



# Weekly Economic Highlights

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Week Ending  
8<sup>th</sup> March 2019

## 1. INTEREST RATES

### Deposit Rates

Average deposit rates for savings deposits remained unchanged at 4.16%, during the week ending 8<sup>th</sup> March 2019. Deposit rates for deposits of 1-month tenor decreased to 3.78%, while those for 3-month tenor increased to 3.88%, as shown in Table 1.

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

Date	Savings Deposits (%)	1-Month Deposits (%)	3-Month Deposits (%)
08-Feb-19	4.16	3.81	3.88
15-Feb-19	4.16	3.81	3.86
22-Feb-19	4.16	3.81	3.86
01-Mar-19	4.16	3.81	3.86
08-Mar-19	4.16	<b>3.78</b>	<b>3.88</b>

Source: Banking Institutions, 2019

### Lending Rates

During the week under analysis, commercial bank weighted lending rates for individual clients increased by 0.02 percentage points to 9.22%. Lending rates for corporate clients, however, decreased from 7.31% in the preceding week, to close the week under review at 7.29%.

**Table 2: Lending Rates**

Date	Lending Rates <sup>1</sup> (%)	
	Commercial Banks (weighted)	
	Individuals	Corporate clients
08-Feb-19	9.20	<b>7.27</b>
15-Feb-19	9.22	<b>7.23</b>
22-Feb-19	9.23	7.30
01-Mar-19	9.20	<b>7.31</b>
08-Mar-19	<b>9.22</b>	<b>7.29</b>

Source: Banking Institutions, 2019

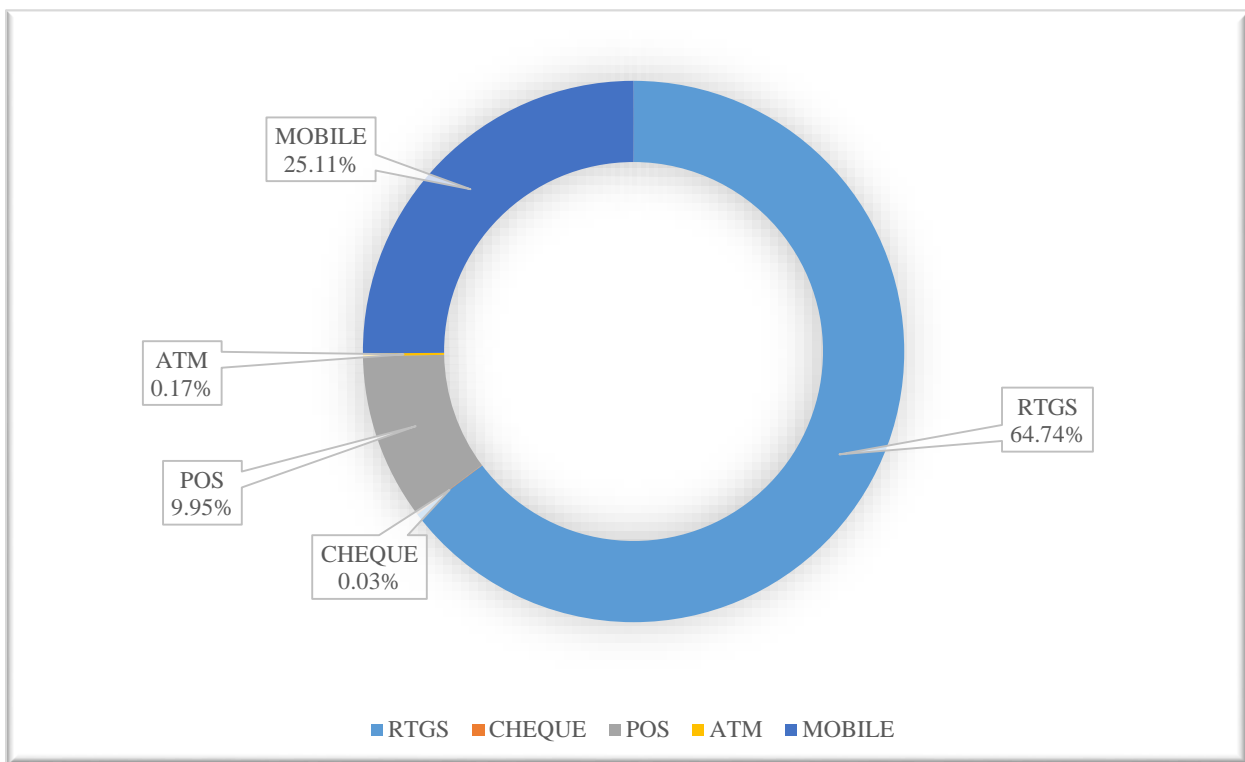
<sup>1</sup> Minimum weighted lending rates offered by commercial banks.

## 2. CLEARING AND SETTLEMENT ACTIVITY

The value of transactions processed through the National Payment System (NPS) amounted to \$2.81 billion, during the week under review, representing a 7.1% decrease from the previous week. In tandem, the value of transactions processed through the Real Time Gross Settlement (RTGS) system declined by 8.1%, to close at US\$ 1.82 billion.

The distribution of NPS transaction values was as follows: RTGS, 64.74%; Mobile, 25.11%; POS, 9.95%; ATMs, 0.17%; and Cheque, 0.03%, as shown in Figure 1.

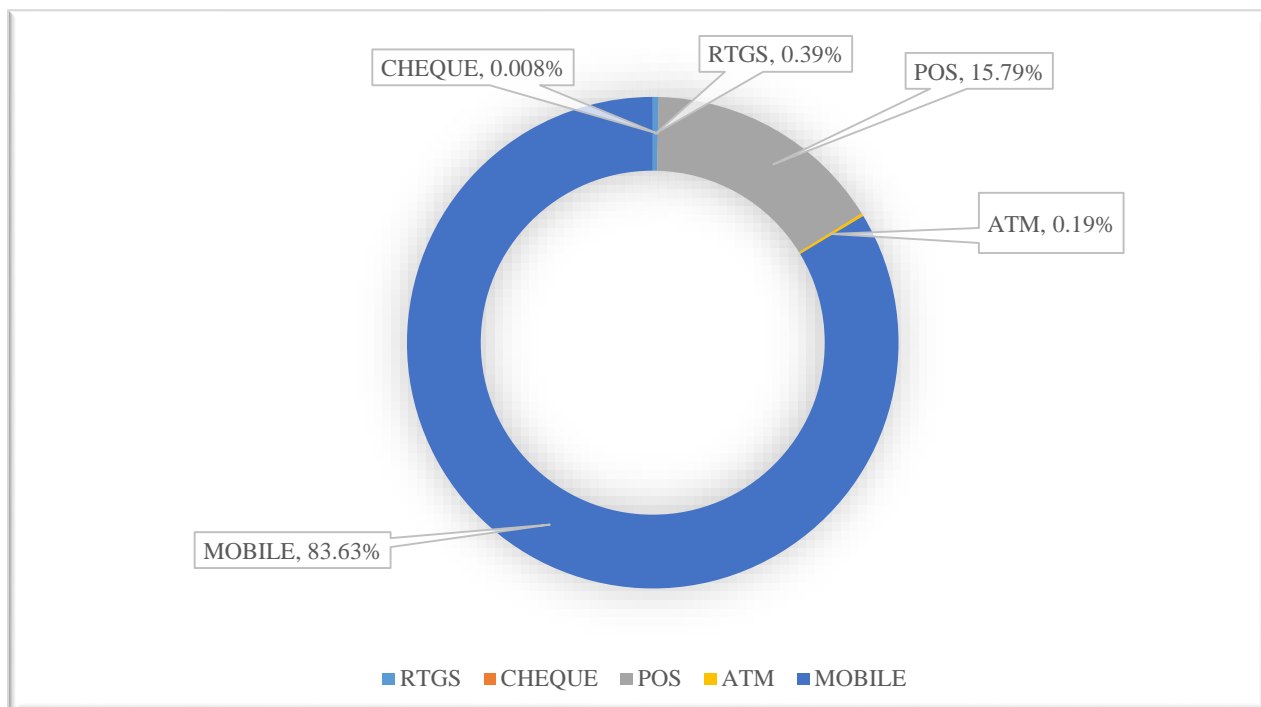
**Figure 1: Composition of NPS Transactions in Value Terms**



*Source: Reserve Bank of Zimbabwe, 2019*

The total volume of transactions processed through the NPS declined by 3.88% to 33.48 million transactions, during the week under review. This compares with 34.83 million transactions recorded during the week ending 1<sup>st</sup> March 2019. The NPS transaction volumes were distributed as follows: Mobile, 83.63%; POS, 15.79%; RTGS, 0.39%; ATMs, 0.19%; and Cheque 0.008%, 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 1 <sup>st</sup> March 2019	WEEK ENDING 8 <sup>th</sup> MARCH 2019	% CHANGE FROM LAST WEEK	PERCENTAGE OF TOTAL
<b>VALUES IN \$ (millions)</b>				
<b>RTGS</b>	1,980.89	1,820.17	-8.1%	64.74%
<b>CHEQUE</b>	1.03	0.72	-29.6%	0.03%
<b>POS</b>	256.91	279.73	8.9%	9.95%
<b>ATM</b>	3.86	4.81	24.8%	0.17%
<b>MOBILE</b>	783.45	705.91	-9.9%	25.11%
<b>TOTAL</b>	<b>3,026.14</b>	<b>2,811.34</b>	<b>-7.1%</b>	<b>100%</b>
<b>VOLUMES</b>				
<b>RTGS</b>	145,891	129,826	-11.0%	0.39%
<b>CHEQUE</b>	4,142	2,683	-35.2%	0.008%
<b>POS</b>	4,858,738	5,285,721	8.8%	15.79%
<b>ATM</b>	56,171	62,947	12.1%	0.19%
<b>MOBILE</b>	29,768,653	28,000,967	-5.9%	83.63%
<b>TOTAL</b>	<b>34,833,595</b>	<b>33,482,144</b>	<b>-3.9%</b>	<b>100%</b>

Source: Reserve Bank of Zimbabwe, 2019

### 3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international commodity prices of gold and crude oil decreased, during the week ending 8<sup>th</sup> March 2019. Platinum, copper and nickel prices, however, firmed, as shown in Table 4.

**Table 4: International Commodity Prices**

	Gold	Platinum	Copper	Nickel	Crude Oil
	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
<b>Weekly Average (25<sup>th</sup> Feb-01<sup>st</sup> Mar)</b>	<b>1,329.10</b>	<b>824.70</b>	<b>6,416.70</b>	<b>12,639.00</b>	<b>66.25</b>
<b>4-Mar</b>	1286.43	844.50	6554.15	13157.50	56.30
<b>5-Mar</b>	1284.40	838.50	6554.15	13157.50	65.24
<b>6-Mar</b>	1285.70	829.50	6481.00	13685.00	66.17
<b>7-Mar</b>	1285.85	825.00	6428.00	13445.00	65.46
<b>8-Mar</b>	1295.43	819.00	6426.00	13170.00	65.94
<b>Weekly Average (4<sup>th</sup> Mar- 08<sup>th</sup> Mar)</b>	<b>1,287.56</b>	<b>831.30</b>	<b>6,488.66</b>	<b>13,323.00</b>	<b>63.82</b>
<b>Weekly Change (%)</b>	<i>(3.1)</i>	<i>0.8</i>	<i>1.1</i>	<i>5.4</i>	<i>(3.7)</i>

Source: BBC, KITCO and Bloomberg, 2019

#### Gold

Gold prices declined by 3.1%, to close the week under review at US\$1,287.56/oz. The decline in the bullion price was occasioned by a stronger dollar, which rallied following robust retail sales statistics in the US. The appreciation of the US dollar also reduced the appeal of the precious metal as a safe haven asset.

#### Platinum

Platinum prices closed the week under analysis at a weekly average of US\$831.30/oz., up from US\$824.70/oz. registered in the previous week. This was, in part, on account of higher demand in the automotive industries where the metal is used in the production of emission control mechanisms.

#### Copper

During the week under review, copper prices rose by 1.1% to close the week at US\$6,488.66/ton. Prices were boosted by growing demand in the electric car manufacturing industry.

## Nickel

Base metal prices continued on an upward trend, on the back of positive demand outlook. As such, nickel prices surged by 5.4%, from a weekly average of US\$12,639/tonne to US\$13,323/tonne, during the week under review.

## Crude Oil

Crude oil prices fell by 3.7%, from US\$66.25/barrel in the previous week to US\$63.82/barrel, during the week ending 8<sup>th</sup> March 2019. Prices retreated on account of strong US oil production, rising crude oil stock piles and weaker demand from major importers such as China. In addition, the European Central Bank slashed its outlook for global economic growth, pointing to a gloomy demand outlook for crude oil prices.

## EXCHANGE RATES

During the week ending 8<sup>th</sup> March 2019, the US dollar depreciated against the RTGS dollar, rand, pound Sterling, pula and euro.

**Table 5: International Exchange Rates per US\$**

	ZWL	ZAR	GBP	BWP	EURO
<b>2019</b>					
<b>Weekly Average (25<sup>th</sup> Feb-01<sup>st</sup> Mar)</b>	<b>2.5015</b>	<b>13.9300</b>	<b>0.7600</b>	<b>10.5400</b>	<b>0.8800</b>
<b>4-Mar</b>	2.5005	14.0626	0.7748	10.6270	0.8842
<b>5-Mar</b>	2.5005	14.1431	0.7750	10.6383	0.8851
<b>6-Mar</b>	2.5055	14.0450	0.7660	10.6383	0.8818
<b>7-Mar</b>	2.5112	13.9641	0.7665	10.5597	0.8811
<b>8-Mar</b>	2.5219	13.9090	0.7649	10.5374	0.8808
<b>weekly average (04<sup>th</sup> Mar-08 Mar)</b>	<b>2.5079</b>	<b>14.0248</b>	<b>0.7694</b>	<b>10.6001</b>	<b>0.8826</b>
<b><i>Appr(+)/Depr(-) (%) against the USD</i></b>	<b><i>(0.2566)</i></b>	<b><i>(0.6802)</i></b>	<b><i>(1.2421)</i></b>	<b><i>(0.5705)</i></b>	<b><i>(0.2964)</i></b>

## 4. EQUITY MARKETS

The Zimbabwe Stock Exchange (ZSE) continued on a bearish trend during the week ending 8<sup>th</sup> March 2019. Resultantly, the All Share Index shed 6.49 points to close the week at 141.93 points, while the Top 10 Index fell by 5.63 points to close the week under analysis at 139.84 points.

The industrial index declined by 21.94 points to close the week at 473.43 points. Decreases in the industrial index were attributable to share prices losses realized in Hippo Valley Estates Limited (41.52%), TSL Limited (20.99%), Innscor Africa Limited (9.09%), Delta Corporation Limited (7.27%), and OK Zimbabwe Limited (7.26%). The aforementioned losses were, however, partially offset by gains in Willdale Limited (18.67%), Fidelity Life Assurance Limited (10.00%), Zimre Holdings Limited (4.27%), Ariston Holdings Limited (3.45%) and Masimba Holdings Limited (1.86%).

The resources index registered a marginal gain of 0.15% to close at 207.34 points. This was underpinned by a 0.55% share price increase in Bindura Nickel Corporation Limited. Rio Zim, however, traded at the previous week price level.

**Table 6: Zimbabwe Stock Exchange Statistics**

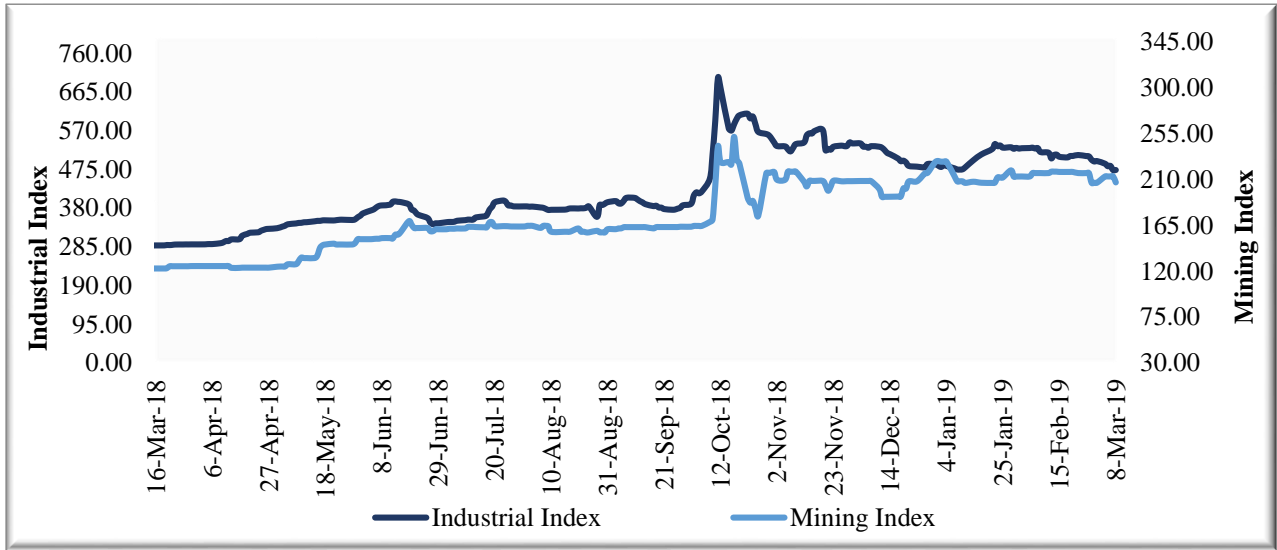
	All Share Index <sup>2</sup> (points)	Top 10 index <sup>3</sup> (points)	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
<b>8-Feb-19</b>	155.08	154.03	517.45	216.50	20,585,170,510	24,235,424	39,015,687
<b>15-Feb-19</b>	151.68	149.19	505.91	217.63	20,160,365,973	32,940,000	16,638,300
<b>22-Feb-19</b>	152.94	151.03	510.21	216.50	20,296,713,182	233,455,624	155,202,869
<b>01-Mar-19</b>	148.42	145.47	495.37	207.03	19,801,643,775	12,810,814	15,356,151
<b>08-Mar-19</b>	141.93	139.84	473.43	207.34	18,900,227,300	19,767,282	23,404,659
<b>Weekly Change (%)</b>	<b>(4.37)</b>	<b>(3.87)</b>	<b>(4.43)</b>	<b>0.15</b>	<b>(4.55)</b>	<b>54.30</b>	<b>52.41</b>

Source: Zimbabwe Stock Exchange (ZSE), 2019

<sup>2</sup> The All Share index shows the changing average value of shares of all companies on the market.

<sup>3</sup> The Index is calculated using the market capitalisation method.

**Figure 3: Zimbabwe Stock Exchange Indices**

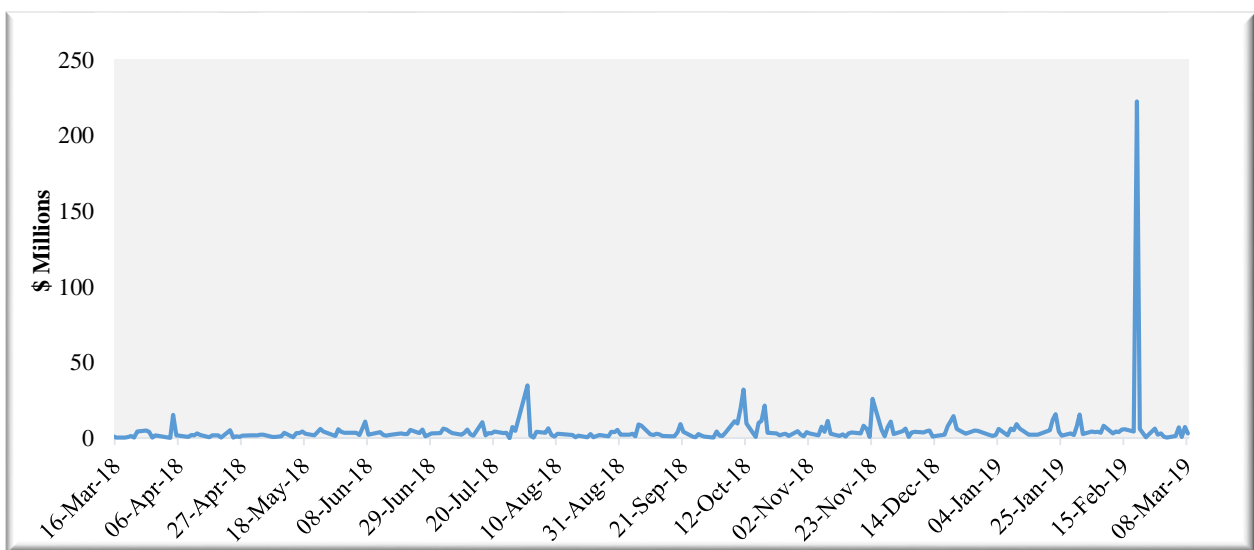


Source: Zimbabwe Stock Exchange, 2019

### Market Turnover and Volume

During the week under review, the cumulative volume and value of shares traded on the ZSE increased by 52.41% and 54.30% to 23.40 million shares and \$19.77 million, respectively.

**Figure 4: Daily Market Turnover**



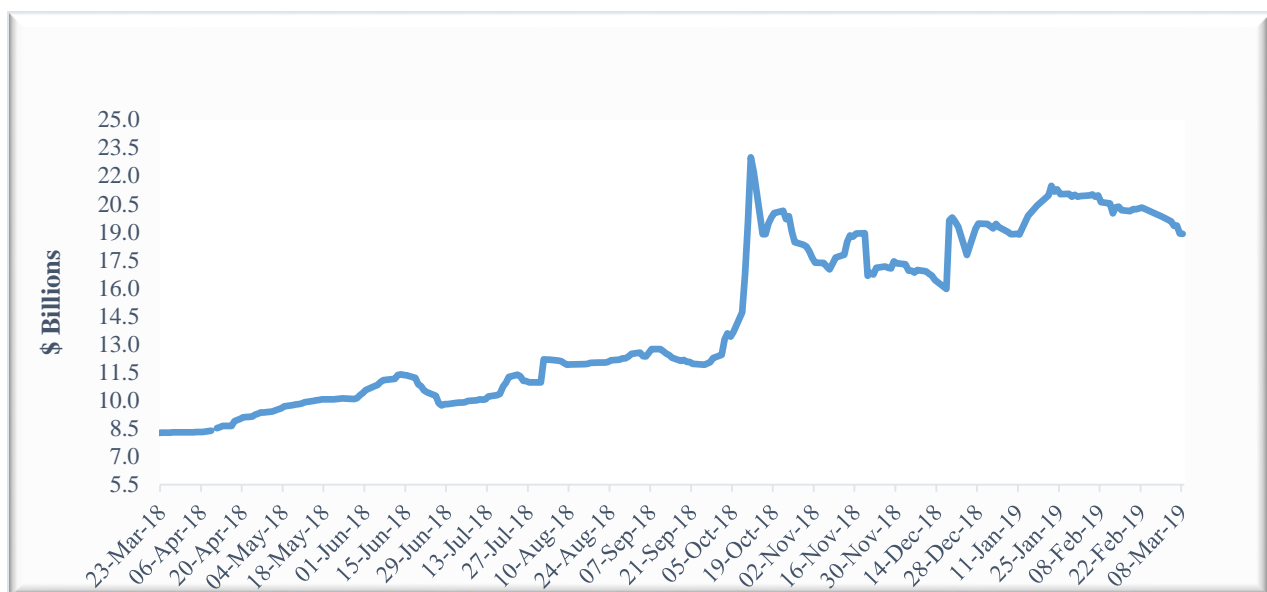
Source: Zimbabwe Stock Exchange, 2019



## Market Capitalization

ZSE market capitalization fell by \$901.42 million, during the week under analysis to close at \$18.90 billion.

**Figure 5: Daily Market Capitalization**



Source: Zimbabwe Stock Exchange, 2019

## Johannesburg Stock Exchange (JSE) Developments

The JSE All Share Index closed the week under review at 55,488.79 points, a 1.27% decrease from 56,203.11 points recorded in the previous week. Similarly, JSE market capitalization declined by 0.57% to close at R15.81 billion.

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

Period	All Share Index (points)	Market Capitalization (ZAR billion)
08-Feb-19	53,244.18	14.93
15-Feb-19	54,628.41	15.38
22-Feb-19	55,992.97	15.60
01-Mar-19	56,203.11	15.90
08-Mar-19	55,488.79	15.81

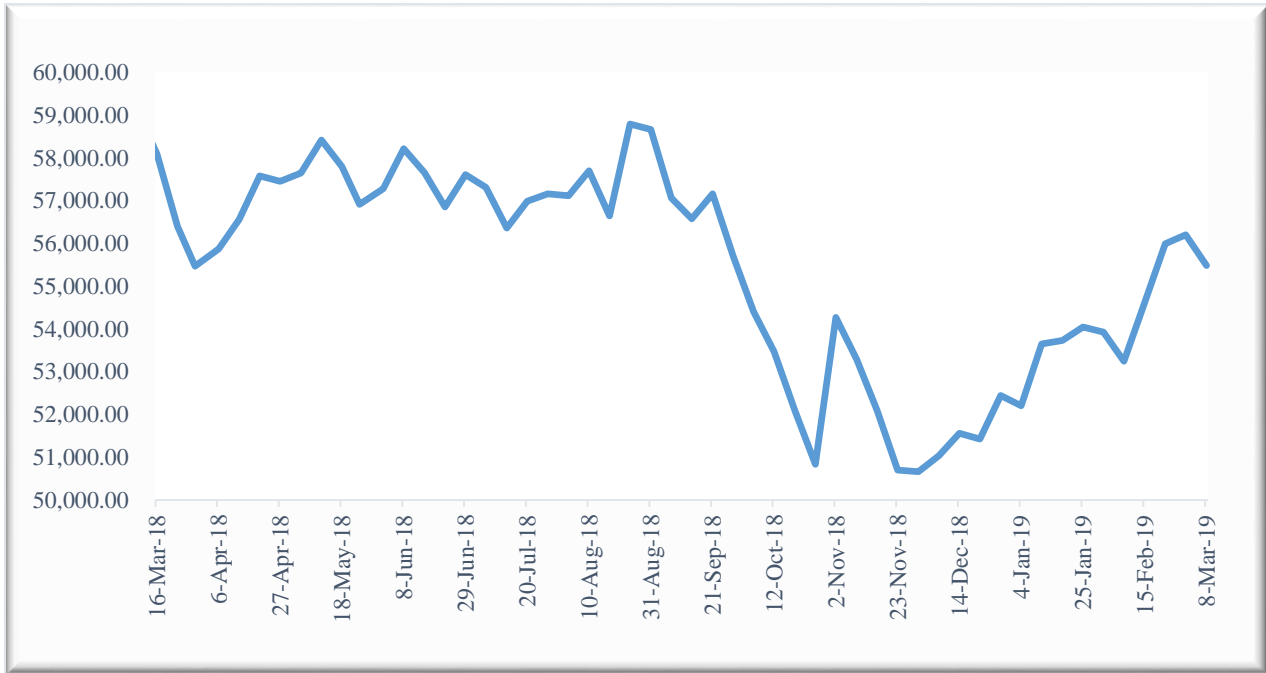
**% Change**

**(1.27)**

**(0.57)**

Source: <https://www.jse.co.za/services/market-data/market-statistics,2019>

**Figure 6: Johannesburg Stock Exchange (JSE) All Share Index**



Source: <https://www.jse.co.za/services/market-data/market-statistics,2019>

**RESERVE BANK OF ZIMBABWE**

**15<sup>th</sup> MARCH 2019**