



Weekly Economic Highlights

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Week Ending
21st October 2016

1. INTEREST RATES

Deposit Rates

During the week ending 21st October 2016, the average deposit rates for savings and deposits of 3 month tenor remained unchanged at the previous week levels of 3.01% and 5.79%, respectively. Average deposit rates for deposits of 1 month tenor, however, declined from 5.41% to 5.35% in the same week.

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

Date	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
16-September-16	3.01	5.44	5.76
23-September-16	3.01	5.44	5.76
30-September-16	3.01	5.41	5.79
7-October-16	3.01	5.41	5.79
14-October-16	3.01	5.41	5.79
21-October-16	3.01	5.35	5.79

Source: Banking Institutions, 2016

Lending Rates

Commercial banks weighted lending rates for individual clients increased from 10.68% in the previous week, to 10.71% during the week under review. Weighted lending rates for corporate clients, however, declined from 6.94% to close the week at 6.93%.

Table 2: Lending Rates

Date	Lending Rates (%) Commercial Banks (weighted)	
	Individuals	Corporate clients
16-September-16	10.66	6.88
23-September-16	10.66	6.88
30-September-16	10.66	6.95
7-October-16	10.68	6.95
14-October-16	10.68	6.94
21-October-16	10.71	6.93

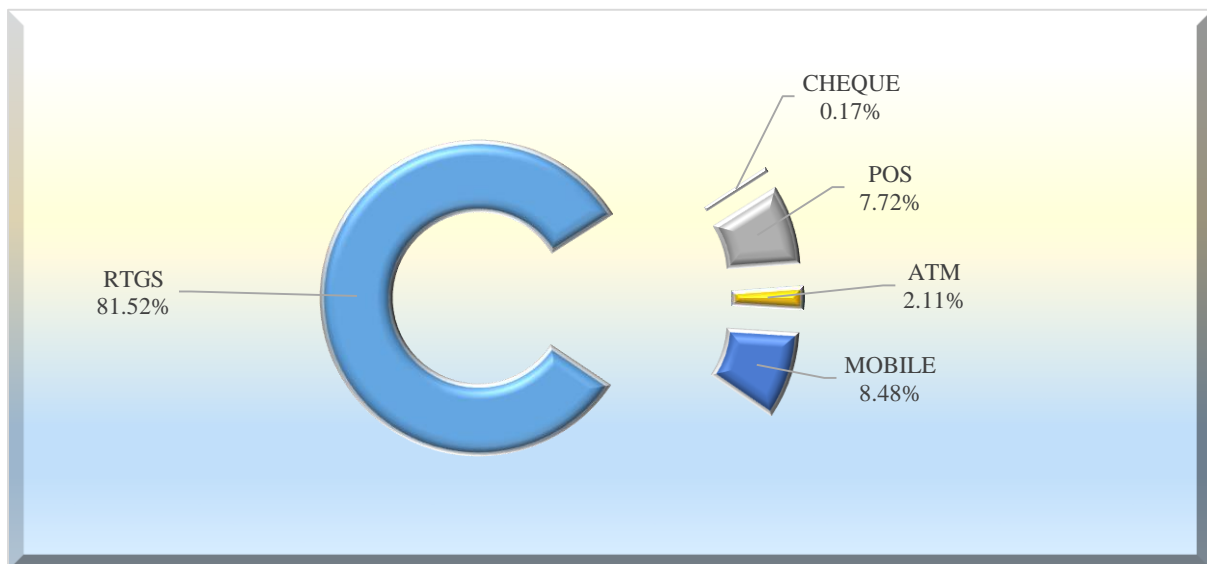
Source: Banking Institutions, 2016

2. CLEARING AND SETTLEMENT ACTIVITY

During the week under review, the value of National Payment Systems (NPS) transactions recorded an 8% decline, from US\$1 183.77 million in the previous week to US\$1 085.29. The value of transactions processed through the Real Time Gross Settlement (RTGS) stood at US\$884.84 down from US\$946.44 million registered in the previous week.

RTGS payments constituted 81.55% of the total value of transactions processed through the NPS, followed by Mobile, 8.48%; Point of Sale (POS), 7.72%; Automated Teller Machines (ATMs), 2.11%; and cheque, 0.17% as shown in Figure 1.

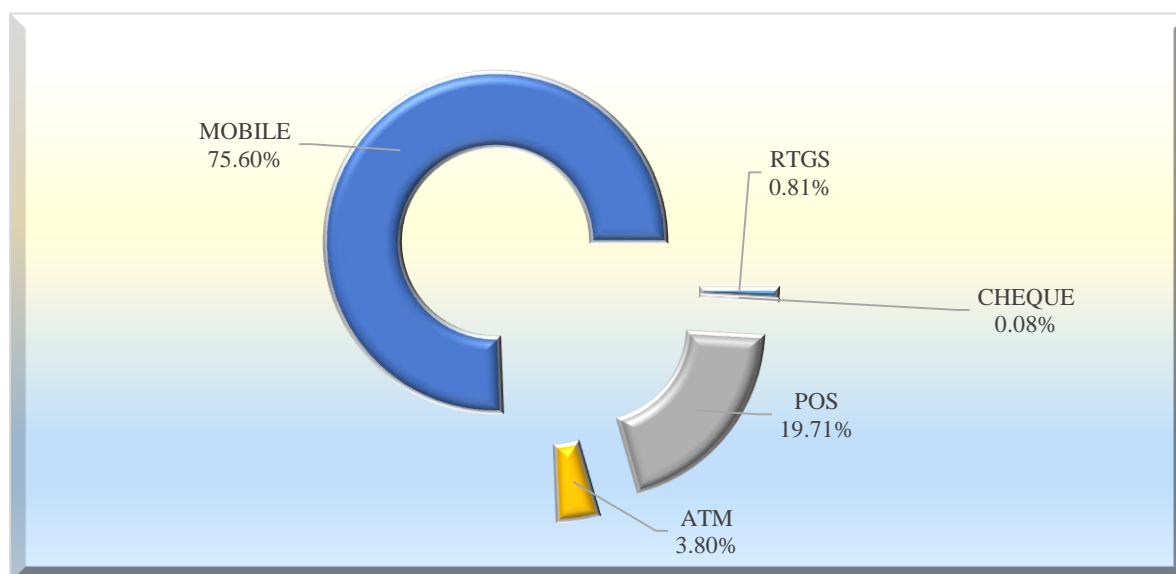
Figure 1: Proportions of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe

The total number of NPS transactions stood at 7 952 480 during the week under analysis, down from the 8 661 723 transactions recorded in the previous week. The transactions were distributed as follows: Mobile, 75.60%; POS, 19.71%; ATM, 3.80%; RTGS, 0.81%; and Cheque, 0.08%, 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 14 October 2016	WEEK ENDING 21 October 2016	CHANGE FROM LAST WEEK	PROPORTION
VALUES IN USD (millions)				
RTGS	946.44	884.84	-7%	81.53%
CHEQUE	2.14	1.81	-15%	0.17%
POS	93.99	83.76	-11%	7.72%
ATMS	37.42	22.89	-39%	2.11%
MOBILE	103.78	91.99	-11%	8.48%
TOTAL	1,183.77	1,085.29	-8%	100%
VOLUMES				
RTGS	66,878	64,288	-3.9%	0.81%
CHEQUE	7,422	6,756	-9%	0.08%
POS	1,599,693	1,567,099	-2%	19.71%
ATMs	422,969	302,165	-29%	3.80%
MOBILE	6,564,761	6,012,172	-8%	75.60%
TOTAL	8,661,723	7,952,480	-8%	100%

Source: Reserve Bank of Zimbabwe

Real Time Gross Settlement System Transactional Activities

The volumes and value of US dollar transactions processed through RTGS recorded declines during the week under analysis. Rand transactions recorded declines in value and gains in volume terms. Euro transactions, however, increased in value and decreased in volumes. Table 3 shows the weekly RTGS transactional activities by currency.

Table 3: Real Time Gross Settlement System Transactional Activities by Currency

RTGS CURRENCY	WEEK ENDING 14 October 2016	WEEK ENDING 21 October 2016	CHANGE FROM LAST WEEK
VALUES			
USD	944,744,326.18	883,731,451.84	-6.46%
EURO	262,087.50	270,265.87	3.12%
ZAR	19,674,990.51	11,328,327.93	-42.42%
VOLUMES			
USD	66,835	64,248	-3.87%
ZAR	3	4	-33.33%
EURO	40	36	-10.00%

Source: Reserve Bank of Zimbabwe

3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

International commodity prices of gold increased during the week under review. Prices of platinum, copper, nickel and crude oil, however, declined in the same week, as shown in Table 5.

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 (10-14 October)	1,256.99	949.7	4,757.30	10,358.00	52.18
17-Oct	1,253.75	932.00	4,673.00	10,410.00	51.33
18-Oct	1,259.93	943.50	4,671.00	10,400.00	51.43
19-Oct	1,265.35	943.00	4,666.00	10,330.00	52.96
20-Oct	1,270.43	937.50	4,666.00	10,270.00	51.59
21-Oct	1,265.00	942.50	4,666.00	10,165.00	51.84
Weekly Average (10-14 October)	1,262.89	939.70	4,668.40	10,315.00	51.83
Weekly Change (%)	0.5	(1.1)	(1.9)	(0.4)	(0.7)

Source: BBC, KITCO, Reuters and Bloomberg

Gold

Gold prices marginally rose by 0.5%, from a weekly average of US\$1,256.99/ounce in the previous week, to US\$1,262.89/ounce during the week under review. This was on the back of dampened expectations of a US interest rate hike, following reports that the Federal Reserve rates hike is likely to be gradual as opposed to being aggressive as initially anticipated. These developments bolstered the yellow metal's demand, resulting in upward pressure on the price of the precious metal.

Platinum

Platinum prices continued on a negative trajectory, declining by 1.1%, to a weekly average of US\$939.70/ounce from US\$949.70/ounce recorded in the previous week. The prices were weighed down by signs of weakening industrial demand for the metal.



Copper

Copper prices slumped by 1.9%, from a weekly average of US\$4,757.30/tonne in the previous week to close the week under review at US\$4,668.40/tonne. The decline was on account of a weakening demand in China, the world's largest consumer of the metals.

Nickel

Nickel prices stood at US\$10,315.00/tonne, a 0.4% decline from the weekly average of US\$10,358.00/tonne recorded in the previous week. The prices were also weighed down by a decline in demand for the metal in China.

Crude Oil

Crude oil prices retreated by 0.7%, from a weekly average of US\$52.18/barrel to US\$51.83/barrel. The drop in oil prices followed a threat by Iraq, the OPEC's second-biggest producer to derail the group's plan to stabilize crude markets by requesting to be exempt from planned output cuts.

4. EXCHANGE RATES

During the week ending 21st October 2016, the US Dollar weakened after reports showed that the core U.S. inflation gauge did not rise as much as estimated in September 2016. The development bolstered speculation that the Federal Reserve will not be aggressive in raising interest rates as initially anticipated. Table 6 shows the exchange rates developments.

Table 6: International Exchange Rates per US\$

	GBP (£)	EURO (€)	Rand (ZAR)
2016			
Weekly Average (10-14 Oct)	0.8151	0.9027	14.1172
17-Oct	0.8226	0.9106	14.2933
18-Oct	0.8178	0.9077	14.0938
19-Oct	0.8146	0.9107	13.9088
20-Oct	0.8172	0.9173	13.9382
21-Oct	0.8193	0.9199	13.9382
Weekly Average (17-21 Oct)	0.8183	0.9132	14.0345
<i>Appr(+)/Depr(-) (%) of the USD</i>	<i>0.4</i>	<i>1.2</i>	<i>(0.6)</i>

Source: Reuters

5. EQUITY MARKETS

The Zimbabwe Stock Exchange (ZSE) remained bullish for the fourth consecutive week following increased demand in blue chip counters. Resultantly, both the industrial and mining indices increased by 8.42 points and 5.12 points, to close the week under review at 120.45 points and 33.17 points, respectively.

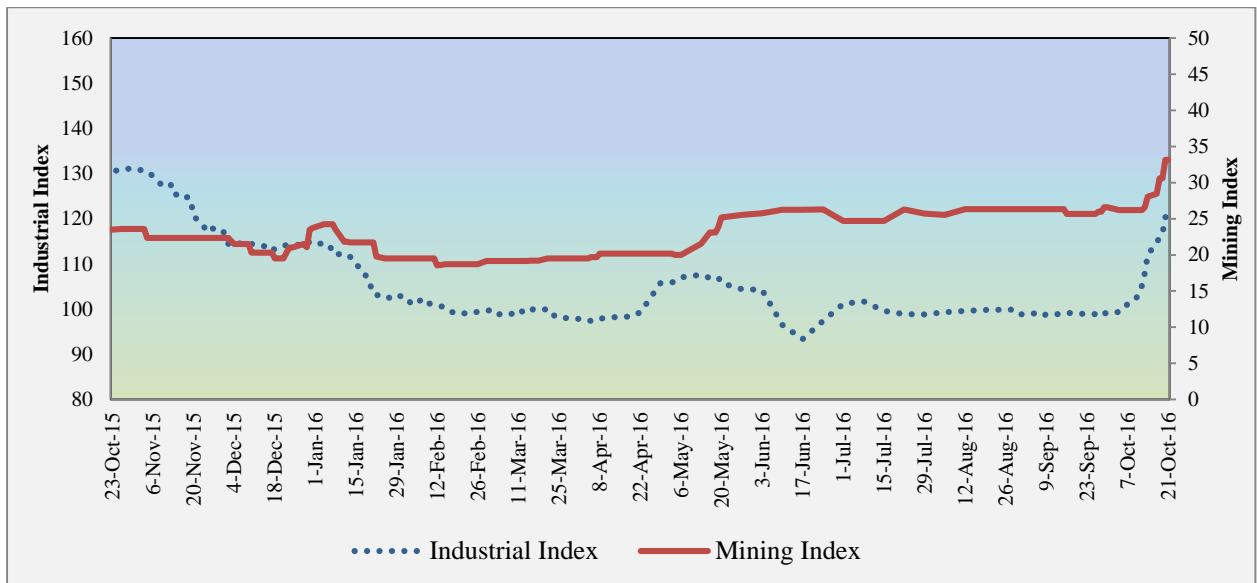
The increase in the mainstream index was accounted to gains in Amalgamated Regional Trading, 16.67%; Econet Wireless, 14.64%; Delta Corporation, 12.18%; FBC Holdings, 9.38% and Pretoria Portland Cement Limited, 4.15%.

Table 7: Zimbabwe Stock Exchange (ZSE) Statistics

Period	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
16-September-16	99.16	25.69	2,728,906,960	1,363,110	6,408,355
23-September-16	98.88	25.69	2,721,570,190	2,770,314	11,668,961
30-September-16	98.96	26.61	2,725,133,069	6,346,659	38,164,937
7- October-16	101.09	26.22	2,781,799,792	4,690,615	39,816,865
14- October-16	112.03	28.05	3,079,991,534	5,206,424	59,433,785
21- October-16	120.45	33.17	3,317,196,165	4,675,196	41,335,567
<i>Weekly Change (%)</i>	<i>7.52</i>	<i>18.25</i>	<i>7.70</i>	<i>(10.20)</i>	<i>(30.45)</i>

Source: Zimbabwe Stock Exchange (ZSE), 2016.

Figure 3 : Zimbabwe Stock Exchange Indices

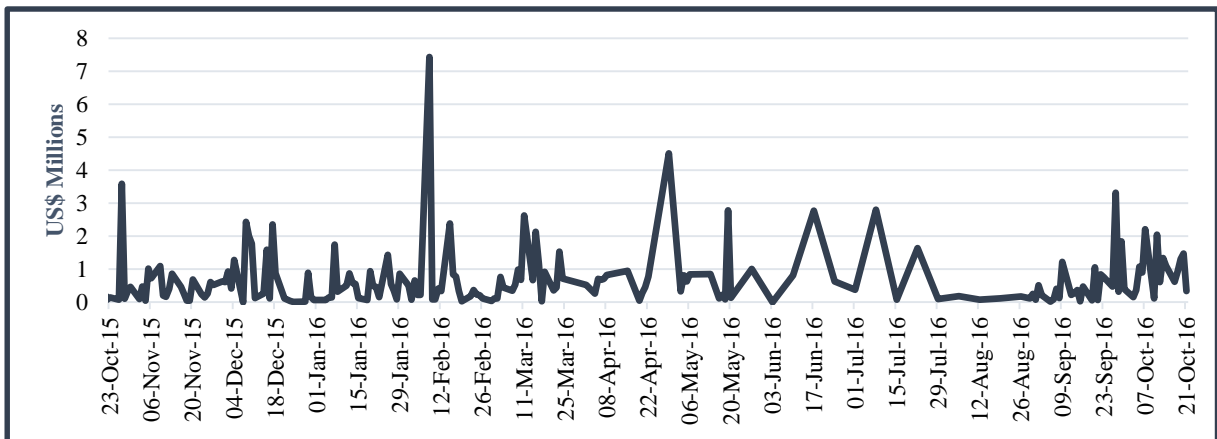


Source: Zimbabwe Stock Exchange, 2016

Market Turnover and Volume

During the week under review, the value of turnover declined by 10%, from US\$5.21 million recorded in the previous week, to US\$4.68 million. This was attributable to a decrease in volumes of trade which recorded a 30.45% decline, from 59 433 785 shares to close the week under review at 41 335 567 shares.

Figure 4: Daily Market Turnover

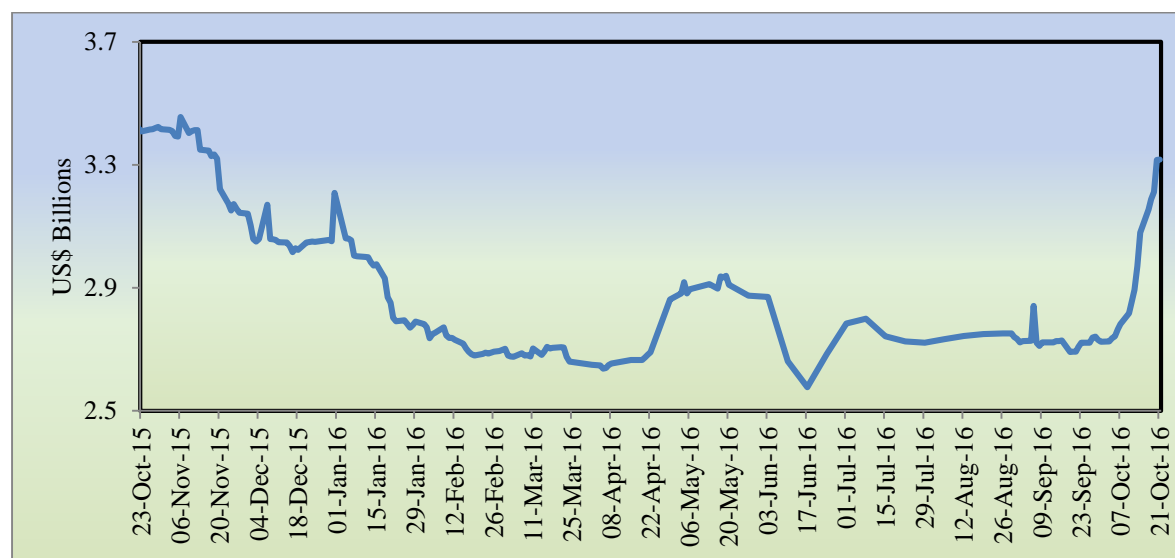


Source: Zimbabwe Stock Exchange, 2016

Market Capitalisation

The value of market capitalisation increased from US\$3.08 billion registered in the previous week, to close the week under review at US\$3.32 billion.

Figure 5 : Market Capitalisation



Source: Zimbabwe Stock Exchange, 2016

Johannesburg Stock Exchange (JSE) Developments

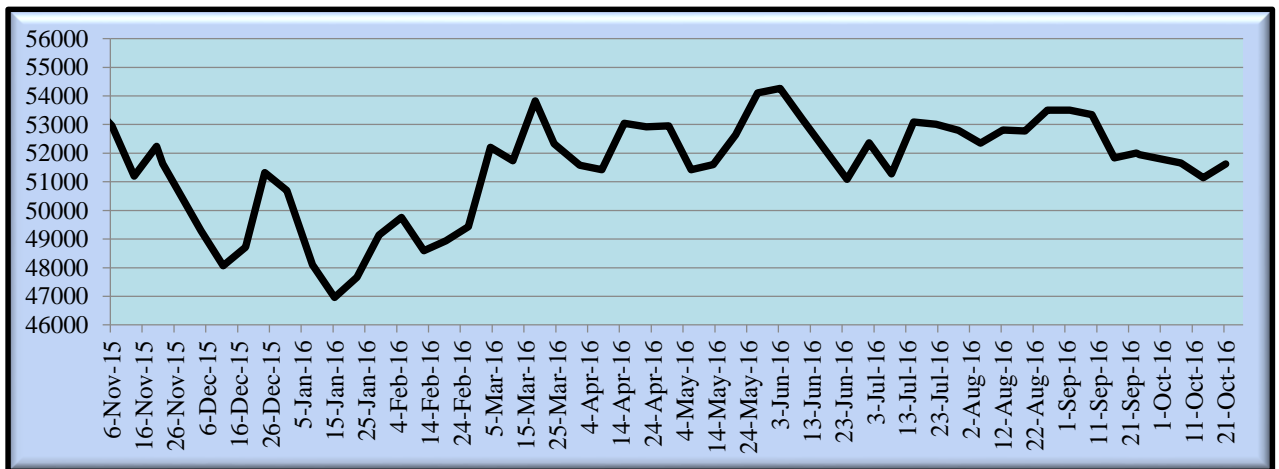
The JSE All Share index gained 0.94 percentage points, to close the week ending 21st October 2016 at 51 629.23 points. Market capitalization, however, declined from R13.95 trillion in the previous week to R13.91 trillion.

Table 8: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalisation (ZAR trillion)
16-September-16	51 832.55	15.15
23-September-16	51 999.45	15.22
30-September-16	51 949.83	15.29
07-October-16	51 662.07	15.12
14-October-16	51 146.78	13.95
21-October-16	51 629.23	13.91

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 OCTOBER 2016