



Weekly Economic Highlights

Table of Contents

1. INTEREST RATES.....	1
2. CLEARING AND SETTLEMENT ACTIVITY	2
3. TOBACCO SALES	4
4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS.....	5
5. EXCHANGE RATES.....	6
6. EQUITY MARKETS.....	7

Week Ending
07th September 2018

1. INTEREST RATES

Deposit Rates

Average deposit rates for savings deposits and deposits of 1 month tenor, closed the week ending 7th September 2018 lower at 4.10% and 3.45%, respectively. Deposit rates for 3 month tenor, however, increased to 3.96% during the week under review, up from 3.95% in the previous week, as shown in Table 1.

Table 1: Average Deposit Rates (per annum)

Date	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
10-Aug-18	4.16	3.48	3.98
17-Aug-18	4.10	3.54	3.98
24-Aug-18	4.10	3.52	3.97
31-Aug-18	4.22	3.51	3.95
07-Sept-18	4.10	3.45	3.96

Source: Banking Institutions, 2018

Lending Rates

During the week under review, commercial bank weighted lending rates for individual clients decreased to 9.53%. Lending rates for corporate clients, however, increased to close the week under analysis at 7.18%, from 7.10% registered during the preceding week.

Table 2: Lending Rates

Date	Lending Rates ¹ (%)	
	Commercial Banks (weighted)	
	Individuals	Corporate clients
10-Aug-18	9.87	7.10
17-Aug-18	9.54	7.16
24-Aug-18	9.53	7.15
31-Aug-18	9.87	7.10
07-Sept-18	9.53	7.18

Source: Banking Institutions, 2018

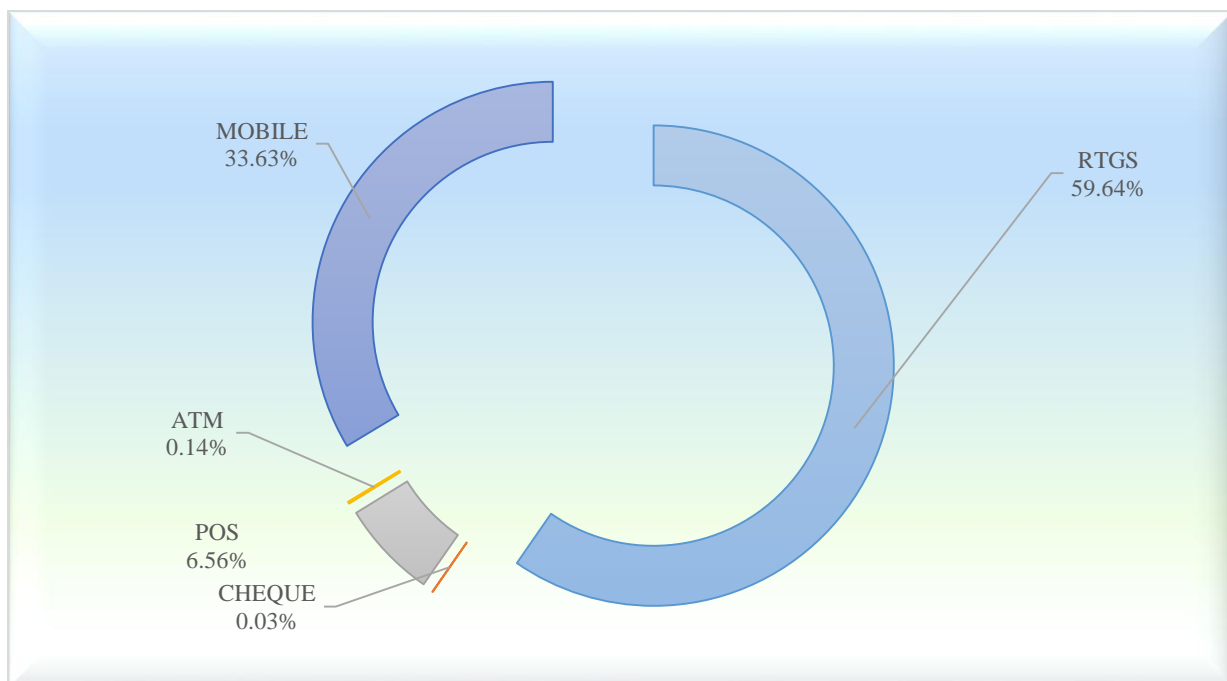
¹ Minimum weighted lending rates offered by commercial banks.

2. CLEARING AND SETTLEMENT ACTIVITY

The aggregate value of transactions processed through the National Payment System (NPS) amounted to US\$2.59 billion, during the week ending 7th September 2018. This compares with the total value of NPS transactions of US\$3.17 billion recorded in the previous week. Transactions processed through the Real Time Gross Settlement (RTGS) system decreased by 23.7%, to close the week under review at US\$1.54 billion.

In value terms, RTGS payments accounted for 59.64% of the total value of transactions processed through the NPS. Mobile, Point of Sale (POS), Automated Teller Machines (ATMs) and Cheque transactions accounted for 33.63%, 6.56%, 0.14% and 0.03%, respectively as shown in Figure 1.

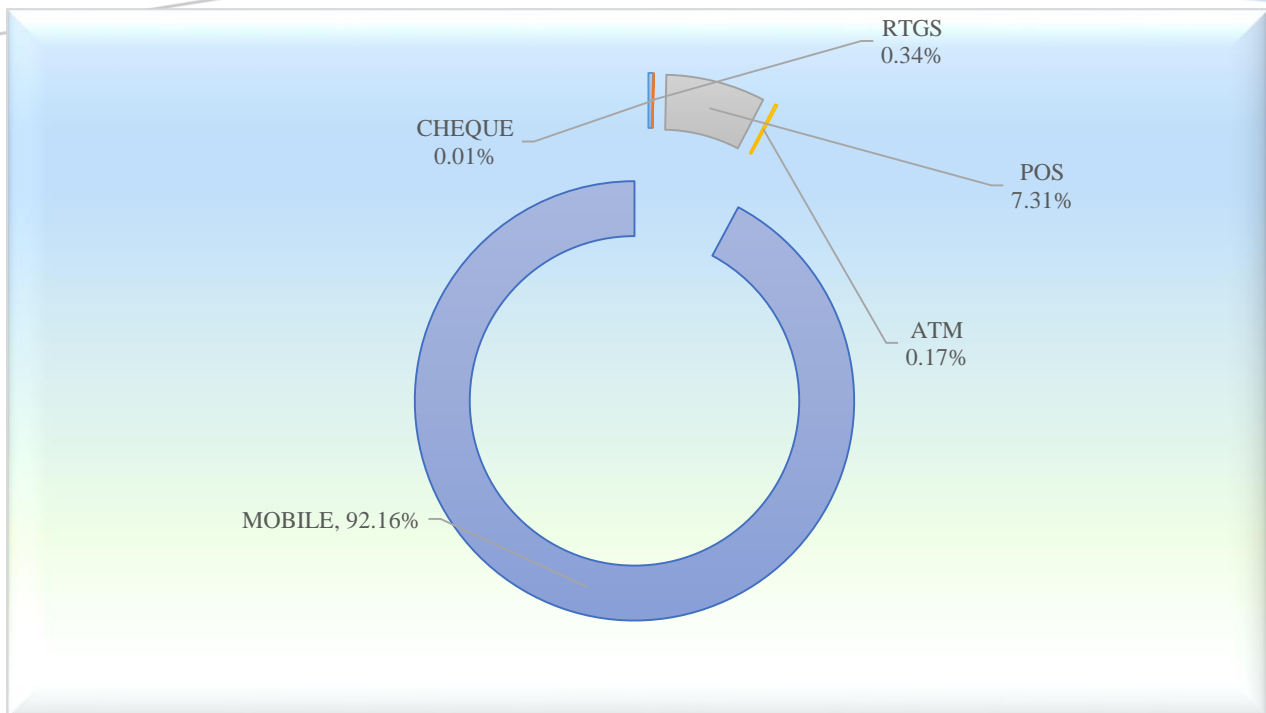
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2018

The volume of transactions processed through the NPS decreased by 5.3%, to close the week under review at 44.5 million transactions. NPS transaction volumes were distributed as follows: Mobile, 92.16%; POS, 7.31%; ATM, 0.17%; RTGS, 0.34%; 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 31 st AUGUST 2018	WEEK ENDING 07 th SEPTEMBER 2018	% CHANGE FROM LAST WEEK	PROPORTION
VALUES IN US\$ (millions)				
RTGS	2,022.65	1,543.02	-23.7%	59.64%
CHEQUE	0.64	0.77	20.0%	0.03%
POS	298.86	169.78	-43.2%	6.56%
ATM	4.21	3.50	-17.0%	0.14%
MOBILE	842.56	870.12	3.3%	33.63%
TOTAL	3,168.92	2,587.18	-18.4%	100%
VOLUMES				
RTGS	159,479	153,406	-3.8%	0.34%
CHEQUE	3,431	3,905	13.8%	0.01%
POS	7,864,192	3,252,728	-58.6%	7.31%
ATM	96,069	77,197	-19.6%	0.17%
MOBILE	38,843,314	40,986,639	5.5%	92.16%
TOTAL	46,966,485	44,473,875	-5.3%	100%

Source: Reserve Bank of Zimbabwe, 2018

3. TOBACCO SALES

A cumulative total of 252.16 million kilograms of tobacco, valued at US\$736.53 million, had been sold as at 7th September 2018 or day 114 of the 2018 tobacco selling season. The average price of the golden leaf was US\$2.92/kg

During the same period in 2017, a total of 188.19 million kilograms of the golden leaf were sold at an average price of US\$2.96/kg. The cumulative sales value of the golden leaf was US\$557.57 million.

Table 4: Cumulative Tobacco Sales: Day 114 (07th September 2018)

	2017	2018	Variance (%)
Cumulative Quantity Sold (kg)	188,187,096	252,163,519	34.00
Cumulative Average Price (US\$/kg)	2.96	2.92	-1.4
Cumulative Value (US\$ million)	557,571,388	736,534,019	32.10

Source: Tobacco Industry and Marketing Board (TIMB), 2018

4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

During the week ending 7th September 2018, the international commodity prices of nickel, copper, platinum and gold declined. Crude oil prices, however, firmed, as shown in Table 4.

Table 5: International Commodity Prices

	Gold	Platinum	Copper	Nickel	Crude Oil
2018	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
Weekly Average (28- 31 Aug)	1,205.31	797.00	6,075.00	13,400.00	77.12
3-Sep	1,200.88	787.50	5,976.50	12,760.00	78.07
4-Sep	1,193.30	775.00	5,965.00	12,780.00	77.66
5-Sep	1,195.70	774.00	5,847.50	12,440.00	77.25
6-Sep	1,204.73	790.00	5,901.00	12,545.00	76.47
7-Sep	1,199.83	784.50	5,915.50	12,495.00	77.18
Weekly Average (3- 7 Sept)	1,198.89	782.20	5,921.10	12,604.00	77.33
<i>Weekly Change (%)</i>	<i>(0.5)</i>	<i>(1.9)</i>	<i>(2.5)</i>	<i>(5.9)</i>	<i>0.3</i>

Source: BBC, KITCO and Bloomberg

Gold

Gold prices closed the week under review lower at an average of US\$1,198.89/oz., from US\$1,205.31/oz. in the previous week. A decline in the demand of the precious metal from jewelers, weighed down the prices. In addition, the metal lost its safe haven appeal, as the market anticipated further strengthening of the US dollar.

Platinum

Platinum prices decreased by 1.9%, from a weekly average of US\$797.00/oz. in the previous week, to US\$782.20/oz. during the week under review. Forecasts of persistent excess supply of the metal exerted downward pressure on the prices.

Copper

Copper prices declined by 2.5%, from a weekly average of US\$6,075.00/ton to US\$5,912.10/ton, during the week under review. This was on the back of slackened demand of the metal, following looming US sanctions on China.

Nickel

Nickel prices declined by 5.9%, from a weekly average of US\$13,400.00/ton in the previous week, to US\$12,604.00/ton during the week under review. This was underpinned by rising nickel stockpiles, following low demand from Chinese steel industry.

Crude Oil

Crude oil prices closed the week under review at US\$77.33/barrel, a 0.3% increase from US\$77.33/barrel recorded in the previous week. Prices remained high as uncertainties over the supply of oil from Iran still prevailed. This was coupled with the drop in US crude inventories.

EXCHANGE RATES

The greenback appreciated against the rand, pula, euro and pound, during the week under analysis. The dollar was supported by the ongoing US-China trade dispute, as investors shifted to the dollar in the belief the US had less to lose in the trade war.

Table 6: International Exchange Rates per US\$

	ZAR	GBP	BWP	EURO
Weekly Average (27 - 31 Aug)	14.3801	0.7738	10.6388	0.8571
3-Sep	14.7134	0.7735	10.8167	0.8613
4-Sep	14.8728	0.7773	10.8460	0.8613
5-Sep	15.3448	0.7778	10.9529	0.8628
6-Sep	15.4440	0.7744	11.0436	0.8598
7-Sep	15.3160	0.7734	10.9589	0.8600
Weekly Average (3 - 7 Sept)	15.1382	0.7753	10.9236	0.8610
<i>Appr(+)/Depr(-) (%) of the USD</i>	<i>5.27</i>	<i>0.19</i>	<i>2.68</i>	<i>0.46</i>

Source: Reuters, 2018

5. EQUITY MARKETS

During the week ending 7th September 2018, the Zimbabwe Stock Exchange (ZSE) continued on a bullish run, with its All Share Index gaining 2.70 points to close the week at 120.50 points, from 117.33 points registered in the previous week.

The industrial index rose by 2.70%, from 394.64 points in the previous week, to 405.31 points during the week under review. The surge in the mainstream index emanated from share price gains at General Beltings Holdings Limited (37.50%); Powerspeed Electrical Limited (20.00%); Zimre Property Investments (19.77%); Turnall Holdings Limited (19.72%); and Africa Sun Limited (18.38%).

The mining index increased by 1.26%, to close the week at 163.37 points. The rise in the mining index was driven by increases of 2.67% and 0.72% in share prices of Bindura Nickel Corporation and RioZim, respectively.

Table 7: Zimbabwe Stock Exchange Statistics

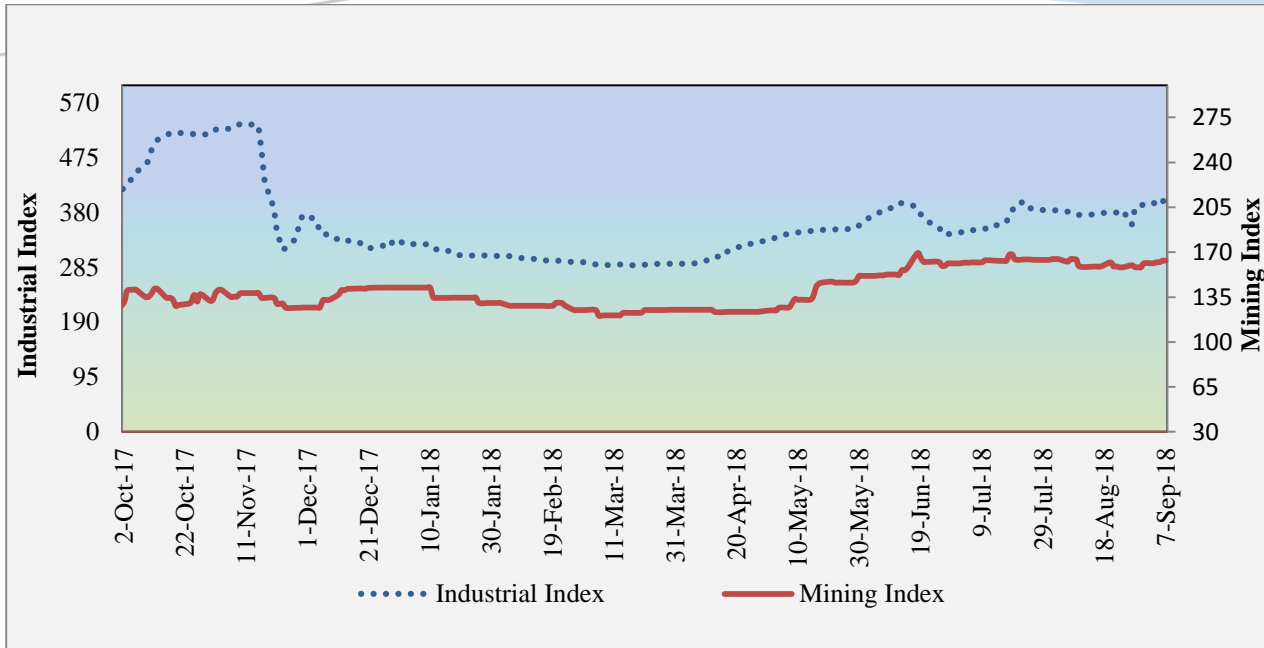
	All Share Index ² (points)	Top 10 index ³ (Points)	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
10-August-18	111.78	115.08	375.88	158.80	11,918,749,460	15,761,422	88,755,838
17-August-18	112.77	115.89	379.26	158.90	12,009,715,049	4,232,495	32,322,587
24-August-18	114.18	117.70	384.08	158.20	12,148,679,810	7,312,801	31,800,864
31-August-18	117.33	121.69	394.64	161.34	12,475,445,852	16,933,213	26,753,658
07-September-18	120.50	124.87	405.31	163.37	12,737,425,803	23,337,621	82,761,555
Weekly Change (%)	2.70	2.61	2.70	1.26	2.10	37.82	209.35

Source: Zimbabwe Stock Exchange (ZSE), 2018

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

³ The Index is calculated using the market capitalisation method.

Figure 3: Zimbabwe Stock Exchange Indices

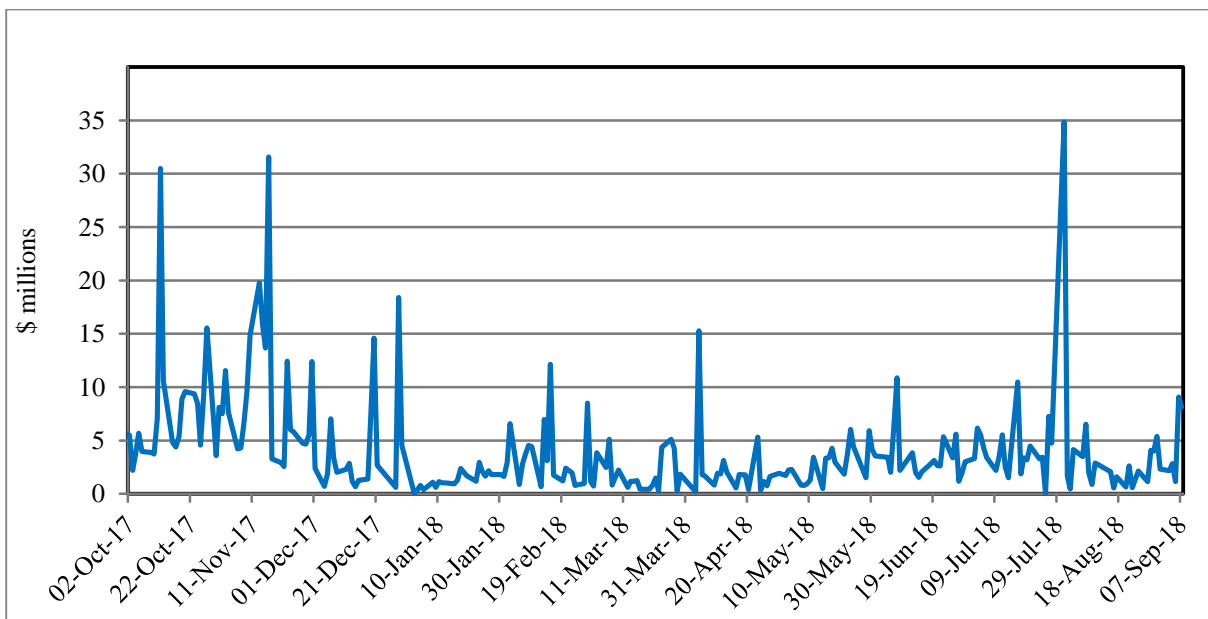


Source: Zimbabwe Stock Exchange, 2018

Market Turnover and Volume

The volume of shares traded on the ZSE rose by 209.35%, to close the week ending 7th September 2018 at 82.76 million shares. Similarly, the ZSE market turnover value increased by 37.82% to US\$23.34 million, during the week under review.

Figure 4: Market Turnover

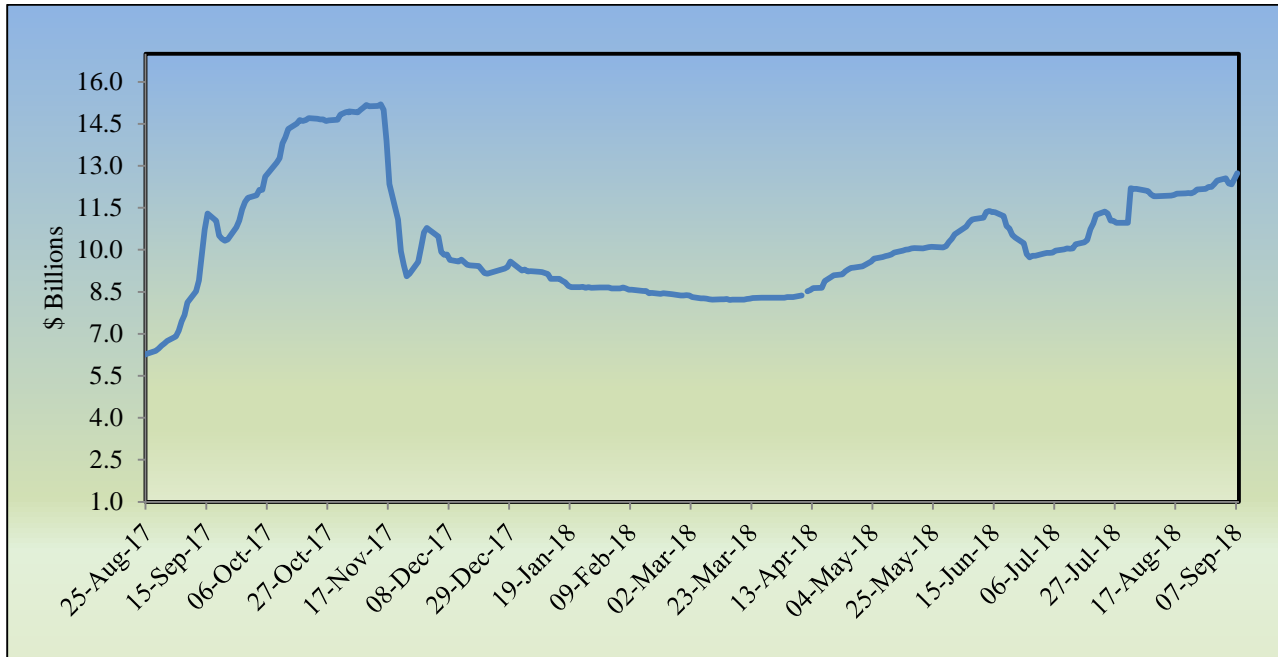


Source: Zimbabwe Stock Exchange, 2018

Market Capitalization

The ZSE market capitalization rose from US\$12.48 billion in the previous week to US\$12.74 billion, during the week ending 7th September 2018. This represented a 2.10% increase. Increases in both the mining and industrial indices underpinned the rise in market capitalization.

Figure 5: Market Capitalization



Source: Zimbabwe Stock Exchange, 2018

Johannesburg Stock Exchange (JSE) Developments

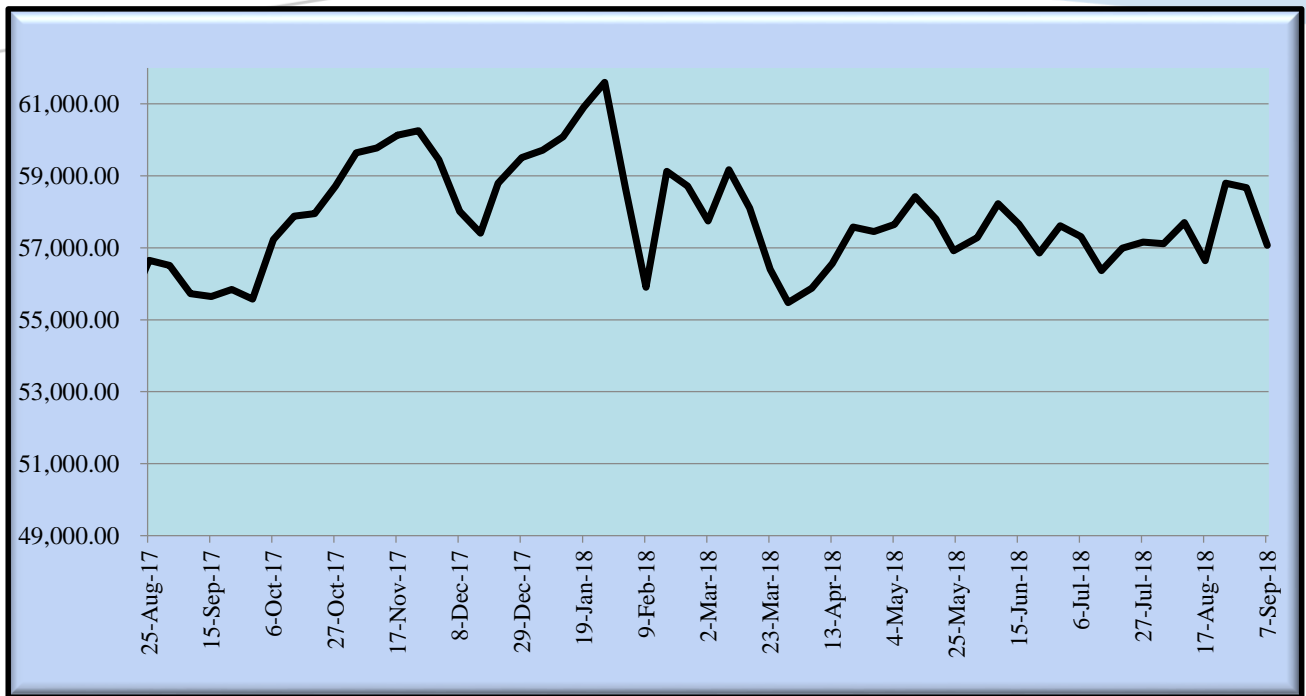
During the week ending 7th September 2018, the JSE All Share index registered a 2.73% decline to 57 068.45 points, from 58 668.48 points in the previous week. Similarly, JSE market capitalization decreased by 1.74%, to R14.68 trillion during the week under review.

Table 8: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalization (ZAR trillion)
10-Aug-18	57,703.02	14.78
17-Aug-18	56,647.52	14.87
24-Aug-18	58,797.68	14.98
31-Aug-18	58,668.48	14.94
07-Sep-18	57,068.45	14.68
% Change	-2.73	-1.74

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

14th SEPTEMBER 2018