



# Weekly Economic Highlights

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Week Ending  
20<sup>th</sup> December 2019

## 1. INTEREST RATES

### Deposit Rates

During the week ending 20<sup>th</sup> December 2019, average deposit rates for savings deposits and deposits of 1-month and 3-month tenors remained unchanged at 5.16%, 5.46% and 4.74%, respectively.

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

Date	Savings Deposits (%)	1-Month Deposit (%)	3-Month Deposit (%)
22-Nov-19	4.74	5.15	5.37
29-Nov-19	4.74	5.13	5.49
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

Source: Banking Institutions, 2019

### Lending Rates

Commercial bank weighted lending rates for individual clients increased by 0.04 percentage points to close at 16.17%. Weighted lending rates for corporate clients, however, declined by 0.38 percentage points to close at 18.62%, during the week under review.

**Table 2: Lending Rates**

Date	Lending Rates <sup>1</sup> (%)	
	Commercial Banks (weighted)	
	Individuals	Corporate Clients
22-Nov-19	15.12	18.78
29-Nov-19	15.06	18.00
6-Dec-19	15.00	17.94
13-Dec-19	16.13	19.00
20-Dec-19	<b>16.17</b>	<b>18.62</b>

Source: Banking Institutions, 2019

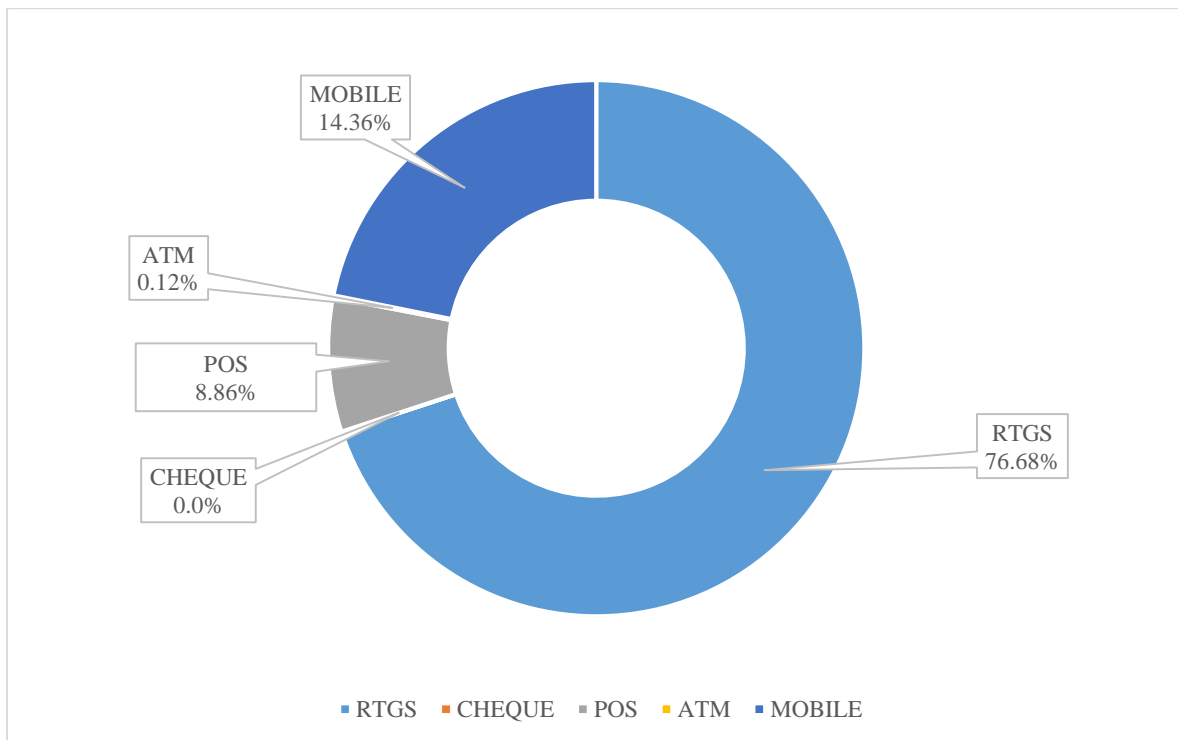
<sup>1</sup> Minimum weighted lending rates offered by commercial banks.

## 2. CLEARING AND SETTLEMENT ACTIVITY

Transactions processed through the National Payment System (NPS) registered an increase of 22.27% to close at \$19.97 billion, during the week under review, from \$16.33 billion recorded in the previous week. RTGS transaction values increased by 27.40%, from \$12.02 billion in the previous week to \$15.31 billion, during the week ending 20<sup>th</sup> December 2019.

The NPS transaction values were distributed as follows: RTGS, 76.68%; Mobile, 14.36%; point of Sale (POS), 8.86%; Automated Teller Machine (ATM), 0.12%; and Cheque, 0.00%, as shown in Figure 1.

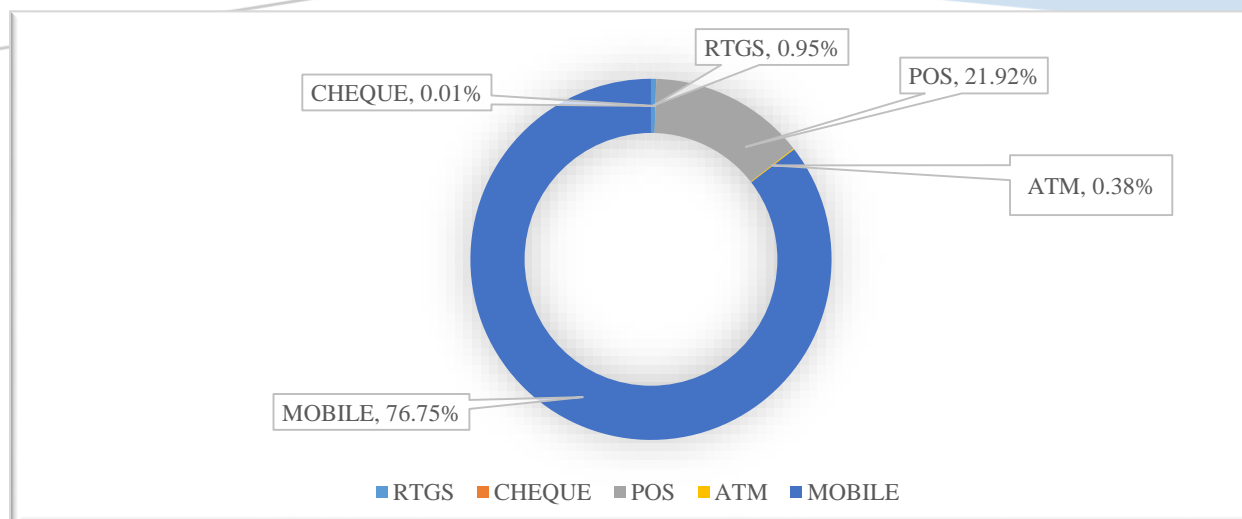
**Figure 1: Composition of NPS Transactions in Value Terms**



*Source: Reserve Bank of Zimbabwe, 2019*

NPS transaction volumes increased by 8.07% to close at 33.45 million transactions, during the week under analysis. Mobile based transactions accounted for 76.75% of the NPS transaction volumes, followed by POS; 21.92%; RTGS, 0.95%; ATM, 0.38%; and cheque, 0.01%, 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	WEEK ENDING	% CHANGE FROM LAST WEEK	PERCENTAGE OF TOTAL
	13 <sup>th</sup> December 2019	20 <sup>th</sup> December 2019		
	<b>VALUES IN ZWL (millions)</b>			
RTGS	12,021.08	15,314.61	27.40%	76.68%
CHEQUE	0.81	0.67	-17.28%	0.00%
POS	1,831.16	1,769.52	-3.37%	8.86%
ATM	21.83	19.77	-9.44%	0.10%
MOBILE	2,459.11	2,867.32	16.60%	14.36%
<b>TOTAL</b>	<b>16,333.99</b>	<b>19,971.88</b>	<b>22.27%</b>	<b>100%</b>
	<b>VOLUMES</b>			
RTGS	221,325	316,523	43.01%	0.95%
CHEQUE	2,074	2,025	-2.36%	0.01%
POS	8,180,059	7,331,318	-10.38%	21.92%
ATM	137,035	126,534	-7.66%	0.38%
MOBILE	22,411,853	25,672,992	14.55%	76.75%
<b>TOTAL</b>	<b>30,952,346</b>	<b>33,449,392</b>	<b>8.07%</b>	<b>100%</b>

Source: Reserve Bank of Zimbabwe, 2019

### 3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international commodity prices of gold; platinum; copper; nickel and crude oil firmed, during the week under review, as shown in Table 4.

**Table 4: International Commodity Prices**

	<b>Gold</b>	<b>Platinum</b>	<b>Copper</b>	<b>Nickel</b>	<b>Brent Crude Oil</b>
<b>2019</b>	<i>US\$/ounce</i>	<i>US\$/ounce</i>	<i>US\$/tonne</i>	<i>US\$/tonne</i>	<i>US\$/barrel</i>
<b>Weekly average (9-13 December)</b>	<b>1,466.93</b>	<b>913.3</b>	<b>6,096.29</b>	<b>13,596.70</b>	<b>64.43</b>
<i>16-Dec</i>	<i>1,477.65</i>	<i>932</i>	<i>6,155.45</i>	<i>14,080.00</i>	<i>68.04</i>
<i>17-Dec</i>	<i>1,477.10</i>	<i>929</i>	<i>6,174.75</i>	<i>14,080.00</i>	<i>68.99</i>
<i>18-Dec</i>	<i>1,476.48</i>	<i>928</i>	<i>6,126.40</i>	<i>13,845.00</i>	<i>69.12</i>
<i>19-Dec</i>	<i>1,475.55</i>	<i>930</i>	<i>6,160.65</i>	<i>14,030.00</i>	<i>69.7</i>
<i>20-Dec</i>	<i>1,477.85</i>	<i>933.5</i>	<i>6,155.45</i>	<i>14,200.00</i>	<i>68.66</i>
<b>Weekly average (16-20 Dec)</b>	<b>1,476.93</b>	<b>930.5</b>	<b>6,154.54</b>	<b>14,047.00</b>	<b>68.9</b>
<b>Weekly Change (%)</b>	<i>0.7</i>	<i>1.9</i>	<i>1.0</i>	<i>3.3</i>	<i>6.9</i>

Source: BBC, KITCO and Bloomberg 2019

#### Gold

The price of gold firmed by 0.7% to close at US\$1,476.93/oz, during the week under analysis. This followed a decision by the U.S Federal Reserve to leave interest rates unchanged.

#### Platinum

Platinum prices rose by 1.9%, from a weekly average price of US\$913.3/oz. in the previous week, to close the week under review at US\$930.50/oz. South Africa, the world's largest producer of the precious metal was hit by acute power shortages, following breakdowns at Eskom coal-fired power plants. This escalated fears of platinum supply disruptions in South Africa.

## Copper

Copper prices averaged US\$6,154.54/tonne, during the week under review, representing a 1.0% increase from US\$6,096.29/tonne recorded in the previous week. A positive demand outlook for the base metal and sustained optimism regarding the interim trade deal between the US and China, partly accounted for the increase in the price of the base metal.

## Nickel

The price of nickel increased by 3.3%, from an average of US US\$13,596.70/tonne in the previous week to US\$14,047.00/tonne, during the week under review. Prices firmed on the back of a positive demand outlook for the metal and the heightened optimism related to the trade deal between US and China.

## Crude Oil

The weekly average prices of crude oil rose by 6.9% to US\$68.90/barrel, during the week under review. This followed the Organization of Petroleum Exporting Countries deal with associated producers that aims at deepening output cuts in 2020. In addition, anticipation of a trade deal between the US and China also boosted oil prices.

## 4. EXCHANGE RATES

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

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

2019	BWP	ZAR	EURO	GBP	USD
<b>Weekly Average (6-13 Dec)</b>	<b>1.5184</b>	<b>1.1205</b>	<b>18.2584</b>	<b>21.6739</b>	<b>16.4561</b>
<b>16-Dec</b>	1.5395	1.1405	18.4555	22.1833	16.5438
<b>17-Dec</b>	1.5523	1.1280	18.4906	22.0497	16.5438
<b>18-Dec</b>	1.5473	1.1525	18.4883	21.7656	16.5438
<b>19-Dec</b>	1.5785	1.1587	18.7523	21.9629	16.5438
<b>20-Dec</b>	1.5487	1.1694	18.5140	21.6782	16.5438
<b>Weekly Average (13-20 Dec)</b>	<b>1.5544</b>	<b>1.1450</b>	<b>18.5467</b>	<b>21.9904</b>	<b>16.5438</b>
<i>Appr(-)/Depr(+) (%) of the ZWL</i>	2.4	2.2	1.6	1.5	0.5

Source: Reserve Bank of Zimbabwe, 2019

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

## 5. EQUITY MARKETS

The week ending 20<sup>th</sup> December 2019 saw the Zimbabwe Stock Exchange (ZSE) register losses. Resultantly, the All Share and Top 10 indices declined by 1.87% and 2.75%, to close the week under review at 227.26 and 200.18 points, respectively.

The industrial index declined by 1.73% to close the week at 757.22 points, from 770.35 points, recorded in the preceding week. This was largely attributable to share price losses for OK Zimbabwe Limited (21.84%); Mashonaland Holdings Limited (19.80%); TSL Limited (15.83%); Powerspeed Electrical Limited (11.11%) and Cassava Smartech Zimbabwe Limited (6.74%).

The mining index lost 8.51% to close at 308.20 points, largely on account of a decline in the share price of RioZim Limited (13.75%).

**Table 6: Zimbabwe Stock Exchange Statistics**

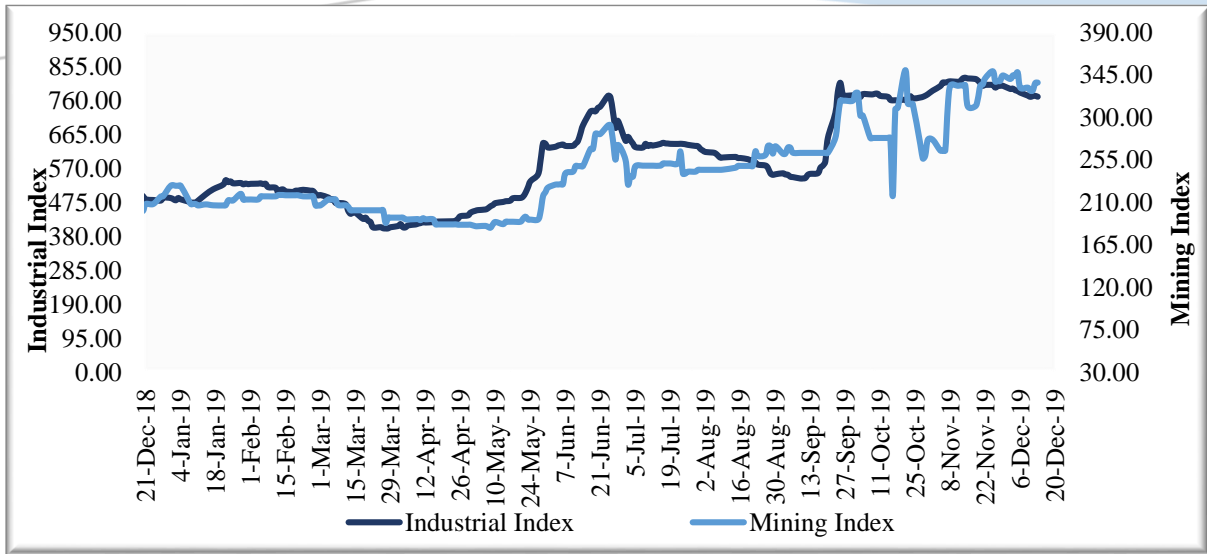
	All Share Index <sup>3</sup> (points)	Top 10 index <sup>4</sup> (points)	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (ZWL million)	Market Turnover (ZWL million)	Volume of Shares (million)
<b>22-Nov-2019</b>	241.44	217.97	803.64	341.56	31.28	22.24	42.53
<b>29-Nov-2019</b>	240.81	216.29	801.38	344.42	31.23	22.67	34.83
<b>6-Dec-2019</b>	234.91	209.91	782.04	331.59	30.41	45.15	29.17
<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>Weekly Change (%)</b>	<b>-1.87</b>	<b>-2.75</b>	<b>-1.73</b>	<b>-8.51</b>	<b>-2.00</b>	<b>30.11</b>	<b>300.81</b>

Source: Zimbabwe Stock Exchange (ZSE), 2019

<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 1: Zimbabwe Stock Exchange Indices**

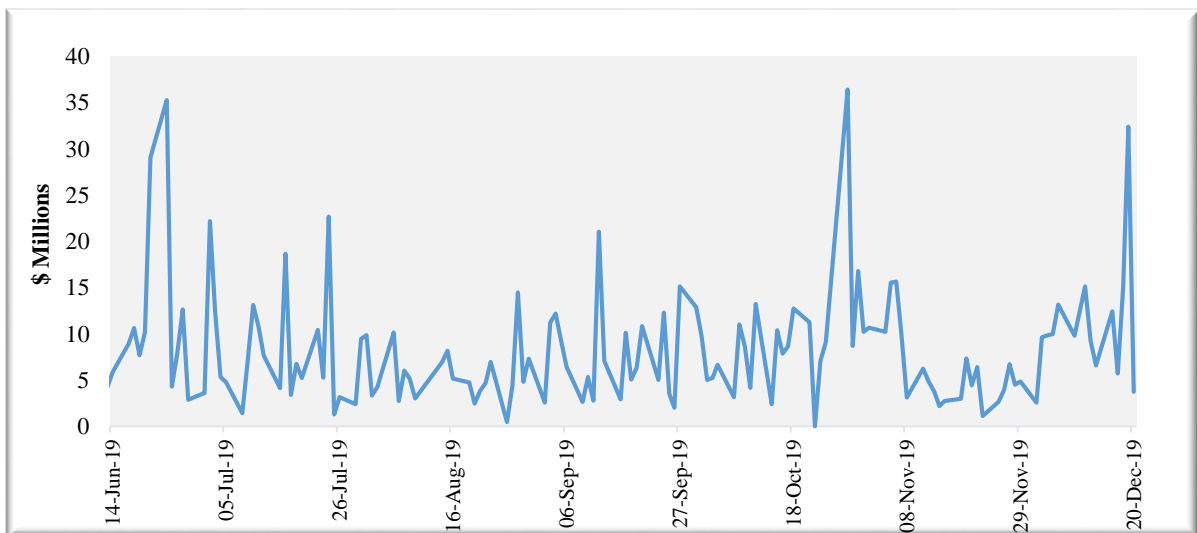


Source: Zimbabwe Stock Exchange, 2019

**Market Turnover and Volume**

The volume of shares traded on the ZSE increased by 300.80%, to close at 123.77 million shares, during the week ending 20<sup>th</sup> January 2020. Similarly, ZSE market turnover value gained 30.11% to close at \$69.40 million, during the same week.

**Figure 2: Daily Market Turnover**



Source: Zimbabwe Stock Exchange, 2019



## Market Capitalization

ZSE market capitalisation declined by 2%, from \$29.97 billion recorded in the preceding week to \$29.37 billion, during the week under analysis. Declines in both the industrial and mining indices weighed down ZSE market capitalisation.

**Figure 4: Daily Market Capitalization**



Source: Zimbabwe Stock Exchange, 2019

## Johannesburg Stock Exchange (JSE) Developments

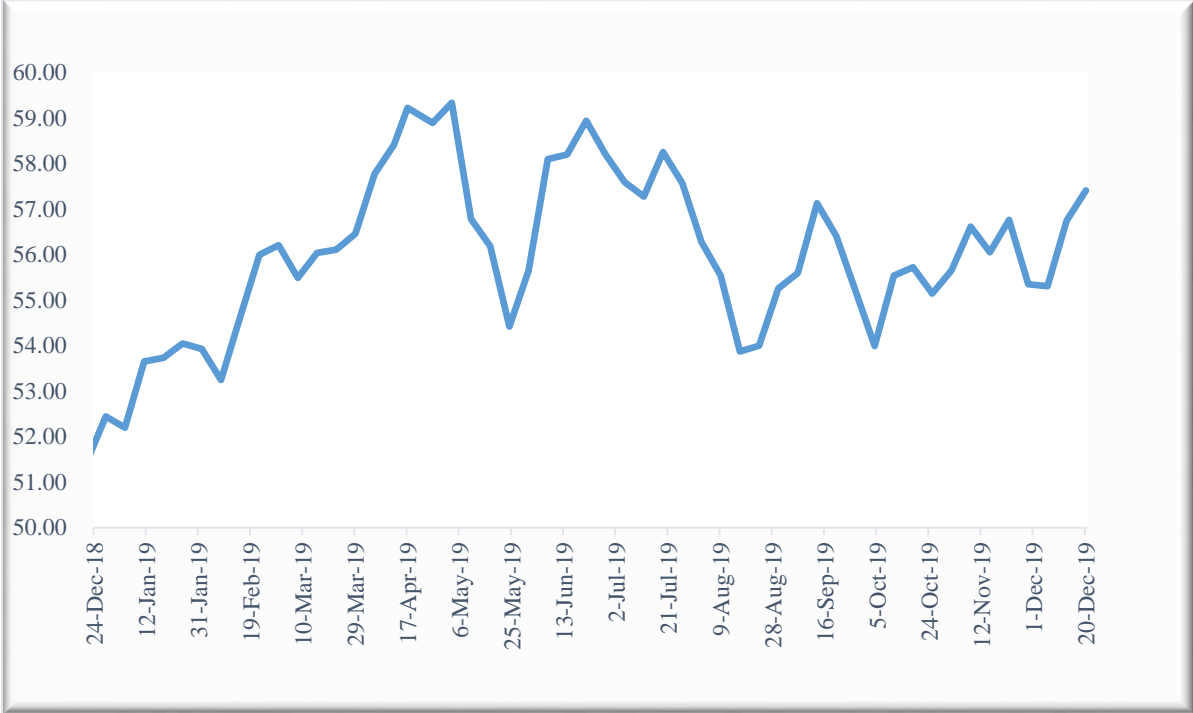
The JSE All Share Index increased by 1.17% to close at 57,411.21 points, during week under review. Similarly, JSE market capitalization increased by 1.27% to R17.52 billion, during the same week.

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

Period	All Share Index (points)	Market Capitalization (ZAR billion)
22-Nov-19	56,759.62	17.25
29-Nov-19	55,349.01	17.03
6-Dec-19	55,307.31	16.93
13-Dec-19	56,749.12	17.30
20-Dec-19	57,411.21	17.52
% Change	1.17	1.27

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,2019>

**RESERVE BANK OF ZIMBABWE**

**26<sup>TH</sup> DECEMBER 2019**