



# Weekly Economic Highlights

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Week Ending  
30<sup>th</sup> October 2015

## 1. INTEREST RATES

### Deposit Rates

The average deposit rates for 1 month and 3 month tenor deposits closed the week ending 30<sup>th</sup> October at 7.47% and 7.97%, respectively. Savings deposit rates, however, remained unchanged during the month of October 2015.

**Table 1: Average Deposit Rates**

2015	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
02-Oct	3.00	8.14	9.14
09-Oct	3.00	8.14	9.14
16-Oct	3.00	8.14	9.14
23-Oct	3.00	7.89	8.72
30-Oct	3.00	7.47	7.97

Source: Banking Institutions, 2015

### Lending Rates

The commercial banks weighted lending rates for individuals declined, closing the week under review at 10.98%. Weighted lending rates for corporate clients, however, increased marginally from 7.27% recorded in the previous week to 7.28%.

**Table 2: Lending Rates**

2015	Lending Rates (%)	
	Commercial Banks (weighted)	
	Individuals	Corporate clients
02-Oct	11.56	8.39
09-Oct	10.97	7.73
16-Oct	11.04	7.26
23-Oct	11.01	7.27
30-Oct	10.98	7.28

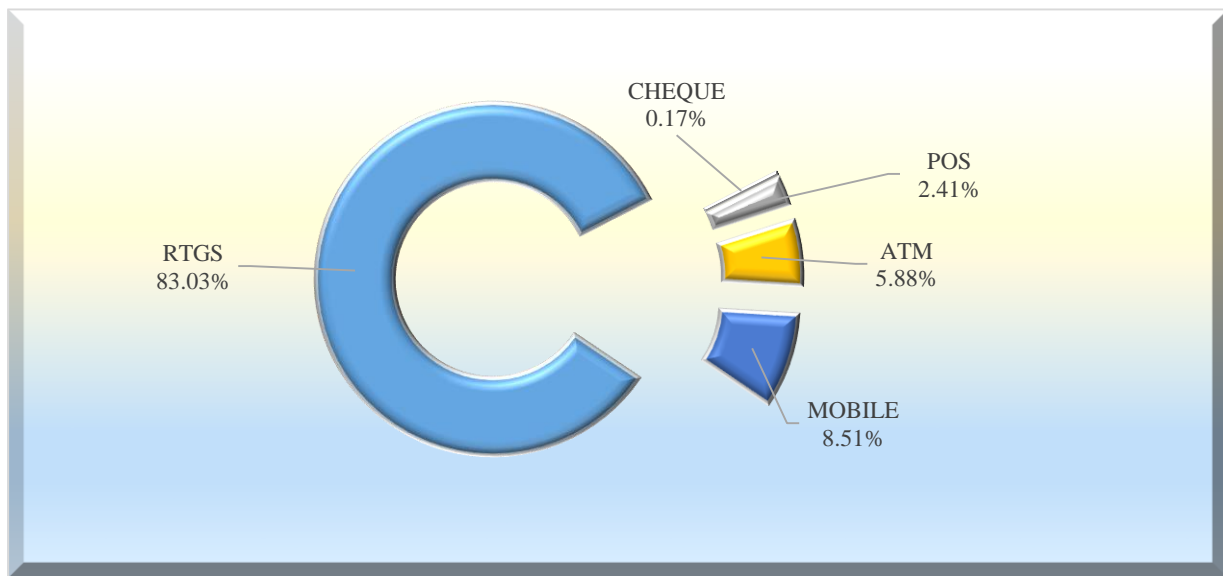
Source: Banking Institutions, 2015

## 2. CLEARING AND SETTLEMENT ACTIVITY

During the week ending 30<sup>th</sup> October 2015, the total value of transactions processed through the National Payment Systems (NPS), stood at US\$1 247.21 million, up from US\$1 102.88 million registered in the previous week. Transactions processed through the Real Time Gross Settlement (RTGS) system increased by 15% to close the week under review at US\$1 035.50 million, from US\$897.65 million recorded during the previous week.

The RTGS system payments accounted for 83.03% of the total value of transactions processed through the NPS, followed by Mobile, 8.51%; ATM, 5.88%; POS, 2.41% and Cheque, 0.17%.

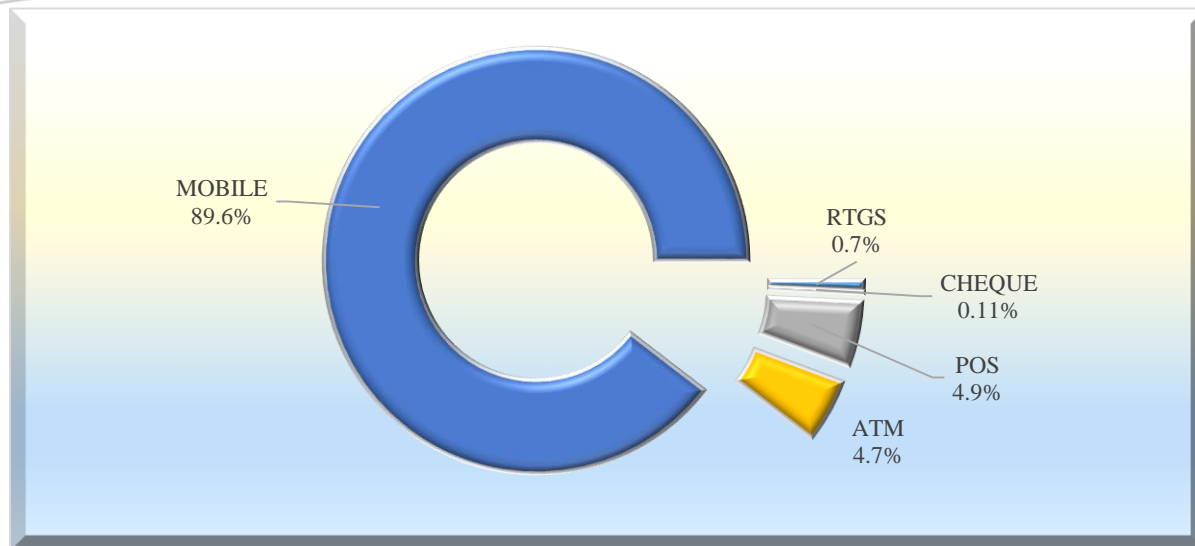
**Figure 1: Proportions of NPS Transactions in Value Terms**



*Source: Reserve Bank of Zimbabwe*

Mobile-Based transactions accounted for 89.58% of total transactions in volume terms; Point of Sale (POS), 4.89%; ATMs, 4.74%; RTGS, 0.68%; and Cheques, 0.11%.

**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 Oct 2015	WEEK ENDING 30 Oct 2015	CHANGE FROM LAST WEEK	PROPORTION
<b>VALUES IN USD (millions)</b>				
<b>RTGS</b>	897.65	1,035.50	15%	83.03%
<b>CHEQUE</b>	2.75	2.16	-21%	0.17%
<b>POS</b>	33.48	30.08	-10%	2.41%
<b>ATMS</b>	55.17	73.39	33%	5.88%
<b>MOBILE</b>	113.83	106.09	-7%	8.51%
<b>TOTAL</b>	1,102.88	1,247.21		100%
<b>VOLUMES</b>				
<b>RTGS</b>	34,331	37,958	11%	0.68%
<b>CHEQUE</b>	7,117	6,177	-13%	0.11%
<b>POS</b>	329,218	274,274	-17%	4.89%
<b>ATMs</b>	223,108	266,279	19%	4.74%
<b>MOBILE</b>	7,288,599	5,028,060	-31%	89.58%
<b>TOTAL</b>	7,882,373	5,612,748		100%

Source: Reserve Bank of Zimbabwe

### 3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international commodity prices of gold, platinum, copper and crude oil retreated during the week ending 30 October 2015. Nickel prices, however, recorded a 0.4% increase over the same period.

**Table 4: Metals and Crude Oil Prices**

Period	Gold	Platinum	Copper	Nickel	Crude Oil
<b>2015</b>	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
<b>Weekly Average (23 Oct)</b>	<b>1,170.63</b>	<b>1,008.40</b>	<b>5,232.80</b>	<b>10,415.00</b>	<b>48.37</b>
<b>26-Oct</b>	1,167.45	989.50	5,232.00	10,460.00	47.84
<b>27-Oct</b>	1,165.73	989.00	5,219.00	10,480.00	46.75
<b>28-Oct</b>	1,175.55	1001.00	5,177.00	10,400.00	49.01
<b>29-Oct</b>	1,153.80	994.50	5,162.00	10,475.00	48.82
<b>30-Oct</b>	1,145.25	991.00	5,135.00	10,475.00	49.18
<b>Weekly Average (30 Oct)</b>	<b>1,161.56</b>	<b>993.00</b>	<b>5,185.00</b>	<b>10,458.00</b>	<b>48.32</b>
<b>Weekly Change (%)</b>	<i>(0.8)</i>	<i>(1.5)</i>	<i>(0.9)</i>	<i>0.4</i>	<i>(0.1)</i>

Source: BBC, KITCO, Reuters and Bloomberg

#### Gold

Gold prices declined by 0.8%, from a weekly average of US\$1,170.63/oz in the previous week, to US\$1,161.56/oz during the week under review. This was on the back of renewed speculation that the U.S. Federal Reserve would raise interest rates in December 2015. The prospects of an interest rate hike in the U.S. continues to dampen the precious metal's appeal as an investment asset.

#### Platinum

Likewise, prospects of an interest rate hike in the US, also dampened platinum prices. Against this background, platinum prices retreated by 1.5%, from US\$1,008.40/oz recorded in the previous week, to US\$993.00/oz during the week of analysis.

## **Copper**

Copper prices declined by 0.9% to close the week under review at a weekly average of US\$5,185.00/ton. The decline was underpinned by falling Chinese equities and the recent downward revision of China's 2015 growth forecast from 6.5% to 6.2%. In addition, subdued demand from the United States, the second largest consumer of copper, also exerted downward pressure on the prices.

## **Nickel**

Nickel prices firmed by 0.4%, from a weekly average of US\$10,415.00/ton in the previous week to US\$10,458.00/ton realized during the week under analysis. The increase was attributable to the depletion of inventories of the base metal, following the decision by Russia's Glencore to scale down production.

## **Crude Oil**

Brent crude oil prices continued on a downward trend, retreating by 0.1% from US\$48.37/barrel in the previous week to US\$48.32/barrel during the week under review. This followed depressed demand in China, coupled with subdued global economic activity.

## 4. EQUITY MARKETS

During the week ending 30th October 2015, improved investor interest in some mid cap and heavyweight counters saw the stock market recover from previous trading sessions' losses. The industrial and mining indices increased from 130.56 points and 23.49 points in the previous week, to close the week under review at 130.83 points and 23.57 points, respectively.

The increase in the benchmark index was largely attributed to gains realized in Willdale Limited (137.50%), Fidelity Life Assurance (16.32%), Rainbow Tourism Group (15.71%), NMBZ Holdings (12.50%), Padenga Holdings (10.78%), CFI Holdings (6.52%) and Dawn Properties (5.99%).

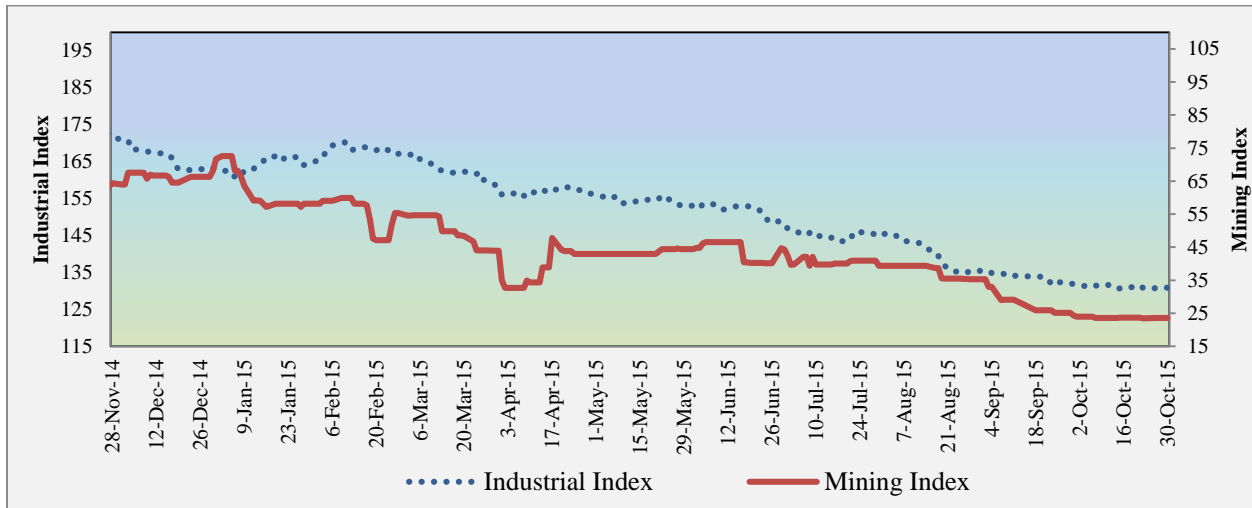
The gains in the mining index were largely supported by Bindura Nickel Corporation (BNC)'s share price which recovered by 0.78% from previous losses, owing to renewed investor confidence in the counter.

**Table 5: Zimbabwe Stock Exchange (ZSE) Statistics**

Period	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
02-Oct-15	131.45	23.97	3,431,677,735	2,006,444	23,490,669
09-Oct-15	131.45	23.57	3,431,931,253	4,782,272	22,376,346
16-Oct-15	131.08	23.68	3,422,760,886	789,703	6,781,535
23-Oct-15	130.56	23.49	3,408,982,366	2,041,195	11,472,158
30-Oct-15	130.83	23.57	3,416,105,219	4,540,639	15,119,157
Weekly Change (%)	0.21	0.34	0.21	122.45	31.79

Source: Zimbabwe Stock Exchange (ZSE), 2015

**Figure 3 : Zimbabwe Stock Exchange Indices**

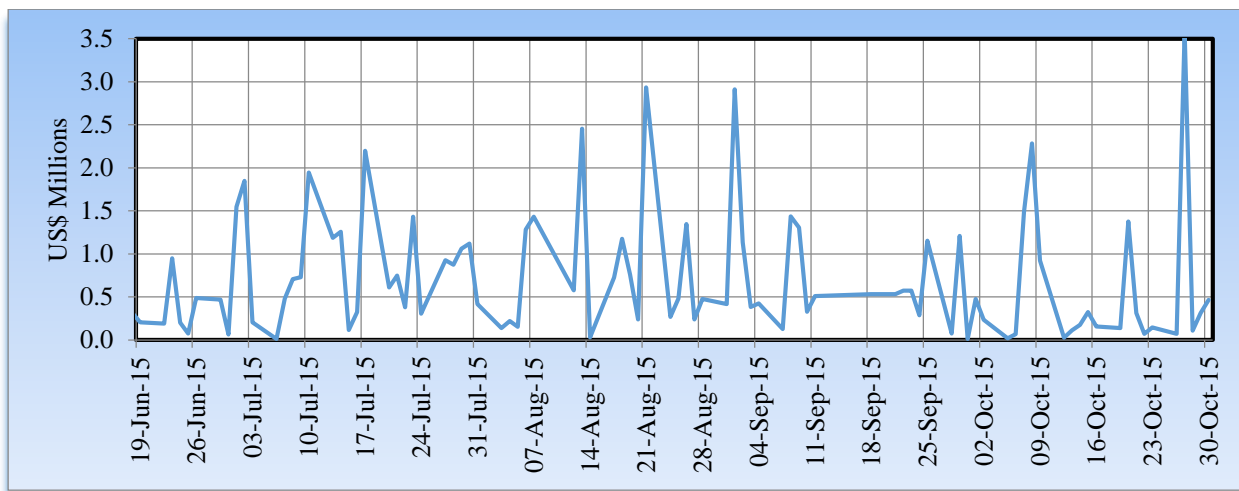


Source: Zimbabwe Stock Exchange, 2015

**Market Turnover and Volume**

Positive trading activity on the local bourse saw the value of shares traded increase significantly, by 122.45% from US\$2.04 million in the previous week, to close the week under review at US\$4.54 million. The volume of shares traded also increased by 31.79% to close the week at 15 119 157 shares.

**Figure 4: Daily Market Turnover**



Source: Zimbabwe Stock Exchange, 2015



## Market Capitalisation

The ZSE market capitalisation increased by 0.21% from US\$3.41 billion recorded in the previous week, to US\$3.42 billion during the period under review. This was due to improved trading in some isolated pockets of mid-cap and heavyweight counters.

**Figure 5 : Market Capitalisation**



Source: Zimbabwe Stock Exchange, 2015

## Johannesburg Stock Exchange (JSE) Developments

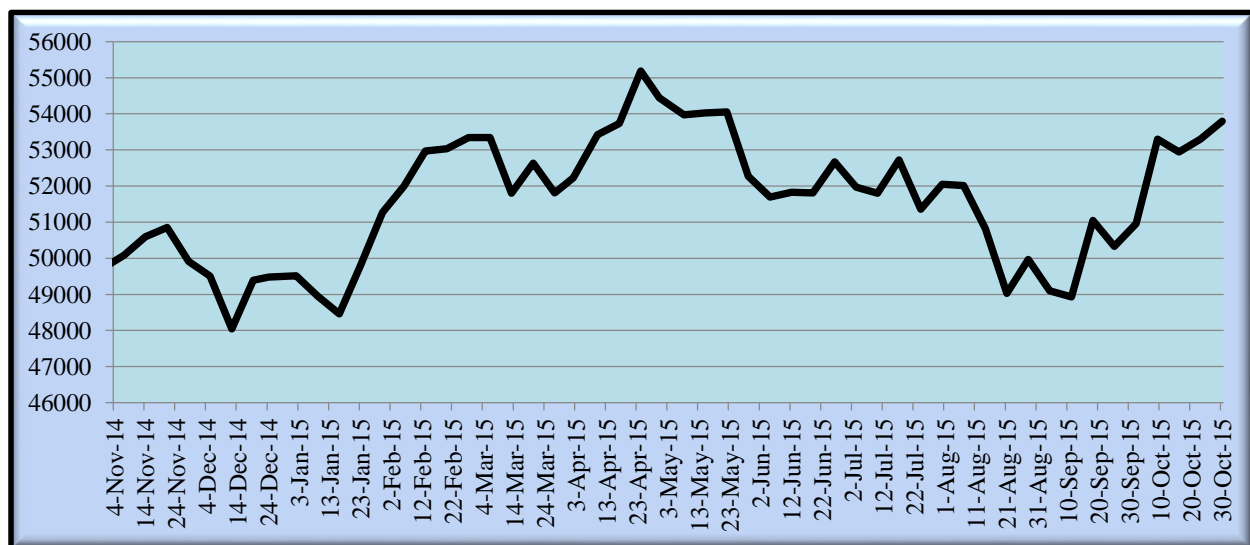
The JSE All Share index closed the week under review at 53 793.74 points, gaining 0.93% from the previous week. Market capitalization, however, declined by 1.54% to close the week under review at R12.17 trillion.

**Table 6: Johannesburg Stock Exchange (JSE) Statistics**

Period- 2015	All Share Index (points)	Market Capitalisation (R trillion)
02-Oct	50,955.89	11.60
09-Oct	53,295.65	12.12
16-Oct	52,945.11	12.07
23-Oct	53,298.41	12.36
30-Oct	53,793.74	12.17

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**

**4<sup>TH</sup> NOVEMBER 2015**