



Weekly Economic Highlights

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Week Ending
01st June 2018

1. INTEREST RATES

Deposit Rates

During the week ending 1st June 2018, average deposit rates for savings deposits increased to 4.41%, from 3.35% recorded in the previous week. Deposit rates for deposits of 1 month tenor, however, decreased from 3.57% to 3.52%, while deposit rates for deposits of 3 month tenor remained unchanged at 3.84%, as shown in Table 1.

Table 1: Average Deposit Rates (per annum)

Date	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
04-May-18	4.16	3.53	3.71
11-May-18	4.10	3.53	3.79
18-May-18	4.10	3.53	3.79
24-May-18	4.35	3.57	3.84
01-June-18	4.41	3.52	3.84

Source: Banking Institutions, 2018

Lending Rates

Commercial bank weighted lending rates for individual clients increased by 0.04 percentage points to 9.32%, during the week under review, up from a weekly average of 9.28% registered in the previous week. Lending rates for corporate clients, however, declined from 7.09%, to close the week under analysis at 7.07%.

Table 2: Lending Rates

Date	Lending Rates ¹ (%)	
	Commercial Banks (weighted)	
	Individuals	Corporate clients
04-May-18	9.66	7.02
11-May-18	9.33	6.85
18-May-18	9.33	7.07
24-May-18	9.28	7.09
01-June-18	9.32	7.07

Source: Banking Institutions, 2018

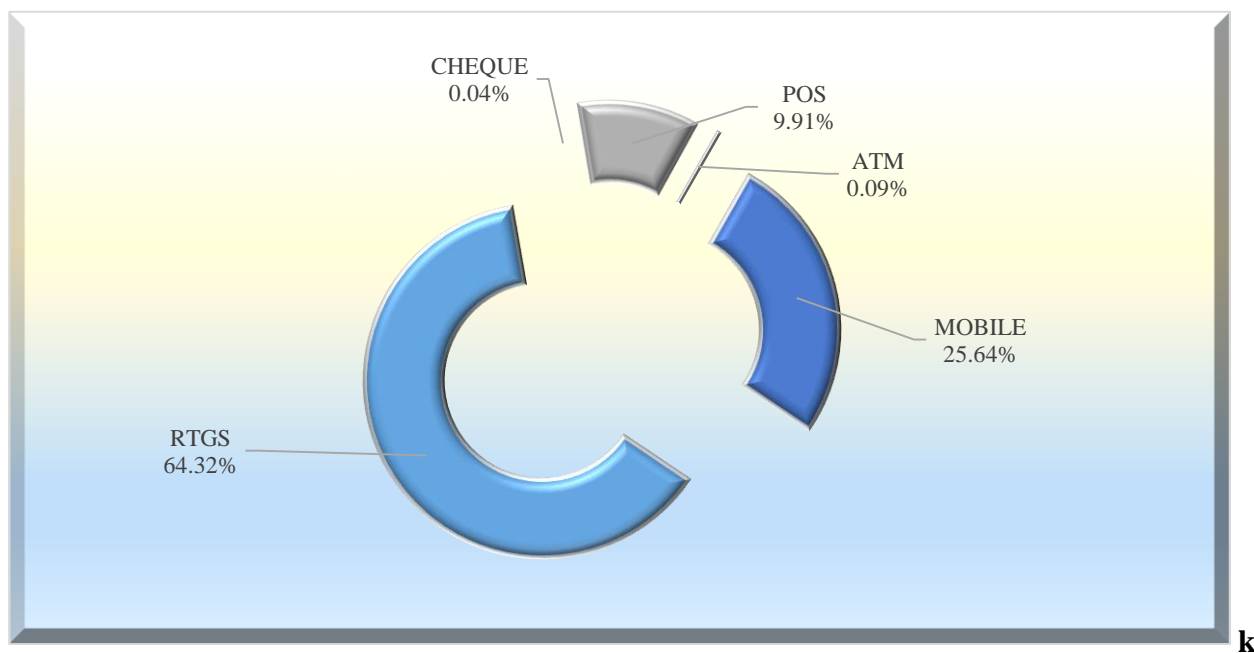
¹ Minimum weighted lending rates offered by commercial banks.

2. CLEARING AND SETTLEMENT ACTIVITY

During the week ending 1st June 2018, the total value of transactions processed through the National Payments System (NPS) increased to US\$2,784.15 million, from US\$2,457.64 million recorded in the previous week. The value of transactions processed through the Real Time Gross Settlement (RTGS) system increased by 16.0%, to close the week under review at US\$1,790.87 million.

The total value of transactions processed through the NPS was distributed as follows: RTGS, 64.32%; Mobile, 25.64%; Point of Sale (POS), 9.91%; Automated Teller Machines (ATMs), 0.09%; and Cheque transactions, 0.04%, as shown in Figure 1.

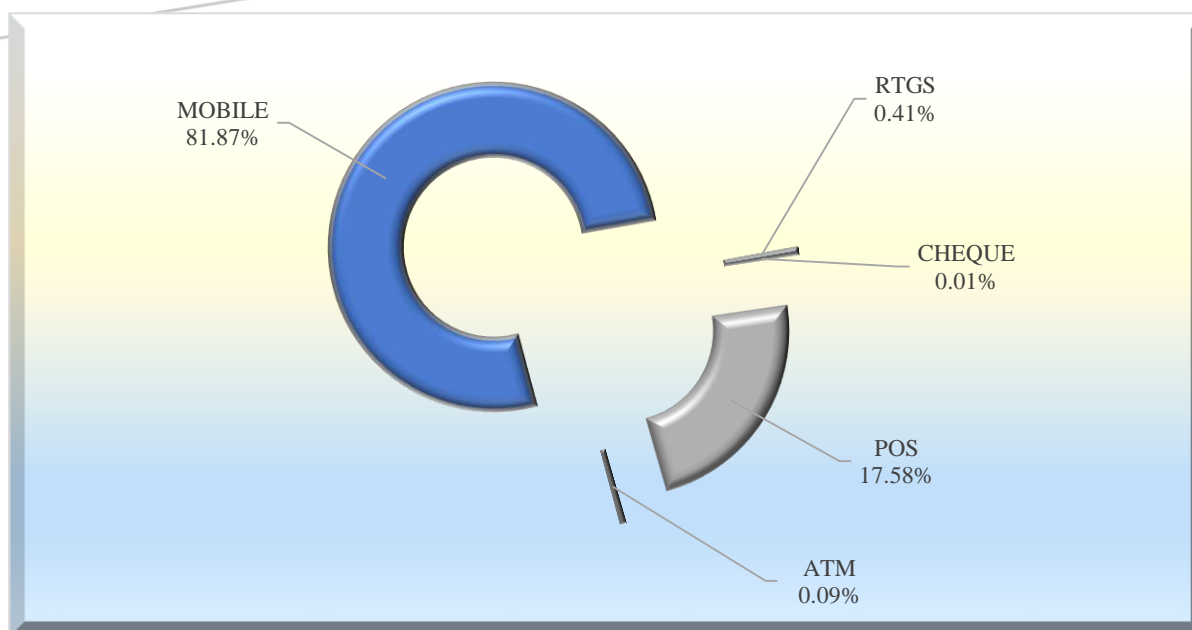
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2018

In volume terms, NPS transactions increased by 10.1%, from 36,412,960 in the previous week to 40,088,940 transactions, during the week under review. Mobile-based transactions accounted for 81.87% of the total volume of transactions; POS, 17.58%; ATM, 0.09%; RTGS, 0.41% 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 th May 2018	WEEK ENDING 01 st June 2018	CHANGE FROM LAST WEEK	PROPORTION OF TOTAL
VALUES IN US\$ (millions)				
RTGS	1,543.60	1,790.87	16.0%	64.32%
CHEQUE	0.85	1.01	19.0%	0.04%
POS	266.30	275.91	3.6%	9.91%
ATM	2.23	2.41	8.1%	0.09%
MOBILE	644.66	713.95	10.7%	25.64%
TOTAL	2,457.64	2,784.15	13.3%	100%
VOLUMES				
RTGS	107,867	162,958	51.1%	0.41%
CHEQUE	4,320	5,153	19.3%	0.01%
POS	6,457,334	7,047,599	9.1%	17.58%
ATMs	50,422	51,022	1.2%	0.13%
MOBILE	29,793,017	32,822,208	10.2%	81.87%
TOTAL	36,412,960	40,088,940	10.1%	100%

Source: Reserve Bank of Zimbabwe, 2018

3. TOBACCO SALES

A cumulative total of 163,331,233 kilograms of tobacco had been sold as at 1st June 2018 or day 48 of the 2018 tobacco selling season. This compares with the 137,468,401 kilograms sold during the same period in 2017.

In value terms, the cumulative tobacco sales stood at US\$470.75 million as at 1st of June 2018, up from US\$394.33 million realized during the corresponding period in 2017. The golden leaf was sold at an average price of US\$2.88/kg, a marginal increase on the US\$2.87/kg realized during the same period in 2017.

Table 4: Cumulative Tobacco Sales: Day 48 (01st June 2018)

	2017	2018	Variance (%)
Cumulative Quantity Sold (kgs)	137,468,401	163,331,233	18.81
Cumulative Average Price(US\$/kg)	2.87	2.88	0.48
Cumulative Value (US\$ million)	394,331,557	470,747,762	19.38

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

4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

During the week under review, the international commodity prices of copper and crude oil prices declined. Nickel, platinum and gold prices, however, increased as shown in Table 4.

Table 4: Metal and Crude Oil Prices

	Gold	Platinum	Copper	Nickel	Crude Oil
Weekly Average (21 - 25 May)	1,294.28	901.80	6,886.60	14,652.00	77.69
29-May	1,298.78	905.00	6,880.00	14,975.00	75.19
30-May	1,299.65	907.00	6,812.00	14,865.00	77.36
31-May	1,304.43	909.50	6,841.50	15,110.00	77.45
1-Jun	1,296.88	906.50	6,854.50	15,490.00	76.45
Weekly Average (29 May - 1 June)	1,299.93	907.00	6,847.00	15,110.00	76.61
<i>Weekly Change (%)</i>	<i>0.4</i>	<i>0.6</i>	<i>(0.6)</i>	<i>3.1</i>	<i>(1.4)</i>

Source: BBC, KITCO and Bloomberg 2018

Gold

Gold prices increased by 0.4%, from a weekly average of US\$1,294.28/oz. in the previous week to US\$1,299.93/oz., during the week under review. This was on the back of the renewed trade tensions between the US and China, which led to a rise in the safe haven demand for the precious metal.

Platinum

Platinum prices closed the week under analysis at a weekly average of US\$907.00/oz., up from 901.80/oz. registered in the previous week. Similar to the price of gold, the increase in demand for precious metals as safe haven assets also boosted platinum prices.

Copper

Copper price closed the week under review at US\$6,847.00/ton, a 0.6% decline from the US\$6,886.60 /ton registered in the previous week. This followed concerns over the possibility of a US-China trade war, which dampened confidence in the Chinese manufacturing sector.

Nickel

Nickel prices increased by 3.1%, from US\$14,652.00/ton in the previous week to US\$15,110.00/ton, during the week under review. Higher demand for the metal in the automotive and steel making industries, largely accounted for the increase.

Crude Oil

Brent crude oil prices declined further during the week under analysis, on account of high US oil output and expectations of an increase in oil production in OPEC. Resultantly the weekly average oil price eased by 1.4%, to close the week at an average of US\$76.61/barrel.

4. EXCHANGE RATES

During the week ending 1st June 2018, the US dollar appreciated against the pound Sterling and euro. This was on account of a positive USA economic outlook, following the release of strong economic data. The greenback, however, depreciated against the pula and the South African rand as shown in Table 5.

Table 5: International Exchange Rates per US\$

	ZAR	GBP	BWP	EURO
2018				
Weekly Average (21 - 25 May)	12.6313	0.7457	9.9754	0.8510
28-May	12.4543	0.7498	9.9256	0.8528
29-May	12.4602	0.7508	9.9256	0.8599
30-May	12.6772	0.7547	10.0452	0.8670
31-May	12.5142	0.7510	9.9404	0.8560
1-Jun	12.7010	0.7539	9.9502	0.8566
Weekly Average (28 May - 1 June)	12.5614	0.7520	9.9574	0.8585
<i>Appr(+)/Depr(-) (%) of the USD</i>	<i>-0.6</i>	<i>0.9</i>	<i>-0.2</i>	<i>0.9</i>

Source: Reuters, 2018

5. EQUITY MARKETS

The Zimbabwe Stock Exchange (ZSE) continued on a positive trajectory for the eleventh consecutive week, during the week ending 1st June 2018. In the same vein, the ZSE All Share Index registered a 4.48% gain, to close the week under review at 1099 points.

The industrial index closed the week under analysis at 367.27 points, a 4.46% increase from 351.60 points in the previous week. Share price gains at SeedCo Limited (20.35%), Unifreight Africa Limited (20%), Star Africa Corporation (15.29%), British American Tobacco (15%) and Ariston Holdings Limited (12%), largely accounted for the increase in the industrial index.

Similarly, the mining index also rose by 3.57%, to close the week ending 1st June 2018 at 151.53 points. Bindura Nickel Corporation and RioZim recorded increases of 3.40% and 3.85%, respectively in their share prices, partly accounting for the increase in the mining index.

Table 6: Zimbabwe Stock Exchange (ZSE) Statistics

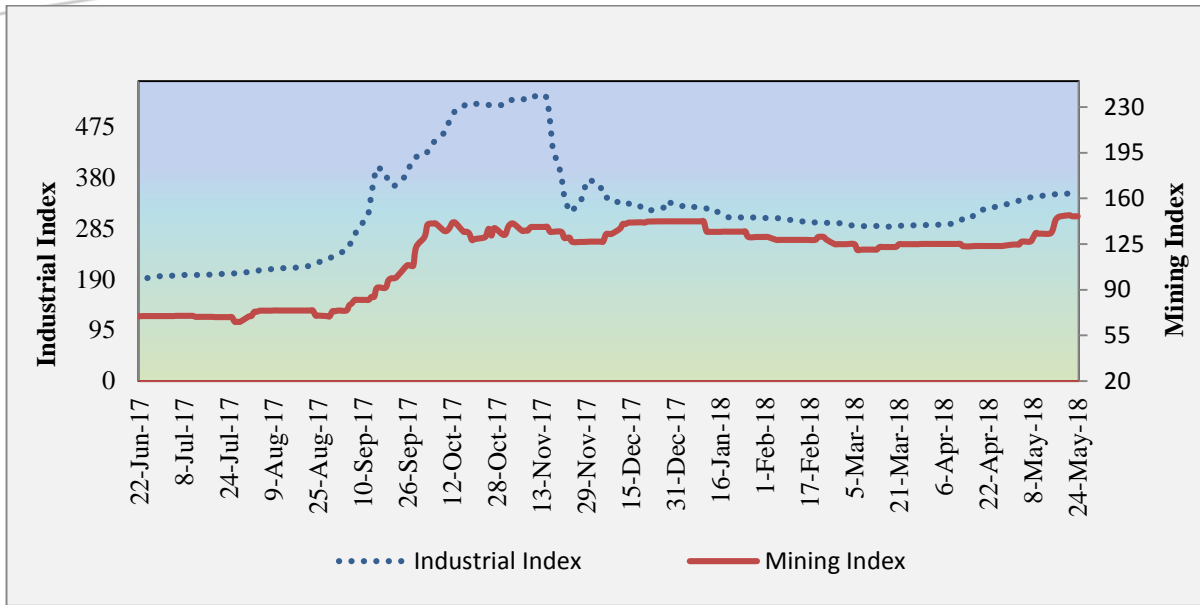
	All Share Index ² (points)	Top 10 index ³ (Points)	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
04-May-18	101.62	102.99	340.35	126.86	9,682,920,712	8,195.437	35,369,427
11-May-18	103.24	105.09	345.49	132.96	9,907,132,092	7,302.730	12,398,671
18-May-18	104.80	107.64	350.02	146.30	10,056,829,012	14,477.577	26,073,741
24-May-18	105.27	107.49	351.60	146.30	10,101,710,611	16,048.718	27,700,995
01-June-18	109.99	113.63	367.27	151.53	10,555,935,263	18,709.739	46,111.985
Weekly Change (%)	4.48	5.71	4.46	3.57	4.49	16.58	-99.83

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

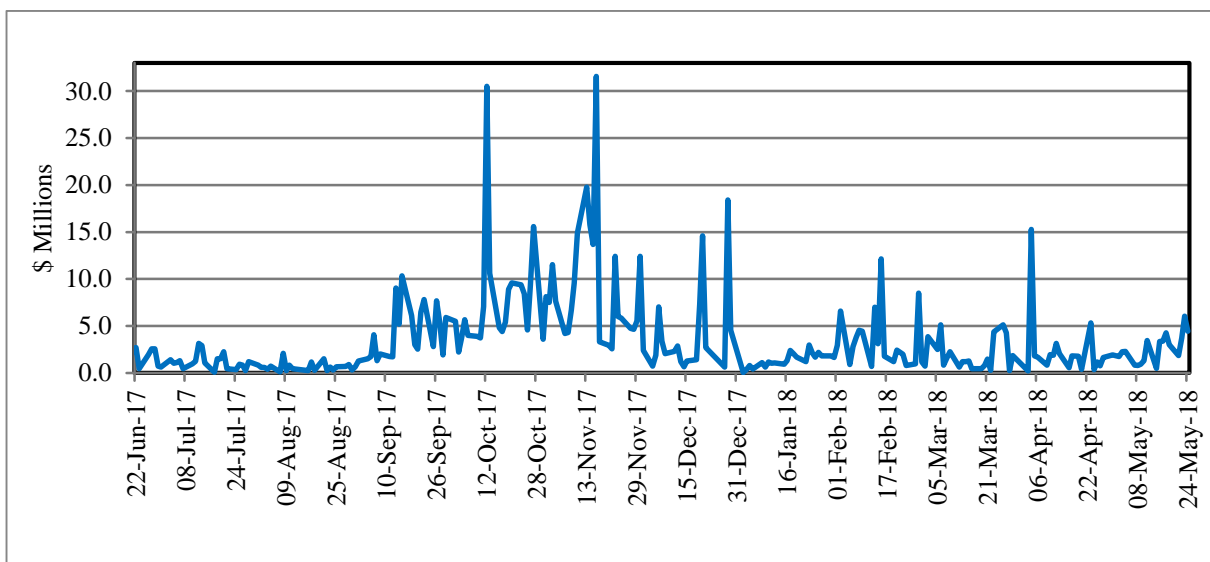


Source: Zimbabwe Stock exchange, 2018

Market Turnover and Volume

The volume of shares traded on the ZSE registered a 99.83% decline, to close the week ending 1st June 2018 at 46.11 million shares. ZSE market turnover value, however, increased by 16.58% to US\$18.71 million, during the same week.

Figure 4: Daily Market turnover

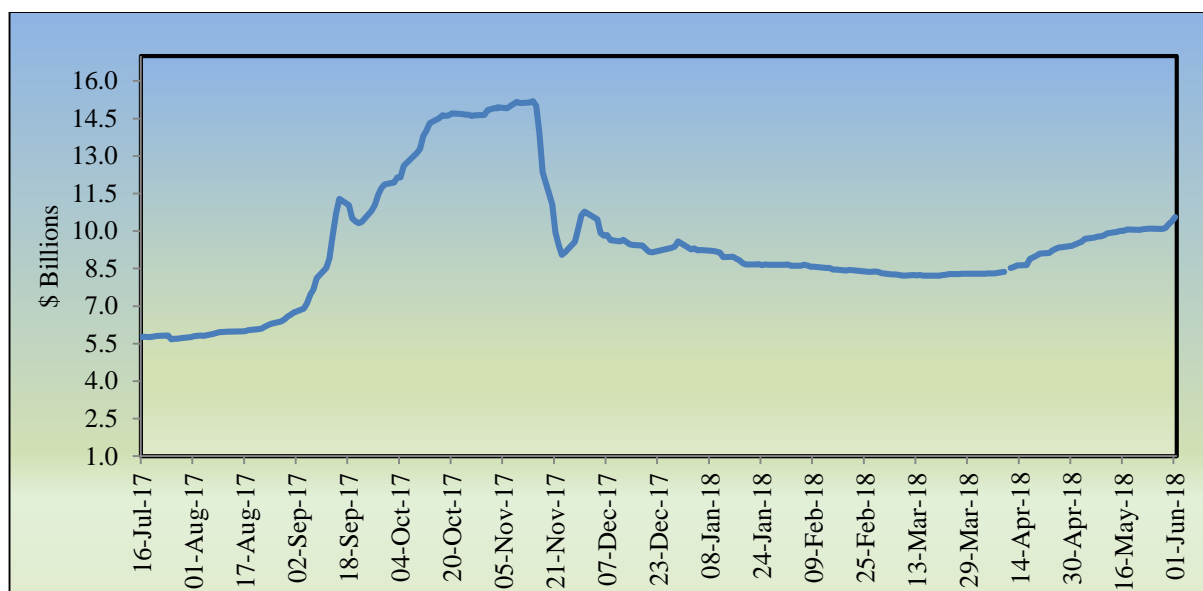


Source: Zimbabwe Stock Exchange, 2018

Market Capitalization

The ZSE market capitalization rose by 4.50%, from US\$10.10 billion in the previous week to close at US\$10.55 billion, during the week under analysis. This was underpinned by the increase in both the mining and industrial indices.

Figure 5: Market Capitalization



Source: Zimbabwe Stock Exchange, 2018

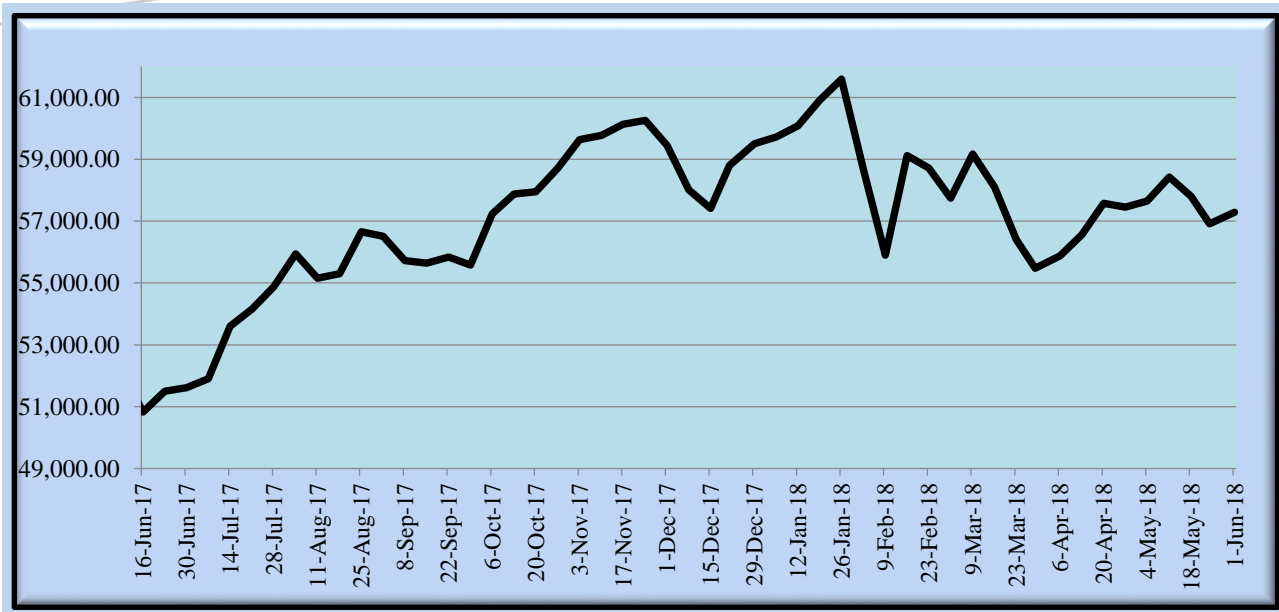
Johannesburg Stock Exchange (JSE) Developments

The JSE All Share index closed the week under review at 57 282.14 points, up from 56 916.97 points recorded in the previous week. Likewise, JSE market capitalization registered a 0.77% increase, to close at R14.37 trillion during the same week.

Period	All Share Index (points)	Market Capitalization (ZAR trillion)
04-May-18	58 422.86	14.52
11-May-18	57 581.73	14.51
18-May-18	57 804.33	14.50
24-May-18	56 916.97	14.26
01-June-18	57 282.14	14.37
% Change	0.64	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

8th JUNE 2018