



# 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  
31<sup>st</sup> August 2018

## 1. INTEREST RATES

### Deposit Rates

During the week ending 31<sup>st</sup> August 2018, average deposit rates for savings deposits increased to 4.22%, from 4.10% recorded in the previous week. Deposit rates for deposits of 1 month and 3 month tenor, however, closed the week under review lower at 3.51% and 3.95%, respectively, as shown in Table 1.

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

| Date             | Savings Deposits (%) | 1-Month Deposits (%) | 3-Months Deposits (%) |
|------------------|----------------------|----------------------|-----------------------|
| <b>03-Aug-18</b> | 4.35                 | 3.53                 | 4.00                  |
| <b>10-Aug-18</b> | 4.16                 | 3.48                 | 3.98                  |
| <b>17-Aug-18</b> | 4.10                 | 3.54                 | 3.98                  |
| <b>24-Aug-18</b> | 4.10                 | 3.52                 | 3.97                  |
| <b>31-Aug-18</b> | <b>4.22</b>          | <b>3.51</b>          | <b>3.95</b>           |

Source: Banking Institutions, 2018

### Lending Rates

Commercial bank weighted lending rates for individual clients increased by 0.34 percentage points to 9.87%, during the week under review, from a weekly average of 9.53% registered in the previous week. Lending rates for corporate clients, however, declined from 7.15% in the previous week, to close the week under analysis at 7.10%.

**Table 2: Lending Rates**

| Date             | Lending Rates <sup>1</sup> (%) |                   |
|------------------|--------------------------------|-------------------|
|                  | Commercial Banks (weighted)    |                   |
|                  | Individuals                    | Corporate clients |
| <b>03-Aug-18</b> | 9.91                           | 7.09              |
| <b>10-Aug-18</b> | 9.87                           | 7.10              |
| <b>17-Aug-18</b> | 9.54                           | 7.16              |
| <b>24-Aug-18</b> | 9.53                           | 7.15              |
| <b>31-Aug-18</b> | <b>9.87</b>                    | <b>7.10</b>       |

Source: Banking Institutions, 2018

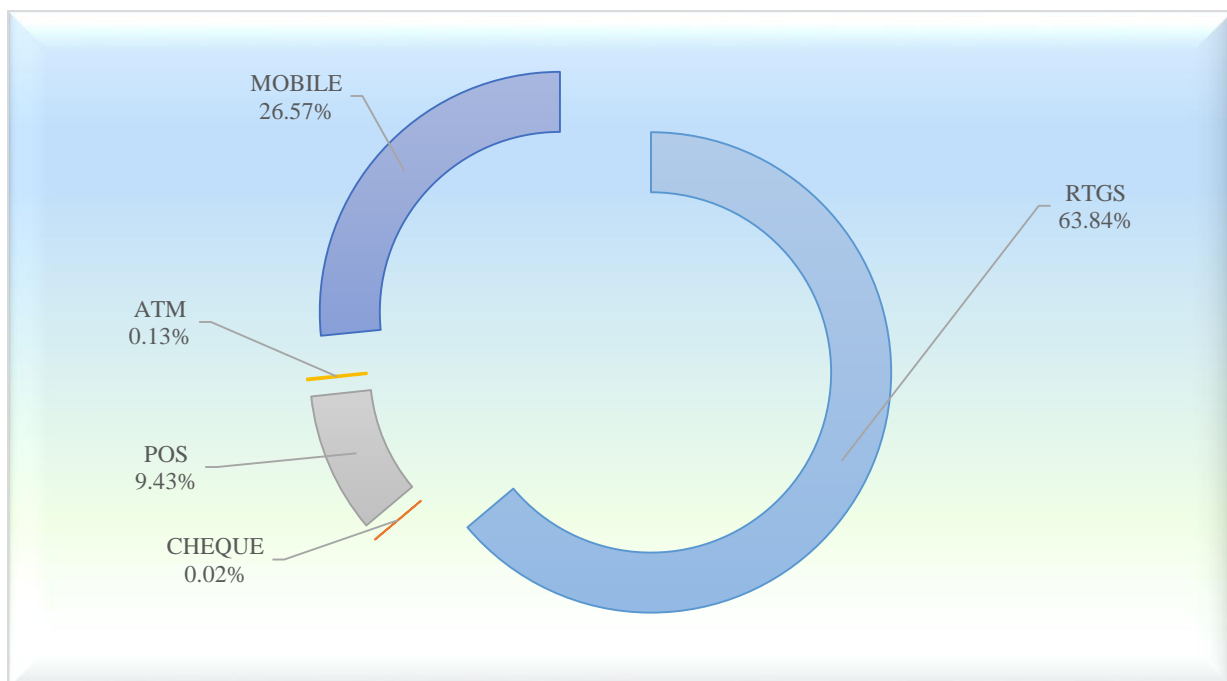
<sup>1</sup> Minimum weighted lending rates offered by commercial banks.

## 2. CLEARING AND SETTLEMENT ACTIVITY

During the week ending 31<sup>st</sup> August 2018, the total value of transactions processed through the National Payments System (NPS) amounted to US\$3,168.30 million, up from US\$2,707.29 million recorded in the previous week. The value of transactions processed through the Real Time Gross Settlement (RTGS) system increased by 16.1%, to close the week under review at US\$2,022.65 million.

The total value of transactions processed through the NPS was distributed as follows: RTGS, 63.84%; Mobile, 26.57%; Point of Sale (POS), 9.43%; Automated Teller Machines (ATMs), 0.13%; and Cheque transactions, 0.02%, as shown in Figure 1.

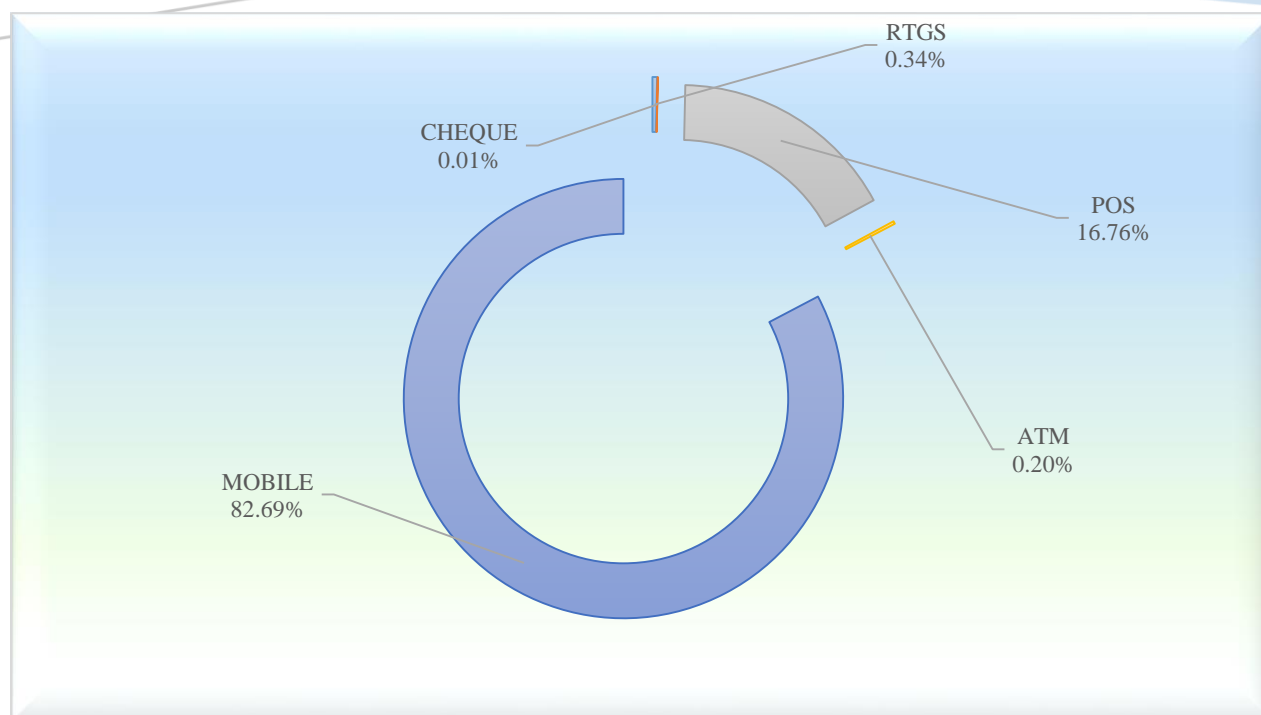
**Figure 1: Composition of NPS Transactions in Value Terms**



*Source: Reserve Bank of Zimbabwe, 2018*

In volume terms, NPS transactions registered a 10.0% increase, from 42.65 million in the previous week to 46.92 million transactions, during the week under review. Mobile-based transactions accounted for 82.69% of the total volume of transactions followed by POS, 16.76%; RTGS, 0.34%; ATM, 0.20%; 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 24 <sup>th</sup> AUGUST 2018 | WEEK ENDING 31 <sup>st</sup> AUGUST 2018 | % CHANGE FROM LAST WEEK | PROPORTION  |
|----------------------------------|--|--|-------------------------|-------------|
| <b>VALUES IN US\$ (millions)</b> |  |  |                         |             |
| <b>RTGS</b>                      | 1,741.76                                 | 2,022.65                                 | 16.1%                   | 63.84%      |
| <b>CHEQUE</b>                    | 0.65                                     | 0.64                                     | -2.2%                   | 0.02%       |
| <b>POS</b>                       | 249.93                                   | 298.86                                   | 19.6%                   | 9.43%       |
| <b>ATM</b>                       | 2.55                                     | 4.21                                     | 65.4%                   | 0.13%       |
| <b>MOBILE</b>                    | 712.39                                   | 841.94                                   | 18.2%                   | 26.57%      |
| <b>TOTAL</b>                     | <b>2,707.29</b>                          | <b>3,168.30</b>                          | <b>17.0%</b>            | <b>100%</b> |
| <b>VOLUMES</b>                   |  |  |                         |             |
| <b>RTGS</b>                      | 122,364                                  | 159,479                                  | 30.3%                   | 0.34%       |
| <b>CHEQUE</b>                    | 3,539                                    | 3,431                                    | -3.1%                   | 0.01%       |
| <b>POS</b>                       | 7,019,512                                | 7,864,192                                | 12.0%                   | 16.76%      |
| <b>ATM</b>                       | 54,956                                   | 96,069                                   | 74.8%                   | 0.20%       |
| <b>MOBILE</b>                    | 35,453,731                               | 38,798,461                               | 9.4%                    | 82.69%      |
| <b>TOTAL</b>                     | <b>42,654,102</b>                        | <b>46,921,632</b>                        | <b>10.0%</b>            | <b>100%</b> |

Source: Reserve Bank of Zimbabwe, 2018

### 3. TOBACCO SALES

As at 31<sup>st</sup> August 2018 or day 110 of the 2018 tobacco selling season, a cumulative total of 251,914,511 kilograms of tobacco had been sold. This reflected a 34.53% increase, compared with 187,251,790 kilograms sold during the same period in 2017.

In value terms, the cumulative tobacco sales stood at US\$735.92 million, up from US\$555.45 million realized during the corresponding period in 2017. The golden leaf was sold at an average price of US\$2.92/kg, marginally lower than the US\$2.97/kg realized during the same period in 2017.

**Table 4: Cumulative Tobacco Sales: Day 110 (31<sup>st</sup> August 2018)**

|   | 2017        | 2018        | Variance (%) |
|---|-------------|-------------|--------------|
| <b>Cumulative Quantity Sold (kg)</b>      | 187,251,790 | 251,914,511 | 34.53        |
| <b>Cumulative Average Price (US\$/kg)</b> | 2.97        | 2.92        | -1.5         |
| <b>Cumulative Value (US\$ million)</b>    | 555,447,934 | 735,924,624 | 32.49        |

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

#### 4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international commodity prices of crude oil, gold, platinum and copper increased during the week ending 31<sup>st</sup> August 2018. Nickel prices, however, retreated from the previous week level, 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\$/ton        | US\$/ton         | US\$/barrel      |
| <b>Weekly Average (20- 24 Aug)</b> | <b>1,191.90</b> | <b>790.25</b>   | <b>5,991.00</b> | <b>13,602.00</b> | <b>74.14</b>     |
| 28-Aug                             | 1,212.50        | 806.00          | 6,070.00        | 13,345.00        | 75.88            |
| 29-Aug                             | 1,204.25        | 792.50          | 6,119.00        | 13,570.00        | 77.28            |
| 30-Aug                             | 1,199.83        | 791.50          | 6,077.00        | 13,455.00        | 77.77            |
| 31-Aug                             | 1,204.65        | 798.00          | 6,034.00        | 13,230.00        | 77.53            |
| <b>Weekly Average (28- 31 Aug)</b> | <b>1,205.31</b> | <b>797.00</b>   | <b>6,075.00</b> | <b>13,400.00</b> | <b>77.12</b>     |
| <i>Weekly Change (%)</i>           | <i>1.1</i>      | <i>1.0</i>      | <i>0.7</i>      | <i>(2.7)</i>     | <i>4.6</i>       |

Source: BBC, KITCO and Bloomberg

#### **Gold**

Gold prices continued on a positive trajectory, increasing by 1.1% from a weekly average of US\$1,191.90 /oz. in the previous week, to US\$1,205.31/oz. during the week under analysis. The increase was underpinned by increased safe haven demand for the precious metal, on the back of a weaker US dollar.

#### **Platinum**

Platinum prices closed the week under analysis at a weekly average of US\$797.00/oz., up from US\$790.25/oz. registered in the previous week. This was largely on account of higher demand for the metal, following the weakening of the US dollar.

#### **Copper**

Copper prices closed the week under review at an average of US\$6,075.00/ton, a 0.7% increase from the US\$5,991.00/ton registered in the previous week. The gain followed positive investor sentiment, after reports of strong performance from the world's major producer, Codelco mine in Chile.

## Nickel

Nickel prices declined by 2.7%, from a weekly average of US\$13,602.00/ton in the previous week, to US\$13,400.00/ton during the week under review. Anticipation of weaker demand from the Chinese steel manufacturing industry, amid the escalation of the US-China trade war, weighed down the price of nickel.

## Crude Oil

Brent crude oil prices continued to firm during the week under analysis, on account of anticipated global oil market tightening. US sanctions on Iran are expected to restrict crude oil exports from Iran. Resultantly, the weekly average oil price increased by 4.6%, to close the week at US\$77.12/barrel.

## EXCHANGE RATES

The US dollar depreciated against the euro, pula, pound Sterling and rand, during the week ending 31<sup>th</sup> August 2018.

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

|  | <b>ZAR</b>     | <b>GBP</b>    | <b>BWP</b>     | <b>EURO</b>   |
|--|----------------|---------------|----------------|---------------|
| <b>Weekly Average (20 - 24 August)</b> | <b>14.4373</b> | <b>0.7790</b> | <b>10.7165</b> | <b>0.8672</b> |
| 27-Aug                                 | 14.2793        | 0.7780        | 10.6610        | 0.8606        |
| 28-Aug                                 | 14.1950        | 0.7769        | 10.5708        | 0.8568        |
| 29-Aug                                 | 14.2600        | 0.7779        | 10.5430        | 0.8565        |
| 30-Aug                                 | 14.4544        | 0.7683        | 10.6781        | 0.8555        |
| 31-Aug                                 | 14.7120        | 0.7680        | 10.7411        | 0.8559        |
| <b>Weekly Average (27 - 31 August)</b> | <b>14.3801</b> | <b>0.7738</b> | <b>10.6388</b> | <b>0.8571</b> |
| <i>Appr(+)/Depr(-) (%) of the USD</i>  | <i>-0.40</i>   | <i>-0.67</i>  | <i>-0.73</i>   | <i>-1.16</i>  |

Source: Reuters, 2018

## 5. EQUITY MARKETS

The Zimbabwe Stock Exchange (ZSE) continued on a positive trajectory, during the week ending 31<sup>st</sup> August 2018. Similarly, the ZSE All Share Index registered a 2.76% gain, to close the week under review at 117.33 points.

The industrial index closed the week under analysis at 394.64 points, a 2.75% increase from 384.08 points registered in the previous week. Share price gains at Dawn Properties, (21.21%); Zimbabwe Newspapers Limited, (20%); Powerspeed Electrical Limited, (19.79%); CBZ Holdings Limited, (15.38%) and Turnall Limited, (9.09%), largely accounted for the increase in the industrial index.

The mining index also rose by 1.98%, to close the week ending 31<sup>st</sup> August 2018 at 161.34 points. This was on account of share price increases at Bindura Nickel Corporation (7.14%) and Hwange Colliery Company (1.28%).

**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 |
|--------------------------|---------------------------------------|------------------------------------|---------------------------|-----------------------|------------------------------------|------------------------|------------------|
| 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       |
| 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       |
| <b>Weekly Change (%)</b> | <b>2.76</b>                           | <b>3.39</b>                        | <b>2.75</b>               | <b>1.98</b>           | <b>2.69</b>                        | <b>131.56</b>          | <b>-15.87</b>    |

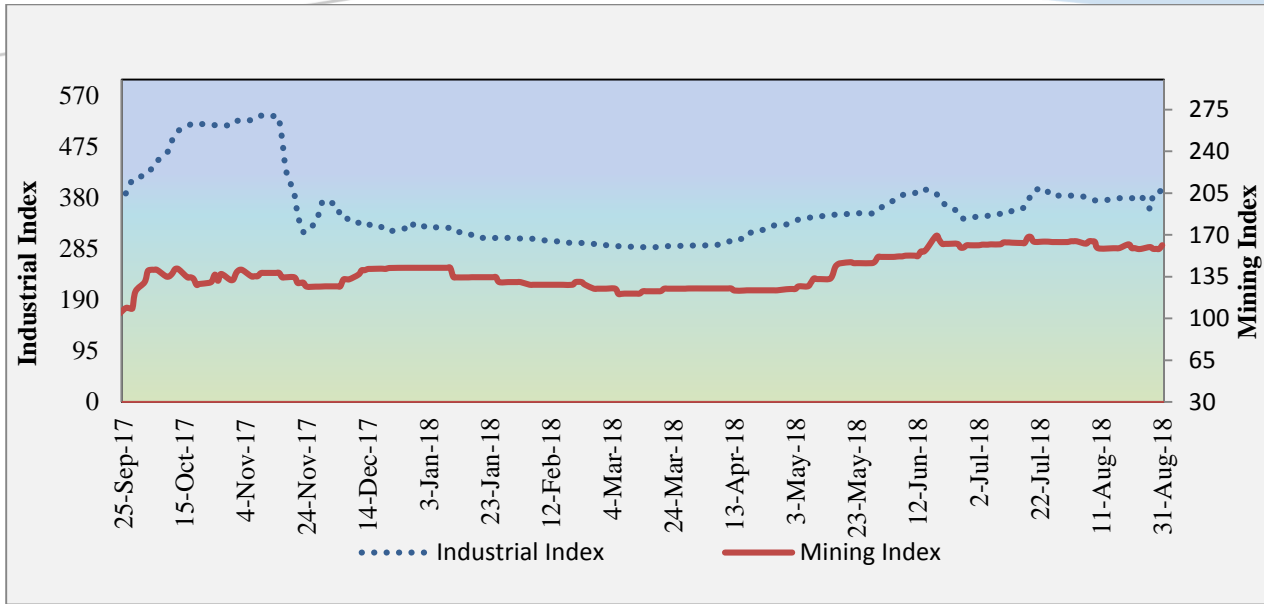
Source: Zimbabwe Stock Exchange (ZSE), 2018

<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**

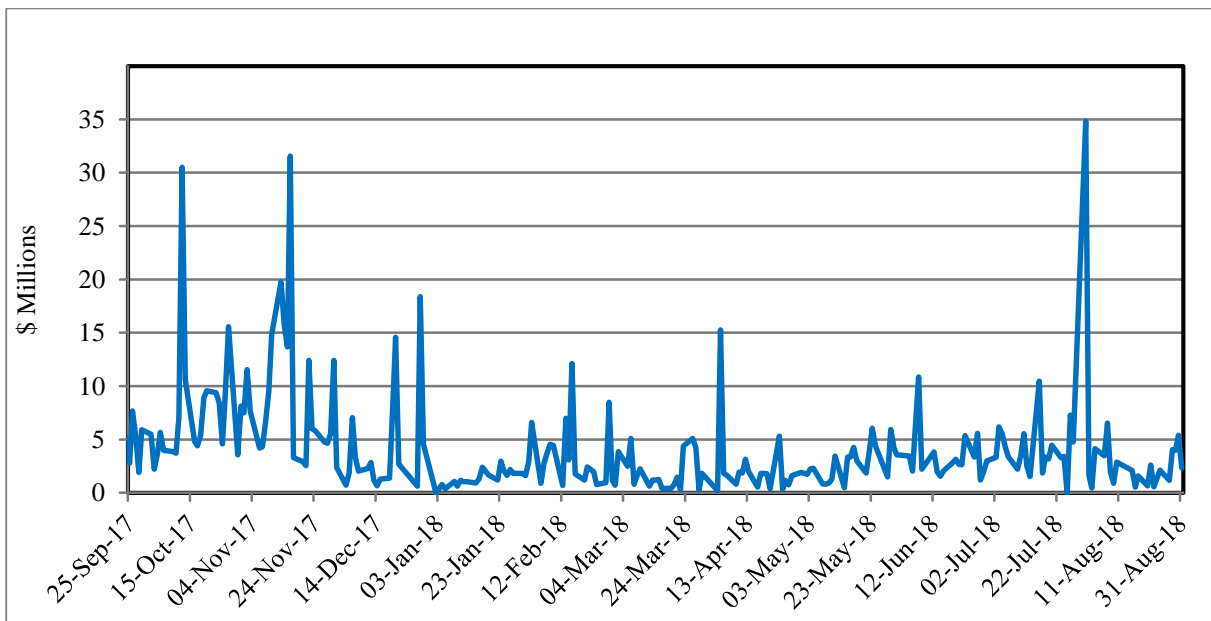


Source: Zimbabwe Stock Exchange, 2018

### Market Turnover and Volume

During the week under review, the volume of shares traded at the ZSE decreased by 15.87%, to close at 26.75 million shares. ZSE market turnover value, however, increased by 131.56% to close at US\$16.93 million, during the same week.

**Figure 4: Market Turnover**

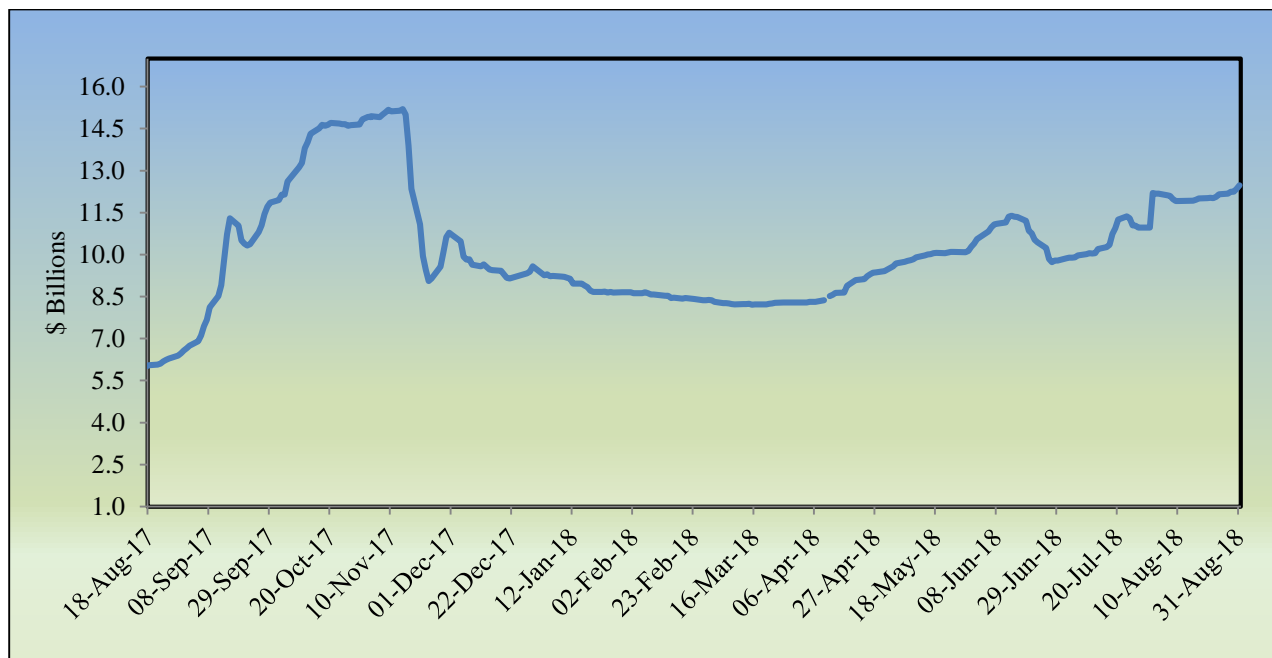


Source: Zimbabwe Stock Exchange, 2018

## Market Capitalization

During the week ending 31<sup>st</sup> August 2018, the ZSE market capitalization increased by 2.69%, from US\$12.15 billion in the previous week to US\$12.48 billion.

**Figure 5: Market Capitalization**



Source: Zimbabwe Stock Exchange, 2018

## Johannesburg Stock Exchange (JSE) Developments

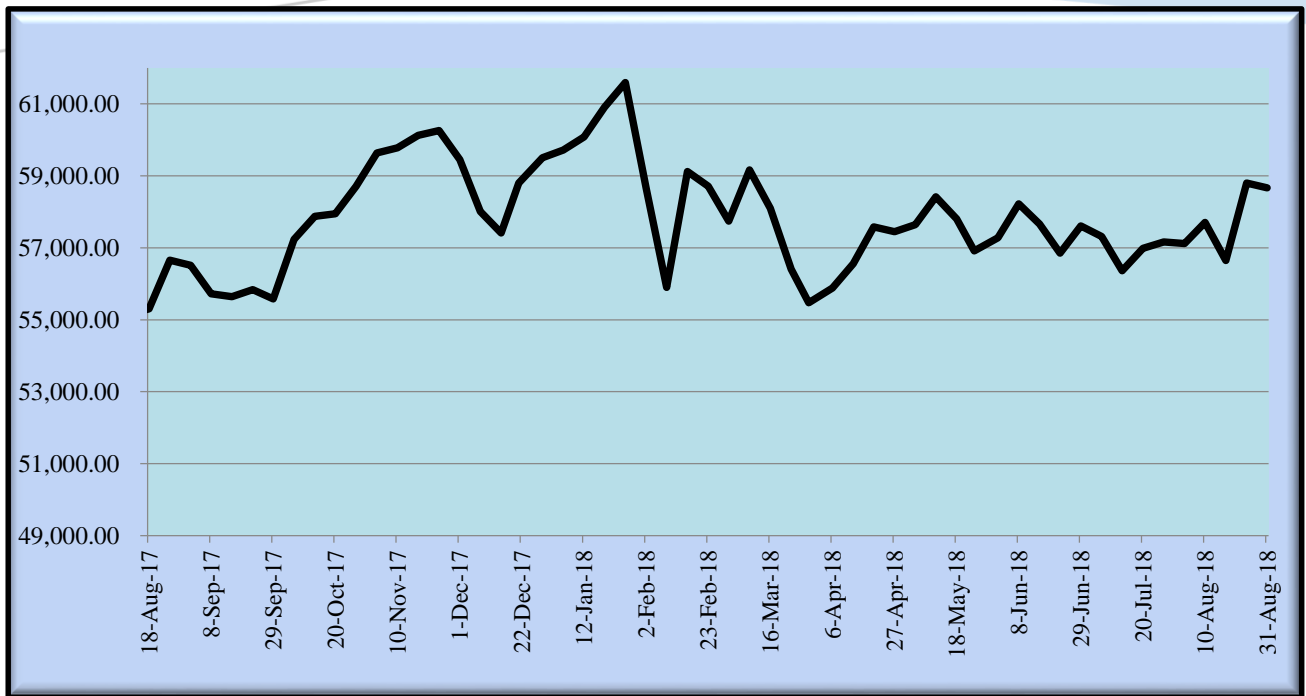
The JSE All Share index closed the week under review at 58 668.48 points, down from 58 0797.68 points recorded in the previous week. Likewise, JSE market capitalization registered a 0.27% decrease, to close at R14.94 trillion during the same week.

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

| Period           | All Share Index (points) | Market Capitalization (ZAR trillion) |
|------------------|--------------------------|--------------------------------------|
| <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>24-Aug-18</b> | 58,797.68                | 14.98                                |
| <b>31-Aug-18</b> | 58,668.48                | 14.94                                |
| <b>% Change</b>  | <b>-0.22</b>             | <b>-0.27</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**

**07<sup>th</sup> SEPTEMBER 2018**