



Weekly Economic Highlights

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Week Ending
29th June 2018

1. INTEREST RATES

Deposit Rates

Average deposit rates for savings deposits increased to 4.35% during the week ending 29th June 2018, from 4.22% in the previous week. Indicative deposit rates for deposits of 1 month tenor were lower at 3.53%, compared to 3.55% registered in the preceding week. Deposit rates for deposits of 3 months tenor, however, remained unchanged at 4% during the same week.

Table 1: Average Deposit Rates (per annum)

Date	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
01-June-18	4.41	3.52	3.84
08-June-18	4.22	3.50	3.82
15-June-18	4.22	3.50	3.83
22-June-18	4.22	3.55	4.00
29-June-18	4.35	3.53	4.00

Source: Banking Institutions, 2018

Lending Rates

Commercial bank weighted lending rates for individual clients declined to 9.32% during the week ending 29th May 2018, from 9.67% in the previous week. Weighted lending rates for corporate clients increased from 7.01% to 7.14%, during the same week.

Table 2: Lending Rates

Date	Lending Rates ¹ (%)	
	Commercial Banks (weighted)	
	Individuals	Corporate clients
01-June-18	9.32	7.07
08-June-18	9.69	7.01
15-June-18	9.68	7.02
22-June-18	9.67	7.01
29-June-18	9.32	7.14

Source: Banking Institutions, 2018

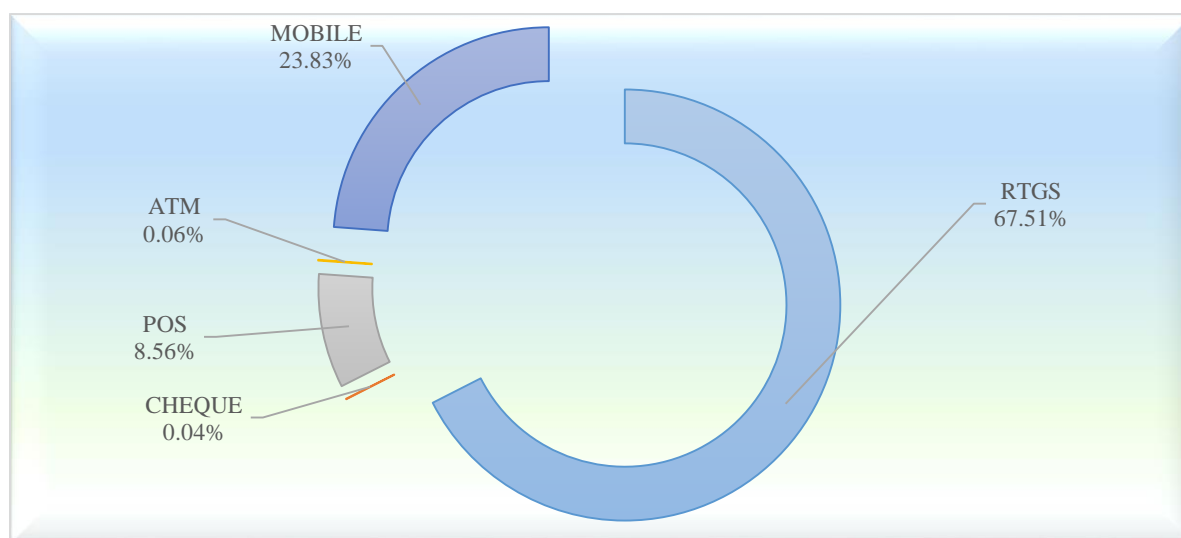
¹ Minimum weighted lending rates offered by commercial banks.

2. CLEARING AND SETTLEMENT ACTIVITY

The National Payments System (NPS) transactions value declined from US\$3,212.11 million in the previous week, to US\$3,160.76 million during the week under review. Transactions processed through the Real Time Gross Settlement (RTGS) system, which accounted for the largest proportion of the total NPS transactions, decreased by 6.4% to close the week under review at US\$2,133.95 million.

In value terms, RTGS payments accounted for 67.51% of transactions processed through the NPS; Mobile, 23.83%; Point of Sale (POS), 8.56%; Automated Teller Machines (ATMs), 0.06%; and cheque transactions, 0.04%, as shown in Figure 1.

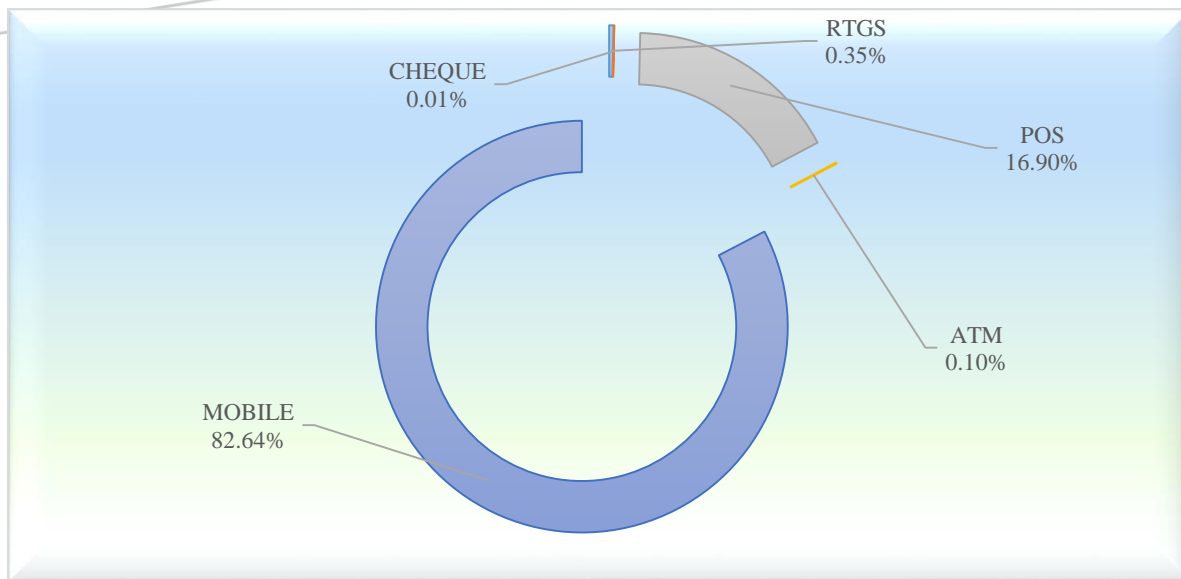
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2018

The volume of transactions processed through the NPS increased by 7.1%, to close the week under analysis at 42 922 844 transactions. Mobile-based transactions accounted for 82.64% of the total volume of transactions, followed by POS, 16.9%; RTGS, 0.35%; ATM, 0.10%; 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 22 nd JUNE 2018	WEEK ENDING 29 th JUNE 2018	% CHANGE FROM LAST WEEK	PROPORTION
VALUES IN US\$				
RTGS	2,279.23	2,133.95	-6.40%	67.51%
CHEQUE	0.98	1.24	27.00%	0.04%
POS	255.60	270.65	5.90%	8.56%
ATM	1.75	1.84	5.10%	0.06%
MOBILE	674.55	753.07	11.60%	23.83%
TOTAL	3,212.11	3,160.76	-1.60%	100%
VOLUMES				
RTGS	115,713	149,037	28.8%	0.35%
CHEQUE	5,060	4,922	-2.7%	0.01%
POS	6,789,697	7,254,694	6.8%	16.90%
ATM	38,170	42,276	10.8%	0.10%
MOBILE	33,130,094	35,471,915	7.1%	82.64%
TOTAL	40,078,734	42,922,844	7.1%	100%

Source: Reserve Bank of Zimbabwe, 2018

3. TOBACCO SALES

As at 29th of June 2018 or day 68 of the 2018 tobacco selling season, a cumulative total of 218,797,611 kilograms of tobacco had been sold. This compares favorably with the 166,845,523 kilograms sold during the corresponding period in 2017.

In value terms, the cumulative tobacco sales amounted to US\$637.81 million, up from US\$489.34 million realized during the corresponding period in 2017. The golden leaf was sold at an average price of US\$2.92/kg, compared to the US\$2.93/kg realized during the same period in 2017.

Table 4: Cumulative Tobacco Sales: Day 68 (29th June 2018)

	2017	2018	Variance (%)
Cumulative Quantity Sold (kgs)	166,845,523	218,797,611	31.1
Cumulative Average Price(US\$/kg)	2.93	2.92	-0.3
Cumulative Value(US\$ million)	489,338,628	637,813,258	30.3

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

4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

During the week under review, international commodity prices of crude oil firmed, while gold, platinum, copper and nickel prices retreated from previous week levels, as shown in Table 5.

Table 5: Metal and Crude Oil Prices

	Gold	Platinum	Copper	Nickel	Crude Oil
2018	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
Weekly Average (18 - 22 June)	1,273.40	871.20	6,773.10	15,103.00	74.42
25-Jun	1,269.25	872.50	6,815.50	15,295.00	74.84
26-Jun	1,258.73	863.00	6,720.00	14,835.00	76.58
27-Jun	1,255.70	863.00	6,692.50	14,760.00	77.50
28-Jun	1,251.03	852.00	6,689.50	14,930.00	77.77
29-Jun	1,250.50	848.50	6,623.00	14,790.00	78.25
Weekly Average (25 - 29 June)	1,257.04	859.80	6,708.10	14,922.00	76.99
<i>Weekly Change (%)</i>	<i>(1.3)</i>	<i>(1.3)</i>	<i>(1.0)</i>	<i>(1.2)</i>	<i>3.5</i>

Source: BBC, KITCO and Bloomberg

Gold

Gold prices retreated by 1.3%, from an average of US\$1,273.40/oz. in the previous week to US\$1,257.04/oz., during the week under review. Monetary tightening by the Fed partly led to the waning appeal of gold as a safe haven asset, as investors shifted to interest bearing assets.

Platinum

Platinum prices declined by 1.3%, from a weekly average of US\$871.20/oz. in the previous week to US\$859.80/oz., during the week under analysis. The decline was underpinned by expectations of weak demand in emission control mechanism manufacturing industries, as the market is shifting away from internal combustion engines, particularly diesel-powered vehicles.

Copper

Copper prices declined by 1.0%, from US\$6,773.10/ton in the previous week to US\$6,708.10/ton, during the week under review. The prices were weighed down by rising global inventories, on the back of output increases in Chile.

Nickel

Nickel prices registered a 1.2% decline, from a weekly average of US\$15,103/ton in the previous week to US\$14,922/ ton, during the week under analysis. The base metal price was weighed down by uncertainties in the Chinese stainless steel industries, following environmental inspections in the downstream nickel value chains.

Brent Crude Oil

Brent crude oil prices increased during the week under review, largely on account of supply disruptions in Libya, Canada and Venezuela. Resultantly, weekly average crude oil prices firmed by 3.4%, to close the week at an average of US\$76.99/barrel.

4. EXCHANGE RATES

During the week ending 29th June 2018, the US dollar depreciated against the euro and rand. The greenback, however, marginally gained against the pound Sterling and pula.

Table 1: Selected Exchange Rates per U.S. Dollar

	ZAR	GBP	BWP	EURO
2018				
Weekly Average (12 - 22 June)	13.63985	0.75628	10.3489	0.86236
25-Jun	13.4672	0.7545	10.2987	0.8592
26-Jun	13.5192	0.7526	10.3093	0.8535
27-Jun	13.5598	0.7567	10.3359	0.8585
28-Jun	13.8709	0.7642	10.4603	0.8655
29-Jun	13.7136	0.7625	10.4493	0.8587
Weekly Average (25 - 29 June)	13.6261	0.7581	10.3707	0.8591
<i>Appr(+)/Depr(-) (%) of the USD</i>	<i>-0.1</i>	<i>0.2</i>	<i>0.2</i>	<i>-0.4</i>

Source: Reuters, 2018

5. EQUITY MARKETS

The Zimbabwe Stock Exchange (ZSE) continued on a negative trajectory, during the week ending 29th June 2018. The All Share Index declined by 6.12%, to close the week at 102.1 points from 108.76 points registered in the previous week.

The industrial index declined by 5.43%, to close the week under review at 342.79 points. The retreat emanated from share price losses at Innscor Africa Limited (20.18%), Old Mutual Limited (19.14%), Star Africa Corporation Limited (18.75%), Seedco Limited (12.16%) and Axia Corporation Limited (12%).

Similarly, the mining index registered a 0.73% decline, to close the week under analysis at 161.28 points. The decline in the resources index was largely attributable to share price losses of 1.19% and 0.63% at Bindura Nickel Corporation (BNC) and RioZim, respectively.

Table 6: Zimbabwe Stock Exchange (ZSE) Statistics

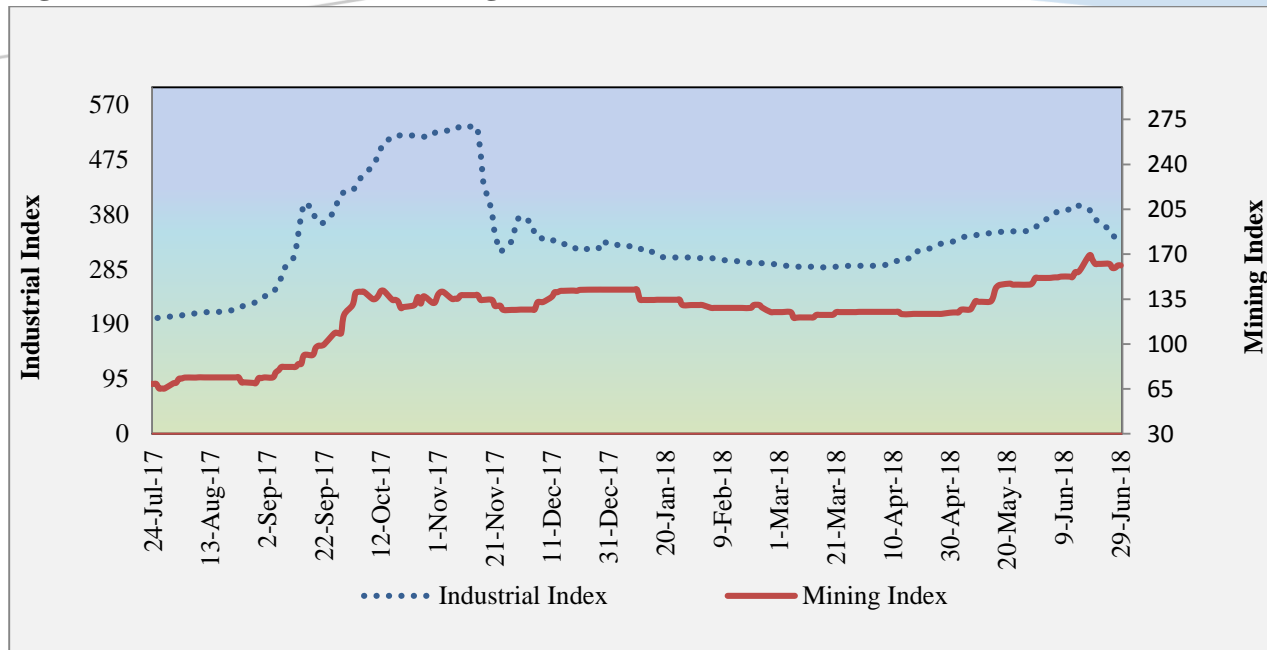
	All Share Index ² (points)	Top 10 index ³ (Points)	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
18-May-18	104.80	107.64	350.02	146.30	10,056,829,012	14,477.577	26,073,741
24-May-18	105.27	107.49	351.60	146.30	10,101,710,611	16,048.718	27,700,995
15-June-18	118.25	123.86	394.79	158.55	11,344,808,900	12,881.956	25,906,894
22-June-18	108.76	111.21	362.49	162.47	10,434,994,250	16,636.337	55,999,615
29-June-18	102.10	103.31	342.79	161.28	9,792,184,775	15,129.064	32,504,946
Weekly Change (%)	-6.12	-7.10	-5.43	-0.73	-6.16	-9.06	-41.96

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

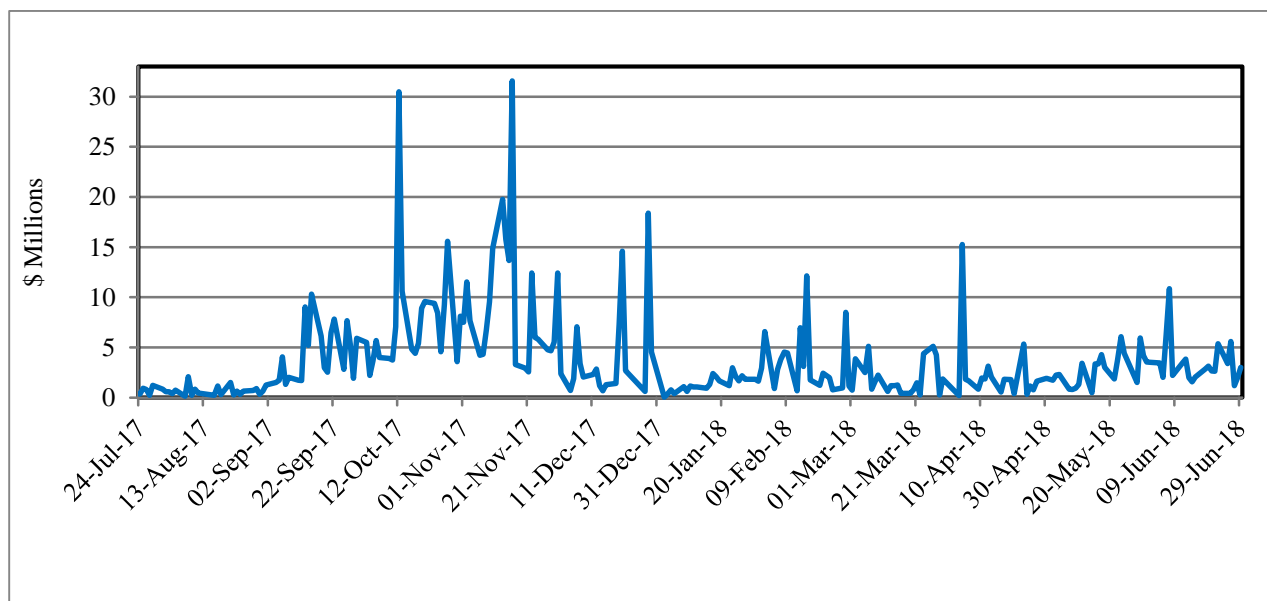


Source: Zimbabwe Stock exchange, 2018

Market Turnover and Volume

During the week ending 29th June 2018, the ZSE market turnover declined by 41.96% to 32.5 million shares. The value of shares traded also declined by 9.06%, to close the week at \$15.13 million. Figure 4 shows market turnover developments at the ZSE.

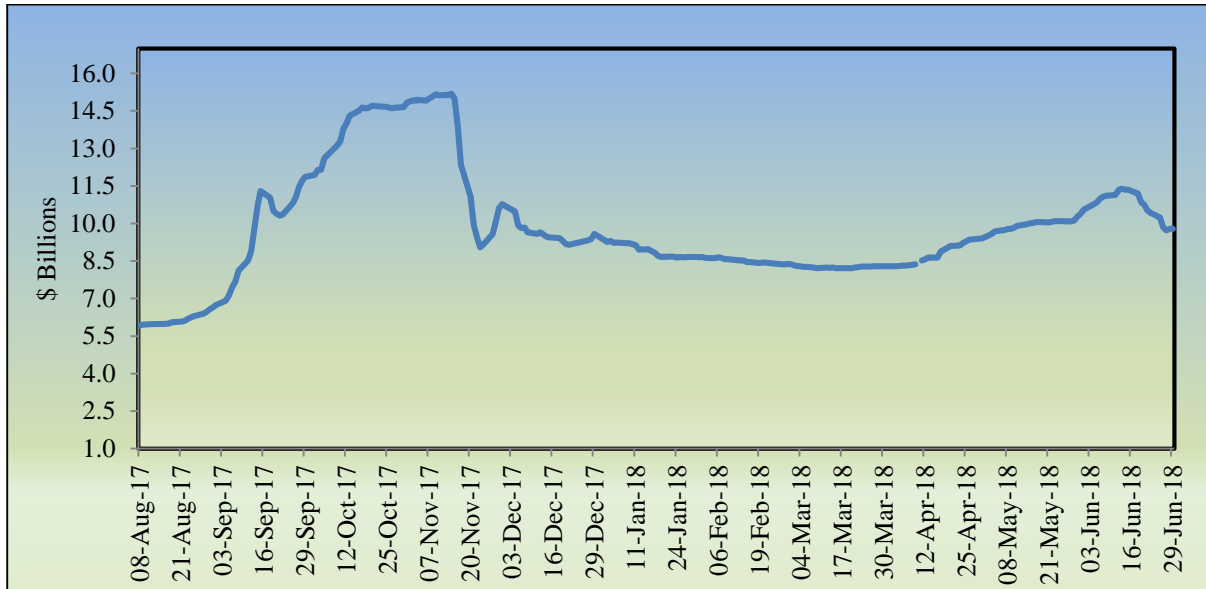
Figure 4: Daily Market turnover



Source: Zimbabwe Stock Exchange, 2018

Market Capitalization

The ZSE lost \$642.81 million worth of capitalization, or 6.16% of the previous week value, to close the week under review at \$9.79 billion. This was on account of losses in both the industrial and mining indices.



Source: Zimbabwe Stock Exchange, 2018

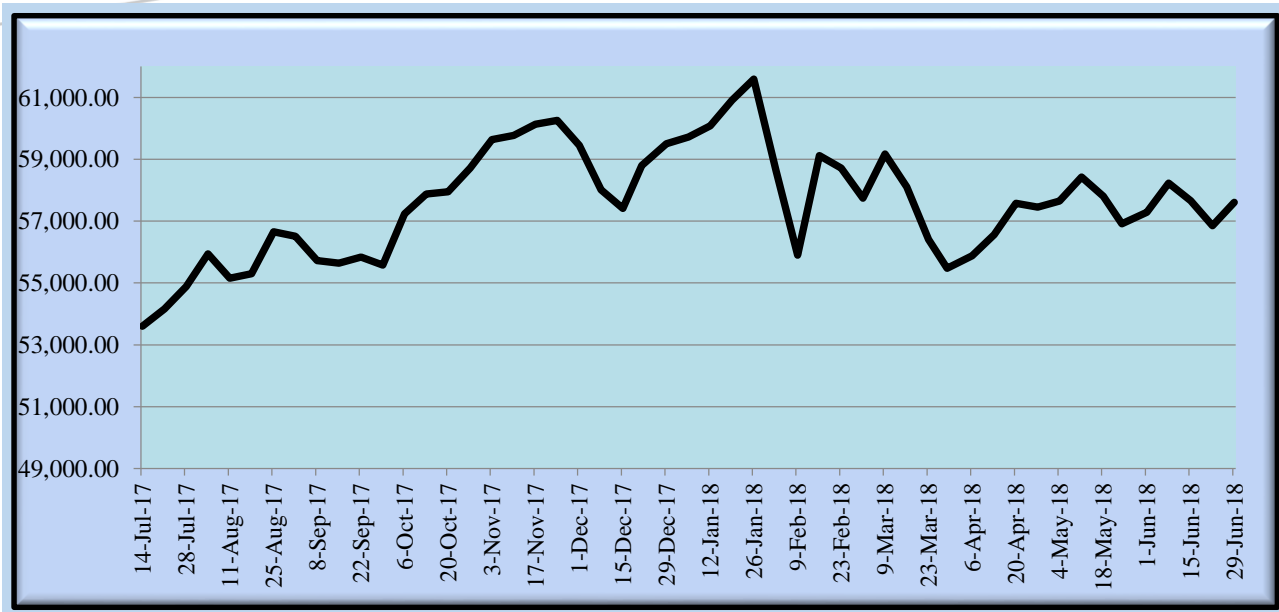
Johannesburg Stock Exchange (JSE) Developments

The JSE All Share index closed the week under review at 57,610.98, a 1.33% increase from 56,856.66 points recorded in the previous week. Likewise, JSE market capitalization registered a 1.02% increase, to close the week at R14.79 trillion.

Period	All Share Index (points)	Market Capitalization (ZAR trillion)
01-June-18	57,282.14	14.37
08-June-18	58,223.72	14.58
15-June-18	57,660.50	14.69
22-June-18	56,856.66	14.64
29-June-18	57,610.98	14.79
% Change	1.33	1.02

Source: <https://www.jse.co.za/services/market-data/market-statistics,2018>

Figure 5: Johannesburg Stock Exchange (JSE) All Share Index



Source: <https://www.jse.co.za/services/market-data/market-statistics>, 2018

RESERVE BANK OF ZIMBABWE

6TH JUNE 2018