Vol. 18 No. 50

Weekly Economic Highlights

Table of Contents

Week Ending
16th December 2016

1. INTEREST RATES

Deposit Rates

During the week ending 16th December 2016, deposit rates for savings, 1 month tenor and 3 months tenor remained unchanged at previous week levels of 3.01%, 5.34% and 5.75%, respectively.

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

Date	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
18-November-16	3.01	5.34	5.75
25-November-16	3.01	5.34	5.75
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

Source: Banking Institutions, 2016

Lending Rates

Weighted commercial bank lending rates for individual clients remained unchanged at previous week level of 10.68% during the week under review. On the other hand, corporate clients lending rates increased marginally to 6.95% from 6.94% in the previous week.

Table 2: Lending Rates

Date	Lending Rates (%) Commercial Banks (weighted)	
	Individuals	**Corporate clients**
18-November-16	10.67	6.98
25-November-16	10.69	6.99
02-December-16	10.67	6.95
09-December-16	10.68	6.94
16-December-16	10.68	**6.95**

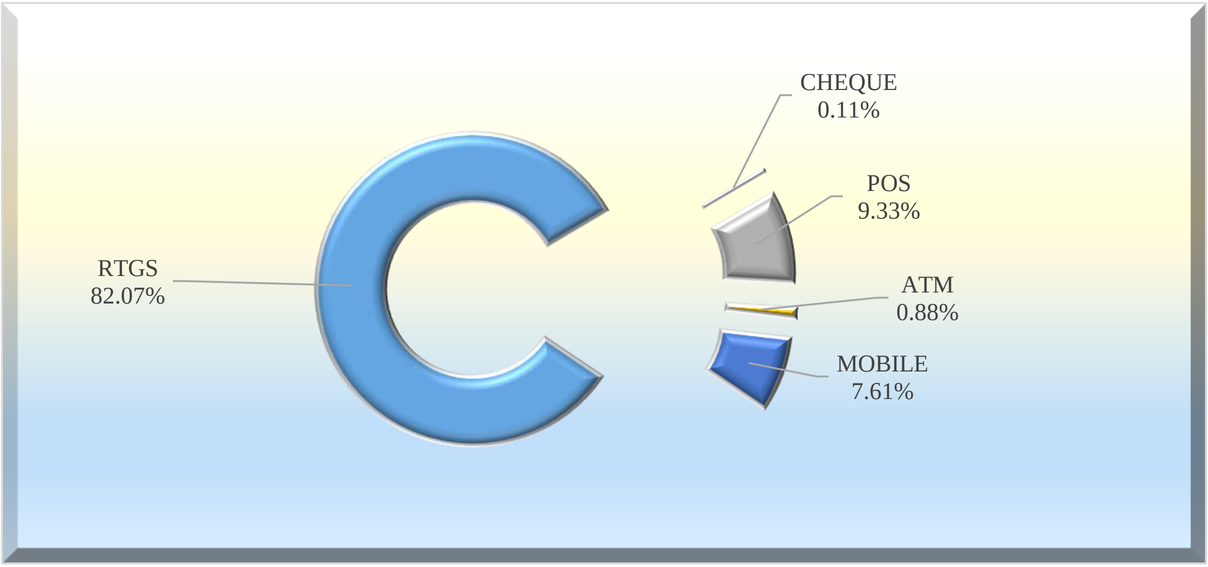
Source: Banking Institutions, 2016

2. CLEARING AND SETTLEMENT ACTIVITY

During the week ending 16th December 2016, the total value of transactions processed through National Payments System (NPS) increased by 10% to US$1 479.75 million. The increase was driven by RTGS transactions, which increased by 14% to US$1 214.54 million.

In value terms RTGs accounted for 82.07% of the total NPS transactions, followed by POS, 9.33%, Mobile, 7.61%; ATM, 0.88% and Cheque, 0.11%, as shown in Figure 1.

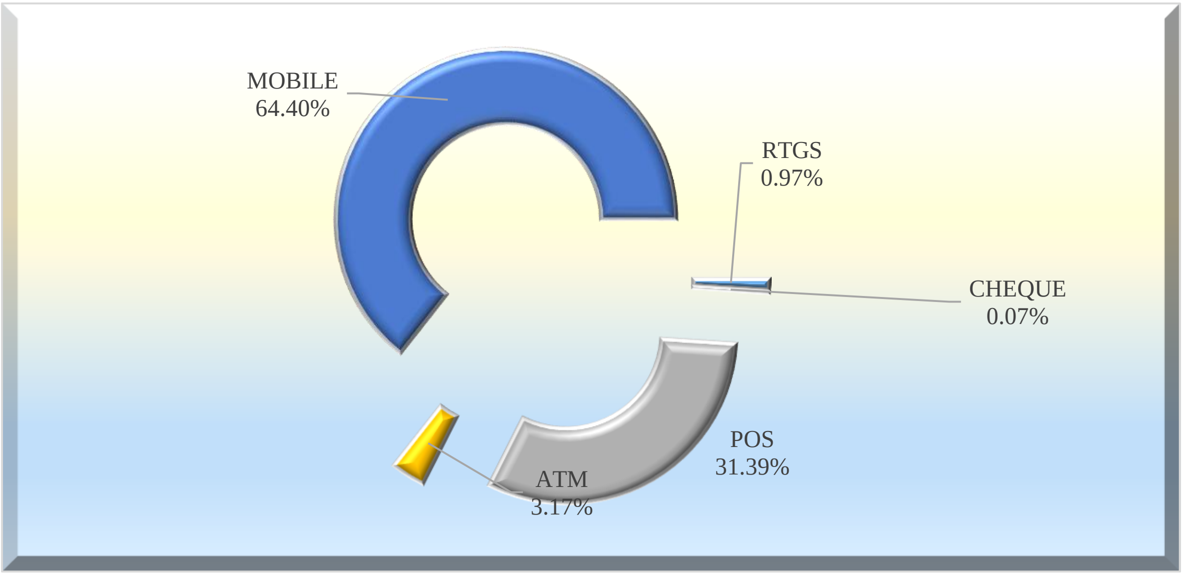
Figure 1: Proportions of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe

The total volume of NPS transactions, however, decreased by 8% to close the week under review at 10 108 905. Mobile had the highest proportion of 64.39%, whilst cheque being the lowest had 0.07%, 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 09 December 2016	WEEK ENDING 16 December 2016	CHANGE FROM LAST WEEK	PROPORTION
	VALUES IN USD (millions)			
RTGS	1,064.23	1,214.54	14%	82.07%
CHEQUE	1.62	1.64	1%	0.11%
POS	142.69	138.04	(3%)	9.33%
ATMS	18.99	12.97	(32%)	0.88%
MOBILE	119.78	112.56	(6%)	7.61%
TOTAL	**1,347.30**	**1,479.75**	10%	**100%**
	VOLUMES			
RTGS	104,894	98,472	(6%)	0.97%
CHEQUE	6,951	7,193	3%	0.07%
POS	3,298,683	3,173,650	(4%)	31.39%
ATMs	459,087	320,760	(30%)	3.17%
MOBILE	7,082,821	6,508,830	(8%)	64.39%
TOTAL	**10,952,436**	**10, 108,905**	(8%)	**100%**

Source: Reserve Bank of Zimbabwe

3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

Gold, platinum and base metal average weekly prices declined, whilst crude oil average weekly price continued on a positive momentum, during the week under review.

Table 5: Metals and Crude Oil Prices

	Gold	Platinum	Copper	Nickel	Crude Oil
2016	US$/ounce	US$/ounce	US$/tonne	US$/tonne	US$/barrel
Week ending (5-9 Dec)	**1,169.79**	**935.8**	**5,836.10**	**11,486.00**	**46.452**
12-Dec	1,162.50	919.00	5,824.00	11,330.00	55.88
13-Dec	1,157.95	931.00	5,824.00	11,270.00	55.47
14-Dec	1,161.60	939.50	5,765.00	11,410.00	55.01
15-Dec	1,129.70	918.00	5,734.00	11,370.00	53.69
16-Dec	1,133.23	904.00	5,682.00	11,240.00	55.14
Week ending (12-16 Dec)	**1,149.00**	**922.30**	**5,765.80**	**11,324.00**	**55.04**
Weekly Change (%)	*(1.8)*	*(1.4)*	*(1.2)*	*(1.4)*	*18.5*

Source: BBC, KITCO, Reuters and Bloomberg

Gold

Gold prices declined by 1.8% during the week under review to US$1,149.00/oz from US$1,169.79 recorded in the previous week, driven mainly by an interest hike of 0.25% by Fed Reserve on the 14th December 2016. Moreover, data from Bloomberg showed that China and Japan's imports for the bullion had declined.

Platinum

Platinum prices decreased by 1.4% to close the week under analysis at US$922.30/oz. The precious metal prices were weighed down by the strengthening of the US$. However, its outlook is anticipated to be strong following the reported decline in platinum output in 2016 by World Platinum Investment Council (WPIC).

Copper

The average weekly price of copper declined from US$5,836.10/ton to US$5,765.80/ton during the week ending 16th December 2016. This was attributed to increases in the inventories. Reports showed that copper inventories in London Metal Exchange (LME) warehouses rose by 11 775 tonnes to 307 075 tonnes.

Nickel

Nickel prices decreased by 1.4% to close the week at US$5,675.80/ton. This was underpinned by the strengthening US dollar after the interest rate hike by the Fed Reserve.

Crude Oil

Crude oil prices rose by 18.5% to close the week under analysis at US$55.04/barrel. The increase in crude oil prices was buoyed by the decision made by both OPEC and non OPEC members to cut production of about 1.8 million barrels per day from January 2017. .

EXCHANGE RATES

The US$ appreciated against major currencies during the week under analysis. This was supported by an interest rate hike by the US Federal Reserve.

Table 6: International Exchange Rates per US$

2016	GBP	EURO	ZAR	BWP
Weekly Average (5-9 Dec)	**0.7900**	**0.9333**	**13.6505**	**10.6032**
12-Dec	0.7944	0.9470	13.8211	10.6952
13-Dec	0.7894	0.9408	13.6315	10.6895
14-Dec	0.7902	0.9397	13.6044	10.6895
15-Dec	0.7960	0.9522	13.9405	10.6895
16-Dec	0.8048	0.9583	13.9617	10.8637
Weekly Average (12-16 Dec)	**0.7951**	**0.9478**	**13.7845**	**10.7330**
Appr(+)/Depr(-) (%) of the USD	*0.6*	*1.5*	*1.0*	*1.2*

Source: Reuters

4. EQUITY MARKETS

During the week ending 16th December 2016, the Zimbabwe Stock Exchange (ZSE) moved in a negative trajectory. The mainstream index shed 1.00% to close at 147.89 points. The decline in industrial index was attributed to losses recorded in Proplastics Limited, 13.95%; Econet Wireless, 10.12%; Amalgamated Regional Trading (ART), 6.15%; Innscor Africa Limited, 3.20% and Delta Corporation, 2.09%.

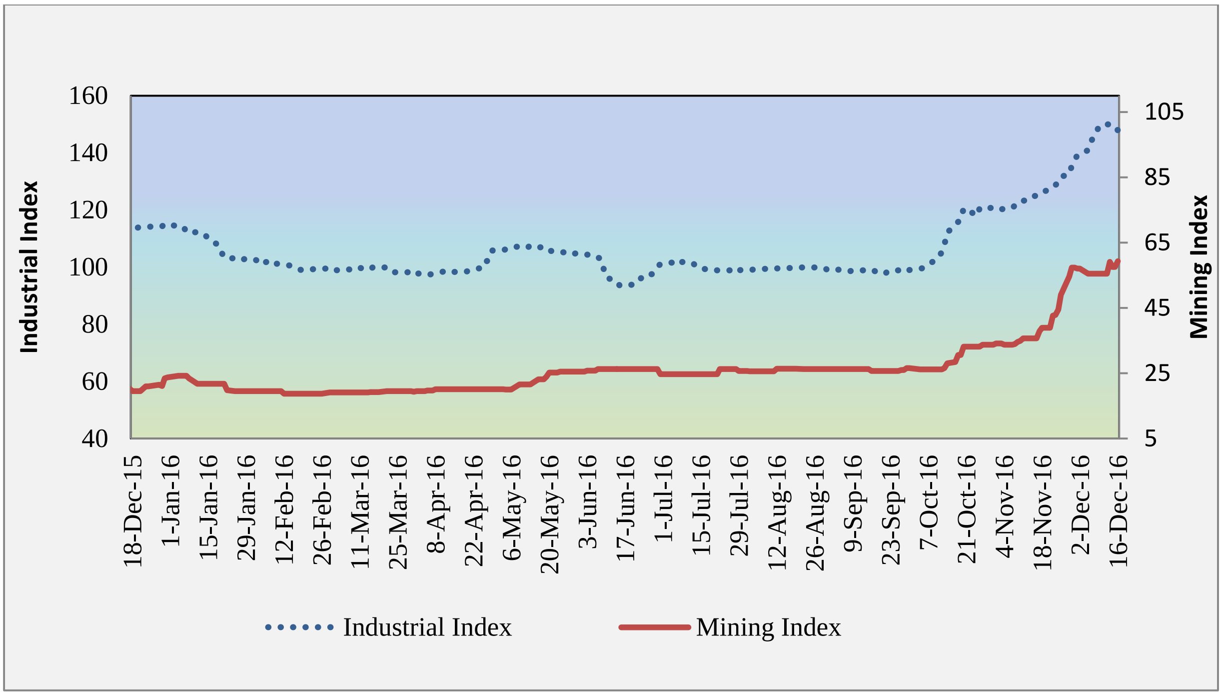
The resources index, however, increased by 6.81% to close the week under review at 59.30 points. The increase in mining index was underpinned by gains realised in RioZim Limited, 29.87%.

Table 7: Zimbabwe Stock Exchange (ZSE) Statistics

Period	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US$)	Market Turnover (US$)	Volume of Shares
18- November-16	126.36	38.89	3,485,950,742	3,254,025	31,532,238
25- November-16	131.65	49.04	3,644,711,501	5,652,818	108,535,833
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
Weekly Change (%)	***(1.00)***	***6.81%***	***(0.83%)***	***(49.51%)***	***(23.27%)***

Source: Zimbabwe Stock Exchange (ZSE), 2016.

Figure 3 : Zimbabwe Stock Exchange Indices

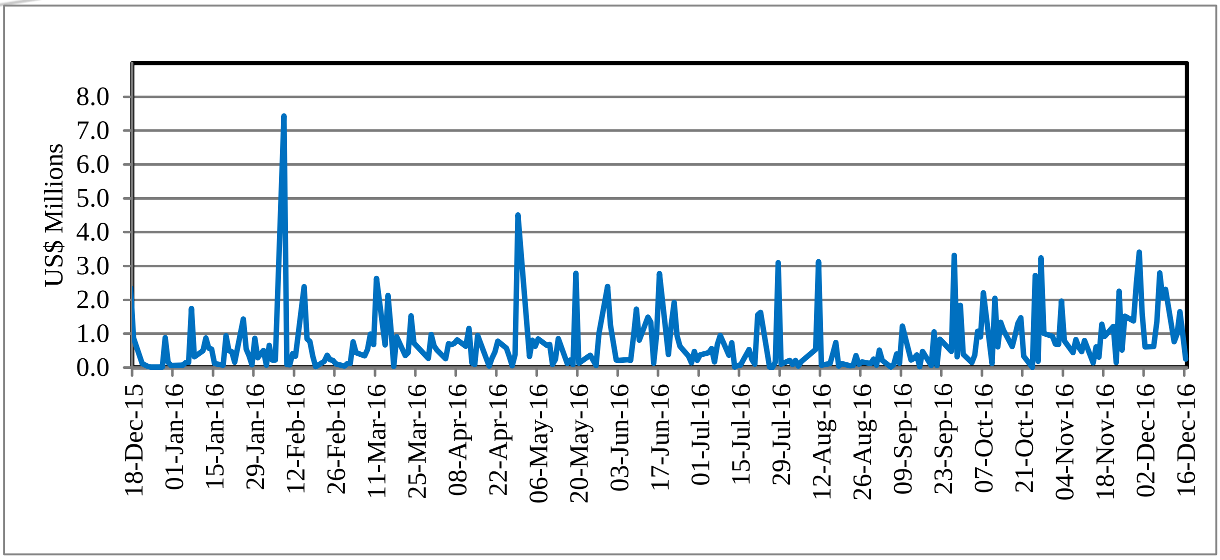


Source: Zimbabwe Stock Exchange, 2016

Market Turnover and Volume

The market turnover declined by 49.51% to close the week under review at US$4,6 million. Similarly, the volume of shares traded decreased from 44 185 101 shares recorded in the previous week to 33 904 792 during the week ending 16th December 2016. This was due to depressed demand on blue chip counters listed on the local bourse.

Figure 4: Daily Market turnover

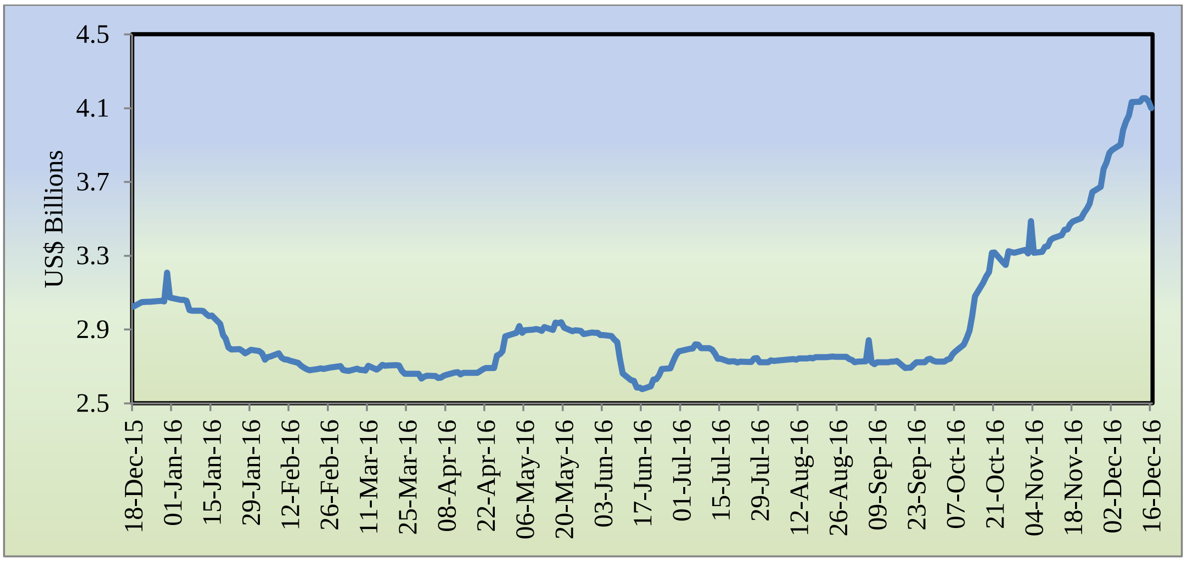


Source: Zimbabwe Stock Exchange, 2016

Market Capitalisation

The market capitalisation shed 0.83% to close the week under analysis at US$4 099.70 million. This was attributed to subdued trading of counters on the ZSE.

Figure 5 : Market Capitalisation



Source: Zimbabwe Stock Exchange, 2016

Johannesburg Stock Exchange (JSE) Developments

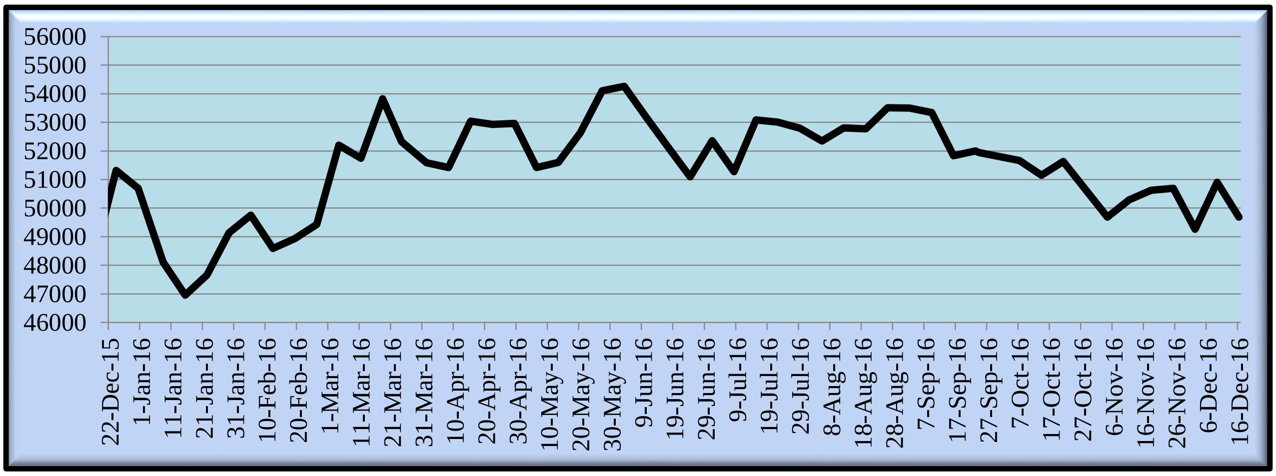
The JSE All share index decreased by 2.37% to close the week under review at 49 691.31 points. In tandem, the market capitalisation decreased by 1.84% to close the week at R13.37 trillion

Table 8: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalisation (ZAR trillion)
18-November-16	50 626.06	13.27
25-November-16	50 696.10	13.50
02-December-16	49 256.10	13.11
09-December-16	50 899.92	13.62
16-December-16	**49 691.31**	**13.37**

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

16TH DECEMBER 2016