



Weekly Economic Highlights

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Week Ending
29th July 2016

1. INTEREST RATES

Deposit Rates

During the week ending 29th July 2016, average interest rates for savings deposits, deposits of 1 month and 3 month tenors remained unchanged at 3.03%, 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 (%)
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
29-July-16	3.03	5.49	6.03

Source: Banking Institutions, 2016

Lending Rates

Weighted commercial bank lending rates for individuals marginally increased by 0.09% to 10.69%, during the week under analysis. The corporate clients' weighted lending rates, however, remained unchanged at 6.79%, as shown in Table 2.

Table 2: Lending Rates

Date	Lending Rates (%) Commercial Banks (weighted)	
	Individuals	Corporate clients
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
29-July-16	10.69	6.79

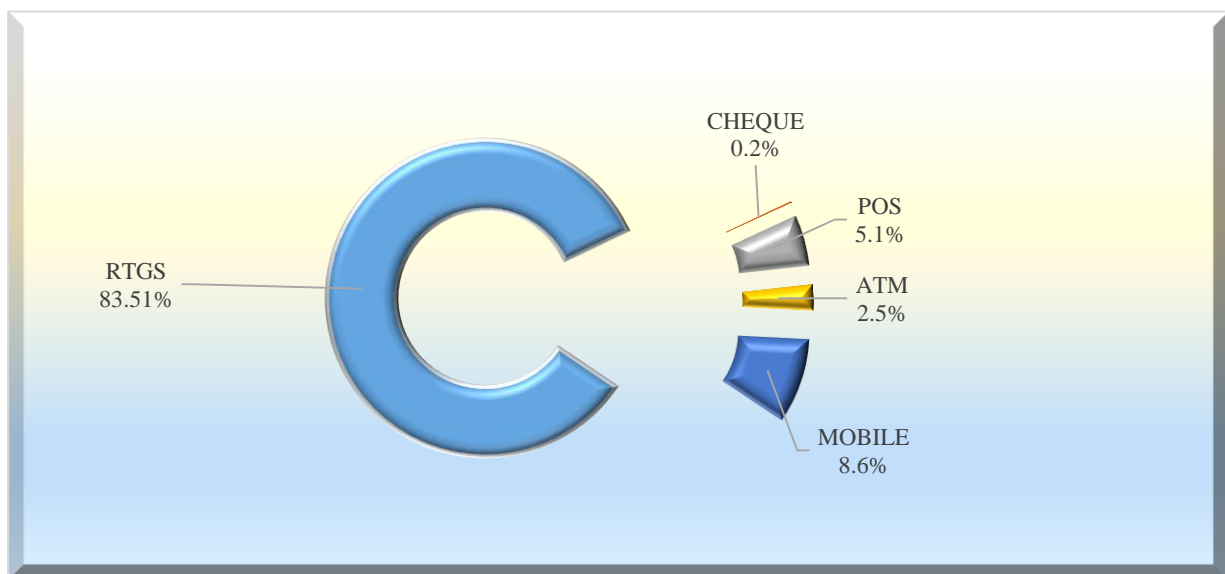
Source: Banking Institutions, 2016

2. CLEARING AND SETTLEMENT ACTIVITY

Transactions processed through the National Payment System (NPS) increased from US\$1 154.61 million in the previous week, to US\$1 273.80 million during the week ending 29th July 2016. The value of Real Time Gross Settlement (RTGS) system transactions increased from US\$968.76 million in the previous week, to US\$1 063.72 million, during the week under analysis.

RTGS payments accounted for 83.51% of the total value of transactions processed through the National Payment System followed by Mobile, 8.64%; POS, 5.13%; ATMs, 2.54% and cheque, 0.18% as shown in Figure 1.

Figure 1: Proportions of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe

In volume terms, NPS transactions increased from 6 061 054 in the previous week, to 6 429 938 during the week under review. As at 29th July 2016, Mobile-Based transactions accounted for 80.70% of total transaction volumes; POS, 14.45%; ATM, 3.81%; RTGS, 0.93% and Cheque 0.11%, 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 22 July 2016	WEEK ENDING 29 July 2016	CHANGE FROM LAST WEEK	PROPORTION
VALUES IN USD (millions)				
RTGS	968.76	1,063.72	10%	83.51%
CHEQUE	2.37	2.30	-3%	0.18%
POS	59.46	65.32	10%	5.13%
ATMS	32.09	32.40	1%	2.54%
MOBILE	91.92	110.06	20%	8.64%
TOTAL	1,154.61	1,273.80	10%	100%
VOLUMES				
RTGS	50,070	59,647	19%	0.93%
CHEQUE	8,167	7,137	-13%	0.11%
POS	920,929	928,824	1%	14.45%
ATMs	277,671	245,204	-12%	3.81%
MOBILE	4,804,216	5,189,126	8%	80.70%
TOTAL	6,061,053	6,429,938	6.10%	100%

Source: Reserve Bank of Zimbabwe

3. TOBACCO SALES

As at 29th July 2016 or day 85 of the 2016 tobacco selling season, a cumulative total of 190.05 million kilograms of tobacco worth US\$558.42 million had been sold at an average price of US 293.82 cents/kg. This was 4.97% higher than the cumulative total of 181.04 million kilograms of tobacco, worth US\$534.16 million, that was sold at an average price of US 295.04 cents/kg during the same period in 2015.

Table 4: Cumulative Tobacco Sales: Day 85 (29/07/16)

	2015	2016	Variance (%)
Cumulative Quantity Sold (kgs)	181,043,898	190,050,770	4.97
Cumulative Average Price(US cents/kg)	295.04	293.82	(0.41)
Cumulative Value (US\$)	534,158,354	558,416,562	4.54

Source: Tobacco Industry and Marketing Board, 2016

4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

International commodity prices for gold and platinum firmed, whilst those of copper, nickel and crude oil retreated during the week ending 29th July, 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 (18-22 July)	1,325.26	1,081.90	4,938.50	10,532.00	46.60
25-Jul	1,314.08	1,070.00	4,956.00	10,435.00	44.61
26-Jul	1,322.13	1,087.00	4,956.00	10,315.00	44.71
27-Jul	1,324.90	1,100.00	4,869.00	10,315.00	43.67
28-Jul	1,341.53	1,146.00	4,869.00	10,535.00	42.67
29-Jul	1,337.25	1,128.00	4,852.00	10,445.00	42.25
Weekly Average (25-29 July)	1,327.98	1,106.20	4,900.40	10,409.00	43.58
Weekly Change (%)	0.2	2.2	(0.8)	(1.2)	(6.5)

Source: BBC, KITCO, Reuters and Bloomberg

Gold

Gold prices gained by 0.2% to close at US\$1,327.98/oz, during the week under review. This was on account of a weaker US dollar following a lower than anticipated US output growth in the second quarter of 2016.

Platinum

Platinum prices firmed by 2.2% from a weekly average of US\$1,081.90/oz to an average of US\$1,106.20/oz, during the week under review. The increase in platinum prices was attributed to rising demand outlook for the metal in the global automotive industry. Global car sales increased in the second quarter of 2016.

Copper

Copper prices registered a decline from a weekly average of US\$4,938.50/tonne to close the week under analysis at an average of US\$4,900.40/tonne. This followed rising speculation that credit tightening in China, would dampen the demand for the base metal. China is the world's top consumer of copper.

Nickel

During the week under analysis, nickel prices declined to US\$10,409.00/tonne, from a weekly average of US\$10,532.00/tonne in the previous week. This was underpinned by a slump in demand.

Brent crude Oil

Brent crude oil prices slumped by 6.5% from a weekly average of US\$46.60/barrel recorded in the previous week to US\$43.58/barrel in the week under analysis. The slackening of Brent crude oil prices was largely driven by an increase in US shale drilling.

5. EXCHANGE RATES

Table 6: International Exchange Rates per US\$

	GBP (£)	EURO (€)	Rand (ZAR)
2016			
Weekly Average (18-22 July)	0.7574	0.9057	14.2874
25-Jul	0.7626	0.9088	14.2865
26-Jul	0.7613	0.9092	14.3550
27-Jul	0.7613	0.9092	14.3550
28-Jul	0.7584	0.9038	14.1959
29-Jul	0.7585	0.9026	14.1481
Weekly Average (22-29 July)	0.7604	0.9067	14.2681
<i>Appr(-)/Depr(+)</i>	<i>0.3961</i>	<i>0.1104</i>	<i>(0.1351)</i>

Source: Reuters

The British pound depreciated by 0.4% to close the week under review at £0.7604/US\$1 while the Euro also depreciated by 0.1% to a weekly average of €0.9067/US\$1. The South African rand, however, appreciated by 0.1% to a weekly average of ZAR14.2681/US\$1 in the same period.

6. EQUITY MARKETS

During the week ending 29th July 2016, trading on the Zimbabwe Stock Exchange (ZSE) was bearish. The industrial and mining indices declined by 0.09% and 2.21%, to close at 98.84 points and 25.72 points, respectively.

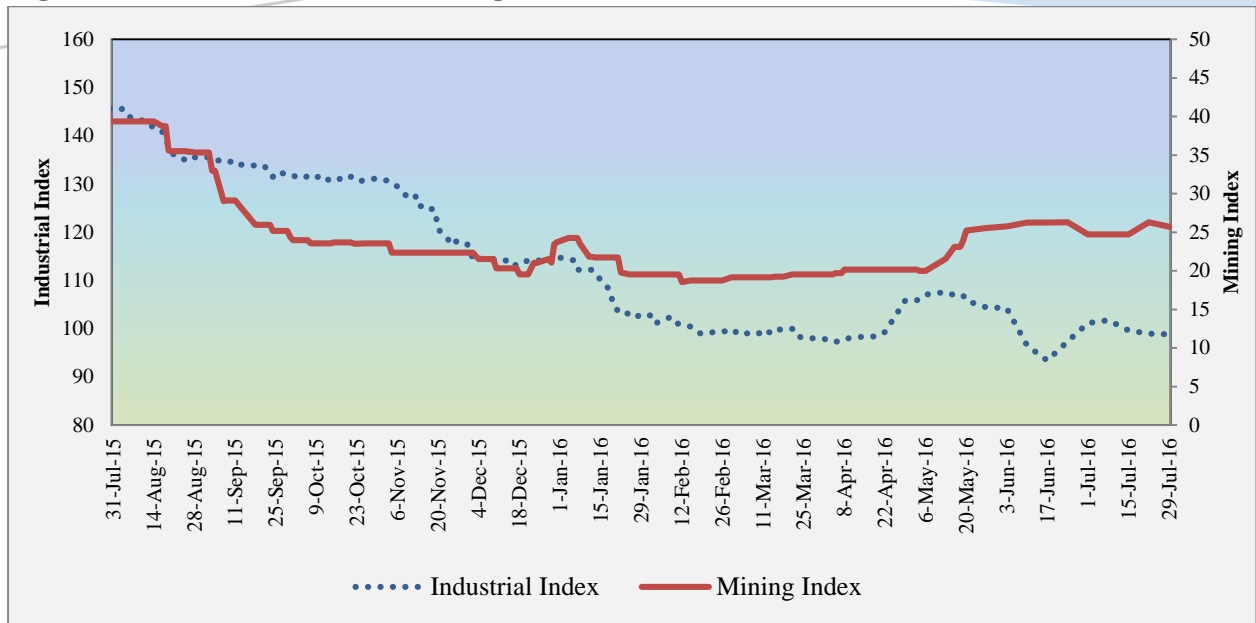
The decline in the industrial index was largely due to losses in Lafarge Cement Zimbabwe Limited (18.52%); Zimre Holdings Limited (7.82%); Pretoria Portland Cement Limited (PPC) (4.62%); Econet Wireless Zimbabwe Limited (3.42%) and British American Tobacco Zimbabwe Limited (1.23%). Losses in Bindura Nickel Corporation (6.67%) weighed down the mining index.

Table 7: Zimbabwe Stock Exchange (ZSE) Statistics

Period	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
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
29-July	98.84	25.72	2,722,044,639	3,369,476	8,079,663
Weekly Change (%)	(0.09)	(2.21)	(0.12)	(16.96)	(65.76)

Source: Zimbabwe Stock Exchange (ZSE), 2016.

Figure 3 : Zimbabwe Stock Exchange Indices

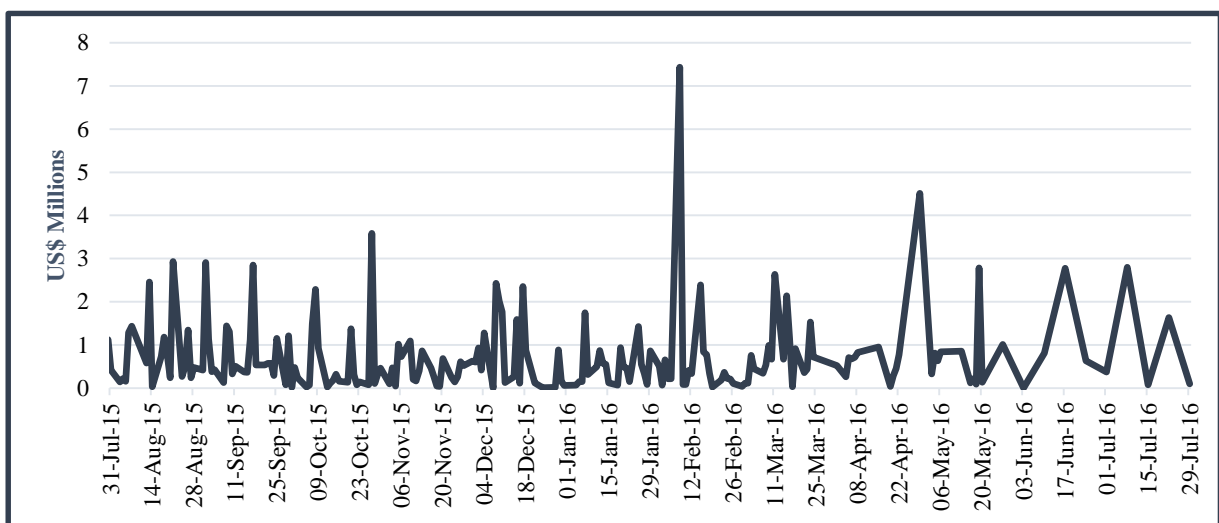


Source: Zimbabwe Stock Exchange, 2016

Market Turnover and Volume

The volume of shares traded at the ZSE declined by 65.76% to close the week under review at, 8,079,663 shares. In tandem, market turnover declined by 16.96% from US\$4.06 million in the previous week, to US\$3.37 million during the week under analysis. The local bourse continues to exhibit significant sell-off pressure mostly in blue chip counters.

Figure 4: Daily Market Turnover

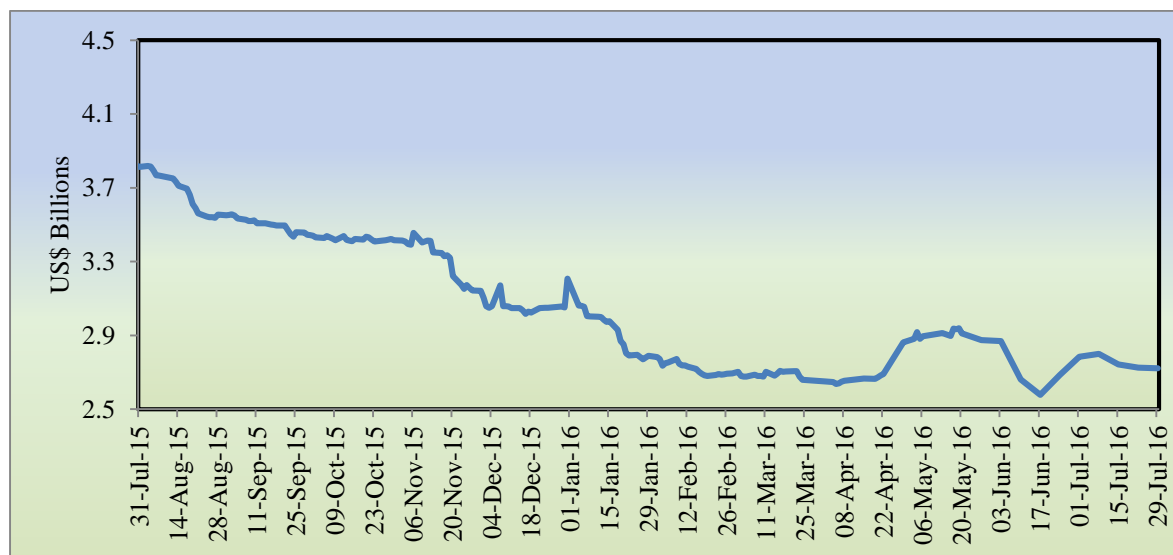


Source: Zimbabwe Stock Exchange, 2016

Market Capitalisation

The ZSE, market capitalization declined by 0.12% from US\$2.73 billion in the previous week, to US\$2.72 billion in the week under analysis.

Figure 5 : Market Capitalisation



Source: Zimbabwe Stock Exchange, 2016

Johannesburg Stock Exchange (JSE) Developments

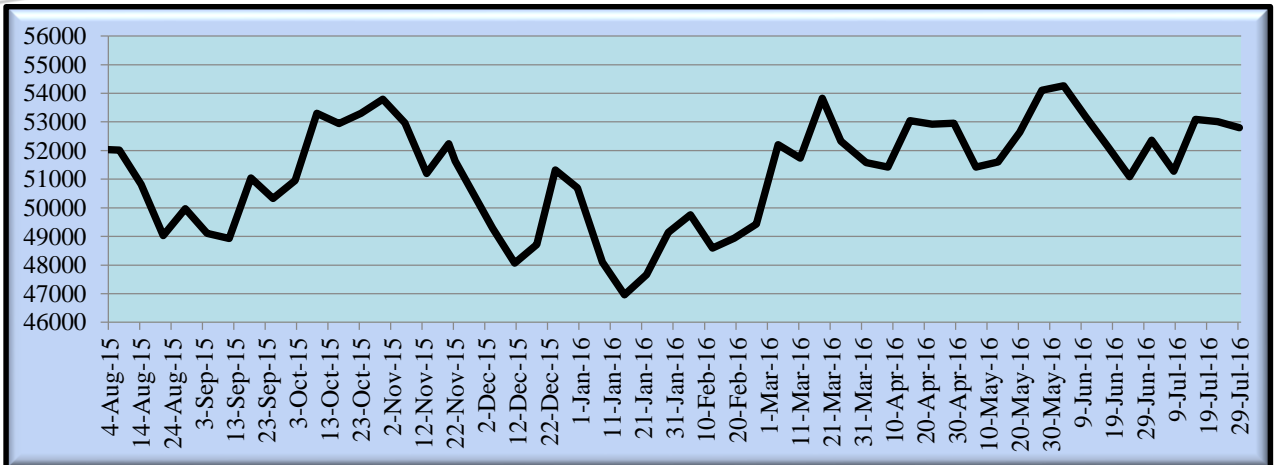
The JSE All Share index closed the week under review at 52 797.58 points, from 53 005.22 points in the week ending 29th July 2016. Market capitalization fell by 0.39% to close at ZAR15.23 trillion in the same period.

Table 8: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalisation (ZAR trillion)
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
29-July-16	52 797.58	15.23

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

10th AUGUST 2016