



# Weekly Economic Highlights

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Week Ending  
27<sup>th</sup> May 2016

## 1. INTEREST RATES

### Deposit Rates

During the week ending 27<sup>th</sup> May 2016, average deposit rates for savings deposits and deposits of 3 month tenor remained unchanged at 3.03% and 6.74%, respectively. Average deposit rates for deposits of 1 month tenor, however, declined from 6.21% in the previous week, to 6.15% during the week under review.

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

Date	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
<b>29-Apr-16</b>	3.03	6.57	7.01
<b>06-May-16</b>	3.03	6.59	7.06
<b>13-May-16</b>	3.03	6.18	7.06
<b>20-May-16</b>	3.03	6.21	6.74
<b>27-May-16</b>	<b>3.03</b>	<b>6.15</b>	<b>6.74</b>

Source: Banking Institutions, 2016

### Lending Rates

Commercial bank weighted lending rates for individual and corporate clients declined marginally, to close the week under review at 11.43% and 7.35%, respectively.

**Table 2: Lending Rates**

Date	Lending Rates (%) Commercial Banks (weighted)	
	Individuals	Corporate clients
<b>29-Apr-16</b>	11.50	7.20
<b>06-May-16</b>	11.50	7.35
<b>13-May-16</b>	11.49	7.36
<b>20-May-16</b>	11.45	7.36
<b>27-May-16</b>	<b>11.43</b>	<b>7.35</b>

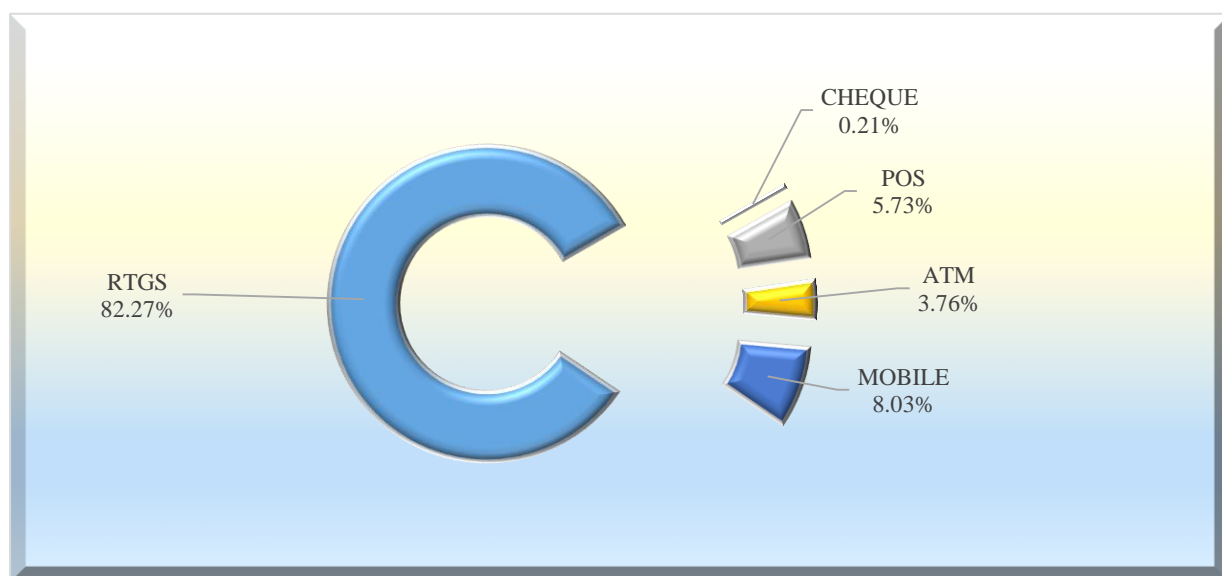
Source: Banking Institutions, 2016

## 2. CLEARING AND SETTLEMENT ACTIVITY

The total value of transactions processed through the National Payment Systems (NPS) increased from US\$1 126.74 million in the previous week, to US\$1 129.51 million during the week ending 27<sup>th</sup> May 2016. Real Time Gross Settlement (RTGS) system transactions stood at US\$929.23 million, up from US\$921.46 million registered in the previous week.

RTGS payments constituted 82.27% of the total value of transactions processed through the NPS, followed by Mobile, 8.03%; Point of Sale (POS), 5.73%; Automated Teller Machines (ATMs), 3.76%; and cheque, 0.21%.

**Figure 1: Proportions of NPS Transactions in Value Terms**



*Source: Reserve Bank of Zimbabwe*

The total number of NPS transactions stood at 5,563,099 during the week under analysis, down from the 5,702,979 transactions recorded in the previous week. The transactions were distributed as follows: Mobile, 84.64%; POS, 11.37%; ATM, 3.11%; RTGS, 0.77%; 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 20 May 2016	WEEK ENDING 27 May 2016	CHANGE FROM LAST WEEK	PROPORTION
<b>VALUES IN USD (millions)</b>				
<b>RTGS</b>	921.46	929.23	1%	82.27%
<b>CHEQUE</b>	2.74	2.32	-15%	0.21%
<b>POS</b>	65.14	64.72	-1%	5.73%
<b>ATMS</b>	45.98	42.51	-8%	3.76%
<b>MOBILE</b>	91.41	91.74	-1%	8.03%
<b>TOTAL</b>	<b>1,126.74</b>	<b>1,129.51</b>	<b>0%</b>	<b>100%</b>
<b>VOLUMES</b>				
<b>RTGS</b>	43,235	42,594	-1%	0.77%
<b>CHEQUE</b>	7,507	6,139	-18%	0.11%
<b>POS</b>	659,172	632,544	-4%	11.37%
<b>ATMs</b>	173,760	172,808	-1%	3.11%
<b>MOBILE</b>	4,819,305	4,709,014	-2%	84.65%
<b>TOTAL</b>	<b>5,702,979</b>	<b>5,563,099</b>	<b>-2%</b>	<b>100%</b>

Source: Reserve Bank of Zimbabwe

### 3. TOBACCO SALES

As at 27<sup>th</sup> May 2016, or day 40 of the 2016 tobacco selling season, a cumulative total of 94.96 million kilograms of tobacco worth US\$274.12 million, had been sold at an average price of US\$2.89/kg. This was 29.67% higher than the cumulative total of 73.24 million kilograms of tobacco worth US\$210.29 million, sold at an average price of US\$2.87/kg, during the comparable period in 2015.

**Table 4: Cumulative Tobacco Sales: Day 40 (27/05/16)**

	2015	2016	Variance (%)
<b>Cumulative Quantity Sold (kgs)</b>	73,238,195	94,964,342	29.67
<b>Cumulative Average Price(US\$/kg)</b>	2.87	2.89	0.70
<b>Cumulative Value (US\$)</b>	210,289,960	274,117,616	30.35

*Source: Tobacco Industry and Marketing Board*

## 4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international commodity prices of copper and crude oil firmed, while gold, platinum and nickel prices retreated during the week ending 27<sup>th</sup> May 2016. Table 5 shows the commodity price developments during the week under review.

**Table 5: Metals and Crude Oil Prices**

Period	Gold	Platinum	Copper	Nickel	Crude Oil
<b>2016</b>	<b>US\$/ounce</b>	<b>US\$/ounce</b>	<b>US\$/tonne</b>	<b>US\$/tonne</b>	<b>US\$/barrel</b>
<b>Weekly Average (16-20 May)</b>	<b>1,267.92</b>	<b>1,031.80</b>	<b>4,637.70</b>	<b>8,586.00</b>	<b>48.71</b>
<b>23-May</b>	1,248.15	1,008.50	4,571.00	8,310.00	48.35
<b>25-May</b>	1,220.68	1,004.00	4,635.00	8,335.00	49.89
<b>26-May</b>	1,225.25	994.50	4,705.00	8,362.00	49.12
<b>27-May</b>	1,218.75	968.50	4,705.00	8,370.00	49.42
<b>Weekly Average (23-27 May)</b>	<b>1,228.21</b>	<b>993.88</b>	<b>4,654.00</b>	<b>8,344.25</b>	<b>49.20</b>
<b>Weekly Change (%)</b>	<i>(3.1)</i>	<i>(3.7)</i>	<i>0.4</i>	<i>(2.8)</i>	<i>1.0</i>

Source: BBC, KITCO, Reuters and Bloomberg

### Gold

Gold prices continued on a negative trajectory, declining by 3.1% from a weekly average price of US\$1 267.92/oz in the previous week, to close the week under review at US\$1 228.21/oz. The decline was occasioned by subdued demand for the metal, on the back of a strengthening US dollar.

### Platinum

Platinum prices fell from a weekly average of US\$1 031.80 in the previous week, to a weekly average of US\$993.88/oz during the week under analysis. The decline continued to be underpinned by the strengthening of the US dollar.

## **Copper**

Copper prices firmed marginally by 0.4%, from a weekly average of US\$4,637.70/tonne, to close the week under review at US\$4,654.00/tonne. This followed signals of improved global demand for the base metal.

## **Nickel**

Nickel prices declined by 2.8%, from a weekly average of US\$8,586.00/tonne to an average of US\$8,344.25/tonne, on account of increased supply of the metal in the global market.

## **Brent crude oil**

Brent crude oil prices rose by 1.0%, from a weekly average of US\$48.71/barrel to US\$49.20/barrel. Declining output in the USA and rising global demand, in large part, accounted for the increase.

## 5. EQUITY MARKETS

During the week ending 27<sup>th</sup> May 2016, the Zimbabwe Stock Exchange (ZSE) was largely bearish. As a result, the industrial index declined by 1.37 percentage points, from 105.80 points in the previous week to 104.43 points during the week under review. The resources index, however, increased by 0.35 percentage points to close the week under review at 25.54 points.

The decrease in the industrial index was largely attributable to losses in Inscor Africa Limited (14.64%); Colcom Holdings Limited (3.13%); FBC Holdings Limited (2.99%); Delta Corporation (2.07%); and Hippo Valley Estates Limited (0.20%).

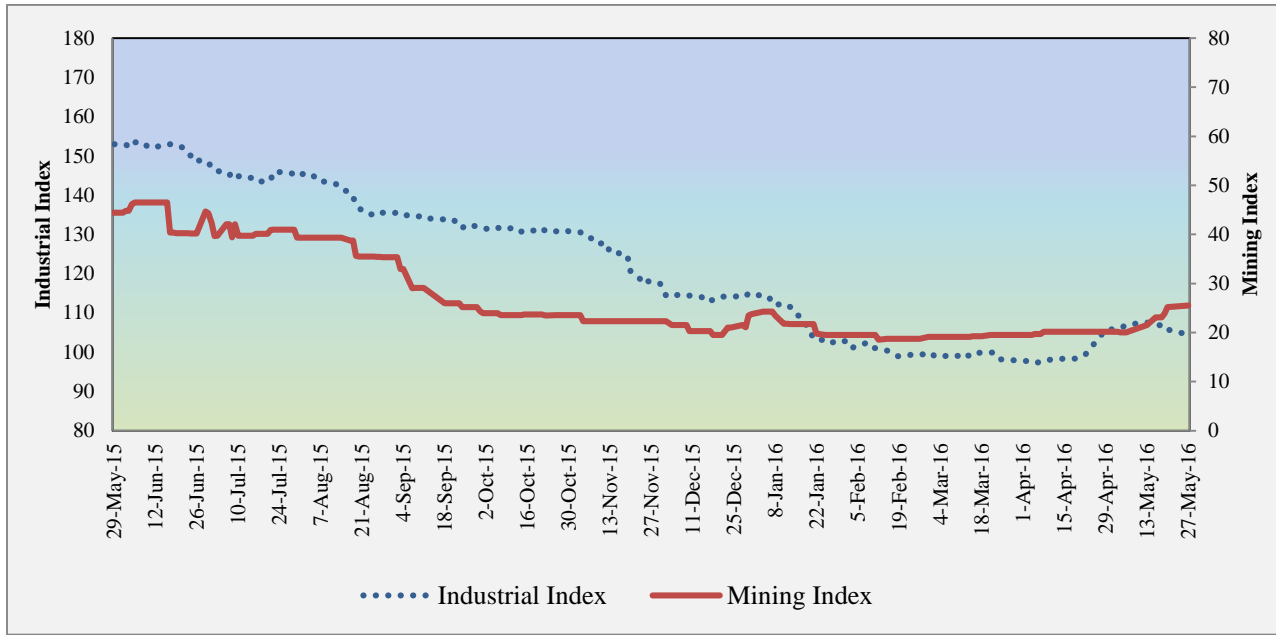
**Table 6: Zimbabwe Stock Exchange (ZSE) Statistics**

Period	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
29-Apr	105.79	20.16	2,862 611,862	5,839,001	70,743,382
06-May	107.03	20.00	2,895,277,393	2,609,274	8,131,364
13-May	107.59	21.55	2,912,661,507	2,531,131	10,039,724
20-May	105.80	25.19	2,910,371,028	3,333,944	26,616,656
27-May	104.43	25.54	2,874,242,189	1,739,749	9,052,897
Weekly Change (%)	(1.29)	1.39	(1.24)	(47.82)	(65.99)

Source: Zimbabwe Stock Exchange (ZSE), 2016



**Figure 3 : Zimbabwe Stock Exchange Indices**

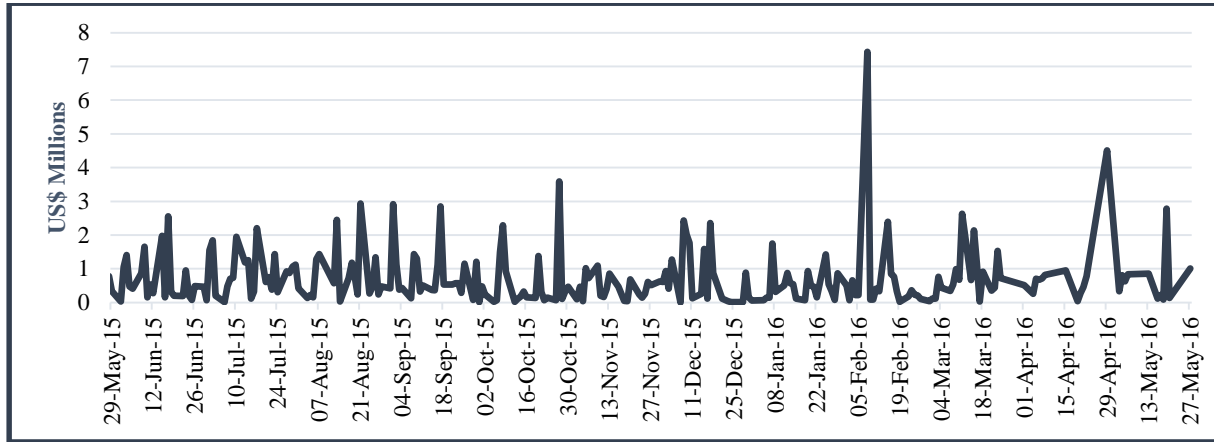


Source: Zimbabwe Stock Exchange, 2016

**Market Turnover and Volume**

During the week ending 27<sup>th</sup> May 2016, market turnover declined by 47.82% to close the week at US\$1.74 million, from US\$3.33 million recorded in the previous week. In tandem, the volume of shares traded declined by 65.99%, to close the week at 9 052 897 shares. The decline in value and volume of trades was largely attributable to the holiday shortened week, coupled with subdued trading in some blue chip counters.

**Figure 4: Daily Market Turnover**

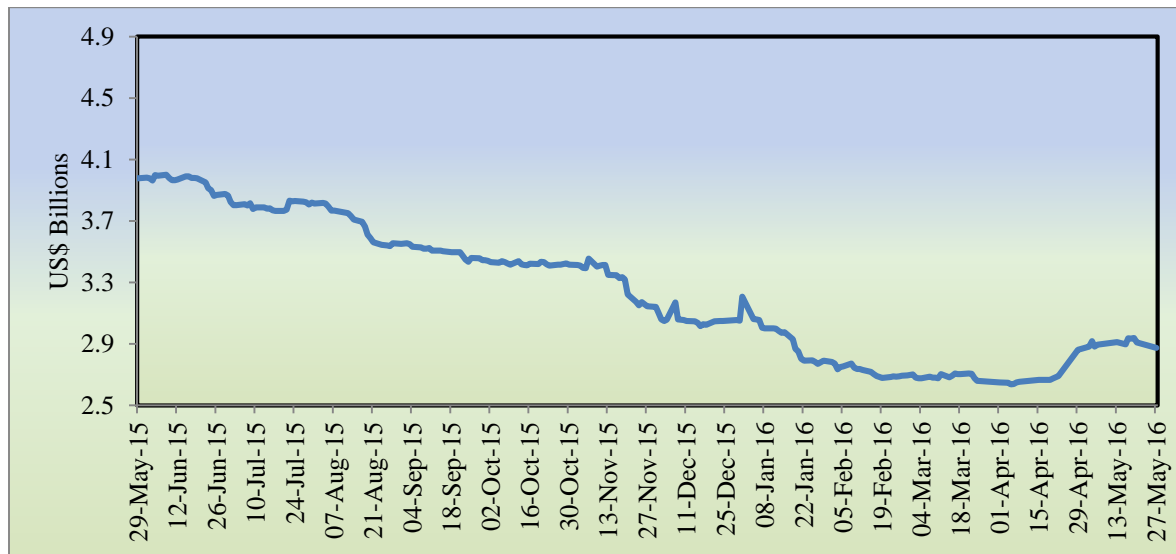


Source: Zimbabwe Stock Exchange, 2016

### Market Capitalisation

During the week under review, the ZSE market capitalisation stood at US\$2.87 billion, a 1.24% decline from the US\$2.91 billion recorded in the previous week.

**Figure 5 : Market Capitalisation**



Source: Zimbabwe Stock Exchange, 2016

## Johannesburg Stock Exchange (JSE) Developments

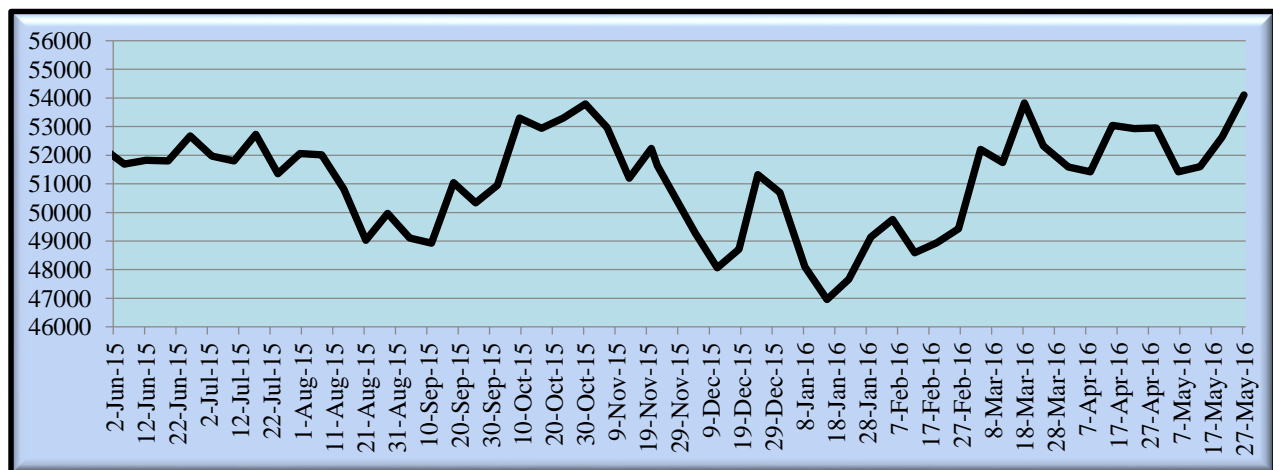
The JSE All Share index increased by 2.78%, to close the week under review at 54 105.37 points. Concomitantly, market capitalisation increased by 2.58%, to close the week at R15.90 trillion.

**Table 6: Johannesburg Stock Exchange (JSE) Statistics**

Period	All Share Index (points)	Market Capitalisation (R trillion)
29-Apr-16	52,957.32	15.25
6-May-16	51,417.38	15.13
13-May-16	51,602.55	15.24
20-May-16	52,638.25	15.50
27-May-16	54,105.37	15.90

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**

**3<sup>rd</sup> JUNE 2016**