



# Weekly Economic Highlights

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Week Ending  
25<sup>th</sup> August 2017

## 1. INTEREST RATES

### Deposit Rates

Average deposits rates for savings and deposits of 3 month tenor declined to close the week under review at 4.35% and 4.49%, from 4.47% and 4.57% in the previous week, respectively. Deposit rates for deposits of 1 month tenor, however, increased by 0.09 percentage points to 4.32% during the same week.

**Table 1: Average Deposit Rates (per annum)**

Date	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
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
25-August-17	4.35	4.32	4.49

Source: Banking Institutions, 2017

### Lending Rates

Commercial bank weighted lending rates for corporate clients stood at 6.95% during the week under review, down from 6.96% recorded in the previous week. Weighted lending rates for individual clients, however, remained unchanged at 8.88%.

**Table 2: Lending Rates**

Date	Lending Rates (%)	
	Commercial Banks (weighted)	
	Individuals	Corporate clients
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
25-August-17	8.88	6.95

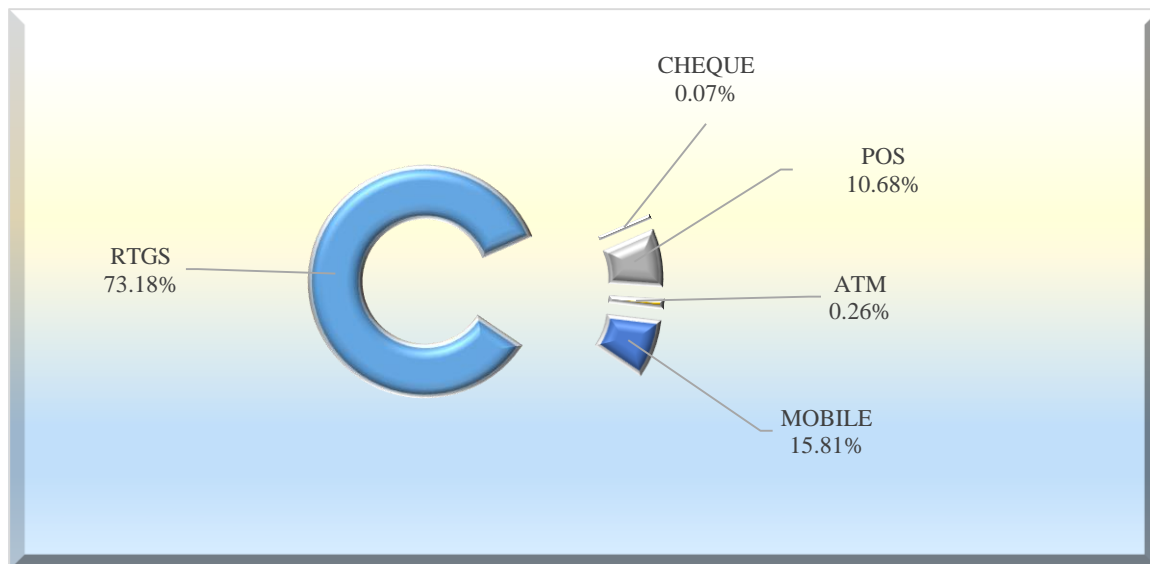
Source: Banking Institutions, 2017

## 2. CLEARING AND SETTLEMENT ACTIVITY

During the week ending 25<sup>th</sup> August 2017, the total value of transactions processed through the National Payment Systems (NPS) stood at US\$1 665.47 million, a 38% increase from US\$1 208.69 million recorded in the previous week. Real Time Gross Settlement (RTGS) transactions registered a 53% increase, from US\$794.59 million in the previous week, to US\$1 218.78 million during the week ending 25<sup>th</sup> August 2017.

The NPS was dominated by RTGS transactions which contributed 73.18% of the total value of transactions, followed by Mobile 15.81%; Point of Sale (POS), 10.68%; Automated Teller Machines (ATMs), 0.26%; and Cheque, 0.07%, as shown in Figure 1.

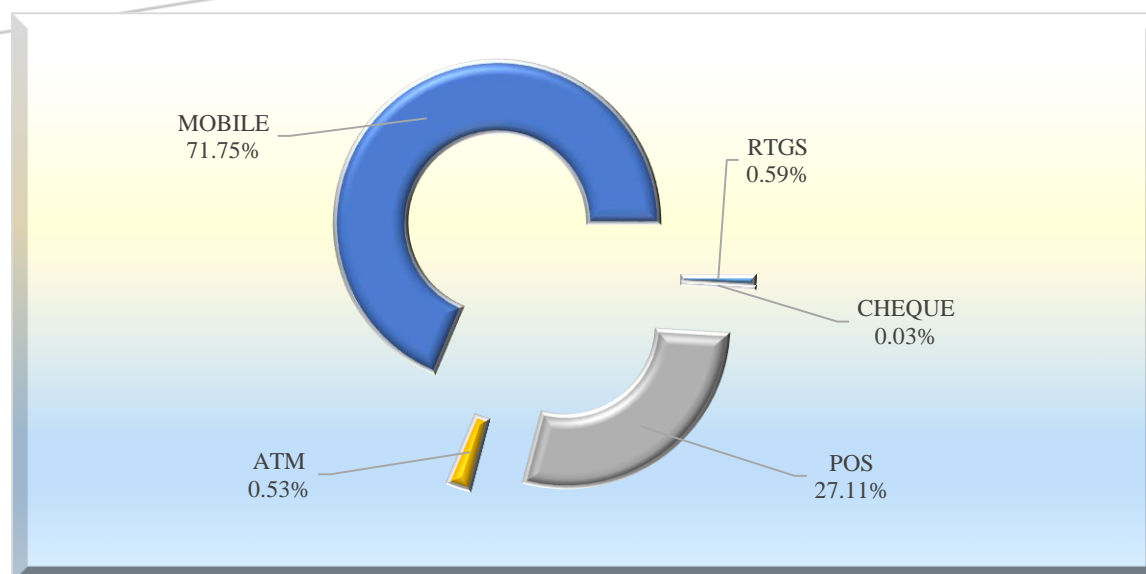
**Figure 1: Composition of NPS Transactions in Value Terms**



*Source: Reserve Bank of Zimbabwe, 2017*

The volume of transactions processed through the NPS amounted to 19 963 161 during the week under review, reflecting a 7% increase from 18 727 707 in the previous week. The distribution of NPS transaction volumes was as follows: Mobile, 71.75%; POS, 27.11%; ATMs, 0.53%; RTGS, 0.59%; and Cheque, 0.03%, 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 18 August 2017	WEEK ENDING 25 August 2017	CHANGE FROM LAST WEEK	PROPORTION
<b>VALUES IN USD (millions)</b>				
<b>RTGS</b>	794.59	1,218.78	53%	73.18%
<b>CHEQUE</b>	0.75	1.16	55%	0.07%
<b>POS</b>	188.85	177.85	-6%	10.68%
<b>ATMS</b>	5.73	4.33	-24%	0.26%
<b>MOBILE</b>	218.77	263.36	20%	15.81%
<b>TOTAL</b>	<b>1,208.69</b>	<b>1,665.47</b>	<b>38%</b>	<b>100%</b>
<b>VOLUMES</b>				
<b>RTGS</b>	70,339	117,112	66%	0.59%
<b>CHEQUE</b>	3,754	5,877	57%	0.03%
<b>POS</b>	5,770,956	5,411,157	-6%	27.11%
<b>ATMs</b>	140,734	104,842	-26%	0.53%
<b>MOBILE</b>	12,741,924	14,324,173	12%	71.75%
<b>TOTAL</b>	<b>18,727,707</b>	<b>19,963,161</b>	<b>7%</b>	<b>100%</b>

Source: Reserve Bank of Zimbabwe, 2017

### 3. TOBACCO SALES

A cumulative total of 187 598 374 kilograms of tobacco had been sold, as at 25<sup>th</sup> August 2017 or day 111 of the 2017 tobacco selling season. This was 7.17% lower than the 202 078 170 kilograms of tobacco sold during the same period in 2016. The cumulative sales value amounted to US\$556.3 million during the period under review, representing a 6.39% decline on the cumulative sales realized in the corresponding period in 2016.

The golden leaf was sold at an average price of US\$2.97/kg during the period under review, up from an average price of US\$2.94/kg, during the same period in 2016.

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

	2016	2017	Variance (%)
<b>Cumulative Quantity Sold (kgs)</b>	202,078,170	187,598,374	-7.17
<b>Cumulative Average Price(US\$/kg)</b>	2.94	2.97	0.83
<b>Cumulative Value (US\$ million)</b>	594,301,628	556,316,155	-6.39

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

## 4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international commodity prices of gold, platinum, nickel, copper and crude oil firmed during the week ending 25<sup>th</sup> July 2017, as shown in Table 5.

**Table 5: Metal and Crude Oil Prices**

	<b>Gold</b>	<b>Platinum</b>	<b>Copper</b>	<b>Nickel</b>	<b>Crude Oil</b>
2017	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
<b>Week ending (16-18 August)</b>	<b>1,284.17</b>	<b>974.00</b>	<b>6,448.67</b>	<b>10,666.67</b>	<b>51.48</b>
21-Aug	1,290.25	981.00	6,514.50	11,250.00	51.69
22-Aug	1,284.65	974.50	6,584.00	11,430.00	51.62
23-Aug	1,286.55	979.00	6,555.00	11,435.00	52.52
24-Aug	1,287.45	974.50	6,577.00	11,640.00	52.19
25-Aug	1,286.18	977.00	6,714.00	11,610.00	52.31
<b>Week ending (21-25 August)</b>	<b>1,287.02</b>	<b>977.20</b>	<b>6,588.90</b>	<b>11,473.00</b>	<b>52.07</b>
<i>Weekly Change (%)</i>	<i>0.2</i>	<i>0.3</i>	<i>2.2</i>	<i>7.6</i>	<i>1.1</i>

Source: BBC, KITCO and Bloomberg

### Gold

Gold prices rose by 0.2%, from a weekly average of US\$1,284.17/oz recorded in the previous week to US\$1,287.02/oz, during the week under review. This was largely underpinned by the positive safe haven demand for the yellow metal on the back of lower long-term U.S interest rates.

### Platinum

Platinum prices increased by 0.3%, from US\$974.00/oz recorded in the previous week, to US\$977.20/oz during the week ending 25 August 2017. Prices increased as the U.S imposed further sanctions on Russia, the world's second-biggest producer of platinum.

### Copper

Copper prices firmed by 2.2%, from US\$6,448.67/ton in the previous week to US\$6,588.90/ton during the week under review. This was largely attributed to increased demand in China, the world's largest base metal consumer.

## **Nickel**

Likewise, Nickel prices rose by 7.6%, from a weekly average of US\$10,666.67/ton registered in the previous week to close the week under review at an average of US\$11,473.00/ton. This was on account of an increase in demand in China.

## **Crude Oil**

Crude oil prices firmed, registering a 1.1% increase to close the week under review at an average price of US\$52.07/barrel. This was on the back of production cuts by Saudi Arabia, OPEC's leading producer.

## 5. EXCHANGE RATES

During the week ending 25<sup>th</sup> August 2017, the U.S dollar depreciated against the rand, pula and euro on account of weak U.S economic data. The greenback, however, appreciated against the pound Sterling during the same week.

**Table 6: International Exchange Rates per US\$**

	<b>ZAR</b>	<b>GBP</b>	<b>BWP</b>	<b>EURO</b>
<b>2017</b>				
<b>Weekly Average (16-18 August)</b>	<b>13.2479</b>	<b>0.7760</b>	<b>10.2442</b>	<b>0.8510</b>
21-Aug	13.1818	0.7767	10.2145	0.8510
22-Aug	13.1544	0.7765	10.1885	0.8476
23-Aug	13.2329	0.7798	10.2093	0.8504
24-Aug	13.1643	0.7819	10.1937	0.8471
25-Aug	13.1926	0.7806	10.2093	0.8478
<b>Weekly Average (21-25 August)</b>	<b>13.1852</b>	<b>0.7791</b>	<b>10.2031</b>	<b>0.8488</b>
<i>Appr(+)/Depr(-) (%) of the USD</i>	<i>(0.5)</i>	<i>0.4</i>	<i>(0.4)</i>	<i>(0.3)</i>

Source: Reuters, 2017



## 6. EQUITY MARKETS

The Zimbabwe Stock Exchange (ZSE) recorded gains during the week under analysis, with the mainstream index surging by 4.91% to close the week at 222.08 points. The increase was due to gains in General Beltings Holding Limited (150%), Padenga Holdings Limited (28.82%), NMBZ Holdings (27.06%), Zimplow Holdings Limited (22.45%) and Powerspeed Electrical Limited (20%).

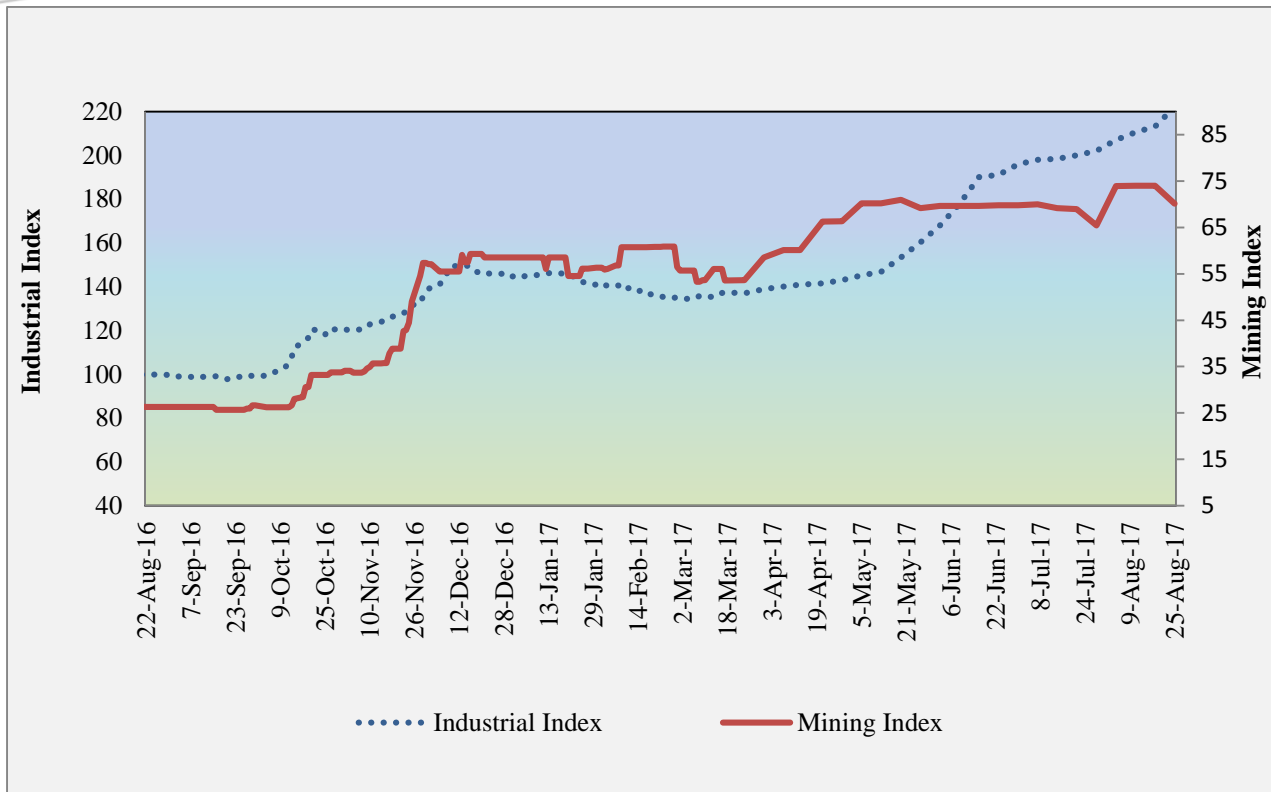
The resources index, however, declined by 5.23% to close the week under review at 70.17 points. This was on account of a 16.39% decline in Bindura Nickel Corporation (BNC) largely resulting from the adverse effect of the managerial and financial challenges of the majority shareholder, ASA Resource Group.

**Table 7: Zimbabwe Stock Exchange (ZSE) Statistics**

	<b>Industrial Index (points)</b>	<b>Mining Index (points)</b>	<b>Grand Market Capitalization (US\$)</b>	<b>Market Turnover (US\$)</b>	<b>Volume of Shares</b>
<b>28-July-17</b>	202.06	65.45	5,719,544,139	3,540,821	53,335,076
<b>04-August-17</b>	207.09	73.92	5,815,739,291	3,126,109	16,811,109
<b>11-August-17</b>	210.61	74.04	5,976,708,805	3,707,801	20,083,775
<b>18-August-17</b>	213.15	74.04	6,047,375,777	1,665,175	25,363,538
<b>25-August-17</b>	222.08	70.17	6,292,359,920.	3,372,638,97	35,640,002
<b>Weekly Change (%)</b>	<b>4.91</b>	<b>-5.23</b>	<b>4.05</b>	<b>102.54</b>	<b>40.52</b>

Source: Zimbabwe Stock Exchange (ZSE), 2017

**Figure 3 : Zimbabwe Stock Exchange Indices**

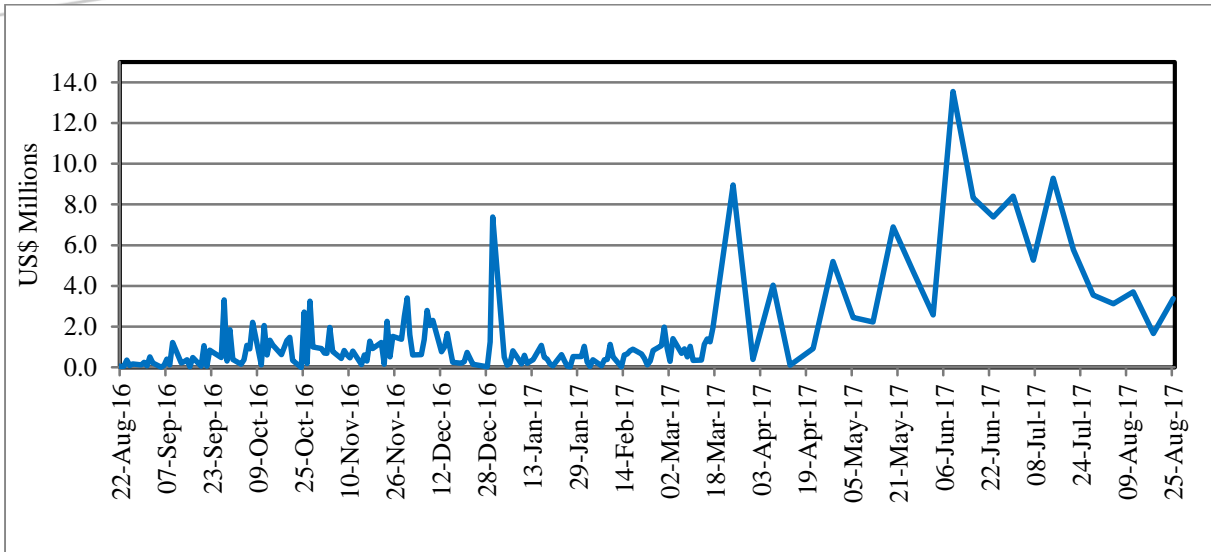


Source: Zimbabwe Stock exchange, 2017

### Market Turnover and Volume

The ZSE market turnover recorded a 102.54% increase, from US\$1.7 million registered in the previous week to US\$3.4 million during the week ending 25<sup>th</sup> August 2017.

**Figure 4: Daily Market turnover**

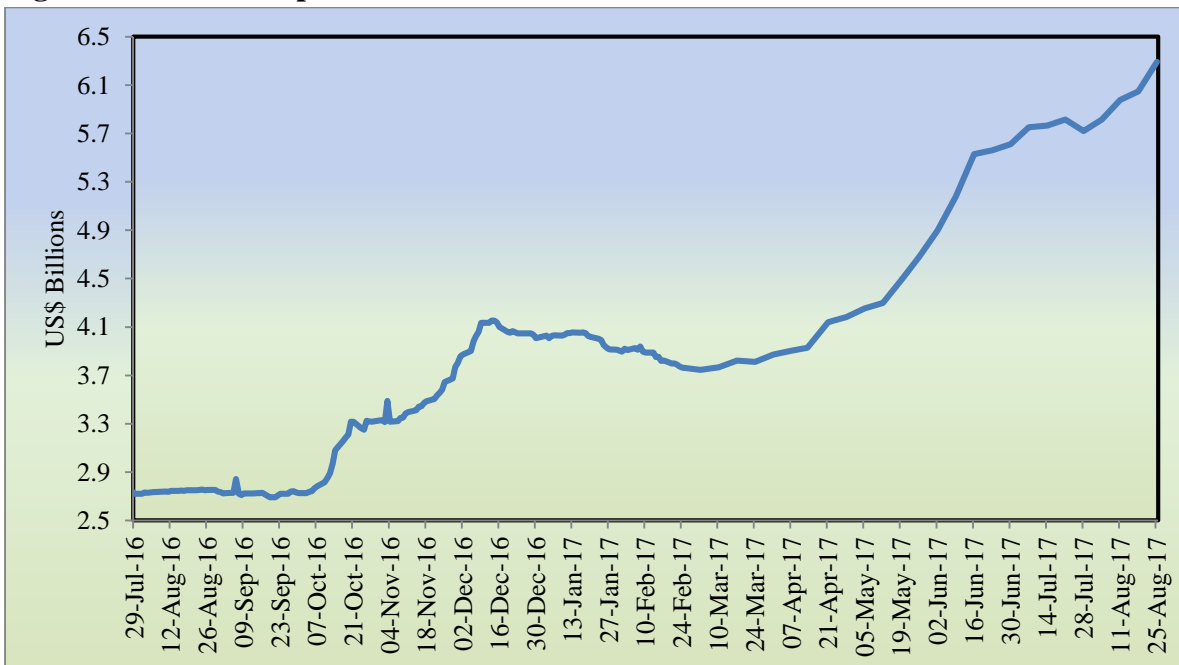


Source: Zimbabwe Stock Exchange, 2017

**Market Capitalization**

The ZSE market capitalization stood at US\$6.29 billion, a 4.05% increase from US\$6.05 billion recorded in the prior week. This was as a result of positive trading on the local bourse.

**Figure 5 : Market Capitalization**



Source: Zimbabwe Stock Exchange, 2017

## Johannesburg Stock Exchange (JSE) Development

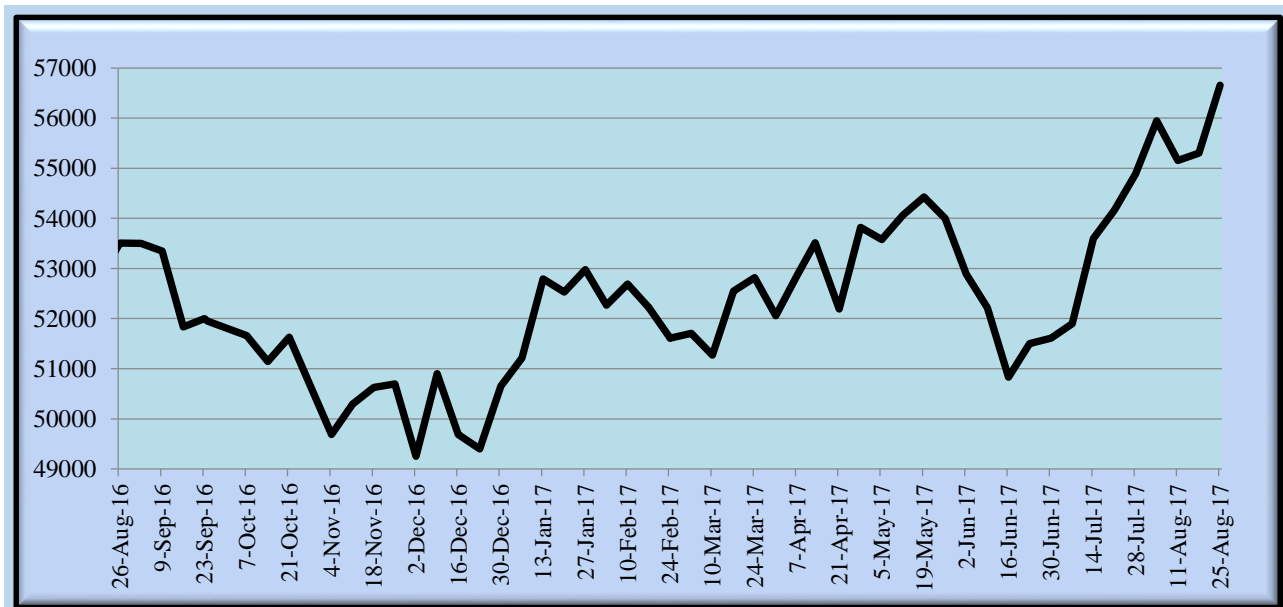
The JSE All Share index increased from 55 304.23 points in the previous week, to close the week under review at 56 655.88 points. Market capitalization also rose from R14.82 trillion in the prior week, to R15.06 trillion during the week under review.

**Table 8: Johannesburg Stock Exchange (JSE) Statistics**

Period	All Share Index (points)	Market Capitalization (ZAR trillion)
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
25-August-17	56 655.88	15.06
<b>% Change</b>	<b>2.44</b>	<b>1.62</b>

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**

**1<sup>ST</sup> SEPTEMBER 2017**