



Weekly Economic Highlights

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Week Ending
18th November 2016

1. INTEREST RATES

Deposit Rates

During the week ending 18th November 2016, deposit rates remained unchanged from the previous week levels. The average deposit rates for savings deposits and deposits of 1 month and 3 month tenors stood at 3.01%, 5.34% and 5.75%, respectively.

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

Date	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
21-October-16	3.01	5.35	5.79
28-October-16	3.01	5.41	5.75
04-November-16	3.01	5.39	5.75
11-November-16	3.01	5.34	5.75
18-November-16	3.01	5.34	5.75

Source: Banking Institutions, 2016

Lending Rates

Weighted commercial bank lending rates for individual clients declined from 10.68% to 10.67%, during the week under review. Corporate clients, however, accessed commercial bank loans at the previous week weighted rate of 6.98%.

Table 2: Lending Rates

Date	Lending Rates (%) Commercial Banks (weighted)	
	Individuals	Corporate clients
21-October-16	10.71	6.93
28-October-16	10.70	6.93
04-November-16	10.67	6.97
11-November-16	10.68	6.98
18-November-16	10.67	6.98

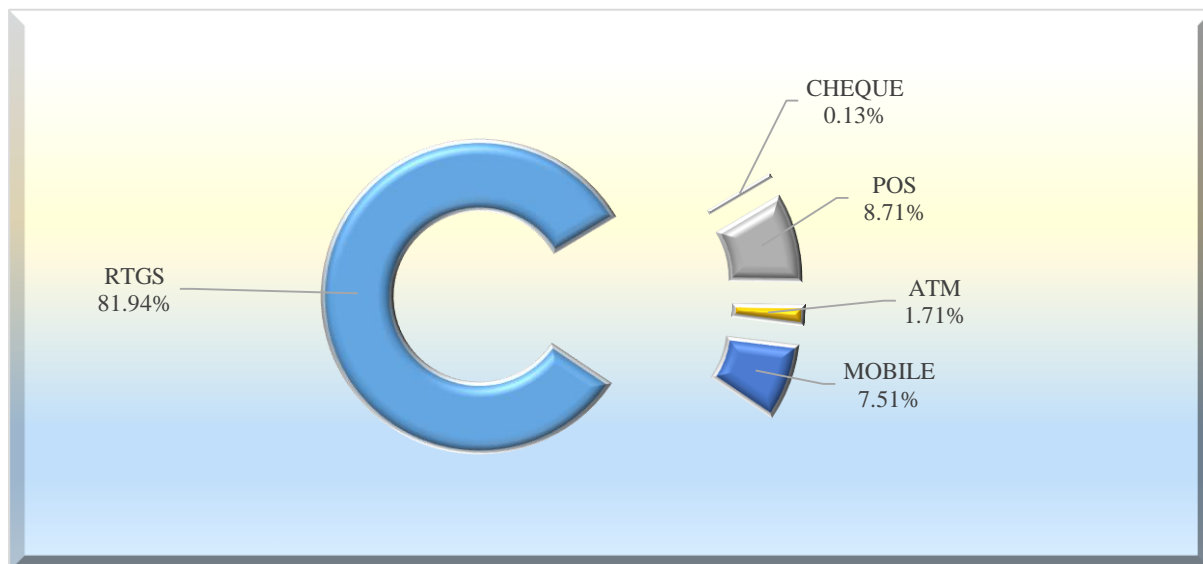
Source: Banking Institutions, 2016

2. CLEARING AND SETTLEMENT ACTIVITY

The total value of transactions processed through the National Payment Systems (NPS) amounted to US\$1 210.30 million during the week ending 18th November 2016, down from US\$1 226.86 million processed during the previous week. Transactions processed through the RTGS system increased to US\$991.66 million in value terms, from US\$985.64 million recorded in the previous week.

The RTGS, POS, Mobile, ATM and Cheque transactions accounted for 81.94%, 8.71%, 7.51%, 1.71% and 0.13%, respectively, of the total value of transactions, as shown in Figure 1.

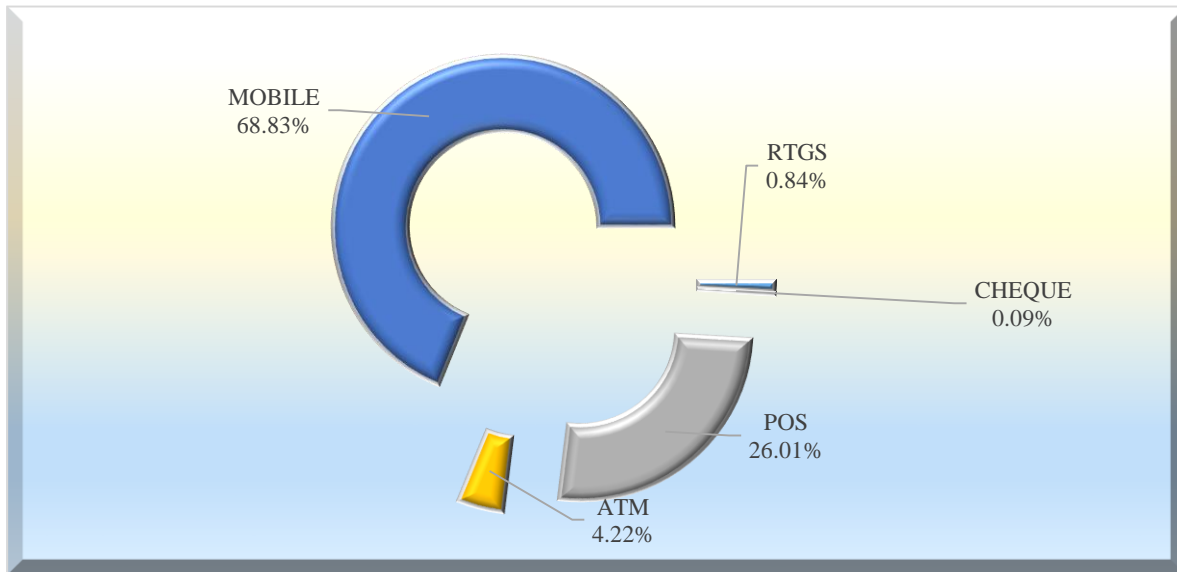
Figure 1: Proportions of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe

During the week under review, mobile-based transactions constituted 68.83% of total transactions in volume terms, followed by POS, 26.01%; ATMs, 4.22%; RTGS, 0.84% and cheque, 0.09%, as shown in Figure 2. The volume of NPS transactions declined by 7% to close the week under review at 8 803 123 transactions.

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 November 2016	WEEK ENDING 18 November 2016	CHANGE FROM LAST WEEK	PROPORTION
VALUES IN USD (millions)				
RTGS	985.64	991.66	1%	81.94%
CHEQUE	1.63	1.63	-0.10%	0.13%
POS	111.49	105.40	-5%	8.71%
ATMS	23,85	20.71	-13%	1.71%
MOBILE	104.25	90.90	-13%	7.51%
TOTAL	1,226.86	1,210.30	-1%	100%
VOLUMES				
RTGS	78,863	74,180	-6%	0.84%
CHEQUE	6,996	7,708	10%	0.09%
POS	2,344,991	2,289,941	-2%	26.01%
ATMs	439,473	371,786	-15%	4.22%
MOBILE	6,621,114	6,059,508	-8%	68.83%
TOTAL	9,491,437	8,803,123	-7%	100%

Source: Reserve Bank of Zimbabwe

3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The weekly average international commodity prices of gold, platinum and crude oil retreated during the week ending 18th November 2016. Base metal prices, however, rebounded during the same period.

Table 5: Metals and Crude Oil Prices

Period	Gold	Platinum	Copper	Nickel	Crude Oil
2016	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
Weekly Average (7-11 November)	1,273.85	988.5	4,757.30	10,358.00	52.18
14-Nov	1,218.10	938.00	5,900.00	11,630.00	43.61
15-Nov	1,227.93	937.50	5,620.00	11,130.00	46.32
16-Nov	1,227.45	935.00	5,445.00	11,150.00	46.80
17-Nov	1,229.38	938.50	5,455.50	11,205.00	46.76
18-Nov	1,208.55	924.00	5,427.00	11,205.00	46.39
Week ending (14-18 Nov)	1,222.28	934.60	5,569.50	11,264.00	45.98
Weekly Change (%)	(4.0)	(5.5)	17.1	8.7	(11.9)

Source: BBC, KITCO, Reuters and Bloomberg

Gold

Gold prices continued on a negative trajectory registering a 4% decline to close the week under analysis at a weekly average of US\$1,222.28/oz. The strong possibility of an interest rate hike by the Federal Reserve, coupled with a strengthening US dollar continued to dampen the precious metal's safe have appeal.

Platinum

Platinum prices declined by 5.5%, from a weekly average of US\$988.50/oz to US\$934.60/oz during the week under review. This was underpinned by subdued demand for the metal, following the strengthening of the US dollar.

Copper

Copper prices increased from a weekly average of US\$10,358.00/ton recorded in the previous week, to US\$11,264.00/ton during the week under analysis. This was due to increased demand for the metal following a positive economic outlook report for China, the largest consumer of the metal.

Nickel

Nickel prices closed the week under review at a weekly average of US\$11,264.00/ton, 8.7% up from the US\$10,358.00/ton recorded in the previous week. The base metal prices were supported by expectations of significant infrastructure investment in the US economy.

Crude Oil

Crude oil prices declined by 11.9% to US\$45.98/barrel during the week under review, from US\$52.18/barrel recorded in the previous week. The decline in crude oil price was occasioned by renewed fears of a global glut, on the back of rising stockpiles in the US economy, the world's largest crude oil consumer. The Energy Information Administration (EIA) reported that U.S. Crude Oil inventories rose more than expected and are projected to continue rising.

4. EXCHANGE RATES

The US dollar continued to strengthen against most currencies during the week under review, amid anticipation of monetary policy tightening by the Federal Reserve. Table 6 shows exchange rate developments for the period under review.

Table 6: International Exchange Rates per US\$

	GBP (£)	EURO (€)	Rand (ZAR)
2016			
Weekly Average (7-11 Nov)	0.8017	0.9069	13.6628
14-Nov	0.7959	0.9263	14.3400
15-Nov	0.8011	0.9302	14.3000
16-Nov	0.8011	0.9302	14.3000
17-Nov	0.8043	0.9349	14.2900
18-Nov	0.8066	0.9430	14.4600
Weekly Average (14-18 Nov)	0.8033	0.9346	14.3375
<i>Appr(+)/Depr(-) (%) of the USD</i>	<i>0.2</i>	<i>3.1</i>	<i>4.9</i>

Source: Reuters

5. EQUITY MARKETS

The Zimbabwe Stock Exchange (ZSE) maintained a positive momentum for the second consecutive week during the week ending 18th November 2016. Resultantly, industrial and mining indices registered increases of 2.55% and 8.87% to close the week at 126.36 points and 38.89 points, respectively.

The increase in the mainstream index was underpinned by gains in Masimba Holdings Limited, 44.44%; Pretoria Portland Cement Limited, 13.99%; Seedco Limited, 9.76%; OK Zimbabwe Limited, 3.72%; and Colcom Holdings, 0.30%.

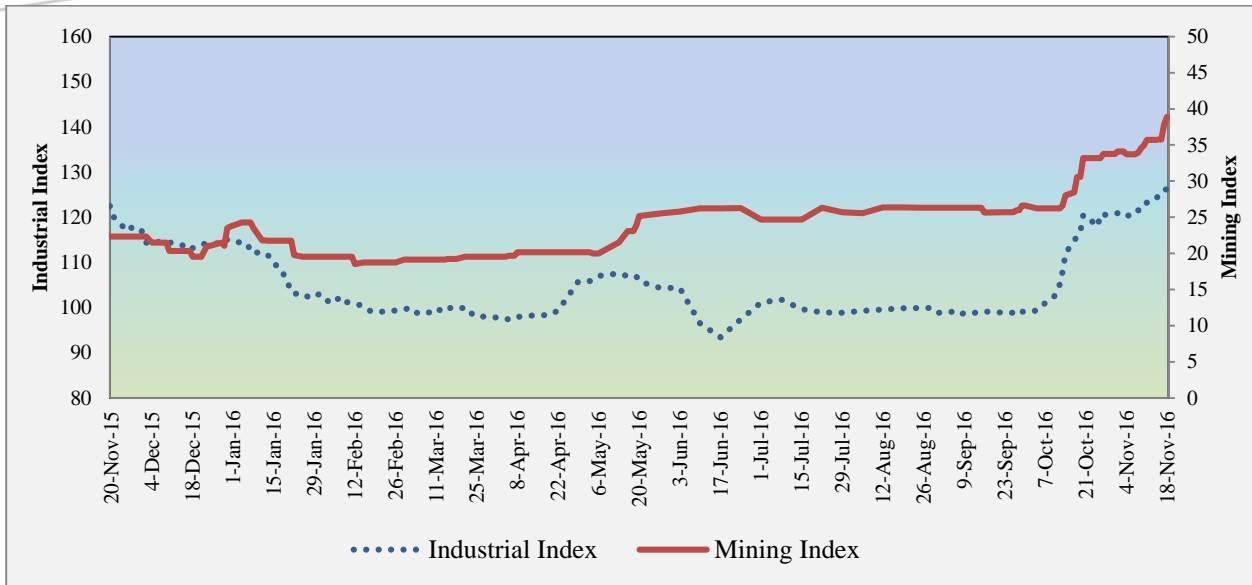
The mining index was largely supported by gains in Bindura Nickel Corporation, 20.00% and Rio Zim, 0.10%.

Table 7: Zimbabwe Stock Exchange (ZSE) Statistics

Period	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
21- October-16	120.45	33.17	3,317,196,165	4,675,196	41,335,567
28-October-16	120.46	33.76	3,315,319,388	7,154,094	29,010,120
04- November-16	120.34	33.71	3,315,350,411	5,049,114	58,916,789
11- November-16	123.22	35.72	3,396,134,584	3,130,839	18 463 924
18- November-16	126.36	38.89	3,485,950,742	3,254,025	31,532,238
<i>Weekly Change (%)</i>	<i>2.55</i>	<i>8.87</i>	<i>2.64</i>	<i>3.93</i>	<i>70.78</i>

Source: Zimbabwe Stock Exchange (ZSE), 2016.

Figure 3 : Zimbabwe Stock Exchange Indices

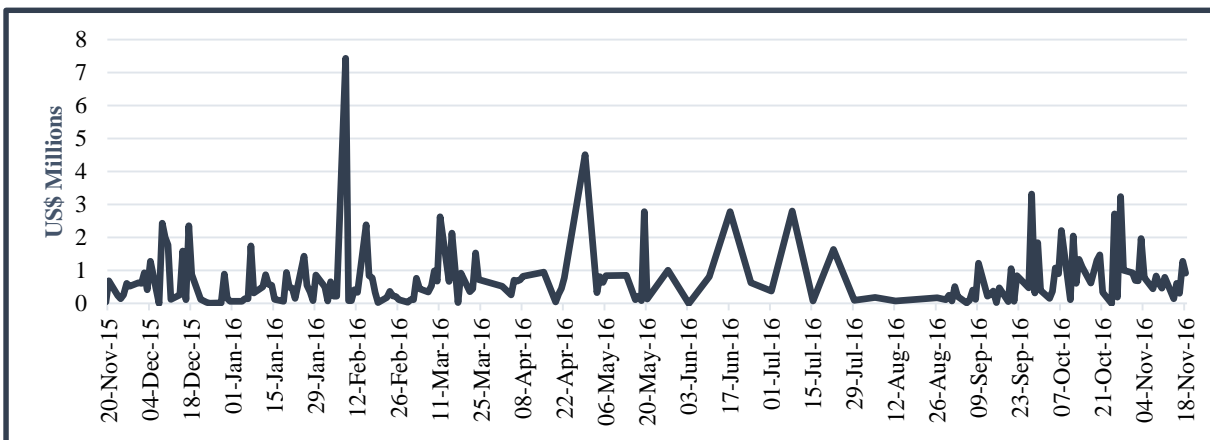


Source: Zimbabwe Stock Exchange, 2016

Market Turnover and Volume

During the week under review, market turnover increased by 3.93% to close the week at US\$3.25 million. The total volume of shares traded amounted to 31 532 238 shares during the week under review, compared to 18 463 924 shares traded in the previous week. The increase in the volume of shares traded was reflective of block trades in Mashonaland Holdings, 6.8 million shares; Axia Limited shares, 2.5 million; and Econet, 2.3 million shares.

Figure 4: Daily Market Turnover

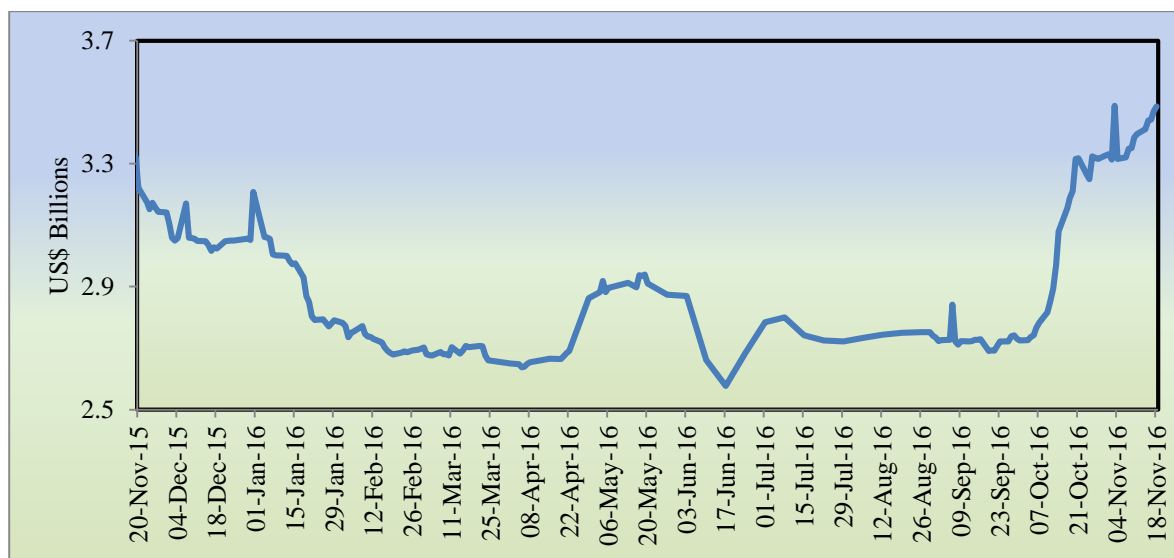


Source: Zimbabwe Stock Exchange, 2016

Market Capitalisation

Market capitalisation stood at US\$ 3 485.95 million, representing a 2.64% increase from the US\$3 396.13 million recorded in the previous week. This was in line with the positive developments witnessed on the ZSE during the week under review.

Figure 5 : Market Capitalisation



Source: Zimbabwe Stock Exchange, 2016

Johannesburg Stock Exchange (JSE) Developments

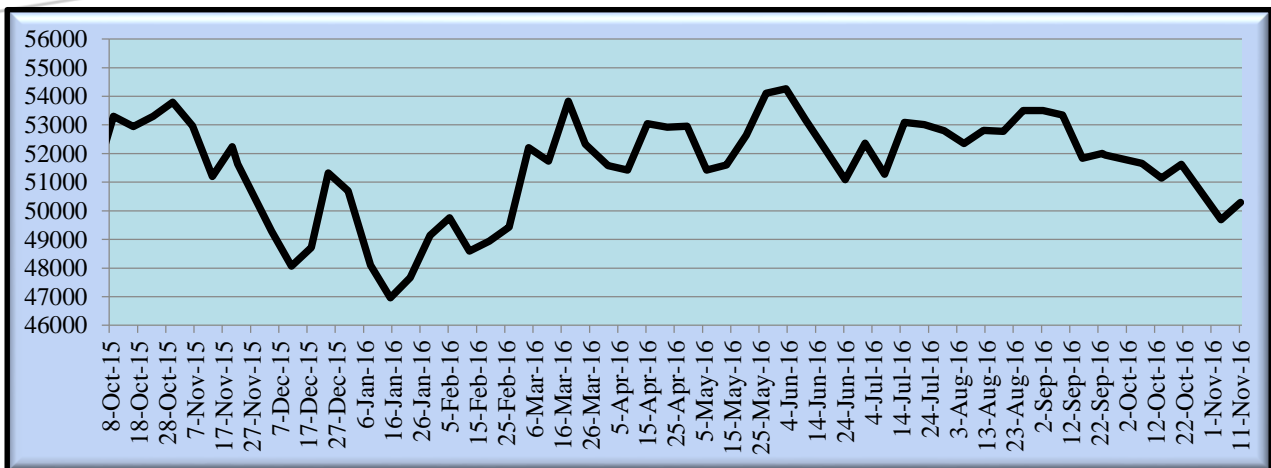
The JSE All Share index increased from 50 294.72 points in the previous week, to close the week ending 18th November 2016 at 50 626.06 points. JSE market capitalisation stood at R13.27 trillion, down from R13.39 trillion recorded in the previous week.

Table 8: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalisation (ZAR trillion)
21-October-16	51 629.23	13.91
28-October-16	50 797.70	13.50
04-November-16	49 686.10	13.12
11-November-16	50 294.72	13.39
18-November-16	50 626.06	13.27

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

28th NOVEMBER 2016