



# Weekly Economic Highlights

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Week Ending  
2<sup>nd</sup> November 2018

## 1. INTEREST RATES

### Deposit Rates

Average deposit rates for savings deposits remained unchanged at 3.94%, during the week ending 2<sup>nd</sup> November 2018. Deposit rates for deposits of 1-month tenor increased to 3.84%, while those for 3-month tenor declined to 4.03%, as shown in Table 1.

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

Date	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
05-Oct-18	3.88	3.60	3.99
12-Oct-18	3.88	3.60	3.94
19-Oct-18	4.16	3.62	4.13
26-Oct-18	3.94	3.37	4.07
02-Nov-18	3.94	<b>3.84</b>	<b>4.03</b>

Source: Banking Institutions, 2018

### Lending Rates

During the week under review, commercial bank weighted lending rates for individual clients increased to 9.51%. Lending rates for corporate clients, however, decreased to close the week at 7.31%, from 7.38% registered in the preceding week.

**Table 2: Lending Rates**

Date	Lending Rates <sup>1</sup> (%)	
	Commercial Banks (weighted)	
	Individuals	Corporate clients
05-Oct-18	9.54	7.32
12-Oct-18	9.52	7.30
19-Oct-18	9.48	7.40
26-Oct-18	9.47	7.38
02-Nov-18	<b>9.51</b>	<b>7.31</b>

Source: Banking Institutions, 2018

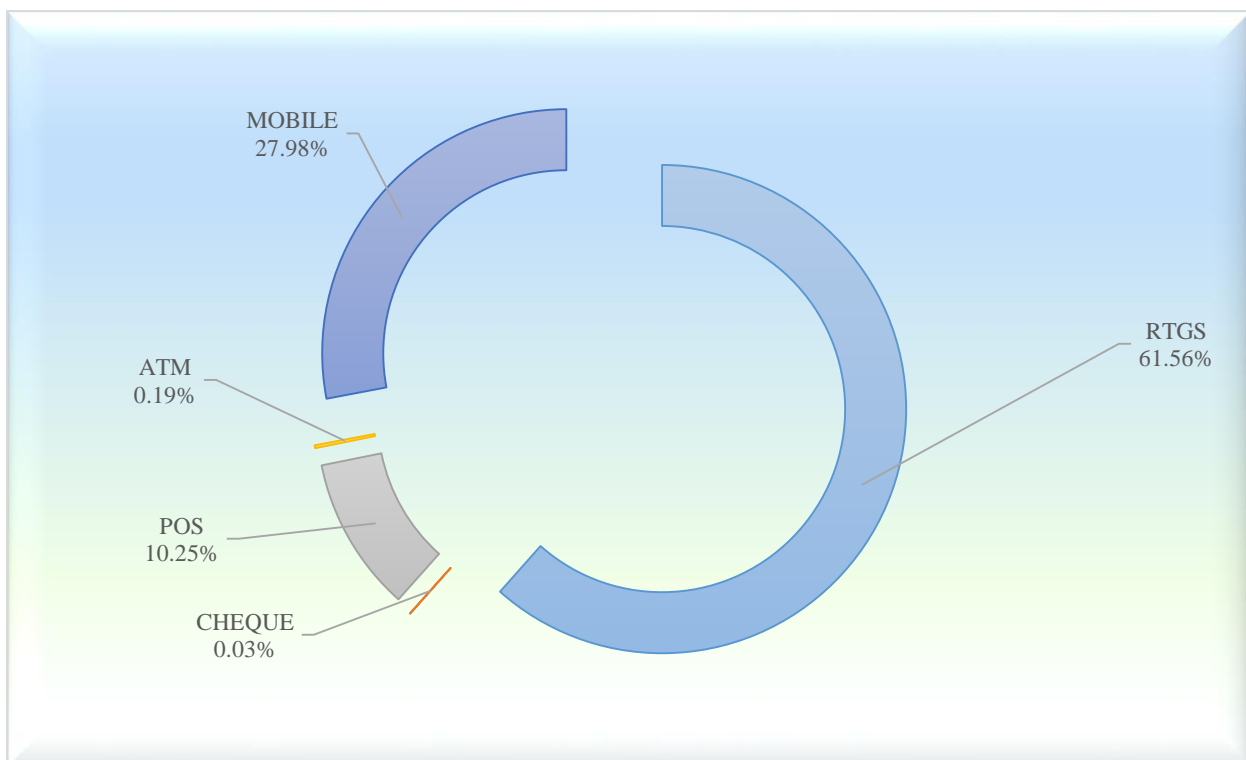
<sup>1</sup> Minimum weighted lending rates offered by commercial banks.

## 2. CLEARING AND SETTLEMENT ACTIVITY

The aggregate value of transactions processed through the National Payment System (NPS) amounted to US\$2.57 billion, during the week ending 2<sup>nd</sup> November 2018, compared to the US\$2.64 billion recorded in the previous week. Transactions processed through the Real Time Gross Settlement (RTGS) system decreased by 9.7%, to close the week under review at US\$1.58 billion.

In value terms, RTGS payments accounted for 61.56% of the total value of transactions processed through the NPS. Mobile, Point of Sale (POS), Automated Teller Machines (ATMs) and Cheque transactions accounted for 27.98%, 10.25%, 0.19% and 0.03%, respectively as shown in Figure 1.

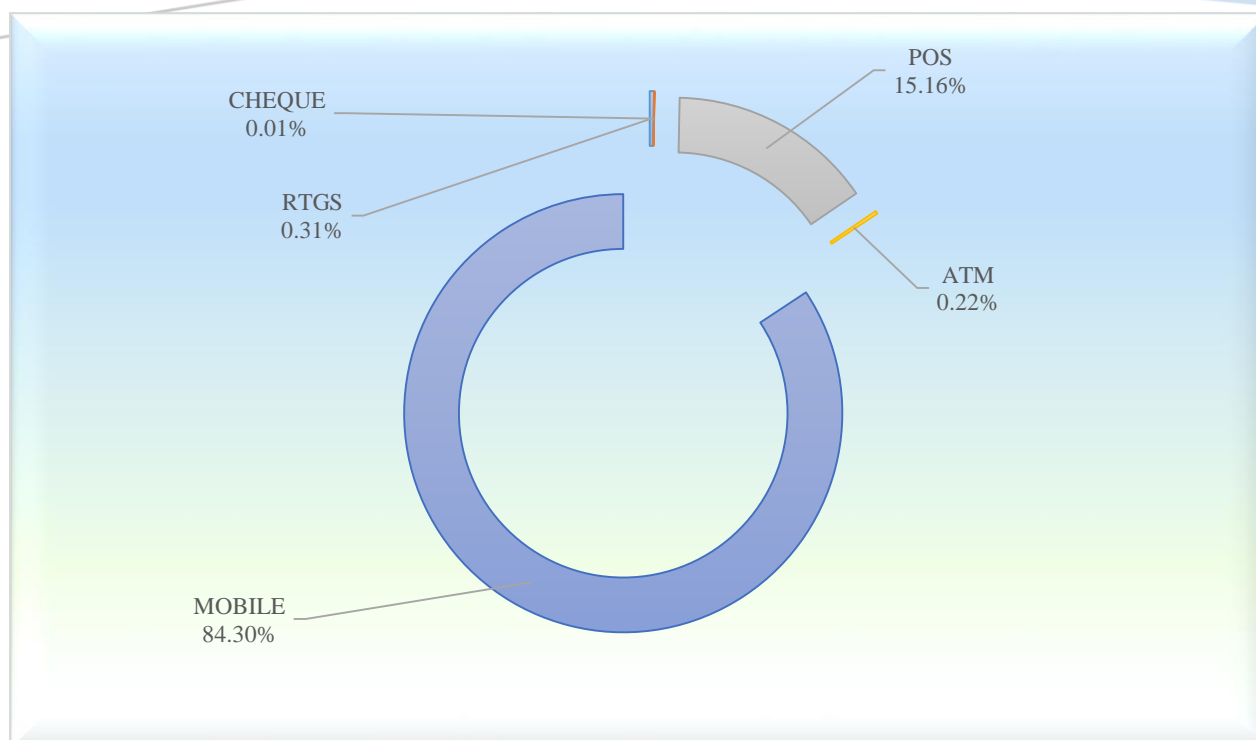
**Figure 1: Composition of NPS Transactions in Value Terms**



*Source: Reserve Bank of Zimbabwe, 2018*

In volume terms, NPS transactions increased by 11.1%, from 37.09 million transactions in the previous week to 41.21 million transactions, during the week under review. Mobile-based transactions accounted for 84.30% of the total volume of transactions, followed by POS, 15.16%; RTGS, 0.31%; ATM, 0.22%; and Cheque 0.01%, as shown in Figure 2.

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



Source: Reserve Bank of Zimbabwe, 2018

**Table 3: National Payment Systems Activity**

PAYMENT STREAM	WEEK ENDING 26 <sup>th</sup> OCTOBER 2018	WEEK ENDING 2 <sup>nd</sup> NOVEMBER 2018	% CHANGE FROM LAST WEEK	PERCENTAGE OF TOTAL
<b>VALUES IN US\$ (millions)</b>				
<b>RTGS</b>	1,750.11	1,579.89	-9.7%	61.56%
<b>CHEQUE</b>	0.83	0.78	-6.1%	0.03%
<b>POS</b>	229.92	262.97	14.4%	10.25%
<b>ATM</b>	4.26	4.82	13.0%	0.19%
<b>MOBILE</b>	654.75	718.16	9.7%	27.98%
<b>TOTAL</b>	<b>2,639.87</b>	<b>2,566.63</b>	<b>-2.8%</b>	<b>100%</b>
<b>VOLUMES</b>				
<b>RTGS</b>	115,745	128,579	11.1%	0.31%
<b>CHEQUE</b>	3,839	3,851	0.3%	0.01%
<b>POS</b>	5,416,120	6,246,991	15.3%	15.16%
<b>ATM</b>	77,696	91,729	18.1%	0.22%
<b>MOBILE</b>	31,480,297	34,742,261	10.4%	84.30%
<b>TOTAL</b>	<b>37,093,697</b>	<b>41,213,411</b>	<b>11.1%</b>	<b>100%</b>

Source: Reserve Bank of Zimbabwe, 2018

### 3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

During the week ending 2<sup>nd</sup> November 2018, the international commodity prices of nickel, crude oil and gold, retreated from their previous week levels. Platinum and copper prices, however, firmed, 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>
2018	US\$/ounce	US\$/ounce	US\$/ton	US\$/ton	US\$/barrel
<b>Weekly Average (22- 26 Oct)</b>	<b>1,231.18</b>	<b>828.70</b>	<b>6,182.70</b>	<b>12,330.00</b>	<b>76.97</b>
29-Oct	1,225.78	834.50	6,260.00	11,725.00	77.22
30-Oct	1,222.70	834.50	6,160.00	11,755.00	76.39
31-Oct	1,216.33	832.50	6,158.00	11,753.00	75.47
1-Nov	1,227.20	850.00	6,161.00	11,783.00	73.00
2-Nov	1,233.80	865.50	6,193.00	11,785.00	73.52
<b>Weekly Average (29 Oct- 2 Nov)</b>	<b>1,225.16</b>	<b>843.40</b>	<b>6,186.40</b>	<b>11,760.20</b>	<b>75.12</b>
<i>Weekly Change (%)</i>	<i>(0.49)</i>	<i>1.77</i>	<i>0.06</i>	<i>(4.62)</i>	<i>(2.40)</i>

Source: BBC, KITCO and Bloomberg

#### **Gold**

Gold prices closed the week under review lower, at a weekly average of US\$1,225.16/oz., from US\$1,231.18/oz. in the previous week. The decline in the safe haven demand for the precious metal, occasioned by high US treasury yields, which shifted investors' appetite to interest bearing assets, weighed down the prices.

#### **Platinum**

Platinum prices rose by 1.77%, from a weekly average of US\$828.70/oz. in the previous week to US\$843.40/oz., during the week under review. Prices increased on account of the anticipation that the World Platinum Investment Council would forecast shortage of the precious metal in its Quarterly Review.

#### **Copper**

Copper prices marginally increased by 0.06%, from a weekly average of US\$6,182.70/ton to US\$6,186.40/ton, during the week under review. The metal price continued to be subdued by slackening demand, underpinned by the unrelenting US-China trade war.

## Nickel

Nickel prices continued on a negative trajectory, declining by 4.62%, from a weekly average of US\$12,330.00/ton in the previous week to US\$11,760.20/ton, during the week under review. The base metal price declined due to escalating supply glut concerns.

## Crude Oil

Crude oil prices closed the week under review at US\$75.12/barrel, a 2.4% decrease from the US\$76.97/barrel recorded in the previous week. This followed an increase in supply by OPEC member states, to offset the anticipated decline in exports from Iran, due to impending US sanctions.

## 4. EXCHANGE RATES

The US dollar appreciated against the rand, pula, pound and euro, during the week under analysis. High yielding US Treasury securities underpinned the strengthening of the greenback.

**Table 5: International Exchange Rates per US\$**

	ZAR	GBP	BWP	EURO
<b>Weekly Average (22 - 26 October)</b>	<b>14.4329</b>	<b>0.7725</b>	<b>10.7252</b>	<b>0.8738</b>
29-Oct	14.6019	0.7790	10.8050	0.8776
30-Oct	14.6346	0.7810	10.7817	0.8788
31-Oct	14.6474	0.7868	10.8225	0.8818
1-Nov	14.7199	0.7778	10.8992	0.8816
2-Nov	14.3235	0.7688	10.7933	0.8752
<b>Weekly Average (29 Oct - 2 Nov)</b>	<b>14.5855</b>	<b>0.7787</b>	<b>10.8203</b>	<b>0.8790</b>
<i>Appr(+)/Depr(-) (%) of the USD</i>	<i>1.06</i>	<i>0.80</i>	<i>0.89</i>	<i>0.59</i>

Source: Reuters, 2018

## 5. EQUITY MARKETS

The Zimbabwe Stock Exchange (ZSE) continued on a negative trajectory, during the week ending 2<sup>nd</sup> November 2018. A 7.9% decline in the All Share Index was recorded, to close the week at 158.49 points, from 168.84 points registered in the previous week.

The industrial index weakened by 6.15%, from 566.92 points in the previous week to 532.06 points during the week under review. The decline in the mainstream index emanated from share price losses at Hippo Valley Estates Limited (35.71%), Mashonaland Holdings (35.14%), Simbisa Brands (23.53%), Meikles Limited (21%) and Zimre Property Investments (ZPI) (20%).

Similarly, the mining index decreased by 3.20%, to close the week under review at 209.86 points. The fall in the mining index was largely driven by a decline of 5.50% in the share price of RioZim. Bindura Nickel Corporation and Falgold counters traded at previous week price, while Hwange Colliery Company did not register any trades. Hwange Colliery was suspended from trading on the ZSE on the 2<sup>nd</sup> of November 2018, after the company was placed under Administration by Government.

**Table 6: Zimbabwe Stock Exchange Statistics**

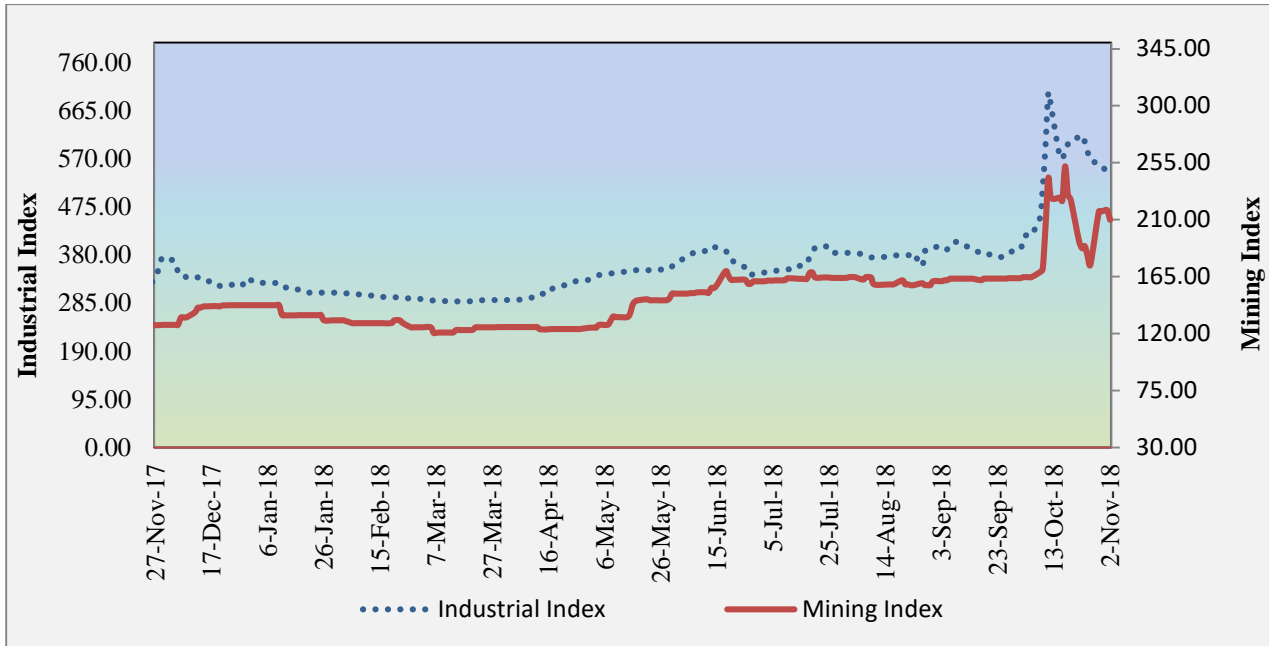
	All Share Index <sup>2</sup> (points)	Top 10 index <sup>3</sup> (Points)	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
05-October-18	125.07	128.96	420.80	164.55	13,666,186,908	11,489,161	102,056,774
12-October-18	200.29	217.81	673.42	227.37	22,219,721,525	82,514,792	93,959,109
19-October-18	180.93	191.48	607.59	225.61	20,008,100,464	47,240,257	74,836,768
26-October-18	168.84	174.48	566.92	216.79	18,455,120,362	11,812,741	22,494,951
02-November-18	158.49	160.71	532.06	209.86	17,351,794,804	15,187,072	27,710,549
<b>Weekly Change (%)</b>	<b>(6.13)</b>	<b>(7.89)</b>	<b>(6.15)</b>	<b>(3.20)</b>	<b>(5.98)</b>	<b>28.57</b>	<b>23.19</b>

Source: Zimbabwe Stock Exchange (ZSE), 2018

<sup>2</sup> The All Share index shows the changing average value of shares of all companies on the market.

<sup>3</sup> The Index is calculated using the market capitalisation method.

**Figure 3: Zimbabwe Stock Exchange Indices**



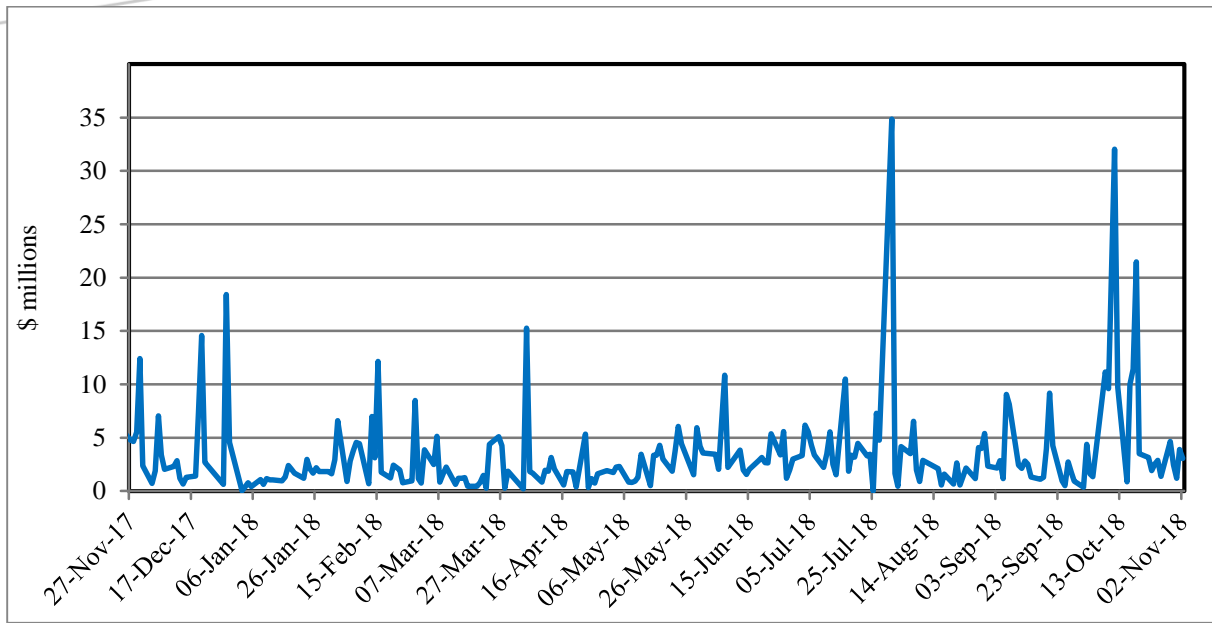
Source: Zimbabwe Stock Exchange, 2018

**Market Turnover and Volume**

The volume of shares traded on the ZSE increased by 23.19%, to close the week ending 2<sup>nd</sup> November 2018 at 27.71 million shares. Similarly, ZSE market turnover value increased by 28.57% to US\$15.19 million, during the week under review.



**Figure 4: Daily Market Turnover**

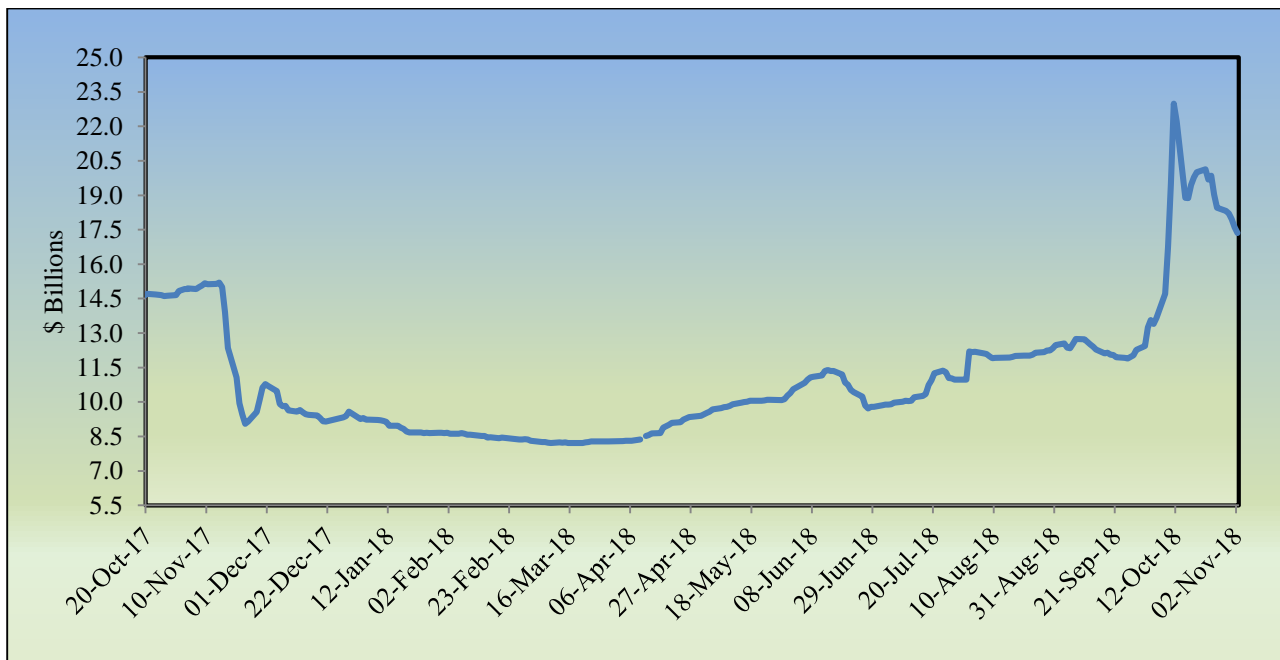


Source: Zimbabwe Stock Exchange, 2018

### Market Capitalization

ZSE market capitalization increased declined by 5.98% to close at US\$17.35 billion, during the week ending 2<sup>nd</sup> November 2018.

**Figure 5: Daily Market Capitalization**



Source: Zimbabwe Stock Exchange, 2018

## Johannesburg Stock Exchange (JSE) Developments

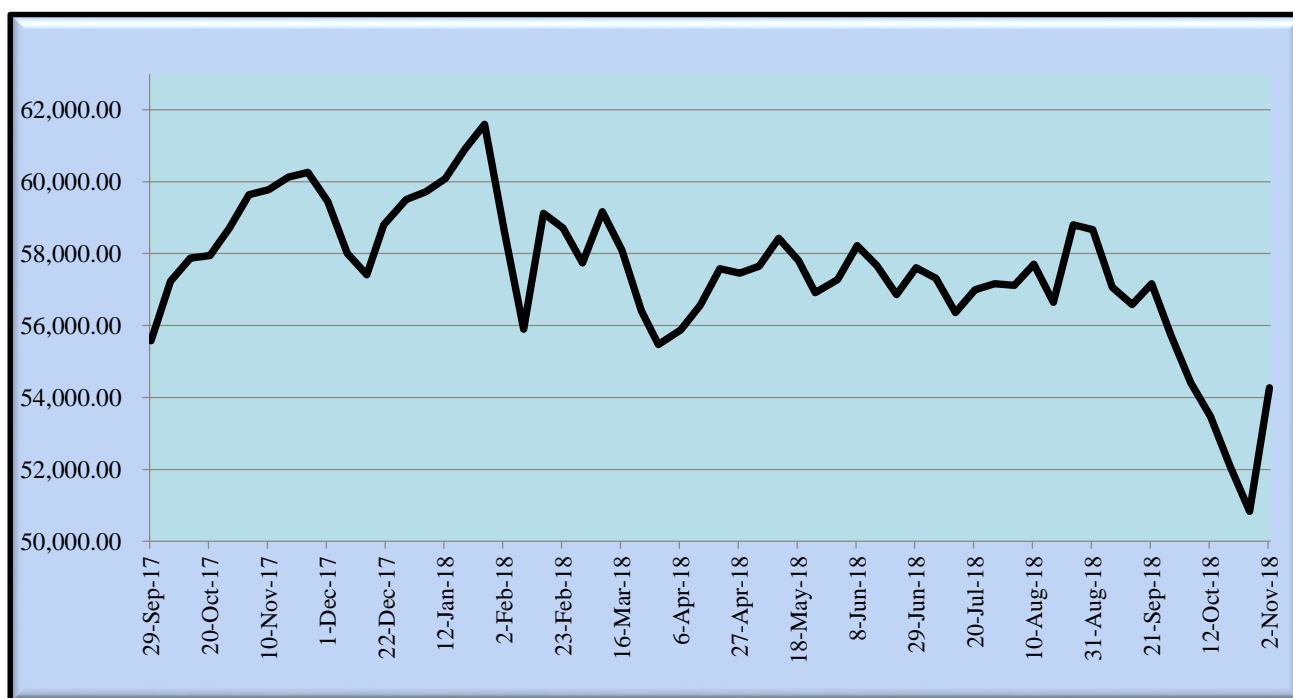
The JSE All Share Index closed the week under analysis at 54,271.19 points, a 6.75% increase from 50,837.57 points registered in the preceding week. JSE market capitalization also increased, by 4.29% to R13.61 trillion during the same week.

**Table 7: Johannesburg Stock Exchange (JSE) Statistics**

Period	All Share Index (points)	Market Capitalization (ZAR trillion)
05-Oct-18	54,409.47	14.14
12-Oct-18	53,473.11	13.68
19-Oct-18	52,092.98	13.40
26-Oct-18	50,837.57	13.05
02-Nov-18	54,271.19	13.61
% Change	6.75	4.29

Source: <https://www.jse.co.za/services/market-data/market-statistics,2018>

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



Source: <https://www.jse.co.za/services/market-data/market-statistics,2018>

**RESERVE BANK OF ZIMBABWE**

**2<sup>nd</sup> NOVEMBER 2018**