



# Weekly Economic Highlights

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Week Ending  
2<sup>nd</sup> March 2018

## 1. INTEREST RATES

### Deposit Rates

During the week ending 2<sup>nd</sup> March 2018, deposit rates on savings deposits and deposits of 1 month and 3 month tenors remained flat at averages of 3.97%; 3.34%; and 3.63%, respectively.

**Table 1: Average Deposit Rates (per annum)**

Date	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
<b>26-January-18</b>	4.35	3.81	4.09
<b>02-February-18</b>	4.35	3.81	4.09
<b>09-February-18</b>	4.54	3.47	4.08
<b>16 February-18</b>	4.14	3.49	3.86
<b>23-February-18</b>	4.22	3.43	3.71
<b>02-March-18</b>	<b>3.97</b>	<b>3.34</b>	<b>3.63</b>

Source: Banking Institutions, 2018

### Lending Rates

Commercial bank weighted lending rates for individual closed the week under review at 9.57%, whilst lending rates for corporate clients increased marginally to 6.94%.

**Table 2: Lending Rates**

Date	Lending Rates <sup>1</sup> (%)	
	Commercial Banks (weighted)	
	Individuals	Corporate clients
<b>26-January-18</b>	9.33	6.99
<b>02-February-18</b>	9.55	6.91
<b>09-February-18</b>	9.57	6.93
<b>16-February-18</b>	9.58	6.93
<b>23-February-18</b>	9.57	6.93
<b>02-March-18</b>	9.57	<b>6.94</b>

Source: Banking Institutions, 2018

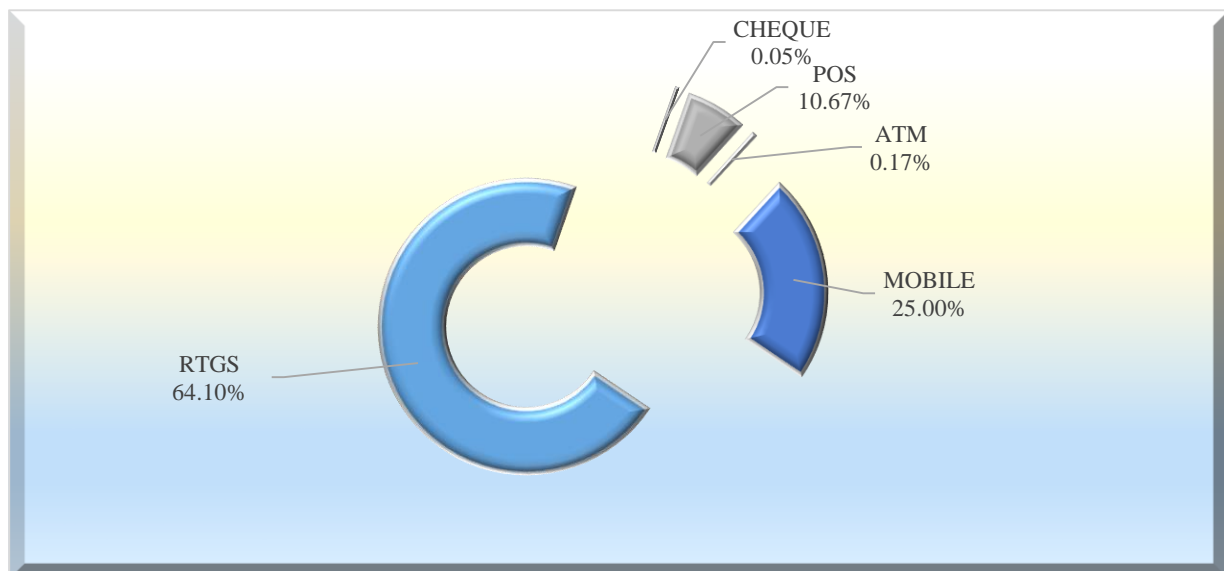
<sup>1</sup> Minimum weighted lending rates offered by commercial banks.

## 2. CLEARING AND SETTLEMENT ACTIVITY

The total value of transactions processed through the National Payments System (NPS) stood at US\$1,934.17 million during the week under review, up from US\$1,628.79 million recorded the previous week. Transactions processed through the Real Time Gross Settlement (RTGS) system declined by 7.4% to close the week under review at US\$1,239.86 million, from US\$1,239.86 million recorded during the previous week.

RTGS payments accounted for 64.10% of the total value of transactions processed through the NPS. Mobile, Point of Sale (POS), Automated Teller Machines (ATMs) and cheque transactions, accounted for 25.00%; 10.67%; 0.17%; and 0.05%, respectively.

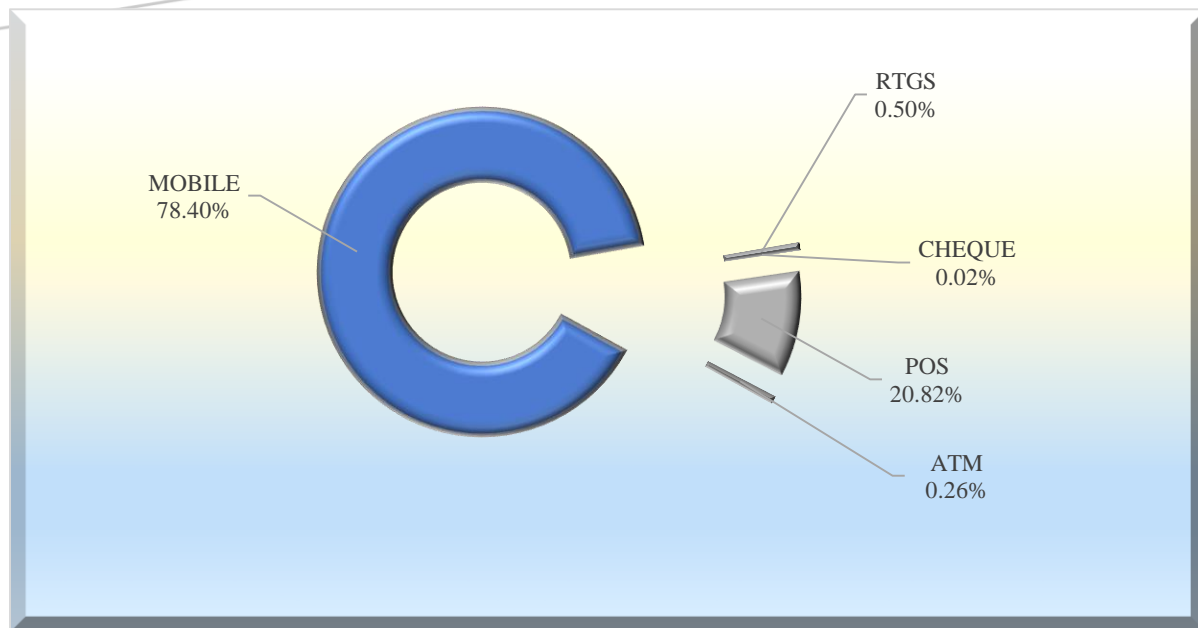
**Figure 1: Composition of NPS Transactions in Value Terms**



*Source: Reserve Bank of Zimbabwe, 2018*

The total volume of NPS transactions registered a 32% increase to close the week ending 2<sup>nd</sup> march 2018 at 29,336,650 transactions. The NPS transaction volumes were distributed as follows: Mobile, 78.40%; POS, 20.82%; RTGS, 0.50%; ATM, 0.26%; 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 23 February 2018	WEEK ENDING 02 March 2018	CHANGE FROM LAST WEEK	PROPORTION
<b>VALUES IN US\$ (millions)</b>				
<b>RTGS</b>	1,154.51	1,239.86	7.4%	64.10%
<b>CHEQUE</b>	0.94	1.03	10%	0.05%
<b>POS</b>	102.62	206.34	101%	10.67%
<b>ATMS</b>	3.54	3,38	-5%	0.17%
<b>MOBILE</b>	367.18	483.57	32%	25.00%
<b>TOTAL</b>	1,628.79	1,934.17	19%	100%
<b>VOLUMES</b>				
<b>RTGS</b>	93,308	146,783	57%	0.50%
<b>CHEQUE</b>	4,896	5,582	14%	0.02%
<b>POS</b>	2,203,306	6,107,069	177.2%	20.82%
<b>ATMs</b>	83,445	76,993	-8%	0.26%
<b>MOBILE</b>	19,786,137	23,000,223	16%	78.40%
<b>TOTAL</b>	22,171,092	29,336,650	32%	100%

Source: Reserve Bank of Zimbabwe, 2018

### 3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international commodity of prices gold, platinum, copper, nickel and crude oil softened during the week ending 2<sup>nd</sup> March 2018, as shown in Table 4.

**Table 4: Metal and Crude Oil Prices**

	<b>Gold</b>	<b>Platinum</b>	<b>Copper</b>	<b>Nickel</b>	<b>Crude Oil</b>
<b>Week ending (19 - 23 Feb)</b>	<b>1,335.38</b>	<b>985.40</b>	<b>7,136.90</b>	<b>13,715.00</b>	<b>65.93</b>
26-Feb	1,336.28	1,001.00	7,127.50	13,740.00	67.56
27-Feb	1,329.25	995.00	7,133.00	13,895.00	66.28
28-Feb	1,319.08	980.00	7,018.00	13,795.00	64.65
1-Mar	1,314.03	970.50	6,949.50	13,690.00	64.21
2-Mar	1,321.30	964.00	6,939.00	13,410.00	64.46
<b>Week ending (26Feb - 2 Mar)</b>	<b>1,323.99</b>	<b>982.10</b>	<b>7,033.40</b>	<b>13,706.00</b>	<b>65.43</b>
<i>Weekly Change (%)</i>	<i>(0.9)</i>	<i>(0.3)</i>	<i>(1.5)</i>	<i>(0.1)</i>	<i>(0.8)</i>

Source: BBC, KITCO and Bloomberg 2018

#### **Gold**

Gold prices declined by 0.9%, from a weekly average of US\$1,335.38/oz. in the previous week, to US\$1,323.99/oz., during the week under review. This followed comments made by the Federal Reserve Chairman which signalled possibilities of an interest rate hike in March 2018.

#### **Platinum**

Platinum prices fell by 0.3%, to close the week of analysis at a weekly average of US\$982.10oz. This was on the back of dampened investment demand outlook for precious metals following concerns over the possibility of interest rate hikes in the US.

## **Copper**

Copper prices closed the week under review at a weekly average of US\$7,033.4/ton, registering a 1.5% decline from US\$7,136.90/ton in the previous week. The prices were underpinned by a strengthening US dollar following the Fed remarks indicating monetary tightening.

## **Nickel**

Nickel prices declined by 0.1% from US\$13,715/ton in the previous week to US\$13706.00/ton, during the week under review. This was on the back of a slowdown in the Chinese manufacturing industries in February 2018 following business disruptions due to the Lunar New Year holidays.

## **Crude Oil**

Crude oil prices declined by 0.8% from a weekly average of US\$65.93/barrel in the previous week, to US\$65.43/barrel in the week under review. The prices were weighed down by a surge in US shale production which is disrupting OPEC's plans to scale down global production.

#### 4. EXCHANGE RATES

During the week ending 2<sup>nd</sup> March 2018, the US dollar appreciated against the euro, pound Sterling, the pula and the rand. This was on the back of anticipations of further monetary tightening in March 2018 by the Federal Reserve.

**Table 5: International Exchange Rates per US\$**

	<b>ZAR</b>	<b>GBP</b>	<b>BWP</b>	<b>EURO</b>
<b>2018</b>				
<b>Weekly Average (19 - 23 Feb)</b>	<b>11.6756</b>	<b>0.7161</b>	<b>9.4933</b>	<b>0.8101</b>
26-Feb	11.5254	0.7133	9.4787	0.8114
27-Feb	11.5726	0.7162	9.4652	0.8113
28-Feb	11.7297	0.7195	9.5238	0.8182
1-Mar	11.8070	0.7271	9.5238	0.8201
2-Mar	11.8637	0.7256	9.5969	0.8146
<b>Weekly Average (26 Feb – 2 Mar)</b>	<b>11.6997</b>	<b>0.7203</b>	<b>9.5177</b>	<b>0.8151</b>
<i>Appr(+)/Depr(-) (%) of the USD</i>	<i>0.2</i>	<i>0.6</i>	<i>0.3</i>	<i>0.6</i>

Source: Reuters, 2018

## 5. EQUITY MARKETS

The Zimbabwe Stock Exchange (ZSE) continued on a negative trajectory for the ninth consecutive week during the week ending 2<sup>nd</sup> March 2018. The ZSE All Share Index registered a 1.17% to close the week under review at 87.26 points.

The industrial index closed the week under analysis at 291.95 points, a 1.11% decline from 295.24 points in the previous week. The decline in the industrial index was largely driven by losses in Fidelity Life Assurance Limited (16.67%); Mashonaland Holdings Limited (6.69%); Simbisa Brands Limited (4.88%); Padenga Holdings Limited (4.58%) and Axia Corporation Limited (6.52%).

Similarly, the mining index also declined by 2.72% to close the week ending 2<sup>nd</sup> March 2018 at 124.91 points emanating from a 11.76% decrease in Bindura Nickel Corporation (BNC). Hwange Colliery Company (HCC) and RioZim traded at previous week's price levels while Falgold remained inactive during the week under review.

**Table 6: Zimbabwe Stock Exchange (ZSE) Statistics**

	All Share Index <sup>2</sup> (points)	Top 10 index <sup>3</sup> (Points)	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
<b>02-February-18</b>	90.37	90.26	304.16	130.42	8,619,572,018	11,978,884	18,533,807
<b>09-February-18</b>	90.05	89.22	301.20	128.19	8,577,214,535	16,481,282	18,028,240
<b>16-February-18</b>	88.86	87.78	297.16	128.19	8,463,437,567	24,652,237	28,400,595
<b>23-February-18</b>	88.29	87.47	295.24	128.40	8,411,137,031	6,395,063	10,200,476
<b>02-March-18</b>	87.26	86.05	291.95	124.91	8,316,594,858	15,209,231	80,052,036
<b>Weekly Change (%)</b>	<b>-1.16</b>	<b>-1.62</b>	<b>-1.11</b>	<b>-2.72</b>	<b>-1.12</b>	<b>137.83</b>	<b>684.79</b>

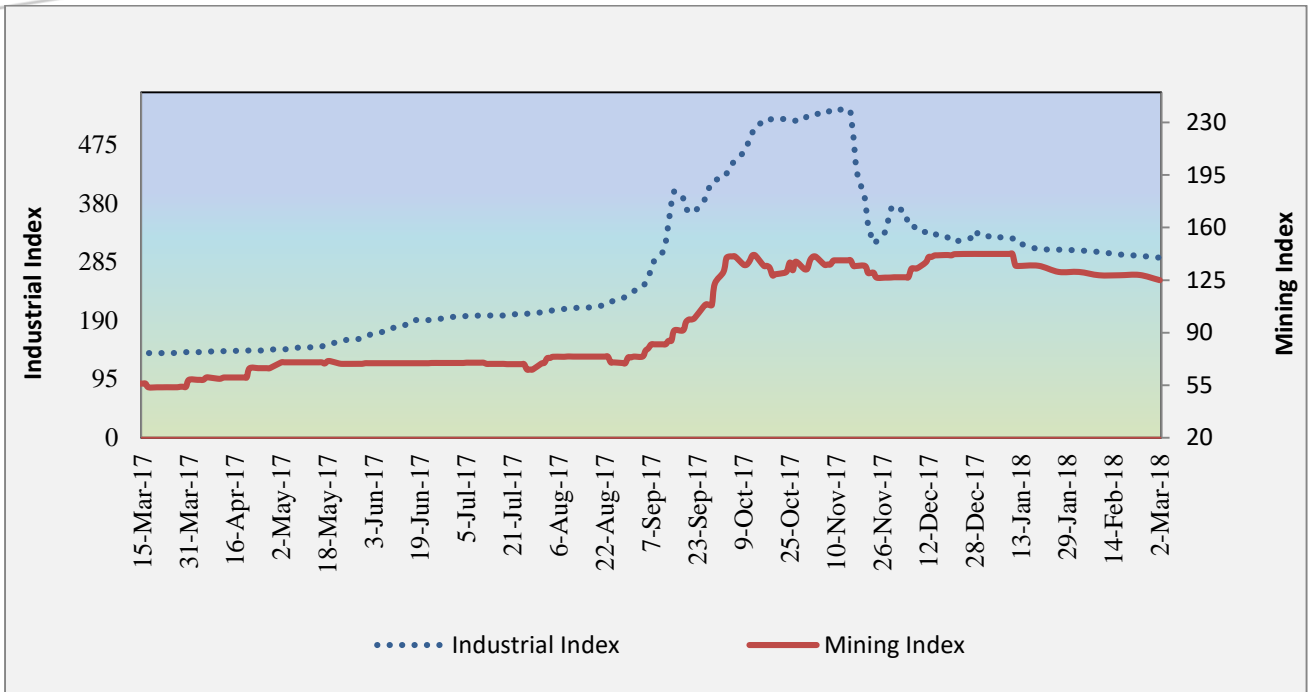
Source: Zimbabwe Stock Exchange (ZSE), 2018

<sup>2</sup> The All share Index shows the changing average value of shares of all companies on the market.

<sup>3</sup> The Index is calculated using the market capitalisation method.



**Figure 3: Zimbabwe Stock Exchange Indices**

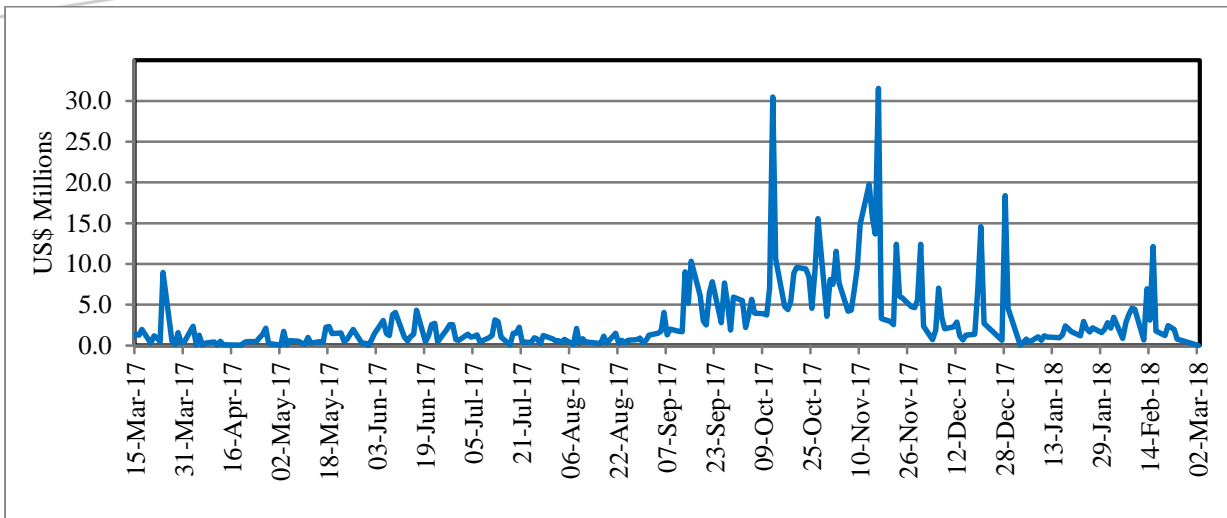


Source: Zimbabwe Stock exchange, 2018

### Market Turnover and Volume

The volume of shares traded on the ZSE registered a 684.79% increase, to close the week ending 2<sup>nd</sup> March 2018 at 80,052,036, from 10 200 476 in the previous week. Consequently, the ZSE market turnover also increased by 137.83% to US\$15.21 million during the week under review. The significant increase in the volume of shares traded is reflective of block trades in First Mutual Properties, 23.3 million shares; Dairibord, 3.47 million shares; Meikles, 2.97 shares; TSL, 1.87 million shares and Delta Corporation, 0.99 million shares. Foreign investors contributed 32.06% to the total value of shares traded.

**Figure 4: Daily Market turnover**

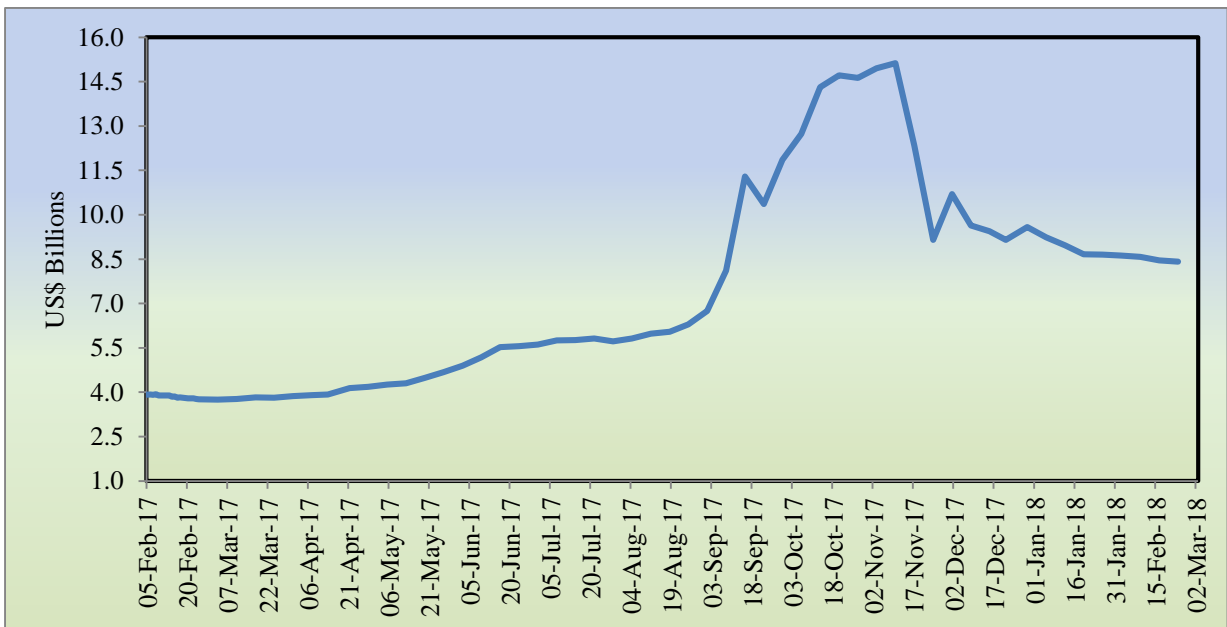


Source: Zimbabwe Stock Exchange, 2018

### Market Capitalization

The ZSE market capitalization stood at US\$8.32 billion during the week under review, down from US\$8.41 billion in the previous week. This was on the back of profit taking and portfolio rebalancing which characterized the market during the week under review.

**Figure 5: Market Capitalization**



Source: Zimbabwe Stock Exchange, 2018

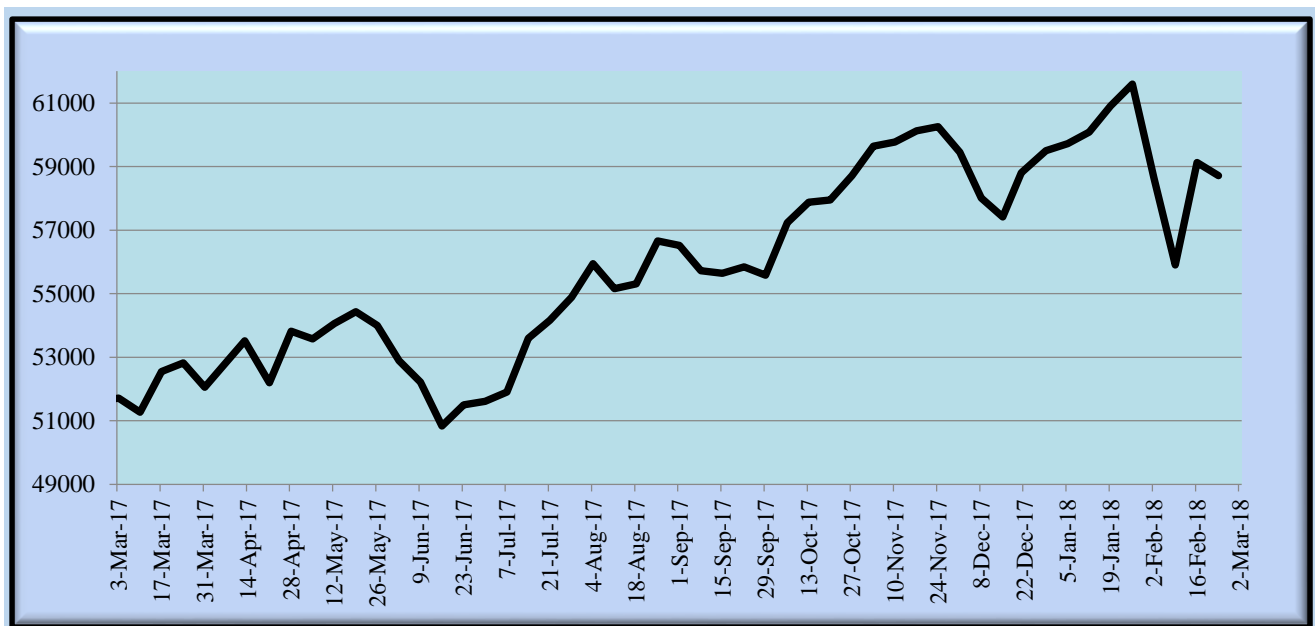
## Johannesburg Stock Exchange (JSE) Development

The JSE All Share index declined by 1.65% from 58 715.46 points in the previous week, to 57 744.70 points during week ending 2<sup>nd</sup> March 2018. JSE market capitalization also declined from R14.82 trillion in the previous week, to R14.74 trillion, during the week under review.

Period	All Share Index (points)	Market Capitalization (ZAR trillion)
<b>02-February-18</b>	58 656.82	15.27
<b>09-February-18</b>	55 902.62	14.44
<b>16- February-18</b>	59 122.34	14.89
<b>23-February-18</b>	58 715.46	14.82
<b>02-march-18</b>	57 744.70	14.74
<b>% Change</b>	<b>-1.65</b>	<b>-0.54</b>

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

2<sup>ND</sup> MARCH 2018