



Weekly Economic Highlights

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Week Ending
9th June 2017

1. INTEREST RATES

Deposit Rates

Average deposit rates for all deposit classes softened during the week ending 9th June 2017. Savings deposit rates declined to 3.38%, from 4.08% recorded in the previous week. Deposit rates for deposits of 1 month and 3 month tenors also declined to 4.17% and 4.23%, respectively, during the same week.

Table 1: Average Deposit Rates (per annum)

| Date | Savings Deposits (%) | 1-Month Deposits (%) | 3-Months Deposits (%) |
|------------|----------------------|----------------------|-----------------------|
| 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 |
| 09-June-17 | 3.38 | 4.17 | 4.23 |

Source: Banking Institutions, 2017

Lending Rates

Commercial bank weighted lending rates for individual clients fell by 0.08 percentage points to close the week under analysis at 9.15%. Weighted lending rates for corporate clients closed the same week at 7.06%, a 0.03 percentage point increase from the 7.03% recorded in the previous week.

Table 2: Lending Rates

| Date | Lending Rates (%) | |
|------------|-----------------------------|-------------------|
| | Commercial Banks (weighted) | |
| | Individuals | Corporate clients |
| 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 |
| 09-June-17 | 9.15 | 7.06 |

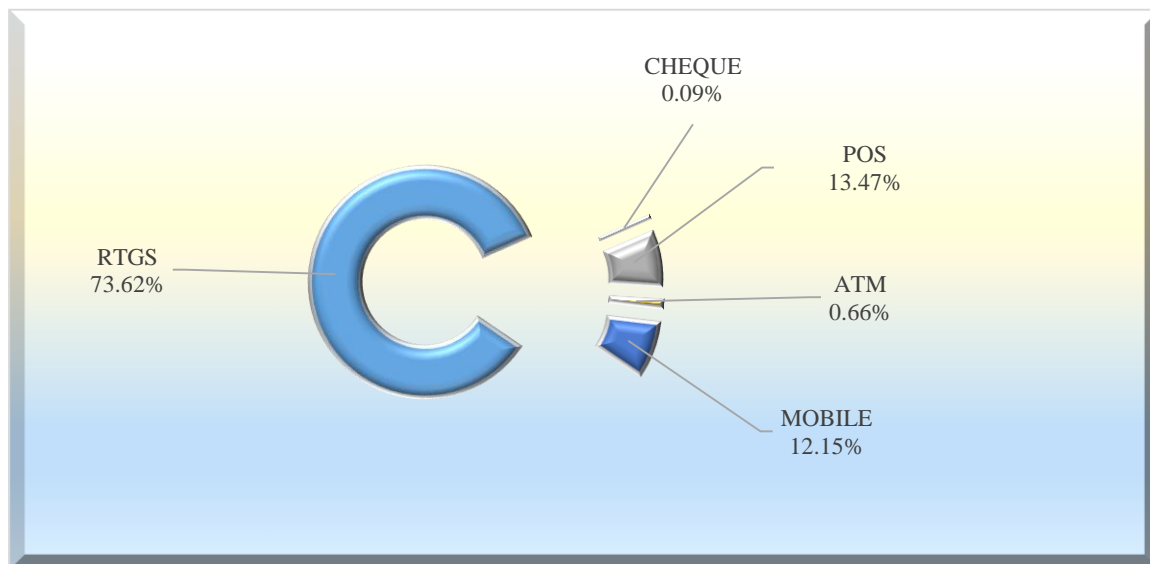
Source: Banking Institutions, 2017

2. CLEARING AND SETTLEMENT ACTIVITY

The total value of transactions processed through the National Payment Systems (NPS) declined to US\$1 594.73 million during the week ending 9th June 2017, from US\$1 605.33 million recorded in the prior week. Real Time Gross Settlement (RTGS) transactions registered a 3% decline, to close the week under review at US\$1 174.12 million.

The distribution of NPS transactions, in value terms, was as follows: RTGS, 73.62%; Point of Sale (POS), 13.47%; Mobile, 12.15%; Automated Teller Machines (ATMs), 0.66%; and cheque, 0.09%.

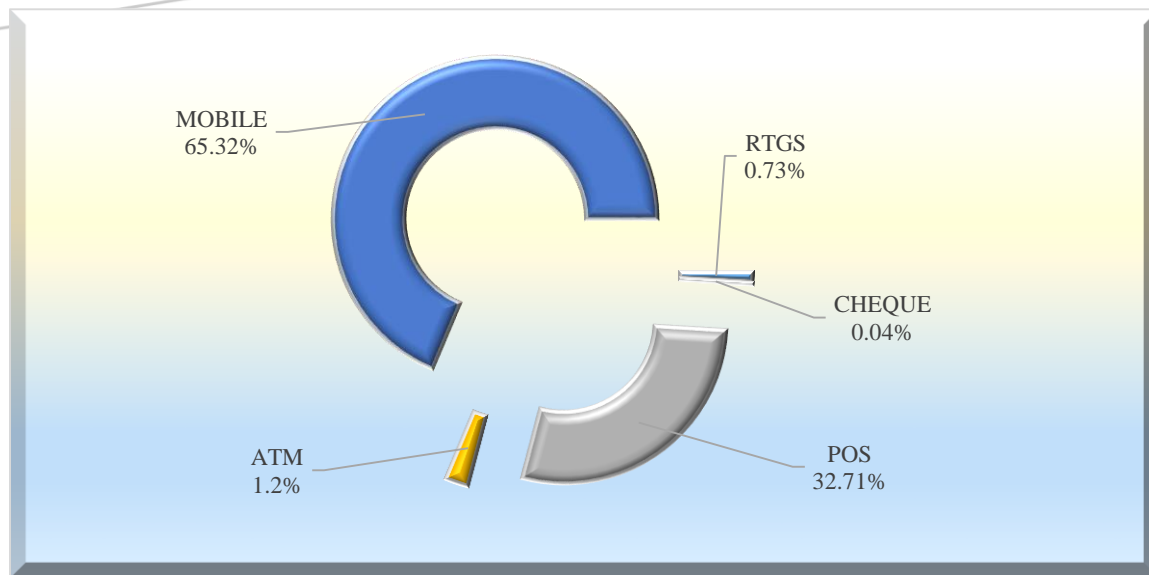
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe

The total number of NPS transactions increased by 11%, from 15 442 731 during the week ending 2nd of June 2017, to 17 183 445 during the week under review. In volume terms, NPS transactions were distributed as follows: Mobile, 65.32%; POS, 32.71%; ATM, 1.2%; RTGS, 0.73%; and Cheque, 0.04%, as shown in Figure 2.

Figure 2: Composition of NPS Transactions in Volume Terms



Source: Reserve Bank of Zimbabwe.

Table 3: National Payment Systems Activity

| PAYMENT STREAM | WEEK ENDING 2 June 2017 | WEEK ENDING 9 June 2017 | CHANGE FROM LAST WEEK | PROPORTION |
|---------------------------------|-------------------------|-------------------------|-----------------------|-------------|
| VALUES IN USD (millions) | | | | |
| RTGS | 1,207.73 | 1,174.12 | -3% | 73.62% |
| CHEQUE | 1.67 | 1.44 | -14% | 0.09% |
| POS | 185.48 | 214.81 | 16% | 13.47% |
| ATMS | 10.72 | 10.54 | -2% | 0.66% |
| MOBILE | 199.72 | 193.82 | -3% | 12.15% |
| TOTAL | 1,605.33 | 1,594.73 | -1% | 100% |
| VOLUME | | | | |
| RTGS | 136,944 | 125,752 | -8% | 0.73% |
| CHEQUE | 6,808 | 6,564 | -4% | 0.04% |
| POS | 4,662,759 | 5,620,939 | 21% | 32.71% |
| ATMs | 198,501 | 205,786 | 4% | 1.20% |
| MOBILE | 10,437,719 | 11,224,404 | 8% | 65.32% |
| TOTAL | 15,442,731 | 17,183,445 | 11% | 100% |

Source: Reserve Bank of Zimbabwe

The increase in the use of Point of sale transactions both in value and volume terms is a positive development in light of the country's cash challenges.

3. TOBACCO SALES

A cumulative total of 154 960 791 kilograms of tobacco had been sold as at 9th June 2017 or day 58 of the 2017 tobacco selling season. The cumulative quantity sold was 6.37% higher than the total of 145 682 702 kilograms which had been sold by the same period in 2016.

In value terms, cumulative tobacco sales amounted to US\$450.13 million, compared to US\$425.5 million realized during the corresponding period in 2016. The golden leaf, however, fetched a slightly lower average price of US\$2.90/kg in 2017, compared to the US\$2.92/kg realized during the same period in 2016.

Table 4: Cumulative Tobacco Sales: Day 58 (9th June 2017)

| | 2016 | 2017 | Variance (%) |
|--|-------------|-------------|--------------|
| Cumulative Quantity Sold (kgs) | 145,682,702 | 154,960,791 | 6.37 |
| Cumulative Average Price(US\$/kg) | 2.92 | 2.90 | -0.68 |
| Cumulative Value (US\$ million) | 425,497,203 | 450,128,059 | 5.79 |

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

4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international commodity prices of copper, nickel and crude oil retreated, during the week ending 9th June 2017. Prices of gold and platinum, 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 (2 June) | 1,265.25 | 942.30 | 5,624.80 | 8,911.00 | 51.33 |
| 5-Jun | 1,270.45 | 951.50 | 5,559.00 | 8,725.00 | 49.42 |
| 6-Jun | 1,277.23 | 960.00 | 5,559.00 | 8,815.00 | 50.26 |
| 7-Jun | 1,291.85 | 949.00 | 5,540.00 | 8,800.00 | 48.17 |
| 8-Jun | 1,278.95 | 945.50 | 5,547.00 | 8,795.00 | 47.73 |
| 9-Jun | 1,270.40 | 938.00 | 5,647.00 | 8,795.00 | 48.17 |
| Weekly Average (9 June) | 1,277.78 | 948.80 | 5,570.40 | 8,786.00 | 48.75 |
| <i>Weekly Change (%)</i> | <i>1.0</i> | <i>0.7</i> | <i>(1.0)</i> | <i>(1.4)</i> | <i>(5.0)</i> |

Source: BBC, KIICO and Bloomberg

Gold

Gold prices increased from a weekly average of US\$1,267.25/oz registered in the previous week, to US\$1 277.78/oz during the week under review. The price increase was largely attributable to an increase in the safe haven status for gold, on the back of political uncertainties in the United Kingdom.

Platinum

Platinum prices rose from a weekly average of US\$942.30/oz in the previous week, to US\$948.80/oz during the week ending 9th June 2017. This was on account of rising prospects of strong investment demand in the global motor vehicle industry.

Copper

Copper prices continued to fall, registering a 1% decline to close the week under review at an average of US\$5 570.40. The decline was a result of subdued global demand for the metal.

Nickel

Nickel prices fell by 1.4%, to close the week under analysis at US\$8,786.00/tonne from US\$9,201.25/tonne recorded in the previous week. This followed a slump in the demand for the metal.

Crude Oil

Crude oil prices declined by 1.2%, to close the reporting week at a weekly average of US\$48.75/barrel. Prices retreated amid rising U.S shale oil production, which continued to offset OPEC output cuts.

5. EXCHANGE RATES

During the week ending 9th of June 2017, the greenback weakened against the euro, the pound Sterling and the rand respectively. The weakening of the green back was occasioned by political uncertainties in the United Kingdom and rising expectations that the Fed rate would remain unchanged.

Table 6: International Exchange Rates per US\$

| | ZAR | GBP | EURO |
|---------------------------------------|----------------|---------------|---------------|
| 2017 | | | |
| Weekly Average (29 May-2 Jun) | 12.9968 | 0.7791 | 0.8941 |
| 5-Jun | 12.8439 | 0.7771 | 0.8877 |
| 6-Jun | 12.7057 | 0.7736 | 0.8874 |
| 7-Jun | 12.8446 | 0.7751 | 0.8877 |
| 8-Jun | 12.8176 | 0.7720 | 0.8885 |
| 9-Jun | 12.9050 | 0.7844 | 0.8924 |
| Weekly Average (5-9 Jun) | 12.8233 | 0.7764 | 0.8887 |
| <i>Appr(+)/Depr(-) (%) of the USD</i> | <i>-1.3</i> | <i>-0.3</i> | <i>-0.6</i> |

Source: Reuters

6. EQUITY MARKETS

Trading on the Zimbabwe Stock Exchange (ZSE) was bullish for the eleventh consecutive week during the week ending 9th of June 2017. This resulted in a 5.84% increase in the industrial index, to close the week under review at 177.79 points. The increase was driven by gains registered by Zimbabwe Newspapers, 33.33%; Nampak, 20%; Hippo Valley, 17.22%; Mashonaland Holdings, 13.89%; and Ariston Holdings, 12.50%.

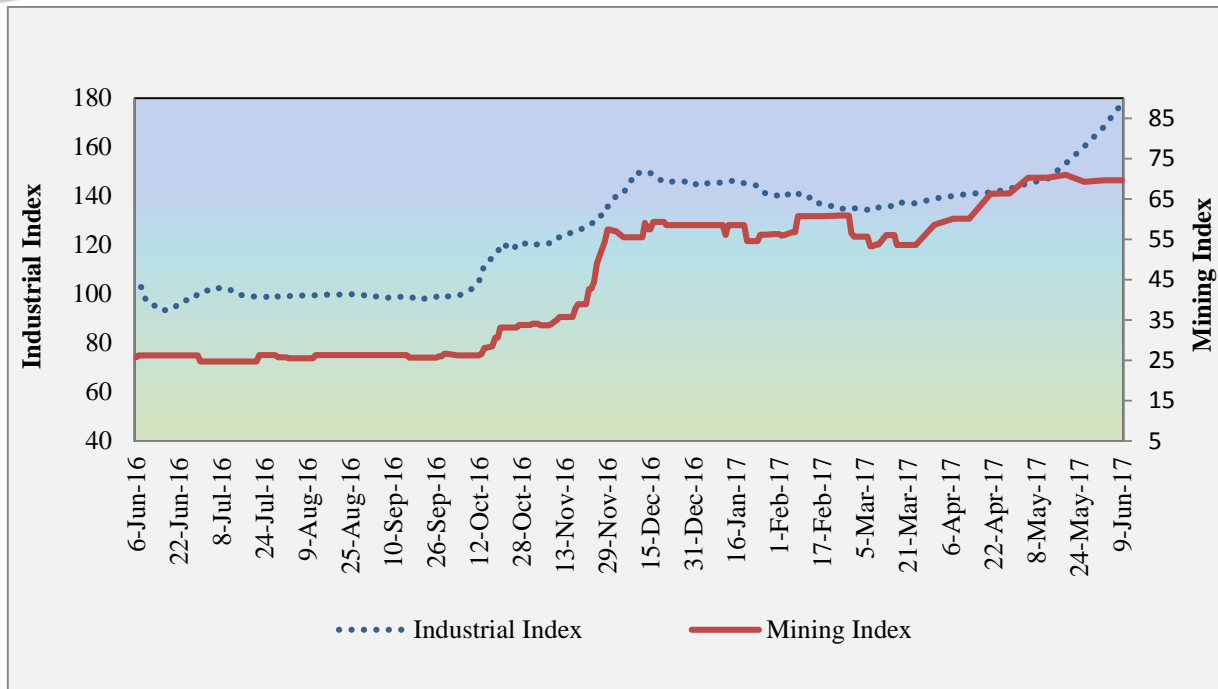
The mining index, however, remained unchanged at the previous week level of 69.63 points. All mining counters traded at previous week prices, albeit on very thin volumes.

Table 7: Zimbabwe Stock Exchange (ZSE) Statistics

| | Industrial Index (points) | Mining Index (points) | Grand Market Capitalization (US\$) | Market Turnover (US\$) | Volume of Shares |
|--------------------------|----------------------------------|------------------------------|---|-------------------------------|-------------------------|
| 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 |
| 09-June-17 | 177.79 | 69.63 | 5,179,592,804 | 13,555,865 | 45,002,875 |
| Weekly Change (%) | 5.84 | 0 | 5.7 | 425.64 | 407.94 |

Source: Zimbabwe Stock Exchange (ZSE), 2017

Figure 3 : Zimbabwe Stock Exchange Indices

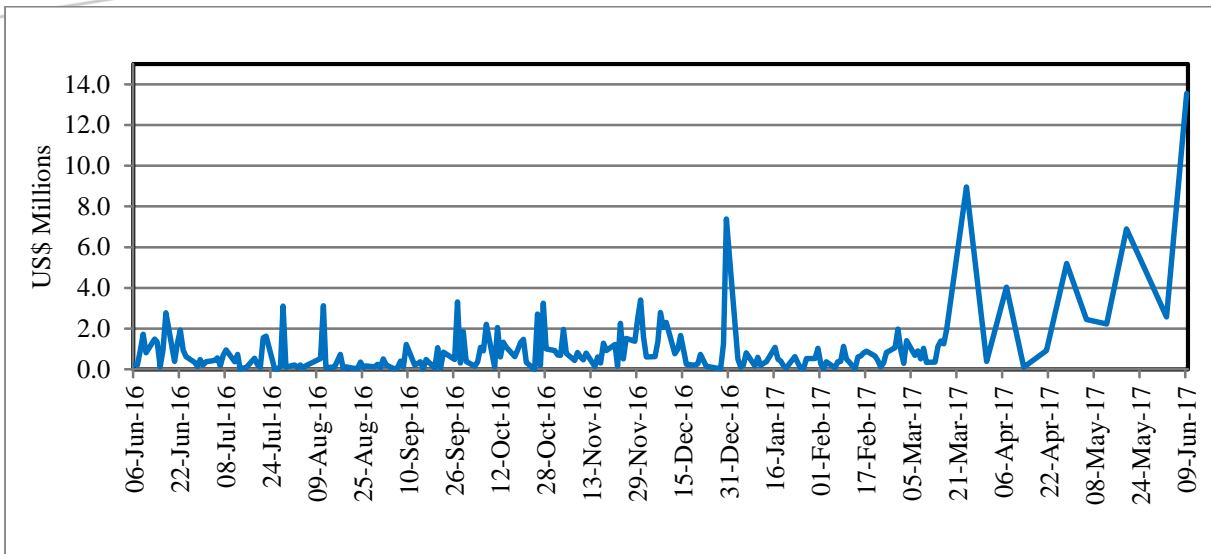


Source: Zimbabwe Stock exchange

Market Turnover and Volume

During the week under review, the volume of shares traded increased by 407.94%, to close the week at 45 002 875 shares. Contributing significantly to the turnover volume, were block share trades which consisted of 23.7 million and 1 million, Econet and Seedco shares, respectively. Market turnover also gained by 425.64%, closing the week under review at US\$13.56 million.

Figure 4: Daily Market turnover

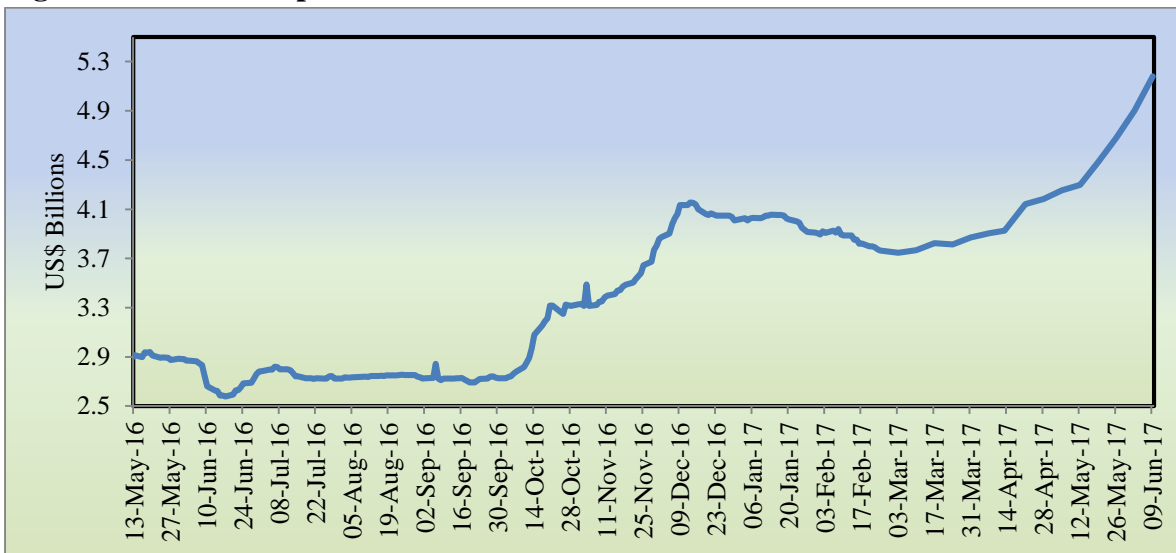


Source: Zimbabwe Stock Exchange, 2017

Market Capitalization

Market capitalisation stood at US\$5 197.59 million during the week ending 9th of June 2017, up from US\$4 900.45 million recorded in the preceding week.

Figure 5 : Market Capitalization



Source: Zimbabwe Stock Exchange, 2017

Johannesburg Stock Exchange (JSE) Developments

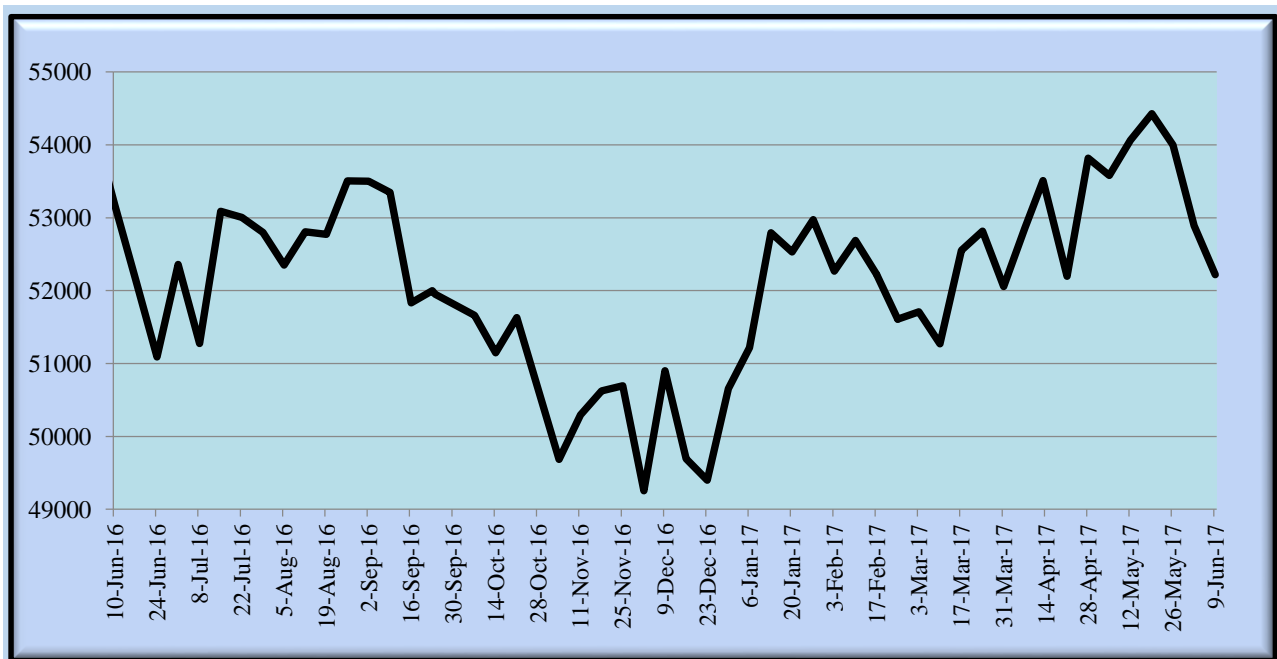
The JSE All share index was bearish for the third consecutive week, registering a 0.7% decrease to close the week under review at 52 216.93. In tandem, the JSE market capitalization also declined by 1.43 percentage points, to close the week under review at ZAR13.75 trillion.

Table 8: Johannesburg Stock Exchange (JSE) Statistics

| Period | All Share Index (points) | Market Capitalization (ZAR trillion) |
|-----------------|--------------------------|--------------------------------------|
| 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 |
| 09-June-17 | 52 216.93 | 13.75 |
| % Change | -0.70 | -1.43 |

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

19TH JUNE 2017