Vol. 22 No. 1

Weekly Economic Highlights

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Week Ending
3rd January 2020

1. INTEREST RATES

Deposit Rates

During the week ending 3rd January 2020, average deposit rates for savings and deposits of 3-month tenor remained unchanged at 4.74% and 5.46%, respectively. Average deposits rates for deposits of 1-month tenor, however, gained 0.06 percentage points to close at 5.22%.

Table 1: Average Deposit Rates (per annum)

Date	Savings Deposits (%)	1-Month Deposit (%)	3-Month Deposit (%)
6-Dec-19	4.74	5.16	5.46
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

Source: Banking Institutions, 2020

Lending Rates

Commercial bank weighted lending rates for individual clients increased by 0.05 percentage points to close the week under review at 16.13%. Lending rates for corporate clients, however, declined by 0.28 percentage points to close at 18.03%, during the same week.

Table 2: Lending Rates

Date	Lending Rates[1] (%) Commercial Banks (weighted)	
	Individuals	**Corporate Clients**
6-Dec-19	15.00	17.94
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**

Source: Banking Institutions, 2020

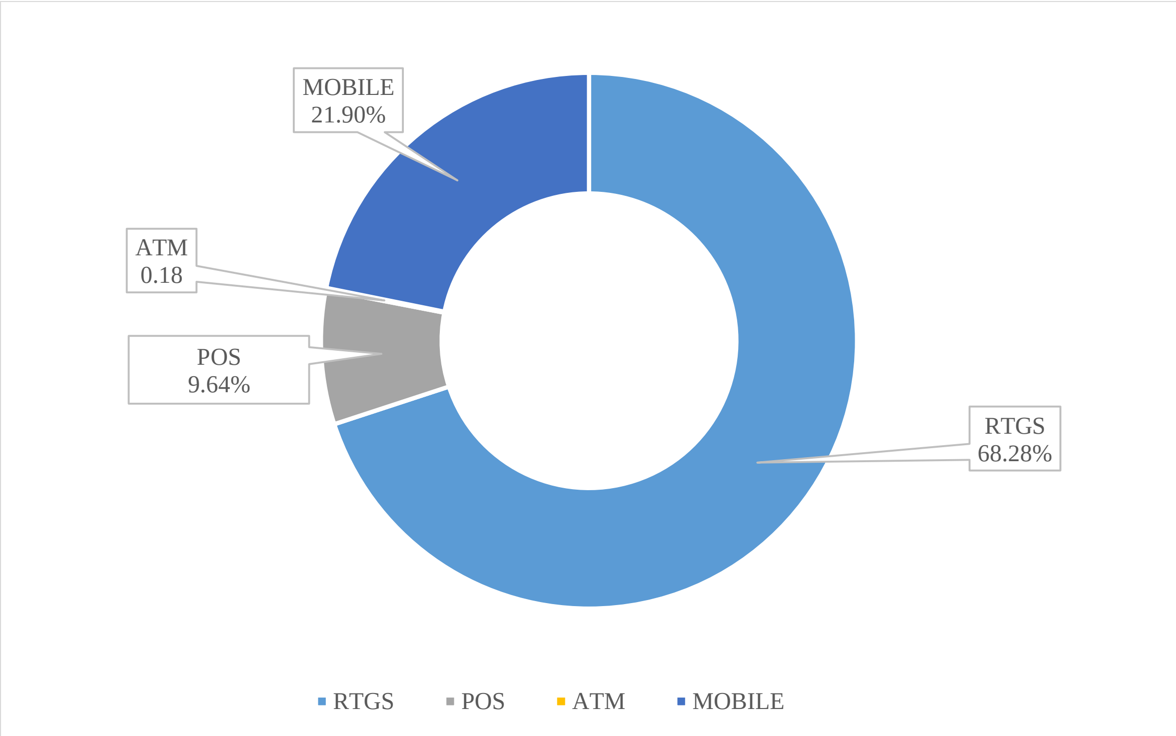
[1] Minimum weighted lending rates offered by commercial banks.

2. CLEARING AND SETTLEMENT ACTIVITY

The total value of transactions processed through the National Payment System (NPS), amounted to $15.19 billion, during the week ending 3rd January 2020. This was a 34.35% increase from $11.31 billion recorded in the previous week. RTGS transaction values stood at $10.37 billion, up from $6.64 billion realized in the previous week, representing an increase of 56.12%.

The distribution of NPS transactions in value terms was as follows: RTGS, 68.28%; Mobile, 21.90%; Point of Sale (POS), 9.64%; Automated Teller Machine (ATM), 0.18%; and Cheque, 0.00%, as shown in Figure 1.

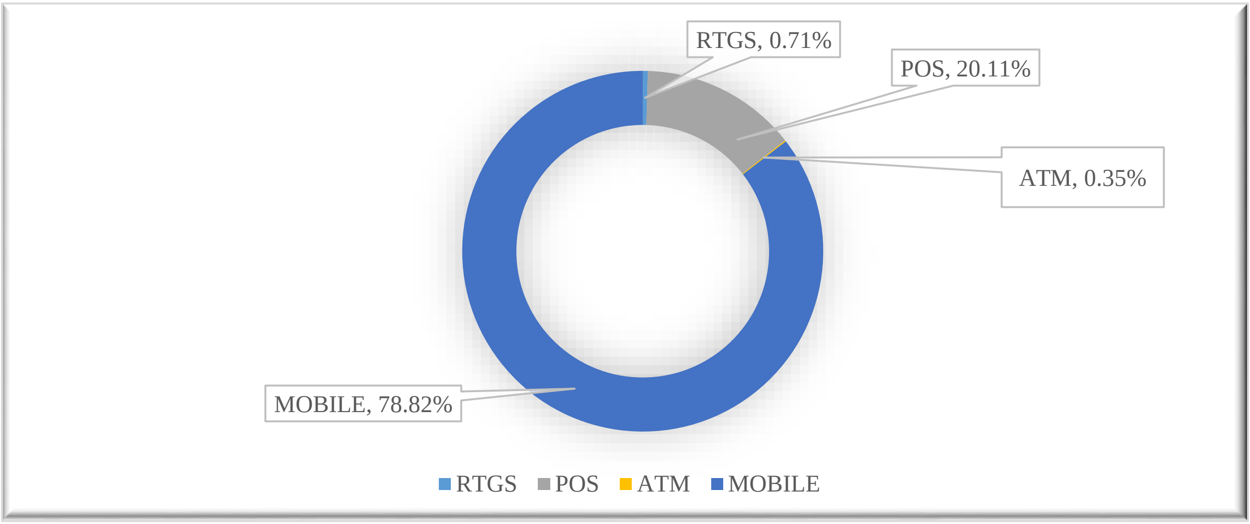
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2020

NPS transaction volumes declined by 3.25%, to close the week ending 3rd January 2020, at 34.05 million transactions. Mobile based transactions contributed 78.82% of the total volume of transactions, followed by POS, 20.11%; RTGS, 0.71%; and ATM, 0.35%, 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 27th Dec 19	WEEK ENDING 3rd Jan 20	% CHANGE FROM LAST WEEK	PERCENTAGE OF TOTAL
	VALUES IN ZWL (millions)			
RTGS	6,643.85	10,372.60	56.12	68.28
CHEQUE	0.22	0.42	96.30	0.00
POS	2,178.07	1,463.59	-32.80	9.64
ATM	43.38	26.90	-37.99	0.18
MOBILE	2,440.74	3,326.73	36.30	21.90
TOTAL	**11,306.25**	**15,190.23**	**34.35**	**100**
	VOLUMES			
RTGS	107,273	242,838	126.37	0.71
CHEQUE	655	1,170	78.63	0.00
POS	8,866,374	6,847,464	-22.77	20.11
ATM	99,334	119,275	20.07	0.35
MOBILE	26,118,493	26,837,495	2.75	78.82
TOTAL	**35,192,129**	**34,048,242**	**-3.25**	**100**

Source: Reserve Bank of Zimbabwe, 2020

3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international commodity prices of gold, platinum and crude oil firmed, during the week ending 3rd January 2020. Copper and nickel prices, however, retreated, as shown in Table 4.

Table 4: International Commodity Prices

	Gold	Platinum	Copper	Nickel	Crude Oil
2020	*US$/ounce*	*US$/ounce*	*US$/tonne*	*US$/tonne*	*US$/barrel*
Weekly average (23-27 Dec)	**1,491.05**	**935.83**	**6,182.65**	**14,308.30**	**69.29**
30-Dec	*1,515.13*	*953*	*6,155.75*	*13,995.00*	*68.3*
31-Dec	*1,519.90*	*971*	*6,142.50*	*14,220.00*	*69.77*
2-Jan	*1,548.08*	*985.5*	*6,075.00*	*14,125.00*	*69.6*
3-Jan	*1,548.08*	*985.5*	*6,110.00*	*13,688.00*	*70.17*
Weekly average (30 Dec-3 Jan 20)	**1,532.79**	**973.75**	**6,120.81**	**14,007.00**	**69.46**
Weekly Change (%)	*2.8*	*4.1*	*-1.0*	*-2.1*	*0.2*

Source: BBC, KITCO and Bloomberg 2020.

Gold

Gold prices rose by 2.8% to close at US$1,532.79/oz., during the week under analysis. The increase was underpinned by strong safe haven demand for the yellow metal, as investors rebalanced their investment positions in the risky equities markets.

Platinum

Platinum prices gained 4.1%, from a weekly average price of US$935.83/oz. in the previous week, to close the week under review at US$973.75/oz. Prospects of strong investment demand for the precious metal weighed up the prices.

Copper

Copper prices averaged US$6,120.81/tonne, during the week under review, representing a 1.0% decline from US$6,182.65/tonne recorded in the previous week. Weak factory data from China, the world largest producer of the base metal, dampened the demand outlook for the base metal.

Nickel

Nickel prices retreated by 2.1%, from an average of US$14,308.30/ tonne in the previous week to US$14,007.00/tonne, during the week under review. The slump in prices was on account of a weak demand outlook for the metal, following the release of weak factory data from China.

Crude Oil

The weekly average price of crude oil rose by 0.2% to US$69.46/barrel, during the week under review. Warming trade relations between the US and China eased crude oil demand concerns.

4. EXCHANGE RATES

The ZWL depreciated against the pound Sterling; pula; euro; rand; and US dollar, during the week under review, as shown in Table 5. The interbank market has, however, remained relatively stable during the past few months.

Table 5: International Exchange Rates[2]

2020	GBP	BWP	EUR	ZAR	USD
Weekly Average (24-27 Dec)	**21.6542**	**1.5636**	**18.5395**	**1.1777**	**16.6963**
30-Dec	22.218	1.5896	18.832	1.1995	16.8038
31-Dec	22.0645	1.589	18.832	1.1871	16.8329
2-Jan	22.218	1.5896	18.832	1.1995	16.8038
3-Jan	22.0645	1.589	18.832	1.1871	16.8329
Weekly Average (30 Dec-3 Jan)	**22.1668**	**1.5894**	**18.832**	**1.1954**	**16.8135**
Appr(-)/Depr(+) (%) of the ZWL	*2.4*	*1.7*	*1.6*	*1.5*	*0.7*

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

The Zimbabwe Stock Exchange (ZSE) was characterized by bullish sentiment, during the week ending 3rd January 2020. Resultantly, the All Share and Top 10 indices gained 1.72% and 2.68%, to close the week under review at 232.17 and 206.37 points, respectively.

The industrial index increased by 1.69% to close the week at 773.41 points, from 760.52 points recorded in the preceding week. This was partly attributable to share price increases for Edgars Stores Limited (17.65%); Dairibord Holdings Limited (17.12%); Willdale Limited (11.82%); First Mutual Holdings Limited (8.02%) and Econet Wireless Zimbabwe (5.63%).

The mining index rose by 2.77% to close at 316.66 points, during the week under analysis. This was largely on account of an increase in the share price for Bindura Nickel Corporation Limited.

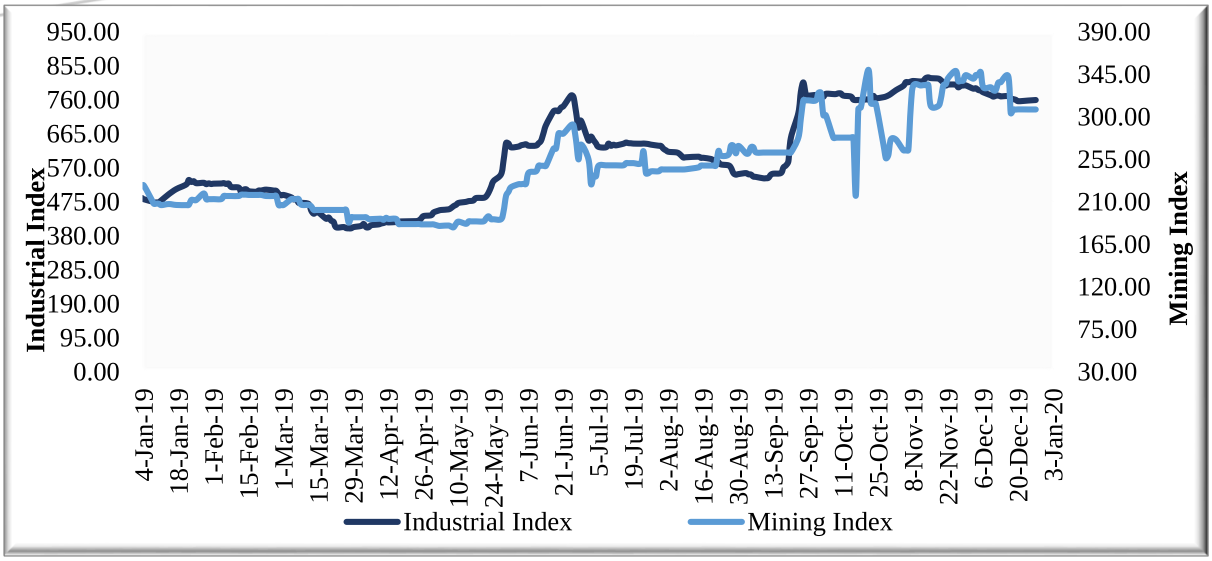
Table 6: Zimbabwe Stock Exchange Statistics

	All Share Index[3] (points)	Top 10 index[4] (points)	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (ZWL million)	Market Turnover (ZWL million)	Volume of Shares (million)
6-Dec-2019	234.91	209.91	782.04	331.59	30.41	45.15	29.17
13-Dec-19	231.58	205.85	770.53	336.87	29.97	53.34	30.88
20-Dec-19	227.26	200.18	757.22	308.20	29.37	69.40	123.77
27-Dec-19	228.24	200.98	760.52	308.11	29.49	9.58	3.96
03-Jan-20	232.17	206.37	773.41	316.66	30.05	20.93	11.02
Weekly Change (%)	**1.72**	**2.68**	**1.69**	**2.77**	**1.90**	**118.48**	**178.28**

Source: Zimbabwe Stock Exchange (ZSE), 2020

[3] The All Share index shows the changing average value of shares of all companies on the market.
[4] The Index is calculated using the market capitalisation method.

Figure 1: Zimbabwe Stock Exchange Indices

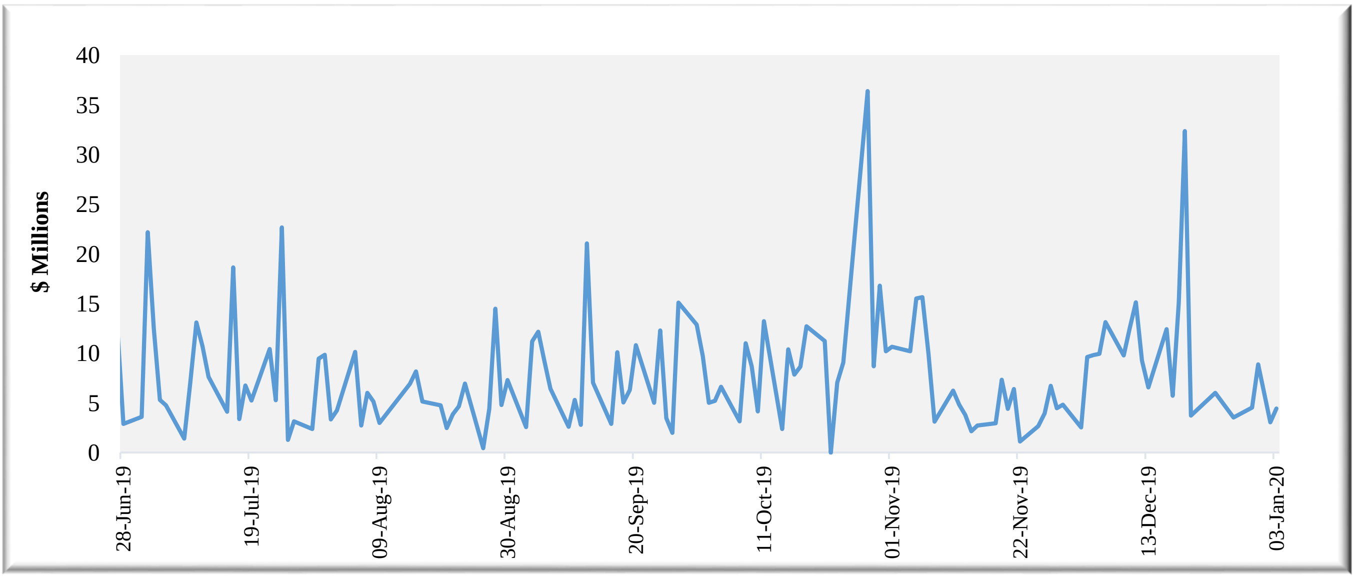


Source: Zimbabwe Stock Exchange, 2020

Market Turnover and Volume

The total volume of shares traded on the ZSE rose by 118.48%, to close at 11.02 million shares during the week ending 3rd January 2020. Similarly, ZSE market turnover value gained by 178.28% to close at $20.93 million, during the same period.

Figure 2: Daily Market Turnover



Source: Zimbabwe Stock Exchange, 2020

Market Capitalization

The ZSE market capitalisation rose by 1.90%, from $29.49 billion recorded in the preceding week to $30.05 billion, during the week under review. This was partly attributable to gains in both the mining and industrial indices.

Figure 4: Daily Market Capitalization

Source: Zimbabwe Stock Exchange, 2020

Johannesburg Stock Exchange (JSE) Developments

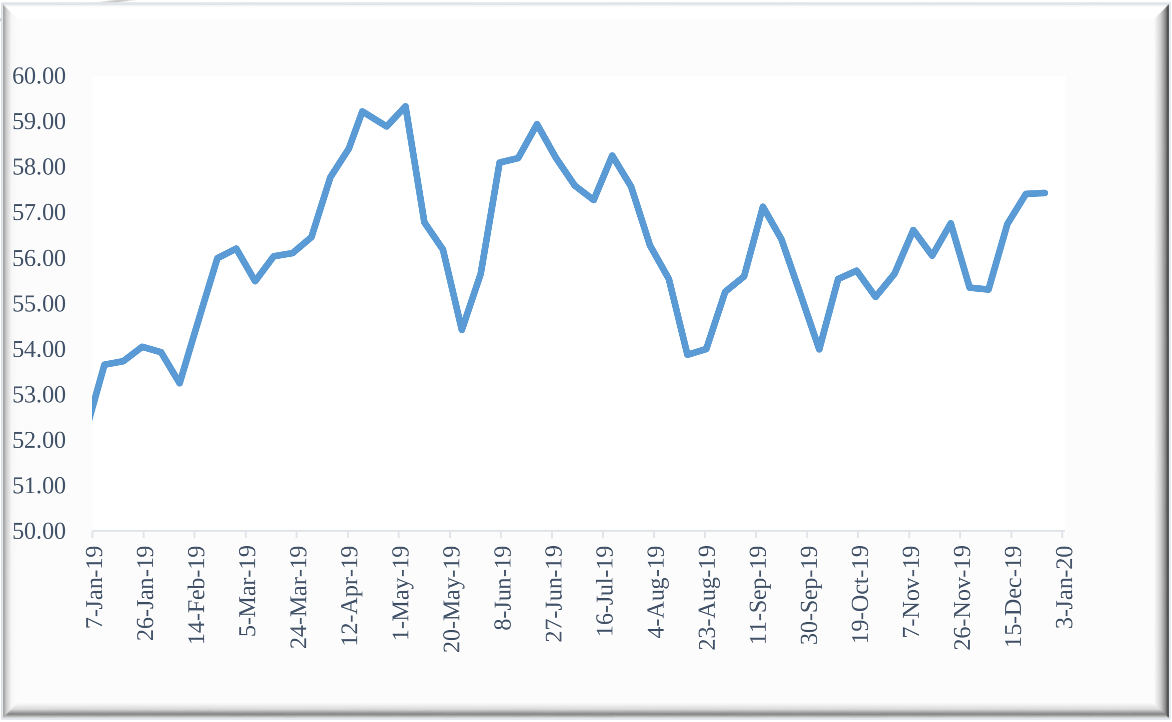
The JSE All Share Index stood at 57,810.00 points, during week ending 3rd January 2020. This was 0.66% up from 57,430.70 points recorded in the previous week. Similarly, JSE market capitalization increased by 0.85% to R17.70 billion, during the same week.

Table 6: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalization (ZAR billion)
6-Dec-19	55,307.31	16.93
13-Dec-19	56,749.12	17.30
20-Dec-19	57,411.21	17.52
27-Dec-19	57,430.70	17.55
03-Jan-20	57,810.00	17.70
% Change	**0.66**	**0.85**

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

Figure 5: Johannesburg Stock Exchange (JSE) All Share Index



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

RESERVE BANK OF ZIMBABWE

8TH JANUARY 2020