



Weekly Economic Highlights

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Week Ending
20th July 2018

1. INTEREST RATES

Deposit Rates

During the week ending 20th June 2018, average deposit rates for all classes of deposits remained unchanged for the fourth consecutive week.

Table 1: Average Deposit Rates (per annum)

Date	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
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
20-July-18	4.35	3.53	4.00

Source: Banking Institutions, 2018

Lending Rates

Commercial bank weighted lending rates for individual clients increased by 0.41 percentage points to 9.78%, during the week under review, up from a weekly average of 9.37% registered in the previous week. Lending rates for corporate clients, however, decreased to 7.02%, down from 7.07% registered during the previous week, as shown in Table 2.

Table 2: Lending Rates

Date	Lending Rates ¹ (%)	
	Commercial Banks (weighted)	
	Individuals	Corporate clients
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
20-July-18	9.78	7.02

Source: Banking Institutions, 2018

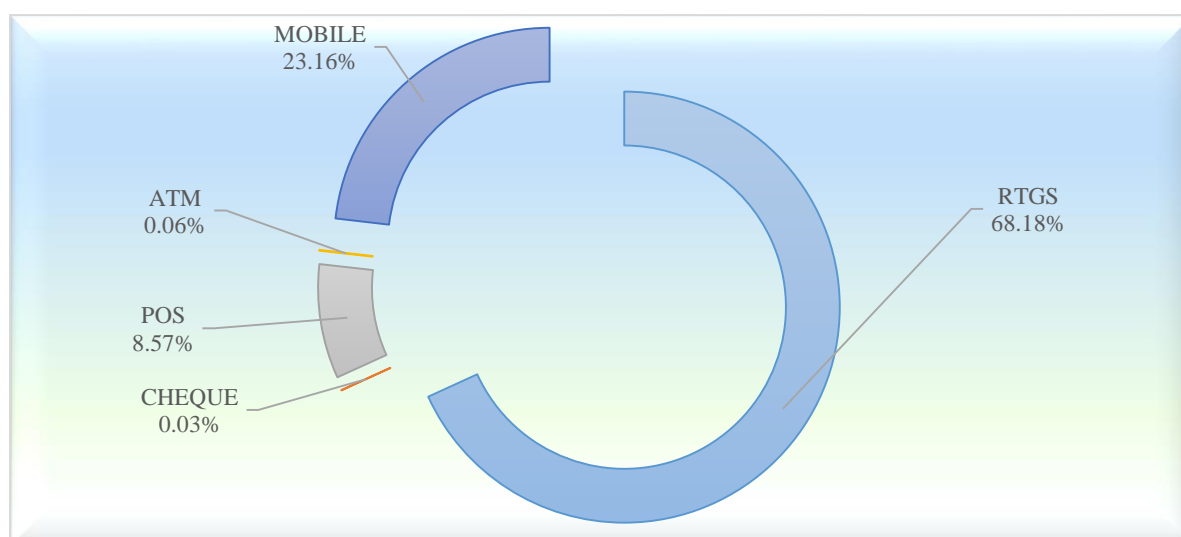
¹ Minimum weighted lending rates offered by commercial banks.

2. CLEARING AND SETTLEMENT ACTIVITY

During the week ending 20th July 2018, the total value of transactions processed through the National Payments System (NPS) stood at US\$2.96 billion, a decline from the US\$2.97 billion recorded in the previous week. The value of transactions processed through the Real Time Gross Settlement (RTGS) system, however, increased by 0.4%, to close the week under review at US\$2.02 billion, representing 68.18% of the total value of transactions processed through the NPS.

The rest of the transaction values processed through the NPS were distributed as follows: Mobile, 23.16%; Point of Sale (POS), 8.57%; Automated Teller Machines (ATMs), 0.06%; and Cheque transactions, 0.03%, as shown in Figure 1.

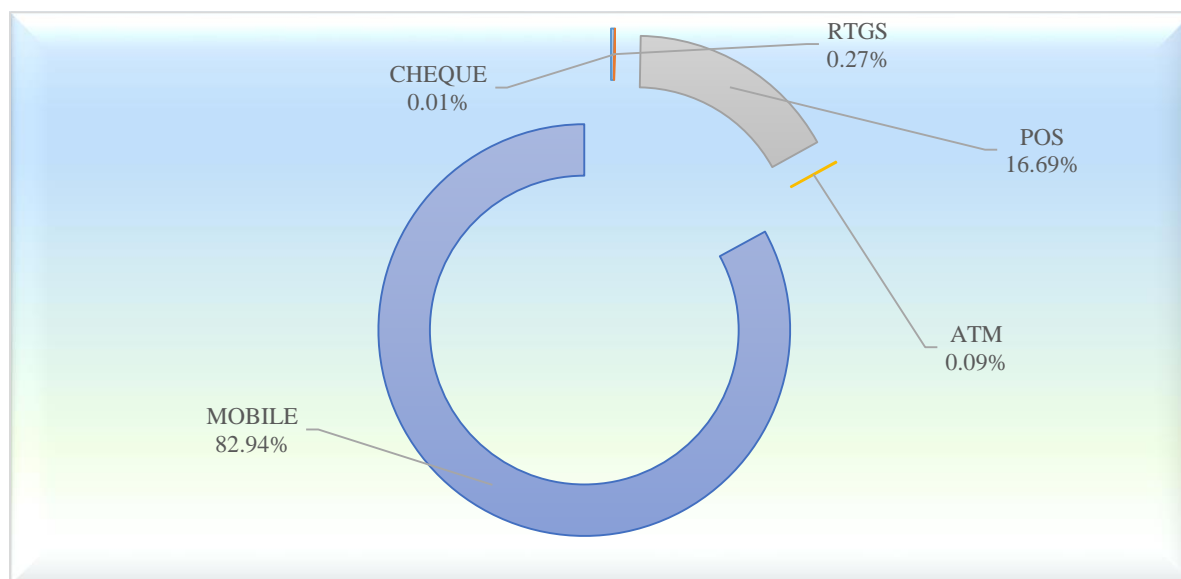
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2018

Transaction volumes processed through the NPS declined by 4.3%, to close the week under review at 41,693,605 transactions. The transactions volumes were distributed as follows: Mobile, 82.94%; POS, 16.69%; RTGS, 0.27%; ATM, 0.09% 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 13 th JULY 2018	WEEK ENDING 20 th JULY 2018	% CHANGE FROM LAST WEEK	PROPORTION
VALUES IN US\$ millions				
RTGS	2,007.74	2,015.33	0.4%	68.18%
CHEQUE	1.12	0.94	-16.3%	0.03%
POS	276.18	253.43	-8.2%	8.57%
ATM	1.71	1.68	-1.3%	0.06%
MOBILE	688.08	684.60	-0.5%	23.16%
TOTAL	2,974.83	2,955.99	-0.6%	100%
VOLUMES				
RTGS	120,795	111,717	-7.5%	0.27%
CHEQUE	5,534	4,406	-20.4%	0.01%
POS	7,519,813	6,958,460	-7.5%	16.69%
ATM	38,247	39,114	2.3%	0.09%
MOBILE	35,888,090	34,579,908	-3.6%	82.94%
TOTAL	43,572,479	41,693,605	-4.3%	100%

Source: Reserve Bank of Zimbabwe, 2018

3. TOBACCO SALES

A cumulative total of 238,067,068 kilograms of tobacco had been sold as at 20th July 2018 or day 83 of the 2018 tobacco selling season. This represented a significant increase of 34.2%, compared to 177,365,236 kilograms sold during the same period in 2017.

In value terms, the cumulative tobacco sales stood at US\$695.57 million as at 20th of July 2018, up from US\$524.56 million realized during the corresponding period in 2017. The golden leaf was, however, sold at an average price of US\$2.92/kg, or 1.2% lower than the US\$2.96/kg realized during the same period in 2017.

Table 4: Cumulative Tobacco Sales: Day 83 (20th July 2018)

	2017	2018	Variance (%)
Cumulative Quantity Sold (kg)	177,365,236	238,067,089	34.2
Cumulative Average Price(US\$/kg)	2.96	2.92	-1.2
Cumulative Value(US\$ million)	524,558,661	695,567,783	32.6

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

4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

During the week under review, the international commodity prices of crude oil, nickel, platinum, gold and copper declined from the previous week levels, as shown in Table 4.

Table 4: Metal and Crude Oil Price

	Gold	Platinum	Copper	Nickel	Crude Oil
2018	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
Weekly Average (9 - 13 July)	1,250.68	839.60	6,282.10	14,127.00	76.11
16-Jul	1,243.00	828.50	6,257.50	14,020.00	72.14
17-Jul	1,238.23	826.00	6,239.00	13,730.00	71.49
18-Jul	1,223.98	808.00	6,162.00	13,545.00	72.77
19-Jul	1,217.48	801.00	6,176.00	13,610.00	72.78
20-Jul	1,217.48	819.50	6,024.00	13,360.00	73.07
Weekly Average (16 - 20 July)	1,228.03	816.60	6,171.70	13,653.00	72.45
<i>Weekly Change (%)</i>	<i>(1.8)</i>	<i>(2.7)</i>	<i>(1.8)</i>	<i>(3.4)</i>	<i>(4.8)</i>

Source: BBC, KITCO and Bloomberg

Gold

Gold prices declined by 1.8%, from an average of US\$1,250.68/oz. in the previous week to US\$1,228.03/oz., during the week under review. The price of the yellow metal was weighed down by a stronger US dollar, after comments by the US Federal Reserve Chairman heightened expectations of additional Fed interest rate hikes.

Platinum

Platinum prices fell by 2.7%, to close the week under analysis at US\$816.60/oz. This was, in large part, on account of a stronger US dollar, coupled with weaker demand for the metal.

Copper

Copper prices decreased from US\$6,282.10/ton in the previous week, to US\$6,171.70 /ton during the week under analysis. The decline was occasioned by weaker demand in China, the world's largest consumer of the base metal. This followed the lower than anticipated GDP output growth in China for the second quarter of 2018.

Nickel

Nickel prices retreated by 3.4% to US\$13,653.00/ton, during the week under review, down from US\$14,127.00/ton in the previous week. This was largely on account of the escalating trade dispute between the US and China.

Crude Oil

Crude oil prices declined by 4.8%, from a weekly average of US\$76.11/barrel in the previous week to US\$72.45/barrel, during the week under review. Prices declined as investors and traders anticipated a supply increase from Russia. Furthermore, oil prices were weighed down by fears of ample global supplies, following reports suggesting that the U.S could open its Strategic Petroleum Reserves.

EXCHANGE RATES

The US dollar appreciated against the pound Sterling and euro, during the week ending 20th July 2018. The greenback, however, depreciated against the South African rand and Botswana pula.

Table 5: International Exchange Rates per US\$

	ZAR	GBP	BWP	EURO
Weekly Average (9 – 13 July)	13.4062	0.7555	10.3094	0.8536
16-Jul	13.2577	0.7550	10.3146	0.8552
17-Jul	13.2155	0.7550	10.2249	0.8536
18-Jul	13.3248	0.7639	10.2564	0.8598
19-Jul	13.2784	0.7651	10.2669	0.8589
20-Jul	13.4956	0.7675	10.3466	0.8569
Weekly Average (16 – 20 July)	13.3144	0.7613	10.2819	0.8569
<i>Appr(+)/Depr(-) (%) of the USD</i>	<i>-0.68</i>	<i>0.77</i>	<i>-0.27</i>	<i>0.39</i>

Source: Reuters, 2018

5. EQUITY MARKETS

The ZSE was largely bullish during the week ending 20th July 2018. The All Share Index rose by 10.27% to close the week at 117.29 points, from 106.37 points registered in the previous week.

The industrial index closed the week under analysis at 394.35 points, a 10.39% increase from 357.22 points registered during the previous week. This was attributed to gains in share prices of Meikles Limited (34.30%), Turnall Holdings Limited (20%), OK Zimbabwe Limited (17.37%), SeedCo Limited and Econet Wireless Zimbabwe Limited (16.39%).

The mining index also increased by 0.53%, to close the week under analysis at 164.28 points. The marginal increase in the resources index emanated from a 4.34% increase in the Bindura Nickel Corporation share price. Partially offsetting gains in the mining index was a 0.84% loss registered in RioZim Limited, during the same week. Falgold and Hwange Colliery Company did not register any trades.

Table 6: Zimbabwe Stock Exchange (ZSE) Statistics

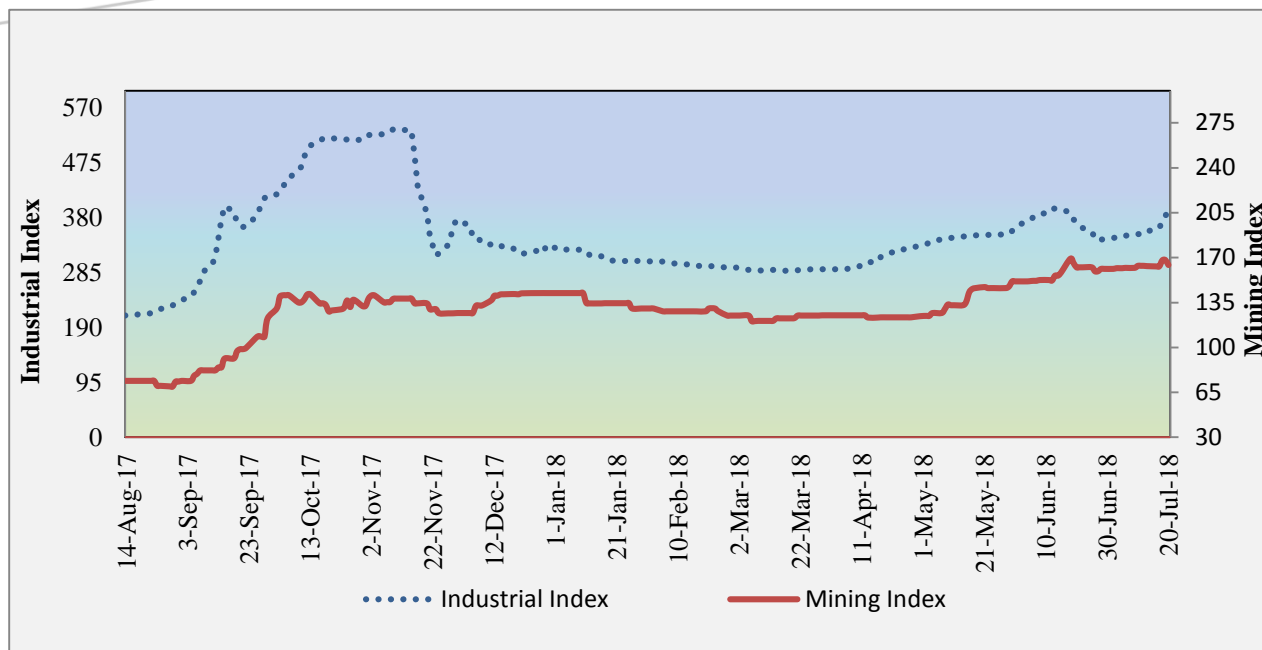
	All Share Index ² (points)	Top 10 index ³ (Points)	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
22-June-18	108.76	111.21	362.49	162.47	10,434,994,250	16,636,337	55,999,615
29-June-18	102.10	103.31	342.79	161.28	9,792,184,775	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
20-July-18	117.29	122.68	394.35	164.28	11,246,794,772	23,362,311	328,115,054
Weekly Change (%)	10.27	12.55	10.39	0.53	10.25	52.99	2120.43

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

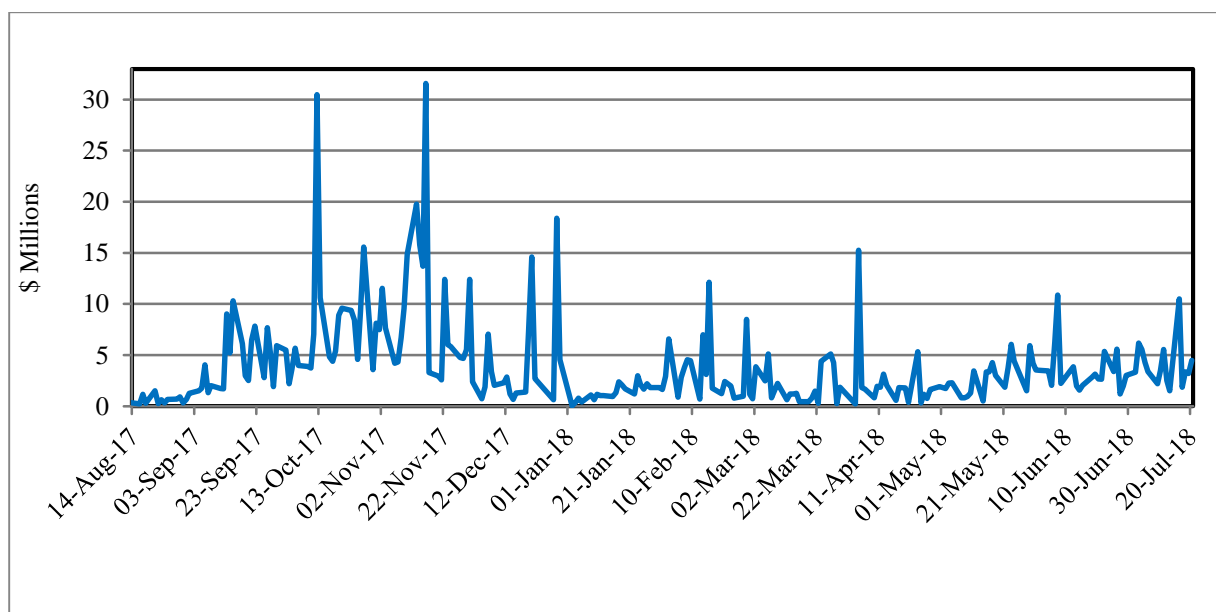


Source: Zimbabwe Stock exchange, 2018

Market Turnover and Volume

The volume of shares traded on the ZSE increased by 2 120.43%, to close the week at 328.11 million shares. This was, largely attributable to a block trade which saw 266.4 million GetBucks Financial Services Limited shares exchanging hands. In tandem, the ZSE market turnover value increased by 52.99% to US\$23.36 million, during the week under review.

Figure 4: Market turnover

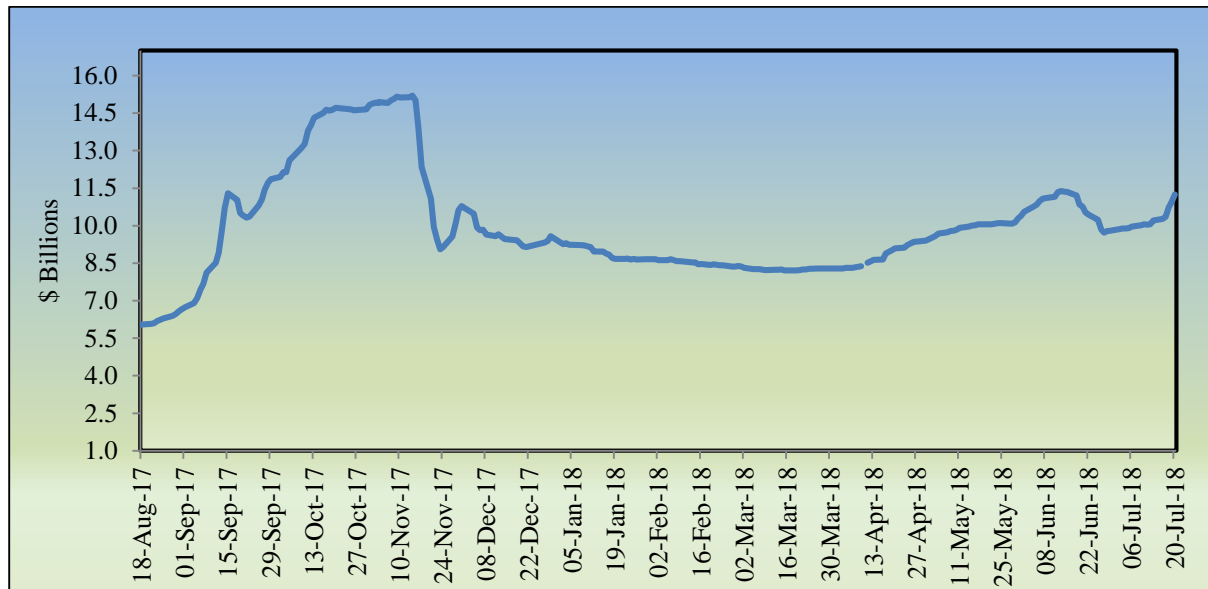


Source: Zimbabwe Stock Exchange, 2018

Market Capitalization

During the week ending 20th July 2018, the ZSE market capitalization gained by US\$1.05 billion or 10.25% to close at US\$11.25 billion. This was on account of gains in the industrial and mining indices.

Figure 5: Market Capitalization



Source: Zimbabwe Stock Exchange, 2018

Johannesburg Stock Exchange (JSE) Developments

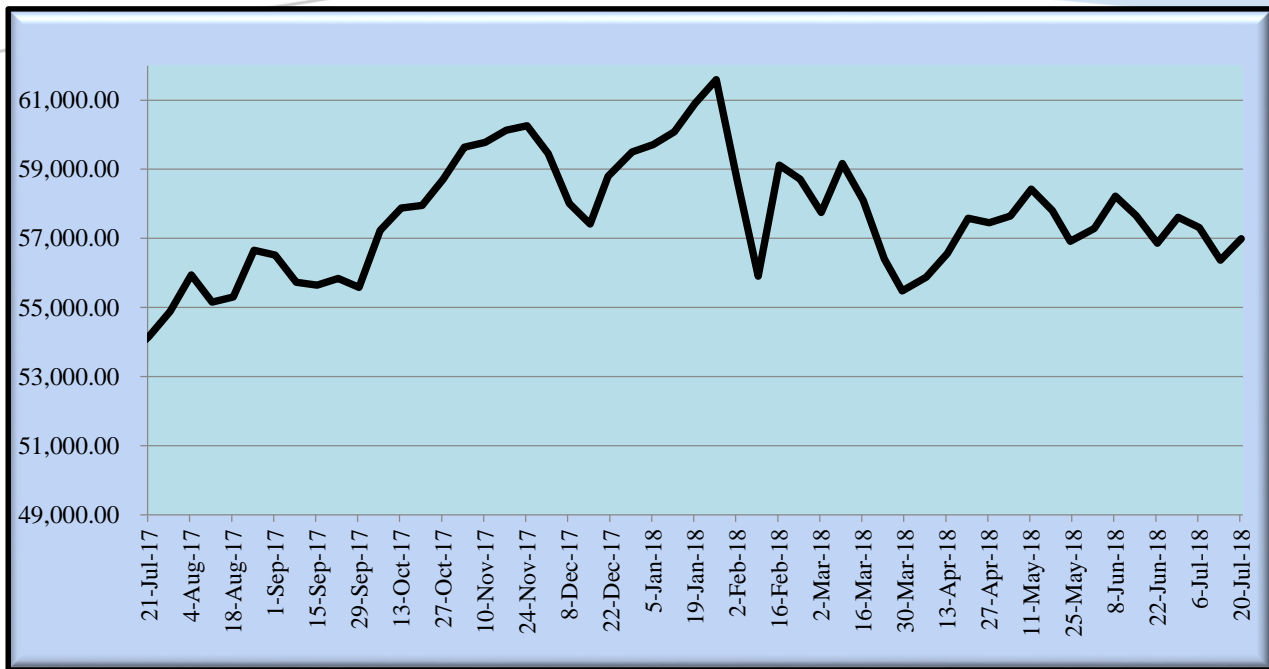
The JSE All Share closed the week ending 20th July 2018 at 56,990.20 points, a 1.1% increase from 56,364.14 points registered in the preceding. Market capitalisation also increased by 1.18% to R14.63 trillion, during the same week.

Table 7: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalization (ZAR trillion)
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
20-Jul-18	56,990.20	14.63
% Change	1.11	1.18

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

27TH JULY 2018