



# Weekly Economic Highlights

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Week Ending  
18<sup>th</sup> January 2019

## 1. INTEREST RATES

### Deposit Rates

Average deposit rates for deposits of 3-month tenor increased by 0.02 percentage points to 3.81%, during the week under review. Deposit rates for saving deposits and deposit of 1-month tenor, however, remained unchanged at 4.16% and 3.81%, respectively.

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

Date	Savings Deposits (%)	1-Month Deposits (%)	3-Month Deposits (%)
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
18-Jan-19	4.16	3.81	<b>3.88</b>

Source: Banking Institutions, 2019

### Lending Rates

Commercial bank weighted lending rates for individual clients increased by 0.01 percentage points to 9.28%, during the week ending 18<sup>th</sup> January 2019. Weighted lending rates for corporate clients stood at 7.30% during the week under review, up from 7.27% in the previous week.

**Table 2: Lending Rates**

Date	Lending Rates <sup>1</sup> (%)	
	Commercial Banks (weighted)	
	Individuals	Corporate clients
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
18-Jan-19	<b>9.28</b>	<b>7.30</b>

Source: Banking Institutions, 2019

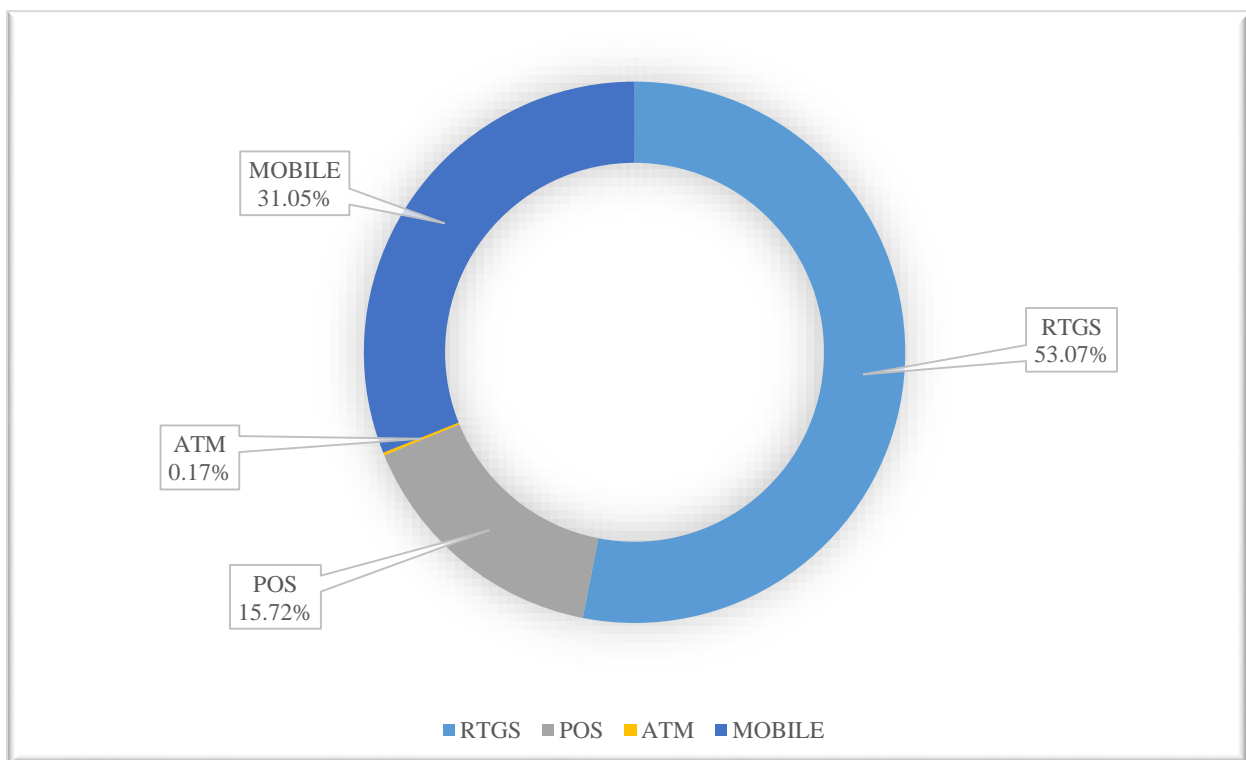
<sup>1</sup> Minimum weighted lending rates offered by commercial banks.

## 2. CLEARING AND SETTLEMENT ACTIVITY

The nationwide protests, which occurred during the week under review, had a negative impact on economic activity. Resultantly, the total value of transactions processed through the National Payment System (NPS) declined sharply by 47.5%, from US\$2.67 billion in the previous week to US\$1.40 billion, during the week ending 18<sup>th</sup> January 2019. In tandem, the value of transactions processed through Real Time Gross Settlement (RTGS) system decreased by 56.7%, to close at US\$ 0.76 billion in the same week.

NPS transactions, in value terms, were distributed as follows: RTGS, 53.07%; Mobile, 31.05%; Point of Sale (POS), 15.72%; and Automated Teller Machines (ATMs), 0.17%, as shown in Figure 1. The value of transactions settled by cheque was largely negligible.

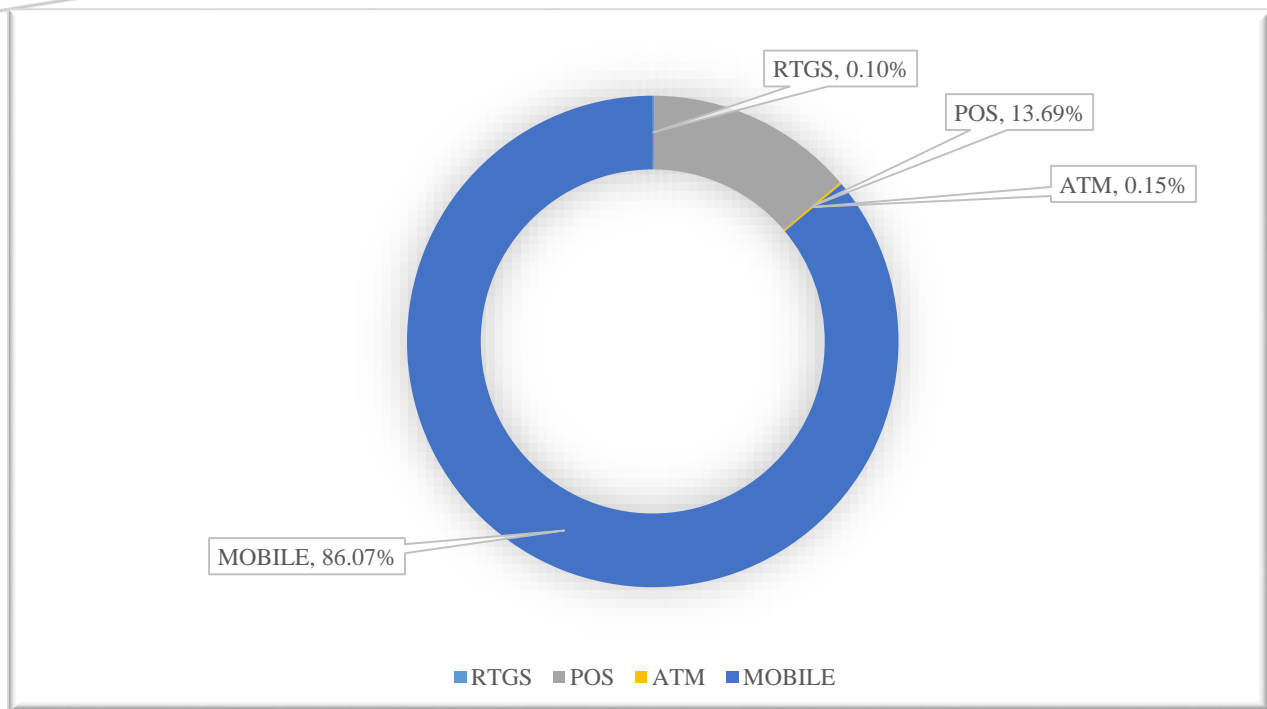
**Figure 1: Composition of NPS Transactions in Value Terms**



*Source: Reserve Bank of Zimbabwe, 2019*

The total volume of NPS transactions declined by 17.1% to 28.53 million transactions, during the week under review. Mobile based transactions accounted for 86.07% of the total volume of transactions, followed by POS, 13.69%; RTGS, 0.10%; and ATMs, 0.15%., as shown in Figure 2. Cheques constituted an insignificant proportion of the total volume of NPS transactions.

**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 11 <sup>th</sup> JANUARY 2019	WEEK ENDING 18 <sup>th</sup> JANUARY 2019	% CHANGE FROM LAST WEEK	PERCENTAGE OF TOTAL
<b>VALUES IN \$ (millions)</b>				
RTGS	1,722.061	745.072	-56.7%	53.07%
CHEQUE	0.63	0.00	-100.0%	0.00%
POS	284.77	220.6	-22.5%	15.72%
ATM	2.49	2.34	-6.2%	0.17%
MOBILE	662.41	435.87	-34.2%	31.05%
<b>TOTAL</b>	<b>2,672.36</b>	<b>1,403.98</b>	<b>-47.5%</b>	<b>100%</b>
<b>VOLUMES</b>				
RTGS	108,360	27,387	-74.7%	0.10%
CHEQUE	2,969	0	-100.0%	0.000%
POS	5,684,492	3,904,731	-31.3%	13.69%
ATM	44,395	42,317	-4.7%	0.15%
MOBILE	28,578,474	24,552,401	-14.1%	86.07%
<b>TOTAL</b>	<b>34,418,690</b>	<b>28,526,836</b>	<b>-17.1%</b>	<b>100%</b>

Source: Reserve Bank of Zimbabwe, 2019

### 3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international weekly average commodity prices of gold, copper, nickel and crude oil firmed, during the week under review. Platinum prices, however, declined, 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
<b>Weekly Average (7-11 Jan)</b>	<b>1,289.00</b>	<b>816.60</b>	<b>5,943.80</b>	<b>11,221.00</b>	<b>58.65</b>
<b>14-Jan</b>	1,293.23	804.00	5,961.50	11,490.00	60.30
<b>15-Jan</b>	1,291.88	801.50	5,934.00	11,455.00	60.58
<b>16-Jan</b>	1,291.40	800.00	5,974.50	11,550.00	61.05
<b>17-Jan</b>	1,292.35	805.00	5,973.00	11,550.00	61.75
<b>18-Jan</b>	1,284.63	805.50	6,025.50	11,660.00	62.85
<b>Weekly Average (14-18 Jan)</b>	<b>1,290.70</b>	<b>803.20</b>	<b>5,973.70</b>	<b>11,541.00</b>	<b>61.31</b>
<b>Weekly Change (%)</b>	<i>0.13</i>	<i>(1.64)</i>	<i>0.50</i>	<i>2.85</i>	<i>4.52</i>

Source: BBC, KITCO and Bloomberg, 2019

#### Gold

The price of the yellow metal increased by 0.13%, from a weekly average of US\$1,289.00 /oz. to US\$1,290.70/oz, during the week ending 18<sup>th</sup> January 2019. Prices were supported by the rising investor anticipation that the US Federal Reserve would take a cautious approach to interest rate hikes in 2019, bolstering the safe haven demand for the precious metal.

#### Platinum

Platinum prices fell by 1.64%, from the previous weekly average of US\$816.60/oz. to US\$803.20/oz., during the week under review. This was on account of oversupply concerns in 2019.

#### Copper

China's move to implement additional stimulus measures boosted expectations of strong growth in demand for base metals. Resultantly, copper prices rose by 0.50%, from a weekly average of US\$5,943.80/tonne in the previous week to US\$5,973.70/tonne, during the week under review.

## Nickel

Nickel prices increased by 2.85%, from a weekly average of price of US\$11,221.00/tonne to US\$11,541.00/tonne, during the week under review. A positive demand outlook for the base metal accounted for the increase in price.

## Crude Oil

Brent crude oil price gained by 4.52%, from US\$58.65/barrel in the previous week to US\$61.31/barrel, during the week under review. Prices were supported by tight global supplies, on the back of production cuts by the Organization of Petroleum Exporting Countries.

## EXCHANGE RATES

During the week under review, the US dollar appreciated against the South African rand and the euro. The dollar, however, depreciated against the pound Sterling and pula, as U.S-China trade tensions eased.

**Table 5: International Exchange Rates per US\$**

	ZAR	GBP	BWP	EURO
2019				
<b>Weekly Average (7-11 Jan)</b>	<b>13.8918</b>	<b>0.7838</b>	<b>10.5655</b>	<b>0.8711</b>
<b>14-Jan</b>	13.9052	0.7781	10.4932	0.8710
<b>15-Jan</b>	13.9943	0.7839	10.5152	0.8678
<b>16-Jan</b>	14.0833	0.7781	10.4932	0.8710
<b>17-Jan</b>	13.7335	0.7768	10.5208	0.8785
<b>18-Jan</b>	13.8371	0.7770	10.5319	0.8792
<b>Weekly Average (14-18 Jan)</b>	<b>13.9107</b>	<b>0.7788</b>	<b>10.5108</b>	<b>0.8735</b>
<i>Appr(+)/Depr(-) (%) of the USD</i>	<i>0.14</i>	<i>-0.64</i>	<i>-0.52</i>	<i>0.28</i>

Source: Reuters, 2019

## 4. EQUITY MARKETS

The Zimbabwe Stock Exchange (ZSE) recovered from previous week losses, resulting in the All Share Index and Top 10 Index gaining 9.35 points and 11.14 points to 153.25 points and 154 points, respectively. The gains were supported by the demand for counters of well-established, market leading companies.

The industrial index gained 31.57 points during the week under review, to close at 511.67 points. This was largely underpinned by share price increases at Meikles Limited (28.44%), First Capital Bank Limited (20%), CBZ Holdings Limited (19.77%), Zimre Property Investments Limited (ZPI) (19.05%) and Seed Co International Limited (14.69%).

The mining index registered an increase of 0.16%, to close at 207 points, during the week under review. The marginal increase in the resource index resulted from a 0.29% increase in the Bindura Nickel Corporation share price. RioZim, however, traded at the previous week price level.

**Table 6: Zimbabwe Stock Exchange Statistics**

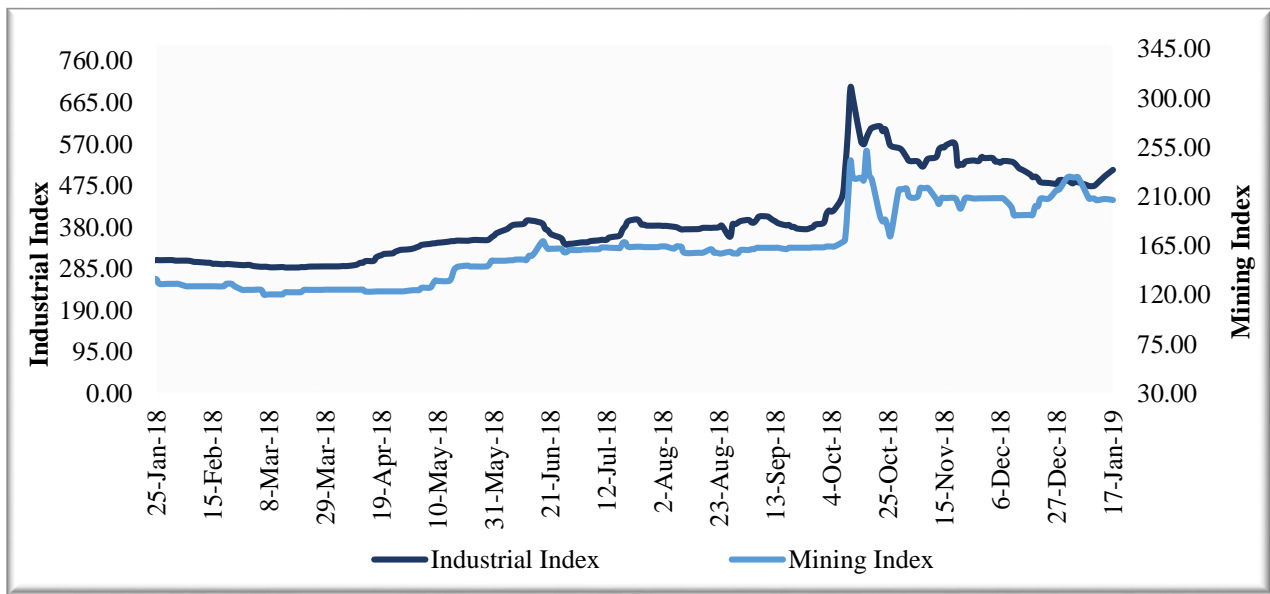
	All Share Index <sup>2</sup> (points)	Top 10 index <sup>3</sup> (points)	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
<b>21-Dec-18</b>	144.89	144.71	483.39	208.36	19,279,633,789	42,131,831	43,448,792
<b>28-Dec-18</b>	146.43	146.65	488.24	216.77	19,454,066,861	12,741,034	17,046,430
<b>4-Jan-19</b>	145.18	143.71	483.53	227.71	19,253,460,273	12,161,594	34,576,278
<b>11-Jan-19</b>	143.90	142.86	480.10	206.84	18,863,675,601	28,782,407	14,360,823
<b>17-Jan-19</b>	153.25	154	511.67	207	20,406,804,890	4,610,529	3,801,536
<b>Weekly Change (%)</b>	<b>6.50</b>	<b>7.80</b>	<b>6.58</b>	<b>0.08</b>	<b>8.18</b>	<b>(83.98)</b>	<b>(73.53)</b>

Source: Zimbabwe Stock Exchange (ZSE), 2019

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

<sup>3</sup> The Index is calculated using the market capitalisation method.

**Figure 3: Zimbabwe Stock Exchange Indices**

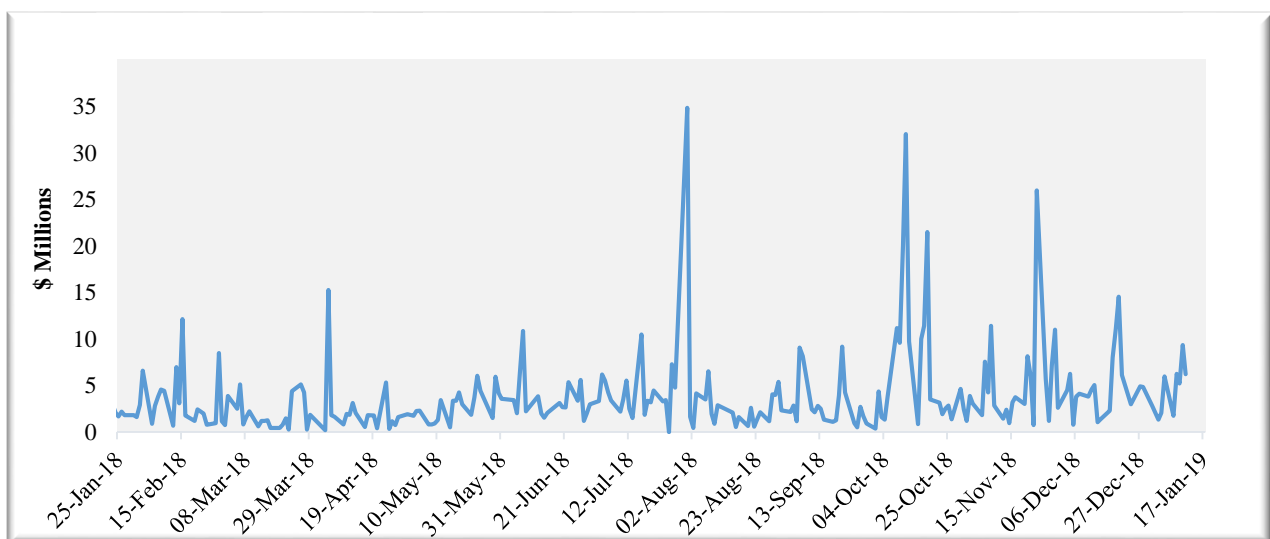


Source: Zimbabwe Stock Exchange, 2019

**Market Turnover and Volume**

Trading on the Zimbabwe Stock Exchange was dominated by low activity in selected blue-chip counters. Cumulative market turnover declined from US\$28.78 million in the previous week to US\$4.61 million, during the week under review. Similarly, the cumulative volume of shares declined by 73.53% to 3.8 million shares.

**Figure 4: Daily Market Turnover**



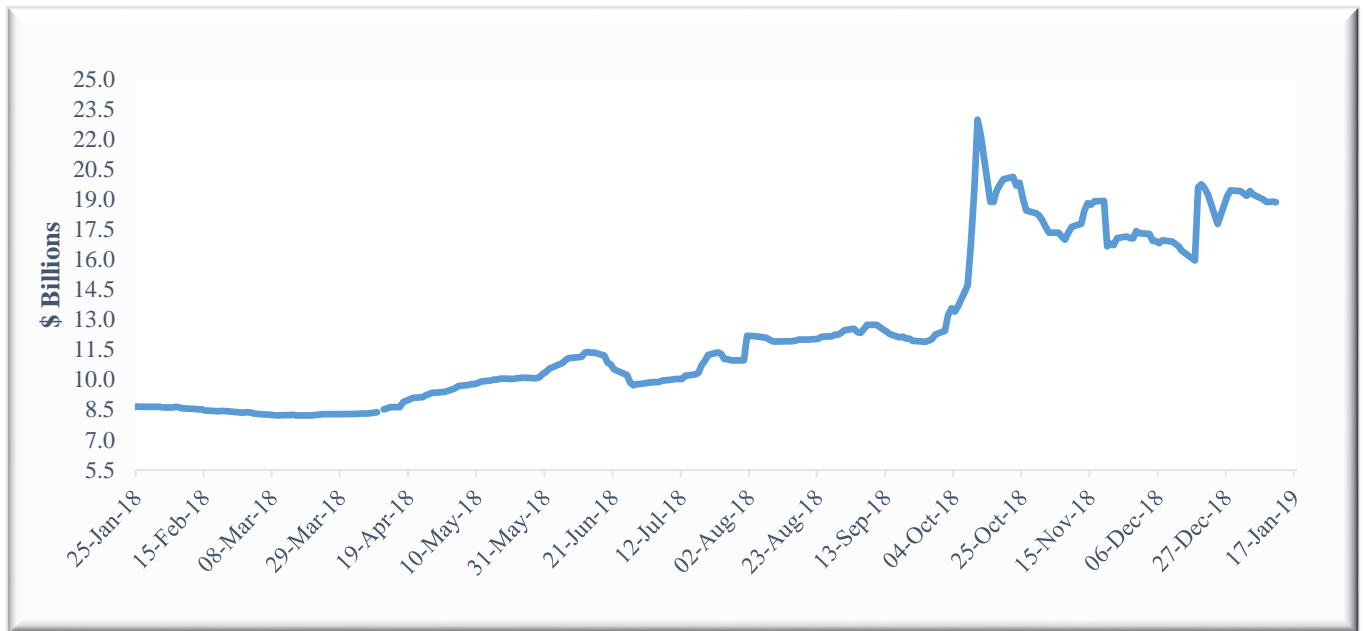
Source: Zimbabwe Stock Exchange, 2019



## Market Capitalization

The ZSE gained \$1.54 billion worth of market capitalization, to close the week ending 18<sup>th</sup> January 2019 at US\$20.41 billion. This was underpinned by a surge in demand for heavyweight counters, amid limited selling on the local bourse.

**Figure 5: Daily Market Capitalization**



Source: Zimbabwe Stock Exchange, 2019

## Johannesburg Stock Exchange (JSE) Developments

The JSE All Share Index increased by 0.15%, to close at 53,731.50 points, during the week ending 18<sup>th</sup> January 2018. Market capitalisation rose by 0.55% to R12.88 trillion in the same week.

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

Period	All Share Index (points)	Market Capitalization (ZAR trillion)
<b>21-Dec-18</b>	51,430.36	12.05
<b>28-Dec-18</b>	52,444.89	12.65
<b>4-Jan-19</b>	52,202.95	12.52
<b>11-Jan-19</b>	53,653.38	12.81
<b>18-Jan-19</b>	53,731.50	12.88
<b>% Change</b>	<b>0.15</b>	<b>0.55</b>

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**

**25<sup>th</sup> JANUARY 2019**