



Weekly Economic Highlights

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Week Ending
5th January 2018

1. INTEREST RATES

Deposit Rates

During the week ending 5th January 2018, average deposit rates for savings deposits and deposits of 3 months tenor increased by 0.25 and 0.08 percentage points to 4.35% and 4.19%, respectively. Average deposit rates for deposits of 1 month tenor, however, declined by 0.04 percentage points, to close at 3.80% during week under analysis.

Table 1: Average Deposit Rates (per annum)

Date	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
08-December-17	4.22	3.84	4.11
15-December-17	4.22	3.84	4.11
21-December-17	4.10	3.84	4.11
29-December-17	4.10	3.84	4.11
05-January-18	4.35	3.80	4.19

Source: Banking Institutions, 2018

Lending Rates

Commercial bank weighted lending rates for individual clients stood at 9.32%, during the week under review, down from 9.39% recorded in the previous week. Weighted lending rates for corporate clients, however, increased from 7.00% in the previous week to 7.02% during the week under analysis.

Table 2: Lending Rates

Date	Lending Rates ¹ (%)	
	Commercial Banks (weighted)	
	Individuals	Corporate clients
08-December-17	9.34	7.03
15-December-17	9.34	7.03
21-December-17	9.38	7.07
29-December-17	9.39	7.00
05-January-18	9.32	7.02

Source: Banking Institutions, 2018

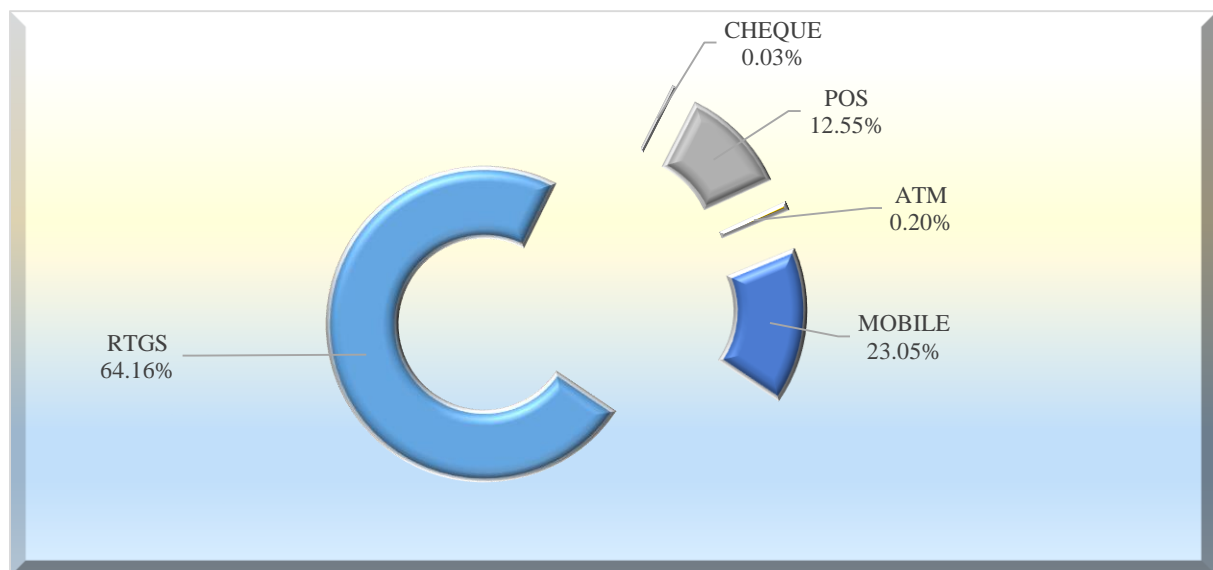
¹ Minimum weighted lending rates offered by commercial banks.

2. CLEARING AND SETTLEMENT ACTIVITY

During the week ending 5th January 2018, the total value of transactions processed through the National Payment Systems (NPS) stood at USD\$1 776.21 million, up from USD\$1 675.76 million registered in the previous week. Transactions processed through the Real Time Gross Settlement (RTGS) system increased by 19% to US\$1 139.70 million during the same week.

RTGS payments accounted for 64.16% of the total value of transactions processed through the NPS, followed by Mobile, 23.05%; Point of Sale (POS), 12.55%; Automated Teller Machines (ATMs), 0.20%; and Cheque, 0.03%, as shown in Figure 1.

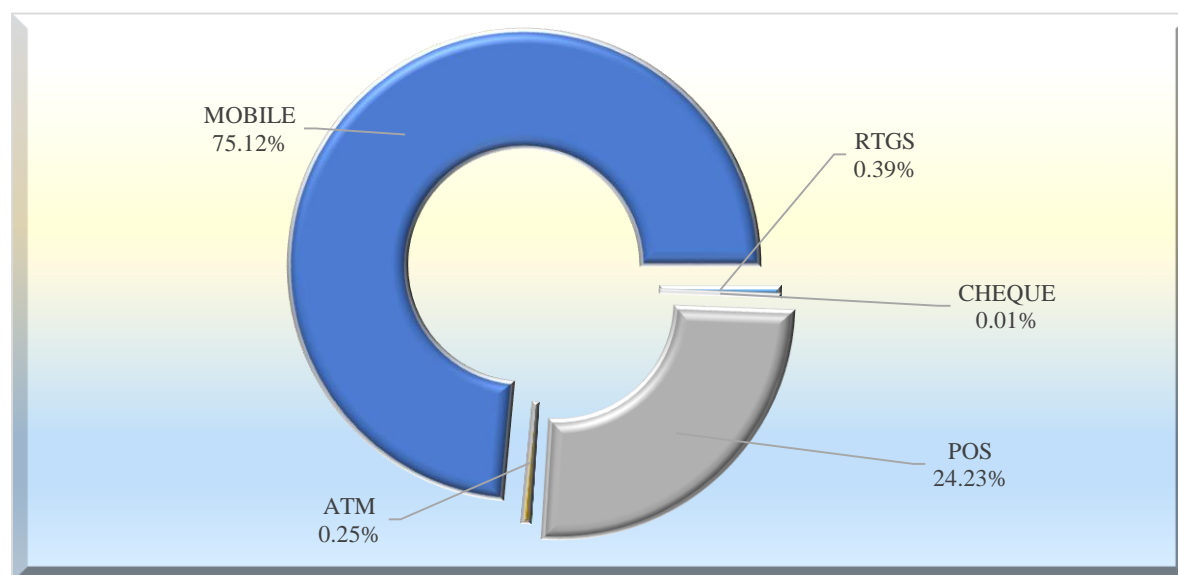
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2018

The volume of transactions processed through the NPS stood at 29 564 095 during the week under analysis, a 13% decrease from 33 837 476 transactions recorded in the previous week. The distribution of NPS transaction volumes was as follows: Mobile, 75.12%; POS, 24.23%; RTGS, 0.39%; ATMs, 0.25%; 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 29 December 2017	WEEK ENDING 05 January 2018	CHANGE FROM LAST WEEK	PROPORTION
VALUES IN USD (millions)				
RTGS	957.76	1,139.70	19%	64.16%
CHEQUE	0.47	0.60	27%	0.03%
POS	311.39	223.00	-28%	12.55%
ATMS	3.60	3.52	-2%	0.20%
MOBILE	402.54	409.38	2%	23.05%
TOTAL	1,675.76	1,776.21	6%	100%
VOLUMES				
RTGS	85,863	114,138	33%	0.39%
CHEQUE	2,522	2,850	13%	0.01%
POS	9,915,766	7,163,575	-28%	24.23%
ATMs	86,164	74,290	-14%	0.25%
MOBILE	23,747,161	22,209,242	-6%	75.12%
TOTAL	33,837,476	29,564,095	-13%	100%

Source: Reserve Bank of Zimbabwe, 2017

3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The weekly average international commodity prices of gold, platinum, nickel and crude oil firmed during the week ending 5th January 2018. Copper prices, however, decreased during the same week, as shown in Table 4.

Table 4: Metal and Crude Oil Prices

	Gold	Platinum	Copper	Nickel	Crude Oil
2018	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
Week ending (27 - 29 Dec)	1,289.15	923.83	7,223.50	12,068.33	66.30
2-Jan	1312.65	936.50	7216.50	12520.00	66.55
3-Jan	1314.75	947.50	7200.00	12570.00	67.91
4-Jan	1,314.10	956.00	7,170.50	12,410.00	67.97
5-Jan	1317.53	964.50	7206.00	12600.00	67.69
Week ending (02 - 05 Jan)	1,314.76	951.13	7,198.25	12,525.00	67.53
<i>Weekly Change (%)</i>	<i>2.0</i>	<i>3.0</i>	<i>(0.3)</i>	<i>3.8</i>	<i>1.9</i>

Source: BBC, KITCO and Bloomberg

Gold

Gold prices rose by 2%, to close the week under review at a weekly average of US\$1 314.76/oz. This followed heightened uncertainties over the outcome of tax reforms in the US, which saw investors shifting to gold as a safe haven asset.

Platinum

Platinum prices increased by 3%, from a weekly average of US\$923.83/oz recorded in the previous week to US\$951.13/oz, during the week under analysis. Strong global demand prospects for the precious metal largely explained the increase in the price.

Copper

Copper prices declined by 0.3%, to a weekly average of US\$7 198.25/ton, during the week ending 5th January 2018. This was mainly driven by a decrease in the global demand for the base metal.

Nickel

Nickel prices firmed by 3.8%, from US\$12 068.33/ton registered in the previous week, to close the week under review at US\$12 525.00/ton. This was on the back of increased demand for the base metal, particularly in China.

Crude Oil

Crude oil prices continued on an upward trend, registering a 1.9 %, to US\$67.53/barrel during the week under analysis. Prices rallied as the Organization of the Petroleum Exporting Countries (OPEC) and other major oil producers, including Russia, kept supply limits in place to reduce a price-denting glut of inventories in 2018.

4. EXCHANGE RATES

The greenback appreciated against the rand, British pound, pula and euro during the week ending 5th January 2018. This was underpinned by rising prospects of a Federal Reserve interest rate hike during the first quarter of 2018.

Table 5: International Exchange Rates per US\$

	ZAR	GBP	BWP	EURO
2018				
Weekly Average (27 - 29 Dec)	12.3867	0.7448	9.9471	0.8395
2-Jan	13.7100	0.8130	10.6838	0.9537
3-Jan	12.4770	0.7352	9.8280	0.8296
4-Jan	12.4050	0.7398	9.8377	0.8321
5-Jan	12.2998	0.7369	9.8135	0.8283
Weekly Average (02 - 05 Jan)	12.7229	0.7562	10.0407	0.8609
<i>Appr(+)/Depr(-) (%) of the USD</i>	<i>2.7</i>	<i>1.5</i>	<i>0.9</i>	<i>2.5</i>

Source: Reuters, 2018

5. EQUITY MARKETS

During the week ending 5th January 2018, the Zimbabwe Stock Exchange (ZSE) was bearish. This resulted in a 2.34% decline in the industrial index, to close the week at 325.23 points. The decrease was mainly driven by losses registered in CBZ Holdings (19.67%); OK Zimbabwe (17.30%); Pretoria Portland Cement (PPC) (16.35%); Dawn Properties (15.00%); and Old Mutual (14.35%). Partially offsetting the losses were gains realized in Zimre Holdings (19.69%); Edgars (16.92%); Meikles (1.54%); Padenga Holdings (0.53%); and FBC Holdings (0.25%).

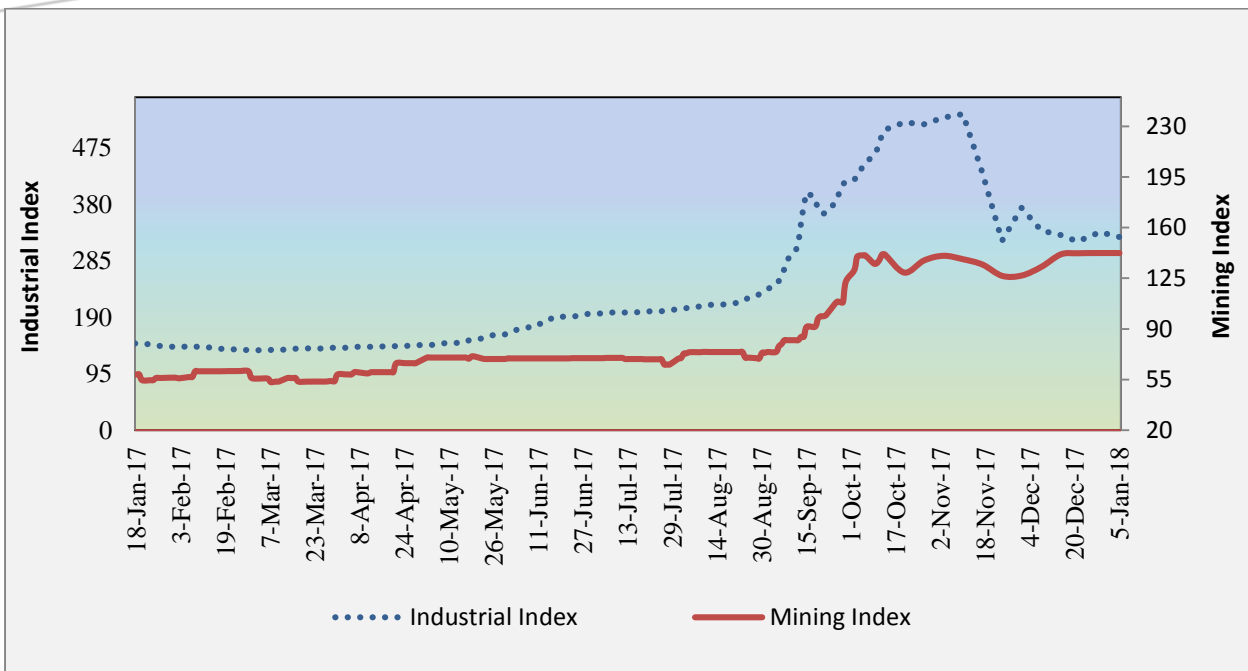
The mining index, however, remained unchanged at the previous week level of 142.40 points. All mining counters traded at previous week prices, albeit on very thin volumes.

Table 6: Zimbabwe Stock Exchange (ZSE) Statistics

	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
15-December-17	328.44	141.47	9,447,234,808	8,276,307	17,030,059
21- December-17	317.73	142.24	9,151,044,105	25,992,897	338,666,493
29-December-17	333.02	142.40	9,580,566,540	23,563,704	179,420,979
05-January-18	325.23	142.40	9,236,434,615	1,558,769	7,745,882
Weekly Change (%)	-2.34	0.00	-3.59	-93.38	-95.68

Source: Zimbabwe Stock Exchange (ZSE), 2018

Figure 3 : Zimbabwe Stock Exchange Indices

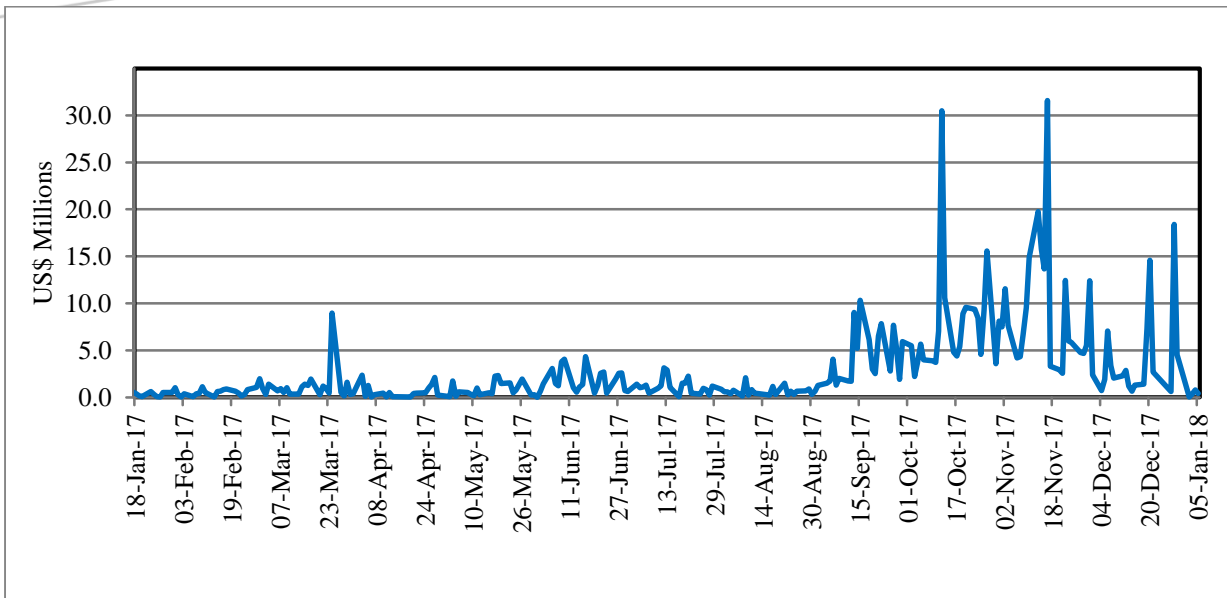


Source: Zimbabwe Stock exchange, 2018

Market Turnover and Volume

The volume of shares traded on the ZSE declined by 95.68%, from 179 420 979 shares recorded in the previous week to close the week under review at 7 745 882 shares. Market turnover value also decreased by 93.38% to US\$1.56 million during the week under analysis.

Figure 4: Daily Market turnover

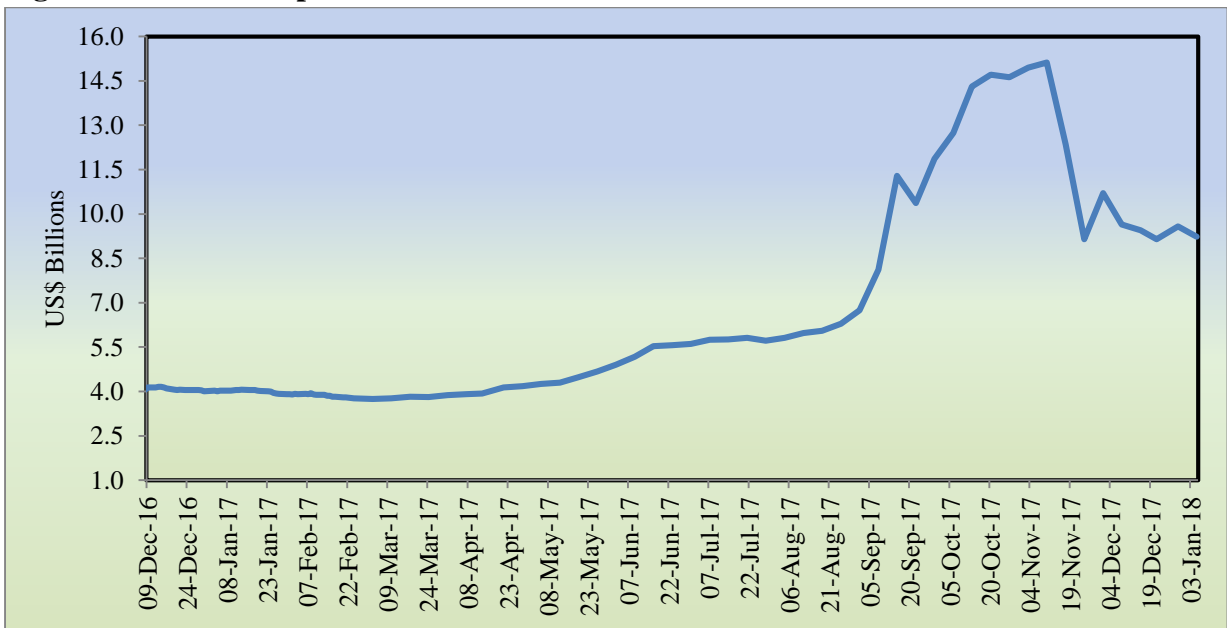


Source: Zimbabwe Stock Exchange, 2018

Market Capitalization

The ZSE market capitalization registered a 3.59% decline, from US\$9.58 billion in the previous week to US\$9.24 billion, during the week under review. This was underpinned by losses in the industrial index.

Figure 5 : Market Capitalization



Source: Zimbabwe Stock Exchange, 2018

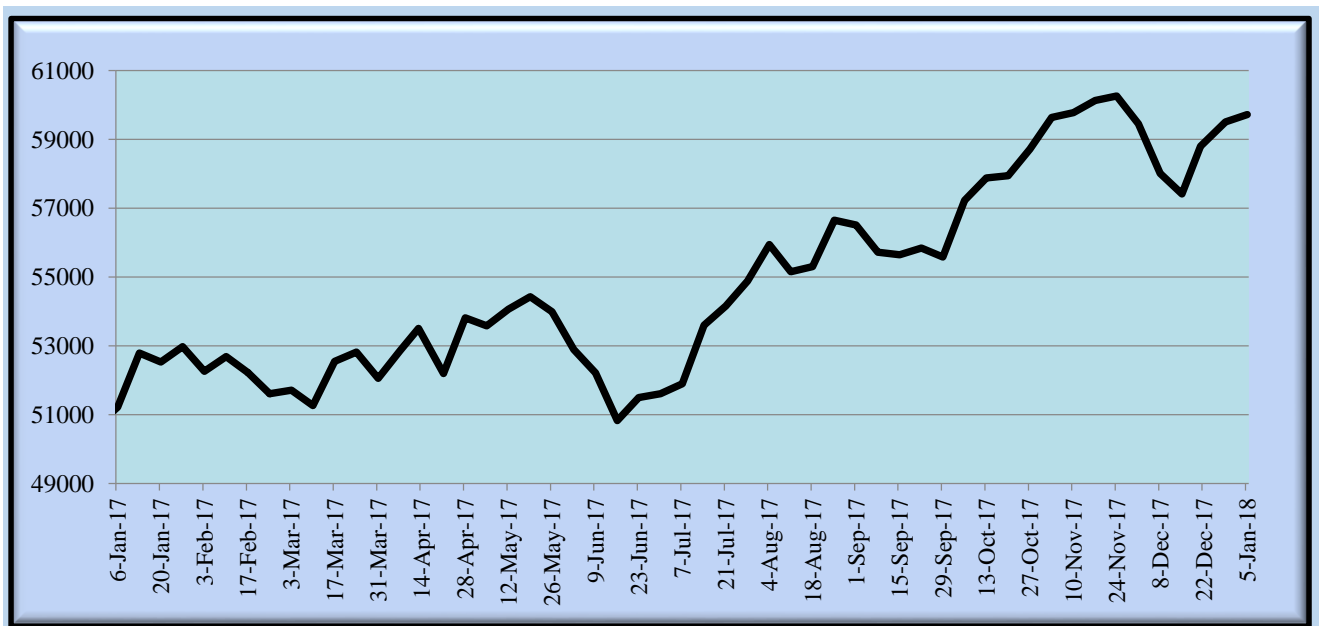
Johannesburg Stock Exchange (JSE) Development

The JSE All Share Index increased from 59 504.67 points in the previous week, to close the week ending 5th January 2018 at 59 717.20 points. Market capitalization also rose by 0.78% to R15.58 trillion in the same week.

Period	All Share Index (points)	Market Capitalization (ZAR trillion)
15-December-17	57 412.76	15.30
21- December-17	58 800.23	15.46
29- December-17	59 504.67	15.46
05-January-18	59 717.20	15.58
% Change	0.36	0.78

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

12TH JANUARY 2018