

Vol. 16 No. 15



Weekly Economic Highlights

Week Ending 11 April 2014

1. INTEREST RATES

Deposit Rates

Interest rates for all classes of deposits remained unchanged during the week ending 11th April 2014, as the liquidity crunch continued to hamper money market activity.

Table 1: Average Deposit Rates

2014	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
07-March	3.49	10.10	11.78
14-March	3.49	10.10	11.78
21-March	3.36	10.10	11.78
28-March	3.36	10.10	11.78
04-April	3.36	10.10	11.78
11-April	3.36	10.10	11.78

Source: Banking Institutions, 2014

Lending Rates

At commercial banks, the weighted lending rates for individuals, increased marginally by 0.01 percentage point to 14.26%, whilst there was a decline for corporate clients to 9.28%, during the week under review. At merchant banks, however, weighted lending rates remained unchanged at 18.88% and 17.73% for individual and corporate clients, respectively.

Table 2: Lending Rates¹

2014	Weighted Lending Rates (%)			
	Commercial Banks		Merchant Banks	
	Individuals	Corporate Clients	Individuals	Corporate Clients
07- March	14.10	9.31	18.88	17.73
14-March	14.10	9.30	18.88	17.73
21-March	14.11	9.31	18.88	17.73
28-March	14.24	9.27	18.88	17.73
04-April	14.25	9.29	18.88	17.73
11-April	14.26	9.28	18.88	17.73

Source: Banking Institutions, 2014

¹ The weighted lending rate is the sum of nominal rates weighted by each bank's loan book size.

2. CLEARING AND SETTLEMENT ACTIVITY

During the week ending 11th April 2014, transactions processed through the Real Time Gross Settlement (RTGS) system increased to US\$739 million in value terms, from US\$677 million recorded in the previous week. RTGS volumes recorded a decrease of 8% from the previous week.

Table 3: National Payment Systems Activity

PAYMENT STREAM	WEEK ENDING 04 APRIL 2014	WEEK ENDING 11 APRIL 2014	CHANGE FROM PREVIOUS WEEK	PROPORTION
VALUES IN US\$				
RTGS	676,706,439.26	739,137,818.29	9%	82.35%
CHEQUE²	1,921,883.05	2,474,465.11	29%	0.28%
POS	46,959,250.25	34,152,374.74	-27%	3.81%
ATMS	73,918,394.44	59,188,140.84	-20%	6.59%
MOBILE	87,905,481.26	62,575,426.64	-29%	6.97%
TOTAL	887,411,448.26	897,528,225.62		100%
VOLUMES				
RTGS	47,178	43,464	-8%	1.16%
CHEQUE²	5,579	7,639	37%	0.14%
POS	403,354	297,436	-26%	9.94%
ATMs	289,731	258,742	-11%	7.14%
MOBILE	3,311,541	3,006,020	-9%	81.62%
TOTAL	4,057,383	3,613,301		100%

Source: Reserve Bank of Zimbabwe, 2014

² The figures represent cheques processed through the clearing house and 'On Us' cheques. The 'On Us' refers to cheques drawn against the institution's own infrastructure by its own customers without going through another bank's infrastructure

3. TOBACCO SALES

As at 11th April 2014 (Day 38 of the 2014 tobacco selling season), a cumulative total of 71 551 280 kilograms of tobacco had been sold, reflecting a 19.4% increase, compared to the 59 939 911 kilograms sold during the same period in 2013.

Cumulative tobacco sales totalled US\$227.15 million, which was 1.2% higher than the US\$224.50 million realized during the corresponding period in 2013. The golden leaf was sold at a lower average price of US317 cents, compared to US375 cents during the same period in 2013.

Table 4: Cumulative Tobacco Sales As at Day 38 (11/04/14)

	2013	2014	Variance (%)
Quantity Sold (kgs)	59,939,911	71,551,280	19.4
Average Price (US\$/kg)	3.75	3.17	-15.3
Value (US\$ million)	224,495,249.00	227,148,606.40	1.2

Source: Tobacco Industry and Marketing Board (TIMB), 2014

4. INTERNATIONAL COMMODITY PRICES

The weekly average international commodity prices for gold, platinum, nickel and crude oil firmed, whilst those for copper retreated during the week ending 11th April 2014.

Table 5: Metals and Crude Oil Prices

	Gold	Platinum	Copper	Nickel	Crude Oil
2014	US\$/oz	US\$/oz	US\$/ton	US\$/ton	US\$/barrel
Weekly Average (04 Apr)	1,289.40	1,431.50	6,646.60	15,991.00	106.44
7-Apr	1,299.00	1,434.50	6,619.00	16,460.00	106.45
8-Apr	1,312.13	1,437.00	6,655.00	16,400.00	106.08
9-Apr	1,305.75	1,437.00	6,630.00	16,500.00	107.70
10-Apr	1,321.00	1,452.00	6,637.00	17,057.00	107.72
11-Apr	1,317.63	1,455.00	6,680.00	17,395.00	107.14
Weekly Average (11 Apr)	1,289.40	1,431.50	6,646.60	15,991.00	106.44
Weekly Change (%)	1.68	0.81	-0.04	4.82	0.54

Source: BBC, KITCO and Bloomberg, 2014

Gold

Gold prices reversed the previous week's losses, increasing by 1.68% from an average of US\$1 289.40/oz in the previous week, to an average of US\$1 311.10/oz. The prices firmed on account of weaker global equities as well as growing hopes that the US Federal Reserve will keep interest rates low after conclusion of bond purchases.

Platinum

Platinum prices increased by 0.81%, from an average of US\$1 431.50/oz in the previous week to an average of US\$1 433.10/oz during the week under review. Prices increased on supply side concerns as labour tensions in the South African platinum sector persisted.

Copper

Copper prices registered a marginal decline of 0.04%, from an average of US\$6 646.60/tonne in the previous week to US\$6 644.20/tonne, as concerns over rising supplies and slowing demand growth in China weighed down the market.

Nickel

Nickel prices surged by 4.86%, from an average of US\$15 991.00/tonne registered in the previous week, to a weekly average of US\$16 762.40/tonne. The prices firmed as speculators continued buying futures on concerns of potential shortages following the ban on nickel ore exports by one of the top producers, Indonesia.

Crude Oil

Crude oil prices registered a marginal gain of 0.54%, from an average of US\$106.44/barrel in the previous week to an average of US\$107.02/barrel during the week under review. Oil prices rose on fears that rising geopolitical tensions in Ukraine could disrupt supply from Russia, one of the world's top oil exporters.

5. EQUITY MARKETS

During the week ending 11th April 2014, the industrial index declined by 2.13%, from 176.36 points in the previous week to 172.60 points. The decline resulted in the index extending the year to date loss to 14.55%, as the market continues to operate in a depressed economic environment.

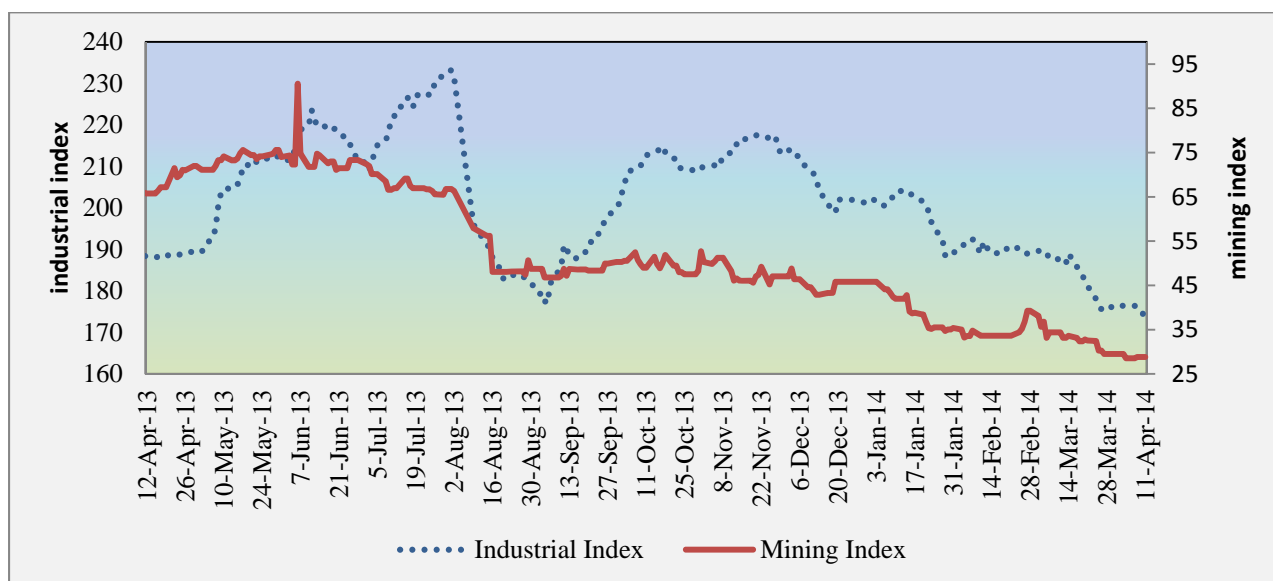
The mining index was on a rebound during the week under review, increasing by 1.02%, from 28.53 points in the previous week to 28.82 points. However, the year to date loss remained high at 37%.

Table 6: Zimbabwe Stock Exchange (ZSE) Statistics

2014	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
07-March	188.94	34.36	4,887,071,618	59,414,096	241,596,115
14-March	188.99	33.61	4,884,332,096	7,624,635	43,838,050
21-March	181.10	32.54	4,686,709,759	3,266,757	40,400,795
28-March	175.93	29.51	4,550,446,737	7,621,483	53,867,150
04-April	176.36	28.53	4,559,874,829	10,718,578	39,230,310
11-April	172.60	28.82	4,463,919,747	9,162,158	230,386,256

Source: Zimbabwe Stock Exchange (ZSE), 2014

Figure 1: Zimbabwe Stock Exchange Indices

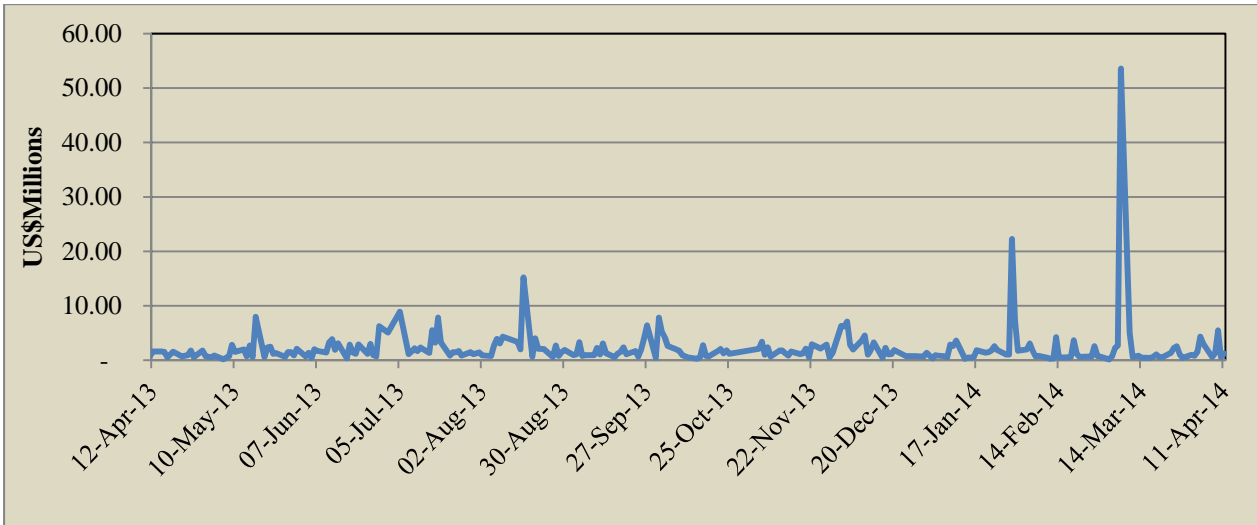


Source: Zimbabwe Stock Exchange, 2014

Volume and Market Turnover

During the week under review, market turnover contracted by 14.47%, from US\$ 10.71 million in the previous week to US\$9.16 million. Foreign contribution contributed to 60.51% of total revenue, from 44.95% realised in the previous week.

Figure 2: Daily Market Turnover

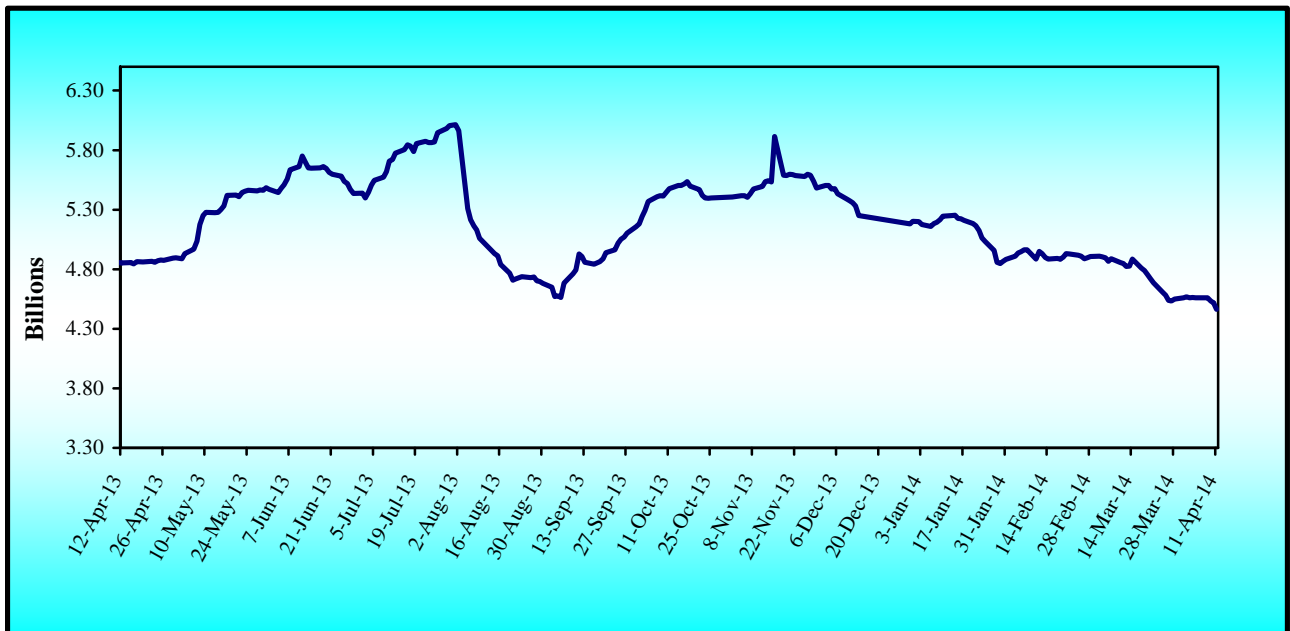


Source: Zimbabwe Stock Exchange, 2014

Market Capitalization

Market capitalization fell by 2.10%, from US\$4.56 billion in the previous week to US\$4.46 billion during the week under review.

Figure 3: Market Capitalization



Source: Zimbabwe Stock Exchange, 2014

Johannesburg Stock Exchange (JSE) Developments

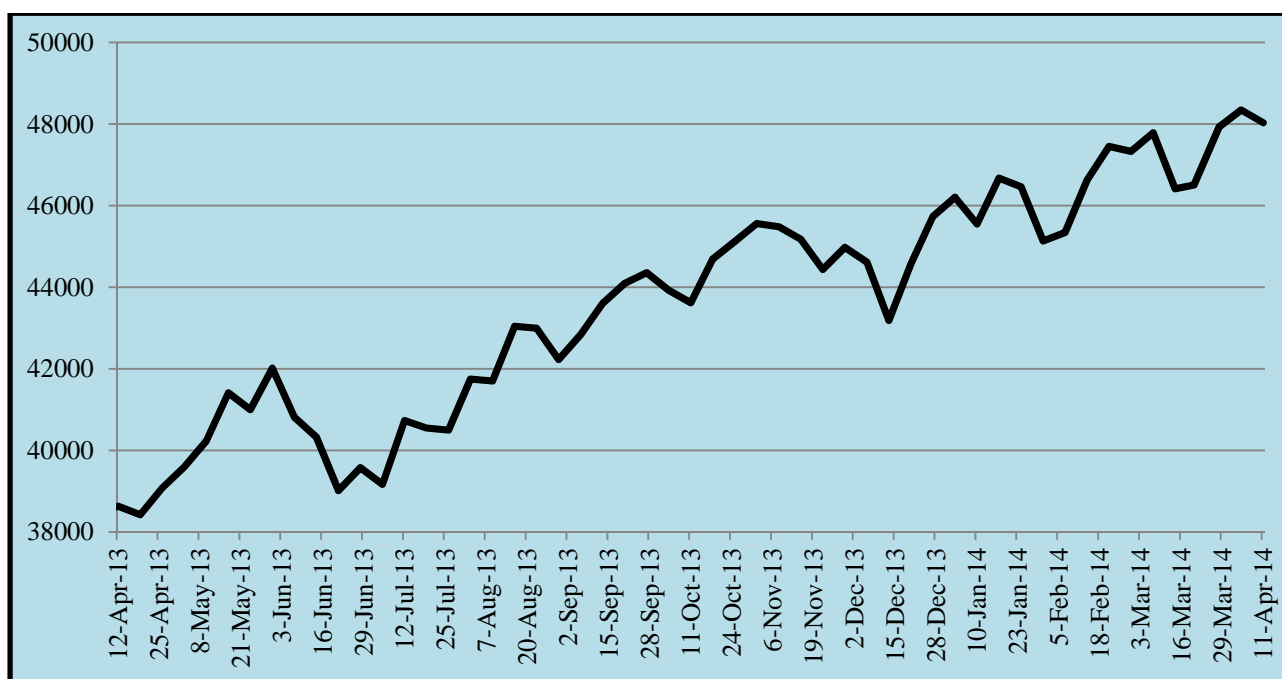
During the week under review, both the JSE All Share index and market capitalization decreased by 0.65% and 0.28% to 48 032.41 points and R11 216.03 billion, respectively. The decline is partially attributed to the persistent labour disputes which have affected the mining industry in South Africa.

Table 7: Johannesburg Stock Exchange (JSE) Statistics

2014	All Share Index (points)	Market Capitalization (R bn)
07-March	47,786.85	11,156.85
14-March	46,412.40	10,752.33
20-March	46,508.27	10,829.48
28-March	47,930.03	11,158.80
04-April	48,347.75	11,247.27
11-April	48,032.41	11,216.03

Source: <http://www.jse.co.za/trade/derivative-market>

Figure 4: Johannesburg Stock Exchange (JSE) All Share Index



Source: <http://www.jse.co.za/trade/derivative-market>

RESERVE BANK OF ZIMBABWE

16 APRIL 2014