



Weekly Economic Highlights

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Week Ending
27th December 2019

1. INTEREST RATES

Deposit Rates

During the week ending 27th 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 (%) |
|-----------|----------------------|---------------------|---------------------|
| 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 |
| 27-Dec-19 | 4.74 | 5.16 | 5.46 |

Source: Banking Institutions, 2019

Lending Rates

During the week under analysis, commercial bank weighted lending rates for individual and corporate clients declined by 0.09 and 0.31 percentage points, to close at 16.08% and 18.31%, respectively.

Table 2: Lending Rates

| Date | Lending Rates ¹ (%) Commercial Banks (weighted) | |
|-----------|---|-------------------|
| | Individuals | Corporate Clients |
| 29-Nov-19 | 15.06 | 18.00 |
| 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 |

Source: Banking Institutions, 2019

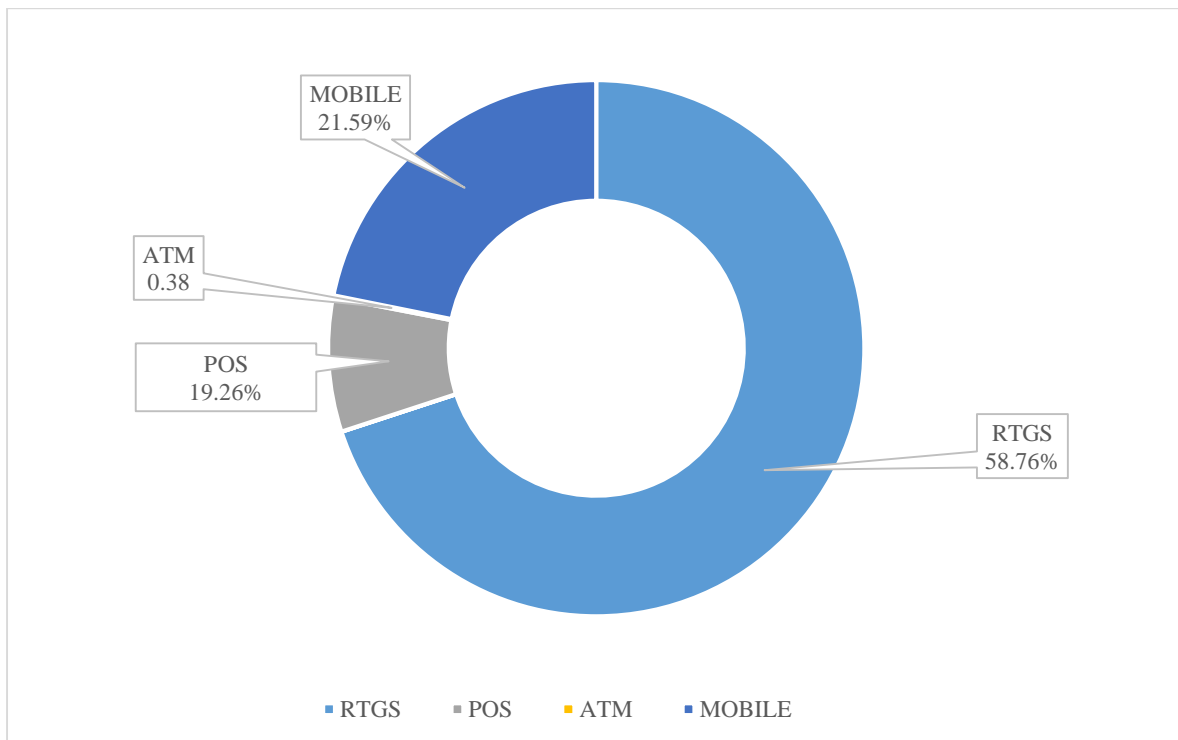
¹ Minimum weighted lending rates offered by commercial banks.

2. CLEARING AND SETTLEMENT ACTIVITY

During the week ending 27th December 2019, transactions processed through the National Payment System (NPS) amounted to \$11.31 billion, from \$19.97 billion, recorded in the previous week, representing a decrease of 43.39%. RTGS transaction values stood at \$6.64 billion, down from \$15.31 billion realized in the previous week.

The NPS transaction values were distributed as follows: RTGS, 58.76%; Mobile, 21.59%; point of Sale (POS), 19.26%; Automated Teller Machine (ATM), 0.38%; and Cheque, 0.00%, as shown in Figure 1.

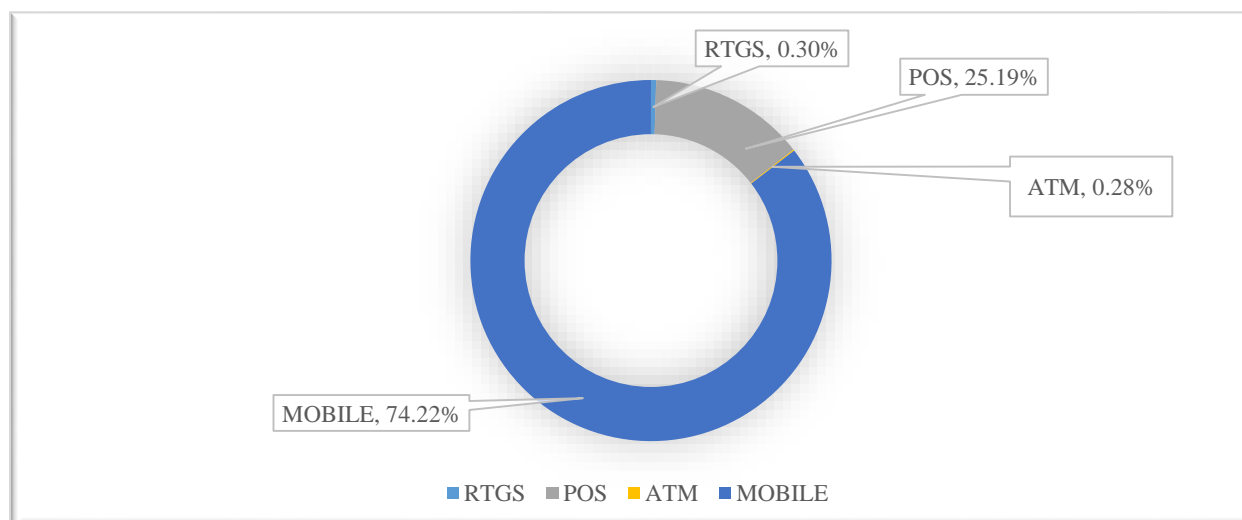
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2019

NPS transaction volumes increased by 5.21%, to close the week under review at 35.19 million transactions. The transaction volumes were dominated by the mobile platform at 74.22% of the total. POS; RTGS and ATM accounted for 25.19%; 0.30% and 0.28%, respectively, 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 |
|----------------|---------------------------------|--------------------------------|-------------------------|---------------------|
| | 20 th December 2019 | 27 th December 2019 | | |
| | VALUES IN ZWL (millions) | | | |
| RTGS | 15,314.61 | 6,643.85 | -56.62% | 58.76% |
| CHEQUE | 0.67 | 0.22 | -67.16% | 0.00% |
| POS | 1,769.52 | 2,178.07 | 23.09% | 19.26% |
| ATM | 19.77 | 43.38 | 119.42% | 0.38% |
| MOBILE | 2,867.32 | 2,440.74 | -14.88% | 21.59% |
| TOTAL | 19,971.88 | 11,306.25 | -43.39% | 100% |
| | VOLUMES | | | |
| RTGS | 316,523 | 107,273 | -66.11% | 0.30% |
| CHEQUE | 2,025 | 655 | -67.65% | 0.00% |
| POS | 7,331,318 | 8,866,374 | 20.94% | 25.19% |
| ATM | 126,534 | 99,334 | -21.50% | 0.28% |
| MOBILE | 25,672,992 | 26,118,493 | 1.74% | 74.22% |
| TOTAL | 33,449,392 | 35,192,129 | 5.21% | 100% |

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 3.

Table 3: International Commodity Prices

| | Gold | Platinum | Copper | Nickel | Brent Crude Oil |
|--|-------------------|-------------------|-------------------|-------------------|------------------------|
| 2019 | <i>US\$/ounce</i> | <i>US\$/ounce</i> | <i>US\$/tonne</i> | <i>US\$/tonne</i> | <i>US\$/barrel</i> |
| Weekly average (13-20 December) | 1,496.93 | 930.50 | 6,154.54 | 14,047.00 | 68.90 |
| 23-Dec | <i>1,490.85</i> | <i>935.00</i> | <i>6,153.00</i> | <i>14,390.00</i> | <i>69.26</i> |
| 24-Dec | <i>1,471.25</i> | <i>922.50</i> | <i>6,184.10</i> | <i>14,249.91</i> | <i>69.71</i> |
| 27-Dec | <i>1,511.05</i> | <i>950</i> | <i>6,210.85</i> | <i>14,285.00</i> | <i>68.91</i> |
| Weekly average (23-27 December) | 1,491.05 | 935.83 | 6,182.65 | 14,308.30 | 69.29 |
| Weekly Change (%) | <i>1.0</i> | <i>0.6</i> | <i>0.5</i> | <i>1.9</i> | <i>0.6</i> |

Source: BBC, KITCO and Bloomberg 2019

Gold

Gold prices rose by 1.0% to close at US\$1,491.05/oz., during the week under analysis. The price rose as investors shifted to bullion, amid concerns around Brexit and growing fears of a global economic slowdown.

Platinum

Platinum prices rose by 0.6%, from a weekly average of US\$930.50/oz. in the previous week, to close the week under review at US\$935.83/oz. This was underpinned by investor skepticism linked to power supply disruptions in South Africa, the world's largest producer of the precious metal.

Copper

Copper prices averaged US\$6,182.65/tonne, during the week under review, a 0.5% increase, from US\$6,154.54/tonne recorded in the previous week. This followed a positive demand outlook for the base metal and rising optimism about a possible interim trade deal between US and China.

Nickel

The price of nickel gained 1.9%, from an average of US\$14,047.00/ tonne in the previous week to US\$14,308.30/tonne, during the week under review. Prices firmed following a positive demand outlook for the metal and the likely potential of a trade deal between the two largest economies, the US and China.

Crude Oil

The weekly average prices of crude oil gained 0.6% to US\$69.29/barrel, during the week under review. Prices firmed after the US published data that indicated a surprise slump in crude oil stocks.

4. EXCHANGE RATES

The ZWL depreciated against the rand; US dollar; pula and euro, during the week under review. The local unit, however, appreciated against the pound Sterling, as shown in Table 4.

Table 4: International Exchange Rates²

| | ZAR | USD | BWP | EURO | GBP |
|--|---------------|----------------|---------------|----------------|----------------|
| 2019 | | | | | |
| Weekly Average (16-20 Dec) | 1.1450 | 16.5438 | 1.5544 | 18.5467 | 21.9904 |
| 24-Dec | <i>1.1727</i> | <i>16.6880</i> | <i>1.5620</i> | <i>18.5028</i> | <i>21.5968</i> |
| 27-Dec | <i>1.1828</i> | <i>16.7046</i> | <i>1.5652</i> | <i>18.5763</i> | <i>21.7117</i> |
| Weekly Average (24-27 Dec) | 1.1777 | 16.6963 | 1.5636 | 18.5395 | 21.6542 |
| <i>Appr(-)/Depr(+)</i> (%) <i>of the ZWL</i> | <i>2.9</i> | <i>0.9</i> | <i>0.6</i> | <i>0.0</i> | <i>-1.5</i> |

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

5. EQUITY MARKETS

Bullish sentiment characterised the Zimbabwe Stock Exchange (ZSE) during week ending 27th December 2019. Consequently, the All Share and Top 10 indices gained 0.43% and 0.40%, to close the week under review at 228.24 and 200.98 points, respectively.

The industrial index rose by 0.44% to close the week at 760.52 points, from 757.22 points, recorded in the preceding week. This was largely attributable to share price increases for Amalgamated Regional Trading (ART) (15.25%), Meikles Limited (6.27%), Dawn Properties Limited (3.99%), OK Zimbabwe Limited (1.92%) and Old Mutual Zimbabwe (1.59%).

The mining index, however, fell by 0.03% to close at 308.11 points, largely on account of losses in the share price for Bindura Nickel Corporation Limited (BNC) (0.01%).

Table 5: Zimbabwe Stock Exchange Statistics

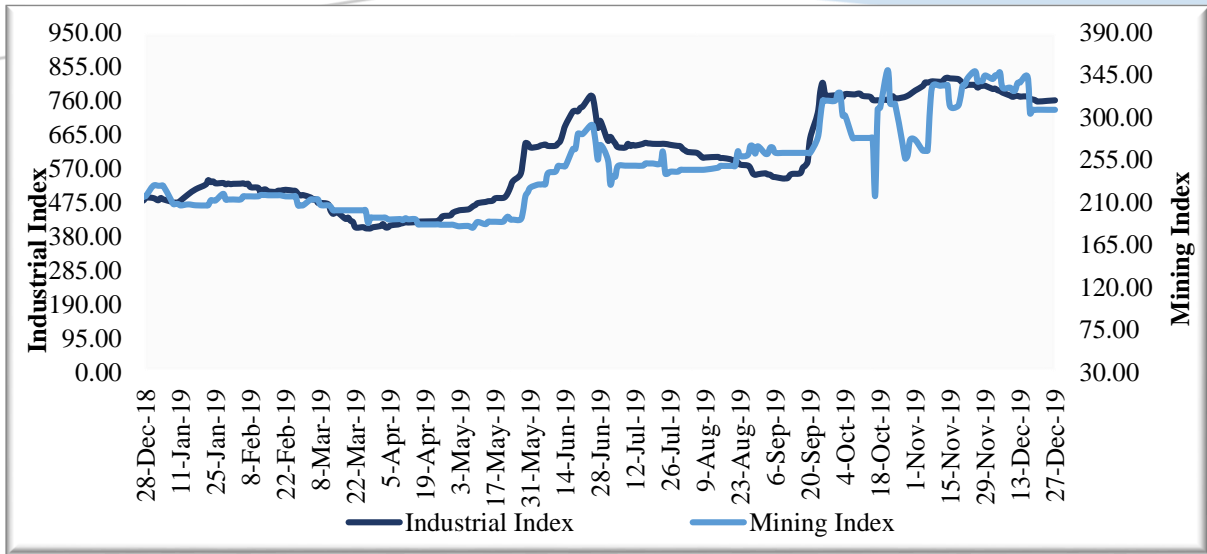
| | All Share Index ³ (points) | Top 10 index ⁴ (points) | Industrial Index (points) | Mining Index (points) | Grand Market Capitalization (ZWL million) | Market Turnover (ZWL million) | Volume of Shares (million) |
|--------------------------|---------------------------------------|------------------------------------|---------------------------|-----------------------|---|-------------------------------|----------------------------|
| 29-Nov-2019 | 240.81 | 216.29 | 801.38 | 344.42 | 31.23 | 22.67 | 34.83 |
| 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 |
| Weekly Change (%) | 0.43 | 0.40 | 0.44 | -0.03 | 0.41 | -86.20 | -96.80 |

Source: Zimbabwe Stock Exchange (ZSE), 2019

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

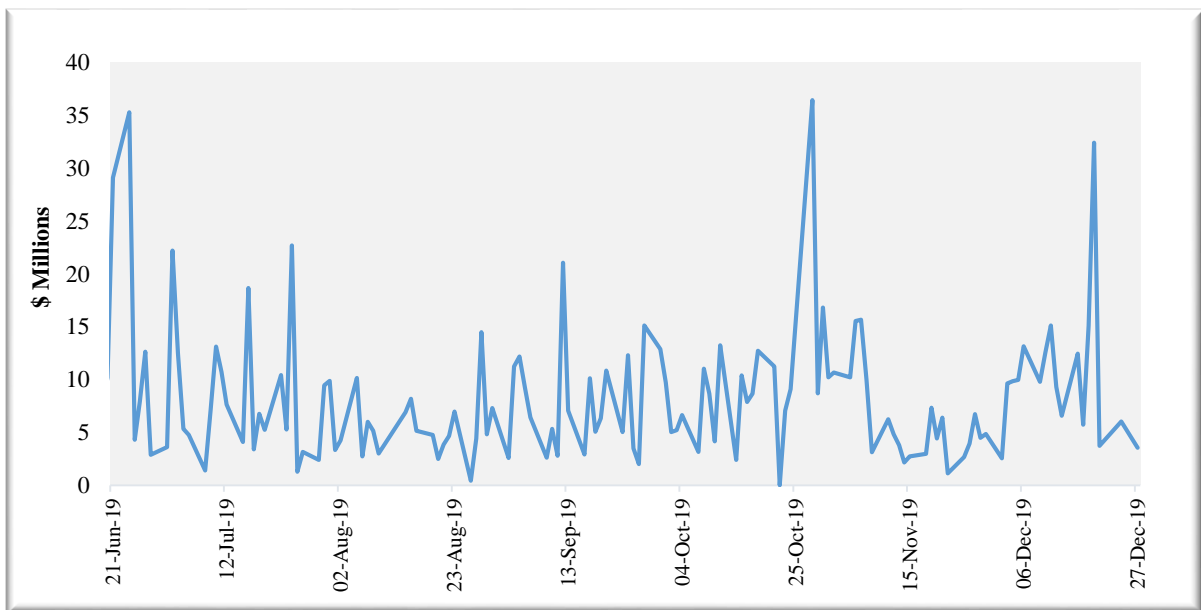


Source: Zimbabwe Stock Exchange, 2019

Market Turnover and Volume

The cumulative volume of shares traded on the ZSE decreased by 96.80%, to close at 3.96 million shares during the week ending 27th December 2019, from 123.77 million shares in the previous week. Similarly, ZSE market turnover value lost 86.20% to close at \$9.58 million, during the same week.

Figure 2: Daily Market Turnover

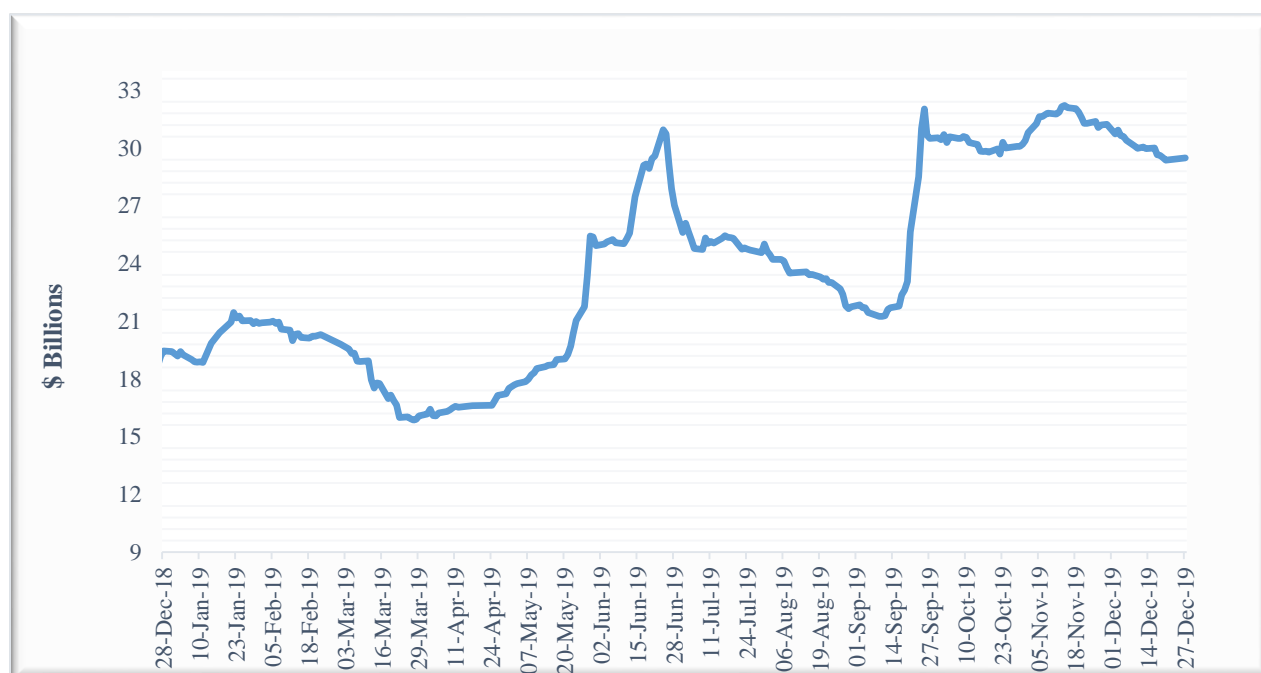


Source: Zimbabwe Stock Exchange, 2019

Market Capitalization

During the week ending 27th December 2019, ZSE market capitalisation rose by 0.41%, from \$29.37 billion recorded in the preceding week to \$29.41 billion. This followed an increase in both the industrial and mining indices.

Figure 4: Daily Market Capitalization



Source: Zimbabwe Stock Exchange, 2019

Johannesburg Stock Exchange (JSE) Developments

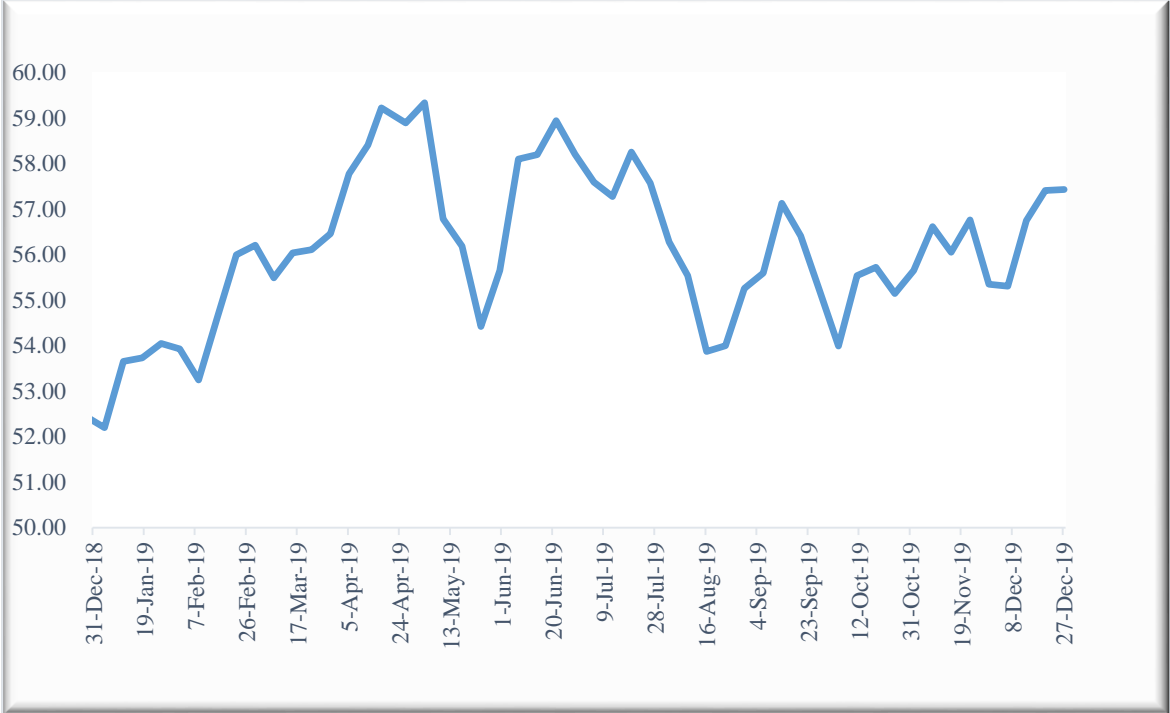
The JSE All Share Index stood at 57,430.70 points, during week ending 27th December 2019, a 0.03% increase from 57,411.21 points recorded in the previous week. Similarly, JSE market capitalization increased by 0.17% to R17.55 billion, during the same week.

Table 6: Johannesburg Stock Exchange (JSE) Statistics

| Period | All Share Index (points) | Market Capitalization (ZAR billion) |
|-----------|--------------------------|-------------------------------------|
| 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 |
| 27-Dec-19 | 57,430.70 | 17.55 |
| % Change | 0.03 | 0.17 |

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

3rd JANUARY 2020