



Weekly Economic Highlights

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Week Ending
12th January 2018

1. INTEREST RATES

Deposit Rates

Savings deposits remained unchanged at 4.35%, during the week ending 12th January 2018. Deposits rates for deposits of 1 month tenor increased by 0.01 percentage points to 3.81%, while deposit rates for deposits of 3 months tenor declined by 0.10 percentage points, to close the week under review at 4.09%.

Table 1: Average Deposit Rates (per annum)

| Date | Savings Deposits (%) | 1-Month Deposits (%) | 3-Months Deposits (%) |
|----------------|----------------------|----------------------|-----------------------|
| 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 |
| 12-January-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 fell by 0.02 percentage points to 9.30%. Weighted lending rates for corporate clients closed the week under review at 7.01%, a 0.01 percentage point decrease from 7.02% recorded in the previous week.

Table 2: Lending Rates

| Date | Lending Rates ¹ (%) | |
|----------------|--------------------------------|-------------------|
| | Commercial Banks (weighted) | |
| | Individuals | Corporate clients |
| 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 |
| 12-January-18 | 9.30 | 7.01 |

Source: Banking Institutions, 2018

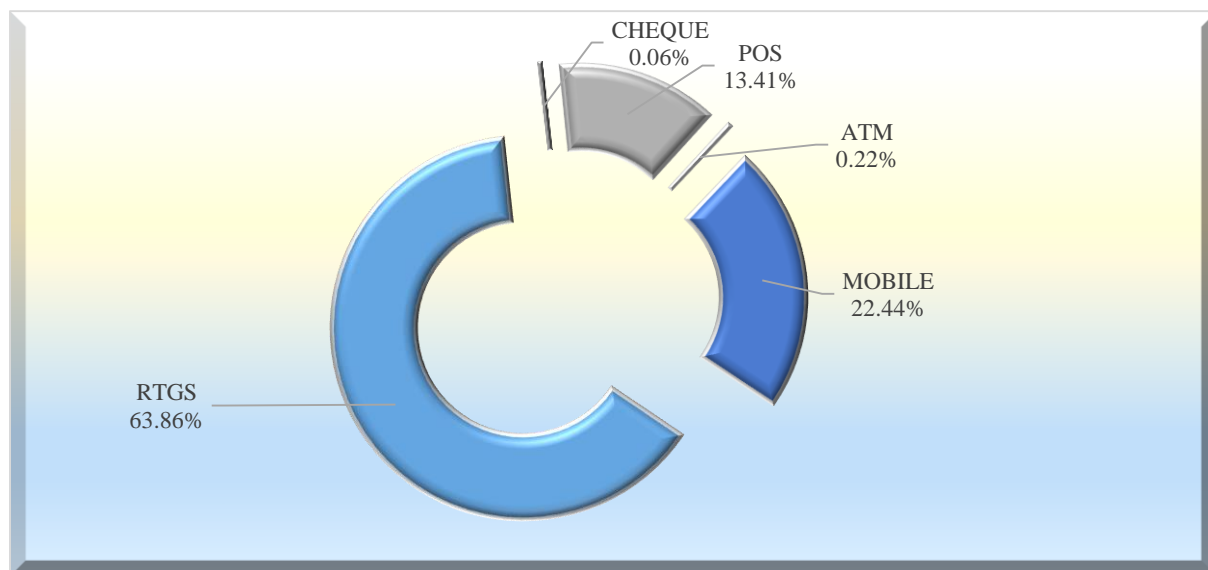
¹ Minimum weighted lending rates offered by commercial banks.

2. CLEARING AND SETTLEMENT ACTIVITY

The total value of transactions processed through the National Payment Systems (NPS) declined by 1%, to close the week under review at US\$1 751.64 million. This was largely attributable to a decline in transactions processed through the Real Time Gross Settlement (RTGS) system which declined by 2% to US\$1 118.66 million.

RTGS payments accounted for 63.86% of the total value of transactions processed through the NPS. The proportions of other payment streams were as follows: Mobile, 22.44%; Point of Sale (POS), 13.41%; Automated Teller Machines (ATMs), 0.22%; and Cheque, 0.06%, as shown in Figure 1.

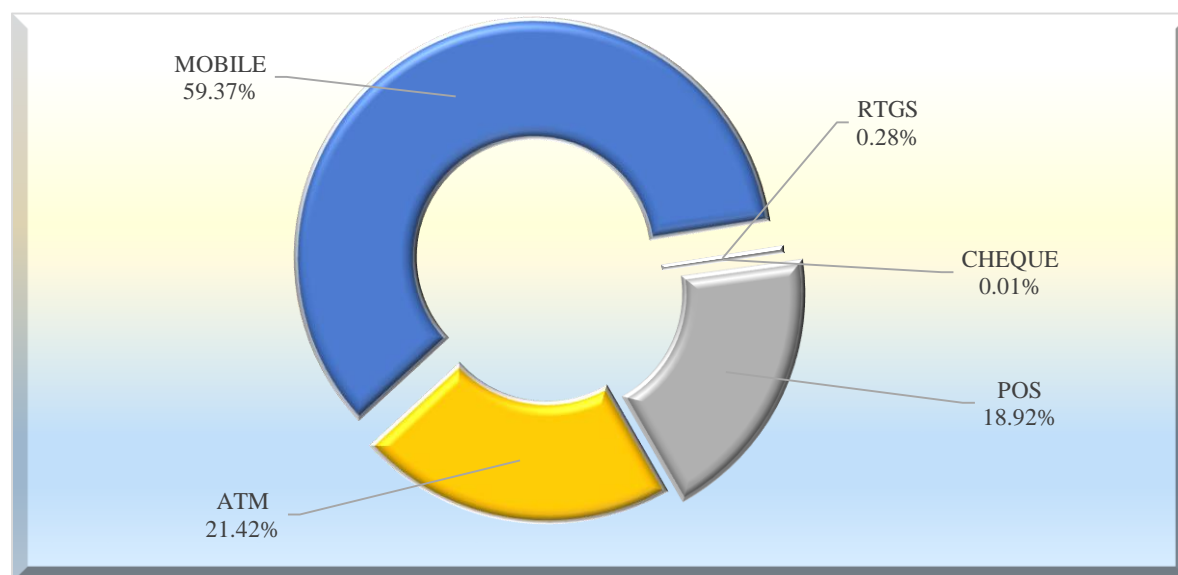
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2018

NPS transactions volumes registered a 20% increase, from 29 564 095 in the previous week to 35 397 220 during the week under review. Mobile transactions dominated NPS transaction volumes, accounting for 59.37% of total transactions, followed by ATMs, 21.42%; POS, 18.92%; RTGS, 0.28%; 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 05 January 2018 | WEEK ENDING 12 January 2018 | CHANGE FROM LAST WEEK | PROPORTION |
|---------------------------------|-----------------------------|-----------------------------|-----------------------|-------------|
| VALUES IN USD (millions) | | | | |
| RTGS | 1,139.70 | 1,118.66 | -2% | 63.86% |
| CHEQUE | 0.60 | 1.04 | 73% | 0.06% |
| POS | 223.00 | 234.92 | 5% | 13.41% |
| ATMS | 3.52 | 3.87 | 10% | 0.22% |
| MOBILE | 409.38 | 393.15 | -4% | 22.44% |
| TOTAL | 1,776.21 | 1,751.64 | -1% | 100% |
| VOLUMES | | | | |
| RTGS | 114,138 | 122,989 | -15% | 0.28% |
| CHEQUE | 2,850 | 4,717 | 66% | 0.01% |
| POS | 7,163,575 | 6,696,356 | -7% | 18.92% |
| ATMs | 74,290 | 7,583,082 | 10107% | 21.42% |
| MOBILE | 22,209,242 | 21,015,678 | -5% | 59.37% |
| TOTAL | 29,564,095 | 35,397,220 | 20% | 100% |

Source: Reserve Bank of Zimbabwe, 2018

3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

During the week ending 12th January 2018, the weekly average international commodity prices of gold, platinum, nickel and crude oil registered increases. 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 |
|----------------------------------|-----------------|-----------------|-----------------|------------------|------------------|
| 2018 | US\$/ounce | US\$/ounce | US\$/tonne | US\$/tonne | US\$/barrel |
| Week ending (02 - 05 Jan) | 1,314.76 | 951.13 | 7,198.25 | 12,525.00 | 67.53 |
| 8-Jan | 1,319.38 | 969.00 | 7,132.50 | 12,465.00 | 67.88 |
| 9-Jan | 1,312.98 | 962.00 | 7,159.00 | 12,630.00 | 68.81 |
| 10-Jan | 1,320.70 | 966.50 | 7,127.50 | 12,725.00 | 69.05 |
| 11-Jan | 1,321.45 | 978.50 | 7,164.50 | 12,825.00 | 69.11 |
| 12-Jan | 1,329.85 | 993.00 | 7,146.50 | 12,655.00 | 69.88 |
| Week ending (08 - 12 Jan) | 1,318.63 | 969.00 | 7,145.88 | 12,661.25 | 68.71 |
| <i>Weekly Change (%)</i> | <i>0.3</i> | <i>1.9</i> | <i>(0.7)</i> | <i>1.1</i> | <i>1.7</i> |

Source: BBC, KITCO and Bloomberg

Gold

Gold prices rose by 0.3%, from a weekly average of US\$1 314.76/oz recorded in the previous week to US\$1 318.63/oz during the week under review. The increase was occasioned by a retreat in global equities and a weaker U.S dollar, which led to a boost in demand for the precious metal as a safe haven asset for investors.

Platinum

Platinum prices increased by 1.9%, from an average of US\$951.13/oz recorded in the prior week to US\$969.00/oz during the week under review. The increase was, in large part, supported by a weaker US dollar which boosted the demand for the metal as an investment asset.

Copper

Copper prices fell by 0.7% to close the week under analysis at US\$7 145.88/tonne, from an average of US\$7 198.25/ton in the previous week. Prices retreated as China reduced imports of copper, amid rising stockpiles in the world's largest consumer of the base metal.

Nickel

Nickel prices increased by 1.1% to close at US\$12 661.25/ton, during the week ending 12th January 2018. This was on the back of the expected increase in demand for the metal, following indications of growth in the electric vehicle industry.

Crude Oil

Crude oil prices firmed by 1.8%, from a weekly average of US\$67.53/barrel recorded in the prior week to US\$68.71/barrel during the week under analysis. Prices rallied on signs of increasing global demand.

4. EXCHANGE RATES

The US dollar depreciated against the rand, British pound, pula and euro during the week under ending 12th January 2018. This was on the back of weak US economic data.

Table 5: International Exchange Rates per US\$

| | ZAR | GBP | BWP | EURO |
|---------------------------------------|----------------|---------------|----------------|---------------|
| 2018 | | | | |
| Weekly Average (02 - 05 Jan) | 12.7229 | 0.7562 | 10.0407 | 0.8609 |
| 8-Jan | 12.3471 | 0.7377 | 9.8425 | 0.8322 |
| 9-Jan | 12.3850 | 0.7368 | 9.8571 | 0.8356 |
| 10-Jan | 12.3550 | 0.7392 | 9.8522 | 0.8379 |
| 11-Jan | 12.4212 | 0.7409 | 9.8232 | 0.8368 |
| 12-Jan | 12.3833 | 0.7383 | 9.8814 | 0.8298 |
| Weekly Average (08 - 12 Jan) | 12.3771 | 0.7387 | 9.8437 | 0.8356 |
| <i>Appr(+)/Depr(-) (%) of the USD</i> | <i>(2.7)</i> | <i>(2.3)</i> | <i>(2.0)</i> | <i>(2.9)</i> |

Source: Reuters, 2018

5. EQUITY MARKETS

Profit taking and portfolio rebalancing characterized the Zimbabwe Stock Exchange (ZSE), during the week ending 12th January 2018. The ZSE All Share Index declined by 2.97%, from 97.59 points in the prior week to close at 94.69 points, during the week under analysis. This was on account of losses in both the industrial and mining indices.

The industrial index decreased by 2.81% to close the week under review at 316.10%. Losses were recorded in Fidelity Life Assurance (19.55%); First Mutual (18.03%); Dairibord (17.91%); CBZ (17.01%); and Zimre Property (16.67%). Partially offsetting the losses were gains realized in TSL (19.73%); Cafca (16.67%); OK Zimbabwe (2.78%); Old Mutual (2.45%); and Delta (1.76%).

The resources index also declined by 5.64% to close the week under analysis at 134.37 points. This followed the 18.48% loss in Bindura Nickel Corporation, while other mining counters traded at previous week prices.

Table 6: Zimbabwe Stock Exchange (ZSE) Statistics

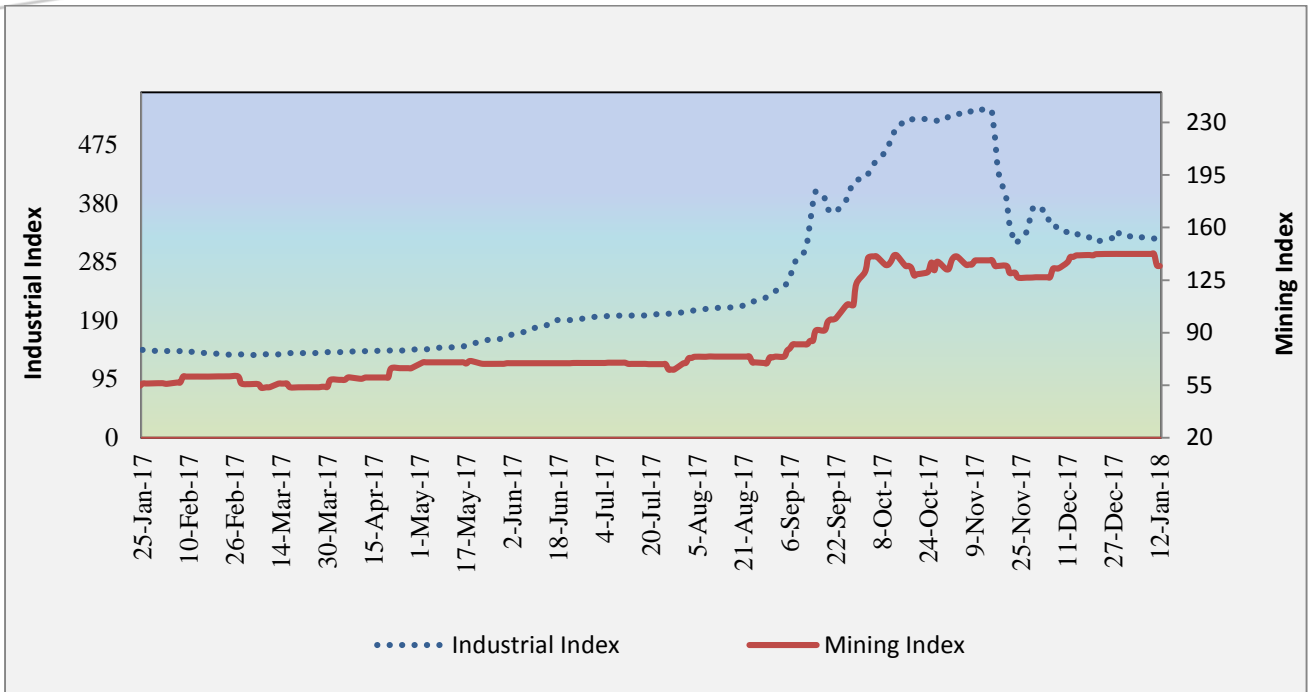
| | All Share Index ² (points) | Top 10 index ³ (Points) | Industrial Index (points) | Mining Index (points) | Grand Market Capitalization (US\$) | Market Turnover (US\$) | Volume of Shares |
|--------------------------|---------------------------------------|------------------------------------|---------------------------|-----------------------|------------------------------------|------------------------|------------------|
| 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 | 97.59 | 97.66 | 325.23 | 142.40 | 9,236,434,615 | 1,558,769 | 7,745,882 |
| 12-January-18 | 94.69 | 94.40 | 316.10 | 134.37 | 8,962,112,350 | 4,964,991 | 14,864,252 |
| Weekly Change (%) | -2.97 | -3.34 | -2.81 | -5.64 | -2.97 | 218.52 | 91.90 |

Source: Zimbabwe Stock Exchange (ZSE), 2018

² The All share Index shows the changing average value of shares of all companies on the market.

³ The Index is calculated using the market capitalisation method.

Figure 3: Zimbabwe Stock Exchange Indices

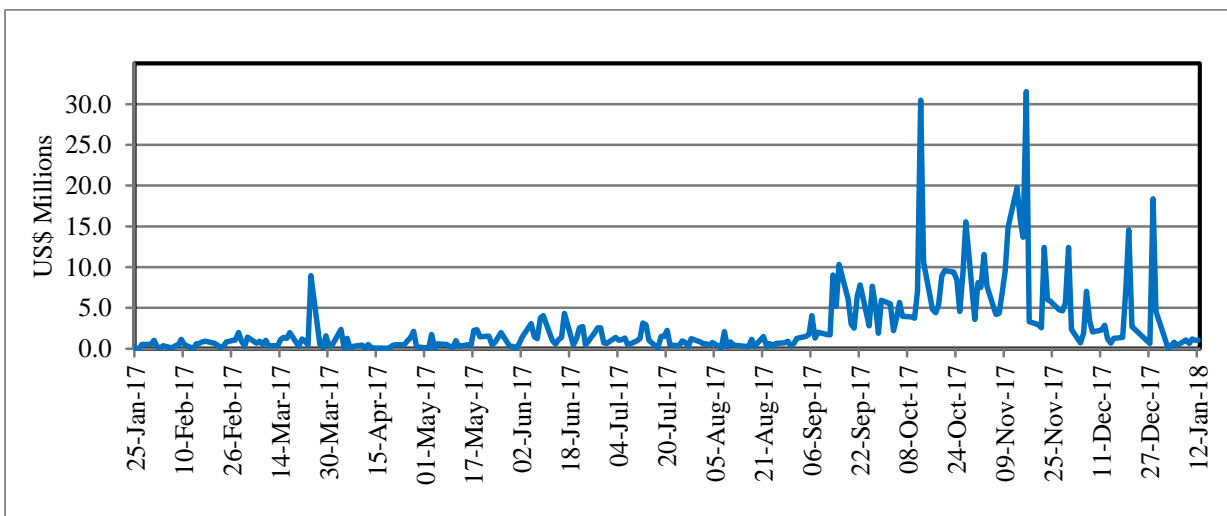


Source: Zimbabwe Stock exchange, 2018

Market Turnover and Volume

The volume of shares traded on the ZSE increased by 91.90% to 14.86 million, during the week ending 12th January 2018. Concomitantly, market turnover also increased by 218.52% to US\$4.96 million, up from US\$1.56 million recorded the previous week.

Figure 4: Daily Market turnover

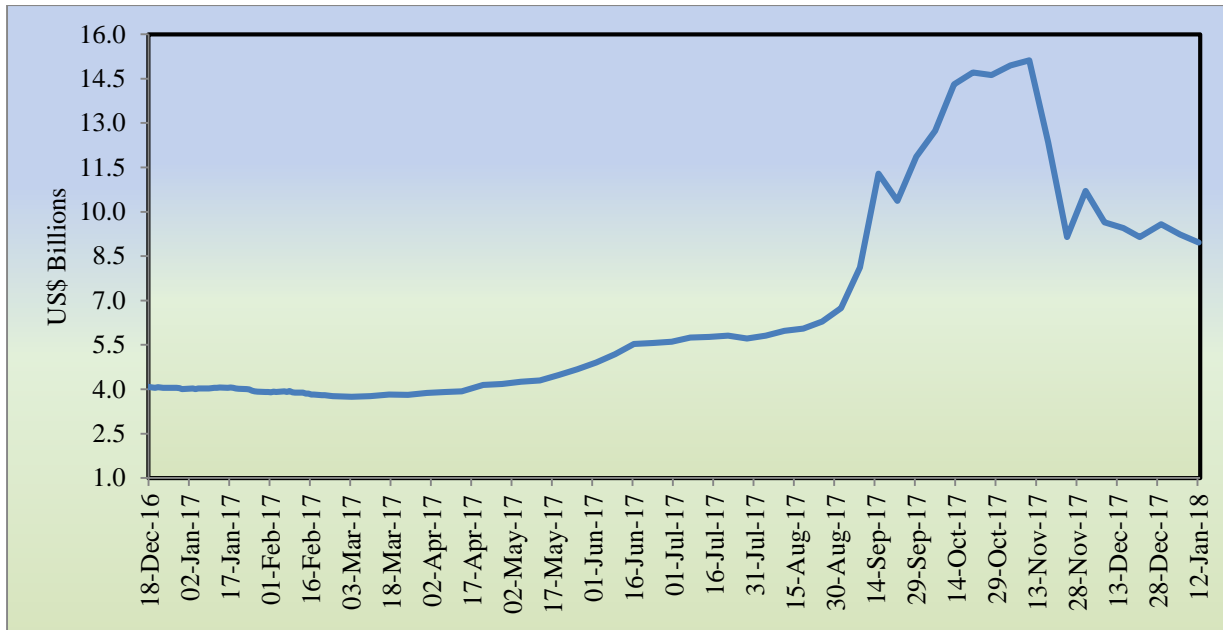


Source: Zimbabwe Stock Exchange, 2018

Market Capitalization

During the week under review, the ZSE market capitalization stood at US\$8.96 billion, a 2.97% loss from the US\$9.24 billion recorded in the previous week. This followed losses in both the industrial and mining indices.

Figure 5: Market Capitalization



Source: Zimbabwe Stock Exchange, 2018

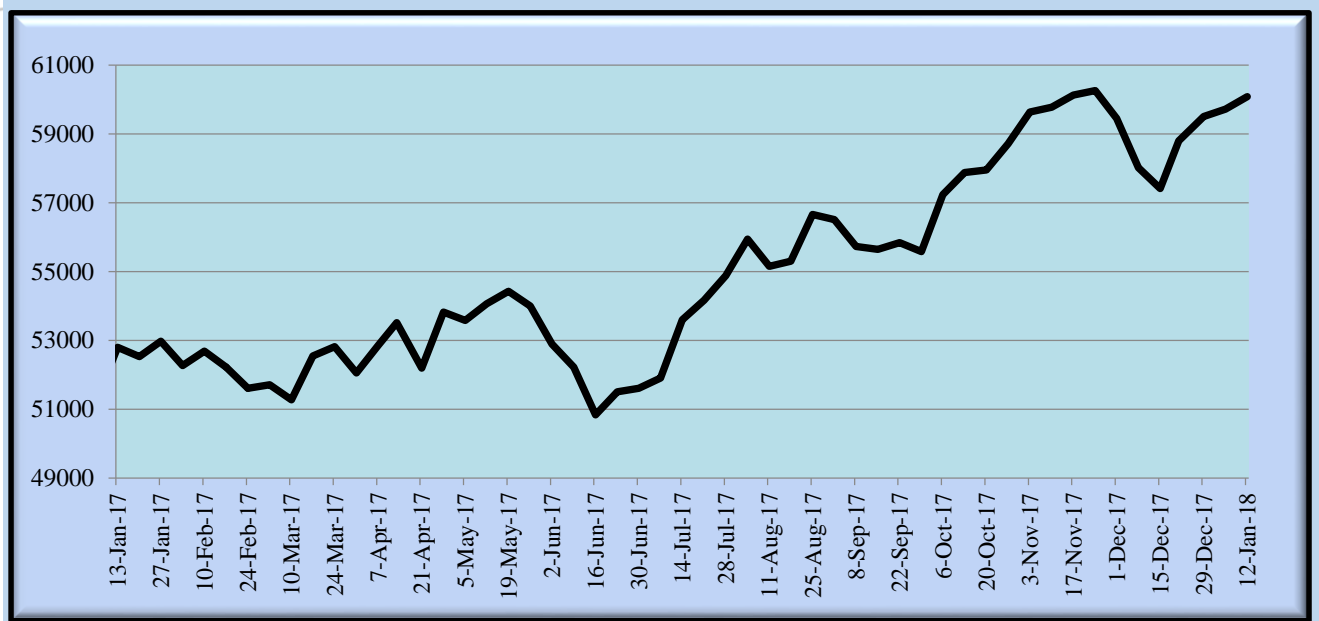
Johannesburg Stock Exchange (JSE) Development

During the week ending 12th January 2018, the JSE All Share Index increased by 0.61% to close the week at 60 083.13 points. In tandem, market capitalisation rose by 1.09%, from R15.58 trillion in the previous week to R15.75 trillion during the week under review.

| Period | All Share Index (points) | Market Capitalization (ZAR trillion) |
|-----------------|--------------------------|--------------------------------------|
| 21- December-17 | 58 800.23 | 15.46 |
| 29- December-17 | 59 504.67 | 15.46 |
| 05-January-18 | 59 717.20 | 15.58 |
| 12-January-18 | 60 083.13 | 15.75 |
| % Change | 0.61 | 1.09 |

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

19th JANUARY 2018