



# Weekly Economic Highlights

## Table of Contents

1. INTEREST RATES .....	1
2. CLEARING AND SETTLEMENT ACTIVITY .....	2
3. TOBACCO SALES .....	4
4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS..	5
5. EXCHANGE RATES .....	7
6. EQUITY MARKETS.....	8

Week Ending  
16<sup>th</sup> September 2016

## 1. INTEREST RATES

### Deposit Rates

Average deposit rates for savings deposits and deposits of 1 month and 3 month tenors remained unchanged at 3.01%, 5.44% and 5.76%, respectively, during the week ending 16<sup>th</sup> September 2016.

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

Date	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
12-August-16	3.01	5.55	6.01
19-August-16	3.01	5.55	6.01
26-August-16	3.01	5.60	6.01
2-September-16	3.01	5.44	5.78
9-September-16	3.01	5.44	5.76
16-September-16	3.01	5.44	5.76

Source: Banking Institutions, 2016

### Lending Rates

Commercial bank weighted lending rates for individual clients declined by 0.05 percentage points to 10.66%, as at 16<sup>th</sup> September 2016. Corporate clients, however, accessed commercial bank loans at weighted lending rates of 6.88% - 0.03 percentage points higher than the previous week.

**Table 2: Lending Rates**

Date	Lending Rates (%) Commercial Banks (weighted)	
	Individuals	Corporate clients
12-August-16	10.71	6.85
19-August-16	10.68	6.85
26-August-16	10.67	6.84
2-September-16	10.67	6.87
9-September-16	10.66	6.86
16-September-16	10.66	<b>6.88</b>

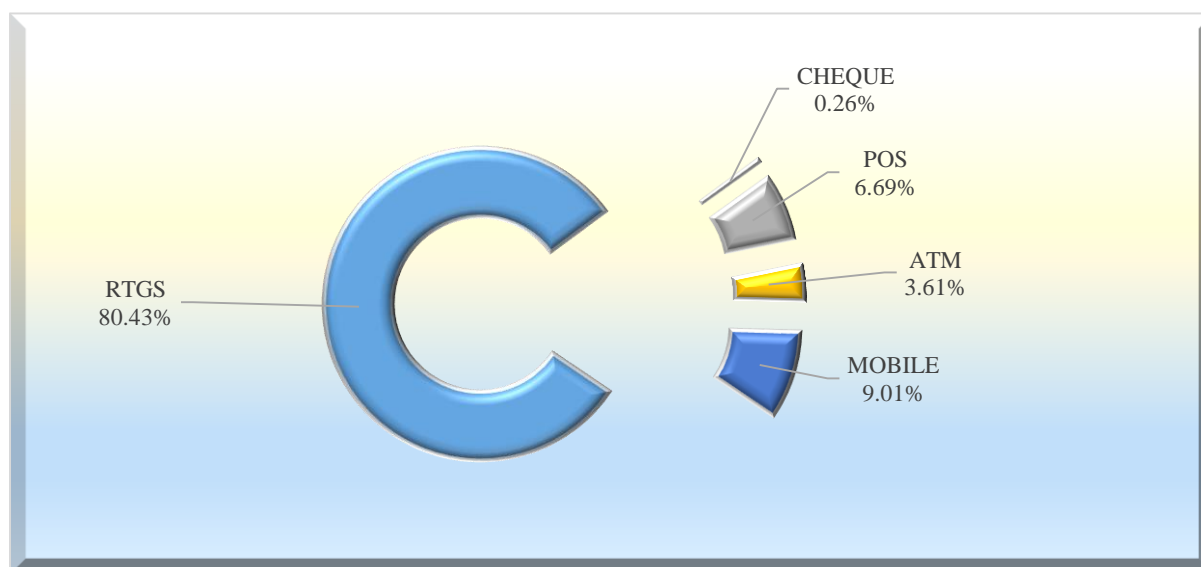
Source: Banking Institutions, 2016

## 2. CLEARING AND SETTLEMENT ACTIVITY

During the week ending 16<sup>th</sup> September 2016, the total value of transactions processed through the National Payment Systems (NPS) registered a 9% decline, to close the week under analysis at US\$1 102.60 million. This was largely attributable to a decline in Real Time Gross Settlement (RTGS) transactions from \$941.19 million in the previous week, to US\$886.73 million in the week under review.

In value terms, the distribution of payments processed through the NPS was as follows: RTGS, 80.43%; Mobile, 9.01%; Point of Sale (POS), 6.69%; Automated Teller Machines (ATMs), 3.61%; and Cheque, 0.26%, as shown in Figure 1.

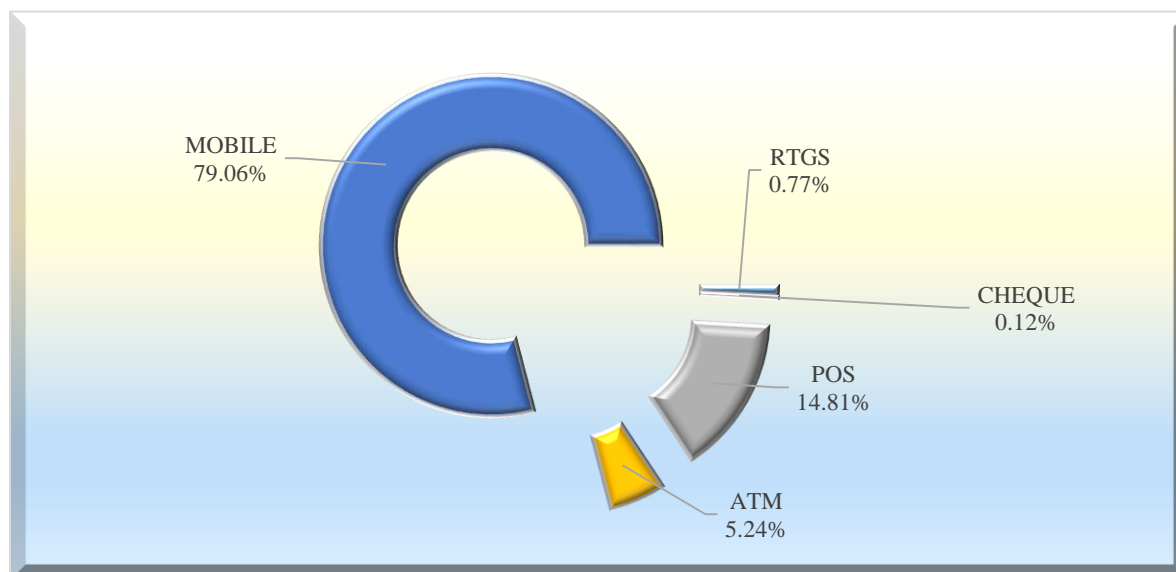
**Figure 1: Proportions of NPS Transactions in Value Terms**



*Source: Reserve Bank of Zimbabwe*

The total number of NPS transactions declined from the 8 440 161 in the previous week, to 7 609 817 during the week under analysis. NPS transaction volumes were dominated by mobile transactions, which accounted for 79.06% of the total transactions, followed by POS, 14.81%; ATMs, 5.24%; RTGS, 0.77%; and Cheque, 0.12%, 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 9 September 2016	WEEK ENDING 16 September 2016	CHANGE FROM LAST WEEK	PROPORTION
<b>VALUES IN USD (millions)</b>				
<b>RTGS</b>	941.19	886,72	-6%	80.43%
<b>CHEQUE</b>	2.33	2,81	21%	0.26%
<b>POS</b>	88.31	73,81	-16%	6.69%
<b>ATMS</b>	50.31	39,84	-21%	3.61%
<b>MOBILE</b>	127.58	99,38	-22%	9.01%
<b>TOTAL</b>	<b>1,209.72</b>	<b>1,102,60</b>	<b>-9%</b>	<b>100%</b>
<b>VOLUMES</b>				
<b>RTGS</b>	71,666	58,592	-18%	0.77%
<b>CHEQUE</b>	7,270	8,785	21%	0.12%
<b>POS</b>	1,292,364	1,127,030	-13%	14.81%
<b>ATMs</b>	425,797	398,860	-6%	5.24%
<b>MOBILE</b>	6,643,064	6,016,550	-9%	79.06%
<b>TOTAL</b>	<b>8,440,161</b>	<b>7,609,817</b>	<b>-10%</b>	<b>100%</b>

Source: Reserve Bank of Zimbabwe

### 3. TOBACCO SALES

As at 16<sup>th</sup> September 2016, or day 110 of the 2016 tobacco selling season, a cumulative total of 201.95 million kilograms of tobacco, worth US\$594.08 million, had been sold. This was 2.75% higher than the 196.55 million kilograms, worth US\$579.40 million, sold during the comparable period in 2015.

The golden leaf, however, fetched a lower average price of US\$2.94/kg, compared to the US\$2.95/kg realised during the comparable period in 2015.

**Table 4: Cumulative Tobacco Sales: Day 110 (16/09/16)**

	2015	2016	Variance (%)
<b>Cumulative Quantity Sold (kgs)</b>	196,553,520	201,953,546	2.75
<b>Cumulative Average Price(US\$/kg)</b>	2.95	2.94	-0.21
<b>Cumulative Value (US\$)</b>	579,082,627	594,082,627	2.53

*Source: Tobacco Industry and Marketing Board, 2016*

## 4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

During the week ending 16<sup>th</sup> September 2016, the international commodity prices of gold, platinum, nickel and crude oil retreated. Copper prices, however, firmed during the same week, 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>Week ending (5-9-Sept)</b>	<b>1,336.02</b>	<b>1,082.30</b>	<b>4,617.70</b>	<b>10,178.00</b>	<b>48.154</b>
<b>12-Sep</b>	1,326.05	1,046.00	4,572.50	10,025.00	48.25
<b>13-Sep</b>	1,326.08	1,050.50	4,641.00	10,015.00	47.30
<b>14-Sep</b>	1,322.48	1,036.50	4,694.00	9,750.00	46.08
<b>15-Sep</b>	1,315.45	1,032.50	4,694.00	9,740.00	46.80
<b>16-Sep</b>	1,311.30	1,019.50	4,694.00	9,650.00	45.86
<b>Week ending (12-16-Sept)</b>	<b>1,320.27</b>	<b>1,037.00</b>	<b>4,659.10</b>	<b>9,836.00</b>	<b>46.86</b>
<b>Weekly Change (%)</b>	<i>(1.2)</i>	<i>(4.2)</i>	<i>0.9</i>	<i>(3.4)</i>	<i>(2.7)</i>

Source: BBC, KITCO, Reuters and Bloomberg

### Gold

Gold prices declined by 1.2%, from a weekly average price of US\$1,336.02/oz in the previous week, to close the week under review at US\$1,320.27/oz. Prices were weighed down by heightened uncertainties regarding the possibility of a decision by the US Fed Reserve on an interest rate hike in the coming weeks.

### Platinum

Platinum prices declined by 4.2% to close the week under review at US\$1,037.00/oz, from US\$1,082.00/oz recorded in the previous week. This was on account of weakening industrial demand of the metal, following an increase in demand for electric cars which use less platinum, compared to gasoline or diesel-fueled cars.



## **Copper**

Copper prices continued on an upward trend, increasing by 9%, from US\$4,617.70/tonne recorded in the preceding week, to US\$4,659.10/tonne during the week under review. The increase was underpinned by signals of strengthening demand in China, the world's biggest user of the base metal. This followed reports in China which indicated that factory output exceeded expectations.

## **Nickel**

Nickel prices retreated by 3.4%, from a weekly average of US\$10,178.00/tonne in the previous week, to US\$9,836.00/tonne during the week ending 16<sup>th</sup> September 2016. The decline was attributable to increased supply from Indonesia, one of the world's largest producers of the metal.

## **Crude Oil**

Crude oil prices declined by 2.7%, from a weekly average of US\$48.15/barrel to US\$46.86/barrel during the week under review. This followed renewed fears of a global glut, as crude oil shipments from Libya and Nigeria resumed.

## 5. EXCHANGE RATES

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

	<b>GBP (£)</b>	<b>EURO (€)</b>	<b>Rand (ZAR)</b>
<b>2016</b>			
<b>Weekly Average (05-09 Sept)</b>	<b>0.7493</b>	<b>0.8913</b>	<b>14.1790</b>
<b>12-Sep</b>	0.7533	0.8896	14.4355
<b>13-Sep</b>	0.7499	0.8903	14.2950
<b>14-Sep</b>	0.7575	0.8908	14.4116
<b>15-Sep</b>	0.7551	0.8894	14.3449
<b>16-Sep</b>	0.7555	0.8896	14.2150
<b>Weekly Average (12 -16 Sept)</b>	<b>0.7543</b>	<b>0.8899</b>	<b>14.3404</b>
<i>Appr(+)/Depr(-)</i>	<i>0.67</i>	<i>-0.15</i>	<i>1.14</i>

*Source: Reuters*

The South African rand and the British pound appreciated by 1.14% and 0.67%, respectively, during the week ending 16<sup>th</sup> September 2016. A 0.15% depreciation was, however, recorded for the euro during the same period.



## 6. EQUITY MARKETS

There was a marginal improvement in trading activity on the Zimbabwe Stock Exchange (ZSE), during the week under review. As a result, the industrial index increased by 0.69% to close the week under review at 99.16 points. The mining index, however, declined by 2.55% to 25.65 points in the same week.

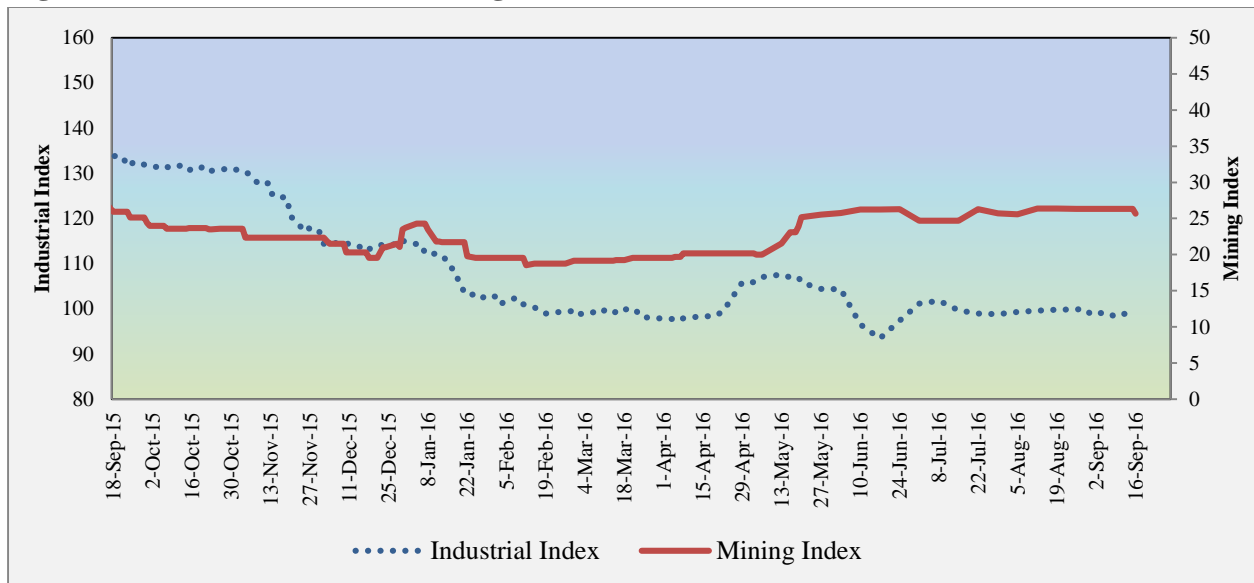
The increase in the industrial index was largely due to gains registered in Barclays Bank and Turnall, 5.26% each; Innscor, 2.59%; National Foods, 2.44% and ZB Financial Holdings, 1.61%. The mining index was weighed down by losses in Bindura Nickel Corporation.

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

Period	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
12-August	99.59	26.35	2,743,458,352	3,732,406	13,846,561
19-August	99.83	26.35	2,749,569,541	1,445,984	8,734,071
26-August	99.90	26.32	2,751,686,386	723,840	3,869,764
2- September	99.04	26.32	2,726,589,791	1,163,044	9,179,123
9- September	98.48	26.32	2,723,033,604	1,845,251	6,214,573
16-September	99.16	25.65	2,728,906,960	1,363,110	6,408,355
Weekly Change (%)	0.69%	-2.55	0.22	-26.13	3.12

Source: Zimbabwe Stock Exchange (ZSE), 2016.

**Figure 3 : Zimbabwe Stock Exchange Indices**

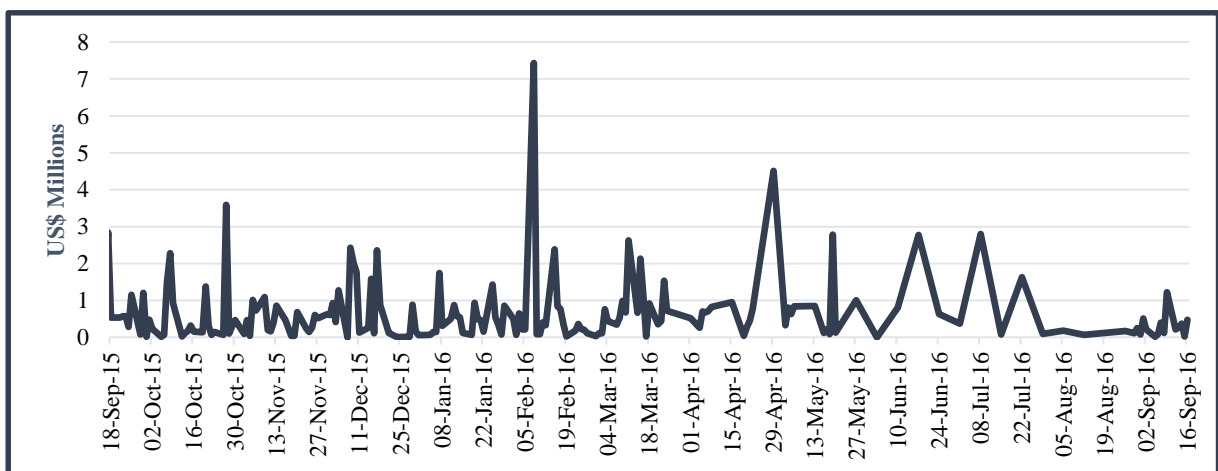


Source: Zimbabwe Stock Exchange, 2016

### Market Turnover and Volume

During the week ending 16<sup>th</sup> September 2016, market turnover declined by 26.13% to US\$1.36 million, from US\$1.85 million in the previous week. This was due to losses in heavy weight counters. The volume of shares traded, however, increased by 3.12%, to close the week under review at 6 408 355 shares, from 6 214 573 shares traded in the previous week.

**Figure 4: Daily Market Turnover**

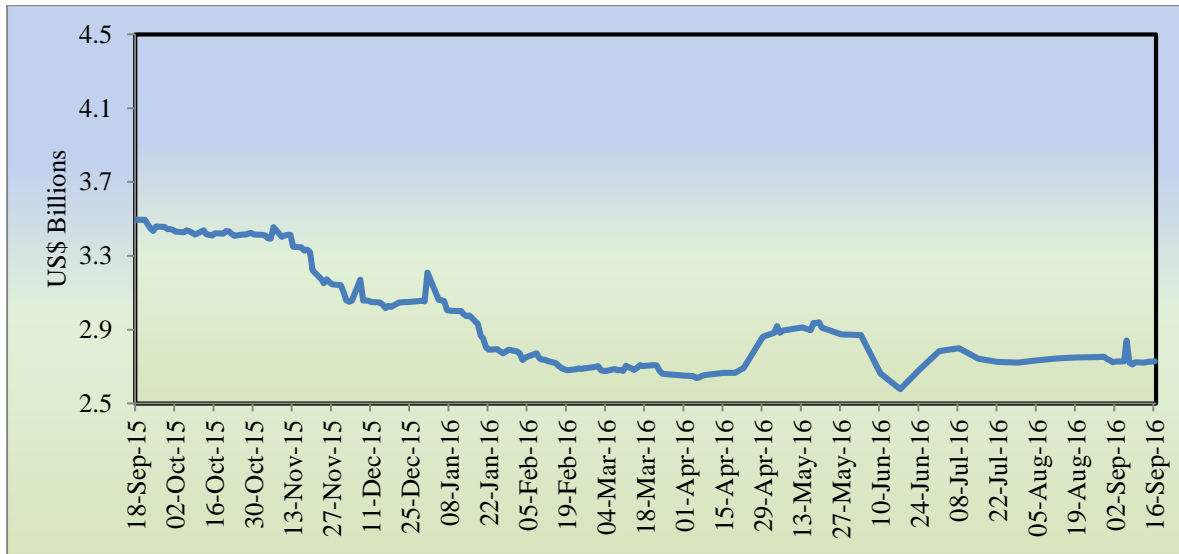


Source: Zimbabwe Stock Exchange, 2016

## Market Capitalisation

The ZSE market capitalisation stood at US\$2.73 billion, a 0.22% increase from the US\$2.72 billion recorded in the previous week. This was attributed to a marginal increase in the benchmark index.

**Figure 5 : Market Capitalisation**



Source: Zimbabwe Stock Exchange, 2016

## Johannesburg Stock Exchange (JSE) Developments

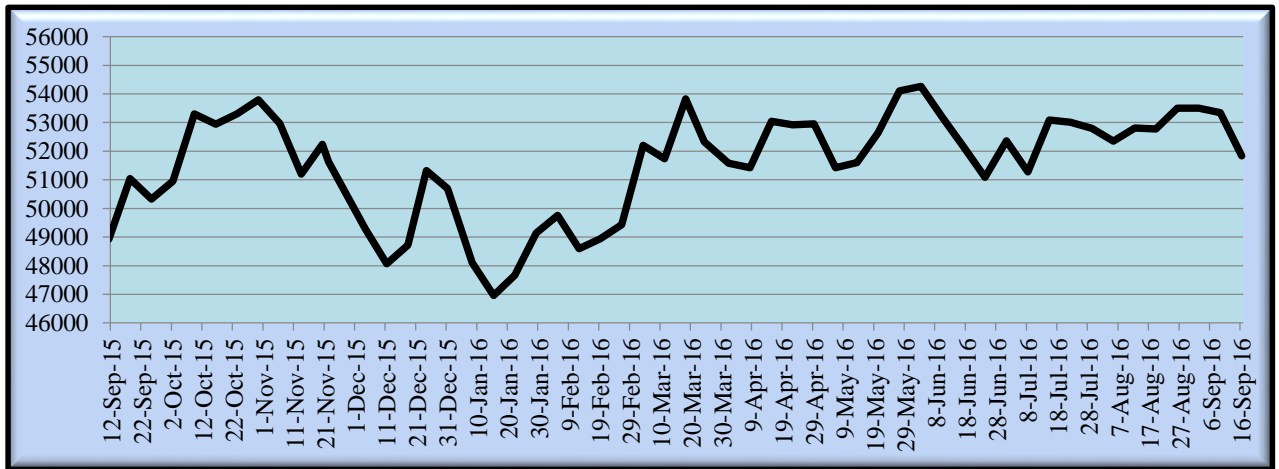
The JSE All Share index closed the week under review at 51 832.55 points, down from 53 347.30 points recorded in the previous week. In tandem, market capitalisation also recorded a 1.9% decline, from ZAR15.45 trillion in the previous week to ZAR15.15 trillion in the week under review.

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

Period	All Share Index (points)	Market Capitalisation (ZAR trillion)
12-Aug-16	52,806.50	15.08
19-Aug-16	52,771.95	15.05
26-Aug-16	53,506.62	15.37
2-September-16	53,500.07	15.61
9-September-16	53,347.30	15.45
16-September-16	<b>51 832.55</b>	<b>15.15</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**

**23<sup>RD</sup> SEPTEMBER 2016**