



# Weekly Economic Highlights

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Week Ending  
22<sup>th</sup> January 2016

## 1. INTEREST RATES

### Deposit Rates

Average deposits rates for 1 month and 3 month tenors declined by 0.41 and 0.26 percentage points, at commercial banks, to close the week ending 22<sup>nd</sup> January 2016 at 6.91% and 7.22%, respectively. Average savings deposit rates, however, remained unchanged at 3.20% during the same week.

**Table 1: Average Deposit Rates**

Date	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
18-Dec-15	3.00	7.28	7.89
24-Dec-15	3.00	7.69	7.90
31-Dec-15	3.00	7.53	7.74
8-Jan-16	3.20	7.09	7.48
15-Jan-16	3.20	7.32	7.48
22-Jan-16	3.20	6.91	7.22

Source: Banking Institutions, 2015

### Lending Rates

During the week under analysis, weighted commercial bank lending rates for individual and corporate clients rose marginally to 12.10% and 7.40%, respectively, as shown in Table 2 below.

**Table 2: Lending Rates**

Date	Lending Rates (%) Commercial Banks (weighted)	
	Individuals	Corporate clients
18-Dec-15	12.12	7.62
24-Dec-15	12.17	7.82
31-Dec-15	11.99	7.57
8-Jan 16	12.05	7.36
15-Jan 16	12.05	7.36
22-Jan-16	12.10	7.40

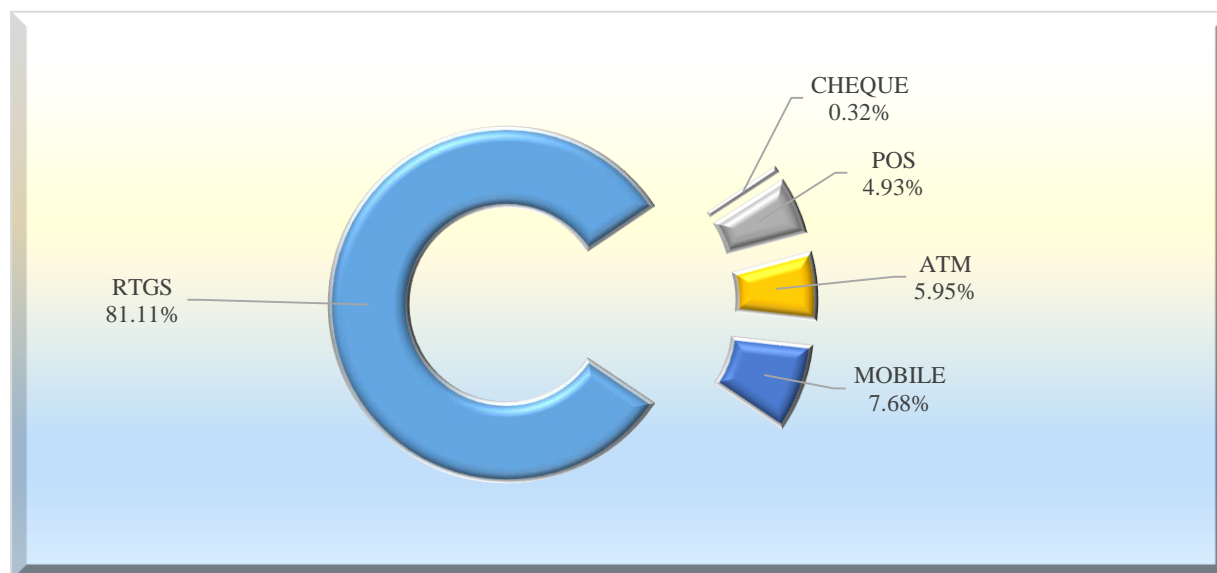
Source: Banking Institutions, 2015

## 2. CLEARING AND SETTLEMENT ACTIVITY

Transactions processed through the National Payment Systems (NPS) increased from US\$971.47 million in the previous week, to US\$975.52 million during the week under review. The value of transactions processed through the Real Time Gross Settlement (RTGS) system, which accounted for 81.11% of the total NPS transactions, closed the week under analysis at \$791.28 million.

The other transactions processed through the NPS, were distributed as follows, Mobile, 7.68%; Automated Teller Machines (ATMs), 5.95%; Point of Sale (POS), 4.93%; and cheque transactions, 0.32%.

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



*Source: Reserve Bank of Zimbabwe*

The total volume of NPS transactions registered a 7% decline from the previous week, to close the week under review at 4.8 million. Mobile transactions contributed 86.45% of the total volume of NPS transaction; POS, 7.91%; ATM, 4.81%; RTGS, 0.68%; and Cheque transactions, 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 15 Jan 2016	WEEK ENDING 22 Jan 2016	CHANGE FROM LAST WEEK	PROPORTION
<b>VALUES IN USD (millions)</b>				
<b>RTGS</b>	745.02	791.28	6%	81.11%
<b>CHEQUE</b>	2.98	3.08	3%	0.32%
<b>POS</b>	51.14	48.13	-6%	4.93%
<b>ATMS</b>	83.66	58.06	-31%	5.95%
<b>MOBILE</b>	88.66	74.96	-15%	7.68%
<b>TOTAL</b>	971.47	975.52	0.40%	100%
<b>VOLUMES</b>				
<b>RTGS</b>	31,120	32,915	6%	0.68%
<b>CHEQUE</b>	6,370	6,729	6%	0.14%
<b>POS</b>	368,398	382,284	4%	7.91%
<b>ATMs</b>	327,971	232,591	-29%	4.81%
<b>MOBILE</b>	4,473,184	4,176,340	-7%	86.45%
<b>TOTAL</b>	5,207,043	4,830,859	-7%	100%

Source: Reserve Bank of Zimbabwe

### 3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international commodity prices of gold, copper, and nickel firmed during the week ending 22 January, 2016. Platinum and Brent crude oil prices, however, declined during the same period

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

Period	Gold	Platinum	Copper	Nickel	Crude Oil
2016	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
<b>Weekly Average (15 Jan)</b>	<b>1,090.97</b>	<b>843.90</b>	<b>4,372.20</b>	<b>8,286.00</b>	<b>31.03</b>
<b>18-Jan</b>	1,090.45	821.00	4,360.00	8,500.00	28.64
<b>19-Jan</b>	1,086.63	832.00	4,440.00	8,680.00	29.46
<b>20-Jan</b>	1,097.48	821.00	4,346.00	8,560.00	27.61
<b>21-Jan</b>	1,096.65	815.50	4,376.00	8,560.00	28.93
<b>22-Jan</b>	1,096.95	828.50	4,466.00	8,560.00	31.45
<b>Weekly Average (22 Jan)</b>	<b>1,093.63</b>	<b>823.60</b>	<b>4,397.60</b>	<b>8,572.00</b>	<b>29.22</b>
<b>Weekly Change (%)</b>	0.2	-2.4	0.6	3.5	-5.9

*Source: BBC, KITCO, Reuters and Bloomberg*

#### **Gold**

Gold prices, gained 0.2% from a weekly average of US\$1 090.97/oz in the previous week, to close the week under review at an average of US\$1 093.63/oz. The precious metal benefited from investors shifting their investments to gold as a safe haven, due to risk-averse sentiments that saw equities and oil dragged to their lowest levels since 2003. A weaker United States of America dollar against major trading partner currencies also supported the gold price.

#### **Platinum**

Platinum prices eased by 2.4% from a weekly average of US\$843.90/oz in the previous week, to an average of US\$823.60/oz during the week under review. This followed the downward revision of the 2016 global growth forecast, by the International Monetary Fund (IMF), from 3.6 percent to 3.4 percent, largely on account of the slowdown in the Chinese economy.



## **Copper**

During the period under analysis, copper prices firmed by 0.6% to close at a weekly average of US\$4 397.60/ton. High demand from China, as factories stocked up ahead of the Chinese Lunar New Year holidays, supported the prices of the base metals.

## **Nickel**

Nickel prices also gained by 3.5%, from a weekly average of US\$8 286.00/ton in the previous week, to US\$8 572.00/ton during the week under review. This was on the back of increased demand for the base metals in China.

## **Brent crude oil**

Crude oil prices declined by 5.9%, from a weekly average of US\$31.03/barrel in the previous week, to an average of US\$29.22/barrel during the week under review. Prices retreated amid persistent oversupply in the global market which is coinciding with an economic slowdown, notably in China and other emerging market economies. News of anticipated resumption of Iran oil exports into an already oversupplied market also weighed down the prices.

## 4. EQUITY MARKETS

During the week under review, negative trading persisted on the Zimbabwe Stock Exchange (ZSE) due to low investor interest. As a result, industrial and mining indices declined by 6.22% and 9.06%, to close the week under review at 103.05 points and 19.77 points, respectively.

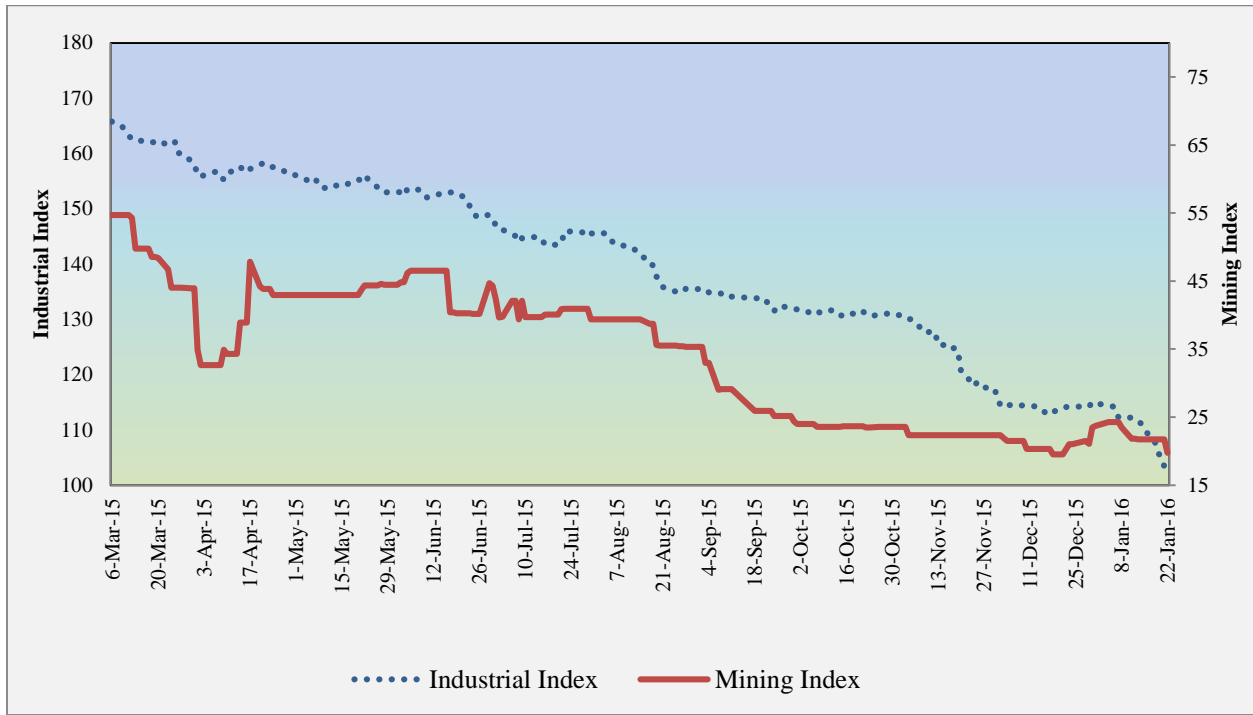
The mainstream index was largely weighed down by losses in OK Zimbabwe (16.67%), Innscor (14.58%), FBC (14.29%), Delta (14.24%), TSL (13.74%) and Econet (7.04%). The decline in the resource index partly resulted from a 19.53% value loss of the BNC share.

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

Period	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
18-Dec-15	113.21	19.53	3,023,809,369	5,185,998	125,446,351
24-Dec-15	114.11	21.03	3,049,698,454	161,009	2,456,457
31-Dec-15	114.85	23.72	3,073,408,931	1,115,802	13,480,408
8-Jan-16	112.16	23.48	3,002,326,842	2,415,801	16,058,701
15-Jan-16	109.88	21.74	2,976,279,469	2,612,798	15,882,768
22-Jan-16	103.05	19.77	2,791,211,190	2,112,445	13,882,308
Weekly Change (%)	(6.22)	(9.06)	(6.22)	(19.15)	(12.60)

Source: Zimbabwe Stock Exchange (ZSE), 2015

**Figure 3 : Zimbabwe Stock Exchange Indices**



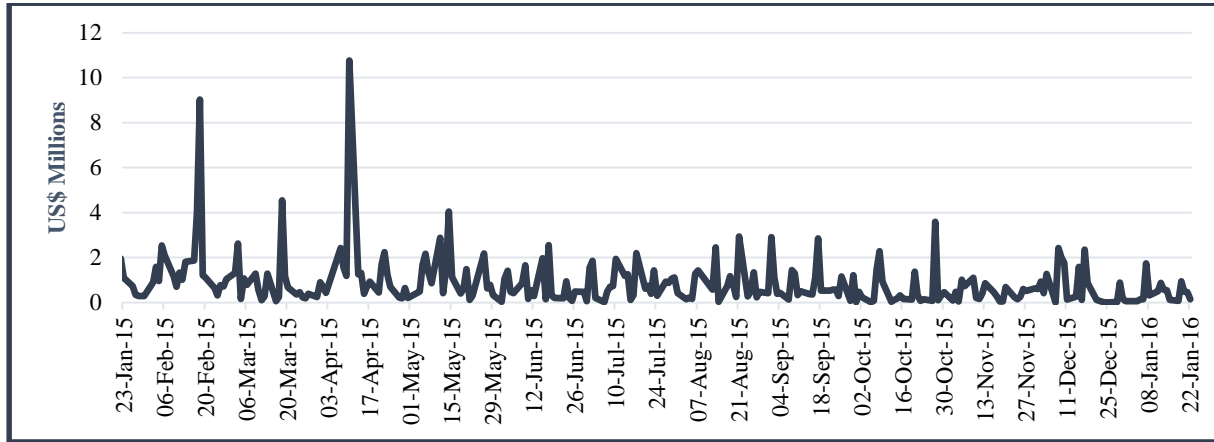
Source: Zimbabwe Stock Exchange, 2015

### Market Turnover and Volume

During the week under review, trading volumes declined by 12.6% to close at 13.88 million. Concomitantly, turnover decreased by 19.15%, from \$2.61 million in the prior week to \$2.11 million during the week under review.



**Figure 4: Daily Market Turnover**

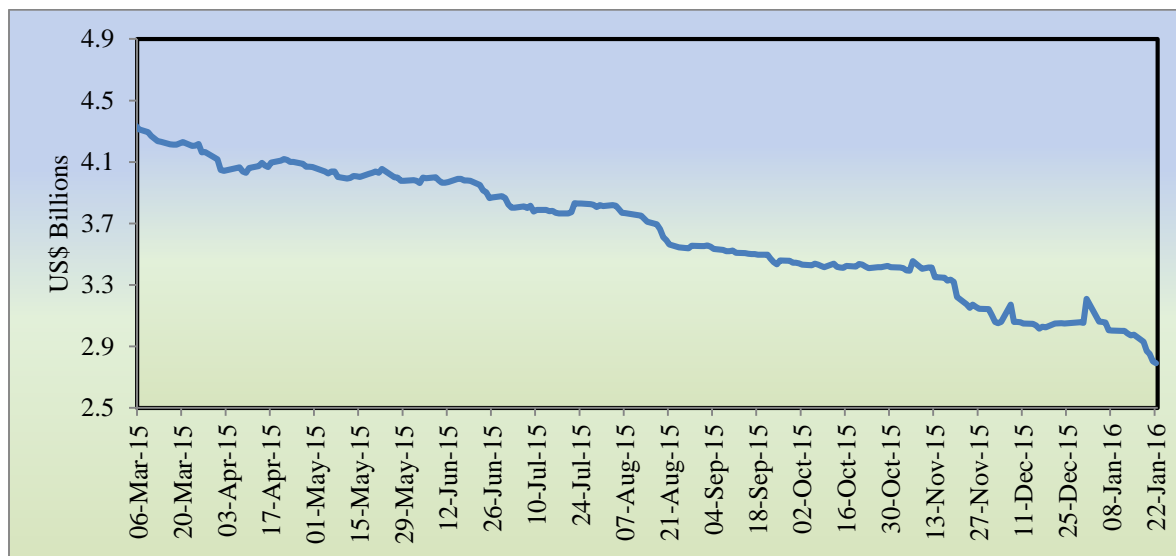


Source: Zimbabwe Stock Exchange, 2016

### Market Capitalisation

Since the first week of January 2016 the ZSE has lost more than US\$ 200 million or 7% of its value. Market capitalization declined by 6.22%, from US\$2.98 billion in the previous week, to US\$2.79 billion as at 22<sup>nd</sup> January 2016, largely due to low trading activity on the bourse.

**Figure 5 : Market Capitalisation**



Source: Zimbabwe Stock Exchange, 2015

## Johannesburg Stock Exchange (JSE) Developments

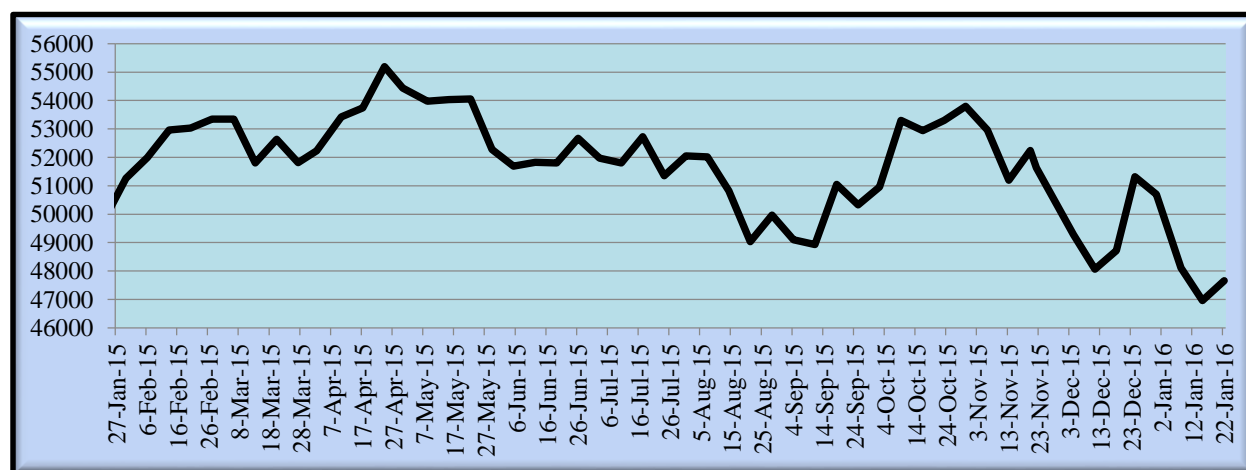
The JSE All Share index registered a 1.5% increase and stood at 47 661.87 points as at 22<sup>nd</sup> January 2016. In concomitance, JSE market capitalization increased by 1.4%, from R14.10 trillion in the previous week to R14.30 trillion during the week under analysis.

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

Period	All Share Index (points)	Market Capitalisation (R trillion)
18-Dec-15	48 717.28	11.24
24-Dec-15	51,324.01	11.80
31-Dec-15	50,696.73	11.73
8-Jan-16	48,104.68	11.19
15-Jan-16	46,960.37	14.10
22-Jan-16	47,661.87	14.30

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> JANUARY 2016