



Weekly Economic Highlights

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**Week Ending
10 October 2014**

1. INTEREST RATES

Deposit Rates

During the week ending 10 October 2014, interest rates remained largely unchanged from the previous week's levels. The average deposit rates for savings and deposits of 1 month and 3 month tenor stood at 3.42%, 9.70%, and 11.46%, respectively.

Table 1: Average Deposit Rates

| 2014 | Savings Deposits (%) | 1-Month Deposits (%) | 3-Months Deposits (%) |
|--------|----------------------|----------------------|-----------------------|
| 12-Sep | 3.42 | 9.75 | 11.43 |
| 19-Sep | 3.42 | 9.78 | 11.45 |
| 26-Sep | 3.42 | 9.71 | 11.38 |
| 03-Oct | 3.42 | 9.70 | 11.46 |
| 10-Oct | 3.42 | 9.70 | 11.47 |

Source: Banking Institutions, 2014

Lending Rates

Weighted lending rates at commercial banks for individuals and corporate clients closed the week under review at 14.38% and 9.79%, respectively. At merchant banks, weighted lending rates remained unchanged for both individuals and corporate clients.

Table 2: Lending Rates

| 2014 | Weighted Lending Rates (%) | | | |
|--------|----------------------------|-------------------|----------------|-------------------|
| | Commercial Banks | | Merchant Banks | |
| | Individuals | Corporate Clients | Individuals | Corporate Clients |
| 12-Sep | 14.29 | 9.55 | 19.00 | 18.00 |
| 19-Sep | 14.30 | 9.53 | 19.00 | 18.00 |
| 26-Sep | 14.45 | 9.57 | 19.00 | 18.00 |
| 03-Oct | 14.38 | 9.76 | 19.00 | 18.00 |
| 10-Oct | 14.38 | 9.79 | 19.00 | 18.00 |

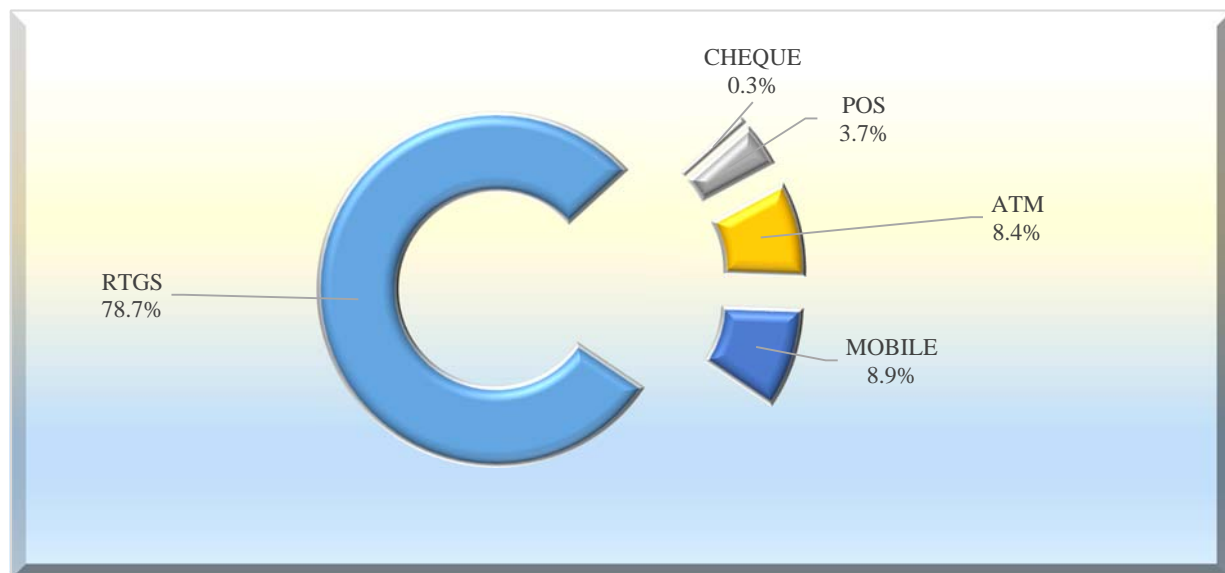
Source: Banking Institutions, 2014

2. CLEARING AND SETTLEMENT ACTIVITY

Transactions processed through the National Payment Systems (NPS), during the week ending 10 October 2014, amounted to US\$956.96 million, down from US\$1 175.80 million registered in the previous week.

There was a further 20% decline in transactions processed through the Real Time Gross Settlement System (RGTS) to US\$753 million, from US\$941 million in the previous week. The RTGS system payments accounted for 78.70% of the total value of transactions processed through the NPS.

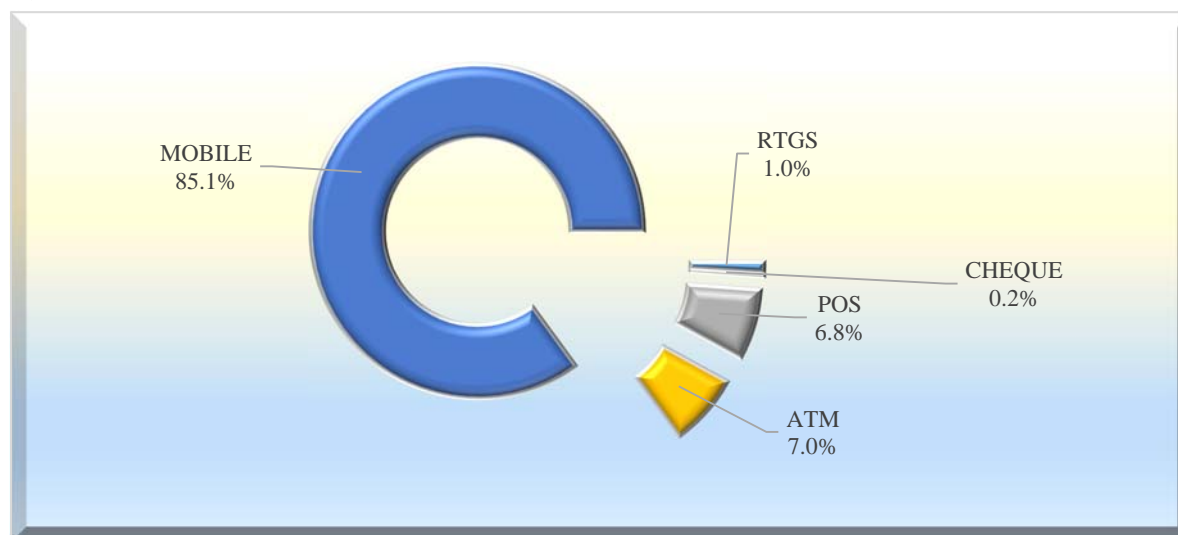
Figure 1: Proportions of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe

In volume terms, Mobile-Based transactions accounted for 85.1% of total transactions, followed by Point of Sale (POS) transactions, 6.80%; and Automated Teller Machines (ATMs), 7%. RTGS transaction volumes declined by 3% during the week under review.

Figure 2: Proportions of NPS Transactions in Volume Terms



Source: Reserve Bank of Zimbabwe.

Table 3: National Payment Systems Activity

| PAYMENT STREAM | WEEK ENDING 3 OCTOBER 2014 | WEEK ENDING 10 OCTOBER 2014 | CHANGE | PROPORTION |
|---------------------------------|----------------------------|-----------------------------|--------|-------------|
| VALUES IN USD (millions) | | | | |
| RTGS | 940.50 | 753.36 | -20% | 78.72% |
| CHEQUE | 2.80 | 2.77 | -1% | 0.29% |
| POS | 46.58 | 35.38 | -24% | 3.70% |
| ATMS | 88.01 | 80.10 | -9% | 8.37% |
| MOBILE | 97.92 | 85.34 | -13% | 8.92% |
| TOTAL | 1,175.80 | 956.96 | | 100% |
| VOLUMES | | | | |
| RTGS | 45,603 | 44,161 | -3% | 0.98% |
| CHEQUE | 7,391 | 7,388 | -0.04% | 0.16% |
| POS | 349,078 | 307,082 | -12% | 6.81% |
| ATMs | 318,060 | 315,208 | -1% | 6.99% |
| MOBILE | 1,725,714 | 3,838,750 | 122% | 85.07% |
| TOTAL | 2,445,846 | 4,512,589 | | 100% |

Source: Reserve Bank of Zimbabwe.

3. INTERNATIONAL COMMODITY PRICES

The weekly average international commodity prices for gold and nickel firmed, whilst those for platinum, copper and crude oil retreated during the week ending 10th October 2014.

Table 4: Metals and Crude Oil Prices

| Period 2014 | Gold US\$/ounce | Platinum US\$/ounce | Copper US\$/tonne | Nickel US\$/tonne | Crude Oil US\$/barrel |
|------------------------------------|--------------------|------------------------|----------------------|----------------------|--------------------------|
| Weekly average (3 Oct) | 1,211.75 | 1,281.50 | 6,737.10 | 16,231.00 | 94.79 |
| 6-Oct | 1,194.50 | 1,223.00 | 6,712.50 | 16,475.00 | 91.92 |
| 7-Oct | 1,209.00 | 1,261.50 | 6,714.50 | 16,475.00 | 97.87 |
| 8-Oct | 1,218.50 | 1,276.00 | 6,755.00 | 16,700.00 | 90.94 |
| 9-Oct | 1,227.13 | 1,283.00 | 6,767.00 | 16,625.00 | 91.05 |
| 10-Oct | 1,220.63 | 1,260.50 | 6,693.00 | 16,310.00 | 89.18 |
| Weekly average (10 Oct) | 1,213.95 | 1,260.80 | 6,728.40 | 16,517.00 | 92.19 |
| Weekly Change % | <i>0.2%</i> | <i>-1.6%</i> | <i>-0.1%</i> | <i>1.8%</i> | <i>-2.7%</i> |

Source: BBBC.com, KITCO and Bloomberg

Gold

Gold prices posted gains during the week under review, following a slump in equities and growing worries over the global economy which attracted safe-haven demand for the yellow metal. The prices firmed from a weekly average of US\$1 211.75/oz in the previous week, to an average of US\$1 213.95/oz, during the week under analysis.

Platinum

Platinum prices retreated by 1.6%, to close the week under review at an average of US\$1 260.80/oz. The decline was on account of a strengthening US dollar.

Copper

Copper prices declined from US\$6 737.10/ton in the previous week, to US\$6 728.40/ton, during the week under analysis. This followed concerns over the slowing pace of global economic growth, especially in China as well as the strengthening US dollar.

Nickel

Nickel prices firmed from a weekly average US\$16 231.00/ton in the previous week, to an average of US\$16 517.00/ton during the week under review. Anticipations of export disruptions due to weather distractions in Philippines, the top producer of the metal, pushed up the metal's price.

Crude Oil

Crude oil prices declined from US\$94.79/barrel in the previous week, to US\$92.19/barrel, during the week of analysis. The prices declined after the International Monetary Fund reviewed its global economic growth forecasts for 2014 to 3.3%, from an earlier projection of 3.7%. This development dampened the demand outlook for crude oil.

4. EQUITY MARKETS

During the week ending 10th of October 2014, trading on the bourse continued on a downward trend for the fifth consecutive week. This was due to losses recorded in some heavyweight counters, following reports by the Confederation of Zimbabwe Industries that the economy's average capacity utilization had declined from 39.6% in 2013 to 36.3% in 2014. The industrial and mining indices both declined, from 193.45 points to 189.14 points and 89.16 points to 87.17 points, respectively.

Losses were recorded in Colcom (16.67%); Seedco (11.11%); ABCH (7.50%); National Foods (3.23%); Delta (2.34%); Innscor (1.50%); and BAT (0.21%). Partially offsetting these losses were gains in First Mutual (12.50%); Afdis (5.09%); Mash (3.85%); and Econet (0.65%).

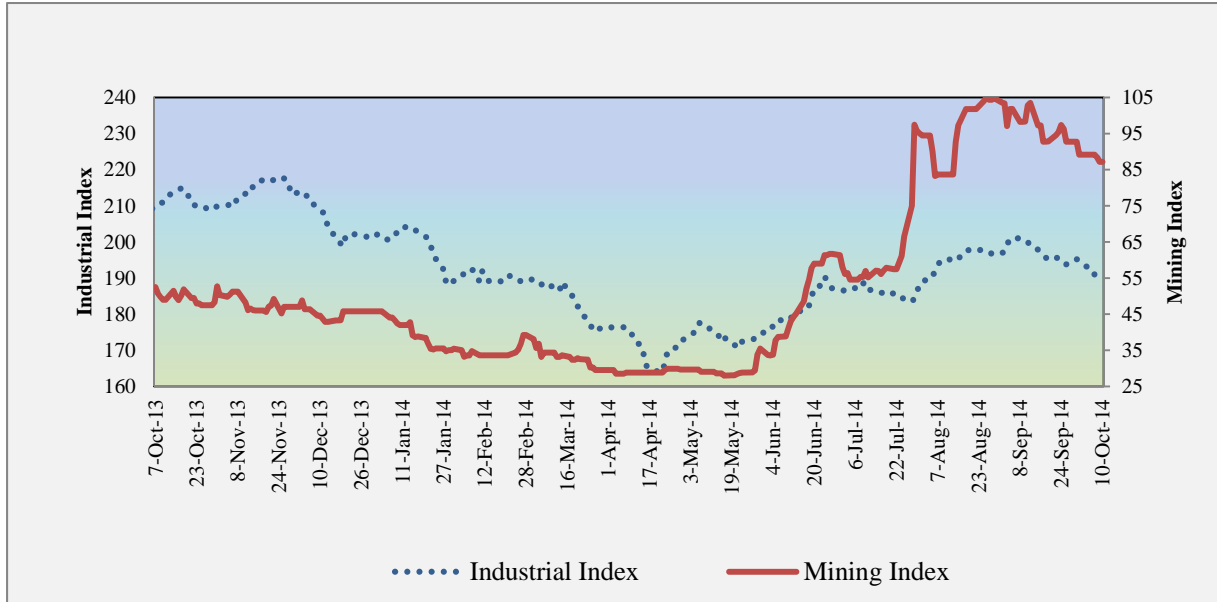
The resource index was largely weighed down by losses in Hwange (12.50%) and Rio Zim (10%), while Bindura and Falgold remained inactive, during the week under review.

Table 5: Zimbabwe Stock Exchange (ZSE) Statistics

| 2014 | Industrial Index (points) | Mining Index (points) | Grand Market Capitalization (US\$) | Market Turnover (US\$) | Volume of Shares |
|--------|---------------------------|-----------------------|------------------------------------|------------------------|------------------|
| 12-Sep | 199.85 | 103.85 | 5,272,845,678 | 12,074,501 | 65,323,564 |
| 19-Sep | 195.35 | 92.85 | 5,142,820,362 | 6,461,426 | 70,460,988 |
| 26-Sep | 193.79 | 92.76 | 5,102,722,729 | 5,078,219 | 12,592,808 |
| 03-Oct | 193.45 | 89.16 | 5,089,138,149 | 9,628,967 | 62,510,700 |
| 10-Oct | 189.14 | 87.17 | 4,975,884,890 | 8,816,281 | 20,227,321 |

Source: Zimbabwe Stock Exchange (ZSE), 2014

Figure 3 : Daily Market Turnover



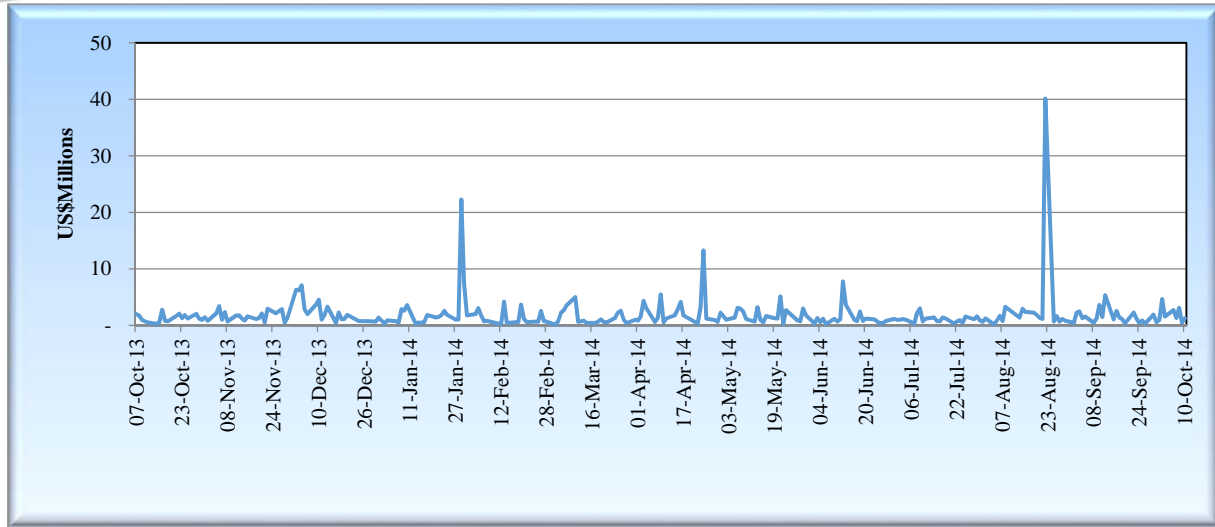
Source: Zimbabwe Stock Exchange, 2014

Volume and Market Turnover

A total of 20.2 million shares were traded during the week under review, compared to 62.5 million shares traded in the previous week. Market turnover stood at US\$8.82 million, down from US\$9.63 million, owing to subdued demand and losses recorded in some heavyweight counters.

Foreign demand remained the major source of liquidity on the market as inflows of US\$5.35 million were registered, representing 83.86% of total market turnover on the bourse.

Figure 4 : Daily Market Turnover

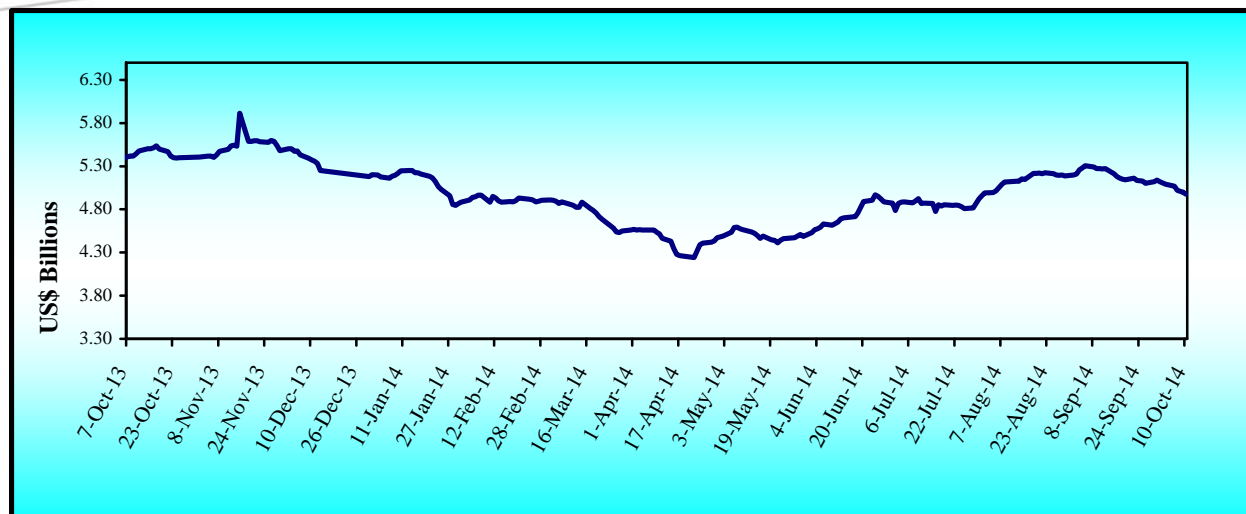


Source: Zimbabwe Stock Exchange, 2014

Market Capitalization

The ZSE market capitalization declined by 2.23%, to close the week under review at US\$4.98 billion, due to subdued demand and losses in some heavily capitalized counters.

Figure 5 : Market Capitalization



Source: Zimbabwe Stock Exchange, 2014

Johannesburg Stock Exchange (JSE) Developments

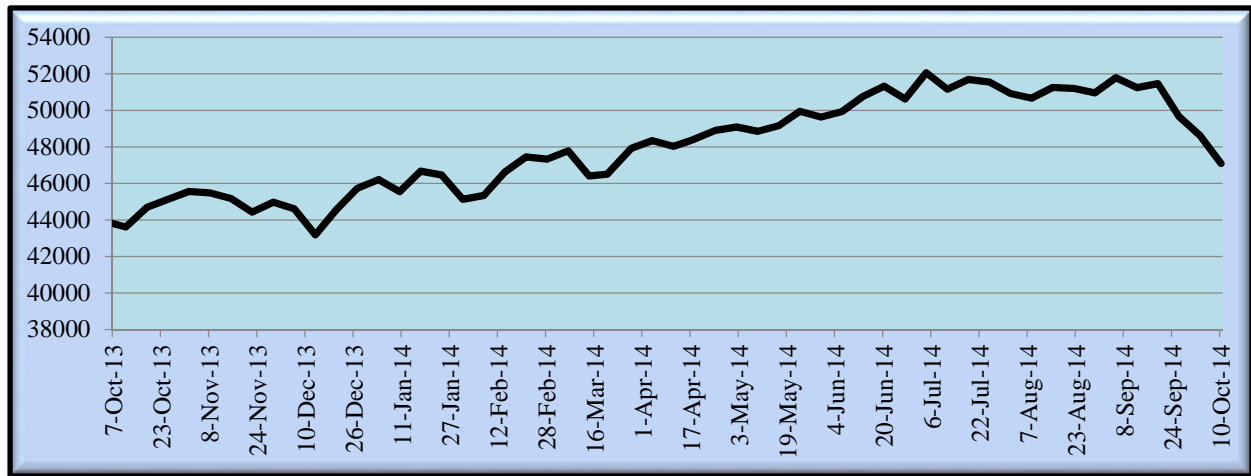
The JSE All Share index registered a 7.98% increase to close the week under review at 47 092.24 points. Market capitalization, however, declined by 3.42% to R11 109 billion, during the week of analysis.

Table 6: Johannesburg Stock Exchange (JSE) Statistics

| 2014 | All Share Index (points) | Market Capitalization (R billion) |
|--------|--------------------------|-----------------------------------|
| 12-Sep | 51,247.71 | 12,070.27 |
| 19-Sep | 51,462.42 | 12,171.16 |
| 26-Sep | 49,663.64 | 11,753.80 |
| 03-Oct | 43,613.93 | 11,502.83 |
| 10-Oct | 47,092.24 | 11,108.91 |

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

16 OCTOBER 2014