



Weekly Economic Highlights

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Week Ending
20th October 2017

1. INTEREST RATES

Deposit Rates

Average deposit rates for savings deposits, deposits of 1 month and 3 month tenors remained unchanged at 4.22%, 4.09% and 4.12%, respectively, during the week ending 20th October 2017.

Table 1: Average Deposit Rates (per annum)

Date	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
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
13-October-17	4.22	4.09	4.12
20-October-17	4.22	4.09	4.12

Source: Banking Institutions, 2017

Lending Rates

Commercial bank weighted lending rates for individual clients fell by 0.24 percentage points to close the week under analysis at 8.95%. Weighted commercial bank lending rates for corporate clients closed the week at 7.18%, a 0.18 percentage point increase from the 7.00% recorded in the previous week.

Table 2: Lending Rates

Date	Lending Rates ¹ (%)	
	Commercial Banks (weighted)	
	Individuals	Corporate clients
22-September-17	8.79	6.96
29-September-17	8.86	7.01
06-October-17	9.09	6.99
13-October-17	9.19	7.00
20-October-17	8.95	7.18

Source: Banking Institutions, 2017

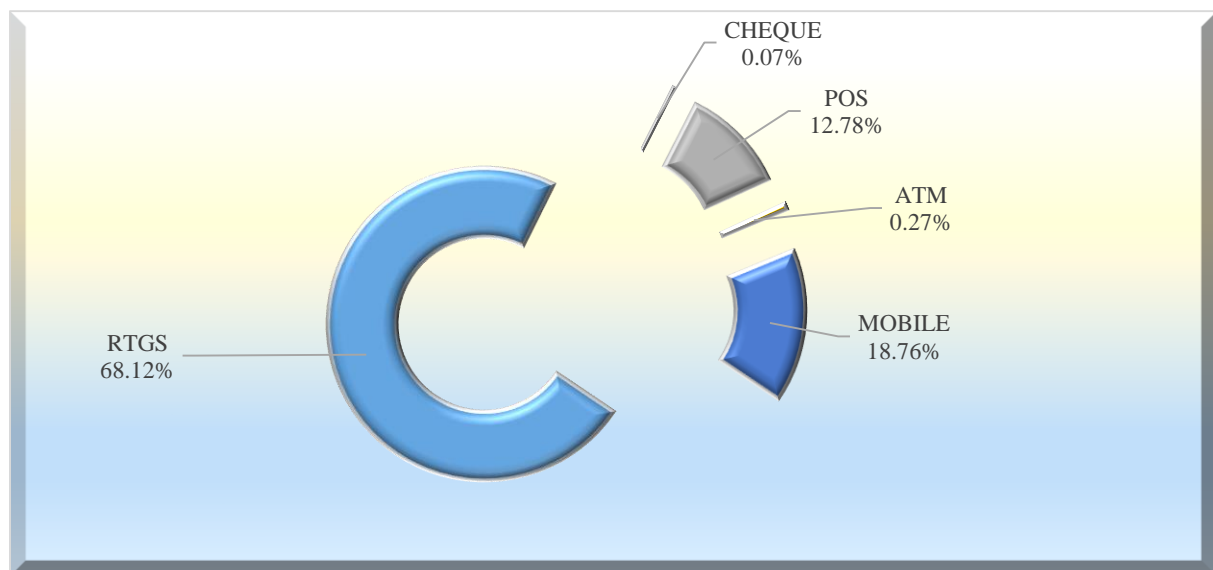
¹ Minimum weighted lending rates offered by commercial banks.

2. CLEARING AND SETTLEMENT ACTIVITY

During the week under review, the total value of transactions processed through the National Payments System (NPS) stood at US\$1 710.23 million, a 10% decline from the US\$1 902.36 million recorded during the week ending 13th October 2017. This was largely driven by the decrease in the value of RTGS transactions, from US\$1 297.44 million in the previous week to US\$1 165.07 million during the week under review.

The usage of NPS payments streams, in value terms, was distributed as follows: RTGS, 68.12%; POS, 12.78%; Mobile, 18.76%; ATM, 0.27% and Cheque, 0.07%, as shown in Figure 1.

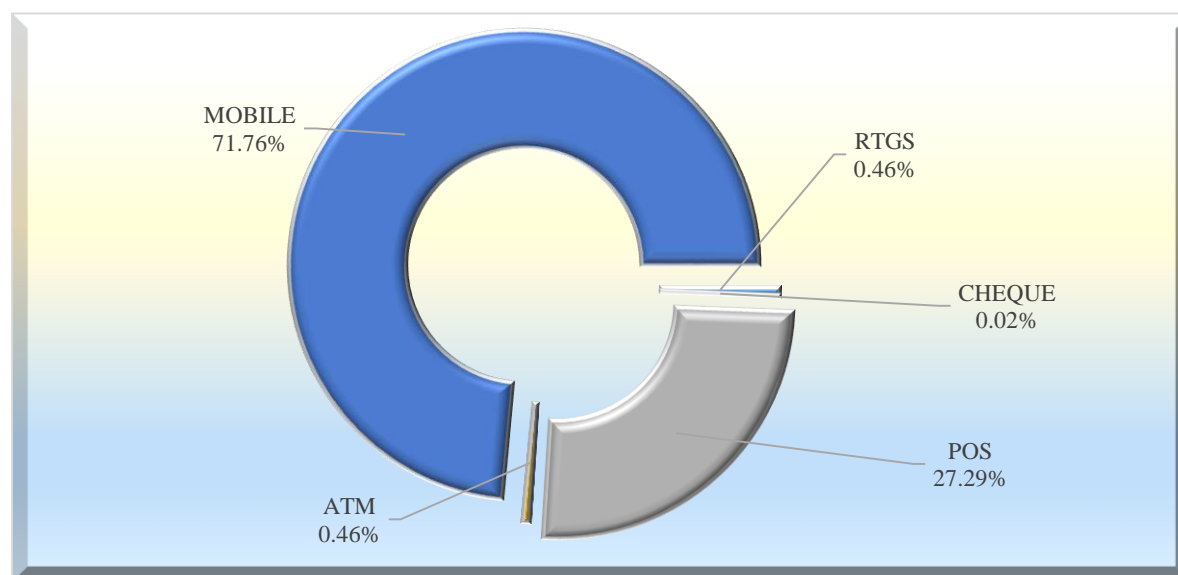
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2017

The volume of NPS transactions declined by 8%, to close the week under analysis at 24 778 293. Mobile transactions contributed 71.76% of the total volume of NPS transactions, followed by POS, 27.29%; ATM, 0.46%; RTGS, 0.46%; 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 13 October 2017	WEEK ENDING 20 October 2017	CHANGE FROM LAST WEEK	PROPORTION
VALUES IN USD (millions)				
RTGS	1,297.44	1,165.07	-10%	68.12%
CHEQUE	1.42	1.22	-15%	0.07%
POS	240.88	218.56	-9%	12.78%
ATMS	4.77	4.63	-3%	0.27%
MOBILE	357.84	320.76	-10%	18.76%
TOTAL	1,902.36	1,710.23	-10%	100%
VOLUMES				
RTGS	133,346	114,221	-14%	0.46%
CHEQUE	6,910	6,022	-13%	0.02%
POS	7,317,450	6,763,202	-8%	27.29%
ATMs	117,467	113,416	-3%	0.46%
MOBILE	19,454,126	17,781,432	-9%	71.76%
TOTAL	27,029,299	24,778,293	-8%	100%

Source: Reserve Bank of Zimbabwe, 2017

4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international commodity prices of copper, nickel and crude firmed during the week ending 20th October 2017. Prices of gold and platinum, however, declined during the same period, 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 (09 - 13 Oct)	1,289.96	929.20	6,720.80	11,092.00	55.25
16-Oct	1,304.23	944.00	7,063.00	11,790.00	57.86
17-Oct	1,287.23	928.00	7,046.00	11,675.00	58.17
18-Oct	1,280.43	923.50	6,971.50	11,745.00	58.21
19-Oct	1,284.90	921.50	6,920.00	11,680.00	57.35
20-Oct	1,280.73	919.00	7,008.50	12,050.00	57.87
Week ending (16 - 20 Oct)	1,287.50	927.20	7,001.80	11,788.00	57.89
<i>Weekly Change (%)</i>	<i>(0.2)</i>	<i>(0.2)</i>	<i>4.2</i>	<i>6.3</i>	<i>4.8</i>

Source: BBC, KITCO and Bloomberg

Gold

Gold prices declined by 0.2%, from a weekly average of US\$1,289.96/oz recorded in the previous week, to US\$1,287.50/oz during the week under review. This was occasioned by a stronger US dollar, amid rising US Treasury bond yields. Investor speculation on the successor for Janet Yellen, the chair of the Federal Reserve also weighed down the precious metal prices.

Platinum

Platinum prices retreated by 0.2%, from an average of US\$929.20/oz recorded in the previous week to US\$927.20/oz, during the week under analysis. The decline was on account of the slackening demand for the metal in the global motor vehicle industry.

Copper

Copper prices closed the week under review at a weekly average price of US\$7,001.80/ton, up from US\$6,720.80/ton registered in the previous week. Prices were supported by brighter demand prospects in China, after authorities reaffirmed that the Asian's giant economy was on track to achieve the official growth target of 10% by year end.

Nickel

Nickel prices increased from a weekly average of US\$11,092.00/ton registered in the previous week, to US\$11,788.00/ton during week under review. This was on the back of an anticipated increase in demand in China, the world's largest user of the base metals.

Crude Oil

Crude oil prices registered a 4.8% increase, to close the week under review at a weekly average of US\$57.89/barrel. This followed undersupply concerns in the Middle East as well as supply interruptions in Iraq, amid on-going geopolitical tensions between oil rich Iraq and Iran.

5. EXCHANGE RATES

The US dollar depreciated against the rand, British pound and pula, during the week ending 20th October 2017. The green back, however, appreciated against the euro during the same week.

Table 6: International Exchange Rates per US\$

	ZAR	GBP	BWP	EURO
2017				
Weekly Average (09 - 13 Oct)	13.6258	0.7575	10.3619	0.8366
16-Oct	13.3106	0.7528	10.2354	0.8472
17-Oct	13.3397	0.7543	10.2459	0.8491
18-Oct	13.4118	0.7587	10.2171	0.8503
19-Oct	13.5664	0.7568	10.3252	0.8474
20-Oct	13.5937	0.7632	10.3199	0.8470
Weekly Average (16 - 20 Oct)	13.4444	0.7572	10.2687	0.8482
<i>Appr(+)/Depr(-) (%) of the USD</i>	<i>-1.3</i>	<i>0.0</i>	<i>-0.9</i>	<i>1.4</i>

Source: Reuters, 2017

6. EQUITY MARKETS

The bullish sentiments on the Zimbabwe Stock Exchange (ZSE) persisted for the fourth consecutive week, during the week ending 20th October 2017. The industrial index increased by 2.45%, from 505.32 points in the prior week to 517.71 during the week under review. This was attributed to gains realized in Zimre (20.45%), Nicoz Diamond Insurance (20.00%), First Mutual (19.44%), Barclays (12.50%) and ZB (11.43%). Partially offsetting the gains were losses in African Sun (18.00%), OK Zimbabwe (17.60%), Padenga Holdings (5.28%), Star Africa Corporation (4.00%) and Axia Corporation (3.25%).

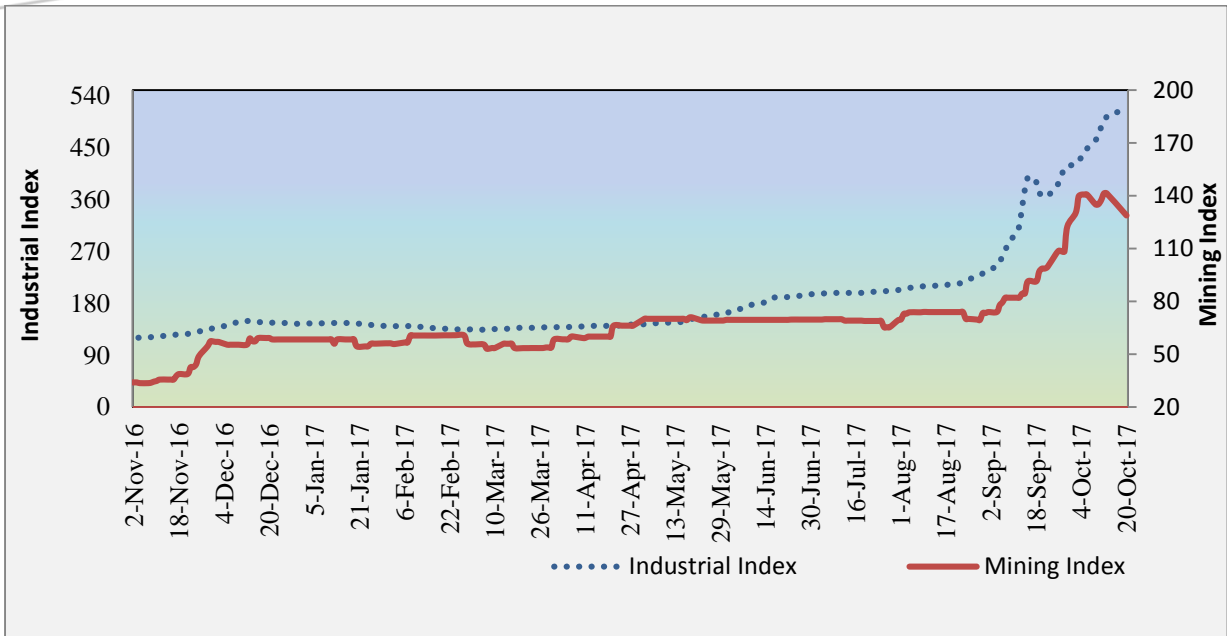
The resources index, however, declined by 8.85%, to close the week under review at 128.87 points. This was, in large part, due to a 30.94% decline in Bindura Nickel Corporation (BNC) shares. Falgold and Hwange counters were inactive during the week under analysis.

Table 7: Zimbabwe Stock Exchange (ZSE) Statistics

	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
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
13-October-17	505.32	141.39	14,311,798,891	55,759,838	389,148,454
20-October-17	517.71	128.87	14,708,590,105	33,093,179	105,125,024
Weekly Change (%)	2.45	-8.85	2.77	-40.65	-72.99

Source: Zimbabwe Stock Exchange (ZSE), 2017

Figure 3 : Zimbabwe Stock Exchange Indices

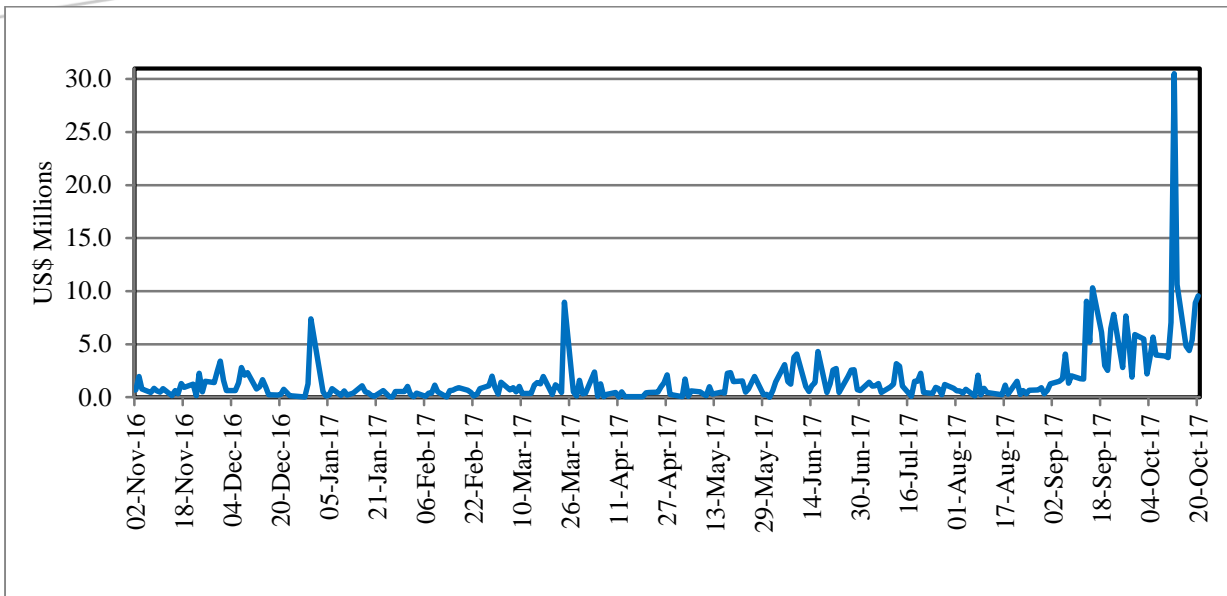


Source: Zimbabwe Stock exchange, 2017

Market Turnover and Volume

The volume of shares traded on the ZSE decreased by 72.99%, to close the week under review at 105 125 024 shares. Concomitantly, market turnover also declined from US\$55.76 million in the previous week, to US\$33.09 million during the week ending 20th October 2017.

Figure 4: Daily Market turnover



Source: Zimbabwe Stock Exchange, 2017

Market Capitalization

The ZSE market capitalization rose by 2.77%, from US\$14.31 billion recorded in the previous week to US\$14.71 billion during the period under review. High share prices, reflected in an increase in the industrial index, accounted for the rise.

Figure 5 : Market Capitalization



Source: Zimbabwe Stock Exchange, 2017

Johannesburg Stock Exchange (JSE) Development

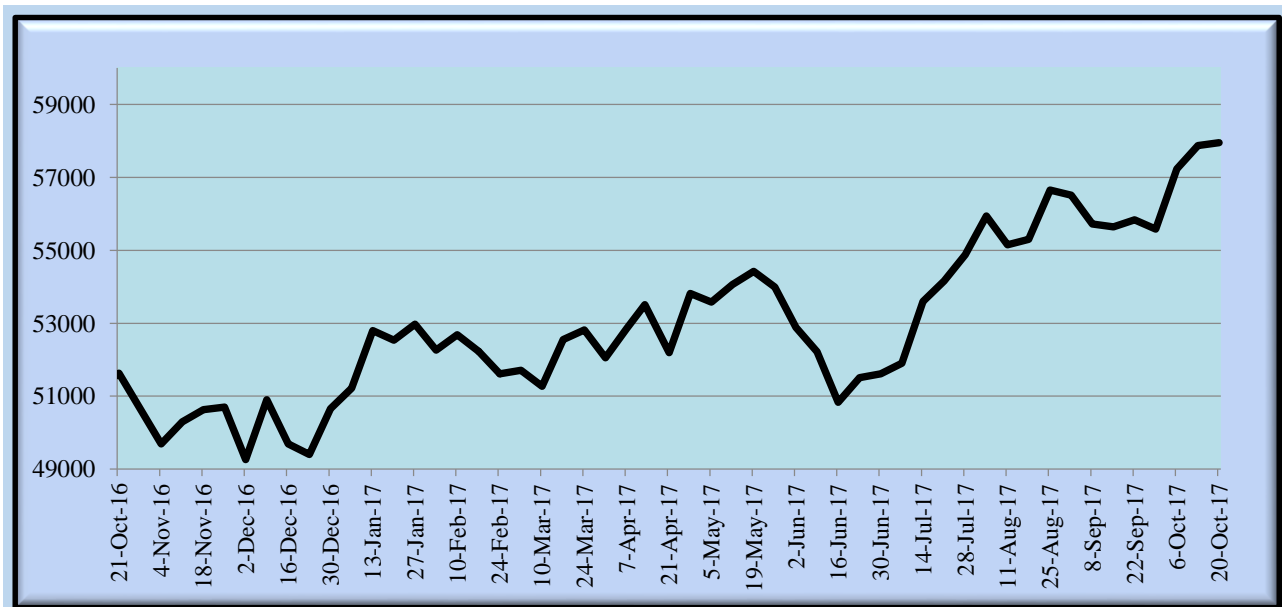
During the week ending 20th October 2017, the JSE All Share Index increased by 0.12% to close the week at 57 948.66 points. In tandem, market capitalisation rose by 1.14%, from R15.76 trillion in the previous week to R15.94 trillion during the week under review.

Table 8: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalization (ZAR trillion)
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
13-October-17	57 876.60	15.76
20-October 17	57 948.66	15.94
% Change	0.12	1.14

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

27TH OCTOBER 2017