



Weekly Economic Highlights

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Week Ending
02 January 2015

1. INTEREST RATES

Deposit Rates

During the week ending 2nd January 2015, average deposit rates remained unchanged for all classes of deposits. The rates for savings deposits stood at 3.42%, while those for fixed deposits of 1 month and 3 months tenors were 9.70% and 11.47%, respectively.

Table 1: Average Deposit Rates

| Period | Savings Deposits (%) | 1-Month Deposits (%) | 3-Months Deposits (%) |
|-----------|----------------------|----------------------|-----------------------|
| 12-Dec-14 | 3.42 | 9.66 | 11.42 |
| 19-Dec-14 | 3.42 | 9.66 | 11.42 |
| 24-Dec-14 | 3.42 | 9.70 | 11.47 |
| 02-Jan-15 | 3.42 | 9.70 | 11.47 |

Source: Banking Institutions, 2014

Lending Rates

Weighted lending rates for individuals at commercial banks decreased from 14.33% to 14.29%, while those for corporate clients remained unchanged at 9.90%, during the week under review. Nominal lending rates for individuals and corporate clients at merchant banks remained unchanged at 19% and 18%, respectively.

Table 2: Lending Rates

| Period | Lending Rates (%) | | | |
|-----------|----------------------------|-------------------|--------------------------------------|-------------------|
| | Commercial Banks(weighted) | | Merchant Banks(nominal) ¹ | |
| | Individuals | Corporate Clients | Individuals | Corporate Clients |
| 12-Dec-14 | 14.24 | 9.79 | 19.00 | 18.00 |
| 19-Dec-14 | 14.23 | 9.79 | 19.00 | 18.00 |
| 24-Dec-14 | 14.33 | 9.90 | 19.00 | 18.00 |
| 02-Jan-15 | 14.29 | 9.90 | 19.00 | 18.00 |

Source: Banking Institutions, 2014

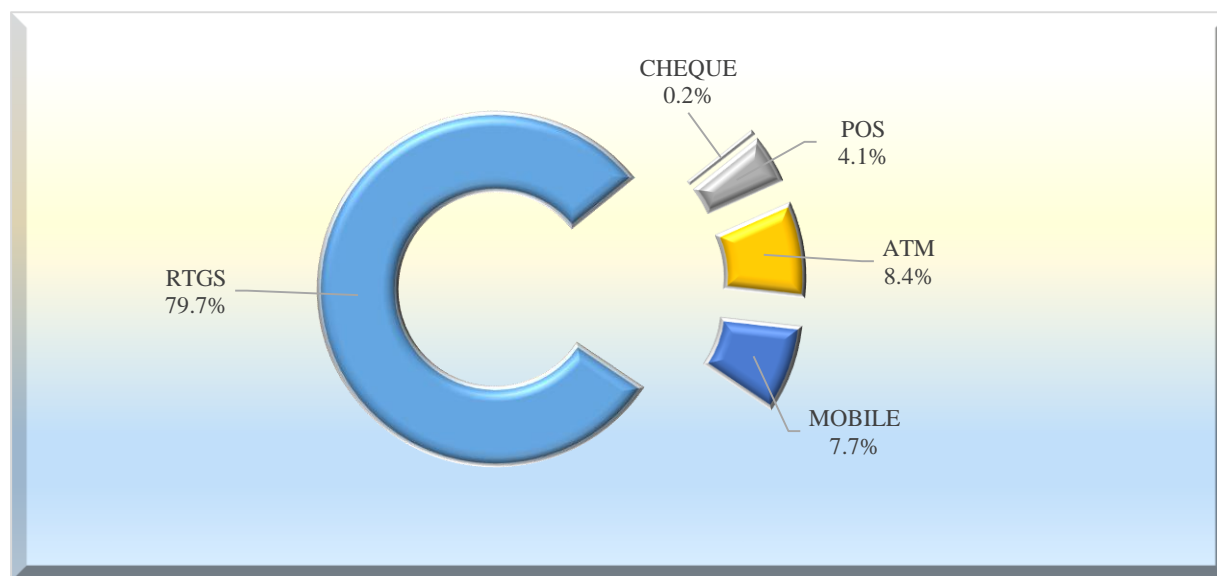
¹ There is only one merchant bank left in operation.

2. CLEARING AND SETTLEMENT ACTIVITY

During the week ending 2nd January 2015, transactions processed through the National Payment System (NPS) increased from US\$691.93 million in the previous week, to close the week under review at US\$ 1085.36 million. Transactions processed through the Real Time Gross Settlement (RTGS) stood at US\$ 864.70 million, up from US\$439.17 million in the previous week. RTGS volumes increased from 20,021 to close the week under review at 24,286.

RTGS payments accounted for 79.67% of the total value of transactions processed through the system. This was followed by Automated Teller Machines (ATMs), Mobile, Point of Sale (POS) and Cheque transactions which accounted for 8.41%, 7.67%, 4.09% and 0.16%, respectively.

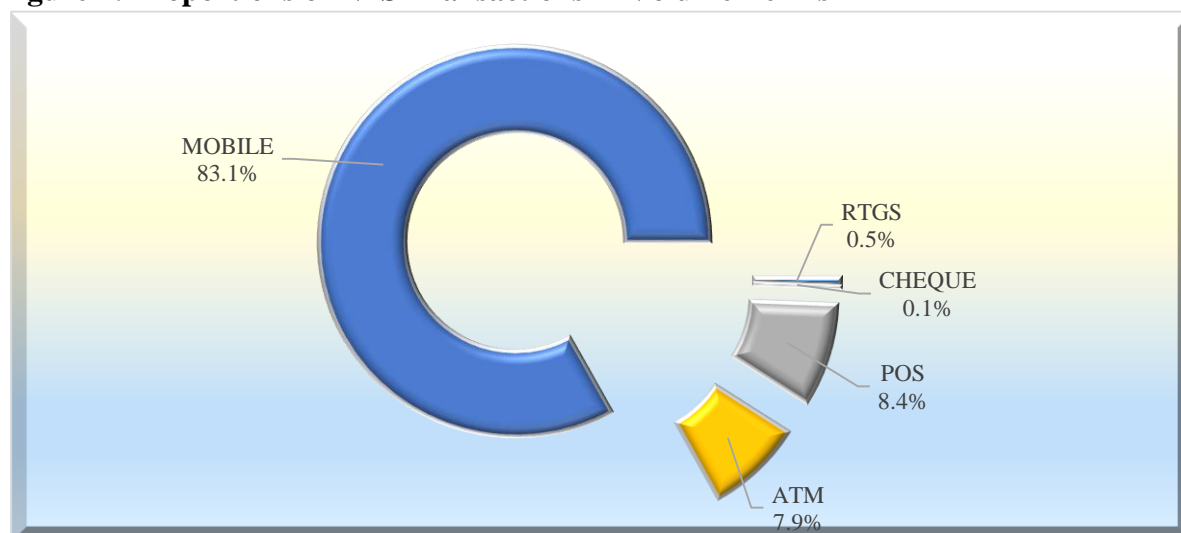
Figure 1: Proportions of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe

In terms of volume, Mobile-based transactions accounted for 83.13% of total transactions, followed by POS, 8.36%; ATM's 7.88%, RTGS, 0.53%; and Cheques, 0.09%.

Figure 2: Proportions of NPS Transactions in Volume Terms



Source: Reserve Bank of Zimbabwe.

Table 3: National Payment Systems Activity

| PAYMENT STREAM | WEEK ENDING 24 DECEMBER 2014 | WEEK ENDING 02 JANUARY 2015 | CHANGE FROM LAST WEEK | PROPORTION |
|---------------------------------|------------------------------|-----------------------------|-----------------------|-------------|
| VALUES IN USD (millions) | | | | |
| RTGS | 439.17 | 864.70 | 97% | 79.67% |
| CHEQUE | 1.04 | 1.70 | 65% | 0.16% |
| POS | 43.81 | 44.38 | 1% | 4.09% |
| ATMS | 118.17 | 91.30 | -23% | 8.41% |
| MOBILE | 89.75 | 83.28 | -7% | 7.67% |
| TOTAL | 691.93 | 1085.36 | | 100% |
| VOLUMES | | | | |
| RTGS | 20,021 | 24,286 | 21% | 0.53% |
| CHEQUE | 2,736 | 4,303 | 57% | 0.09% |
| POS | 341,108 | 384,832 | 13% | 8.36% |
| ATMs | 393,772 | 362,588 | -8% | 7.88% |
| MOBILE | 4,590,600 | 3,825,087 | -17% | 83.13% |
| TOTAL | 5,348,237 | 4,601,096 | | 100% |

Source: Reserve Bank of Zimbabwe

3. INTERNATIONAL COMMODITY PRICES

During the week under review, the weekly average international commodity prices for gold and platinum firmed, whilst those for copper, nickel and crude oil softened.

Table 4: Metals and Crude Oil Prices

| Period | Gold | Platinum | Copper | Nickel | Crude Oil |
|--|-----------------|-----------------|-----------------|------------------|--------------|
| | US\$/ounce | US\$/ounce | US\$/tonne | US\$/tonne | US\$/barrel |
| Weekly Average (24- Dec-14) | 1,177.31 | 1,187.75 | 6,335.00 | 15,305.00 | 60.11 |
| 29-Dec-14 | 1,189.75 | 1,215.00 | 6,330.00 | 15,110.00 | 60.00 |
| 30-Dec-14 | 1,196.25 | 1,206.50 | 6,325.00 | 14,850.00 | 57.84 |
| 31-Dec-14 | 1,202.63 | 1,210.00 | 6,355.00 | 14,930.00 | 56.89 |
| 2-Jan-15 | 1,178.13 | 1,200.50 | 6,305.00 | 14,875.00 | 56.10 |
| Weekly Average (2-Jan-15) | 1,191.69 | 1,208.00 | 6,328.75 | 14,941.25 | 57.71 |
| Weekly Change (%) | <i>1.2</i> | <i>1.7</i> | <i>-0.1</i> | <i>-2.4</i> | <i>-4.0</i> |

Source: BBC, KITCO, Reuters and Bloomberg

Gold

Gold prices firmed by 1.2%, from a weekly average of US\$ 1 177.31/ oz in the previous week, to an average of US\$ 1 191.69/ oz recorded in the week under review. The increase in gold prices was on account of a weaker US dollar; geopolitical tensions in Greece; and declining world equity prices.

Platinum

Platinum prices gained by 1.7%, from a weekly average of US\$1 187.75/oz in the previous week, to US\$1 208.00/oz during the week ending 2nd January 2015. The increase was mainly attributed to the weakening of the US dollar against major currencies.



Copper

Copper prices declined by 0.1%, from an average of US\$6 335.00/ton in the previous week, to an average of US\$6 328.75/ton during the week under analysis. The slump in copper prices was largely on account of a slowdown in China's manufacturing sector, which dampened the demand for the metal.

Nickel

Nickel prices declined by 2.4%, from US\$15 305.00/ton in the previous week, to US\$14 941.25/ton during the week ending 2nd January 2015. This was attributed to concerns over a slowdown in China's manufacturing sector, the world's largest consumer of base metals.

Crude Oil

Crude oil prices plummeted by 4.0% from a weekly average of US\$60.11/ barrel in the previous week, to an average of US\$ 57.71/barrel during the week under review. The decline was largely on account of excess supply, following the Organization of Petroleum Exporting Countries' reluctance to cut output in order to boost the prices.

4. EQUITY MARKETS

Trading activity on the Zimbabwe Stock Exchange was generally subdued during the week ending 2nd January 2015, as many investors had taken a break during the festive season. The industrial index lost 0.45 points to close the week under review at 162.57 points. The mainstream index's decline was largely attributable to losses recorded in heavily capitalized counters such as Delta, Meikles and OK Zimbabwe. In addition, losses realized in Art (25.00%); Zimplot (19.75%); Masimba (8.00%), Barclays (7.41%); and Meikles (6.45%) contributed to the decline in the industrial index.

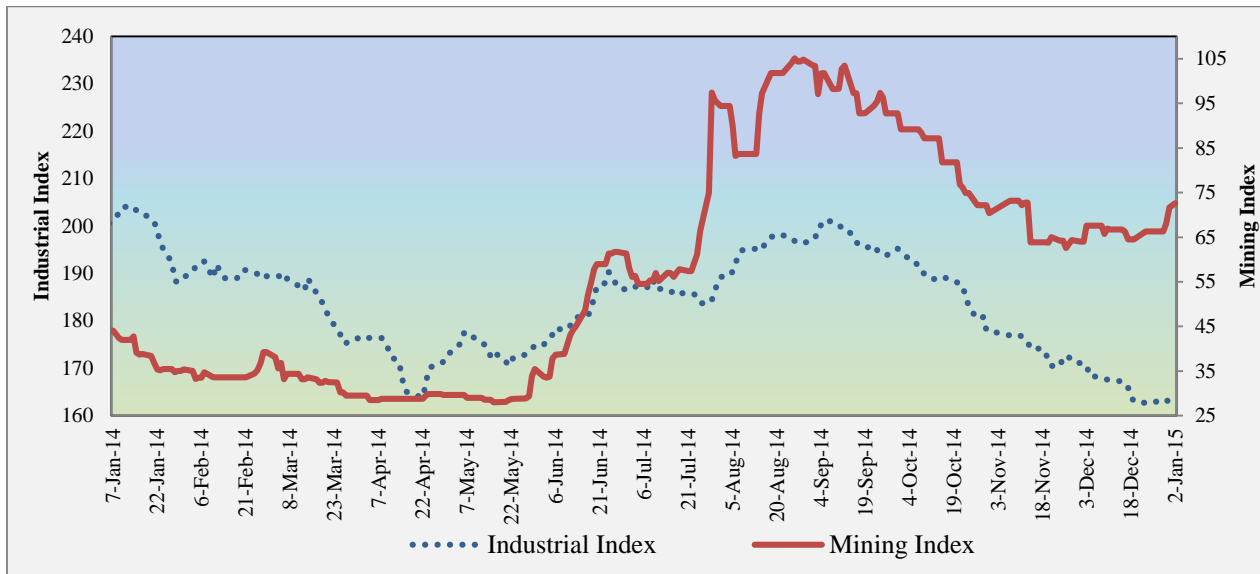
The mining index, however, gained 6.30 points to close the week under analysis at 72.61 points, from 66.31 points recorded the previous week. This was due to a 12.07% gain in price recorded in Bindura, following the improvement in both revenue and profitability for the half year ended 30th September 2014. Falgold, Rio Zim and Hwange, however, remained unchanged.

Table 5: Zimbabwe Stock Exchange (ZSE) Statistics

| Period | Industrial Index (points) | Mining Index (points) | Grand Market Capitalization (US\$) | Market Turnover (US\$) | Volume of Shares |
|------------|---------------------------|-----------------------|------------------------------------|------------------------|------------------|
| 05-Dec-14 | 168.36 | 67.59 | 4,442,720,412 | 13,171,926 | 302,811,489 |
| 12-Dec-14 | 167.34 | 66.71 | 4,435,028,656 | 5,374,255 | 24,115,301 |
| 24-Dec-14 | 163.02 | 66.31 | 4,325,414,010 | 3,039,507 | 12,829,144 |
| 02-Jan -15 | 162.57 | 72.61 | 4,323,173,821 | 5,071,602 | 16,689,321 |

Source: Zimbabwe Stock Exchange (ZSE), 2014

Figure 3 : Zimbabwe Stock Exchange Indices

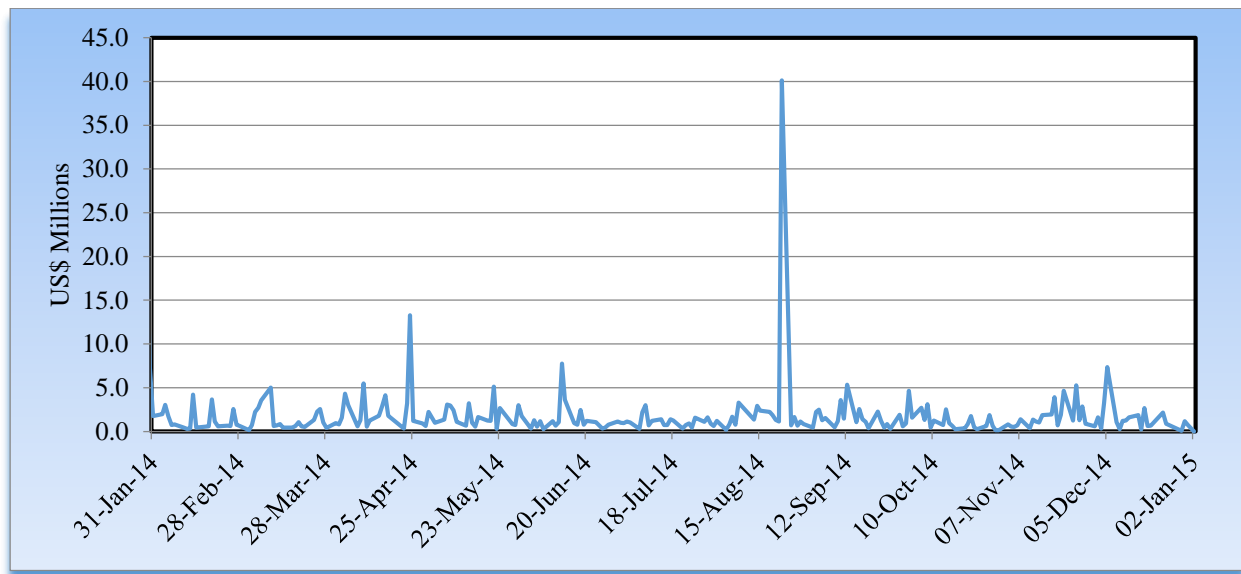


Source: Zimbabwe Stock Exchange, 2014

Market Turnover and Volume

The marked slowdown in trading activity resulted in market turnover of US\$2.03 million, compared to US\$3.04 million realized in the previous two day trading week. In terms of volume, total shares traded stood at 16.68 million, down from 119.78 million in the previous week.

Figure 4: Daily Market Turnover

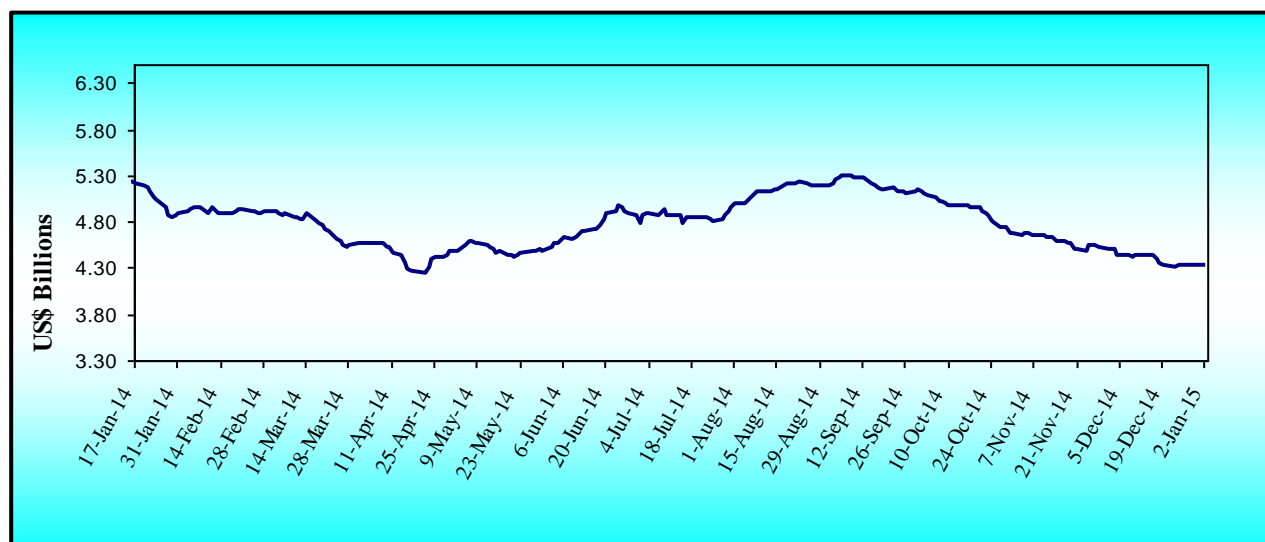


Source: Zimbabwe Stock Exchange, 2014

Market Capitalization

Market capitalization marginally declined to US \$4.323 billion during the week under analysis, from US\$4.325 billion recorded in the previous week. This was, in large part, on account of losses in Delta, Meikles and OK Zimbabwe.

Figure 5 : Market Capitalization



Source: Zimbabwe Stock Exchange, 2014

Johannesburg Stock Exchange (JSE) Developments

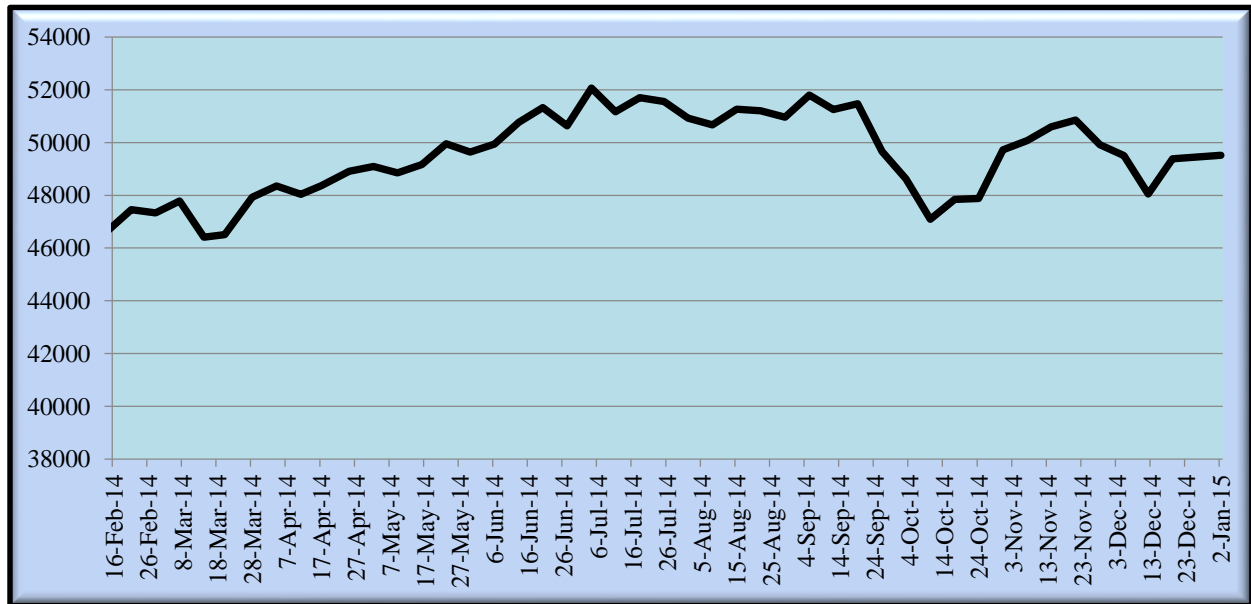
During the week ending 2nd January 2015, the JSE market capitalization declined from R11 481.04 billion in the previous week, to R11 435.45 during the week under review. The All Share index, however, increased by 0.08% from 49 478.57 to 49 518.48.

Table 6: Johannesburg Stock Exchange (JSE) Statistics

| Period | All Share Index (points) | Market Capitalization (R billion) |
|------------|--------------------------|-----------------------------------|
| 28-Nov-14 | 49,911.37 | 11,579.60 |
| 05-Nov-14 | 49,506.59 | 11,516.94 |
| 12-Dec-14 | 48,043.19 | 11,159.66 |
| 24-Dec-14 | 49,478.57 | 11,481.04 |
| 02-Jan -15 | 49, 518.48 | 11,435.45 |

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

07th JANUARY 2015