



# Weekly Economic Highlights

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Week Ending  
12<sup>th</sup> AUGUST 2016

## 1. INTEREST RATES

### Deposit Rates

Average deposits rates for savings and deposits of 3 month tenor declined to close the week under review at 3.01% and 6.01%, respectively. Deposit rates for deposits of 1 month tenor, however, remained unchanged at 5.55% in the same week.

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

Date	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
15-July-16	3.03	5.55	6.04
22-July-16	3.03	5.49	6.03
29-July-16	3.03	5.49	6.03
5-August-16	3.03	5.55	6.03
12-August-16	<b>3.01</b>	5.55	<b>6.01</b>

Source: Banking Institutions, 2016

### Lending Rates

During the week ending 12<sup>th</sup> August 2016, weighted commercial bank lending rates for individuals increased to 10.71%. The corporate clients' weighted lending rates, however, remained unchanged at 6.85%, as shown in Table 2.

**Table 2: Lending Rates**

Date	Lending Rates (%) Commercial Banks (weighted)	
	Individuals	Corporate clients
15-July-16	10.72	6.80
22-July-16	10.68	6.79
29-July-16	10.69	6.79
5-August-16	10.70	6.85
12-August-16	<b>10.71</b>	6.85

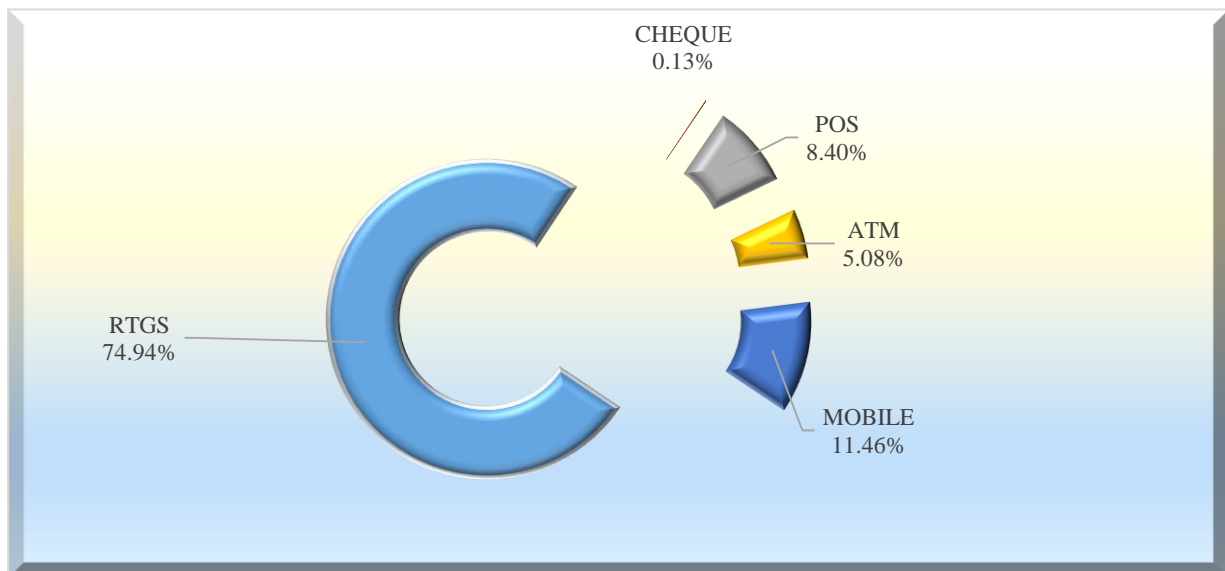
Source: Banking Institutions, 2016

## 2. CLEARING AND SETTLEMENT ACTIVITY

Transactions processed through the National Payment System (NPS) recorded a 25% decrease, from US\$1 147.40 million in the previous week to US\$858.85 million, during the week ending 12<sup>th</sup> August 2016. Real Time Gross Settlement (RTGS) system transactions also declined, by 27% to US\$643.60 million.

The distribution, in value terms, of the transactions processed through the National Payment System was as follows; RTGS, 74.94%; Mobile, 11.46%; POS, 8.40%; ATMs, 5.08% and cheque, 0.13%, as shown in Figure 1.

**Figure 1: Proportions of NPS Transactions in Value Terms**



*Source: Reserve Bank of Zimbabwe*

The volumes of NPS transaction decreased from 7 958 982 in the previous week, to 6 822 950 during the week under review. The distribution of NPS transactions was as follows; Mobile, 77.01%; POS, 16.31%; ATM, 6.11%; RTGS, 0.51% and Cheque 0.06%, 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 05 August 2016	WEEK ENDING 12 August 2016	CHANGE FROM LAST WEEK	PROPORTION
<b>VALUES IN USD (millions)</b>				
<b>RTGS</b>	885.90	643.60	-27%	74.94%
<b>CHEQUE</b>	1.84	1.12	-39%	0.13%
<b>POS</b>	79.17	72.11	-9%	8.40%
<b>ATMS</b>	47.61	43.61	-8%	5.08%
<b>MOBILE</b>	132.88	98.41	-26%	11.46%
<b>TOTAL</b>	<b>1,147.40</b>	<b>858.85</b>	<b>-25%</b>	<b>100%</b>
<b>VOLUMES</b>				
<b>RTGS</b>	64,813	34,541	-47%	0.51%
<b>CHEQUE</b>	6,689	4,256	-36%	0.06%
<b>POS</b>	1,163,754	1,112,742	-4%	16.31%
<b>ATMs</b>	400,541	417,052	4%	6.11%
<b>MOBILE</b>	6,323,185	5,254,359	-17%	77.01%
<b>TOTAL</b>	<b>7,958,982</b>	<b>6,822,950</b>	<b>-14%</b>	<b>100%</b>

Source: Reserve Bank of Zimbabwe

### 3. TOBACCO SALES

As at 12<sup>th</sup> August 2016 or day 93 of the 2016 tobacco selling season, a cumulative total of 196.40 million kilograms of tobacco worth US\$577.81 million had been sold at an average price of US\$2.94/kg. This was 3.88% higher than the cumulative total of 189.07 million kilograms of tobacco, worth US\$554.05 million, that was sold at an average price of US\$2.93/kg during the same period in 2015.

**Table 4: Cumulative Tobacco Sales: Day 93 (12/08/16)**

	2015	2016	Variance (%)
<b>Cumulative Quantity Sold (kgs)</b>	189,068,285	196,398,042	3.88
<b>Cumulative Average Price(US\$/kg)</b>	2.93	2.94	0.34
<b>Cumulative Value (US\$)</b>	554,048,963	577,813,659	4.29

*Source: Tobacco Industry and Marketing Board, 2016*

## 4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international commodity prices of gold, platinum, copper and nickel retreated, while those for crude oil prices rebounded during the week ending 12<sup>th</sup> August 2016, as shown in Table 5.

**Table 5: Metals and Crude Oil Prices**

Period	Gold	Platinum	Copper	Nickel	Crude Oil
<b>2016</b>	<b>US\$/ounce</b>	<b>US\$/ounce</b>	<b>US\$/tonne</b>	<b>US\$/tonne</b>	<b>US\$/barrel</b>
<b>Weekly Average (1-5 August)</b>	<b>1,357.20</b>	<b>1,159.50</b>	<b>4,861.25</b>	<b>10,646.25</b>	<b>42.71</b>
<b>8-Aug</b>	1,336.95	1,143.50	4,795.00	10,720.00	45.06
<b>9-Aug</b>	1,349.78	1,179.50	4,870.00	10,910.00	44.18
<b>10-Aug</b>	1,349.78	1,170.00	4,870.00	10,700.00	46.05
<b>11-Aug</b>	1,344.45	1,128.50	4,748.00	10,440.00	47.20
<b>12-Aug</b>	1,344.45	1,143.50	4,748.00	10,440.00	46.61
<b>Weekly Average (8-12 August)</b>	<b>1,345.08</b>	<b>1,153.00</b>	<b>4,806.20</b>	<b>10,642.00</b>	<b>45.82</b>
<b>Weekly Change (%)</b>	(0.9)	(0.6)	(1.1)	(0.04)	7.3

Source: BBC, KITCO, Reuters and Bloomberg

### Gold

Gold price weakened by 0.9% from a weekly average of US\$1,357.20/oz in the previous week to US\$1,345.08/oz during the week under review. Underpinning the strengthening US dollar were reports that showed that the US employment statistics strengthened, signaling signs of resilience in the world's biggest economy. This reduced the demand for gold as safe haven.

### Platinum

Platinum prices declined by 0.6% from a weekly average of US\$1,159.50/oz in the previous week, to US\$1,153.00/oz during the period under review. The prices were weighed by the strengthening US dollar which makes commodities priced in US dollars relatively expensive to holders of other currencies.

## **Copper**

Copper prices retreated by 1.1% from a weekly average of US\$4,861.25/tonne in the previous week, to US\$4,806.20/tonne in the week under analysis. Base metal prices were subdued amid signs of a persistent glut coupled with slowing global demand.

## **Nickel**

Nickel prices marginally declined by 0.04% from a weekly average of US\$10,646.25/tonne in the previous week, to US\$10 642.00/tonne during the week ending 12<sup>th</sup> August 2016, on account of ample supplies and a reduced demand for the base metal.

## **Brent Crude Oil**

Brent crude oil prices firmed by 7.3% from a weekly average of US\$42.71/barrel recorded in the previous week, to US\$45.82/barrel during the week under review. Crude oil prices rebounded amid speculation that crude oil producers would revive talks aimed at moderating output in order to strengthen prices.

## 5. EXCHANGE RATES

**Table 6: International Exchange Rates per US\$**

	<b>GBP (£)</b>	<b>EURO (€)</b>	<b>Rand (ZAR)</b>
2016			
<b>Weekly Average (1-5 Aug)</b>	<b>0.7551</b>	<b>0.8954</b>	<b>13.8873</b>
10-Aug	0.7659	0.8969	13.3723
11-Aug	0.7691	0.8956	13.3450
12-Aug	0.7708	0.8977	13.4135
<b>Weekly Average (10-12 Aug)</b>	<b>0.7686</b>	<b>0.8967</b>	<b>13.3769</b>
<i>Appr(-)/Depr(+)</i>	<i>1.79</i>	<i>0.15</i>	<i>-3.68</i>

Source: Reuters

The euro and British pound, depreciated by weekly averages of 1.79% and 0.15%, respectively, during the week under analysis. The South African rand, however, appreciated by 3.68% during the same period.



## 6. EQUITY MARKETS

During the week ending 12<sup>th</sup> August 2016, the Zimbabwe Stock Exchange (ZSE) was bullish. The industrial and mining indices grew by 0.26 and 0.79 points to close the week under review at 99.59 points and 26.35 points, respectively.

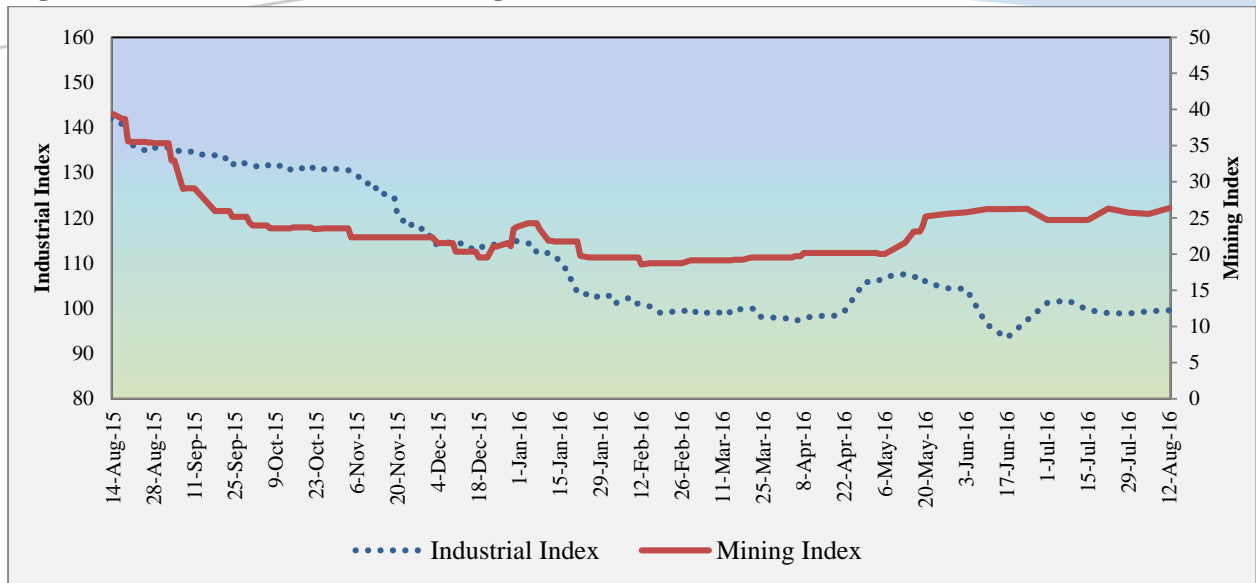
The increase in the mainstream index was largely attributed to gains in Old Mutual Plc, 3.05%; Innscor Africa Limited, 2.70%; Padenga Holdings Limited, 0.41%; National Foods Limited, 0.37% and SeedCo Limited, 0.28%. The gains of 9.09% recorded in Bindura Nickel Corporation resulted in the recovery of the resources index.

**Table 7: Zimbabwe Stock Exchange (ZSE) Statistics**

Period	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
15-July	99.63	24.70	2,742,190,136	1,241,921	12,659,687
22-July	98.93	26.30	2,725,400,090	4,057,793	23,594,394
29-July	98.84	25.72	2,722,044,639	3,369,476	8,079,663
5-August	99.33	25.56	2,733,012,825	734,543	11,507,609
12-August-16	99.59	26.35	2,743,458,352	3,732,406	13,846,561
Weekly Change (%)	<b>0.26</b>	<b>3.09</b>	<b>0.38</b>	<b>408.13</b>	<b>20.33</b>

Source: Zimbabwe Stock Exchange (ZSE), 2016.

**Figure 3 : Zimbabwe Stock Exchange Indices**

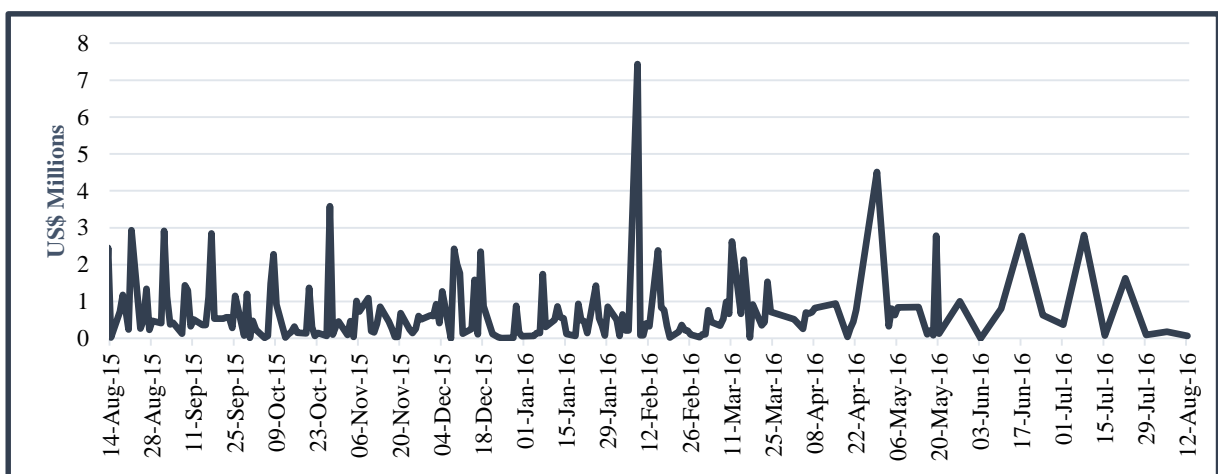


Source: Zimbabwe Stock Exchange, 2016

**Market Turnover and Volume**

Market turnover increased by 408.13%, from US\$0.73 million during the previous week to US\$3.73 million, during the week under review. This followed a significant trade in mid-cap and heavyweight counters during the week under review. The volume of shares traded also increased from 11 507 609 in the previous week, to 13 846 561 share during the week under review. This was on the back of block trades of 4.2 million Delta Corporation shares; 4.0 million Masimba Holdings shares; and 3.2 million Simbisa Brands shares which exchanged hands at US\$0.67, US\$0.0075 and US\$0.12, respectively.

**Figure 4: Daily Market Turnover**

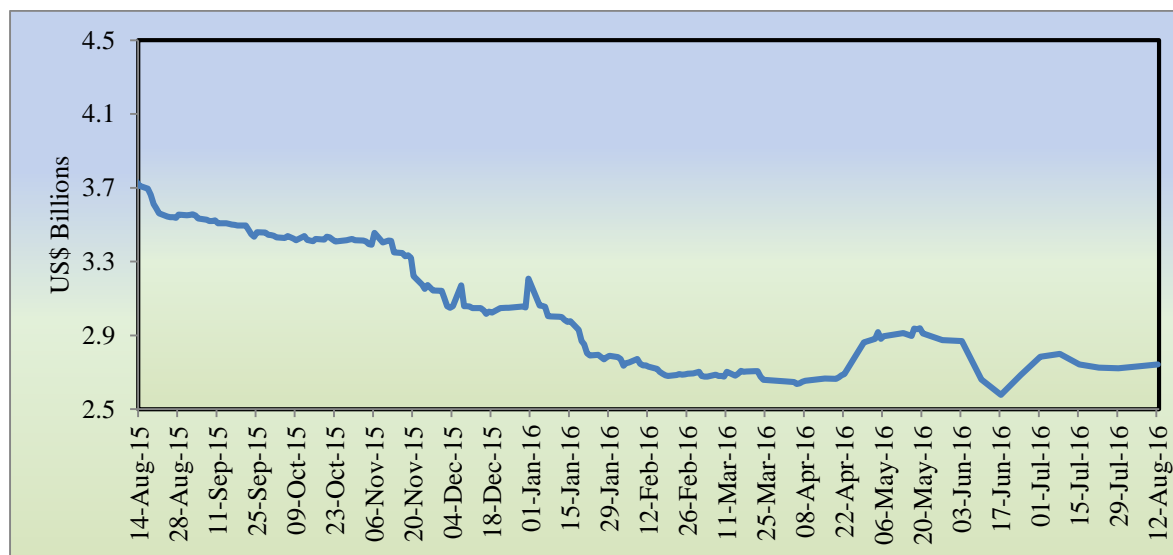


Source: Zimbabwe Stock Exchange, 2016

## Market Capitalisation

The ZSE market capitalisation increased by US\$10.4 million to US\$2.743 billion during the week under review.

**Figure 5 : Market Capitalisation**



Source: Zimbabwe Stock Exchange, 2016

## Johannesburg Stock Exchange (JSE) Developments

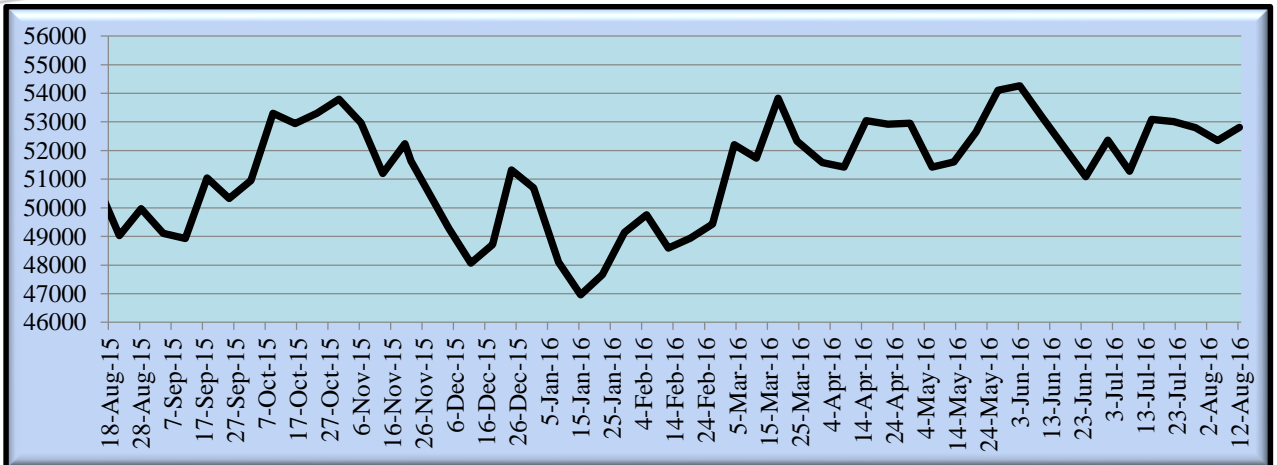
The JSE All Share index increased by 0.88% to close the week under review at 52 806.50 points. Market capitalisation also increased from ZAR15.02 trillion in the previous period to ZAR15.08 trillion during the week ending 12<sup>th</sup> August 2016.

**Table 8: Johannesburg Stock Exchange (JSE) Statistics**

Period	All Share Index (points)	Market Capitalisation (ZAR trillion)
15-July-16	53,088.46	15.36
22-July-16	53,005.22	15.34
29-July-16	52,797.58	15.23
5-Aug-16	52,348.36	15.02
12-Aug-16	<b>52,806.50</b>	<b>15.08</b>

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

22<sup>nd</sup> AUGUST 2016