



Weekly Economic Highlights

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Week Ending
3rd August 2018

1. INTEREST RATES

Deposit Rates

During the week ending 3rd August 2018, average deposit rates for all classes of deposit remained unchanged at the previous week level.

Table 1: Average Deposit Rates (per annum)

| Date | Savings Deposits (%) | 1-Month Deposits (%) | 3-Months Deposits (%) |
|------------------|----------------------|----------------------|-----------------------|
| 06-Jul-18 | 4.35 | 3.53 | 4.00 |
| 13-Jul-18 | 4.35 | 3.53 | 4.00 |
| 20-Jul-18 | 4.35 | 3.53 | 4.00 |
| 27-Jul-18 | 4.35 | 3.53 | 4.00 |
| 03-Aug-18 | 4.35 | 3.53 | 4.00 |

Source: Banking Institutions, 2018

Lending Rates

Commercial bank weighted lending rates for individual clients closed the week under review at 9.91%, up from 9.75% in the previous week. Similarly, weighted lending rates for corporate clients increased from 6.97% to 7.09%, during the same week.

Table 2: Lending Rates

| Date | Lending Rates ¹ (%) | |
|------------------|--------------------------------|-------------------|
| | Commercial Banks (weighted) | |
| | Individuals | Corporate clients |
| 06-Jul-18 | 9.37 | 7.03 |
| 13-Jul-18 | 9.37 | 7.07 |
| 20-Jul-18 | 9.78 | 7.02 |
| 27-Jul-18 | 9.75 | 6.97 |
| 03-Aug-18 | 9.91 | 7.09 |

Source: Banking Institutions, 2018

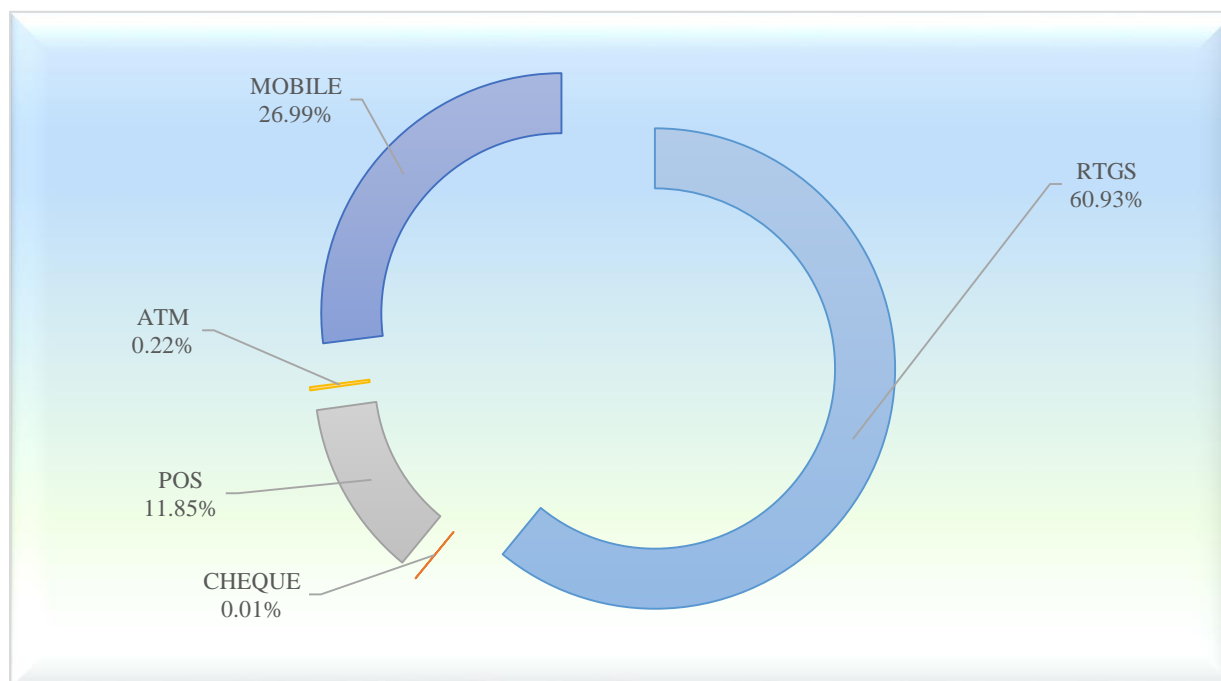
¹ Minimum weighted lending rates offered by commercial banks.

2. CLEARING AND SETTLEMENT ACTIVITY

During the week ending 3rd August 2018, transactions processed through the National Payment System (NPS) amounted to US\$2 464.05 million, down from US\$2 969.19 million registered in the previous week. Transactions processed through the Real Time Gross Settlement (RTGS) system decreased by 22.8%, to close the week under review at US\$1 501.22 million.

In value terms, NPS transactions were distributed as follows: RTGS, 60.93%; Mobile, 26.99%; Point of Sale (POS), 11.85%; Automated Teller Machines (ATMs), 0.22%; and Cheque, 0.01%, as shown in Figure 1.

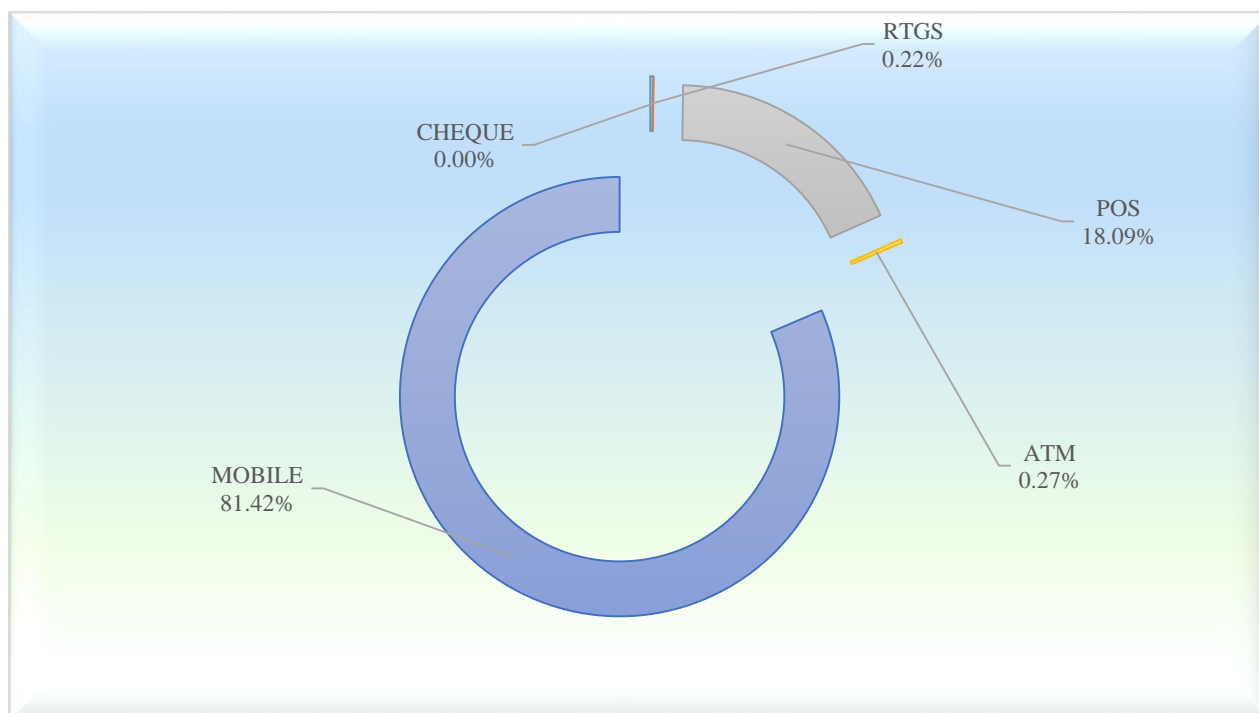
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2018

The total volume of transactions processed through the NPS declined by 0.7%, from 44 632 986 transactions in the previous week to 44 321 809 transactions, during the week under review. Mobile transactions contributed 81.42% of the total volume of NPS transactions, followed by POS, 18.09%; ATMs, 0.27%; RTGS, 0.22%; and Cheque, 0.005%, 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 27 th JULY 2018 | WEEK ENDING 3 rd AUGUST 2018 | % CHANGE FROM LAST WEEK | PROPORTION |
|--------------------------------|--|---|-------------------------|-------------|
| VALUES IN US\$ millions | | | | |
| RTGS | 1,944.24 | 1,501.22 | -22.8% | 60.93% |
| CHEQUE | 0.76 | 0.37 | -51.9% | 0.01% |
| POS | 268.28 | 292.06 | 8.9% | 11.85% |
| ATM | 2.90 | 5.43 | 87.2% | 0.22% |
| MOBILE | 753.00 | 664.97 | -11.7% | 26.99% |
| TOTAL | 2,969.19 | 2,464.05 | -17.0% | 100% |
| VOLUMES | | | | |
| RTGS | 141,915 | 95,616 | -32.6% | 0.22% |
| CHEQUE | 4,033 | 2,036 | -49.5% | 0.005% |
| POS | 7,021,483 | 8,016,817 | 14.2% | 18.09% |
| ATM | 68,001 | 119,774 | 76.1% | 0.27% |
| MOBILE | 37,397,554 | 36,087,566 | -3.5% | 81.42% |
| TOTAL | 44,632,986 | 44,321,809 | -0.7% | 100% |

Source: Reserve Bank of Zimbabwe, 2018

3. TOBACCO SALES

As at 3rd August 2018 or day 93 of the 2018 tobacco selling season, a cumulative total of 244,8 million kilograms of tobacco, valued at US\$716.1 million, had been sold at an average price of US\$2.93/kg.

During the corresponding period in 2017, a total of 181.4 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\$537.6 million.

Table 4: Cumulative Tobacco Sales: Day 92 (3rd August 2018)

| | 2017 | 2018 | Variance (%) |
|--|-------------|-------------|--------------|
| Cumulative Quantity Sold (kg) | 181,365,552 | 244,790,985 | 35.0 |
| Cumulative Average Price(US\$/kg) | 2.96 | 2.93 | -1.3 |
| Cumulative Value(US\$ million) | 537,587,654 | 716,053,536 | 33.2 |

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

4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

During the week ending 3rd August 2018, the international commodity prices of platinum, gold copper and crude oil retreated from their previous week level. Nickel prices, however, firmed during the same week, as shown in Table 4.

Table 4: International Commodity Prices

| | Gold | Platinum | Copper | Nickel | Crude Oil |
|---|-----------------|-----------------|-----------------|------------------|------------------|
| 2018 | US\$/ounce | US\$/ounce | US\$/tonne | US\$/tonne | US\$/barrel |
| Weekly Average (23 - 27 July) | 1,226.58 | 832.40 | 6,238.50 | 13,636.00 | 74.04 |
| 30-Jul | 1,222.93 | 825.00 | 6,230.00 | 13,805.00 | 74.61 |
| 31-Jul | 1,220.03 | 828.50 | 6,238.00 | 13,835.00 | 74.21 |
| 1-Aug | 1,220.88 | 827.50 | 6,264.00 | 13,990.00 | 74.00 |
| 2-Aug | 1,216.53 | 820.00 | 6,138.00 | 13,445.00 | 73.21 |
| 3-Aug | 1,212.00 | 828.00 | 6,123.00 | 13,360.00 | 73.33 |
| Weekly Average (30 July - 3 Aug) | 1,218.47 | 825.80 | 6,198.60 | 13,687.00 | 73.87 |
| <i>Weekly Change (%)</i> | <i>(0.7)</i> | <i>(0.8)</i> | <i>(0.6)</i> | <i>0.4</i> | <i>(0.2)</i> |

Source: BBC, KITCO and Bloomberg

Gold

Gold prices retreated by 0.7% to US\$1,218.47/oz., from a weekly average of US\$1,226.58/oz. in the previous week. The metal remained under pressure from a stronger US dollar, which dampened the safe haven status of the metal.

Platinum

Platinum prices declined by 0.8% to US\$825.80/oz during the week under review, from a weekly average of US\$832.40/oz. The precious metal was weighed down by a strengthening US dollar, resulting in weaker investment demand for the metal.

Copper

During the week under analysis, copper prices registered a 0.6% decrease to US\$6,198.60/ton, from US\$6,238.50/ton in the previous week. Prices retreated from their previous week level amid fears of weakening demand for the base metal.

Nickel

Nickel prices firmed by 0.4%, from a weekly average of US\$13,636/ton in the previous week to US\$13,687/ton, during the week under review. This was underpinned by an increase in the demand for nickel in the battery manufacturing industry for electric vehicles.

Crude Oil

Crude oil prices declined by 0.2%, from a weekly average of US\$74.04/barrel, to close the week under review at an average of US\$73.87/barrel. This followed an increase in US crude oil stocks.

EXCHANGE RATES

The US dollar appreciated against the euro, pound Sterling, rand, and pula, during the week ending 3rd August 2018. The greenback gained strength following the publication of positive US economic data.

Table 5: International Exchange Rates per US\$

| | ZAR | GBP | BWP | EURO |
|--|----------------|---------------|----------------|---------------|
| Weekly Average (23 - 27 July) | 13.3089 | 0.7611 | 10.2769 | 0.8550 |
| 31-Jul | 13.1637 | 0.7617 | 10.2722 | 0.8539 |
| 1-Aug | 13.3511 | 0.7634 | 10.2197 | 0.8564 |
| 2-Aug | 13.2600 | 0.7632 | 10.2775 | 0.8583 |
| 3-Aug | 13.5038 | 0.7684 | 10.3681 | 0.8635 |
| Weekly Average (31 July - 3 August) | 13.3695 | 0.7698 | 10.2881 | 0.8654 |
| <i>Appr(+)/Depr(-) (%) of the USD</i> | <i>0.46</i> | <i>1.14</i> | <i>0.11</i> | <i>1.22</i> |

Source: Reuters, 2018

5. EQUITY MARKETS

The Zimbabwe Stock Exchange (ZSE) continued on a negative trajectory, with the All Share Index declining by 0.10%, to close the week ending 3rd August 2018 at 114.19 points. The industrial index closed the week under review at 383.40 points, 0.37% down from 384.22 points registered in the previous week. Losses registered in share prices of Masimba Holdings Limited (19.35%); CBZ Holdings (7.91%); Econet Wireless (1.46%); Star Africa Corporation (0.78); and Hippo Valley Estates Limited (0.59%), underpinned the decline.

The mining index, however, registered a 0.38% increase, to close the week under review at 164.62 points. This followed a 1.45% gain in the Bindura Nickel Corporation share price. RioZim traded at the previous week price. Falgold and Hwange Colliery Company did not register any trades, during the week under review.

Table 6: Zimbabwe Stock Exchange Statistics

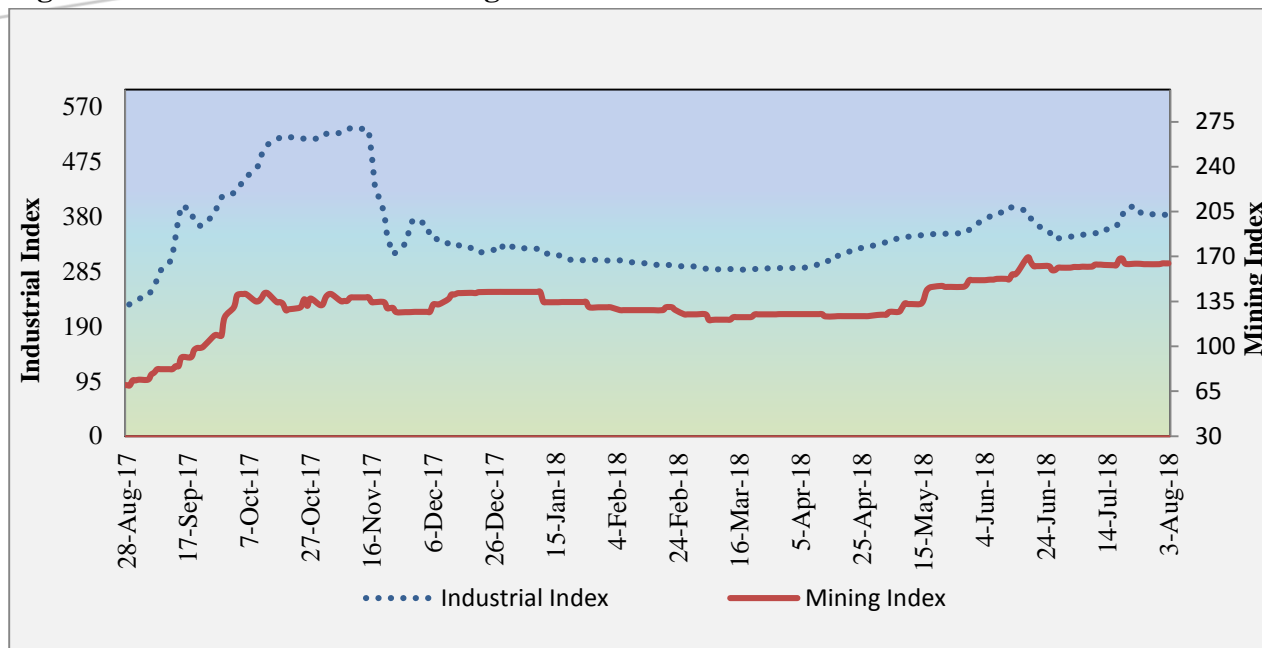
| | All Share Index ² (points) | Top 10 index ³ (Points) | Industrial Index (points) | Mining Index (points) | Grand Market Capitalization (US\$) | Market Turnover (US\$) | Volume of Shares |
|--------------------------|---------------------------------------|------------------------------------|---------------------------|-----------------------|------------------------------------|------------------------|------------------|
| 6-July-18 | 103.93 | 105.76 | 348.99 | 162.06 | 9,967,725,131 | 22,700,437 | 35,500,522 |
| 13-July-18 | 106.37 | 109.00 | 357.22 | 163.42 | 10,201,365,520 | 15,270,183 | 14,777,083 |
| 20-July-18 | 117.29 | 122.68 | 394.35 | 164.28 | 11,246,794,772 | 23,362,311 | 328,115,054 |
| 27-July-18 | 114.31 | 118.87 | 384.22 | 163.99 | 10,968,751,606 | 18,771,243 | 219,112,782 |
| 3-August-18 | 114.19 | 118.43 | 383.40 | 164.62 | 12,180,249,154 | 41,093,123 | 31,809,685 |
| Weekly Change (%) | -0.10 | -0.37 | -0.21 | 0.38 | 11.04 | 118.92 | -85.48 |

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

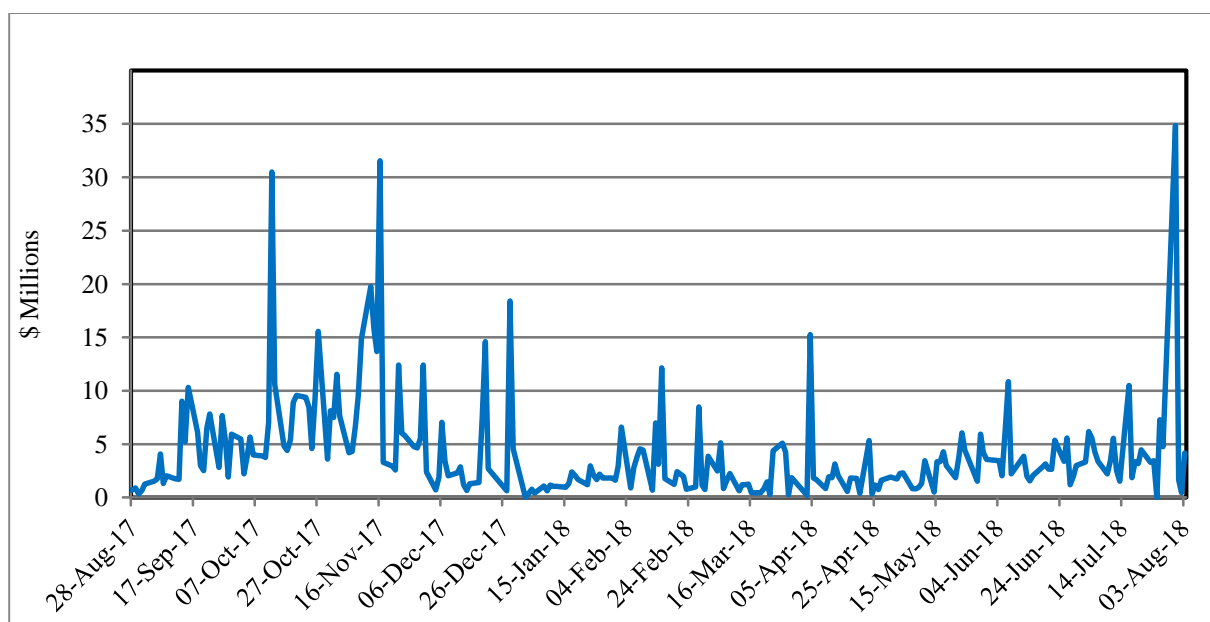


Source: Zimbabwe Stock exchange, 2018

Market Turnover and Volume

During the week under review, the volume of shares traded on the ZSE decreased by 85.48%, to close the week at 31.81 million shares. ZSE Market turnover, however, increased by 118.92% to US\$41.09 million, from US\$18.77 million recorded the previous week. This was supported by a block trade of 25.06 million Econet Wireless shares.

Figure 4: Market turnover

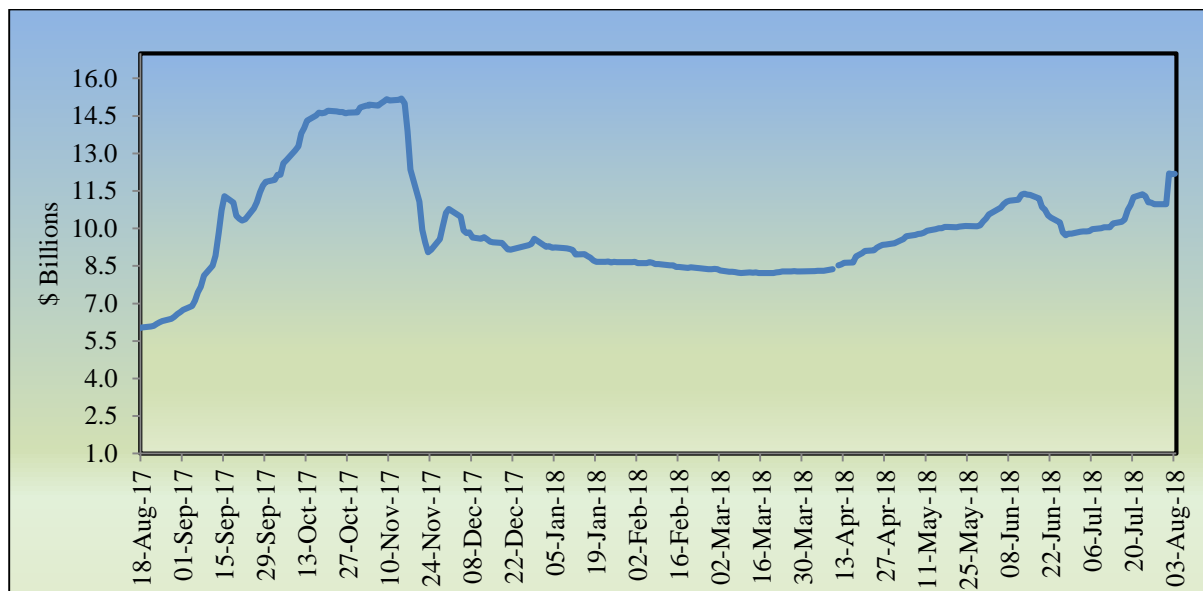


Source: Zimbabwe Stock Exchange, 2018

Market Capitalization

ZSE market capitalization stood at US\$12.18 billion, an increase of 11.04% from the US\$10.97 billion recorded in the previous week.

Figure 5: Market Capitalization



Source: Zimbabwe Stock Exchange, 2018

Johannesburg Stock Exchange (JSE) Developments

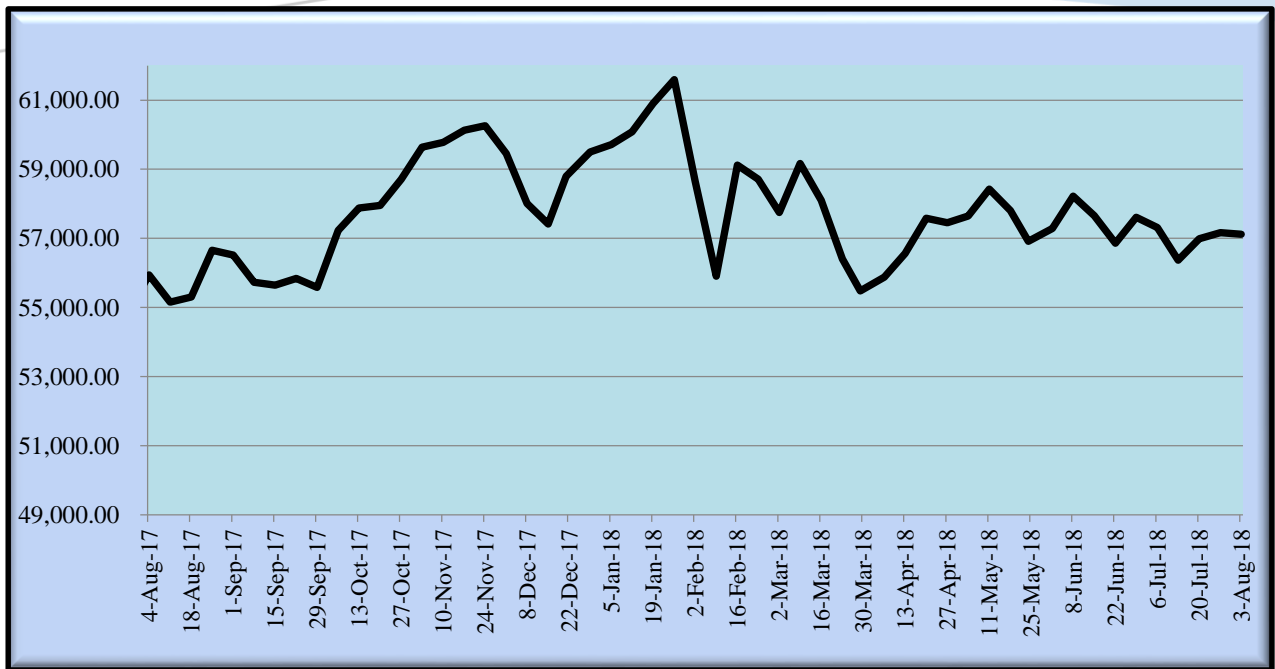
The JSE All Share index registered a 0.08% decline, from 57 162.38 points in the previous week to 57 118.03 points, during the week ending 3rd August 2018. JSE market capitalization, however, increased from R14.58 trillion to R14.60 trillion, during the week under review.

Table 7: Johannesburg Stock Exchange (JSE) Statistics

| Period | All Share Index (points) | Market Capitalization (ZAR trillion) |
|------------------|--------------------------|--------------------------------------|
| 6-Jul-18 | 57,313.88 | 14.72 |
| 13-Jul-18 | 56,364.14 | 14.46 |
| 20-Jul-18 | 56,990.20 | 14.63 |
| 27-Jul-18 | 57,162.38 | 14.58 |
| 3-Aug-18 | 57,118.03 | 14.60 |
| % Change | -0.08 | 0.14 |

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

9TH AUGUST 2018