



Weekly Economic Highlights

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Week Ending
2nd March 2018

1. INTEREST RATES

Deposit Rates

Average deposits rates on savings deposits and deposits of 1 month and 3 month tenors remained unchanged at 3.97%; 3.34%; and 3.63%, respectively, during the week ending 2nd March 2018.

Table 1: Average Deposit Rates (per annum)

Date	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
26-January-18	4.35	3.81	4.09
02-February-18	4.35	3.81	4.09
09-February-18	4.54	3.47	4.08
16 February-18	4.14	3.49	3.86
23-February-18	4.22	3.43	3.71
02-March-18	3.97	3.34	3.63

Source: Banking Institutions, 2018

Lending Rates

During the week under analysis, commercial bank weighted lending rates for individual clients closed the week unchanged at 9.57%. Weighted lending rates for corporate clients closed the same week at 6.94%, a 0.01 percentage points increase from the 6.93% recorded in the previous week.

Table 2: Lending Rates

Date	Lending Rates ¹ (%)	
	Commercial Banks (weighted)	
	Individuals	Corporate clients
26-January-18	9.33	6.99
02-February-18	9.55	6.91
09-February-18	9.57	6.93
16-February-18	9.58	6.93
23-February-18	9.57	6.93
02-March-18	9.57	6.94

Source: Banking Institutions, 2018

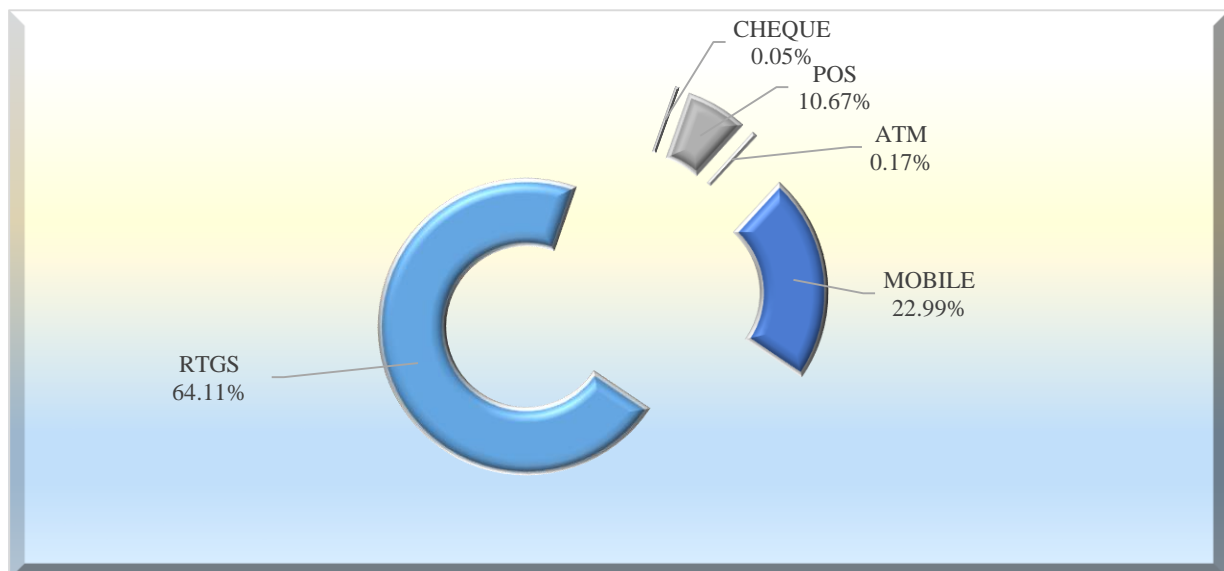
¹ Minimum weighted lending rates offered by commercial banks.

2. CLEARING AND SETTLEMENT ACTIVITY

The total value of transactions processed through the National Payments System (NPS) stood at US\$1,933.83 million during the week under review, up from US\$1,628.79 million recorded in the previous week. Transactions processed through the Real Time Gross Settlement (RTGS) system declined by 7.4% to close the week under review at US\$1,154.51 million, from US\$1,239.86 million recorded during the previous week.

RTGS payments accounted for 64.11% of the total value of transactions processed through the NPS. Mobile, Point of Sale (POS), Automated Teller Machines (ATMs) and cheque transactions, accounted for 22.99%; 10.67%; 0.17%; and 0.05%, respectively.

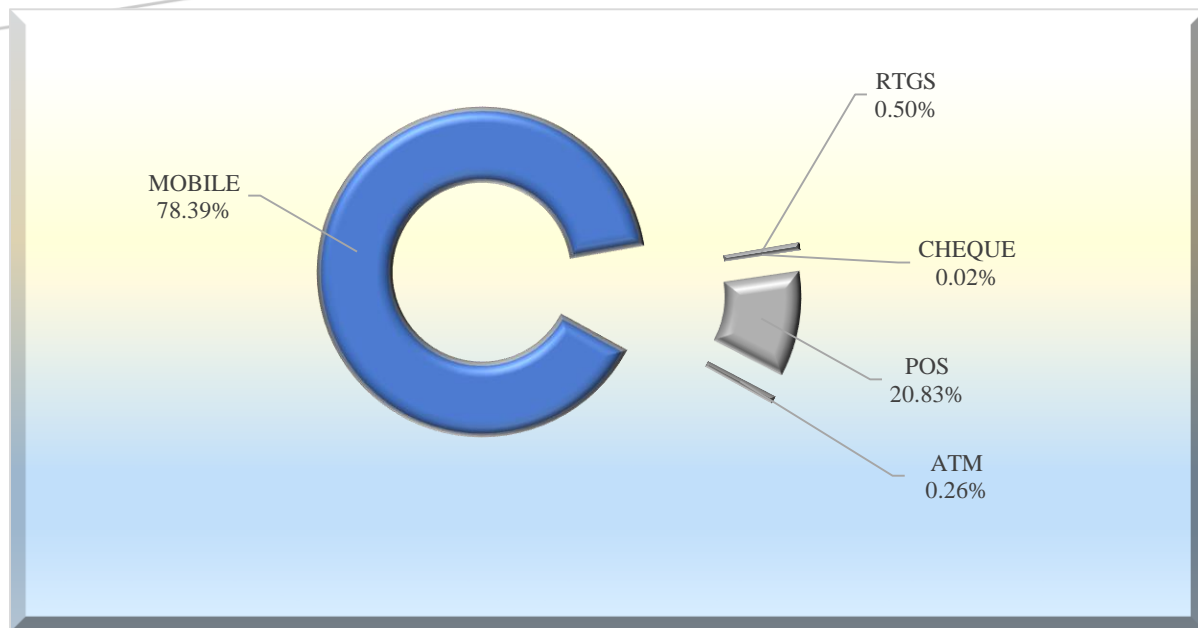
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2018

During the week ending 2nd March 2018, the total volume of NPS transactions registered a 32% increase, to close the week at 29 318 308 transactions. The NPS transaction volumes were distributed as follows: Mobile, 78.39%; POS, 20.83%; RTGS, 0.50%; ATM, 0.26%; 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 23 February 2018	WEEK ENDING 02 March 2018	CHANGE FROM LAST WEEK	PROPORTION
VALUES IN US\$ (millions)				
RTGS	1,154.51	1,239.86	7.4%	64.11%
CHEQUE	0.94	1.03	10%	0.05%
POS	102.62	206.34	101%	10.67%
ATMS	3.54	3.38	-5%	0.17%
MOBILE	367.18	483.22	32%	24.99%
TOTAL	1,628.79	1,933.83	19%	100%
VOLUMES				
RTGS	93,308	146,783	57%	0.50%
CHEQUE	4,896	5,582	14%	0.02%
POS	2,203,306	6,107,069	177.2%	20.83%
ATMs	83,445	76,993	-8%	0.26%
MOBILE	19,786,137	22,981,881	16%	78.39%
TOTAL	22,171,092	29,318,308	32%	100%

Source: Reserve Bank of Zimbabwe, 2018

3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international commodity prices of gold, platinum, copper, nickel and crude oil softened during the week ending 2nd March 2018, as shown in Table 4.

Table 4: Metal and Crude Oil Prices

	Gold	Platinum	Copper	Nickel	Crude Oil
Week ending (19 - 23 Feb)	1,335.38	985.40	7,136.90	13,715.00	65.93
26-Feb	1,336.28	1,001.00	7,127.50	13,740.00	67.56
27-Feb	1,329.25	995.00	7,133.00	13,895.00	66.28
28-Feb	1,319.08	980.00	7,018.00	13,795.00	64.65
1-Mar	1,314.03	970.50	6,949.50	13,690.00	64.21
2-Mar	1,321.30	964.00	6,939.00	13,410.00	64.46
Week ending (26 Feb - 2 Mar)	1,323.99	982.10	7,033.40	13,706.00	65.43
<i>Weekly Change (%)</i>	<i>(0.9)</i>	<i>(0.3)</i>	<i>(1.5)</i>	<i>(0.1)</i>	<i>(0.8)</i>

Source: BBC, KITCO and Bloomberg 2018

Gold

Gold prices declined by 0.9%, from a weekly average of US\$1,335.38/oz. in the previous week, to US\$1,323.99/oz., during the week under review. This followed comments made by the Federal Reserve Chairman which signalled the possibility of an interest rate hike in March 2018.

Platinum

Platinum prices fell by 0.3%, to close the week of analysis at a weekly average of US\$982.10oz. This was on the back of a dampened investment demand outlook for precious metals, following concerns over the possibility of an interest rate hike in the US.

Copper

Copper prices closed the week under review at a weekly average of US\$7,033.4/ton, registering a 1.5% decline from US\$7,136.90/ton in the previous week. The decline was underpinned by a strengthening US dollar, following the remarks by the Fed Res, indicating possible monetary policy tightening.

Nickel

Nickel prices declined by 0.1%, from US\$13,715/ton in the previous week to US\$13,706.00/ton during the week under review. This was on the back of a slowdown in activity in the Chinese manufacturing industry in February 2018, following business disruptions due to the Lunar New Year holidays.

Crude Oil

Crude oil prices declined by 0.8%, from a weekly average of US\$65.93/barrel in the previous week to US\$65.43/barrel in the week under review. The prices were weighed down by a surge in US shale production, which disrupted OPEC's plans to scale down global production.

4. EXCHANGE RATES

During the week ending 2nd March 2018, the US dollar appreciated against the euro (0.6%); pound Sterling (0.6%); pula (0.3%); and rand (0.2%). This was on the back of the anticipation of further US monetary policy tightening in March 2018.

Table 5: International Exchange Rates per US\$

	ZAR	GBP	BWP	EURO
2018				
Weekly Average (19 - 23 Feb)	11.6756	0.7161	9.4933	0.8101
26-Feb	11.5254	0.7133	9.4787	0.8114
27-Feb	11.5726	0.7162	9.4652	0.8113
28-Feb	11.7297	0.7195	9.5238	0.8182
1-Mar	11.8070	0.7271	9.5238	0.8201
2-Mar	11.8637	0.7256	9.5969	0.8146
Weekly Average (26 Feb – 2 Mar)	11.6997	0.7203	9.5177	0.8151
<i>Appr(+)/Depr(-) (%) of the USD</i>	<i>0.2</i>	<i>0.6</i>	<i>0.3</i>	<i>0.6</i>

Source: Reuters, 2018

5. EQUITY MARKETS

The Zimbabwe Stock Exchange (ZSE) continued on a negative trajectory for the ninth consecutive week, during the week ending 2nd March 2018. The ZSE All Share Index registered a 1.17% to close the week under review at 87.26 points.

The industrial index closed the week under analysis at 291.95 points, a 1.11% decline from 295.24 points in the previous week. The decline in the industrial index was largely driven by losses in Fidelity Life Assurance Limited (16.67%); Mashonaland Holdings Limited (6.69%); Simbisa Brands Limited (4.88%); Padenga Holdings Limited (4.58%) and Axia Corporation Limited (6.52%).

Similarly, the mining index declined by 2.72% to close the week ending 2nd March 2018 at 124.91 points, emanating from a 11.76% decrease in Bindura Nickel Corporation (BNC). Hwange Colliery Company (HCC) and RioZim traded at previous week price levels, while Falgold remained inactive during the week under review.

Table 6: Zimbabwe Stock Exchange (ZSE) Statistics

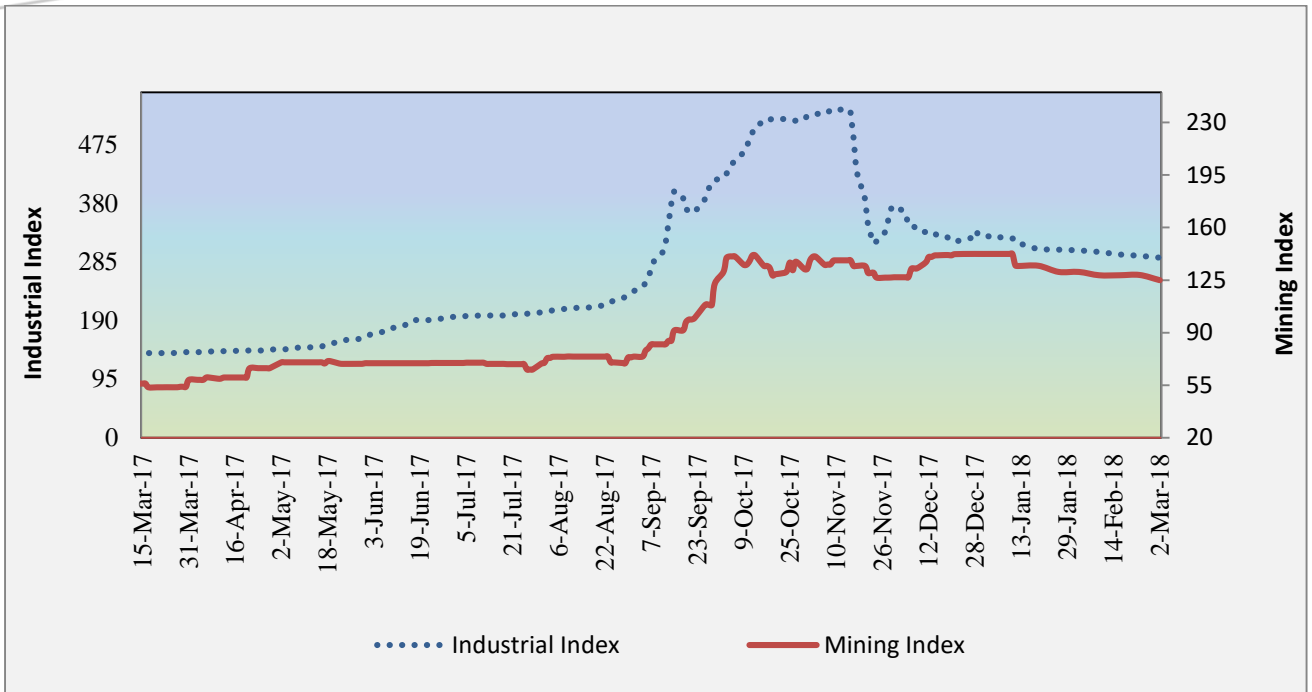
	All Share Index ² (points)	Top 10 index ³ (Points)	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
02-February-18	90.37	90.26	304.16	130.42	8,619,572,018	11,978,884	18,533,807
09-February-18	90.05	89.22	301.20	128.19	8,577,214,535	16,481,282	18,028,240
16-February-18	88.86	87.78	297.16	128.19	8,463,437,567	24,652,237	28,400,595
23-February-18	88.29	87.47	295.24	128.40	8,411,137,031	6,395,063	10,200,476
02-March-18	87.26	86.05	291.95	124.91	8,316,594,858	15,209,231	80,052,036
Weekly Change (%)	-1.16	-1.62	-1.11	-2.72	-1.12	137.83	684.79

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

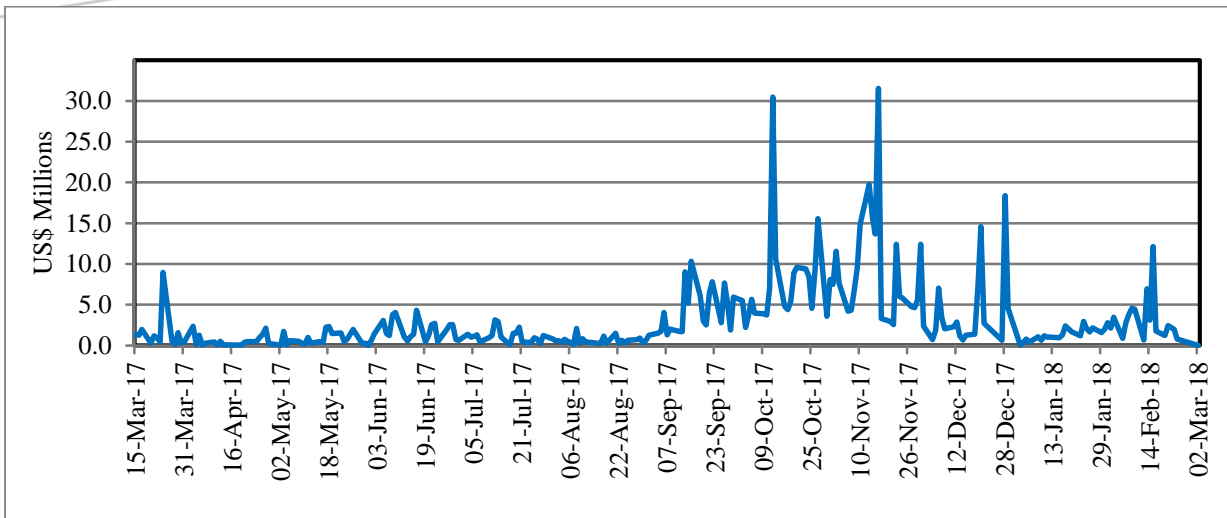


Source: Zimbabwe Stock exchange, 2018

Market Turnover and Volume

The volume of shares traded on the ZSE registered a 684.79% increase, to close the week ending 2nd March 2018 at 80 052 036 shares, from 10 200 476 shares in the previous week. Consequently, the ZSE market turnover also increased by 137.83% to US\$15.21 million, during the week under review. The significant increase in the volume of shares traded was reflective of block trades in First Mutual Properties, 23.3 million shares; Dairibord, 3.47 million shares; Meikles, 2.97 shares; TSL, 1.87 million shares; and Delta Corporation, 0.99 million shares. Foreign investors contributed 32.06% to the total value of shares traded.

Figure 4: Daily Market turnover

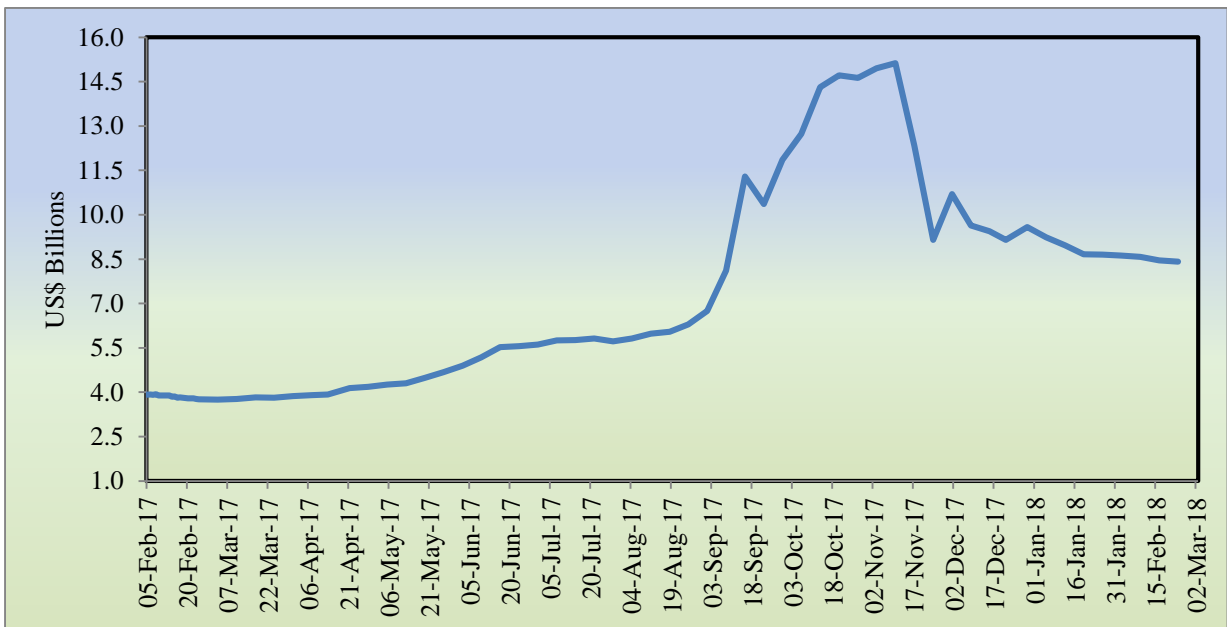


Source: Zimbabwe Stock Exchange, 2018

Market Capitalization

The ZSE market capitalization stood at US\$8.32 billion during the week under review, down from US\$8.41 billion in the previous week. This was on the back of profit taking and portfolio rebalancing which characterized the market during the reporting week.

Figure 5: Market Capitalization



Source: Zimbabwe Stock Exchange, 2018

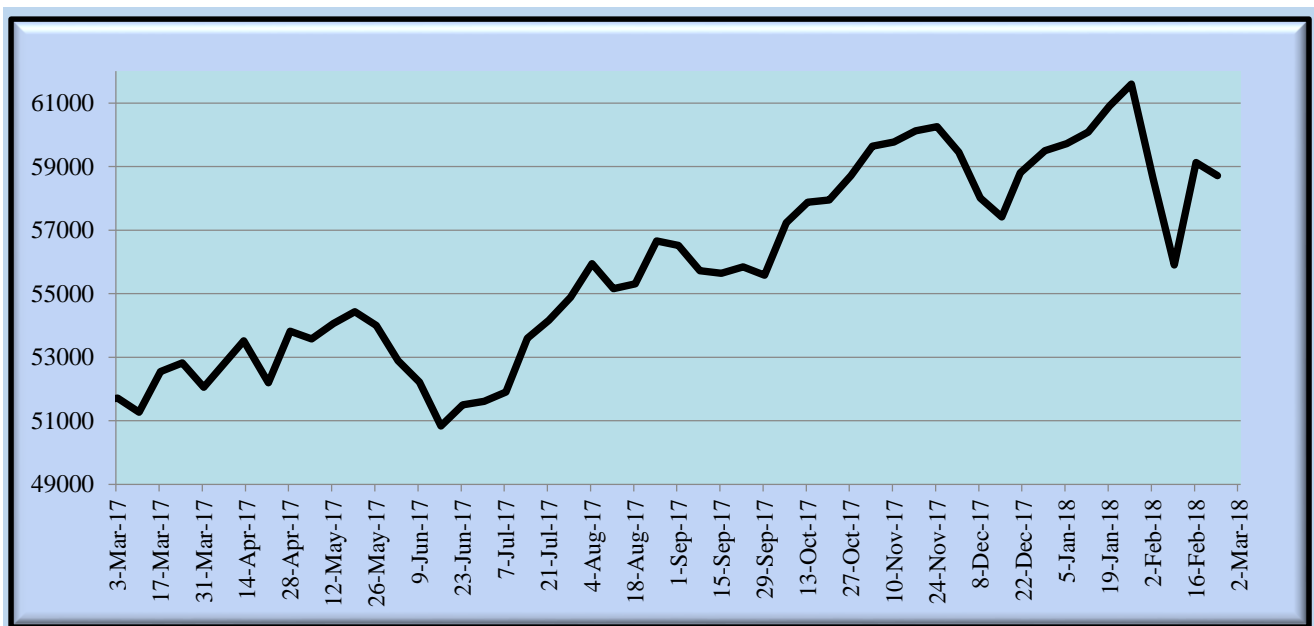
Johannesburg Stock Exchange (JSE) Development

The JSE All Share index declined by 1.65%, from 58 715.46 points in the previous week to 57 744.70 points, during week ending 2nd March 2018. JSE market capitalization also declined from R14.82 trillion in the previous week, to R14.74 trillion during the week under review.

Period	All Share Index (points)	Market Capitalization (ZAR trillion)
02-February-18	58 656.82	15.27
09-February-18	55 902.62	14.44
16- February-18	59 122.34	14.89
23-February-18	58 715.46	14.82
02-march-18	57 744.70	14.74
% Change	-1.65	-0.54

Source: <https://www.jse.co.za/services/market-data/market-statistics,2018>

Figure 6: Johannesburg Stock Exchange (JSE) All Share Index



Source: <https://www.jse.co.za/services/market-data/market-statistics,2018>

RESERVE BANK OF ZIMBABWE

2ND MARCH 2018