



Weekly Economic Highlights

Table of Contents

1. INTEREST RATES	1
2. CLEARING AND SETTLEMENT ACTIVITY	2
3. TOBACCO SALES	4
4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS..	5
5. EXCHANGE RATES	7
6. EQUITY MARKETS.....	8

Week Ending
9th September 2016

1. INTEREST RATES

Deposit Rates

During the week ending 9th September 2016, average deposit rates for savings deposits and deposits of 1 month tenor remained unchanged at 3.01% and 5.44%, respectively. Deposit rates for term deposits of 3 months tenor, however, declined to 5.76% in the same week.

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

Date	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
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
2-September-16	3.01	5.44	5.78
9-September-16	3.01	5.44	5.76

Source: Banking Institutions, 2016

Lending Rates

As at 9th September 2016, commercial banks' weighted lending rates for individual and corporate clients stood at 10.66% and 6.86%, respectively.

Table 2: Lending Rates

Date	Lending Rates (%) Commercial Banks (weighted)	
	Individuals	Corporate clients
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
2-September-16	10.67	6.87
9-September-16	10.66	6.86

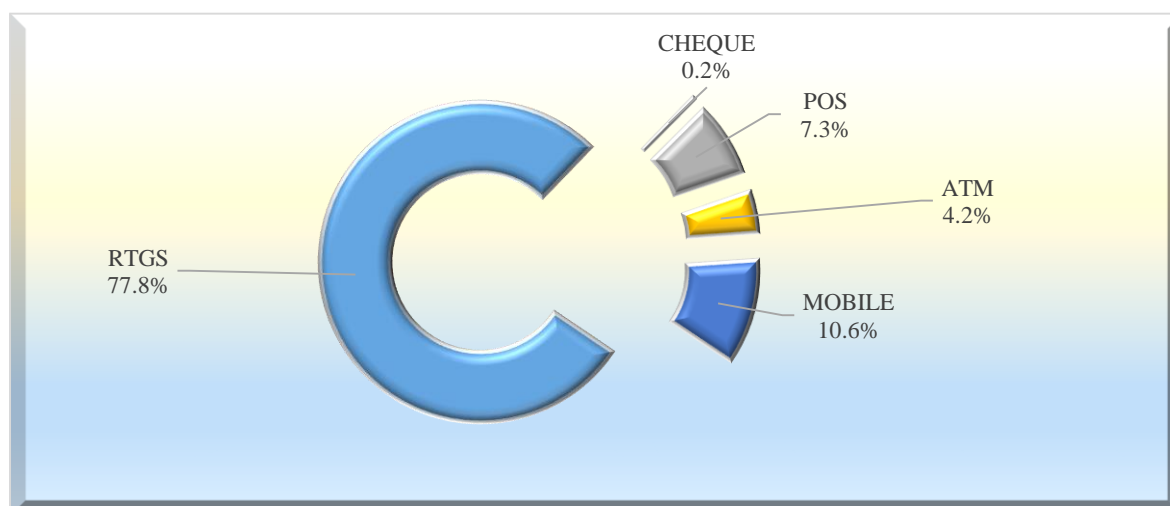
Source: Banking Institutions, 2016

2. CLEARING AND SETTLEMENT ACTIVITY

The total value of transactions processed through the National Payment Systems (NPS), stood at US\$1 209.72 million during the week under analysis, down from US\$1 264.73 million in the previous week. Transactions processed through the Real Time Gross Settlement (RTGS) system decreased by 8% to US\$941.19 million, during the week under review.

RTGS system payments accounted for 77.8% of the total value of transactions processed through the NPS followed by Mobile, 10.55%; POS, 7.30%; ATMs, 4.16% and Cheque, 0.19%, as shown in Figure 1.

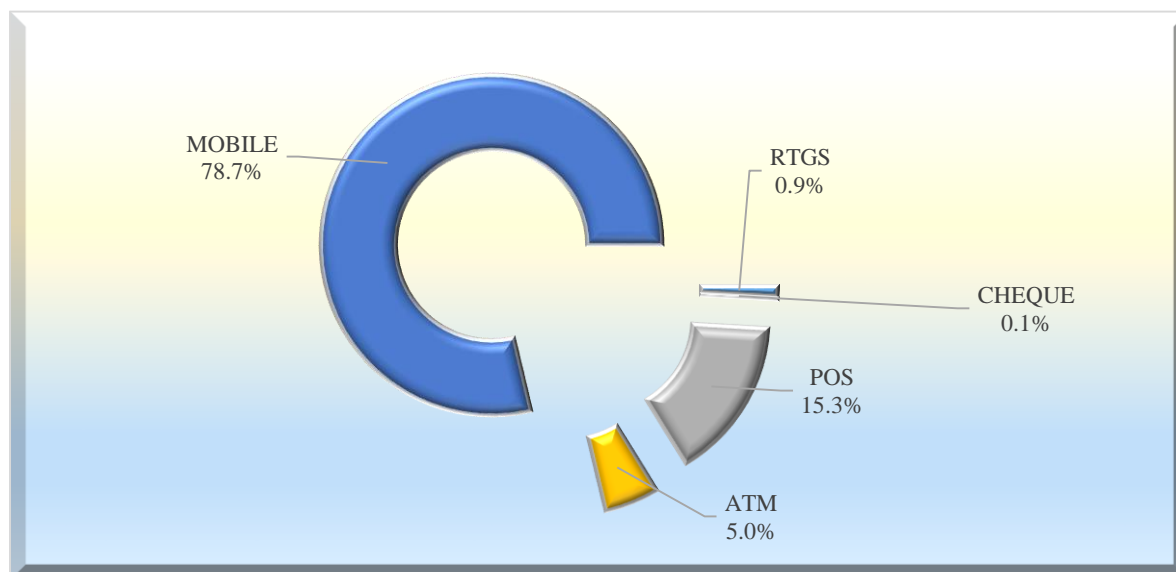
Figure 1: Proportions of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe

NPS transaction volumes continued on upward trend, registering a 17% increase to close the week under review at 8 440 161. The volume of NPS transactions was distributed as follows: Mobile, 78.71%; POS, 15.31%; ATMs, 5.04%; RTGS, 0.85% and Cheque 0.09%, 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 2 September 2016	WEEK ENDING 9 September 2016	CHANGE FROM LAST WEEK	PROPORTION
VALUES IN USD (millions)				
RTGS	1,019.06	941.19	-8%	77.80%
CHEQUE	1.82	2.33	28%	0.19%
POS	66.65	88.31	32%	7.30%
ATMS	42.75	50.31	18%	4.16%
MOBILE	134.45	127.58	-5%	10.55%
TOTAL	1,264.73	1,209.72	-4%	100%
VOLUMES				
RTGS	69,781	71,666	3%	0.85%
CHEQUE	5,650	7,270	29%	0.09%
POS	967,811	1,292,364	34%	15.31%
ATMs	273,200	425,797	56%	5.04%
MOBILE	5,874,690	6,643,064	13%	78.71%
TOTAL	7,191,132	8,440,161	17%	100%

Source: Reserve Bank of Zimbabwe

3. TOBACCO SALES

A cumulative total of 201.93 million kilograms of tobacco had been sold as at 9th September 2016 or day 109 of the 2016 tobacco selling season. This represented a 2.78% increase, from the 196.48 million kilograms sold during the same period in 2015.

Cumulative tobacco sales totaled US\$594.05 million – 2.57% higher than the US\$579.18 million realised during the corresponding period in 2016. The golden leaf was sold at a higher average price of US\$2.95/kg, compared to US\$2.94/kg during the same period in 2016.

Table 4: Cumulative Tobacco Sales: Day 109 (09/09/16)

	2015	2016	Variance (%)
Cumulative Quantity Sold (kgs)	196,476,663	201,933,899	2.78
Cumulative Average Price(US\$/kg)	2.94	2.95	0.34
Cumulative Value (US\$)	579,177,145	594,051,642	2.57

Source: Tobacco Industry and Marketing Board, 2016

4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international commodity prices of gold, platinum, copper, nickel and crude oil registered gains during the week ending 9th September 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 (29 Aug -02 Sept)	1,315.58	1,064.50	4,611.90	9,765.00	47.48
5-Sep	1,318.93	1,066.50	4,603.00	10,050.00	47.72
6-Sep	1,333.65	1,082.50	4,622.50	10,060.00	46.87
7-Sep	1,348.55	1,096.00	4,622.50	10,135.00	47.96
8-Sep	1,345.70	1,090.50	4,617.50	10,310.00	49.81
9-Sep	1,333.25	1,076.00	4,623.00	10,335.00	48.41
Weekly Average (05-09-Sept)	1,336.02	1,082.30	4,617.70	10,178.00	48.15
Weekly Change (%)	<i>1.6</i>	<i>1.7</i>	<i>0.1</i>	<i>4.2</i>	<i>1.4</i>

Source: BBC, KITCO, Reuters and Bloomberg

Gold

Gold prices registered an increase of 1.6%, from a weekly average price of US\$1,315.58/oz in the previous week to US\$1,336.02/oz during the week under review. This was on the back of dampened expectations of a US interest rate hike, following reports that indicated weak US employment statistics. These developments boosted the safe haven demand for gold, resulting in upward pressure on the price of the precious metal.

Platinum

Platinum prices registered an increase of 1.7%, from a weekly average price of US\$1,064.50/oz in the previous week to close the week under review at US\$1,082.30/oz. The increase was underpinned by a weaker US dollar. In addition, the wage negotiation deadlock at South African platinum mines is anticipated to lead to production disruptions if platinum industry workers decide to withdraw their labour.



Copper

Copper prices firmed by 0.1%, from US\$4,611.90/ton recorded in the previous week, to US\$4,617.70/ton during the period under review. Prices were supported by supply disruptions, following the withdrawal of labour in Chilean copper mines, the world's largest producers of the base metal. These developments eased global glut concerns, which were depressing prices.

Nickel

Nickel prices increased by 4.2%, to close the week under review at a weekly average US\$10,178.00/ton. There are concerns that nickel ore exports from the Philippines the world's top producer of the base metal could decline by 30% in 2016. This follows an on-going crackdown, by the Philippines government, on mining companies that are non-compliant with empowerment regulations.

Crude Oil

Crude oil prices recorded a 4.75% increase to US\$48.15/barrel during the week ending 9th September 2016, from a weekly average of US\$47.48/barrel in the previous week. Prices rose on the back of declining global supplies, particularly in Saudi Arabia, one of the leading oil producers.

5. EXCHANGE RATES

Table 6: International Exchange Rates per US\$

	GBP (£)	EURO (€)	Rand (ZAR)
2016			
Weekly Average (29 Aug - 2 Sep)	0.7607	0.8948	13.9397
5-Sep	0.7505	0.8946	14.4300
6-Sep	0.7504	0.8972	14.3750
7-Sep	0.7455	0.8885	13.9400
8-Sep	0.7495	0.8893	14.0232
9-Sep	0.7503	0.8867	14.1270
Weekly Average (5-9 Sep)	0.7493	0.8913	14.1790
<i>Appr- /Depr+</i>	<i>(1.50)</i>	<i>(0.40)</i>	<i>1.72</i>

Source: Reuters

During the week under analysis, the euro and British pound, appreciated by 1.5% and 0.4%, respectively. This was underpinned by weak US employment data, which dampened expectations of US interest rate hike. The South African rand, however, depreciated by 1.72% during the same period.

6. EQUITY MARKETS

During the week ending 9th September 2016, bearish sentiments persisted on the Zimbabwe Stock Exchange (ZSE), against a background of a challenging economic environment. Resultantly, the mainstream index declined by 0.14% to close the week at 98.90 points. The mining index, however, remained unchanged at 26.32 points.

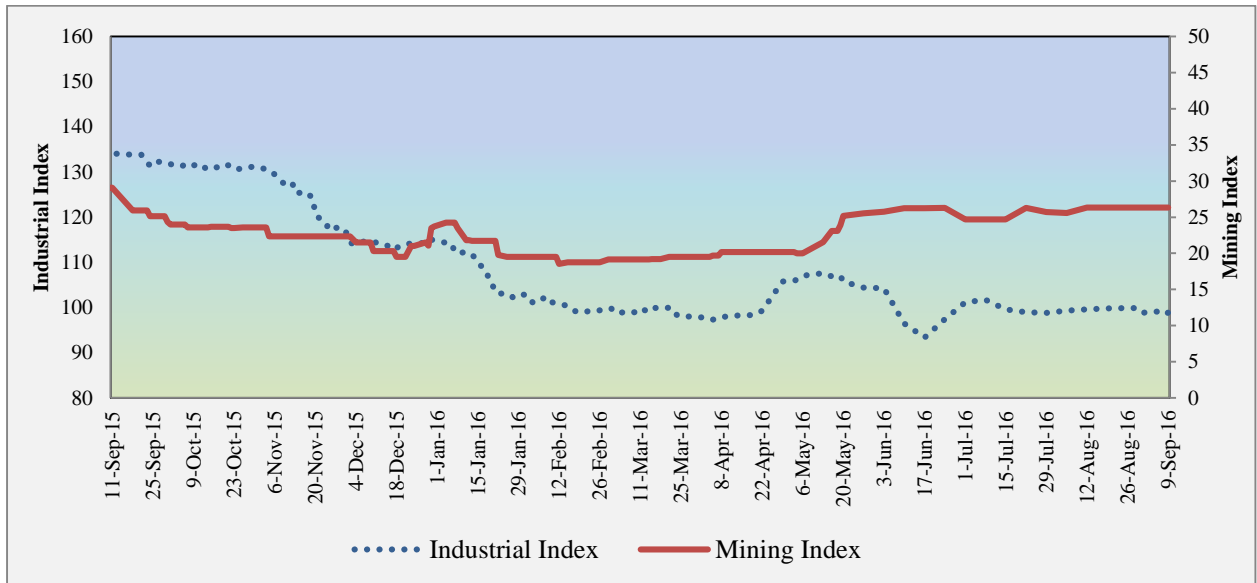
The industrial index was weighed down by losses registered in Dairibord, (19.78%); Getbucks, (7.56%); Barclays, (5.00%); National Tyre Services (NTS), (4.17%); Nicoz Diamond, (3.03%); and Axia, (3.03%).

Table 7: Zimbabwe Stock Exchange (ZSE) Statistics

Period	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
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
2- September	99.04	26.32	2,726,589,791	1,163,044	9,179,123
9- September	98.90	26.32	2,723,033,604	1,845,251	6,214,573
Weekly Change (%)	-0.14%	0%	-0.13%	58.66%	-32.30%

Source: Zimbabwe Stock Exchange (ZSE), 2016.

Figure 3 : Zimbabwe Stock Exchange Indices

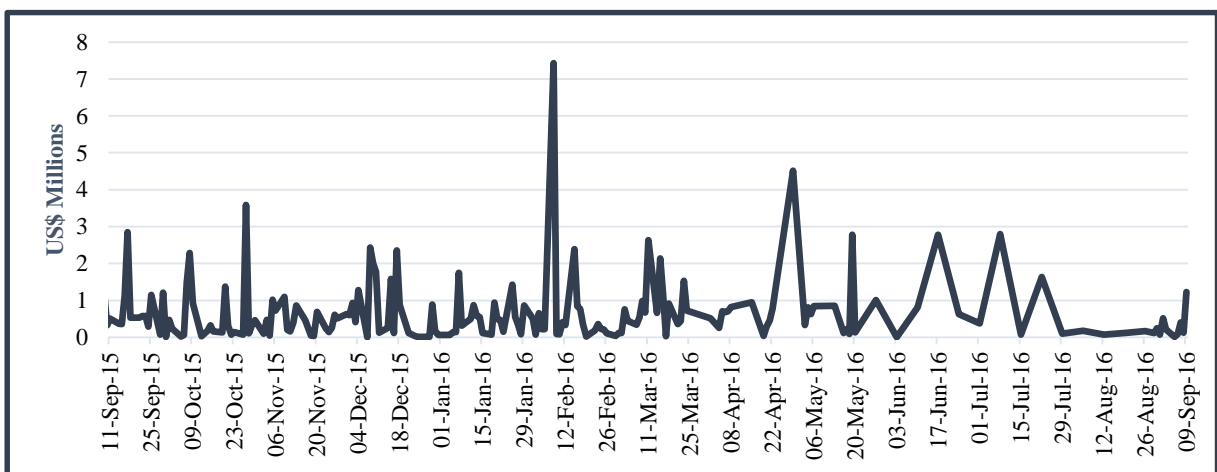


Source: Zimbabwe Stock Exchange, 2016

Market Turnover and Volume

The ZSE market turnover volume stood at 6 214 573 shares during the week under review, down from 9 179 123 shares traded in the previous week. The value of trades, however, increased by 58.66% to \$1.85 million in the same week.

Figure 4: Daily Market Turnover

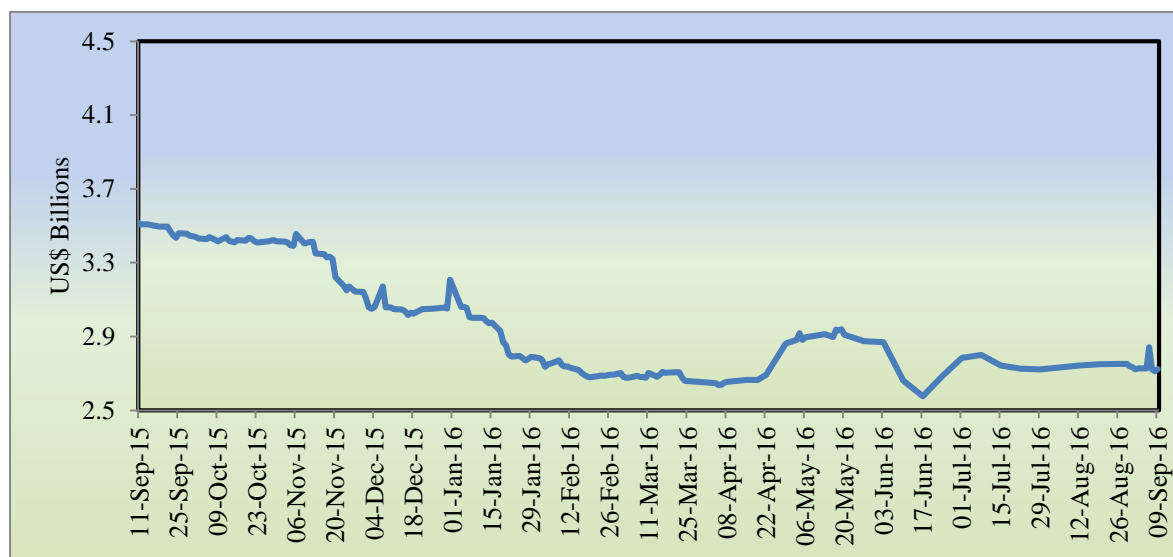


Source: Zimbabwe Stock Exchange, 2016

Market Capitalisation

Market capitalisation declined by 0.13% to close the week under review at US\$2.723 billion. This was on account of subdued trading on the local bourse during the period of analysis.

Figure 5 : Market Capitalisation



Source: Zimbabwe Stock Exchange, 2016

Johannesburg Stock Exchange (JSE) Developments

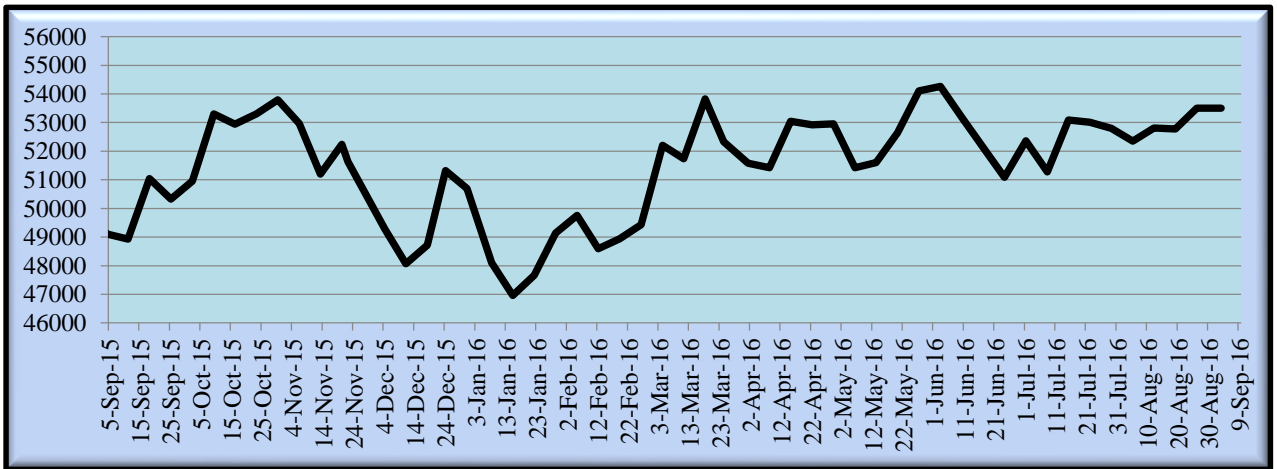
During the week ending 9th September 2016, the JSE All Share index declined by 0.29% to close at 53 347.30 points. In tandem, market capitalisation also decreased by 1.02% to close the week under analysis at R15.45 trillion.

Table 8: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalisation (ZAR trillion)
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
2-September-16	53,500.07	15.61
9-September-16	53,347.30	15.45

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

16th SEPTEMBER 2016