



Weekly Economic Highlights

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Week Ending
1st February 2019

1. INTEREST RATES

Deposit Rates

Average deposit rates for all deposits class remained unchanged during the week ending 1st February 2019. Deposit rates for saving deposits, deposit of 1-month tenor and 3-month tenor stood at 4.16%, 3.81% and 3.99%, respectively.

Table 1: Average Deposit Rates (per annum)

Date	Savings Deposits (%)	1-Month Deposits (%)	3-Month Deposits (%)
04-Jan-19	4.16	3.81	3.86
11-Jan-19	4.16	3.81	3.86
18-Jan-19	4.16	3.81	3.88
25-Jan-19	4.16	3.81	3.99
01-Feb-19	4.16	3.81	3.99

Source: Banking Institutions, 2019

Lending Rates

Weighted lending rates for corporate clients went up by 0.01 percentage points, during the week under review to 7.41%. Commercial bank weighted lending rates for individuals, however, declined from 9.47% in the previous week to 9.42%, during the week ending 1st February 2019.

Table 2: Lending Rates

Date	Lending Rates ¹ (%)	
	Commercial Banks (weighted)	
	Individuals	Corporate clients
04-Jan-19	9.28	7.28
11-Jan-19	9.27	7.27
18-Jan-19	9.28	7.30
25-Jan-19	9.47	7.40
01-Feb-19	9.42	7.41

Source: Banking Institutions, 2019

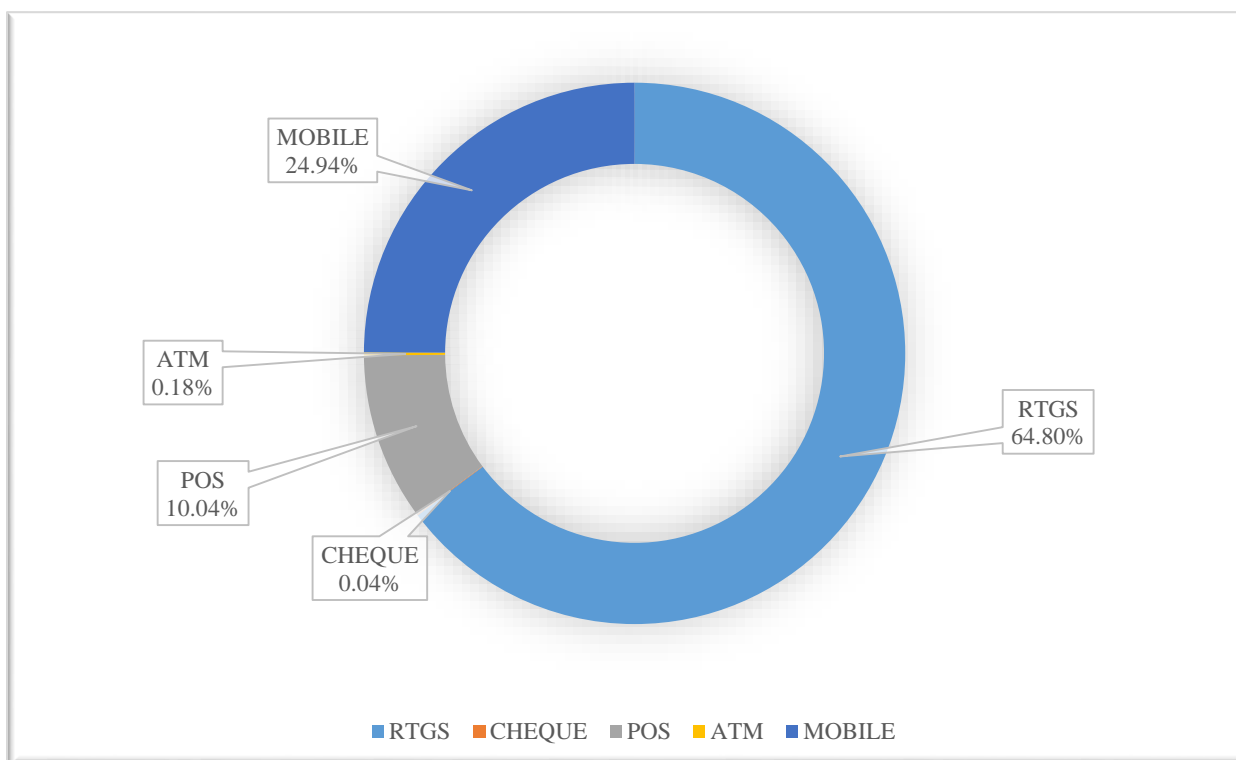
¹ Minimum weighted lending rates offered by commercial banks.

2. CLEARING AND SETTLEMENT ACTIVITY

The value of National Payment System (NPS) transactions processed increased by 0.3%, from US\$2.83 billion to US\$ 2.84 billion, during the week under analysis. Real Time Gross Settlement (RTGS) transaction, which accounts for the largest share of NPS by value, declined to US\$1.84 billion in the week ending 1st February, from US\$1.99 billion registered in the previous week.

The share of NPS transactions values were distributed as follows: RTGS, 64.80%; Mobile, 24.94%; Point of Sale (POS), 10.04%; Automated Teller Machines (ATMs), 0.18%; and Cheque, 0.04%, as shown in Figure 1.

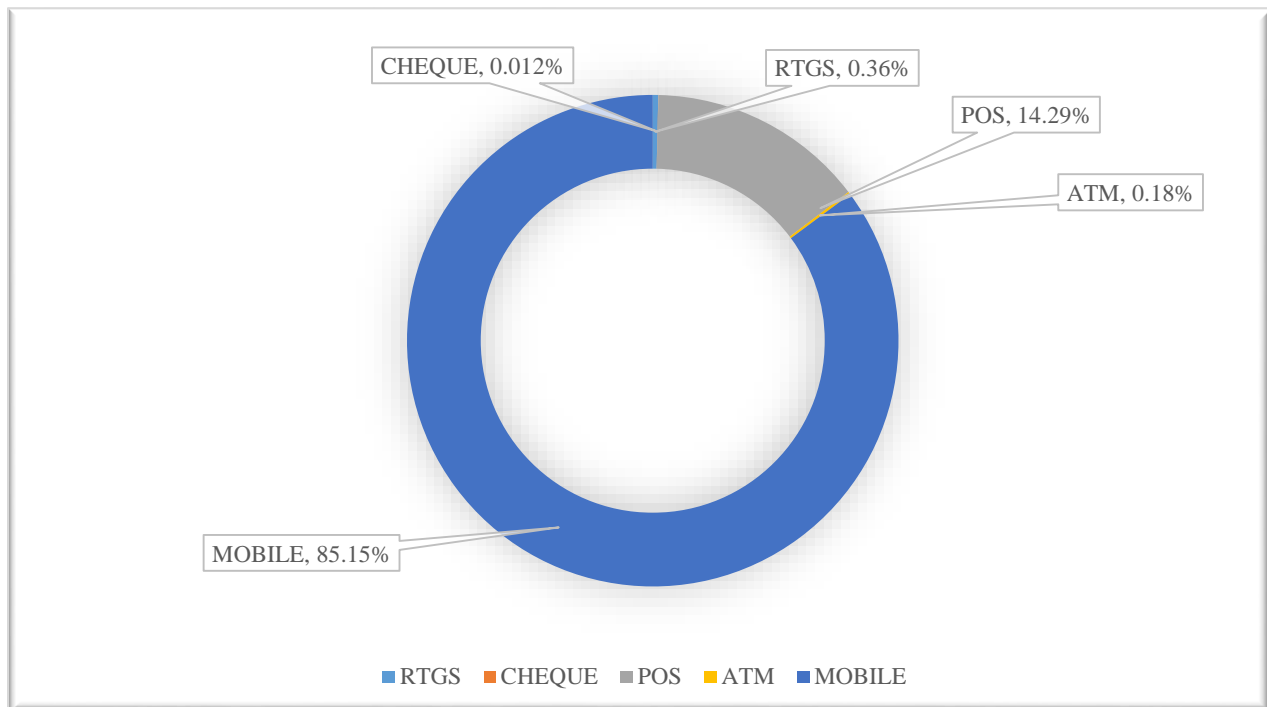
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2019

During the week under review, the number of transactions processes through the NPS increased by 9.6% to 34.81 million transactions. This compares to 31.76 million transactions processed in the previous week. NPS transaction volumes were distributed as follows: Mobile, 85.15%; POS, 14.29; RTGS, 0.36%; ATMs, 0.18%; and Cheque 0.012%, 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 25 th JANUARY 2019	WEEK ENDING 1 st FEBRUARY 2019	% CHANGE FROM LAST WEEK	PERCENTAGE OF TOTAL
VALUES IN \$ (millions)				
RTGS	1,985.92	1,839.38	-7.4%	64.80%
CHEQUE	1,148.65	1,093.94	-4.8%	0.04%
POS	175.70	284.97	62.2%	10.04%
ATM	2.28	5.07	122.2%	0.18%
MOBILE	663.72	707.83	6.6%	24.94%
TOTAL	2,828.77	2,838.35	0.3%	100%
VOLUMES				
RTGS	111,761	125,661	12.4%	0.36%
CHEQUE	4,667	4,277	-8.4%	0.012%
POS	3,314,870	4,975,244	50.1%	14.29%
ATM	39,848	63,970	60.5%	0.18%
MOBILE	28,290,504	29,639,782	4.8%	85.15%
TOTAL	31,761,650	34,808,934	9.6%	100%

Source: Reserve Bank of Zimbabwe, 2019

3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

Weekly average international commodity prices for gold, platinum, copper, nickel and crude oil increased during the week ending 1st February 2019 as shown in Table 4.

Table 4: International Commodity Prices

	Gold	Platinum	Copper	Nickel	Crude Oil
2019	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
Weekly Average (21-25 Jan)	1,283.01	796.5	5,972.20	11,734.00	61.54
28-Jan	1301.58	811.00	6059.50	11970.00	60.39
29-Jan	1307.95	817.00	6004.00	11850.00	61.33
30-Jan	1311.83	814.00	6014.00	11800.00	61.86
31-Jan	1322.88	819.50	6159.00	12380.00	62.69
1-Feb	1319.73	823.50	6132.00	12340.00	62.72
Weekly Average (28-01Feb)	1,312.79	817.00	6,073.70	12,068.00	61.80
Weekly Change (%)	2.3	2.6	1.7	2.9	0.4

Source: BBC, KITCO and Bloomberg, 2019

Gold

Weekly average gold price increased, as the Fed left the benchmark overnight lending rate unchanged at their January 2019 policy meeting. Resultantly, the price of gold went up by 2.3%, from a weekly average of US\$1,283.01 /oz. in the previous week, to US\$1,312.79 /oz., during the week ending 1st February 2019.

Platinum

Platinum prices were 2.6% stronger averaging US\$817.00/oz., during the week under review, compared to US\$796.50/oz in the previous week. The prices were supported by positive investment demand outlook.

Copper

Copper price rose by 1.7% from US\$5,972.20/tonne in the previous week to US\$6,073.70/tonne, during the week under review. The increase in prices was supported by optimism following high level talks between China and the US.

Nickel

Nickel prices increased by 2.9% from an average of US\$11,734/tonne in the previous week to US\$12,608.00/tonne, during the week under review. The rise in the base metal price was due to an increase in demand, particularly in China.

Crude Oil

The Brent crude oil price increased marginally by 0.4% to close the week at an average price of US\$61.80/barrel, during the week ending 1st February 2019. The increase in crude oil prices was mainly driven by output cuts, following concerns of a supply glut; slowing U.S production; and economic sanctions on Venezuela.

EXCHANGE RATES

The US dollar depreciated against the two main regional currencies; the rand and the pula. In contrast, the Greenback was stronger against the Euro and the pound Sterling during the week under analysis.

Table 5: International Exchange Rates per US\$

	ZAR	GBP	BWP	EURO
2019				
Weekly Average (21 - 25 Jan)	13.8388	0.7705	10.5286	0.8802
28-Jan	13.6037	0.7579	10.4987	0.8760
29-Jan	13.6752	0.7604	10.4275	0.8749
30-Jan	13.5896	0.7638	10.4167	0.8739
31-Jan	13.3350	0.7618	10.3093	0.8692
1-Feb	13.2958	1.3098	10.2775	1.1436
Weekly Average(28Jan-1Feb)	13.4998	0.8707	10.3859	0.9275
<i>Appr(+)/Depr(-) (%) of the USD</i>	-2.5	13.0	-1.4	5.4

4. EQUITY MARKETS

The Zimbabwe Stock Exchange (ZSE) experienced bearish conditions during the week under review. The All Share Index and Top 10 Index declined by 0.37 points and 0.98 points, to close at 157.85 points and 158.45 points, respectively.

The industrial index fell by 1.27 points, to close the week under review at 526.94 points. The decline in the mainstream index was a result of share price losses at Dairibord Holdings Limited, (29.58%); Starafrika Corporation Limited, (15.38%); Seedco International Limited, (12.50%); Econet Wireless Zimbabwe, (3.16%); and Cassava Smartech, (2.35%). Partially offsetting losses were gains in Zimbabwe Newspapers, (47.06%); Willdale Limited, (20%); Africa Sun Limited, (19.01%); PPC Limited, (16.67%); and First Mutual Holdings, (12%).

The mining index, however, gained by 0.99 points, during the week ending 1st February 2019, to close at 213.18 points. This emanated from a 6.95% increase in the share price at Bindura Nickel Corporation Limited, while share price at Riozim declined by 2.12%. Falgold traded at previous price levels albeit, on thin volumes.

Table 6: Zimbabwe Stock Exchange Statistics

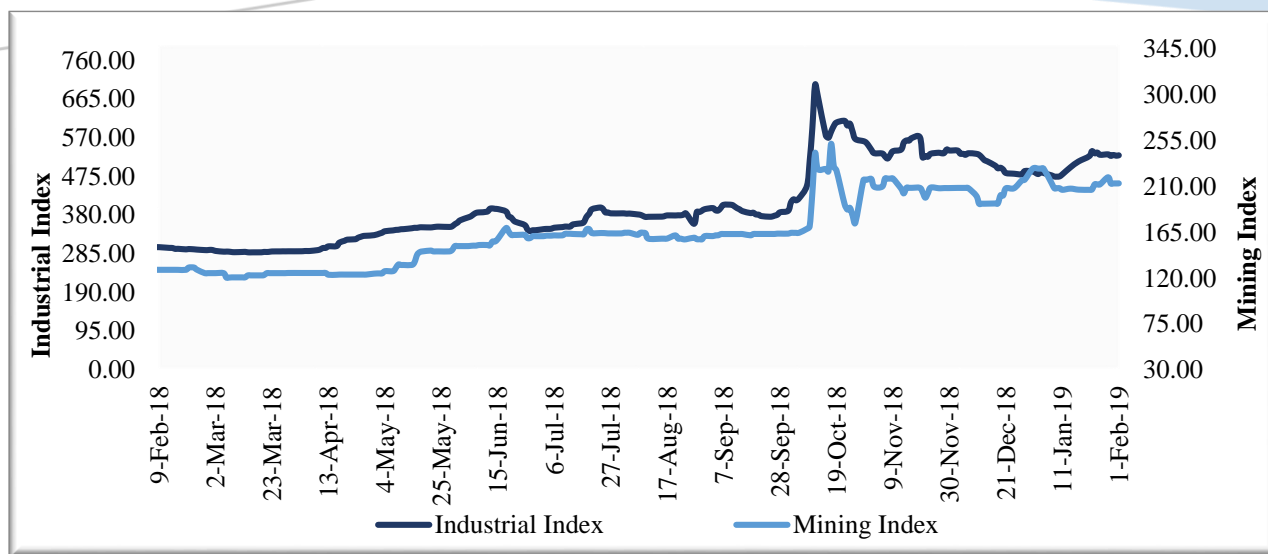
	All Share Index ² (points)	Top 10 index ³ (points)	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
4-Jan-19	145.18	143.71	483.53	227.71	19,253,460,273	12,161,594	34,576,278
11-Jan-19	143.90	142.86	480.10	206.84	18,863,675,601	28,782,407	14,360,823
17-Jan-19	153.25	154	511.67	207	20,406,804,890	4,610,529	3,801,536
25-Jan-19	158.22	159.43	528.21	212.19	21,021,109,642	38,971,353	20,517,712
1-Feb-19	157.85	158.45	526.94	213.18	20,920,613,386	31,210,616	57,086,488
Weekly Change (%)	(0.23)	(0.61)	(0.24)	0.47	(0.48)	(19.91)	178.23

Source: Zimbabwe Stock Exchange (ZSE), 2019

² The All Share index shows the changing average value of shares of all companies on the market.

³ The Index is calculated using the market capitalisation method.

Figure 3: Zimbabwe Stock Exchange Indices

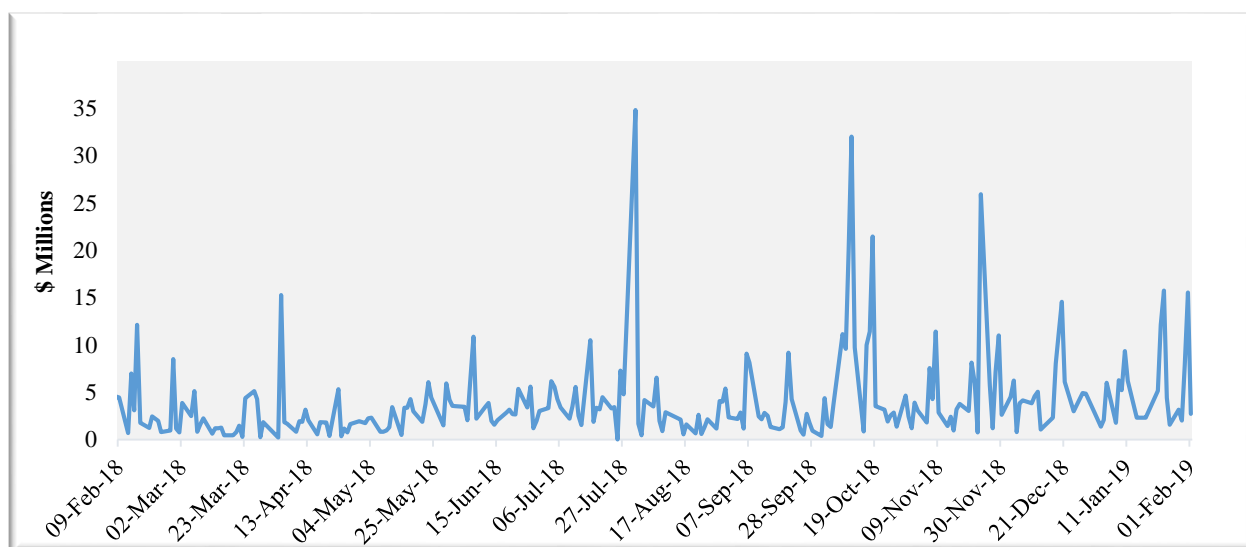


Source: Zimbabwe Stock Exchange, 2019

Market Turnover and Volume

The volume of shares traded increased by 178.23%, to 57.09 million shares, mainly on account of increased demand for heavy-weight counters on the Zimbabwe Stock Exchange. The total market turnover, however, declined by 19.91% to US\$31.21 million, in the week ending 1st February, from US\$38.97 million recorded in the previous week.

Figure 4: Daily Market Turnover

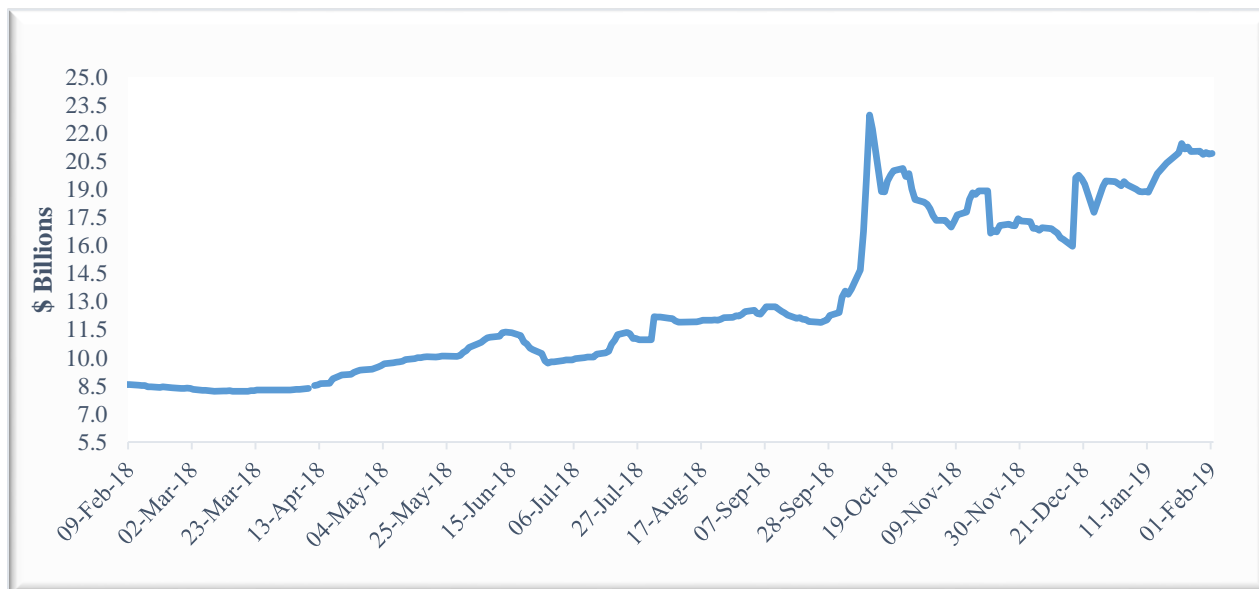


Source: Zimbabwe Stock Exchange, 2019

Market Capitalization

In line with the developments negative on the counters, the ZSE lost US\$100.50 million worth of capitalization, to close the week ending 1st February at US\$20.92 billion.

Figure 5: Daily Market Capitalization



Source: Zimbabwe Stock Exchange, 2019

Johannesburg Stock Exchange (JSE) Developments

The JSE All Share Index fell by 0.22% to 53,930.14 points, in the week ending 1st February, 2019. Market capitalisation, however, increased by 0.93% to R12.97 trillion, during the week under review.

Table 7: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalization (ZAR trillion)
4-Jan-19	52,202.95	12.52
11-Jan-19	53,653.38	12.81
18-Jan-19	53,731.50	12.88
25-Jan-19	54,050.23	12.85
01-Feb-19	53,930.14	12.97
% Change	(0.22)	0.93

Source: <https://www.jse.co.za/services/market-data/market-statistics>, 2019

Figure 6: Johannesburg Stock Exchange (JSE) All Share Index



Source: <https://www.jse.co.za/services/market-data/market-statistics,2019>

RESERVE BANK OF ZIMBABWE

8th FEBRUARY 2019