Vol. 21 No. 51

Weekly Economic Highlights

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Week Ending
13th December 2019

1. INTEREST RATES

Deposit Rates

During the week ending 13th 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 (%)
15-Nov-19	4.74	5.09	5.32
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

Source: Banking Institutions, 2019

Lending Rates

Commercial bank weighted lending rates for individual and corporate clients increased by 1.13 and 1.06 percentage points, to close at 16.13% and 19.00%, respectively, during the week under analysis.

Table 2: Lending Rates

Date	Lending Rates[1] (%) Commercial Banks (weighted)	
	Individuals	**Corporate Clients**
15-Nov-19	15.14	18.69
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**

Source: Banking Institutions, 2019

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

2. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international commodity prices of platinum, copper, nickel and crude oil firmed, during the week under review. Gold prices, however, retreated, as shown in Table 3.

Table 3: International Commodity Prices

	Gold	Platinum	Copper	Nickel	Brent Crude Oil
2019	*US$/ounce*	*US$/ounce*	*US$/tonne*	*US$/tonne*	*US$/barrel*
Weekly average (2-6 December)	**1,470.24**	**897.50**	**5,869.95**	**13,430.40**	**60.58**
9-Dec	1,462.65	897.50	6,051.25	13,278.00	64.14
10-Dec	1,464.70	894.50	6,059.75	13,074.50	63.95
11-Dec	1,467.43	910.00	6,082.95	13,533.50	64.02
12-Dec	1,471.25	922.50	6,133.50	13,952.50	64.81
13-Dec	1,468.60	942.00	6,154.00	14,145.00	65.22
Weekly average (9-13 December)	**1,466.93**	**913.30**	**6,096.29**	**13,596.70**	**64.43**
Weekly Change (%)	*(0.2)*	*1.8*	*3.9*	*1.2*	*6.4*

Source: BBC, KITCO and Bloomberg 2019

Gold

Gold prices declined by 0.2% to close at US$1,466.93/oz., during the week under analysis. This followed an interim deal between the US and China, that prompted risk-taking across markets. The yellow metal's safe haven appeal was also dampened by strong economic data in the US, a development that stimulated demand for interest bearing assets.

Platinum

Platinum prices rose by 1.8%, from a weekly average price of US$897.50/oz. in the previous week, to close the week under review at US$913.30/oz. Prices strengthened, following fears of supply disruptions in South Africa, the world's largest producer of the precious metal. South Africa was hit by acute power cuts, following breakdowns at Eskom's coal-fired power plants.

Copper

Copper prices averaged US$6,096.29/tonne, during the week under review, representing a 3.9% increase from US$5,869.95/tonne recorded in the previous week. This resulted from a positive demand outlook for the metal, following the US President's upbeat comments about the interim trade deal between the US and China.

Nickel

The price of nickel increased by 1.2%, from an average of US$13,430.40/ tonne in the previous week to US$13,596.70/tonne, during the week under review. This was due to excess global supply conditions as indicated by rising stockpiles in China.

Crude Oil

The weekly average prices of crude oil gained 6.4% to US$64.43/barrel, during the week under review. Prices firmed amid market anticipation that the interim trade deal between the US and China would ease global oil demand concerns.

3. EXCHANGE RATES

The ZWL depreciated against the pound Sterling; euro; US dollar; pula and rand, during the week under review, as shown in Table 4. The interbank market has, however, remained relatively stable.

Table 4: International Exchange Rates[2]

2019	GBP	EURO	USD	BWP	ZAR
Weekly Average (2-6 Dec)	**21.2102**	**18.0578**	**16.3256**	**1.5082**	**1.1161**
9-Dec	21.5802	18.1565	16.4171	1.5169	1.1229
10-Dec	21.6364	18.2043	16.4485	1.5215	1.1211
11-Dec	21.6611	18.2783	16.4485	1.5163	1.1128
12-Dec	21.8181	18.3947	16.5101	1.5189	1.1250
13-Dec	22.2927	18.4827	16.5438	1.5220	1.1432
Weekly Average (9-13 Dec)	**21.6739**	**18.2584**	**16.4561**	**1.5184**	**1.1205**
Appr(-)/Depr(+) (%) of the ZWL	*2.2*	*1.1*	*0.8*	*0.7*	*0.4*

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

4. EQUITY MARKETS

During week ending 13th December 2019, the Zimbabwe Stock Exchange (ZSE) registered losses. The All Share and Top 10 indices declined by 1.42% and 1.93%, to close the week under review at 231.58 and 205.85 points, respectively.

The industrial index fell by 2.41% to close the week at 770.35 points, from 782.04 points, recorded in the preceding week. This was largely attributable to share price losses for Powerspeed Electrical Limited (35.34%), African Sun Limited (23.33%), Zimre Property Investments Limited (23.18%), Masimba Holdings Limited (21.17%) and Turnall Holdings Limited (16.68%).

The mining index, however, rose by 1.59% to close at 336.87 points, largely on account of increases in the share prices for Bindura Nickel Corporation Limited (BNC), (20.29%) and Riozim Limited, (3.79%).

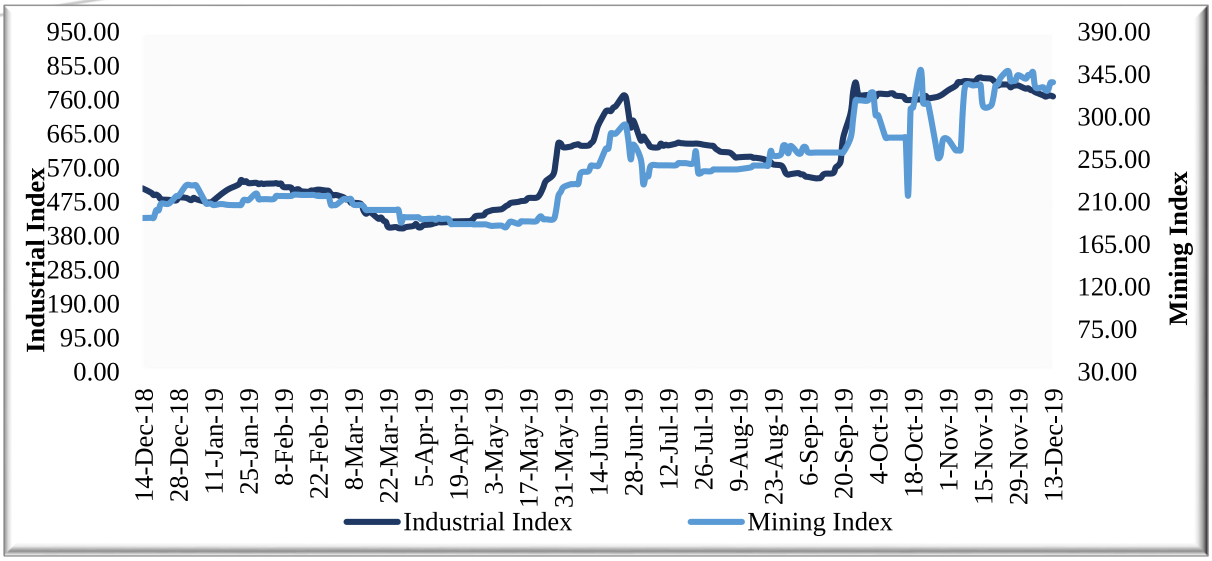
Table 5: Zimbabwe Stock Exchange Statistics

	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)
15-Nov-2019	246.43	227.10	821.77	311.78	32.10	19.79	19.21
22-Nov-2019	241.44	217.97	803.64	341.56	31.28	22.24	42.53
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
Weekly Change (%)	**-1.42**	**-1.93**	**-1.47**	**1.59**	**-1.45**	**18.14**	**5.86**

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

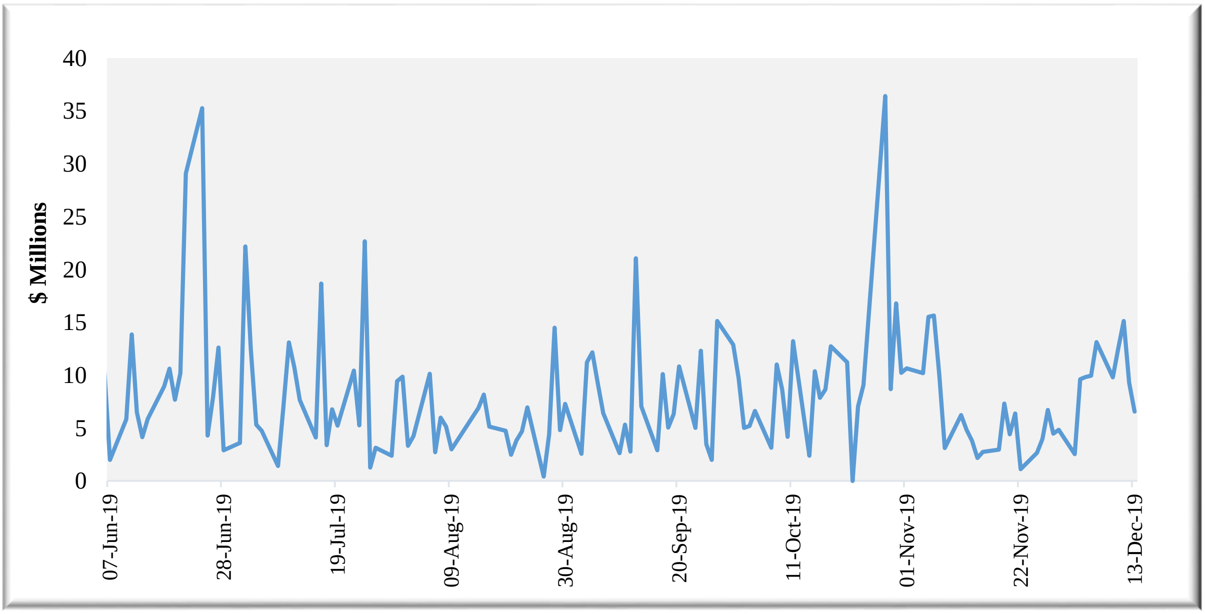


Source: Zimbabwe Stock Exchange, 2019

Market Turnover and Volume

The cumulative volume of shares traded on the ZSE increased by 5.86%, to close at 30.88 million shares. Similarly, ZSE market turnover value gained 18.14% to close at $53.34 million, during the week under analysis.

Figure 2: Daily Market Turnover

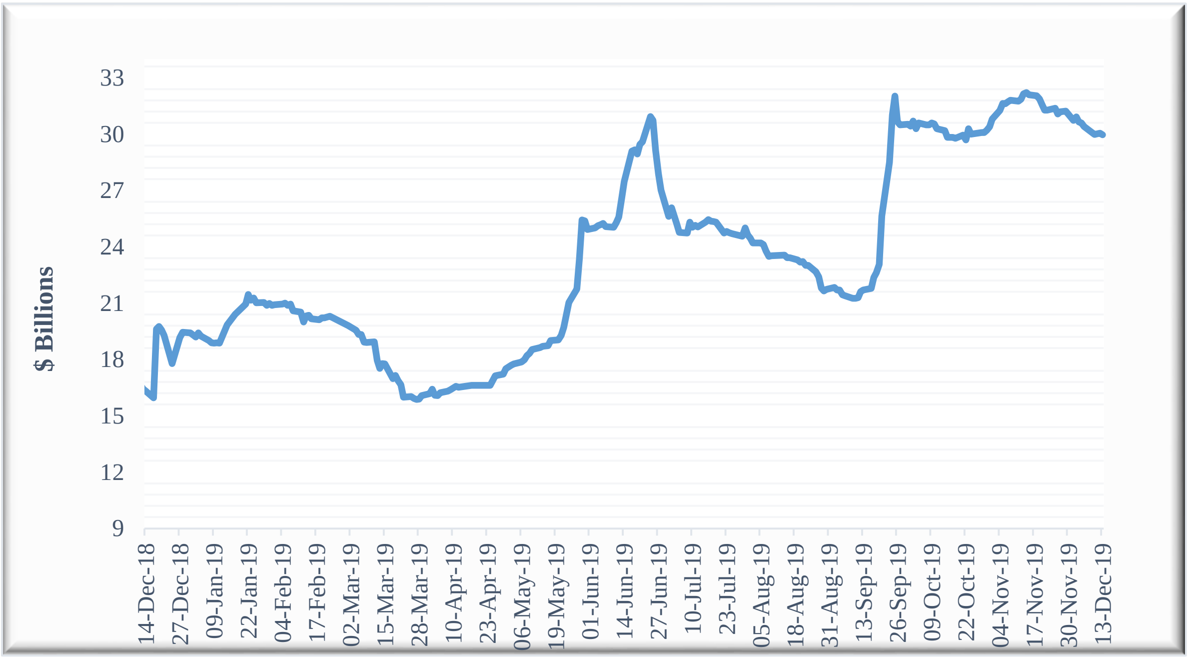


Source: Zimbabwe Stock Exchange, 2019

Market Capitalization

ZSE market capitalisation declined by 1.45% from $30.41 billion recorded in the preceding week to $29.97 billion, during the week ending 13th December 2019. This was largely underpinned by the increase in the industrial index.

Figure 4: Daily Market Capitalization



Source: Zimbabwe Stock Exchange, 2019

Johannesburg Stock Exchange (JSE) Developments

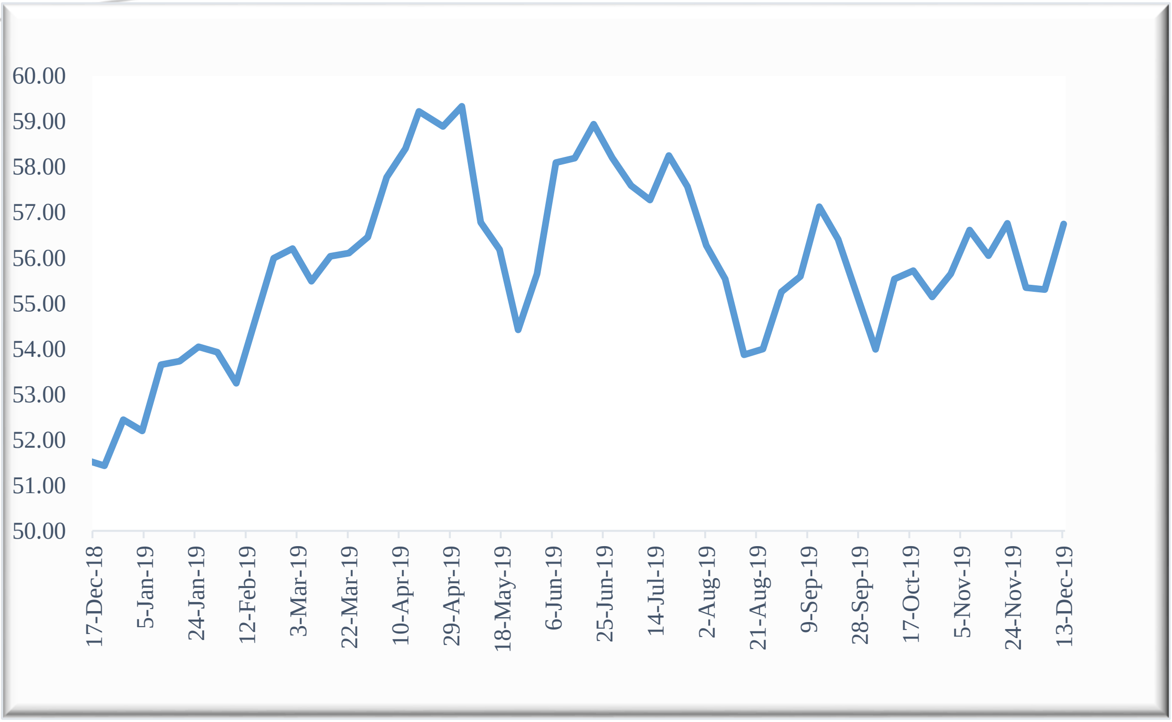
The JSE All Share Index stood at 56,749.12 points, during week ending 13th December 2019. This was 2.61% up from 55,307.31 points recorded in the previous week. Similarly, JSE market capitalization increased by 2.19% to R17.30 billion, during the same week.

Table 6: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalization (ZAR billion)
15-Nov-19	56,054.77	17.05
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
% Change	**2.61**	**2.19**

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

19TH DECEMBER 2019