

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 |

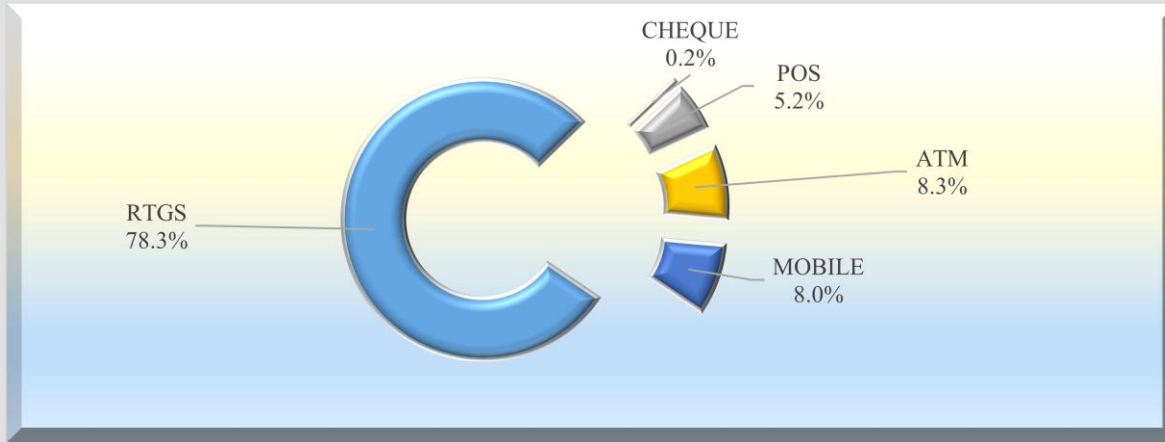
Source: Banking Institutions, 2014

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.

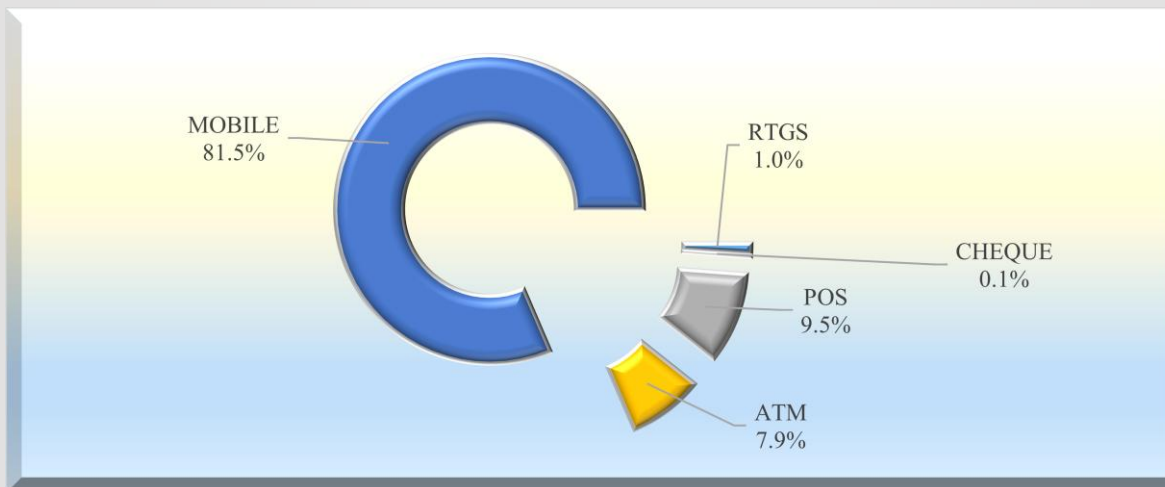
Figure 1: Proportions of NPS Transactions in Value Terms



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

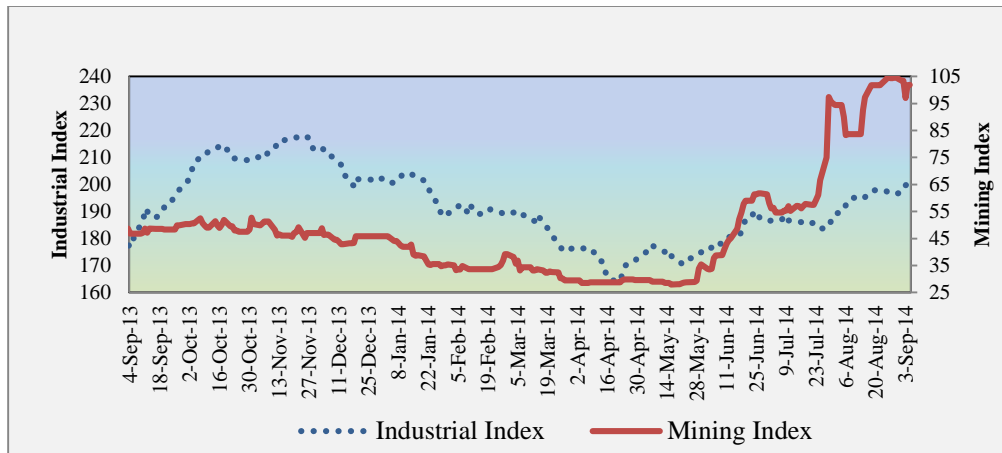
During the week ending 5th September 2014, the ZSE was characterized by mixed trade, with the mainstream index witnessing a rallying start in September 2014, owing to demand in heavily capitalised counters.

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



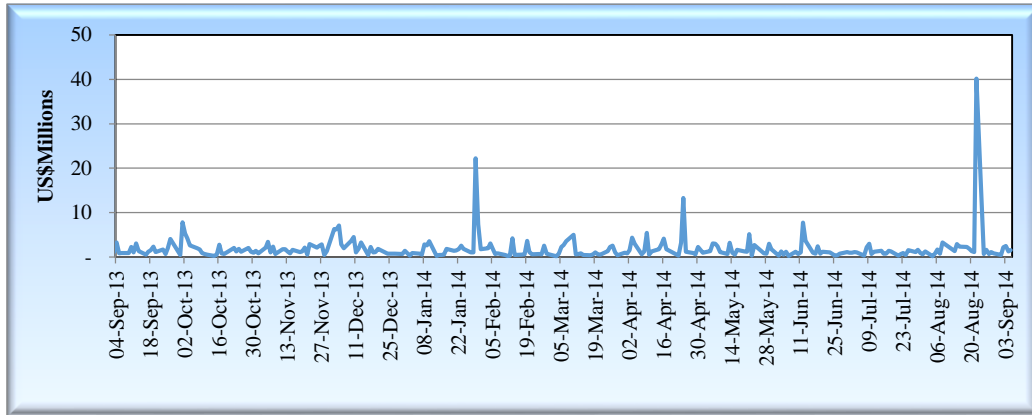
Source: Zimbabwe Stock Exchange, 2014

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

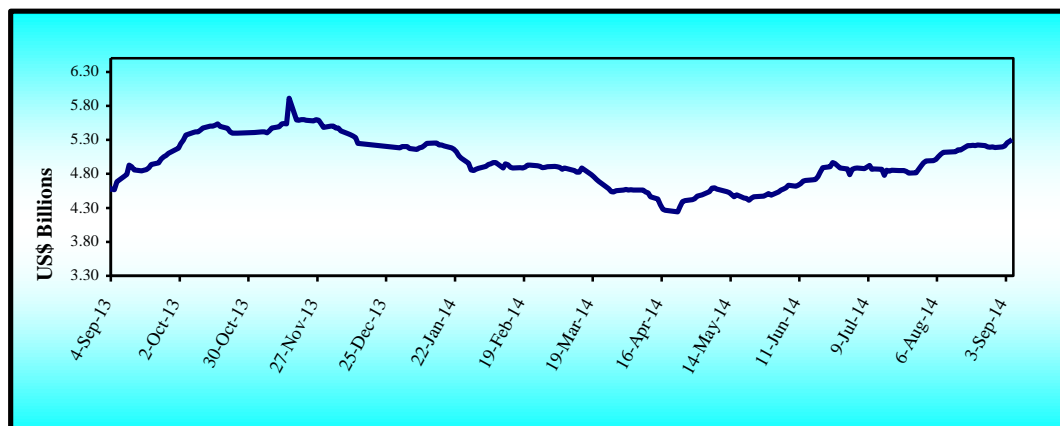


Source: Zimbabwe Stock Exchange, 2014

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

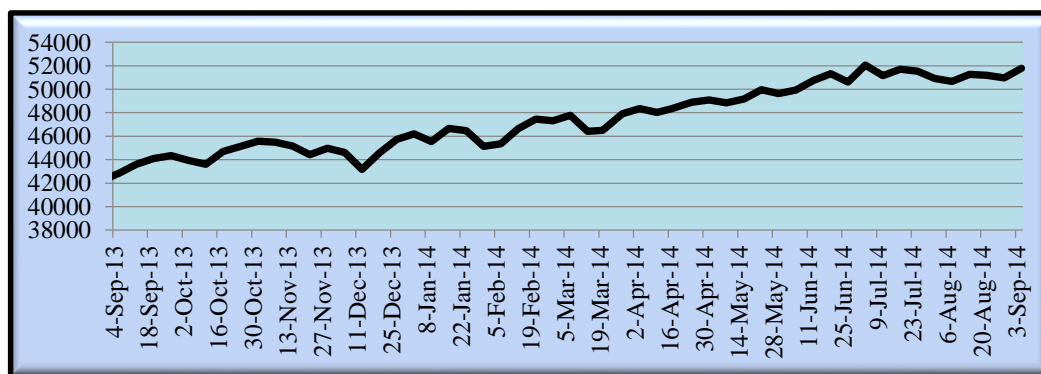
During the week under review the JSE All Share index gained by 1.63% to close at 51 789.40 points. Market capitalization also increased by 1.37% to R12 173.81 during the week under review.

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

