

Vol. 16 No. 37



# Weekly Economic Highlights

Week Ending 12 September 2014

## 1. INTEREST RATES

### Deposit Rates

During the week ending 12<sup>th</sup> September 2014, deposit rates across all classes of deposits remained unchanged.

**Table 1: Average Deposit Rates**

2014	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
15-Aug	3.42	9.84	11.55
22-Aug	3.42	9.79	11.54
29-Aug	3.42	9.73	11.43
05-Sep	3.42	9.75	11.43
12-Sep	3.42	9.75	11.43

*Source: Banking Institutions, 2014*

### Lending Rates

As at 12<sup>th</sup> September 2014, merchant banks' weighted lending rates for individuals and corporates remained unchanged at 19% and 18%, respectively. Commercial banks' weighted lending rates for individual and corporate clients closed the week under review higher at 14.29% and 9.55%, respectively.

**Table 2: Lending Rates**

2014	Weighted Lending Rates (%)			
	Commercial Banks		Merchant Banks	
	Individuals	Corporate Clients	Individuals	Corporate Clients
15-Aug	14.35	9.51	19.00	18.00
22-Aug	14.29	9.44	19.00	18.00
29-Aug	14.28	9.45	19.00	18.00
05-Sep	14.26	9.51	19.00	18.00
	14.29	9.55	19.00	18.00

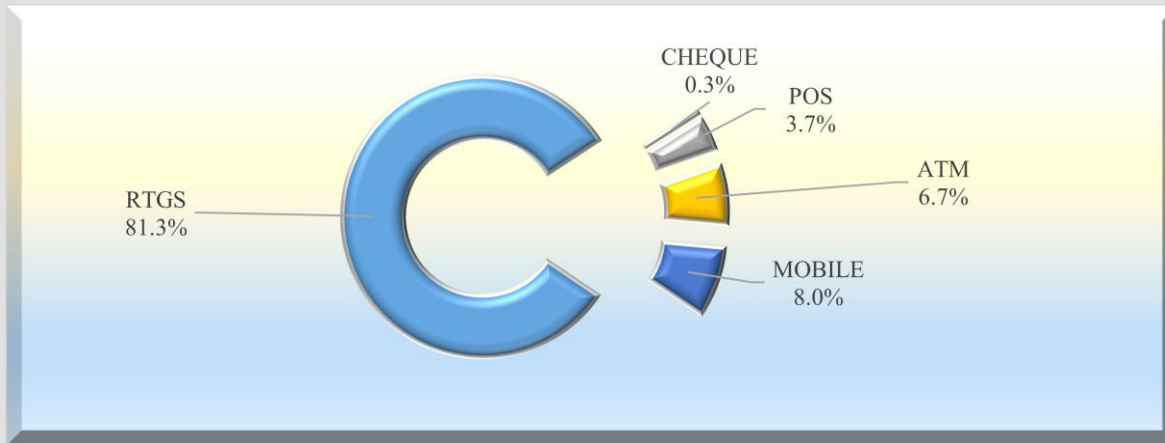
*Source: Banking Institutions, 2014*

## 2. CLEARING AND SETTLEMENT ACTIVITY

During the week ending 12<sup>th</sup> September 2014, the total value of transactions processed through the National Payment Systems (NPS) continued on a downward trend, registering US\$1 048 million, down from US\$1 182 million in the previous week.

Transactions processed through the Real Time Gross Settlement (RTGS) system declined by 8% to US\$852 million, during the week under review. RTGS system payments accounted for 81.3% of the total value of transactions processed through the NPS.

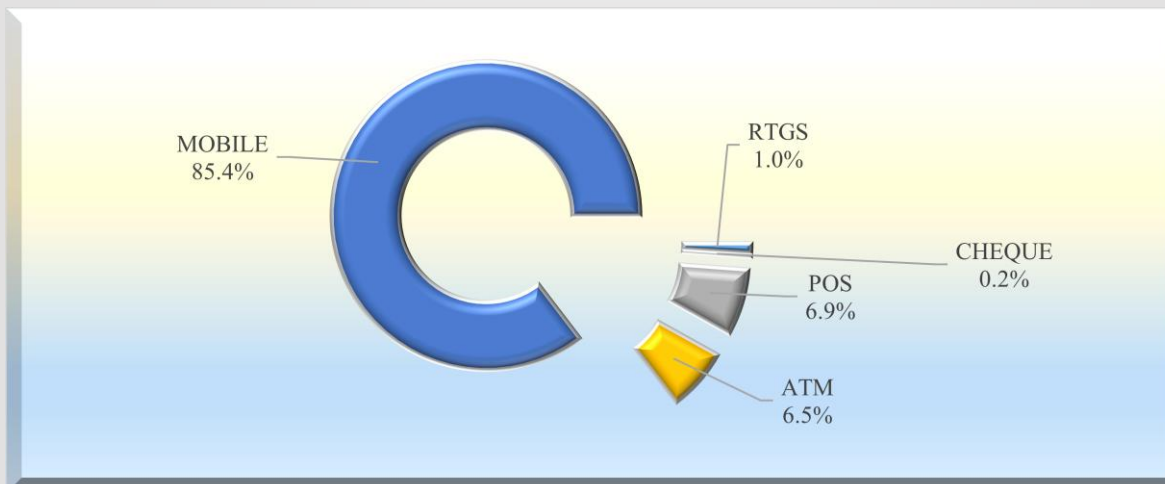
**Figure 1: Proportions of NPS Transactions in Value Terms**



Source: Reserve Bank of Zimbabwe.

As at week ending 12<sup>th</sup> September 2014, Mobile-Based transactions accounted for 85.4% of total transactions in volume terms, followed by Point of sale, 6.5%; and Automated Teller Machines, 6.9%.

**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 SEPTEMBER 2014	WEEK ENDING 12 SEPTEMBER 2014	CHANGE	PROPORTION
<b>VALUES IN USD</b>				
RTGS	925,236,607.57	852,305,293.97	-8%	81.33%
CHEQUE	2,378,962.11	2,688,952.86	13%	0.26%
POS	61,085,459.42	38,499,970.20	-37%	3.67%
ATMS	98,191,183.70	70,680,876.90	-28%	6.74%
MOBILE	94,819,685.21	83,744,657.71	-12%	7.99%
<b>TOTAL</b>	<b>1,181,711,898.01</b>	<b>1,047,919,751.64</b>		<b>100%</b>
<b>VOLUMES</b>				
RTGS	48,033	44,273	-8%	1.01%
CHEQUE	6,620	7,400	12%	0.17%
POS	445,703	302,824	-32%	6.92%
ATMs	367,982	285,112	-23%	6.51%
MOBILE	3,812,224	3,737,440	-2%	85.39%
<b>TOTAL</b>	<b>4,680,562</b>	<b>4,377,049</b>		<b>100%</b>

*Source: Reserve Bank of Zimbabwe.*

### 3. INTERNATIONAL COMMODITY PRICES

During the week ending 12<sup>th</sup> September 2014, weekly average international commodity prices retreated largely due to the strengthening of the U.S. dollar.

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

Period 2014	Gold US\$/ounce	Platinum US\$/ounce	Copper US\$/tonne	Nickel US\$/tonne	Crude Oil US\$/barrel
<b>Weekly average (5 Sep)</b>	<b>1,271.50</b>	<b>1,412.00</b>	<b>6,939.80</b>	<b>18,926.00</b>	<b>102.21</b>
<b>8-Sep</b>	1,263.13	1,407.00	6,975.00	19,730.00	99.59
<b>9-Sep</b>	1,255.88	1,395.00	6,937.00	19,355.00	99.78
<b>10-Sep</b>	1,252.63	1,383.50	6,897.00	18,575.00	98.62
<b>11-Sep</b>	1,244.13	1,377.50	6,829.00	18,455.00	97.15
<b>12-Sep</b>	1,234.38	1,362.00	6,855.50	18,340.00	97.60
<b>Weekly average (12 Sep)</b>	<b>1,250.03</b>	<b>1,385.00</b>	<b>6,898.70</b>	<b>18,891.00</b>	<b>98.55</b>
<b>Weekly Change %</b>	-1.7	-1.9	-0.6	-0.2	-3.6

Source: BBBC.com, KITCO and Bloomberg

#### Gold

Gold prices declined from a weekly average of US\$1 271.50/oz in the previous week, to an average of US\$1 250.03/oz during the week under review. The lack of both physical and investment demand, as well as widespread commodities losses weighed down the yellow metal. A stronger US dollar, coupled with the easing of geopolitical tensions in Ukraine further fuelled the reduction in demand for the metal.

## **Platinum**

Platinum prices also declined by 1.9%, from a weekly average of US\$1 412.00/oz in the previous week, to an average of US\$1 385.00/oz during the week under review.

## **Copper**

Copper prices continued on a downward trend, declining by 0.6% from an average of US\$6 939.80/ton in the previous week, to an average of US\$6 898.70/ton mainly due to weak demand for the metal by China, the top consumer of the metal. Expectations of rising global supply also weighed down the price.

## **Nickel**

Nickel prices retreated by 0.2% from a weekly average of US\$18 926.00/ton in the previous week, to an average of US\$18 891.00/ton during the week under review.

## **Crude Oil**

Crude oil prices declined from US\$102.21/barrel in the previous week, to US\$98.55/barrel during the week under analysis. This followed weak economic data from China which ignited concerns on the demand outlook for oil at a time of abundant supply.

#### 4. EQUITY MARKETS

During the week ending 12<sup>th</sup> September 2014, the industrial index dropped from 201.28 points to 199.85 points, owing to share price declines in Barclays (12.25%); Hippo Valley (6.25%); Cafca (5.56%); Delta (3.63%); and Econet (1.20%) counters. Partially offsetting these losses were gains recorded in Colcom (36.36%); NatFoods (19.57%); CBZ (16.67%); OK (6%); and Afdis (3.13%).

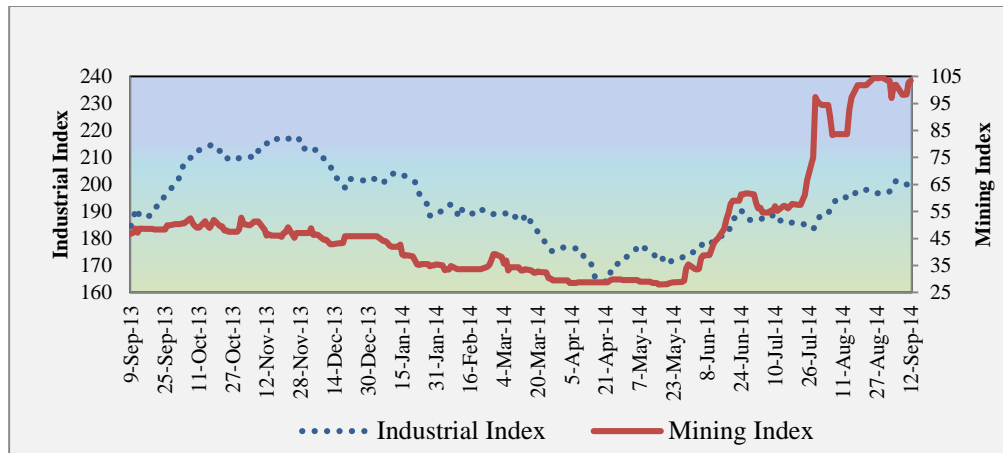
The mining index, however, increased by 1.61 points, from 101.84 points recorded in the previous week to close the week at 103.45 points. This was attributable to gains in Hwange (6.25%); Rio Zim (1.33%); and Bindura (1.01%), against a 0.25% loss at Falgold.

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

2014	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
15-Aug	195.33	97.28	5,148,085,398	6,674,009	46,277,102
22-Aug	198.04	101.78	5,223,724,252	46,716,592	140,908,383
29-Aug	196.43	104.80	5,186,634,353	4,996,843	38,275,824
05-Sep	201.28	101.84	5,306,828,775	7,949,280	48,351,255
12-Sep	199.85	103.85	5,272,845,678	12,074,501	65,323,564

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





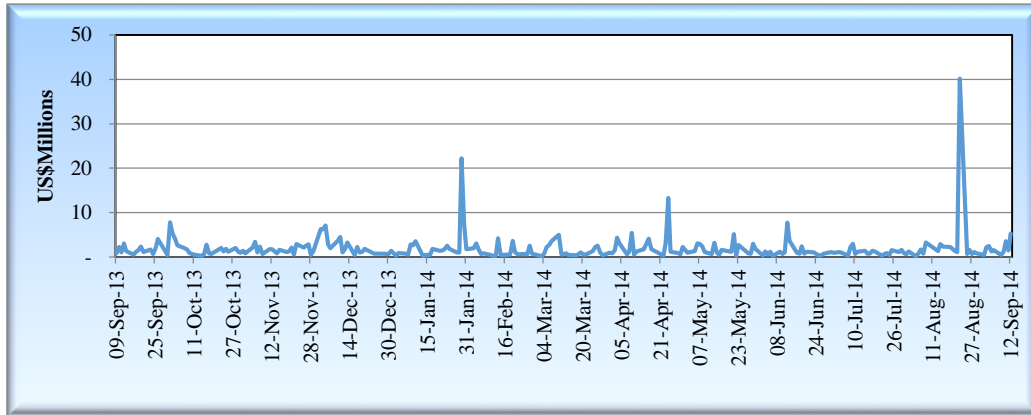
Source: Zimbabwe Stock Exchange, 2014

### Volume and Market Turnover

Market turnover increased by 51.89% to close the week under review at US\$12.1 million, compared to US\$7.9 million realized in the previous week. This followed a block trade of 34.4 million CBZ shares at the close of the week. A total of 65.3 million shares were traded during the week under review, compared to 48.4 million shares traded in the previous week.

Net foreign sales of US\$5.35 million were realized during the week of analysis, compared to US\$2.12 million recorded the previous week. This was on the back of the CBZ block trade which was mainly dominated by foreign investors who offloaded their shareholding.

**Figure 2: Daily Market Turnover**

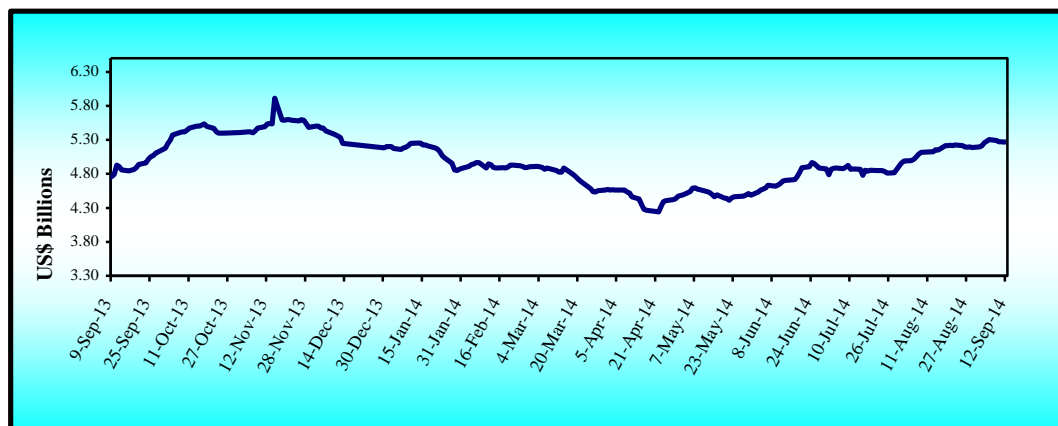


Source: Zimbabwe Stock Exchange, 2014

### Market Capitalization

Market capitalization declined by 0.64% to close the week under review at US\$5.27 billion, from US\$5.31 billion in the previous week. This was due to losses recorded on several heavy weight counters.

**Figure 3: Market Capitalization**



Source: Zimbabwe Stock Exchange, 2014

## Johannesburg Stock Exchange (JSE) Developments

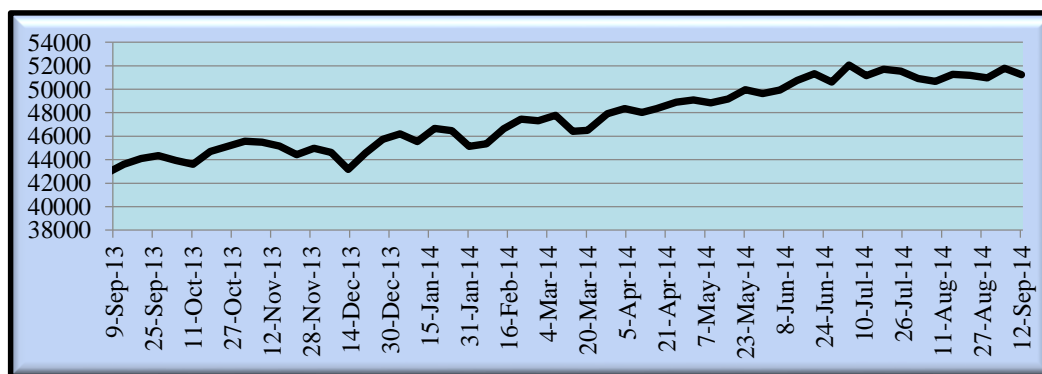
The JSE All Share index closed the week under review at 51 247.71 points down by 1.05% from the previous week level. Market capitalization also declined by 0.85% to R12 070 billion during the week under review.

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

2014	All Share Index (points)	Market Capitalization (R bn)
15-Aug	51,257.72	12,052.62
22-Aug	51,197.16	12,029.13
29-Aug	50,959.02	12,009.35
05-Sep	51,789.40	12,173.81
12-Sep	51,247.71	12,070.27

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**

**19 SEPTEMBER 2014**

