



Weekly Economic Highlights

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**Week Ending
22nd June 2018**

1. INTEREST RATES

Deposit Rates

During the week ending 22nd June 2018, average deposit rates for savings deposits remained unchanged at 4.22%. Deposit rates for deposits of 1 month and 3 month tenors, however, increased from 3.50% and 3.83% to 3.55% and 4.00%, respectively, as shown in Table 1.

Table 1: Average Deposit Rates (per annum)

Date	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
24-May-18	4.35	3.57	3.84
01-June-18	4.41	3.52	3.84
08-June-18	4.22	3.50	3.82
15-June-18	4.22	3.50	3.83
22-June-18	4.22	3.55	4.00

Source: Banking Institutions, 2018

Lending Rates

Commercial bank weighted lending rates for individual and corporate clients closed the week under review at 9.67% and 7.01%, respectively.

Table 2: Lending Rates

Date	Lending Rates ¹ (%)	
	Commercial Banks (weighted)	
	Individuals	Corporate clients
24-May-18	9.28	7.09
01-June-18	9.32	7.07
08-June-18	9.69	7.01
15-June-18	9.68	7.02
22-June-18	9.67	7.01

Source: Banking Institutions, 2018

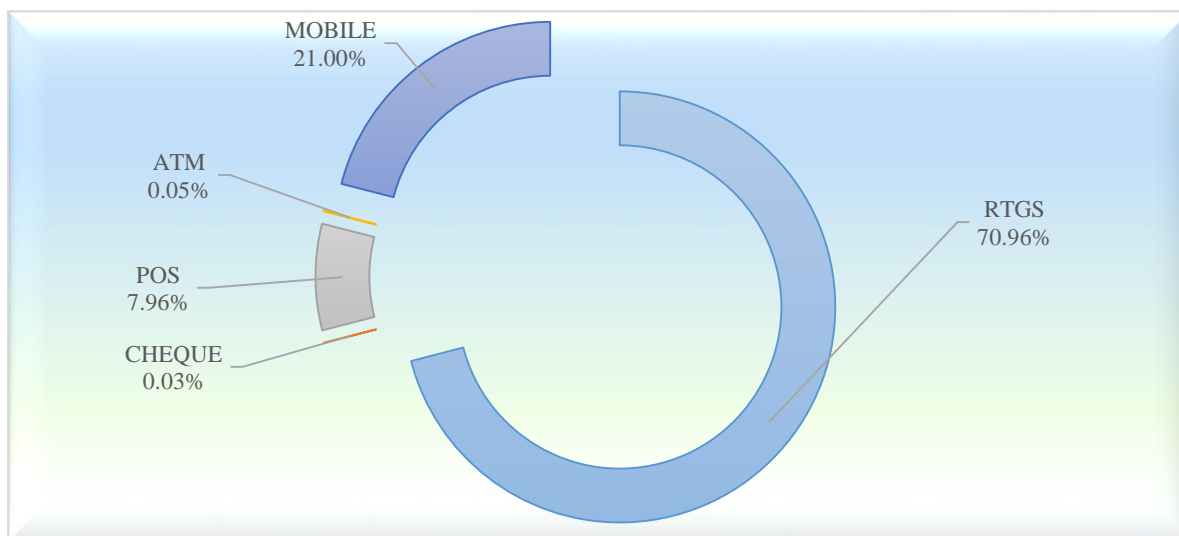
¹ Minimum weighted lending rates offered by commercial banks.

2. CLEARING AND SETTLEMENT ACTIVITY

The total value of transactions processed through the National Payments System (NPS) increased to US\$3.21 billion during the week ending 22nd June 2018, from US\$2.9 billion recorded in the previous week. Transactions processed through the Real Time Gross Settlement (RTGS) system recorded an increase of 19.8%, to close the week under review at US\$2.27 billion.

In terms of proportions, RTGS payments accounted for 70.96% of transactions processed through the NPS; Mobile, 21%; Point of Sale (POS), 7.96%; Automated Teller Machines (ATMs), 0.05% and Cheque, 0.03% transactions, as shown in Figure 1.

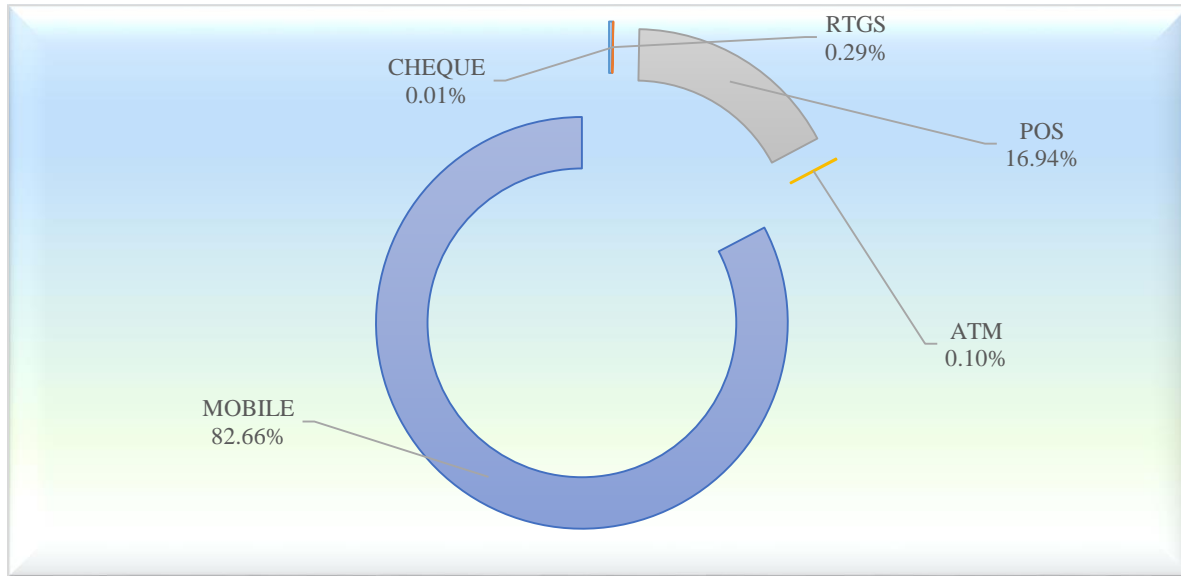
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2018

Transaction volumes processed through the NPS stood at 40,078,734, during the week under review, up from 39,034,024 transactions recorded in the previous week. The transaction volumes were distributed as follows: Mobile, 82.66%; POS, 16.94%; ATM, 0.10%; RTGS, 0.29% 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 15 th JUNE 2018	WEEK ENDING 22 nd JUNE 2018	% CHANGE FROM LAST WEEK	PROPORTION
VALUES IN US\$				
RTGS	1,902.85	2,279.23	19.8%	70.96%
CHEQUE	1.16	0.98	-15.5%	0.03%
POS	260.89	255.60	-2.0%	7.96%
ATM	1.80	1.75	-2.7%	0.05%
MOBILE	631.75	674.55	6.8%	21.00%
TOTAL	2,798.44	3,212.11	14.8%	100%
VOLUMES				
RTGS	118,141	115,713	-2.1%	0.29%
CHEQUE	5,819	5,060	-13.0%	0.01%
POS	6,660,816	6,789,697	1.9%	16.94%
ATM	40,105	38,170	-4.8%	0.10%
MOBILE	32,209,143	33,130,094	2.9%	82.66%
TOTAL	39,034,024	40,078,734	2.7%	100%

Source: Reserve Bank of Zimbabwe, 2018

3. TOBACCO SALES

A cumulative total of 207,878,437 kilograms of tobacco had been sold as at 22nd June 2018 or day 63 of the 2018 tobacco selling season. This compares favorably with the 161,038,542 kilograms sold during the same period in 2017.

In value terms, the cumulative tobacco sales stood at US\$605.9 million, up from US\$470.04 million realized during the corresponding period in 2017. The golden leaf was sold at an average price of US\$2.91/kg, a marginal decrease on the US\$2.92/kg realized during the same period in 2017.

Table 4: Cumulative Tobacco Sales: Day 63 (22nd June 2018)

	2017	2018	Variance (%)
Cumulative Quantity Sold (kgs)	161,038,542	207,878,437	29.1
Cumulative Average Price(US\$/kg)	2.92	2.91	0.34
Cumulative Value (US\$ million)	470,042,891	605,897,178	28.9

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

4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

During the week ending 22nd June 2018, the international commodity prices of copper, platinum, gold, nickel and crude oil softened, as shown in Table 4.

Table 4: Metal and Crude Oil Prices

	Gold	Platinum	Copper	Nickel	Crude Oil
Weekly Average (11 - 15 June)	1,297.66	902.70	7,213.60	15,355.00	75.43
18-Jun	1,281.40	885.00	6,994.00	15,130.00	74.60
19-Jun	1,277.50	875.50	6,955.00	15,020.00	75.34
20-Jun	1,273.73	864.50	6,730.00	14,995.00	74.13
21-Jun	1,264.93	865.00	6,389.50	15,190.00	73.83
22-Jun	1,269.43	866.00	6,797.00	15,180.00	74.21
Weekly Average (18 - 22 June)	1,273.40	871.20	6,773.10	15,103.00	74.42
<i>Weekly Change (%)</i>	<i>(1.9)</i>	<i>(3.5)</i>	<i>(6.1)</i>	<i>(1.6)</i>	<i>(1.3)</i>

Source: BBC, KITCO and Bloomberg 2018

Gold

Gold prices decreased from an average of US\$1,297.66/oz. in the previous week, to US\$1,273.40/oz., during the week under review. The price of the yellow metal was weighed down by weakening safe haven demand, following recent interest rate hikes by the Federal Reserve.

Platinum

Platinum prices declined by 3.5%, to close the week under analysis at US\$871.20/oz. Fears of weaker demand prospects in the automotive industry, following reports of the diesel emission scandal in Europe, exerted downward pressure on the price of the metal.

Copper

Copper prices declined from US\$7,213.60 /tonne in the previous week to US\$6,773.10/tonne, during the week under analysis. This was on the back of weak demand in China, amid rising trade tensions between the US, China and the European Union.

Nickel

Nickel prices softened by 1.6% to US\$15,103.00/tonne, during the week under review, from US\$15,355.00/ton in the previous week. Prices declined largely due to low demand. In addition, China's environmental probes are likely to adversely affect production of stainless steel.

Crude Oil

Crude oil prices declined by 1.3%, from a weekly average of US\$75.43/barrel in the previous week to US\$74.42/barrel, during the week under review. Brent crude oil prices continued on a negative trajectory, on fears of the resurgence of a global glut, following the decision by the Organization of Petroleum Exporting Countries (OPEC) and its allies to increase output during the week.

4. EXCHANGE RATES

The US dollar appreciated against the South African rand, Botswana pula, pound Sterling and euro, during the week ending 22nd June 2018, as shown in Table 5.

Table 5: International Exchange Rates per US\$

	ZAR	GBP	BWP	EURO
2018				
Weekly Average (11 - 15 June)	13.2569	0.7489	10.1865	0.8523
18-Jun	13.4334	0.7535	10.3199	0.8624
19-Jun	13.8376	0.7543	10.3413	0.8604
20-Jun	13.6581	0.7596	10.4112	0.8639
21-Jun	13.7156	0.7608	10.3573	0.8653
22-Jun	13.5547	0.7533	10.3146	0.8598
Weekly Average (12 - 22 June)	13.6399	0.7563	10.3489	0.8624
<i>Appr(+)/Depr(-) (%) of the USD</i>	<i>2.9</i>	<i>1.0</i>	<i>1.6</i>	<i>1.2</i>

Source: Reuters, 2018

5. EQUITY MARKETS

The Zimbabwe Stock Exchange (ZSE) All Share Index registered a decline of 8.03%, to close the week ending 22nd June 2018 at 108.76. The industrial index registered a decline of 8.18%, to close the week under analysis at 362.49 points. This emanated from share price losses at Delta Corporation Limited (22.14%), Ariston Holdings Limited (16.67%), Seedco Limited (16.36%), First Mutual Holdings Limited (11.11%) and CBZ Holdings Limited (10.03%).

The mining index, however, increased from 158.55 points in the previous week to 162.47 points, during the week under review. This was due to increases of 17.65% and 4.70% in share prices of Hwange Colliery Company and RioZim, respectively. These gains were, however, partially offset by a 4.71% decline in the Bindura Nickel Corporation counter. Falgold traded at the previous week price level, albeit on thin volume.

Table 6: Zimbabwe Stock Exchange (ZSE) Statistics

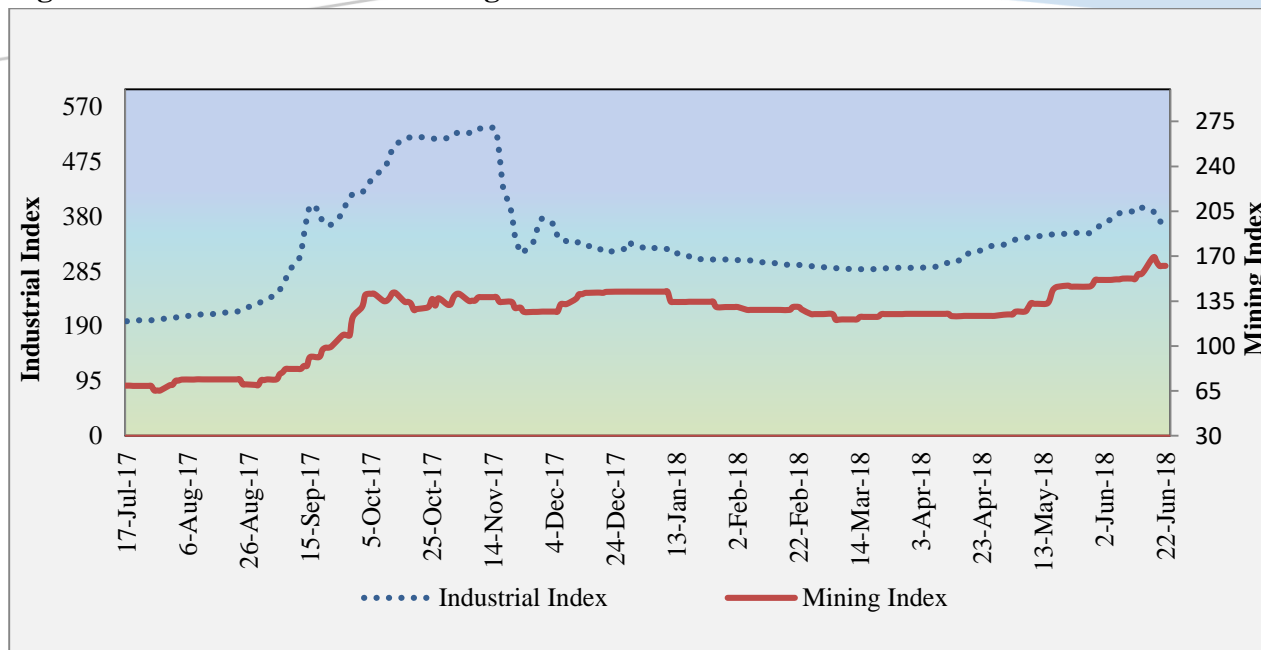
	All Share Index ² (points)	Top 10 index ³ (Points)	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
11-May-18	103.24	105.09	345.49	132.96	9,907,132,092	7,302.730	12,398,671
18-May-18	104.80	107.64	350.02	146.30	10,056,829,012	14,477.577	26,073,741
24-May-18	105.27	107.49	351.60	146.30	10,101,710,611	16,048.718	27,700,995
15-June-18	118.25	123.86	394.79	158.55	11,344,808,900	12,881.956	25,906,894
22-June-18	108.76	111.21	362.49	162.47	10,434,994,250	16,636.337	55,999,615
Weekly Change (%)	-8.03	-10.21	-8.18	2.47	-8.02	29.14	116.16

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

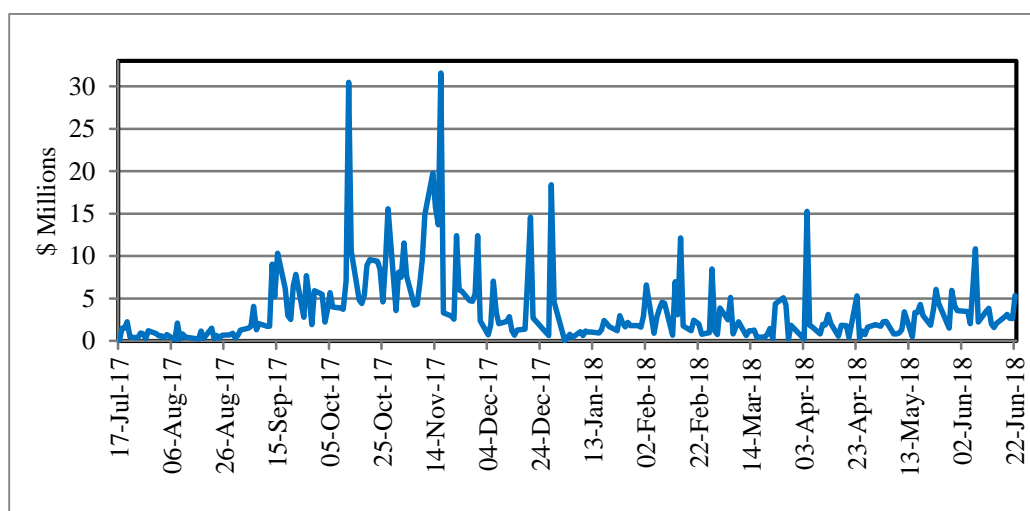


Source: Zimbabwe Stock exchange, 2018

Market Turnover and Volume

The volume of shares traded on the ZSE increased by 116.16%, to close the week ending 22nd June 2018 at 56 million shares. Likewise, ZSE market turnover value increased by 26.19% to US\$16.64 million, during the same week.

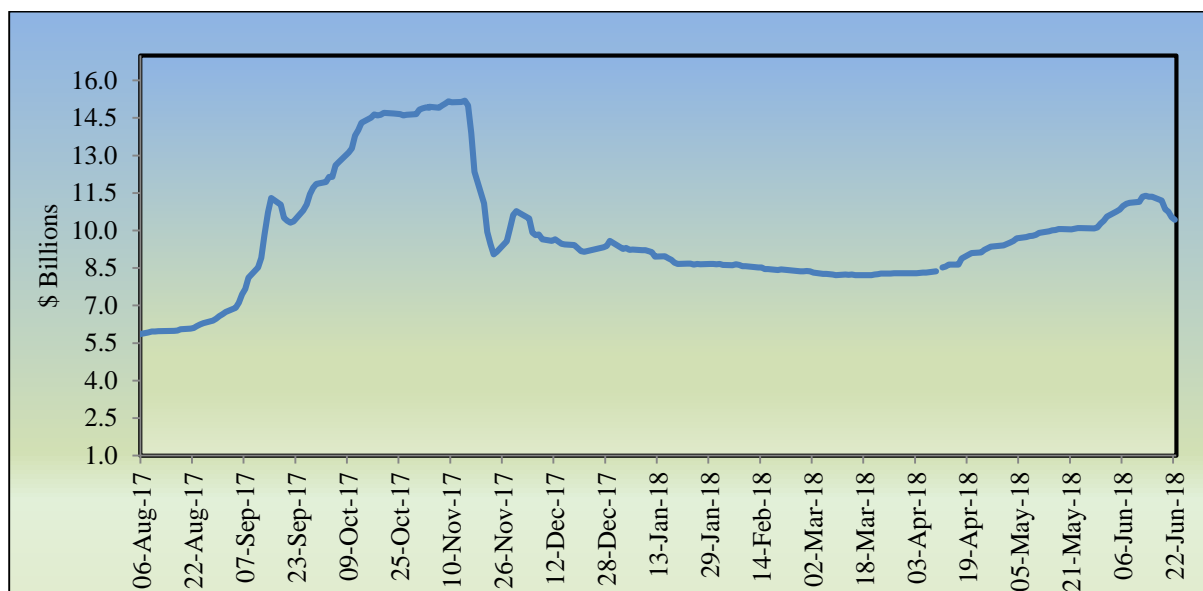
Figure 4: Daily Market turnover



Source: Zimbabwe Stock Exchange, 2018

Market Capitalization

The ZSE market capitalization declined by 8.02%, from US\$11.34 billion in the previous week to US\$10.43 billion, during the week ending 22nd June 2018. This was accounted for by decreases in both the mining and industrial indices.



Source: Zimbabwe Stock Exchange, 2018

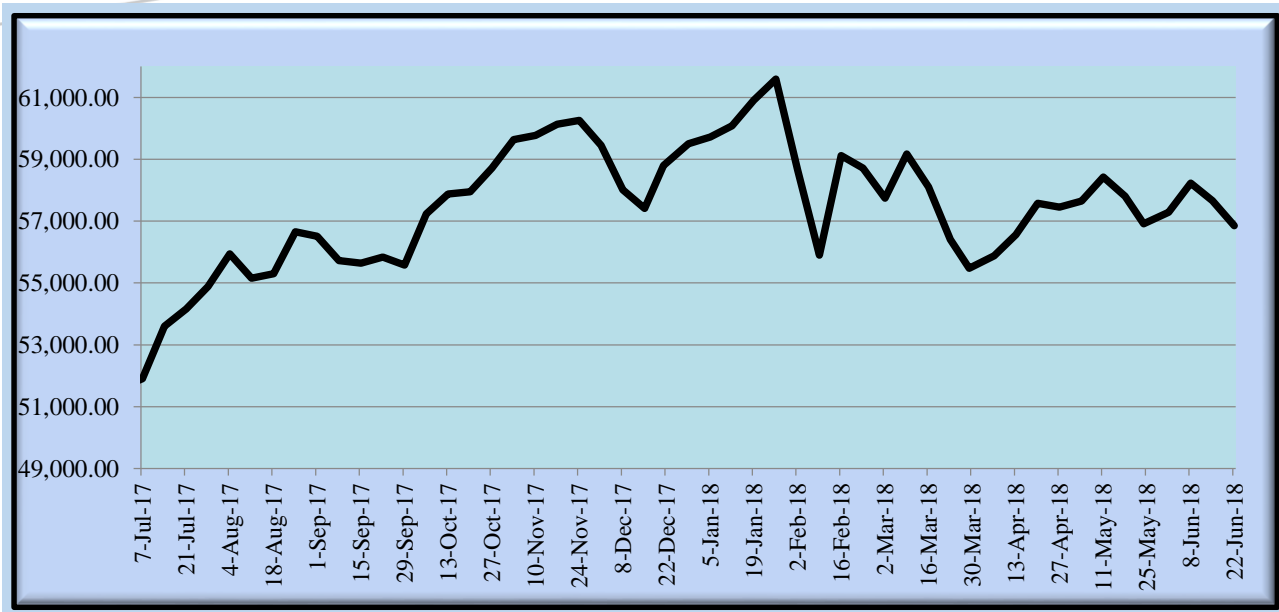
Johannesburg Stock Exchange (JSE) Developments

The JSE All Share index closed the week under review at 56 856.66 points, down from 57 660.50 points recorded in the previous week. Likewise, JSE market capitalization registered a 0.34% decrease, to close at R14.64 trillion during the same week.

Period	All Share Index (points)	Market Capitalization (ZAR trillion)
24-May-18	56 916.97	14.26
01-June-18	57 282.14	14.37
08-June-18	58 223.72	14.58
15-June-18	57 660.50	14.69
22-June-18	56 856.66	14.64
% Change	-1.39	-0.34

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

Figure 5: Johannesburg Stock Exchange (JSE) All Share Index



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

RESERVE BANK OF ZIMBABWE

25th JUNE 2018