Vol. 19 No. 18

Weekly Economic Highlights

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Week Ending
5th May 2017

1. INTEREST RATES

Deposit Rates

Average deposit rates for savings deposits and deposits of 1 month and 3 month tenors remained unchanged at 3.46%, 4.36% and 4.44%, respectively, during the week ending 5th May 2017.

Table 1: Average Deposit Rates (per annum)

Date	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
07-April-17	3.98	4.71	4.91
13-April-17	3.96	4.20	4.22
21-April-17	3.44	4.37	4.43
28-April-17	3.46	4.36	4.44
05-May-17	3.46	4.36	4.44

Source: Banking Institutions, 2017

Lending Rates

Commercial bank weighted lending rates for individual and corporate clients also remained unchanged at 9.25% and 7.02%, respectively, during the week under analysis.

Table 2: Lending Rates

Date	Lending Rates (%) Commercial Banks (weighted)	
	Individuals	**Corporate clients**
07-April-17	9.22	7.01
13-April-17	9.22	7.02
21-April-17	9.23	7.01
28-April-17	9.25	7.02
05-May-17	9.25	7.02

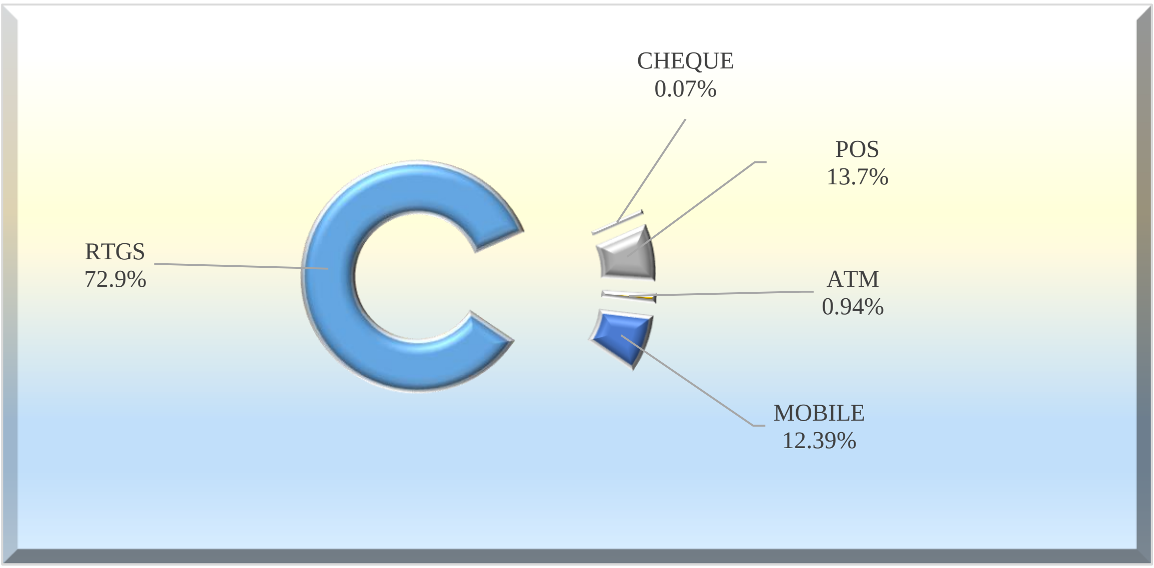
Source: Banking Institutions, 2017

2. CLEARING AND SETTLEMENT ACTIVITY

During the week under review, the total value of transactions processed through the National Payments System (NPS) stood at US$1 370.55 million, a 19% decline from the US$1 683.92 million recorded during the week ending 28th April 2017. This was largely driven by the decrease in the value of the RTGS transactions, which fell from US$1 380.37 million in the previous week to US$999.14 million during the week under review.

The usage of NPS payments streams, in value terms, was distributed as follows: RTGS, 72.9%; POS, 13.7%; Mobile, 12.39%; ATM, 0.94%; Cheque, 0.07%, as shown in Figure 1.

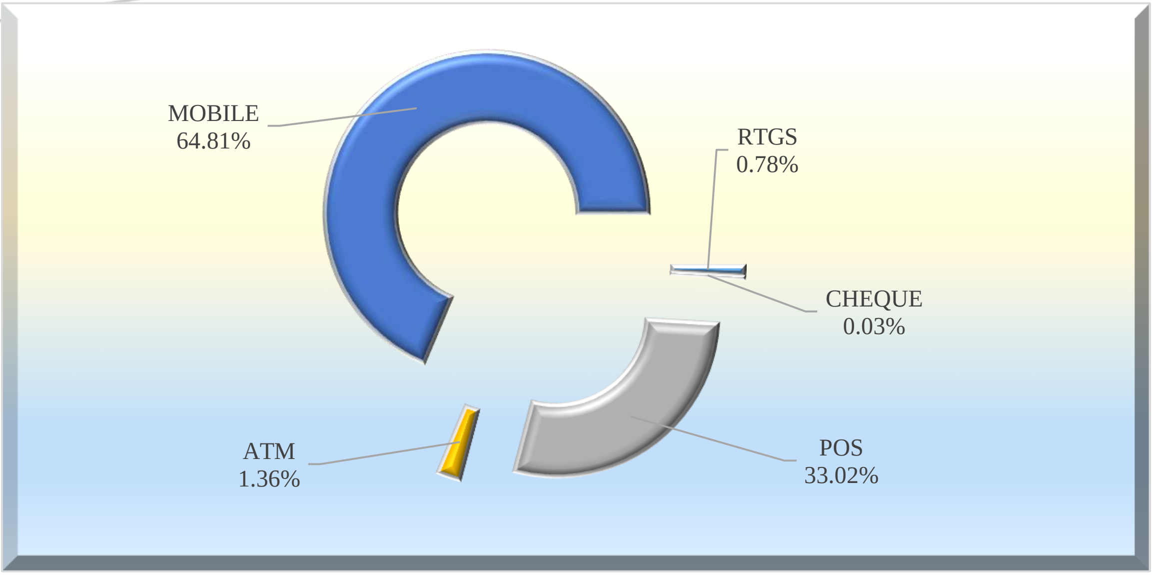
Figure 1: Proportions of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe

The volume of NPS transactions increased by 25% to 14 668 169, during the week under analysis. Mobile transactions contributed 64.81% of the total volume of NPS transactions, followed by POS, 33.02%; ATM, 1.37%; RTGS, 0.78%; and Cheque, 0.03%, 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 April 2017	WEEK ENDING 05 May 2017	CHANGE FROM LAST WEEK	PROPORTION
	VALUES IN USD (millions)			
RTGS	1,380.37	999.14	-28%	72.90%
CHEQUE	1.24	0.92	-26%	0.07%
POS	149.55	187.79	26%	13.70%
ATMS	9.48	12.83	35%	0.94%
MOBILE	143.29	169.87	19%	12.39%
TOTAL	**1,683.92**	**1,370.55**	-19%	**100%**
	VOLUME			
RTGS	114,009	113,827	-0.2%	0.78%
CHEQUE	5,517	4,301	-22%	0.03%
POS	3,658,114	4,843,857	32%	33.02%
ATMs	158,753	200,175	26%	1.36%
MOBILE	7,834,416	9,506,009	21%	64.81%
TOTAL	**11,770,809**	**14,668,169**	25%	**100%**

Source: Reserve Bank of Zimbabwe

3. TOBACCO SALES

A cumulative total of 96 050 045 kilograms of tobacco had been sold as at 5th May 2017 or day 34 of the 2017 tobacco selling season. The quantity sold was 30.39% higher than the cumulative total of 73 662 305 kilograms sold during the same period in 2016.

In value terms, cumulative tobacco sales amounted to US$266.71 million, compared to US$209.94 million realized during the corresponding period in 2016. The golden leaf, however, fetched a lower average price of US$2.78/kg, compared to the US$2.85/kg realized during the same period in 2016.

Table 4: Cumulative Tobacco Sales: Day 34 (05 May 2017)

	2016	2017	Variance (%)
Cumulative Quantity Sold (kgs)	73,662,305	96,050,045	30.39
Cumulative Average Price(US$/kg)	2.85	2.78	-2.46
Cumulative Value (US$ million)	209,938,422	266,708,278	27.04

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

4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international commodity prices of gold, platinum and crude oil retreated during the week ending 5th May 2017, whilst nickel and copper prices rose, as shown in Table 5.

Table 5: Metal and Crude Oil Prices

	Gold	Platinum	Copper	Nickel	Crude Oil
2017	US$/ounce	US$/ounce	US$/tonne	US$/tonne	US$/barrel
Week ending (24 - 28 April)	**1,268.60**	**951.70**	**5,649.30**	**9,345.00**	**51.79**
2-May	1,255.63	929.50	5,688.00	9,485.00	50.76
3-May	1,252.13	912.50	5,746.00	9,485.00	50.50
4-May	1,232.15	900.50	5,636.00	9,485.00	48.42
5-May	1,233.73	911.00	5,543.00	9,000.00	49.35
Week ending (2 – 5 May)	**1,243.41**	**913.38**	**5,653.25**	**9,363.75**	**49.76**
Weekly Change (%)	*-2.0*	*-4.0*	*0.1*	*0.2*	*-3.9*

Source: BBC, KITCO and Bloomberg

Gold

Gold prices declined by 2.0%, from a weekly average of US$1,268.60/oz recorded in the previous week, to US$1,243.41/oz during the week under review. This was occasioned by a strong rebound in U.S. jobs growth in April 2017, amid heightened expectations of higher interest rates. These developments dampened prospects for the yellow metal’s safe haven demand outlook.

Platinum

Platinum prices retreated by 4.0%, from US$951.70/oz recorded in the previous week, to US$913.38/oz during the week under analysis. The decline was on account of a slackening investment demand due to expectations of monetary policy tightening by the Federal Reserve.

Copper

Copper prices firmed by 0.1%, from US$5,649.30/ton in the previous week to US$5,653.25/ton during the week under review, after a second round of losses. The metal, however, remained vulnerable to further sell downs, amid concerns about rising inventories and weakening demand.

Nickel

Nickel prices increased by 0.2%, from a weekly average of US$9,345.00/ton registered in the previous week, to close the week under review at an average of US$9,363.75/ton. The prices improved on the back of anticipated increase in demand for the base metal.

Crude Oil

Crude oil prices retreated by 3.9% to US$49.76/barrel during the week under analysis, from US$51.79/barrel in the previous week. This followed fears of increased U.S. shale production, which may derail efforts by other major producers to rebalance global oil supply and demand.

5. EXCHANGE RATES

The US dollar weakened by 0.41% and 0.48% against the euro and pound Sterling, respectively, during the week ending 5th May 2017. The greenback, however, appreciated by 2.47% against the rand during the same period.

Table 6: International Exchange Rates per US$

	GBP	**EURO**	**ZAR**
2017			
Weekly Average (24-28 April)	**0.7789**	**0.9185**	**13.129**
2-May	0.7752	0.9156	13.3525
3-May	0.7749	0.9152	13.3273
4-May	0.7766	0.9180	13.4427
5-May	0.7739	0.9103	13.6930
Weekly Average (2-5 May)	**0.7752**	**0.9148**	**13.4539**
Appr(+)/Depr(-) (%) of the USD	*(0.48)*	*(0.41)*	*2.47*

Source: Reuters

6. EQUITY MARKETS

During the week ending 5th May 2017, the Zimbabwe Stock Exchange (ZSE) maintained its upward trajectory for the sixth consecutive week. The industrial index increased by 1.61% to close the week under review at 145.26 points. This was attributed to gains realized in Willdale Limited, 42.86%; ZB Financial Holdings, 14.94%; Meikles, 14.45%; and Dairibord and Nicoz Diamond, 10% each. Partially offsetting these gains were losses in Rainbow Tourism Group (RTG), 18.33%; Hippo Valley Estates, 6.52%; Barclays Bank, 5.56%; Turnall Holdings, 4.81%; and CFI Holdings, 1.96%.

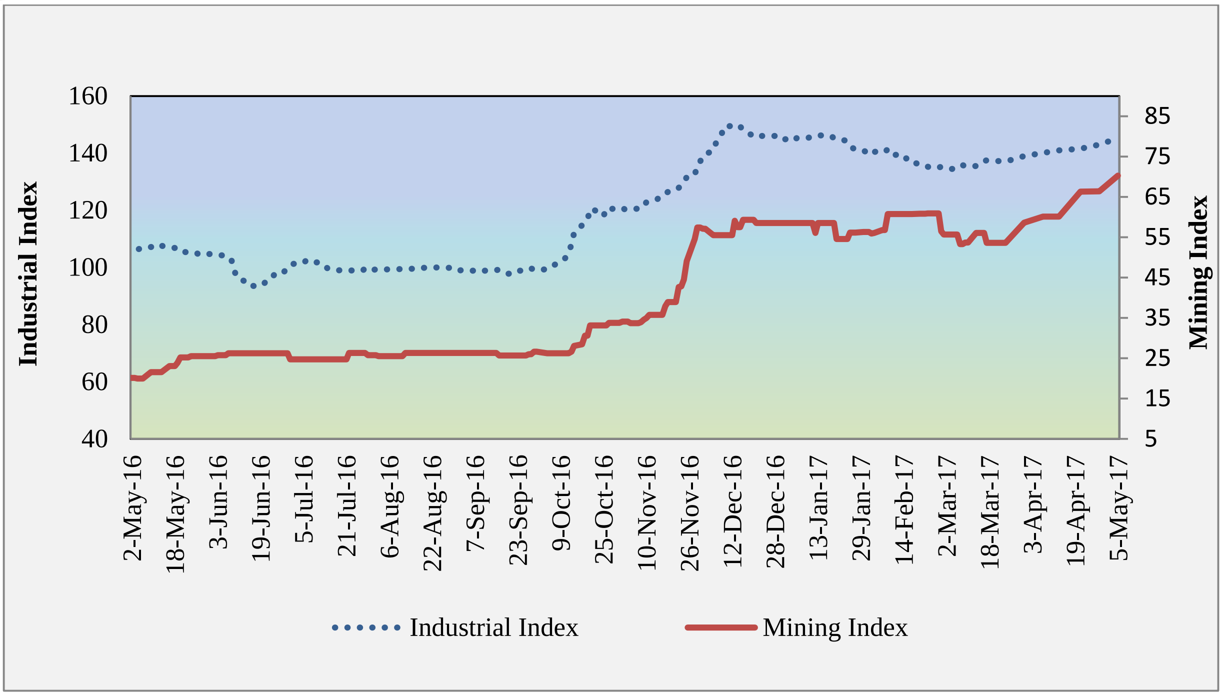
The resource index increased by 5.86%, to close the week under review at 70.22 points. This was due to a 10% gain recorded in RioZim. Bindura Nickel Corporation traded at previous week price, while Falgold and Hwange Colliery Company (HCC) were inactive during the week under review.

Table 7: Zimbabwe Stock Exchange (ZSE) Statistics

	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US$)	Market Turnover (US$)	Volume of Shares
7-April-17	140.08	60.12	3,904,206,448	4,035,658	6,467,470
13-April-17	140.92	60.12	3,926,840,215	1,051,943	29,009,254
21-April-17	141.50	66.25	4,141,058,162	917,111	7,510,700
28-April-17	142.96	66.33	4,182,789,106	5,199,710	32,870,288
05-May-17	145.26	70.22	4,254,332,270	2,454,771	54,665,643
Weekly Change (%)	***1.61***	***5.86***	***1.71***	***(52.79)***	***66.31***

Source: Zimbabwe Stock Exchange (ZSE), 2017.

Figure 3 : Zimbabwe Stock Exchange Indices

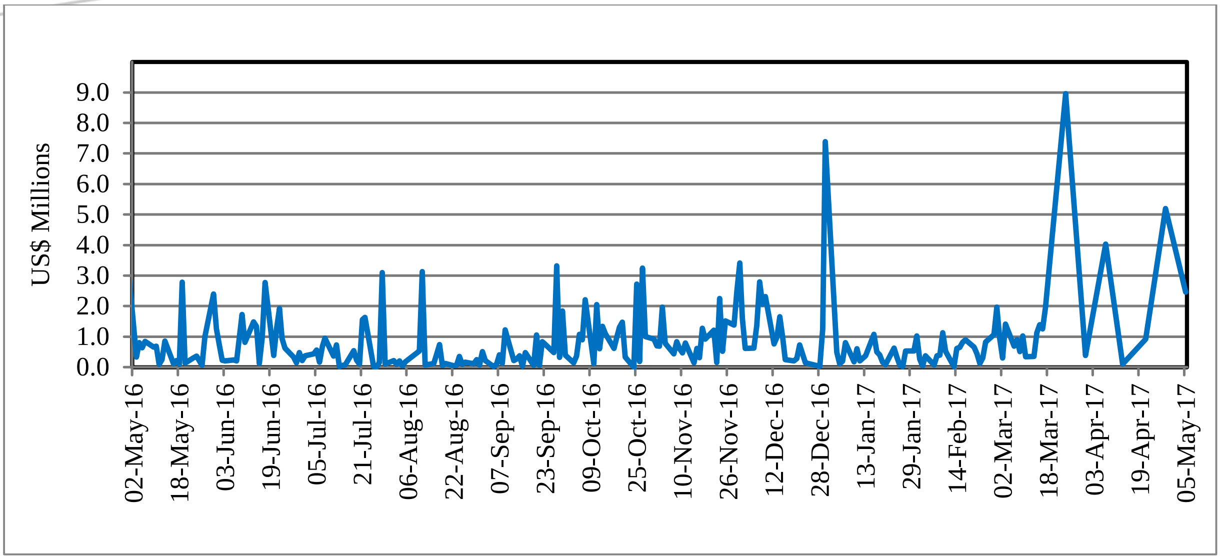


Source: Zimbabwe Stock exchange

Market Turnover and Volume

The ZSE market turnover declined by 52.76%, to close the week under review at US$2.45 million. This was, in large part, attributed to thin trading recorded in mid-cap counters. The volume of shares traded, however, increased by 66.31%, from 32 870 288 shares in the previous week, to 54 665 643 shares during the week under review. This was largely underpinned by the National Social Security Authority (NSSA)'s mandatory offer to minority shareholders of Nicoz Diamond Insurance.

Figure 4: Daily Market turnover

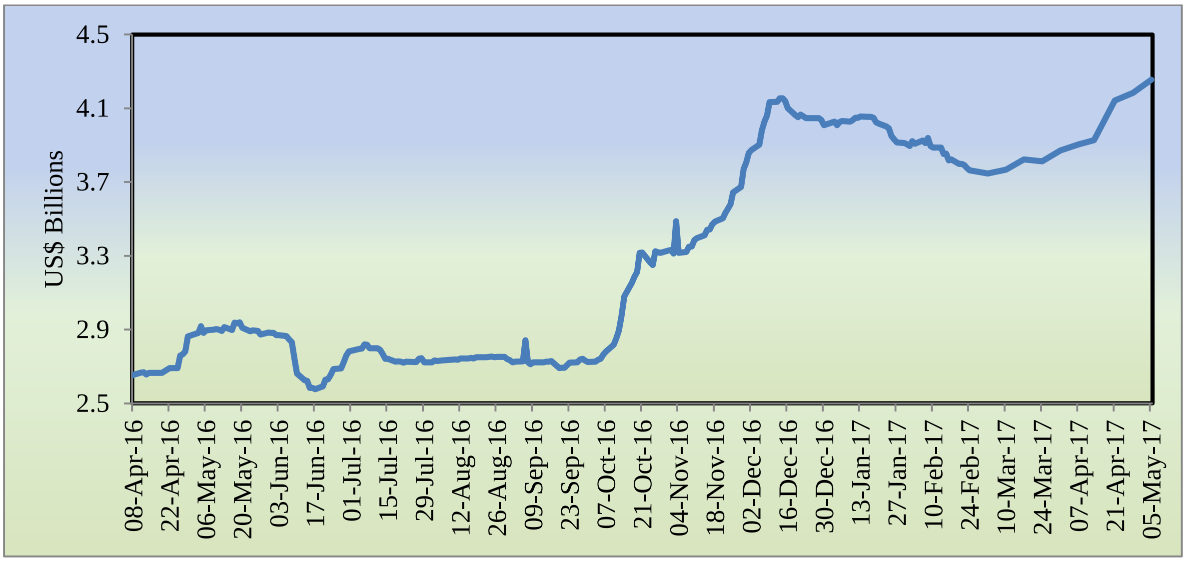


Source: Zimbabwe Stock Exchange, 2017

Market Capitalization

The ZSE market capitalisation stood at US$4.25 billion during the week ending 5th May 2017, a 1.71% increase from the US$4.18 billion recorded in the previous week. This was largely explained by positive trading on the local bourse during the reporting week.

Figure 5 : Market Capitalization



Source: Zimbabwe Stock Exchange, 2017

Johannesburg Stock Exchange (JSE) Developments

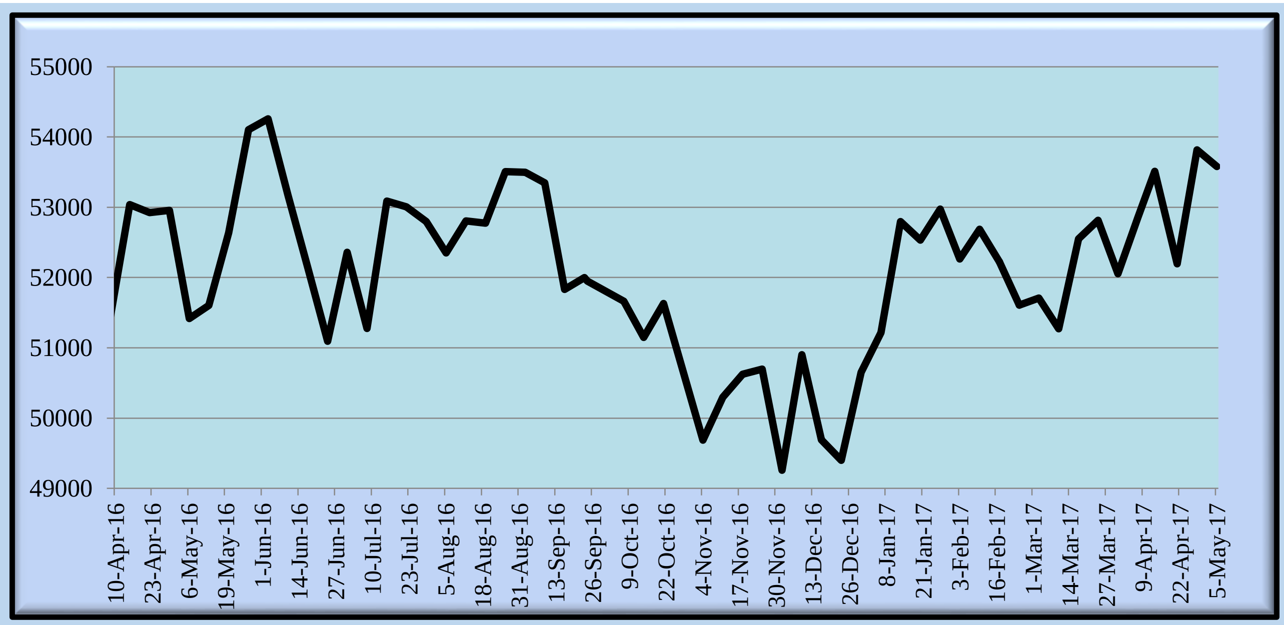
During the week ending 5th May 2017, the JSE All Share Index increased by 1.42% to close the week at 54 579.01 points. In tandem, market capitalisation rose by 1.0%, from R14.17 trillion in the previous week to R13.58 trillion during the week under review.

Table 8: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalization (ZAR trillion)
31-March-17	52 056.06	13.81
07-April-17	52 853.36	14.09
13-April-17	53 510.22	14.07
21-April-17	52 194.59	13.70
28-April-17	53 817.31	14.17
05-May-17	**54 579.01**	**14.31**

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

15th MAY 2017