



# Weekly Economic Highlights

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Week Ending  
9<sup>th</sup> March 2018

## 1. INTEREST RATES

### Deposit Rates

Average deposit rates on savings deposits and deposits of 1 month and 3 month tenors closed the week ending 9<sup>th</sup> March unchanged from the previous week levels.

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

Date	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
09-February-18	4.54	3.47	4.08
16 February-18	4.14	3.49	3.86
23-February-18	4.22	3.43	3.71
02-March-18	3.97	3.34	3.63
09-March-18	3.97	3.34	3.63

Source: Banking Institutions, 2018

### Lending Rates

Commercial bank weighted lending rates for individual and corporate clients also closed the week under review unchanged at 9.57% and 6.94%, respectively.

**Table 2: Lending Rates**

Date	Lending Rates <sup>1</sup> (%)	
	Commercial Banks (weighted)	
	Individuals	Corporate clients
09-February-18	9.57	6.93
16-February-18	9.58	6.93
23-February-18	9.57	6.93
02-March-18	9.57	6.94
09-March-18	9.57	6.94

Source: Banking Institutions, 2018

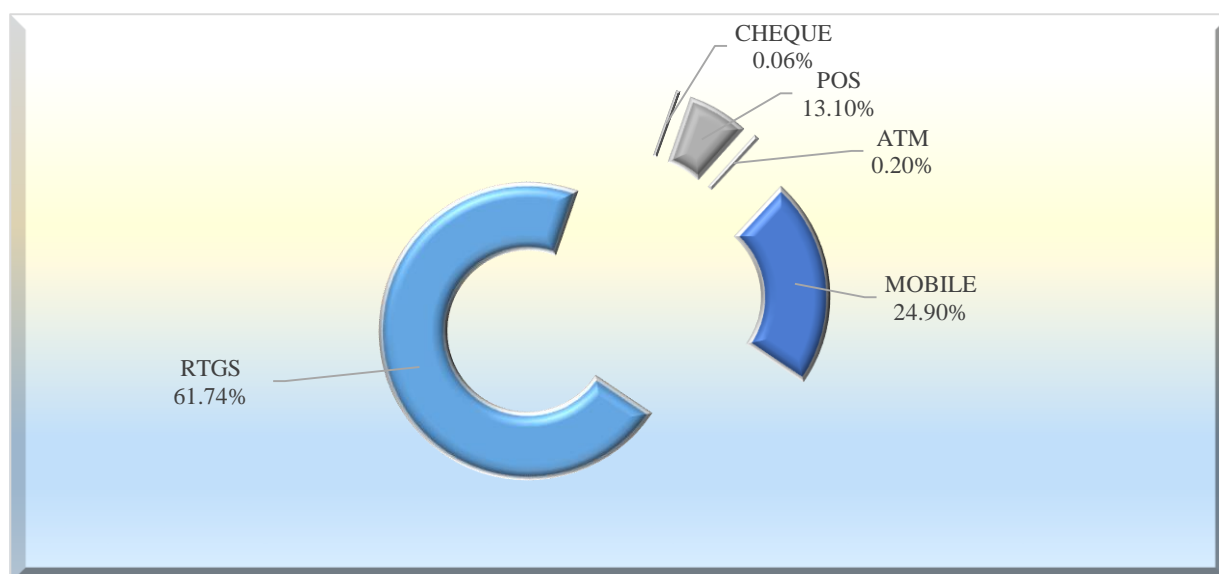
<sup>1</sup> Minimum weighted lending rates offered by commercial banks.

## 2. CLEARING AND SETTLEMENT ACTIVITY

During the week ending 9<sup>th</sup> March 2018, the total value of transactions processed through the National Payments System (NPS) declined from US\$1,934.17 million recorded in the previous week to US\$1,830.74 million. Transactions processed through the Real Time Gross Settlement (RTGS) system decreased by 8.8%, to close the week under review at US\$1,130.33 million.

The total value of transactions processed through the NPS was distributed as follows: RTGS, 61.74%; Mobile, 24.90%; Point of Sale (POS), 13.10%; Automated Teller Machines (ATMs), 0.20% and cheque transactions, 0.06%.

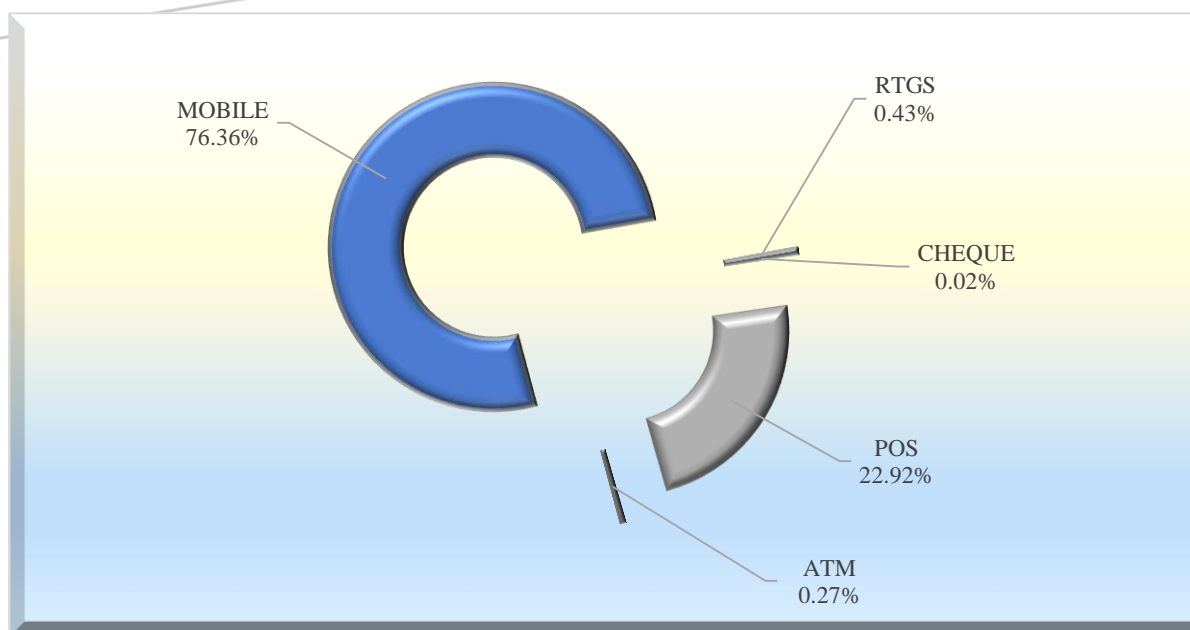
**Figure 1: Composition of NPS Transactions in Value Terms**



*Source: Reserve Bank of Zimbabwe, 2018*

In volume terms, NPS transactions increased by 6% from 29 336 650 in the previous week, to close the week under review at 31,007,986 transactions. Mobile-based transactions accounted for 76.36% of the total volume of transactions, followed by POS, 22.92%; ATM, 0.43%; RTGS, 0.2% and Cheque 0.02%, 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 02 March 2018	WEEK ENDING 09 March 2018	CHANGE FROM LAST WEEK	PROPORTION
<b>VALUES IN US\$ (millions)</b>				
RTGS	1,239.86	1,130.33	-8.8%	61.74%
CHEQUE	1,03	1.12	9%	0.06%
POS	206.34	239.76	16%	13.10%
ATMS	3,38	3.67	9%	0.20%
MOBILE	483,57	455.86	-6%	24.90%
<b>TOTAL</b>	<b>1,934.17</b>	<b>1,830.74</b>	<b>-5%</b>	<b>100%</b>
<b>VOLUMES</b>				
RTGS	146,783	133,659	-9%	0.43%
CHEQUE	5,582	5,794	4%	0.02%
POS	6,107,069	7,108,348	16.4%	22.92%
ATMs	76,993	82,658	7%	0.27%
MOBILE	23,000,223	23,677,527	3%	76.36%
<b>TOTAL</b>	<b>29,336,650</b>	<b>31,007,986</b>	<b>6%</b>	<b>100%</b>

Source: Reserve Bank of Zimbabwe, 2018

### 3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

During the week ending 9<sup>th</sup> March 2018, the international commodity prices of platinum, copper, nickel and crude oil softened, while gold prices firmed, as shown in Table 4.

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

	<b>Gold</b>	<b>Platinum</b>	<b>Copper</b>	<b>Nickel</b>	<b>Crude Oil</b>
<b>Week ending (26 Feb - 2 Mar)</b>	<b>1,323.99</b>	<b>982.10</b>	<b>7,033.40</b>	<b>13,706.00</b>	<b>65.43</b>
5-Mar	1,323.35	962.00	6,930.00	13,440.00	65.56
6-Mar	1,328.18	963.00	6,945.00	13,460.00	65.49
7-Mar	1,330.95	959.50	6,962.50	13,520.00	64.52
8-Mar	1,323.20	951.50	6,942.50	13,510.00	63.84
9-Mar	1,320.18	950.00	6,835.00	13,200.00	65.56
<b>Weekly Average (5 - 9 Mar)</b>	<b>1,325.17</b>	<b>957.20</b>	<b>6,923.00</b>	<b>13,426.00</b>	<b>64.99</b>
<i>Weekly Change (%)</i>	<i>0.1</i>	<i>(2.5)</i>	<i>(1.6)</i>	<i>(2.0)</i>	<i>(0.7)</i>

Source: BBC, KITCO and Bloomberg 2018

#### **Gold**

Gold prices gained by a marginal 0.1%, from US\$1,323.99/oz in the previous week to US\$ 1,325.17/oz., during the week under analysis. This was on the back of investor concerns on prospects of monetary policy tightening by the Federal Reserve in March 2018.

#### **Platinum**

Platinum prices continued on a negative trajectory weighed down by the dampened investment demand outlook, exacerbated by expectations of a Federal Reserve interest rate hike. Prices retreated by 2.5% to a weekly average of US\$957.20/oz., during the week under analysis.

#### **Copper**

Copper prices decreased by 1.6%, to close the week under review at an average of US\$6,923.00/ton. This was on account of a slowdown in demand for the metal in China, the largest consumer of base metal.



## **Nickel**

Nickel prices declined by 2.0%, from a weekly average of US\$13,706.00 in the previous week to US\$13,426.00/tonne, during the week under review. Prices were weighed down by fears of trade tensions, following the US announcement on imposition of import tariffs on base metals, especially from China and Europe.

## **Crude Oil**

Crude oil prices declined by 0.7%, from US\$65.43/barrel in the previous week to US\$64.99/barrel, during the week under review. Investor concerns on increasing inventories and rising U.S. oil output continued to weigh down on the prices.

## 4. EXCHANGE RATES

The US dollar appreciated against the pound Sterling, pula and rand, during the week ending 9<sup>th</sup> March 2018. This followed the release of positive U.S. employment data which sparked a fresh rally in equities, shoring up expectations on interest rate hikes by the U.S. Federal Reserve. The green back, however, depreciated against the euro.

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

	ZAR	GBP	BWP	EURO
<b>2018</b>				
<b>Weekly Average (26 Feb - 2 Mar)</b>	<b>11.6997</b>	<b>0.7203</b>	<b>9.5177</b>	<b>0.8151</b>
5-Mar	11.9845	0.7248	9.5740	0.8115
6-Mar	11.8428	0.7225	9.5694	0.8100
7-Mar	11.8287	0.7199	9.5465	0.8052
8-Mar	11.8404	0.7193	9.5694	0.8061
9-Mar	11.9083	0.7243	9.5785	0.8119
<b>Weekly Average (5 - 9 Mar)</b>	<b>11.8809</b>	<b>0.7222</b>	<b>9.5676</b>	<b>0.8089</b>
<i>Appr(+)/Depr(-) (%) of the USD</i>	<i>1.5</i>	<i>0.3</i>	<i>0.5</i>	<i>-0.8</i>

Source: Reuters, 2018

## 5. EQUITY MARKETS

During the week under review, the All Share Index lost 1.01 points to 86.25 points, from 87.26 points in the previous week. The loss was due to sustained negative sentiments that were exhibited on the Zimbabwe Stock Exchange (ZSE) for the past ten weeks.

The industrial index closed the week under analysis at 288.77 points, a 1.09 decline from 291.95 points in the previous week. Losses in Willdale Limited (16.67%); British American Tobacco Zimbabwe (11.49%); Afdis Distillers Limited (9.38%); Powerspeed Electrical Limited (8.53%); and CBZ Holdings Limited (6.76%), accounted for the decline in the industrial index.

Similarly, the mining index declined by 3.32% to close the week ending 9<sup>th</sup> March 2018 at 120.76 points. This was largely driven by a 16.67% decrease in the Bindura Nickel Corporation share price. Partially offsetting this decline was a 0.21% increase in the RioZim share price. Hwange Colliery Company and Falgold remained inactive during the week under review.

**Table 6: Zimbabwe Stock Exchange (ZSE) 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
<b>09-February-18</b>	90.05	89.22	301.20	128.19	8,577,214,535	16,481,282	18,028,240
<b>16-February-18</b>	88.86	87.78	297.16	128.19	8,463,437,567	24,652,237	28,400,595
<b>23-February-18</b>	88.29	87.47	295.24	128.40	8,411,137,031	6,395,063	10,200,476
<b>02-March-18</b>	87.26	86.05	291.95	124.91	8,316,594,858	15,209,231	80,052,036
<b>09-March-18</b>	86.25	84.96	288.77	120.76	8,220,533,455	12,241,097	54 871 045
<b>Weekly Change (%)</b>	<b>-1.16</b>	<b>-1.27</b>	<b>-1.09</b>	<b>-3.32</b>	<b>-1.16</b>	<b>-19.52</b>	<b>-31.46</b>

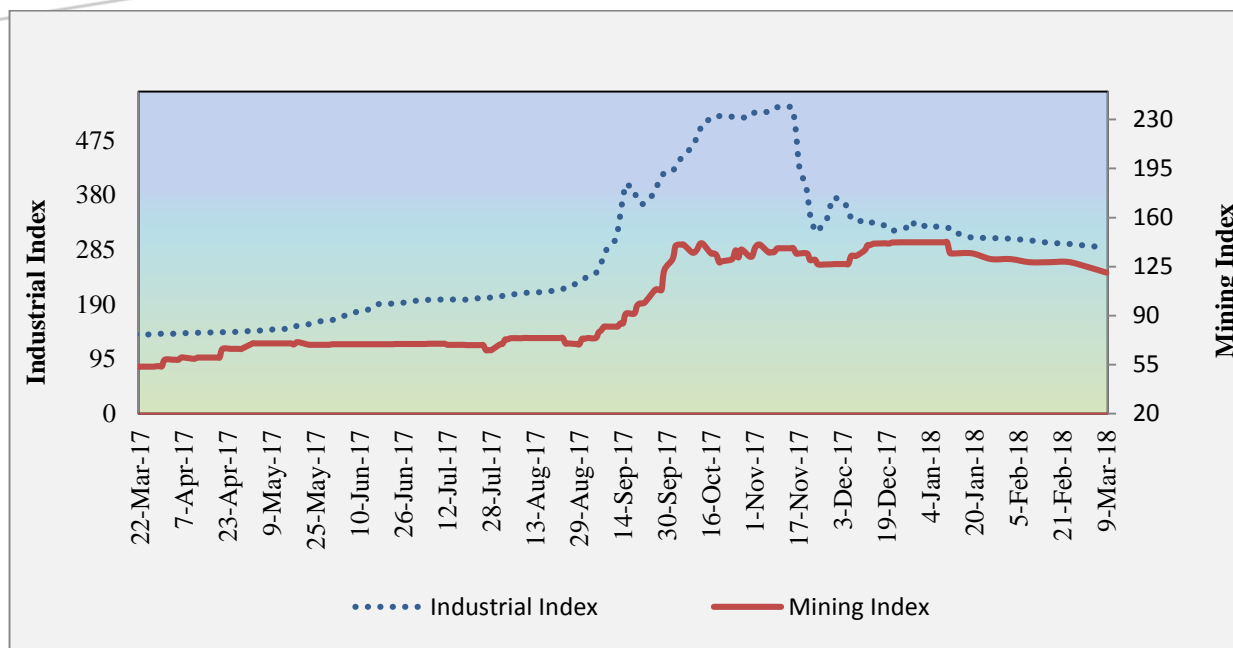
Source: Zimbabwe Stock Exchange (ZSE), 2018

<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**

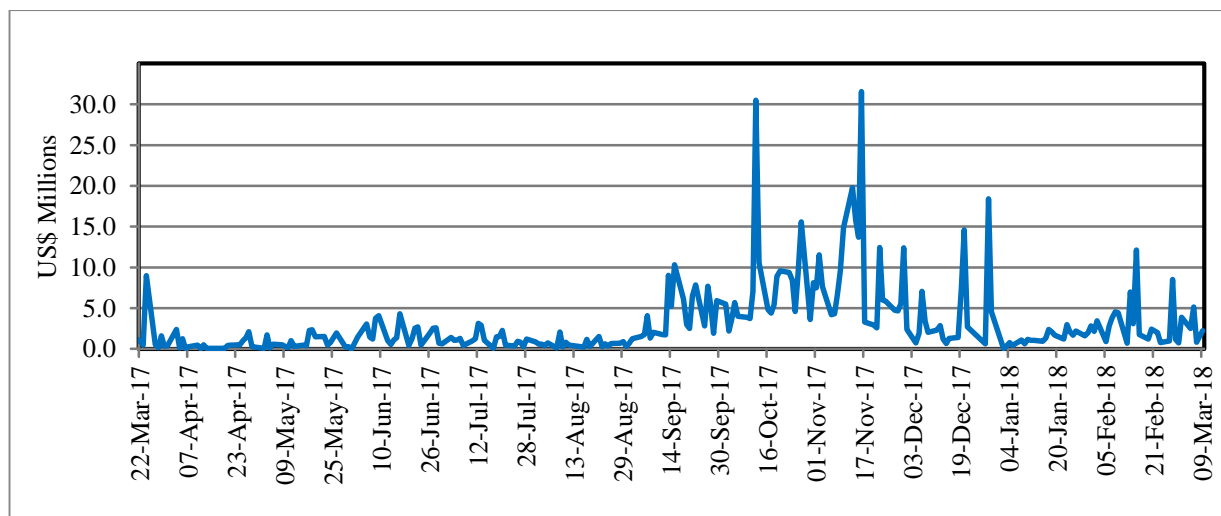


Source: Zimbabwe Stock exchange, 2018

### Market Turnover and Volume

As a consequence of subdued trading, the volume of shares traded on the ZSE registered a 31.46% decline to close the week ending 9<sup>th</sup> of March 2018 at 54 871 045 shares, from 80,052,036 shares in the previous week. Consequently, the ZSE market turnover also declined by 19.52% to US\$12,24 million during the week under review.

**Figure 4: Daily Market turnover**

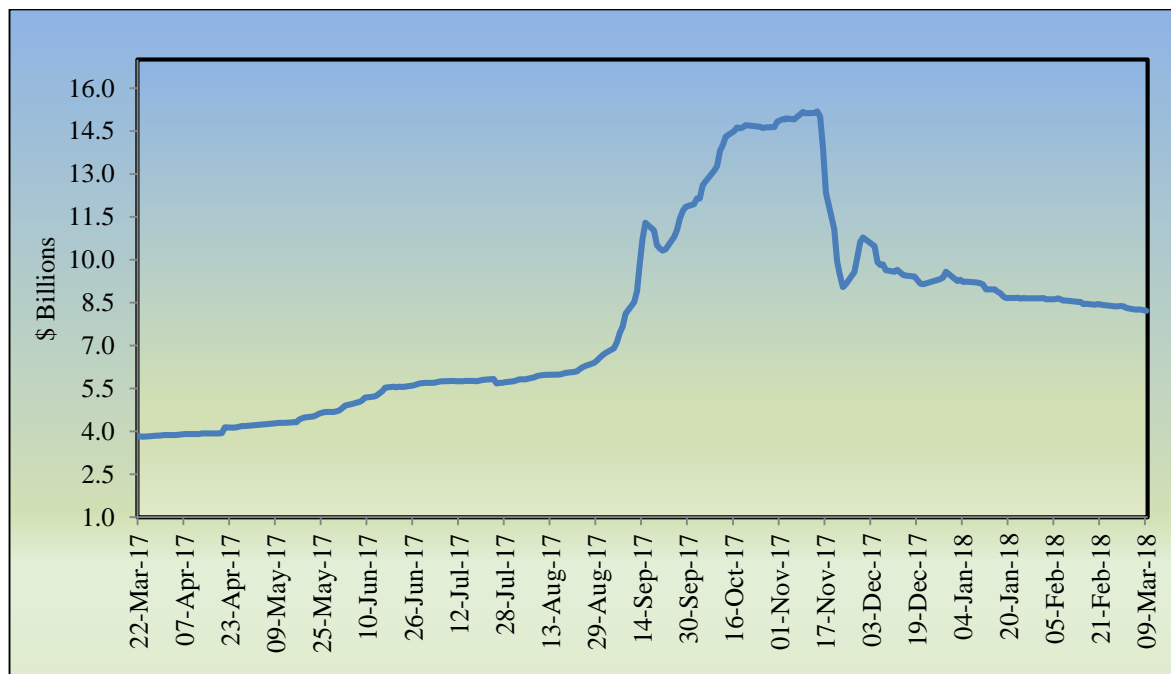


Source: Zimbabwe Stock Exchange, 2018

## Market Capitalization

In line with developments on the market, the ZSE market capitalization registered a 1.16%, decline to close the week under review at \$8.22 billion.

**Figure 5: Market Capitalization**



Source: Zimbabwe Stock Exchange, 2018

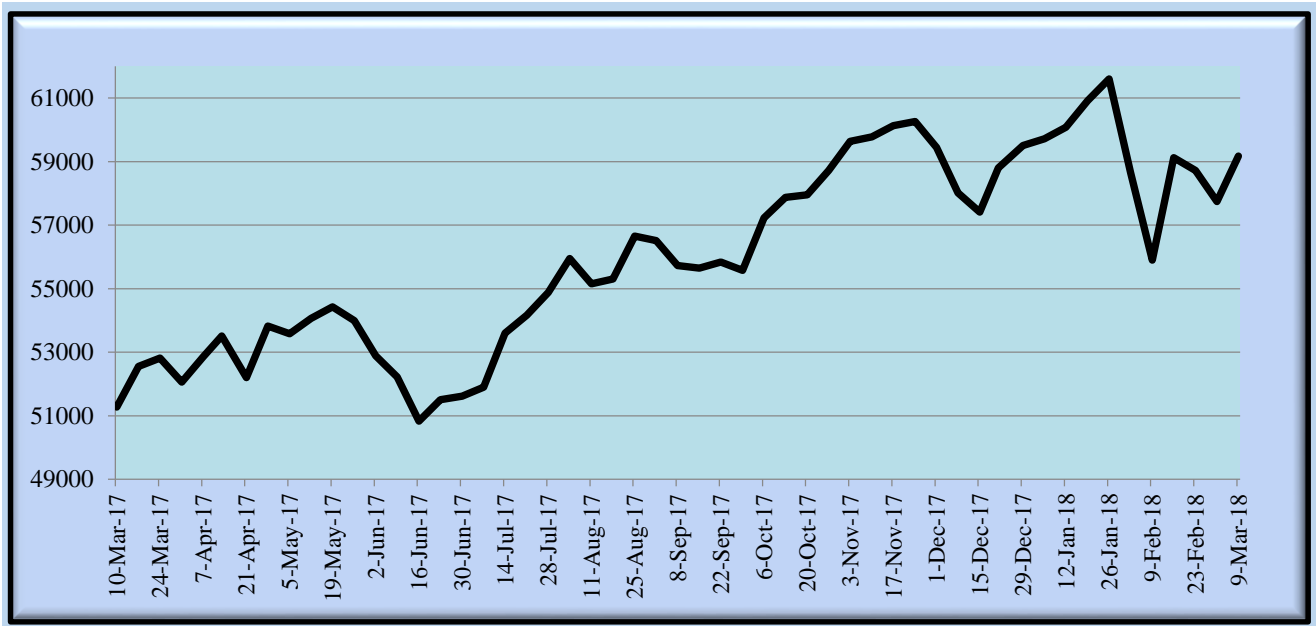
## Johannesburg Stock Exchange (JSE) Development

The JSE All Share index registered a 3.51% decline, from 57 744.70 points in the previous week to 59 169.23 points, during week ending 9<sup>th</sup> March 2018. The JSE market capitalization, however, increased from R14.74 trillion in the previous week to R15.01 trillion, during the week under review.

Period	All Share Index (points)	Market Capitalization (ZAR trillion)
<b>09-February-18</b>	55 902.62	14.44
<b>16- February-18</b>	59 122.34	14.89
<b>23-February-18</b>	58 715.46	14.82
<b>02-March-18</b>	57 744.70	14.74
<b>09-March-18</b>	59 169.23	15.01
<b>% Change</b>	<b>3.51</b>	<b>1.83</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

16<sup>TH</sup> MARCH 2018