



# Weekly Economic Highlights

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Week Ending  
12<sup>th</sup> May 2017

## 1. INTEREST RATES

### Deposit Rates

During the week ending 12<sup>th</sup> May 2017, average deposit rates for savings deposits remained unchanged at 3.46%. Average deposit rates for deposits of 1 month and 3 months tenors increased by 0.01 and 0.02 percentage points to close the week under review at 4.37% and 4.46%, respectively.

**Table 1: Average Deposit Rates (per annum)**

Date	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
13-April-17	3.96	4.20	4.22
21-April-17	3.44	4.37	4.43
28-April-17	3.46	4.36	4.44
05-May-17	3.46	4.36	4.44
12-May-17	3.46	<b>4.37</b>	<b>4.46</b>

Source: Banking Institutions, 2017

### Lending Rates

Commercial bank weighted lending rates for individual clients stood at 9.19% during the week under review, down from 9.25% recorded in the previous week. Weighted lending rates for corporate clients, however, remained unchanged at 7.02% during the week under review.

**Table 2: Lending Rates**

Date	Lending Rates (%) Commercial Banks (weighted)	
	Individuals	Corporate clients
13-April-17	9.22	7.02
21-April-17	9.23	7.01
28-April-17	9.25	7.02
05-May-17	9.25	7.02
12-May-17	<b>9.19</b>	7.02

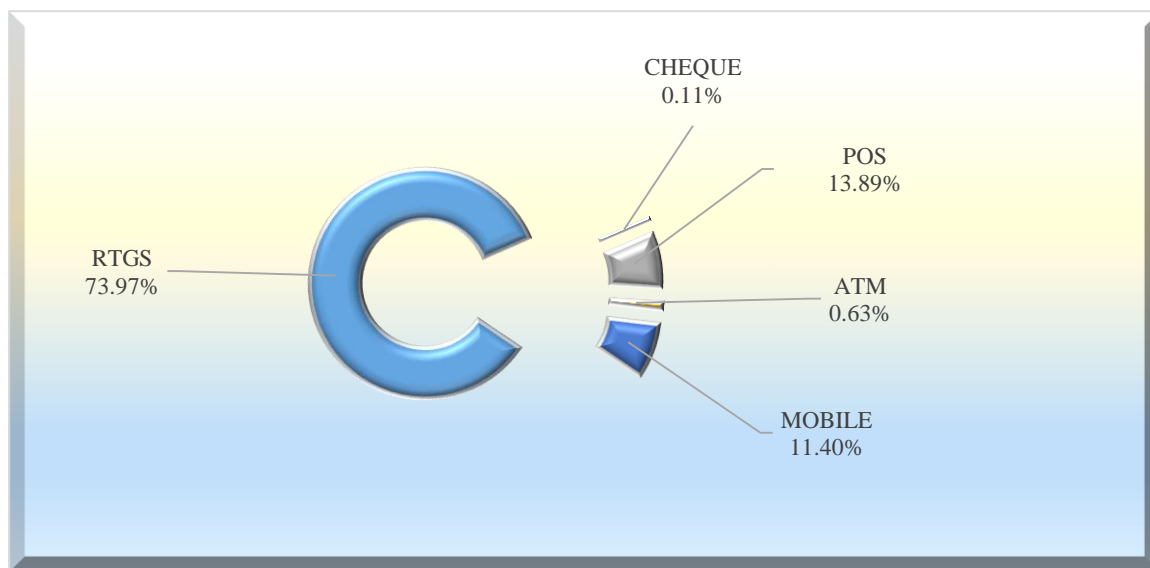
Source: Banking Institutions, 2017

## 2. CLEARING AND SETTLEMENT ACTIVITY

The total value of transactions processed through the National Payment Systems (NPS) stood at USD\$1 454.71 million during the week under review, up from USD\$1 370.55 million recorded in the previous week. Transactions processed through the Real Time Gross Settlement (RTGS) system also increased by 8%, from US\$999.14 million in the previous week to close the week under review at US\$1 076.11 million.

Real Time Gross Settlement (RTGS) payments accounted for 73.97% of the total value of transactions processed through the NPS, followed by Point of Sale (POS), 13.89%; Mobile, 11.40%; Automated Teller Machines (ATMs), 0.63%; and Cheque, 0.11%, as shown in Figure 1.

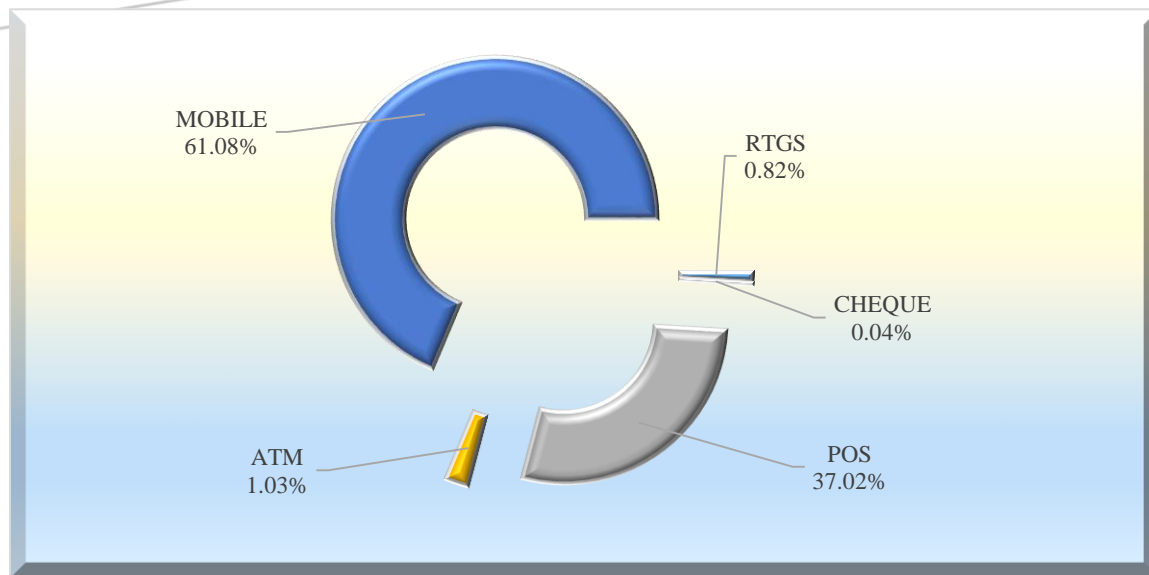
**Figure 1: Proportions of NPS Transactions in Value Terms**



*Source: Reserve Bank of Zimbabwe*

NPS transaction volumes increased by 9%, from 14 668 169 recorded in the previous week to 15 994 067 during the week ending 12<sup>th</sup> May 2017. In terms of contributions to the volume of NPS transactions, Mobile transactions were the highest at 61.08%; followed by POS, 37.02%; ATM, 1.03%; RTGS, 0.82%; and Cheque 0.04%, 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 05 May 2017	WEEK ENDING 12 May 2017	CHANGE FROM LAST WEEK	PROPORTION
<b>VALUES IN USD (millions)</b>				
<b>RTGS</b>	999.14	1,076.11	8%	73.97%
<b>CHEQUE</b>	0.92	1.56	69%	0.11%
<b>POS</b>	187.79	202.06	8%	13.89%
<b>ATMS</b>	12.83	9.16	-29%	0.63%
<b>MOBILE</b>	169.87	165.83	-2%	11.40%
<b>TOTAL</b>	<b>1,370.55</b>	<b>1,454.71</b>	6%	<b>100%</b>
<b>VOLUME</b>				
<b>RTGS</b>	113,827	131,664	16%	0.82%
<b>CHEQUE</b>	4,301	6,808	58%	0.04%
<b>POS</b>	4,843,857	5,921,358	22%	37.02%
<b>ATMs</b>	200,175	164,298	-18%	1.03%
<b>MOBILE</b>	9,506,009	9,769,939	3%	61.08%
<b>TOTAL</b>	<b>14,668,169</b>	<b>15,994,067</b>	9%	<b>100%</b>

Source: Reserve Bank of Zimbabwe

### 3. TOBACCO SALES

As at 12<sup>th</sup> May 2017 or day 39 of the 2017 tobacco selling season, a cumulative total of 113 245 325 kilograms of tobacco had been sold. This was a 24.16% increase from 91 207 829 kilograms sold during the same period in 2016.

Cumulative tobacco sales at US\$320.27 million, were 21.98% higher than the US\$262.56 million realized during the corresponding period in 2016. The golden leaf was sold at an average price of US\$2.83/kg, compared to US\$2.88/kg realized during the same period in 2016.

**Table 4: Cumulative Tobacco Sales: Day 39 (12 May 2017)**

	2016	2017	Variance (%)
<b>Cumulative Quantity Sold (kgs)</b>	91,207,829	113,245,325	24.16
<b>Cumulative Average Price(US\$/kg)</b>	2.88	2.83	-1.74
<b>Cumulative Value (US\$ million)</b>	262,561,588	320,267,314	21.98

Source: Tobacco Industry and Marketing Board (TIMB), 2017

## 4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international commodity prices of gold, platinum, nickel and copper retreated, whilst prices of crude oil firmed during the week ending 12<sup>th</sup> May 2017, as shown in Table 5.

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

	<b>Gold</b>	<b>Platinum</b>	<b>Copper</b>	<b>Nickel</b>	<b>Crude Oil</b>
<b>2017</b>	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
<b>Week ending (2 – 5 May)</b>	<b>1,243.41</b>	<b>913.38</b>	<b>5,653.25</b>	<b>9,363.75</b>	<b>49.76</b>
8-May	1,229.75	913.50	5,530.00	8,935.00	49.42
9-May	1,222.78	903.00	5,466.00	9,065.00	49.05
10-May	1,222.95	905.50	5,495.00	9,065.00	50.24
11-May	1,222.08	914.00	5,511.50	9,190.00	50.76
12-May	1,229.58	922.50	5,581.00	9,370.00	50.85
<b>Week ending (8 - 12 May)</b>	<b>1,225.43</b>	<b>911.70</b>	<b>5,516.70</b>	<b>9,125.00</b>	<b>50.06</b>
<i>Weekly Change (%)</i>	<i>-1.4</i>	<i>-0.2</i>	<i>-2.4</i>	<i>-2.5</i>	<i>0.6</i>

Source: BBC, KITCO and Bloomberg

### **Gold**

Gold prices weakened by 1.4%, from a weekly average of US\$1,243.41/oz recorded in the previous week, to US\$1,225.43/oz during the week under review. The prices fell amid receding political uncertainty in Europe, which dampened the precious metals' appeal as a safe-haven.

### **Platinum**

Platinum prices declined by 0.2%, from US\$913.38/oz recorded in the previous week, to US\$911.70/oz during the week under analysis. The decline was underpinned by expectations of an interest rate hike by the Federal Reserve, dampening platinum's investment demand prospects.

## **Copper**

Copper prices retreated by 2.4%, from US\$5,653.25/ton in the previous week, to US\$5,516.70/ton during the week under review. This was on the back of oversupply concerns, amid rising inventories at the London Metal Exchange (LME).

## **Nickel**

Nickel prices fell by 2.5%, from a weekly average of US\$9,363.75/ton registered in the previous week, to close the week under review at an average of US\$9,125.00/ton. The decline was on account of negative market sentiments, coupled with a weak demand outlook in China, the world's largest consumer of the base metals.

## **Crude Oil**

Crude oil prices firmed by 0.6% to US\$50.06/barrel during the week under analysis, from US\$49.76/barrel in the previous week. The increase was supported by rising expectations of the extension of OPEC-led production cuts in Saudi Arabia as well as a slip in U.S. fuel inventories.

## 5. EXCHANGE RATES

The US dollar appreciated against the euro and the rand during the week ending 12<sup>th</sup> May 2017, on account of stronger than expected US jobs data. The greenback, however, depreciated by 0.29% against the pound Sterling during the same period.

**Table 6: International Exchange Rates per US\$**

	<b>GBP</b>	<b>EURO</b>	<b>ZAR</b>
<b>2017</b>			
<b>Weekly Average (2 - 5 May)</b>	<b>0.775</b>	<b>0.915</b>	<b>13.454</b>
<b>8-May</b>	0.771	0.910	13.470
<b>9-May</b>	0.772	0.915	13.665
<b>10-May</b>	0.772	0.918	13.562
<b>11-May</b>	0.773	0.920	13.518
<b>12-May</b>	0.776	0.920	13.365
<b>Weekly Average (8 – 12 May)</b>	<b>0.773</b>	<b>0.917</b>	<b>13.516</b>
<b><i>Appr(+)/Depr(-) (%) of the USD</i></b>	<b>-0.29%</b>	<b>0.23%</b>	<b>0.46%</b>

Source: Reuters



## 6. EQUITY MARKETS

Trading on the Zimbabwe Stock Exchange (ZSE) maintained a bullish trend for the seventh consecutive week. Resultantly, the mainstream index gained by 1.06% to close the week ending 12<sup>th</sup> May 2017 at 146.80 points. This was on the back of positive performance by Zimre Property Investments, 11%; Star Africa Corporation, 10%; African Distillers (Afdis), 9.09%; First Mutual Holdings, 8.55%; and Econet Wireless Zimbabwe Limited, 5.75%. Partially offsetting these gains were losses in Amalgamated Regional Trading, 15.38%; Rainbow Tourism Group (RTG), 9.18%; CBZ Holdings, 4.22%; Lafarge Cement Zimbabwe, 0.56%; and TSL Limited, 0.45%.

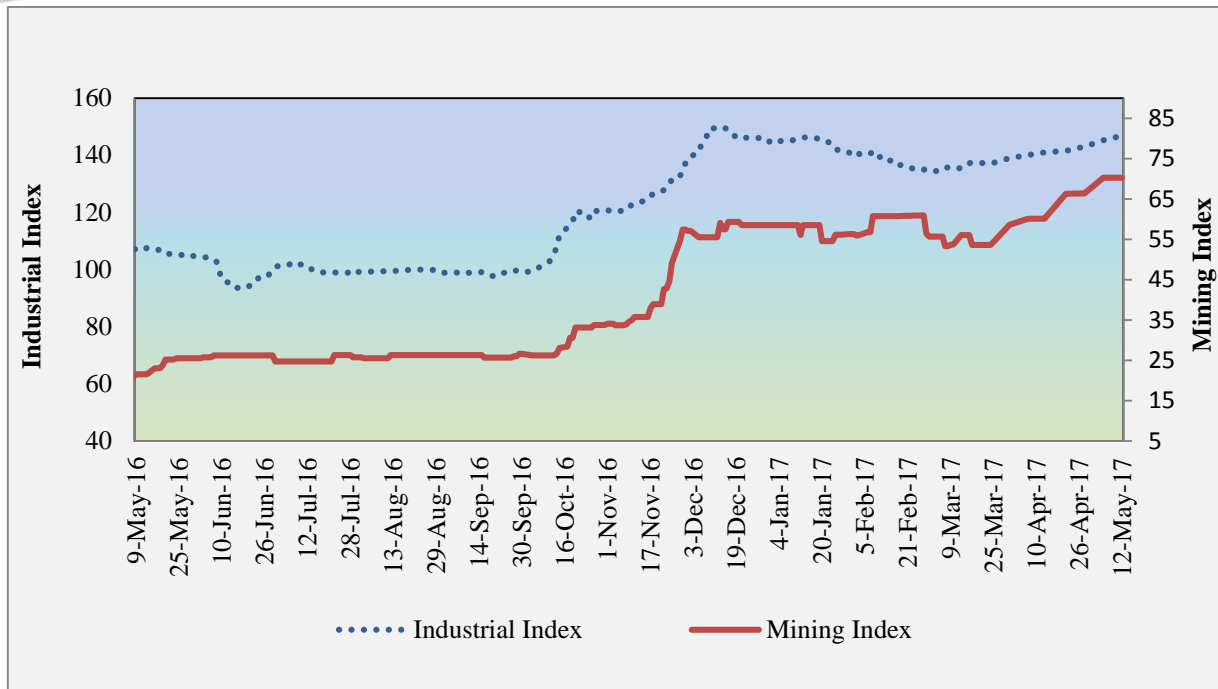
The resources index, however, remained unchanged at the previous week level of 70.22 points. Bindura Nickel Corporation, was the only active counter.

**Table 7: Zimbabwe Stock Exchange (ZSE) Statistics**

	<b>Industrial Index (points)</b>	<b>Mining Index (points)</b>	<b>Grand Market Capitalization (US\$)</b>	<b>Market Turnover (US\$)</b>	<b>Volume of Shares</b>
<b>13-April-17</b>	140.92	60.12	3,926,840,215	1,051,943	29,009,254
<b>21-April-17</b>	141.50	66.25	4,141,058,162	917,111	7,510,700
<b>28-April-17</b>	142.96	66.33	4,182,789,106	5,199,710	32,870,288
<b>05-May-17</b>	145.26	70.22	4,254,332,270	2,454,771	54,665,643
<b>12-May-17</b>	146.80	70.22	4,298,671,929	2,231,855	44,332,738
<b>Weekly Change (%)</b>	<b>1.06</b>	<b>0</b>	<b>1.04</b>	<b>(9.08)</b>	<b>(18.90)</b>

Source: Zimbabwe Stock Exchange (ZSE), 2017.

**Figure 3 : Zimbabwe Stock Exchange Indices**

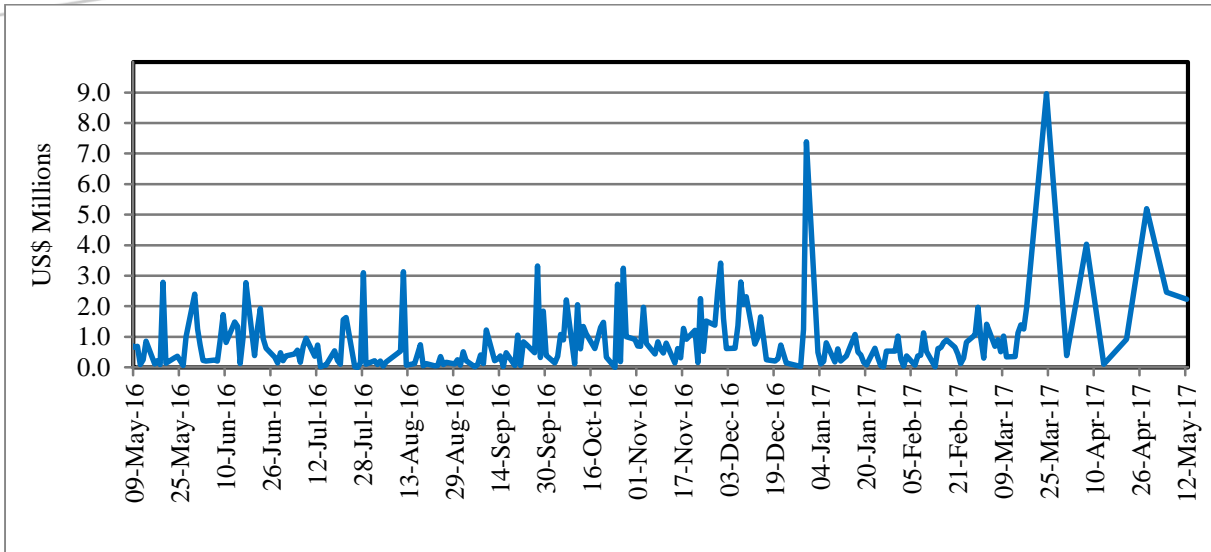


Source: Zimbabwe Stock exchange

### Market Turnover and Volume

The ZSE market turnover declined by 9.08%, to close the week ending 12<sup>th</sup> May 2017 at US \$2.23 million. The volume of shares traded also decreased by 18.90%, to 44 332 738 shares during the week under review. Contributing significantly to the volume of shares, was a single block trade of 20 million ZPI shares, at a unit price of US\$0.011.

**Figure 4: Daily Market turnover**

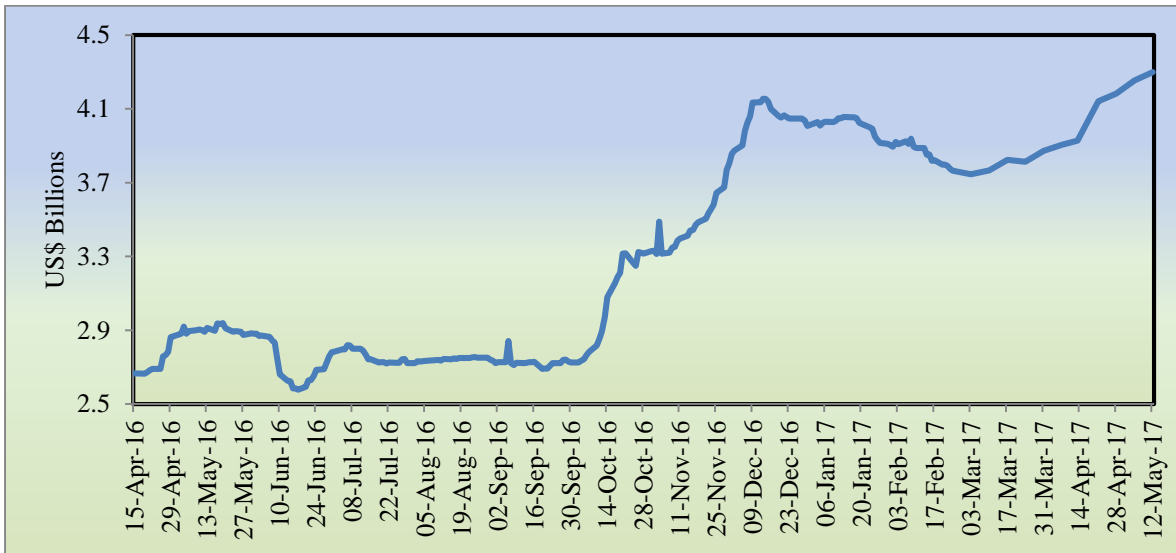


Source: Zimbabwe Stock Exchange, 2017

**Market Capitalization**

The ZSE market capitalisation rose by 1.04%, from US\$4.25 billion recorded in the previous week to US\$4.30 billion during the week under review.

**Figure 5 : Market Capitalization**



Source: Zimbabwe Stock Exchange, 2017

## Johannesburg Stock Exchange (JSE) Developments

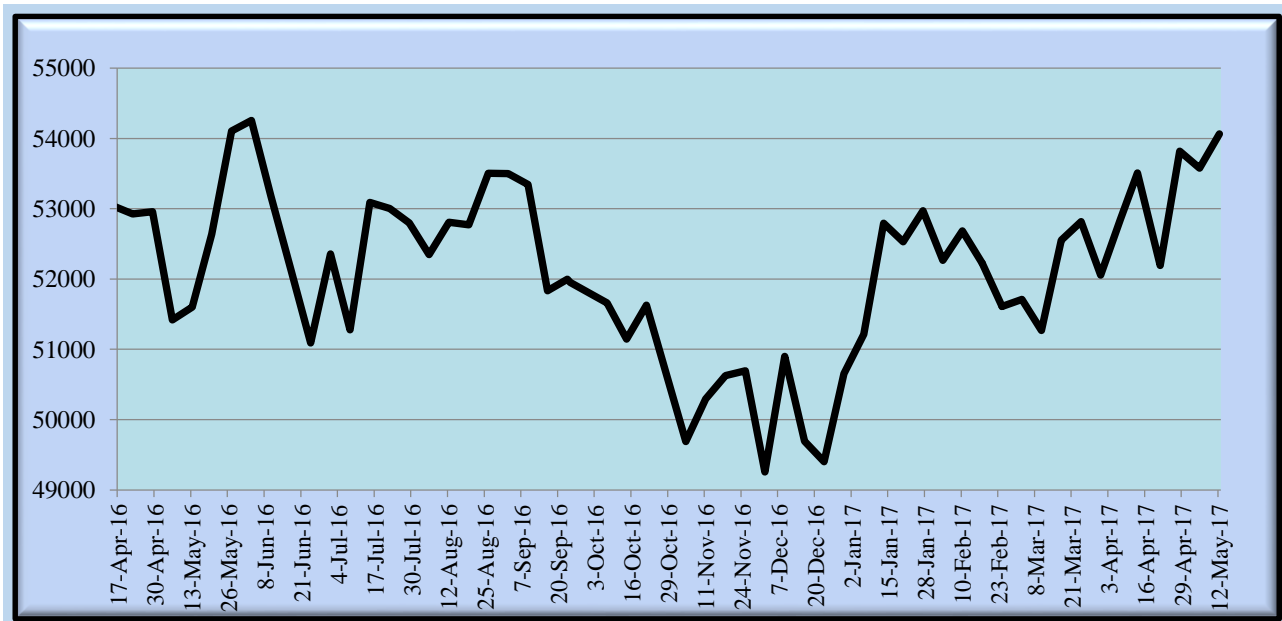
The JSE All Share Index registered a 0.9% decline from 44 332 734 points recorded in the previous week, to 54 063.34 points during the week under review. JSE market capitalisation rose by 0.1%, from R14.31 trillion in the previous week to R14.33 trillion during the week under review.

**Table 8: Johannesburg Stock Exchange (JSE) Statistics**

Period	All Share Index (points)	Market Capitalization (ZAR trillion)
07-April-17	52 853.36	14.09
13-April-17	53 510.22	14.07
21-April-17	52 194.59	13.70
28-April-17	53 817.31	14.17
05-May-17	54 579.01	14.31
12-May-17	<b>54 063.34</b>	<b>14.33</b>

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**

**19<sup>th</sup> MAY 2017**