



Weekly Economic Highlights

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Week Ending
10th August 2018

1. INTEREST RATES

Deposit Rates

Average deposit rates for savings deposits, deposits of 1 month and 3 month tenors closed the week ending 10th August 2018 lower at 4.16%, 3.48% and 3.98%, respectively, after having remained the same since the beginning of July 2018.

Table 1: Average Deposit Rates (per annum)

Date	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
13-Jul-18	4.35	3.53	4.00
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

Source: Banking Institutions, 2018

Lending Rates

During the week under review, commercial bank weighted lending rates for individual clients stood at 9.87%, down from 9.91% recorded in the previous week. Weighted lending rates for corporate clients, however, increased by 1 percentage point to close the same week at 7.10%.

Table 2: Lending Rates

Date	Lending Rates ¹ (%)	
	Commercial Banks (weighted)	
	Individuals	Corporate clients
13-Jul-18	9.37	7.07
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

Source: Banking Institutions, 2018

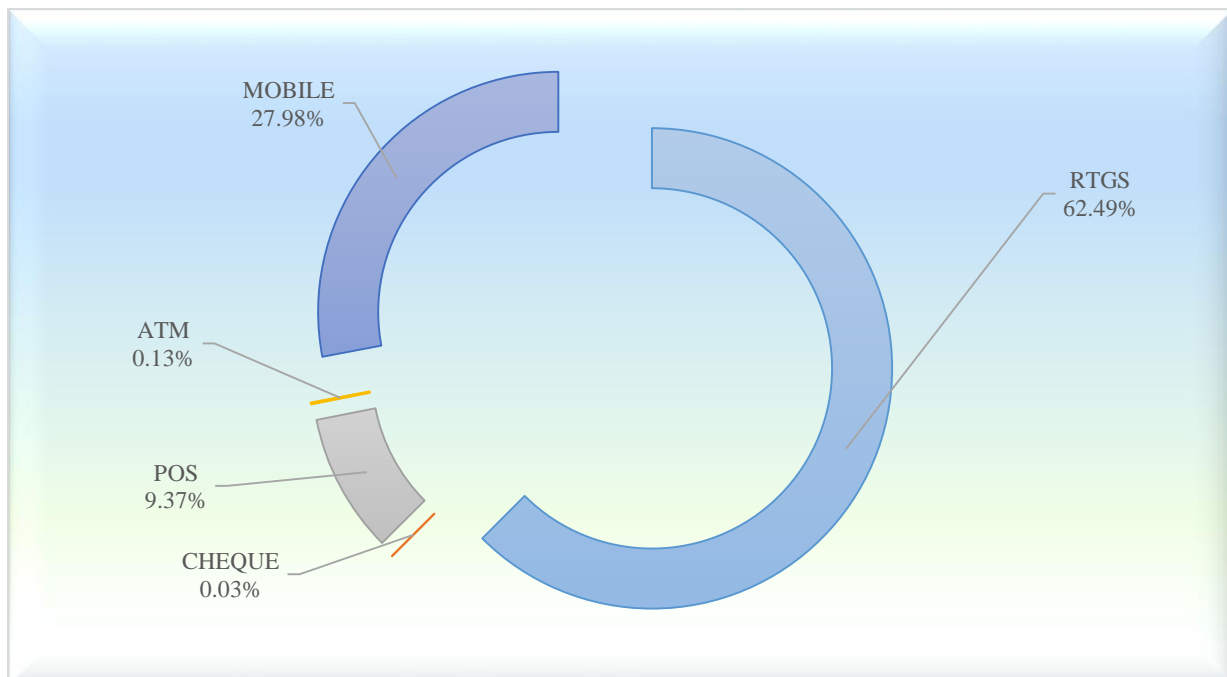
¹ Minimum weighted lending rates offered by commercial banks.

2. CLEARING AND SETTLEMENT ACTIVITY

The total value of transactions processed through the National Payments System (NPS) increased from US\$2.46 billion in the previous week, to US\$2.68 billion during the week ending 10th August 2018. Transactions processed through the Real Time Gross Settlement (RTGS) system recorded an increase of 11.7%, to close the week under review at US\$1.68 billion.

In terms of proportions, RTGS payments accounted for 62.48% of the total value of transactions processed through the NPS; followed by Mobile, 28%; Point of Sale (POS), 9.37%; Automated Teller Machines (ATMs), 0.13% and Cheque, 0.03%, as shown in Figure 1.

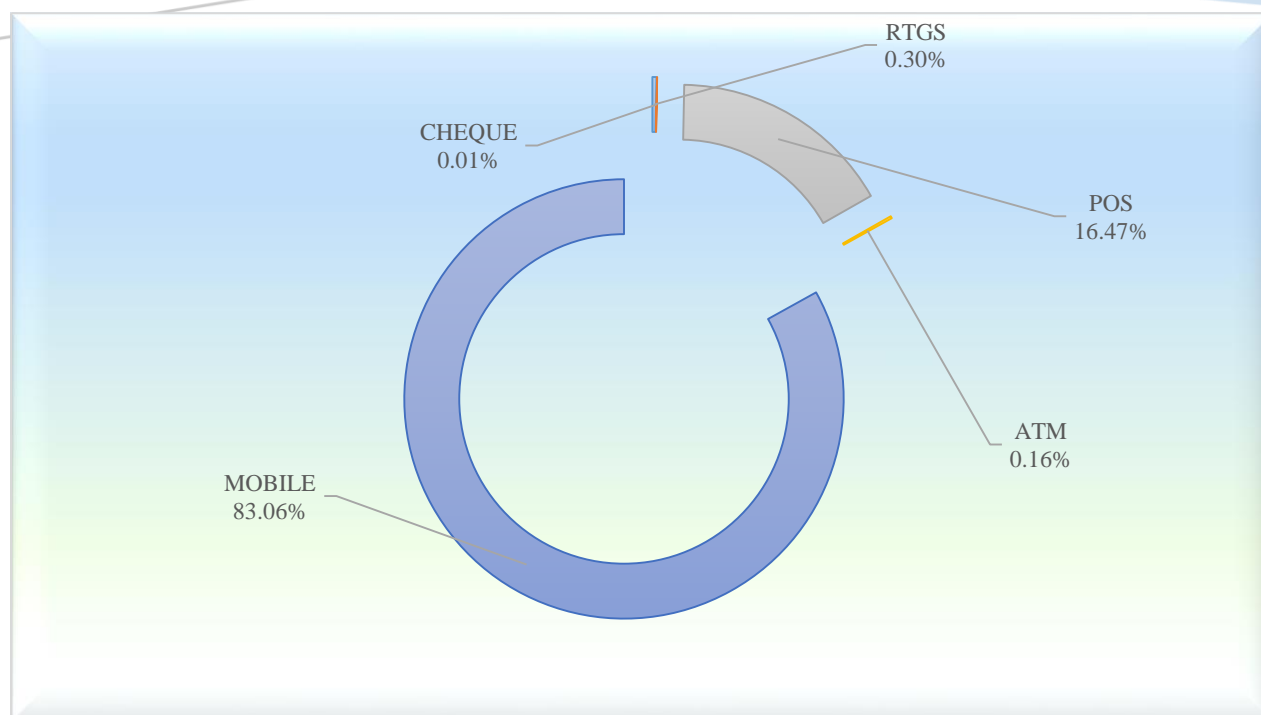
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2018

Transaction volumes processed through the NPS stood at 45.6 million, during the week under review, up from 44.3 million transactions recorded in the previous week. The transaction volumes were distributed as follows: Mobile, 83.06%; POS, 16.47%; ATM, 0.16%; RTGS, 0.30% 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 3 rd AUGUST 2018	WEEK ENDING 10 th AUGUST 2018	% CHANGE FROM LAST WEEK	PROPORTION
VALUES IN US\$ millions				
RTGS	1,501.22	1,676.32	11.7%	62.48%
CHEQUE	0.37	0.85	130.9%	0.03%
POS	292.06	251.45	-13.9%	9.37%
ATM	5.43	3.60	-33.7%	0.13%
MOBILE	664.97	750.65	12.9%	27.98%
TOTAL	2,464.05	2,682.87	8.9%	100%
VOLUMES				
RTGS	95,616	135,987	42.2%	0.30%
CHEQUE	2,036	4,289	110.7%	0.01%
POS	8,016,817	7,506,938	-6.4%	16.47%
ATM	119,774	73,642	-38.5%	0.16%
MOBILE	36,087,566	37,861,676	4.9%	83.06%
TOTAL	44,321,809	45,582,532	2.8%	100%

Source: Reserve Bank of Zimbabwe, 2018

3. TOBACCO SALES

A cumulative total of 247,810,961 kilograms of tobacco had been sold as at 10th August 2018 or day 97 of the 2018 tobacco selling season. This compares with the 183,583,737 kilograms sold during the same period in 2017.

In value terms, the cumulative tobacco sales stood at US\$724.62 million, up from US\$544.96 million realized during the corresponding period in 2017. The golden leaf was sold at an average price of US\$2.97/kg, a 1.5% decline from the US\$2.92/kg realized during the same period in 2017.

Table 4: Cumulative Tobacco Sales: Day 97 (10th August 2018)

	2017	2018	Variance (%)
Cumulative Quantity Sold (kg)	183,583,737	247,810,961	35.0
Cumulative Average Price(US\$/kg)	2.97	2.92	-1.5
Cumulative Value(US\$ million)	544,957,682	724,617,469	33.0

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

4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international commodity prices of platinum and nickel firmed, while crude oil, gold and copper softened, during the week ending 10th August 2018, as shown in Table 4.

Table 4: International Commodity Prices

	Gold	Platinum	Copper	Nickel	Crude Oil
2018	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
Weekly Average (30 July - 3 Aug)	1,218.47	825.80	6,198.60	13,687.00	73.87
6-Aug	1,210.83	828.50	6,164.00	13,425.00	74.11
7-Aug	1,213.88	834.50	6,109.50	13,640.00	74.56
8-Aug	1,210.95	825.50	6,181.00	13,925.00	72.48
9-Aug	1,214.93	832.50	6,171.50	13,950.00	71.95
10-Aug	1,213.03	829.00	6,215.50	13,915.00	72.81
Weekly Average (6 - 10 Aug)	1,212.72	830.00	6,168.30	13,771.00	73.18
<i>Weekly Change (%)</i>	<i>(0.5)</i>	<i>0.5</i>	<i>(0.5)</i>	<i>0.6</i>	<i>(0.9)</i>

Source: BBC, KITCO and Bloomberg

Gold

During the week under analysis, gold prices retreated by 0.5% to US\$1,212.72/oz., from a weekly average of US\$1,218.47/oz. in the previous week. This was underpinned by a strengthening US dollar, which dampened the safe haven status of the metal.

Platinum

Platinum prices firmed by 0.5%, to close the week under review at US\$830.00/oz. The price of the precious metal increased following announcements by South African platinum mines that they would cut output and jobs.

Copper

Copper prices registered a 0.5% decrease to US\$6,168.30/ton during the week under review, from US\$6,198.60/ton in the previous week. This followed threats from China, to impose import taxes on US copper, leaving consumers and traders scrambling to swap cargoes scheduled for Chinese ports.

Nickel

Nickel prices continued on a positive trajectory, increasing by 0.6% from a weekly average of US\$13,687/ton in the previous week, to US\$13,771/ton during the week under review. The price was supported by data from the International Nickel Study Group that showed that global nickel consumption was growing in 2018.

Crude Oil

Crude oil prices retreated by 0.9%, from a weekly average of US\$73.87/barrel, to close the week under review at an average of US\$73.18/barrel. Oil prices dipped as expectations that the trade dispute between the US and China might reduce economic growth as well as the demand for fuel intensified.

EXCHANGE RATES

During the week ending 10th August 2018, the US dollar appreciated against the pula, pound Sterling and rand. The greenback, however, marginally weakened against the euro.

Table 5: International Exchange Rates per US\$

	ZAR	GBP	BWP	EURO
Weekly Average (1 - 3 August)	13.3695	0.7698	10.2881	0.8654
6-Aug	13.3695	0.7698	10.2881	0.8654
7-Aug	13.4061	0.7724	10.3627	0.8654
8-Aug	13.3234	0.7724	10.2987	0.8609
9-Aug	13.3808	0.7764	10.3627	0.8614
10-Aug	13.7401	0.7808	10.4987	0.8725
Weekly Average (6 - 10 August)	13.4440	0.7743	10.3622	0.8651
<i>Appr(+)/Depr(-) (%) of the USD</i>	<i>0.56</i>	<i>0.60</i>	<i>0.72</i>	<i>-0.04</i>

Source: Reuters, 2018

5. EQUITY MARKETS

During the week ending 10th August 2018, the Zimbabwe Stock Exchange (ZSE) continued on a negative trajectory. The All Share index declined by 2.11%, to close the week at 111.78 points, from 114.19 points registered in the previous week.

The Industrial index declined by 2.06%, to close the week under review at 375.88 points. The retreat emanated from share price losses at Masimba Holdings Limited (20.40%), GetBucks (9.91%), Econet Wireless (2.50%), Delta Corporation (7.00%), OK Zimbabwe (0.34%) Pretoria Portland Cement (5.74%), Hippo Valley Estates Limited (0.15%), Dairibord Holdings (7.14%) and Simbisa (0.10%).

Similarly, the mining index registered a 3.54% decline, to close the week under analysis at 158.80 points. The decline in the resources index was largely attributable to the share price loss of 5.08% at RioZim.

Table 6: Zimbabwe Stock Exchange Statistics

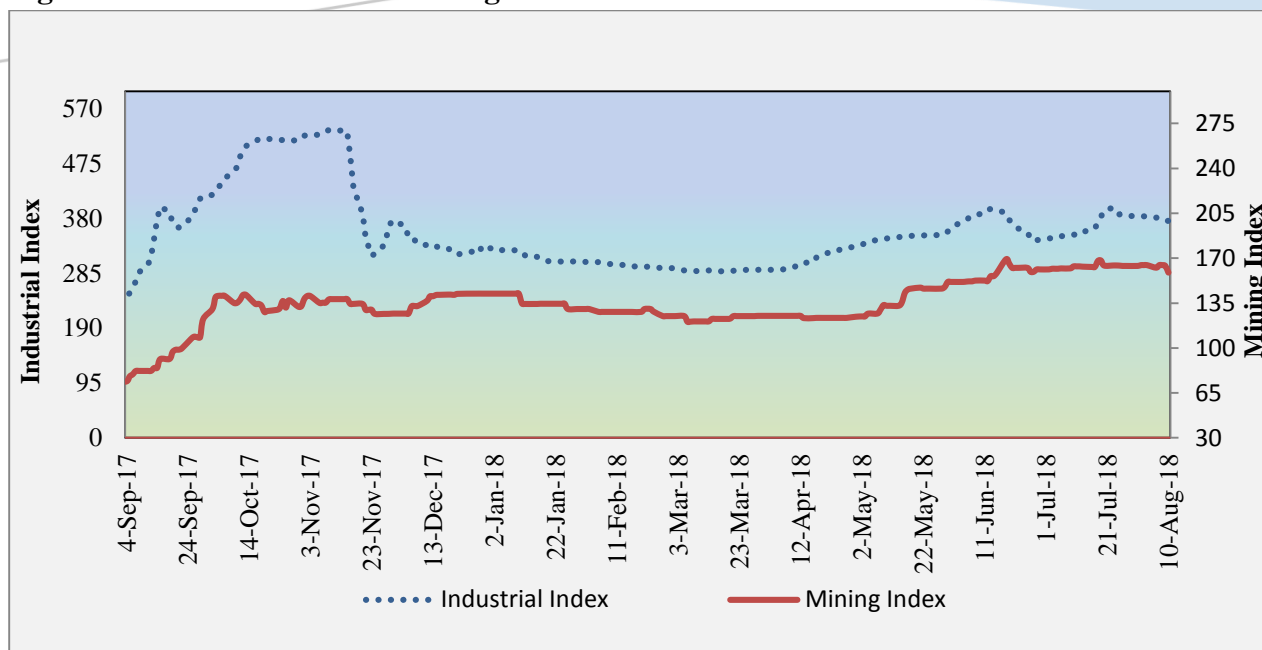
	All Share Index ² (points)	Top 10 index ³ (Points)	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
13-July-18	106.37	109.00	357.22	163.42	10,201,365,520	15,270,183	14,777,083
20-July-18	117.29	122.68	394.35	164.28	11,246,794,772	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
Weekly Change (%)	-2.11	-2.83	-2.06	-3.54	-2.15	-61.64	179.02

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

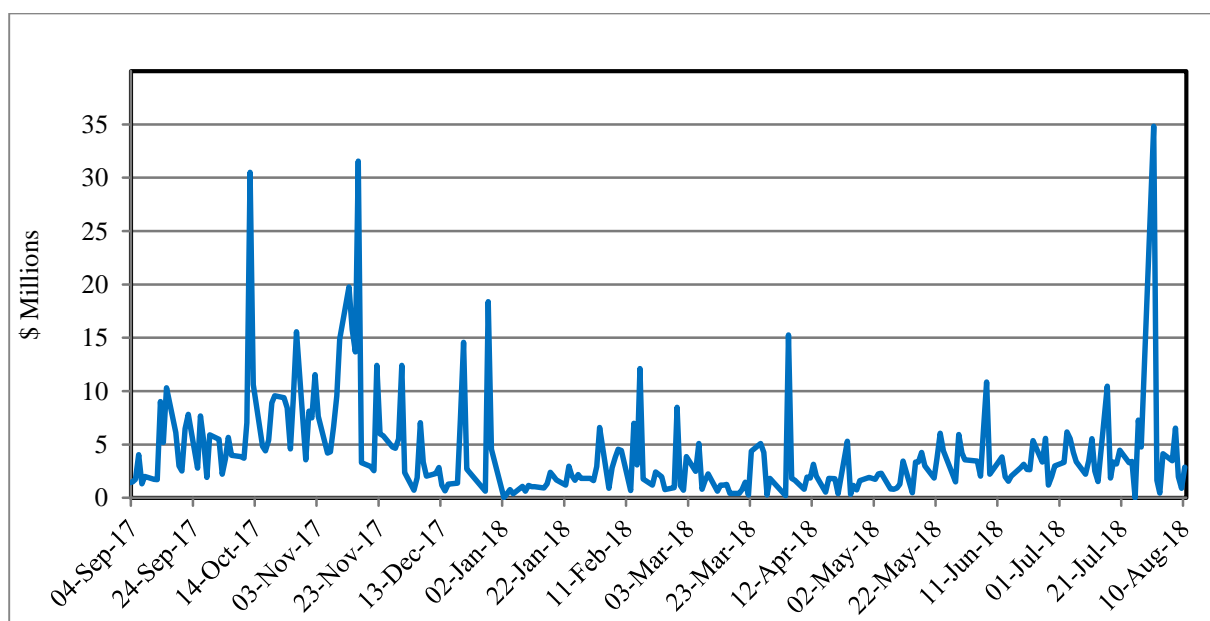


Source: Zimbabwe Stock Exchange, 2018

Market Turnover and Volume

The volume of shares traded on the ZSE increased by 179.02%, to close the week ending 10th August 2018 at 88.76 million shares. The ZSE market turnover, however, decreased by 61.64% to US\$15.76 million, during the same period.

Figure 4: Market turnover

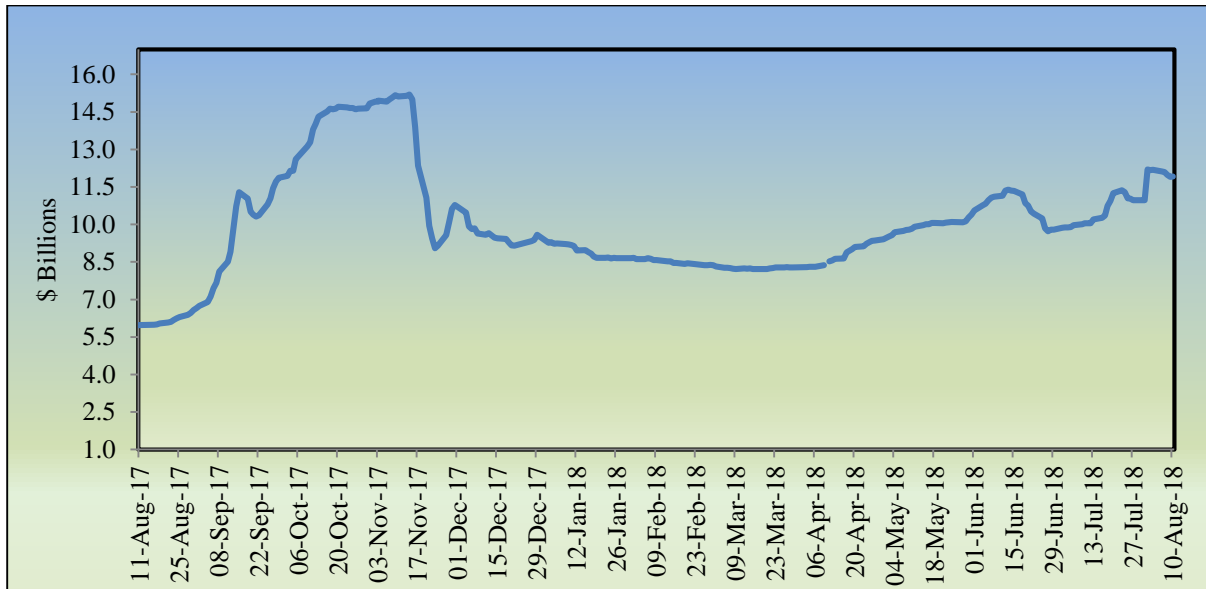


Source: Zimbabwe Stock Exchange, 2018

Market Capitalization

During the week ending 10th August 2018, the ZSE market capitalization decreased by 2.15% to US\$11.92 billion, from US\$12.18 billion in the previous week.

Figure 5: Market Capitalization



Source: Zimbabwe Stock Exchange, 2018

Johannesburg Stock Exchange (JSE) Developments

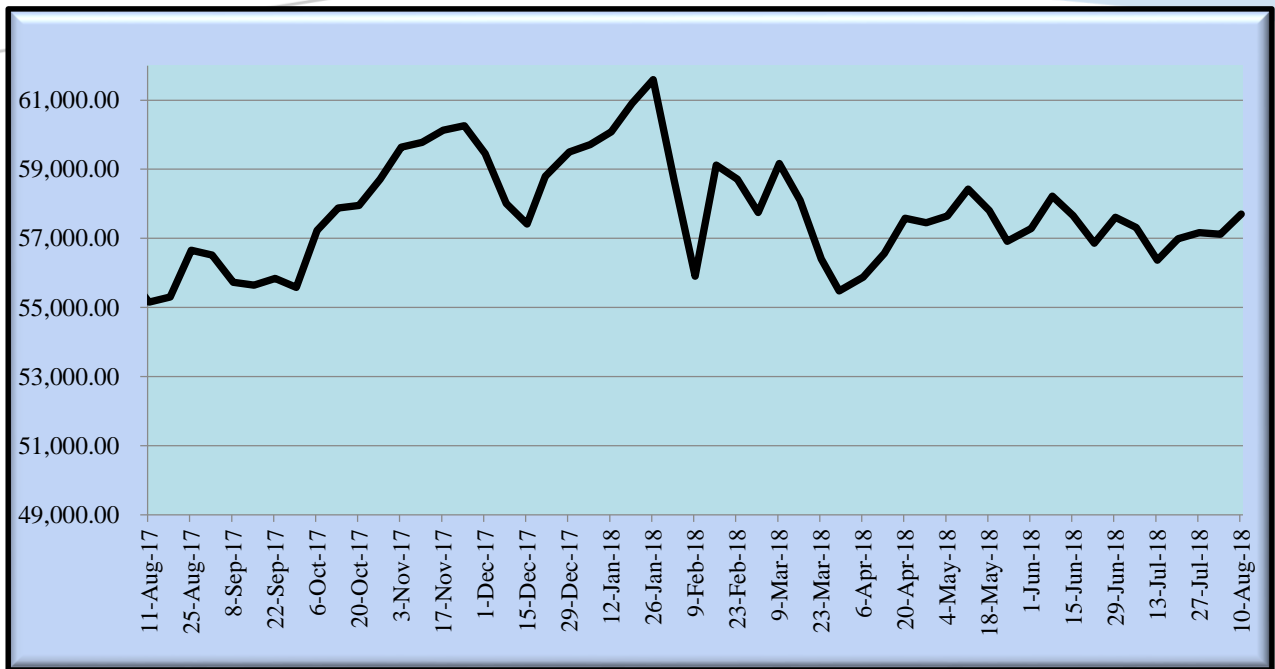
The JSE All Share index closed the week under review at 57,703.02 points, up from 57,118.03 points recorded in the previous week. Likewise, JSE market capitalization registered an increase of 1.23%, to close at R14.78 trillion during the same week.

Table 7: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalization (ZAR trillion)
13-Jul-18	56,364.14	14.46
20-Jul-18	56,990.20	14.63
27-Jul-18	57,162.38	14.58
3-Aug-18	57,118.03	14.60
10-Aug-18	57,703.02	14.78
% Change	1.02	1.23

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

17TH AUGUST 2018