

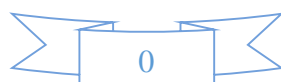


# Weekly Economic Highlights

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Week Ending  
11 October 2019



## 1. INTEREST RATES

### Deposit Rates

During the week ending 11<sup>th</sup> October 2019, average deposit rates for deposits of 1-month tenor increased by 0.02 percentage points to close the week at 5.01%. Average deposit rates for savings deposits and deposits of 3-month tenor, however, remained unchanged at 4.74% and 5.09%, respectively.

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

Date	Savings Deposits (%)	1-Month Deposit (%)	3-Month Deposit (%)
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	<b>4.99</b>	5.09
11-Oct-19	4.74	<b>5.01</b>	5.09

Source: Banking Institutions, 2019

### Lending Rates

Weighted commercial bank lending rates for individual and corporate clients declined by 3.45 and 2.02 percentage points, to close at 11.17% and 17.46%, respectively, during the week under review.

**Table 2: Lending Rates**

Date	Lending Rates <sup>1</sup> (%) Commercial Banks (weighted)	
	Individuals	Corporate Clients
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
11-Oct-19	<b>11.17</b>	<b>17.46</b>

Source: Banking Institutions, 2019

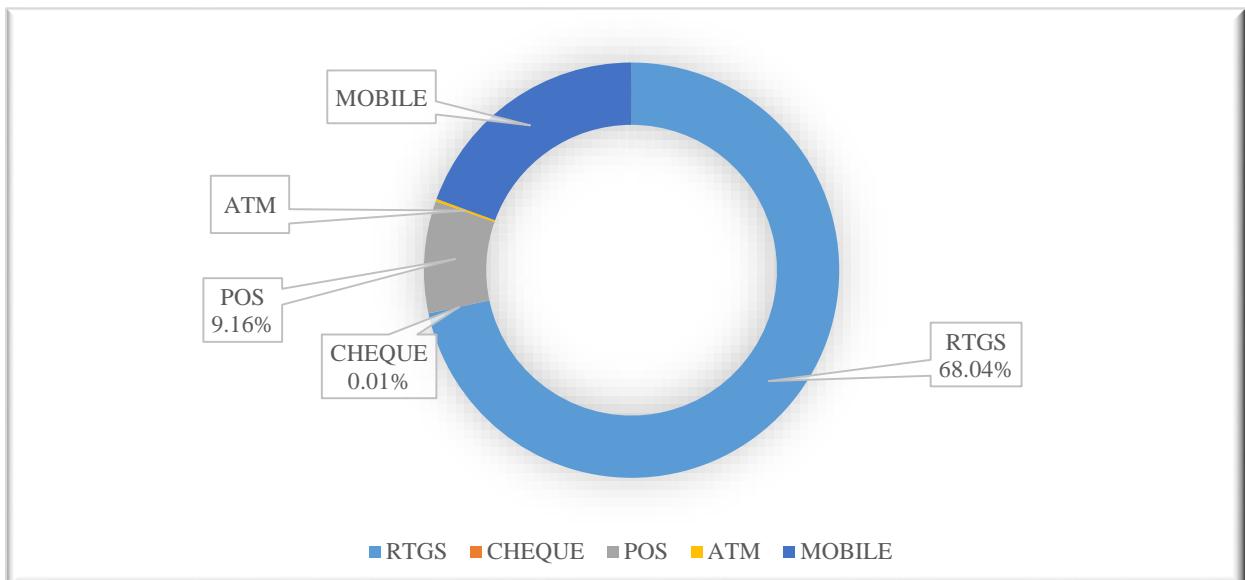
<sup>1</sup> Minimum weighted lending rates offered by commercial banks.

## 2. CLEARING AND SETTLEMENT ACTIVITY

During the week ending 11<sup>th</sup> October 2019, transactions processed through the National Payment System (NPS) increased by 0.30% to close at \$12.12 billion, from \$12.08 billion registered in the previous week. RTGS transaction values totalled \$8.25 billion, a 4.75% decrease from \$8.66 billion recorded in the previous week.

The distribution of NPS transaction values was as follows: RTGS, 68.04%; Mobile, 22.64%; point of Sale (POS), 9.16%; Automated Teller Machine (ATM), 0.16%; and Cheque, 0.01%, as shown in Figure 1.

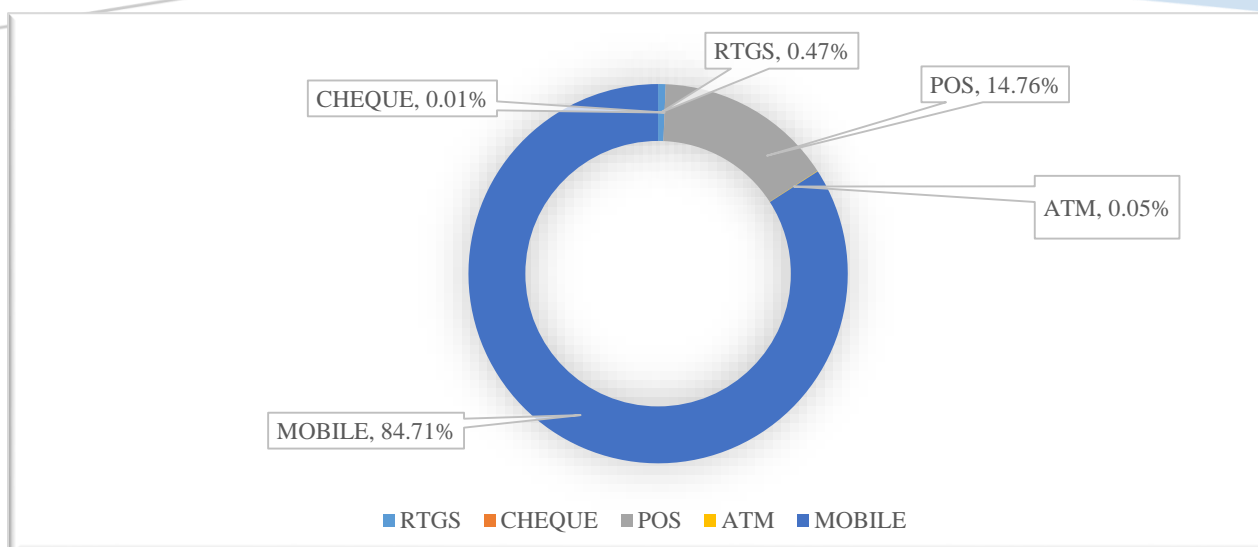
**Figure 1: Composition of NPS Transactions in Value Terms**



*Source: Reserve Bank of Zimbabwe, 2019*

The total volume of transactions processed through the NPS increased by 12.16% to close at 48.67 million transactions, during the week ending 11<sup>th</sup> October 2019. NPS transaction volumes were dominated by mobile based transactions, which accounted for 84.71%, followed by POS; 14.76%; RTGS, 0.47%; ATM, 0.05%; 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 4 <sup>th</sup> OCTOBER 2019	WEEK ENDING 11 <sup>th</sup> OCTOBER 2019	% CHANGE FROM LAST WEEK	PERCENTAGE OF TOTAL
<b>VALUES IN ZWL (millions)</b>				
<b>RTGS</b>	8,656.93	8,245.32	-4.75	68.04
<b>CHEQUE</b>	0.93	0.87	-4.64	0.01
<b>POS</b>	1052.62	1109.82	5.43	9.16
<b>ATM</b>	24.63	18.97	-22.98	0.16
<b>MOBILE</b>	2,346.68	2,743.44	16.91	22.64
<b>TOTAL</b>	<b>12,081.79</b>	<b>12,118.44</b>	<b>0.30</b>	<b>100</b>
<b>VOLUMES (millions)</b>				
<b>RTGS</b>	277,893	230,575	-17.03	0.47
<b>CHEQUE</b>	3,050	2,950	-3.28	0.01
<b>POS</b>	6,614,030	7,181,844	-8.58	14.76
<b>ATM</b>	18,404	26,312	42.97	0.05
<b>MOBILE</b>	36,479,588	41,229,000	13.02	84.71
<b>TOTAL</b>	<b>43,392,965</b>	<b>48,670,681</b>	<b>12.16</b>	<b>100</b>

Source: Reserve Bank of Zimbabwe, 2019.

### 3. TOBACCO SALES

As at day 135 of the 2019 tobacco selling season, a cumulative total of 259.45 million kilograms of the golden leaf had been sold. This represented a 2.71% increase from the 252.60 million kilograms auctioned during the same period in 2018. In value terms, a total of US\$526.72 million was realized during the week under review. This reflected a decline of 28.57%, compared to the \$737.43 million realized during the corresponding period in 2018.

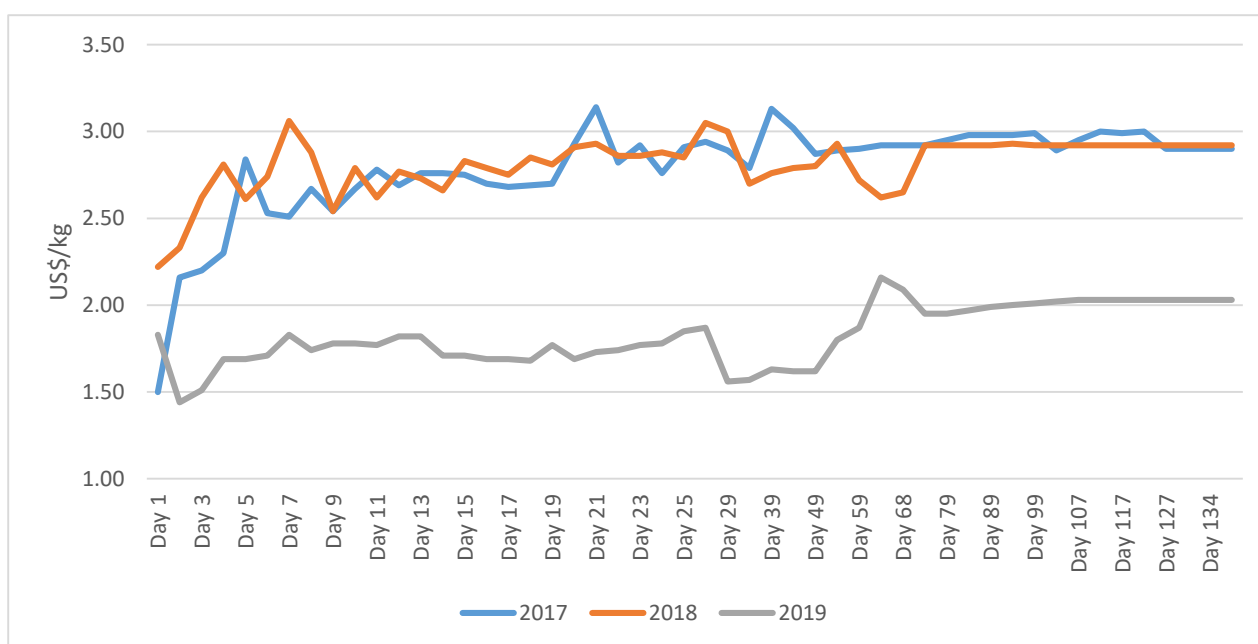
**Table 4: Weekly Cumulative Tobacco Sales: Day 135 (11<sup>th</sup> October 2019)**

	2018	2019	Variance (%)
<b>Cumulative Quantity Sold (million kg)</b>	252.60	259.45	2.71
<b>Cumulative Average Price(US\$/kg)</b>	2.92	2.03	(30.48)
<b>Cumulative value (US\$ million)</b>	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 during the week under analysis, 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 weekly international average commodity prices of gold, copper and crude oil firmed, during the week ending 11<sup>th</sup> October 2019. Nickel and platinum prices, however, retreated, 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>2019</b>	<i>US\$/ounce</i>	<i>US\$/ounce</i>	<i>US\$/tonne</i>	<i>US\$/tonne</i>	<i>US\$/barrel</i>
<b>Weekly average (30 Sept-04 Oct)</b>	<b>1,491.89</b>	<b>888.00</b>	<b>5,649.05</b>	<b>17,639.8</b>	<b>58.52</b>
<b>1-Oct</b>	1,469.78	881.00	5,655.75	17,569.00	59.13
<b>2-Oct</b>	1,488.33	876.50	5,654.00	17,720.00	57.57
<b>3-Oct</b>	1,510.55	891.50	5,619.25	17,805.00	58.05
<b>4-Oct</b>	1,504.33	878.50	5,636.50	17,826.00	58.30
<b>11-Oct</b>	1,488.75	895.00	5,768.50	17,711.50	60.12
<b>Weekly average (07 Oct--11Oct)</b>	<b>1,500.04</b>	<b>886.90</b>	<b>5,690.16</b>	<b>17,605.8</b>	<b>59.06</b>
<b>Weekly Change (%)</b>	<i>0.5</i>	<i>(0.1)</i>	<i>0.7</i>	<i>(0.2)</i>	<i>0.9</i>

*Source: BBC, KITCO and Bloomberg, 2019*

### **Gold**

During the week ending 11<sup>th</sup> October 2019, weekly average prices of gold stood at US\$1,500.04/oz, a 0.5% increase from US\$1,491.89 /oz., recorded in the previous week. This was attributable to the increase in the appeal of the yellow metal as a safe haven asset, amid easing concerns about the U.S.- China trade conflict and heightened prospects of Britain's exit from the European Union.

### **Platinum**

Platinum prices retreated by 0.1%, from US\$888.00/oz. recorded during the week ending 4<sup>th</sup> October, 2019, to close the week under review at US\$886.90. This was partly on account of slowing industrial demand from the automobile industries, mainly in Europe where the metal is used in emission control mechanism for vehicles.

## Copper

Copper prices firmed by 0.7%, from US\$5,649.05/tonne in the previous week to close at US\$5,690.16/ tonne, during the week under review. The increase was partly attributable to rising investor optimism about a partial deal being sealed between the US and China that is anticipated to end the protracted trade dispute between the two largest economies.

## Nickel

Nickel prices retreated by 0.2%, from US\$17,639.8/tonne in the previous week to US\$17,605.8/ tonne, during the week under review. This followed heavy selling of the metal, amid signs of rising global inventories of the base metal.

## Crude Oil

The average weekly prices for crude oil firmed by 0.9%, to close at US\$59.06/barrel during the week under review, from a weekly average of US\$58.52/barrel recorded in the previous week. Prices were supported by increased demand prospects, following reports that China was open to a partial trade deal with the United States.

## EXCHANGE RATES

The ZWL depreciated against the pound Sterling; euro; US dollar; pula and rand, during the week under review, as shown in Table 6. The interbank market has, however, been fairly stable over the past few weeks.

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

2019	GBP	EURO	USD	BWP	ZAR
<b>Weekly Average (30 Sept-04 October)</b>	<b>18.6871</b>	<b>16.6192</b>	<b>15.2505</b>	<b>1.3741</b>	<b>0.9993</b>
7-Oct	18.8015	16.7510	15.2701	1.3830	1.0120
8-Oct	18.7923	16.7739	15.2789	1.3858	1.0085
9-Oct	18.6701	16.7603	15.2902	1.3776	1.0018
10-Oct	18.6984	16.7955	15.3037	1.3845	1.0104
11-Oct	19.0618	16.8651	15.3076	1.3868	1.0184
<b>Weekly Average (7-11- October)</b>	<b>18.8048</b>	<b>16.7891</b>	<b>15.2901</b>	<b>1.3835</b>	<b>1.0102</b>
<i>Appreciation(-)/Depreciation(+) (%) of ZWL</i>	<i>0.63</i>	<i>1.02</i>	<i>0.26</i>	<i>0.68</i>	<i>1.09</i>

<sup>2</sup> Direct quote – the amount of domestic currency needed to exchange for 1 unit of foreign currency.

Source: Reserve Bank of Zimbabwe, 2019

## 5. EQUITY MARKETS

During the week under review, the ZSE was characterised by bearish sentiment. Resultantly, the All Share and Top 10 indices declined by 0.76 and 1.65 points, to close the week at 231.53 and 215.18 points, respectively.

The industrial index lost 0.64 points to close at 772.90 points, during the same week. This was largely on account of share price declines for PPC Limited (20.67%), Bindura Nickel Corporation Limited (18.75%), Zimplot Holdings Limited (7.93%), First Capital Bank (4.76%) and Econet Wireless Zimbabwe Limited (4.38%).

The mining index shed 7.84%, to close the week under analysis at 278.28 points. This was on the back of losses in the Bindura Nickel Corporation share price (18.75%). Falcon Gold and Riozim Limited, however, traded at the previous week price.

**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>13-Sep-2019</b>	166.75	149.69	554.86	262.50	21,704	38.84	59.67
<b>20-Sep-2019</b>	196.37	182.38	654.89	262.50	25,647	35.23	42.03
<b>27-Sep-2019</b>	232.04	218.21	772.94	317.75	30,503	37.94	22.24
<b>04-Oct-2019</b>	233.31	218.78	777.88	301.96	30,591	39.50	31.63
<b>11-Oct-2019</b>	231.53	215.18	772.90	278.28	30,291	40.23	34.41
<b>Weekly Change (%)</b>	<b>-0.76</b>	<b>-1.65</b>	<b>-0.64</b>	<b>-7.84</b>	<b>-0.98</b>	<b>1.85</b>	<b>8.78</b>

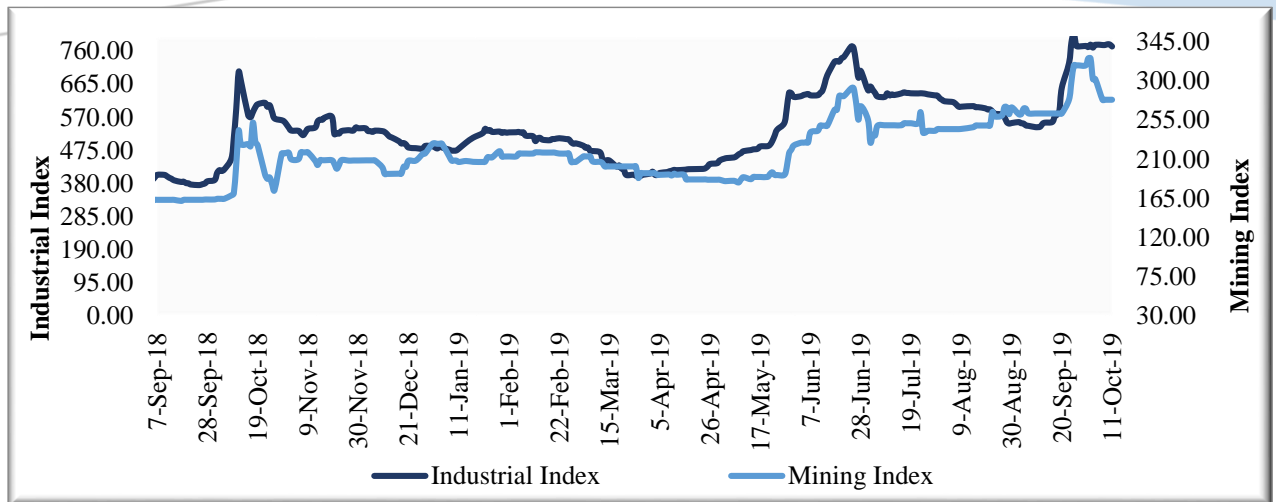
Source: Zimbabwe Stock Exchange (ZSE), 2019

<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**

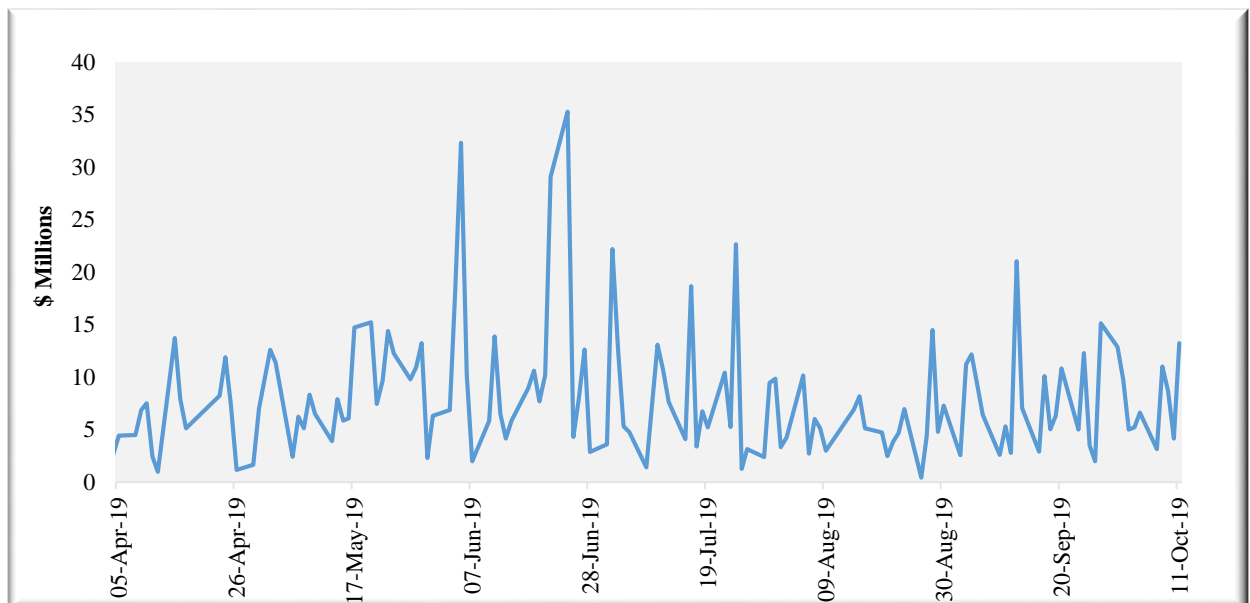


Source: Zimbabwe Stock Exchange, 2019

### Market Turnover and Volume

ZSE market turnover value increased by 1.85%, from \$39.50 million recorded in the previous week, to \$40.23 million in the week under review. The cumulative total volume of shares traded increased by 8.78%, to close at 34.41 million shares, during the week under review.

**Figure 5: Daily Market Turnover**



Source: Zimbabwe Stock Exchange, 2019

## Market Capitalization

During the week under analysis, ZSE market capitalisation registered a decline of 0.98%, to close at \$30.29 billion. This compares with the market capitalisation of \$30.59 billion recorded in the preceeding week. Declines in both the industrial and mining indicies accounted for the fall in the market capitalisation.

**Figure 6: Daily Market Capitalization**



Source: Zimbabwe Stock Exchange, 2019

## Johannesburg Stock Exchange (JSE) Developments

The JSE All Share Index declined by 2.94%, from 53,993.87 points in the previous week to 52,537.02 points, during the week ending 11<sup>th</sup> October 2019. JSE market capitalization, however, declined by 1.22 %, from R17.27 billion in the previous week to R17.06 billion, during the week under review.

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

Period	All Share Index (points)	Market Capitalization (ZAR billion)
<b>20-Sept-19</b>	56,406.89	17.73
<b>27-Sept-19</b>	55,209.03	17.51
<b>27-Sept-19</b>	53,993.87	17.06
<b>04-Oct-19</b>	53,993.87	17.27
<b>11-Oct-19</b>	55,537.02	17.06
<b>% Change</b>	<b>2.86</b>	<b>-1.22</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**

**18<sup>TH</sup> OCTOBER 2019**