



Weekly Economic Highlights

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Week Ending
07 November 2014

1. INTEREST RATES

Deposit Rates

During the week under review average deposit rates for savings, 1 month and 3 month tenors remained unchanged at 3.42%, 9.70% and 11.47%, respectively.

Table 1: Average Deposit Rates

2014	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
17-Oct	3.42	9.70	11.47
24-Oct	3.42	9.70	11.47
31-Oct	3.42	9.70	11.47
07-Nov	3.42	9.70	11.47

Source: Banking Institutions, 2014

Lending Rates

Weighted lending rates at commercial banks for corporate clients declined from 9.9% to 9.86% during the week under review. The weighted lending rates for individual clients, however, firmed from 14.36% to close the week under review at 14.37%. Merchant banks' weighted lending rates remained unchanged for both individuals and corporate clients during the week ending 07 November 2014.

Table 2: Lending Rates

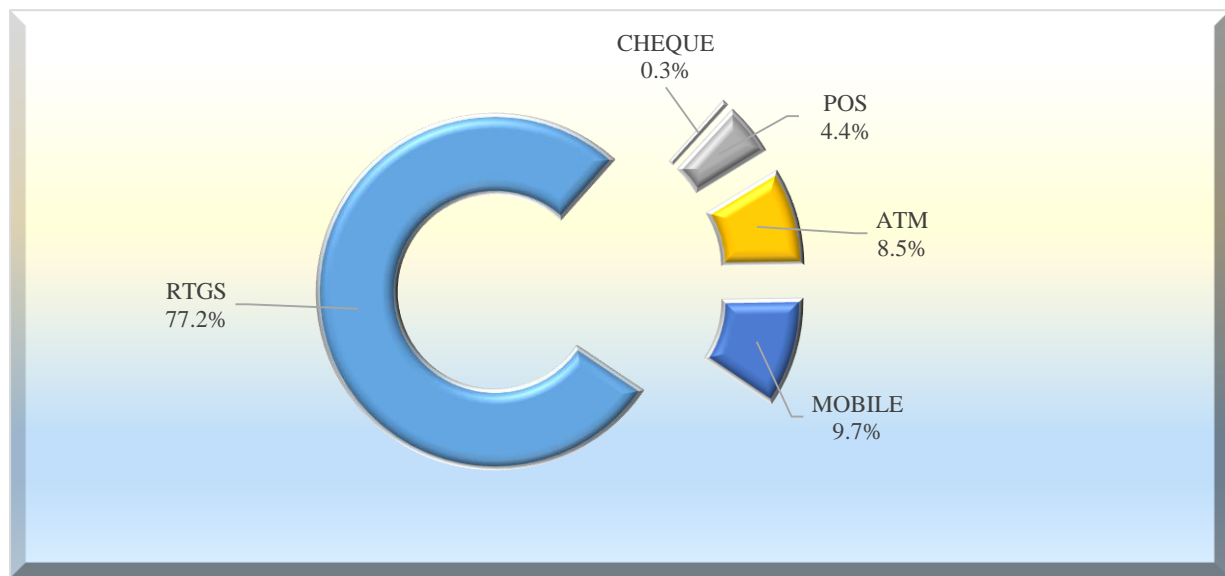
2014	Weighted Lending Rates (%)			
	Commercial Banks		Merchant Banks	
	Individuals	Corporate Clients	Individuals	Corporate Clients
17-Oct	14.37	9.86	19.00	18.00
24-Oct	14.38	9.89	19.00	18.00
31-Oct	14.36	9.90	19.00	18.00
07-Nov	14.37	9.86	19.00	18.00

Source: Banking Institutions, 2014

2. CLEARING AND SETTLEMENT ACTIVITY

Transactions processed through the National Payment Systems (NPS), decreased from US\$1,070.75 million recorded in the previous week, to close the week under review at US\$ 997.21 million. In value terms, transactions processed through the Real Time Gross Settlement (RTGS) system stood at US\$769, down million from US\$839 million recorded in the previous week. RTGS volumes recorded a decrease of 5% from the previous week.

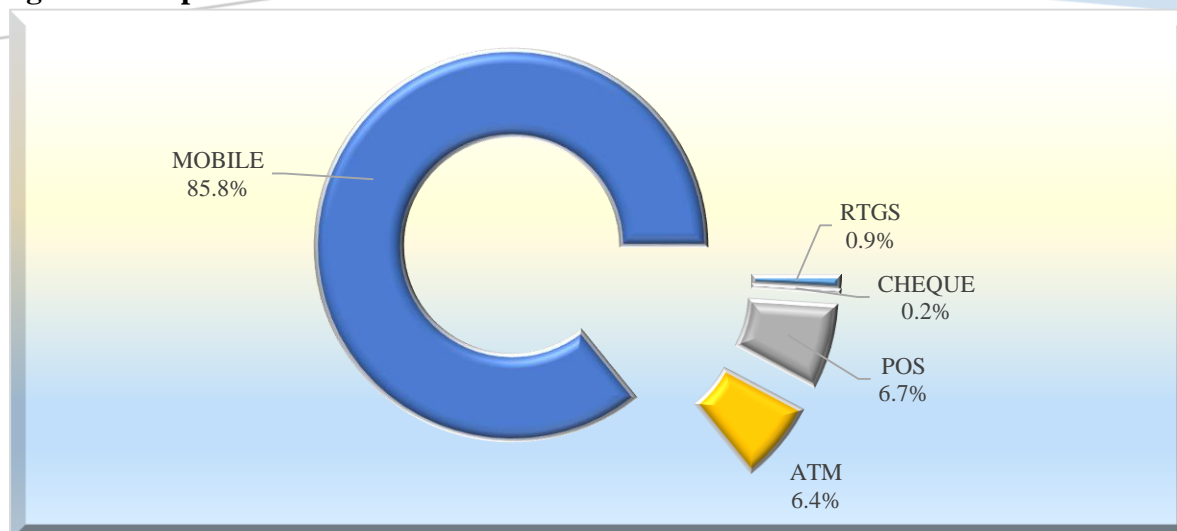
Figure 1: Proportions of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe

In terms of volume, Mobile-Based transactions accounted for 85.8% of total transactions, followed by Point of Sale (POS), 6.7%; Automated Teller Machines (ATMs), 6.4%; and RTGS, 0.9%. RTGS, Mobile, ATM, POS and Cheque transactions accounted for 77.2%; 9.7%; 8.5%; 4.4%; and 0.3%, respectively, of the total value of transactions.

Figure 2: Proportions of NPS Transactions in Volume Terms



Source: Reserve Bank of Zimbabwe.

Table 3: National Payment Systems Activity

PAYMENT STREAM	CURRENT WEEK ENDING 31 OCTOBER 2014	CURRENT WEEK ENDING 07 NOVEMBER 2014	CHANGE FROM LAST WEEK	PROPORTION
VALUES IN USD				
RTGS	839.06	769.48	-8%	77.16%
CHEQUE	2.87	2.67	-7%	0.27%
POS	50.38	44.12	-12%	4.42%
ATMS	90.83	84.42	-7%	8.47%
MOBILE	87.60	96.52	10%	9.68%
TOTAL	1,070.75	997.21		100%
VOLUMES				
RTGS	45,532	43,038	-5%	0.89%
CHEQUE	6,870	7,204	5%	0.15%
POS	312,563	322,887	3%	6.68%
ATMs	334,449	311,398	-7%	6.44%
MOBILE	3,905,456	4,151,127	6%	85.84%
TOTAL	4,604,870	4,835,654		100%

Source: Reserve Bank of Zimbabwe.

3. INTERNATIONAL COMMODITY PRICES

The weekly average international commodity prices for gold, platinum, copper, nickel and crude oil retreated during the week ending 7th November 2014.

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
Weekly Average (31 Oct)	1,211.36	1,257.00	6,827.00	15,203.00	85.56
3-Nov	1165.80	1240.00	6801.00	15250.00	82.54
4-Nov	1168.77	1229.50	6835.00	15310.00	85.96
5-Nov	1144.75	1177.50	6680.50	15000.00	82.88
6-Nov	1167.88	1211.50	6705.50	15155.00	82.72
7-Nov	1149.50	1196.50	6720.00	15260.00	83.59
Weekly Average (7 Nov)	1,159.34	1,211.00	6,748.40	15,195.00	83.54
Weekly Change (%)	-4.3	-3.7	-1.2	-0.1	-2.4

Source: BBC, KITCO, Reuters and Bloomberg

Gold

Gold prices continued on a downward trend, declining further by 4.3% from a weekly average of US\$1 211.36/oz in the previous week, to US\$1 159.34/oz during the week under analysis. This was on the back of a strengthening US dollar, as well as expectations of interest rate hikes by the Federal Reserve. These developments curbed the demand for gold as a safe haven.

Platinum

Platinum prices retreated from a weekly average of US\$1 257.00/oz in the previous week, to an average of US\$1 211.00/oz during the week under review. This followed the improving US economic outlook, coupled with a stronger US dollar.

Copper

Copper prices declined by 1.2%, closing the week under review at a weekly average of US\$6 748.40/ton. The dampened demand outlook for industrial metals, following reports of a cut on growth forecasts for the euro area, weighed down the metal's prices.

Nickel

Despite recording gains in the previous week's trading, nickel prices declined from a weekly average of US\$15 203.00/ton, to an average of US\$15 195.00/ton during the week under review. The prices slowed down as data showed continued weaknesses in China's manufacturing sector, dampening the demand outlook for the metal. China is the largest consumer of the industrial metal.

Crude Oil

Crude oil prices declined by 2.4% from US\$85.56/barrel in the previous week, to US\$83.54/barrel during the week of analysis. This was on account of rising global supply.

4. EQUITY MARKETS

During the week ending 7th of November 2014, the Zimbabwe Stock Exchange experienced mixed trading as the industrial index declined by 0.55% to close at 176.90 points. The benchmark index was largely weighed down by losses in Willdale (45.00%); Star Africa (21.05%); First Mutual (20.00%); Meikles (12.50%); and Fidelity Life (11.11%).

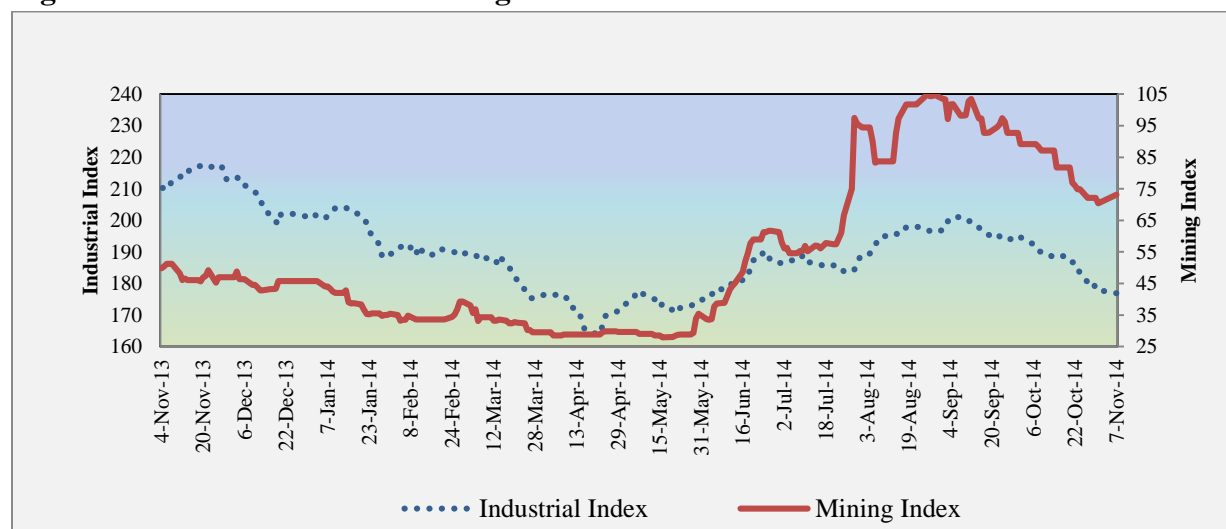
The mining index was characterized by thin trading with only Bindura and Rio Zim realizing price changes. This resulted in the resource index increasing by 3.95%, to close the week under review at 73.16 points.

Table 5: Zimbabwe Stock Exchange (ZSE) Statistics

2014	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
17-Oct	188.77	81.76	4,959,473,376	5,116,625	24,987,405
24-Oct	182.90	74.88	4,799,663,267	3,727,541	12,331,738
31-Oct	177.88	70.38	4,664,797,085	3,459,038	15,978,461
07-Nov	176.90	73.16	4,645,928,684	3,953,147	17,547,465

Source: Zimbabwe Stock Exchange (ZSE), 2014

Figure 3 : Zimbabwe Stock Exchange Indices

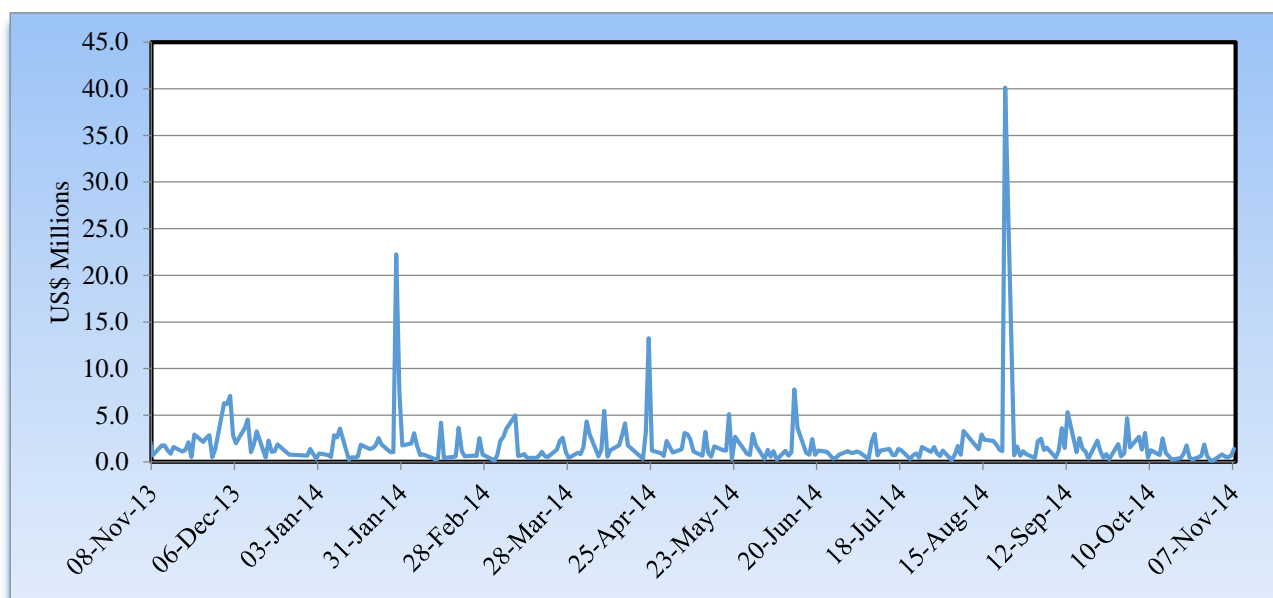


Source: Zimbabwe Stock Exchange, 2014

Market Turnover and Volume

A total of 17.5 million shares were traded during the week under review, representing a 9.82% increase from the previous week. The increase in the volume of shares traded is attributed to a special bargain of 0.66 million SeedCo shares, traded at 91 cents per share during the week under review. The ZSE market turnover increased from US\$3.46 million in the previous week to close at US\$3.95 million, largely driven by significant foreign portfolio investment inflows in the blue chip counters.

Figure 4: Daily Market Turnover

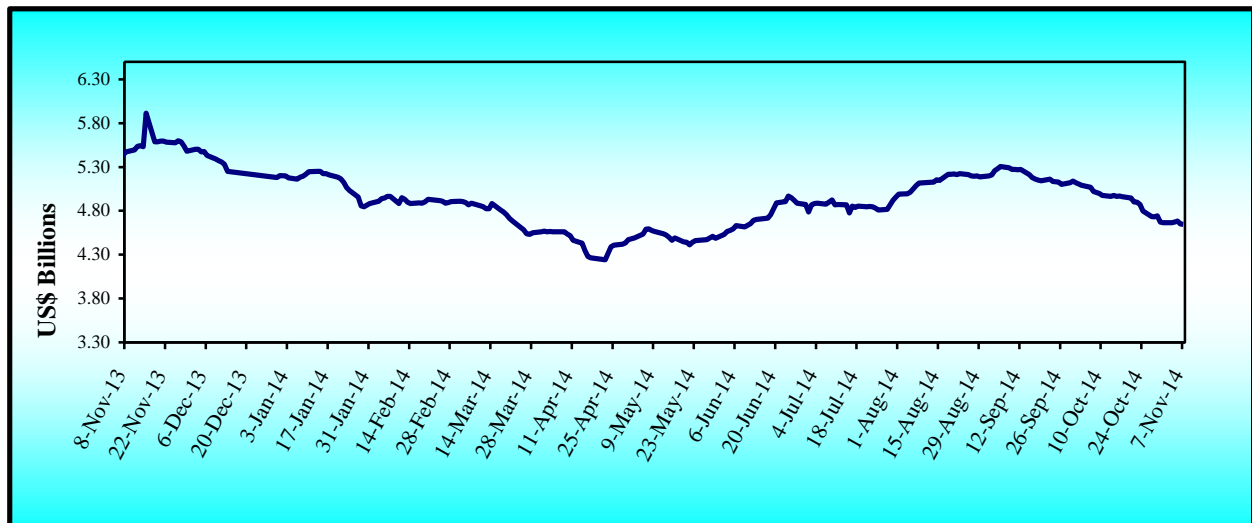


Source: Zimbabwe Stock Exchange, 2014

Market Capitalization

The ZSE market capitalization shed 0.40% from US\$4.66 billion realized in the previous week, to US\$4.65 billion during the week under review.

Figure 5 : Market Capitalization



Source: Zimbabwe Stock Exchange, 2014

Johannesburg Stock Exchange (JSE) Developments

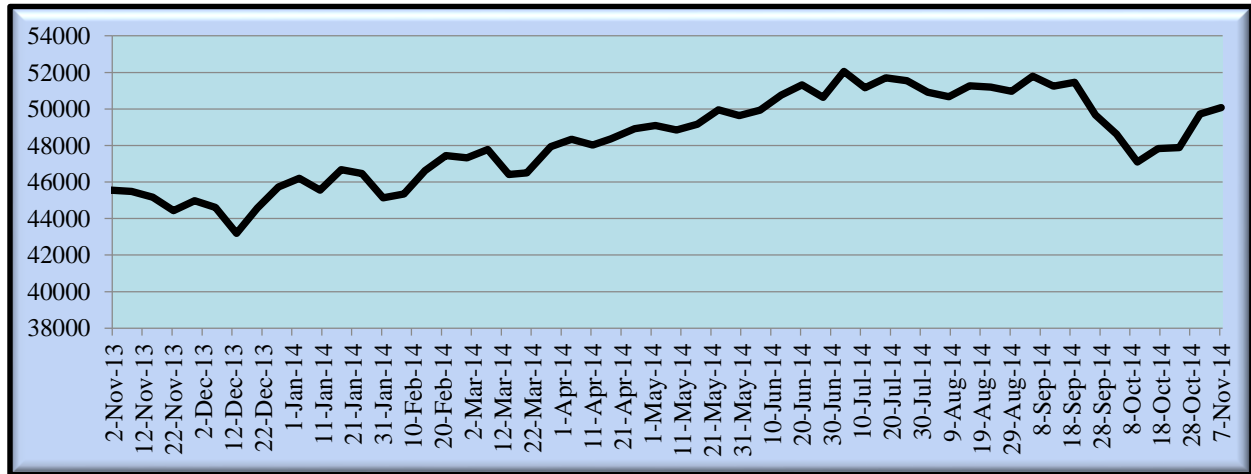
The JSE All Share index rose by 0.72% from 49,722.88 points recorded in the previous week, to close at 50 079.44 points during the week ending 7th November 2014. Concomitantly, the JSE market capitalization was R11 612.17 billion, 0.78% up from R11 522.68 billion recorded in the previous week.

Table 6: Johannesburg Stock Exchange (JSE) Statistics

2014	All Share Index (points)	Market Capitalization (R billion)
17-Oct	47,836.69	11,313.66
24-Oct	47,879.45	11,281.22
31-Oct	49,722.88	11,522.68
07-Nov	50,079.44	11,612.17

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

13TH NOVEMBER 2014