



# Weekly Economic Highlights

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Week Ending  
30<sup>th</sup> December 2016

## 1. INTEREST RATES

### Deposit Rates

During the week ending 30<sup>th</sup> December 2016, average deposit rates for savings deposits and deposits of 1 month tenor remained unchanged at the previous week levels of 3.01% and 5.34%, respectively. The average deposit rates for deposits of 3 months tenor, however, declined by 0.03 percentage points to 5.72% in the same week.

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

Date	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
02-December-16	3.01	5.34	5.75
09-December-16	3.01	5.34	5.75
16-December-16	3.01	5.34	5.75
23-December-16	3.01	5.34	5.75
30-December-16	<b>3.01</b>	<b>5.34</b>	<b>5.72</b>

Source: Banking Institutions, 2016

### Lending Rates

During the week under analysis, commercial bank weighted lending rates for individual and corporate clients declined by 0.12 and 0.08 percentage points to 10.59% and 6.87%, respectively.

**Table 2: Lending Rates**

Date	Lending Rates (%) Commercial Banks (weighted)	
	Individuals	Corporate clients
02-December-16	10.67	6.95
09-December-16	10.68	6.94
16-December-16	10.68	6.95
23-December-16	10.68	6.95
30-December-16	<b>10.59</b>	<b>6.87</b>

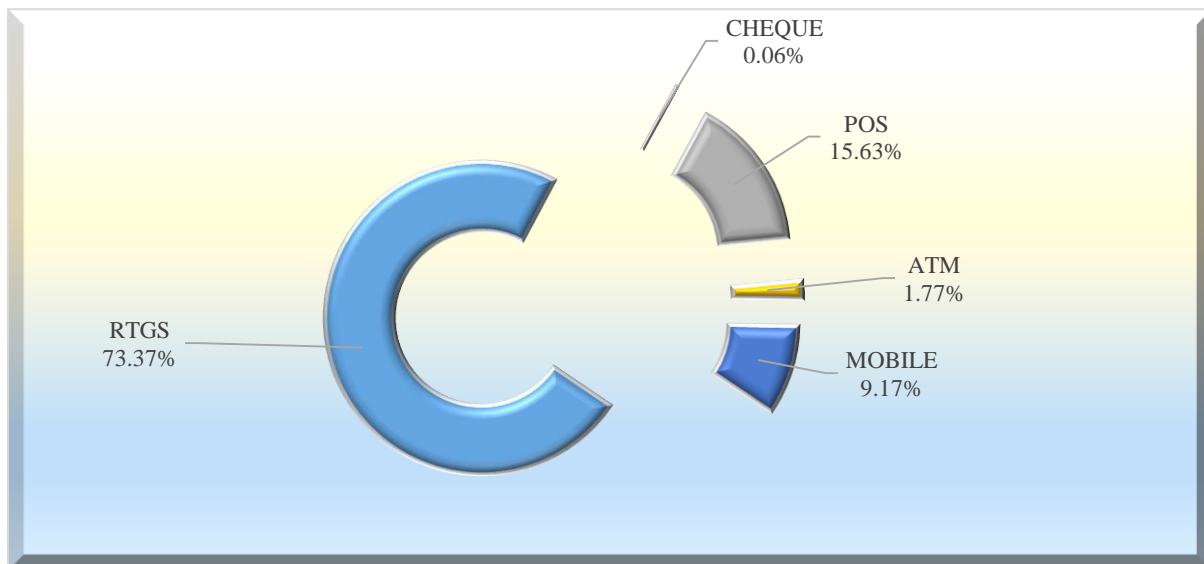
Source: Banking Institutions, 2016

## 2. CLEARING AND SETTLEMENT ACTIVITY

During the week under review, the total value of transactions processed through the National Payments System (NPS) stood at US\$1 095.86 million, a 31% decline from the US\$ 1 593.90 million recorded during the week ending 23<sup>rd</sup> December 2016. This was largely driven by the decrease in the value of RTGS transactions.

The usage of NPS payment streams, in value terms, was distributed as follows: RTGS, 73.37%; Mobile, 9.17%; POS, 15.63%; ATM, 1.77%; and Cheque, 0.06%, as shown in Figure 1.

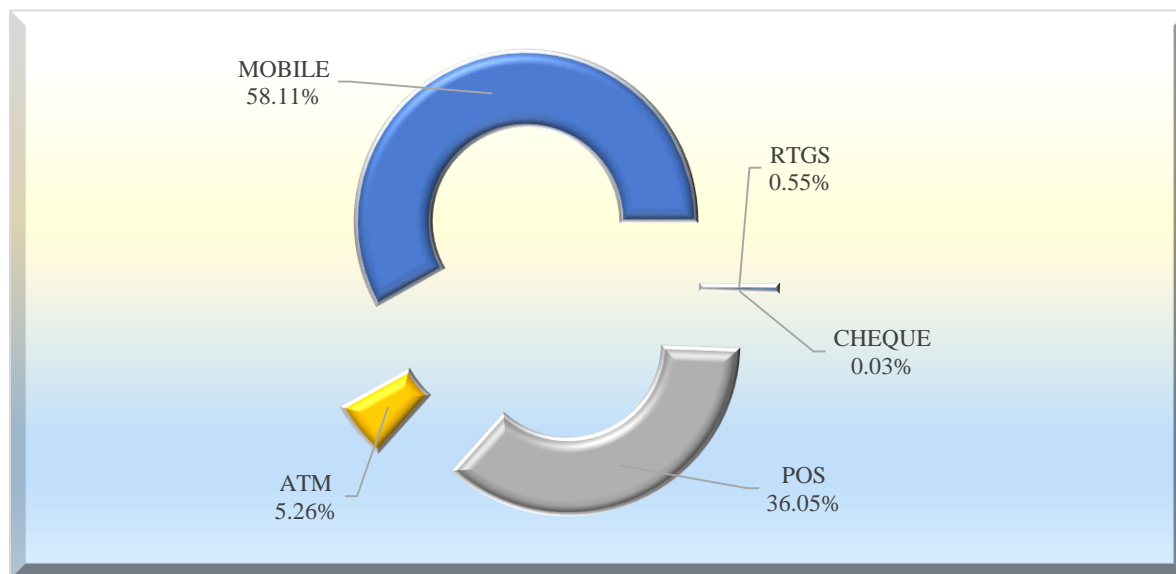
**Figure 1: Proportions of NPS Transactions in Value Terms**



*Source: Reserve Bank of Zimbabwe*

The total volume of NPS transactions decreased by 13% to 11 288 158, during the week under analysis. Mobile transactions contributed 58.11% of the total volume of NPS transactions; POS, 36.05%; and ATM, 5.26%. Cheque transactions contributed the least at 0.03%, 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 23 December 2016	WEEK ENDING 30 December 2016	CHANGE FROM LAST WEEK	PROPORTION
<b>VALUES IN USD (millions)</b>				
<b>RTGS</b>	1,286.83	0,804.02	(38%)	73.37%
<b>CHEQUE</b>	1.11	0.71	(36%)	0.06%
<b>POS</b>	144.15	171.25	19%	15.63%
<b>ATMS</b>	13.64	19.37	42%	1.77%
<b>MOBILE</b>	148.16	100.50	(32%)	9.17%
<b>TOTAL</b>	<b>1,593.90</b>	<b>1,095.86</b>	(31%)	<b>100%</b>
<b>VOLUMES</b>				
<b>RTGS</b>	99,608	61,589	(38%)	0.55%
<b>CHEQUE</b>	4,940	2,864	(42%)	0.03%
<b>POS</b>	4,973,547	4,069,469	(18%)	36.05%
<b>ATMs</b>	378,931	593, 219	57%	5.26%
<b>MOBILE</b>	7,559,572	6,561, 017	(13%)	58.11%
<b>TOTAL</b>	<b>13,016,598</b>	<b>11,288,158</b>	(13%)	<b>100%</b>

Source: Reserve Bank of Zimbabwe

### 3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

Gold prices rebounded, whilst platinum, base metals (copper and nickel) and crude oil prices retreated during the week under review as shown in table 5 below.

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

	<b>Gold</b>	<b>Platinum</b>	<b>Copper</b>	<b>Nickel</b>	<b>Brent Crude Oil</b>
<b>2016</b>	<b>US\$/ounce</b>	<b>US\$/ounce</b>	<b>US\$/tonne</b>	<b>US\$/tonne</b>	<b>US\$/barrel</b>
<b>Week ending (19-23 Dec)</b>	<b>1,132.07</b>	<b>912.13</b>	<b>5,546.63</b>	<b>10,906.25</b>	<b>57.69</b>
28-Dec	1,137.18	901.00	5,480.00	10,565.00	56.41
29-Dec	1,146.35	901.50	5,485.00	10,140.00	56.85
30-Dec	1,152.50	907.00	5,500.00	10,030.00	56.71
<b>Week ending (28-30 Dec)</b>	<b>1,145.34</b>	<b>903.17</b>	<b>5,488.33</b>	<b>10,245.00</b>	<b>56.66</b>
<i>Weekly Change (%)</i>	<i>1.2</i>	<i>(1.0)</i>	<i>(1.1)</i>	<i>(6.1)</i>	<i>(1.8)</i>

*Source: BBC, KITCO, Reuters and Bloomberg*

#### **Gold**

Gold prices firmed by 1.2% to US\$1,145.34/ounce, from US\$1,132.07/ounce recorded in the prior week. The depreciation of US dollar, against the background of falling U.S. Treasury yields, contributed to the increase in the demand for the bullion as a safe haven asset.

#### **Platinum**

Platinum prices shed 1.0%, from US\$912.13/ounce in the previous week to US\$903.17/ounce. This was on the back of subdued global demand.

#### **Copper**

Copper prices declined by 1.1%, to close the week under analysis at US\$5,488.33/ton. The base metal prices continued to be weighed down by the global supply glut, particularly on the London Metal Exchange.

## Nickel

Nickel prices decreased by 6.1%, to close the week under review at US\$10,245.00/ton. This was underpinned by suppressed global demand.

## Crude Oil

Crude oil prices retreated by 1.8%, to US\$56.66/barrel from US\$57.69/barrel in the previous week, largely on account of increasing stock piles in the USA.

## EXCHANGE RATES

During the week ending 30<sup>th</sup> December 2016, the US dollar depreciated by 0.7% against the British pound. This followed the release of data from the National Association of Realtors, which showed that the U.S.A pending home sales had dropped to the lowest level in almost a year in November 2016, a sign that the property market could be losing steam. The green back, however, appreciated by 2.5%; 1.6%; and 0.8% against the rand, pula and euro, respectively.

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

	<b>GBP</b>	<b>EURO</b>	<b>ZAR</b>	<b>BWP</b>
<b>Weekly Average (19-23 Dec 2016)</b>	<b>0.8099</b>	<b>0.9604</b>	<b>14.0504</b>	<b>10.8578</b>
28-Dec	0.8133	0.9544	13.9018	10.8225
29-Dec	0.8165	0.9559	13.7788	10.6895
30-Dec	0.8141	0.9494	13.6122	10.6838
<b>Weekly Average (28-30 Dec 2016)</b>	<b>0.8153</b>	<b>0.9526</b>	<b>13.6955</b>	<b>10.6866</b>
<i>Appr(+)/Depr(-) (%) against the USD</i>	<i>0.7</i>	<i>(0.8)</i>	<i>(2.5)</i>	<i>(1.6)</i>

Source: Reuters

## 4. EQUITY MARKETS

The Zimbabwe Stock Exchange (ZSE) was bearish during the week ending 30<sup>th</sup> December 2016, with the mainstream index declining by 0.99% to close the week at 144.53 points. The industrial index was weighed down by losses registered in Pretoria Portland Cement, 9.09%; Pearl Properties, 2.86%; First Mutual Life, 1.19%; Delta Corporation Limited, 0.54% and Old Mutual, 0.06%.

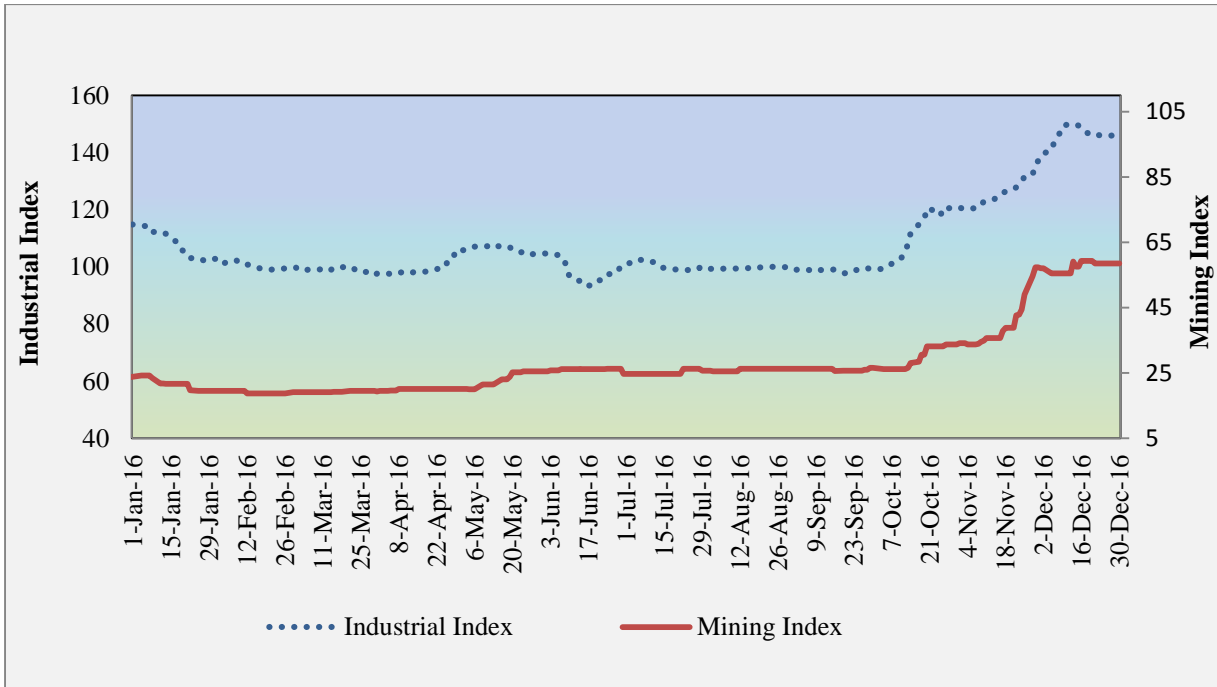
The resources index, however, remained unchanged at the previous week level of 58.51 points. Bindura Nickel Corporation (BNC) traded unchanged, at the price of the previous week. Other mining counters did not record any trading during the week under review.

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

Period	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
02- December-16	139.64	57.09	3,857,316,777	9,508,358	41,092,060
09- December-16	149.39	55.52	4,133,883,259	9,146,804	44,185,101
16- December-16	147.89	59.30	4,099,699,281	4,617,825	33,904,792
23- December-16	145.97	58.51	4,046,879,431	1,356,166	9,375,048
30-December-16	144.53	58.51	4,007,957,110	8,663,795	188,070,908
<b>Weekly Change (%)</b>	<b>(0.99%)</b>	<b>0%</b>	<b>(0.96%)</b>	<b>538.84%</b>	<b>1906.08%</b>

Source: Zimbabwe Stock Exchange (ZSE), 2016.

**Figure 3 : Zimbabwe Stock Exchange Indices**



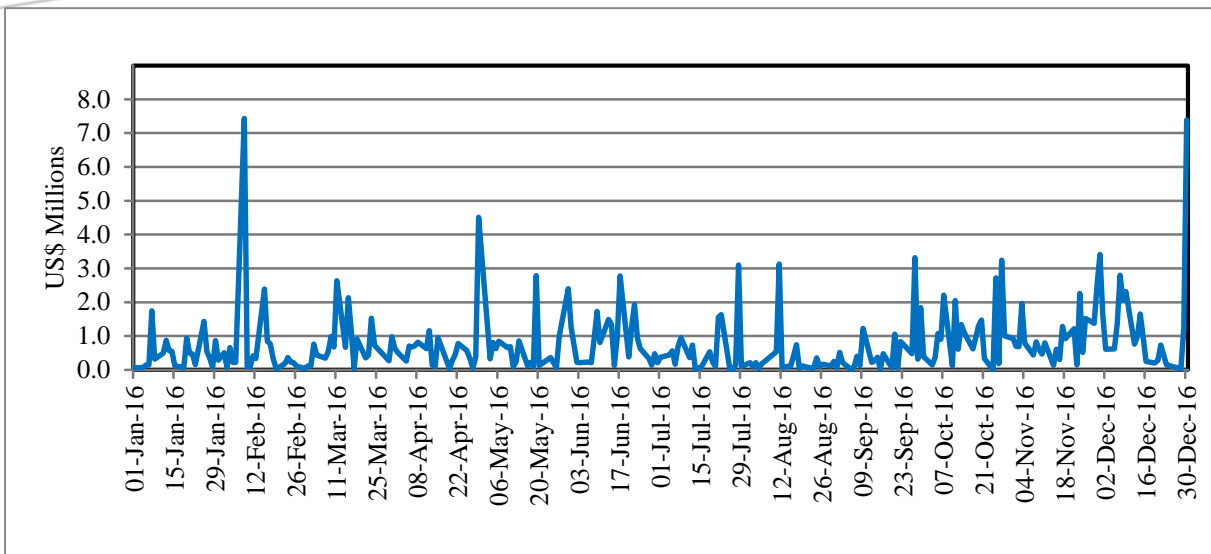
Source: Zimbabwe Stock Exchange, 2016

**Market Turnover and Volume**

The ZSE market turnover increased by 538.84% to close the week under review at US\$8.7 million. Similarly, the volume of shares traded increased by 1 906.08% to close at 188 070 908 shares, from 9 375 048 shares recorded in the prior week. The increase was partly attributable to block trades recorded for Getbucks Financial services, 175 000 000; Mashonaland Holdings, 9 432 595; and Innscor Africa Limited, 1 657 700.



**Figure 4: Daily Market turnover**

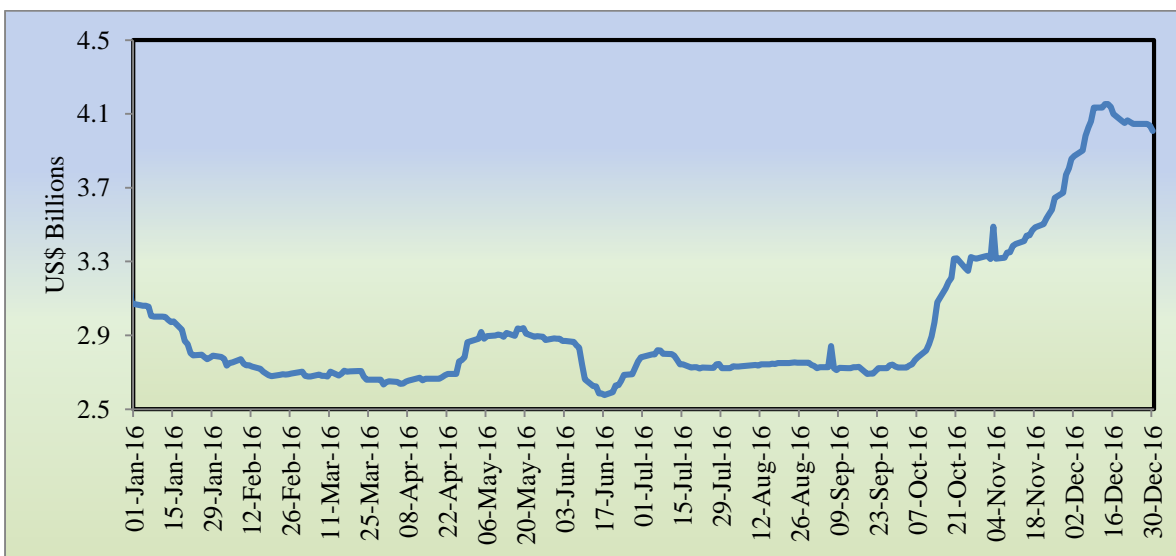


Source: Zimbabwe Stock Exchange, 2016

### Market Capitalisation

During the week under analysis, ZSE market capitalisation declined by 0.96% to US\$4 007.96 million from US\$4 046.88 million recorded in the previous week. This was due to losses registered in heavy weight counters.

**Figure 5 : Market Capitalisation**



Source: Zimbabwe Stock Exchange, 2016

## Johannesburg Stock Exchange (JSE) Developments

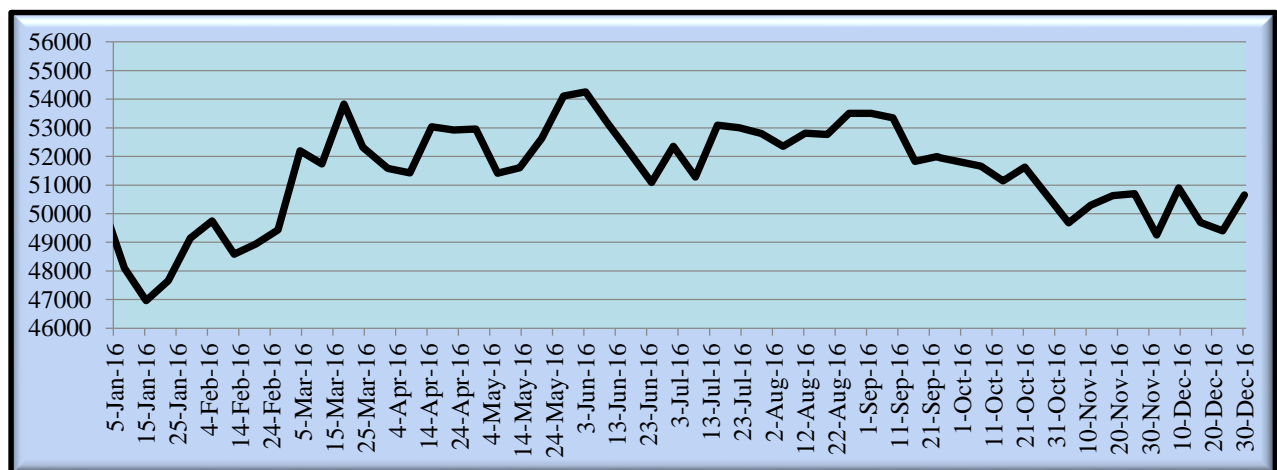
During the week ending 30<sup>th</sup> December 2016, the JSE All share index increased by 2.54% to close at 50 653.54 points. Likewise, market capitalisation rose by 1.72% to close the week under review at R13.58 trillion.

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

Period	All Share Index (points)	Market Capitalisation (ZAR trillion)
<b>02-December-16</b>	49 256.10	13.11
<b>09-December-16</b>	50 899.92	13.62
<b>16-December-16</b>	49 691.31	13.37
<b>23-December-16</b>	49 400.56	13.35
<b>30-December-16</b>	<b>50 653.54</b>	<b>13.58</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

10<sup>th</sup> JANUARY 2017