



Weekly Economic Highlights

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Week Ending
07th October 2016

1. INTEREST RATES

Deposit Rates

Average deposit rates for all classes of deposits remained unchanged at the previous week levels, during the week ending 07th October 2016.

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

Date	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
9-September-16	3.01	5.44	5.76
16-September-16	3.01	5.44	5.76
23-September-16	3.01	5.44	5.76
30-September-16	3.01	5.41	5.79
7-October-16	3.01	5.41	5.79

Source: Banking Institutions, 2016

Lending Rates

Commercial bank weighted lending rates for individual clients increased from 10.66% in the previous week, to 10.68% during the week under review. Weighted lending rates for corporate clients, however, remained unchanged at 6.95% during the same week.

Table 2: Lending Rates

Date	Lending Rates (%)	
	Commercial Banks (weighted)	
	Individuals	Corporate clients
9-September-16	10.66	6.86
16-September-16	10.66	6.88
23-September-16	10.66	6.88
30-September-16	10.66	6.95
7-October-16	10.68	6.95

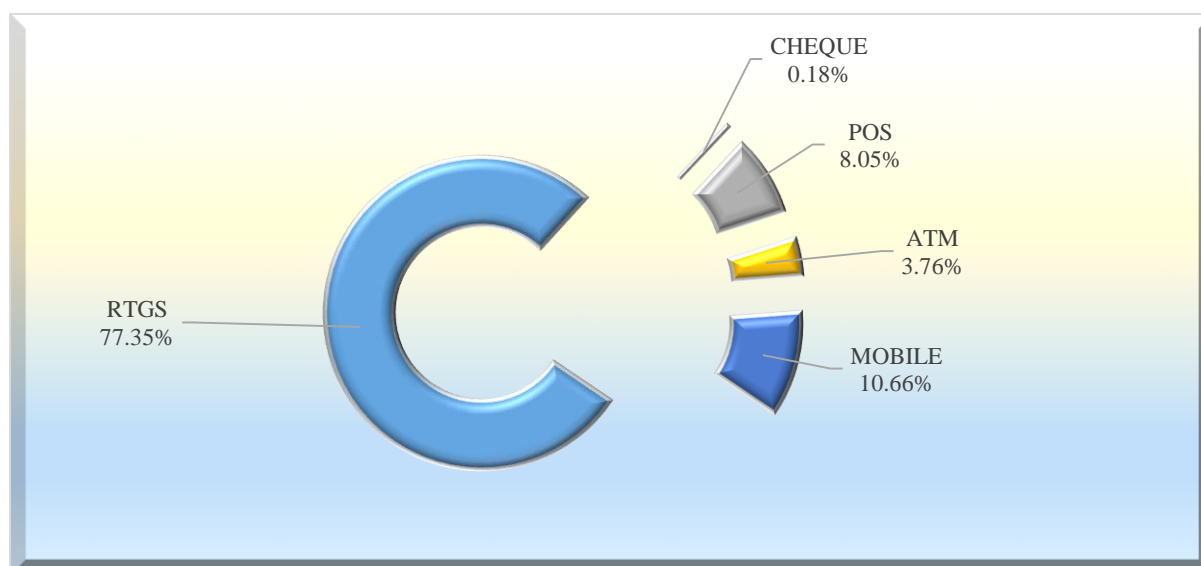
Source: Banking Institutions, 2016

2. CLEARING AND SETTLEMENT ACTIVITY

During the week ending 7th October 2016, the total value of transactions processed through the National Payment System (NPS) stood at US\$1 161.46 million, a 14% decline from the US\$1 352.23 recorded in the previous week. Real Time Gross Settlement (RTGS) transactions decreased by 21%, to close at US\$898.48 million in the same week.

RTGS system payments accounted for 77.35% of the total value of transactions processed through the NPS, followed by Mobile, 10.66%; POS, 8.05%; ATMs, 3.76% and Cheque, 0.18%, as shown in Figure 1.

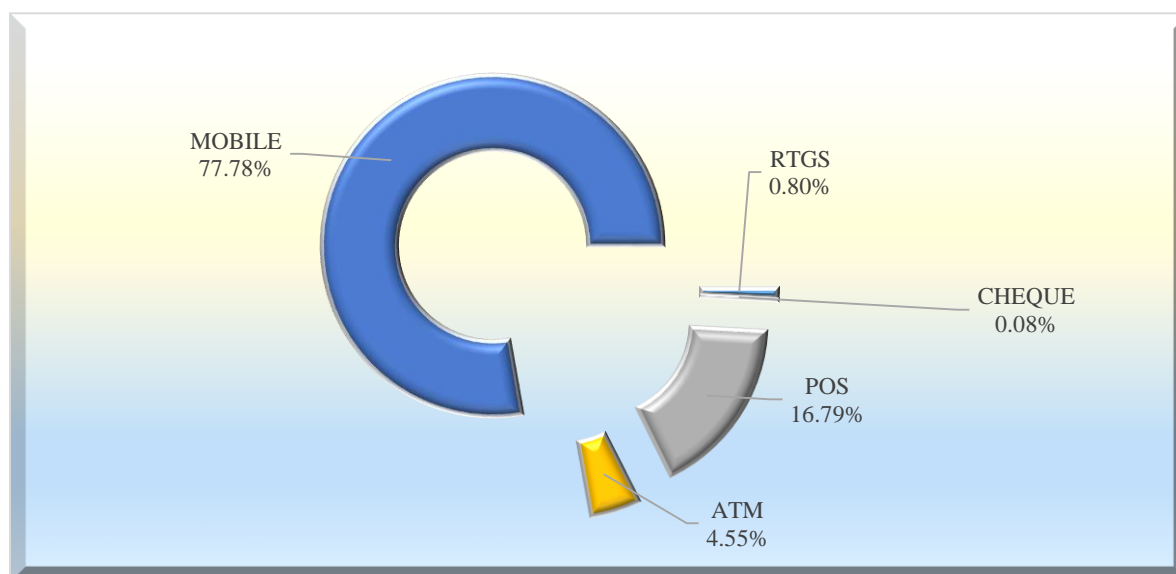
Figure 1: Proportions of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe

NPS transaction volumes registered a 32% increase, to close the week under review at 8 743 614 transactions. The volume of NPS transactions was distributed as follows: Mobile, 77.78%; POS, 16.79%; ATMs, 4.55%; RTGS, 0.80% and Cheque 0.0%, as shown in Figure 2.

Figure 2: Proportions of NPS Transactions in Volume Terms



Source: Reserve Bank of Zimbabwe.

During the reporting week, there was a decline in value and an increase in volume of US dollar transactions. Rand and euro transactions increased significantly in both value and volumes terms, compared to the previous week. Table 3 shows the weekly RTGS transactional activities by currency.

Table 3: Real Time Gross Settlement System Transactional Activities

RTGS CURRENCY	WEEK ENDING 30 September 2016	WEEK ENDING 07 October 2016	CHANGE FROM LAST WEEK
VALUES			
USD	1,140,264,171.39	896,608,931.81	-21.37%
EURO	218,095.49	359,297.55	64.74%
ZAR	6,832,401.27	20,263,942.48	196.59%
VOLUMES			
USD	69,430	69,703	0.39%
ZAR	10	28	180.00%
EURO	25	57	128.00%

Source: Reserve Bank of Zimbabwe

Table 4: National Payment Systems Activity

PAYMENT STREAM	WEEK ENDING 30 September 2016	WEEK ENDING 07 October 2016	CHANGE FROM LAST WEEK	PROPORTION
	VALUES IN USD (millions)			
RTGS	1,141.01	898.48	-21%	77.36%
CHEQUE	2.21	2,079.97	-6%	0.18%
POS	72.01	93.45	30%	8.05%
ATMS	38.00	43.70	15%	3.76%
MOBILE	99.00	123.76	25%	10.66%
TOTAL	1,352.23	1,161.46	-14%	100%
	VOLUMES			
RTGS	69,465	69,788	0.5%	0.80%
CHEQUE	6,781	7,247	7%	0.08%
POS	1,068,460	1,467,894	37%	16.79%
ATMs	341,434	397,589	16%	4.55%
MOBILE	5,150,891	6,801,096	32%	77.78%
TOTAL	6,637,031	8,743,614	32%	100%

Source: Reserve Bank of Zimbabwe

3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international commodity prices of gold, platinum, copper and nickel retreated during the week ending 7th October 2016. Crude oil prices, however, increased as shown in Table 5.

Table 5: Metals and Crude Oil Prices

Period	Gold	Platinum	Copper	Nickel	Crude Oil
2016	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
Week ending (26-30-Sept)	1,327.63	1,032.50	4,804.70	10,621.00	47.76
3-Oct	1,315.98	1,016.50	4,806.00	10,185.00	50.08
4-Oct	1,311.23	1,002.50	4,790.00	10,150.00	51.23
5-Oct	1,271.70	988.00	4,790.00	9,965.00	51.97
6-Oct	1,260.00	974.50	4,790.00	9,965.00	52.48
7-Oct	1,261.63	969.50	4,742.00	9,965.00	51.55
Weekly Average (3-7 Oct)	1,284.11	990.20	4,783.60	10,046.00	51.46
Weekly Change (%)	<i>(3.3)</i>	<i>(4.1)</i>	<i>(0.4)</i>	<i>(5.4)</i>	7.8

Source: BBC, KITCO, Reuters and Bloomberg

Gold

Gold prices recorded a 3.3% decline, from a weekly average of US\$1,327.63/ounce in the previous week to US\$1,284.11/ounce during the week under review. The decrease was on account of a strengthening US dollar, as robust US employment data in the third quarter signaled that the Federal Reserve was on track to tighten monetary policy by end of 2016.

Platinum

Weekly average prices of platinum fell by 4.1%, to close the week under analysis at US\$990.20/ounce, from US\$1,032.50/ounce recorded in the previous week. This was attributed to subdued investment demand, on the back of renewed expectations of an interest rate hike in the US. High interest rates curb the appeal of precious metals as safe haven assets.



Copper

Copper prices declined by 0.4%, from US\$4,804.70/tonne in the previous week to US\$4,783.60/tonne during the week under analysis. Markets in China, the world's biggest user of base metals, were closed for a week long holiday during the week under review. The absence of China in the base metal's global market, coupled with a strengthening US dollar exerted downward pressure on the price of the metal.

Nickel

Nickel prices slumped during the week under review, shedding 5.4% from the US\$10,621.00/tonne recorded in the previous week to US\$10,046.00/tonne. The outlook of the nickel prices, however, remains positive due to expectations of the continued suspension of more Nickel mines in the Philippines.

Crude Oil

Crude oil average price rose by 7.8%, from a weekly average price of US\$47.76/barrel in the previous week, to close the week under analysis at US\$51.46/barrel. This followed a decision by the Organization of Petroleum Exporting Countries, to curb crude oil production to a range of between 32.5 million and 33 million barrels a day, from the current levels of about 33.5 million barrels a day.

4. EXCHANGE RATES

Table 6: International Exchange Rates per US\$

	GBP (£)	EURO (€)	Rand (ZAR)
2016			
Weekly Average (26-30 Sep)	0.7699	0.8908	13.6438
3-Oct	0.7726	0.8902	13.7400
4-Oct	0.7783	0.8931	13.6250
5-Oct	0.7852	0.8918	13.8063
6-Oct	0.7864	0.8930	13.7419
7-Oct	0.8020	0.8995	13.9223
Weekly Average (26-30 Sep)	0.7849	0.8935	13.7671
<i>Appr (+)/Depr (-) (%) of the USD</i>	<i>1.95</i>	<i>0.30</i>	<i>0.90</i>

Source: Reuters

The British pound, rand and euro registered respective declines of 1.95%, 0.90% and 0.30% during the week ending 7th October 2016. This followed the strengthening of the US dollar against most currencies, as US employment data showed steady growth in the labour market.

5. EQUITY MARKETS

During the week ending 7th October 2016, the Zimbabwe Stock Exchange (ZSE) remained bullish for the second consecutive week, buoyed by increased demand in some selected mid cap and heavyweight counters. As a result, the mainstream index increased by 2.13 points to close at 101.09 points. The resources index, however, declined by 0.39 points to 26.22 points, due to a 4.17% loss in Bindura Nickel Corporation.

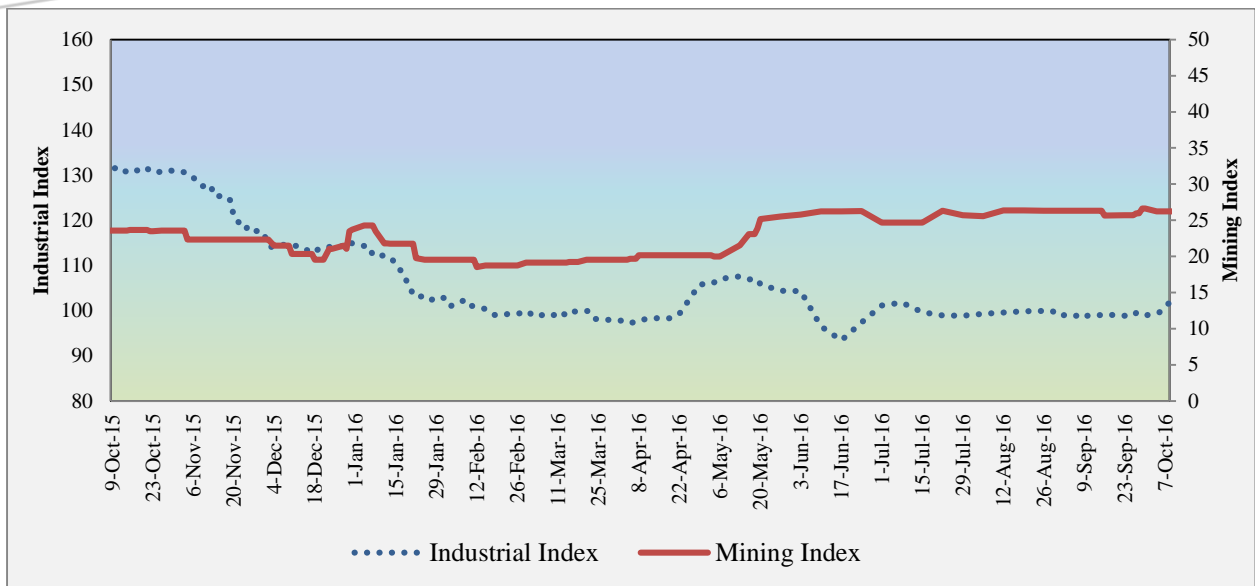
Increases in the industrial index were sustained by gains in Zimbabwe Newspapers, 60%; First Mutual Holdings, 13.12%; Colcom Holdings, 8.11%; Innscor Africa Limited, 5.64% and Delta Corporation Limited, 4.17%.

Table 7: Zimbabwe Stock Exchange (ZSE) Statistics

Period	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
9- September-16	98.48	26.32	2,723,033,604	1,845,251	6,214,573
16-September-16	99.16	25.69	2,728,906,960	1,363,110	6,408,355
23-September-16	98.88	25.69	2,721,570,190	2,770,314	11,668,961
30-September-16	98.96	26.61	2,725,133,069	6,346,659	38,164,937
7- October-16	101.09	26.22	2,781,799,792	4,690,615	39,816,865
<i>Weekly Change (%)</i>	<i>2.15</i>	<i>(1.47)</i>	<i>2.08</i>	<i>(26.09)</i>	<i>4.33</i>

Source: Zimbabwe Stock Exchange (ZSE), 2016.

Figure 3 : Zimbabwe Stock Exchange Indices

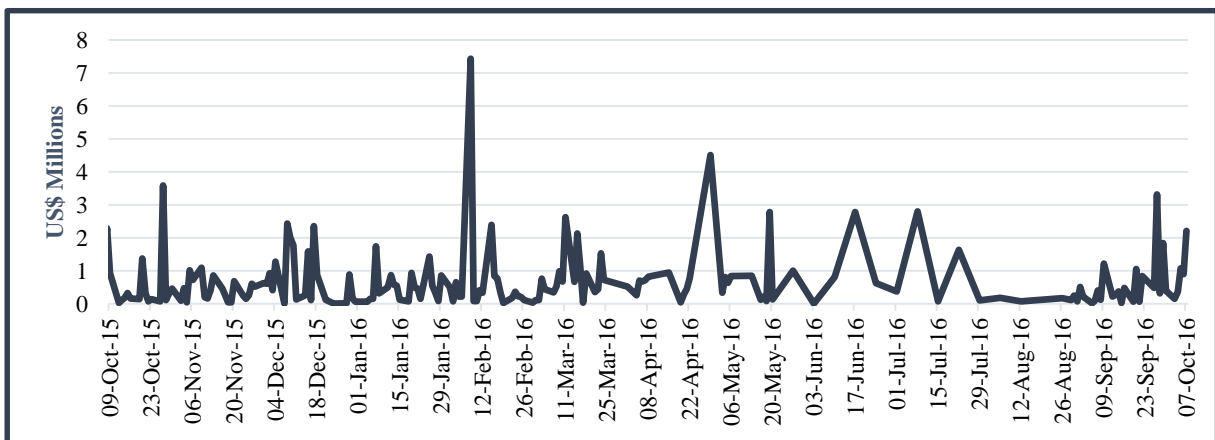


Source: Zimbabwe Stock Exchange, 2016

Market Turnover and Volume

During the week under review, market turnover value declined by 26.09%, from US\$6.35 million in the previous week to US\$4.69 million. The volume of shares traded increased from 38 164 937 shares in the previous week to 39 816 865 shares. The increase reflected block share trades for Pearl Properties, 24.8 million; Delta Corporation; 2.9 million and Inncor Africa, 1.1 million.

Figure 4: Daily Market Turnover

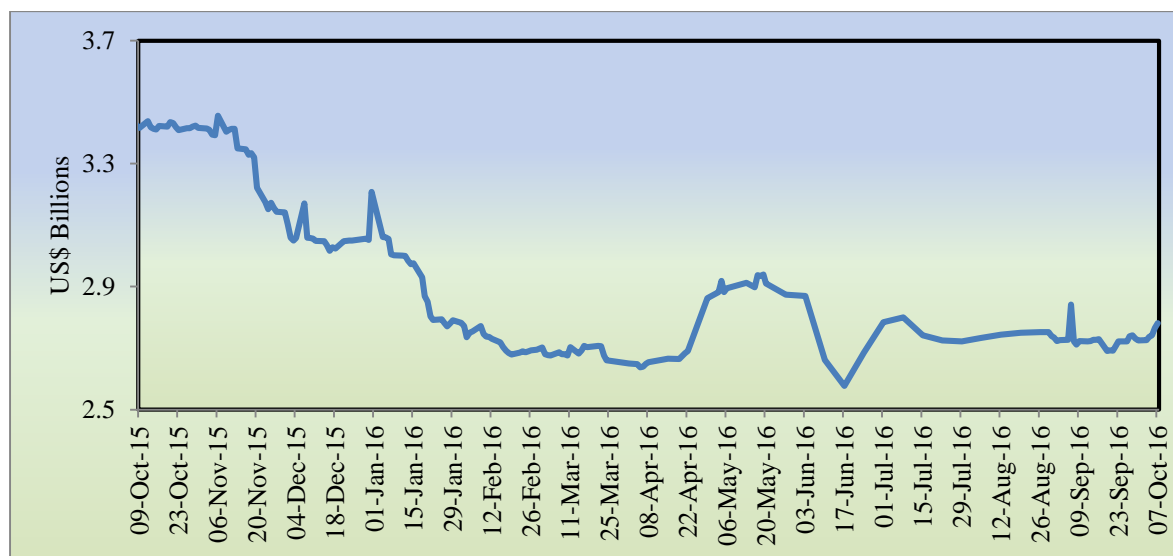


Source: Zimbabwe Stock Exchange, 2016

Market Capitalisation

Market capitalisation increased from US\$2.73 billion in the previous week, to US\$2.78 billion largely on account of the increase in block trades in mid-weight counters.

Figure 5 : Market Capitalisation



Source: Zimbabwe Stock Exchange, 2016

Johannesburg Stock Exchange (JSE) Developments

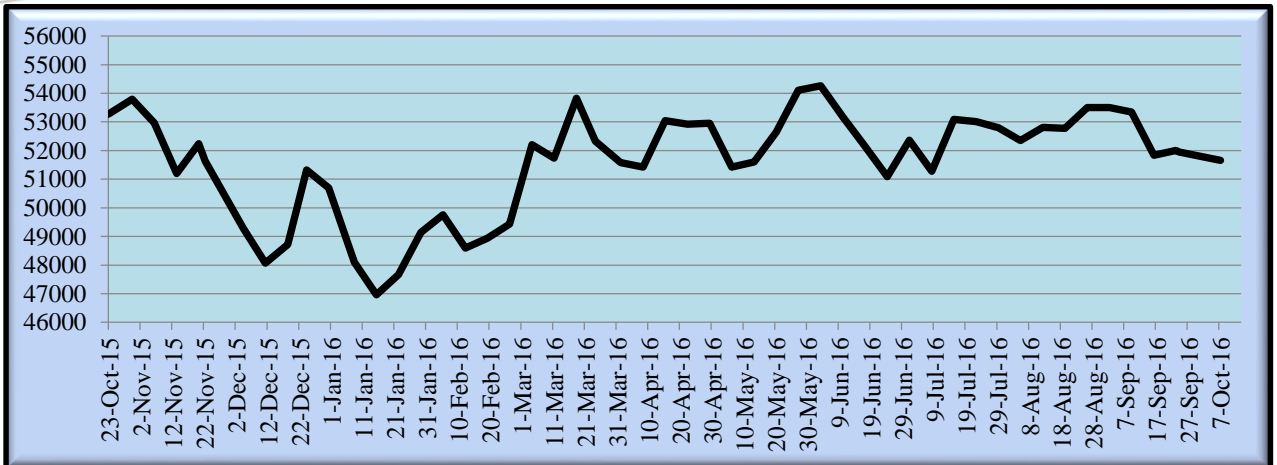
The JSE All Share index stood at 51 662.07 points, a 0.55% decline from the 51 949.83 points recorded in the previous week. In tandem, the JSE market capitalisation decreased from R15.29 trillion in the previous week, to close the week under review at R15.12 trillion.

Table 8: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalisation (ZAR trillion)
9-September-16	53,347.30	15.45
16-September-16	51 832.55	15.15
23-September-16	51 999.45	15.22
30-September-16	51 949.83	15.29
07-October-16	51 662.07	15.12

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

14th OCTOBER 2016