



Weekly Economic Highlights

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Week Ending
31st December 2015

1. INTEREST RATES

Deposit Rates

During the week ending 31st December 2015, average deposits rates for deposits of 1 month and 3 month tenor slumped to 7.53% and 7.74%, from 7.69% and 7.90%, respectively. Savings deposit rates, however, remained unchanged at 3.00 % during the same week.

Table 1: Average Deposit Rates

2015	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
04-Dec	3.00	7.28	7.89
11-Dec	3.00	7.28	7.89
18-Dec	3.00	7.28	7.89
24-Dec	3.00	7.69	7.90
31-Dec	3.00	7.53	7.74

Source: Banking Institutions, 2015

Lending Rates

Weighted lending rates at commercial banks, for individual and corporate clients, softened to 11.99% and 7.57%, respectively, during the week under analysis, as shown in Table 2 below.

Table 2: Lending Rates

2015	Lending Rates (%) Commercial Banks (weighted)	
	Individuals	Corporate clients
04-Dec	12.07	7.63
11-Dec	12.12	7.62
18-Dec	12.12	7.62
24-Dec	12.17	7.82
31-Dec	11.99	7.57

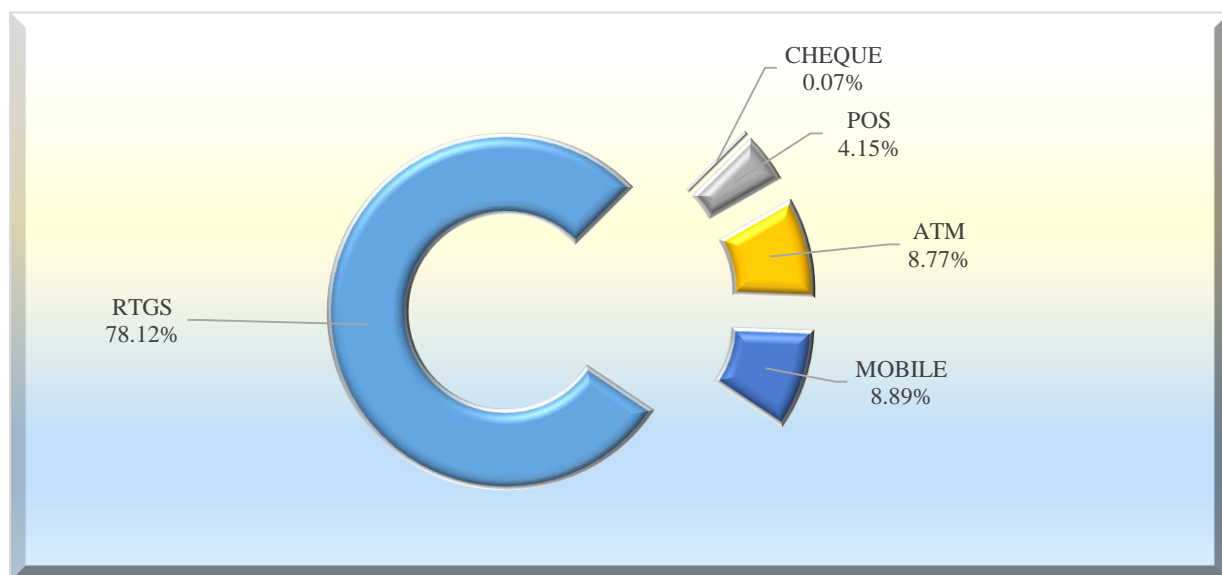
Source: Banking Institutions, 2015

2. CLEARING AND SETTLEMENT ACTIVITY

During the week under review, transactions processed through the National Payment System (NPS) increased to US\$ 1 035.01 million, from US\$ 960.42 million in the previous week. Real Time Gross Settlement (RTGS) transactions rose by 17% to US\$808.55 million during the reporting week.

Payments through RTGS continued to dominate the NPS, contributing 78.12% of the total value of transactions. The proportions of other payment streams were as follows: Mobile, 8.89%; ATM; 8.77%; POS; 4.15% and Cheque, 0.07%.

Figure 1: Proportions of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe

The total volume of NPS transactions declined by 12.7% to 5.4 million during the week under analysis. In terms of proportion, mobile transactions dominated the NPS, accounting for 86.62% of the total volume of transactions; POS, 7.15%; ATM, 5.78%; RTGS, 0.40%; and Cheque transactions, 0.05%.

Figure 2: Proportions of NPS Transactions in Volume Terms



Source: Reserve Bank of Zimbabwe.

Table 3: National Payment Systems Activity

PAYMENT STREAM	WEEK ENDING 24 Dec 2015	WEEK ENDING 31 Dec 2015	CHANGE FROM LAST WEEK	PROPORTION
VALUES IN USD (millions)				
RTGS	689.11	808.55	17.33%	78.12%
CHEQUE	2.14	0.75	-64.93%	0.07%
POS	53.77	42.91	-20.19%	4.15%
ATMS	99.85	90.78	-9.09%	8.77%
MOBILE	115.67	92.01	-20.45%	8.89%
TOTAL	960.53	1035.01	7.75%	100%
VOLUMES				
RTGS	24,933	21,455	-13.95%	0.40%
CHEQUE	4,417	2,429	-41.43%	0.05%
POS	443,673	383,980	-13.45%	7.15%
ATMs	377,125	310,141	-17.76%	5.78%
MOBILE	5,298,890	4,651,333	-12.22%	86.63%
TOTAL	6,148,768	5,369,338	-12.68%	100%

Source: Reserve Bank of Zimbabwe

3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international commodity prices of platinum, copper and Brent crude oil firmed during the week ending 31st December 2015. Gold and nickel prices, however, retreated during the same week. Table 4 below shows commodity price developments during the period under review.

Table 4: Metals and Crude Oil Prices

Period	Gold	Platinum	Copper	Nickel	Crude Oil
2015	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
Weekly Average (24 Dec)	1,071.82	872.67	4,672.33	8,700.00	37.12
28-Dec	1,070.08	881.51	4,665.00	8700.00	38.02
29-Dec	1,065.68	864.00	4,665.33	8,550.00	37.62
30-Dec	1,063.90	878.00	4,714.00	8,625.00	36.71
31-Dec	1,061.13	872.00	4,714.00	8,670.00	36.78
Weekly Average (31 Dec)	1,065.19	873.88	4,689.50	8,636.25	37.28
Weekly Change (%)	<i>(0.62)</i>	<i>0.14</i>	<i>0.37</i>	<i>(0.73)</i>	<i>0.43</i>

Source: BBC, KITCO, Reuters and Bloomberg

Gold

Gold prices retreated by 0.62% to close the week under review at US\$1,065.19/oz, from US\$1,071.82/oz in the previous week. The decline was occasioned by a stronger US dollar.

Platinum

Platinum prices increased from US\$872.67/oz recorded in week ending 24th December 2015, to US\$873.88/oz during the week under analysis. This was underpinned by a rise in demand in Europe and China. The metal is used in the manufacture of vehicle pollution-control devices.

Copper

Copper prices, rose by 0.4% to close the week under analysis at US\$4,689.50/tonne. The prices firmed following reports that major copper producers were planning to reduce the current supply glut by cutting sales by 200,000 metric tonnes during the first quarter of 2016.

Nickel

Nickel prices softened by 0.73%, from a weekly average of US\$8,700.00/tonne in the previous week, to US\$8,636.25/tonne during the week under review. The prices were weighed down by slowing global demand, particularly from China, which consumes about half of the world's nickel output.

Brent crude oil

Crude oil prices recorded a gain of 0.43%, to close the week under review at US\$37.28, from US\$37.12 in the previous week. The increase was largely supported by rising prospects that oil demand in China would increase by 8% in 2016. The Asian giant plans to take advantage of the slump in prices to stockpile for emergencies.

4. EQUITY MARKETS

The Zimbabwe Stock Exchange (ZSE) was bullish, resulting in the industrial and mining indices surging by 0.65% and 12.79%, to close the week under analysis at, 114.85 points and 23.72 points, respectively.

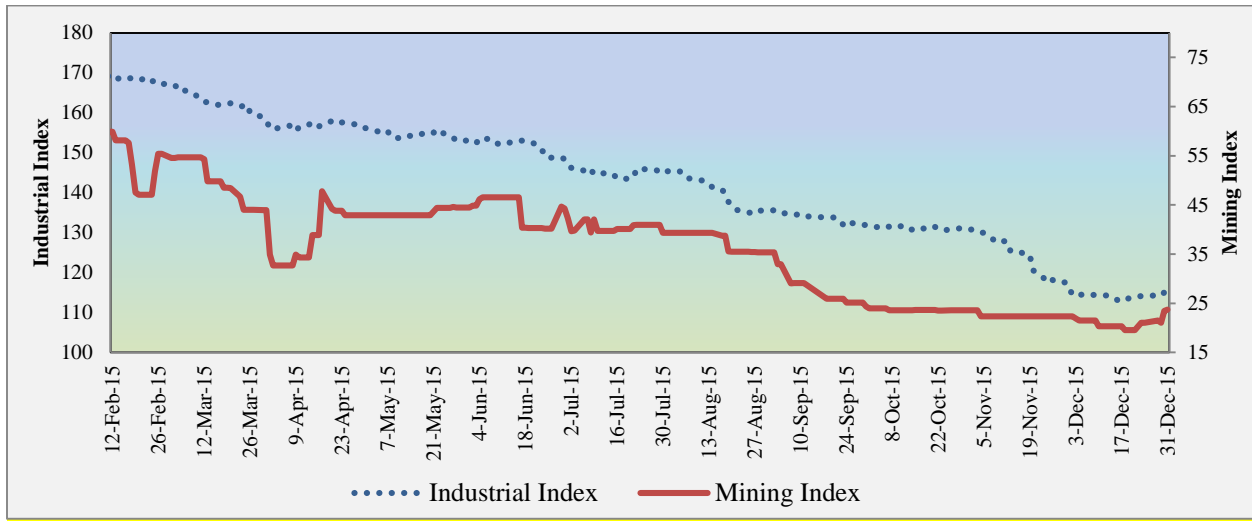
Price increases in Star Africa (100.00%), Zimbabwe Newspapers. (20.00%), Innscor (13.06%), OK Zimbabwe (11.11%), Padenga (10.43%) and Fidelity (10.00%) weighed up the industrial index. Some industrial stocks, however, registered losses as follows: Colcom (19.32%), ZB Financial Holdings (17.22%), Proplastics (12.50%), Dairibord (12.16%) and African Sun (5.56%). The mining index increased on account of a 28.57% gain in Bindura Nickel Corporation (BNC).

Table 5: Zimbabwe Stock Exchange (ZSE) Statistics

Period	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
11-Dec-15	114.12	20.32	3,048,882,797	6,673,187	28,981,450
18-Dec-15	113.21	19.53	3,023,809,369	5,185,998	125,446,351
24-Dec-15	114.11	21.03	3,049,698,454	161,009	2,456,457
31-Dec-15	114.85	23.72	3,073,408,931	1,115,802	13,480,408
Weekly Change (%)	0.65	12.79	0.78	593.01	448.77

Source: Zimbabwe Stock Exchange (ZSE), 2015

Figure 3 : Zimbabwe Stock Exchange Indices

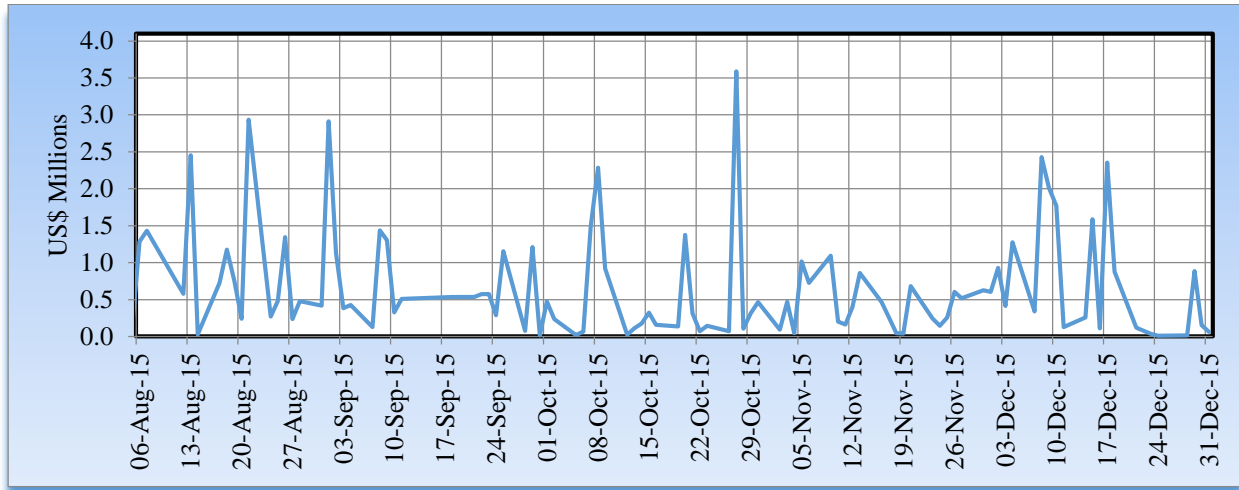


Source: Zimbabwe Stock Exchange, 2015

Market Turnover and Volume

During the week under review, the ZSE market turnover increased from US\$0.16 million in the previous week, to US\$1.12 million in the week under analysis. The volume of shares traded concomitantly increased from 2.46 million in the previous week to 13.48 million.

Figure 4: Daily Market Turnover

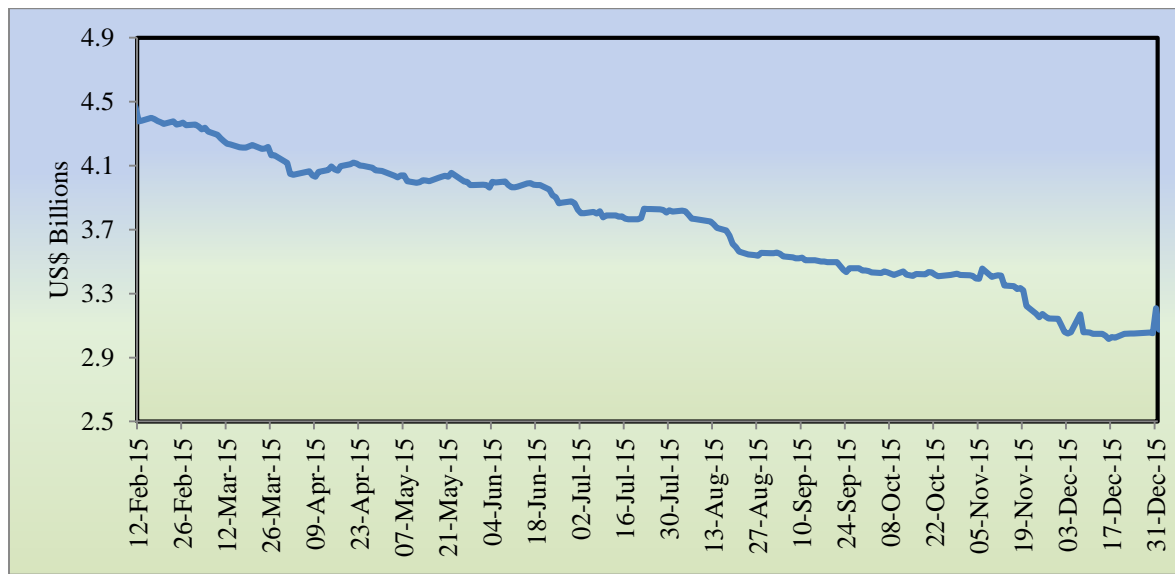


Source: Zimbabwe Stock Exchange, 2015

Market Capitalisation

Market capitalization stood at US\$3.07 billion, a 0.78% increase from US\$3.05 billion registered in the previous week.

Figure 5 : Market Capitalisation



Source: Zimbabwe Stock Exchange, 2015

Johannesburg Stock Exchange (JSE) Developments

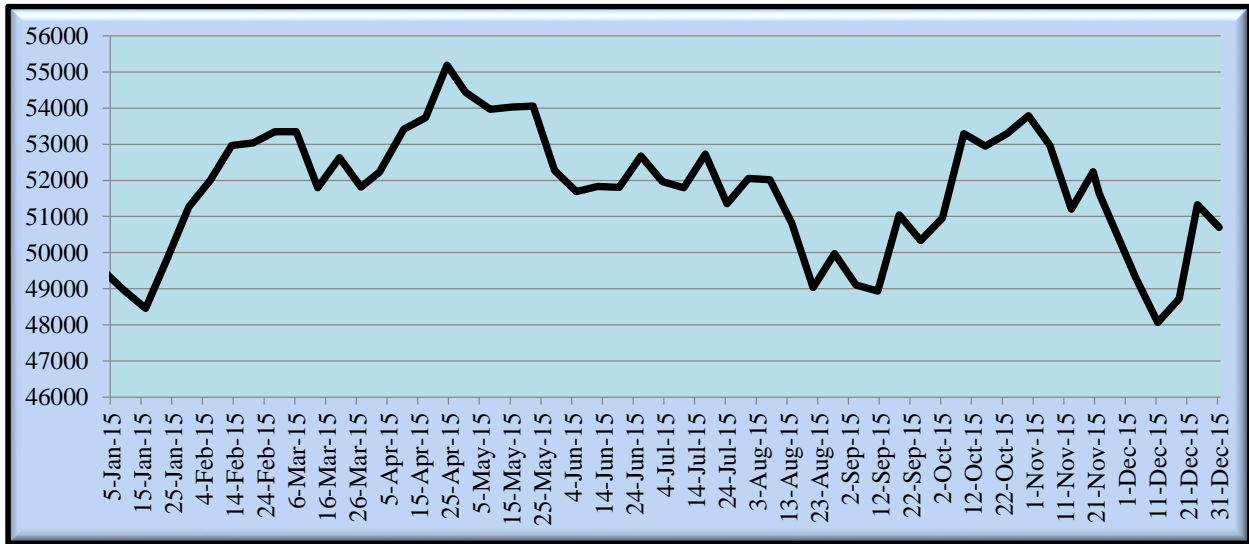
The JSE All Share index fell from 51,324.01 points in the previous week, to 50,696.73 points during the week ending 31st December 2015. In tandem, the JSE market capitalization declined by 0.57% to R11.73 during the same week.

Table 6: Johannesburg Stock Exchange (JSE) Statistics

Period- 2015	All Share Index (points)	Market Capitalisation (R trillion)
04-Dec	49,284.49	11.28
11-Dec	48,067.53	11.19
18-Dec	48 717.28	11.24
24-Dec	51,324.01	11.80
31-Dec	50,696.73	11.73

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

8TH JANUARY 2016