



Weekly Economic Highlights

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Week Ending
1ST July 2016

1. INTEREST RATES

Deposit Rates

During the week ending 1st July 2016, average deposit rates declined for all classes of deposits. Average deposit rates for savings deposits and deposits of 1 month and 3 months tenors stood at 3.10%; 5.67% and 6.14%, respectively.

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

Date	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
03-June-16	3.09	5.93	6.49
10-June-16	3.09	5.93	6.44
17-June-16	3.17	5.93	6.44
24-June-16	3.17	5.68	6.16
01-July-16	3.10	5.67	6.14

Source: Banking Institutions, 2016

Lending Rates

Commercial bank weighted lending rates for individual clients declined by 0.2 percentage points to 11.38% during the week ending 1st July 2016. Weighted lending rates for corporate clients also declined from 7.48% in the previous week, to 7.36% during the week under review.

Table 2: Lending Rates

Date	Lending Rates (%) Commercial Banks (weighted)	
	Individuals	Corporate clients
03-June-16	11.38	7.36
10-June-16	11.40	7.39
17-June-16	11.39	7.46
24-June-16	11.40	7.48
01-July-16	11.38	7.36

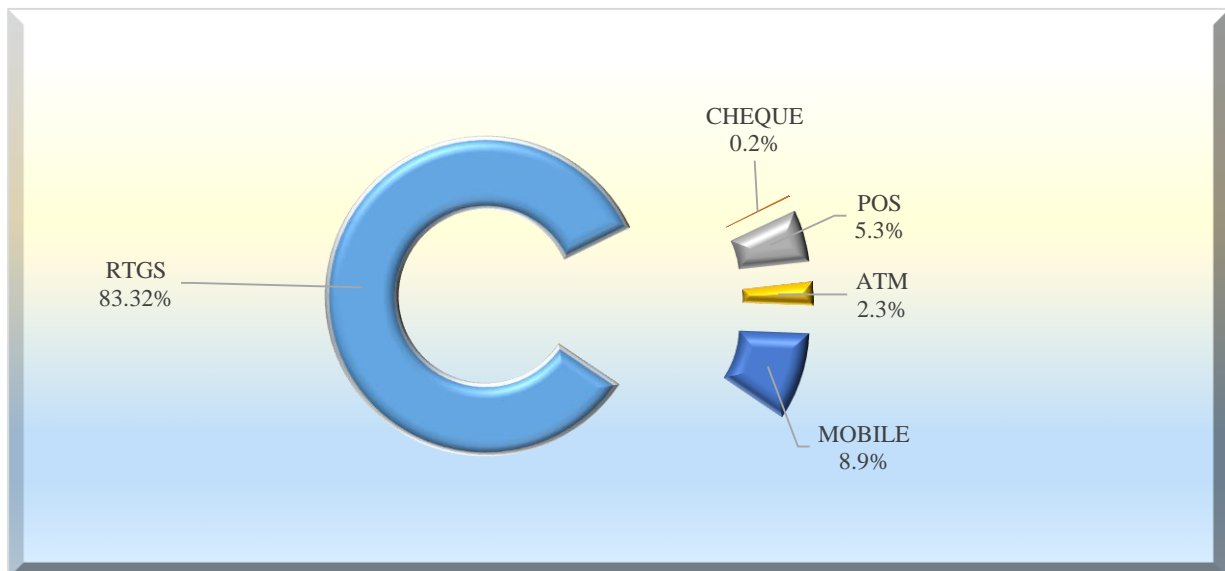
Source: Banking Institutions, 2016

2. CLEARING AND SETTLEMENT ACTIVITY

During the week ending 1st July 2016, transactions processed through the National Payment System (NPS) declined to US\$1 254.04 million, from US\$1 324.37 million in the previous week. This was largely underpinned by a 8.16% decrease in transactions processed through the Real Time Gross Settlement (RTGS), to close the week under review at US\$1 044.89 million.

In terms of proportions of NPS transaction in value terms, RTGS transactions continued to dominate the NPS, at 83.32% of the total value of transactions, followed by Mobile, 8.86%; POS, 5.30%; ATMs, 2.34% and cheque, 0.18%.

Figure 1: Proportions of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe

The volume of NPS transactions increased from 5 800 387 in the previous week, to 6 359 238 during the week under review. The NPS transaction volumes were distributed as follows; Mobile, 81.78%; POS, 13.34%; ATM, 3.71%; RTGS, 1.05% and Cheque 0.12%, 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 June 2016	WEEK ENDING 1 July 2016	CHANGE FROM LAST WEEK	PROPORTION
VALUES IN USD (millions)				
RTGS	1,137.71	1,044.89	-8%	83.32%
CHEQUE	2.26	2.27	0%	0.18%
POS	69.95	66.48	-5%	5.30%
ATMS	25.55	29.33	15%	2.34%
MOBILE	88.90	111.06	25%	8.86%
TOTAL	1,324.37	1,254.04	-5%	100%
VOLUMES				
RTGS	57,372	66,539	16%	1.05%
CHEQUE	7,492	7,549	1%	0.12%
POS	913,917	848,502	-7%	13.34%
ATMs	195,340	235,754	21%	3.71%
MOBILE	4,626,266	5,200,894	12%	81.78%
TOTAL	5,800,387	6,359,238	9.60%	100%

Source: Reserve Bank of Zimbabwe

3. TOBACCO SALES

As at 1st July 2016 or day 65 of the 2016 tobacco selling season, a cumulative total of 161.03 million kilograms of tobacco had been sold, reflecting a 6.56% increase, compared to the 151.12 million kilograms sold during the same period in 2015.

Cumulative tobacco sales at US\$473.10 million, were 6.06% higher than the US\$446.09 million realised during the corresponding period in 2015. The golden leaf was sold at a lower average price of US\$2.94/kg, compared to the US\$2.95/kg realised during the same period in 2015.

Table 4: Cumulative Tobacco Sales: Day 65 (01/07/16)

	2015	2016	Variance (%)
Cumulative Quantity Sold (kgs)	151,118,155	161,032,779	6.56
Cumulative Average Price(US\$/kg)	2.95	2.94	(0.47)
Cumulative Value (US\$)	446,086,016	473,097,828	6.06

Source: Tobacco Industry and Marketing Board, 2016

4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international commodity prices of gold, platinum, copper and nickel firmed during the week ending 1st July 2016. Crude oil prices, however, retreated, 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
Weekly Average (20-24 June)	1,280.56	979.10	4,654.00	9,115.00	49.97
27-Jun	1,324.58	988.50	4,692.00	8,940.00	47.05
28-Jun	1,310.85	977.00	4,777.00	9,130.00	47.99
29-Jun	1,319.63	992.50	4,780.00	9,280.00	49.97
30-Jun	1,318.88	1,001.50	4,826.00	9,420.00	49.70
1-Jul	1,335.88	1,036.00	4,784.00	9,530.00	49.54
Weekly Average (27 June-1 July)	1,321.96	999.10	4,771.80	9,260.00	48.85
Weekly Change (%)	3.2	2.0	2.5	1.6	(2.2)

Source: BBC, KITCO, Reuters and Bloomberg

Gold

Gold prices surged by 3.2% from a weekly average of US\$1 280.56/oz in the previous week, to US\$1 321.96/oz during the week under review. Concerns over growth prospects in the EU, following the Brexit vote, increased the demand for the precious metal as a safe investment haven.

Platinum

Platinum prices firmed by 2.0%, to close the period under review at an average price of US\$999.10/oz. Prices increased as investors shifted to precious and industrial metals, with a safe haven appeal, as a way of hedging against market volatilities following Britain's vote to exit the Euro zone.

Copper

Copper prices rose by 2.5% from a weekly average of US\$4 654.00/ton in the previous week, to an average of US\$4 771.80/ton during the period under review. The increase was triggered by the weakening of the US dollar, coupled with anticipations of monetary easing in China, the biggest consumer of the metal.

Nickel

Nickel prices registered a 1.6% increase to close the week under analysis at US\$9 260.00/ton. The gain in price was underpinned by the positive demand outlook for base metals, particularly in China, the top global user of the metal.

Brent Crude Oil

Brent crude oil prices declined by 2.2% from a weekly average of US\$49.97/barrel in the previous week, to a weekly average of US\$48.85/barrel during the week under review. This followed increased output in the US.

5. EQUITY MARKETS

Trading on the Zimbabwe Stock Exchange (ZSE) maintained a bullish trend for the second consecutive week. Resultantly, the mainstream index gained by 3.77 points to close the week ending 1st July 2016 at 101.17 points. The mining index, however, declined marginally from 26.27 points in the previous week, to 24.70 points during the week under review.

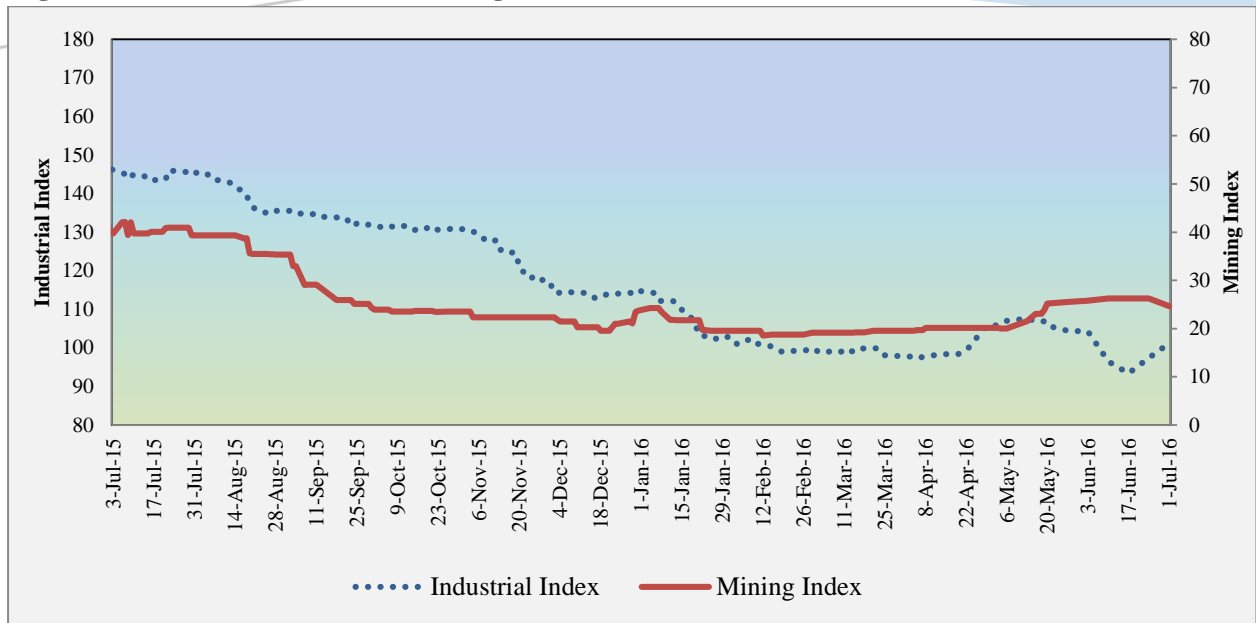
The industrial index was weighed up by increases in Rainbow Tourism Group (30.43%), Delta Corporation (13.03%), Padenga Holdings Limited (12.47%), B.A.T. (1.67%) and Pretoria Portland Company (0.31%).

Table 6: Zimbabwe Stock Exchange (ZSE) Statistics

Period	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
03- Jun	104.30	25.77	2,870,235,077	4,819,501	53,664,571
10-June	96.51	26.24	2,661,632,445	3,901,663	15,509,499
17-June	93.39	26.24	2,577,210,314	6,679,874	15,875,910
24-June	97.40	26.27	2,685,412,879	5,153,228	39,745,025
1-July	101.17	24.70	2,784,402,428	1,536,291	9,305,576
Weekly Change (%)	3.87	(5.98)	3.69	(70.19)	(76.59)

Source: Zimbabwe Stock Exchange (ZSE), 2016

Figure 3 : Zimbabwe Stock Exchange Indices

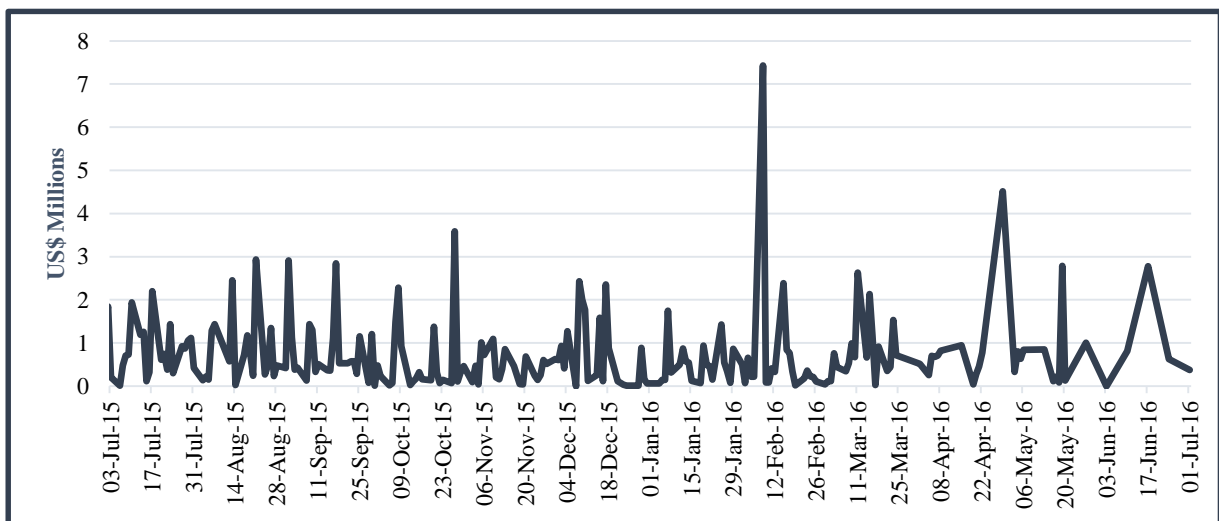


Source: Zimbabwe Stock Exchange, 2016

Market Turnover and Volume

The ZSE market turnover declined by 70.19% to close the week under analysis at US\$1.54 million, on the back of subdued trading in blue chip counters. In tandem, the volume of shares traded declined by 77% to 9 305 576 shares in the same week.

Figure 4: Daily Market Turnover

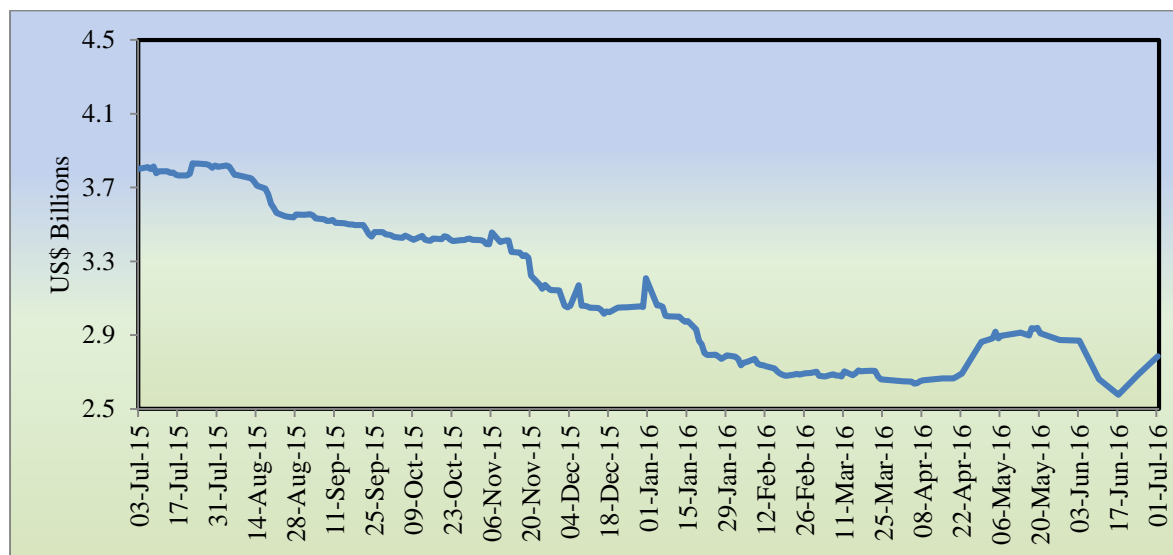


Source: Zimbabwe Stock Exchange, 2016

Market Capitalisation

During the week under review, the ZSE market capitalisation stood at US\$2.78 billion, representing a 3.69% increase from US\$2.69 billion recorded in the previous week.

Figure 5 : Market Capitalization



Source: Zimbabwe Stock Exchange, 2016

Johannesburg Stock Exchange (JSE) Developments

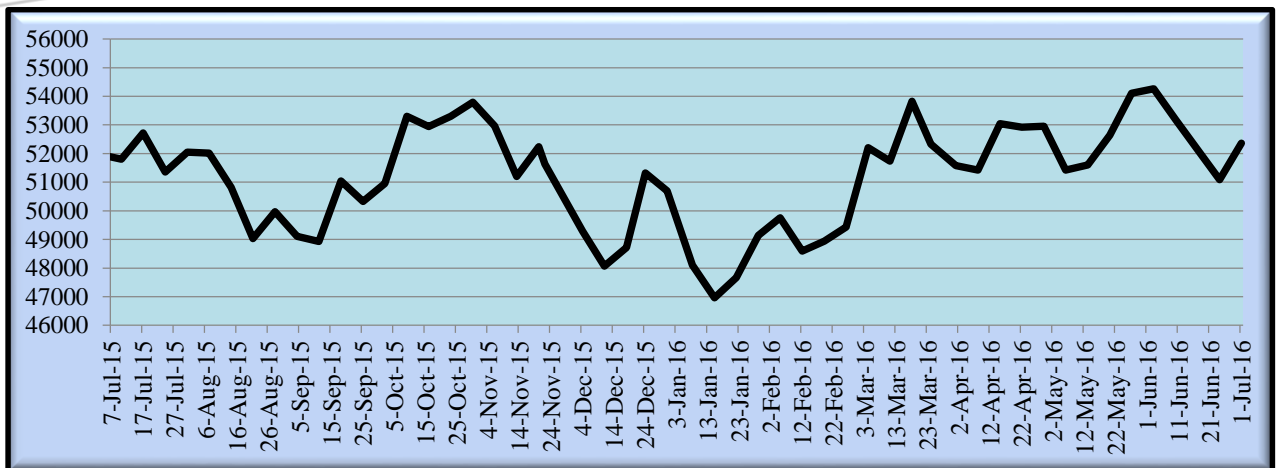
The JSE All Share index closed the week under review at 52 357.50 points, up from 51 092.05 points in the previous week. Concomitantly, market capitalisation, increased by 1.97% to close the week at R15.38 trillion.

Table 7: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalization (R trillion)
03-Jun-16	54,259.36	15.85
10-Jun-16	53,175.15	15.51
17-Jun-16	52,140.61	15.26
24-Jun-16	51,092.05	15.09
1-July-16	52,357.50	15.39

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

11th JULY 2016