



Weekly Economic Highlights

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Week Ending
17th March 2017

1. INTEREST RATES

Deposit Rates

During the week ending 17th March 2017, average deposit rates for deposits of 1 month and 3 months tenors closed the week lower than the previous week, at 5.33% and 5.50%, respectively. Average deposit rates for savings deposits, however, remained unchanged at 3.01% during the same week.

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

Date	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
17-February-17	3.01	5.31	5.79
24-February-17	3.01	5.33	5.81
03-March-17	3.01	5.35	5.80
10-March-17	3.01	5.35	5.80
17-March-17	3.01	5.33	5.50

Source: Banking Institutions, 2017

Lending Rates

Commercial bank weighted lending rates for individual clients stood at 10.03% during the week under review, down from 10.06% recorded in the previous week. Weighted lending rates for corporate clients increased from 6.52% in the previous week, to 6.55% during the week under review.

Table 2: Lending Rates

Date	Lending Rates (%) Commercial Banks (weighted)	
	Individuals	Corporate clients
17-February-17	10.05	6.51
24-February-17	10.06	6.52
03-March-17	10.05	6.51
10-March-17	10.06	6.52
17-March-17	10.03	6.55

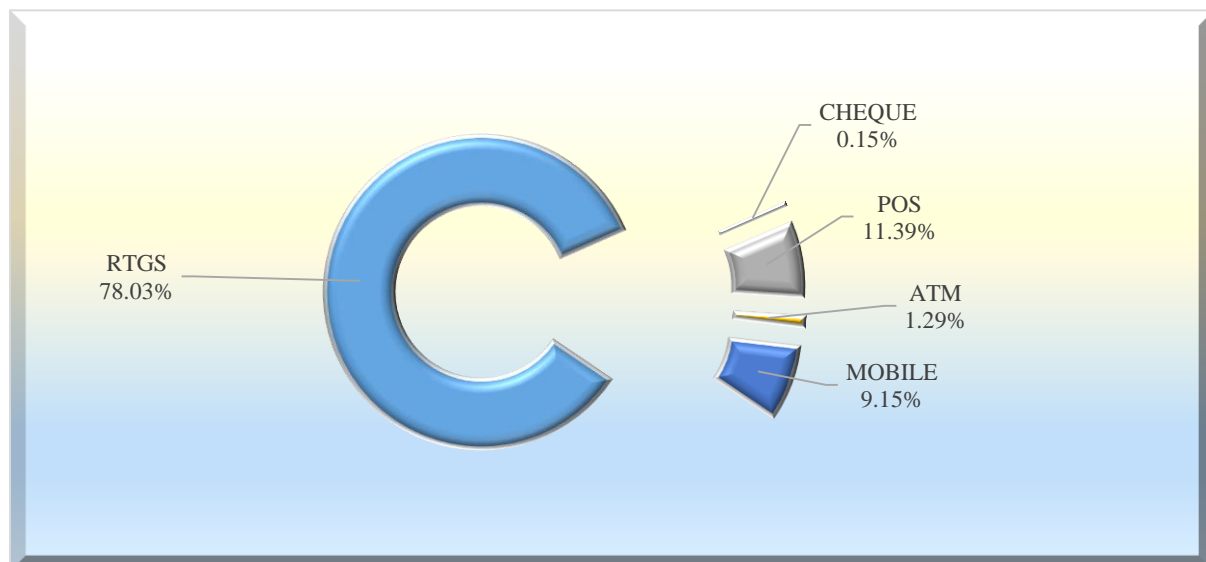
Source: Banking Institutions, 2017

2. CLEARING AND SETTLEMENT ACTIVITY

The total value of transactions processed through the National Payment System declined by 2%, from US\$1 197.07 million registered in the previous week to US\$1 172.21 million during the week ending 17th March 2017. Transactions processed through the Real Time Gross Settlement (RTGS) system, however increased by 1% to close the week under review at US\$914.65 million.

Payments through the RTGS system accounted for 78.03% of the total value of transactions processed through the NPS, followed by Point of Sale (POS), 11.39%; Mobile, 9.15%; Automated Teller Machines (ATMs), 1.29%; and Cheque, 0.15%, as shown in Figure 1.

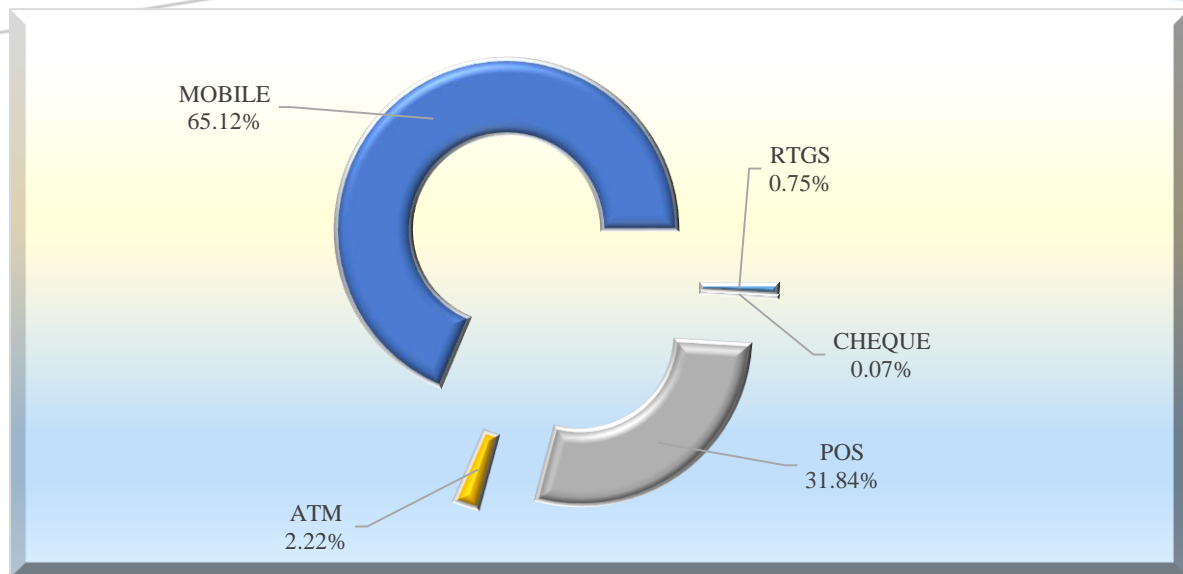
Figure 1: Proportions of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe

The total volume of NPS transactions declined by 6%, to close the week ending 17th March 2017 at 10 499 552. In terms of contribution to the NPS, Mobile transactions were highest at 65.12%; POS, 31.84%; ATMs, 2.22%; RTGS, 0.75%; 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 10 March 2017	WEEK ENDING 17 March 2017	CHANGE FROM LAST WEEK	PROPORTION
VALUES IN USD (millions)				
RTGS	905,90	914,65	1%	78.03%
CHEQUE	1,66	1,73	4%	0.15%
POS	147,82	133,46	(10%)	11.39%
ATMS	17,48	15,08	(14%)	1.29%
MOBILE	124,24	107,29	(14%)	9.15%
TOTAL	1,197.09	1,172.21	(2%)	100%
VOLUMES				
RTGS	91,314	79,201	(13%)	0.75%
CHEQUE	7,385	7,067	(4%)	0.07%
POS	3,508,123	3,342,823	(5%)	31.84%
ATMs	271,555	232,734	(14%)	2.22%
MOBILE	7,345,822	6,837,727	(7%)	65.12%
TOTAL	11,224,199	10,499,552	(6%)	100%

Source: Reserve Bank of Zimbabwe

3. TOBACCO SALES

The 2017 tobacco selling season commenced on the 15th March 2017, on all the three licensed auction floors namely; Boka Tobacco Auction Floors, Tobacco Sales Floor and Premier Tobacco Auction Floor. As at 17th March 2017, or day 3 of the 2017 tobacco selling season, a cumulative total of 1 094 268 kilograms of tobacco had been sold. This reflected a 25.98% decline in sales, compared to the 1 478 373 kilograms sold during the same period in 2016.

The golden leaf was, however, sold at a higher average price of US\$2.20/kg, compared to an average price of US\$1.66/kg during the same period in 2016. In value terms, total sales amounted to US\$2.41 million, 2% lower than the US\$2.45 million realised during the corresponding period in 2016.

Table 4: Cumulative Tobacco Sales: Day 3 (17/03/17)

	2016	2017	Variance (%)
Cumulative Quantity Sold (kgs)	1,478,373	1,094,268	-25,98
Cumulative Average Price(US\$/kg)	1.66	2.20	32.96
Cumulative Value (US\$ million)	2,447,768	2,408,884	-2.00

Source: Tobacco Industry and Marketing Board (TIMB), 2017

4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

During the week under review, the international commodity prices of gold, platinum, copper, nickel and crude oil retreated as shown in Table 5.

Table 5: Metal and Crude Oil Prices

	Gold	Platinum	Copper	Nickel	Crude Oil
2016	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
Week ending (6-10 Mar)	1,220.43	961.6	5,801.80	10,896.00	55.51
13-Mar	1,206.00	941.00	5,714.00	10,895.00	55.61
14-Mar	1,204.08	937.00	5,714.00	10,140.00	51.35
15-Mar	1,204.08	936.50	5,714.00	10,085.00	51.35
16-Mar	1,227.48	959.00	5,850.00	10,180.00	51.35
17-Mar	1,229.18	957.50	5,910.00	10,270.00	51.35
Weekly Average (10-17 Mar)	1,214.16	946.20	5,780.40	10,314.00	52.20
<i>Weekly Change (%)</i>	<i>(0.5)</i>	<i>(1.6)</i>	<i>(0.4)</i>	<i>(5.3)</i>	<i>(6.0)</i>

Source: BBC, KITCO and Bloomberg

Gold

Gold prices declined by 0.5%, from a weekly average of US\$1 220.43/oz recorded in the previous week to US\$1 214.16/oz, during the week under review. This was on the back of a Federal Reserve interest rate hike, which dampened investment demand prospects for precious metals.

Platinum

Platinum prices continued on a downward trend, registering a 1.6% decrease from US\$961.6/oz recorded in the previous week, to US\$946.20/oz, during the week under review. This was underpinned by weak investment demand prospects following Federal Reserve interest rate hike.

Copper

Copper prices fell by 0.4%, to close the week under review at US\$5 780.40/ton. The prices were weighed down by fears of global supply glut as, one of the world's largest copper mines in Indonesia, resumed production after a month long strike.

Nickel

Nickel prices closed the week ending 17th March 2017 at US\$10,314.00/ton, a 5.3% decline from the US\$10 896/ton recorded in the previous week. This followed news that one of Indonesia's biggest nickel producers, sought government approval to export 6 million metric tons of ore concentrates, two months after the country relaxed its ban on nickel ore exports.

Crude Oil

Crude oil prices declined by 6.0%, to close the week under review at US\$52.20/barrel from US\$55.51/barrel in the previous week. The prices dropped as U.S. crude supplies rose to an all-time high, while investors awaited a meeting between OPEC and its allies, which may signal whether output curbs will be extended.

5. EXCHANGE RATES

During the week ending 17th March 2017, the US dollar depreciated against the euro, rand and pound Sterling, following news that the Federal Reserve interest rate hike would be done at a gradual rate than what investors had previously anticipated.

Table 6: International Exchange Rates per US\$

	GBP	EURO	ZAR
2017			
Weekly Average (6-10 March)	0.8203	0.9465	13.0960
13-Mar	0.8205	0.9342	13.1096
14-Mar	0.8194	0.9384	13.1444
15-Mar	0.8218	0.9418	13.1378
16-Mar	0.8149	0.9321	12.8350
17-Mar	0.8095	0.9286	12.7650
Weekly Average (13-17 March)	0.8164	0.9352	12.9706
<i>Appr(+)/Depr(-) (%) of the USD</i>	<i>(0.48)</i>	<i>(1.19)</i>	<i>(0.96)</i>

Source: Reuters

6. EQUITY MARKETS

The Zimbabwe Stock Exchange (ZSE) continued on a positive trajectory, during the week ending 17th March 2017. Resultantly, the industrial index increased by 1.56% to close the week under review at 137.47 points. This was attributed to gains realized in General Beltings Holdings, 25%; Econet Wireless, 14.24%; Nampak Zimbabwe, 11.11%; Pretoria Portland Company (PPC), 1.24%; and Old Mutual Plc, 0.91%. Partially offsetting the gains were losses in Ariston Holdings, 11.90%; Powerspeed Electrical, 4.11%; Pearl Properties, 2.94%; Nicoz Diamond Insurance, 1.96%; and Colcom Holdings, 0.68%.

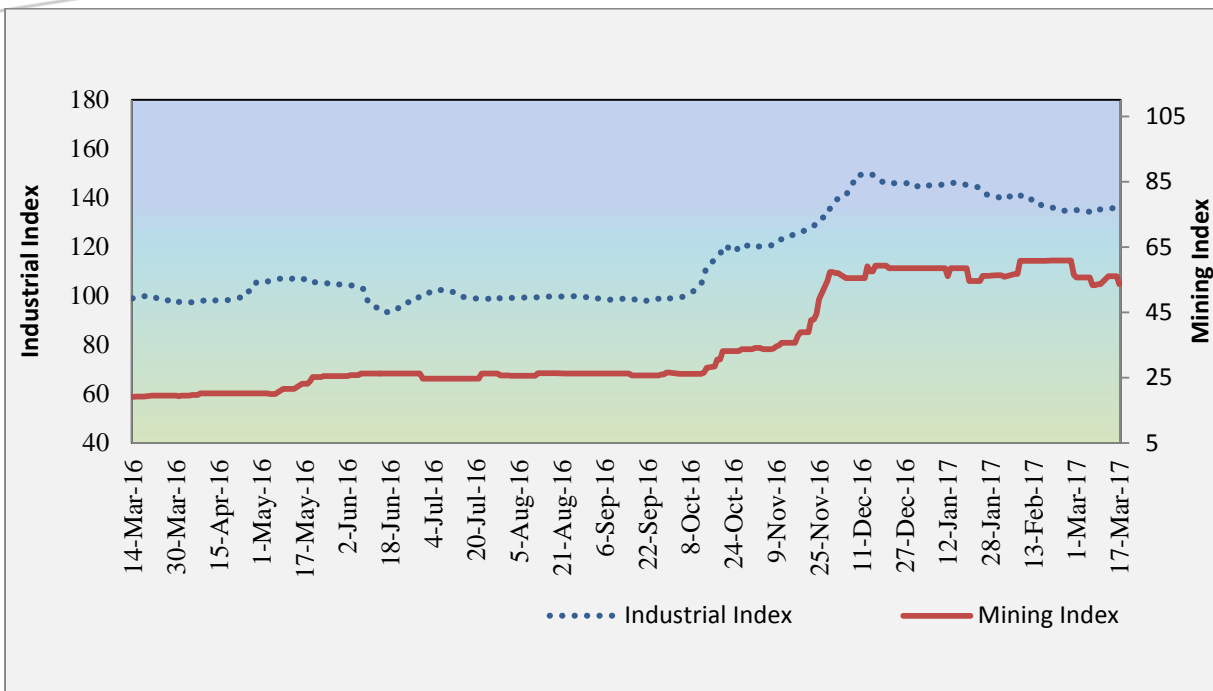
The mining index, however, registered a marginal decline of 0.13% to close the week under analysis at 53.59 points. This was on account of losses in Hwange Colliery Company (HCCL), 3.33%. Partially offsetting the losses was a 0.15% gain in RioZim. Bindura Nickel Corporation (BNC) and Falgold traded at the previous week price level.

Table 7: Zimbabwe Stock Exchange (ZSE) Statistics

	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
17-February-17	136.97	60.73	3,821,802,633	2,998,198	16,161,832
24-February-17	134.83	60.89	3,763,949,912	2,338,258	9,639,838
3-March-17	134.48	55.68	3,746,292,943	5,685,525	55,971,170
10-March-17	135.36	53.66	3,766,995,911	3,485,601	58,720,204
17-March-17	137.47	53.59	3,822,960,955	6,076,205	35,434,550
Weekly Change (%)	1.56	(0.13)	(39.66)	74.32	1.49

Source: Zimbabwe Stock Exchange (ZSE), 2017.

Figure 3 : Zimbabwe Stock Exchange Indices

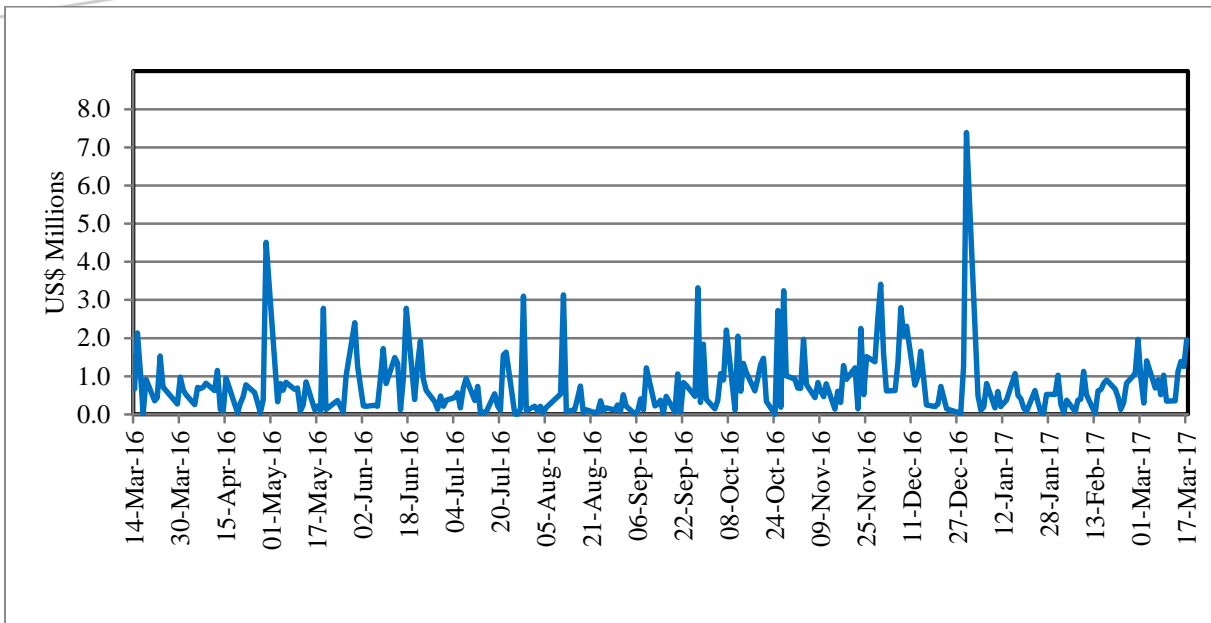


Source: Zimbabwe Stock exchange

Market Turnover and Volume

The ZSE market turnover recorded a 74.32% increase, from US\$3.5 million registered in the previous week to US\$6.1 million during the week ending 17th March 2017. This was attributed to trades in mid-cap and selected heavyweight counters such as Axia Corporation, Barclays Bank of Zimbabwe, Delta Corporation and Econet Wireless.

Figure 4: Daily Market turnover

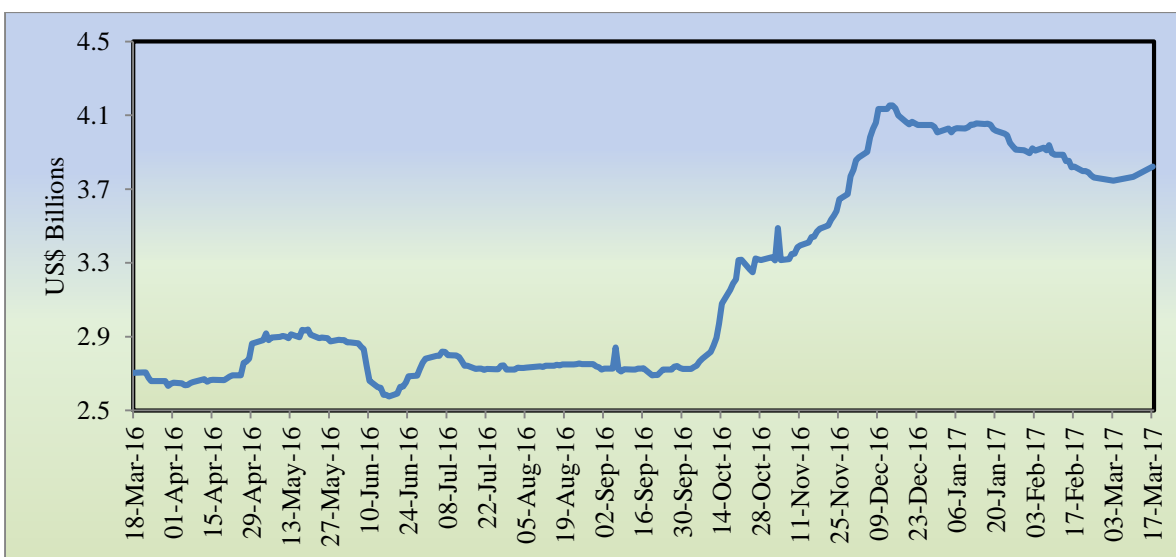


Source: Zimbabwe Stock Exchange, 2017

Market Capitalization

The ZSE market capitalization stood at US\$3.82 billion, a 1.49% increase from US\$3.77 billion recorded in the prior week. This was largely driven by notable gains in mid-cap and heavy weight counters.

Figure 5 : Market Capitalization



Source: Zimbabwe Stock Exchange, 2017

Johannesburg Stock Exchange (JSE) Developments

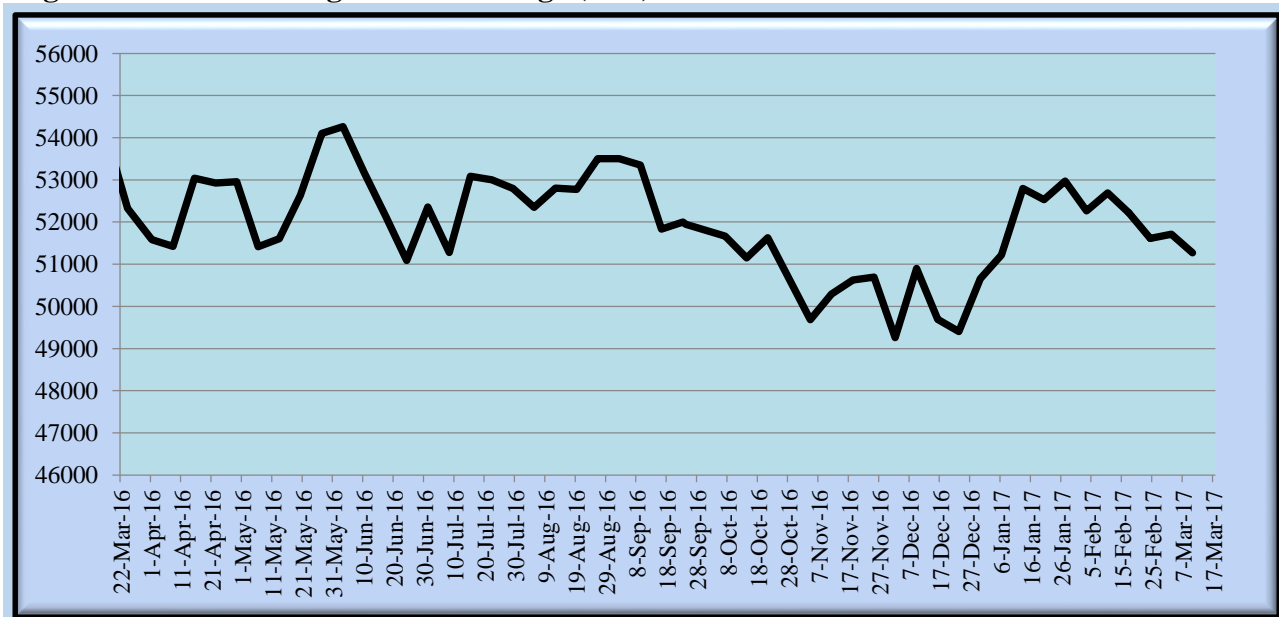
The JSE All Share index closed the week under review at 52 550.99 points, up from 51 269.54 points registered in the previous week. Market capitalization increased by 2.30%, to close the week under review at R13.77 trillion.

Table 8: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalization (ZAR trillion)
10-February-17	52 687.29	13.80
17-February-17	52 223.54	13.64
24-February-17	51 609.86	13.52
03-March-17	51 708.61	13.59
10-March-17	51 269.54	13.46
17-March-17	52 550.99	13.77

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 MARCH 2017