



Weekly Economic Highlights

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Week Ending
24th December 2015

1. INTEREST RATES

Deposit Rates

The average deposits rates for deposits of 1 month and 3 month tenor closed the week ending 24th December 2015 at 7.69% and 7.90%, respectively. Savings deposit rates, however, remained unchanged at 3.00 % during the week under analysis.

Table 1: Average Deposit Rates

2015	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
27-Nov	3.00	7.44	8.06
04-Dec	3.00	7.28	7.89
11-Dec	3.00	7.28	7.89
18-Dec	3.00	7.28	7.89
24-Dec	3.00	7.69	7.90

Source: Banking Institutions, 2015

Lending Rates

Commercial bank weighted lending rates for individuals and corporate clients increased from 12.12% and 7.62% in the previous week to 12.17% and 7.82%, respectively, during the week ending 24 December 2015, as shown in Table 2 below.

Table 2: Lending Rates

2015	Lending Rates (%) Commercial Banks (weighted)	
	Individuals	Corporate clients
27-Nov	12.12	7.67
04-Dec	12.07	7.63
11-Dec	12.12	7.62
18-Dec	12.12	7.62
24-Dec	12.17	7.82

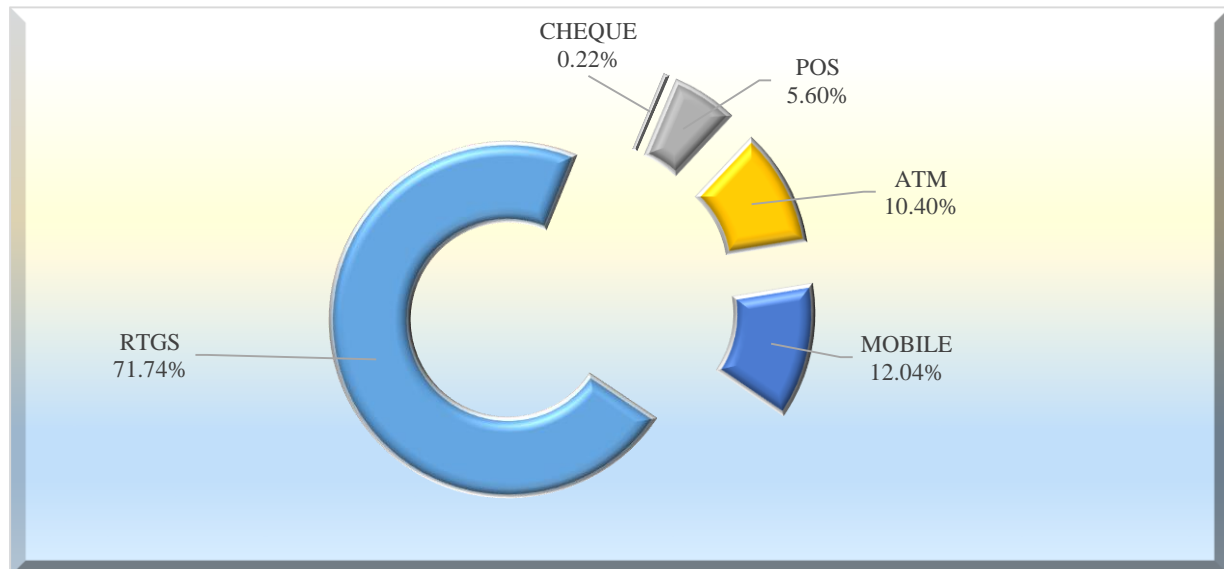
Source: Banking Institutions, 2015

2. CLEARING AND SETTLEMENT ACTIVITY

During the week ending 24th December 2015, transactions processed through the National Payment Systems (NPS) increased by 24% to US\$ 960.42 million. Real Time Gross Settlement (RTGS) transactions fell by 36% to US\$689.11 million during the week under review, from US\$1 067 million in the previous week. This was largely attributable to a shorter working week.

The NPS was dominated by RTGS transactions which contributed for 71.74% of the total value of transactions, followed by Mobile, 12.04%; ATM, 10.40%; POS, 5.60% and Cheque, 0.22%.

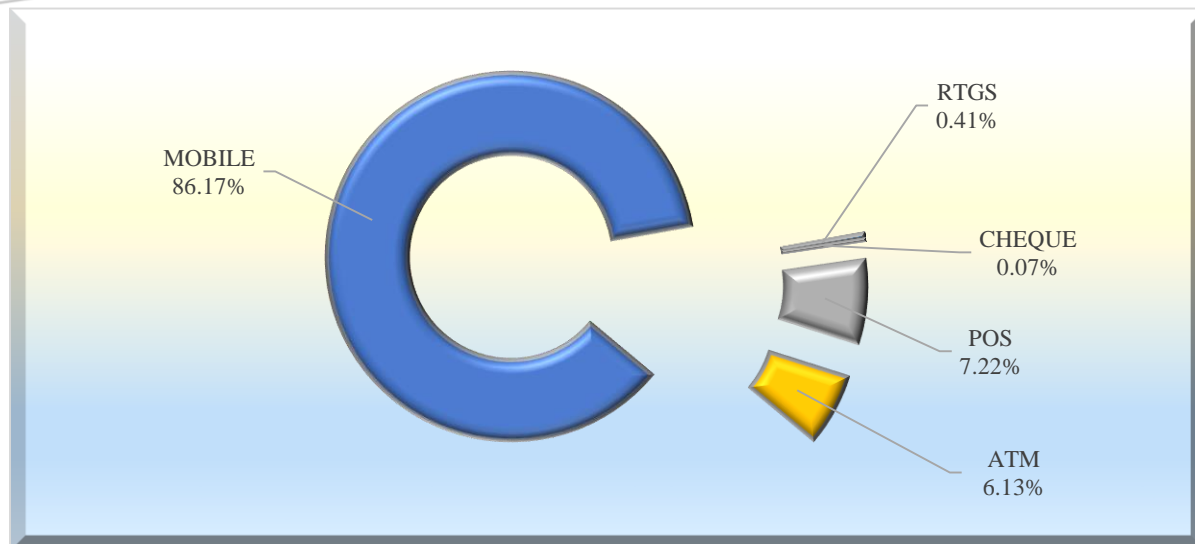
Figure 1: Proportions of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe

In volume terms, NPS transactions were dominated by Mobile transactions which accounted for 86.17% of the total volume of transactions; POS, 7.22%; ATM, 6.13%; RTGS, 0.41%; and Cheque 0.07%.

Figure 2: Proportions of NPS Transactions in Volume Terms



Source: Reserve Bank of Zimbabwe.

Table 3: National Payment Systems Activity

PAYMENT STREAM	WEEK ENDING 18 Dec 2015	WEEK ENDING 24 Dec 2015	CHANGE FROM LAST WEEK	PROPORTION
VALUES IN USD (millions)				
RTGS	1,074.87	689.11	-36%	71.74%
CHEQUE	2.56	2.14	-17%	0.22%
POS	37.22	53.77	44%	5.60%
ATMS	60.33	99.85	66%	10.40%
MOBILE	83.80	115.67	38%	12.04%
TOTAL	1,258.79	960.53	-24%	100%
VOLUMES				
RTGS	43,176	24,933	-42%	0.41%
CHEQUE	6,715	4,417	-38%	0.07%
POS	341,125	443,673	30%	7.22%
ATMs	223,488	377,125	69%	6.13%
MOBILE	4,058,112	5,298,890	31%	86.18%
TOTAL	4,672,616	6,148,768	32%	100%

Source: Reserve Bank of Zimbabwe

3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

During the week under analysis, the international commodity prices of gold, platinum, copper and nickel firmed, while those for Brent crude oil retreated, as shown in Table 4 below.

Table 4: Metals and Crude Oil Prices

Period	Gold	Platinum	Copper	Nickel	Crude Oil
2015	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
Weekly Average (18 Dec)	1,064.12	852.40	4,602.40	8,648.00	37.57
21-Dec	1,075.50	873.50	4,672.00	8700.00	36.43
23-Dec	1,069.88	870.50	4,680.00	8700.00	36.92
24-Dec	1,070.08	874.00	4,665.00	8700.00	38.02
Weekly Average (24 Dec)	1,071.82	872.67	4,672.33	8,700.00	37.12
<i>Weekly Change (%)</i>	<i>0.72</i>	<i>2.38</i>	<i>1.5</i>	<i>0.6</i>	<i>(1.2)</i>

Source: BBC, KITCO, Reuters and Bloomberg

Gold

Gold prices rebounded by 0.72% from US\$1,064.12/oz recorded in the previous week, to close the week under analysis at US\$1,071.8/oz. The increase was largely supported by a weaker US dollar and a rise in demand for the precious metal in India.

Platinum

Platinum prices continued on an upward trend, increasing by 2.4% from US\$852.40/oz in the previous week, to US\$872.67/oz during the week under review. This was due to the weakening of the US dollar against the basket of major currencies.

Copper

Copper prices rose by 1.5% to US\$4,672.33/tonne during the week under review, from US\$4,602.40/tonne in the previous week. The hike was partly attributed to a weaker US dollar and a rise in demand for the metal in China.

Nickel

Nickel prices increased from US\$8,648.00/tonne in the previous week, to US\$8,700.00/tonne during the week under review. The increase, in large part, culminated from reports of supply cuts by Chinese smelters, which reduced excess supply of the metal.

Brent crude oil

Crude oil prices continued tumbling, closing the week under analysis at US\$37.12/barrel. This represented a 1.2% decline from US\$37.57/barrel registered in the previous week. The slump in prices emanated from the oversupply of the commodity on the global market, coupled with the lack of significant efforts by major producers to cut supply.

4. EQUITY MARKETS

During the 3 day trading week under analysis, the Zimbabwe Stock Exchange (ZSE) recorded gains in heavyweight counters. Resultantly, the industrial and mining indices increased to 114.11 points and 21.03 points, from 113.21 points and 19.53 points, respectively.

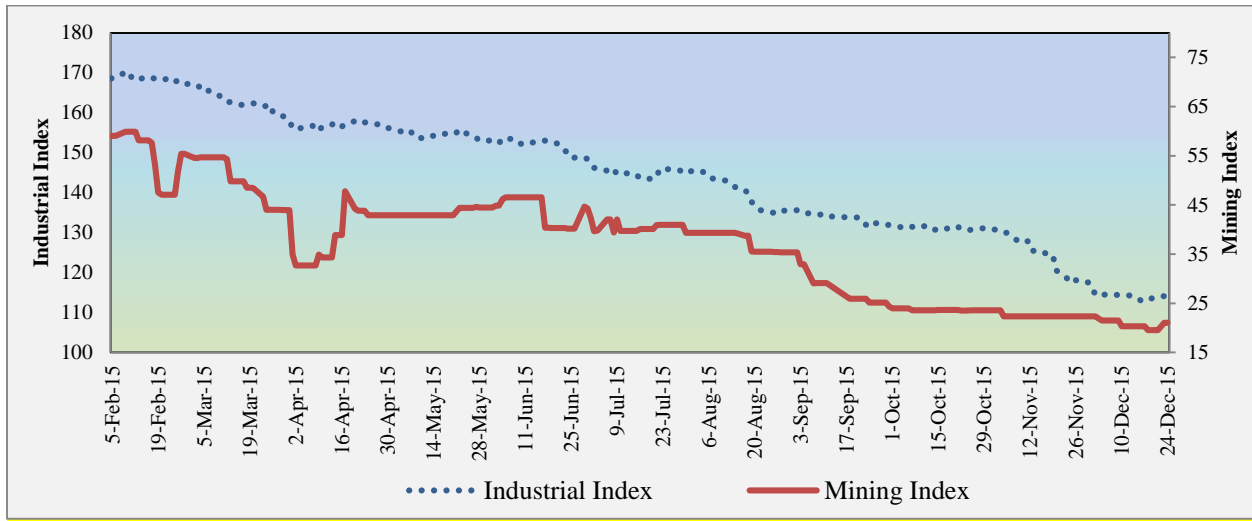
The rise in the industrial index was due to gains in CBZ (10.00%), Econet (9.46%) and Innscor (1.92%). Partially offsetting the increase were losses realized in Masimba (9.09%), Dairiboard (4.39%), Nicoz Diamond (0.66%) and Old Mutual (0.42%). The mining index increased following a 19.0% surge in Bindura Nickel Corporation (BNC). There is also renewed investor interest in BNC, following reports that the miners had made assurances to pay bond holders in 2016, notwithstanding the company's cashflow challenges.

Table 5: Zimbabwe Stock Exchange (ZSE) Statistics

Period	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
04-Dec-15	114.42	21.51	3,058,648,692	3,848,124	17,684,891
11-Dec-15	114.12	20.32	3,048,882,797	6,673,187	28,981,450
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
Weekly Change (%)	0.80	7.68	0.86	(96.90)	(98.04)

Source: Zimbabwe Stock Exchange (ZSE), 2015

Figure 3 : Zimbabwe Stock Exchange Indices

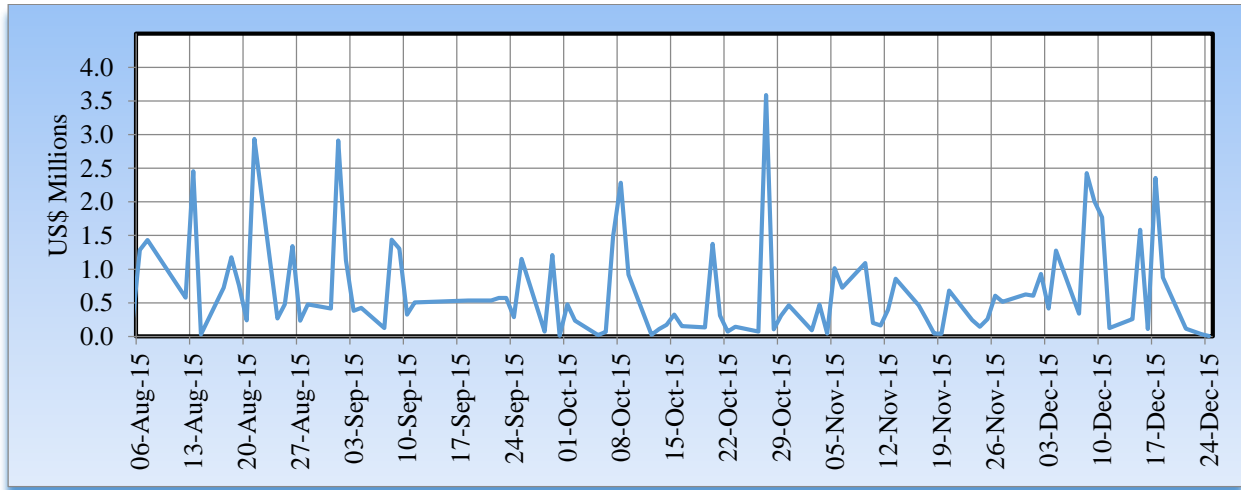


Source: Zimbabwe Stock Exchange, 2015

Market Turnover and Volume

The ZSE market turnover stood at US\$0.16 million during the week under analysis, down from US\$5.19 million in the previous week. During the same period, the volume of shares traded declined from 125.45 million to 2.46 million. This was partly a result of a shorter trading week.

Figure 4: Daily Market Turnover

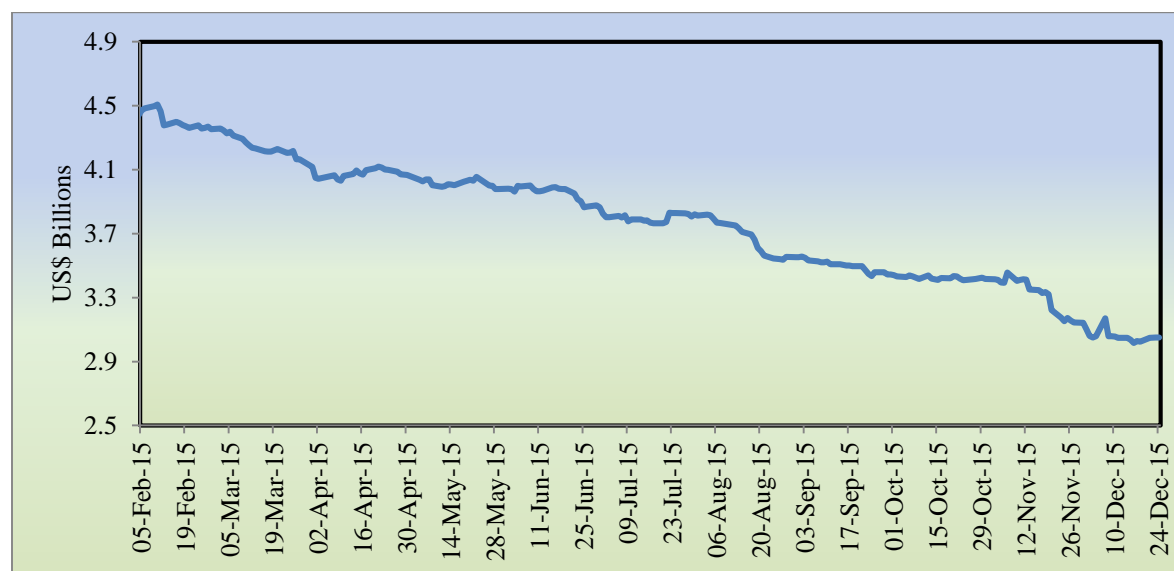


Source: Zimbabwe Stock Exchange, 2015

Market Capitalisation

Market capitalization rose by 0.86% to US\$3.05 billion during the week ending 24 December 2015. The rise was caused by price increases in heavy weight stocks.

Figure 5 : Market Capitalisation



Source: Zimbabwe Stock Exchange, 2015

Johannesburg Stock Exchange (JSE) Developments

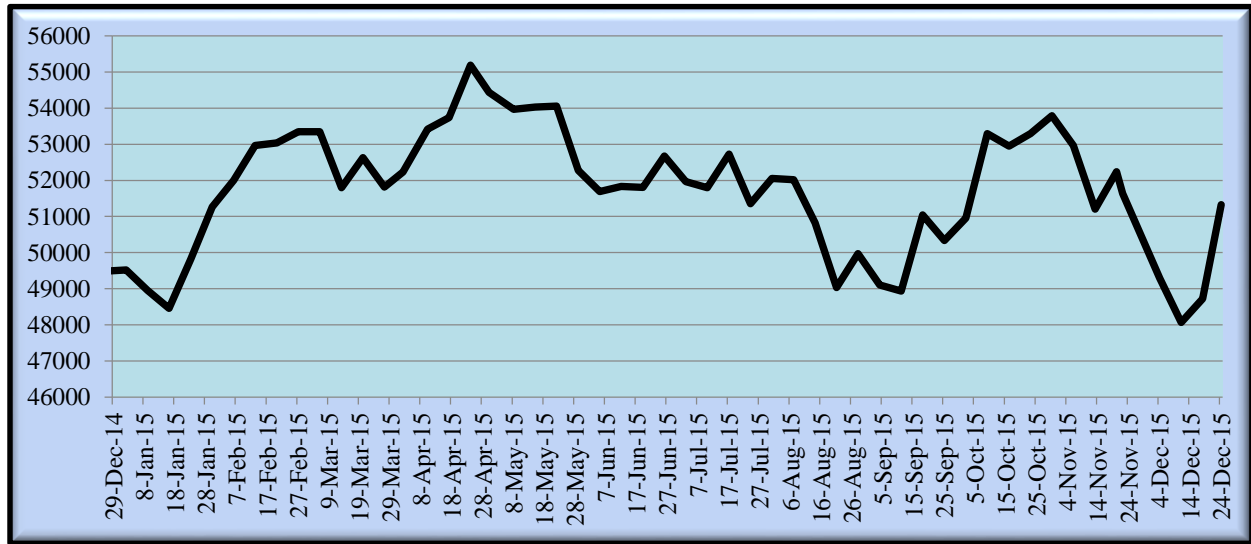
The JSE All Share index rose by 5.35% to 51,324.01 points during the week under review. Concomitantly, the JSE market capitalization increased to R11.80 trillion in the week ending 24th December 2015, from R11.24 trillion in the previous week.

Table 6: Johannesburg Stock Exchange (JSE) Statistics

Period- 2015	All Share Index (points)	Market Capitalisation (R trillion)
04-Dec	49,284.49	11.28
11-Dec	48,067.53	11.19
18-Dec	48 717.28	11.24
24-Dec	51,324.01	11.80

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

31TH DECEMBER 2015