



Weekly Economic Highlights

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Week Ending
13th July 2018

1. INTEREST RATES

Deposit Rates

During the week under review, average deposit rates for savings deposits and fixed deposits of 1 month and 3 month tenors remained unchanged for the third consecutive week at 4.35%, 3.53% and 4.00%, respectively.

Table 1: Average Deposit Rates (per annum)

Date	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
15-June-18	4.22	3.50	3.83
22-June-18	4.22	3.55	4.00
29-June-18	4.35	3.53	4.00
06-July-18	4.35	3.53	4.00
13-July-18	4.35	3.53	4.00

Source: Banking Institutions, 2018

Lending Rates

Weighted commercial bank lending rates for corporate clients increased by 0.04 percentage points, to close the week ending 13th July 2018 at 7.07%. Lending rates for individual clients, however, remained unchanged at 9.37%.

Table 2: Lending Rates

Date	Lending Rates ¹ (%)	
	Commercial Banks (weighted)	
	Individuals	Corporate clients
15-June-18	9.68	7.02
22-June-18	9.67	7.01
29-June-18	9.32	7.14
06-July-18	9.37	7.03
13-July-18	9.37	7.07

Source: Banking Institutions, 2018

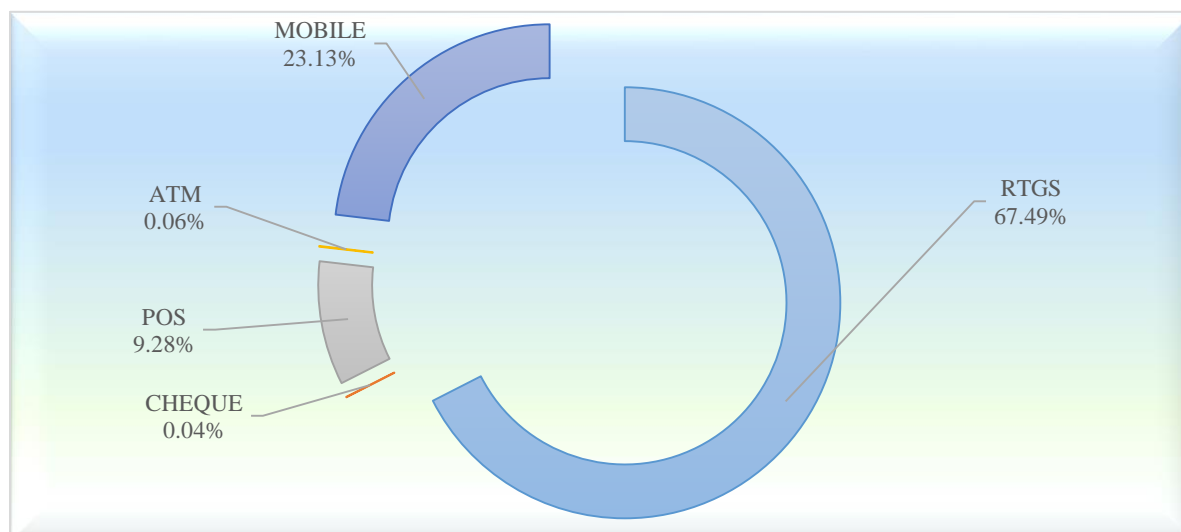
¹ Minimum weighted lending rates offered by commercial banks.

2. CLEARING AND SETTLEMENT ACTIVITY

The total value of transactions processed through the National Payments System (NPS) decreased by 0.2%, to close the week ending 13th July 2018 at US\$2,974.83 million. Transactions processed through the Real Time Gross Settlement (RTGS) system stood at US\$2,007.74 million during the week under review, up from US\$1,903.69 million in the previous week.

In value terms, RTGS payments accounted for 67.49% of the total value of transactions processed through the NPS. Mobile; Point of Sale (POS); Automated Teller Machines (ATMs) and Cheque transactions accounted for 23.13%; 9.28%; 0.06% and 0.04%, respectively as shown in Figure 1.

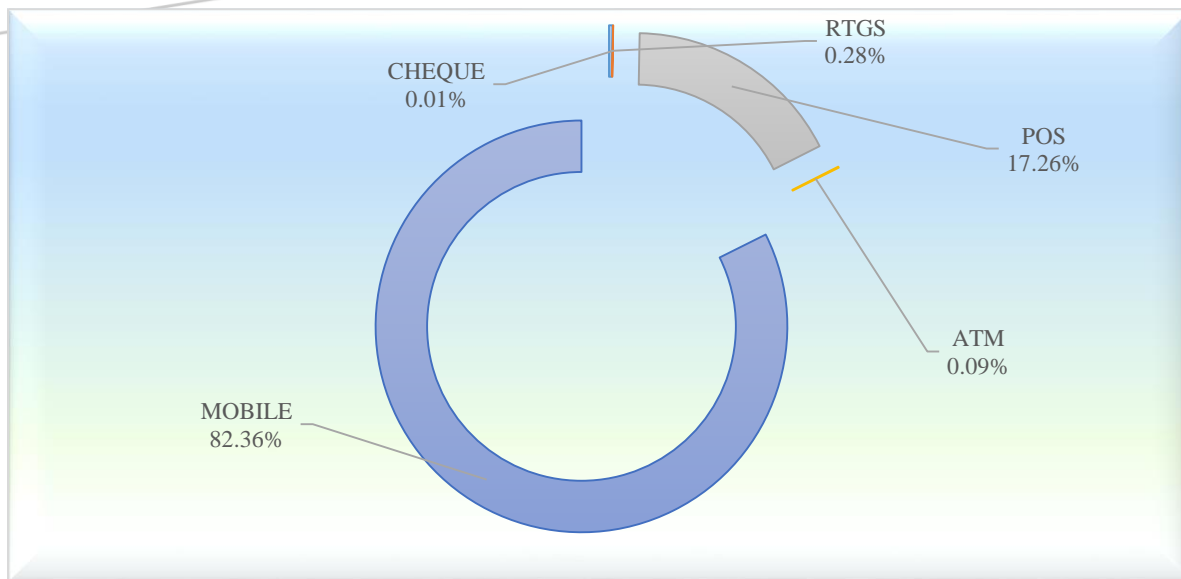
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2018

The volume of transactions processed through the NPS decreased by 3%, to close the week under review at 43,572,479 transactions. NPS transactions volumes were distributed as follows: Mobile, 82.36%; POS, 17.26%; ATM, 0.09%; RTGS, 0.28% 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 6 th JULY 2018	WEEK ENDING 13 th JULY 2018	% CHANGE FROM LAST WEEK	PROPORTION
VALUES IN US\$ millions				
RTGS	1,903.68	2,007.74	5.5%	67.49%
CHEQUE	0.98	1.12	14.4%	0.04%
POS	310.33	276.18	-11.0%	9.28%
ATM	1.82	1.71	-6.1%	0.06%
MOBILE	765.40	688.08	-10.1%	23.13%
TOTAL	2,982.21	2,974.83	-0.2%	100%
VOLUMES				
RTGS	152,150	120,795	-20.6%	0.28%
CHEQUE	5,311	5,534	4.2%	0.01%
POS	8,587,547	7,519,813	-12.4%	17.26%
ATM	39,191	38,247	-2.4%	0.09%
MOBILE	36,153,817	35,888,090	-0.7%	82.36%
TOTAL	44,938,016	43,572,479	-3.0%	100%

Source: Reserve Bank of Zimbabwe, 2018

3. TOBACCO SALES

As at 13th July 2018 or day 78 of the 2018 tobacco selling season, a cumulative total of 232.69 million kilograms of tobacco, valued at US\$679.52 million, had been sold at an average price of US\$2.92/kg.

During the same period in 2017, a total of 174.08 million kilograms of the golden leaf were sold at an average price of US\$2.95/kg. The cumulative sales value of the golden leaf was US\$513.86 million.

Table 4: Cumulative Tobacco Sales: Day 78 (13th July 2018)

	2017	2018	Variance (%)
Cumulative Quantity Sold (kgs)	174,084,554	232,687,666	33.6
Cumulative Average Price(US\$/kg)	2.95	2.92	-1.1
Cumulative Value(US\$ million)	513,863,448	679,524,925	32.24

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

4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international commodity price of platinum firmed, during the week ending 13th July 2018. Copper, nickel, crude oil and gold prices, however, retreated from their previous week level, as shown in Table 4.

Table 4: Metal and Crude Oil Price

	Gold	Platinum	Copper	Nickel	Crude Oil
2018	US\$/ounce	US\$/ounce	US\$/ton	US\$/ton	US\$/barrel
Weekly Average (2 - 6 July)	1,252.37	837.65	6,487.20	14,390.00	77.66
9-Jul	1,262.33	853.00	6,401.50	14,170.00	78.49
10-Jul	1,253.85	842.50	6,427.00	14,230.00	78.24
11-Jul	1,250.70	839.50	6,173.00	13,795.00	74.70
12-Jul	1,245.38	832.00	6,180.00	14,170.00	74.27
13-Jul	1,241.15	831.00	6,229.00	14,270.00	74.86
Weekly Average (9 - 13 July)	1,250.68	839.60	6,282.10	14,127.00	76.11
<i>Weekly Change (%)</i>	<i>(0.1)</i>	<i>0.2</i>	<i>(3.2)</i>	<i>(1.8)</i>	<i>(2.0)</i>

Source: BBC, KITCO and Bloomberg

Gold

Gold prices closed the week under review at an average of US\$1,252.37/oz, down from US\$1,250.68/oz. in the previous week. The price of the precious metal was weighed down by sluggish demand from Indian jewellers.

Platinum

Platinum prices increased by 0.2%, from a weekly average of US\$837.65/oz. in the previous week to US\$839.60/oz., during the week under review. This followed China's partnership with the World Platinum Investment Council (WPIC), to launch the first platinum bar products in China. The development boosted the demand for the precious metal.

Copper

Copper prices closed the week under analysis at US\$6,282.10/ton., down from US\$6,487.20/ton in the previous week. The price of the base metal fell due to weak demand from the Chinese industry.

Nickel

Trade disputes between China and the U.S. continued to exert downward pressure on base metal prices. Resultantly, nickel prices registered a 1.8% decline, from US\$14,390/ton in the previous week to US\$14,127/ton, during the week ending 13th July 2018.

Crude Oil

Crude oil prices closed the week under review at US\$76.11/barrel, a 2% decline from US\$77.66/barrel recorded in the previous week. This was on the back of expectations that Libya would increase the supply of the commodity.

5. EXCHANGE RATES

During the week ending 13th July 2018, the U.S. dollar depreciated against the pula, rand, euro and pound Sterling. The U.S. dollar depreciated after the jobs report released on 6th July 2018 showed that unemployment in the US was trending upwards.

Table 5: International Exchange Rates per US\$

	ZAR	GBP	BWP	EURO
Weekly Average (2 - 6 July)	13.7086	0.7580	10.4124	0.8575
9-Jul	13.4249	0.7515	10.2828	0.8497
10-Jul	13.3931	0.7556	10.2775	0.8517
11-Jul	13.4201	0.7541	10.3040	0.8528
12-Jul	13.5313	0.7575	10.3573	0.8563
13-Jul	13.2615	0.7588	10.3252	0.8575
Weekly Average (9 - 13July)	13.4062	0.7555	10.3094	0.8536
<i>Appr(+)/Depr(-) (%) of the USD</i>	<i>-2.21</i>	<i>-0.33</i>	<i>-0.99</i>	<i>-0.46</i>

Source: Reuters, 2018

6. EQUITY MARKETS

The Zimbabwe Stock Exchange (ZSE) continued on a positive trajectory, during the week ending 13th July 2018. Consequently, the ZSE All Share Index registered a 2.35% gain, to close the week under review at 106.37 points.

The industrial index closed the week under analysis at 357.22 points, a 2.36% increase from 348.99 points in the previous week. Share price gains at Willdale Limited (20%); Turnall Holdings Limited (9.09%); Delta Corporation Limited (8.08%); Dairibord Holdings Zimbabwe Limited (7.69%); and African Sun Limited (3.90%), largely accounted for the increase in the industrial index.

Similarly, the mining index increased from 162.06 points in the previous week to 163.42 points, during the week ending 13th July 2018. This emanated from a 3.92% gain in the Bindura Nickel Corporation share price. Partially offsetting this gain was a 5% loss registered in the Hwange Colliery Company share price. RioZim traded at the previous week price level, while Falgold did not register any trades during the same week.

Table 6: Zimbabwe Stock Exchange (ZSE) Statistics

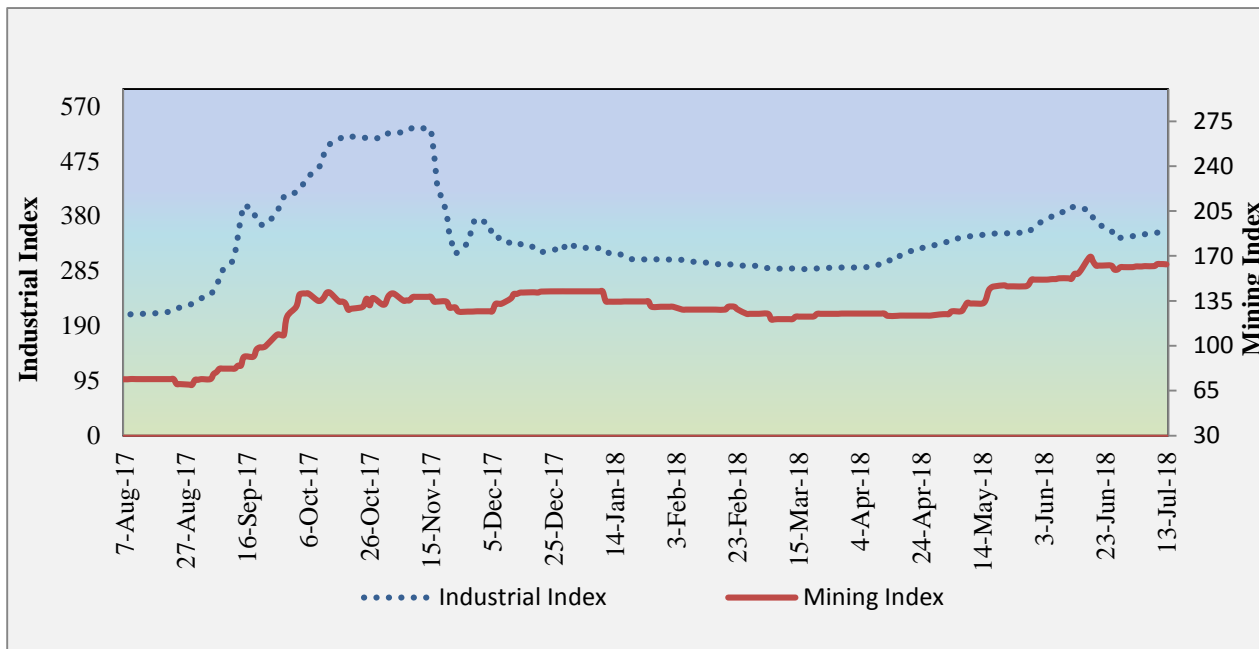
	All Share Index ² (points)	Top 10 index ³ (Points)	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
15-June-18	118.25	123.86	394.79	158.55	11,344,808,900	12,881,956	25,906,894
22-June-18	108.76	111.21	362.49	162.47	10,434,994,250	16,636,337	55,999,615
29-June-18	102.10	103.31	342.79	161.28	9,792,184,775	15,129,064	32,504,946
6-July-18	103.93	105.76	348.99	162.06	9,967,725,131	22,700,437	35,500,522
13-July-18	106.37	109.00	357.22	163.42	10,201,365,520	15,270,183	14,777,083
Weekly Change (%)	2.35	3.06	2.36	0.84	2.34	-32.73	-58.38

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

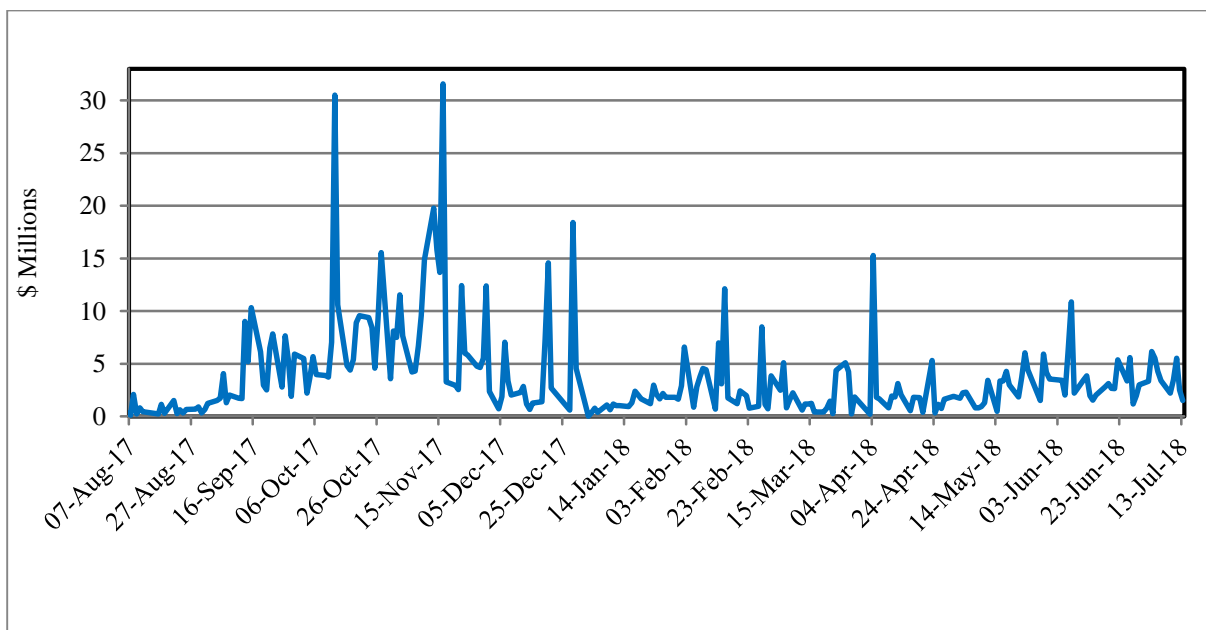


Source: Zimbabwe Stock exchange, 2018

Market Turnover and Volume

During the week under review, the volume of shares traded on the ZSE declined by 58.38%, to close the week ending 13th July 2018 at 14.78 million shares. Thin trading activity on the ZSE also saw market turnover value decrease by 32.73%, to close the week under review US\$15.27 million.

Figure 4: Market turnover

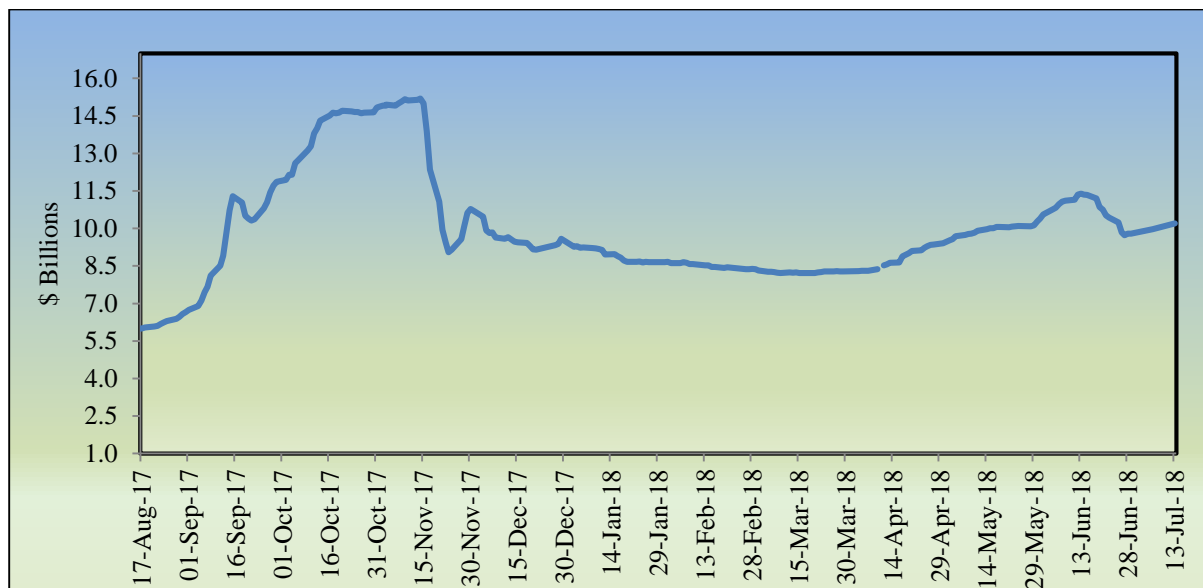


Source: Zimbabwe Stock Exchange, 2018

Market Capitalization

The ZSE market capitalization increased by 2.34%, from US\$9.97 billion in the previous week to close at US\$10.20 billion, during the week under analysis.

Figure 5: Market Capitalization



Source: Zimbabwe Stock Exchange, 2018

Johannesburg Stock Exchange (JSE) Developments

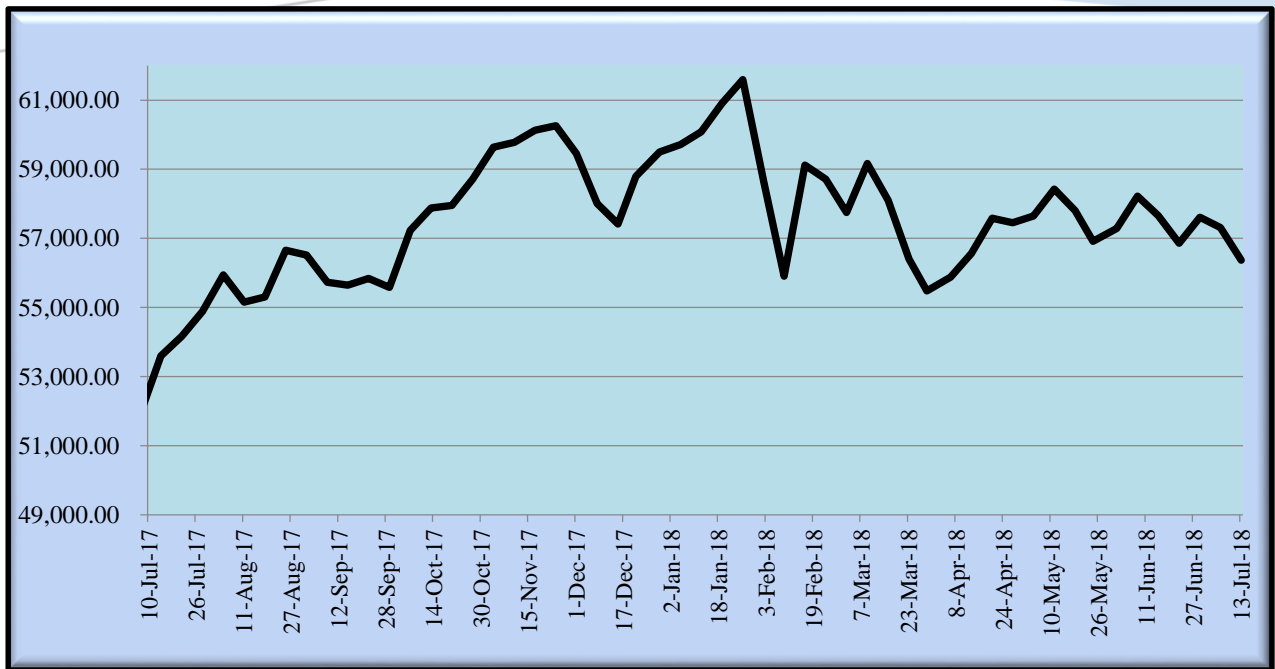
During the week ending 13th July 2018, the JSE All Share index registered a 1.66% decline to 56,364.14 points, from 57,313.88 points in the previous week. JSE market capitalization also declined from R14.72 trillion in the previous week, to R14.46 trillion during the week under review.

Table 7: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalization (ZAR trillion)
15-Jun-18	57,660.50	14.69
22-Jun-18	56,856.66	14.64
29-Jun-18	57,610.98	14.79
6-Jul-18	57,313.88	14.72
13-Jul-18	56,364.14	14.46
% Change	-1.66	-1.77

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

20TH JULY 2018