



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
19th May 2017

1. INTEREST RATES

Deposit Rates

Average deposit rates for savings deposits increased by 0.5 percentage points to 3.96%, during the week ending 19th May 2017. Average interest rates for deposits of 1 month and 3 months tenors, however, declined by 0.04 and 0.01 percentage points to close the week under review at 4.33% and 4.45%, respectively.

Table 1: Average Deposit Rates (per annum)

Date	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
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	4.37	4.46
19-May-17	3.96	4.33	4.45

Source: Banking Institutions, 2017

Lending Rates

During the week under review, commercial bank weighted lending rates for individual clients stood at 9.20%, up from 9.19% recorded in the previous week. Weighted lending rates for corporate clients, however, remained unchanged at 7.02% for the fourth consecutive week.

Table 2: Lending Rates

Date	Lending Rates (%)	
	Commercial Banks (weighted)	
	Individuals	Corporate clients
21-April-17	9.23	7.01
28-April-17	9.25	7.02
05-May-17	9.25	7.02
12-May-17	9.19	7.02
19-May-17	9.20	7.02

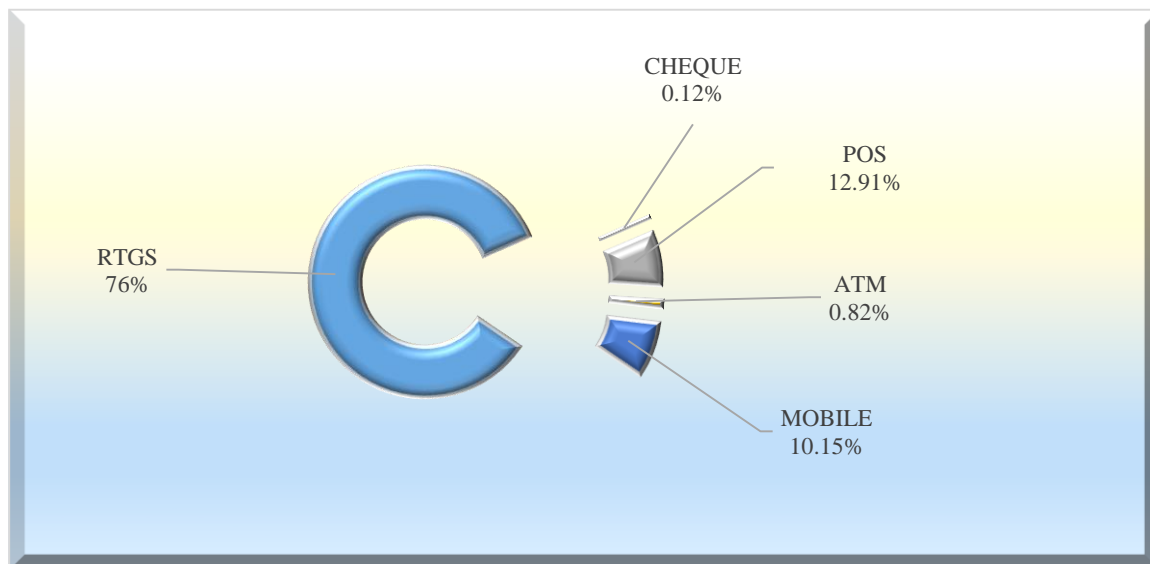
Source: Banking Institutions, 2017

2. CLEARING AND SETTLEMENT ACTIVITY

During the week under review, the total value of transactions processed through the National Payments System (NPS) stood at US\$1 403.72 million, a 4% decline from the US\$ 1 454.71 million recorded during the week ending 12th May 2017. This was largely driven by the decrease in the value of RTGS transactions, from US\$1 076.11 million recorded in the previous week to US\$1 066.84 million during the week under review.

In value terms, NPS transactions were distributed as follows: RTGS, 76%; POS, 12.91%; Mobile, 10.15%; ATM, 0.82% and Cheque 0.12%, as shown in Figure 1.

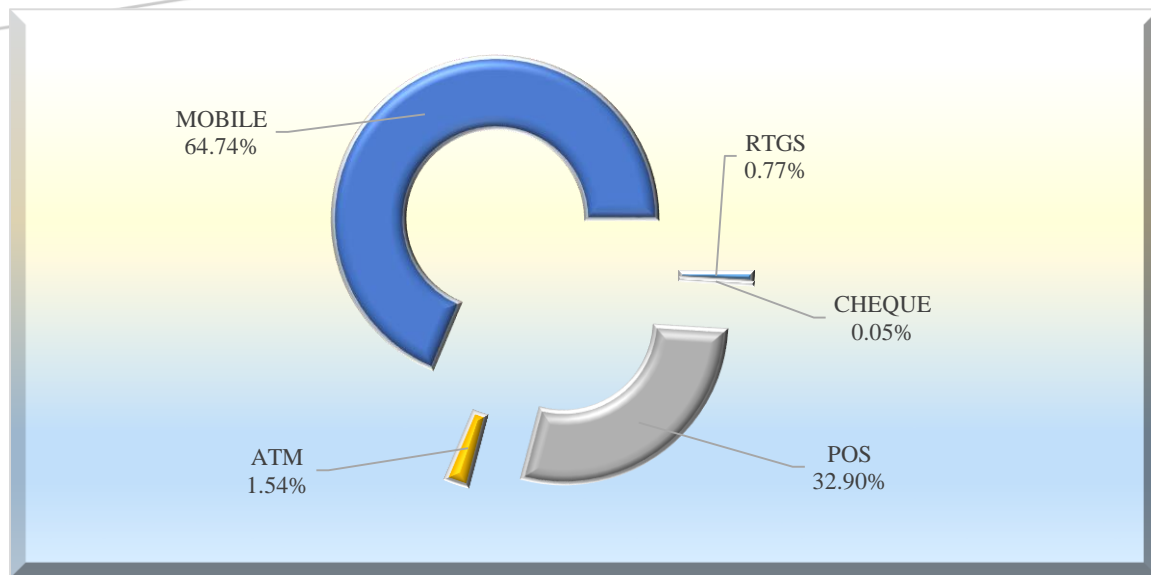
Figure 1: Proportions of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe

The total volume of NPS transactions declined by 14% to 13 732 274, during the week ending 19th May 2017. In terms of contributions to the total volume of NPS transactions, Mobile transactions were highest at 64.74%, followed by POS, 32.90%; ATM, 1.54%; and Cheque, 0.05%, 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 12 May 2017	WEEK ENDING 19 May 2017	CHANGE FROM LAST WEEK	PROPORTION
VALUES IN USD (millions)				
RTGS	1,076.11	1,066.84	-1%	76.00%
CHEQUE	1.56	1.74	12%	0.12%
POS	202.06	181.15	-10%	12.91%
ATMS	9.16	11.46	25%	0.82%
MOBILE	165.83	142.53	-14%	10.15%
TOTAL	1,454.71	1,403.72	-4%	100%
VOLUME				
RTGS	131,664	105,633	-20%	0.77%
CHEQUE	6,808	7,141	5%	0.05%
POS	5,921,358	4,518,585	-24%	32.90%
ATMs	164,298	211,091	28%	1.54%
MOBILE	9,769,939	8,889,824	-9%	64.74%
TOTAL	15,994,067	13,732,274	-14%	100%

Source: Reserve Bank of Zimbabwe

3. TOBACCO SALES

As at 19th May 2017 or day 44 of the 2017 tobacco selling season, a cumulative total of 127.04 million kilograms of tobacco had been sold. This represented an increase of 17.77%, compared to 107.87 million kilograms sold during the same period in 2016.

The golden leaf was sold at a lower average price of US\$2.85/kg, compared to US\$2.89/kg during the comparable period in 2016. Cumulative tobacco sales were valued at US\$361.78 million, 15.88% higher than the US\$312.2 million realized during the corresponding period in 2016.

Table 4: Cumulative Tobacco Sales: Day 44 (19 May 2017)

	2016	2017	Variance (%)
Cumulative Quantity Sold (kgs)	107,866,992	127,037,002	17.77
Cumulative Average Price(US\$/kg)	2.89	2.85	-1.38
Cumulative Value (US\$ million)	312,200,140	361,783,740	15.88

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

4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

During the week ending 19th May 2017, the international commodity prices of gold, platinum, nickel, copper and crude oil rose, as shown in Table 5.

Table 5: Metal and Crude Oil Prices

Period	Gold	Platinum	Copper	Nickel	Crude Oil
2017	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
Weekly Average (8-12 May)	1,225.43	911.70	5,516.70	9,125.00	50.07
15-May	1,232.40	931.50	5,520.00	9,320.00	51.71
16-May	1,232.85	936.50	5,585.50	9,305.00	51.35
17-May	1,251.00	941.50	5,583.00	9,010.00	51.23
18-May	1,258.63	935.00	5,583.00	9,160.00	51.23
19-May	1,256.68	938.00	5,488.00	9,000.00	51.23
Weekly Average (15-19 May)	1,242.83	932.37	5,546.03	9,153.33	51.14
<i>Weekly Change (%)</i>	<i>1.4</i>	<i>2.3</i>	<i>0.5</i>	<i>0.3</i>	<i>2.1</i>

Source: BBC, KITCO and Bloomberg

Gold

Gold prices rose by 1.4%, from a weekly average of US\$1,225.43/oz recorded in the previous week, to US\$1,242.83/oz during the week under review. This was on the back of the boost in demand for safe haven assets, following the weakening of the US dollar.

Platinum

Platinum prices increased by 2.3%, from US\$911.70/oz recorded in the previous week, to US\$932.37/oz during the week under analysis. Prices increased amid a retreat in equities, as investors scaled back on prospects of monetary policy tightening by the Federal Reserve next month. This development bolstered investment demand for precious minerals.

Copper

Copper prices firmed by 0.5%, from US\$5,561.70/ton in the previous week, to US\$5,546.03/ton during the week under review. The increase was partly attributed to a weaker US dollar and a rise in demand for the metal in China, the world's largest consumer of the metal.

Nickel

Nickel prices rose by 0.3%, from a weekly average of US\$9,125.00/ton registered in the previous week to close the week under review at an average of US\$9,153.33/ton. This was on account of an increase in demand in China, the world's largest consumer of the base metal.

Crude Oil

Crude oil prices continued on a positive trajectory, registering a 2.1% increase to close the week at an average price of US\$51.14/barrel. The increase was supported by pronouncements by Saudi Arabia that production cuts would be maintained in order to uphold stability in the global oil industry.

5. EXCHANGE RATES

During the week ending 19th May 2017, the US dollar appreciated by 0.03% against the pound Sterling. The greenback, however, depreciated by 1.65% and 1.24% against the rand and euro, respectively. This was on the back of weak U.S. data on inflation and retail.

Table 6: International Exchange Rates per US\$

	GBP	EURO	ZAR
2017			
Weekly Average (8 – 12 May)	0.773	0.917	13.516
15-May	0.7747	0.9148	13.3489
16-May	0.7747	0.9148	13.3489
17-May	0.7738	0.9011	13.1050
18-May	0.7710	0.8973	13.2838
19-May	0.7720	0.9000	13.3788
Weekly Average (15-19 May)	0.77	0.91	13.29
<i>Appr(+)/Depr(-) (%) of the USD</i>	<i>0.03</i>	<i>(1.24)</i>	<i>(1.65)</i>

Source: Reuters

6. EQUITY MARKETS

During the week ending 19th May 2017, trading on the Zimbabwe Stock Exchange (ZSE) continued on an upward trend for the eighth consecutive week. As a result, the industrial index increased by 4.45% to close the week under review at 153.33 points. The increase was driven by gains registered in Meikles, 24.25%; Econet, 22.54%; Powerspeed Electrical, 11.90%; Zimre Property Investments, 8.11%; and Zimpapers, 7.14%.

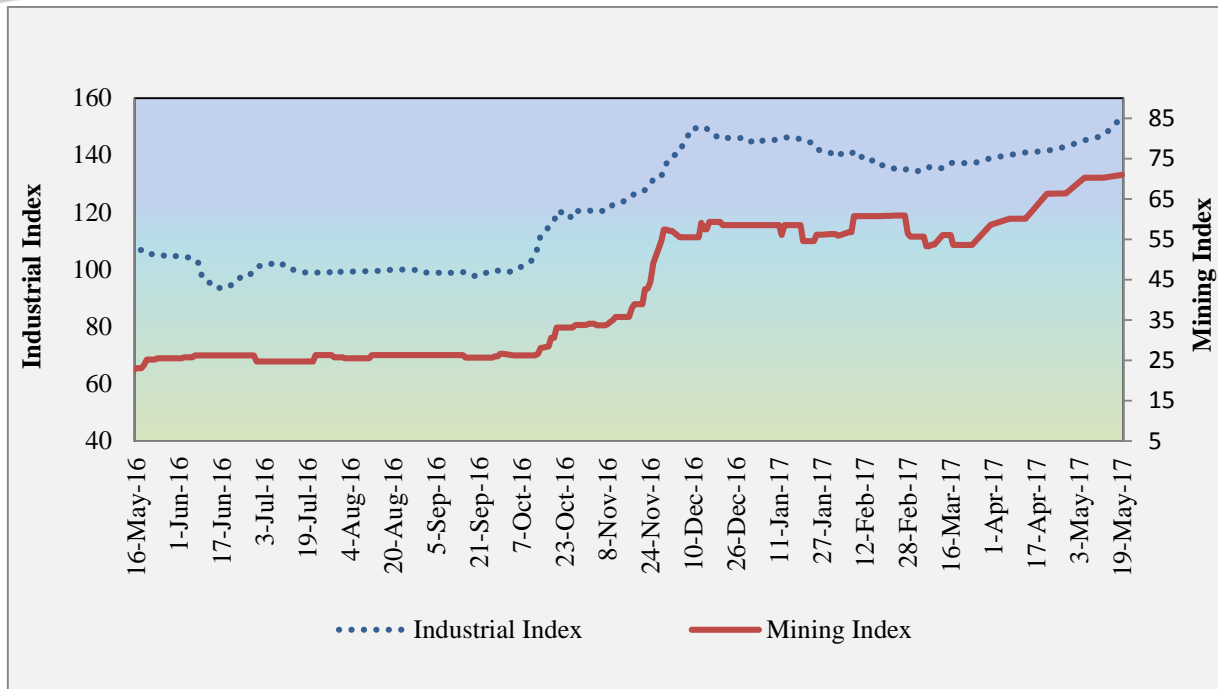
The resources index also firmed by 1.08%, from 70.22 points in the prior week to close the week under review at 70.98 points. This was on the back of a 3.64% gain, realized in RioZim. Partially offsetting the gain was a 3.33% loss in Bindura Nickel Corporation. Hwange and Falgold traded at the previous week price during the week under analysis.

Table 7: Zimbabwe Stock Exchange (ZSE) Statistics

	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
21-April-17	141.50	66.25	4,141,058,162	917,111	7,510,700
28-April-17	142.96	66.33	4,182,789,106	5,199,710	32,870,288
05-May-17	145.26	70.22	4,254,332,270	2,454,771	54,665,643
12-May-17	146.80	70.22	4,298,671,929	2,231,855	44,332,738
19-May-17	153.33	70.98	4,485,761,275	6,903,058	42,246,254
Weekly Change (%)	4.45	1.08	4.35	209.30	(4.71)

Source: Zimbabwe Stock Exchange (ZSE), 2017.

Figure 3 : Zimbabwe Stock Exchange Indices

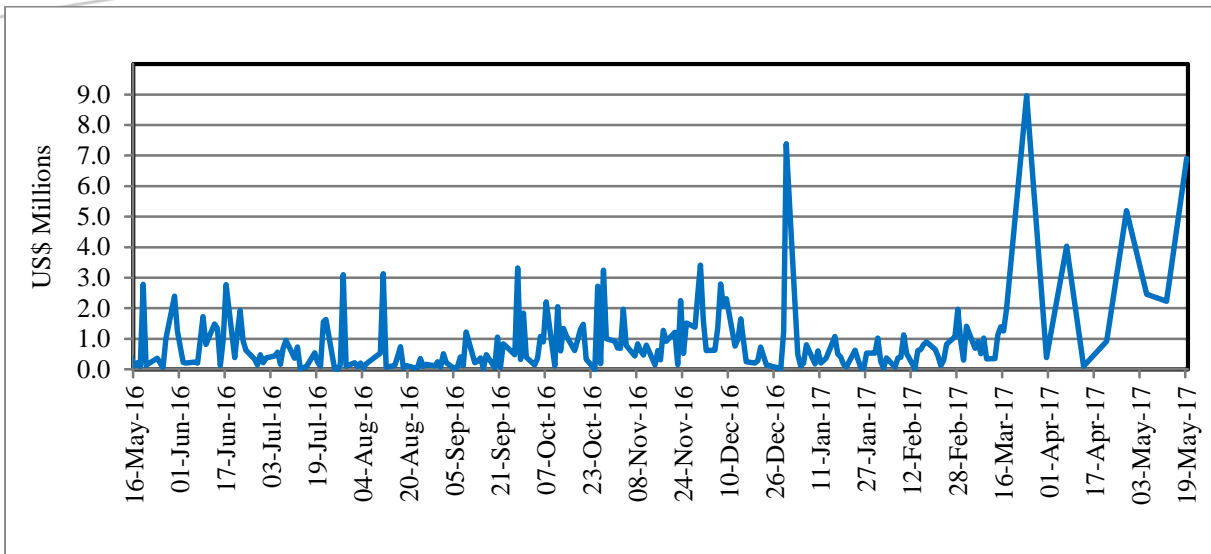


Source: Zimbabwe Stock exchange

Market Turnover and Volume

During the week under review, the volume of shares traded declined by 4.71% to 42 246 254 shares. There were block trades of 8.50 million ZPI shares; 6.99 million Econet shares; and 4.14 million OK Zimbabwe shares, which traded at US\$1.2 cents, US\$24 cents and US\$6.55 cents, respectively. The ZSE market turnover increased by 209.30%, to close the week under review at US\$6.9 million, from US\$2.23 million registered in the prior week.

Figure 4: Daily Market turnover

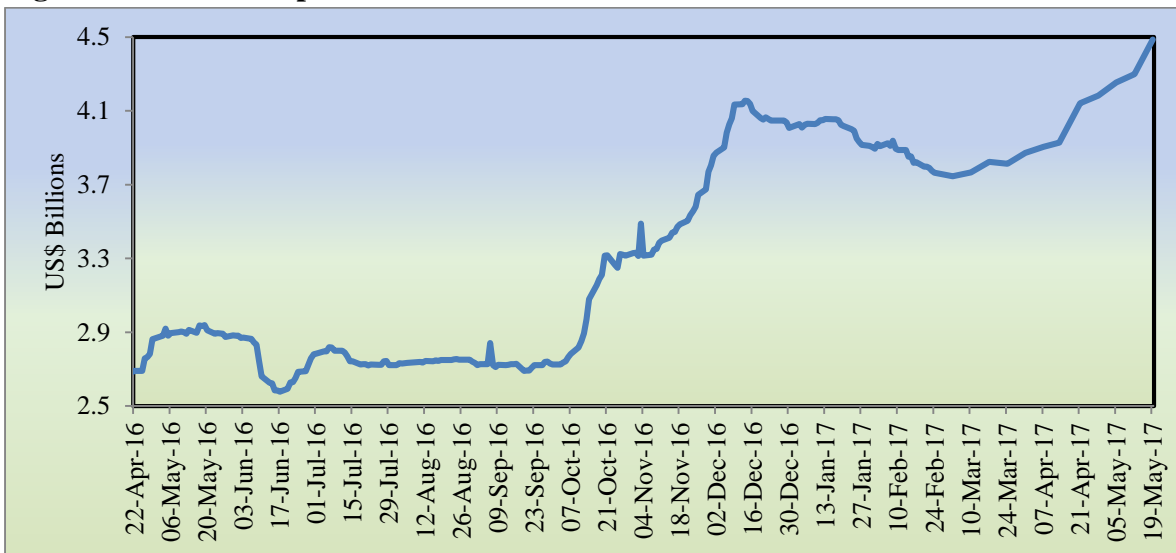


Source: Zimbabwe Stock Exchange, 2017

Market Capitalization

Market capitalisation rose by 4.35%, from US\$4.30 billion recorded in the previous week to US\$4.49 billion during the week under review.

Figure 5 : Market Capitalization



Source: Zimbabwe Stock Exchange, 2017

Johannesburg Stock Exchange (JSE) Developments

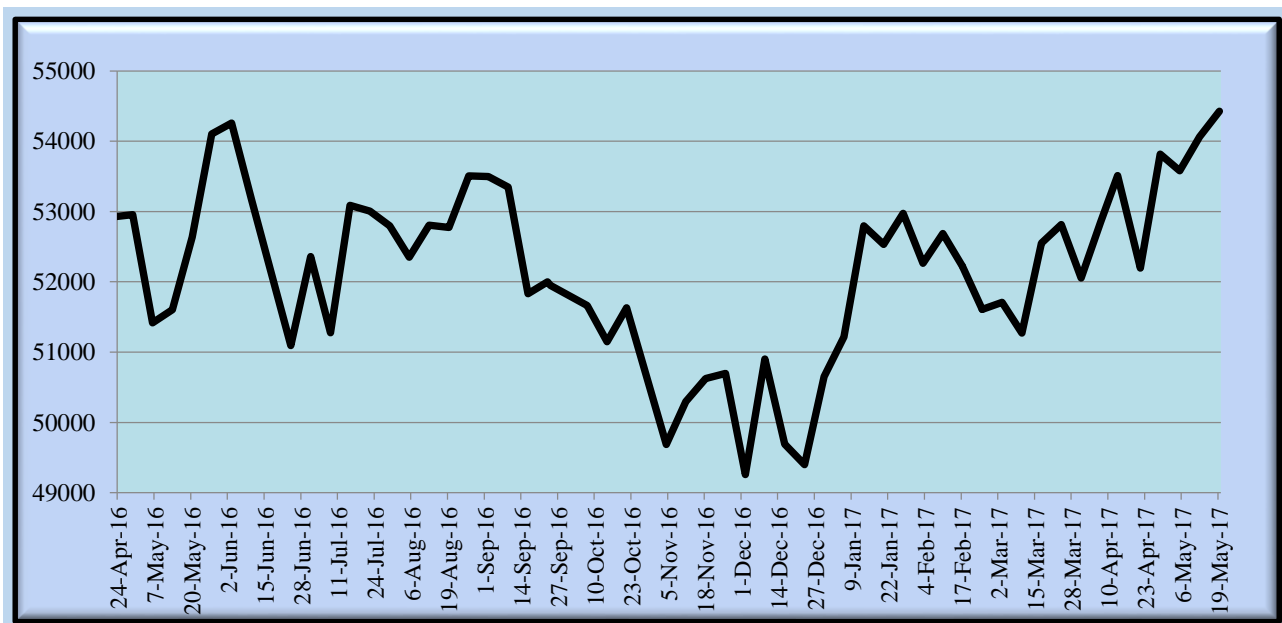
The JSE All share index rose by 0.63% to close the week under analysis at 54 427.30 points. In tandem, JSE market capitalization increased by 0.28%, from R14.33 trillion in the previous week to R14.37 trillion during the week under review.

Table 8: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalization (ZAR trillion)
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	54 063.34	14.33
19-May-17	54 427.30	14.37

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

26th MAY 2017