



# Weekly Economic Highlights

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Week Ending  
7<sup>th</sup> December 2018

## 1. INTEREST RATES

### Deposit Rates

Average deposit rates for all deposit classes remained unchanged from the previous week, during the week ending 7<sup>th</sup> December 2018

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

Date	Savings Deposits (%)	1-Month Deposits (%)	3-Month Deposits (%)
09-Nov-18	3.94	3.61	4.12
16-Nov-18	3.97	3.62	4.09
23-Nov-18	4.16	3.66	3.93
30-Nov-18	4.16	3.66	3.93
07-Dec-18	4.16	3.66	3.93

Source: Banking Institutions, 2018

### Lending Rates

During the week under review, commercial bank weighted lending rates for individual clients stood at 9.51%, a 0.02 percentage points gain from 9.49% recorded in the previous week. Lending rates for corporate clients, however, remained unchanged at the previous week level of 7.38%.

**Table 2: Lending Rates**

Date	Lending Rates <sup>1</sup> (%)	
	Commercial Banks (weighted)	
	Individuals	Corporate clients
09-Nov-18	9.50	7.38
16-Nov-18	9.49	7.40
23-Nov-18	9.49	7.42
30-Nov-18	9.49	7.38
07-Dec-18	9.51	7.38

Source: Banking Institutions, 2018

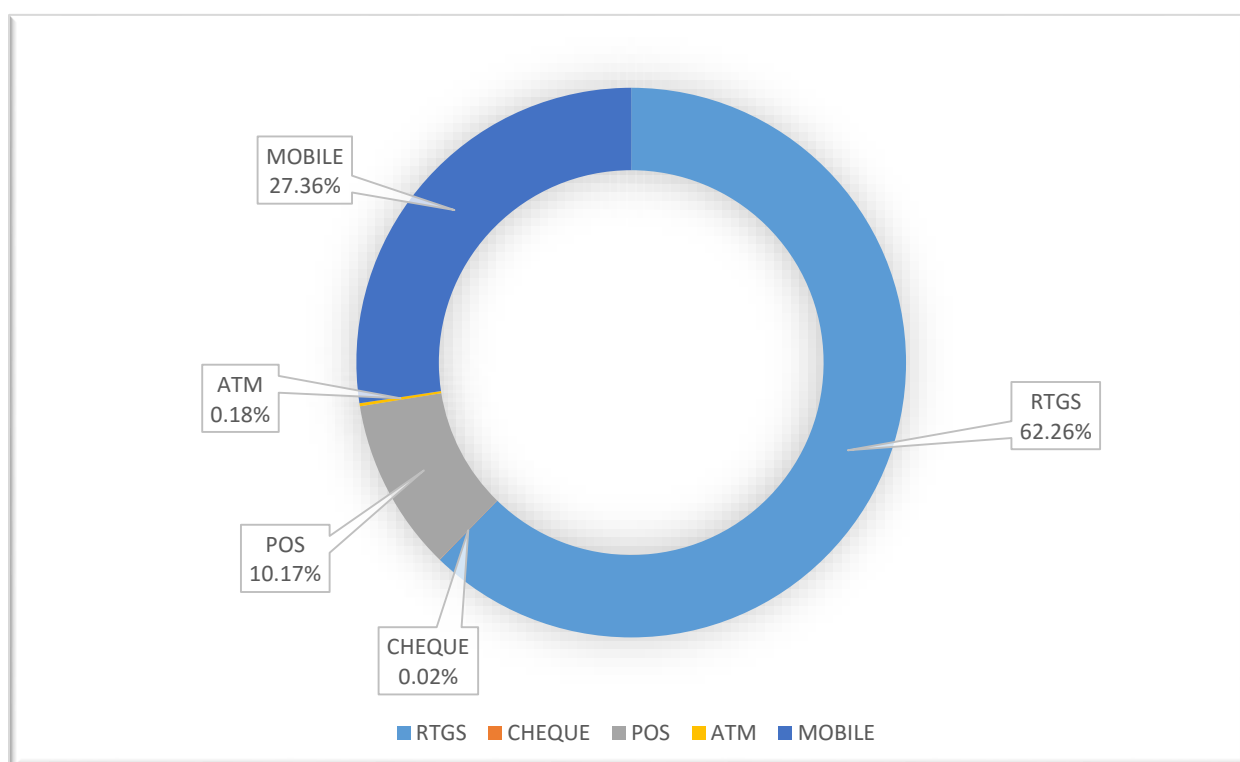
<sup>1</sup> Minimum weighted lending rates offered by commercial banks.

## 2. CLEARING AND SETTLEMENT ACTIVITY

The total value of transactions processed through the National Payment Systems (NPS) stood at US\$2.890 billion, down from US\$2.896 billion in the previous week. The Real Time Gross Settlement (RTGS) accounted for the biggest share (62.26%) of the total value of transactions processed through the NPS, during the week under review.

Other payment platforms accounted for the following proportions of the NPS transaction values; Mobile, 27.36%; POS, 10.17%; ATM, 0.18%; and Cheque, 0.02%, as shown in Figure 1.

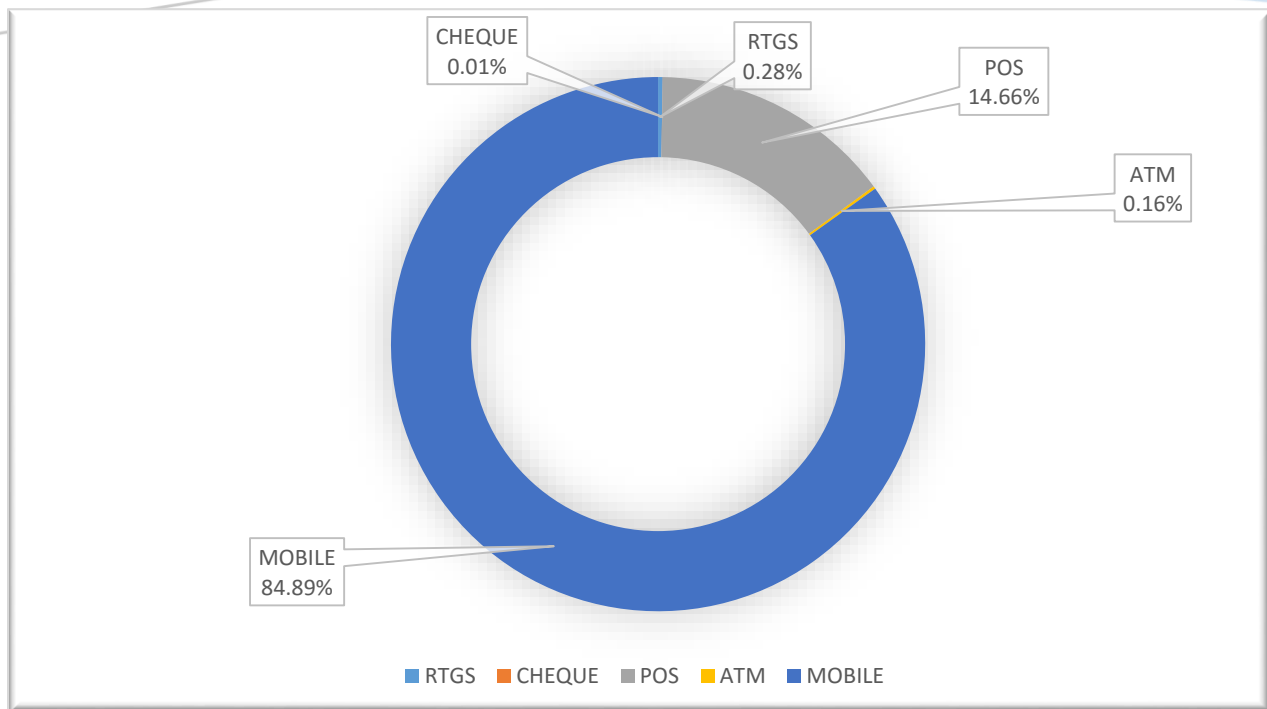
**Figure 1: Composition of NPS Transactions in Value Terms**



Source: Reserve Bank of Zimbabwe, 2018

Transaction volumes processed through the NPS increased from 36.92 million transactions in the previous week to 45.2 million transactions, during the week under review. Mobile and POS payment platforms remained the most dominant at 84.89% and 14.66% respectively. The RTGS platform accounted for 0.28%, ATM 0.16% and Cheques 0.01%, of the total volume of NPS transactions.

**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 30 <sup>th</sup> NOVEMBER 2018	WEEK ENDING 7 <sup>th</sup> DECEMBER 2018	% CHANGE FROM LAST WEEK	PERCENTAGE OF TOTAL
<b>VALUES IN US\$ (millions)</b>				
RTGS	1,883.47	1,799.54	-4.46%	62.26%
CHEQUE	0.70	0.715	2.14%	0.02%
POS	257.98	293.99	13.96%	10.17%
ATM	4.81	5.153	7.13%	0.18%
MOBILE	748.64	790.83	5.64%	27.36%
<b>TOTAL</b>	<b>2,895.60</b>	<b>2,890.44</b>	<b>-0.18%</b>	<b>100.00%</b>
<b>VOLUMES</b>				
RTGS	124,898	125,946	0.8%	0.28%
CHEQUE	3,435	3,541	33.0%	0.01%
POS	5,525,355	6,634,191	20.1%	14.66%
ATM	75,770	71,917	-5.1%	0.16%
MOBILE	31,188,882	38,404,715	23.1%	84.89%
<b>TOTAL</b>	<b>36,918,340</b>	<b>45,241,338</b>	<b>22.5%</b>	<b>100%</b>

Source: Reserve Bank of Zimbabwe, 2018

### 3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The weekly average international commodity prices of gold, copper, nickel and crude oil firmed, during the week under review. Platinum prices, however, retreated 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>
<b>2018</b>	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
<b>Weekly Average (26 - 30 Nov )</b>	<b>1,221.35</b>	<b>829.10</b>	<b>6,191.80</b>	<b>10,868.00</b>	<b>59.73</b>
3-Dec	1,230.54	807.50	6,324.00	11,295.00	62.20
4-Dec	1,239.78	806.00	6,263.00	11,260.00	61.02
5-Dec	1,236.08	795.50	6,192.00	11,115.00	61.37
6-Dec	1,239.50	789.50	6,147.00	11,110.00	59.66
7-Dec	1,242.25	789.00	6,130.00	10,865.00	62.01
<b>Weekly Average (3 - 7 December)</b>	<b>1,237.63</b>	<b>797.50</b>	<b>6,211.20</b>	<b>11,129.00</b>	<b>61.25</b>
<i>Weekly Change (%)</i>	<i>1.3</i>	<i>(3.8)</i>	<i>0.3</i>	<i>2.4</i>	<i>2.5</i>

Source: BBC, KITCO and Bloomberg, 2018

#### **Gold**

Gold prices rebounded amid speculation that the Fed would slow the pace of interest rate hikes in 2019, a development that boosted the demand outlook for the yellow metal. Resultantly, the precious metal price firmed by 1.3%, from US\$1,221.35/oz. in the previous week to US\$1,237.63/oz., during the week ending 7<sup>th</sup> December 2018.

#### **Platinum**

Platinum prices continued on a negative trajectory, declining by 3.8%, from US\$829.10/oz. recorded in the previous week to US\$797.50/oz., during the week under review. This followed a slowdown in demand from the automotive industry. According to the World Platinum Investment Council, global demand for platinum is expected to fall by 4% by year-end.

#### **Copper**

Base metal prices were firmer during the week under review, on account of a weaker US dollar and prospects of easing trade tensions between the US and China. As a result, copper prices increased by 0.3%, from US\$6,191.80/ton in the previous week to US\$6,211.20/ton during the week under review.

## Nickel

Nickel prices rose by 2.4%, from a weekly average of US\$10,868.00/ton in the previous week to US\$11,129.00/ton, during the week under analysis.

## Crude Oil

Brent crude oil prices firmed by 2.5% to US\$61.25/barrel, during the week under review. This was due to renewed optimism that production cuts announced by the Organization of Petroleum Exporting Countries would re-balance the market. Furthermore, supply disruptions in Libya and shrinking U.S inventories, supported crude oil prices.

## EXCHANGE RATES

During the week ending 7<sup>th</sup> December 2018, the US dollar marginally gained against the South African rand, pound Sterling and the euro. The greenback, however, depreciated against the Botswana pula.

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

	ZAR	GBP	BWP	EURO
<b>2018</b>				
<b>Weekly Average ( 26- 30 Nov)</b>	<b>13.8095</b>	<b>0.7812</b>	<b>10.5587</b>	<b>0.8809</b>
3-Dec	13.7349	0.7830	10.5430	0.8810
4-Dec	13.6314	0.7850	10.5208	0.8794
5-Dec	13.8316	0.7883	10.5208	0.8833
6-Dec	13.9349	0.7868	10.5430	0.8819
7-Dec	14.0253	0.7835	10.6496	0.8796
<b>Weekly Average ( 3-7 Dec)</b>	<b>13.8316</b>	<b>0.7853</b>	<b>10.5554</b>	<b>0.8810</b>
<i>Appr(+)/Depr(-) (%) of the USD</i>	<i>0.16</i>	<i>0.53</i>	<i>-0.03</i>	<i>0.02</i>

Source: Reuters, 2018

## 4. EQUITY MARKETS

During the week ending 7<sup>th</sup> December 2018 the Zimbabwe Stock Exchange (ZSE) All Share Index shed-off 1.92 points to close the week at 158.46 points. The index for the Top 10 counters, which include Delta, Econet, Innscor and SEEDCO, among others, also shed-off 3.26 points, to close the week under analysis at 161.72 points.

The industrial index lost 6.63 points to close the week ending 7<sup>th</sup> December 2018 at 532.03 points. The decrease in the mainstream index was largely a result of losses registered in ZB Financial Holdings (11.39%), First Capital Bank (10.58%), Econet Wireless (9.38%), First Mutual Holdings Limited (5.02%) and Meikles (3.75%).

The resource index decreased marginally by 0.01%, to end the week under review at 208.53 points. Bindura Nickel Corporation (BNC) and RioZim Limited traded at previous week price levels, albeit on low volumes. No trade was registered in the Falgold counter, during the week under analysis.

**Table 6: Zimbabwe Stock Exchange Statistics**

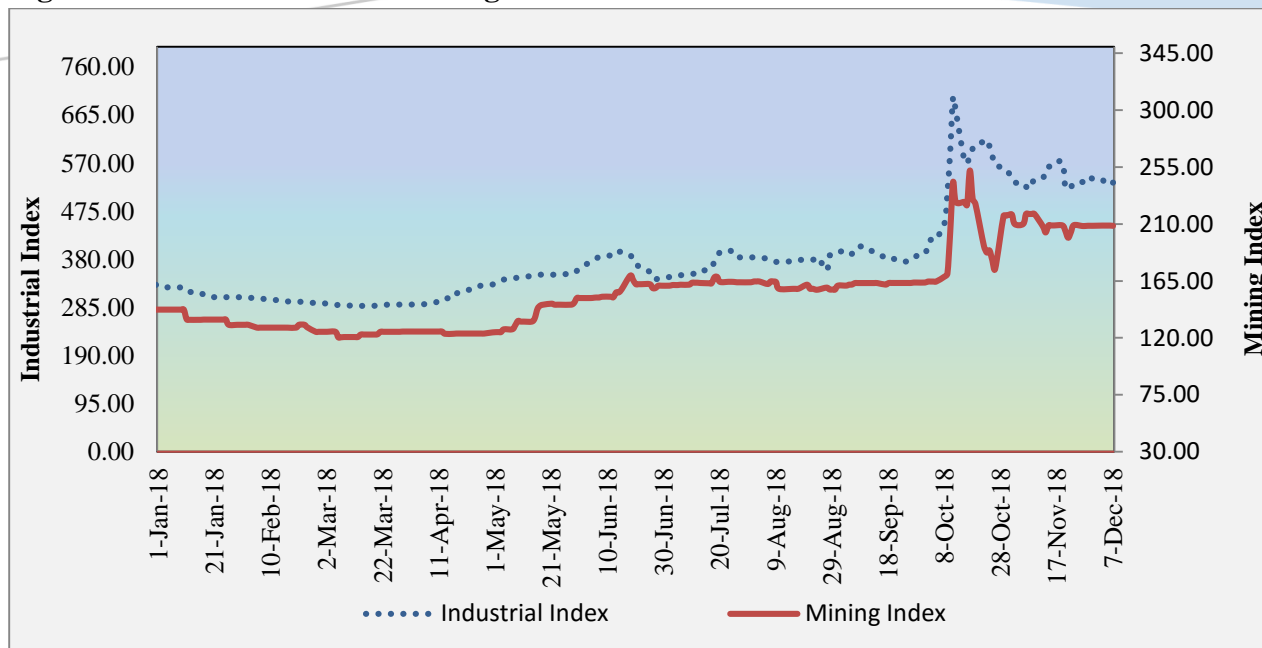
	All Share Index <sup>2</sup> (points)	Top 10 index <sup>3</sup> (points)	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
09-November-18	159.96	164.30	537.17	208.11	17,636,859,001	27,854,020	43,269,359
16-November-18	167.55	177.95	569.25	208.81	18,917,390,876	11,738,201	23,221,101
23-November 18	158.07	162.12	530.70	209.03	17,081,676,265	43,837,248	37,203,497
30-November 18	160.40	164.98	538.66	208.56	17,316,627,742	27,657,844	45,190,887
7-December 18	158.46	161.72	532.03	208.53	16,963,785,315	19,468,976	16,009,069
<b>Weekly Change (%)</b>	<b>-1.21</b>	<b>-1.98</b>	<b>-1.23</b>	<b>-0.01</b>	<b>-2.04</b>	<b>-29.61</b>	<b>-29.61</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**

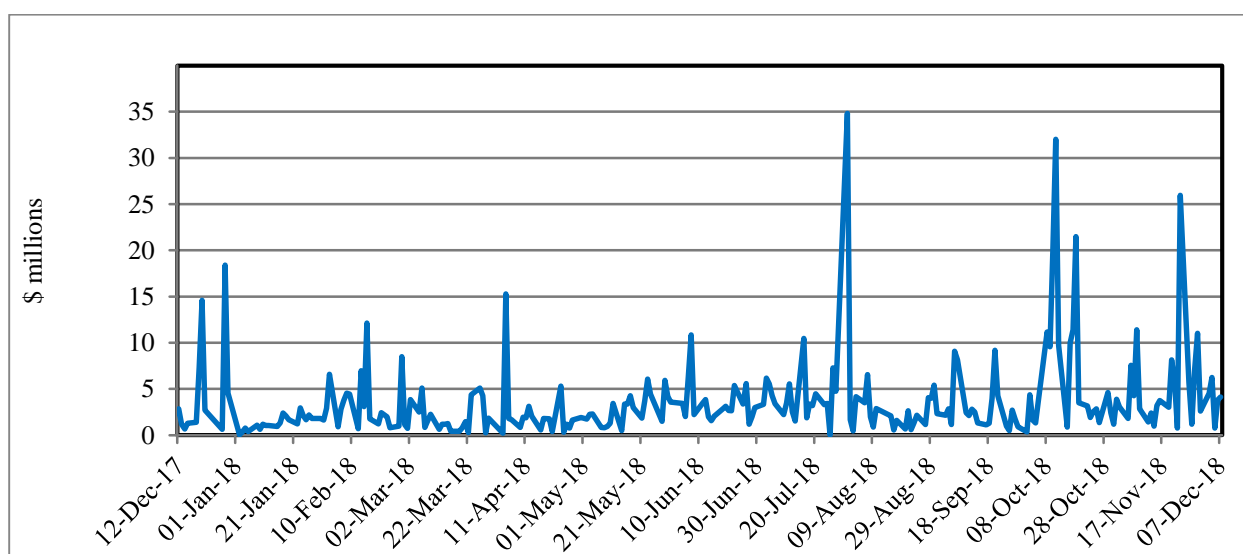


Source: Zimbabwe Stock Exchange, 2018

### Market Turnover and Volume

During the week ending 7<sup>th</sup> December 2018, the cumulative volume of trades on the ZSE decreased from 45.19 million shares in the previous week, to close the week at 16 million shares. Similarly, the cumulative value of trades decreased from US\$27.66 million in the previous week to US\$19.47 million, during the week under analysis.

**Figure 4: Daily Market Turnover**



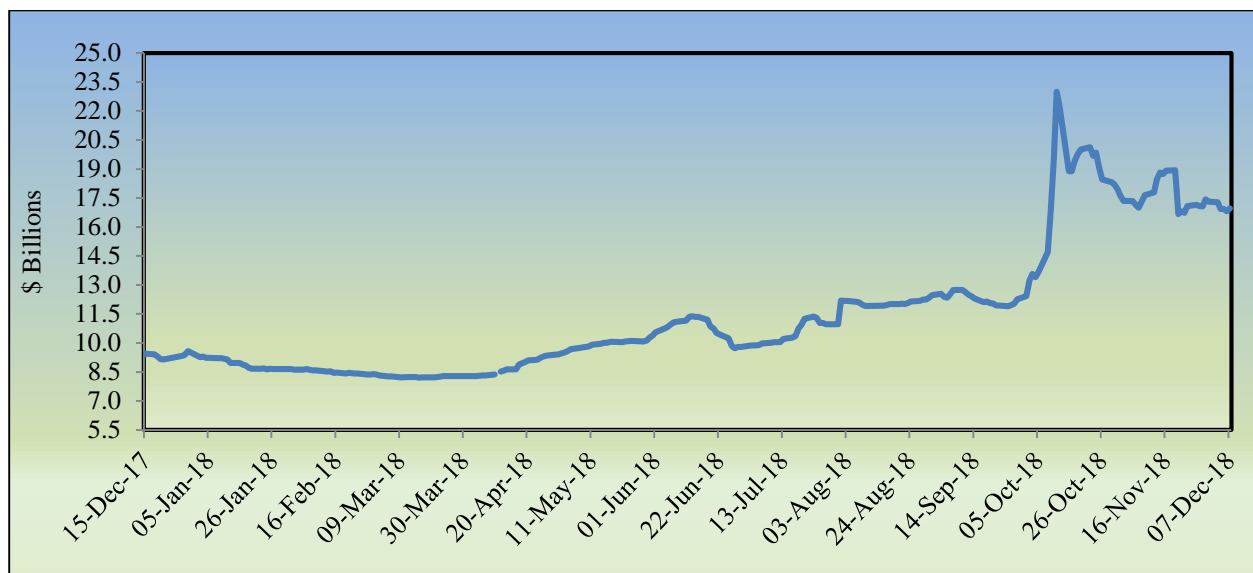
Source: Zimbabwe Stock Exchange, 2018



## Market Capitalization

The ZSE lost US\$354.82 million worth of capitalization or 1.38% of the previous week value, to close the week under review at US\$16.96 billion.

**Figure 5: Daily Market Capitalization**



Source: Zimbabwe Stock Exchange, 2018

## Johannesburg Stock Exchange (JSE) Developments

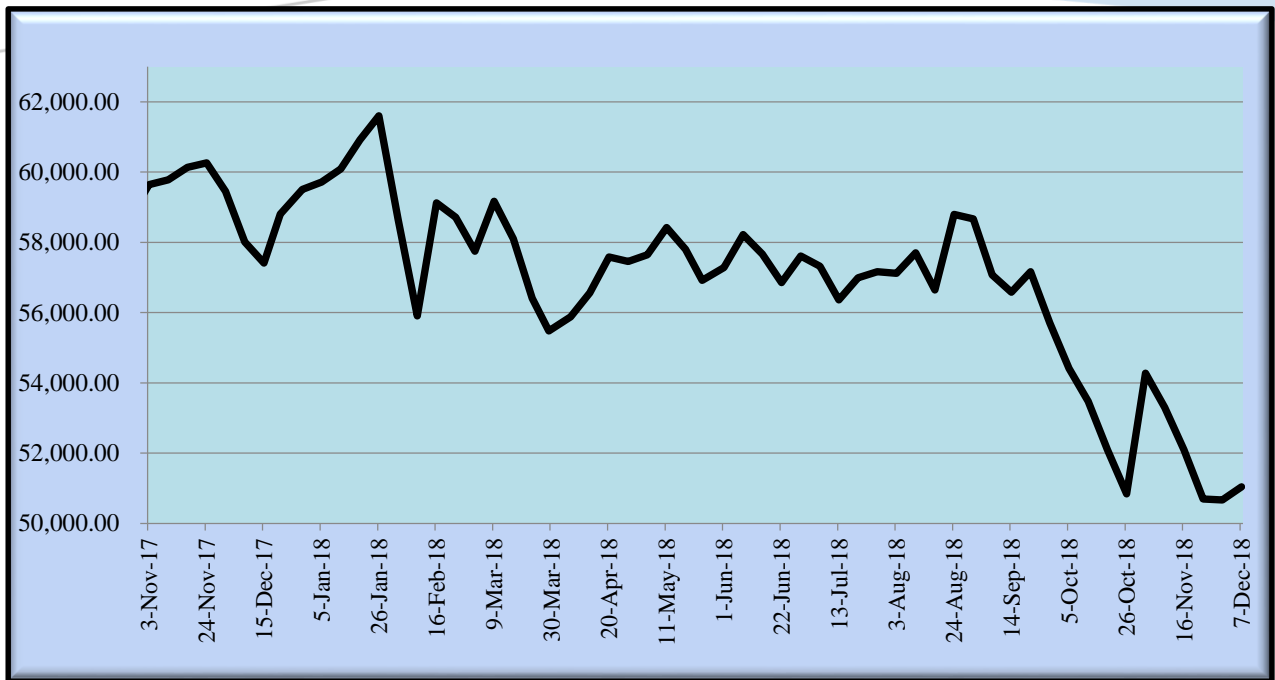
The JSE All Share Index gained 373.75 points, from 50,663.94 points recorded in the previous week to 51,037.69 points, during the week under review. JSE market capitalization, however, decreased by 0.48% to R12.46 trillion, during the same week.

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

Period	All Share Index (points)	Market Capitalization (ZAR trillion)
<b>09-Nov-18</b>	53,295.35	13.38
<b>16-Nov-18</b>	52,096.04	12.87
<b>23-Nov-18</b>	50,697.70	12.52
<b>30-Nov-18</b>	50,663.94	12.52
<b>7-Dec-18</b>	51,037.69	12.46
<b>% Change</b>	<b>0.74</b>	<b>-0.48</b>

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**

**14<sup>th</sup> DECEMBER 2018**