



Weekly Economic Highlights

Table of Contents

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

Week Ending
18th October 2019

1. INTEREST RATES

Deposit Rates

Average deposit rates for deposits of 1-month tenor declined by 0.02 percentage points to close at 4.99%, during the week ending 18th October, 2019. 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 (%)
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
11-Oct-19	4.74	5.01	5.09
18-Oct-19	4.74	4.99	5.09

Source: Banking Institutions, 2019

Lending Rates

During the week under review, weighted commercial bank lending rates for individual and corporate clients increased by 4.45 and 2.0 percentage points, to close at 15.62% and 19.46%, respectively.

Table 2: Lending Rates

Date	Lending Rates ¹ (%) Commercial Banks (weighted)	
	Individuals	Corporate Clients
20-Sept-19	15.07	19.62
27-Sept-19	14.64	19.81
04-Oct-19	14.62	19.48
11-Oct-19	11.17	17.46
18-Oct-19	15.62	19.46

Source: Banking Institutions, 2019

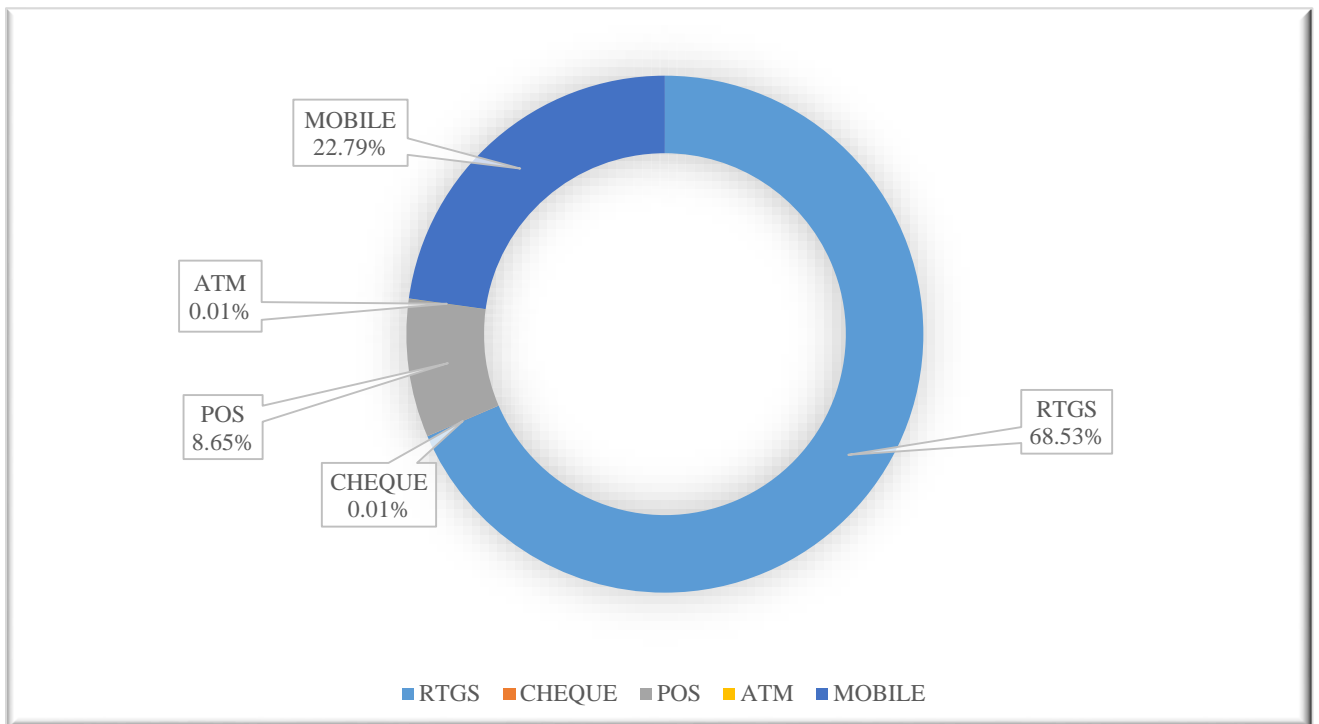
¹ Minimum weighted lending rates offered by commercial banks.

2. CLEARING AND SETTLEMENT ACTIVITY

Transactions processed through the National Payment System (NPS) increased by 9.89%, to close at \$13.32 billion during the week ending 18th October 2019, from \$12.12 billion registered in the previous week. RTGS transaction values totalled \$9.13 billion, representing an increase of 10.71%, from \$8.25 billion registered in the previous week.

The composition of NPS transaction values during the week under review was as follows: RTGS, 68.53%; Mobile, 22.79%; point of Sale (POS), 8.65%; Automated Teller Machine (ATM), 0.01%; and Cheque, 0.01%, as shown in Figure 1.

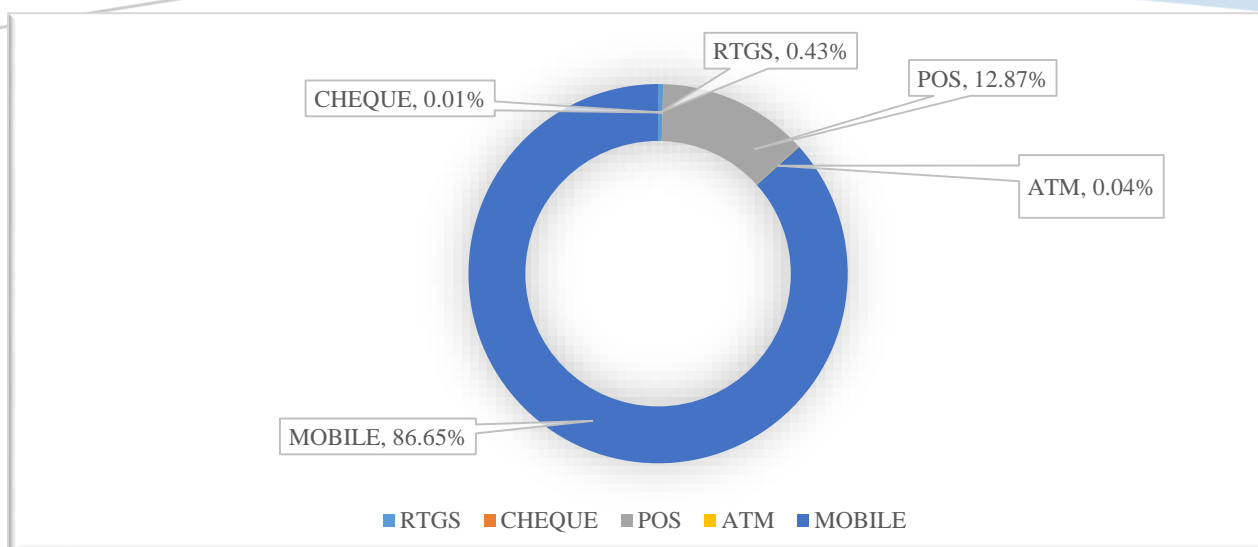
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2019

The total volume of transactions processed through the NPS declined by 0.68% to close at 48.34 million transactions, during the week under analysis. Mobile based transactions accounted for 86.65% of NPS transactions, followed by POS; 12.87%; RTGS, 0.43%; 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
	11 th OCT 2019	18 th OCT 2019		
	VALUES IN ZWL (millions)			
RTGS	8,245.32	9,128.18	10.71	68.55
CHEQUE	0.87	0.95	9.20	0.01
POS	1109.82	1152.09	3.81	8.65
ATM	18.97	0.90	-95.27	0.01
MOBILE	2,743.44	3,034.54	10.61	22.79
TOTAL	12,118.42	13,316.65	9.89	100
	VOLUMES			
RTGS	230,575	209,150	-9.29	0.43
CHEQUE	2,950	3,170	7.46	0.01
POS	7,181,844	6,221,936	-13.37	12.87
ATM	26,312	19,567	-25.63	0.04
MOBILE	41,229,000	41,886,112	1.59	86.65
TOTAL	48,670,681	48,339,935	-0.68	100

Source: Reserve Bank of Zimbabwe, 2019.

3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

During the week ending 18th October 2019, the weekly average international commodity prices of gold, platinum, copper, nickel and crude oil retreated, 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 (7-11 October)	1,516.03	942.30	5,730.45	17,410.70	62.58
14-Oct	1,492.40	894.50	5,785.50	17,420.00	58.74
15-Oct	1,491.28	891.50	5,740.25	17,108.00	58.85
16-Oct	1,483.83	886.50	5,689.25	16,465.00	58.92
17-Oct	1,488.55	884.00	5,720.50	16,320.00	59.85
18-Oct	1,488.75	883.00	5,699.00	16,273.00	59.14
Weekly average (14-18 October)	1,488.96	887.90	5,726.90	16,717.20	59.1
Weekly Change (%)	<i>(1.8)</i>	<i>(5.8)</i>	<i>(0.1)</i>	<i>(4.0)</i>	<i>(5.6)</i>

Source: BBC, KITCO and Bloomberg, 2019

Gold

Gold prices declined by 1.8% to US\$1,488.96/oz, during the week under analysis. This was partly underpinned by the protracted trade tensions between the U.S and China and the uncertainty surrounding the Brexit deal.

Platinum

The price of platinum retreated by 5.8%, from a weekly average of US\$942.30/oz. recorded in the previous week, to close the week under review at US\$887.90. The slowdown in demand from the automobile industries, mainly in Europe, where the metal is used in emission control mechanism for vehicles, weighed down the prices.

Copper

Copper prices stood at US\$5,726.90/ tonne, during the week under review, representing a 0.1% decline from US\$5,730.45/tonne recorded in the previous week. This, partly followed protests in Chile, a major producer of copper. The protests created market uncertainties, negatively impacting on the price of the base metal.

Nickel

Nickel prices retreated by 4.0%, from an average of US\$17,605.8/ tonne in the previous week to US\$16,717.20/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 of crude oil fell 5.6%, to close at US\$59.1/barrel during the week under review, from a weekly average of US\$62.58/barrel, recorded in the previous week. This followed the launch of the biggest initial public offering in Saudi Arabia by the oil giant, Amarco.

EXCHANGE RATES

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

Table 6: International Exchange Rates²

2019	USD	ZAR	GBP	BWP	EURO
Weekly Average (7-11 OCTOBER 2019)	18.8048	16.7891	15.2901	1.3835	1.0102
14-Oct	19.3330	16.9189	15.3376	1.3972	1.0408
15-Oct	19.3802	16.9354	15.3525	1.4078	1.0375
16-Oct	19.5969	16.9602	15.3743	1.4060	1.0301
17-Oct	19.7040	17.0460	15.3915	1.4067	1.0318
18-Oct	19.8419	17.1810	15.4436	1.4177	1.0413
Weekly Average (14-18 October)	19.5712	17.0083	15.3799	1.4071	1.0363
<i>Appr(-)/Depr(+)</i> (%) <i>of the ZWL</i>	<i>4.1</i>	<i>1.3</i>	<i>0.6</i>	<i>1.7</i>	<i>2.6</i>

Source: Reserve Bank of Zimbabwe, 2019

² Direct quote – the amount of domestic currency needed to exchange for 1 unit of foreign currency

4. EQUITY MARKETS

Bearish sentiment characterised the Zimbabwe Stock Exchange, during the week under review. Consequently, the All Share and Top 10 indices lost 1.44% and 2.96%, to close the week at 228.19 and 208.80 points, respectively.

The industrial index lost 1.64% to close at 760.26 points, during the same week. This was largely on account of share price declines for Cassava Smartech (5.13%), Delta (1.14%), PPC Limited (7.84%), Willdale (13.70%), Turnall (13.04%), Old Mutual Zimbabwe (2.68%) and Econet Wireless Zimbabwe Limited (5.55%).

The mining index gained 11.46%, to close the week under analysis at 310.18 points. This was attributable to increase in the share prices for Bindura Nickel Corporation (1.54%) and Rio Zimbabwe Limited (17.90%). Falcon Gold, however, traded at the previous week price.

Table 7: Zimbabwe Stock Exchange Statistics

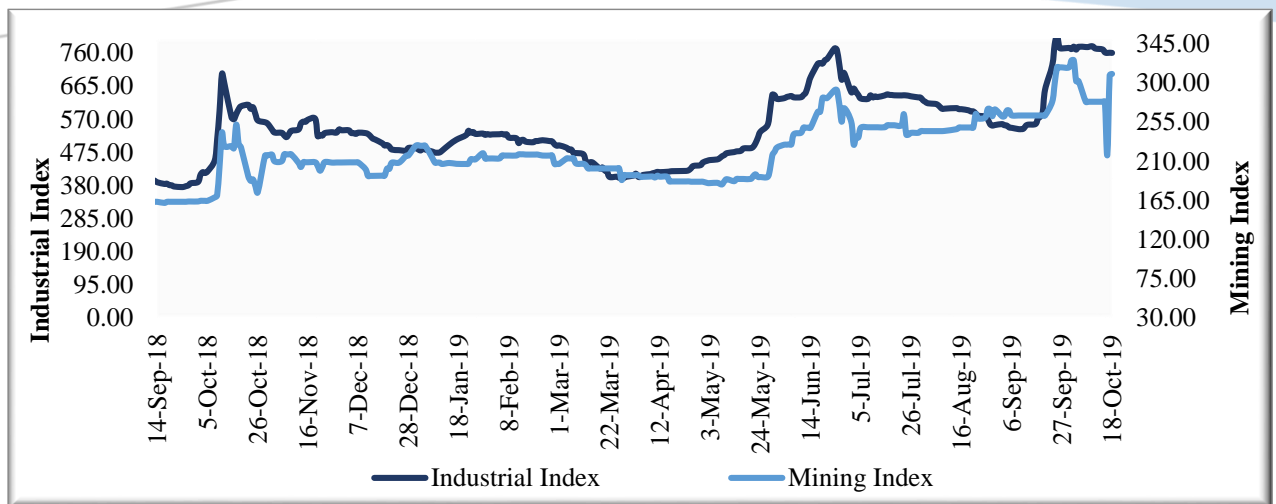
	All Share Index ³ (points)	Top 10 index ⁴ (points)	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (ZWL million)	Market Turnover (ZWL million)	Volume of Shares (million)
20-Sep-2019	196.37	182.38	654.89	262.50	25,647	35.23	42.03
27-Sep-2019	232.04	218.21	772.94	317.75	30,503	37.94	22.24
04-Oct-2019	233.31	218.78	777.88	301.96	30,591	39.50	31.63
11-Oct-2019	231.53	215.18	772.90	278.28	30,291	40.23	34.41
18-Oct-2019	228.19	208.80	760.26	310.18	29,783	42.03	19.71
Weekly Change (%)	-1.44	-2.96	-1.64	11.46	-1.68	4.47	-42.72

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

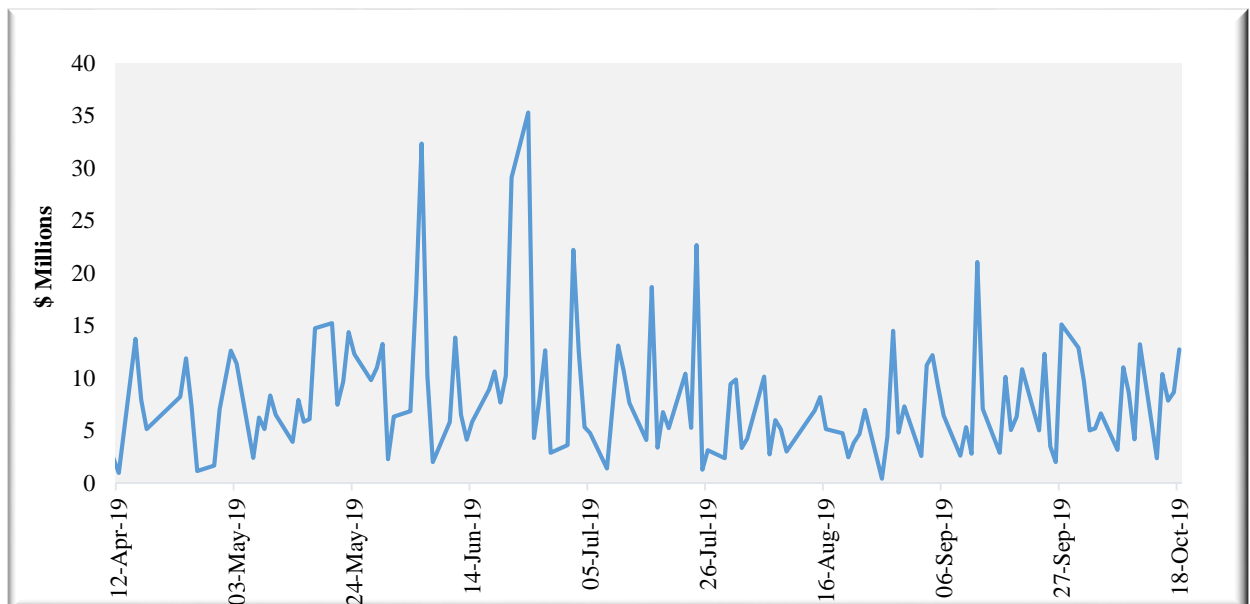


Source: Zimbabwe Stock Exchange, 2019

Market Turnover and Volume

ZSE market turnover value increased by 4.47%, from \$40.23 million recorded in the previous week to \$42.03 million in the week under analysis. The cumulative total volume of shares traded, however, declined by 42.72% to close the week ending 18th October 2019 at 19.71 million shares.

Figure 5: Daily Market Turnover



Source: Zimbabwe Stock Exchange, 2019

Market Capitalization

During the week under analysis, ZSE market capitalisation registered a decline of 1.68% to \$29.78 billion, from \$30.29 billion recorded in the preceeding week.

Figure 6: Daily Market Capitalization



Source: Zimbabwe Stock Exchange, 2019

Johannesburg Stock Exchange (JSE) Developments

The JSE All Share Index gained 0.33%, from 55,537.02 points in the previous week to 55,722.19 points, during week ending 18th October 2019. Similarly, the JSE market capitalization increased by 1.82% to R17.37 billion, during the same week.

Table 7: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalization (ZAR billion)
27-Sept-19	55,209.03	17.51
27-Sept-19	53,993.87	17.06
04-Oct-19	53,993.87	17.27
11-Oct-19	55,537.02	17.06
18-Oct-19	55,722.19	17.37
% Change	0.33	1.82

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

21ST OCTOBER 2019