



Weekly Economic Highlights

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Week Ending
2nd September 2016

1. INTEREST RATES

Deposit Rates

Average deposit rates for savings deposits remained unchanged, during the week ending 2nd September 2016. Deposit rates for deposits of 1 month and 3 month tenors, however, decreased from 5.60% and 6.01% to 5.44% and 5.78% respectively.

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

Source: Banking Institutions, 2016

Lending Rates

Commercial bank weighted lending rates for individual clients remained unchanged at 10.67%, while those for corporate clients increased by 0.03 percentage points to 6.87%, during the week under review.

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

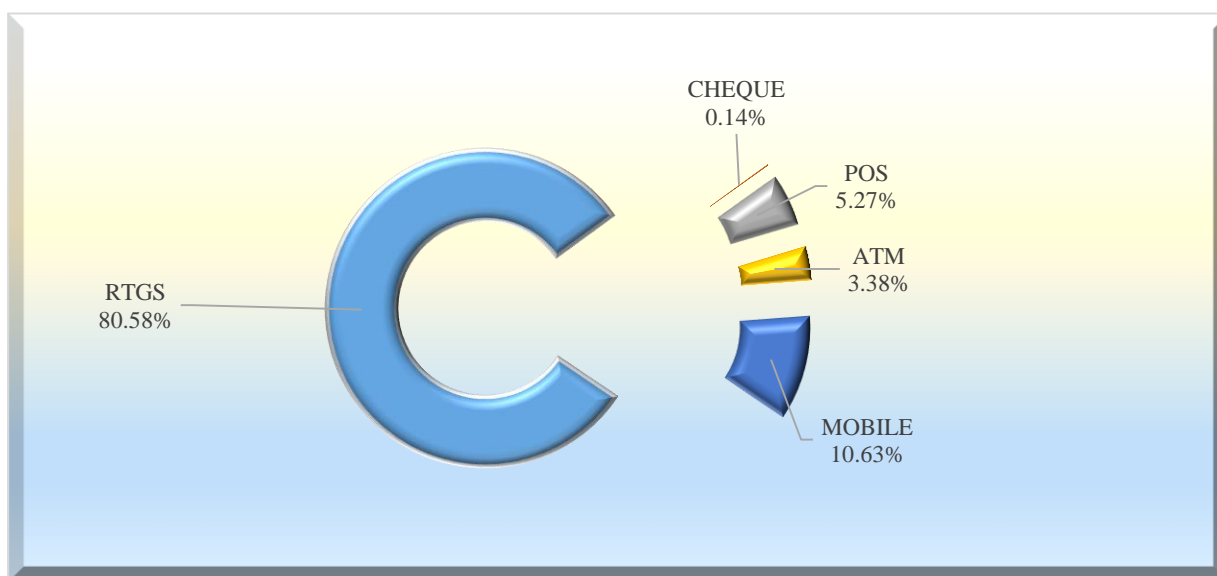
Source: Banking Institutions, 2016

2. CLEARING AND SETTLEMENT ACTIVITY

Transactions processed through the National Payment System (NPS) registered an increase of 9%, to close the week under review at US\$1 264.73 million, from US\$1 155.64 million in the previous week. Real Time Gross Settlement (RTGS) system transactions stood at US\$1 019.06 million, a 6% increase from US\$961.34 million in the previous week.

The values of the transactions processed through the NPS were distributed as follows: RTGS, 80.58%; Mobile, 10.63%; POS, 5.27%; ATMs, 3.38% and cheque, 0.14%, as shown in Figure 1.

Figure 1: Proportions of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe

NPS transaction volumes increased by 12%, from 6 448 589 in the previous week to close the week ending 2nd September 2016 at 7 191 132. The volumes were distributed as follows; Mobile, 81.69%; POS, 13.46%; ATM, 3.80%; RTGS, 0.97% and Cheque 0.08%, 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 26 August 2016		CHANGE FROM LAST WEEK	PROPORTION
	VALUES IN USD (millions)			
RTGS	961.34	1,019,06	6%	80.58%
CHEQUE	1.84	1,82	-1%	0.14%
POS	61.65	66,65	8%	5.27%
ATMS	30.46	42,75	40%	3.38%
MOBILE	100.36	134,45	34%	10.63%
TOTAL	1,155.64	1,264,73	9%	100%
	VOLUMES			
RTGS	58,812	69,781	19%	0.97%
CHEQUE	6,529	5,650	-13%	0.08%
POS	992,434	967,811	-2%	13.46%
ATMs	287,261	273,200	-5%	3.80%
MOBILE	5,103,553	5,874,690	15%	81.69%
TOTAL	6,448,589	7,191,132	12%	100%

Source: Reserve Bank of Zimbabwe

3. TOBACCO SALES

As at 2nd September 2016, or day 106 of the 2016 tobacco selling season, a cumulative total of 201.50 million kilograms of tobacco worth US\$592.56 million had been sold. The average price remained unchanged from the same period in 2015 season, at US\$2.94/kg. The value of sales for the comparable period in 2015 stood at US\$576.39 million.

Table 4: Cumulative Tobacco Sales: Day 106 (02/09/16)

	2015	2016	Variance (%)
Cumulative Quantity Sold (kgs)	195,654,867	201,504,677	2.99
Cumulative Average Price(US\$/kg)	2.94	2.94	0
Cumulative Value (US\$)	576,390,463	592,563,463	2.81

Source: Tobacco Industry and Marketing Board, 2016

4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international commodity prices of gold, platinum, copper, nickel and crude oil continued on a downward trend, during the week ending 2nd September 2016, as shown in Table 5 below:

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 (22-26 Aug)	1,330.45	1,093.9	4,673.40	10,110.00	49.374
29-Aug	1,321.83	1,079.50	4,622.00	9,770.00	49.56
30-Aug	1,318.50	1,071.50	4,608.00	9,715.00	48.46
31-Aug	1,311.85	1,055.00	4,602.50	9,720.00	47.00
1-Sep	1,307.60	1,047.00	4,620.00	9,745.00	45.67
2-Sep	1,318.10	1,069.50	4,607.00	9,875.00	46.71
Weekly Average (29Aug – 2 Sept)	1,315.58	1,064.50	4,611.90	9,765.00	47.48
Weekly Change (%)	(1.1)	(2.7)	(1.3)	(3.4)	(3.8)

Source: BBC, KITCO, Reuters and Bloomberg

Gold

Gold prices weakened by 1.1%, from a weekly average of US\$1,330.45/oz in the previous week to US\$1,315.58/oz during the week ending 2nd September 2016. Prices continued on a negative trajectory on account of a strengthening US dollar.

Platinum

Platinum prices declined by 2.7%, from a weekly average of US\$1,093.90/oz in the previous week to an average of US\$1,064.50/oz during the week under review. This was on account of weak industrial demand outlook for platinum, as the global automobile industry continued to experience a downturn.



Copper

Copper prices retreated by 1.3%, from a weekly average of US\$4,673.40/tonne during the previous week, to close the week under review at US\$4,611.90/tonne. This was attributed to slackening global demand, particularly in China, the largest consumer of the metal.

Nickel

Nickel prices stood at a weekly average of US\$9,765.00/tonne, a 3.4% decline from a weekly average of US\$10,110.00/tonne realised in the previous week. This followed weak global demand, against a background of excess supply of the metal.

Crude Oil

Crude oil prices fell by 3.8%, for a second consecutive week, from a weekly average of US\$49.37/barrel in the previous week to US\$47.48/barrel during the week under review. The huge global stockpiles, particularly in the U.S, in large part, accounted for the decline.

5. EXCHANGE RATES

Table 6: International Exchange Rates per US\$

	GBP (£)	EURO (€)	Rand (ZAR)
2016			
Weekly Average (22-26 August)	0.7597	0.8854	13.8693
29-Aug	0.7617	0.8922	13.9397
30-Aug	0.7644	0.8953	13.4612
31-Aug	0.7637	0.8969	13.9450
1-Sep	0.7608	0.8968	14.1328
2-Sep	0.7530	0.8929	14.2197
Weekly Average (29 Aug - 2 Sep)	0.7607	0.8948	13.9397
<i>Appr- /Depr+</i>	<i>0.14</i>	<i>1.06</i>	<i>0.51</i>

Source: Reuters

During the week under review, the euro, South African rand and British pound depreciated by weekly averages of 1.06%, 0.51% and 0.14%, respectively. The currencies depreciated against the US dollar, amid rising expectations of a US Federal Reserve interest rate hike before the end of 2016.

6. EQUITY MARKETS

The Zimbabwe Stock Exchange was characterised by bearish sentiments during the week ending 2nd September 2016. Consequently, the mainstream index declined by 0.86%, to close the week under review at 99.04 points. The mining index, however, remained unchanged at 26.32 points during the same week.

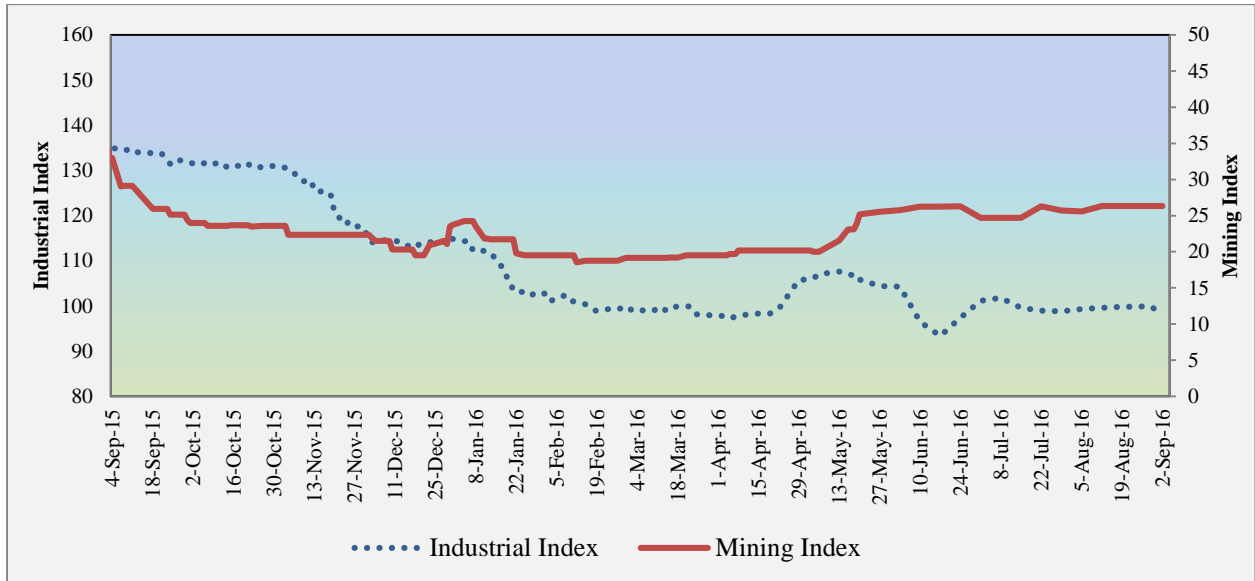
The mainstream index was weighed down by losses recorded in National Tyre Services, 14.29%; Delta Corporation Limited, 4.56%; FBC Holdings Limited, 1.54%; Amalgamated Regional Trading, 1.45% and Econet Wireless Zimbabwe Limited, 1.25%.

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
Weekly Change (%)	-0.86	0	-0.91	60.68	137.20

Source: Zimbabwe Stock Exchange (ZSE), 2016.

Figure 3 : Zimbabwe Stock Exchange Indices

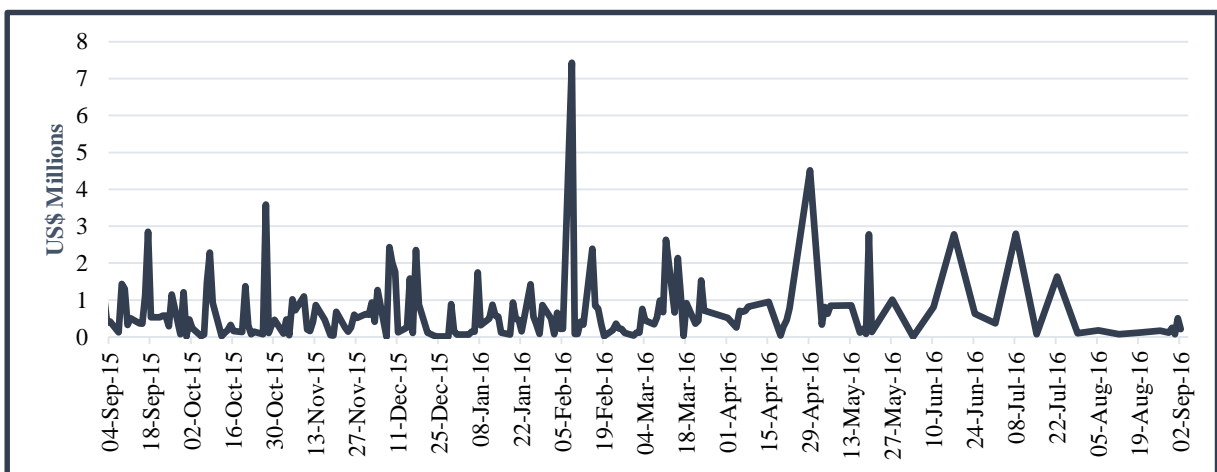


Source: Zimbabwe Stock Exchange, 2016

Market Turnover and Volume

In volume terms, shares traded during the week under review increased from 3 869 764 shares in the previous week to 9 179 123 shares. Concomitantly, the value of traded shares rose by 60.68% to close the week at US\$1.16 million.

Figure 4: Daily Market Turnover

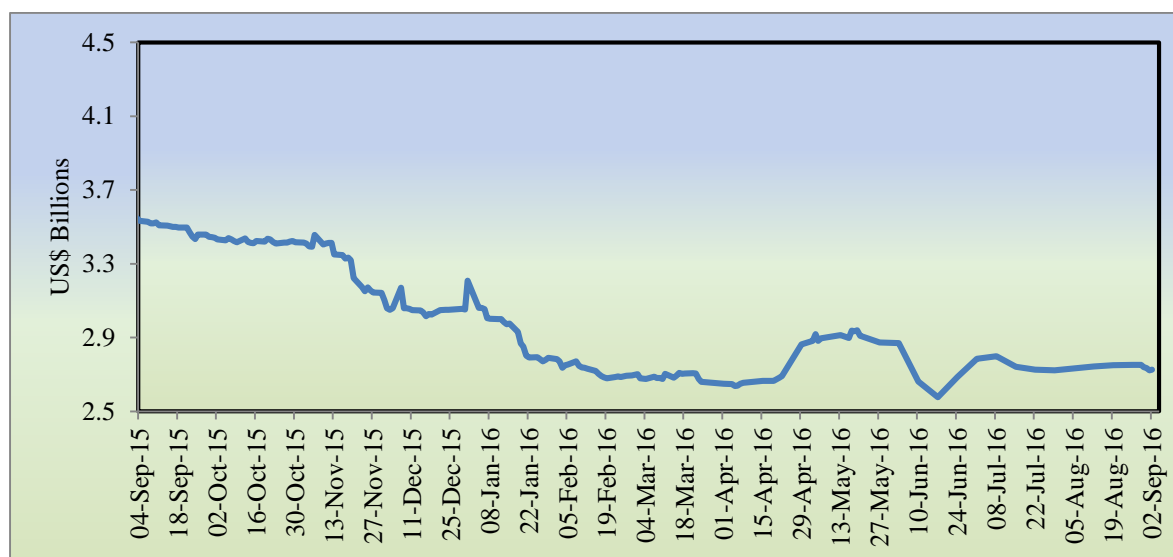


Source: Zimbabwe Stock Exchange, 2016

Market Capitalisation

Market capitalisation declined by 0.91%, from US\$2.752 billion in the previous week, to US\$2.727 billion during the week ending 2nd September 2016. The decline was attributed to a fall in share prices of heavy weight counters such as Delta, Econet and FBC.

Figure 5 : Market Capitalisation



Source: Zimbabwe Stock Exchange, 2016

Johannesburg Stock Exchange (JSE) Developments

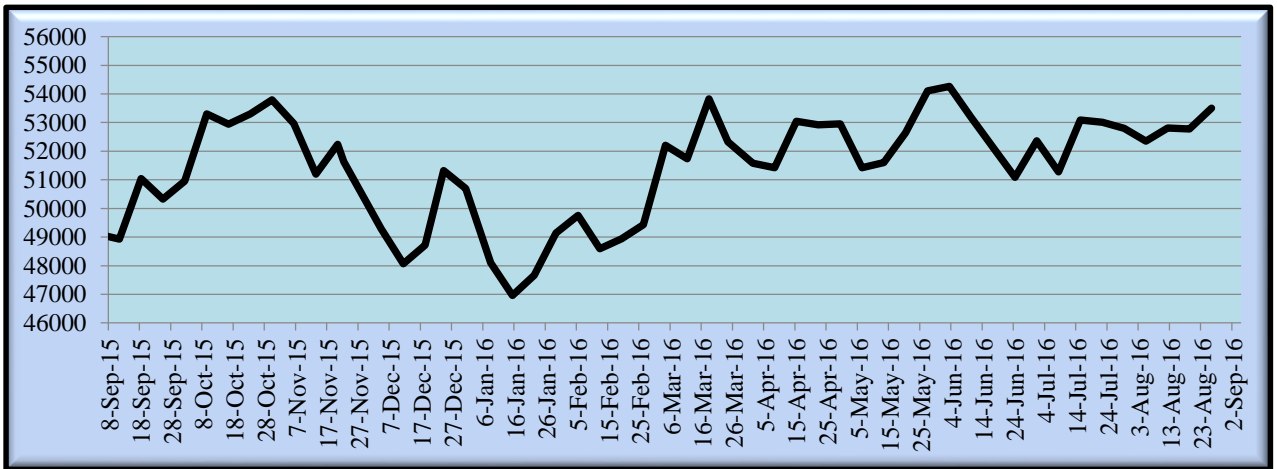
The JSE All Share index declined from 53 506.62 points in the previous week, to 53 500.07 points during the week under review. Market capitalisation, however, posted a marginal increase of 0.02%, to close the week at ZAR15.61 trillion.

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

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

12th SEPTEMBER 2016