



Weekly Economic Highlights

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Week Ending
05th October 2018

1. INTEREST RATES

Deposit Rates

Average deposit rates for savings deposits and deposits of 1-month tenor remained unchanged at 3.88% and 3.60%, respectively, during the week ending 5th October 2018. Deposit rates for deposits of 3-month tenor, however, gained 0.05 percentage points to 3.99% during the same week.

Table 1: Average Deposit Rates (per annum)

| Date | Savings Deposits (%) | 1-Month Deposits (%) | 3-Months Deposits (%) |
|-------------------|----------------------|----------------------|-----------------------|
| 07-Sept-18 | 4.10 | 3.45 | 3.96 |
| 14-Sept-18 | 3.88 | 3.57 | 3.99 |
| 21-Sept-18 | 3.88 | 3.60 | 3.99 |
| 28-Sept-18 | 3.88 | 3.60 | 3.94 |
| 05-Oct-18 | 3.88 | 3.60 | 3.99 |

Source: Banking Institutions, 2018

Lending Rates

During the week under review, commercial bank weighted lending rates for individual clients stood at 9.54%, down from 9.56% recorded in the previous week. Lending rates for corporate clients, however, increased by 0.21 percentage points to close the week under analysis at 7.32%.

Table 2: Lending Rates

| Date | Lending Rates ¹ (%) | |
|-------------------|--------------------------------|-------------------|
| | Commercial Banks (weighted) | |
| | Individuals | Corporate clients |
| 07-Sept-18 | 9.53 | 7.18 |
| 14-Sept-18 | 9.43 | 7.24 |
| 21-Sept-18 | 9.54 | 7.24 |
| 28-Sept-18 | 9.56 | 7.11 |
| 05-Oct-18 | 9.54 | 7.32 |

Source: Banking Institutions, 2018

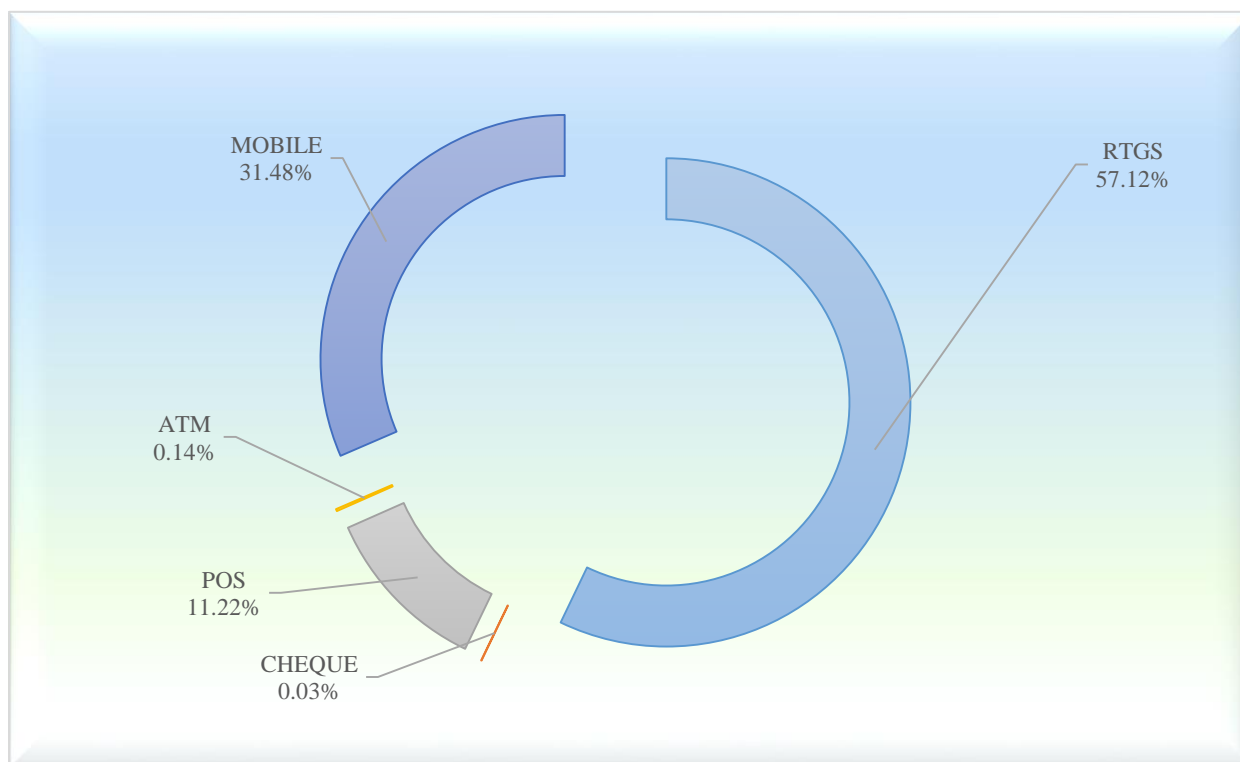
¹ Minimum weighted lending rates offered by commercial banks.

2. CLEARING AND SETTLEMENT ACTIVITY

During the week ending 5th October 2018, the total value of transactions processed through the National Payments System (NPS) decreased to US\$2.82 billion, from US\$3.20 billion registered in the previous week. Transactions processed through the Real Time Gross Settlement (RTGS) system recorded a decline of 24.0%, to close the week under review at US\$1.61 billion.

In terms of proportions, RTGS payments accounted for 57.12% of the total value of transactions processed through the NPS; followed by Mobile, 31.48%; Point of Sale (POS), 11.22%; Automated Teller Machines (ATMs), 0.14% and Cheque, 0.03%, as shown in Figure 1.

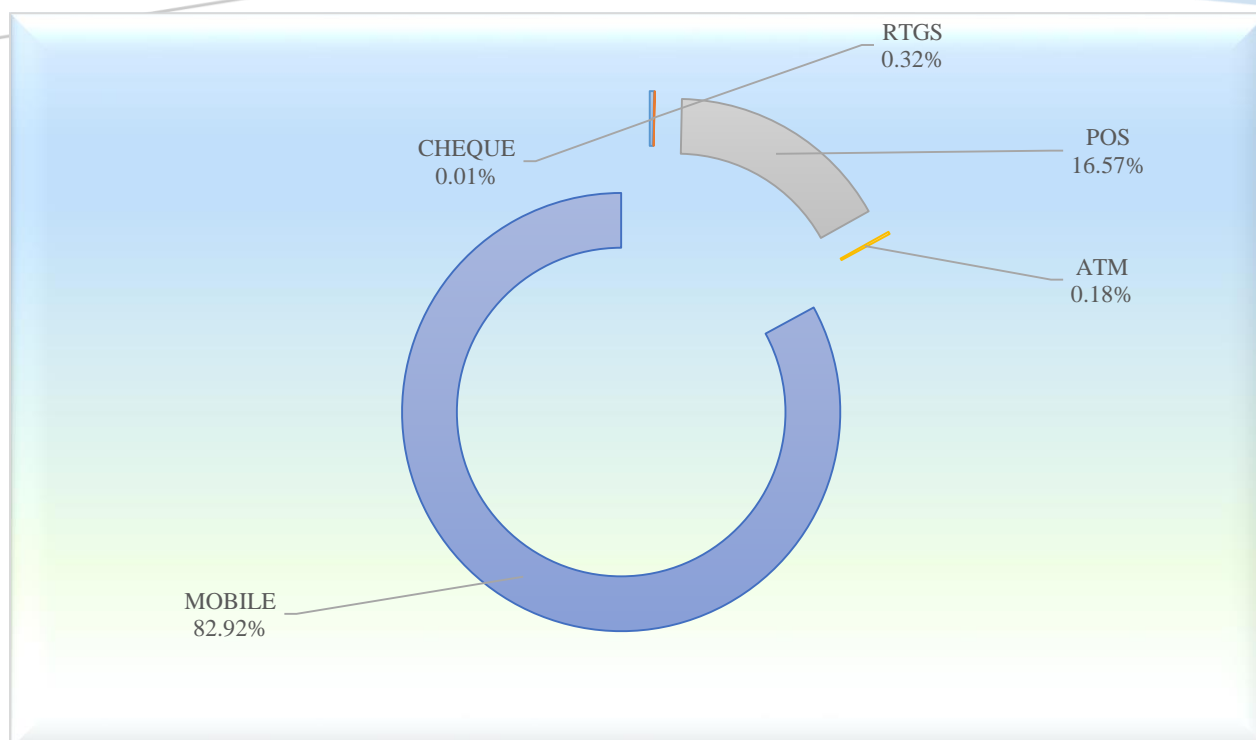
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2018

Transaction volumes processed through the NPS stood at 46.7 million, up from 43.7 million transactions recorded in the previous week. The transaction volumes were distributed as follows: Mobile, 82.92%; POS, 16.57%; ATM, 0.18%; RTGS, 0.32% 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 28 th SEPTEMBER 2018 | WEEK ENDING 5 th OCTOBER 2018 | % CHANGE FROM LAST WEEK | PERCENTAGE OF TOTAL |
|----------------------------------|---|--|-------------------------|---------------------|
| VALUES IN US\$ (millions) | | | | |
| RTGS | 2,117.58 | 1,608.82 | -24.0% | 57.12% |
| CHEQUE | 0.94 | 0.95 | 0.4% | 0.03% |
| POS | 282.89 | 315.92 | 11.7% | 11.22% |
| ATM | 3.25 | 4.05 | 24.4% | 0.14% |
| MOBILE | 798.20 | 886.59 | 11.1% | 31.48% |
| TOTAL | 3,202.87 | 2,816.32 | -12.1% | 100% |
| VOLUMES | | | | |
| RTGS | 150,645 | 148,844 | -1.2% | 0.32% |
| CHEQUE | 4,652 | 4,840 | 4.0% | 0.01% |
| POS | 6,917,209 | 7,740,315 | 11.9% | 16.57% |
| ATM | 70,852 | 85,124 | 20.1% | 0.18% |
| MOBILE | 36,526,432 | 38,732,999 | 6.0% | 82.92% |
| TOTAL | 43,669,790 | 46,712,122 | 7.0% | 100% |

Source: Reserve Bank of Zimbabwe, 2018

3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

During the week ending 5th October 2018, the international commodity prices of crude oil, gold and platinum firmed. Nickel and copper prices, however, retreated from their previous week levels, as shown in Table 4.

Table 4: International Commodity Prices

| | Gold | Platinum | Copper | Nickel | Crude Oil |
|-------------------------------------|-----------------|-----------------|-----------------|------------------|------------------|
| 2018 | US\$/ounce | US\$/ounce | US\$/ton | US\$/ton | US\$/barrel |
| Weekly Average (24- 28 Sept) | 1,194.81 | 823.00 | 6,255.20 | 12,828.00 | 81.97 |
| 1-Oct | 1,187.33 | 815.00 | 6,240.00 | 12,560.00 | 85.00 |
| 2-Oct | 1,198.68 | 826.00 | 6,241.00 | 12,400.00 | 84.93 |
| 3-Oct | 1,202.35 | 830.50 | 6,269.00 | 12,530.00 | 86.03 |
| 4-Oct | 1,201.45 | 825.50 | 6,304.00 | 12,875.00 | 85.08 |
| 5-Oct | 1,202.45 | 824.00 | 6,189.00 | 12,445.00 | 83.45 |
| Weekly Average (1- 5 Oct) | 1,198.45 | 824.20 | 6,248.60 | 12,562.00 | 84.90 |
| <i>Weekly Change (%)</i> | <i>0.3</i> | <i>0.1</i> | <i>(0.1)</i> | <i>(2.1)</i> | <i>3.6</i> |

Source: BBC, KITCO and Bloomberg

Gold

Gold prices firmed by 0.3%, from a weekly average of US\$1,194.81/oz. recorded in the previous week to US\$1,198.45/oz., during the week under review. This was on account of an increase in the safe-haven demand of the precious metal, amid investor worries about Italy's budget plan that is on course for a potential clash with the European Union.

Platinum

Platinum prices gained by 0.1%, to close the week under analysis at US\$824.20/oz. The marginal gains in the precious metal prices were underpinned by an increase in demand amid escalating concerns about the impact of the US China trade wars.

Copper

During the week under analysis, copper prices registered a 0.1% decrease to US\$6,248.60/ton, from US\$6,255.20/ton in the previous week. Prices retreated amid weakening demand for the base metal, as the US tariffs started to have an impact on the Chinese economy.

Nickel

Nickel prices retreated by 2.1%, from a weekly average of US\$12,828.00/ton in the previous week to US\$12,562/ton, during the week under review. This was in response to plans of a British firm to restart production in Zambia which will increase the supply of the base metal.

Crude Oil

Crude oil prices continued on a positive trajectory, gaining by 3.6% to close the week at an average of US\$84.90/barrel. Prices hit four-year highs during the week under review, supported by supply concerns in the verge US sanctions against Iran coming into effect.

4. EXCHANGE RATES

The US dollar appreciated against the euro, rand, pound Sterling and pula, during the week ending 05th October 2018. The greenback gained strength boosted by higher interest rates in the US.

Table 5: International Exchange Rates per US\$

| | ZAR | GBP | BWP | EURO |
|---|----------------|---------------|----------------|---------------|
| Weekly Average (24 - 28 September) | 14.2776 | 0.7625 | 10.6259 | 0.8533 |
| 1-Oct | 14.1602 | 0.7675 | 10.5876 | 0.8630 |
| 2-Oct | 14.2809 | 0.7680 | 10.5876 | 0.8654 |
| 3-Oct | 14.3600 | 0.7691 | 10.5876 | 0.8631 |
| 4-Oct | 14.6750 | 0.7726 | 10.7009 | 0.8714 |
| 5-Oct | 14.8500 | 0.7688 | 10.8460 | 0.8695 |
| Weekly Average(1 - 5 October) | 14.4652 | 0.7692 | 10.6619 | 0.8665 |
| <i>Appr(+)/Depr(-) (%) of the USD</i> | <i>1.31</i> | <i>0.88</i> | <i>0.34</i> | <i>1.55</i> |

Source: Reuters, 2018

5. EQUITY MARKETS

During the week ending 5th October 2018, the Zimbabwe Stock Exchange (ZSE) continued on a positive trajectory. The All Share index gained by 8.64%, to close the week at 125.07 points, from 115.12 points registered in the previous week.

The Industrial index increased by 8.74%, to close the week under review at 386.97 points. The increase emanated from share price gains at Meikles Limited (28.25%), Econet Wireless Zimbabwe Limited (26.06%), NMBZ Holdings Limited (20.24%), Proplastics Limited (20.02%) and Zimre Property Investments Limited (18.75%).

Similarly, the mining index registered a 0.48% increase, to close the week under analysis at 164.55 points. The increase in the resources index was largely attributable to the share price advances of 1.61% at Bindura Nickel Corporation.

Table 6: Zimbabwe Stock Exchange Statistics

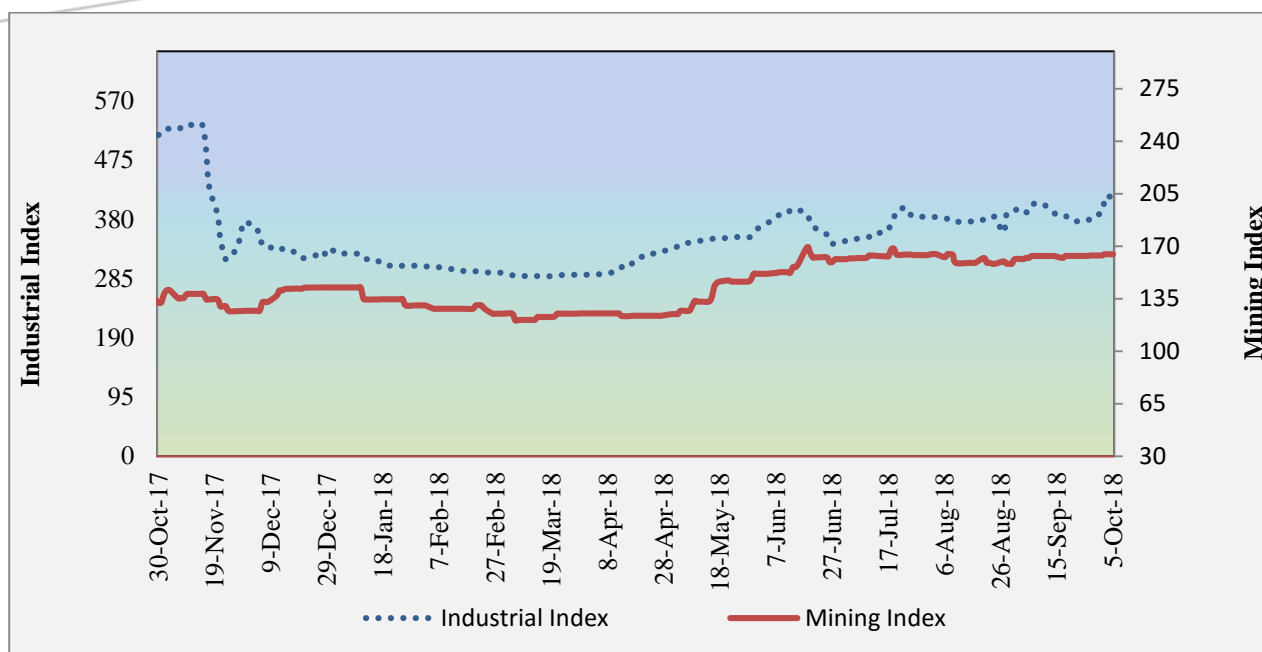
| | All Share Index ² (points) | Top 10 index ³ (Points) | Industrial Index (points) | Mining Index (points) | Grand Market Capitalization (US\$) | Market Turnover (US\$) | Volume of Shares |
|--------------------------|---------------------------------------|------------------------------------|---------------------------|-----------------------|------------------------------------|------------------------|------------------|
| 07-September-18 | 120.50 | 124.87 | 405.31 | 163.37 | 12,737,425,803 | 23,337,621 | 82,761,555 |
| 14-September-18 | 115.91 | 118.71 | 389.68 | 163.38 | 12,268,928,064 | 11,193,572 | 46,819,514 |
| 21-September-18 | 112.35 | 113.77 | 377.58 | 163.44 | 11,951,472,881 | 19,768,934 | 78,454,959 |
| 28-September-18 | 115.12 | 117.60 | 386.97 | 163.76 | 12,265,508,935 | 6,807,520 | 18,459,390 |
| 05-October-18 | 125.07 | 128.96 | 420.80 | 164.55 | 13,666,186,908 | 11,489,161 | 102,056,774 |
| Weekly Change (%) | 8.64 | 9.66 | 8.74 | 0.48 | 11.42 | 68.77 | 452.87 |

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

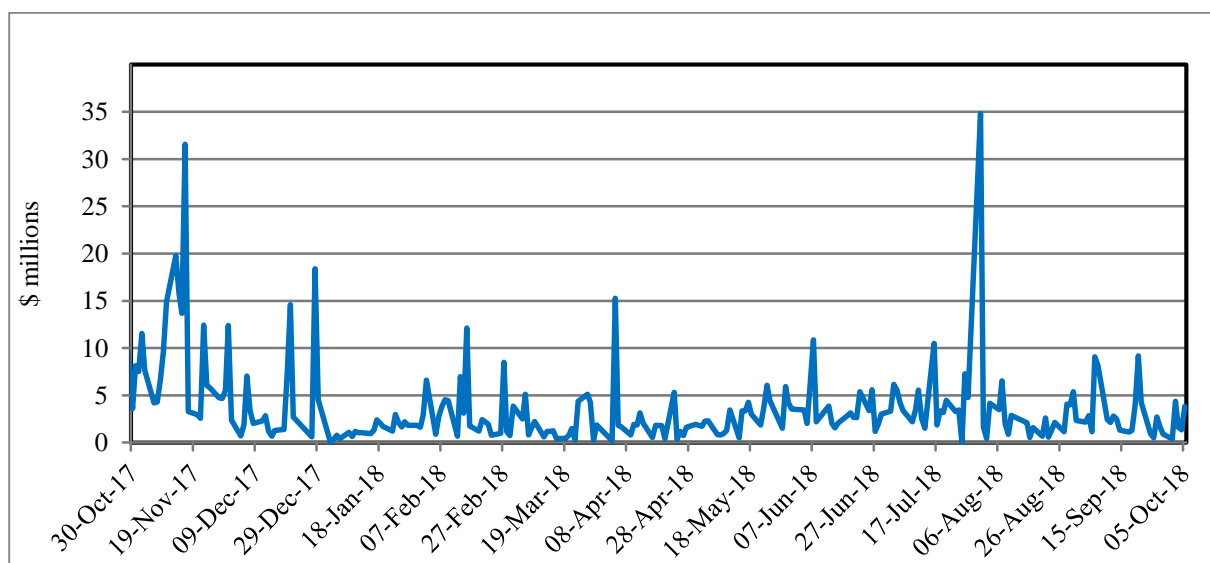


Source: Zimbabwe Stock Exchange, 2018

Market Turnover and Volume

During the week under review, the volume of shares traded on the ZSE increased by 452.87%, to close the week at 102.06 million shares. In tandem, ZSE Market turnover increased by 18.46% to US\$11.42 million, from US\$6.81 million recorded the previous week. This was largely underpinned by profit taking in blue-chip wealth preserving counters following the announcement of the monetary policy announcement.

Figure 4: Market Turnover

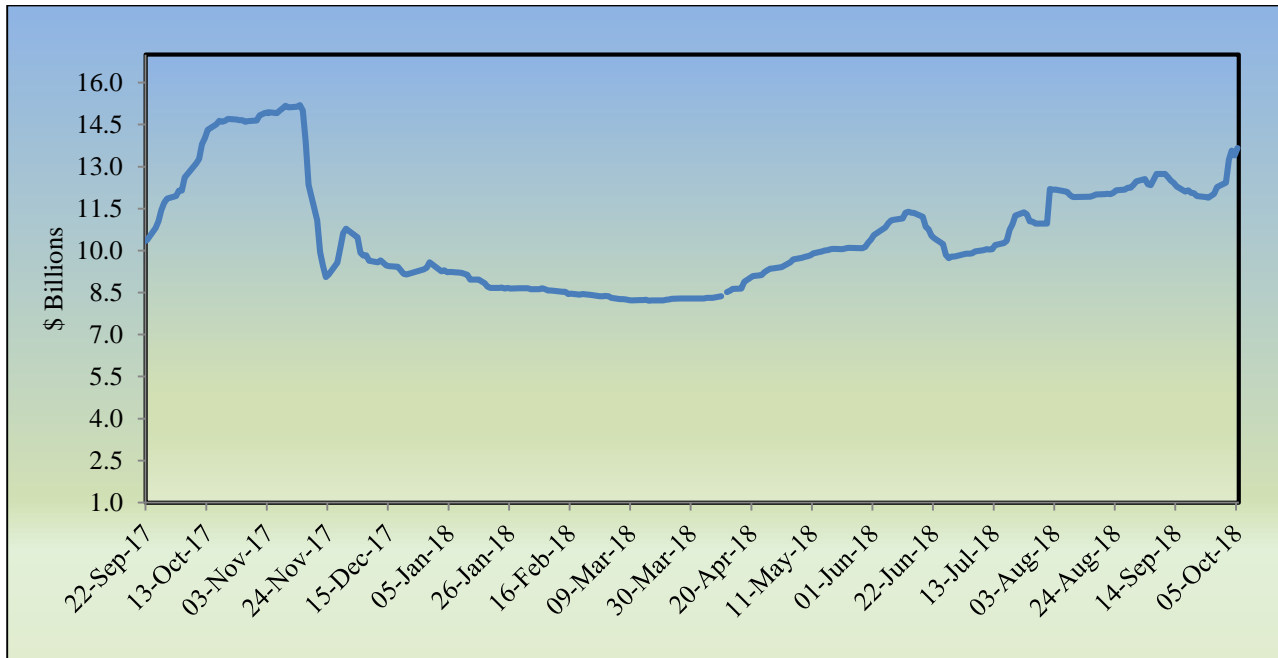


Source: Zimbabwe Stock Exchange, 2018

Market Capitalization

The ZSE market capitalization stood at US\$13.67 billion, a 11.42% increase from the US\$12.27 billion recorded in the previous week.

Figure 5: Market Capitalization



Source: Zimbabwe Stock Exchange, 2018

Johannesburg Stock Exchange (JSE) Developments

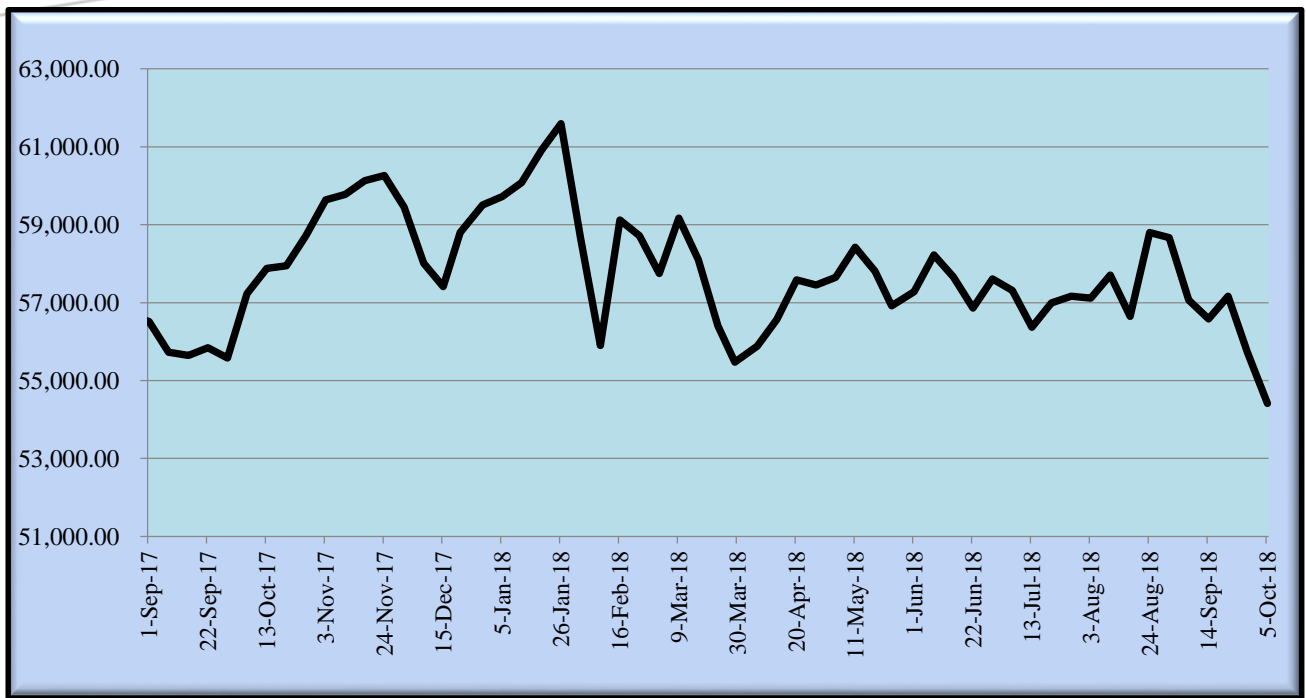
The JSE All Share index registered a 2.33% decline, from 55 708.47 points in the preceding week to 54 409.47 points, during the week ending 5th October 2018. JSE market capitalization, decreased from R14.25 trillion to R14.14 trillion, during the same week.

Table 7: Johannesburg Stock Exchange (JSE) Statistics

| Period | All Share Index (points) | Market Capitalization (ZAR trillion) |
|------------------|--------------------------|--------------------------------------|
| 07-Sep-18 | 57,068.45 | 14.68 |
| 14-Sep-18 | 56,581.88 | 14.56 |
| 21-Sep-18 | 57,164.25 | 14.63 |
| 28-Sep-18 | 55,708.47 | 14.25 |
| 05-Oct-18 | 54,409.47 | 14.14 |
| % Change | -2.33 | -0.77 |

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

5th OCTOBER 2018