



Weekly Economic Highlights

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Week Ending
15th January 2016

1. INTEREST RATES

Deposit Rates

Average deposit rates for deposits of 3 month tenor and savings deposits remained unchanged at 7.48% and 3.20%, respectively, during the week under review. Interest rates for deposits of 1 month tenor, however, increased by 0.23 percentage points to 7.32%.

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
15-Jan-16	3.20	7.32	7.48

Source: Banking Institutions, 2015

Lending Rates

Commercial bank weighted lending rates for both individual and corporate clients remained unchanged at 12.05% and 7.36%, respectively, during the week under review.

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
15-Jan 16	12.05	7.36

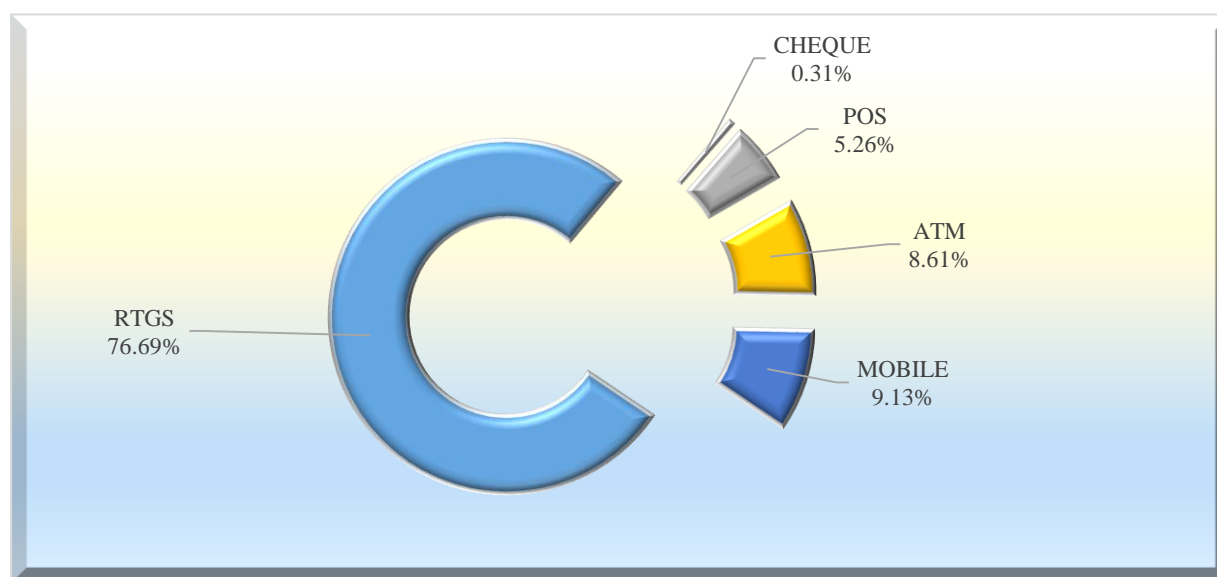
Source: Banking Institutions, 2015

2. CLEARING AND SETTLEMENT ACTIVITY

The total value of transactions processed through the National Payment System (NPS) declined by 12%, to close the week under review at US\$971.47 million. This was largely due to a 15% decline in Real Time Gross Settlement (RTGS) transactions, from US\$880.84 million in the previous week to US\$745.02 million during the week under analysis.

RTGS transactions accounted for 76.69% of the total value of NPS transactions, followed by Mobile, 9.13%; ATM; 8.61%; POS; 5.26% and Cheque, 0.31%. 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 continued on a downward trend, decreasing to 5.2 million, from 5.3 million in the week ending 08 January 2016. This was, in large part, due to the decline in the volume of Mobile transactions. Despite the recorded fall in Mobile transactions, they remained the dominant contributor to NPS transaction volumes, at 85.91% of the total. POS transactions contributed 7.07%; ATM, 6.30%; RTGS, 0.60%; and Cheque transactions, 0.12%.

Figure 2: Proportions of NPS Transactions in Volume Terms



Source: Reserve Bank of Zimbabwe.

Table 3: National Payment Systems Activity

PAYMENT STREAM	WEEK ENDING 8 Jan 2016	WEEK ENDING 15 Jan 2016	CHANGE FROM LAST WEEK	PROPORTION
VALUES IN USD (millions)				
RTGS	880.84	745.02	-15%	76.69%
CHEQUE	2.15	2.98	39%	0.31%
POS	42.04	51.14	22%	5.26%
ATMS	79.05	83.66	6%	8.61%
MOBILE	100.15	88.66	-11%	9.13%
TOTAL	1,104.21	971.47	-12%	100%
VOLUMES				
RTGS	30,606	31,120	2%	0.60%
CHEQUE	5,249	6,370	21%	0.12%
POS	280,025	368,398	32%	7.07%
ATMs	296,186	327,971	11%	6.30%
MOBILE	4,703,390	4,473,184	-5%	85.91%
TOTAL	5,315,456	5,207,043	-2%	100%

Source: Reserve Bank of Zimbabwe

3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international commodity prices of platinum, copper, nickel and crude oil retreated during the week ending 15th January, 2016. Gold prices, however, firmed during the same period.

Table 4: Metals and Crude Oil Prices

Period	Gold	Platinum	Copper	Nickel	Crude Oil
	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
Weekly Average (8 Jan)	1,089.21	879.30	4,592.60	8,462.00	35.74
11-Jan-16	1,102.73	862.00	4,403.00	8,310.00	33.34
12-Jan-16	1,090.13	840.00	4,403.00	8,180.00	30.82
13-Jan-16	1,084.98	841.00	4,380.00	8,250.00	30.75
14-Jan-16	1,089.58	840.50	4,365.00	8,345.00	30.76
15-Jan-16	1,087.43	836.00	4,310.00	8,345.00	29.50
Weekly Average (15 Jan)	1,090.97	843.90	4,372.20	8,286.00	31.03
Weekly Change (%)	0.16	(4.0)	(4.8)	(2.1)	(13.2)

Source: BBC, KITCO, Reuters and Bloomberg

Gold

Gold prices continued on an upward trend, rising from an average of US\$1 089.21/oz in the previous week, to close the week under review at an average of US\$1 090.97/oz. This was partly due to a global sell-off in equities which spurred the demand for safe haven assets such as gold.

Platinum

Following marginal gains during trading in the previous week, platinum prices declined by 4%, from a weekly average of US\$879.30/oz, to an average of US\$843.90/oz during the week under review. Prices declined amid renewed concerns regarding slowing industrial demand for the metal on the world market, largely on account of increasingly subdued economic activity in China.

Copper

During the period under analysis, copper prices further retreated by 4.8%, from a weekly average of US\$4 592.60/tonne, to close the week at an average of US\$4 372.20/tonne. Subdued demand for the base metal in China continued to exert downward pressure on copper prices.

Nickel

Nickel prices declined by 2.1%, from a weekly average of US\$8 642.00/tonne in the previous week, to US\$8 286.00/tonne during the week under review. This was on the backdrop of weakening global demand for the metal in the global stainless steel industry.

Brent crude oil

Crude oil prices declined significantly by 13.2%, from a weekly average of US\$35.74/barrel to an average of US\$31.03/barrel during the week under review. Prices retreated amid speculation that Iran could resume oil exports, following the lifting of international sanctions imposed on the oil-rich country. The rising oil inventories in the USA also contributed to the sharp decline in global oil prices.

4. EQUITY MARKETS

The Zimbabwe Stock Exchange (ZSE) continued on a downward trend during the week under analysis. Industrial and mining indices fell by 7.41% and 2.03%, to close the week under review at 109.88 points and 21.74 points, respectively.

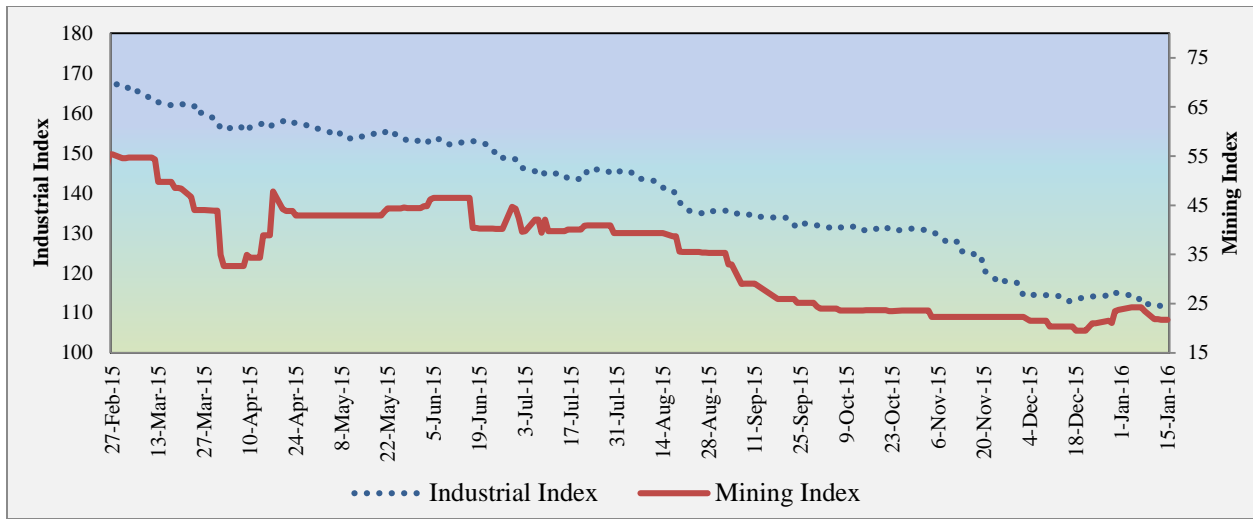
Getbucks Financial Services, a deposit taking microfinance institution, listed on the Zimbabwe Stock Exchange (ZSE) on 15th January 2016. The counter became the first initial public offering (IPO) since the introduction of the multi-currency era system. Getbucks was, however, undersubscribed with only 2.29% of the 93 567 251 listed shares being taken up. The remainder were taken by the underwriters, DBF Capital Partners of Mauritius.

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
15-Jan-16	109.88	21.74	2,976,279,469	2,612,798	15,882,768
Weekly Change (%)	(2.03)	(7.41)	(0.86)	8.15	(1.10)

Source: Zimbabwe Stock Exchange (ZSE), 2015

Figure 3 : Zimbabwe Stock Exchange Indices

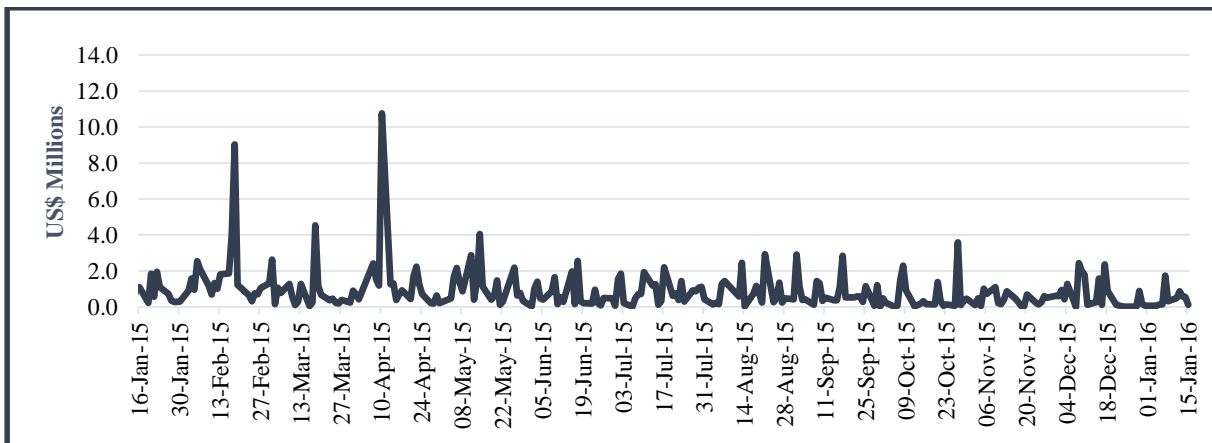


Source: Zimbabwe Stock Exchange, 2015

Market Turnover and Volume

Despite the 1.10% decline in trading volumes to 15.88 million shares, market turnover increased from US\$2.42 million in the previous week to US\$2.61 million during the week under review. The increase in market turnover was largely attributable to notable trades in Econet which resulted in its share price gaining by 0.14%, during the period under review.

Figure 4: Daily Market Turnover

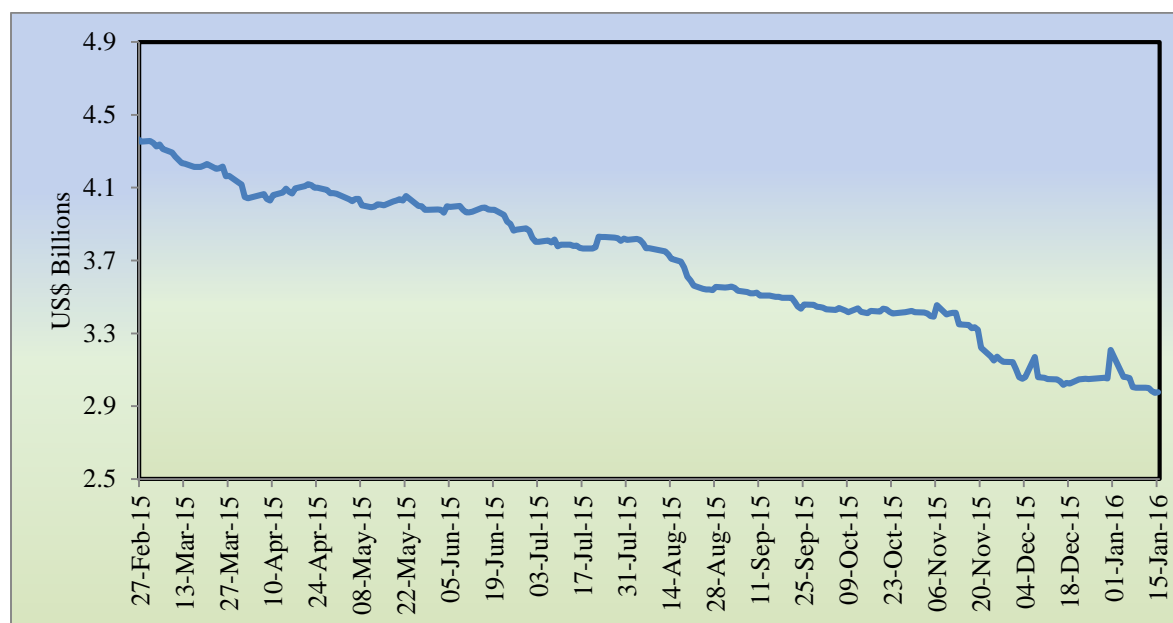


Source: Zimbabwe Stock Exchange, 2016

Market Capitalisation

The general decline in share values on the ZSE during the week under review resulted in a 0.87% decrease in market capitalization, from US\$3.00 billion as at 8th January 2016 to US\$2.98 billion as at 15th January 2016.

Figure 5 : Market Capitalisation



Source: Zimbabwe Stock Exchange, 2015

Johannesburg Stock Exchange (JSE) Developments

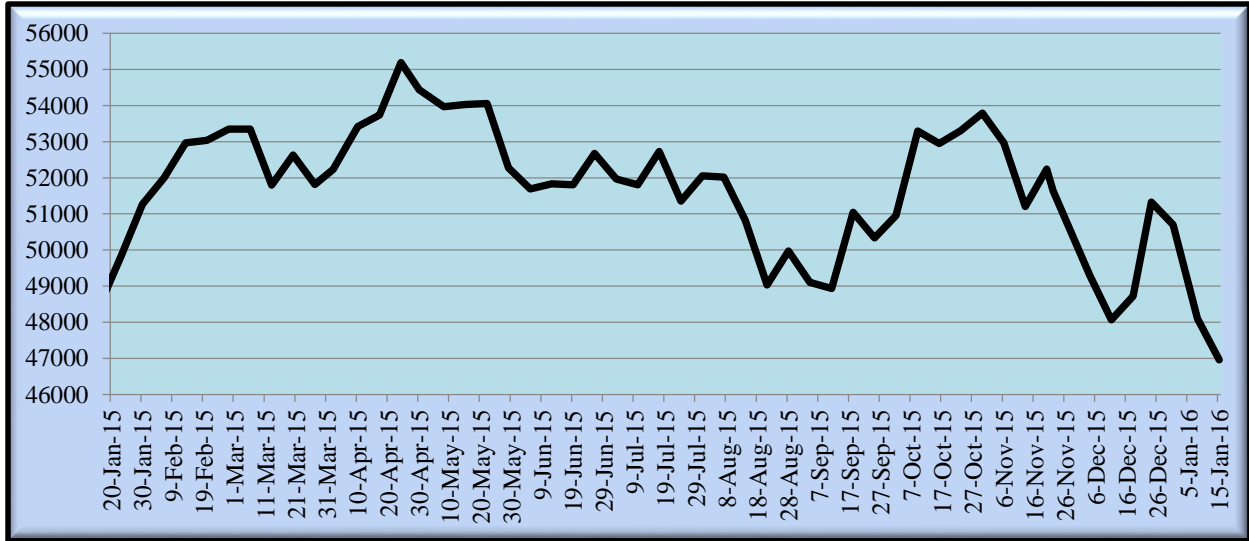
During the week ending 15th January 2016, the JSE All Share index declined by 2.38%, to close the week at 46 960.37 points. The JSE market capitalization, however, rose from R11.19 trillion in the previous week to R14.10 trillion during the week under analysis.

Table 6: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalisation (R trillion)
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-16	48,104.68	11.19
15-Jan-16	46,960.37	14.10

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 JANUARY 2016