



Weekly Economic Highlights

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Week Ending
3rd March 2017

1. INTEREST RATES

Deposit Rates

During the week ending 3rd March 2017, average deposit rates for savings deposits remained unchanged at 3.01%. Deposit rates of 1 month tenor increased by 0.02 percentage points to close the week under review at 5.35%. The average deposits rates for deposits of 3 months tenor, however, declined from 5.81% in the previous week to close the week under review at 5.80%.

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

Date	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
03-February-17	3.01	5.34	5.79
10-February-17	3.01	5.34	5.79
17-February-17	3.01	5.31	5.79
24-February-17	3.01	5.33	5.81
03-March-17	3.01	5.35	5.80

Source: Banking Institutions, 2017

Lending Rates

Commercial bank weighted lending rates for individual and corporate clients declined marginally, to close the week under review at 10.05% and 6.51%, respectively.

Table 2: Lending Rates

Date	Lending Rates (%) Commercial Banks (weighted)	
	Individuals	Corporate clients
03-February-17	10.67	6.69
10-February-17	10.01	6.51
17-February-17	10.05	6.51
24-February-17	10.06	6.52
03-March-17	10.05	6.51

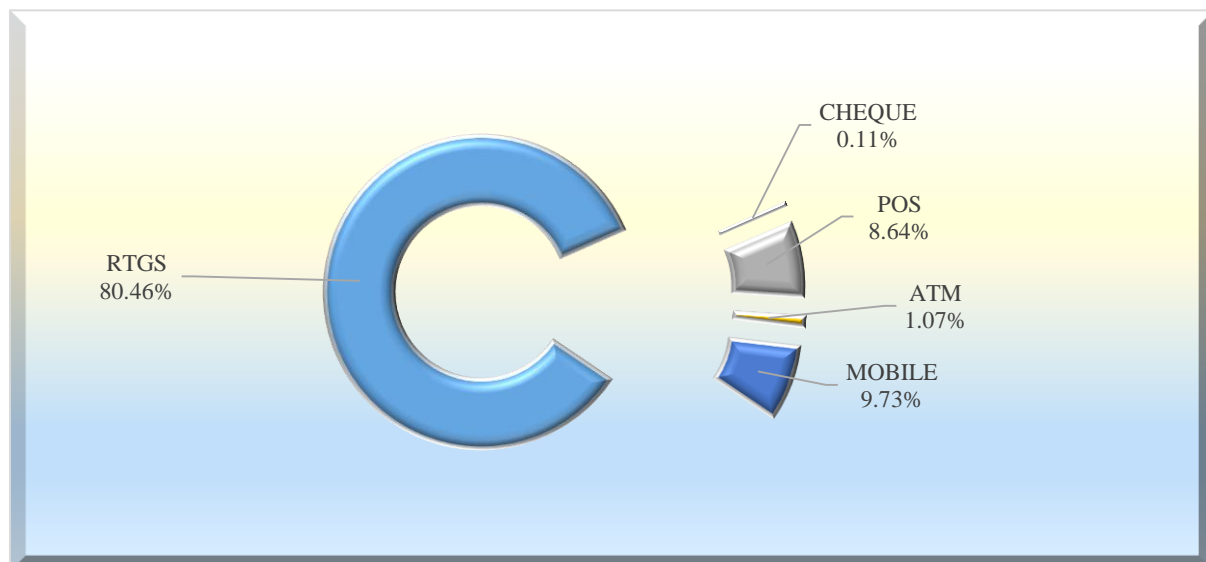
Source: Banking Institutions, 2017

2. CLEARING AND SETTLEMENT ACTIVITY

The total value of transactions processed through the National Payment Systems (NPS) stood at USD\$1 397.30 million during the week under review, up from USD\$1 339.95 million recorded in the previous week. Transactions processed through the Real Time Gross Settlement (RTGS) system declined by 0.1% to close the week under review at US\$1 124.33million, from US\$1 125.59 million recorded in the previous week.

Real Time Gross Settlement (RTGS) payments accounted for 80.46% of the total value of transactions processed through the NPS, followed by Mobile, 9.73%; Point of Sale (POS), 8.64%; Automated Teller Machines (ATMs), 1.07%; and Cheque, 0.11%, as shown in Figure 1.

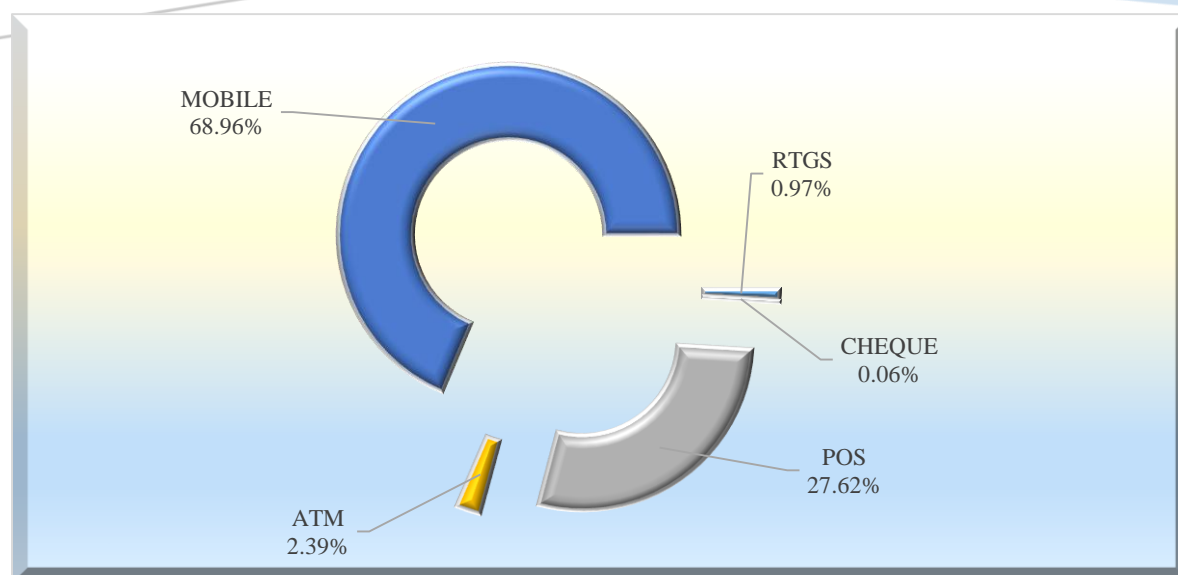
Figure 1: Proportions of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe

NPS transaction volumes increased by 19%, from 8 673 272 recorded in the previous week to 10 289 046 during the week ending 3rd March 2017. In terms of contributions to the volume of NPS transactions, Mobile transactions were the highest at 68.96%; followed by POS, 27.62%; ATM, 2.39%; RTGS, 0.97%; and Cheque 0.06%, 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 24 February 2017	WEEK ENDING 3 March 2017	CHANGE FROM LAST WEEK	PROPORTION
VALUES IN USD (millions)				
RTGS	1,125.59	1,124.33	(0.1%)	80.46%
CHEQUE	1.69	1.58	(6%)	0.11%
POS	99.71	120.41	21%	8.64%
ATMS	11.50	14.95	30%	1.07%
MOBILE	101.45	136.02	34%	9.73%
TOTAL	1,339.95	1,397.30	4%	100%
VOLUMES				
RTGS	75,737	99,510	31%	0.97%
CHEQUE	6,728	6,345	(6%)	0.07%
POS	2,443,086	2,842,285	16%	27.62%
ATMs	193,839	245,533	27%	2.39%
MOBILE	5,953,882	7,095,373	19%	68.95%
TOTAL	8,673,272	10,289,046	19%	100%

Source: Reserve Bank of Zimbabwe

3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international commodity prices of gold and crude oil firmed during the week ending 3rd March 2017. Platinum, nickel and copper prices, however, retreated during the same week, as shown in Table 4.

Table 4: Metals and Crude Oil Prices

	Gold	Platinum	Copper	Nickel	Crude Oil
2017	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
Week ending (20-24 Feb)	1,240.31	1,003.70	5,984.10	10,809.00	56.59
27-Feb	1,256.73	1,029.50	5,990.00	10,635.00	56.15
28-Feb	1,253.75	1,029.00	5,928.50	10,635.00	55.33
1-Mar	1,250.83	1,021.00	5,935.00	10,870.00	56.41
2-Mar	1,249.45	1,006.00	5,935.00	11,000.00	55.10
3-Mar	1,242.18	987.50	5,993.00	10,900.00	55.10
Week ending (27 Feb-3 Mar)	1,250.59	1,014.60	5,956.30	10,808.00	55.62
<i>Weekly Change (%)</i>	<i>0.8</i>	<i>1.1</i>	<i>(0.5)</i>	<i>(0.0)</i>	<i>(1.7)</i>

Gold

Gold prices increased by 0.8%, to close the week under review at a weekly average of US\$1.250/oz. The increase was driven by speculation that the Federal Reserve would raise interest rates later this month.

Platinum

Platinum prices increased by 1.1%, to close the week under analysis at US\$1,014.16/oz from a weekly average of US\$1003.70/oz in the previous week. This was on the back of rising expectations of the Federal Reserve interest rate rise.

Copper

Copper prices declined by 0.5%, from a weekly average of US\$5,984.10/ton recorded in the previous week to US\$5,956.30/ton, during the week ending 3rd March 2017. Prices were weighed down by the increased possibility of an interest hike in the U.S, during first quarter 2017 which dampened demand for the metal.

Nickel

Nickel prices, remained relatively unchanged from the previous weekly average price of US\$10,809.00/tonne to US\$10,808.00/tonne in the week under analysis. A stronger U.S. dollar exerted downward pressure on the price of the metal.

Crude Oil

Crude oil prices fell by 1.7%, from US\$56.59/barrel recorded in the previous week to US\$55.62/barrel during the week under review. This was on the back of concerns about rising shale production and increase in U.S. crude inventories, which offset optimism on the OPEC and its allies following through on their commitment to cut production.

4. EXCHANGE RATES

The US dollar strengthened against the GBP, EURO and ZAR currencies during the week under analysis, following statements by the Fed Chair about the possibility of an interest rate hike in March 2017. The remarks cemented the view that the Federal Reserve would raise interest rates at its next meeting scheduled for mid-March.

Table 6: International Exchange Rates per US\$

	GBP	EURO	ZAR
2017			
Weekly Average (20-24 Feb)	0.8010	0.9462	13.0201
27-Feb	0.8045	0.9463	12.9635
28-Feb	0.8039	0.9442	12.9957
1-Mar	0.8082	0.9475	13.1468
2-Mar	0.8144	0.9495	13.0098
3-Mar	0.8156	0.9510	13.1588
Weekly Average (27 Feb-3 Mar)	0.8105	0.9480	13.0778
<i>Appr(+)/Depr(-) (%) of the USD</i>	<i>1.18</i>	<i>0.19</i>	<i>0.44</i>

Source: Reuters

5. EQUITY MARKETS

During the week ended 3rd March 2017, the Zimbabwe Stock Exchange (ZSE) continued on a negative trend for the seventh consecutive week. The mainstream index fell by 0.35% to close the week at 134.48 points. This was largely on account of losses registered in OK Zimbabwe, 15.25%; Edgars Stores, 10.42%; Econet Wireless, 7.00%; SeedCo, 4.84%; and Inncor Africa, 4.26%. Partially offsetting these losses were gains realized in Barclays Bank of Zimbabwe, 13.64%; Meikles, 11.76%; ZB Financial Holdings (ZBFH), 2.89%; B.A.T, 1.00%; and T.S.L, 0.79%.

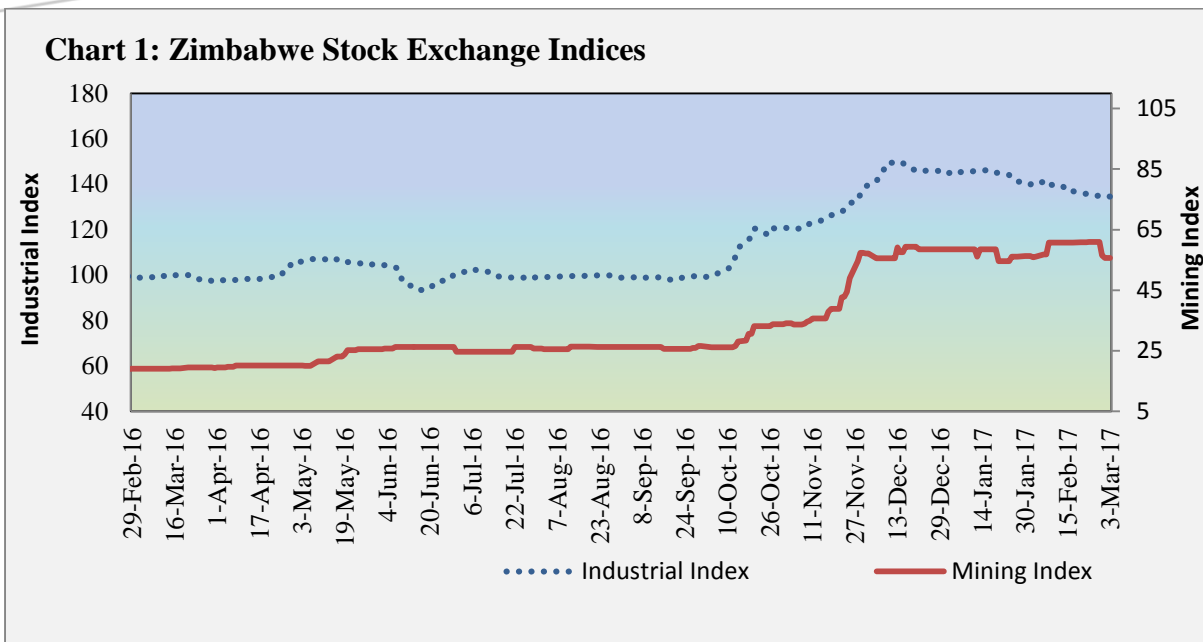
The mining index declined by 8.56% to close the week under review at 55.68 points. The decrease in the resources index was a result of a 17.50% share price decline in Bindura Nickel Corporation (BNC) due to lower investor demand. Hwange Colliery Company (HCC) and RioZim traded at previous price levels, while 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
03- February-17	140.44	56.03	3,908,487,911	2,234,590	5,942,210
10- February-17	139.38	60.73	3,887,111,892	2,482,293	19,171,070
17-February-17	136.97	60.73	3,821,802,633	2,998,198	16,161,832
24-February-17	134.83	60.89	3,763,949,912	2,338,258	9,639,838
3-March-17	134.48	55.68	3,746,292,943	5,685,525	55,971,170
Weekly change (%)	(0.26)	(8.56)	0.47	143.15	480.26

Source: Zimbabwe Stock Exchange (ZSE), 2017.

Figure 3 : Zimbabwe Stock Exchange Indices

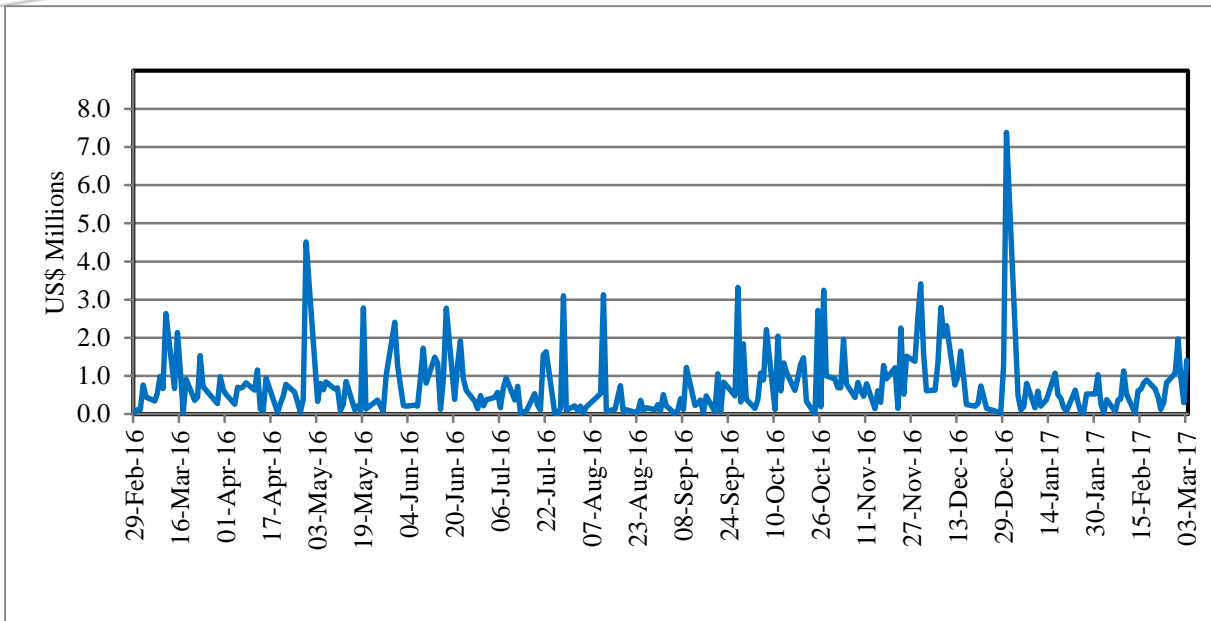


Source: Zimbabwe Stock Exchange, 2017

Market Turnover and Volume

The ZSE market turnover increased by 143.15% to US\$5.69 million during the week under review. Similarly, the volume of shares traded stood at 55 971 170 shares during the week under review, a 480.62% increase from the previous week. This was mainly due to a special deal in which the National Social Security Authority offloaded its controlling stake in CFI Holdings of 13 643 807 shares, at US 10.55 cents per share, on 28th February 2017.

Figure 4: Daily Market turnover

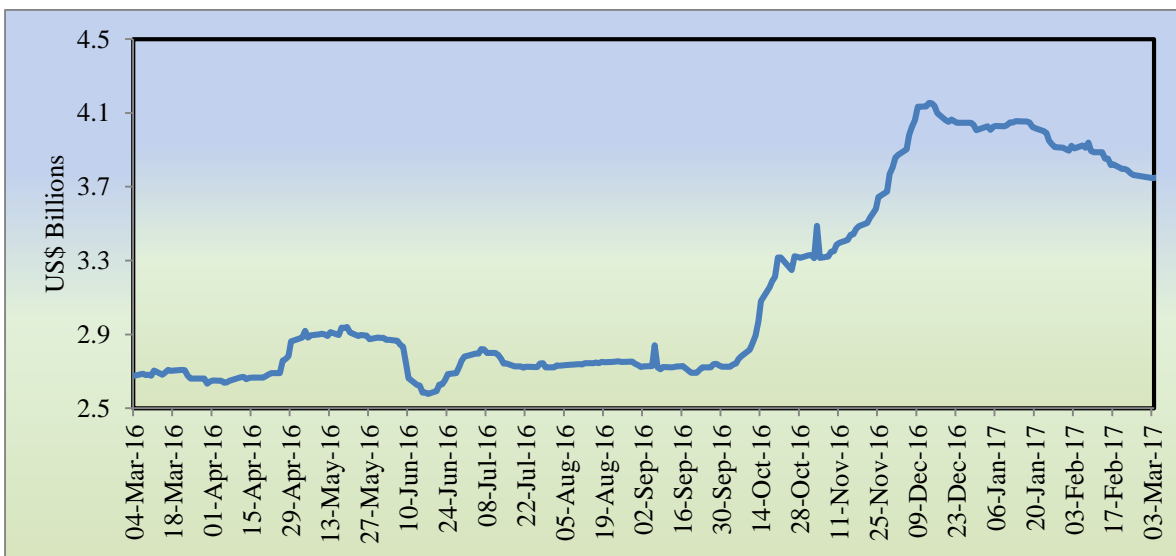


Source: Zimbabwe Stock Exchange, 2017

Market Capitalisation

The ZSE market capitalisation registered a 0.47% decline from US\$17.66 billion in the previous week, to close the week under review at US\$3.75 billion. This was largely due to negative trading on the local bourse.

Figure 5 : Market Capitalisation



Source: Zimbabwe Stock Exchange, 2017

Johannesburg Stock Exchange (JSE) Developments

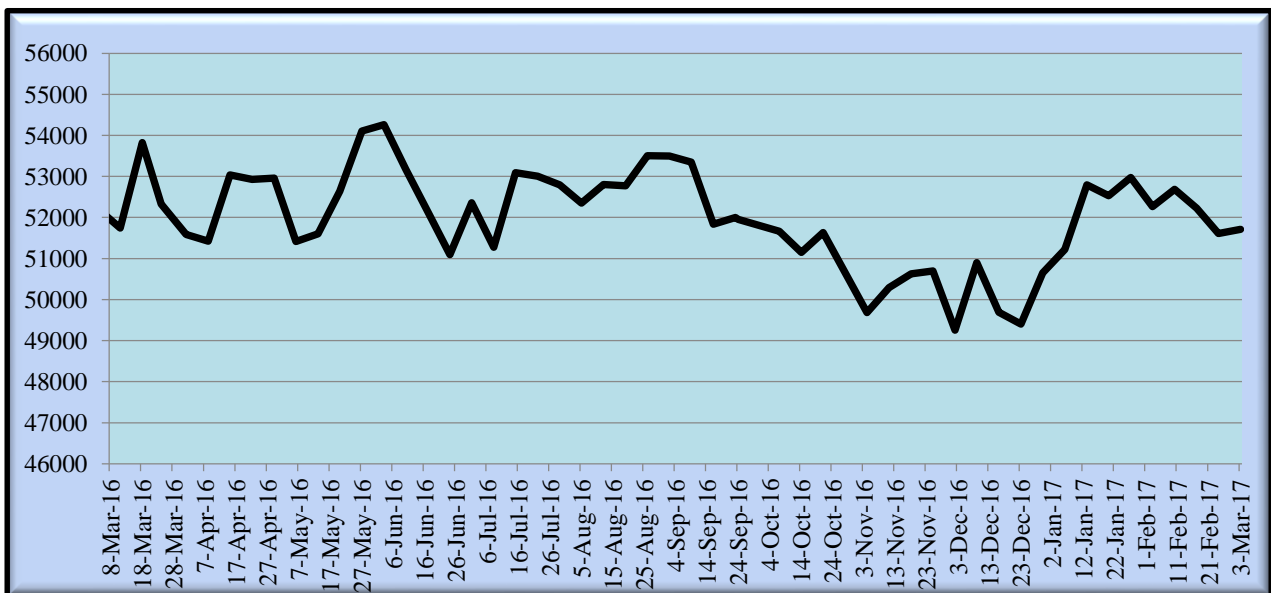
The JSE All Share index closed the week under review at 51708.61 points, a 0.19% increase from the previous week. Market capitalization also increased from R13.52 trillion in the previous week, to R13.59 trillion during the week ending 3rd March 2017.

Table 8: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalisation (ZAR trillion)
27-January-17	52 973.83	14.09
03-February-17	52 265.16	14.74
10-February-17	52 687.29	13.80
17-February-17	52 223.54	13.64
24-February-17	51 609.86	13.52
03-March-17	51 708.61	13.59

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

10TH MARCH 2017