Vol. 21 No. 11

Weekly Economic Highlights

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Week Ending
15th March 2019

1. INTEREST RATES

Deposit Rates

During the week ending 15th March 2019, average deposit rates for savings deposits and deposits of 1 month and 3 month tenors, remained unchanged at 4.16%, 3.78% and 3.88%, respectively.

Table 1: Average Deposit Rates (per annum)

Date	Savings Deposits (%)	1-Month Deposits (%)	3-Month Deposits (%)
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	3.78	3.88
15-Mar-19	4.16	3.78	3.88

Source: Banking Institutions, 2019

Lending Rates

As at 15th March 2019, commercial bank weighted lending rates for individual and corporate clients stood at 9.22% and 7.29 %, respectively.

Table 2: Lending Rates

Date	Lending Rates[1] (%) Commercial Banks (weighted)	
	Individuals	**Corporate clients**
15-Feb-19	9.22	7.23
22-Feb-19	9.23	7.30
01-Mar-19	9.20	7.31
08-Mar-19	9.22	7.29
15-Mar-19	9.22	7.29

Source: Banking Institutions, 2019

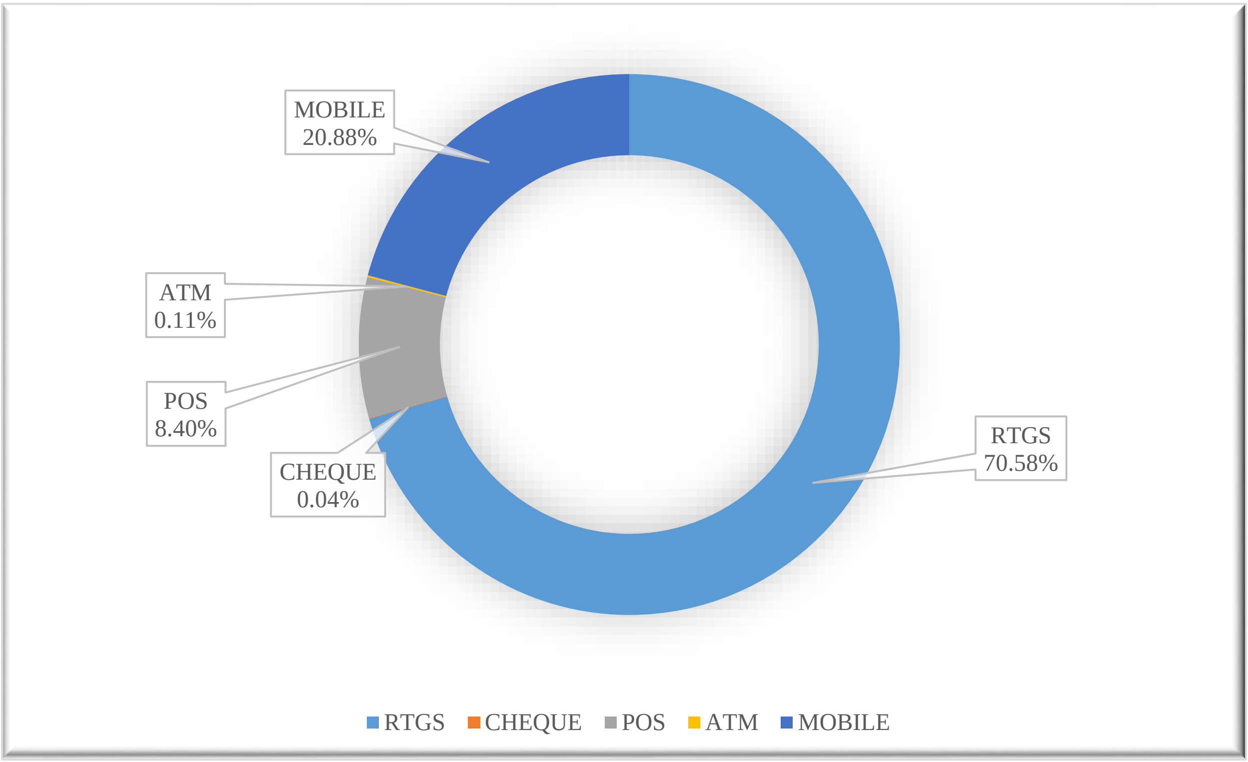
[1] Minimum weighted lending rates offered by commercial banks.

2. CLEARING AND SETTLEMENT ACTIVITY

The total value of National Payment System (NPS) transactions increased by 8.7%, from \$2.8 billion recorded in the previous week to \$3.1 billion, during the week under review. Transactions processed through the Real Time Gross Settlement (RTGS) rose by 18.5%, from \$1.82 billion in the previous week to \$ 2.16 billion, during the week under review.

The value of NPS transactions was distributed as follows: RTGS, 70.58%; Mobile, 20.88%; POS, 8.40%; ATM, 0.11%; and Cheque, 0.04%, as shown in Figure 1.

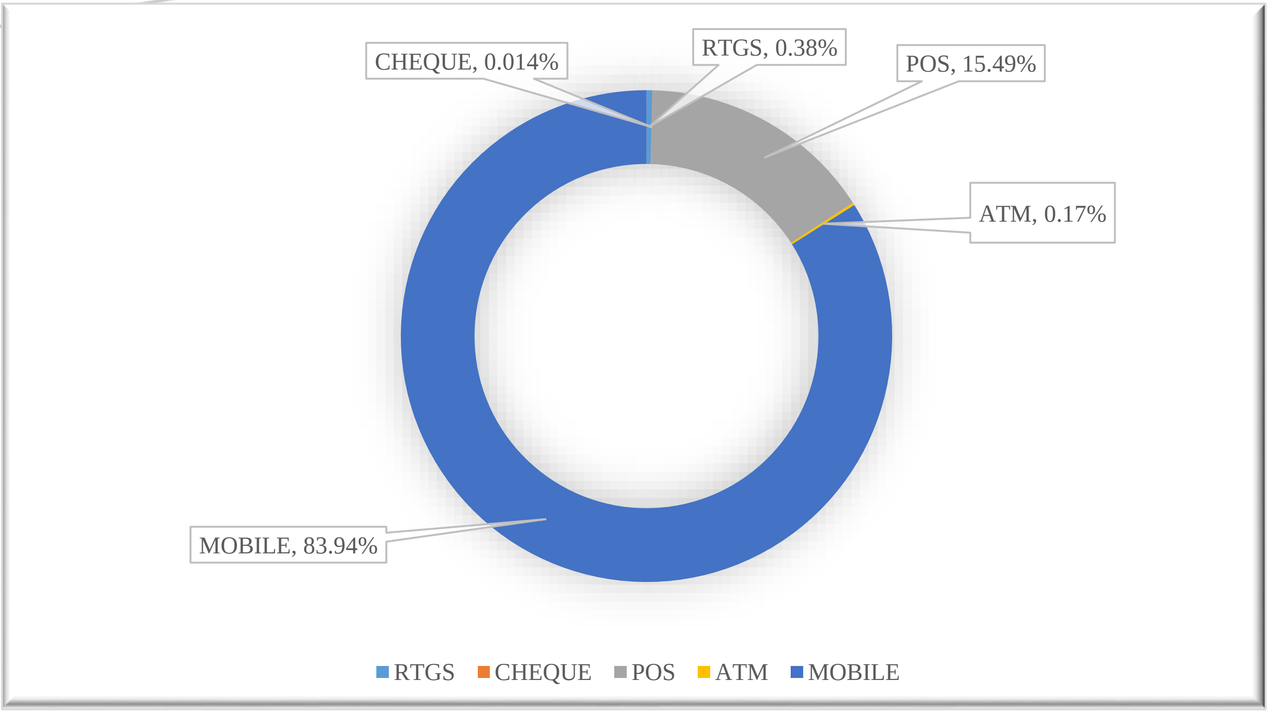
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2019

NPS transaction volumes declined by 8.6% to 30.62 million transactions, during the week under review. Mobile based transactions accounted for 83.84% of the total volume of NPS transactions; POS, 15.49%; RTGS, 0.38%; ATMs, 0.17%; and Cheque 0.014%, 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 8th March 2019	WEEK ENDING 15th MARCH 2019	% CHANGE FROM LAST WEEK	PERCENTAGE OF TOTAL
	VALUES IN $ (millions)			
RTGS	1,820.17	2,156.06	18.5%	70.58%
CHEQUE	0.90	1.13	24.4%	0.04%
POS	279.73	256.52	-8.3%	8.40%
ATM	4.81	3.31	-31.2%	0.11%
MOBILE	705.91	637.83	-9.6%	20.88%
TOTAL	**2,811.53**	**3,054.85**	-8.7%	**100%**
	VOLUMES			
RTGS	129,826	115,278	-11.2%	0.38%
CHEQUE	3,659	4,366	19.3%	0.014%
POS	5,285,721	4,743,228	-10.3%	15.49%
ATM	62,947	53,357	-15.2%	0.17%
MOBILE	28,000,967	25,703,961	-8.2%	83.94%
TOTAL	**33,483,120**	**30,620,190**	-8.6%	**100%**

Source: Reserve Bank of Zimbabwe, 2019

3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international weekly average prices of gold and crude oil firmed, during the week under review. Platinum, copper and nickel prices, however, retreated, 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
Weekly Average (04 Mar-08 Mar)	**1,287.56**	**831.30**	**6,488.66**	**13,323.00**	**63.82**
11-Mar	1,294.55	813.50	6,433.65	12,812.50	66.70
12-Mar	1,297.00	833.50	6,434.50	13,040.00	66.87
13-Mar	1,307.68	841.50	6,452.00	13,090.00	67.82
14-Mar	1,297.38	832.00	6,460.50	13,100.00	67.43
15-Mar	1,303.08	831.00	6,444.25	12,834.25	66.99
weekly average (11 Mar-15Mar)	**1,299.94**	**830.30**	**6,444.98**	**12,975.35**	**67.16**
Weekly Change (%)	*1.0*	*(0.1)*	*(0.7)*	*(2.6)*	*5.2*

Source: BBC, KITCO and Bloomberg, 2019

Gold

The price of the yellow metal increased by 1%, from a weekly average of US$1,287.56/oz. in the prevuios week to US$1,299.94/oz, during the week ending 15th March 2019. Prices were supported by an increase in investor interest in the precious metal.

Platinum

Platinum prices declined by 0.1%, from a weekly average of US$831.30/oz. in the week ending 8th March 2019, to an average of US$830.30/oz. during the week under review. This was due to weak global demand, particularly in Europe and China.

Copper

Copper prices stood at a weekly average of US$6,444.98/tonne during the week ending 15th March 2019, down from US$6,488.66/tonne in the previous week. The decline was underpinned by concerns of a deadlock on US and China trade talks, as well as slowing demand from China, the largest base metal consumer.

Nickel

Nickel prices declined by 2.60%, from a weekly average of price of US$13,323.00/tonne in the week ending 8th March 2019, to US$12,975.35/tonne during the week under review. Prices were weighed down by a subdued demand outlook for the base metal.

Crude Oil

Brent crude oil prices surged during the week under review, on account of tight global supply conditions, following production cuts by OPEC member countries. In addition, the US reduced its shale production, a development which also reduced global supplies. Resultantly, prices rose by 5.2%, from a weekly average of US$63.82/barrel to US$67.16/barrel in the previous week, during the week under review.

EXCHANGE RATES

During the week ending 15th March 2019, the US dollar appreciated against the RTGS dollar, South Africa rand, Botswana pula and the euro. The greenback, however, depreciated against the British pound, following renewed prospects of a Brexit deal.

Table 5: International Exchange Rates per US$

	ZWL	ZAR	GBP	BWP	EURO
2019					
Weekly Average (04-08 Mar)	**2.5079**	**14.0248**	**0.7694**	**10.6001**	**0.8826**
11-Mar	2.5373	14.4168	0.7702	10.7296	0.8900
12-Mar	2.6003	14.3137	0.7576	10.7181	0.8885
13-Mar	2.6481	14.3871	0.7637	10.7066	0.8862
14-Mar	2.7101	14.4626	0.7549	10.7066	0.8836
15-Mar	2.7532	14.5000	0.7552	10.7296	0.8835
Weekly Average (11-15 Mar)	**2.6498**	**14.4160**	**0.7603**	**10.7181**	**0.8863**
Appr(+)/Depr(-) (%) against the USD	*5.66*	*2.79*	*(1.18)*	*1.11*	*0.42*

4. EQUITY MARKETS

During the week ending 15th March 2019, trading on the Zimbabwe Stock Exchange (ZSE) was subdued. Resultantly, the All Share price Index lost 8.21 points to close the week at 133.72 points, while the Top 10 Index shed 11.31 points to close the week under review at 128.53 points.

The industrial index fell by 5.80%, from 473.43 points recorded in the previous week to 445.95 points, during the week under review. The decline emanated from share price losses for Amalgamated Regional Trading (19.49%); Cassava Smartech Zimbabwe Limited (13.57%); CBZ Holdings Limited (12.19%); Innscor Africa Limited (9.53%) and Masimba Holdings Limited (7.53%). Partially offsetting the losses, however, were share price gains in Ariston Holdings Limited (13.33%); Hippo Valley Estates Limited (44.25%); TSL Limited (9.38%); Willdale Limited (6.74%) and OK Zimbabwe Limited (3.83%).

The mining index registered a marginal decline of 2.71%, to close the week under review at 201.72 points. The decline was on the back of loses in Bindura Nickel Corporation (3.03%) and Rio Zim Limited (2.70%).

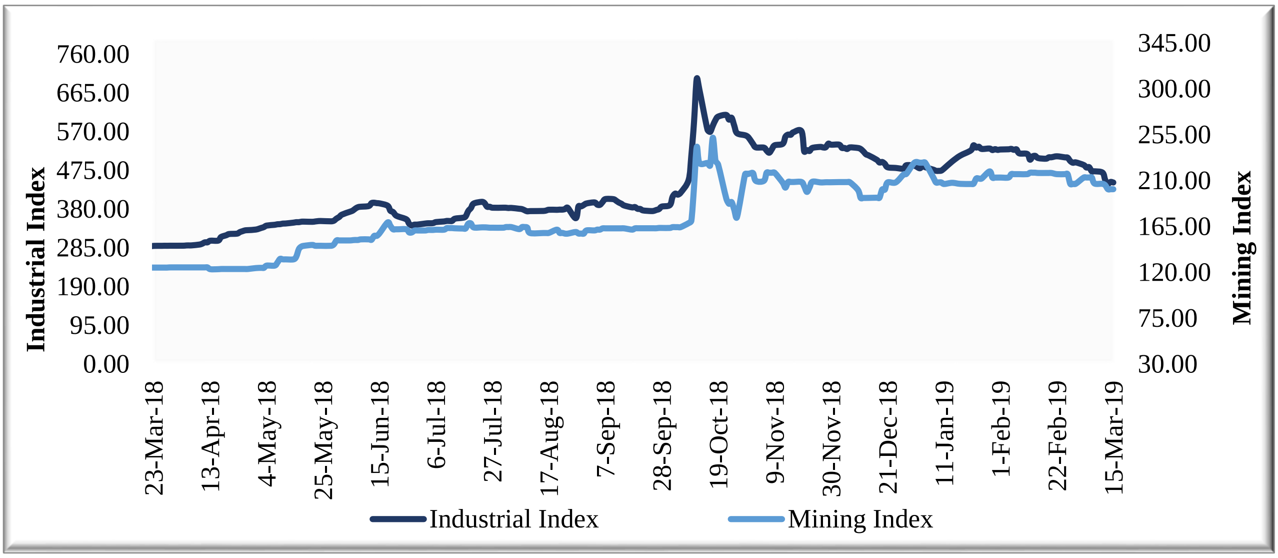
Table 6: Zimbabwe Stock Exchange Statistics

	All Share Index[2] (points)	Top 10 index[3] (points)	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US$)	Market Turnover (US$)	Volume of Shares
15-Feb-19	151.68	149.19	505.91	217.63	20,160,365,973	32,940,000	16,638,300
22-Feb-19	152.94	151.03	510.21	216.50	20,296,713,182	233,455,624	155,202,869
01-Mar-19	148.42	145.47	495.37	207.03	19,801,643,775	12,810,814	15,356,151
08-Mar-19	141.93	139.84	473.43	207.34	18,900,227,300	19,767,282	23,404,659
15-Mar-19	133.72	128.53	445.95	201.72	17,760,572,971	12,626,851	14,103,578
Weekly Change (%)	**(5.78)**	**(8.09)**	**(5.80)**	**(2.71)**	**(6.03)**	**(36.12)**	**(39.74)**

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 3: Zimbabwe Stock Exchange Indices

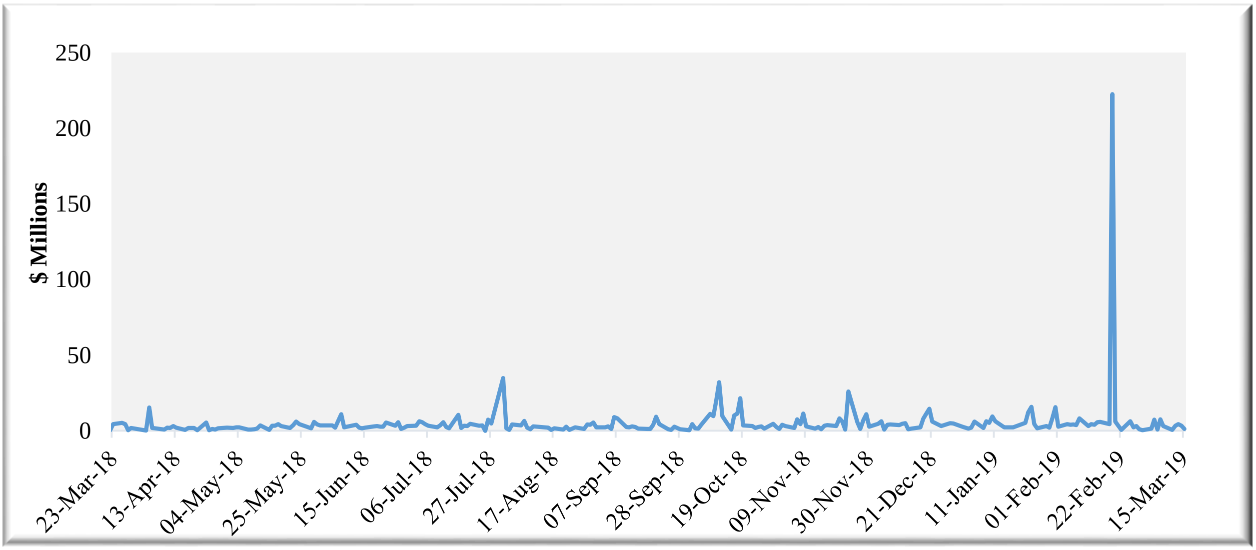


Source: Zimbabwe Stock Exchange, 2019

Market Turnover and Volume

During the week under review, 14.10 million shares were traded on the local bourse, representing a decline of 36.12% from the previous week. The cumulative value of shares traded during the same week correspondingly fell by 39.74% to $12.63 millon.

Figure 4: Daily Market Turnover



Source: Zimbabwe Stock Exchange, 2019

Market Capitalization

ZSE market capitalization declined by 6.03% or $1.14 billion worth of market capitalisation to close at $17.76 billion, during the week under review.

Figure 5: Daily Market Capitalization

Source: Zimbabwe Stock Exchange, 2019

Johannesburg Stock Exchange (JSE) Developments

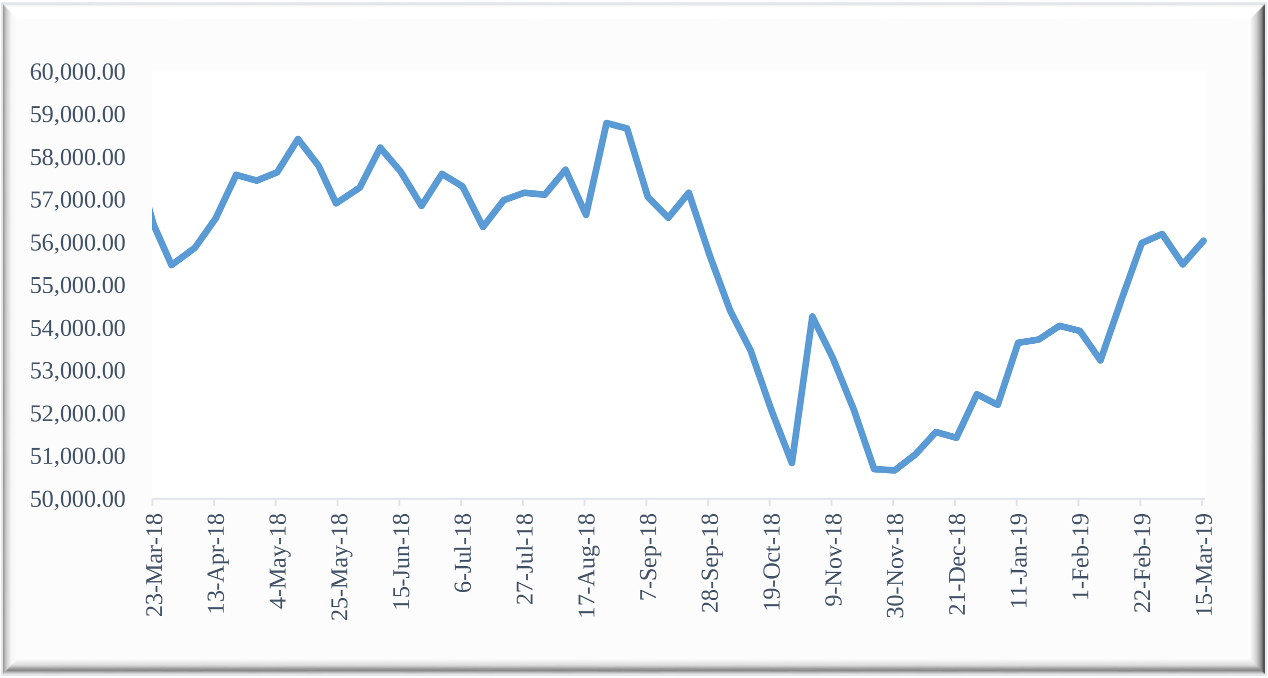
The JSE All Share closed the week ending 15th March at 56,040.21 points, a 0.99% increase from 55,488.79 points recorded in the preceding week. Similarly, market capitalisation increased by 1.27% to close at R16.01 billion, during the same week.

Table 7: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalization (ZAR billion)
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
15-Mar-19	56,040.21	16.01
% Change	**0.99**	**1.27**

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

22nd MARCH 2019