



# Weekly Economic Highlights

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Week Ending  
10<sup>th</sup> January 2020

## 1. INTEREST RATES

### Deposit Rates

During the week ending 10<sup>th</sup> January 2020, average deposit rates for savings deposits and deposits of 1-month and 3-month tenors remained unchanged at 4.74%, 5.22% and 5.46%, respectively.

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

Date	Savings	1-Month	3-Month
	Deposits (%)	Deposit (%)	Deposit (%)
13-Dec-19	4.74	5.16	5.46
20-Dec-19	4.74	5.16	5.46
27-Dec-19	4.74	5.16	5.46
3-Jan-20	4.74	5.22	5.46
10-Jan-20	4.74	5.22	5.46

Source: Banking Institutions, 2020

### Lending Rates

Commercial bank weighted lending rates for individual clients declined by 0.09 percentage points, to close the week under review at 16.04%. Similarly, lending rates for corporate clients declined by 0.04 percentage points to close at 17.99%, during the same period.

**Table 2: Lending Rates**

Date	Lending Rates <sup>1</sup> (%)	
	Commercial Banks (weighted)	
	Individuals	Corporate Clients
13-Dec-19	16.13	19.00
20-Dec-19	16.17	18.62
27-Dec-19	16.08	18.31
3-Jan-20	16.13	18.03
10-Jan-20	<b>16.04</b>	<b>17.99</b>

Source: Banking Institutions, 2020

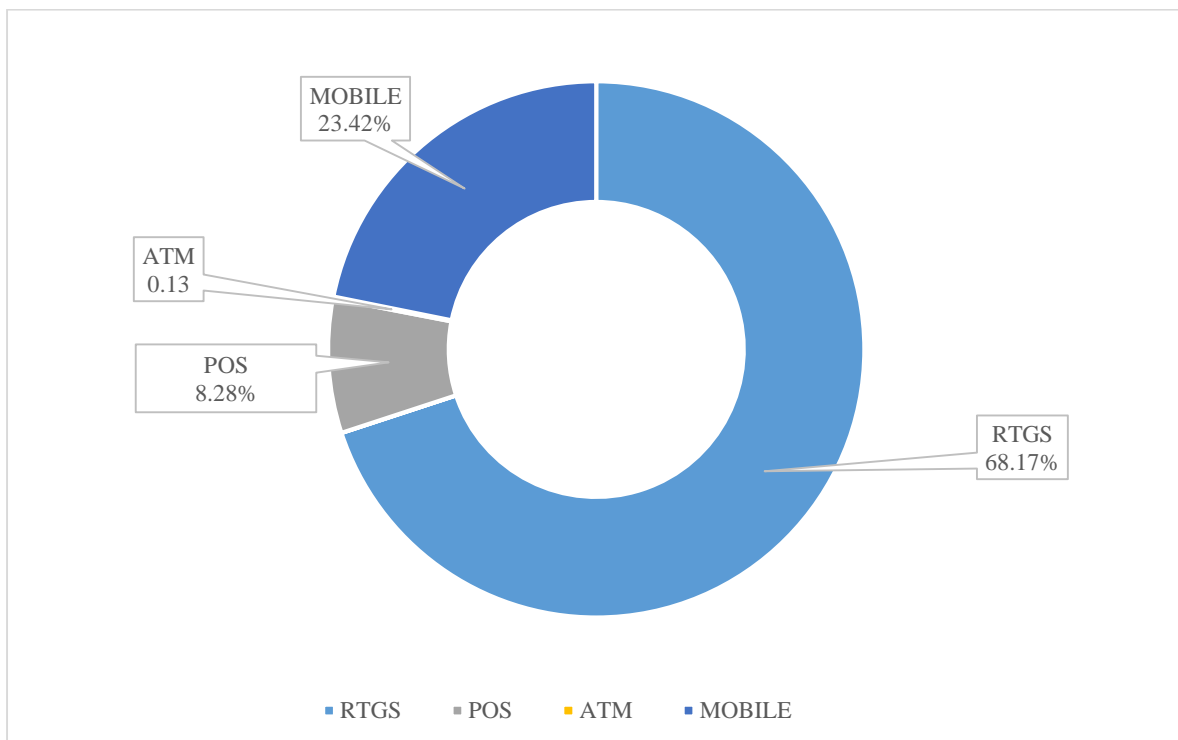
<sup>1</sup> Minimum weighted lending rates offered by commercial banks.

## 2. CLEARING AND SETTLEMENT ACTIVITY

The total value of transactions processed through the National Payment System (NPS) increased by 13.07% to close at \$17.18 billion, during the week ending 10<sup>th</sup> January 2020. This compares with the \$15.19 billion recorded in the previous week. RTGS transaction values amounted to \$11.71 billion, during the week under analysis, an increase of 12.88% from \$10.37 billion realized in the previous week.

The distribution of NPS transactions in value terms was as follows: RTGS, 68.17%; Mobile, 23.42%; Point of Sale (POS), 8.28%; Automated Teller Machine (ATM), 0.13%; and Cheque, 0.00%, as shown in Figure 1.

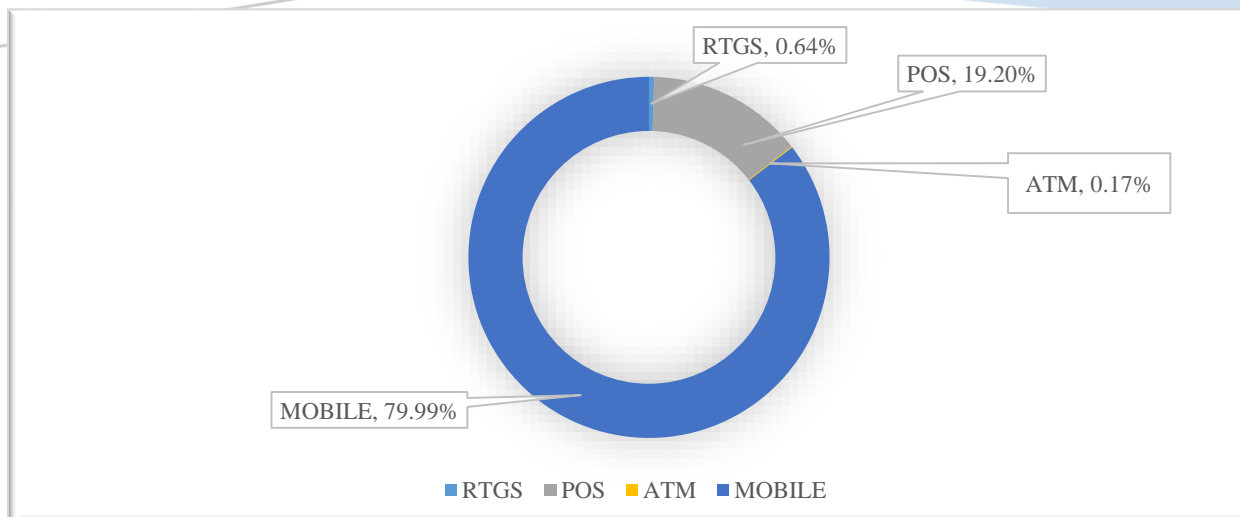
**Figure 1: Composition of NPS Transactions in Value Terms**



*Source: Reserve Bank of Zimbabwe, 2020*

NPS transaction volumes fell by 7.21% to close at 31.39 million transactions, during the week under analysis. Mobile based transactions dominated NPS transaction volumes at 79.99% of the total, followed by POS; 19.20%; RTGS; 0.64% and ATM, 0.17%; as shown in Figure 2.

**Figure 2: Composition of NPS Transactions in Volume Terms**



Source: Reserve Bank of Zimbabwe, 2020

**Table 3: National Payment Systems Activity**

PAYMENT STREAM	WEEK ENDING	WEEK ENDING	% CHANGE FROM LAST WEEK	PERCENTAGE OF TOTAL
	3-Jan-20	10-Jan-20		
	<b>VALUES IN ZWL (millions)</b>			
RTGS	10,372.60	11,709.05	12.88	68.17
CHEQUE	0.42	0.50	18.09	0.00
POS	1,463.59	1,422.11	-2.83	8.28
ATM	26.90	21.56	-19.86	0.13
MOBILE	3,326.73	4,022.38	20.91	23.42
<b>TOTAL</b>	<b>15,190.23</b>	<b>17,175.61</b>	<b>13.07</b>	<b>100</b>
	<b>VOLUMES</b>			
RTGS	242,838	200,646	-17.37	0.64
CHEQUE	1,170	1,625	38.89	0.005
POS	6,847,464	6,025,243	-12.01	19.20
ATM	119,275	53,014	-55.55	0.17
MOBILE	26,837,495	25,106,733	-6.45	79.99
<b>TOTAL</b>	<b>34,048,242</b>	<b>31,387,261</b>	<b>-7.82</b>	<b>100</b>

Source: Reserve Bank of Zimbabwe, 2020

### 3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international commodity prices of gold, platinum and copper firmed, during the week ending 10<sup>th</sup> January, 2020. Nickel and crude oil prices, however, retreated as shown in Table 4.

**Table 4: International Commodity Prices**

	<b>Gold</b>	<b>Platinum</b>	<b>Copper</b>	<b>Nickel</b>	<b>Crude Oil</b>
<b>2020</b>	<i>US\$/ounce</i>	<i>US\$/ounce</i>	<i>US\$/tonne</i>	<i>US\$/tonne</i>	<i>US\$/barrel</i>
<b>Weekly average (30 Dec- 3 Jan 20)</b>	<b>1,532.79</b>	<b>973.75</b>	<b>6,120.81</b>	<b>14,007.00</b>	<b>69.46</b>
<b>6-Jan</b>	1,574.98	986	6,115.00	13,726.50	68.54
<b>7-Jan</b>	1,567.18	980.5	6,144.50	13,824.00	69.01
<b>8-Jan</b>	1,577.40	968.5	6,161.50	13,977.50	65.82
<b>9-Jan</b>	1,549.30	965	6,134.50	14,033.00	65.18
<b>10-Jan</b>	1,551.20	971	6,176.25	14,146.00	64.92
<b>Weekly average (6-10 Jan)</b>	<b>1,564.01</b>	<b>974.2</b>	<b>6,146.35</b>	<b>13,941.40</b>	<b>66.69</b>
<i>Weekly Change (%)</i>	2.0	0.05	0.4	-0.5	-4.0

Source: BBC, KITCO and Bloomberg 2020

#### Gold

Gold prices rose by 2.0% to close at US\$1,564.01/oz., during the week under analysis. The increase followed the escalation of US -Iran geopolitical tensions, that resulted in higher demand for gold as a safe-haven asset.

#### Platinum

Platinum prices rose by 0.05%, from a weekly average price of US\$973.75/oz. in the previous week, to close the week under review at US\$974.20/oz. This was underpinned by a boost in the demand outlook for the metal, amid rising optimism about the impending US-China interim trade deal.

#### Copper

Copper prices averaged US\$6,146.35/tonne during the week under review, representing a 0.4% increase from US\$6,120.81/tonne recorded in the previous week. The marginal increase in price followed subdued investment demand prospects in the base metal, coupled with weak economic growth in China, the world largest consumer.

## Nickel

The price of nickel dropped by 0.5%, from an average of US\$14,007.00 / tonne in the previous week to US\$13,941.40/tonne, during the week under review. Price declines were occasioned by lower global demand, amid reports of rising nickel stockpiles.

## Crude Oil

The weekly average price of crude oil fell by 4% to US\$66.69/barrel, during the week under review. This was underpinned by demand concerns following reports about a surge in US crude oil inventories.

## 4. EXCHANGE RATES

The Zimbabwe dollar marginally depreciated against the US dollar; pound Sterling and euro, during the week under review. The local unit, however, appreciated against the pula and rand, as shown in Table 5.

**Table 5: International Exchange Rates<sup>2</sup>**

2020	USD	GBP	EURO	BWP	ZAR
<b>Weekly Average (30 Dec-3 Jan)</b>	<b>16.8135</b>	<b>22.1668</b>	<b>18.832</b>	<b>1.5894</b>	<b>1.1954</b>
<b>6-Jan</b>	16.859	22.049	18.8155	1.5712	1.1745
<b>7-Jan</b>	16.889	22.2217	18.8937	1.5842	1.1903
<b>8-Jan</b>	16.9138	22.1965	18.8605	1.5817	1.1776
<b>9-Jan</b>	16.9463	22.231	18.8384	1.5912	1.1965
<b>10-Jan</b>	16.9729	22.2014	18.856	1.5903	1.1947
<b>Weekly Average (6-10 Jan)</b>	<b>16.9162</b>	<b>22.1799</b>	<b>18.8528</b>	<b>1.5837</b>	<b>1.1867</b>
<i>Appr(-)/Depr(+) (%) of the ZWL</i>	<i>0.6</i>	<i>0.1</i>	<i>0.1</i>	<i>-0.4</i>	<i>-0.7</i>

Source: Reserve Bank of Zimbabwe, 2020

<sup>2</sup> Direct quote – the amount of domestic currency needed to exchange for 1 unit of foreign currency

## 5. EQUITY MARKETS

Bullish sentiment characterized the Zimbabwe Stock Exchange (ZSE), during the week ending 10<sup>th</sup> January 2020. Consequently, the All Share and Top 10 indices gained by 0.83% and 1.00%, to close the week under review at 234.10 and 208.43 points, respectively.

The industrial index rose by 0.86% to close the week at 780.09 points, from 773.41 points, recorded in the preceding week. This followed share price increases for Powerspeed Electrical Limited (20%); OK Zimbabwe Limited (19.06%); Cafca (12.35%), First Capital Bank Limited; (11.98%) and Amalgamated Regional Trading (ART) (9.38%).

The mining index lost 1.26% to close at 312.68 points, during the week under review. This was partially attributable to the share price decline for RioZim.

**Table 6: Zimbabwe Stock Exchange Statistics**

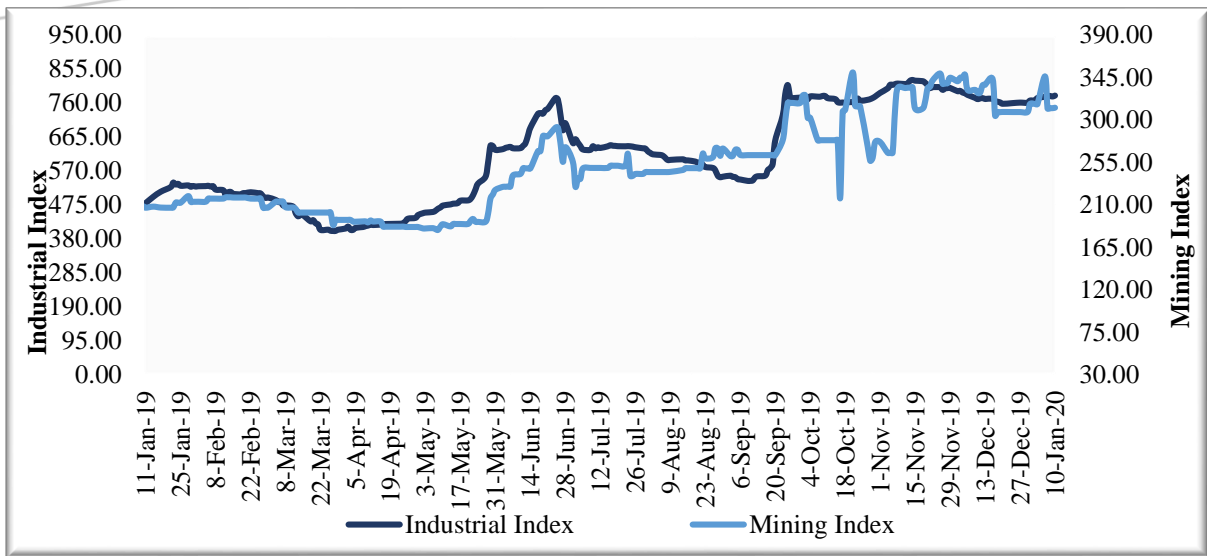
	All Share Index <sup>3</sup> (points)	Top 10 index <sup>4</sup> (points)	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (ZWL million)	Market Turnover (ZWL million)	Volume of Shares (million)
<b>13-Dec-19</b>	231.58	205.85	770.53	336.87	29.97	53.34	30.88
<b>20-Dec-19</b>	227.26	200.18	757.22	308.20	29.37	69.40	123.77
<b>27-Dec-19</b>	228.24	200.98	760.52	308.11	29.49	9.58	3.96
<b>03-Jan-20</b>	232.17	206.37	773.41	316.66	30.05	20.93	11.02
<b>10-Jan-20</b>	234.10	208.43	780.09	312.68	30.29	22.25	14.32
<b>Weekly Change (%)</b>	<b>0.83</b>	<b>1.00</b>	<b>0.86</b>	<b>-1.26</b>	<b>0.80</b>	<b>6.31</b>	<b>29.95</b>

Source: Zimbabwe Stock Exchange (ZSE), 2020

<sup>3</sup> The All Share index shows the changing average value of shares of all companies on the market.

<sup>4</sup> The Index is calculated using the market capitalisation method.

**Figure 3: Zimbabwe Stock Exchange Indices**

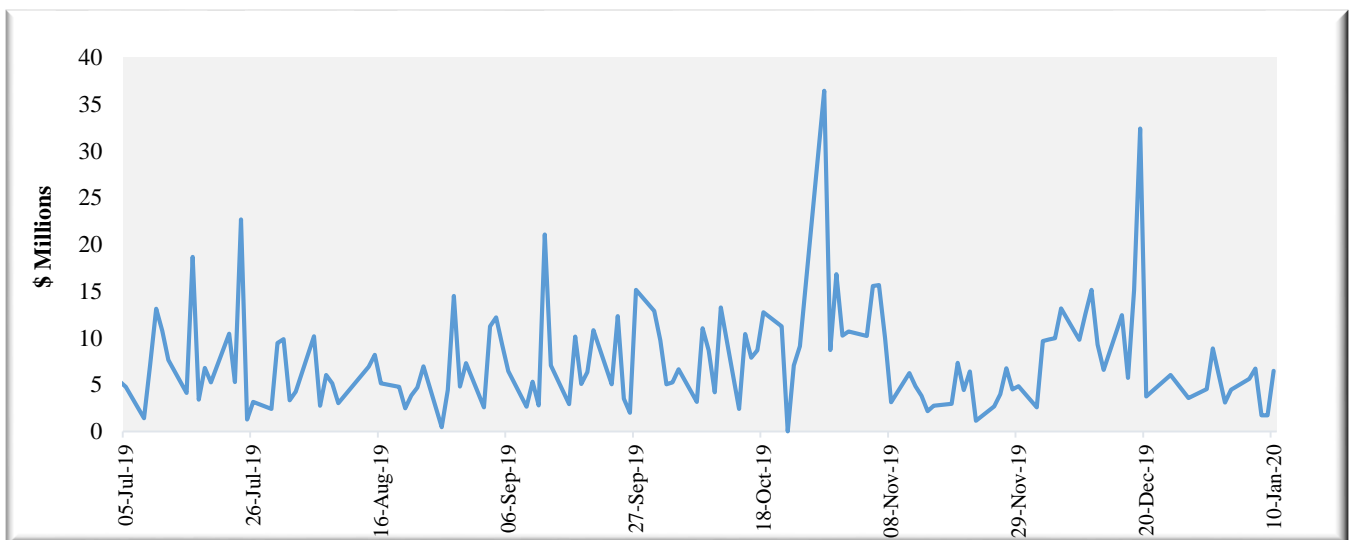


Source: Zimbabwe Stock Exchange, 2020

**Market Turnover and Volume**

The total volume of shares traded on the ZSE increased by 29.99%, to close at 14.32 million shares. Similarly, ZSE market turnover value increased by 6.29% to close at \$22.25 million, during the same period.

**Figure 4: Daily Market Turnover**



Source: Zimbabwe Stock Exchange, 2020



## Market Capitalization

During the week under analysis, ZSE market capitalisation gained by 0.80%, from \$30.05 billion recorded in the preceding week to \$30.29 billion. The increase was partly attributable to a gains in the industrial index.

**Figure 5: Daily Market Capitalization**



Source: Zimbabwe Stock Exchange, 2020

## Johannesburg Stock Exchange (JSE) Developments

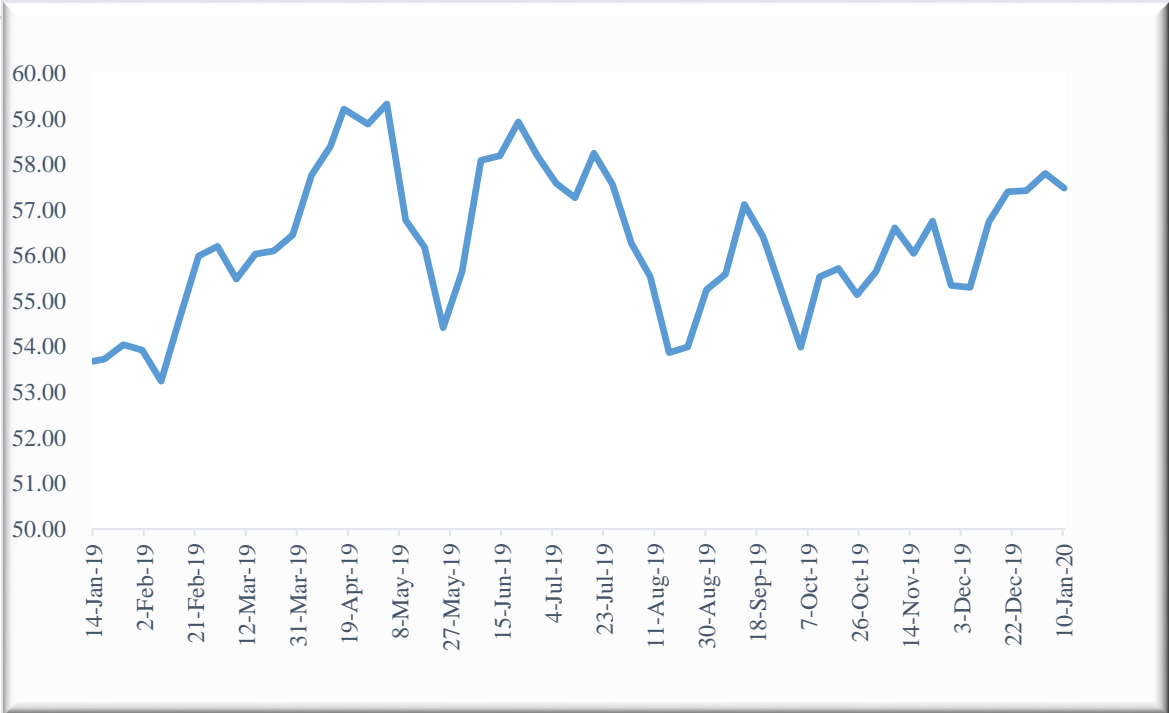
The JSE All Share Index closed at 57,484.84 points, during week under review, a 0.56% decline from 57,810.00 points recorded in the previous week. JSE market capitalization, however, rose by 0.40% to R17.77 billion, during the same week.

**Table 6: Johannesburg Stock Exchange (JSE) Statistics**

Period	All Share Index	Market Capitalization
	(points)	(ZAR billion)
13-Dec-19	56,749.12	17.3
20-Dec-19	57,411.21	17.52
27-Dec-19	57,430.70	17.55
3-Jan-20	57,810.00	17.7
10-Jan-20	57,484.84	17.77
% Change	-0.56	0.40

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

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



Source: <https://www.jse.co.za/services/market-data/market-statistics,2020>

**RESERVE BANK OF ZIMBABWE**  
**15<sup>TH</sup> JANUARY 2020**