

Vol. 16 No. 31



Weekly Economic Highlights

Week Ending 01 August 2014

1. INTEREST RATES

Deposit Rates

Interest rates remained largely unchanged at all banking institutions during the week ending 1st August 2014. Savings, 1 month and 3 months average deposit rates closed the week at 3.42%, 9.84% and 11.55%, respectively.

Table 1: Average Deposit Rates

2014	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
04-Jul	3.42	9.91	11.58
11-Jul	3.42	9.91	11.58
18-Jul	3.42	9.91	11.55
25-Jul	3.42	9.86	11.58
01-Aug	3.42	9.84	11.55

Source: Banking Institutions, 2014

Lending Rates

During the week under review, merchant banks' weighted lending rates for individuals and corporates remained unchanged at 19% and 18%, respectively. Commercial banks' weighted lending rates for individuals and corporate clients closed the week at 14.36% and 9.46%, respectively.

Table 2: Lending Rates

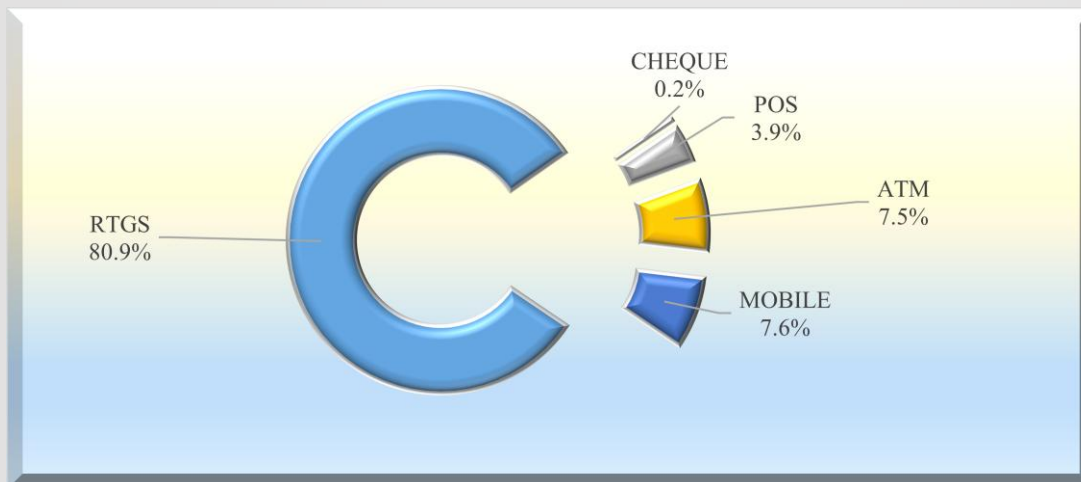
2014	Weighted Lending Rates (%)			
	Commercial Banks		Merchant Banks	
	Individuals	Corporate Clients	Individuals	Corporate Clients
04-Jul	14.36	9.34	19.00	18.00
11-Jul	14.34	9.34	19.00	18.00
18-Jul	14.34	9.32	19.00	18.00
25-Jul	14.33	9.45	19.00	18.00
01-Aug	14.36	9.46	19.00	18.00

Source: Banking Institutions, 2014

2. CLEARING AND SETTLEMENT ACTIVITY

During the week ending 1st August 2014, transactions processed through the Real Time Gross Settlement (RTGS) system stood at US\$900 million in value terms, down from US\$1.03 billion recorded in the previous week.

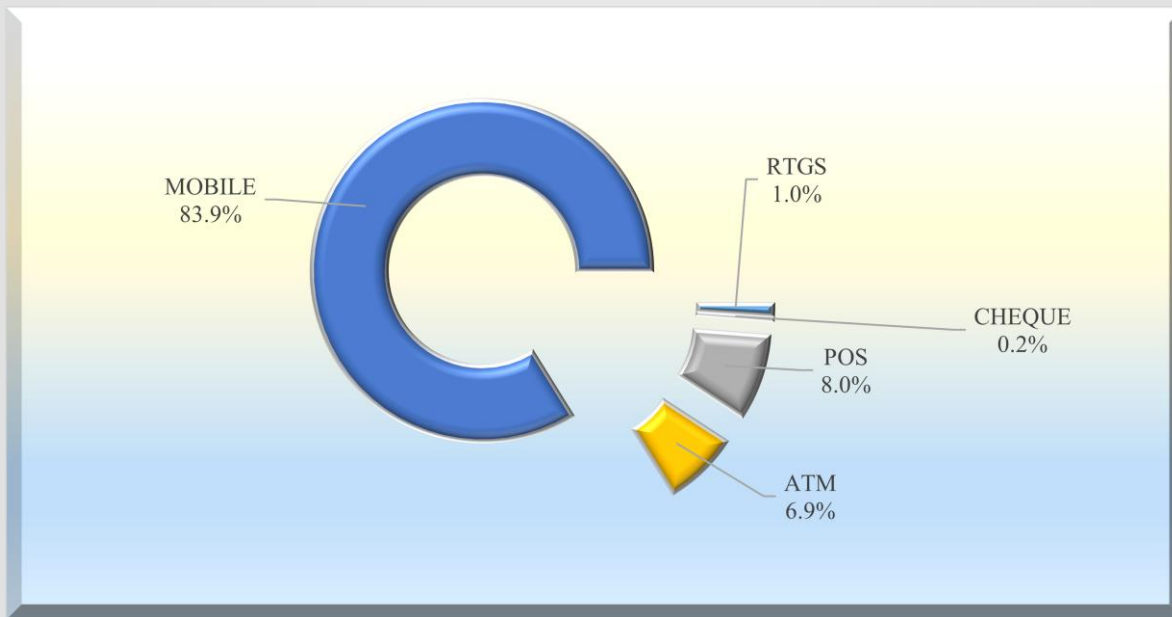
Figure 1: Contribution to NPS Values



Source: Reserve Bank of Zimbabwe.

Mobile-based transactions were 83.9% of total transaction volumes, as at week ending 1st August 2014. RTGS volumes recorded an increase of 4% from the previous week.

Figure 2: Contribution to NPS Volumes



Source: Reserve Bank of Zimbabwe.

Table 3: National Payment Systems Activity

PAYMENT STREAM	PREVIOUS WEEK ENDING 25 JULY 2014	CURRENT WEEK ENDING 01 AUGUST 2014	CHANGE FROM LAST WEEK	PROPORTION
	VALUES IN USD			
RTGS	1,025,838,815.52	899,588,263.43	-12%	80.86%
CHEQUE	2,517,377.81	2,467,028.25	-2%	0.22%
POS	40,922,569.65	43,321,408.85	6%	3.89%
ATMS	59,733,540.65	83,169,599.73	39%	7.48%
MOBILE	66,601,748.36	83,999,389.06	26%	7.55%
TOTAL	1,195,614,051.99	1,112,545,689.32		100%
	VOLUMES			
RTGS	44,123	45,699	4%	1.05%
CHEQUE	7,510	7,636	2%	0.18%
POS	311,878	346,212	11%	7.97%
ATMs	245,792	301,008	22%	6.93%
MOBILE	3,364,256	3,644,614	8.3%	83.88%
TOTAL	3,973,559	4,345,169		100%

Source: Reserve Bank of Zimbabwe.

3. INTERNATIONAL COMMODITY PRICES

The weekly average international commodity prices for gold, platinum, crude oil and nickel retreated, whilst those for copper firmed during the week ending 1st August 2014.

Table 5: Metals and Crude Oil Prices

Period	Gold US\$/ounce	Platinum US\$/ounce	Copper US\$/tonne	Nickel US\$/tonne	Crude Oil US\$/barrel
Weekly average (25 July)	1,303.70	1,481.30	7,086.00	18,969.00	107.56
28-Jul	1,304.75	1,485.50	7,130.00	18,800.00	107.22
29-Jul	1,303.38	1,486.50	7,120.00	18,525.00	107.25
30-Jul	1,296.00	1,481.50	7,089.00	18,525.00	107.51
31-Jul	1,290.13	1,474.00	7,135.00	18,765.00	106.20
1-Aug	1,287.88	1,461.50	7,077.50	18,765.00	105.13
Weekly average (1 Aug)	1,296.43	1,477.80	7,110.30	18,676.00	106.66
Weekly Change %	-0.6	-0.2	0.3	-1.5	-0.8

Source: BBBC.com, KITCO and Bloomberg

Gold

Gold prices retreated from an average of US\$1 303.70/oz in the previous week, to US\$1 296.43/oz, following strong GDP data in the U.S. which curbed demand for the yellow metal.

Platinum

Platinum prices also retreated by 0.24%, from a weekly average of US\$1 481.30/oz, to an average of US\$1 477.80/oz during the week under review. The prices were weighed down by news that U.S. automobile sales growth slowed down in July 2014, despite sellers offering hefty discounts to induce consumer spending.

Copper

Copper prices firmed from a weekly average of US\$7 086.00/tonne in the previous week, to US\$7 110.30/tonne. This was supported by better than expected Chinese factory data released in July 2014, which signaled positive demand outlook for the metal.

Nickel

Nickel prices fell from US\$18 969.00/tonne in the previous week, to US\$18 676.00/tonne during the week under review. Prices declined amid rising global supply and slackening Chinese spot demand for the metal.

Crude Oil

Crude oil price retreated from US\$107.56/barrel, in the previous week, to US\$106.66/barrel during the week under review. Price declines were largely attributed to weak demand, coupled with oversupply in Africa and Europe. Geopolitical tensions in the Middle East, North Africa and Ukraine, however, dampened the losses.

4. EQUITY MARKETS

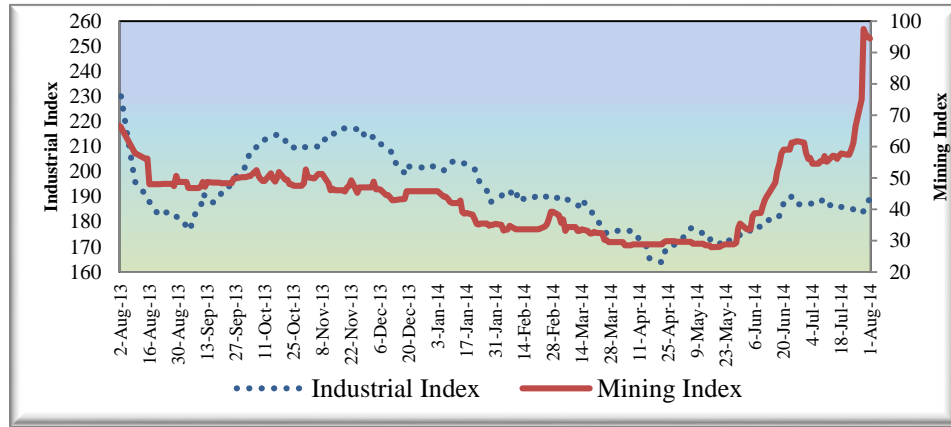
The industrial index rebounded to 189.31 points, from 183.77 points in the previous week, representing a 3.01% increase. Notable gains were recorded in Colcom, Meikles and Dairibord, among others.

The mining index also firmed to 94.45 points, from 66.53 points in the previous week, representing a 41.97% increase. The surge was sustained by gains that occurred in Bindura Nickel Mine and RioZim.

Table 6: Zimbabwe Stock Exchange (ZSE) Statistics

2014	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
04-Jul	187.44	54.56	4,886,463,775	5,220,034	16,468,027
11-Jul	186.78	55.17	4,870,337,179	7,391,635	91,078,394
18-Jul	185.93	57.83	4,852,906,349	5,526,191	132,707,769
25-Jul	183.77	66.53	4,809,370,645	4,011,633	37,628,835
01-Aug	189.31	94.45	4,990,064,791	4,454,454	58,654,027

Source: Zimbabwe Stock Exchange (ZSE), 2014

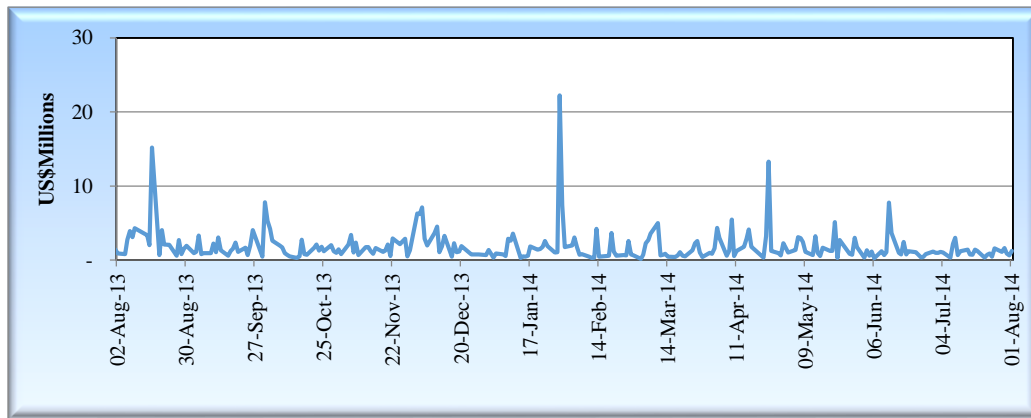


Source: Zimbabwe Stock Exchange, 2014

Volume and Market Turnover

During the week under analysis, a total of 58.7 million shares were traded compared to 37.6 million shares traded in the previous week. Market turnover declined by 36.25% to US\$5.45 million, from US\$4 million registered in the previous week. Foreign investor contribution to turnover receded to 56.24%, from 67.2% in the previous week.

Figure 2: Daily Market Turnover

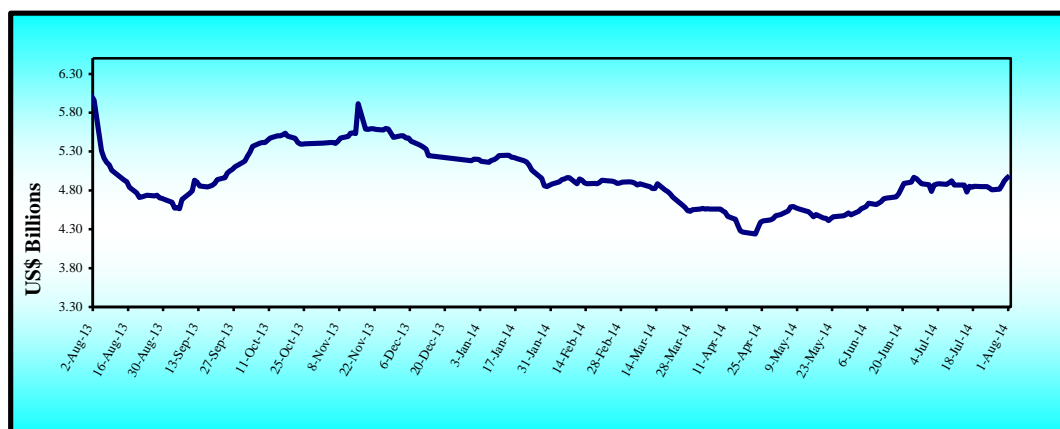


Source: Zimbabwe Stock Exchange, 2014

Market Capitalization

Market capitalization improved by 3.76%, from US\$4.81 billion in the previous week to US\$4.99 billion during the week under review.

Figure 3: Market Capitalization



Source: Zimbabwe Stock Exchange, 2014

Johannesburg Stock Exchange (JSE) Developments

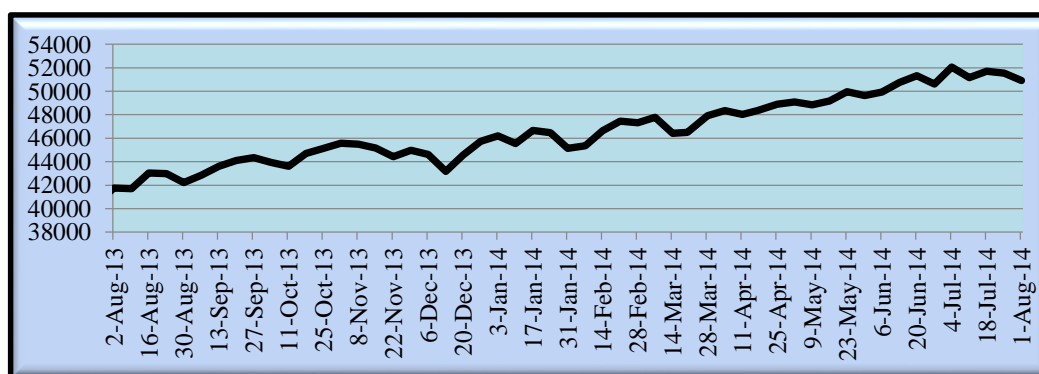
The JSE All Share index continued on a downward trend, registering a decline of 1.23% to close the week under review at 50 917.78 points. Market capitalization also declined by 1.34%, to close the week at R11 964.60 billion.

Table 7: Johannesburg Stock Exchange (JSE) Statistics

2014	All Share Index (points)	Market Capitalization (R bn)
04-Jul	52,060.03	12,224.57
11-Jul	51,161.33	12,017.95
18-Jul	51,695.05	12,111.62
25-Jul	51,550.17	12,126.70
01-Aug	50,917.78	11,964.60

Source: <https://www.jse.co.za/services/market-data/market-statistics>

Figure 4: Johannesburg Stock Exchange (JSE) All Share Index



Source: <https://www.jse.co.za/services/market-data/market-statistics>

RESERVE BANK OF ZIMBABWE

8 AUGUST 2014

