



# Weekly Economic Highlights

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Week Ending  
24<sup>th</sup> MAY 2019

## 1. INTEREST RATES

### Deposit Rates

As at the close of the week ending 24<sup>th</sup> May 2019, average interest rates for deposits of 1 month and 3 months tenor increased to 4.10% and 4.24%, respectively. Deposit rates for savings deposits, however, remained unchanged during the same week.

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

Date	Savings Deposits (%)	1-Month Deposit (%)	3-Month Deposit (%)
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
17-May-19	4.16	3.90	4.17
24-May-19	4.16	<b>4.10</b>	<b>4.24</b>

Source: Banking Institutions, 2019

### Lending Rates

During the week under analysis, commercial bank weighted lending rates for individual fell to 9.28% from 9.32%. Likewise, weighted lending rates for corporate clients also declined 7.27% from 7.31%, recorded in the previous week.

**Table 2: Lending Rates**

Date	Lending Rates <sup>1</sup> (%)	
	Commercial Banks (weighted)	
	Individuals	Corporate clients
26-Apr-19	9.30	7.38
3-May-19	9.34	7.35
10-May-19	9.32	7.31
17-May-19	9.32	7.31
24-May-19	<b>9.28</b>	<b>7.27</b>

Source: Banking Institutions, 2019

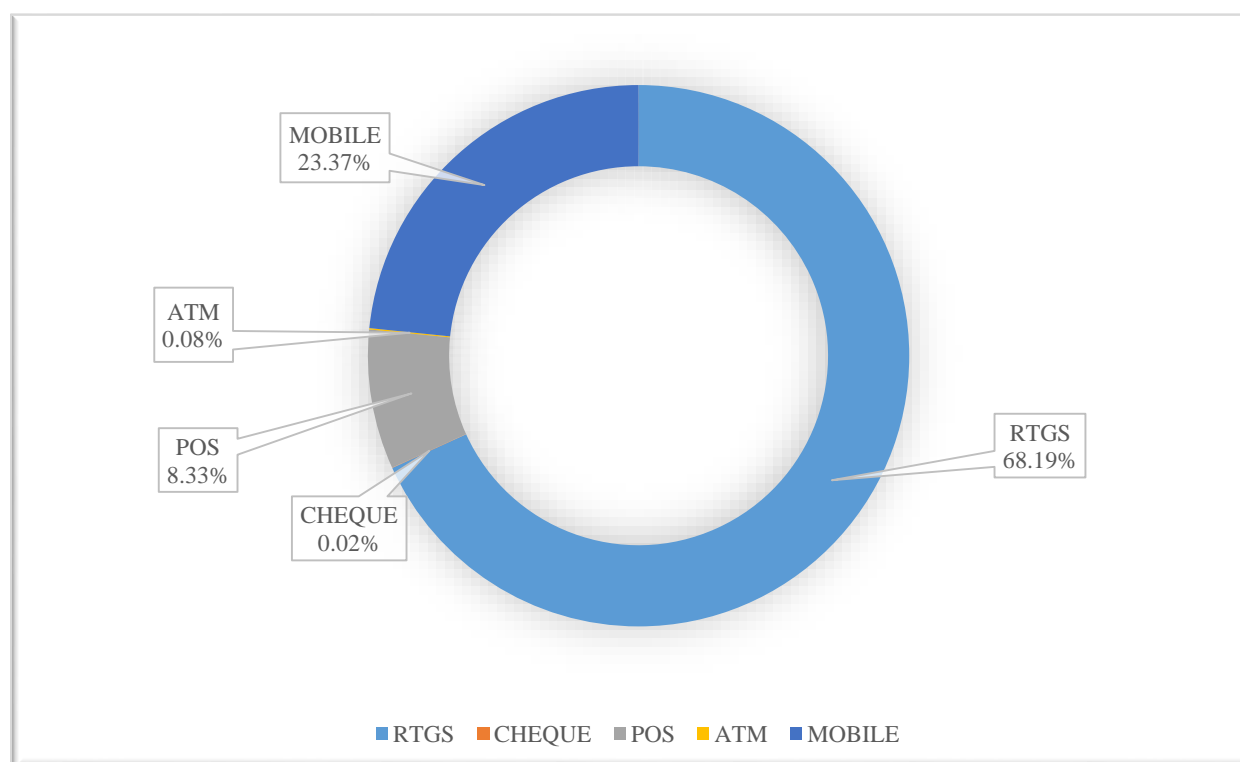
<sup>1</sup> Minimum weighted lending rates offered by commercial banks.

## 2. CLEARING AND SETTLEMENT ACTIVITY

The total value of transactions processed through the National Payment Systems (NPS), registered a 11.31% increase from \$4.6 billion in the previous week, to \$5.1 during the week ending 24<sup>th</sup> May 2019. Transactions processed through the Real Time Gross Settlement (RTGS) amounted to \$3.5 billion, up from \$2.97 billion recorded in the previous week.

In value terms, RTGS payments accounted for 68.19% of the total value of transactions processed through the NPS. This was followed by Mobile, 23.37%; Point of Sale (POS), 8.33%, Automated Teller Machines (ATMs), 0.08%; and cheque, 0.02%.

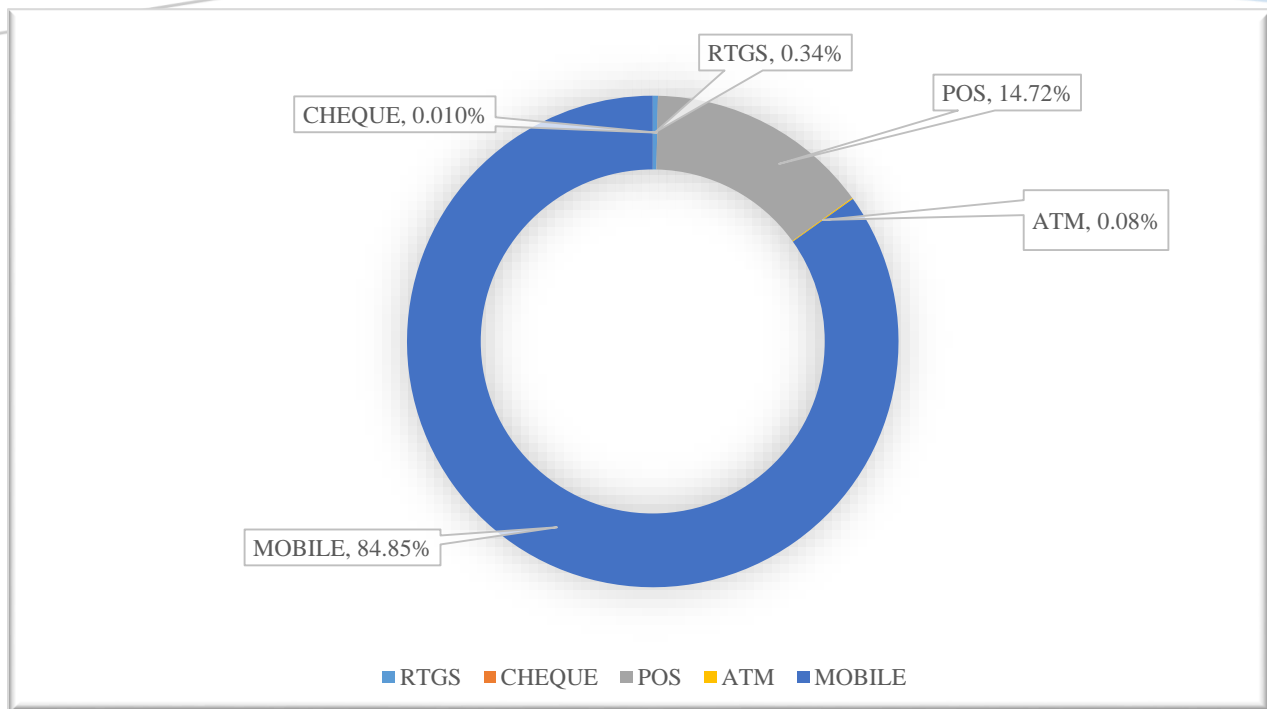
**Figure 1: Composition of NPS Transactions in Value Terms**



*Source: Reserve Bank of Zimbabwe, 2019*

NPS transaction volumes decreased by 7.66%, to close the week under review at 38.5 million. In terms of contributions to the total volume of NPS transactions, Mobile transactions were highest at 84.85%, followed by POS, 14.72%; RTGS, 0.34%; ATM, 0.08%; 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 17 <sup>th</sup> April 2019	WEEK ENDING 24 <sup>th</sup> May 2019	% CHANGE FROM LAST WEEK	PERCENTAGE OF TOTAL
<b>VALUES IN \$ (Millions)</b>				
<b>RTGS</b>	2,965.01	3,486.45	17.59	68.19
<b>CHEQUE</b>	1.11	1.06	-3.99	0.02
<b>POS</b>	427.27	426.00	-0.30	8.33
<b>ATM</b>	4.55	4.27	-6.14	0.08
<b>MOBILE</b>	1,195.62	1,195.10	-0.04	23.37
<b>TOTAL</b>	4,593.56	5,112.89	11.31	<b>100%</b>
<b>VOLUMES</b>				
<b>RTGS</b>	131,190	129,912	-0.97	0.34
<b>CHEQUE</b>	3,911	3,493	-10.69	0.01
<b>POS</b>	6,764,190	5,669,650	-16.18	14.72
<b>ATM</b>	41,226	31,161	-24.41	0.08
<b>MOBILE</b>	34,768,059	32,681,148	-6.00	84.85
<b>TOTAL</b>	<b>41,708,576</b>	<b>38,515,364</b>	-7.66	<b>100%</b>

Source: Reserve Bank of Zimbabwe, 2019

### 3. TOBACCO SALES

As at 24<sup>th</sup> May 2019, or day 44 of the 2019 tobacco selling season, a cumulative total of 340,915 kilograms of tobacco had been sold. This reflected a 55% decline, compared to the 757,410 kilograms sold during the same period in 2018. Cumulative tobacco sales amounted to US\$553.92 million, down from the US\$2,145.79 million realized during the corresponding period in 2018.

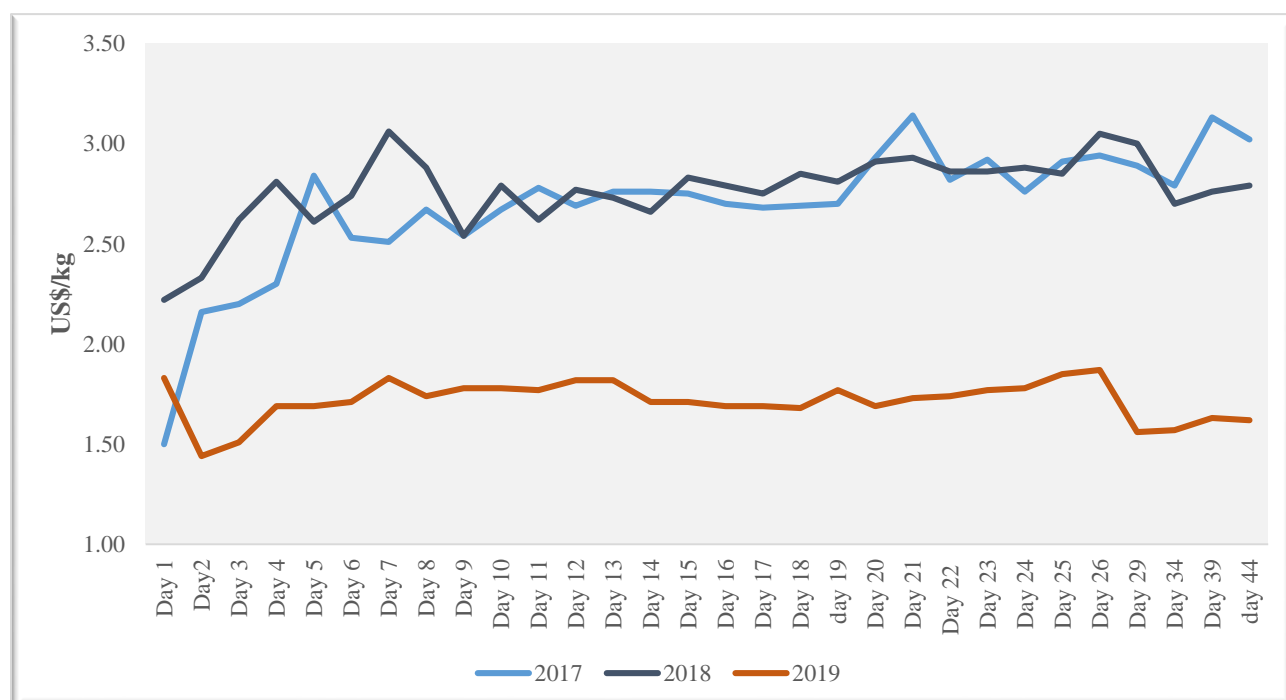
**Table 4: Cumulative Tobacco Sales: Day 44 (24<sup>th</sup> May 2019)**

	2018	2019	Variance (%)
<b>Cumulative Quantity Sold (kgs)</b>	757,410	340,915	(55.0)
<b>Cumulative Average Price(US\$/kg)</b>	2.79	1.62	(41.9)
<b>Cumulative Value (US\$ million)</b>	2,145.79	553.92	(74.2)

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

The golden leaf was sold at an average price of US\$1.62, compared to US\$2.79 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 gold, platinum, copper and crude oil retreated, during the week ending 24<sup>th</sup> May 2019. Nickel prices, however, continued on a positive trajectory, during the same week, as shown in Table 4.

**Table 5: International Commodity Prices**

	Gold	Platinum	Copper	Nickel	Crude Oil
<b>2019</b>	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
<b>weekly average (13-17 May)</b>	<b>1,293.44</b>	<b>846.00</b>	<b>6,039.25</b>	<b>11,940.20</b>	<b>71.88</b>
<b>20-May</b>	1,276.05	819.00	6,006.75	11,974.00	72.20
<b>21-May</b>	1,273.58	811.50	5,975.00	12,077.00	71.70
<b>22-May</b>	1,273.90	807.50	5,895.50	11,953.50	70.35
<b>23-May</b>	1,279.80	799.00	5,195.00	11,877.00	68.77
<b>24-May</b>	1,282.00	803.00	5,937.50	12,362.00	68.57
<b>Weekly average (17-24 May)</b>	<b>1,277.07</b>	<b>808.00</b>	<b>5,801.95</b>	<b>12,048.70</b>	<b>70.32</b>
<b>Weekly Change (%)</b>	(1.3)	(4.5)	(3.9)	0.9	(2.2)

Source: BBC, KITCO and Bloomberg, 2019

##### Gold

Gold prices fell by 1.3%, from a weekly average of US\$1,293.44/oz in the previous week, to US\$1,277.07/oz, during the week under review. The price of the yellow metal declined on account of a strong US dollar.

##### Platinum

The weekly average prices of platinum declined by 4.5%, from US\$846.00/oz. recorded in the previous week to US\$808.00/oz., during the week under analysis. Prices were underpinned by slackening investment demand, as investors shifted preference to equities and other interest bearing assets.

##### Copper

During the week ending 24<sup>th</sup> May 2019, copper prices declined by 3.9%, from US\$6,039.25/tonne in the previous week to US\$5,801.95/tonne. This was on account of the continued US-China trade disputes which have dampened demand prospects for the red metal in China, the world's largest consumer of the metal.

## Nickel

Nickel prices registered a 0.9% increase, from a weekly average of US\$11,940.20/tonne in the previous week to US\$12,048.70/tonne during the week under analysis. The base metal price firmed due to a positive demand outlook for the metal. The metal is used to manufacture electric vehicle batteries.

## Crude Oil

Brent crude oil prices decreased by 2.2%, from a weekly average of US\$71.88/barrel in the week ending 17<sup>th</sup> May 2019, to close the week under review at an average of US\$70.32/barrel. Prices declined due to surging US crude inventories.

## EXCHANGE RATE

During the week under review, the ZWL depreciated against the US dollar; euro; pound Sterling. rand and pula, as shown in Table 6.

**Table 6: International Exchange Rates per ZWL<sup>2</sup>**

	USD	ZAR	GBP	BWP	EURO
<b>2019</b>					
<b>Weekly Average (13-17 May)</b>	<b>3.3771</b>	<b>0.2374</b>	<b>4.3710</b>	<b>0.3162</b>	<b>3.7890</b>
<b>20-May</b>	3.4832	0.2418	4.4364	0.3236	3.8846
<b>21-May</b>	3.4962	0.2427	4.4480	0.3247	3.9000
<b>22-May</b>	4.5497	0.3155	5.7815	0.4222	5.0749
<b>23-May</b>	4.6890	0.3257	5.9264	0.4349	5.2275
<b>24-May</b>	4.7624	0.3290	6.0313	0.4412	5.3259
<b>Weekly Average (17-24 May)</b>	<b>4.0545</b>	<b>0.2814</b>	<b>5.1481</b>	<b>0.3763</b>	<b>4.5217</b>
<i>Appr(-)/Depr(+)</i> (%) <i>of the ZWL</i>	20.08	18.58	17.78	19.04	19.36

Source: Reserve Bank of Zimbabwe, 2019

<sup>2</sup> 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) maintained a positive momentum for the second consecutive month, during the week ending 24<sup>th</sup> May 2019. In tandem, the All Share and Top 10 indices registered gains of 9.67% and 11.08%, to close at 159.74 and 152.73 points, respectively.

The mainstream index stood at 534.24 points during the week under review, a 9.75% increase from the previous week. This was due to share price gains registered at First Capital Bank Limited (40.00%); Ariston Holdings Limited (32.45%); Starafriacorporation Limited (30.43%); Cassava Smartech Zimbabwe Limited (28.74%); and Econet Wireless Zimbabwe Limited (26.14%). Partially offsetting the gains were share price losses realized in Dairibord Holdings Limited (15.92%); TSL Limited (12.31%); Turnall Holdings Limited (8.59%); Mashonaland Holdings Limited (8.48%); and Amalagamated Regional Trading (8.33%).

The mining index stood at 191.87 points as at 24<sup>th</sup> May 2019, up from 189.63 points recorded in the previous week. The increase was largely attributable to the share price gain at RioZim (1.65%). Bindura Nickel Corporation traded at the previous week price level, albeit on thin volumes.

**Table 7: Zimbabwe Stock Exchange Statistics**

	All Share Index <sup>3</sup> (points)	Top 10 index <sup>4</sup> (points)	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
<b>26-Apr-19</b>	130.73	124.30	436.50	186.47	17,140,792,759	28,706,189	40,461,683
<b>3-May-19</b>	135.70	129.54	453.38	184.91	17,759,403,066	32,719,194	25,962,033
<b>10-May-19</b>	141.62	134.62	473.16	189.39	18,535,907,025	28,643,253	64,239,780
<b>17-May-19</b>	145.65	137.50	486.76	189.63	19,011,308,157	38,529,072	78,837,346
<b>24-May-19</b>	159.74	152.73	534.24	191.87	21,030,196,647	59,007,340	45,865,567
<b>Weekly Change (%)</b>	<b>9.67</b>	<b>11.08</b>	<b>9.75</b>	<b>1.18</b>	<b>10.62</b>	<b>53.15</b>	<b>(41.82)</b>

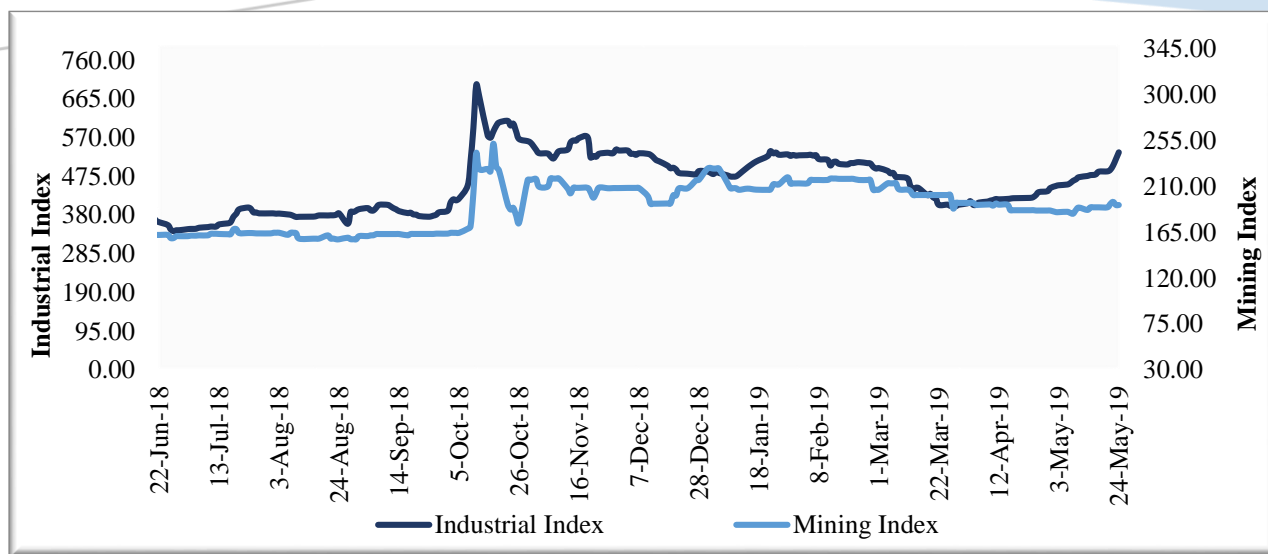
Source: Zimbabwe Stock Exchange (ZSE), 2019

<sup>3</sup> The All Share index shows the changing average value of shares of all companies on the market.

<sup>4</sup> The Index is calculated using the market capitalisation method.



**Figure 4: Zimbabwe Stock Exchange Indices**

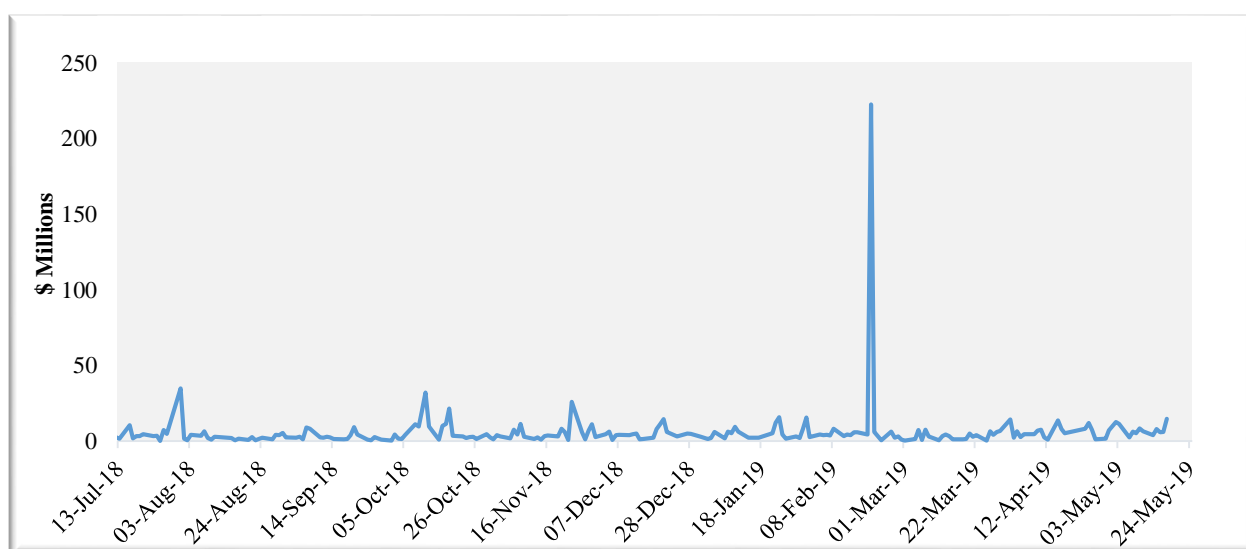


Source: Zimbabwe Stock Exchange, 2019

**Market Turnover and Volume**

The weekly cumulative volume of trades on the ZSE plummeted by 41.82%, from 78.8 million shares in the previous week to 45.9 million shares, during the week under review. The cumulative value of trades, however, increased by 53.15% to \$59 million, during the same period.

**Figure 5: Daily Market Turnover**

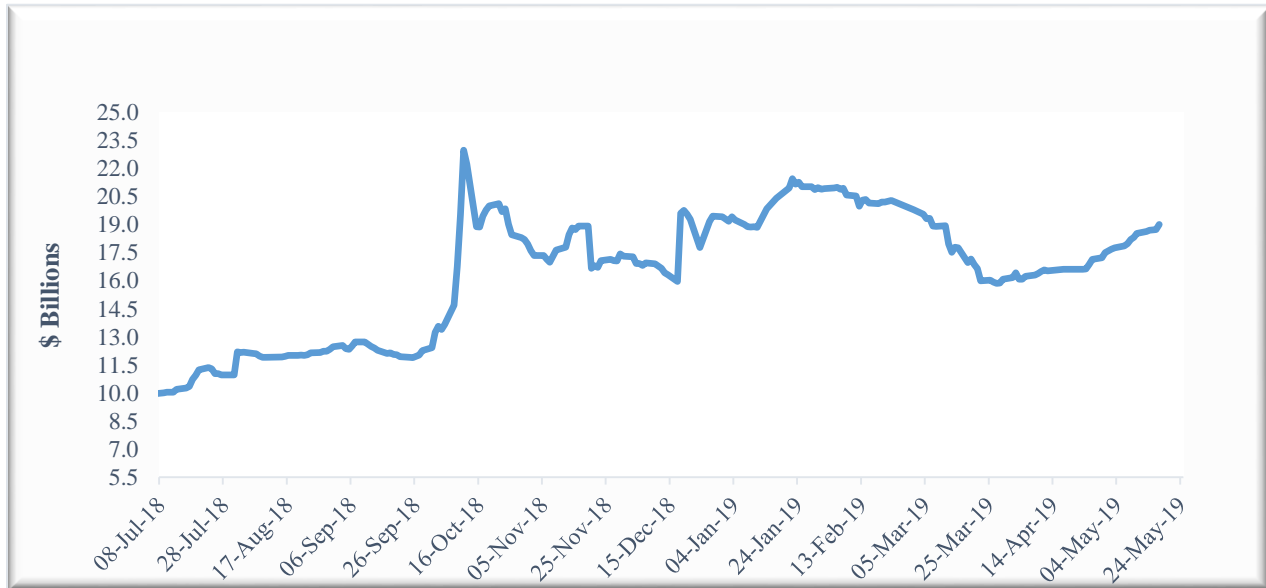


Source: Zimbabwe Stock Exchange, 2019

## Market Capitalization

The ZSE added \$2.02 billion worth of capitalization, from \$19.01 billion recorded in the previous week to close at \$20.03 billion, during the week ending 24<sup>th</sup> May 2019.

**Figure 6: Daily Market Capitalization**



Source: Zimbabwe Stock Exchange, 2019

## Johannesburg Stock Exchange (JSE) Developments

The JSE All Share Index declined by 3.13%, to close the week at 54,423.56 points, from 56,183.21 points recorded in the previous week. In tandem, JSE market capitalization declined by 2.08% to R15.56 billion, during the same week.

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

Period	All Share Index (points)	Market Capitalization (ZAR billion)
26-Apr-19	58,894.19	16.57
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
% Change	(3.13)	(2.08)

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**

**31<sup>ST</sup> MAY 2019**