



Weekly Economic Highlights

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Week Ending
20th January 2017

1. INTEREST RATES

Deposit Rates

Savings deposits remained unchanged at 3.01%, during the week ending 20th January 2017. Deposits rates for deposits of 1 month tenor declined by 0.03 percentage points to 5.33%, while deposit rates for deposits of 3 months tenor increased by 0.03 percentage points, to close the week under review at 5.75%.

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

Date	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
23-December-16	3.01	5.34	5.75
30-December-16	3.01	5.34	5.72
06-January-17	3.01	5.33	5.72
13-January-17	3.01	5.36	5.72
20-January-17	3.01	5.33	5.75

Source: Banking Institutions, 2016

Lending Rates

During the week under analysis, commercial banks weighted lending rates for individual clients fell by 0.02 percentage points to 10.59%. Weighted lending rates for corporate clients closed the same week at 6.72%, a 0.25 percentage points increase from the 6.47% recorded in the previous week.

Table 2: Lending Rates

Date	Lending Rates (%) Commercial Banks (weighted)	
	Individuals	Corporate clients
23-December-16	10.68	6.95
30-December-16	10.59	6.87
06-January-17	10.58	6.73
13-January-17	10.61	6.47
20-January-17	10.59	6.72

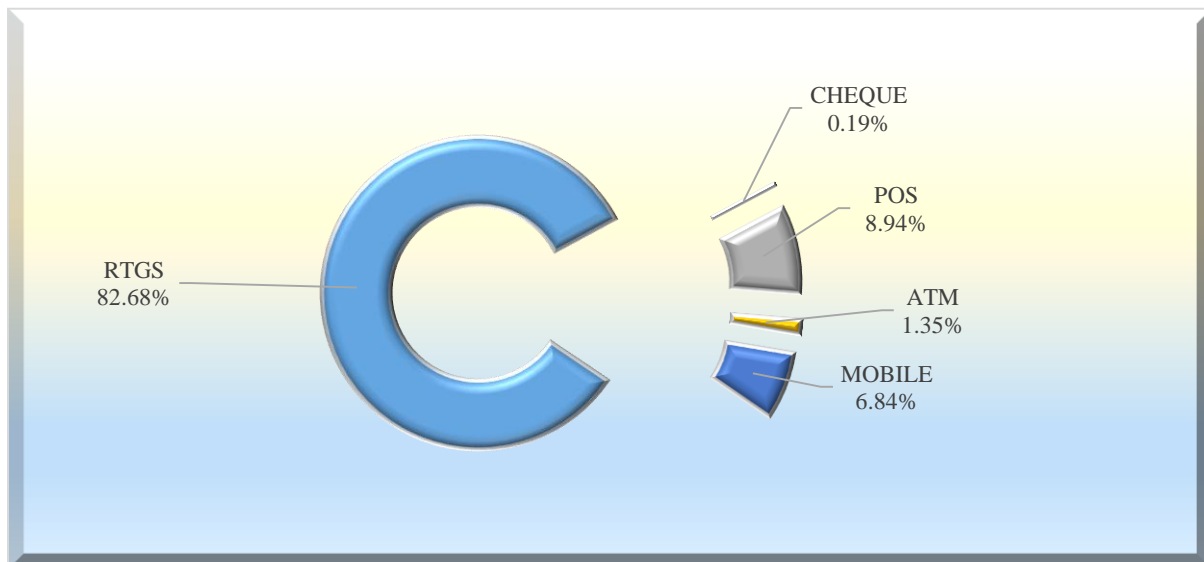
Source: Banking Institutions, 2016

2. CLEARING AND SETTLEMENT ACTIVITY

The total value of transactions processed through the National Payments System (NPS) stood at US\$1 119.01 million, during the week ending 20th January, 2017. This was a 4% decline from the US\$1 162.97 million recorded in the prior week. The fall in the total value of NPS transactions was largely explained by the decrease in the value of Mobile transactions.

In value terms, NPS transactions were distributed as follows: RTGS, 82.68%; POS, 8.94%; Mobile, 6.84%; ATM, 1.35% and Cheque 0.19%, as shown in Figure 1.

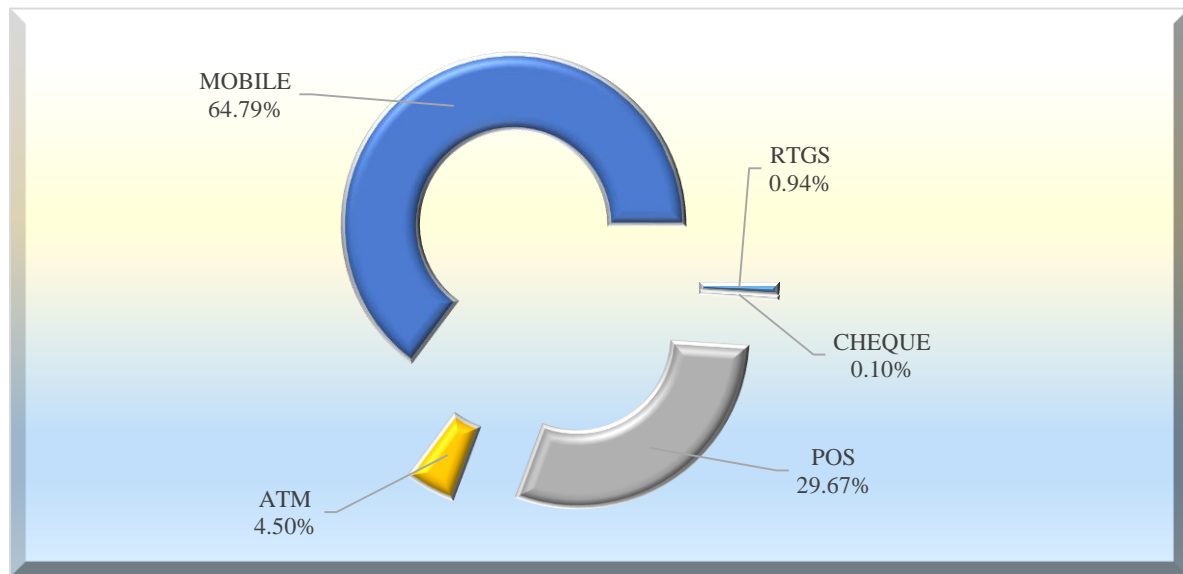
Figure 1: Proportions of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe

NPS transaction volumes declined by 16% to 7 760 220, during the week under analysis, from 9 249 468 recorded in the week ending 13th January 2017. In terms of contributions to the total volume of NPS transactions, Mobile transactions were highest at 64.79%, followed by POS, 29.67%; ATM, 4.50%; RTGS, 0.94%; and Cheque, 0.10%, 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 13 January 2017	WEEK ENDING 20 January 2017	CHANGE FROM LAST WEEK	PROPORTION
VALUES IN USD (millions)				
RTGS	928.54	925.06	(0.40%)	82.68%
CHEQUE	1.80	2.16	20%	0.19%
POS	120.23	100.09	(17%)	8.94%
ATMS	15.84	15.12	(5%)	1.35%
MOBILE	96.56	76.59	(21%)	6.84%
TOTAL	1,162.97	1,119.01	(4%)	100%
VOLUMES				
RTGS	82,504	72,750	(12%)	0.94%
CHEQUE	6,162	7,381	20%	0.10%
POS	2,771,995	2,302,295	(17%)	29.67%
ATMs	397,264	348,854	(12%)	4.50%
MOBILE	5,991,543	5,028,940	(16%)	64.79%
TOTAL	9,249,468	7,760,220	(16%)	100%

Source: Reserve Bank of Zimbabwe

3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

During the week ending 20th January 2017, the international commodity prices of gold and copper increased. The prices of platinum and nickel, however, retreated during the same week. The average weekly prices of crude oil remained unchanged at US\$55.24/barrel, 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 (9-13 Dec)	1,189.17	976.7	5,639.40	10,264.00	55.24
16-Jan	1,565.00	983.50	5,795.00	10,110.00	55.37
17-Jan	1,216.78	991.00	5,860.00	10,230.00	55.86
18-Jan	1,213.63	971.00	5,771.00	10,175.00	55.14
19-Jan	1,199.70	960.00	5,720.50	10,160.00	54.29
20-Jan	1,199.83	959.00	5,709.50	10,050.00	55.54
Week ending (16-20 Dec)	1,206.56	972.90	5,771.20	10,145.00	55.24
<i>Weekly Change (%)</i>	<i>1.5</i>	<i>(0.4)</i>	<i>2.3</i>	<i>(1.2)</i>	<i>0.0</i>

Source: BBC, KITCO, Reuters and Bloomberg

Gold

Gold prices surged by 1.5%, from US\$ 1,189.17/ounce recorded in the previous week to a weekly average of US\$ 1,206.56/ounce. This followed the inaugural address by the US President, Donald Trump, in which he vowed to pursue an America First policy in economic management. This triggered concerns that global trade patterns are likely to change, thus spurring demand for safe haven assets such as gold. The increase in the price of gold was also supported by the depreciation of the US\$.

Platinum

Platinum prices dropped by 0.4% to close the week under review at US\$972.90/ounce, from US\$976.70/ounce recorded during the previous week. This was due to the increased supply of the industrial mineral by South Africa, the major producer, despite existing global stockpiles.

Copper

Copper prices rose by 2.3%, from US\$5,639.40/tonne recorded during the week ending 13th January 2017, to a weekly average of US\$5,771.20/tonne. The base metal gained as the new U.S. President reiterated plans to rebuild infrastructure in the world's largest economy.

Nickel

Nickel prices declined by 1.2%, to close the week under review at US\$10,145.00/tonne from US\$10,264.00/tonne recorded in the preceding week. This came after Indonesia, one of the world's biggest nickel producers, eased a ban on unprocessed ore shipments that has been in place since 2014.

Crude Oil

Crude oil prices remained unchanged at a weekly average of US\$55.24/barrel during the week under review. Prices remained stable as investors await the outcome of an OPEC meeting scheduled for the week ending 28th January 2017. The meeting seeks to confirm solid compliance to coordinated efforts with non-OPEC Nations to cut global production by almost 1.8 million barrels per day.

4. EXCHANGE RATES

The US dollar depreciated against the pound; euro; and rand during the week under review. This was, in large part, due to the inaugural speech of the US President which offered insufficient details on the administration's fiscal policy stance. Donald Trump emphasised an "America first" approach to foreign policy, spurring concerns of rising trade protectionism.

Table 6: International Exchange Rates per US\$

	GBP	EURO	ZAR
2017			
Weekly Average (9-13 Jan)	0.8215	0.9439	13.6639
16-Jan	0.8313	0.9418	13.5442
17-Jan	0.8273	0.9395	13.5685
18-Jan	0.8111	0.9362	13.5410
19-Jan	0.8144	0.9400	13.6012
20-Jan	0.8096	0.9368	13.5250
Weekly Average (16-20 Jan)	0.8156	0.9381	13.5589
<i>Appr(+)/Depr(-) (%) of the USD</i>	<i>(0.72)</i>	<i>(0.61)</i>	<i>(0.77)</i>

Source: Reuters

5. EQUITY MARKETS

During the week ending 20th January, 2017, the Zimbabwe Stock Exchange (ZSE) registered losses. The industrial index declined by 0.82% to close the week at 145.01%, due to losses recorded in Econet, 10.15%; Truworths, 10%; Nicos Diamond, 7.27%; CBZ, 4.55%; and Barclays, 3.33%. Partially offsetting these losses, were gains realised in Lafarge Cement Zimbabwe, 20%; Simbisa, 3.13%; Hippo Valley, 1.39%; Mashonaland Holdings, 0.5%; and Pretoria Portland Cement, 0.45%.

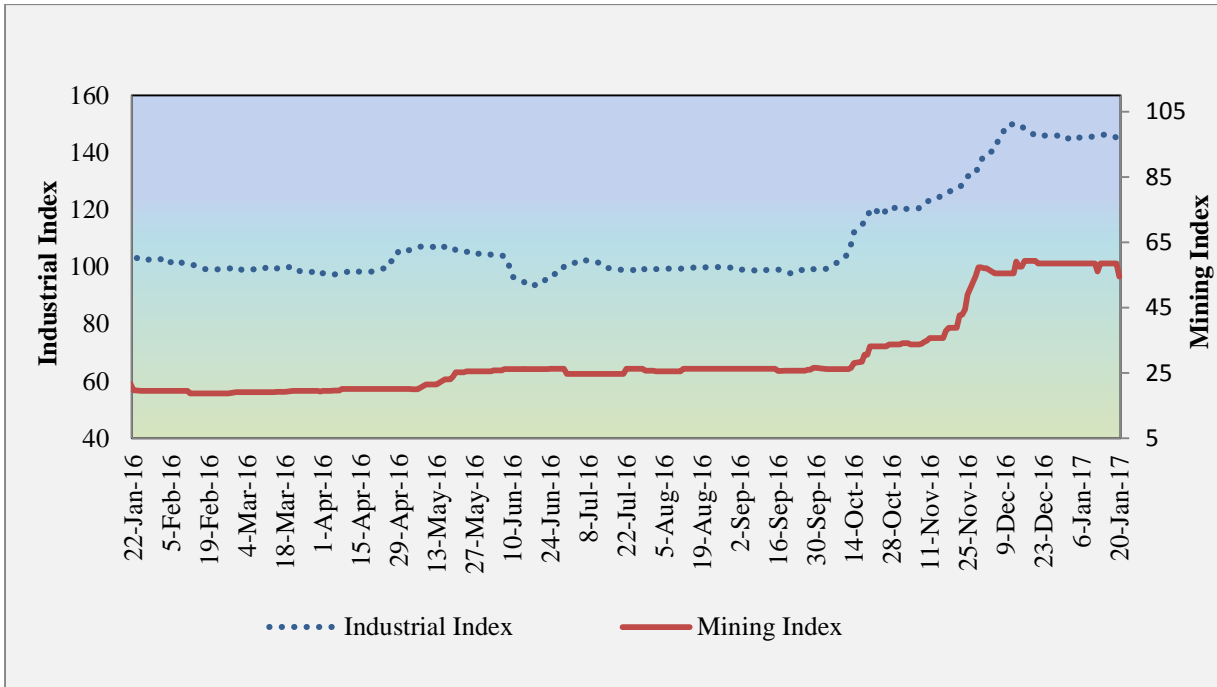
Similarly, the mining index shed 6.75% to close the week under review at 54.56 points. This was attributable to a 12.5% loss recorded in Bindura Nickel Corporation.

Table 7: Zimbabwe Stock Exchange (ZSE) Statistics

Period	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
23- December-16	145.97	58.51	4,046,879,431	1,356,166	9,375,048
30- December-16	144.53	58.51	4,007,957,110	8,663,795	188,070,908
06- January-17	145.35	58.51	4,030,035,265	1,597,112	10,205,110
13- January-17	146.21	58.51	4,055,523,319	1,635,476	5,885,229
20-January-17	145.01	54.56	4,017,272,750	2,218,131	7,866,860
Weekly Change (%)	(0.82%)	(6.75%)	(0.94%)	35.63%	33.67%

Source: Zimbabwe Stock Exchange (ZSE), 2016.

Figure 3 : Zimbabwe Stock Exchange Indices

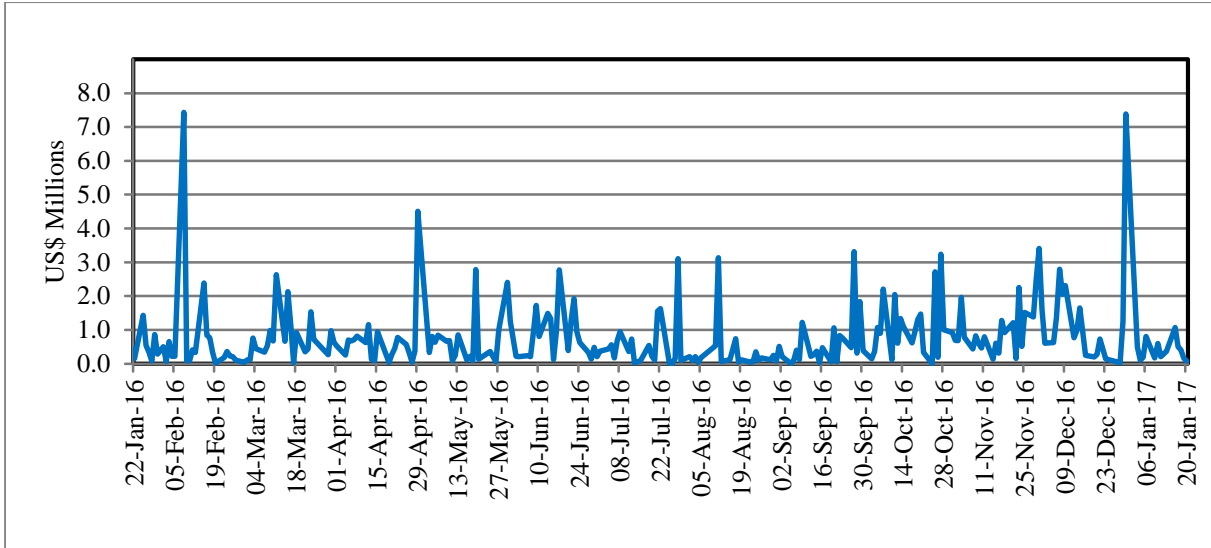


Source: Zimbabwe Stock Exchange, 2017

Market Turnover and Volume

Despite the losses recorded on the local bourse, market turnover rose by 35.63%, to close the week under analysis at US\$2.22 million. The contribution to the ZSE market turnover was as follows: Inncor, 29.74%; Econet, 25.7%; and Delta, 19.86%. Likewise, the volume of shares traded increased by 33.67%, from 5 885 229 shares in the previous week to 7 866 860 shares during the week under review.

Figure 4: Daily Market turnover

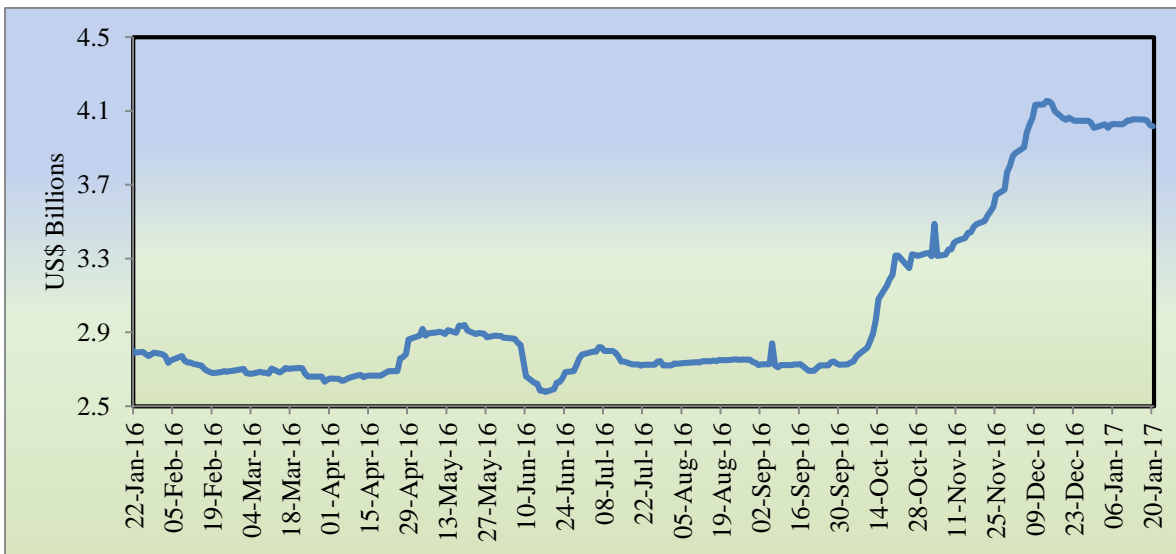


Source: Zimbabwe Stock Exchange, 2017

Market Capitalisation

ZSE market capitalisation decreased by 0.94%, to US\$4 017.27 million during the week ending 20th January 2017, from US\$4055.52 million recorded in the previous week. This was largely due to losses in heavy weight counters.

Figure 5 : Market Capitalisation



Source: Zimbabwe Stock Exchange, 2017

Johannesburg Stock Exchange (JSE) Developments

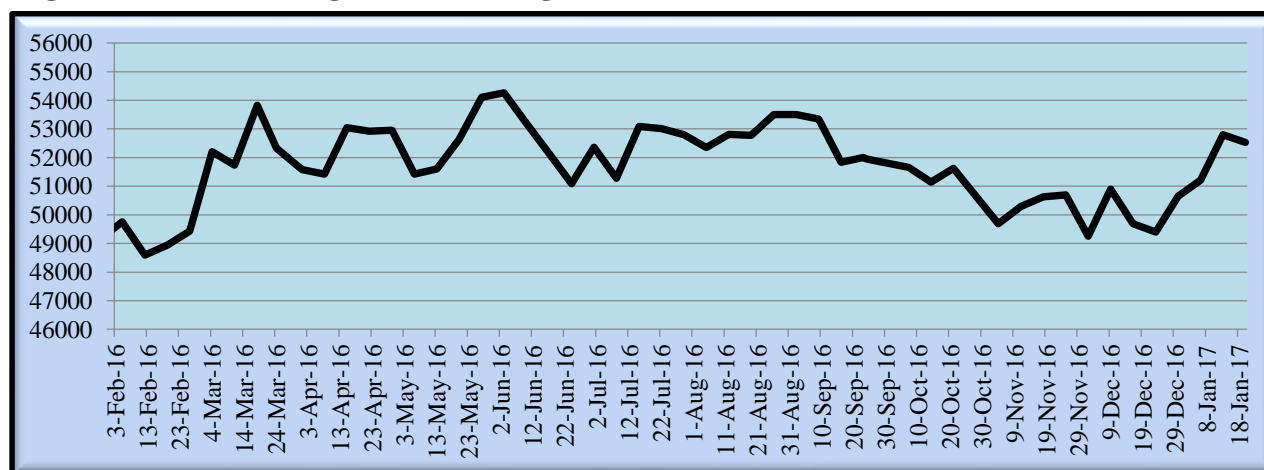
The JSE All share index declined by 0.5%, to 52 532.26 points during the week under review. Market capitalization on the JSE also fell by 0.07 percentage points, to close the same week at R13.92 trillion.

Table 8: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalisation (ZAR trillion)
23-December-16	49 400.56	13.35
30-December-16	50 653.54	13.38
06-January-17	51 216.00	13.67
13-January-17	52 794.81	13.93
20-January-17	52 532.26	13.92

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

26th JANUARY 2017