



Weekly Economic Highlights

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Week Ending
25th November 2016

1. INTEREST RATES

Deposit Rates

During the week ending 25th November 2016, deposit rates for savings deposits, deposits of 1 month and 3 months tenors remained unchanged at the 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 (%)
28-October-16	3.01	5.41	5.75
04-November-16	3.01	5.39	5.75
11-November-16	3.01	5.34	5.75
18-November-16	3.01	5.34	5.75
25-November-16	3.01	5.34	5.75

Source: Banking Institutions, 2016

Lending Rates

Commercial bank weighted lending rates increased marginally for both individual and corporate clients, during the week under review. Individual clients accessed loans at 10.69%, compared to 10.67% in the previous week. Corporate clients were charged 0.01 percentage points more at 6.99% during the week under analysis, compared to 6.98% in the previous week.

Table 2: Lending Rates

Date	Lending Rates (%)	
	Commercial Banks (weighted)	
	Individuals	Corporate clients
28-October-16	10.70	6.93
04-November-16	10.67	6.97
11-November-16	10.68	6.98
18-November-16	10.67	6.98
25-November-16	10.69	6.99

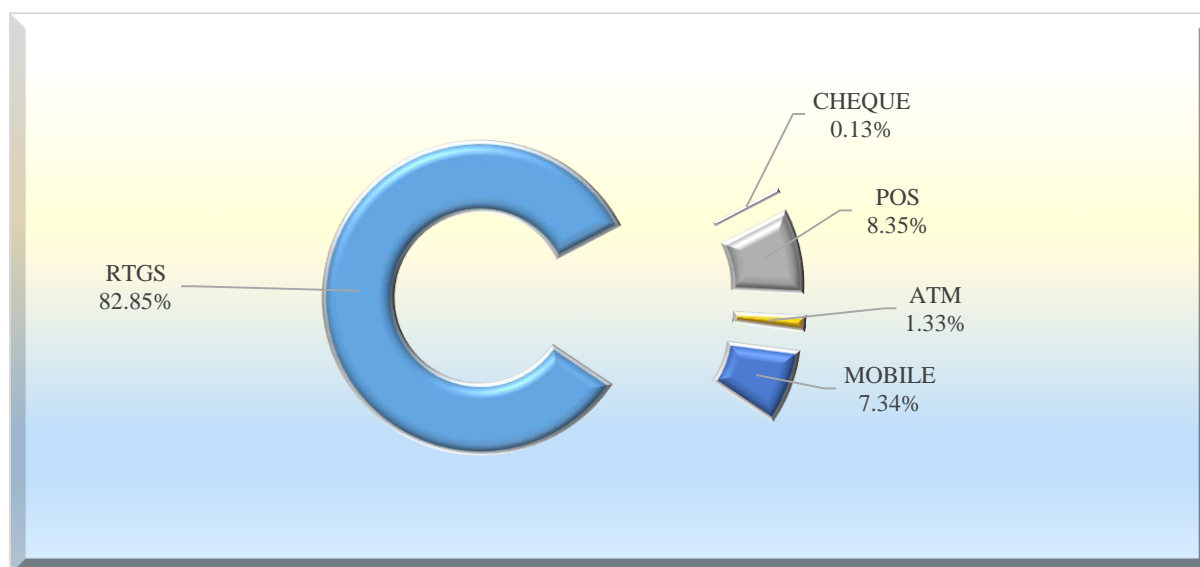
Source: Banking Institutions, 2016

2. CLEARING AND SETTLEMENT ACTIVITY

During the week ending 25th November 2016, the total value of transactions processed through the National Payment Systems (NPS) stood at US\$1 257.48 million, up from US\$1 210.30 million recorded in the previous week. Similarly, the value of RTGS transactions also increased from US\$991.66 million in the previous week, to close the week under review at US\$1 041.82 million.

In terms of proportions to the total value of NPS transactions, the RTGS accounted for 82.85%; Point of Sale (POS), 8.35%; Mobile, 7.34%; Automated Teller Machines (ATMs), 1.33%; and Cheque, 0.13%, as shown in Figure 1.

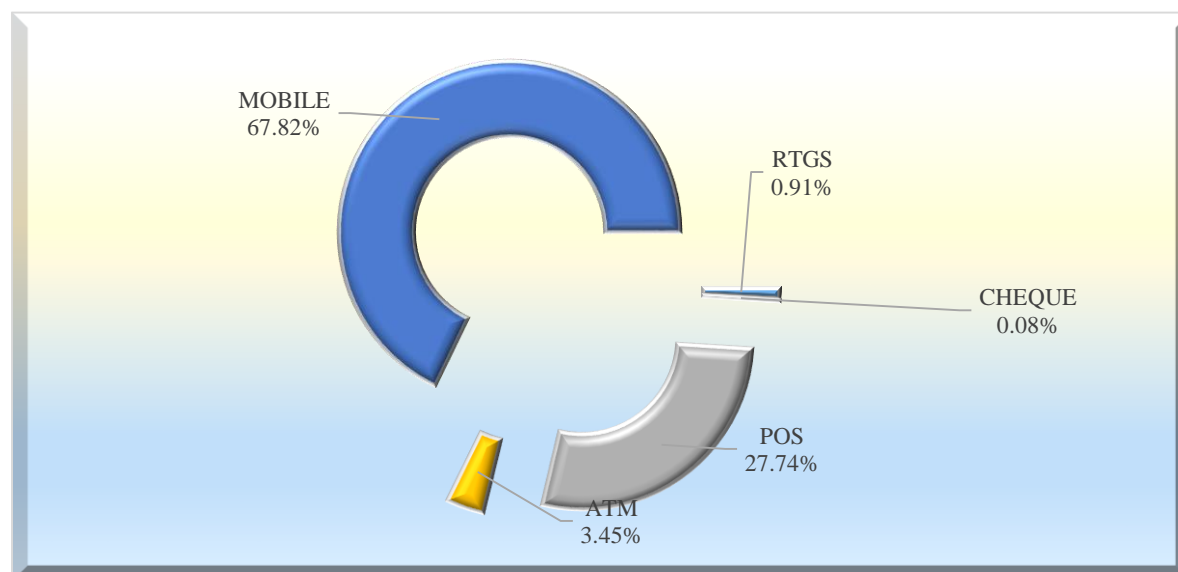
Figure 1: Proportions of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe

The total volume of NPS transactions declined from 8 803 123 in the previous week, to 8 408 256 during the week under analysis. The distribution of transactions by volume was as follows: Mobile, 67.82%; POS, 27.74%; ATM, 3.45%; RTGS, 0.91%; and Cheque 0.08%, 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 18 November 2016	WEEK ENDING 25 November 2016	CHANGE FROM LAST WEEK	PROPORTION
VALUES IN USD (millions)				
RTGS	991.66	1,041,82	5%	82.85%
CHEQUE	1.63	1,65	1.2%	0.13%
POS	105.40	104,97	0%	8.35%
ATMS	20.71	16,76	-19%	1.33%
MOBILE	90.90	92,28	2%	7.34%
TOTAL	1,210.30	1,257,48	4%	100%
VOLUMES				
RTGS	74,180	76,928	4%	0.91%
CHEQUE	7,708	6,988	-9%	0.08%
POS	2,289,941	2,332,702	2%	27.74%
ATMs	371,786	289,726	-22%	3.45%
MOBILE	6,059,508	5,701,912	-6%	67.81%
TOTAL	8,803,123	8,408,256	-4%	100%

Source: Reserve Bank of Zimbabwe

3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international commodity prices of gold and platinum continued on a negative trajectory during the week ending 25th November 2016. Base metals and crude oil prices, however, firmed during the same week.

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 (14-18 Nov)	1,222.28	934.6	5,569.50	11,264.00	45.98
21-Nov	1,214.60	924.00	5,427.00	11,205.00	48.70
22-Nov	1,214.90	943.00	5,535.00	11,150.00	48.62
23-Nov	1,199.30	930.50	5,535.00	11,380.00	48.89
24-Nov	1,186.68	915.50	5,562.00	11,380.00	48.95
25-Nov	1,187.60	908.50	5,834.00	11,380.00	47.39
Week ending (21-25 Nov)	1,200.62	924.30	5,578.60	11,299.00	48.51
Weekly Change (%)	<i>(1.8)</i>	<i>(1.1)</i>	<i>0.2</i>	<i>0.3</i>	<i>5.5</i>

Source: BBC, KITCO, Reuters and Bloomberg

Gold

Gold prices closed the week under review at an average of US\$1,200.62/ounce, a 1.8% decline from the US\$1,222.28/ounce recorded in the prior week. This was occasioned by a strengthening US dollar amid heightened expectations of higher interest rates. These developments continued to dampen the precious metal's demand outlook.

Platinum

Platinum declined by 1.1% from US\$934.60/ounce recorded in the previous week, to close the week under review at US\$924.30/ounce. The precious metal continued to be weighed down by softening investment demand, underpinned by a strengthening dollar, amid a higher US interest rates outlook.



Copper

Copper prices firmed by 0.2%, from a weekly average of US\$5,569.50/tonne recorded in the prior week to US\$5,578.60/tonne. This followed expectations of accelerated global manufacturing and infrastructure spending, particularly in China and US.

Nickel

Nickel prices closed the week under review at a weekly average of US\$11,264.00/ton, 8.7% up from the US\$10,358.00/ton recorded in the previous week. The prices were supported by expectations of significant infrastructure investment in the US economy.

Crude Oil

Crude oil prices rose by 5.5% to a weekly average of US\$48.51/barrel, from US\$45.98/barrel recorded in the preceding week. The prices rebounded on speculation that OPEC would agree to implement a deal to cut output, when members meet on the 30th of November 2016.

4. EXCHANGE RATES

The US dollar continued to appreciate against currencies of advanced economies on heightened expectations of an interest rate hike by the Federal Reserve. The greenback firmed by 1.0% and 0.09% against the euro and GBP, respectively. A gain of 1.3% was, however, recorded by the rand against the US dollar during the same period. 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 (14-18 Nov)	0.8033	0.9346	14.3375
21-Nov	0.8101	0.9432	14.4600
22-Nov	0.8040	0.9405	14.2200
23-Nov	0.8043	0.9409	14.0500
24-Nov	0.8043	0.9483	14.2100
25-Nov	0.8033	0.9460	14.1100
Weekly Average (21-25 Nov)	0.8040	0.9439	14.1475
<i>Appr(+)/Depr(-) (%) of the USD</i>	<i>0.09</i>	<i>1.0</i>	<i>(1.3)</i>

Source: Reuters

5. EQUITY MARKETS

During the week ending 25th November 2016, the Zimbabwe Stock Exchange (ZSE) remained bullish for the third consecutive week, on account of sustained demand in some wealth preserving counters. As a result, the industrial and mining indices increased by 5.29 points and 10.15 points to close the week at 131.65 points and 49.04 points, respectively.

The increase in the mainstream index was attributable to gains in Amalgamated Regional Trading Corporation (ART), 8.57%;, Hippo Valley Estates (5.69%), Afdis Distillers Limited (Afdis) (4.50%), Colcom Holdings (3.02%) and Star Africa Corporation Limited (2.04%).

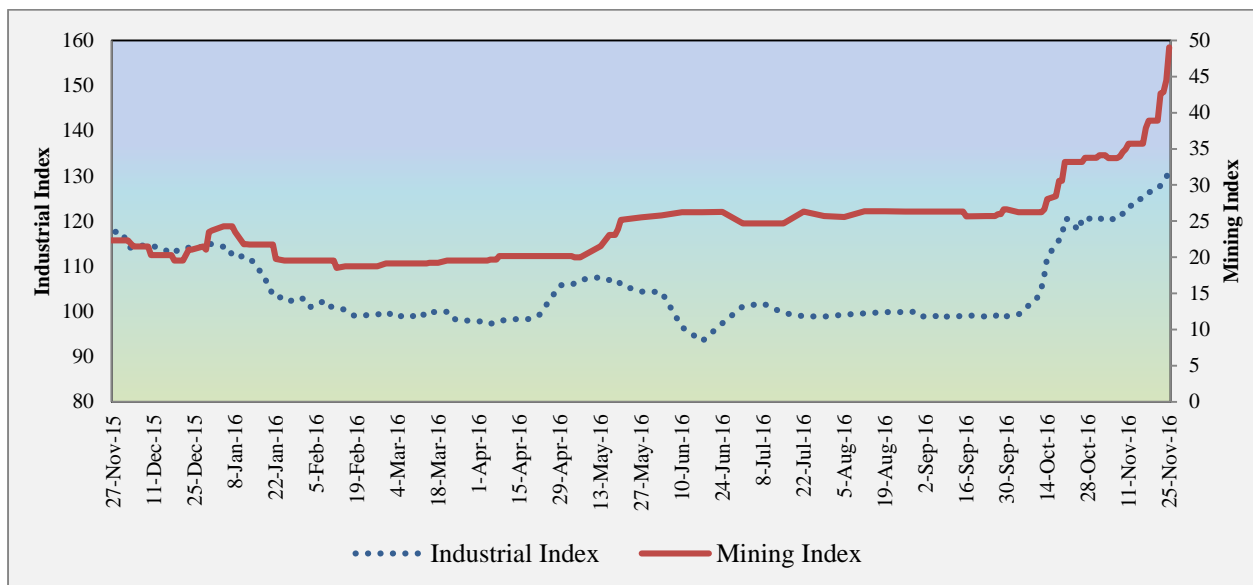
The increase in the resources index was underpinned by gains in Bindura Nickel Corporation, 45.00% and Rio Zimbabwe, 10.00%.

Table 7: Zimbabwe Stock Exchange (ZSE) Statistics

Period	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
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
11- November-16	123.22	35.72	3,396,134,584	3,130,839	18 463 924
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
Weekly Change (%)	4.19	26.10	4.55	73.72	244.21

Source: Zimbabwe Stock Exchange (ZSE), 2016.

Figure 3 : Zimbabwe Stock Exchange Indices

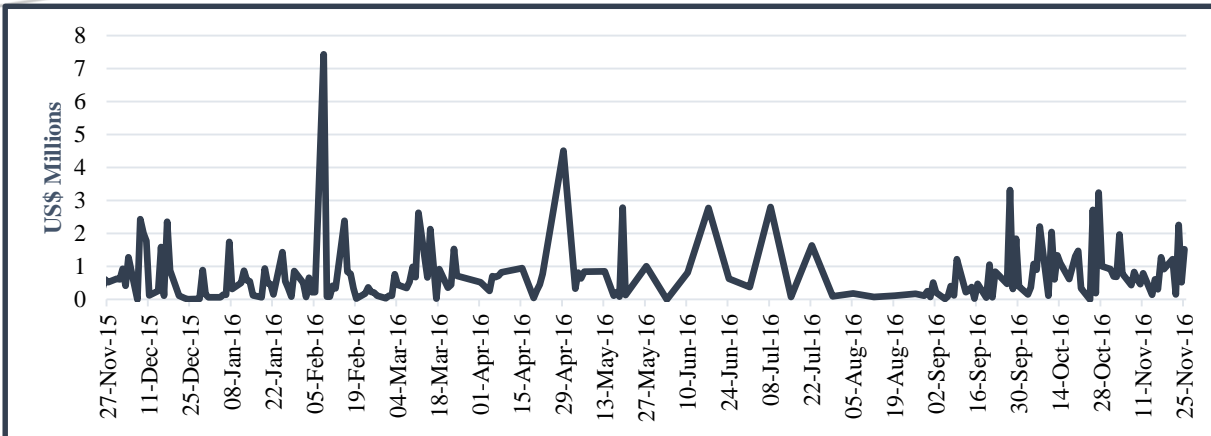


Source: Zimbabwe Stock Exchange, 2016

Market Turnover and Volume

Market turnover value increased by 73.72%, from US\$3.25 million in the previous week to US\$5.65 million during the week under review. The volume of shares also increased from 31 532 238 shares to 108 535 833 shares in the same week. The increase in volumes traded was attributed to block trades.

Figure 4: Daily Market Turnover

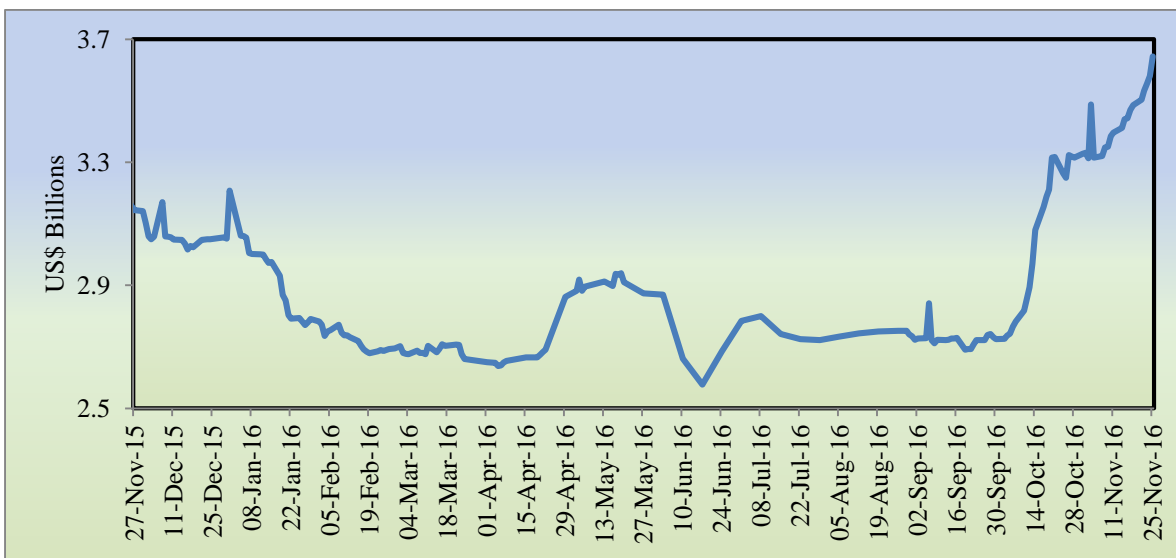


Source: Zimbabwe Stock Exchange, 2016

Market Capitalisation

Market capitalisation stood at US\$3 644.71 million, a 4.55% increase from the US\$3 396.13 million recorded in the previous week. This was attributed to improved activity on the ZSE during the week under review. The market is anticipated to continue on its upward trend in the short to medium term as investors reallocate assets from fixed income.

Figure 5 : Market Capitalisation



Source: Zimbabwe Stock Exchange, 2016

Johannesburg Stock Exchange (JSE) Developments

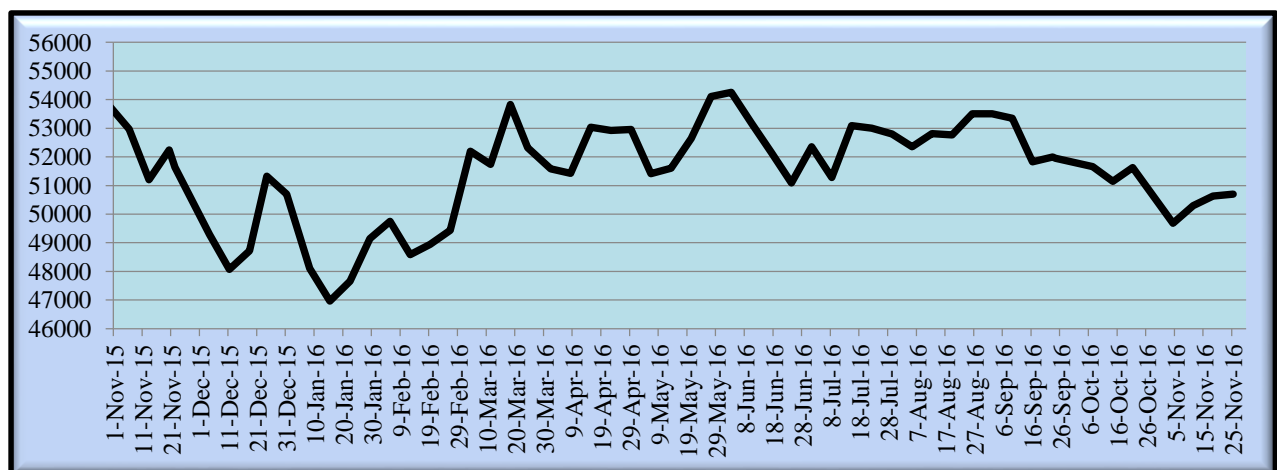
The JSE All Share Index rose by 0.14%, to close at 50 696.10 points during the week ending 25th November 2016. Similarly, market capitalisation stood at R13.50 trillion, up from R13.27 trillion recorded in the previous week.

Table 8: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalisation (ZAR trillion)
28-October-16	50 797.70	13.50
04-November-16	49 686.10	13.12
11-November-16	50 294.72	13.39
18-November-16	50 626.06	13.27
25-November-16	50 696.10	13.50

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

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