



Weekly Economic Highlights

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Week Ending
14th September 2018

1. INTEREST RATES

Deposit Rates

During the week ending 14th September 2018, average deposit rates for saving deposits decreased to 3.88%, from 4.10% registered in the previous week. Deposit rates for deposits of 1-month tenor closed the week higher at 3.57%. Similarly, deposit rates for deposits of 3-month tenor increased to 3.99%, from 3.96% in the previous week.

Table 1: Average Deposit Rates (per annum)

Date	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
17-Aug-18	4.10	3.54	3.98
24-Aug-18	4.10	3.52	3.97
31-Aug-18	4.22	3.51	3.95
07-Sept-18	4.10	3.45	3.96
14-Sept-18	3.88	3.57	3.99

Source: Banking Institutions, 2018

Lending Rates

Commercial bank weighted lending rates for individual clients declined by 0.1 percentage points, to 9.43% during the week under review, from 9.53% registered in the previous week. Lending rates for corporate clients, however, increased to 7.24%, from 7.18% recorded in the previous week, as shown in Table 2.

Table 2: Lending Rates

Date	Lending Rates ¹ (%)	
	Commercial Banks (weighted)	
	Individuals	Corporate clients
17-Aug-18	9.54	7.16
24-Aug-18	9.53	7.15
31-Aug-18	9.87	7.10
07-Sept-18	9.53	7.18
14-Sept-18	9.43	7.24

Source: Banking Institutions, 2018

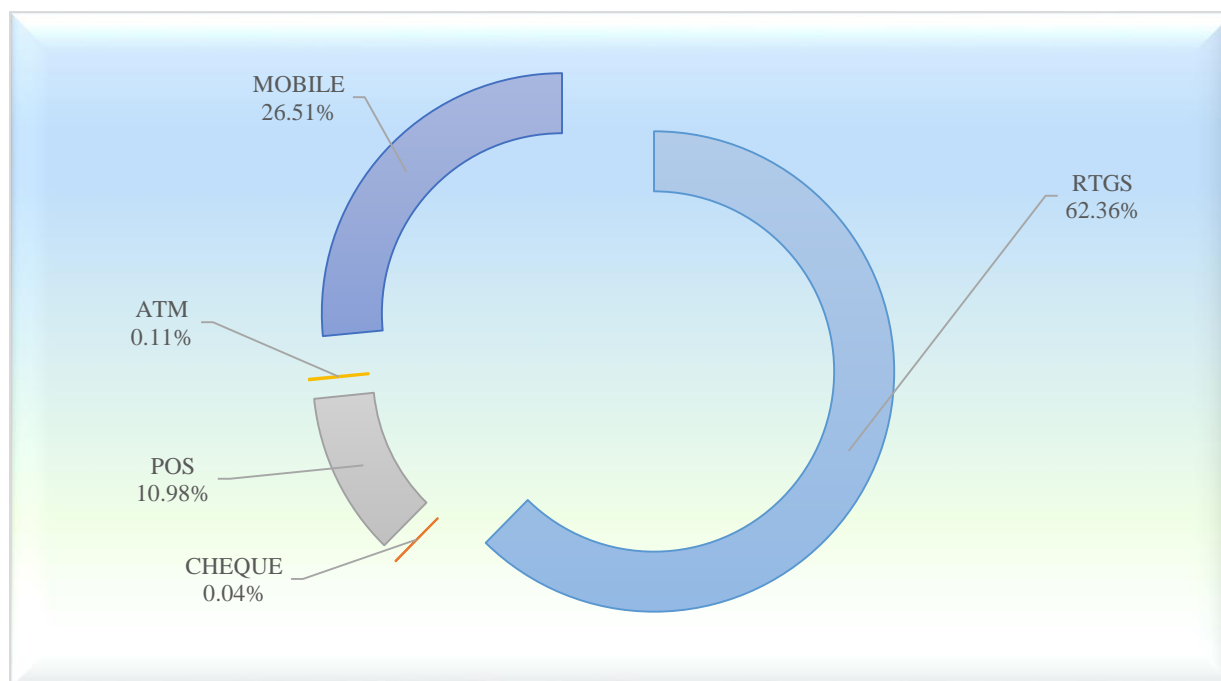
¹ Minimum weighted lending rates offered by commercial banks.

2. CLEARING AND SETTLEMENT ACTIVITY

During the week ending 14th September 2018, the total value of transactions processed through the National Payments System (NPS) increased by 3.9% to US\$2.69 billion, from US\$2.59 billion recorded in the previous week. The value of transactions processed through the Real Time Gross Settlement (RTGS) system also increased by 8.7% to US\$1.68 billion, representing 62.36% of the total value of transactions processed through the NPS.

The rest of the transaction values processed through the NPS were distributed as follows: Mobile, 26.51%; Point of Sale (POS), 10.98%; Automated Teller Machines (ATMs), 0.11%; and Cheque transactions, 0.04%, as shown in Figure 1.

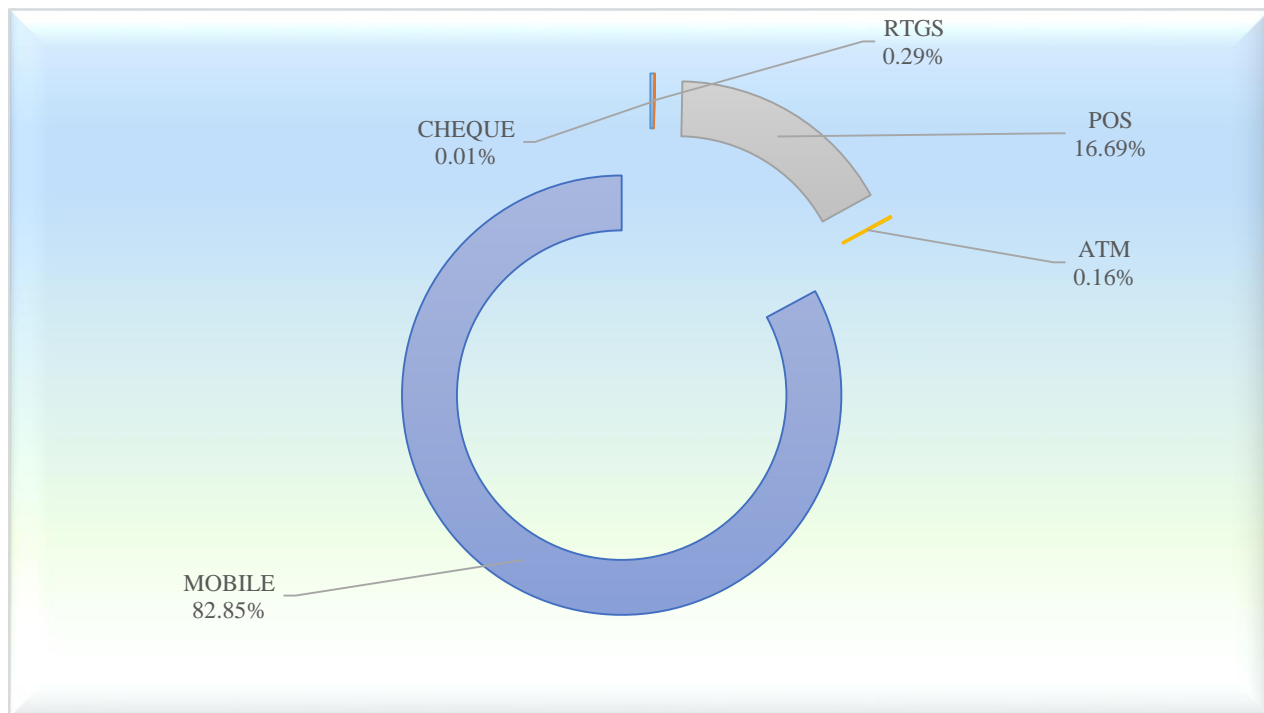
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2018

Transaction volumes processed through the NPS declined by 3.3%, to close the week under review at 42.98 million transactions. The distribution of transaction volumes was as follows: Mobile, 82.85%; POS, 16.69%; RTGS, 0.29%; ATM, 0.16% 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 07 th SEPTEMBER 2018	WEEK ENDING 14 th SEPTEMBER 2018	% CHANGE FROM LAST WEEK	PERCENTAGE OF TOTAL
VALUES IN US\$ (millions)				
RTGS	1,543.02	1,676.50	8.7%	62.36%
CHEQUE	0.77	1.21	57.9%	0.04%
POS	169.78	295.22	73.9%	10.98%
ATM	3.50	2.95	-15.6%	0.11%
MOBILE	870.12	712.58	-18.1%	26.51%
TOTAL	2,587.18	2,688.46	3.9%	100%
VOLUMES				
RTGS	153,406	123,613	-19.4%	0.29%
CHEQUE	3,905	5,752	47.3%	0.01%
POS	3,252,728	7,173,791	120.5%	16.69%
ATM	77,197	68,175	-11.7%	0.16%
MOBILE	40,986,639	35,614,370	-13.1%	82.85%
TOTAL	44,473,875	42,985,701	-3.3%	100%

Source: Reserve Bank of Zimbabwe, 2018

3. TOBACCO SALES

As at 14th September 2018 or day 116 of the 2018 tobacco selling season, a cumulative total of 252.46 million kilograms of tobacco had been sold. This represented a significant increase of 34.0%, compared to 188.42 million kilograms sold during the same period in 2017.

In value terms, the cumulative tobacco sales stood at US\$737.12 million, a 32.2% increase from US\$558.13 million realized during the corresponding period in 2017. The golden leaf was, however, sold at a lower average price of US\$2.92/kg, compared to US\$2.96/kg realized during the same period in 2017.

Table 4: Cumulative Tobacco Sales: Day 116 (14th September 2018)

	2017	2018	Variance (%)
Cumulative Quantity Sold (kg)	188,422,546	252,463,629	33.99
Cumulative Average Price (US\$/kg)	2.96	2.92	-1.4
Cumulative Value (US\$ million)	558,133,287	737,124,613	32.07

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

4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international commodity prices of platinum, crude oil, copper and gold firmed, during the week ending 14th September 2018. Nickel prices, however, declined, as shown in Table 4.

Table 5: International Commodity Prices

	Gold	Platinum	Copper	Nickel	Crude Oil
2018	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
Weekly Average (3- 7 Sept)	1,198.89	782.20	5,921.10	12,604.00	77.33
10-Sep	1196.20	789.50	5889.00	12300.00	77.57
11-Sep	1191.93	786.75	5898.00	12405.00	79.48
12-Sep	1196.70	788.00	5875.00	12230.00	79.32
13-Sep	1,208.23	807.00	6,009.00	12,615.00	78.17
14-Sep	1204.08	806.00	6014.00	12635.00	77.98
Weekly Average (10-14 Sept)	1,199.43	795.45	5,937.00	12,437.00	78.50
<i>Weekly Change (%)</i>	<i>0.04</i>	<i>1.7</i>	<i>0.3</i>	<i>(1.3)</i>	<i>1.5</i>

Source: BBC, KITCO and Bloomberg

Gold

Gold prices closed the week under review at an average of US\$1,199.43/oz., from US\$1,198.89/oz registered in the previous week. The price of the yellow metal was supported by a weaker US dollar, amid prospects of easing tensions between the US and China.

Platinum

Platinum prices gained by 1.7%, to close the week under analysis at US\$795.45/oz. The rise was largely underpinned by a weaker US dollar.

Copper

Copper prices increased from US\$5,921.10/ton in the previous week, to US\$5,937.00/ton during the week under analysis. The prospects of easing US- China trade wars boosted the demand for copper in China, after the U.S. reached out to China for a new round of trade talks.

Nickel

Nickel prices continued on a negative trajectory, declining by 1.3% from a weekly average of US\$12,604.00/ton in the previous week, to US\$12,437.00/ton during the week under review.

Persistent oversupply concerns for the metal, amid low demand from the Chinese steel industry continued to weigh down the price of the base metal.

Crude Oil

Crude oil prices firmed by 1.5%, from a weekly average of US\$77.33/barrel in the previous week, to US\$78.50/barrel during the week under review. This was, in part, on account of disruptions in oil shipments, as the US attempted to isolate Iran shipments. In addition, terror attacks at the Libyan National Oil Corporation headquarters, threatened the steady supply of oil.

EXCHANGE RATES

During the week ending 14th September 2018, the US dollar depreciated against the British pound, South African rand, Botswana pula and euro. This followed disappointing US macroeconomic data, a development which dampened the demand for the greenback.

Table 6: International Exchange Rates per US\$

	ZAR	GBP	BWP	EURO
Weekly Average (3 - 7 September)	15.1382	0.7753	10.9236	0.8610
10-Sep	15.2502	0.7743	10.9290	0.8662
11-Sep	15.1800	0.7671	10.9349	0.8622
12-Sep	15.0808	0.7687	10.9111	0.8631
13-Sep	14.9340	0.7666	10.8814	0.8503
14-Sep	14.7697	0.7624	10.7817	0.8552
Weekly Average (10 -14 September)	15.0429	0.7678	10.8876	0.8594
<i>Appr(+)/Depr(-) (%) of the USD</i>	<i>-0.63</i>	<i>-0.96</i>	<i>-0.33</i>	<i>-0.19</i>

Source: Reuters, 2018

5. EQUITY MARKETS

The Zimbabwe Stock Exchange (ZSE) was largely bearish during the week ending 20th September 2018. Resultantly, the All Share Index declined by 3.81% to close the week at 115.91 points, from 120.50 points registered in the previous week.

The industrial index closed the week under analysis at 389.68 points, down from 405.31 points registered during the previous week. This was attributed to share price losses at Old Mutual (17.55%); Zimre Property Investments (16.99%); Meikles (12.50%); Pretoria Portland Cement Limited (9.41%); Delta Corporation (8.83%); and Edgars Stores (1.33%).

The mining index closed the week under analysis at 163.38 points, marginally up from 163.37 points in the previous week. The resource index remained largely unchanged as Hwange Colliery Company, Bindura Nickel Corporation, RioZim and Falgold shares traded at previous price level, albeit on thin volumes.

Table 7: Zimbabwe Stock Exchange Statistics

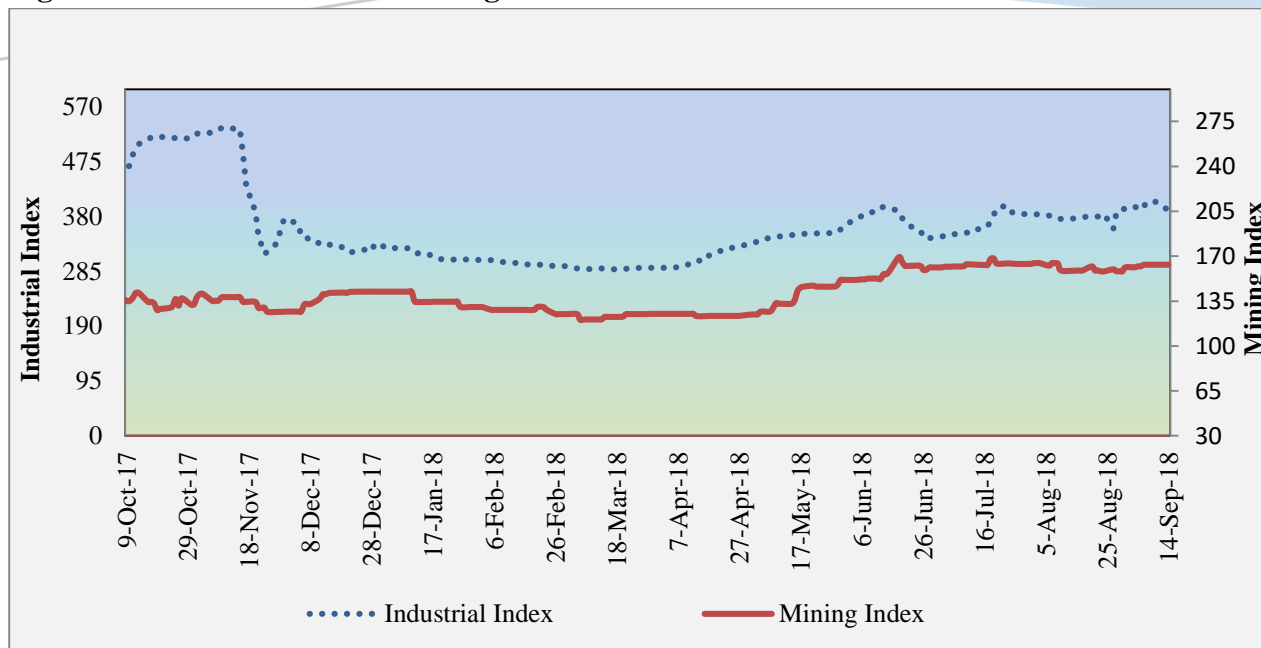
	All Share Index ² (points)	Top 10 index ³ (Points)	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
17-August-18	112.77	115.89	379.26	158.90	12,009,715,049	4,232,495	32,322,587
24-August-18	114.18	117.70	384.08	158.20	12,148,679,810	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
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
Weekly Change (%)	-3.81	-4.93	-3.86	0.01	-3.68	-52.04	-43.43

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

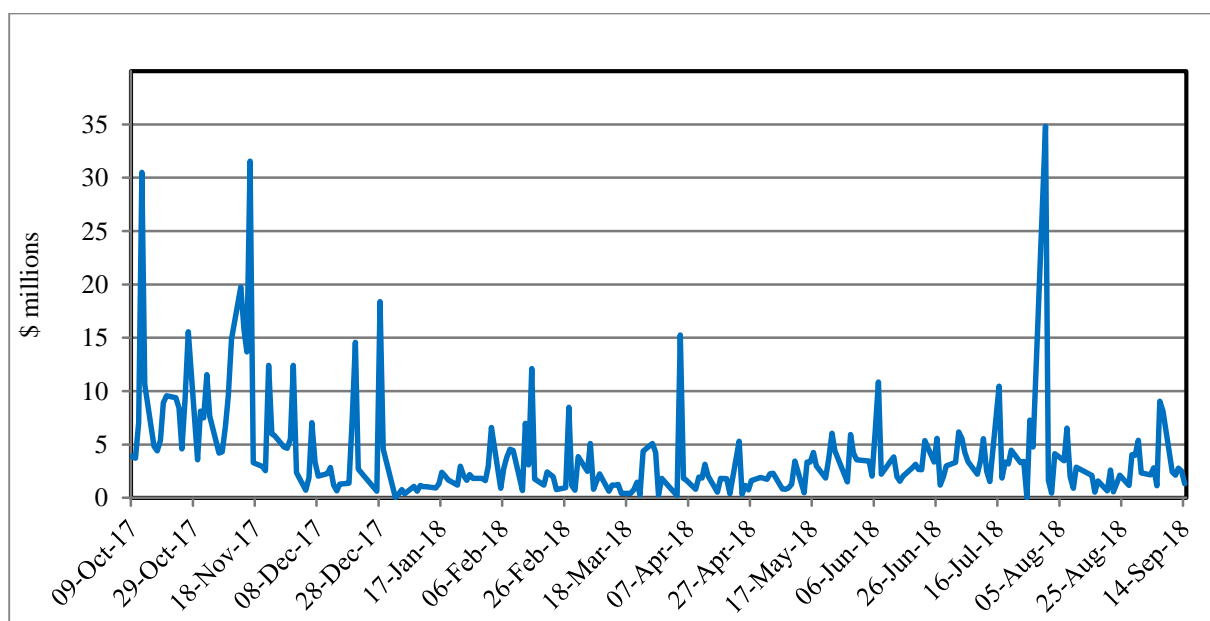


Source: Zimbabwe Stock Exchange, 2018

Market Turnover and Volume

The volume of shares traded on the ZSE declined by 43.43%, to close the week at 46.82 million shares. In tandem, the ZSE market turnover value decreased by 52.04% to US\$11.19 million, during the week under review.

Figure 4: Market Turnover

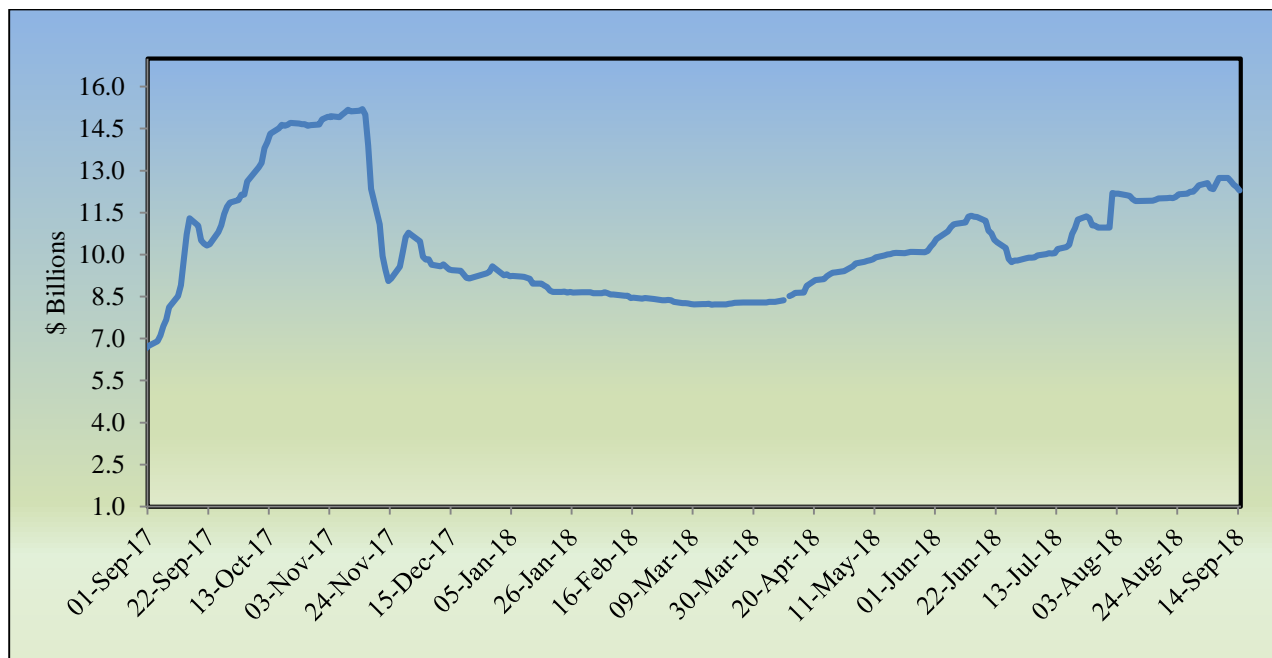


Source: Zimbabwe Stock Exchange, 2018

Market Capitalization

The ZSE market capitalization declined by 3.68% from the previous week value, to close at US\$12.27 billion during the week ending 14th September 2018.

Figure 5: Market Capitalization



Source: Zimbabwe Stock Exchange, 2018

Johannesburg Stock Exchange (JSE) Developments

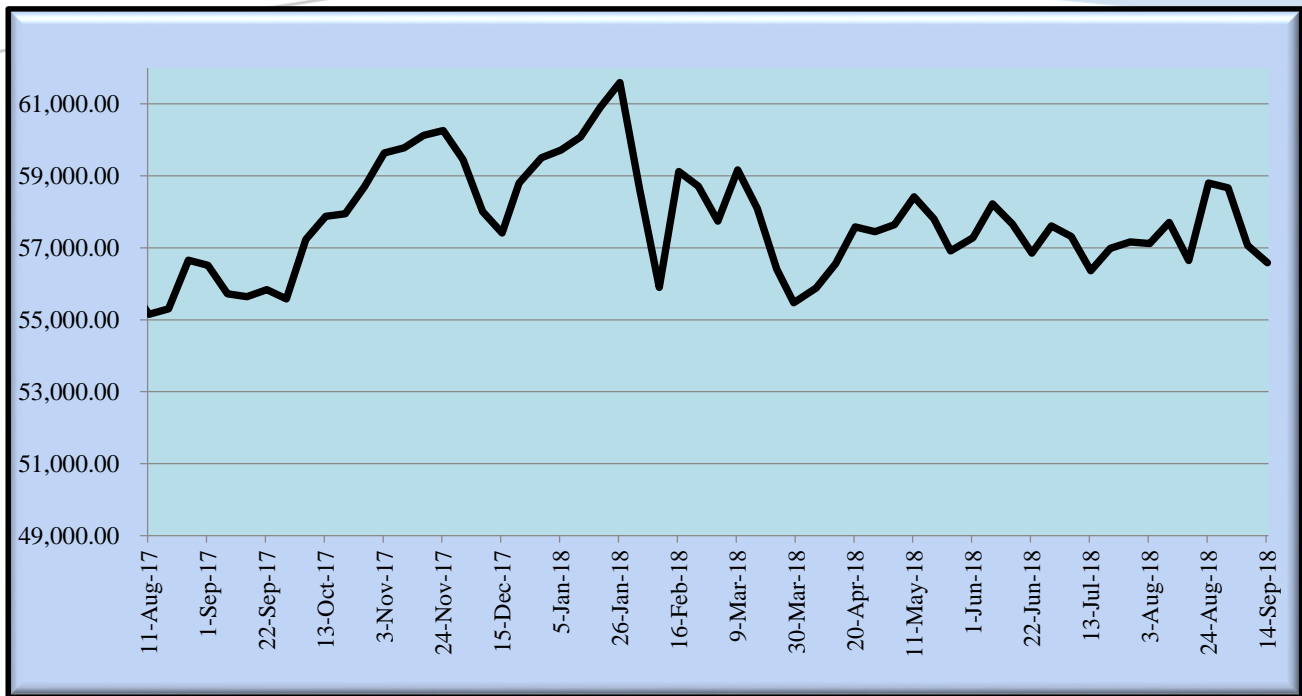
The JSE All Share Index closed the week ending 14th September 2018 at 56,581.88 points, a 0.85% decrease from 57,068.45 points registered in the preceding week. JSE market capitalization also declined by 0.82% to R14.56 trillion, during the same week.

Table 8: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalization (ZAR trillion)
17-Aug-18	56,647.52	14.87
24-Aug-18	58,797.68	14.98
31-Aug-18	58,668.48	14.94
07-Sep-18	57,068.45	14.68
14-Sep-18	56,581.88	14.56
% Change	-0.85	-0.82

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

21th SEPTEMBER 2018