



# Weekly Economic Highlights

## Table of Contents

1. INTEREST RATES.....	1
2. CLEARING AND SETTLEMENT ACTIVITY.....	2
3. INTERNATIONAL COMMODITY PRICES.....	4
4. EQUITY MARKETS.....	5

Week Ending  
05 December 2014

## 1. INTEREST RATES

### Deposit Rates

During the week ending 5<sup>th</sup> December 2014, average deposit rates for 1 month tenor and savings deposits remained unchanged, closing at 9.66% and 3.42%, respectively. Average deposit rates for 3 month tenor deposits, however, declined marginally to close the week under review at 11.42%.

**Table 1: Average Deposit Rates**

2014	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
07-Nov	3.42	9.70	11.47
14-Nov	3.42	9.68	11.45
21-Nov	3.42	9.66	11.42
28-Nov	3.42	9.66	11.43
05-Dec	3.42	9.66	11.42

Source: Banking Institutions, 2014

### Lending Rates

The weighted lending rates for corporate clients and individuals at commercial banks closed the week at 14.26% and 9.93%, respectively. The nominal lending rates for individuals and corporates clients at merchant banks, however, remained unchanged at 19% and 18%, respectively.

**Table 2: Lending Rates**

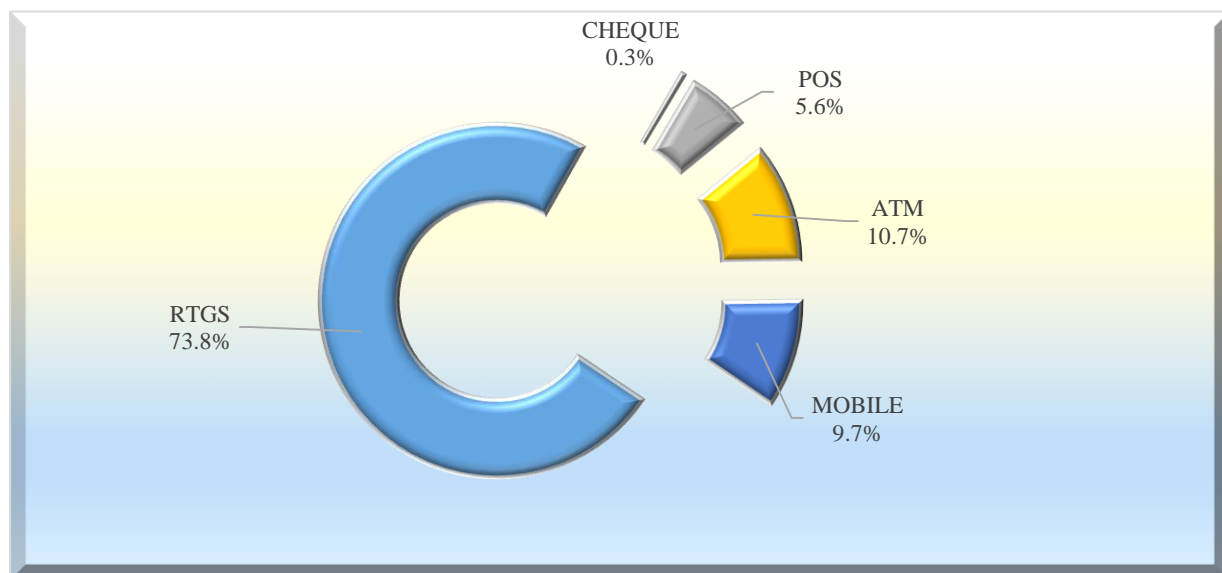
2014	Lending Rates (%)			
	Commercial Banks(weighted)		Merchant Banks(nominal)	
	Individuals	Corporate Clients	Individuals	Corporate Clients
07-Nov	14.37	9.86	19.00	18.00
14-Nov	14.39	9.88	19.00	18.00
21-Nov	14.37	9.91	19.00	18.00
28-Nov	14.26	9.97	19.00	18.00
05-Dec	14.34	9.93	19.00	18.00

Source: Banking Institutions, 2014

## 2. CLEARING AND SETTLEMENT ACTIVITY

The total value of transactions processed through the National Payment System (NPS) declined from US\$1 573 million in the previous week, to US\$1 116 million during the week ending 5<sup>th</sup> December 2014. This was largely attributable to a 40% decline in transactions processed through the Real Time Gross Settlement (RTGS) system, from US\$1 367 million to US\$823 million. RTGS volumes registered a 4% decline, from 47 549 in the previous week, to close the week under review at 45 684.

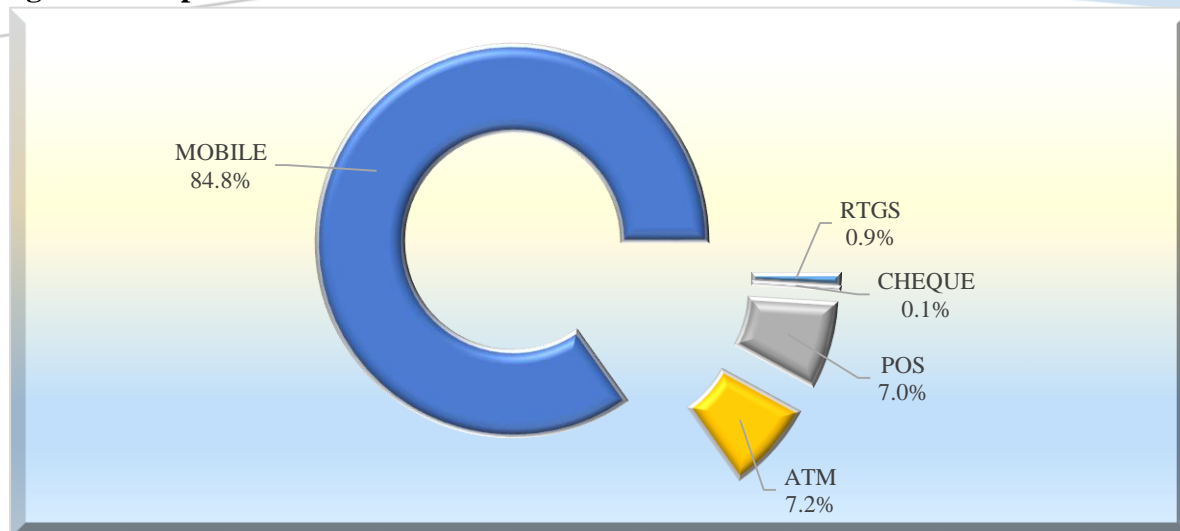
**Figure 1: Proportions of NPS Transactions in Value Terms**



*Source: Reserve Bank of Zimbabwe*

RTGS payments continued to dominate the NPS, accounting for 78.3% of the total value of transactions processed through the system. ATM, Mobile, POS and Cheque transactions accounted for 10.7%, 9.7%, 5.6% and 0.3%, respectively, of the total value of transactions processed through the NPS. Mobile-Based transactions accounted for 84.8% of total transactions in volume terms, followed by Automated Teller Machines (ATMs), 7.2%; Point of Sale (POS), 7.0%; RTGS, 0.9%; and Cheque, 0.1%.

**Figure 2: Proportions of NPS Transactions in Volume Terms**



Source: Reserve Bank of Zimbabwe.

**Table 3: National Payment Systems Activity**

PAYMENT STREAM	WEEK ENDING 28 NOVEMBER 2014	WEEK ENDING 05 DECEMBER 2014	CHANGE FROM LAST WEEK	PROPORTION
<b>VALUES IN USD (millions)</b>				
RTGS	1,367.41	823.28	-40%	73.78%
CHEQUE	2.05	2.85	39%	0.26%
POS	40.74	62.36	53%	5.59%
ATMS	74.11	119.32	61%	10.69%
MOBILE	88.56	108.01	22%	9.68%
<b>TOTAL</b>	<b>1,572.88</b>	<b>1,115.81</b>		<b>100%</b>
<b>VOLUMES</b>				
RTGS	47,549	45,684	-4%	0.85%
CHEQUE	6,135	7,142	16%	0.13%
POS	265,566	373,533	41%	6.95%
ATMs	299,490	388,955	30%	7.23%
MOBILE	4,253,712	4,561,126	7%	84.84%
<b>TOTAL</b>	<b>4,872,452</b>	<b>5,376,440</b>		<b>100%</b>

Source: Reserve Bank of Zimbabwe.

### 3. INTERNATIONAL COMMODITY PRICES

During the week ending 5<sup>th</sup> December 2014, the weekly average international commodity prices for gold, platinum and nickel firmed, whilst copper and crude oil prices softened.

**Table 4: Metals and Crude Oil Prices**

Period	Gold	Platinum	Copper	Nickel	Crude Oil
2014	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
<b>Weekly Average (28 Nov)</b>	1,194.65	1,217.30	6,642.80	16,302.00	76.80
<b>1-Dec</b>	1,186.38	1,203.00	6,380.00	16,200.00	71.11
<b>2-Dec</b>	1,196.00	1,219.50	6,454.00	16,200.00	70.80
<b>3-Dec</b>	1,204.00	1,223.50	6,455.00	16,325.00	71.04
<b>4-Dec</b>	1,206.63	1,237.50	6,455.00	16,775.00	69.70
<b>5-Dec</b>	1,199.25	1,233.50	6,535.00	16,800.00	68.74
<b>Weekly Average (5 Dec)</b>	1,198.45	1,223.40	6,455.80	16,460.00	70.28
<b>Weekly Change (%)</b>	0.3	0.5	-2.8	1.0	-8.5

*Source: BBC, KITCO, Reuters and Bloomberg*

#### Gold

Gold prices firmed by 0.3% to close the week under review at US\$1 198.45/oz, from a weekly average of US\$1 194.65/oz recorded in the previous week. This was due to a modest increase in oil prices mid-way through the week, which boosted the demand for the precious metal as an inflation-hedge. Furthermore, expectations of monetary easing in Europe and China, as well as a strengthening US dollar also increased the demand for the yellow metal.

#### Platinum

Platinum prices gained by 0.5% from a weekly average of US\$1 217.30/oz recorded in the previous week, to US\$1 223.40/oz during the week of analysis. The increase was underpinned by a positive US economic outlook, following reports that the economy had expanded in the third quarter of 2014.



## **Copper**

Copper prices registered a 2.8% decline during the week under review to close at US\$6 455.80/ton, amid concerns of a weak demand outlook in China, the world's largest consumer of the metal.

## **Nickel**

Nickel prices firmed by 1%, from a weekly average of US\$16 302.00/ton recorded in the previous week, to an average of US\$16 460.00/ton. This was on the back of dwindling supply, as Indonesia stopped exports of unprocessed ore early this year.

## **Crude Oil**

Crude oil prices slumped by 8.5% from US US\$76.80/barrel in the previous week, to an average of US\$70.28/barrel during the week of analysis. This followed rising supply, backed by rising U.S. shale oil output and the Organization of Petroleum Exporting Countries' decision to maintain their production quota.

## 4. EQUITY MARKETS

During the week ending 5<sup>th</sup> December 2014, bearish sentiment persisted on the Zimbabwe Stock Exchange as investors remained skeptical due to uncertainties emanating from political developments as the ruling party held its elective congress. The industrial index shed 3.09 points to close at 168.36 points. The resources index, however, marginally recovered from previous losses and gained 3.20 points to close the week under review at 67.59 points.

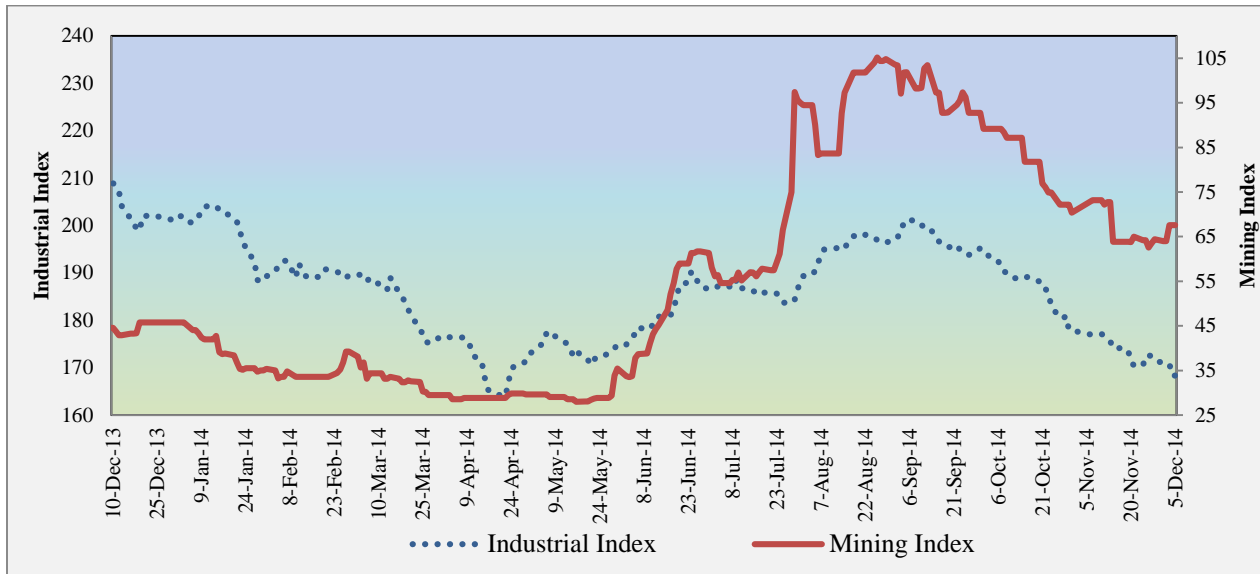
The industrial index was largely weighed down, by losses in Turnall (26.67%); Mash Holdings (16.67%); Econet (4.55%); Delta (2.66%) and PPC (2.27%).

**Table 5: Zimbabwe Stock Exchange (ZSE) Statistics**

2014	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
14-Nov	174.10	63.88	4,585,475,788	5,786,630	26,846,746
21-Nov	170.49	65.00	4,494,043,988	13,131,288	36,359,520
28-Nov	171.45	64.39	4,517,926,188	11,541,086	68,348,973
05-Nov	168.36	67.59	4,442,720,412	13,171,926	302,811,489

Source: Zimbabwe Stock Exchange (ZSE), 2014

**Figure 3 : Zimbabwe Stock Exchange Indices**



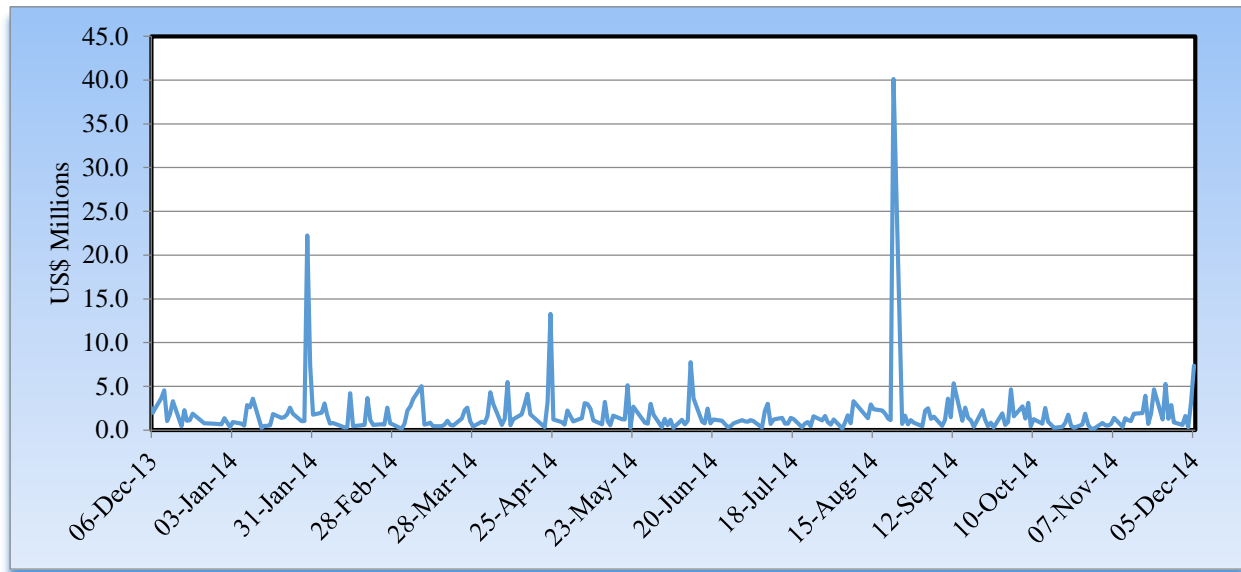
Source: Zimbabwe Stock Exchange, 2014

**Market Turnover and Volume**

Despite negative trading that characterized the bourse, market turnover increased by 14.13% from US\$11.5 million in the previous week, to close the week under review at US\$13.2 million. The increase in market turnover was boosted by a special bargain in Dawn which saw 284 272 687 million exchanging hands, during the period under review. The total volume of shares traded amounted to 302.81 million during the week under review, compared to 68.35 million shares in the previous week.



**Figure 4: Daily Market Turnover**

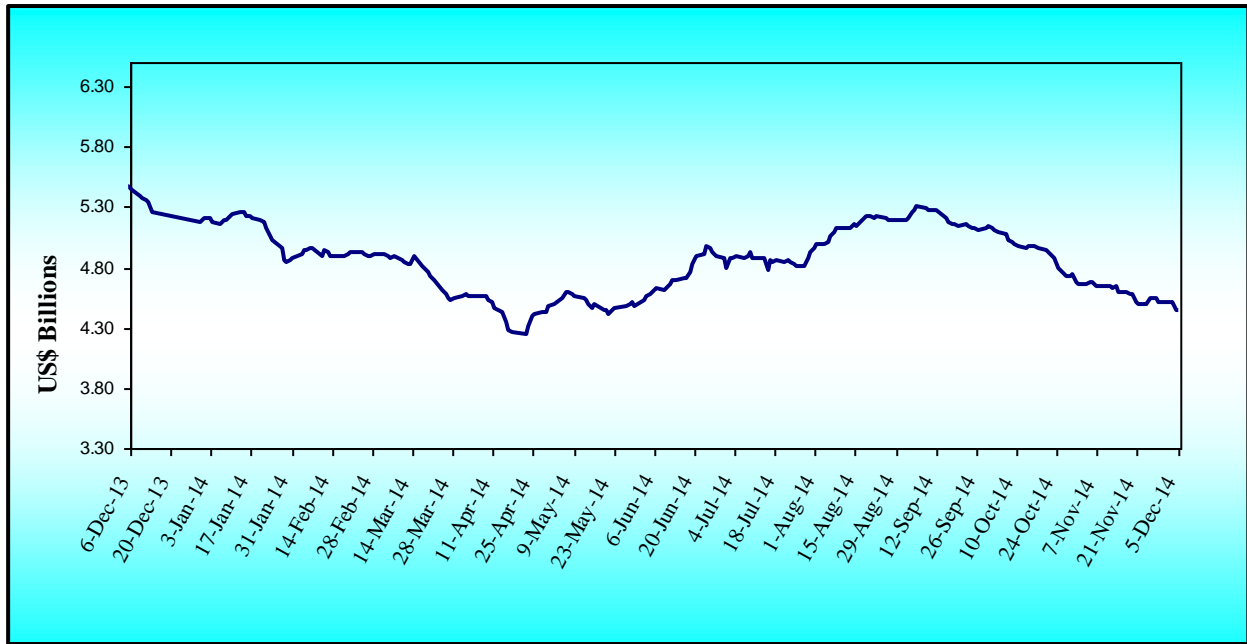


*Source: Zimbabwe Stock Exchange, 2014*

### **Market Capitalization**

Market capitalization stood at US\$4.44 billion, down from US\$4.52 billion realized in the previous week. This was largely attributed to losses in heavily capitalized counters such as Delta and Econet.

**Figure 5 : Market Capitalization**



Source: Zimbabwe Stock Exchange, 2014

## Johannesburg Stock Exchange (JSE) Developments

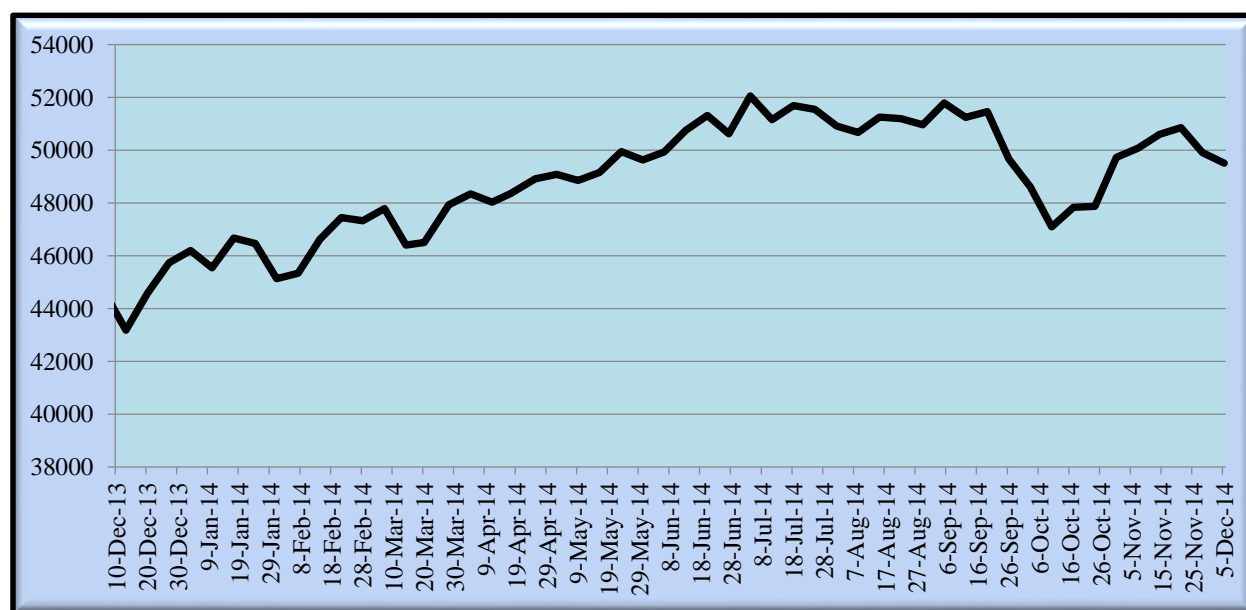
The JSE continued on a down ward trend during the week ending 5<sup>th</sup> December 2014, with the JSE All Share Index declining by 0.81%, to close the week under review at 49 506.59 points. Market capitalization stood at R11 516.94 billion, a 0.54% decline from the previous week.

**Table 6: Johannesburg Stock Exchange (JSE) Statistics**

2014	All Share Index (points)	Market Capitalization (R billion)
07-Nov	50,079.44	11,612.17
14-Nov	50,598.02	11,691.51
21-Nov	50,855.09	11,748.02
28-Nov	49,911.37	11,579.60
05-Dec	49,506.59	11,516.94

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**

**12<sup>TH</sup> DECEMBER 2014**