



Weekly Economic Highlights

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Week Ending
17th February 2017

1. INTEREST RATES

Deposit Rates

Average deposit rates for savings deposits and deposits of 3 months tenor remained unchanged at 3.01% and 5.79%, respectively, during the week ending 17th February 2017. Deposit rates for deposits of 1 month tenor, however, declined by 0.03 percentage points to close the week under review at 5.31%.

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

Date	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
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
17-February-17	3.01	5.31	5.79

Source: Banking Institutions, 2016

Lending Rates

Commercial bank weighted lending rates for individual clients rose by 0.04 percentage points to close the week ending 17th February 2017 at 10.05%. Weighted lending rates for corporate clients, however, remained unchanged at 6.51%.

Table 2: Lending Rates

Date	Lending Rates (%) Commercial Banks (weighted)	
	Individuals	Corporate clients
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
17-February-17	10.05	6.51

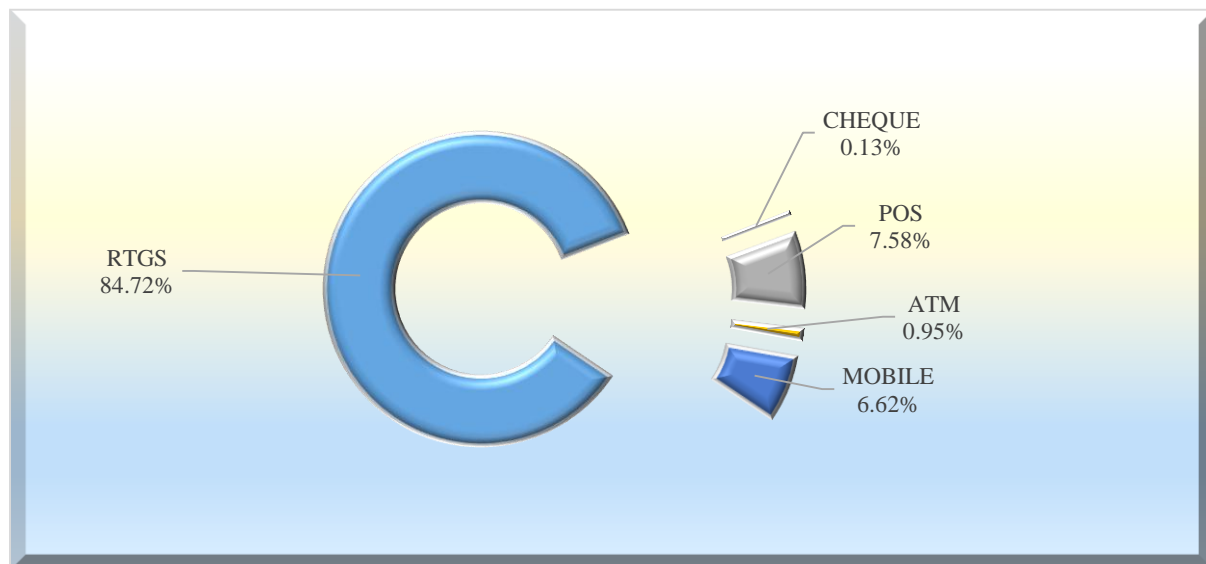
Source: Banking Institutions, 2016

2. CLEARING AND SETTLEMENT ACTIVITY

During the week ending 17th February 2017, the total value of transactions processed through the National Payment Systems (NPS) stood at US\$1 470.06 million, a 29% increase from the US\$1 137.53 million recorded in the previous week. Similarly, the value of Real Time Gross Settlement (RTGS) increased significantly by 41%, to close the week under review at US\$1 245.46 million.

The NPS was dominated by RTGS transactions which contributed 84.72% of the total value of transactions, followed by POS, 7.58%; Mobile transactions, 6.62%; ATM, 0.95%; and Cheque, 0.13% , as shown in Figure 1.

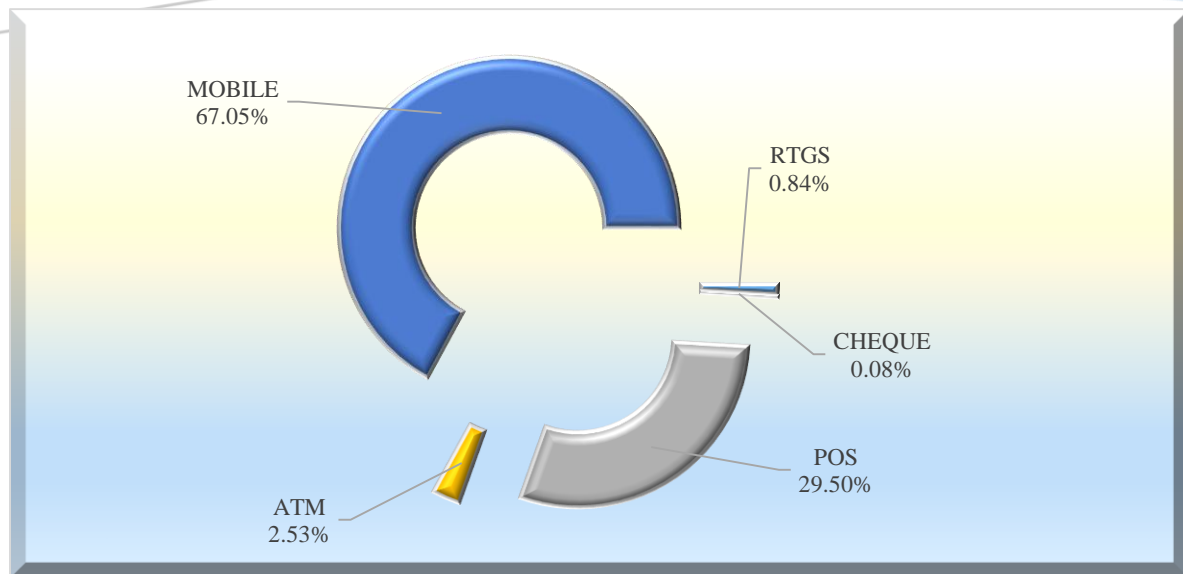
Figure 1: Proportions of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe

NPS volumes registered an 8% decrease, from 9 764 842 recorded in the previous week to 8 940 194 during the week under review. The NPS transaction volumes were distributed as follows: Mobile, 67.05%; POS, 29.50%; ATM, 2.53%; RTGS, 0.84%; 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 10 February 2017	WEEK ENDING 17 February 2017	CHANGE FROM LAST WEEK	PROPORTION
VALUES IN USD (millions)				
RTGS	883.63	1245.46	41%	84.72%
CHEQUE	1.91	1.86	(3%)	0.13%
POS	127.07	111.44	(12%)	7.58%
ATMS	18.87	14.02	(26%)	0.95%
MOBILE	106.05	97.28	(8%)	6.62%
TOTAL	1,137.53	1,470.06	29%	100%
VOLUMES				
RTGS	84,167	74,987	(11%)	0.84%
CHEQUE	7,376	7,399	0.4%	0.08%
POS	2,928,267	2,637,179	(10%)	29.41%
ATMs	298,305	226,423	(24%)	2.52%
MOBILE	6,446,727	5,994,206	(7%)	66.84%
TOTAL	9,764,842	8,940,194	(8%)	100%

Source: Reserve Bank of Zimbabwe

3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

During the period under review, the weekly average international commodity prices of gold, copper and nickel firmed. Brent crude oil prices, however, remained unchanged at the previous week level of US\$55.61/barrel. Platinum prices declined by 0.4% to US\$1 004.90/ounce during the same week, 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 (5-10 Feb)	1,227.15	1,009.4	5,840.20	10,373.00	55.61
13-Feb	1,229.00	1003.00	5,863.00	10,380.00	55.52
14-Feb	1,230.20	1002.00	6,112.00	10,670.00	56.03
15-Feb	1,224.78	995.00	6,112.00	10,430.00	55.77
16-Feb	1,238.65	1012.50	6,016.00	10,710.00	55.30
17-Feb	1,241.68	1012.00	6,015.00	10,875.00	55.43
Week ending (13-17 Feb)	1,232.86	1,004.90	6,023.60	10,613.00	55.61
<i>Weekly Change (%)</i>	<i>0.5</i>	<i>(0.4)</i>	<i>3.1</i>	<i>2.3</i>	<i>0.0</i>

Source: BBC, KITCO, Reuters and Bloomberg

Gold

Gold prices increased by 0.5%, from US\$1,227.15/oz recorded in the previous week to close the week under analysis at US\$1,232.86/oz. Prices rose against the background of rising demand for gold as a safe haven asset.

Platinum

Platinum prices decreased by 0.4% to close the week under review at US\$1,004.90/oz. Prices were weighed down by oversupply of the precious metal from South Africa, one of the major world producers of the metal.

Copper

Copper prices rose by 3.1%, from US\$5,840.20/ton in the previous week, to close the week ending 17th February 2017 at US\$6,023.60/ton. The rise was partly underpinned by supply deficit concerns, following the closure of PT Freeport Indonesia mine over export permit disagreements with the Indonesian government and industrial action at the BHP Billiton's Escondida mine in Chile. According to Citi Research projections, the base metal supply will be in deficit in 2017, the first time in six years.

Nickel

Nickel prices increased by 2.3%, to close the week under analysis at US\$10,613.00/ton. This was, in large part, on account of supply deficit concerns. The Philippine Government is threatening to close more than half of the nickel mines for environmental violations. This, consequently triggered a rise in the demand for nickel on the international spot markets.

Crude Oil

Crude oil prices remained unchanged at the preceding week price of US\$55.61/ barrel, following the reduction in OPEC crude oil output, which was partly offset by the U.S. shale boom.

4. EXCHANGE RATES

During the week ending 17th February 2017, the US dollar strengthened against the euro and the pound Sterling, amid expectations that the Fed Reserve would hike interest rates in March 2017. The greenback was, however, weaker against the rand.

Table 6: International Exchange Rates per US\$

	GBP	EURO	ZAR
2017			
Weekly Average (6-10 Feb)	0.8004	0.9357	13.4180
13-Feb	0.8002	0.9415	13.3837
14-Feb	0.7977	0.9425	13.2846
15-Feb	0.8022	0.9452	13.0855
16-Feb	0.8020	0.9415	12.9308
17-Feb	0.7998	0.9371	12.9967
Weekly Average (13-17 Feb)	0.8004	0.9416	13.0744
<i>Appr(+)/Depr(-) (%) of the USD</i>	<i>0.01</i>	<i>0.63</i>	<i>(2.56)</i>

Source: Reuters

5. EQUITY MARKETS

The Zimbabwe Stock Exchange (ZSE) registered losses for the fifth consecutive week during the week ending 17th February 2017. Consequently, the industrial index dropped by 1.73% to close the week under review at 136.97 points. This was a result of losses recorded in Econet Wireless Zimbabwe, 15%; Barclays Bank, 8%; Delta Corporation, 3.9%; and Pearl Properties Limited, 1.73%. Partially offsetting these losses were gains realised in ZB Financial Holdings, 11.87%; TSL, 5.56%; CFI Holdings, 2.93%; Colcom Holdings 2.86%; and Pretoria Portland Cement (PPC), 0.86%.

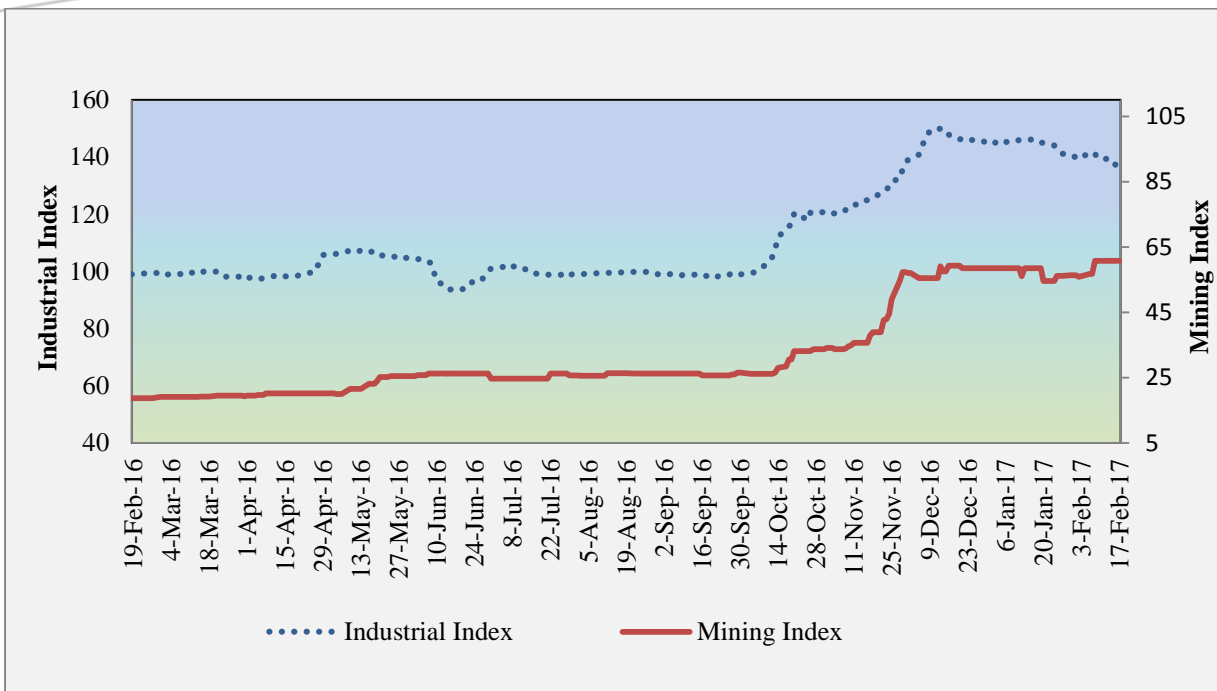
The mining index, however, remained static at the previous week level of 60.73 points, due to the absence of trades in all the resources counters during the reporting week.

Table 7: Zimbabwe Stock Exchange (ZSE) Statistics

Period	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
20- January-17	145.01	54.56	4,017,272,750	2,218,131	7,866,860
27- January-17	145.14	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
17-February-17	136.97	60.73	3,821,802,633	2,998,198	16,161,832
<i>Weekly Change (%)</i>	<i>(1.73%)</i>	<i>0%</i>	<i>(1.68%)</i>	<i>20.78%</i>	<i>(15.70%)</i>

Source: Zimbabwe Stock Exchange (ZSE), 2016.

Figure 3 : Zimbabwe Stock Exchange Indices

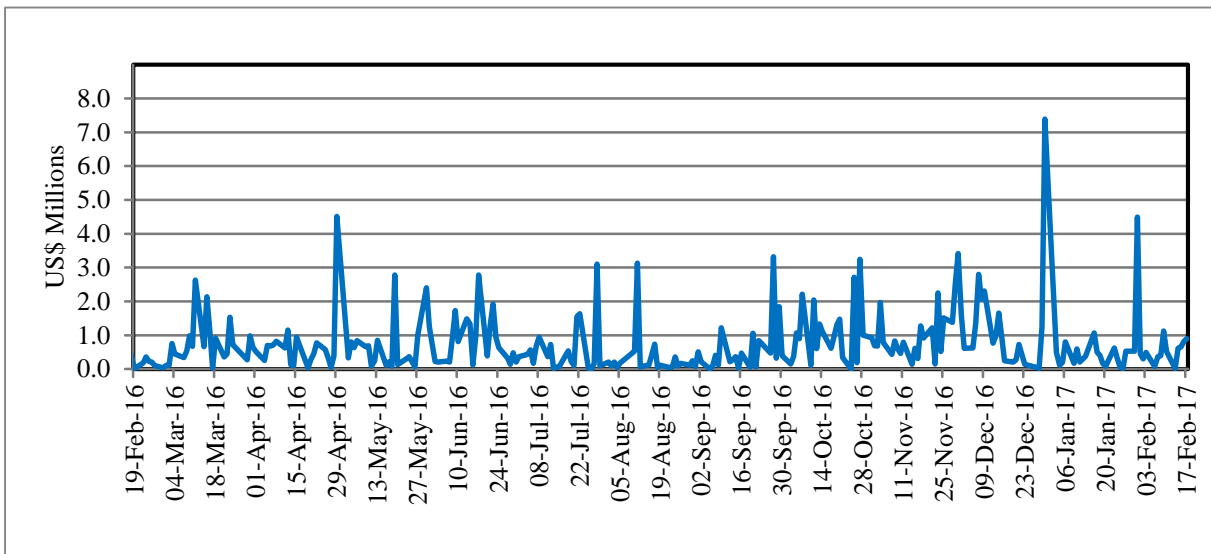


Source: Zimbabwe Stock Exchange, 2017

Market Turnover and Volume

During the week under review, the ZSE market turnover increased by 20.78%, from US\$2.48 million recorded in the prior week to US\$2.99 million. This was largely due to the selling-off pressures of heavy weight counters, which included Delta, CBZ and Barclays. The volume of shares traded, however, declined by 15.70% on account of subdued trading in lowly capitalised stocks.

Figure 4: Daily Market turnover

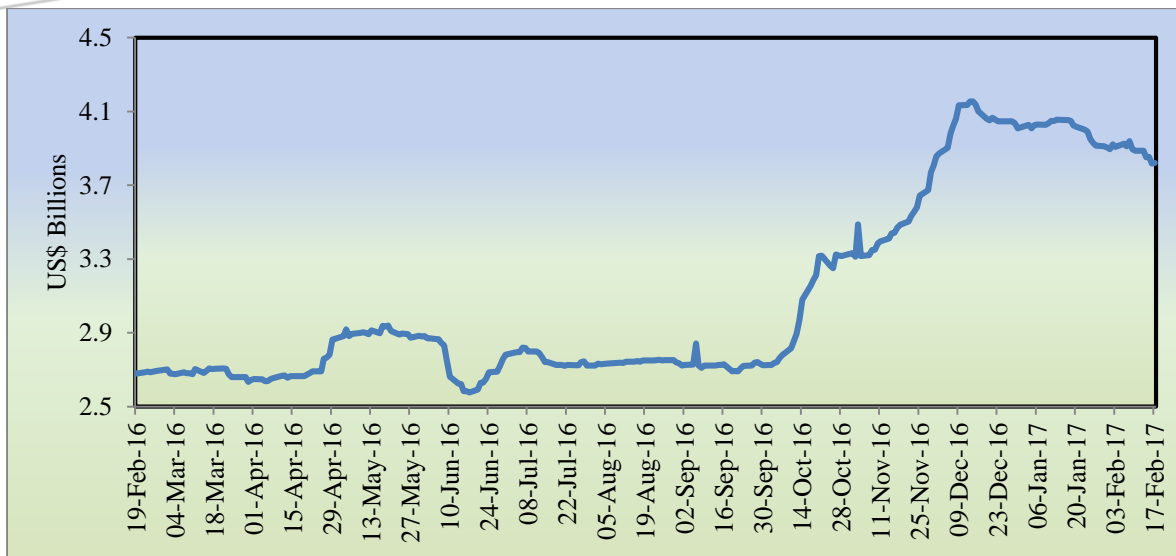


Source: Zimbabwe Stock Exchange, 2017

Market Capitalisation

The ZSE market capitalisation declined by 1.68%, from US\$3 887.11 million recorded in the prior week to close the week under review at US\$3 821.80 million. The decline was due to losses registered in heavy weight counters.

Figure 5 : Market Capitalisation



Source: Zimbabwe Stock Exchange, 2017

Johannesburg Stock Exchange (JSE) Developments

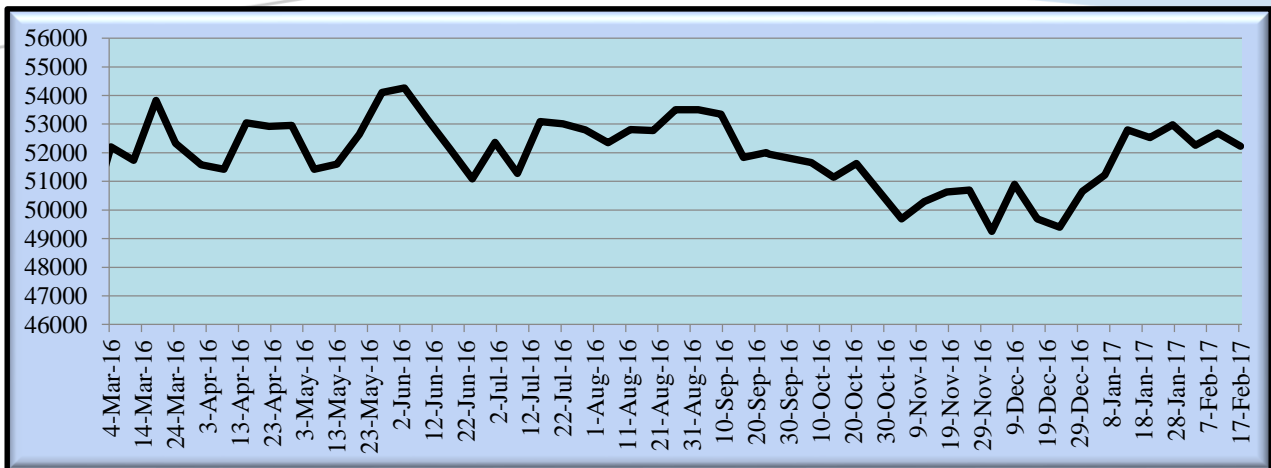
The JSE All Share index decreased by 0.88%, to close the week ending 17th February 2017 at 52 223.54 points. In tandem, the JSE market capitalisation declined by 1.16%, from R13.80 trillion in the previous week to R13.64 trillion during the week under review.

Table 8: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalisation (ZAR trillion)
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
17-February-17	52 223.54	13.64

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

24th FEBRUARY 2017