

Vol. 16 No. 27



Weekly Economic Highlights

Week Ending 04 July 2014

1. INTEREST RATES

Deposit Rates

During the week ending 4th July 2014, savings and 1 month average deposit rates remained unchanged at 3.42% and 9.91%, respectively. The 3-months average deposit rate, however, marginally went up from 11.57% to 11.58%, by end of week under review.

Table 1: Average Deposit Rates

2014	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
06-Jun	3.42	9.91	11.67
13-Jun	3.42	9.89	11.62
20-Jun	3.42	9.91	11.57
27-Jun	3.42	9.91	11.57
04-Jul	3.42	9.91	11.58

Source: Banking Institutions, 2014

Lending Rates

During the week under review, commercial banks' weighted lending rates for individuals sustained a downward trend to close the week at 14.36%. The weighted lending rate for corporate clients, increased from 9.33% to 9.34%. At merchant banks, lending rates quoted for individual and corporate clients remained unchanged at 19.00% and 18.00%, respectively.

Table 2: Lending Rates¹

2014	Weighted Lending Rates (%)			
	Commercial Banks		Merchant Banks ²	
	Individuals	Corporate Clients	Individuals	Corporate Clients
06-Jun	14.37	9.24	19.00	18.00
13-Jun	14.42	9.22	19.00	18.00
20-Jun	14.45	9.28	19.00	18.00
27-Jun	14.44	9.33	19.00	18.00
04-Jul	14.36	9.34	19.00	18.00

Source: Banking Institutions, 2014

¹ The weighted lending rate is the sum of nominal rates weighted by each bank's loan book size.

² There is only one merchant bank left in Zimbabwe hence the high weighted lending rate.

2.CLEARING AND SETTLEMENT ACTIVITY

During the week ending 4th July 2014, the value of transactions processed through the Real Time Gross Settlement (RTGS) system decreased to US\$746 million, from US\$1 billion recorded in the previous week. RTGS volumes recorded a decrease of 2%, from 46 794 realized in the previous week to 45 730 during the week under review.

Table 3: National Payment Systems Activity

PAYMENT STREAM	WEEK ENDING 27 JUNE 2014	WEEK ENDING 04 JULY 2014	CHANGE FROM PREVIOUS WEEK	PROPORTION
VALUES IN US\$				
RTGS	1,024,191,462.55	746,090,288.82	-27%	76.86%
CHEQUE²	2,560,249.83	2,498,489.84	-2%	0.26%
POS	37,269,373.99	50,936,230.76	37%	5.25%
ATMs	53,755,244.18	83,913,714.77	56%	8.64%
MOBILE	64,798,922.50	87,300,650.70	35%	8.99%
TOTAL	1,182,575,253.05	970,739,374.89		100%
VOLUMES				
RTGS	46,794	45,730	-2%	1.04%
CHEQUE²	7,320	7,534	3%	0.17%
POS	297,145	399,979	35%	9.09%
ATMs	223,807	297,204	33%	6.75%
MOBILE	3,142,576	3,652,029	16.2%	82.95%
TOTAL	3,717,642	4,402,476		100%

Source: Reserve Bank of Zimbabwe, 2014

3. TOBACCO SALES

The Tobacco Industry and Marketing Board (TIMB) announced that 27th June 2014, was the last day for the tobacco selling season, with the target of 200 million kilograms having been surpassed by then. Additional deliveries are, however, expected from mop up sales.

Table 4: Cumulative Tobacco Sales As at Day 89 (27/06/14)

	2013	2014	Variance (%)
Quantity Sold (kgs)	153,068,727	204,376,394	33.52
Average Price (US\$/kg)	3.70	3.17	-14.38
Value (US\$)	565,653,046	647,416,468	14.45

Source: Tobacco Industry and Marketing Board (TIMB), 2014

4.INTERNATIONAL COMMODITY PRICES

International commodity prices for gold, platinum, copper and nickel generally firmed, whilst those for crude oil retreated during the week ending 4th July 2014.

Table 5: Metals and Crude Oil Prices

2014	Gold	Platinum	Copper	Nickel	Crude Oil
	US\$/oz	US\$/oz	US\$/ton	US\$/ton	US\$/barrel
Weekly Average (27 June)	1,315.33	1,463.10	6,889.40	18,449.00	113.74
30-Jun	1,314.00	1,480.50	6,955.00	18,765.00	112.73
1-Jul	1,326.63	1,491.50	7,015.00	18,850.00	112.58
2-Jul	1,326.63	1,510.00	7,049.00	19,070.00	111.47
3-Jul	1,320.00	1,504.00	7,120.75	19,790.00	110.73
4-Jul	1,320.38	1,501.50	7,160.00	19,380.00	110.75
Weekly Average	1,321.53	1,497.50	7,059.95	19,171.00	111.65
<i>Weekly Change (%)</i>	<i>0.5</i>	<i>2.4</i>	<i>2.5</i>	<i>3.9</i>	<i>-1.8</i>

Source: BBC, KITCO and Bloomberg, 2014

Gold

Gold prices firmed, from an average of US\$1 315.33/oz in the previous week to US\$1 321.53/oz during the week under review. Geopolitical tensions in the Middle East and Ukraine boosted gold's safe haven status.

Platinum

Platinum prices rallied by 2.4%, from a weekly average of US\$1 463.10/oz to an average of US\$1 497.50/oz during the week of analysis. Prices rose as global supply worries persisted despite an end to industrial action in the South African platinum sector.

Copper

Copper prices increased, from an average of US\$6 889.40/tonne in the previous week to US\$7 059.95/tonne during the week under review. The increase in copper prices is attributed to positive US jobs data which boosted the demand outlook for industrial metals.

Nickel

Nickel prices firmed, from US\$18 449.00/tonne in the previous week to US\$19 171.00/tonne, as strong US jobs data raised hopes that economic recovery in the world's biggest economy would spur demand for industrial metals, such as nickel.

Crude Oil

Crude oil prices retreated by 1.8%, from US\$113.74/barrel in the previous week to US\$111.65/barrel. The decline in oil prices is attributed to expectations of improved supply from Libya and Iran, raising the possibility of near stable crude oil supply.

5.EQUITY MARKETS

Table 6: Zimbabwe Stock Exchange (ZSE) Statistics

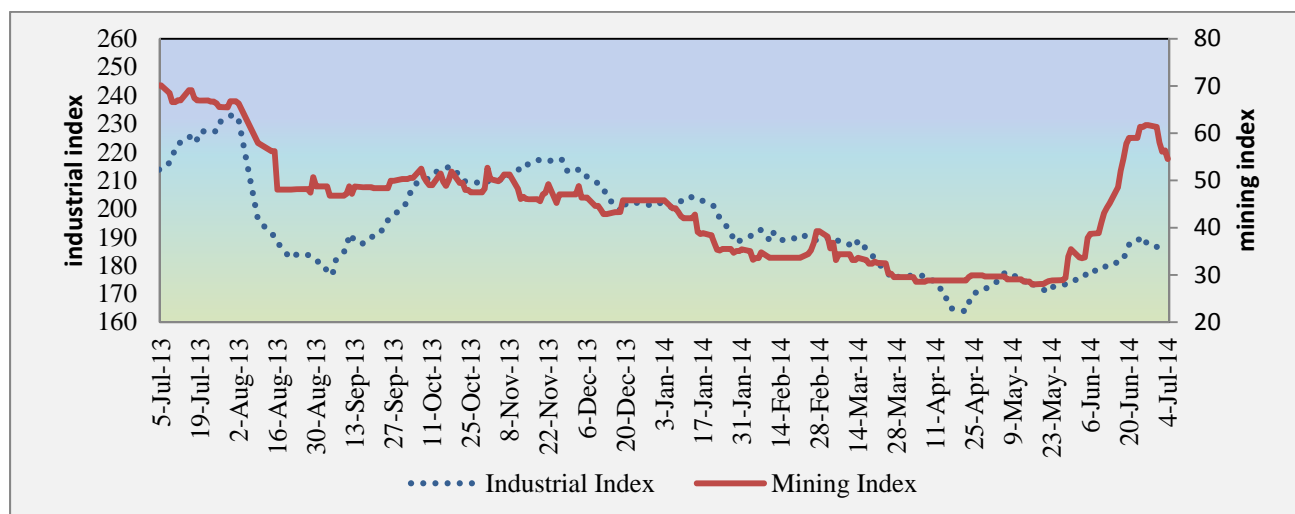
2014	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
06-Jun	178.57	38.69	4,632,762,780	3,616,120	27,466,635
13-Jun	180.74	45.17	4,700,124,294	14,305,979	87,116,246
20-Jun	187.39	59.00	4,889,623,500	6,139,497	44,890,463
27-Jun	187.08	61.71	4,887,084,943	3,343,589	16,631,283
04-Jul	187.44	54.56	4,886,463,775	5,220,034	16,468,027

Source: Zimbabwe Stock Exchange (ZSE), 2014

During the week ending 4th July 2014, the industrial index surged by 0.19% to 187.44 points, from 187.08 points. The ZSE continued to register a sluggish performance since the beginning of the year as liquidity constraints continued to constrain economic activity. Numerous listed firms recorded subdued performances during the financial year ending 31st March 2014.

The mining index, however, softened by 11.59%, from 61.71 points in the previous week to 54.56 points. The decline was underpinned by decreases in Hwange Colliery Company and Bindura Nickel Mine, mainly due to profit taking.

Figure 1: Zimbabwe Stock Exchange Indices

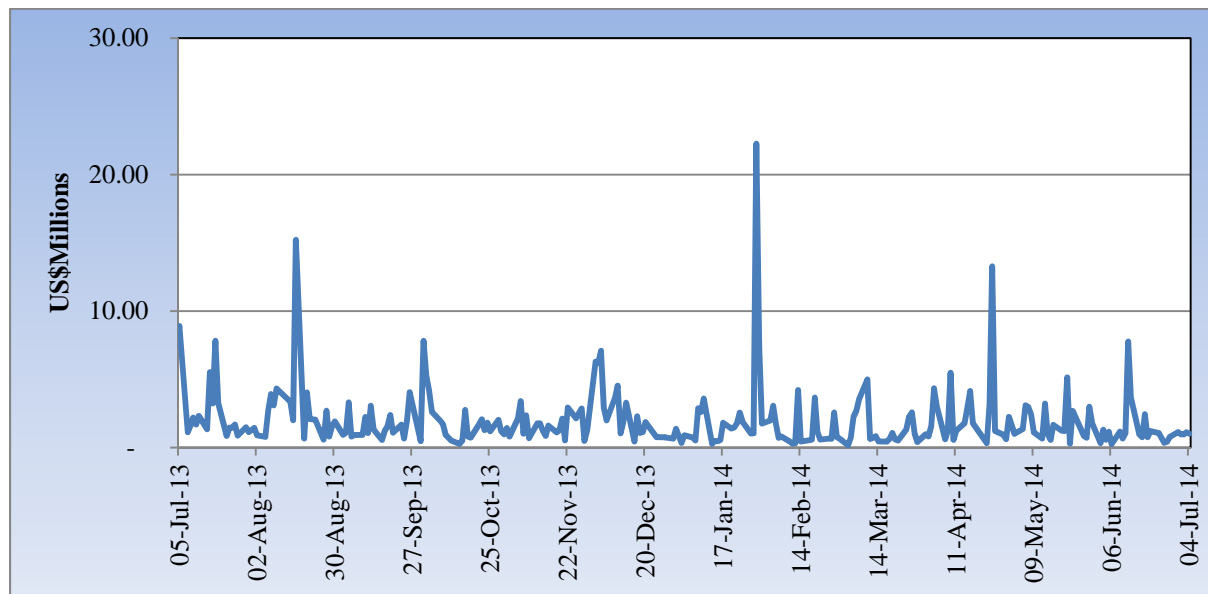


Source: Zimbabwe Stock Exchange, 2014

Volume and Market Turnover

Market turnover surged by 56.26% to US\$5.22 million, from US\$3.34 million registered in the previous week. This was largely due to trading being concentrated in heavily capitalized counters. Foreign contributions rebounded to 69.56% of total revenue, from 44.75% contributed in the previous week.

Figure 2: Market Turnover

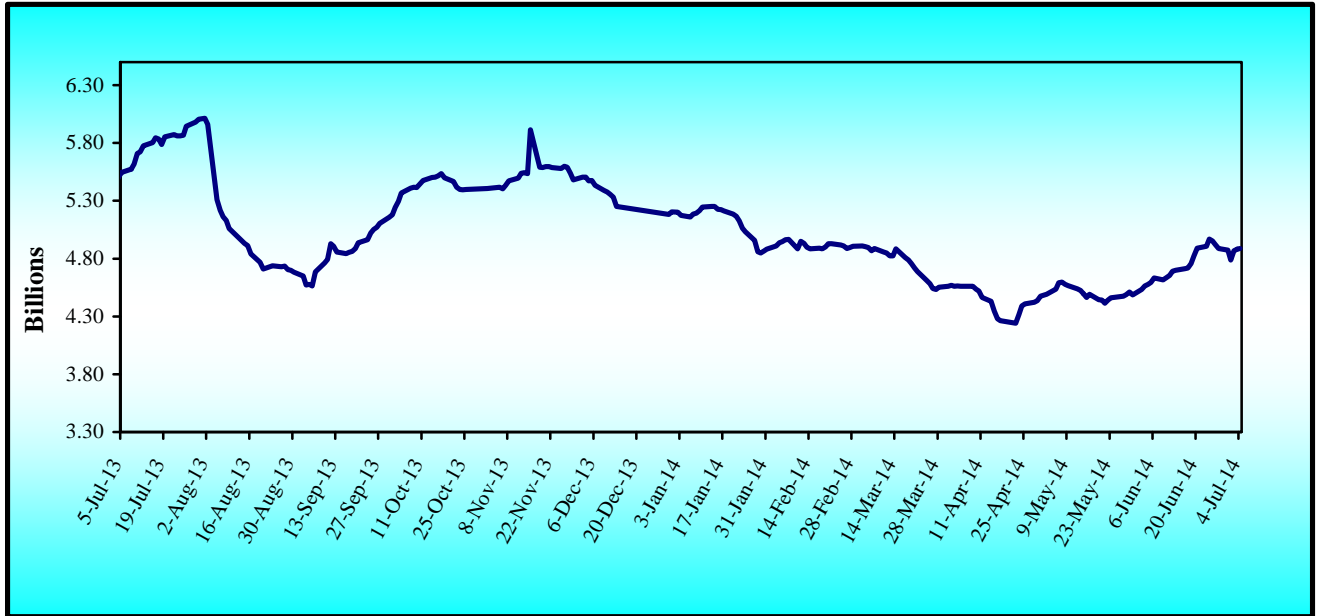


Source: Zimbabwe Stock Exchange, 2014

Market Capitalization

Market capitalization contracted by 0.01%, from US\$4.887 billion in the previous week to US\$4.886 billion, reflecting reduction of the value of listed stocks.

Figure 3: Market Capitalization



Source: Zimbabwe Stock Exchange, 2014

Johannesburg Stock Exchange (JSE) Developments

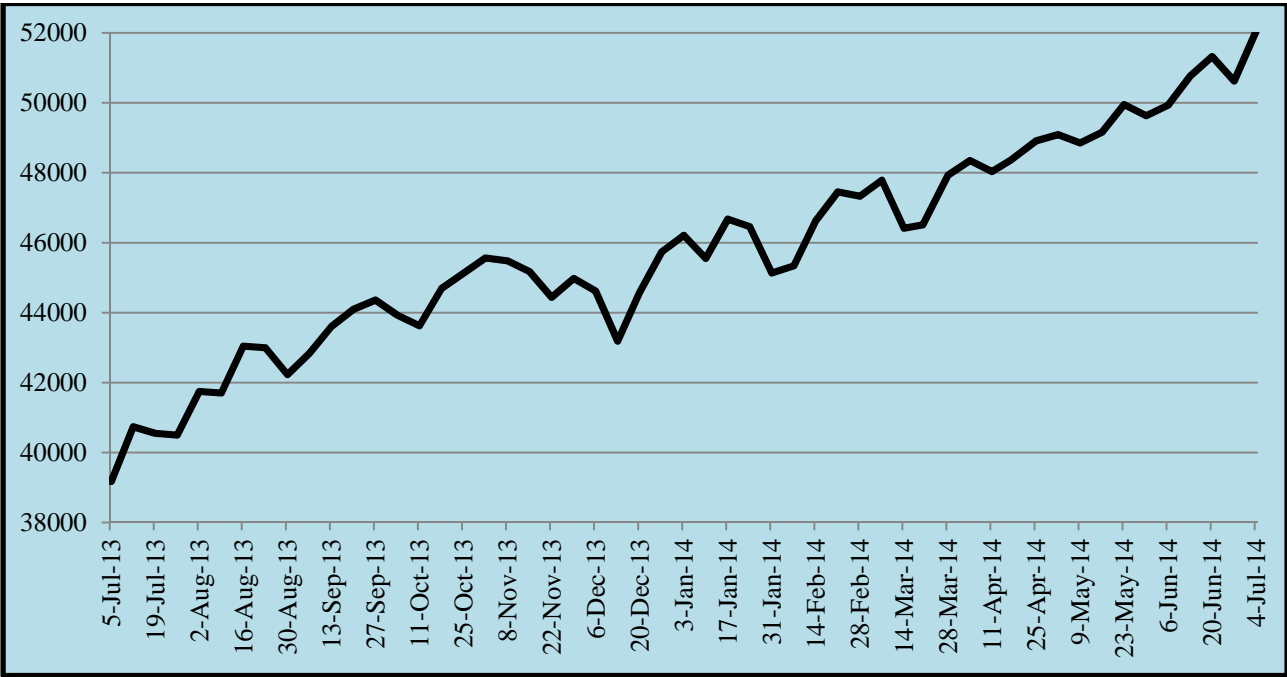
During the week under review, both the JSE All Share index and market capitalization retreated by 2.83% and 3.38%, to close the week at 52 060.03 points and R12 224.57 billion, respectively.

Table 7: Johannesburg Stock Exchange (JSE) Statistics

2014	All Share Index (points)	Market Capitalization (R bn)
06-Jun	49,933.99	11,666.43
13-Jun	50,763.71	11,874.64
20-Jun	51,322.67	12,053.78
27-Jun	50,625.37	11,825.08
04-Jul	52,060.03	12,224.57

Source: <http://www.jse.co.za/trade/derivative-market>

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



Source: <http://www.jse.co.za/trade/derivative-market>

RESERVE BANK OF ZIMBABWE

09 JULY 2014