



Weekly Economic Highlights

Table of Contents

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

Week Ending
23rd February 2018

1. INTEREST RATES

Deposit Rates

During the week ending 23rd February 2018, average deposit rates for savings deposits increased by 0.21 percentage points to close the week at 4.35%. Average interest rates for deposits of 1-month tenor decreased by 0.06 percentage points, from 3.49% in the prior week to 3.43% during the week under analysis. Deposits rates for deposits of 3 months tenor, however, remained unchanged at 3.86%, during the same week.

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

Source: Banking Institutions, 2018

Lending Rates

Commercial bank weighted lending rates for individual clients stood at 9.57% during the week under review, down from 9.58% recorded in the previous week. Weighted lending rates for corporate clients, however, remained unchanged at 6.93%, during the same 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

Source: Banking Institutions, 2018

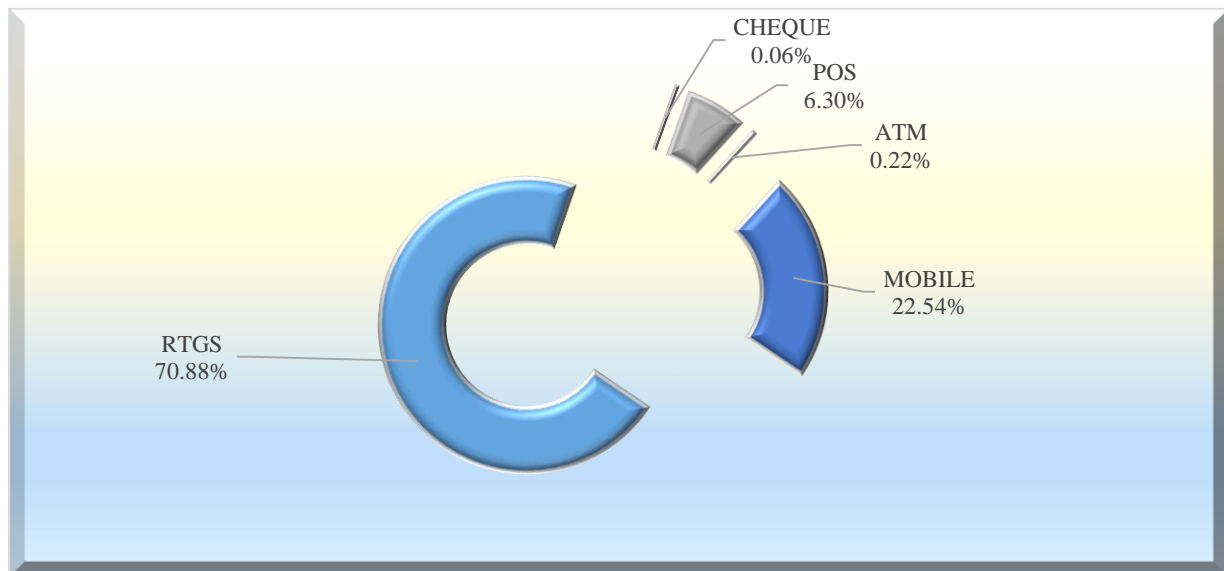
¹ Minimum weighted lending rates offered by commercial banks.

2. CLEARING AND SETTLEMENT ACTIVITY

The total value of transactions processed through the National Payments System (NPS) declined by 5%, to close the week under review at US\$1 628.79 million. RTGS transactions registered a 1.7% decline, from US\$1 174.65 million in the previous week to US\$1 154.51 million, during the week ending 23rd February 2018.

The distribution of NPS transactions in value terms was as follows: RTGS, 70.88%; Mobile, 22.54%; POS, 6.30%; ATM, 0.22% and Cheque 0.06%, as shown in Figure 1.

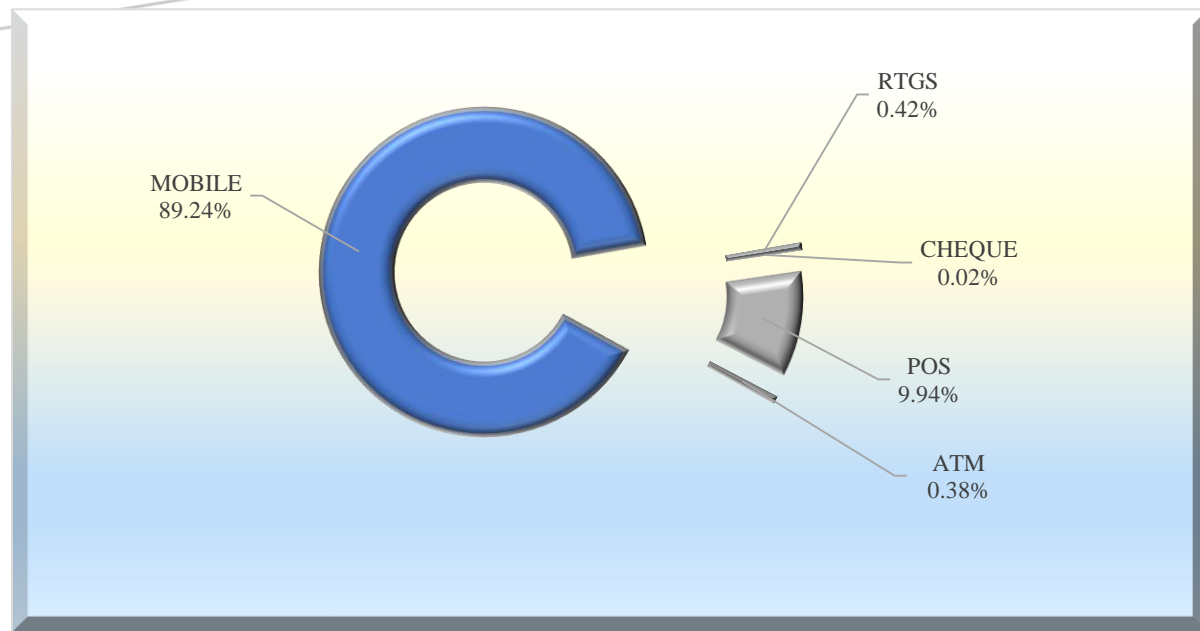
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2018

The total volume of NPS transactions registered a 12% decline from 25 161 284 transactions recorded in the previous week, to 22 171 092 transactions during the week under review. The proportions of NPS transactions in volume terms were as follows: Mobile, 89.24%; POS, 9.94%; RTGS, 0.42%; ATM, 0.38%; 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 16 February 2018	WEEK ENDING 23 February 2018	CHANGE FROM LAST WEEK	PROPORTION
VALUES IN US\$ (millions)				
RTGS	1,174.65	1,154.51	-1.7%	70.88%
CHEQUE	1.30	0.94	-28%	0.06%
POS	197.56	102.62	-48%	6.30%
ATMS	3.91	3.54	-9%	0.22%
MOBILE	340.28	367.18	8%	22.54%
TOTAL	1,717.70	1,628.79	-5%	100%
VOLUMES				
RTGS	103,695	93,308	-10%	0.42%
CHEQUE	6,345	4,896	-23%	0.02%
POS	5,619,241	2,203,306	-60.8%	9.94%
ATMs	88,869	83,445	-6%	0.38%
MOBILE	19,343,134	19,786,137	2%	89.24%
TOTAL	25,161,284	22,171,092	-12%	100%

Source: Reserve Bank of Zimbabwe, 2018

3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

During the week ending 23rd February 2018, the weekly average international commodity prices of gold, platinum, copper, nickel and crude oil firmed, 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 (12 - 16 Feb)	1,333.99	976.88	6,979.50	13,486.25	63.52
19-Feb	1,355.35	1,008.50	7,186.00	13,765.00	65.52
20-Feb	1,338.63	1,001.00	7,094.00	13,545.00	65.40
21-Feb	1,329.55	996.00	7,079.00	13,655.00	65.11
22-Feb	1,324.93	988.50	7,170.00	13,820.00	66.34
23-Feb	1,328.43	933.00	7,155.50	13,790.00	67.29
Week ending (19 - 23 Feb)	1,337.11	998.50	7,132.25	13,696.25	65.59
<i>Weekly Change (%)</i>	0.2	2.2	2.2	1.6	3.3

Source: BBC, KITCO and Bloomberg 2018

Gold

Gold prices increased by 0.2%, from a weekly average of US\$1 333.99/oz in the previous week, to US\$1 337.11/oz, during the week under review. The price of the yellow metal firmed on account of safe haven demand, amid speculation that the Federal Reserve was not likely to raise interest rates in March 2018.

Platinum

Platinum prices rose by 2.2%, to close the week of analysis at a weekly average of US\$998.50/oz. Prices were largely supported by the strengthening positive global demand outlook for the industrial metal.

Copper

Copper prices firmed by 2.2%, from US\$6 979.50/ton in the previous week to US\$7 132.25/ton, during the week under review. This was underpinned by easing concerns on economic growth prospects in China and US, the world's top base metal consumers.

Nickel

Nickel prices rose by 1.6%, from a weekly average of US\$13 486.25/ton registered in the previous week, to close the week under review at an average of US\$13 696.25/ton. This was on account of increased demand in China, the world's largest consumer of the base metal.

Crude Oil

Crude oil prices rallied by 3.3% to US\$65.59/barrel during the week under analysis, from US\$63.52/barrel in the previous week. This was on the back of the larger than expected decline in U.S. inventories.

4. EXCHANGE RATES

The US dollar depreciated against the rand, pound Sterling, pula and euro, during the week ending 23rd February 2018. This followed published minutes from the Federal Reserve's latest meeting, which dampened expectations of an interest rate hike in March 2018.

Table 5: International Exchange Rates per US\$

	ZAR	GBP	BWP	EURO
2018				
Weekly Average (12 - 16 Feb)	11.8855	0.7192	9.5958	0.8087
19-Feb	11.5741	0.7138	9.4742	0.7970
20-Feb	11.6496	0.7128	9.4652	0.8055
21-Feb	11.6896	0.7154	9.4922	0.8072
22-Feb	11.6763	0.7190	9.5238	0.8148
23-Feb	11.6870	0.7171	9.4922	0.8130
Weekly Average (19 - 23 Feb)	11.6474	0.7152	9.4888	0.8061
<i>Appr(+)/Depr(-) (%) of the USD</i>	<i>(2.0)</i>	<i>(0.6)</i>	<i>(1.1)</i>	<i>(0.3)</i>

Source: Reuters, 2018

5. EQUITY MARKETS

During the week ending 23rd February 2018, the Zimbabwe Stock Exchange (ZSE) continued on a negative trajectory for the eighth consecutive week. The ZSE All Share Index declined by 0.64%, from 88.86 points in the previous week to 88.29 points during the week under analysis. This was largely on account of losses in industrial counters.

The industrial index decreased by 0.65%, to close the week under review at 295.24%. Losses were recorded in Amalgamated Regional Trading (19.64%); Ariston Holdings (18.80%); TSL (11.11%); Barclays Bank of Zimbabwe (6.52%); and British American Tobacco (6.52%). Partially offsetting the losses were gains in African Distillers (2.78%); Zimplot (2.50%); Innscor Africa (2.50%); CBZ Holdings (2.00%); and Pretoria Portland Cement (0.29%).

The resources index, however, increased by 0.16%, to close the week under analysis at 128.40 points, from 128.19 points in the prior week.

Table 6: Zimbabwe Stock Exchange (ZSE) Statistics

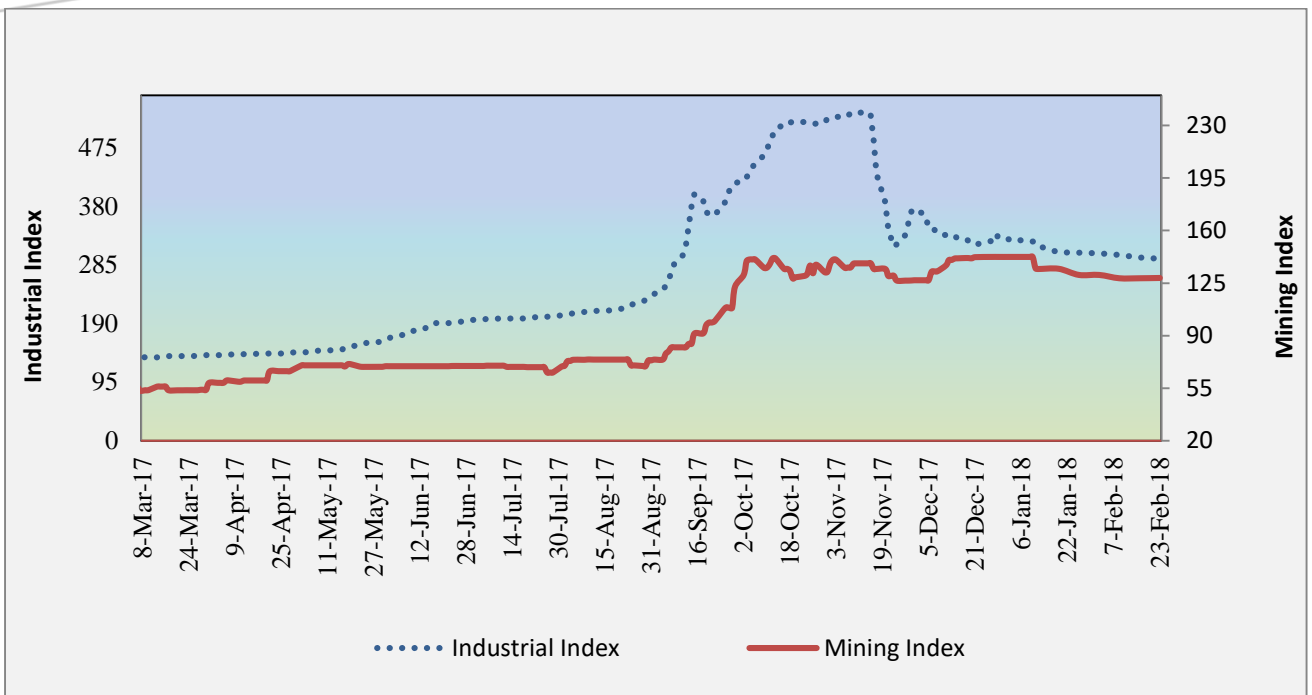
	All Share Index ² (points)	Top 10 index ³ (Points)	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
02-February-18	90.37	90.26	304.16	130.42	8,619,572,018	11,978,884	18,533,807
09-February-18	90.05	89.22	301.20	128.19	8,577,214,535	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
Weekly Change (%)	-0.64	-0.35	-0.65	0.16	-0.62	-74.06	-64.08

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

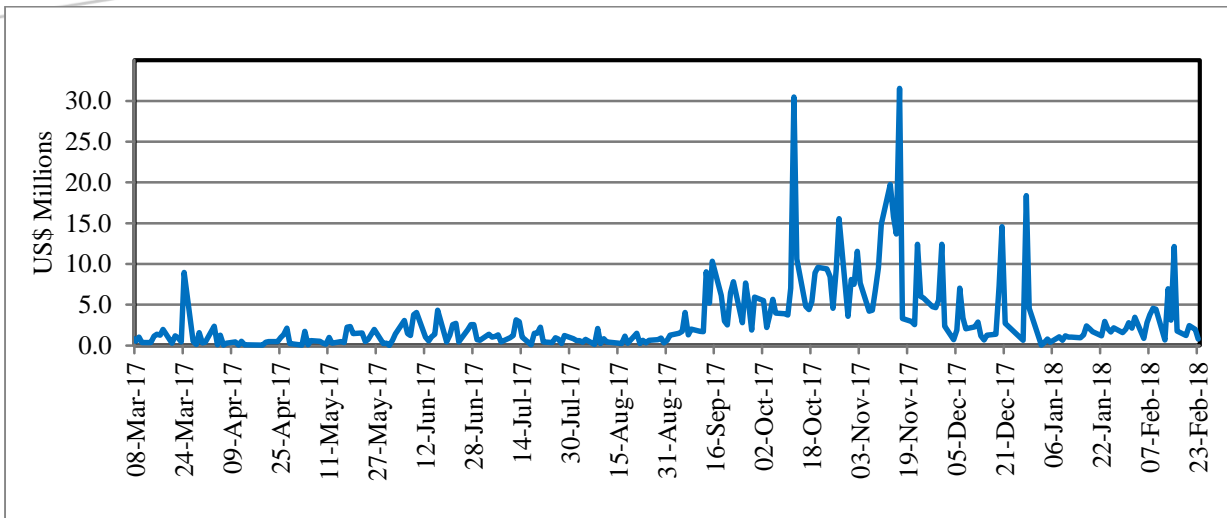


Source: Zimbabwe Stock exchange, 2018

Market Turnover and Volume

The volume of shares traded on the ZSE registered a 64.08% decline, to close the week ending 23rd February 2018 at 10 200 476, from 28 400 595 in the prior week. Similarly, market turnover declined by 74.06% to US\$6.40 million. Foreign investor participation improved, reflected by a 62.5% contribution to the total value of shares traded during the week under review. This compares with the contribution of 21.1% realized in the previous week. Foreign investor dominance on the ZSE is underpinned by the confidence build-up, given the policy reforms under the new dispensation. The new economic order is expected to bring positive economic developments in the short to medium term.

Figure 4: Daily Market turnover

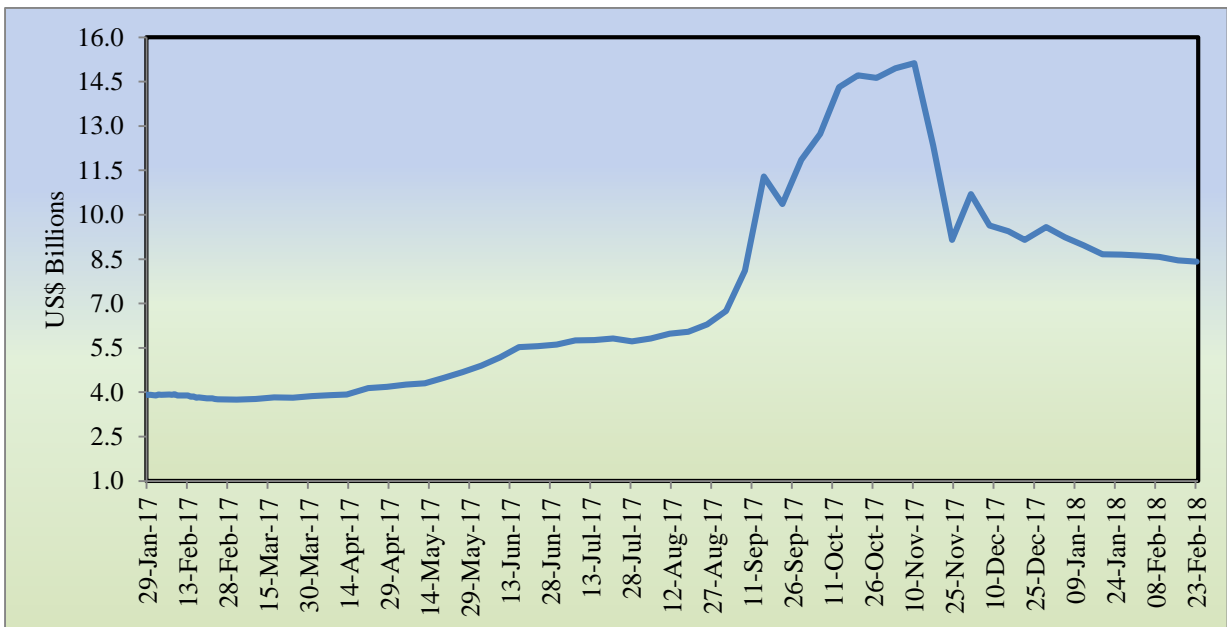


Source: Zimbabwe Stock Exchange, 2018

Market Capitalization

The ZSE market capitalization decreased by 0.62%, from US\$8.46 billion recorded in the previous week to US\$8.41 billion, during the week under review. This was largely due to losses in industrial counters.

Figure 5: Market Capitalization



Source: Zimbabwe Stock Exchange, 2018

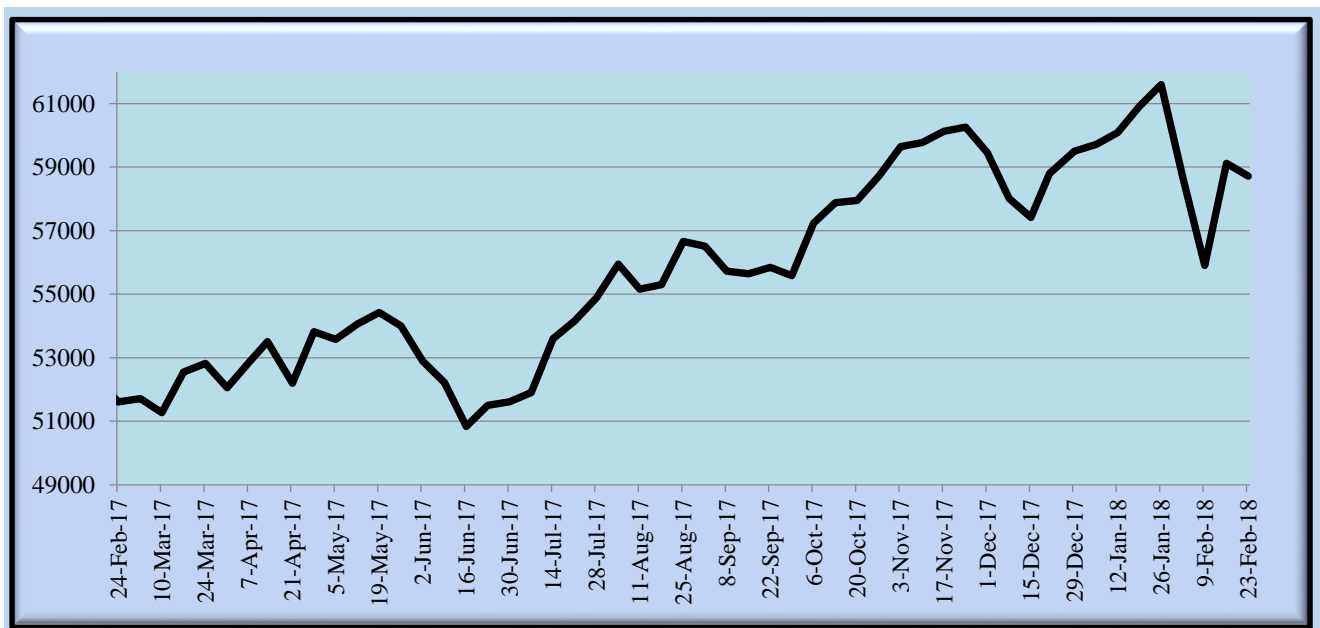
Johannesburg Stock Exchange (JSE) Development

The JSE All Share index registered a 0.69% decline, from 59 122.34 points in the previous week to close the week ending 23rd February 2018 at 58 715.46 points. JSE market capitalization also declined from R14.89 trillion in the previous week to R14.82 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
% Change	-0.69	-0.47

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 MARCH 2018