



Weekly Economic Highlights

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Week Ending
6th October 2017

1. INTEREST RATES

Deposit Rates

Savings deposit rates remained unchanged at 4.22%, during the week ending 6th October 2017. Average interest rates for deposits of 1 month and 3 months tenor, however, declined by 0.12 and 0.3 percentage points to 4.09% and 4.17%, respectively.

Table 1: Average Deposit Rates (per annum)

Date	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
08-September-17	4.22	4.06	4.22
15-September-17	4.22	4.28	4.53
22-September-17	4.22	4.28	4.53
29-September-17	4.22	4.21	4.47
06-October-17	4.22	4.09	4.17

Source: Banking Institutions, 2017

Lending Rates

Commercial bank weighted lending rates for individual clients increased by 0.23 percentage points to 9.09% during the week under analysis. Weighted lending rates for corporate clients closed the week under review at 6.99%, a 0.02 percentage point decline from the 7.01% recorded in the previous week.

Table 2: Lending Rates

Date	Lending Rates ¹ (%)	
	Commercial Banks (weighted)	
	Individuals	Corporate clients
08-September-17	8.76	6.65
15-September-17	8.79	6.96
22-September-17	8.79	6.96
29-September-17	8.86	7.01
06-October-17	9.09	6.99

Source: Banking Institutions, 2017

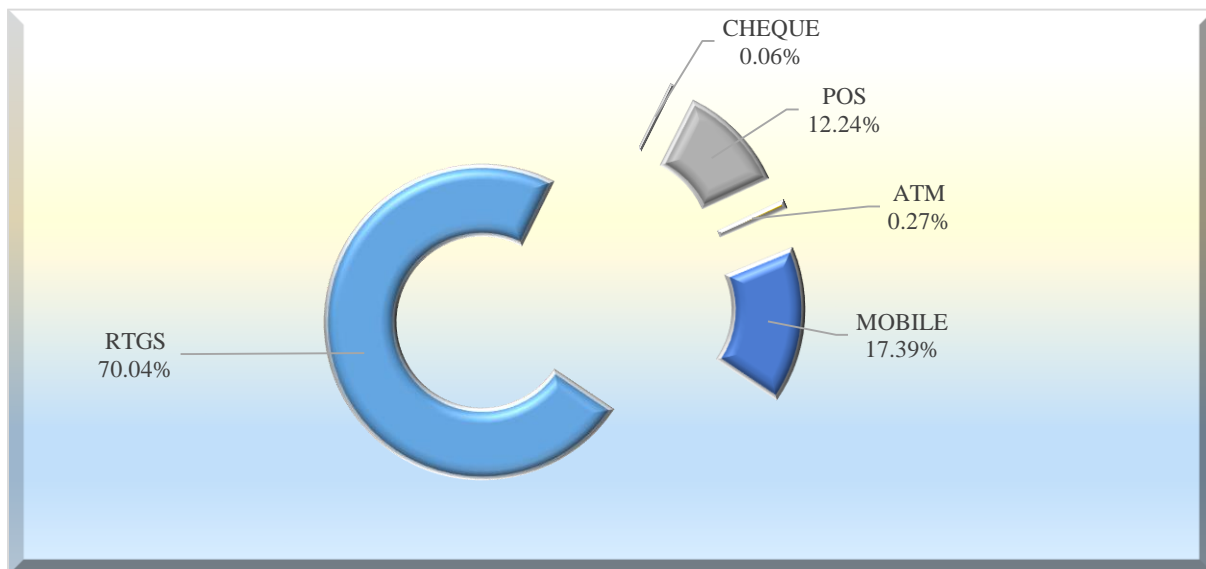
¹ Minimum weighted lending rates offered by commercial banks.

2. CLEARING AND SETTLEMENT ACTIVITY

During the week ending 6th October 2017, the total value of transactions processed through the National Payment Systems (NPS), amounted to US\$1 988.87 million, down from US\$2 318.47 million registered in the previous week. Transactions processed through the Real Time Gross Settlement (RTGS) system posted a 20% decrease, to close the week under review at US\$1 392.97 million.

In value terms, RTGS payments accounted for 70.04% of the total value of transactions processed through the NPS. The rest of the NPS transactions were distributed as follows: Mobile, 17.39%; Point of Sale (POS), 12.24%; Automated Teller Machines (ATMs), 0.27%; and Cheque, 0.06% as shown in Figure 1.

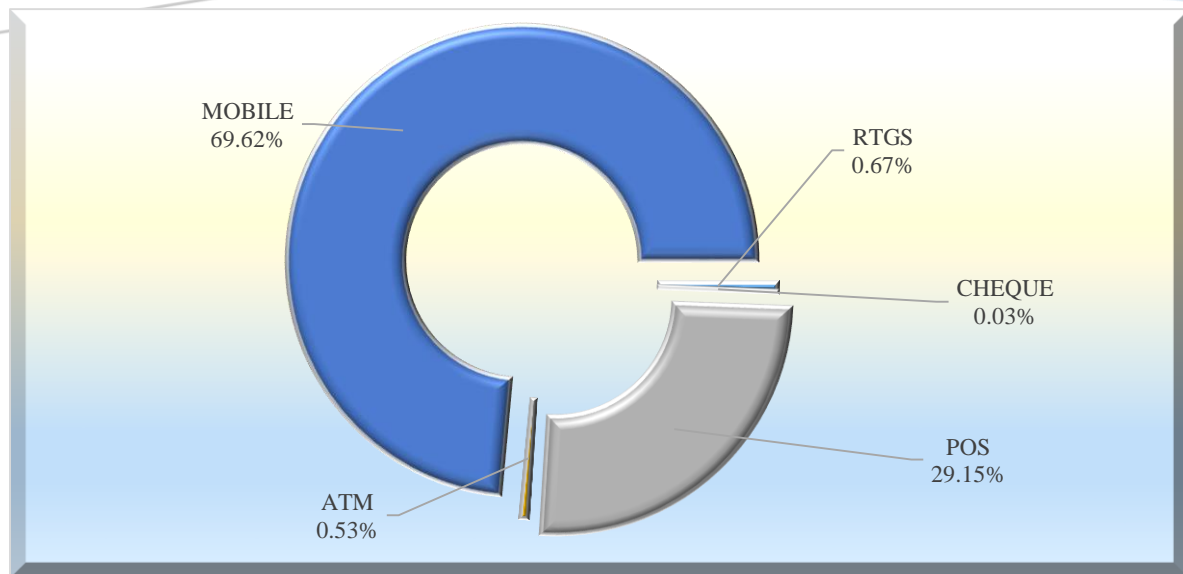
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2017

NPS volumes stood at 23 961 898 during the week under review, up from 23 707 737 recorded in the previous week. Mobile-Based transactions accounted for 69.62% of total transactions in volume terms, followed by POS, 29.15%; RTGS, 0.67%; ATMs, 0.53%; 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 29 September 2017	WEEK ENDING 06 October 2017	CHANGE FROM LAST WEEK	PROPORTION
VALUES IN USD (millions)				
RTGS	1,752.09	1,392.97	-20%	70.04%
CHEQUE	1.30	1.24	-5%	0.06%
POS	218.07	243.41	12%	12.24%
ATMS	4.32	5.29	22%	0.27%
MOBILE	342.70	345.96	1%	17.39%
TOTAL	2,318.47	1,988.87	-14%	100%
VOLUMES				
RTGS	159,983	160,843	1%	0.67%
CHEQUE	6,491	6,241	-4%	0.03%
POS	5,574,808	6,984,686	25%	29.15%
ATMs	97,863	127,996	31%	0.53%
MOBILE	17,868,592	16,682,132	-7%	69.62%
TOTAL	23,707,737	23,961,898	1%	100%

Source: Reserve Bank of Zimbabwe, 2017

4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international commodity prices of gold, platinum and crude oil retreated, while nickel and copper prices firmed during the week ending 6th October 2017, as shown in Table 5.

Table 5: Metal and Crude Oil Prices

	Gold	Platinum	Copper	Nickel	Crude Oil
2017	<i>US\$/ounce</i>	<i>US\$/ounce</i>	<i>US\$/tonne</i>	<i>US\$/tonne</i>	<i>US\$/barrel</i>
Week ending (25 - 29 Sept)	1,290.73	924.50	6,431.00	10,427.00	57.25
2-Oct	1,273.40	912.50	6,455.00	10,375.00	56.12
3-Oct	1,270.98	909.50	6,447.00	10,555.00	56.00
4-Oct	1,274.90	913.00	6,453.00	10,640.00	55.80
5-Oct	1,276.45	915.00	6,511.00	10,560.00	57.00
6-Oct	1,265.00	911.00	6,639.00	10,500.00	55.62
Week ending (02 - 06 Oct)	1,272.15	912.20	6,501.00	10,526.00	56.11
<i>Weekly Change (%)</i>	<i>(1.4)</i>	<i>(1.3)</i>	<i>1.1</i>	<i>0.9</i>	<i>(2.0)</i>

Source: BBC, KITCO and Bloomberg

Gold

Gold prices declined by 1.4%, from a weekly average of US\$1 290.73/oz registered in the previous week to US\$1 272.15/oz during the week under review. Prices were weighed down by a stronger US dollar and positive U.S. economic data which strengthened expectations of an interest rate hike by the Fed Res before the end of 2017.

Platinum

Platinum prices fell by 1.3%, to close the week under analysis at US\$912.20/oz from a weekly average of US\$924.50/oz recorded in the previous week. This was on the back of weak investment demand prospects as investors shifted to interest bearing assets.



Copper

Copper prices increased by 1.1%, to close the week under review at US\$6,501.00/ton from US\$6,431.00/ton registered in the previous week. This was underpinned by speculative buying in response to expectations of potential shortages in China, following the announcement of plans to ban scrap base metal imports.

Nickel

Nickel prices firmed by 0.9%, to close the week ending 6th October 2017 at US\$10,526.00/ton. As was the case with copper prices, nickel prices were also supported by speculative buying in response to expectations of potential shortages in China, the world's largest user of the base metal.

Crude Oil

Crude oil prices retreated by 2.0%, from US\$57.25/barrel in the previous week to US\$56.11/barrel during the week under review. Prices declined as Iraq and Iran boosted crude exports in September, taking advantage of a slower pace of shipments from rival Saudi Arabia, to win buyers in key markets such as China and the U.S.

5. EXCHANGE RATES

The US dollar appreciated against the British pound, rand, pula and euro during the week ending 6th October 2017. This was supported by expectations of an interest rate hike by the Federal Reserve.

Table 6: International Exchange Rates per US\$

	GBP	ZAR	BWP	EURO
2017				
Weekly Average (25 - 29 Sept)	0.7434	13.4193	10.2709	0.8466
2-Oct	0.7484	13.5926	10.3573	0.8499
3-Oct	0.7545	13.6311	10.3359	0.8540
4-Oct	0.7540	13.6088	10.3627	0.8498
5-Oct	0.7548	13.6016	10.3199	0.8502
6-Oct	0.7645	13.6749	10.4221	0.8550
Weekly Average (02 - 06 Oct)	0.7553	0.7553	10.3596	0.8518
<i>Appr(+)/Depr(-) (%) of the USD</i>	<i>1.6</i>	<i>1.5</i>	<i>0.9</i>	<i>0.6</i>

Source: Reuters, 2017

6. EQUITY MARKETS

Trading on the Zimbabwe Stock Exchange (ZSE) continued on an upward trajectory for the second consecutive week, during the week ending 6th October 2017. Resultantly, the industrial index increased by 7.28%, from 418.39 points recorded in the previous week to 448.83 points during the week under review. The increase was largely underpinned by gains in Econet Wireless Zimbabwe Limited (29.87%), Zimbabwe Newspapers (29.29%), African Distillers Limited (26.67%), First Mutual Holdings Limited (26.32%) and Edgars Stores Limited (23.40%).

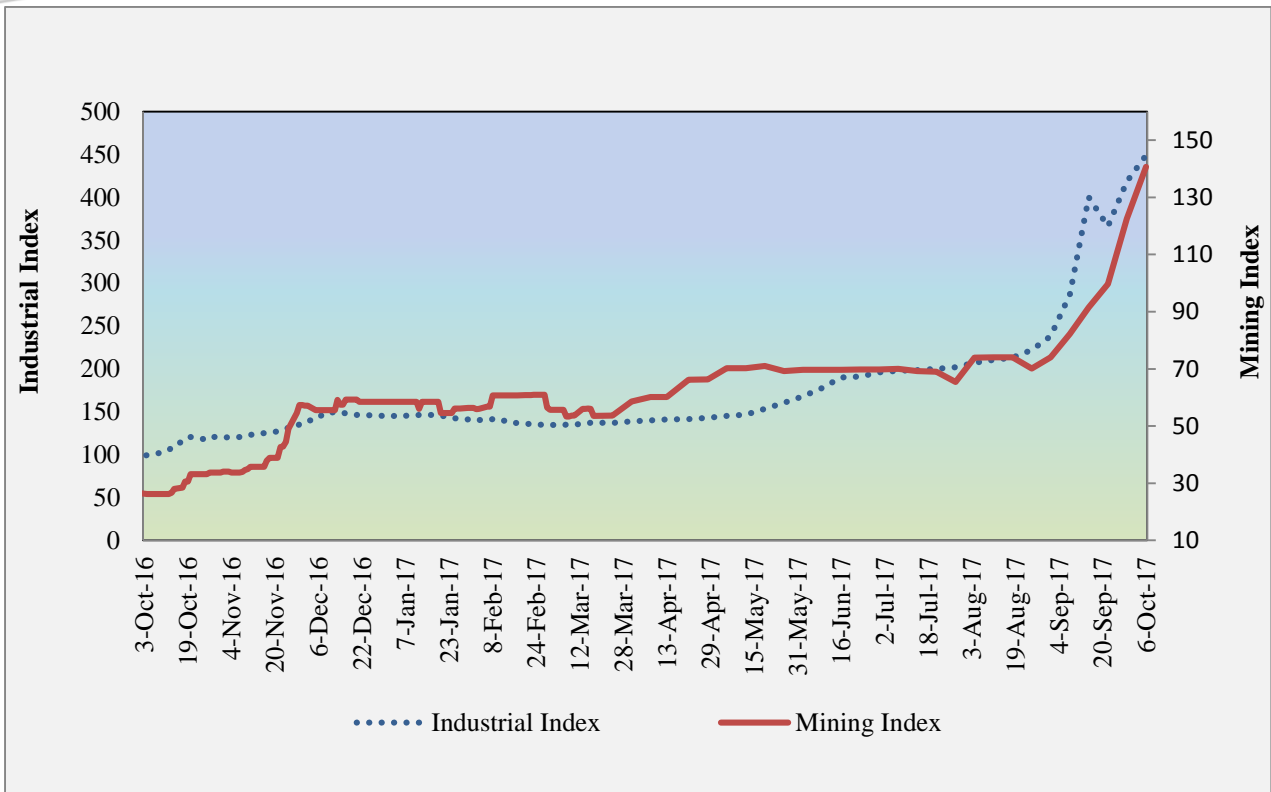
The resource index firmed by 14.80%, from 122.57 points in the prior week to close the week under review at 140.80 points. This was on account of a 44% and 1% share price gain in Bindura Nickel Corporation (BNC) and RioZim Limited, respectively.

Table 7: Zimbabwe Stock Exchange (ZSE) Statistics

	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
15-September-17	400.03	91.46	11,293,400,117	27,994,400	83,365,425
22-September-17	366.08	99.67	10,366,938,565	30,607,782	48,075,010
29-September-17	418.39	122.57	11,860,204,528	23,628,025	43,639,156
06-October-17	448.83	140.71	12,736,970,365	21,019,210	423,138,341
Weekly Change (%)	7.28	14.80	7.39	-11.04	869.63

Source: Zimbabwe Stock Exchange (ZSE), 2017

Figure 3 : Zimbabwe Stock Exchange Indices

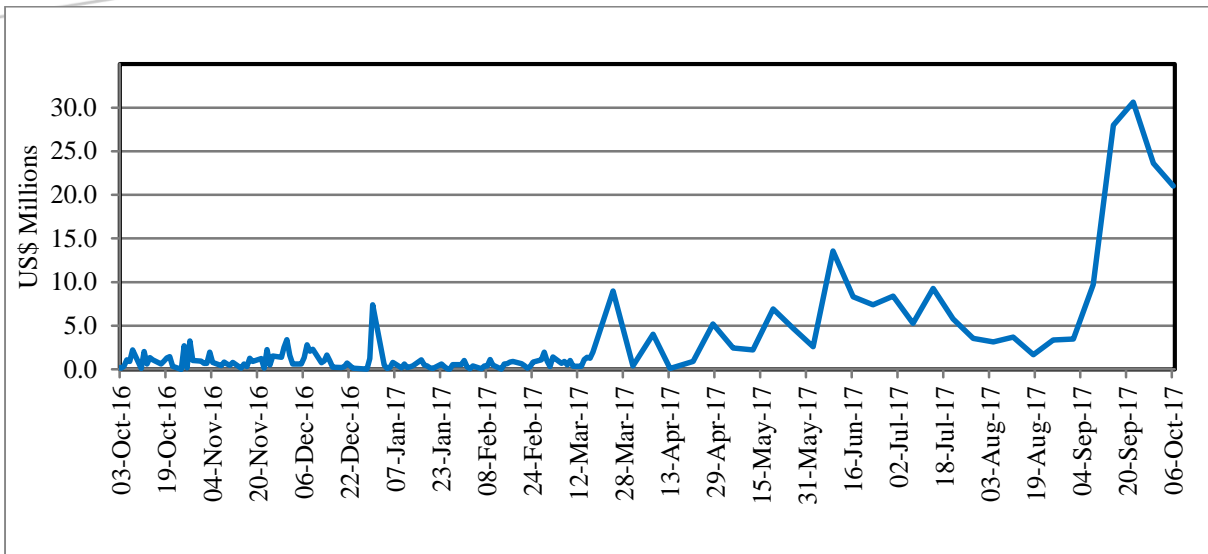


Source: Zimbabwe Stock exchange, 2017

Market Turnover and Volume

The volume of shares traded at the ZSE increased by 869.63%, to close the week ending 6th October 2017 at 423 138 341. Market turnover, however, declined by 11.04% to US\$21.02 million during the same week.

Figure 4: Daily Market turnover

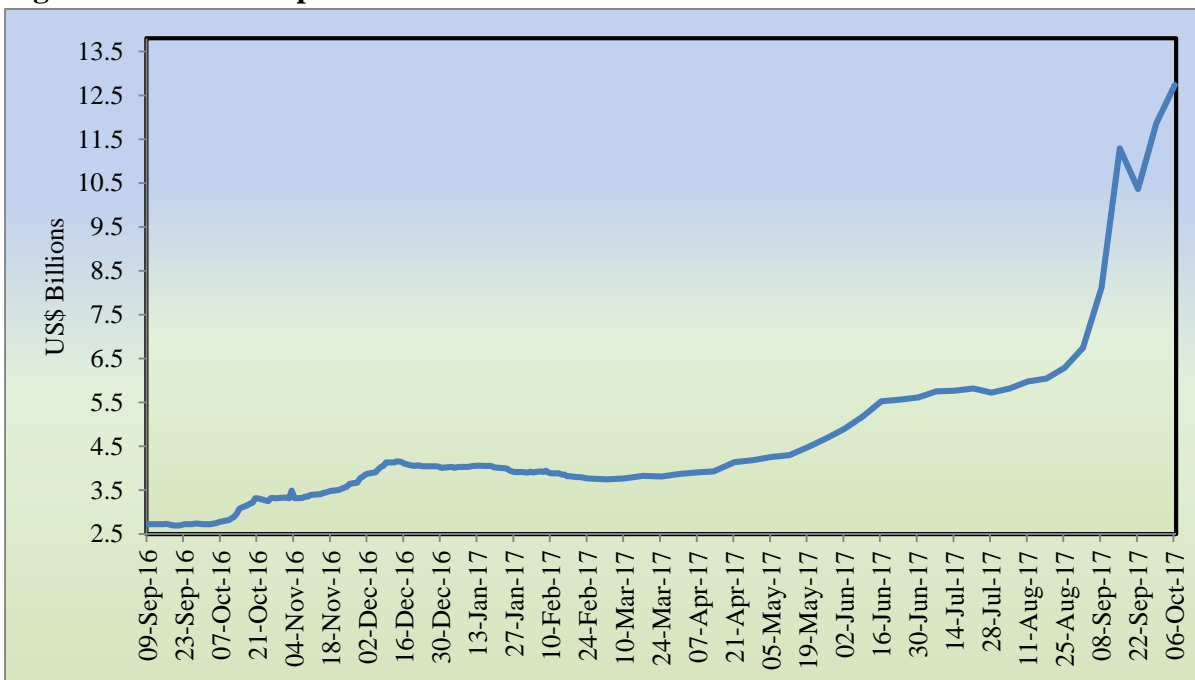


Source: Zimbabwe Stock Exchange, 2017

Market Capitalization

In line with the developments on the local bourse during the week under review, the ZSE gained US\$876.77 million worth of market capitalization, or 7.39% of the previous week’s value to close at US\$12.74 billion.

Figure 5 : Market Capitalization



Source: Zimbabwe Stock Exchange, 2017

Johannesburg Stock Exchange (JSE) Development

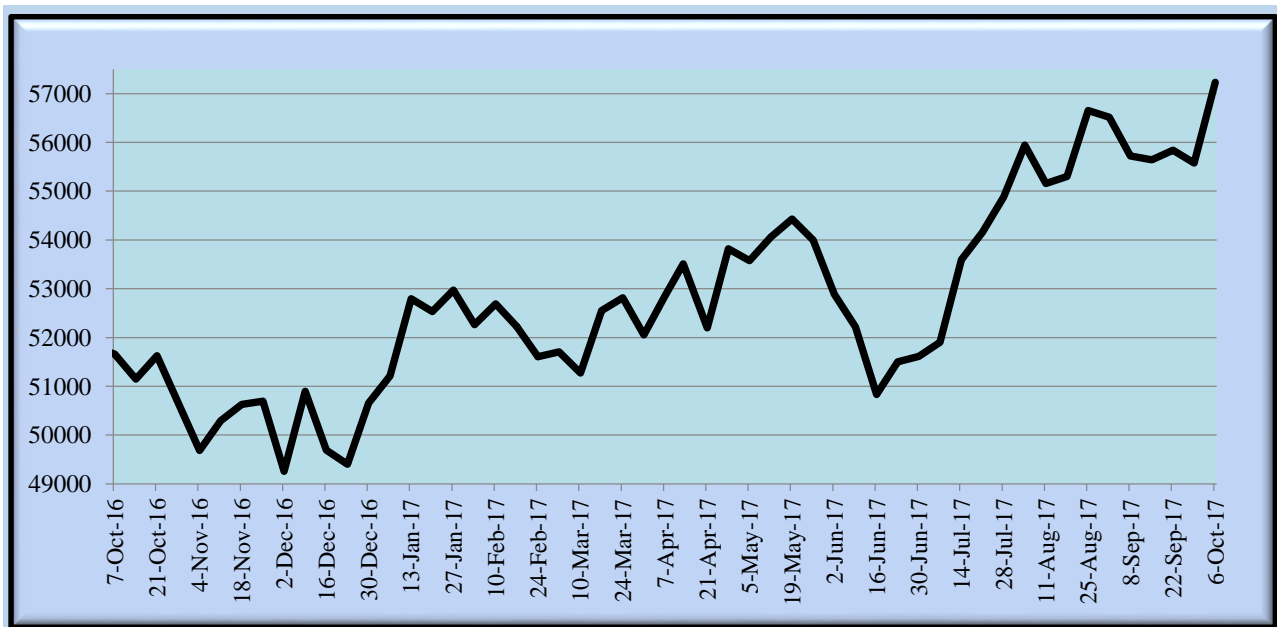
The JSE All Share Index closed the week under review at 57 231.87 points, up from 55 579.92 points in the previous week. Similarly, market capitalization increased from R15.21 trillion in the previous week, to R15.65 trillion during the week under review.

Table 8: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalization (ZAR trillion)
01-September-17	56 513.46	15.51
08-September-17	55 724.67	15.08
15-September-17	55 645.15	15.11
22-September-17	55 839.73	15.07
29-September-17	55 579.92	15.21
06-October-17	57 231.87	15.65
% Change	2.97	2.89

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

13TH OCTOBER 2017