



Weekly Economic Highlights

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Week Ending
22nd July 2016

1. INTEREST RATES

Deposit Rates

During the week ending 22nd July 2016, average interest rates for savings deposits remained unchanged at 3.03%. Deposit rates for deposits of 1 month and 3 month tenors, however, declined to 5.49% and 6.03%, respectively.

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

Date	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
24-June-16	3.17	5.68	6.16
01-July-16	3.10	5.67	6.14
8-July-16	3.10	5.49	6.04
15-July-16	3.03	5.55	6.04
22-July-16	3.03	5.49	6.03

Source: Banking Institutions, 2016

Lending Rates

During the week under analysis, weighted commercial bank lending rates for individual and corporate clients fell to 10.68% and 6.79%, respectively, as shown in Table 2.

Table 2: Lending Rates

Date	Lending Rates (%) Commercial Banks (weighted)	
	Individuals	Corporate clients
24-June-16	11.40	7.48
01-July-16	11.38	7.36
8-July-16	11.38	7.37
15-July-16	10.72	6.80
22-July-16	10.68	6.79

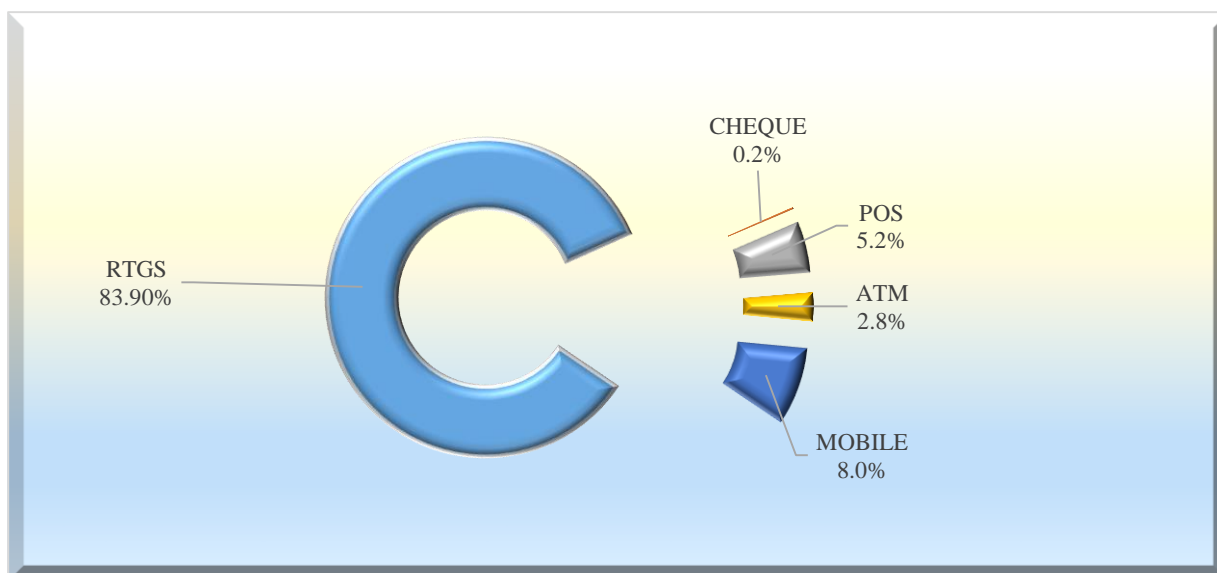
Source: Banking Institutions, 2016

2. CLEARING AND SETTLEMENT ACTIVITY

Transactions processed through the National Payment System (NPS) increased from US\$1 091.08 million in the previous week, to US\$1 154.61 million during the week under review. The Real Time Gross Settlement (RTGS) system transactions stood at US\$968.76 million, up from US\$880.42 million in the previous week.

In terms of value, the NPS transactions were distributed as follows: RTGS, 83.90%; Mobile, 7.96%; POS, 5.15%; ATMs, 2.78% and cheque, 0.21%.

Figure 1: Proportions of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe

The volume of NPS transactions declined by 6.3% from 6 469 018 in the previous week, to 6 061 054 during the week ending 22nd July 2016. Mobile-based transactions accounted for 79.26% of total transaction volumes; POS, 15.19%; ATM, 4.58%; RTGS, 0.83% and Cheque 0.13%, 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 15 July 2016	WEEK ENDING 22 July 2016	CHANGE FROM LAST WEEK	PROPORTION
VALUES IN USD (millions)				
RTGS	880.42	968.76	10%	83.90%
CHEQUE	2.22	2.37	7%	0.21%
POS	69.00	59.46	-14%	5.15%
ATMS	40.15	32.09	-20%	2.78%
MOBILE	99.28	91.92	-7%	7.96%
TOTAL	1,091.08	1154.61	6%	100%
VOLUMES				
RTGS	62,500	50,070	-20%	0.83%
CHEQUE	7,792	8,167	5%	0.13%
POS	962,151	920,929	-4%	15.19%
ATMs	333,203	277,671	-17%	4.58%
MOBILE	5,103,372	4,804,216	-6%	79.26%
TOTAL	6,469,018	6,061,053	-6.30%	100%

Source: Reserve Bank of Zimbabwe

3. TOBACCO SALES

As at 22nd July 2016 or day 80 of the 2016 tobacco selling season, a cumulative total of 184.38 million kilograms of tobacco had been sold, up from 174.77 million kilograms sold in the comparable period in 2015. The cumulative value of tobacco sold during the 2016 season increased by 4.85% to US\$541.47 million, from US\$516.41 million sold in the same period in 2015.

The average price of the golden leaf, however, declined slightly from USc 295.48 /kg during the 2015 season to USc 293.67 /kg in the 2016 tobacco selling season.

Table 4: Cumulative Tobacco Sales: Day 80 (22/07/16)

	2015	2016	Variance (%)
Cumulative Quantity Sold (kgs)	174,767,986	184,377,070	5.50
Cumulative Average Price(US cents/kg)	295.48	293.67	(0.61)
Cumulative Value (US\$)	516,410,738	541,465,055	4.85

Source: Tobacco Industry and Marketing Board, 2016

4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international commodity prices of gold, platinum, and crude oil retreated, whilst those of copper and nickel firmed during the week under review, 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 (11-15 July)	1,340.04	1,088.90	4,866.40	10,279.00	47.17
18-Jul	1,330.43	1,084.00	4,945.50	10,360.00	46.82
19-Jul	1,331.55	1,088.00	4,938.00	10,550.00	46.77
20-Jul	1,320.77	1,075.00	4,900.00	10,440.00	47.28
21-Jul	1,321.58	1,088.00	4,953.00	10,660.00	46.42
22-Jul	1,321.98	1,074.50	4,956.00	10,650.00	45.69
Weekly Average (18-22 July)	1,325.26	1,081.90	4,938.50	10,532.00	46.60
Weekly Change (%)	<i>(1.1)</i>	<i>(0.6)</i>	<i>1.5</i>	<i>2.5</i>	<i>(1.2)</i>

Source: BBC, KITCO, Reuters and Bloomberg

Gold

Gold prices shed 1.1%, from a weekly average of US\$1 340.04/oz recorded in the previous week, to close the week under analysis at US\$1 325.26/oz. The price decline was largely underpinned by a stronger US dollar which led to a fall in the demand for gold as a safe haven asset.

Platinum

Platinum prices retreated by 0.6%, from a weekly average of US\$1 088.90/oz to US\$1 081.90/oz, during the week under analysis. Platinum prices were weighed down by a strengthening US dollar which curtailed demand for the precious metal.



Copper

Copper prices gained by 1.5% from a weekly average of US\$4 866.40/tonne to US\$4 938.50/tonne during the week ending 22nd July 2016. The price increase was attributed to rising expectations that the economic stimulus measures in major economies will boost demand for base metal.

Nickel

Nickel prices registered a 2.5% increase, from US\$10 279.00/tonne in the previous week, to US\$10 532.00/tonne in the week under analysis. This was on account of an anticipated rise in demand for nickel.

Brent Crude Oil

Brent crude oil prices fell by 2.1% from a weekly average of US\$47.17/barrel in the previous week, to US\$46.60/barrel during the week under review. The slump in price was largely as a consequence of rising inventories in USA.

5. EXCHANGE RATES

Table 6: International Exchange Rates per US\$

	GBP (£)	EURO (€)	Rand (ZAR)
2016			
Weekly Average (11-15 July)	0.7578	0.9020	14.4232
18-Jul	0.7555	0.9038	14.3643
19-Jul	0.7560	0.9031	14.2550
20-Jul	0.7635	0.9080	14.2850
21-Jul	0.7562	0.9065	14.3078
22-Jul	0.7559	0.9072	14.2250
Weekly Average (18-22 July)	0.7574	0.9057	14.2874
<i>Appr(-)/Depr(+)</i>	<i>(0.05)</i>	<i>0.41</i>	<i>(0.94)</i>

Source: Reuters

The British pound appreciated to a weekly average of £0.7574/US\$1, during the week ending 22nd July 2016. The Euro depreciated by 0.4% to a weekly average of €0.9057/US\$1. The South African rand, however, appreciated by 0.9% to a weekly average of ZAR14.2874/US\$1 in the same period.

6. EQUITY MARKETS

Zimbabwe Stock Exchange (ZSE) was bearish during the week under review. The industrial index declined by 0.70% to close at 98.93 points in the week ending 22nd July 2016. The mining index, however, rose by 6.48% to 26.30 points.

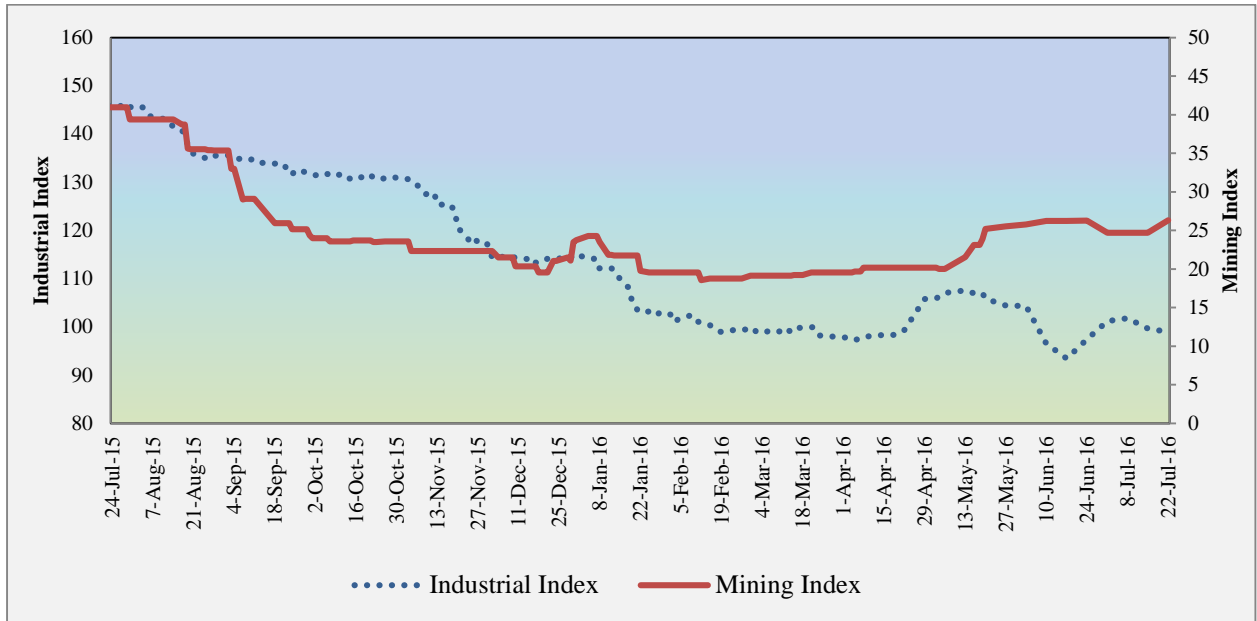
The mainstream index was weighed down by losses realized in Axia Corporation Limited, 8.00%; Willdale Limited, 5.56%; Turnall Holdings Limited, 5.00%; Econet Wireless Zimbabwe Limited, 3.86%; and National Foods Holdings Limited, 0.12%. Gains in the mining index were attributable to increases in Bindura Nickel Corporation (BNC), 20%; and Rio Zim, 10%, respectively.

Table 7: Zimbabwe Stock Exchange (ZSE) Statistics

Period	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
24-June	97.40	26.27	2,685,412,879	5,153,228	39,745,025
1-July	101.17	24.70	2,784,402,428	1,536,291	9,305,576
8-July	101.76	24.70	2,799,539,303	2,797,891	12,528,360
15-July	99.63	24.70	2,742,190,136	1,241,921	12,659,687
22-July	98.93	26.30	2,725,400,090	4,057,793	23,594,394
Weekly Change (%)	(0.70)	6.48	(0.61)	226.74	86.38

Source: Zimbabwe Stock Exchange (ZSE), 2016.

Figure 3 : Zimbabwe Stock Exchange Indices

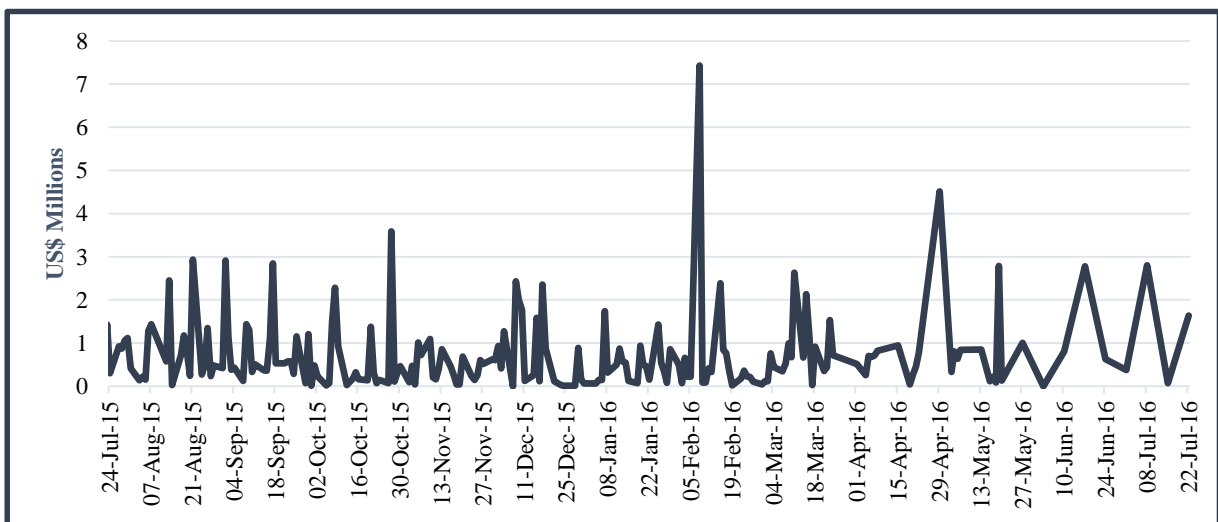


Source: Zimbabwe Stock Exchange, 2016

Market Turnover and Volume

During the week ending 22nd July 2016, the ZSE market turnover increased by 226.74% to US\$4.06 million, from US\$1.24 million in the preceding week. This was largely on account of block trades in Axia, Econet, Delta, and SeeCo shares that exchanged hands during the week under review. The volume of shares increased by 86.4% to 23 594 394 shares in the same week.

Figure 4: Daily Market Turnover

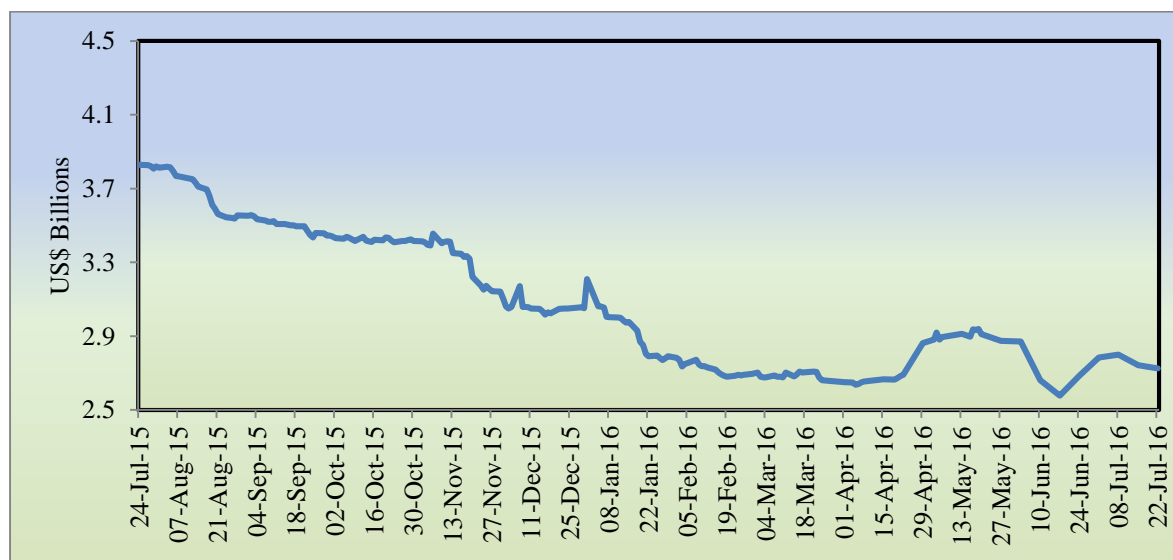


Source: Zimbabwe Stock Exchange, 2016

Market Capitalisation

The ZSE market capitalisation declined to US\$2.73 billion during the week under analysis from US\$2.74 billion in the previous week.

Figure 5 : Market Capitalisation



Source: Zimbabwe Stock Exchange, 2016

Johannesburg Stock Exchange (JSE) Developments

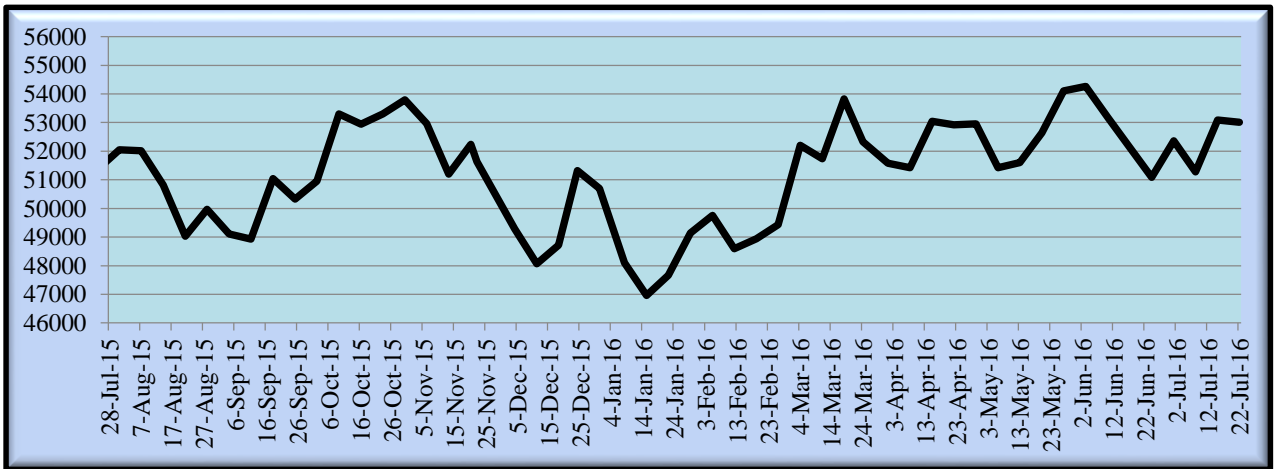
The JSE All Share index declined by 0.16% to close the week under review at 53 005.22 points, from 53 088.46 points in the week ending 15th July 2016. Market capitalization also decreased from ZAR15.36 trillion to ZAR15.34 trillion in the same week.

Table 8: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalisation (ZAR trillion)
24-June-16	51,092.05	15.09
1-July-16	52,357.50	15.39
8-July-16	51,276.40	15.12
15-July-16	53,088.46	15.36
22-July-16	53,005.22	15.34

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

1st AUGUST 2016