



Weekly Economic Highlights

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Week Ending
25 October 2019

1. INTEREST RATES

Deposit Rates

During the week ending 25th October 2019, average deposit rates for deposits of 3-month tenor declined by 0.05 percentage points to close the week at 5.04%. Average deposit rates for savings deposits and deposits of 1-month tenors, however, remained unchanged at 4.74% and 4.99%, respectively.

Table 1: Average Deposit Rates (per annum)

Date	Savings Deposits (%)	1-Month Deposit (%)	3-Month Deposit (%)
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
25-Oct-19	4.74	4.99	5.04

Source: Banking Institutions, 2019

Lending Rates

Weighted commercial bank lending rates for individual clients declined by 0.03 percentage points to close at 15.59%, during the week under analysis. Lending rates for corporate clients, however, rose by 0.20 percentage points to close at 19.66%, during the same week.

Table 2: Lending Rates

Date	Lending Rates ¹ (%) Commercial Banks (weighted)	
	Individuals	Corporate Clients
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
25-Oct-19	15.59	19.66

Source: Banking Institutions, 2019

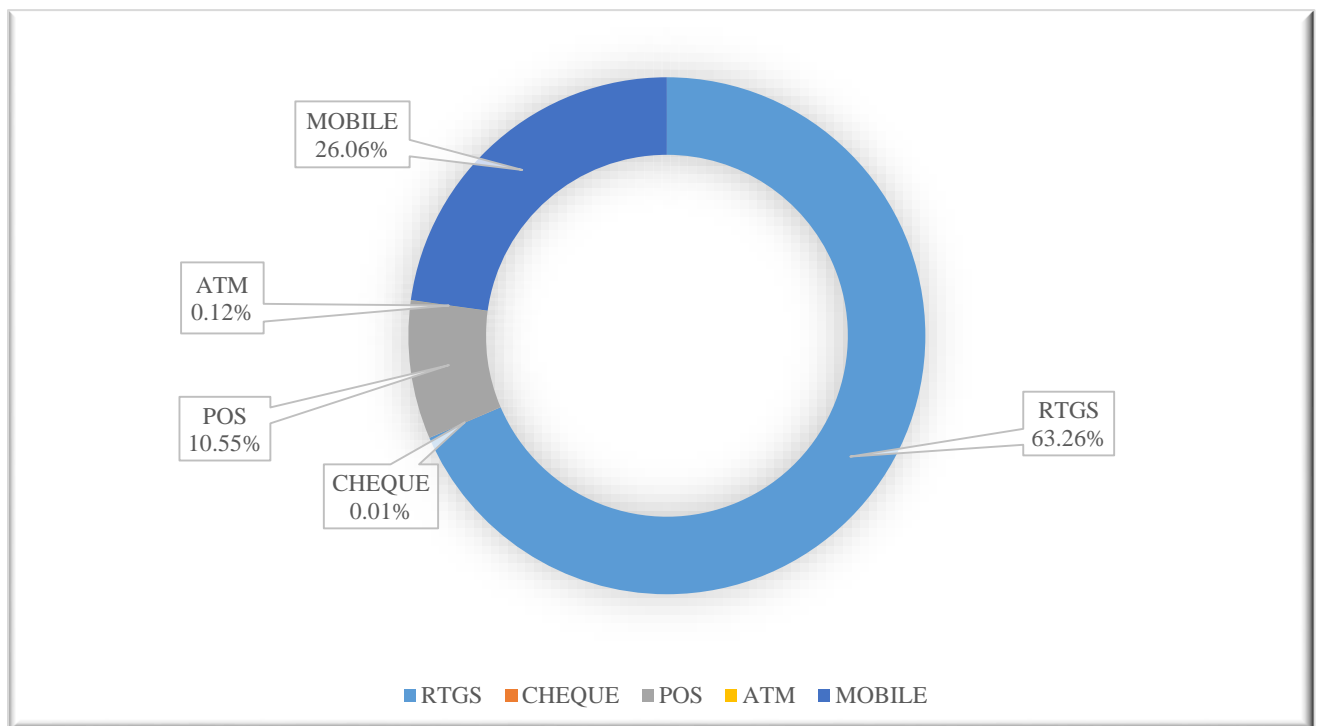
¹ Minimum weighted lending rates offered by commercial banks.

2. CLEARING AND SETTLEMENT ACTIVITY

The week under review saw transactions processed through the National Payment System (NPS) decline by 16.35% to close at \$11.1 billion, from \$13.13 billion recorded in the previous week. Real Time Gross Settlement (RTGS) transaction values totalled \$7.05 billion, representing a decline of 22.80%, from \$9.13 billion registered in the previous week.

The NPS transaction values were distributed as follows: RTGS, 63.26%; Mobile, 26.06%; point of Sale (POS), 10.55%; Automated Teller Machine (ATM), 0.12%; and Cheque, 0.01%, as shown in Figure 1.

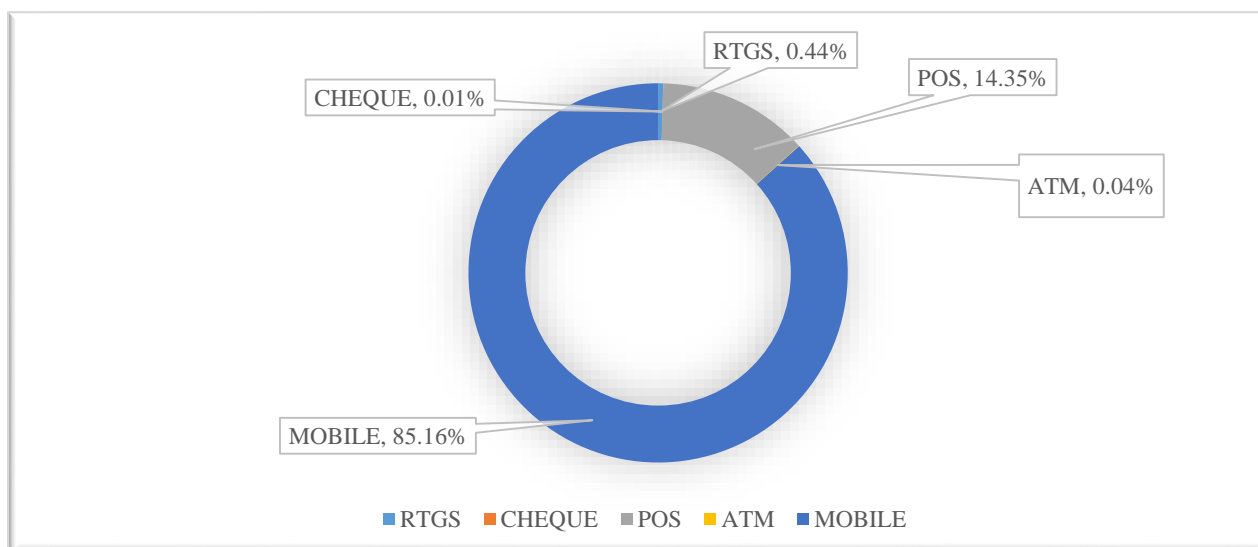
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2019

Total NPS transaction volumes declined by 8.35%, to close at 43.30 million transactions, during the week under analysis. Mobile based transactions accounted for 85.16% of NPS transaction volumes; POS; 14.35%; RTGS, 0.44%; 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
	18 th OCT 2019	25 th OCT 2019		
	VALUES IN ZWL (millions)			
RTGS	9,128.18	7,047.22	-22.80%	63.26%
CHEQUE	0.95	0.69	-27.19%	0.01%
POS	1152.1	1175.2	2.01%	10.55%
ATM	18.48	12.87	-30.36%	0.12%
MOBILE	3,034.54	2,903.24	-4.33%	26.06%
TOTAL	13,316.65	11,139.23	-16.35%	100
	VOLUMES			
RTGS	209,150	194,093	-7.20%	0.44%
CHEQUE	3,170	2,228	-29.72%	0.01%
POS	6,219.59	6,357.70	2.22	14.35%
ATM	21,917	19,254	-12.15%	0.04%
MOBILE	41,886,11	37,728,13	-9.93%	85.16%
TOTAL	48,339,935	44,301,404	-8.35%	100

Source: Reserve Bank of Zimbabwe, 2019.

3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The weekly average international commodity prices of gold, platinum, copper and crude oil firmed, during the week under review. The price of nickel, however, retreated during the same week, 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 (14-18 October)	1,488.96	887.90	5,726.90	16,717.20	59.1
<i>21-Oct</i>	<i>1,491.25</i>	<i>894.00</i>	<i>5,819.20</i>	<i>16,060.00</i>	<i>58.94</i>
<i>22-Oct</i>	<i>1,486.40</i>	<i>887.50</i>	<i>5,795.50</i>	<i>16,546.00</i>	<i>59.49</i>
<i>23-Oct</i>	<i>1,494.35</i>	<i>882.00</i>	<i>5,855.00</i>	<i>16,585.50</i>	<i>61.42</i>
<i>24-Oct</i>	<i>1,509.05</i>	<i>929.50</i>	<i>5,887.50</i>	<i>16,844.00</i>	<i>61.90</i>
<i>25-Oct</i>	<i>1,504.50</i>	<i>926.00</i>	<i>5,878.63</i>	<i>16,950.02</i>	<i>61.96</i>
Weekly Average (21-25 October)	1,497.11	903.80	5,847.17	16,597.10	60.742
<i>Weekly Change (%)</i>	<i>0.5</i>	<i>1.8</i>	<i>2.1</i>	<i>(0.7)</i>	<i>2.8</i>

Source: BBC, KITCO and Bloomberg, 2019

Gold

The price of gold firmed by 0.5% to close at US\$1,497.11/oz, during the week under analysis. This was, partly, underpinned by an increase in the appeal of gold as a safe haven asset, amid lingering concerns about the global economic slowdown.

Platinum

Platinum prices rose by 1.8%, from a weekly average of US\$887.90/oz. recorded in the previous week, to close the week under review at US\$903.80. This followed expectations of brighter investment demand prospects for the base metal.

Copper

Copper prices stood at US\$5,847.17/ tonne, during the week under review. This represented a 2.1% increase from US\$5,726.90/tonne recorded in the previous week. The price of the base metal rebounded, amid fears of supply disruptions due to mining labour disputes in Chile, one of the world's top producers of the base metal.

Nickel

Nickel prices, retreated by 0.7%, from an average of US\$16,717.20/ tonne in the previous week to US\$16,597.10/tonne, during the week under review. This was, partly, underpinned by rising inventories as well as the slowdown in demand from stainless steel producers.

Crude Oil

Average weekly prices of crude oil rose by 2.8%, to close at US\$62.74/barrel during the week under review, from a weekly average of US\$59.1/barrel, in the week ending 18th October 2019. The sudden drop in in U.S crude stockpiles and prospect of output cuts by the Organization of Petroleum Exporting Countries (OPEC) weighed down oil prices.

EXCHANGE RATES

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

Table 6: International Exchange Rates²

2019	GBP	EURO	USD	BWP	ZAR
Weekly Average (7-11 October)	18.8048	16.7891	15.2901	1.3835	1.0102
<i>21-Oct</i>	<i>19.9692</i>	<i>17.2767</i>	<i>15.4830</i>	<i>1.4229</i>	<i>1.0483</i>
<i>22-Oct</i>	<i>20.1110</i>	<i>17.2935</i>	<i>15.5113</i>	<i>1.4293</i>	<i>1.0483</i>
<i>23-Oct</i>	<i>20.0124</i>	<i>17.2896</i>	<i>15.1104</i>	<i>1.4298</i>	<i>1.0632</i>
<i>24-Oct</i>	<i>20.1241</i>	<i>17.3369</i>	<i>15.5711</i>	<i>1.4364</i>	<i>1.0626</i>
Weekly Average (21-24 October)	20.0542	17.2992	15.4190	1.4296	1.0556
Appr(+)/Depr(-) (%) of the ZWL	6.6	3.0	0.8	3.3	4.5

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

The Zimbabwe Stock Exchange (ZSE) was characterised by bullish sentiment, during the week under review. Resultantly, the All Share and Top 10 indices gained 0.71% and 0.91%, to close the week at 229.80 and 210.70 points, respectively.

The industrial index gained 0.69% to close at 765.51 points, during the week under analysis. This was underpinned by share price increases for Powerspeed Electrical Limited (20.00%), Ariston Holdings Limited (19.44%), Masimba Holdings Limited (18.75%), Proplastics Limited (17.33%) and Dairibord Holdings Limited (10.29%).

The mining index rose by 1.27%, to close at 314.11 points during the week ending 25th October 2019. This was attributable to share price increases for Bindura Nickel Corporation (1.21%) and Rio Zimbabwe Limited (1.16%) and Falcon Gold (20.00%).

Table 7: Zimbabwe Stock Exchange Statistics

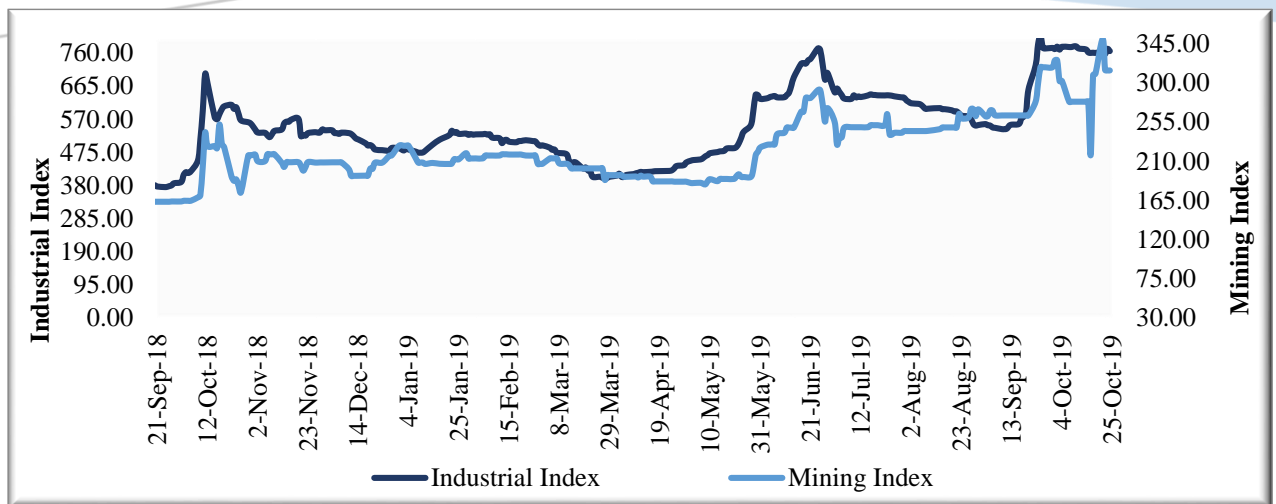
	All Share Index ³ (points)	Top 10 index ⁴ (points)	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (ZWL million)	Market Turnover (ZWL million)	Volume of Shares (million)
27-Sep-2019	232.04	218.21	772.94	317.75	30,50	37.94	22.24
04-Oct-2019	233.31	218.78	777.88	301.96	30,59	39.50	31.63
11-Oct-2019	231.53	215.18	772.90	278.28	30,29	40.23	34.41
18-Oct-2019	228.19	208.80	760.26	310.18	29,78	42.03	19.71
25-Oct-2019	229.80	210.70	765.51	311.14	30,01	27.39	23.12
Weekly Change (%)	0.71	0.91	0.69	1.27	0.76	-34.83	17.32

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

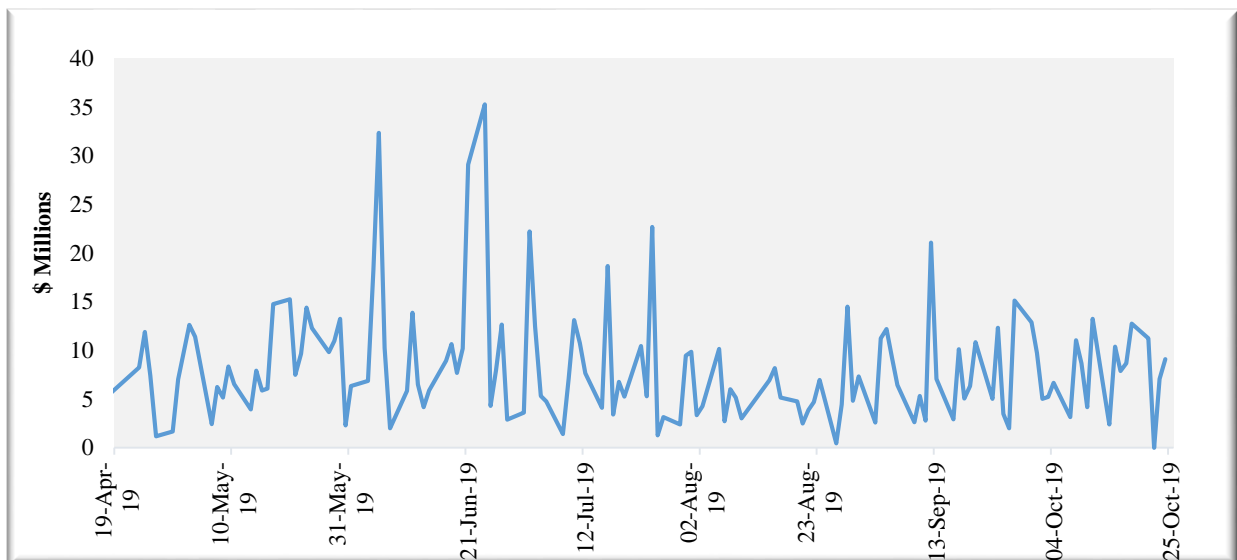


Source: Zimbabwe Stock Exchange, 2019

Market Turnover and Volume

ZSE market turnover value fell by 34.83%, from \$42.03 million recorded in the previous week, to \$27.39 million registered during the week under analysis. The cumulative total volume of shares traded, however, rose by 17.32% to close the week at 23.12 million shares.

Figure 5: Daily Market Turnover



Source: Zimbabwe Stock Exchange, 2019

Market Capitalization

ZSE market capitalisation registered an increase of 0.76% to \$30.01 billion, during the week under review, from \$29.78 billion recorded in the preceding week.

Figure 6: Daily Market Capitalization



Source: Zimbabwe Stock Exchange, 2019

Johannesburg Stock Exchange (JSE) Developments

The JSE All Share Index declined by 1.04% to close at 55,141.98 points, during week ending 25th October 2019, from 55,722.19 points in the previous week. Similarly, JSE market capitalization lost 2.88% to end the week under review at R16.87 billion.

Table 7: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalization (ZAR billion)
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
25-Oct-19	55,141.98	16.87
% Change	-1.04	-2.88

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

1ST NOVEMBER 2019