



# Weekly Economic Highlights

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Week Ending  
21<sup>st</sup> September 2018

## 1. INTEREST RATES

### Deposit Rates

Average deposit rates for savings deposits and deposits of 3-month tenor remained unchanged at 4.35% and 4.00%, respectively, during the week ending 21<sup>st</sup> September 2018. Deposit rates of 1-month tenor, however, closed the week higher at 3.60%, from 3.57% registered in the previous week.

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

Date	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
24-Aug-18	4.10	3.52	3.97
31-Aug-18	4.22	3.51	3.95
07-Sept-18	4.10	3.45	3.96
14-Sept-18	3.88	3.57	3.99
21-Sept-18	3.88	<b>3.60</b>	3.99

Source: Banking Institutions, 2018

### Lending Rates

Weighted lending rates for individual clients at commercial banks, closed the week under review at 9.54%, down from 9.43% in the previous week. Lending rates for corporate clients, however, remained unchanged from their previous week level of 7.24%.

**Table 2: Lending Rates**

Date	Lending Rates <sup>1</sup> (%)	
	Commercial Banks (weighted)	
	Individuals	Corporate clients
24-Aug-18	9.53	7.15
31-Aug-18	9.87	7.10
07-Sept-18	9.53	7.18
14-Sept-18	9.43	7.24
21-Sept-18	<b>9.54</b>	7.24

Source: Banking Institutions, 2018

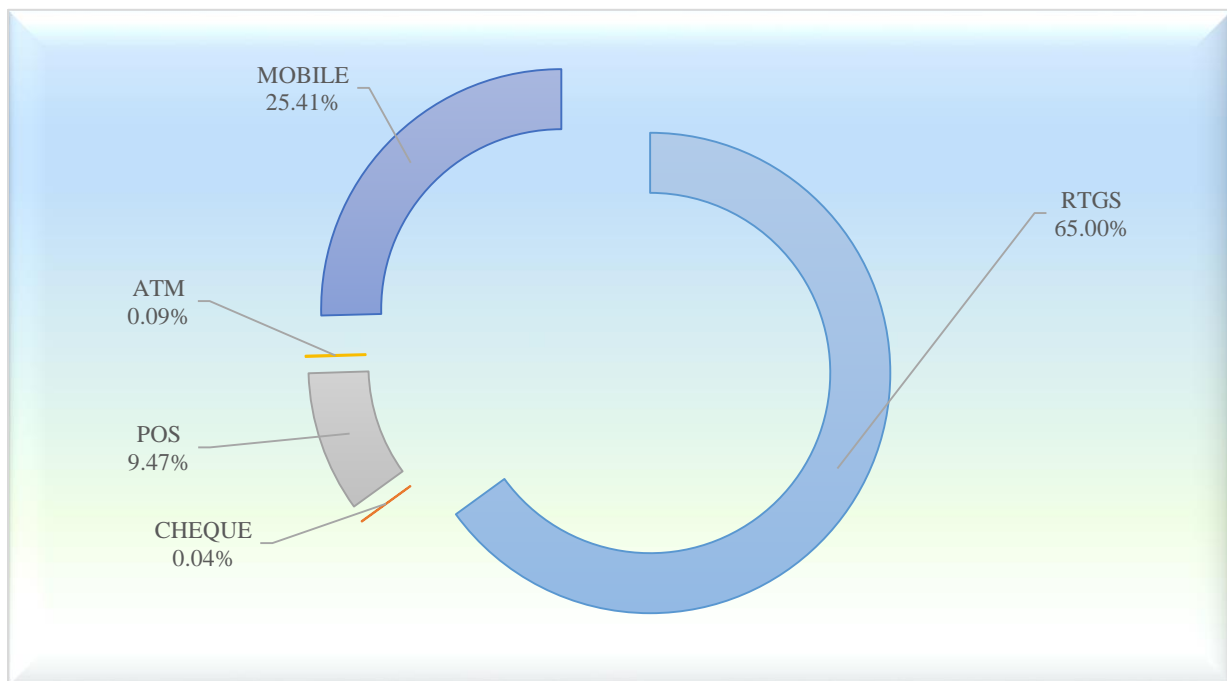
<sup>1</sup> Minimum weighted lending rates offered by commercial banks.

## 2. CLEARING AND SETTLEMENT ACTIVITY

The total value of transactions processed through the National Payment Systems (NPS) increased by 4.0%, to close the week under review at US\$2,796.74 million. Transactions processed through the Real Time Gross Settlement (RTGS) system increased by 8.4% to US\$1,817.94 million, during the same week.

RTGS payments accounted for 65.00% of the total value of transactions processed through the NPS. The proportions of other payment streams were as follows: Mobile, 25.41%; Point of Sale (POS), 9.47%; Automated Teller Machines (ATMs), 0.09%; and Cheque, 0.04%, as shown in Figure 1.

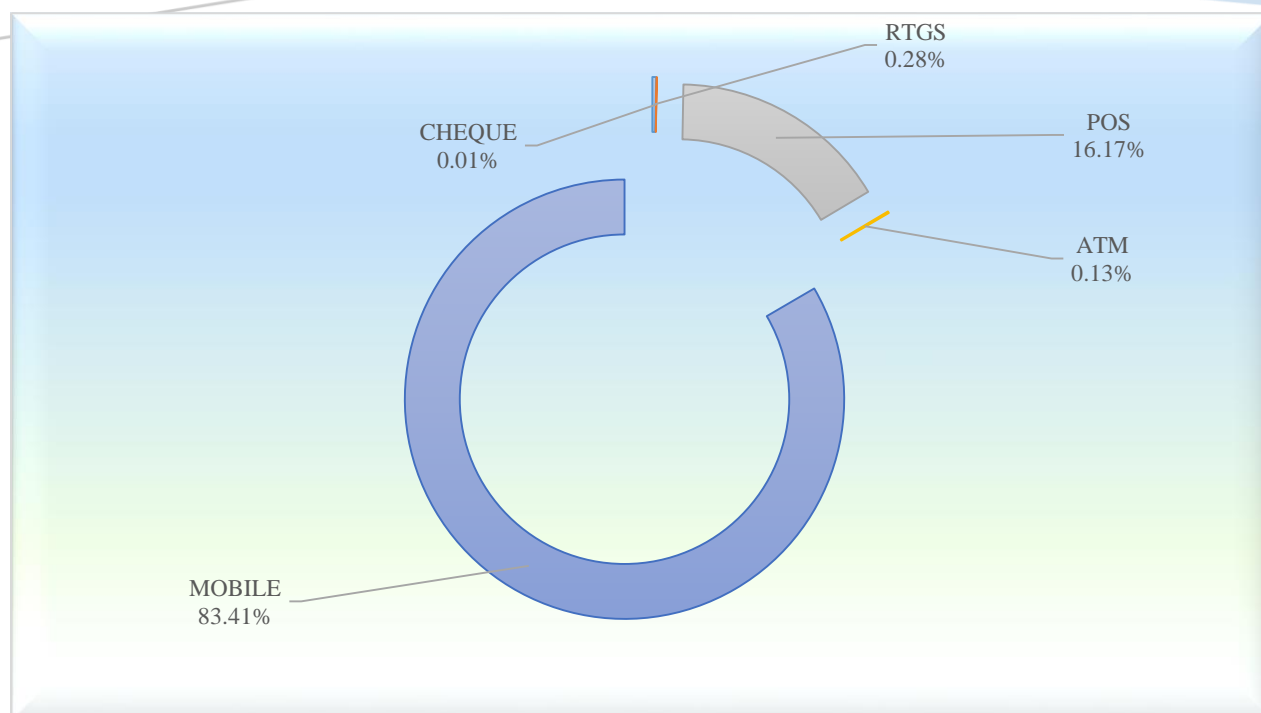
**Figure 1: Composition of NPS Transactions in Value Terms**



*Source: Reserve Bank of Zimbabwe, 2018*

NPS transaction volumes declined from 43.0 million transactions in the previous week, to 41.8 million transactions during the week under review. The Mobile platform dominated NPS transaction volumes, accounting for 83.41% of total transactions, followed by POS, 16.17%; RTGS, 0.28%; ATMs, 0.13% 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 14 <sup>th</sup> SEPTEMBER 2018	WEEK ENDING 21 <sup>st</sup> SEPTEMBER 2018	% CHANGE FROM LAST WEEK	PERCENTAGE OF TOTAL
<b>VALUES IN US\$ (millions)</b>				
RTGS	1,676.50	1,817.94	8.4%	65.00%
CHEQUE	1.21	1.05	-13.3%	0.04%
POS	295.22	264.75	-10.3%	9.47%
ATM	2.95	2.49	-15.7%	0.09%
MOBILE	712.58	710.52	-0.3%	25.41%
<b>TOTAL</b>	<b>2,688.46</b>	<b>2,796.74</b>	<b>4.0%</b>	<b>100%</b>
<b>VOLUMES</b>				
RTGS	123,613	115,293	-6.7%	0.28%
CHEQUE	5,752	5,065	-11.9%	0.01%
POS	7,173,791	6,751,537	-5.9%	16.17%
ATM	68,175	55,103	-19.2%	0.13%
MOBILE	35,614,370	34,830,839	-2.2%	83.41%
<b>TOTAL</b>	<b>42,985,701</b>	<b>41,757,837</b>	<b>-2.9%</b>	<b>100%</b>

Source: Reserve Bank of Zimbabwe, 2018

### 3. TOBACCO SALES

A cumulative total of 252.5 million kilograms of tobacco had been sold, as at 21<sup>st</sup> of September 2018 or day 118 of the 2018 tobacco selling season. This compares with the 188.6 million kilograms of tobacco sold during the corresponding period in 2017.

In value terms, the cumulative tobacco sales amounted to US\$737.19 million, up from US\$558.40 million realized during the corresponding period in 2017. The golden leaf was, however, sold at a lower average price of US\$2.92/kg, compared to the US\$2.96/kg realized during the same period in 2017.

**Table 4: Cumulative Tobacco Sales: Day 118 (14<sup>th</sup> September 2018)**

	2017	2018	Variance (%)
<b>Cumulative Quantity Sold (kg)</b>	188,557,772	252,498,017	33.91
<b>Cumulative Average Price (US\$/kg)</b>	2.96	2.92	-1.4
<b>Cumulative Value (US\$ million)</b>	558,403,054	737,193,531	32.02

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

## 4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

During the week ending 21<sup>st</sup> September 2018, the international commodity prices of platinum, copper, crude oil, gold and nickel closed higher than previous week levels, as shown in Table 5.

**Table 5: International Commodity Prices**

	Gold	Platinum	Copper	Nickel	Crude Oil
<b>2018</b>	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
<b>Weekly Average (10- 14 Sept)</b>	<b>1,199.43</b>	<b>795.45</b>	<b>5,937.00</b>	<b>12,437.00</b>	<b>78.50</b>
17-Sep	1,199.35	798.00	5,896.00	12,420.00	77.61
18-Sep	1,199.80	807.50	5,924.00	12,285.00	79.11
19-Sep	1,203.15	818.50	6,122.00	12,430.00	79.65
20-Sep	1,208.35	824.00	6,112.00	12,515.00	78.78
21-Sep	1,203.15	833.50	6,142.00	12,695.00	80.06
<b>Weekly Average (17- 21 Sept)</b>	<b>1,202.76</b>	<b>816.30</b>	<b>6,039.20</b>	<b>12,469.00</b>	<b>79.04</b>
<i>Weekly Change (%)</i>	<i>0.3</i>	<i>2.6</i>	<i>1.7</i>	<i>0.3</i>	<i>0.7</i>

Source: BBC, KITCO and Bloomberg

### Gold

Gold prices firmed by 0.3% to US\$1,202.76/oz. during the week under review, from a weekly average of US\$1,199.43/oz. in the previous week. The price of the yellow metal was supported by safe haven demand, as the U.S dollar weakened, amidst a full-blown trade war between the U.S.A and China.

### Platinum

Platinum prices gained by 2.6% to close the week under analysis at US\$816.30/oz., driven by plans of producers to restrain supply through layoffs and mine closures. In response, the Association of Mine Workers and Construction Union of South Africa threatened industrial action. This development brought about uncertainty in the supply of the metal.

### Copper

Copper prices registered a 1.7% increase, from US\$5,937.00/ton in the previous week, to US\$6,039.20/ton during the week under analysis. Prices were supported by an increase in demand for the base metal from South Korea.

## Nickel

Nickel prices closed the week under review at US\$12,469.00/ton, up from a weekly average of US\$12,437.00/ton in the previous week. This followed the closure of nickel mines, due to deadly landslides in the Philippines, one of the largest producers of the metal.

## Crude Oil

Crude oil prices firmed by 0.7%, to close the week under review at an average of US\$79.04/barrel. This was underpinned by speculation, indicating that OPEC would not be prepared to raise output to address shrinking supplies from Iran. A decline in US crude stockpile also supported the prices.

## EXCHANGE RATES

The US dollar depreciated against the rand, pula, pound Sterling, and euro, during the week ending 21<sup>st</sup> September 2018. This was on the back of a shift by investors, to less risky assets.

**Table 6: International Exchange Rates per US\$**

	ZAR	GBP	BWP	EURO
<b>Weekly Average (10 - 14 September)</b>	<b>15.0429</b>	<b>0.7678</b>	<b>10.8876</b>	<b>0.8614</b>
17-Sep	14.9508	0.7643	10.8284	0.8595
18-Sep	14.9385	0.7604	10.8460	0.8555
19-Sep	14.8497	0.7602	10.8108	0.8558
20-Sep	14.6600	0.7605	10.7411	0.8561
21-Sep	14.3003	0.7539	10.5820	0.8486
<b>Weekly Average (17 - 21 September)</b>	<b>14.7399</b>	<b>0.7598</b>	<b>10.7617</b>	<b>0.8551</b>
<i>Appr(+)/Depr(-) (%) of the USD</i>	<i>-2.01</i>	<i>-1.04</i>	<i>-1.16</i>	<i>-0.73</i>

Source: Reuters, 2018

## 5. EQUITY MARKETS

During the week ending 21<sup>st</sup> September 2018, the Zimbabwe Stock Exchange (ZSE) was bearish. Concomitantly, the All Share Index declined by 3.07%, from 115.91 points in the previous week, to 112.35 points, during the week under analysis.

The industrial index decreased by 3.11% to close the week under review at 377.58 points. This was underpinned by share price losses at Star Africa Corporation (28.09%); Delta Corporation Limited (11.11%); TSL Limited (10.56%); African Sun Limited (7.95%) and Zimre Property Investments (ZPI) (6.43%).

The resources index stood at 163.44 points, during the week under analysis, up from 163.38 in the previous week. This was on the back of a 1.52% gain in the Hwange Colliery Company share price. Bindura Nickel Corporation, Falgold and RioZim counters traded at the previous week price.

**Table 7: Zimbabwe Stock Exchange 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
24-August-18	114.18	117.70	384.08	158.20	12,148,679,810	7,312,801	31,800,864
31-August-18	117.33	121.69	394.64	161.34	12,475,445,852	16,933,213	26,753,658
07-September-18	120.50	124.87	405.31	163.37	12,737,425,803	23,337,621	82,761,555
14-September-18	115.91	118.71	389.68	163.38	12,268,928,064	11,193,572	46,819,514
21-September-18	112.35	113.77	377.58	163.44	11,951,472,881	19,768,934	78,454,959
<b>Weekly Change (%)</b>	<b>-3.07</b>	<b>-4.16</b>	<b>-3.11</b>	<b>0.04</b>	<b>-2.59</b>	<b>76.61</b>	<b>67.57</b>

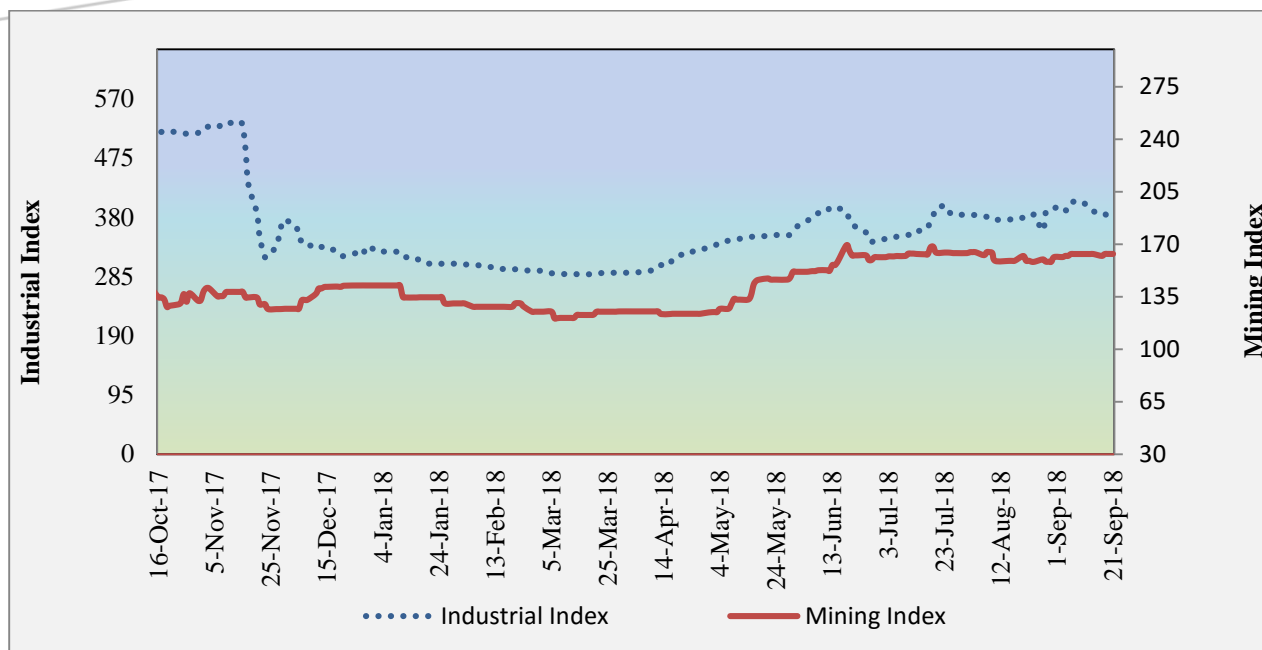
Source: Zimbabwe Stock Exchange (ZSE), 2018

<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**

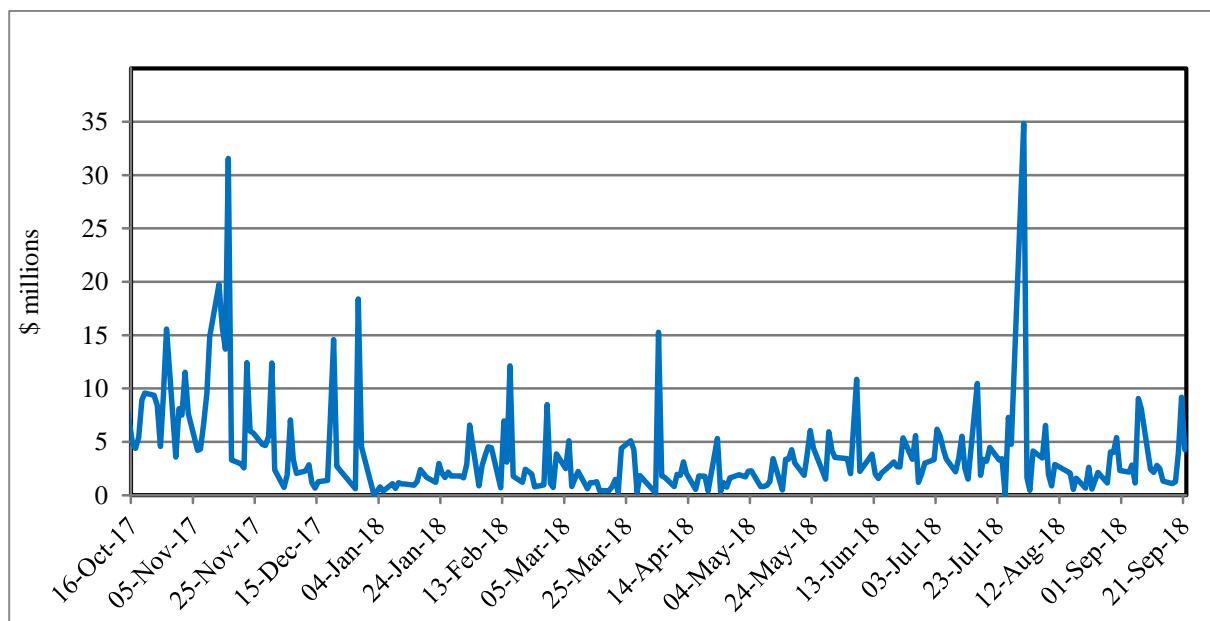


Source: Zimbabwe Stock Exchange, 2018

**Market Turnover and Volume**

During the week under review, the volume of shares traded on the ZSE increased by 67.57%, to close the week at 78.45 million shares. Similarly, ZSE Market turnover increased by 76.61%, from US\$11.19 million recorded the previous week to US\$19.77 million, during the week under review.

**Figure 4: Market Turnover**

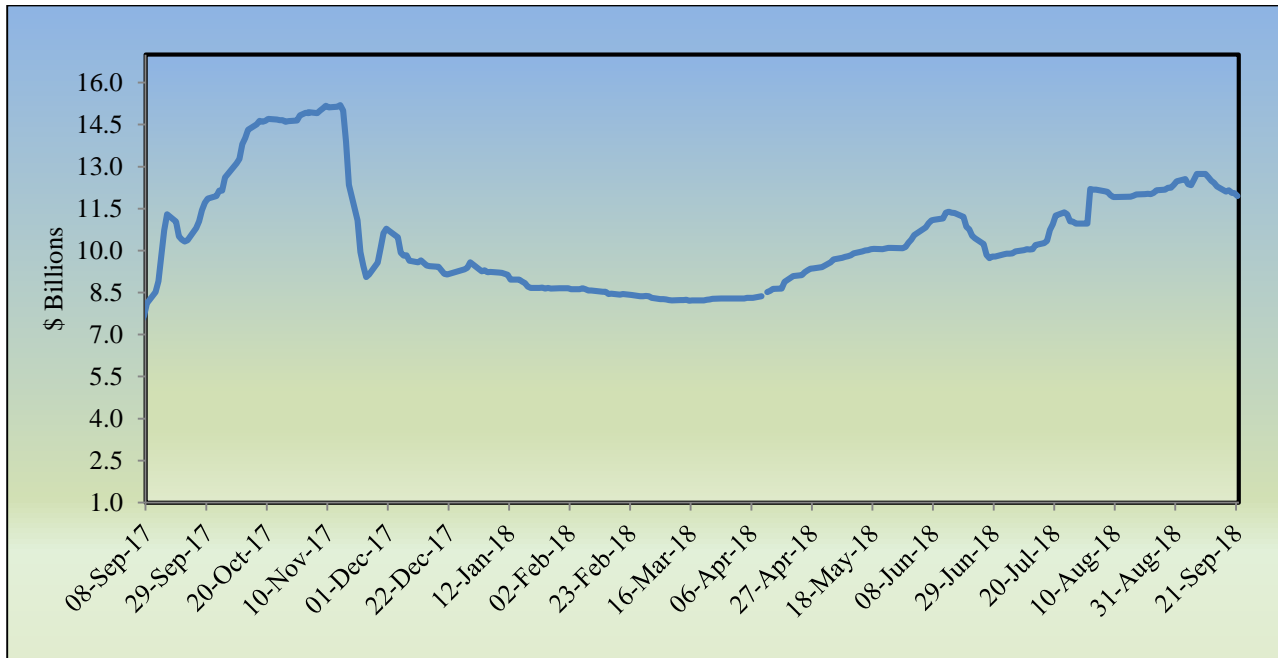


Source: Zimbabwe Stock Exchange, 2018

## Market Capitalization

ZSE market capitalization stood at US\$11.95 billion, a decline of 2.59% from the US\$12.69 billion recorded in the previous week.

**Figure 5: Market Capitalization**



Source: Zimbabwe Stock Exchange, 2018

## Johannesburg Stock Exchange (JSE) Developments

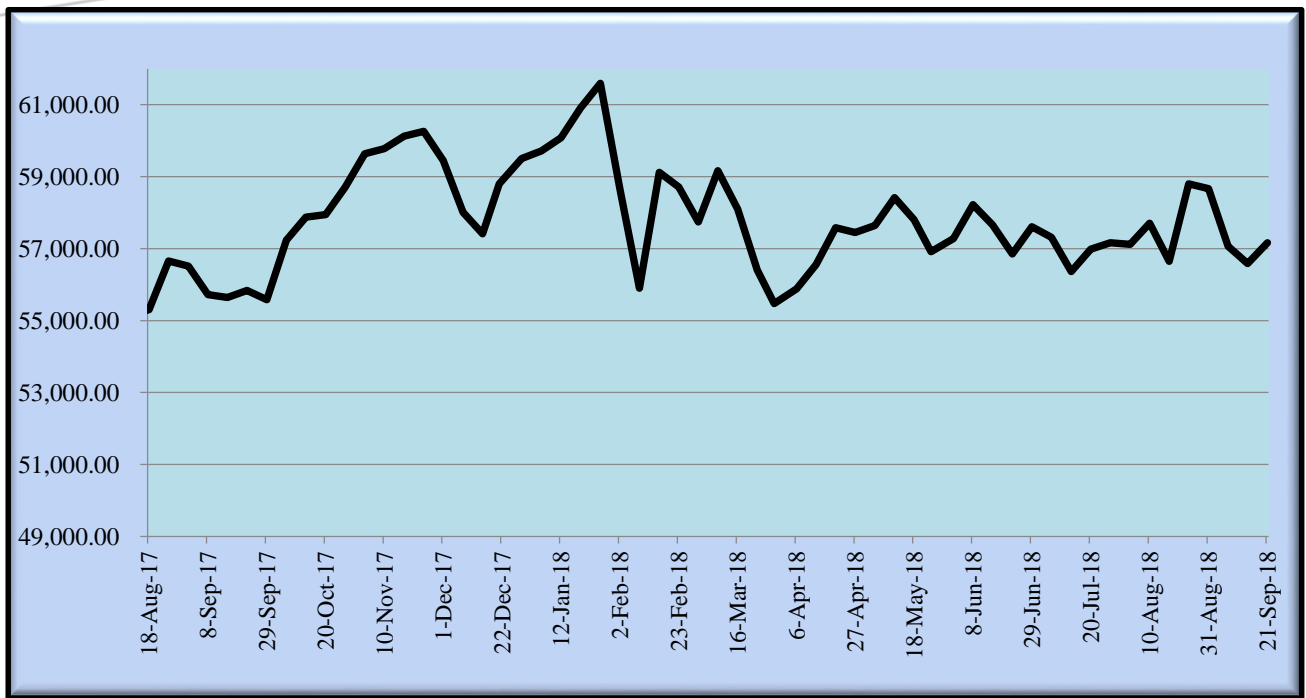
The JSE All Share Index registered a 1.03% decline, from 56 581.88 points in the previous week to 57 164.25 points, during the week ending 21<sup>st</sup> September 2018. JSE market capitalization, however, increased from R14.56 trillion in the previous week to R14.63 trillion, during the week under review.

**Table 8: Johannesburg Stock Exchange (JSE) Statistics**

Period	All Share Index (points)	Market Capitalization (ZAR trillion)
<b>24-Aug-18</b>	58,797.68	14.98
<b>31-Aug-18</b>	58,668.48	14.94
<b>07-Sep-18</b>	57,068.45	14.68
<b>14-Sep-18</b>	56,581.88	14.56
<b>21-Sep-18</b>	57,164.25	14.63
<b>% Change</b>	<b>1.03</b>	<b>0.48</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**

**28<sup>th</sup> SEPTEMBER 2018**