



# 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  
3<sup>rd</sup> February 2017

## 1. INTEREST RATES

### Deposit Rates

During the week ending 3<sup>rd</sup> February 2017, deposit rates for savings accounts and deposits of 1 month tenor remained unchanged at 3.01% and 5.34%, respectively. Deposit rates for term deposits of 3 months, however, declined by 0.02 percentage points to close the same week at 5.79%.

**Table 1: Average Deposit Rates (Yields in percent per annum)**

Date	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
<b>06-January-17</b>	3.01	5.33	5.72
<b>13-January-17</b>	3.01	5.36	5.72
<b>20-January-17</b>	3.01	5.33	5.75
<b>27-January-17</b>	3.01	5.34	5.81
<b>03-February-17</b>	3.01	5.34	<b>5.79</b>

Source: Banking Institutions, 2016

### Lending Rates

During the week under analysis, commercial bank weighted lending rates for individual and corporate clients rose by 0.06 and 0.01 percentage points, to close the week at 10.67% and 6.69%, respectively.

**Table 2: Lending Rates**

Date	Lending Rates (%) Commercial Banks (weighted)	
	Individuals	Corporate clients
<b>06-January-17</b>	10.58	6.73
<b>13-January-17</b>	10.61	6.47
<b>20-January-17</b>	10.59	6.72
<b>27-January-17</b>	10.61	6.68
<b>03-February-17</b>	<b>10.67</b>	<b>6.69</b>

Source: Banking Institutions, 2016

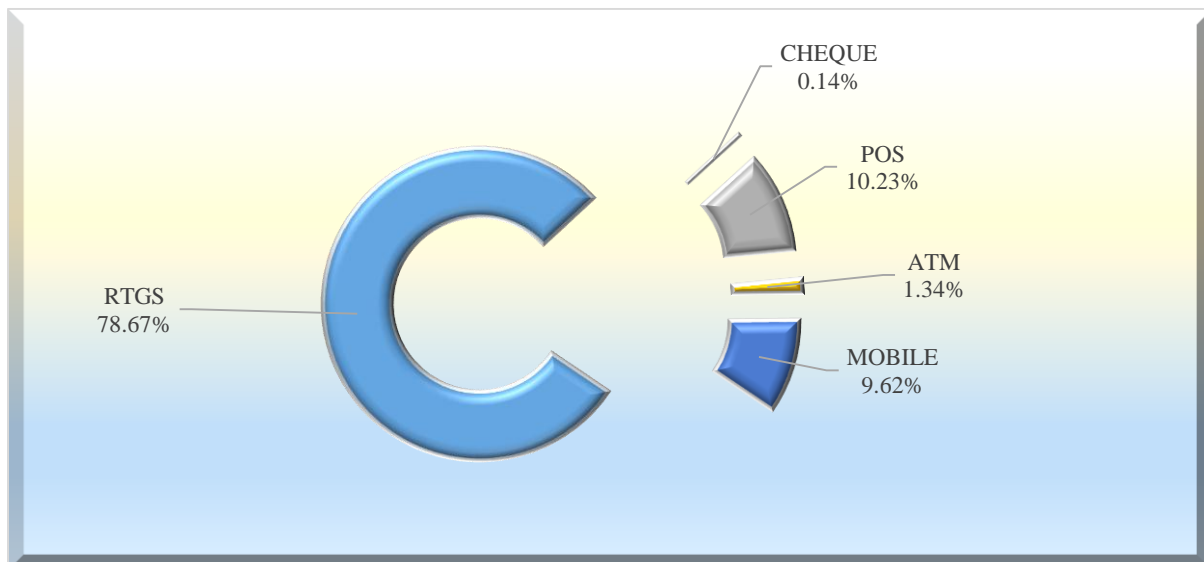
## 2. CLEARING AND SETTLEMENT ACTIVITY

The total value of transactions processed through the National Payment Systems (NPS) stood at US\$1181.24 million, up from US\$1 180.34 million recorded in the previous week.

Transactions processed through the Real Time Gross Settlement (RTGS) system declined by 4.9%, to close the week under review at US\$929.15 million.

RTGS system payments accounted for 78.67% of the total value of transactions processed through the NPS, followed by Mobile, 9.62%; Automated Teller Machines (ATM's), 1.34%; Point of Sale (POS), 10.23%; and cheque transactions, 0.14%, as shown in Figure 1.

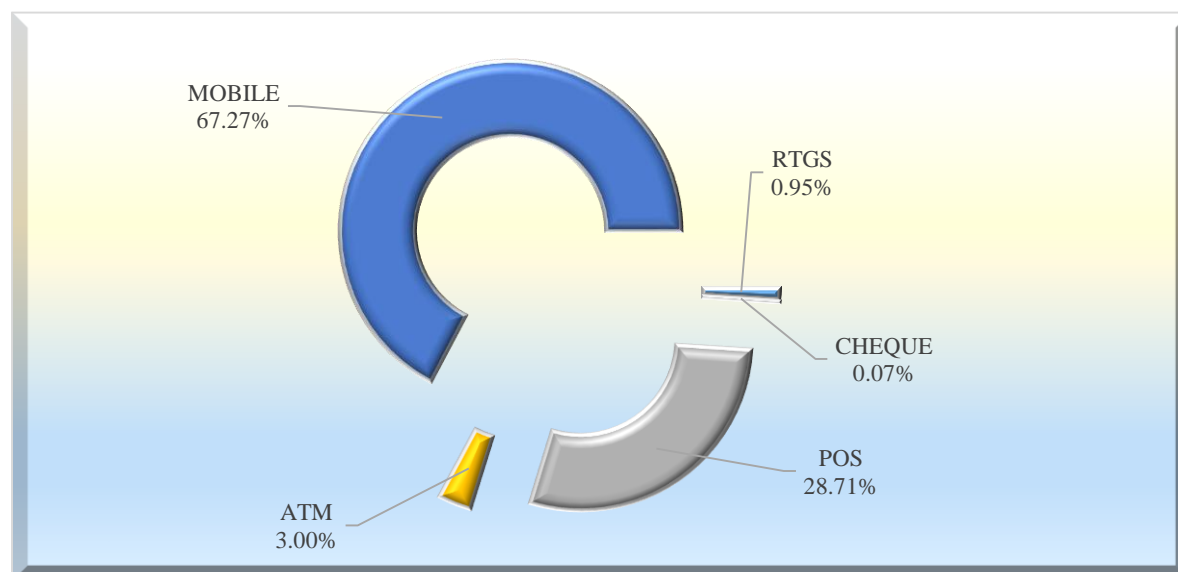
**Figure 1: Proportions of NPS Transactions in Value Terms**



*Source: Reserve Bank of Zimbabwe*

NPS transaction volumes increased by 18%, from 8 045 810 recorded in the previous week to 9 511 544 transactions during the week ending 3<sup>rd</sup> February 2017. In terms of contributions to the total volume of NPS transactions, Mobile transactions were highest at 67.27%. The contributions of the other payment streams were as follows: POS, 28.71%; ATM, 3.00%; RTGS, 0.95%; and Cheque 0.07%, as shown in Figure 2.

**Figure 2: Proportions of NPS Transactions in Volume Terms**



Source: Reserve Bank of Zimbabwe.

**Table 3: National Payment Systems Activity**

PAYMENT STREAM	WEEK ENDING 27 January 2017	WEEK ENDING 03 February 2017	CHANGE FROM LAST WEEK	PROPORTION
<b>VALUES IN USD (millions)</b>				
<b>RTGS</b>	977.18	929.15	(4.9%)	78.67%
<b>CHEQUE</b>	1.84	1.62	(12%)	0.14%
<b>POS</b>	95.25	120.89	27%	10.23%
<b>ATMS</b>	14.32	15.88	11%	1.34%
<b>MOBILE</b>	91.75	113.69	24%	9.62%
<b>TOTAL</b>	<b>1,180.34</b>	<b>1,181.24</b>	0.1%	<b>100%</b>
<b>VOLUMES</b>				
<b>RTGS</b>	80,737	90,539	12%	0.95%
<b>CHEQUE</b>	7,040	6,540	(7%)	0.07%
<b>POS</b>	2,163,598	2,731,127	26%	28.71%
<b>ATMs</b>	336,602	285,478	(15%)	3.00%
<b>MOBILE</b>	5,457,833	6,397,860	17%	67.27%
<b>TOTAL</b>	<b>8,045,810</b>	<b>9,511,544</b>	18%	<b>100%</b>

Source: Reserve Bank of Zimbabwe

### 3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

During the week under review, the international commodity prices of gold, platinum, copper, nickel and crude oil rose, as shown in Table 4.

**Table 4: Metals and Crude Oil Prices**

	<b>Gold</b>	<b>Platinum</b>	<b>Copper</b>	<b>Nickel</b>	<b>Crude Oil</b>
2017	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
<b>Week ending (23-27 Jan)</b>	<b>1,210.32</b>	<b>984.1</b>	<b>5,822.80</b>	<b>9,691.00</b>	<b>55.54</b>
30-Jan	1,200.50	978.50	5,890.00	9,375.00	55.65
31-Jan	1,203.33	989.00	5,890.00	9,375.00	55.65
1-Feb	1,207.80	980.00	5,920.50	9,880.00	55.65
2-Feb	1,223.00	1003.50	5,920.50	9,880.00	55.65
3-Feb	1,220.43	992.00	5,903.00	10,350.00	55.65
<b>Week ending (30 Jan -3 Feb)</b>	<b>1,211.01</b>	<b>988.60</b>	<b>5,904.80</b>	<b>9,772.00</b>	<b>55.65</b>
<i>Weekly Change (%)</i>	<i>0.1</i>	<i>0.5</i>	<i>1.4</i>	<i>0.8</i>	<i>0.2</i>

*Source: BBC, KITCO, Reuters and Bloomberg*

#### **Gold**

Gold prices rose by 0.1%, to close the week under review at a weekly average of US\$1,211.01/oz. Prices firmed following a slow growth in US wage rates in the month of January, dampening expectations of an interest rate hike by the Federal Reserve.

#### **Platinum**

Platinum prices increased by 0.5%, to close the week under review at US\$988.60/oz from US\$984.10/oz recorded in the previous week. Prices rose on the background of uncertainties over policies of the new US administration, coupled with the weakening of the US dollar.

#### **Copper**

Copper prices rose by 1.4%, from US\$5,822.80/tonne recorded in the preceding week, to US\$5,904.80/tonne during the week ending 3<sup>rd</sup> February 2017. The increase was on the back of

anticipations of supply disruptions, amid ongoing negotiations between a mine in Chile, Escondida and its workers.

### **Nickel**

Nickel prices increased by 0.8%, from US\$9,691.00/tonne recorded during the previous week to US\$9,772.00/tonne in the week under analysis. Prices rose following the closure of 21 mines in the Philippines, the largest producer of the metal. This signalled possible supply shortages on the global market.

### **Crude Oil**

Crude oil prices rose by 0.2%, from US\$55.54/barrel recorded in the week ending 27<sup>th</sup> January 2017, to a weekly average price of US\$55.65/barrel during the week under review. This came after the US imposed sanctions on Iran, due to political and military tension between the two countries.

#### 4. EXCHANGE RATES

During the week ending 3<sup>rd</sup> February 2017, the US dollar depreciated against the euro and the pound Sterling. The greenback, however, appreciated against the rand. Its depreciation against the euro and the pound followed the release of US data, which showed a less than expected wage rise in January 2017. This reinforced the expectations that the Federal Reserve would refrain from raising interest rates in the short term.

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

	<b>GBP</b>	<b>EURO</b>	<b>ZAR</b>
2017			
<b>Weekly Average (23-27 Jan)</b>	<b>0.7961</b>	<b>0.9321</b>	<b>13.3721</b>
30-Jan	0.7953	0.9323	13.4504
31-Jan	0.7990	0.9345	13.5146
1-Feb	0.7957	0.9268	13.4987
2-Feb	0.8010	0.9265	13.4000
3-Feb	0.7989	0.9298	13.3942
<b>Weekly Average (30 Jan- 3 Feb)</b>	<b>0.7934</b>	<b>0.9294</b>	<b>13.4519</b>
<i>Appr(+)/Depr(-) (%) of the USD</i>	<i>(0.34 )</i>	<i>(0.28)</i>	<i>0.60</i>

*Source: Reuters*

## 5. EQUITY MARKETS

During the week under analysis, the Zimbabwe Stock Exchange (ZSE) continued on a negative trend for the third consecutive week, as foreign investors disinvested from several highly capitalised counters. The industrial index shed 0.50% to close the week under review at 140.44 points. Trading in heavy weight counters was weak with Delta losing 2.22%; Pearl Properties, 1.14%; Old Mutual, 0.28%; Econet Wireless Zimbabwe, 0.11%; and Innscor, 0.02%. Partially offsetting these losses were gains realised in Proplastics, 19.05%; Nampak, 11.57%; Axia Corporation, 2.64%; Padenga, 1.39%; and Hippo Valley, 0.68%.

Likewise, the mining index dropped by 0.16% to close the same week at 56.03points. This was due to a 1.71% loss recorded in Bindura Nickel Corporation. The Rio Zim counter, however, increased by 1.56%, while Falgold and Hwange counters were inactive during the same period.

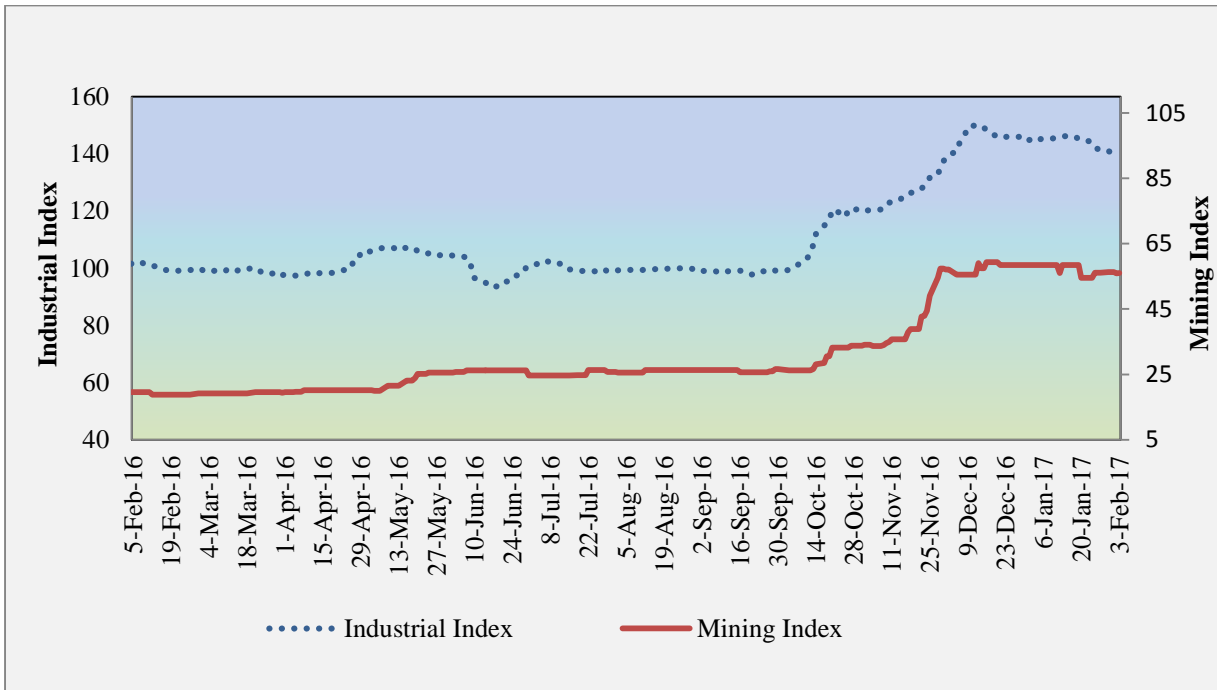
**Table 7: Zimbabwe Stock Exchange (ZSE) Statistics**

Period	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
06- January-17	145.35	58.51	4,030,035,265	1,597,112	10,205,110
13- January-17	146.21	58.51	4,055,523,319	1,635,476	5,885,229
20- January-17	145.01	54.56	4,017,272,750	2,218,131	7,866,860
27- January-17	141.14	56.12	3,914,940,170	1,550,758	2,966,047
03-February-17	140.44	56.03	3,908,487,911	2,234,590	5,942,210
<b>Weekly Change (%)</b>	<b>(0.50%)</b>	<b>(0.16%)</b>	<b>(0.16%)</b>	<b>44.10%</b>	<b>100.34%</b>

Source: Zimbabwe Stock Exchange (ZSE), 2016.



**Figure 3 : Zimbabwe Stock Exchange Indices**

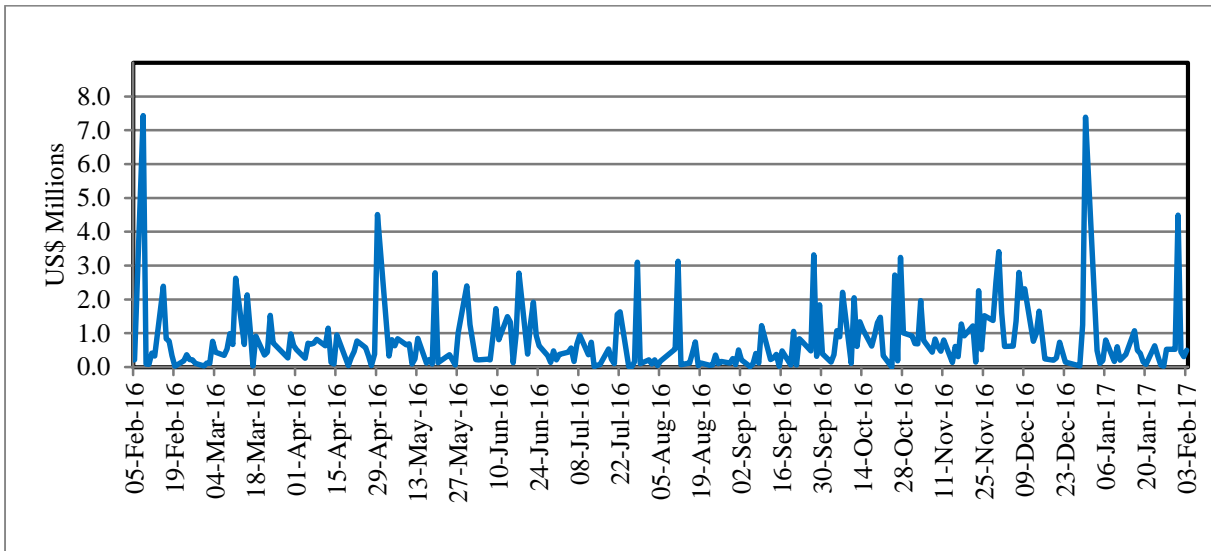


Source: Zimbabwe Stock Exchange, 2017

### Market Turnover and Volume

Despite losses recorded in both indices, the ZSE market turnover recorded a 44.10% increase to close the week under review at US\$2.23 million. This was mainly due to significant foreign investor activity on the local bourse. The volume of shares traded also increased by 100.34%, from 2 966 047 in the previous week to 5 942 210 shares during the week under review. This was attributable to notable block trades in Econet Wireless Zimbabwe and CBZ Holdings, where 2 053 452 and 1 005 909 shares were traded at 0.1050 cents and 0.1687 cents, respectively.

**Figure 4: Daily Market turnover**

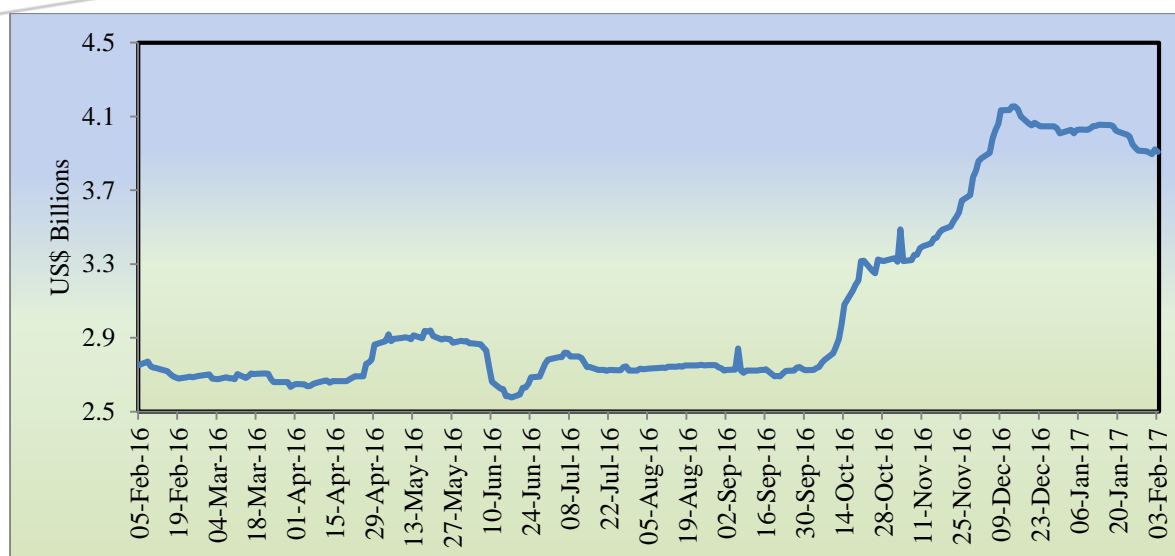


Source: Zimbabwe Stock Exchange, 2017

## Market Capitalisation

ZSE market capitalisation stood at US\$3 908.49 million during the week ending 3<sup>rd</sup> February 2017, a 0.16% decline from US\$3 914.94 million recorded in the previous week. This was largely explained by losses realised in heavy weight counters during the reporting week.

**Figure 5 : Market Capitalisation**



Source: Zimbabwe Stock Exchange, 2017

### Johannesburg Stock Exchange (JSE) Developments

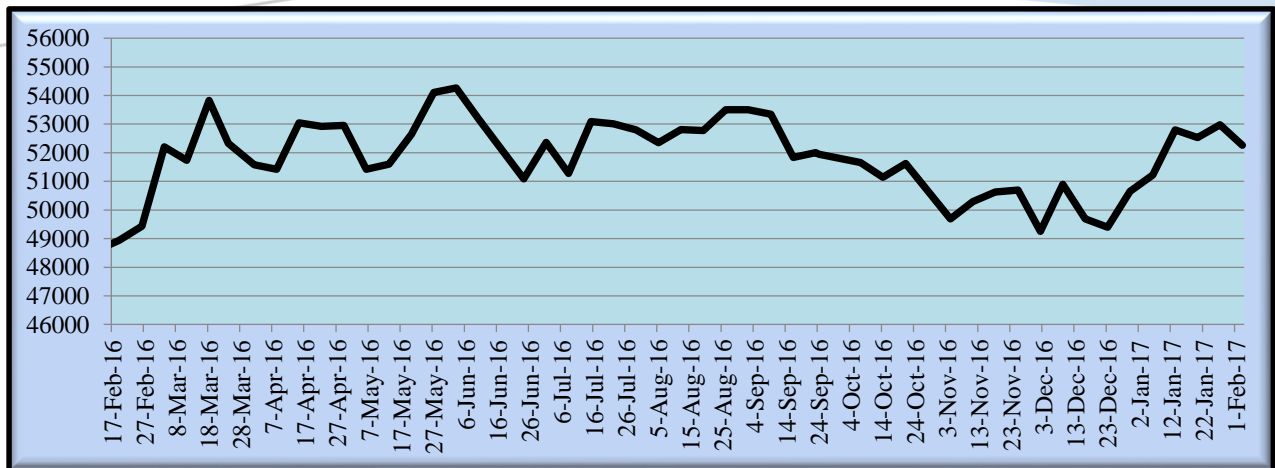
During the week under review, the JSE All share index declined by 1.34%, to close the week at 52 265.16 points. The JSE Market capitalization registered a 4.61% increase, from R14.09 trillion in the previous week, to R14.74 trillion during the week of analysis.

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

Period	All Share Index (points)	Market Capitalisation (ZAR trillion)
<b>06-January-17</b>	51 216.00	13.67
<b>13-January-17</b>	52 794.81	13.93
<b>20-January-17</b>	52 532.26	13.92
<b>27-January-17</b>	52 973.83	14.09
<b>03-February-17</b>	<b>52 265.16</b>	<b>14.74</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**

**13<sup>th</sup> FEBRUARY 2017**