



# Weekly Economic Highlights

## Table of Contents

1. INTEREST RATES.....	1
2. CLEARING AND SETTLEMENT ACTIVITY.....	2
3. TOBACCO SALES.....	4
4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS...5	
5. EXCHANGE RATES.....	7
6. EQUITY MARKETS.....	8

Week Ending  
1<sup>st</sup> September 2017

## 1. INTEREST RATES

### Deposit Rates

Average deposit rates for all deposit classes softened during the week ending 1<sup>st</sup> September 2017. Savings deposit rates declined to 4.22%, from 4.35% recorded in the previous week. Deposit rates for deposits of 1 month and 3 month tenors also declined to 4.29% and 4.47%, respectively, during the same week.

**Table 1: Average Deposit Rates (per annum)**

Date	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
28-July-17	4.35	4.07	4.24
04-August-17	4.35	4.04	4.24
11-August-17	4.35	4.06	4.22
18-August-17	4.47	4.23	4.57
25-August-17	4.35	4.32	4.49
01-September-17	<b>4.22</b>	<b>4.29</b>	<b>4.47</b>

Source: Banking Institutions, 2017

### Lending Rates

Commercial bank weighted lending rates for individual and corporate clients registered a marginal increase, to close the week under review at 8.90% and 6.96%, respectively.

**Table 2: Lending Rates**

Date	Lending Rates (%) Commercial Banks (weighted)	
	Individuals	Corporate clients
28-July 17	8.94	7.05
04-August-17	8.95	7.04
11-August-17	8.81	7.00
18-August-17	8.88	6.96
25-August-17	8.88	6.95
01-September-17	<b>8.90</b>	<b>6.96</b>

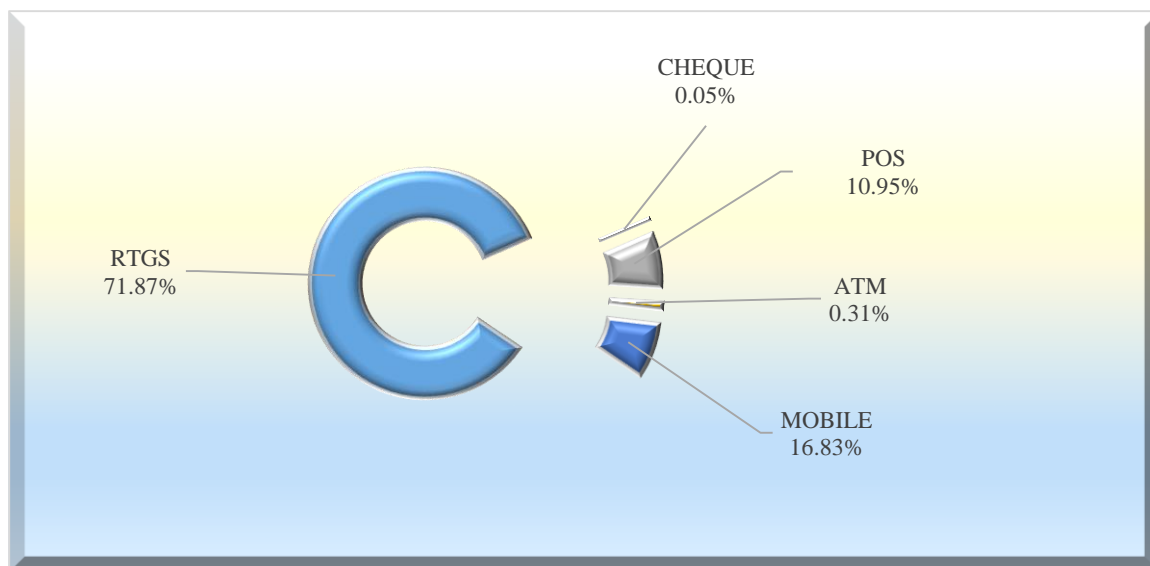
Source: Banking Institutions, 2017

## 2. CLEARING AND SETTLEMENT ACTIVITY

The total value of transactions processed through the National Payment Systems (NPS) stood at USD\$1 919.55 million during the week under review, up from USD\$1 665.46 million recorded in the previous week. Transactions processed through the Real Time Gross Settlement (RTGS) system increased by 1.3% to close the week under review at US\$1 379.51million, from US\$1 218.78 million recorded in the previous week.

Real Time Gross Settlement (RTGS) payments accounted for 71.87% of the total value of transactions processed through the NPS, followed by Mobile, 16.83%; Point of Sale (POS), 10.95%; Automated Teller Machines (ATMs), 0.31%; and Cheque, 0.05%, as shown in Figure 1.

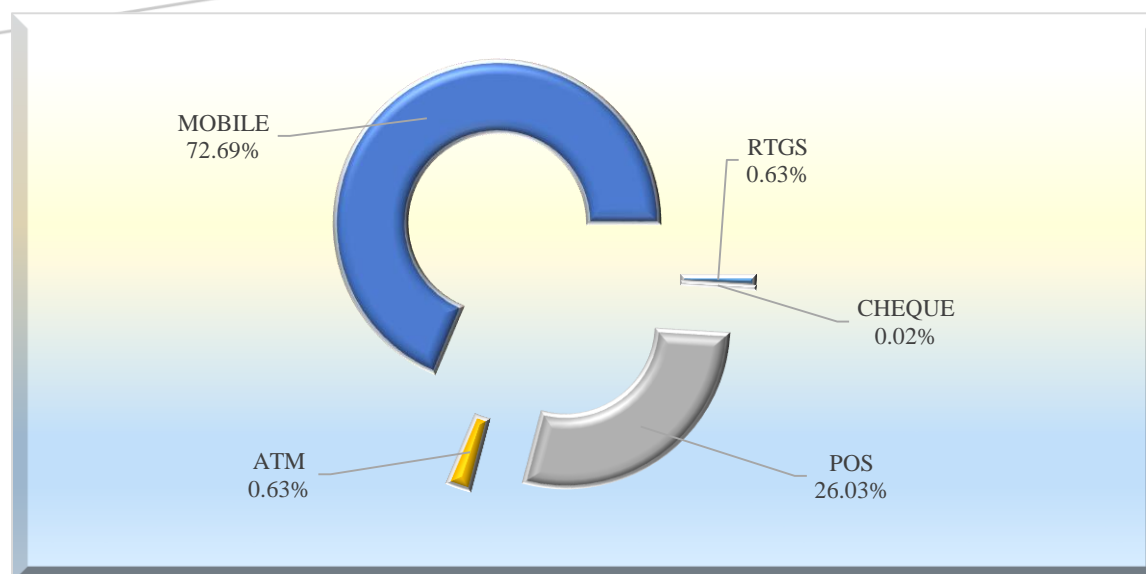
**Figure 1: Composition of NPS Transactions in Value Terms**



*Source: Reserve Bank of Zimbabwe, 2017*

NPS transaction volumes increased by 15%, from 19 963 029 recorded in the previous week to 22 915 696 during the week ending 1<sup>st</sup> September 2017. In terms of contributions to the volume of NPS transactions, Mobile transactions were the highest at 72.69%; followed by POS, 26.03%; ATM, 0.63%; RTGS, 0.63%; and Cheque 0.05%, 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 18 August 2017	WEEK ENDING 25 August 2017	CHANGE FROM LAST WEEK	PROPORTION
<b>VALUES IN USD (millions)</b>				
<b>RTGS</b>	1,218.78	1,379.51	13%	71.87%
<b>CHEQUE</b>	1.15	1.03	-11%	0.05%
<b>POS</b>	177.85	210.12	18%	10.95%
<b>ATMS</b>	4.33	5.91	36%	0.31%
<b>MOBILE</b>	263.36	322.97	23%	16.83%
<b>TOTAL</b>	<b>1,665.46</b>	<b>1,919.55</b>	<b>15%</b>	<b>100%</b>
<b>VOLUMES</b>				
<b>RTGS</b>	117,112	145,140	24%	0.63%
<b>CHEQUE</b>	5,745	5,433	-5%	0.02%
<b>POS</b>	5,411,157	5,964,282	10%	26.03%
<b>ATMs</b>	104,842	144,001	37%	0.63%
<b>MOBILE</b>	14,324,173	16,656,840	16%	72.69%
<b>TOTAL</b>	<b>19,963,029</b>	<b>22,915,696</b>	<b>15%</b>	<b>100%</b>

Source: Reserve Bank of Zimbabwe, 2017

### 3. TOBACCO SALES

As at 1<sup>st</sup> September 2017 or day 116 of the 2017 tobacco selling season, a cumulative total of 188.3 million kg of tobacco had been sold. This was a 6.93% decrease, compared to the cumulative total of 202.3 million kg of tobacco sold during the same period in 2016.

In value terms, cumulative tobacco sales stood at US\$557.7 million, compared to US\$595.9 million realised during the corresponding period in 2016. The golden leaf fetched a higher average price of US\$2.96 kg, compared to US\$2.95kg realised in 2016.

**Table 4: Cumulative Tobacco Sales: Day 116 (18 August 2017)**

	2016	2017	Variance (%)
<b>Cumulative Quantity Sold (kgs)</b>	202,284,589	188,265,774	-6.93
<b>Cumulative Average Price(US\$/kg)</b>	2.95	2.96	0.34
<b>Cumulative Value (US\$ million)</b>	595,930,082	557,742,840	-6.41

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

## 4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

During the week ending 1<sup>st</sup> September 2017, the international commodity prices of gold, platinum copper and nickel firmed, whilst crude oil prices retreated as shown in Table 5.

**Table 5: Metal and Crude Oil Prices**

	<b>Gold</b>	<b>Platinum</b>	<b>Copper</b>	<b>Nickel</b>	<b>Crude Oil</b>
<b>2017</b>	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
<b>Week ending (21-25 August)</b>	<b>1,287.02</b>	<b>977.20</b>	<b>6,588.90</b>	<b>11,473.00</b>	<b>52.07</b>
28-Aug	1,286.18	977.00	6,714.00	11,610.00	52.02
29-Aug	1,321.03	1,000.00	6,797.00	11,735.00	51.96
30-Aug	1,309.55	990.00	6,755.00	11,555.00	50.61
31-Aug	1,308.78	988.00	6,792.00	11,620.00	52.74
1-Sep	1,319.40	998.00	6,776.00	12,005.00	52.73
<b>Week ending (28 Aug-01 Sept)</b>	<b>1,308.99</b>	<b>990.60</b>	<b>6,766.80</b>	<b>11,705.00</b>	<b>52.01</b>
<i>Weekly Change (%)</i>	<i>1.7</i>	<i>1.4</i>	<i>2.7</i>	<i>2.0</i>	<i>0.1</i>

Source: BBC, KITCO and Bloomberg

### Gold

Gold prices increased by 1.7% to close at US\$1,308.99/ounce, up from US\$1,287.02/ounce recorded in the previous week. Gold prices increased on the back of rising geopolitical tensions over North Korea's nuclear tests. This development bolstered the demand outlook for precious metals.

### Platinum

Platinum prices gained by 1.4%, from an average of US\$977.20/ounce recorded in the previous week to US\$990.60/ounce, during the week under review. This was underpinned by prospects of strong investment demand.

### Copper

Copper prices increased by 2.7% to US\$6,766.80/tonne, during the week under analysis. This was, in large part, attributable to an increase in the demand for the base metal in China.

## **Nickel**

Nickel prices firmed by 2.0% to close at US\$11,705.00/tonne, during the week under review. This was, largely on account of demand growth, particularly in China, a major consumer of base metals.

## **Crude Oil**

Crude oil prices fell by 0.1%, from US\$52.07/barrel recorded in the previous week to US\$52.01/barrel during the week under review. The prices were weighed down by concerns about rising U.S shale production, an increase in U.S. crude inventories and lower than anticipated output cuts by OPEC member countries.

## 5. EXCHANGE RATES

The US dollar depreciated against the British pound; euro; rand; and pula during the week ending 1<sup>st</sup> September 2017. This was underpinned by weak U.S economic data.

**Table 6: International Exchange Rates per US\$**

	<b>ZAR</b>	<b>GBP</b>	<b>BWP</b>	<b>EURO</b>
<b>2017</b>				
<b>Weekly Average (21-25 August)</b>	<b>13.1852</b>	<b>0.7791</b>	<b>10.2031</b>	<b>0.8488</b>
28-Aug	13.0581	0.7767	10.1471	0.8387
29-Aug	13.1030	0.7726	10.1317	0.8350
30-Aug	12.9889	0.7734	10.0806	0.8352
31-Aug	13.0153	0.7740	10.1368	0.8422
1-Sep	12.9957	0.7741	10.1266	0.8407
<b>Weekly Average (28 Aug- 01 Sept)</b>	<b>13.0322</b>	<b>0.7742</b>	<b>10.1246</b>	<b>0.8384</b>
<i>Appr(+)/Depr(-) (%) of the USD</i>	<i>(1.2)</i>	<i>(0.6)</i>	<i>(0.8)</i>	<i>(1.2)</i>

Source: Reuters, 2017



## 6. EQUITY MARKETS

Trading on the Zimbabwe Stock Exchange (ZSE) continued on an upward trajectory for the fifth consecutive week, during the week ending 1<sup>st</sup> September 2017. As a result, the industrial index increased by 7.17%, from 222.08 points recorded in the previous week to 238.00 points in the week under review. The increase was underpinned by gains in Dairibord Zimbabwe Holdings Limited (DZHL) (40.85%), Simbisa Brands Limited (34.29%), Medtech Holdings Limited (25%), Axia Corporation Limited (21.50%) and Zimre Property Investments (ZPI) (17.86%).

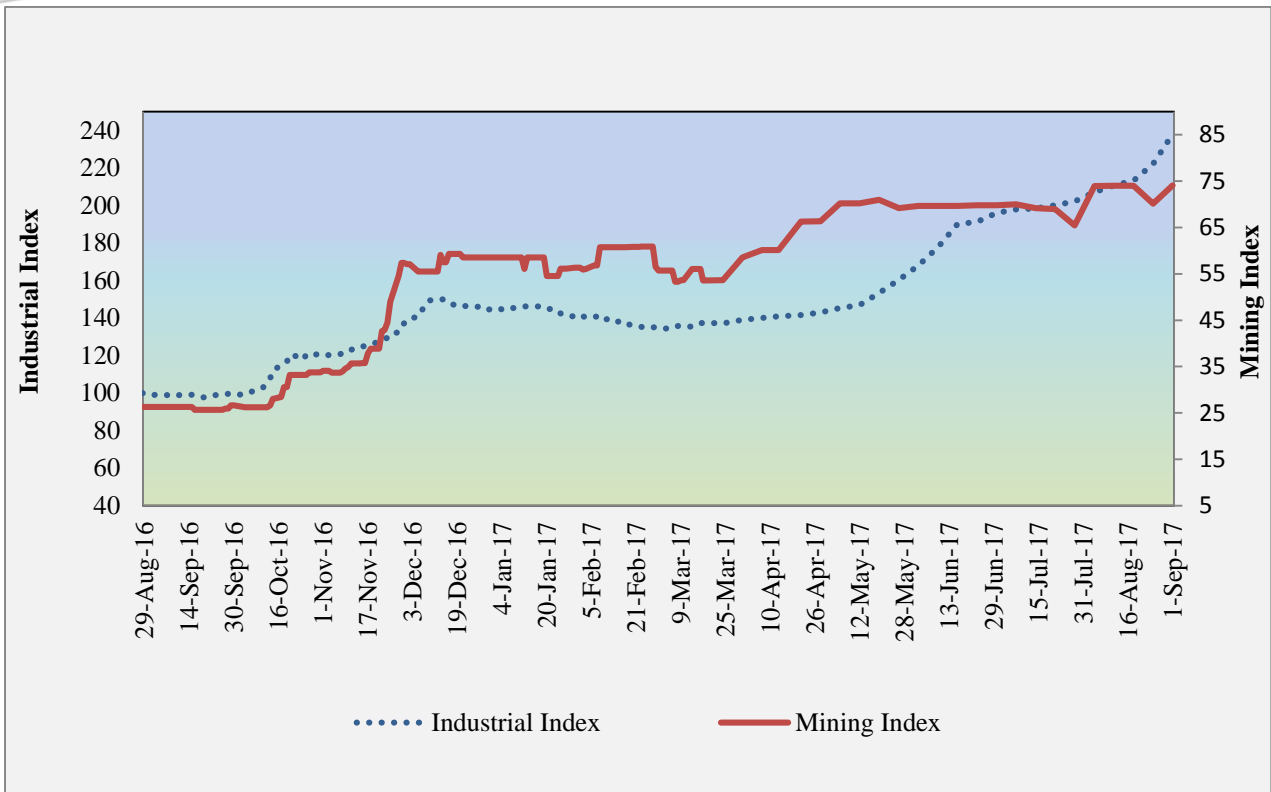
The resources index firmed by 5.33%, from 70.17 points in the previous week to close the week under review at 74.05 points. This was on account of an 8.30% increase in RioZim share price. Bindura Nickel Corporation (BNC) traded at previous price level while Falgold and Hwange Colliery Company (HCC) were inactive during the week under analysis.

**Table 7: Zimbabwe Stock Exchange (ZSE) Statistics**

	<b>Industrial Index (points)</b>	<b>Mining Index (points)</b>	<b>Grand Market Capitalization (US\$)</b>	<b>Market Turnover (US\$)</b>	<b>Volume of Shares</b>
<b>04-August-17</b>	207.09	73.92	5,815,739,291	3,126,109	16,811,109
<b>11-August-17</b>	210.61	74.04	5,976,708,805	3,707,801	20,083,775
<b>18-August-17</b>	213.15	74.04	6,047,375,777	1,665,175	25,363,538
<b>25-August-17</b>	222.08	70.17	6,292,359,920	3,372,638,97	35,640,002
<b>01-September-17</b>	238.00	74.05	6,743,175,599	3,487,760,15	37,976,183
<b>Weekly Change (%)</b>	<b>7.17</b>	<b>5.53</b>	<b>7.16</b>	<b>13.33</b>	<b>6.55</b>

Source: Zimbabwe Stock Exchange (ZSE), 2017

**Figure 3 : Zimbabwe Stock Exchange Indices**

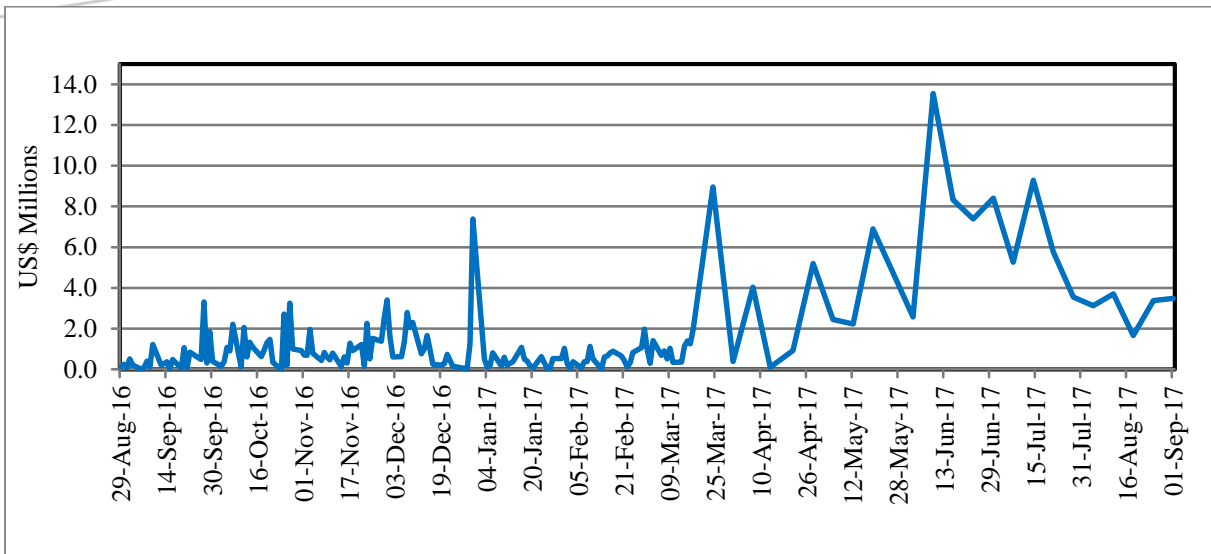


Source: Zimbabwe Stock exchange, 2017

### Market Turnover and Volume

During the week under review, the ZSE market turnover increased by 13.33% to US\$3.82 million, from US\$3.37 million registered in the previous week. This was largely due to positive trading on the local bourse.

**Figure 4: Daily Market turnover**

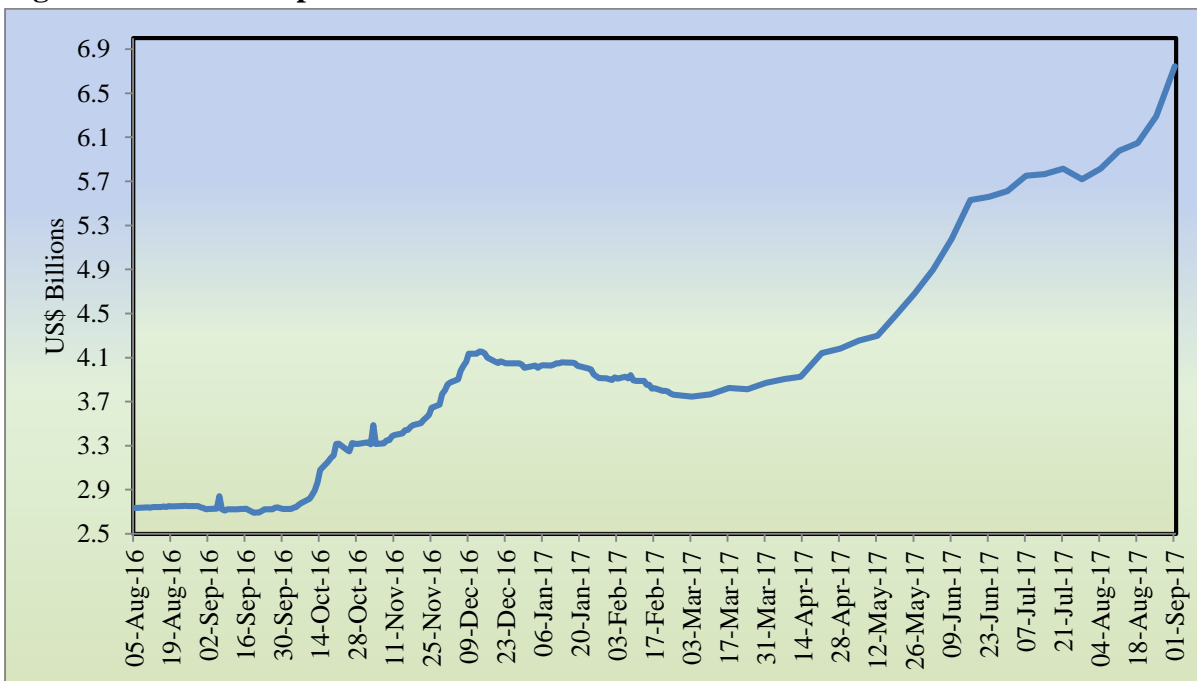


Source: Zimbabwe Stock Exchange, 2017

### Market Capitalization

The ZSE market capitalization stood at US\$6.74 billion during the week ending 1<sup>st</sup> September 2017, a 7.16% increase from the US\$6.29 billion recorded in the previous week.

**Figure 5 : Market Capitalization**



Source: Zimbabwe Stock Exchange, 2017

## Johannesburg Stock Exchange (JSE) Development

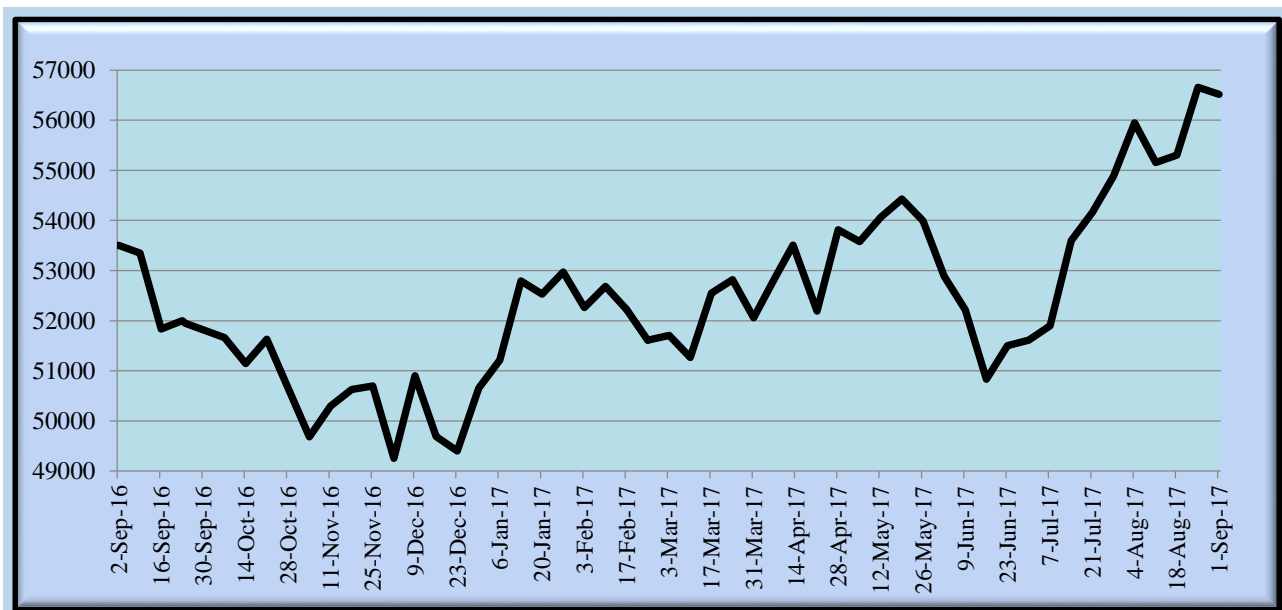
The JSE All Share index declined by 0.25% to close the week under review at 56 513.46 points. Market capitalization, however, increased by 2.99% to R15.51 trillion during the same week.

**Table 8: Johannesburg Stock Exchange (JSE) Statistics**

Period	All Share Index (points)	Market Capitalization (ZAR trillion)
04-August-17	55 944.83	15.17
11-August-17	55 155.13	14.91
18-August-17	55 304.23	14.82
25-August-17	56 655.88	15.06
01-September-17	56 513.46	15.51
<b>% Change</b>	<b>-0.25</b>	<b>2.99</b>

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**

**8<sup>TH</sup> SEPTEMBER 2017**