



Weekly Economic Highlights

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Week Ending
4th January 2019

1. INTEREST RATES

Deposit Rates

Average deposit rates for deposits of 1-month tenor increased to 3.81% during the week under review, from 3.65% in the previous week. Deposit rates for savings deposits and deposits of 3-month tenor, however, remained unchanged at 4.16% and 3.86%, respectively.

Table 1: Average Deposit Rates (per annum)

Date	Savings Deposits (%)	1-Month Deposits (%)	3-Month Deposits (%)
07-Dec-18	4.16	3.66	3.93
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

Source: Banking Institutions, 2019

Lending Rates

During the week under review, commercial bank weighted lending rates for individual clients declined by 0.20 percentage points to close at 9.28%. Weighted lending rates for corporate clients also decreased from 7.39% in the previous week to 7.28%, during the week ending 4th January 2019.

Table 2: Lending Rates

Date	Lending Rates ¹ (%)	
	Commercial Banks (weighted)	
	Individuals	Corporate clients
07-Dec-18	9.51	7.38
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

Source: Banking Institutions, 2019

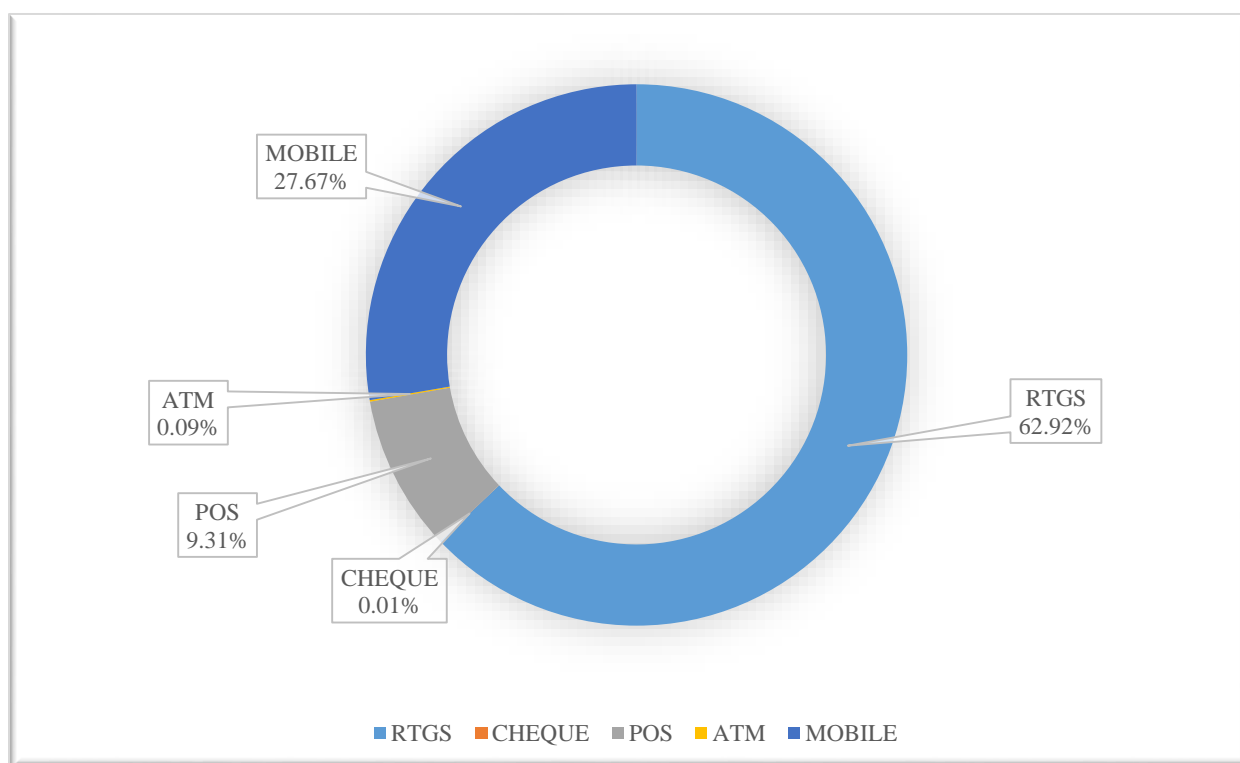
¹ Minimum weighted lending rates offered by commercial banks.

2. CLEARING AND SETTLEMENT ACTIVITY

The total value of transactions processed through the National Payment System (NPS) rose by 1.4%, from US\$2.42 billion in the previous week to US\$2.46 billion, during the week under analysis. Likewise, the value of transactions processed through Real Time Gross Settlement (RTGS) system increased by 17.2%, to close at US\$ 1.55 billion in the same week.

The distribution of NPS transactions was as follows: RTGS, 62.92%; Mobile, 27.67%; Point of Sale (POS), 9.31%; Automated Teller Machines (ATMs), 0.09%; and Cheque, 0.01%, as shown in Figure 1.

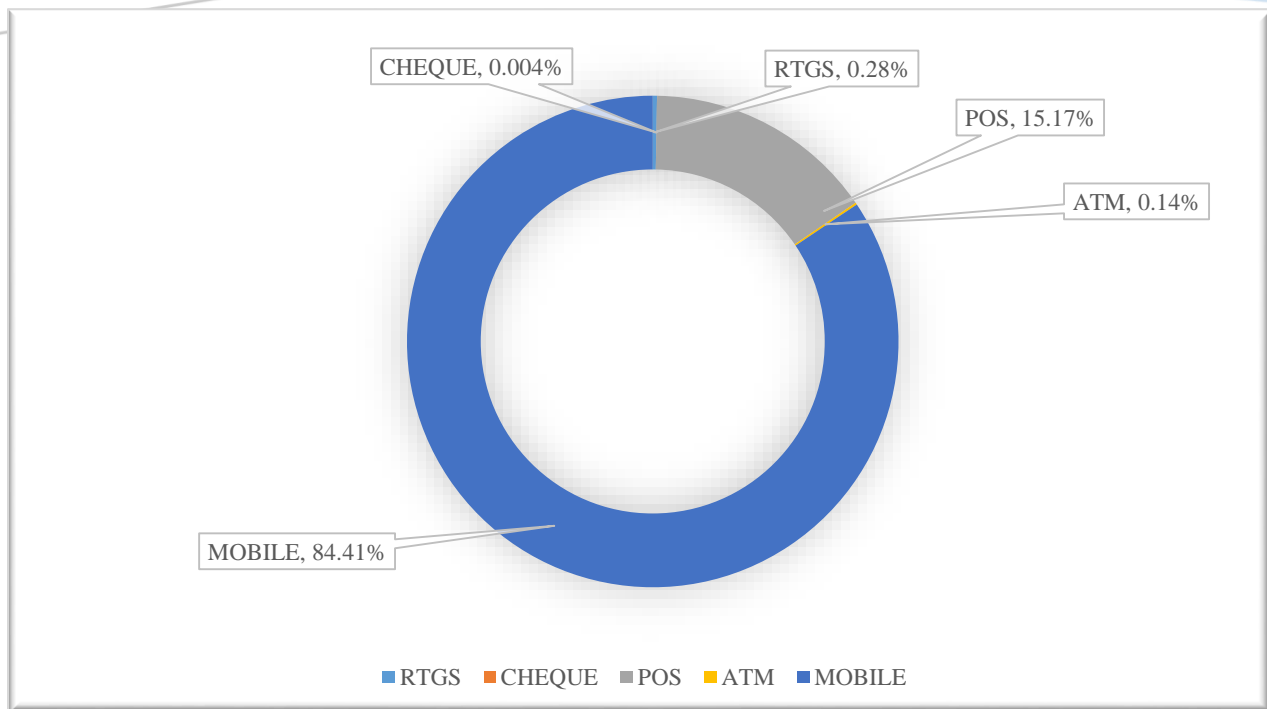
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2019

The total volume of transactions processed through the NPS declined by 16.7% to 36.33 million transactions, during the week under review. This compares with 43.61 million transactions recorded during the week ending 28th December 2018. NPS transaction volumes were distributed as follows: Mobile, 84.41%; POS, 15.17; RTGS, 0.28%; ATMs, 0.14%; and Cheque 0.004%, 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 28 th DECEMBER 2018	WEEK ENDING 4 th JANUARY 2019	% CHANGE FROM LAST WEEK	PERCENTAGE OF TOTAL
VALUES IN \$ (millions)				
RTGS	1,321.10	1,547.74	17.2%	62.92%
CHEQUE	0.29	0.33	14.0%	0.01%
POS	353.58	228.89	-35.3%	9.31%
ATM	4.31	2.10	-51.4%	0.09%
MOBILE	745.55	680.65	-8.7%	27.67%
TOTAL	2,424.84	2,459.70	1.4%	100%
VOLUMES				
RTGS	67,203	102,177	52.0%	0.28%
CHEQUE	1,396	1,536	10.0%	0.004%
POS	7,655,059	5,510,153	-28.0%	15.17%
ATM	57,090	50,325	-11.8%	0.14%
MOBILE	35,828,609	30,664,83	-14.4%	84.41%
TOTAL	43,609,357	36,329,025	-16.7%	100%

Source: Reserve Bank of Zimbabwe, 2019

3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international weekly average commodity prices of gold, platinum and crude oil increased during the week under review. Copper and nickel prices, however, declined, as shown in Table 4.

Table 4: International Commodity Prices

	Gold	Platinum	Copper	Nickel	Crude Oil
	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
Weekly Average (24 - 28 Dec)	1,255.69	791.00	6,002.17	10,948.33	52.82
31-Dec	1,281.65	791.50	5,980.00	10,715.00	53.13
2-Jan	1,284.70	791.50	5,863.00	10,730.00	55.97
3-Jan	1,289.20	791.50	5,859.00	10,795.00	57.01
4-Jan	1,285.13	791.50	5,799.00	10,855.00	57.81
Weekly Average (31 Dec - 4 Jan)	1,285.17	791.50	5,875.25	10,773.75	55.98
Weekly Change (%)	2.35	0.06	(2.11)	(1.59)	5.98

Source: BBC, KITCO and Bloomberg, 2019

Gold

The yellow metal price firmed by 2.35%, from a weekly average of US\$1,255.69/oz. in the previous week, to US\$1,285.17/oz. during week ending January 4th 2019. This was underpinned by the continued rise in the appeal of gold as a safe haven asset, following heightened fears of a global economic slowdown.

Platinum

Platinum prices increased by 0.06%, from US\$791.00/oz. in the previous week, to US\$791.50/oz. during the week under review. Prospect of strong growth in demand for the precious metal in 2019, exerted upward pressure on precious metal price.

Copper

The weekly average price for copper retreated by 2.11%, from US\$6,002.17/tonne in the week ending 28th December 2018 to US\$5,875.25/tonne, during the week under analysis. The slowdown in the Chinese manufacturing sector reduced demand for the base metal, resulting in lower prices.

Nickel

Nickel prices declined by 1.59% to a weekly average of US\$10,773.75/tonne, during the week under analysis. Prices slumped on concerns of slowing economic growth in the United States.

Crude Oil

Crude oil prices rose by 5.98%, to close the week ending 4th January 2019 at an average of US\$55.98/barrel. A supply cut by the Organisation of Petroleum Exporting Countries, coupled with positive sentiments on the expected outcome of US-China trade talks supported prices.

EXCHANGE RATES

The US dollar appreciated against the pound and the euro, during the week ending 4th January 2019. The greenback, however, depreciated against the South African rand and the pula in the same week. The marginal gain in the US dollar was, in large part, underpinned by strong US employment data.

Table 5: International Exchange Rates per US\$

	ZAR	GBP	BWP	EURO
Weekly Average (24- 28 Dec)	14.5236	0.7898	10.7857	0.8765
31-Dec	14.1100	0.7700	10.6500	0.8800
2-Jan	13.7100	0.8130	10.6838	0.9537
3-Jan	14.5431	0.7970	10.7066	0.8805
4-Jan	14.2976	0.7912	10.7239	0.8780
Weekly Average (31 Dec-Jan 4)	14.1651	0.7928	10.6911	0.8981
<i>Appr(+)/Depr(-) (%) of the USD</i>	-2.47	0.38	-0.88	2.46

Source: Reuters, 2019

4. EQUITY MARKETS

The Zimbabwe Stock Exchange (ZSE) registered losses, during the week ending 4th January 2019. The All Share and Top 10 Indices declined by 1.25 points and 2.94 points, to close at 145.18 points and 143.71 points, respectively. In a related development, the Top 10 Index was reviewed during the last day of trading in the quarter ending 31st December 2018. Cassava Smartech Zimbabwe Limited and Seed Co Limited replaced Simbisa Brands Limited and Hippo Valley Estates Limited in the top 10 index.

The industrial index declined by 4.71 points, to close at 483.53 points. This was underpinned by share price losses for Zimre Holdings Limited (-17.58%); CBZ Holdings (-9.15%); Meikles Limited (-7.36%); Starafrika Corporation (-7.14%); and Innscor Africa (-5.41%). Partially offsetting the losses were gains at Ariston Holdings Limited (19.40%), Zimbabwe Newspapers (18.06%) Simbisa Brands (18.06%), OK Zimbabwe (14.98%) and Delta Corporation Limited (13.23%).

The mining index gained by 5.05% to close at 227.71 points, during the week under analysis. Share price gains at Bindura Nickel Corporation (17.25%) accounted for the increase in the resources index. Share prices for Falcon Gold Zimbabwe Limited and Riozim Limited, however, remained unchanged, during the week ending 4th January 2019.

Table 6: Zimbabwe Stock Exchange Statistics

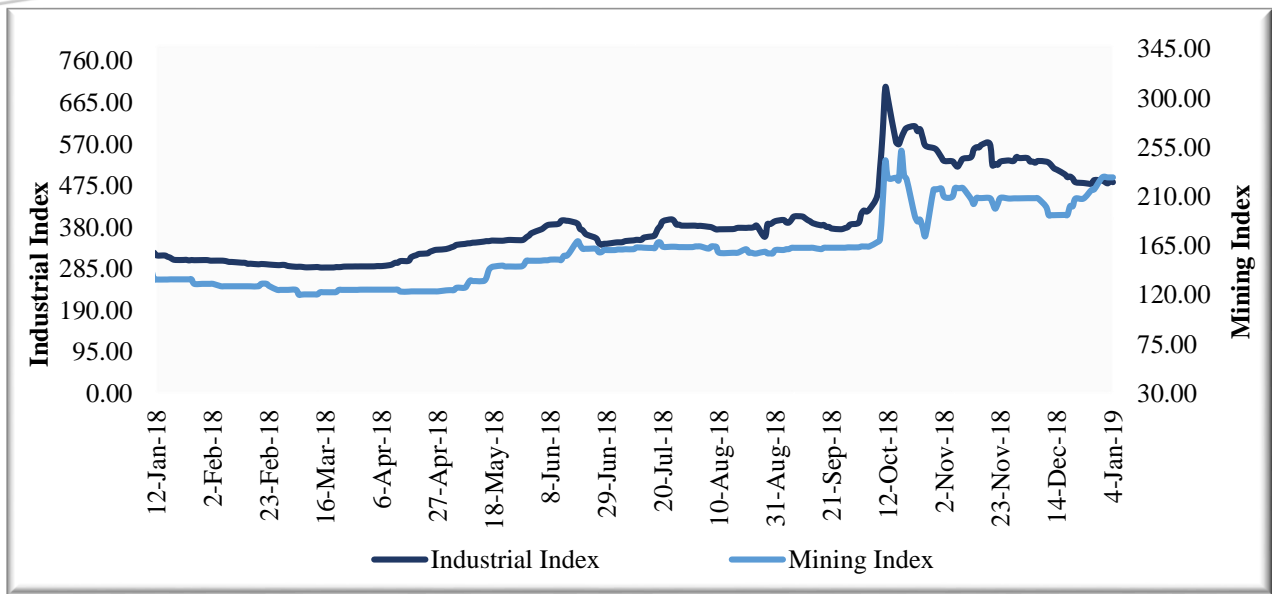
	All Share Index ² (points)	Top 10 index ³ (points)	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
7-Dec-18	158.46	161.72	532.03	208.53	16,963,785,315	19,468,976	16,009,069
14-Dec-18	152.40	154.79	512.26	193.24	16,317,782,331	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
Weekly Change (%)	(0.85)	(2.00)	(0.96)	5.05	(1.03)	(4.55)	102.84

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

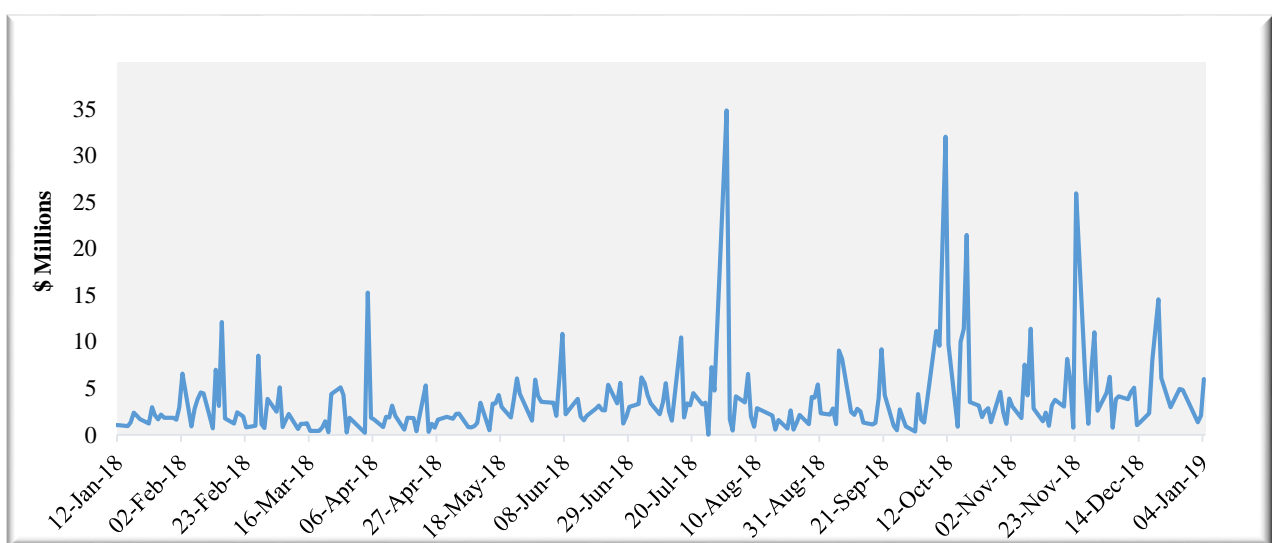


Source: Zimbabwe Stock Exchange, 2019

Market Turnover and Volume

During the week under review, the cumulative volume of shares traded increased by 102.84% to 34.58 million shares. In contrast, the cumulative value of shares traded declined by 4.55% to US\$12.16 million, during the same week.

Figure 4: Daily Market Turnover

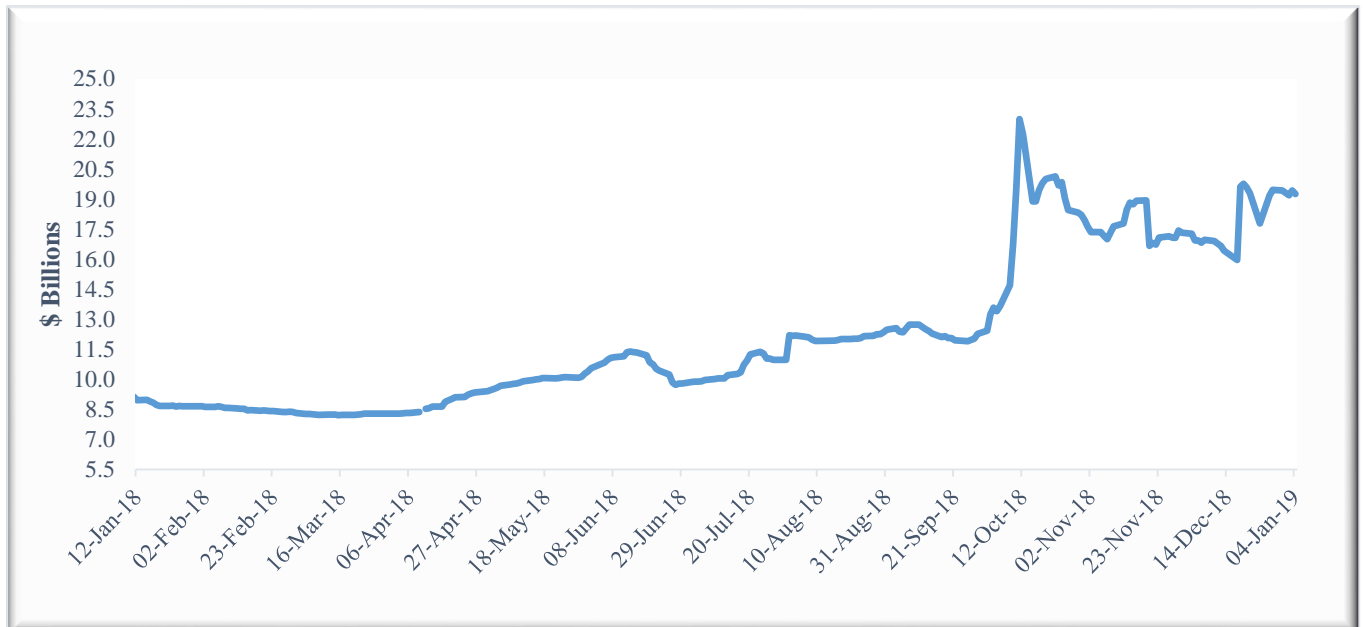


Source: Zimbabwe Stock Exchange, 2019

Market Capitalization

The ZSE market capitalisation decreased by 1.03% to close at US\$19.25 billion, during the week under review.

Figure 5: Daily Market Capitalization



Source: Zimbabwe Stock Exchange, 2019

Johannesburg Stock Exchange (JSE) Developments

During the week ending 4th January 2019, the JSE All Share Index closed at 52,202.95 points, down from 52,444.89 points recorded in the previous week. Concomitantly, market capitalisation declined by 1.03% to R12.52 trillion, during the same week.

Table 7: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalization (ZAR trillion)
7-Dec-18	51,037.69	12.46
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
% Change	(0.46)	(1.03)

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

11th JANUARY 2019