



# Weekly Economic Highlights

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

## 1. INTEREST RATES

### Deposit Rates

During the week ending 24<sup>th</sup> June 2016, average interest rates for savings deposits remained unchanged at 3.17%. Interest rates for deposits of 1 month and 3 month tenors, however, declined to close the week at 5.68% and 6.16%, respectively.

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

Date	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
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	3.17	5.93	6.44
24-June-16	3.17	<b>5.68</b>	<b>6.16</b>

Source: Banking Institutions, 2016

### Lending Rates

Commercial bank weighted lending rates for individual clients closed the week at 11.40%, up from 11.39% in the previous week. Similarly, weighted lending rates for corporate clients increased by 0.02 percentage points from 7.46% in the previous week, to 7.48% during the week under analysis.

**Table 2: Lending Rates**

Date	Lending Rates (%) Commercial Banks (weighted)	
	Individuals	Corporate clients
27-May-16	11.43	7.35
03-June-16	11.38	7.36
10-June-16	11.40	7.39
17-June-16	11.39	7.46
24-June-16	<b>11.40</b>	<b>7.48</b>

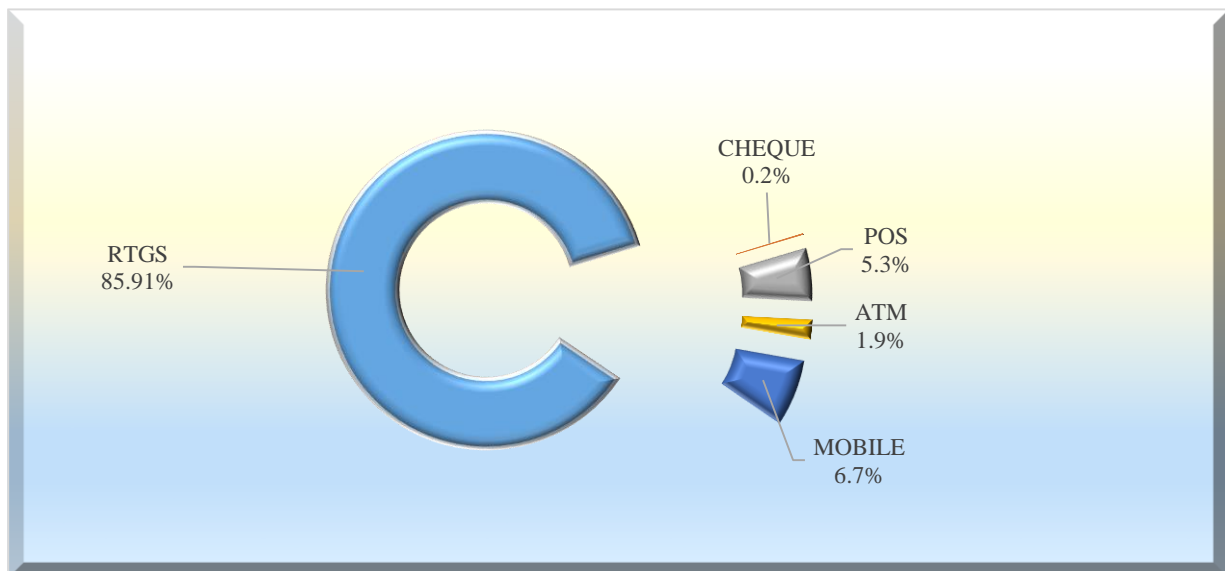
Source: Banking Institutions, 2016

## 2. CLEARING AND SETTLEMENT ACTIVITY

The total value of transactions processed through the National Payment System (NPS) increased from US\$1 213.07 million in the previous week, to US\$1 324.37 million, during the week ending 24<sup>th</sup> June 2016. Real Time Gross Settlement (RTGS) system transactions increased by 12%, to close the week under review at US\$1 137.71million.

The NPS was dominated by RTGS transactions which contributed 85.9% of the total value of transactions, followed by Mobile 6.7%; Point of Sale (POS), 5.3%; Automated Teller Machines (ATMs), 1.9%; and cheque, 0.2%.

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



*Source: Reserve Bank of Zimbabwe*

The total volume of NPS transactions decreased from 5 982 177 in the previous week, to 5 800 387 during the week under review. Mobile transactions constituted 79.76% of the total volume of NPS transactions; POS, 15.76%; ATM, 3.37%; RTGS, 0.99%; 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 17 June 2016	WEEK ENDING 24 June 2016	CHANGE FROM LAST WEEK	PROPORTION
<b>VALUES IN USD (millions)</b>				
<b>RTGS</b>	1,020.24	1,137.71	12%	85.91%
<b>CHEQUE</b>	2.49	2.26	-9%	0.17%
<b>POS</b>	68.02	69.95	3%	5.28%
<b>ATMS</b>	29.02	25.55	-12%	1.93%
<b>MOBILE</b>	93.30	88.90	-5%	6.71%
<b>TOTAL</b>	<b>1,213.07</b>	<b>1,324.37</b>	<b>9%</b>	<b>100%</b>
<b>VOLUMES</b>				
<b>RTGS</b>	56,898	57,372	1%	0.99%
<b>CHEQUE</b>	8,390	7,492	-11%	0.13%
<b>POS</b>	784,403	913,917	17%	15.76%
<b>ATMs</b>	201,035	195,340	-3%	3.37%
<b>MOBILE</b>	4,931,451	4,626,266	-6%	79.76%
<b>TOTAL</b>	<b>5,982,177</b>	<b>5,800,387</b>	<b>-3.00%</b>	<b>100%</b>

Source: Reserve Bank of Zimbabwe

### 3. TOBACCO SALES

As at 24<sup>th</sup> June 2016 or day 60 of the 2016 tobacco selling season, a cumulative total of 149.87 million kilograms of tobacco had been sold. This compares with the 140.47 million kilograms sold during the same period in 2015.

In value terms, US\$437.91 million had been realised as at 24<sup>th</sup> June 2016, up from US\$413.47 million realised during the comparable period in 2015. The golden leaf was, however, sold at a lower average price of US\$2.92 per kg.

**Table 4: Cumulative Tobacco Sales: Day 60 (24/06/16)**

	2015	2016	Variance (%)
<b>Cumulative Quantity Sold (kgs)</b>	140,473,421	149,866,173	6.69
<b>Cumulative Average Price(US\$/kg)</b>	2.94	2.92	(0.73)
<b>Cumulative Value (US\$)</b>	413,469,543	437,911,918	5.91

*Source: Tobacco Industry and Marketing Board, 2016*

#### 4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

During the week ending 24<sup>th</sup> June 2016, the international commodity prices of gold and platinum retreated. The prices of copper, nickel and crude oil, however, 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
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>20-Jun</b>	1,282.53	976.50	4,585.00	9,040.00	50.48
<b>21-Jun</b>	1,276.70	978.50	4,586.50	9,175.00	49.90
<b>22-Jun</b>	1,264.93	980.50	4,687.00	9,230.00	49.96
<b>23-Jun</b>	1,263.95	978.50	4,746.50	9,230.00	50.98
<b>24-Jun</b>	1,314.68	981.50	4,665.00	8,900.00	48.51
Weekly Average (20-24 June)	<b>1,280.56</b>	<b>979.10</b>	<b>4,654.00</b>	<b>9,115.00</b>	<b>49.97</b>
<b>Weekly Change (%)</b>	<i>(0.7)</i>	<i>(0.4)</i>	<i>2.0</i>	<i>2.0</i>	<i>1.9</i>

Source: BBC, KITCO, Reuters and Bloomberg

#### **Gold**

Gold prices eased by 0.7% from a weekly average of US\$1 288.97/oz in the previous week, to US\$1 280.56/oz during the week under review. This was on the back of uncertainties over the outcome of the Brexit referendum, which saw investors shying away from the precious mineral, as they adopted a wait and see attitude.

#### **Platinum**

Platinum prices declined by 0.4% from a weekly average of US\$982.80/oz, to an average of US\$979.10/oz during the week under review. Weak industrial demand from the automobile industry, following concerns of a global economic slowdown, largely accounted for the decline.



## **Copper**

Copper prices rose by 2.0% from a weekly average of US\$4 561.80/ton, to an average of US\$4 654.00/ton. This followed speculation on China's plans to boost stockpiles of the base metal.

## **Nickel**

Nickel prices registered a 2.0% increase from US\$8 940.00/ton in the previous week, to close the week under review at US\$9 115.00/ton. The increase was underpinned by higher demand, as the Chinese economy sought to balance the supply and demand of the metal.

## **Brent Crude Oil**

Brent crude oil prices increased by 1.9% from a weekly average of US\$49.06/barrel in the previous week, to a weekly average of US\$49.97/barrel during the week ending 24<sup>th</sup> June 2106. This was on account of declining stockpiles in the US, the world's largest crude oil consumer.

## 5. EQUITY MARKETS

The Zimbabwe Stock Exchange (ZSE) recovered from previous losses, as the industrial index gained by 4.01 points to 97.40 points during the week ending 24<sup>th</sup> June 2016. A 0.03 points increase to 26.27 points was recorded for the resources index, despite depressed demand in the mining counters. The increase in the mining index was attributable to a 10% gain in Falcon Gold Zimbabwe Limited counter.

Gains realised in Amalgamated Regional Trading (ART) (43.28%), Delta Corporation (14.42%), SeedCo Limited (9.62%), Econet Wireless (5%) and Padenga Holdings (1.85%), resulted in the increase in the industrial index.

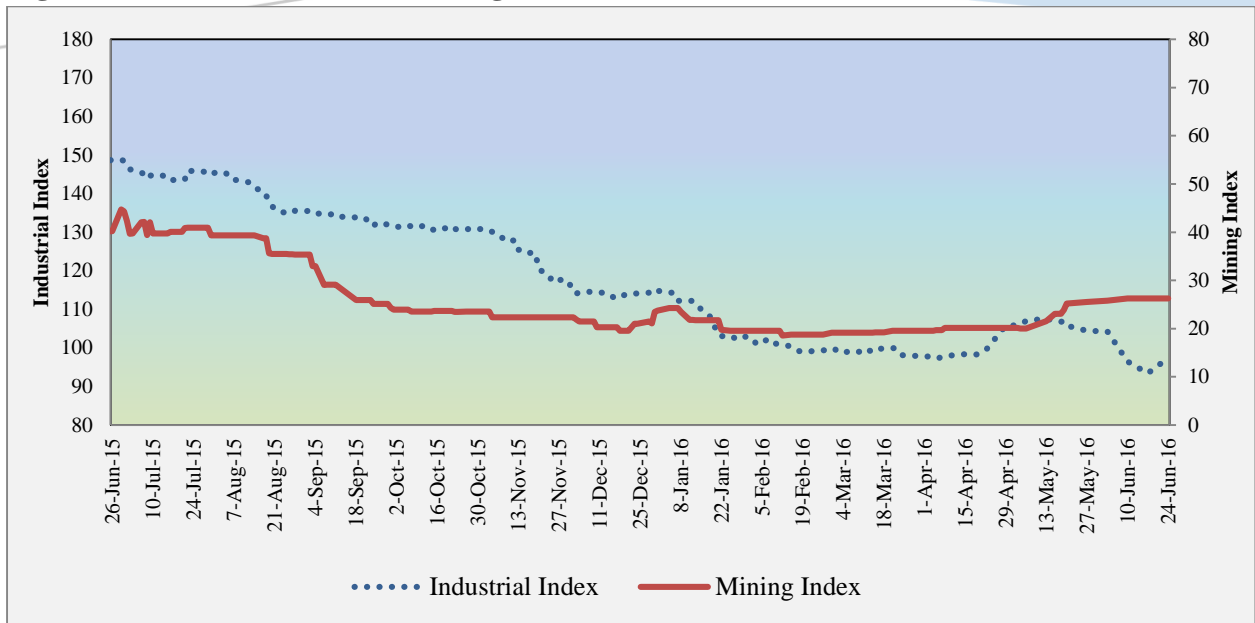
**Table 6: Zimbabwe Stock Exchange (ZSE) Statistics**

Period	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
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
24-June	97.40	26.27	2,685,412,879	5,153,228	39,745,025
Weekly Change (%)	<b>4.29</b>	<b>0.11</b>	<b>4.20</b>	<b>(22.85)</b>	<b>150.35</b>

Source: Zimbabwe Stock Exchange (ZSE), 2016



**Figure 3 : Zimbabwe Stock Exchange Indices**

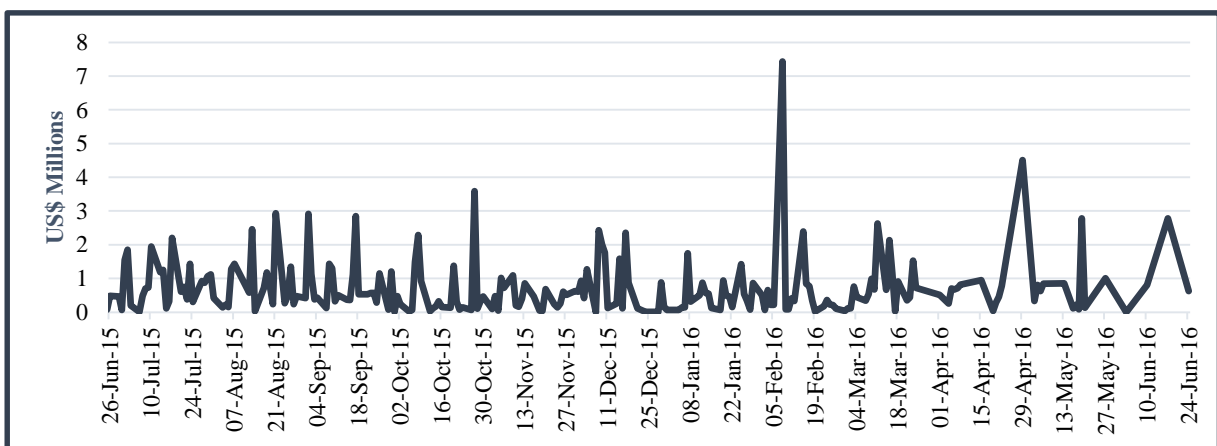


Source: Zimbabwe Stock Exchange, 2016

**Market Turnover and Volume**

The ZSE market turnover declined by 22.85% to US\$5.15 million, compared to US\$6.68 million realised in the previous week. The volume of shares traded, however, increased by 150.35%, from 15.9 million in the previous week, to close the week under analysis at 39.7 million. The local bourse witnessed a block trade, which saw 25 479 187 Bindura Nickel Corporation shares exchanging hands during the week under review.

**Figure 4: Daily Market Turnover**

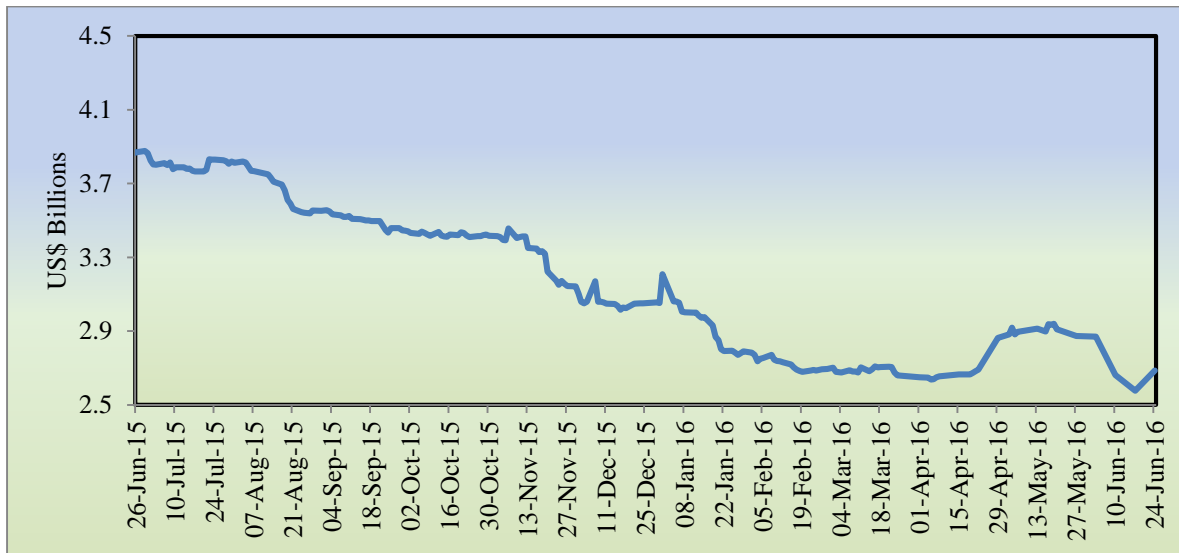


Source: Zimbabwe Stock Exchange, 2016

## Market Capitalisation

Due to the positive gains in both indices, the ZSE market capitalisation increased by 4.20%, to close the week under review at US\$2.69 billion.

**Figure 5 : Market Capitalization**



Source: Zimbabwe Stock Exchange, 2016

## Johannesburg Stock Exchange (JSE) Developments

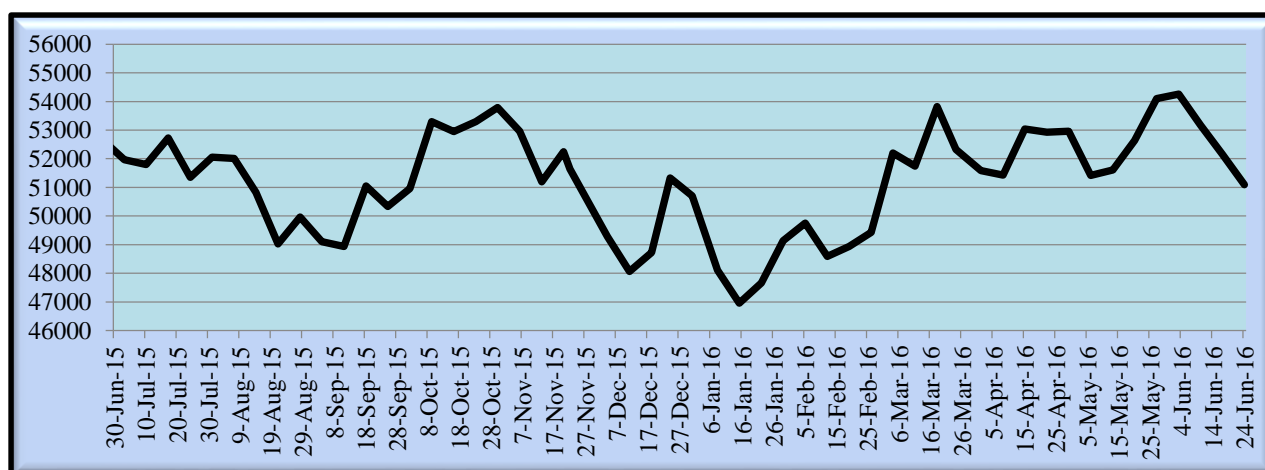
The JSE All Share Index continued on a downward trend, declining from 52 140.61 points in the previous week to 51 092.05 points during the ending 24<sup>th</sup> June 2016. In tandem, market capitalisation declined from R15.26 trillion in the previous week, to R15.09 trillion during the week under review.

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

Period	All Share Index (points)	Market Capitalization (R trillion)
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	52,140.61	15.26
24-June-16	<b>51,092.05</b>	<b>15.09</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**

**1<sup>ST</sup> JULY 2016**