



Weekly Economic Highlights

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Week Ending
24th January 2020

1. INTEREST RATES

Deposit Rates

During the week ending 24th January 2020, average deposit rates for deposits of 1-month tenor increased by 0.02%, to close the week at 5.24%. Average deposit rates for savings deposits and deposits of 3-month tenor, however, remained unchanged at 4.74% and 5.47%, respectively.

Table 1: Average Deposit Rates (per annum)

Date	Savings Deposits (%)	1-Month Deposit (%)	3-Month Deposit (%)
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
17-Jan-20	4.74	5.22	5.47
24-Jan-20	4.74	5.24	5.47

Source: Banking Institutions, 2020

Lending Rates

Commercial bank weighted lending rates for individual and corporate clients declined by 0.08 and 0.12 percentage points, to close the week under review at 16.49% and 17.93%, respectively.

Table 2: Lending Rates

Date	Lending Rates ¹ (%) Commercial Banks (weighted)	
	Individuals	Corporate Clients
27-Dec-19	16.08	18.31
3-Jan-20	16.13	18.03
10-Jan-20	16.04	17.99
17-Jan-20	16.57	18.05
24-Jan-20	16.49	17.93

Source: Banking Institutions, 2020

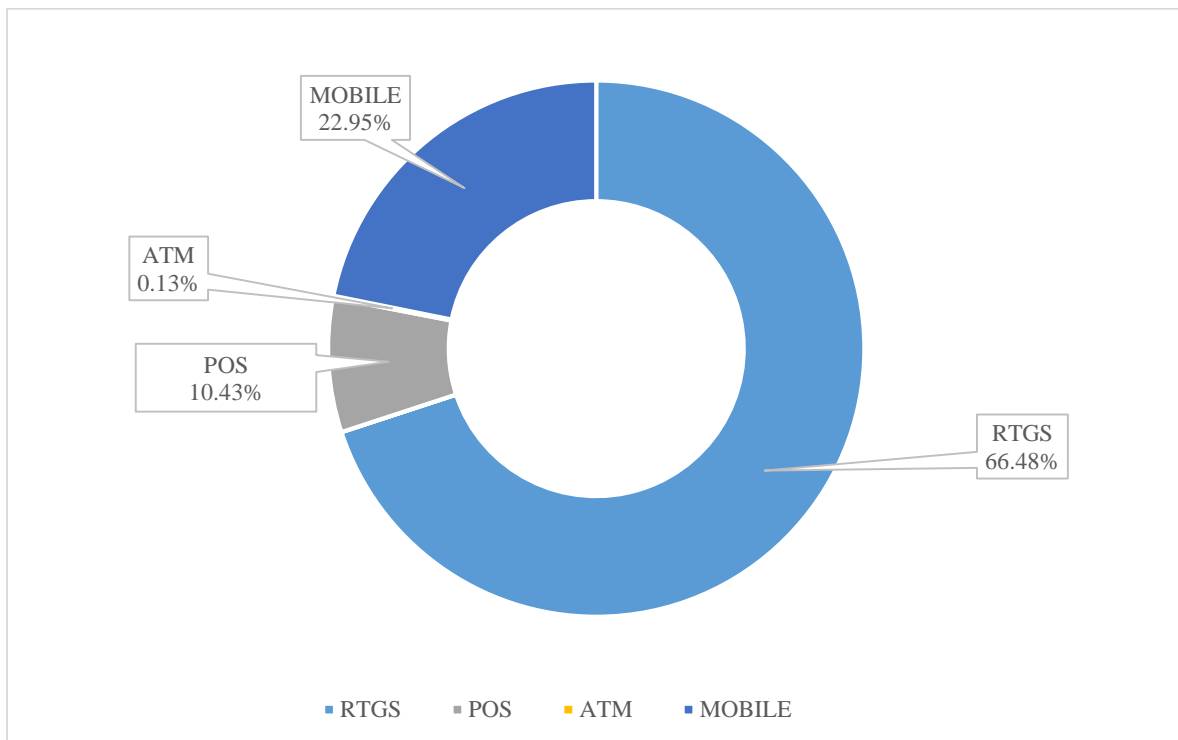
¹ Minimum weighted lending rates offered by commercial banks.

2. CLEARING AND SETTLEMENT ACTIVITY

The National Payment System (NPS) processed 33.82 million transactions valued at \$16.03 billion, during the week under review. This compares unfavorably, both in volume and value terms, to the 34.18 million transactions valued at \$17.63 billion processed in the previous week. RTGS transactions amounted to \$10,66 billion during the week under review, an 11.09% decline from \$11.99 billion recorded during the preceding week.

The NPS transactions were distributed as follows: RTGS, 66.48%; Mobile, 22.95%; Point of Sale (POS), 10.43%; Automated Teller Machine (ATM), 0.13%; and Cheque, 0.01%, as shown in Figure 1.

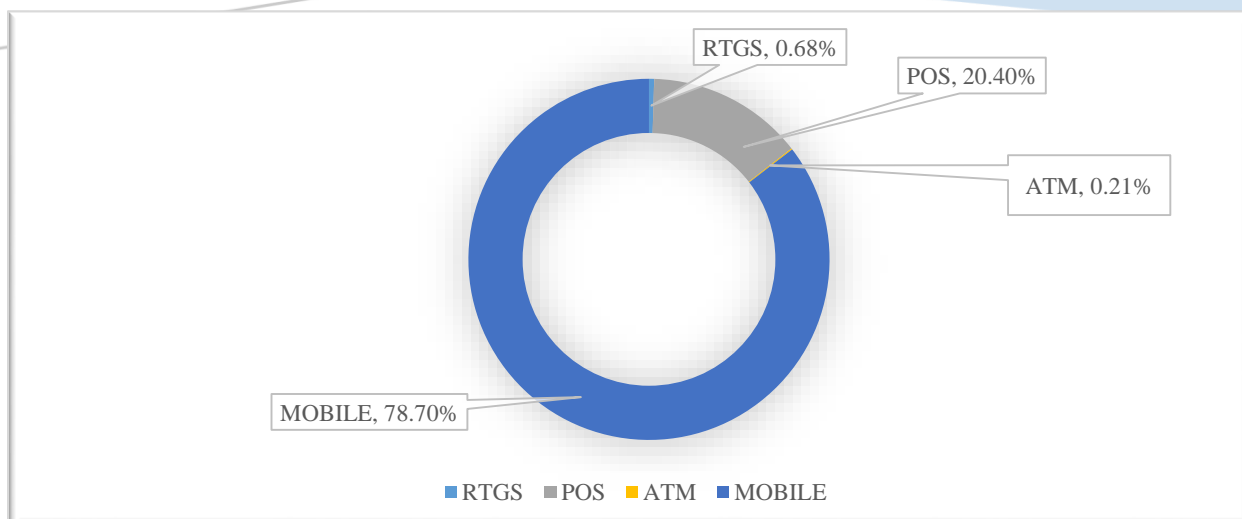
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2020

Cumulative transaction volumes declined by 1.06%, to close at 33.82 million transactions. Mobile transactions accounted for 78.70% of the total NPS transaction volumes; POS, 20.40%; RTGS, 0.68%; and ATM, 0.22%, 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
	17-Jan-20	24-Jan-20		
	VALUES IN ZWL (millions)			
RTGS	11,986.63	10,656.80	-11.09	66.48
CHEQUE	0.97	1.49	53.68	0.01
POS	1,662.46	1,671.91	0.57	10.43
ATM	21.26	21.3694794	0.50	0.13
MOBILE	3,954.22	3,678.71	-6.97	22.95
TOTAL	17,625.54	16,030.28	-9.05	100
	VOLUMES			
RTGS	199,751	229,549	14.92	0.68
CHEQUE	1,812	2,453	35.38	0.01
POS	6,172,250	6,899,920	11.79	20.40
ATM	75,783	71,418	-5.76	0.21
MOBILE	27,728,343	26,613,017	-4.02	78.70
TOTAL	34,177,939	33,816,357	-1.06	100

Source: Reserve Bank of Zimbabwe, 2020

3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

During the week ending 24th January 2020, the international commodity prices for gold and platinum firmed. Copper, nickel and crude oil prices, however, retreated, as shown in Table 4.

Table 4: International Commodity Prices

	Gold	Platinum	Copper	Nickel	Crude Oil
2020	<i>US\$/ounce</i>	<i>US\$/ounce</i>	<i>US\$/tonne</i>	<i>US\$/tonne</i>	<i>US\$/barrel</i>
Weekly average (13-17 Jan)	1,551.51	998.2	6,257.65	13,961.40	64.65
<i>20-Jan</i>	<i>1,559.70</i>	<i>1025</i>	<i>6,234.75</i>	<i>13,930.50</i>	<i>64.62</i>
<i>21-Jan</i>	<i>1,553.78</i>	<i>1000</i>	<i>6,112.00</i>	<i>13,579.00</i>	<i>64.35</i>
<i>22-Jan</i>	<i>1,557.50</i>	<i>1001</i>	<i>6,070.75</i>	<i>13,569.50</i>	<i>62.37</i>
<i>23-Jan</i>	<i>1,558.48</i>	<i>1002.5</i>	<i>5,993.00</i>	<i>13,313.50</i>	<i>62.26</i>
<i>24-Jan</i>	<i>1,563.08</i>	<i>1013</i>	<i>5,894.25</i>	<i>12,882.00</i>	<i>59.29</i>
weekly average (20-24 Jan)	1,558.51	1008.3	6,060.95	13,454.90	62.58
<i>Weekly Change (%)</i>	0.5	1.0	-3.1	-3.6	-3.2

Source: BBC, KITCO and Bloomberg 2020

Gold

Gold prices firmed by 0.5% to close at US\$1,558.51/oz, during the week under review. Concerns over constrained global economic growth; low global interest rates; persistent geopolitical uncertainties in Iraq and Libya; and the declaration of a public health emergency in China supported the appeal of gold as a safe haven asset.

Platinum

Platinum prices rose by 1.0%, from a weekly average of US\$998.20/oz in the previous week, to close the week under review at US\$1008.3/oz. The increase was, in part, on account of higher demand, particularly in the automotive industries, coupled with simmering supply concerns in South Africa.

Copper

The price of copper averaged US\$6,060.95/tonne, during the week under review. This represented a decline of 3.1% from US\$6,257.65/tonne recorded in the previous week. The

decline was partly attributed to fears of the adverse impact of the coronavirus outbreak that hit China.

Nickel

Nickel prices fell by 3.6%, from an average of US\$13,961.40/ tonne in the previous week to US\$13,454.90/tonne, during the week under review. This followed the outbreak of the coronavirus, which is set to dampen the demand for the base metal, as major cities in China are currently in a lockdown.

Crude Oil

The weekly average price of crude oil fell by 3.2% to close at US\$62.58/barrel, during the week under review. Fears about the possible increase in the infection rate of the coronavirus, which led to the closure of public transport systems and citywide shutdowns in China, send a strong signal about the possibility of lower oil demand in China.

4. EXCHANGE RATES

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

Table 5: International Exchange Rates²

2020	GBP	USD	BWP	EURO	ZAR
Weekly Average (13-17 Jan)	22.2448	17.0667	1.5902	19.008	1.1876
20-Jan	22.2739	17.141	1.5855	19.0256	1.1859
21-Jan	22.3531	17.1729	1.585	19.0567	1.1821
22-Jan	22.4472	17.195	1.5956	19.0598	1.1893
23-Jan	22.5966	17.2204	1.6024	19.0879	1.1997
24-Jan	22.6295	17.2448	1.6055	19.0546	1.2001
Weekly Average (20-24 Jan)	22.4600	17.1948	1.5948	19.0569	1.1914
<i>Appr(-)/Depr(+)</i> (%) <i>of the ZWL</i>	1.0	0.8	0.3	0.3	0.3

Source: Reserve Bank of Zimbabwe, 2020

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

5. EQUITY MARKETS

Bullish sentiment continued on the Zimbabwe Stock Exchange (ZSE), during the week ending 24th January 2020. Consequently, the All Share, Top 10 and Top 15 indices rose 5.49%, 4.80% and 4.85%, to close the week under review at 251.26, 221.05 and 222.58 points, respectively. Medium Cap and Small Cap indices grew by 6.91% and 7.08%, to close the same week at 313.81 and 726.71 points, respectively.

The industrial index increased by 5.43% to close the week at 836.54 points, from 793.43 points, recorded in the preceding week. This followed share price increases for Mashonaland Holdings Limited, (84.06%); Zimbabwe Newspapers (1980), (68.57%); Willdale Limited, (38.04%); Ariston Holdings Limited, (26.78%) and Dawn Properties Limited (22.28%).

The mining index added 7.11% to close at 347.19 points, during the week under review. This was attributable to a share price increase for Bindura Nickel Corporation (BNC) and RioZim Limited.

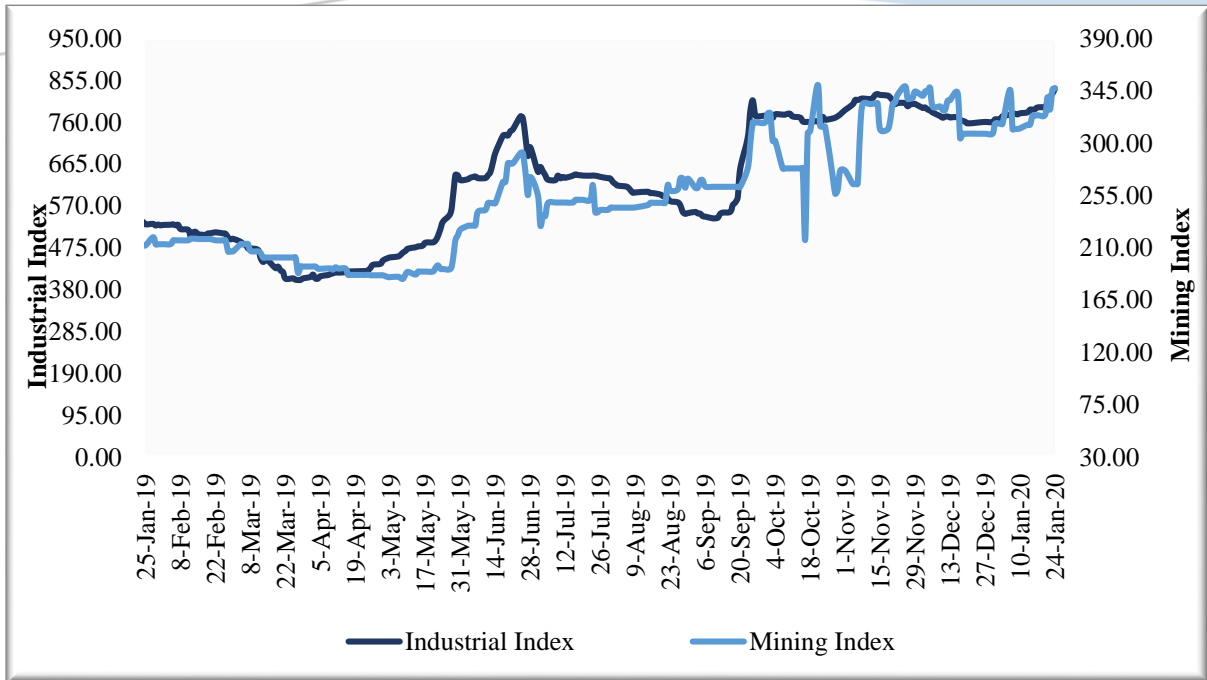
Table 6: Zimbabwe Stock Exchange Statistics³

	All Share Index points	Top 10 index (points)	Top 15 Index ³ points	Medium Cap ³ (points)	Small Cap ³ (points)	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (ZWL million)	Market Turnover (ZWL million)	Volume of Shares (million)
27-Dec-19	228.24	200.98	-	-	-	760.52	308.11	29.49	9.58	3.96
3-Jan-20	232.17	206.37	-	-	-	773.41	316.66	30.05	20.93	11.02
10-Jan-20	234.1	208.43	209.55	286.09	636.12	780.09	312.68	30.29	22.25	14.32
17-Jan-20	238.19	210.93	212.28	293.53	678.65	793.43	324.13	30.85	103.97	65.48
24-Jan-20	251.26	221.05	222.58	313.81	726.71	836.54	347.19	32.58	35.73	33.09
Weekly Change (%)	5.49	4.80	4.85	6.91	7.08	5.43	7.11	5.58	-65.64	-49.47

Source: Zimbabwe Stock Exchange (ZSE), 2020

³ The Zimbabwe Stock Exchange (ZSE) adopted the Global Industry Classification Standards, effective from 1 January 2020. The ZSE indices constitute the following categories; Top 10 Index; Top 15; Top 25; Medium cap and Small cap Indices.

Figure 3: Zimbabwe Stock Exchange Indices

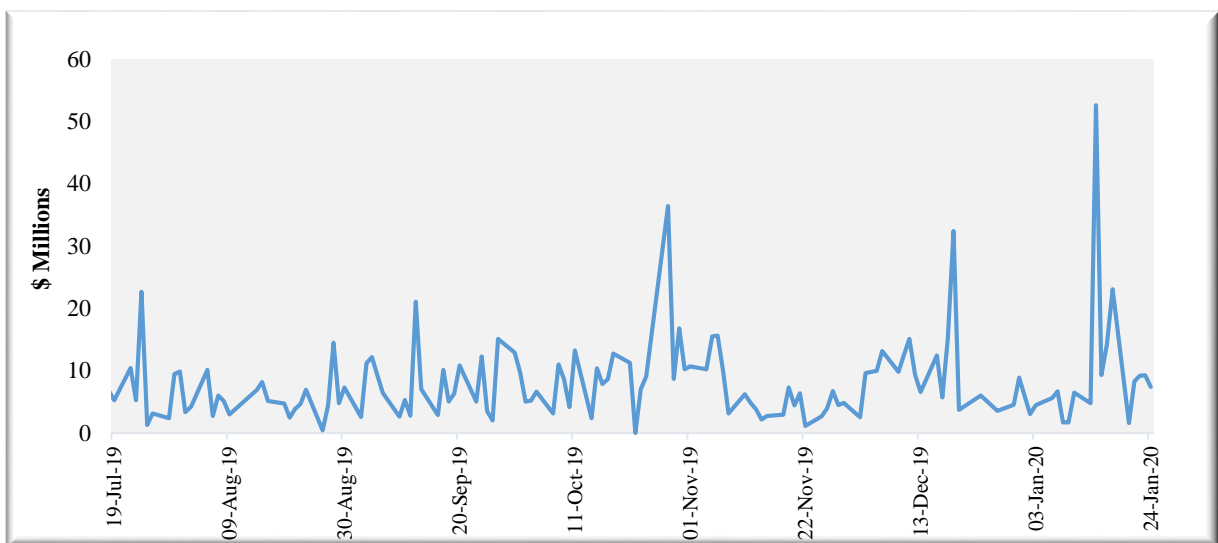


Source: Zimbabwe Stock Exchange, 2020

Market Turnover and Volume

The total volume of shares traded on the ZSE declined by 49.47% to close at 33.09 million shares, during the week under review. Similarly, ZSE market turnover value shed off 65.64% to close at \$35.73 million, during the same period.

Figure 4: Daily Market Turnover



Source: Zimbabwe Stock Exchange, 2020

Market Capitalization

ZSE market capitalisation increased by 5.58%, from \$30.85 billion recorded in the preceding week to \$32.58 billion, during the week under review. The increase was associated with gains in the Industrial, Top 10 and Top 15 indices.

Figure 5: Daily Market Capitalization



Source: Zimbabwe Stock Exchange, 2020

Johannesburg Stock Exchange (JSE) Developments

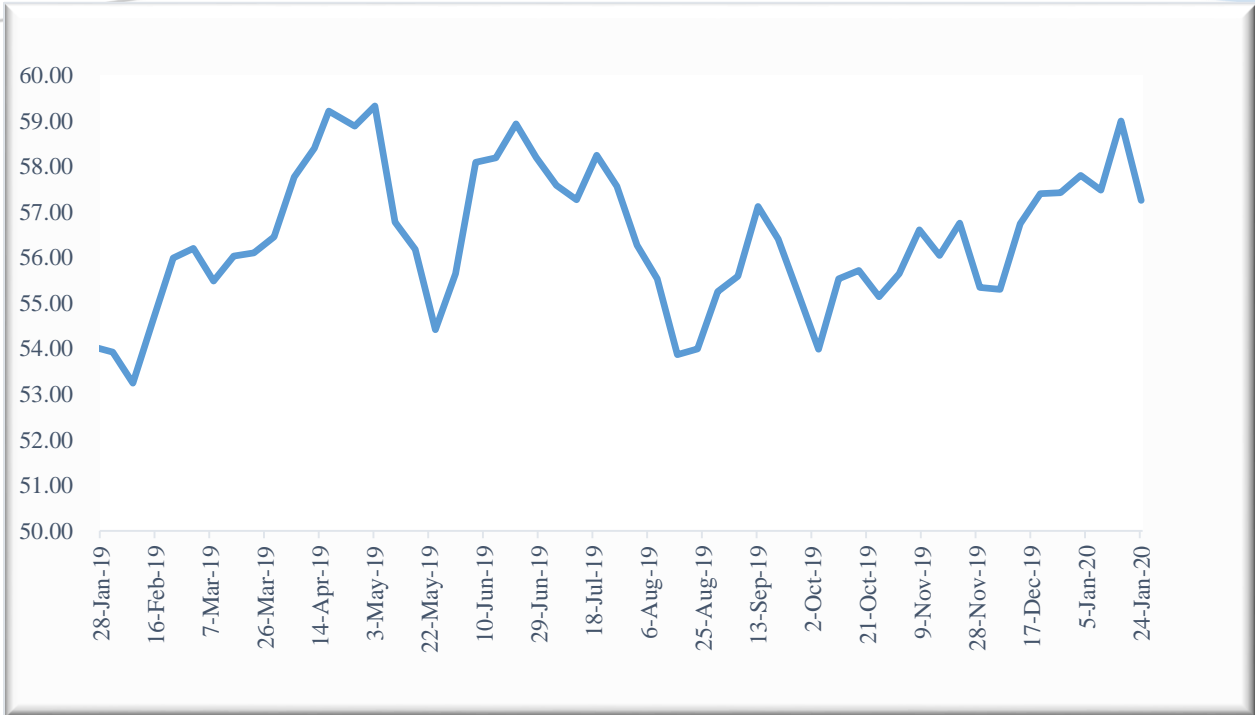
The JSE All Share Index stood at 57,261.04 points, during the week under analysis. This represented a 2.95% fall from 59,001.87 points recorded in the previous week. Similarly, JSE market capitalization lost 2.71% to ZAR17.57 billion during the same week.

Table 6: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index	Market Capitalization
	(points)	(ZAR billion)
27-Dec-19	57,430.70	17.55
3-Jan-20	57,810.00	17.7
10-Jan-20	57,484.84	17.77
17-Jan-20	59,001.87	18.06
24-Jan-20	57,261.04	17.57
% Change	-2.95	-2.71

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
28TH JANUARY 2020