



# Weekly Economic Highlights

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Week Ending  
18<sup>th</sup> December 2015

## 1. INTEREST RATES

### Deposit Rates

Deposit rates for savings, 1 month and 3 month tenor deposits remained unchanged during the week ending 18<sup>th</sup> December 2015, as shown in Table 1 below.

**Table 1: Average Deposit Rates**

2015	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
20-Nov	3.00	7.44	8.06
27-Nov	3.00	7.44	8.06
04-Dec	3.00	7.28	7.89
11-Dec	3.00	7.28	7.89
18-Dec	3.00	7.28	7.89

Source: Banking Institutions, 2015

### Lending Rates

Commercial banks' weighted lending rates for individuals and corporate clients remained at the previous week levels as shown in Table 2 below.

**Table 2: Lending Rates**

2015	Lending Rates (%)	
	Commercial Banks (weighted)	
	Individuals	Corporate clients
13-Nov	10.91	7.31
20-Nov	11.93	7.77
27-Nov	12.12	7.67
04-Dec	12.07	7.63
11-Dec	12.12	7.62
18-Dec	12.12	7.62

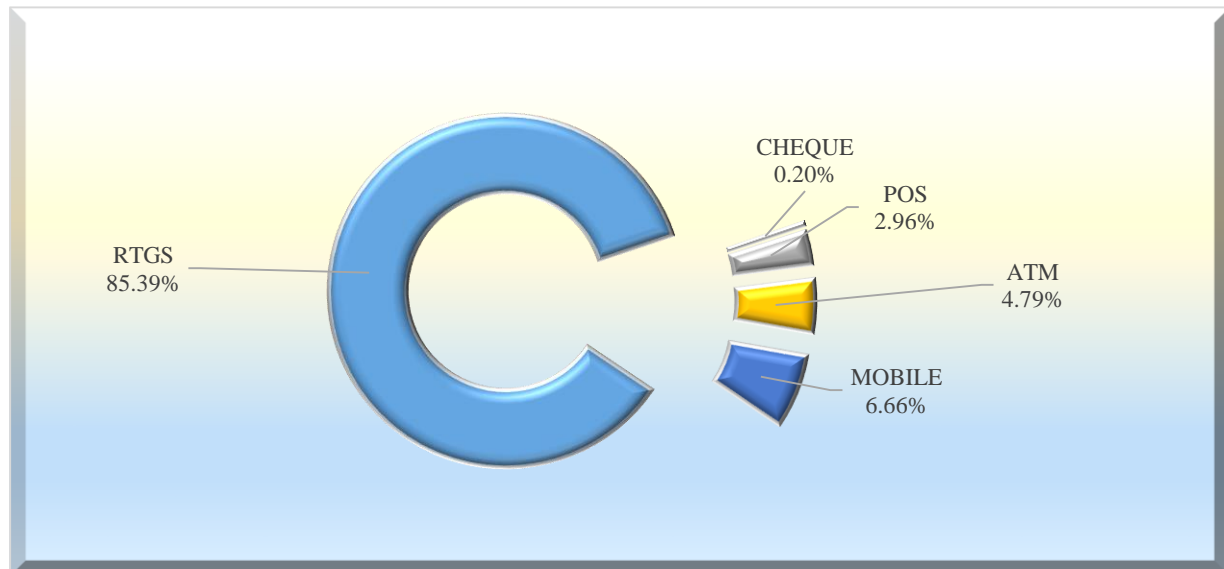
Source: Banking Institutions, 2015

## 2. CLEARING AND SETTLEMENT ACTIVITY

Transactions processed through the National Payment Systems (NPS) increased from US\$1 067 million in the previous week, to US\$1 259 million during the week under review. Real Time Gross Settlement (RTGS) transactions increased by 30% to US\$1 067 million in the week under analysis.

RTGS transactions continued to dominate the NPS, accounting for 85.39% of the total value of transactions followed by Mobile, 6.66%; ATM, 4.79%; POS, 2.96% and Cheque, 0.20%.

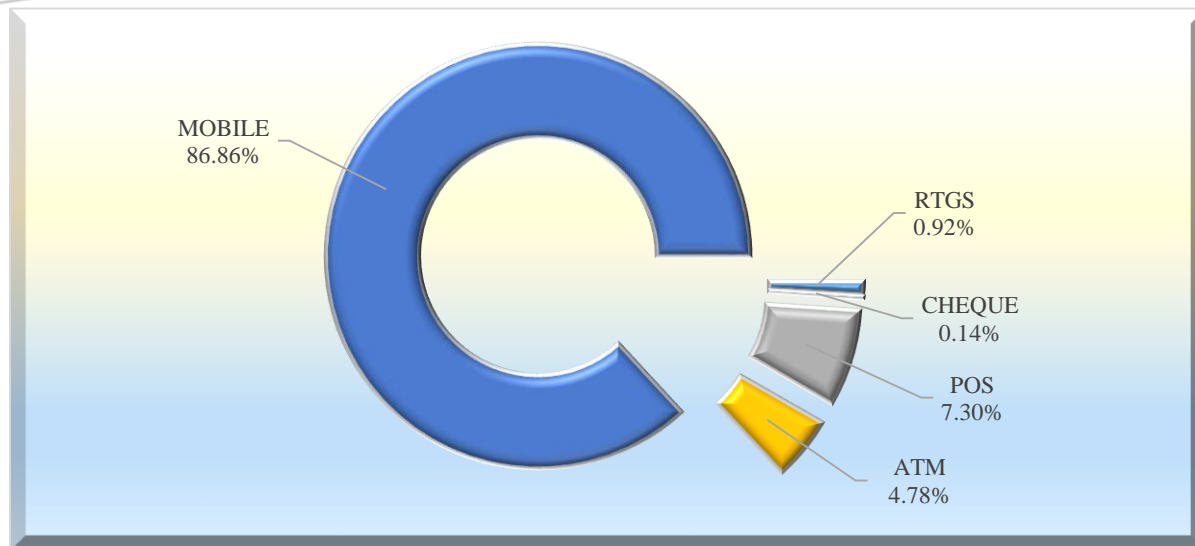
**Figure 1: Proportions of NPS Transactions in Value Terms**



*Source: Reserve Bank of Zimbabwe*

In volume terms, NPS transactions were dominated by Mobile based transactions which contributed 86.86% of the total volume of transactions; POS, 7.30%; ATM, 4.78%; RTGS, 0.92%; and Cheque 0.14%.

**Figure 2: Proportions of NPS Transactions in Volume Terms**



Source: Reserve Bank of Zimbabwe.

**Table 3: National Payment Systems Activity**

PAYMENT STREAM	WEEK ENDING 11 Dec 2015	WEEK ENDING 18 Dec 2015	CHANGE FROM LAST WEEK	PROPORTION
<b>VALUES IN USD (millions)</b>				
<b>RTGS</b>	828.76	1,074.87	30%	85.39%
<b>CHEQUE</b>	2.97	2.56	-14%	0.20%
<b>POS</b>	51.21	37.22	-27%	2.96%
<b>ATMS</b>	86.64	60.33	-30%	4.79%
<b>MOBILE</b>	97.40	83.80	-14%	6.66%
<b>TOTAL</b>	1,066.99	1,258.79	-18%	100%
<b>VOLUMES</b>				
<b>RTGS</b>	35,670	43,176	21%	0.92%
<b>CHEQUE</b>	7,624	6,715	-12%	0.14%
<b>POS</b>	347,217	341,125	-2%	7.30%
<b>ATMs</b>	304,692	223,488	-27%	4.78%
<b>MOBILE</b>	4,996,582	4,058,112	-19%	86.85%
<b>TOTAL</b>	5,691,785	4,672,616	-18%	100%

Source: Reserve Bank of Zimbabwe

### 3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international commodity prices of gold, copper, nickel and Brent crude oil retreated, while platinum prices firmed during the week ending 18th December 2015. Table 4 below shows commodity price developments during the period under analysis.

**Table 4: Metals and Crude Oil Prices**

<b>Period</b>	<b>Gold</b>	<b>Platinum</b>	<b>Copper</b>	<b>Nickel</b>	<b>Crude Oil</b>
<b>2015</b>	<b>US\$/ounce</b>	<b>US\$/ounce</b>	<b>US\$/tonne</b>	<b>US\$/tonne</b>	<b>US\$/barrel</b>
<b>Weekly Average (11 Dec)</b>	<b>1,074.45</b>	<b>852.10</b>	<b>4,612.60</b>	<b>8,699.00</b>	<b>40.19</b>
<b>14-Dec</b>	1,068.25	848.50	4,641.00	8,655.00	37.25
<b>15-Dec</b>	1,065.33	848.50	4,585.50	8,655.00	38.53
<b>16-Dec</b>	1,070.50	873.50	4,585.50	8,675.00	37.70
<b>17-Dec</b>	1,057.63	844.50	4,550.00	8,605.00	37.37
<b>18-Dec</b>	1,058.88	847.00	4,650.00	8,650.00	37.02
<b>Weekly Average (18 Dec)</b>	<b>1,064.12</b>	<b>852.40</b>	<b>4,602.40</b>	<b>8,648.00</b>	<b>37.57</b>
<b>Weekly Change (%)</b>	<i>(0.96)</i>	<i>0.04</i>	<i>(0.2)</i>	<i>(0.6)</i>	<i>(6.5)</i>

Source: BBC, KITCO, Reuters and Bloomberg

#### **Gold**

Gold prices retreated by 0.96% to close the week under analysis at US\$1,064.12/oz, from US\$1,074.45/oz in the previous week. The decline in prices was largely on account of the policy rate hike by the U.S Federal Reserve on 16th December 2015, which dampened the demand for gold as a safe investment haven.

#### **Platinum**

Platinum prices marginally increased by 0.04% to US\$852.40/oz during the week ending 18th December 2015, from US\$852.10/oz in the previous week. Prices were buoyed by increased demand for the metal, amid reports that new-car registrations in Europe rose by 14%, while China vehicle sales surged by 20%.

## **Copper**

Copper prices slumped by 0.2%, to US\$4,602.40/tonne during the week under analysis. The price decline was occasioned by the US Federal Reserve rate hike which weakened the global demand for the metal.

## **Nickel**

Nickel prices continued on a downward trend, declining from a weekly average of US\$8,699.00/tonne in the previous week, to US\$8,648.00/tonne during the week under review. The decline in price reflected weakening demand in China, the world's largest consumer of nickel.

## **Brent crude oil**

The price of crude oil plummeted by 6.5%, from US\$40.19/barrel recorded the previous week to US\$37.57/barrel during the week ending 18th December 2015. The decline was largely attributable to an increase in supply in an already glut market.

## 4. EQUITY MARKETS

The Zimbabwe Stock Exchange (ZSE) registered losses in some mid cap and heavyweight counters during the week ending 18th December 2015. Consequently, the industrial and mining indices slumped from 114.12 points and 20.32 points to 113.21 points and 19.53 points, respectively.

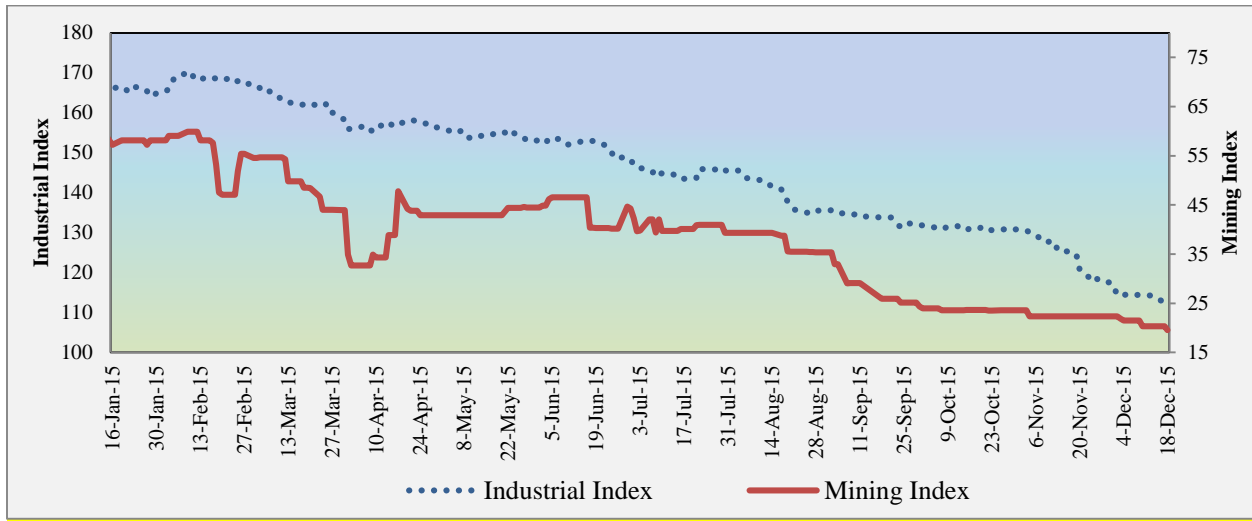
Losses realized in Edgars (14.29%), Padenga Holdings (6.67%), National Foods (6.39%), Old Mutual (0.49%) and Meikles (0.24%) weighed down the industrial index. The marginal decline in the mining index was due to a 9.09% loss in Bindura Nickel Corporation (BNC), amid reports that the Trojan Mine resuscitation program had stalled.

**Table 5: Zimbabwe Stock Exchange (ZSE) Statistics**

Period	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
20-Nov-15	120.57	22.33	3,221,560,355	1,490,878	42,034,568
27-Nov-15	117.64	22.33	3,144,055,092	1,768,648	9,665,195
04-Dec-15	114.42	21.51	3,058,648,692	3,848,124	17,684,891
11-Dec-15	114.12	20.32	3,048,882,797	6,673,187	28,981,450
18-Dec-15	113.21	19.53	3,023,809,369	5,185,998	125,446,351
Weekly Change (%)	(0.80)	(3.89)	(0.82)	(22.29)	332.85

Source: Zimbabwe Stock Exchange (ZSE), 2015

**Figure 3 : Zimbabwe Stock Exchange Indices**

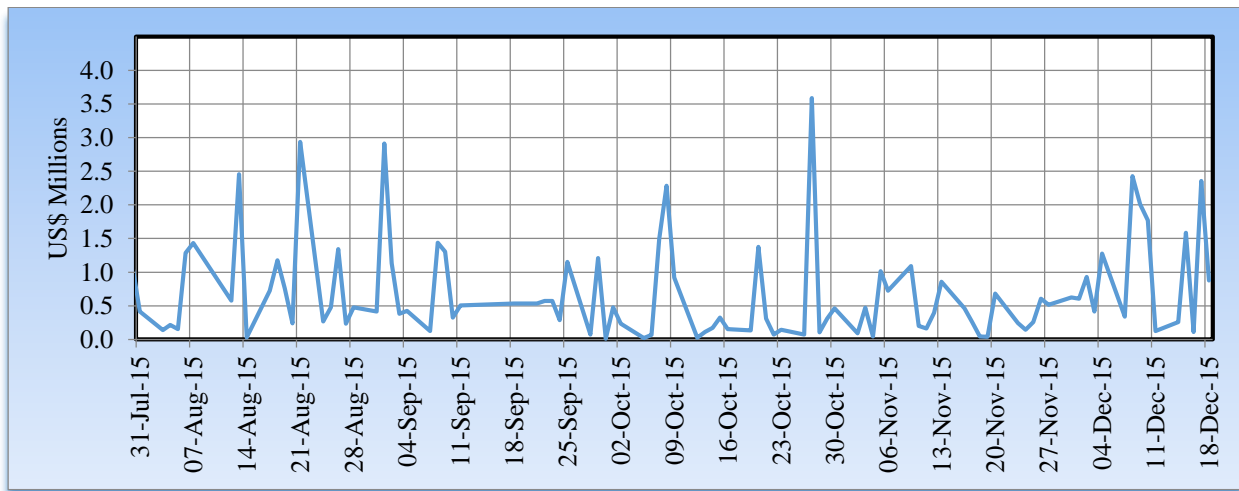


Source: Zimbabwe Stock Exchange, 2015

**Market Turnover and Volume**

During the week under analysis, market turnover fell by 22.29%, from US\$6.67 million in the previous week to US\$5.19 million during the week under review. The ZSE continued to be characterized by thin trades due to negative investor sentiment.

**Figure 4: Daily Market Turnover**



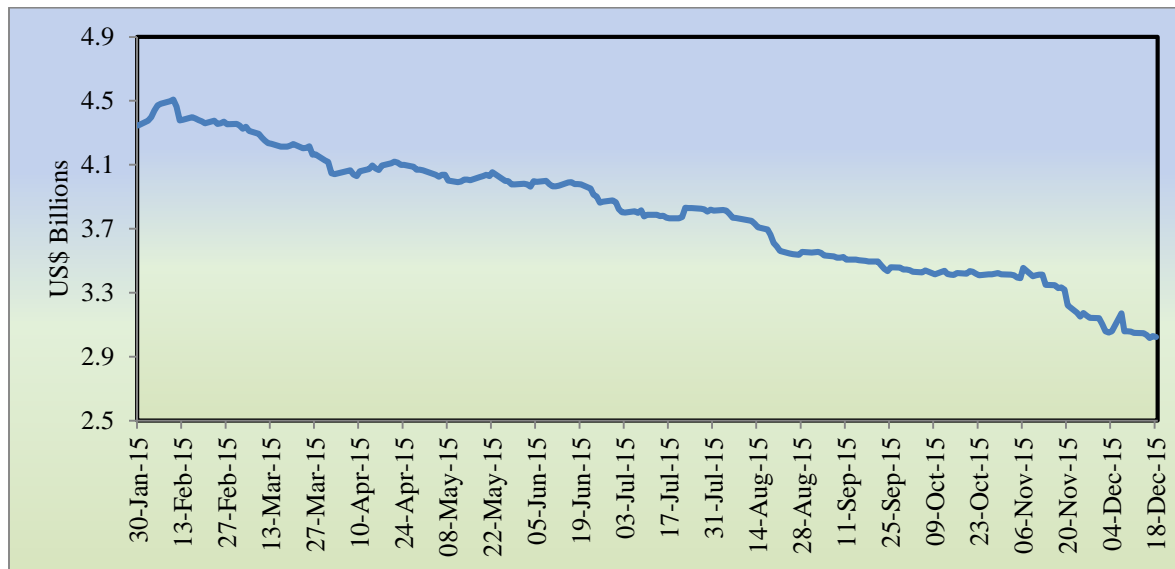
Source: Zimbabwe Stock Exchange, 2015



## Market Capitalisation

Market capitalization declined by 0.82%, from US\$3.05 billion in the previous week, to US\$3.02 billion during the period under review. The decline was as a consequence of stock price declines on the local bourse.

**Figure 5 : Market Capitalisation**



Source: Zimbabwe Stock Exchange, 2015

## Johannesburg Stock Exchange (JSE) Developments

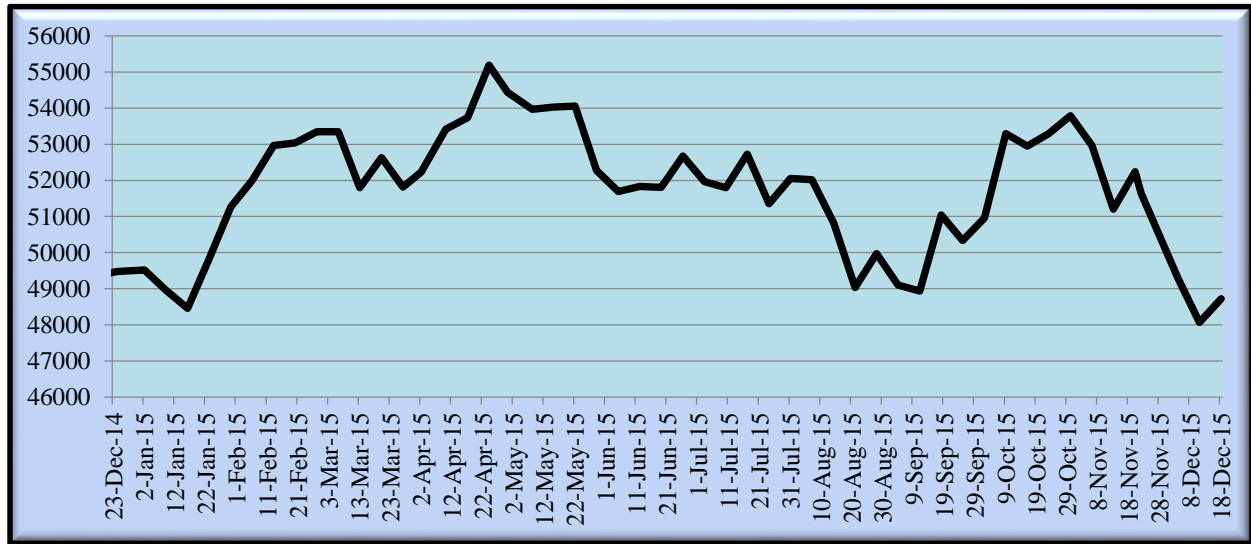
During the week ending 18th December 2015, the JSE All Share index increased by 1.35% to 48,067.53 points, from 48,607.28 points in the previous week. The JSE market capitalization also increased by 0.5% to R11.24 trillion during the week under analysis.

**Table 6: Johannesburg Stock Exchange (JSE) Statistics**

Period- 2015	All Share Index (points)	Market Capitalisation (R trillion)
20-Nov	52,240.58	11.86
27-Nov	51,637.28	11.76
04-Dec	49,284.49	11.28
11-Dec	48,067.53	11.19
18-Dec	48 717.28	11.24

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**

**28<sup>TH</sup> DECEMBER 2015**