

Vol. 16 No. 32



# Weekly Economic Highlights

Week Ending 08 August 2014

## 1. INTEREST RATES

### Deposit Rates

During the week ending 8<sup>th</sup> August 2014, deposit rates at all banking institutions remained unchanged from previous week levels.

**Table 1: Average Deposit Rates**

2014	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
11-Jul	3.42	9.91	11.58
18-Jul	3.42	9.91	11.55
25-Jul	3.42	9.86	11.58
01-Aug	3.42	9.84	11.55
08-Aug	3.42	9.84	11.55

*Source: Banking Institutions, 2014*

### Lending Rates

During the week under review, merchant banks' weighted lending rates for individuals and corporates remained unchanged at 19% and 18%, respectively. Commercial banks' weighted lending rates for individuals and corporate clients closed the week higher, at 14.39% and 9.51%, respectively.

**Table 2: Lending Rates**

2014	Weighted Lending Rates (%)			
	Commercial Banks		Merchant Banks	
	Individuals	Corporate Clients	Individuals	Corporate Clients
11-Jul	14.34	9.34	19.00	18.00
18-Jul	14.34	9.32	19.00	18.00
25-Jul	14.33	9.45	19.00	18.00
01-Aug	14.36	9.46	19.00	18.00
08-Aug	14.39	9.51	19.00	18.00

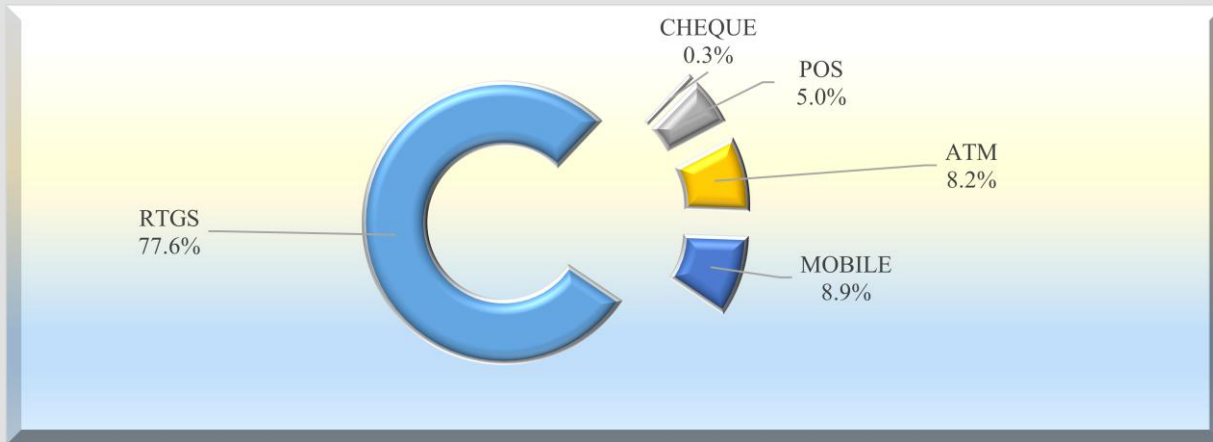
*Source: Banking Institutions, 2014*

## 2. CLEARING AND SETTLEMENT ACTIVITY

During the week ending 8<sup>th</sup> August 2014, the total value of transactions processed through the National Payment Systems (NPS) amounted to US\$975 billion, down from US\$1.1 billion processed during the previous week. The Real Time Gross Settlement (RTGS) system payments continued to dominate the NPS, accounting for 77.6% of the total value.

The total value of transactions processed through the RTGS system decreased to US\$757 million in value terms, from US\$900 million recorded in the previous week.

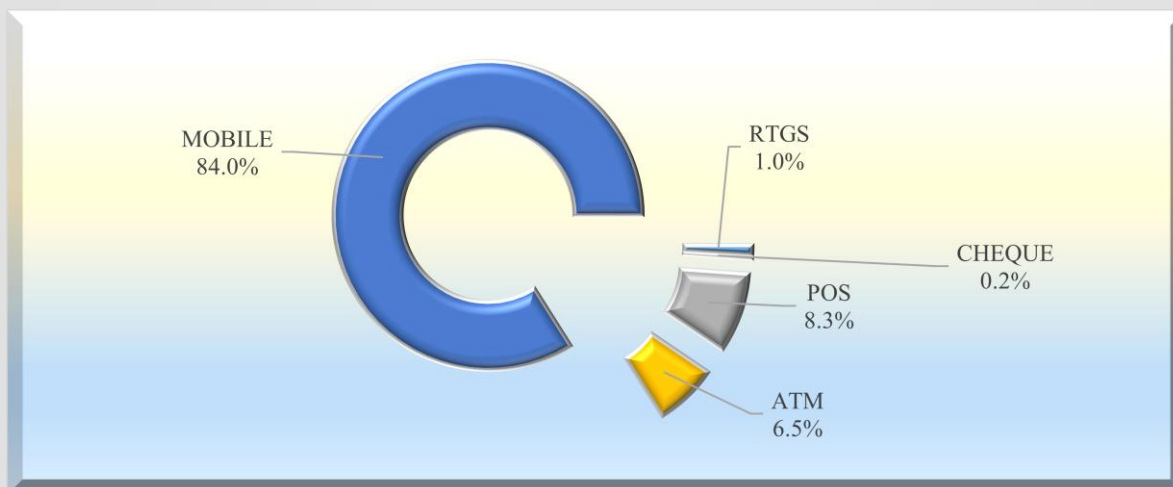
**Figure 1: Proportions of NPS Transactions in Value Terms**



Source: Reserve Bank of Zimbabwe.

In volume terms, mobile-based transactions were 84% of total transactions, as at week ending 8<sup>th</sup> August 2014, followed by Point of sale (POS) transactions (8.3%) and Automated Teller Machines (ATMs) at 6.5% of transaction volumes. RTGS transaction volumes recorded an increase of 1% from the previous week.

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



Source: Reserve Bank of Zimbabwe.

**Table 3: National Payment Systems Activity**

PAYMENT STREAM	WEEK ENDING 01 AUGUST 2014	WEEK ENDING 08 AUGUST 2014	CHANGE	PROPORTION
<b>VALUES IN USD</b>				
RTGS	899,588,263.43	756,864,079.02	-16%	77.60%
CHEQUE	2,467,028.25	2,537,207.04	3%	0.26%
POS	43,321,408.85	48,887,342.27	13%	5.01%
ATMS	83,169,599.73	80,192,463.02	-4%	8.22%
MOBILE	83,999,389.06	86,810,627.33	3%	8.90%
<b>TOTAL</b>	<b>1,112,545,689.32</b>	<b>975,291,718.68</b>		<b>100%</b>
<b>VOLUMES</b>				
RTGS	45,699	46,149	1%	0.99%
CHEQUE	7,636	7,793	2%	0.17%
POS	346,212	388,892	12%	8.33%
ATMs	301,008	305,530	2%	6.54%
MOBILE	3,644,614	3,921,422	7.6%	83.97%
<b>TOTAL</b>	<b>4,345,169</b>	<b>4,669,786</b>		<b>100%</b>

*Source: Reserve Bank of Zimbabwe.*

### 3. INTERNATIONAL COMMODITY PRICES

The weekly average international commodity prices for gold firmed, whilst those for platinum, crude oil, copper and nickel retreated during the week ending 8<sup>th</sup> August 2014.

**Table 5: Metals and Crude Oil Prices**

Period	Gold US\$/ounce	Platinum US\$/ounce	Copper US\$/tonne	Nickel US\$/tonne	Crude Oil US\$/barrel
<b>Weekly average (1 Aug)</b>	<b>1,296.43</b>	<b>1,477.80</b>	<b>7,110.30</b>	<b>18,676.00</b>	<b>106.66</b>
<b>4-Aug</b>	1,292.00	1,466.00	7,077.50	18,375.00	105.10
<b>5-Aug</b>	1,288.75	1,458.50	7,100.00	18,475.00	104.85
<b>6-Aug</b>	1,297.50	1,456.00	6,994.00	18,270.00	105.24
<b>7-Aug</b>	1,303.50	1,466.00	6,980.00	18,850.00	104.93
<b>8-Aug</b>	1,313.38	1,472.00	7,025.00	18,850.00	103.70
<b>Weekly average (8 Aug)</b>	<b>1,299.03</b>	<b>1,463.70</b>	<b>7,035.30</b>	<b>18,564.00</b>	<b>104.76</b>
<b>Weekly Change %</b>	<b>0.2</b>	<b>-1.0</b>	<b>-1.1</b>	<b>-0.6</b>	<b>-1.8</b>

Source: BBBC.com, KITCO and Bloomberg

#### Gold

Gold prices rebounded from previous weeks' losses, gaining 0.2% from a weekly average of US\$1 296.43/oz, to a weekly average of US\$1 299.03/oz during the week under review. This was on the back of global geopolitical tensions which spurred the demand for the yellow metal. Prices were also supported by weaker Asian equities, amid growing fears that conflicts in Ukraine and the Middle East could sap global growth.

## Platinum

Platinum prices continued on a downward trend, retreating by 1% from a weekly average of US\$1 477.80/oz to an average of US\$1 463.70/oz, during the week under review. The prices were weighed down by weak demand for the metal.

## Copper

Copper prices retreated from an average of US\$7 110.30/tonne in the previous week, to US\$7 035.30/tonne. This was attributable to rising global supply, coupled with weak demand from China, the top consumer.

## Nickel

Nickel prices fell from US\$18 676.00/tonne in the previous week to US\$18 564.00/tonne during the week under review, amid subsiding supply worries.

## Crude Oil

Crude oil price retreated from US\$106.66/barrel in the previous week to US\$104.76/barrel. Prices declined as increased production from Saudi Arabia and Libya more than offset disruption risks posed by geo-political tensions in Iraq and Libya.

#### 4. EQUITY MARKETS

During the week ending 8<sup>th</sup> August 2014, the stock market continued to trade in the positive, largely anchored on heavy trades in blue chip counters (Delta and Econet). Investor interest in these two counters was buoyed by news of intended capital expenditures in both companies. Consequently, the industrial index rose by 2.85% to close the week at 194.91 points.

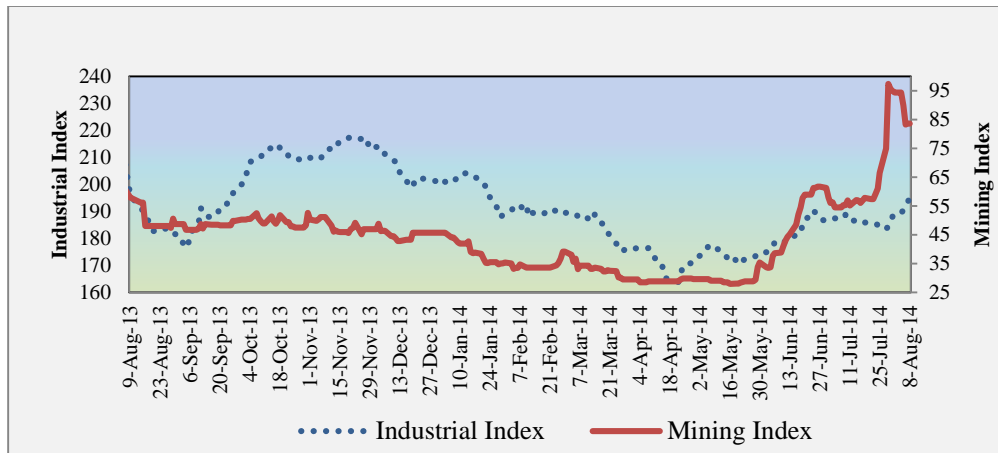
The mining index, however, shed 10.8 points to close the week under review at 83.65 points. This followed losses registered in some mining counters due to profit taking.

**Table 6: Zimbabwe Stock Exchange (ZSE) Statistics**

2014	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
11-Jul	186.78	55.17	4,870,337,179	7,391,635	91,078,394
18-Jul	185.93	57.83	4,852,906,349	5,526,191	132,707,769
25-Jul	183.77	66.53	4,809,370,645	4,011,633	37,628,835
01-Aug	189.31	94.45	4,990,064,791	4,454,454	58,654,027
08-Aug	194.91	83.65	5,118,565,230	6,781,822	90,633,311

*Source: Zimbabwe Stock Exchange (ZSE), 2014*





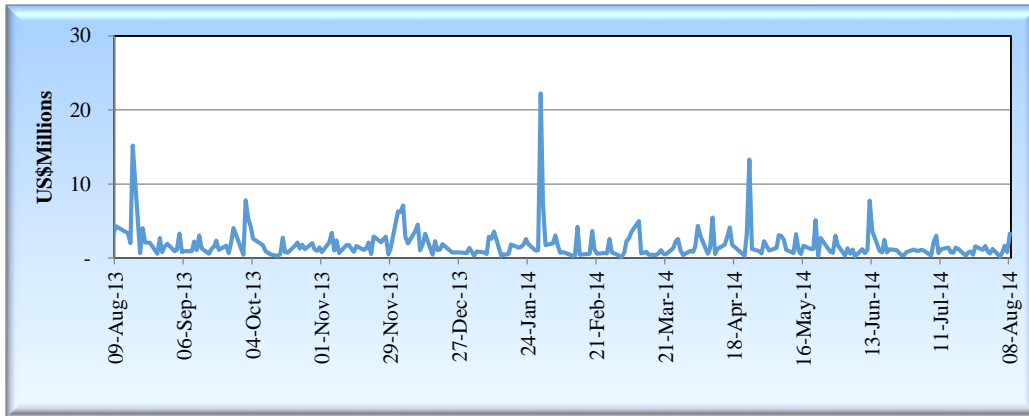
Source: Zimbabwe Stock Exchange, 2014

### Volume and Market Turnover

During the period under review, market turnover increased by 24.4% to US\$6.78 million, from US\$5.45 million registered in the previous week. The total volume of shares amounted to 90.63 million in the week under review, compared to 58.65 million shares in the previous week. This was on the back of bargains amounting to 10 million shares traded on the Pearl stock as well as the disposal of 48 million shares of the Dawn stock.

The prevailing liquidity challenges in Zimbabwe have seen continued dominance by foreign investors on the stock market, with foreign purchases constituting 60.5% of total purchases. This compares with 56.36% recorded during the previous week.

**Figure 2: Daily Market Turnover**

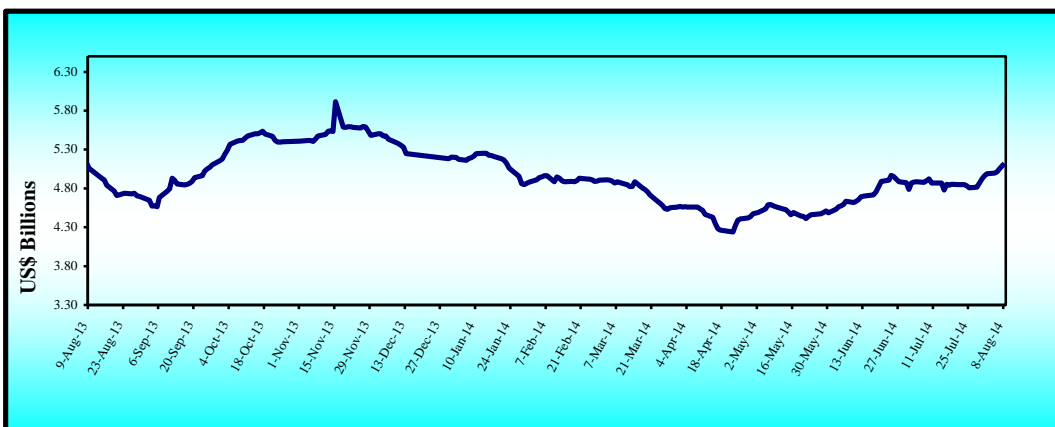


Source: Zimbabwe Stock Exchange, 2014

### Market Capitalization

Market capitalization increased by 2.61%, from US\$4.99 billion in the previous week to US\$5.12 billion, due to substantial gains in the heavily capitalized counters.

**Figure 3: Market Capitalization**



Source: Zimbabwe Stock Exchange, 2014

## Johannesburg Stock Exchange (JSE) Developments

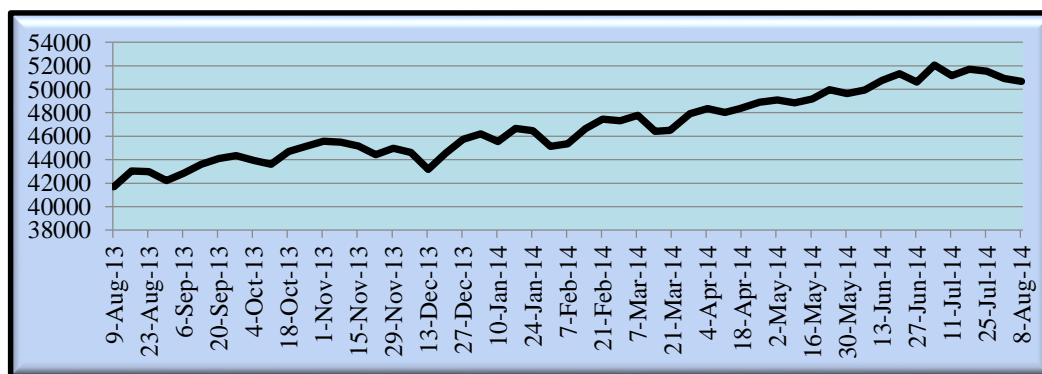
The JSE All Share index continued on a downward trend, registering a decline of 1.23% to close the week under review at 50 917.78 points. Market capitalization also declined by 1.34%, to close the week at R11 964.60 billion.

**Table 7: Johannesburg Stock Exchange (JSE) Statistics**

2014	All Share Index (points)	Market Capitalization (R bn)
11-Jul	51,161.33	12,017.95
18-Jul	51,695.05	12,111.62
25-Jul	51,550.17	12,126.70
01-Aug	50,917.78	11,964.60
08-Aug	50,669.95	11,930.29

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**

**15 AUGUST 2014**

