



# Weekly Economic Highlights

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**Week Ending  
17<sup>th</sup> August 2018**

## 1. INTEREST RATES

### Deposit Rates

During the week ending 17<sup>th</sup> August 2018, average deposit rates for savings deposits closed at 4.10%, down from 4.16% in the previous week. Indicative deposit rates for deposits of 1 month tenor were higher at 3.54%, compared to 3.48% registered in the preceding week, while those for deposits of 3 months tenor remained unchanged at 3.98%, during the same week.

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

Date	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
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
10-Aug-18	4.16	3.48	3.98
17-Aug-18	<b>4.10</b>	<b>3.54</b>	3.98

Source: Banking Institutions, 2018

### Lending Rates

Commercial bank weighted lending rates for individual clients declined to 9.54% during the week under review, from 9.87% in the previous week. Weighted lending rates for corporate clients, however, increased from 7.10% to 7.16%, during the same week.

**Table 2: Lending Rates**

Date	Lending Rates <sup>1</sup> (%)	
	Commercial Banks (weighted)	
	Individuals	Corporate clients
20-Jul-18	9.78	7.02
27-Jul-18	9.75	6.97
03-Aug-18	9.91	7.09
10-Aug-18	9.87	7.10
17-Aug-18	<b>9.54</b>	<b>7.16</b>

Source: Banking Institutions, 2018

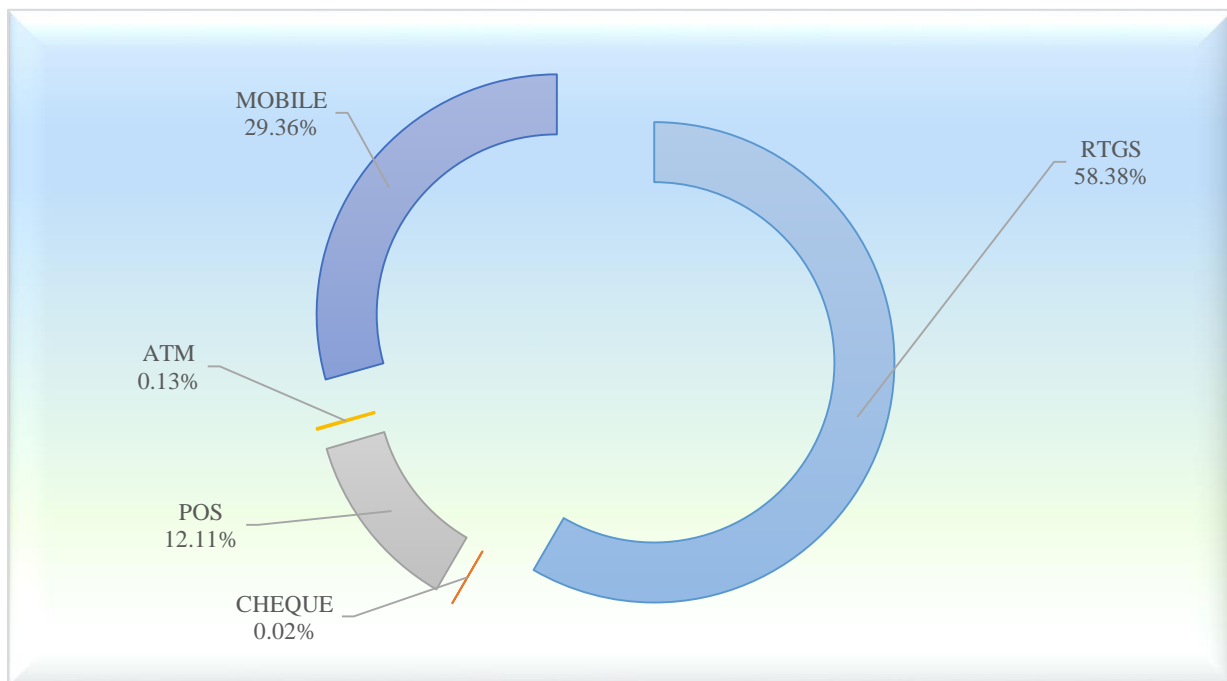
<sup>1</sup> Minimum weighted lending rates offered by commercial banks.

## 2. CLEARING AND SETTLEMENT ACTIVITY

The total value of National Payments System (NPS) transactions declined from US\$2.68 billion in the previous week, to US\$2.12 billion during the week under review. Transactions processed through the Real Time Gross Settlement (RTGS) system, which accounted for the largest proportion of the total NPS transactions, decreased by 26.0% to close the week at US\$1.24 billion.

In value terms, RTGS payments accounted for 58.38% of transactions processed through the NPS, followed by Mobile, 29.36%; Point of Sale (POS), 12.11%; Automated Teller Machines (ATMs), 0.13%; and cheque transactions, 0.02%, as shown in Figure 1.

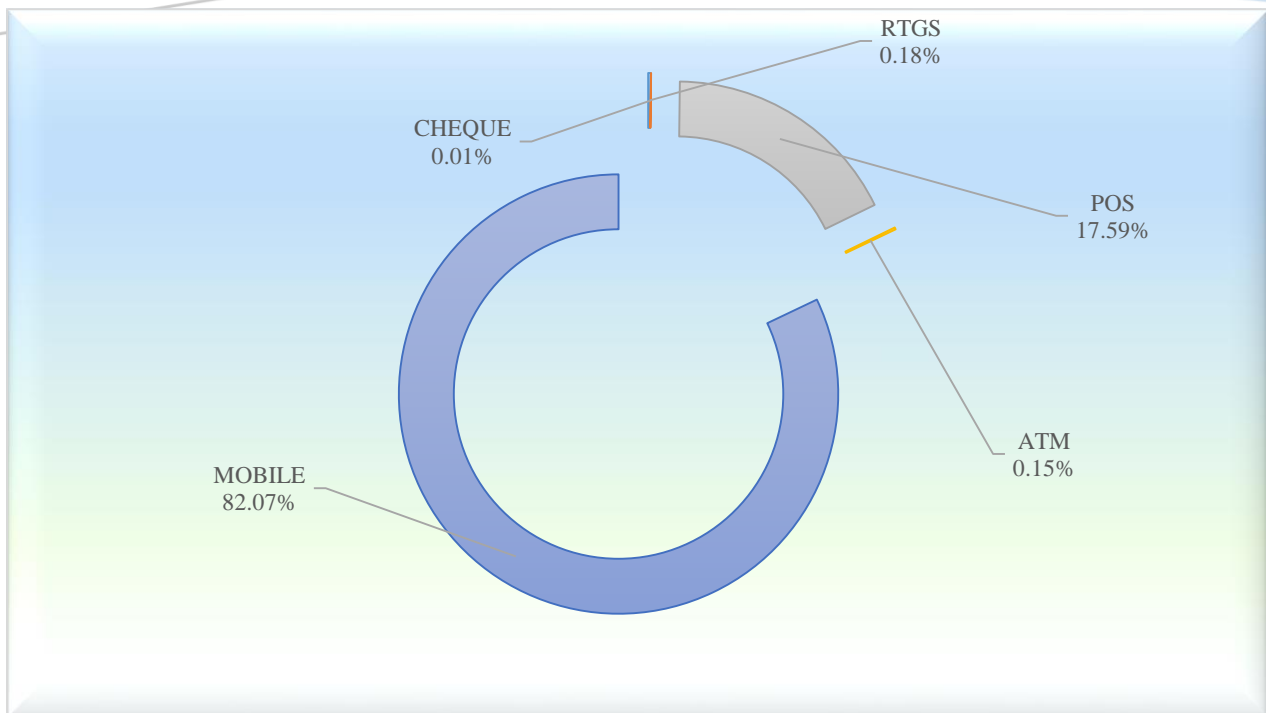
**Figure 1: Composition of NPS Transactions in Value Terms**



*Source: Reserve Bank of Zimbabwe, 2018*

During the week under review, the volume of transactions processed through the NPS increased by 8.4%, to close the week under review at 41.8 million. Mobile-based transactions accounted for 82.08% of the total volume of transactions, followed by POS, 17.59%; RTGS, 0.18%; ATM, 0.15%; 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 10 <sup>th</sup> AUGUST 2018	WEEK ENDING 17 <sup>th</sup> AUGUST 2018	% CHANGE FROM LAST WEEK	PROPORTION
<b>VALUES IN US\$ millions</b>				
<b>RTGS</b>	1,676.32	1,239.91	-26.0%	58.38%
<b>CHEQUE</b>	0.85	0.52	-38.6%	0.02%
<b>POS</b>	251.45	257.31	2.3%	12.11%
<b>ATM</b>	3.60	2.69	-25.2%	0.13%
<b>MOBILE</b>	750.65	623.48	-16.9%	29.36%
<b>TOTAL</b>	<b>2,682.87</b>	<b>2,123.91</b>	<b>-20.8%</b>	<b>100%</b>
<b>VOLUMES</b>				
<b>RTGS</b>	135,987	73,133	-46.2%	0.18%
<b>CHEQUE</b>	4,289	2,637	-38.5%	0.01%
<b>POS</b>	7,506,938	7,344,808	-2.2%	17.59%
<b>ATM</b>	73,642	60,559	-17.8%	0.15%
<b>MOBILE</b>	37,861,676	34,277,661	-9.5%	82.08%
<b>TOTAL</b>	<b>45,582,532</b>	<b>41,758,798</b>	<b>-8.4%</b>	<b>100%</b>

Source: Reserve Bank of Zimbabwe, 2018

### 3. TOBACCO SALES

As at 17<sup>th</sup> August 2018 or day 100 of the 2018 tobacco selling season, a cumulative total of 249.11 million kilograms of tobacco had been sold. This was 35% higher than the 184.84 million kilograms sold during the corresponding period in 2017.

In value terms, the cumulative tobacco sales amounted to US\$728.75 million, up from US\$548.71 million realized during the corresponding period in 2017. The golden leaf was, however, sold at a lower average price of US\$2.93/kg, compared to the US\$2.97/kg realized during the same period in 2017.

**Table 4: Cumulative Tobacco Sales: Day 100 (17<sup>th</sup> August 2018)**

	2017	2018	Variance (%)
<b>Cumulative Quantity Sold (kg)</b>	184,835,003	249,105,635	35.0
<b>Cumulative Average Price(US\$/kg)</b>	2.97	2.93	-1.5
<b>Cumulative Value(US\$ million)</b>	548,711,127	728,750,219	33.0

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

#### 4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

During the week ending 17<sup>th</sup> August 2018, international commodity prices of platinum, copper, nickel, gold and crude oil retreated from previous week levels, as shown in Table 5.

**Table 5: International Commodity Prices**

	<b>Gold</b>	<b>Platinum</b>	<b>Copper</b>	<b>Nickel</b>	<b>Crude Oil</b>
<b>2018</b>	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
<b>Weekly Average (6 - 10 Aug)</b>	<b>1,212.72</b>	<b>830.00</b>	<b>6,168.30</b>	<b>13,771.00</b>	<b>73.18</b>
<b>13-Aug</b>	1,202.38	816.00	6,152.50	13,865.00	72.61
<b>14-Aug</b>	1,196.00	805.00	6,126.00	13,530.00	72.32
<b>15-Aug</b>	1,184.35	781.50	6,020.00	13,420.00	71.12
<b>16-Aug</b>	1,180.03	781.00	5,874.00	13,090.00	71.72
<b>17-Aug</b>	1,177.55	780.50	5,901.00	13,300.00	71.60
<b>Weekly Average (13 – 17 Aug)</b>	<b>1,188.06</b>	<b>792.80</b>	<b>6,014.70</b>	<b>13,441.00</b>	<b>71.87</b>
<b>Weekly Change (%)</b>	<i>(2.0)</i>	<i>(4.5)</i>	<i>(2.5)</i>	<i>(2.4)</i>	<i>(1.8)</i>

Source: BBC, KITCO and Bloomberg

##### **Gold**

Gold prices retreated by 2.0%, from an average of US\$1,212.72/oz. in the previous week to US\$1,188.06/oz., during the week under review. This was largely on account of a strengthening US dollar, following concerns over the Turkish crisis which was feared could trigger global market contagion.

##### **Platinum**

Platinum prices declined by 4.5%, from a weekly average of US\$830.00/oz. in the previous week to US\$792.80/oz., during the week under analysis. Prices were underpinned by huge selloffs of the metal, as investors shifted to the safety of a stronger US dollar.

##### **Copper**

Copper prices declined by 2.5%, from US\$6,168.30/ton in the previous week to US\$6,014.70/ton, during the week under review. This was on account of easing supply concerns as management and miners in Chile, the world's largest producer, reached an agreement on labour disputes which were threatening supply disruptions.

## Nickel

Nickel prices registered a 2.4% decline, from a weekly average of US\$13,771/ton in the previous week to US\$13,441/ ton, during the week under analysis. The base metal price was weighed down by investor concerns over a slowdown in the Chinese economy, the top consumer of base metals.

## Crude Oil

Crude oil prices continued on a negative trajectory, retreating by 1.8% from a weekly average of US\$73.18/barrel, to close the week under review at an average of US\$71.87/barrel. An increase in U.S crude stockpiles exerted downward pressure on the price of oil.

## EXCHANGE RATES

The US dollar appreciated against the South African rand, pula, euro and pound Sterling, during the week under review. This was on account of investors shifting to the US dollar as a safe haven asset, following economic turmoil in Turkey.

**Table 6: International Exchange Rates per US\$**

	ZAR	GBP	BWP	EURO
<b>2018</b>				
<b>Weekly Average (6 - 10 August)</b>	<b>13.4440</b>	<b>0.7743</b>	<b>10.3622</b>	<b>0.8651</b>
15-Aug	14.3338	0.7872	10.7066	0.8829
16-Aug	14.3625	0.7856	10.8284	0.8776
17-Aug	14.6669	0.7859	10.8050	0.8788
<b>Weekly Average (15 - 17 August)</b>	<b>14.4544</b>	<b>0.7862</b>	<b>10.7800</b>	<b>0.8798</b>
<i>Appr(+)/Depr(-) (%) of the USD</i>	<i>7.52</i>	<i>1.53</i>	<i>4.03</i>	<i>1.69</i>

Source: Reuters, 2018

## 5. EQUITY MARKETS

The Zimbabwe Stock Exchange (ZSE) was generally bullish, during the week ending 17<sup>th</sup> August 2018. The All Share index increased by 0.89%, to close the week at 112.77 points from 111.78 points registered in the previous week.

The industrial index gained 3.38 points, to close the week under review at 379.26 points. The increase emanated from positive movements in share prices registered for ZimPflow Holdings limited, (0.44%); Barclays Bank of Zimbabwe, (0.17%); Proplastics, (0.05%); First Mutual Holdings, (0.06%); Old Mutual, (0.02%); BAT Zimbabwe, (0.03%); Edgars Stores, (0.03%); Dawn Properties, (0.03%); Turnall Limited, (0.04%); TSL Holdings, (0.03%); NMB Zimbabwe, (0.02%) and SeedCo Limited (0.01%).

The mining index registered a marginal decline of 0.06%, to close the week under analysis at 158.90 points. The increase in the resources index emanated from a 0.02% gain in Hwange Colliery share price.

**Table 7: Zimbabwe Stock Exchange Statistics**

	All Share Index <sup>2</sup> (points)	Top 10 index <sup>3</sup> (Points)	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
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	383.77	164.62	12,180,249,154	41,093,123	31,809,685
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
<b>Weekly Change (%)</b>	<b>0.89</b>	<b>0.70</b>	<b>0.90</b>	<b>0.06</b>	<b>0.76</b>	<b>-73.15</b>	<b>-63.58</b>

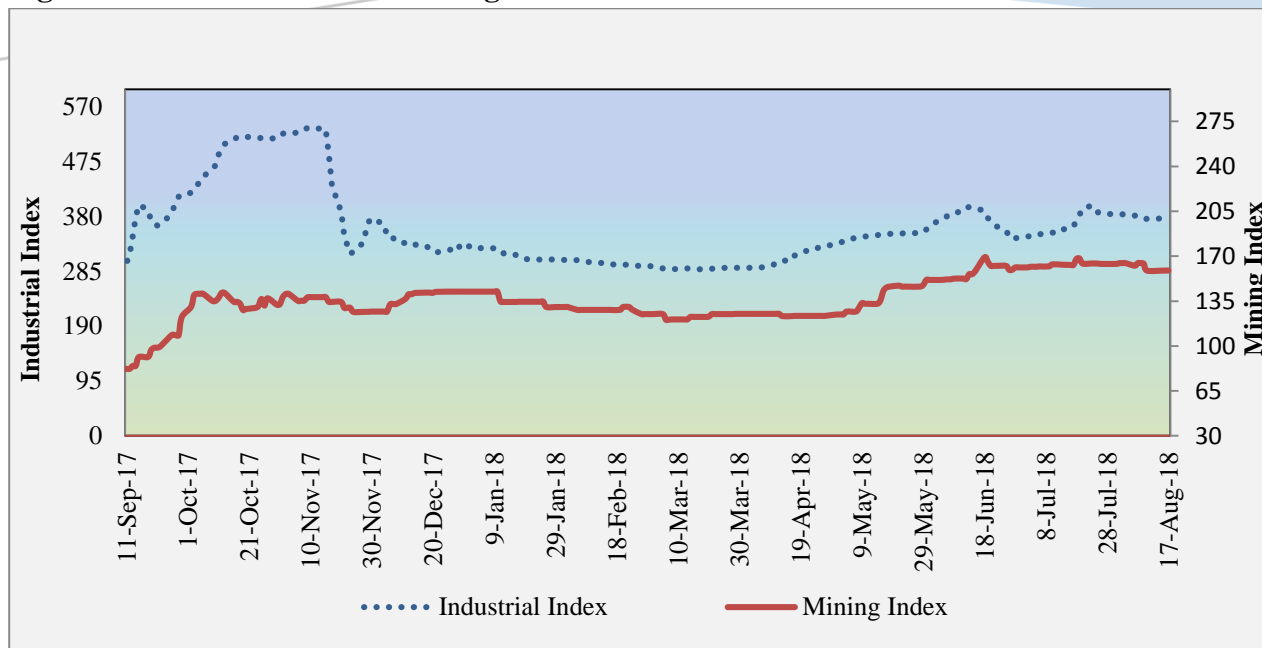
Source: Zimbabwe Stock Exchange (ZSE), 2018

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

<sup>3</sup> The Index is calculated using the market capitalisation method.



**Figure 3: Zimbabwe Stock Exchange Indices**

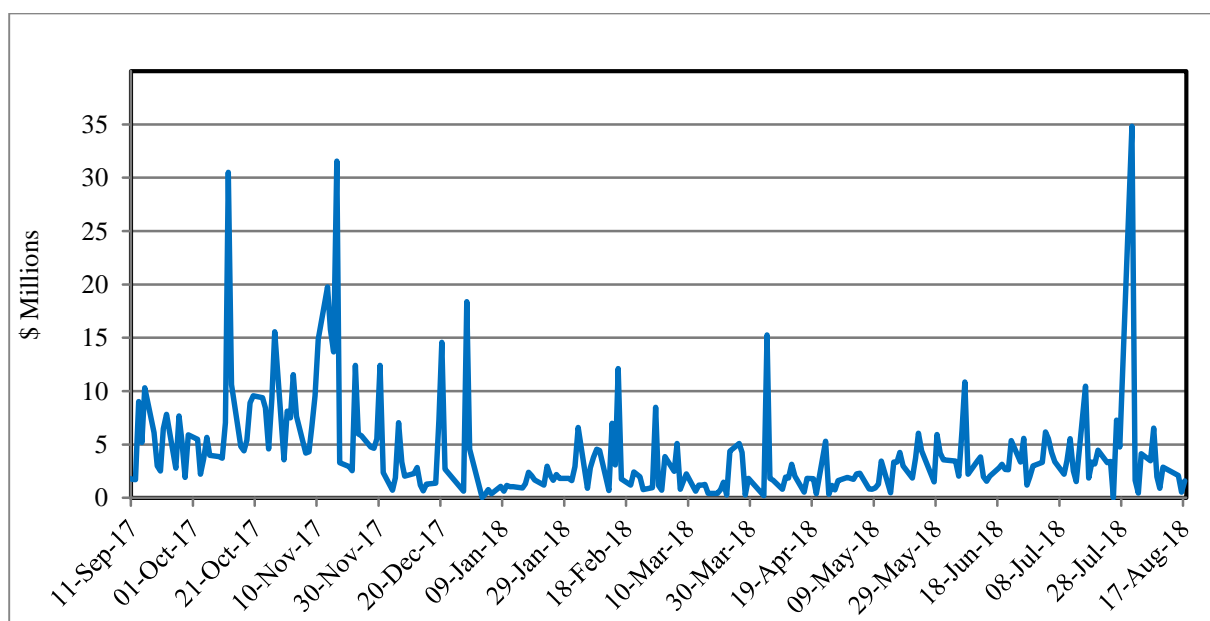


Source: Zimbabwe Stock Exchange, 2018

**Market Turnover and Volume**

During the week ending 17<sup>th</sup> August 2018, the ZSE market turnover declined by 73.15% to US\$4.23 million. Similarly, the volume of shares traded declined by 63.58%, to close the week at 33.32 million shares.

**Figure 4: Market turnover**

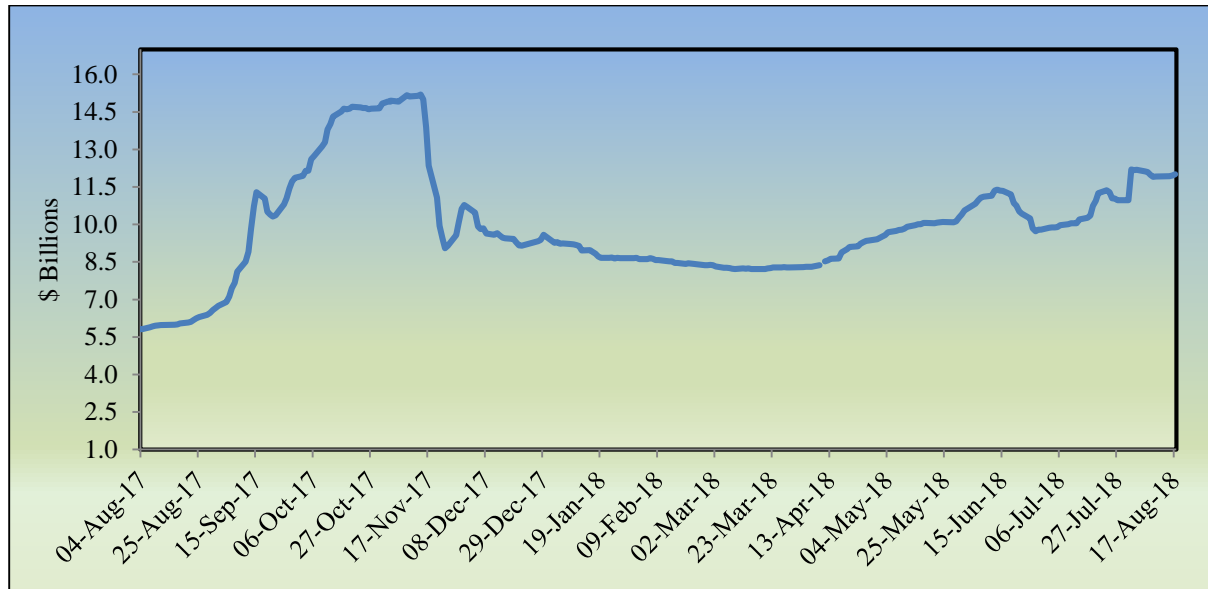


Source: Zimbabwe Stock Exchange, 2018

## Market Capitalization

The ZSE gained US\$90.97 million worth of capitalization, to close the week under review at \$12.01 billion, owing to positive trading activity on the local bourse.

**Figure 5: Market Capitalization**



Source: Zimbabwe Stock Exchange, 2018

## Johannesburg Stock Exchange (JSE) Developments

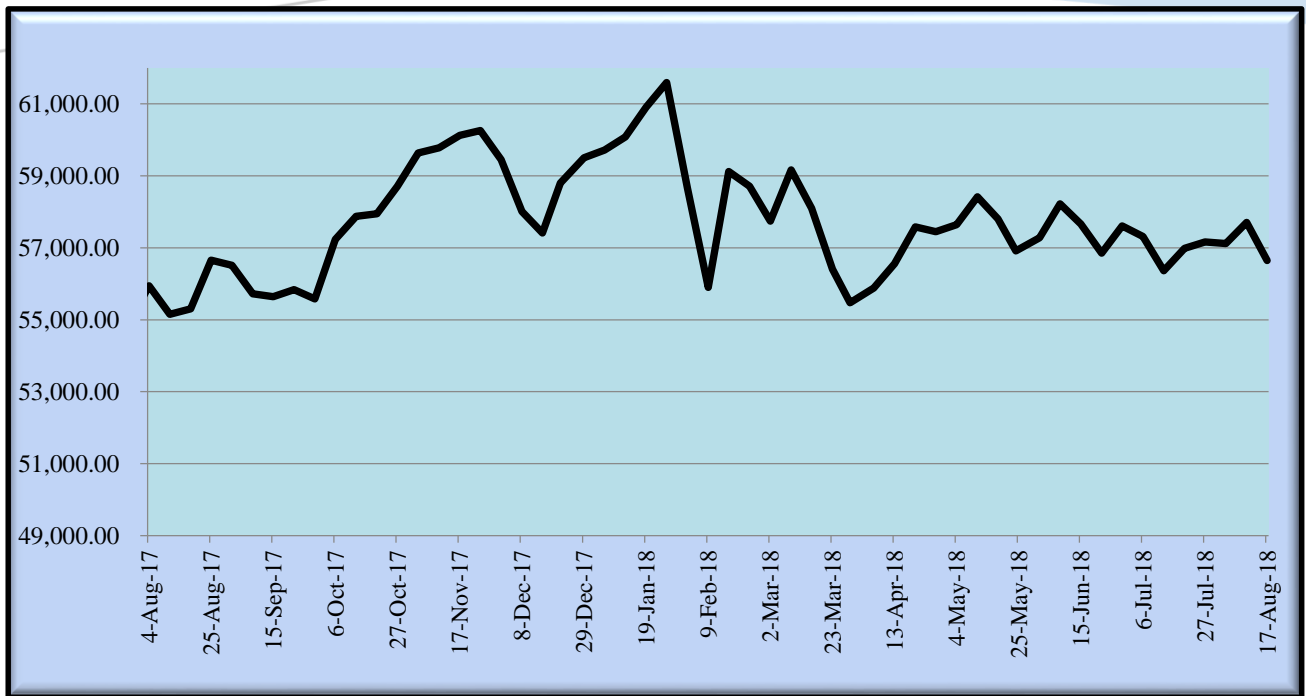
The JSE All Share index registered a 1.83% decline, from 57 703.02 points in the previous week to 56 647.52 points, during the week ending 17<sup>th</sup> August 2018. JSE market capitalization, however, increased from R14.78 trillion to R14.87 trillion, during the week under review.

**Table 8: Johannesburg Stock Exchange (JSE) Statistics**

Period	All Share Index (points)	Market Capitalization (ZAR trillion)
<b>20-Jul-18</b>	56,990.20	14.63
<b>27-Jul-18</b>	57,162.38	14.58
<b>3-Aug-18</b>	57,118.03	14.60
<b>10-Aug-18</b>	57,703.02	14.78
<b>17-Aug-18</b>	56,647.52	14.87
<b>% Change</b>	<b>-1.83</b>	<b>0.61</b>

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**

**24<sup>TH</sup> AUGUST 2018**