



# Weekly Economic Highlights

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Week Ending  
17<sup>th</sup> March 2017

## 1. INTEREST RATES

### Deposit Rates

During the week ending 17<sup>th</sup> 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	<b>5.33</b>	<b>5.50</b>

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	<b>10.03</b>	<b>6.55</b>

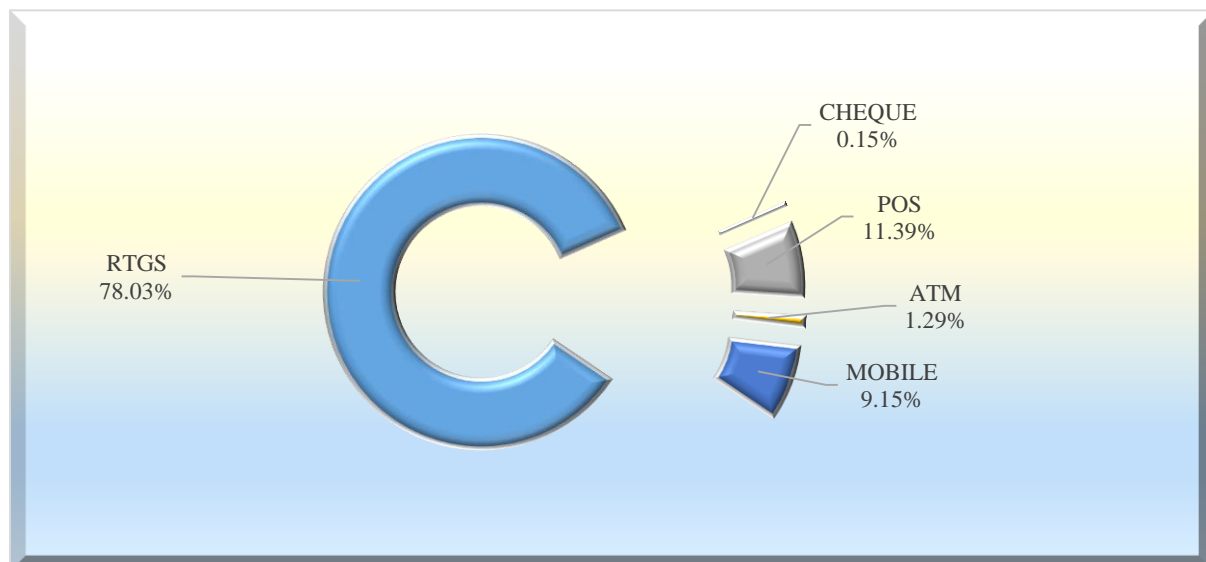
Source: Banking Institutions, 2017

## 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 17<sup>th</sup> 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.

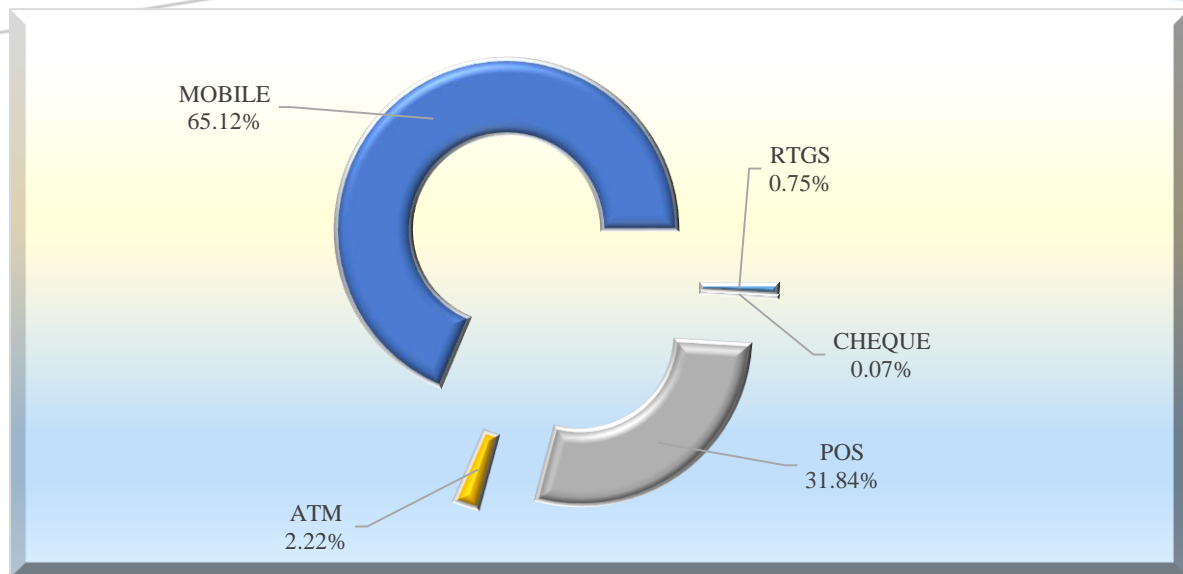
**Figure 1: Proportions of NPS Transactions in Value Terms**



*Source: Reserve Bank of Zimbabwe*

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

Source: Reserve Bank of Zimbabwe

### 3. TOBACCO SALES

The 2017 tobacco selling season commenced on the 15<sup>th</sup> March 2017, on all the three licensed auction floors namely; Boka Tobacco Auction Floors, Tobacco Sales Floor and Premier Tobacco Auction Floor. As at 17<sup>th</sup> 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 (%)
<b>Cumulative Quantity Sold (kgs)</b>	1,478,373	1,094,268	-25.98
<b>Cumulative Average Price(US\$/kg)</b>	1.66	2.20	32.96
<b>Cumulative Value (US\$ million)</b>	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**

	<b>Gold</b>	<b>Platinum</b>	<b>Copper</b>	<b>Nickel</b>	<b>Crude Oil</b>
<b>2016</b>	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
<b>Week ending (6-10 Mar)</b>	<b>1,220.43</b>	<b>961.6</b>	<b>5,801.80</b>	<b>10,896.00</b>	<b>55.51</b>
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
<b>Weekly Average (10-17 Mar)</b>	<b>1,214.16</b>	<b>946.20</b>	<b>5,780.40</b>	<b>10,314.00</b>	<b>52.20</b>
<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 17<sup>th</sup> 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 17<sup>th</sup> 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\$**

	<b>GBP</b>	<b>EURO</b>	<b>ZAR</b>
<b>2017</b>			
<b>Weekly Average (6-10 March)</b>	<b>0.8203</b>	<b>0.9465</b>	<b>13.0960</b>
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
<b>Weekly Average (13-17 March)</b>	<b>0.8164</b>	<b>0.9352</b>	<b>12.9706</b>
<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 17<sup>th</sup> 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%.

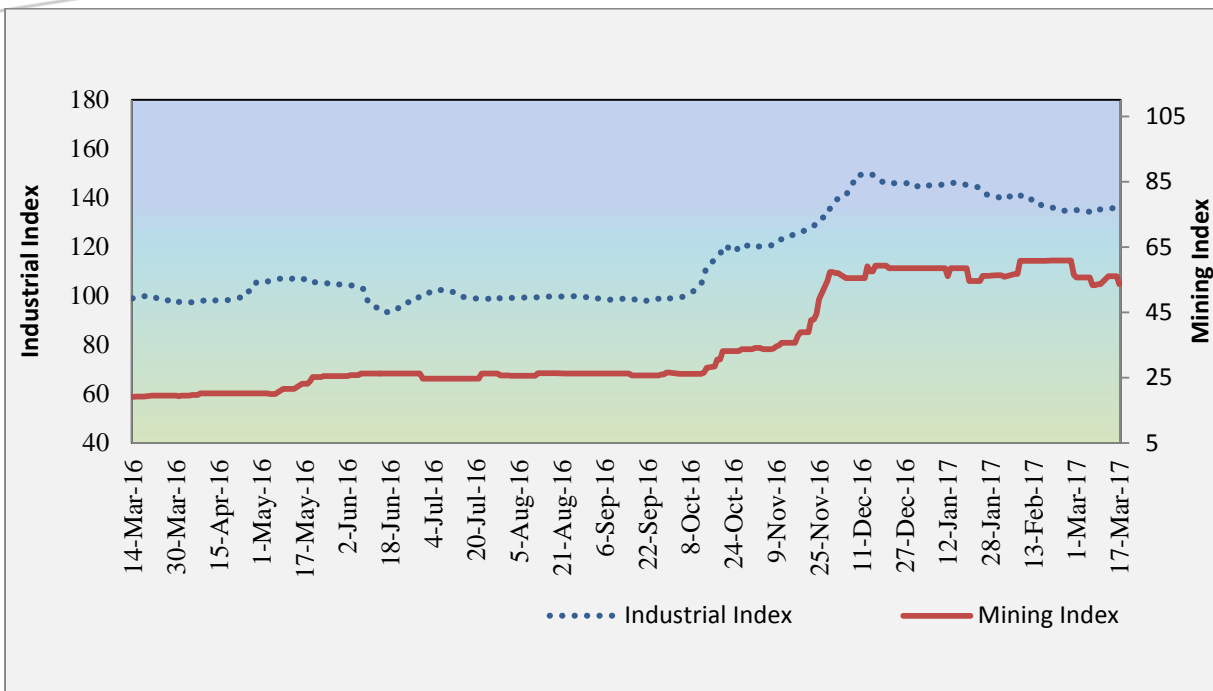
The mining index, however, registered a marginal decline of 0.13% to close the week under analysis at 53.59 points. This was on account of losses in Hwange Colliery Company (HCCL), 3.33%. Partially offsetting the losses was a 0.15% gain in RioZim. Bindura Nickel Corporation (BNC) and Falgold traded at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

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

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

Source: Zimbabwe Stock Exchange (ZSE), 2017.

**Figure 3 : Zimbabwe Stock Exchange Indices**

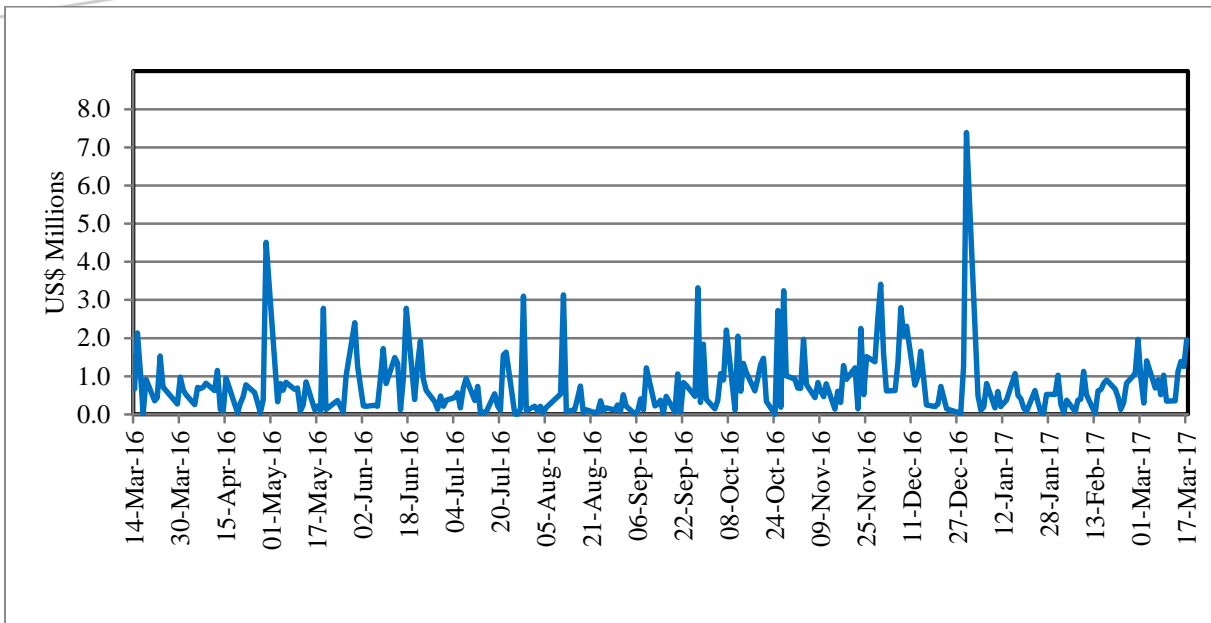


Source: Zimbabwe Stock exchange

### 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 17<sup>th</sup> 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**

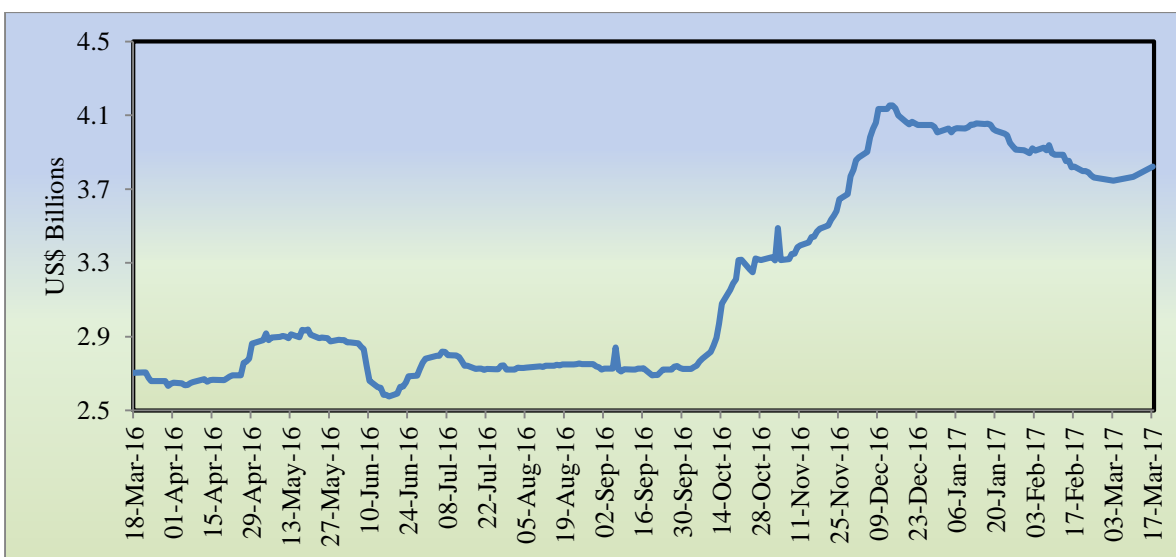


Source: Zimbabwe Stock Exchange, 2017

**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

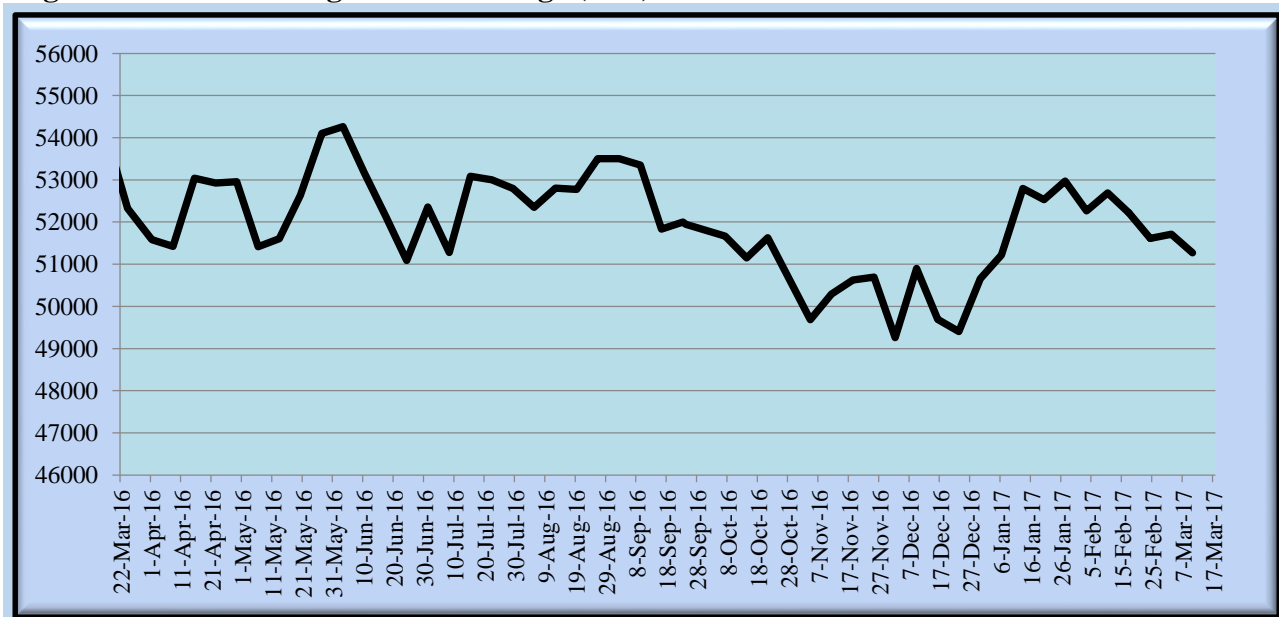
The JSE All Share index closed the week under review at 52 550.99 points, up from 51 269.54 points registered in the previous week. Market capitalization increased by 2.30%, to close the week under review at R13.77 trillion.

**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	<b>52 550.99</b>	<b>13.77</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**

**24<sup>TH</sup> MARCH 2017**