



Weekly Economic Highlights

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**Week Ending
03 October 2014**

1. INTEREST RATES

Deposit Rates

Interest rates remained largely unchanged at most banking institutions during the week ending 3rd October 2014. Deposit rates on savings deposits and deposits of 1 month and 3 month tenor averaged 3.42%; 9.70%; and 11.46%, respectively.

Table 1: Average Deposit Rates

2014	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
05-Sep	3.42	9.75	11.43
12-Sep	3.42	9.75	11.43
19-Sep	3.42	9.78	11.45
26-Sep	3.42	9.71	11.38
03-Oct	3.42	9.70	11.46

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 individual and corporate clients closed the week at 14.38% and 9.76%, respectively.

Table 2: Lending Rates

2014	Weighted Lending Rates (%)			
	Commercial Banks		Merchant Banks	
	Individuals	Corporate Clients	Individuals	Corporate Clients
05-Sep	14.26	9.51	19.00	18.00
12-Sep	14.29	9.55	19.00	18.00
19-Sep	14.30	9.53	19.00	18.00
26-Sep	14.45	9.57	19.00	18.00
03-Oct	14.38	9.76	19.00	18.00

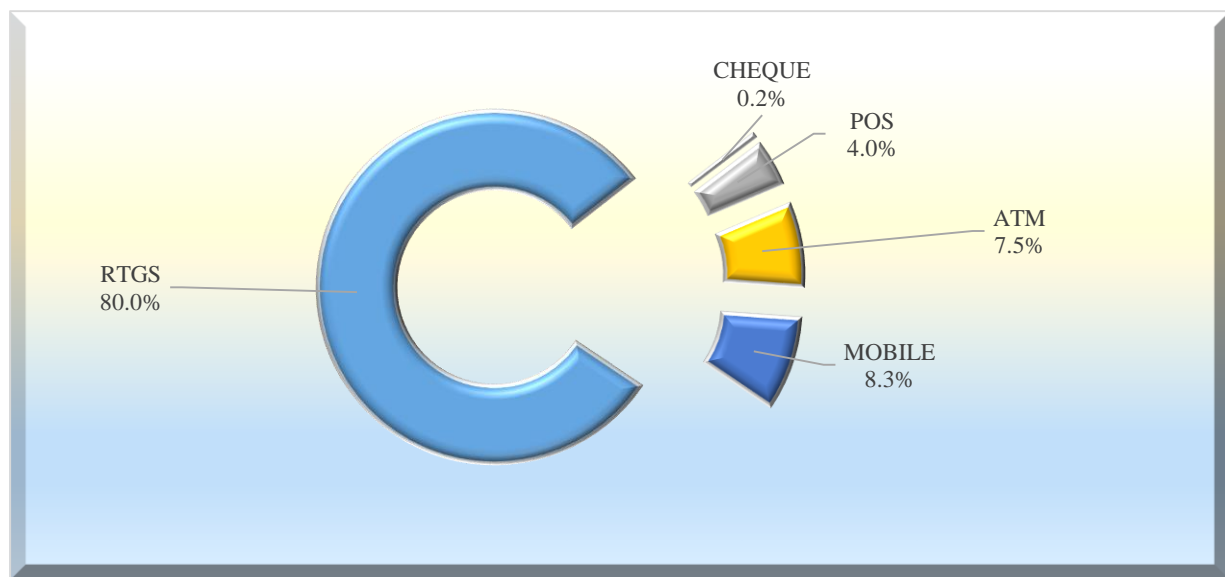
Source: Banking Institutions, 2014

2. CLEARING AND SETTLEMENT ACTIVITY

During the week ending 3rd October 2014, the total value of transactions processed through the National Payment Systems (NPS), stood at US\$1 175.80 million, up from US\$1 156.49 million registered in the previous week.

Transactions processed through the Real Time Gross Settlement (RTGS) system declined by 4% to close the week under review at US\$941 million, from US\$975 million recorded during the previous week. The RTGS system payments accounted for 80% of the total value of transactions processed through the NPS.

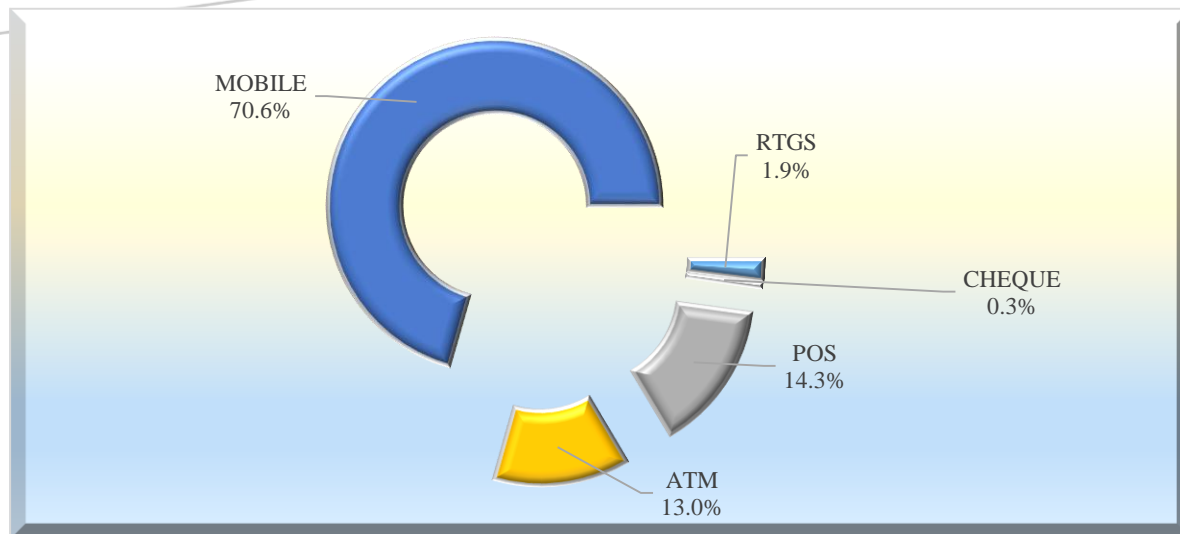
Figure 1: Proportions of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe

In volume terms, Mobile-Based transactions accounted for 70.6% of total transactions, followed by Point of Sale (POS) transactions, 14.3%; and Automated Teller Machines (ATMs), 13.0%. RTGS transaction volumes declined by 1% during the week under review.

Figure 2: Proportions of NPS Transactions in Volume Terms



Source: Reserve Bank of Zimbabwe.

Table 3: National Payment Systems Activity

PAYMENT STREAM	WEEK ENDING 26 SEPTEMBER 2014	WEEK ENDING 3 OCTOBER 2014	CHANGE	PROPORTION
VALUES IN USD (millions)				
RTGS	974.90	940.50	-4%	79.99%
CHEQUE	2.73	2.80	2.4%	0.24%
POS	37.60	46.58	24%	3.96%
ATMS	66.33	88.01	33%	7.49%
MOBILE	74.92	97.92	31%	8.33%
TOTAL	1156.49	1175.80		100%
VOLUMES				
RTGS	45,939	45,603	-1%	1.86%
CHEQUE	6,850	7,391	8%	0.30%
POS	280,430	349,078	24%	14.27%
ATMs	255,424	318,060	25%	13.00%
MOBILE	3,600,431	1,725,714	-52%	70.56%
TOTAL	4,189,074	2,445,846		100%

Source: Reserve Bank of Zimbabwe.

3. INTERNATIONAL COMMODITY PRICES

The weekly average international commodity prices for gold, platinum, copper, nickel and crude oil retreated during the week ending 3rd October 2014.

Table 4: Metals and Crude Oil Prices

Period 2014	Gold US\$/ounce	Platinum US\$/ounce	Copper US\$/tonne	Nickel US\$/tonne	Crude Oil US\$/barrel
Weekly average (26 Sep)	1,219.40	1,328.30	6,774.60	17,116.00	96.57
29-Sep	1,218.63	1,304.50	6,835.50	16,510.00	96.80
30-Sep	1,213.25	1,303.50	6,735.00	16,500.00	96.81
1-Oct	1,212.50	1,275.50	6,755.00	15,855.00	95.29
2-Oct	1,213.13	1,276.00	6,695.00	16,040.00	92.68
3-Oct	1,201.25	1,248.00	6,665.00	16,250.00	92.35
Weekly average (3 Oct)	1,211.75	1,281.50	6,737.10	16,231.00	94.79
Weekly Change %	-0.6	-3.5	-0.6	-5.2	-1.8

Source: BBBC.com, KITCO and Bloomberg

Gold

Gold prices continued on a downward trend, declining by 0.6% from a weekly average of US\$ 1 219.40/oz in the previous week, to close the week under review at US\$1 211.75/oz. This followed the improving U.S. economic outlook, coupled with a stronger US dollar which dampened the yellow metal's appeal as a safe haven asset.

Platinum

Platinum prices retreated by 3.5%, from a weekly average of US\$1 328.30/oz in the previous week, to an average of US\$1 281.50/oz during the week under review.



Copper

Copper prices declined by 0.6% from an average of US\$6 774.60/ton in the previous week, to an average of US\$6 737.10/ton, during the week under analysis. Prices declined amid concerns of weaker demand in China and Europe, the top consumers of the base metal.

Nickel

Nickel prices retreated from a weekly average of US\$17 116.00/ton in the previous week, to an average of US\$16 231.00/ton, during the week under review. This was on account of rising global supplies, coupled with a stronger US dollar.

Crude Oil

Crude oil prices declined from an average of US\$96.57/barrel in the previous week, to close the week under review at an average of US\$94.79/barrel. This was due to an improvement in global supplies.

4. EQUITY MARKETS

During the week ending 3rd of October 2014, the local bourse's bearish sentiments persisted for the fourth consecutive week. This was largely attributed to profit taking linked-selling by investors. Consequently, the industrial index lost 0.34 points, from 193.79 points in the previous week to close the week under review at 193.45 points. Notable losses were recorded in Seedco (5.26%); Edgars (3.51%); TA Holdings (3.29%); Old Mutual (2.10%); Innscor (2.96%); Delta (0.78%); and CBZ (0.38%). Partially offsetting the losses were gains in Cafca (20%); Lafarge (29.98%); ABCH (8.11%); Hippo Valley (7.69%); BAT (3.70%); and Afdis (1.49%).

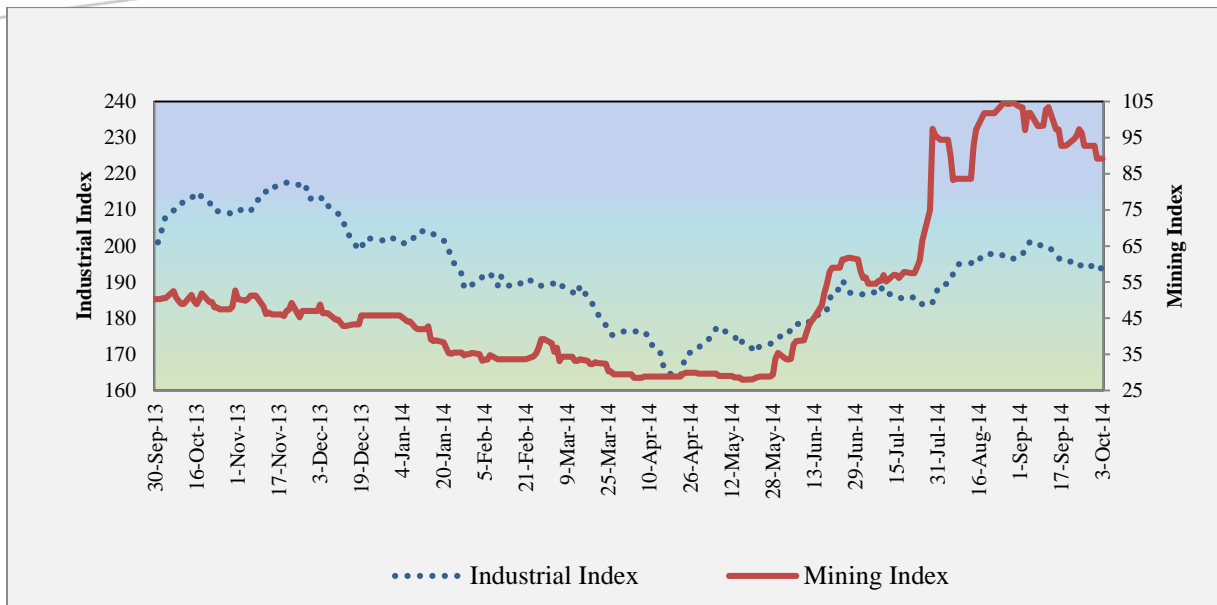
The mining index also declined by 3.60 points to close the week at 89.16 points, from 92.76 points recorded in the previous week. This followed a 5% decline recorded on the Bindura counter.

Table 5: Zimbabwe Stock Exchange (ZSE) Statistics

2014	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
05-Sep	201.28	101.84	5,306,828,775	7,949,280	48,351,255
12-Sep	199.85	103.85	5,272,845,678	12,074,501	65,323,564
19-Sep	195.35	92.85	5,142,820,362	6,461,426	70,460,988
26-Sep	193.79	92.76	5,102,722,729	5,078,219	12,592,808
03-Sep	193.45	89.16	5,089,138,149	9,628,967	62,510,700

Source: Zimbabwe Stock Exchange (ZSE), 2014

Figure 3 : Daily Market Turnover



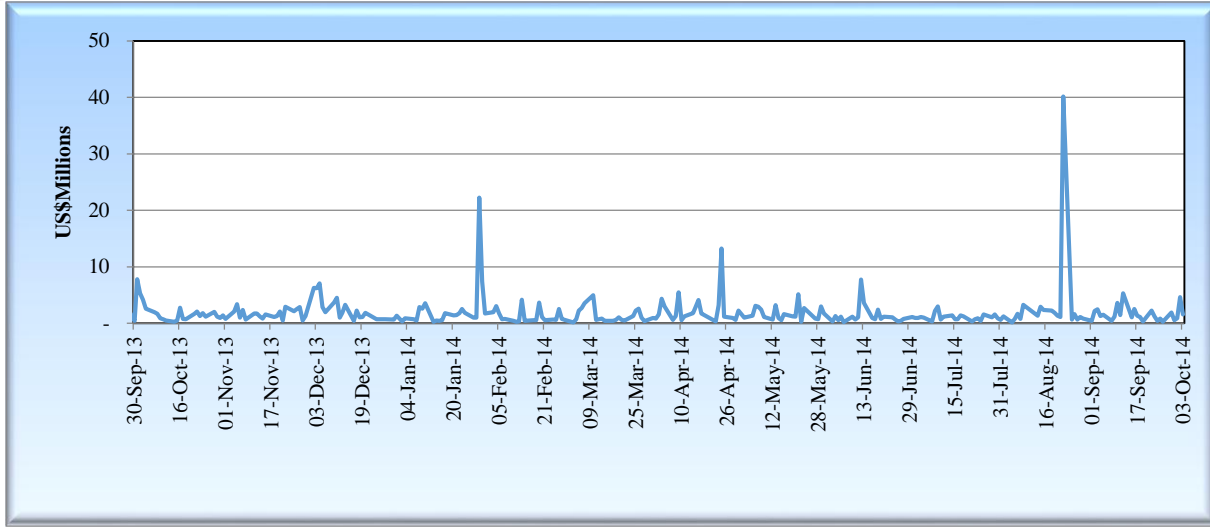
Source: Zimbabwe Stock Exchange, 2014

Volume and Market Turnover

During the week under review, a total of 62.5 million shares were traded, compared to 12.6 million shares traded in the previous week. Market turnover surged by 88.24% to US\$9.6 million from US\$5.1 million recorded the previous week. This was on the back of special bargains in Seedco and Econet which resulted in 1.1 million and 1.0 million shares being traded, respectively. In addition, the increase in market turnover was reflective of improved foreign demand in some mid-tier and heavily capitalized counters.

Foreign purchases amounted to US\$7.4 million, accounting for 77% of the total market value of trades, signaling renewed foreign investor confidence on the bourse.

Figure 4 : Daily Market Turnover

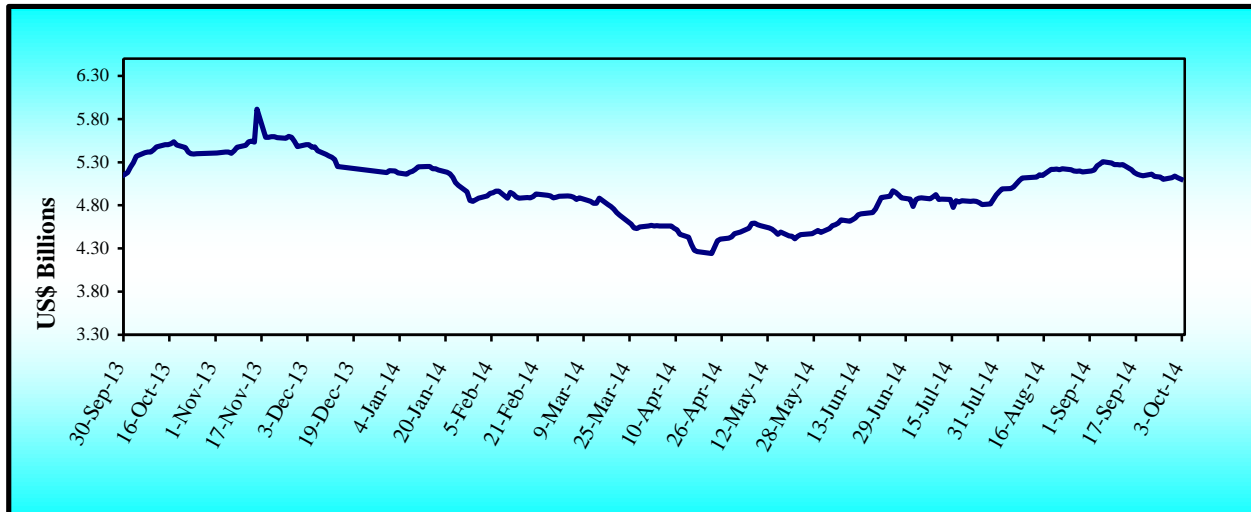


Source: Zimbabwe Stock Exchange, 2014

Market Capitalization

The ZSE market capitalization declined by 0.3%, to close the week under review at US\$5.1 billion, due to losses and thin volume trading recorded in some heavily capitalized counters.

Figure 5 : Market Capitalization



Source: Zimbabwe Stock Exchange, 2014

Johannesburg Stock Exchange (JSE) Developments

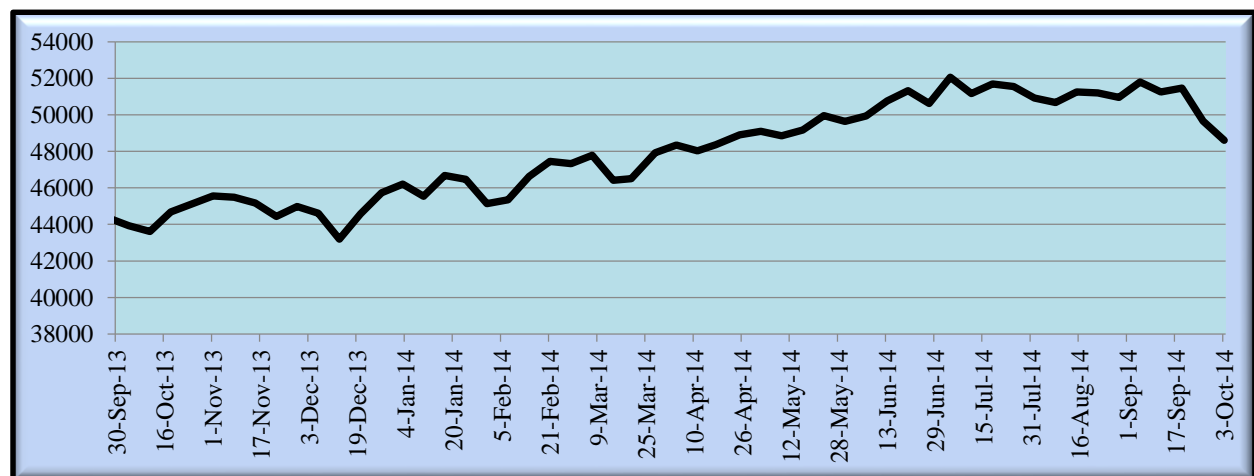
The JSE All Share index closed the week under review at 43 613.9 points, shedding 12.2% from the previous week's level. Market capitalization also declined by 2.1% to R11 503 billion.

Table 6: Johannesburg Stock Exchange (JSE) Statistics

2014	All Share Index (points)	Market Capitalization (R billion)
05-Sep	51,789.40	12,173.81
12-Sep	51,247.71	12,070.27
19-Sep	51,462.42	12,171.16
26-sep	49,663.64	11,753.80
03-Oct	43,613.93	11,502.83

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

09 OCTOBER 2014