



# Weekly Economic Highlights

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Week Ending  
24<sup>th</sup> March 2017

## 1. INTEREST RATES

### Deposit Rates

Average deposit rates for deposits of 1 month tenor declined by 0.02 percentage points to 5.31% during the week ending 24<sup>th</sup> March 2017. Deposits rates for savings deposits and deposits of 3 months tenor, however, remained unchanged at 3.01% and 5.50%, respectively during the week under review.

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

Date	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
24-February-17	3.01	5.33	5.81
03-March-17	3.01	5.35	5.80
10-March-17	3.01	5.35	5.80
17-March-17	3.01	5.33	5.50
24-March-17	3.01	<b>5.31</b>	5.50

Source: Banking Institutions, 2017

### Lending Rates

Commercial bank weighted lending rates for individual clients stood at 10.00%, during the week under review, down from 10.03% recorded in the previous week. Weighted lending rates for corporate clients, however, increased from 6.55% in the previous week to 6.57% during the week under analysis.

**Table 2: Lending Rates**

Date	Lending Rates (%) Commercial Banks (weighted)	
	Individuals	Corporate clients
24-February-17	10.06	6.52
03-March-17	10.05	6.51
10-March-17	10.06	6.52
17-March-17	10.03	6.55
24-March-17	<b>10.00</b>	<b>6.57</b>

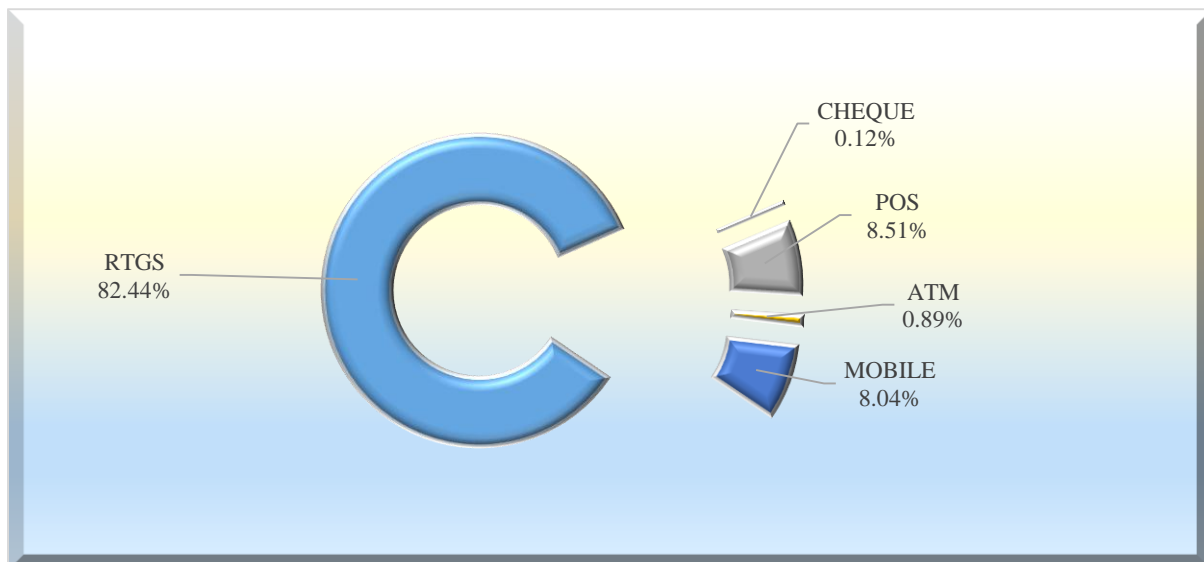
Source: Banking Institutions, 2017

## 2. CLEARING AND SETTLEMENT ACTIVITY

The total value of transactions processed through the National Payment System (NPS) increased from US\$1 172.21 million in the previous week, to US\$1 296.80 million during the week ending 24<sup>th</sup> March 2017. Transactions processed through the Real Time Gross Settlement (RTGS) system went up by 17%, to close the week under analysis at US\$1 069.12 million.

In value terms, NPS transactions were distributed as follows: RTGS, 82.44%; Point of Sale (POS), 8.51%; Mobile, 8.04%; Automated Teller Machines (ATMs), 0.89%; and Cheque, 0.12%, as shown in Figure 1.

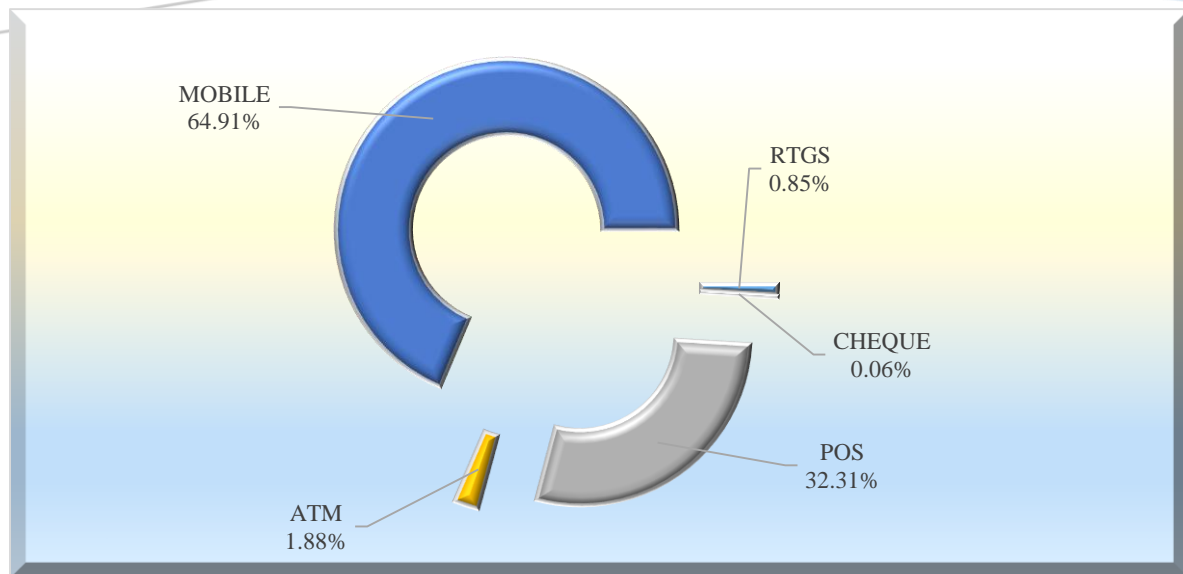
**Figure 1: Proportions of NPS Transactions in Value Terms**



*Source: Reserve Bank of Zimbabwe*

The volume of NPS transactions declined by 5% to close the week under review at 9 949 930. Mobile transaction volumes dominated the NPS, contributing 64.91% of the total transactions, followed by POS, 32.31%; ATMs, 1.88%; RTGS, 0.85%; and Cheque, 0.07%, 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 March 2017	WEEK ENDING 24 March 2017	CHANGE FROM LAST WEEK	PROPORTION
<b>VALUES IN USD (millions)</b>				
<b>RTGS</b>	914,65	1,069.12	17%	82.44%
<b>CHEQUE</b>	1,73	1,52	(12%)	0.12%
<b>POS</b>	133,46	110,42	(17%)	8.51%
<b>ATMS</b>	15,08	11,48	(24%)	0.89%
<b>MOBILE</b>	107,29	104,26	(3%)	8.04%
<b>TOTAL</b>	<b>1,172.21</b>	<b>1,296.80</b>	<b>11%</b>	<b>100%</b>
<b>VOLUMES</b>				
<b>RTGS</b>	79,201	84,209	6%	0.85%
<b>CHEQUE</b>	7,067	6,191	(12%)	0.06%
<b>POS</b>	3,342,823	3,214,870	(4%)	32.31%
<b>ATMs</b>	232,734	186,655	(20%)	1.88%
<b>MOBILE</b>	6,837,727	6,458,004	(6%)	64.91%
<b>TOTAL</b>	<b>10,499,552</b>	<b>9,949,930</b>	<b>(5%)</b>	<b>100%</b>

Source: Reserve Bank of Zimbabwe

### 3. TOBACCO SALES

As at 24<sup>th</sup> March 2017 or day 8 of the 2017 tobacco selling season, a cumulative total of 8 517 325 kilograms of tobacco worth US\$21.67 million had been sold at an average price of US\$2.54 per kg. The quantity sold was 38.69% higher than the cumulative total of 6 141 182 kilograms that were sold at an average price of US\$2.31 per kg, during the same period in 2016.

In value terms, cumulative tobacco sales amounted to US\$21.67 million, compared to US\$14.17 million realized in the corresponding period in 2016.

**Table 4: Cumulative Tobacco Sales: Day 8 (24 March 2017)**

	2016	2017	Variance (%)
<b>Cumulative Quantity Sold (kgs)</b>	6,141,182	8,517,325	38.69
<b>Cumulative Average Price(US\$/kg)</b>	2.31	2.54	9.96
<b>Cumulative Value (US\$ million)</b>	14,174,292	21,673,989	52.91

*Source: Tobacco Industry and Marketing Board (TIMB), 2017*

#### 4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

During the week ending 24<sup>th</sup> March 2017, the international commodity prices of gold, platinum firmed, whilst copper, nickel and crude oil prices retreated as shown in Table 5.

**Table 5: Metal and Crude Oil Prices**

	<b>Gold</b>	<b>Platinum</b>	<b>Copper</b>	<b>Nickel</b>	<b>Crude Oil</b>
<b>2017</b>	<b>US\$/ounce</b>	<b>US\$/ounce</b>	<b>US\$/tonne</b>	<b>US\$/tonne</b>	<b>US\$/barrel</b>
<b>Weekly Average (10-17 Mar)</b>	<b>1,214.16</b>	<b>946.20</b>	<b>5,780.40</b>	<b>10,314.00</b>	<b>52.20</b>
20-Mar	1,230.58	963.00	5,888.00	10,175.00	51.35
21-Mar	1,236.83	968.00	5,890.50	10,045.00	51.35
22-Mar	1,247.58	967.00	5,766.00	10,105.00	51.35
23-Mar	1,246.95	962.50	5,711.50	10,105.00	50.30
24-Mar	1,246.80	961.50	5,628.00	10,105.00	50.30
<b>Week ending (19-24 Mar)</b>	<b>1,241.75</b>	<b>964.40</b>	<b>5,776.80</b>	<b>10,107.00</b>	<b>50.93</b>
<i>Weekly Change (%)</i>	<i>2.3</i>	<i>1.9</i>	<i>(0.1)</i>	<i>(2.0)</i>	<i>(2.4)</i>

Source: BBC, KITCO and Bloomberg

#### **Gold**

Gold prices rose by 2.3% to an average of US\$1 241.75/oz, from US\$1 214.16/oz recorded in the prior week. Prices rebounded due to an increase in the appeal of the precious metal, as a safe haven asset, on the back of a weaker US dollar.

#### **Platinum**

Platinum prices firmed by 1.9%, from a weekly average of US\$946.20/oz recorded in the previous week to US\$964.40/oz, during the week under analysis. The increase was underpinned by prospects of strong investment demand.

## **Copper**

During the week ending 24<sup>th</sup> March 2017, copper prices declined by 0.1% to close at a weekly average of US\$5 776.80/ton. The prices were weighed down by investors' concerns about the Trump Administration's ability to muster the backing needed to push through fiscal measures central to its economic agenda.

## **Nickel**

Nickel prices retreated by 2.0%, from US\$10 314/ton registered in the previous week to US\$10 107 during the week under review. This was, in large part, due to suppressed global demand.

## **Crude Oil**

Crude oil prices fell by 2.4%, to close the week under review at US\$50.93/barrel from US\$52.20/barrel in the previous week. Prices declined due to high US crude stockpiles, which outweighed OPEC's efforts to curb production.

## 5. EXCHANGE RATES

During the week ending 24<sup>th</sup> March 2017, the US dollar depreciated against the rand, pound Sterling and euro. The greenback weakened as investors raised doubts about the Trump Administration's ability to push through tax reforms and mega-spending packages.

**Table 6: International Exchange Rates per US\$**

	<b>GBP</b>	<b>EURO</b>	<b>ZAR</b>
<b>2017</b>			
<b>Weekly Average (13-17 Mar)</b>	<b>0.8164</b>	<b>0.9352</b>	<b>12.9706</b>
20-Mar	0.8068	0.9290	12.6808
21-Mar	0.8093	0.9294	12.6593
22-Mar	0.8013	0.9257	12.6974
23-Mar	0.8007	0.9267	12.5571
24-Mar	0.8012	0.9289	12.4949
<b>Weekly Average (20-24 Mar)</b>	<b>0.8031</b>	<b>0.9277</b>	<b>12.6022</b>
<i>Appr(+)/Depr(-) (%) of the USD</i>	<i>(1.62)</i>	<i>(0.81)</i>	<i>(2.84)</i>

Source: Reuters



## 6. EQUITY MARKETS

During the week ending 24<sup>th</sup> March 2017, trading on the Zimbabwe Stock Exchange (ZSE) was subdued owing to selling-off pressure in selected heavyweight counters. The industrial index declined by 0.24% to close the week under review at 137.08, due to losses registered in Edgars Stores, 9.30%; Afdis Distillers, 8.33%; Econet Wireless, 1.55%; and Delta, 0.87%. Partially offsetting the losses were gains in Ariston Holdings, 35.14%; ZB Financial Holdings (ZBFH), 4.11%; Axia Corporation, 2.45%; CFI Holdings, 0.82%; and Old Mutual Plc, 0.31%.

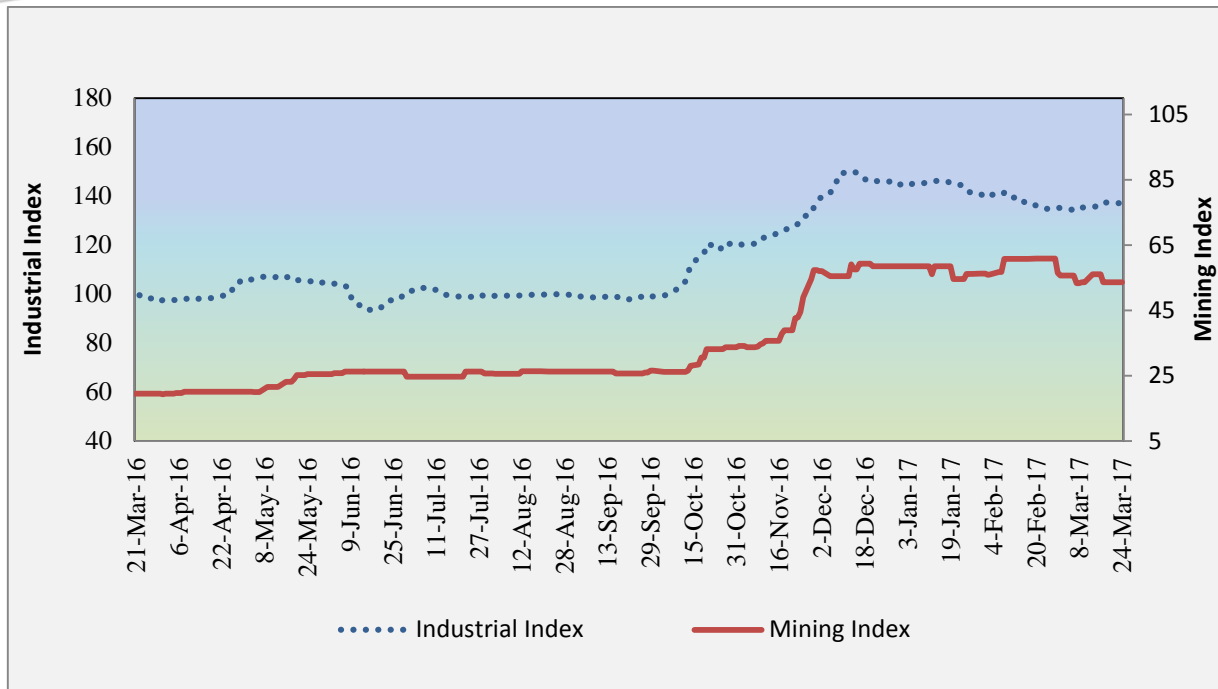
The resources index, however, increased by 0.07% to close the week under review at 53.63 points. This followed a 0.15% gain recorded in Rio Zim. Bindura Nickel Corporation traded unchanged at the previous week price, whilst Hwange and Falgold were inactive.

**Table 7: Zimbabwe Stock Exchange (ZSE) Statistics**

	<b>Industrial Index (points)</b>	<b>Mining Index (points)</b>	<b>Grand Market Capitalization (US\$)</b>	<b>Market Turnover (US\$)</b>	<b>Volume of Shares</b>
<b>24-February-17</b>	134.83	60.89	3,763,949,912	2,338,258	9,639,838
<b>3-March-17</b>	134.48	55.68	3,746,292,943	5,685,525	55,971,170
<b>10-March-17</b>	135.36	53.66	3,766,995,911	3,485,601	58,720,204
<b>17-March-17</b>	137.47	53.59	3,822,960,955	6,076,205	35,434,550
<b>24-March-17</b>	137.08	53.63	3,812,496,830	11,791,989	74,396,040
<b>Weekly Change (%)</b>	<b>(0.24%)</b>	<b>0.07%</b>	<b>(0.27%)</b>	<b>94.07%</b>	<b>109.95</b>

Source: Zimbabwe Stock Exchange (ZSE), 2017.

**Figure 3 : Zimbabwe Stock Exchange Indices**

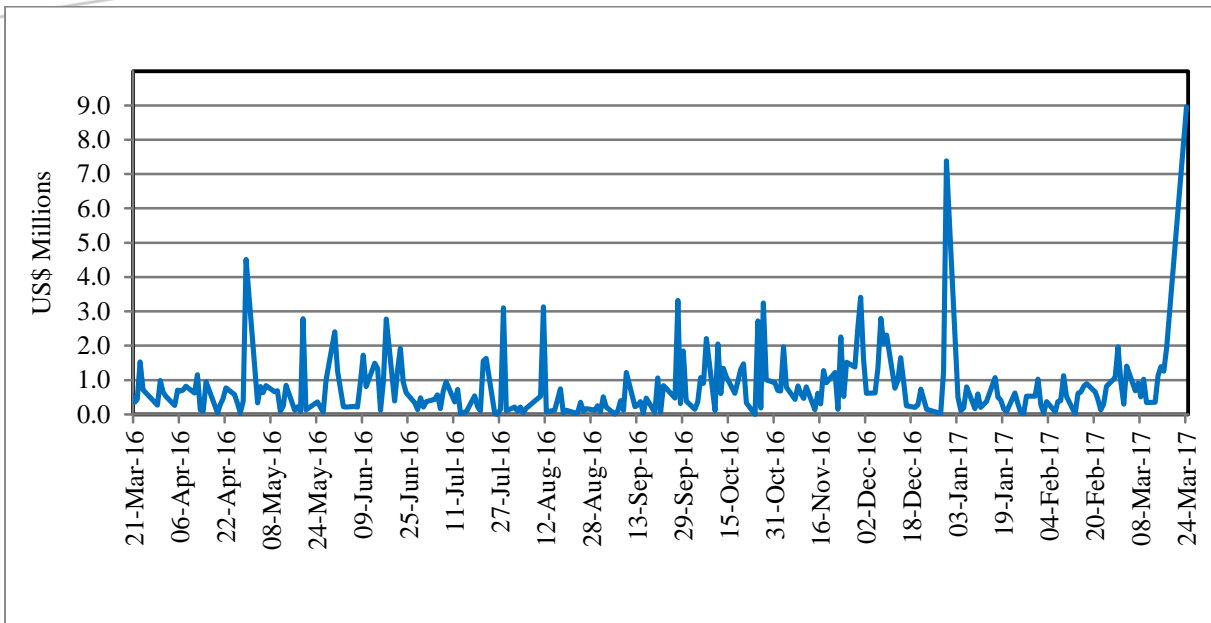


Source: Zimbabwe Stock exchange

**Market Turnover and Volume**

The ZSE market turnover increased by 94.07%, from US\$6.1 million in the previous week to US\$11.8 million during the week ending 24<sup>th</sup> March 2017. Similarly, the volume of shares traded also increased by 109.95% to close the week under review at 74 396 040 shares. This was attributed to trades in selected heavyweight counters such as Barclays Bank, Delta Corporation, Econet Wireless and PPC limited.

**Figure 4: Daily Market turnover**

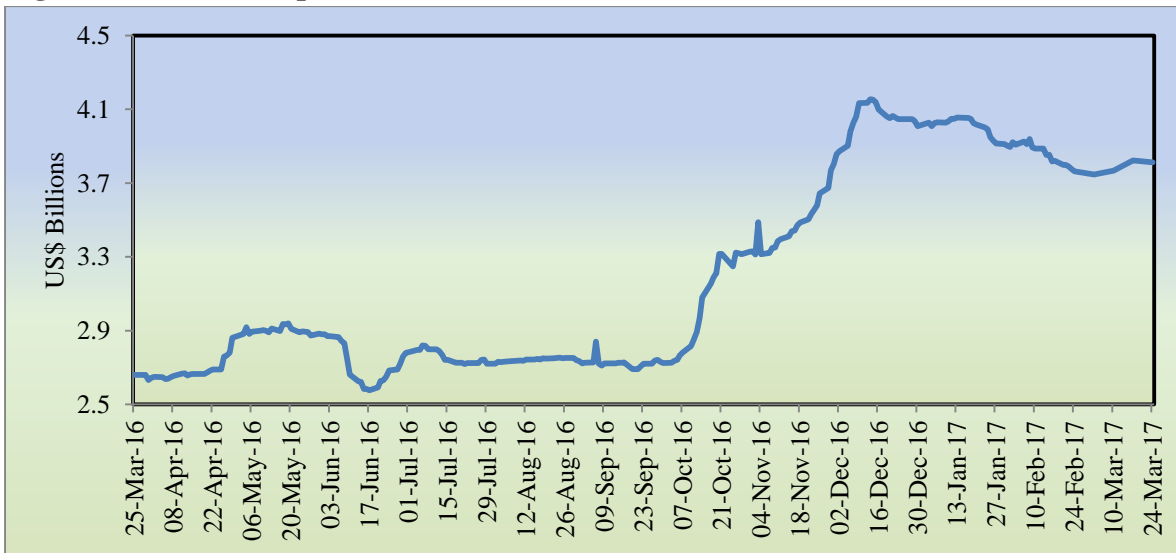


Source: Zimbabwe Stock Exchange, 2017

**Market Capitalization**

The ZSE market capitalization stood at US\$3.81 billion during the week ending 24<sup>th</sup> March 2017, a 0.27% decrease from US\$3.82 billion recorded in the previous week. This was on account of selling-off pressures in selected heavyweight counters.

**Figure 5 : Market Capitalization**



Source: Zimbabwe Stock Exchange, 2017

## Johannesburg Stock Exchange (JSE) Developments

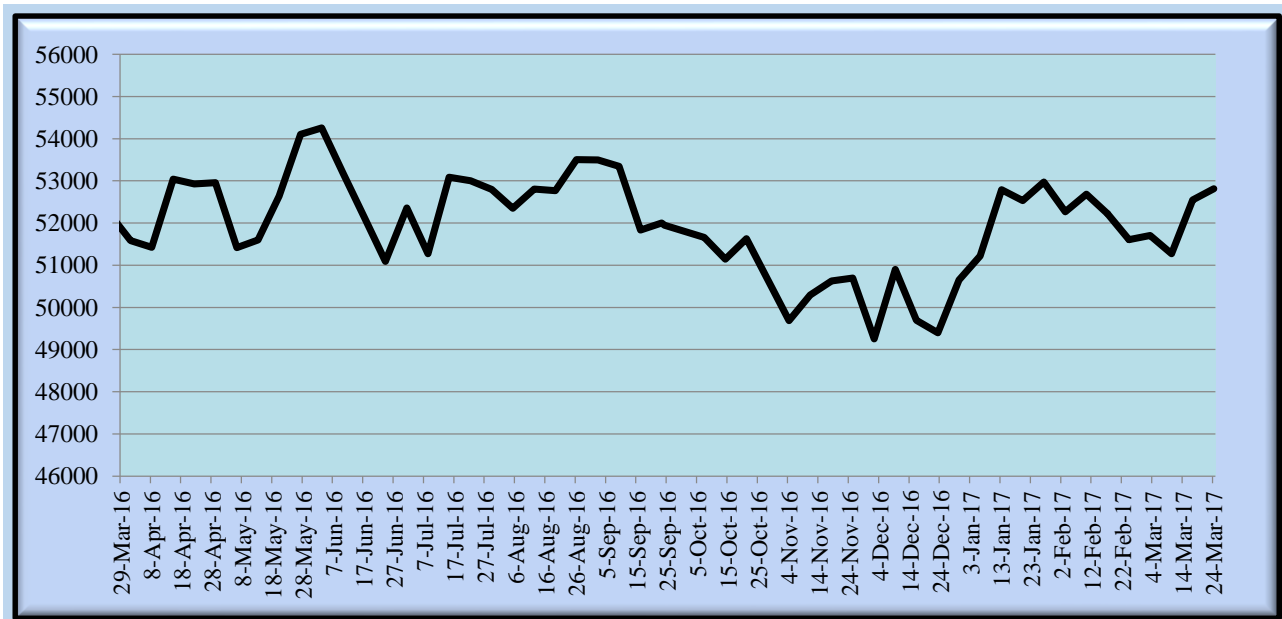
The JSE All Share index rose by 0.5% to closed the week under review at 52 816.33 points. Market capitalization, however, declined by 2.03%, to close the week under review at R13.49 trillion.

**Table 8: Johannesburg Stock Exchange (JSE) Statistics**

Period	All Share Index (points)	Market Capitalization (ZAR trillion)
17-February-17	52 223.54	13.64
24-February-17	51 609.86	13.52
03-March-17	51 708.61	13.59
10-March-17	51 269.54	13.46
17-March-17	52 550.99	13.77
24-March-17	<b>52 816.33</b>	<b>13.49</b>

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**

**31<sup>ST</sup> MARCH 2017**