



Weekly Economic Highlights

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Week Ending
12 December 2014

1. INTEREST RATES

Deposit Rates

Average deposit rates for 3 month tenor, 1 month tenor and savings deposits remained unchanged, closing at 11.42%, 9.66% and 3.42%, respectively, during the week ending 12th December 2014.

Table 1: Average Deposit Rates

2014	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
14-Nov	3.42	9.68	11.45
21-Nov	3.42	9.66	11.42
28-Nov	3.42	9.66	11.43
05-Dec	3.42	9.66	11.42
12-Dec	3.42	9.66	11.42

Source: Banking Institutions, 2014

Lending Rates

The weighted lending rates for individuals and corporate clients at commercial banks declined, closing the week under review at 14.24% and 9.79%, respectively. Nominal lending rates for individuals and corporate clients at merchant banks, however, remained unchanged at 19% and 18%, respectively.

Table 2: Lending Rates

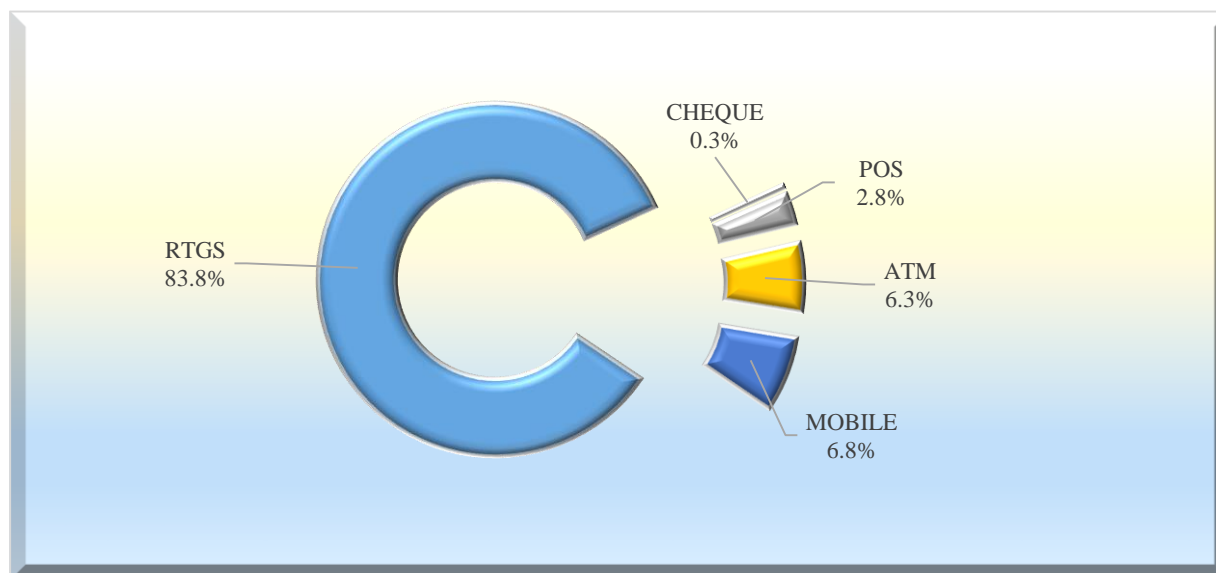
2014	Lending Rates (%)			
	Commercial Banks(weighted)		Merchant Banks(nominal)	
	Individuals	Corporate Clients	Individuals	Corporate Clients
14-Nov	14.39	9.88	19.00	18.00
21-Nov	14.37	9.91	19.00	18.00
28-Nov	14.26	9.97	19.00	18.00
05-Dec	14.34	9.93	19.00	18.00
12-Dec	14.24	9.79	19.00	18.00

Source: Banking Institutions, 2014

2. CLEARING AND SETTLEMENT ACTIVITY

During the week ending 12th December 2014, the total value of transactions processed through the National Payment System (NPS) increased by 4.17%, from US\$1 115.81 million to close the week under analysis at US\$1 162.35 million. Transactions processed in value terms through the Real Time Gross Settlement (RTGS) system increased to US\$974 million, from US\$823 million in the previous week. RTGS volumes recorded an increase of 4% from the previous week to close the work under review at 0.48 million.

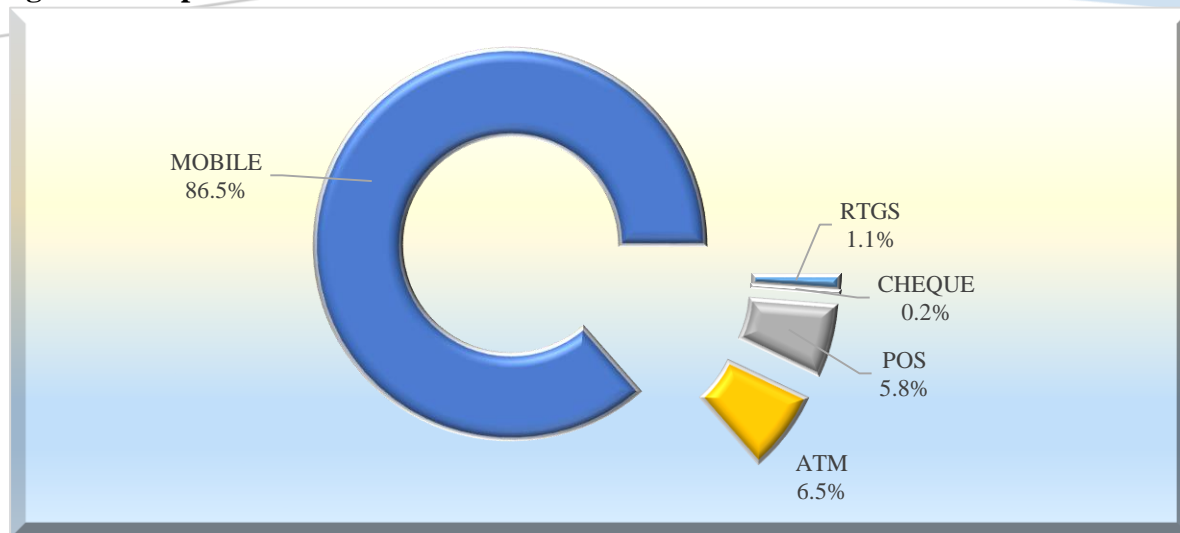
Figure 1: Proportions of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe

In value terms, RTGS payments continued to dominate the NPS, accounting for 83.8% of the total value of transactions processed through the system. Automated Teller Machines (ATMs), Mobile, POS and Cheque transactions accounted for 6.3%, 6.8%, 2.8% and 0.3%, respectively. Mobile-Based transactions accounted for 86.5% of total transactions in volume terms, followed by ATMs, 6.5%; Point of Sale (POS), 5.8%; RTGS, 1.1%; and Cheques, 0.2%.

Figure 2: Proportions of NPS Transactions in Volume Terms



Source: Reserve Bank of Zimbabwe.

Table 3: National Payment Systems Activity

PAYMENT STREAM	WEEK ENDING 05 DECEMBER 2014	WEEK ENDING 12 DECEMBER 2014	CHANGE FROM LAST WEEK	PROPORTION
VALUES IN USD (millions)				
RTGS	823.28	973.89	18%	83.79%
CHEQUE	2.85	3.00	5%	0.26%
POS	62.36	32.85	-47%	2.83%
ATMS	119.32	73.11	-39%	6.29%
MOBILE	108.01	79.50	-26%	6.84%
TOTAL	1,115.81	1,162.35		100%
VOLUMES				
RTGS	45,684	47,732	4%	1.07%
CHEQUE	7,142	7,360	3%	0.16%
POS	373,533	257,529	-31%	5.77%
ATMs	388,955	291,896	-25%	6.54%
MOBILE	4,561,126	3,857,830	-15%	86.45%
TOTAL	5,376,440	4,462,347		100%

Source: Reserve Bank of Zimbabwe.

3. INTERNATIONAL COMMODITY PRICES

The weekly average international commodity prices for gold, platinum and copper firmed, whilst nickel and crude oil prices retreated, during the week ending 12th December 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 (5 Dec)	1,198.45	1,223.40	6,455.80	16,460.00	70.28
8-Dec	1,194.13	1,231.50	6,535.00	16,555.00	67.10
9-Dec	1,216.75	1,238.00	6,400.00	16,555.00	66.61
10-Dec	1,228.63	1,245.50	6,477.00	16,420.00	65.01
11-Dec	1,217.88	1,234.00	6,477.00	16,150.00	63.99
12-Dec	1,220.25	1,235.00	6,526.00	16,330.00	62.57
Weekly Average (12 Dec)	1,215.53	1,236.80	6,483.00	16,402.00	65.06
Weekly Change (%)	<i>1.4</i>	<i>1.1</i>	<i>0.4</i>	<i>-0.4</i>	<i>-7.4</i>

Source: BBC, KITCO, Reuters and Bloomberg

Gold

Gold prices rebounded during the week under analysis, gaining 1.4% from weekly average of US\$1 198.45/oz, in the previous week, to close at an average of US\$1 215.53/oz. The rebound was largely heightened on expectations of possible monetary easing in Europe and China.

Platinum

Platinum prices firmed by 1.1%, from a weekly average of US\$1 223.40/oz in the previous week, to US\$1 236.80/oz during the week under analysis. The increases in platinum prices was underpinned by reports that the US economy expanded in the third quarter of 2014.

Copper

Copper prices registered a marginal increase of 0.4% during the week under review, as workers in Peru threatened industrial action after they failed to get their bonuses. Developments in Peru, the world's sixth largest producer of copper, have sparked supply concerns. Consequently, prices of the base metal rose from an average of US\$6 455.80/tonne in the previous week, to an average of US\$6 483.80/tonne during the period under analysis.

Nickel

Nickel prices declined by 0.4% from a weekly average of US\$16 460.00/tonne, in the previous week, to an average of US\$16 402.00/tonne, on concerns of a weak demand outlook in China, the largest consumer of the metal. China's producer price index for November 2014 slumped by 2.7%, signaling economic slowdown and this dampened demand prospects for the metal.

Crude Oil

Crude oil prices extended losses, shading 7.4% from US\$70.28/barrel in the previous week, to an average of US\$65.06/barrel during the week of analysis. This development was on account of surplus supply, amid speculation that US producers may further increase output, as they battle against the Organization of the Petroleum Exporting Countries for global market share.

4. EQUITY MARKETS

The Zimbabwe Stock Exchange continued to experience bearish sentiments during the week ending 12th December 2014, as investors remained skeptical about the economic outlook of the country. As a result, the industrial index shed 1.02 points to 167.34 points. The industrial index was largely weighed down by losses in Fidelity (11.11%), Hippo Valley (8.33%), Padenga (5.95%), Innscor (3.33%) and Econet (3.08%).

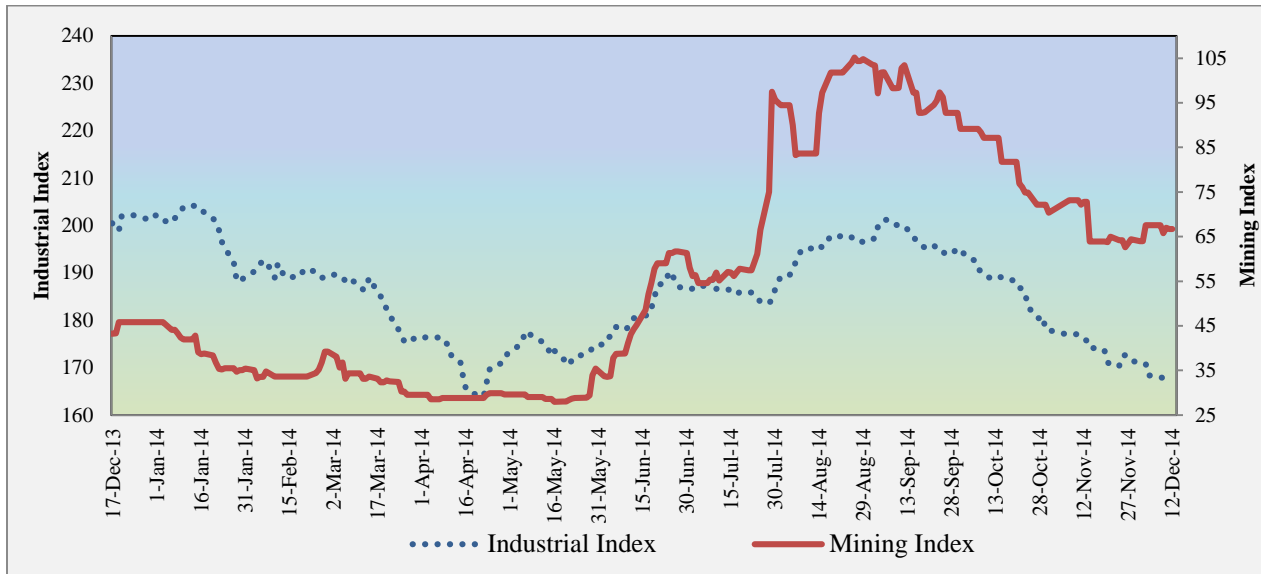
The mining index also lost 0.88 points to 66.71 points, with only two counters recording price changes. Falgold and Rio Zim remained unchanged, while Hwange recorded a loss of 31.43% and Bindura gained 3.57%. The share price decline in Hwange was attributed to the company's operational challenges as well as the company's failure to finalize its recapitalization program, which is meant to boost coal output.

Table 5: Zimbabwe Stock Exchange (ZSE) Statistics

2014	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
21-Nov	170.49	65.00	4,494,043,988	13,131,288	36,359,520
28-Nov	171.45	64.39	4,517,926,188	11,541,086	68,348,973
05-Nov	168.36	67.59	4,442,720,412	13,171,926	302,811,489
12-Dec	167.34	66.71	4,435,028,656	5,374,255	24,115,301

Source: Zimbabwe Stock Exchange (ZSE), 2014

Figure 3 : Zimbabwe Stock Exchange Indices

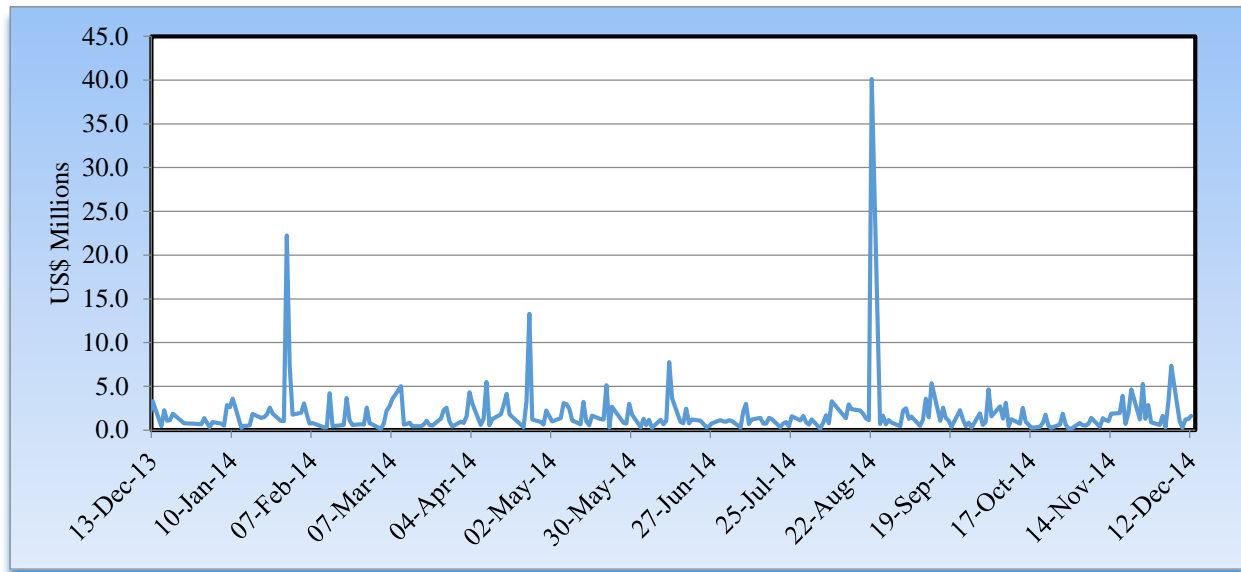


Source: Zimbabwe Stock Exchange, 2014

Market Turnover and Volume

Negative trading that characterized the bourse saw market turnover decrease by 59.20%, from US\$13.17 million to US\$5.38 million. The volumes also fell significantly, from 303 million shares recorded in the previous week, to close the week under review at 24 million shares. This was despite the special bargain of 4.4 million Zimplow shares at US\$0.095.

Figure 4: Daily Market Turnover

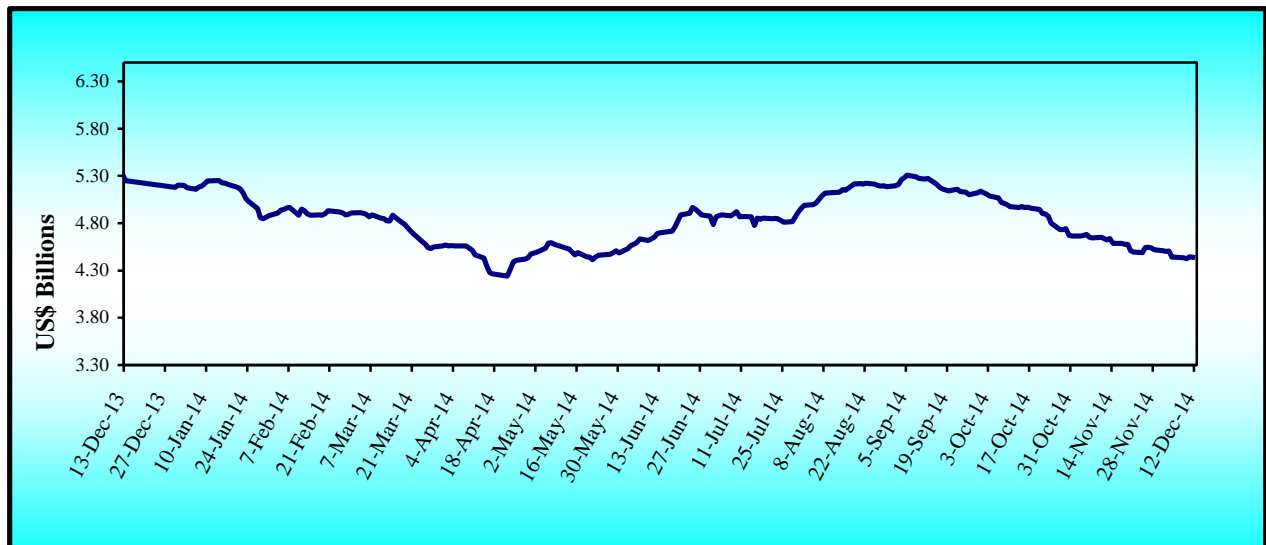


Source: Zimbabwe Stock Exchange, 2014

Market Capitalization

Market capitalization marginally declined by 0.10% to US\$4.435 billion, from US\$4.442 billion realized in the previous week. This was largely attributed to negative trading on the bourse, coupled with losses in the heavily capitalized namely; Inncor, Econet, Delta and PPC.

Figure 5 : Market Capitalization



Source: Zimbabwe Stock Exchange, 2014

Johannesburg Stock Exchange (JSE) Developments

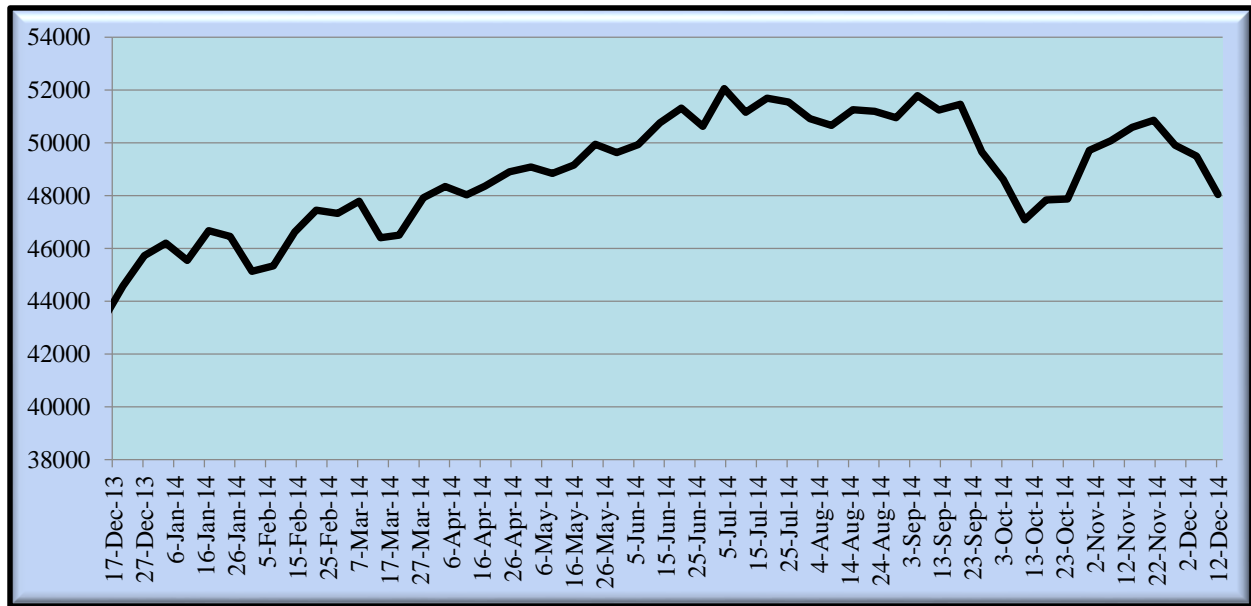
The JSE continued on its bearish trend with the All Share Index falling 2.96% from last week’s 49 506.59 points, to close the week under review at 48,043.19 points. Consequently, market capitalization fell by 3.10%, to close the week ending 12th December 2014 at R11 159.66 billion.

Table 6: Johannesburg Stock Exchange (JSE) Statistics

2014	All Share Index (points)	Market Capitalization (R billion)
14-Nov	50,598.02	11,691.51
21-Nov	50,855.09	11,748.02
28-Nov	49,911.37	11,579.60
05-Dec	49,506.59	11,516.94
12-Dec	48,043.19	11,159.66

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

18TH DECEMBER 2014