



# Weekly Economic Highlights

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Week Ending  
2<sup>nd</sup> December 2016

## 1. INTEREST RATES

### Deposit Rates

Deposit rates for savings, time deposits of 1 month and 3 months tenor remained unchanged at 3.01%, 5.34% and 5.75%, respectively, during the week ending 2<sup>nd</sup> December 2016.

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

Date	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
04-November-16	3.01	5.39	5.75
11-November-16	3.01	5.34	5.75
18-November-16	3.01	5.34	5.75
25-November-16	3.01	5.34	5.75
02-December-16	3.01	5.34	5.75

Source: Banking Institutions, 2016

### Lending Rates

Weighted commercial bank lending rates for individual clients stood at 10.67% during the week under review, from 10.69% recorded in the previous week. Similarly, weighted commercial bank lending rates for corporate clients recorded a 0.04% decline, to close the week under review at 6.95%.

**Table 2: Lending Rates**

Date	Lending Rates (%) Commercial Banks (weighted)	
	Individuals	Corporate clients
04-November-16	10.67	6.97
11-November-16	10.68	6.98
18-November-16	10.67	6.98
25-November-16	10.69	6.99
02-December-16	<b>10.67</b>	<b>6.95</b>

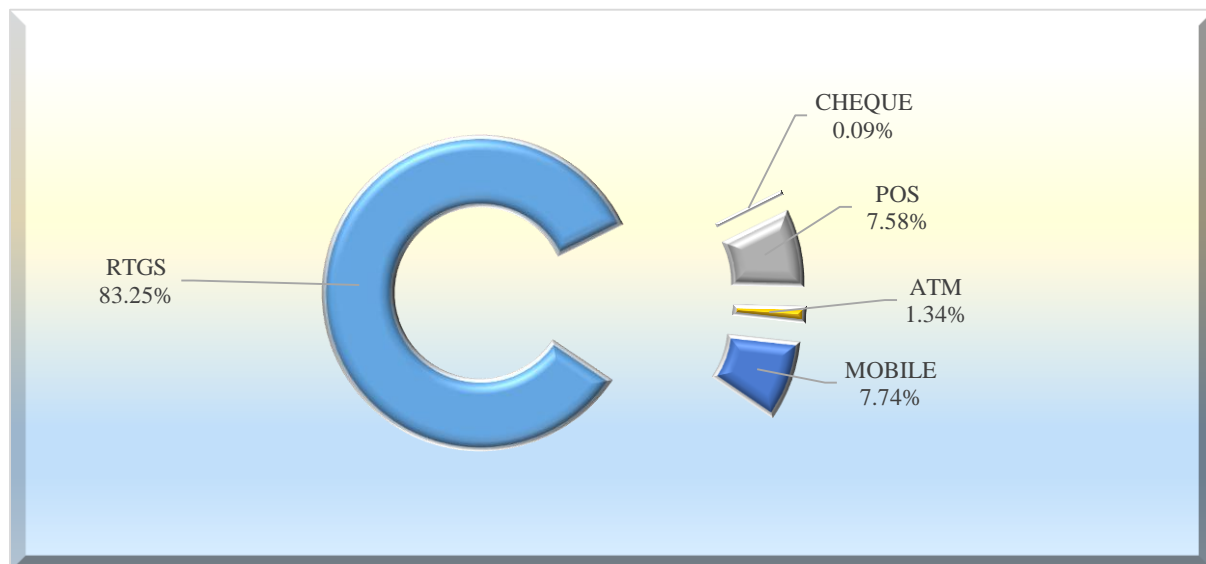
Source: Banking Institutions, 2016

## 2. CLEARING AND SETTLEMENT ACTIVITY

The total value of transactions processed through the National Payment Systems (NPS) amounted to US\$1 542.30 million, during the week under review up from US\$1 257.48 million recorded in the previous week. Concomitantly, the value of RTGS transactions also increased from US\$1 041.82 million in the prior week to close the week under review at US\$1 284.02 million.

RTGS system payments accounted for 83.25% of the total value of transactions processed through NPS, followed by Mobile, 7.74%; Point of Sale (POS), 7.58%; Automated Teller Machines (ATMs), 1.34% and cheque 0.09%, as shown in Figure 1.

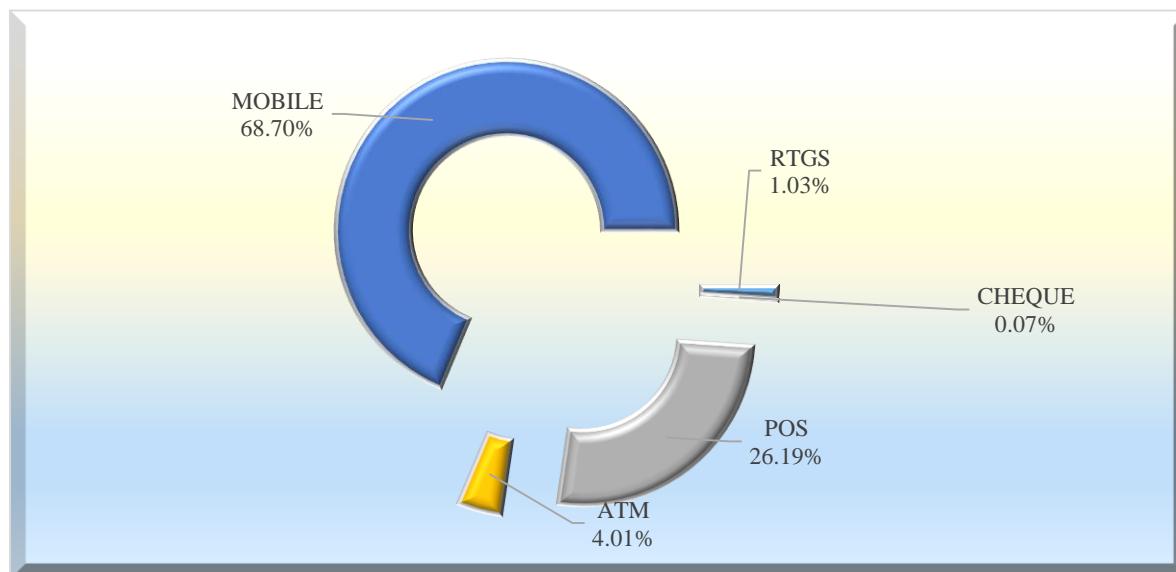
**Figure 1: Proportions of NPS Transactions in Value Terms**



*Source: Reserve Bank of Zimbabwe*

NPS transactions volumes registered a 13% increase, from 8 408 256 to 9 499 156, during the week under review. The volume of NPS transactions was distributed as follows: Mobile, 68.70%; POS, 26.19%; ATM, 4.01%; RTGS, 1.03%; 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 25 November 2016	WEEK ENDING 02 December 2016	CHANGE FROM LAST WEEK	PROPORTION
<b>VALUES IN USD (millions)</b>				
<b>RTGS</b>	1,041,82	1,284,02	23%	83.25%
<b>CHEQUE</b>	1,65	1,36	(17.8%)	0.09%
<b>POS</b>	104,97	116,88	11%	7.58%
<b>ATMS</b>	16,76	20,61	23%	1.34%
<b>MOBILE</b>	92,28	119,43	29%	7.74%
<b>TOTAL</b>	<b>1,257,48</b>	<b>1,542,30</b>	23%	<b>100%</b>
<b>VOLUMES</b>				
<b>RTGS</b>	76,928	97,533	27%	1.03%
<b>CHEQUE</b>	7,708	6,323	(10%)	0.07%
<b>POS</b>	2,289,941	2,487,624	7%	7.58%
<b>ATMs</b>	371,786	381,085	32%	4.01%
<b>MOBILE</b>	6,059,508	6,526,591	14%	68.71%
<b>TOTAL</b>	<b>8,408,256</b>	<b>9,499,156</b>	13%	<b>100%</b>

Source: Reserve Bank of Zimbabwe

### 3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international commodity prices of gold and platinum continued on a negative trend, during the week under analysis. Base metals and crude oil prices, however, increased during the same week.

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

	<b>Gold</b>	<b>Platinum</b>	<b>Copper</b>	<b>Nickel</b>	<b>Crude Oil</b>
2016	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
<b>Week ending (21-25 Nov)</b>	<b>1,200.62</b>	<b>924.30</b>	<b>5,578.60</b>	<b>11,299.00</b>	<b>48.51</b>
28-Nov	1,188.05	913.50	5,834.00	11,460.00	48.03
29-Nov	1,186.93	920.00	5,935.00	11,680.00	46.50
30-Nov	1,182.75	919.00	5,778.00	11,300.00	50.00
1-Dec	1,165.30	904.50	5,738.00	10,960.00	54.14
2-Dec	1,171.13	917.00	5,771.00	11,200.00	54.15
<b>Weekly Average (28 Nov-2 Dec)</b>	<b>1,178.83</b>	<b>914.80</b>	<b>5,811.20</b>	<b>11,320.00</b>	<b>50.56</b>
<i>Weekly Change (%)</i>	<i>(1.8)</i>	<i>(1.0)</i>	<i>4.2</i>	<i>0.2</i>	<i>4.2</i>

Source: BBC, KITCO, Reuters and Bloomberg

#### **Gold**

Gold prices declined by 1.8% to close the week under review at US\$1,178.83/ounce, from US\$1,200.62/ounce recorded in the previous week. The decline was attributed to a continuous appreciation of the US Dollar, resulting in speculations of a tightening monetary policy in the USA.

#### **Platinum**

Platinum prices decreased by 1.0% from US\$924.30/ounce recorded in the previous week to US\$914.80/ounce, during the week under review. This was on account of a slackening investment demand due to positive US interest rate outlook.



## **Copper**

Copper prices increased by 4.2%, from a weekly average of US\$5,578.60/tonne in the prior week to US\$5,811.20/ounce. This followed speculations that demand for the metal will accelerate, due to improving growth in the United States and an increase in economic stability in China, the world's largest base metal consumer.

## **Nickel**

Nickel prices increased marginally by 0.2% to close at a weekly average of US\$11,320.00/tonne from US\$11,299.00/tonne. The increase was attributed to an acceleration in demand from China.

## **Crude Oil**

Crude oil prices rose by 4.2% to a weekly average of US\$50.56/barrel, from US\$48.51/barrel in the preceding week. The prices were supported by the agreement of the Organisation of the Petroleum Exporting Countries (OPEC) to cut production to rein in a global glut and shore up prices.

## EXCHANGE RATES

The US dollar weakened against major currencies, during the week under review, following the release of a key U.S. employment report. The report showed that the unemployment rate had remained unchanged at 9.7%. This might affect the decision of Fed Reserve to increase interest rates.

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

	<b>GBP</b>	<b>EURO</b>	<b>ZAR</b>	<b>BWP</b>
<b>2016</b>				
<b>Weekly Average (21-25 Nov)</b>	<b>0.804</b>	<b>0.9439</b>	<b>14.1475</b>	<b>10.8241</b>
28-Nov	0.7998	0.9382	13.9700	10.7469
29-Nov	0.8063	0.9429	13.8300	10.7009
30-Nov	0.8014	0.9406	13.9200	10.7354
1-Dec	0.7986	0.9426	14.0200	10.7643
2-Dec	0.7928	0.9356	14.0700	10.7817
<b>Weekly Average (28 Nov - 2 Dec)</b>	<b>0.7998</b>	<b>0.9404</b>	<b>13.9600</b>	<b>10.7456</b>
<i>Appr(+)/Depr(-) (%) of the USD</i>	<i>(0.5)</i>	<i>(0.4)</i>	<i>(1.3)</i>	<i>(0.7)</i>

Source: Reuters

## 4. EQUITY MARKETS

The Zimbabwe Stock Exchange (ZSE) continued on positive momentum for the fourth consecutive week. Resultantly, the mainstream index rose by 6.07% to close the week under review at 139.64%. Similarly, the resources index gained by 16.42% to close at 57.09 points during the same week.

The increase in the mainstream index was largely underpinned by gains realised in Hippo Valley estates Limited, 24.88%, Proplastics Limited, 7.50%, Delta Corporation 5.63%, NMBZ Holdings, 5.26% and Axia Corporation Limited.1.21%.

The increase in the mining index was supported by gains recorded in Bindura Nickel Corporation (BNC), 29.31%.

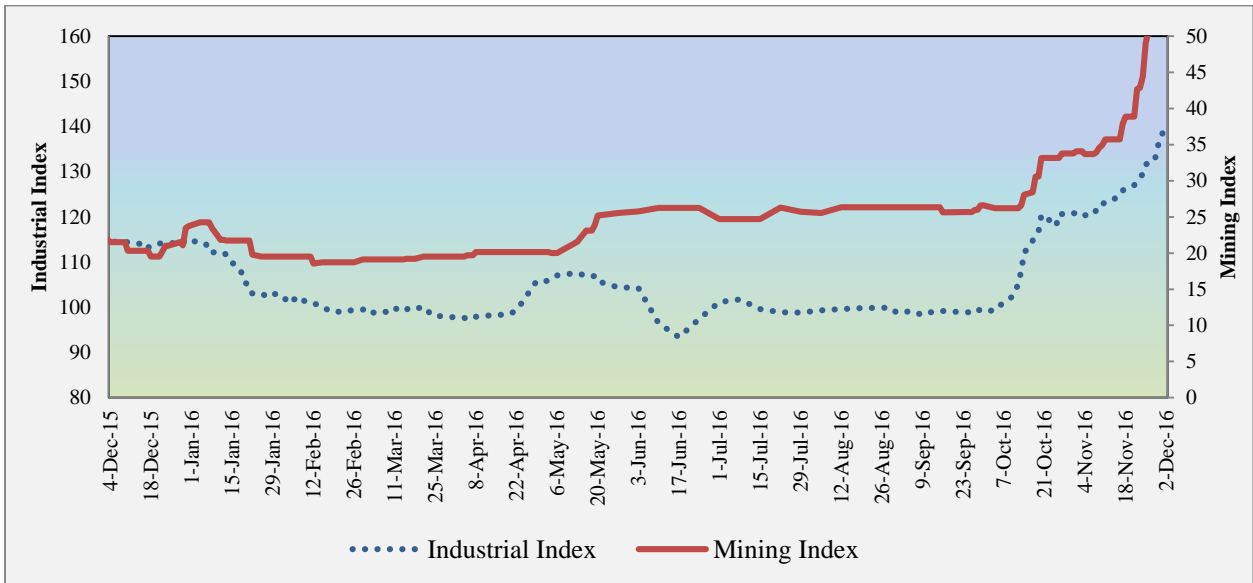
**Table 7: Zimbabwe Stock Exchange (ZSE) Statistics**

Period	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
04- November-16	120.34	33.71	3,315,350,411	5,049,114	58,916,789
11- November-16	123.22	35.72	3,396,134,584	3,130,839	18 463 924
18- November-16	126.36	38.89	3,485,950,742	3,254,025	31,532,238
25- November-16	131.65	49.04	3,644,711,501	5,652,818	108,535,833
02-December-16	139.64	57.09	3,857,316,777	9,508,358	41,092,060
<i>Weekly Change (%)</i>	<i>6.07</i>	<i>16.42</i>	<i>6.27</i>	<i>68.21</i>	<i>(62.14)</i>

Source: Zimbabwe Stock Exchange (ZSE), 2016.



**Figure 3 : Zimbabwe Stock Exchange Indices**

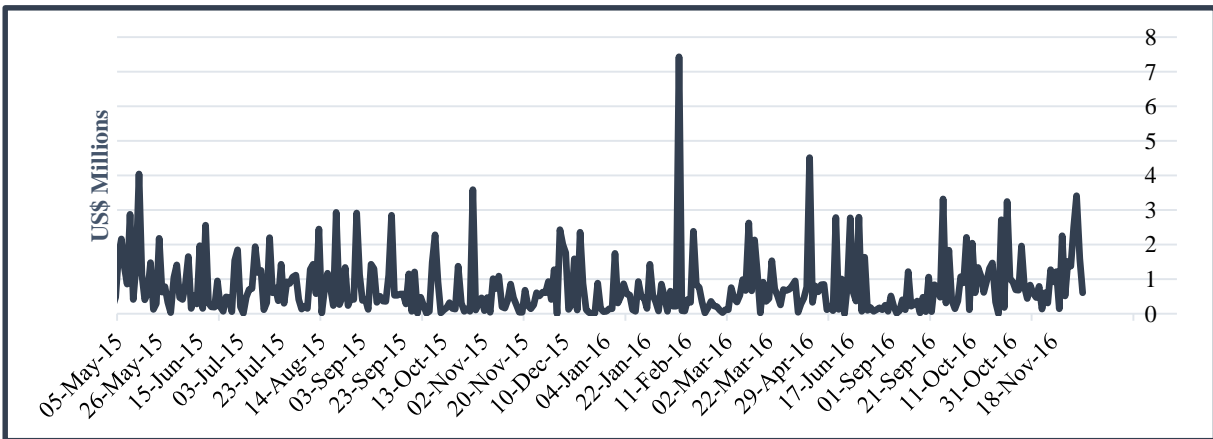


Source: Zimbabwe Stock Exchange, 2016

**Market Turnover and Volume**

Market turnover value increased by 68.21%, from US\$5.65 million in the prior week to US\$9.51 million during the week under review. The volume of shares traded, however, decreased by 62.14% from 108 535 833 shares to 41 092 060 shares. The decrease is mainly attributed to subdued trade on some of the counters on the local bourse.

**Figure 4: Daily Market Turnover**

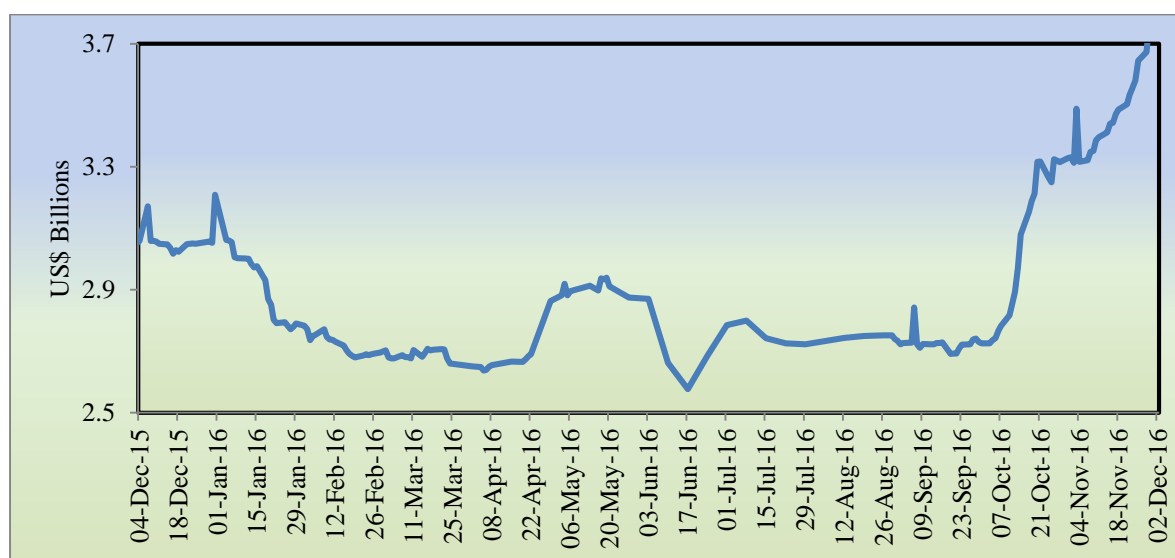


Source: Zimbabwe Stock Exchange, 2016

## Market Capitalisation

Market capitalization rose by 6.27% to close at US\$3 857.32 million from US\$3 644.71 million recorded in the previous week. This followed an increase in prices of several counters at the ZSE.

**Figure 5 : Market Capitalisation**



Source: Zimbabwe Stock Exchange, 2016

## Johannesburg Stock Exchange (JSE) Developments

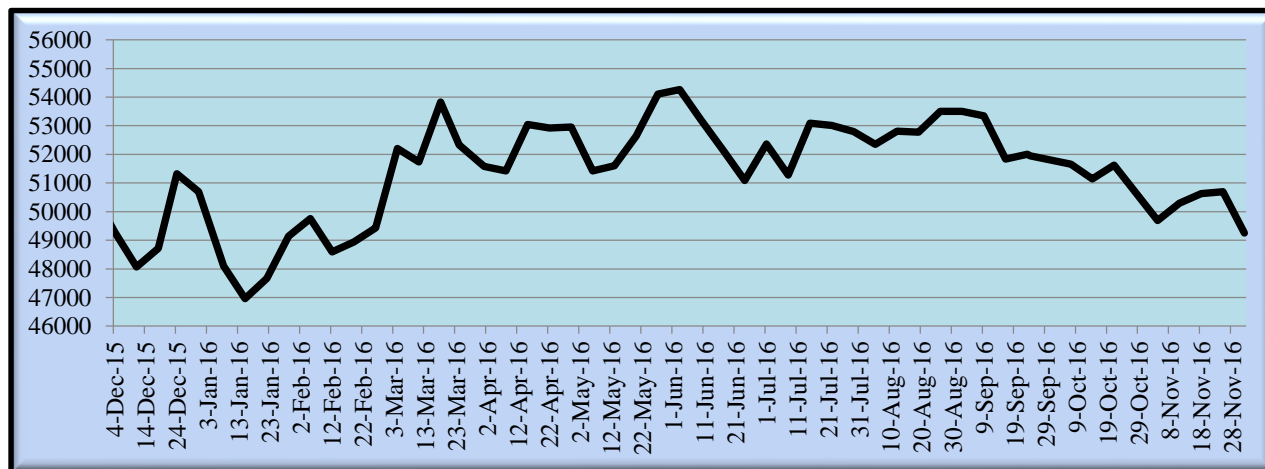
The JSE All Share Index declined by 2.84%, to close at 49 256.10 points during the week ending 2<sup>nd</sup> December 2016. Similarly, market capitalisation shed 2.89% to close at R13.11 trillion, during the same week.

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

Period	All Share Index (points)	Market Capitalisation (ZAR trillion)
<b>04-November-16</b>	49 686.10	13.12
<b>11-November-16</b>	50 294.72	13.39
<b>18-November-16</b>	50 626.06	13.27
<b>25-November-16</b>	50 696.10	13.50
<b>02-December-16</b>	<b>49 256.10</b>	<b>13.11</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**

**09<sup>TH</sup> DECEMBER 2016**