



Weekly Economic Highlights

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Week Ending
10th MAY 2019

1. INTEREST RATES

Deposit Rates

Average deposit rates for savings deposits and deposits of 1-month and 3-month tenors remained unchanged at 4.16%, 3.90% and 4.17%, respectively, during the week ending 10th May 2019.

Table 1: Average Deposit Rates (per annum)

Date	Savings Deposits (%)	1-Month Deposit (%)	3-Month Deposit (%)
12-Apr-19	4.16	3.76	4.09
17-Apr-19	4.16	3.95	4.20
26-Apr-19	4.16	3.95	4.17
3-May-19	4.16	3.90	4.17
10-May-19	4.16	3.90	4.17

Source: Banking Institutions, 2019

Lending Rates

Commercial bank weighted lending rates for individual clients decreased by 0.02 percentage points to 9.32%, from 9.34% recorded in the previous week. Similarly, weighed commercial bank lending rates for corporate clients declined to 7.31%, during the week under review.

Table 2: Lending Rates

Date	Lending Rates ¹ (%)	
	Commercial Banks (weighted)	
	Individuals	Corporate clients
12-Apr-19	9.21	7.31
17-Apr-19	9.21	7.31
26-Apr-19	9.30	7.38
3-May-19	9.34	7.35
10-May-19	9.32	7.31

Source: Banking Institutions, 2019

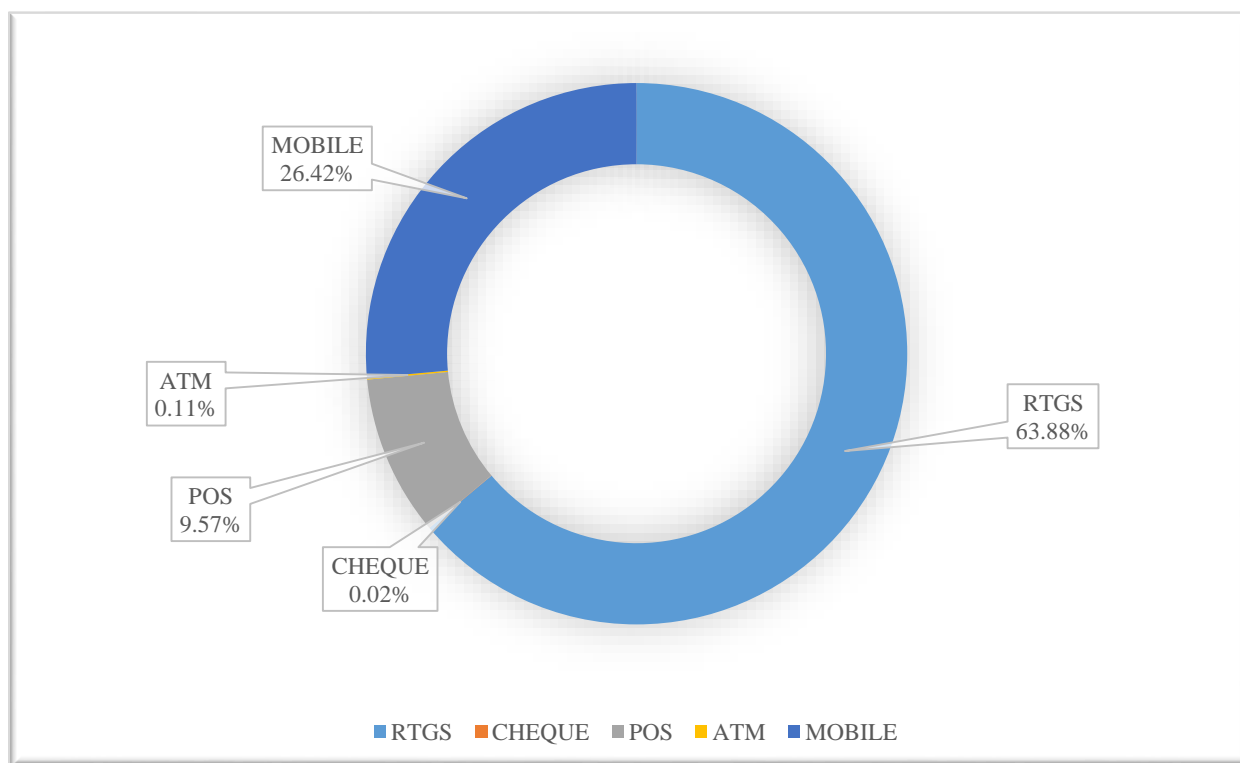
¹ Minimum weighted lending rates offered by commercial banks.

2. CLEARING AND SETTLEMENT ACTIVITY

The week under review saw the total value of transaction processed through the National Payments System (NPS) increase by 2.63%, to close at \$4.32 billion. In tandem, the value of transactions processed through the Real Time Gross Settlement (RTGS) system increased by 3.45%, to close the week at \$2.76 billion.

In value terms, NPS transactions were distributed as follows: RTGS, 63.88%; Mobile, 26.42%; Point of Sale (POS), 9.57%; Automated Teller Machines (ATMs), 0.11%; and cheque 0.02%, as shown in Figure 1.

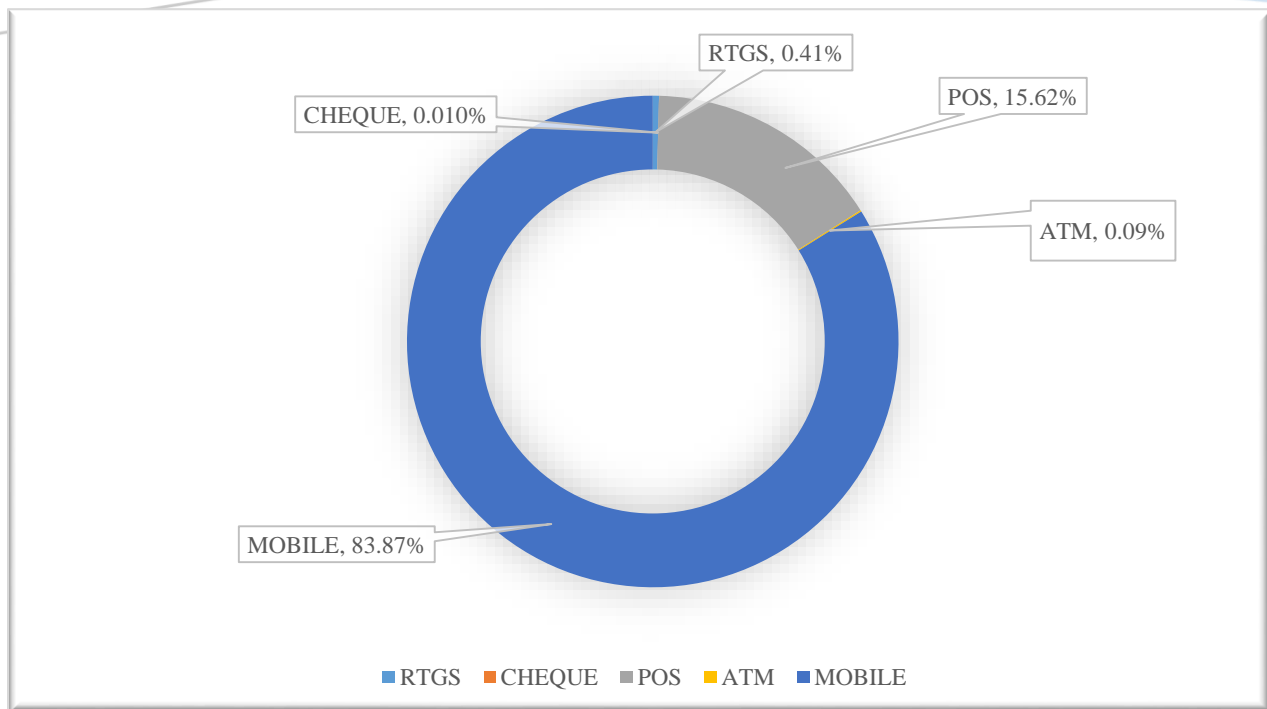
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2019

The total volume of NPS transactions declined by 7.67% to 39.04 million transactions, during the week ending 10th May 2019. Mobile based transactions accounted for 83.87% of the total volume of transactions, followed by POS, 15.62%; RTGS, 0.41%; ATMs 0.09%; 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 26 th April 2019	WEEK ENDING 3 rd May 2019	% CHANGE FROM LAST WEEK	PERCENTAGE OF TOTAL
VALUES IN \$ (Millions)				
RTGS	2,665.95	2,757.94	3.45%	63.88%
CHEQUE	0.53	0.80	48.85%	0.02%
POS	351.15	413.37	17.72%	9.57%
ATM	5.34	4.94	-7.51%	0.11%
MOBILE	1,184.19	1,140.64	-3.68%	26.42%
TOTAL	4,207.17	4,317.68	2.63%	100%
VOLUMES				
RTGS	147,485	160,660	8.93%	0.41%
CHEQUE	2,206	2,943	33.41%	0.01%
POS	5,607,045	6,098,965	8.77%	15.62%
ATM	34,191	34,908	2.10%	0.09%
MOBILE	36,493,370	32,741,750	-10.28%	83.87%
TOTAL	42,284,297	39,039,226	-7.67%	100%

Source: Reserve Bank of Zimbabwe, 2019

3. TOBACCO SALES

As at 10th May 2019 or day 34 of the 2019 tobacco selling season, a cumulative total of 227,091 kilograms of tobacco had been sold. The quantity sold was 66.8% lower than the cumulative total of 684,035 kilograms sold during the same period in 2018. Concomittantly, the cumulative value of tobacco sales decreased to US\$356,982, from US\$1,848,061 realized during the corresponding period in 2018.

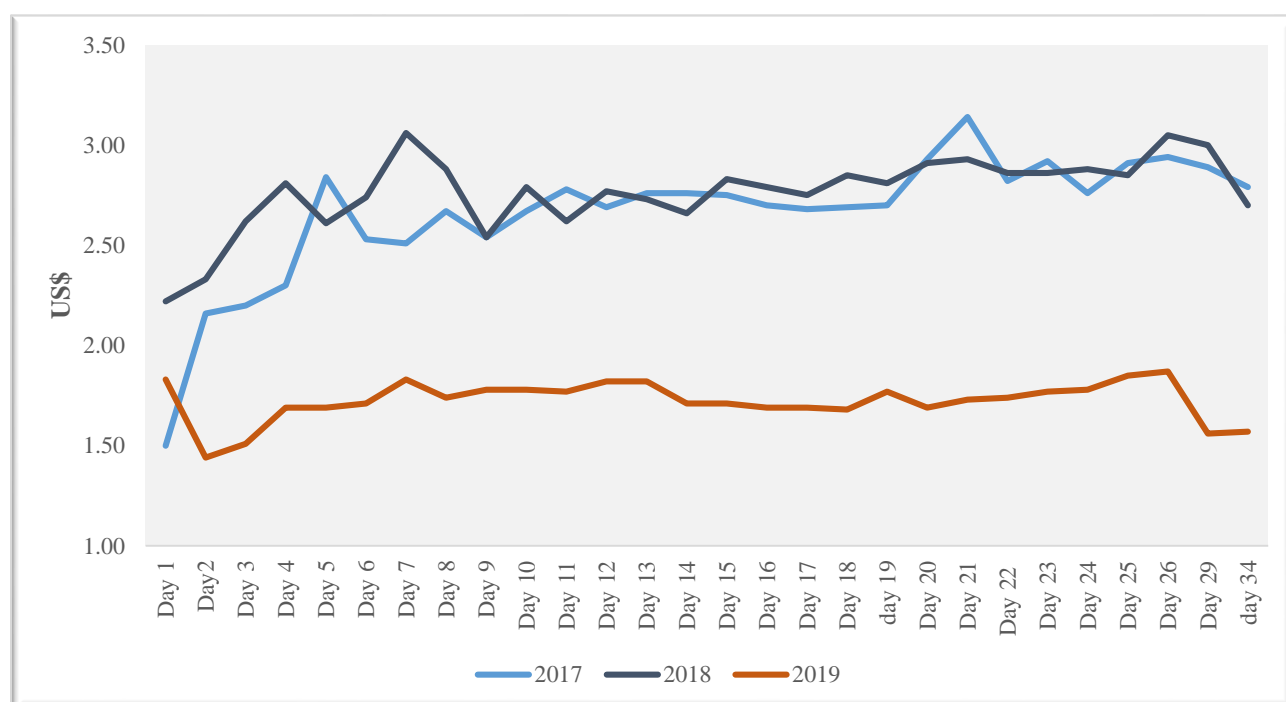
Table 4: Cumulative Tobacco Sales: Day 34 (10th May 2019)

	2018	2019	Variance (%)
Cumulative Quantity Sold (kgs)	684,035	227,091	(66.8)
Cumulative Average Price(US\$/kg)	2.7	1.57	(41.8)
Cumulative Value (US\$ million)	1,848,061	356,982	(80.7)

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

The golden leaf fetched a lower average price of US\$1.57/kg, compared to the US\$2.7/kg realized during the same period in 2018.

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



Source: TIMB and ZTA, 2019

4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The weekly average international commodity prices of platinum, copper, nickel and crude oil retreated, during the week under review. Gold prices, however, 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 (29 Apr-3 May)	1,279.17	876.80	6,295.20	12,205.00	71.22
6-May	1281.25	874.00	6148.25	11975.00	70.19
7-May	1286.48	869.50	6112.25	11885.50	69.92
8-May	1285.10	853.50	6113.15	11762.00	70.72
9-May	1286.25	857.50	6100.00	11914.00	70.95
10-May	1289.28	856.50	5995.00	11728.00	70.51
weekly average (6-10 May)	1,285.67	862.20	6,093.73	11,852.90	70.46
Weekly Change (%)	<i>0.5</i>	<i>(1.7)</i>	<i>(3.3)</i>	<i>(3.0)</i>	<i>(1.1)</i>

Source: BBC, KITCO and Bloomberg, 2019

Gold

The average price of gold increased by 0.5%, from US\$1,279.17/oz. in the previous week to US\$1,285.67/oz., during the week ending 10th May 2019. A softer dollar, increased the appeal of gold as a safe-haven asset.

Platinum

Platinum prices declined by 1.7%, to close at US\$862.20/oz. during the week under review, from a weekly average of US\$876.80/oz. in the previous week. The decline was underpinned by slowing industrial demand from the automobile industries as well as slackening demand from jewelers.

Copper

The weekly average price for copper retreated by 3.2%, from US\$6,295.20/tonne in the previous week, to US\$6,093.73/tonne, during the week under analysis. Prices went down due to the escalating trade conflicts between United States and China.

Nickel

Nickel prices went down by 2.9%, from a weekly average of US\$12,205.00/tonne registered in the previous week, to close the week under review at an average of US\$11,852.90/tonne. This followed the decision by the United States to raise tariffs on Chinese goods, which exacerbated fears of a global economic slowdown.

Crude Oil

Brent crude oil prices decreased by 1.1% to close at US\$70.46/barrel, during the week ending 10th May 2019. The losses were on account of ample global supplies on the back of increased US stockpiles as reported by the American Petroleum Institution. In addition, fears of a slowdown in global oil demand, amid escalating trade disputes between United States and China weighed down the price.

EXCHANGE RATE

During the week ending 10th May 2019, the ZWL depreciated against the US dollar, pound Sterling, pula, euro and rand. Table 6 shows the movement of the ZWL against the selected currencies.

Table 6: International Exchange Rates per ZWL²

	USD	ZAR	GBP	BWP	EURO
2019					
Weekly Average (29 Apr-3 May)	3.2669	0.2266	4.2427	0.3040	3.6523
6-May	3.2938	0.2278	4.3234	0.3060	3.6860
7-May	3.2971	0.2282	4.3271	0.3061	4.5683
8-May	3.3025	0.2293	4.3178	0.3064	3.7010
9-May	3.3102	0.2298	4.3085	0.3091	3.7051
10-May	3.3311	0.2324	4.3328	0.3095	3.7397
Weekly Average (6-10 May)	3.3014	0.2288	4.3197	0.3069	3.8820
Appr(+)/Depr(-) (%) of the ZWL	(1.06)	(0.95)	(1.81)	(0.97)	(6.29)

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

Trading on the Zimbabwe Stock Exchange (ZSE) continued on a positive trajectory, with the All Share and Top 10 indices registering gains of 4.36% and 3.92%, respectively, during the week under analysis. The mainstream index increased by 19.78 points to 473.16 points in the same week. This followed share price gains registered by Rainbow Tourism Group Limited (71.43%); Medtech Holdings Limited (35.71%); CBZ Holdings (33.02%); African Sun Limited (20.00%); and National Foods Holdings Limited (19.96%). Partially offsetting the aforementioned gains were losses at Amalgamated Regional Trading (ART) (1.79%); Nampak Zimbabwe Limited (0.33%); Zimre Property Investment Limited (0.79%); and Seed Co Limited (0.27%).

The mining index rose by 2.42% to close the week under review at 184.31 points. Share price gains for Bindura Nickel Corporation (8.55%); and Riozim Limited (0.57%), largely contributed to the increase in the mining index.

Table 7: Zimbabwe Stock Exchange Statistics

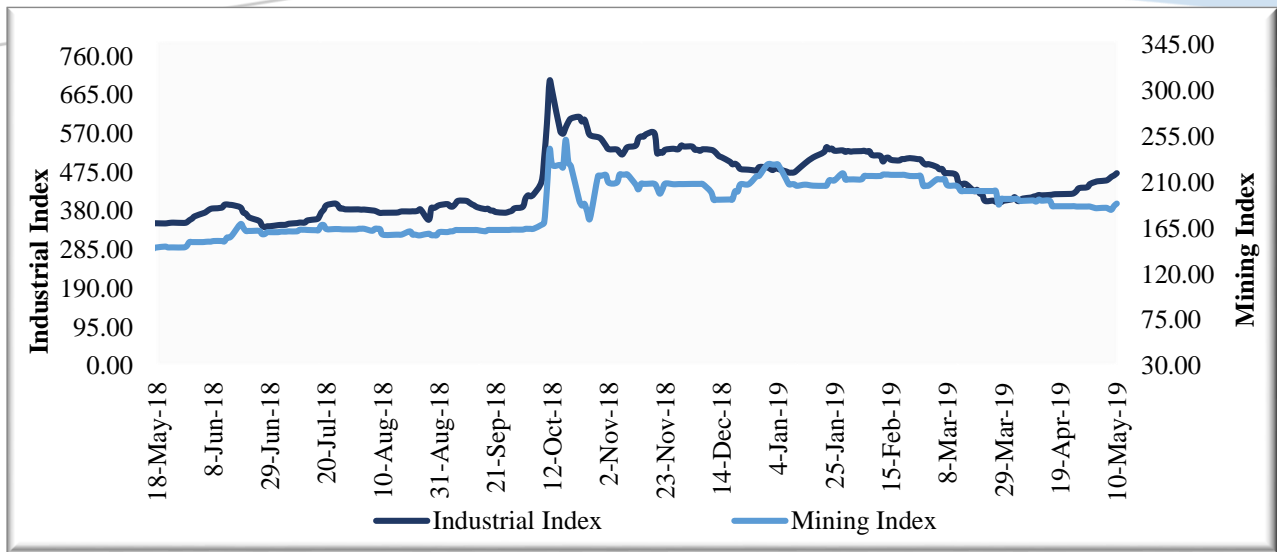
	All Share Index ³ (points)	Top 10 index ⁴ (points)	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
12-Apr-19	125.51	119.08	418.65	192.23	16,523,960,264	22,311,532	16,435,215
17-Apr-19	126.28	119.80	421.48	186.78	16,616,405,792	26,802,911	39,307,722
26-Apr-19	130.73	124.30	436.50	186.47	17,140,792,759	28,706,189	40,461,683
3-May-19	135.70	129.54	453.38	184.91	17,759,403,066	32,719,194	25,962,033
10-May-19	141.62	134.62	473.16	189.39	18,535,907,025	28,643,253	64,239,780
Weekly Change (%)	4.36	3.92	4.36	2.42	4.37	(12.46)	147.44

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



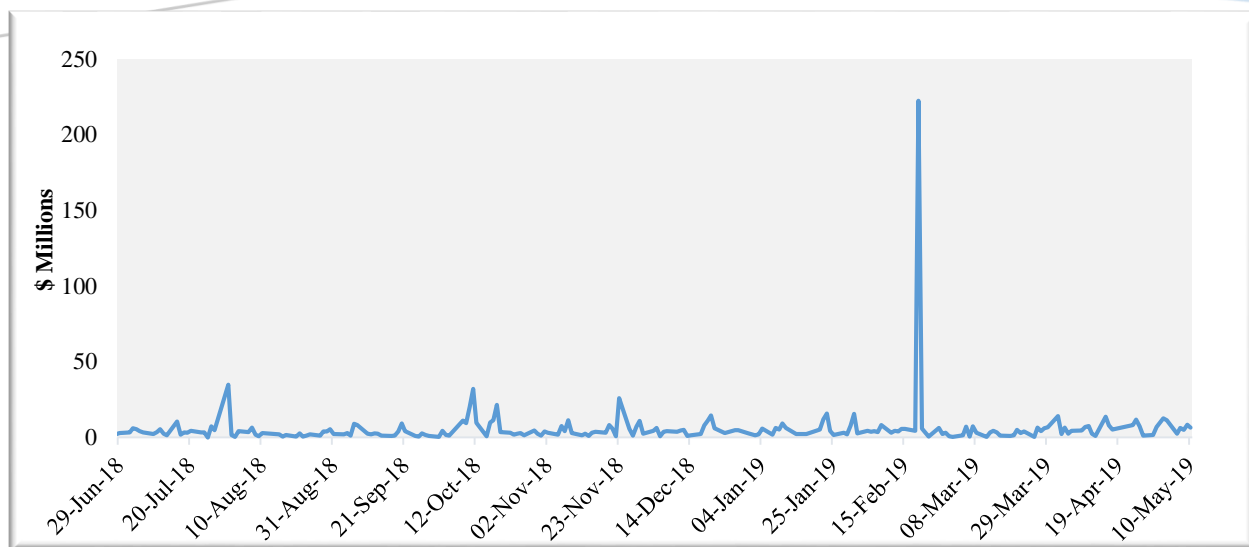
Source: Zimbabwe Stock Exchange, 2019

Market Turnover and Volume

The cumulative value of shares traded on the ZSE declined by 12.46% to US\$28.64 million, during the week ending 10th May 2019. Similarly, the cumulative volume of shares traded registered a 147.44% increase and closed the week at 64.24 million. This was underpinned by the trading of high volumes of penny stocks⁵.

⁵ Penny stocks – securities issued by public companies with low market capitalization, trading at low prices per share.

Figure 5: Daily Market Turnover



Source: Zimbabwe Stock Exchange, 2019

Market Capitalization

During the week under review, ZSE market capitalization increased by 4.37%, to close at US\$18.54 billion.

Figure 6: Daily Market Capitalization



Source: Zimbabwe Stock Exchange, 2019

Johannesburg Stock Exchange (JSE) Developments

The JSE All Share Index went down by 4.31% to close at 56,780.75 points, during the week ending 10th May 2019. JSE Market capitalisation also fell by 4.32% to R15.95 billion in the same week.

Table 7: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalization (ZAR billion)
12-Apr-19	58,405.30	16.52
17-Apr-19	59,222.47	16.71
26-Apr-19	58,894.19	16.57
3-May-19	59,335.90	16.67
10-May-19	56,780.75	15.95
% Change	(4.31)	(4.32)

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

17TH MAY 2019