



Weekly Economic Highlights

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Week Ending
13th May 2016

1. INTEREST RATES

Deposit Rates

During the week ending 13th May 2016, average deposit rates for savings deposits and deposits of 3 months tenor remained unchanged at 3.03% and 7.06%, respectively. Average deposits rates for deposits of 1 month tenor, however, declined by 0.41 percentage points to 6.18%.

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

| Date | Savings Deposits (%) | 1-Month Deposits (%) | 3-Months Deposits (%) |
|-----------|----------------------|----------------------|-----------------------|
| 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 |
| 13-May-16 | 3.03 | 6.18 | 7.06 |

Source: Banking Institutions, 2016

Lending Rates

Commercial bank weighted lending rates for individuals declined marginally to close the week under review at 11.49. The weighted commercial bank lending rates for corporate clients stood at 7.36%, up from 7.35% recorded in the previous week.

Table 2: Lending Rates

| Date | Lending Rates (%) Commercial Banks (weighted) | |
|-----------|--|-------------------|
| | Individuals | Corporate clients |
| 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 |
| 13-May-16 | 11.49 | 7.36 |

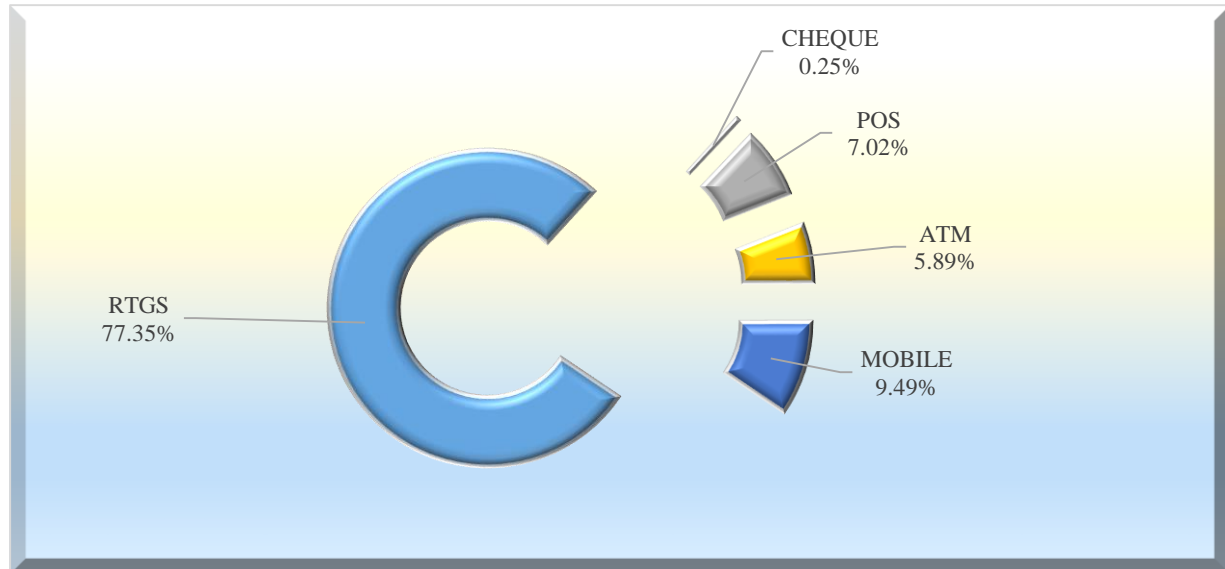
Source: Banking Institutions, 2016

2. CLEARING AND SETTLEMENT ACTIVITY

The total value of transactions processed through the National Payment System (NPS) rose from \$1 051.65 million in the previous week, to US\$1 110.31 million during the week under analysis. Transactions processed through the Real Time Gross Settlement (RTGS) system amounted to US\$858.79 million, up from US\$750.83 million registered in the previous week.

The NPS transactions were distributed as follows: RTGS, 77.35%; Mobile, 9.49%; Point of Sale (POS), 7.02%; Automated Teller Machines (ATM's), 5.89%; and cheque, 0.25%.

Figure 1: Proportions of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe

Mobile transactions contributed 84.66% of the total volume of NPS transactions, followed by POS, 10.54%; ATM, 3.87%; RTGS, 0.81%; and Cheque, 0.12%.

Figure 2: Proportions of NPS Transactions in Volume Terms



Source: Reserve Bank of Zimbabwe.

Table 3: National Payment Systems Activity

| PAYMENT STREAM | WEEK ENDING 6 May 2016 | WEEK ENDING 13 May 2016 | CHANGE FROM LAST WEEK | PROPORTION |
|---------------------------------|---------------------------|----------------------------|-----------------------------|-------------|
| VALUES IN USD (millions) | | | | |
| RTGS | 750.83 | 858.79 | 14% | 77.35% |
| CHEQUE | 2.07 | 2,776.70 | 34% | 0.25% |
| POS | 88.03 | 77.94 | -11% | 7.02% |
| ATMS | 78.44 | 65.38 | -17% | 5.89% |
| MOBILE | 132.27 | 105.42 | -20% | 9.49% |
| TOTAL | 1,051.65 | 1,110.31 | 6% | 100% |
| VOLUMES | | | | |
| RTGS | 39,321 | 49,260 | 25% | 0.81% |
| CHEQUE | 5,233 | 7,323 | 40% | 0.12% |
| POS | 736,628 | 641,298 | -13% | 10.54% |
| ATMs | 279,661 | 235,633 | -16% | 3.87% |
| MOBILE | 5,501,462 | 5,150,560 | -6% | 84.66% |
| TOTAL | 6,562,305 | 6,084,074 | -7% | 100% |

Source: Reserve Bank of Zimbabwe

3. TOBACCO SALES

As at 13th May 2016, (day 31 of the 2016 tobacco selling season), a cumulative total of 63,830,529 kilograms of tobacco worth US\$180.77 million had been sold at an average price of US\$2.83/kg. The quantity sold was 42.32% higher than the cumulative total of 44,848,437 kilograms of tobacco that was sold at an average price of US\$2.79/kg, during the same period in 2015.

In value terms, cumulative tobacco sales amounted to US\$180.77 million, compared to US\$125.04 million realised during the corresponding period in 2015.

Table 4: Cumulative Tobacco Sales: Day 31 (13/05/16)

| | 2015 | 2016 | Variance (%) |
|--|-------------|-------------|--------------|
| Cumulative Quantity Sold (kgs) | 44,848,437 | 63,830,529 | 42.32 |
| Cumulative Average Price(US\$/kg) | 2.83 | 2.79 | 1.57 |
| Cumulative Value (US\$) | 125,043,434 | 180,770,432 | 44.57 |

Source: Tobacco Industry and Marketing Board

4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international commodity prices of gold, platinum, copper and nickel retreated, while those for crude oil firmed during the week ending 13th May 2016, as shown 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 (2-6 May) | 1,283.92 | 1,068.90 | 4,953.00 | 9,397.00 | 45.07 |
| 9-May | 1,277.75 | 1,049.00 | 4,739.50 | 8,610.00 | 43.97 |
| 10-May | 1,263.83 | 1,053.50 | 4,710.00 | 8,712.00 | 45.27 |
| 11-May | 1,274.33 | 1,058.50 | 4,748.00 | 8,610.00 | 47.75 |
| 12-May | 1,274.33 | 1,058.50 | 4,748.00 | 8,610.00 | 47.93 |
| 13-May | 1,270.53 | 1,057.50 | 4,660.00 | 8,580.00 | 47.86 |
| Weekly Average (9-13 May) | 1,272.15 | 1,055.40 | 4,721.10 | 8,624.40 | 46.56 |
| Weekly Change (%) | <i>(0.9)</i> | <i>(1.3)</i> | <i>(4.7)</i> | <i>(8.2)</i> | <i>3.3</i> |

Source: BBC, KITCO, Reuters and Bloomberg

Gold

Gold prices declined by 0.9%, from a weekly average of US\$1,283.92/oz in the previous week, to close the week under analysis at US\$1,272.15/oz. The decline was on account of a fall in demand in Asia, particularly in India, where the demand for jewellery decreased by 19%. The recovery of the US dollar during the week partly impacted negatively on gold prices.

Platinum

Platinum prices retreated during the week under analysis, declining by 1.3%, from a weekly average of US\$1,068.90/oz in the previous week, to close the period under review at US\$1,055.40/oz. This was on account of a strengthening US dollar.

Copper

Copper prices declined by 4.7%, from a weekly average price of US\$4,953.00/tonne to US\$4,721.10/tonne during the week under review, on the back of a subdued demand outlook.

Nickel

Nickel prices declined by 8.2%, from a weekly average of US\$9,397.00/tonne, to close the week under review at an average of US\$8,624.40. This was on the back of a fall in demand in China.

Brent crude oil

Brent crude oil prices firmed by 3.3%, from a weekly average of US\$45.07/barrel, to US\$46.56/barrel during the week under analysis. The rise in price was supported by an increase in demand in the USA.

5. EQUITY MARKETS

During the week under review, trading on the Zimbabwe Stock Exchange (ZSE) maintained an upward trend for the sixth consecutive week, following increased demand in some heavy weight counters. The industrial and mining indices increased marginally by 0.56 points and 1.55 points, to close the week at 107.59 points and 21.55 points, respectively.

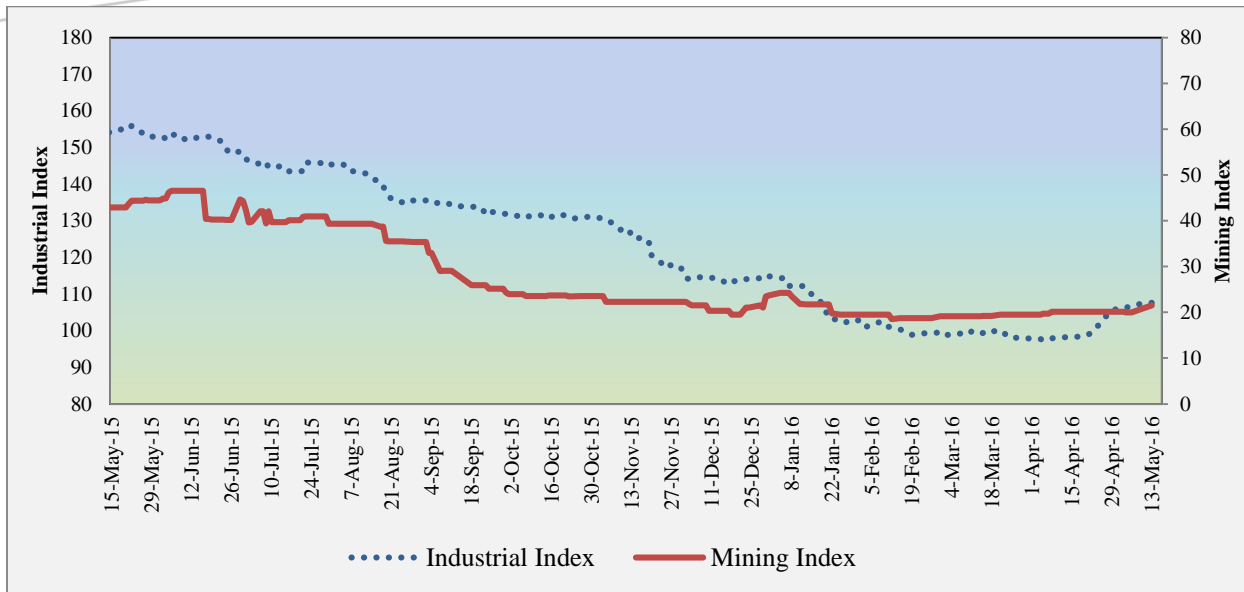
The increase in the industrial index was supported by gains in Dairibord Zimbabwe Holdings Limited (9.09%), Delta Corporation (2.78%), Inncor Africa (2.17%), National Foods Holdings Limited (0.73%) and Old Mutual (0.11%).

Table 5: Zimbabwe Stock Exchange (ZSE) Statistics

| Period | Industrial Index (points) | Mining Index (points) | Grand Market Capitalization (US\$) | Market Turnover (US\$) | Volume of Shares |
|-------------------|---------------------------|-----------------------|------------------------------------|------------------------|------------------|
| 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 |
| 13-May | 107.59 | 21.55 | 2,912,661,507 | 2,531,131 | 10,039,724 |
| Weekly Change (%) | 0.52 | 7.75 | 23.47 | (2.99) | 0.60 |

Source: Zimbabwe Stock Exchange (ZSE), 2016

Figure 3 : Zimbabwe Stock Exchange Indices

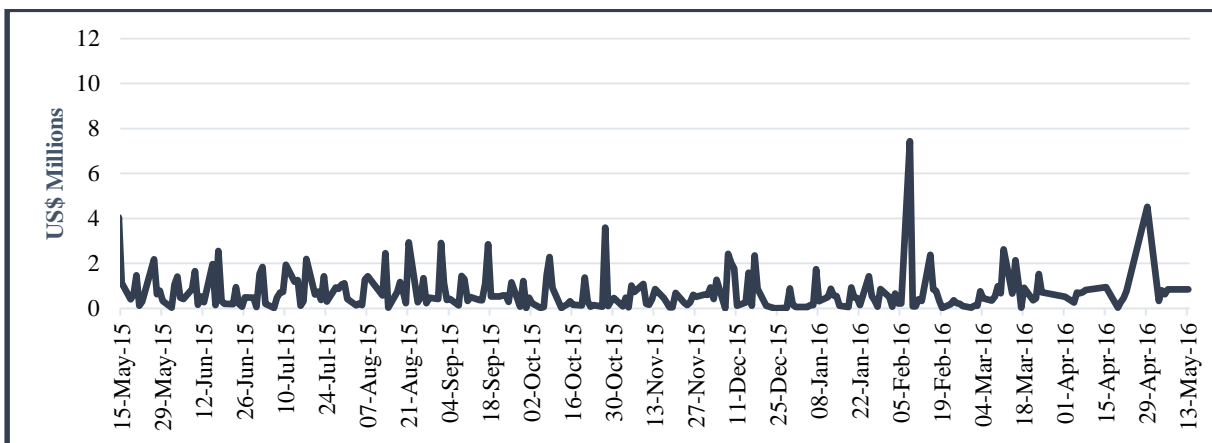


Source: Zimbabwe Stock Exchange, 2016

Market Turnover and Volume

Market turnover declined by 2.99%, from US\$2.61 million recorded in the previous week, to US\$2.53 million during the week under review. The volume of shares traded, however, increased from 8 131 364 shares in the previous week, to 10 039 724 shares during the week ending 13th May 2016.

Figure 4: Daily Market Turnover

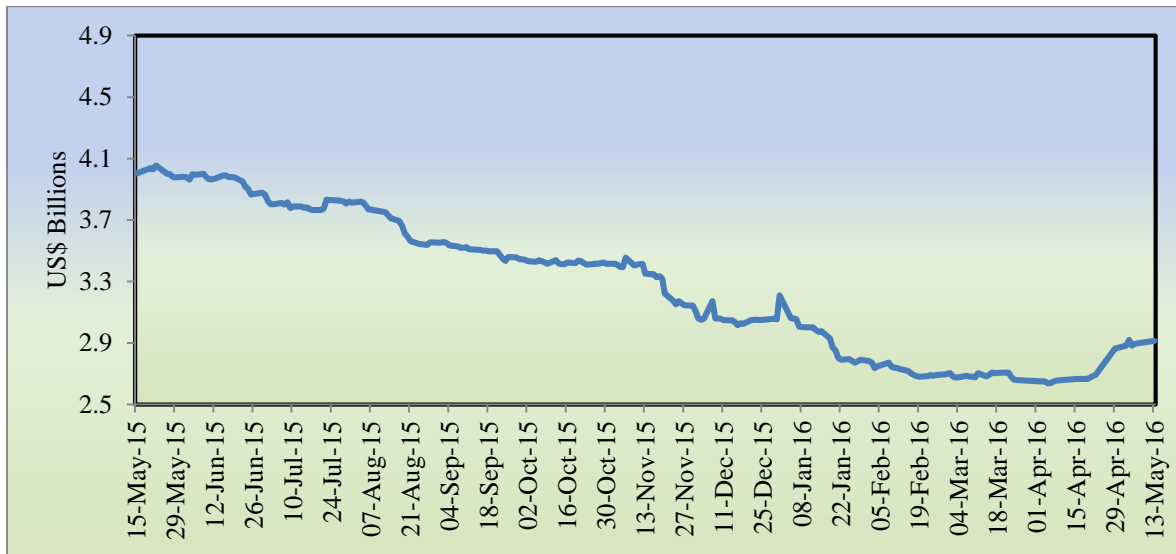


Source: Zimbabwe Stock Exchange, 2016

Market Capitalisation

The ZSE market capitalisation recorded a 0.60% increase, to close the week under review at US\$2 912.66 million, from US\$2895.28 recorded in the previous week.

Figure 5 : Market Capitalisation



Source: Zimbabwe Stock Exchange, 2016

Johannesburg Stock Exchange (JSE) Developments

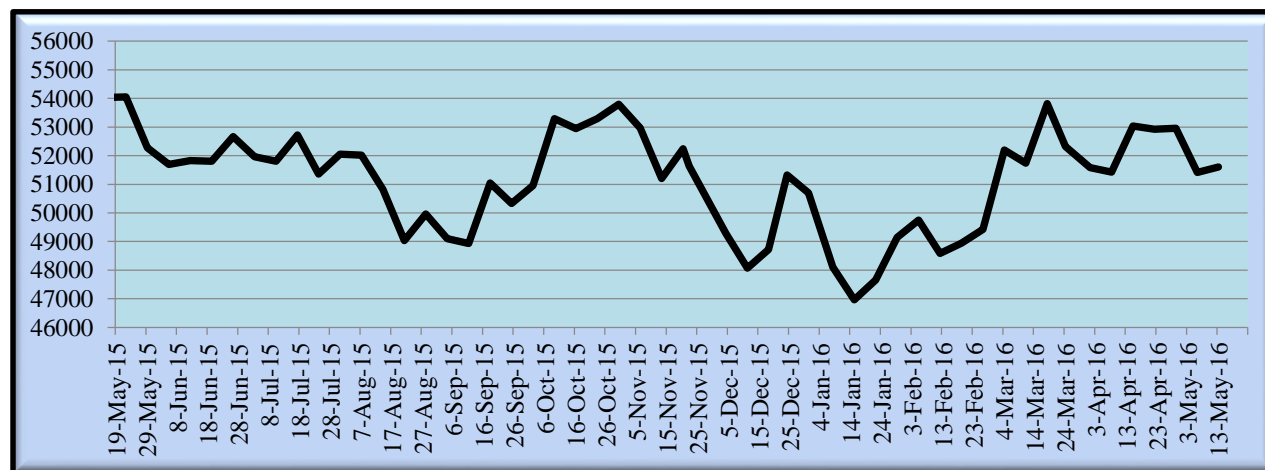
During the week ending 13th May 2016, the JSE All Share index increased by 4.07%, to close the week at 51 602.55 points, from 51 417.38 points registered in the previous week. Concomitantly, market capitalisation also increased, to close the week under review at R15.24 trillion.

Table 6: Johannesburg Stock Exchange (JSE) Statistics

| Period | All Share Index (points) | Market Capitalisation (R trillion) |
|-----------|--------------------------|------------------------------------|
| 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 |
| 13-May-16 | 51,602.55 | 15.24 |

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

20th MAY 2016