



Weekly Economic Highlights

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Week Ending
2nd June 2017

1. INTEREST RATES

Deposit Rates

During the week ending 2nd June 2017, average deposit rates for savings deposits increased by 0.12 percentage points to close at 4.08%. Average interest rates for deposits of 1 month tenor, however, remained unchanged at 4.38%. The average deposits rates for deposits of 3 months tenor declined from 4.46% in the previous week to close the week under review at 4.45%.

Table 1: Average Deposit Rates (per annum)

Date	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
05-May-17	3.46	4.36	4.44
12-May-17	3.46	4.37	4.46
19-May-17	3.96	4.33	4.45
26-May-17	3.96	4.38	4.46
02-June-17	4.08	4.38	4.45

Source: Banking Institutions, 2017

Lending Rates

Commercial bank weighted lending rates for individual clients stood at 9.23%, as at 2nd June 2017, up from 9.17% in the previous week. Weighted lending rates for corporate clients, however, remained unchanged at 7.03%.

Table 2: Lending Rates

Date	Lending Rates (%) Commercial Banks (weighted)	
	Individuals	Corporate clients
05-May-17	9.25	7.02
12-May-17	9.19	7.02
19-May-17	9.20	7.02
26-May-17	9.17	7.03
02-June-17	9.23	7.03

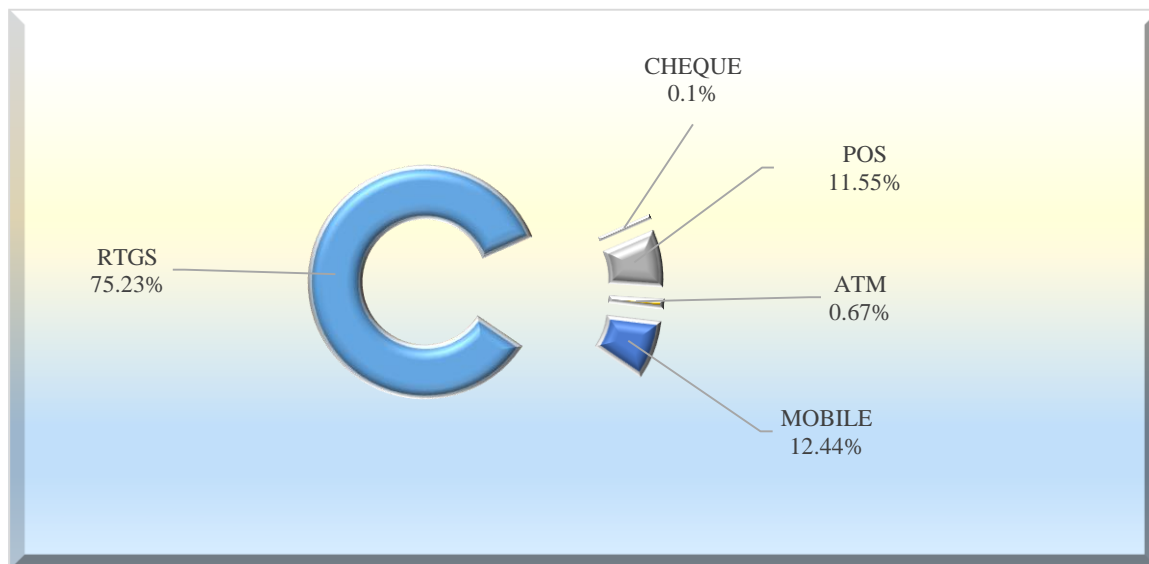
Source: Banking Institutions, 2017

2. CLEARING AND SETTLEMENT ACTIVITY

During the week ending 2nd June 2017, the total value of transactions processed through National Payment Systems (NPS) increased by 15% to US\$1 605.33 million, from US\$1 395.68 million registered in the previous week. The increase was largely attributable to the 12% rise in Real Time Gross Settlement (RTGS) system transactions, from US\$1 079.29 million in the previous week to US\$1 207.73 million during the week under analysis.

Transactions processed through the NPS were distributed as follows: RTGS, 75.23%; Mobile, 12.44%; Point of Sale (POS), 11.55%; Automated Teller Machines (ATMs), 0.67%; and cheque, 0.1%.

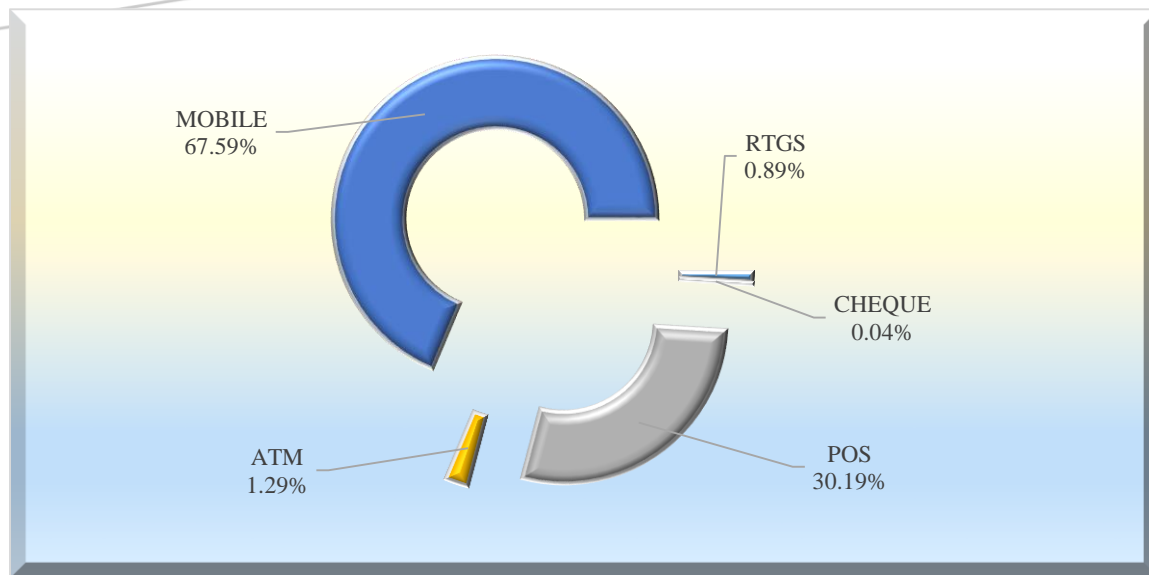
Figure 1: Proportions of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe

The total volume of NPS transactions increased by 19% to 15 442 731, during the week under analysis. The proportions of NPS transactions, by volume, were as follows: Mobile, 67.59%; POS, 30.19%; ATM, 1.29%; RTGS, 0.89%; and Cheque, 0.04%, 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 26 May 2017	WEEK ENDING 2 June 2017	CHANGE FROM LAST WEEK	PROPORTION
VALUES IN USD (millions)				
RTGS	1,079.29	1,207.73	12%	75.23%
CHEQUE	1.30	1.67	29%	0.10%
POS	156.32	185.48	19%	11.55%
ATMS	10.54	10.72	2%	0.67%
MOBILE	148.22	199.72	35%	12.44%
TOTAL	1,395.68	1,605.33	15%	100%
VOLUME				
RTGS	95,940	136,944	43%	0.89%
CHEQUE	5,571	6,808	22%	0.04%
POS	3,920,142	4,662,759	19%	30.19%
ATMs	187,688	198,501	6%	1.29%
MOBILE	8,747,416	10,437,719	19%	67.59%
TOTAL	12,956,757	15,442,731	19%	100%

Source: Reserve Bank of Zimbabwe

3. TOBACCO SALES

A cumulative total of 147.61 million kilograms of tobacco had been sold as at 2nd June 2017 or day 53 of the 2017 tobacco selling season. This reflected an increase of 10.49%, compared to the cumulative total of 133.60 million kilograms of tobacco sold during the same period in 2016. In value terms, cumulative tobacco sales amounted to US\$426.42 million, compared to US\$389.26 million realized during the corresponding period in 2016. The golden leaf was, however, sold at lower average price of US\$2.89/kg, compared to US\$2.91/kg realised during the same period in 2016.

Table 4: Cumulative Tobacco Sales: Day 53 (2nd June 2017)

	2016	2017	Variance (%)
Cumulative Quantity Sold (kgs)	133,597,506	147,608,731	10.49
Cumulative Average Price(US\$/kg)	2.91	2.89	-0.69
Cumulative Value (US\$ million)	389,257,639	426,416,232	9.55

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

4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

During the week ending 2nd June 2017, the international commodity prices of platinum, copper, nickel and crude oil retreated. The price of gold, however, increased during the same period, as shown in Table 5.

Table 5: Metal and Crude Oil Prices

Period	Gold	Platinum	Copper	Nickel	Crude Oil
2017	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
Weekly Average (26 May)	1,259.79	948.25	5,650.00	9,201.25	52.83
29-May	1,265.03	957.00	5,671.00	9,000.00	52.25
30-May	1,262.75	943.50	5,671.00	9,000.00	52.09
31-May	1,265.00	944.00	5,608.00	9,020.00	51.80
1-Jun	1,265.50	937.00	5,615.00	8,810.00	50.29
2-Jun	1,267.95	930.00	5,559.00	8,725.00	50.24
Weekly Average (2 June)	1,265.25	942.30	5,624.80	8,911.00	51.33
<i>Weekly Change (%)</i>	<i>0.4</i>	<i>(0.6)</i>	<i>(0.45)</i>	<i>(3.2)</i>	<i>(2.8)</i>

Source: BBC, KITCO and Bloomberg

Gold

Gold prices continued on an upward trend, registering an increase of 0.4%, to close the week under review at an average of US\$1,267.25/oz. This was attributable to an increase in the demand for gold as a safe haven asset, against the background of a strengthening US dollar.

Platinum

Platinum prices declined by 0.6%, from a weekly average of US\$948.28/oz recorded in the previous week, to US\$942.30/oz during the week under review. The decline was triggered by slackening global nickel demand.

Copper

Copper prices fell by 0.4%, to close the week under review at US\$5,624.80/tonne from US\$5,650.00/tonne recorded in the previous week. The strengthening of the U.S. dollar exerted downward pressure on the price of the metal.

Nickel

Nickel prices decreased by 3.2%, from US\$9,201.25/tonne recorded during the week ending 26th May 2017, to a weekly average of US\$8,911.00/tonne during the week under review. This was largely due to the resumption of low grade nickel exports by PT Aneka Tambag, after the decision of the Indonesian government to relax the export ban imposed earlier this year.

Crude Oil

Crude oil prices retreated by 2.8% to close the week under review at a weekly average of US\$52.83/barrel. This was underpinned by the slump in the global demand for crude oil.

5. EXCHANGE RATES

The US dollar strengthened against the euro and pound Sterling by 0.2% and 1.0%, respectively, during the week ending 2nd June 2017. The greenback, however, weakened by 1.1% against the rand during the same period.

Table 6: International Exchange Rates per US\$

	ZAR	GBP	EURO
2017			
Weekly Average (22-26 May)	13.1397	0.7716	0.8925
29-May	12.8632	0.7795	0.8955
30-May	13.0027	0.7807	0.8987
31-May	13.1162	0.7812	0.8954
1-Jun	13.1144	0.7772	0.8895
2-Jun	12.8874	0.7767	0.8913
Weekly Average (22-26 May)	12.9968	0.7791	0.8941
<i>Appr(+)/Depr(-) (%) of the USD</i>	<i>-1.1</i>	<i>1.0</i>	<i>0.2</i>

Source: Reuters

6. EQUITY MARKETS

Trading on the Zimbabwe Stock Exchange (ZSE) continued on an upward trajectory for the tenth consecutive week, during the week ending 2nd June 2017. Resultantly, the industrial index increased by 4.79%, from 160.30 points recorded in the previous week to 167.98 points in the week under review. The increase was underpinned by share price rises in Meikles, 26.90%; Econet Wireless, 16.67%; Zimplot, 16.47%; Hippo Valley, 16.11%; and FBC Holdings, 13.21%. Partially offsetting these gains were losses in Mashonaland Holdings, 10.0%; Dairibord, 1.40%; and Lafarge Cement, 0.12%.

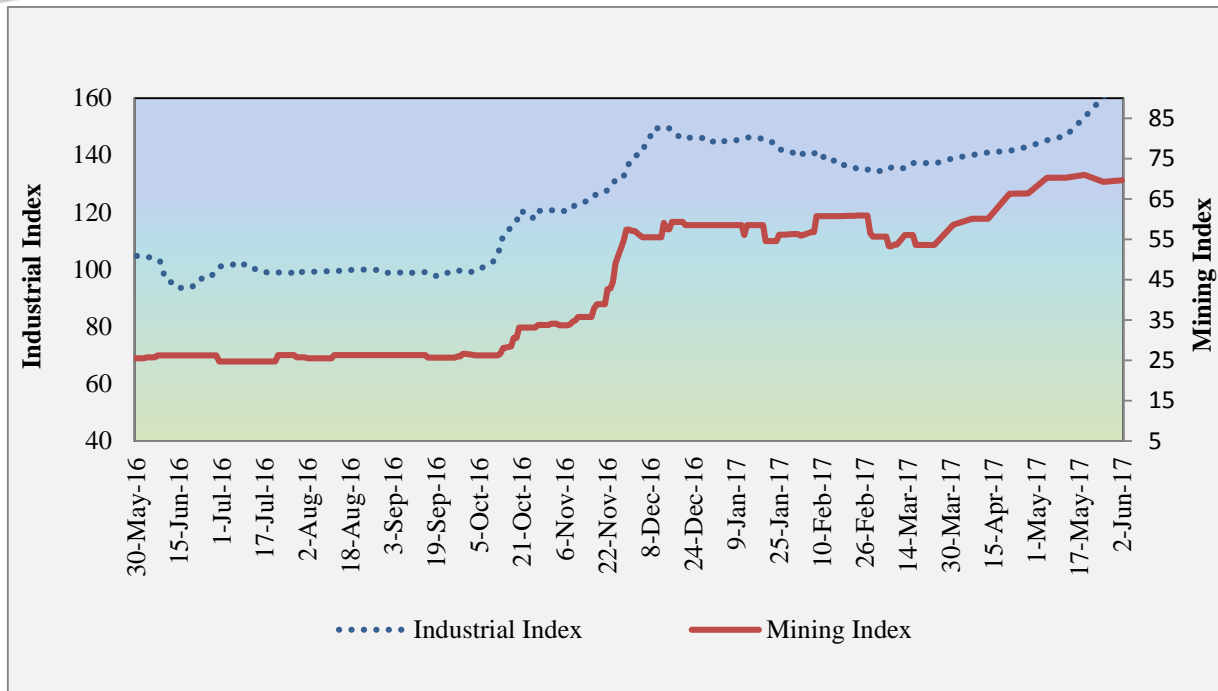
The resource index firmed by 0.61%, from 69.21 points in the prior week to close the week under review at 69.63 points. This was on account of gains in Bindura Nickel Corporation, 1.69% and Hwange Colliery Company, 0.86%, respectively.

Table 7: Zimbabwe Stock Exchange (ZSE) Statistics

	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
05-May-17	145.26	70.22	4,254,332,270	2,454,771	54,665,643
12-May-17	146.80	70.22	4,298,671,929	2,231,855	44,332,738
19-May-17	153.33	70.98	4,485,761,275	6,903,058	42,246,254
26-May-17	160.30	69.21	4,681,428,298	4,732,727	25,047,926
02-June-17	167.98	69.63	4,900,452,595	2,578,947	8,859,888
Weekly Change (%)	4.79	0.61	4.68	(45.51)	(64.63)

Source: Zimbabwe Stock Exchange (ZSE), 2017

Figure 3 : Zimbabwe Stock Exchange Indices

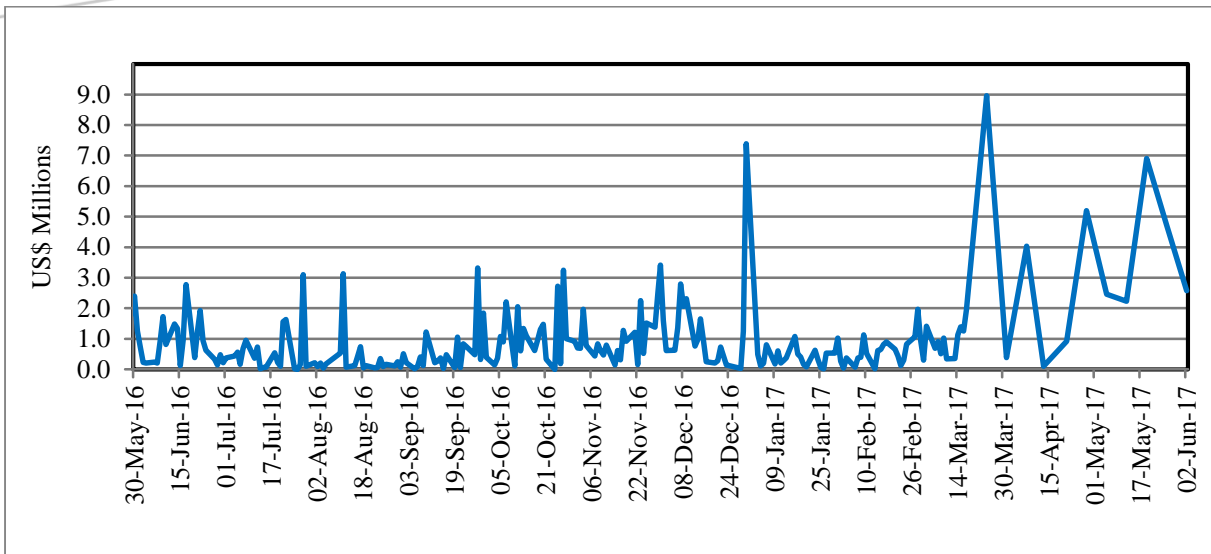


Source: Zimbabwe Stock exchange

Market Turnover and Volume

The volume of shares traded at the ZSE fell by 64.63%, to close at 8 859 888 during the week ending 2nd June 2017. In tandem, market turnover also declined by 45.51% to US\$2.56 million during the same week.

Figure 4: Daily Market turnover

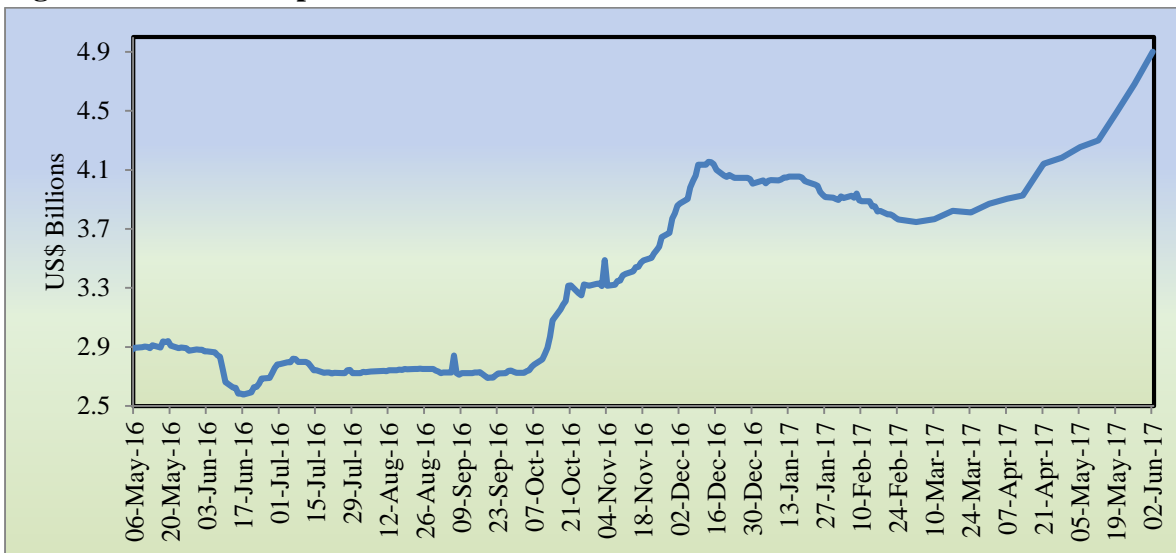


Source: Zimbabwe Stock Exchange, 2017

Market Capitalization

ZSE market capitalization increased from US\$4.68 billion recorded in the week ending 26th June 2017, to US\$4.90 billion during the week under analysis.

Figure 5 : Market Capitalization



Source: Zimbabwe Stock Exchange, 2017

Johannesburg Stock Exchange (JSE) Developments

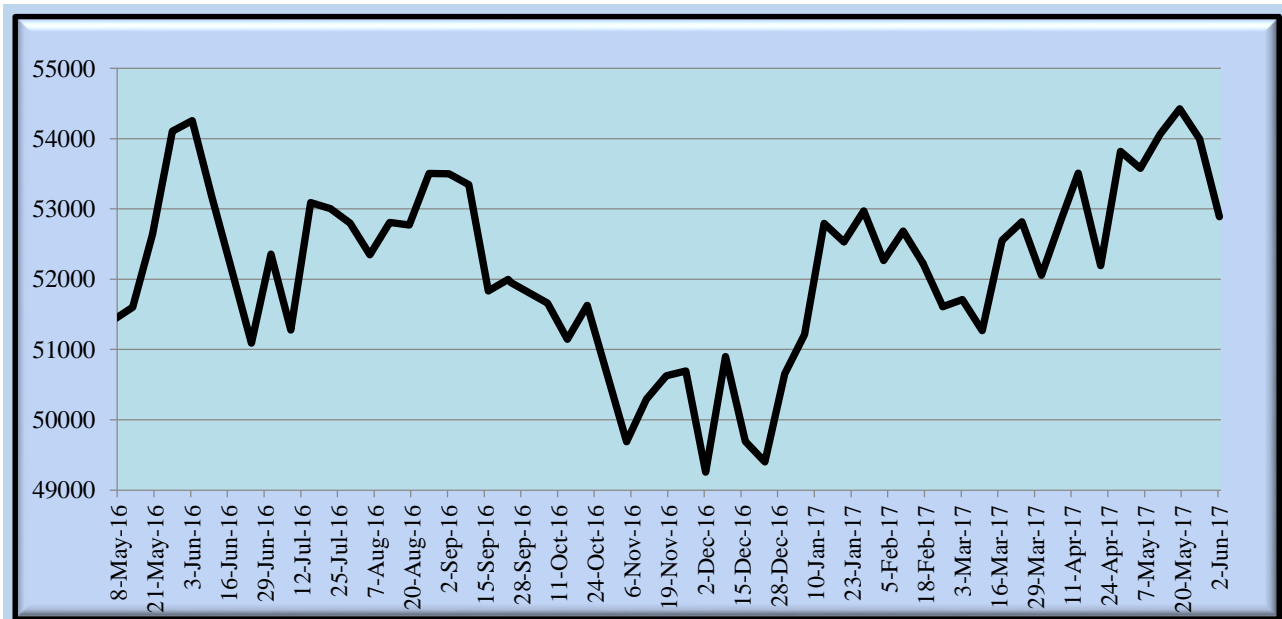
The JSE All share index continued on a negative trajectory, registering a 2.05% decline to close the week under analysis at 52 889.70. Correspondingly, the JSE market capitalization also fell by 1.55 percentage points, to close the same week at ZAR13.95 trillion.

Table 8: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalization (ZAR trillion)
28-April-17	53 817.31	14.17
05-May-17	54 579.01	14.31
12-May-17	54 063.34	14.33
19-May-17	54 427.30	14.37
26-May-17	53 996.14	14.17
02-June-17	52 889.70	13.95
% Change	-2.05	-1.55

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

9TH JUNE 2017