



Weekly Economic Highlights

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Week Ending
10th February 2017

1. INTEREST RATES

Deposit Rates

During the week ending 10th February 2017, average deposit rates for savings deposits; deposits of 1 month and 3 months tenors remained unchanged at previous week levels.

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

Date	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
13-January-17	3.01	5.36	5.72
20-January-17	3.01	5.33	5.75
27-January-17	3.01	5.34	5.81
03-February-17	3.01	5.34	5.79
10-February-17	3.01	5.34	5.79

Source: Banking Institutions, 2016

Lending Rates

Weighted lending rates at commercial banks for individuals and corporate clients declined, to close the week under review at 10.01% and 6.51%, respectively.

Table 2: Lending Rates

Date	Lending Rates (%) Commercial Banks (weighted)	
	Individuals	Corporate clients
13-January-17	10.61	6.47
20-January-17	10.59	6.72
27-January-17	10.61	6.68
03-February-17	10.67	6.69
10-February-17	10.01	6.51

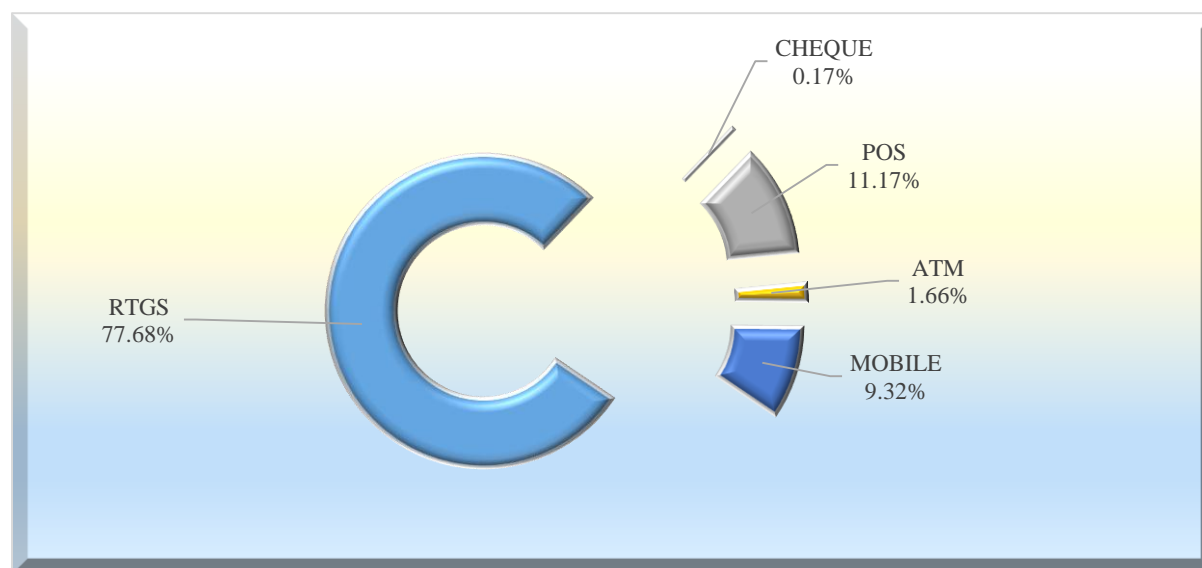
Source: Banking Institutions, 2016

2. CLEARING AND SETTLEMENT ACTIVITY

The total value of transactions processed through the National Payment Systems (NPS) declined by 3.7%, to close the week ending 10th February 2017 at US\$1 137.53 million. The value of transactions processed through the Real Time Gross Settlement (RTGS) correspondingly declined by 4.9%, from US\$929.15 million recorded in the previous week to US\$883.63 million during the week under review.

RTGS payments accounted for 77.68% of the total value of transactions processed through the NPS. The proportions of other payment streams were as follows: POS, 11.17%; Mobile, 9.32%; ATM, 1.66%; and Cheque, 0.17%, as shown in Figure 1.

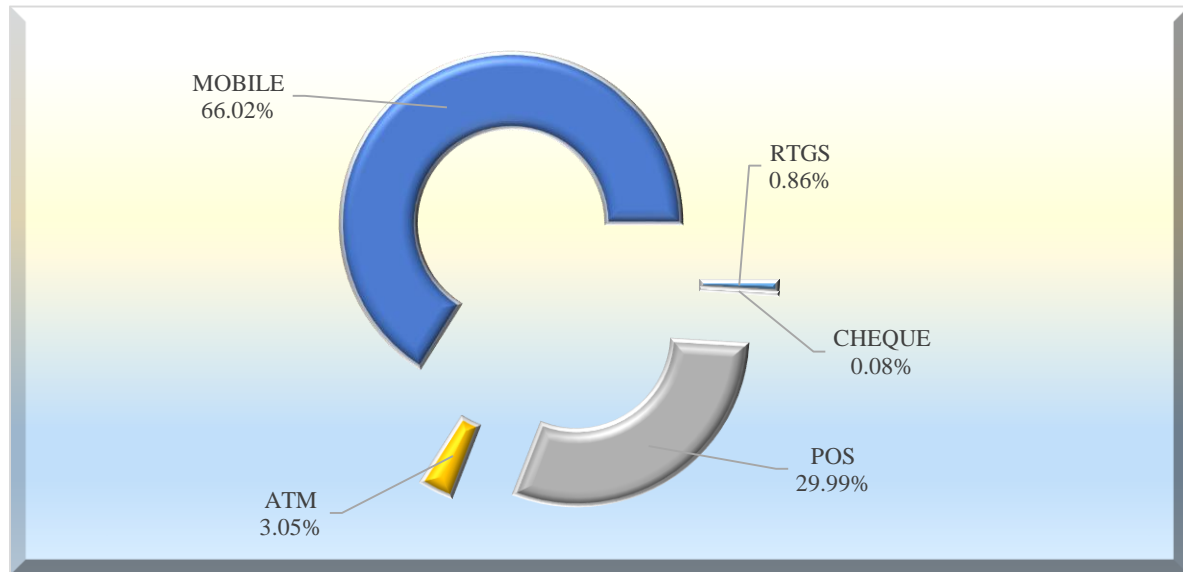
Figure 1: Proportions of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe

The volume of NPS transactions stood at 9 764 842, up from 9 511 544 recorded in the previous week. In terms of proportions, the volume of NPS transactions was dominated by Mobile transactions, which accounted for 66.02% of the total transactions, followed by POS, 29.99%; ATM, 3.05%; and Cheque, 0.08%, 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 03 February 2017	WEEK ENDING 10 February 2017	CHANGE FROM LAST WEEK	PROPORTION
VALUES IN USD (millions)				
RTGS	929.15	883.63	(4.9%)	77.68%
CHEQUE	1.62	1.91	18%	0.17%
POS	120.89	127.07	5%	11.17%
ATMS	15.88	18.87	19%	1.66%
MOBILE	113.69	106.05	(7%)	9.32%
TOTAL	1,181.24	1,137.53	(3.7%)	100%
VOLUMES				
RTGS	90,539	84,167	(7%)	0.86%
CHEQUE	6,540	7,376	13%	0.08%
POS	2,731,127	2,928,267	7%	29.99%
ATMs	285,478	298,305	4%	3.05%
MOBILE	6,397,860	6,446,727	1%	66.02%
TOTAL	9,511,544	9,764,842	3%	100%

Source: Reserve Bank of Zimbabwe

3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The weekly average international commodity prices of gold, platinum and nickel recorded gains during the week ending 10th February 2017. Copper and Brent crude oil prices, however, retreated, 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 (30 Jan -3 Feb)	1,211.01	988.6	5,904.80	9,772.00	55.65
6-Feb	1,219.33	1,010.00	5,835.50	10,350.00	55.65
7-Feb	1,223.90	1,006.00	5,835.50	10,350.00	55.65
8-Feb	1,226.20	1,013.50	5,802.00	10,350.00	55.65
9-Feb	1,239.28	1,019.50	5,865.00	10,435.00	55.48
10-Feb	1,227.03	998.00	5,863.00	10,380.00	55.63
Week ending (5-10 Feb)	1,227.15	1,009.40	5,840.20	10,373.00	55.61
<i>Weekly Change (%)</i>	<i>1.3</i>	<i>2.1</i>	<i>(1.1)</i>	<i>6.2</i>	<i>(0.1)</i>

Source: BBC, KITCO, Reuters and Bloomberg

Gold

Gold prices continued on an upward trend, registering a 1.3% increase from a weekly average of US\$1, 211.01/oz in the previous week, to US\$1,227.15/oz in the week under review. This was on the back of an increase in demand by Indian jewelers, amid preparations for the wedding season in India.

Platinum

Platinum prices firmed from a weekly average of US\$988.60/oz in the previous week, to US\$1, 009.40/oz during the week under analysis. This followed reports that indicated a possible increase in demand for electric vehicles in the near future.

Copper

Copper prices slumped by 1.1%, from US\$5,904.80/ton registered in the previous week, to close the week under review at US\$5,840.20/ton. Prices of the metal were weighed down by fears of global excess supplies, following reports of increased copper output in Zambia, the largest producer of the metal in Africa.

Nickel

Nickel prices gained by 6.2%, to close the week under review at US\$10,373.06/ton. This was on account of an increase in demand by consuming industries at the spot market, coupled with Bloomberg projections signifying supply shortages of the base metal this year.

Crude Oil

Crude oil prices declined by 0.1%, from US\$55.65/barrel recorded in the previous week to US\$55.61/barrel in the week under review. This followed reports by the Energy Information Administration (EIA), which showed that U.S. stock piles were surging and that the country would continue to produce more crude oil in 2017.

4. EXCHANGE RATES

The US dollar appreciated against the euro and the pound Sterling, during the week under review, following an announcement by the US President on tax reforms, which revitalised hopes for big tax cuts. The greenback, however, depreciated against the rand, during the same week.

Table 6: International Exchange Rates per US\$

	GBP	EURO	ZAR
2017			
Weekly Average (30 Jan- 3 Feb)	0.7934	0.9294	13.4519
6-Feb	0.8010	0.9281	13.2753
7-Feb	0.8022	0.9337	13.3343
8-Feb	0.7999	0.9365	13.4548
9-Feb	0.7995	0.9361	13.4280
10-Feb	0.7999	0.9365	13.4548
Weekly Average (6-10 Feb)	0.8004	0.9357	13.4180
<i>Appr(+)/Depr(-) (%) of the USD</i>	<i>0.88</i>	<i>0.67</i>	<i>(0.25)</i>

Source: Reuters

5. EQUITY MARKETS

The Zimbabwe Stock Exchange (ZSE) continued on a negative trend for the fourth consecutive week, during the week under analysis. Resultantly, the mainstream index fell by 0.75% to close the week at 139.38 points. This was largely on account of losses registered in Barclays, 13.79%; Meikles, 4.76%; Delta Corporation, 3.03%; and British American Tobacco (BAT), 1.64%. Partially offsetting these losses were gains realised in Econet, 11.23%; Pretoria Portland Cement (PPC), 4.04%; Padenga, 0.12%; National Foods, 0.06%; and Innscor, 0.02%.

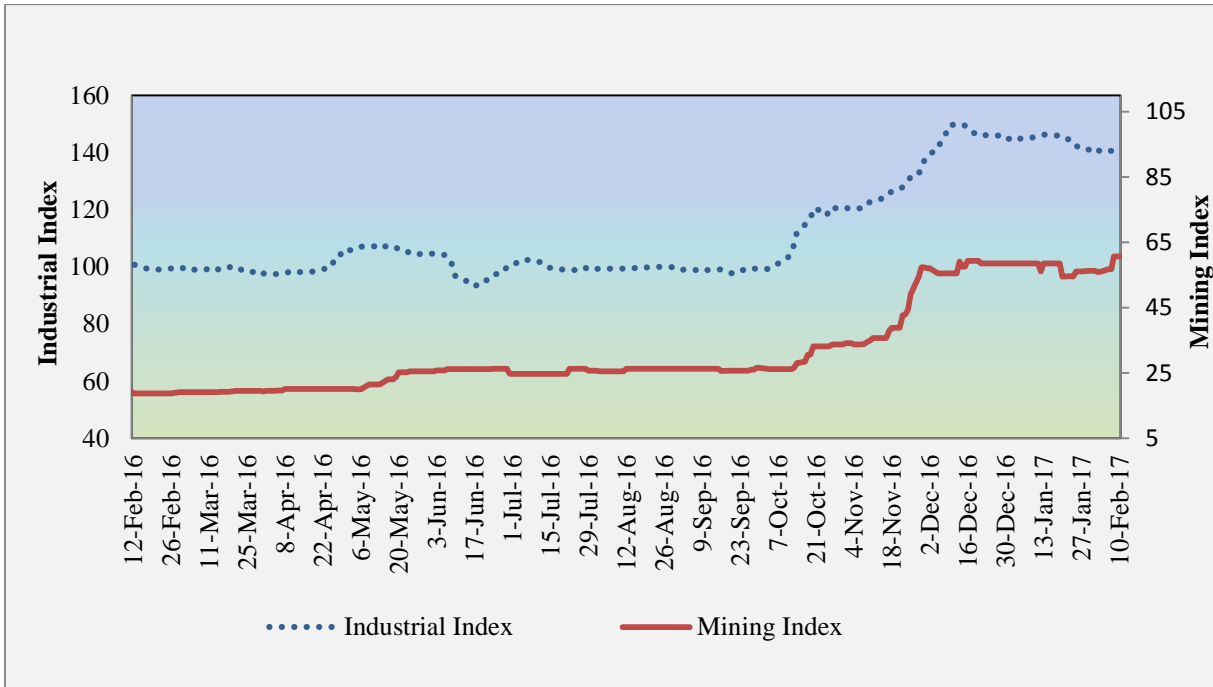
The resources index, however, rose by 8.39% to close the week under analysis at 60.73 points. This was underpinned by the 66.67% and 16.28%, gains realised in Falgold and Bindura Nickel Corporation (BNC), respectively. The RioZim counter traded at the previous week price, whilst, Hwange was inactive during the same period.

Table 7: Zimbabwe Stock Exchange (ZSE) Statistics

Period	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
13- January-17	146.21	58.51	4,055,523,319	1,635,476	5,885,229
20- January-17	145.01	54.56	4,017,272,750	2,218,131	7,866,860
27- January-17	141.14	56.12	3,914,940,170	1,550,758	2,966,047
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
Weekly Change (%)	(0.75%)	8.39%	(0.55%)	11.08%	222.63%

Source: Zimbabwe Stock Exchange (ZSE), 2016.

Figure 3 : Zimbabwe Stock Exchange Indices

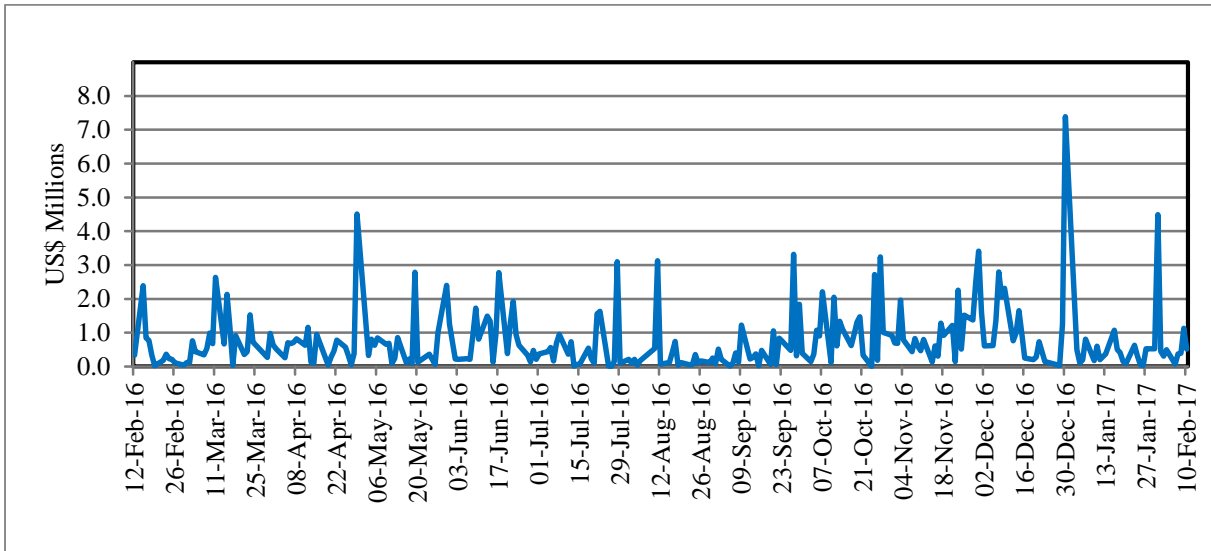


Source: Zimbabwe Stock Exchange, 2017

Market Turnover and Volume

The ZSE market turnover increased by 11.08%, to US\$2.48 million during the week under review, from US\$2.23 million in the previous week. This was attributable to significant selling off pressure by foreign investors on the local bourse. Similarly, the volume of shares traded stood at 19 171 070 shares during the week under analysis, up from 5 942 210 shares. Barclays contributed 55.60% to the total volume of shares traded, followed by Econet Wireless, 13.88%; and Axia Corporation, 12.28%.

Figure 4: Daily Market turnover

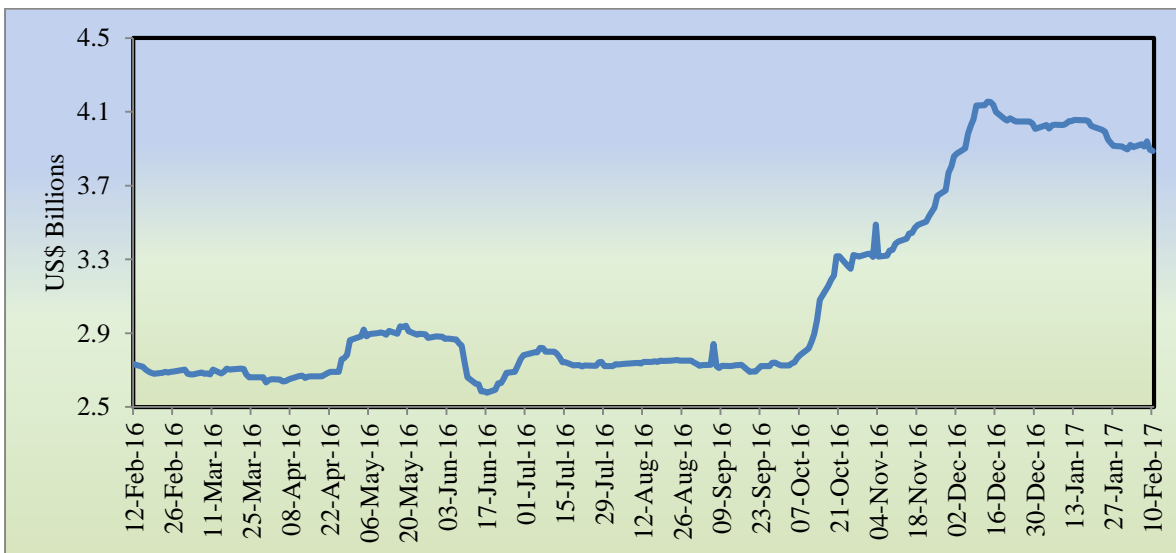


Source: Zimbabwe Stock Exchange, 2017

Market Capitalisation

The ZSE market capitalisation registered a 0.55% decline, to close the week under review at US\$3 887.11 million. This was mainly due to losses recorded by highly capitalised counters that included BAT and Delta.

Figure 5 : Market Capitalisation



Johannesburg Stock Exchange (JSE) Developments

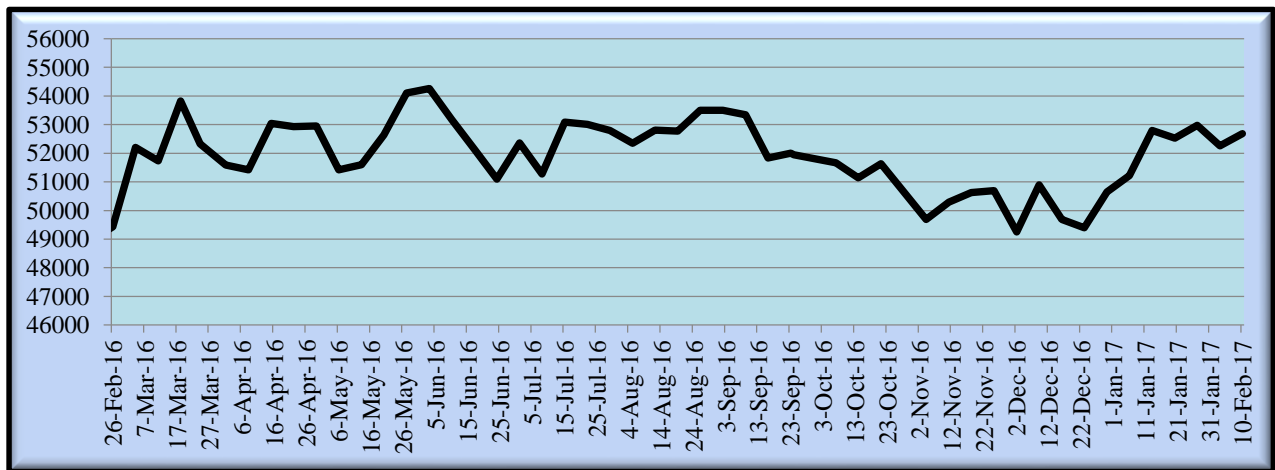
During the week ending 10th February 2017, the JSE All Share index increased by 0.81% to 52 687.29 points. The JSE market capitalisation fell by 6.4%, from R14.74 trillion recorded in the preceding week to R13.80 trillion during the reporting week.

Table 8: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalisation (ZAR trillion)
13-January-17	52 794.81	13.93
20-January-17	52 532.26	13.92
27-January-17	52 973.83	14.09
03-February-17	52 265.16	14.74
10-February-17	52 687.29	13.80

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

20th FEBRUARY 2017