



Weekly Economic Highlights

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Week Ending
27 September 2019

1. INTEREST RATES

Deposit Rates

During the week ending 27th September 2019, average deposit rates for deposits of 1-month and 3-month tenors and savings deposits remained unchanged at 4.14%, 4.93% and 4.81%, respectively.

Table 1: Average Deposit Rates (per annum)

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

Source: Banking Institutions, 2019

Lending Rates

In the same week, commercial bank weighted lending rates for individual clients decreased by 2.85 percentage points to close at 14.64%. Weighted lending rates for corporates clients, however, increased from 19.62% in the previous week, to 19.81% during the week ending 27th September 2019.

Table 2: Lending Rates

Date	Lending Rates ¹ (%) Commercial Banks (weighted)	
	Individuals	Corporate Clients
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
27-Sept-19	14.64	19.81

Source: Banking Institutions, 2019

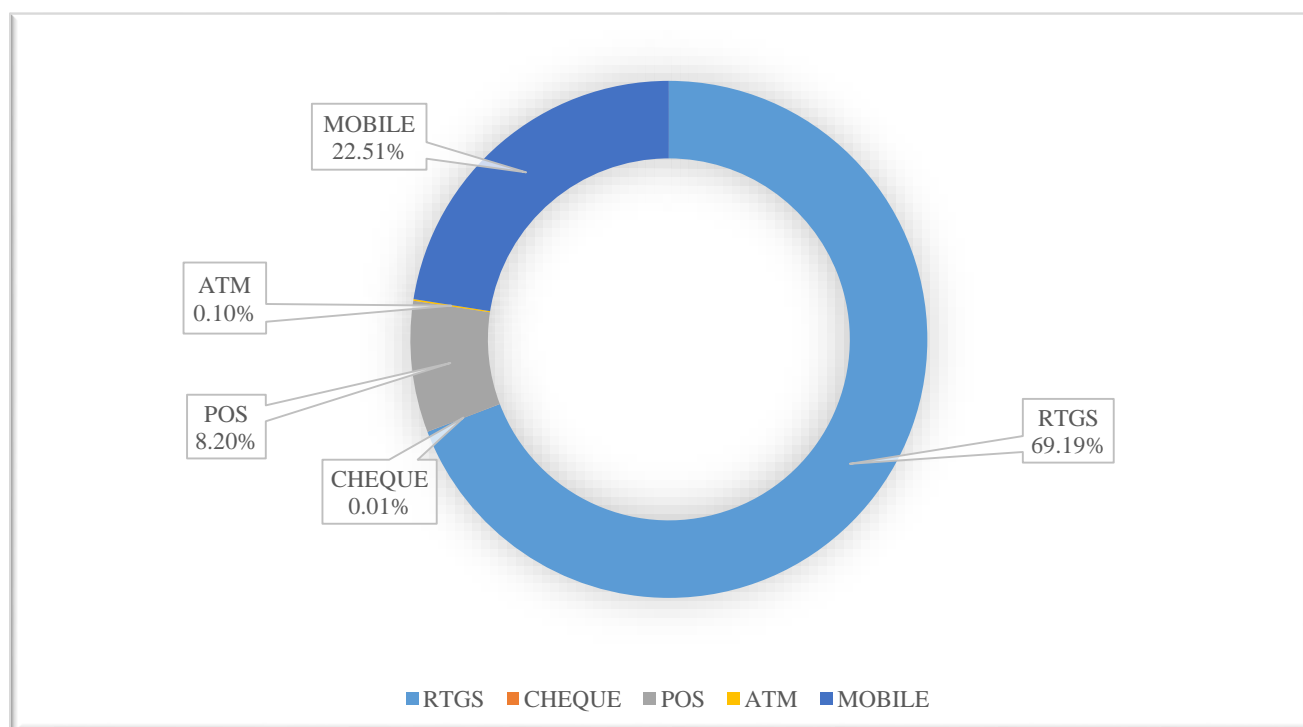
¹ Minimum weighted lending rates offered by commercial banks.

2. CLEARING AND SETTLEMENT ACTIVITY

The total value of transactions processed through the National Payment System (NPS) increased from ZWL11.66 billion in the previous week to ZWL11.92 billion, during the week under analysis. Transactions processed through the Real Time Gross Settlement (RTGS) system increased by 4.02%, in value, to close at \$8.25 billion, during the same week.

The NPS transaction values were distributed as follows: RTGS, 69.19%; Mobile, 22.51%; point of Sale (POS), 8.20%; Automated Teller Machine (ATM), 0.10%; and Cheque, 0.01%, as shown in Figure 1.

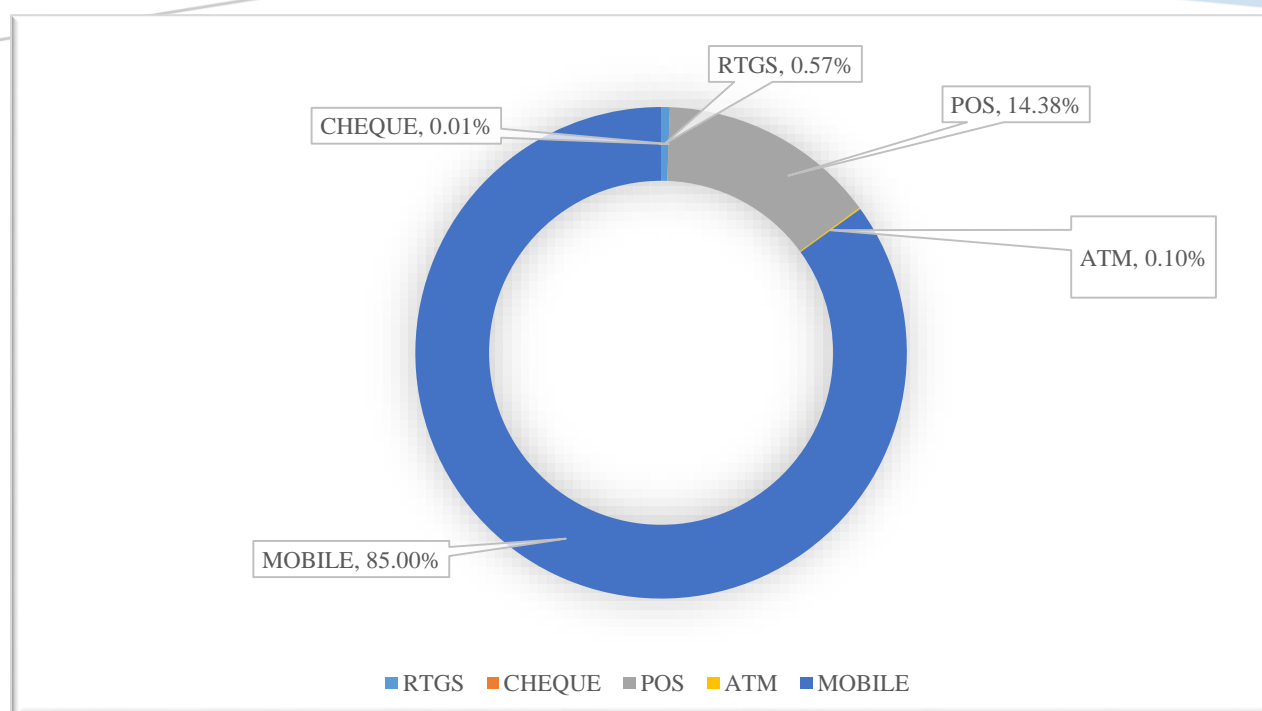
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2019

During the week under review, the total volume of transactions processed through the NPS decreased by 4.96% to 45.62 million transactions, from 48.00 million transactions recorded during the week ending 20th September 2019. Mobile based transactions dominated NPS transaction volumes, accounting for 85%, followed by POS, 14.38%; RTGS, 0.57%, 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 20 th SEPTEMBER 2019	WEEK ENDING 27 th SEPTEMBER 2019	% CHANGE FROM LAST WEEK	PERCENTAGE OF TOTAL
	VALUES IN ZWL (millions)			
RTGS	7,929.43	8,248.57	4.02	69.19
CHEQUE	1.21	1.03	-14.51	0.01
POS	929.22	977.10	5.15	8.20
ATM	9.61	12.22	27.14	0.10
MOBILE	2,793.36	2,683.43	-3.94	22.51
TOTAL	11,662.83	11,922.36	2.23	100
	VOLUMES			
RTGS	216,093	259,531	20.10	0.57
CHEQUE	3,403	3,096	-9.02	0.01
POS	6,256,525	6,559,823	4.85	14.38
ATM	12,188	19,822	62.64	0.04
MOBILE	41,516,157	38,780,983	-6.59	85.00
TOTAL	48,004,366	45,623,255	-4.96	100

Source: Reserve Bank of Zimbabwe, 2019.

3. TOBACCO SALES

As at 27th September 2019 or day 133 tobacco selling season, a total of 259.45 million kilograms of tobacco had been sold. This represented a 2.71% increase, compared to the 252.60 million kilograms sold during the comparable period in 2018. The cumulative value of tobacco sold at US\$526.72 million, was 28.57% lower than the US\$737.43 realized during the comparable period in 2018.

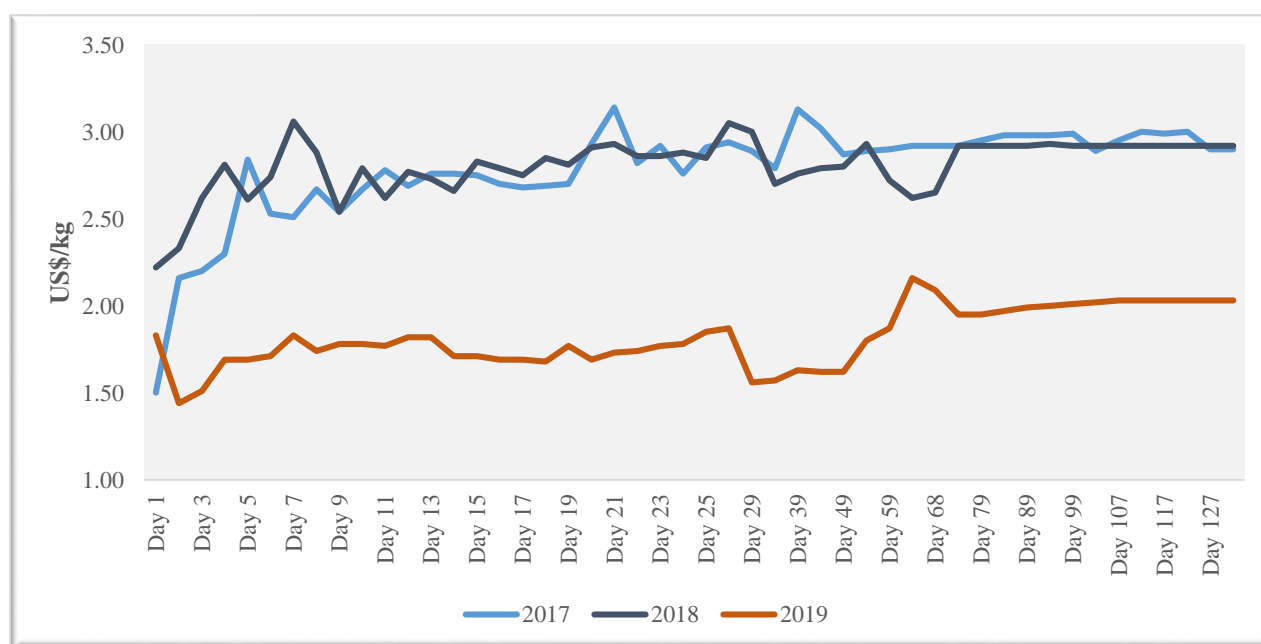
Table 4: Weekly Cumulative Tobacco Sales: Day 133 (27th of September 2019)

	2018	2019	Variance (%)
Cumulative Quantity Sold (million kg)	252.60	259.45	2.71
Cumulative Average Price(US\$/kg)	2.92	2.03	(30.48)
Cumulative value (US\$ million)	737.43	526.72	(28.57)

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

The average price of the golden leaf stood at US\$2.03/kg, down from the average price of US\$2.92/kg, realized during the same period in 2018.

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



Source: TIMB and ZTA, 2019

4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international weekly average commodity prices of gold, platinum and nickel increased, during the week under review. Copper and crude oil prices, however, decreased as shown in Table 5.

Table 5: International Commodity Prices

	Gold	Platinum	Copper	Nickel	Crude Oil
2019	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
Weekly average (16-20 September)	1,501.15	939.50	5,767.53	17,365.60	65.37
23-Sep	1,520.80	955.50	5,750.00	17,475.00	64.40
24-Sep	1,529.80	949.50	5,756.00	17,440.00	62.25
25-Sep	1,529.80	949.50	5,756.00	17,440.00	62.25
26-Sep	1,506.73	930.00	5,690.25	17,365.00	62.20
27-Sep	1,493.03	927.00	5,700.00	17,333.50	61.80
Weekly average (23-27 September)	1,516.03	942.30	5,730.45	17,410.70	62.58
Weekly Change (%)	1.0	0.3	(0.6)	0.3	(4.3)

Source: BBC, KITCO and Bloomberg, 2019

Gold

Weekly average gold prices closed the week ending 27th September 2019 at US\$1,516.03/oz., up from US\$1,501.15/oz., recorded in the previous week. Prices of the yellow metal were boosted by strong safe haven demand, as investors shifted to non-interest bearing assets.

Platinum

Platinum prices firmed by 0.3%, from US\$939.50/oz recorded during the week ending 20th September 2019 to US\$942.30/oz, during the week ending 27th September 2019. This was on account of weak economic data from the Euro zone, which stocked global recession fears and pushed investors to seek refuge in precious metals.

Copper

Copper prices retreated by 0.6% during the week under review, to close the week at US\$5,730.50/tonne. This was amid sentiments of weak demand prospects which were reinforced by diminishing hopes for a deal between the US and China, as the latest round of trade talks failed to yield signs of a breakthrough.

Nickel

Nickel prices rose from US\$17,365.60/tonne in the previous week, to US\$17,410.70/tonne during the week under review. The increase was due to the fears of supply disruptions, ahead of the ban on Indonesian exports, which will be in effect until January 2020.

Crude Oil

Weekly average oil prices declined by 4.3%, to close the week under review at US\$62.58/barrel. This followed reports of an unexpected increase in U.S crude oil stockpiles.

EXCHANGE RATES

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

Table 6: International Exchange Rates²

	USD	ZAR	GBP	BWP	EURO
2019					
Weekly Average (16-20 September)	13.8240	0.9403	17.2538	1.2709	15.2735
23-Sep	14.4254	1.0012	18.6082	1.3617	16.4411
24-Sep	14.8202	0.9955	18.4215	1.3501	16.2866
25-Sep	14.9140	1.0003	18.5918	1.3609	16.4084
26-Sep	15.0955	1.0075	18.3360	1.3692	16.5401
27-Sep	15.1653	0.9919	18.3942	1.3519	16.2883
Weekly Average (23-27 September)	14.8841	0.9993	18.4703	1.3587	16.3929
<i>Appr(-)/Depr(+) (%) of the ZWL</i>	<i>7.67</i>	<i>6.27</i>	<i>7.05</i>	<i>6.91</i>	<i>7.33</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

During the week ending 27th September 2019, the Zimbabwe Stock Exchange (ZSE) was characterized by bullish sentiment. Consequently, the All Share Index gained 18.16 % to close at 232.04 points, while the Top 10 index gained 19.65% to close the same week at 218.21 points.

The mainstream index increased by 18.02% to 772.94 points, during the week under review. This followed share price gains registered by PPC Limited, (72.66%); Simbisa Brands Limited, (71.18%); OK Zimbabwe Limited, (67.65%); Bindura Nickel Corporation Limited, (63.64%) and Willdale Limited, (60.00%). Partially offsetting the gains were losses in Old Mutual Zimbabwe, (25.67%) and Powerspeed Electricals Limited, (0.21%).

The resources index closed the week under analysis at 317.75 points, up from 262.50 points in the previous week. Largely contributing to the increase in the mining index was a 63.64% gain in the share price of Bindura Nickel Corporation. Riozim Limited, however, traded at the previous week price.

Table 7: Zimbabwe Stock Exchange Statistics

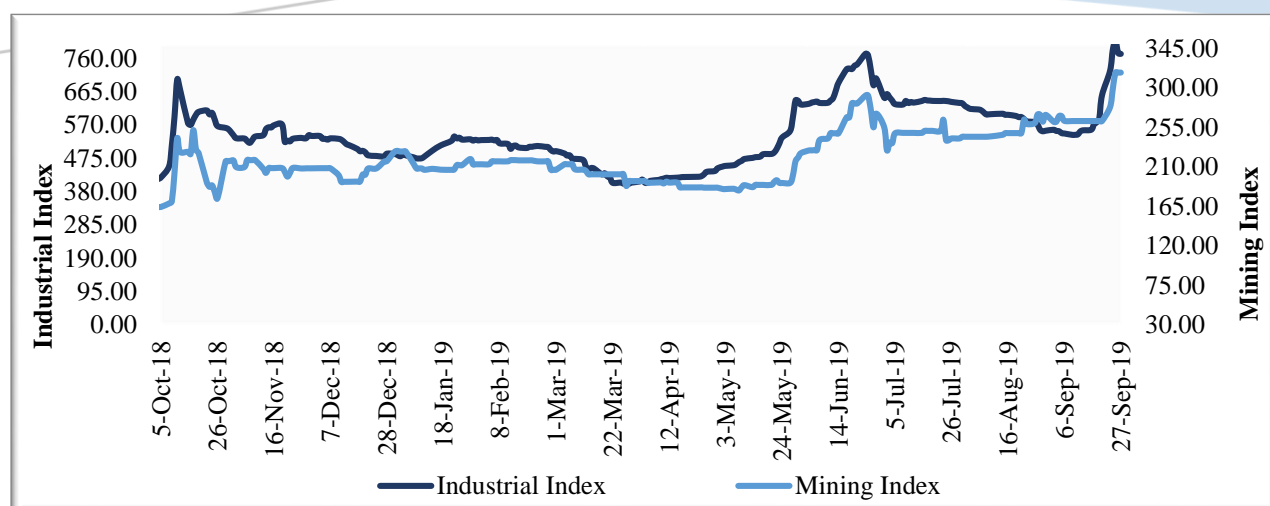
	All Share Index ³ (points)	Top 10 index ⁴ (points)	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (ZWL million)	Market Turnover (ZWL million)	Volume of Shares (million)
30-Aug-19	166.36	148.06	553.59	269.55	21,742	31.45	39.10
6-Sep-2019	164.05	146.16	545.75	262.69	21,400	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
27-Sep-2019	232.04	218.21	772.94	317.75	30,503	37.94	22.24
Weekly Change (%)	18.16	19.65	18.03	21.05	18.93	7.69	(47.09)

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

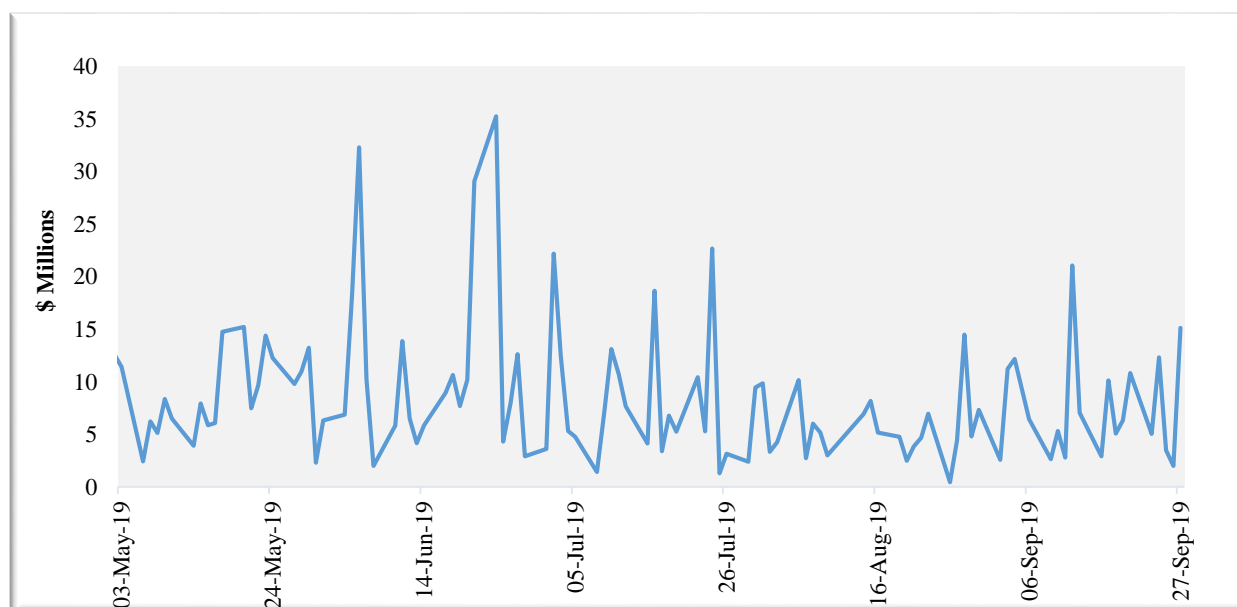


Source: Zimbabwe Stock Exchange, 2019

Market Turnover and Volume

ZSE market turnover increased by 7.67%, from ZWL35.23 million realized in the previous week, to end the week under review at ZWL37.94 million. The volume of shares traded, however, declined by 47.09%, to close the week at ZWL22.24 million shares.

Figure 5: Daily Market Turnover



Source: Zimbabwe Stock Exchange, 2019.

Market Capitalization

The positive trading, which characterized the stock market during the week under analysis, resulted in a \$4,856 million increase in market capitalization to ZWL30,503 billion.

Figure 6: Daily Market Capitalization



Source: Zimbabwe Stock Exchange, 2019

Johannesburg Stock Exchange (JSE) Developments

The JSE All Share Index shed off 2.12%, from 56,406.89 points in the previous week to 55,209.03 points, during week ending 27th October 2019. Similarly, the JSE market capitalization decreased from R17.73 billion in the previous week, to R17.51 billion during the week under analysis.

Table 7: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalization (ZAR billion)
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
27-Sept-19	55,209.03	17.51
% Change	(2.12)	(1.24)

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

04 OCTOBER 2019

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