

Vol. 16 No. 36



Weekly Economic Highlights

Week Ending 05 September 2014

1. INTEREST RATES

Deposit Rates

During the week ending 5th September 201, the 3 months and savings deposit rates remained unchanged at 11.43% and 3.42%, respectively. Deposit rates for term deposits of 1 month tenure, however, increased to close the week at 9.75%.

Table 1: Average Deposit Rates

2014	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
08-Aug	3.42	9.84	11.55
15-Aug	3.42	9.84	11.55
22-Aug	3.42	9.79	11.54
29-Aug	3.42	9.73	11.43
05-sep	3.42	9.75	11.43

Source: Banking Institutions, 2014

Lending Rates

As at 5th September 2014, 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 under review at 14.26% and 9.51%, respectively.

Table 2: Lending Rates

2014	Weighted Lending Rates (%)			
	Commercial Banks		Merchant Banks	
	Individuals	Corporate Clients	Individuals	Corporate Clients
08-Aug	14.39	9.51	19.00	18.00
15-Aug	14.35	9.51	19.00	18.00
22-Aug	14.29	9.44	19.00	18.00
29-Aug	14.28	9.45	19.00	18.00
05-Sep	14.26	9.51	19.00	18.00

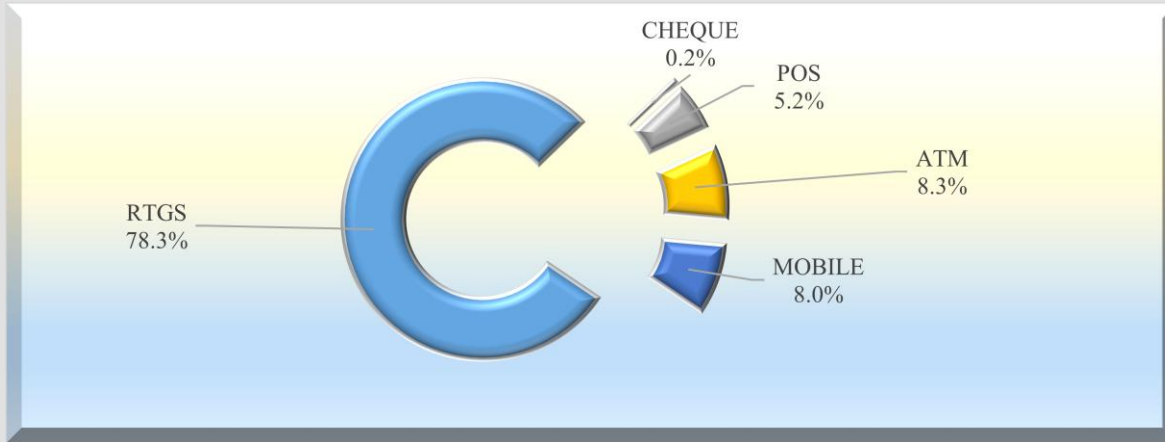
Source: Banking Institutions, 2014

2. CLEARING AND SETTLEMENT ACTIVITY

During the week ending 5th September 2014, the total value of transactions processed through the National Payment Systems (NPS), stood at US\$1 182 million, down from US\$1 229 million in the previous week.

Transactions processed through the Real Time Gross Settlement (RTGS) system decreased by 12% to US\$925 million, during the week under review. RTGS system payments accounted for 78.3% of the total value of transactions processed through the NPS.

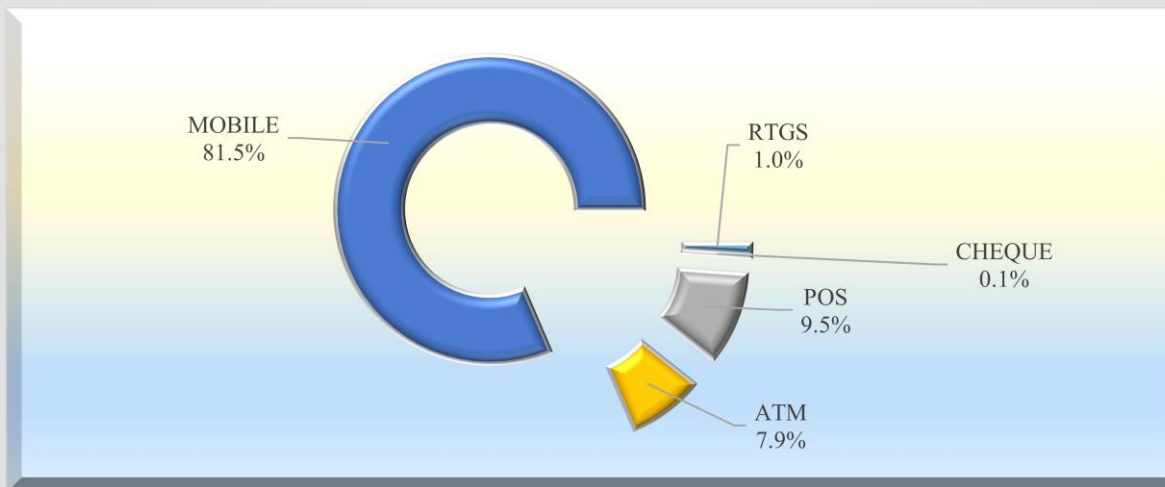
Figure 1: Proportions of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe.

In volume terms, Mobile-Based transactions accounted for 81.5% of total transactions in volume terms, followed by Point of sale, 9.5%; and Automated Teller Machines, 7.9%, as at week ending 5th September 2014.

Figure 2: Proportions of NPS Transactions in Volume Terms



Source: Reserve Bank of Zimbabwe.

Table 3: National Payment Systems Activity

PAYMENT STREAM	WEEK ENDING 29 AUGUST 2014	WEEK ENDING 05 SEPTEMBER 2014	CHANGE	PROPORTION
VALUES IN USD				
RTGS	1,048,496,257.87	925,236,607.57	-12%	78.30%
CHEQUE	2,199,518.00	2,378,962.11	8%	0.20%
POS	37,483,258.63	61,085,459.42	63%	5.17%
ATMS	61,602,368.79	98,191,183.70	59%	8.31%
MOBILE	79,753,397.67	94,819,685.21	19%	8.02%
TOTAL	1,229,534,800.96	1,181,711,898.01		100%
VOLUMES				
RTGS	47,168	48,033	2%	1.03%
CHEQUE	6,053	6,620	9%	0.14%
POS	310,927	445,703	43%	9.52%
ATMs	237,237	367,982	55%	7.86%
MOBILE	3,696,439	3,812,224	3%	81.45%
TOTAL	4,297,824	4,680,562		100%

Source: Reserve Bank of Zimbabwe.

3. INTERNATIONAL COMMODITY PRICES

The weekly average international commodity prices for gold, platinum, copper and crude oil retreated, whilst nickel prices firmed during the week ending 5th September 2014.

Table 5: 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 (29 Aug)	1,284.98	1,422.60	7,044.20	18,594.00	102.77
1-Sept	1,286.88	1,423.50	6,966.00	18,650.00	103.01
2-Sept	1,272.38	1,415.00	6,965.00	18,550.00	101.72
3-Sept	1,267.00	1,407.00	6,925.00	18,820.00	102.26
4-Sept	1,271.25	1,409.00	6,968.00	19,225.00	102.52
5-Sept	1,260.00	1,405.50	6,875.00	19,385.00	101.52
Weekly average (5 Sep)	1,271.50	1,412.00	6,939.80	18,926.00	102.21
Weekly Change %	-1.0	-0.7	-1.5	1.8	-0.6

Source: BBBC.com, KITCO and Bloomberg

Gold

Gold prices extended their previous week's losses on the back of a stronger U.S. dollar and positive U.S. economic outlook, which dampened the demand of the yellow metal as a safe haven asset. The prices declined from a weekly average of US\$1 289.98/oz in the previous week, to an average of US\$1 271.50/oz during the week under review.

Platinum

Platinum prices also registered losses during the week under review, declining by 0.7% from a weekly average of US\$1 422.60/oz, to a weekly average of US\$1 412.00/oz. This was on account of a stronger U.S dollar, coupled with subdued demand for the precious metal.

Copper

Copper prices declined by 1.5%, from an average of US\$7 044.20/tonne in the previous week, to an average of US\$6 939.80/tonne, amid expectations of rising global supply. A stronger dollar also weighed down prices of the base metal.

Nickel

Nickel prices increased by 1.8%, from a weekly average of US\$18 594.00/tonne in the previous week, to an average of US\$18 926.00/tonne during the week under review. Prices rose following news concerning the ban on exports of unprocessed mineral ores in Philippine, which reignited fears of global supply constraints of the metal.

Crude Oil

Crude oil price firmed from US\$102.77/barrel in the previous week, to US\$102.21/barrel during the week under review. This was on account of a drop in U.S. crude oil inventories.

4. EQUITY MARKETS

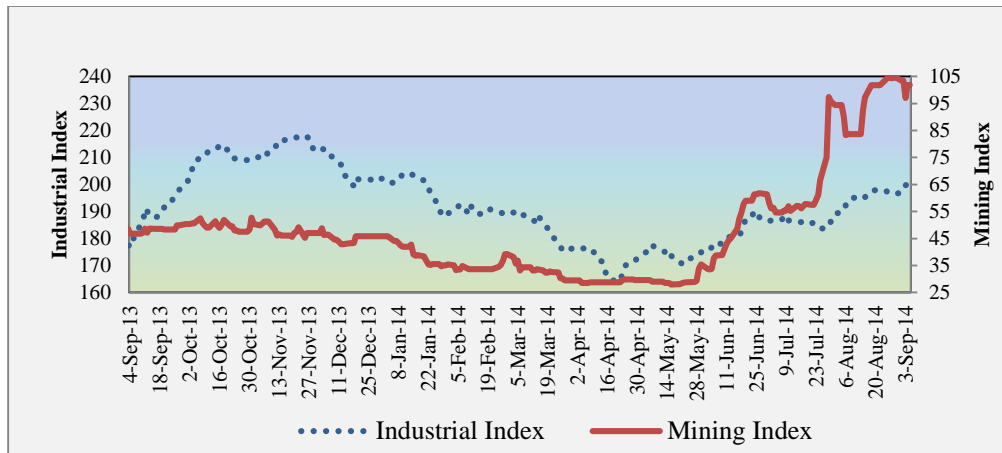
During the week ending 5th September 2014, the ZSE was characterized by mixed trade, with the mainstream index witnessing a rallying start in September 2014, owing to demand in heavily capitalised counters.

The industrial index gained 4.85 points (2.47%), from 196.43 points in the previous week, to 201.28 points during the period under review. Driving the benchmark index growth were gains recorded in Astra (82.29%); Econet (10.39%); Hippo Valley (6.67%); National Foods (4.55%); Old Mutual (2.14%); and Delta (2.22%). The mining index, however, retreated by 2.96 points (2.82%), from 104.80 points recorded the previous week to 101.84 points during the week under review.

Table 6: Zimbabwe Stock Exchange (ZSE) Statistics

2014	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
08-Aug	194.91	83.65	5,118,565,230	6,781,822	90,633,311
15-Aug	195.33	97.28	5,148,085,398	6,674,009	46,277,102
22-Aug	198.04	101.78	5,223,724,252	46,716,592	140,908,383
29-Aug	196.43	104.80	5,186,634,353	4,996,843	38,275,824
05-Sep	201.28	101.84	5,306,828,775	7,949,280	48,351,255

Source: Zimbabwe Stock Exchange (ZSE), 2014



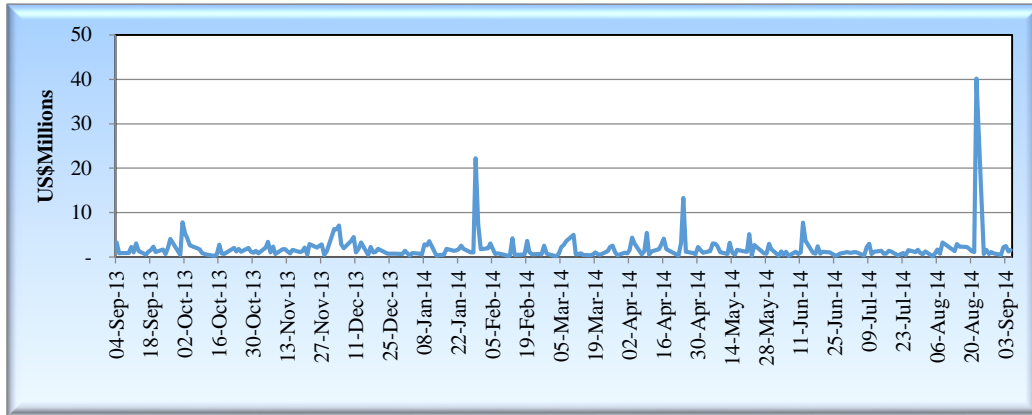
Source: Zimbabwe Stock Exchange, 2014

Volume and Market Turnover

Owing to firm trading in the blue chip stocks, market turnover increased by 59.09% to US\$7.9 million, compared to US\$5 million registered in the previous week. A total of 48.4 million shares were traded, compared to 38.3 million shares traded in the previous week.

Improved participation by foreign investors saw net foreign purchases surging by 107.55% to close at US\$2.12 million, from US\$1.02 million realized in the previous week.

Figure 2: Daily Market Turnover

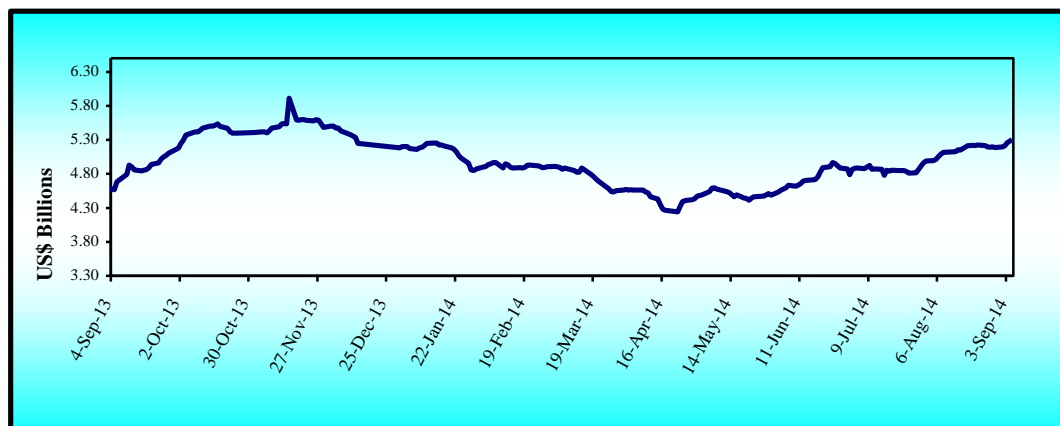


Source: Zimbabwe Stock Exchange, 2014

Market Capitalization

Market capitalization added 2.32%, from US\$5.19 billion in the previous week to US\$5.31 billion, due to sustained demand in the heavily capitalized stocks.

Figure 3: Market Capitalization



Source: Zimbabwe Stock Exchange, 2014

Johannesburg Stock Exchange (JSE) Developments

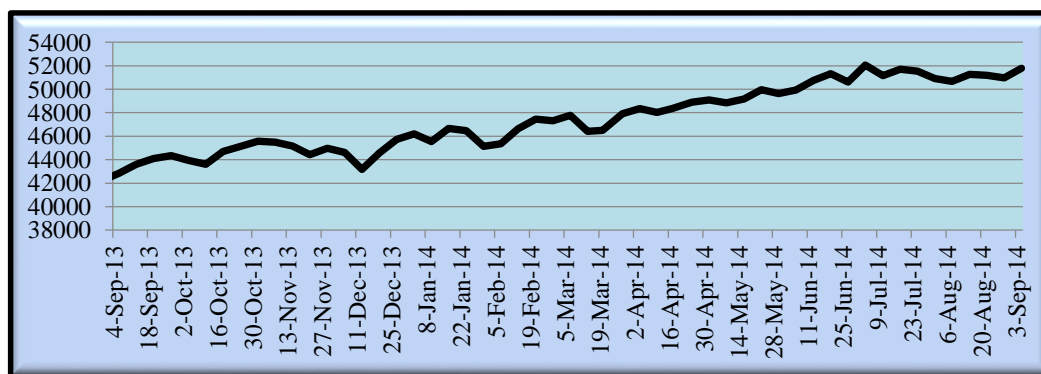
During the week under review the JSE All Share index gained by 1.63% to close at 51 789.40 points. Market capitalization also increased by 1.37% to R12 173.81 during the week under review.

Table 7: Johannesburg Stock Exchange (JSE) Statistics

2014	All Share Index (points)	Market Capitalization (R bn)
08-Aug	50,669.95	11,930.29
15-Aug	51,257.72	12,052.62
22-Aug	51,197.16	12,029.13
29-Aug	50,959.02	12,009.35
05-Sep	51,789.40	12,173.81

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

11 SEPTEMBER 2014

