



# Weekly Economic Highlights

## Table of Contents

1. INTEREST RATES .....	1
2. CLEARING AND SETTLEMENT ACTIVITY .....	2
3. TOBACCO SALES .....	4
4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS .	5
5. EQUITY MARKETS.....	7

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

## 1. INTEREST RATES

### Deposit Rates

During the week ending 6<sup>th</sup> March 2015, savings deposits rates increased from 3.31% to 3.54%. Deposit rates for term deposits of 1 month and 3 months tenor declined, from 9.45% to 9.36% and 11.03% to 10.97%, respectively.

**Table 1: Average Deposit Rates**

2015	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
<b>13-Feb</b>	3.31	9.37	10.99
<b>20-Feb</b>	3.31	9.42	11.04
<b>27-Feb</b>	3.31	9.45	11.03
<b>06-Mar</b>	3.54	9.36	10.97

Source: Banking Institutions, 2015

### Lending Rates

Commercial banks' weighted lending rates for individuals ended the week under review at 13.89%, down from 14% recorded in the previous week. Weighted lending rates for commercial bank's corporate clients registered a marginal decline of 0.01 percentage points to 9.72% during the week under review.

**Table 2: Lending Rates**

2015	Lending Rates (%)	
	Commercial Banks (weighted)	
	Individuals	Corporate clients
<b>06-Feb</b>	14.08	9.47
<b>13-Feb</b>	14.08	9.73
<b>20-Feb</b>	14.07	9.72
<b>27-Feb</b>	14.00	9.73
<b>06-Mar</b>	13.89	9.72

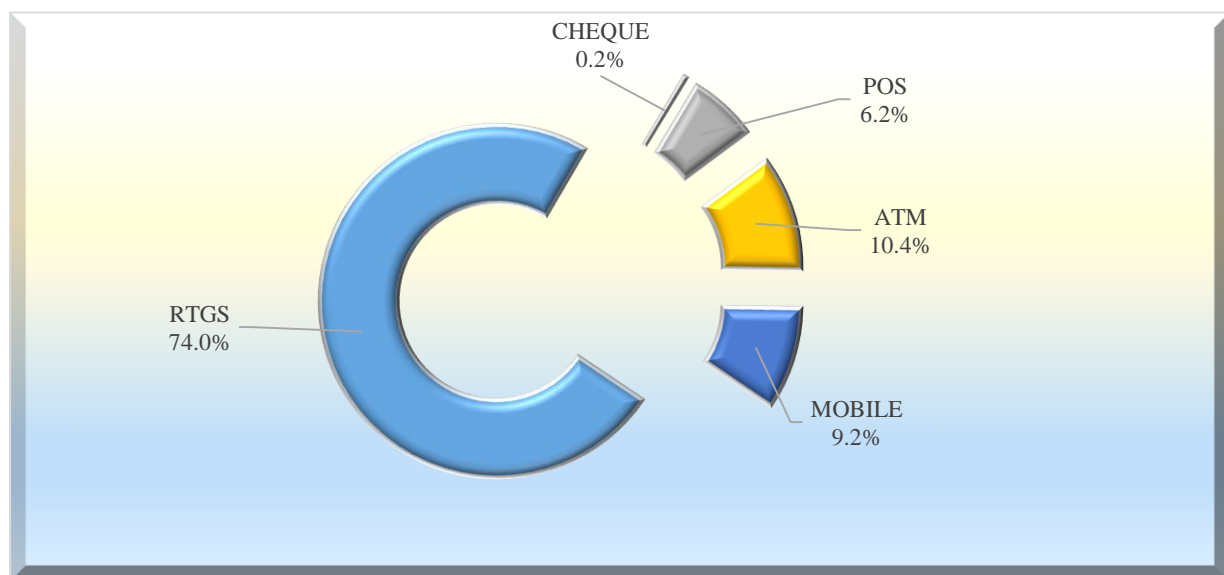
Source: Banking Institutions, 2015

## 2. CLEARING AND SETTLEMENT ACTIVITY

The week under review saw the value of transactions processed through the National Payment Systems (NPS) decline by US\$1 122.14 million. This followed the decrease in the value of transactions processed through the Real Time Gross Settlement (RTGS) system, from US\$976 million in the previous week to US\$830 million during the week ending 6<sup>th</sup> March 2015.

In proportion terms, RTGS payments accounted for 73.97% of the total value of transactions processed through the NPS, followed by ATMs, 10.39%; mobile transactions, 9.19%; POS, 6.22% and cheque, 0.23%.

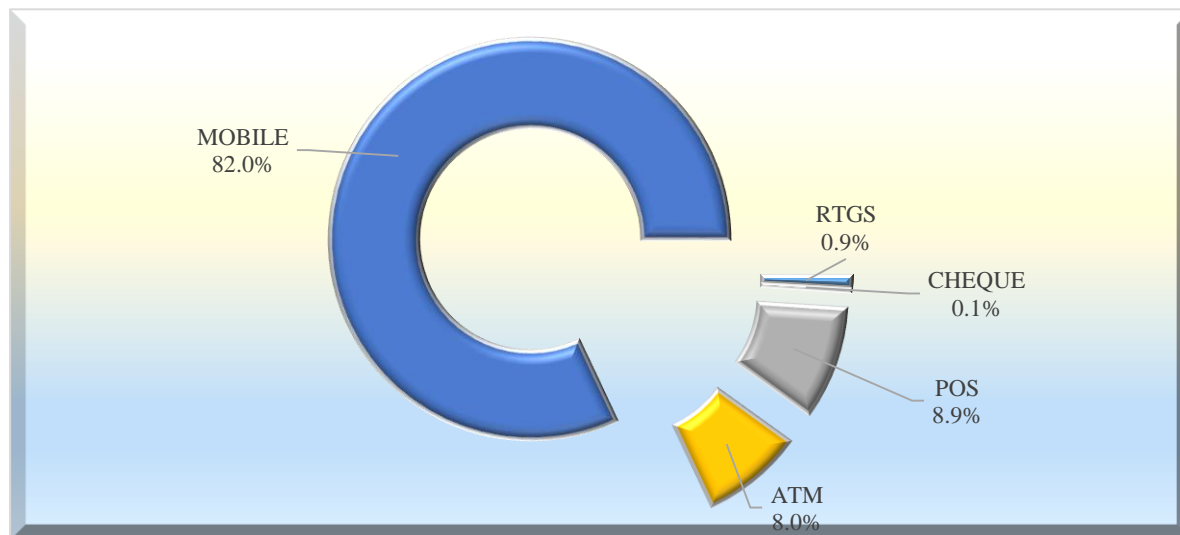
**Figure 1: Proportions of NPS Transactions in Value Terms**



*Source: Reserve Bank of Zimbabwe*

The volume of NPS transactions was distributed as follows: Mobile (82.03%); POS (8.92%); ATMs (8.04%); RTGS (0.88%) and cheque (0.14%).

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



Source: Reserve Bank of Zimbabwe.

**Table 3: National Payment Systems Activity**

PAYMENT STREAM	WEEK ENDING 27 FEBRUARY 2015	WEEK ENDING 06 MARCH 2015	CHANGE FROM LAST WEEK	PROPORTION
<b>VALUES IN USD (millions)</b>				
<b>RTGS</b>	976.03	830.07	-15%	73.97%
<b>MOBILE</b>	81.43	103.07	27%	9.19%
<b>ATMS</b>	58.16	116.58	100%	10.39 %
<b>POS</b>	27.21	69.78	156%	6.22%
<b>CHEQUE</b>	3.09	2.63	-15%	0.23%
<b>TOTAL</b>	<b>1,145.92</b>			100%
<b>VOLUMES</b>				
<b>RTGS</b>	47,353	44,984	-5%	0.88%
<b>CHEQUE</b>	6,781	7,073	4%	0.14%
<b>POS</b>	229,587	457,018	99%	8.92%
<b>ATMs</b>	229,834	411,690	79%	8.04%
<b>MOBILE</b>	3,956,057	4,202,397	6%	82.03%
<b>TOTAL</b>	<b>4,469,612</b>	<b>5,123,162</b>		100%

Source: Reserve Bank of Zimbabwe

### 3. TOBACCO SALES

As at 6<sup>th</sup> March 2015 (day 3 of the 2015 tobacco selling season), a cumulative total of 781 974 kilograms of tobacco had been sold. This represented a 46.7% decline on the total cumulative quantity sold for the same period in 2014.

The golden leaf fetched a lower average price of US\$1.54, compared to US\$2.38 during the same period in 2014. In value terms, total sales amounted to US\$1.30million, 65.6% lower than the US\$3.49 million realised during the corresponding period in 2014.

**Table 4: Cumulative Tobacco Sales: Day 3 (06/03/15)**

	2014	2015	Variance (%)
<b>Cumulative Quantity Sold (kgs)</b>	1,466,743	781,974	-46.7%
<b>Cumulative Average Price(US\$/kg)</b>	2.38	1.54	-35.4%
<b>Cumulative Value (US\$ million)</b>	3,493,937	1,201,694	-65.6%

Source: Tobacco Industry and Marketing Board (TIMB), 2015

#### 4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international commodity prices for platinum, copper and crude oil firmed during the week ending 6<sup>th</sup> March 2015. Nickel and gold prices, however, retreated during the same period.

**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 (27 Feb)</b>	<b>1,204.45</b>	<b>1,169.80</b>	<b>5,786.70</b>	<b>14,184.00</b>	<b>60.51</b>
<b>2-Mar</b>	1,212.38	1,183.50	5,895.00	13,875.00	59.05
<b>3-Mar</b>	1,210.25	1,185.00	5,854.00	13,600.00	59.93
<b>4-Mar</b>	1,201.88	1,179.00	5,882.50	13,830.00	61.94
<b>5-Mar</b>	1,200.88	1,184.00	5,856.00	14,050.00	61.00
<b>6-Mar</b>	1,186.13	1,171.50	5,826.00	14,080.00	61.23
<b>Weekly Average (27 Feb)</b>	<b>1,202.30</b>	<b>1,180.70</b>	<b>5,862.70</b>	<b>13,887.00</b>	<b>60.63</b>
<b>Weekly Change (%)</b>	<i>(0.2)</i>	<i>0.93</i>	<i>1.3</i>	<i>(2.1)</i>	<i>0.1</i>

*Source: BBC, KITCO, Reuters and Bloomberg*

##### **Gold**

Gold prices further declined by 0.2%, from a weekly average of US\$1 204.50/oz in the previous week, to US\$1 202.30/oz, during the week under review. The downward trend in gold prices was largely driven by the strengthening of the US dollar and an improvement in the US economic outlook.

##### **Platinum**

Platinum prices increased by 0.9% to US\$1 180.70/oz, during the week under analysis. The price rebound was mainly attributed to the depletion of international inventories, emanating from electricity power challenges and low production in South Africa.



## **Copper**

Copper prices continued on an upward trend, firming by 1.3% to US\$5 862.70/tonne, during the week ending 6<sup>th</sup> March 2015. The gain was on the basis of reports that the US unemployment rate had declined, boosting economic growth prospects in one of the largest consumers of the industrial metal.

## **Nickel**

Nickel prices retreated from a weekly average of US\$14 184.00/ton in the previous week, to US\$13 887.00/ton during the week under review. The price had firmed on the 5<sup>th</sup> of March 2015 due to an improved US economic outlook and subdued ore supplies, following the continued ban on ore exports by Indonesia.

## **Crude Oil**

Crude oil prices continued on a recovery path, registering a marginal 0.1% increase, to close the week under review at an average of US\$60.69/barrel. The sustained recovery in oil prices was largely attributed to growth in demand, against reduced output.

## 5. EQUITY MARKETS

Bearish sentiments persisted on the Zimbabwe Stock Exchange (ZSE) during the week ending 6<sup>th</sup> March 2015, with the industrial index declining by 0.94% to close at 165.59 points. The decline was largely underpinned by losses in Barclays, (5.56%); Mashonaland, (4.17%); TSL, (4%); Econet, (2.70%); Innscor, (1.69%) and Delta, (0.87%). Partially offsetting the losses were gains in Zimplot, (13.33%) and AFDIS, (4.44%).

The mining index declined from 55.38 points, to close the week under review at 54.58 points. This was largely on account of low prices offered for Fargold.

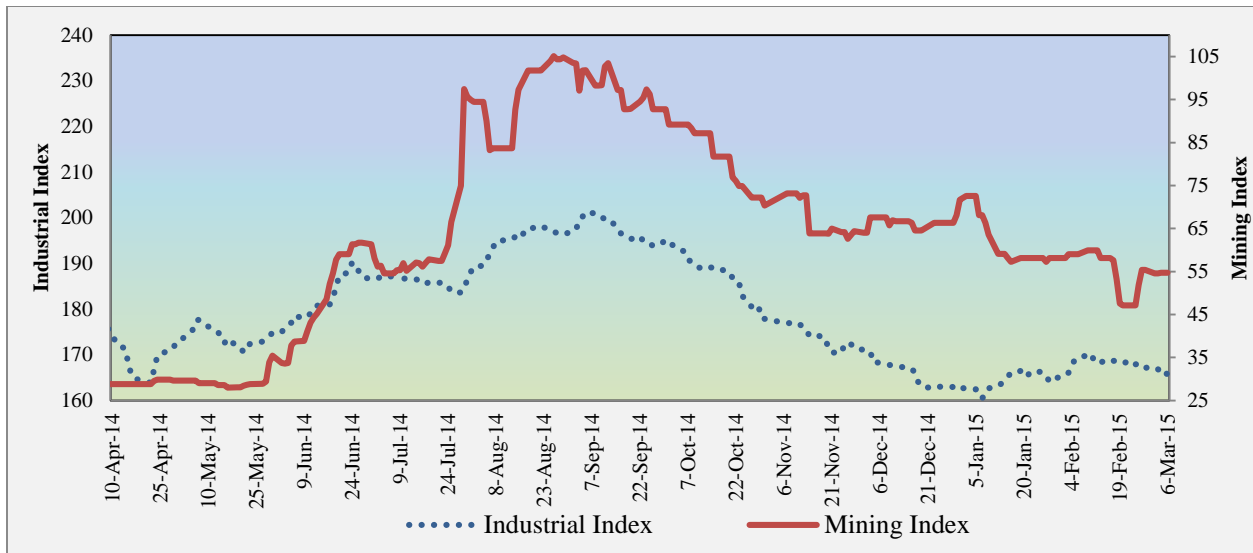
**Table 5: Zimbabwe Stock Exchange (ZSE) Statistics**

Period	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
06-Feb-15	169.37	59.03	4,482,179,535	8,067,238	18,181,447
13-Feb-15	168.36	58.13	4,381,524,714	6,021,874	43,405,137
20-Feb-15	168.13	47.09	4,360,544,228	17,207,739	36,116,628
27-Feb-15	167.16	55.38	4,353,375,154	3,478,765	21,620,902
06-Mar-15	165.59	54.70	4,312,564,910	5,936,189	66,655,446

Source: Zimbabwe Stock Exchange (ZSE), 2015



**Figure 3 : Zimbabwe Stock Exchange Indices**

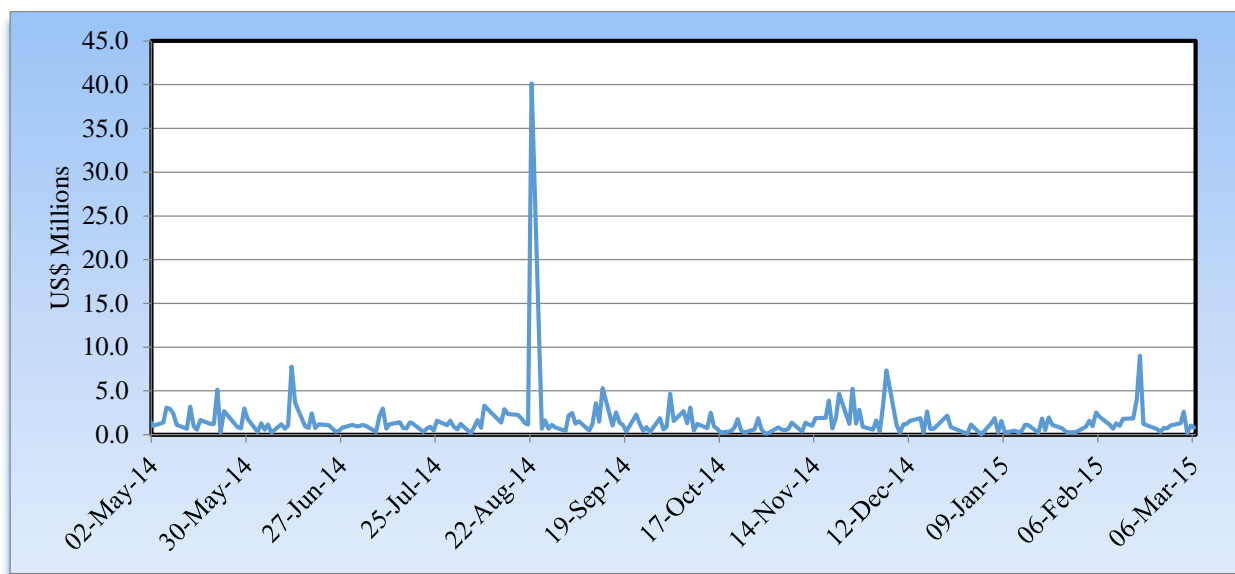


Source: Zimbabwe Stock Exchange, 2015

**Market Turnover and Volume**

Market turnover increased by 70.64% to close the week under review at US\$5.9 million, from US\$3.4 million recorded in the previous week. The increase was attributed to a special bargain of 41.85 million shares in Dawn, as well as notable trades recorded in Zimplow, Econet, CBZ and Innscor.

**Figure 4: Daily Market Turnover**

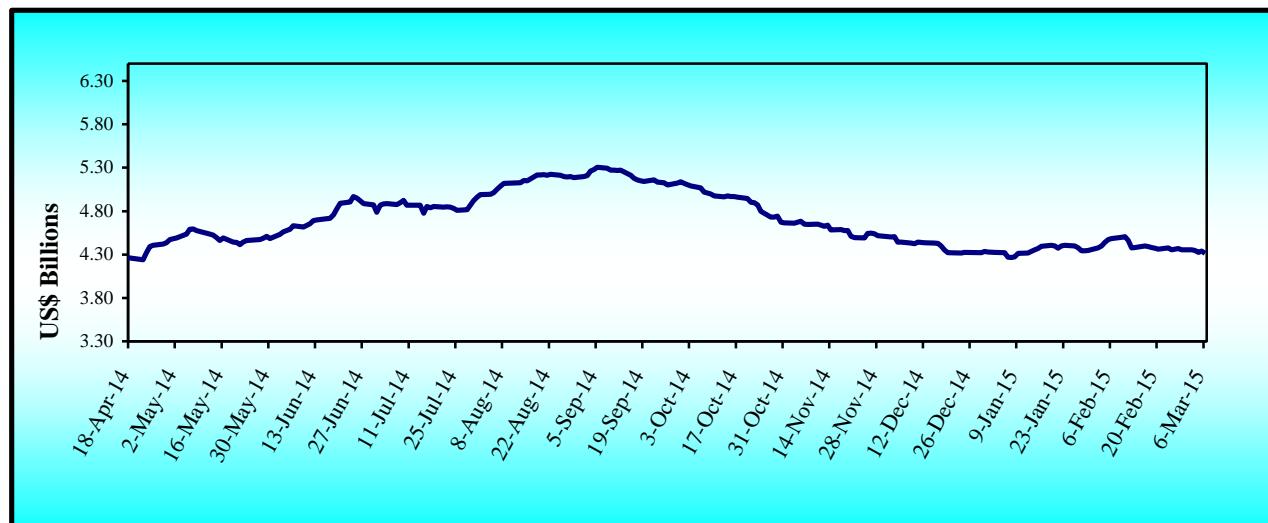


Source: Zimbabwe Stock Exchange, 2015

### Market Capitalization

Market capitalization maintained a downward trend as the three heavily capitalized counters namely; Delta, Econet and Inncor, continued to record significant losses. The week under analysis closed with a market capitalization of US\$4.313 billion, a 0.94% decline from the previous week.

**Figure 5 : Market Capitalization**



Source: Zimbabwe Stock Exchange, 2015

### Johannesburg Stock Exchange (JSE) Developments

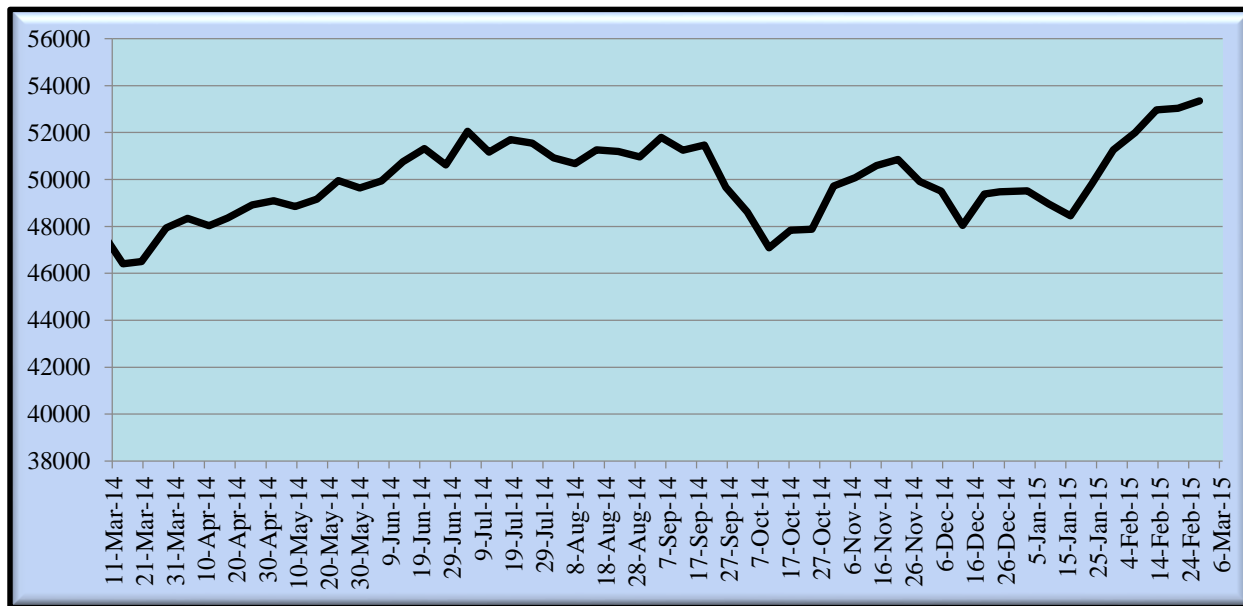
The JSE All Share index increased by 0.01%, to close the week under review at 53 346.99 points, from 53 344.20 points recorded in the previous week. Market capitalization also rose by 0.12%, to R12 243.68 billion during the week ending 6<sup>th</sup> March 2015.

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

Period- 2015	All Share Index (points)	Market Capitalization (R billion)
<b>06-Feb</b>	51,998.32	11,765.01
<b>13-Feb</b>	52,967.63	12,015.88
<b>20-Feb</b>	53,035.26	12,096.13
<b>27-Feb</b>	53,344.20	12,228.89
<b>06-Mar</b>	53,346.99	12,243.68

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**

**13<sup>TH</sup> MARCH 2015.**