Vol. 21 No. 13

Weekly Economic Highlights

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Week Ending
29th March 2019

1. INTEREST RATES

Deposit Rates

During the week ending 29th March 2019, average deposits rates for deposits of 1-month and 3-month tenor stood at 3.76% and 4.09%, respectively. Deposit rates for savings deposits remained unchanged at 4.16% since the beginning of March 2019.

Table 1: Average Deposit Rates (per annum)

Date	Savings Deposits (%)	1-Month Deposit (%)	3-Month Deposit (%)
1-Mar-19	4.16	3.81	3.86
8-Mar-19	4.16	3.78	3.88
15-Mar-19	4.16	3.78	3.88
22-Mar-19	4.16	3.74	4.07
29-Mar-19	4.16	**3.76**	**4.09**

Source: Banking Institutions, 2019

Lending Rates

Commercial bank weighted lending rates for individual and corporate clients both increased by 0.01 percentage points to close the week under review at 9.23% and 7.30%, respectively.

Table 2: Lending Rates

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

Source: Banking Institutions, 2019

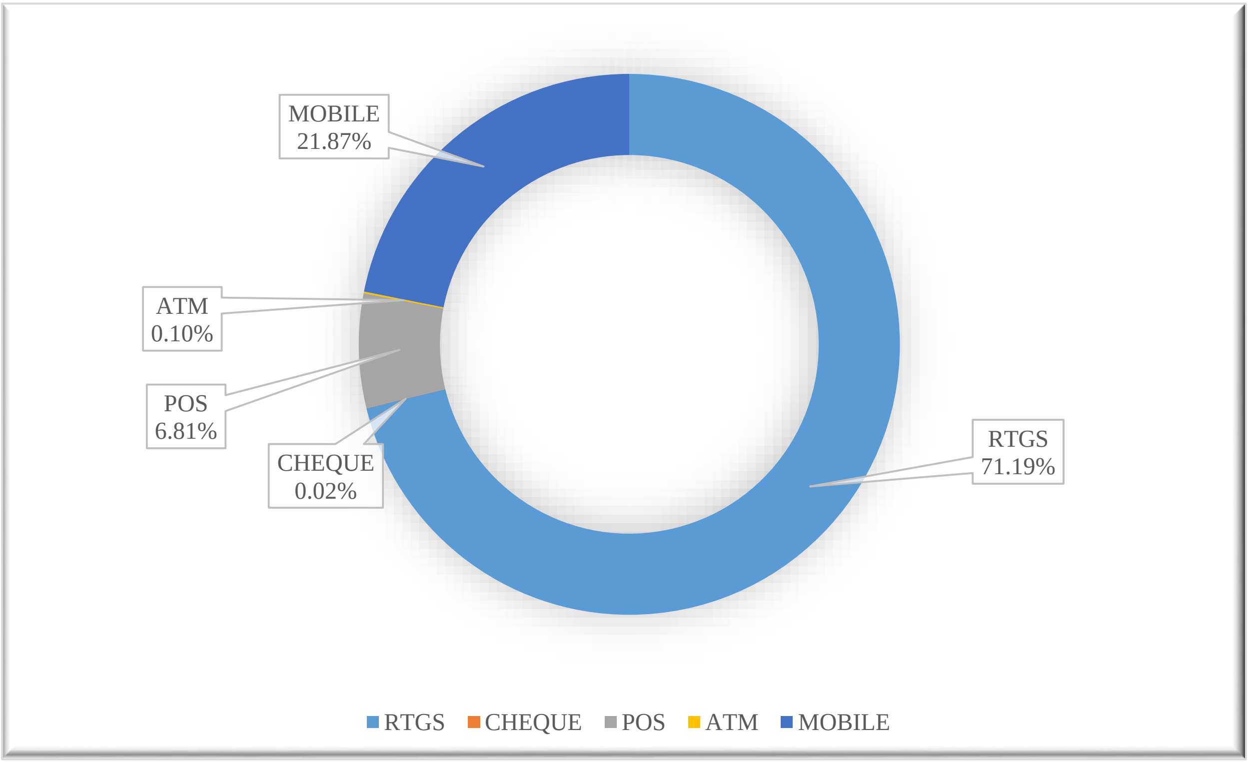
[1] Minimum weighted lending rates offered by commercial banks.

2. CLEARING AND SETTLEMENT ACTIVITY

During the week ending 29th March 2019, the total value of transactions processed through the National Payment Systems (NPS) amounted to $3.86 billion, up from $3.74 billion registered in the previous week. The value of transactions processed through the Real Time Gross Settlement (RTGS) system, however, decreased by 1.1% to $2.75 billion.

Payments through the RTGS system accounted for 71.19% of the total value of transactions processed through the NPS, followed by Mobile, 21.87%; Point of Sale (POS), 6.81%; Automated Teller Machines (ATMs), 0.1%; and Cheque, 0.02%, as shown in Figure 1.

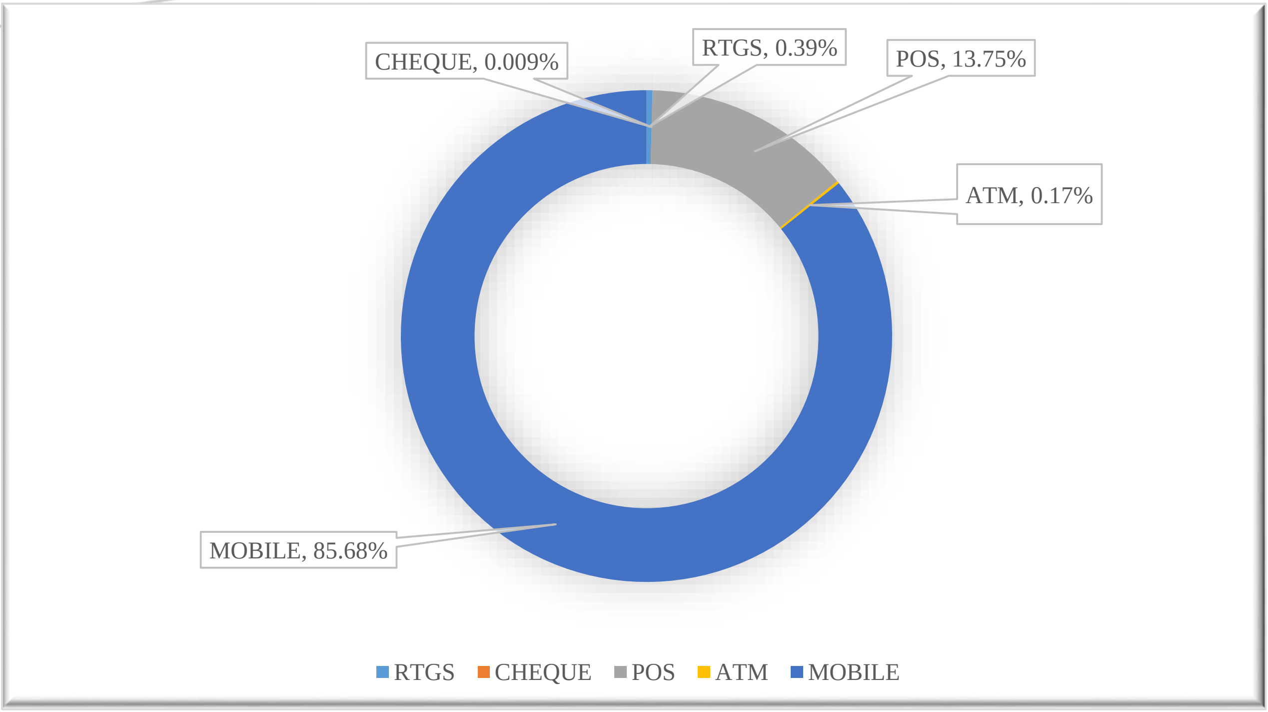
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2019

NPS transaction volumes terms increased by 4.3%, from 32.85 million transactions recorded in the previous week to 34.25 million, during the week uder review. The distribution of NPS transaction volumes was as follows: Mobile, 85.68%; POS, 13.75%; RTGS, 0.39%; ATMs, 0.17%; and Cheque, 0.009%, 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 22nd March 2019	WEEK ENDING 29th MARCH 2019	% CHANGE FROM LAST WEEK	PERCENTAGE OF TOTAL
	VALUES IN $ (millions)			
RTGS	2,786.32	2,754.40	-1.1%	71.19%
CHEQUE	0.89	0.80	-10.0%	0.02%
POS	235.49	263.59	11.9%	6.81%
ATM	3.46	3.97	14.7%	0.10%
MOBILE	716.44	846.26	18.1%	21.87%
TOTAL	**3,742.60**	**3,869.01**	3.4%	**100%**
	VOLUMES			
RTGS	112,584	135,080	20.0%	0.39%
CHEQUE	3,601	3,105	-13.8%	0.009%
POS	4,405,301	4,708,287	6.9%	13.75%
ATM	50,235	58,102	15.7%	0.17%
MOBILE	28,279,589	29,348,497	3.8%	85.68%
TOTAL	**32,851,310**	**34,253,071**	4.3%	**100%**

Source: Reserve Bank of Zimbabwe, 2019

3. TOBACCO SALES

By the end of the 8th day (29th March 2019) of the tobacco selling season, a cumulative total of 60,090 kilograms of the golden leaf had been sold at an average price of US$1.72 per kilogram. This reflected a decline, compared with the total of 316,129 kilograms sold during the corresponding period in 2018.

The value of the tobacco auctioned since the start of the selling season stood at US$103,491 million, a decrease of 87.3% from the US$816,866 million realized during the same period in 2018.

Table 4: Cumulative Tobacco Sales: Day 8 (29th March 2019)

	2018	2019	Variance (%)
Cumulative Quantity Sold (kgs)	316,129	60,090	(81)
Cumulative Average Price(US$/kg)	2.58	1.72	(33.3)
Cumulative Value (US$ million)	816,866	103,491	(87.3)

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

4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The weekly average international commodity prices of gold, platinum and brent crude oil firmed, during the week ending 29th March 2019. Copper and nickel prices, however, declined, 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 (18 Mar-22 Mar)	**1,306.91**	**849.80**	**6,423.41**	**12,896.73**	**67.59**
25-Mar	1,319.45	851.00	6,330.50	12,850.00	67.35
26-Mar	1,315.78	855.00	6,332.00	13,009.50	68.19
27-Mar	1,313.98	861.50	6,335.00	12,952.50	67.64
28-Mar	1,301.03	849.50	6,385.00	12,773.50	68.15
29-Mar	1,293.28	848.50	6,484.65	12,892.50	68.39
weekly average (25 Mar-29 Mar)	**1,308.70**	**853.10**	**6,373.43**	**12,895.60**	**67.94**
Weekly Change (%)	*0.1*	*0.4*	*(0.8)*	*(0.01)*	*0.5*

Source: BBC, KITCO and Bloomberg, 2019

Gold

The price of the yellow metal firmed by 0.1%, from a weekly average of US$1,306.91/oz. in the previous week to US$1,308.70/oz., during the week under analysis. This was on account of higher demand, following a retreat of the US stock markets.

Platinum

Platinum prices rose by 0.4%, from US$849.80/oz in the previous week to US$853.10/oz, during the week ending 29th March 2019, as investors moved away from stocks, amid a retreat in US stock markets.

Copper

Copper prices weakened by 0.8%, from US$6,423.41/tonne during the previous week to US$6,373.43/tonne, during the week under review. The decline was, in large part, on account of a stronger US dollar. In addition, subdued progress in the ongoing US- China trade talks dampened the demand for the base metal.

Nickel

Nickel prices declined by 0.01%, from US$12,896.73/tonne in the previous week to US$12,895.60/tonne, during the week under review. Lingering investor fears about the continued trade tensions between the US and China had a dampening impact on the demand for the base metal.

Crude Oil

Brent crude oil prices continued on an upward trend, firming by 0.5% from a weekly average of US$67.59/barrel in the previous week, to US$67.94/barrel during the week under review. The increase was occasioned by the on-going oil supply cuts led by OPEC member countries, as well as the negative impact of U.S. sanctions against Iran and Venezuela.

EXCHANGE RATES

During the week under review, the US dollar appreciated against the RTGS dollar; South African rand; euro; Botswana pula and the British pound.

Table 5: International Exchange Rates per US$

	ZWL	ZAR	GBP	BWP	EURO
2019					
Weekly Average (18-22 Mar)	**2.8457**	**14.2822**	**0.7574**	**10.6695**	**0.8804**
25-Mar	2.9557	14.5138	0.7577	10.7239	0.8847
26-Mar	2.9679	14.3310	0.7586	10.6838	0.8845
27-Mar	2.9827	14.4520	0.7585	10.7066	0.8883
28-Mar	3.0013	14.6334	0.7579	10.7759	0.8883
29-Mar	3.0120	14.5950	0.7652	10.7991	0.8903
Weekly Average (25-29 Mar)	**2.9839**	**14.5050**	**0.7596**	**10.7379**	**0.8872**
Appr(+)/Depr(-) (%) against the USD	*4.86*	*1.56*	*0.29*	*0.64*	*0.77*

5. EQUITY MARKETS

The Zimbabwe Stock Exchange (ZSE) recovered from previous week losses, resulting in the All Share and Top 10 Indices gaining 0.1 points and 1.29 points to 121.66 points and 114.61 points, respectively.

The industrial index increased by 0.17% to close the week under analysis at 405.57 points. This was largely on account of share price gains in the mainstream index as a result of increases registered in Medtech Holdings Limited (50.00%); Dawn Properties Limited (20.00%); Zimre Holdings Limited (20.00%); Nampak Zimbabwe Limited (19.97) and Old Mutual Zimbabwe (10.25%). The gains were partially offset by losses in the share prices of Fidelity Life Assurance Limited (20%); First Mutual Properties Limited (20%); PPC Limited (20%); Zimre Property Investments Limited (20%); and OK Zimbabwe Limited (18.44%).

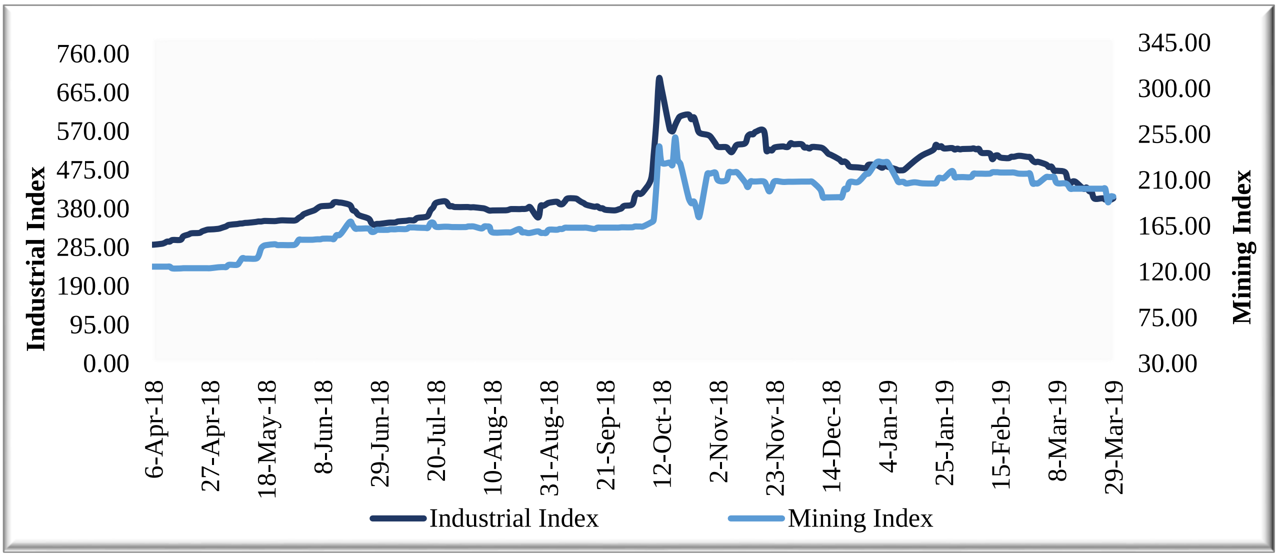
The mining index shed 3.84%, from 201.72 points in the previous week, to close the week under analysis at 193.98 points. The decline was on the back of share prices loses for Bindura Nickel Corporation, 9.94% and RioZim,1.58%.

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
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
22-Mar-19	121.56	113.32	404.89	201.72	15,997,165,999	14,358,069	48,036,051
29-Mar-19	121.66	114.61	405.57	193.98	16,084,866,459	23,761,920	37,630,561
Weekly Change (%)	**0.08**	**1.14**	**0.17**	**(3.84)**	**0.55**	**65.50**	**(21.66)**

Source: Zimbabwe Stock Exchange (ZSE), 2019

Figure 3: Zimbabwe Stock Exchange Indices



Source: Zimbabwe Stock Exchange, 2019

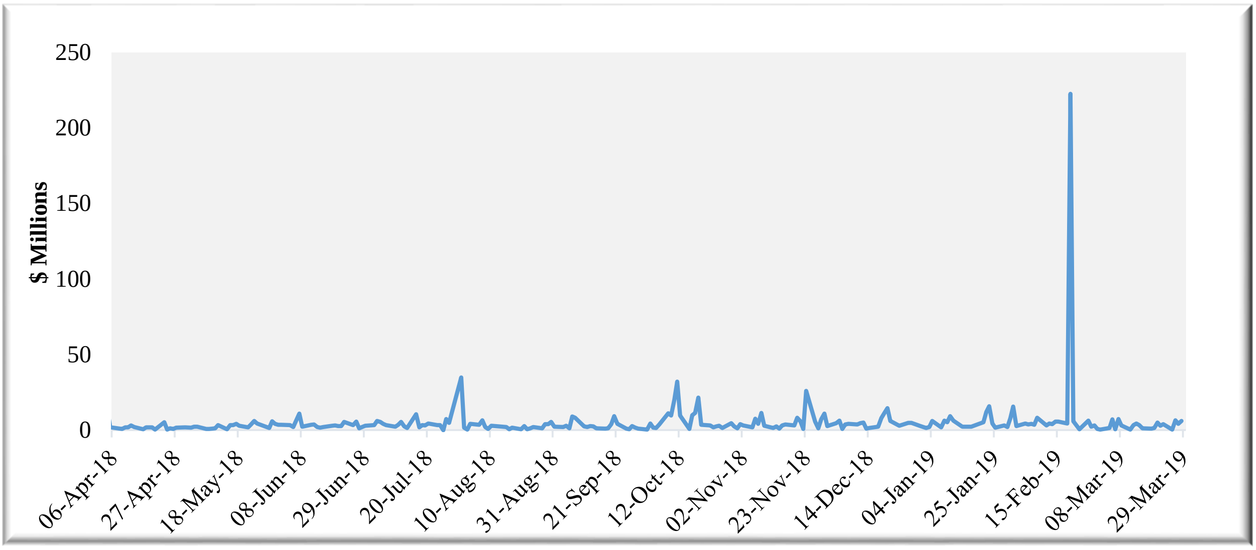
Market Turnover and Volume

The cumulative value of shares traded on the local bourse increased by 65.5% to $23.76 million, during the week ending 29th March 2019. This was underpinned by improved trading activity in some

[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.

selected heavyweight counters. Cumulatively, however, the number of shares traded declined by 21.66% to close at 37.63 million in the same week.

Figure 4: Daily Market Turnover

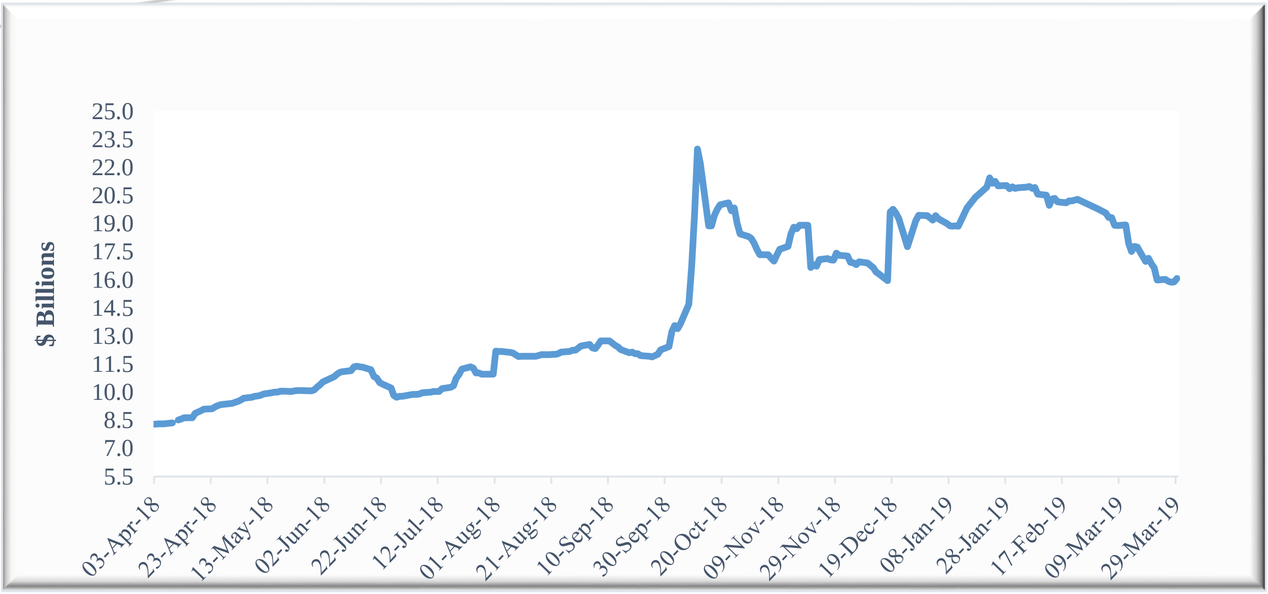


Source: Zimbabwe Stock Exchange, 2019

Market Capitalization

The ZSE market capitalisation stood at $16.08 billion during the week ending 29th March 2019, a 0.55% increase from the $15.99 billion recorded in the previous week. This was largely attributable to gains in the industrial index.

Figure 5: Daily Market Capitalization



Source: Zimbabwe Stock Exchange, 2019

Johannesburg Stock Exchange (JSE) Developments

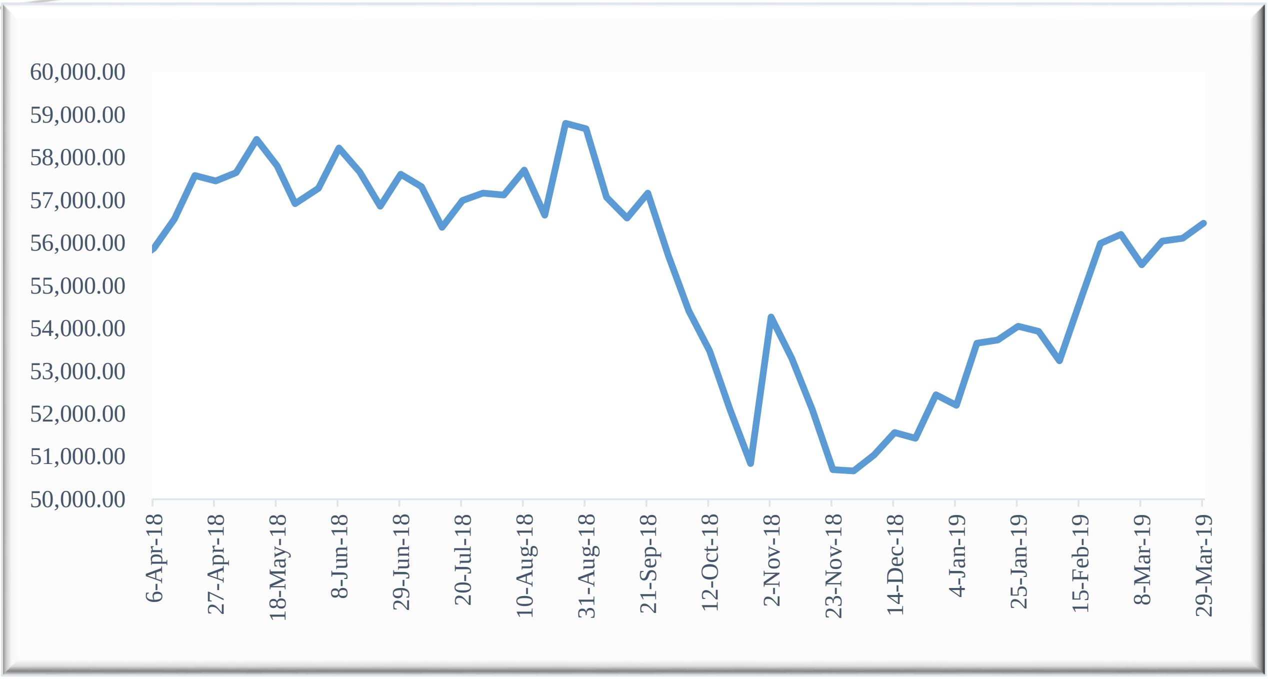
The JSE All Share Index increased by 0.63% to 56,462.55 points, during the week under review. In tandem, JSE market capitalisation rose by 0.68% to R16.18, during the same period.

Table 7: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalization (ZAR billion)
01-Mar-19	56,203.11	15.90
08-Mar-19	55,488.79	15.81
15-Mar-19	56,040.21	16.01
22-Mar-19	56,107.48	16.07
29-Mar-19	56,462.55	16.18
% Change	**0.63**	**0.68**

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

5TH APRIL 2019