



Weekly Economic Highlights

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Week Ending
15th September 2017

1. INTEREST RATES

Deposit Rates

During the week ending 15th September 2017, average interest rates for deposits of 1 month and 3 months tenors stood at 4.28% and 4.53%, respectively. Average deposit rates for savings deposits, however, remained unchanged at 4.22% during the same week.

Table 1: Average Deposit Rates (per annum)

| Date | Savings Deposits (%) | 1-Month Deposits (%) | 3-Months Deposits (%) |
|-----------------|----------------------|----------------------|-----------------------|
| 11-August-17 | 4.35 | 4.06 | 4.22 |
| 18-August-17 | 4.47 | 4.23 | 4.57 |
| 25-August-17 | 4.35 | 4.32 | 4.49 |
| 01-September-17 | 4.22 | 4.29 | 4.47 |
| 08-September-17 | 4.22 | 4.06 | 4.22 |
| 15-September-17 | 4.22 | 4.28 | 4.53 |

Source: Banking Institutions, 2017

Lending Rates

During the week under analysis, commercial bank weighted lending rates for individual and corporate clients increased by 0.03 percentage points and 0.31 percentage points to 8.79% and 6.96%, respectively.

Table 2: Lending Rates

| Date | Lending Rates (%) | |
|-----------------|-----------------------------|-------------------|
| | Commercial Banks (weighted) | |
| | Individuals | Corporate clients |
| 11-August-17 | 8.81 | 7.00 |
| 18-August-17 | 8.88 | 6.96 |
| 25-August-17 | 8.88 | 6.95 |
| 01-September-17 | 8.90 | 6.96 |
| 08-September-17 | 8.76 | 6.65 |
| 15-September-17 | 8.79 | 6.96 |

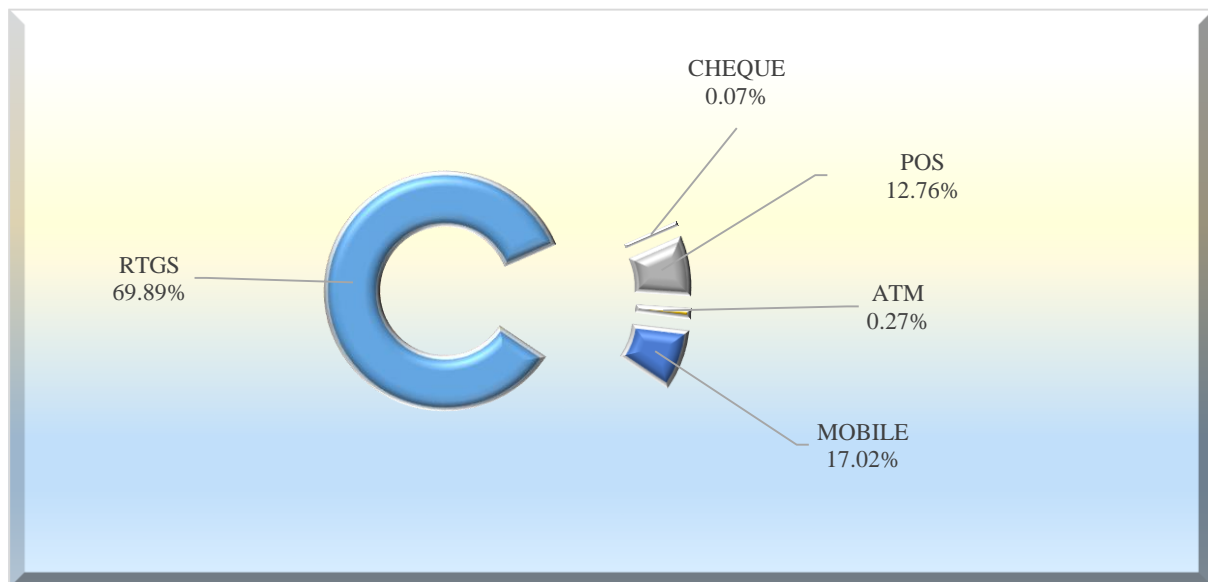
Source: Banking Institutions, 2017

2. CLEARING AND SETTLEMENT ACTIVITY

The total value of transactions processed through the National Payment Systems (NPS) stood at USD\$1 849.08 million during the week under review, down from USD\$1 981.66 million recorded in the previous week. Transactions processed through the Real Time Gross Settlement (RTGS) system declined by 0.8%, to close the week under review at US\$1 292.33 million.

Real Time Gross Settlement (RTGS) payments accounted for 69.89% of the total value of transactions processed through the NPS, followed by Mobile, 17.02%; Point of Sale (POS), 12.76%; Automated Teller Machines (ATMs), 0.27%; and Cheque, 0.07%, as shown in Figure 1.

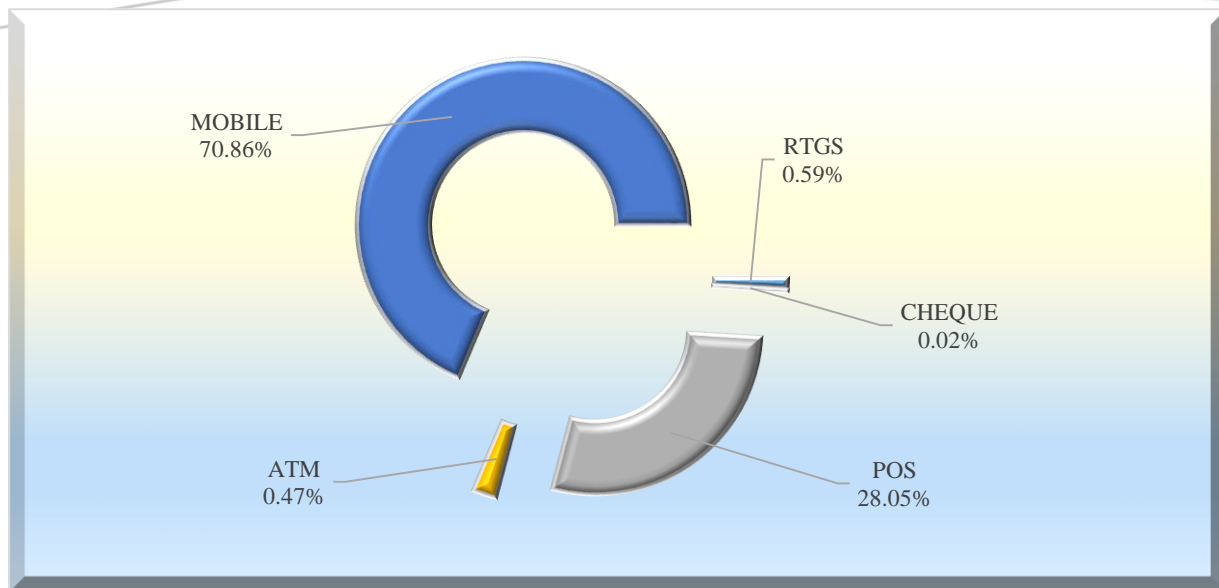
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2017

The volume of transactions processed through the NPS amounted to 24 684 737 during the week under review, a 2% decrease from the 25 205 920 transactions registered in the previous week. NPS transaction volumes were distributed as follows: Mobile, 70.86%; POS, 28.05%; RTGS, 0.59%; ATMs, 0.47%; and Cheque, 0.02%, 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 08 September 2017 | WEEK ENDING 15 September 2017 | CHANGE FROM LAST WEEK | PROPORTION |
|---------------------------------|-------------------------------|-------------------------------|-----------------------|-------------|
| VALUES IN USD (millions) | | | | |
| RTGS | 1,408.26 | 1,292.33 | -8% | 69.89% |
| CHEQUE | 1.10 | 1.24 | 13% | 0.07% |
| POS | 224.80 | 235.98 | 5% | 12.76% |
| ATMS | 6.19 | 4.91 | -21% | 0.27% |
| MOBILE | 341.32 | 314.63 | -8% | 17.02% |
| TOTAL | 1,981.66 | 1,849.08 | -7% | 100% |
| VOLUMES | | | | |
| RTGS | 157,932 | 146,855 | -7% | 0.59% |
| CHEQUE | 5,425 | 5,901 | 9% | 0.02% |
| POS | 6,594,433 | 6,924,891 | 5% | 28.05% |
| ATMs | 151,723 | 114,999 | -24% | 0.47% |
| MOBILE | 18,296,407 | 17,492,091 | -4% | 70.86% |
| TOTAL | 25,205,920 | 24,684,737 | -2% | 100% |

Source: Reserve Bank of Zimbabwe, 2017

3. TOBACCO SALES

As at 15th September 2017 or day 123 of the 2017 tobacco selling season, a cumulative total of 188 769 206 kilograms of tobacco had been sold, reflecting a 6.68% decrease, compared to the 202 284 589 kilograms sold during the same period in 2016.

The golden leaf was, however, sold at a higher average price of US\$2.96 per kg, compared to US\$2.95 per kg during the same period in 2016. Cumulative tobacco sales amounted to US\$558.8 million, 6.22% lower than the US\$595.9 million realized during the corresponding period in 2016.

Table 4: Cumulative Tobacco Sales: Day 123 (15 September 2017)

| | 2016 | 2017 | Variance (%) |
|--|-------------|-------------|--------------|
| Cumulative Quantity Sold (kgs) | 202,284,589 | 188,769,206 | -6.68 |
| Cumulative Average Price(US\$/kg) | 2.95 | 2.96 | 0.34 |
| Cumulative Value (US\$ million) | 595,930,082 | 558,846,998 | - 6.22 |

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

4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international commodity prices of gold, platinum, nickel and copper declined, whilst prices of crude oil firmed during the week ending 15th September 2017, 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 |
| Week ending (04 - 08 Sept) | 1,339.35 | 1,008.30 | 6,852.70 | 12,014.00 | 53.55 |
| 11-Sep | 1,336.48 | 998.50 | 6,737.00 | 11,550.00 | 53.77 |
| 12-Sep | 1,326.38 | 983.50 | 6,601.50 | 11,535.00 | 54.38 |
| 13-Sep | 1,329.90 | 982.00 | 6,527.00 | 11,485.00 | 55.11 |
| 14-Sep | 1,323.78 | 979.00 | 6,418.50 | 11,265.00 | 55.26 |
| 15-Sep | 1,323.93 | 976.00 | 6,457.00 | 11,005.00 | 55.53 |
| Week ending (11 - 15 Sept) | 1,328.09 | 983.80 | 6,548.20 | 11,368.00 | 54.81 |
| <i>Weekly Change (%)</i> | <i>(0.8)</i> | <i>(2.4)</i> | <i>(4.4)</i> | <i>(5.4)</i> | <i>2.4</i> |

Source: BBC, KITCO and Bloomberg

Gold

Gold prices retreated from a weekly average of US\$1,339.35/oz in the previous week, to US\$1 328.09/oz during the week under review. Prices declined on the back of a stronger US dollar, which dampened the yellow metal's safe haven demand outlook.

Platinum

Platinum prices declined from a weekly average of US\$1 008.30/oz in the prior week, to US\$983.80/oz during the week under review. This was on account of slackening demand, following a strengthening US dollar.

Copper

Copper prices retreated by 4.4%, to close the week under review at US\$6,548.20/tonne from US\$6,852.70/tonne registered in the previous week. This was attributable to weak global demand for the metal.

Nickel

Nickel prices declined by 5.4%, to close at US\$11,368.00/ton during the week ending 15th September 2017. This was due to expectations of lower demand in China, the largest consumer of the base metal.

Crude Oil

Crude oil prices continued on an upward trend, registering a 2.4% increase from US\$53.55/barrel in the previous week, to US\$54.81/barrel during the week under review. The increase followed higher demand forecasts from the International Energy Agency (IEA).

5. EXCHANGE RATES

The US dollar appreciated by 1.2% and 0.4% against the rand and by pula, respectively, during the week ending 15th September 2017. It, however, depreciated by 1.7% against the pound Sterling.

Table 6: International Exchange Rates per US\$

| | ZAR | GBP | BWP | EURO |
|---------------------------------------|----------------|---------------|----------------|---------------|
| 2017 | | | | |
| Weekly Average (04 - 08 Sept) | 12.8761 | 0.7679 | 10.0626 | 0.8374 |
| 11-Sep | 12.9222 | 0.7589 | 10.0558 | 0.8323 |
| 12-Sep | 12.9640 | 0.7589 | 10.0553 | 0.8363 |
| 13-Sep | 12.9872 | 0.7515 | 10.0806 | 0.8346 |
| 14-Sep | 13.1425 | 0.7576 | 10.1885 | 0.8424 |
| 15-Sep | 13.1160 | 0.7459 | 10.1574 | 0.8395 |
| Weekly Average (11 - 15 Sept) | 13.0264 | 0.7545 | 10.1075 | 0.8370 |
| <i>Appr(+)/Depr(-) (%) of the USD</i> | <i>1.2</i> | <i>-1.7</i> | <i>0.4</i> | <i>0.0</i> |

Source: Reuters, 2017

6. EQUITY MARKETS

During the week ending 15th September 2017, trading on the Zimbabwe Stock Exchange (ZSE) continued on an upward trend for the seventh consecutive week. Resultantly, the industrial index rose by 39.56% to close the week under review at 400.03 points. Gains were registered in Willdale Limited (185.71%), Star Africa Corporation Limited (84.73%), Afdis Distillers Limited (76.47%), Nicoz Diamond Insurance Limited (76.19%) and Inncor Africa Limited (75.39%).

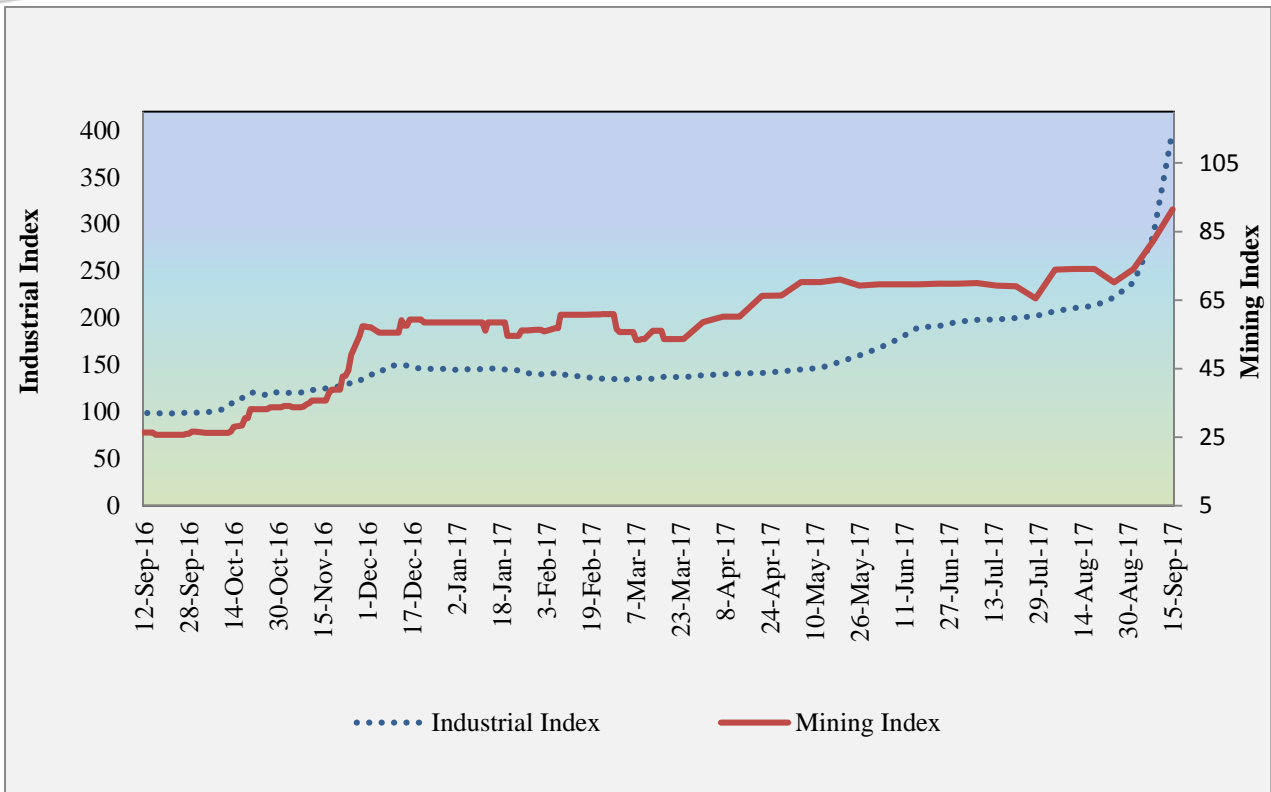
The resources index also firmed by 11.27%, to close the week under review at 91.46 points. The increase was underpinned by gains in Hwange Colliery Company (HCC) (20%), Bindura Nickel Corporation (BNC) (18.75%) and RioZim Limited (7.53%).

Table 7: Zimbabwe Stock Exchange (ZSE) Statistics

| | Industrial Index (points) | Mining Index (points) | Grand Market Capitalization (US\$) | Market Turnover (US\$) | Volume of Shares |
|--------------------------|----------------------------------|------------------------------|---|-------------------------------|-------------------------|
| 11-August-17 | 210.61 | 74.04 | 5,976,708,805 | 3,707,801 | 20,083,775 |
| 18-August-17 | 213.15 | 74.04 | 6,047,375,777 | 1,665,175 | 25,363,538 |
| 25-August-17 | 222.08 | 70.17 | 6,292,359,920 | 3,372,638 | 35,640,002 |
| 01-September-17 | 238.00 | 74.05 | 6,743,175,599 | 3,487,760 | 37,976,183 |
| 08-September-17 | 286.63 | 82.20 | 8,115,411,833 | 9,709,575 | 73,915,085 |
| 15-September-17 | 400.03 | 91.46 | 11,293,400,117 | 27,994,400 | 83,365,425 |
| Weekly Change (%) | 39.56 | 11.27 | 39.16 | 188.32 | 12.79 |

Source: Zimbabwe Stock Exchange (ZSE), 2017

Figure 3 : Zimbabwe Stock Exchange Indices

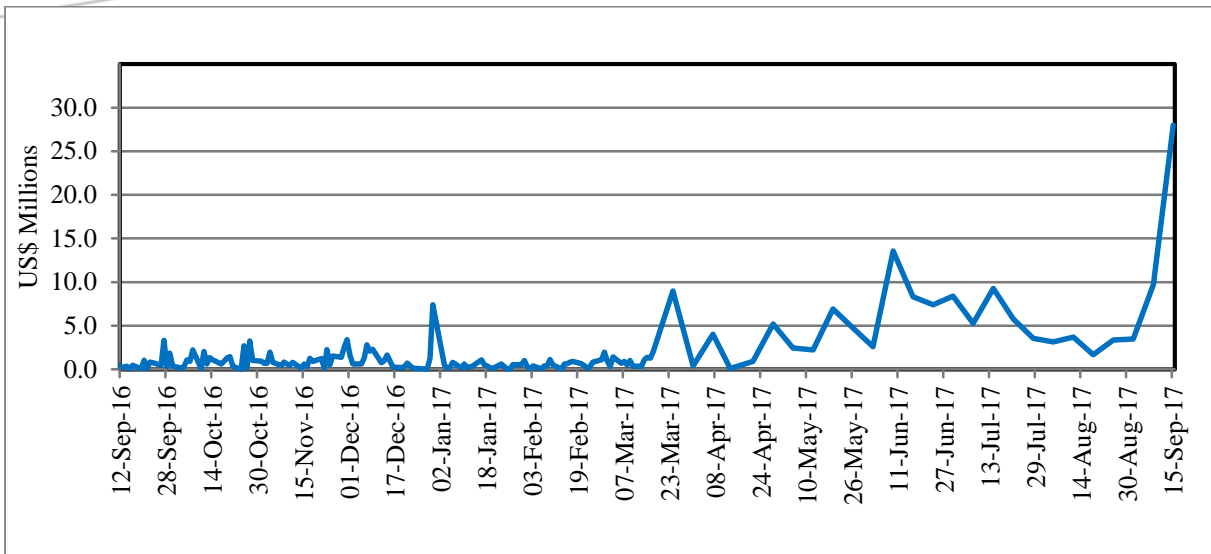


Source: Zimbabwe Stock exchange, 2017

Market Turnover and Volume

During the week ending 15th September 2017, market turnover increased by 188.32% to close at US\$27.99 million, up from US\$9.71 million registered in the prior week. This resulted from positive trading on the local bourse, due to the increased appeal of the stock market as an investment haven, against the background of limited alternative investment options.

Figure 4: Daily Market turnover

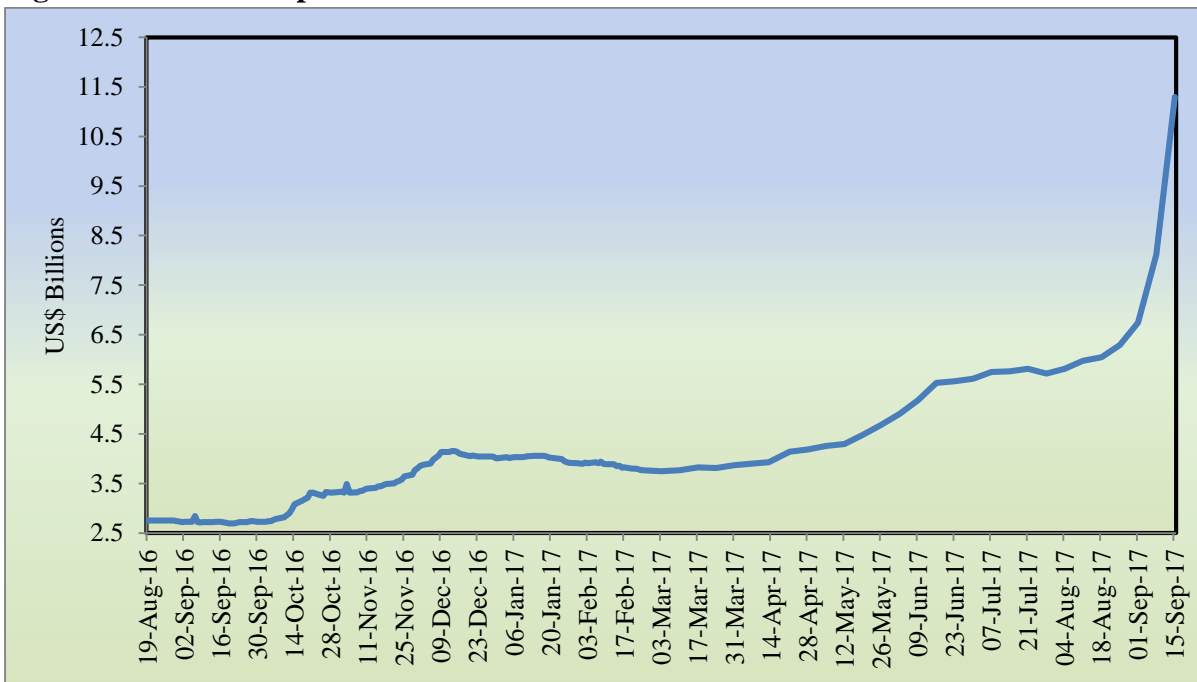


Source: Zimbabwe Stock Exchange, 2017

Market Capitalization

The ZSE market capitalization stood at US\$11.29 billion, representing a 39.16% increase from the US\$8.12 billion recorded in the previous week. The increase was underpinned by gains in the industrial and mining indices.

Figure 5 : Market Capitalization



Source: Zimbabwe Stock Exchange, 2017

Johannesburg Stock Exchange (JSE) Development

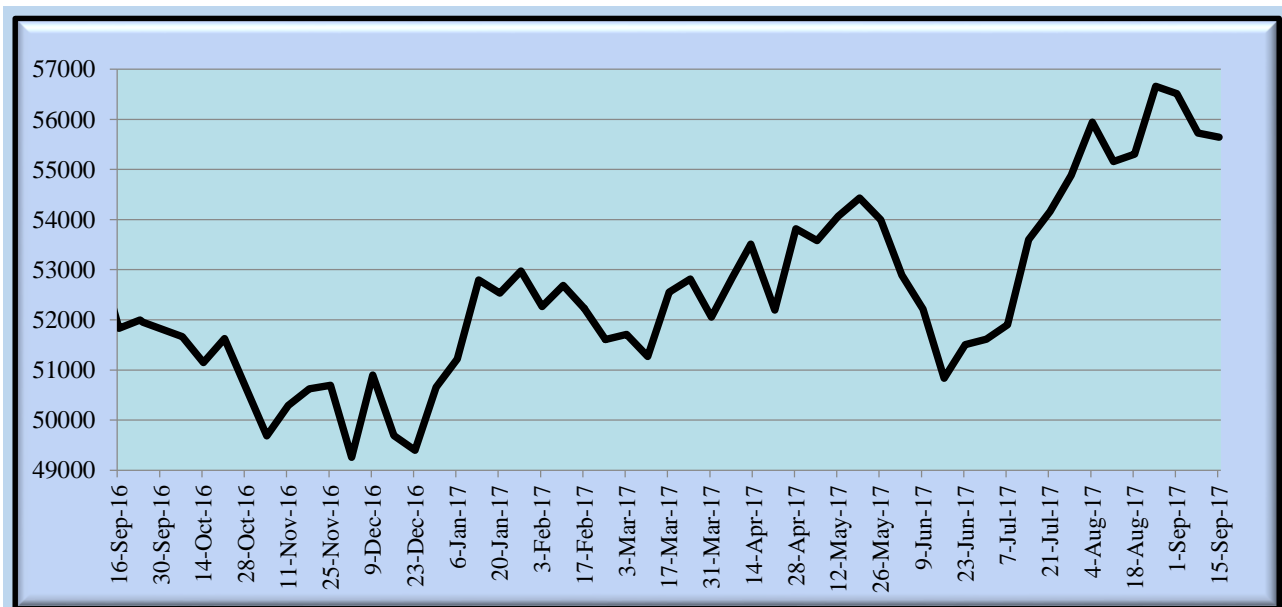
The JSE All Share Index registered a 0.14% decline, from 55 724.67 points recorded in the previous week to 55 645.15 points during the week under review. JSE market capitalisation, however, increased from R15.08 trillion in the previous week, to R15.11 trillion during the week under review.

Table 8: Johannesburg Stock Exchange (JSE) Statistics

| Period | All Share Index (points) | Market Capitalization (ZAR trillion) |
|-----------------|--------------------------|--------------------------------------|
| 18-August-17 | 55 304.23 | 14.82 |
| 25-August-17 | 56 655.88 | 15.06 |
| 01-September-17 | 56 513.46 | 15.51 |
| 08-September-17 | 55 724.67 | 15.08 |
| 15-September-17 | 55 645.15 | 15.11 |
| % Change | -0.14 | 0.20 |

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

22ND SEPTEMBER 2017