



# Weekly Economic Highlights

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Week Ending  
31<sup>st</sup> MAY 2019

## 1. INTEREST RATES

### Deposit Rates

During the week ending 31<sup>st</sup> May 2019, average deposit rates for savings deposits and deposits of 1-month and 3-month tenors, remained unchanged at 4.16%, 4.10% and 4.24%, respectively.

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

Date	Savings Deposits (%)	1-Month Deposit (%)	3-Month Deposit (%)
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	4.10	4.24
31-May-19	4.16	4.10	4.24

Source: Banking Institutions, 2019

### Lending Rates

Weighted lending rates for commercial banks' individual clients increased from 9.28% in the previous week, to 9.31% during the week under analysis. Commercial bank weighted lending rates for corporate clients also increased by 0.06 percentage points to 7.33%, during the week under review.

**Table 2: Lending Rates**

Date	Lending Rates <sup>1</sup> (%)	
	Commercial Banks (weighted)	
	Individuals	Corporate clients
3-May-19	9.34	7.35
10-May-19	9.32	7.31
17-May-19	9.32	7.31
24-May-19	9.28	7.27
31-May-19	<b>9.31</b>	<b>7.33</b>

Source: Banking Institutions, 2019

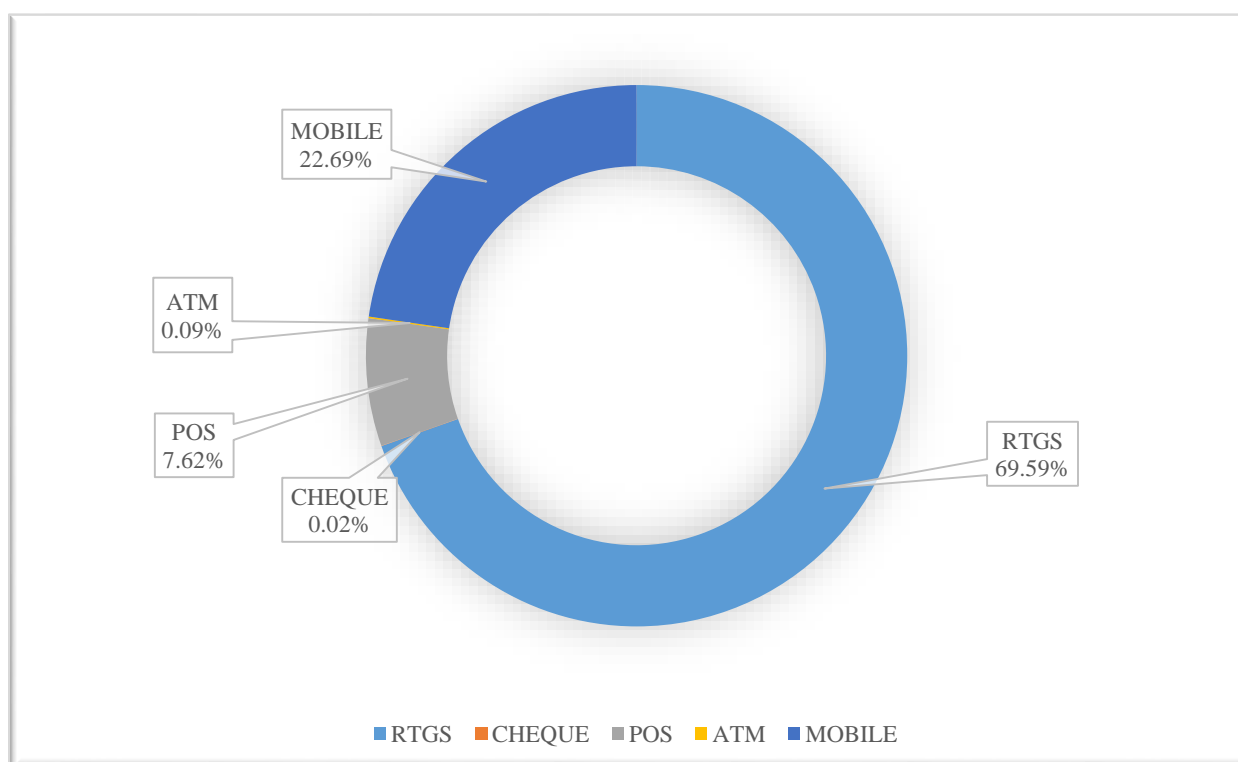
<sup>1</sup> Minimum weighted lending rates offered by commercial banks.

## 2. CLEARING AND SETTLEMENT ACTIVITY

During the week ending 31<sup>st</sup> May 2019, the aggregate value of RTGS transactions processed through the National Payment Systems (NPS) was \$5.99 billion, representing a 17.15% increase from the previous week value of \$5.11 billion. Real Time Gross Settlement (RTGS) transactions increased by 19.56% to \$4.17 billion, during the week under review.

In terms of proportions, the Real Time Gross Settlement (RTGS) system constituted 69.59% of the NPS transactions, followed by mobile 22.69%; Point of Sale, 7.62%; Automated Teller Machines, 0.09% and Cheque, 0.02%, as shown in Table 1.

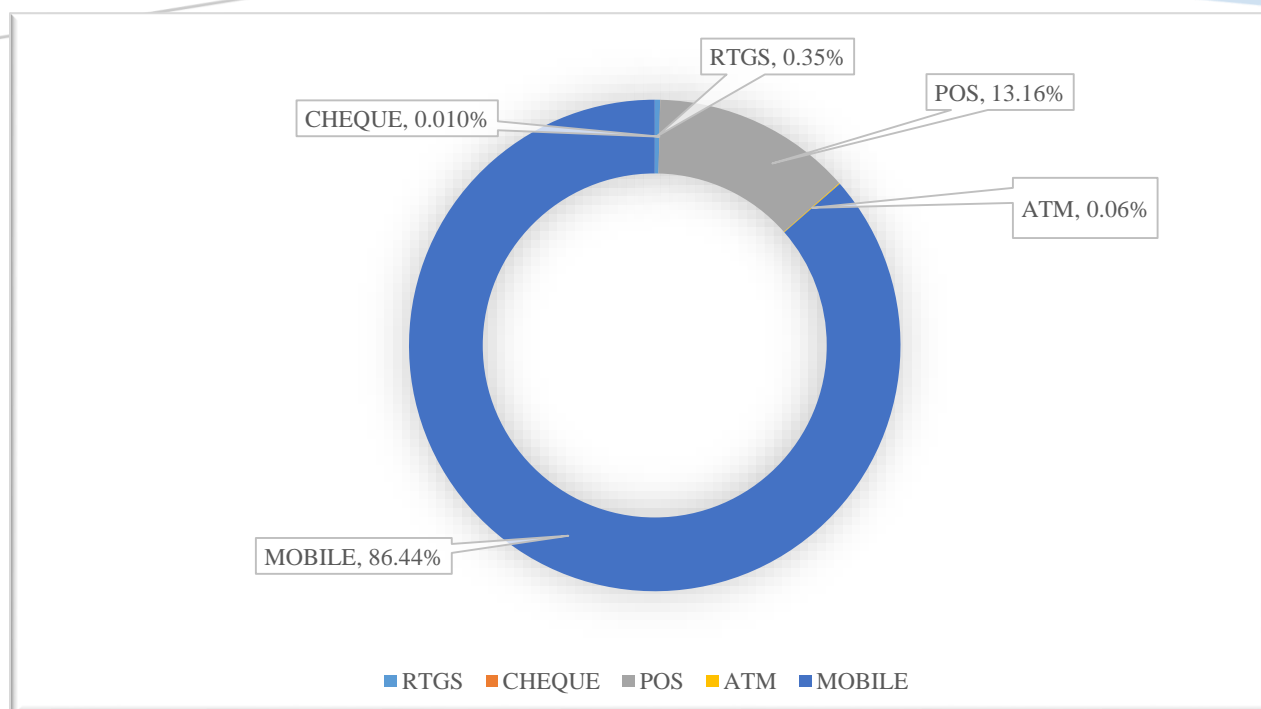
**Figure 1: Composition of NPS Transactions in Value Terms**



*Source: Reserve Bank of Zimbabwe, 2019*

Total transaction volumes processed through the NPS amounted to 41.67 million, representing a 8.18% increase, from 38.52 million transactions processed in the previous week. The NPS transaction volumes were distributed as follows: Mobile, 86.44%; POS, 13.16%; RTGS, 0.35%; ATM, 0.06%; and cheque 0.01%.

**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	WEEK ENDING	% CHANGE FROM LAST WEEK	PERCENTAGE OF TOTAL
	24 <sup>th</sup> April 2019	31 <sup>st</sup> May 2019		
	<b>VALUES IN \$ (Millions)</b>			
<b>RTGS</b>	3,486.45	4,168.29	19.56%	69.59%
<b>CHEQUE</b>	1.06	0.94	-11.43%	0.02%
<b>POS</b>	426.00	456.47	7.15%	7.62%
<b>ATM</b>	4.27	5.14	20.31%	0.09%
<b>MOBILE</b>	1,195.10	1,358.84	13.70%	22.69%
<b>TOTAL</b>	5,112.89	5,989.68	17.15%	<b>100%</b>
	<b>VOLUMES</b>			
<b>RTGS</b>	129,912	143,944	10.80%	0.35%
<b>CHEQUE</b>	3,493	3,229	-7.56%	0.01%
<b>POS</b>	5,669,650	5,481,723	-3.31%	13.16%
<b>ATM</b>	31,161	23,139	-25.74%	0.06%
<b>MOBILE</b>	32,681,148	36,014,337	10.20%	86.44%
<b>TOTAL</b>	<b>38,515,364</b>	<b>41,666,372</b>	8.18%	<b>100%</b>

Source: Reserve Bank of Zimbabwe, 2019

### 3. TOBACCO SALES

A cumulative total of 341,922 kilograms of tobacco had been sold as at day 49 of the tobacco selling season. This was a 39.3% decrease from 563,592 kilograms sold during the same period in 2018. In value terms, tobacco sales registered a 64.8% decrease to US\$0.55 million, from US\$1.58 million realized during the corresponding period in 2018.

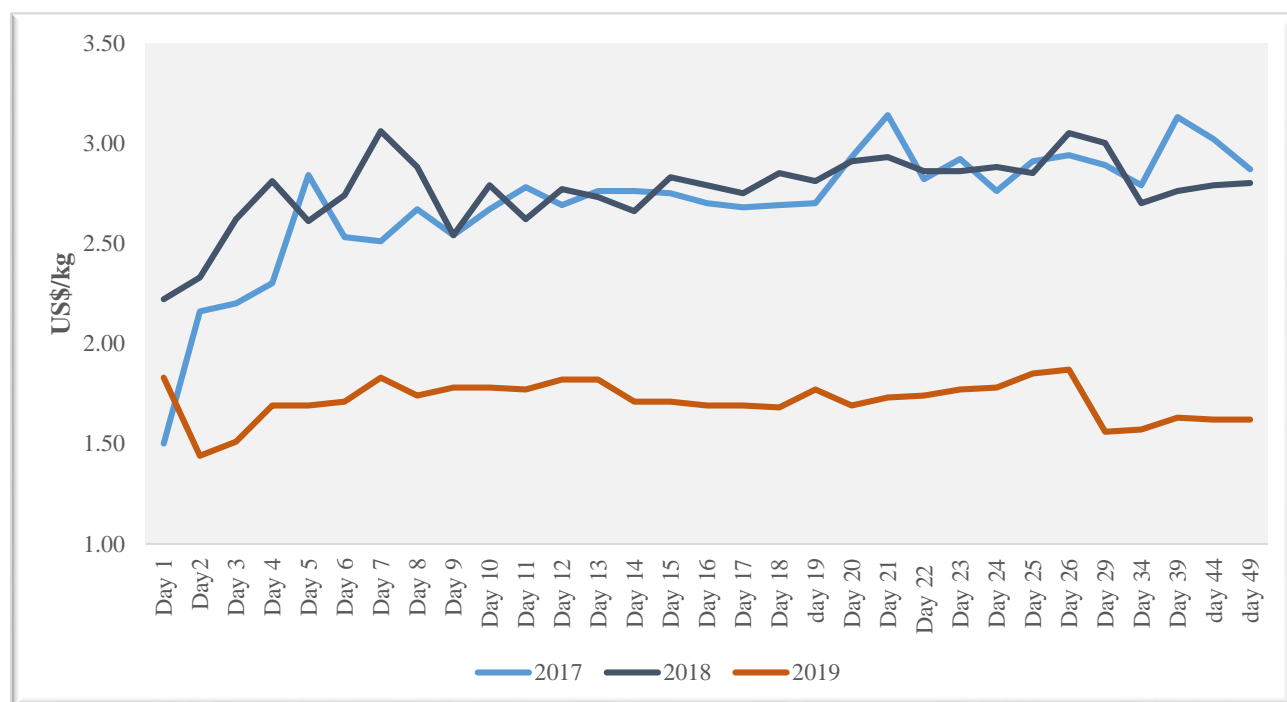
**Table 4: Cumulative Tobacco Sales: Day 49 (31<sup>th</sup> May 2019)**

	2018	2019	Variance (%)
<b>Cumulative Quantity Sold (kgs)</b>	563,592	341,922	(39.3)
<b>Cumulative Average Price(US\$/kg)</b>	2.80	1.62	(42.0)
<b>Cumulative value (US\$)</b>	1,578,078.60	553,913.64	(64.8)

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

The average price of the golden leaf stood at US\$1.62/kg, compared to US\$2.80/kg realised during the same period in 2018.

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



Source: TIMB and ZTA, 2019

#### 4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

During the week ending 31<sup>st</sup> May 2019, the international commodity prices of gold and copper firmed, while platinum, nickel and crude oil prices retreated, as shown in Table 5.

**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 (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>28-May</b>	1,281.10	806.50	5,945.00	12,111.00	69.59
<b>29-May</b>	1,282.58	796.00	5,859.50	11,995.00	69.80
<b>30-May</b>	1,278.70	791.50	5,823.00	11,980.00	66.87
<b>31-May</b>	1,295.78	793.00	5,796.50	11,934.00	53.15
<b>weekly average (28-31 May)</b>	<b>1,284.54</b>	<b>796.75</b>	<b>5,856.00</b>	<b>12,005.00</b>	<b>64.85</b>
<b>Weekly Change (%)</b>	0.6	(1.4)	0.9	(0.4)	(7.8)

Source: BBC, KITCO and Bloomberg, 2019

##### Gold

Gold prices increased by 0.6%, from a weekly average of US\$1,277.07/oz in the previous week to US\$1,284.54/oz, during the week under review. The price of the yellow metal responded to increased demand from investors, as concerns about a global economic downturn driven by U.S-China trade tensions, intensified.

##### Platinum

Platinum prices retreated from US\$808.00/oz in the previous week to US\$796.75/oz, during the week under analysis. The decline was on account of slackening global demand for the metal, which is mainly used to manufacture parts of automobiles, within the car industry.

##### Copper

The move by China to implement additional stimulus measures boosted expectations of strong growth in the demand for base metals. Resultantly, copper prices rose by 0.9%, from a weekly average of US\$5,801.95/tonne in the previous week to US\$5,895/tonne, during the week under review.

## Nickel

Nickel prices fell by 0.4%, from a weekly average of US\$12,048.70/tonne to US\$12,005.00/tonne, during the week under review. Gains recorded in the previous week were weighed down by ample global supply conditions, following reports of a build-up in stockpiles.

## Crude Oil

Brent crude oil prices closed the week under review at US\$64.85/barrel, a 7.8% decrease from the US\$70.32/barrel recorded in the previous week. This followed signals from China, that it was ready to escalate the trade war with the United States, thereby stoking concerns that an ongoing stand-off between the two largest economies could hurt oil demand.

## EXCHANGE RATE

The ZWL depreciated against the US dollar, South African rand, British pound, Botswana pula and euro during the week under analysis, 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 (17-24 May)</b>	<b>4.0545</b>	<b>0.2814</b>	<b>5.1481</b>	<b>0.3763</b>	<b>4.5217</b>
<b>27-May</b>	4.9516	0.3437	6.3090	0.4592	5.5504
<b>28-May</b>	5.0748	0.3514	6.4353	0.4709	5.6764
<b>29-May</b>	5.1697	0.3513	6.5461	0.4779	5.7738
<b>30-May</b>	5.2277	0.3570	6.6044	0.4802	5.8213
<b>31-May</b>	5.2635	0.3550	6.6391	0.4831	5.8585
<b>Weekly Average (28-31 May)</b>	<b>5.1060</b>	<b>0.3508</b>	<b>6.4737</b>	<b>0.4720</b>	<b>5.7054</b>
<i>Appr(-)/Depr(+)</i> (%) <i>of the ZWL</i>	28.44	27.15	28.17	27.91	28.68

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

During the week ending 31<sup>st</sup> May 2019, trading on the Zimbabwe Stock Exchange (ZSE) was characterized by bullish sentiment. Resultantly, the ZSE All Share and Top 10 indices increased by 17.73% and 19.81%, to end the week under review at 188.06 points and 182.99 points, respectively.

The industrial index increased by 17.63%, to close the week under review at 628.41 points. This was due to share price gains at Zimre Holding Limited (86.67%), Star Africa Corporation Limited (33.33%), Econet Wireless Zimbabwe Limited (26.40%), OK Zimbabwe Limited (25.00%) and Padenga Holdings Limited (24.78%). Partially offsetting the gains were losses in Zimbabwe Newspapers (11.31%) and NMBZ Holdings Limited (5.10%).

The mining index registered a 17.69% gain, from 191.87 points in the prior week to 225.81 points, during the week under review. Bindura Nickel and Rio Zim recorded increases of 60% and 4% in share prices, respectively.

**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>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>31-May-19</b>	188.06	182.99	628.41	225.81	24,919,955,295	42,631,701	32,094,448
<b>Weekly Change (%)</b>	<b>17.73</b>	<b>19.81</b>	<b>17.63</b>	<b>17.69</b>	<b>18.50</b>	<b>-27.75</b>	<b>-30.02</b>

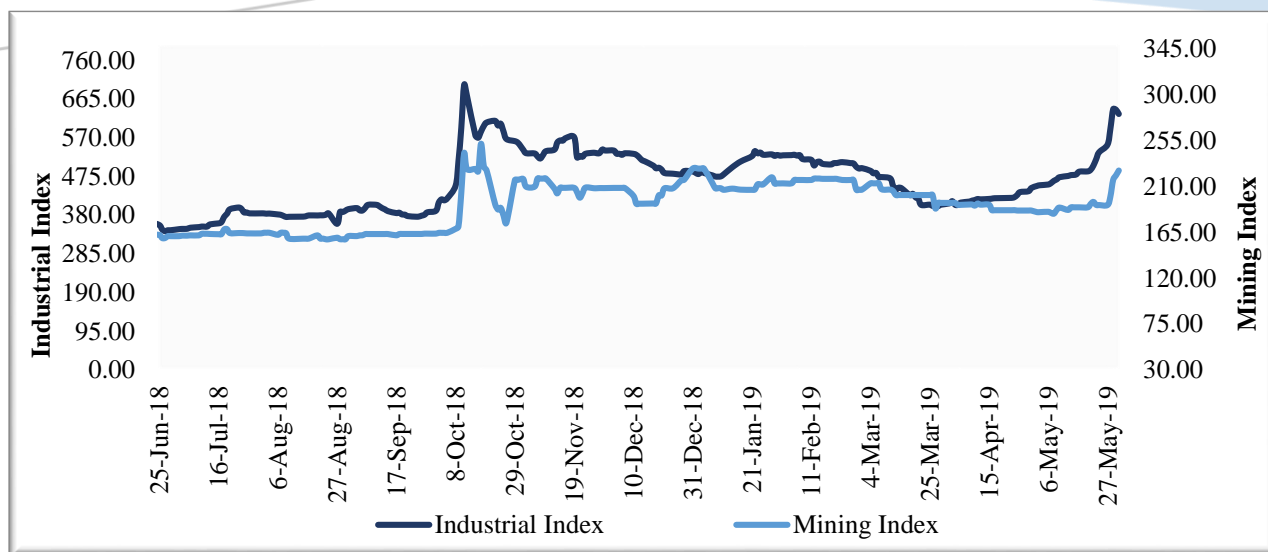
Source: Zimbabwe Stock Exchange (ZSE), 2019

<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**

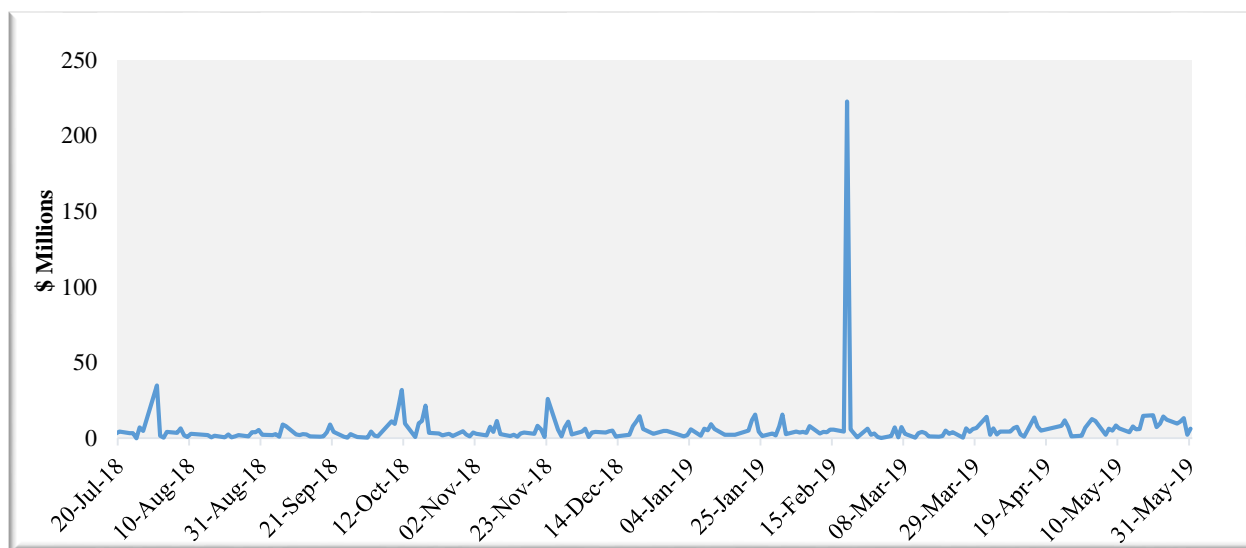


Source: Zimbabwe Stock Exchange, 2019

### Market Turnover and Volume

The volumes of shares traded on the ZSE decreased by 30.02% to 32.09 million shares, during the week under review. Similarly, the value of shares traded decreased by 27.75% to \$42.63 million, during the same period. In concomitance, market turnover also decreased by 27.75%, to close the week under review at \$42.63 million

**Figure 5: Daily Market Turnover**



Source: Zimbabwe Stock Exchange, 2019

## Market Capitalization

ZSE market capitalization increased by 18.5% to \$24.92 billion, during the week ending 31<sup>st</sup> May 2019, from \$21.03 billion recorded in the prior week.

**Figure 6: Daily Market Capitalization**



Source: Zimbabwe Stock Exchange, 2019

## Johannesburg Stock Exchange (JSE) Developments

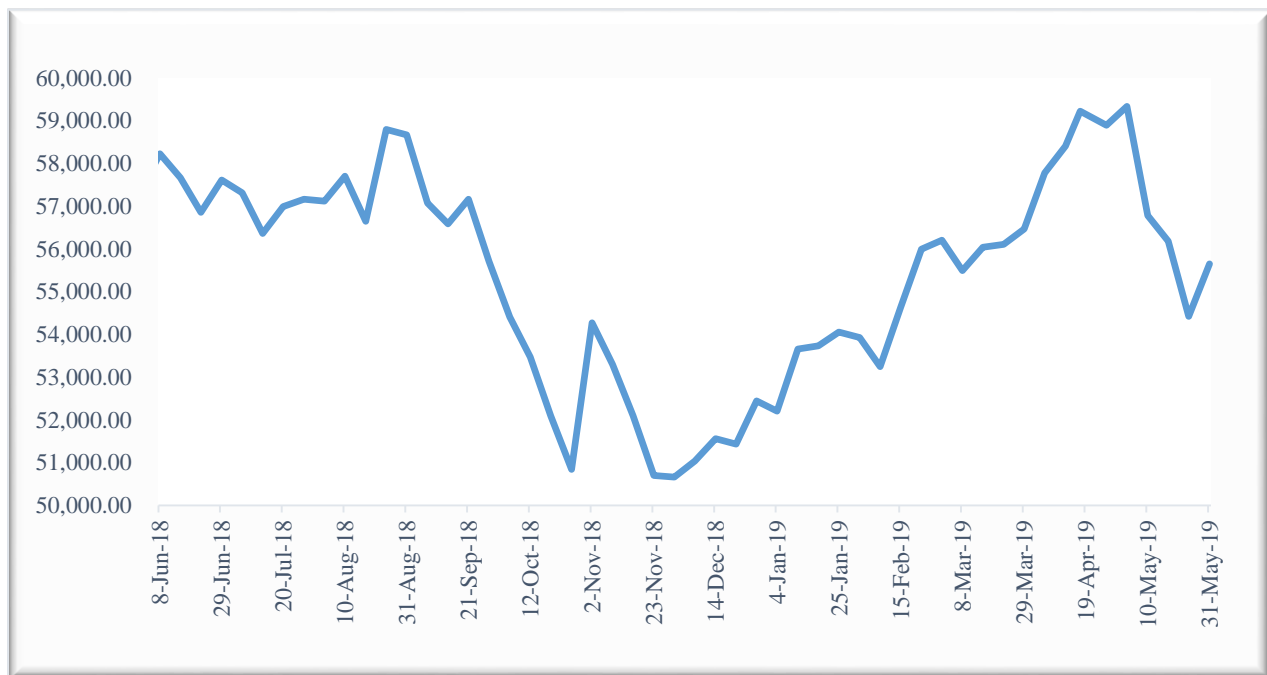
The JSE All Share Index increased by 2.25%, to close the week under review at 55,650.41 points, from 54,423.56 points recorded in the previous week. In tandem, JSE market capitalization declined by 0.12% to R15.58 billion, during the same week.

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

Period	All Share Index (points)	Market Capitalization (ZAR billion)
<b>3-May-19</b>	59,335.90	16.67
<b>10-May-19</b>	56,780.75	15.95
<b>17-May-19</b>	56,183.21	15.89
<b>24-May 19</b>	54,423.56	15.56
<b>31-May 19</b>	55,650.41	15.58
<b>% Change</b>	<b>2.25</b>	<b>0.12</b>

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**

**7<sup>TH</sup> JUNE 2019**