



# Weekly Economic Highlights

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Week Ending  
11<sup>th</sup> November 2016

## 1. INTEREST RATES

### Deposit Rates

Average deposit rates for savings deposits and deposits of 3 month tenors remained unchanged at the previous week levels of 3.01% and 5.75%, respectively. Average deposit rates for deposits of 1 month tenor, however, declined from 5.39% in the previous week to 5.34% during the week under review.

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

Date	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
14-October-16	3.01	5.41	5.79
21-October-16	3.01	5.35	5.79
28-October-16	3.01	5.41	5.75
04-November-16	3.01	5.39	5.75
11-November-16	3.01	<b>5.34</b>	5.75

Source: Banking Institutions, 2016

### Lending Rates

Commercial bank weighted lending rates for individual and corporate clients closed the week under review marginally higher at 10.68% and 6.98%, respectively.

**Table 2: Lending Rates**

Date	Lending Rates (%) Commercial Banks (weighted)	
	Individuals	Corporate clients
14-October-16	10.68	6.94
21-October-16	10.71	6.93
28-October-16	10.70	6.93
04-November-16	10.67	6.97
11-November-16	<b>10.68</b>	<b>6.98</b>

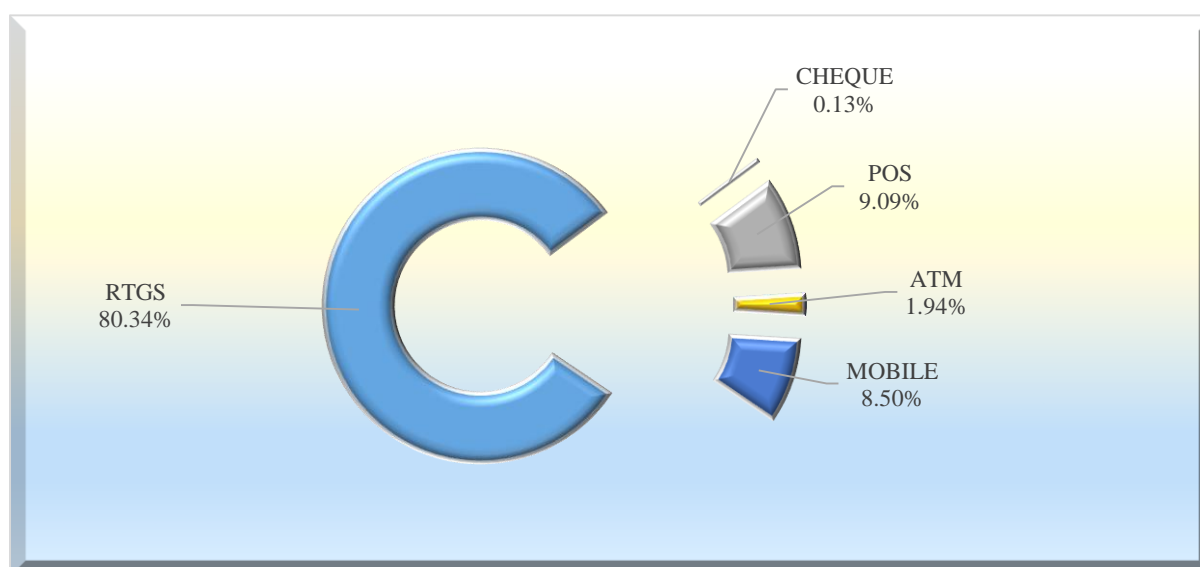
Source: Banking Institutions, 2016

## 2. CLEARING AND SETTLEMENT ACTIVITY

During the week ending 11<sup>th</sup> November 2016, the total value of transactions processed through the National Payment System (NPS) stood at US\$1 226.86 million, a 7% decline from US\$1 312.16 million recorded in the previous week. Real Time Gross Settlement (RTGS) transactions decreased by 7%, to close at US\$985.64 million in the same week.

RTGS system payments accounted for 80.34% of the total value of transactions processed through the NPS, followed by Mobile, 8.50%; POS, 9.09%; ATMs, 1.94% and Cheque, 0.13%, as shown in Figure 1.

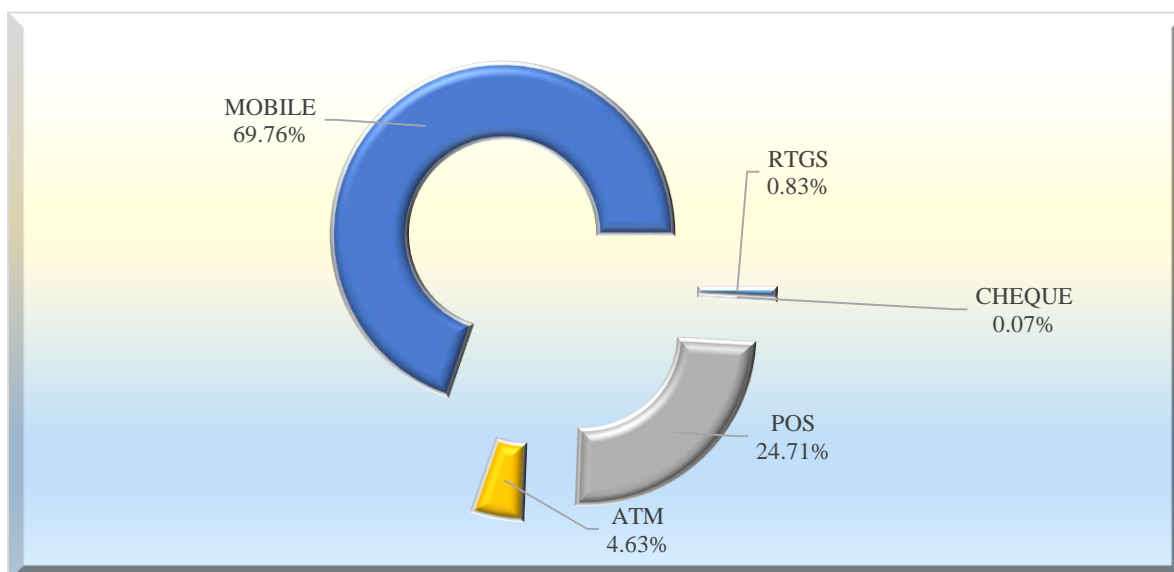
**Figure 1: Proportions of NPS Transactions in Value Terms**



*Source: Reserve Bank of Zimbabwe*

NPS transaction volumes registered a 4% increase, to close the week under review at 9 491 437 transactions, from 9 138 630 transactions recorded in the previous week. The volume of NPS transactions was distributed as follows: Mobile, 69.76%; POS, 24.71%; ATMs 4.63%; RTGS, 0.83% and Cheque 0.07%, 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 04 November 2016	WEEK ENDING 11 November 2016	CHANGE FROM LAST WEEK	PROPORTION
VALUES IN USD (millions)				
<b>RTGS</b>	1,060.66	985.64	-7%	80.34%
<b>CHEQUE</b>	1.53	1,63	7%	0.13%
<b>POS</b>	105.89	111.49	5%	9.09%
<b>ATMS</b>	28.35	23,85	-16%	1.94%
<b>MOBILE</b>	115.74	104.25	-10%	8.50%
<b>TOTAL</b>	<b>1,312.16</b>	<b>1,226.86</b>	-7%	100%
<b>VOLUMES</b>				
RTGS	85,200	78,863	-7.4%	0.83%
CHEQUE	6,510	6,996	7%	0.07%
POS	2,080,490	2,344,991	13%	24.71%
ATMs	422,869	439,473	4%	4.63%
MOBILE	6,543,561	6,621,114	1.2%	69.76%
<b>TOTAL</b>	<b>9,138,630</b>	<b>9,491,437</b>	4%	100%

Source: Reserve Bank of Zimbabwe

### 3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

During the week ending 11<sup>th</sup> November 2016, international commodity prices for gold, platinum, copper and nickel retreated. Crude oil prices, however, increased in the same week.

**Table 5: Metals and Crude Oil Prices**

Period	Gold	Platinum	Copper	Nickel	Crude Oil
<b>2016</b>	<b>US\$/ounce</b>	<b>US\$/ounce</b>	<b>US\$/tonne</b>	<b>US\$/tonne</b>	<b>US\$/barrel</b>
<b>Week ending (31 Oct-4 Nov)</b>	<b>1,290.64</b>	<b>988.60</b>	<b>4,845.70</b>	<b>10,383.00</b>	<b>46.95</b>
<b>7-Nov</b>	1,284.93	992.00	4,740.00	10,255.00	53.06
<b>8-Nov</b>	1,283.18	993.00	4,786.00	10,305.00	52.48
<b>9-Nov</b>	1,292.98	995.00	4,801.50	10,410.00	51.86
<b>10-Nov</b>	1,274.20	989.00	4,705.00	10,410.00	51.75
<b>11-Nov</b>	1,233.98	973.50	4,754.00	10,410.00	51.75
<b>Weekly Average (4-11 November)</b>	<b>1,273.85</b>	<b>988.50</b>	<b>4,757.30</b>	<b>10,358.00</b>	<b>52.18</b>
<b>Weekly Change (%)</b>	<i>(1.3)</i>	<i>(0.01)</i>	<i>(1.8)</i>	<i>(0.2)</i>	<i>11.1</i>

Source: BBC, KITCO, Reuters and Bloomberg

#### Gold

Gold prices declined by 1.3%, from a weekly average price of US\$1,290.64/ounce in the previous week to US\$1,273.85/ounce during the week under review. This was on the back of a strengthening US dollar amid increasing speculation of an improved US economic outlook. In addition, the precious metal price was also weighed down by expected Federal Reserve interest rate hike in December 2016. This development dampened the yellow metal's appeal as a safe haven asset.

#### Platinum

Platinum prices marginally retreated by 0.01%, to a weekly average of US\$988.50/ounce from US\$988.60/ounce in the previous week. The recent signing of comprehensive wage agreements in South Africa, the top producer of the metal, dampened fears of shortages in the market. In addition, platinum prices continue to be weighed down by the depreciation of the South African rand against the US dollar.



## **Copper**

Copper weekly average prices declined by 1.8% to close the week under review at US\$4,757.30/tonne from US\$4,845.70/tonne in the previous week. The prices were subdued by sell-offs as traders took advantage of recent gains. Investors were also weighing the consequences of the envisaged stimulus plans under the new USA administration of President Donald Trump.

## **Nickel**

Nickel prices declined by 0.2% from a weekly average price of US\$10383.00/tonne to US\$10,358.00/tonne during the week under review. This followed a weakening demand for the metal.

## **Crude Oil**

Crude oil prices surged by 11.1% from a weekly average of US\$46.95/barrel recorded in the prior week to close the week under review at US\$52.18/barrel. The increase followed the agreement by OPEC nations to make a final diplomatic effort toward securing a deal to curb production and stabilize prices.

## 4. EXCHANGE RATES

During the week under review, the US dollar appreciated against most currencies, surging to its highest level since February 2016. This followed speculations that Donald Trump's administration will boost economic growth, thereby creating sufficient conditions for the Federal Reserve to raise interest rates. Table 6 shows exchange rate developments for the period under review.

**Table 6: International Exchange Rates per US\$**

	<b>GBP (£)</b>	<b>EURO (€)</b>	<b>Rand (ZAR)</b>
<b>2016</b>			
<b>Weekly Average (31 Oct-4 Nov)</b>	<b>0.8135</b>	<b>0.9057</b>	<b>13.5527</b>
<b>7-Nov</b>	0.8065	0.9009	13.5700
<b>8-Nov</b>	0.8065	0.9091	13.4200
<b>9-Nov</b>	0.8000	0.8881	13.7300
<b>10-Nov</b>	0.8049	0.9139	13.4600
<b>11-Nov</b>	0.7956	0.9165	14.0413
<b>Weekly Average (7-11 Nov)</b>	<b>0.8017</b>	<b>0.9069</b>	<b>13.6628</b>
<b><i>Appr(+)/Depr(-) (%) of the USD</i></b>	<i>(1.4)</i>	<i>0.1</i>	<i>0.8</i>

*Source: Reuters*

## 5. EQUITY MARKETS

During the week ending 11<sup>th</sup> November 2016, both the industrial and mining indices recovered from losses recorded the previous week. The benchmark index gained 2.88 points to close the week at 123.22 points, whilst the resource index increased by 2.01 points to 35.72 points in the same week.

The industrial index growth was largely underpinned by gains in ZB Financial Holdings, 20.00%; Masimba, 18.42%; Zimre Holdings, 15.38%; Meikles, 12.14% and Mashonaland Holdings, 11.76%.

The resource index increased due to gains in Falgold, 20.00%; Rio Zimbabwe, 10.42% and Bindura Nickel Corporation, 2.56%. The resource counters were buoyed by portfolio adjustments by investors taking positions in anticipation of firming commodity prices in the short to medium term.

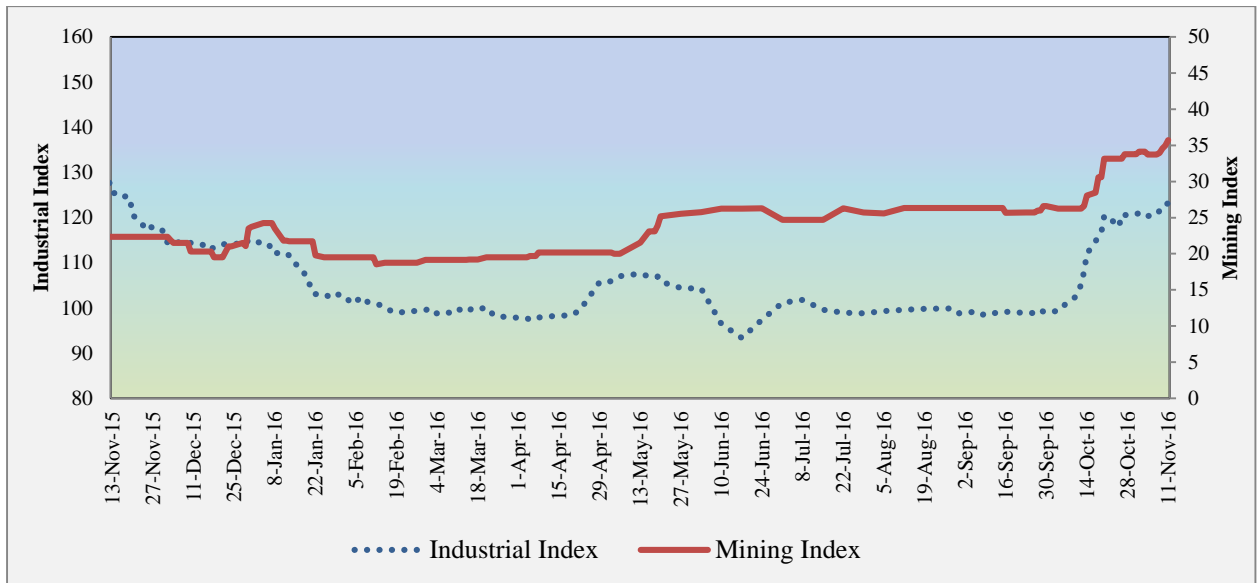
**Table 7: Zimbabwe Stock Exchange (ZSE) Statistics**

Period	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
14- October-16	112.03	28.05	3,079,991,534	5,206,424	59,433,785
21- October-16	120.45	33.17	3,317,196,165	4,675,196	41,335,567
28-October-16	120.46	33.76	3,315,319,388	7,154,094	29,010,120
04- November-16	120.34	33.71	3,315,350,411	5,049,114	58,916,789
11- November-16	123.22	35.72	3,396,134,584	3,130,839	18 463 924
<i>Weekly Change (%)</i>	<b>2.39</b>	<b>5.96</b>	<b>0.00</b>	<b>(37.99)</b>	<b>-68.66</b>

Source: Zimbabwe Stock Exchange (ZSE), 2016.



**Figure 3 : Zimbabwe Stock Exchange Indices**

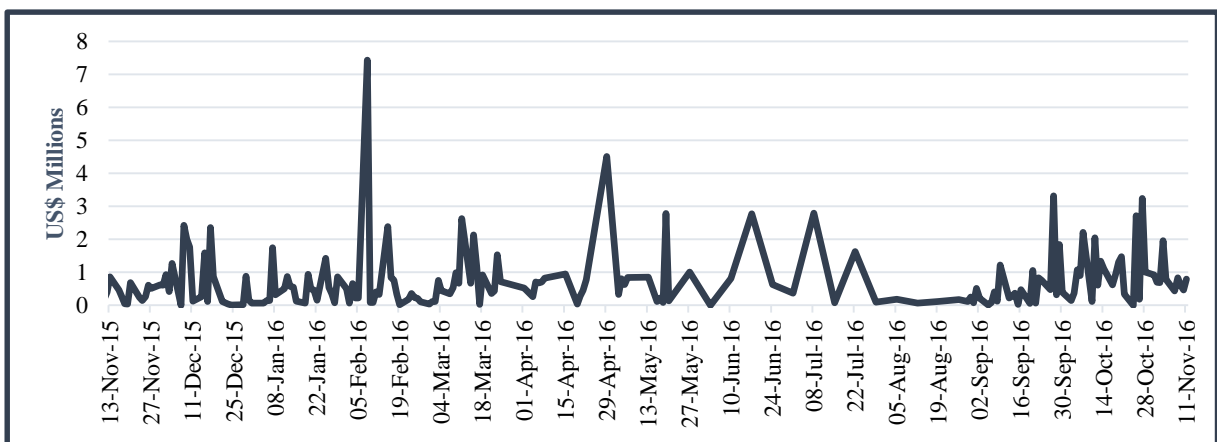


Source: Zimbabwe Stock Exchange, 2016

**Market Turnover and Volume**

During the week under review, there was a significant decline of 37.99% in market turnover value, largely due low investor activity. Correspondingly, the volume of shares traded declined by 68.66% during the same week.

**Figure 4: Daily Market Turnover**

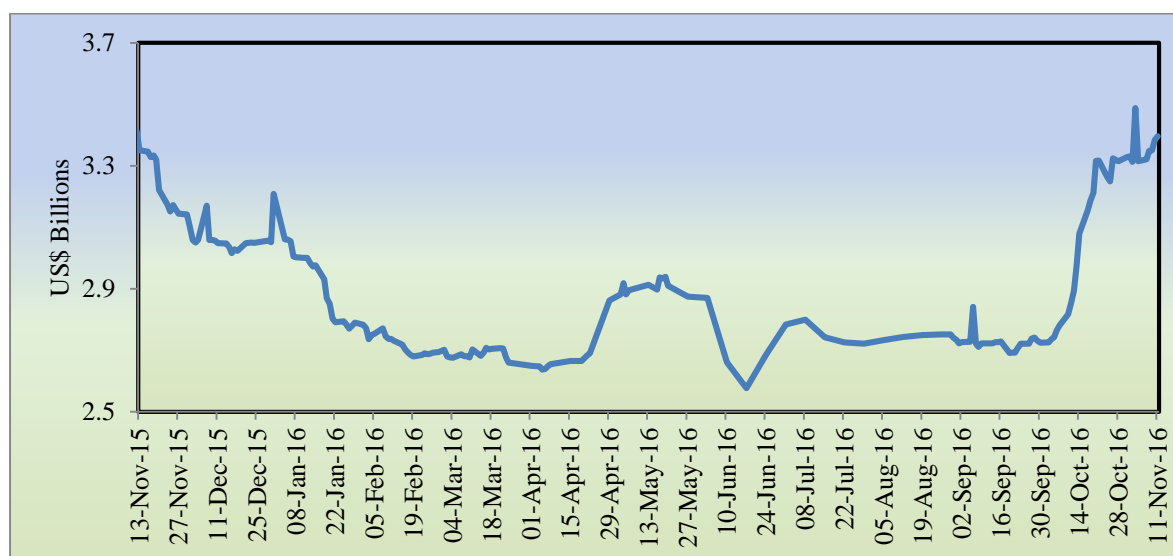


Source: Zimbabwe Stock Exchange, 2016

## Market Capitalisation

Market capitalization increased by 2.44%, to close the week under review at US\$3 396.13 million. This was largely on account of gains realised in the heavily capitalised counters.

**Figure 5 : Market Capitalisation**



Source: Zimbabwe Stock Exchange, 2016

## Johannesburg Stock Exchange (JSE) Developments

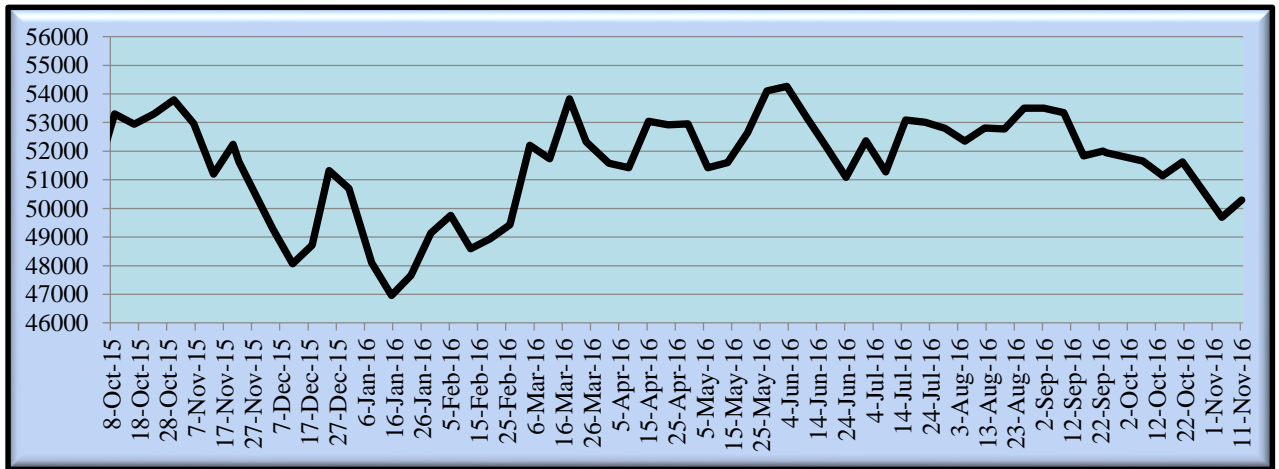
The JSE All Share Index registered a 1.22% increase, to close the week under review at 50 294.72 points. Concomitantly, market capitalisation increased from R13.12 trillion to R13.39 in the same week.

**Table 8: Johannesburg Stock Exchange (JSE) Statistics**

Period	All Share Index (points)	Market Capitalisation (ZAR trillion)
14-October-16	51 146.78	13.95
21-October-16	51 629.23	13.91
28-October-16	50 797.70	13.50
04-November-16	49 686.10	13.12
11-November-16	<b>50 294.72</b>	<b>13.39</b>

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**

**18<sup>th</sup> NOVEMBER 2016**