



Weekly Economic Highlights

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Week Ending
04th November 2016

1. INTEREST RATES

Deposit Rates

During the week ending 4th November 2016, average deposit rates for savings deposits and deposits of 3 month tenors remained unchanged at 3.01% and 5.75%, respectively. Average deposit rates for deposits of 1 month tenor, however, retreated to 5.39%, from 5.41% recorded in the previous week.

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

Date	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
7-October-16	3.01	5.41	5.79
14-October-16	3.01	5.41	5.79
21-October-16	3.01	5.35	5.79
28-October-16	3.01	5.41	5.75
04-November-16	3.01	5.39	5.75

Source: Banking Institutions, 2016

Lending Rates

Commercial bank weighted lending rates for corporate clients increased from 6.93% in the previous week, to 6.97% during the week under review. Weighted lending rates for individual clients, however, declined to close the week under analysis at 10.67%.

Table 2: Lending Rates

Date	Lending Rates (%)	
	Commercial Banks (weighted)	
	Individuals	Corporate clients
7-October-16	10.68	6.95
14-October-16	10.68	6.94
21-October-16	10.71	6.93
28-October-16	10.70	6.93
04-November-16	10.67	6.97

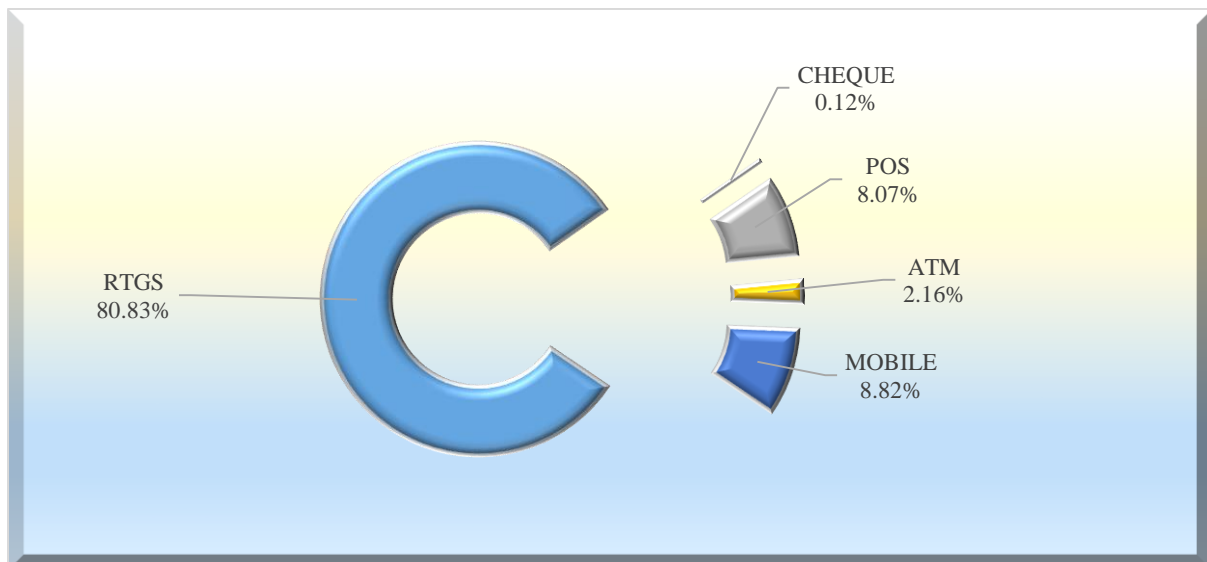
Source: Banking Institutions, 2016

2. CLEARING AND SETTLEMENT ACTIVITY

The total value of transactions processed through the National Payment Systems (NPS), decreased from US\$1 371.80 million in the previous week, to US\$ 1 312.16 million during the week under review. Transactions processed through the Real Time Gross Settlement (RTGS) system stood at US\$1 060.66 million - a 9% decline from the US\$1 171.73 million recorded in the previous week.

In terms of proportions to the total value of NPS transactions, the RTGS accounted for 80.83%; Mobile, 8.82%; Point of Sale (POS), 8.07%; Automated Teller Machines (ATMs), 2.16%; and Cheque, 0.12%, as shown in Figure 1.

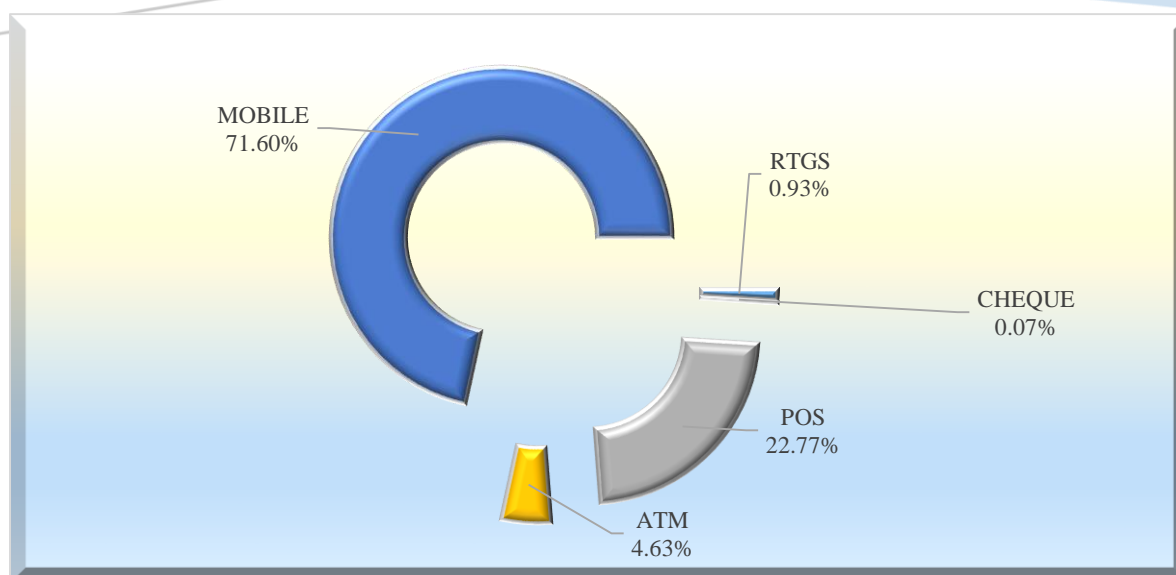
Figure 1: Proportions of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe

The total volume of NPS transactions declined from 7 952 480 in the previous week, to 7 838 439 during the week under analysis. The distribution of transactions by volume was as follows: Mobile, 71.60%; POS, 22.77%; ATM, 4.63%; RTGS, 0.93%; and Cheque 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 28 October 2016	WEEK ENDING 04 November 2016	CHANGE FROM LAST WEEK	PROPORTION
VALUES IN USD (millions)				
RTGS	1,171.73	1,060.66	-9%	80.83%
CHEQUE	1.60	1.53	-4%	0.12%
POS	77.68	105.89	36%	8.07%
ATMS	20.48	28.35	38%	2.16%
MOBILE	100.31	115.74	15%	8.82%
TOTAL	1,371.80	1,312.16	-4%	100%
VOLUMES				
RTGS	76,295	85,200	11.7%	0.93%
CHEQUE	6,365	6,510	2%	0.07%
POS	1,433,490	2,080,490	45%	22.77%
ATMs	295,869	422,869	43%	4.63%
MOBILE	6,026,420	6,543,561	8.6%	71.60%
TOTAL	7,838,439	9,138,630	17%	100%

Source: Reserve Bank of Zimbabwe

3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international commodity prices of gold, copper and nickel firmed, whilst those of platinum and crude oil retreated during the week under review, 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 (24-28 Oct)	1,269.01	958.6	4,696.90	10,155.00	50.576
31-Oct	1,273.10	977.50	4,786.00	10,335.00	48.10
1-Nov	1,286.43	989.00	4,827.00	10,335.00	48.19
2-Nov	1,292.15	992.50	4,827.00	10,445.00	46.62
3-Nov	1,297.00	985.50	4,870.50	10,360.00	46.33
4-Nov	1,304.50	998.50	4,918.00	10,440.00	45.52
Week ending (31 Oct-4 Nov)	1,290.64	988.60	4,845.70	10,383.00	46.95
Weekly Change (%)	<i>1.7</i>	<i>3.1</i>	<i>3.2</i>	<i>2.2</i>	<i>(7.2)</i>

Source: BBC, KITCO, Reuters and Bloomberg

Gold

Gold prices closed the week under review at an average of US\$1,290.64/oz, a 1.7% increase from the US\$1,269.01/oz recorded in the previous week. This was on the back of a weakening US dollar, coupled with investor uncertainty ahead of the American Presidential elections.

Platinum

Platinum prices increased by 3.1%, from a weekly average of US\$958.60/oz to US\$988.60/oz during the week under review. This was, in large part, on account of a weakening US dollar.

Copper

Copper prices stood at US\$4,845.70/ton during the week under analysis, up from US\$4,696.90/ton recorded in the previous week. The National Bureau of Statistics report that indicated that China's purchasing-managers index (PMI), a measure of factory activity, had risen to a two-year high, boosted the demand outlook for base metals in China.

Nickel

Nickel prices rose by 2.2% to close the week under review at US\$10,383.00/ton, following the increased demand outlook in China, the largest consumer of the metal.

Crude Oil

Crude oil prices continued on a downward trend, declining by 7.2% from a weekly average of US\$50.58/barrel in the previous week, to US\$46.95/barrel during the week under review. The decline was underpinned by market skepticism about OPEC's ability to implement the deal to curb production. In addition, rising supplies from Libya, Nigeria and Russia added to the global glut, thereby weighing down prices.

4. EXCHANGE RATES

During the week under review, the US dollar depreciated against most currencies amid uncertainties and risk associated with the US elections. The US dollar was also weighed down by the worse-than-predicted U.S. employment data. Table 6 shows exchange rate developments for the period under review.

Table 6: International Exchange Rates per US\$

	GBP (£)	EURO (€)	Rand (ZAR)
2016			
Weekly Average (24-28 Oct)	0.8199	0.9182	13.8881
31-Oct	0.8201	0.9115	13.7596
1-Nov	0.8175	0.9120	13.4833
2-Nov	0.8166	0.9034	13.6315
3-Nov	0.8111	0.9000	13.4216
4-Nov	0.8022	0.9013	13.4673
Weekly Average (31 Oct-4 Nov)	0.8135	0.9057	13.5527
<i>Appr(+)/Depr(-) (%) of the USD</i>	<i>(0.8)</i>	<i>(1.4)</i>	<i>(2.4)</i>

Source: Reuters

5. EQUITY MARKETS

During the week ending 4th November 2016, both the industrial and mining indices recorded marginal losses reversing the growth momentum witnessed in the previous weeks. The benchmark index declined by 0.12 points to close the week at 120.54 points, whilst the resource index shed 0.05 points to 33.71 points during the same week.

The industrial index was weighed down by losses in Econet, 10.00%; Masimba, 5.00%; OK Zimbabwe, 3.59% and CBZ, 0.10%.

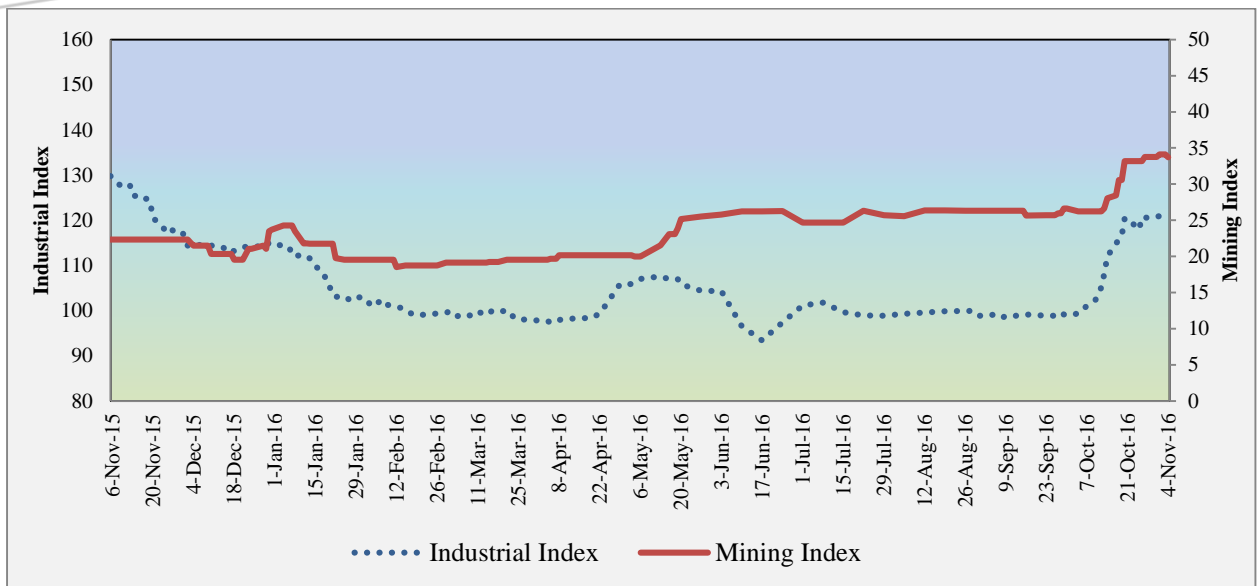
The decline in the resource index was underpinned by a 2.50% loss in Bindura Nickel Corporation (BNC), which was partially offset by a 2.43% gain recorded in Rio Zim. The other mining counters were inactive during the period under review.

Table 7: Zimbabwe Stock Exchange (ZSE) Statistics

Period	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
7- October-16	101.09	26.22	2,781,799,792	4,690,615	39,816,865
14- October-16	112.03	28.05	3,079,991,534	5,206,424	59,433,785
21- October-16	120.45	33.17	3,317,196,165	4,675,196	41,335,567
28-October-16	120.46	33.76	3,315,319,388	7,154,094	29,010,120
04- November-16	120.34	33.71	3,315,350,411	5,049,114	58,916,789
Weekly Change (%)	(0.10)	(0.15)	0.00	(29.42)	103.09

Source: Zimbabwe Stock Exchange (ZSE), 2016.

Figure 3 : Zimbabwe Stock Exchange Indices

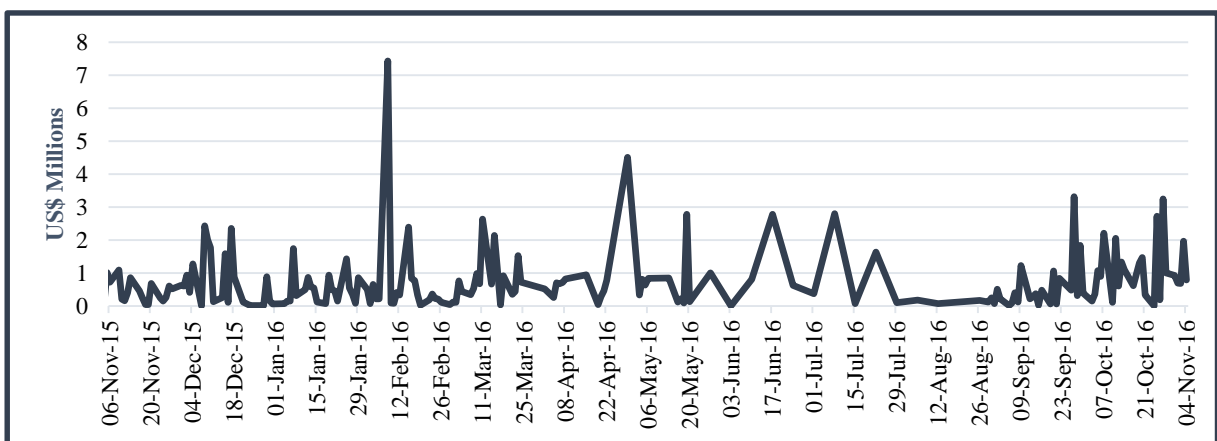


Source: Zimbabwe Stock Exchange, 2016

Market Turnover and Volume

The turnover value registered a 29.42% decline, to close at US\$5.05 million largely due to significant trading in low value counters during the week of analysis. The total volume of shares traded, however, stood at 58 916 789 shares in the week under review, up from 29 010 120 shares traded in the previous week.

Figure 4: Daily Market Turnover

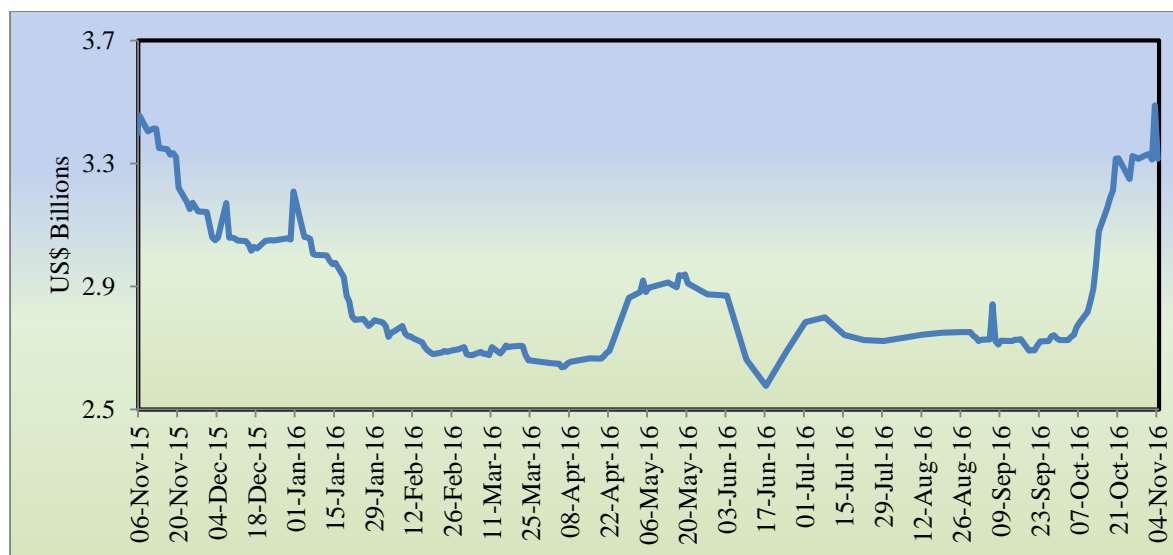


Source: Zimbabwe Stock Exchange, 2016

Market Capitalisation

The ZSE market capitalisation remained unchanged at US\$3.32 billion, following netting out of capitalisation losses against gains, during the week under review

Figure 5 : Market Capitalisation



89+Source: Zimbabwe Stock Exchange, 2016

Johannesburg Stock Exchange (JSE) Developments

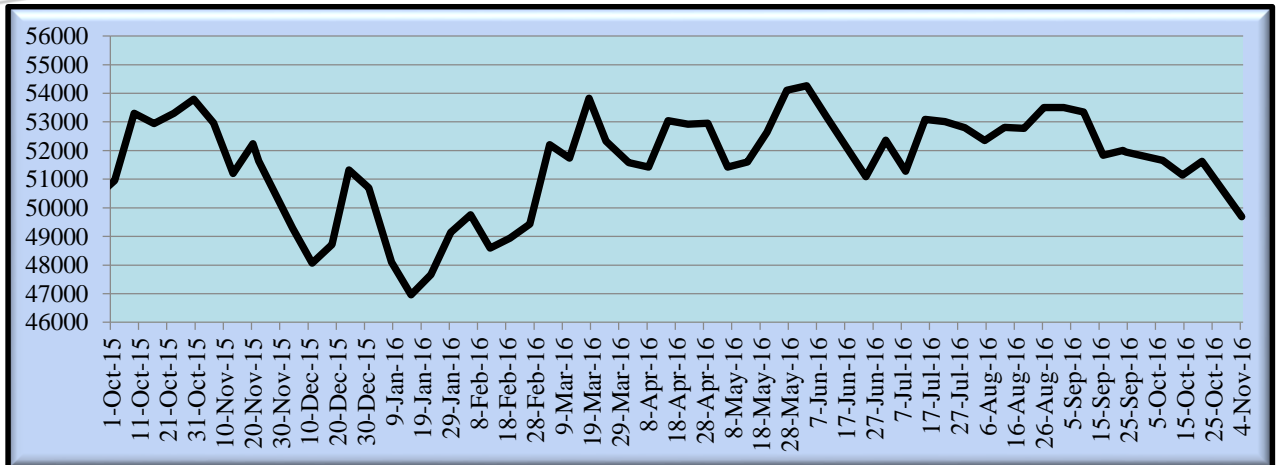
The JSE All Share Index declined by 2.19%, from 51 797.70 points in the previous week to close at 49 686.10 points, during the week ending 4th November 2016. Similarly, market capitalisation stood at R13.12 trillion, down from R13.50 trillion recorded in the previous week.

Table 8: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalisation (ZAR trillion)
07-October-16	51 662.07	15.12
14-October-16	51 146.78	13.95
21-October-16	51 629.23	13.91
28-October-16	50 797.70	13.50
04-November-16	49 686.10	13.12

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

04th NOVEMBER 2016