



# Weekly Economic Highlights

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Week Ending  
08<sup>st</sup> June 2018

## 1. INTEREST RATES

### Deposit Rates

Average deposit rates for savings deposits, deposits of 1 month and 3 month tenors closed the week ending 8<sup>th</sup> June 2018 lower at 4.22%, 3.50% and 3.82%, respectively.

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

Date	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
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
01-June-18	4.41	3.52	3.84
08-June-18	<b>4.22</b>	<b>3.50</b>	<b>3.82</b>

Source: Banking Institutions, 2018

### Lending Rates

Weighted commercial bank lending rates for individual clients increased, closing the week under review at 9.69%. Lending rates for corporate clients, however, continued on a downward trend, closing the week under analysis at 7.01%, from 7.07% registered during the previous week.

**Table 2: Lending Rates**

Date	Lending Rates <sup>1</sup> (%)	
	Commercial Banks (weighted)	
	Individuals	Corporate clients
11-May-18	9.33	6.85
18-May-18	9.33	7.07
24-May-18	9.28	7.09
01-June-18	9.32	7.07
08-June-18	<b>9.69</b>	<b>7.01</b>

Source: Banking Institutions, 2018

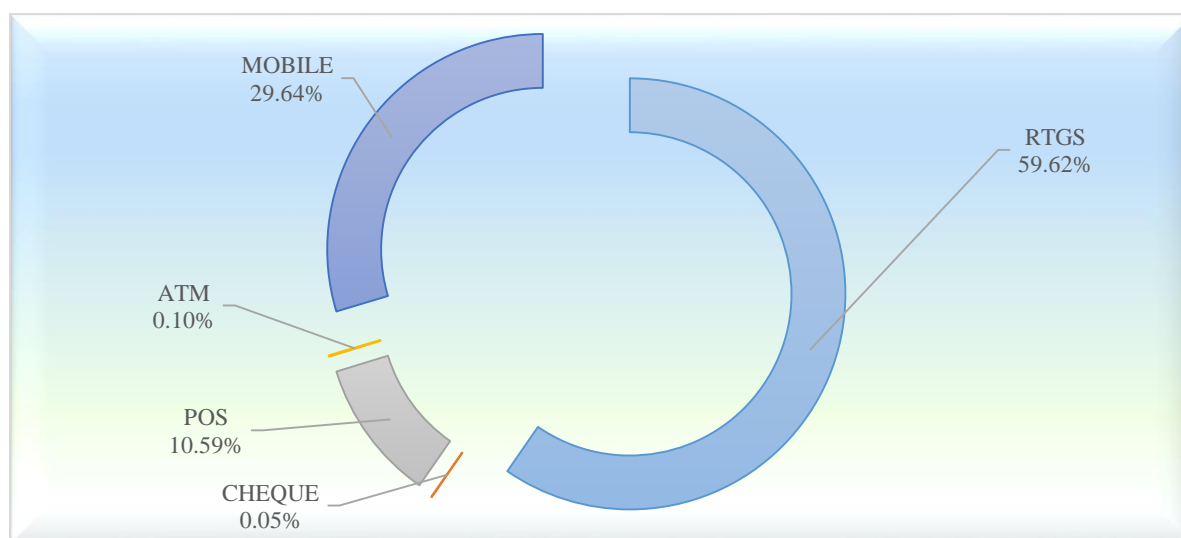
<sup>1</sup> Minimum weighted lending rates offered by commercial banks.

## 2. CLEARING AND SETTLEMENT ACTIVITY

The total value of transactions processed through the National Payment System (NPS) amounted to US\$ 2.26 billion during the week ending 8<sup>th</sup> June 2018, down from US\$2.78 billion in the previous week. Transactions processed through the Real Time Gross Settlement (RTGS) system decreased by 24.8%, to close the week under review at US\$1.35 billion.

In value terms, RTGS payments accounted for 59.63% of the total value of transactions processed through the National Payment system. Mobile, Point of Sale (POS), Automated Teller Machines (ATMs) and Cheque transactions accounted for 29.64%, 10.59%, 0.10% and 0.05%, respectively as shown in Figure 1.

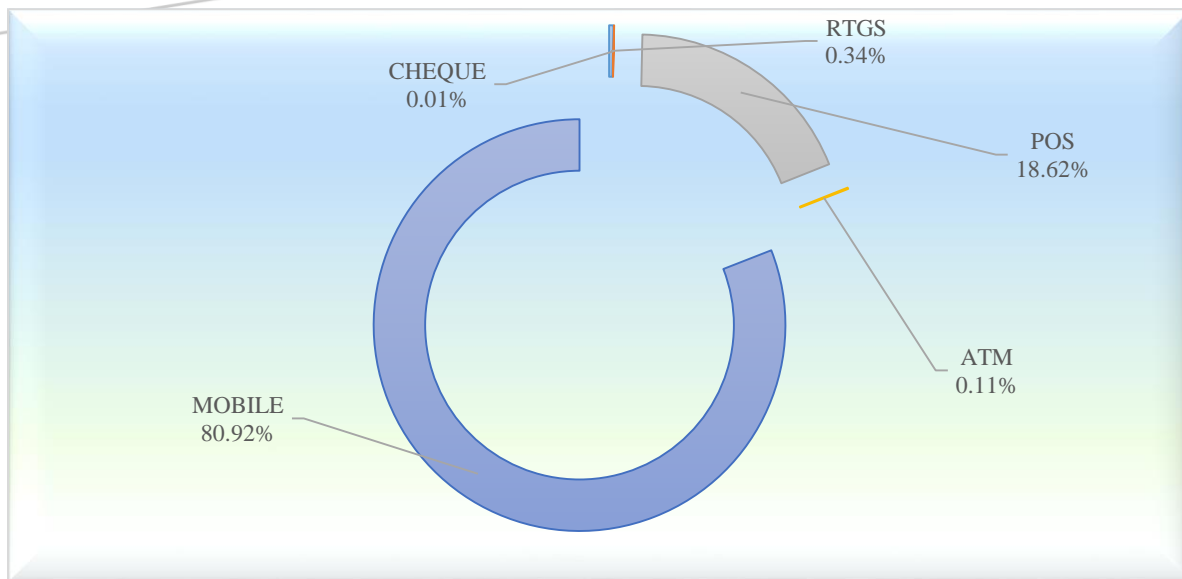
**Figure 1: Composition of NPS Transactions in Value Terms**



*Source: Reserve Bank of Zimbabwe, 2018*

The volume of transactions processed through the NPS increased by 2.1%, to close the week under review at 40,916,772 transactions. NPS transactions volumes were distributed as follows: Mobile- 80.92%; POS, 18.62%; ATM, 0.11%; RTGS, 0.34% 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 1 <sup>st</sup> JUNE 2018	WEEK ENDING 08 <sup>th</sup> JUNE 2018	CHANGE FROM LAST WEEK	PROPORTION OF TOTAL
<b>VALUES IN US\$ (millions)</b>				
<b>RTGS</b>	1,790,871,629.92	1,346,498,836.91	-24.8%	59.63%
<b>CHEQUE</b>	1,007,777.46	1,083,690.19	7.5%	0.05%
<b>POS</b>	275,910,714.56	239,205,559.26	-13.3%	10.59%
<b>ATM</b>	2,409,327.00	2,154,900.00	-10.6%	0.10%
<b>MOBILE</b>	713,952,754.02	669,284,233.75	-6.3%	29.64%
<b>TOTAL</b>	<b>2,784,152,202.96</b>	<b>2,258,227,220.11</b>	<b>-18.9%</b>	<b>100%</b>
<b>VOLUMES</b>				
<b>RTGS</b>	162,958	138,273	-15.1%	0.34%
<b>CHEQUE</b>	5,153	5,472	6.2%	0.01%
<b>POS</b>	7,047,599	7,616,762	8.1%	18.62%
<b>ATMs</b>	51,022	46,775	-8.3%	0.11%
<b>MOBILE</b>	32,822,208	33,109,490	0.9%	80.92%
<b>TOTAL</b>	<b>40,088,940</b>	<b>40,916,772</b>	<b>2.1%</b>	<b>100%</b>

Source: Reserve Bank of Zimbabwe, 2018

### 3. TOBACCO SALES

As at 8<sup>th</sup> June 2018 or day 53 of the 2018 tobacco selling season, a cumulative total of 180.25 million kilograms of tobacco, valued at US\$525.57 million, had been sold at an average price of US\$2.92/kg.

During the same period in 2017, a total of 147.61 million kilograms of the golden leaf were sold at an average price of US\$2.89/kg. The cumulative sales value of the golden leaf was US\$426.42 million.

**Table 4: Cumulative Tobacco Sales: Day 53 (8th June 2018)**

	2017	2018	Variance (%)
<b>Cumulative Quantity Sold (kgs)</b>	147,608,731	180,249,058	22.11
<b>Cumulative Average Price(US\$/kg)</b>	2.89	2.92	1.00
<b>Cumulative Value (US\$ million)</b>	426,416,232	525,569,796	23.25

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

## 4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

During the week ending 8<sup>th</sup> June 2018, the international commodity prices of platinum, gold and crude oil declined, while those of copper and nickel 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>Weekly Average (29 May - 1 June)</b>	<b>1,299.93</b>	<b>907.00</b>	<b>6,847.00</b>	<b>15,110.00</b>	<b>76.61</b>
4-Jun	1,295.05	903.50	6,927.50	15,445.00	75.33
5-Jun	1,292.15	897.00	6,970.00	15,385.00	76.01
6-Jun	1,297.68	901.50	7,108.00	15,710.00	75.87
7-Jun	1,297.78	901.50	7,243.00	15,460.00	77.06
8-Jun	1,298.73	899.50	7,243.00	15,460.00	76.18
<b>Weekly Average (4 - 8 June)</b>	<b>1,296.28</b>	<b>900.60</b>	<b>7,098.30</b>	<b>15,492.00</b>	<b>76.09</b>
<i>Weekly Change (%)</i>	<i>(0.3)</i>	<i>(0.7)</i>	<i>3.7</i>	<i>2.5</i>	<i>(0.7)</i>

Source: BBC, KITCO and Bloomberg 2018

### Gold

Gold prices closed the week under review at an average of US\$1,296.28/oz, from US\$1,299.93/oz. in the previous week. This followed weak safe haven demand for the mineral, as investors anticipated further interest rate hikes by the Federal Reserve. In addition, declines in demand from jewelers also weighed down the gold prices.

### Platinum

Platinum prices decreased by 0.7%, from a weekly average of US\$907.00/oz. in the previous week, to US\$900.60/oz. during the week under review. The decline in investment demand for the metal exerted downward pressure on the prices.

### Copper

Copper prices increased from US\$6,847.00/ton in the previous week, to US\$7,098.30/ton during the week under analysis. The increase was on the back of supply disruptions concerns in Chile, following protest threats by copper miners.

## Nickel

Nickel prices increased by 2.5%, from US\$15,110.00/ton in the previous week to US\$15,492.00/ton, during the week ending 8<sup>th</sup> June 2018. The increase in the price of the base metal was underpinned by the rise in demand from the steel making industry.

## Crude Oil

Crude oil prices closed the week under review at US\$76.09/barrel, a 0.7% decline from US\$76.61/barrel recorded in the previous week. This followed increases in global oil inventories, occasioned by high oil production in the US.

## 4. EXCHANGE RATES

The US dollar appreciated against the Botswana pula and South African rand, during the week ending 8<sup>th</sup> June 2018. The greenback, however, depreciated against the euro and pound Sterling, as shown in Table 5.

**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 (28 May - 1 June)</b>	<b>12.5614</b>	<b>0.7520</b>	<b>9.9574</b>	<b>0.8585</b>
4-Jun	12.6462	0.7480	10.0000	0.8551
5-Jun	12.5142	0.7510	9.9404	0.8560
6-Jun	12.7343	0.7459	10.0553	0.8531
7-Jun	12.6847	0.7441	9.9850	0.8471
8-Jun	13.0150	0.7452	10.0452	0.8472
<b>Weekly Average (4 - 8 June)</b>	<b>12.7189</b>	<b>0.7468</b>	<b>10.0052</b>	<b>0.8517</b>
<i>Appr(+)/Depr(-) (%) of the USD</i>	<i>1.3</i>	<i>-0.7</i>	<i>0.5</i>	<i>-0.8</i>

Source: Reuters, 2018

## 5. EQUITY MARKETS

During the week under review, the All Share Index gained 5.22 points to close at 115.73 points, from 109.99 points registered in the previous week.

The industrial index rose by 5.27%, from 367.27 points in the previous week to 386.62 points, during the week under review. The surge in the mainstream index emanated from share price gains in Amalgamated Regional Trading (ART) (18.36%), Econet Wireless Zimbabwe limited (15%), Inncor Africa Limited (11.16%), Delta Corporation Limited (9.74%) and British American Tobacco (B.A.T.) (9.57%).

The mining index increased by 0.69%, to close the week ending 8<sup>th</sup> June 2018 at 152.57 points. The rise in the mining index was driven by increases in share prices of Bindura Nickel Corporation (2.51%) and Hwange (0.26%).

**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>11-May-18</b>	103.24	105.09	345.49	132.96	9,907,132,092	7,302.730	12,398,671
<b>18-May-18</b>	104.80	107.64	350.02	146.30	10,056,829,012	14,477.577	26,073,741
<b>24-May-18</b>	105.27	107.49	351.60	146.30	10,101,710,611	16,048.718	27,700,995
<b>01-June-18</b>	109.99	113.63	367.27	151.53	10,555,935,263	18,709.739	46,111.985
<b>08-June-18</b>	115.73	121.39	386.62	152.57	11,103,908,683	24,815.719	117,868.009
<b>Weekly Change (%)</b>	<b>5.22</b>	<b>6.83</b>	<b>5.27</b>	<b>0.69</b>	<b>5.19</b>	<b>32.64</b>	<b>155.61</b>

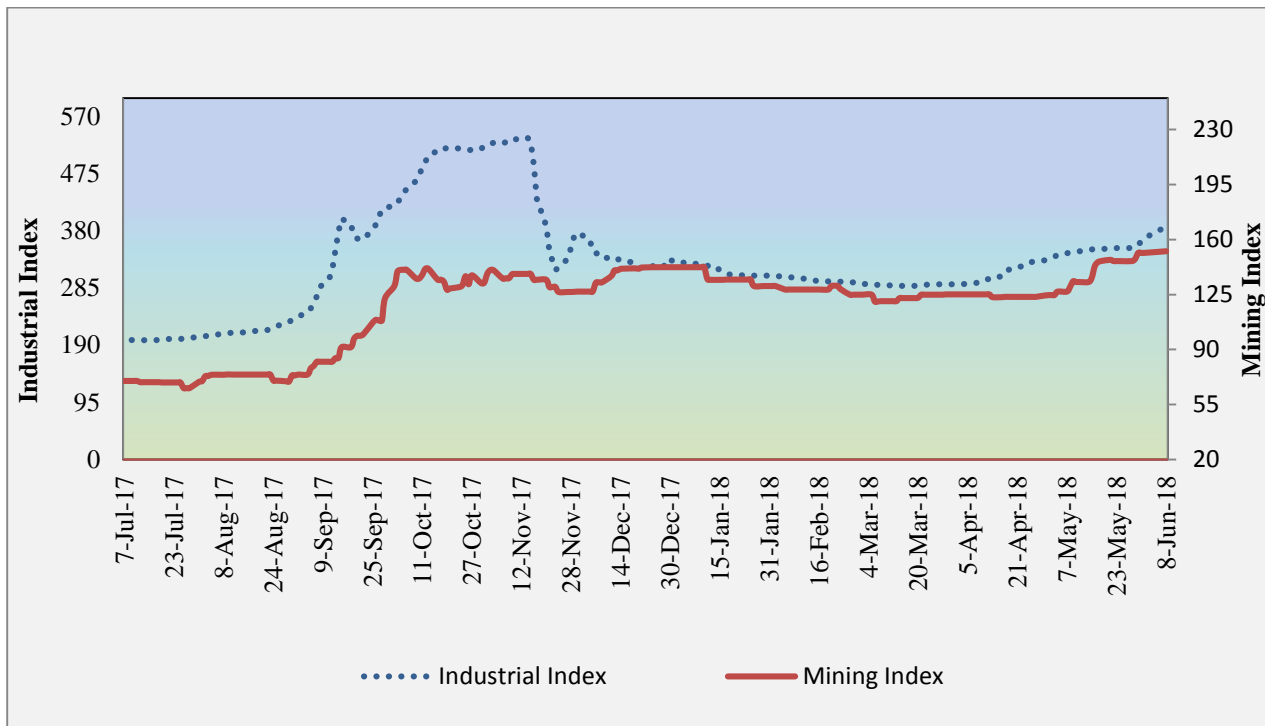
Source: Zimbabwe Stock Exchange (ZSE), 2018

<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**

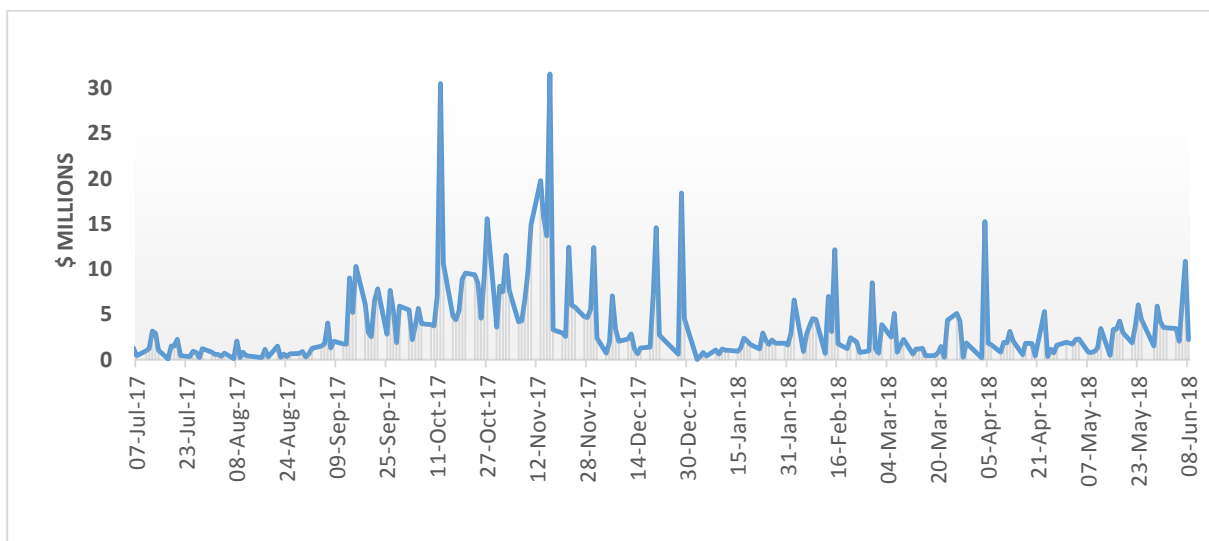


Source: Zimbabwe Stock exchange, 2018

### Market Turnover and Volume

The volume of shares traded on the ZSE rose by 155.6%, to close the week ending 8<sup>th</sup> June 2018 at 117.87 million shares. Similarly, the ZSE market turnover value increased by 32.64% to US\$24.82 million, during the week under review.

**Figure 4: Daily Market turnover**

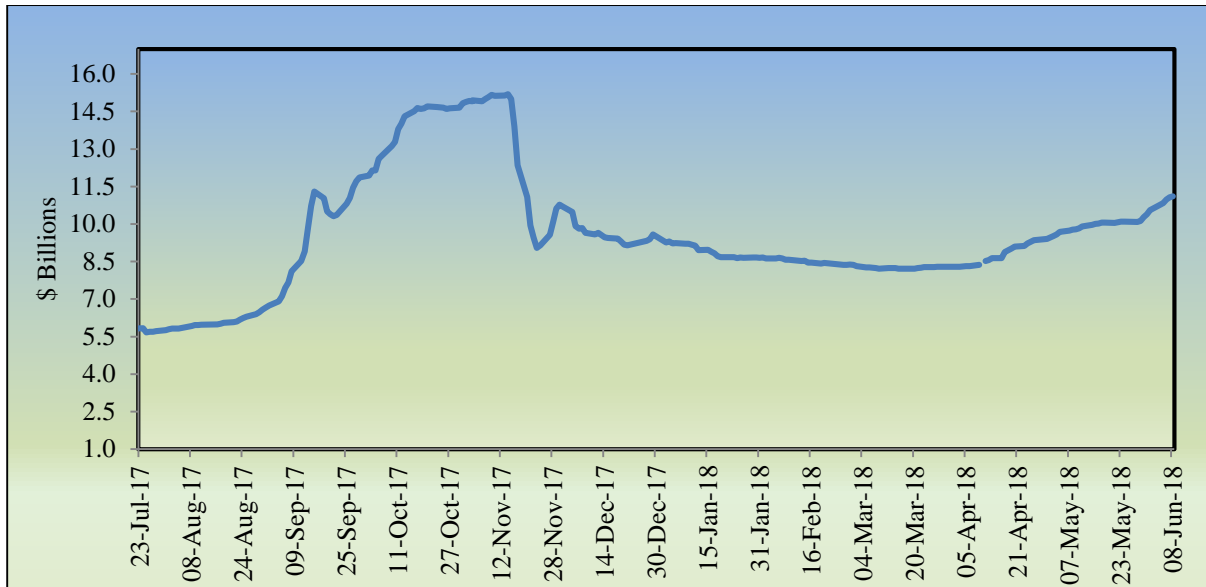


Source: Zimbabwe Stock Exchange, 2018

## Market Capitalization

The ZSE market capitalization rose by 5.19% to US\$ 11.10 billion, during the week ending 8<sup>th</sup> June 2018, up from US\$10.56 billion in the previous week. This was underpinned by increases in both the mining and industrial indices.

**Figure 5: Market Capitalization**



Source: Zimbabwe Stock Exchange, 2018

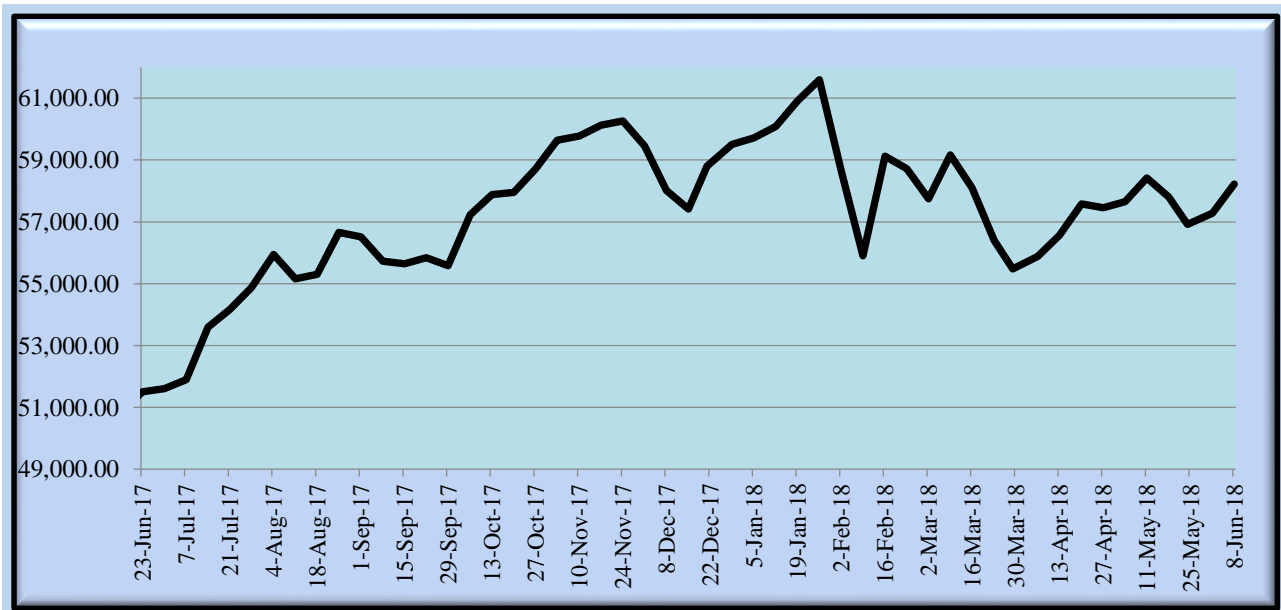
## Johannesburg Stock Exchange (JSE) Developments

During the week ending 8<sup>th</sup> June 2018, the JSE All Share index registered a 1.64% increase to 58 223.72 points, from 57 282.14 points in the previous week. JSE market capitalization also increased from R14.37 trillion in the previous week, to R14.58 trillion during the week under review

Period	All Share Index (points)	Market Capitalization (ZAR trillion)
<b>11-May-18</b>	57 581.73	14.51
<b>18-May-18</b>	57 804.33	14.50
<b>24-May-18</b>	56 916.97	14.26
<b>01-June-18</b>	57 282.14	14.37
<b>08-June-18</b>	58 223.72	14.58
<b>% Change</b>	<b>1.64</b>	<b>0.77</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**

**8<sup>th</sup> JUNE 2018**