



# Weekly Economic Highlights

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Week Ending  
15<sup>th</sup> June 2018

## 1. INTEREST RATES

### Deposit Rates

Average deposit rates for savings deposits and deposits of 1 month tenor remained unchanged at 4.22% and 3.50%, respectively, during the week ending 15<sup>th</sup> June 2018. Interest rates for deposits of 3 month tenor, however, increased marginally from 3.82%, to 3.83%, as shown in Table 1.

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

Date	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
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	4.22	3.50	3.82
15-June-18	4.22	3.50	<b>3.83</b>

Source: *Banking Institutions, 2018*

### Lending Rates

Commercial bank weighted lending rates for individual clients decreased by 0.01 percentage points to 9.68%, during the week under review, down from a weekly average of 9.69% registered in the previous week. Lending rates for corporate clients, however, increased to 7.02%, up from 7.01% registered during the previous week, as shown in Table 2.

**Table 2: Lending Rates**

Date	Lending Rates <sup>1</sup> (%)	
	Commercial Banks (weighted)	
	Individuals	Corporate clients
18-May-18	9.33	7.07
24-May-18	9.28	7.09
01-June-18	9.32	7.07
08-June-18	9.69	7.01
15-June-18	<b>9.68</b>	<b>7.02</b>

Source: *Banking Institutions, 2018*

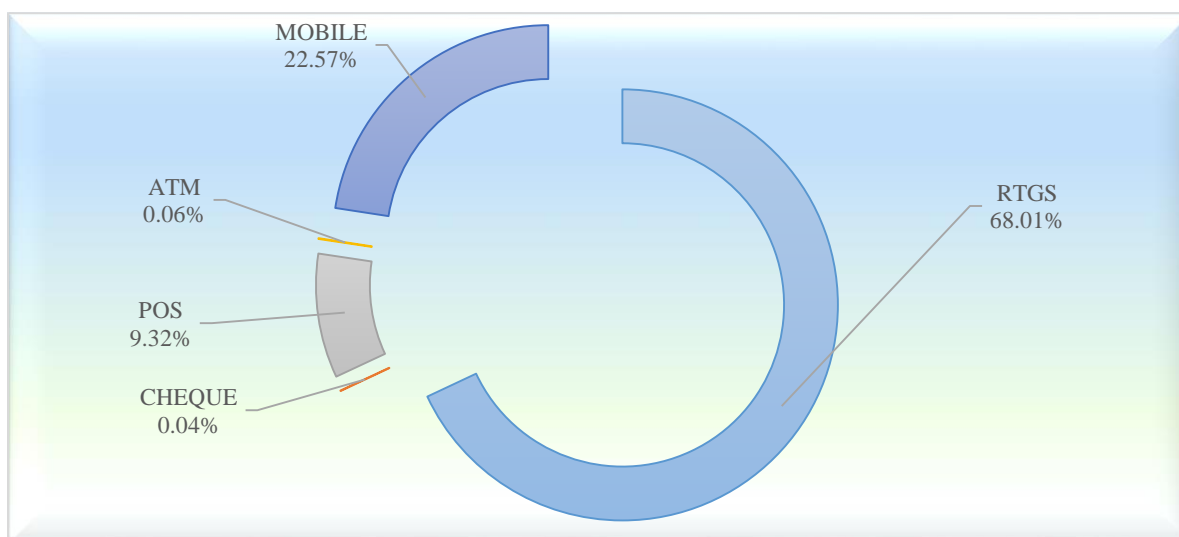
<sup>1</sup> Minimum weighted lending rates offered by commercial banks.

## 2. CLEARING AND SETTLEMENT ACTIVITY

During the week ending 15<sup>th</sup> June 2018, the total value of transactions processed through the National Payments System (NPS) stood at US\$2.79 billion, up from US\$2.26 million recorded in the previous week. The value of transactions processed through the Real Time Gross Settlement (RTGS) system increased by 41.3%, to close the week under review at US\$1.90 billion.

The total value of transactions processed through the NPS was distributed as follows: RTGS, 68.01%; Mobile, 22.57%; Point of Sale (POS), 9.32%; Automated Teller Machines (ATMs), 0.06%; and Cheque transactions, 0.04%, as shown in Figure 1.

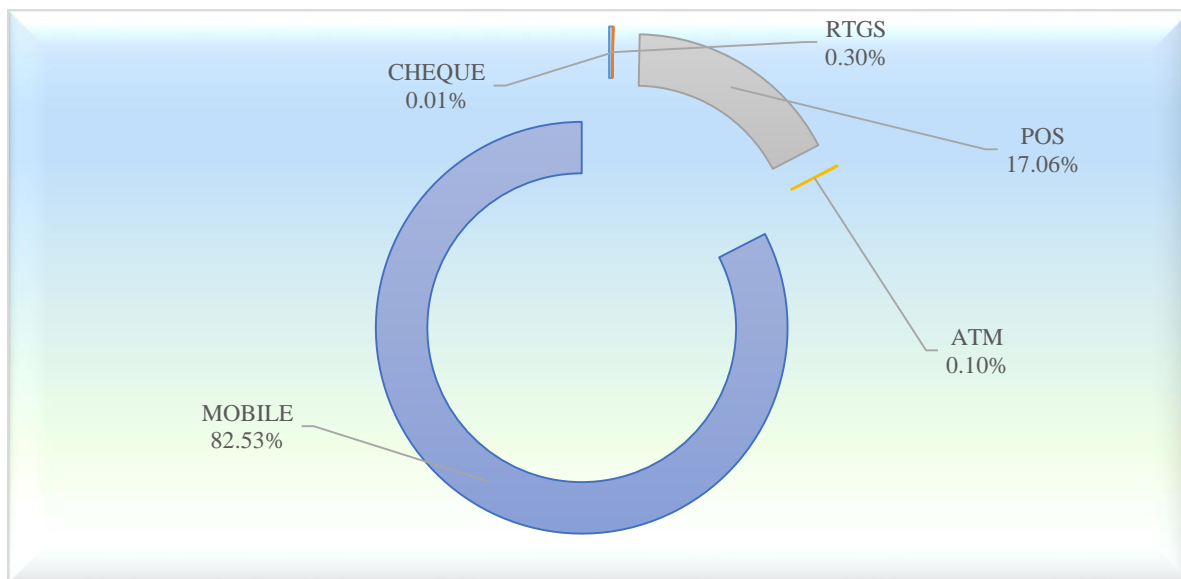
**Figure 1: Composition of NPS Transactions in Value Terms**



*Source: Reserve Bank of Zimbabwe, 2018*

Transaction volumes processed through the NPS declined by 4.6%, to close the week under review at 40,916,772 transactions. The transactions volumes were distributed as follows: Mobile- 82.53%; POS, 17.06%; ATM, 0.10%; RTGS, 0.30% 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 8 <sup>th</sup> JUNE 2018	WEEK ENDING 15 <sup>th</sup> JUNE 2018	% CHANGE FROM LAST WEEK	PROPORTION
<b>VALUES IN US\$</b>				
<b>RTGS</b>	1,346,498,836.91	1,902,847,738.69	41.3%	68.00%
<b>CHEQUE</b>	1,083,690.19	1,159,210.59	7.0%	0.04%
<b>POS</b>	239,205,559.26	260,890,290.94	9.1%	9.32%
<b>ATM</b>	2,154,900.00	1,797,674.00	-16.6%	0.06%
<b>MOBILE</b>	669,284,233.75	631,746,759.23	-5.6%	22.57%
<b>TOTAL</b>	<b>2,258,227,220.11</b>	<b>2,798,441,673.45</b>	<b>23.9%</b>	<b>100%</b>
<b>VOLUMES</b>				
<b>RTGS</b>	138,273	118,141	-14.6%	0.30%
<b>CHEQUE</b>	5,472	5,819	6.3%	0.01%
<b>POS</b>	7,616,762	6,660,816	-12.6%	17.06%
<b>ATM</b>	46,775	40,105	-14.3%	0.10%
<b>MOBILE</b>	33,109,490	32,209,143	-2.7%	82.52%
<b>TOTAL</b>	<b>40,916,772</b>	<b>39,034,024</b>	<b>-4.6%</b>	<b>100%</b>

Source: Reserve Bank of Zimbabwe, 2018

### 3. TOBACCO SALES

As at 15<sup>th</sup> June 2018 or day 58 of the 2018 tobacco selling season, a cumulative total of 195,039,210 kilograms of tobacco had been sold. This represented a 25.86% increase from the cumulative total of 154,960,791 kilograms sold during the same period in 2017.

The cumulative value of tobacco sales registered a 26.09% increase to US\$567.54 million, from US\$450.13 million realized during the corresponding period in 2017. The golden leaf fetched a higher average price of US\$2.91/kg, compared to US\$2.90/kg realized during the same period in 2017.

**Table 4: Cumulative Tobacco Sales: Day 58 (15<sup>th</sup> June 2018)**

	2017	2018	Variance (%)
<b>Cumulative Quantity Sold (kgs)</b>	154,960,791	195,039,210	25.86
<b>Cumulative Average Price(US\$/kg)</b>	2.90	2.91	0.18
<b>Cumulative Value (US\$ million)</b>	450,128,059	567,544,319	26.09

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

#### 4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international commodity prices of copper, platinum and gold firmed, while nickel and crude oil prices softened, during the week ending 15<sup>th</sup> June 2018, 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 (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>
11-Jun	1,297.83	905.00	7,296.00	15,465.00	76.47
12-Jun	1,298.48	906.50	7,221.00	15,235.00	75.64
13-Jun	1,295.28	896.50	7,195.00	15,250.00	76.48
14-Jun	1,304.03	905.00	7,212.00	15,595.00	75.85
15-Jun	1,292.68	900.50	7,144.00	15,230.00	72.73
<b>Weekly Average (11 - 15 June)</b>	<b>1,297.66</b>	<b>902.70</b>	<b>7,213.60</b>	<b>15,355.00</b>	<b>75.43</b>
<i>Weekly Change (%)</i>	<i>0.1</i>	<i>0.2</i>	<i>1.6</i>	<i>(0.9)</i>	<i>(0.9)</i>

Source: BBC, KITCO and Bloomberg 2018

##### **Gold**

Gold prices increased by 0.1%, from an average of US\$1,296.28/oz. in the previous week to US\$1,297.66/oz., during the week under review. The increase was on account of the decision by the US Federal Reserve Bank to raise interest rates later during the week, a development which raised the opportunity cost of holding precious metals.

##### **Platinum**

Platinum prices gained by 0.2%, to close the week under analysis at US\$902.70/oz. This was mainly due to the rise in the demand for precious metal as safe haven assets.

##### **Copper**

Copper prices increased from US\$7,098.30/tonne in the previous week to US\$7,213.60 /tonne, during the week under analysis. Supply concerns, on the back of persistent mine protests in Chile, one of world's major producer of the base metal, exerted upward pressure on copper prices.

## Nickel

Nickel prices softened by 0.9% to US\$15,355.00/tonne, during the week under review, from US\$15,492.00/ton in the previous week. This was largely on account of subdued demand for the base metal in China.

## Crude Oil

Crude oil prices declined by 0.9%, from a weekly average of US\$76.09/barrel in the previous week to US\$75.43/barrel, during the week under review. Prices declined, following an increase in output by the Organization of Petroleum Exporting Countries (OPEC) and the US.

## 4. EXCHANGE RATES

The US dollar appreciated against the South African rand, Botswana pula, pound Sterling and euro, during the week ending 15<sup>th</sup> June 2018, as shown in Table 5.

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

	ZAR	GBP	BWP	EURO
<b>2018</b>				
<b>Weekly Average (4 - 8 June)</b>	<b>12.7189</b>	<b>0.7468</b>	<b>10.0052</b>	<b>0.8517</b>
11-Jun	13.0702	0.7458	10.1626	0.8478
12-Jun	13.1660	0.7481	10.1574	0.8495
13-Jun	13.3384	0.7479	10.1729	0.8510
14-Jun	13.2698	0.7469	10.1833	0.8473
15-Jun	13.4400	0.7557	10.2564	0.8657
<b>Weekly Average (11 - 15 June)</b>	<b>13.2569</b>	<b>0.7489</b>	<b>10.1865</b>	<b>0.8523</b>
<i>Appr(+)/Depr(-) (%) of the USD</i>	<i>4.2</i>	<i>0.3</i>	<i>1.8</i>	<i>0.1</i>

Source: Reuters, 2018

## 5. EQUITY MARKETS

The All Share Index rose by 2.18% to close at 118.25 points, during the week under review, from 115.73 points registered in the previous week. Similarly, the industrial index closed the week under analysis at 123.86 points, a 2.03% increase from 121.39 points registered during the week ending 8<sup>th</sup> June 2018. This was attributed to gains in share prices of Mutual Holdings Limited (18.97%), Turnall Holdings Limited (15.70%), Edgars Stores Limited (15.09%), Proplastics Limited (9.74%) and CBZ Holdings Limited (9.57%).

The mining index increased by 3.92%, to close the week under analysis at 158.55 points. This was due to share price gains of 6.08% and 0.19% at RioZim and Bindura Nickel Corporation, respectively. Partially offsetting the gains was a 10.99% decline in the share price of Hwange Colliery Company. The Falgold counter, however, remained inactive.

**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>08-June-18</b>	115.73	121.39	386.62	152.57	11,103,908,683	24,815.719	117,868,009
<b>15-June-18</b>	118.25	123.86	394.79	158.55	11,344,808,900	12,881.956	25,906,894
<b>Weekly Change (%)</b>		<b>2.03</b>	<b>2.11</b>	<b>3.92</b>	<b>2.17</b>	<b>-48.09</b>	<b>-78.02</b>

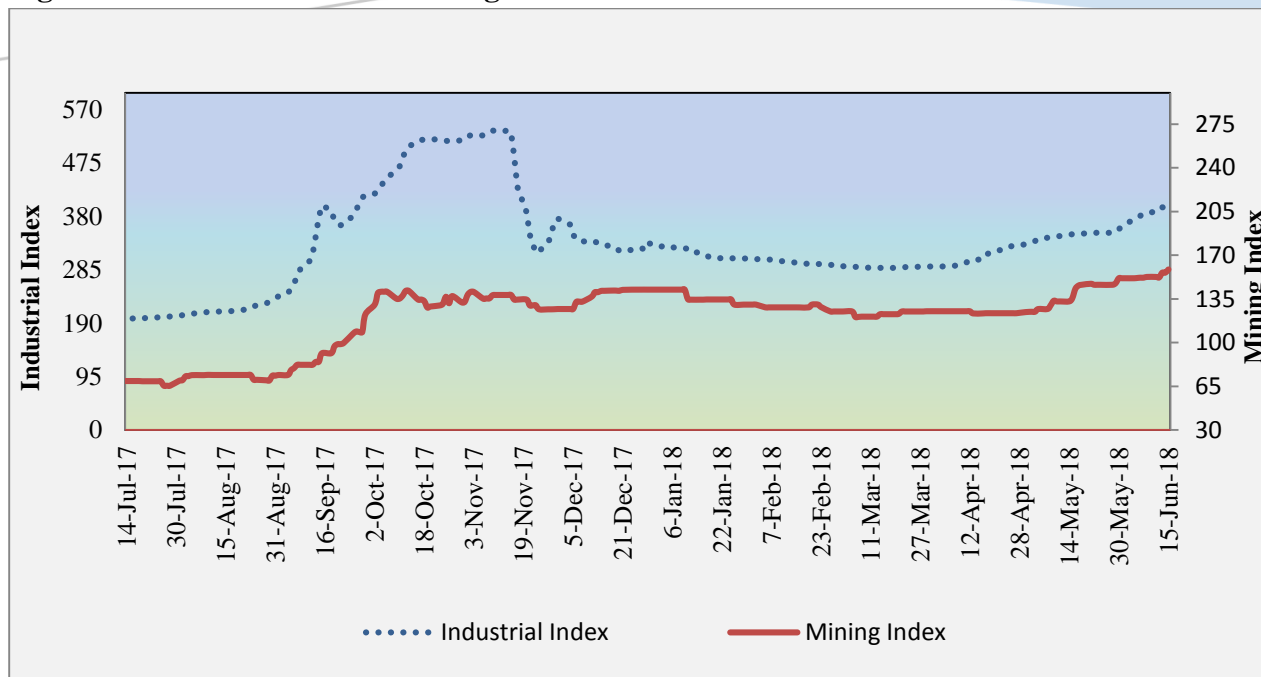
Source: Zimbabwe Stock Exchange (ZSE), 2018

<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**

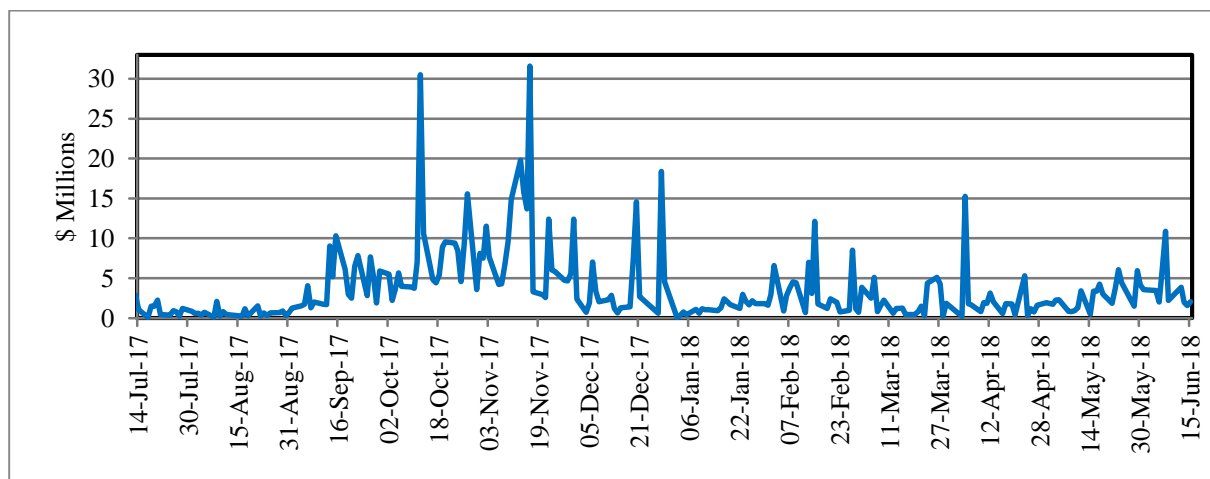


Source: Zimbabwe Stock exchange, 2018

**Market Turnover and Volume**

The volume of shares traded on the ZSE declined by 78.02%, to close the week ending 15<sup>th</sup> June 2018 at 25.91 million shares. Concomitantly, the ZSE market turnover value decreased by 48.09% to US\$12.88 million, during the week under review.

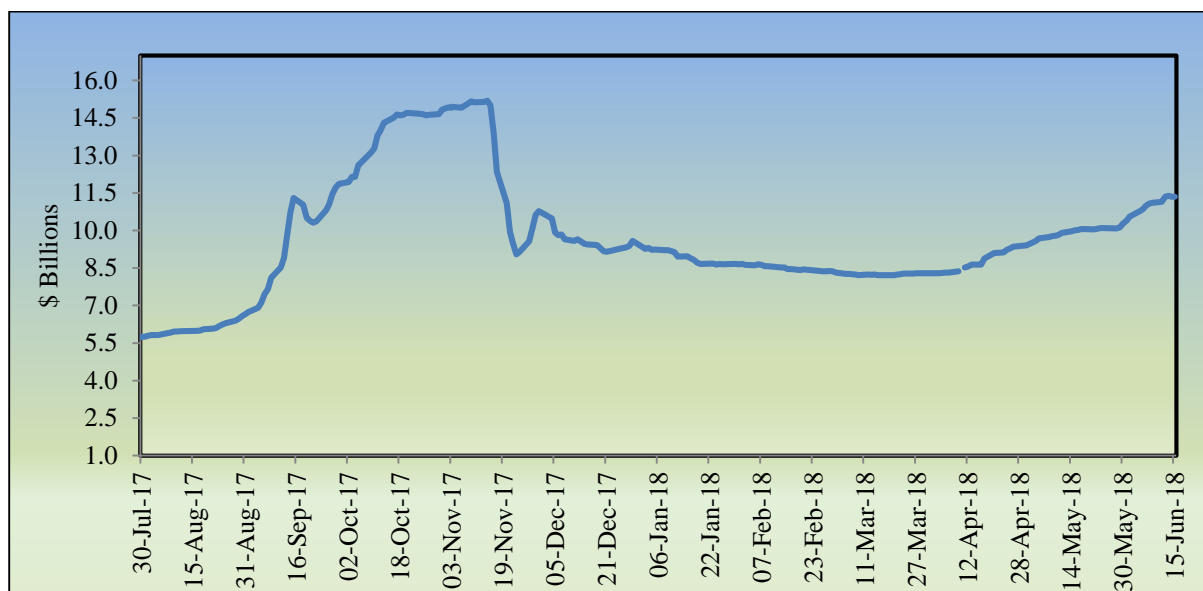
**Figure 4: Daily Market turnover**



Source: Zimbabwe Stock Exchange, 2018

## Market Capitalization

During the week ending 15<sup>th</sup> June 2018, the ZSE market capitalization increased by 2.17% to US\$11.34 billion, up from US\$11.10 billion in the previous week. This was accounted for by increases in both the mining and industrial indices.



Source: Zimbabwe Stock Exchange, 2018

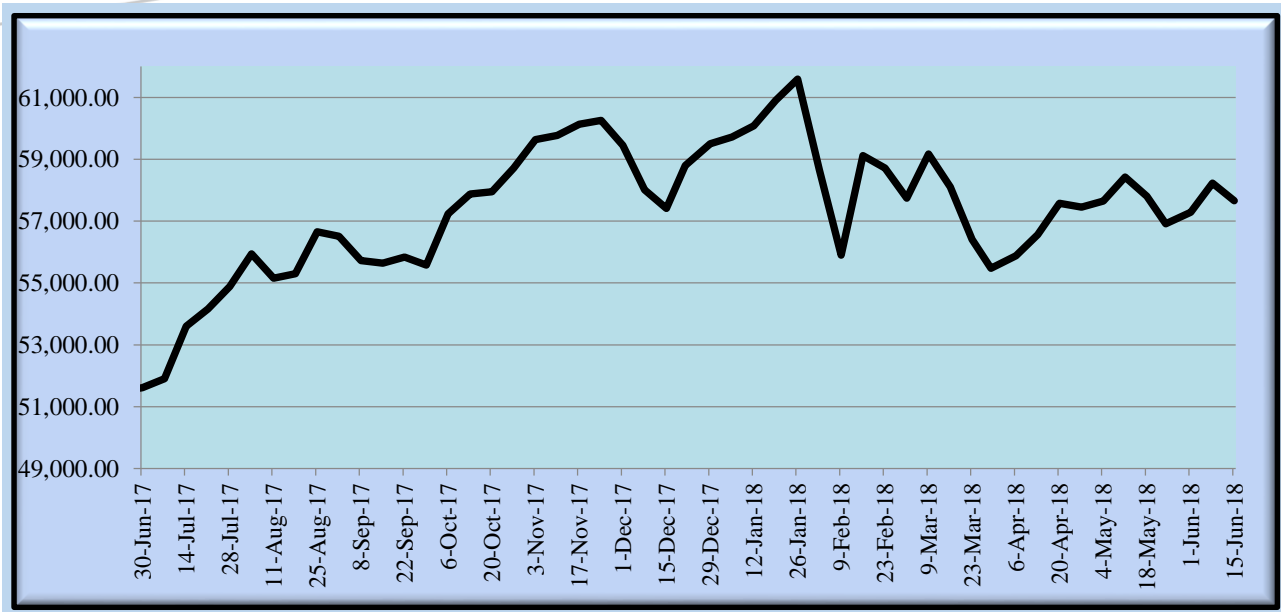
## Johannesburg Stock Exchange (JSE) Developments

The JSE All Share index declined by 0.97% to 57 660.50 points during the week ending 15<sup>th</sup> June 2018, down from 58 223.72 points recorded in the previous week. Similarly, the JSE market capitalization also declined to R14.69 trillion, during the same week.

Period	All Share Index (points)	Market Capitalization (ZAR trillion)
<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>15-June-18</b>	57 660.50	14.69
<b>% Change</b>	<b>-0.97</b>	<b>0.75</b>

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**

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