



# Weekly Economic Highlights

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Week Ending  
23<sup>rd</sup> September 2016

## 1. INTEREST RATES

### Deposit Rates

Average deposits rates for the three classes of deposits, namely; 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 23<sup>rd</sup> September 2016.

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

Date	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
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
23-September-16	3.01	5.44	5.76

Source: Banking Institutions, 2016

### Lending Rates

Commercial bank weighted lending rates for individual and corporate clients also remained unchanged at 10.66% and 6.88%, respectively, during the same period.

**Table 2: Lending Rates**

Date	Lending Rates (%)	
	Commercial Banks (weighted)	
	Individuals	Corporate clients
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	6.88
23-September-16	10.66	6.88

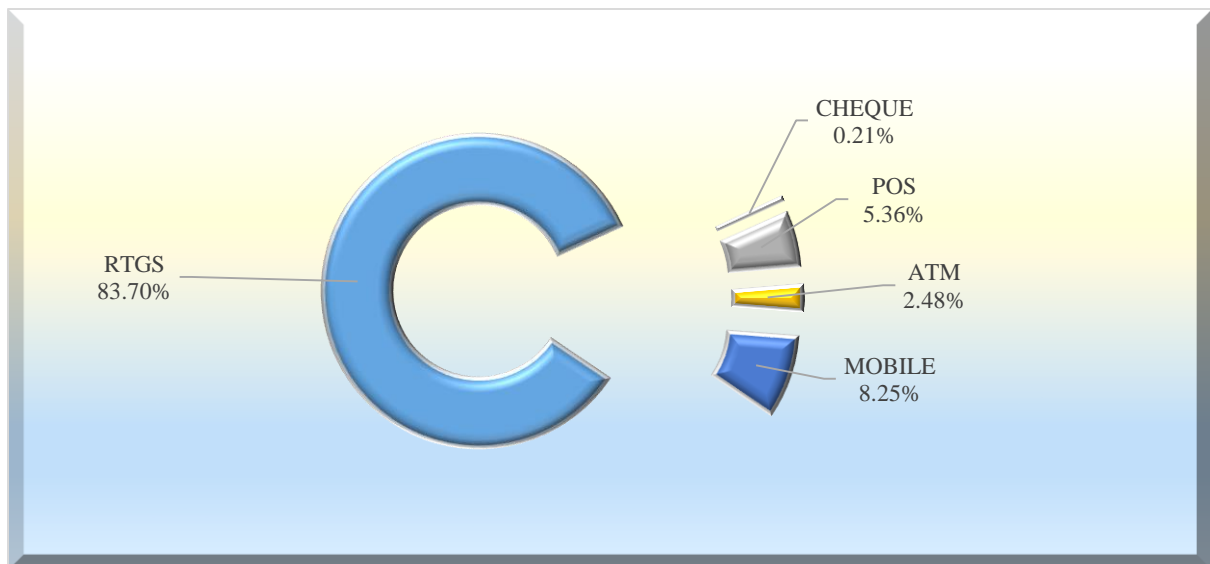
Source: Banking Institutions, 2016

## 2. CLEARING AND SETTLEMENT ACTIVITY

During the week ending 23<sup>rd</sup> September 2016, the total value of transactions processed through the National Payment System (NPS) stood at US\$1 129.52 million. Real Time Gross Settlement (RTGS) transactions increased by 2%, to close at US\$945.76 million in the same week.

The NPS transaction values were distributed as follows: RTGS, 83.07%; Mobile, 8.25%; Point of Sale (POS), 5.36%; Automated Teller Machines (ATMs), 2.48% and Cheque, 0.21%, as shown in Figure 1.

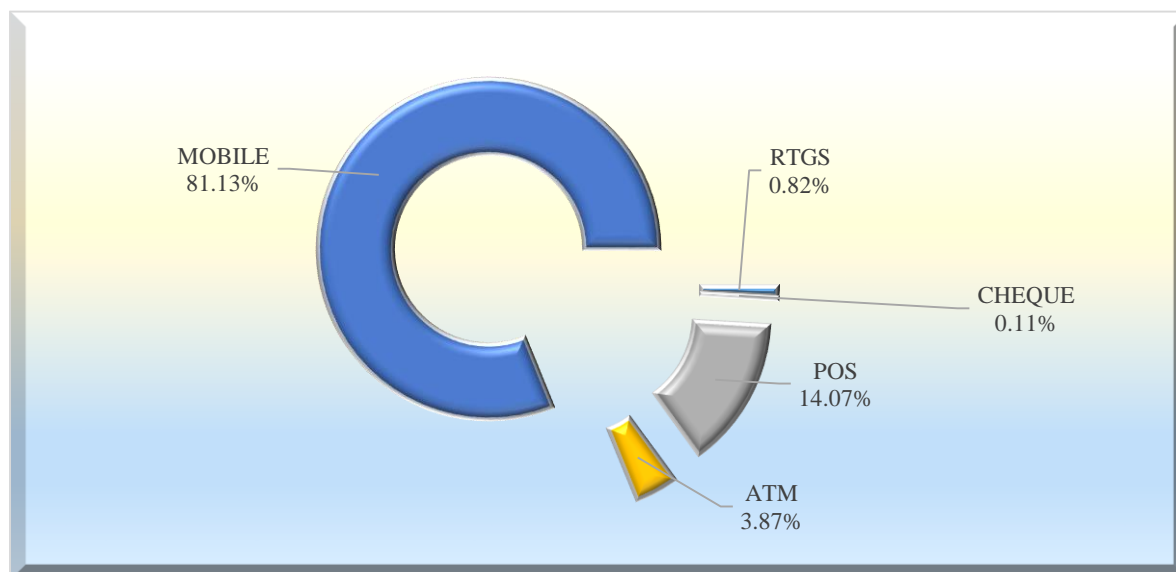
**Figure 1: Proportions of NPS Transactions in Value Terms**



*Source: Reserve Bank of Zimbabwe*

The volume of NPS transactions decreased from 7 609 817 in the previous week, to close the week under analysis at 6 983 255. In volume terms, the NPS transactions were distributed as follows: Mobile, 81.13%; POS, 14.07%; ATM, 3.87%; RTGS, 0.82%; and Cheque, 0.11%, 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 16 September 2016	WEEK ENDING 23 September 2016	CHANGE FROM LAST WEEK	PROPORTION
<b>VALUES IN USD (millions)</b>				
<b>RTGS</b>	886,72	945,76	-7%	83.7%
<b>CHEQUE</b>	2,81	2,41	-15%	0.21%
<b>POS</b>	73,81	60,55	-18%	5.36%
<b>ATMS</b>	39,84	28,07	-30%	2.48%
<b>MOBILE</b>	99,38	93,17	-6%	8.25%
<b>TOTAL</b>	<b>1,102,60</b>	<b>1,129,95</b>	<b>2%</b>	<b>100%</b>
<b>VOLUMES</b>				
<b>RTGS</b>	58,592	57,592	-2%	0.82%
<b>CHEQUE</b>	8,785	7,444	-15%	0.11%
<b>POS</b>	1,127,030	982,292	-13%	14.07%
<b>ATMs</b>	398,860	277,180	-32%	3.87%
<b>MOBILE</b>	6,016,550	5,665,739	-6%	81.13%
<b>TOTAL</b>	<b>7,609,817</b>	<b>6,983,255</b>	<b>-8%</b>	<b>100%</b>

Source: Reserve Bank of Zimbabwe

RTGS transactions continued to be dominated by the US dollar, both in value and volume terms. The euro and the South African rand transactions declined both in value and volume terms during the week under analysis, as shown in Table 4.

**Table 4: Real Time Gross Settlement System Transactional Activities**

RTGS CURRENCY	WEEK ENDING 16 September 2016	WEEK ENDING 23 September 2016	CHANGE FROM LAST WEEK
<b>VALUES IN</b>			
<b>USD</b>	877,831,126.98	941,289,981.23	7.23%
<b>ZAR</b>	617,725.24	163,787.30	-73.49%
<b>EURO</b>	117,137,836.25	59,162,607.50	-49.49%
<b>VOLUMES IN</b>			
<b>USD</b>	58,492	57,533	-1.64%
<b>ZAR</b>	9	8	-11.11%
<b>EURO</b>	91	51	-43.96%

Source: Reserve Bank of Zimbabwe

### 3. TOBACCO SALES

A cumulative total of 202.09 million kilograms of tobacco had been sold, as at 23<sup>rd</sup> September 2016 or day 112 of the 2016 tobacco selling season. This was 2.59% higher than the 196.99 million kilograms of tobacco sold during the same period in 2015. The cumulative sales value amounted to US\$594.32 million during the period under analysis, representing 2.35% increase on the cumulative sales registered in the comparable period in 2015.

The golden leaf was sold at an average price of US\$2.94/kg during the period under analysis, down from an average price of US\$2.95/kg, realised during the same period in 2015.

**Table 5: Cumulative Tobacco Sales as at Day 112 (23/09/16)**

	2015	2016	Variance (%)
<b>Cumulative Quantity Sold (kgs)</b>	196,986,683	202,094,850	2.59
<b>Cumulative Average Price(US\$/kg)</b>	2.95	2.94	-0.24
<b>Cumulative Value (US\$)</b>	580,665,471	594,319,174	2.35

*Source: Tobacco Industry and Marketing Board, 2016*

## 4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international commodity prices of gold, platinum, nickel and copper firmed during the week ending 23<sup>rd</sup> September, 2016. Crude oil prices, however, retreated during the same week, as shown in Table 6.

**Table 6: 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 (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>19-Sep</b>	1,314.95	1,021.00	4,694.00	9,915.00	46.28
<b>20-Sep</b>	1,314.60	1,024.00	4,732.50	10,190.00	45.78
<b>21-Sep</b>	1,322.85	1,040.50	4,732.50	10,190.00	46.71
<b>22-Sep</b>	1,335.78	1,052.50	4,815.00	10,545.00	46.67
<b>23-Sep</b>	1,337.28	1,055.00	4,814.00	10,626.00	46.13
<b>Week ending (19-23-Sept)</b>	<b>1,325.09</b>	<b>1,038.60</b>	<b>4,757.60</b>	<b>10,293.20</b>	<b>46.31</b>
<b>Weekly Change (%)</b>	<i>0.4</i>	<i>0.2</i>	<i>2.1</i>	<i>4.6</i>	<i>(1.2)</i>

Source: BBC, KITCO, Reuters and Bloomberg

### Gold

Gold prices rose by 0.4%, to close the week under review at US\$1,325.09/ounce, from US\$1,320.27/ounce recorded in the previous week. The increase was underpinned by the US Federal Reserve decision to keep interest rates unchanged, a development which bolstered the precious metal's appeal as a safe haven asset.

### Platinum

Platinum prices increased by 0.2%, to close the week under review at US\$1,038.60/oz. This followed reports by the World Platinum Investment Council that global platinum output would decline by 3% in 2016. In the short to medium term, this development could result in upward pressures on platinum prices.



## **Copper**

Copper prices firmed by 2.1%, from US\$4,659.10/ton recorded in the previous week, to US\$4,757.60/ton during the week ending 23<sup>rd</sup> September 2016. The prices were pushed up by a positive demand outlook in China, the biggest consumer of the metal.

## **Nickel**

Nickel prices rose by 4.6%, from a weekly average of US\$9,836.00/tonne in the previous week, to US\$10,293.20/tonne during the week under review. This followed renewed fears of global supply disruptions, amid the continued crackdown of nickel mines that are non-compliant with environmental regulations in the Philippines.

## **Crude Oil**

Crude oil prices declined by 1.2%, to close the week under review at US\$46.31/barrel, from US\$46.86/barrel registered in the previous week. The decline was largely attributable to investor sentiments that an OPEC meeting, scheduled for Algiers on Wednesday 28<sup>th</sup> September 2016, would most likely not make a decision on curbing global crude oil supply, in a bid to shore up prices.



## 5. EXCHANGE RATES

**Table 7: International Exchange Rates per US\$**

	<b>GBP (£)</b>	<b>EURO (€)</b>	<b>Rand (ZAR)</b>	<b>Pula (BWP)</b>
<b>2016</b>				
<b>Weekly Average (12-16 Sept)</b>	<b>0.7543</b>	<b>0.8899</b>	<b>14.3404</b>	<b>10.8180</b>
<b>19-Sep</b>	0.7665	0.8951	14.1271	10.6213
<b>20-Sep</b>	0.7673	0.8951	13.9652	10.6157
<b>21-Sep</b>	0.7708	0.8982	13.9200	10.5541
<b>22-Sep</b>	0.7661	0.8929	13.5300	10.5152
<b>23-Sep</b>	0.7667	0.8928	13.6635	10.4657
<b>Weekly Average (19-23 Sept)</b>	<b>0.7675</b>	<b>0.8948</b>	<b>13.8412</b>	<b>10.5544</b>
<i>Appr(+)/Depr(-) (%) of the USD</i>	<i>1.75</i>	<i>0.55</i>	<i>(3.48)</i>	<i>(2.44)</i>

*Source: Reuters*

During the week under analysis, the British pound and the euro recorded respective gains of 1.75% and 0.55%, against the US dollar. The South African rand and the Botswana pula, however, depreciated by 3.48% and 2.44%, respectively, in the same week.

## 6. EQUITY MARKETS

Trading on the Zimbabwe Stock Exchange (ZSE) was largely bearish during the week ending 23<sup>rd</sup> September 2016. The mainstream index softened from 99.16 points in the previous week, to close at 98.88 points during the week under review. The mining index, however, remained flat at 25.69 points after a hugely inactive trading week.

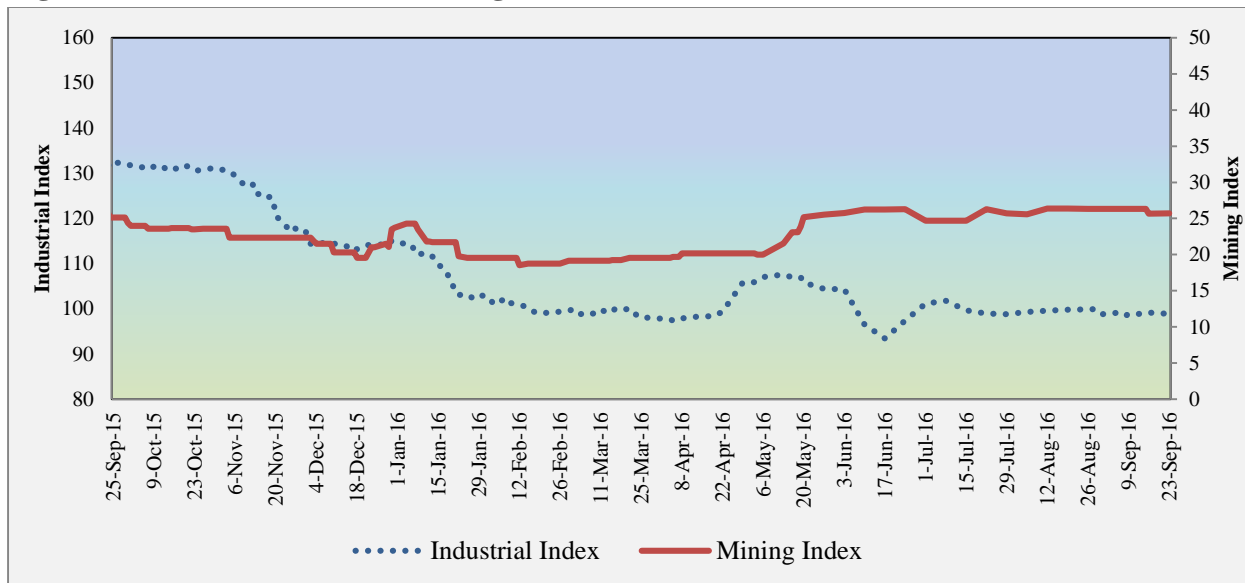
The decline in the mainstream index was on account of losses in losses in Pretoria Portland Cement (PPC), 12.57%; Star Africa and Amalgamated Regional Trading (Art) Corporation, 11.76% each; Delta, 2.79%; and CBZ Holdings, 2.45%.

**Table 8: Zimbabwe Stock Exchange (ZSE) Statistics**

Period	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
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	25.69	2,728,906,960	1,363,110	6,408,355
23-September	98.88	25.69	2,721,570,190	2,770,314	11,668,961
<b>Weekly Change (%)</b>	<b>-0.28</b>	<b>0</b>	<b>-0.27</b>	<b>103.23</b>	<b>82.09</b>

Source: Zimbabwe Stock Exchange (ZSE), 2016.

**Figure 3 : Zimbabwe Stock Exchange Indices**

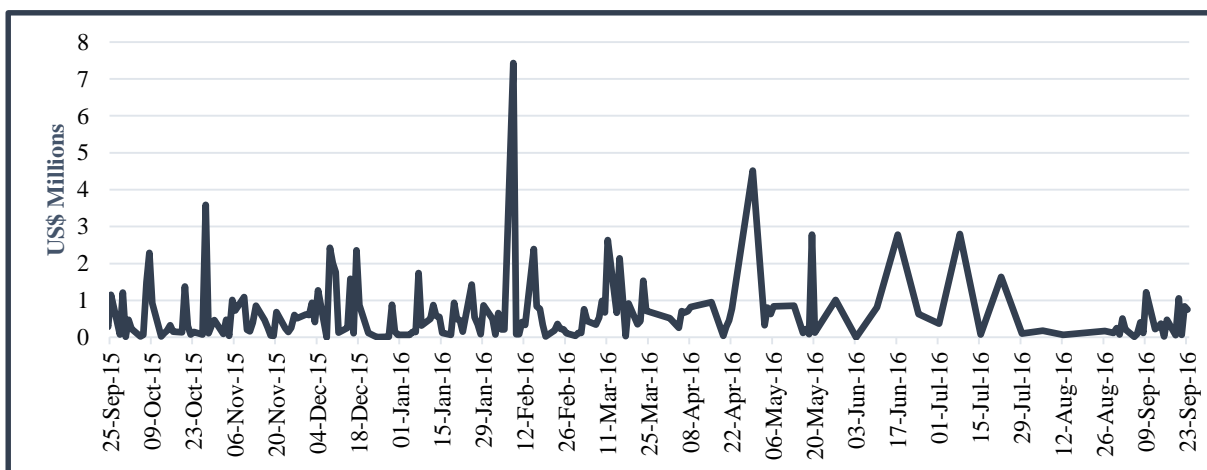


Source: Zimbabwe Stock Exchange, 2016

### Market Turnover and Volume

During the week under review, the ZSE turnover increased by 103.23% to US\$2.77 million. The volume of shares traded also increased, from 6 408 355 in the previous week to 11 668 961 shares during the week under analysis.

**Figure 4: Daily Market Turnover**

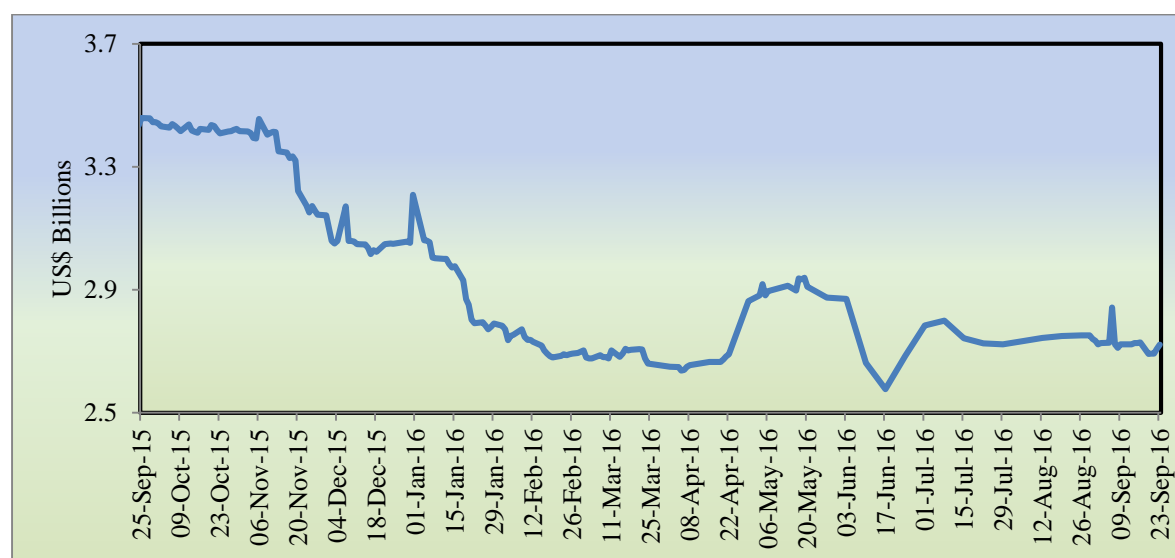


Source: Zimbabwe Stock Exchange, 2016

## Market Capitalisation

The ZSE market capitalisation declined by 0.27% to US\$2.73 billion during the week under analysis, from US\$2.72 billion in the previous week. This was largely attributable to losses in heavy weight stocks.

**Figure 5 : Market Capitalisation**



Source: Zimbabwe Stock Exchange, 2016

## Johannesburg Stock Exchange (JSE) Developments

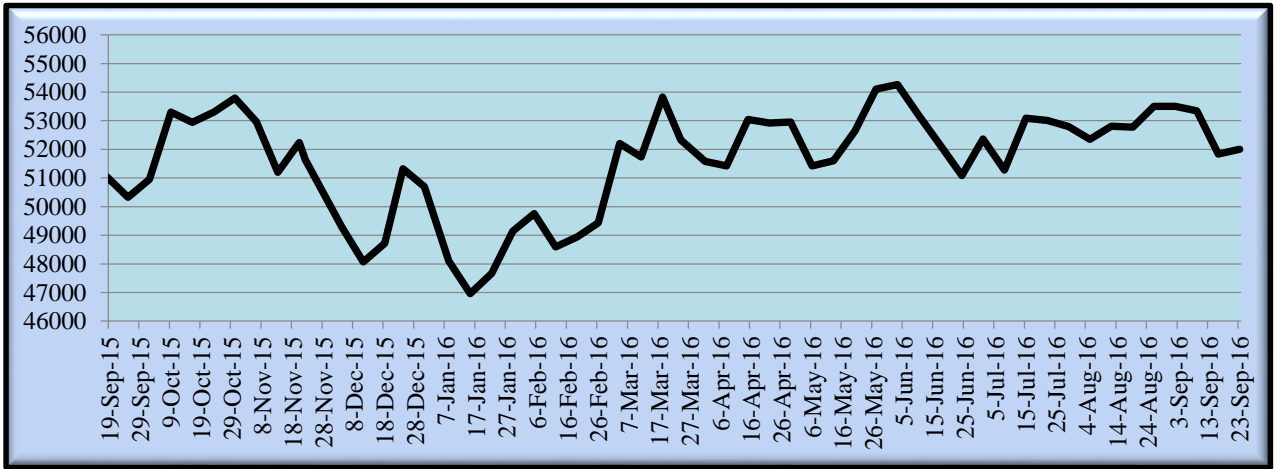
The JSE All Share index increased by 0.32%, to close the week ending 23<sup>rd</sup> September 2016 at 51 999.45 points. Market capitalisation increased from ZAR15.15 trillion in the previous week, to ZAR15.22 trillion during the week under analysis.

**Table 9: Johannesburg Stock Exchange (JSE) Statistics**

Period	All Share Index (points)	Market Capitalisation (ZAR trillion)
19-Aug-16	52,771.95	15.05
26-August-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	51 832.55	15.15
23-September-16	<b>51 999.45</b>	<b>15.22</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**

**30<sup>th</sup> SEPTEMBER 2016**