



Weekly Economic Highlights

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Week Ending
26th AUGUST 2016

1. INTEREST RATES

Deposit Rates

During the week ending 26th August 2016, average deposit rates for savings deposits and deposits of 3 month tenor remained unchanged at 3.01% and 6.01%, respectively. Deposit rates for deposits of 1 month tenor, however, increased from 5.55% in the previous week to 5.60% during the period under analysis.

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

Date	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
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
26-August-16	3.01	5.60	6.01

Source: Banking Institutions, 2016

Lending Rates

Weighted commercial bank lending rates for individual and corporate clients declined to weekly averages of 10.67% and 6.84%, respectively, during the week under review, as shown in Table 2.

Table 2: Lending Rates

Date	Lending Rates (%) Commercial Banks (weighted)	
	Individuals	Corporate clients
29-July-16	10.69	6.79
5-August-16	10.70	6.85
12-August-16	10.71	6.85
19-August-16	10.68	6.85
26-August-16	10.67	6.84

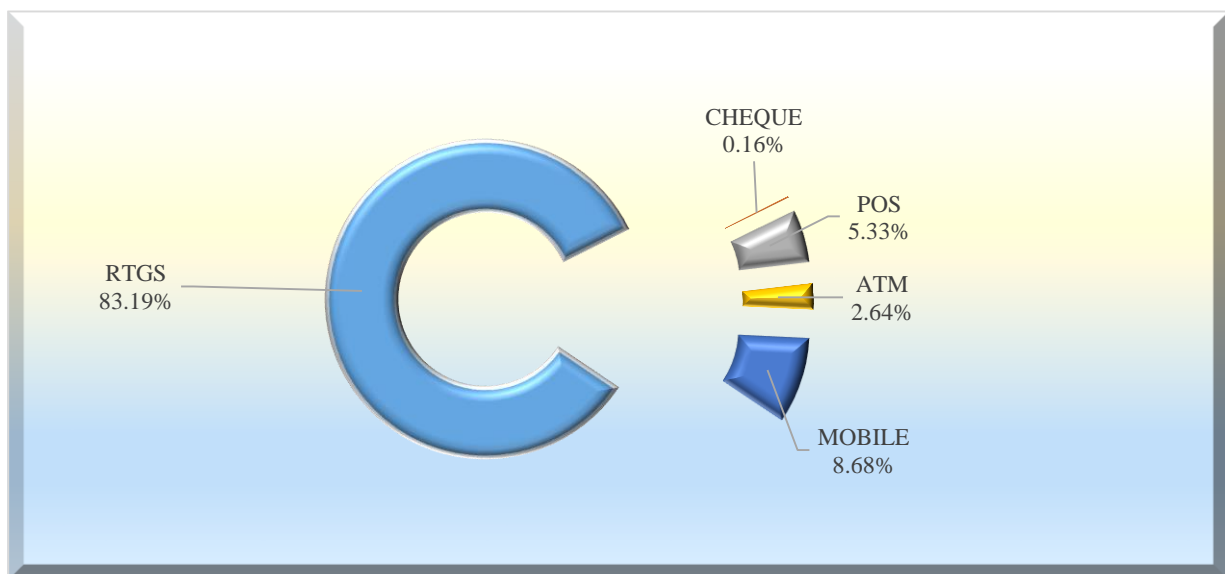
Source: Banking Institutions, 2016

2. CLEARING AND SETTLEMENT ACTIVITY

During the week ending 26th August 2016, transactions processed through the National Payment System (NPS) recorded an 8% increase from US\$1 073.52 million in the previous week, to US\$1 155.64 million during the week under review. Real Time Gross Settlement (RTGS) system transactions also increased by 8%, from US\$887.01 million to US\$961.34 million, over the same period.

The distribution of the values of transactions processed through the NPS was as follows; RTGS, 83.19%; Mobile, 8.68%; POS, 5.33%; ATMs, 2.64% and cheque, 0.16%, as shown in Figure 1.

Figure 1: Proportions of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe

In volume terms, NPS transactions decreased by 2%, from 6 556 514 in the previous week to 6 448 589 during the week under review. The distribution of NPS transaction volumes was as follows; Mobile, 79.14%; POS, 15.39%; ATM, 4.45%; RTGS, 0.91% 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 19 August 2016	WEEK ENDING 26 August 2016	CHANGE FROM LAST WEEK	PROPORTION
VALUES IN USD (millions)				
RTGS	887.01	961.34	8%	83.19%
CHEQUE	2.01	1.84	-8%	0.16%
POS	56.75	61.65	9%	5.33%
ATMS	27.99	30.46	9%	2.64%
MOBILE	99.76	100.36	1%	8.68%
TOTAL	1,073.52	1,155.64	8%	100%
VOLUMES				
RTGS	57,199	58,812	3%	0.91%
CHEQUE	6,850	6,529	-5%	0.10%
POS	954,526	992,434	4%	15.39%
ATMs	293,554	287,261	-2%	4.45%
MOBILE	5,244,385	5,103,553	-3%	79.14%
TOTAL	6,556,514	6,448,589	-2%	100%

Source: Reserve Bank of Zimbabwe

3. TOBACCO SALES

As at 26th August 2016 or day 102 of the 2016 tobacco selling season, a cumulative total of 200.27 million kilograms of tobacco had been sold at an average price of US\$2.94/kg. The cumulative value of sales stood at US\$589.24 million - a 3.4% increase from the US\$570.07 million realised during the comparable period in 2015.

Table 4: Cumulative Tobacco Sales: Day 102 (26/08/16)

	2015	2016	Variance (%)
Cumulative Quantity Sold (kgs)	193,630,103	200,269,036	3.43
Cumulative Average Price(US\$/kg)	2.94	2.94	0
Cumulative Value (US\$)	570,066,950	589,249,288	3.36

Source: Tobacco Industry and Marketing Board, 2016

4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international commodity prices of gold, platinum, copper, nickel and crude oil retreated, during the week ending 26th August 2016, 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 (15-19 Aug)	1,344.86	1117.6	4,755.30	10,271.00	49.612
22-Aug	1335.10	1108.50	4732.00	10120.00	49.39
23-Aug	1340.15	1105.50	4717.00	10230.00	49.45
24-Aug	1,332.28	1,097.50	4,658.00	10,215.00	49.06
25-Aug	1322.90	1078.50	4638.00	10215.00	49.41
26-Aug	1321.83	1079.50	4622.00	9770.00	49.56
Weekly Average (22-26 Aug)	1,330.45	1,093.90	4,673.40	10,110.00	49.37
Weekly Change (%)	<i>(1.07)</i>	<i>(2.1)</i>	<i>(1.7)</i>	<i>(1.6)</i>	<i>(0.5)</i>

Source: BBC, KITCO, Reuters and Bloomberg

Gold

Gold prices weakened by 1.07%, from a weekly average of US\$1,344.86/oz in the previous week, to US\$1,330.45/oz in the week under review. Prices declined on account of market sentiment pointing towards the prospects of a US Fed interest rate hike before the end of 2016. These developments continued to dampen the precious metal's safe haven status, thereby, weighing down on prices.

Platinum

Platinum prices declined by 2.1%, from a weekly average of US\$1,117.6/oz during the previous week to an average of US\$1,093.90/oz, during the week ending 26th August 2016. This was attributed to weak industrial demand outlook for platinum, largely driven by slackening activity in the global automobile industry.



Copper

Copper prices retreated by 1.7% from a weekly average of US\$4,755.30/tonne during the previous week, to US\$4,673.40/tonne during the week under review. Prices were weighed down by the weak GDP growth outlook in China, the world's biggest consumer of the metal.

Nickel

Nickel prices declined by 1.6% from a weekly average of US\$10,271.00/tonne, to close the week under review analysis at US\$10,110.00/tonne. This was attributed to a glut of the metal, as stockpiles increased.

Brent Crude Oil

Brent crude oil prices fell by 0.5%, from a weekly average of US\$49.61/barrel recorded in the previous week, to US\$49.37/barrel during the week under review. This, in large part, resulted from the news that U.S. stockpiles had increased more than was anticipated during the previous week.

5. EXCHANGE RATES

Table 6: International Exchange Rates per US\$

	GBP (£)	EURO (€)	Rand (ZAR)
2016			
Weekly Average (15-19 August)	0.7684	0.8884	13.3838
22-Aug	0.7667	0.8867	13.5877
23-Aug	0.7599	0.8821	13.4612
24-Aug	0.7588	0.8853	13.9450
25-Aug	0.7560	0.8869	14.1328
26-Aug	0.7571	0.8860	14.2197
Weekly Average (22-26 August)	0.7597	0.8854	13.8693
<i>Appr- /Depr+</i>	<i>(1.13)</i>	<i>(0.3)</i>	<i>3.6</i>

Source: Reuters

The British pound and euro appreciated by weekly averages of 1.13% and 0.30%, respectively, during the week under analysis. This followed reports that cyclical drivers are moving in favour of the Eurozone, as the business cycle there now looks stronger than the US cycle. The South African rand, however, depreciated by 3.6% during the same period, on account of investor concerns over a political row involving the future of the country's Minister of Finance.

6. EQUITY MARKETS

During the week ending 26th August 2016, the Zimbabwe Stock Exchange (ZSE) was bullish. Resultantly, the industrial index marginally increased by 0.07 points to close at 99.90 points. The mining index, however, declined by 0.03 points to 26.32 points.

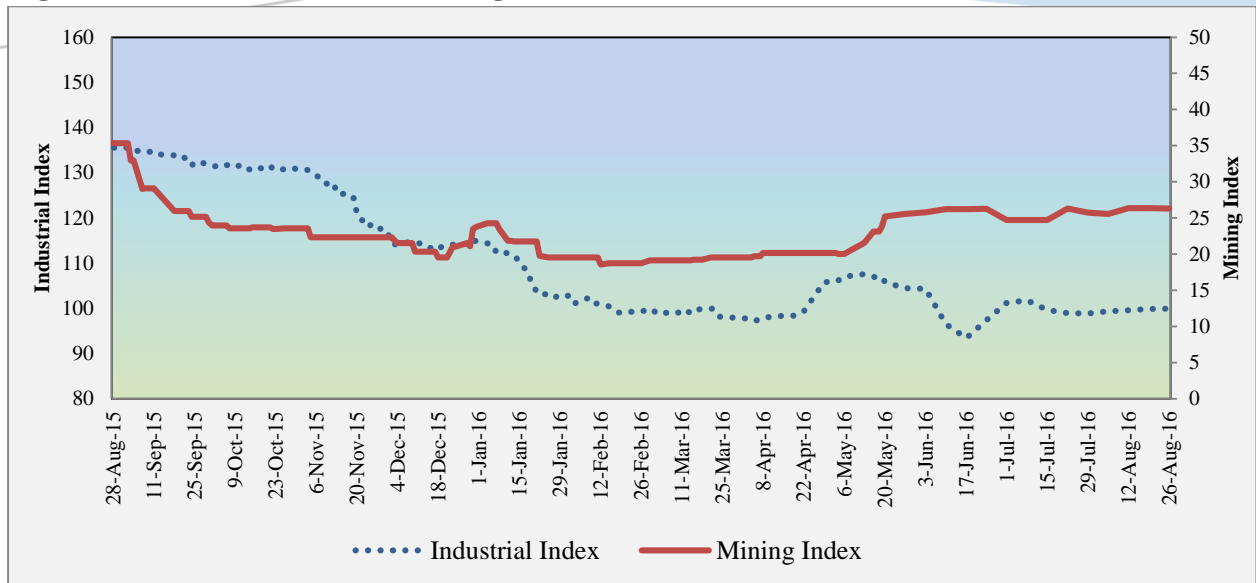
The increase in the mainstream index was attributed to gains realized in Barclays Bank of Zimbabwe, 5.88%; Padenga Holdings Limited, 3.87%; Old Mutual Plc, 3.31%; ZB Financial Holdings Limited, 0.67%; and Meikles Limited, 0.27%. The mining index decreased following a 9.09% decline in Falgold.

Table 7: Zimbabwe Stock Exchange (ZSE) Statistics

Period	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
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
26-August	99.90	26.32	2,751,686,386	723,840	3,869,764
Weekly Change (%)	0.07	(0.11)	0.08	(49.94)	(55.69)

Source: Zimbabwe Stock Exchange (ZSE), 2016.

Figure 3 : Zimbabwe Stock Exchange Indices

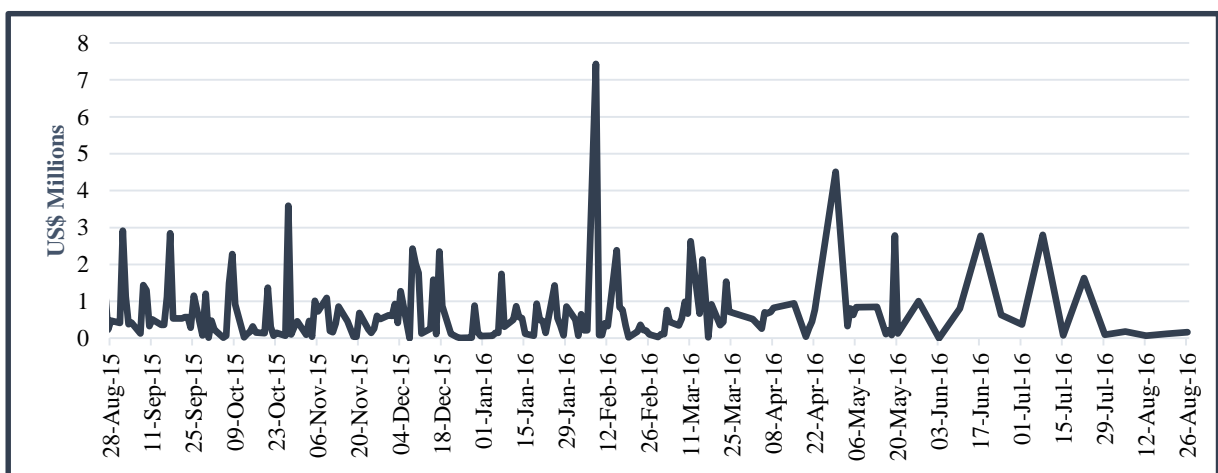


Source: Zimbabwe Stock Exchange, 2016

Market Turnover and Volume

The volume of shares traded declined from 8.7 million in the previous week, to 3.9 million shares during the week under review. In tandem, the value of traded shares also declined by 49.94% to US\$0.72 million.

Figure 4: Daily Market Turnover

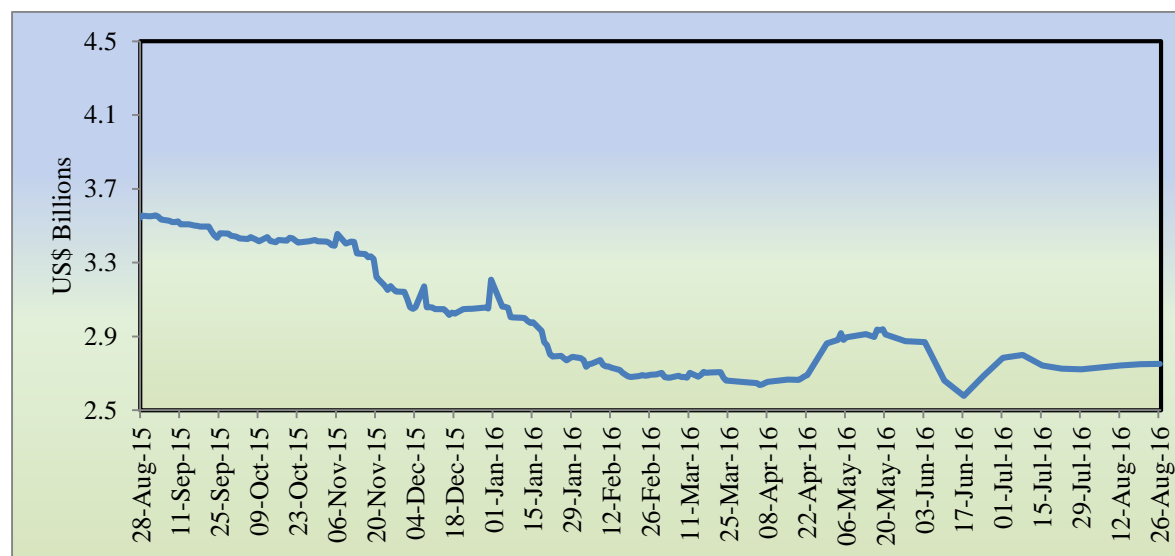


Source: Zimbabwe Stock Exchange, 2016

Market Capitalisation

The ZSE market capitalisation gained US\$2.1 million worth of value to US\$2.751 billion, during the week ending 26th August 2016.

Figure 5 : Market Capitalisation



Source: Zimbabwe Stock Exchange, 2016

Johannesburg Stock Exchange (JSE) Developments

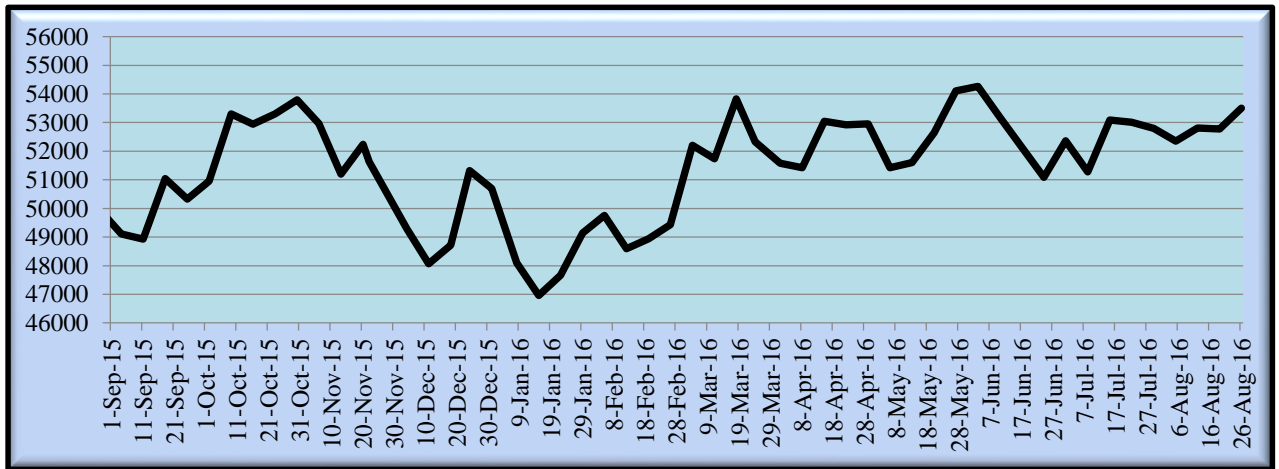
The JSE All Share index increased from 52 771.95 points in the previous week, to close the week ending 26th August 2016 at 53 506.62 points. During the same period, market capitalisation also increased by 2.13%, from ZAR15.05 trillion to ZAR15.37 trillion.

Table 8: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalisation (ZAR trillion)
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	52,771.95	15.05
26-August-16	53,506.62	15.37

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

5th SEPTEMBER 2016