



Weekly Economic Highlights

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Week Ending
12th October 2018

1. INTEREST RATES

Deposit Rates

During the week ending 12th October 2018, average deposit rates for savings deposits and deposits of 1-month tenor remained unchanged for the fourth consecutive week at 3.88% and 3.60%, respectively. Indicative deposit rates for deposits of 3-month tenor were lower at 3.94%, compared to 3.99% registered in the preceding week.

Table 1: Average Deposit Rates (per annum)

Date	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
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
12-Oct-18	3.88	3.60	3.94

Source: Banking Institutions, 2018

Lending Rates

Commercial bank weighted lending rates for both individual and corporate clients declined by 0.02 percentage points to close the week under review at 9.52% and 7.30%, respectively.

Table 2: Lending Rates

Date	Lending Rates ¹ (%)	
	Commercial Banks (weighted)	
	Individuals	Corporate clients
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
12-Oct-18	9.52	7.30

Source: Banking Institutions, 2018

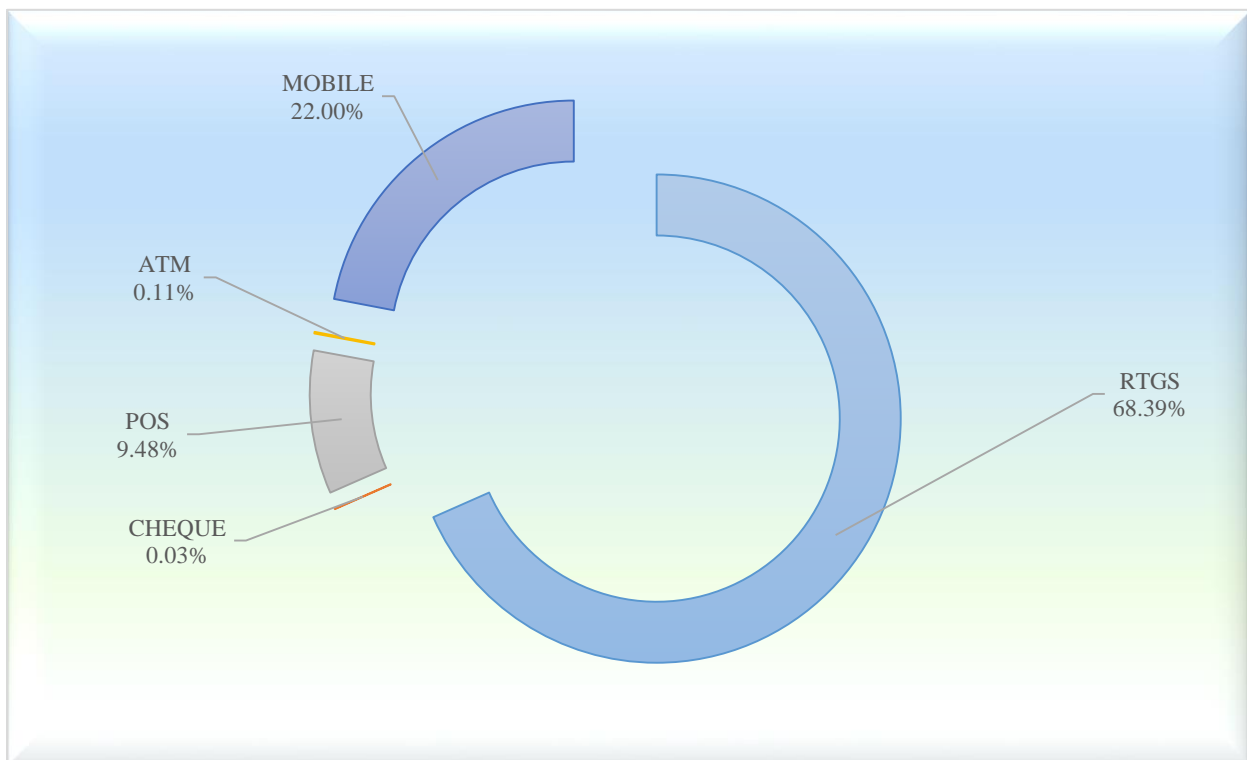
¹ Minimum weighted lending rates offered by commercial banks.

2. CLEARING AND SETTLEMENT ACTIVITY

The aggregate value of National Payments System (NPS) transactions increased from US\$2.82 billion in the previous week, to US\$3.38 billion during the week under review. Transactions processed through the Real Time Gross Settlement (RTGS) system, gained by 44.0%, to close at US\$2.32 billion, during the week ending 12th October 2018.

In value terms, RTGS payments accounted for 68.39% of total NPS transactions, followed by Mobile, 22.00%; Point of Sale (POS), 9.48%; Automated Teller Machines (ATMs), 0.11%; and cheque, 0.03%, as shown in Figure 1.

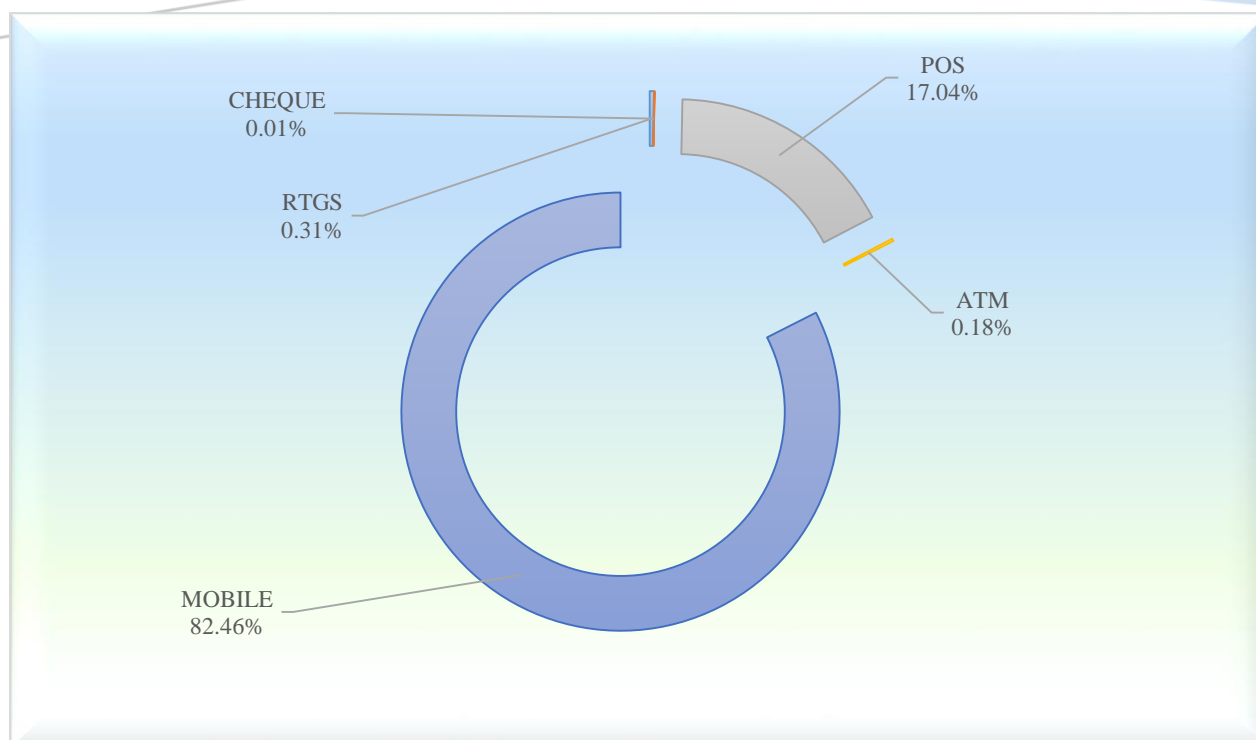
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2018

During the week under review, the volume of NPS transactions decreased by 11.1%, to close at 41.5 million. Mobile-based transactions accounted for 82.46% of the total volume of transactions; POS, 17.04%; RTGS, 0.31%; ATM, 0.18%; 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 5 th OCTOBER 2018	WEEK ENDING 12 th OCTOBER 2018	% CHANGE FROM LAST WEEK	PERCENTAGE OF TOTAL
VALUES IN US\$ (millions)				
RTGS	1,608.82	2,317.48	44.0%	68.39%
CHEQUE	0.95	1.02	7.8%	0.03%
POS	315.92	321.28	1.7%	9.48%
ATM	4.05	3.66	-9.6%	0.11%
MOBILE	886.57	745.39	-15.9%	22.00%
TOTAL	2,816.30	3,388.83	20.3%	100%
VOLUMES				
RTGS	148,844	129,419	-13.1%	0.31%
CHEQUE	4,840	5,050	4.3%	0.01%
POS	7,740,315	7,069,725	-8.7%	17.04%
ATM	85,124	73,469	-13.7%	0.18%
MOBILE	38,728,405	34,222,030	-11.6%	82.46%
TOTAL	46,707,528	41,499,693	-11.1%	100%

Source: Reserve Bank of Zimbabwe, 2018

3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international commodity prices of crude oil, copper, gold and platinum retreated from their previous week levels. Nickel prices, however, firmed during the week under review, 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 (1- 5 Oct)	1,198.45	824.20	6,248.60	12,562.00	84.90
8-Oct	1,190.88	814.50	6,198.00	12,520.00	84.29
9-Oct	1,186.48	820.00	6,219.00	12,660.00	84.87
10-Oct	1,186.50	823.50	6,282.50	12,915.00	84.87
11-Oct	1,203.28	823.50	6,179.50	12,540.00	81.24
12-Oct	1,218.88	838.50	6,253.00	12,665.00	81.32
Weekly Average (8- 12 Oct)	1,197.20	824.00	6,226.40	12,660.00	83.32
<i>Weekly Change (%)</i>	<i>(0.10)</i>	<i>(0.02)</i>	<i>(0.36)</i>	<i>0.78</i>	<i>(1.86)</i>

Source: BBC, KITCO and Bloomberg

Gold

Gold prices declined by 0.1%, from an average of US\$1,198.45/oz. in the previous week to US\$1,197.20/oz., during the week under review. The safe haven appeal of the precious metal diminished on the back of a stronger US dollar and the recovery of global equities.

Platinum

Platinum prices marginally declined by 0.02% to close at an average of US\$824.00/oz., during the week under review. This was partly attributable to a stronger US dollar.

Copper

Copper prices declined by 0.36%, from US\$6,248.60/ton in the previous week to US\$6,226.40/ton during the week under review. Prices declined amid investor concerns over the slowdown in the Chinese economy, the world's top consumer of the base metal.

Nickel

Nickel prices registered a 0.78% increase, from a weekly average price of US\$12,562/ton in the previous week, to US\$12,660/ton during the week under analysis. The rise in the base metal price was underpinned by an increase in demand from alloy producers.

Crude Oil

Crude oil prices retreated by 1.9%, to close the week at an average of US\$83.32/barrel. Prices eased as the US government considered granting waivers to Iran oil exporters. In addition, there was rising optimism that Russian and Saudi Arabian exports were likely to cover the shortfalls from Iran.

4. EXCHANGE RATES

During the week ending 12th October 2018, the US dollar appreciated against the rand, pula and euro. The greenback, however, depreciated against the pound, as shown in Table 5.

Table 5: International Exchange Rates per US\$

	ZAR	GBP	BWP	EURO
Weekly Average (1 - 5 October)	14.4652	0.7692	10.6619	0.8665
8-Oct	14.7962	0.7629	10.8108	0.8688
9-Oct	14.8474	0.7634	10.8873	0.8699
10-Oct	14.5343	0.7592	10.7991	0.8686
11-Oct	14.7405	0.7564	10.7817	0.8654
12-Oct	14.5643	0.7557	10.7701	0.8623
Weekly Average (8 - 12 October)	14.6965	0.7595	10.8098	0.8670
<i>Appr(+)/Depr(-) (%) of the USD</i>	<i>1.60</i>	<i>-1.26</i>	<i>1.39</i>	<i>0.06</i>

Source: Reuters, 2018

5. EQUITY MARKETS

The Zimbabwe Stock Exchange (ZSE) was bullish during the week ending 12th October 2018. Resultantly, the All Share index increased by 60.14%, to close the week at 200.29 points from 125.07 points registered in the previous week.

The industrial index gained 60.03%, to close the week under review at 673.42 points. This emanated from positive movements in share prices registered for Delta Corporation Limited (84.54%); Axia Corporation Limited (83.47%); Econet Wireless Zimbabwe (82.74%); First Mutual Holdings Limited (77%) and Simbisa Brands (76.35%).

The mining index registered an increase of 38.18%, to close the week under analysis at 227.37 points. The increase in the resources index emanated from gains in share prices of Bindura Nickel Corporation (27.78%); RioZim (44.82%) and Hwange Colliery Company (5.99%).

Table 6: Zimbabwe Stock Exchange Statistics

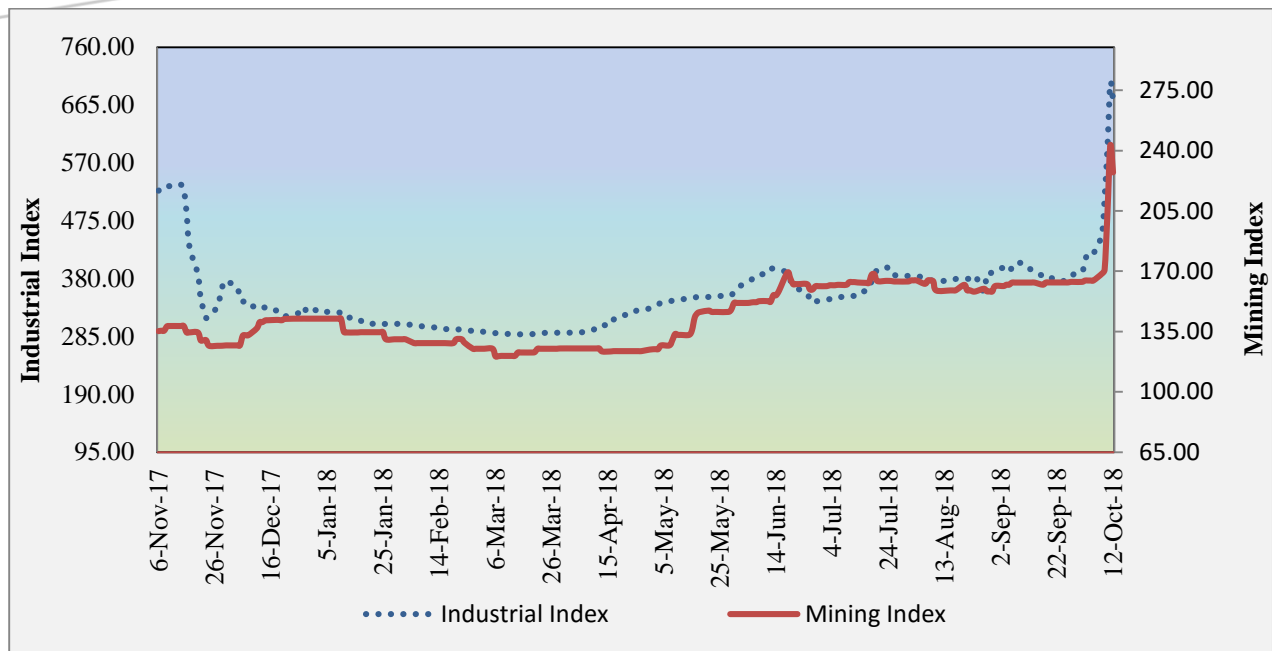
	All Share Index ² (points)	Top 10 index ³ (Points)	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
14-September-18	115.91	118.71	389.68	163.38	12,268,928,064	11,193,572	46,819,514
21-September-18	112.35	113.77	377.58	163.44	11,951,472,881	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
12-October-18	200.29	217.81	673.42	227.37	22,219,721,525	370,756,768	93,959,109
Weekly Change (%)	60.14	68.90	60.03	38.18	62.59	3,127.01	(7.93)

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

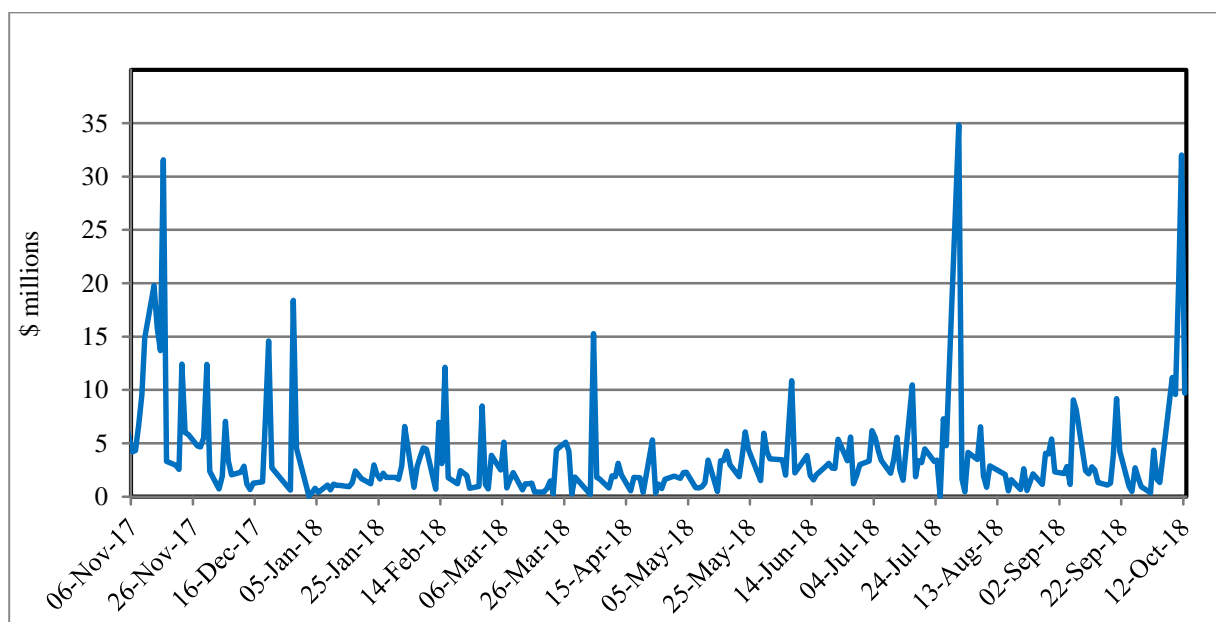


Source: Zimbabwe Stock Exchange, 2018

Market Turnover and Volume

The ZSE market turnover increased by 3127.01% to US\$370.76 million, during the week ending 12th October 2018. The volume of shares traded, however, declined by 7.93%, to close the week at 93.96 million shares.

Figure 4: Market Turnover

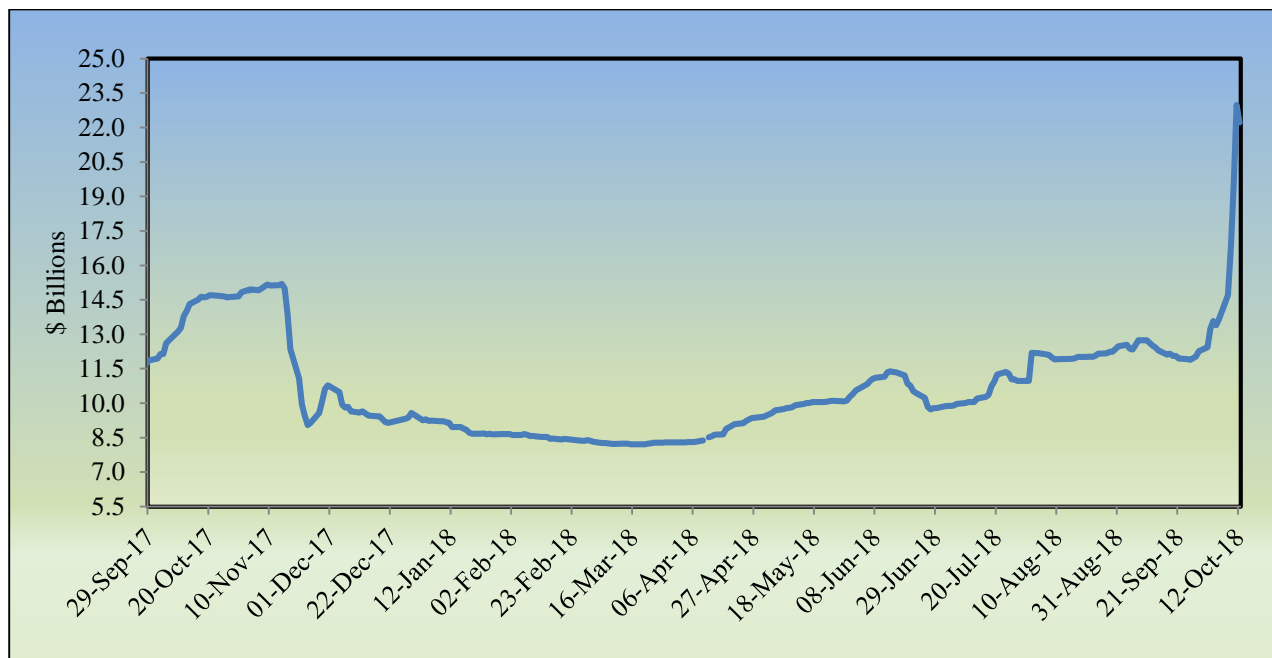


Source: Zimbabwe Stock Exchange, 2018

Market Capitalization

During the week under analysis, the ZSE gained US\$8.55 billion worth of capitalization, to close at \$22.22 billion.

Figure 5: Market Capitalization



Source: Zimbabwe Stock Exchange, 2018

Johannesburg Stock Exchange (JSE) Developments

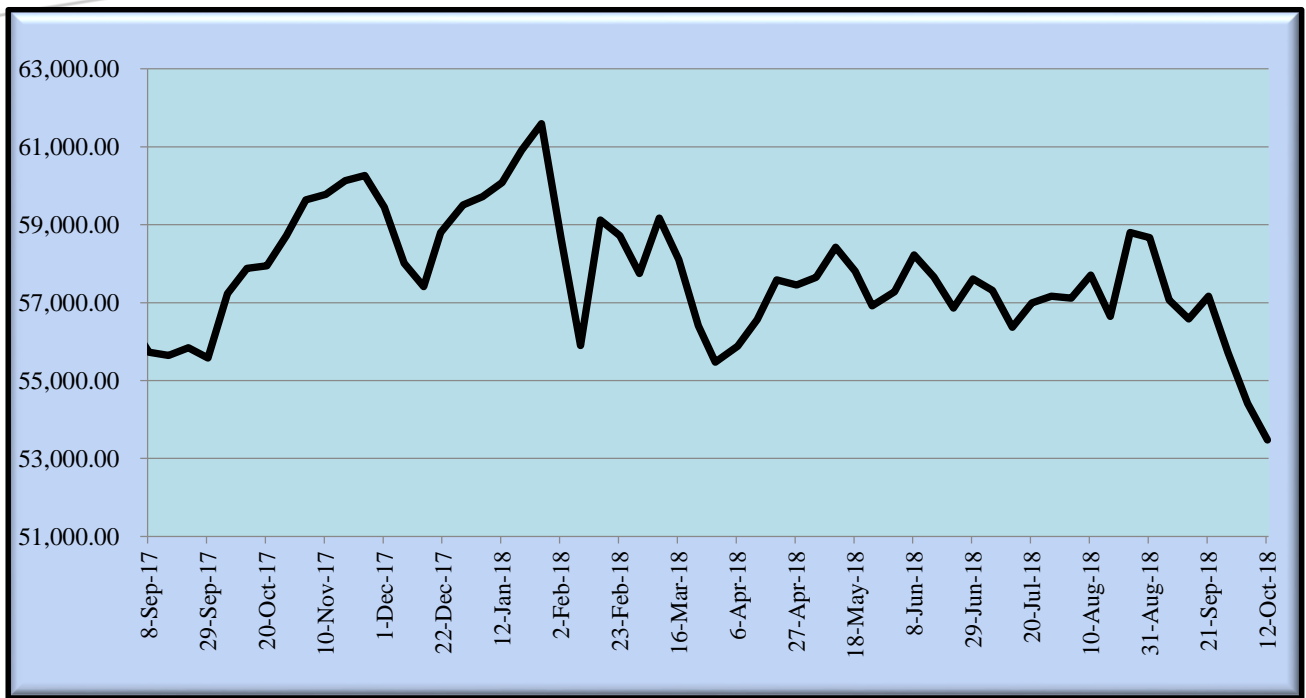
The JSE continued on a negative trajectory, with the All Share index registering a 1.72% decline, from 54,409.47 points in the preceding week to 53,473.11 points, during the week ending 12th October 2018. Similarly, JSE market capitalization, decreased from R14.14 trillion to R13.68 trillion, during the same week.

Table 7: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalization (ZAR trillion)
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
12-Oct-18	53,473.11	13.68
% Change	-1.72	-3.25

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

19th OCTOBER 2018