



Weekly Economic Highlights

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Week Ending
24th May 2018

1. INTEREST RATES

Deposit Rates

Average deposit rates for savings deposits, deposits of month and 3 month tenors, increased to 4.35%, 3.57% and 3.84%, from 4.10%, 3.53% and 3.79%, respectively, during the week ending 24th May 2018.

Table 1: Average Deposit Rates (per annum)

Date	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
27-April-18	4.16	3.52	3.70
04-May-18	4.16	3.53	3.71
11-May-18	4.10	3.53	3.79
18-May-18	4.10	3.53	3.79
24-May-18	4.35	3.57	3.84

Source: Banking Institutions, 2018

Lending Rates

During the week under review, commercial bank weighted lending rates for individual clients declined to 9.28%, from a weekly average of 9.33%. Lending rates for corporate clients, however, increased to 7.09%, from 7.07% recorded in the previous week.

Table 2: Lending Rates

Date	Lending Rates ¹ (%)	
	Commercial Banks (weighted)	
	Individuals	Corporate clients
27 April-18	9.32	7.08
04-May-18	9.66	7.02
11-May-18	9.33	6.85
18-May-18	9.33	7.07
24-May-18	9.28	7.09

Source: Banking Institutions, 2018

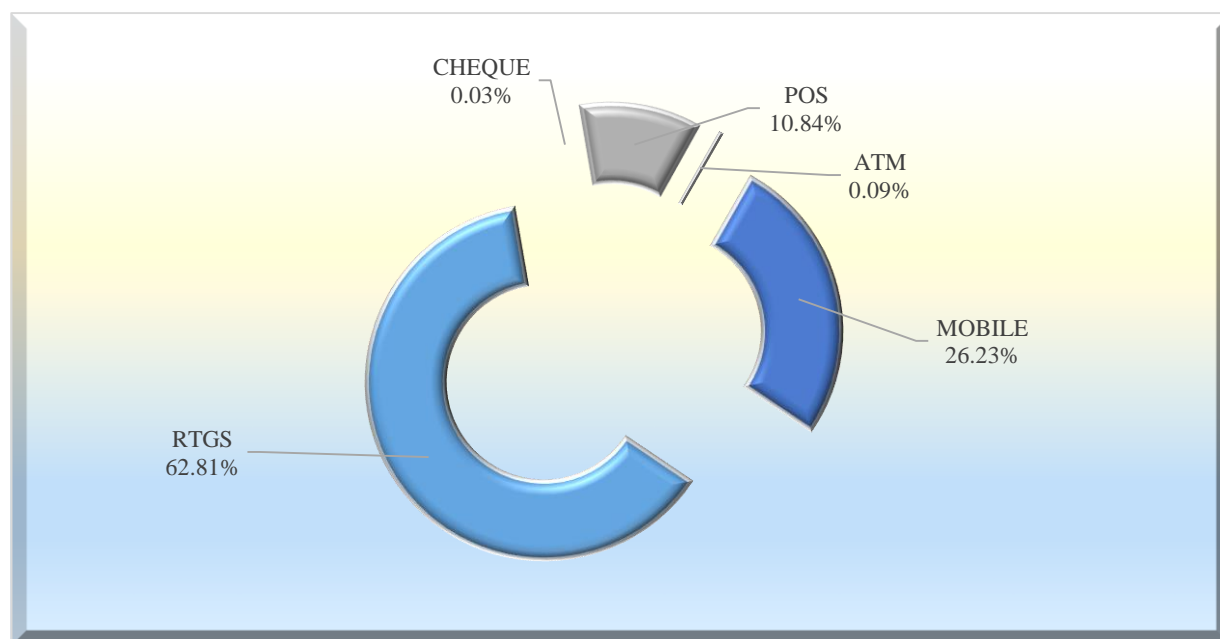
¹ Minimum weighted lending rates offered by commercial banks.

2. CLEARING AND SETTLEMENT ACTIVITY

The total value of transactions processed through the National Payment Systems (NPS) amounted to US\$2,457.64 million, during the week under analysis, down from US\$2,701.75 million transactions recorded in the previous week. Transactions processed through the Real Time Gross Settlement (RTGS) system stood at US\$1,543.60 million, a 17.8% decrease from US\$1,876 million recorded in the previous week

RTGS payments accounted for 62.81% of the total value of transactions processed through the NPS, followed by Mobile, 26.23%; Point of Sale (POS), 10.84%; Automated Teller Machines (ATMs), 0.09%; and Cheque transactions, 0.03%, as shown in Figure 1.

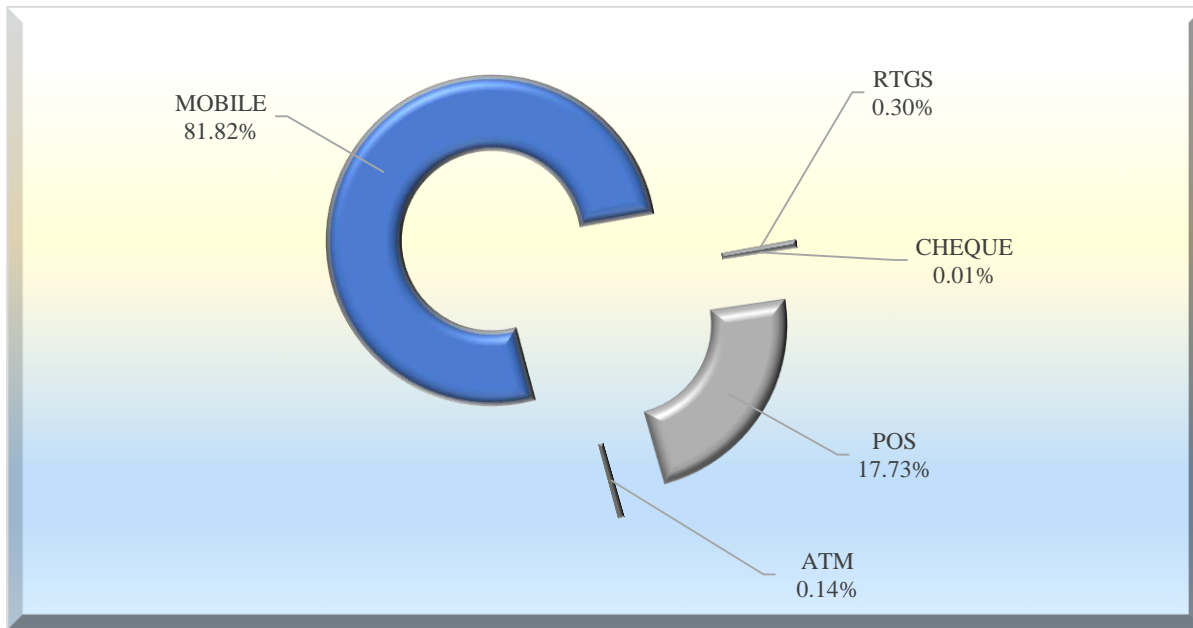
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2018

The volume of NPS transactions increased by 8.5%, from 33,553,230 transactions in the previous week to 36,412,960 transactions, during the week under review. Mobile-based transactions accounted for 81.82% of the total volume of transactions; POS, 17.73%; ATM, 0.14%; RTGS, 0.30% 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 18 th May 2018	WEEK ENDING 24 th May 2018	CHANGE FROM LAST WEEK	PROPORTION
VALUES IN US\$ (millions)				
RTGS	1,876.73	1,543.60	-17.8%	62.81%
CHEQUE	1.13	0.85	-25.2%	0.03%
POS	267.33	266.30	-0.4%	10.84%
ATM	1.91	2.23	16.9%	0.09%
MOBILE	554.65	644.66	16.2%	26.23%
TOTAL	2,701.75	2,457.64	-9.0%	100%
VOLUMES				
RTGS	121,705	107,867	-11.4%	0.30%
CHEQUE	5,520	4,320	-21.7%	0.01%
POS	6,672,806	6,457,334	-3.2%	17.73%
ATMs	44,966	50,422	12.1%	0.14%
MOBILE	26,708,233	29,793,017	11.5%	81.82%
TOTAL	33,553,230	36,412,960	8.5%	100%

Source: Reserve Bank of Zimbabwe, 2018

3. TOBACCO SALES

As at 24th May 2018 or day 43 of the 2018 tobacco selling season, a cumulative total of 141,972,611 kilograms of tobacco had been sold. This represented a 13.49% increase from the 125,092,165 kilograms sold during the same period in 2017.

The cumulative value of tobacco sales registered a 15.07% increase to US\$409.57 million, from US\$355.94 million realized during the corresponding period in 2017. The golden leaf was sold at an average price of US\$2.88/kg, compared to the US\$2.85/kg realized during the same period in 2017.

Table 4: Cumulative Tobacco Sales: Day 43 (24th May 2018)

	2017	2018	Variance (%)
Cumulative Quantity Sold (kgs)	125,092,165	141,972,611	13.49
Cumulative Average Price(US\$/kg)	2.85	2.88	1.4
Cumulative Value (US\$ million)	355,939,839	409,565,482	15.07

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

4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international commodity prices of gold and crude oil prices declined, during the week ending 24th May 2018. Nickel, copper and platinum prices, however, increased as shown in Table 4.

Table 4: Metal and Crude Oil Prices

	Gold	Platinum	Copper	Nickel	Crude Oil
Weekly Average (14 - 18 May)	1,298.25	899.20	6,870.70	14,435.80	78.90
21-May	1,287.10	882.50	6,866.50	14,545.00	79.45
22-May	1,293.48	904.50	6,885.00	14,675.00	79.18
23-May	1,291.50	903.50	6,940.00	14,595.00	79.55
24-May	1,295.60	908.50	6,855.00	14,560.00	75.20
25-May	1,303.73	910.00	6,886.50	14,885.00	75.09
Weekly Average (21 - 25 May)	1,294.28	901.80	6,886.60	14,652.00	77.69
<i>Weekly Change (%)</i>	<i>(0.3)</i>	<i>0.3</i>	<i>0.2</i>	<i>1.5</i>	<i>(1.5)</i>

Source: BBC, KITCO and Bloomberg 2018

Gold

Gold prices declined by 0.3%, from a weekly average of US\$1,298.25/oz. in the previous week, to US\$1,294.28/oz, during the week under review. Prices were weighed down by the decline in demand of the metal as a safe haven asset, following the signing of the US-China trade war truce.

Platinum

Platinum prices registered a 0.3% increase, to close the week under analysis at a weekly average of US\$901.80/oz. The precious metal price was supported by an increase in investment demand, on the back of easing US Treasury bond yields.

Copper

Copper prices closed the week under review higher at US\$ 6,886.60 /ton, a 0.2% increase from the US\$6,870.70/ton registered in the previous week. This was on account of rising optimism in the Chinese metal industries, following the truce on US trade tariffs on China.

Nickel

Nickel prices increased by 1.5%, from US\$14,435.80/ton in the previous week to US\$14,652.00/ton, during the week under review. This was largely on account of falling global inventories, on the back of rising demand in the steel making and automotive industries.

Crude Oil

Crude oil prices decreased by 1.5%, from a weekly average of US\$78.90/barrel in the previous week to US\$77.69/barrel, during the week under review. Prices declined following an increase in output by the Organization of Petroleum Exporting Countries.

4. EXCHANGE RATES

The US dollar appreciated against the euro, pound Sterling, pula and South African rand during the week ending 24th May 2018, as shown in Table 5.

Table 5: International Exchange Rates per US\$

	ZAR	GBP	BWP	EURO
2018				
Weekly Average (14 - 18 May)	12.4439	0.7389	9.8761	0.8426
14-May	12.7809	0.7444	10.0503	0.8512
15-May	12.6368	0.7449	9.9900	0.8489
16-May	12.6392	0.7456	9.9602	0.8498
17-May	12.4683	0.7478	9.9010	0.8542
Weekly Average (21 - 25 May)	12.6313	0.7457	9.9754	0.8510
<i>Appr(+)/Depr(-) (%) of the USD</i>	<i>1.5</i>	<i>0.9</i>	<i>1.0</i>	<i>1.0</i>

Source: Reuters, 2018

5. EQUITY MARKETS

During the week ending 24th May 2018, the Zimbabwe Stock Exchange (ZSE) maintained a positive momentum for the tenth consecutive week. In tandem, the All Share Index registered a marginal gain of 0.45% to close at 105.27 points.

The industrial index closed the week under analysis at 351.60 points, a 0.45% increase from 350.02 points registered during the week ending 24th May 2018. This emanated from share price gains at African Sun Limited (45.12%), Pretoria Portland Cement Limited (23.23%), and Barclays Bank of Zimbabwe Limited (9.09%), Zimre Holdings Limited (5%) and First Mutual Properties Limited (5%). The mining index, however, remained unchanged at 146.30 points.

Table 6: Zimbabwe Stock Exchange (ZSE) Statistics

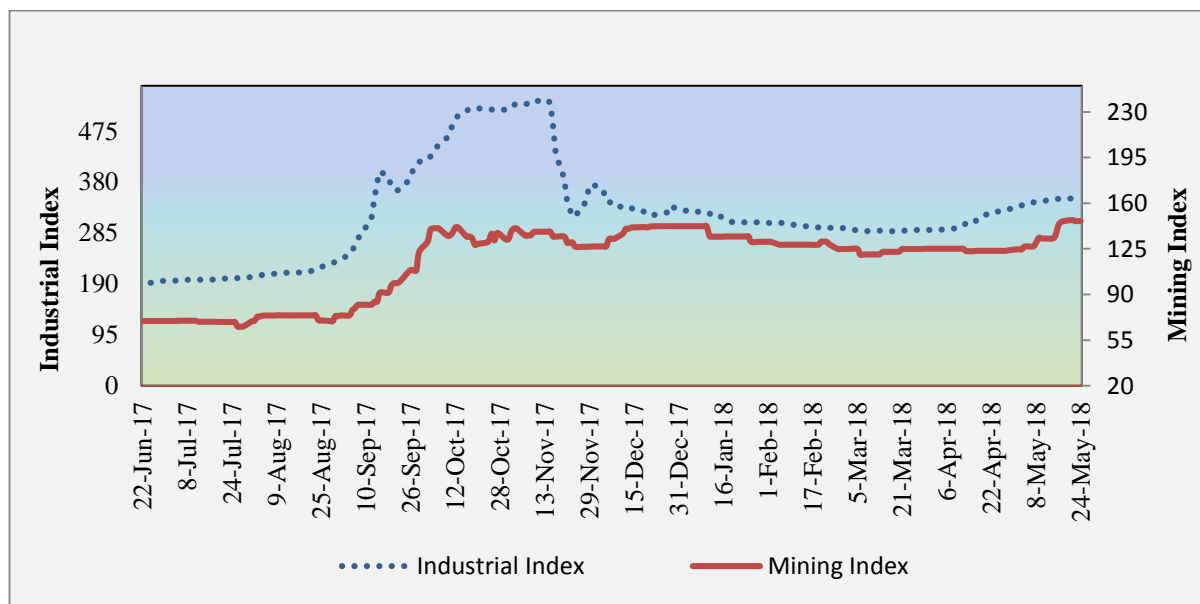
	All Share Index ² (points)	Top 10 index ³ (Points)	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
27-April-18	98.26	100.26	329.18	123.52	9,362,234,489	9,192,805	11,401,734
04-May-18	101.62	102.99	340.35	126.86	9,682,920,712	8,195.437	35,369,427
11-May-18	103.24	105.09	345.49	132.96	9,907,132,092	7,302.730	12,398,671
18-May-18	104.80	107.64	350.02	146.30	10,056,829,012	14,477.577	26,073,741
24-May-18	105.27	107.49	351.60	146.30	10,101,710,611	16,048.718	27,700,995
Weekly Change (%)	0.45	-0.14	0.45	0.00	0.45	10.85	6.24

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

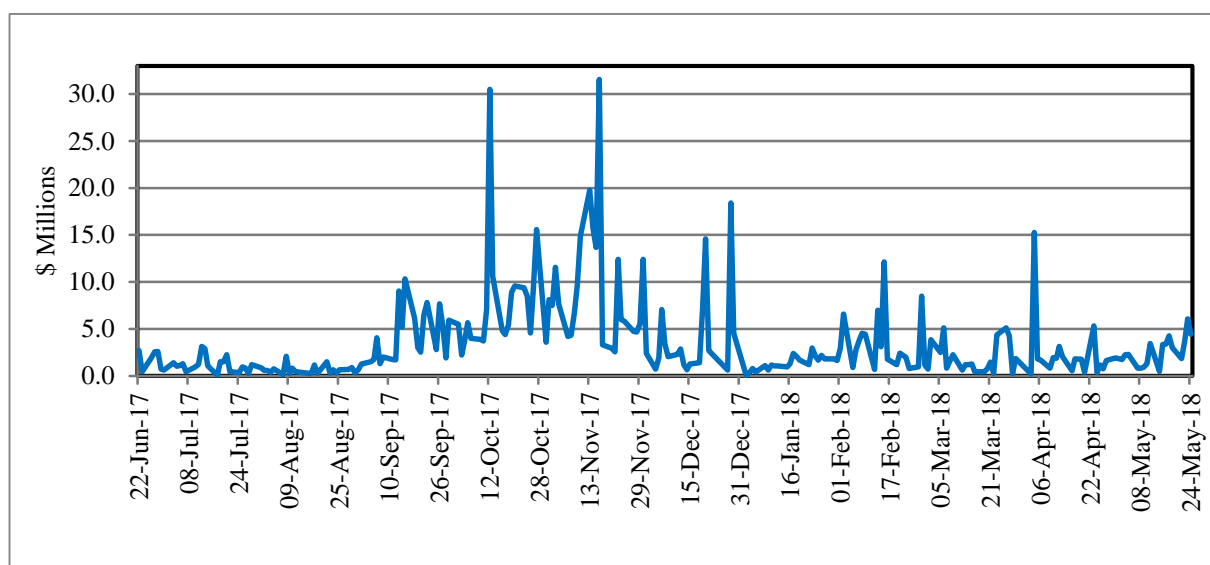


Source: Zimbabwe Stock exchange, 2018

Market Turnover and Volume

The volume of shares traded on the ZSE registered a 6.24% increase, to close the week ending 24th May 2018 at 27,700,995 million shares. Similarly, ZSE market turnover value increased by 10.25% to US\$16.85 million during the same week. This was on the back of rising trading activity in selected heavyweight and mid-tier counters.

Figure 4: Daily Market turnover

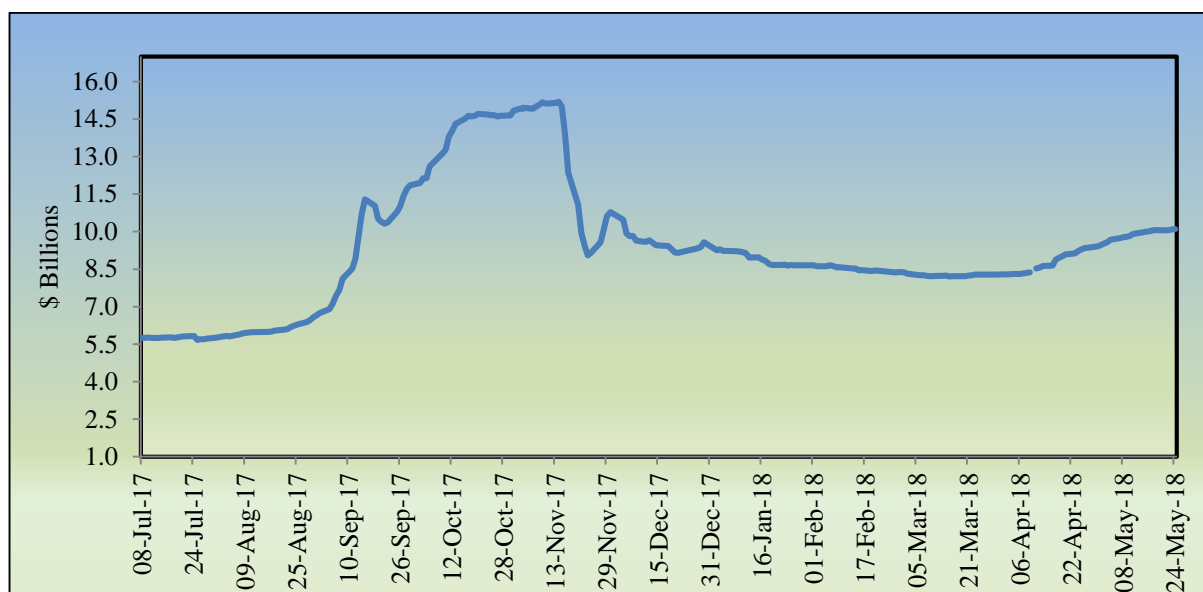


Source: Zimbabwe Stock Exchange, 2018

Market Capitalization

The ZSE market capitalization increased by 0.45%, from US\$ 10.06 billion in the previous week to close at US\$10.10 billion, during the week under analysis. This was, in large part, on account of gains in the industrial index.

Figure 5: Market Capitalization



Source: Zimbabwe Stock Exchange, 2018

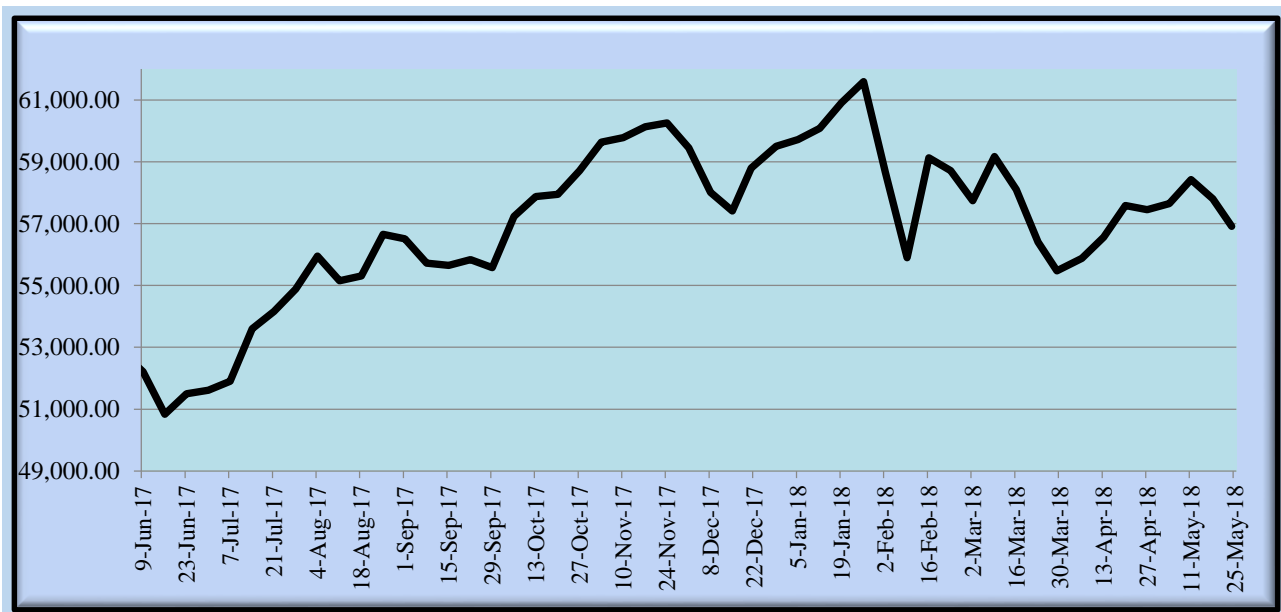
Johannesburg Stock Exchange (JSE) Developments

The JSE All Share index closed the week under review at 56 916.97 points, down from 57 804.33 points recorded in the previous week. Likewise, JSE market capitalization registered a 1.66% decrease to R14.26 trillion, during the same week.

Period	All Share Index (points)	Market Capitalization (ZAR trillion)
27-April-18	57 648.87	14.47
04-May-18	58 422.86	14.52
11-May-18	57 581.73	14.51
18-May-18	57 804.33	14.50
24-May-18	56 916.97	14.26
% Change	(1.54)	(1.66)

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

4th JUNE 2018