



Weekly Economic Highlights

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Week Ending
8th July 2016

1. INTEREST RATES

Deposit Rates

Average deposit rates for savings deposits remained unchanged at 3.10%, during the week ending 8th July 2016. Interest rates for deposits of 1 month and 3 month tenors, however, declined to 5.49% and 6.04%, respectively.

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

Date	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
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
8-July-16	3.10	5.49	6.04

Source: Banking Institutions, 2016

Lending Rates

Commercial bank weighted lending rates for individual and corporate clients closed the week under review at 11.38% and 7.37%, respectively.

Table 2: Lending Rates

Date	Lending Rates (%) Commercial Banks (weighted)	
	Individuals	Corporate clients
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
8-July-16	11.38	7.37

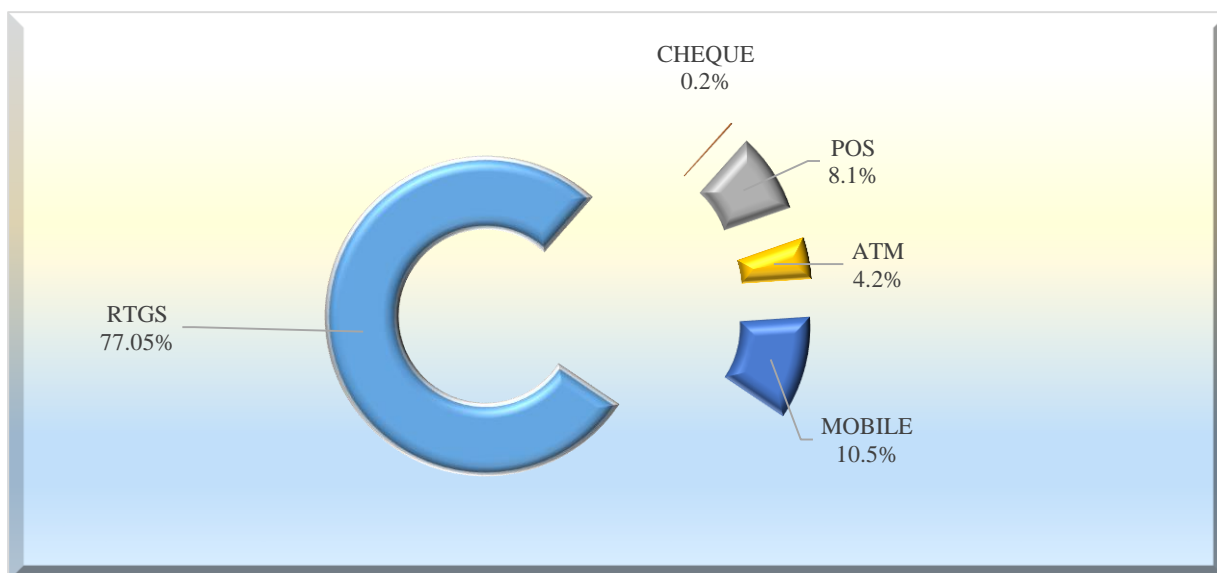
Source: Banking Institutions, 2016

2. CLEARING AND SETTLEMENT ACTIVITY

The value of transactions processed through the National Payment System (NPS) stood at US\$1 052.79 million during the week ending 8th July 2016, down from US\$1 254.04 million in the previous week. Transactions processed through the Real Time Gross Settlement (RTGS) system also declined by 22% to close the week under review at US\$811.20 million.

The value of the NPS transactions was distributed as follows: RTGS, 77.05%; Mobile, 10.49%; POS, 8.09%; ATMs, 4.20% and cheque, 0.17%.

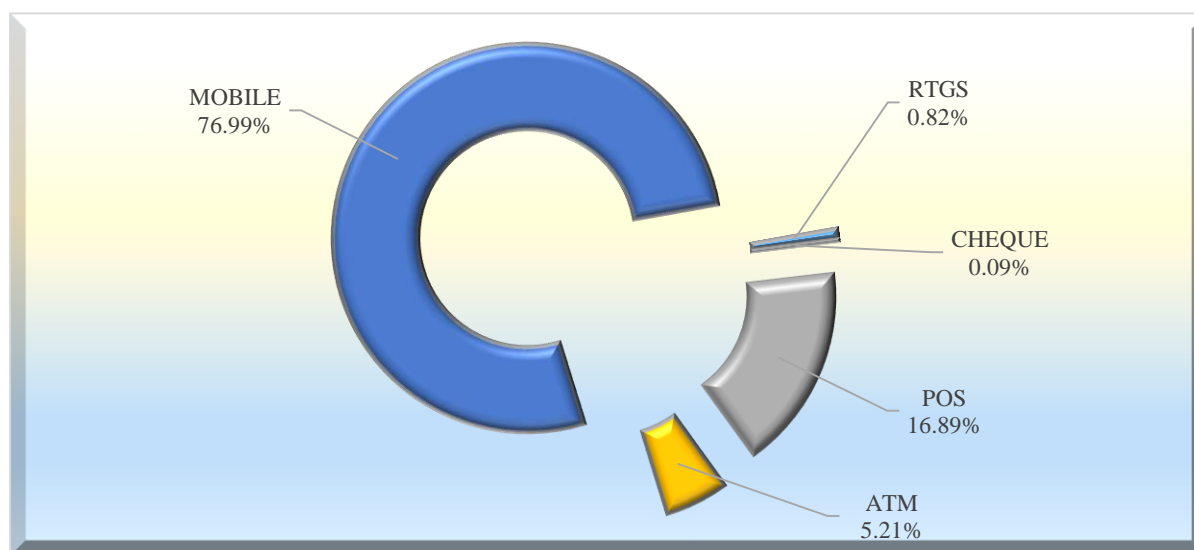
Figure 1: Proportions of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe

In volume terms, NPS transactions increased from 6 359 238 in the previous week, to close the week under review at 6 985 715. Mobile-based transactions accounted for 76.99% of the volume of transactions, followed by POS, 16.89%; ATM, 5.51%; RTGS, 0.82% and Cheque 0.09%, 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 1 July 2016	WEEK ENDING 8 July 2016	CHANGE FROM LAST WEEK	PROPORTION
VALUES IN USD (millions)				
RTGS	1,044.89	811.20	-22%	77.05%
CHEQUE	2.27	1.80	-21%	0.17%
POS	66.48	85.15	28%	8.09%
ATMS	29.33	44.17	51%	4.20%
MOBILE	111.06	110.47	-1%	10.49%
TOTAL	1,254.04	1,052.79	-16%	100%
VOLUMES				
RTGS	66,539	57,112	-14%	0.82%
CHEQUE	7,549	6,35	-16%	0.09%
POS	848,502	1,179,957	39%	16.89%
ATMs	235,754	363,645	54%	5.21%
MOBILE	5,200,894	5,378,650	3%	76.99%
TOTAL	6,359,238	6,985,715	10%	100%

Source: Reserve Bank of Zimbabwe

3. TOBACCO SALES

A cumulative total of 169.05 million kilograms of tobacco had been sold as at 8th July 2016 or day 70 of the 2016 tobacco selling season. This represented a 5.58% increase on the total cumulative quantity sold during the same period in 2015. Total sales amounted to US\$497.33 million - 4.93% higher than the US\$473.98 million realised during the corresponding period in 2015. The golden leaf, however, fetched a lower average price of US\$2.94/kg as at 8th July 2016, compared to US\$2.96/kg during the same period in 2015.

Table 4: Cumulative Tobacco Sales: Day 70 (08/07/16)

	2015	2016	Variance (%)
Cumulative Quantity Sold (kgs)	160,120,191	169,048,428	5.28
Cumulative Average Price(US\$/kg)	2.96	2.94	(0.68)
Cumulative Value (US\$)	473,983,207	497,334,906	4.93

Source: Tobacco Industry and Marketing Board, 2016

4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

During the week ending 8th July 2016, the weekly average international commodity prices of gold, platinum and nickel firmed. Crude oil prices, however, softened from an average of 48.19/barrel in the previous week, to 48.19/barrel during the week under analysis.

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 (27 June- 1 July)	1,321.96	999.1	4,771.80	9,260.00	48.85
4-Jul	1,349.75	1,060.50	4,920.00	10,300.00	50.15
5-Jul	1,352.58	1,060.00	4,705.50	9,672.50	47.77
6-Jul	1,368.13	1,084.50	4,706.50	10,080.00	49.12
7-Jul	1,361.90	1,086.00	4,725.00	9,805.00	47.27
8-Jul	1,355.18	1,079.50	4,710.00	9,730.00	46.62
Weekly Average (4-8 July)	1,357.51	1,074.10	4,753.40	9,917.50	48.19
Weekly Change (%)	2.7	7.5	(0.4)	7.1	(1.4)

Source: BBC, KITCO, Reuters and Bloomberg

Gold

Gold prices rose by 2.7%, from a weekly average of US\$1 321.96/oz in the previous week, to US\$1 357.51/oz during the week under review. This was on account of rising demand for the yellow metal as a safe investment, following renewed speculation of looming stimulus measures by central banks in advanced economies. The stimulus measures are intended to boost economic growth as well as counter negative implications of Brexit on global financial markets.



Platinum

Platinum prices firmed by 7.0%, from a weekly average of US\$999.10/oz to an average of US\$1,074.10/oz recorded, during the week under review. This followed investors' continued shift to precious metals with a safe haven appeal following the Brexit vote.

Copper

Copper prices retreated by 0.4%, from a weekly average of US\$4 771.80/tonne to US\$4 753.40/tonne. The prices were weighed down by oversupply in the global market.

Nickel

Nickel prices registered a 7.1% increase, to close the week under review at US\$9 917.50/tonne. This was attributed to concerns of supply disruptions in the Philippines. The Philippines, the world's top producer of the base metal, plans to shut down mines that do not comply with environmental regulations.

Crude Oil

Crude oil prices declined from a weekly average of US\$48.85/barrel in the previous week, to a weekly average of US\$48.19/barrel during the week under review. Rising global oil stocks, underpinned by increased rig shell production in the US, contributed to the fall in oil prices.

5. EXCHANGE RATES

Table 6: International Exchange Rates per US\$

	GBP (£)	EURO (€)	Rand (ZAR)
2016			
Weekly Average (27 June-1 July)	0.75	0.90	15.06
4-Jul	0.75	0.90	14.55
5-Jul	0.75	0.90	14.64
6-Jul	0.75	0.90	14.66
7-Jul	0.77	0.90	14.73
8-Jul	0.77	0.90	14.76
Weekly Average (4-8 July)	0.76	0.90	14.67
<i>Appr(-)/Depr(+)</i>	<i>1.3</i>	<i>0</i>	<i>-2.6</i>

Source: Reuters

During the period of analysis, the euro remained steady at a weekly average of €0.9/US\$1. The South African rand appreciated by 2.6%, from a weekly average of ZAR15.06/US\$1 in the previous week, to ZAR14.67/US\$1 during the week under review. Brexit continued to impact negatively on the British pound, which depreciated by 1.3% to close the week at an average of £0.76/US\$1.

6. EQUITY MARKETS

The Zimbabwe Stock Exchange (ZSE) remained bullish for the third consecutive week. Consequently, the industrial index gained by 0.59 points to close the week under review at 101.76 points. The mining index, however, remained unchanged at 24.70 points during the same period.

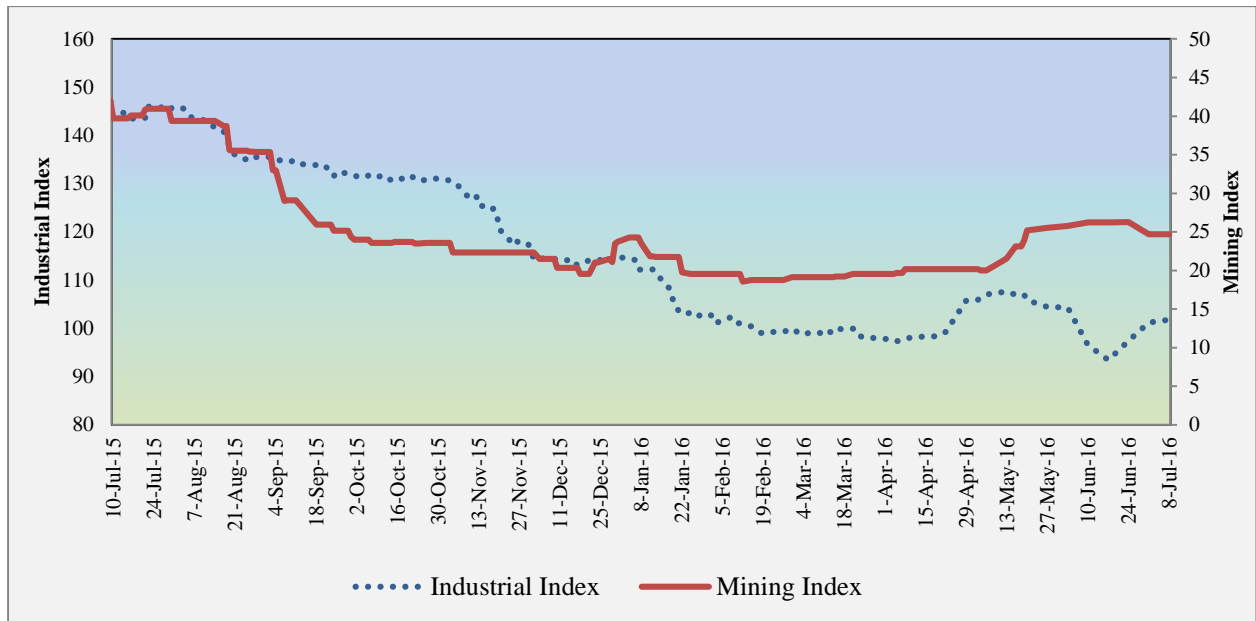
The increase in the mainstream index was attributable to gains realized in Amalgamated Regional Trading (19.79%), Meikles Limited (12.71%), OK Zimbabwe (10%), CFI Holdings (2.18%) and Old Mutual (0.22%).

Table 6: Zimbabwe Stock Exchange (ZSE) Statistics

Period	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
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
8-July	101.76	24.70	2,799,539,303	2,797,891	12,528,360
Weekly Change (%)	0.58	0	0.54	82.12	34.63

Source: Zimbabwe Stock Exchange (ZSE), 2016.

Figure 3 : Zimbabwe Stock Exchange Indices

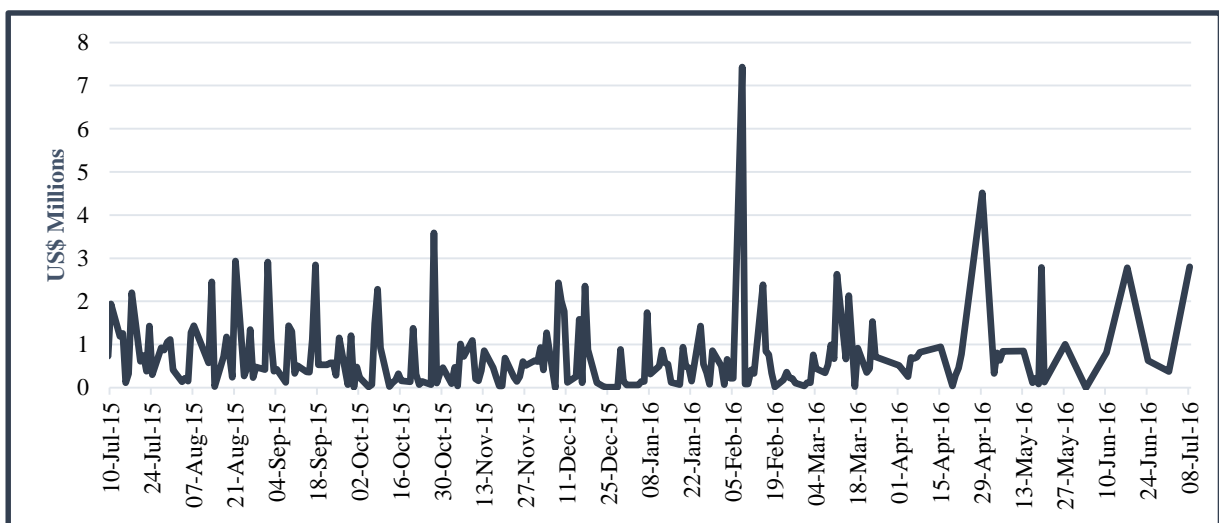


Source: Zimbabwe Stock Exchange, 2016

Market Turnover and Volume

The ZSE market turnover increased by 82.12% to close the week under analysis at US\$2.80 million, following a significant trading in heavyweight counters. The volume of shares traded also increased from 9 305 576 shares in the previous week, to 12 528 360 shares during the week ending 8th July 2016,

Figure 4: Daily Market Turnover

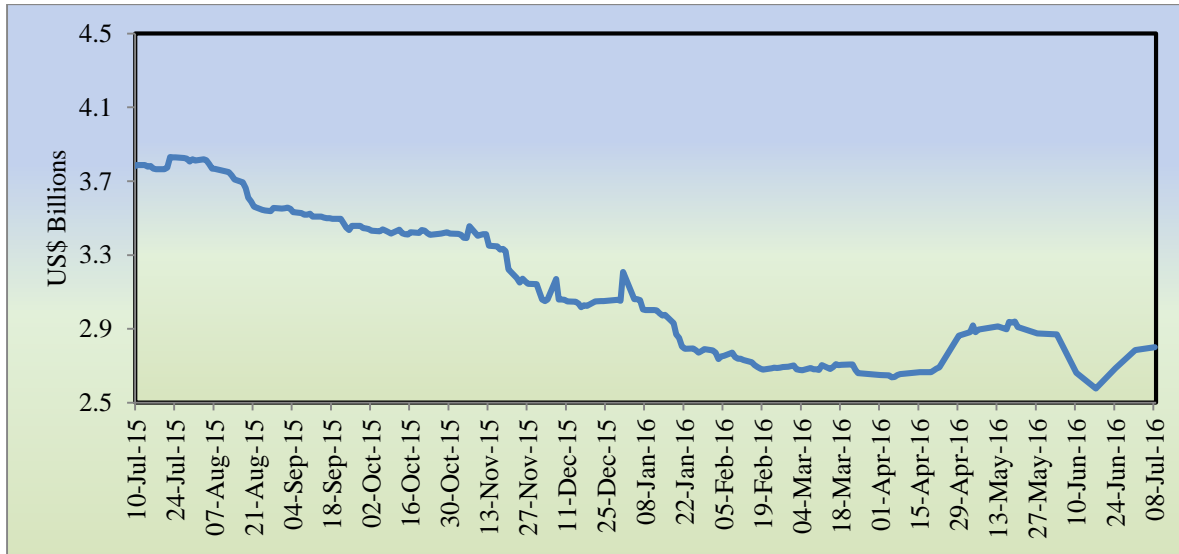


Source: Zimbabwe Stock Exchange, 2016

Market Capitalisation

ZSE market capitalisation stood at US\$2.80 billion as at 8th July 2016, up from US\$2.78 billion recorded in the previous week.

Figure 5 : Market Capitalisation



Source: Zimbabwe Stock Exchange, 2016

Johannesburg Stock Exchange (JSE) Developments

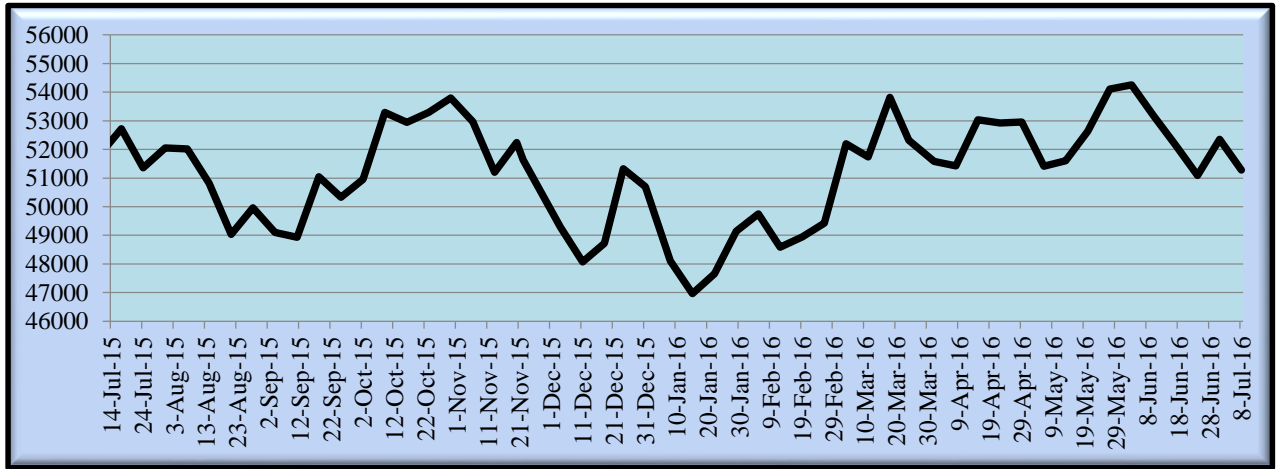
The JSE All Share index declined by 2.06% to closed the week under review at 51 276.40 points. Similarly, the JSE market capitalisation, fell by 1.75% to close the week at R15.12 trillion.

Table 7: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalization (R trillion)
10-June-16	53,175.15	15.51
17-June-16	52,140.61	15.26
24-June-16	51,092.05	15.09
1-July-16	52,357.50	15.39
8-July-16	51,276.40	15.12

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

18th JULY 2016