



# Weekly Economic Highlights

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Week Ending  
8<sup>th</sup> September 2017

## 1. INTEREST RATES

### Deposit Rates

During the week under review, average savings deposit rates remained unchanged at 4.22%. Average interest rates for deposits of 1 month and 3 months tenor, however, declined by 0.13 and 0.25 percentage points, to close the week at 4.06% and 4.22%, respectively.

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

Date	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
<b>04-August-17</b>	4.35	4.04	4.24
<b>11-August-17</b>	4.35	4.06	4.22
<b>18-August-17</b>	4.47	4.23	4.57
<b>25-August-17</b>	4.35	4.32	4.49
<b>01-September-17</b>	4.22	4.29	4.47
<b>08-September-17</b>	4.22	<b>4.06</b>	<b>4.22</b>

Source: Banking Institutions, 2017

### Lending Rates

Weighted lending rates at commercial banks for individuals and corporate clients declined from 8.90% and 6.96% in the previous week, to close the week under review at 8.76% and 6.65%, respectively.

**Table 2: Lending Rates**

Date	Lending Rates (%) Commercial Banks (weighted)	
	Individuals	Corporate clients
<b>04-August-17</b>	8.95	7.04
<b>11-August-17</b>	8.81	7.00
<b>18-August-17</b>	8.88	6.96
<b>25-August-17</b>	8.88	6.95
<b>01-September-17</b>	8.90	6.96
<b>08-September-17</b>	<b>8.76</b>	<b>6.65</b>

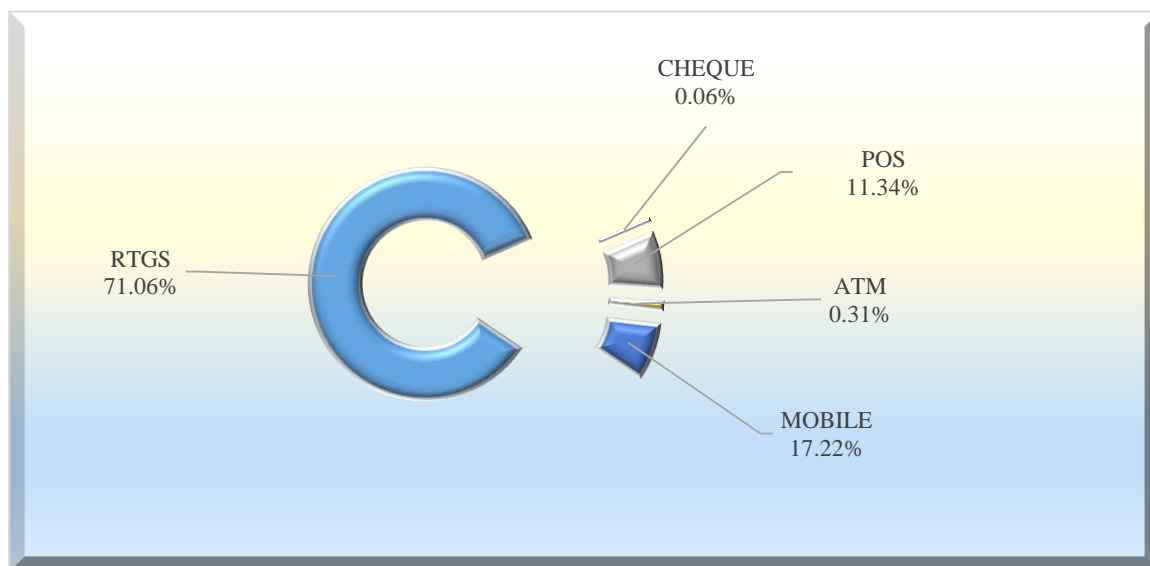
Source: Banking Institutions, 2017

## 2. CLEARING AND SETTLEMENT ACTIVITY

During the week ending 8<sup>th</sup> September 2017, the total value of transactions processed through the National Payment Systems (NPS) amounted to US\$1 981.66 million, a 3% increase from the US\$1 919.55 million registered in the previous week. This was largely on account of an increase in Real Time Gross Settlement (RTGS) transactions, from US\$1 379.51 million recorded during the previous week, to US\$1 408.26 million during the week under review.

In value terms, RTGS payments accounted for 71.06% of the total value of transactions processed through the NPS. The rest of the NPS transactions were distributed as follows: Mobile, 17.22%; Point of Sale (POS), 11.34%; Automated Teller Machines (ATMs), 0.31%; and Cheque, 0.06% as shown in Figure 1.

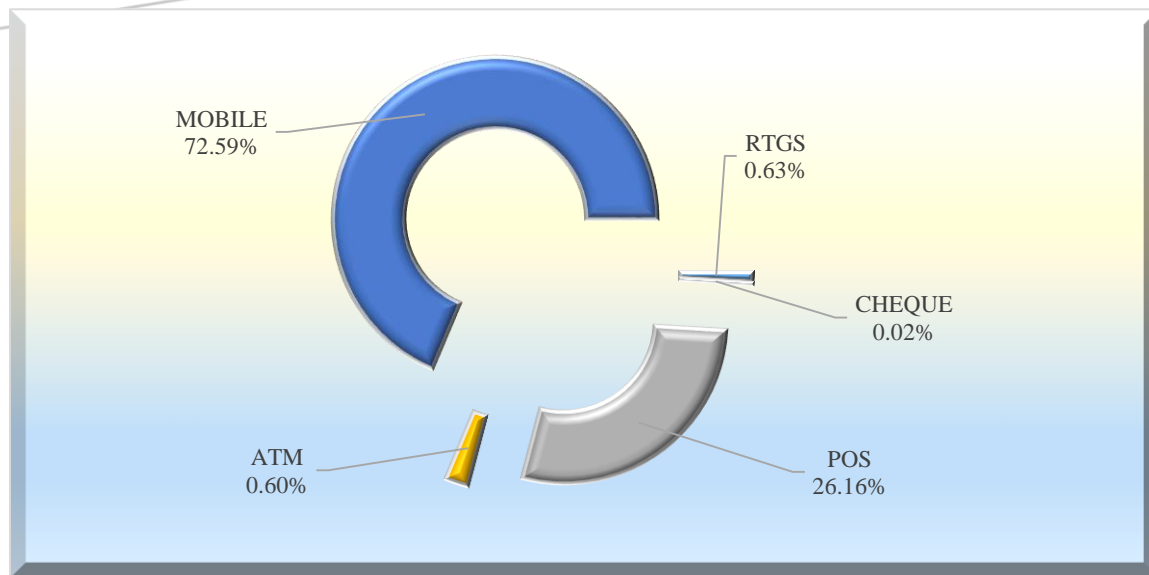
**Figure 1: Composition of NPS Transactions in Value Terms**



*Source: Reserve Bank of Zimbabwe, 2017*

NPS transaction volumes stood at 25,2 million during the week under review, up from 22, 9 million recorded in the previous week. Mobile-Based transactions accounted for 72.59% of the total transactions, in volume terms, followed by POS, 26.16%; RTGS, 0.63%; ATMs, 0.60%; 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 01 September 2017	WEEK ENDING 08 September 2017	CHANGE FROM LAST WEEK	PROPORTION
<b>VALUES IN USD (millions)</b>				
<b>RTGS</b>	1,379.51	1,408.26	2%	71.06%
<b>CHEQUE</b>	1.03	1.10	7%	0.06%
<b>POS</b>	210.12	224.80	7%	11.34%
<b>ATMS</b>	5.91	6.19	5%	0.31%
<b>MOBILE</b>	322.97	341.32	6%	17.22%
<b>TOTAL</b>	<b>1,919.55</b>	<b>1,981.66</b>	<b>3%</b>	<b>100%</b>
<b>VOLUMES</b>				
<b>RTGS</b>	145,140	157,932	9%	0.63%
<b>CHEQUE</b>	5,433	5,425	-0.1%	0.02%
<b>POS</b>	5,964,282	6,594,433	11%	26.16%
<b>ATMs</b>	144,001	151,723	5%	0.60%
<b>MOBILE</b>	16,656,840	18,296,407	10%	72.59%
<b>TOTAL</b>	<b>22,915,696</b>	<b>25,205,920</b>	<b>10%</b>	<b>100%</b>

Source: Reserve Bank of Zimbabwe, 2017

### 3. TOBACCO SALES

A cumulative total of 188.5 million kilograms of tobacco had been sold as at 8<sup>th</sup> September 2017, or day 119 of the 2017 tobacco selling season. The quantity sold was 6.82% lower than the cumulative total of 202.3 million kilograms sold during the same period in 2016.

In value terms, cumulative tobacco sales amounted to US\$558.25 million, compared to US\$595.93 million realized during the corresponding period in 2016. The golden leaf, however, fetched a slightly higher average price of US\$2.96/kg, compared to the US\$2.95/kg realized during the same period in 2016.

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

	2016	2017	Variance (%)
<b>Cumulative Quantity Sold (kgs)</b>	202,284,589	188,484,499	-6.82
<b>Cumulative Average Price(US\$/kg)</b>	<b>2.95</b>	<b>2.96</b>	<b>0.34</b>
<b>Cumulative Value (US\$ million)</b>	595,930,082	558,252,198	-6.32

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

## 4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international commodity prices of gold, platinum, nickel, copper and crude oil increased during the week ending 8<sup>th</sup> September 2017, 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>	<i>US\$/ounce</i>	<i>US\$/ounce</i>	<i>US\$/tonne</i>	<i>US\$/tonne</i>	<i>US\$/barrel</i>
<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>
4-Sep	1,333.85	1009.00	6,873.00	12,120.00	52.20
5-Sep	1,333.35	1003.00	6,904.00	12,150.00	53.15
6-Sep	1,339.00	1009.50	6,864.00	11,920.00	54.14
7-Sep	1,341.98	1006.00	6,842.50	12,035.00	54.50
8-Sep	1,348.58	1014.00	6,780.00	11,845.00	53.74
<b>Week ending (04 - 08 Sept)</b>	<b>1,339.35</b>	<b>1,008.30</b>	<b>6,852.70</b>	<b>12,014.00</b>	<b>53.55</b>
<i>Weekly Change (%)</i>	<i>2.3</i>	<i>1.8</i>	<i>1.3</i>	<i>2.6</i>	<i>3.0</i>

Source: BBC, KITCO and Bloomberg

### Gold

Gold prices rose by 2.3%, from a weekly average of US\$1,308.99/oz recorded in the previous week to US\$1,339.35/oz during the week under review. This was underpinned by strong demand for the metal as a safe haven asset, amid rising US-North Korea tensions.

### Platinum

Platinum prices increased by 1.8%, to close the week under analysis at an average of US\$1 008.30/oz. Prices increased on prospects of strong investment demand, in the wake of the Federal Reserve's decision to leave interest rates unchanged.

## **Copper**

Copper prices firmed by 1.3%, from US\$6,766.80/ton in the previous week to US\$6,852.70/ton during the week under review. The increase was partly attributed to strong demand prospects in China, the world's largest user of the base metal.

## **Nickel**

Nickel prices increased from a weekly average of US\$11,705.00/ton registered in the previous week, to US\$12,014.00/ton to during week under review. This was on account of rising demand in China.

## **Crude Oil**

Crude oil prices firmed, registering a 2.9% increase, to close the week under review at an average of US\$53.55/barrel. The increase was supported by Saudi Arabia's decision to cut shipments as part of its pledge to curb output.

## 5. EXCHANGE RATES

During the week ending 8<sup>th</sup> September 2017, the US dollar depreciated against the British pound; euro; rand; and pula. This was amid expectations of monetary policy tightening by major central banks around the world.

**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 (28 Aug-01 Sept)</b>	<b>13.0322</b>	<b>0.7742</b>	<b>10.1246</b>	<b>0.8384</b>
4-Sep	12.9409	0.7720	10.1061	0.8414
5-Sep	12.9500	0.7735	10.1061	0.8398
6-Sep	12.9066	0.7669	10.0756	0.8394
7-Sep	12.8050	0.7663	10.0251	0.8387
8-Sep	12.7779	0.7609	10.0000	0.8277
<b>Weekly Average (04-08 Sept)</b>	<b>12.8761</b>	<b>0.7679</b>	<b>10.0626</b>	<b>0.8374</b>
<i>Appr(+)/Depr(-) (%) of the USD</i>	<i>(1.2)</i>	<i>(0.8)</i>	<i>(0.6)</i>	<i>(0.1)</i>

Source: Reuters, 2017



## 6. EQUITY MARKETS

Trading on the Zimbabwe Stock Exchange (ZSE) maintained its positive momentum for the sixth consecutive week, during the week ending 8<sup>th</sup> September 2017. The industrial index increased by 20.43%, to close the week under review at 286.43 points. This followed gains registered in Padenga Holdings Limited (76.47%), OK Zimbabwe Limited (60%), Barclays Bank of Zimbabwe (57.89%), Afdis Distillers Limited (44.07%) and Axia Corporation Limited (43.21%).

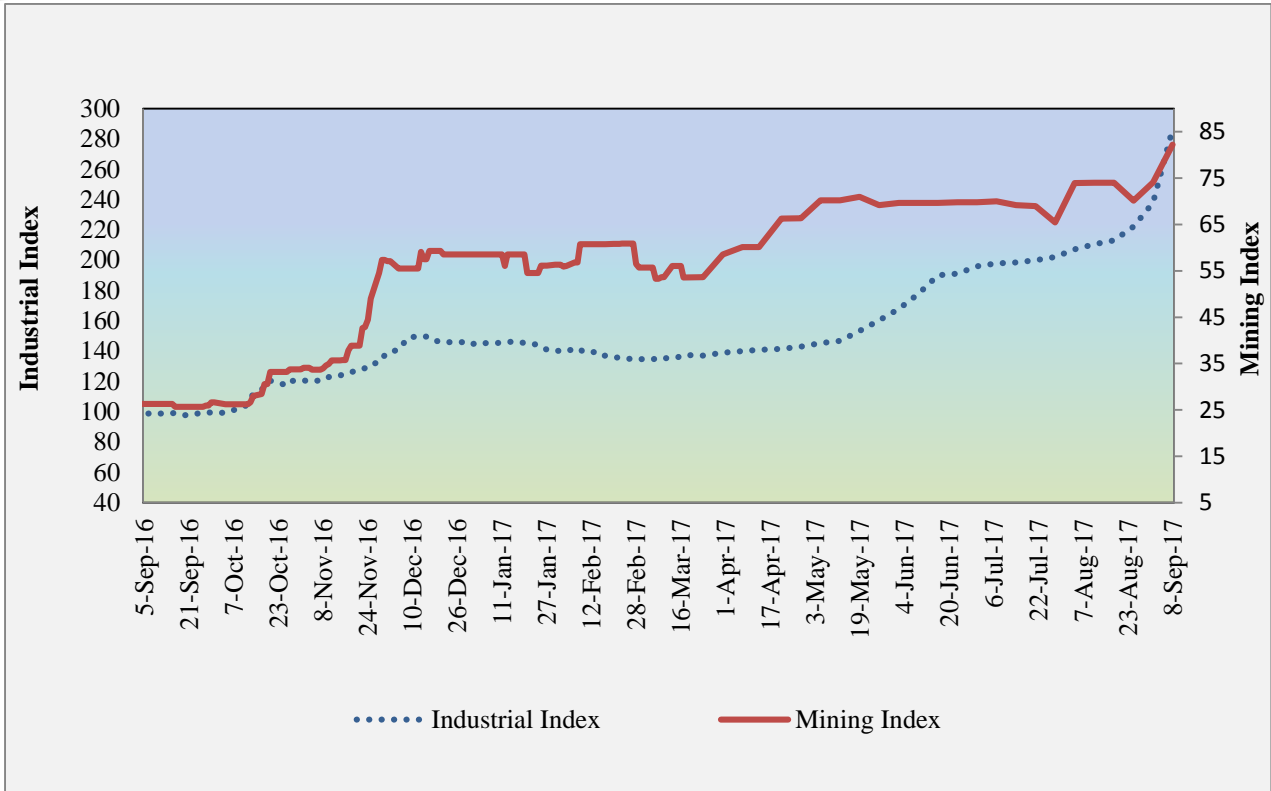
The resources index also increased by 11.01%, from 74.05 points in the previous week to close the week under review at 82.20 points. This was due to gains in Falcon Gold Zimbabwe Limited (66.67%), Bindura Nickel Corporation (28%) and RioZim Limited (4.05%). Hwange Colliery Company was, however, inactive during the week under review.

**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>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	35,640,002
<b>01-September-17</b>	238.00	74.05	6,743,175,599	3,487,760	37,976,183
<b>07-September-17</b>	286.63	82.20	8,115,411,833	9,709,575	73,915,085
<b>Weekly Change (%)</b>	<b>20.43</b>	<b>11.01</b>	<b>20.35</b>	<b>178.39</b>	<b>94.64</b>

Source: Zimbabwe Stock Exchange (ZSE), 2017

**Figure 3 : Zimbabwe Stock Exchange Indices**

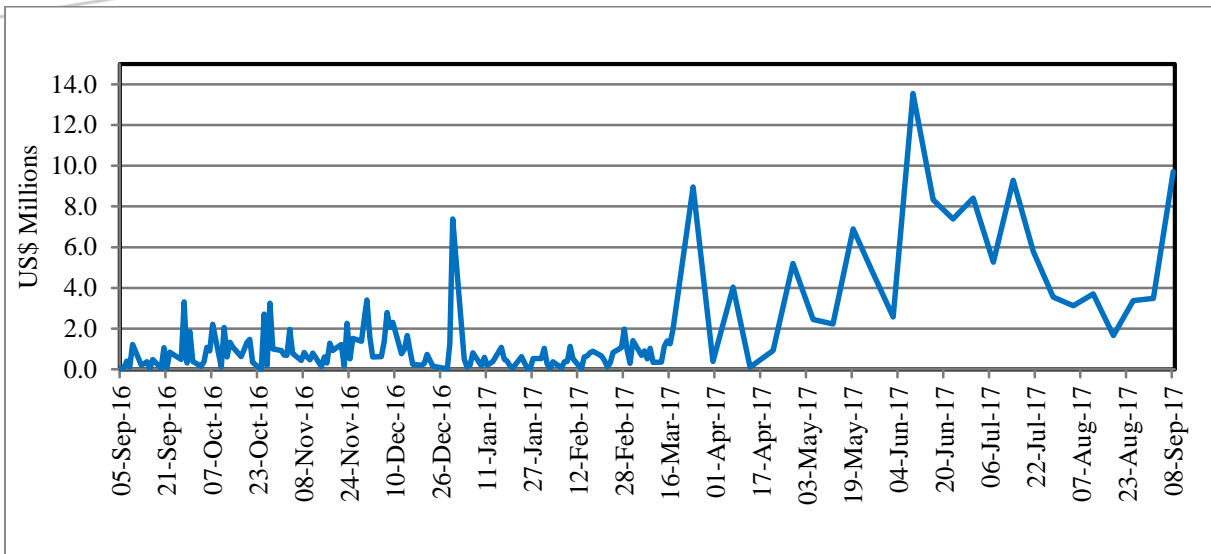


Source: Zimbabwe Stock exchange, 2017

### Market Turnover and Volume

The ZSE market turnover increased by 178.39%, to close the week ending 8<sup>th</sup> September 2017 at US\$9.71 million. In tandem, the volume of shares traded also gained by 94.64% to close the week under review at 73.9 million shares. This was attributed to improved trading activity on the local bourse, due to the flight from cash to equity assets.

**Figure 4: Daily Market turnover**

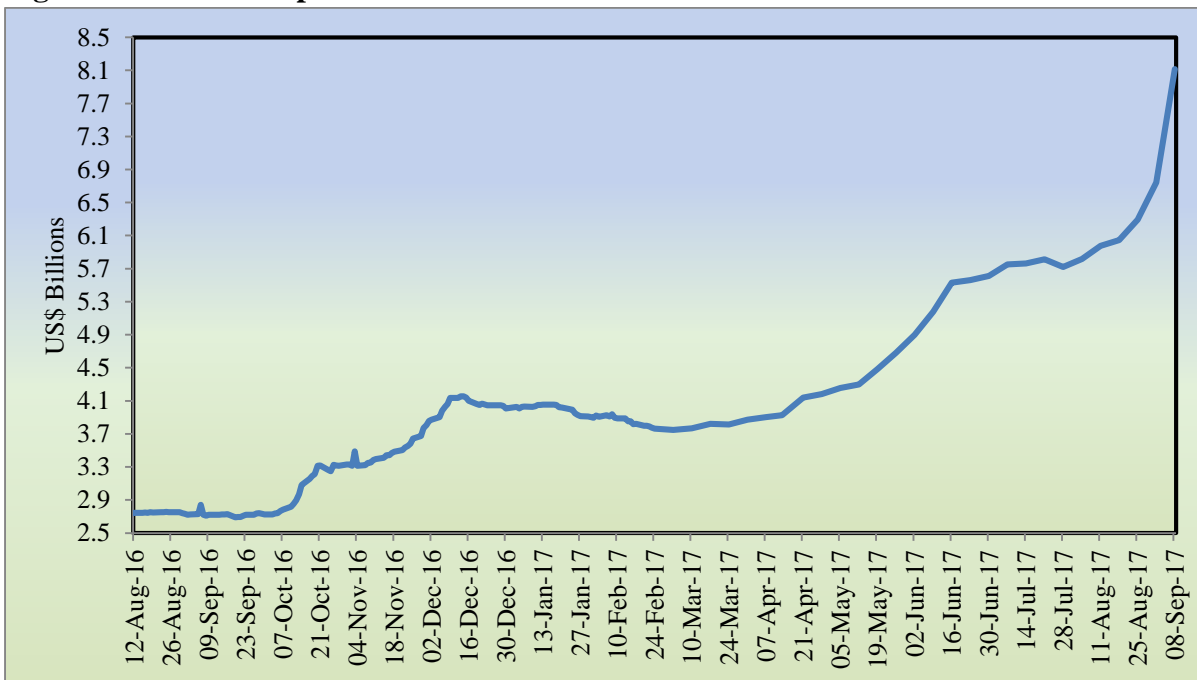


Source: Zimbabwe Stock Exchange, 2017

### Market Capitalization

The ZSE market capitalization rose by 20.35%, from US\$6.74 billion recorded in the previous week to US\$8.11 billion, during the period under review. This was largely due to positive trading on the local bourse.

**Figure 5 : Market Capitalization**



Source: Zimbabwe Stock Exchange, 2017

## Johannesburg Stock Exchange (JSE) Development

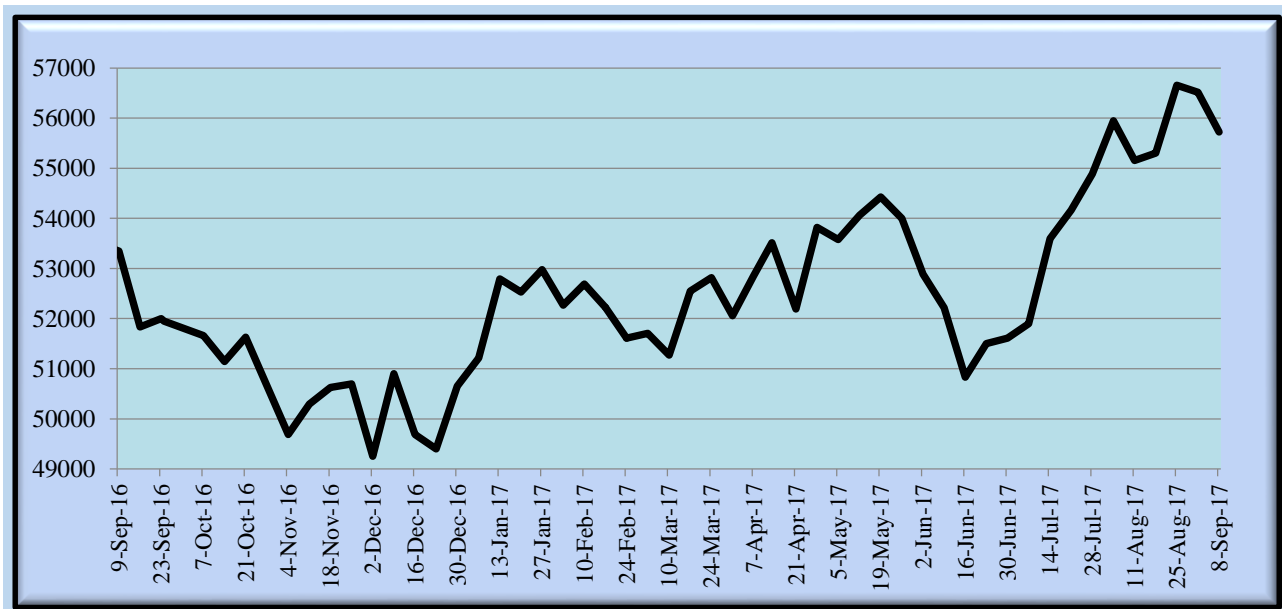
The JSE All Share Index closed the week under review at 55 724.67 points, down from 56 513.46 points in the previous week. Similarly, market capitalization declined from R15.08 trillion in the previous week, to R15.08 trillion during the week under review.

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

Period	All Share Index (points)	Market Capitalization (ZAR trillion)
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
08-September-17	55 724.67	15.08
<b>% Change</b>	<b>-1.40</b>	<b>-2.77</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**

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