



# Weekly Economic Highlights

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Week Ending  
17<sup>th</sup> June 2016

## 1. INTEREST RATES

### Deposit Rates

Average interest rates for savings deposits increased from 3.09% in the previous week, to 3.17% during the week ending 7<sup>th</sup> June 2016. Deposit rates for deposits of 1 month and 3 month tenors, however, remained unchanged at 5.93%, and 6.44%, respectively.

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

Date	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
20-May-16	3.03	6.21	6.74
27-May-16	3.03	6.15	6.74
03-Jun-16	3.09	5.93	6.49
10-June-16	3.09	5.93	6.44
17-June-16	<b>3.17</b>	5.93	6.44

Source: Banking Institutions, 2016

### Lending Rates

During the week under review, commercial bank weighted lending rates for individual clients posted a marginal decline of 0.01 percentage points to 11.39%. Weighted lending rates for corporate clients, however, increased by 0.07 percentage points to 7.46% in the same week.

**Table 2: Lending Rates**

Date	Lending Rates (%)	
	Commercial Banks (weighted)	
	Individuals	Corporate clients
20-May-16	11.45	7.36
27-May-16	11.43	7.35
03-June-16	11.38	7.36
10-June-16	11.40	7.39
17-June-16	<b>11.39</b>	<b>7.46</b>

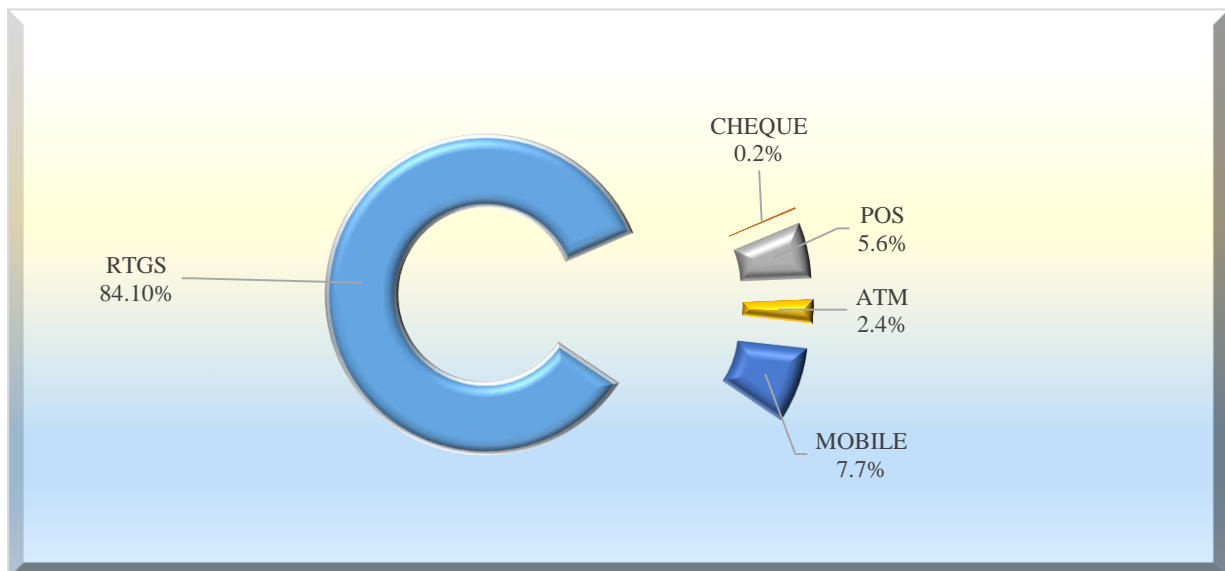
Source: Banking Institutions, 2016

## 2. CLEARING AND SETTLEMENT ACTIVITY

During the week ending 17<sup>th</sup> June 2016, the total value of transactions processed through the National Payment System (NPS) increased from US\$1 150.56 million in the previous week, to US\$1 213.07 million. Real Time Gross Settlement (RTGS) system transactions increased by 11%, to close the week under review at US\$1 020.24 million.

In terms of value, RTGS payments accounted for 84.10% of NPS transactions, followed by Mobile, 7.7%; Point of Sale (POS), 5.6%; Automated Teller Machines (ATMs), 2.4%; and cheque, 0.2%.

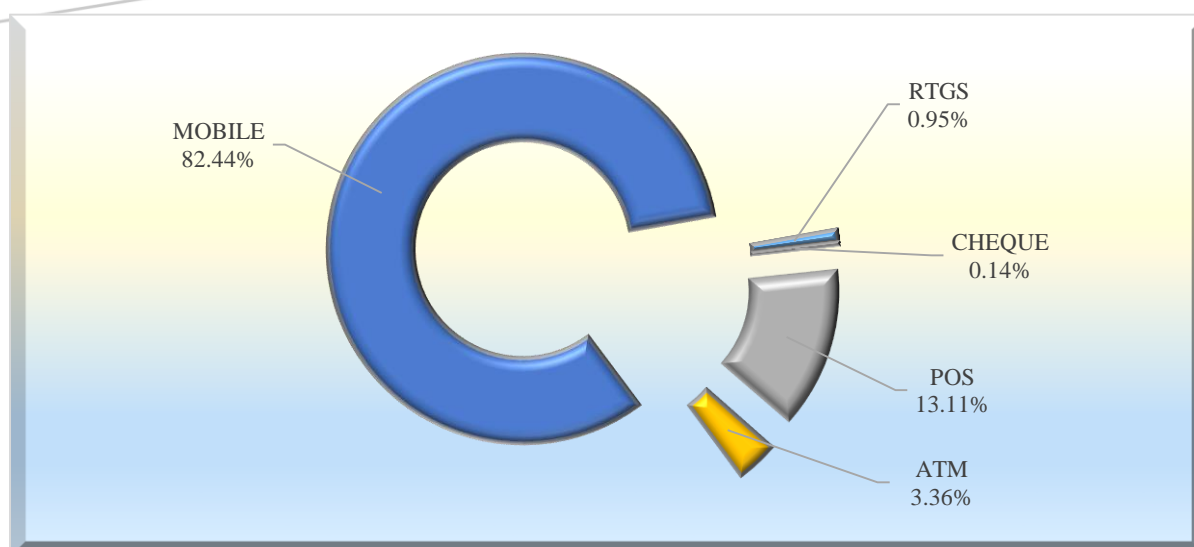
**Figure 1: Proportions of NPS Transactions in Value Terms**



*Source: Reserve Bank of Zimbabwe*

The total number of NPS transactions decreased from 6 552 224 in the previous week, to 5 982 177 during the week under review. Mobile transactions accounted for the largest proportion of the volume of NPS transactions at 82.44%. The other payment streams were distributed as follows: POS, 13.11%; ATM, 3.36%; RTGS, 0.95%; and Cheque, 0.14%, 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 10 June 2016	WEEK ENDING 17 June 2016	CHANGE FROM LAST WEEK	PROPORTION
<b>VALUES IN USD (millions)</b>				
<b>RTGS</b>	921.52	1,020.24	11%	84.10%
<b>CHEQUE</b>	2.31	2.49	8%	0.21%
<b>POS</b>	87.74	68.02	-22%	5.61%
<b>ATMS</b>	34.09	29.02	-15%	2.39%
<b>MOBILE</b>	104.90	93.30	-11%	7.69%
<b>TOTAL</b>	<b>1,150.56</b>	<b>1,213.07</b>	<b>5%</b>	<b>100%</b>
<b>VOLUMES</b>				
<b>RTGS</b>	60,841	56,898	-6%	0.95%
<b>CHEQUE</b>	7,440	8,390	13%	0.14%
<b>POS</b>	1,008,598	784,403	-22%	13.11%
<b>ATMs</b>	217,050	201,035	-7%	3.36%
<b>MOBILE</b>	5,258,295	4,931,451	-6%	82.44%
<b>TOTAL</b>	<b>6,552,224</b>	<b>5,982,177</b>	<b>-8.7%</b>	<b>100%</b>

Source: Reserve Bank of Zimbabwe

### 3. TOBACCO SALES

A cumulative total of 112.36 million kilograms of tobacco had been sold, as at 17<sup>th</sup> June 2016 or day 55 of the 2016 tobacco selling season. This represented a 10.84% decline from the 126.01 million kilograms sold during the same period in 2015.

Cumulative tobacco sales amounted to US\$336.39 million -9.18% lower than the US\$370.41 million realised during the same period in 2015. The golden leaf fetched a higher average price of US\$2.99 per kg, compared to US\$2.94 per kg obtained during the corresponding period in 2015, as shown in Table 4.

**Table 4: Cumulative Tobacco Sales: Day 55 (17/06/16)**

	2015	2016	Variance (%)
<b>Cumulative Quantity Sold (kgs)</b>	126,011,962	112,357,470	(10.84)
<b>Cumulative Average Price(US\$/kg)</b>	2.94	2.99	1.70
<b>Cumulative Value (US\$)</b>	370,411,339	336,393,931	(9.18)

*Source: Tobacco Industry and Marketing Board*

## 4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international commodity prices of gold and nickel firmed during the week ending 17<sup>th</sup> June 2016. Platinum, copper and crude oil prices, however, retreated 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>
Weekly Average (6-10 June)	<b>1,254.63</b>	<b>995.70</b>	<b>4,582.90</b>	<b>8,663.00</b>	<b>51.32</b>
<b>13-Jun</b>	1,282.45	993.00	4,515.00	8,945.00	50.27
<b>14-Jun</b>	1,283.28	984.00	4,510.00	8,905.00	49.63
<b>15-Jun</b>	1,282.65	980.00	4,631.50	8,905.00	49.16
<b>16-Jun</b>	1,308.88	984.50	4,631.50	8,905.00	47.54
<b>17-Jun</b>	1,287.60	972.50	4,521.00	9,040.00	48.69
Weekly Average (13-17 June)	<b>1,288.97</b>	<b>982.80</b>	<b>4,561.80</b>	<b>8,940.00</b>	<b>49.06</b>
<b>Weekly Change (%)</b>	2.7	(1.3)	(0.5)	3.2	(4.4)

Source: BBC, KITCO, Reuters and Bloomberg

### Gold

The weekly average price of gold increased by 2.7% to US\$1,288.97/oz, on account of a boost in the precious mineral's appeal as a safe haven asset. Concerns about Britain's exit from the European Union dampened investor appetite for risky assets.

### Platinum

Platinum prices retreated by 1.3% from a weekly average of US\$995.70/oz, to close the week under analysis at an average of US\$982.80/oz. The price was weighed down by weak demand from the automobile industry, amid concerns of a bleak global economic outlook.



## **Copper**

Copper prices closed the week under review at an average price of US\$4 561.80/ton, down from US\$4 582.90/ton recorded in the previous week. Prices remained subdued largely on account of slackening global demand, particularly in China, the world's largest user of the base metal.

## **Nickel**

Nickel prices recorded a 3.2% increase from US\$8 663.00/ton in the previous week, to US\$8 940.00/ton in the week under review. The increase was underpinned by global supply disruption fears, triggered by a workers strike at the BHP nickel mine in Colombia, one of the world's top nickel producers.

## **Brent Crude Oil**

Brent crude oil prices were recorded at US\$49.06/barrel during the week under analysis. This was 4.4% lower than the previous week price of US\$51.32/barrel. The prices were weighed down by the increase in supply, following the increase in output in the US and the recommencement of oil production in Canada, following stoppages which were occasioned by veld fires.

## 5. EQUITY MARKETS

During the week ending 17<sup>th</sup> June 2016, trading on the Zimbabwe Stock Exchange (ZSE) continued on a downward trend for the fifth consecutive week. Consequently, the mainstream index declined by 3.12 points to 93.39 points. The mining index, however, remained unchanged at 26.24 points in the same week.

The mainstream index was largely weighed down by losses in Barclays Bank of Zimbabwe Limited (19.58%), Econet Wireless (13.04%), Zimbabwe Newspapers (8.33%), Meikles Limited (7.69%) and Seed Co (5.45%).

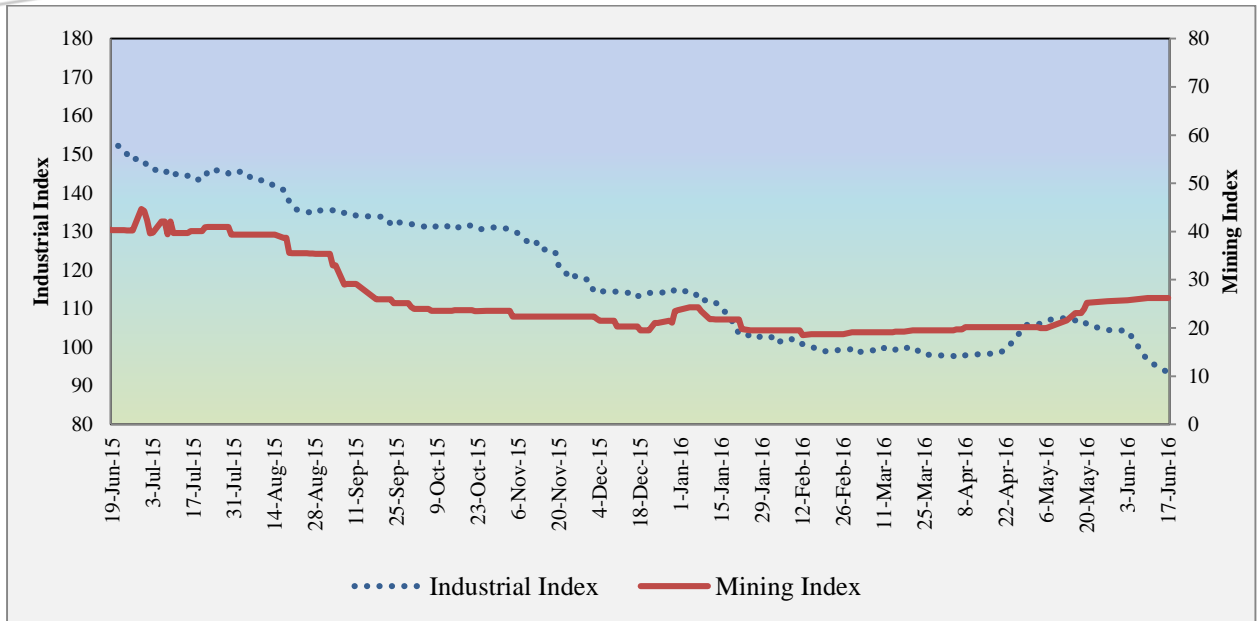
**Table 6: Zimbabwe Stock Exchange (ZSE) Statistics**

Period	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
20-May	105.80	25.19	2,910,371,028	3,333,944	26,616,656
27-May	104.43	25.54	2,874,242,189	1,739,749	9,052,897
03- Jun	104.30	25.77	2,870,235,077	4,819,501	53,664,571
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
Weekly Change (%)	(3.23)	0	(3.17)	71.21	2.36

Source: Zimbabwe Stock Exchange (ZSE), 2016



**Figure 3 : Zimbabwe Stock Exchange Indices**

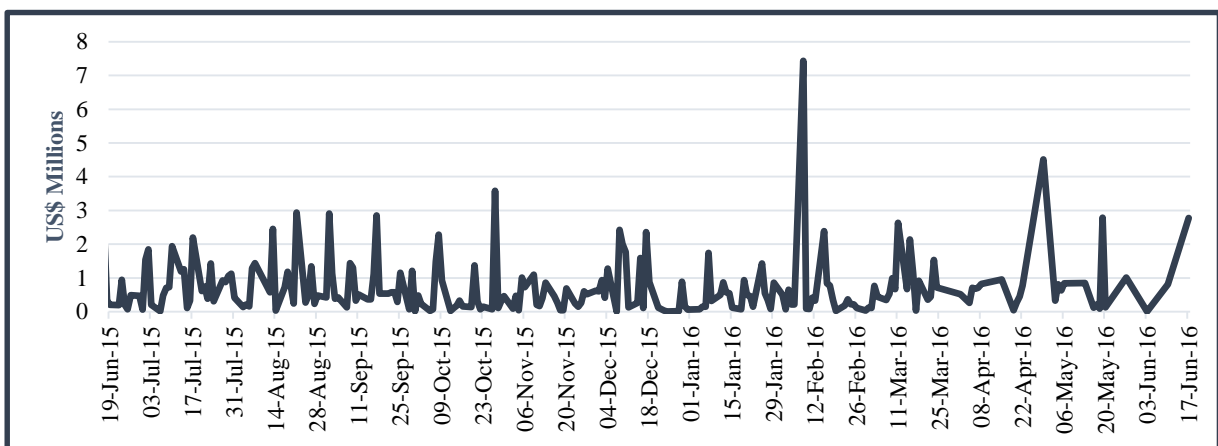


Source: Zimbabwe Stock Exchange, 2016

**Market Turnover and Volume**

The ZSE market turnover value increased by 71.21% to US\$6.68 million, during the week under analysis. In tandem, the volume of shares traded increased by 2.36%, to 15 875 910 shares. This was on account of increased demand for shares of some blue-chip counters, such as B.A.T, CBZ Holdings Limited, Old Mutual Plc, and Colcom Holdings Limited.

**Figure 4: Daily Market Turnover**

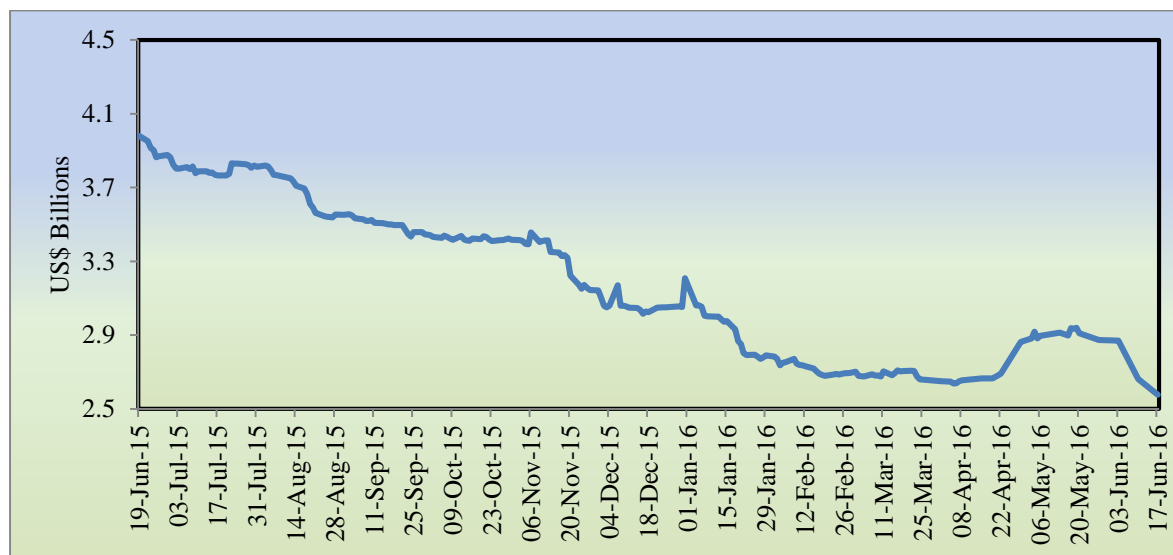


Source: Zimbabwe Stock Exchange, 2016

## Market Capitalisation

In line with the recorded decline on the ZSE main index, market capitalisation declined by 3.17%, to US\$2 577.21 million during the week ending 17<sup>th</sup> June 2016.

**Figure 5 : Market Capitalization**



Source: Zimbabwe Stock Exchange, 2016

## Johannesburg Stock Exchange (JSE) Developments

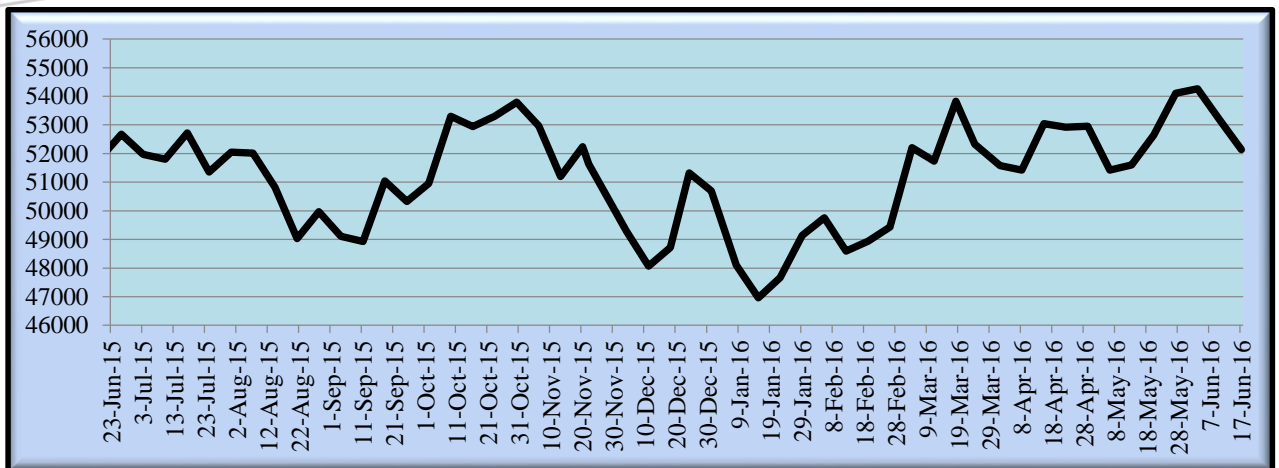
The JSE All Share Index closed the week under review at 52 140.61 points, down from 53 175.15 points in the previous week. Similarly, market capitalisation declined from R15.26 trillion in the previous week, to R15.51 trillion during the week under review

**Table 7: Johannesburg Stock Exchange (JSE) Statistics**

Period	All Share Index (points)	Market Capitalization (R trillion)
20-May-16	52,638.25	15.50
27-May-16	54,105.37	15.90
03-Jun-16	54,259.36	15.85
10-June-16	53,175.15	15.51
17-June-16	<b>52,140.61</b>	<b>15.26</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

27<sup>th</sup> JUNE 2016