



Weekly Economic Highlights

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Week Ending
28th July 2017

1. INTEREST RATES

Deposit Rates

Average interest rates for deposits of 1 month and 3 months tenor increased, to close the week ending 28th July 2017 at 4.07% and 4.24%, respectively. Deposit rates for savings deposits, however, declined to 4.35%, from 4.37% registered in the previous week.

Table 1: Average Deposit Rates (per annum)

Date	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
23-June-17	3.85	4.17	4.23
30-June-17	3.85	4.40	4.45
07-July-17	3.85	4.40	4.45
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

Source: Banking Institutions, 2017

Lending Rates

During the week under review, commercial bank weighted lending rates for individual and corporate clients remained unchanged at 8.94% and 7.05%, respectively.

Table 2: Lending Rates

Date	Lending Rates (%) Commercial Banks (weighted)	
	Individuals	Corporate clients
23-June-17	9.09	7.08
30-June-17	9.01	7.05
07-June-17	8.94	7.03
14-June-17	8.96	7.03
21-June-17	8.94	7.05
28-July 2017	8.94	7.05

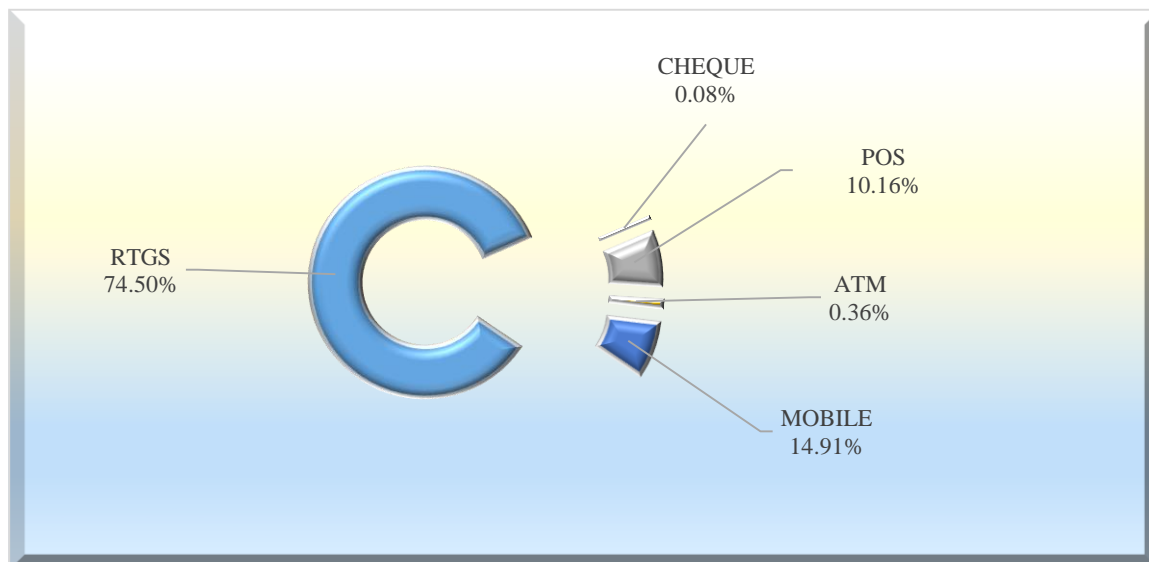
Source: Banking Institutions, 2017

2. CLEARING AND SETTLEMENT ACTIVITY

The total value of transactions processed through the National Payment Systems (NPS) stood at US\$1 682.24 million during the week under analysis, up from US\$1 461.49 million recorded in the previous week. Transactions processed through the Real Time Gross Settlement (RTGS) system increased by 18%, to close the week under review at US\$1 253.72 million.

RTGS system payments accounted for 74.50% of the total value of transactions processed through the NPS, followed by Mobile, 14.91%; Point of Sale (POS), 10.16%; Automated Teller Machines (ATM's), 0.36%; and cheque transactions, 0.08%, as shown in Figure 1.

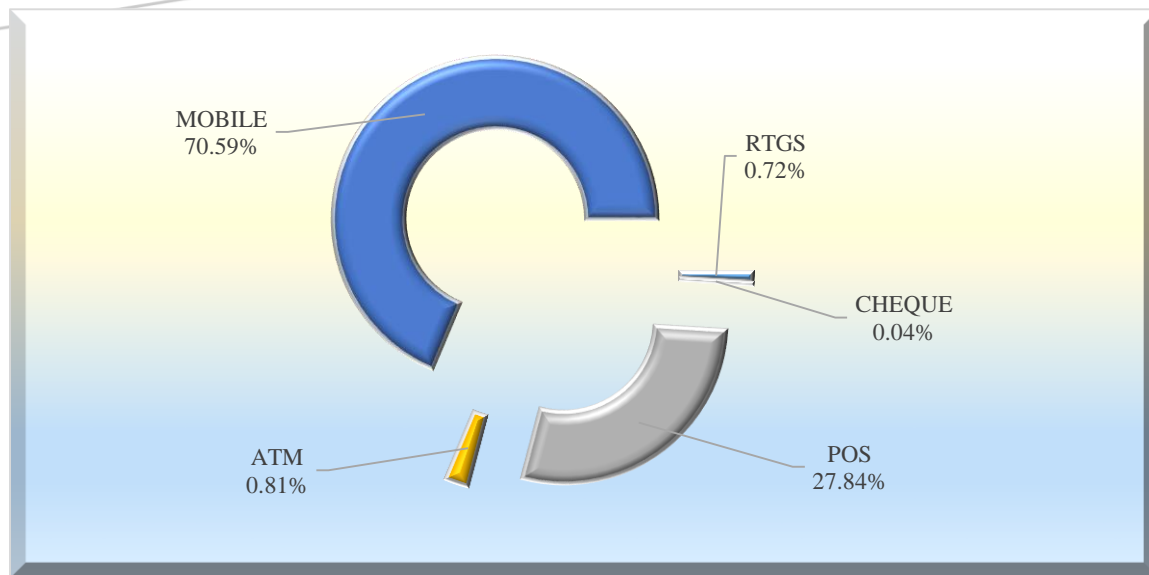
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe

NPS transaction volumes increased by 3%, from 16 960 234 recorded in the previous week to 17 519 362 transactions during the week ending 28th July 2017. In terms of contributions to the total volume of NPS transactions, Mobile transactions were highest at 70.59%. The contributions of the other payment streams were as follows: POS, 27.84%; ATM, 0.81%; RTGS, 0.72%; and Cheque 0.04%, as shown in Figure 2.

Figure 2: Composition of NPS Transactions in Volume Terms



Source: Reserve Bank of Zimbabwe.

Table 3: National Payment Systems Activity

PAYMENT STREAM	WEEK ENDING 21 July 2017	WEEK ENDING 28 July 2017	CHANGE FROM LAST WEEK	PROPORTION
VALUES IN USD (millions)				
RTGS	1,058.86	1,253.72	18%	74.50%
CHEQUE	1.40	1.29	-8%	0.08%
POS	175.53	170.96	-3%	10.16%
ATMS	5.67	6.02	6%	0.36%
MOBILE	220.03	250.84	14%	14.91%
TOTAL	1,461.49	1,682.83	15%	100%
VOLUMES				
RTGS	110,558	126,479	14%	0.72%
CHEQUE	7,405	6,841	-8%	0.04%
POS	5,156,896	4,877,299	-5%	27.84%
ATMs	135,824	141,736	4%	0.81%
MOBILE	11,549,551	12,367,007	7%	70.59%
TOTAL	16,960,234	17,519,362	3%	100%

Source: Reserve Bank of Zimbabwe

3. TOBACCO SALES

A cumulative total of 182 146 687 kilograms of tobacco had been sold as at 28th July 2017 or day 93 of the 2017 tobacco selling season. The quantity sold was 7.26% lower than the cumulative total of 196 398 042 kilograms sold during the same period in 2016.

The cumulative sales value amounted to US\$540.35 million, compared to US\$577.81 million realized during the corresponding period in 2016. The golden leaf, however, fetched a higher average price of US\$2.97/kg, compared to the US\$2.94/kg realized during the same period in 2016.

Table 4: Cumulative Tobacco Sales: Day 93 (28 July 2017)

	2016	2017	Variance (%)
Cumulative Quantity Sold (kgs)	196,398,042	182,146,687	-7.26
Cumulative Average Price(US\$/kg)	2.94	2.97	1.02
Cumulative Value (US\$ million)	577,813,659	540,348,415	-6.48

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

4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

During the week ending 28th July 2017, international commodity prices of gold, platinum, nickel, copper and crude oil increased, 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 (17-21 July)	1,239.49	924.00	5,958.70	9,599.00	48.84
24-Jul	1,255.70	935.00	6,000.00	9,560.00	48.68
25-Jul	1,253.20	926.50	6,150.00	9,885.00	50.71
26-Jul	1,246.75	921.50	6,238.00	9,915.00	50.92
27-Jul	1,261.58	930.00	6,325.00	10,105.00	51.61
28-Jul	1,262.25	926.50	6,283.00	10,180.00	52.26
Week ending (24-28 July)	1,255.90	927.90	6,199.20	9,929.00	50.84
<i>Weekly Change (%)</i>	<i>1.3</i>	<i>0.4</i>	<i>4.0</i>	<i>3.4</i>	<i>4.1</i>

Source: BBC, KITCO and Bloomberg

Gold

Gold prices rose by 1.3%, to an average of US\$1,255.90/ounce from US\$1,239.49/ounce recorded in the prior week. Prices firmed amid speculation that the Fed would not hike interest rates, following the release of weak economic data in the world's largest economy. This development bolstered the demand outlook for precious metals.

Platinum

Platinum prices firmed by 0.4%, from an average of US\$924.00/ounce recorded in the previous week to US\$927.90/ounce, during the week under review. The increase was supported by prospects of strong investment demand, in the wake of the Federal Reserve's decision to leave the benchmark interest rate unchanged.

Copper

Copper prices increased by 4.0% to US\$6,199.20/tonne, during the week under analysis. This was, in large part, driven by an increase in the demand for the base metal in China.

Nickel

Nickel prices firmed by 3.4%, from US\$9,599.00/tonne recorded in the prior week to US\$9,929.00/tonne during the week under review. This was due to a positive demand outlook in China, the world's largest consumer of base metals.

Crude Oil

Crude oil prices firmed by 4.1%, to close the week under review at an average of US\$50.84/barrel. The increase was, in part, attributable to a decline in U.S crude oil inventories.

5. EXCHANGE RATES

The greenback depreciated against the rand, British pound, pula and euro during the week ending 28th July 2017. This was driven by persistent concerns over U.S. political uncertainty and lingering doubts over a Federal Reserve interest rate hike in 2017.

Table 6: International Exchange Rates per US\$

	ZAR	GBP	BWP	EURO
2017				
Weekly Average (17-21 July)	12.96973	0.766539198	10.18345229	0.867135014
24-Jul	12.8899	0.7683	10.2302	0.8568
25-Jul	12.9400	0.7676	10.1471	0.8579
26-Jul	13.0853	0.7682	10.1729	0.8594
27-Jul	12.8986	0.7609	10.1368	0.8519
28-Jul	13.0017	0.7644	10.1626	0.8551
Weekly Average (24-28 July)	12.9631	0.7659	10.1699	0.8562
<i>Appr(+)/Depr(-) (%) of the USD</i>	<i>-0.1</i>	<i>-0.1</i>	<i>-0.1</i>	<i>-1.3</i>

Source: Reuters

6. EQUITY MARKETS

The Zimbabwe Stock Exchange (ZSE) recorded gains during the week under analysis, with the mainstream index surging by 1.01% to close the week at 2002.06 points. The increase was supported by gains registered in CFI Holdings Limited (19.97%), African Sun Limited (11.11%); British American Tobacco Zimbabwe (9.94%); Delta Corporation Limited (9.80%); and Simbisa Brands Limited (9.76%).

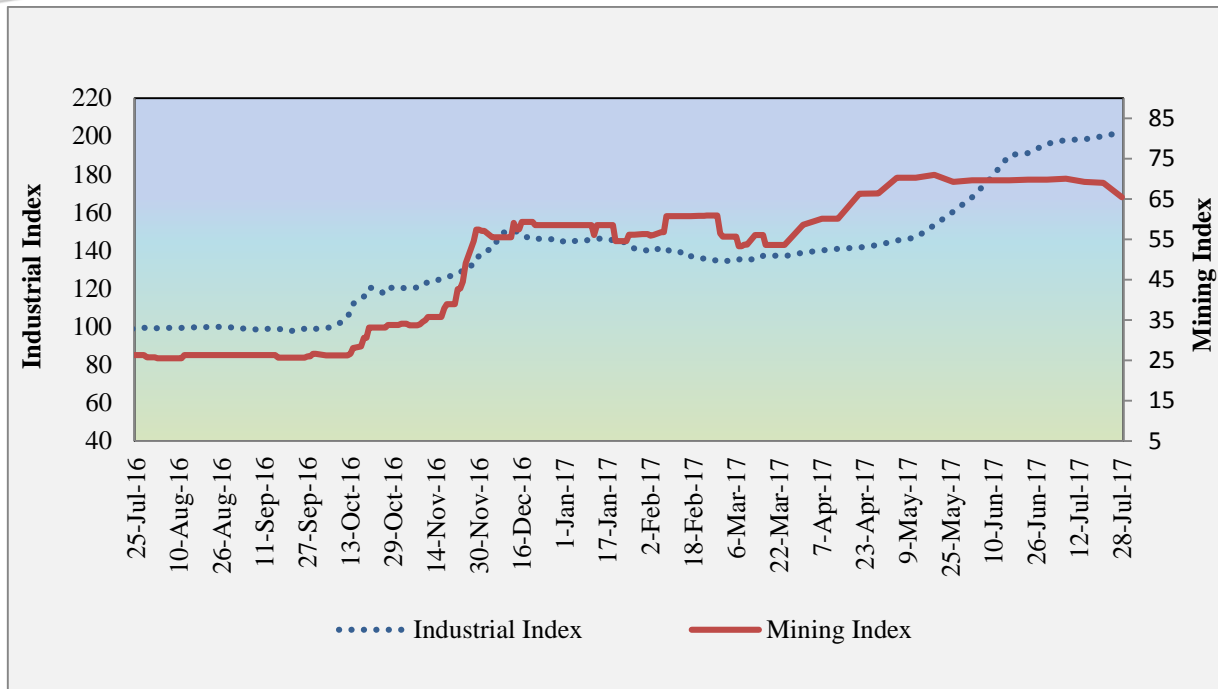
The resources index, however, declined by 5.14% to close the week under review at 65.45 points. This was on account of a 15.52% decline in the Bindura Nickel Corporation share price.

Table 7: Zimbabwe Stock Exchange (ZSE) Statistics

	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
30-June-17	195.97	69.79	5,611,405,119	8,404,917	45,124,296
07-July-17	197.93	69.98	5,751,822,002	5,256,996	22,232,750
14-July-17	198.41	69.19	5,764,202,701	9,286,417	44,690,083
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
Weekly Change (%)	1.01	-5.14	-1.64	-38.79	119.41

Source: Zimbabwe Stock Exchange (ZSE), 2017

Figure 3 : Zimbabwe Stock Exchange Indices

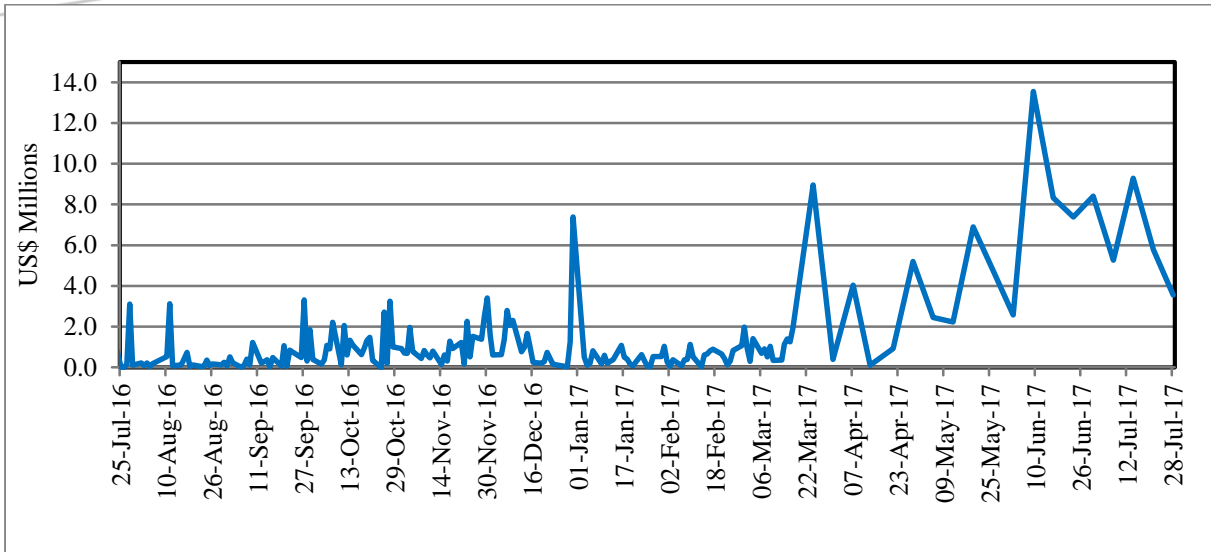


Source: Zimbabwe Stock exchange

Market Turnover and Volume

Market turnover declined by 38.79%, to close the week ending 28th July 2017 at US\$3.54 million from US\$5.78 million in the previous week. The volume of shares traded, however, increased by 119.41% to 53 335 076 during the same week. This was, in large part, attributable to increased trading activity in low-tier and mid-cap counters.

Figure 4: Daily Market turnover

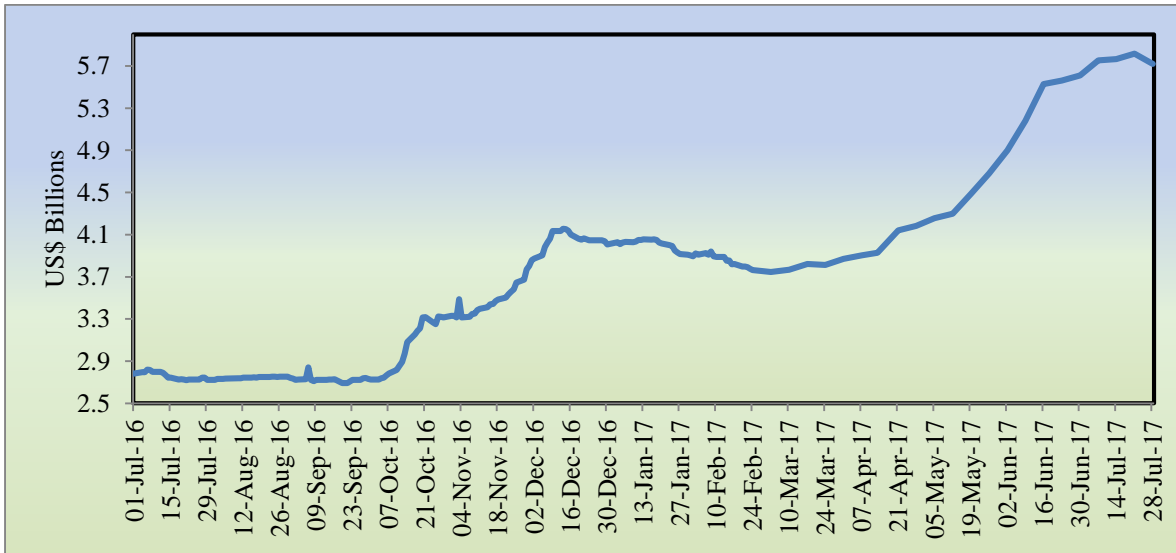


Source: Zimbabwe Stock Exchange, 2017

Market Capitalization

The ZSE market capitalization registered a 1.64% decline, from US\$5.81 billion in the previous week to close the week under review at US\$5.72 billion. This was underpinned by losses in the mining index.

Figure 5 : Market Capitalization



Source: Zimbabwe Stock Exchange, 2017

Johannesburg Stock Exchange (JSE) Development

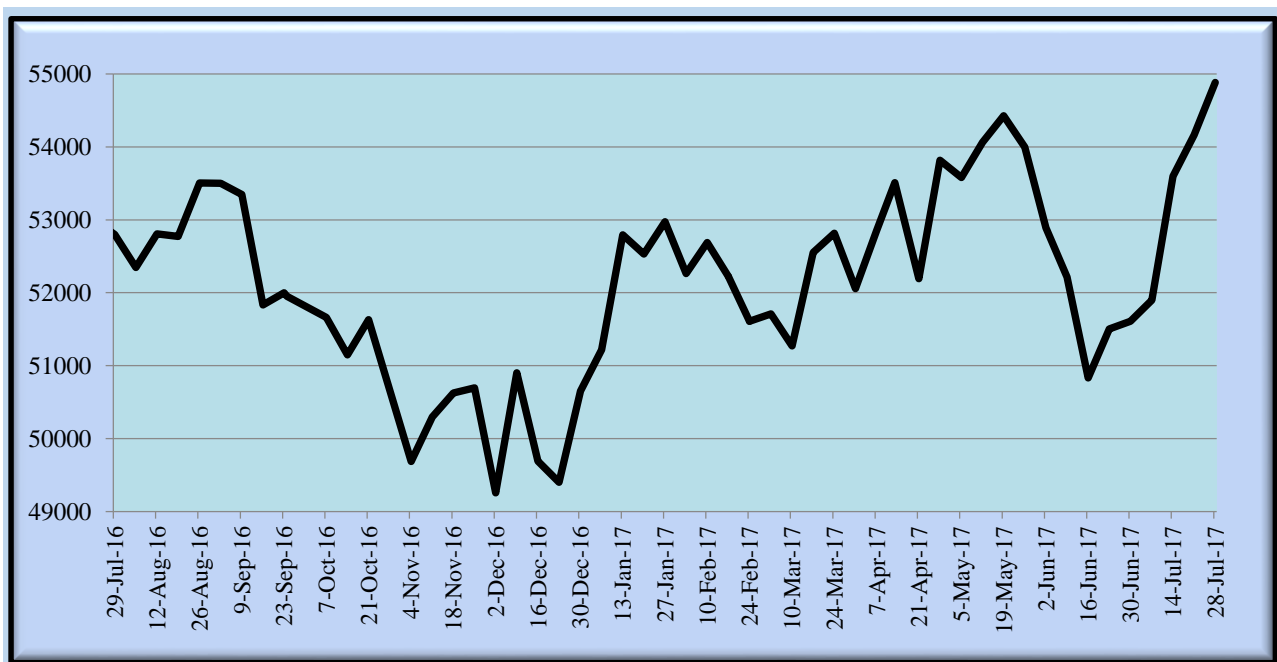
The JSE ALL share index increased by 1.33%, to close the week ending 28th July 2017 at 54 883.21 points. In tandem, the JSE market capitalization increased by 3.93%, to close the week at R14.80 trillion.

Table 8: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalization (ZAR trillion)
30-June-17	51 611.01	13.66
07-July-17	51 900.26	13.84
14-July-17	53 597.96	14.22
21-July-17	54 162.71	14.24
28-July-17	54 883.21	14.80
% Change	1.33	3.93

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

3rd AUGUST 2017