



# Weekly Economic Highlights

## Table of Contents

1. INTEREST RATES.....	1
2. CLEARING AND SETTLEMENT ACTIVITY.....	2
3. INTERNATIONAL COMMODITY PRICE .....	4
3. EQUITY MARKETS.....	6

Week Ending  
06<sup>th</sup> February 2015

## 1. INTEREST RATES

### Deposit Rates

Average deposit rates for savings, 1 month and 3month tenors closed the week ending 6<sup>th</sup> February 2015 at 3.31%, 9.37% and 10.99%, respectively.

**Table 1: Average Deposit Rates**

2015	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
<b>16-Jan</b>	3.31	9.93	10.94
<b>23-Jan</b>	3.31	9.34	10.94
<b>30-Jan</b>	3.31	9.37	11.00
<b>06-Feb</b>	3.31	9.37	10.99

Source: Banking Institutions, 2015

### Lending Rates

Lending rates at merchant banks for individuals and corporate clients remained unchanged at 19.00% and 18.00%, respectively during the week under review. At commercial banks, however, weighted lending rates for individuals and corporate clients declined from 14.16% to 14.08%; and 9.66% to 9.47%, respectively.

**Table 2: Lending Rates**

2015	Lending Rates (%)			
	Commercial Banks (weighted)		Merchant Banks (nominal) <sup>1</sup>	
	Individuals	Corporate Clients	Individuals	Corporate Clients
<b>16-Jan</b>	14.17	9.67	19.00	18.00
<b>23-Jan</b>	14.19	9.68	19.00	18.00
<b>30-Jan</b>	14.16	9.66	19.00	18.00
<b>06-Feb</b>	14.08	9.47	19.00	18.00

Source: Banking Institutions, 2015

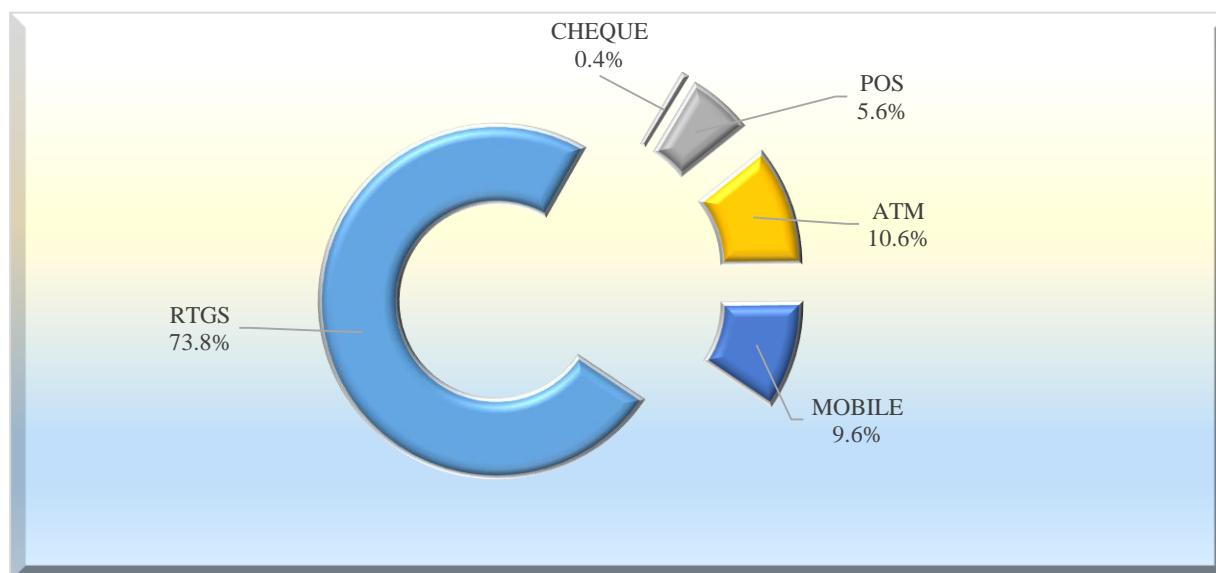
<sup>1</sup> One merchant bank left in operation.

## 2. CLEARING AND SETTLEMENT ACTIVITY

The total value of transactions processed through the National Payment System (NPS) during the week ending 6<sup>th</sup> February 2015, declined to US\$1 031.60 million, down from US\$1 162.84 million, recorded during the previous week. The decline was underpinned by a 23% decrease in transactions processed through the Real Time Gross Settlement (RTGS) system from US\$984 million in the previous week to US\$761 million, during the week under review.

In terms of proportions, RTGS payments accounted for 73.81% of the total value of transactions processed through the NPS, followed by Automated Teller Machines (ATMs), 10.58%; Mobile transactions, 9.61%; Point of Sale (POS), 5.63%; and cheque transactions, 0.37%.

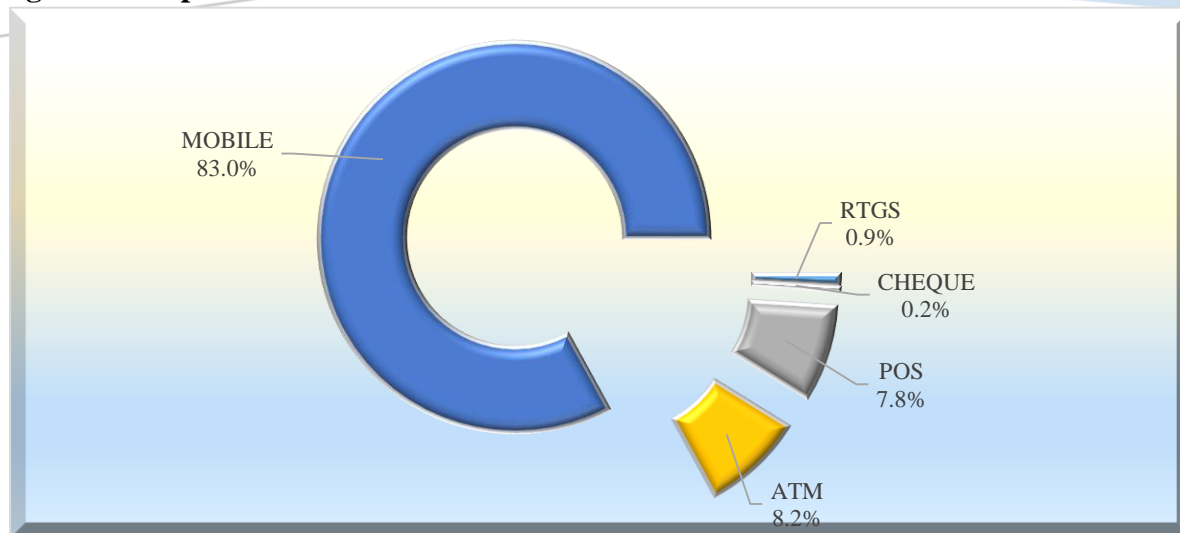
**Figure 1: Proportions of NPS Transactions in Value Terms**



*Source: Reserve Bank of Zimbabwe*

In volume terms, Mobile-Based transactions accounted for 82.96% of total NPS transactions, followed by ATM's, 8.22%; POS, 7.81%; RTGS, 0.85%; and cheque transactions, 0.17%.

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



Source: Reserve Bank of Zimbabwe.

**Table 3: National Payment Systems Activity**

PAYMENT STREAM	WEEK ENDING 30 JANUARY 2015	WEEK ENDING 06 FEBRUARY 2015	CHANGE FROM LAST WEEK	PROPORTION
<b>VALUES IN USD (millions)</b>				
<b>RTGS</b>	984.22	761.38	-23%	73.81%
<b>CHEQUE</b>	3.37	3.80	13%	0.37%
<b>POS</b>	28.72	58.10	102%	5.63%
<b>ATMS</b>	65.02	109.15	68%	10.58%
<b>MOBILE</b>	81.51	99.16	22%	9.61%
<b>TOTAL</b>	1,162.84	1,031.60		100%
<b>VOLUMES</b>				
<b>RTGS</b>	46,834	43,368	-7%	0.85%
<b>CHEQUE</b>	8,538	8,601	1%	0.17%
<b>POS</b>	248,927	399,189	60%	7.81%
<b>ATMs</b>	248,232	419,964	69%	8.22%
<b>MOBILE</b>	3,817,975	4,240,832	11%	82.96%
<b>TOTAL</b>	4,370,506	5,111,954		100%

Source: Reserve Bank of Zimbabwe

### 3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

During the week ending 6<sup>th</sup> February 2015, the average international commodity prices for gold, platinum and copper declined. On the other hand, nickel and crude oil prices firmed.

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

Period	Gold	Platinum	Copper	Nickel	Crude Oil
<b>2015</b>	<i>US\$/ounce</i>	<i>US\$/ounce</i>	<i>US\$/tonne</i>	<i>US\$/tonne</i>	<i>US\$/barrel</i>
<b>Weekly Average (30 Jan)</b>	<b>1,278.13</b>	<b>1,247.30</b>	<b>5,501.00</b>	<b>14,787.00</b>	<b>48.86</b>
<b>2-Feb</b>	1,273.38	1,224.50	5,390.00	15,372.00	52.90
<b>3-Feb</b>	1,272.63	1,232.50	5,390.00	15,375.00	56.19
<b>4-Feb</b>	1,268.88	1,237.00	5,390.00	14,925.00	56.26
<b>5-Feb</b>	1,261.50	1,236.50	5,595.00	14,830.00	56.36
<b>6-Feb</b>	1,252.50	1,037.10	5,691.00	14,955.00	58.16
<b>Weekly Average (06 Feb)</b>	<b>1,265.78</b>	<b>1,193.52</b>	<b>5,491.20</b>	<b>15,091.40</b>	<b>55.97</b>
<b>Weekly Change (%)</b>	<i>-1.0</i>	<i>-4.3</i>	<i>-0.2</i>	<i>2.1</i>	<i>14.6</i>

Source: BBC, KITCO, Reuters and Bloomberg

#### Gold

Average gold prices declined by 1% from US\$1 278.13/oz in the previous week, to US\$1 265.78/oz during the week under review. The decline was largely attributed to the strengthening of the US dollar, on the back of the Federal Reserve Bank's decision to raise interest rates, a development that has undermined gold's appeal as safe haven.

#### Platinum

Similarly platinum prices declined by 4.3% from a weekly average of US\$1 247.30/oz in the previous week, to an average of US\$1 193.52/oz during the week under analysis. Notwithstanding supply concerns in South Africa, platinum prices increased on the back of offsetting effects of the strengthening of the US dollar.



## **Copper**

Copper prices retreated by 0.2 % to close the week under review at US\$5 491.20/ton. The decline in copper prices reflects the weakening of economic activity in China, the largest consumer of the base metal.

## **Nickel**

On the other hand, nickel prices firmed by 2.1% from an average of US\$14 787.00/ton in the previous week, to a weekly average of US\$15 091.40/ton, during the week ending 6<sup>th</sup> January 2015. The ban of nickel export by the Indonesian government continues to exert upward pressure on nickel prices. In addition, speculations that Philippines might follow Indonesia's way also shored-up nickel prices.

## **Crude Oil**

Crude oil prices significantly rose by 14.6% from a weekly average of US\$48.86/barrel to an average of US\$55.97/ barrel, during the week under analysis. Oil prices held gains amid concerns on supply outpacing demand, following records showing declines in crude oil stockpiles in the US. The marked increase in crude oil prices reflects the depletion of oil inventories in the UK. Nonetheless, growing concerns of supply exceeding demand continues to generate dampening effects on oil prices.

#### 4. EQUITY MARKETS

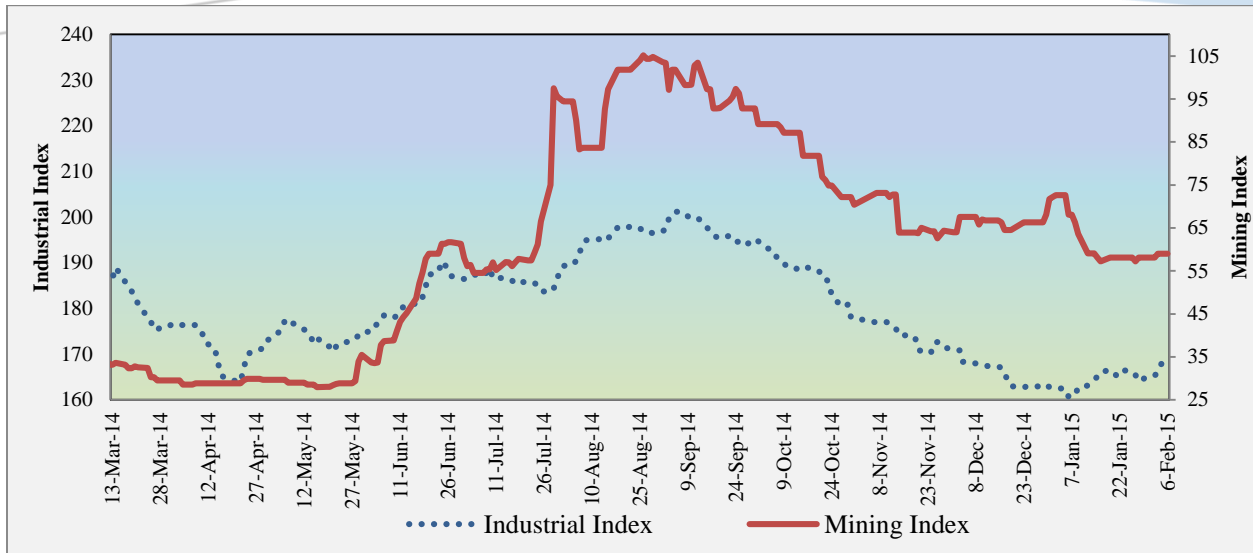
During the week ending 6<sup>th</sup> February 2015, trading on the Zimbabwe Stock Exchange (ZSE) was positive. In this regard, the industrial and mining indices increased by 4.47 points and 0.90 points to close the week under review at 169.37 points and 59.03 points, respectively. The increase in the resources index was largely due to a 2% increase in the Bindura stock. The industrial index was buoyed by heavyweight counters such as Econet, (8.22%); Seedco, (7.37%); Delta, (4.41%); Innscor; (1.75%). Mid capitalised counters such as Zimplow, Barclays and Fidelity which gained by 21.82%, 14.29% and 7.14%, respectively also added to the increase in the industrial index. Partially offsetting these gains were losses recorded in Meikles (7.14%), Hippo (4%) and PPC (2.91%).

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

Period	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
09-Jan-15	162.70	63.61	4,314,173,584	5,262,232	16,139,709
16-Jan-15	166.15	57.24	4,395,719,222	3,359,225	17,125,141
23-Jan-15	166.46	58.14	4,405,177,051	5,668,477	12,709,045
30-Jan-15	164.90	58.13	4,347,569,893	1,942,127	10,399,733
06-Feb-15	169.37	59.03	4,482,179,535	8,067,238	18,181,447

*Source: Zimbabwe Stock Exchange (ZSE), 2015*

**Figure 3 : Zimbabwe Stock Exchange Indices**

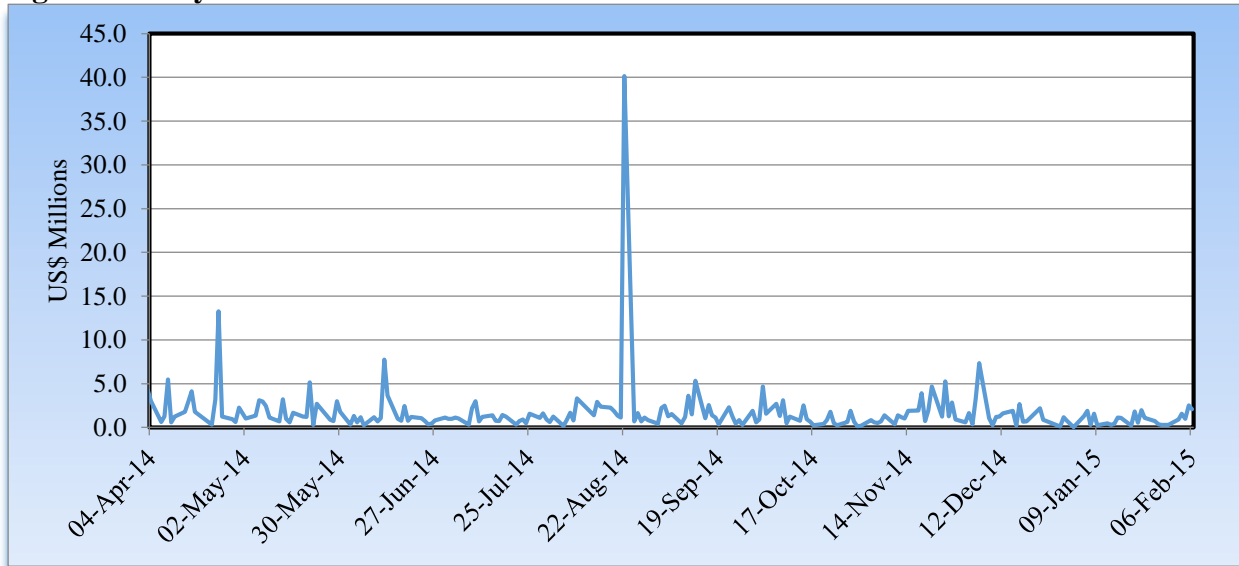


Source: Zimbabwe Stock Exchange, 2015

**Market Turnover and Volume**

The positive trading on the local bourse resulted in a surge in market turnover from US\$1.94 million to US\$8.1 million realized in the previous week. The increase was largely supported by significant trading in heavily capitalized counters such as Econet, Delta, Seedco and Innscor. In concomitance, the volume of shares traded increased from 10 399 733 to 18 181 447 shares.

**Figure 4: Daily Market Turnover**



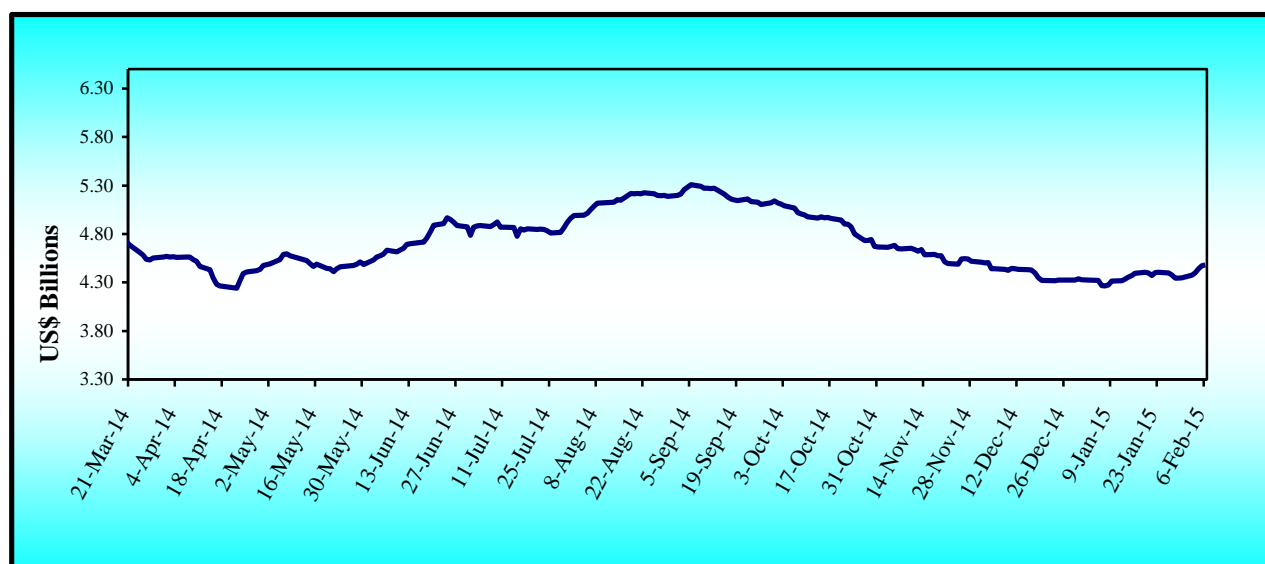
Source: Zimbabwe Stock Exchange, 2015



## Market Capitalization

The ZSE market capitalization increased by 2.68%, from US\$4.40 billion recorded in the previous week, to US\$4.50 billion during the week ending 6<sup>th</sup> February 2015.

**Figure 5 : Market Capitalization**



Source: Zimbabwe Stock Exchange, 2015

## Johannesburg Stock Exchange (JSE) Developments

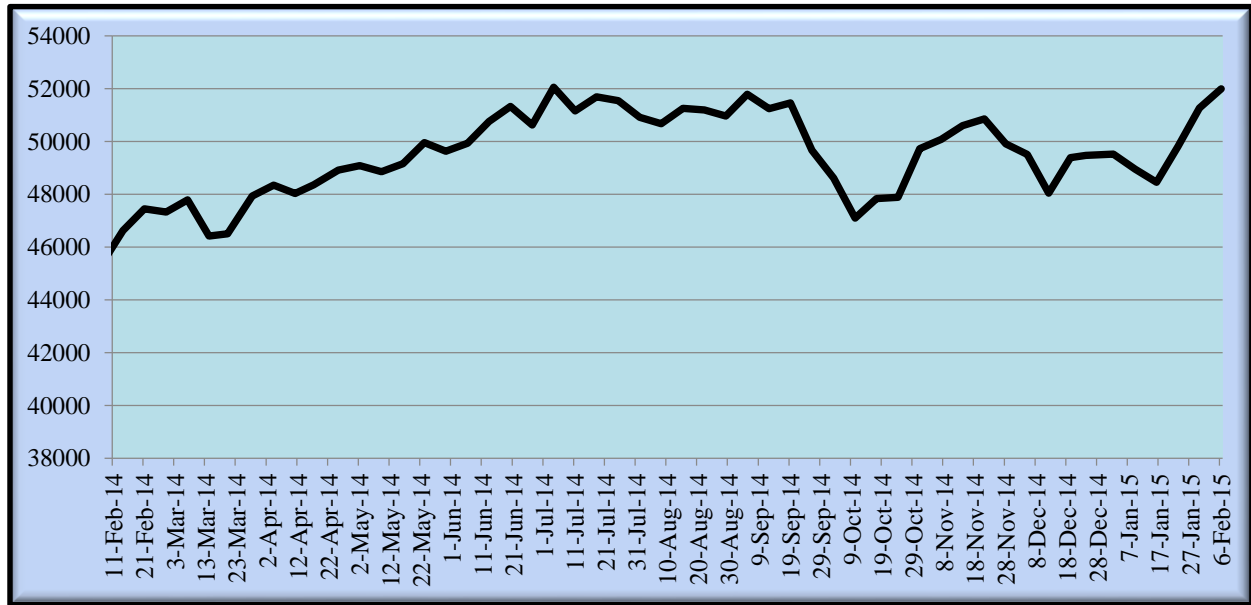
The JSE All Share index increased by 1.43%, to close the week at 51 998.32 points, from 51 266.81 points recorded in the previous week. Market capitalization also rose marginally by 0.03%, to R11 765.01 during the week ending 6<sup>th</sup> February 2015.

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

Period- 2015	All Share Index (points)	Market Capitalization (R billion)
<b>09-Jan</b>	48,950.50	11,277.78
<b>16-Jan</b>	48,458.25	11,150.54
<b>23-Jan</b>	49,816.57	11,433.46
<b>30-Jan</b>	51,266.81	11,761.16
<b>06-Feb</b>	51,998.32	11,765.01

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**

**10<sup>TH</sup> FEBRUARY 2015.**