



Weekly Economic Highlights

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Week Ending
04th May 2018

1. INTEREST RATES

Deposit Rates

During the week ending 04th May 2018, average deposit rates on savings deposits remained unchanged at 4.16%. Deposit rates for deposits of 1 month and 3 month tenors were, however, higher at 3.53% and 3.71%, respectively.

Table 1: Average Deposit Rates (per annum)

Date	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
06-April-18	4.22	3.43	3.74
13-April-18	4.22	3.43	3.74
20-April-18	4.16	3.47	3.78
27-April-18	4.16	3.52	3.70
04-May-18	4.16	3.53	3.71

Source: Banking Institutions, 2018

Lending Rates

Commercial bank weighted lending rates for individual clients increased by 0.34 percentage points to 9.66% during the week ending 4th May 2018, from 9.32% in the previous week. Weighed lending rates for corporate clients, however, declined from 7.08% to 7.02% during the same week.

Table 2: Lending Rates

Date	Lending Rates ¹ (%)	
	Commercial Banks (weighted)	
	Individuals	Corporate clients
06 April-18	9.37	7.05
13 April-18	9.36	7.04
20 April-18	9.30	7.05
27 April-18	9.32	7.08
04-May-18	9.66	7.02

Source: Banking Institutions, 2018

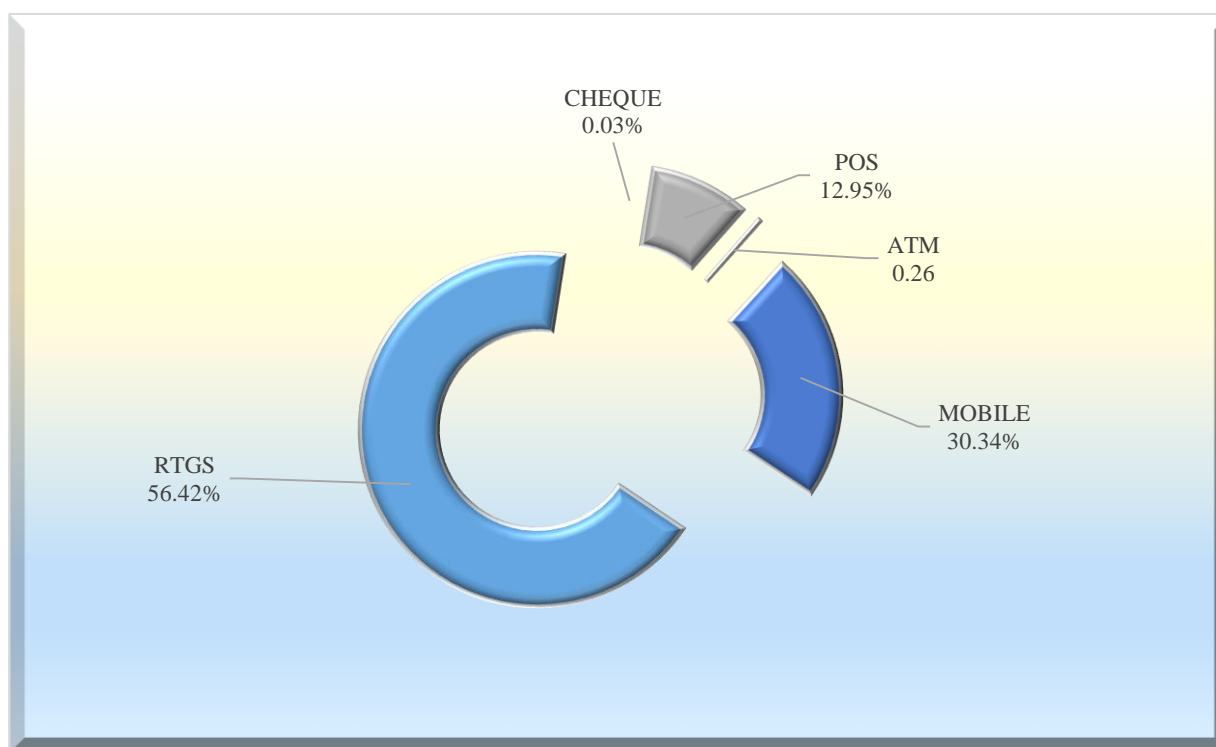
¹ Minimum weighted lending rates offered by commercial banks.

2. CLEARING AND SETTLEMENT ACTIVITY

The total value of transactions processed through the National Payments System (NPS) registered a 15.5% decline, to close the week ending 04th May 2018 at US\$2,047.832 million. Transactions processed through the Real Time Gross Settlement (RTGS) system declined by 29.9%, from US\$1,648.89 million in the previous week to US\$1,155.44 million, during the week under review.

In terms of proportions, RTGS payments accounted for 56.42% of the total value of NPS transactions, followed by Mobile-based transactions, 30.34%; Point of Sale (POS), 12.95%; Automated Teller Machines (ATMs), 0.26% and Cheque transactions, 0.03%.

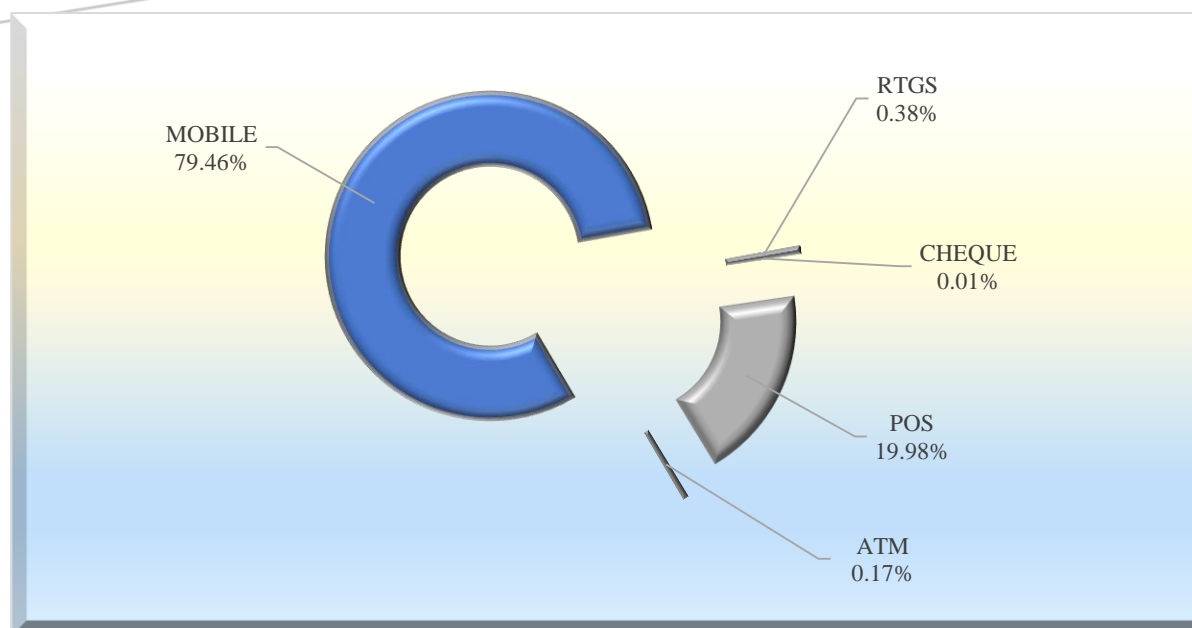
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2018

NPS transaction volumes declined by 12.8%, from 32,750,964 in the previous week to 36,939,719 transactions, during the week under review. The volume of transactions was distributed as follows: Mobile, 79.46%; POS, 19.98%; ATM, 0.17%; RTGS, 0.38% 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 27 th April 2018	WEEK ENDING 04 th May 2018	CHANGE FROM LAST WEEK	PROPORTION
VALUES IN US\$ (millions)				
RTGS	1,648.89	1,155.44	-29.9%	56.42%
CHEQUE	0.65	0.55	-25.6%	0.03%
POS	217.28	265.12	22.0%	12.95%
ATM	5.22	5.32	1.8%	0.26%
MOBILE	551.65	621.40	12.6%	30.34%
TOTAL	2,423.697	2,047.832	-15.5%	100%
VOLUMES				
RTGS	141,564	140,472	-0.8%	0.38%
CHEQUE	3,536	2,884	-28.3%	0.01%
POS	6,104,405	7,379,435	20.9%	19.98%
ATMs	62,194	63,735	2.5%	0.17%
MOBILE	26,439,265	29,353,193	11.0%	79.46%
TOTAL	32,750,964	36,939,719	12.8%	100%

Source: Reserve Bank of Zimbabwe, 2018

3. TOBACCO SALES

A cumulative total of 77,465,624 kilograms of tobacco had been sold as at 4th May 2018 or day 29 of the 2018 tobacco selling season. This translates to a 3.46% increase, compared to the 74,875,206 kilograms sold during the same period in 2017.

The cumulative tobacco sales amounted to US\$221.57 million, which was 7.33% higher than the US\$206.44 million realized during the corresponding period in 2017. The golden leaf, however, fetched a higher average price of US\$2.86/kg, compared to the US\$2.76/kg realized during the same period in 2017.

Table 4: Cumulative Tobacco Sales: Day 29 (04th May 2018)

	2017	2018	Variance (%)
Cumulative Quantity Sold (kgs)	74,875,206	77,465,624	3.46
Cumulative Average Price(US\$/kg)	2.76	2.86	3.6
Cumulative Value (US\$ million)	206,435,542	221,570,403	7.33

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

4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international commodity prices of gold, platinum, nickel, copper and crude oil declined, during the week ending 04th May 2018, as shown in Table 4.

Table 4: Metal and Crude Oil Prices

	Gold	Platinum	Copper	Nickel	Crude Oil
Weekly Average (23 - 27 April)	1,323.75	915.90	6,969.70	14,300.00	74.38
30-Apr	1,308.15	899.50	6,811.50	13,760.00	73.14
2-May	1,307.48	897.50	6,816.00	13,845.00	73.19
3-May	1,314.18	901.50	6,825.00	13,855.00	73.57
4-May	1,309.38	900.00	6,865.00	13,950.00	75.66
Weekly Average (30 April - 4 May)	1,309.79	899.63	6,829.38	13,852.50	73.89
<i>Weekly Change (%)</i>	<i>(1.1)</i>	<i>(1.8)</i>	<i>(2.0)</i>	<i>(3.1)</i>	<i>(0.7)</i>

Source: BBC, KITCO and Bloomberg 2018

Gold

Gold prices declined by 1.1%, from a weekly average of US\$1,323.75/oz. in the previous week to US\$1,309.79/oz., during the week under review. This followed a rise in US Treasury yields which reduced the appeal of the yellow metal as a safe haven asset.

Platinum

Platinum prices fell by 1.8%, to close the week under analysis at a weekly average of US\$899.63oz. This was on account of weaker investment demand outlook for precious metals, following rising expectations of a Fed Res rate hike.

Copper

Copper prices closed the week under review at an average of US\$6,829.38/ton, a 2.0% decline from the US\$6,969.70/ton registered in the previous week. Prices were weighed down by lower demand from major base metal consumers such as China.

Nickel

Nickel prices declined by 3.1%, from US\$14,300.00/ton in the previous week to US\$13,852.50/ton, during the week under review. Concerns of oversupply in the Chinese stainless steel industries weighed down the prices.

Crude Oil

Crude oil prices declined by 0.7%, from a weekly average of US\$74.38/barrel in the previous week to US\$73.89/barrel during the week under review. Oil prices slumped on the back of a continuous growth in the US oil rig count which signaled an increase in oil supply in the global market.

4. EXCHANGE RATES

During the week ending 04th May 2018, the US dollar appreciated against the euro, pound Sterling, pula and rand. The rally in the greenback was largely attributed to high yielding US Treasury bonds, which boosted the demand for the US dollar as an investment asset.

Table 5: International Exchange Rates per US\$

	ZAR	GBP	BWP	EURO
2018				
Weekly Average (23 - 27 April)	12.3238	0.7164	9.7473	0.8199
30-Apr	12.3036	0.7255	9.7943	0.8242
2-May	12.6590	0.7352	9.8280	0.8338
3-May	12.6520	0.7350	9.9256	0.8342
4-May	12.5939	0.7364	9.9108	0.8343
Weekly Average (30 April – 4 May)	12.5521	0.7330	9.8647	0.8316
<i>Appr(+)/Depr(-) (%) of the USD</i>	<i>1.9</i>	<i>2.3</i>	<i>1.2</i>	<i>1.4</i>

Source: Reuters, 2018

5. EQUITY MARKETS

During the week under review, the All Share Index rose by 3.42% close at 101.62 points, from 98.26 points registered in the previous week.

The industrial index closed the week under analysis at 340.35 points, a 3.39% increase from 329.18 points registered during the week ending 27th April 2018. This was attributed to share price increases at OK Zimbabwe Limited (43.65%), Cafca Limited (27.27%), Meikles Limited (20.50%), Dairibord Zimbabwe Holdings Limited (DZHL) (20.46%) and Inncor Africa (17.70%).

The mining index also increased by 2.70%, to close the week under analysis at 126.86 points. This followed a 10% and 1.02% increase in Bindura Nickel Corporation (BNC) and RioZim share prices, respectively. Hwange Colliery Company (HCC) and Falgold remained inactive during the week under review.

Table 6: Zimbabwe Stock Exchange (ZSE) Statistics

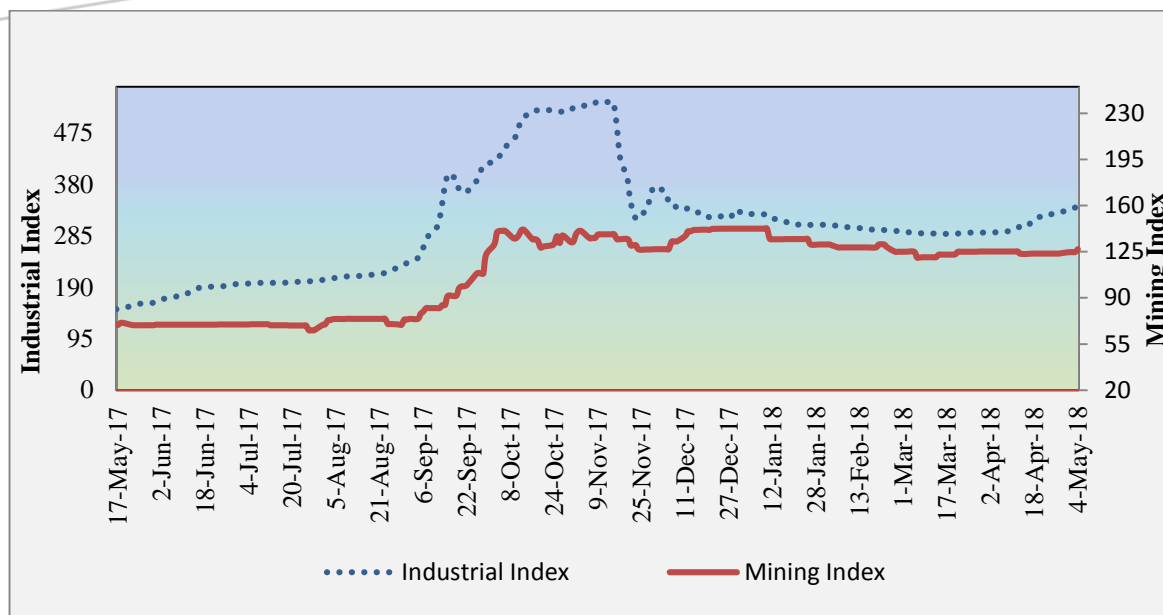
	All Share Index ² (points)	Top 10 index ³ (Points)	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
06-April-18	87.21	86.04	291.78	125.09	8,312,174,764	18,954,972	139,484,511
13-April-18	90.57	90.32	303.24	123.33	8,632,182,149	9,811,128	24,752,192
20-April-18	95.44	96.71	319.66	123.52	9,094,909,257	4,546,245	14,759,909
27-April-18	98.26	100.26	329.18	123.52	9,362,234,489	9,192,805	11,401,734
04-May-18	101.62	102.99	340.35	126.86	9,682,920,712	8,195.437	35,369,427
Weekly Change (%)	3.42	2.72	3.39	2.70	3.43	-10.85	210.21

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

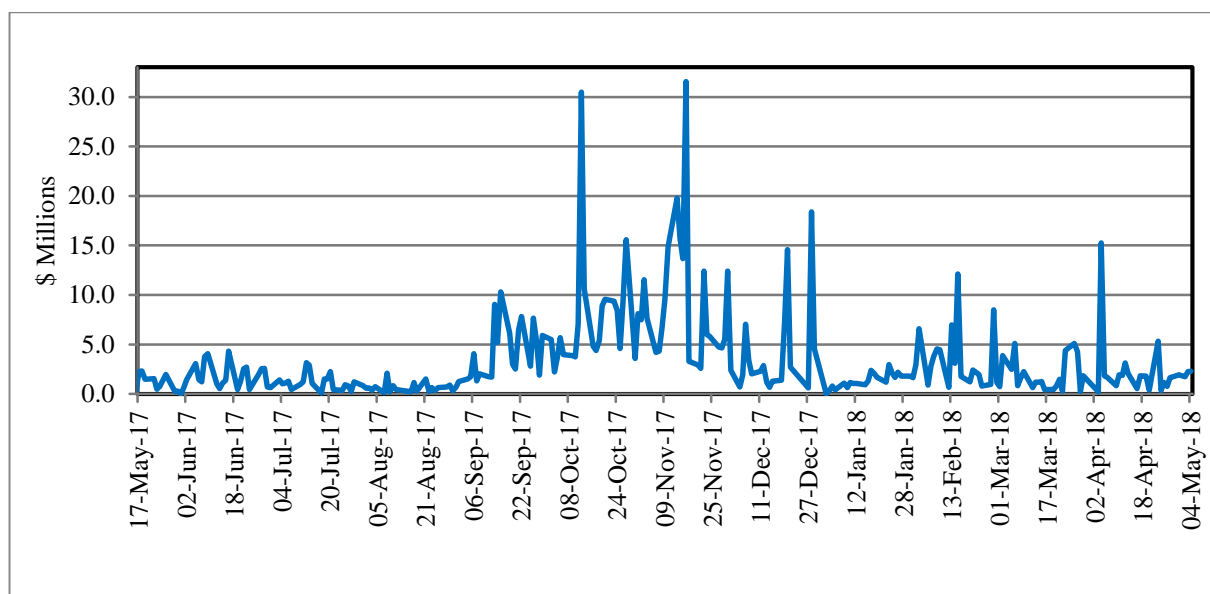


Source: Zimbabwe Stock exchange, 2018

Market Turnover and Volume

During the week ending 04th April 2018, the volume of shares traded on the ZSE registered a 210.21% increase, to close at 35.37 million shares. ZSE market turnover value, however, decreased by 10.82% to US\$8.20 million during the same week. Trading activity was largely skewed towards low-tier and selected mid-cap counters.

Figure 4: Daily Market turnover

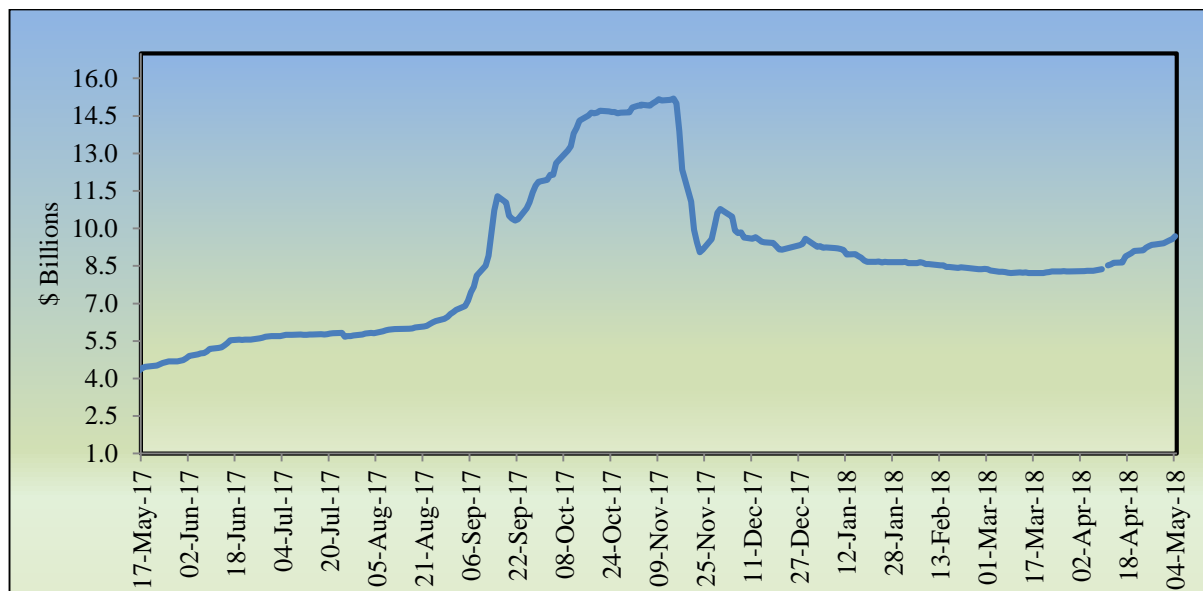


Source: Zimbabwe Stock Exchange, 2018

Market Capitalization

ZSE market capitalization increased by 3.43%, to close the week under review at US\$9.68 billion. Gains in the All Share Index, in large part, explained the increase.

Figure 5: Market Capitalization



Source: Zimbabwe Stock Exchange, 2018

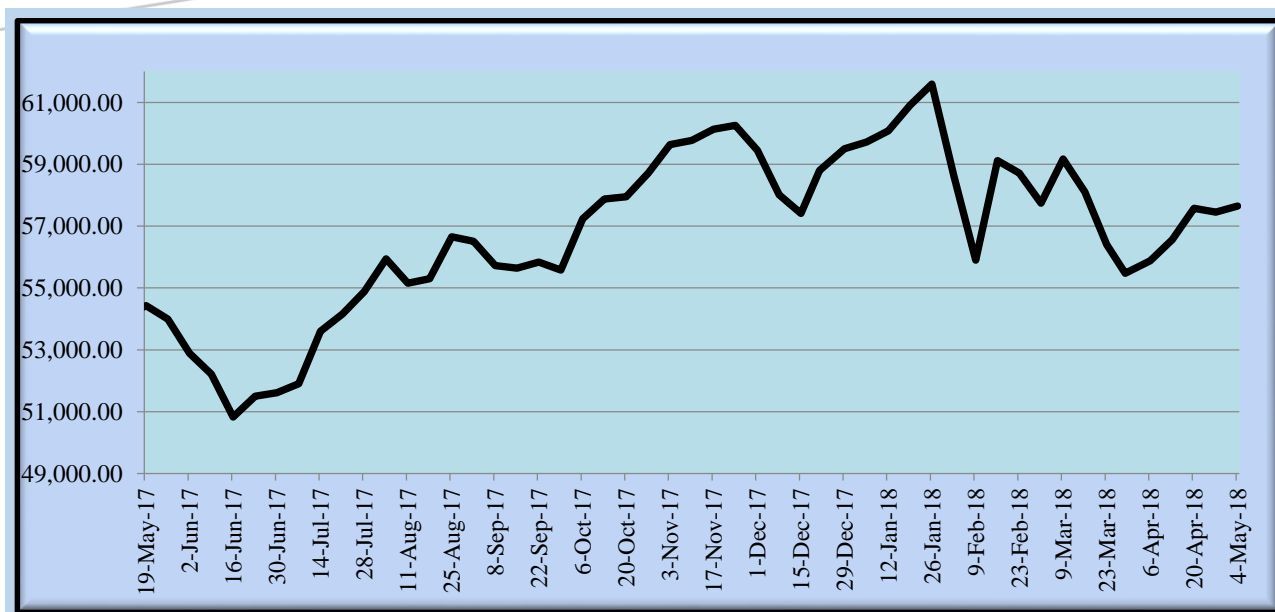
Johannesburg Stock Exchange (JSE) Developments

The JSE All Share index registered a 0.234% increase, to close at 57 648.87 points during the week under review, from 57 453.04 points in the previous week. JSE market capitalization, however, registered a 1.09% decline to R14.47 trillion, during the same week.

Period	All Share Index (points)	Market Capitalization (ZAR trillion)
6-April-18	55 878.81	14.46
13-April-18	56 563.17	14.42
20-April-18	57 581.73	14.51
27-April-18	57 453.04	14.63
04-May-18	57 648.87	14.47
% Change	0.34	(1.09)

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

10TH MAY 2018