



Weekly Economic Highlights

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Week Ending
8th January 2016

1. INTEREST RATES

Deposit Rates

Average deposit rates for savings deposits increased by 0.20 percentage points to 3.20% during the week ending 8 January 2016. Deposits rates for deposits of 1 month and 3 month tenor, however, eased to 7.09% and 7.48%, respectively during the week under analysis, as shown in Table 1 below.

Table 1: Average Deposit Rates

Date	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
11-Dec-15	3.00	7.28	7.89
18-Dec-15	3.00	7.28	7.89
24-Dec-15	3.00	7.69	7.90
31-Dec-15	3.00	7.53	7.74
8-Jan-16	3.20	7.09	7.48

Source: Banking Institutions, 2015

Lending Rates

At commercial banks, weighted lending rates for corporate clients declined to 7.36% in the week ending 8th January 2015, from 7.57% in the previous week. Weighted lending rates for individuals, however, increased by 0.06 percentage points to 12.05%, as shown in Table 2 below.

Table 2: Lending Rates

Date	Lending Rates (%)	
	Commercial Banks (weighted)	
	Individuals	Corporate clients
11-Dec-15	12.12	7.62
18-Dec-15	12.12	7.62
24-Dec-15	12.17	7.82
31-Dec-15	11.99	7.57
8-Jan 16	12.05	7.36

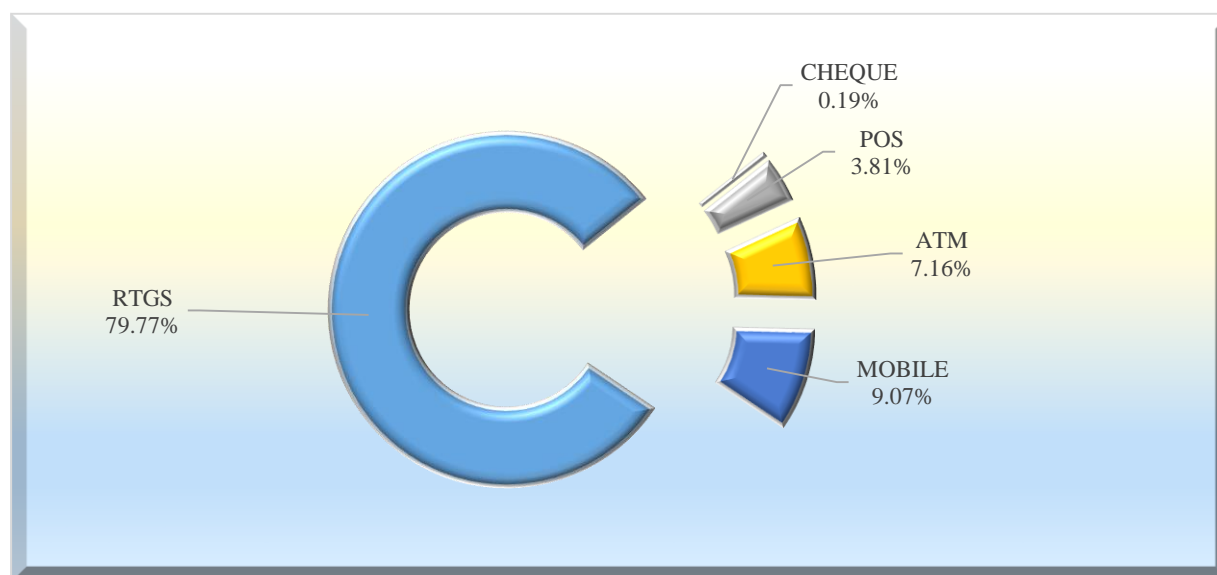
Source: Banking Institutions, 2015

2. CLEARING AND SETTLEMENT ACTIVITY

The total value of transactions processed through the National Payment System (NPS) rose by 7% to close the week under review at US\$ 1 104.21 million. This was largely on account of an increase in Real Time Gross Settlement (RTGS) transactions, from US\$ 808.55 million in the previous week, to US\$ 880.04 million during the week under analysis.

In value terms, the proportion of RTGS transactions in the NPS was 79.77%. The proportions of other payment streams were as follows: Mobile, 9.07%; ATM; 7.16%; POS; 3.81% and Cheque, 0.19%. Figure 1 below shows the proportions of NPS transactions, in value terms, for the period under review.

Figure 1: Proportions of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe

During the reporting week, the total volume of NPS transactions declined to 5.3 million, from 5.4 million in the week ending 31st December 2015. This was due to declines in the volumes of ATM and POS transactions. The volume of NPS transactions was dominated by Mobile transactions, which contributed 88.49% of the total; ATM, 5.57%; POS, 5.27%; RTGS, 0.58%; and Cheque transactions, 0.10%. The proportions of NPS transaction volumes are shown in Figure 2 below.

Figure 2: Proportions of NPS Transactions in Volume Terms



Source: Reserve Bank of Zimbabwe.

Table 3: National Payment Systems Activity

PAYMENT STREAM	WEEK ENDING 31 Dec 2015	WEEK ENDING 8 Jan 2016	CHANGE FROM LAST WEEK	PROPORTION
VALUES IN USD (millions)				
RTGS	808.55	880.84	8.94%	79.77%
CHEQUE	0.75	2.15	186.67%	0.19%
POS	42.91	42.04	-2.03%	3.81%
ATMS	90.78	79.05	-12.92%	7.16%
MOBILE	92.01	100.15	-8.45%	9.07%
TOTAL	1,035.01	1,104.21	6.69%	100%
VOLUMES				
RTGS	21,455	30,606	42.65%	0.58%
CHEQUE	2,429	5,249	116.10%	0.10%
POS	383,980	280,025	-27.07%	5.27%
ATMs	310,141	296,186	-4.50%	5.57%
MOBILE	4,651,333	4,703,390	1.10%	88.48%
TOTAL	5,369,338	5,315,456	-1.02%	100%

Source: Reserve Bank of Zimbabwe

3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

During the week ending 8th January 2016, the international commodity prices of gold and platinum recorded gains, while copper, nickel and Brent crude oil prices retreated as shown in Table 4 below.

Table 4: Metals and Crude Oil Prices

Period	Gold US\$/ounce	Platinum US\$/ounce	Copper US\$/tonne	Nickel US\$/tonne	Crude Oil US\$/barrel
Weekly Average (31 Dec 15)	1,065.19	873.88	4,689.50	8,636.25	37.28
4-Jan-16	1,077.48	885.50	4,645.00	8,510.00	37.05
5-Jan-16	1,080.13	890.00	4,645.00	8,610.00	36.46
6-Jan-16	1,087.63	879.00	4,645.00	8,470.00	36.64
7-Jan-16	1,101.18	867.00	4,514.00	8,320.00	34.52
8-Jan-16	1,099.65	875.00	4,514.00	8,400.00	34.02
Weekly Average (8 Jan 16)	1,089.21	879.30	4,592.60	8,462.00	35.74
<i>Weekly Change (%)</i>	<i>2.3</i>	<i>0.6</i>	<i>(2.1)</i>	<i>(2.0)</i>	<i>(4.1)</i>

Source: BBC, KITCO, Reuters and Bloomberg

Gold

Gold prices rose by 2.3% to US\$1,089.21/oz in the week under review. The rebound in gold prices was underpinned by increased demand for the precious mineral as an alternative investment asset ahead of equities. The slowing growth in the Chinese economy continues to spur losses in equities across major global stock exchanges.

Platinum

Platinum prices increased from US\$873.88/oz in the previous week to US\$879.30/oz during the reporting week. The increase largely reflected increased demand for the metal, which is used in the manufacture of vehicle pollution-control devices. Europe is enforcing the promulgated regulations that limit emissions from all new passenger vehicles registered in the continent.

Copper

Copper prices slumped by 2.1%, from US\$4,689.50/tonne registered in the week 31 December 2015, to close the week under review at US\$4,592.60/tonne. The decline was partly attributable to subdued demand from China, which is currently experiencing a slowdown in economic activity.

Nickel

Nickel prices plummeted by 2.0% to US\$8,462.00/tonne during the week under analysis. The decline was underpinned by slackening global demand from the stainless steel industry.

Brent crude oil

Brent Crude oil prices, slumped by 4.1% to US\$37.28 during the week under review. This was largely on account of persistence of the global supply glut. The Organization of the Petroleum Exporting Countries (OPEC) remained reluctant to scale down oil output levels.

4. EQUITY MARKETS

The Zimbabwe Stock Exchange (ZSE) recorded losses during the week under analysis. This resulted in declines in the industrial and mining indices, from 114.85 points and 23.72 points in the previous week, to 112.16 points and 23.48 points for the week ending 8th January 2016.

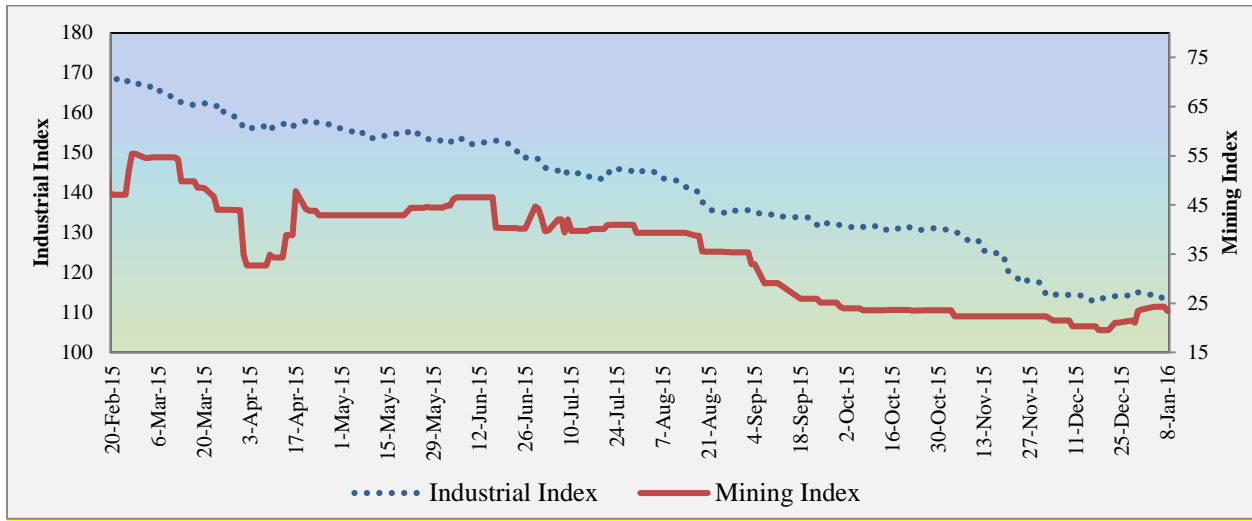
Contributing to the decline in the industrial index were losses in Medtech (75.00%), Innscor (19.89%), Fidelity (9.09%), Padenga (6.86%) and NMB Bank (5.71%). The following stocks, however, recorded gains: Proplastics (14.29%); Turnall (10.00%); Dairibord (5.39%); Simbisa (2.56%) and CBZ (0.09%). Bindura Nickel Corporation declined by 6.25%, partly explaining the slump in the mining index. Table 5 below shows a summary of key ZSE statistics.

Table 5: Zimbabwe Stock Exchange (ZSE) Statistics

Period	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
18-Dec-15	113.21	19.53	3,023,809,369	5,185,998	125,446,351
24-Dec-15	114.11	21.03	3,049,698,454	161,009	2,456,457
31-Dec-15	114.85	23.72	3,073,408,931	1,115,802	13,480,408
8-Jan-16	112.16	23.48	3,002,326,842	2,415,801	16,058,701
Weekly Change (%)	(2.34)	(1.01)	(2.31)	116.51	19.13

Source: Zimbabwe Stock Exchange (ZSE), 2015

Figure 3 : Zimbabwe Stock Exchange Indices

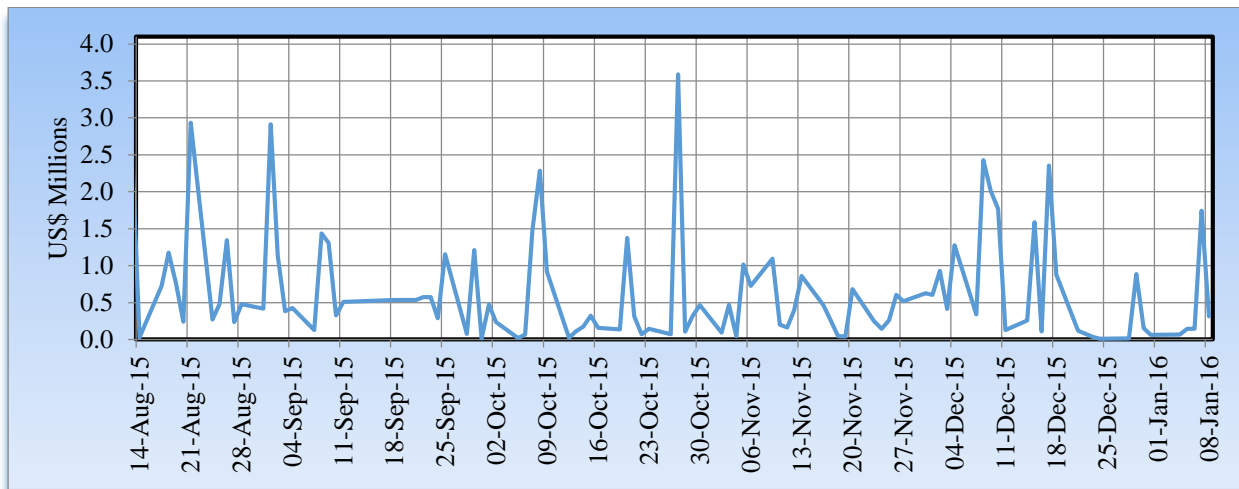


Source: Zimbabwe Stock Exchange, 2015

Market Turnover and Volume

The ZSE market turnover rose to US\$2.42 million during the week under review, from US\$1.12 million in the previous week. Concomitantly, the volume of shares traded increased by 19.13% to 16.06 million in the same week.

Figure 4: Daily Market Turnover

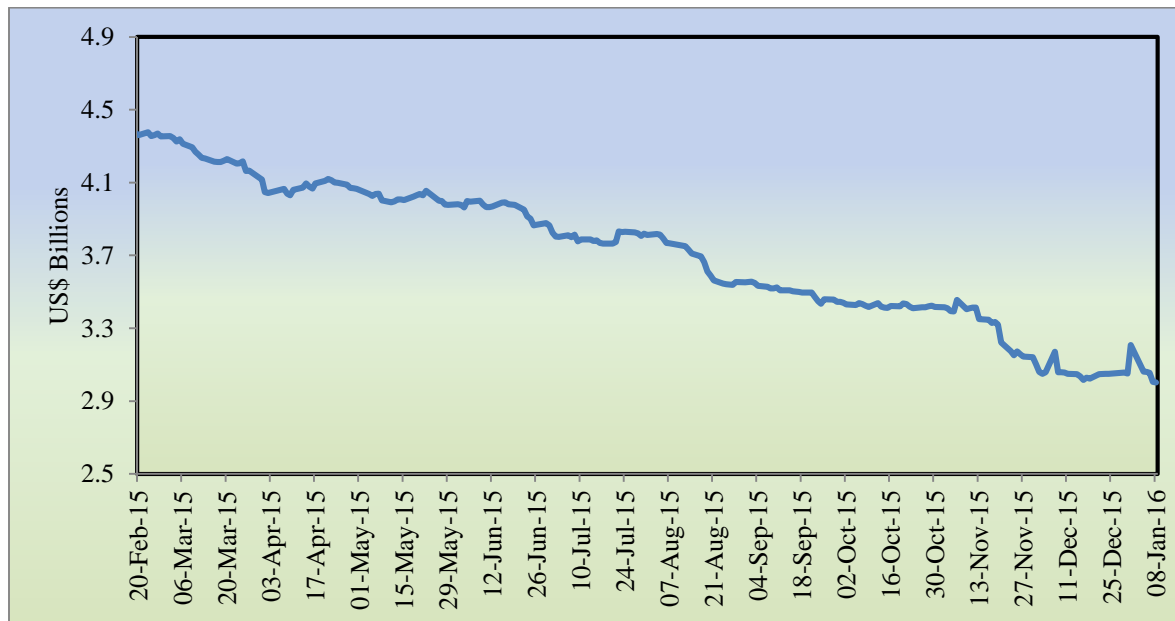


Source: Zimbabwe Stock Exchange, 2015

Market Capitalisation

Market capitalization registered a 2.31% decline, to close the week under review US\$3.0 billion. Figure 5 below shows the trend in market capitalisation for the period 12th February 2015 to 8th January 2016.

Figure 5 : Market Capitalisation



Source: Zimbabwe Stock Exchange, 2015

Johannesburg Stock Exchange (JSE) Developments

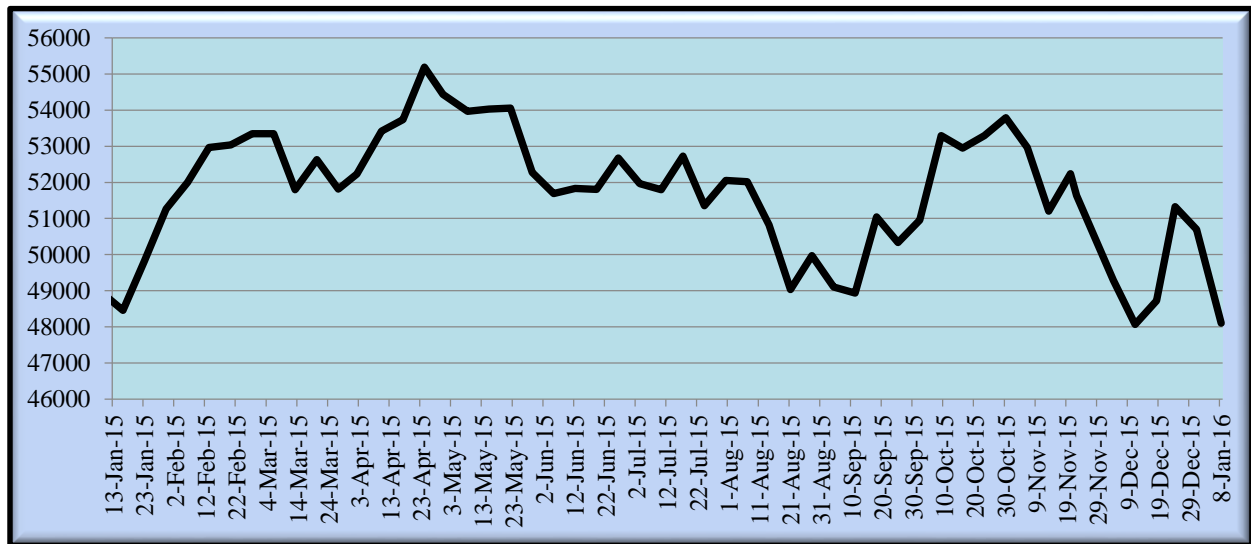
During the week ending 8th January 2016, the JSE All Share index declined by 5.11%, to close the week at 48,104.68 points. In tandem, the JSE market capitalization fell from R11.73 trillion in the previous week to R11.19 trillion during the week under analysis. The JSE All share index and market capitalisation are shown in Table 6 below.

Table 6: Johannesburg Stock Exchange (JSE) Statistics

Period- 2015	All Share Index (points)	Market Capitalisation (R trillion)
11-Dec-15	48,067.53	11.19
18-Dec-15	48 717.28	11.24
24-Dec-15	51,324.01	11.80
31-Dec-15	50,696.73	11.73
8-Jan-15	48,104.68	11.19

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

18TH JANUARY 2016