



Weekly Economic Highlights

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Week Ending
14th October 2016

1. INTEREST RATES

Deposit Rates

During the week ending 14th October 2016, the average deposit rates for savings and deposits of 1 month and 3 month tenors remained unchanged at 3.01%, 5.41%, and 5.79%, respectively.

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 |
| 14-October-16 | 3.01 | 5.41 | 5.79 |

Source: Banking Institutions, 2016

Lending Rates

Weighted commercial bank lending rates for individuals and corporate clients closed the week under review at 10.68% and 6.94%, respectively.

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 |
| 14-October-16 | 10.68 | 6.94 |

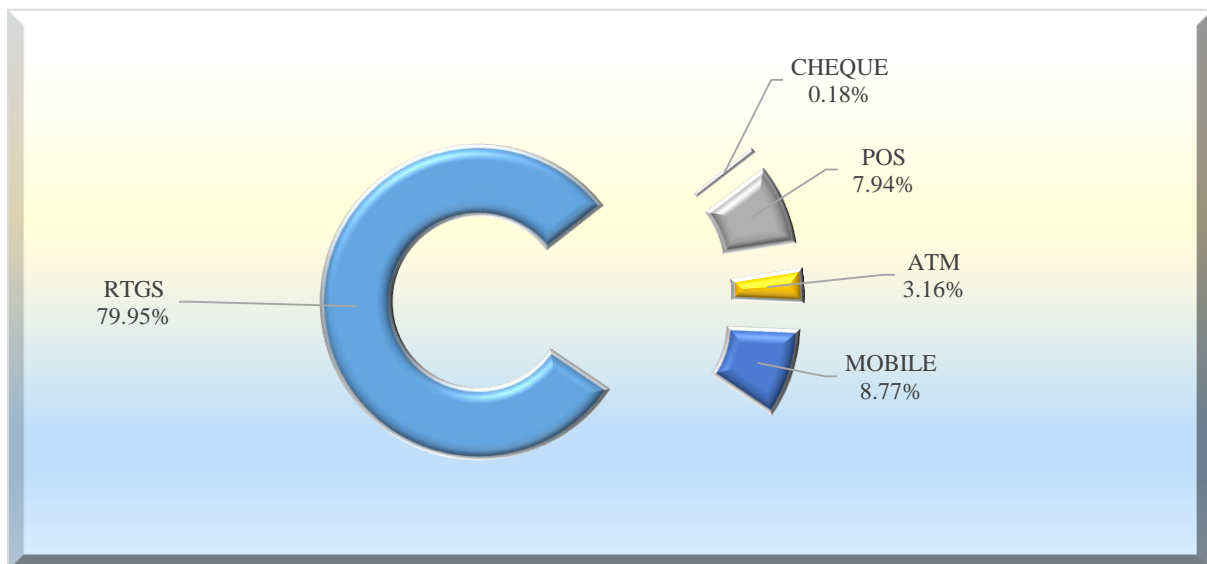
Source: Banking Institutions, 2016

2. CLEARING AND SETTLEMENT ACTIVITY

During the week ending 14th October 2016, transactions processed through the National Payment Systems (NPS), increased by 2% to close the week at US\$1 183.77 million. Real Time Gross Settlement (RTGS) transactions also increased by 5% to close the week under review at US\$946.44 million.

The value of transactions processed through the National Payment System was distributed as follows: RTGS, 79.95%; Mobile, 8.77%; POS, 7.94%; ATMs, 3.16% and cheque, 0.18%, as shown in Figure 1.

Figure 1: Proportions of NPS Transactions in Value Terms

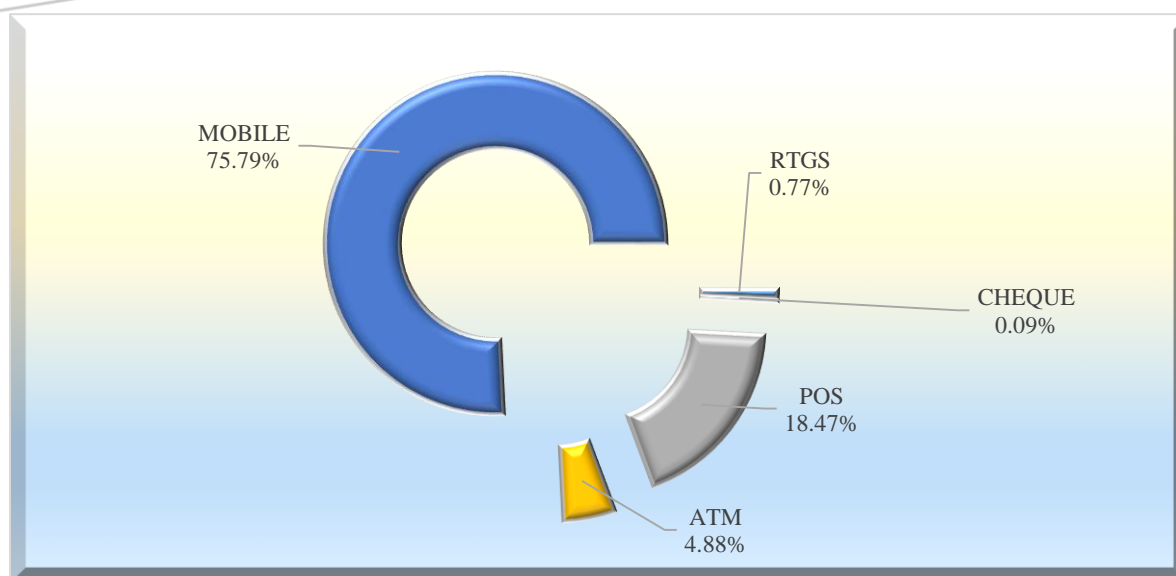


Source: Reserve Bank of Zimbabwe

NPS transaction volumes stood at 8 661 723 transactions during the week under analysis, a 1% decline from 8 743 614 transactions recorded in the previous week.

In volume terms, Mobile-Based transactions accounted for 75.79% of total transactions, followed by Point of sale (POS), 18.47%; Automated Teller Machines (ATM), 4.88%; Real Time Gross Settlement (RTGS), 0.77% and Cheque, 0.09%, as shown in Figure 2.

Figure 2: Proportions of NPS Transactions in Volume Terms



Source: Reserve Bank of Zimbabwe.

During the week under review, US dollar transactions increased in value while transaction volumes declined. Rand and euro transactions closed the week of analysis on a downward trend both in value and volume terms. Table 3 shows the weekly RTGS transactional activities by currency.

Table 3: Real Time Gross Settlement System Transactional Activities by Currency

| RTGS CURRENCY | WEEK ENDING 07 October 2016 | WEEK ENDING 14 October 2016 | CHANGE FROM LAST WEEK |
|----------------|-----------------------------|-----------------------------|-----------------------|
| VALUES | | | |
| USD | 896,608,931.81 | 944,744,326.18 | 5.37% |
| EURO | 359,297.55 | 262,087.50 | -27.06% |
| ZAR | 20,263,942.48 | 19,674,990.51 | -2.91% |
| VOLUMES | | | |
| USD | 69,703 | 66,835 | -4.11% |
| ZAR | 28 | 3 | -89.29% |
| EURO | 57 | 40 | -29.82% |

Source: Reserve Bank of Zimbabwe

Table 4: National Payment Systems Activity

| PAYMENT STREAM | WEEK ENDING 07 October 2016 | WEEK ENDING 14 October 2016 | CHANGE FROM LAST WEEK | PROPORTION |
|----------------|--------------------------------|--------------------------------|--------------------------|-------------|
| | VALUES IN USD (millions) | | | |
| RTGS | 898.48 | 946.44 | 5% | 79.95% |
| CHEQUE | 2.08 | 2.14 | 3% | 0.18% |
| POS | 93.45 | 93.99 | 1% | 7.94% |
| ATMS | 43.70 | 37.42 | -14% | 3.16% |
| MOBILE | 123.76 | 103.78 | -16% | 8.77% |
| TOTAL | 1,161.46 | 1,183.77 | 2% | 100% |
| | VOLUMES | | | |
| RTGS | 69,788 | 66,878 | -4.2% | 0.77% |
| CHEQUE | 7,247 | 7,422 | 2% | 0.09% |
| POS | 1,467,894 | 1,599,693 | 9% | 18.47% |
| ATMs | 397,589 | 422,969 | 6% | 4.88% |
| MOBILE | 6,801,096 | 6,564,761 | -3% | 75.79% |
| TOTAL | 8,743,614 | 8,661,723 | -1% | 100% |

Source: Reserve Bank of Zimbabwe

3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

International commodity prices of gold, platinum and copper remained subdued, whilst those of crude oil and nickel firmed during the week ending 14th October, 2016, 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 |
| Weekly Average (3-7 October) | 1,284.11 | 990.20 | 4,783.60 | 10,046.00 | 51.46 |
| 10-Oct | 1,260.43 | 968.00 | 4,740.00 | 10,255.00 | 53.06 |
| 11-Oct | 1,254.93 | 959.00 | 4,786.00 | 10,305.00 | 52.48 |
| 12-Oct | 1,256.10 | 947.50 | 4,801.50 | 10,410.00 | 51.86 |
| 13-Oct | 1,259.53 | 938.50 | 4,705.00 | 10,410.00 | 51.75 |
| 14-Oct | 1,253.95 | 935.50 | 4,754.00 | 10,410.00 | 51.75 |
| Weekly Average (10-14 October) | 1,256.99 | 949.70 | 4,757.30 | 10,358.00 | 52.18 |
| Weekly Change (%) | (2.1) | (4.1) | (0.5) | 3.1 | 1.4 |

Source: BBC, KITCO, Reuters and Bloomberg

Gold

Gold prices declined by 2.1% to close the week under review at a weekly average price of US\$1,256.99/oz, from US\$1,284.11/oz recorded in the previous week. This was on account of a stronger US dollar amid renewed expectations that the Federal Reserve will tighten its monetary policy by the end of 2016.

Platinum

Platinum prices slumped by 4.1% from US\$990.20/oz recorded in the preceding week, to US\$949.70/oz during the week under analysis. The decline was attributable to a fall in demand for platinum and the strengthening of the US dollar.

Copper

During the week under review, copper prices edged down by 0.5% from US\$4,783.60/ton recorded in the previous week, to close the week under review at US\$4,757.30/ton. The prices retreated following subdued copper demand in China, the world's biggest user of copper.

Nickel

Nickel prices, however increased by 3.1% to close the week under review at US\$10,358.00/ton. This was occasioned by concerns over supply disruptions due to closure of more nickel mines in the Philippines, one of the world's biggest nickel producers.

Crude Oil

Crude oil prices increased by 1.4% from US\$51.46/barrel in the previous week, to US\$52.18/barrel during the week ending 14th October 2016. Crude oil has been on a positive trajectory following the Organization of Petroleum Exporting Countries (OPEC) decision to manage oil supply in September 2016.

4. EXCHANGE RATES

Table 6: International Exchange Rates per US\$

| | GBP (£) | EURO (€) | Rand (ZAR) |
|---------------------------------------|----------------|-----------------|-------------------|
| 2016 | | | |
| Weekly Average (3-7 Oct) | 0.7849 | 0.8935 | 13.7671 |
| 10-Oct | 0.8063 | 0.8942 | 13.7792 |
| 11-Oct | 0.8122 | 0.8986 | 13.8944 |
| 12-Oct | 0.8157 | 0.9059 | 14.3389 |
| 13-Oct | 0.8211 | 0.9078 | 14.3010 |
| 14-Oct | 0.8203 | 0.9070 | 14.2725 |
| Weekly Average (10-14 Oct) | 0.8151 | 0.9027 | 14.1172 |
| <i>Appr(+)/Depr(-) (%) of the USD</i> | <i>3.85</i> | <i>1.03</i> | <i>2.54</i> |

Source: Reuters

The U.S. dollar continue to strengthen against major currencies amid rising prospects of a US Fed rate hike by the end of 2016. Consequently, the US Dollar appreciated against the Pound, Euro and the rand, during the week under analysis.

5. EQUITY MARKETS

During the week ending 14th of October 2016, the Zimbabwe Stock Exchange (ZSE) maintained its upward trajectory for the third consecutive week following increased demand in blue chip counters. Consequently, both the industrial and mining indices increased by 10.94 percent and 1.83 percent to close the week under review at 112.03 points and 28.05 points, respectively.

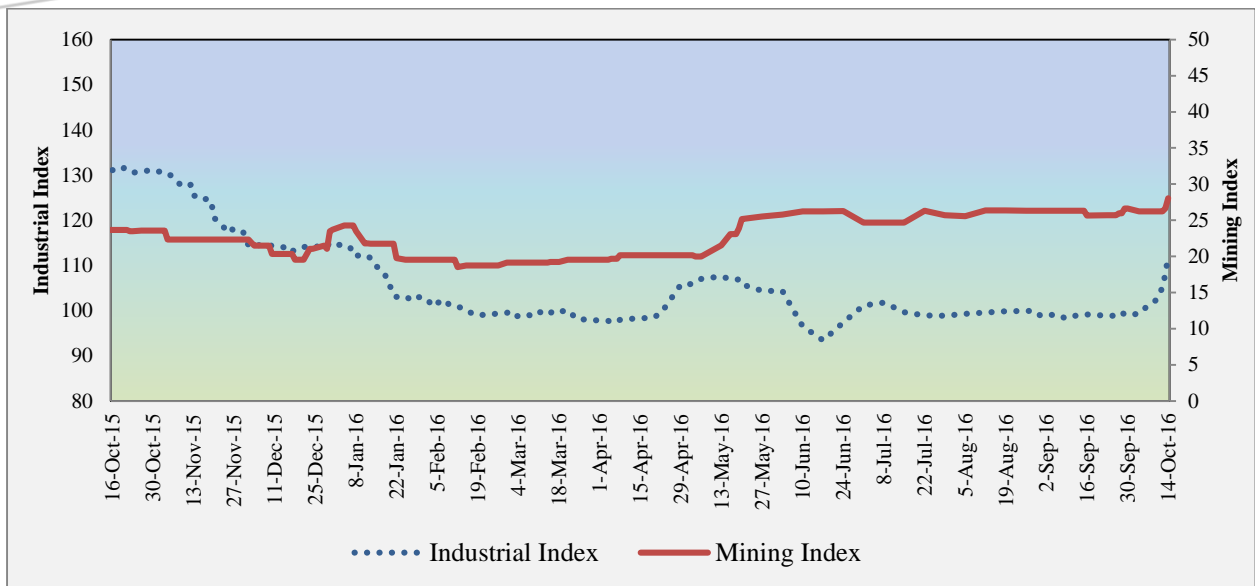
The increase in the mainstream index was largely attributable to gains in Econet Wireless, 33.52%; Colcom Holdings Limited, 20%; Delta Corporation, 18.38%; Padenga Holdings Limited, 15.45% and SeedCo Limited, 7.76%.

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 |
| 7- October-16 | 112.03 | 28.05 | 3,079,991,534 | 5,206,424 | 59,433,785 |
| Weekly Change (%) | 10.82 | 6.98 | 10.72 | 11.00 | 49.27 |

Source: Zimbabwe Stock Exchange (ZSE), 2016.

Figure 3 : Zimbabwe Stock Exchange Indices

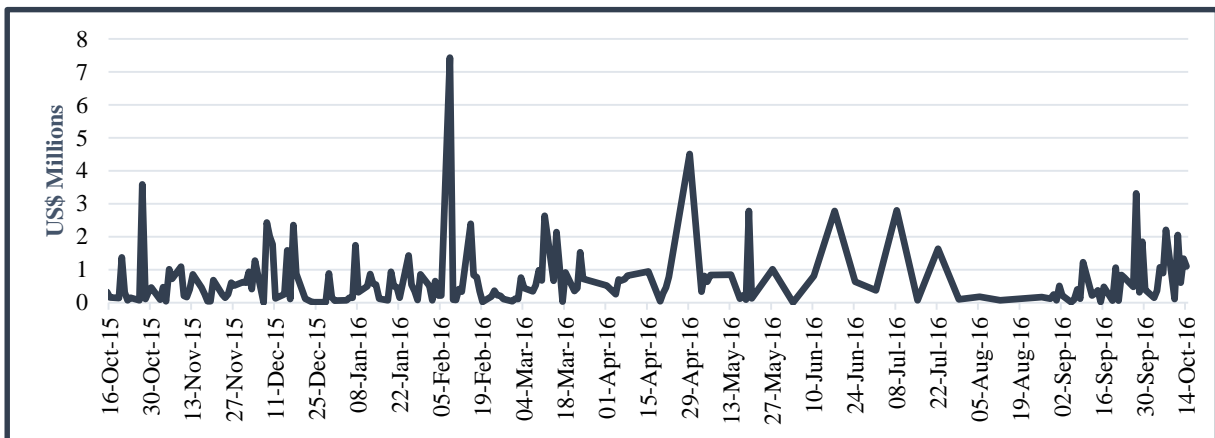


Source: Zimbabwe Stock Exchange, 2016

Market Turnover and Volume

Market turnover increased by 11%, to close the week under analysis at US\$5.21 million, from US\$4.69 million in the previous week. A total of 59 433 785 shares were traded during the week under review, up from 39 816 865 shares traded in the previous week. This was underpinned by block trades for Mashonaland Holdings Limited, 32.8 million shares; Axia Corporation, 3.1 million shares and Hippo Valley Estates, 2.7 million shares which exchanged hands at 1.40 cents, 4.22 cents and 20 cents, respectively.

Figure 4: Daily Market Turnover

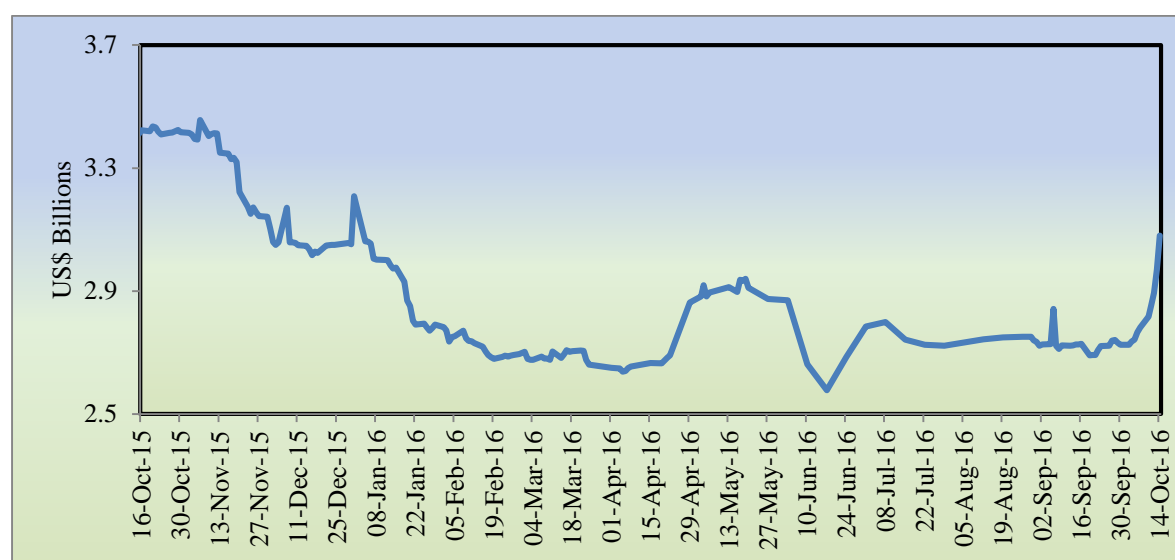


Source: Zimbabwe Stock Exchange, 2016

Market Capitalisation

Market capitalisation registered a 10.72% increase from US\$2.78 billion in the previous week, to US\$3.08 billion on the back of significant gains in blue chip counters.

Figure 5 : Market Capitalisation



Source: Zimbabwe Stock Exchange, 2016

Johannesburg Stock Exchange (JSE) Developments

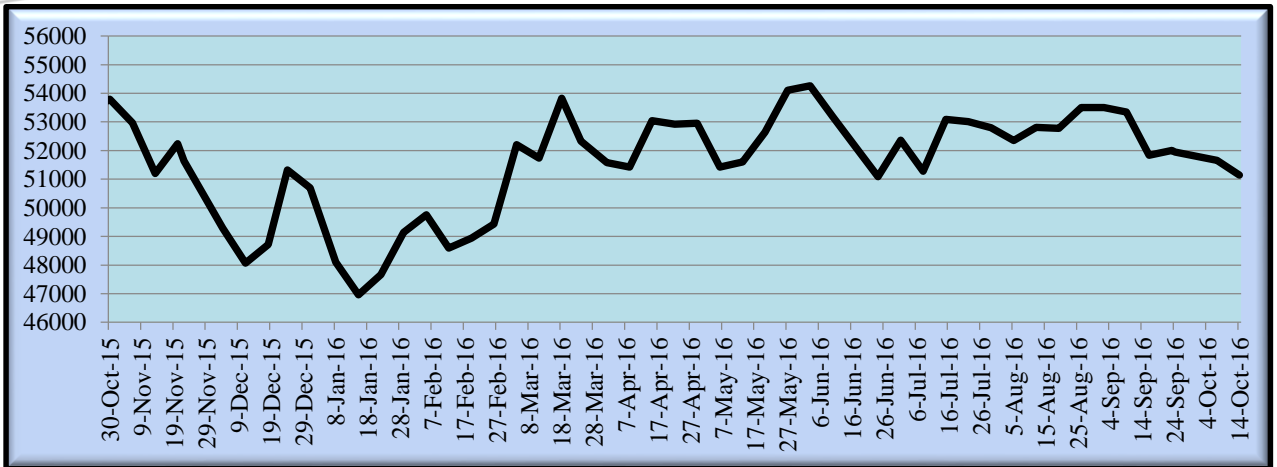
During the week under analysis, the JSE was bearish. The JSE All Share index declined by 1.0% to close the week under review at 51 146.78 points. In tandem, market capitalization fell by 7.74%, to close at R113.95 trillion in the same week.

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 |
| 14-October-16 | 51 146.78 | 13.95 |

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

21ST OCTOBER 2016