



Weekly Economic Highlights

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Week Ending
30th September 2016

1. INTEREST RATES

Deposit Rates

During the week ending 30th September 2016, average deposit rates for savings deposits remained unchanged at 3.01%. Deposit rates for deposits of 3 months tenor increased by 0.03 percentage points to close the week under review at 5.79%. The average deposit rates for deposits of 1 month tenor, however, eased to 5.41%, from 5.44% recorded in the previous week.

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

| Date | Savings Deposits (%) | 1-Month Deposits (%) | 3-Months Deposits (%) |
|------------------------|----------------------|----------------------|-----------------------|
| 2-September-16 | 3.01 | 5.44 | 5.78 |
| 9-September-16 | 3.01 | 5.44 | 5.76 |
| 16-September-16 | 3.01 | 5.44 | 5.76 |
| 23-September-16 | 3.01 | 5.44 | 5.76 |
| 30-September-16 | 3.01 | 5.41 | 5.79 |

Source: Banking Institutions, 2016

Lending Rates

Commercial bank weighted lending rates for corporate clients remained unchanged at 10.66%, during the week under review. Weighted lending rates for individuals, however, increased from 6.88% in the previous week, to 6.95%, during the week ending 30th September 2016.

Table 2: Lending Rates

| Date | Lending Rates (%) | |
|------------------------|-----------------------------|-------------------|
| | Commercial Banks (weighted) | |
| | Individuals | Corporate clients |
| 2-September-16 | 10.67 | 6.87 |
| 9-September-16 | 10.66 | 6.86 |
| 16-September-16 | 10.66 | 6.88 |
| 23-September-16 | 10.66 | 6.88 |
| 30-September-16 | 10.66 | 6.95 |

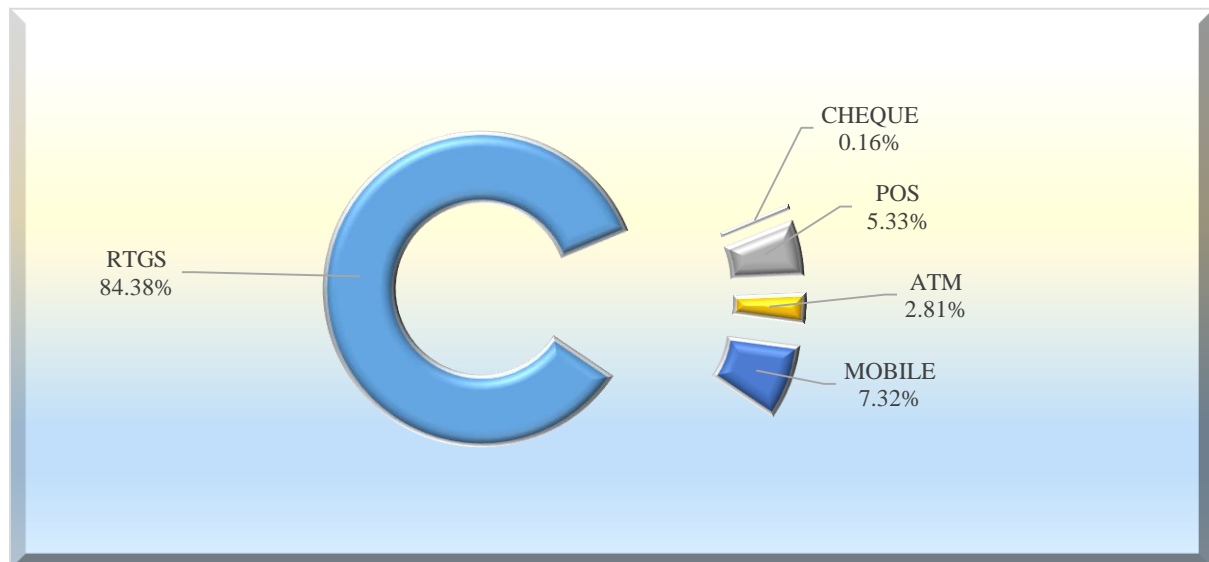
Source: Banking Institutions, 2016

2. CLEARING AND SETTLEMENT ACTIVITY

The total value of transactions processed through the National Payment System (NPS) increased by 20%, to close the week ending 30th September 2016 at US\$ 1 352.23 million. Real Time Gross Settlement (RTGS) transactions, increased from US\$ 945.76 million in the previous week, to US\$ 1 141.01 million during the week under analysis.

In value terms, the proportion of NPS payment streams were as follows; RTGS, 84.38%; Mobile, 7.32%; POS, 5.33%; ATM, 2.81% and Cheque, 0.16% as shown in Figure 1.

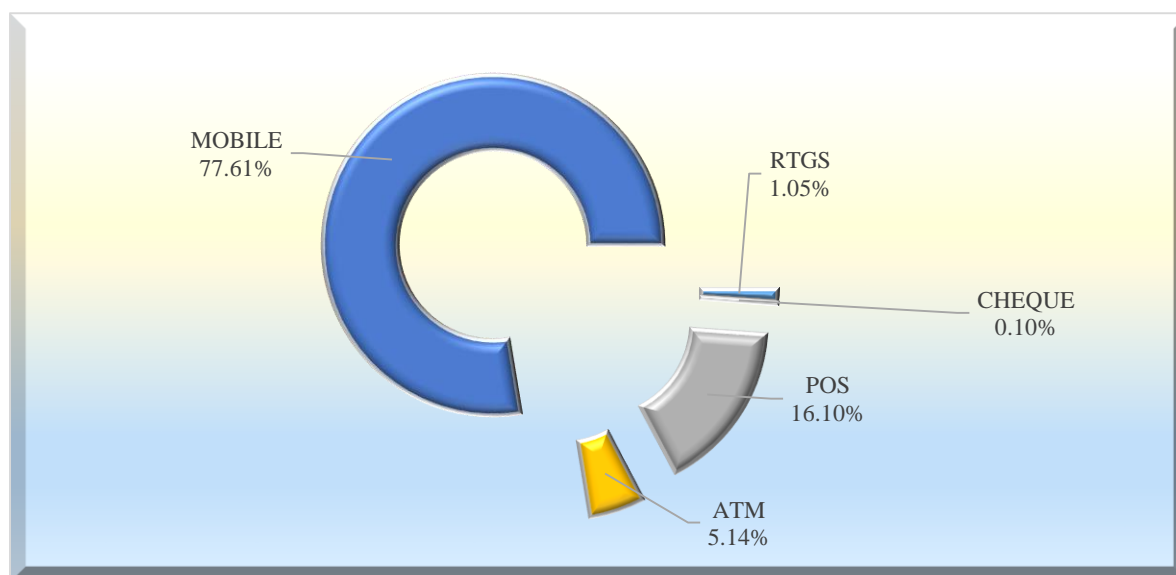
Figure 1: Proportions of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe

During the reporting week, the total volume of NPS transactions declined to 6.64 million, from 6.98 million in the week ending 30th September 2016. The volume of NPS transactions was dominated by Mobile transactions, which contributed 77.61% of the total; POS, 16.10%; ATM, 5.14%; RTGS, 1.05%; and Cheque, 0.10%. The proportions of NPS transaction volumes are shown in Figure 2.

Figure 2: Proportions of NPS Transactions in Volume Terms



Source: Reserve Bank of Zimbabwe.

During the week under review, RTGS transactions denominated in US dollars and euros increased in both value and volumes terms. On the other hand, South African rand transactions continued on a downward trend, in both value and volume terms during the same period. Table 3 shows the weekly RTGS transactional activities by currency.

Table 3: Real Time Gross Settlement System Transactional Activities

| RTGS CURRENCY | WEEK ENDING 23 September 2016 | WEEK ENDING 30 September 2016 | CHANGE FROM LAST WEEK |
|-------------------|-------------------------------|-------------------------------|-----------------------|
| VALUES | | | |
| USD | 941,289,981.23 | 1,140,264,171.39 | 21.14% |
| EURO | 163,787.30 | 218,095.49 | 33.16% |
| ZAR | 59,162,607.50 | 6,832,401.27 | -88.45% |
| VOLUMES IN | | | |
| USD | 57,533 | 69,430 | 20.68% |
| ZAR | 8 | 10 | 25.00% |
| EURO | 51 | 25 | -50.98% |

Source: Reserve Bank of Zimbabwe

Table 4: National Payment Systems Activity

| PAYMENT STREAM | WEEK ENDING 23 September 2016 | WEEK ENDING 30 September 2016 | CHANGE FROM LAST WEEK | PROPORTION |
|--------------------------|----------------------------------|----------------------------------|--------------------------|-------------|
| VALUES IN USD (millions) | | | | |
| RTGS | 945.76 | 1 141.01 | 21% | 84.38% |
| CHEQUE | 2.41 | 2.21 | -8% | 0.16% |
| POS | 60.55 | 72.01 | 19% | 5.33% |
| ATMS | 28.07 | 38.00 | 35% | 2.81% |
| MOBILE | 93.17 | 99.00 | 6% | 7.32% |
| TOTAL | 1,129.95 | 1,352.23 | 20% | 100% |
| VOLUMES | | | | |
| RTGS | 57,592 | 69,465 | 21% | 1.05% |
| CHEQUE | 7,444 | 6,781 | -9% | 0.10% |
| POS | 982,292 | 1,068,460 | 9% | 16.10% |
| ATMs | 270,188 | 341,434 | 26% | 5.14% |
| MOBILE | 5,665,739 | 5,150,891 | -9% | 77.61% |
| TOTAL | 6,983,255 | 6,637,031 | -5% | 100% |

Source: Reserve Bank of Zimbabwe

3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

During the week ending 30th September 2016, the international commodity prices of gold, copper, nickel and Brent crude oil recorded gains, while platinum prices retreated 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 (19-23-Sept) | 1,325.09 | 1,038.60 | 4,757.60 | 10,293.20 | 46.31 |
| 26-Sep | 1,338.40 | 1,055.00 | 4,793.50 | 10,620.00 | 47.36 |
| 27-Sep | 1,331.43 | 1,037.00 | 4,775.00 | 10,750.00 | 45.71 |
| 28-Sep | 1,323.65 | 1,036.50 | 4,808.00 | 10,750.00 | 47.04 |
| 29-Sep | 1,319.48 | 1,030.00 | 4,815.00 | 10,530.00 | 49.69 |
| 30-Sep | 1,325.20 | 1,029.50 | 4,832.00 | 10,455.00 | 48.99 |
| Week ending (26-30-Sept) | 1,327.63 | 1,032.50 | 4,804.70 | 10,621.00 | 47.76 |
| Weekly Change (%) | 0.2 | (0.6) | 1.0 | 3.2 | 3.1 |

Source: BBC, KITCO, Reuters and Bloomberg

Gold

Gold prices increased by 0.2%, from US\$1,325.09/ounce recorded in the previous week to close the week under review at a weekly average price of US\$1,327.63/ounce. Gold prices were spurred by selloff pressures in equities which boosted the demand for safe haven assets. The modest gains in gold prices were, however, capped by a stronger US dollar.

Platinum

Platinum prices declined by 0.6%, from a weekly average of US\$1,038.60/oz in the previous week to US\$1,032.50/oz during the week ending 30th September 2016. Prices were weighed down by sell off pressures, amid the holding of platinum as an investment asset by profit-taking investors. This followed a rally in platinum prices during the third quarter of 2016.

Copper

Copper prices rose by 1.0%, to close the week under analysis at a weekly average of US\$4,804.70/ton. This followed an improvement in Chinese manufacturing sector performance over the recent months, signaling a brighter demand outlook for base metals in China.

Nickel

Nickel prices increased by 3.2%, from a weekly average of US\$10,293.20/ ton in the previous week to US\$10,621.00/ton during the week under review. Prices were supported by the recent closure of some nickel mines in the Philippines, estimated to reduce the global nickel ore output by about 15000 to 20000 tons.

Crude Oil

Crude oil prices surged by 3.1%, to close the week under review at US\$47.76/barrel. The increase in prices was supported by the decision taken by OPEC countries, to limit global crude oil production to a range of about 33 million barrels a day.

4. EXCHANGE RATES

Table 6: International Exchange Rates per US\$

| | GBP (£) | EURO (€) | Rand (ZAR) |
|---|----------------|-----------------|-------------------|
| 2016 | | | |
| Weekly Average (19-23 Sep) | 0.7675 | 0.8948 | 13.8412 |
| 26-Sep | 0.7709 | 0.8906 | 13.6959 |
| 27-Sep | 0.7705 | 0.8893 | 13.5704 |
| 28-Sep | 0.7688 | 0.8922 | 13.4329 |
| 29-Sep | 0.7685 | 0.8907 | 13.6300 |
| 30-Sep | 0.7708 | 0.8913 | 13.8900 |
| Weekly Average (26-30 Sep) | 0.7699 | 0.8908 | 13.6438 |
| <i>Appr (+)/Depr (-) (%) of the USD</i> | <i>0.32</i> | <i>(0.44)</i> | <i>(1.43)</i> |

Source: Reuters

The US dollar depreciated against the South African rand and euro by 1.43% and 0.44%, respectively. Concerns over a possible interest rate hike by the US Federal Reserve that led to uncertainty among investors, in large part, explained the depreciation of the greenback. On the other hand, the generally weakening US dollar appreciated against the pound sterling on account of the lingering negative effects of Brexit.

5. EQUITY MARKETS

The Zimbabwe Stock Exchange (ZSE) recovered from previous week losses, following improved trading activity supported by mid-cap and heavyweight counters, during the week under review. Consequently, the industrial and mining indices registered respective increases of 0.08% and 3.58%, to close the week ending 30th September 2016 at 98.96 points and 26.61 points, respectively.

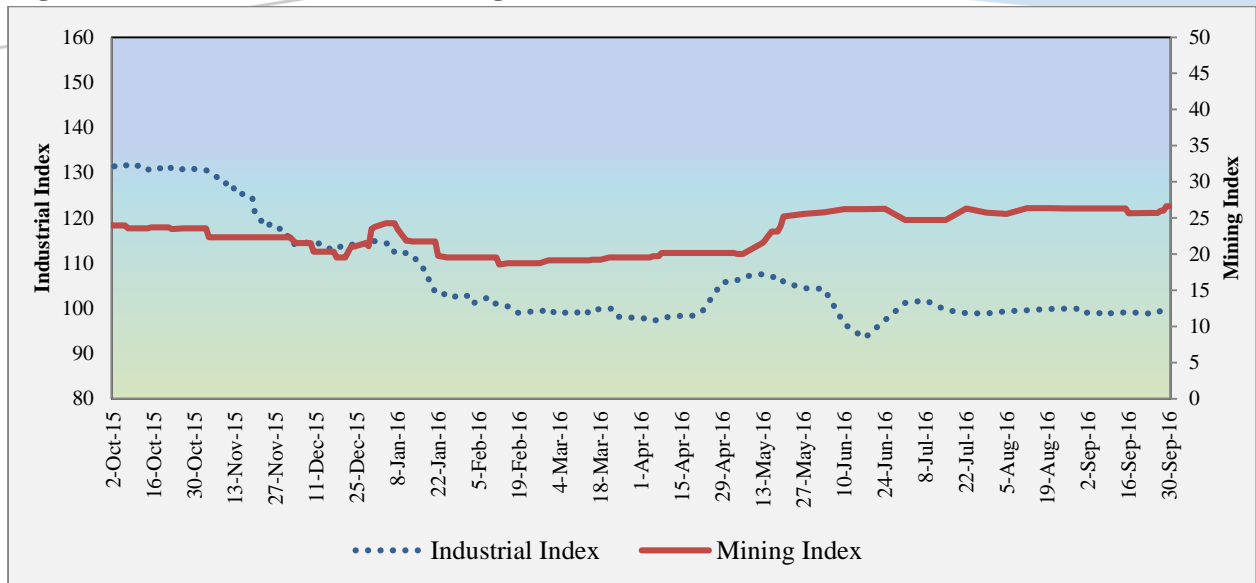
Contributing to the increase in the industrial index were gains in Axia Corporation Limited, 12.50%; Star Africa Corporation, 12.00%; Padenga Holdings, 3.07%; OK Zimbabwe Limited, 3.03%; B.A.T, 1.67%; and National Foods Limited, 0.59%.

Table 7: Zimbabwe Stock Exchange (ZSE) Statistics

| Period | Industrial Index (points) | Mining Index (points) | Grand Market Capitalization (US\$) | Market Turnover (US\$) | Volume of Shares |
|--------------------------|---------------------------|-----------------------|------------------------------------|------------------------|------------------|
| 2- September-16 | 99.04 | 26.32 | 2,726,589,791 | 1,163,044 | 9,179,123 |
| 9- September-16 | 98.48 | 26.32 | 2,723,033,604 | 1,845,251 | 6,214,573 |
| 16-September-16 | 99.16 | 25.69 | 2,728,906,960 | 1,363,110 | 6,408,355 |
| 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 |
| Weekly Change (%) | 0.08 | 3.58 | 0.13 | 129.10 | 227.06 |

Source: Zimbabwe Stock Exchange (ZSE), 2016.

Figure 3 : Zimbabwe Stock Exchange Indices



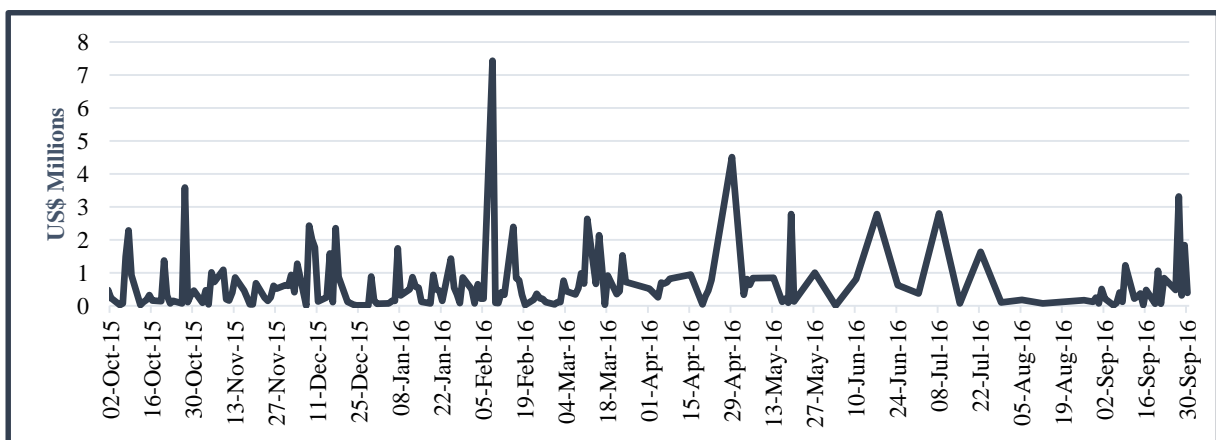
Source: Zimbabwe Stock Exchange, 2016

Market Turnover and Volume

The ZSE market turnover increased by 129.10%, from US\$2.77 million in the previous week to US\$6.35 million during the week under review. This was on the back of improved activity on the local bourse underpinned by an increase in the volume of shares traded. The volume of shares traded increased by 227.06%, to close the week under review at 38 164 937 shares.

During the same period, the ZSE registered block trades for Delta Corporation, 5 235 935; Fidelity Life Assurance, 5 390 000; and Innscor Africa, 2 729 844; exchanging hands at 62.06 cents, 11 cents and 23.01 cents, respectively.

Figure 4: Daily Market Turnover

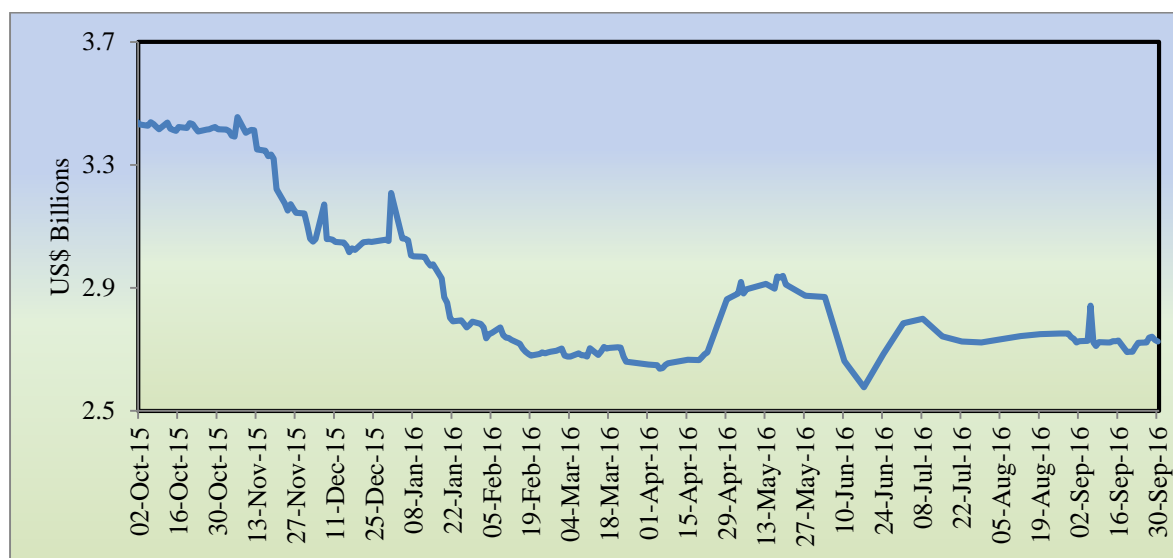


Source: Zimbabwe Stock Exchange, 2016

Market Capitalisation

The ZSE market capitalisation stood at US\$ 2.73 billion during the week under review, up from US\$2.72 billion in the previous week. This was largely as a result of positive trading on the local bourse, mostly in mid cap and heavy weight counters.

Figure 5 : Market Capitalisation



Source: Zimbabwe Stock Exchange, 2016

Johannesburg Stock Exchange (JSE) Developments

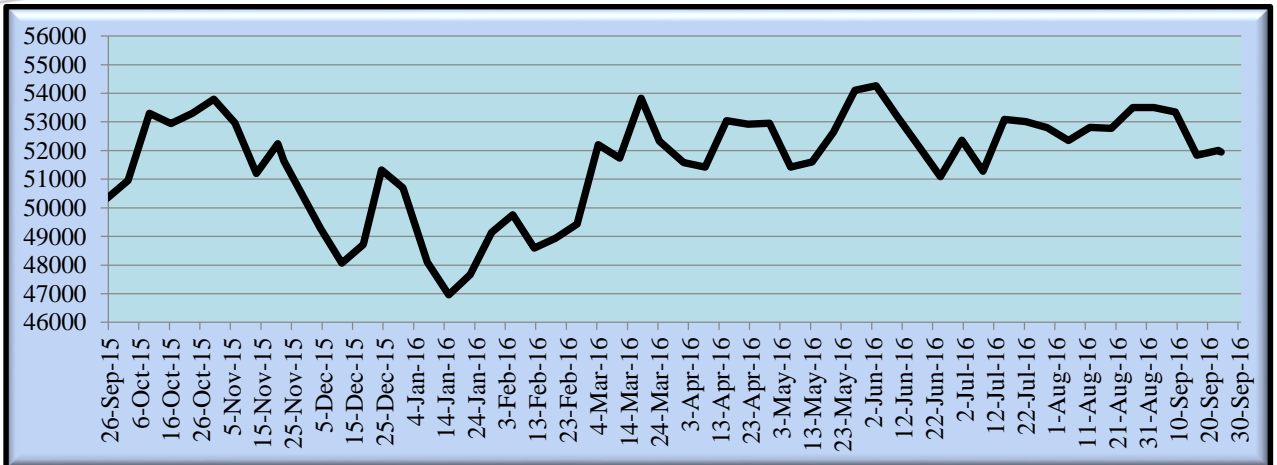
During the week ending 30th September 2016, the JSE All Share index declined by 0.10%, to close the week at 51 999.45 points. The JSE market capitalisation, however, increased by 0.46%, from R15.22 trillion in the previous week to R15.29 trillion during the week under analysis.

Table 8: Johannesburg Stock Exchange (JSE) Statistics

| Period | All Share Index (points) | Market Capitalisation (ZAR trillion) |
|------------------------|--------------------------|--------------------------------------|
| 2-September-16 | 53,500.07 | 15.61 |
| 9-September-16 | 53,347.30 | 15.45 |
| 16-September-16 | 51 832.55 | 15.15 |
| 23-September-16 | 51 999.45 | 15.22 |
| 30-September-16 | 51 949.83 | 15.29 |

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

6th OCTOBER 2016