



Weekly Economic Highlights

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Week Ending
23rd December 2016

1. INTEREST RATES

Deposit Rates

Deposit rates remained unchanged at previous week's levels during the week ending 23rd December 2016. Average deposit rates for savings deposits and time deposits of 1 month and 3 months tenor 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 (%)
25-November-16	3.01	5.34	5.75
02-December-16	3.01	5.34	5.75
09-December-16	3.01	5.34	5.75
16-December-16	3.01	5.34	5.75
23-December-16	3.01	5.34	5.75

Source: Banking Institutions, 2016

Lending Rates

Weighted commercial banks' lending rates for both individual and corporate clients remained unchanged at 10.68% and 6.95%, respectively, during the week under review.

Table 2: Lending Rates

Date	Lending Rates (%) Commercial Banks (weighted)	
	Individuals	Corporate clients
25-November-16	10.69	6.99
02-December-16	10.67	6.95
09-December-16	10.68	6.94
16-December-16	10.68	6.95
23-December-16	10.68	6.95

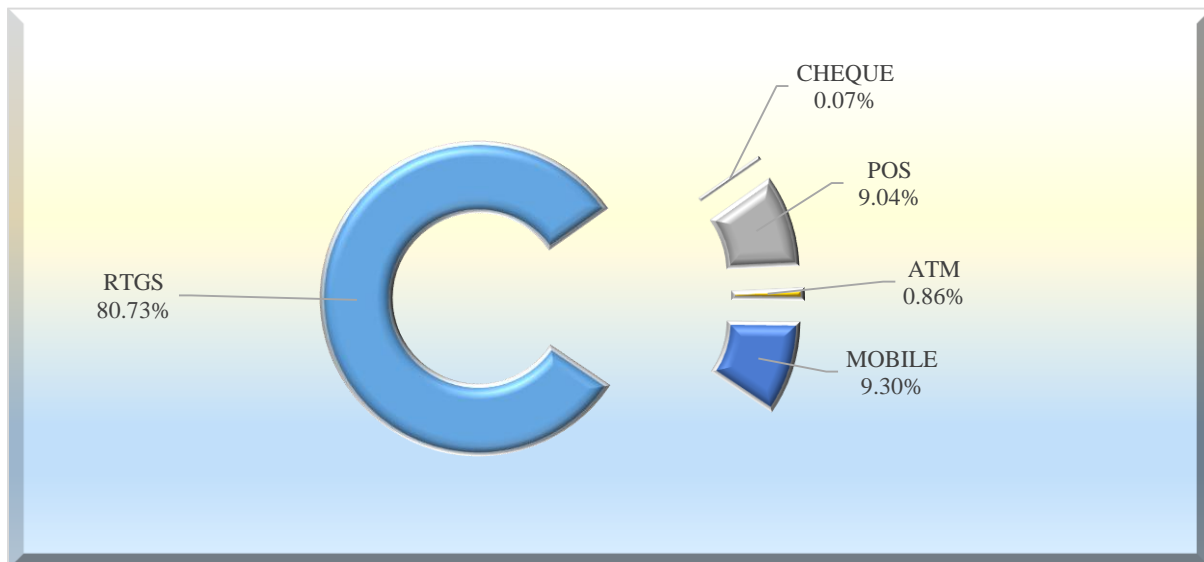
Source: Banking Institutions, 2016

2. CLEARING AND SETTLEMENT ACTIVITY

During the week under analysis, the total value of transactions processed through the National Payments System (NPS) rose by 8% to US\$1 593. 90 million. This was largely attributable to an increase the value of RTGS transactions from US\$1 214.54 million in the previous week, to US\$1 286.83 million, during the week under analysis.

The proportions of transactions in value terms to the total NPS transactions were as follows: RTGs, 80.73%; Mobile, 9.30%; POS, 9.04%; ATM, 0.86% and Cheque 0.07%, as shown in Figure 1.

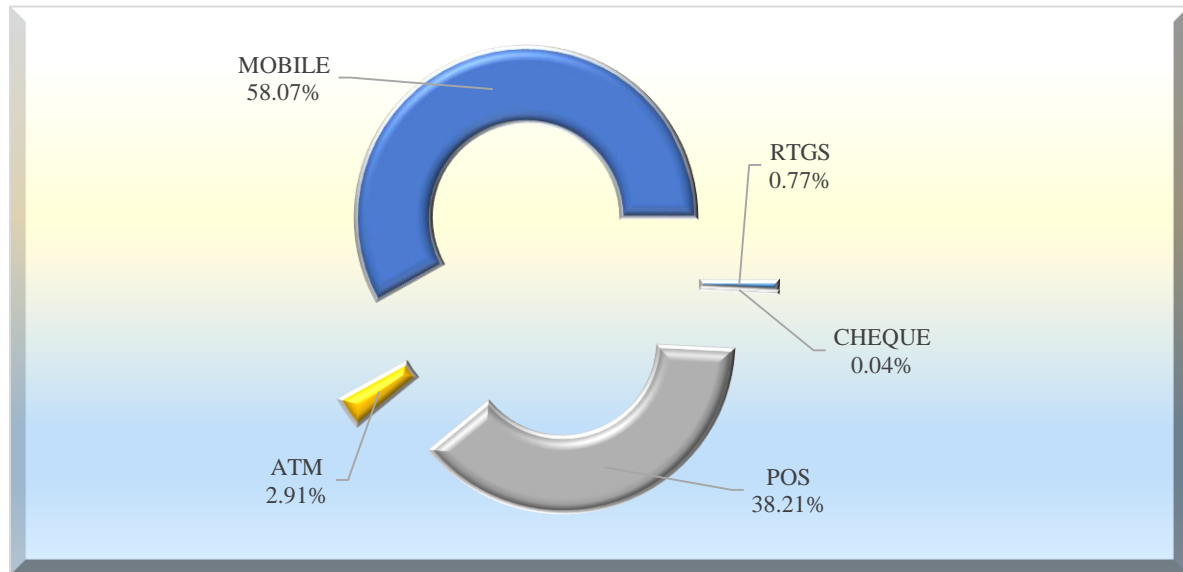
Figure 1: Proportions of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe

During the week ending 23rd December 2016, the total volume of NPS transactions increased by 29% to 13 016 598. In volume terms, mobile transactions constituted 58.07% of the total NPS transactions, while cheques had the least contribution of 0.04%, 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 16 December 2016	WEEK ENDING 23 December 2016	CHANGE FROM LAST WEEK	PROPORTION
VALUES IN USD (millions)				
RTGS	1,214.54	1,286.83	6%	80.73%
CHEQUE	1.64	1.11	(32%)	0.07%
POS	138.04	144.15	4%	9.04%
ATMS	12.97	13.64	5%	0.86%
MOBILE	112.56	148.16	31.61%	9.30%
TOTAL	1,479.75	1,593.90	8%	100%
VOLUMES				
RTGS	98,472	99,608	1%	0.77%
CHEQUE	7,193	4,940	(31%)	0.04%
POS	3,173,650	4,973,547	57%	38.21%
ATMs	320,760	378,931	18%	2.91%
MOBILE	6,508,830	7,559,572	16%	58.07%
TOTAL	10,108,905	13,016,598	29%	100%

Source: Reserve Bank of Zimbabwe

3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

Gold, platinum and base metals average weekly prices continued on a negative trajectory, whilst the average weekly price of crude oil remained on a positive momentum, during the week under analysis.

Table 5: Metals and Crude Oil Prices

	Gold	Platinum	Copper	Nickel	Crude Oil
2016	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
Week ending (12-16 Dec)	1,149.00	922.3	5,765.80	11,324.00	55.038
19-Dec	1,136.93	924.50	5,648.00	11,240.00	54.98
20-Dec	1,129.23	911.00	5,560.50	10,850.00	55.69
22-Dec	1,130.95	908.00	5,498.00	10,970.00	54.97
23-Dec	1,131.18	905.00	5,480.00	10,565.00	65.10
Week ending (19-23 Dec)	1,132.07	912.13	5,546.63	10,906.25	57.69
<i>Weekly Change (%)</i>	<i>(1.5)</i>	<i>(1.1)</i>	<i>(3.8)</i>	<i>(3.7)</i>	<i>4.8</i>

Source: BBC, KITCO, Reuters and Bloomberg

Gold

Gold prices declined by 1.5% during the week under review to close at US\$1,132.07/oz. This was, largely, due to rising demand for interest bearing assets and a positive economic outlook in the in the United States which has led to a stronger US dollar.

Platinum

Platinum prices fell by 1.1% from US\$922.30/oz to US\$912.13/oz, during the week ending 23rd December 2016. This was attributed to the continued appreciation of the US dollar against major currencies.

Copper

Weekly average copper prices declined by 3.8% to close the week at US\$5,546.63/ton. The base metal prices were weighed down by the reports which showed that there was an increase in inventories at the London Metal Exchange (LME) warehouses.

Nickel

Nickel prices fell by 3.7% to close the week under analysis at US\$10,906.25/ton. This was on account of a stronger US dollar.

Crude Oil

Crude oil prices rose by 4.8% to US\$57.69/barrel from US\$55.04/barrel recorded in the previous week. This was underpinned by an unanticipated decline in inventories. American Petroleum Institute data registered a fall in US crude oil inventories of 4.15 million barrels during the week under review.

EXCHANGE RATES

The US\$ continued strengthening against major currencies during the week under review. US data on orders for durable goods signalled a positive business outlook. This may reinforce speculation that Donald Trump's fiscal stimulus plans could spur economic growth in United States of America.

Table 6: International Exchange Rates per US\$

2016	GBP	EURO	ZAR	BWP
Weekly Average (12-16 Dec)	0.7951	0.9478	13.7845	10.7330
19-Dec	0.8012	0.9630	14.0120	10.6895
20-Dec	0.8075	0.9630	14.1505	10.8578
21-Dec	0.8082	0.9608	13.9656	10.8578
23-Dec	0.8140	0.9574	14.0350	10.8578
Weekly Average (19-23 Dec)	0.8099	0.9604	14.0504	10.8578
<i>Appr(+)/Depr(-) (%) of the USD</i>	<i>1.9</i>	<i>1.3</i>	<i>1.9</i>	<i>1.2</i>

Source: Reuters

4. EQUITY MARKETS

During the week under analysis, the Zimbabwe Stock Exchange (ZSE) continued on a bearish trend. The industrial index declined by 1.30% to close the week at 145.97 points on account of losses recorded in Pretoria Portland Limited, 9.09%; Delta Corporation Limited, 4.33%; Innscor Africa Limited, 3.38%; Econet Wireless Limited, 1.83% and Hippo Valley Estates Limited, 0.28%.

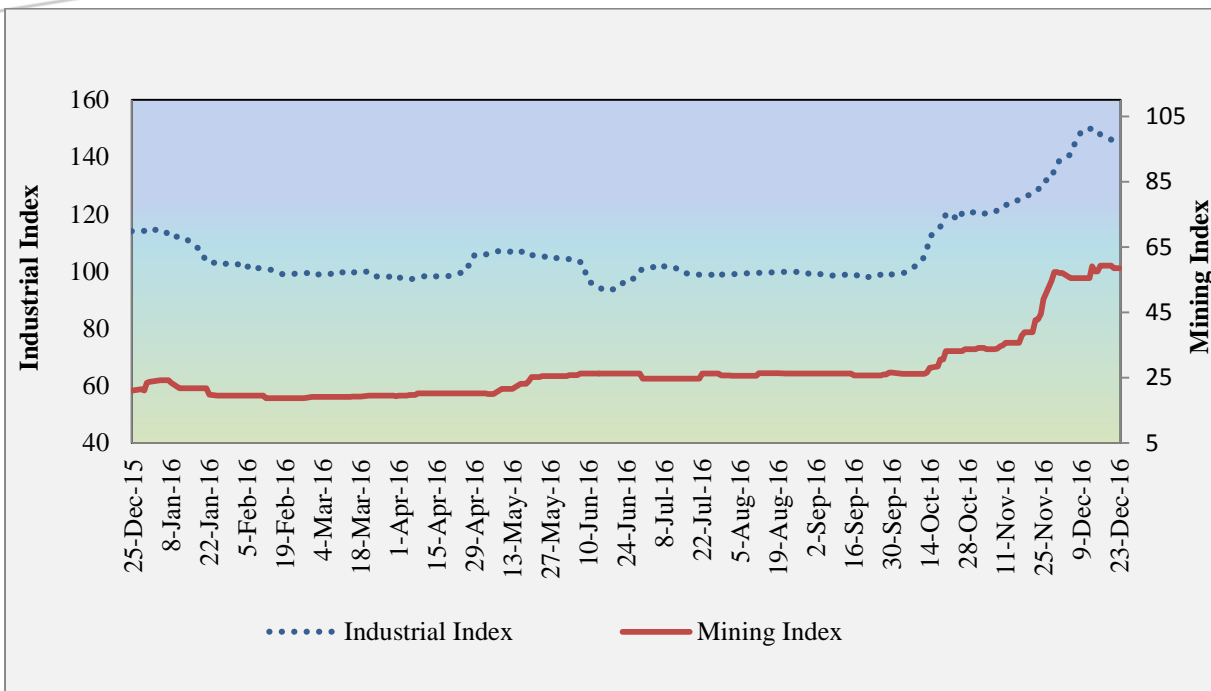
Similarly the mining index, declined by 1.33% to close the week under review at 58.51 points, weighed down by a 2.44% slump in Bindura Nickel Corporation (BNC).

Table 7: Zimbabwe Stock Exchange (ZSE) Statistics

Period	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
25- November-16	131.65	49.04	3,644,711,501	5,652,818	108,535,833
02- December-16	139.64	57.09	3,857,316,777	9,508,358	41,092,060
09- December-16	149.39	55.52	4,133,883,259	9,146,804	44,185,101
16- December-16	147.89	59.30	4,099,699,281	4,617,825	33,904,792
23-December-16	145.97	58.51	4,046,879,431	1,356,166	9,375,048
<i>Weekly Change (%)</i>	<i>(1.30%)</i>	<i>(1.33%)</i>	<i>(1.29%)</i>	<i>(70.63%)</i>	<i>(72.35%)</i>

Source: Zimbabwe Stock Exchange (ZSE), 2016.

Figure 3 : Zimbabwe Stock Exchange Indices

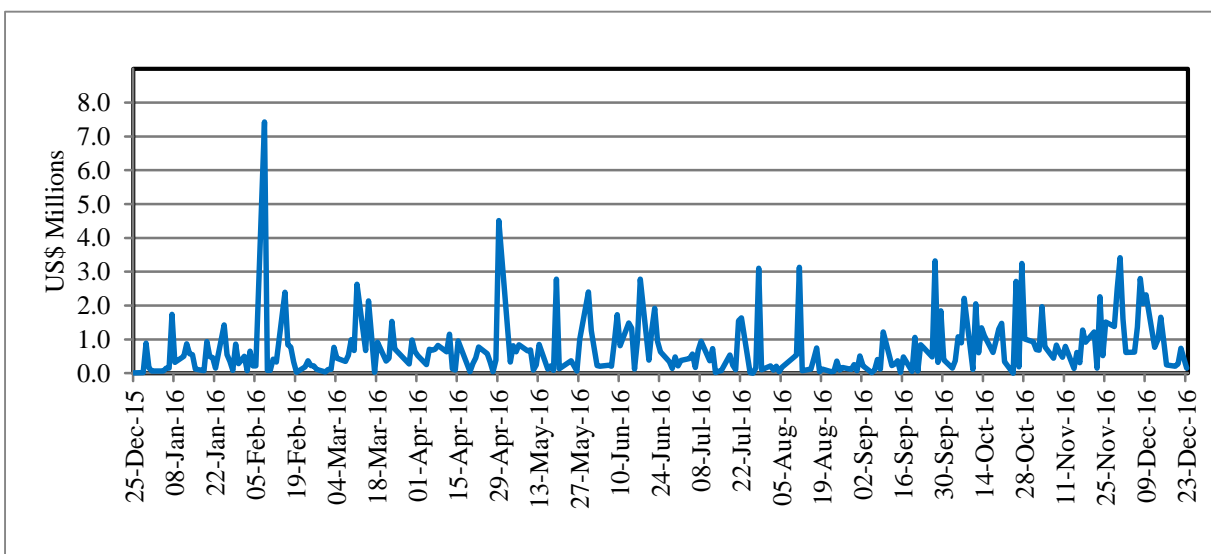


Source: Zimbabwe Stock Exchange, 2016

Market Turnover and Volume

The market turnover decreased by 70.63% to close the week under analysis at US\$1,4 million. Likewise, the volume of shares traded declined by 72.35% to close at 9 375 048 shares in the same week. This was largely attributable to subdued trading during the holiday shortened week.

Figure 4: Daily Market turnover

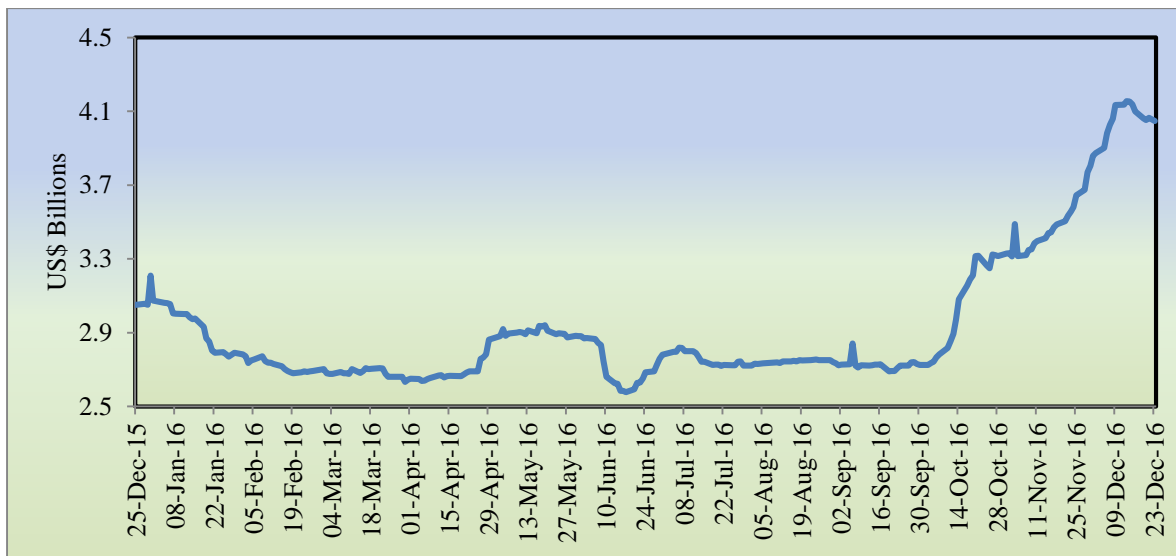


Source: Zimbabwe Stock Exchange, 2016

Market Capitalisation

The market capitalisation declined by 1.29% to US\$4 046.88 million from US\$4 099.70 million recorded in the prior week. This was due to losses in blue chip counters.

Figure 5 : Market Capitalisation



Source: Zimbabwe Stock Exchange, 2016

Johannesburg Stock Exchange (JSE) Developments

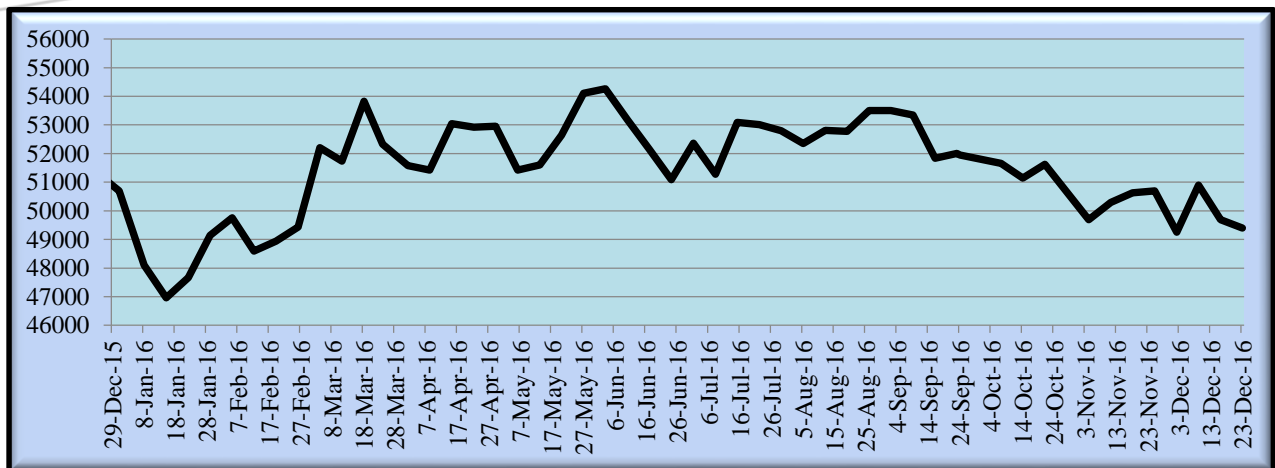
During the week ending 23rd December 2016, the JSE All share index declined by 0.59% to close at 49 400.56 points. Market capitalisation also shed 0.15% to close the week under analysis at R13.35 trillion.

Table 8: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalisation (ZAR trillion)
25-November-16	50 696 10	13.50
02-December-16	49 256.10	13.11
09-December-16	50 899.92	13.62
16-December-16	49 691.31	13.37
23-December-16	49 400.56	13.35

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

30TH DECEMBER 2016