



# Weekly Economic Highlights

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Week Ending  
2<sup>nd</sup> February 2018

## 1. INTEREST RATES

### Deposit Rates

During the week ending 2<sup>nd</sup> February 2018, average deposit rates for savings deposits, deposits of 1 month and 3 month tenors remained unchanged at 4.35%, 3.81% and 4.09%, respectively.

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

Date	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
05-January-18	4.35	3.80	4.19
12-January-18	4.35	3.81	4.09
19-January-18	4.35	3.81	4.09
26-January-18	4.35	3.81	4.09
02-February-18	4.35	3.81	4.09

Source: Banking Institutions, 2018

### Lending Rates

During the week under analysis, commercial bank weighted lending rates for individual clients rose by 0.22 percentage points to 9.55%. Weighted lending rates for corporate clients closed the same week at 6.91%, a 0.08 percentage points decrease from the 6.99% recorded in the previous week.

**Table 2: Lending Rates**

Date	Lending Rates <sup>1</sup> (%)	
	Commercial Banks (weighted)	
	Individuals	Corporate clients
05-January-18	9.32	7.02
12-January-18	9.30	7.01
19-January-18	9.31	6.99
26-January-18	9.33	6.99
02-February-18	<b>9.55</b>	<b>6.91</b>

Source: Banking Institutions, 2018

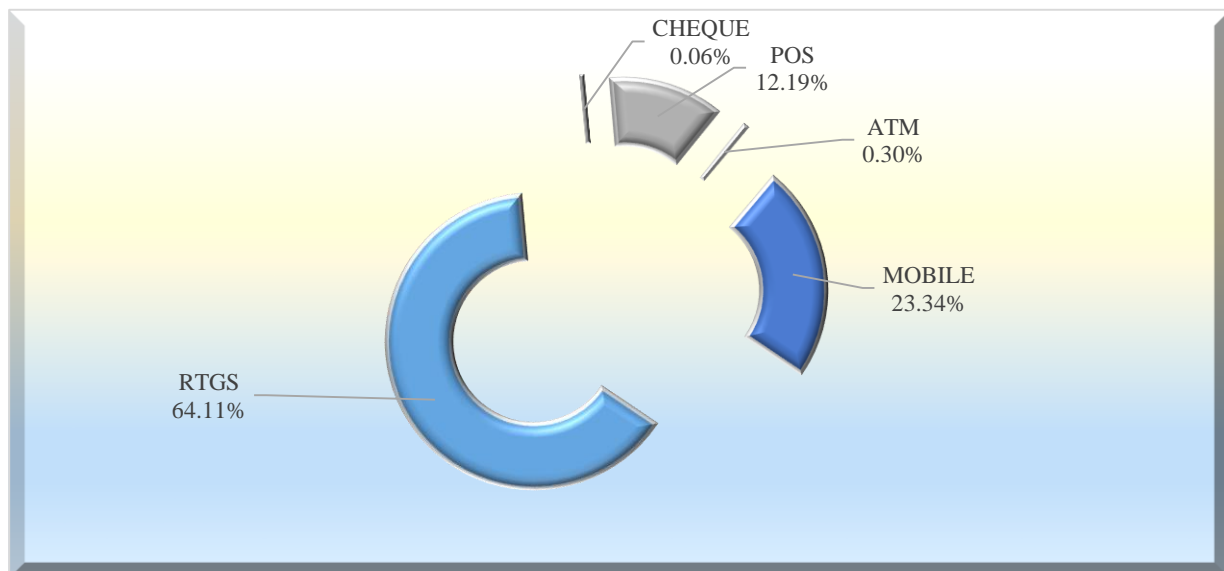
<sup>1</sup> Minimum weighted lending rates offered by commercial banks.

## 2. CLEARING AND SETTLEMENT ACTIVITY

The total value of transactions processed through the National Payment Systems (NPS) stood at US\$1 891.30 million during the week under analysis, up from US\$1 766.72 million recorded in the previous week. Transactions processed through the Real Time Gross Settlement (RTGS) system increased by 4%, to close the week under review at US\$1 212.52 million.

RTGS system payments accounted for 64.11% of the total value of transactions processed through the NPS, followed by Mobile, 23.34%; Point of Sale (POS), 12.19%; Automated Teller Machines (ATMs), 0.30%; and Cheque, 0.06%, as shown in Figure 1.

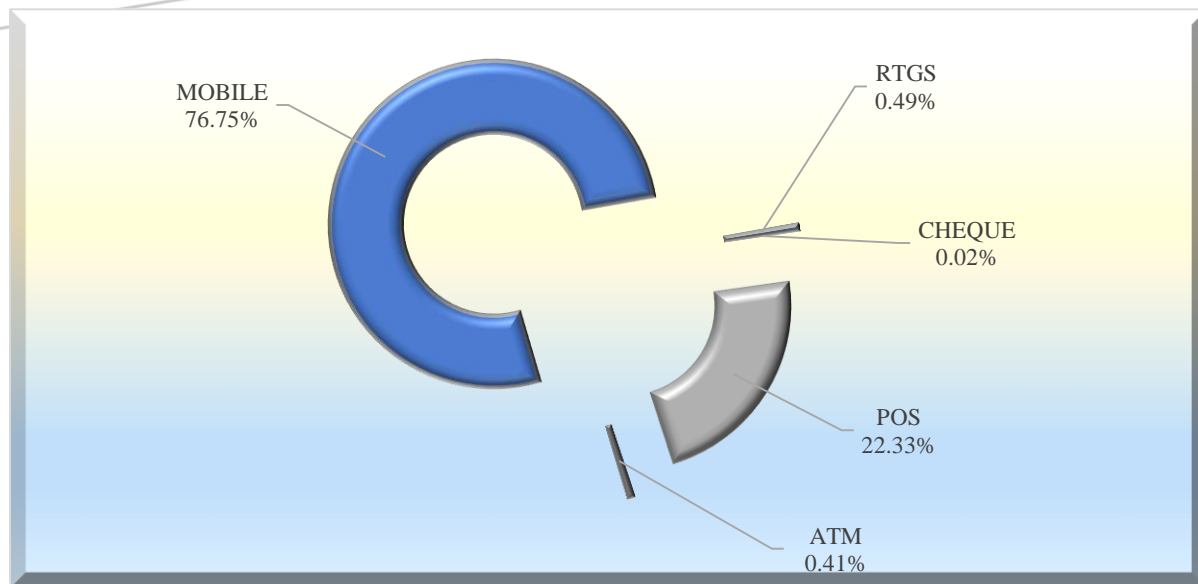
**Figure 1: Composition of NPS Transactions in Value Terms**



*Source: Reserve Bank of Zimbabwe, 2018*

The total volume of transactions processed through the NPS increased by 8%, from 26 906 840 transactions in the previous week to 28 995 469 transactions, during the week under review. Mobile transactions contributed 76.75% of the total volume of NPS transactions, followed by POS, 22.33%; RTGS, 0.49%; ATMs, 0.41%; 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 26 January 2018	WEEK ENDING 02 February 2018	CHANGE FROM LAST WEEK	PROPORTION
<b>VALUES IN USD (millions)</b>				
<b>RTGS</b>	1,162.55	1,212.52	4%	64.11%
<b>CHEQUE</b>	1.24	1.21	-2%	0.06%
<b>POS</b>	208.75	230.59	10%	12.19%
<b>ATMS</b>	5.14	5.63	9%	0.30%
<b>MOBILE</b>	389.04	441.35	13%	23.34%
<b>TOTAL</b>	<b>1,766.72</b>	<b>1,891.30</b>	<b>7%</b>	<b>100%</b>
<b>VOLUMES</b>				
<b>RTGS</b>	121,168	141,147	16%	0.49%
<b>CHEQUE</b>	5,807	5,577	-4%	0.02%
<b>POS</b>	5,744,283	6,474,014	13%	22.33%
<b>ATMs</b>	105,392	119,731	14%	0.41%
<b>MOBILE</b>	20,930,190	22,255,000	6%	76.75%
<b>TOTAL</b>	<b>26,906,840</b>	<b>28,995,469</b>	<b>8%</b>	<b>100%</b>

Source: Reserve Bank of Zimbabwe, 2018

### 3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The weekly average international commodity prices of gold, platinum and crude oil retreated, during the week ending 2<sup>nd</sup> February 2018. Copper and nickel prices, however, increased during the same week, 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>
2018	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
<b>Week ending (22 - 26 Jan)</b>	<b>1,344.52</b>	<b>1011.63</b>	<b>7,062.50</b>	<b>12,956.25</b>	<b>70.07</b>
29-Jan	1346.13	1010.00	7152.00	14020.00	69.37
30-Jan	1345.30	1001.00	7118.00	13895.00	68.19
31-Jan	1344.20	1003.50	7055.00	13370.00	68.96
01-Feb	1341.23	996.50	7073.00	13460.00	69.78
02-Feb	1338.08	1000.00	7119.00	13920.00	68.27
<b>Week ending (29 Jan - 02 Feb)</b>	<b>1,344.21</b>	<b>1,002.75</b>	<b>7,099.50</b>	<b>13,686.25</b>	<b>69.08</b>
<i>Weekly Change (%)</i>	<i>(0.02)</i>	<i>(0.9)</i>	<i>0.5</i>	<i>5.6</i>	<i>(1.4)</i>

Source: BBC, KITCO and Bloomberg

#### **Gold**

Gold prices slumped by 0.02%, to an average of US\$1 344.21/ounce during the week ending 2<sup>nd</sup> February 2018, from US\$1 344.52/ounce recorded in the previous week. Prices retreated following the release of data showing a strong rebound in U.S jobs.

#### **Platinum**

Platinum prices decreased by 0.9%, from an average of US\$1 011.63/ounce recorded in the previous week to US\$1 002.75/ounce, during the week under review. This was on account of slackening global demand for the metal.

## **Copper**

Copper prices gained by 0.5% to close the week under review at US\$7 099.50/ton. Prices increased on the back of positive growth outlook prospects in China.

## **Nickel**

Nickel prices continued on an upward trend, registering a 5.6% increase from a weekly average of US\$12 956.25/ton in the previous week to US\$13 686.25/ton, during the week under review. The prices were supported by an increase in demand in China, the major consumer of the base metal.

## **Crude Oil**

Crude oil prices declined by 1.4%, from US\$70.07/barrel in the previous week to US\$69.08/barrel during the week under review. Reports of an increase in U.S. crude oil stockpiles, for the first time in 11 weeks, weighed down the prices.

#### 4. EXCHANGE RATES

During the week ending 2<sup>nd</sup> February 2018, the US dollar weakened against the pula (1.1%); rand (0.8%); euro (0.8); and British pound (0.7%).

**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 (22 - 26 Jan)</b>	<b>12.0260</b>	<b>0.7124</b>	<b>9.6774</b>	<b>0.8125</b>
29-Jan	11.8807	0.7076	9.5465	0.8057
30-Jan	12.0119	0.7122	9.6293	0.8082
31-Jan	11.9525	0.7053	9.5785	0.8046
01-Feb	11.8775	0.7045	9.5465	0.8049
02-Feb	11.9047	0.7012	9.5557	0.8002
<b>Weekly Average (29 Jan - 2 Feb)</b>	<b>11.9307</b>	<b>0.7074</b>	<b>9.5752</b>	<b>0.8058</b>
<i>Appr(+)/Depr(-) (%) of the USD</i>	<i>(0.8)</i>	<i>(0.7)</i>	<i>(1.1)</i>	<i>(0.8)</i>

Source: Reuters, 2018

## 5. EQUITY MARKETS

The Zimbabwe Stock Exchange (ZSE) continued on a bearish trend for the fifth consecutive week, during the week ending 2<sup>nd</sup> February 2018. A decline of 0.24% was recorded for the ZSE All Share index, to end the week under review at 90.37 points, largely due to losses in industrial counters.

The mainstream index declined by 0.33% from 305.18 in the prior week, to close the week at 304.16 points. Losses were recorded in Masimba Holdings (14.29%); Zimre Holdings (13.04%); Meikles (12.86%); Dawn Properties (6.47%); and Padenga Holdings (5.70%). Partially offsetting the losses were gains realized in Old Mutual (5.99%); Simbisa Brands (1.46%); Proplastics (1.33%); Inncor Africa (0.62%); and Delta (0.61%).

The mining index, however, remained unchanged at the previous week level of 130.42 points. Bindura Nickel Corporation and RioZim traded at the previous week price level, while other mining counters 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>12-January-18</b>	94.69	94.40	316.10	134.37	8,962,112,350	4,964,991	14,864,252
<b>19-January-18</b>	91.49	90.58	305.70	134.52	8,669,124,395	8,385,026	15,263,065
<b>26-January-18</b>	91.27	90.34	305.18	130.42	8,648,322,612	10,109,766	10,789,311
<b>02-February-18</b>	90.37	90.26	304.16	130.42	8,619,572,018	11,978,884	18,533,807
<b>Weekly Change (%)</b>	<b>-0.99</b>	<b>-0.09</b>	<b>-0.33</b>	<b>0.00</b>	<b>-0.33</b>	<b>18.49</b>	<b>71.78%</b>

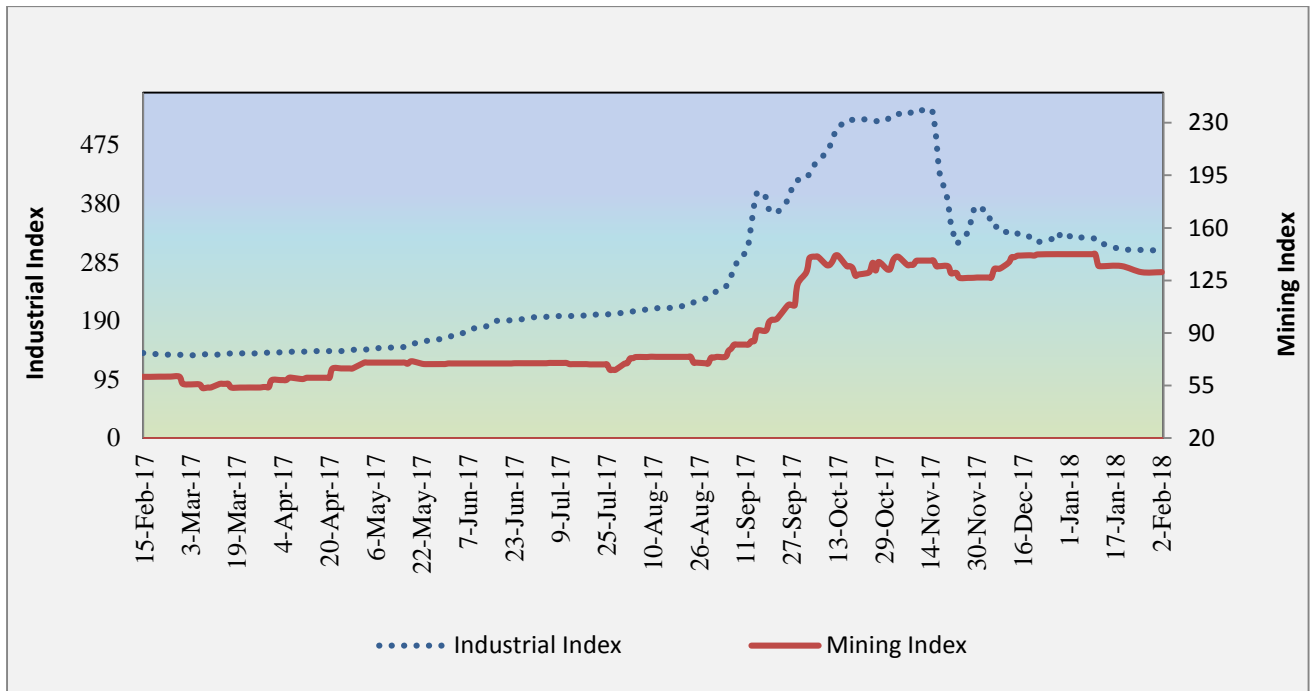
Source: Zimbabwe Stock Exchange (ZSE), 2018

<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**

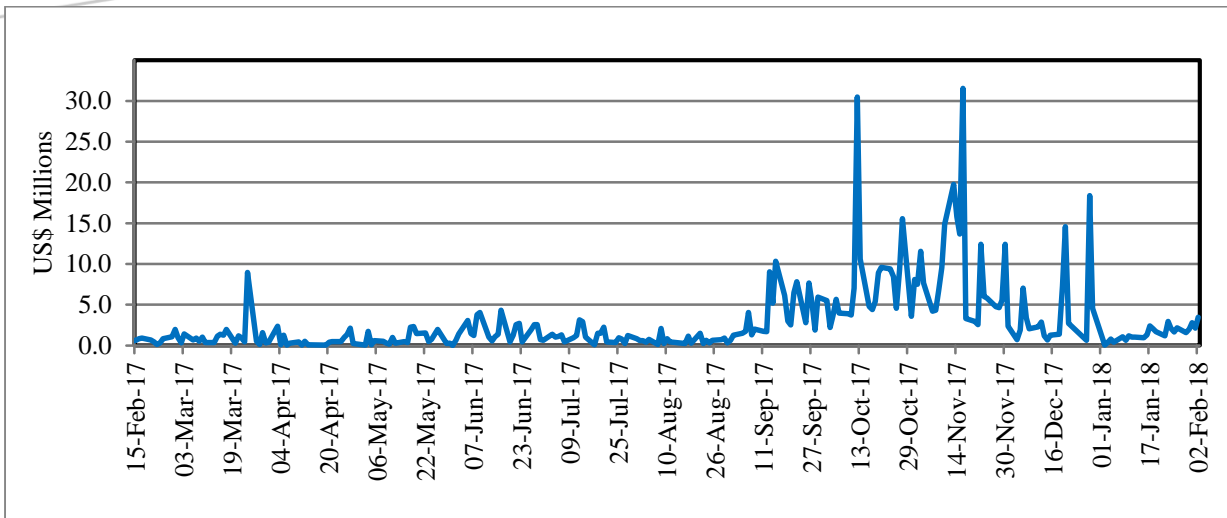


Source: Zimbabwe Stock exchange, 2018

### Market Turnover and Volume

The volume of shares traded on the ZSE increased by 71.78%, to close the week under review at 18 533 807 shares. Concomitantly, the ZSE market turnover registered an 18.49% increase, to close the week ending 2<sup>nd</sup> February 2018 at US\$11.98 million. Foreign investor participation improved as reflected by an increase in net inflows, from US\$3.15 million registered in the previous week to US\$5.37 million recorded, during the week under analysis.

**Figure 4: Daily Market turnover**

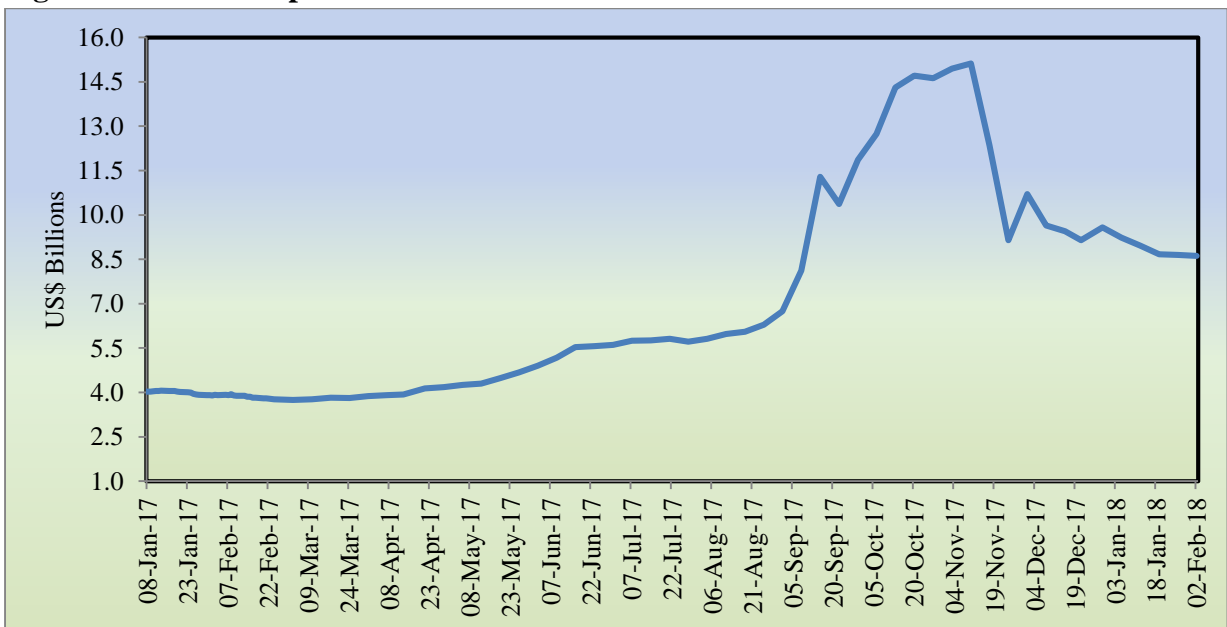


Source: Zimbabwe Stock Exchange, 2018

### Market Capitalization

The ZSE market capitalization registered a 0.33% decline, from US\$8.65 billion in the previous week to close the week under review at US\$8.62 billion. This was underpinned by losses in the industrial counters.

**Figure 5: Market Capitalization**



Source: Zimbabwe Stock Exchange, 2018

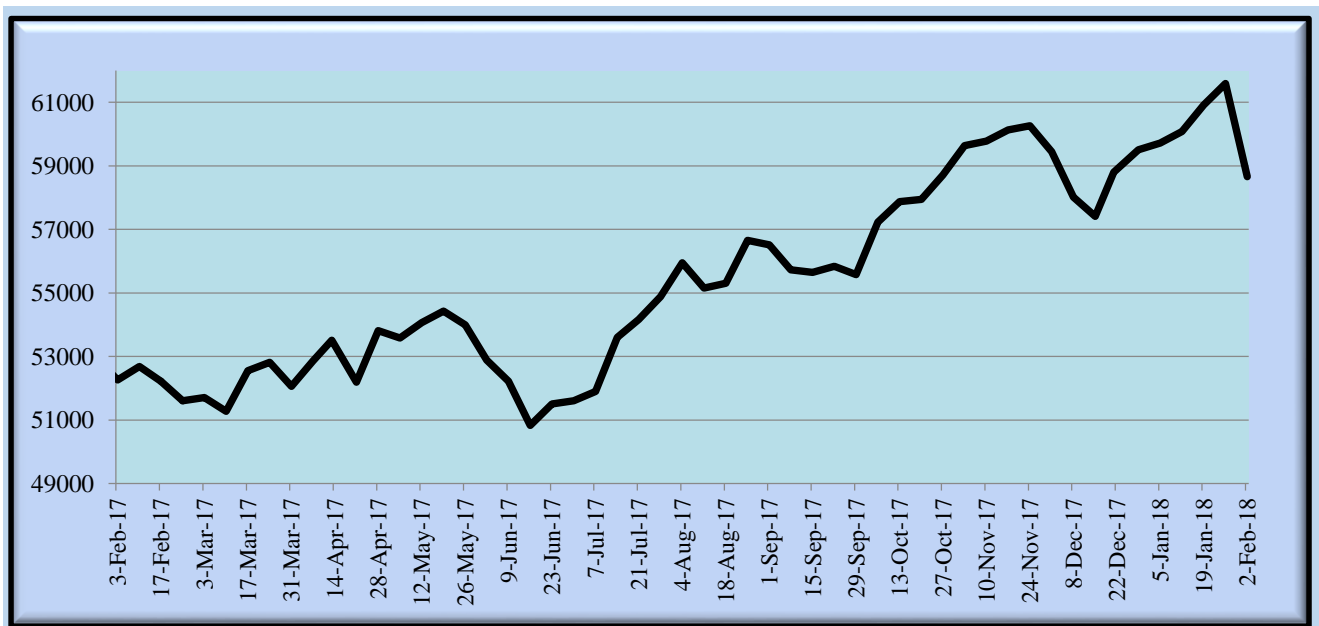
## Johannesburg Stock Exchange (JSE) Development

The JSE All Share index decreased by 4.77%, from 61 595.86 points in the prior week to 58 656.82 points, during the week under review. Similarly, market capitalization declined by 3.54%, to close the same week at R15.27 trillion.

Period	All Share Index (points)	Market Capitalization (ZAR trillion)
<b>12-January-18</b>	60 083.13	15.75
<b>19-January-18</b>	60 912.88	15.87
<b>26-January-18</b>	61 595.86	15.83
<b>02-February-18</b>	58 656.82	15.27
<b>% Change</b>	<b>-4.77</b>	<b>-3.54</b>

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**

**12<sup>TH</sup> FEBRUARY 2018**