



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. EQUITY MARKETS	7

Week Ending
20th May 2016

1. INTEREST RATES

Deposit Rates

Average deposit rates for savings deposits remained unchanged at 3.03% during the week ending 20th May 2016. Deposit rates for deposits of 1 month tenor, however, increased to 6.21%, from 6.18% in the previous week. During the same period, average deposit rates for deposits of 3 month tenor registered a 0.32% decline to close at 6.74%.

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

Date	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
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
20-May-16	3.03	6.21	6.74

Source: Banking Institutions, 2016

Lending Rates

At commercial banks, weighted lending rates for individual clients declined to 11.45% during the week ending 20th May 2015, from 11.49% in the previous week. Weighted lending rates for corporate clients, however, remained unchanged at 7.36% during the week under review.

Table 2: Lending Rates

Date	Lending Rates (%) Commercial Banks (weighted)	
	Individuals	Corporate clients
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
20-May-16	11.45	7.36

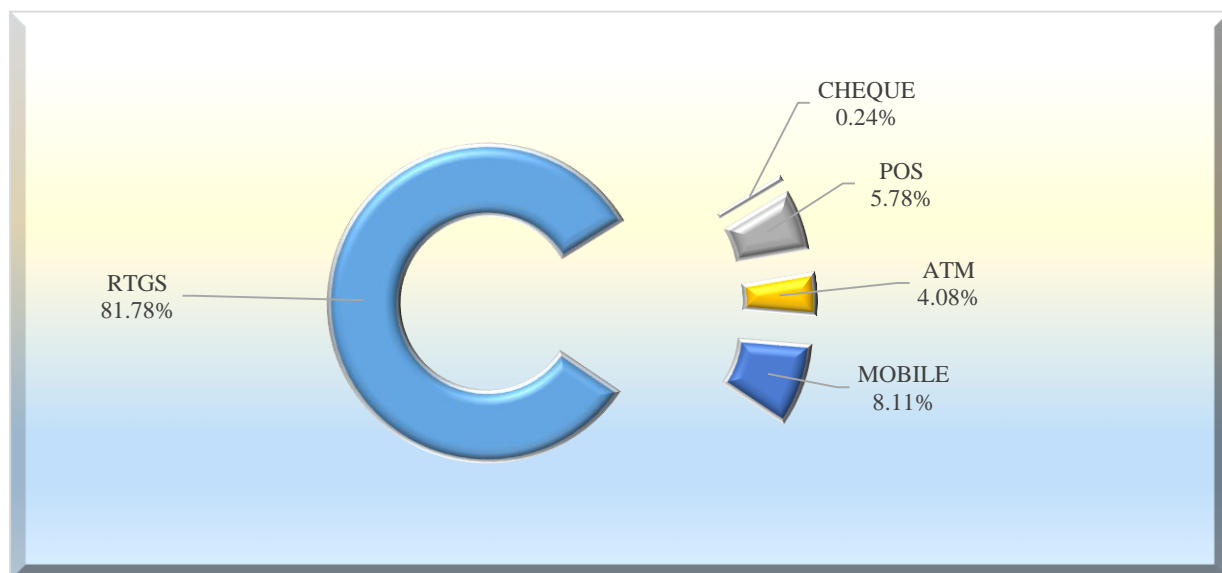
Source: Banking Institutions, 2016

2. CLEARING AND SETTLEMENT ACTIVITY

The total value of transactions processed through the National Payment System (NPS) stood at US\$1 126.74 million, during the week ending 20th May 2016. Real Time Gross Settlement (RTGS) transactions increased by 7% to US\$921.46 million.

In value terms, the proportions of transactions processed through the NPS were as follows: RTGS, 81.78%; Mobile, 8.11%; POS, 5.78%; ATM, 4.08%; and Cheque, 0.24%. Figure 1 shows the proportions of NPS transactions, in value terms, for the period under review.

Figure 1: Proportions of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe

During the reporting week, the total volume of NPS transactions declined to 5.70 million, from 6.08 million in the week ending 13th of May 2016. In volume terms, the NPS transactions were distributed as follows: Mobile, 84.51%; POS, 11.56%; ATM, 3.05%; RTGS, 0.76%; and Cheque, 0.13%, 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 13 May 2016	WEEK ENDING 20 May 2016	CHANGE FROM LAST WEEK	PROPORTION
VALUES IN USD (millions)				
RTGS	858.79	921.46	7%	81.78%
CHEQUE	2.78	2.74	-1%	0.24%
POS	77.94	65.14	-16%	5.78%
ATMS	65.38	45.98	-30%	4.08%
MOBILE	105.42	91.41	-13%	8.11%
TOTAL	1,110.31	1,126.74	1%	100%
VOLUMES				
RTGS	49,260	43,235	-12%	0.76%
CHEQUE	7,323	7,507	3%	0.13%
POS	641,298	659,172	3%	11.56%
ATMs	235,633	173,760	-26%	3.05%
MOBILE	5,150,560	4,819,305	-6%	84.51%
TOTAL	6,084,074	5,702,979	-6%	100%

Source: Reserve Bank of Zimbabwe

3. TOBACCO SALES

A cumulative total of 80.30 million kilograms of tobacco worth US\$221.85 million, had been sold at an average price of US\$2.76/kg, as at 20th May 2016 (day 36 of the 2016 tobacco selling season). This was 37.35% higher than the cumulative total of 58.46 million kilograms of tobacco worth US\$165.74 million, which were sold at an average price of US\$2.83/kg during the same period in 2015.

Table 4: Cumulative Tobacco Sales: Day 36 (20/05/16)

	2015	2016	Variance (%)
Cumulative Quantity Sold (kgs)	58,462,560	80,298,582	37.35
Cumulative Average Price(US\$/kg)	2.83	2.76	(2.55)
Cumulative Value (US\$)	165,738,882	221,847,510	34

Source: Tobacco Industry and Marketing Board

4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international commodity prices of gold, platinum, copper and nickel continued on a declining trajectory, while crude oil prices firmed during the week under analysis, 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
Weekly Average (9-13 May)	1,272.15	1,055.40	4,721.10	8,624.40	46.56
16-May	1,283.38	1,052.50	4,660.00	8,635.00	49.02
17-May	1,273.55	1,044.50	4,633.50	8,635.00	49.31
18-May	1,274.40	1,020.50	4,633.50	8,585.00	48.59
19-May	1,252.90	1,023.00	4,631.50	8,550.00	48.35
20-May	1,255.35	1,018.50	4,630.00	8,525.00	48.28
Weekly Average (13-20 May)	1,267.92	1,031.80	4,637.70	8,586.00	48.71
Weekly Change (%)	<i>(0.3)</i>	<i>(2.2)</i>	<i>(1.8)</i>	<i>(0.4)</i>	<i>4.6</i>

Source: BBC, KITCO, Reuters and Bloomberg

Gold

Gold prices declined by 0.3%, from a weekly average price of US\$1 272.15/oz in the previous week, to US\$1 267.92/oz during the week under review. This followed a decline in demand for the metal as a safe haven asset, due to the strengthening of the US dollar.

Platinum

Platinum prices retreated by 2.2%, to a weekly average of US\$1,031.80/oz during the week under analysis. The decline was also on account of the appreciation of the US dollar.

Copper

Copper prices declined by 1.8%, from a weekly average price of US\$4,721.10/ton in the previous week, to close the week under review at US\$4,637.70/ton. The price retreated on the back of renewed concerns of an imminent interest rate hike by the U.S. Federal Reserve.

Nickel

Nickel prices slumped by 0.4%, to close the week under review at an average of US\$8,586.00/ton. The decline was underpinned by mounting speculation over weakening demand in China, the world's largest consumer of the base metal.

Brent crude oil

Brent crude oil prices increased by 4.6% to an average of US\$48.71/barrel during the week ending 20th May 2016, from a weekly average of US\$46.56/barrel in the previous week. This was largely attributable to declining global output in the U.S, coupled with falling stockpiles in Saudi Arabia, on the back of increased oil demand and environmental challenges in Canada.

5. EQUITY MARKETS

During the week under analysis, trading on the Zimbabwe Stock Exchange (ZSE) was bearish. Resultantly, the industrial index declined by 1.79 points to close at 105.80 points. The resources index, however, increased by 3.64 points to close at 25.19 points, on the back of renewed investor interest in Bindura Nickel Corporation (BNC) and RioZim.

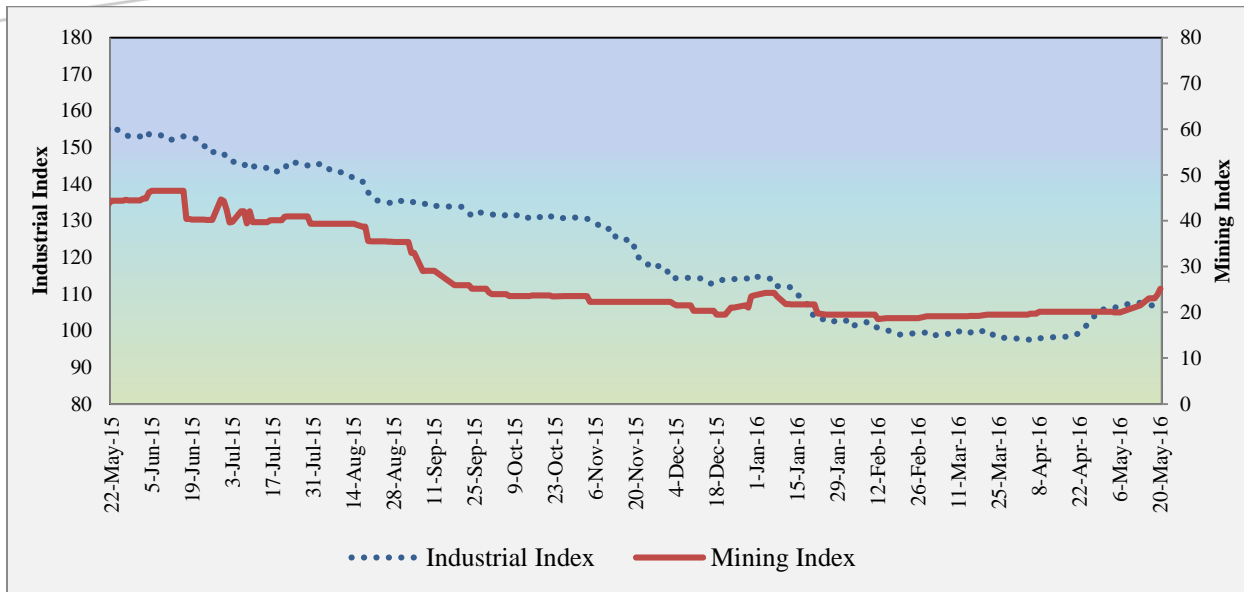
The mainstream index was largely weighed down by losses in Econet Wireless Zimbabwe (8.33%), DZHL (8.33%), Ariston Holdings Limited (6.67%), Delta Corporation (3.33%) and Barclays Bank Zimbabwe Limited (1.82%).

Table 6: Zimbabwe Stock Exchange (ZSE) Statistics

Period	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
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
20-May	105.80	25.19	2,910,371,028	3,333,944	26,616,656
Weekly Change (%)	-1.66	16.89	-0.08	31.72	165.11

Source: Zimbabwe Stock Exchange (ZSE), 2016

Figure 3 : Zimbabwe Stock Exchange Indices

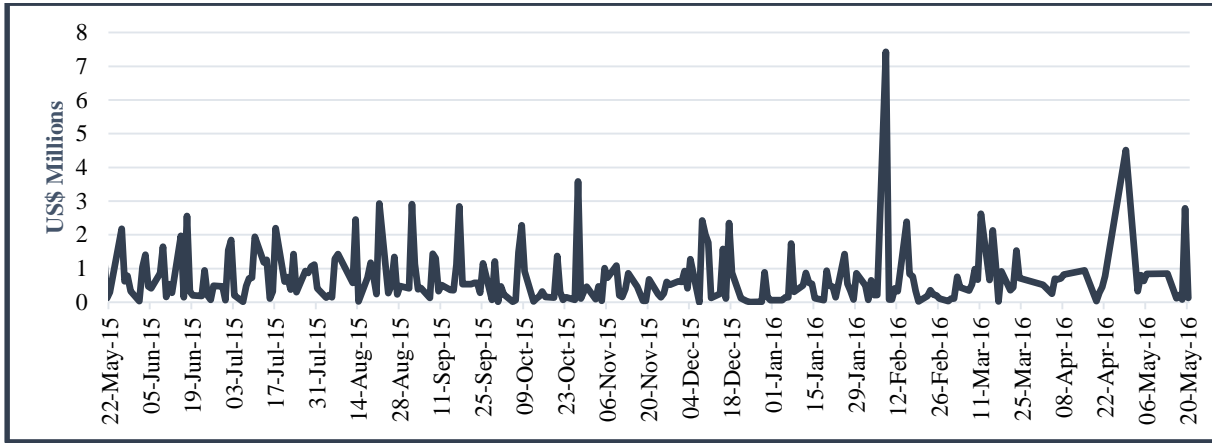


Source: Zimbabwe Stock Exchange, 2016

Market Turnover and Volume

Market turnover increased by 31.72% to US\$3.33 million during the week under review. This followed sell-off pressures in some heavyweight counters such as DZHL, Econet Wireless and Barclays Bank. During the same period, the ZSE registered a single block trade of 3.3 million Delta Corporation shares at a unit price of US\$0.75. The volume of shares traded increased by 165.11%, to close the week under review at 26 616 656 shares.

Figure 4: Daily Market Turnover

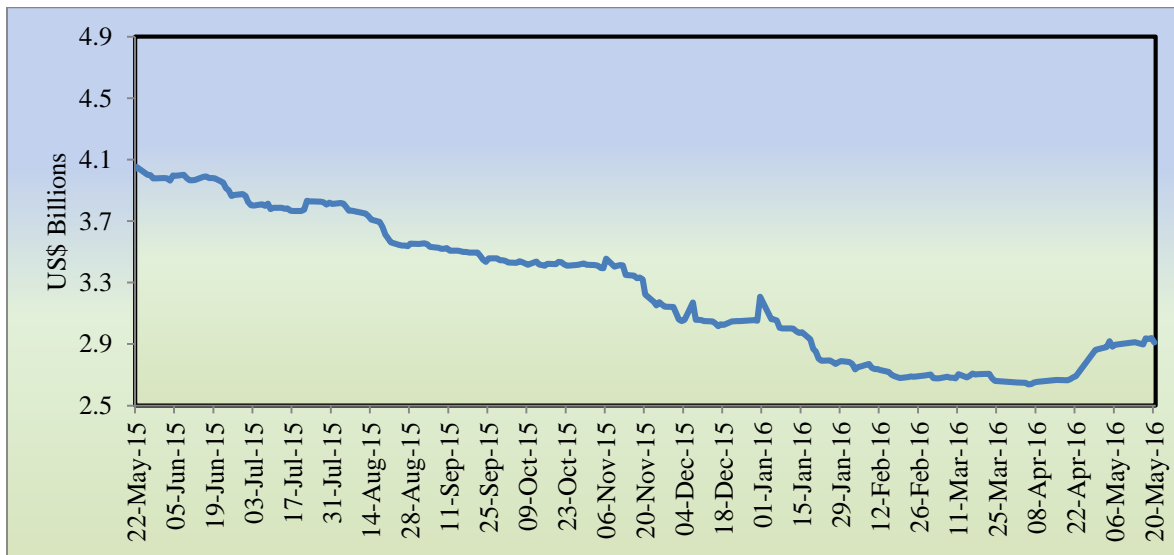


Source: Zimbabwe Stock Exchange, 2016

Market Capitalisation

Market capitalisation stood US\$2 910.37 million during the week under review, down from US\$2 912.66 million in the previous week.

Figure 5 : Market Capitalisation



Source: Zimbabwe Stock Exchange, 2016

Johannesburg Stock Exchange (JSE) Developments

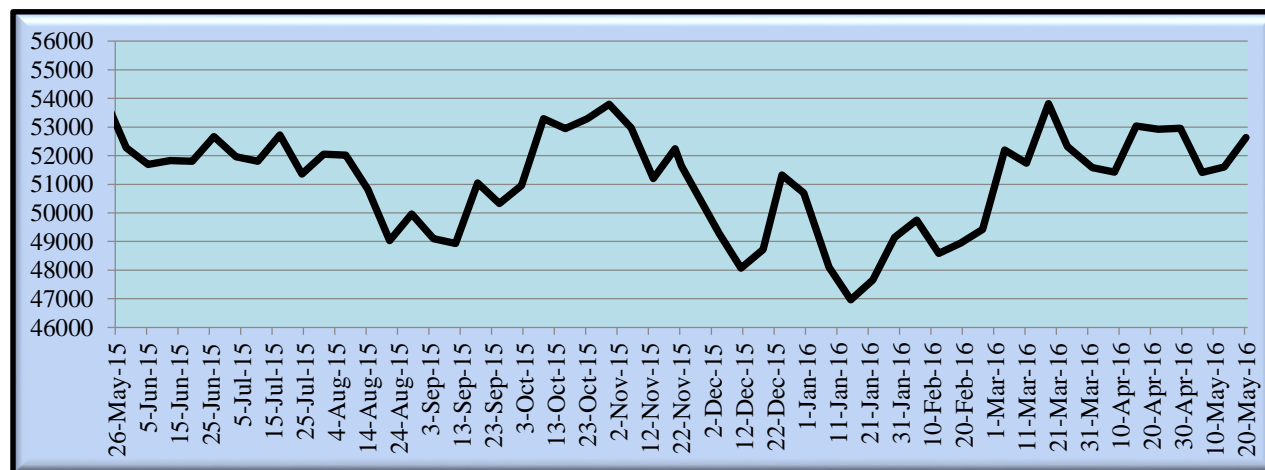
During the week ending 20th May 2016, the JSE All Share index increased by 2.00%, to close the week at 52 638.25 points. In tandem, the JSE market capitalisation increased from R15.24 trillion in the previous week, to R15.50 trillion during the week under analysis.

Table 6: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalisation (R trillion)
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
20-May-16	52,638.25	15.50

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

26th MAY 2016