



Weekly Economic Highlights

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Week Ending
1st December 2017

1. INTEREST RATES

Deposit Rates

Savings deposit rates remained unchanged at 4.10%, during the week ending 1st December 2017. Average interest rates for deposits of 1 month and 3 months tenor, however, decreased by 0.05 and 0.03 percentage points to 3.84% and 4.11%, respectively, during the same week.

Table 1: Average Deposit Rates (per annum)

| Date | Savings Deposits (%) | 1-Month Deposits (%) | 3-Months Deposits (%) |
|----------------|----------------------|----------------------|-----------------------|
| 03-November-17 | 4.22 | 4.02 | 4.14 |
| 10-November-17 | 4.22 | 4.02 | 4.14 |
| 17-November-17 | 4.22 | 4.02 | 4.14 |
| 24-November-17 | 4.10 | 3.89 | 4.14 |
| 01-December-17 | 4.10 | 3.84 | 4.11 |

Source: Banking Institutions, 2017

Lending Rates

Commercial bank weighted lending rates for individual clients decreased from 9.66% in the previous week, to 9.64% during the week ending 1st December 2017. Weighted lending rates for corporate clients stood at 7.01%, down from 7.03% recorded in the previous week.

Table 2: Lending Rates

| Date | Lending Rates ¹ (%) | |
|----------------|--------------------------------|-------------------|
| | Commercial Banks (weighted) | |
| | Individuals | Corporate clients |
| 03-November-17 | 9.66 | 7.05 |
| 10-November-17 | 9.69 | 7.09 |
| 17-November-17 | 9.69 | 7.06 |
| 24-November-17 | 9.66 | 7.03 |
| 01-December-17 | 9.64 | 7.01 |

Source: Banking Institutions, 2017

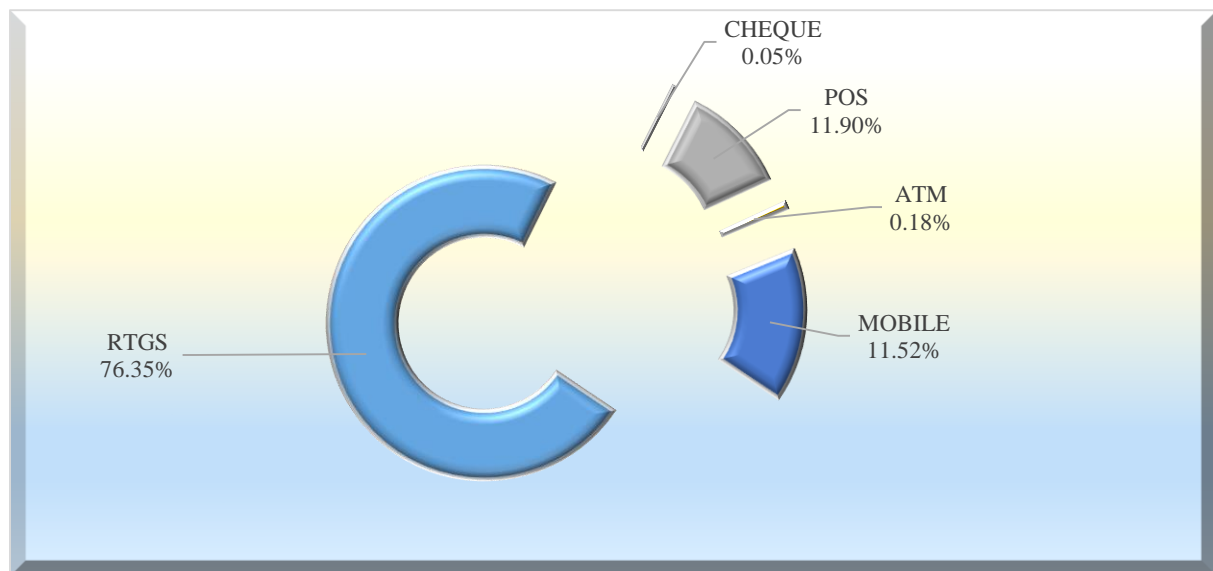
¹ Minimum weighted lending rates offered by commercial banks.

2. CLEARING AND SETTLEMENT ACTIVITY

During the week under review, the total value of transactions processed through the National Payment System stood at US\$1 936.17 million, down from US\$2 127.16 million registered in the previous week. Transactions processed through the Real Time Gross Settlement (RTGS) system declined by 4% to US\$1 478.22 million in the same week.

The RTGS system payment stream accounted for 76.35% of the total value of transactions processed through the NPS. Contributions of other payment streams were as follows: Point of Sale (POS), 11.90%; Mobile, 11.52%; Automated Teller Machines (ATMs), 0.18%; and Cheque, 0.05%, as shown in Figure 1.

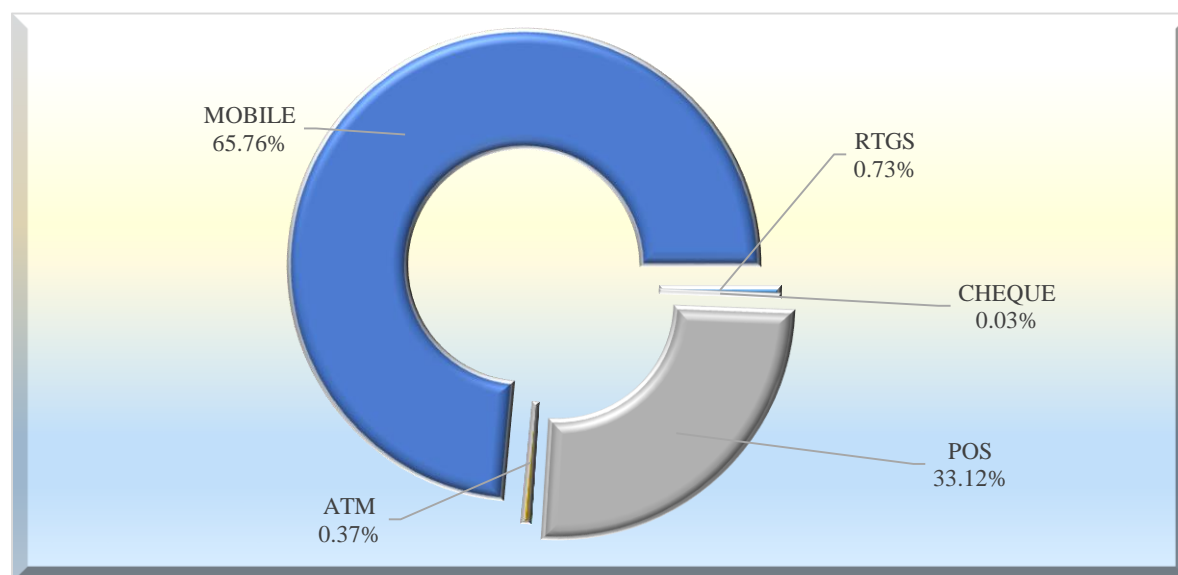
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2017

The volume of transactions processed through the NPS amounted to 20 826 614 during the week under review, reflecting a 21% decrease from 26 239 107 in the previous week. The distribution of NPS transaction volumes was as follows: Mobile, 65.76%; POS, 33.12%; RTGS, 0.73%; ATMs, 0.37%; and Cheque, 0.03%, as shown in figure 2.

Figure 2: Composition of NPS Transactions in Volume Terms`



Source: Reserve Bank of Zimbabwe, 2017

Table 3: National Payment Systems Activity

| PAYMENT STREAM | WEEK ENDING 24 November 2017 | WEEK ENDING 01 December 2017 | CHANGE FROM LAST WEEK | PROPORTION |
|---------------------------------|------------------------------|------------------------------|-----------------------|-------------|
| VALUES IN USD (millions) | | | | |
| RTGS | 1,545.12 | 1,478.22 | -4% | 76.35% |
| CHEQUE | 1.07 | 1.00 | -7% | 0.05% |
| POS | 215.33 | 230.43 | 7% | 11.90% |
| ATMS | 3.04 | 3.43 | 13% | 0.18% |
| MOBILE | 362.59 | 223.08 | -38% | 11.52% |
| TOTAL | 2,127.16 | 1,936.17 | -9% | 100% |
| VOLUMES | | | | |
| RTGS | 113,957 | 151,721 | 33% | 0.73% |
| CHEQUE | 5,918 | 5,565 | -6% | 0.03% |
| POS | 6,340,037 | 6,897,603 | 9% | 33.12% |
| ATMs | 69,786 | 76,674 | 10% | 0.37% |
| MOBILE | 19,709,409 | 13,695,051 | -31% | 65.76% |
| TOTAL | 26,239,107 | 20,826,614 | -21% | 100% |

Source: Reserve Bank of Zimbabwe, 2017

4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

During the week ending 1st December 2017, the average international commodity prices of gold, platinum and crude oil increased. Nickel and copper prices, however, declined during the same week, as shown in Table 4.

Table 4: Metal and Crude Oil Prices

| | Gold | Platinum | Copper | Nickel | Crude Oil |
|--------------------------------------|-----------------|-----------------|-----------------|------------------|------------------|
| 2017 | US\$/ounce | US\$/ounce | US\$/tonne | US\$/tonne | US\$/barrel |
| Week ending (20 - 24 Nov) | 1,287.29 | 936.90 | 6,880.10 | 11,775.00 | 63.09 |
| 27-Nov | 1,294.80 | 944.00 | 6,991.00 | 11,890.00 | 63.73 |
| 28-Nov | 1,292.88 | 950.50 | 6,833.00 | 11,460.00 | 63.33 |
| 29-Nov | 1,289.35 | 947.00 | 6,746.00 | 11,350.00 | 62.69 |
| 30-Nov | 1,284.50 | 940.50 | 6,762.00 | 11,350.00 | 62.66 |
| 1-Dec | 1,276.38 | 934.00 | 6,844.00 | 11,350.00 | 63.69 |
| Week ending (27 Nov - 01 Dec) | 1,287.58 | 943.20 | 6,835.20 | 11,480.00 | 63.22 |
| <i>Weekly Change (%)</i> | <i>0.02</i> | <i>0.7</i> | <i>(0.7)</i> | <i>(2.5)</i> | <i>0.2</i> |

Source: BBC, KITCO and Bloomberg

Gold

Gold prices continued on an upward trend, gaining by 0.02% from a weekly average of US\$1 287.29/oz in the previous week, to US\$ 1 287.58/oz during the week under analysis. The marginal gain in the yellow metal price was occasioned by a retreat in global equities and a weaker US dollar.

Platinum

Platinum prices increased by 0.7%, from an average of US\$936.90/oz in the prior week to an average of US\$943.20/oz recorded during the week under analysis. Prices increased on prospects of strong safe haven asset demand for the mineral.

Copper

Copper prices declined by 0.7% to US\$6 835.20/tonne, during the week under analysis. Prices were weighed down by subdued demand from China, the world's largest consumer of the metal.

Nickel

Nickel prices decreased from a weekly average of US\$11 775.00/ton registered in the previous week, to US\$11 480.00/ton during week under review. The decline was on account of the slackening global demand for the metal in the stainless steel industry.

Crude Oil

Crude oil prices registered a 0.2% increase, to close the week under review at a weekly average of US\$63.22/barrel. Prices rallied as the Organisation of Petroleum Exporting Countries (OPEC) resolved to extend oil production cuts to the end of 2018.

5. EXCHANGE RATES

During the week under review, the US dollar weakened by 1.2%; 1.1%; 1.0%; and 1.0% against the rand; pula; pound Sterling; and euro, respectively. This followed the delay in raising interest rates by the Federal Reserve.

Table 5: International Exchange Rates per US\$

| | ZAR | GBP | BWP | EURO |
|--|----------------|---------------|----------------|---------------|
| 2017 | | | | |
| Weekly Average (20 - 24 Nov) | 13.9618 | 0.7539 | 10.4637 | 0.8490 |
| 27-Nov | 14.1007 | 0.7508 | 10.4058 | 0.8385 |
| 28-Nov | 13.7682 | 0.7497 | 10.3413 | 0.8398 |
| 29-Nov | 13.6877 | 0.7481 | 10.3466 | 0.8438 |
| 30-Nov | 13.6625 | 0.7424 | 10.3199 | 0.8427 |
| 1-Dec | 13.7300 | 0.7391 | 10.3199 | 0.8391 |
| Weekly Average (27 Nov - 1 Dec) | 13.7898 | 0.7460 | 10.3467 | 0.8408 |
| <i>Appr(+)/Depr(-) (%) of the USD</i> | <i>-1.2</i> | <i>-1.0</i> | <i>-1.1</i> | <i>-1.0</i> |

Source: Reuters, 2017

6. EQUITY MARKETS

The Zimbabwe Stock Exchange (ZSE) recovered from losses in the previous week largely due to positive investor sentiments arising from the new political dispensation. Resultantly, the industrial index increased by 17.36%, from 318.65 points recorded in the previous week to 373.97 points in the week under review. The increase was underpinned by gains in OK Zimbabwe (56.80%); Delta (47.64%); Seed Co (42.78%); Econet (35.02%); and Old Mutual (30.95%). Partially offsetting the gains were losses in Pretoria Portland Company (33.51%); Dairibord (20.23%); Meikles (19.52%); Simbisa Brands (11.24%); and Edgars (10.85%).

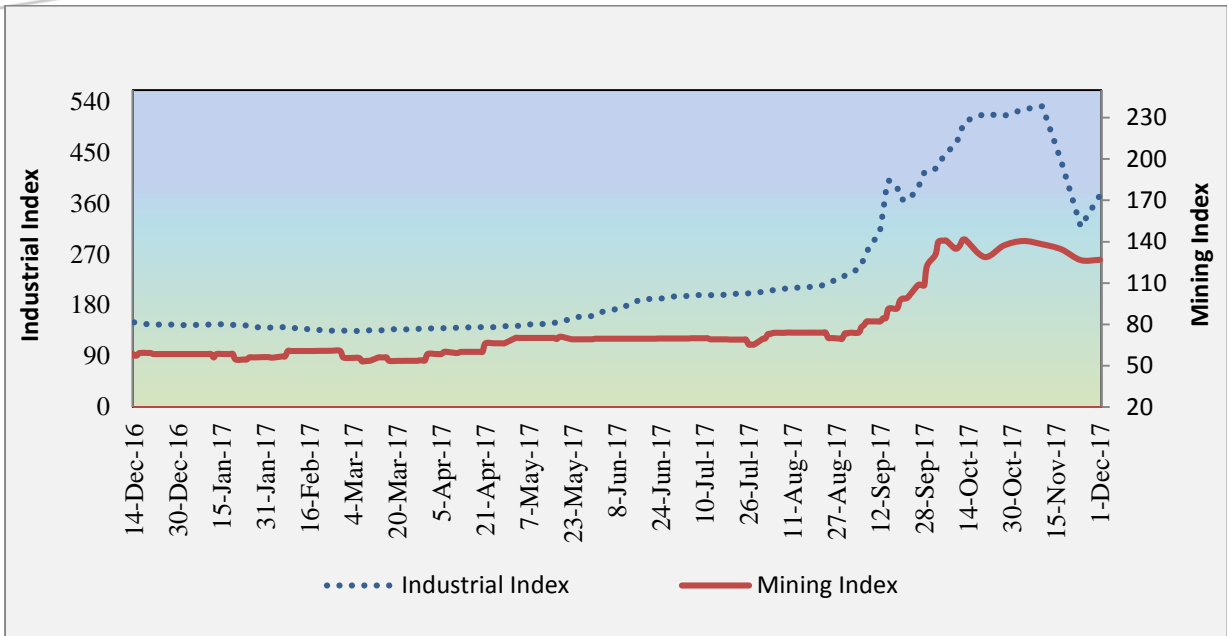
The resources index also rose by 0.18%, from 126.63 points in the previous week to close the week under review at 126.86 points. This was on account of a 0.85% increase in the Bindura Nickel Corporation share price. Hwange Colliery Company traded at the previous week price level, while Falgold remained inactive during the week under analysis.

Table 6: Zimbabwe Stock Exchange (ZSE) Statistics

| | Industrial Index (points) | Mining Index (points) | Grand Market Capitalization (US\$) | Market Turnover (US\$) | Volume of Shares |
|--------------------------|----------------------------------|------------------------------|---|-------------------------------|-------------------------|
| 10-November-17 | 531.55 | 138.12 | 15,121,184,803 | 39,653,381 | 54,851,247 |
| 17-November-17 | 432.72 | 134.40 | 12,347,479,764 | 84,087,123 | 48,932,558 |
| 24-November-17 | 318.65 | 126.63 | 9,149,537,933 | 29,750,805 | 39,005,975 |
| 01-December-17 | 373.97 | 126.86 | 10,701,500,114 | 27,337,864 | 35,499,533 |
| Weekly Change (%) | 17.36 | 0.18 | 16.96 | -8.11 | -8.99 |

Source: Zimbabwe Stock Exchange (ZSE), 2017

Figure 3 : Zimbabwe Stock Exchange Indices

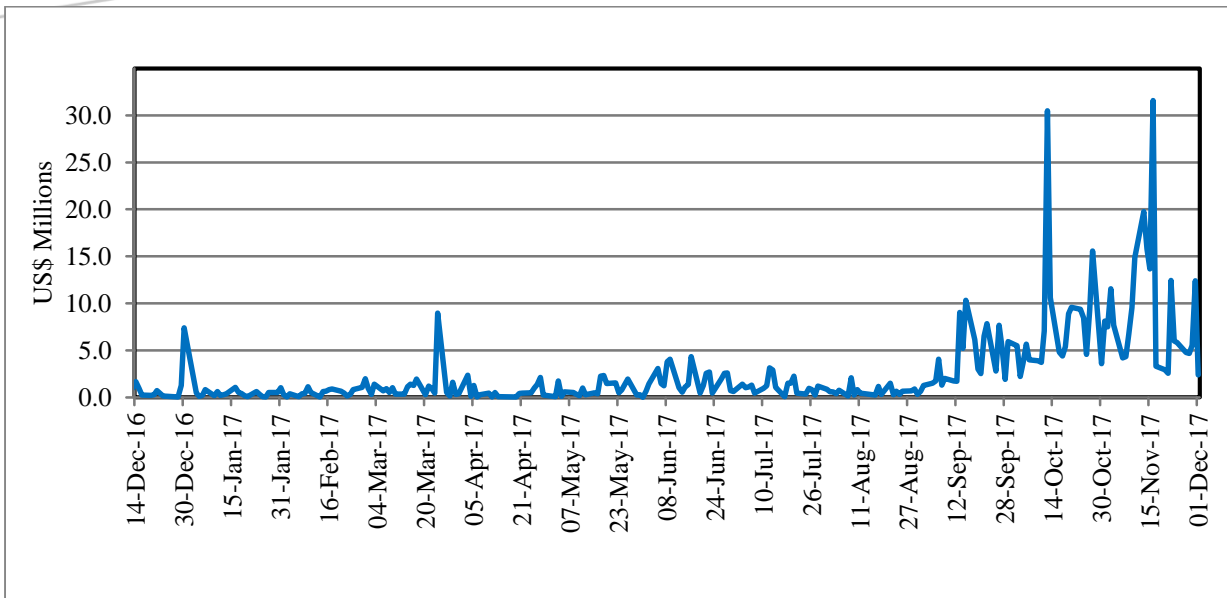


Source: Zimbabwe Stock exchange, 2017

Market Turnover and Volume

The volume of shares traded on the ZSE fell by 8.99% to 35.50 million shares, during the week ending 1st December 2017. Concomitantly, market turnover also decreased by 8.11%, to close the week under review at US \$27.34 million.

Figure 4: Daily Market turnover

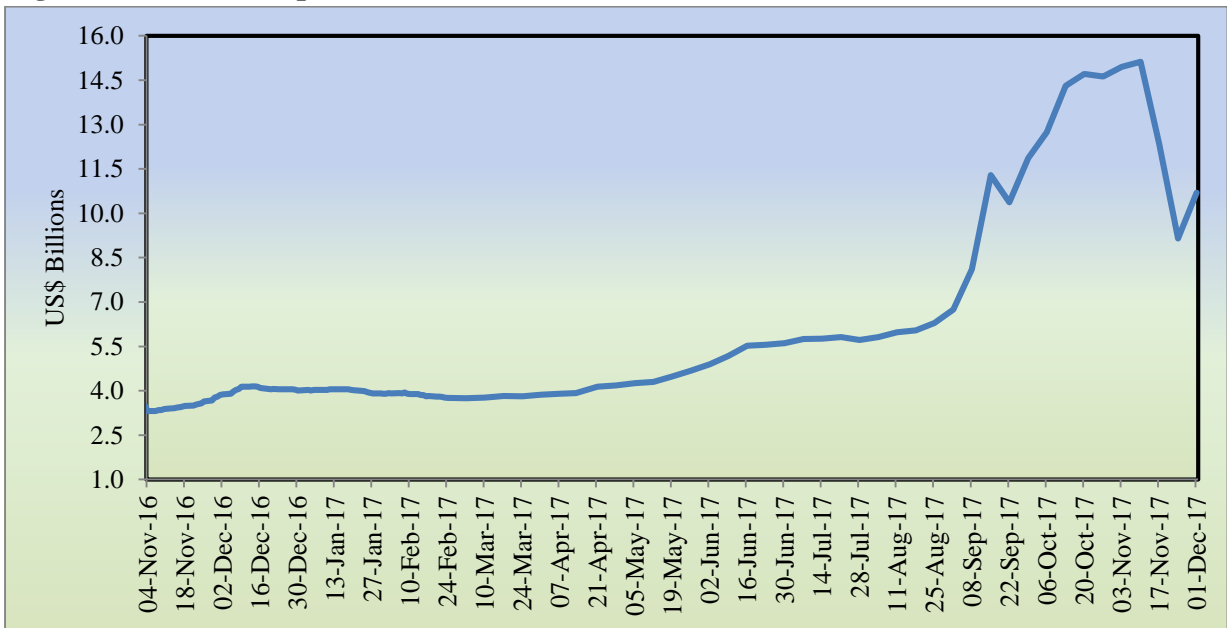


Source: Zimbabwe Stock Exchange, 2017

Market Capitalization

The ZSE market capitalization rose by 16.96%, from US\$9.15 billion recorded in the previous week to US\$10.70 billion during the week under review. This was due to gains in both the industrial and mining indices.

Figure 5 : Market Capitalization



Source: Zimbabwe Stock Exchange, 2017

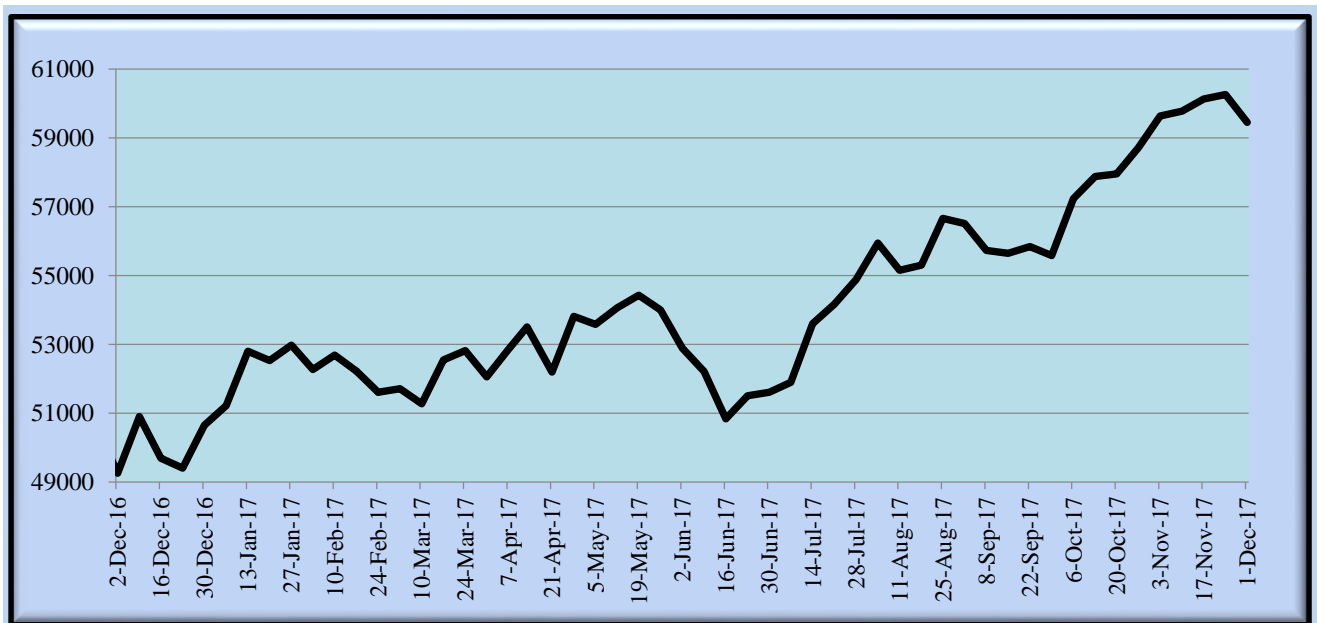
Johannesburg Stock Exchange (JSE) Development

The JSE All Share Index closed the week under review at 59,449.38 points, down from 60,323.95 points in the previous week. Similarly, market capitalization declined from R16.26 trillion in the previous week, to R15.87 trillion during the week under review.

| Period | All Share Index (points) | Market Capitalization (ZAR trillion) |
|-----------------|--------------------------|--------------------------------------|
| 27-October-17 | 58 714.04 | 16.13 |
| 03-November-17 | 59 638.21 | 16.38 |
| 10-November-17 | 59 776.12 | 16.28 |
| 17-November-17 | 60 128.92 | 16.13 |
| 24-November-17 | 60 323.95 | 16.26 |
| 01-December-17 | 59 449.38 | 15.87 |
| % Change | -1.45 | -2.40 |

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

Figure 6: Johannesburg Stock Exchange (JSE) All Share Index



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

RESERVE BANK OF ZIMBABWE

8TH DECEMBER 2017