



Weekly Economic Highlights

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Week Ending
11th January 2019

1. INTEREST RATES

Deposit Rates

During the week under review, average deposit rates for savings deposits, deposits of 1-month and 3-month tenors remained unchanged at 4.16%, 3.81% and 3.86%, respectively, from previous week levels.

Table 1: Average Deposit Rates (per annum)

Date	Savings Deposits (%)	1-Month Deposits (%)	3-Month Deposits (%)
14-Dec-18	4.16	3.65	3.47
21-Dec-18	4.16	3.65	3.47
28-Dec-18	4.16	3.65	3.86
04-Jan-19	4.16	3.81	3.86
11-Jan-19	4.16	3.81	3.86

Source: Banking Institutions, 2019

Lending Rates

Commercial bank weighted lending rates for individual clients registered a marginal decrease from 9.28% in the previous week to 9.27%, during the week under review. Similarly, lending rates for corporate clients decreased by 0.01 percentage points to close at 7.27%, during the same week.

Table 2: Lending Rates

Date	Lending Rates ¹ (%)	
	Commercial Banks (weighted)	
	Individuals	Corporate clients
14-Dec-18	9.49	7.37
21-Dec-18	9.47	7.32
28-Dec-18	9.48	7.39
04-Jan-19	9.28	7.28
11-Jan-19	9.27	7.27

Source: Banking Institutions, 2019

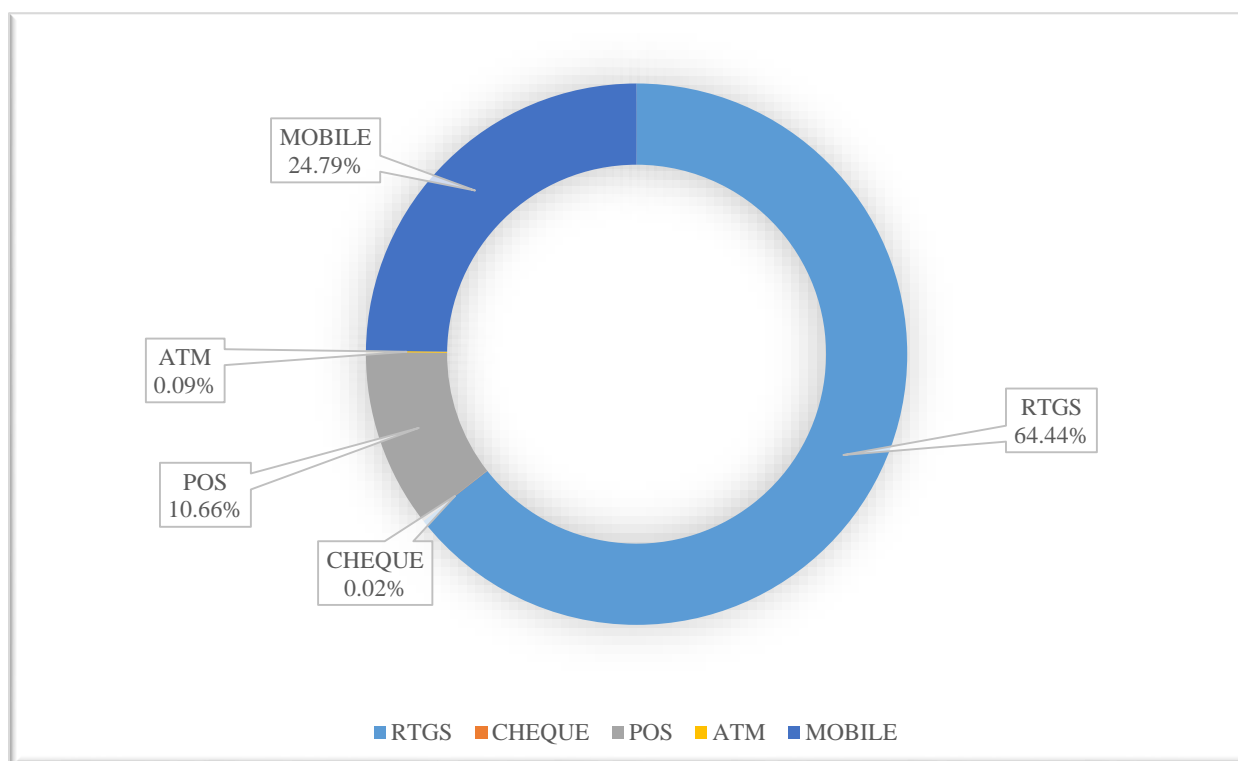
¹ Minimum weighted lending rates offered by commercial banks.

2. CLEARING AND SETTLEMENT ACTIVITY

The value of transactions processed through the National Payment System (NPS) amounted to US\$2.67 billion, during the week under review. This represented an 8.7% increase from the US\$2.46 billion recorded in the previous week. The total value of transactions processed through the Real Time Gross Settlement (RTGS) system amounted to US\$1.72 billion, reflecting a 11% increase from the previous week value.

The distribution of NPS transactions was as follows: RTGS, 64.44%; Mobile, 24.79%; Point of Sale (POS), 10.66%; Automated Teller Machines (ATMs), 0.09%; and Cheque, 0.02%, as shown in Figure 1.

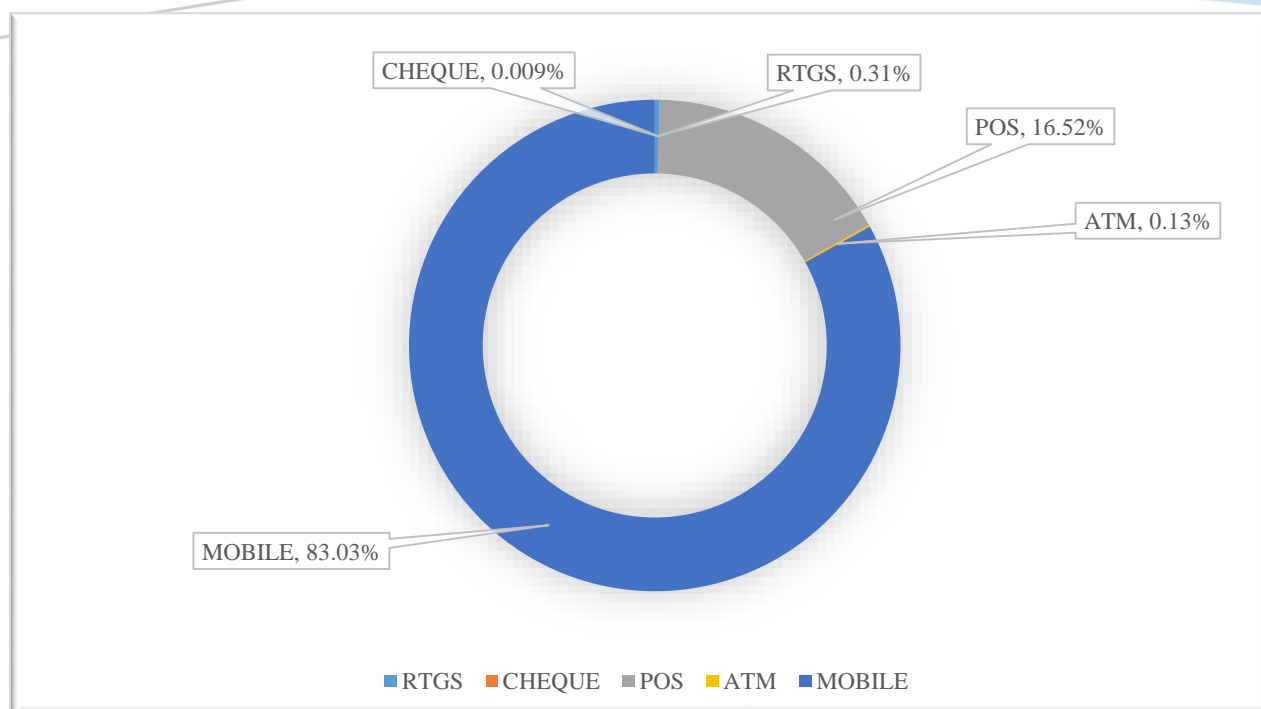
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2019

In volume terms, the total number of transactions processed through the NPS decreased by 5.1% to 34.42 million, compared to 36.33 million transactions processed in the previous week. The distribution of NPS transaction volumes was as follows: Mobile, 83.03%; POS, 16.52%; RTGS, 0.31%; ATMs, 0.13%; and Cheque 0.009%, 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 4 th JANUARY 2019	WEEK ENDING 11 th JANUARY 2019	% CHANGE FROM LAST WEEK	PERCENTAGE OF TOTAL
VALUES IN \$ (millions)				
RTGS	1,547.74	1,722.061	11.3%	64.44%
CHEQUE	0.33	0.63	90.2%	0.02%
POS	228.89	284.77	24.4%	10.66%
ATM	2.10	2.49	18.8%	0.09%
MOBILE	680.10	662.41	-2.6%	24.79%
TOTAL	2,459.15	2,672.36	8.7%	100%
VOLUMES				
RTGS	102,177	108,360	6.1%	0.31%
CHEQUE	1,536	2,969	93.3%	0.009%
POS	5,510,153	5,684,492	3.2%	16.52%
ATM	50,325	44,395	-11.8%	0.13%
MOBILE	30,614,469	28,578,474	-6.7%	83.03%
TOTAL	36,329,025	34,418,690	-5.1%	100%

Source: Reserve Bank of Zimbabwe, 2019

3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

During the week ending 11th January 2019, the international weekly average commodity prices of gold, platinum, copper, nickel and crude oil firmed, 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 (31 Dec - 4 Jan)	1,285.17	791.50	5,875.25	10,773.75	55.98
7-Jan	1,291.85	791.50	5,937.00	11,140.00	51.43
8-Jan	1,285.18	826.00	5,911.00	11,115.00	59.56
9-Jan	1,284.95	822.00	5,966.00	11,290.00	60.84
10-Jan	1,292.15	821.00	5,966.00	11,290.00	61.64
11-Jan	1,290.88	822.50	5,939.00	11,270.00	59.80
Weekly Average (7-11 Jan)	1,289.00	816.60	5,943.80	11,221.00	58.65
Weekly Change (%)	<i>0.3</i>	<i>3.17</i>	<i>1.2</i>	<i>4.2</i>	<i>4.8</i>

Source: BBC, KITCO and Bloomberg, 2019

Gold

The price of the yellow metal firmed by 0.3%, from a weekly average of US\$1,285.17/oz. in the previous week to US\$1,289.00/oz., during the week under review. Prices increased on the back of strong safe haven demand for the precious metal, amid concerns about the global economic slowdown.

Platinum

Platinum prices firmed by 3.17%, from the previous weekly average price of US\$791.00/oz. to a weekly average price of US\$816.60/oz. This was on account of strong investment demand.

Copper

Copper prices increased by 1.2%, from US\$5,875.25/tonne in the previous week to US\$5,943.80/tonne, during the week under review. Positive market sentiments about US-China trade talks and the continued softening of the US dollar weighed down the price of the base metal.

Nickel

Nickel prices went up by 4.2%, from US\$10,773.75/tonne in the week ending 4th January 2019 to US\$11,221.00/tonne, during the week under review. This was due to the tight supply conditions in Indonesia. In addition, the financial stimulus package by the People's Bank of China is expected to boost the demand outlook for the base metal.

Crude Oil

Brent crude oil prices increased by 4.8% to close at US\$58.65/barrel, during the week ending 11th January 2019. The increase in price followed OPEC output cuts and the improved demand outlook, on the back of positive sentiments about the outcome of the US-Sino trade talks.

EXCHANGE RATES

The US dollar depreciated against the South African rand, pound Sterling, pula and the euro, during the week under review. The greenback depreciated on heightened expectations that the Fed will hold off interest rate hikes this quarter.

Table 5: International Exchange Rates per US\$

	ZAR	GBP	BWP	EURO
Weekly Average (31 Dec-Jan 4)	14.1651	0.7928	10.6911	0.8981
7-Jan	13.9557	0.7847	10.6610	0.8759
8-Jan	13.9395	0.7835	10.5485	0.8740
9-Jan	13.9197	0.7848	10.5708	0.8726
10-Jan	13.8282	0.7822	10.5319	0.8651
11-Jan	13.8162	0.7839	10.5152	0.8678
Weekly Average (7-11 Jan)	13.8918	0.7838	10.5655	0.8711
<i>Appr(+)/Depr(-) (%) of the USD</i>	<i>-1.93</i>	<i>-1.13</i>	<i>-1.17</i>	<i>-3.01</i>

Source: Reuters, 2019

4. EQUITY MARKETS

During the week ended 11th January 2019, the Zimbabwe Stock Exchange (ZSE) All Share Index declined by 0.88% to 143.90 points. Profit taking and portfolio rebalancing saw both the industrial and mining indices decline by 0.71% and 9.17%, to close at 480.10 points and 206.84 points, respectively.

The decline in the mainstream index was partly attributable to losses registered at Simbisa Brands Limited (-14.12%), First Capital Bank Limited (-10.17%), Pretoria Portland Cement (-7.89%), First Mutual Properties (-4.42%) and Meikles Limited (3.82%). Partially offsetting the losses were gains in Ariston Holdings Limited (20%), GetBucks Financial Holdings (14.29%), Dawn Properties (12%), Mashonaland Holdings (11.11%) and Padenga Holdings Limited (8.53%).

The decline in the resource index was driven by share price losses at Bindura Nickel Corporation (-25.93%) and RioZim (-1.06%). Falcon Gold share price remained largely unchanged.

Table 6: Zimbabwe Stock Exchange Statistics

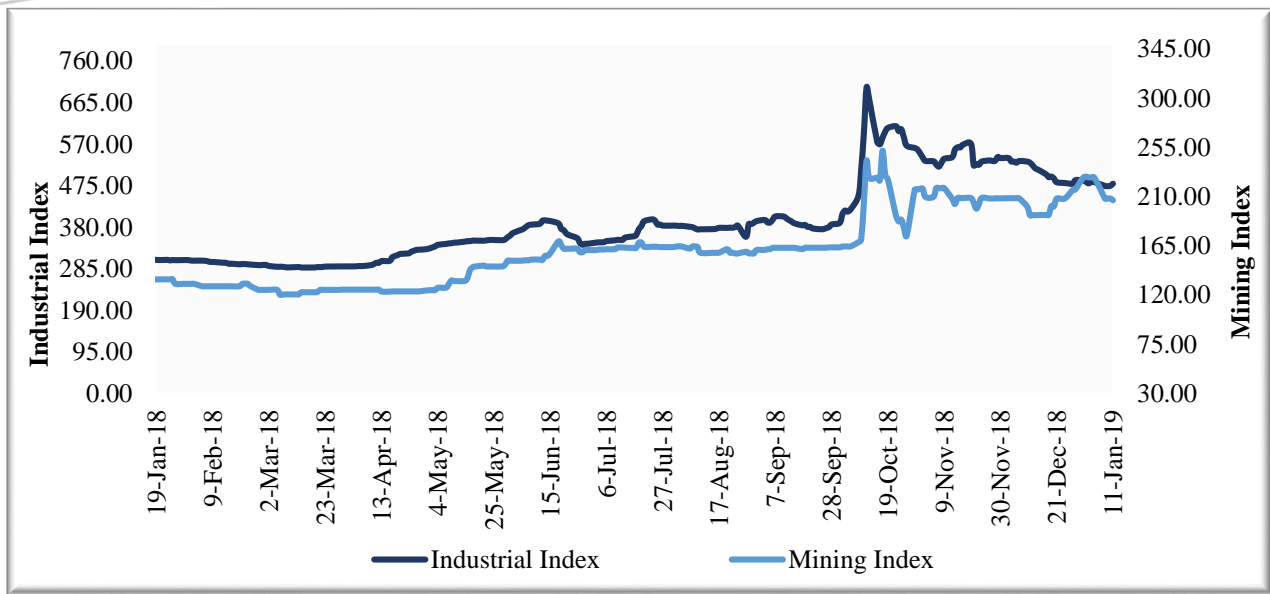
	All Share Index ² (points)	Top 10 index ³ (points)	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
14-Dec-18	152.40	154.79	512.26	193.24	16,317,782,331	15,864,176	64,337,473
21-Dec-18	144.89	144.71	483.39	208.36	19,279,633,789	42,131,831	43,448,792
28-Dec-18	146.43	146.65	488.24	216.77	19,454,066,861	12,741,034	17,046,430
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
Weekly Change (%)	(0.88)	(0.59)	(0.71)	(9.17)	(2.02)	(136.67)	(58.47)

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

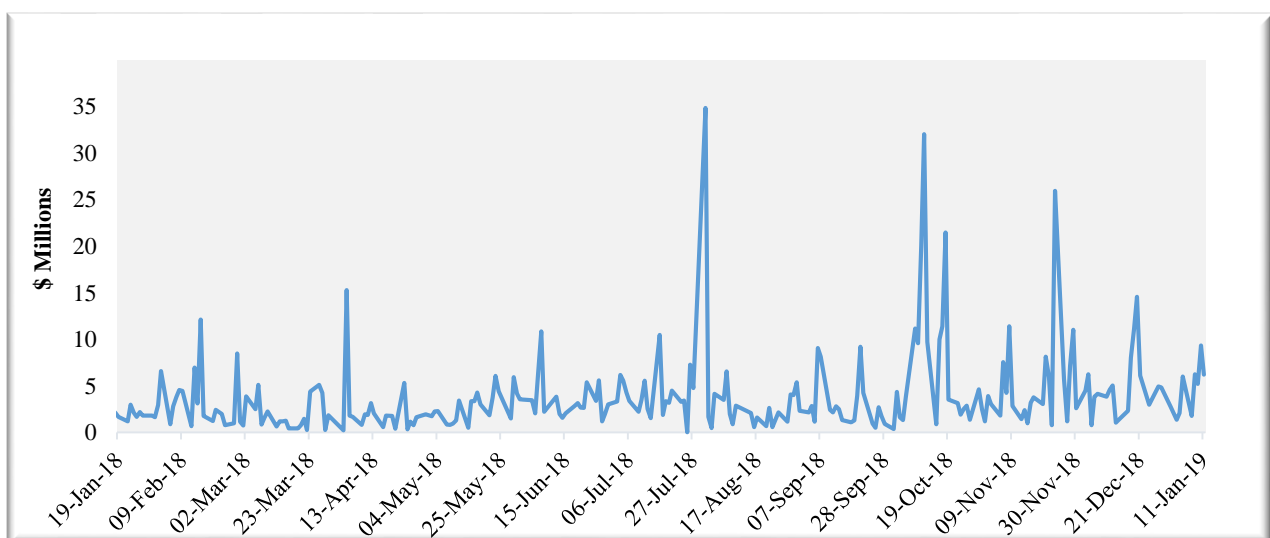


Source: Zimbabwe Stock Exchange, 2019

Market Turnover and Volume

The cumulative value of shares traded increased by 136.67% to US\$28.78 million, during the week ending 11th January 2019. This was largely on account of improved trading activity in some selected heavyweight counters. On the other hand, the cumulative number of shares traded stood at 14.36 million, a 58.47% decline from the previous week level.

Figure 4: Daily Market Turnover

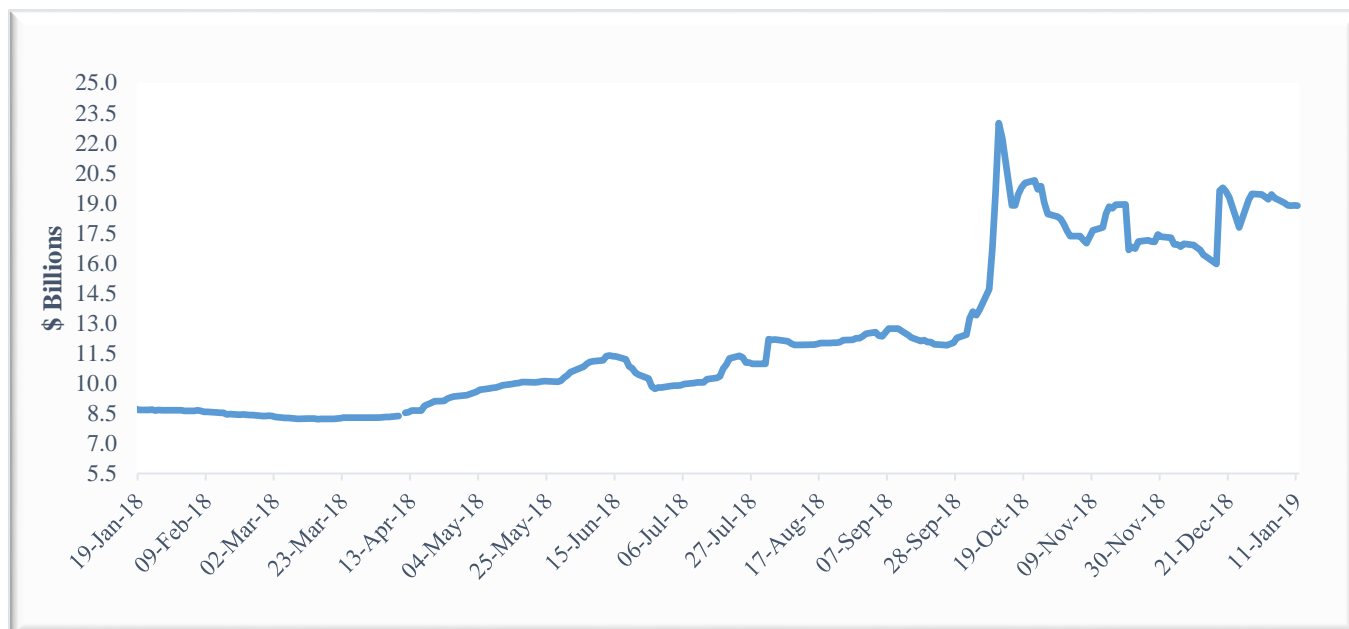


Source: Zimbabwe Stock Exchange, 2019

Market Capitalization

During the week under review, the ZSE market capitalization increased by 2.02%, to close at US\$18.86 billion.

Figure 5: Daily Market Capitalization



Source: Zimbabwe Stock Exchange, 2019

Johannesburg Stock Exchange (JSE) Developments

The JSE All Share Index increased by 2.78% to close at 53,653.38 points, during the week ending 11th January 2018. Likewise, market capitalisation closed at R12.81 trillion, up from R12.52 trillion registered in the previous week.

Table 7: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalization (ZAR trillion)
14-Dec-18	51,560.47	12.59
21-Dec-18	51,430.36	12.05
28-Dec-18	52,444.89	12.65
4-Jan-19	52,202.95	12.52
11-Jan-19	53,653.38	12.81
% Change	2.78	2.32

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

18th JANUARY 2019