



# Weekly Economic Highlights

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Week Ending  
13 September 2019

## 1. INTEREST RATES

### Deposit Rates

During the week ending 13<sup>th</sup> September 2019, average deposit rates for savings deposits, deposits of 1-month and 3-month tenors remained unchanged at 3.91%, 4.87% and 4.81%, respectively.

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

Date	Savings Deposits (%)	1-Month Deposit (%)	3-Month Deposit (%)
16-Aug-19	4.16	3.99	4.51
23-Aug-19	4.27	4.78	4.79
30-Aug-19	4.02	4.90	4.87
6-Sept-19	3.91	4.87	4.81
13-Sept-19	3.91	4.87	4.81

Source: Banking Institutions, 2019

### Lending Rates

Commercial bank weighted lending rates for individual clients decreased by 0.34 percentage points, to close the week under review at 14.87%. Weighted lending rates for corporate clients also increased by 1.91 percentage points to close at 19.78%, during the same week.

**Table 2: Lending Rates**

Date	Lending Rates <sup>1</sup> (%) Commercial Banks (weighted)	
	Individuals	Corporate Clients
16-Aug-19	14.33	16.55
23-Aug-19	14.24	16.77
30-Aug-19	14.37	18.43
6-Sept-19	14.92	17.87
13-Sept-19	14.87	19.78

Source: Banking Institutions, 2019

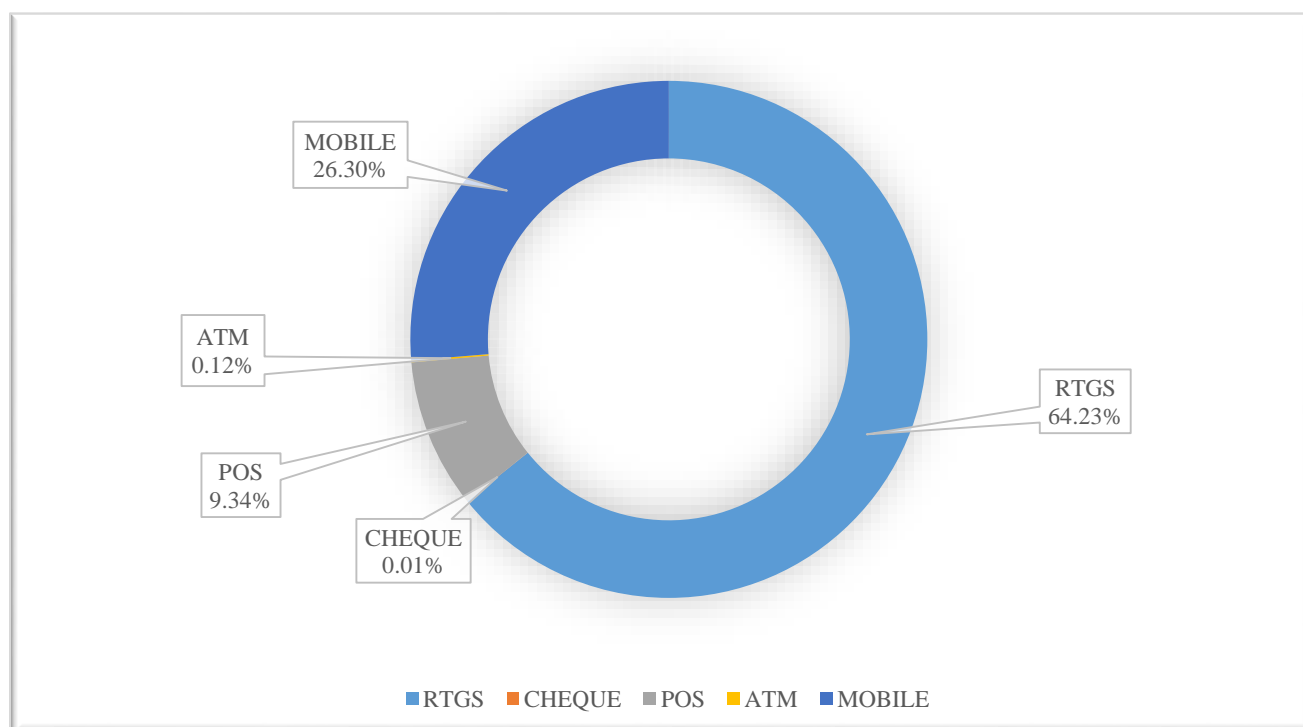
<sup>1</sup> Minimum weighted lending rates offered by commercial banks.

## 2. CLEARING AND SETTLEMENT ACTIVITY

The total value of transactions processed through the National Payment system (NPS) stood at \$10.18 billion, during the week under review, up from \$9.82 billion registered in the previous week. Transactions processed through the Real Time Gross Settlement (RTGS) system increased by 9.72%, to close the week under review at \$6.5 billion.

NPS transaction values were distributed as follows: RTGS, 64.23%; Mobile, 26.3%; Point of Sale (POS), 9.34%; Automated Teller Machine (ATM), 0.12% and cheque, 0.01%, as shown in Figure 1.

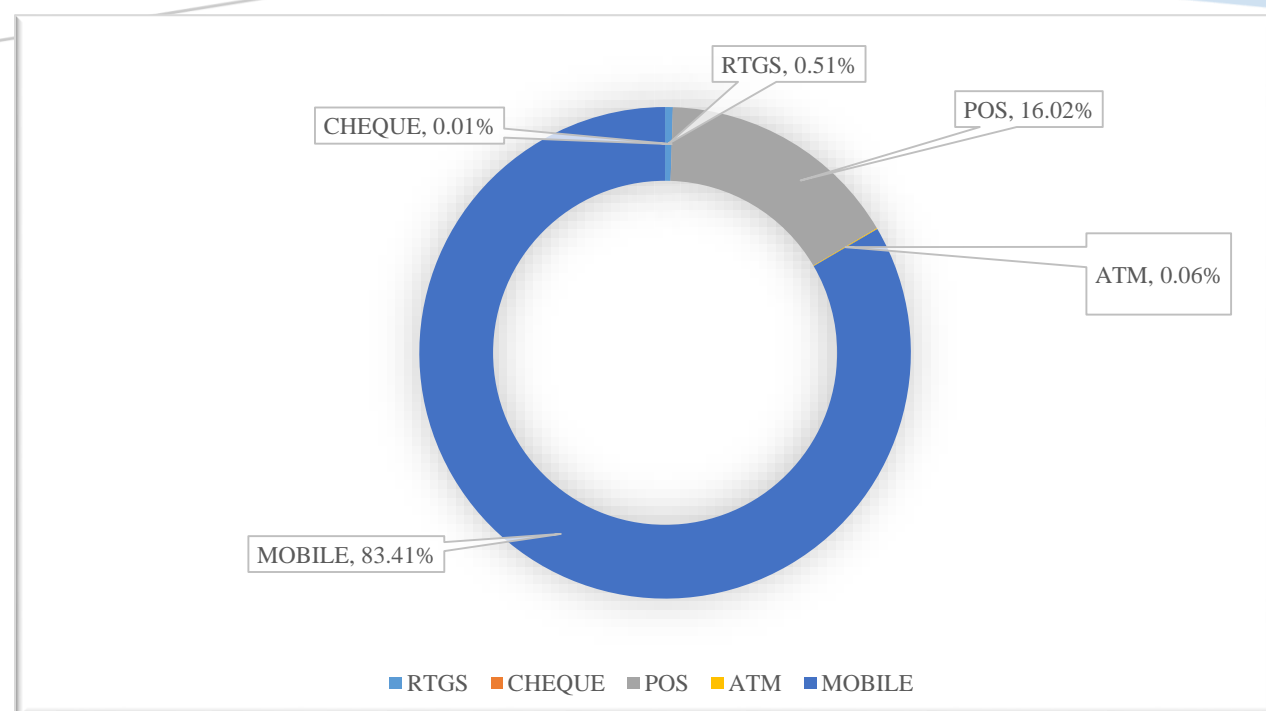
**Figure 1: Composition of NPS Transactions in Value Terms**



*Source: Reserve Bank of Zimbabwe, 2019*

The total volume of transactions processed through the NPS decreased by 13.23% to 44.88 million transactions, during the week ending 13<sup>th</sup> September 2019. This compares with 51.72 million transactions recorded in the previous week. Mobile based transactions dominated NPS transaction volumes, accounting for 83.41%; POS, 16.02%; RTGS, 0.51%; ATM, 0.06% 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 6 <sup>th</sup> SEPTEMBER 2019	WEEK ENDING 13 <sup>th</sup> SEPTEMBER 2019	% CHANGE FROM LAST WEEK	PERCENTAGE OF TOTAL
	VALUES IN \$ (millions)			
RTGS	5,961.88	6,541.50	9.72	64.23
CHEQUE	0.54	0.76	40.81	0.01
POS	839.60	951.04	13.27	9.34
ATM	16.17	12.21	-24.51	0.12
MOBILE	3,005.39	2,678.27	-10.88	26.30
<b>TOTAL</b>	<b>9,823.58</b>	<b>10,183.78</b>	<b>3.67</b>	<b>100</b>
	VOLUMES			
RTGS	245,071	227,273	-7.26	0.51
CHEQUE	2,066	2,553	23.57	0.01
POS	6,712,902	7,191,528	7.13	16.02
ATM	29,990	25,458	-15.11	0.06
MOBILE	44,733,697	37,434,436	-16.32	83.41
<b>TOTAL</b>	<b>51,723,726</b>	<b>44,881,248</b>	<b>-13.23</b>	<b>100</b>

Source: Reserve Bank of Zimbabwe, 2019.

### 3. TOBACCO SALES

The weekly cumulative quantity of tobacco sold by day 122 of the selling season stood at 259.05 million kilograms, from 252.60 million kilograms sold during the same period in 2018. In terms of value, sales decreased by 28.60% to US\$526.50 million, from \$737.43 million realized during the corresponding period in 2018.

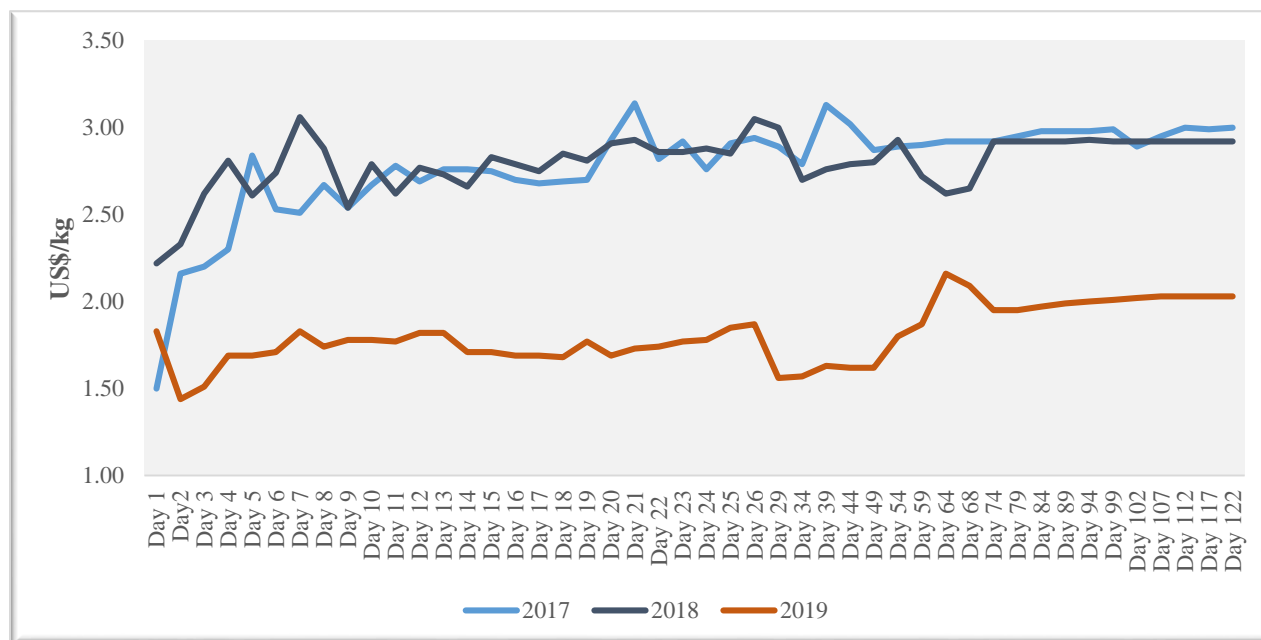
**Table 4: Weekly Cumulative Tobacco Sales: Day 122 (13<sup>th</sup> of September 2019)**

	2018	2019	Variance (%)
<b>Cumulative Quantity Sold (million kg)</b>	252.60	259.05	2.55
<b>Cumulative Average Price(US\$/kg)</b>	2.92	2.03	(30.38)
<b>Cumulative value (US\$ million)</b>	737.43	526.50	(28.60)

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

The average selling price for the golden leaf stood at US\$2.03/kg, reflecting a 30.38% decrease from the US\$2.92/kg realized during the same period in 2018.

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



*Source: TIMB and ZTA, 2019*

#### 4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The weekly average international commodity prices of copper, nickel and crude oil firmed, during the week ending 13<sup>th</sup> September 2019. Gold and platinum prices, however, retreated during the same week, 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>
Weekly average (2-6 September)	<b>1,530.49</b>	<b>953.60</b>	<b>5,703.30</b>	<b>17,902.60</b>	<b>60.21</b>
<b>9-Sep</b>	1509.58	953.00	5787.00	18139.00	62.84
<b>10-Sep</b>	1496.43	938.50	5778.50	18028.00	62.82
<b>11-Sep</b>	1492.15	939.50	5744.25	17957.00	61.16
<b>12-Sep</b>	1509.08	951.00	5828.25	18143.00	64.01
<b>13-Sep</b>	1504.70	955.50	5938.75	17804.00	66.31
Weekly average (9-13 September)	<b>1,502.39</b>	<b>947.50</b>	<b>5,815.35</b>	<b>18,014.20</b>	<b>63.43</b>
<b>Weekly Change (%)</b>	<i>(1.84)</i>	<i>(0.64)</i>	<i>1.96</i>	<i>0.62</i>	<i>5.35</i>

Source: BBC, KITCO and Bloomberg, 2019

##### Gold

The prices of the precious metal declined by 1.8%, from a weekly average of US\$1,530.49/oz. in the previous week to US\$1,502.39/oz, during the week under review. Gold prices declined amid strong performance in stocks, due to an anticipated positive economic outlook.

##### Platinum

Platinum prices closed the week under analysis at US\$947.50/oz, down from US\$953.60/oz in the previous week. This was, largely, underpinned by a decline in demand for platinum as an investment asset.

##### Copper

Copper prices closed the week under review at a weekly average of US\$5,815.35/tonne, a 2% increase from US\$5,703.30/tonne in the previous week. The prices were underpinned by speculative buying, fueled by optimism about a rebound in China's economy and a weaker dollar.

## Nickel

Nickel prices surged by 0.6%, from US\$17,902.60/tonne in the previous week to US\$18,014.20/tonne, during the week under review. The increase was occasioned by supply cuts from Indonesia, which banned the export of nickel ore since the beginning of the year.

## Crude Oil

Brent crude oil price surged to US\$63.43 per barrel during the week under review, from US\$60.21 per barrel in the previous week, on the back of plans by the Organization of Petroleum Exporting Countries (OPEC) to extend oil output cuts until 2020.

## EXCHANGE RATES

The week ending 13<sup>th</sup> September 2019, saw the ZWL depreciate against the rand, pula, sterling pound, euro, and US dollar, as shown in Table 6.

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

	USD	ZAR	GBP	BWP	EURO
<b>2019</b>					
Weekly Average (2-6 Sept)	<b>11.0208</b>	<b>0.7336</b>	<b>13.4130</b>	<b>0.9997</b>	<b>12.1199</b>
9-Sep	11.2659	0.7621	13.8221	1.0297	12.4218
10-Sep	11.6035	0.7859	14.3193	1.0675	12.8166
11-Sep	11.9931	0.8206	14.8276	1.1045	13.2535
12-Sep	12.4063	0.8463	15.2963	1.1364	13.6637
13-Sep	12.8878	0.8834	15.9131	1.1870	14.2693
Weekly Average (9-13 Sept)	<b>12.0313</b>	<b>0.8196</b>	<b>14.8357</b>	<b>1.1050</b>	<b>13.2850</b>
<i>Appr(-)/Depr(+) (%) of the ZWL</i>	<i>9.17</i>	<i>11.73</i>	<i>10.61</i>	<i>10.53</i>	<i>9.61</i>

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.

## 5. EQUITY MARKETS

During the week ending 13<sup>th</sup> September 2019, the Zimbabwe Stock Exchange (ZSE) All Share and Top 10 Indices gained by 1.65% and 2.42%, to 166.75 points and 149.69 points, respectively.

The industrial index increased by 1.67%, to close the week under analysis at 554.86 points. This was largely on account of share price gains in Old Mutual Zimbabwe, (39.80%); Ariston Holdings Limited, (19.88%); Simbisa Brands Limited, (13.78%); Meikles Limited, (7.14%); Proplastic Limited, (5.26%). The gains were, partially, offset by losses at Afdis Distillers Limited, (11.11%); Seed Co Limited, (6.21%); Zimplot Holdings Limited, (6.00%); Econet Wireless Zimbabwe Limited, (2.49%) and First Capital Bank Limited, (2.43%).

The mining index shed 0.07%, from 262.69 points registered in the previous week, to close the week under review at 262.50 point. The decline was on the back of share price losses at Bindura Nickel Corporation (BNC), 0.18%, RioZim, however, traded at the previous week price level.

**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 (US\$ million)	Market Turnover (US\$ million)	Volume of Shares (million)
<b>16-Aug-19</b>	179.70	165.66	599.18	248.74	23,425	20.25	14.47
<b>23-Aug-19</b>	174.33	158.69	580.60	259.15	23,008	22.72	32.75
<b>30-Aug-19</b>	166.36	148.06	553.59	269.55	21,742	31.45	39.10
<b>6-Sep-2019</b>	164.05	146.16	545.75	262.69	21,400	41.67	193.22
<b>13-Sep-2019</b>	166.75	149.69	554.86	262.50	21,704	38.84	596.68
<b>Weekly Change (%)</b>	<b>1.65</b>	<b>2.42</b>	<b>1.67</b>	<b>(0.07)</b>	<b>1.42</b>	<b>(6.79)</b>	<b>208.81</b>

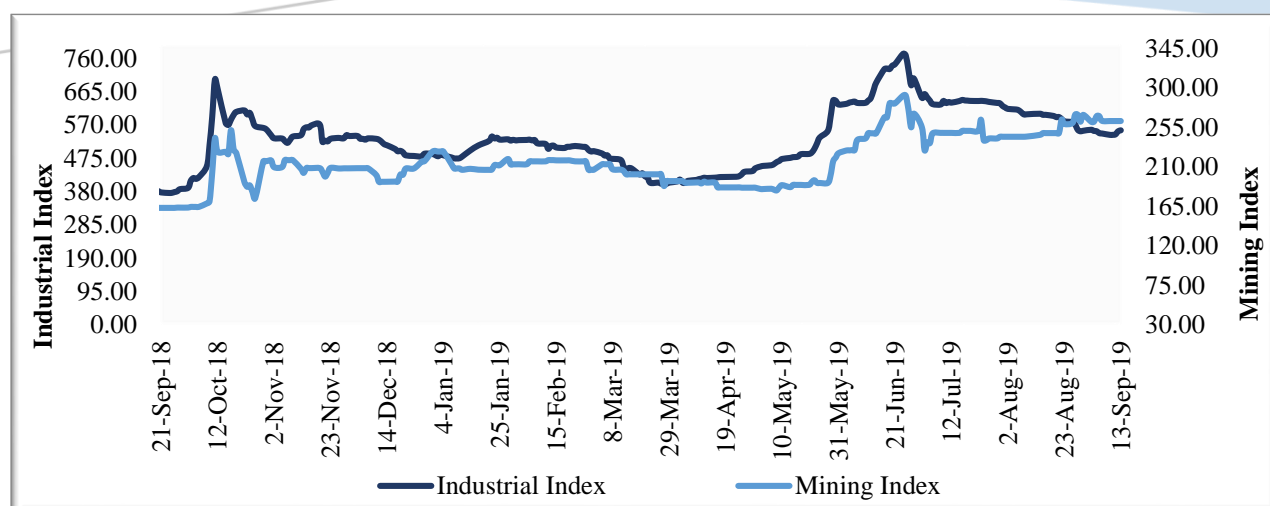
Source: Zimbabwe Stock Exchange (ZSE), 2019

<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**

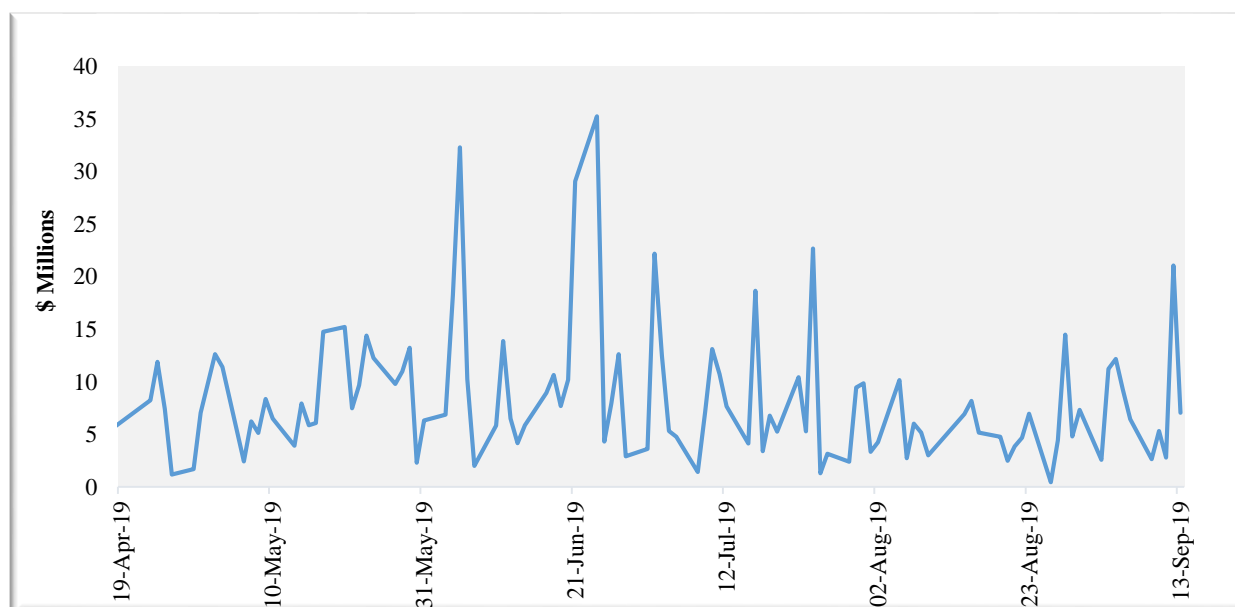


Source: Zimbabwe Stock Exchange, 2019

## Market Turnover and Volume

The cumulative value of shares traded on the local bourse decreased by 6.79% to \$38.84 million during the week ending 13<sup>th</sup> September 2019. Shares traded, however, increased by 208.81% in volume, to close at 596.68 million shares in the same week.

**Figure 5: Daily Market Turnover**



Source: Zimbabwe Stock Exchange, 2019.

## Market Capitalization

ZSE market capitalisation registered a decline of 1.57% or \$304 worth of market capitalisation to close at \$21.40 billion.

**Figure 6: Daily Market Capitalization**



Source: Zimbabwe Stock Exchange, 2019

## Johannesburg Stock Exchange (JSE) Developments

During the week ending 13<sup>th</sup> September 2019, the JSE All Share index registered a 2.76% increase to 57,123.78 points, from 55,591.09 points in the previous week. JSE market capitalization also increased from R16.01 billion in the previous week to R17.97 billion, during the week under review.

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

Period	All Share Index (points)	Market Capitalization (ZAR billion)
16-Aug-19	53,874.52	15.79
23-Aug-19	53,995.82	15.80
30-Aug-19	55,259.57	16.04
6-Sept-19	55,591.09	16.01
13-Sept-19	57,123.78	17.97
% Change	2.76	12.24

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**

**20<sup>TH</sup> SEPTEMBER 2019**