Vol. 19 No. 39

Weekly Economic Highlights

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Week Ending
29th September 2017

1. INTEREST RATES

Deposit Rates

During the week ending 29th September 2017, average deposit rates for deposits of 1 month and 3 months tenors closed the week lower than the previous week, at 4.21% and 4.47%, respectively. Average deposit rates for savings deposits, however, remained unchanged at 4.22% during the same week.

Table 1: Average Deposit Rates (per annum)

Date	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
01-September-17	4.22	4.29	4.47
08-September-17	4.22	4.06	4.22
15-September-17	4.22	4.28	4.53
22-September-17	4.22	4.28	4.53
29-September-17	4.22	**4.21**	**4.47**

Source: Banking Institutions, 2017

Lending Rates

Weighted commercial bank lending rates for individuals and corporate clients closed the week under review at 8.86% and 7.01%, respectively.

Table 2: Lending Rates

Date	Lending Rates[1] (%) Commercial Banks (weighted)	
	Individuals	**Corporate clients**
01-September-17	8.90	6.96
08-September-17	8.76	6.65
15-September-17	8.79	6.96
22-September-17	8.79	6.96
29-September-17	**8.86**	**7.01**

Source: Banking Institutions, 2017

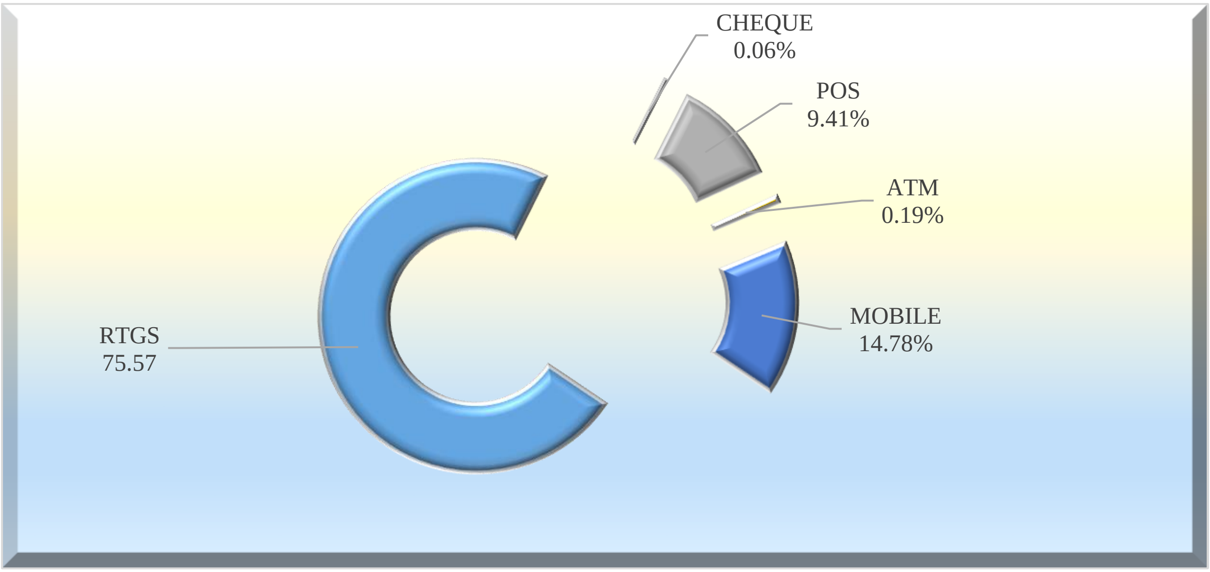
[1] Minimum weighted lending rates offered by commercial banks.

2. CLEARING AND SETTLEMENT ACTIVITY

The total value of transactions processed through the National Payments System (NPS) stood at US$2 318.47 million, during the week under review, a 23% increase from the US$1 884.76 million recorded during the week ending 29th September 2017. This was largely driven by an increase in the value of RTGS transactions, from US$1 374.07 million in the previous week, to US$1 752.09 million, during the week under review.

The usage of NPS payments streams, in value terms, was distributed as follows: RTGS, 75.57%; Mobile, 14.78%; POS, 9.41%; ATM, 0.19%; Cheque, 0.06%, as shown in Figure 1.

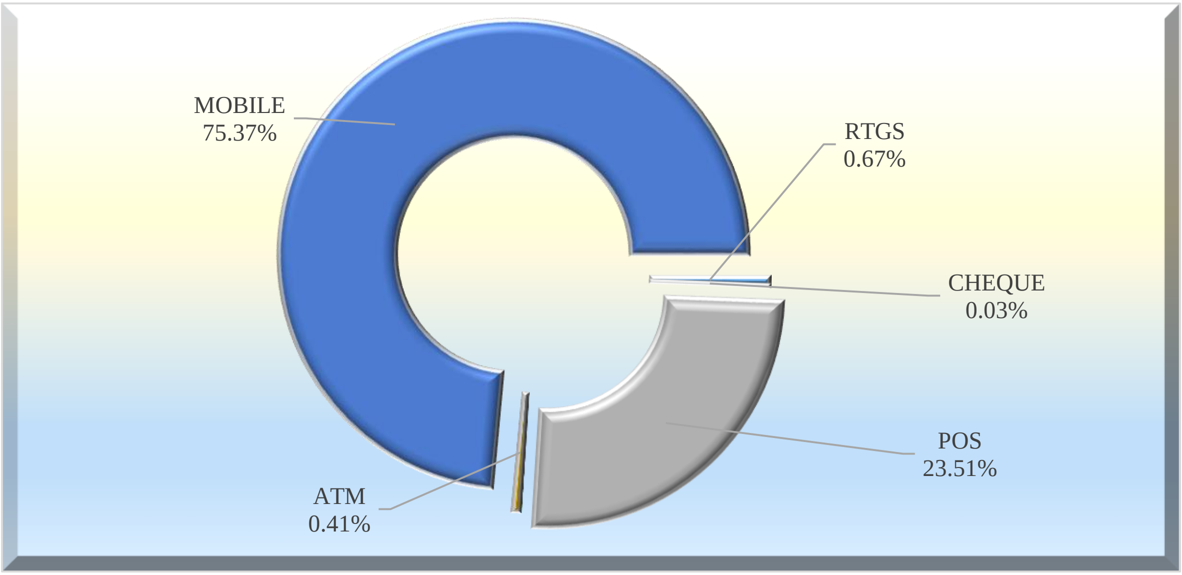
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2017

During the week under analysis, the volume of transactions processed through the NPS stood at 23 707 737, up from 22 737 013 transactions processed in the previous week. The distribution of NPS transaction volumes was as follows: Mobile, 75.37%; POS, 23.51%; RTGS, 0.67%; ATMs, 0.41%; and Cheque, 0.03%, 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 22 September 2017	WEEK ENDING 29 September 2017	CHANGE FROM LAST WEEK	PROPORTION
	VALUES IN USD (millions)			
RTGS	1,374.07	1,752.09	28%	75.57%
CHEQUE	1.39	1.30	-6%	0.06%
POS	202.29	218.07	8%	9.41%
ATMS	11.20	4.32	-61%	0.19%
MOBILE	295.81	342.70	16%	14.78%
TOTAL	**1,884.76**	**2,318.47**	23%	**100%**
	VOLUMES			
RTGS	127,074	159,983	26%	0.67%
CHEQUE	8,434	6,491	-23%	0.03%
POS	5,773,763	5,574,808	-3%	23.51%
ATMs	106,784	97,863	-8%	0.41%
MOBILE	16,720,958	17,868,592	7%	75.37%
TOTAL	**22,737,013**	**23,707,737**	4%	**100%**

Source: Reserve Bank of Zimbabwe, 2017

3. TOBACCO SALES

A cumulative total of 188 798 316 kilograms of tobacco had been sold as at 29th September 2017 or day 125 of the 2017 tobacco selling season. The quantity sold was 6.67% lower than the cumulative total of 202 284 589 kilograms sold during the same period in 2016.

In value terms, cumulative tobacco sales amounted to US$558.88 million, compared to US$595.93 million realized during the corresponding period in 2016. The golden leaf, however, fetched a 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 125 (19 September 2017)

	2016	2017	Variance (%)
Cumulative Quantity Sold (kgs)	202,284,589	188,798,316	-6.67
Cumulative Average Price(US$/kg)	2.95	2.96	0.48
Cumulative Value (US$ million)	595,930,082	558,880,600	-6.22

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

4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international commodity prices of gold, platinum, nickel and copper retreated, while crude oil prices firmed during the week ending 29th September 2017, as shown in Table 5.

Table 5: Metal and Crude Oil Prices

	Gold	Platinum	Copper	Nickel	Crude Oil
2017	US$/ounce	US$/ounce	US$/tonne	US$/tonne	US$/barrel
Week ending (18 - 22 Sept)	**1,305.20**	**948.20**	**6,462.30**	**10,971.00**	**56.07**
25-Sep	1,294.40	929.00	6,416.00	10,395.00	56.86
26-Sep	1,303.48	935.00	6,423.00	10,450.00	56.86
27-Sep	1,286.93	918.50	6,426.00	10,530.00	58.59
28-Sep	1,283.83	918.50	6,405.00	10,175.00	56.42
29-Sep	1,285.03	921.50	6,485.00	10,585.00	57.54
Week ending (25 - 29 Sept)	**1,290.73**	**924.50**	**6,431.00**	**10,427.00**	**57.25**
Weekly Change (%)	*(1.1)*	*(2.5)*	*(0.5)*	*(5.0)*	*2.1*

Source: BBC, KITCO and Bloomberg

Gold

Gold prices decreased by 1.1%, to close the week under review at US$1,290.73/oz. Prices were weighed down by a rebound of the US dollar, following investor expectations that the Federal Reserve would raise US interest rates in December 2017.

Platinum

Platinum prices continued on a negative trajectory, declining by 2.5% from a weekly average of US$948.20/ounce recorded in the previous week, to US$924.5/ounce during the week under review. Like in the case of gold prices, the decrease in platinum prices was also underpinned by expectations of a Fed Res interest rate increase.

Copper

Copper prices declined by 0.5%, from a weekly average of US$6,462.30/tonne in the previous week to US$6,431.00/tonne, during the week ending 29th September 2017. The prices continued on a downward trend on account of the weak demand outlook in China, the world's largest user of base metals.

Nickel

Nickel prices retreated by 5.0%, from US$10,971.00/tonne in the previous week to US$10,427.00/tonne during the week under review. The prices of nickel were also weighed down by the weak demand outlook in China.

Crude Oil

Crude oil prices increased by 2.1%, to close the week under analysis at US$ 57.25/barrel. This was underpinned by signs of growing global demand for the commodity.

5. EXCHANGE RATES

The US dollar appreciated against the rand, British pound, pula and euro during the week ending 29th September 2017. This was driven by investor optimism pertaining to growth in the US economy.

Table 6: International Exchange Rates per US$

	ZAR	GBP	BWP	EURO
2017				
Weekly Average (18 - 22 Sept)	**13.2693**	**0.7384**	**10.2105**	**0.8364**
25-Sep	13.2322	0.7371	10.1678	0.8386
26-Sep	13.3226	0.7420	10.2041	0.8443
27-Sep	13.3734	0.7449	10.2354	0.8489
28-Sep	13.6222	0.7478	10.4221	0.8522
29-Sep	13.5463	0.7454	10.3252	0.8491
Weekly Average (25 - 29 Sept)	**13.4193**	**0.7434**	**10.2709**	**0.8466**
Appr(+)/Depr(-) (%) of the USD	*1.1*	*0.7*	*0.6*	*1.2*

Source: Reuters, 2017

6. EQUITY MARKETS

During the week ending 29th September 2017, the Zimbabwe Stock Exchange (ZSE) recovered from losses of the previous week, resulting in gains in both industrial and mining indices. The industrial index rose by 14.29% to 418.39 points. Gains were realized in First Mutual Holdings Limited (75.76%), Pretoria Portland Cement Limited (PPC) (59.37%), Delta Corporation Limited (25%), Old Mutual Plc (24.83%), and CBZ Holdings Limited (24.50%).

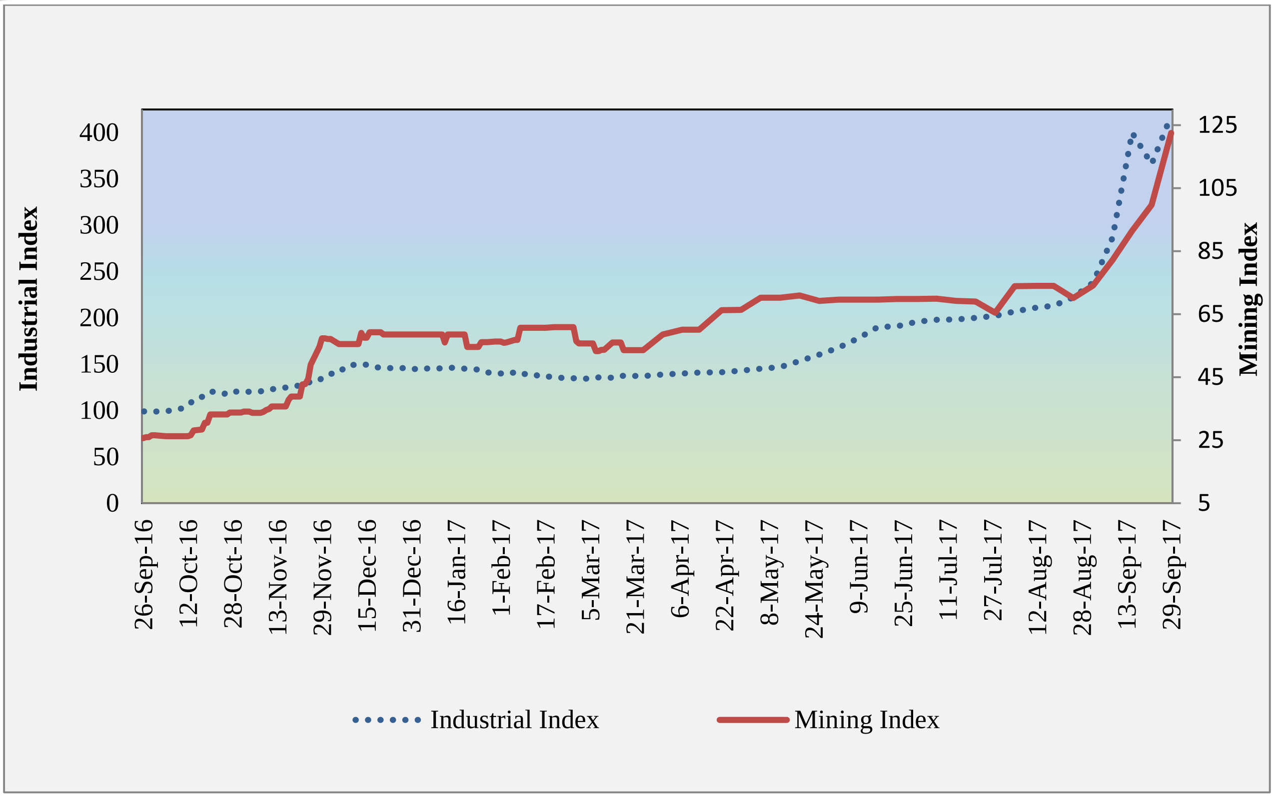
The resources index also firmed by 22.98%, to close the week under review at 122.57 points. This resulted from a 23.96% gain in RioZim Limited. Bindura Nickel Corporation (BNC) traded at previous week price level, while Hwange Colliery Company (HCC) and Falgold remained inactive.

Table 7: Zimbabwe Stock Exchange (ZSE) Statistics

	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US$)	Market Turnover (US$)	Volume of Shares
08-September-17	286.63	82.20	8,115,411,833	9,709,575	73,915,085
15-September-17	400.03	91.46	11,293,400,117	27,994,400	83,365,425
22-September-17	366.08	99.67	10,366,938,565	30,607,782	48,075,010
29-September-17	418.39	122.57	11,860,204,528	23,628,025	43,639,15
Weekly Change (%)	***14.29***	***22.98***	***14.40***	***-8.89***	***-9.23***

Source: Zimbabwe Stock Exchange (ZSE), 2017

Figure 3 : Zimbabwe Stock Exchange Indices

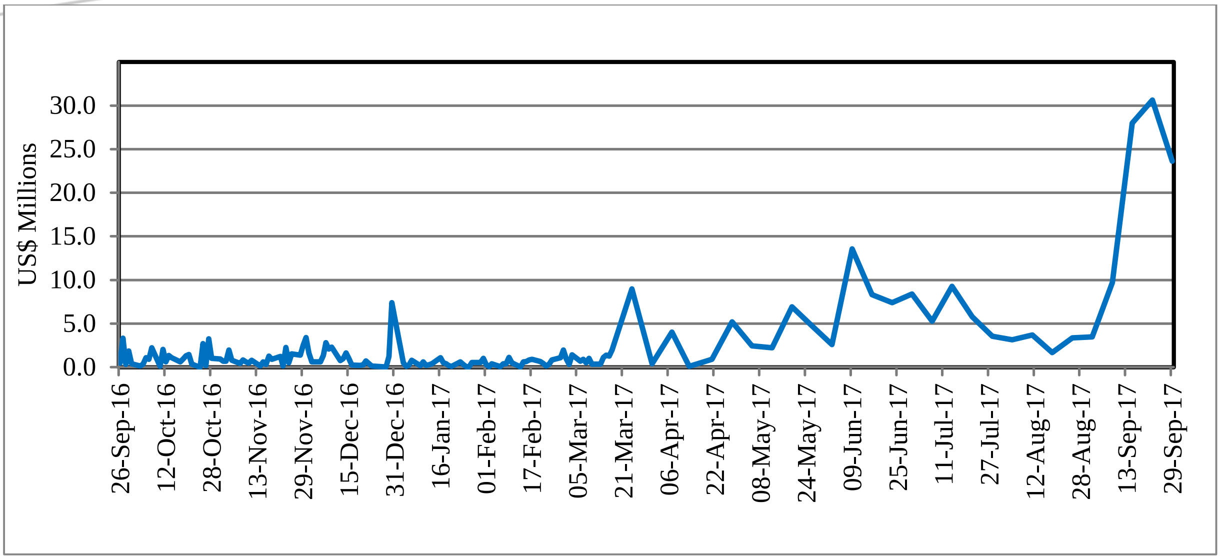


Source: Zimbabwe Stock exchange, 2017

Market Turnover and Volume

The volume of shares traded on the ZSE registered a 9.23% decline, to close the week ending 29th September 2017 at 43 639 156. Similarly, market turnover declined by 8.89% to US$23.63 million, attributable to thin trading on the local bourse.

Figure 4: Daily Market turnover

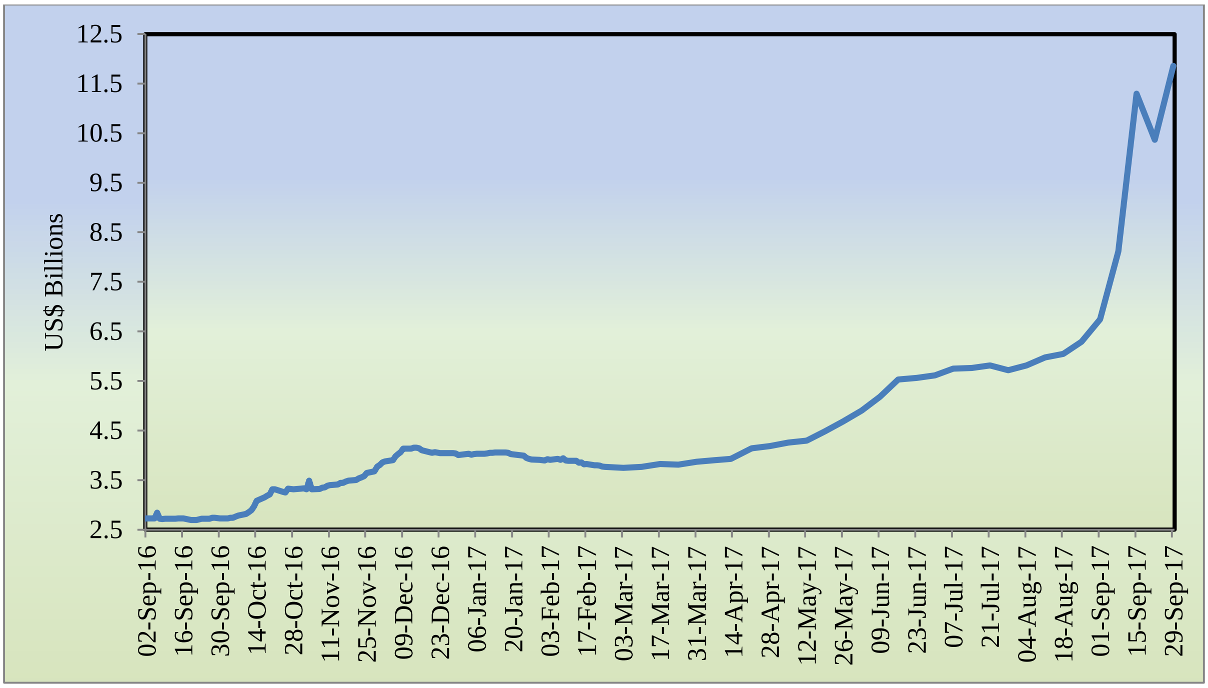


Source: Zimbabwe Stock Exchange, 2017

Market Capitalization

The ZSE market capitalization rose by 14.40%, from US$10.37 billion recorded in the previous week to US$11.86 billion during the period under review. This was largely due to positive trading during the week under review.

Figure 5 : Market Capitalization



Source: Zimbabwe Stock Exchange, 2017

Johannesburg Stock Exchange (JSE) Development

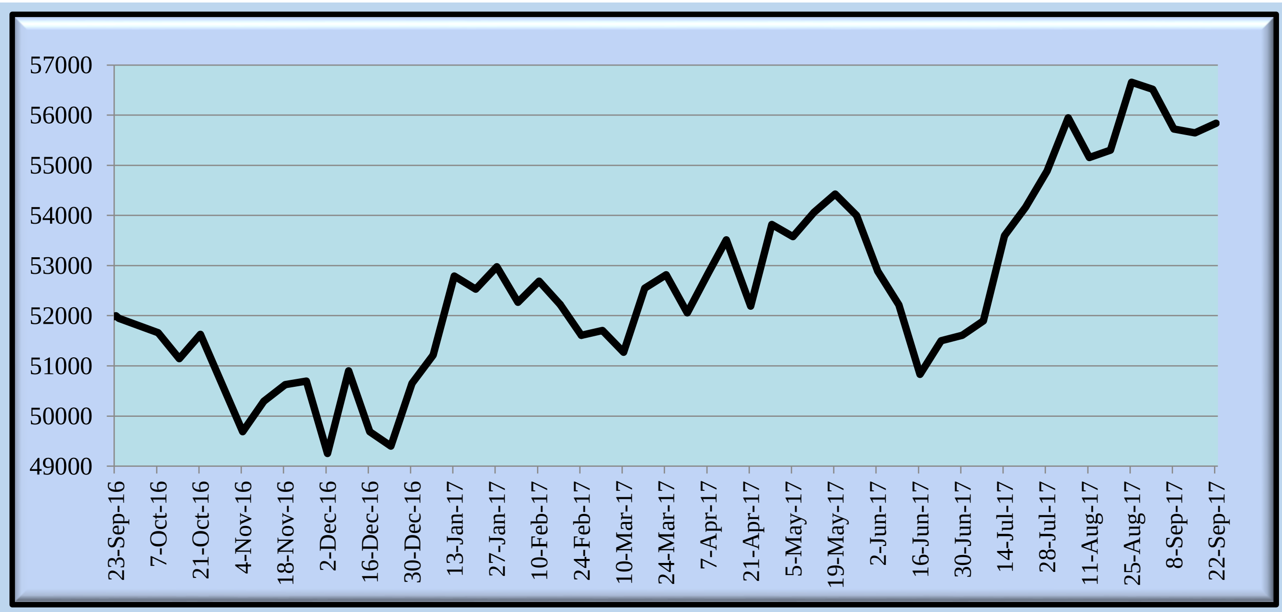
During the week ending 29th October 2017, the JSE All Share index declined by 0.47% to close the week under review at 55 579.92 points. Market capitalization, however, increased by 0.93%, to close the week under review at R15.21 trillion.

Table 8: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalization (ZAR trillion)
25-August-17	56 655.88	15.06
01-September-17	56 513.46	15.51
08-September-17	55 724.67	15.08
15-September-17	55 645.15	15.11
22-September-17	55 839.73	15.07
29-September-17	55 579.92	15.21
% Change	**-0.47**	**0.93**

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

6TH OCTOBER 2017