



Weekly Economic Highlights

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Week Ending
28th October 2016

1. INTEREST RATES

Deposit Rates

The week ending 28th October 2016 saw average deposit rates for savings deposits remaining unchanged at 3.01%. Average deposits rates for deposits of 1 month and 3 month tenors, however, declined to close the week at 5.41% and 5.75%, respectively.

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

| Date | Savings Deposits (%) | 1-Month Deposits (%) | 3-Months Deposits (%) |
|-----------------|----------------------|----------------------|-----------------------|
| 23-September-16 | 3.01 | 5.44 | 5.76 |
| 30-September-16 | 3.01 | 5.41 | 5.79 |
| 7-October-16 | 3.01 | 5.41 | 5.79 |
| 14-October-16 | 3.01 | 5.41 | 5.79 |
| 21-October-16 | 3.01 | 5.35 | 5.79 |
| 28-October-16 | 3.01 | 5.41 | 5.75 |

Source: Banking Institutions, 2016

Lending Rates

Commercial bank weighted lending rates for individual clients declined by 0.09 percentage points to 10.70% as at 28th October 2016. Corporate clients, however, accessed commercial bank loans at the same weighted lending rate of 6.93%, as in the previous week.

Table 2: Lending Rates

| Date | Lending Rates (%) | |
|-----------------|-----------------------------|-------------------|
| | Commercial Banks (weighted) | |
| | Individuals | Corporate clients |
| 23-September-16 | 10.66 | 6.88 |
| 30-September-16 | 10.66 | 6.95 |
| 7-October-16 | 10.68 | 6.95 |
| 14-October-16 | 10.68 | 6.94 |
| 21-October-16 | 10.71 | 6.93 |
| 28-October-16 | 10.70 | 6.93 |

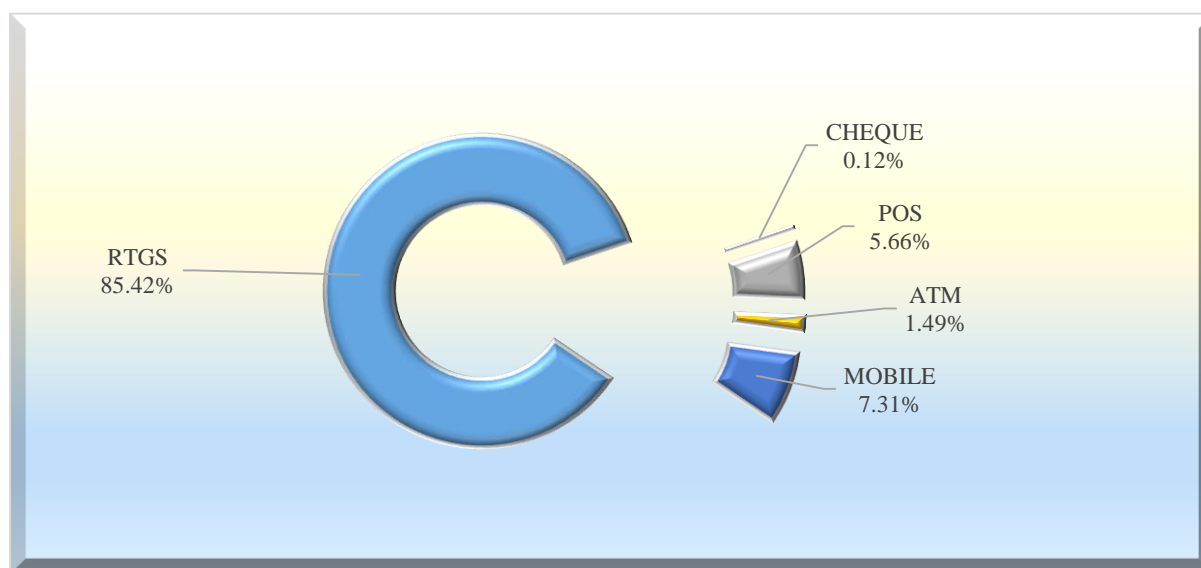
Source: Banking Institutions, 2016

2. CLEARING AND SETTLEMENT ACTIVITY

The value of transactions processed through the National Payment Systems (NPS) registered a 26% increase, to close the week under review at US\$1 371.80 million. This was largely attributable to a 32% increase in Real Time Gross Settlement (RTGS) transactions, from US\$884.84 million in the previous week, to US\$1 171.72 million during the week under review.

In value terms, the distribution of payments processed through the NPS was as follows: RTGS, 85.42%; Mobile, 7.31%; Point of Sale (POS), 5.66%; Automated Teller Machines (ATMs), 1.49%; and Cheque, 0.12%, as shown in Figure 1.

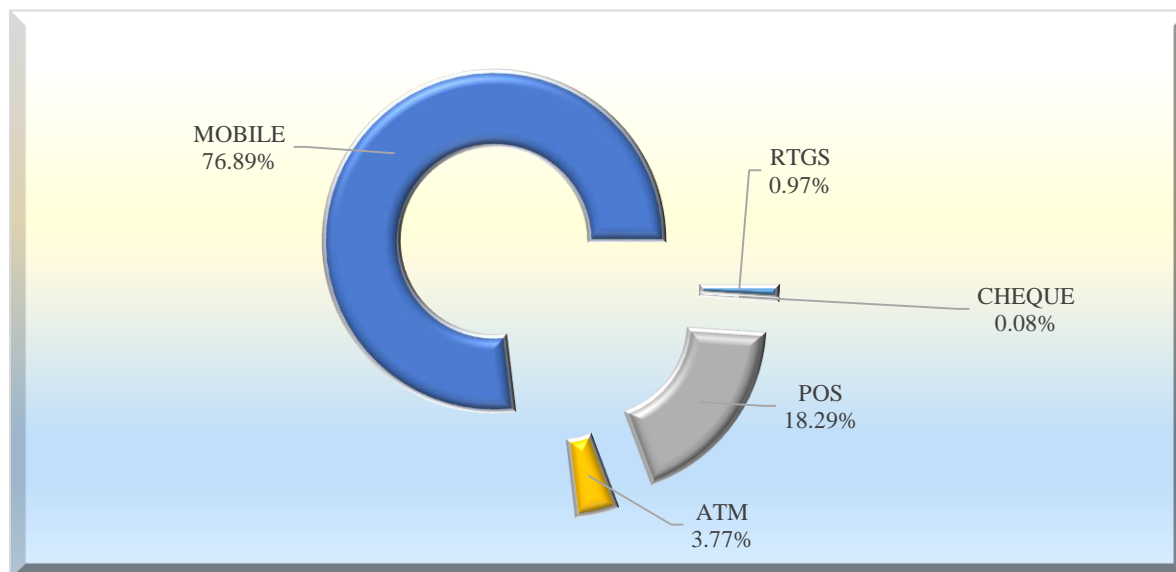
Figure 1: Proportions of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe

The total volume of NPS transactions declined from 7 952 480 in the previous week, to 7 838 439 during the week under analysis. NPS transaction volumes were dominated by mobile transactions, which accounted for 76.89% of the total transactions, followed by POS, 18.29%; ATMs, 3.77%; RTGS, 0.97%; 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 21 October 2016 | WEEK ENDING 28 October 2016 | CHANGE FROM LAST WEEK | PROPORTION |
|--------------------------|--------------------------------|--------------------------------|--------------------------|-------------|
| VALUES IN USD (millions) | | | | |
| RTGS | 884.84 | 1,171,73 | 32% | 85.42% |
| CHEQUE | 1.81 | 1,601,66 | -12% | 0.12% |
| POS | 83.76 | 77.68 | -7% | 5.66% |
| ATMS | 22.89 | 20.48 | -11% | 1.49% |
| MOBILE | 91.99 | 100,31 | 9% | 7.31% |
| TOTAL | 1,085.29 | 1,371,80 | 26% | 100% |
| VOLUMES | | | | |
| RTGS | 64,288 | 76,295 | 18.7% | 0.97% |
| CHEQUE | 6,756 | 6,365 | -6% | 0.08% |
| POS | 1,567,099 | 1,433,490 | -9% | 18.29% |
| ATMs | 302,165 | 295,869 | -2% | 3.77% |
| MOBILE | 6,012,172 | 6,026,420 | 0.2% | 76.88% |
| TOTAL | 7,952,480 | 7,838,439 | -1% | 100% |

Source: Reserve Bank of Zimbabwe

3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international commodity prices of gold continued on an upward trend, increasing by 0.5% during the week under review. Platinum and copper prices rebounded from last week levels during the same week. Nickel and crude oil prices, however, remained subdued for the second consecutive week, as shown in Table 5.

Table 5: Metals and Crude Oil Prices

| Period | Gold | Platinum | Copper | Nickel | Crude Oil |
|--------------------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| 2016 | US\$/ounce | US\$/ounce | US\$/tonne | US\$/tonne | US\$/barrel |
| Week ending (17-21 Oct) | 1,262.89 | 939.7 | 4,668.40 | 10,315.00 | 51.83 |
| 24-Oct | 1,266.28 | 941.50 | 4,637.00 | 9,990.00 | 51.41 |
| 25-Oct | 1,269.35 | 954.50 | 4,637.00 | 10,015.00 | 50.69 |
| 26-Oct | 1,272.20 | 963.50 | 4,720.00 | 10,255.00 | 50.07 |
| 27-Oct | 1,267.78 | 965.00 | 4,717.00 | 10,255.00 | 50.82 |
| 28-Oct | 1,269.45 | 968.50 | 4,773.50 | 10,260.00 | 49.89 |
| Week ending (24-28 Oct) | 1,269.01 | 958.60 | 4,696.90 | 10,155.00 | 50.58 |
| Weekly Change (%) | 0.5 | 2.0 | 0.6 | (1.6) | (2.4) |

Source: BBC, KITCO, Reuters and Bloomberg

Gold

Gold prices increased by 0.5%, from a weekly average of US\$1,262.89/ounce in the previous week to US\$1,269.01/ounce during the week under review. The increase was supported by expectations of a surge in jewellery demand from Asia, particularly towards the religious festival of Diwali in India, the world's second-largest bullion buyer.

Platinum

Platinum prices stood at US\$958.00/ounce, a 2% increase from a weekly average of US\$939.70/ounce recorded in the previous week. The increase was also attributed to the growth in demand for precious metals in India.



Copper

Copper prices rebounded by 0.6% to close the week under review at US\$4,696.96/tonne, from US\$4,668.40/tonne recorded in the prior week. The increase was underpinned by higher demand for the metal in China.

Nickel

Nickel prices declined by 1.6%, from a weekly average of US\$10,315.00/tonne to US\$10,155.00/tonne. The decline in the base metal price was occasioned by fears of global oversupply, amid heightened expectations that Indonesia will lift the ban on nickel ore exports imposed in 2014. Before the ban, Indonesia was the largest supplier of nickel to China.

Crude Oil

Crude oil weekly average prices declined by 2.4%, from US\$51.83/barrel recorded in the previous week to US\$50.58/barrel during the week under review. The decline was attributed to uncertainty surrounding the likelihood of reaching an agreement on the implementation of a deal to curb output, by the Organization of Petroleum Exporting Countries (OPEC). In addition, the price was also weighed down by ample global supplies, following increased production in Russia and Libya in October 2016.

4. EXCHANGE RATES

During the week under review, the US dollar appreciated against major international currencies, amid heightened expectations that the Federal Reserve would raise interest rates this year. Improving U.S. economic activity strengthened market anticipation for a Federal Reserve interest rates hike in December 2016. Table 6 shows exchange rate developments for the period under review.

Table 6: International Exchange Rates per US\$

| | GBP (£) | EURO (€) | Rand (ZAR) |
|---------------------------------------|----------------|-----------------|-------------------|
| 2016 | | | |
| Weekly Average (17-21 Oct) | 0.8183 | 0.9132 | 14.0345 |
| 24-Oct | 0.8193 | 0.9199 | 13.9719 |
| 25-Oct | 0.8180 | 0.9187 | 13.8947 |
| 26-Oct | 0.8222 | 0.9187 | 13.7906 |
| 27-Oct | 0.8187 | 0.9171 | 13.9351 |
| 28-Oct | 0.8212 | 0.9168 | 13.8480 |
| Weekly Average (24-28 Oct) | 0.8199 | 0.9182 | 13.8881 |
| <i>Appr(+)/Depr(-) (%) of the USD</i> | <i>0.2</i> | <i>0.5</i> | <i>(1.0)</i> |

Source: Reuters

5. EQUITY MARKETS

During the week ending 28th October 2016, the Zimbabwe Stock Exchange (ZSE) maintained a positive momentum for the fifth consecutive week. The industrial and mining indices recorded marginal gains of 0.01 points and 0.59 points, to close at 120.46 points and 33.76 points, respectively.

The increase in the industrial index resulted from gains in National Foods Holdings Limited, 36.21%; FBC Holdings, 7.14%; Barclays Bank, 2.50%; Old Mutual Plc, 1.79% and Innscor Africa, 0.32%.

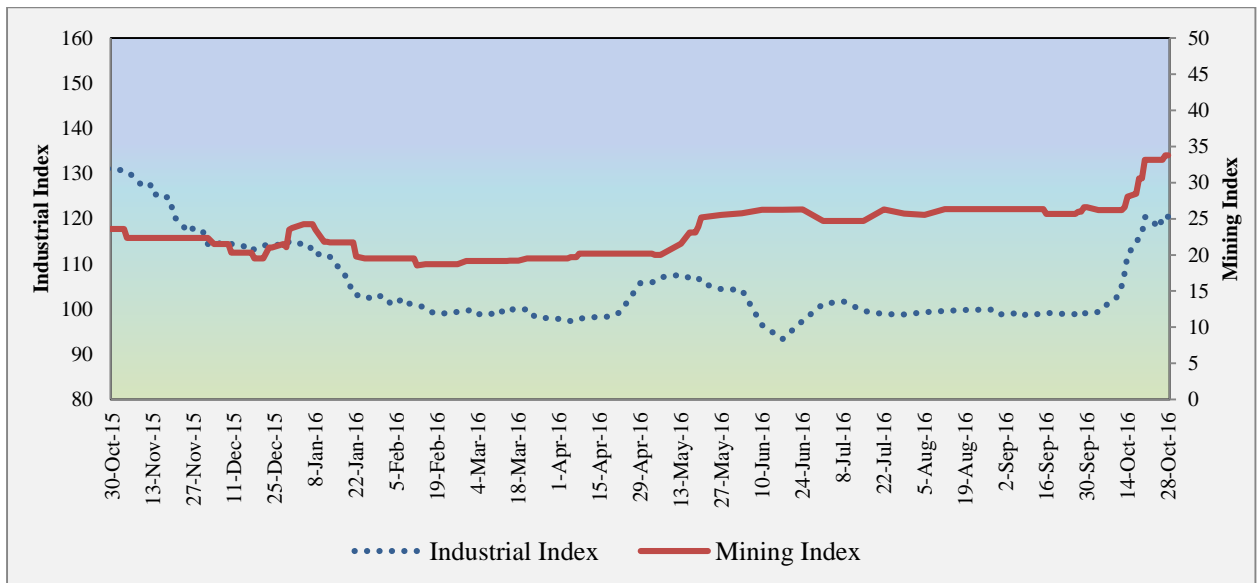
The resources index was supported by renewed investor interest in Rio Zim Limited, which commissioned a US\$10 million Cam and Motor Mine gold processing plant on the 27th of October 2016.

Table 7: Zimbabwe Stock Exchange (ZSE) Statistics

| Period | Industrial Index (points) | Mining Index (points) | Grand Market Capitalization (US\$) | Market Turnover (US\$) | Volume of Shares |
|--------------------------|---------------------------|-----------------------|------------------------------------|------------------------|------------------|
| 23-September-16 | 98.88 | 25.69 | 2,721,570,190 | 2,770,314 | 11,668,961 |
| 30-September-16 | 98.96 | 26.61 | 2,725,133,069 | 6,346,659 | 38,164,937 |
| 7- October-16 | 101.09 | 26.22 | 2,781,799,792 | 4,690,615 | 39,816,865 |
| 14- October-16 | 112.03 | 28.05 | 3,079,991,534 | 5,206,424 | 59,433,785 |
| 21- October-16 | 120.45 | 33.17 | 3,317,196,165 | 4,675,196 | 41,335,567 |
| 28-October-16 | 120.46 | 33.76 | 3,315,319,388 | 7,154,094 | 29,010,120 |
| Weekly Change (%) | 0.01 | 1.78 | (0.06) | 53.02 | (29.82) |

Source: Zimbabwe Stock Exchange (ZSE), 2016.

Figure 3 : Zimbabwe Stock Exchange Indices

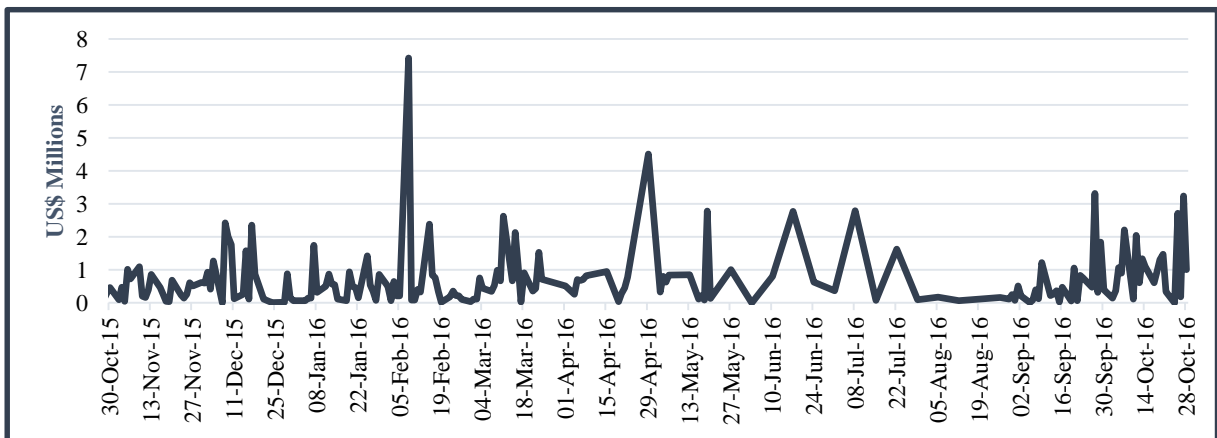


Source: Zimbabwe Stock Exchange, 2016

Market Turnover and Volume

Trading activity on the ZSE was largely concentrated in mid-cap and heavyweight counters such as Barclays, Delta, Econet Wireless, Inncor Africa and National Foods Limited, during the week under review. Resultantly, the value turnover increased by 53.02% to US\$7.15 million. The volume of shares, however, declined from 41 335 567 shares in the previous week, to close at 29 010 120 shares.

Figure 4: Daily Market Turnover

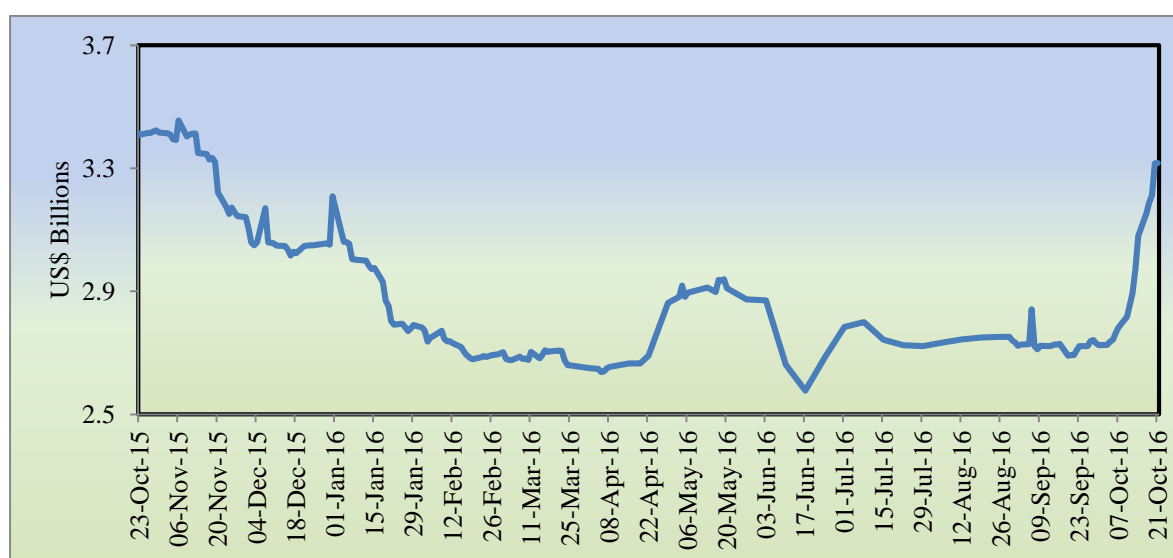


Source: Zimbabwe Stock Exchange, 2016

Market Capitalisation

The ZSE market capitalisation stood at US\$3.315 billion, a 0.06% decline from the US\$3.317 billion recorded in the previous week. The marginal decrease was partially on account of an outward removal transaction in which 63 000 Old Mutual Plc shares were moved from the ZSE register to the Johannesburg Stock Exchange register, following instructions from investors.

Figure 5 : Market Capitalisation



Source: Zimbabwe Stock Exchange, 2016

Johannesburg Stock Exchange (JSE) Developments

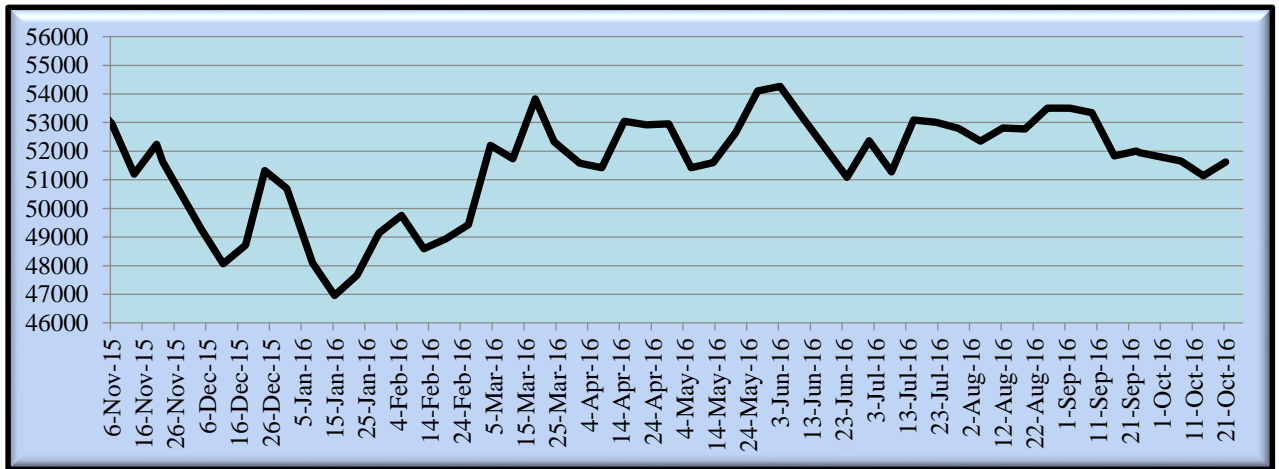
The JSE All Share index fell by 1.6%, from 51 629.23 points in the previous week, to close the week under review at 50 797.70 points. Concomitantly, market capitalisation declined by 2.9%, from ZAR13.91 trillion to ZAR13.50 trillion in the same week.

Table 8: Johannesburg Stock Exchange (JSE) Statistics

| Period | All Share Index (points) | Market Capitalisation (ZAR trillion) |
|------------------------|--------------------------|--------------------------------------|
| 23-September-16 | 51 999.45 | 15.22 |
| 30-September-16 | 51 949.83 | 15.29 |
| 07-October-16 | 51 662.07 | 15.12 |
| 14-October-16 | 51 146.78 | 13.95 |
| 21-October-16 | 51 629.23 | 13.91 |
| 28-October-16 | 50 797.70 | 13.50 |

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

04th OCTOBER 2016