



# Weekly Economic Highlights

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Week Ending  
4<sup>th</sup> December 2015

## 1. INTEREST RATES

### Deposit Rates

Average deposit rates for deposits of 1 month and 3 month tenor declined to 7.28% and 7.89%, respectively, during the week ending 4<sup>th</sup> December 2015. Savings deposits rates, however, remained unchanged at 3%.

**Table 1: Average Deposit Rates**

2015	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
06-Nov	3.00	7.47	7.97
13-Nov	3.00	7.47	8.06
20-Nov	3.00	7.44	8.06
27-Nov	3.00	7.44	8.06
04-Dec	3.00	7.28	7.89

Source: Banking Institutions, 2015

### Lending Rates

The weighted commercial bank lending rates for individuals and corporate clients declined marginally from 12.12% and 7.67% in the previous week, to 12.07% and 7.63%, respectively, during the week under review.

**Table 2: Lending Rates**

2015	Lending Rates (%)	
	Commercial Banks (weighted)	
	Individuals	Corporate clients
06-Nov	10.98	7.27
13-Nov	10.91	7.31
20-Nov	11.93	7.77
27-Nov	12.12	7.67
04-Dec	12.07	7.63

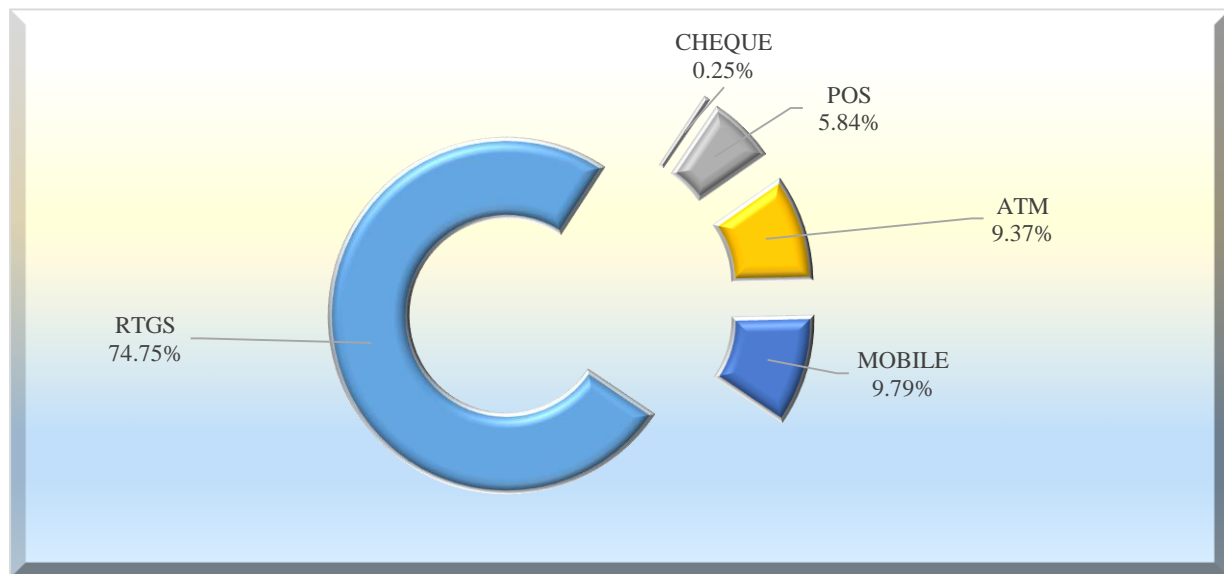
Source: Banking Institutions, 2015

## 2. CLEARING AND SETTLEMENT ACTIVITY

The total value of transactions processed through the National Payment System (NPS) registered a 4% increase, to close the week ending 4<sup>th</sup> December 2015 at US\$1 239.59 million. Transactions processed through the Real Time Gross Settlement (RTGS) system, however, decreased to US\$926.63 million, from US\$986.78 million in the previous week.

In value terms, RTGS payments accounted for 74.75% of transactions processed through the system; Mobile, 9.79%; Automated Teller Machines (ATMs), 9.37%; Point of Sale (POS), (5.84%); and cheque transactions, 0.25%.

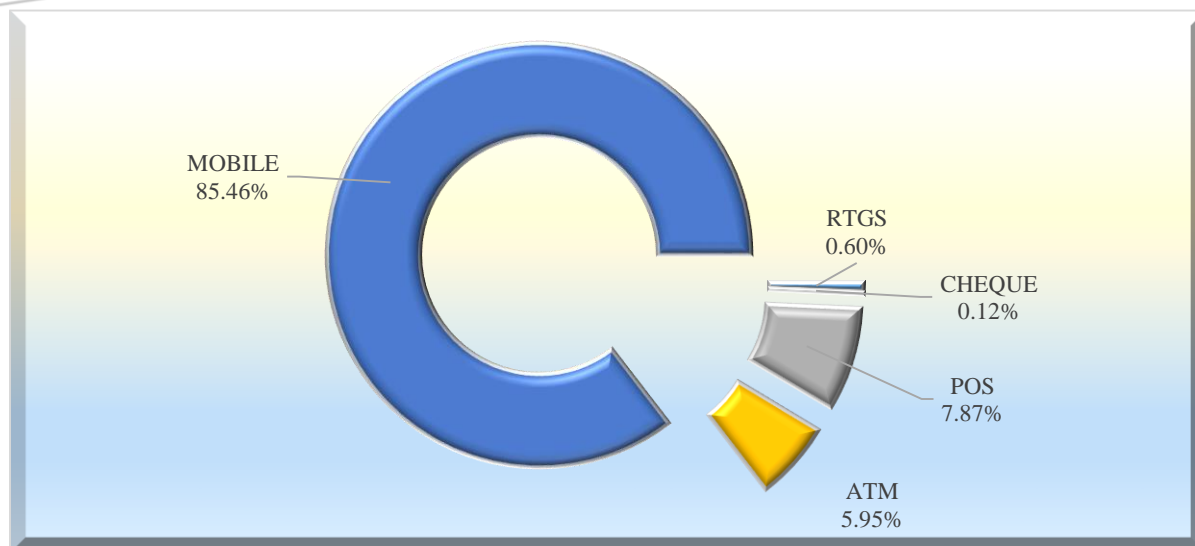
**Figure 1: Proportions of NPS Transactions in Value Terms**



*Source: Reserve Bank of Zimbabwe*

The distribution of NPS transactions by volume was as follows: Mobile-based transactions, 85.45%; POS, 7.87%; ATM, 5.95%; RTGS, 0.60%; and Cheque 0.12%.

**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 Nov 2015	WEEK ENDING 4 Dec 2015	CHANGE FROM LAST WEEK	PROPORTION
<b>VALUES IN USD (millions)</b>				
<b>RTGS</b>	986.78	926.63	-6%	74.75%
<b>CHEQUE</b>	2.77	3.07	11%	0.25%
<b>POS</b>	30.83	72.41	135%	5.84%
<b>ATMS</b>	75.84	116.12	53%	9.37%
<b>MOBILE</b>	94.97	121.36	28%	9.79%
<b>TOTAL</b>	1,191.18	1,239.59	4%	100%
<b>VOLUMES</b>				
<b>RTGS</b>	35,799	37,799	6%	0.60%
<b>CHEQUE</b>	7,225	7,787	8%	0.12%
<b>POS</b>	271,150	494,717	82%	7.87%
<b>ATMs</b>	225,835	374,436	65.80%	5.95%
<b>MOBILE</b>	4,682,041	5,373,672	15%	85.45%
<b>TOTAL</b>	5,222,050	6,288,411	20%	100%

Source: Reserve Bank of Zimbabwe

### 3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international commodity prices of gold and crude oil retreated during the week ending 4 December 2015. Copper and nickel prices, however, firmed during the same week.

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

Period	Gold	Platinum	Copper	Nickel	Crude Oil
2015	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
<b>Weekly Average (27 Nov)</b>	<b>1,069.20</b>	<b>841.80</b>	<b>4,574.60</b>	<b>8,765.00</b>	<b>45.43</b>
<b>30-Nov</b>	1058.78	831.50	4595.00	8750.00	45.62
<b>01-Dec</b>	1067.33	839.50	4619.00	8840.00	44.42
<b>02-Dec</b>	1061.15	831.50	4589.00	8830.00	43.93
<b>03-Dec</b>	1053.03	831.50	4589.00	8830.00	43.01
<b>04-Dec</b>	1071.13	879.50	4636.00	8830.00	43.03
<b>Weekly Average (04 Dec)</b>	<b>1,062.28</b>	<b>842.70</b>	<b>4,605.60</b>	<b>8,816.00</b>	<b>44.00</b>
<b>Weekly Change (%)</b>	<i>(0.65)</i>	<i>0.11</i>	<i>0.68</i>	<i>0.58</i>	<i>(3.15)</i>

Source: BBC, KITCO, Reuters and Bloomberg

#### Gold

During the week under analysis, gold prices declined by 0.65% from an average of US\$1 069.20/oz recorded in the previous week, to close at a weekly average of US\$1 062.28/oz. In the main, the decline in gold prices was partly attributable to the disposal of non-interest bearing assets by investors in anticipation of a U.S. interest rate hike. In addition, the strengthening of the US dollar against major world currencies depressed the demand for gold, with reinforcing downward pressure on prices.

#### Platinum

Platinum prices firmed by 0.11%, from a weekly average of US\$841.80/oz registered in the preceding week to US\$842.70/oz during the week under review. The increase in price was spurred by increased demand for the metal.

## **Copper**

Copper prices rebounded by 0.68%, from US\$4 574.60/ton in the previous week to US\$4 605.60/ton during the week under analysis. This followed reports that nine of China's largest copper producers were planning to scale down refined copper production in 2016, in a bid to support the price of the metal.

## **Nickel**

Despite progressive losses incurred since the beginning of the year, nickel prices recovered by 0.58%, from US\$8 765.00/tonne realized in the previous week to US\$8 816.00/tonne in the week under analysis. The recovery in nickel prices was underpinned by a decision by Chinese nickel producers to cut production in order to shore-up prices.

## **Brent Crude Oil**

While metals enjoyed an upsurge in prices during the week under analysis, crude oil prices continued to decline. This was evidenced by the 3.14% decline in prices, from an average of US\$45.43/barrel in the previous week to US\$44.00/barrel. The price of oil continued to be depressed on the back of excess supply in the global market, coupled with the appreciation of the US dollar.

## 4. EQUITY MARKETS

During the week ending 4<sup>th</sup> December 2015, trading on the Zimbabwe Stock Exchange (ZSE) continued on a negative trajectory for the fifth consecutive week. The industrial index declined by 2.74%, from 117.64 points in the previous week to close the week under review at 114.42 points. The mining index stood at 21.51 points during the week under analysis, a 3.67% decline from 22.33 points recorded the previous week.

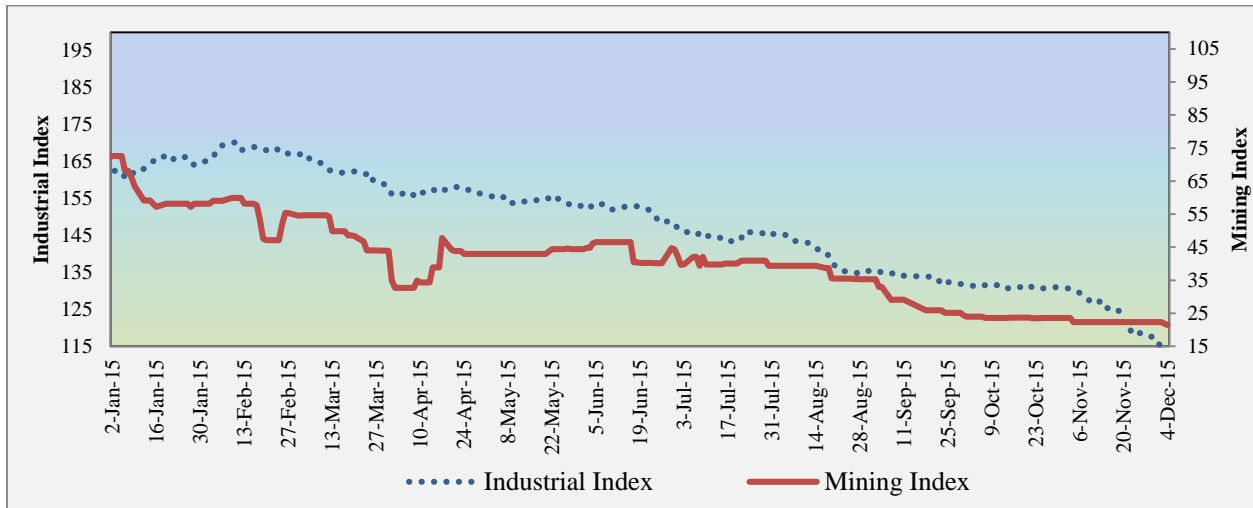
The decline in the industrial index was largely attributed to losses in Nampack (35.42%), Nicoz Diamond (16.67%), Innscor Africa (16.18%), Masimba (15.38%), OK Zimbabwe (6.25%), TSL Limited (6.25%), Turnall Holdings (5.56%), Hippo Valley (5.13%) and B.A.T (0.21%).

**Table 5: Zimbabwe Stock Exchange (ZSE) Statistics**

Period	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
06-Nov-15	129.45	22.33	3,455,784,357	2,348,419	20,002,447
13-Nov-15	125.43	22.33	3,349,967,042	2,715,972	15,462,824
20-Nov-15	120.57	22.33	3,221,560,355	1,490,878	42,034,568
27-Nov-15	117.64	22.33	3,144,055,092	1,768,648	9,665,195
04-Dec-15	114.42	21.51	3,058,648,692	3,848,124	17,684,891
Weekly Change (%)	(2.74)	(3.67)	(2.72)	117.57	82.98

Source: Zimbabwe Stock Exchange (ZSE), 2015

**Figure 3 : Zimbabwe Stock Exchange Indices**

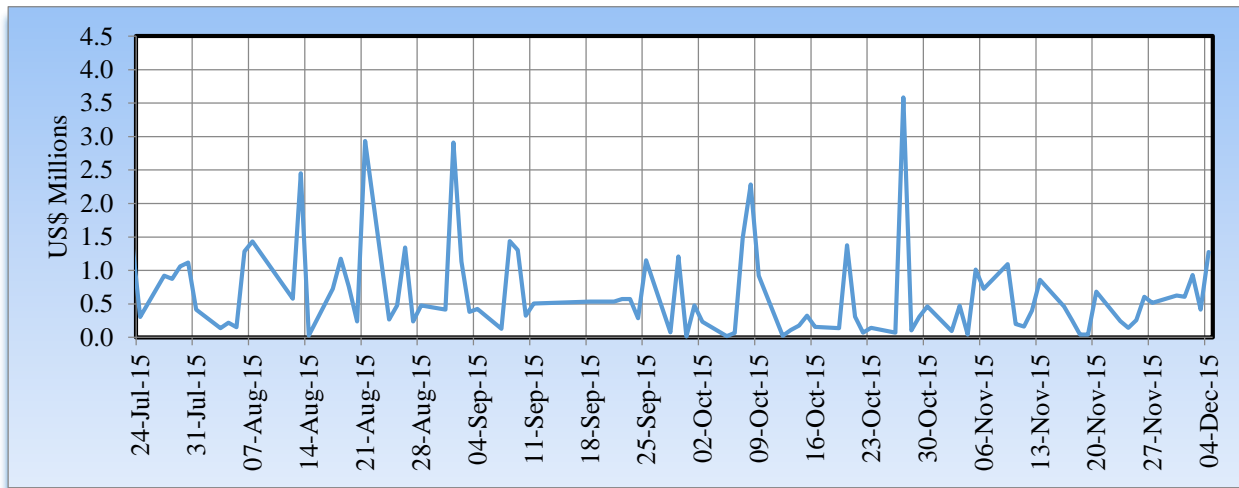


Source: Zimbabwe Stock Exchange, 2015

### Market Turnover and Volume

During the week under review, market turnover increased by 117.57% to close at US\$3.85 million. This was largely attributed to two block trades, which saw 3.2 million Econet shares and 0.5 million Delta Beverages shares exchanging hands at US\$0.18 and US\$0.70, respectively.

**Figure 4: Daily Market Turnover**



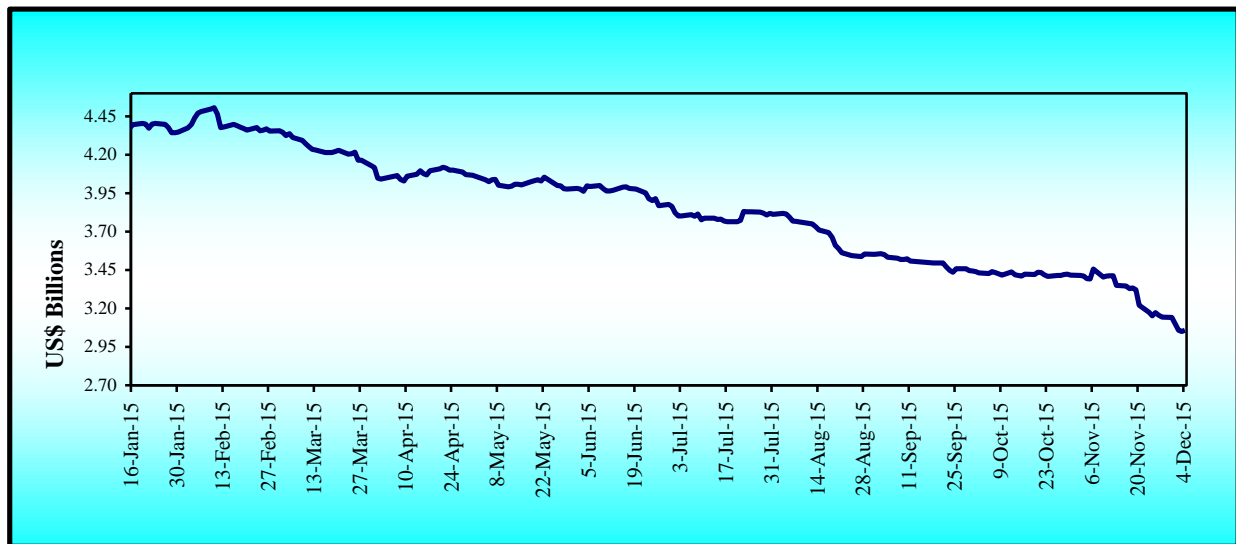
Source: Zimbabwe Stock Exchange, 2015



## Market Capitalisation

Market capitalization declined by 2.72%, from US\$3.14 billion in the previous week to US\$3.06 billion during the week under review. This was largely due to the dampened investor interest on the ZSE which resulted in several heavily capitalized counters such as Delta, Seedco, B.A.T and Old Mutual realizing losses.

**Figure 5 : Market Capitalisation**



Source: Zimbabwe Stock Exchange, 2015

## Johannesburg Stock Exchange (JSE) Developments

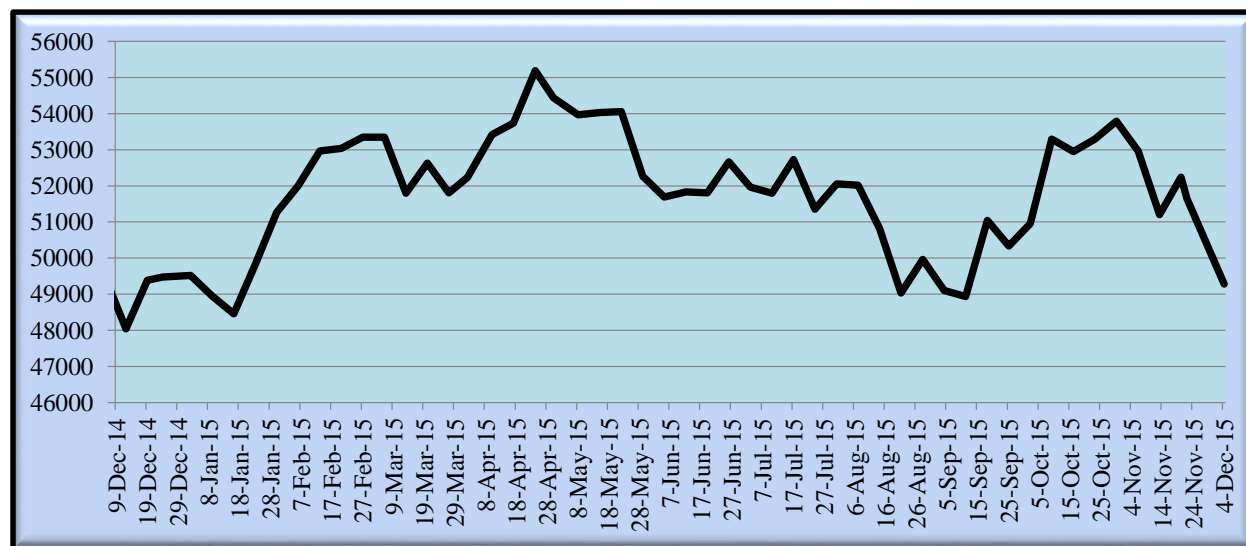
The JSE All Share index declined by 4.56%, from the previous week's 51 637.28 points to close the week under review at 49 284.49 points. Market capitalization stood at R11.28 trillion, down from R11.76 trillion registered in the previous week.

**Table 6: Johannesburg Stock Exchange (JSE) Statistics**

Period- 2015	All Share Index (points)	Market Capitalisation (R trillion)
06-Nov	52,964.07	12.02
13-Nov	51,199.34	11.64
20-Nov	52,240.58	11.86
27-Nov	51,637.28	11.76
04-Dec	49,284.49	11.28

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**

**10<sup>TH</sup> DECEMBER 2015**