



# Weekly Economic Highlights

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

## 1. INTEREST RATES

### Deposit Rates

Average deposit rates for deposits of 3-month tenor increased by 0.11 percentage points to 3.99%, during the week under review. Deposit rates for saving deposits and deposits of 1-month tenor, however, remain unchanged at 4.16% and 3.81%, respectively, for the fourth consecutive week.

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

Date	Savings Deposits (%)	1-Month Deposits (%)	3-Month Deposits (%)
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	3.88
25-Jan-19	4.16	3.81	<b>3.99</b>

Source: Banking Institutions, 2019

### Lending Rates

Commercial bank weighted lending rates for corporate clients increased by 0.10 percentage points to 7.40%, during the week under review. Weighted lending rates for individual clients registered a 0.19 percentage points increase to 9.47%.

**Table 2: Lending Rates**

Date	Lending Rates <sup>1</sup> (%)	
	Commercial Banks (weighted)	
	Individuals	Corporate clients
28-Dec-18	9.48	7.39
04-Jan-19	9.28	7.28
11-Jan-19	9.27	7.27
18-Jan-19	9.28	7.30
25-Jan-19	<b>9.47</b>	<b>7.40</b>

Source: Banking Institutions, 2019

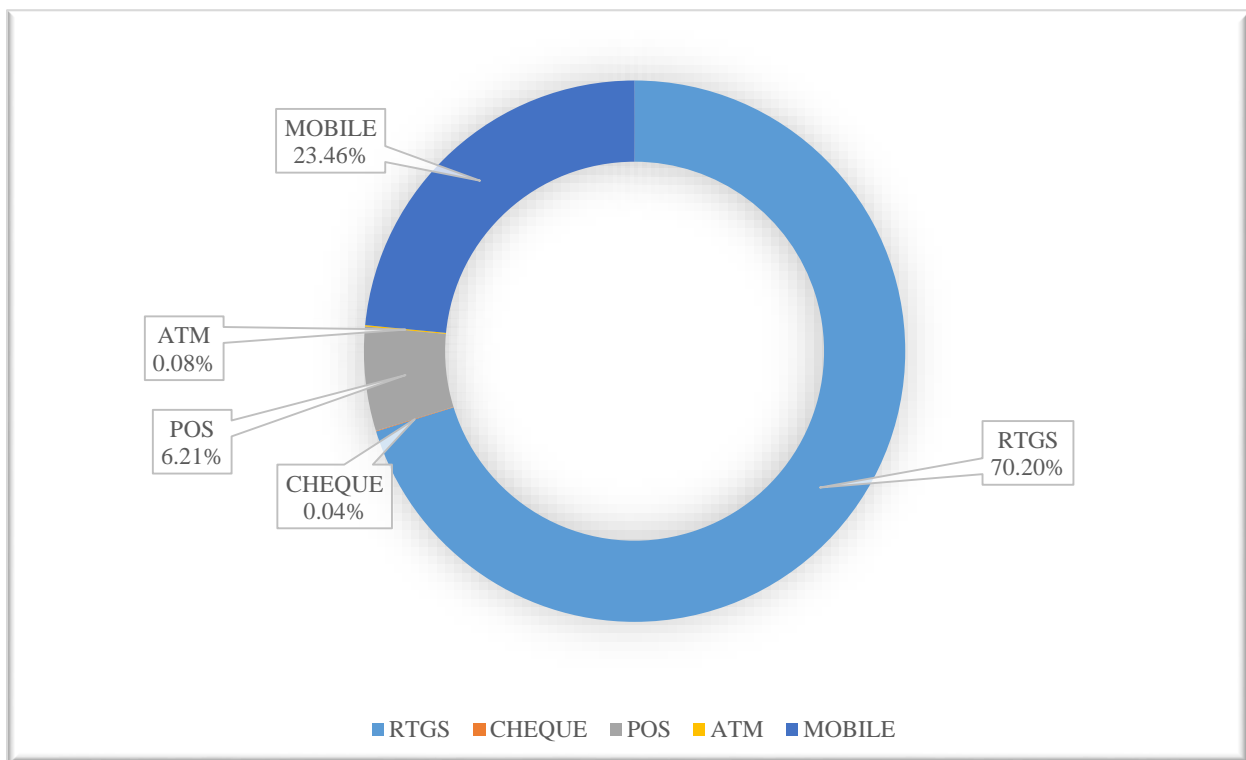
<sup>1</sup> Minimum weighted lending rates offered by commercial banks.

## 2. CLEARING AND SETTLEMENT ACTIVITY

During the week under review, the value of transactions processed through the National Payment System (NPS) increased by 101.5% to US\$2.83 billion, from US\$1.40 billion in the previous week. The increase was largely due to the 166.55% increase in the value of transactions processed through the Real Time Gross Settlement (RTGS) system. RTGS transaction values stood at US\$ 1.99 billion, during the week ending 25<sup>th</sup> January 2019.

The distribution of NPS transaction values was as follows: RTGS, 70.20%; Mobile, 23.46%; Point of Sale (POS), 6.21%; Automated Teller Machines (ATMs), 0.08%; and Cheque, 0.04%, as shown in Figure 1.

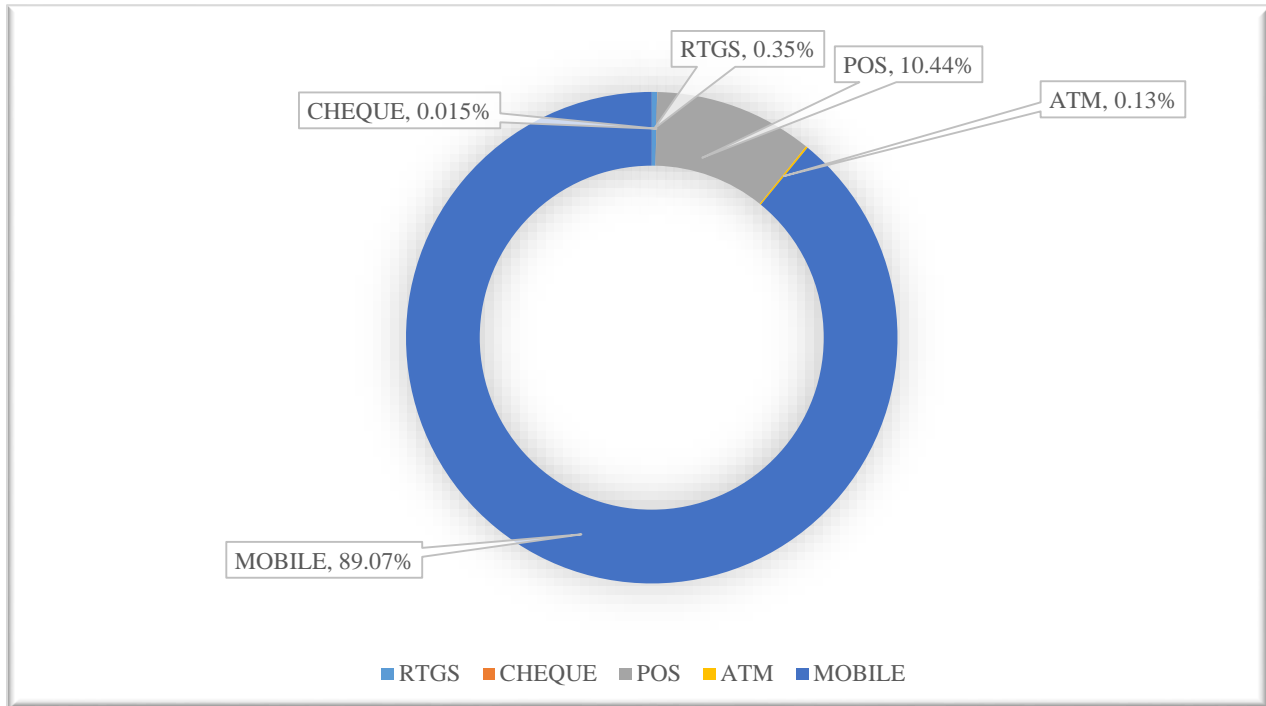
**Figure 1: Composition of NPS Transactions in Value Terms**



Source: Reserve Bank of Zimbabwe, 2019

Transaction volumes processed through the NPS amounted to 31.76 million, representing a 11.3% increase from 28.53 million transactions processed in the previous week. The NPS transaction volumes were distributed as follows: Mobile, 89.07%; POS, 10.44; RTGS, 0.35%; ATMs, 0.13%; and Cheque 0.015%, 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 18 <sup>th</sup> JANUARY 2019	WEEK ENDING 25 <sup>th</sup> JANUARY 2019	% CHANGE FROM LAST WEEK	PERCENTAGE OF TOTAL
<b>VALUES IN \$ (millions)</b>				
RTGS	745.07	1,985.92	166.5%	70.20%
CHEQUE	0.00	1,148.65	N/A	0.04%
POS	220.6	175.70	-20.4%	6.21%
ATM	2.34	2.28	-2.4%	0.08%
MOBILE	435.87	663.72	52.3	23.46%
<b>TOTAL</b>	<b>1,403.98</b>	<b>2,828.77</b>	<b>101.5%</b>	<b>100%</b>
<b>VOLUMES</b>				
RTGS	27,387	111,761	308.1%	0.35%
CHEQUE	0	4,667	N/A	0.015%
POS	3,904,731	3,314,870	-15.1%	10.44%
ATM	42,317	39,848	-5.8%	0.13%
MOBILE	24,552,401	28,290,504	15.2	89.07%
<b>TOTAL</b>	<b>28,526,836</b>	<b>31,761,650</b>	<b>11.3%</b>	<b>100%</b>

Source: Reserve Bank of Zimbabwe, 2019

### 3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international weekly average commodity prices of gold, platinum and copper declined, during the week ending 25<sup>th</sup> January 2019. Nickel and crude oil prices, however, firmed during the week under review, as shown in Table 4.

**Table 4: International Commodity Prices**

	Gold	Platinum	Copper	Nickel	Crude Oil
<b>2019</b>	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
<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>22-Jan</b>	1,279.13	798.00	6,025.00	11,750.00	62.00
<b>23-Jan</b>	1,283.43	793.00	5,992.00	11,820.00	61.67
<b>24-Jan</b>	1,282.35	790.50	5,964.00	11,640.00	60.83
<b>25-Jan</b>	1,281.73	793.50	5,951.00	11,690.00	61.80
<b>26-Jan</b>	1,288.43	807.50	5,929.00	11,770.00	61.41
<b>Weekly Average (21 - 25 Jan )</b>	<b>1,283.01</b>	<b>796.50</b>	<b>5,972.20</b>	<b>11,734.00</b>	<b>61.54</b>
<b>Weekly Change (%)</b>	<i>(0.60)</i>	<i>(0.83)</i>	<i>(0.03)</i>	<i>1.67</i>	<i>0.38</i>

Source: BBC, KITCO and Bloomberg, 2019

#### Gold

The yellow metal price retreated marginally, from a weekly average of US\$1,290.70 /oz. to US\$1,283.01 /oz, during the week under review. Prices declined as investors awaited the outcome of the high level US-China trade talks scheduled for this week in Beijing, China.

#### Platinum

Platinum prices remained subdued, declining by 0.83% from US\$803.20/oz in the previous week to US\$796.50/oz, during the week ending 25<sup>th</sup> January 2019. Prices were weighed down by slackening global demand for the metal, particularly in the automobile industry.

#### Copper

Copper prices remained subdued as a result of weakening global demand, particularly in China, the world's top consumer of the metal. There was little activity during the week as market participants awaited the outcome of the US-China trade talks, a development that weighed down prices. Consequently, prices fell by 0.03%, from US\$5,973.70/tonne in the previous week to US\$5,972.20/tonne, during the week under review.

## Nickel

Nickel prices were supported by dwindling stockpiles during the week under review. Accordingly, the price of the base metal rose by 1.67%, from US\$11,541.00/tonne in the previous week to US\$11,734.00/tonne, during the week under analysis.

## Crude Oil

Crude oil prices firmed to US\$61.54/barrel, during the week ending 25<sup>th</sup> January 2019. This was amid concerns that the political turmoil in Venezuela could lead to a disruption in supply. The US also signalled it could impose sanctions on Venezuela's crude oil exports.

## EXCHANGE RATES

During the week ending 25<sup>th</sup> January 2019, the US dollar depreciated against the rand and the pound Sterling. It, however, strengthened against the euro and pula. The greenback remained under pressure amid concerns over global growth; the US government shutdown; and the yet to be resolved US-Sino trade dispute.

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

	ZAR	GBP	BWP	EURO
2019				
<b>Weekly Average (14 - 18 Jan)</b>	<b>13.9107</b>	<b>0.7788</b>	<b>10.5108</b>	<b>0.8735</b>
<b>21-Jan</b>	13.8371	0.7770	10.5319	0.8792
<b>22-Jan</b>	13.8838	0.7767	10.5430	0.8803
<b>23-Jan</b>	13.9550	0.7723	10.5597	0.8799
<b>24-Jan</b>	13.8362	0.7649	10.5374	0.8784
<b>25-Jan</b>	13.6818	0.7614	10.4712	0.8830
<b>Weekly Average (21 - 25 Jan)</b>	<b>13.8388</b>	<b>0.7705</b>	<b>10.5286</b>	<b>0.8802</b>
<i>Appr(+)/Depr(-) (%) of the USD</i>	<i>-0.52</i>	<i>-1.07</i>	<i>0.17</i>	<i>0.76</i>

Source: Reuters, 2019

## 4. EQUITY MARKETS

The Zimbabwe Stock Exchange (ZSE) recovered from losses of the previous week. As a result, the All Share and Top 10 Indices gained 9.35 points and 11.14 points, to 153.25 points and 154 points, respectively.

The industrial index increased by 3.23% points, to close the week under review at 528.21 points. This largely emanated from share price gains for Edgars Stores Limited (43.64%), Amalgamated Regional Trading (ART) (38.66%), Inncor Africa Limited (13.88%), Padenga Holdings Limited (10.53%) and OK Zimbabwe Limited (10.42%). Partially offsetting the aforementioned gains were share price losses for CBZ Holdings Limited (9.25%), Star Africa Corporation Limited (7.14%), Zimre Property Investments Limited (6.33%) and Simbisa Brands Limited (0.56%).

The mining index rose by 2.51% to close at 212.19 points, during the week under review. This was due to the 17.65% and 1.07% share price gains for Bindura Nickel Corporation Limited and RioZim, respectively.

**Table 6: Zimbabwe Stock Exchange Statistics**

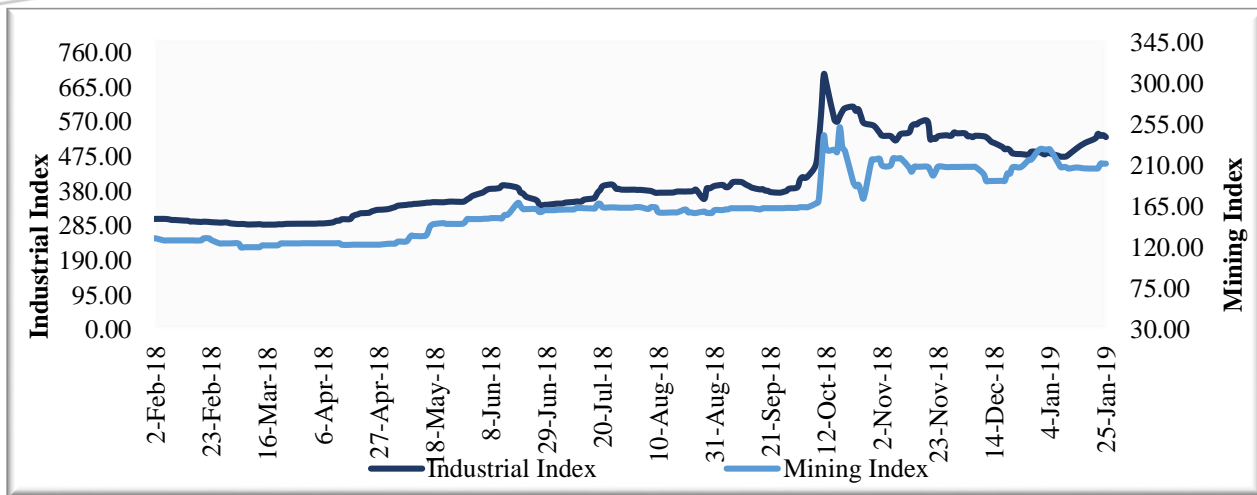
	All Share Index <sup>2</sup> (points)	Top 10 index <sup>3</sup> (points)	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
<b>28-Dec-18</b>	146.43	146.65	488.24	216.77	19,454,066,861	12,741,034	17,046,430
<b>4-Jan-19</b>	145.18	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	154.00	511.67	207.00	20,406,804,890	4,610,529	3,801,536
<b>25-Jan-19</b>	158.22	159.43	528.21	212.19	21,021,109,642	38,971,353	20,517,712
<b>Weekly Change (%)</b>	<b>3.24</b>	<b>3.53</b>	<b>3.23</b>	<b>2.51</b>	<b>3.01</b>	<b>745.27</b>	<b>439.72</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**

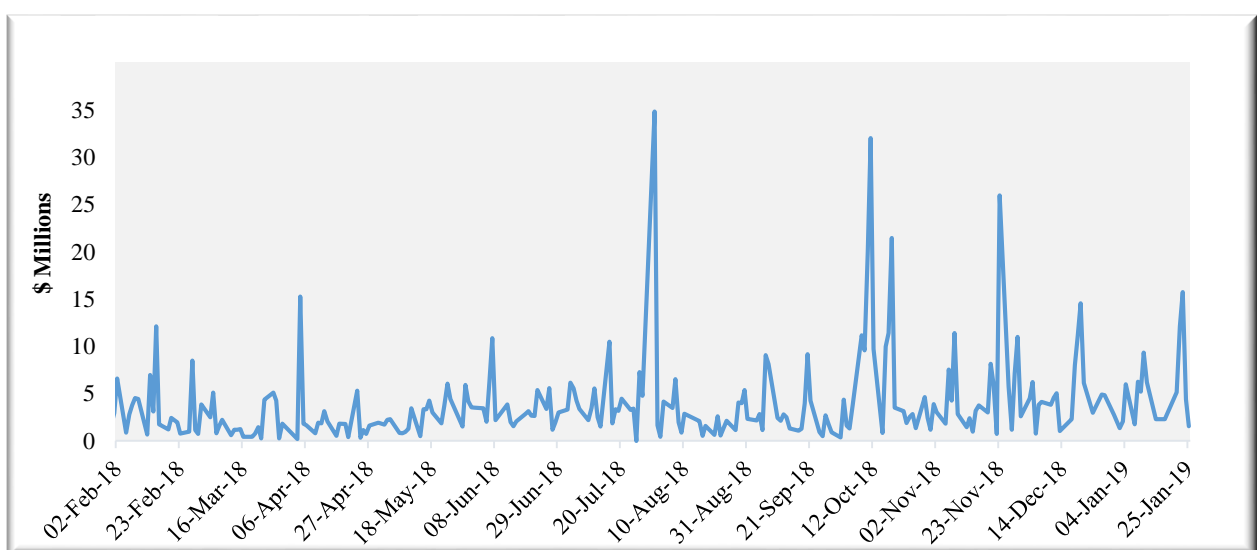


Source: Zimbabwe Stock Exchange, 2019

**Market Turnover and Volume**

During the week under analysis, the local bourse experienced improved trading with block trades registered in Delta Corporation, Cassava Smartech Zimbabwe Limited and Old Mutual Zimbabwe Limited. Resultantly, the cumulative value of shares traded increased by 439.72% to US\$38.36 million. Similarly, the volume of shares rose by 745.27% to 20.52 million shares, during the same period.

**Figure 4: Daily Market Turnover**



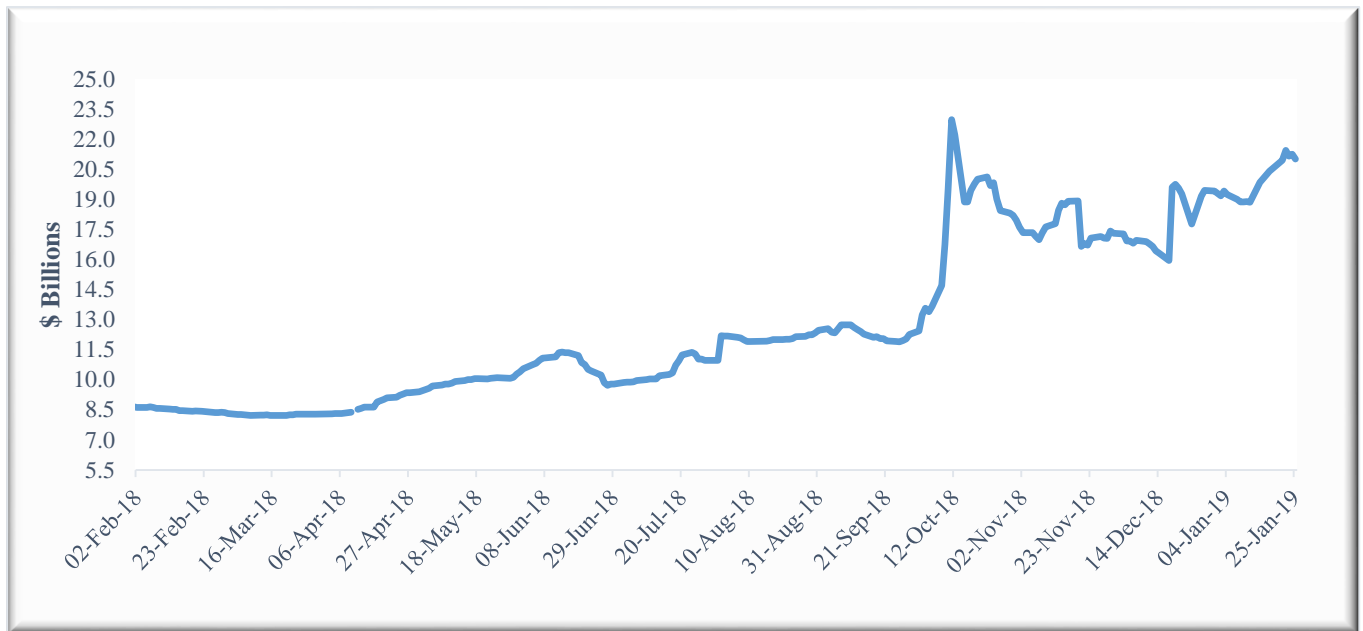
Source: Zimbabwe Stock Exchange, 2019



## Market Capitalization

The ZSE gained \$614.30 million worth of capitalization to close at US\$21.02 billion, during the week ending 25<sup>th</sup> January 2019. This represented a 3.01% increase from the previous week value of US\$20.41 billion.

**Figure 5: Daily Market Capitalization**



Source: Zimbabwe Stock Exchange, 2019

## Johannesburg Stock Exchange (JSE) Developments

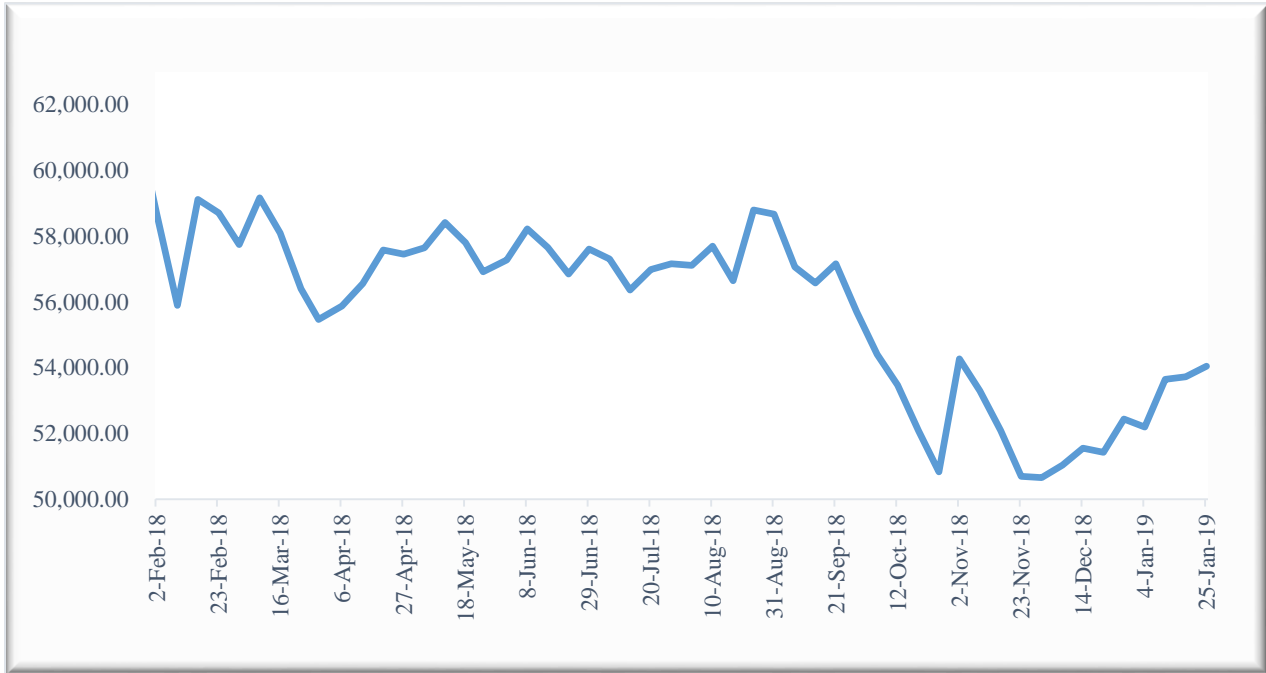
The JSE All Share Index went up by 0.59 to close at 54,050.23 points, during the week ending 25<sup>th</sup> January 2019. Market capitalisation, however, fell by 0.23% to R12.85 trillion in the same week.

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

Period	All Share Index (points)	Market Capitalization (ZAR trillion)
28-Dec-18	52,444.89	12.65
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
% Change	<b>0.59</b>	<b>(0.23)</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**

**01<sup>st</sup> FEBRUARY 2019**