



# Weekly Economic Highlights

## Table of Contents

1. INTEREST RATES.....	1
2. CLEARING AND SETTLEMENT ACTIVITY.....	2
3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS...4	
5. EXCHANGE RATES.....	6
6. EQUITY MARKETS.....	7

Week Ending  
27<sup>th</sup> October 2017

## 1. INTEREST RATES

### Deposit Rates

During the week ending 27<sup>th</sup> October 2017, savings deposit rates remained unchanged at 4.22%. Interest rates on deposits of 1 month and 3 months tenors decreased by 0.06 and 0.03 percentage points, to close the week under review at 4.03% and 4.09%, respectively.

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

Date	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
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
27-October-17	4.22	<b>4.03</b>	<b>4.09</b>

Source: Banking Institutions, 2017

### Lending Rates

Commercial bank weighted lending rates for individual clients increased from 8.95% in the previous week, to 9.66% during the week under analysis. Weighted lending rates for corporate clients, however, declined by 0.12 percentage points to 7.06% during the week under review.

**Table 2: Lending Rates**

Date	Lending Rates <sup>1</sup> (%)	
	Commercial Banks (weighted)	
	Individuals	Corporate clients
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
27-October-17	<b>9.66</b>	<b>7.06</b>

Source: Banking Institutions, 2017

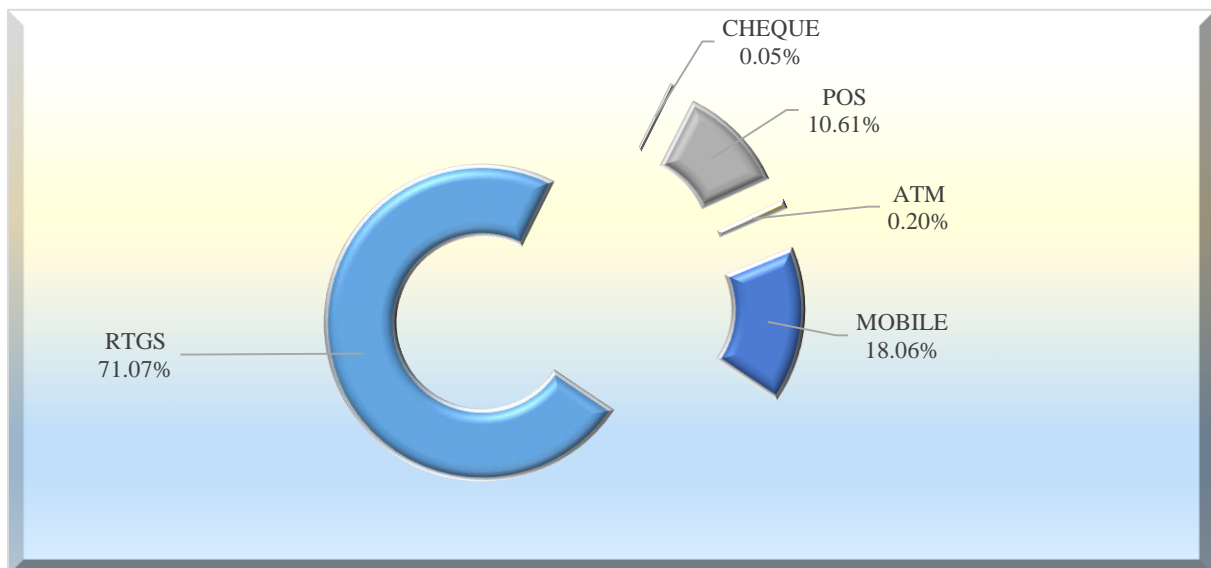
<sup>1</sup> Minimum weighted lending rates offered by commercial banks.

## 2. CLEARING AND SETTLEMENT ACTIVITY

The total value of transactions processed through the National Payments System (NPS) increased by 20%, to close the week under review at US\$2 045.41 million. This was mainly driven by a 25% increase in the value of RTGS transactions, from US\$1 165.07 million in the previous week, to US\$1 453.70 million during the week ending 27<sup>th</sup> October 2017.

The distribution of NPS transactions in value terms was as follows: RTGS, 71.07%; Mobile, 18.06%; POS, 10.61%; ATM, 0.20%; and Cheque 0.05%, as shown in Figure 1.

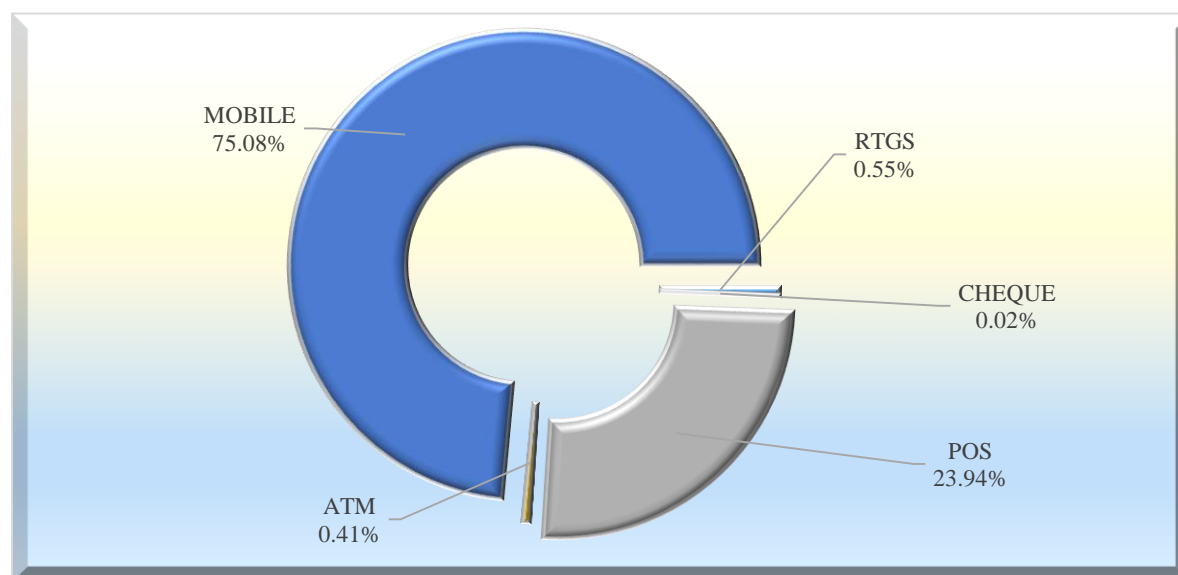
**Figure 1: Composition of NPS Transactions in Value Terms**



*Source: Reserve Bank of Zimbabwe, 2017*

NPS transaction volumes increased by 1%, to close the week ending 27<sup>th</sup> October 2017 at 24 965 742. In terms of contributions to the total volume of NPS transactions, Mobile transactions were highest at 75.08%, followed by POS, 23.94%; RTGS, 0.55%; ATM, 0.41%; 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 20 October 2017	WEEK ENDING 27 October 2017	CHANGE FROM LAST WEEK	PROPORTION
<b>VALUES IN USD (millions)</b>				
<b>RTGS</b>	1,165.07	1,453.70	25%	71.07%
<b>CHEQUE</b>	1.22	1.08	-11%	0.05%
<b>POS</b>	218.56	216.99	-1%	10.61%
<b>ATMS</b>	4.63	4.16	-10%	0.20%
<b>MOBILE</b>	320.76	369.49	15%	18.06%
<b>TOTAL</b>	<b>1,710.23</b>	<b>2,045.41</b>	<b>20%</b>	<b>100%</b>
<b>VOLUMES</b>				
<b>RTGS</b>	114,221	137,118	20%	0.55%
<b>CHEQUE</b>	6,022	5,608	-7%	0.02%
<b>POS</b>	6,763,202	5,977,338	-12%	23.94%
<b>ATMs</b>	113,416	102,472	-10%	0.41%
<b>MOBILE</b>	17,781,432	18,743,206	5%	75.08%
<b>TOTAL</b>	<b>24,778,293</b>	<b>24,965,742</b>	<b>1%</b>	<b>100%</b>

Source: Reserve Bank of Zimbabwe, 2017

## 4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international commodity prices of gold, platinum and copper retreated during the week ending 27<sup>th</sup> October 2017. Brent crude oil and nickel prices, however, increased, 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>
<b>2017</b>	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
<b>Week ending (16 - 20 Oct)</b>	<b>1,287.50</b>	<b>927.20</b>	<b>7,001.80</b>	<b>11,788.00</b>	<b>57.89</b>
23-Oct	1,277.58	914.50	6,959.00	11,745.00	57.34
24-Oct	1,277.38	922.50	7,073.50	11,950.00	58.59
25-Oct	1,274.00	915.00	6,970.50	11,860.00	58.46
26-Oct	1,275.88	924.00	6,975.50	11,850.00	59.48
27-Oct	1,267.13	916.50	6,970.00	11,855.00	60.44
<b>Week ending (23 - 27 Oct)</b>	<b>1,274.39</b>	<b>918.50</b>	<b>6,989.70</b>	<b>11,852.00</b>	<b>58.86</b>
<i>Weekly Change (%)</i>	<i>(1.0)</i>	<i>(0.9)</i>	<i>(0.2)</i>	<i>0.5</i>	<i>1.7</i>

Source: BBC, KITCO and Bloomberg

### Gold

Gold prices decreased by 1%, to close the week under review at US\$1,274.39/oz. The prices of the precious metal were weighed down by a stronger US dollar.

### Platinum

Platinum prices slumped by 0.9%, from a weekly average of US\$927.20/oz recorded in the previous week, to US\$918.50/oz during the week ending 27<sup>th</sup> October 2017. Prices retreated on the back of weakening global demand for the metal.



## **Copper**

Copper prices declined by 0.2%, from US\$7 001.80/ton recorded in the previous week to US\$6 989.70/ton during the week under review. This was on account of signs of rising global inventories of the base metal.

## **Nickel**

Nickel prices continued on an upward trend, registering a 0.5% increase from a weekly average of US\$11 788.00/ton in the previous week, to US\$11 852.00/ton during the week under review. The prices were supported by the positive global demand outlook for the metal, particularly in China.

## **Crude Oil**

Crude oil prices firmed from a weekly average of US\$57.89/barrel in the previous week, to US\$58.86/barrel during the week under analysis. This followed comments by Saudi Arabia, supporting the extension of OPEC led output cuts.

## 5. EXCHANGE RATES

The greenback appreciated against the euro, pound sterling, rand and pula, amid optimism about US tax reforms and positive data on the US economy.

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

	ZAR	GBP	BWP	EURO
<b>2017</b>				
<b>Weekly Average (16 - 20 Oct)</b>	<b>13.4444</b>	<b>0.7572</b>	<b>10.2687</b>	<b>0.8482</b>
23-Oct	13.6555	0.7575	10.3734	0.8498
24-Oct	13.7083	0.7566	10.3842	0.8506
25-Oct	13.7548	0.7613	10.4767	0.8504
26-Oct	14.0895	0.7536	10.4767	0.8453
27-Oct	14.2500	0.7621	10.5541	0.8596
<b>Weekly Average (23 - 27 Oct)</b>	<b>13.8916</b>	<b>0.7582</b>	<b>10.4530</b>	<b>0.8511</b>
<i>Appr(+)/Depr(-) (%) of the USD</i>	<i>3.3</i>	<i>0.1</i>	<i>1.8</i>	<i>0.3</i>

Source: Reuters, 2017

## 6. EQUITY MARKETS

During the week ending 27<sup>th</sup> October 2017, trading on the Zimbabwe Stock Exchange (ZSE) was subdued, owing to profit taking in some mid-cap and heavyweight counters. The mainstream index declined by 0.66% to close the week at 514.30 points, due to losses recorded in Fidelity Life Assurance (14.06%); First Mutual (9.40%); OK Zimbabwe (8.70%); Amalgamated Regional Trading (7.69%); and Inncor Africa (6.31%). Partially offsetting these losses were gains realized in Lafarge Cement (8.76%); Seedco (6.80%); British American Tobacco (6.74%); Star Africa (4.17%); and Hippo Valley (4.01%).

The mining index, however, increased by 6.50%, from 128.87 points in the prior week to 137.25 points during the week under review. This was on account of the 22.40% and 0.66% gains in Bindura Nickel Corporation and RioZim, respectively. Hwange Colliery traded at the previous price week level, while Falgold remained inactive during the week under analysis.

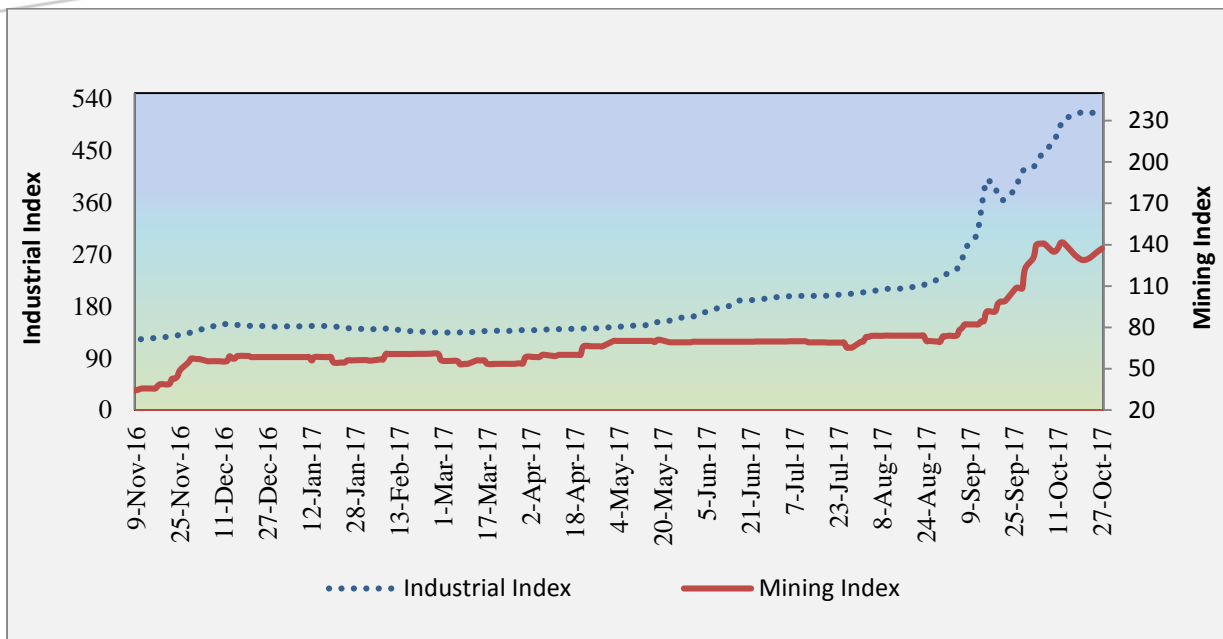
**Table 7: Zimbabwe Stock Exchange (ZSE) Statistics**

	<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>06-October-17</b>	448.83	140.71	12,736,970,365	21,019,210	423,138,341
<b>13-October-17</b>	505.32	141.39	14,311,798,891	55,759,838	389,148,454
<b>20-October-17</b>	517.71	128.87	14,708,590,105	33,093,179	105,125,024
<b>27-October-17</b>	514.30	137.25	14,626,384,163	47,219,737	78,855,156
<b>Weekly Change (%)</b>	<b>-0.66</b>	<b>6.50</b>	<b>-0.56</b>	<b>42.69</b>	<b>-24.99</b>

Source: Zimbabwe Stock Exchange (ZSE), 2017



**Figure 3 : Zimbabwe Stock Exchange Indices**

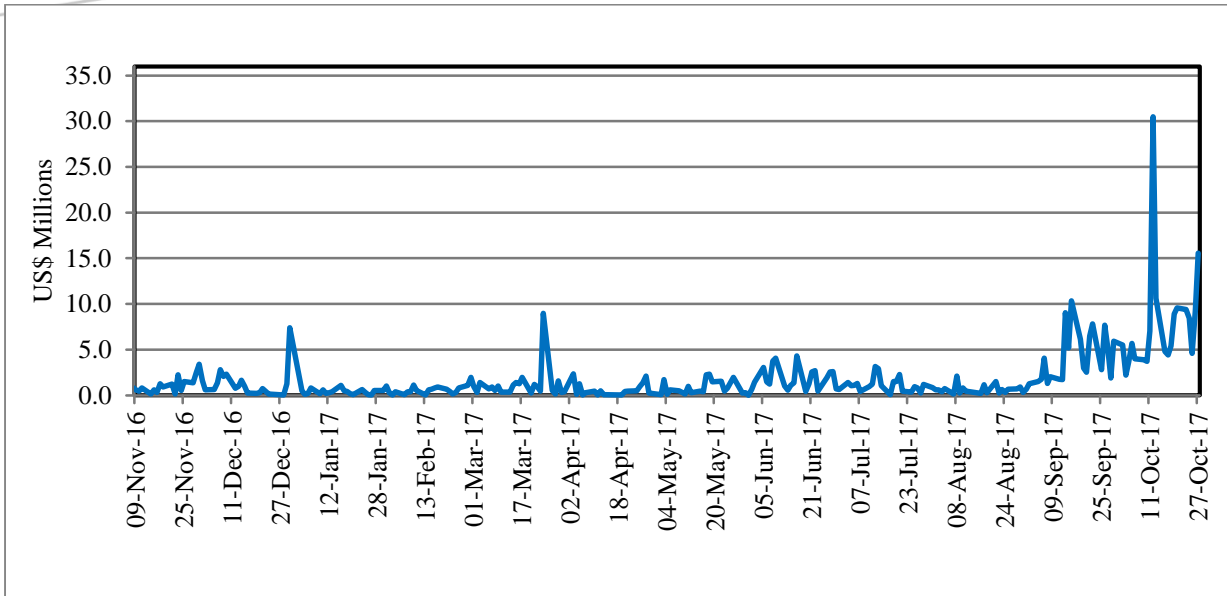


Source: Zimbabwe Stock exchange, 2017

### Market Turnover and Volume

The volume of shares traded decreased by 24.99%, from 105 125 024 shares recorded in the previous week to 78 855 156 shares during the week under analysis. The value of shares traded, however, increased by 42.69%, to close week under review at US\$47.22 million. This was underpinned by four block trades of 5.5 million Econet shares; 1.5 million Lafarge shares; 0.5 million Delta Corporation shares; and 0.1 million Old Mutual shares, which exchanged hands at 179 cents, 83 cents, 306 cents and 1 430 cents, respectively.

**Figure 4: Daily Market turnover**

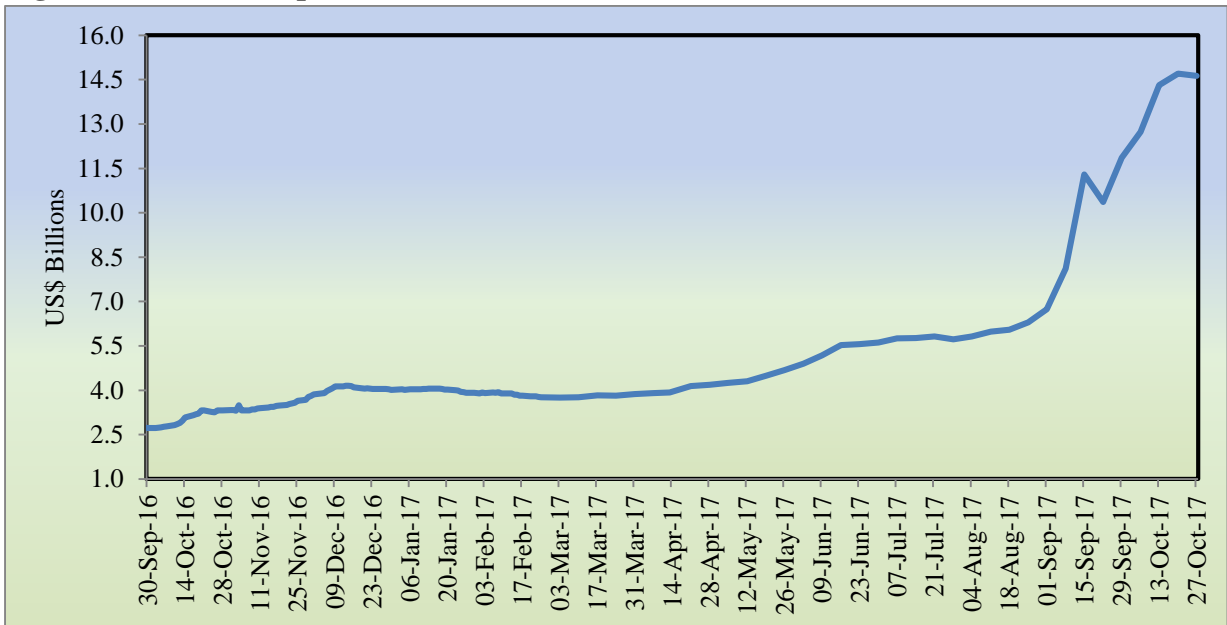


Source: Zimbabwe Stock Exchange, 2017

**Market Capitalization**

The ZSE market capitalisation declined by 0.56% to US\$14.63 billion, from US\$14.71 billion recorded in the prior week.

**Figure 5 : Market Capitalization**



Source: Zimbabwe Stock Exchange, 2017

## Johannesburg Stock Exchange (JSE) Development

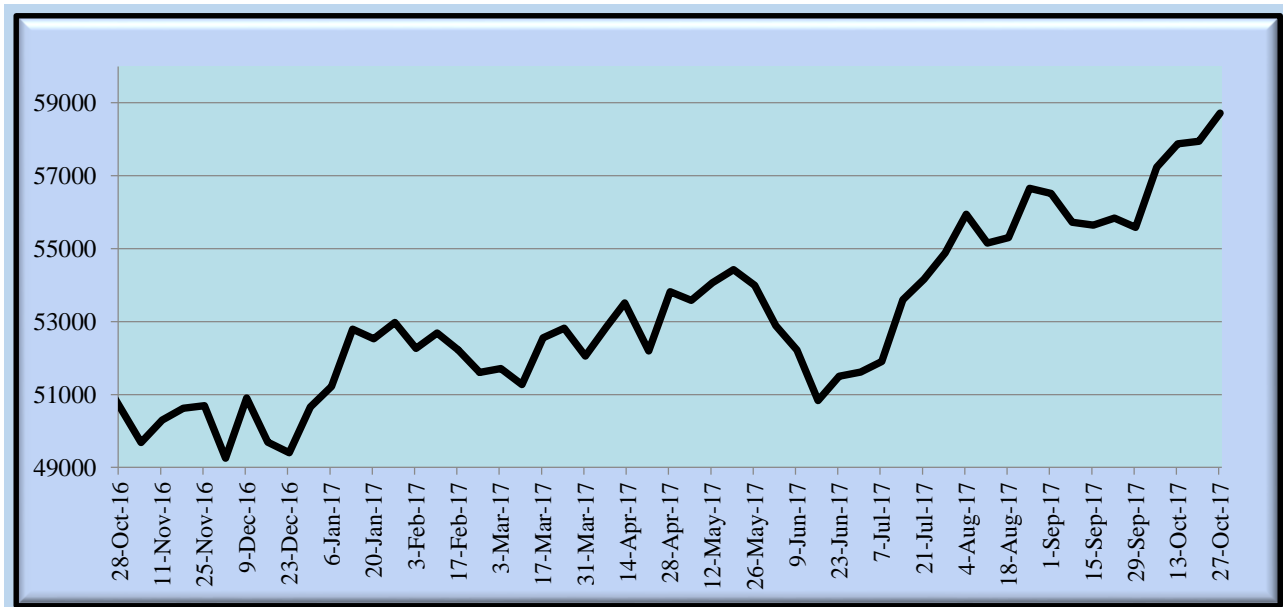
The JSE All share index increased by 1.32% to 58 714.04 points, during the week ending 27<sup>th</sup> October 2017. Similarly, JSE market capitalisation rose by 1.19%, to close the week under review at R16.13 trillion.

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

Period	All Share Index (points)	Market Capitalization (ZAR trillion)
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
27-October-17	58 714.04	16.13
<b>% Change</b>	<b>1.32</b>	<b>1.19</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**

**3<sup>RD</sup> NOVEMBER 2017**