



Weekly Economic Highlights

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Week Ending
18th May 2018

1. INTEREST RATES

Deposit Rates

During the week ending 18th May 2018, average deposit rates for all deposit classes remained unchanged from the previous week levels.

Table 1: Average Deposit Rates (per annum)

Date	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
20-April-18	4.16	3.47	3.78
27-April-18	4.16	3.52	3.70
04-May-18	4.16	3.53	3.71
11-May-18	4.10	3.53	3.79
11-May-18	4.10	3.53	3.79

Source: Banking Institutions, 2018

Lending Rates

Commercial bank weighted lending rates for individual clients remained unchanged at 9.33%, during the week ending 18 May 2018. Lending rates for corporate clients, however, increased to 7.07%, from 6.85% recorded during the previous week.

Table 2: Lending Rates

Date	Lending Rates ¹ (%)	
	Commercial Banks (weighted)	
	Individuals	Corporate clients
20 April-18	9.30	7.05
27 April-18	9.32	7.08
04-May-18	9.66	7.02
11-May-18	9.33	6.85
11-May-18	9.33	7.07

Source: Banking Institutions, 2018

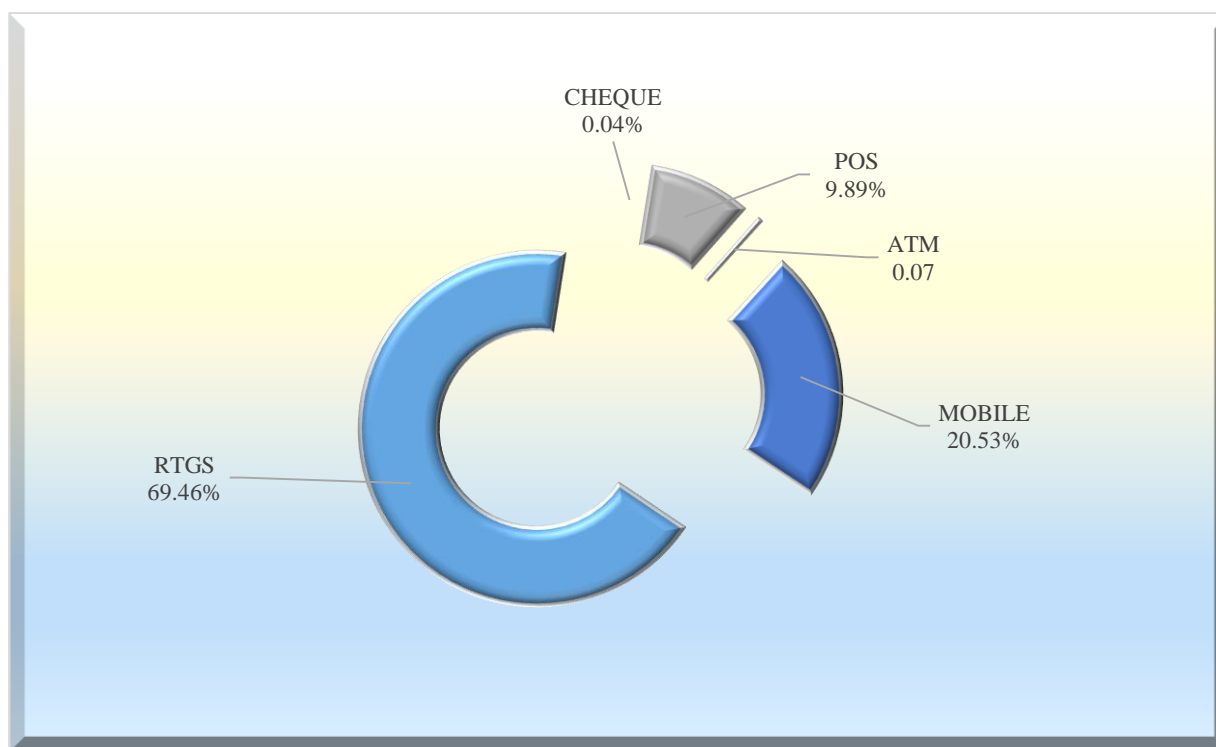
¹ Minimum weighted lending rates offered by commercial banks.

2. CLEARING AND SETTLEMENT ACTIVITY

The total value of transactions processed through the National Payment Systems (NPS) increased by 8.8% to close at US\$ 2,701.75 million, during the week under analysis. This compares with the US\$ 2,483.58 million worth of transactions recorded in the previous week. Transactions processed through the Real Time Gross Settlement (RTGS) system registered a 19.2% increase, to close the week under review at US\$ 1,876.73 million.

RTGS payments accounted for 69.46% of the total value of transactions processed through the NPS, followed by Mobile, 20.53%; Point of Sale (POS), 9.89%; Automated Teller Machines (ATMs), 0.07%; and Cheque transactions, 0.04%, as shown in Figure 1.

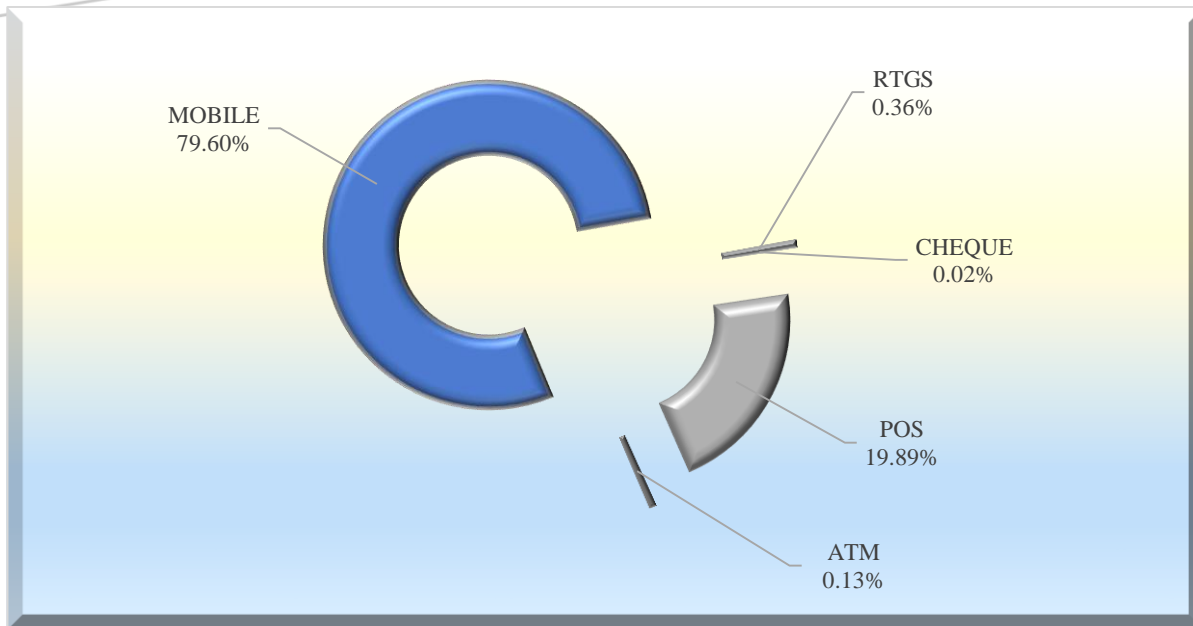
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2018

In volume terms, NPS transactions decreased by 8.9%, from 36,837,489 in the previous week to close the week under analysis at 33,553,230 transactions. Mobile-based transactions accounted for 79.60% of the total volume of transactions; POS, 19.89%; ATM, 0.13%; RTGS, 0.36% and Cheque 0.02%, 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 11 th May 2018	WEEK ENDING 18 th May 2018	CHANGE FROM LAST WEEK	PROPORTION
VALUES IN US\$ (millions)				
RTGS	1,574.32	1,876.73	19.2%	69.46%
CHEQUE	1.08	1.13	4.6%	0.04%
POS	295.15	267.33	-9.4%	9.89%
ATM	5.54	1.91	-65.6%	0.07%
MOBILE	607.49	554.65	-8.7%	20.53%
TOTAL	2,483.58	2,701.75	8.8%	100%
VOLUMES				
RTGS	145,620	121,705	-16.4%	0.36%
CHEQUE	5,251	5,520	5.1%	0.02%
POS	7,659,302	6,672,806	-12.9%	19.89%
ATMs	117,758	44,966	-61.8%	0.13%
MOBILE	28,909,558	26,708,233	-7.6%	79.60%
TOTAL	36,837,489	33,553,230	-8.9%	100%

Source: Reserve Bank of Zimbabwe, 2018

3. TOBACCO SALES

A cumulative total of 123,083,737 kilograms of tobacco had been sold as at 18th May 2018 or day 39 of the 2018 tobacco selling season. The quantity sold was 8.50% higher than the cumulative total of 113,445,003 kilograms sold during the same period in 2017.

The cumulative value of tobacco sales registered a 10.86% increase to US\$355.61 million, from US\$320.76 million realized during the corresponding period in 2017. The golden leaf was sold at a higher average price of US\$2.89/kg, compared to the US\$2.83/kg realized during the same period in 2017.

Table 4: Cumulative Tobacco Sales: Day 39 (11th May 2018)

	2017	2018	Variance (%)
Cumulative Quantity Sold (kgs)	113,445,003	123,083,737	8.50
Cumulative Average Price(US\$/kg)	2.83	2.89	2.2
Cumulative Value (US\$ million)	320,760,415	355,610,252	10.86

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

4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

During the week ending 18th May 2018, the international commodity prices of gold and platinum declined. Nickel, copper and crude oil prices, however, increased as shown in Table 4.

Table 4: Metal and Crude Oil Prices

	Gold	Platinum	Copper	Nickel	Crude Oil
Weekly Average (8 - 11 May)	1,315.01	917.25	6,859.50	13,932.50	77.11
14-May	1,320.28	923.50	6,929.00	14,079.00	78.29
15-May	1,302.53	903.00	6,875.00	14,370.00	78.24
16-May	1,291.50	895.50	6,822.00	14,465.00	79.34
17-May	1,289.18	889.00	6,861.50	14,550.00	79.53
18-May	1,287.75	885.00	6,866.00	14,715.00	79.08
Weekly Average (14 - 18 May)	1,298.25	899.20	6,870.70	14,435.80	78.90
<i>Weekly Change (%)</i>	<i>(1.3)</i>	<i>(2.0)</i>	<i>0.2</i>	<i>3.6</i>	<i>2.3</i>

Source: BBC, KITCO and Bloomberg 2018

Gold

Gold prices closed the week ending 18th May 2018 at a weekly average of US\$1,298.25/oz., down from US\$1,315.01/oz., recorded in previous week. This followed a rise in the demand for US Treasury bonds which had high yields, a development which significantly raised the opportunity cost of holding precious metals such as gold.

Platinum

Platinum prices declined by 2.0%, from a weekly average of US\$917.25oz in the previous week to US\$899.20 /oz., during the week under review. Prices were weighed down by slackening investment demand for the metal, as investors shifted focus to high yielding US bonds.

Copper

Copper prices increased by 0.2% to close the week under review at US\$6,870.70/ton, up from an average of US\$6,859.50/ton in the previous week. Prices were supported by on-going trade talks between the US and China which are widely anticipated to avert the imposition of damaging tariffs.

Nickel

Nickel prices increased by 3.6%, from US\$13,932.50/ton in the previous week to US\$14,435.80/ton, during the week under review. This was attributed to tight market conditions, as Indonesia decreased exports of the base metal, on the back of increased demand from the electric vehicle industry.

Crude Oil

Crude oil prices increased by 2.3%, from a weekly average of US\$77.11/barrel in the previous week to US\$78.90/barrel, during the week under review. The rally was largely supported by disruptions in oil supply, attributed to concerns over the US sanctions on Iran and an oil output slump in Venezuela.

4. EXCHANGE RATES

The US dollar appreciated against the euro and pound Sterling during the week ending 18th May 2018. The greenback, however, depreciated against the Botswana pula and South African rand.

Table 5: International Exchange Rates per US\$

	ZAR	GBP	BWP	EURO
2018				
Weekly Average (7 - 11 May)	12.5166	0.7386	9.9216	0.8407
14-May	12.2711	0.7375	9.8039	0.8361
15-May	12.3739	0.7382	9.7847	0.8392
16-May	12.5554	0.7404	9.9256	0.8451
17-May	12.4385	0.7384	9.9059	0.8460
18-May	12.5806	0.7401	9.9602	0.8469
Weekly Average (14 - 18 May)	12.4439	0.7389	9.8761	0.8426
<i>Appr(+)/Depr(-) (%) of the USD</i>	<i>-0.58</i>	<i>0.04</i>	<i>-0.56</i>	<i>0.23</i>

Source: Reuters, 2018

5. EQUITY MARKETS

The Zimbabwe Stock Exchange (ZSE) bullish sentiment persisted on a positive trajectory for the ninth consecutive week, during the week ended 18th May 2018. Resultantly, the All Share Index registered a marginal gain of 1.52% to 104.80 points.

The industrial index rose by 1.31% to close at 350.02 point, during the week under review. This was attributed to gains in share prices of Ariston Holdings Limited (33.93%), Pretoria Portland Cement Limited (16.70%), Old Mutual Plc (14.47%), African Sun Limited (13.89%) and Padenga Holdings Limited (7.66%).

The mining index also increased by 10.03%, to close the week under analysis at 146.30 points. The increase in the resource index resulted from share price gains of 28.21% and 4.84% in Bindura Nickel Corporation and RioZim, respectively. Hwange Colliery Company and Falgold remained inactive during the week under review.

Table 6: Zimbabwe Stock Exchange (ZSE) Statistics

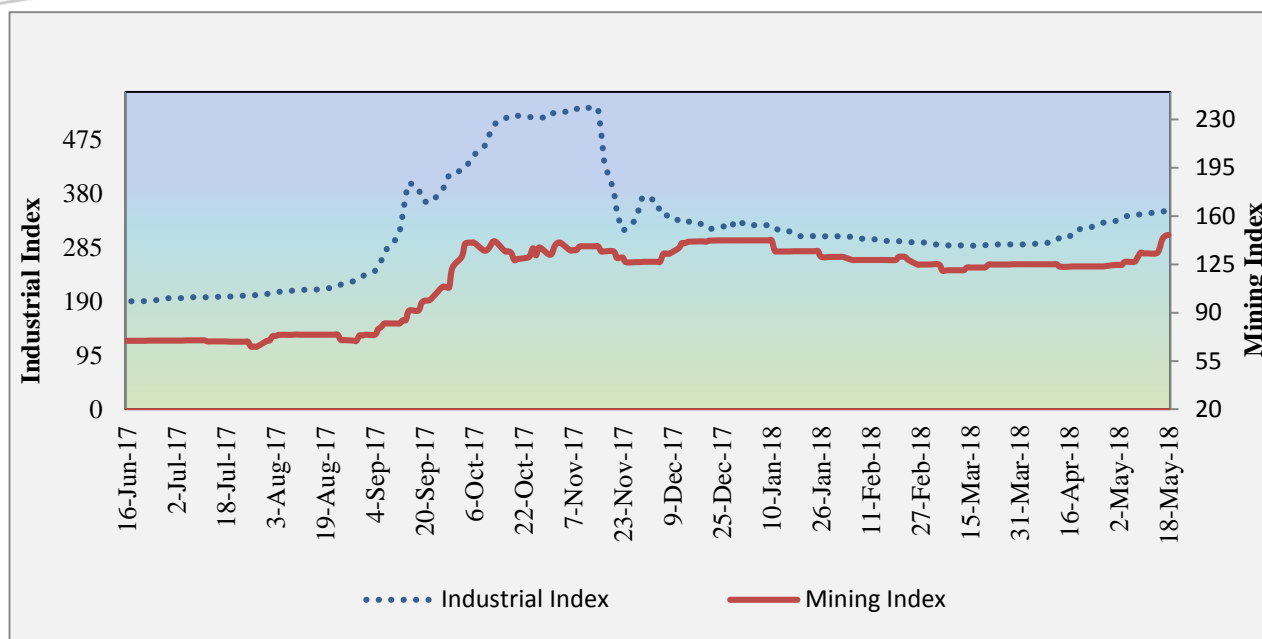
	All Share Index ² (points)	Top 10 index ³ (Points)	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
20-April-18	95.44	96.71	319.66	123.52	9,094,909,257	4,546,245	14,759,909
27-April-18	98.26	100.26	329.18	123.52	9,362,234,489	9,192,805	11,401,734
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
Weekly Change (%)	1.51	2.43	1.31	10.03	1.51	98.25	110.29

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

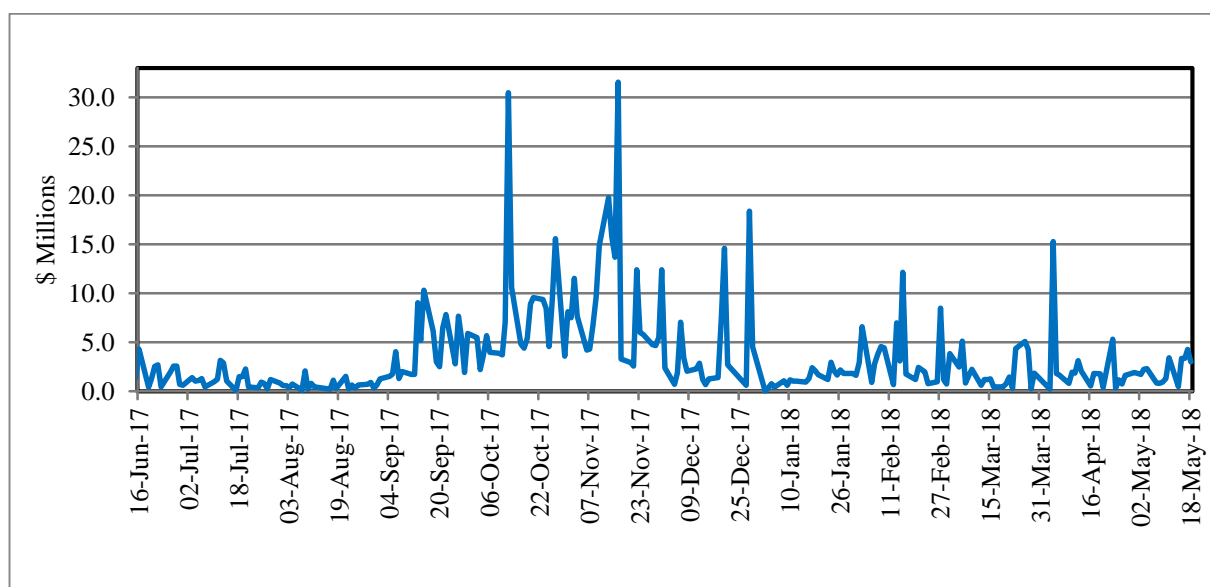


Source: Zimbabwe Stock exchange, 2018

Market Turnover and Volume

During the week ending 18th May 2018, the volume of shares traded on the ZSE registered a 110.29% increase, to close at 26,073,741 million shares. Similarly, ZSE market turnover value increased by 98.25% to US\$14, 48 million during the same week. This was on the back of the concentration of trading activity in some selected wealth-preserving counters.

Figure 4: Daily Market turnover

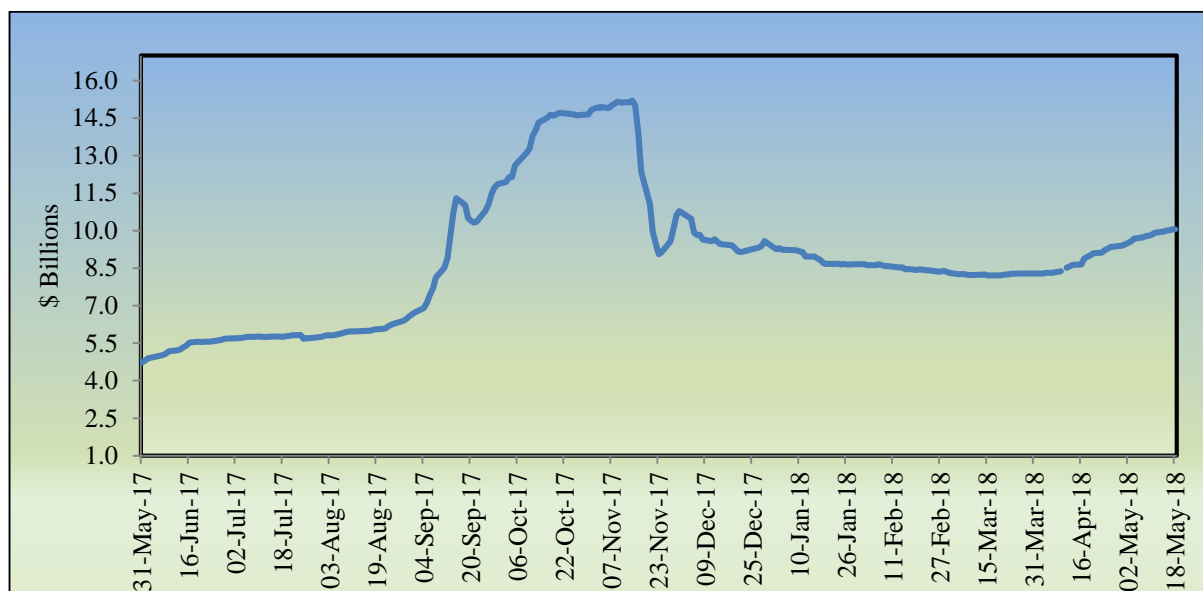


Source: Zimbabwe Stock Exchange, 2018

Market Capitalization

The ZSE market capitalization increased by 2.32%, from US\$ 9.68 billion in the previous week to close at US\$9.91 billion, during the week under analysis. This was on account of gains in the All share index.

Figure 5: Market Capitalization



Source: Zimbabwe Stock Exchange, 2018

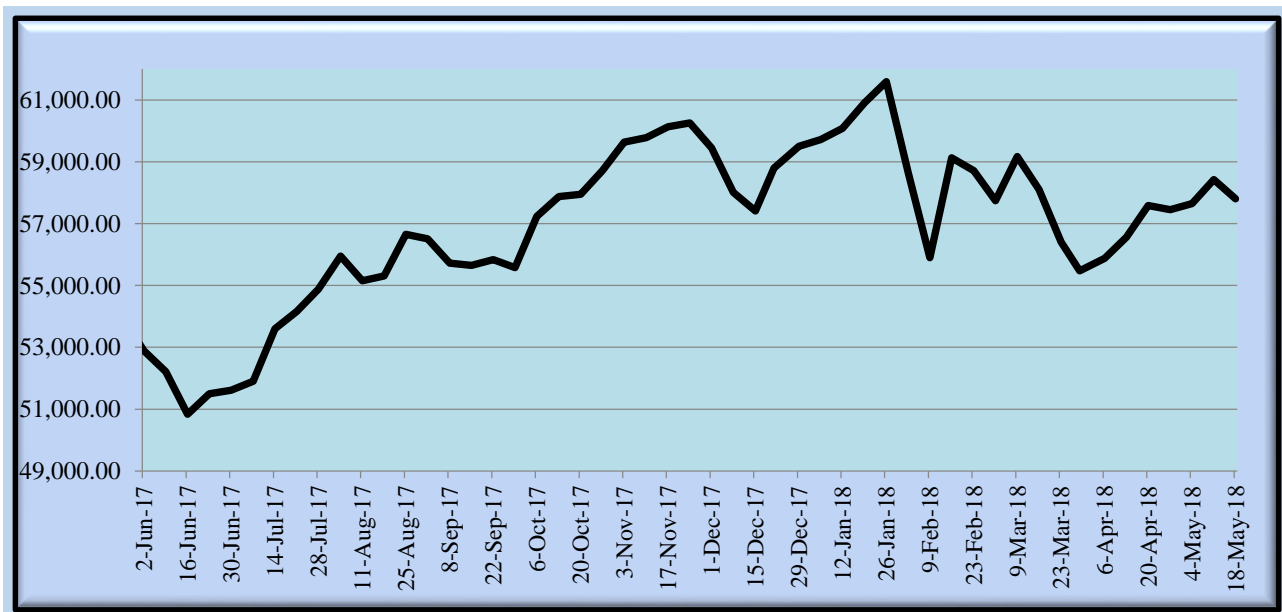
Johannesburg Stock Exchange (JSE) Developments

The JSE All Share index closed the week under review at 57 804.33 points, up from 57 581.73 points recorded in the previous week. JSE market capitalization, however, registered a 0.07% decrease to R14.51 trillion, during the same week.

Period	All Share Index (points)	Market Capitalization (ZAR trillion)
20-April-18	57 453.04	14.63
27-April-18	57 648.87	14.47
04-May-18	58 422.86	14.52
11-May-18	57 581.73	14.51
18-May-18	57 804.33	14.50
% Change	0.39	(0.07)

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

28rd MAY 2018