



# 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  
19<sup>th</sup> AUGUST 2016

## 1. INTEREST RATES

### Deposit Rates

Average rates for savings deposits, 1 month and 3 month tenor deposits remained unchanged at previous week's levels, of 3.01%, 5.55% and 6.01%, respectively.

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

Date	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
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	3.01	5.55	6.01
19-August-16	3.01	5.55	6.01

Source: Banking Institutions, 2016

### Lending Rates

Weighted commercial bank lending rates for individuals declined from a weekly average of 10.71% during the previous week, to 10.68% during the week ending 19<sup>th</sup> August 2016. 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
22-July-16	10.68	6.79
29-July-16	10.69	6.79
5-August-16	10.70	6.85
12-August-16	10.71	6.85
19-August-16	<b>10.68</b>	6.85

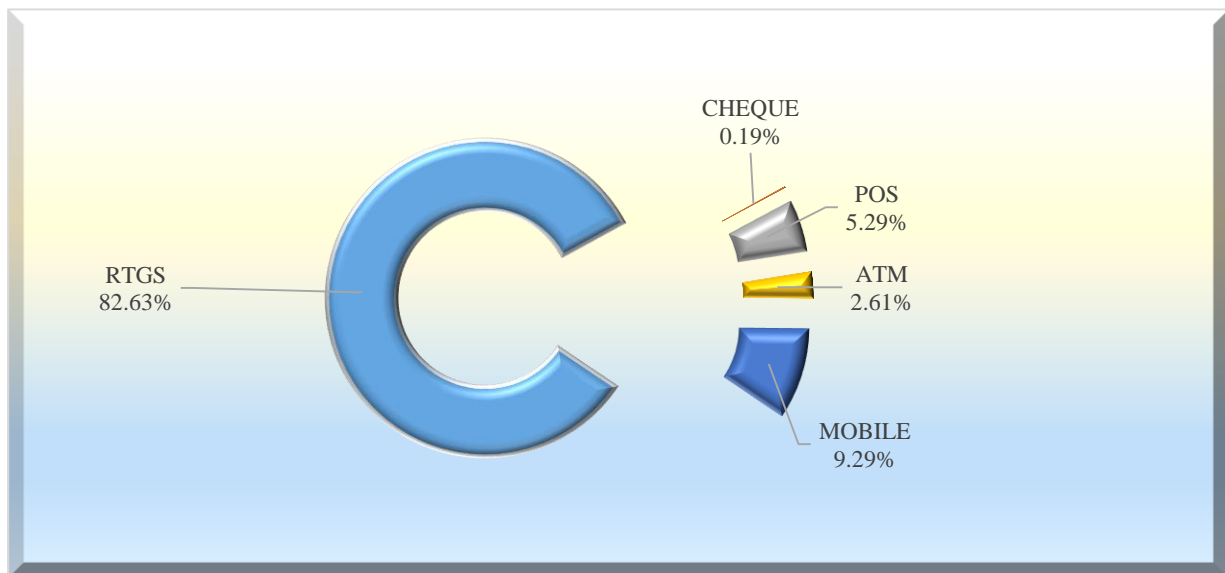
Source: Banking Institutions, 2016

## 2. CLEARING AND SETTLEMENT ACTIVITY

Transactions processed through the National Payment System (NPS) recorded a 25% increase, from US\$858.85 million in the previous week to US\$1 073.52 million, during the week ending 19<sup>th</sup> August 2016. Real Time Gross Settlement (RTGS) system transactions also increased by 38% from US\$643.60 million to US\$887.01 million, over the same period.

The distribution, in value terms, of the transactions processed through the National Payment System was as follows; RTGS, 82.63%; Mobile, 9.29%; POS, 5.29%; ATMs, 2.61% and cheque, 0.19%, as shown in Figure 1.

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



*Source: Reserve Bank of Zimbabwe*

The volume of NPS transactions decreased from 6 822 950 in the previous week, to 6 556 514 during the week under review. The distribution of NPS transactions was as follows; Mobile, 79.99%; POS, 14.56%; ATM, 4.48%; RTGS, 0.87% and Cheque 0.10%, 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 12 August 2016	WEEK ENDING 19 August 2016	CHANGE FROM LAST WEEK	PROPORTION
<b>VALUES IN USD (millions)</b>				
<b>RTGS</b>	643.60	887.01	38%	82.63%
<b>CHEQUE</b>	1.12	2.01	79%	0.19%
<b>POS</b>	72.11	56.75	-21%	5.29%
<b>ATMS</b>	43.61	27.99	-36%	2.61%
<b>MOBILE</b>	98.41	99.76	1%	9.29%
<b>TOTAL</b>	<b>858.85</b>	<b>1,073.52</b>	<b>25%</b>	<b>100%</b>
<b>VOLUMES</b>				
<b>RTGS</b>	34,541	57,199	66%	0.87%
<b>CHEQUE</b>	4,256	6,850	61%	0.10%
<b>POS</b>	1,112,742	954,526	-14%	14.56%
<b>ATMs</b>	417,052	293,554	-30%	4.48%
<b>MOBILE</b>	5,254,359	5,244,385	-0.20%	79.99%
<b>TOTAL</b>	<b>6,822,950</b>	<b>6,556,514</b>	<b>-4%</b>	<b>100%</b>

Source: Reserve Bank of Zimbabwe

### 3. TOBACCO SALES

As at 19<sup>th</sup> August 2016 or day 98 of the 2016 tobacco selling season, a cumulative total of 198.35 million kilograms of tobacco had been sold, representing a 3.34% increase from the 191.94 million kilograms sold during the same period in 2015.

Cumulative tobacco sales at US\$584.49 million, were 3.46% higher than the US\$564.91 million realised during the corresponding period in 2015. The golden leaf was sold at an average price of US\$2.95/kg, compared to US\$2.94/kg realised during the same period in 2015.

**Table 4: Cumulative Tobacco Sales: Day 98 (19/08/16)**

	2015	2016	Variance (%)
<b>Cumulative Quantity Sold (kgs)</b>	191,944,032	198,346,815	3.34
<b>Cumulative Average Price(US\$/kg)</b>	2.94	2.95	0.34
<b>Cumulative Value (US\$)</b>	564,914,164	584,485,325	3.46

*Source: Tobacco Industry and Marketing Board, 2016*

#### 4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

During the week ending 19<sup>th</sup> August 2016, the international commodity prices for gold, platinum, copper and nickel retreated while crude oil prices, firmed, as shown in Table 5.

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

Period	Gold	Platinum	Copper	Nickel	Crude Oil
2016	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
<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>15-Aug</b>	1,339.30	1,117.50	4,746.00	10,400.00	48.12
<b>16-Aug</b>	1,346.55	1,125.00	4,746.00	10,400.00	48.94
<b>17-Aug</b>	1,343.25	1,112.00	4,755.50	10,155.00	49.52
<b>18-Aug</b>	1,348.58	1,123.00	4,755.50	10,155.00	50.77
<b>19-Aug</b>	1,346.63	1,110.50	4,773.50	10,245.00	50.71
<b>Weekly Average (15-19 Aug)</b>	<b>1,344.86</b>	<b>1,117.60</b>	<b>4,755.30</b>	<b>10,271.00</b>	<b>49.61</b>
<b>Weekly Change (%)</b>	(0.02)	(3.1)	(1.1)	(3.5)	8.3

Source: BBC, KITCO, Reuters and Bloomberg

#### Gold

The gold price weakened by 0.02% from a weekly average of US\$1,345.08/oz in the previous week to US\$1,344.86/oz in the week under review. The declining trend was underpinned by a strengthening US dollar following comments by Fed officials which bolstered speculation that US interest rates would rise this year. These developments continue to dampen gold's safe haven demand outlook, weighing down on prices.

## **Platinum**

Platinum prices retreated by 3.1% from a weekly average of US\$1,153.00/oz in the previous week, to an average of US\$1,117.60/oz during the week under review. Platinum prices were weighed down by the strengthening US dollar which makes commodities priced in US dollars relatively expensive to holders of other currencies. Furthermore the prospects of an imminent US dollar interest rate hike dampened investor demand for platinum, weighing down global platinum prices.

## **Copper**

Copper prices declined marginally by 1.1% from a weekly average of US\$4,806.20/tonne in the previous week, to US\$4,755.30/tonne during the week under analysis. Base metal prices remained subdued during the week amid renewed signs of a global glut coupled with slowing global demand, particularly in China, the world's largest consumer of the metal.

## **Nickel**

Nickel prices fell by 3.5% from a weekly average of US\$10,642.00/tonne in the previous week, to US\$10,271.00/tonne during the week under review. This also followed signs of global glut against a falling global demand which led to decline in the demand for the commodity for production purposes.

## **Brent Crude Oil**

Bent crude oil prices firmed by 8.3% from a weekly average of US\$45.82/barrel to US\$49.61/barrel during the week under review. The firming was bolstered by intensifying speculation that OPEC talks scheduled for September 2016 could result in production moderating, thereby strengthening 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 (10-12 Aug)</b>	<b>0.7686</b>	<b>0.8967</b>	<b>13.3769</b>
15-Aug	0.7738	0.8959	13.4577
16-Aug	0.7741	0.8918	13.2850
17-Aug	0.7671	0.8880	13.4450
18-Aug	0.7658	0.8841	13.3200
19-Aug	0.7610	0.8823	13.4112
<b>Weekly Average (15-19 August)</b>	<b>0.7684</b>	<b>0.8884</b>	<b>13.3838</b>
<i>Appr(-)/Depr(+)</i>	<i>(0.03)</i>	<i>(0.90)</i>	<i>0.10</i>

*Source: Reuters*

During the week under analysis, the euro and British pound, appreciated by weekly averages of 0.90% and 0.03%, respectively. The South African rand, however, depreciated by 0.10% during the same period.



## 6. EQUITY MARKETS

The Zimbabwe Stock Exchange (ZSE) continued on a bullish trend, during the week ending 19<sup>th</sup> August 2016. The industrial index was up 0.24 points to close at 99.83 points. The mining index, however, remained unchanged at 26.35 points.

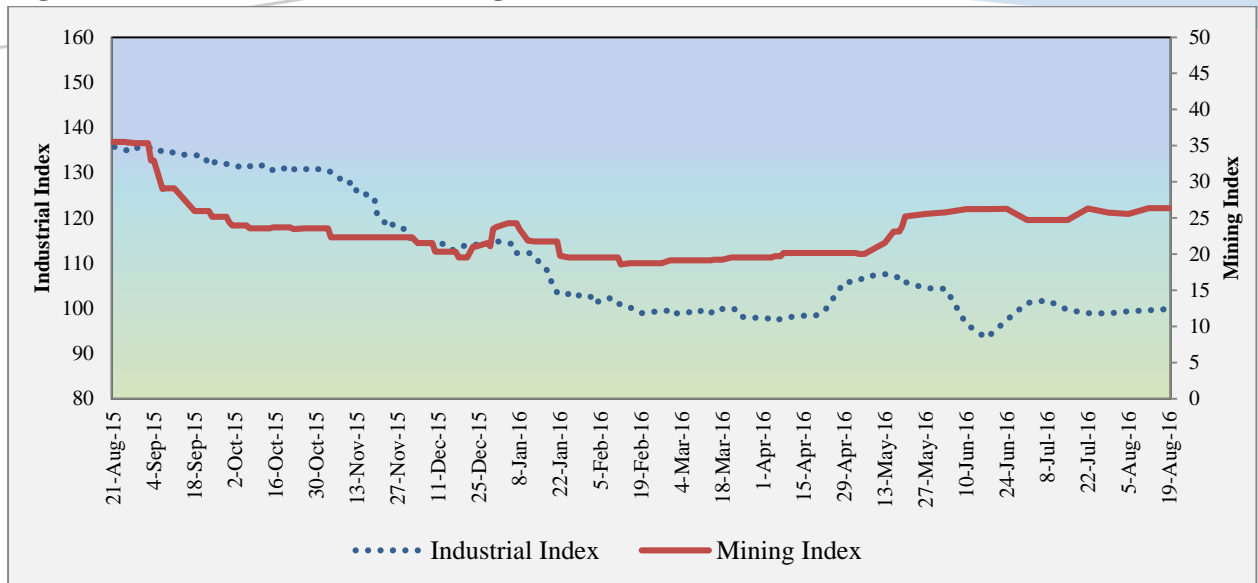
The developments in the industrial index was largely underpinned by gains realized in Barclays Bank of Zimbabwe Limited, 13.33%; Axia Corporation Limited, 6.67%; Old Mutual Plc, 2.51%; FBC Holdings, 1.56%; and Meikles Limited, 0.27%.

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

Period	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
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	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
<b>Weekly Change (%)</b>	<b>0.24</b>	<b>0</b>	<b>0.22</b>	<b>(61.26)</b>	<b>(36.92)</b>

Source: Zimbabwe Stock Exchange (ZSE), 2016.

**Figure 3 : Zimbabwe Stock Exchange Indices**

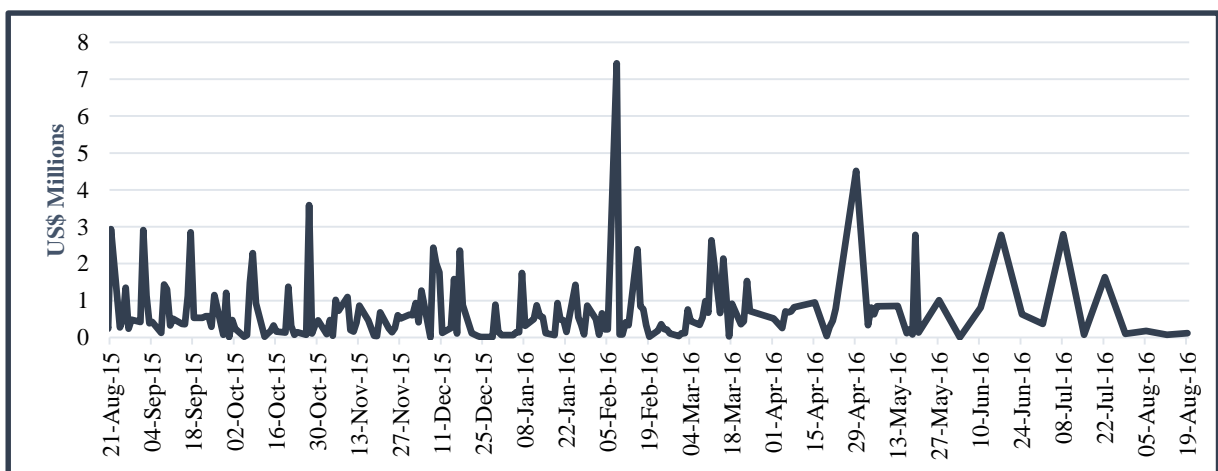


Source: Zimbabwe Stock Exchange, 2016

### Market Turnover and Volume

The volume of shares traded declined from 13.8 million registered in the previous week, to 8.7 million during the period under review. The value of traded shares also declined from US\$3.73 million in the previous week, to US\$1.45 million during the period under review. The decline emanated from low activity that dominated the bourse.

**Figure 4: Daily Market Turnover**

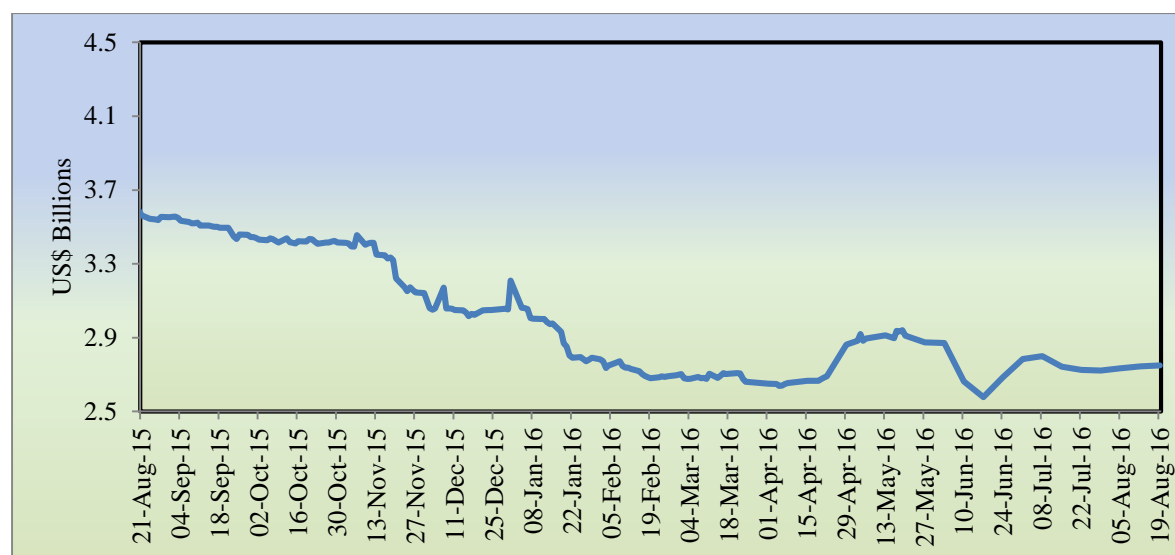


Source: Zimbabwe Stock Exchange, 2016

## Market Capitalisation

The ZSE market capitalisation gained US\$6.1 million worth of value to US\$2.75 billion during the period under review.

**Figure 5 : Market Capitalisation**



Source: Zimbabwe Stock Exchange, 2016

## Johannesburg Stock Exchange (JSE) Developments

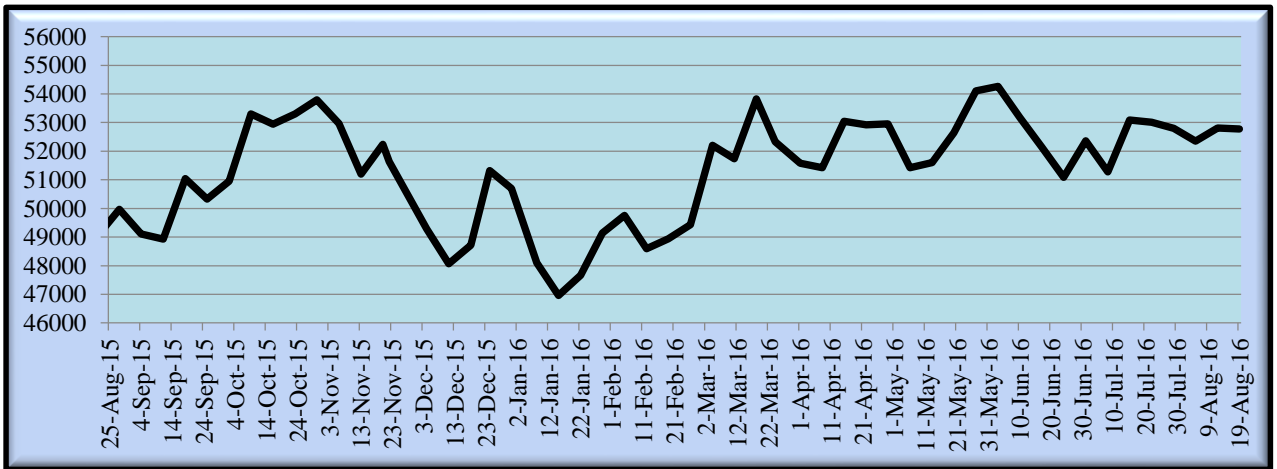
During the week ending 19<sup>th</sup> August 2016, the JSE All Share index decreased from 52 806.50 points in the previous week, to close the week under review at 52 771.95 points. Market capitalisation also fell from ZAR15.08 trillion in the previous period, to ZAR15.05 trillion during the week under review.

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

Period	All Share Index (points)	Market Capitalisation (ZAR trillion)
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	52,806.50	15.08
19-Aug-16	<b>52,771.95</b>	<b>15.05</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**

**29<sup>th</sup> AUGUST 2016**