



# Weekly Economic Highlights

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Week Ending  
1 November 2019

## 1. INTEREST RATES

### Deposit Rates

During the week ending 1<sup>st</sup> November 2019, average deposit rates for deposits of 1-month tenor declined by 0.03 percentage points to close at 4.96%. Deposits of 3-month tenor gained 0.08 percentage points, to close the week under analysis, at 5.12%. Average deposit rates for savings deposits, however, remained unchanged at 4.74%.

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

Date	Savings Deposits (%)	1-Month Deposit (%)	3-Month Deposit (%)
04-Oct-19	4.74	4.99	5.09
11-Oct-19	4.74	5.01	5.09
18-Oct-19	4.74	4.99	5.09
25-Oct-19	4.74	4.99	5.04
1-Nov-19	4.74	<b>4.96</b>	<b>5.12</b>

Source: *Banking Institutions, 2019*

### Lending Rates

Commercial bank weighted lending rates for individual clients declined by 0.18 percentage points, to close at 15.41%, during the week ending 1<sup>st</sup> November 2019. Similarly, lending rates for corporate clients fell by 1.10 percentage points, to close the week under analysis at 18.56%.

**Table 2: Lending Rates**

Date	Lending Rates <sup>1</sup> (%) Commercial Banks (weighted)	
	Individuals	Corporate Clients
04-Oct-19	14.62	19.48
11-Oct-19	11.17	17.46
18-Oct-19	15.62	19.46
25-Oct-19	15.59	19.66
1-Nov-19	<b>15.41</b>	<b>18.56</b>

Source: *Banking Institutions, 2019*

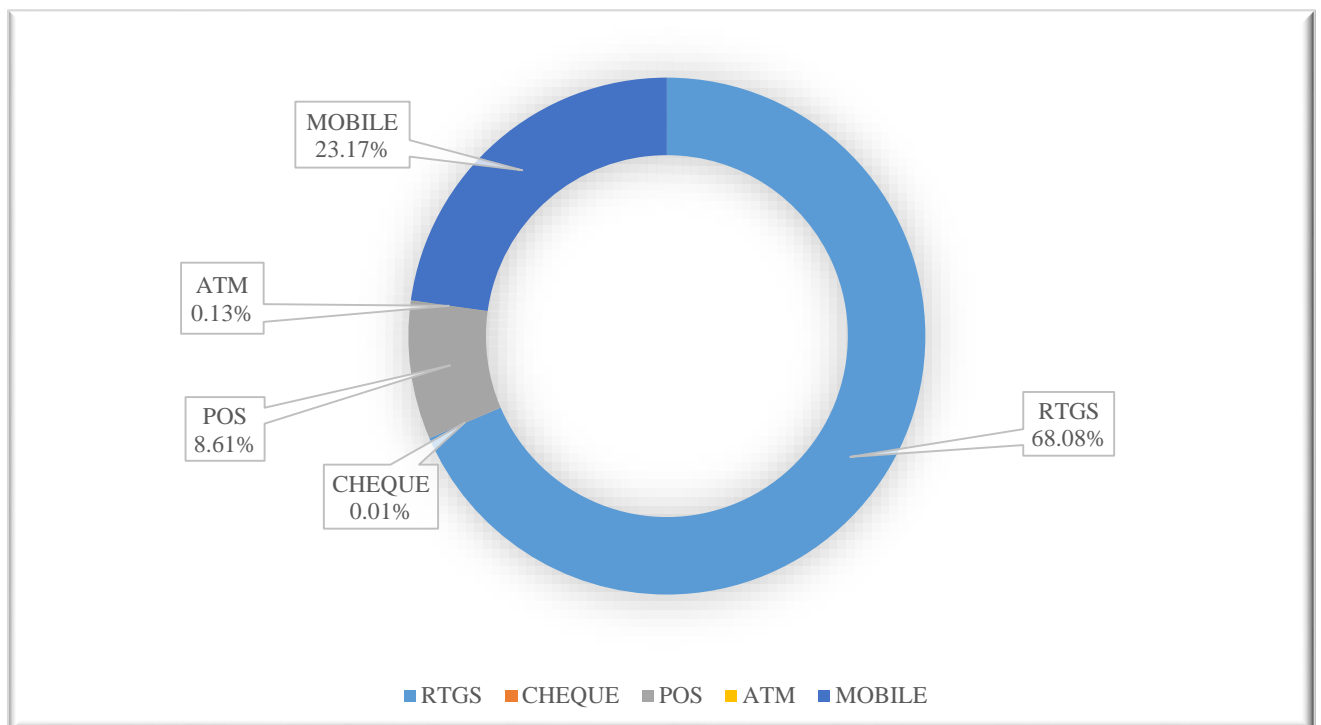
<sup>1</sup> Minimum weighted lending rates offered by commercial banks.

## 2. CLEARING AND SETTLEMENT ACTIVITY

The total value of transactions processed through the National Payment System (NPS) increased by 28.57%, to close the week ending 1<sup>st</sup> November 2019 at \$14.3 billion, from \$11.1 billion registered in the previous week. Real Time Gross Settlement (RTGS) transactions increased by 35.36%, from \$7.05 billion recorded in the preceding week to \$9.75 billion, during the week under review.

RTGS transactions dominated the NPS at 68.08% of the total value, followed by Mobile, 23.17%; point of Sale (POS), 8.61%; Automated Teller Machine (ATM), 0.13%; and Cheque, 0.01%, as shown in Figure 1.

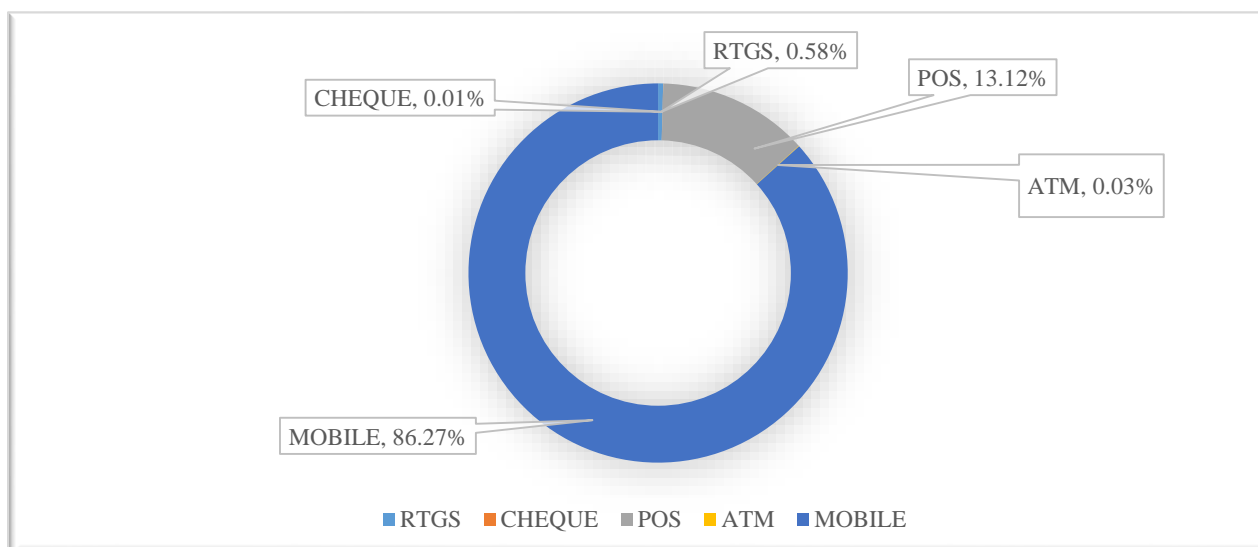
**Figure 1: Composition of NPS Transactions in Value Terms**



*Source: Reserve Bank of Zimbabwe, 2019*

During the week under analysis, NPS transaction volumes increased by 11.98%, to close at 49.61 million transactions. Mobile based transactions accounted for 86.27% of NPS transactions, POS; 13.12%; RTGS, 0.58%; ATM, 0.03%; 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	WEEK ENDING	% CHANGE FROM LAST WEEK	PERCENTAGE OF TOTAL
	25 <sup>th</sup> OCT 2019	1 <sup>st</sup> NOV 2019		
	<b>VALUES IN ZWL (millions)</b>			
<b>RTGS</b>	7,047.22	9,750.26	38.36%	68.08%
<b>CHEQUE</b>	0.69	0.85	23.19%	0.01%
<b>POS</b>	1175.2	1233.3	4.94%	8.16%
<b>ATM</b>	12.87	18.71	45.38%	0.13%
<b>MOBILE</b>	2,903.24	3,319	14.32%	23.17%
<b>TOTAL</b>	<b>11.139.23</b>	<b>14.321.88</b>	<b>28.57%</b>	<b>100%</b>
	<b>VOLUMES</b>			
<b>RTGS</b>	194,093	285,485	47.09%	0.58%
<b>CHEQUE</b>	2,228	2,610	17.15%	0.01%
<b>POS</b>	6,357,704	6,509,008	2.38%	13.12%
<b>ATM</b>	19,254	14,403	-25.19%	0.03%
<b>MOBILE</b>	37,728,125	42,797,893	13.44%	86.27%
<b>TOTAL</b>	<b>44,301,404</b>	<b>49,609,399</b>	<b>11.98%</b>	<b>100%</b>

Source: Reserve Bank of Zimbabwe, 2019.

### 3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international commodity prices of gold, platinum, copper; nickel and crude oil firmed, during the week ending 1<sup>st</sup> November 2019, as shown in Table 5.

**Table 5: International Commodity Prices**

	<b>Gold</b>	<b>Platinum</b>	<b>Copper</b>	<b>Nickel</b>	<b>Crude Oil</b>
<b>Weekly Average (21-25 October)</b>	<b>1,497.11</b>	<b>903.80</b>	<b>5,847.17</b>	<b>16,597.10</b>	<b>60.74</b>
<i>28-Oct</i>	<i>1,498.73</i>	<i>921.00</i>	<i>5,906.00</i>	<i>16,581.00</i>	<i>61.27</i>
<i>29-Oct</i>	<i>1,489.75</i>	<i>917.00</i>	<i>5,897.75</i>	<i>16,845.00</i>	<i>61.50</i>
<i>30-Oct</i>	<i>1,491.13</i>	<i>919.00</i>	<i>5,882.70</i>	<i>16,820.00</i>	<i>60.70</i>
<i>31-Oct</i>	<i>1,508.68</i>	<i>931.00</i>	<i>5,776.50</i>	<i>16,715.00</i>	<i>59.68</i>
<i>1-Nov</i>	<i>1,509.33</i>	<i>931.00</i>	<i>5,837.00</i>	<i>16,784.00</i>	<i>61.40</i>
<b>Weekly Average (28 Oct-1 Nov)</b>	<b>1,499.52</b>	<b>923.80</b>	<b>5,859.99</b>	<b>16,749.00</b>	<b>60.91</b>
<i>Weekly Change (%)</i>	<i>0.2</i>	<i>2.2</i>	<i>0.2</i>	<i>0.9</i>	<i>0.3</i>

*Source: BBC, KITCO and Bloomberg, 2019*

#### **Gold**

Gold prices firmed by 0.2% to close at US\$1,499.52/oz, during the week under analysis. The increase followed the decision by the Federal Reserve to cut interest rates, leading to a weaker US dollar. This boosted the investment demand outlook for the precious metal.

#### **Platinum**

Platinum prices rose by 2.2%, from a weekly average price of US\$903.80/oz. recorded in the previous week, to close the week under review at US\$923.80/oz. This was underpinned by brighter investment demand prospects for the base metal.

#### **Copper**

Copper prices stood at US\$5,859.99/ tonne during the week under review, representing a 0.2% increase from US\$5,847.17/tonne recorded in the previous week. This followed brighter demand outlook for the base metal, following a breakthrough in US China trade talks.

## Nickel

The price of nickel firmed by 0.9%, from an average of US\$16,597.10/ tonne in the previous week to US\$16,749.00/tonne, during the week under review. This was partly due to prospects of an increase in the demand for nickel, following positive developments on US-China trade talks.

## Crude Oil

The weekly average prices of crude oil gained 2.8%, to settle at US\$60.91/barrel during the week under review. This compares with the previous week price of US\$60.74/barrel. The sudden drop in U.S crude stockpiles and potential output cuts by the Organization of Petroleum Exporting Countries (OPEC) weighed down the prices.

## EXCHANGE RATES

The ZWL depreciated against the euro; US dollar; pula; rand and pound Sterling, during the week under review, as shown in Table 6. The interbank market has, however, remained relatively stable.

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

2019	EURO	USD	BWP	ZAR	GBP
<b>Weekly Average (21-24 October)</b>	17.2992	15.4190	<b>1.4296</b>	<b>1.0556</b>	20.0542
<b>28-Oct</b>	21.4575	15.5931	1.4377	1.0670	19.9919
<b>29-Oct</b>	17.3282	15.6203	1.4448	1.0730	20.0782
<b>30-Oct</b>	17.3882	16.0882	1.4504	1.0691	20.1389
<b>31-Oct</b>	17.4944	15.6740	1.4326	1.0464	20.2507
<b>1-Nov</b>	17.5321	15.7049	1.4276	1.0420	20.3496
<b>Weekly Average (28 Oct- 1 Nov)</b>	<b>18.4171</b>	<b>15.7439</b>	<b>1.4414</b>	<b>1.0639</b>	<b>20.1149</b>
<i>Appr(-)/Depr(+)(%) of the ZWL</i>	6.5	2.1	0.8	0.8	0.3

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

## 4. EQUITY MARKETS

During the week ending 1<sup>st</sup> November 2019, the Zimbabwe Stock Exchange (ZSE) was characterised by bullish sentiments. Consequently, the All Share and Top 10 indices rose by 2.65% and 31.14%, to close the week under review at 235.89 and 276.31 points, respectively.

The industrial index increased by 2.90% to close the week under review at 787.70 points, from 765.51 points, recorded in the preceding week. This was, largely, attributable to share price increases for PPC Limited (29.33%), Ariston Holdings Limited (26.58%), Edgars Stores Limited (23.63%), Willdale Limited (19.50%) and Dairibord Holdings Limited (14.67%).

The mining index declined by 11.19% to close at 276.31 points, during the week under review. This was on account of declines in the share prices for Riozim Limited, 7.31% and Bindura Nickel Corporation Limited, 2.69%.

**Table 7: Zimbabwe Stock Exchange Statistics**

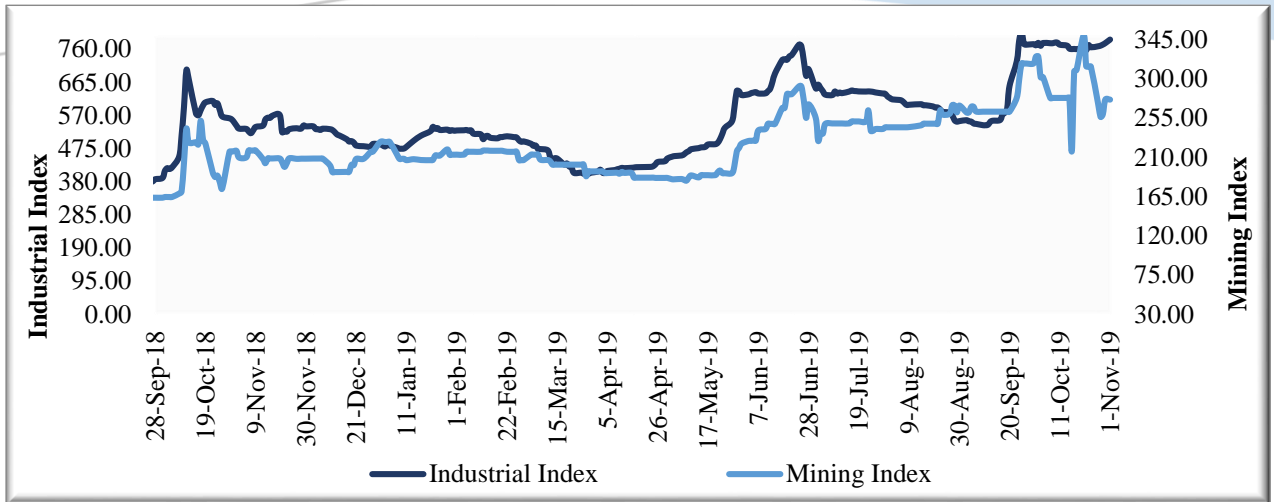
	All Share Index <sup>3</sup> (points)	Top 10 index <sup>4</sup> (points)	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (ZWL million)	Market Turnover (ZWL million)	Volume of Shares (million)
<b>04-Oct-2019</b>	233.31	218.78	777.88	301.96	30,59	39.50	31.63
<b>11-Oct-2019</b>	231.53	215.18	772.90	278.28	30,29	40.23	34.41
<b>18-Oct-2019</b>	228.19	208.80	760.26	310.18	29,78	42.03	19.71
<b>25-Oct-2019</b>	229.80	210.70	765.51	311.14	30,01	27.39	23.12
<b>1-Nov-2019</b>	235.89	276.31	787.70	276.31	30.80	82.80	118.01
<b>Weekly Change (%)</b>	<b>2.65</b>	<b>31.14</b>	<b>2.90</b>	<b>-11.19</b>	<b>2.63</b>	<b>202.30</b>	<b>410.42</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**

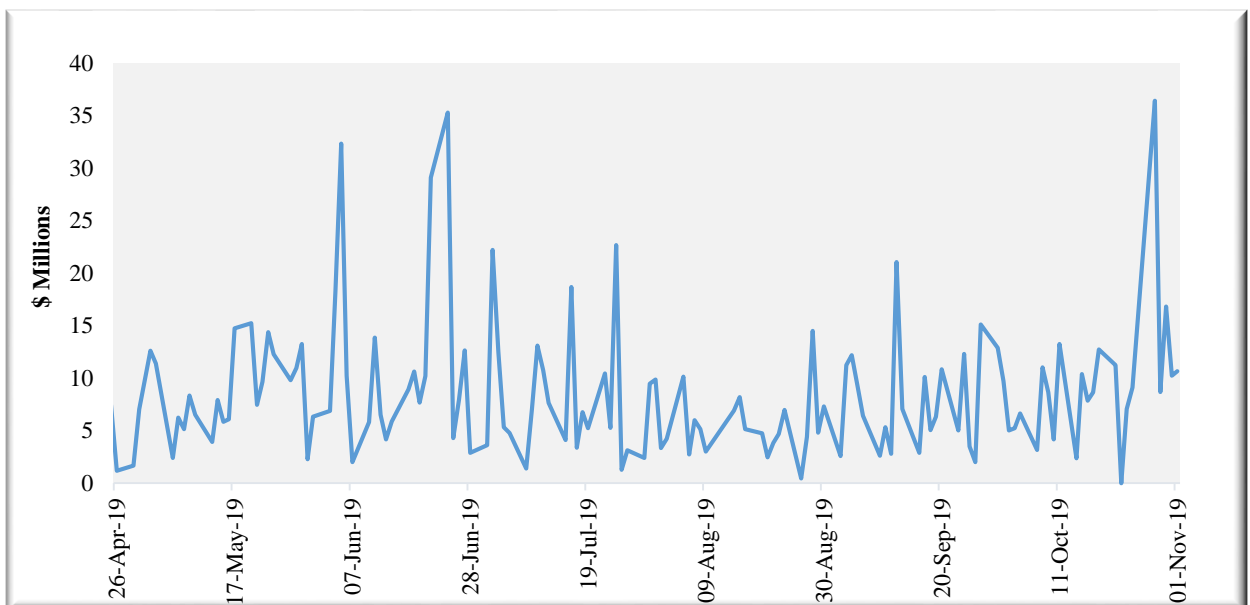


Source: Zimbabwe Stock Exchange, 2019

### Market Turnover and Volume

The cumulative volume of shares traded on the ZSE increased by 410.42%, to close at 118.01 million shares. Similarly, ZSE market turnover value rose by 202.30%, from \$27.39 million recorded in the previous week to \$82.80 million registered during the week under analysis.

**Figure 5: Daily Market Turnover**



Source: Zimbabwe Stock Exchange, 2019



## Market Capitalization

ZSE market capitalisation increased by 2.63% to \$30.80 billion, during the week under review, from \$30.01 billion recorded in the preceding week. This was largely, underpinned by the increase in the industrial index.

**Figure 6: Daily Market Capitalization**



Source: Zimbabwe Stock Exchange, 2019

## Johannesburg Stock Exchange (JSE) Developments

The JSE All Share Index stood at 56,650.01 points, during week ending 1<sup>st</sup> November 2019, about 2.73% up from 55,141.98 points recorded in the previous week. Similarly, JSE market capitalization increased by 2.25% to R17.25 billion, during the same week.

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

Period	All Share Index (points)	Market Capitalization (ZAR billion)
<b>04-Oct-19</b>	53,993.87	17.27
<b>11-Oct-19</b>	55,537.02	17.06
<b>18-Oct-19</b>	55,722.19	17.37
<b>25-Oct-19</b>	55,141.98	16.87
<b>1-Nov-19</b>	56,650.01	17.25
<b>% Change</b>	<b>2.73</b>	<b>2.25</b>

Source: <https://www.jse.co.za/services/market-data/market-statistics>

**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**

**8<sup>TH</sup> NOVEMBER 2019**