



Weekly Economic Highlights

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Week Ending
5th AUGUST 2016

1. INTEREST RATES

Deposit Rates

Average deposits rates for savings deposits and deposits of 3 month tenor remained unchanged at 3.03% and 6.03%, respectively, during the week ending 5th August 2016. Deposit rates for deposits of 1 month tenor, however, increased from 5.49% in the previous week to close the week under analysis at 5.55%.

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

Date	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
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
5-August-16	3.03	5.55	6.03

Source: Banking Institutions, 2016

Lending Rates

At commercial banks, weighted lending rates for individuals and corporate clients stood at 10.70% and 6.85%, respectively, as shown in Table 2.

Table 2: Lending Rates

Date	Lending Rates (%) Commercial Banks (weighted)	
	Individuals	Corporate clients
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
5-August-16	10.70	6.85

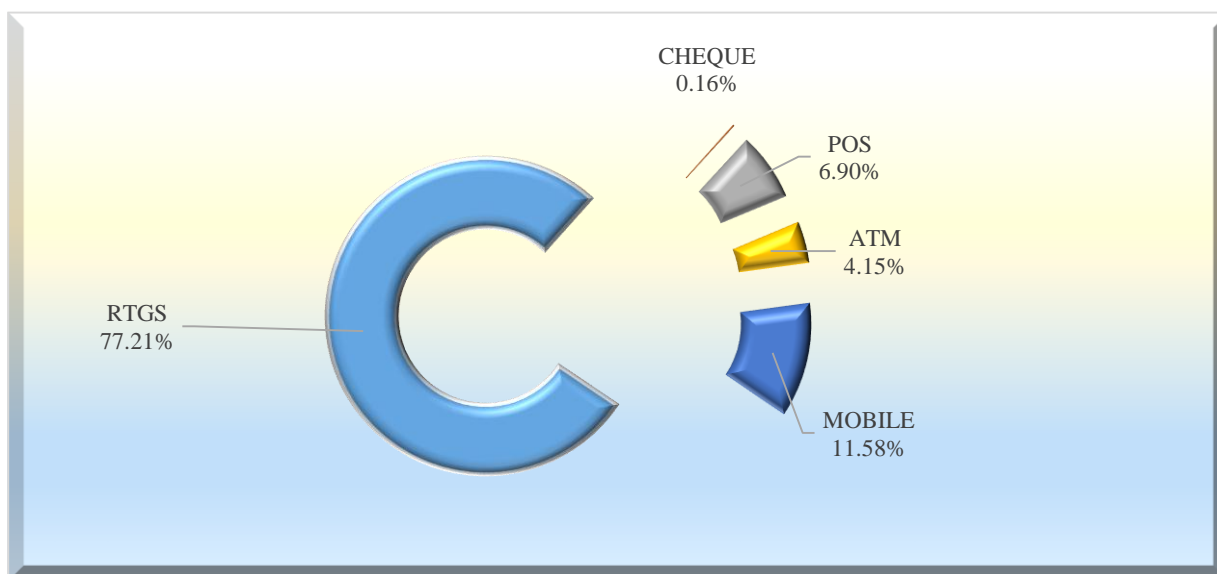
Source: Banking Institutions, 2016

2. CLEARING AND SETTLEMENT ACTIVITY

During the week ending 5th August 2016, transactions processed through the National Payment System (NPS) recorded a 10% decrease, from US\$1 273.80 million in the week ending 29th July 2016 to US\$1 147.40 million. The value of Real Time Gross Settlement (RTGS) system transactions also declined, from US\$1 063.72 million in the previous week to US\$885.90 million during the week under analysis.

The value of transactions processed through the National Payment System was distributed as follows; RTGS, 77.21%; Mobile, 11.58%; POS, 6.90%; ATMs, 4.15% and cheque, 0.16%, as shown in Figure 1.

Figure 1: Proportions of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe

During the same period, NPS transaction volumes increased from 6 429 938 in the previous week, to 7 958 982 during the week under review. The volume of NPS transactions was distributed as follows; Mobile, 79.45%; POS, 14.62%; ATM, 5.03%; RTGS, 0.81% 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 29 July 2016	WEEK ENDING 05 August 2016	CHANGE FROM LAST WEEK	PROPORTION
VALUES IN USD (millions)				
RTGS	1,063.72	885.90	-17%	77.21%
CHEQUE	2.30	1.84	-20%	0.16%
POS	65.32	79.17	21%	6.90%
ATMS	32.40	47.61	47%	4.15%
MOBILE	110.06	132.88	21%	11.58%
TOTAL	1,273.80	1,147.40	-10%	100%
VOLUMES				
RTGS	59,647	64,813	9%	0.81%
CHEQUE	7,137	6,689	-6%	0.08%
POS	928,824	1,163,754	25%	14.62%
ATMs	245,204	400,541	63%	5.03%
MOBILE	5,189,126	6,323,185	22%	79.45%
TOTAL	6,429,938	7,958,982	24%	100%

Source: Reserve Bank of Zimbabwe

3. TOBACCO SALES

A cumulative total of 194.48 million kilograms of tobacco had been sold, as at 5th August 2016 or day 90 of the 2016 tobacco selling season. This was 4.55% higher than the 186.01 million kilograms of tobacco sold during the same period in 2015. The cumulative sales value amounted to US\$571.90 million during the period under analysis, representing 4.37% increase on the cumulative sales realised in the corresponding period in 2015.

The golden leaf was sold at an average price of US\$2.94/kg during the period under review, down from an average price of US\$2.95/kg, during the same period in 2015.

Table 4: Cumulative Tobacco Sales: Day 90 (05/08/16)

	2015	2016	Variance (%)
Cumulative Quantity Sold (kgs)	186,010,060	194,481,097	4.55
Cumulative Average Price(US\$/kg)	2.95	2.94	(0.34)
Cumulative Value (US\$)	547,977,158	571,903,098	4.37

Source: Tobacco Industry and Marketing Board, 2016

4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international commodity prices of gold, platinum and nickel firmed, while those of copper and crude oil retreated during the week ending 5th August 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 (25-29 July)	1,327.98	1,106.20	4,900.40	10,409.00	43.58
1-Aug	1,349.25	1,150.00	4,907.00	10,705.00	42.05
2-Aug	1,360.95	1,170.00	4,907.00	10,790.00	41.70
3-Aug	1,361.65	1,162.00	4,844.50	10,650.00	42.99
4-Aug	1,356.95	1,156.00	4,786.50	10,440.00	44.08
Weekly Average (1-5 August)	1,357.20	1,159.50	4,861.25	10,646.25	42.71
Weekly Change (%)	2.2	4.8	(0.8)	2.3	(2.0)

Source: BBC, KITCO, Reuters and Bloomberg

Gold

Gold prices gained by 2.2%, from a weekly average of US\$1,327.98/oz in the previous week, to US\$1,357.20/oz during the week under review. The precious metal price continued to be supported by a weakening US dollar, a development that boosted its demand as a safe haven asset.

Platinum

Platinum prices firmed by 4.8%, from a weekly average of US\$1,106.20/oz during the week ending 29th July 2016, to an average of US\$1,159.50/oz during the week under analysis. The increase in price was underpinned by a weaker US dollar.



Copper

Copper prices retreated by 0.8% from a weekly average of US\$4,900.40/tonne in the previous week, to US\$4,861.25/tonne during the week ending 5th August 2016. Prices fell amid mounting concerns that the monetary stimulus planned by central banks would not be enough to boost demand.

Nickel

Nickel prices rose by 2.3% from a weekly average of US\$10,409.00/tonne during the week ending 29th July 2016, to US\$10 646.25/tonne during the week under review. Prices surged on account of supply shortages as the new government in the Philippines, the world's biggest supplier of nickel ore, announced plans to close mines that fail to comply with environmental regulations.

Brent Crude Oil

Brent crude oil prices declined by 2.0% from a weekly average of US\$43.58/barrel recorded in the previous week, to US\$42.71/barrel during the week under analysis. Prices remained in the negative amid concerns over a global supply glut, on account of increased US shale production.

5. EXCHANGE RATES

Table 6: International Exchange Rates per US\$

	GBP (£)	EURO (€)	Rand (ZAR)
2016			
Weekly Average (25-29 July)	0.7604	0.9067	14.2681
1-Aug	0.7549	0.8951	13.8730
2-Aug	0.7581	0.8945	13.9133
3-Aug	0.7501	0.8922	14.0450
4-Aug	0.7510	0.8975	13.8950
5-Aug	0.7614	0.8978	13.7100
Weekly Average (1-5 July)	0.7551	0.8954	13.8873
<i>Appr(-)/Depr(+)</i>	<i>-0.70</i>	<i>-1.25</i>	<i>-2.67</i>

Source: Reuters

During the week under analysis, the South African rand, euro and British pound, appreciated by weekly averages of 2.67%, 1.25% and 0.70%, respectively.

6. EQUITY MARKETS

The Zimbabwe Stock Exchange (ZSE) closed the week ending 5th August 2016 bullish, with the industrial index increasing by 0.49 points to close at 99.33 points. A 0.16 points decline was recorded for the resources index, to close the week under review at 25.65 percentage points.

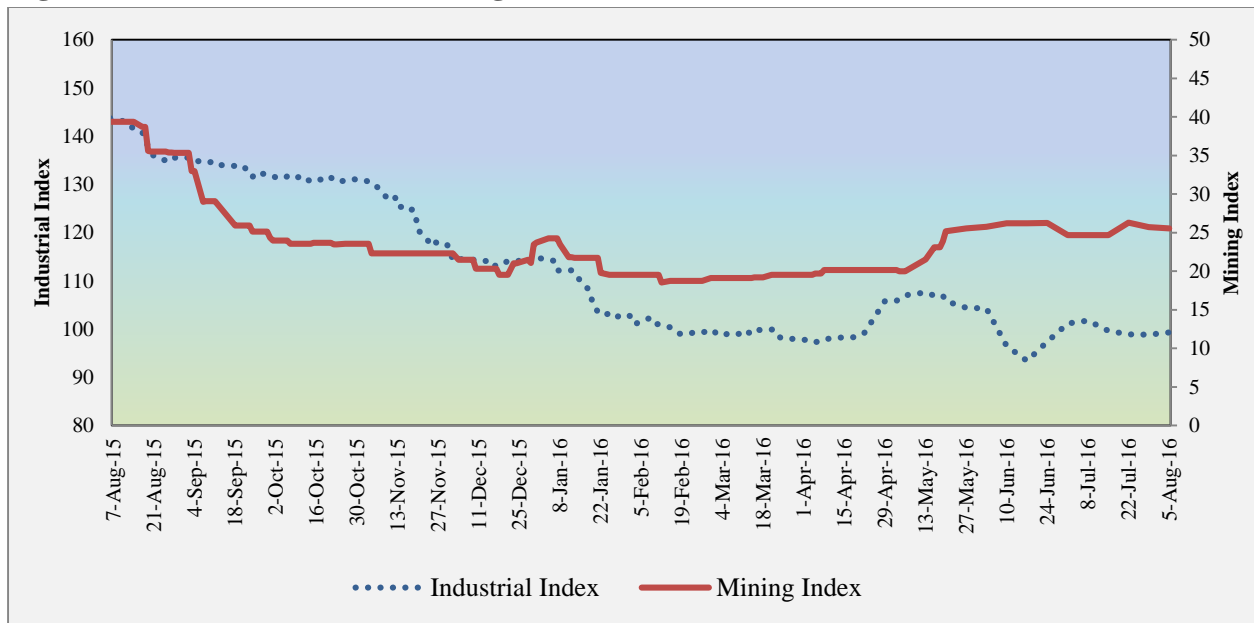
The increase in the mainstream index was largely attributed to gains realized in CFI Holdings Limited (6.11%), Inncor Africa Limited (5.71%), Padenga Holdings Limited (2.77%), Econet Wireless Zimbabwe Limited (2.31%) and Delta Corporation Limited (0.38%). A 1.79% loss in value on the Bindura Nickel Corporation counters, in large part, explained the fall in 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
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
5-August	99.33	25.56	2,733,012,825	734,543	11,507,609
Weekly Change (%)	0.50	(0.62)	0.40	(78.20)	42.43

Source: Zimbabwe Stock Exchange (ZSE), 2016.

Figure 3 : Zimbabwe Stock Exchange Indices

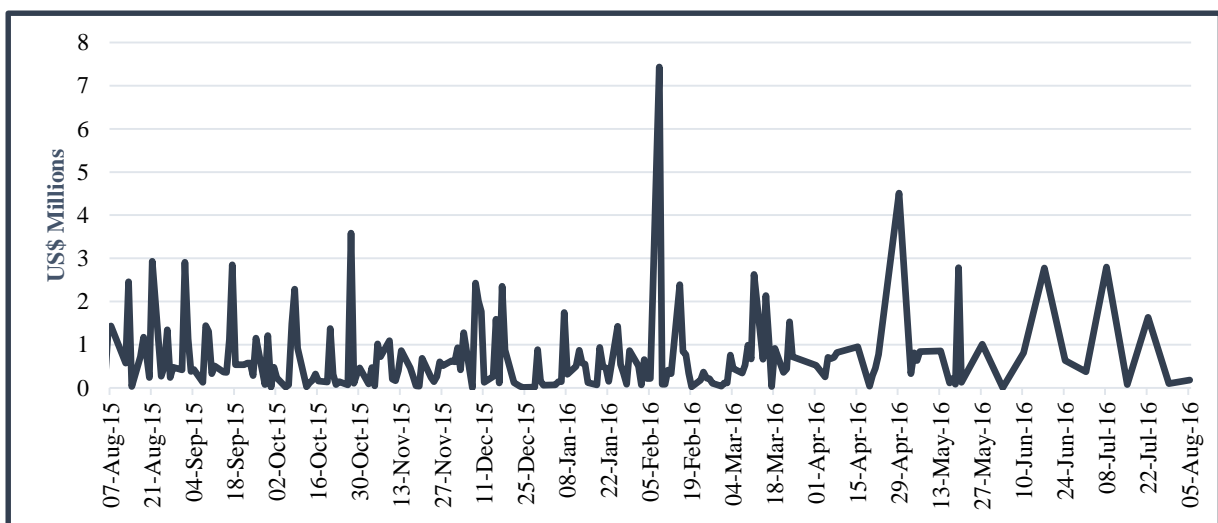


Source: Zimbabwe Stock Exchange, 2016

Market Turnover and Volume

Market turnover declined by 78.20%, from US\$3.37 million during the previous week to US\$0.73 million, during the week under review. The volume of shares traded, however, increased by 42.43% to 11 507 609 shares. This followed block trades which saw 5 million Barclays; 1.4 million FBC Holdings; and 0.8 million CBZ Holdings shares exchanging hands at prices of US\$0.015, US\$0.064 and US\$0.1 per share, respectively.

Figure 4: Daily Market Turnover

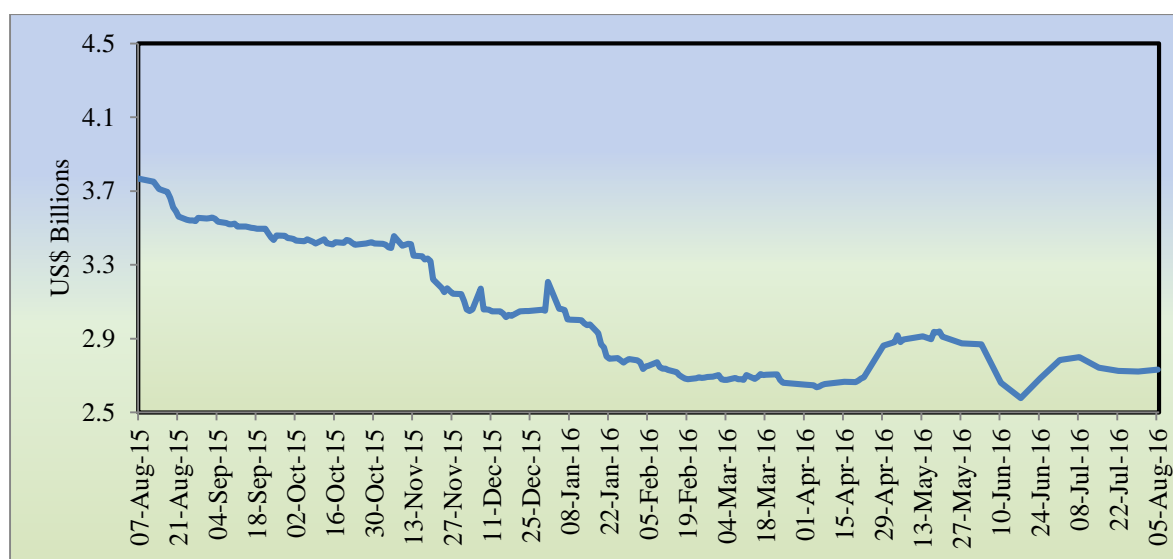


Source: Zimbabwe Stock Exchange, 2016

Market Capitalisation

The ZSE market capitalisation stood at US\$2.73 billion during the week ending 5th August 2016, up from US\$2.72 billion recorded in the previous week.

Figure 5 : Market Capitalisation



Source: Zimbabwe Stock Exchange, 2016

Johannesburg Stock Exchange (JSE) Developments

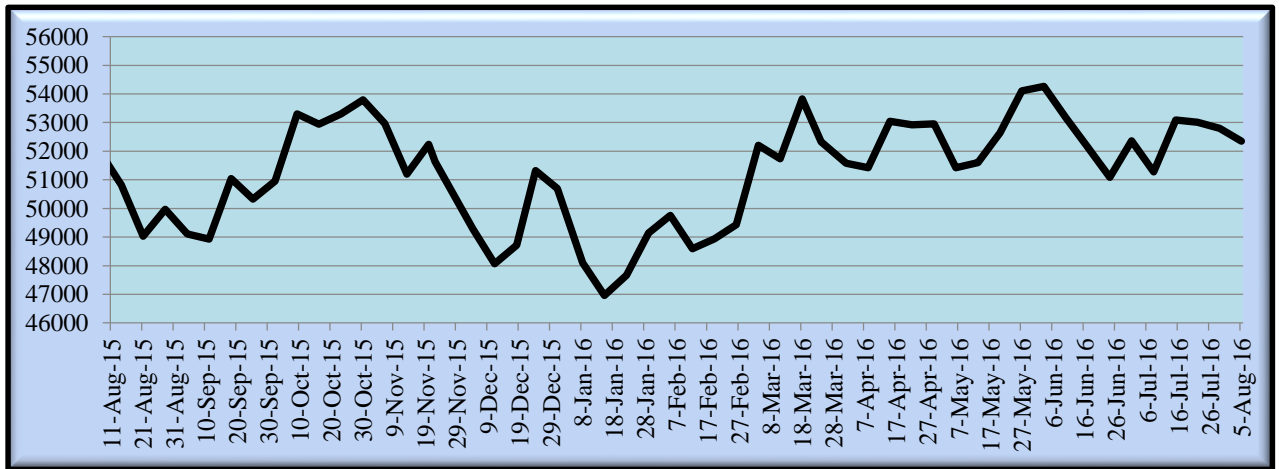
The JSE All Share index closed the week under review at 52 348.36 points, down from 52 797.58 points in the previous week. Market capitalisation also fell by 1.38%, to close the week under review at ZAR15.02 trillion during the same period.

Table 8: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalisation (ZAR trillion)
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
5-Aug-16	52,348.36	15.02

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 AUGUST 2016