



Weekly Economic Highlights

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**Week Ending
23rd March 2018**

1. INTEREST RATES

Deposit Rates

Average deposit rates on savings deposits and deposits of 1 month and 3 month tenors declined, to close the week ending 23rd March 2018 at 4.22%, 3.43% and 3.74%, respectively.

Table 1: Average Deposit Rates (per annum)

Date	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
23-February-18	4.22	3.43	3.71
02-March-18	3.97	3.34	3.63
09-March-18	3.97	3.34	3.63
16-March-18	4.35	3.81	4.09
23-March-18	4.22	3.43	3.74

Source: Banking Institutions, 2018

Lending Rates

During the same week, commercial bank weighted lending rates for individual clients stood higher at 9.64%, compared to 9.35% in the previous week. Weighted lending rates for corporate clients, however, remained unchanged at 6.98%.

Table 2: Lending Rates

Date	Lending Rates ¹ (%)	
	Commercial Banks (weighted)	
	Individuals	Corporate clients
23-February-18	9.57	6.93
02-March-18	9.57	6.94
09-March-18	9.57	6.94
16-March-18	9.35	6.98
23-March-18	9.64	6.98

Source: Banking Institutions, 2018

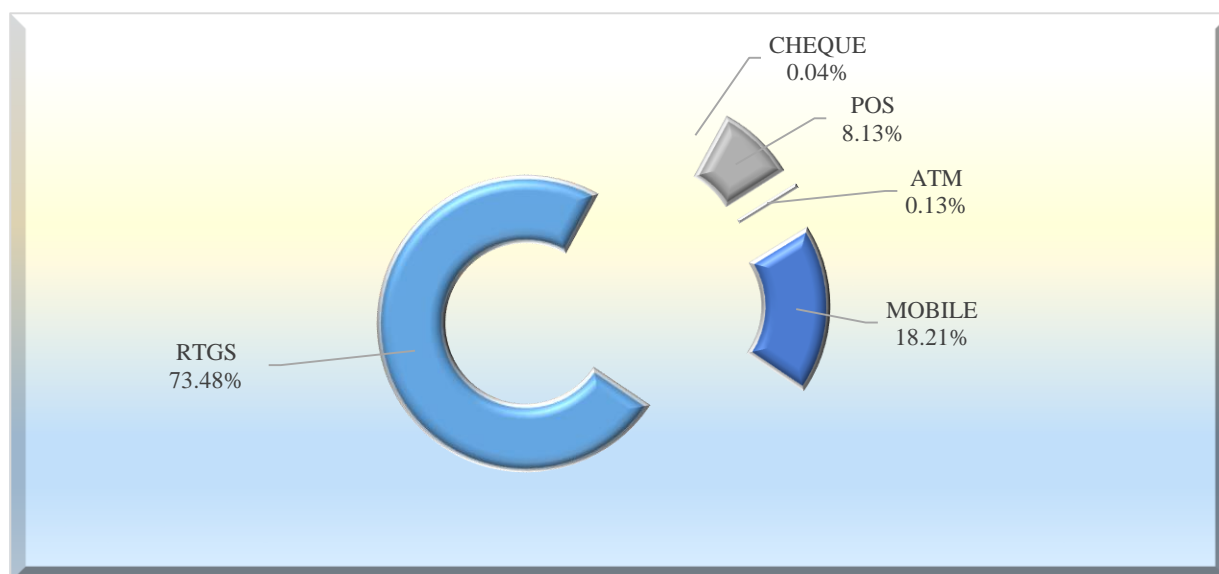
¹ Minimum weighted lending rates offered by commercial banks.

2. CLEARING AND SETTLEMENT ACTIVITY

During the week ending 23rd March 2018 the total value of transactions processed through the National Payment Systems (NPS) stood at US\$ 2,423.23 million, a 21.0% increase from US\$ 2,005.67 million recorded in the previous week. Transactions processed through the Real Time Gross Settlement (RTGS) system registered a 25.3% increase, to close the week under review at US\$1,780.62 million.

RTGS payments accounted for 73.48% of the total value of transactions processed through the NPS, followed by Mobile, 18.21%; Point of Sale (POS), 8.13%; Automated Teller Machines (ATMs), 0.13%; and cheque transactions, 0.04%.

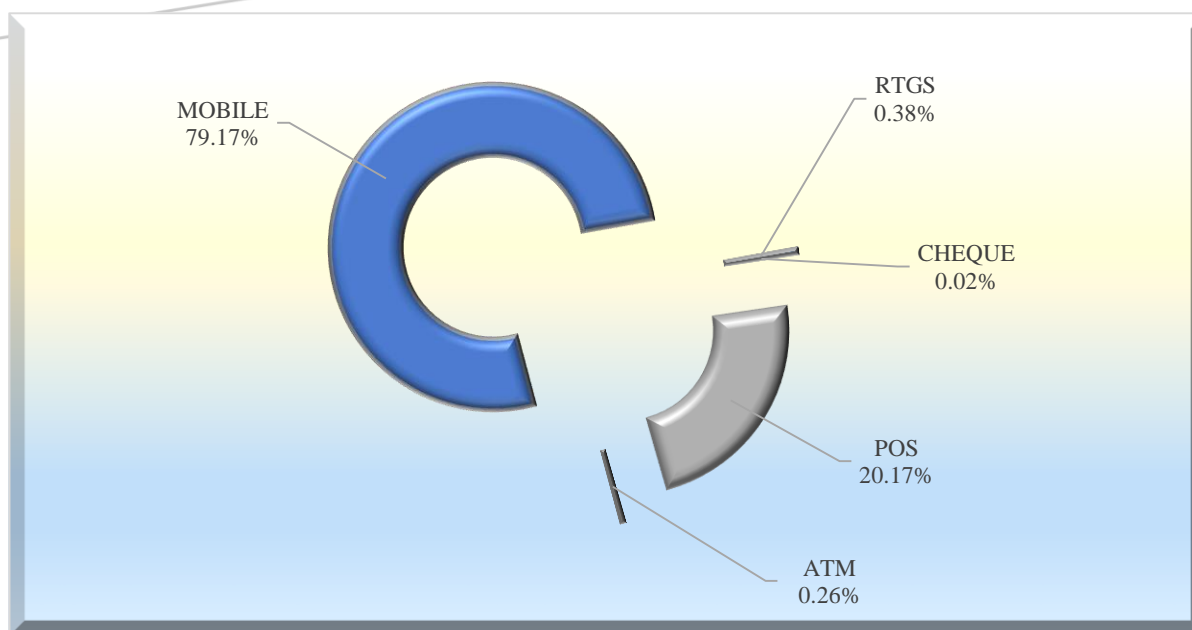
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2018

The total volume of NPS transactions increased from 26.4 million transactions in the previous week, to 28.8 million transactions during the week under review. Mobile transactions accounted for the largest volume of NPS transactions at 79.17%. The other payment streams were distributed as follows: Point of Sale (POS), 20.17%; Automated Teller Machines (ATMs), 0.26%; RTGS, 0.38% and Cheque, 0.02%. Figure 2 shows the composition of NPS transactions in volume terms.

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 16 th March 2018	WEEK ENDING 23 rd March 2018	CHANGE FROM LAST WEEK	PROPORTION
VALUES IN US\$ (millions)				
RTGS	1,420.78	1,780.62	25.3%	73.48%
CHEQUE	1.11	1.02	-9%	0.04%
POS	170.24	197.02	16%	8.13%
ATM	3.14	3.26	4%	0.13%
MOBILE	410.38	441.34	8%	18.21%
TOTAL	2,005.67	2,423.23	21%	100%
VOLUMES				
RTGS	109,263	110,282	1%	0.38%
CHEQUE	5,962	5,385	-10%	0.02%
POS	4,330,064	5,800,954	34.0%	20.17%
ATMs	76,328	73,407	-4%	0.26%
MOBILE	21,907,712	22,770,772	4%	79.17%
TOTAL	26,429,329	28,760,800	9%	100%

Source: Reserve Bank of Zimbabwe, 2018

3. TOBACCO SALES

As at 23rd March 2018 or day 3 of the 2018 tobacco selling season, a cumulative total of 1.13 million kilograms of tobacco had been sold. This represented a 3.74% decline from the 1.17 million kilograms sold during the same period in 2017.

The cumulative tobacco sales amounted to US\$2.75 million, 6.78% higher than the US\$2.58 million realized during the same period in 2017. The golden leaf fetched a higher average price of US\$2.43 per kg, compared to US\$2.19 per kg obtained during the corresponding period in 2017, as shown in Table 4.

Table 4: Cumulative Tobacco Sales: Day 3 (23 March 2018)

	2017	2018	Variance (%)
Cumulative Quantity Sold (kgs)	1,175,712	1,131,732	(3.74)
Cumulative Average Price(US\$/kg)	2.19	2.43	10.93
Cumulative Value (US\$ million)	2,579,276	2,754,248	6.78

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

4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

During the week ending 23rd March 2018, the international commodity prices of platinum, copper, and nickel declined. Gold and crude oil prices, however, increased as shown in Table 4.

Table 4: Metal and Crude Oil Prices

	Gold	Platinum	Copper	Nickel	Crude Oil
Weekly Average (12 – 16 Mar)	1,320.73	956.5	6,942.6	13,737	65.148
19-Mar	1,316.23	949.00	6,829.00	13,490.00	66.15
20-Mar	1,311.88	947.50	6,839.50	13,520.00	67.55
21-Mar	1,318.80	946.50	6,774.00	13,442.00	69.80
22-Mar	1,328.58	953.00	6,814.00	13,495.00	68.83
23-Mar	1,344.56	954.00	6,671.50	13,065.00	70.33
Weekly Average (19 - 23 Mar)	1,324.01	950.00	6,785.60	13,402.40	68.53
Weekly Change (%)	0.2	(0.7)	(2.3)	(2.4)	5.2

Source: BBC, KITCO and Bloomberg 2018

Gold

Gold prices closed the week ending 23rd March 2018 at US\$1,324.01/oz, up from US\$1,320.73/oz recorded in the previous week. This followed mounting global economic tensions which fuelled the demand for gold as a safe haven asset.

Platinum

Platinum prices declined by 0.7%, from US\$956.5/oz. in the previous week to US\$950.00/oz during the week under review. The prices were weighed down by slowing global demand for the metal, which is heavily used in the automobile industry.

Copper

Copper prices declined by 2.3% to close the week under review at US\$6,785.60/ton. This was on the back of a rise in stockpiles and growing concerns over the outlook for U.S.A and China trade relations.

Nickel

Nickel prices declined by 2.4%, from US\$13,737/ton in the previous week to US\$13,402/ton during the week under review. As a core input into the steel manufacturing, international nickel prices have been adversely affected by the proposed US tariff on steel from China and Europe.

Crude Oil

Crude oil prices recoded an increase of 5%, from US\$65.148/barrel in the previous week to US\$69.53/barrel during the week under review. This followed reports of a decline in US crude oil inventories.

4. EXCHANGE RATES

The US dollar appreciated against the rand; pula; and euro, during the week ending 23rd March 2018, as investors await the Federal Reserve Bank's decision on the pace of monetary policy tightening in 2018. The greenback, however, depreciated against the British pound.

Table 5: International Exchange Rates per US\$

	ZAR	GBP	BWP	EURO
2018				
Weekly Average (12 - 16 Mar)	11.8207	0.7179	9.5612	0.8098
19-Mar	12.0144	0.7185	9.6061	0.8153
20-Mar	12.0252	0.7128	9.6432	0.8106
21-Mar	11.9458	0.7136	9.6246	0.8155
22-Mar	11.8499	0.7063	9.5602	0.8095
23-Mar	11.8553	0.7086	9.5511	0.8106
Weekly Average (19 - 23 Mar)	11.9381	0.7120	9.5971	0.8123
Appr(+)/Depr(-) (%) of the USD	1.0	-0.8	0.4	0.3

Source: Reuters, 2018

5. EQUITY MARKETS

The Zimbabwe Stock Exchange (ZSE) recovered from successive losses that were registered since the beginning of the year, during the week ended 23rd March 2018. As a result, the All Share Index registered a marginal gain of 0.67 points to 86.87 points, by the end of the week.

The industrial index recorded an increase of 0.74 points to close at 290.62 point, during the week under review. The increase in the industrial index emanated from gains in Cafca Limited (37.50%), Fidelity Life Assurance Limited (20%), Meikles Limited (18.52%), Old Mutual Plc (9.03%) and CBZ Holdings Limited (5.87%).

The mining index also increased by 1.61 points, to close the week under analysis at 124.91 points. This emanated from an 8.33% and 0.21% increase in Bindura Nickel Corporation (BNC) and RioZim share prices, respectively. Hwange Colliery Company (HCC) and Falgold counters remained inactive during the week under review.

Table 6: Zimbabwe Stock Exchange (ZSE) Statistics

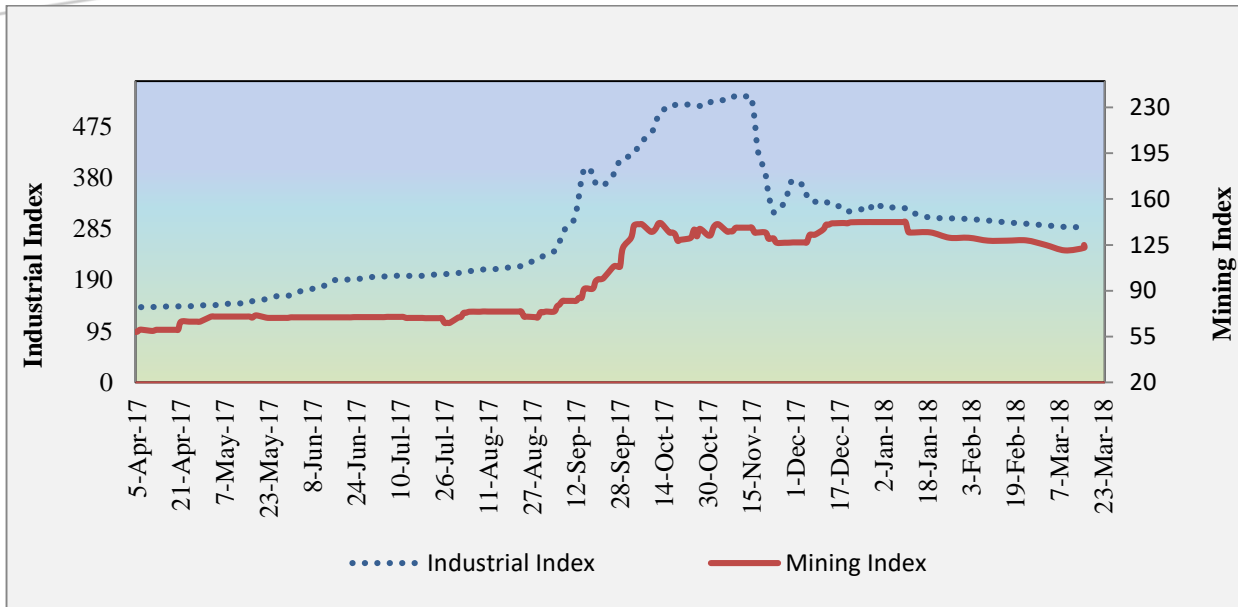
	All Share Index ² (points)	Top 10 index ³ (Points)	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
23-February-18	88.29	87.47	295.24	128.40	8,411,137,031	6,395,063	10,200,476
02-March-18	87.26	86.05	291.95	124.91	8,316,594,858	15,209,231	80,052,036
09-March-18	86.25	84.96	288.77	120.76	8,220,533,455	12,241,097	54 871 045
16-March-18	86.20	84.73	288.48	122.73	8,215,505,712	4,694,497	18 625 829
16-March-18	86.87	85.21	290.62	124.91	8,279,282,091	7,338,638	8,193,604
Weekly Change (%)	0.78	0.57	0.74	1.61	0.78	56.32	-56.01

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

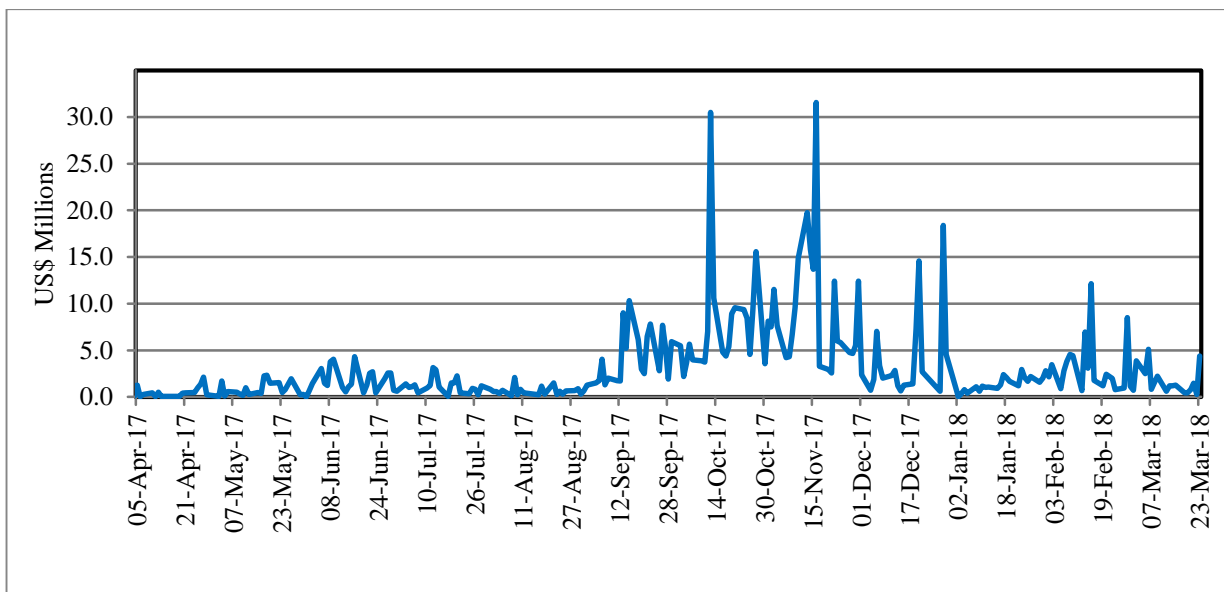


Source: Zimbabwe Stock exchange, 2018

Market Turnover and Volume

The volume of shares traded on the ZSE registered a 56.01% decline to close the week under analysis at 8.19 million shares. ZSE market turnover, however, increased by 56.32%, from US\$4.69 million recorded in the previous week to US\$7.34 million. Trading activity on the local bourse was concentrated in heavyweight counters, albeit on thin volumes.

Figure 4: Daily Market turnover

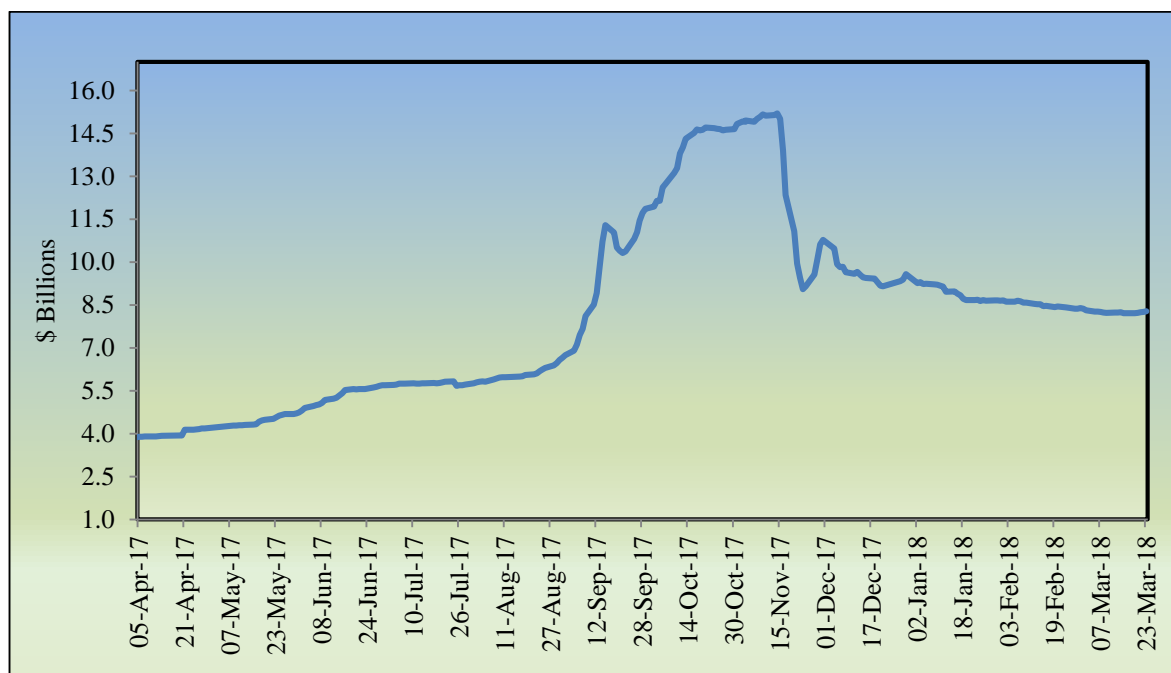


Source: Zimbabwe Stock Exchange, 2018

Market Capitalization

ZSE market capitalization gained by 0.78 percentage points, from US\$8.22 billion in the previous week to US\$8.28 billion, during the week under review. This was on account of positive trading as exhibited by gains in all indices on the local bourse.

Figure 5: Market Capitalization



Source: Zimbabwe Stock Exchange, 2018

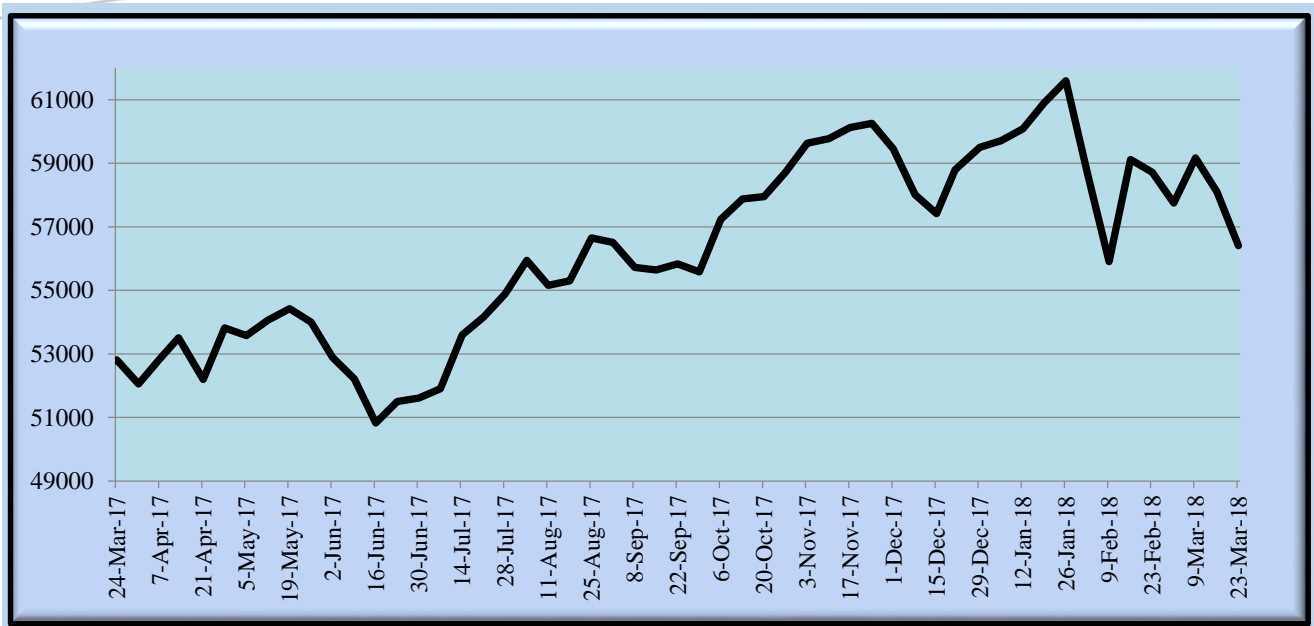
Johannesburg Stock Exchange (JSE) Developments

The JSE All Share index declined by 2.92%, from 58 101.02 points recorded in the previous week to 56 405.64 points, during the week ending 23rd March 2018. Similarly, the JSE market capitalization fell by 3.96%, from R14.90 trillion recorded in the previous week to R14.31 trillion, during the week under review.

Period	All Share Index (points)	Market Capitalization (ZAR trillion)
23-February-18	58 715.46	14.82
02-March-18	57 744.70	14.74
09-March-18	59 169.23	15.01
16-March-18	58 101.02	14.90
23-March-18	56 405.64	14.31
% Change	(2.92)	(3.96)

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

29TH MARCH 2018