Vol. 21 No. 49

# Weekly Economic Highlights

Table of Contents



Week Ending
29th November 2019

## 1. INTEREST RATES

### Deposit Rates

Average deposit rates for deposits of 1-month and 3-month tenors declined by 0.02 and 0.12 percentage points, to close the week under review at 5.13% and 5.49%, respectively. Savings deposits rates have, however, remained unchanged at 4.74% since November 2019.

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

| Date | Savings Deposits (%) | 1-Month Deposit (%) | 3-Month Deposit (%) |
|---|---|---|---|
| **1-Nov-19** | 4.74 | 4.96 | 5.12 |
| **8-Nov-19** | 4.74 | 4.97 | 5.13 |
| **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** |

*Source: Banking Institutions, 2019*

### Lending Rates

Weighted commercial bank lending rates for corporate and individuals clients declined by 0.78 and 0.06 percentage points, to close the week ending 29th November 2019 at 18.00% and 15.06%, respectively.

**Table 2: Lending Rates**

| Date | Lending Rates[1] (%) Commercial Banks (weighted) | |
|---|---|---|
| | **Individuals** | **Corporate Clients** |
| **1-Nov-19** | 15.41 | 18.56 |
| **8-Nov-19** | 14.79 | 19.08 |
| **15-Nov-19** | 15.14 | 18.69 |
| **22-Nov-19** | 15.12 | 18.78 |
| **29-Nov-19** | **15.06** | **18.00** |

*Source: Banking Institutions, 2019*

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

## 2. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

During the week ending 29th November 2019, average weekly prices of copper and brent crude oil firmed. Gold, platinum and nickel prices, however, retreated, as shown in Table 3.

**Table 3: International Commodity Prices**

| 2019 | US$/ounce | US$/ounce | US$/tonne | US$/tonne | US$/barrel |
|---|---|---|---|---|---|
| **Weekly average (18-22 November)** | **1,467.86** | **898.20** | **5,833.90** | **14,471.00** | **62.622** |
| 25-Nov | 1,458.93 | 906.00 | 5,872.50 | 14,570.00 | 63.65 |
| 26-Nov | 1,456.15 | 892.50 | 5,856.00 | 14,370.00 | 64.27 |
| 27-Nov | 1,457.08 | 899.50 | 5,925.50 | 14,445.00 | 64.04 |
| 28-Nov | 1,456.10 | 891.00 | 5,881.50 | 14,070.00 | 63.87 |
| 29-Nov | 1,458.25 | 891.00 | 5,854.00 | 13,810.00 | 63.50 |
| **Weekly average (25-29 November)** | **1,457.30** | **896.00** | **5,877.90** | **14,253.00** | **63.87** |
| ***Weekly Change (%)*** | *(0.7)* | *(0.2)* | *0.8* | *(1.5)* | *2.0* |

**Source: BBC, KITCO and Bloomberg 2019**

### Gold

Gold prices retreated by 0.7%, from a weekly average of US$1,467.86/oz. in the previous week to close at US$1,457.30/oz., during the week under review. The appeal of precious metals as a safe haven asset, was in part, dampened by renewed optimism about the resolution to the protracted U.S.-China trade conflict. This followed comments by Senior US officials that progress was being made on the first phase of the US – China trade agreements.

### Platinum

Platinum prices closed the week under review at US$859.00/oz., a decline of 0.2% from an average of US$898.20/oz. recorded in the previous week. This was underpinned by depressed investment demand outlook for the precious metal.

### Copper

The weekly average price of the base metal increased by 0.8%, from US$5,833.90/tonne recorded in the previous week to US$5,877.90/ tonne, during the week under review. This was on account of signs of diminishing inventories across the copper supply chain. Investors anticipated that a resolution of the U.S.-China trade war could trigger a rally in prices as consumers rush to restock. Declines in warehouse stocks are often seen as a sign of robust demand in the main industrial demand centres for the metal, especially the construction and power industries.

### Nickel

Nickel prices retreated by 1.5%, from an average of US$14,471.00/ tonne in the previous week to US$14,253.00/tonne, during the week ending 29th November 2019. Prices softened, following faltering steel output from China, the top producer.

### Crude Oil

Brent crude oil prices rose by 2.0% to close at US$63.87/barrel, during the week under review. The price of oil edged higher, as positive comments from the United States and China rekindled hopes in global markets, that the world's two largest economies could soon sign an interim deal to end their trade war.

## 3. EXCHANGE RATES

The week under review saw the ZWL depreciate against the US dollar, rand and pula. The local unit, however, appreciated against the euro and pound Sterling against the background of a relatively stable interbank market.

**Table 4: International Exchange Rates[2]**

| 2019 | USD | ZAR | BWP | EURO | GBP |
|---|---|---|---|---|---|
| Weekly Average (18 - 22 Nov) | **16.0341** | **1.0863** | **1.4741** | **17.7522** | **20.7291** |
| **25-Nov** | 16.1381 | 1.0989 | 1.4925 | 17.7930 | 20.7326 |
| **26-Nov** | 16.1600 | 1.0989 | 1.4925 | 17.7961 | 20.8342 |
| **27-Nov** | 16.1760 | 1.0870 | 1.4706 | 17.8105 | 20.7910 |
| **28-Nov** | 16.2249 | 1.0989 | 1.4925 | 17.8595 | 20.9893 |
| **29-Nov** | 16.2575 | 1.0989 | 1.4925 | 17..8986 | 21.0038 |
| Weekly Average (25 - 29 Nov) | **16.6667** | **1.0959** | **1.4871** | **16.6667** | **20.0000** |
| ***Appr(-)/Depr(+) (%) of the ZWL*** | *3.9* | *0.9* | *0.9* | *-6.1* | *-3.5* |

*Source: Reserve Bank of Zimbabwe, 2019*

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

## 4. EQUITY MARKETS

During the week under review, trading at the ZSE was charecterised by bearish sentiments. Consequently, this resulted in declines of 0.26% and 0.77% in the All Share and Top 10 Indices, to close the week at 240.81 and 216.29 points, respectively.

The Industrial index retreated by 0.28% to close at 801.38 points. This was largely attributable to share price losses for Truworths Limited (19.89%); Dawn Properties Limited (16.86%); Ariston Holdings Limited (16.58%); Simbisa Brands Limited (10.93%); and Star Africa Corporation Limited (10%).

The mining index, however, gained 0.84%, to close the week under analysis at 344.42 points. This was attributable to increases in share prices of Rio Zimbabwe Limited, (5.77%).

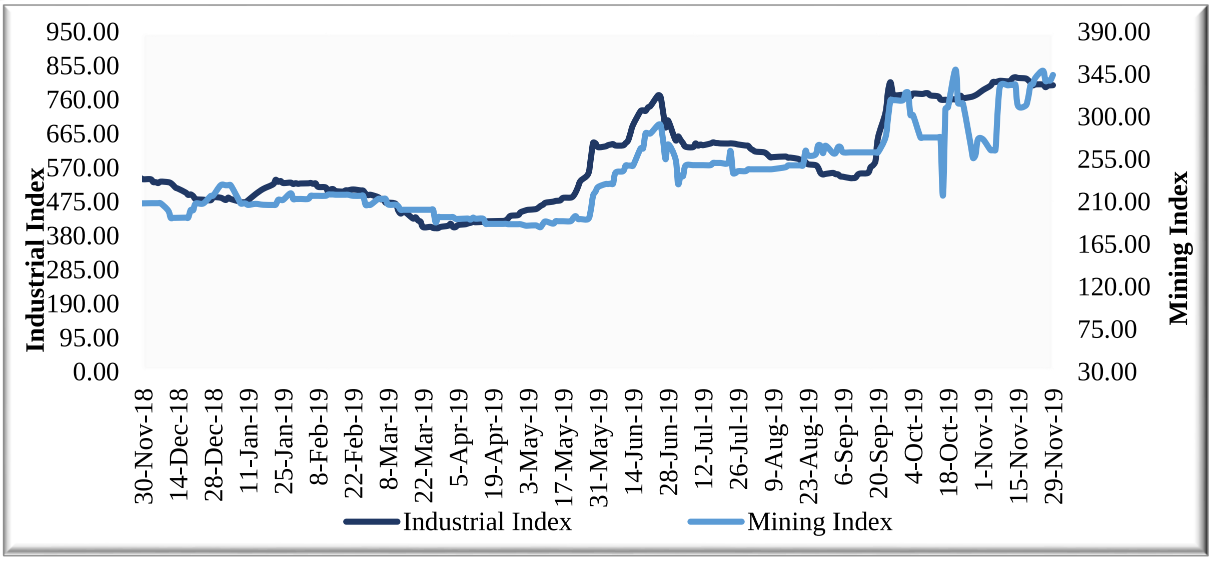
**Table 5: Zimbabwe Stock Exchange Statistics**

| | 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) |
|---|---|---|---|---|---|---|---|
| **1-Nov-2019** | 235.89 | 276.31 | 787.70 | 276.31 | 30.80 | 82.80 | 118.01 |
| **8-Nov-2019** | 244.32 | 224.39 | 813.70 | 333.46 | 31.81 | 54.52 | 27.33 |
| **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 |
| ***Weekly Change (%)*** | **(0.26)** | **(0.77)** | **(0.28)** | **0.84** | **(0.16)** | **1.93** | **(18.10)** |

*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**

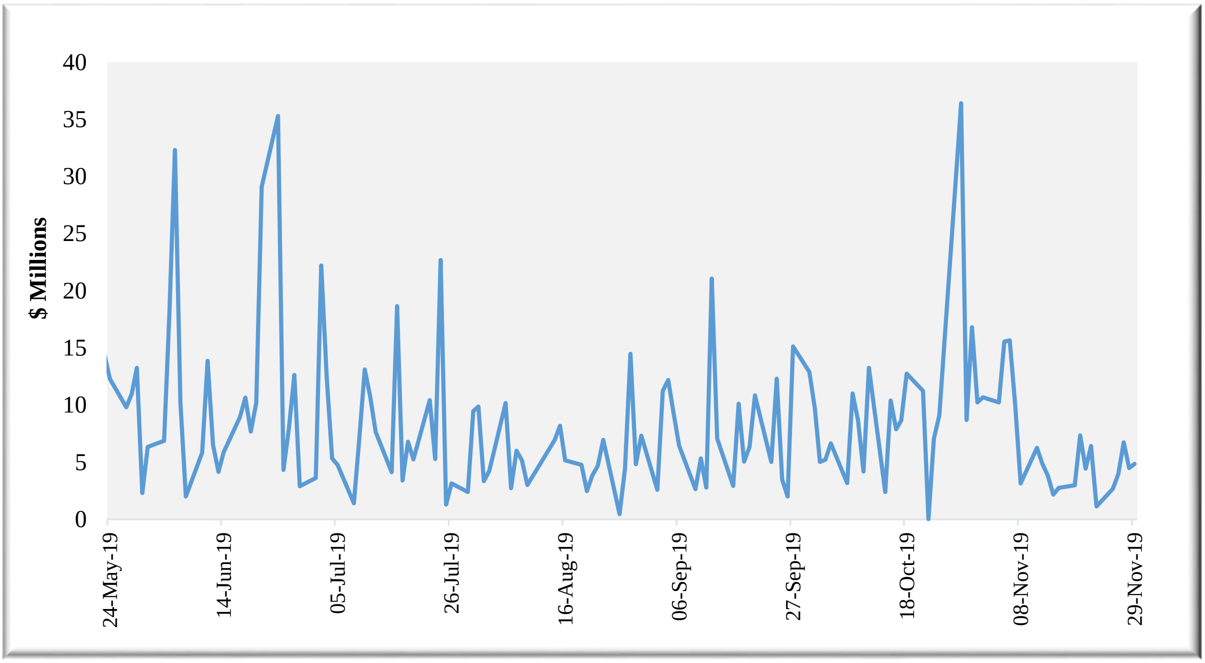



*Source: Zimbabwe Stock Exchange, 2019*

**Market Turnover and Volume**

The cumulative volume of shares traded on the ZSE declined by 18.10% to close at 34.83 million shares, during the week ending 29th November 2019. Similarly, ZSE market turnover value rose by 1.94% to close at $22.67 million, during the same week.

**Figure 2: Daily Market Turnover**




*Source: Zimbabwe Stock Exchange, 2019*

## Market Capitalization

ZSE market capitalisation stood at $31.23 billion, during the week under review. This was a 0.18% decline from $31.28 billion recorded in the preceeding week.

### Figure 3: Daily Market Capitalization


*Source: Zimbabwe Stock Exchange, 2019*

### Johannesburg Stock Exchange (JSE) Developments

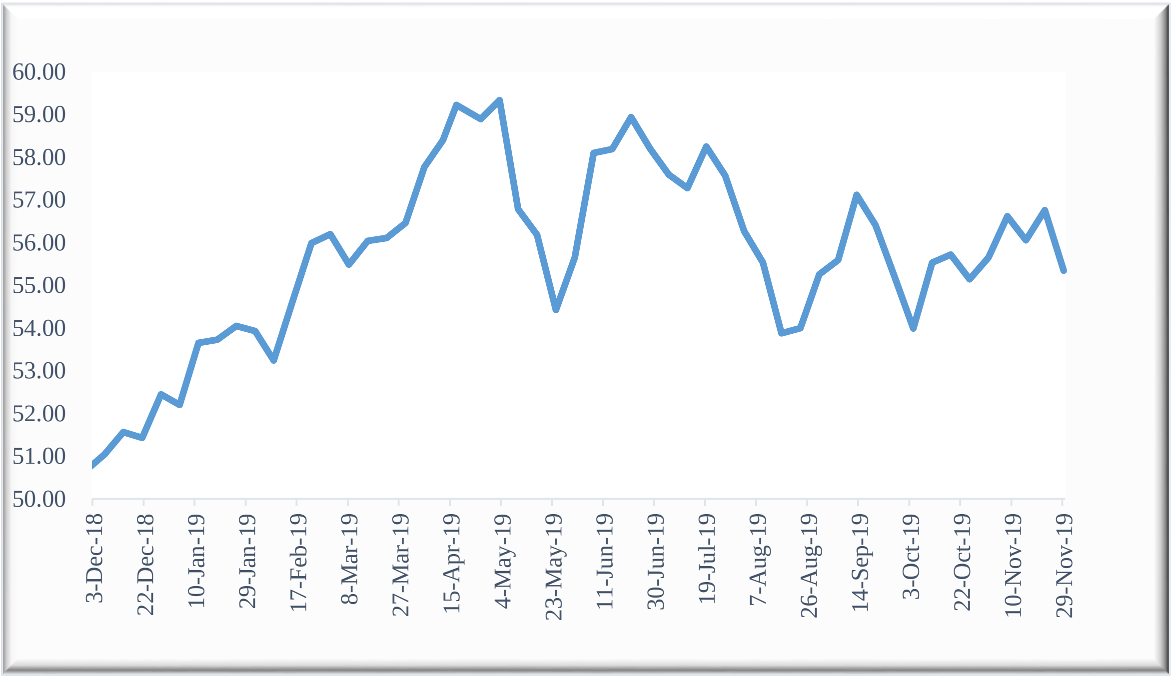
The JSE All Share Index declined by 2.49%, from 56,759.62 points in the previous week to 55,349.01 points, during week ending 29th November 2019. JSE market capitalization also declined by 1.28% to R17.03 billion, during the same week.

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

| Period | All Share Index (points) | Market Capitalization (ZAR billion) |
|---|---|---|
| **1-Nov-19** | 56,650.01 | 17.25 |
| **8-Nov-19** | 56,617.02 | 17.23 |
| **15-Nov-19** | 56,054.77 | 17.05 |
| **22-Nov-19** | 56,759.62 | 17.25 |
| **29-Nov-19** | 55,349.01 | 17.03 |
| **% Change** | **(2.49)** | **(1.28)** |

*Source:https://www.jse.co.za/services/market-data/market-statistics*

**Figure 4: Johannesburg Stock Exchange (JSE) All Share Index (in Thousands)**




*Source:https://www.jse.co.za/services/market-data/market-statistics,2019*

**RESERVE BANK OF ZIMBABWE**

**6TH DECEMBER 2019**