



Weekly Economic Highlights

Contents

| | |
|---|---|
| 1. INTEREST RATES | 1 |
| 2. CLEARING AND SETTLEMENT ACTIVITY | 2 |
| 3. TOBACCO SALES | 4 |
| 4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS . | 5 |
| 5. EQUITY MARKETS | 7 |

Week Ending
6th May 2016

1. INTEREST RATES

Deposit Rates

During the week ending 6th May 2016, savings deposit rates remained unchanged at 3.03%. Average deposit rates for term deposits of 1 month and 3 months tenors, however, increased to 6.59% and 7.06%, respectively.

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

| Date | Savings Deposits (%) | 1-Month Deposits (%) | 3-Months Deposits (%) |
|-----------|----------------------|----------------------|-----------------------|
| 08-Apr-16 | 3.03 | 6.57 | 7.00 |
| 15-Apr-16 | 3.03 | 6.57 | 7.00 |
| 22-Apr-16 | 3.03 | 6.57 | 6.99 |
| 29-Apr-16 | 3.03 | 6.57 | 7.01 |
| 06-May-16 | 3.03 | 6.59 | 7.06 |

Source: Banking Institutions, 2016

Lending Rates

Commercial bank weighted lending rates for individuals remained unchanged at 11.50%, during the week under review. The weighted commercial bank lending rates for corporate clients stood at 7.35%, up from 7.20% recorded in the previous week.

Table 2: Lending Rates

| Date | Lending Rates (%) Commercial Banks (weighted) | |
|-----------|--|-------------------|
| | Individuals | Corporate clients |
| 08-Apr-16 | 11.41 | 7.29 |
| 15-Apr-16 | 11.41 | 7.28 |
| 22-Apr-16 | 11.49 | 7.21 |
| 29-Apr-16 | 11.50 | 7.20 |
| 06-May-16 | 11.50 | 7.35 |

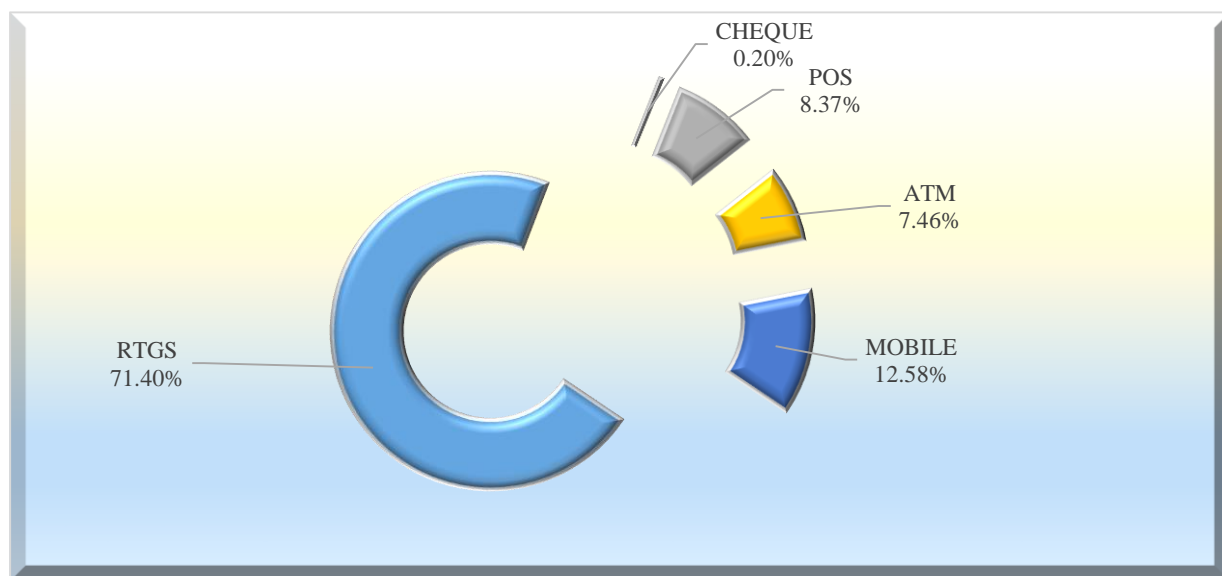
Source: Banking Institutions, 2016

2. CLEARING AND SETTLEMENT ACTIVITY

During the week ending 6th May 2016, the total value of transactions processed through the National Payment Systems (NPS) stood at US\$1 051.65 million, down from US\$1 345.42 million in the previous week. Transactions processed through the Real Time Gross Settlement (RTGS) system decreased by 34%, to US\$750.83 million during the week under review.

The distribution of transactions processed through the NPS was as follows: RTGS, 71.40%; Mobile, 12.58%; Point of Sale (POS), 8.37%; Automated Teller Machines (ATM's), 7.46%; and cheque, 0.20%.

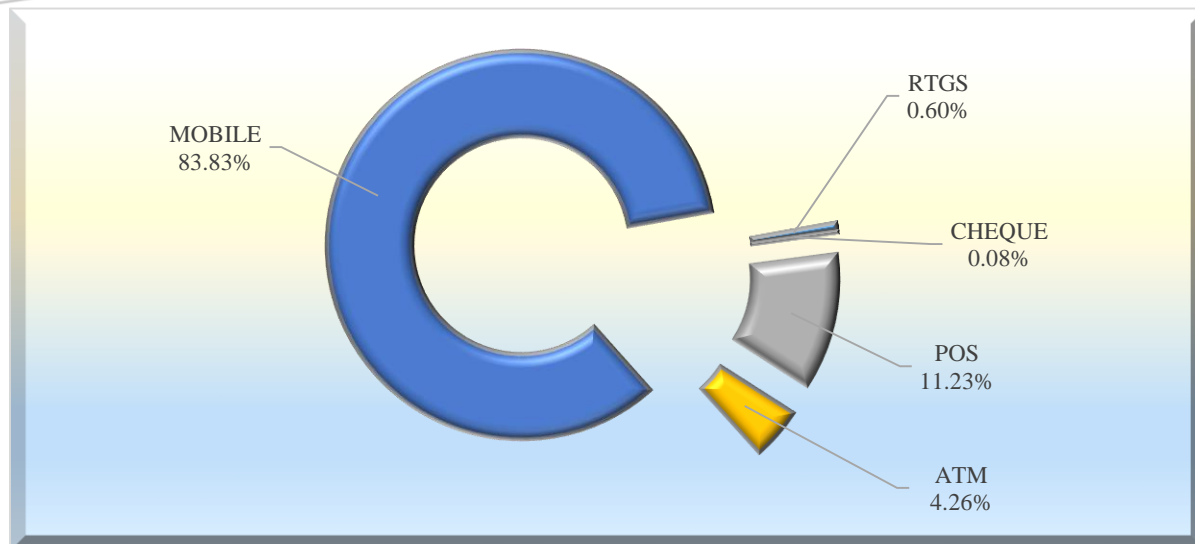
Figure 1: Proportions of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe

In volume terms, Mobile-based transactions accounted for 83.83% of total transactions, followed by POS, 11.23%; ATM, 4.26%; RTGS, 0.60% and Cheques, 0.08%, during the week ending 6th May 2016, 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 29 April 2016 | WEEK ENDING 06 May 2016 | CHANGE FROM LAST WEEK | PROPORTION |
|---------------------------------|---------------------------|-------------------------|-----------------------|------------|
| VALUES IN USD (millions) | | | | |
| RTGS | 1,134.16 | 750.83 | -34% | 71.40% |
| CHEQUE | 2.22 | 2.07 | -7% | 0.20% |
| POS | 46.23 | 88.03 | 90% | 8.37% |
| ATMS | 53.20 | 78.44 | 47% | 7.46% |
| MOBILE | 109.60 | 132.27 | 21% | 12.58% |
| TOTAL | 1,345.42 | 1,051.65 | -22% | 100% |
| VOLUMES | | | | |
| RTGS | 47,638 | 39,321 | -17% | 0.60% |
| CHEQUE | 5,758 | 5,233 | -9% | 0.08% |
| POS | 440,354 | 736,628 | 67% | 11.23% |
| ATMs | 196,612 | 279,661 | 42% | 4.26% |
| MOBILE | 4,919,802 | 5,501,462 | 12% | 83.83% |
| TOTAL | 5,610,164 | 6,562,305 | 17% | 100% |

Source: Reserve Bank of Zimbabwe

3. TOBACCO SALES

As at 6th May 2016 (day 26 of the 2016 tobacco selling season), a cumulative total of 48 915 617 kilograms of tobacco had been sold. This represented an increase of 58.02%, from the 30 956 175 kilograms sold during the same period in 2015. The average selling price for the golden leaf at US\$2.78 per kg, was 4.63% higher than the average price of US\$2.66 per kg during the same period in 2015.

In value terms, cumulative tobacco sales amounted to US\$136.15 million, compared to US\$82.35 million realised during the corresponding period in 2015.

Table 4: Cumulative Tobacco Sales: Day 26 (06/05/16)

| | 2015 | 2016 | Variance (%) |
|--|------------|-------------|--------------|
| Cumulative Quantity Sold (kgs) | 30,956,175 | 48,915,617 | 58.02 |
| Cumulative Average Price(US\$/kg) | 2.66 | 2.78 | 4.63 |
| Cumulative Value (US\$) | 82,352,880 | 136,152,477 | 65.00 |

Source: Tobacco Industry and Marketing Board

4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international commodity prices of gold, platinum and nickel firmed, while those for copper and crude oil retreated during the week ending 6th May 2016, as shown in Table 4.

Table 4: 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 (22-29 April) | 1,248.39 | 1,029.05 | 4,965.60 | 9,156.00 | 46.56 |
| 2-May | 1,280.08 | 1,062.50 | 5,040.00 | 9,500.00 | 44.78 |
| 3-May | 1,295.25 | 1,082.50 | 5,045.00 | 9,550.00 | 44.91 |
| 4-May | 1,281.65 | 1,058.50 | 5,045.00 | 9,385.00 | 44.78 |
| 5-May | 1,278.00 | 1,060.50 | 4,825.00 | 9,275.00 | 45.32 |
| 6-May | 1,284.63 | 1,080.50 | 4,810.00 | 9,275.00 | 45.55 |
| Weekly Average (2-6 May) | 1,283.92 | 1,068.90 | 4,953.00 | 9,397.00 | 45.07 |
| Weekly Change (%) | 2.8 | 3.9 | (0.3) | 2.6 | (3.2) |

Source: BBC, KITCO, Reuters and Bloomberg

Gold

Gold prices continued on an upward trend, gaining by 2.8% from an average of US\$1,248.39/oz in the previous week, to close the week under review at US\$1,283.92/oz. This was on the back of the weaker than expected US non-farm payroll data, boosting expectations that the US Federal Reserve would further delay an interest rate increase.

Platinum

Platinum prices stood at a weekly average of US\$1,068.90/oz, registering a 3.9% increase from US\$1,029.05/oz recorded in the previous week. Prices continued to be supported by a weaker US dollar.

Copper

During the week under analysis, copper prices declined by 0.3% to close at a weekly average price of US\$4,953.00/ton, from a weekly average price of US\$4,965.60/ton in the previous week. The base metal prices retreated as China's copper imports slumped, amid rising stockpiles in the Asian giant, the world's largest consumer of the metal.

Nickel

Nickel prices firmed by 2.6%, from a weekly average of US\$9,156.00/ton in the previous week to close the week under review at a weekly average of US\$9,397.00 /ton. This followed signals of improved spot demand for the metal supported by a weakening US dollar.

Brent crude oil

Brent crude oil retreated by 3.2%, from a weekly average of US\$46.56/barrel in the previous week to US\$45.07/barrel during the period under review. Oil prices fell on concerns of the resurgence of a global surplus, following reports that Saudi Arabia, the world's largest exporter, would continue producing at record levels.

5. EQUITY MARKETS

During the week ending 6th May 2016, trading on the Zimbabwe Stock Exchange (ZSE) continued on an upward trend for the fifth consecutive week. This followed strong demand from long term investors, in value preserving blue chip counters. As a result, the industrial index rose by 1.24 points to close the week under review at 107.03 points. The mining index, however, declined marginally by 0.16 points to close the week at 20 points.

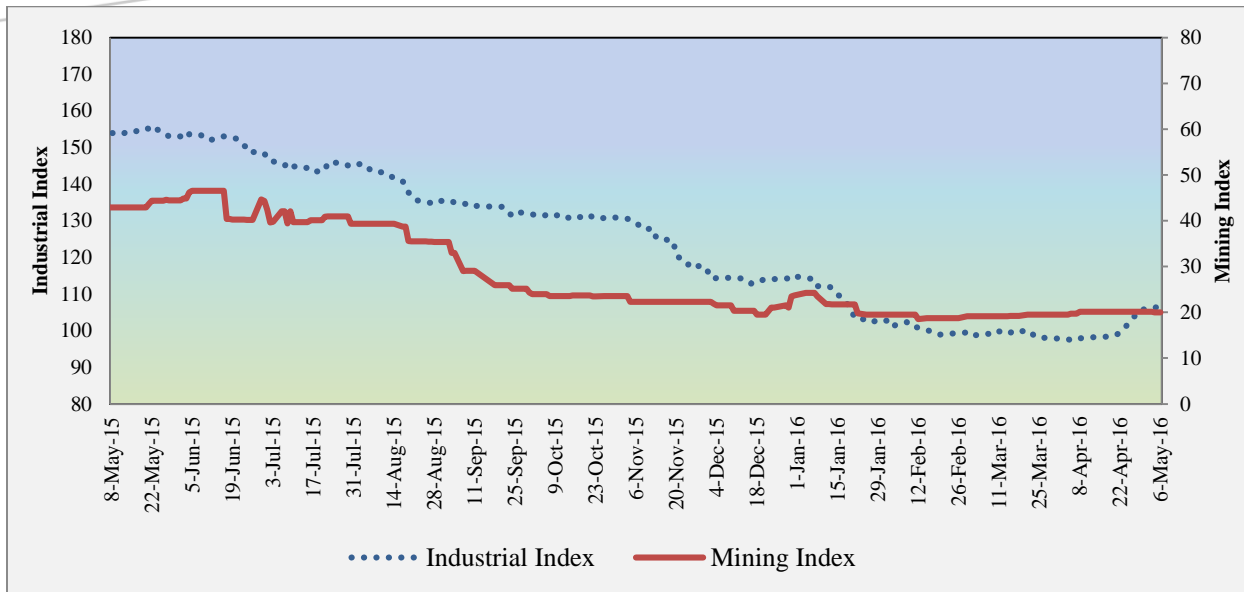
The increase in the industrial index was attributable to gains realised in Inncor Africa Limited (4.55%), Delta Corporation (4.24%), Proplastics Limited (1.82%), Colcom Holdings Limited (1.67%) and B.A.T. (0.41%).

Table 5: Zimbabwe Stock Exchange (ZSE) Statistics

| Period | Industrial Index (points) | Mining Index (points) | Grand Market Capitalization (US\$) | Market Turnover (US\$) | Volume of Shares |
|-------------------|---------------------------|-----------------------|------------------------------------|------------------------|------------------|
| 08-Apr | 97.92 | 20.16 | 2,654,448,635 | 3,167,025 | 57,414,464 |
| 15-Apr | 98.35 | 20.16 | 2,665,735,056 | 2,952,091 | 31,970,003 |
| 22-Apr | 99.28 | 20.16 | 2,690,677,176 | 1,550,958 | 23,085,202 |
| 29-Apr | 105.79 | 20.16 | 2,862 611,862 | 5,839,001 | 70,743,382 |
| 06-May | 107.03 | 20.00 | 2,895,277,393 | 2,609,274 | 8,131,364 |
| Weekly Change (%) | 1.17 | -0.79 | 1.14 | -55.31 | -88.51 |

Source: Zimbabwe Stock Exchange (ZSE), 2016

Figure 3 : Zimbabwe Stock Exchange Indices

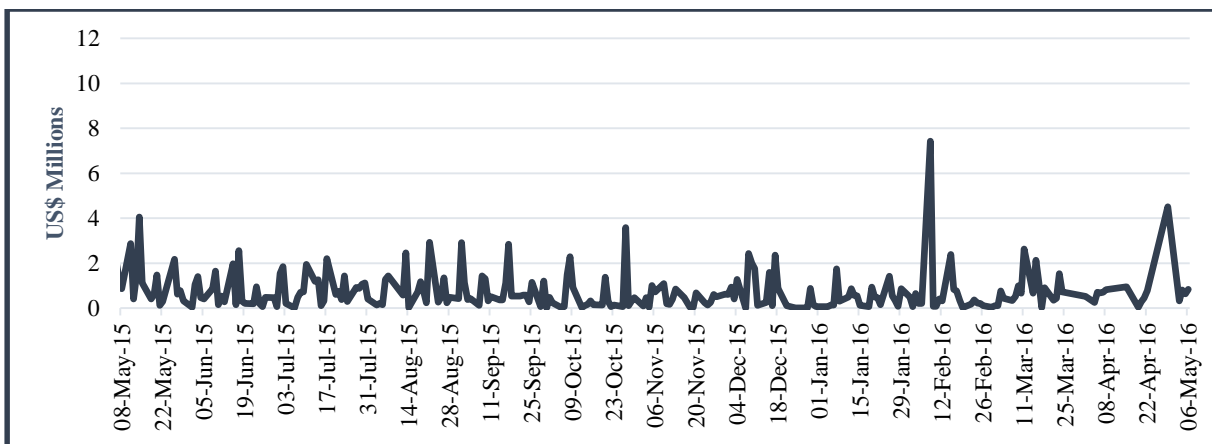


Source: Zimbabwe Stock Exchange, 2016

Market Turnover and Volume

During the week ending 6th May 2016, market turnover declined by 55.31% to close the week at US\$2.61 million, from US\$5.84 million in the previous week. The volume of shares traded stood at 8 131 364 shares during the week of analysis.

Figure 4: Daily Market Turnover

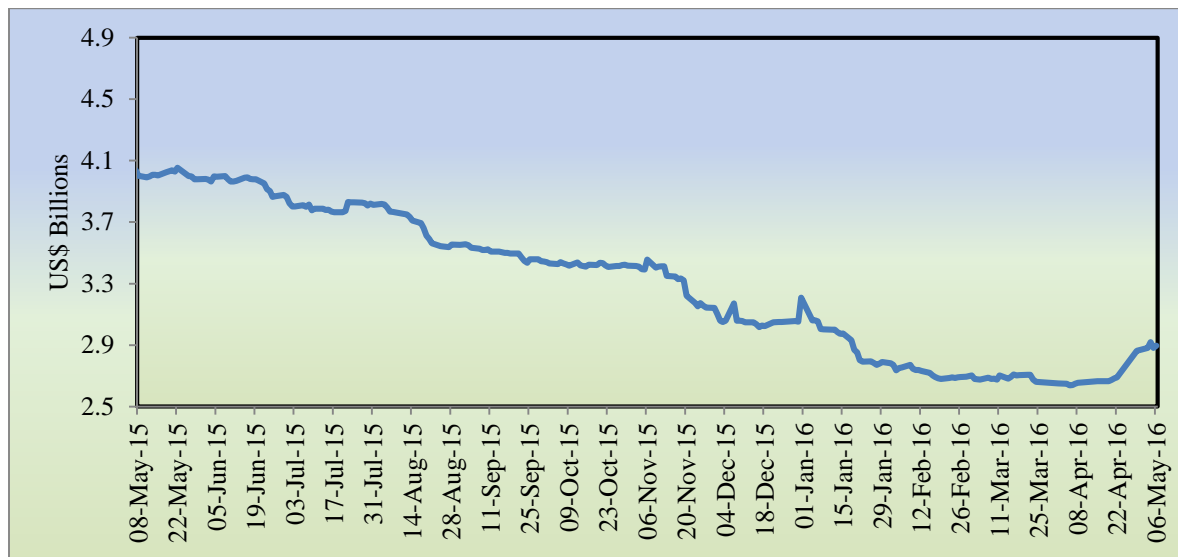


Source: Zimbabwe Stock Exchange, 2016

Market Capitalisation

During the week under review, the ZSE market capitalisation stood at US\$2.90 billion, an increase of 1.14% from US\$2.86 billion recorded in the previous week.

Figure 5 : Market Capitalisation



Source: Zimbabwe Stock Exchange, 2016

Johannesburg Stock Exchange (JSE) Developments

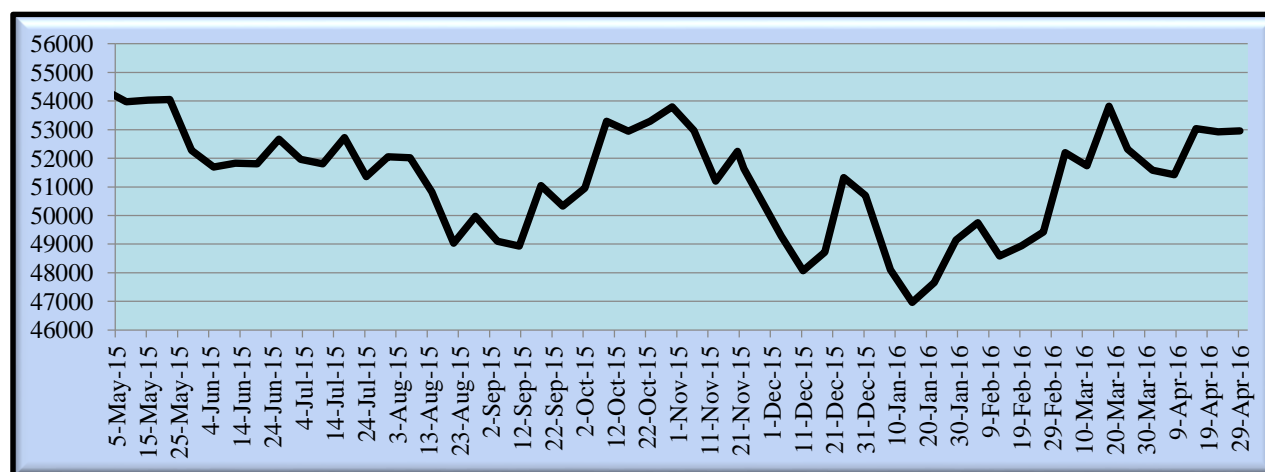
During the week ending 6th May 2016, the JSE All Share index declined by 2.91%, to close the week at 51 417.38 points. In tandem, market capitalisation decreased by 0.79%, to close the week at R15.13 trillion.

Table 6: Johannesburg Stock Exchange (JSE) Statistics

| Period | All Share Index (points) | Market Capitalisation (R trillion) |
|------------------|--------------------------|------------------------------------|
| 08-Apr-16 | 51,424.48 | 15.04 |
| 15-Apr-16 | 53,038.91 | 15.41 |
| 22-Apr-16 | 52,925.75 | 15.36 |
| 29-Apr-16 | 52,957.32 | 15.25 |
| 6-May-16 | 51,417.38 | 15.13 |

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

12TH MAY 2016