



Weekly Economic Highlights

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Week Ending
18th August 2017

1. INTEREST RATES

Deposit Rates

During the week ending 18th August 2017, average deposit rates for all deposit classes firmed. Savings deposit rates closed the week under review at an average of 4.47%, up from 4.35% recorded in the previous week. Deposit rates for deposits of 1 month and 3 month tenors also increased from 4.06% and 4.22% in the previous week, to 4.23% and 4.57%, respectively, during the week of analysis.

Table 1: Average Deposit Rates (per annum)

Date	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
14-July-17	4.08	4.37	4.45
21-July-17	4.37	3.99	4.11
28-July-17	4.35	4.07	4.24
04-August-17	4.35	4.04	4.24
11-August-17	4.35	4.06	4.22
18-August-17	4.47	4.23	4.57

Source: Banking Institutions, 2017

Lending Rates

Commercial banks weighted lending rates for individual clients increased by 0.07 percentage points to 8.88% during the week ending 18th August 2017. Weighted lending rates for corporate clients closed the week under review at 6.96%, a 0.04 percentage points decrease from the 7.00% recorded in the previous week.

Table 2: Lending Rates

Date	Lending Rates (%) Commercial Banks (weighted)	
	Individuals	Corporate clients
14-June-17	8.96	7.03
21-June-17	8.94	7.05
28-July 17	8.94	7.05
04-August-17	8.95	7.04
11-August-17	8.81	7.00
18-August-17	8.88	6.96

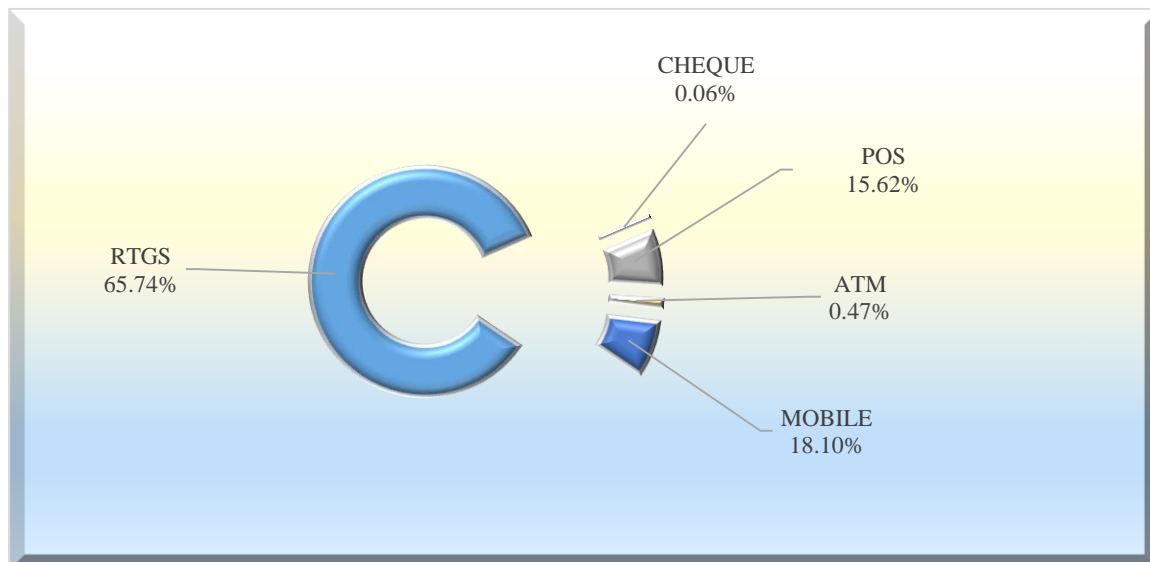
Source: Banking Institutions, 2017

2. CLEARING AND SETTLEMENT ACTIVITY

During the week under review, the total value of transactions processed through the National Payment System stood at US\$1 208.69 million, down from US\$1 635.71 million registered in the previous week. Transactions processed through the Real Time Gross Settlement (RTGS) system also declined by 35% to US\$794.59 million in the same week.

The RTGS system payment stream accounted for 65.74% of the total value of transactions processed through the NPS. Contributions of other payment streams were as follows: Mobile, 18.10%; Point of Sale (POS), 15.62%; Automated Teller Machines (ATMs), 0.47%; and Cheque, 0.06%, as shown in Figure 1.

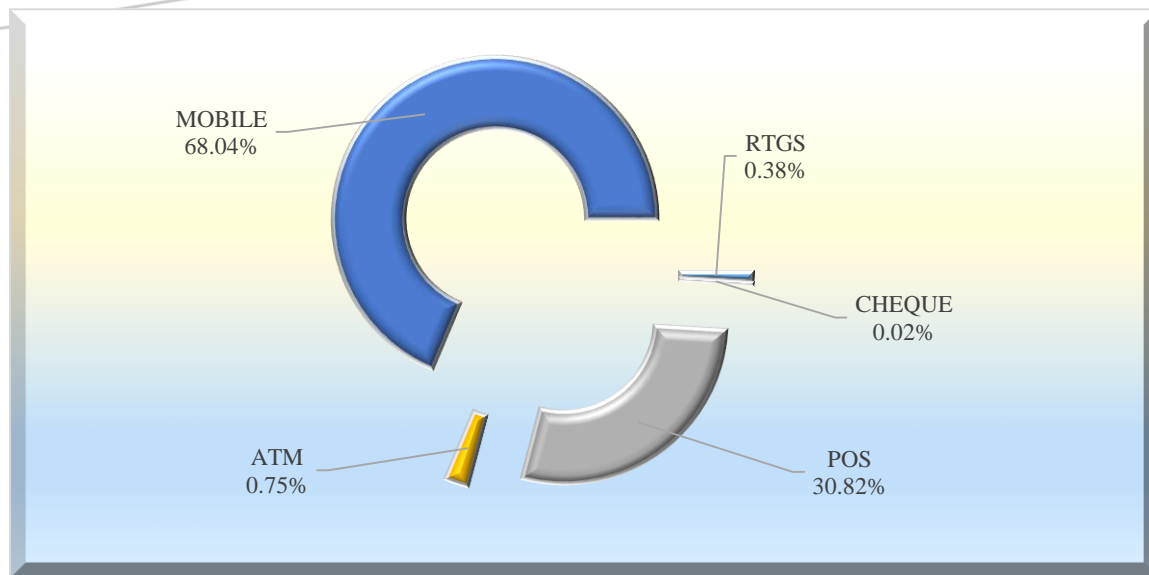
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2017

NPS transaction volumes amounted to 18 727 707 during the week under review, up from 16 027 669 transactions registered in the previous week. In terms of volumes, the NPS transactions were distributed as follows: Mobile, 68.04%; POS, 30.82%; ATMs, 0.75%; RTGS, 0.38%; 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 11 August 2017	WEEK ENDING 18 August 2017	CHANGE FROM LAST WEEK	PROPORTION
VALUES IN USD (millions)				
RTGS	1,228.75	794.59	-35%	65.74%
CHEQUE	1.49	0.75	-50%	0.06%
POS	219.68	188.85	-14%	15.62%
ATMS	5.99	5.73	-4%	0.47%
MOBILE	179.81	218.77	22%	18.10%
TOTAL	1,635.71	1,208.69	-26%	100%
VOLUMES				
RTGS	130,363	70,339	-46%	0.38%
CHEQUE	7,619	3,754	-51%	0.02%
POS	6,489,080	5,770,956	-11%	30.82%
ATMs	147,269	140,734	-4%	0.75%
MOBILE	9,253,338	12,741,924	38%	68.04%
TOTAL	16,027,669	18,727,707	17%	100%

Source: Reserve Bank of Zimbabwe, 2017

3. TOBACCO SALES

As at 18th August 2017 or day 106 of the 2017 tobacco selling season, a cumulative total of 186 626 297 kilograms of tobacco had been sold. This reflected a 7.38% decline from the 201 504 677 kilograms sold during the comparable period in 2016.

Cumulative tobacco sales amounted to US\$553.68 million, a 6.56% decrease compared to US\$592.56 million recorded during the corresponding period in 2016. The average price of the golden leaf was, however, higher at US\$2.97/kg, compared to the US\$2.94/kg realized during the comparable period in 2016.

Table 4: Cumulative Tobacco Sales: Day 106 (18 August 2017)

	2016	2017	Variance (%)
Cumulative Quantity Sold (kgs)	201,504,677	186,626,297	-7.38
Cumulative Average Price(US\$/kg)	2.94	2.97	0.89
Cumulative Value (US\$ million)	592,563,012	553,689,361	-6.56

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

4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The weekly average international commodity prices of gold, copper and nickel firmed during the week ending 18th August 2017. Platinum and crude oil 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
Week ending (07-11 August)	1,271.55	974.80	6,392.10	10,488.00	52.18
16-Aug	1,271.45	963.50	6,433.00	10,560.00	50.35
17-Aug	1,285.53	974.50	6,460.00	10,710.00	51.25
18-Aug	1,295.53	984.00	6,453.00	10,730.00	52.83
Week ending (16-18 August)	1,284.17	974.00	6,448.67	10,666.67	51.48
Weekly Change (%)	<i>1.0</i>	<i>(0.08)</i>	<i>0.9</i>	<i>1.7</i>	<i>(1.4)</i>

Source: BBC, KITCO and Bloomberg

Gold

The weekly average price of gold increased by 1.0%, to close the week under review at US\$1,284.17/ounce. This was on account of increased safe haven demand, amid rising uncertainties over U.S relations with North Korea.

Platinum

Platinum prices declined by 0.08%, from a weekly average of US\$974.80/ounce recorded in the previous week to US\$974.00/ounce during the week under review. The decline was underpinned by slackening investment demand, due to expectations of monetary policy tightening by the Federal Reserve.

Copper

Copper prices firmed by 0.9%, to a weekly average of US\$6,448.67/ton during the week ending 18th August 2017. This was on the back of increased demand from China, a major consumer of the metal.

Nickel

Nickel prices increased by 1.7%, to close the week under review at an average of US\$10,666.67/ton. Supply constraints, coupled with increased demand for the metal by the stainless steel and battery sectors in China, accounted for the increase.

Crude Oil

Crude oil prices retreated by 1.4%, to US\$51.48/barrel during the week under analysis, from US\$52.18/barrel in the previous week. This followed fears of rising U.S shale oil production, which continued to outweigh efforts to cut global supplies by the OPEC members.

5. EXCHANGE RATES

The U.S. dollar appreciated against the pound Sterling and euro during the week under review, on account of positive U.S economic data. The greenback, however, depreciated against the South African rand and pula.

Table 6: International Exchange Rates per US\$

	ZAR	GBP	BWP	EURO
2017				
Weekly Average (07-11 August)	13.3870	0.7687	10.2935	0.8496
16-Aug	13.3166	0.7773	10.2722	0.8518
17-Aug	13.1734	0.7753	10.2249	0.8490
18-Aug	13.2539	0.7755	10.2354	0.8521
Weekly Average (16-18 August)	13.2479	0.7760	10.2442	0.8510
<i>Appr(+)/Depr(-) (%) of the USD</i>	<i>(1.0)</i>	<i>1.0</i>	<i>(0.5)</i>	<i>0.2</i>

Source: Reuters, 2017

6. EQUITY MARKETS

The Zimbabwe Stock Exchange (ZSE) continued on a bullish trend for the third consecutive week during the week ending 18th of August 2017. This resulted in a 1.21% increase in the industrial index, which closed the week under review at 213.15 points. The increase was on account of gains recorded in Medtech Holdings Limited (33.33%), Barclays Bank of Zimbabwe Limited (16.13%), Dawn Properties Limited (15.38%), NamPak Zimbabwe Limited (14.29%) and Dairibord Holdings Limited (6.80%).

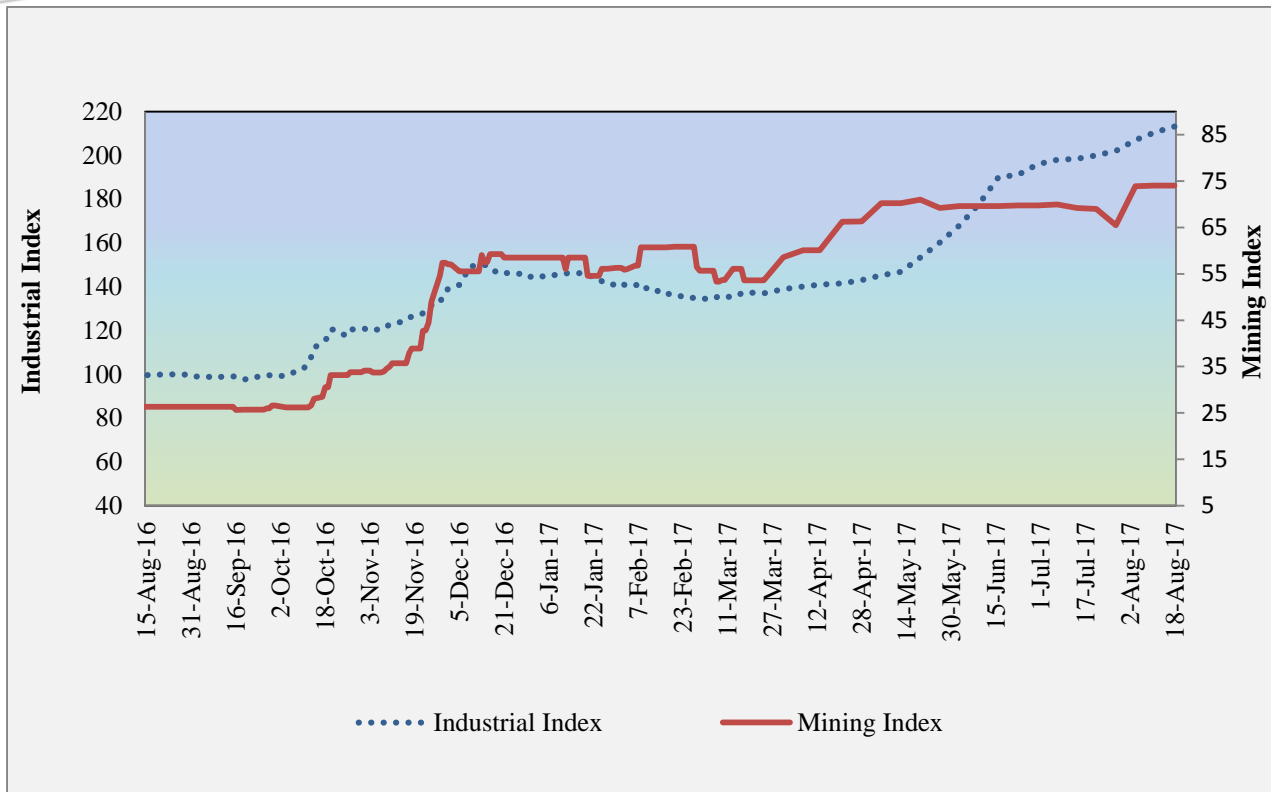
The mining index, however, remained unchanged at the previous week level of 74.04 points. Bindura Nickel Corporation (BNC) and RioZim traded at previous week price levels, while Falgold and Hwange Colliery Company (HCC) did not register any trade.

Table 7: Zimbabwe Stock Exchange (ZSE) Statistics

	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
21-July-17	200.04	69.00	5,814,984,818	5,784,609	24,308,278
28-July-17	202.06	65.45	5,719,544,139	3,540,821	53,335,076
04-August-17	207.09	73.92	5,815,739,291	3,126,109	16,811,109
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
Weekly Change (%)	1.21	0.00	1.18	-55.09	26.28

Source: Zimbabwe Stock Exchange (ZSE), 2017

Figure 3 : Zimbabwe Stock Exchange Indices

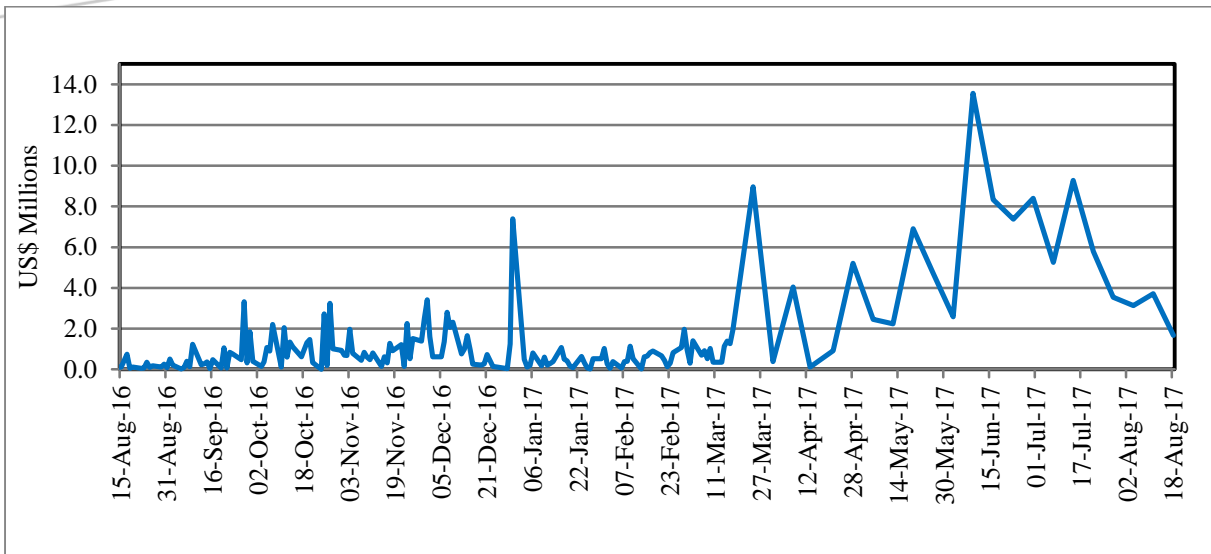


Source: Zimbabwe Stock exchange, 2017

Market Turnover and Volume

During the week under review, the volume of shares traded stood at 25 363 538, a 26.28% increase from the 20 083 775 shares traded in the previous week. This was on account of a block trade, which saw 17 285 716 NMBZ shares exchanging hands at US\$0.042 each. The ZSE market turnover value, however, decreased by 55.09% to US\$1.67 million during the week under analysis

Figure 4: Daily Market turnover

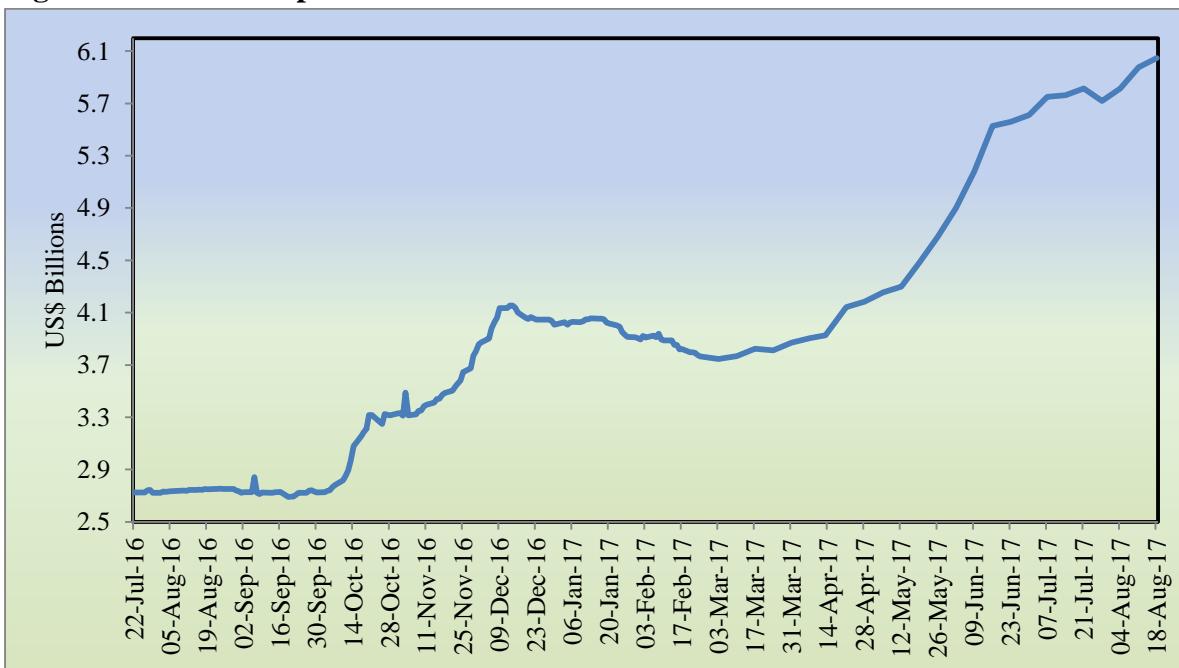


Source: Zimbabwe Stock Exchange, 2017

Market Capitalization

The ZSE market capitalization increased by 1.18%, to close the week under review at US\$6 047.38 million, on account of positive trading on the local bourse.

Figure 5 : Market Capitalization



Source: Zimbabwe Stock Exchange, 2017

Johannesburg Stock Exchange (JSE) Development

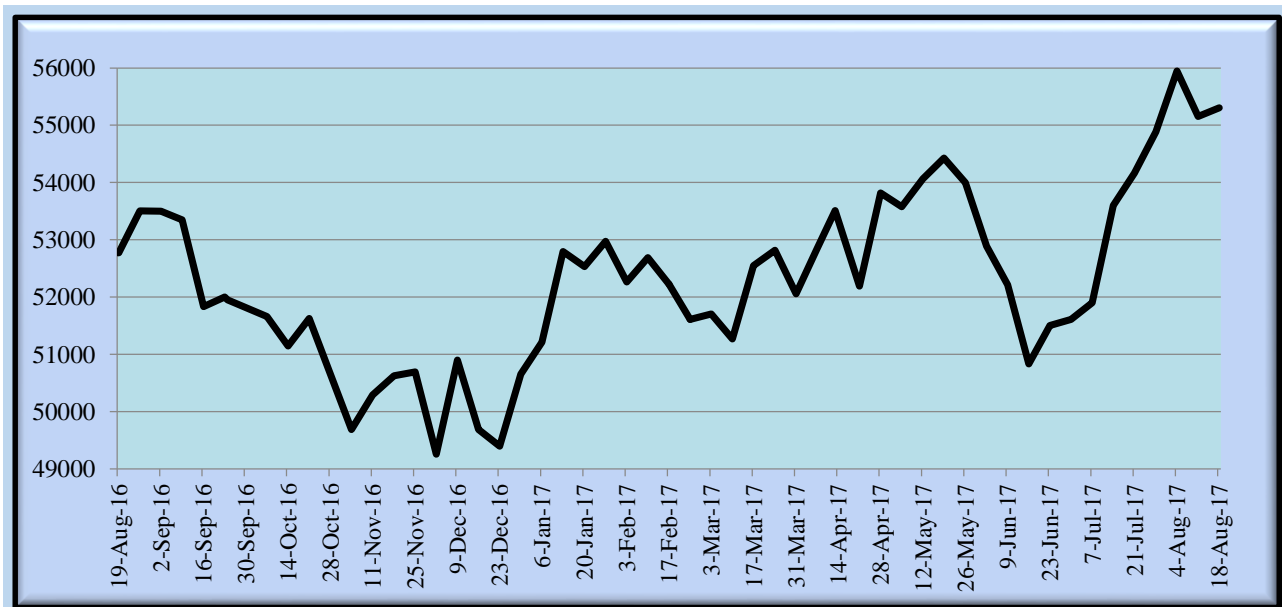
During the week ending 18th August 2017, the JSE All Share index rose by 0.27% to closed the week under review at 55 304.23 points. Market capitalization, however, declined by 0.60%, to close the week under review at R14.82 trillion.

Table 8: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalization (ZAR trillion)
21-July-17	54 162.71	14.24
28-July-17	54 883.21	14.80
04-August-17	55 944.83	15.17
11-August-17	55 155.13	14.91
18-August-17	55 304.23	14.82
% Change	0.27	-0.60

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

25th AUGUST 2017