



Weekly Economic Highlights

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Week Ending
24th November 2017

1. INTEREST RATES

Deposit Rates

During the week ending 24th November 2017, average deposit rates for savings deposits declined by 0.12 percentage points to close the week at 4.10%. Average interest rates for deposits of 1 month tenor decreased by 0.13 percentage points, from 4.02 in the prior week to 3.89% during the week under analysis. Deposits rates for deposits of 3 months tenor, however, remained unchanged at 4.14%, on average, during the same week.

Table 1: Average Deposit Rates (per annum)

| Date | Savings Deposits (%) | 1-Month Deposits (%) | 3-Months Deposits (%) |
|----------------|----------------------|----------------------|-----------------------|
| 27-October-17 | 4.22 | 4.03 | 4.09 |
| 03-November-17 | 4.22 | 4.02 | 4.14 |
| 10-November-17 | 4.22 | 4.02 | 4.14 |
| 17-November-17 | 4.22 | 4.02 | 4.14 |
| 24-November-17 | 4.10 | 3.89 | 4.14 |

Source: Banking Institutions, 2017

Lending Rates

During the week under analysis, commercial banks weighted lending rates for individual clients fell by 0.03 percentage points to 9.66%. Weighted lending rates for corporate clients closed the same week at 7.03%, a 0.03 percentage points decrease from the 7.06% recorded in the previous week.

Table 2: Lending Rates

| Date | Lending Rates ¹ (%) | |
|----------------|--------------------------------|-------------------|
| | Commercial Banks (weighted) | |
| | Individuals | Corporate clients |
| 27-October-17 | 9.66 | 7.06 |
| 03-November-17 | 9.66 | 7.05 |
| 10-November-17 | 9.69 | 7.09 |
| 17-November-17 | 9.69 | 7.06 |
| 24-November-17 | 9.66 | 7.03 |

Source: Banking Institutions, 2017

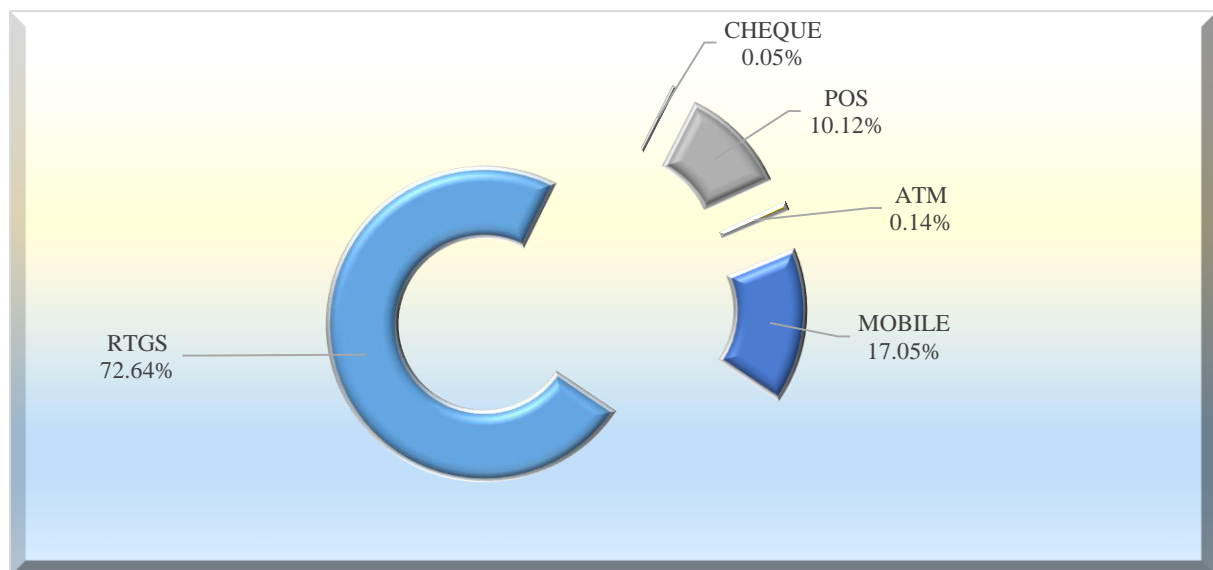
¹ Minimum weighted lending rates offered by commercial banks.

2. CLEARING AND SETTLEMENT ACTIVITY

The total value of transactions processed through the National Payment Systems (NPS) stood at US\$2 127.16 million during the week under analysis, up from US\$2 055.13 million recorded in the previous week. Transactions processed through the Real Time Gross Settlement (RTGS) system increased by 6%, to close the week under review at US\$1 545.12 million.

RTGS system payments accounted for 72.64% of the total value of transactions processed through the NPS, followed by Mobile, 17.05%; Point of Sale (POS), 10.12%; Automated Teller Machines (ATMs), 0.14%; and Cheque transactions, 0.05%, as shown in Figure 1.

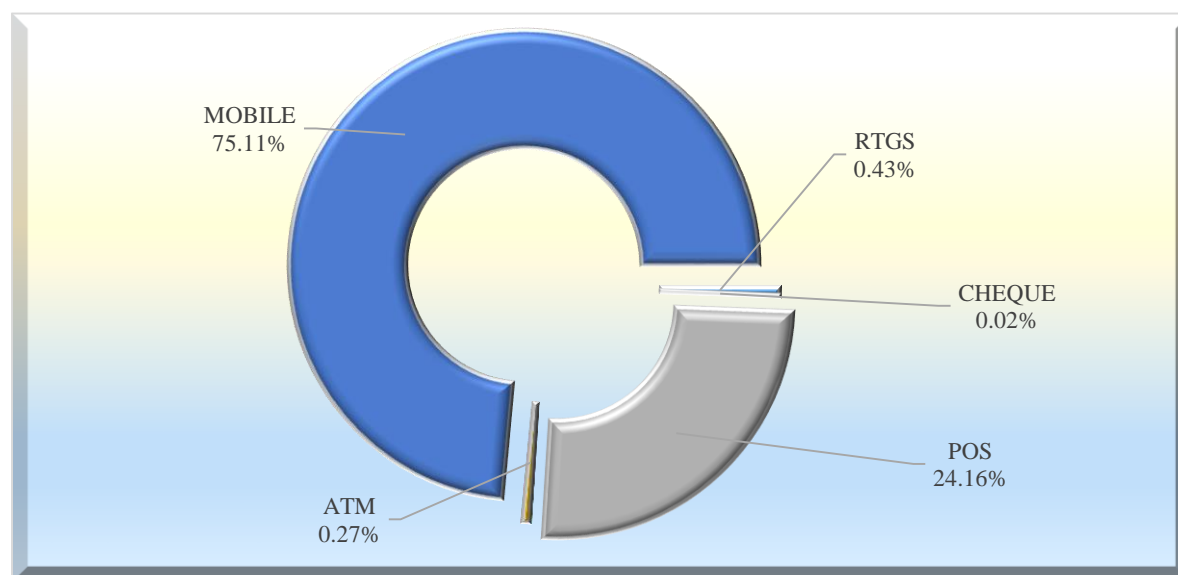
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2017

The total volume of NPS transactions decreased by 1%, from 26 487 177 in the previous week to 26 239 107 during the week under review. Mobile transactions, at 75.11% of the total, dominated NPS transactions. The other payment streams were distributed as follows: POS, 24.16%; RTGS, 0.43%; ATMs, 0.27%; 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 17 November 2017 | WEEK ENDING 24 November 2017 | CHANGE FROM LAST WEEK | PROPORTION |
|---------------------------------|------------------------------|------------------------------|-----------------------|-------------|
| VALUES IN USD (millions) | | | | |
| RTGS | 1,462.76 | 1,545.12 | 6% | 72.64% |
| CHEQUE | 1.17 | 1.07 | -8% | 0.05% |
| POS | 235.94 | 215.33 | -9% | 10.12% |
| ATMS | 3.77 | 3.04 | -19% | 0.14% |
| MOBILE | 351.48 | 362.59 | 3% | 17.05% |
| TOTAL | 2,055.13 | 2,127.16 | 4% | 100% |
| VOLUMES | | | | |
| RTGS | 110,382 | 113,957 | 3% | 0.43% |
| CHEQUE | 6,016 | 5,918 | -2% | 0.02% |
| POS | 6,900,834 | 6,340,037 | -8% | 24.16% |
| ATMs | 94,116 | 69,786 | -26% | 0.27% |
| MOBILE | 19,375,829 | 19,709,409 | 2% | 75.11% |
| TOTAL | 26,487,177 | 26,239,107 | -1% | 100% |

Source: Reserve Bank of Zimbabwe, 2017

4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

International commodity prices of gold, platinum, nickel and crude oil firmed during the week ending 24th November 2017. Nickel prices, however, retreated during the same week, as shown in Table 4.

Table 4: Metal and Crude Oil Prices

| | Gold | Platinum | Copper | Nickel | Crude Oil |
|----------------------------------|-----------------|-----------------|-----------------|------------------|------------------|
| 2017 | US\$/ounce | US\$/ounce | US\$/tonne | US\$/tonne | US\$/barrel |
| Week ending (13 - 17 Nov) | 1,279.85 | 931.60 | 6,801.90 | 11,912.00 | 62.15 |
| 20-Nov | 1289.28 | 939.50 | 6763.00 | 11595.00 | 62.22 |
| 21-Nov | 1281.65 | 927.00 | 6817.50 | 11645.00 | 62.74 |
| 22-Nov | 1285.45 | 936.00 | 6913.00 | 11780.00 | 63.33 |
| 23-Nov | 1290.25 | 933.00 | 6936.00 | 11910.00 | 63.42 |
| 24-Nov | 1289.83 | 949.00 | 6971.00 | 11945.00 | 63.73 |
| Week ending (20 - 24 Nov) | 1,287.29 | 936.90 | 6,880.10 | 11,775.00 | 63.09 |
| <i>Weekly Change (%)</i> | <i>0.6</i> | <i>0.6</i> | <i>1.1</i> | <i>(1.2)</i> | <i>1.5</i> |

Source: BBC, KITCO and Bloomberg

Gold

Gold prices rose by 0.6%, from a weekly average of US\$1 279.85/oz recorded in the previous week to US\$1 287.29/oz, during the week under review. This was underpinned by a weaker US dollar, which increased the appeal of gold as a safe haven asset.

Platinum

Platinum prices also firmed by 0.6%, from US\$931.60/oz recorded in the previous week, to US\$936.90/oz during the week under analysis. Prices increased amid prospects of rising demand, ahead of a US Fed rate decision.

Copper

Copper prices increased by 1.1%, from US\$6 801.90/ton in the previous week to US\$6 880.10/ton, during the week ending 24th November 2017. The base metal price was buoyed by a weaker US dollar.

Nickel

Nickel prices continued on a negative trajectory, registering a 1.2% decrease from a weekly average of US\$11 912.00/ton in the previous week, to US\$11 775.00/ton during the week under review. This followed concerns over slackening demand in China, the world's top consumer of the metal.

Crude Oil

Crude oil prices firmed by 1.5%, from US\$62.15/barrel in the previous week to US\$63.09/barrel during the week under review. This was on the back of signs of decline in US shale crude oil production and rising optimism about crude oil market rebalancing.

5. EXCHANGE RATES

During the week under review, the U.S. dollar depreciated against the British pound, euro, rand and pula by 13.7%, 0.3%, 2.8 and 1.4%, respectively. This was underpinned by revelations from minutes of the Federal Reserve's latest meeting which indicated that some US policy makers believe that low inflation in the US economy may persist longer than expected.

Table 5: International Exchange Rates per US\$

| | ZAR | GBP | BWP | EURO |
|---------------------------------------|----------------|---------------|----------------|---------------|
| 2017 | | | | |
| Weekly Average (13 - 17 Nov) | 14.3629 | 0.8735 | 10.6170 | 0.8517 |
| 20-Nov | 14.0355 | 0.7575 | 10.4767 | 0.8525 |
| 21-Nov | 14.0389 | 0.7548 | 10.4987 | 0.8519 |
| 22-Nov | 13.9895 | 0.7545 | 10.5097 | 0.8517 |
| 23-Nov | 13.8443 | 0.7506 | 10.4167 | 0.8453 |
| 24-Nov | 13.9010 | 0.7523 | 10.4167 | 0.8436 |
| Weekly Average (20 - 24 Nov) | 13.9618 | 0.7539 | 10.4637 | 0.8490 |
| <i>Appr(+)/Depr(-) (%) of the USD</i> | -2.8 | -13.7 | -1.4 | -0.3 |

Source: Reuters, 2017

6. EQUITY MARKETS

Profit taking and portfolio rebalancing characterized the Zimbabwe Stock Exchange (ZSE), during the week under review. Trading remained depressed, in response to the prevailing economic environment and political developments. Consequently, the industrial index declined by 26.36% to close the week at 318.65 points. Losses were recorded in Old Mutual Plc (60.21%); OK Zimbabwe (45.50%); SeedCo (45.21%); Delta (35.10%); and Econet (33.82%). Partially offsetting the losses were gains realized in Masimba Holdings (4.17%) and National Tyre Services (0.88%).

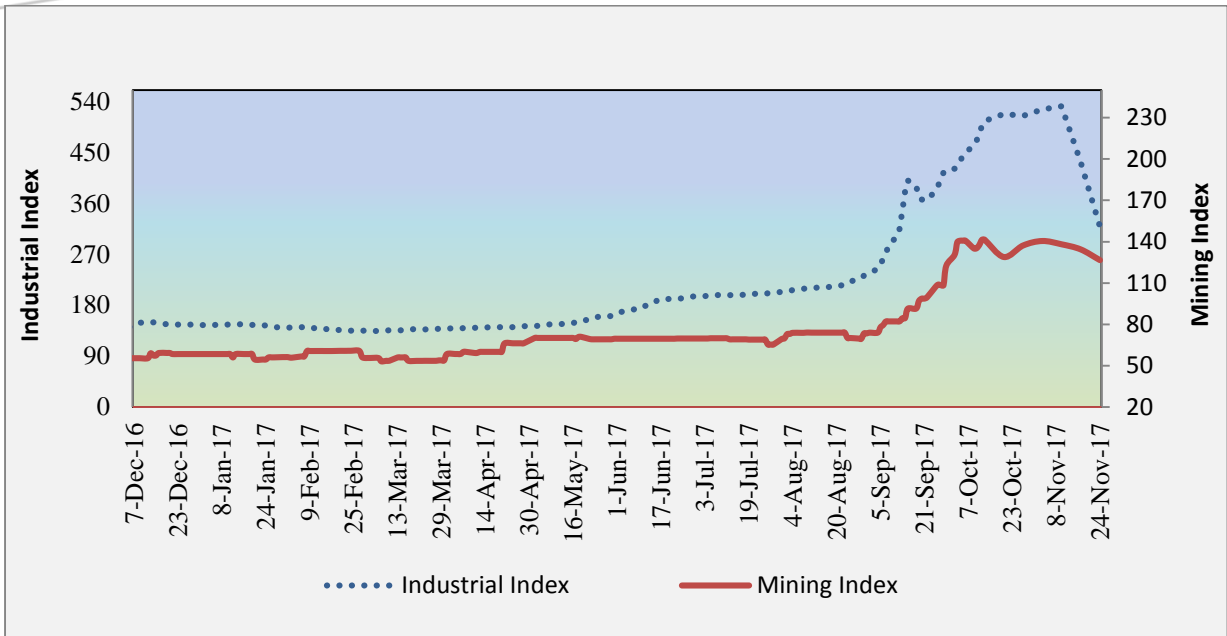
The mining index decreased by 5.78%, from 134.40 points recorded in the previous week to 126.63 points during the week under review. The increase was underpinned by losses in Bindura Nickel Corporation (21.78%). Hwange Colliery Company and RioZim remained inactive, while Falgold traded at the previous week price level during the same week.

Table 6: Zimbabwe Stock Exchange (ZSE) Statistics

| | Industrial Index (points) | Mining Index (points) | Grand Market Capitalization (US\$) | Market Turnover (US\$) | Volume of Shares |
|--------------------------|----------------------------------|------------------------------|---|-------------------------------|-------------------------|
| 03-November-17 | 525.63 | 140.50 | 14,948,742,418 | 38,391,493 | 32,101,054 |
| 10-November-17 | 531.55 | 138.12 | 15,121,184,803 | 39,653,381 | 54,851,247 |
| 17-November-17 | 432.72 | 134.40 | 12,347,479,764 | 84,087,123 | 48,932,558 |
| 24-November-17 | 318.65 | 126.63 | 9,149,537,933 | 29,750,805 | 39,005,975 |
| Weekly Change (%) | -26.36 | -5.78 | -25.90 | -64.62 | -20.29 |

Source: Zimbabwe Stock Exchange (ZSE), 2017

Figure 3 : Zimbabwe Stock Exchange Indices

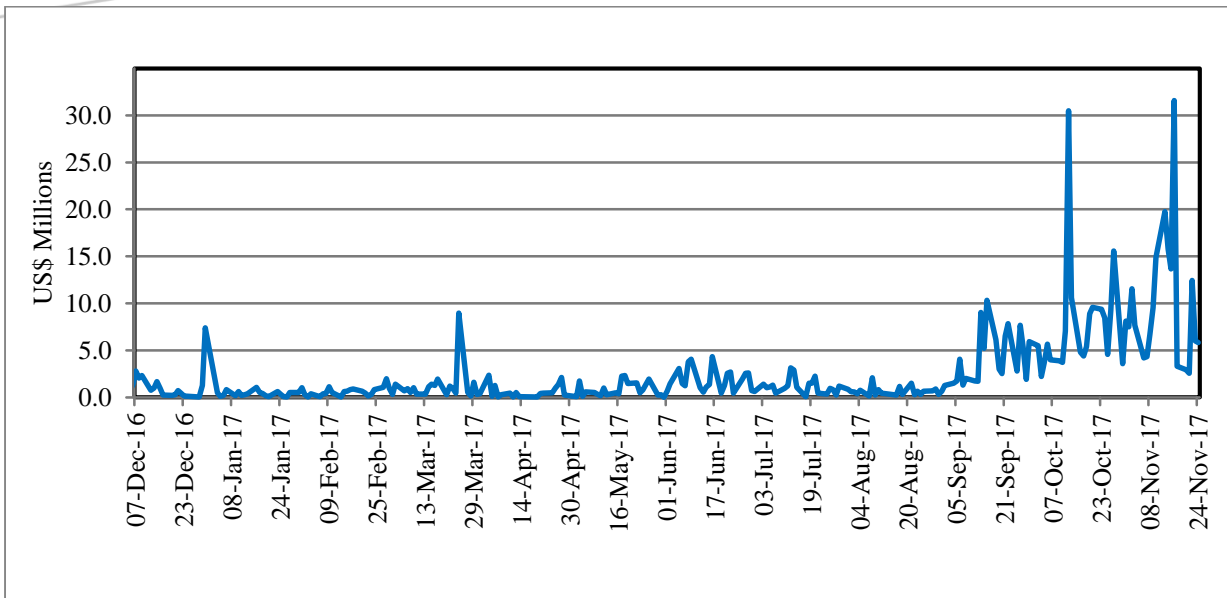


Source: Zimbabwe Stock exchange, 2017

Market Turnover and Volume

The volume of shares traded decreased by 20.29% to close the week under review at 39 00 975 shares. Concomitantly, ZSE market turnover registered a 64.62% decline, to close the week ending 24th November 2017 at US\$29.75 million.

Figure 4: Daily Market turnover

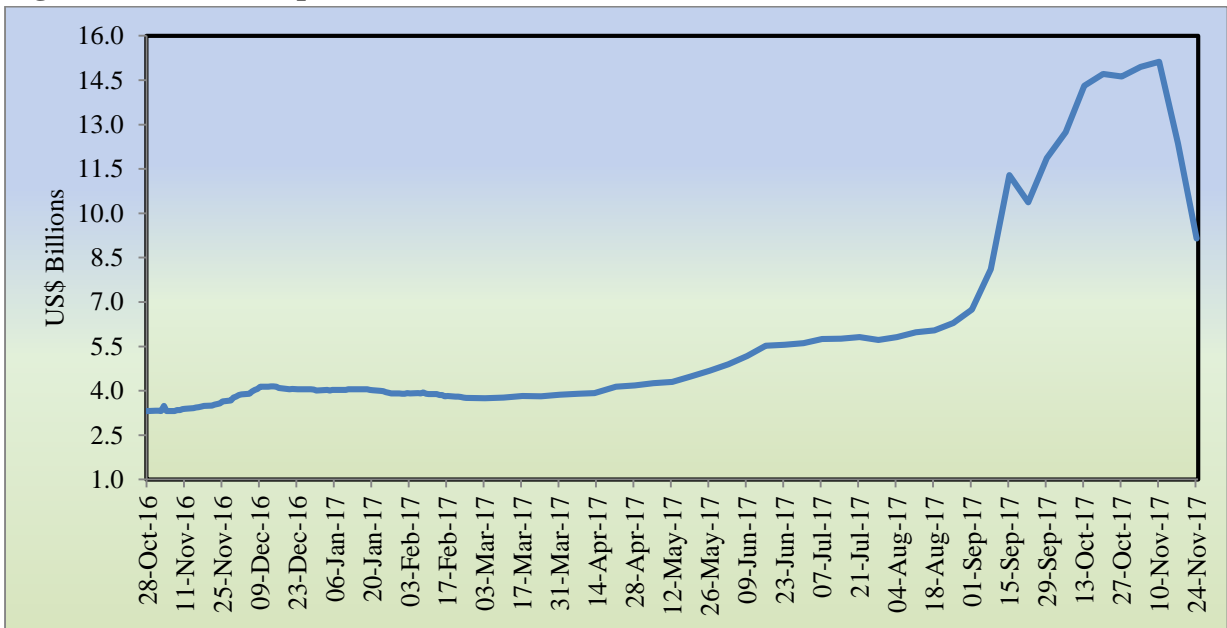


Source: Zimbabwe Stock Exchange, 2017

Market Capitalization

The ZSE market capitalization registered a 25.90% decline, from US\$12.35 billion in the previous week, to close the week under review at US\$9.15 billion. This was underpinned by losses in both the mining and industrial counters.

Figure 5 : Market Capitalization



Source: Zimbabwe Stock Exchange, 2017

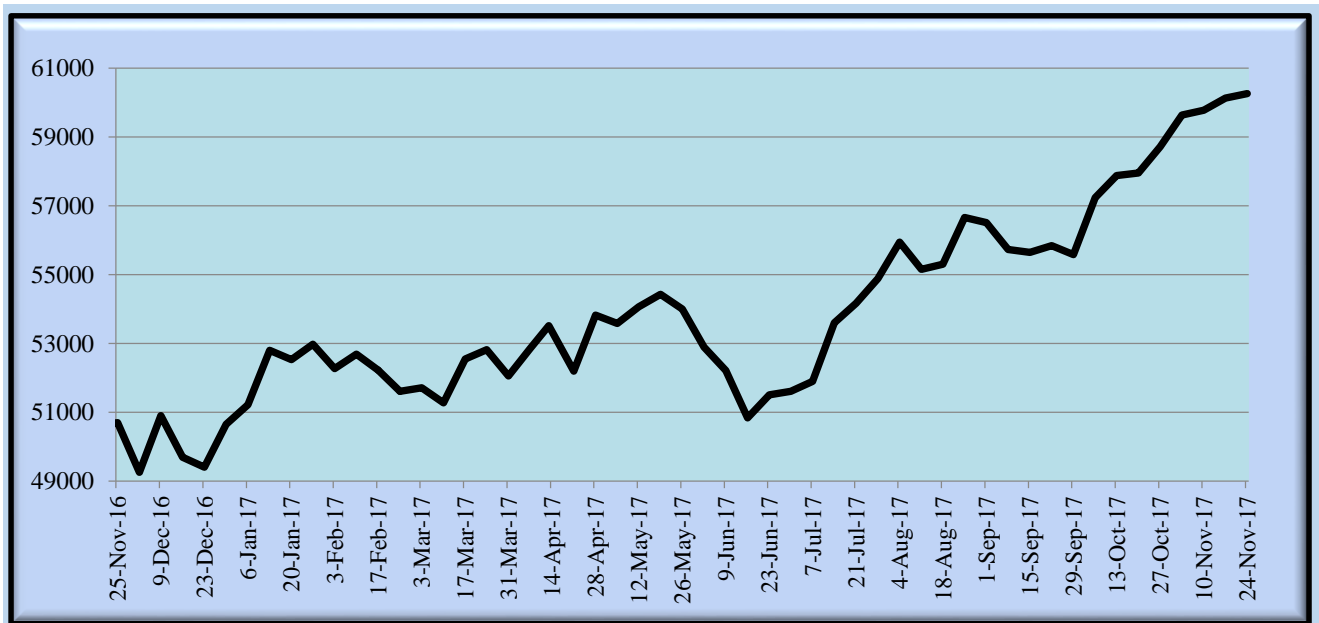
Johannesburg Stock Exchange (JSE) Development

The JSE All Share Index closed the week ending 24th November 2017 at 60 323.95 points, up from 60 128.92 points registered in the previous week. Correspondingly, market capitalization increased by 0.81% to close the week under review at R16.26 trillion.

| Period | All Share Index (points) | Market Capitalization (ZAR trillion) |
|-----------------|--------------------------|--------------------------------------|
| 20-October 17 | 57 948.66 | 15.94 |
| 27-October-17 | 58 714.04 | 16.13 |
| 03-November-17 | 59 638.21 | 16.38 |
| 10-November-17 | 59 776.12 | 16.28 |
| 17-November-17 | 60 128.92 | 16.13 |
| 24-November-17 | 60 323.95 | 16.26 |
| % Change | 0.32 | 0.81 |

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

1st DECEMBER 2017