



Weekly Economic Highlights

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Week Ending
26th January 2018

1. INTEREST RATES

Deposit Rates

Average deposit rates for savings deposits, deposits of 1 month and 3 month tenors remained unchanged at previous week levels, during the week ending 26th January 2018.

Table 1: Average Deposit Rates (per annum)

Date	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
29-December-17	4.10	3.84	4.11
05-January-18	4.35	3.80	4.19
12-January-18	4.35	3.81	4.09
19 January-18	4.35	3.81	4.09
26-January-18	4.35	3.81	4.09

Source: Banking Institutions, 2018

Lending Rates

During the week under review, commercial bank weighted lending rates for individual clients stood at 9.33%, up from 9.31% recorded in the previous week. Weighted lending rates for corporate clients, however, remained unchanged at 6.99%.

Table 2: Lending Rates

Date	Lending Rates ¹ (%)	
	Commercial Banks (weighted)	
	Individuals	Corporate clients
29-December-17	9.39	7.00
05-January-18	9.32	7.02
12-January-18	9.30	7.01
19-January-18	9.31	6.99
26-January-18	9.33	6.99

Source: Banking Institutions, 2018

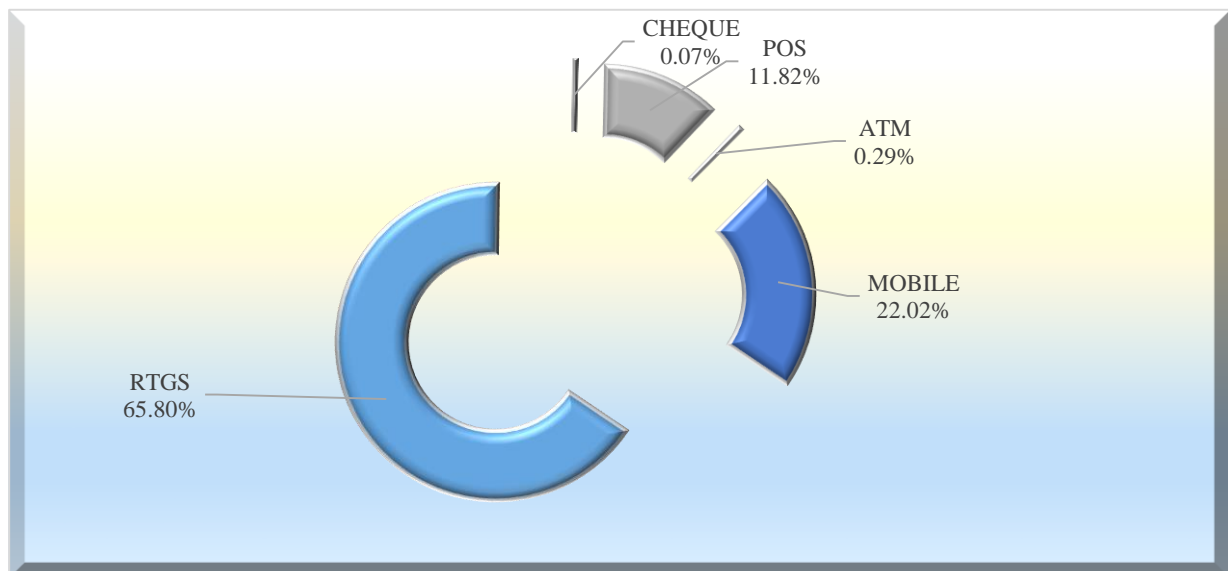
¹ Minimum weighted lending rates offered by commercial banks.

2. CLEARING AND SETTLEMENT ACTIVITY

The total value of transactions processed through the National Payment System (NPS) declined by 6%, to close the week under review at US\$1 766.72 million. This was largely on account of the decline in Real Time Gross Settlement (RTGS) transactions, from US\$1 284.13 million in the previous week to US\$1 162.55 million, during the week under analysis.

In value terms, RTGS transactions accounted for 65.80% of total NPS transactions. The proportions of other payment streams were as follows: Mobile, 22.02%; POS, 11.82%; ATM, 0.29%; and Cheque, 0.07%, as shown in Figure 1.

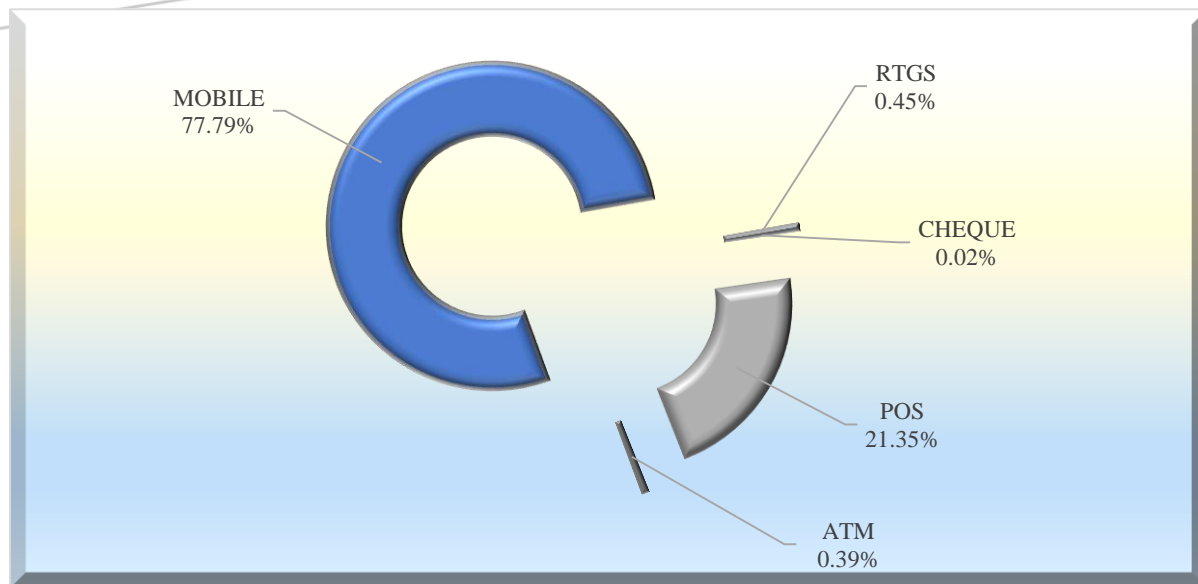
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2018

The volume of transactions processed through the NPS stood at 26 906 840, during the week under review. This reflected a 3% increase from the 26 057 297 transactions recorded in the previous week. The distribution of NPS transaction volumes was as follows: Mobile, 77.79%; POS, 21.35%; RTGS, 0.45%; ATMs, 0.39%; and Cheque, 0.02%, as shown in figure 2.

Figure 2: Composition of NPS Transactions in Volume Terms



Source: Reserve Bank of Zimbabwe, 2018

Table 3: National Payment Systems Activity

PAYMENT STREAM	WEEK ENDING 19 January 2018	WEEK ENDING 26 January 2018	CHANGE FROM LAST WEEK	PROPORTION
VALUES IN USD (millions)				
RTGS	1,284.13	1,162.55	-9%	65.80%
CHEQUE	1.24	1.24	-1%	0.07%
POS	227.95	208.75	-8%	11.82%
ATMS	4.54	5.14	13%	0.29%
MOBILE	353.09	389.04	10%	22.02%
TOTAL	1,870.96	1,766.72	-6%	100%
VOLUMES				
RTGS	103,743	121,168	17%	0.45%
CHEQUE	5,959	5,807	-3%	0.02%
POS	6,651,416	5,744,283	-14%	21.35%
ATMs	93,876	105,392	12%	0.39%
MOBILE	19,202,303	20,930,190	9%	77.79%
TOTAL	26,057,297	26,906,840	3%	100%

Source: Reserve Bank of Zimbabwe, 2018

3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

During the week ending 26th January 2018, the weekly average international commodity prices of gold, nickel and crude oil increased. Platinum and copper 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
2018	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
Week ending (15 -19 Jan)	1,335.75	1,015.06	7,148.50	12,627.50	69.54
22-Jan	1,333.38	1,017.50	7,081.00	12,700.00	69.27
23-Jan	1,335.25	994.00	7,090.00	12,715.00	70.17
24-Jan	1,351.85	1,015.00	6,944.00	12,830.00	70.74
25-Jan	1,357.60	1,020.00	7,135.00	13,580.00	70.08
26-Jan	1,353.75	1,017.00	7,098.00	13,605.00	70.46
Week ending (22 -26 Jan)	1,344.52	1,011.63	7,062.50	12,956.25	70.07
<i>Weekly Change (%)</i>	<i>0.7</i>	<i>(0.3)</i>	<i>(1.2)</i>	<i>2.6</i>	<i>0.8</i>

Source: BBC, KITCO and Bloomberg

Gold

Gold prices rose by 0.7%, from a weekly average of US\$1 335.75/oz recorded in the previous week to US\$1 344.52/oz, during the week under review. The increase in the yellow metal prices was buoyed by the decision of the Federal Reserve to keep interest rates unchanged until mid-2018.

Platinum

Platinum prices, however, declined by 0.3%, from US\$1 015.06/oz recorded in the previous week to US\$1 011.63/oz, during the week under analysis. Prices were weighed down by the weaker automobile industry global demand for the metal.

Copper

Copper prices fell by 1.2%, to close the week under analysis at US\$7 062.50/tonne from a weekly average of US\$7 148.50/ton in the previous week. This was on account of declining global demand, as reflected by rising global inventories.

Nickel

Nickel prices rose by 2.6%, to close at US\$12 956.25/ton, during the week ending 26th January 2018. This was on the back of the expected increase in demand for the metal, particularly in China.

Crude Oil

Crude oil prices firmed by 0.8%, from US\$69.54/barrel in the previous week to US\$70.07/barrel, during the week under review. The increase was largely attributable to a fall in U.S. crude oil inventories, coupled with rising prospects of strong global demand.

4. EXCHANGE RATES

The US dollar depreciated by 2.3%; 1.8%; 1.2; and 0.6%, against the rand, British pound, pula and euro, respectively, during the week ending 26th January 2018. This followed the decision by the Fed Res not to raise interest rates until mid-2018 and sentiments from the U.S Treasury secretary that implied that a weaker US dollar is good for trade.

Table 5: International Exchange Rates per US\$

	ZAR	GBP	BWP	EURO
2018				
Weekly Average (15 - 19 Jan)	12.3130	0.7254	9.7933	0.8173
22-Jan	12.1020	0.7213	9.7561	0.8179
23-Jan	12.0784	0.7154	9.6805	0.8160
24-Jan	12.0388	0.7130	9.6805	0.8118
25-Jan	11.8851	0.6998	9.5923	0.8042
26-Jan	11.9026	0.7056	9.5374	0.8051
Weekly Average (22 - 26 Jan)	12.0260	0.7124	9.6774	0.8125
<i>Appr(+)/Depr(-) (%) of the USD</i>	<i>(2.3)</i>	<i>(1.8)</i>	<i>(1.2)</i>	<i>(0.6)</i>

Source: Reuters, 2018

5. EQUITY MARKETS

During the week ending 26th January 2018, the Zimbabwe Stock Exchange (ZSE) continued on a negative trajectory for the fourth consecutive week. The ZSE All Share index decreased by 0.24%, from 91.49 points in the prior week to close at 91.27 points, during the week under analysis. This was on account of declines in both the industrial and mining indices.

The industrial index fell by 0.17%, to close the week under review at 305.18 points. This was attributed to losses realized in Amalgamated Regional Trading (ART) (19.77%); Simbisa Brands (11.67%); Old Mutual (8.37%); Turnall Holdings (7.22%); and Ariston (6.25%). Partially offsetting the losses were gains registered in Meikles (14.75%); Pretoria Portland Cement (13.14%); CBZ (11.11%); Willdale (8.33%); and Delta (4.28%).

The mining index also decreased by 3.05%, from 134.52 points in the previous week to close the week under review at 130.42 points. This was on account of losses in Bindura Nickel Corporation, (11.50%). Falgold and RioZim traded at previous week price levels, whilst Hwange Colliery Company remained inactive during the same week.

Table 6: Zimbabwe Stock Exchange (ZSE) Statistics

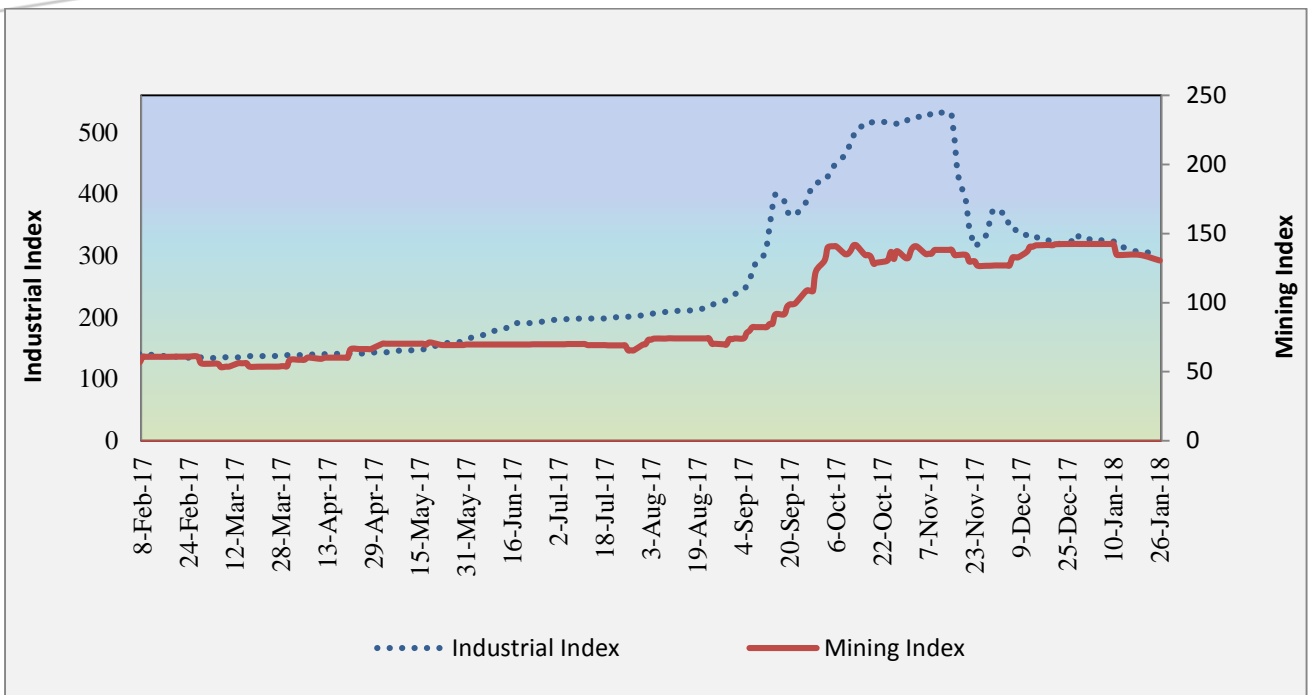
	All Share Index ² (points)	Top 10 index ³ (Points)	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
05-January-18	97.59	97.66	325.23	142.40	9,236,434,615	1,558,769	7,745,882
12-January-18	94.69	94.40	316.10	134.37	8,962,112,350	4,964,991	14,864,252
19-January-18	91.49	90.58	305.70	134.52	8,669,124,395	8,385,026	15,263,065
26-January-18	91.27	90.34	305.18	130.42	8,648,322,612	10,109,766	10,789,311
Weekly Change (%)	-0.24	-0.26	-0.17	-3.05	-0.24	20.57	-29.31

Source: Zimbabwe Stock Exchange (ZSE), 2018

² The All share Index shows the changing average value of shares of all companies on the market.

³ The Index is calculated using the market capitalisation method.

Figure 3: Zimbabwe Stock Exchange Indices

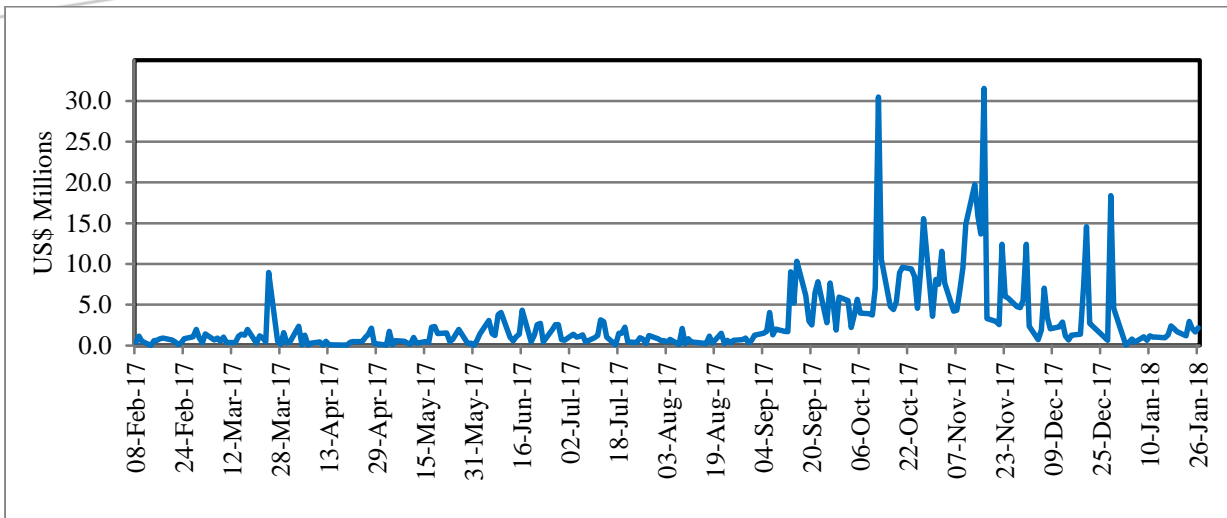


Source: Zimbabwe Stock exchange, 2018

Market Turnover and Volume

The volume of shares traded on the ZSE declined by 29.31% to US\$10.79 million, during the week ending 26th January 2018. Market turnover, however, increased by 20.57%, from US\$8.39 million recorded in the prior week to US\$10.11 million, during the week under analysis. Foreign investor participation improved, as reflected by net inflows of US\$2.94 million and US\$3.15 million, respectively, recorded during the two consecutive weeks.

Figure 4: Daily Market turnover

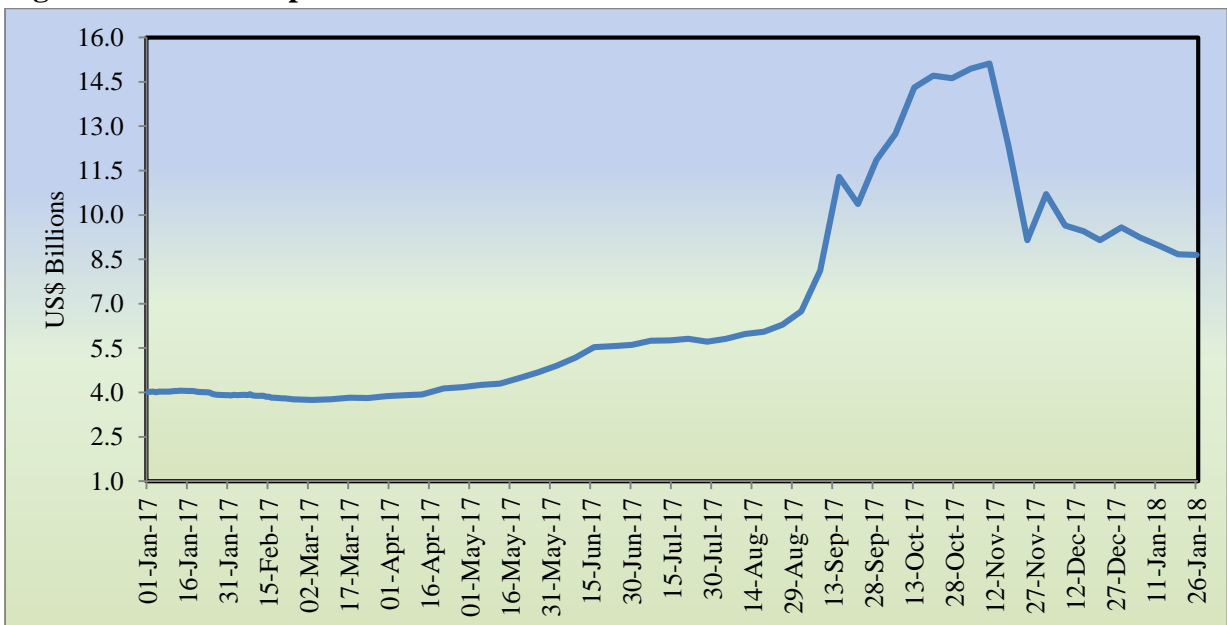


Source: Zimbabwe Stock Exchange, 2018

Market Capitalization

During the week under review, the ZSE market capitalization stood at US\$8.65 billion, a 0.24% loss from the US\$8.69 billion recorded in the previous week. This followed losses in both the industrial and mining indices.

Figure 5: Market Capitalization



Source: Zimbabwe Stock Exchange, 2018

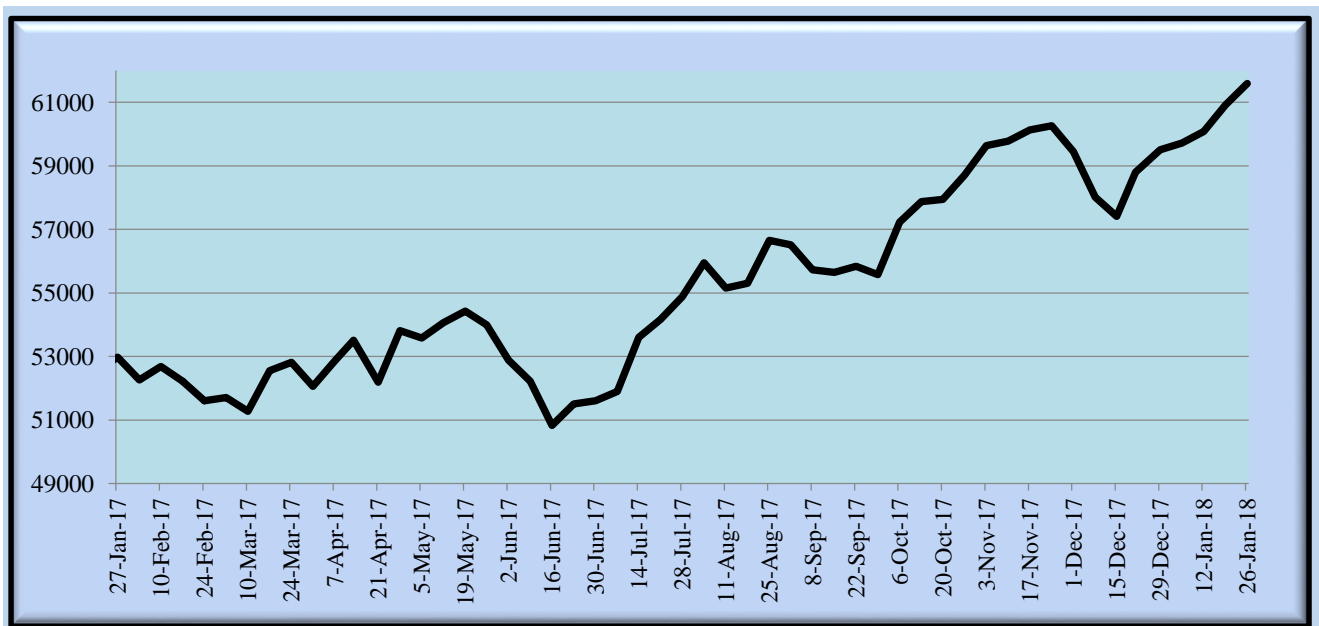
Johannesburg Stock Exchange (JSE) Development

The JSE All Share index registered a 1.12% increase, from 60 912.88 points in the previous week, to close the week ending 26th January at 61 595.86 points. JSE market capitalization, however, declined from R15.87 trillion to R15.83 trillion, during the week under review.

Period	All Share Index (points)	Market Capitalization (ZAR trillion)
05-January-18	59 717.20	15.58
12-January-18	60 083.13	15.75
19-January-18	60 912.88	15.87
26-January-18	61 595.86	15.83
% Change	1.12	-0.25

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

2ND FEBRUARY 2018