



Weekly Economic Highlights

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Week Ending
24th February 2017

1. INTEREST RATES

Deposit Rates

During the week ending 24th February 2017, average deposit rates for deposits of 1 month and 3 months tenors closed the week higher than the previous week, at 5.33% and 5.81%, respectively. Average deposit rates for savings deposits, however, remained unchanged at 3.01% during the same week.

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

Date	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
27-January-17	3.01	5.34	5.81
03-February-17	3.01	5.34	5.79
10-February-17	3.01	5.34	5.79
17-February-17	3.01	5.31	5.79
24-February-17	3.01	5.33	5.81

Source: Banking Institutions, 2017

Lending Rates

Commercial banks' weighted lending rates for individual and corporate clients stood at 10.06% and 6.52%, respectively, during the week under review.

Table 2: Lending Rates

Date	Lending Rates (%) Commercial Banks (weighted)	
	Individuals	Corporate clients
27-January-17	10.61	6.68
03-February-17	10.67	6.69
10-February-17	10.01	6.51
17-February-17	10.05	6.51
24-February-17	10.06	6.52

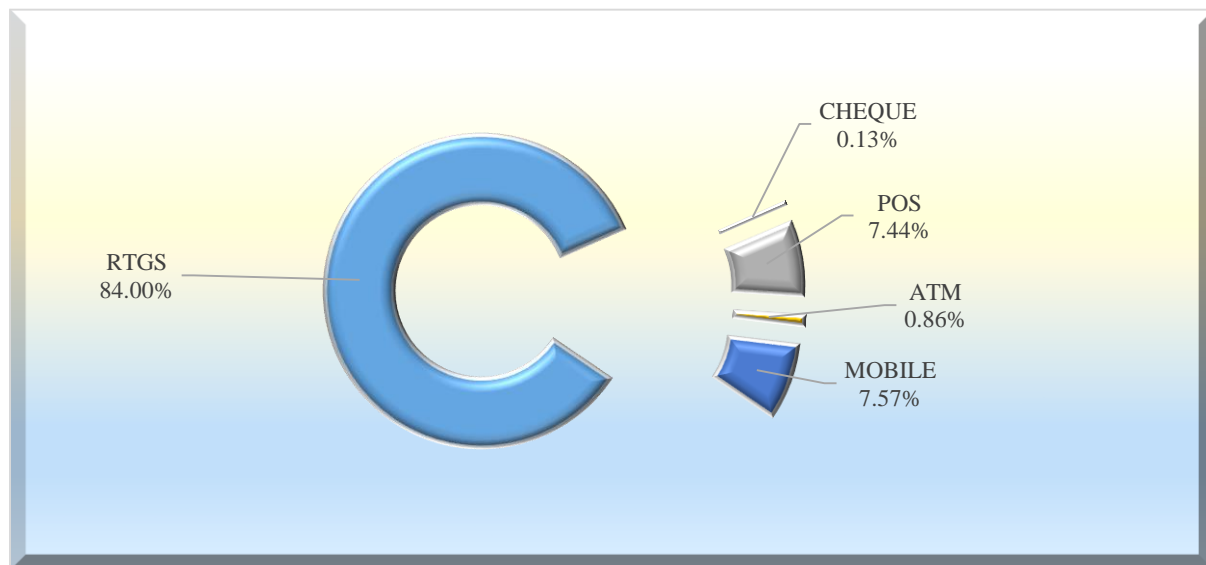
Source: Banking Institutions, 2017

2. CLEARING AND SETTLEMENT ACTIVITY

During the week ending 24th February 2017, the total value of transactions processed through the National Payment Systems (NPS), amounted to US\$1 339.95 million, down from US\$1 470.06 million registered in the previous week. Transactions processed through the Real Time Gross Settlement (RTGS) system posted a 10% decline, to close the week under review at US\$1 125.59 million, from US\$1 245.46 million recorded during the previous week.

In value terms, RTGS payments accounted for 84.0% of the total value of transactions processed through the NPS. Mobile, 7.57%; Point of Sale (POS), 7.44%; Automated Teller Machines (ATMs), 0.86%; and Cheque, 0.13%; transactions accounted for the rest of the NPS transactions as shown in Figure 1 below.

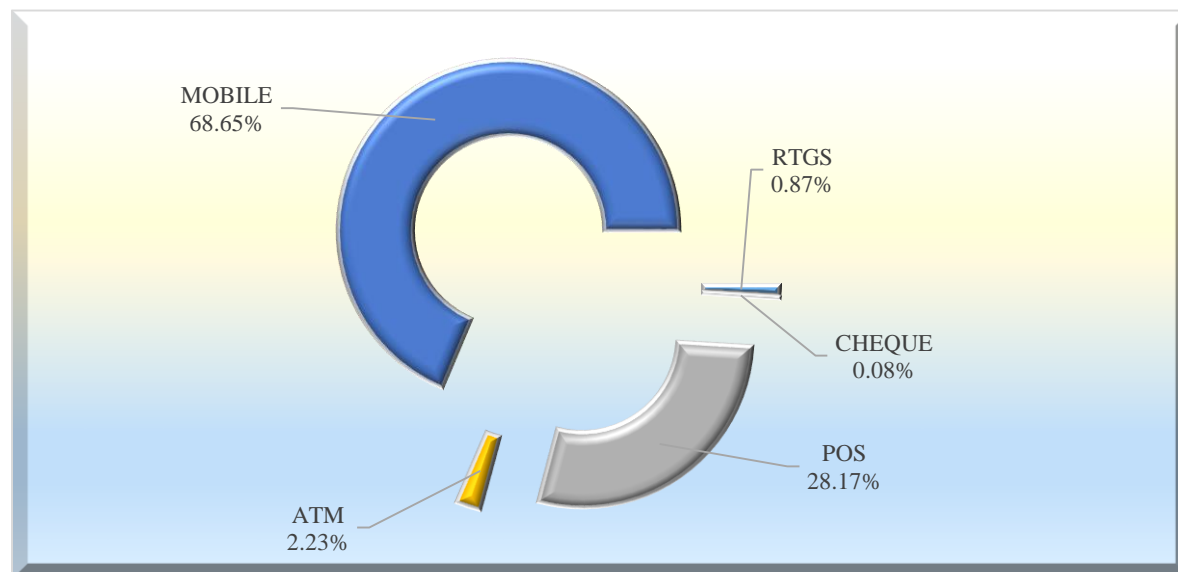
Figure 1: Proportions of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe

NPS volumes stood at 8 673 272 during the week under review, down from 8 940 194 recorded in the previous week. Mobile-Based transactions accounted for 68.65% of total transactions in volume terms, followed by POS, 28.17%; ATMs, 2.23%; RTGS, 0.87%; 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 17 February 2017	WEEK ENDING 24 February 2017	CHANGE FROM LAST WEEK	PROPORTION LAST WEEK
VALUES IN USD (millions)				
RTGS	1,245.46	1,125.59	-10%	84.00%
CHEQUE	1.86	1.69	-9%	0.13%
POS	111.44	99.71	-11%	7.44%
ATMS	14.02	11.50	-18%	0.86%
MOBILE	97.28	101.45	4%	7.57%
TOTAL	1,470.06	1,339.95	-9%	100%
VOLUMES				
RTGS	74,987	75,737	1%	0.87%
CHEQUE	7,399	6,728	-9%	0.08%
POS	2,637,179	2,443,086	-7%	28.17%
ATMs	226,423	193,839	-14%	2.23%
MOBILE	5,994,206	5,953,882	-1%	68.65%
TOTAL	8,940,194	8,673,272	-3%	100%

Source: Reserve Bank of Zimbabwe

3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The weekly average international commodity prices of gold, nickel and crude oil firmed during the week ending 24th February 2017. Platinum and copper prices, however, retreated during the same week, 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 (13-17 Feb)	1,232.86	1,004.9	6,023.60	10,613.00	55.61
20-Feb	1,236.33	1,001.50	5,938.50	10,900.00	56.13
21-Feb	1,230.95	990.50	6,001.00	10,900.00	56.98
22-Feb	1,237.08	1,001.00	6,001.00	10,900.00	56.98
23-Feb	1,242.70	1,004.50	5,990.00	10,710.00	56.66
24-Feb	1,254.50	1,021.00	5,990.00	10,635.00	56.20
Week ending (20-24 Feb)	1,240.31	1,003.70	5,984.10	10,809.00	56.59
<i>Weekly Change (%)</i>	<i>0.6</i>	<i>(0.1)</i>	<i>(0.7)</i>	<i>1.8</i>	<i>1.8</i>

Source: BBC, KITCO, Reuters and Bloomberg

Gold

The weekly average price of gold increased by 0.6%, to close the week under review at US\$1,240.31/ounce. This was on the back of waning expectations of rapid tax reforms in the U.S., which increased demand for the precious metal.

Platinum

Platinum prices continued on a negative trajectory, declining by 0.1% from a weekly average of US\$1,004.90/ounce recorded in the previous week to US\$1,003.70/ounce during the week under review. This followed concerns over growing stockpiles in South Africa, the largest producer of the metal.

Copper

Copper prices declined by 0.7%, from a weekly average of US\$6,023.60/tonne in the previous week to US\$5,984.10/tonne, during the week ending 24th February 2017. The prices continued on a downward trend as investors awaited more clarity on U.S. economic policy on infrastructure spending.

Nickel

Nickel prices increased by 1.8%, from US\$10,613.00/tonne in the previous week to US\$ 10,809.00/tonne during the week under review. Prices edged up on the back of closure of twenty three mines in the Philippines, following an environmental crackdown on non-compliant producers.

Crude Oil

Crude oil prices increased by 1.8% to close the week of analysis at US\$ 55.61/barrel. This was due to optimism on implementation of the agreement between OPEC and other major producers, to curb output and ease the global oil surplus.

4. EXCHANGE RATES

During the week under analysis, the U.S. dollar strengthened against the GBP and Euro currencies, driven by positive sentiments on the upcoming speech by President Donald Trump on 1st March 2017. The green back, however, ended the week weaker against the South African rand.

Table 6: International Exchange Rates per US\$

	GBP	EURO	ZAR
2017			
Weekly Average (13-17 Feb)	0.8004	0.9416	13.0744
20-Feb	0.8052	0.9418	13.0537
21-Feb	0.8036	0.9448	13.0736
22-Feb	0.8001	0.9484	13.1070
23-Feb	0.8035	0.9463	12.9850
24-Feb	0.7970	0.9454	12.9150
Weekly Average (20-24 Feb)	0.8010	0.9462	13.0201
<i>Appr(+)/Depr(-) (%) of the USD</i>	<i>0.08</i>	<i>0.49</i>	<i>(0.41)</i>

Source: Reuters

5. EQUITY MARKETS

The Zimbabwe Stock Exchange (ZSE) continued on a downward trajectory, for the sixth consecutive week, due to low trading activity, during the week ending 24th February 2017. Resultantly, the mainstream index declined by 2.14 points to close the week at 134.83 points. This was attributable to losses recorded in Econet, 17.65%; SeedCo, 3.22%; Delta Corporation, 0.91%; Mashonaland Holdings, 0.50%; and Cafca 0.25%. Partially offsetting these losses were gains realized in Colcom Holdings, 1.39%; Pretoria Portland Cement (PPC), 0.86%; and B.A.T. 0.33%.

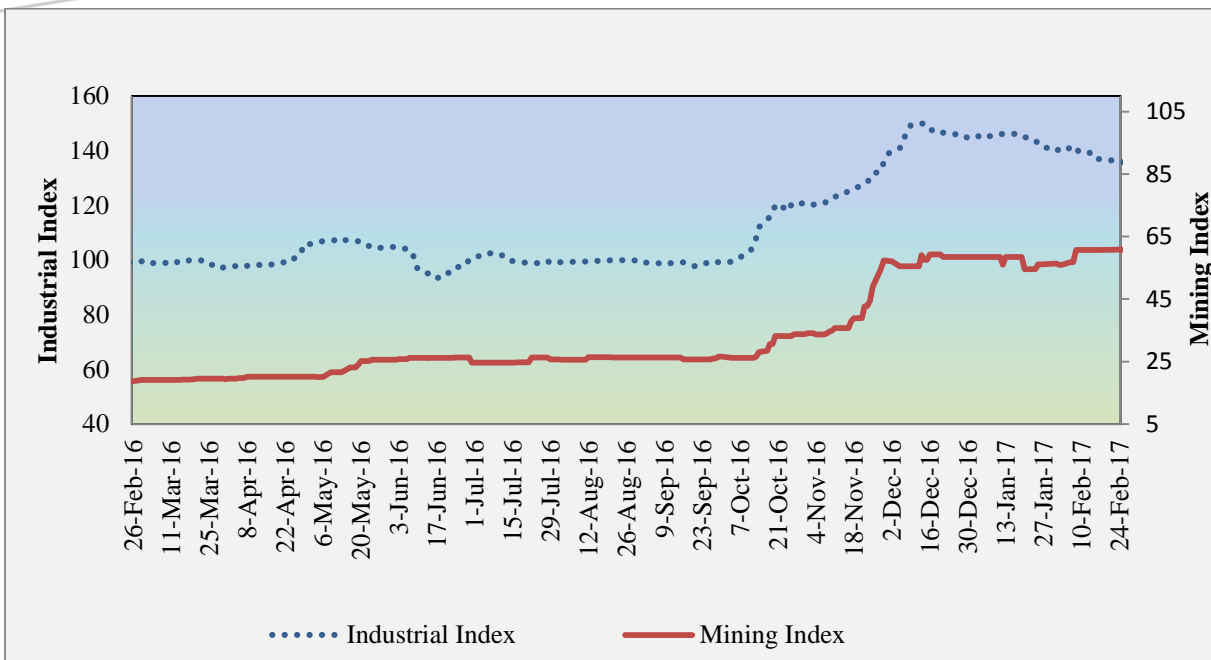
The mining index, however, increased by 0.16 points from 60.73 points in the previous week, to 60.89 points during the week under analysis. This was on the back of increasing investor interest in resource counters.

Table 7: Zimbabwe Stock Exchange (ZSE) Statistics

Period	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
27- January-17	145.14	56.12	3,914,940,170	1,550,758	2,966,047
03- February-17	140.44	56.03	3,908,487,911	2,234,590	5,942,210
10- February-17	139.38	60.73	3,887,111,892	2,482,293	19,171,070
17-February-17	136.97	60.73	3,821,802,633	2,998,198	16,161,832
24-February-17	134.83	60.89	3,763,949,912	2,338,258	9,639,838
<i>Weekly Change (%)</i>	<i>(1.56)</i>	<i>0.26</i>	<i>(1.51)</i>	<i>(22.01)</i>	<i>(40.35)</i>

Source: Zimbabwe Stock Exchange (ZSE), 2017.

Figure 3 : Zimbabwe Stock Exchange Indices

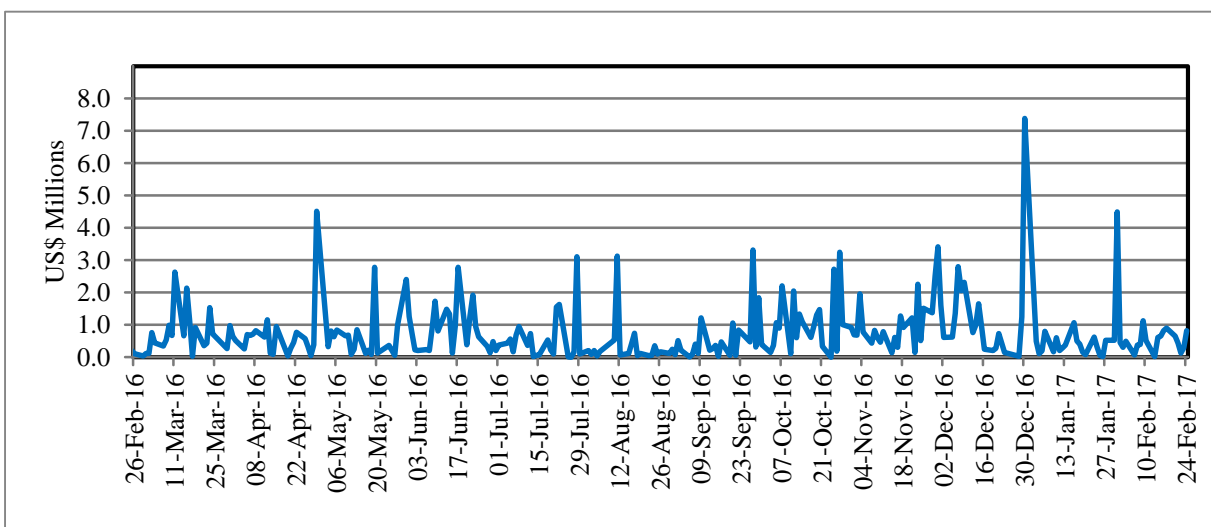


Source: Zimbabwe Stock Exchange, 2017

Market Turnover and Volume

During the week under review, the ZSE market turnover stood at US\$2.34 million, a 22.01% decline from the previous week. This was as a result of bearish investor sentiments on the local bourse. The volume of shares traded also declined by 40.35% to close the week at 9 639 838 shares.

Figure 4: Daily Market turnover

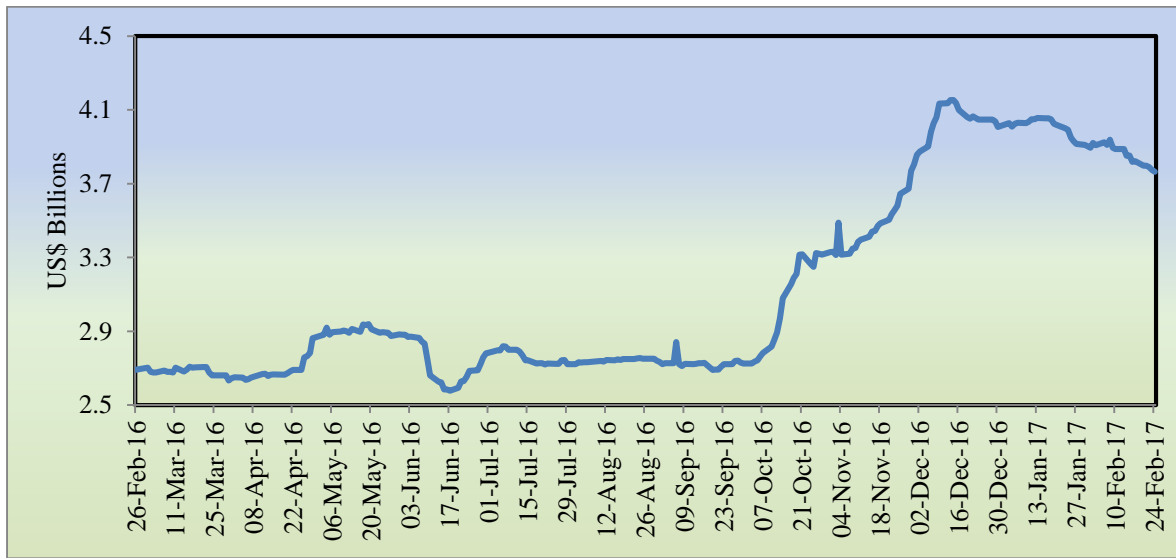


Source: Zimbabwe Stock Exchange, 2017

Market Capitalisation

The ZSE market capitalisation declined by 1.51%, from US\$3 821.80 million in the previous week to close the week under review at US\$3 763.95 million. The decline was due to negative trading on the local bourse.

Figure 5 : Market Capitalisation



Source: Zimbabwe Stock Exchange, 2017

Johannesburg Stock Exchange (JSE) Developments

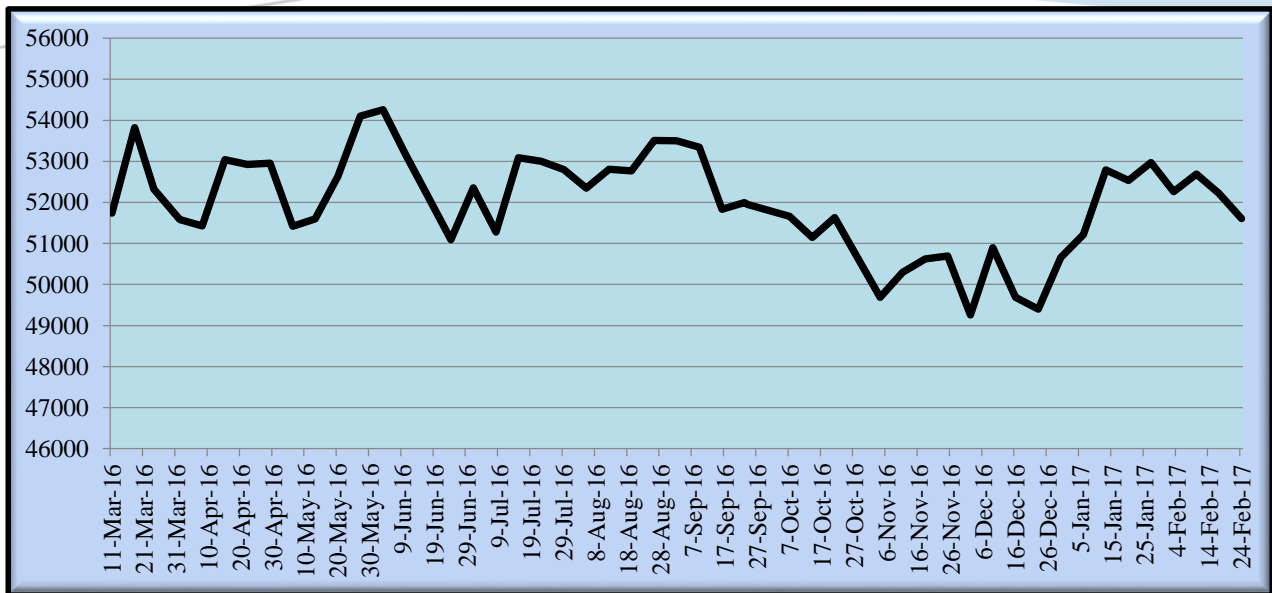
The JSE All Share index closed the week under review at 51 609.86 points, a 1.18% decrease from the previous week. Market capitalization also declined by 0.88% to R13.52 trillion.

Table 8: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalisation (ZAR trillion)
20-January-17	52 532.26	13.92
27-January-17	52 973.83	14.09
03-February-17	52 265.16	14.74
10-February-17	52 687.29	13.80
17-February-17	52 223.54	13.64
24-February-17	51 609.86	13.52

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

3RD MARCH 2017