



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
20 September 2019

1. INTEREST RATES

Deposit Rates

Average deposit rates for savings deposits and deposits of 1-month tenor increased to 4.14% and 4.93%, respectively, during the week ending 20th September 2019. Deposit rates for deposits of 3-month tenor, however, remained unchanged at 4.81%

Table 1: Average Deposit Rates (per annum)

Date	Savings Deposits (%)	1-Month Deposit (%)	3-Month Deposit (%)
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
20-Sept-19	4.14	4.93	4.81

Source: Banking Institutions, 2019

Lending Rates

Weighted commercial bank lending rates for individual clients increased from 14.87% in the previous week, to close at 15.07% during the week under review. Weighted lending rates for corporate clients, however, decreased by 0.16 percentage points to 19.62%.

Table 2: Lending Rates

Date	Lending Rates ¹ (%) Commercial Banks (weighted)	
	Individuals	Corporate Clients
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
20-Sept-19	15.07	19.62

Source: Banking Institutions, 2019

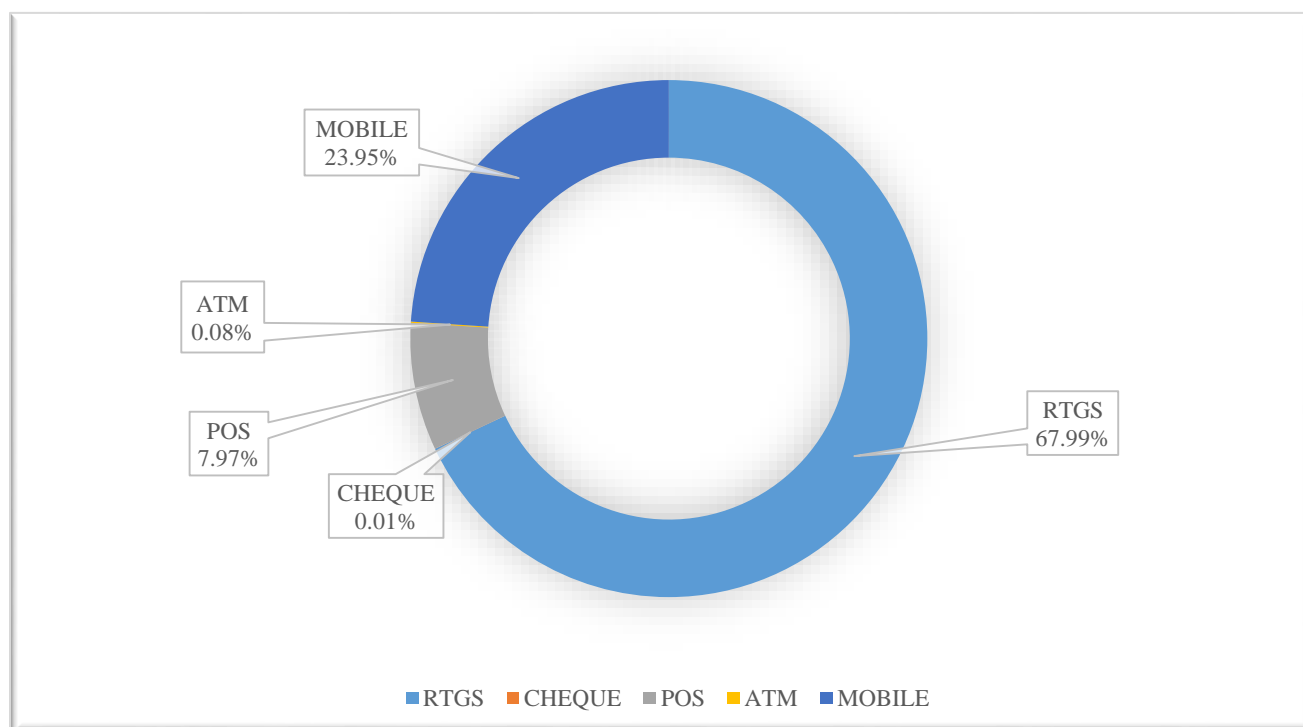
¹ Minimum weighted lending rates offered by commercial banks.

2. CLEARING AND SETTLEMENT ACTIVITY

During the week ending 20th September 2019, transactions worth \$ 11.66 billion were processed through the National Payment System (NPS). This reflected a 14.52% increase, from the \$10.18 billion recorded in the previous week. Transactions processed through the Real Time Gross Settlement (RTGS) increased by 21.22%, from \$6.5 billion in the previous week to \$7.9 billion, during the week under review.

The NPS transaction values were distributed as follows: RTGS, 67.99%; Mobile, 23.95%; point of Sale (POS), 7.97%; Automated Teller Machine (ATM), 0.08%; and Cheque, 0.01%, as shown in Figure 1.

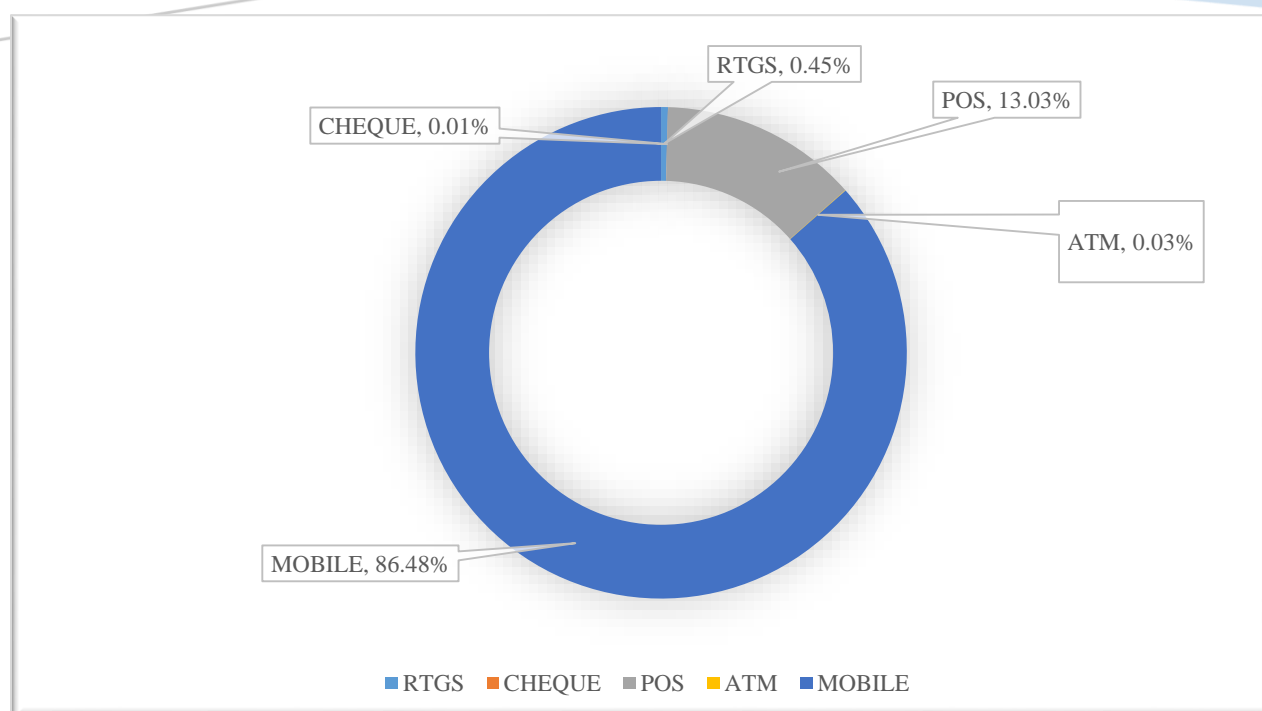
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2019

NPS transaction volumes increased by 6.96%, from 44.88 million transactions recorded in the previous week to 48 million transactions, during the week under review. In terms of distribution, the NPS transaction volumes were dominated by Mobile transactions at 86.48%; POS, 13.03%; RTGS 0.45%; ATM, 0.03% 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 13 th SEPTEMBER 2019	WEEK ENDING 20 th SEPTEMBER 2019	% CHANGE FROM LAST WEEK	PERCENTAGE OF TOTAL
	VALUES IN \$ (millions)			
RTGS	6,541.50	7,929.43	21.22	67.99
CHEQUE	0.76	1.21	59.08	0.01
POS	951.04	929.22	-2.29	7.97
ATM	12.21	9.61	-21.25	0.08
MOBILE	2,678.27	2,793.36	4.30	23.95
TOTAL	10,183.78	11,662.83	14.52	100
	VOLUMES			
RTGS	227,273	216,093	-4.92	0.45
CHEQUE	2,553	3,403	33.29	0.01
POS	7,191,528	6,256,525	-13.00	13.03
ATM	25,458	12,188	-52.13	0.03
MOBILE	37,434,436	41,516,157	10.90	86.48
TOTAL	44,881,248	48,004,366	6.96	100

Source: Reserve Bank of Zimbabwe, 2019.

3. TOBACCO SALES

As at 20th September 2019, or day 127 of the 2019 tobacco selling season, a total of 259.37 million kilograms of tobacco had been sold. This reflected a 2.68% increase, compared to the 252.60 million kilograms sold during the same period in 2018. The cumulative sales value amounted to US\$526.68 million, down from US\$737.43 million realized during the corresponding period in 2018.

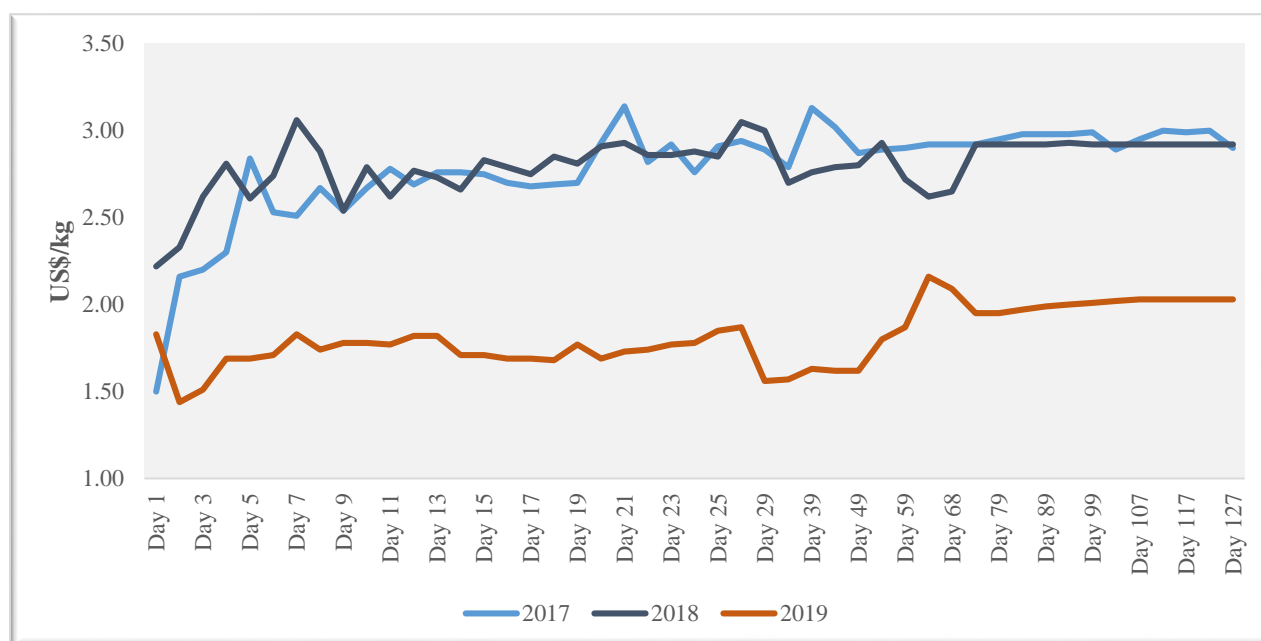
Table 4: Weekly Cumulative Tobacco Sales: Day 127 (20th of September 2019)

	2018	2019	Variance (%)
Cumulative Quantity Sold (million kg)	252.60	259.37	2.68
Cumulative Average Price(US\$/kg)	2.92	2.03	(30.44)
Cumulative value (US\$ million)	737.43	526.68	(28.58)

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

The golden leaf was sold at an average price of US\$2.03/kg, compared to 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

During the week ending 20th September 2019, the international commodity prices of gold, platinum, copper and nickel retreated. Crude oil prices, however, firmed, 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 (9-13 September)	1,502.39	947.50	5,815.35	18,014.20	63.43
16-Sep	1,499.63	950.00	5,827.50	17,381.00	68.78
17-Sep	1,500.70	935.00	5,782.00	17,128.00	64.52
18-Sep	1,502.85	938.50	5,744.70	17,304.00	63.79
19-Sep	1,499.55	931.50	5,758.45	17,440.00	64.70
20-Sep	1,503.00	942.50	5,725.00	17,575.00	65.04
Weekly average (16-20 September)	1,501.15	939.50	5,767.53	17,365.60	65.37
Weekly Change (%)	<i>(0.1)</i>	<i>(0.8)</i>	<i>(0.8)</i>	<i>(3.6)</i>	<i>3.1</i>

Source: BBC, KITCO and Bloomberg, 2019

Gold

The price of the yellow metal retreated by 0.1%, from a weekly average of US\$1,502.39/oz. in the previous week to US\$1,501.15/oz., during the week under review. The decline was mainly driven by a stronger US dollar.

Platinum

Platinum prices declined by 0.8%, from a weekly average of US\$947.50/oz. in the previous week to US\$939.50/oz., during the week under analysis. Subdued investment demand for the industrial metal, against accommodative global supply conditions, weighed down the price.

Copper

During the week under review, copper prices retreated by 0.8%, from an average of US\$5,815.35/tonne recorded in the previous week to US\$5,767.53/tonne, during the week under analysis. The decline in prices was mainly on account of increased supplies and a stronger US dollar, which made the base metal more expensive to the holders of other currencies.

Nickel

Nickel prices declined by 3.6% to an average of US\$17, 365.60/tonne, during the week under analysis. Prices slumped over concerns on the outlook of the Chinese economy, due to volatile trends within the equity markets.

Crude Oil

Crude oil prices rose by 3.1%, from a weekly average of US\$63.43 per barrel in the previous week, to US\$65.37/barrel during the week under review. This followed a reduction in U.S. crude oil inventories, coupled with reduced output from major producers, due to a combination of a tropical storm and rising tensions in the Middle East.

EXCHANGE RATES

The ZWL depreciated against the pound Sterling; pula; euro; US dollar; and rand, as shown in Table 6.

Table 6: International Exchange Rates²

	USD	ZAR	GBP	BWP	EURO
2019					
Weekly Average (9-13 September)	12.0313	0.8196	14.8357	1.1050	13.2850
16-Sep	13.1866	0.9013	16.4391	1.2164	14.5969
17-Sep	13.5192	0.9203	16.7894	1.2438	14.8880
18-Sep	13.8555	0.9426	17.2958	1.2684	15.3297
19-Sep	14.1256	0.9592	17.6230	1.3010	15.5974
20-Sep	14.4330	0.9781	18.1220	1.3249	15.9556
Weekly Average (16-20 September)	13.8240	0.9403	17.2538	1.2709	15.2735
<i>Appr(-)/Depr(+) (%) of the ZWL</i>	<i>14.90</i>	<i>14.72</i>	<i>16.30</i>	<i>15.01</i>	<i>14.97</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 week ending 20th September 2019 saw positive trading on the Zimbabwe Stock Exchange (ZSE). Resultantly, the All Share and Top 10 Indices gained 29.62 and 32.69 percentage points, to close at 196.37 and 182.38 points, respectively.

The industrial index closed the week under review at 654.89 points, representing an 18.03% increase from 554.86 points recorded in the previous week. This emanated from share price gains at First Mutual Holdings Limited, (43.48%); Seed Co Limited, (35.04%); Old Mutual Zimbabwe, (34.57%); Simbisa Brand Limited, (31.89%) and OK Zimbabwe Limited, (31.73%). Partially offsetting the gains were losses in Zimre Holdings Limited, (11.40%).

The mining index remained unchanged, closing the week under review at 262.50 points.

Table 7: Zimbabwe Stock Exchange Statistics

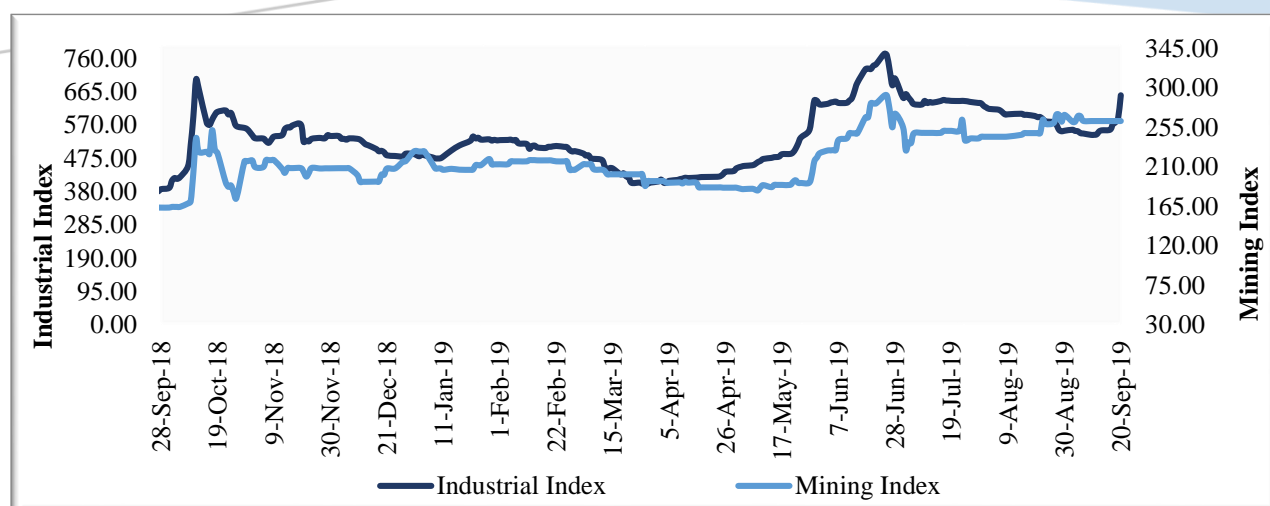
	All Share Index ³ (points)	Top 10 index ⁴ (points)	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$ million)	Market Turnover (US\$ million)	Volume of Shares (million)
23-Aug-19	174.33	158.69	580.60	259.15	23,008	22.72	32.75
30-Aug-19	166.36	148.06	553.59	269.55	21,742	31.45	39.10
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
Weekly Change (%)	17.76	21.84	18.03	0.00	18.17	(9.29)	(29.56)

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

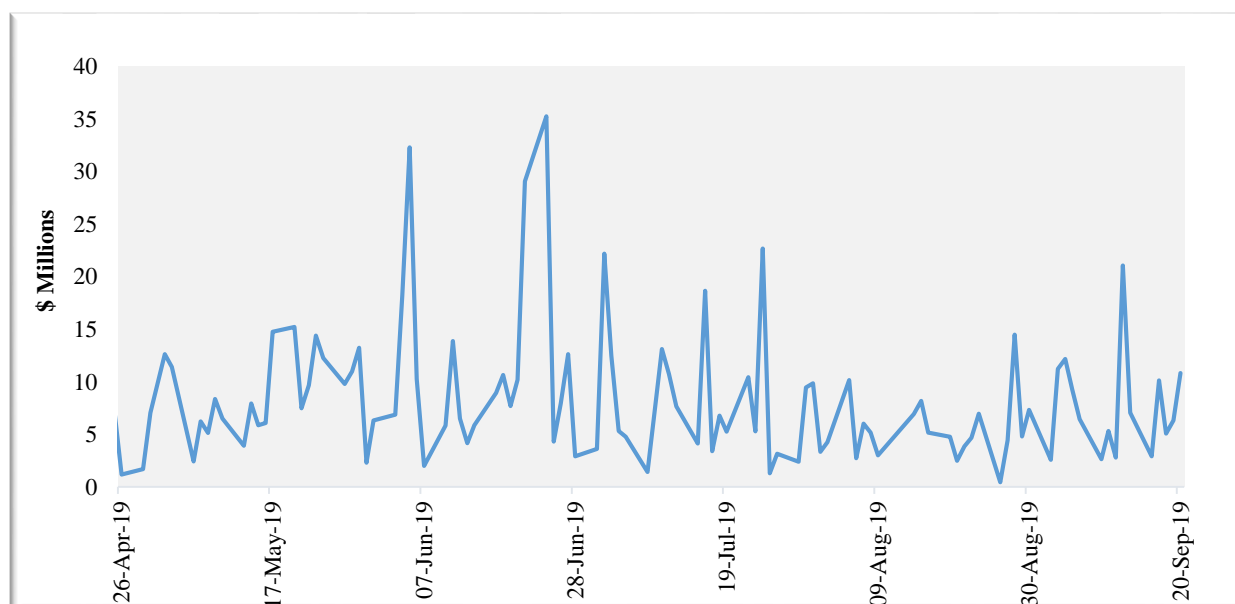


Source: Zimbabwe Stock Exchange, 2019

Market Turnover and Volume

The volume of shares traded on the ZSE declined by 29.56%, to close the week under review at 42.03 million shares. Similarly, ZSE market turnover value decreased from \$38.84 million in the previous week to \$35.23 million, during the week under review.

Figure 5: Daily Market Turnover



Source: Zimbabwe Stock Exchange, 2019.

Market Capitalization

The positive trading on the local bourse resulted in an 18.17% increase in market capitalization, to close the week under review at \$25.65 billion.

Figure 6: Daily Market Capitalization



Source: Zimbabwe Stock Exchange, 2019

Johannesburg Stock Exchange (JSE) Developments

The JSE All Share Index registered a 1.25% decrease, from 57,123.78 points in the previous week to 56,406.89 points, during the week ending 20th September 2019. In tandem, JSE market capitalization also decreased by 1.34%, to close the same week at R17.73 billion.

Table 7: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalization (ZAR billion)
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
20-Sept-19	56,406.89	17.73
% Change	(1.25)	(1.34)

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

27TH SEPTEMBER 2019