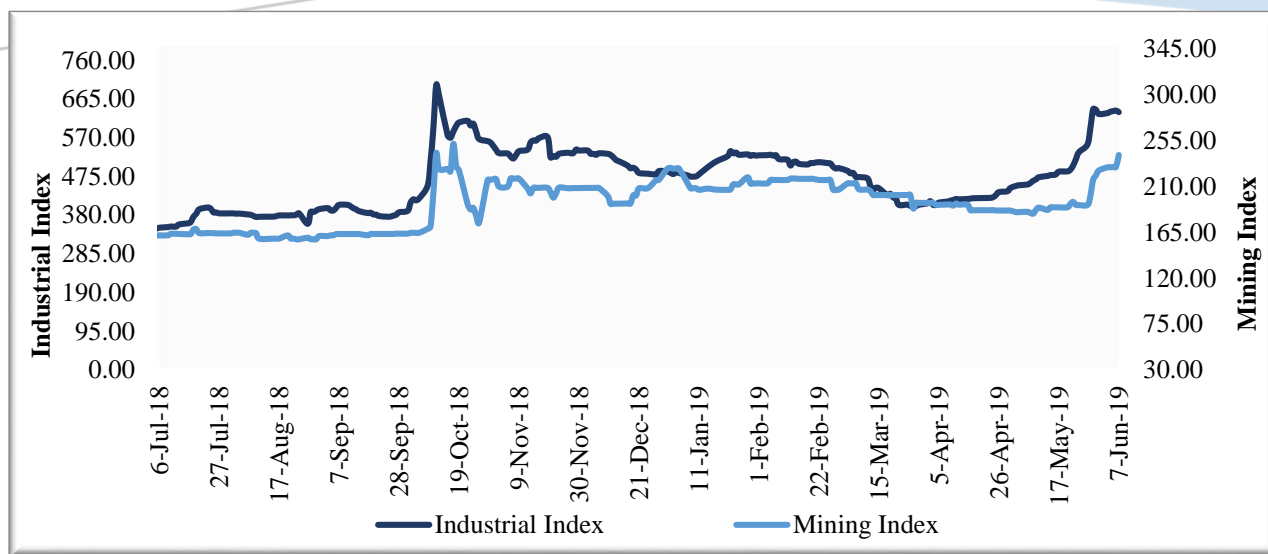
	All Share Index ³ (points)	Top 10 index ⁴ (points)	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
10-May-19	141.62	134.62	473.16	189.39	18,535,907,025	28,643,253	64,239,780
17-May-19	145.65	137.50	486.76	189.63	19,011,308,157	38,529,072	78,837,346
24-May-19	159.74	152.73	534.24	191.87	21,030,196,647	59,007,340	45,865,567
31-May-19	188.06	182.99	628.41	225.81	24,919,955,295	42,631,701	32,094,448
7-June-19	189.60	181.73	632.94	241.02	25,069,770,449	69,704,494	73,855,545
Weekly Change (%)	0.82	-0.63	0.72	6.74	0.60	63.50	130.12

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

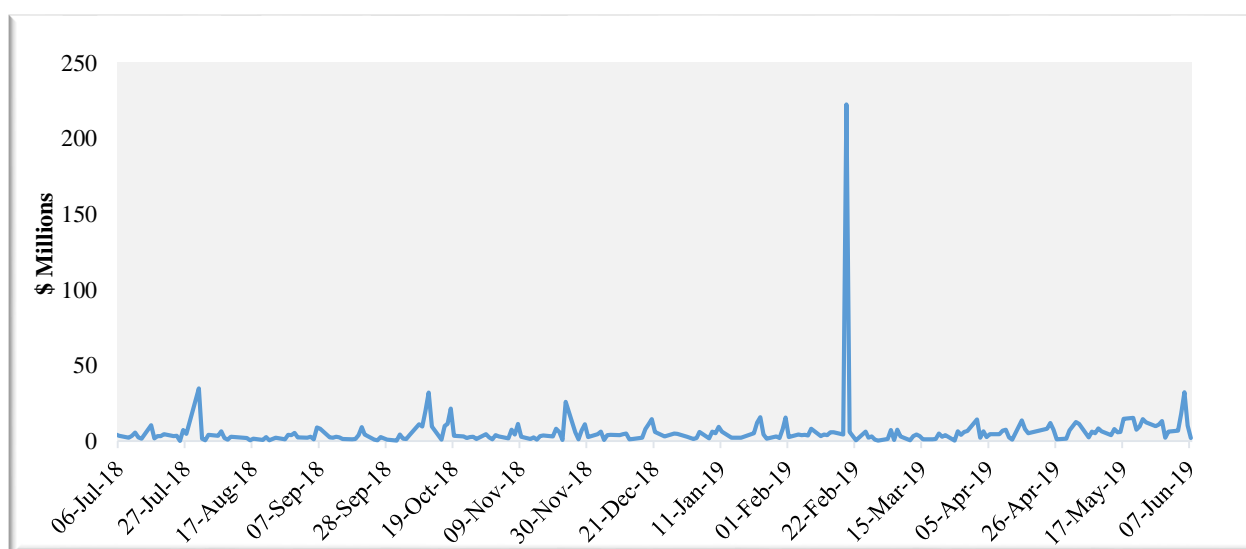


Source: Zimbabwe Stock Exchange, 2019

Market Turnover and Volume

During the week ending 7th June 2019, the volume of shares traded on the ZSE registered a 130.12% increase, to close at \$73.86 million shares. ZSE market turnover value also increased by 157.48% to \$69.70 million, during the same week.

Figure 5: Daily Market Turnover



Source: Zimbabwe Stock Exchange, 2019

Market Capitalization

The ZSE gained 0.6% worth of market capitalisation to close the week under review at \$25.07 billion, owing to investors maintaining their positions.

Figure 6: Daily Market Capitalization



Source: Zimbabwe Stock Exchange, 2019

Johannesburg Stock Exchange (JSE) Developments

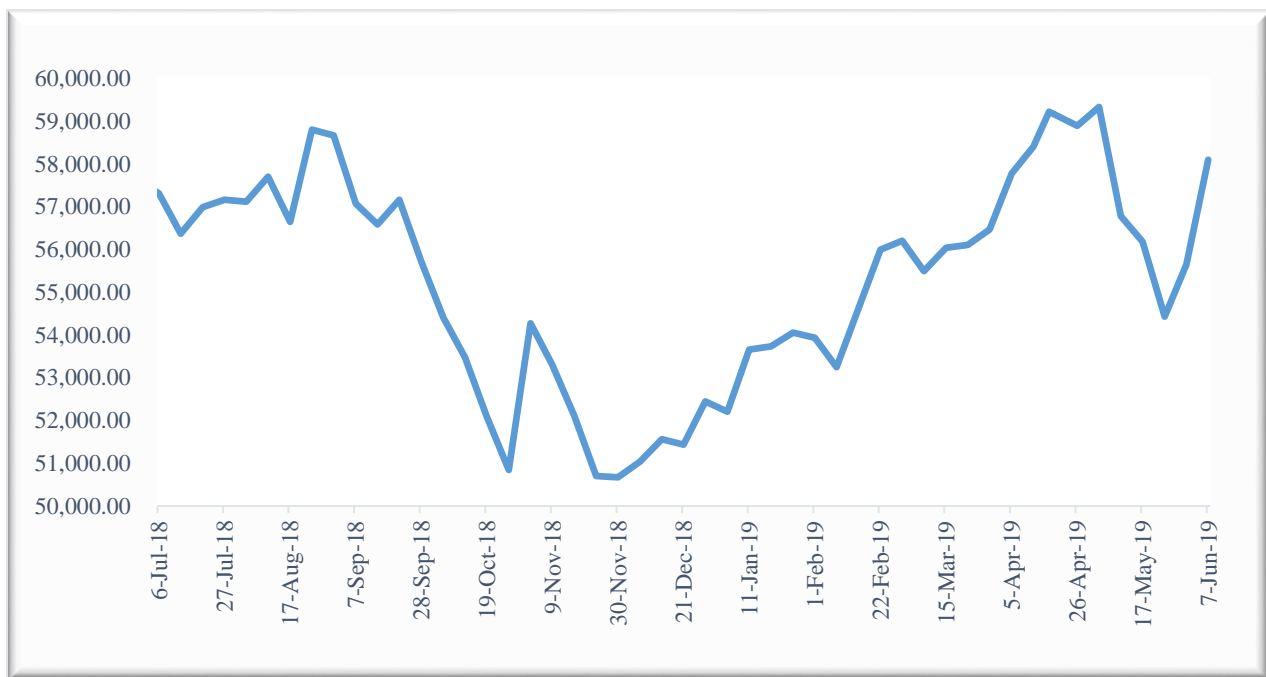
The JSE All Share Index registered a 4.40% increase, from 55,650.41 points in the previous week to 58,099.84 points, during the week ending 7th June 2019. JSE market capitalization also increased by 4.69% to close the same week at R16.31 billion.

Table 7: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalization (ZAR billion)
3-May-19	59,335.90	16.67
10-May-19	56,780.75	15.95
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
% Change	4.40	4.69

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

14TH JUNE 2019