



# Weekly Economic Highlights

## Table of Contents

1. INTEREST RATES .....	1
2. CLEARING AND SETTLEMENT ACTIVITY .....	2
4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS .	4
5. EQUITY MARKETS.....	6

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

## 1. INTEREST RATES

### Deposit Rates

During the week ending 11<sup>th</sup> December 2015, deposit rates at all banking institutions remained unchanged from previous week levels, as shown in table 1 below.

**Table 1: Average Deposit Rates**

2015	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
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
11-Dec	3.00	7.28	7.89

Source: Banking Institutions, 2015

### Lending Rates

Commercial banks' weighted lending rates for individual and corporate clients closed the week under review at 12.12% and 7.62%, respectively.

**Table 2: Lending Rates**

2015	Lending Rates (%)	
	Commercial Banks (weighted)	
	Individuals	Corporate clients
13-Nov	10.91	7.31
20-Nov	11.93	7.77
27-Nov	12.12	7.67
04-Dec	12.07	7.63
11-Dec	12.12	7.62

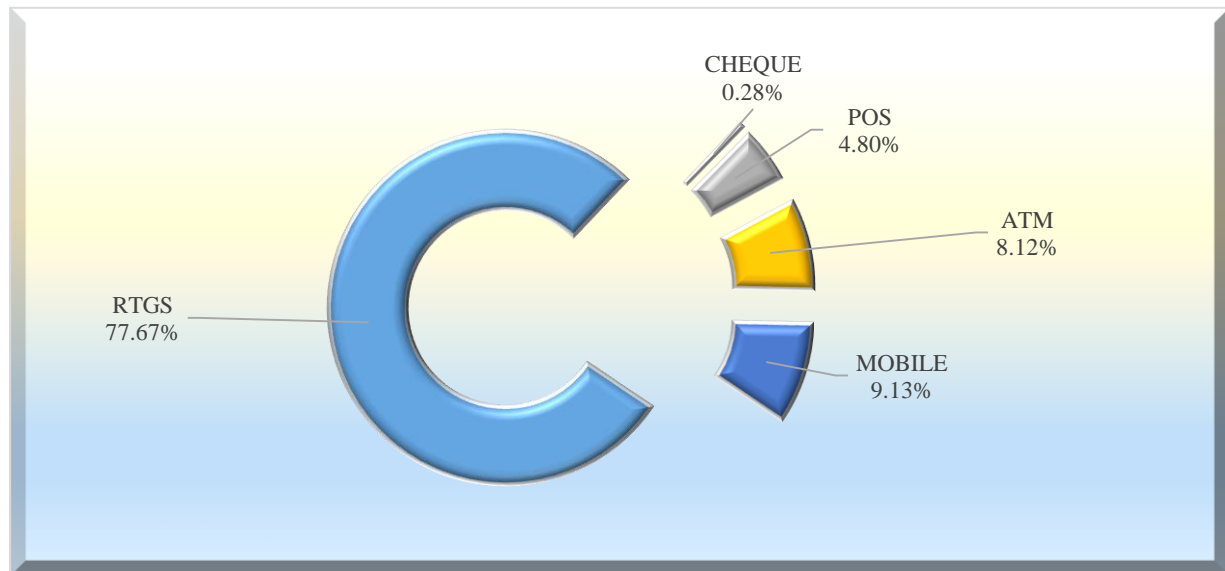
Source: Banking Institutions, 2015

## 2. CLEARING AND SETTLEMENT ACTIVITY

During the week ending 11<sup>th</sup> December 2015, transactions processed through the National Payment Systems (NPS) stood at US\$1 067 million, down from US\$1 239.59 million in the previous week. The value of transactions processed through the Real Time Gross Settlement (RTGS) continued on a downward trend, registering an 11% decline to close the week under review at US\$828.76 million.

RTGS system payments accounted for 77.67% of the total value of transactions processed through the NPS, followed by Mobile, 9.13%; Automated Teller Machines (ATMs), 8.12%; Point of Sale (POS), 4.80%; and cheque transactions, 0.28%.

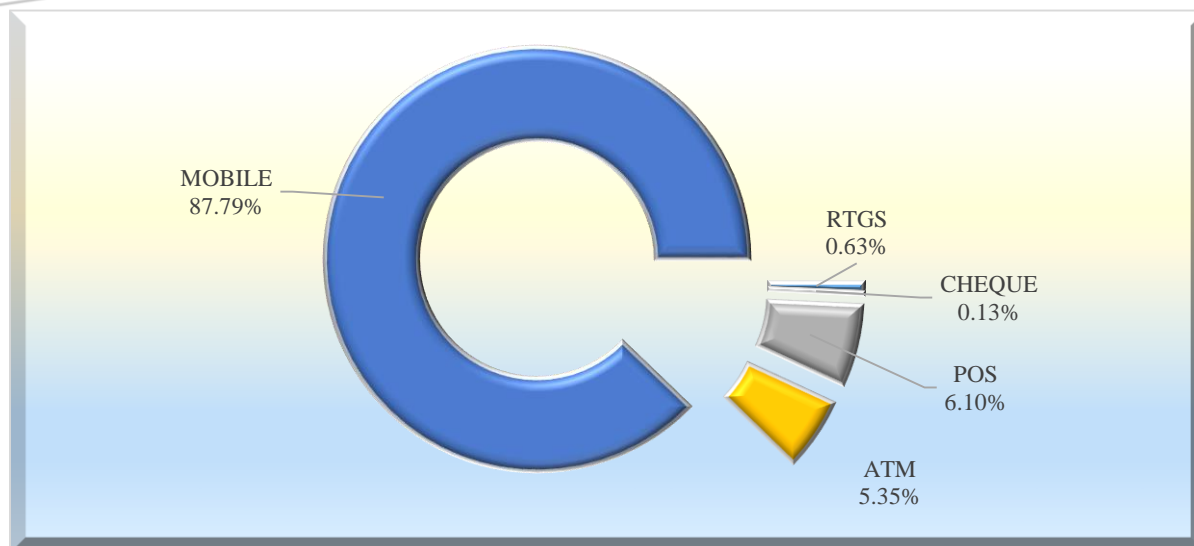
**Figure 1: Proportions of NPS Transactions in Value Terms**



*Source: Reserve Bank of Zimbabwe*

In volume terms, Mobile-Based transactions were 87.79% of total transactions, during the week ending 11<sup>th</sup> December 2015, followed by POS, 6.10%; and ATMs, 5.35%. RTGS, 0.63% and Cheque, 0.13%.

**Figure 2: Proportions of NPS Transactions in Volume Terms**



Source: Reserve Bank of Zimbabwe.

**Table 3: National Payment Systems Activity**

PAYMENT STREAM	WEEK ENDING 4 Dec 2015	WEEK ENDING 11 Dec 2015	CHANGE FROM LAST WEEK	PROPORTION
<b>VALUES IN USD (millions)</b>				
<b>RTGS</b>	926.63	828.76	-11%	77.67%
<b>CHEQUE</b>	3.07	2.97	-3%	0.28%
<b>POS</b>	72.41	51.21	-29%	4.80%
<b>ATMS</b>	116.12	86.64	-25%	8.12%
<b>MOBILE</b>	121.36	97.40	-20%	9.13%
<b>TOTAL</b>	1,239.59	1,066.99	-14%	100%
<b>VOLUMES</b>				
<b>RTGS</b>	37,799	35,670	-6%	0.63%
<b>CHEQUE</b>	7,787	7,624	-2%	0.13%
<b>POS</b>	494,717	347,217	-30%	6.10%
<b>ATMs</b>	374,436	304,692	-19%	5.35%
<b>MOBILE</b>	5,373,672	4,996,582	-7%	87.79%
<b>TOTAL</b>	6,288,411	5,691,785	-9%	100%

Source: Reserve Bank of Zimbabwe

### 3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

During the week ending 11<sup>th</sup> December 2015, the international commodity prices of gold, platinum and copper firmed. Nickel and Brent Crude oil prices, however, declined.

**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 (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>7-Dec</b>	1,079.25	856.50	4,636.00	8,830.00	41.34
<b>8-Dec</b>	1,071.93	848.50	4,567.00	8,570.00	40.21
<b>9-Dec</b>	1,079.70	857.50	4,620.00	8,720.00	40.91
<b>10-Dec</b>	1,071.50	857.50	4,620.00	8,720.00	39.86
<b>11-Dec</b>	1,069.85	840.50	4,620.00	8,655.00	38.64
<b>Weekly Average (11 Dec)</b>	<b>1,074.45</b>	<b>852.10</b>	<b>4,612.60</b>	<b>8,699.00</b>	<b>40.19</b>
<b>Weekly Change (%)</b>	<i>1.2</i>	<i>1.1</i>	<i>0.2</i>	<i>(1.3)</i>	<i>(8.7)</i>

*Source: BBC, KITCO, Reuters and Bloomberg*

#### **Gold**

Gold prices registered a weekly average of US\$1 074.45/oz during the week under review, representing a 1.2% increase from a weekly average of US\$1 062.28/oz in the previous week. The increase was mainly due to the temporary weakening of the U.S dollar against a basket of major currencies. There are, however, no prospects of a sustained rally in prices as the U.S. Federal Reserve is expected to raise interest rates during its Monetary Policy Committee meeting during 15-16 December 2015. Higher U.S interest rates would reduce gold's appeal as a safer and alternative investment haven.

#### **Platinum**

Platinum prices firmed for the second consecutive week, from a weekly average of US\$842.70/oz registered in the previous week, to close the week under review at an average of US\$852.10/oz. This followed reports that the World Platinum Investment Council (WPIC) and Rand Merchant Bank (RMB) had increased global accessibility of listed platinum Bullion Coin Custodial Certificates to retail and institutional investors.

## **Copper**

Copper prices increased by 0.2% to close the week under analysis at an average of US\$4 612.60/ton, from a weekly average of US\$4 605.60/ton in the preceding week. Supporting the prices of the metal was speculation of a possible future reduction output, after one of the world's biggest miner, Anglo American, announced its plans to cut jobs and sell some of its assets. Furthermore, the weakening of US dollar during the week also buoyed the price of the metal.

## **Nickel**

Nickel price declined by 1.3% from a weekly average of US\$8 816.00/ton, to close the week under review at an average of US\$8 699.00/ton. The price declined on the perception that the proposed supply cuts of the metal would not be sufficient to reduce the global excess.

## **Brent Crude Oil**

The failure by the Organization of the Petroleum Exporting Countries to set a production ceiling on crude oil on 4<sup>th</sup> December 2015, weighed down the weekly average price of the commodity by 8.7% to US\$40.19/barrel during the week under review. This, together with reports of a disagreement between Saudi Arabia and Iran to set an output quota, dampened the prospects of output cuts.

## 4. EQUITY MARKETS

During the week ending 11<sup>th</sup> December 2015, the bearish sentiment on the Zimbabwe Stock Exchange (ZSE) persisted for the sixth successive week as investors remained skeptical about the country's economic prospects. Consequently, the industrial and mining indices declined by 0.26% and 5.53% to close the week under review at 114.12 points and 20.30 points, respectively.

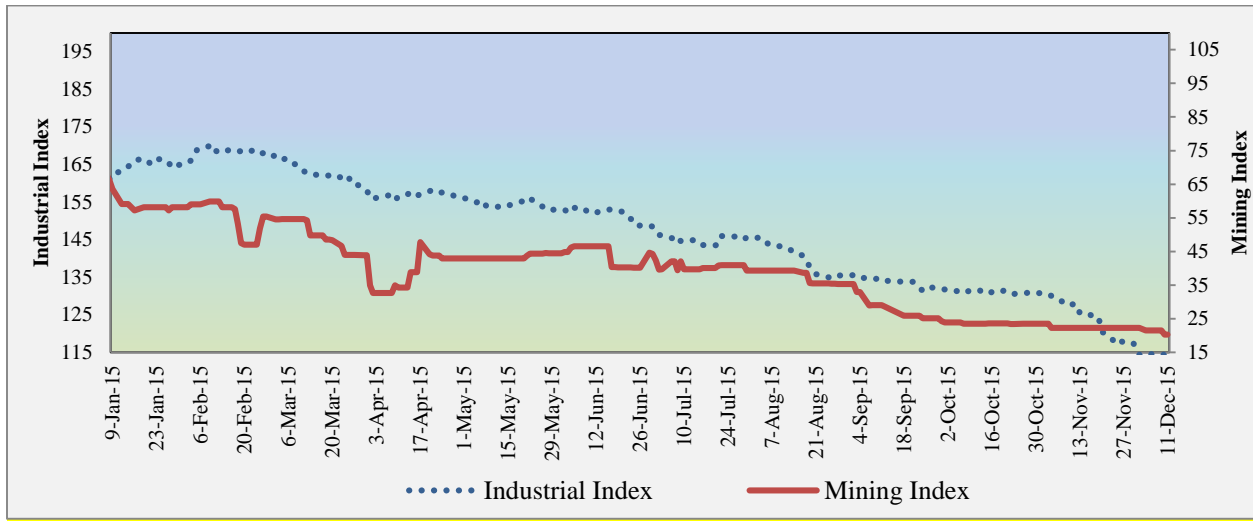
The mainstream index was weighing down by losses realized in Star Africa Limited (81.25%), Masimba Holdings Limited (9.09%), Inncor Africa (5.26%), First Mutual (4.35%) and Old Mutual (2.50%).

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

Period	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
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
11-Dec-15	114.12	20.32	3,048,882,797	6,673,187	28,981,450
Weekly Change (%)	(0.26)	(5.53)	(0.32)	73.41	63.88

Source: Zimbabwe Stock Exchange (ZSE), 2015

**Figure 3 : Zimbabwe Stock Exchange Indices**

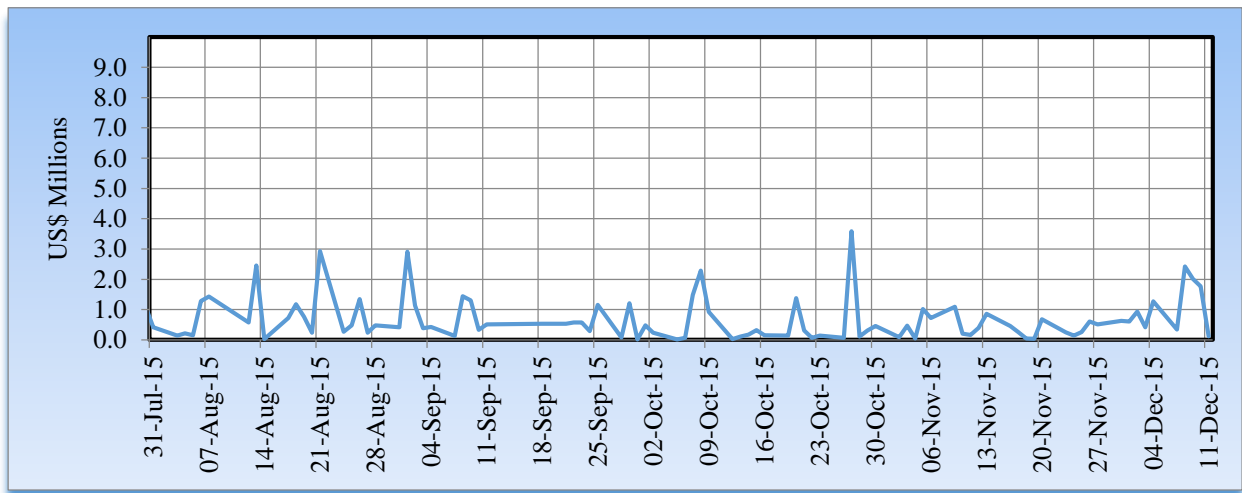


Source: Zimbabwe Stock Exchange, 2015

**Market Turnover and Volume**

During the week under analysis, market turnover stood at US\$6.67 million, a 73.41% increase from US\$3.85 million in the previous week. This was on the back of block trades which saw 5.4 million Delta shares; 6.2 million Econet shares; 4.0 million Simbisa shares; and 6.4 million Proplastics shares exchanging hands at US\$0.72; US\$0.18; US\$0.1570; and US\$0.0240, respectively.

**Figure 4: Daily Market Turnover**



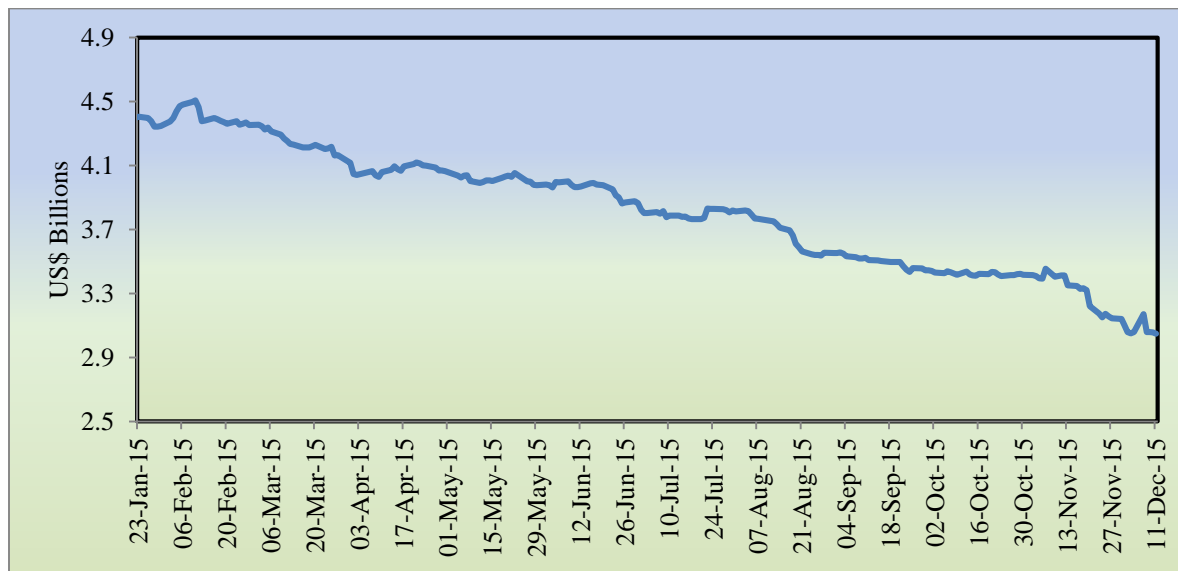
Source: Zimbabwe Stock Exchange, 2015



## Market Capitalisation

In line with the developments on the local bourse during the week under review, market capitalisation declined by 0.32%, to US\$3.05 billion, from US\$3.06 billion in the previous week. Investors remained skeptical due to persistent macroeconomic challenges prevailing in the economy

**Figure 5 : Market Capitalisation**



Source: Zimbabwe Stock Exchange, 2015

## Johannesburg Stock Exchange (JSE) Developments

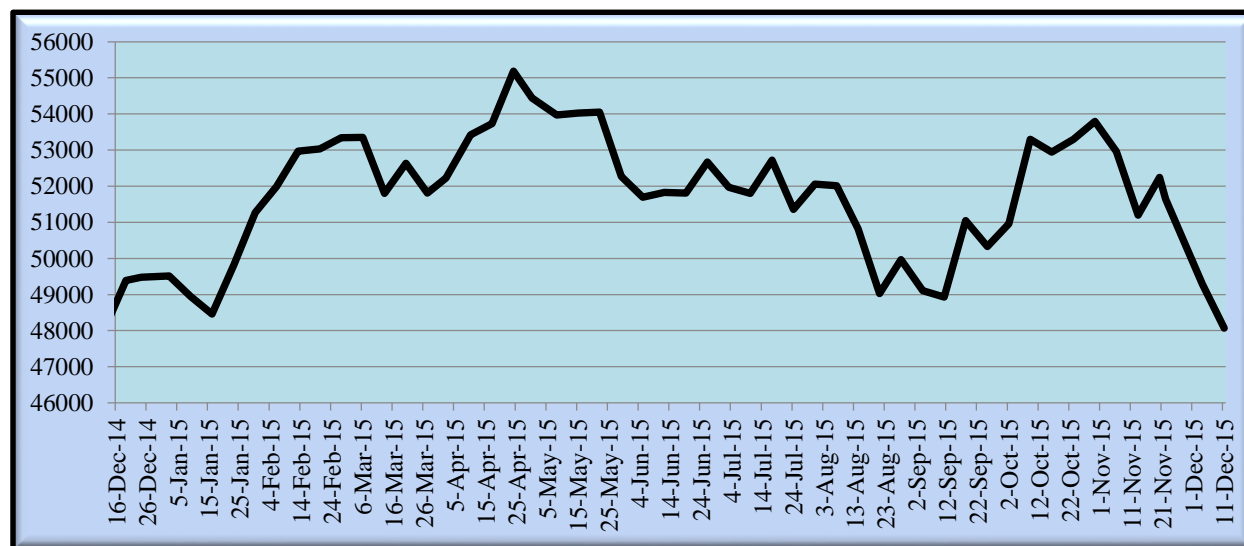
The JSE All Share index closed the week ending 11<sup>th</sup> December 2015 at 48 067.53 points, down by 2.47% from 49 284.49 points recorded the previous week. Concomitantly, the JSE market capitalization declined by 0.8%, from R11.28 trillion recorded in the previous week, to R11.19 trillion recorded during the week under review.

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

Period- 2015	All Share Index (points)	Market Capitalisation (R trillion)
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
11-Dec	48,067.53	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**

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