



Weekly Economic Highlights

Table of Contents

1. INTEREST RATES.....	1
2. CLEARING AND SETTLEMENT ACTIVITY	2
3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS.....	4
4. EXCHANGE RATES.....	5
5. EQUITY MARKETS.....	6

Week Ending
26th October 2018

1. INTEREST RATES

Deposit Rates

During the week ending 26th October 2018, average deposit rates for savings deposits, deposits of 1-month and 3-month tenors closed the week lower at 3.94%, 3.37% and 4.07%, respectively.

Table 1: Average Deposit Rates (per annum)

Date	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
28-Sept-18	3.88	3.60	3.94
05-Oct-18	3.88	3.60	3.99
12-Oct-18	3.88	3.60	3.94
19-Oct-18	4.16	3.62	4.13
26-Oct-18	3.94	3.37	4.07

Source: Banking Institutions, 2018

Lending Rates

Commercial bank weighted lending rates for individual clients declined by 0.01 percentage points to close at 9.47%, during the week under review. Similarly, lending rates for corporate clients decreased from 7.40% in the previous week, to close the week under analysis at 7.38%.

Table 2: Lending Rates

Date	Lending Rates ¹ (%)	
	Commercial Banks (weighted)	
	Individuals	Corporate clients
28-Sept-18	9.56	7.11
05-Oct-18	9.54	7.32
12-Oct-18	9.52	7.30
19-Oct-18	9.48	7.40
26-Oct-18	9.47	7.38

Source: Banking Institutions, 2018

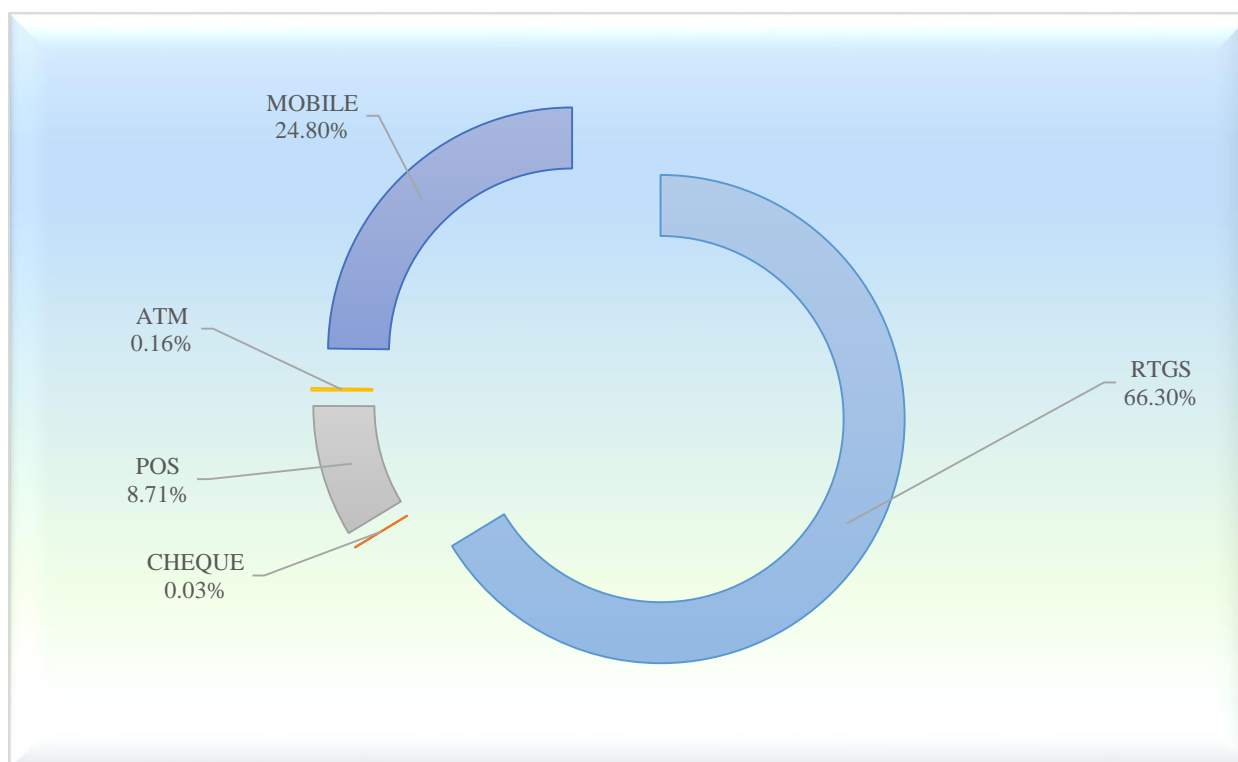
¹ Minimum weighted lending rates offered by commercial banks.

2. CLEARING AND SETTLEMENT ACTIVITY

During the week ending 26th October 2018, the total value of transactions processed through the National Payments System (NPS) amounted to US\$2,639.87 million, up from US\$2,494.65 million recorded in the previous week. The value of transactions processed through the Real Time Gross Settlement (RTGS) system increased by 7.0%, to close the week under review at US\$1,750.11 million.

The composition of the total value of transactions processed through the NPS was as follows: RTGS, 66.30%; Mobile, 24.80%; Point of Sale (POS), 8.71%; Automated Teller Machines (ATMs), 0.16%; and Cheque, 0.03%, as shown in Figure 1.

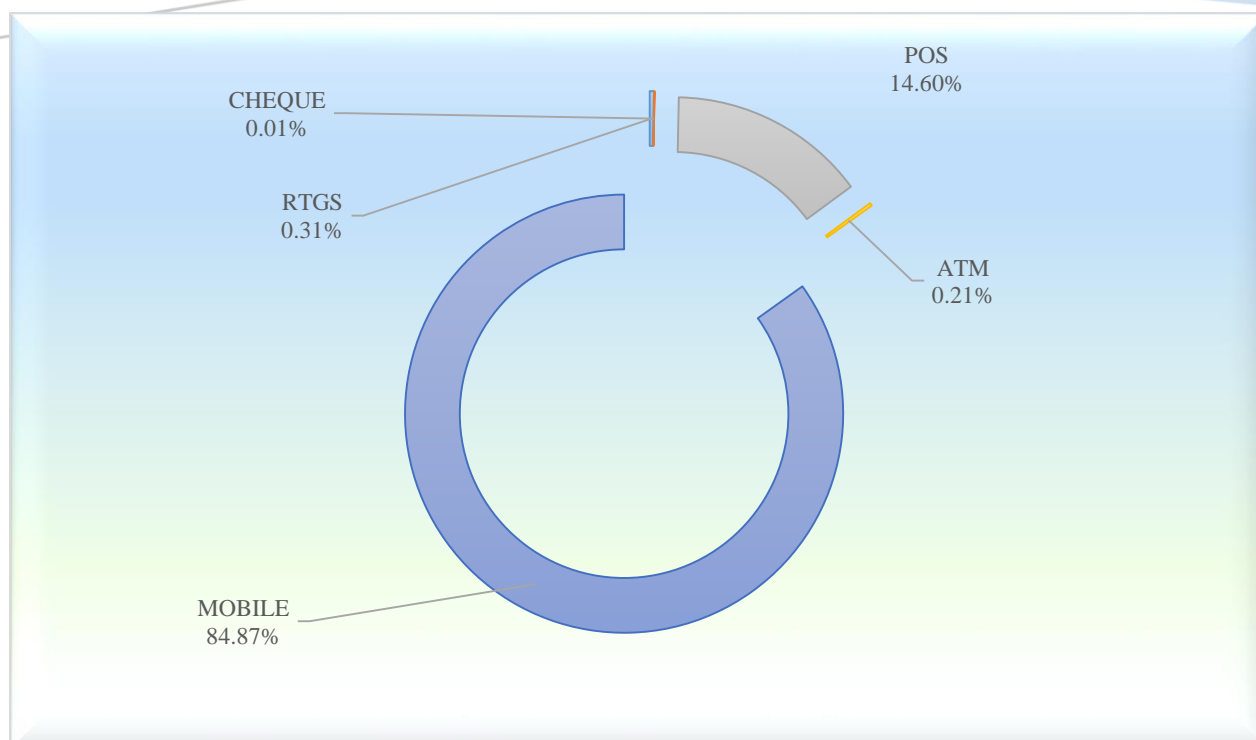
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2018

In volume terms, NPS transactions registered a 2.4% increase, from 36.21 million in the previous week to 37.09 million transactions, during the week under review. Mobile-based transactions accounted for 84.87% of the total volume of transactions; followed by POS, 14.60%; RTGS, 0.31%; ATM, 0.21%; 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 19 th OCTOBER 2018	WEEK ENDING 26 th OCTOBER 2018	% CHANGE FROM LAST WEEK	PERCENTAGE OF TOTAL
VALUES IN US\$ (millions)				
RTGS	1,635.84	1,750.11	7.0%	66.30%
CHEQUE	0.96	0.83	-13.0%	0.03%
POS	262.75	229.92	-12.5%	8.71%
ATM	3.26	4.26	30.9%	0.16%
MOBILE	591.85	654.75	10.6%	24.80%
TOTAL	2,494.65	2,639.87	5.8%	100%
VOLUMES				
RTGS	98,644	115,744	17.3%	0.31%
CHEQUE	4,485	3,820	-14.8%	0.01%
POS	5,439,158	5,416,120	-0.4%	14.60%
ATM	61,976	77,696	25.4%	0.21%
MOBILE	30,607,330	31,480,297	2.9%	84.87%
TOTAL	36,211,593	37,093,677	2.4%	100%

Source: Reserve Bank of Zimbabwe, 2018

3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international commodity prices of crude oil, platinum, nickel and copper, decreased during the week ending 26th October 2018. Gold prices, however, firmed, as shown in Table 4.

Table 4: International Commodity Prices

	Gold	Platinum	Copper	Nickel	Crude Oil
2018	US\$/ounce	US\$/ounce	US\$/ton	US\$/ton	US\$/barrel
Weekly Average (15- 19 Oct)	1,228.14	837.55	6,211.60	12,422.00	80.23
22-Oct	1,222.60	831.50	6,220.00	12,515.00	79.33
23-Oct	1,235.78	829.50	6,167.50	12,330.00	76.28
24-Oct	1,231.10	827.00	6,196.00	12,450.00	75.62
25-Oct	1,231.48	830.00	6,157.00	12,200.00	76.13
26-Oct	1,234.95	825.50	6,173.00	12,155.00	77.48
Weekly Average (22- 26 Oct)	1,231.18	828.70	6,182.70	12,330.00	76.97
<i>Weekly Change (%)</i>	<i>0.3</i>	<i>(1.1)</i>	<i>(0.5)</i>	<i>(0.7)</i>	<i>(4.1)</i>

Source: BBC, KITCO and Bloomberg

Gold

Gold prices continued on a positive trajectory, gaining by 0.3% from a weekly average of US\$1,228.14 /oz. in the previous week, to US\$1,231.18/oz. during the week under analysis. The prices were supported by a rise in the safe haven demand for the yellow metal, amid subdued performance of the global equities markets.

Platinum

Platinum prices closed the week under analysis at a weekly average of US\$828.70/oz., down from US\$837.55/oz. registered in the previous week. This was account of a stronger dollar, coupled with subdued investment demand for the metal.

Copper

Copper prices retreated from a weekly average of US\$6,211.60/ton in the previous week, to US\$6,182.70/ton during the week under review. The decline followed weak demand for the metal in China, the world's largest consumer of the base metal.

Nickel

Nickel prices declined by 0.7%, from a weekly average of US\$12,422.00/ton in the previous week to US\$12,330.00/ton, during the week under review. Expectations of weaker demand from the Chinese steel manufacturing industry, weighed down the prices.

Crude Oil

Brent crude oil prices were lower during the week under analysis. This was on account of a weak demand outlook and rising US crude inventories. Resultantly, the weekly average price decreased by 4.1%, to close the week at US\$76.97/barrel.

4. EXCHANGE RATES

During the week ending 26th October 2018, the US dollar appreciated against the pound Sterling; euro; rand; and pula. The greenback strengthened, following a positive economic outlook for the US economy, following the release of third quarter statistics. Table 5 shows international exchange rates per US\$.

Table 5: International Exchange Rates per US\$

	ZAR	GBP	BWP	EURO
Weekly Average (15 - 19 October)	14.3442	0.7628	10.6600	0.8676
22-Oct	14.3624	0.7651	10.6952	0.8687
23-Oct	14.3450	0.7712	10.6952	0.8725
24-Oct	14.2617	0.7704	10.6952	0.8721
25-Oct	14.5805	0.7760	10.7296	0.8766
26-Oct	14.6150	0.7800	10.8108	0.8793
Weekly Average (22 - 26 October)	14.4329	0.7725	10.7252	0.8738
<i>Appr(+)/Depr(-) (%) of the USD</i>	<i>0.62</i>	<i>1.28</i>	<i>0.61</i>	<i>0.72</i>

Source: Reuters, 2018

5. EQUITY MARKETS

The Zimbabwe Stock Exchange (ZSE) was bearish during the week ending 26th October 2018, with the ZSE All Share Index registering a 6.68% loss, to close the week at 168.84 points. The industrial index closed the week at 566.92 points, an 8.88% decrease from 607.59 points registered in the previous week. Share price losses at Zimre Holdings Limited (29.53%), Old Mutual Limited (26.89%), First Mutual Property (18.75%), Econet Wireless Zimbabwe (15.43%) and SeedCo Limited (11.76%), largely accounted for the fall in the industrial index.

The mining index also declined by 3.92%, to close the week ending 26th October 2018 at 216.76 points. This was due to losses in Bindura Nickel Corporation (7.14%). Falgold and Hwange Colliery Company (HCC) did not register any trade, while RioZim traded, albeit on thin volumes.

Table 6: Zimbabwe Stock Exchange Statistics

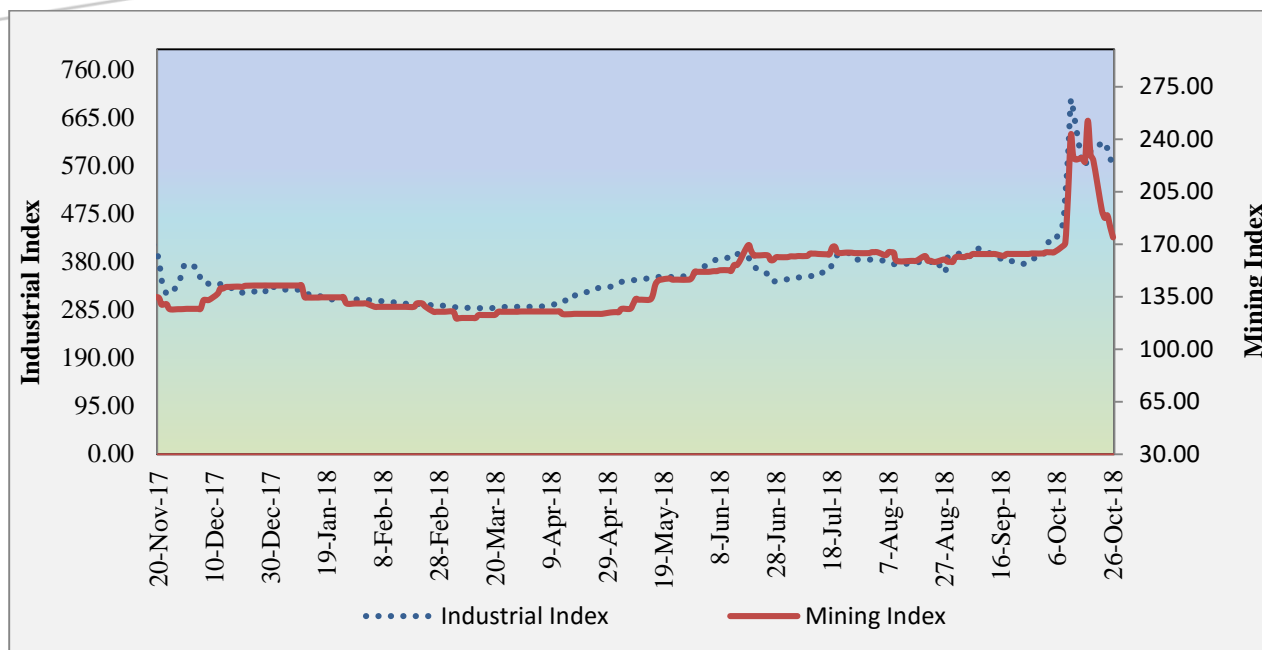
	All Share Index ² (points)	Top 10 index ³ (Points)	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
28-September-18	115.12	117.60	386.97	163.76	12,265,508,935	6,807,520	18,459,390
05-October-18	125.07	128.96	420.80	164.55	13,666,186,908	11,489,161	102,056,774
12-October-18	200.29	217.81	673.42	227.37	22,219,721,525	370,756,768	93,959,109
19-October-18	180.93	191.48	607.59	225.61	20,008,100,464	47,240,257	74,836,768
26-October-18	168.84	174.48	566.92	216.76	18,455,120,362	11,812,741	19,714,662
Weekly Change (%)	(6.68)	(8.88)	(6.69)	(3.92)	(7.76)	(74.99)	(73.66)

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

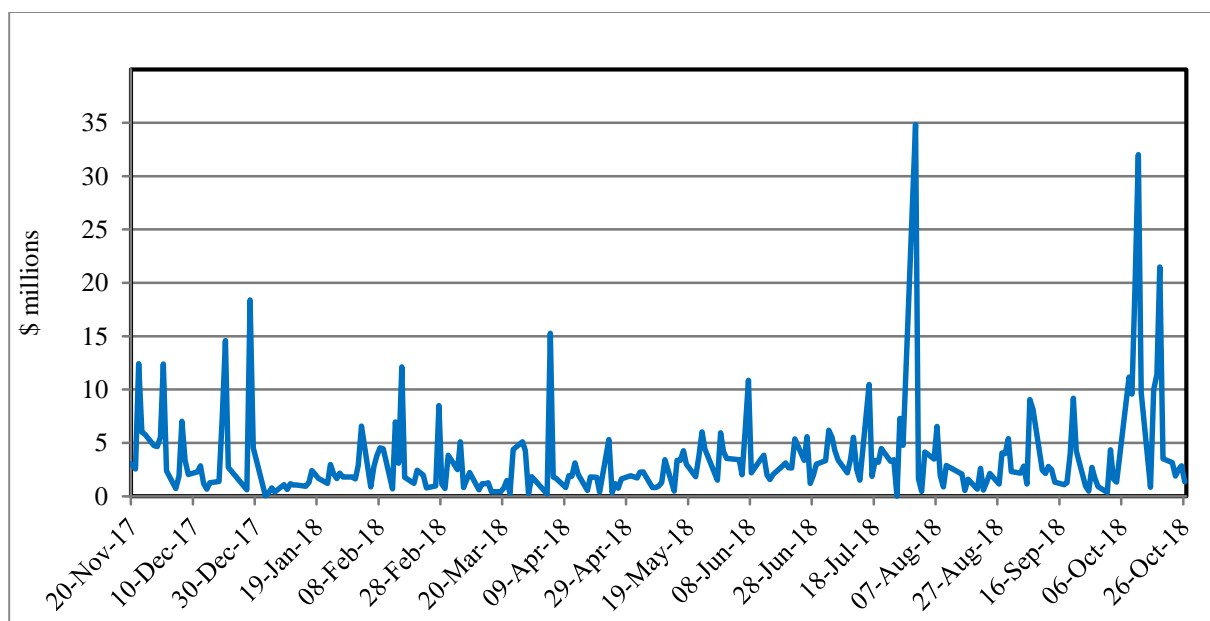


Source: Zimbabwe Stock Exchange, 2018

Market Turnover and Volume

During the week under review, the volume of shares traded on the ZSE decreased by 73.7%, to close at 19.71 million shares. Similarly, ZSE market turnover declined by 75.0%, to close at US\$11.81 million during the same week.

Figure 4: Market Turnover

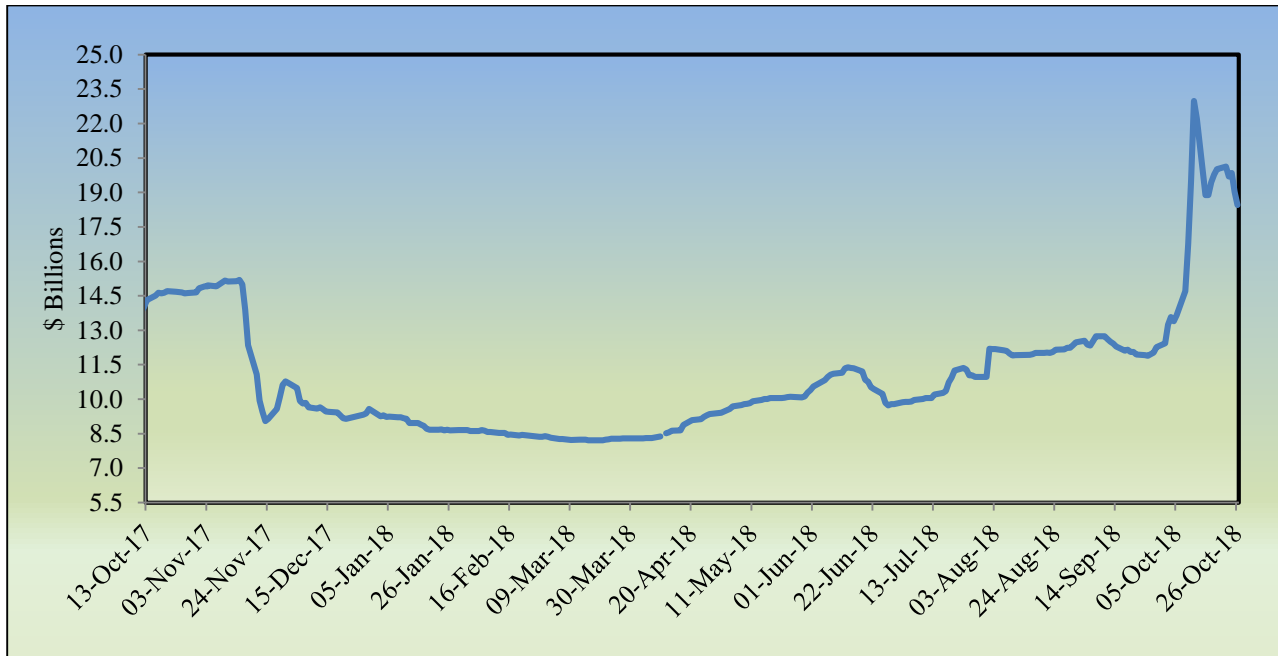


Source: Zimbabwe Stock Exchange, 2018

Market Capitalization

ZSE market capitalization decreased by 7.76%, from US\$20.01 billion in the previous week to US\$18.46 billion, during the week ending 26th October 2018.

Figure 5: Market Capitalization



Source: Zimbabwe Stock Exchange, 2018

Johannesburg Stock Exchange (JSE) Developments

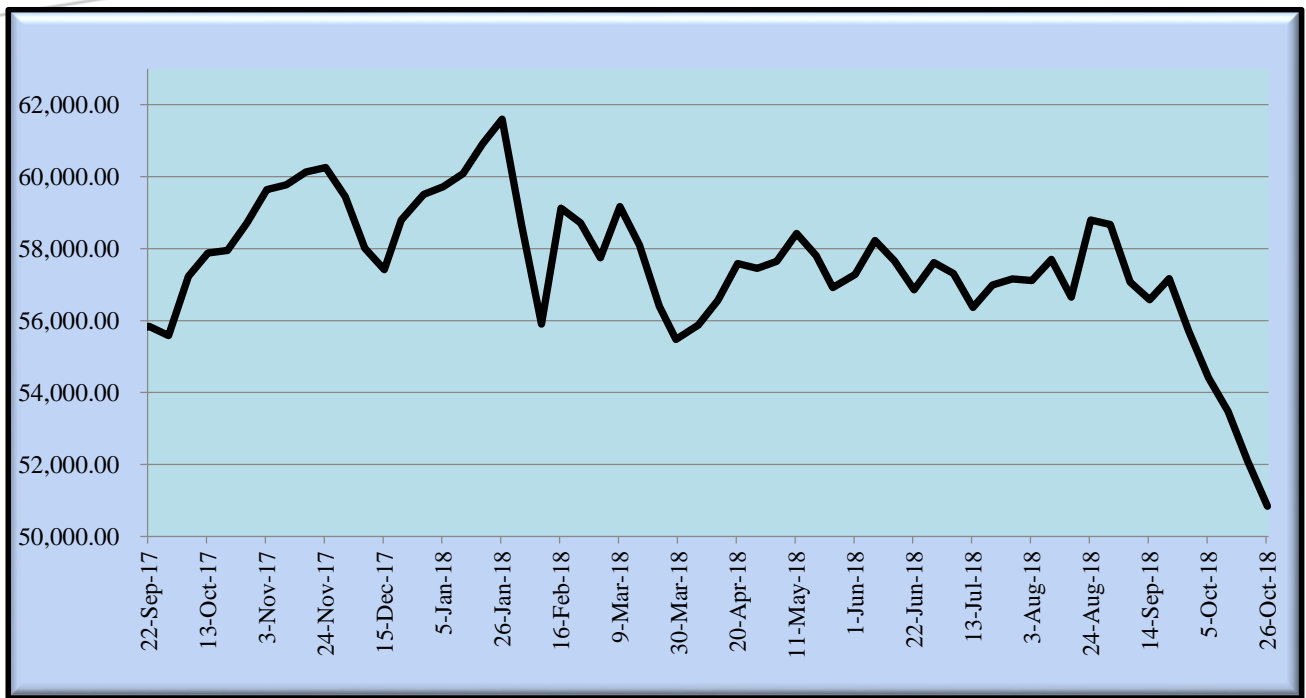
During the week ending 26th October 2018, the JSE All Share Index continued on a negative trajectory for the fifth consecutive week, declining by 2.4% to close at 50,837.57 points. Likewise, JSE market capitalisation decreased by 2.6% to close at R13.05 trillion, during the same week.

Table 7: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalization (ZAR trillion)
28-Sep-18	55,708.47	14.25
05-Oct-18	54,409.47	14.14
12-Oct-18	53,473.11	13.68
19-Oct-18	52,092.98	13.40
26-Oct-18	50,837.57	13.05
% Change	(2.41)	(2.61)

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

2nd NOVEMBER 2018