



Weekly Economic Highlights

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Week Ending
27th January 2017

1. INTEREST RATES

Deposit Rates

During the week ending 27th January 2017, savings deposit rates remained unchanged at 3.01%. Interest rates on deposits of 1 month and 3 months tenors increased by 0.01 and 0.06 percentage points, to close the week under review at 5.34% and 5.81%, respectively.

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

Date	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
30-December-16	3.01	5.34	5.72
06-January-17	3.01	5.33	5.72
13-January-17	3.01	5.36	5.72
20-January-17	3.01	5.33	5.75
27-January-17	3.01	5.34	5.81

Source: Banking Institutions, 2016

Lending Rates

Commercial bank weighted lending rates for individual and corporate clients increased by 0.02 and 0.04 percentage points, to close the week under review at 10.61% and 6.68%, respectively.

Table 2: Lending Rates

Date	Lending Rates (%) Commercial Banks (weighted)	
	Individuals	Corporate clients
30-December-16	10.59	6.87
06-January-17	10.58	6.73
13-January-17	10.61	6.47
20-January-17	10.59	6.72
27-January-17	10.61	6.68

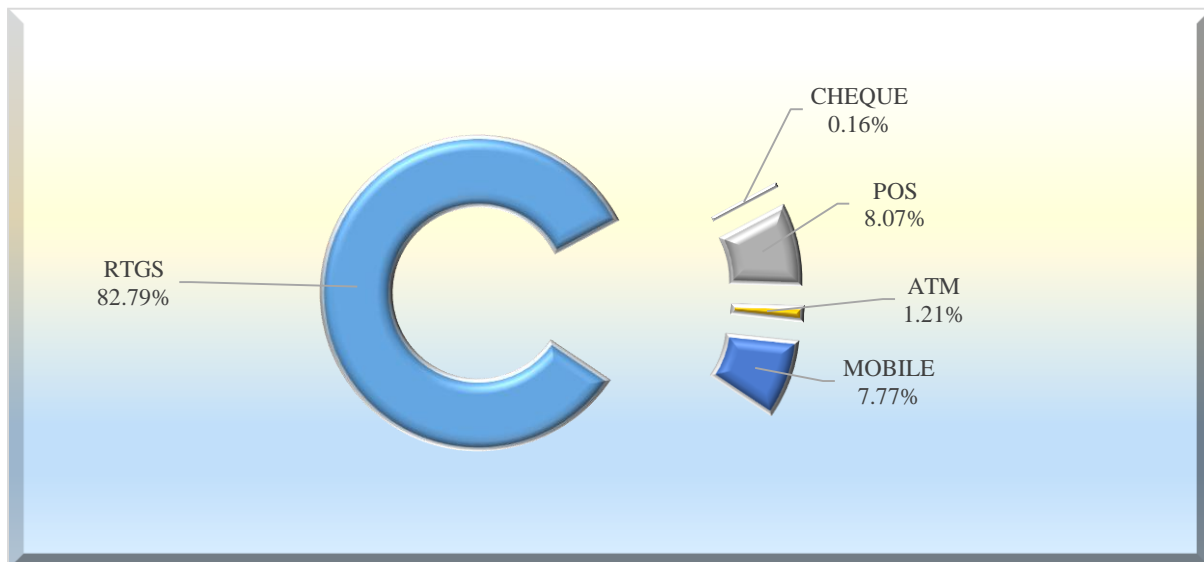
Source: Banking Institutions, 2016

2. CLEARING AND SETTLEMENT ACTIVITY

The total value of transactions processed through the National Payment Systems (NPS) increased by 5%, to close the week ending 27th January 2017 at US\$1 180.34 million. The value of Real Time Gross Settlement (RTGS) transactions also increased, from US\$925.06 million in the previous week, to US\$977.18 million during the week under analysis.

The value of transactions processed through the NPS was distributed as follows: RTGS, 82.79%; POS; 8.07%; Mobile, 7.77%; ATMs, 1.21%; and Cheque, 0.16%, as shown in Figure 1.

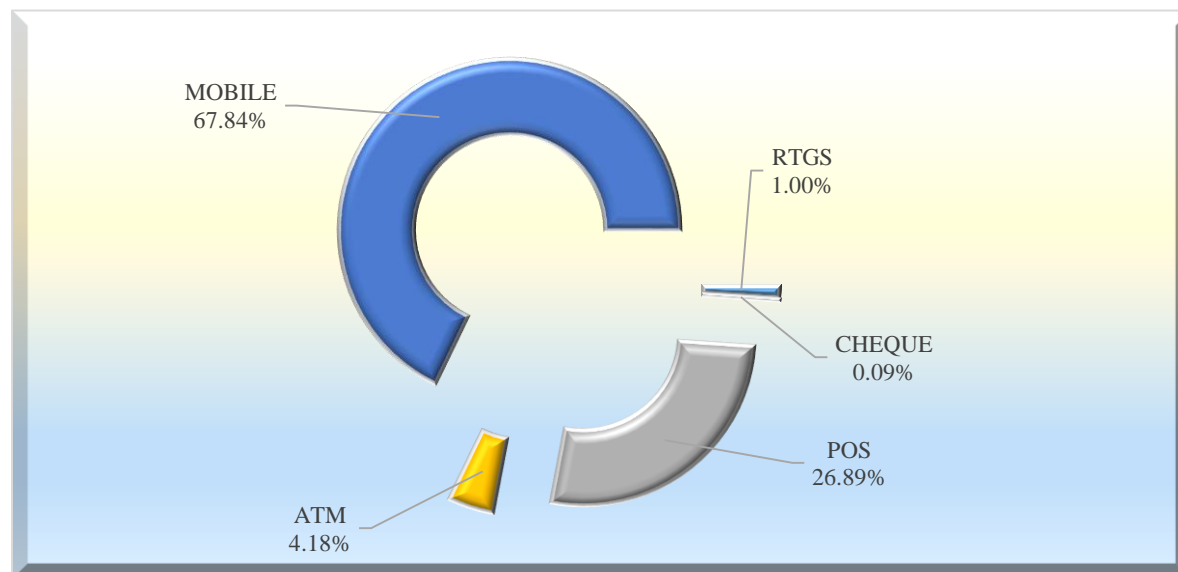
Figure 1: Proportions of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe

During the week under review, NPS transaction volumes stood at 8 045 810, up from 7 760 220 recorded in the previous week. The transaction volumes were dominated by Mobile transactions at 67.84% of the total, followed by POS, 26.89%; ATMs, 4.18%; RTGS, 1.00%; and Cheque, 0.09%, 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 20 January 2017	WEEK ENDING 27 January 2017	CHANGE FROM LAST WEEK	PROPORTION
VALUES IN USD (millions)				
RTGS	925.06	977.18	5.6%	82.79%
CHEQUE	2.16	1.84	(15%)	0.16%
POS	100.09	95.25	(5%)	8.07%
ATMS	15.12	14.32	(5%)	1.21%
MOBILE	76.59	91.75	20%	7.77%
TOTAL	1,119.01	1,180.34	5%	100%
VOLUMES				
RTGS	72,750	80,737	11%	1.00%
CHEQUE	7,381	7,040	(5%)	0.09%
POS	2,302,295	2,163,598	(6%)	26.89%
ATMs	348,854	336,602	(4%)	4.18%
MOBILE	5,028,940	5,457,833	9%	67.84%
TOTAL	7,760,220	8,045,810	4%	100%

Source: Reserve Bank of Zimbabwe

3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international commodity prices of gold, platinum, copper and crude oil firmed, during the week ending 27th January 2017. Nickel prices, however, continued on a negative trend 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 (16-20 Jan)	1,206.56	972.9	5,771.20	10,145.00	55.24
23-Jan	1,213.30	980.00	5,705.00	9,735.00	55.31
24-Jan	1,215.05	986.00	5,774.00	9,770.00	55.65
25-Jan	1,214.90	991.50	5,878.00	9,760.00	55.65
26-Jan	1,204.18	976.50	5,867.00	9,630.00	55.65
27-Jan	1,204.18	986.50	5,890.00	9,560.00	55.45
Week ending (23-27 Jan)	1,210.32	984.10	5,822.80	9,691.00	55.54
<i>Weekly Change (%)</i>	<i>0.3</i>	<i>1.2</i>	<i>0.9</i>	<i>(4.5)</i>	<i>0.5</i>

Source: BBC, KITCO, Reuters and Bloomberg

Gold

Gold prices increased by 0.3%, from US\$ 1 206.56/ounce recorded in the previous week to a weekly average of US\$ 1 210.32/ounce. Prices firmed on the back of increased demand for safe haven assets, following the weakening of the US dollar and reports that indicated that the US economy was on a slowdown.

Platinum

Platinum prices rose by 1.2% to close the week ending 27th January 2017 at a weekly average of US\$984.10/ounce. This followed Lonmin reports on lower than expected production output in the last quarter of 2016, signaling possible supply shortages in 2017.

Copper

Copper prices increased by 0.9%, from US\$5,771.20/tonne recorded in the previous week, to a weekly average of US\$5,822.80/tonne. This was attributable to concerns over production disruptions in Chile, the world largest producer, amid a labour dispute between Escondida mine workers and management.

Nickel

Nickel prices retreated by 4.5%, to close the week under review at US\$9,691.00/tonne, from US\$10,145.00/tonne recorded in the week ending 20th January 2017. The prices were weighed down by low demand from China, the world largest consumer of the metal, as factories closed ahead of the Chinese Lunar New Year holidays.

Crude Oil

Crude oil prices firmed by 0.5%, from US\$55.24/barrel recorded in the previous week, to a weekly average of US\$55.54/barrel. Prices increased based on reports that OPEC member states had cut output in January 2017, by higher margins than had been agreed upon.

4. EXCHANGE RATES

The US dollar depreciated against the pound Sterling; euro; and rand during the week ending 27th January 2017. This followed the release of US economic data indicating a slowdown in the US economic growth for the fourth quarter ending December 2016.

Table 6: International Exchange Rates per US\$

	GBP	EURO	ZAR
2017			
Weekly Average (16-20 Jan)	0.8156	0.9381	13.5589
23-Jan	0.8051	0.9309	13.4924
24-Jan	0.7992	0.9295	13.4350
25-Jan	0.7990	0.9321	13.3850
26-Jan	0.7903	0.9297	13.2532
27-Jan	0.7959	0.9369	13.4150
Weekly Average (23-27 Jan)	0.7961	0.9321	13.3721
<i>Appr(+)/Depr(-) (%) of the USD</i>	<i>(2.39)</i>	<i>(0.65)</i>	<i>(1.38)</i>

Source: Reuters

5. EQUITY MARKETS

The Zimbabwe Stock Exchange (ZSE) continued on a negative trajectory for the second consecutive week, since the week ending 20th January 2017. Resultantly, the mainstream index declined by 2.67%, to close the week ending 27th January 2017 at 141.14 points. The decline was attributable to losses recorded in Econet Wireless Zimbabwe, 33.33%; Meikles Limited, 11.39%; National Foods Holdings, 2.85%; and Delta Corporation, 1.64%.

Partially offsetting these losses were gains realised in ZB Financial Holdings, 23.01%; Zimplot Holdings, 10%; CFI Holdings, 2.50%; Pretoria Portland Cement (PPC), 0.90%; and Nampak Zimbabwe, 0.83%.

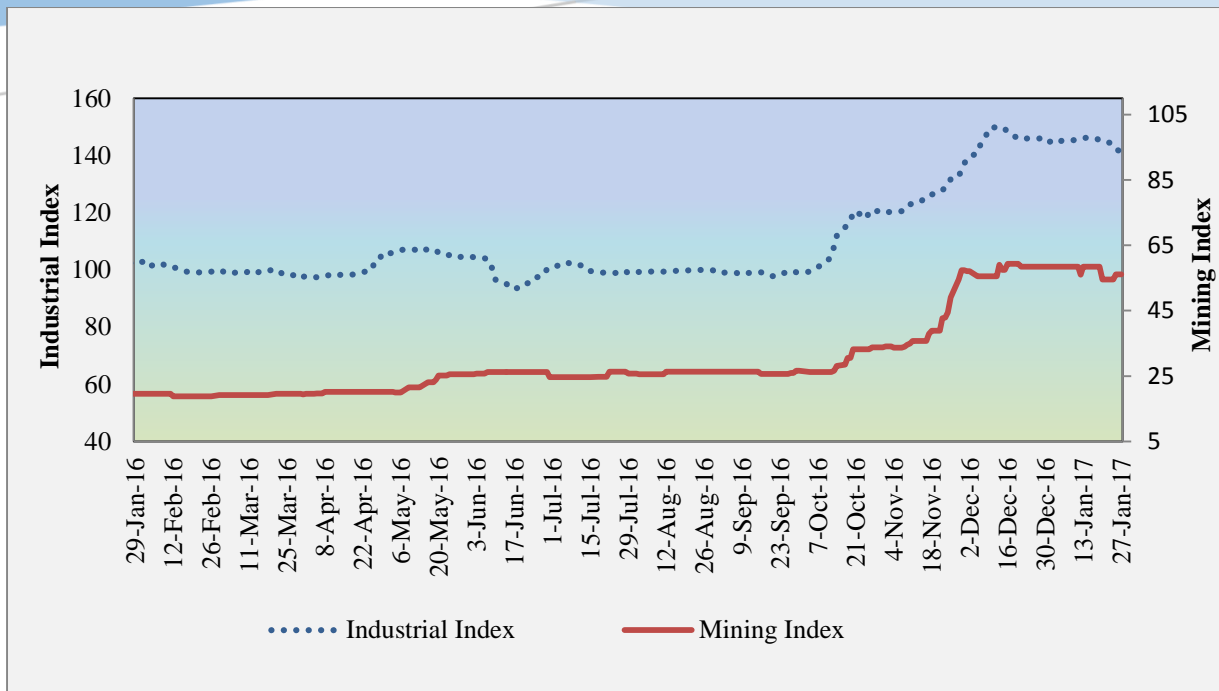
The resources index, however, increased by 2.86% to close the week under review at 56.12 points. This was due to 6.67% gain recorded in Rio Zim. Bindura Nickel Corporation traded unchanged at the previous week price. Hwange and Falgold were inactive during the period under review.

Table 7: Zimbabwe Stock Exchange (ZSE) Statistics

Period	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
30- December-16	144.53	58.51	4,007,957,110	8,663,795	188,070,908
06- January-17	145.35	58.51	4,030,035,265	1,597,112	10,205,110
13- January-17	146.21	58.51	4,055,523,319	1,635,476	5,885,229
20- January-17	145.01	54.56	4,017,272,750	2,218,131	7,866,860
27- January-17	141.14	56.12	3,914,940,170	1,550,758	2,966,047
Weekly Change (%)	(2.67%)	2.86%	(2.55%)	(30.09%)	(62.30%)

Source: Zimbabwe Stock Exchange (ZSE), 2016.

Figure 3 : Zimbabwe Stock Exchange Indices

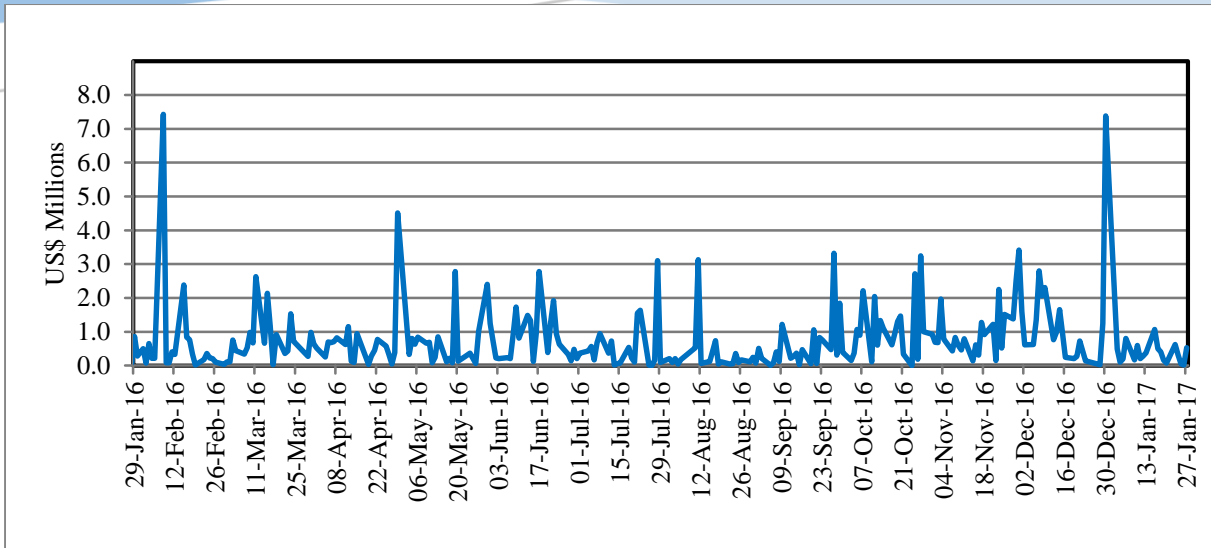


Source: Zimbabwe Stock Exchange, 2017

Market Turnover and Volume

The ZSE market turnover registered a 30.09% decline, to close the week ending 27th January 2017 at US\$1.55 million. Similarly, the volume of shares traded also decreased by 62.30%, to close the week under review at 2 966 047 shares. The contributions to the total volume of shares traded were as follows: Delta, 49.09%; Old Mutual, 35.12%; and Innscor, 5.17%.

Figure 4: Daily Market turnover

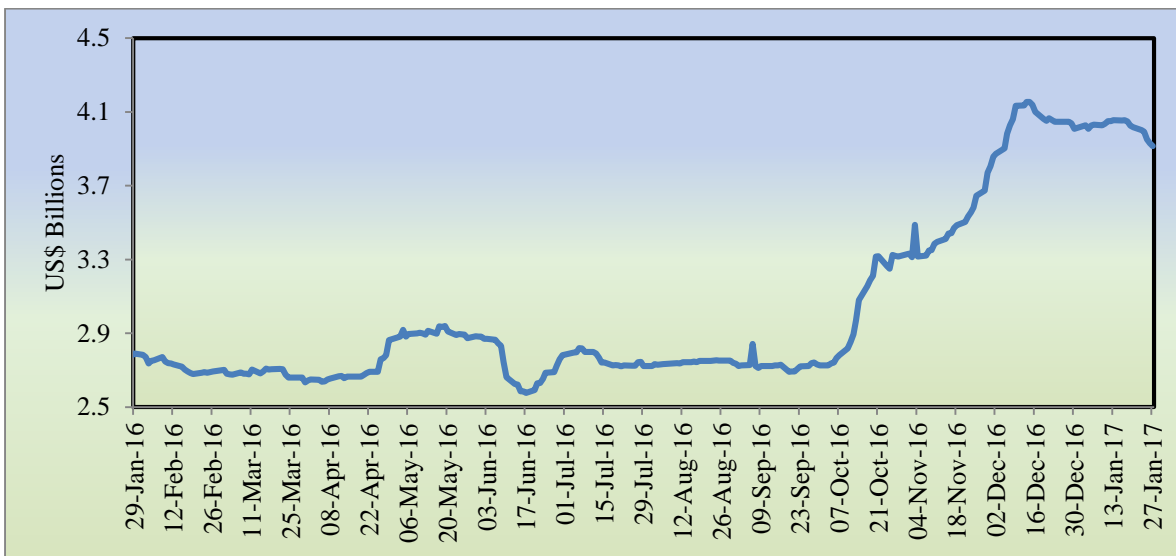


Source: Zimbabwe Stock Exchange, 2017

Market Capitalisation

ZSE market capitalisation fell by 2.55%, to close the week under review at US\$3 914.94 million, from US\$4 017.27 million recorded in the week ending 20th January 2017. This was largely due to losses recorded in blue chip counters.

Figure 5 : Market Capitalisation



Source: Zimbabwe Stock Exchange, 2017

Johannesburg Stock Exchange (JSE) Developments

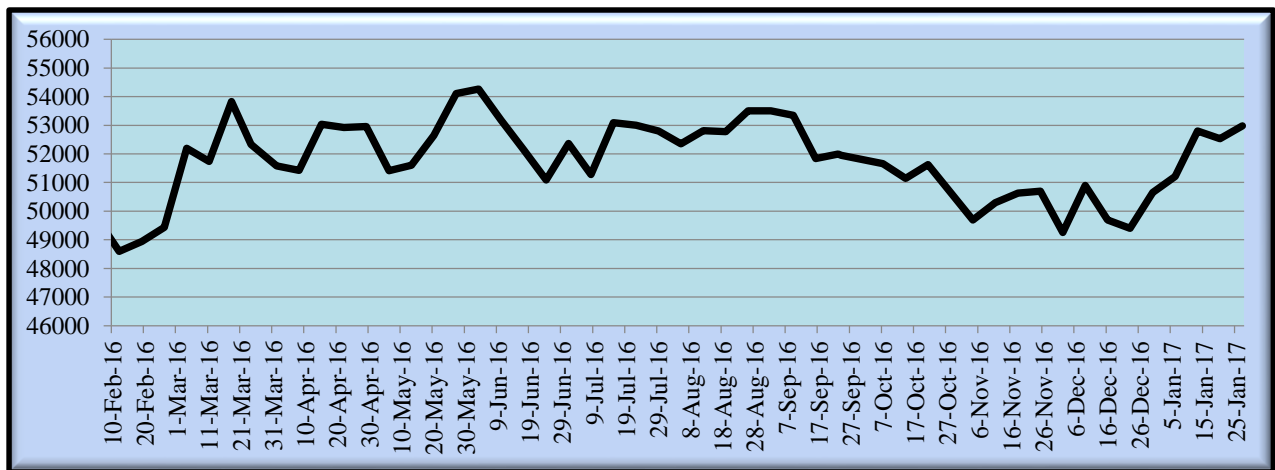
The JSE All share index increased by 0.84%, from 52 532.26 in the previous week to 52 973.83 points during the week ending 27th January 2017. Market capitalisation on the JSE also rose by 1.22% to close the same week at R14.09 trillion.

Table 8: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalisation (ZAR trillion)
30-December-16	50 653.54	13.38
06-January-17	51 216.00	13.67
13-January-17	52 794.81	13.93
20-January-17	52 532.26	13.92
27-January-17	52 973.83	14.09

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

7th FEBRUARY 2017