



Weekly Economic Highlights

Table of Contents

1. INTEREST RATES.....	1
2. CLEARING AND SETTLEMENT ACTIVITY.....	2
3. TOBACCO SALES	4
4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS.....	4
5. EXCHANGE RATES.....	6
6. EQUITY MARKETS.....	6

Week Ending
4 October 2019

1. INTEREST RATES

Deposit Rates

During the week under review, average deposit rates for savings deposits gained 0.6% to close at 4.74%, from 4.14% recorded in previous week. Deposit rates for 1-month and 3-month tenors increased by 0.06 and 0.28 percentage points, to close at 5.09% and 4.74%, respectively, during the same week.

Table 1: Average Deposit Rates (per annum)

Date	Savings Deposits (%)	1-Month Deposit (%)	3-Month Deposit (%)
6-Sept-19	3.91	4.87	4.81
13-Sept-19	3.91	4.87	4.81
20-Sept-19	4.14	4.93	4.81
27-Sept-19	4.14	4.93	4.81
04-Oct-19	4.74	4.99	5.09

Source: Banking Institutions, 2019

Lending Rates

Weighted commercial bank lending rates for individual and corporate clients decreased by 0.02 and 0.33 percentage points, to close at 14.62% and 19.48% respectively, during the week ending 4th October 2019.

Table 2: Lending Rates

Date	Lending Rates ¹ (%) Commercial Banks (weighted)	
	Individuals	Corporate Clients
6-Sept-19	14.92	17.87
13-Sept-19	14.87	19.78
20-Sept-19	15.07	19.62
27-Sept-19	14.64	19.81
04-Oct-19	14.62	19.48

Source: Banking Institutions, 2019

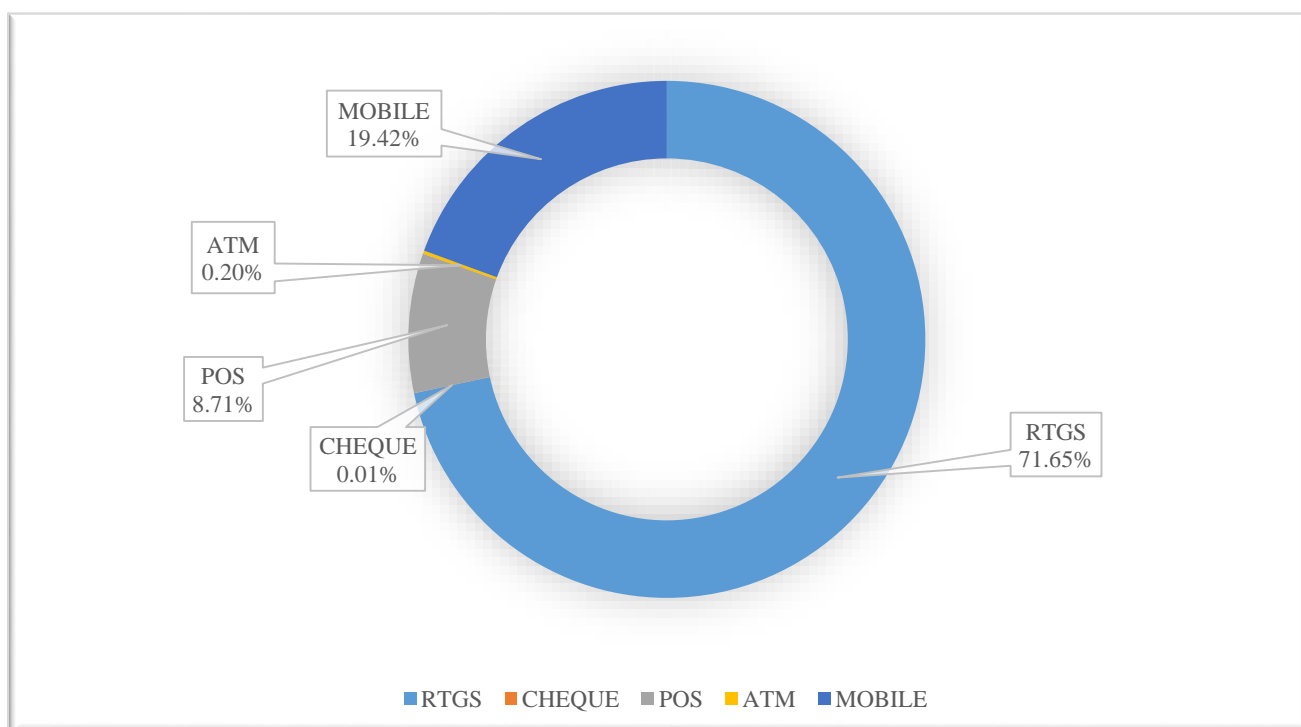
¹ Minimum weighted lending rates offered by commercial banks.

2. CLEARING AND SETTLEMENT ACTIVITY

Transactions processed through the National Payment System (NPS) increased by 1.3%, from \$11.92 billion in the previous week to \$12.08 billion, during the week under analysis. RTGS transactions totaled \$8.66 billion, a 4.95% increase from \$8.25 billion recorded during the week ending 27th September 2019.

The distribution of NPS transaction values was as follows: RTGS, 71.65%; Mobile, 19.42%; point of Sale (POS), 8.71%; Automated Teller Machine (ATM), 0.20%; and Cheque, 0.01%, as shown in Figure 1.

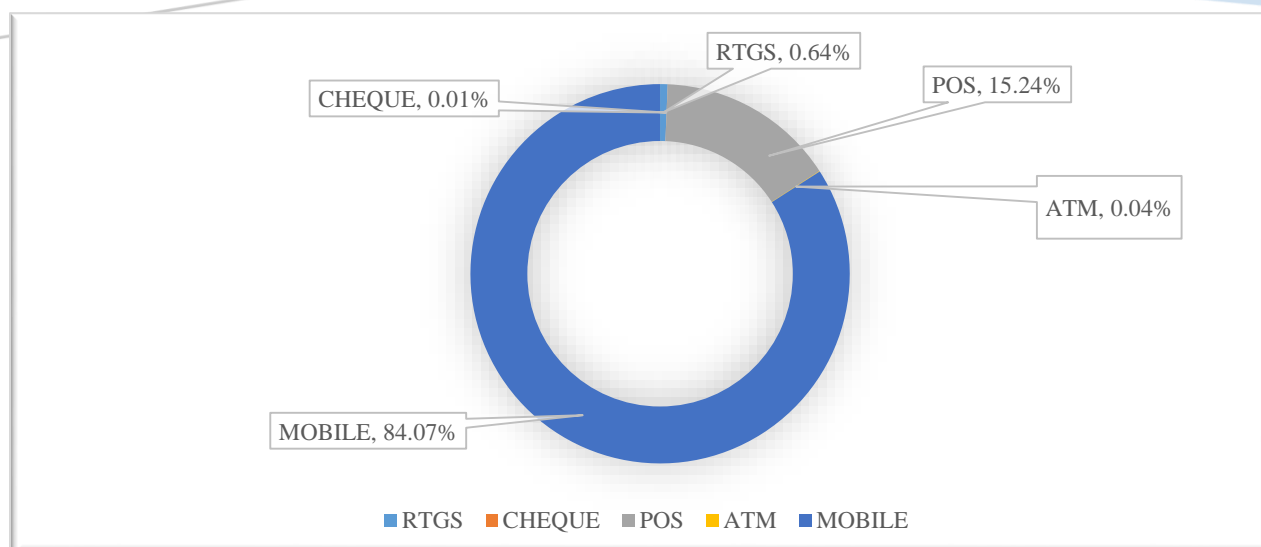
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2019

The total volume of transactions processed through the NPS decreased by 4.89% to 43.39 million transactions, during the week ending 4th October 2019. This compares with 45.62 million transactions recorded during the preceding week. NPS transaction volumes were dominated by mobile based transactions which accounted for 84.07%, followed by POS, 15.24%; RTGS, 0.64%; ATM, 0.04%; 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
	27 th SEPTEMBER 2019	4 th OCTOBER 2019		
	VALUES IN ZWL (millions)			
RTGS	8,248.57	8,656.93	4.95	71.65
CHEQUE	1.03	0.93	-10.11	0.01
POS	977.10	1052.62	7.73	8.71
ATM	12.22	24.63	101.54	0.20
MOBILE	2,683.43	2,346.68	-12.55	19.42
TOTAL	11,922.36	12,081.79	1.34	100
	VOLUMES			
RTGS	259,531	277,893	7.08	0.64
CHEQUE	3,096	3,050	-1.49	0.01
POS	6,559,823	6,614,030	0.83	15.24
ATM	19,822	18,404	-7.15	0.04
MOBILE	38,780,983	36,479,588	-5.93	84.07
TOTAL	45,623,255	43,392,965	-4.89	100

Source: Reserve Bank of Zimbabwe, 2019.

3. TOBACCO SALES

As at day 134 of the 2019 tobacco selling season, a cumulative total of 259.45 million kilograms of the golden leaf had been sold, representing a 2.71% increase from 252.60 million kilograms auctioned, during the same period in 2018. In value terms, a total of US\$526.72 million was realized in tobacco sales. This was a 28.57% decline, compared to the \$737.43 million realized during the corresponding period in 2018.

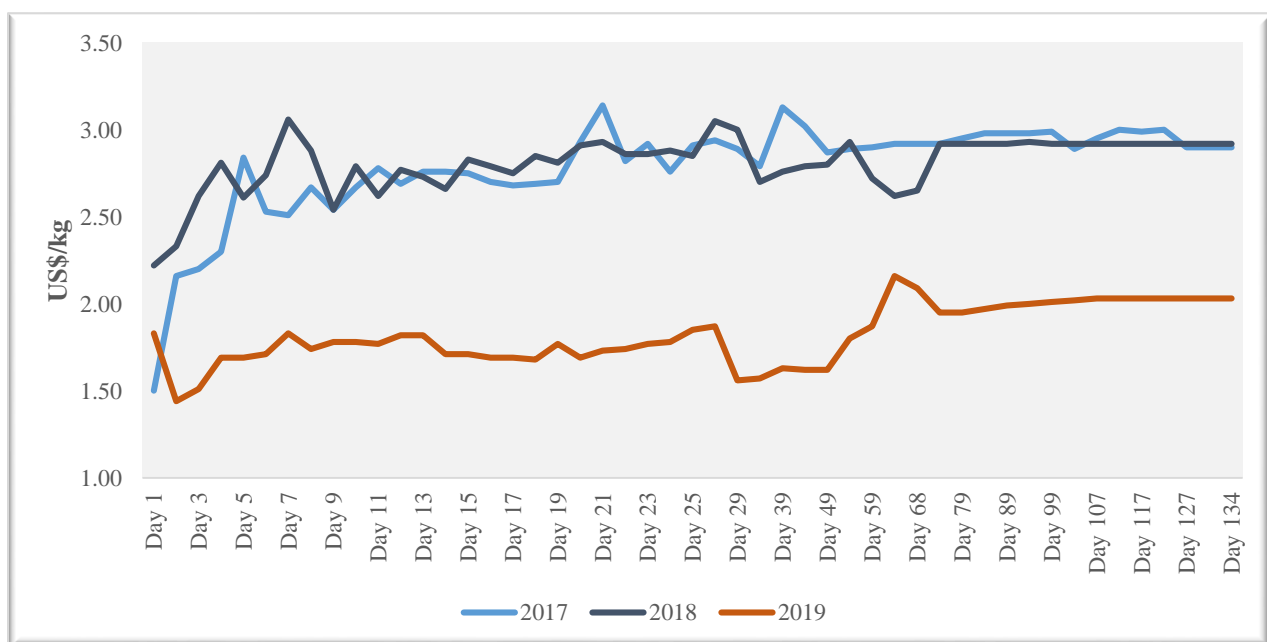
Table 4: Weekly Cumulative Tobacco Sales: Day 134 (04th October 2019)

	2018	2019	Variance (%)
Cumulative Quantity Sold (million kg)	252.60	259.45	2.71
Cumulative Average Price(US\$/kg)	2.92	2.03	(30.48)
Cumulative value (US\$ million)	737.43	526.72	(28.57)

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

The golden leaf was sold at an average price of US\$2.03/kg, down from the average price of US\$2.92/kg, recorded during the same period in 2018.

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



Source: TIMB and ZTA, 2019

4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international weekly average commodity prices of gold, platinum copper and crude oil retreated, while nickel prices firmed, during the week under analysis, as shown in Table 5.

Table 5: International Commodity Prices

	Gold	Platinum	Copper	Nickel	Crude Oil
2019	<i>US\$/ounce</i>	<i>US\$/ounce</i>	<i>US\$/tonne</i>	<i>US\$/tonne</i>	<i>US\$/barrel</i>
Weekly average (23-27 September)	1,516.03	942.30	5,730.45	17,410.70	62.58
30-Sep	1,486.45	912.50	5,679.75	17,279.00	59.55
1-Oct	1,469.78	881.00	5,655.75	17,569.00	59.13
2-Oct	1,488.33	876.50	5,654.00	17,720.00	57.57
3-Oct	1,510.55	891.50	5,619.25	17,805.00	58.05
4-Oct	1,504.33	878.50	5,636.50	17,826.00	58.30
Weekly average (30 Sept-04 Oct)	1,491.89	888.00	5,649.05	17,639.8	58.52
Weekly Change (%)	<i>(1.6)</i>	<i>(5.8)</i>	<i>(1.4)</i>	<i>1.3</i>	<i>(6.5)</i>

Source: BBC, KITCO and Bloomberg, 2019

Gold

During the week ending 4th October, average weekly prices of gold stood at US\$1,491.89/oz, down from US\$1,516.03/oz., recorded in the previous week. The appeal of the yellow metal was reduced by concerns over the outlook of global growth, due to weaker than expected economic data released by the U.S. Increased prospects of further interest rate cuts, also contributed to the fall in the price of the precious mineral.

Platinum

Similarly, average weekly prices of platinum retreated by 5.8%, from US\$942.30/oz. recorded during the week ending 27th September 2019, to close the week under review at US\$888.00/oz.

Copper

Copper prices weakened by 1.6%, from US\$5,730.45/tonne in the previous week to US\$5,649.05/tonne, during the week under review. Concerns about the projected weak global growth, occasioned by the protracted trade dispute between US and China, continued to dampen the demand outlook for the base metal.

Nickel

Nickel prices firmed by 1.3%, from US\$17,410.70/tonne in the previous week to US\$17,639.8 per tonne, during the week under review. This was largely underpinned by fears of disruptions, ahead of the impending ban on unprocessed exports in Indonesia, which is likely to be effected in January 2020.

Crude Oil

Weekly average prices for gold declined by 6.5%, from a weekly average of US\$62.58/barrel to US\$58.52/barrel, during the week under analysis. This followed oversupply concerns on the back of on-going OPEC-led production cuts.

EXCHANGE RATES

The week ending 4th October 2019 saw the ZWL depreciate against the pound Sterling; euro; US dollar; pula and rand, as shown in Table 6.

Table 6: International Exchange Rates²

	GBP	EURO	USD	BWP	ZAR
2019					
Weekly Average (23-27 September)	18.4703	16.3929	14.8841	1.3587	0.9993
30-Sep	18.3435	16.3137	15.1979	1.3489	0.9846
1-Oct	18.7953	16.6545	15.2913	1.3831	1.0084
2-Oct	18.7161	16.6717	15.2455	1.3789	0.9944
3-Oct	18.7519	16.7182	15.2566	1.3776	1.0008
4-Oct	18.8289	16.7380	15.2611	1.3822	1.0084
Weekly Average (30 Sept-04 October)	18.6871	16.6192	15.2505	1.3741	0.9993
<i>Appr(-)/Depr(+) (%) of the ZWL</i>	<i>1.17</i>	<i>1.38</i>	<i>2.46</i>	<i>1.13</i>	<i>0.01</i>

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

The Zimbabwe Stock Exchange (ZSE), was characterised by bullish sentiment, during the week ending 4th October 2019. Consequently, the All Share and Top 10 indices gained 1.27 and 0.57, points, to close at the week at 233.31 and 218.78 points, respectively.

The industrial index rose by 4.94 points to close at 777.88 points, during the week under review. This was largely on account of share price increases for Zimre Holdings Limited (44.01%), Old Mutual Zimbabwe (39.77%), Medtech Holdings Limited (30.00%), Padenga Holdings Limited (22.21%) and Afdis Distillers Limited (20.00%). The gains were, however, partially offset by losses in First Mutual Holdings (34.38%), OK Zimbabwe Limited (20.86%), First Capital Bank Limited (12.50%), Delta Corporation Limited (6.51%) and Cassava Smartech Zimbabwe Limited (5.89%).

The mining index, however, closed the week under analysis at 301.96 points, down from 317.75 points in the previous week. The decline in the mining index was on the back of losses in the Bindura Nickel Corporation share price (11.11%). Riozim Limited, however, traded at the previous week price.

Table 7: Zimbabwe Stock Exchange Statistics

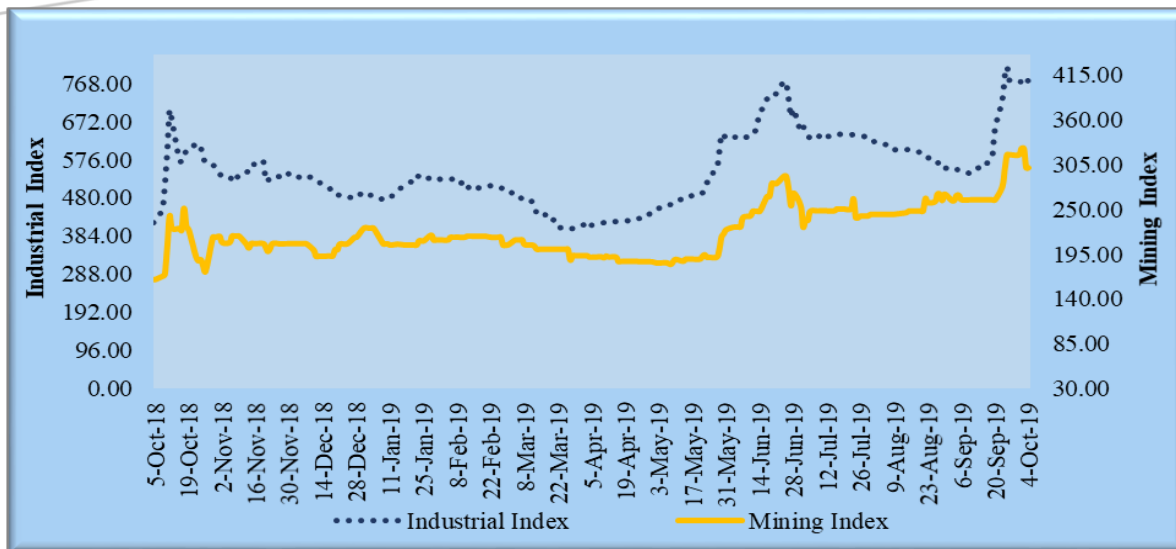
	All Share Index ³ (points)	Top 10 index ⁴ (points)	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (ZWL million)	Market Turnover (ZWL million)	Volume of Shares (million)
6-Sep-2019	164.05	146.16	545.75	262.69	21,400	41.67	19.32
13-Sep-2019	166.75	149.69	554.86	262.50	21,704	38.84	59.67
20-Sep-2019	196.37	182.38	654.89	262.50	25,647	35.23	42.03
27-Sep-2019	232.04	218.21	772.94	317.75	30,503	37.94	22.24
04-Oct-2019	233.31	218.78	777.88	301.96	30 590.71	39.50	31.63
Weekly Change (%)	0.55	0.26	0.64	-4.97	0.29	4.11	42.22

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

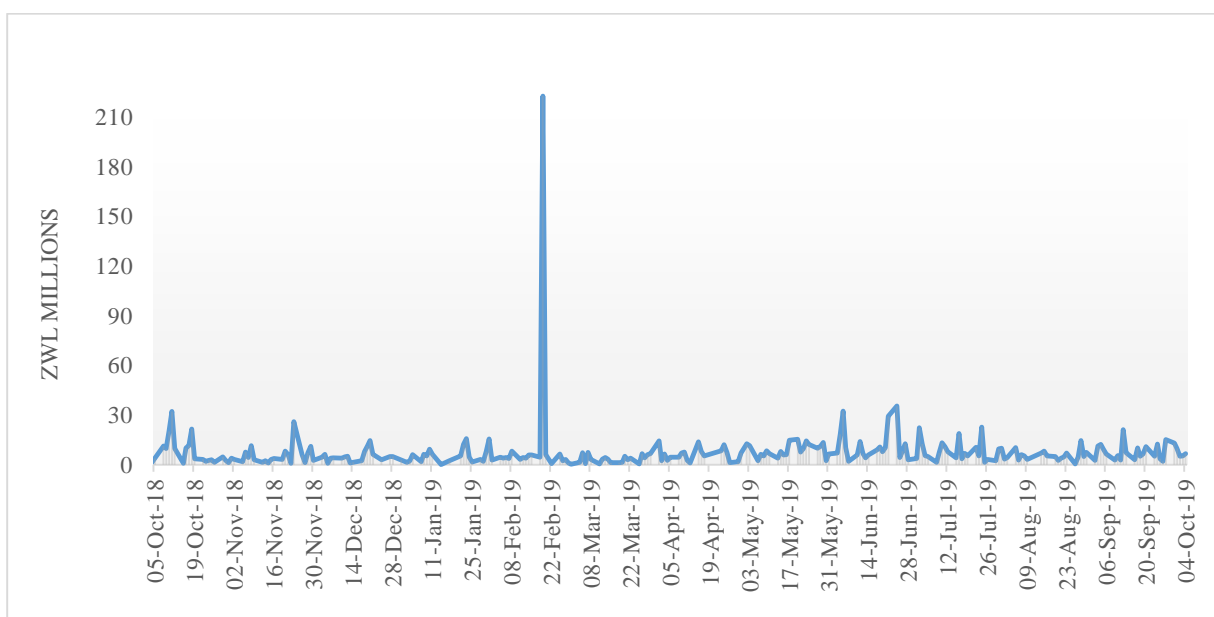


Source: Zimbabwe Stock Exchange, 2019

Market Turnover and Volume

The ZSE market turnover value increased by 4.11%, from \$37.94 million recorded the previous week to \$39.50 million in the week under review. A 42.22% increase in the cumulative total volume of shares traded was recorded, to close at 31.63 million shares during the same week.

Figure 5: Daily Market Turnover



Source: Zimbabwe Stock Exchange, 2019

Market Capitalization

ZSE market capitalisation registered an increase of 0.29%, to close the week under analysis at \$30.59 billion. This was underpinned by gains in the industrial index.

Figure 6: Daily Market Capitalization



Source: Zimbabwe Stock Exchange, 2019

Johannesburg Stock Exchange (JSE) Developments

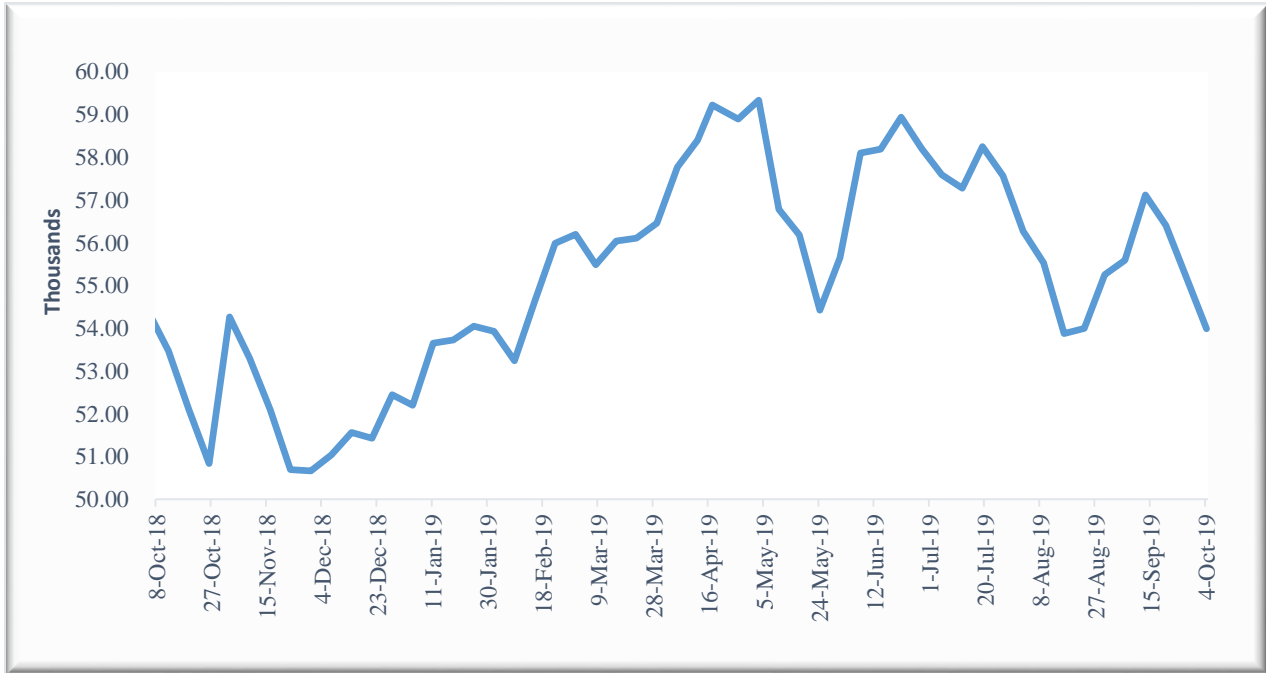
The JSE All Share Index declined by 2.20%, from 55,209.03 points in the previous week to 53,993.87 points, during week ending 4th October 2019. Similarly, JSE market capitalization declined from R17.51 billion in the previous week, to R17.06 billion in the week under review.

Table 7: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalization (ZAR billion)
6-Sept-19	55,591.09	16.01
13-Sept-19	57,123.78	17.97
20-Sept-19	56,406.89	17.73
27-Sept-19	55,209.03	17.51
27-Sept-19	53,993.87	17.06
% Change	(2.20)	(2.57)

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

04 OCTOBER 2019