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Journal Name:	<u>British Journal of Economics, Management & Trade</u>
Manuscript Number:	2014_BJEMT_12544
Title of the Manuscript:	ZIMBABWE STOCK EXCHANGE ("ZSE")'S EXPOSURE TO GLOBAL CRUDE OIL PRICE VOLATILITY
Type of the Article	Original Research Article

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This journal's peer review policy states that **NO** manuscript should be rejected only on the basis of '**lack of Novelty**', provided the manuscript is scientifically robust and technically sound.

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PART 1: Review Comments

	Reviewer's comment	Author's comment (if agreed with reviewer, correct the manuscript and highlight that part in the manuscript. It is mandatory that authors should write his/her feedback here)
Compulsory REVISION comments	The author clearly makes a description of the importance of oil industry and future tendency in Zimbabwe. However, there are some possible variables such as exchange rate, inflation, and commodity prices, could be a significant antecedent of stock market. The researcher needs to explain more to convince audience why those important variables did not use as a control variable or antecedence. In this issue, the research only focus on analysis of the oil price impact on stock market will be judged lack of theoretical contribution and novelty. Although, I can see and be convinced the oil price definitely has a major influence on stock exchange, but that is too simple to see and no need to be tested, especially for a 100% oil import country. So, I recommend this paper should add more discussion for theoretical background of how and why some macroeconomic variables impact on Zimbabwe majorly, than we develop a comprehensive and parsimony model to test the influence of stock market. That will be more contribute and reasonable for a macroeconomic model. If not to do so, I cannot understand why the oil price would be treated as the only analysis target, but some relevant variables such as inflation caused by oil price is not be considered.	It was not our intention to develop a comprehensive macroeconomic model to cover the impact of most macroeconomic variables on the stock market. (I can see and be convinced the oil price definitely has a major influence on stock exchange.) From this statement our aim was to explore and quantify the level of impact of oil price changes on the Zimbabwe stock exchange with a view to developing a predictive model on levels of fluctuations on the stock prices as a result of changes in oil prices. Furthermore, we were interested in external variables not internal. The issue of contribution to economic theory through a comprehensive and parsimony model would be the next research topic on this subject. Agreed we will explain more on other external variables on how they had an impact on the stock exchange. We made the point in the paper that the period under study was a period in which internal macroeconomic variables and political variables had a moderate influence on the Zimbabwe Stock Exchange. The was the period of government of national unity. There was not much change in term of macroeconomic policy apart from dollarization.



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<u>Minor</u> REVISION comments	This research collects a data set from 2009-2012 but no particular reason. Time series analysis usually makes a long-term data (like a decade for macroeconomic issue) or a specific represented period. The author has to explain well why this data can be seen as an effective and valid data for this research.	The period 2004 to 2008 was characterized by hyperinflation, high interest rates and depreciating Zimbabwe dollar. These were the variables that had a major impact on the stock market it would have been difficult to isolate the impact of oil price change under extreme variability of these variables. The dollarization period as well as the government of national unity 2009 to 2012. There were no radical changes in macroeconomic variables. The period from mid- 2013 to date 2014 was characterized by severe liquidity challenges and political risk issues coming from the outcome of combined elections and economic development policies of the ruling party.
<u>Optional/General</u> comments	This research has an acceptable analysis skills and suitable issue. However, the author needs to focus on the theoretical background and contribution. So far, this paper is lack of contribution and novelty, but still has chance to modify it.	We will improve on theoretical background.