



Weekly Economic Highlights

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Week Ending
26th May 2017

1. INTEREST RATES

Deposit Rates

During the week ending 26th May 2017, average deposit rates for savings deposits remained unchanged at 3.96%. Average deposit rates for deposits of 1 month and 3 months tenors, however, increased by 0.05 and 0.01 percentage points to close the week under review at 4.38% and 4.46%, respectively.

Table 1: Average Deposit Rates (per annum)

Date	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
28-April-17	3.46	4.36	4.44
05-May-17	3.46	4.36	4.44
12-May-17	3.46	4.37	4.46
19-May-17	3.96	4.33	4.45
26-May-17	3.96	4.38	4.46

Source: Banking Institutions, 2017

Lending Rates

Commercial bank weighted lending rates for individual clients fell by 0.03 percentage points to close the week under analysis at 9.17%. Weighted lending rates for corporate clients closed the week at 7.03%, a 0.01 percentage points increase from 7.02% recorded in the previous week.

Table 2: Lending Rates

Date	Lending Rates (%)	
	Commercial Banks (weighted)	
	Individuals	Corporate clients
28-April-17	9.25	7.02
05-May-17	9.25	7.02
12-May-17	9.19	7.02
19-May-17	9.20	7.02
21-May-17	9.17	7.03

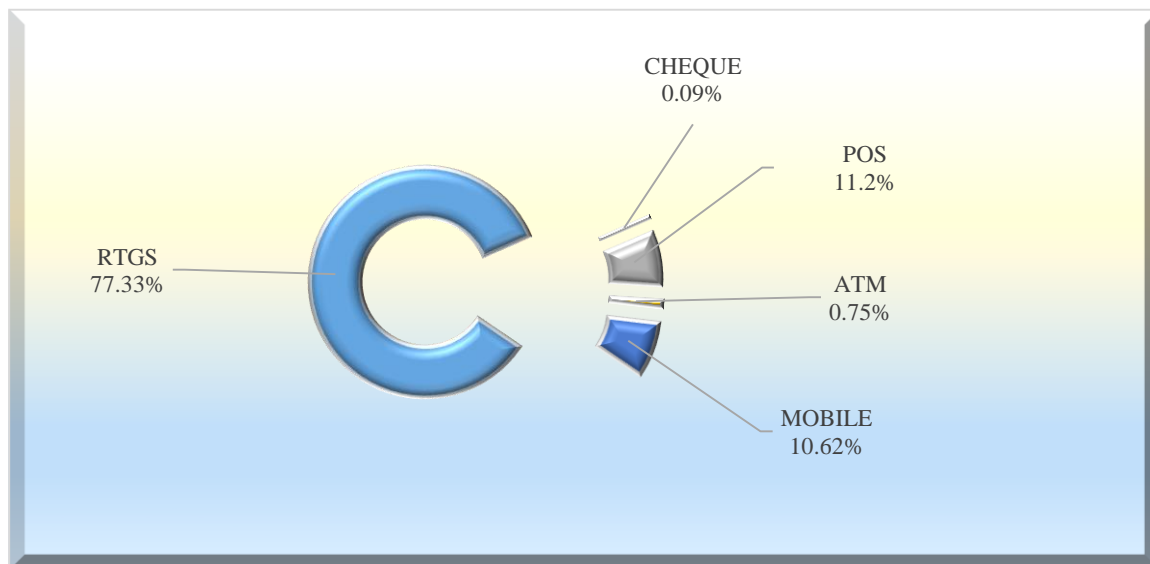
Source: Banking Institutions, 2017

2. CLEARING AND SETTLEMENT ACTIVITY

The total value of transactions processed through the National Payment System (NPS) stood at US\$1 395.68 million during the week under review, down from US\$1 403.72 million registered in the previous week. Transactions processed through the Real Time Gross Settlement (RTGS) system increased by 1% to US\$1 079.29 million in the same week.

Payments through the RTGS system accounted for 77.33% of the total value of transactions processed through the NPS, followed by Point of Sale (POS), 11.20%; Mobile, 10.62%; Automated Teller Machines (ATMs), 0.75%; and Cheque, 0.09%, as shown in Figure 1.

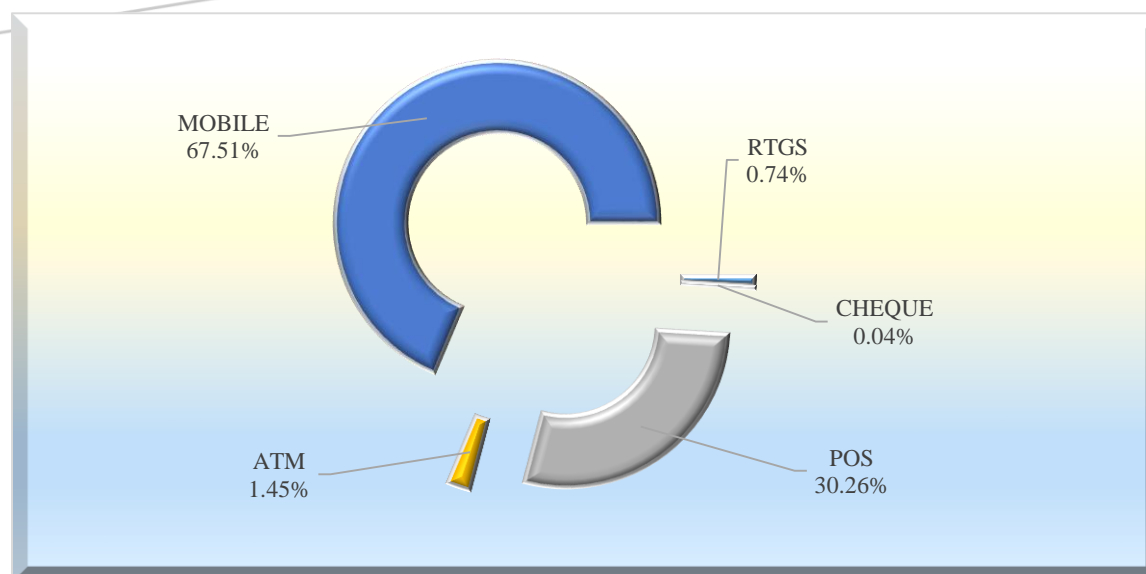
Figure 1: Proportions of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe

The volume of transactions processed through the NPS amounted to 12 956 757 during the week under review, a 6% decrease from 13 732 274 transactions processed in the previous week. The distribution of NPS transaction volumes was as follows: Mobile, 67.51%; POS, 30.26%; ATMs, 1.45%; RTGS, 0.74%; and Cheque, 0.04%, 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 May 2017	WEEK ENDING 26 May 2017	CHANGE FROM LAST WEEK	PROPORTION
VALUES IN USD (millions)				
RTGS	1,066.84	1,079.29	1%	77.33%
CHEQUE	1.74	1.30	-25%	0.09%
POS	181.15	156.32	-14%	11.20%
ATMS	11.46	10.54	-8%	0.75%
MOBILE	142.53	148.22	4%	10.62%
TOTAL	1,403.72	1,395.68	-1%	100%
VOLUME				
RTGS	105,633	95,940	-9%	0.74%
CHEQUE	7,141	5,571	-22%	0.04%
POS	4,518,585	3,920,142	-13%	30.26%
ATMs	211,091	187,688	-11%	1.45%
MOBILE	8,889,824	8,747,416	-2%	67.51%
TOTAL	13,732,274	12,956,757	-6%	100%

Source: Reserve Bank of Zimbabwe

3. TOBACCO SALES

As at 26th May 2017 or day 48 of the 2017 tobacco selling season, a cumulative total of 137.47 million kilograms of tobacco had been sold at an average price of US\$2.87/kg. The cumulative value of sales stood at US\$394.33 million, a 13.05% increase from the US\$348.80 million realised during the comparable period in 2016.

Table 4: Cumulative Tobacco Sales: Day 48 (26 May 2017)

	2016	2017	Variance (%)
Cumulative Quantity Sold (kgs)	119,889,120	137,468,401	14.66
Cumulative Average Price(US\$/kg)	2.91	2.87	-1.37
Cumulative Value (US\$ million)	348,801,364	394,331,557	13.05

Source: Tobacco Industry and Marketing Board (TIMB), 2017

4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The weekly average international commodity prices of gold, platinum, copper, nickel and crude oil continued on a positive trajectory, during the week ending 26th May 2017, as shown in Table 5.

Table 5: Metal and Crude Oil Prices

Period	Gold	Platinum	Copper	Nickel	Crude Oil
2017	<i>US\$/ounce</i>	<i>US\$/ounce</i>	<i>US\$/tonne</i>	<i>US\$/tonne</i>	<i>US\$/barrel</i>
Weekly Average (19 May)	1,242.83	932.37	5,546.03	9,153.33	51.14
22-May	1,257.05	938.50	5,595.50	9,180.00	53.77
23-May	1,260.05	950.00	5,677.00	9,365.00	54.18
25-May	1,257.03	947.50	5,662.50	9,130.00	51.21
26-May	1,265.03	957.00	5,665.00	9,130.00	52.16
Weekly Average (26 May)	1,259.79	948.25	5,650.00	9,201.25	52.83
<i>Weekly Change (%)</i>	<i>1.4</i>	<i>1.7</i>	<i>1.9</i>	<i>0.5</i>	<i>3.3</i>

Source: BBC, KITCO and Bloomberg

Gold

Gold prices firmed by 1.4%, from a weekly average of US\$1,242.83/oz recorded in the previous week, to US\$1,259.79/oz during the week under review. The increase was due to speculation that the Fed may delay raising interest rates, amid signs of uneven economic growth in the U.S.

Platinum

Platinum prices rose by 1.7%, from US\$932.37/oz recorded in the previous week, to US\$948.28/oz during the week under analysis. The increase was underpinned by prospects of strong demand in China and the motor vehicle industry.

Copper

Copper prices increased by 1.9%, from US\$5,546.03/ton in the previous week to US\$5,650.00/ton during the week under review. The prices were buoyed by fears of shortages, following supply disruptions at one of the world's largest copper mines in Indonesia.

Nickel

Nickel prices continued on a positive trajectory, increasing by 0.5% from a weekly average of US\$9,153.33/ton registered in the previous week, to close the week under review at an average of US\$9,201.25/ton. This was on the back of a weaker US dollar and increased demand for the metal in China.

Crude Oil

Crude oil prices continued on an upward trend, registering an increase of 3.3%, to close the week under review at an average price of US\$52.83/barrel. The increase was largely underpinned by OPEC's decision to extend production cuts by a further nine months.

5. EXCHANGE RATES

The U.S dollar depreciated against the euro and the rand during the week under review, amid speculation that the US Fed monetary tightening might be delayed due to signs of economic weakness in the world's largest economy. The greenback, however, appreciated by 0.2% against the pound Sterling during the same period.

Table 6: International Exchange Rates per US\$

	ZAR	GBP	EURO
2017			
Weekly Average (15-19 May)	13.2900	0.7700	0.9100
22-May	13.2322	0.7694	0.8936
23-May	13.2484	0.7699	0.8892
24-May	13.1407	0.7706	0.8944
26-May	12.9376	0.7764	0.8927
Weekly Average (22-26 May)	13.1397	0.77158	0.89248
<i>Appr(+)/Depr(-) (%) of the USD</i>	<i>-1.1</i>	<i>0.2</i>	<i>-1.9</i>

Source: Reuters

6. EQUITY MARKETS

The Zimbabwe Stock Exchange (ZSE) continued on a positive trajectory, during the week ending 26th May 2017. The mainstream index increased by 4.55%, to close the week under review at 160.30 points. This was attributed to gains realised in Ariston Holdings, 33.33%; Econet Wireless, 22.10%; Innsco Africa, 9.35%; ZB Financial Holdings, 6.25%; and OK Zimbabwe, 6.06%. Partially offsetting these gains were losses in Willdale, 30%; Zimre Holdings, 13.33%, Lafarge Cement Zimbabwe, 10.11%; FBC Holdings, 1.40%; and Turnall Holdings, 1.01%.

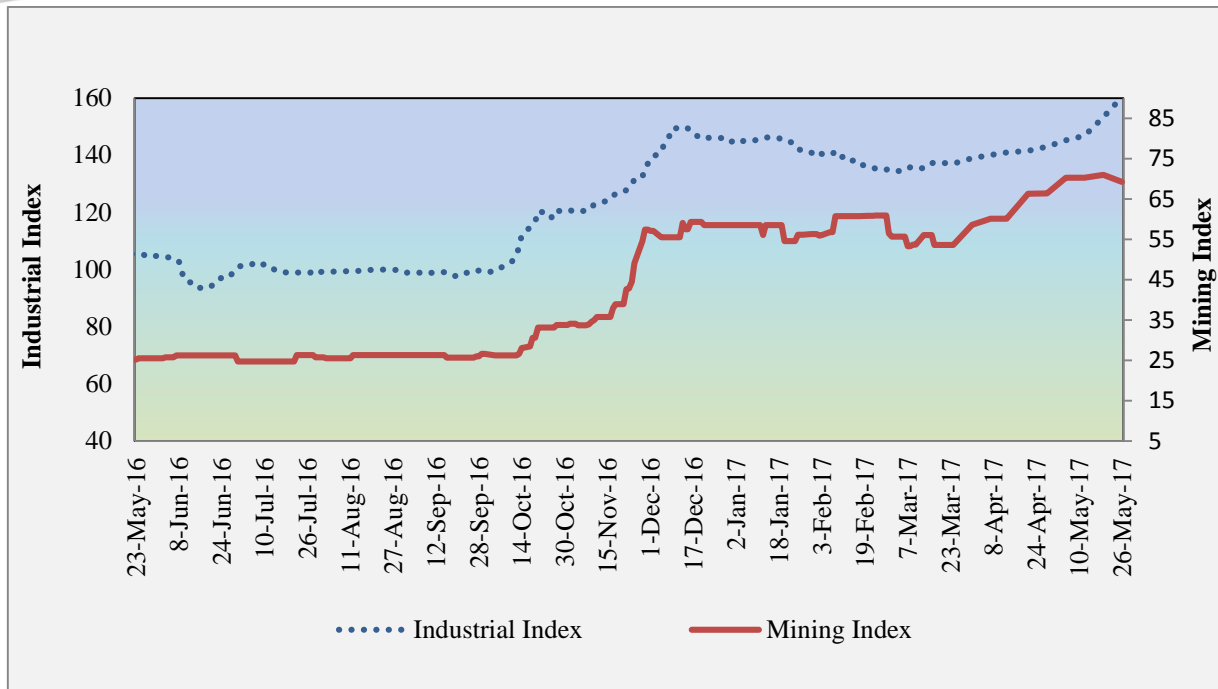
The mining index, however, declined by 2.49%, from 70.98 points in the previous week to close the week under analysis at 69.21 points. This was due to losses of 19.66% and 3.51%, realised in Hwange Colliery Company (HCC) and RioZim, respectively.

Table 7: Zimbabwe Stock Exchange (ZSE) Statistics

	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
28-April-17	142.96	66.33	4,182,789,106	5,199,710	32,870,288
05-May-17	145.26	70.22	4,254,332,270	2,454,771	54,665,643
12-May-17	146.80	70.22	4,298,671,929	2,231,855	44,332,738
19-May-17	153.33	70.98	4,485,761,275	6,903,058	42,246,254
26-May-17	160.30	69.21	4,681,428,298	4,732,727	25,047,926
Weekly Change (%)	4.55	(2.49)	4.36	(31.44)	(40.71)

Source: Zimbabwe Stock Exchange (ZSE), 2017.

Figure 3 : Zimbabwe Stock Exchange Indices

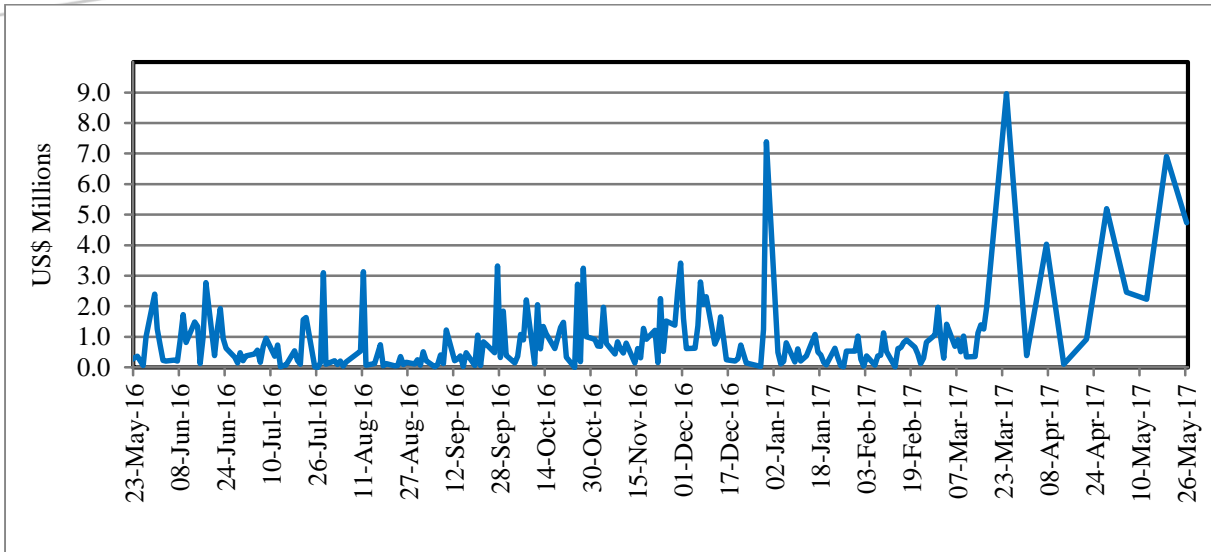


Source: Zimbabwe Stock exchange

Market Turnover and Volume

During the week under review, the volume of shares traded on the local bourse stood at 25 047 926 shares, representing a 40.71% decline from 42 246 254 shares traded in the previous week. Similarly, ZSE market turnover declined by 31.44%, to close the week ending 26th May 2017 at US\$4.73 million.

Figure 4: Daily Market turnover

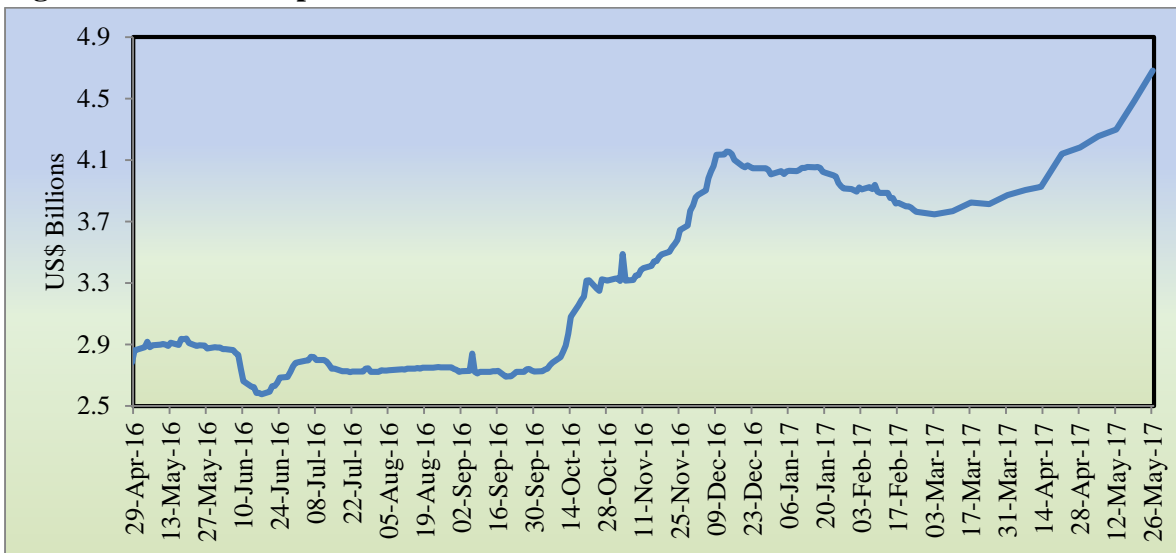


Source: Zimbabwe Stock Exchange, 2017

Market Capitalization

The ZSE market capitalization rose by 4.36%, from US\$4.49 billion recorded in the previous week to US\$4.68 billion during the period under review.

Figure 5 : Market Capitalization



Source: Zimbabwe Stock Exchange, 2017

Johannesburg Stock Exchange (JSE) Developments

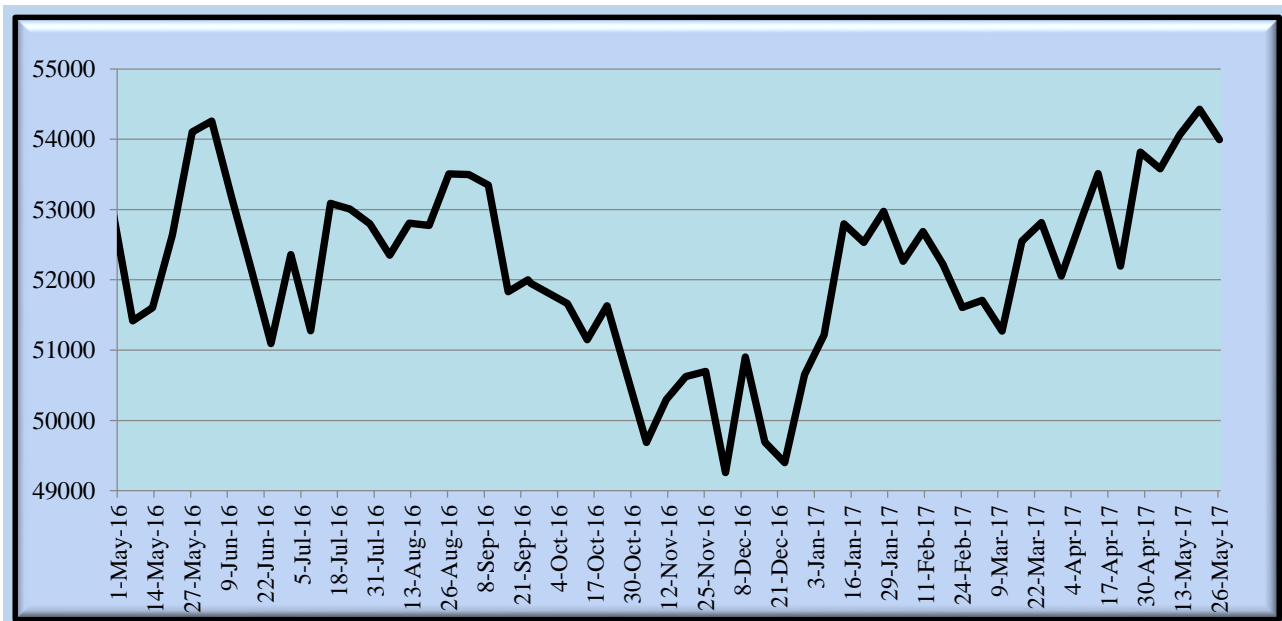
The JSE All share index declined by 0.79%, to 53 996.14 points during the week under review. In tandem, market capitalization on the JSE also fell by 1.37 percentage points, to close the same week at 14.17 trillion.

Table 8: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalization (ZAR trillion)
21-April-17	52 194.59	13.70
28-April-17	53 817.31	14.17
05-May-17	54 579.01	14.31
12-May-17	54 063.34	14.33
19-May-17	54 427.30	14.37
26-May-17	53 996.14	14.17

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 JUNE 2017