



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

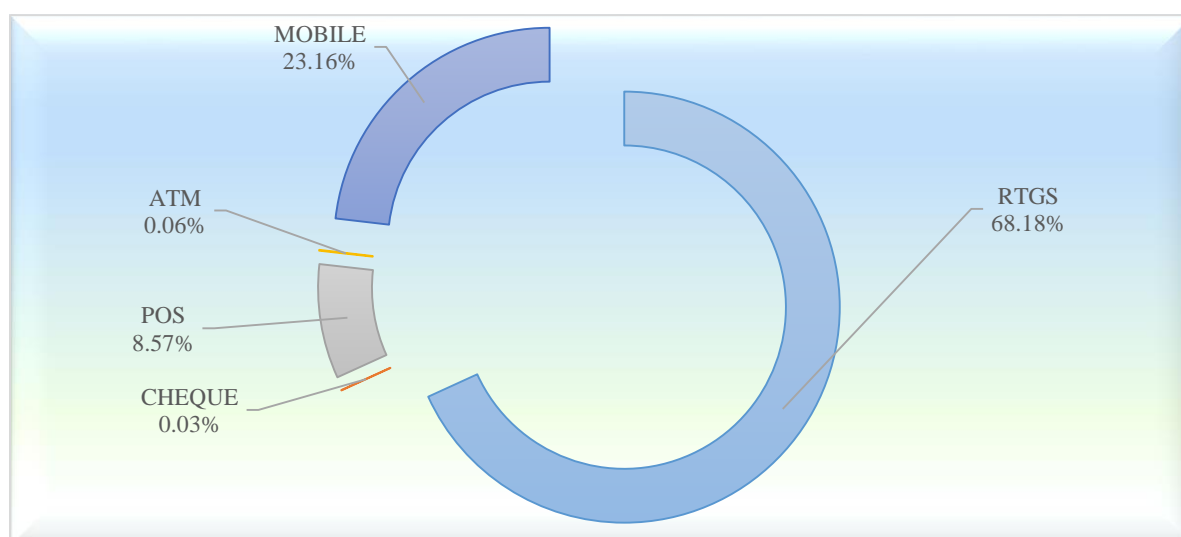
¹ Minimum weighted lending rates offered by commercial banks.

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.

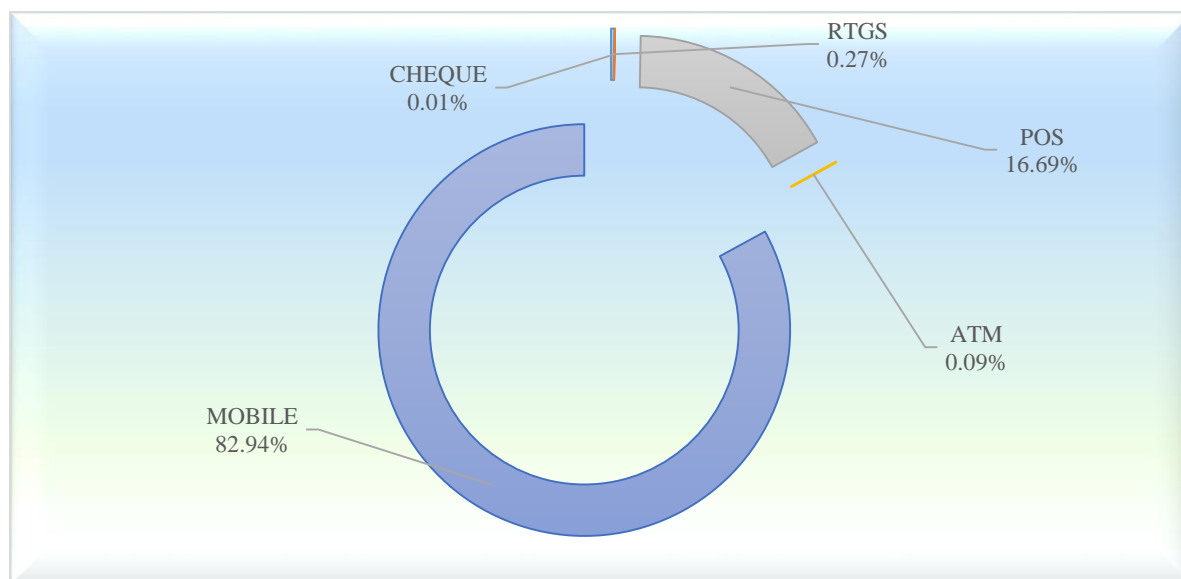
Figure 1: Composition of NPS Transactions in Value Terms



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

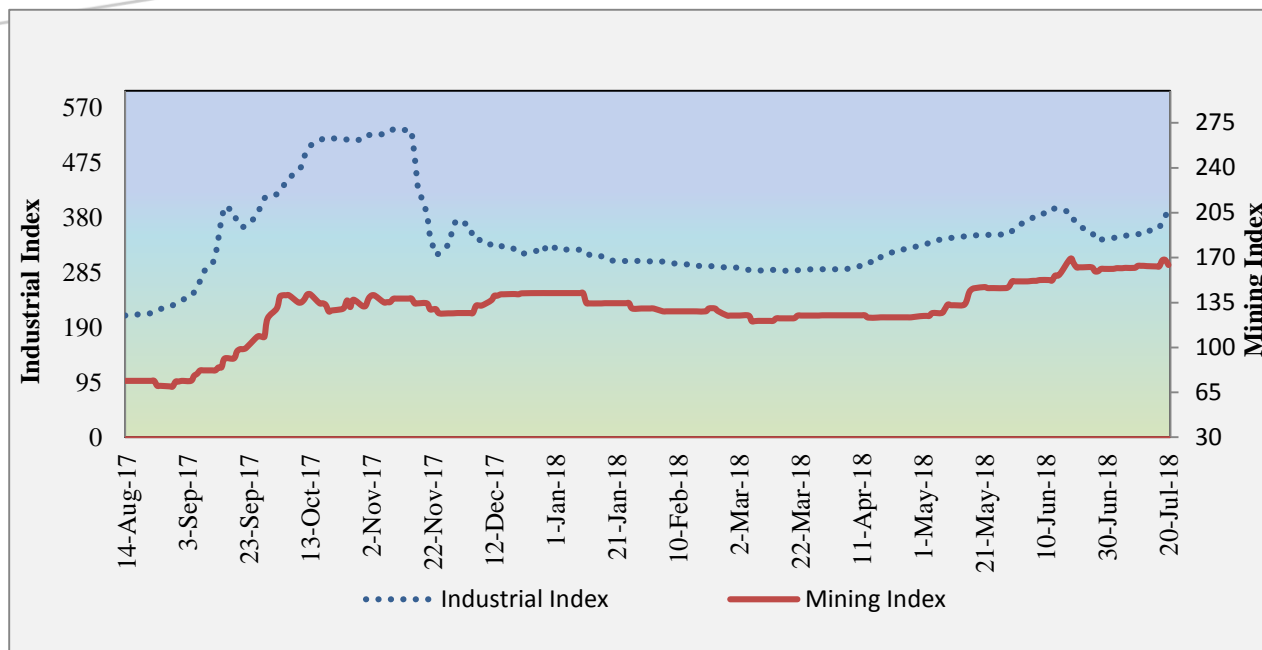
| | All Share Index ² (points) | Top 10 index ³ (Points) | Industrial Index (points) | Mining Index (points) | Grand Market Capitalization (US\$) | Market Turnover (US\$) | Volume of Shares |
|--------------------------|---------------------------------------|------------------------------------|---------------------------|-----------------------|------------------------------------|------------------------|------------------|
| 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

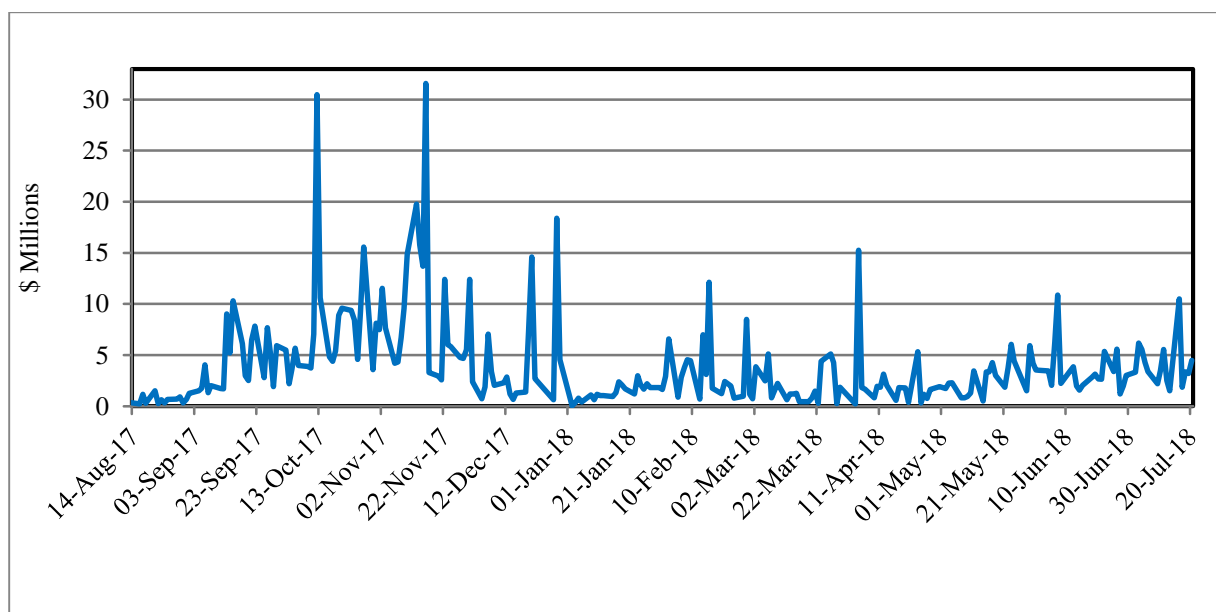


Source: Zimbabwe Stock exchange, 2018

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

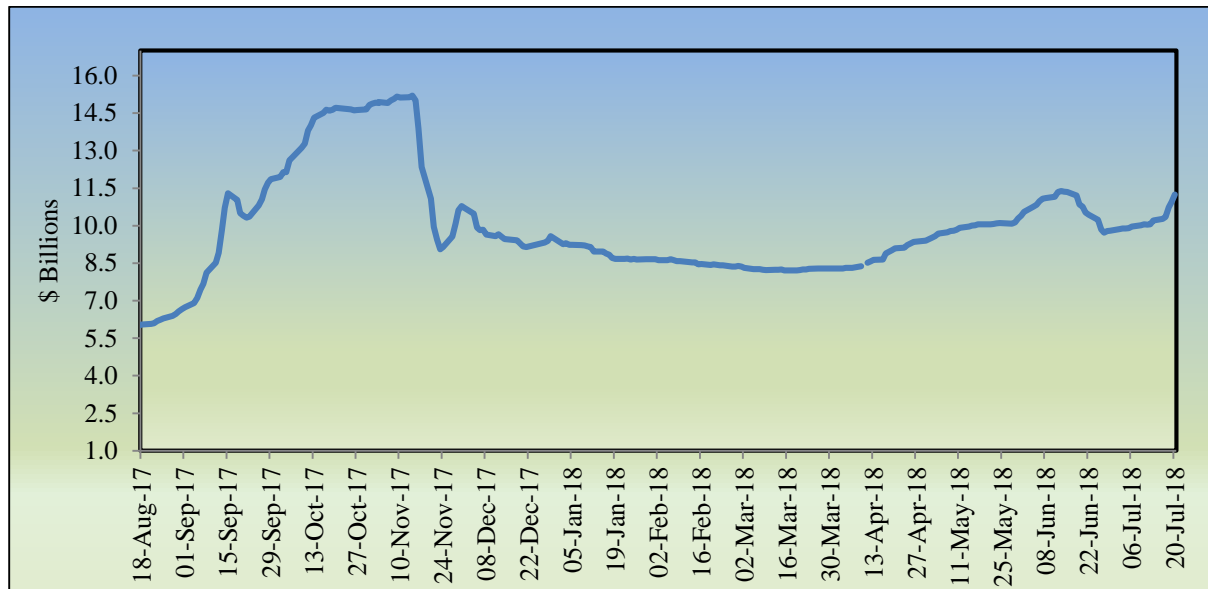


Source: Zimbabwe Stock Exchange, 2018

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

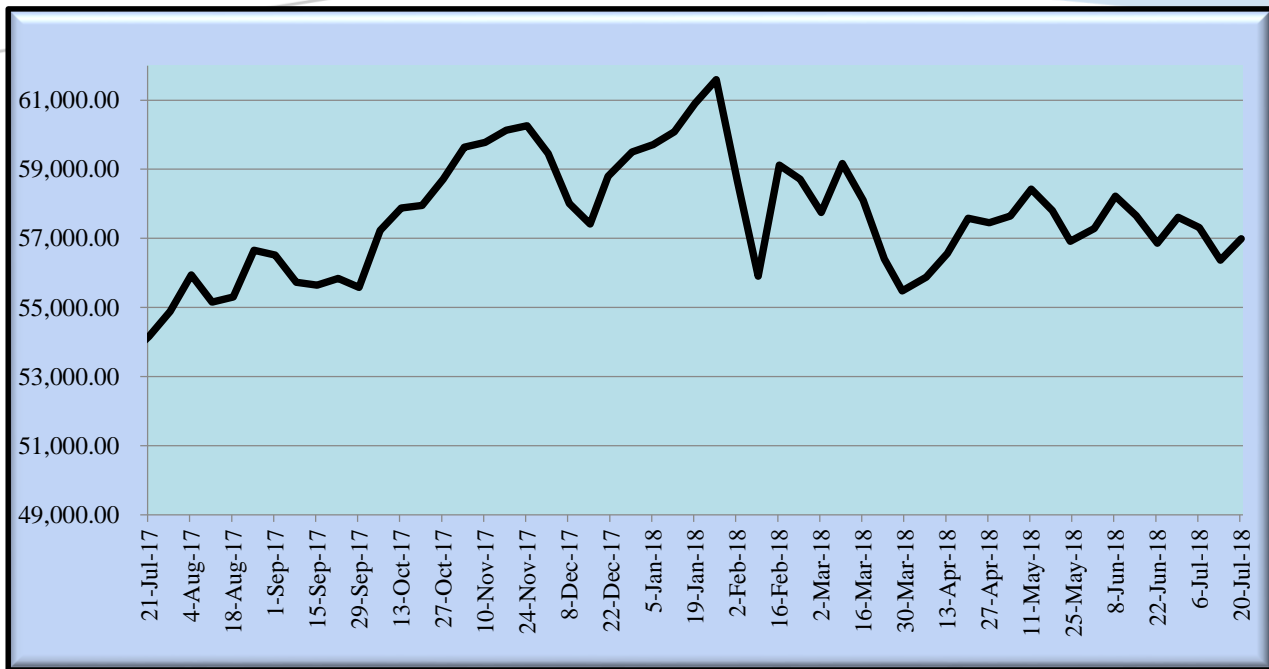
The JSE All Share closed the week ending 20th July 2018 at 56,990.20 points, a 1.1% increase from 56,364.14 points registered in the preceding. Market capitalisation also increased by 1.18% to R14.63 trillion, during the same week.

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