



Weekly Economic Highlights

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Week Ending
31st March 2017

1. INTEREST RATES

Deposit Rates

During the week ending 31st March 2017, average deposit rates for savings deposits increased to 3.55%, from 3.01% in the previous week. Average deposit rates for deposits of 1 month and 3 months tenor, however, declined to close the week under analysis at 4.97% and 5.43%, respectively.

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

Date	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
03-March-17	3.01	5.35	5.80
10-March-17	3.01	5.35	5.80
17-March-17	3.01	5.33	5.50
24-March-17	3.01	5.31	5.50
31-March-17	3.55	4.97	5.43

Source: Banking Institutions, 2017

Lending Rates

Commercial bank weighted lending rates for individual clients fell by 1.88 percentage points to 9.12% during the week under analysis. Weighted lending rates for corporate clients closed the same week at 7.02%, a 0.45 percentage points increase from 6.57% recorded in the previous week.

Table 2: Lending Rates

Date	Lending Rates (%) Commercial Banks (weighted)	
	Individuals	Corporate clients
03-March-17	10.05	6.51
10-March-17	10.06	6.52
17-March-17	10.03	6.55
24-March-17	10.00	6.57
31-March-17	9.12	7.02

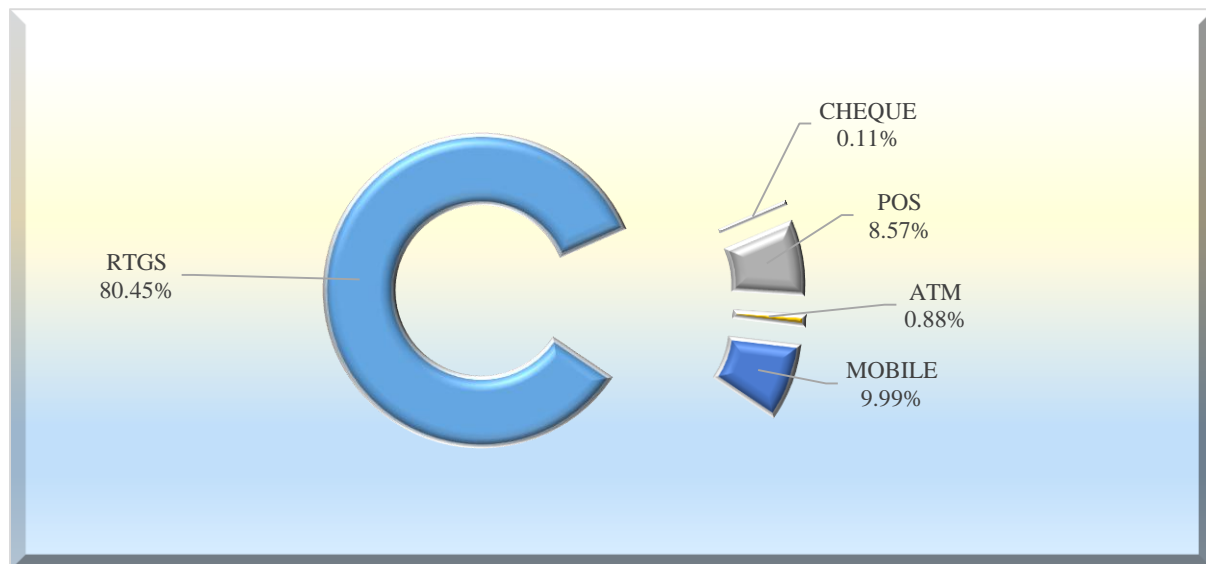
Source: Banking Institutions, 2017

2. CLEARING AND SETTLEMENT ACTIVITY

During the week ending 31st March 2017, the total value of transactions processed through the National Payment System (NPS) stood at US\$1 369.78 million, up from US\$1 296.80 million in the previous week. Transactions processed through the Real Time Gross Settlement (RTGS) system increased by 3% to US\$1 101.95 million in the same week.

Real Time Gross Settlement (RTGS) payments accounted for 80.45% of the total value of transactions processed through the NPS, followed by Mobile, 9.99%; Point of Sale (POS), 8.57%; Automated Teller Machines (ATMs), 0.88%; and Cheque, 0.11%, as shown in Figure 1.

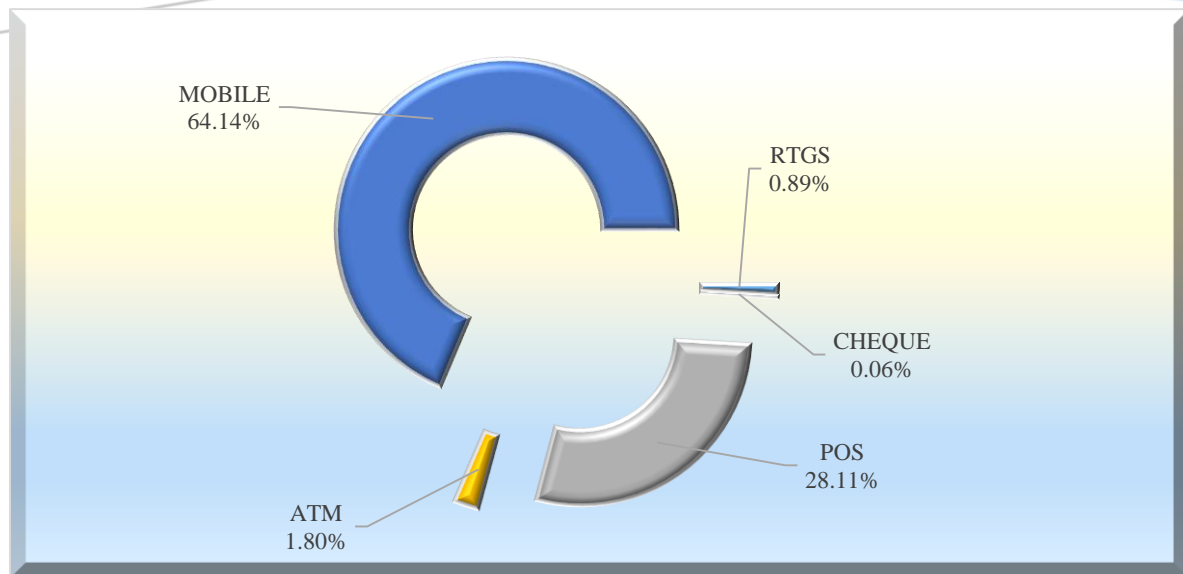
Figure 1: Proportions of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe

The volume of transactions processed through the NPS stood at 11 013 027 during the week under analysis, 11% increase from 9 949 930 transactions recorded in the previous week. The distribution of NPS transaction volumes was as follows: Mobile, 69.14%; POS, 28.11%; ATMs, 1.80%; RTGS, 0.89%; and Cheque, 0.06%, 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 24 March 2017	WEEK ENDING 31 March 2017	CHANGE FROM LAST WEEK	PROPORTION
VALUES IN USD (millions)				
RTGS	1,069.12	1,101.95	3%	80.45%
CHEQUE	1.52	1.50	-1%	0.11%
POS	110.42	117.35	6%	8.57%
ATMS	11.48	12.12	6%	0.88%
MOBILE	104.26	136.85	31%	9.99%
TOTAL	1,296.80	1,369.77	6%	100%
RTGS	84,209	98,440	17%	0.89%
CHEQUE	6,191	6,378	3%	0.06%
POS	3,214,871	3,095,401	-4%	28.11%
ATMs	186,655	198,082	6%	1.80%
MOBILE	6,458,004	7,614,726	18%	69.14%
TOTAL	9,949,930	11,013,027	11%	100%

Source: Reserve Bank of Zimbabwe

3. TOBACCO SALES

As at 31st March 2017 or day 13 of the 2017 tobacco selling season, a cumulative total of 19 999 943 kilograms of tobacco worth US\$52.48 million had been sold, at an average price of US\$2.62/kg. The sales were 38.34% higher than the cumulative total of 14 456 574 kilograms of the golden leaf, worth US\$36.52 million, that were sold at an average price of US\$2.54/kg during the same period in 2016.

Table 4: Cumulative Tobacco Sales: Day 13 (31 March 2017)

	2016	2017	Variance (%)
Cumulative Quantity Sold (kgs)	14,456,574	19,999,943	38.34
Cumulative Average Price(US\$/kg)	2.54	2.62	3.30
Cumulative Value (US\$ million)	36,517,135	52,475,046	43.70

Source: Tobacco Industry and Marketing Board (TIMB), 2017

4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The weekly average international commodity prices of gold and platinum firmed, whilst copper, nickel and crude oil weakened during the week ending 31st March 2017, as shown in Table 5.

Table 5: Metal and Crude Oil Prices

	Gold	Platinum	Copper	Nickel	Crude Oil
2017	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
Week ending (19-24 Mar)	1,241.75	964.40	5,776.80	10,107.00	50.93
27-Mar	1,257.23	977.50	5,711.50	9,910.00	50.30
28-Mar	1,255.45	963.50	5,673.00	9,910.00	50.30
29-Mar	1,252.00	954.00	5,774.25	9,737.50	50.30
30-Mar	1,250.85	965.00	5,847.00	9,915.00	50.30
31-Mar	1,243.28	964.50	5,858.00	9,935.00	50.30
Week ending (27-31 Mar)	1,251.76	964.90	5,772.75	9,881.50	50.30
<i>Weekly Change (%)</i>	<i>0.8</i>	<i>0.1</i>	<i>(0.1)</i>	<i>(2.2)</i>	<i>(1.2)</i>

Source: BBC, KITCO and Bloomberg

Gold

Gold prices firmed by 0.8%, from a weekly average of US\$1,241.75/oz recorded in the prior week to US\$1,251.76/oz during week under review. This was largely on account of uncertainty over U.S President Donald Trump's tax and investment plans as well as elections in Europe, which fuelled demand for bullion as a safe haven asset.

Platinum

Platinum prices marginally increased by 0.1%, to close at US\$964.90/oz during the week ending 31st March 2017. The increase was supported by a positive demand outlook for the industrial metal.

Copper

Copper prices retreated by 0.1%, from a weekly average of US\$5,776.80/ton recorded in the previous week to US\$5,772.75/ton in the week under analysis. The prices declined following the resumption of operations in Peru's biggest copper mine after a 3 weeks long strike. This dampened fears of supply disruptions which could have driven up the metal price.

Nickel

Nickel prices declined by 2.2%, from US\$10,107.00/tonne registered in the previous week to close the week under review at an average of US\$9,881.50/tonne. The decline was largely on account of rising inventories in China, the world's largest consumer of the metal.

Crude Oil

Crude oil prices registered a marginal decline of 1.2%, from US\$50.93/barrel in the previous week to US\$50.30/barrel during the week under review. Oil prices are likely to remain depressed as Libya's production rebound is likely to offset OPEC production cuts.

5. EXCHANGE RATES

The U.S. dollar depreciated against the euro and the pound Sterling during the week under review. It, however, appreciated against the South African rand, following events that culminated into leadership changes at the South African National Treasury and rising speculation about the implementation of the country's radical economic transformation program.

Table 6: International Exchange Rates per US\$

	GBP	EURO	ZAR
2017			
Weekly Average (20-24 Mar)	0.8031	0.9277	12.6022
27-Mar	0.7980	0.9220	12.3768
28-Mar	0.7955	0.9200	12.8077
29-Mar	0.8065	0.9252	13.0600
30-Mar	0.8038	0.9298	13.0350
31-Mar	0.8009	0.9265	13.5450
Weekly Average (27-31 March)	0.8009	0.9247	12.9649
<i>Appr(+)/Depr(-) (%) of the USD</i>	<i>(0.27)</i>	<i>(0.32)</i>	<i>2.88</i>

Source: Reuters

6. EQUITY MARKETS

The Zimbabwe Stock Exchange (ZSE) recovered from losses of the previous week, resulting in gains in industrial and mining indices, during the week ending 31st March 2017. The industrial index rose by 1.37% to 138.96 points due to increases in Econet Wireless, 13.19%; Barclays Bank, 10.70%; Axia Corporation, 4.48%; Colcom Holdings, 2.05%; and Delta, 0.88%. Partially offsetting these gains were losses in Dawn Properties, 3.85%; Dairibord Holdings, 0.40%; and CBZ Holdings, 0.10%.

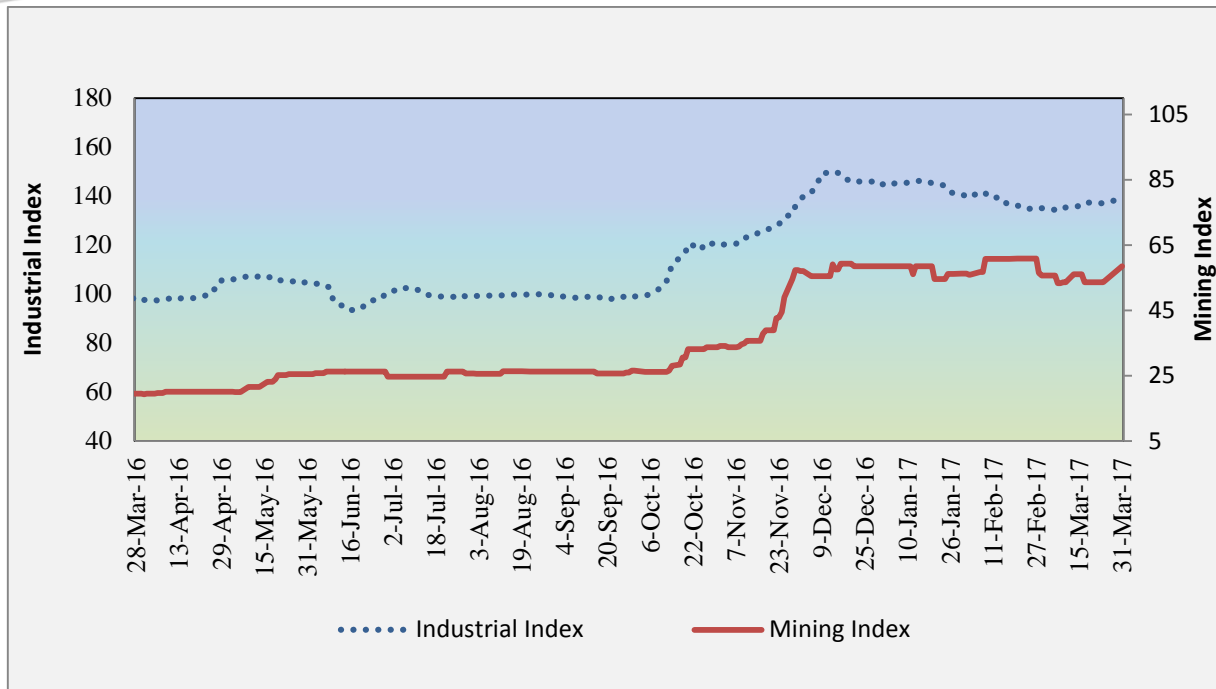
The resources index also firmed by 9.19% to close the week under review at 58.56 points. The increase was a result of an 18.87% share price increase in RioZim. Bindura Nickel Corporation traded at the previous week price, whilst Hwange and Falgold were inactive during the same week.

Table 7: Zimbabwe Stock Exchange (ZSE) Statistics

	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
3-March-17	134.48	55.68	3,746,292,943	5,685,525	55,971,170
10-March-17	135.36	53.66	3,766,995,911	3,485,601	58,720,204
17-March-17	137.47	53.59	3,822,960,955	6,076,205	35,434,550
24-March-17	137.08	53.63	3,812,496,830	11,791,989	74,396,040
31-March-17	138.96	58.56	3,871,279,708	2,933,379	16,543,339
Weekly Change (%)	1.37	9.19	1.54	(75.12)	(77.76)

Source: Zimbabwe Stock Exchange (ZSE), 2017.

Figure 3 : Zimbabwe Stock Exchange Indices

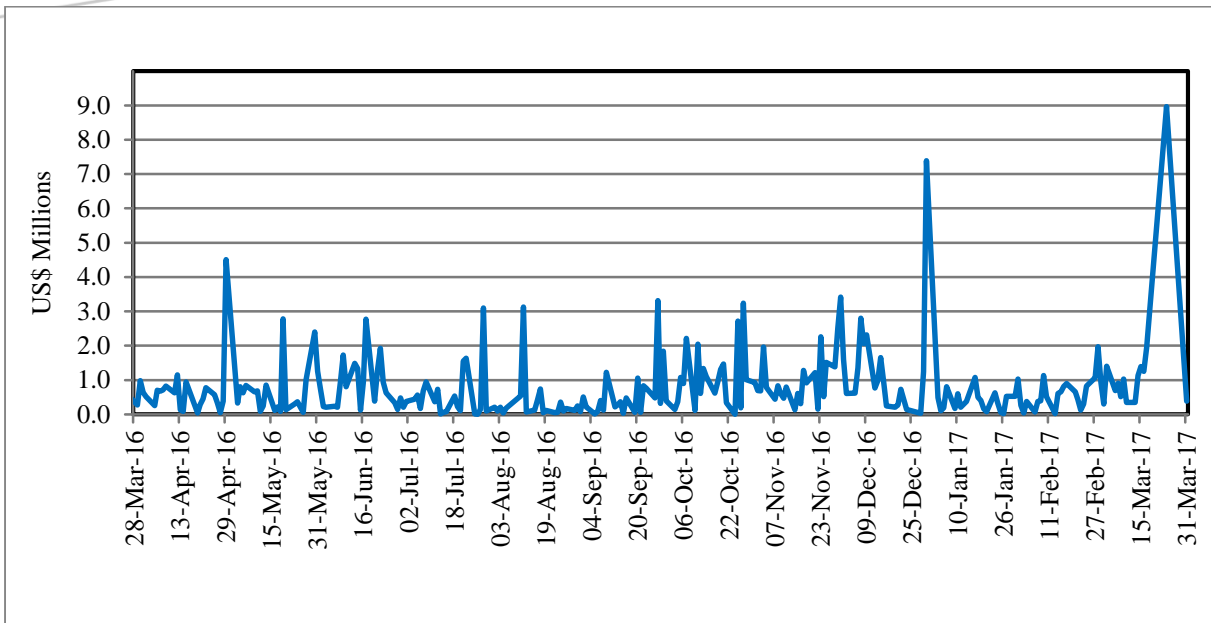


Source: Zimbabwe Stock exchange

Market Turnover and Volume

The ZSE market turnover registered a 75.12% decline, to close the week ending 31st March 2017 at US\$2.93 million. Similarly, the volume of shares traded also decreased by 77.76% to close the week under review at 16 543 339 shares. This was attributed to thin trading on the local bourse.

Figure 4: Daily Market turnover

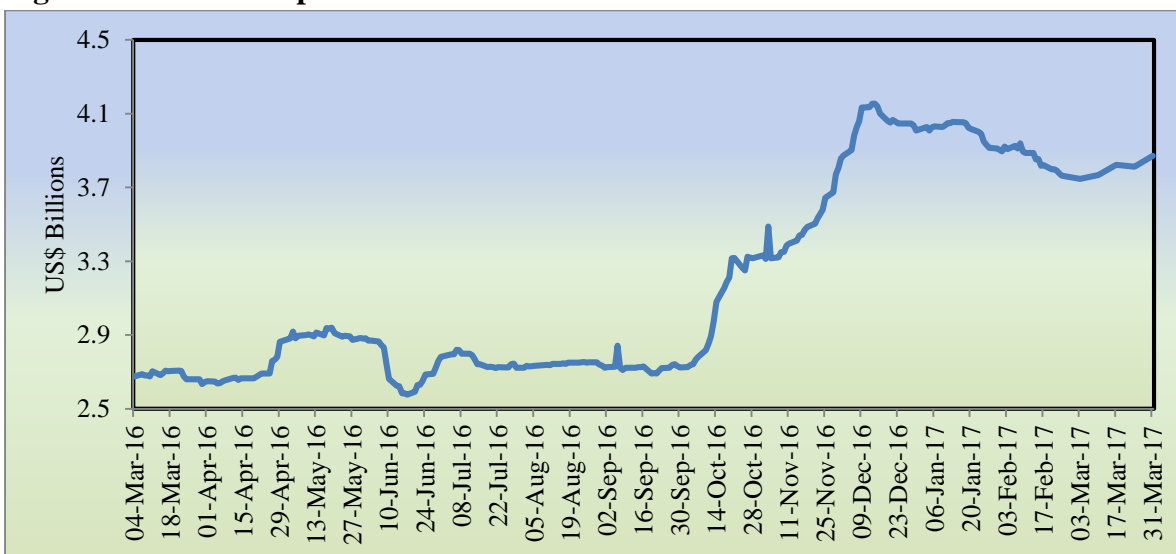


Source: Zimbabwe Stock Exchange, 2017

Market Capitalization

The ZSE market capitalization rose by 1.54%, from US\$3.81 billion recorded in the previous week to US\$3.87 billion during the period under review. This was largely due to gains in heavily capitalised counters.

Figure 5 : Market Capitalization



Source: Zimbabwe Stock Exchange, 2017

Johannesburg Stock Exchange (JSE) Developments

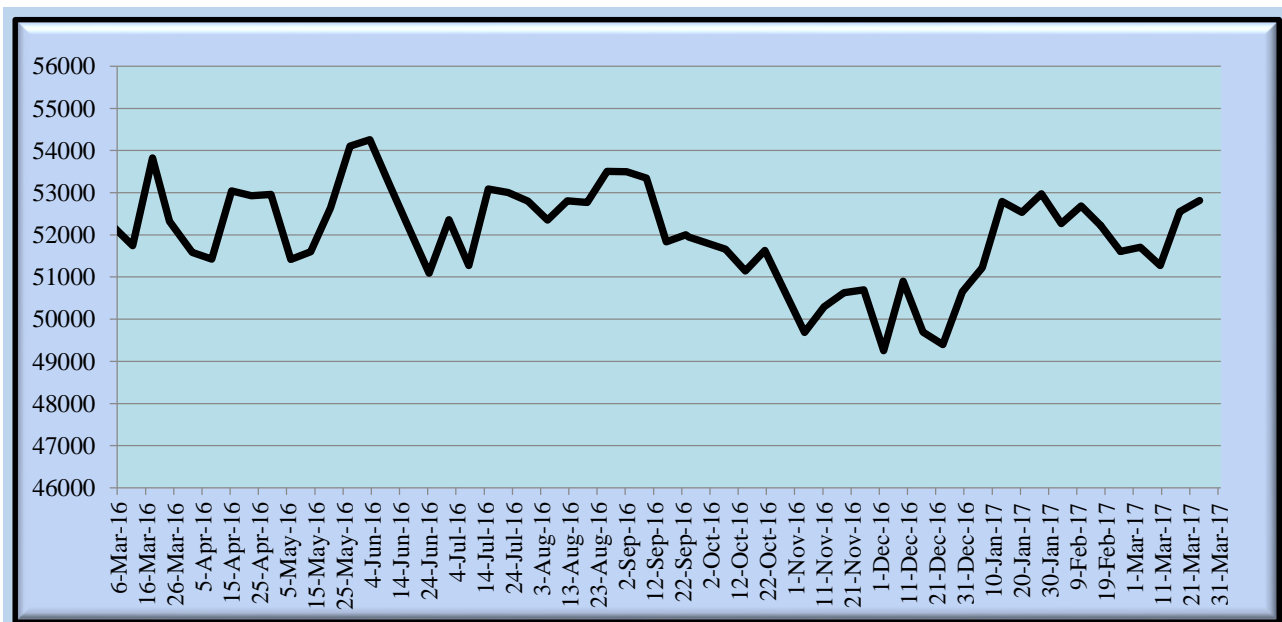
The JSE All Share index decreased by 1.44%, to close the week under review at 52 052.06 points. Market capitalization, however, rose by 2.32%, to close at R13.81 trillion in the same week.

Table 8: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalization (ZAR trillion)
24-February-17	51 609.86	13.52
03-March-17	51 708.61	13.59
10-March-17	51 269.54	13.46
17-March-17	52 550.99	13.77
24-March-17	52 816.33	13.49
31-March-17	52 056.06	13.81

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

7th APRIL 2017