



# Weekly Economic Highlights

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Week Ending  
24<sup>th</sup> August 2018

## 1. INTEREST RATES

### Deposit Rates

Average deposit rates for savings deposits remained unchanged at 4.10%, during the week ending 24<sup>th</sup> August 2018. Deposit rates for deposits of 1 month and 3 month tenor were 0.02 and 0.01 percentage points lower than the previous week levels, to close at averages of 3.52% and 3.97%, respectively.

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

Date	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
27-Jul-18	4.35	3.53	4.00
03-Aug-18	4.35	3.53	4.00
10-Aug-18	4.16	3.48	3.98
17-Aug-18	4.10	3.54	3.98
24-Aug-18	4.10	<b>3.52</b>	<b>3.97</b>

Source: Banking Institutions, 2018

### Lending Rates

During the week under review, commercial bank weighted lending rates for individual and corporate clients declined by 0.01 percentage points each to 9.53% and 7.15%, respectively, as shown in Table 2.

**Table 2: Lending Rates**

Date	Lending Rates <sup>1</sup> (%)	
	Commercial Banks (weighted)	
	Individuals	Corporate clients
27-Jul-18	9.75	6.97
03-Aug-18	9.91	7.09
10-Aug-18	9.87	7.10
17-Aug-18	9.54	7.16
24-Aug-18	<b>9.53</b>	<b>7.15</b>

Source: Banking Institutions, 2018

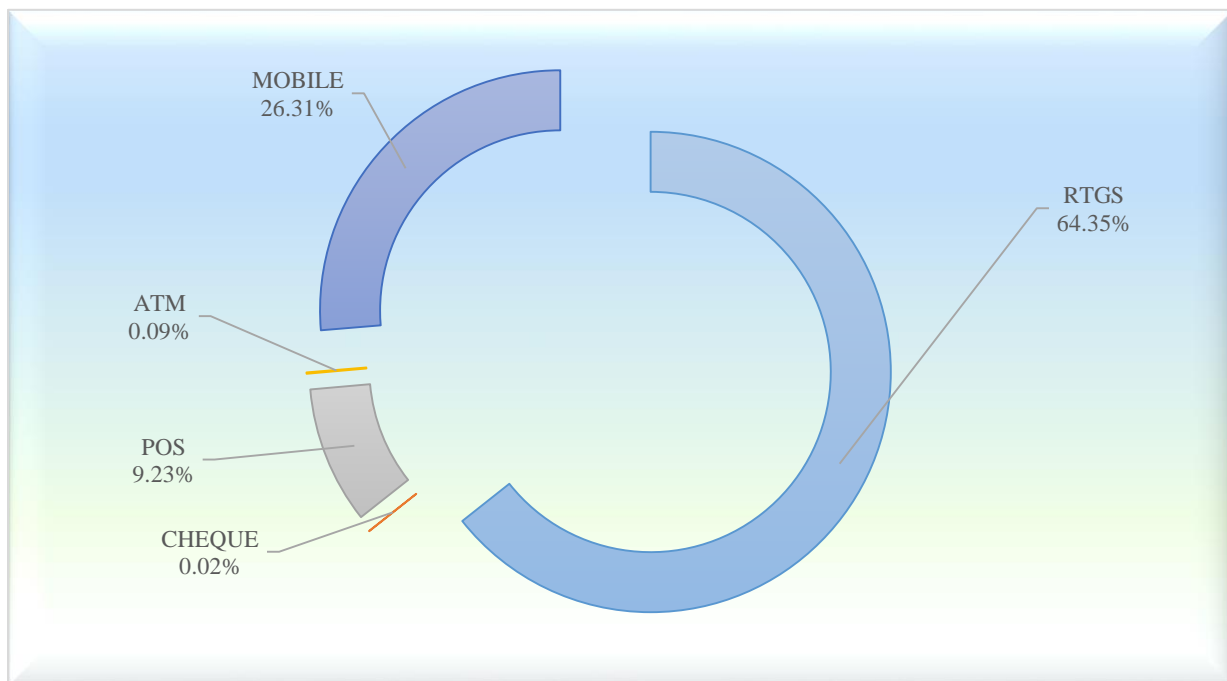
<sup>1</sup> Minimum weighted lending rates offered by commercial banks.

## 2. CLEARING AND SETTLEMENT ACTIVITY

The week ending 24<sup>th</sup> August 2018 saw the total value of transactions processed through the National Payments System (NPS) increase to US\$2.71 billion, from US\$2.12 billion recorded in the previous week. Transactions processed through the Real Time Gross Settlement (RTGS) system recorded a 40.5% increase, to close the week under review at US\$1.74 billion.

In terms of proportions, RTGS payments accounted for 64.35% of transactions processed through the NPS; Mobile, 26.31%; Point of Sale (POS), 9.23%; Automated Teller Machines (ATMs), 0.09%; and Cheque, 0.02% transactions, as shown in Figure 1.

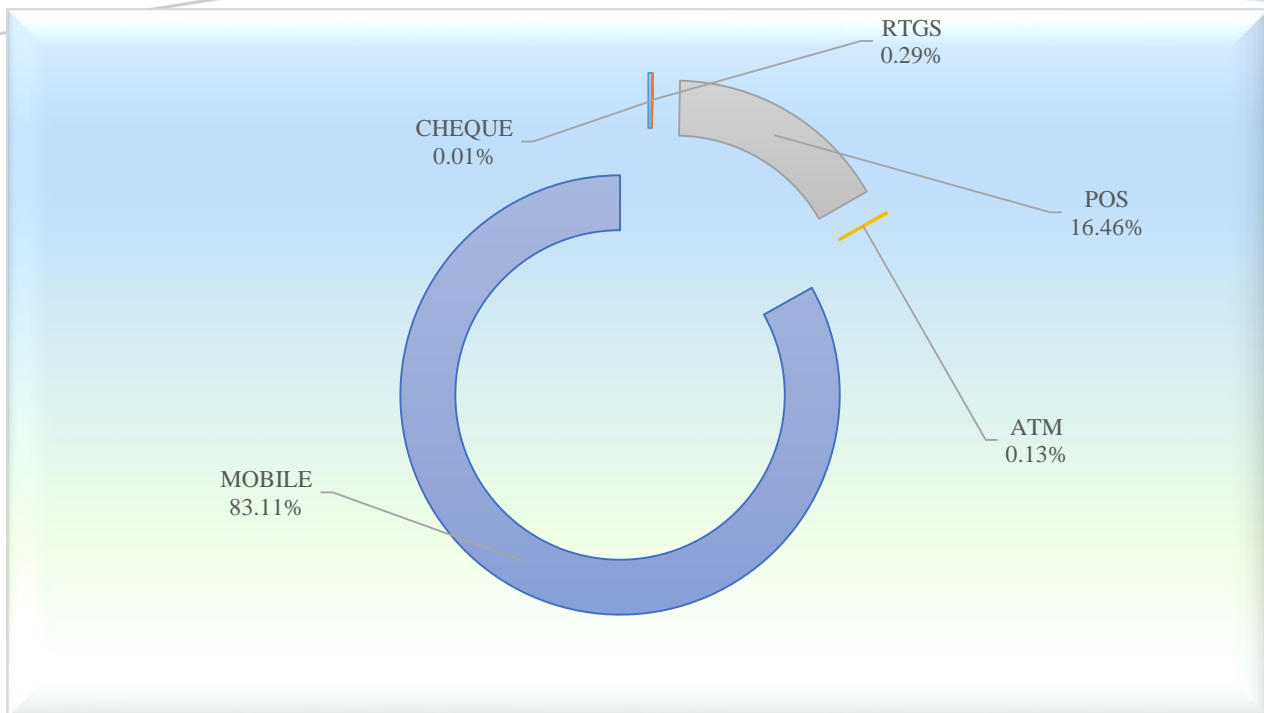
**Figure 1: Composition of NPS Transactions in Value Terms**



*Source: Reserve Bank of Zimbabwe, 2018*

Transaction volumes processed through the NPS stood at 42.65 million during the week under review, up from 41.76 million transactions recorded in the previous week. The transaction volumes were distributed as follows: Mobile, 83.11%; POS, 16.46%; ATM, 0.13%; RTGS, 0.29%; 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 17 <sup>th</sup> AUGUST 2018	WEEK ENDING 24 <sup>th</sup> AUGUST 2018	% CHANGE FROM LAST WEEK	PROPORTION
<b>VALUES IN US\$ millions</b>				
<b>RTGS</b>	1,239.91	1,741.76	40.5%	64.34%
<b>CHEQUE</b>	0.52	0.65	25.5%	0.02%
<b>POS</b>	257.31	249.93	-2.9%	9.23%
<b>ATM</b>	2.69	2.55	-5.4%	0.09%
<b>MOBILE</b>	623.48	712.39	14.3%	26.31%
<b>TOTAL</b>	<b>2,123.91</b>	<b>2,707.29</b>	<b>27.5%</b>	<b>100%</b>
<b>VOLUMES</b>				
<b>RTGS</b>	73,133	122,364	67.3%	0.29%
<b>CHEQUE</b>	2,637	3,539	34.2%	0.01%
<b>POS</b>	7,344,808	7,019,512	-4.4%	16.46%
<b>ATM</b>	60,559	54,956	-9.3%	0.13%
<b>MOBILE</b>	34,277,661	35,453,731	3.4%	83.12%
<b>TOTAL</b>	<b>41,758,798</b>	<b>42,654,102</b>	<b>2.1%</b>	<b>100%</b>

Source: Reserve Bank of Zimbabwe, 2018

### 3. TOBACCO SALES

A cumulative total of 250,643,292 kilograms of tobacco had been sold as at 24<sup>th</sup> August 2018 or day 105 of the 2018 tobacco selling season. This represented an increase of 34.4%, compared to 186,475,068 kilograms sold during the same period in 2017.

In value terms, the cumulative tobacco sales stood at US\$732.60 million as at 24<sup>th</sup> of August 2018, up from US\$553.31 million realized during the corresponding period in 2017. The golden leaf was sold at an average price of US\$2.92/kg, or 1.5% lower than the US\$2.97/kg realized during the same period in 2017.

**Table 4: Cumulative Tobacco Sales: Day 105 (24<sup>th</sup> August 2018)**

	2017	2018	Variance (%)
<b>Cumulative Quantity Sold (kg)</b>	186,475,068	250,643,292	34.41
<b>Cumulative Average Price (US\$/kg)</b>	2.97	2.92	-1.5
<b>Cumulative Value (US\$ million)</b>	553,309,792	732,598,610	32.40

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

## 4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international commodity prices of crude oil, nickel and gold increased, during the week ending 24<sup>th</sup> August 2018. Copper and platinum prices, however, retreated from previous week levels, as shown in Table 5.

**Table 5: International Commodity Prices**

	<b>Gold</b>	<b>Platinum</b>	<b>Copper</b>	<b>Nickel</b>	<b>Crude Oil</b>
2018	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
<b>Weekly Average (13- 17 Aug)</b>	<b>1,188.06</b>	<b>792.80</b>	<b>6,014.70</b>	<b>13,441.00</b>	<b>71.87</b>
20-Aug	1,186.55	793.50	5,967.50	13,950.00	72.30
21-Aug	1,192.53	797.50	6,010.50	13,675.00	72.89
22-Aug	1,196.75	794.00	6,027.00	13,670.00	74.57
23-Aug	1,189.83	781.25	5,950.00	13,415.00	75.19
24-Aug	1,193.83	785.00	6,000.00	13,300.00	75.74
<b>Weekly Average (20- 24 Aug)</b>	<b>1,191.90</b>	<b>790.25</b>	<b>5,991.00</b>	<b>13,602.00</b>	<b>74.14</b>
<i>Weekly Change (%)</i>	<i>0.3</i>	<i>(0.3)</i>	<i>(0.4)</i>	<i>1.2</i>	<i>3.1</i>

Source: BBC, KITCO and Bloomberg

### Gold

Gold prices firmed by 0.3%, from a weekly average of US\$1,188.06 /oz.in the previous week to US\$1,191.90/oz., during the week under analysis. The increase was largely on account of a weaker US dollar, despite expectations that the Federal Reserve would raise interest rates.

### Platinum

Platinum prices declined by 0.3%, to close the week ending 24<sup>th</sup> August 2018 at an average of US\$790.25/oz. This was due to the persistent over- supply of the precious metal from top producers in South Africa. In addition, the preference for electric vehicles in Europe has reduced the demand for platinum derived car components.

### Copper

The price of copper declined from US\$6,014.70/ton in the previous week to US\$5,991.00/ton, during the week under review. Prices were weighed down by the on-going trade dispute between the US and China.

## Nickel

Nickel prices firmed by 1.2% to US\$13,602.00/ton, during the week under review, up from US\$13,441.00/ton in the previous week. The increase was largely supported by a rise in the demand for the metal, a key input in batteries used for electric motor vehicles.

## Crude Oil

Crude oil prices increased by 3.1%, from a weekly average of US\$71.87/barrel in the previous week to US\$74.14/barrel, during the week under review. This was due to a larger than expected decrease in US crude inventories. In addition, the expectation that US sanctions would target Iran's oil industry brought fears of reduced supplies in the short to medium term.

## EXCHANGE RATES

During the week ending 24<sup>th</sup> August 2018, the greenback depreciated against the euro, pound Sterling, pula and rand.

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

	<b>ZAR</b>	<b>GBP</b>	<b>BWP</b>	<b>EURO</b>
<b>Weekly Average (15 - 17 August)</b>	<b>14.4544</b>	<b>0.7862</b>	<b>10.7800</b>	<b>0.8798</b>
20-Aug	14.6610	0.7847	10.8225	0.8752
21-Aug	14.4279	0.7789	10.8050	0.8674
22-Aug	14.3613	0.7745	10.6781	0.8639
23-Aug	14.3838	0.7769	10.6045	0.8655
24-Aug	14.3528	0.7798	10.6724	0.8643
<b>Weekly Average (20 - 24 August)</b>	<b>14.4373</b>	<b>0.7790</b>	<b>10.7165</b>	<b>0.8672</b>
<i>Appr(+)/Depr(-) (%) of the USD</i>	<i>-0.12</i>	<i>-0.93</i>	<i>-0.59</i>	<i>-1.42</i>

Source: Reuters, 2018

## 5. EQUITY MARKETS

During the week ending 24<sup>th</sup> August 2018, the Zimbabwe Stock Exchange (ZSE) was on a positive trajectory, with its All Share Index registering an increase of 1.25%, to close the week at 114.18 points.

Similarly, the industrial index registered an increase of 1.27%, to close the week under analysis at 384.08 points. The increase in the mainstream index was a result of share price gains for Masimba Holdings (38.19%); Powerspeed Electrical (20%); CBZ Holdings Limited (18.18%); Zimplow Holdings Limited (10.14%); and Delta Corporation (4.85%).

The mining index, however, decreased from 158.90 points in the previous week to 158.20 points, during the week under review. This was due to a 0.65% loss share price loss for RioZim. Bindura Nickel Corporation, Falgold and Hwange Colliery Company traded at the previous week price level, albeit on thin volumes.

**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
27-July-18	114.31	118.87	384.22	163.99	10,968,751,606	18,771,243	219,112,782
3-August-18	114.19	118.43	383.77	164.62	12,180,249,154	41,093,123	31,809,685
10-August-18	111.78	115.08	375.88	158.80	11,918,749,460	15,761,422	88,755,838
17-August-18	112.77	115.89	379.26	158.90	12,009,715,049	4,232,495	32,322,587
24-August-18	114.18	117.70	384.08	158.20	12,148,679,810	7,312,801	31,800,864
<b>Weekly Change (%)</b>	<b>1.25</b>	<b>1.56</b>	<b>1.27</b>	<b>-0.44</b>	<b>1.16</b>	<b>72.78</b>	<b>-1.61</b>

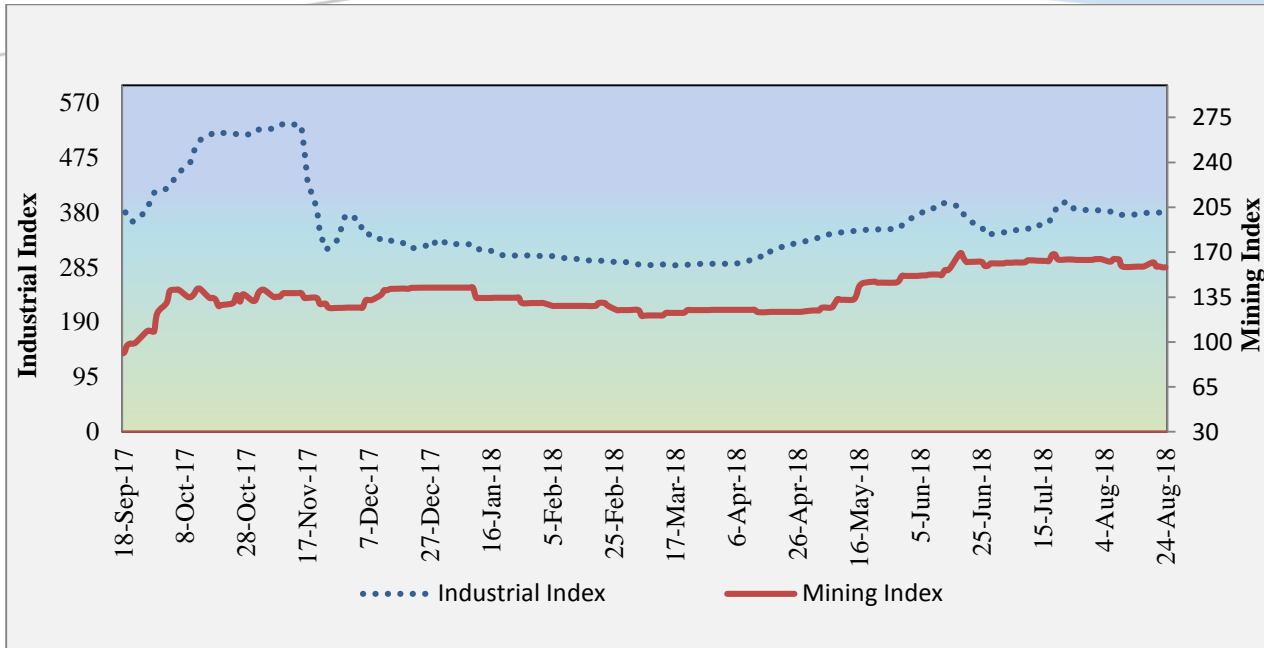
Source: Zimbabwe Stock Exchange (ZSE), 2018

<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**

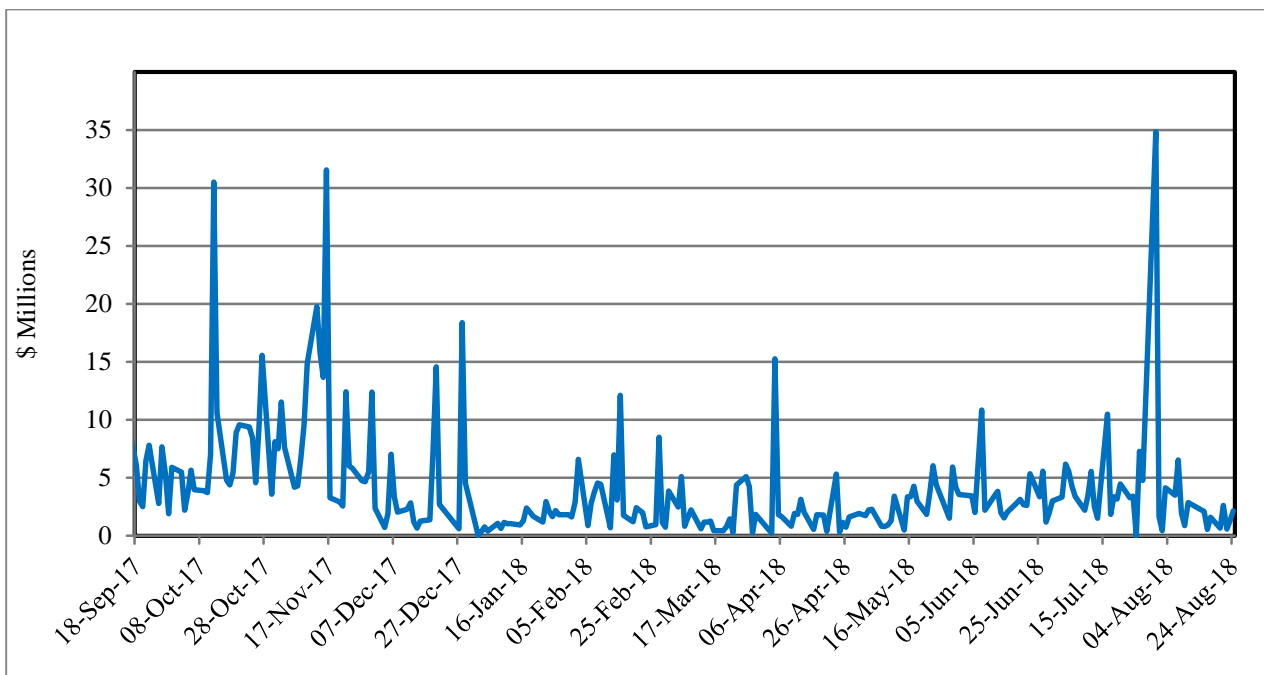


Source: Zimbabwe Stock Exchange, 2018

### Market Turnover and Volume

The volume of shares traded on the ZSE decreased by 1.61%, to close the week under review at 31.80 million shares. ZSE market turnover value, however, increased by 72.78% to US\$7.31 million, during the week under review.

**Figure 4: Market turnover**

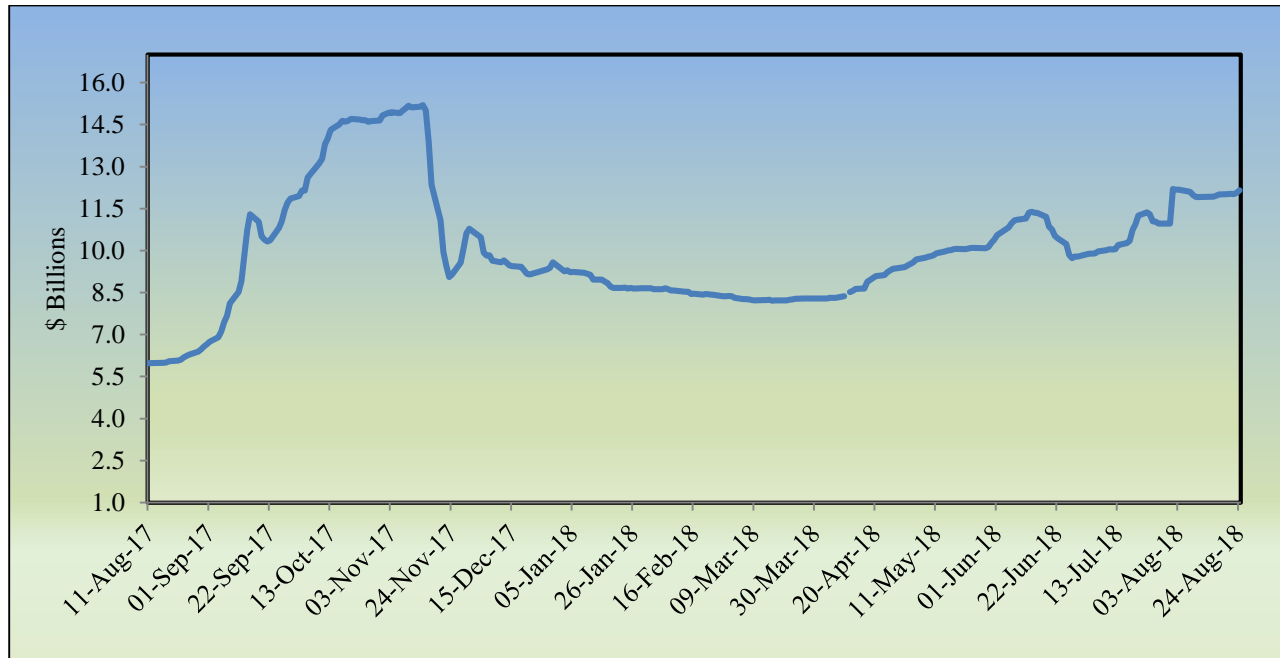


Source: Zimbabwe Stock Exchange, 2018

## Market Capitalization

The ZSE market capitalization increased by 1.16%, from US\$12.01 billion in the previous week to US\$12.15 billion, during the week ending 24<sup>th</sup> August 2018.

**Figure 5: Market Capitalization**



Source: Zimbabwe Stock Exchange, 2018

## Johannesburg Stock Exchange (JSE) Developments

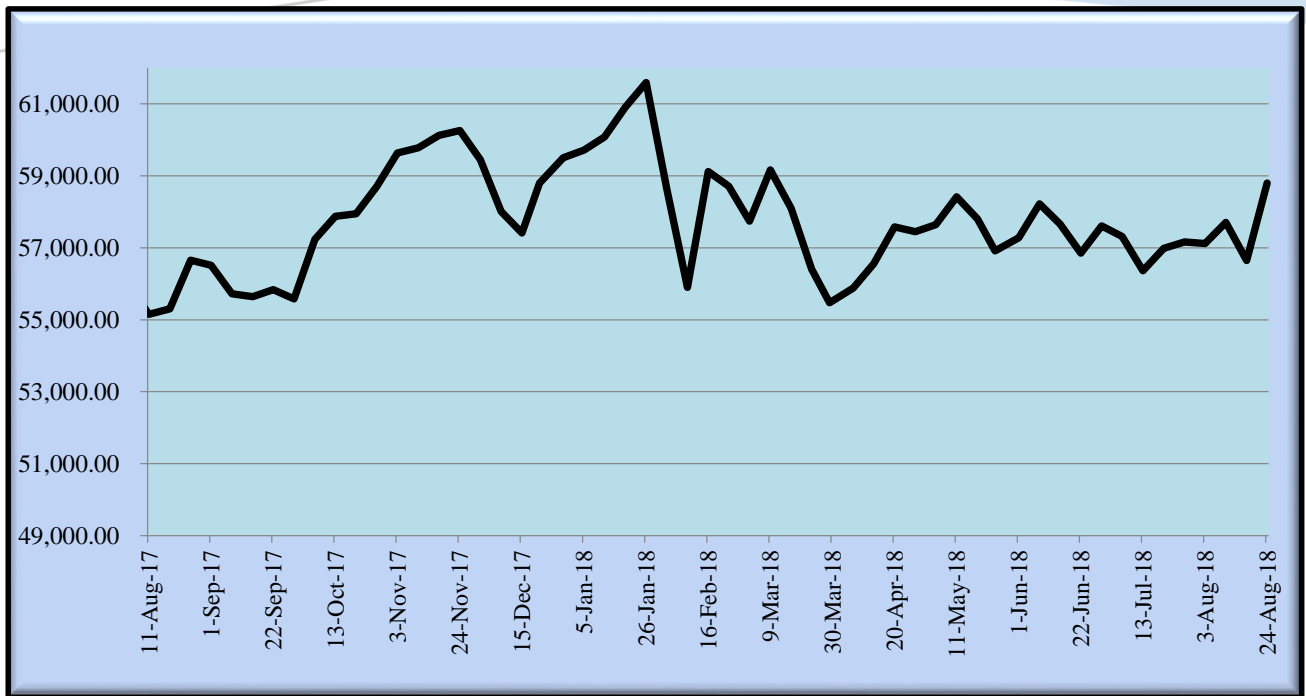
The JSE All Share closed the week ending 24<sup>th</sup> August 2018 at 58,797.68 points, a 3.8% increase from 56,647.52 points registered in the preceding week. Market capitalisation also increased by 0.74% to R14.98 trillion, during the same week.

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

Period	All Share Index (points)	Market Capitalization (ZAR trillion)
<b>27-Jul-18</b>	57,162.38	14.58
<b>3-Aug-18</b>	57,118.03	14.60
<b>10-Aug-18</b>	57,703.02	14.78
<b>17-Aug-18</b>	56,647.52	14.87
<b>24-Aug-18</b>	58,797.68	14.98
<b>% Change</b>	<b>3.80</b>	<b>0.74</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**

**31<sup>ST</sup> AUGUST 2018**