



Weekly Economic Highlights

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Week Ending
7th July 2017

1. INTEREST RATES

Deposit Rates

During the week ending 7th July 2017, average interest rates for savings deposits and deposits of 1 month and 3 months tenors remained unchanged at 3.85%; 4.4%; and 4.45% respectively.

Table 1: Average Deposit Rates (per annum)

Date	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
02-June-17	4.08	4.38	4.45
09-June-17	3.38	4.17	4.23
16-June-17	3.85	4.16	4.23
23-June-17	3.85	4.17	4.23
30-June-17	3.85	4.40	4.45
07-July-17	3.85	4.40	4.45

Source: Banking Institutions, 2017

Lending Rates

Commercial bank weighted lending rates for individuals and corporate clients declined to 8.94% and 7.03%, respectively, during the week under review.

Table 2: Lending Rates

Date	Lending Rates (%) Commercial Banks (weighted)	
	Individuals	Corporate clients
02-June-17	9.23	7.03
09-June-17	9.15	7.06
16-June-17	9.09	7.04
23-June-17	9.09	7.08
30-June-17	9.01	7.05
07-June-17	8.94	7.03

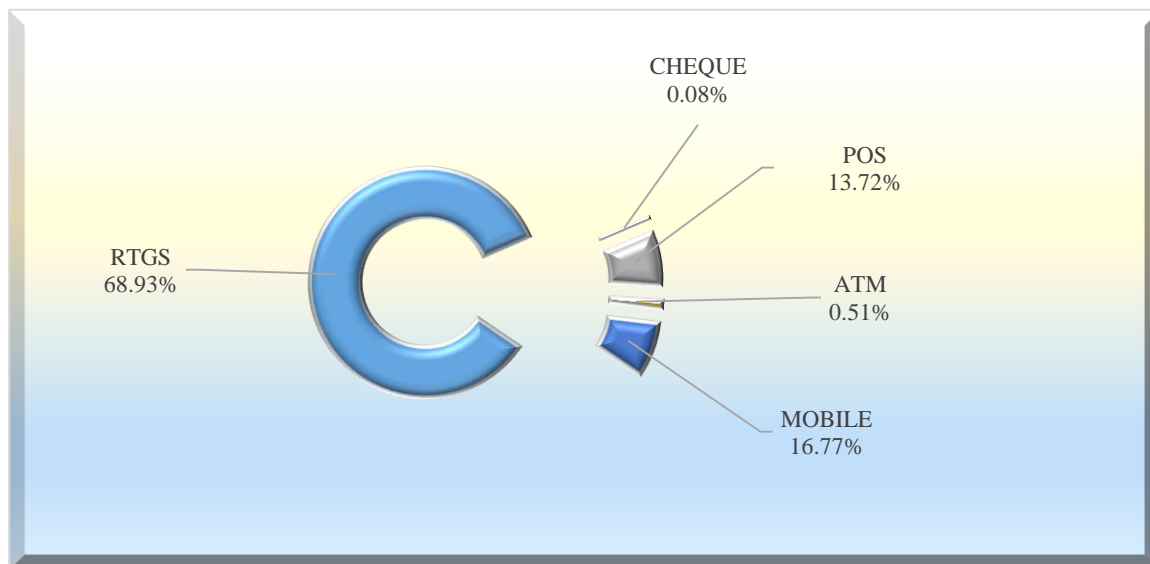
Source: Banking Institutions, 2017

2. CLEARING AND SETTLEMENT ACTIVITY

The total value of transactions processed through the National Payments System (NPS) stood at US\$1 602.12 million, during the week under review, a 10% decline from the US\$1 779.68 million recorded during the week ending 30th June 2017. This was largely driven by a decrease in the value of RTGS transactions, from US\$1 395.09 million in the previous week, to US\$1 104.39 million during the week under review.

The usage of NPS payments streams, in value terms, was distributed as follows: RTGS, 68.93%; Mobile, 16.77%; POS, 13.72%; ATM, 0.51%; Cheque, 0.08%, as shown in Figure 1.

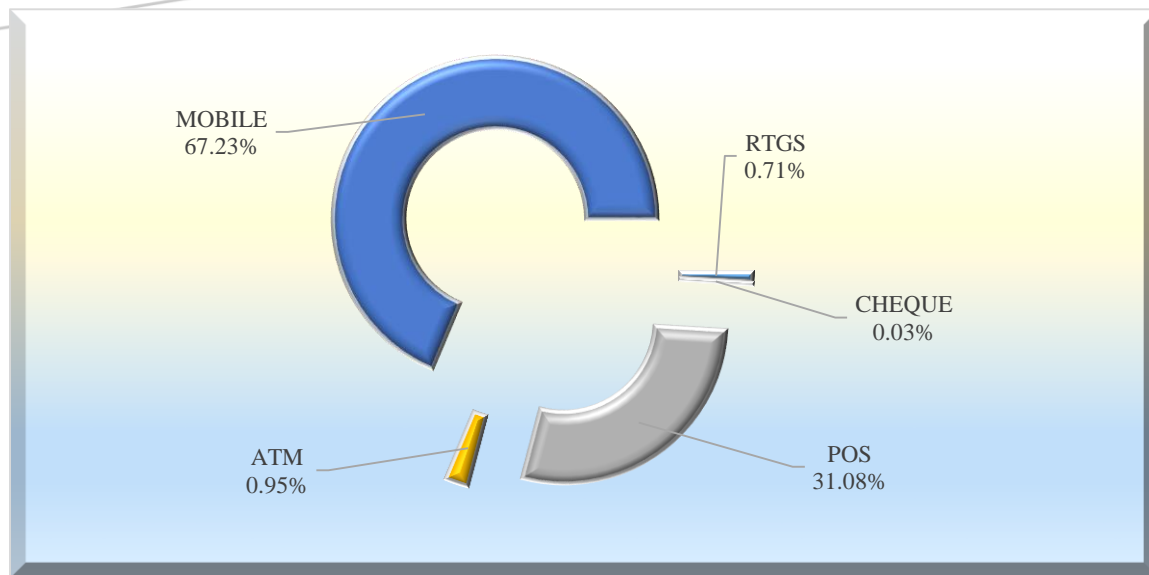
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe

The volume of transactions processed through the NPS amounted to 19 340 199 during the week under analysis, up from 14 473 061 transactions processed in the previous week. The distribution of NPS transaction volumes was as follows: Mobile, 67.23%; POS, 31.08%; ATMs, 0.95%; RTGS, 0.71%; and Cheque, 0.03%, as shown in Figure 2.

Figure 2: Composition of NPS Transactions in Volume Terms



Source: Reserve Bank of Zimbabwe.

Table 3: National Payment Systems Activity

PAYMENT STREAM	WEEK ENDING 30 June 2017	WEEK ENDING 07 July 2017	CHANGE FROM LAST WEEK	PROPORTION
VALUES IN USD (millions)				
RTGS	1,395.09	1,104.39	-21%	68.93%
CHEQUE	1.30	1.26	-3%	0.08%
POS	168.45	219.76	30%	13.72%
ATMS	6.09	8.10	33%	0.51%
MOBILE	208.75	268.60	29%	16.77%
TOTAL	1,779.68	1,602.12	-10%	100%
VOLUME				
RTGS	139,060	137,152	-1%	0.71%
CHEQUE	6,414	6,531	2%	0.03%
POS	4,575,770	6,010,170	31%	31.08%
ATMs	133,169	184,613	39%	0.95%
MOBILE	9,618,648	13,001,733	35%	67.23%
TOTAL	14,473,061	19,340,199	34%	100%

Source: Reserve Bank of Zimbabwe

3. TOBACCO SALES

As at 7th July 2017 or day 78 of the 2017 tobacco selling season, a cumulative total of 174.1 million kg of tobacco had been sold. This was a 4.28% decrease, compared to the cumulative total of 181.9 million kg of tobacco sold during the same period in 2016.

In value terms, cumulative tobacco sales stood at US\$513.8 million, compared to US\$534.1 million realised during the corresponding period in 2016. The golden leaf fetched a higher average price of US\$2.95 kg, a 0.52% increase from the US\$2.94kg realised in 2016.

Table 4: Cumulative Tobacco Sales: Day 78 (07 July 2017)

	2016	2017	Variance (%)
Cumulative Quantity Sold (kgs)	181,861,615	174,075,468	-4.28
Cumulative Average Price(US\$/kg)	2.94	2.95	0.52
Cumulative Value (US\$ million)	534,071,720	513,843,335	-3.79

Source: Tobacco Industry and Marketing Board (TIMB), 2017

4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international commodity prices of copper, nickel and crude oil firmed during the week ending 7th July 2017. Gold and platinum prices, however, retreated during the same week, as shown in Table 5.

Table 5: Metal and Crude Oil Prices

	Gold	Platinum	Copper	Nickel	Crude Oil
2017	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
Weekly Average (26-30 June)	1,248.66	919.85	5,790.18	9,117.17	46.96
3-Jul	1,232.23	915.00	5,905.50	9,280.00	49.32
4-Jul	1,224.00	908.50	5,905.50	9,280.00	49.62
5-Jul	1,221.10	904.00	5,905.50	9,280.00	48.73
6-Jul	1,224.60	907.00	5,905.50	9,280.00	48.20
7-Jul	1,218.03	907.50	5,905.50	9,280.00	47.24
Week ending (3 - 7 July)	1,223.99	908.40	5,905.50	9,280.00	48.62
<i>Weekly Change (%)</i>	<i>(2.0)</i>	<i>(1.2)</i>	<i>2.0</i>	<i>1.8</i>	<i>3.5</i>

Source: BBC, KITCO and Bloomberg

Gold

Gold prices declined by 2.0%, from a weekly average of US\$1 248.66/oz registered in the previous week to US\$1 223.99/oz during the week under review. Prices were weighed down by the positive U.S. jobs report, which boosted the green back against the basket of other major international currencies. This dampened investor interest in gold as a safe haven asset.

Platinum

Platinum prices fell by 1.2%, to close the week under analysis at US\$908.85/oz from a weekly average of US\$919.85/oz recorded in the previous week. This was on the back of declines in investment demand for the metal, following heightened investor anticipation of tightening monetary policies across the globe.

Copper

Copper prices gained by 2.0%, to close the week under review at US\$5,905.05/ton from US\$5,790.18/ton registered in the previous week. This was underpinned by optimism that global growth is on an upward trend.

Nickel

Nickel prices gained by 1.8%, to close the week ending 7th July 2017 at US\$9,280.00/ton. The prices were supported by brighter demand prospects in China, the world's largest user of the base metal.

Crude Oil

Crude oil prices firmed by 3.5%, from US\$46.96/barrel in the previous week to US\$48.62/barrel during the week under review. Prices rallied on the back of supply concerns, following reports that the US had cut its crude production outlook for 2018.

5. EXCHANGE RATES

The US dollar depreciated by 0.8% and 0.5% against the pound Sterling and the euro, respectively, during the week ending 7th July 2017. This was, in large part, on account of the anticipated tightening of monetary policy in the UK and Europe. The greenback, however, appreciated by 2.4% and 1.1% against the rand and pula, respectively, during the same period.

Table 6: International Exchange Rates per US\$

	ZAR	GBP	BWP	EURO
2017				
Weekly Average (26-30 Jun)	12.9406	0.7782	10.2376	0.8838
3-Jul	13.0673	0.7696	10.3466	0.8763
4-Jul	13.215	0.7726	10.3252	0.8806
5-Jul	13.1777	0.7738	10.3093	0.8808
6-Jul	13.37945	0.7725	10.3842	0.8817
7-Jul	13.435	0.7718	10.3734	0.8763
Weekly Average (3-7 July)	13.2549	0.7721	10.3478	0.8792
<i>Appr(+)/Depr(-) (%) of the USD</i>	<i>2.4</i>	<i>-0.8</i>	<i>1.1</i>	<i>-0.5</i>

Source: Reuters

6. EQUITY MARKETS

Trading on the Zimbabwe Stock Exchange (ZSE) maintained its positive momentum for the fifteenth consecutive week, during the week ending 7th July 2017. Resultantly, the industrial index increased by 1.00% to close the week under review at 197.93 points. This was due to gains in African Sun Limited (27.33%); First Mutual Holdings Limited (17.19%); Axia Limited (13.40%); Rainbow Tourism Group Limited (11.11%); and Meikles Limited (8.38%).

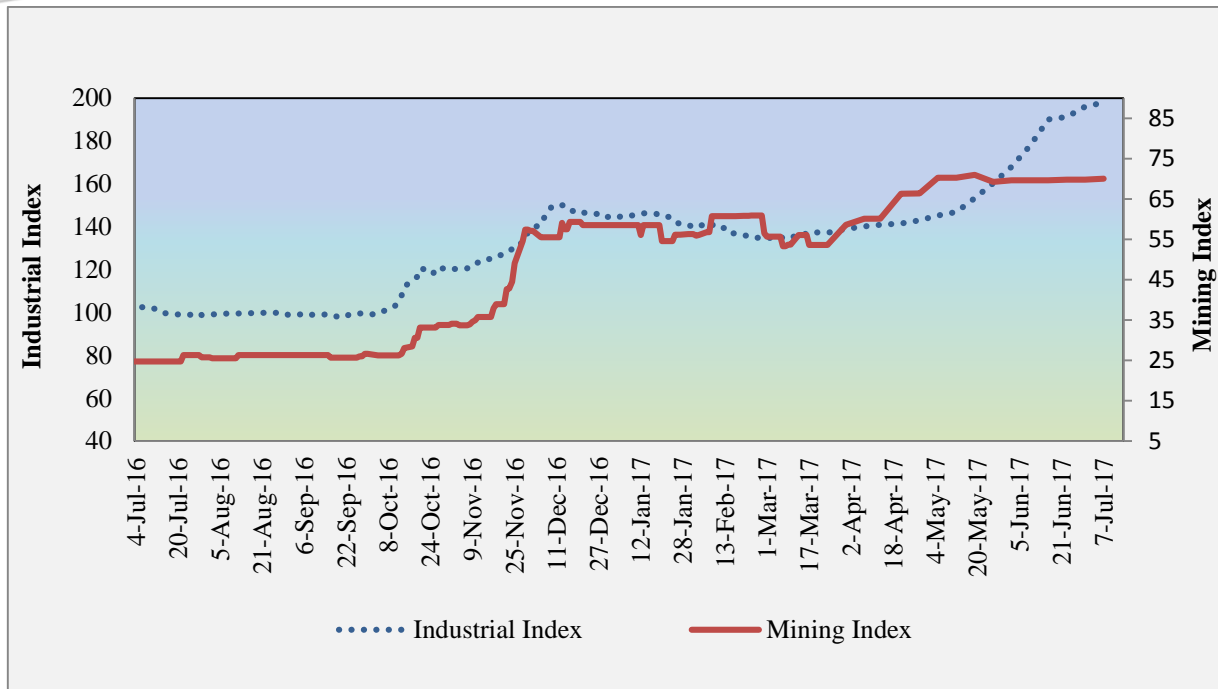
The resources index also increased by 0.27%, from 69.79 points in the prior week to close the week under review at 69.98 points. This followed a 0.45% share price increase in RioZim Limited. During the same period, however, Bindura Nickel Corporation, Falgold Zimbabwe Limited and Hwange Colliery Company remained inactive.

Table 7: Zimbabwe Stock Exchange (ZSE) Statistics

	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
09-June-17	177.79	69.63	5,179,592,804	13,555,865	45,002,875
16-June-17	190.07	69.63	5,528,900,322	8,333,490	31,737,198
23-June-17	191.15	69.79	5,559,991,713	7,381,483	184,958,959
30-June-17	195.97	69.79	5,611,405,119	8,404,917	45,124,296
07-July-17	197.93	69.98	5,751,822,002	5,256,996	22,232,750
Weekly Change (%)	1.00	0.27	0.99	-37.45	-50.73

Source: Zimbabwe Stock Exchange (ZSE), 2017

Figure 3 : Zimbabwe Stock Exchange Indices

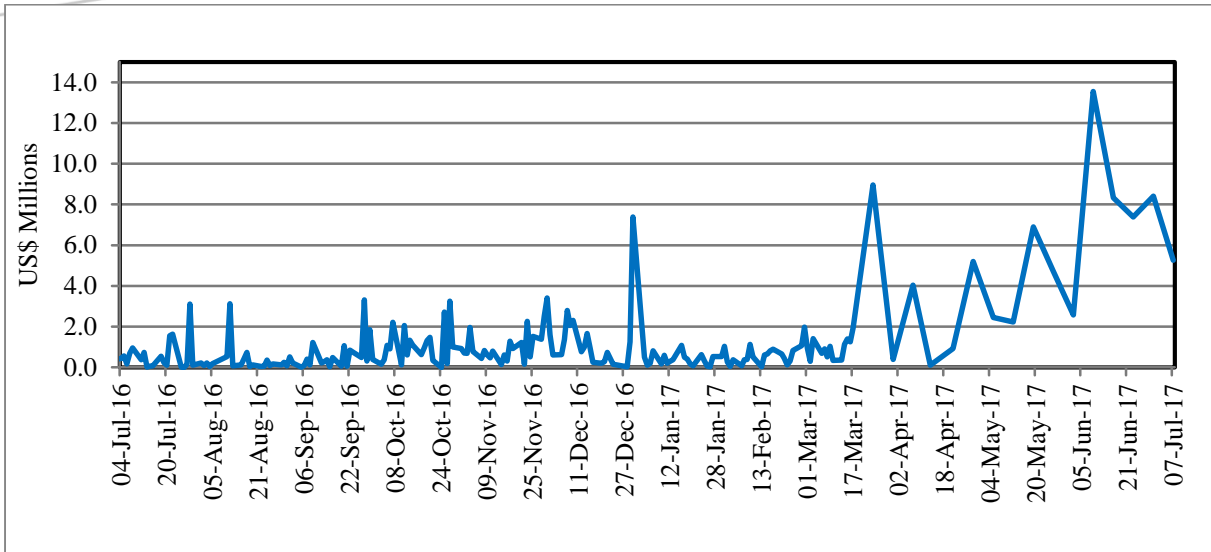


Source: Zimbabwe Stock exchange

Market Turnover and Volume

The ZSE market turnover registered a 35.45% decline, to close the week ending 7th July 2017 at US\$5.26 million. Similarly, the volume of shares traded also decreased by 50.73% to close the week under review at 22 232 750 shares. This was attributed to thin trading activity on the local bourse.

Figure 4: Daily Market turnover

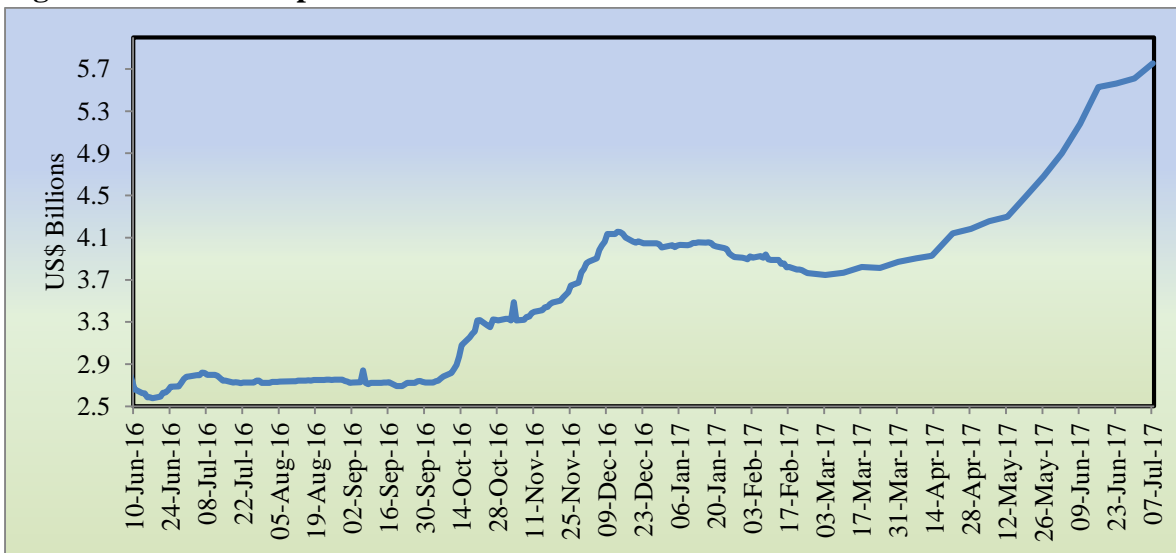


Source: Zimbabwe Stock Exchange, 2017

Market Capitalization

The ZSE market capitalization rose by 0.99%, from US\$5.61 billion recorded in the previous week to US\$5.75 billion during the period under review. This was largely due to positive trading on the local bourse.

Figure 5 : Market Capitalization



Source: Zimbabwe Stock Exchange, 2017

Johannesburg Stock Exchange (JSE) Development

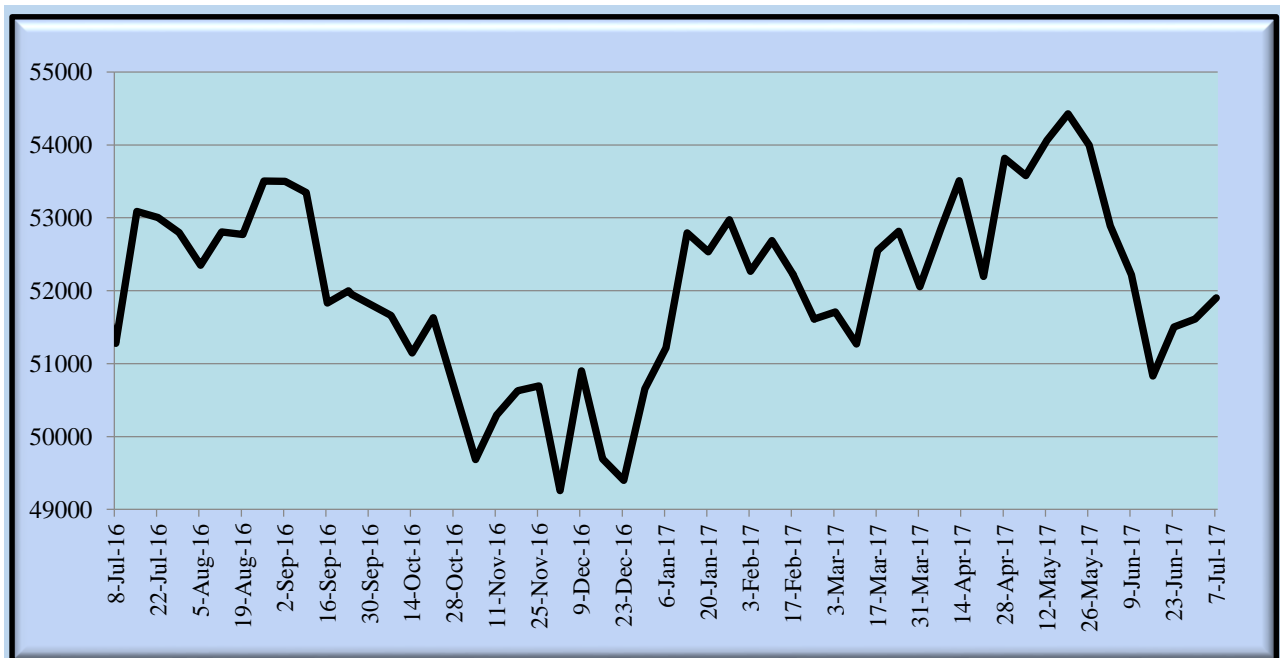
The JSE ALL share index increased by 0.56%, to close the week ending 7th July 2017 at 51 900.26 points. Likewise, JSE market capitalization increased by 0.32%, to close the week at R13.84 trillion.

Table 8: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalization (ZAR trillion)
02-June-17	52 889.70	13.95
09-June-17	52 216.93	13.75
16-June-17	50 831.89	13.49
23-June-17	51 503.52	13.61
30-June-17	51 611.01	13.66
07-July-17	51 900.26	13.84
% Change	0.56	0.32

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

14th JULY 2017