



Weekly Economic Highlights

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Week Ending
09 January 2015

1. INTEREST RATES

Deposit Rates

During the week ending 9th January 2015, average deposit rates were lower for all classes of deposits, compared to the previous week. Savings deposit rates declined from 3.42% to 3.3%, while fixed deposits of 1 month and 3 month tenors fell from 9.66% to 9.37% and 11.42% to 10.94%, respectively.

Table 1: Average Deposit Rates

	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
19-Dec-14	3.42	9.66	11.42
24-Dec-14	3.42	9.70	11.47
02-Jan-15	3.42	9.70	11.47
09-Jan-15	3.31	9.37	10.94

Source: Banking Institutions, 2015

Lending Rates

Commercial banks' weighted lending rates for both individual and corporate clients at commercial banks fell to 14.18% and 9.85%, respectively. Merchant banks' nominal lending rates for individuals and corporate clients, however, remained unchanged at 19% and 18%, respectively, during the week under review.

Table 2: Lending Rates

	Lending Rates (%)			
	Commercial Banks (weighted)		Merchant Banks (nominal) ¹	
	Individuals	Corporate Clients	Individuals	Corporate Clients
19-Dec-14	14.23	9.79	19.00	18.00
24-Dec-14	14.33	9.90	19.00	18.00
02-Jan-15	14.29	9.90	19.00	18.00
09-Jan-15	14.18	9.85	19.00	18.00

Source: Banking Institutions, 2015

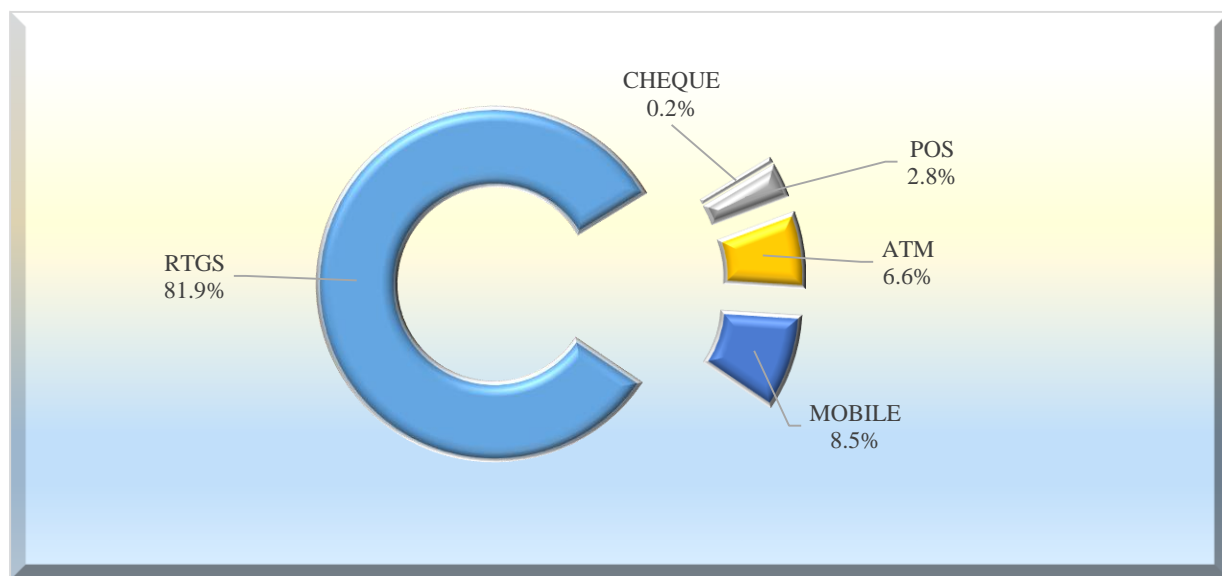
¹ There is only one merchant bank left in operation.

2. CLEARING AND SETTLEMENT ACTIVITY

The total value of transactions processed through the National Payment System (NPS) declined by 7.15%, to close the week ending 9th January 2015 at US\$1 007.81 million. During the same week, transactions processed through the Real Time Gross Settlement (RTGS) system amounted to US\$825 million, down from US\$865 million recorded in the previous week.

RTGS payments continued to dominate the NPS, accounting for 81.9% of the total value of transactions processed through the system. Automated Teller Machines (ATMs), Point of Sale (POS) and cheque transactions, accounted for 8.5%; 6.6%; 2.8%; and 0.2%, respectively.

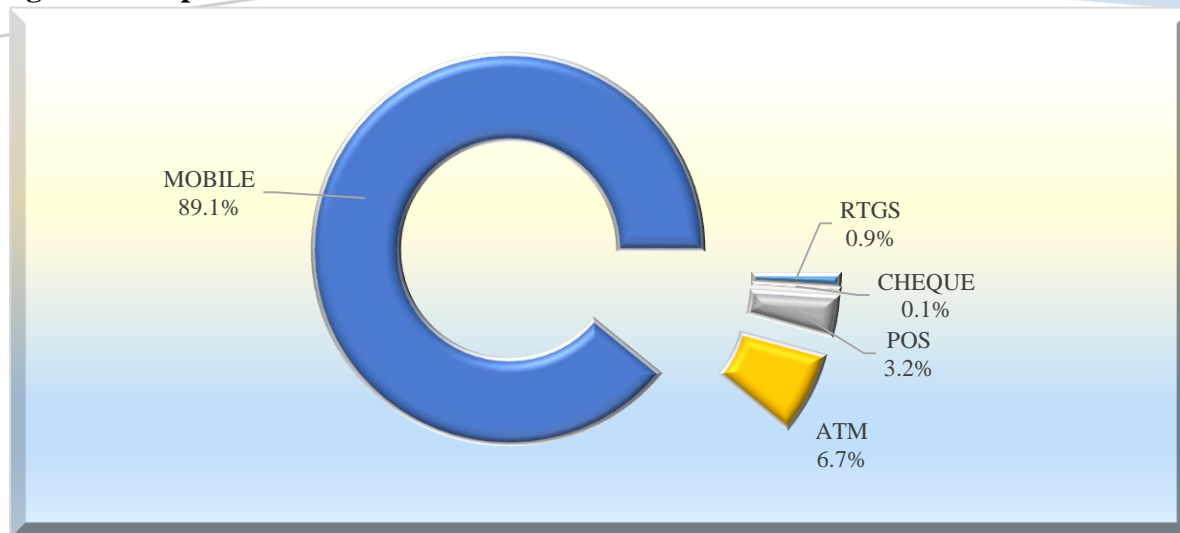
Figure 1: Proportions of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe

In volume terms, Mobile-based transactions remained dominant, accounting for 89.1% of total transactions, followed by ATMs, 6.7%; POS, 3.2%; RTGS, 0.9%; and cheques, 0.1%.

Figure 2: Proportions of NPS Transactions in Volume Terms



Source: Reserve Bank of Zimbabwe.

Table 3: National Payment Systems Activity

PAYMENT STREAM	WEEK ENDING 02 JANUARY 2015	WEEK ENDING 09 JANUARY 2014	CHANGE FROM LAST WEEK	PROPORTION
VALUES IN USD (millions)				
RTGS	864.69	825.12	-5%	81.87%
CHEQUE	1.71	2.18	27%	0.22%
POS	44.37	28.40	-36%	2.82%
ATMS	91.29	66.73	-27%	6.62%
MOBILE	83.28	85.37	3%	8.47%
TOTAL	1,085.36	1,007.81		100%
VOLUMES				
RTGS	24,286	37,857	56%	0.90%
CHEQUE	4,303	5,309	23%	0.13%
POS	384,832	134,664	-65%	3.21%
ATMs	362,588	279,833	-23%	6.67%
MOBILE	3,825,087	3,735,814	-2%	89.09%
TOTAL	4,601,096	4,193,477		100%

Source: Reserve Bank of Zimbabwe

3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The weekly average international commodity prices of gold, platinum and nickel firmed, while copper and crude oil prices retreated during the week ending 09th January 2015.

Table 4: Metals and Crude Oil Prices

Period	Gold	Platinum	Copper	Nickel	Crude Oil
2015	<i>US\$/ounce</i>	<i>US\$/ounce</i>	<i>US\$/tonne</i>	<i>US\$/tonne</i>	<i>US\$/barrel</i>
Weekly Average (2 Jan)	1,191.69	1,208.00	6,328.75	14,941.25	57.71
5-Jan	1,196.00	1,208.00	6,215.00	14,875.00	54.10
6-Jan	1,210.50	1,213.50	6,190.00	15,275.00	52.63
7-Jan	1,212.13	1,219.50	6,170.00	15,450.00	51.56
8-Jan	1,211.00	1,220.00	6,350.00	15,330.00	51.21
9-Jan	1,214.50	1,223.00	6,150.50	15,430.00	50.54
Weekly Average (09 Jan)	1,208.83	1,216.80	6,215.10	15,272.00	52.01
<i>Weekly Change (%)</i>	<i>1.4</i>	<i>0.7</i>	<i>-1.8</i>	<i>-2.2</i>	<i>-9.9</i>

Source: BBC, KITO, Reuters and Bloomberg

Gold

During the week ending 9th January 2015, average gold prices rose by 1.4%, to US\$1 208.83/oz, from US\$ 1 191.69/oz in the previous week. The increase was on the back of speculation that the US Federal Reserve Bank would delay hiking interest rates to safeguard economic expansion.

Platinum

In line with movements in gold prices, platinum prices also increased from US\$1208.00/oz in the previous week, to US\$1 216.80/oz during the period under review.



Copper

Copper prices continued to fall, losing 1.8% from US\$6 328.75/ton in the previous, week to US\$6 215.10/ton in the week ending 9th January 2015. The prices retreated amid concerns of the weak demand outlook in China, the biggest consumer of the metal.

Nickel

Nickel prices increased by 2.2% from US\$14 941.25/tonne in the previous week, to US\$15 272.00/tonne during the week under analysis. This was on account of supply concerns, against the background of a ban in Indonesian nickel ore exports.

Crude Oil

During the week ending 09th January 2015, crude oil prices declined by 9.9% to a weekly average of US\$52.01/barrel, from an average of US\$57.71/barrel in the previous week. This was on account of a global supply glut, following the Organization of Petroleum Exporting Countries' reluctance to cut output.

4. EQUITY MARKETS

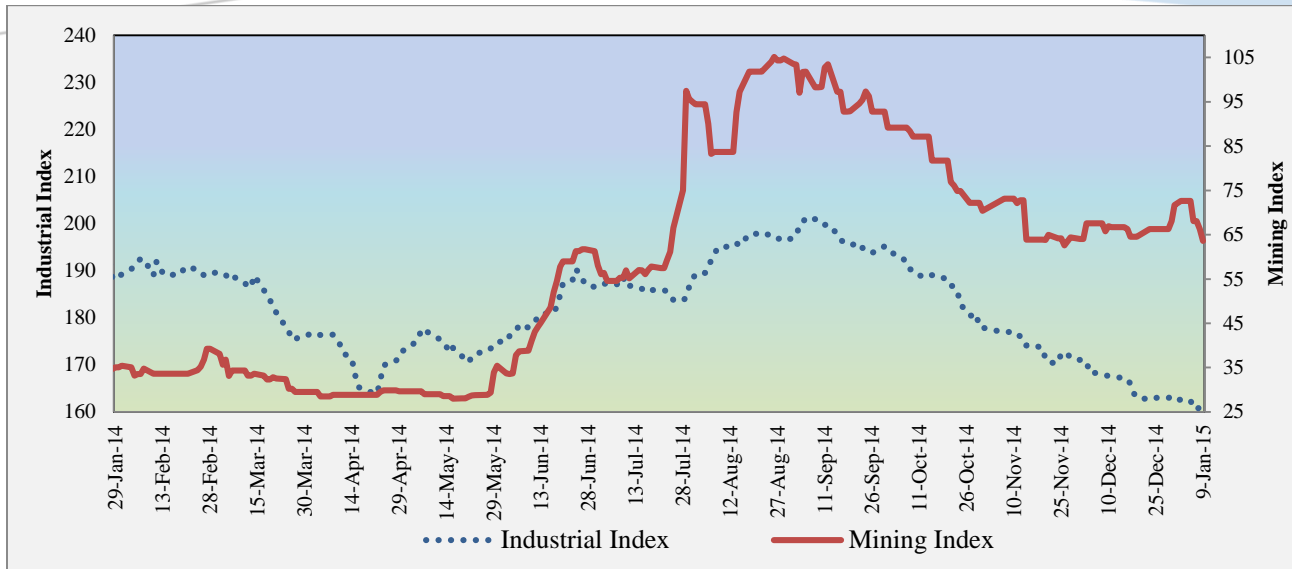
During the week ending 09th January 2015, trading activity on the Zimbabwe Stock Exchange improved as investors reconstituted their portfolios for the 2015 trading year. The industrial index increased by 0.13 points to close the week under review at 162.70 points, from 162.57 points during the previous week. The increase was driven by gains in heavily capitalized counters such as Delta and Seedco. The mining index, however, declined by 9.00 points to 63.61 points, from 72.61 points registered in the previous week. This was on account of significant losses in Bindura and Falgold, which experienced massive sell off pressures.

Table 5: Zimbabwe Stock Exchange (ZSE) Statistics

Period	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
19-Dec-14	163.00	64.51	4,322,542,339	6,106,666	119,782,048
24-Dec-14	163.02	66.31	4,325,414,010	3,039,507	12,829,144
02-Jan-15	162.57	72.61	4,323,173,821	5,071,602	16,689,321
09-Jan-15	162.70	63.61	4,314,173,584	5,262,232	16,139,709

Source: Zimbabwe Stock Exchange (ZSE), 2015

Figure 3 : Zimbabwe Stock Exchange Indices

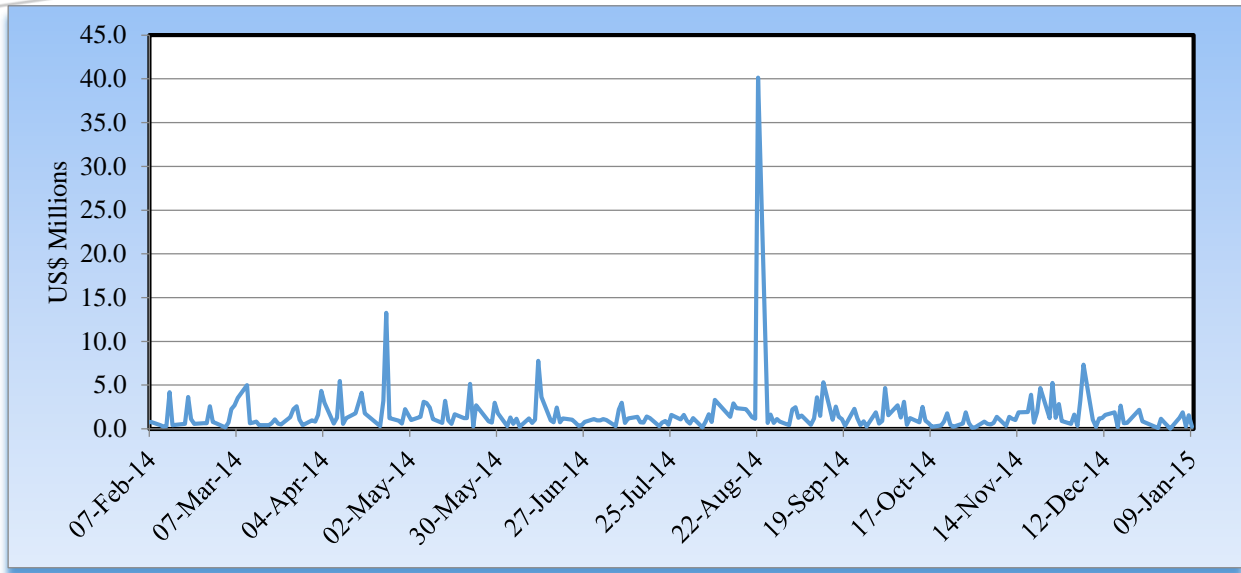


Source: Zimbabwe Stock Exchange, 2015

Market Turnover and Volume

During the week under review, the total volume of shares traded stood at 16 139 942, compared to 3 860 117 in the previous week. Concomitantly, market turnover rose to US\$5.30 million, compared to US\$2.03 million realized in the previous trading week. Trading was largely in high value counters.

Figure 4: Daily Market Turnover

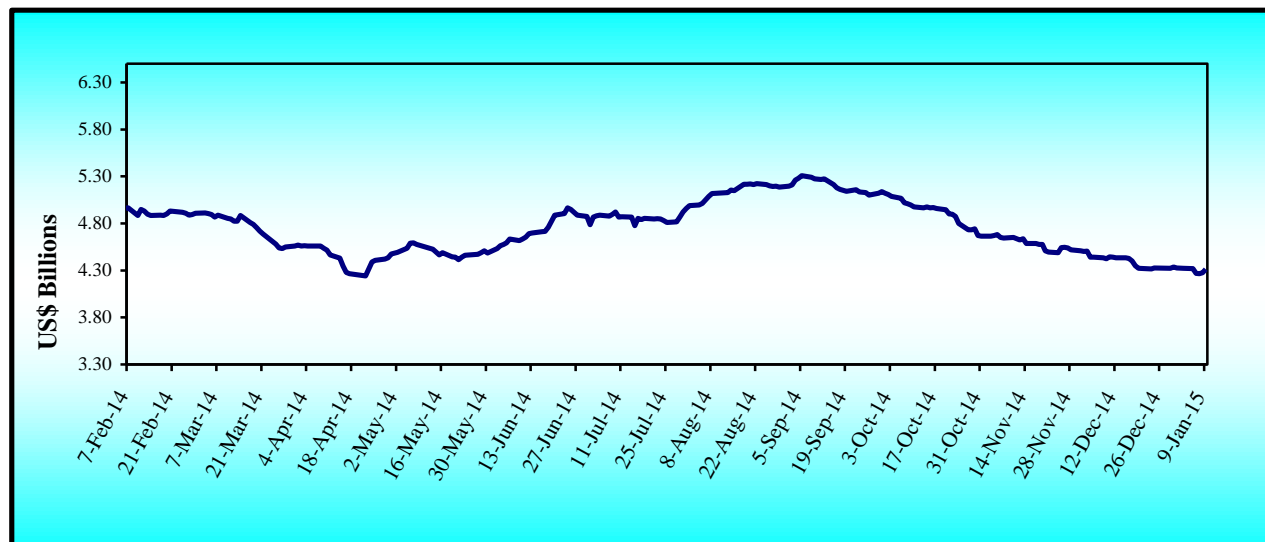


Source: Zimbabwe Stock Exchange, 2015

Market Capitalization

Market capitalization declined by 0.21%, from US\$4.314 million in the previous week to US\$4.325 million, during the week ending 09th January 2015. The fall was mainly attributed to price declines in heavily capitalized industrial and mining counters.

Figure 5 : Market Capitalization



Source: Zimbabwe Stock Exchange, 2015

Johannesburg Stock Exchange (JSE) Developments

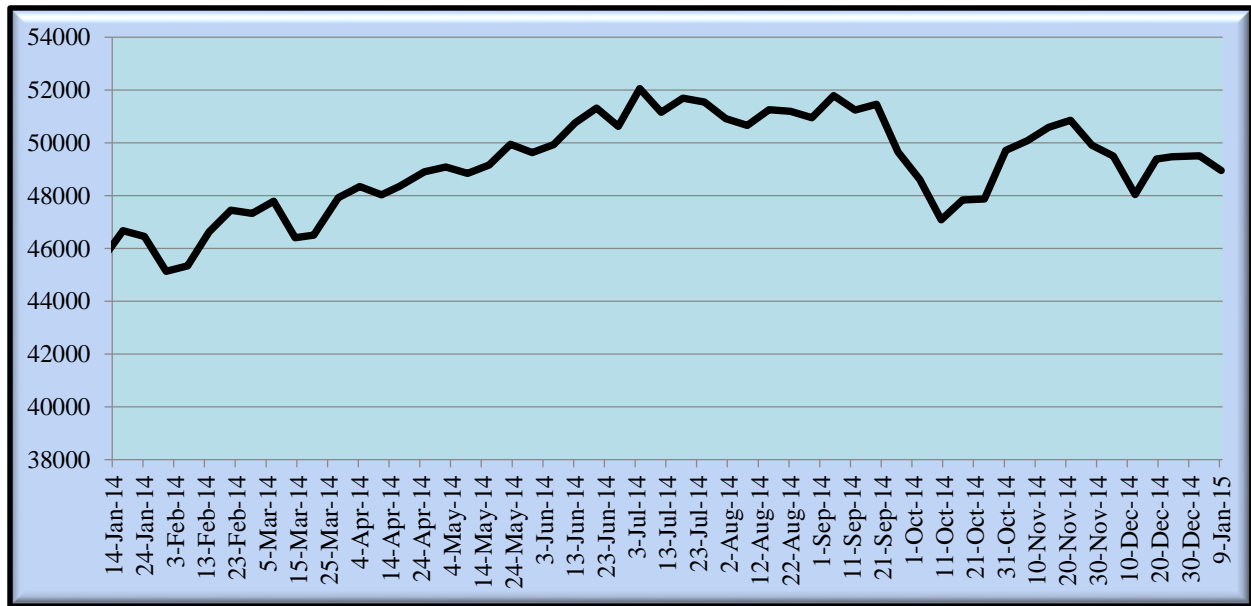
During the week ending 09th January 2015, the JSE All Share index decreased by 1.15%, to close the week at 48 950.50 points, from 49 518.48 recorded in the previous week. Market capitalization also declined by 1.38%, to R11 277.78 billion.

Table 6: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalization (R billion)
12-Dec-14	48,043.19	11,159.66
19-Dec-14	49,386.71	11,430.76
24-Dec-14	49,478.57	11,481.04
02-Jan -15	49, 518.48	11,435.45
09-Jan-15	48,950.50	11,277.78

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

16TH JANUARY 2015