



# Weekly Economic Highlights

## Table of Contents

1. INTEREST RATES.....	1
2. CLEARING AND SETTLEMENT ACTIVITY .....	2
3. TOBACCO SALES .....	4
4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS.....	5
5. EXCHANGE RATES.....	6
6. EQUITY MARKETS.....	7

Week Ending  
27<sup>th</sup> July 2018

## 1. INTEREST RATES

### Deposit Rates

Average deposit rates for savings deposits, deposits of 1 month and 3 month tenor remained unchanged at 4.35%, 3.53% and 4.00%, respectively, during the week ending 27<sup>th</sup> July 2018.

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

Date	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
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
27-July-18	4.35	3.53	4.00

Source: Banking Institutions, 2018

### Lending Rates

Weighted lending rates for individual clients, at commercial banks, closed the week under review at 9.75%, down from 9.78% in the previous week. Commercial bank weighted lending rates for corporate clients also closed the week under review lower at 6.97%, compared to 7.02% recorded in the previous week.

**Table 2: Lending Rates**

Date	Lending Rates <sup>1</sup> (%)	
	Commercial Banks (weighted)	
	Individuals	Corporate clients
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
27-July-18	<b>9.75</b>	<b>6.97</b>

Source: Banking Institutions, 2018

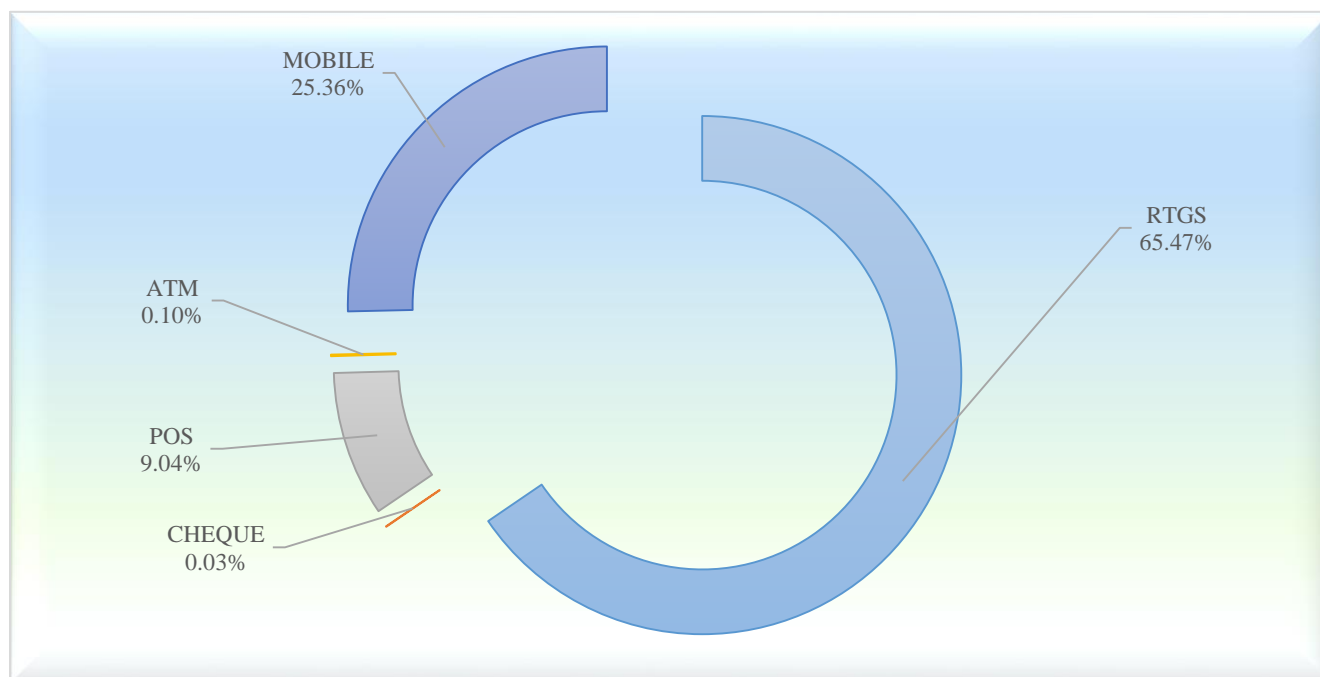
<sup>1</sup> Minimum weighted lending rates offered by commercial banks.

## 2. CLEARING AND SETTLEMENT ACTIVITY

The total value of transactions processed through the National Payment Systems (NPS) increased by 0.4%, to close the week under review at US\$2,969.19 million. Transactions processed through the Real Time Gross Settlement (RTGS) system, however, decreased by 3.5% to US\$1 139.70 million during the same week.

RTGS payments accounted for 65.47% of the total value of transactions processed through the NPS. The proportions of other payment streams were as follows: Mobile, 25.36%; Point of Sale (POS), 9.04%; Automated Teller Machines (ATMs), 0.10%; and Cheque, 0.03%, as shown in Figure 1.

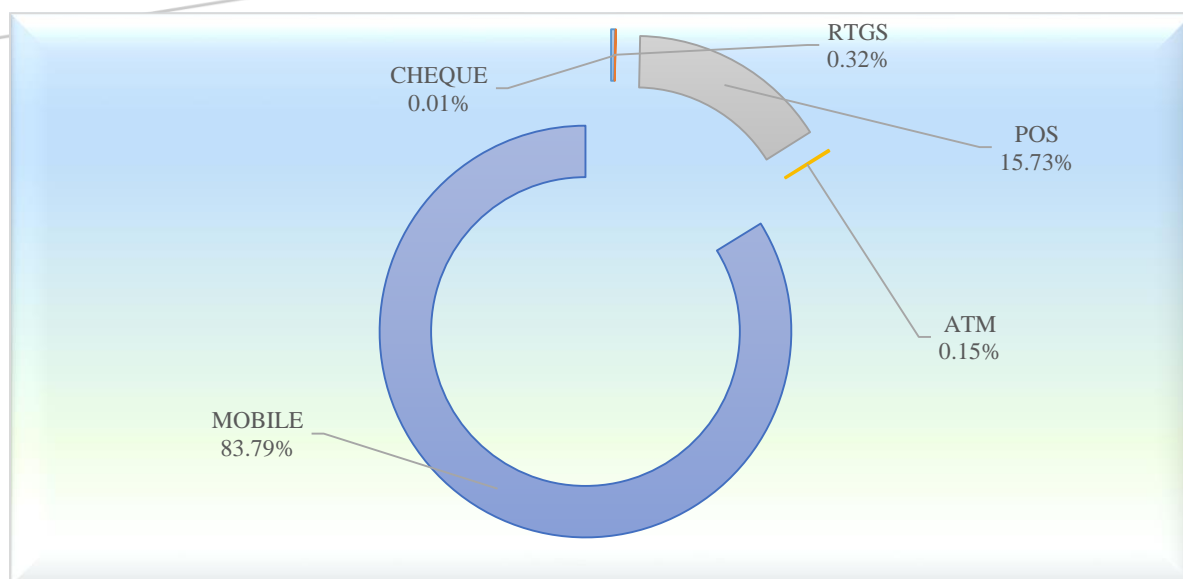
**Figure 1: Composition of NPS Transactions in Value Terms**



*Source: Reserve Bank of Zimbabwe, 2018*

NPS transaction volumes increased from 41.7 million transactions in the previous week, to 44.6 million transactions during the week under review. Mobile transactions dominated NPS transaction volumes, accounting for 83.79% of total transactions, followed by POS, 15.73%; RTGS, 0.32%; ATMs, 0.15% 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 20 <sup>th</sup> JULY 2018	WEEK ENDING 27 <sup>th</sup> JULY 2018	% CHANGE FROM LAST WEEK	PROPORTION
<b>VALUES IN US\$ millions</b>				
RTGS	2,015.33	1,944.24	-3.5%	65.47%
CHEQUE	0.94	0.76	-19.1%	0.03%
POS	253.43	268.28	5.9%	9.04%
ATM	1.68	2.90	72.3%	0.10%
MOBILE	684.60	753.00	10.0%	25.36%
<b>TOTAL</b>	<b>2,955.99</b>	<b>2,969.19</b>	<b>0.4%</b>	<b>100%</b>
<b>VOLUMES</b>				
RTGS	111,717	141,915	27.0%	0.32%
CHEQUE	4,406	4,033	-8.5%	0.01%
POS	6,958,460	7,021,483	0.9%	15.73%
ATM	39,114	68,001	73.9%	0.15%
MOBILE	34,579,908	37,397,554	8.1%	83.79%
<b>TOTAL</b>	<b>41,693,605</b>	<b>44,632,986</b>	<b>7.0%</b>	<b>100%</b>

Source: Reserve Bank of Zimbabwe, 2018

### 3. TOBACCO SALES

As at 27<sup>th</sup> of July 2018 or day 88 of the 2018 tobacco selling season, a cumulative total of 242.8 million kilograms of tobacco had been sold. This compares with the 179.8 million kilograms of tobacco sold during the corresponding period in 2017.

In value terms, the cumulative tobacco sales amounted to US\$709.37 million, up from US\$532.47 million realized during the corresponding period in 2017. The golden leaf was 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 88 (27<sup>th</sup> July 2018)**

	2017	2018	Variance (%)
<b>Cumulative Quantity Sold (kg)</b>	179,765,441	242,825,176	35.0
<b>Cumulative Average Price(US\$/kg)</b>	2.96	2.92	-1.4
<b>Cumulative Value(US\$ million)</b>	532,472,633	709,374,152	33.2

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

## 4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international commodity prices of crude oil, platinum and copper firmed during the week ending 27<sup>th</sup> July 2018. Gold and nickel prices, however, decreased during the same week, as shown in Table 4.

**Table 4: Metal and Crude Oil Price**

	<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 (16 - 20 July)</b>	<b>1,228.03</b>	<b>816.60</b>	<b>6,171.70</b>	<b>13,653.00</b>	<b>72.45</b>
23-Jul	1,227.20	828.00	6,145.00	13,545.00	72.87
24-Jul	1,224.83	835.00	6,162.50	13,460.00	73.92
25-Jul	1,231.03	839.50	6,276.00	13,650.00	74.29
26-Jul	1,228.30	835.00	6,338.00	13,740.00	74.55
27-Jul	1,221.55	824.50	6,271.00	13,785.00	74.57
<b>Weekly Average (23 - 27 July)</b>	<b>1,226.58</b>	<b>832.40</b>	<b>6,238.50</b>	<b>13,636.00</b>	<b>74.04</b>
<i>Weekly Change (%)</i>	<i>(0.1)</i>	<i>1.9</i>	<i>1.1</i>	<i>(0.1)</i>	<i>2.2</i>

Source: BBC, KITCO and Bloomberg

### Gold

During the week under review, gold prices decreased by 0.1% to US\$1,226.58/oz., from a weekly average of US\$1,228.03/oz. in the previous week. The price declined following anticipation of an interest rate hike by the Federal Reserve, which dampened the safe haven appeal of the yellow metal.

### Platinum

Platinum prices increased from a weekly average of US\$816.60/oz. in the previous week, to US\$832.40/oz. during the week under analysis. Strong global demand prospects for the precious metal continued to support the price.

### Copper

Copper prices firmed by 1.1%, to an average of US\$6,238.50/ton during the week ending 27<sup>th</sup> July 2018. This was on the back of supply uncertainties, following protracted copper mines labour negotiations in Chile.

## Nickel

Nickel prices retreated by 0.1% to US\$13,656.00/ton, during the week under review, down from US\$13,653.00/ton in the previous week. This was on account of a weaker demand outlook, following a slowdown in the Chinese steel industry, due to the persisting trade dispute between the US and China.

## Crude Oil

Crude oil prices were on a positive trajectory, registering a 2.2% increase to close the week under review at US\$74.04/barrel. This was on the back of declines in the US crude oil inventories.

## EXCHANGE RATES

During the week ending 27<sup>th</sup> July 2018, the US dollar depreciated against the euro, pula, rand, and pound Sterling.

**Table 5: International Exchange Rates per US\$**

	<b>ZAR</b>	<b>GBP</b>	<b>BWP</b>	<b>EURO</b>
<b>2018</b>				
<b>Weekly Average (16 - 20July)</b>	<b>13.3144</b>	<b>0.7613</b>	<b>10.2819</b>	<b>0.8569</b>
23-Jul	13.4138	0.7611	10.3413	0.8527
24-Jul	13.4952	0.7638	10.3520	0.8559
25-Jul	13.2645	0.7603	10.2722	0.8558
26-Jul	13.1373	0.7573	10.1626	0.8521
27-Jul	13.2338	0.7628	10.2564	0.8584
<b>Weekly Average (23- 27July)</b>	<b>13.3089</b>	<b>0.7611</b>	<b>10.2769</b>	<b>0.8550</b>
<i>Appr(+)/Depr(-) (%) of the USD</i>	<i>-0.04</i>	<i>-0.03</i>	<i>-0.05</i>	<i>-0.22</i>

Source: Reuters, 2018

## 5. EQUITY MARKETS

The Zimbabwe Stock Exchange (ZSE) closed the week ending 27<sup>th</sup> July 2018 bearish. It's All Share Index declined by 2.54%, from 117.29 points in the previous week, to 114.31 points during the week under analysis. This was on account of losses in both the industrial and mining indices.

The industrial index decreased by 2.57%, to close the week under review at 384.22 points. Losses registered in Medtech Holdings Limited (80%); Zimbabwe Property Investments Limited (19.05%); Meikles Limited (13.13%); Dairibord Holdings Limited (11.33%); and Delta Corporation Limited (9.01%), underpinned the decline.

The resources index declined by 0.18%, from 164.28 in the previous to 163.99 points, during the week under analysis. This was on the back of the 0.18% and 0.17% losses in Bindura Nickel Corporation and RioZim share prices, respectively. The Falgold counter traded at the previous week price, while Hwange Colliery Company did not register any trade.

**Table 6: 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
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
27-July-18	114.31	118.87	384.22	163.99	10,968,751,606	18,771,243	219,112,782
<b>Weekly Change (%)</b>	<b>-2.54</b>	<b>-3.11</b>	<b>-2.57</b>	<b>-0.18</b>	<b>-2.47</b>	<b>-19.65</b>	<b>-33.22</b>

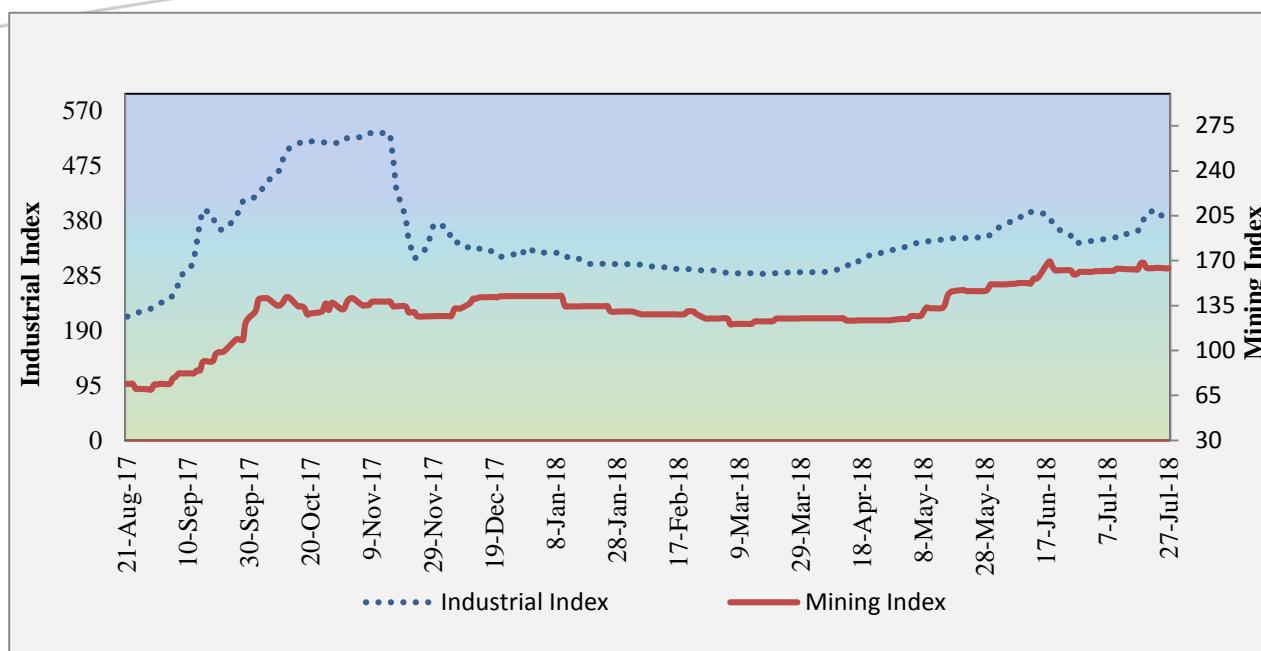
Source: Zimbabwe Stock Exchange (ZSE), 2018

<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**

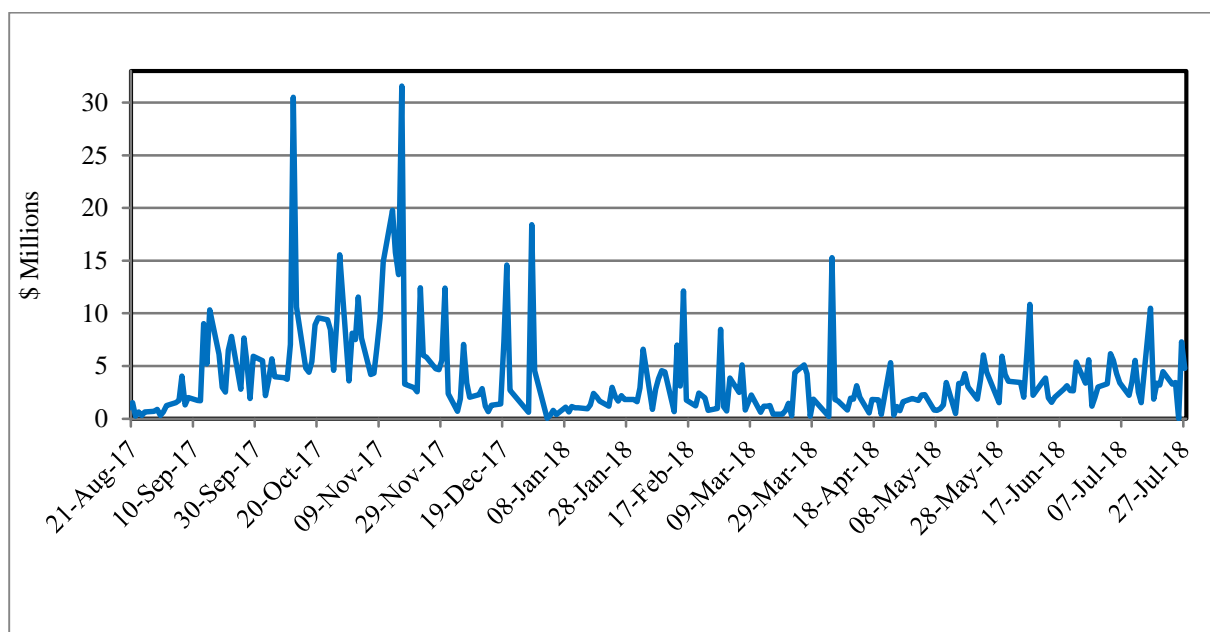


Source: Zimbabwe Stock exchange, 2018

**Market Turnover and Volume**

The volume of shares traded on the ZSE decreased by 33.22%, to close the week ending 27<sup>th</sup> July 2018 at 219.11 million shares. In tandem, the market turnover decreased by 19.65% to US\$18.77 million, from US\$23.36 million recorded the previous week.

**Figure 4: Market turnover**

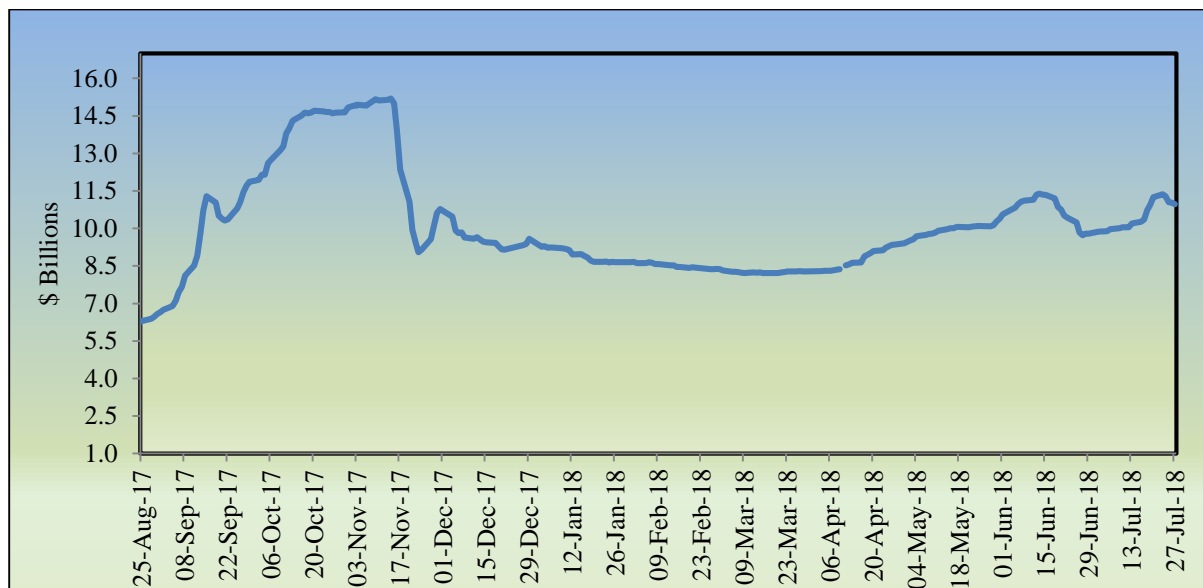


Source: Zimbabwe Stock Exchange, 2018

## Market Capitalization

ZSE market capitalization stood at US\$10.97 billion, a decline of 2.47% from the US\$11.25 billion recorded in the previous week.

**Figure 5: Market Capitalization**



Source: Zimbabwe Stock Exchange, 2018

## Johannesburg Stock Exchange (JSE) Developments

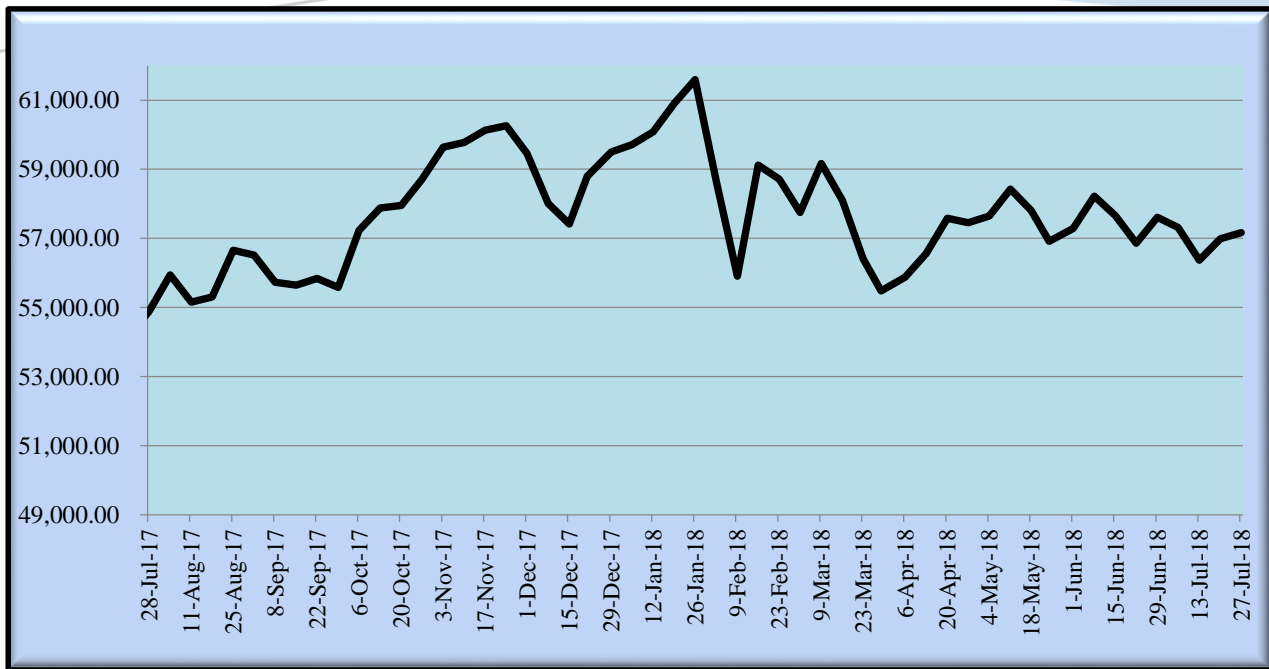
During the week ending 27<sup>th</sup> July 2018, the JSE All Share Index increased to 57,162.38 points, from 56 990.20 trillion in the previous week. JSE market capitalisation, however, declined by 0.34%, from R14.63 trillion in the previous week to R14.58 trillion, during the week under review.

**Table 7: Johannesburg Stock Exchange (JSE) Statistics**

Period	All Share Index (points)	Market Capitalization (ZAR trillion)
<b>29-Jun-18</b>	57,610.98	14.79
<b>6-Jul-18</b>	57,313.88	14.72
<b>13-Jul-18</b>	56,364.14	14.46
<b>20-Jul-18</b>	56,990.20	14.63
<b>27-Jul-18</b>	57 162.38	14.58
<b>% Change</b>	<b>0.30</b>	<b>-0.34</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**

**3<sup>RD</sup> AUGUST 2018**