



Weekly Economic Highlights

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Week Ending
13th February 2015

1. INTEREST RATES

Deposit Rates

Due to inactivity in the money market, average deposit rates for savings, 1 month and 3 month tenors remained unchanged at 3.31%, 9.37% and 10.99%, respectively during the week ending 13th February 2015.

Table 1: Average Deposit Rates

| 2015 | Savings Deposits (%) | 1-Month Deposits (%) | 3-Months Deposits (%) |
|---------------|----------------------|----------------------|-----------------------|
| 23-Jan | 3.31 | 9.34 | 10.94 |
| 30-Jan | 3.31 | 9.37 | 11.00 |
| 06-Feb | 3.31 | 9.37 | 10.99 |
| 13-Feb | 3.31 | 9.37 | 10.99 |

Source: Banking Institutions, 2015

Lending Rates

During the week under review, merchant banks' weighted lending rates for individuals and corporates also remained unchanged at 19.00% and 18.00%, respectively. Commercial banks' weighted lending rates for individuals remained static at 14.08%, while those for corporate clients rose to 9.73%, from 9.47% in the previous week.

Table 2: Lending Rates

| 2015 | Lending Rates (%) | | | |
|---------------|-----------------------------|-------------------|---------------------------------------|-------------------|
| | Commercial Banks (weighted) | | Merchant Banks (nominal) ¹ | |
| | Individuals | Corporate Clients | Individuals | Corporate Clients |
| 23-Jan | 14.19 | 9.68 | 19.00 | 18.00 |
| 30-Jan | 14.16 | 9.66 | 19.00 | 18.00 |
| 06-Feb | 14.08 | 9.47 | 19.00 | 18.00 |
| 13-Feb | 14.08 | 9.73 | 19.00 | 18.00 |

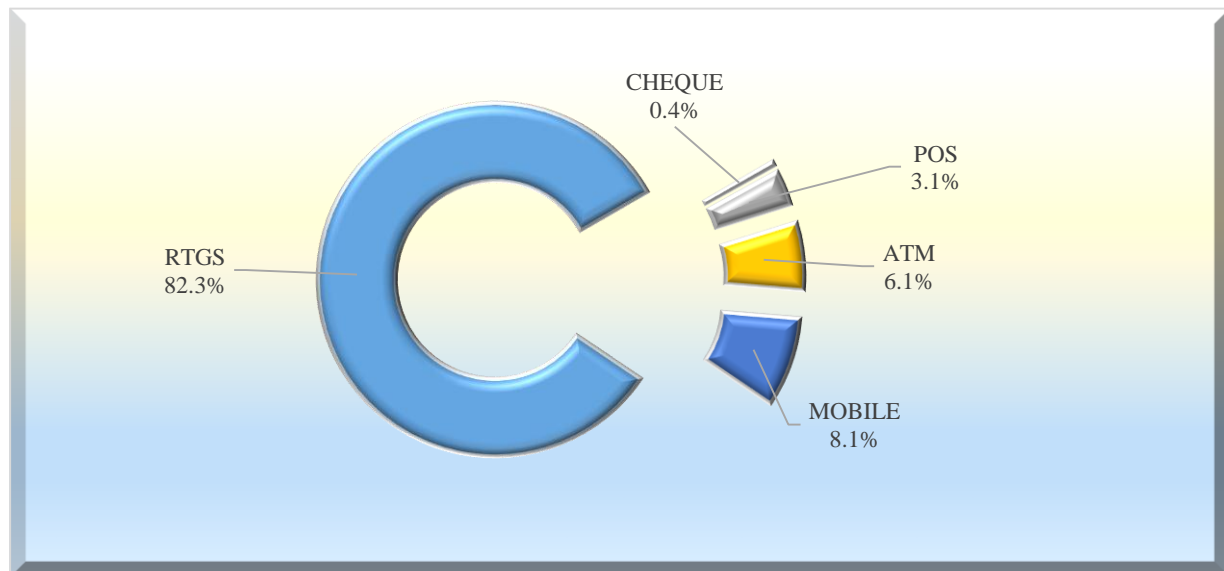
Source: Banking Institutions, 2015

¹ One merchant bank left in operation.

2. CLEARING AND SETTLEMENT ACTIVITY

During the week ending 13th February 2015, the total value of transactions processed through the National Payment System (NPS) declined to US\$948.04 million, from US\$1 031.60 million recorded in the previous week. RTGS, Mobile, ATM's, POS and cheque transactions accounted for 82.27%, 8.4%, 6.08%, 3.14% and 0.37%, respectively, of the total value of transactions.

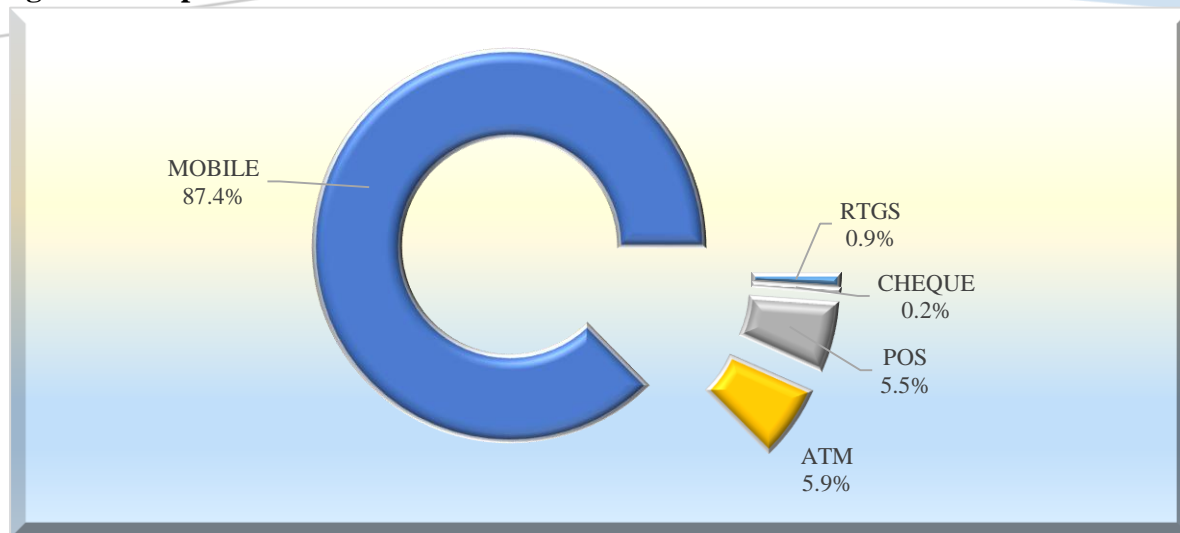
Figure 1: Proportions of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe

In terms of volume, Mobile-based transactions accounted for 87.40% of total NPS transactions, followed by ATM's, 5.94%; POS, 5.52%; RTGS, 0.94%; and cheque transactions, 0.19%.

Figure 2: Proportions of NPS Transactions in Volume Terms



Source: Reserve Bank of Zimbabwe.

Table 3: National Payment Systems Activity

| PAYMENT STREAM | WEEK ENDING 06 FEBRUARY 2015 | WEEK ENDING 13 FEBRUARY 2015 | CHANGE FROM LAST WEEK | PROPORTION |
|---------------------------------|------------------------------|------------------------------|-----------------------|------------|
| VALUES IN USD (millions) | | | | |
| RTGS | 761.38 | 779.97 | 2% | 82.27% |
| MOBILE | 99.16 | 77.14 | -22% | 8.14% |
| ATMS | 109.15 | 57.63 | -47% | 6.08% |
| POS | 58.10 | 29.80 | -49% | 3.14% |
| CHEQUE | 3.80 | 3.51 | -8% | 0.37% |
| TOTAL | 1,031.60 | 948.04 | | 100% |
| VOLUMES | | | | |
| MOBILE | 4,240,832 | 3,866,483 | -9% | 87.40% |
| ATMs | 419,964 | 262,909 | -37% | 5.94% |
| POS | 399,189 | 244,166 | -39% | 5.52% |
| RTGS | 43,368 | 41,654 | -4% | 0.94% |
| CHEQUE | 8,601 | 8,525 | -1% | 0.19% |
| TOTAL | 5,111,954 | 4,423,737 | | 100% |

Source: Reserve Bank of Zimbabwe

3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

For the week ending 13th February 2015, the weekly average international commodity prices for gold and nickel retreated, whilst those for copper, platinum and crude oil firmed.

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 (06 Feb) | 1,265.78 | 1,193.52 | 5,491.20 | 15,091.40 | 55.97 |
| 9-Feb | 1,240.38 | 1,220.00 | 5,670.00 | 15,050.00 | 58.12 |
| 10-Feb | 1,236.00 | 1,216.50 | 5,591.00 | 14,855.00 | 58.04 |
| 11-Feb | 1,229.63 | 1,222.60 | 5,591.00 | 14,710.00 | 54.70 |
| 12-Feb | 1,223.88 | 1,203.00 | 5,695.00 | 14,600.00 | 56.35 |
| 13-Feb | 1,229.13 | 1,200.50 | 5,695.00 | 14,600.00 | 61.35 |
| Weekly Average (13 Feb) | 1,231.80 | 1,212.52 | 5,648.40 | 14,763.00 | 57.71 |
| Weekly Change (%) | -2.7 | 1.6 | 2.9 | -2.2 | 3.1 |

Source: BBC, KITCO, Reuters and Bloomberg

Gold

Average gold prices declined by 2.68% from US\$1 265.78/oz in the previous week, to US\$1 231.80/oz. The increases experienced in US equities' return during the week weakened the demand for the precious metal.

Platinum

Platinum prices firmed, 1.6% from US\$1,193.52/oz in the previous week to US\$1,212.52/oz during the week under review. The increase in platinum prices was underpinned by the positive economic outlook in the US, following reports that the US economy expanded during the last quarter of 2014.



Copper

Copper prices rose by 2.9%, from an average of US\$5,491.20/tonne in the previous week to US\$5,648.40/tonne during the week ending 13th February 2015. The increase in copper prices was supported by shortages caused by the ongoing industrial action in Peru, the world's biggest copper producer.

Nickel

During the week under review, nickel prices declined by 2.2%, from US\$15,091.40/tonne in the previous week to US\$14,763.00/tonne. The decline was on the back of subdued demand from China, the world's largest consumer of the metal.

Crude Oil

Crude oil prices rose by 3.1%, from an average of US\$55.97/barrel in the previous week, to an average of US\$57.71/barrel during the week under analysis. The increase was largely attributed to heightened speculation that US shale production will fall in the short to medium term.

4. EQUITY MARKETS

During the week ending 13th February 2015, trading on the Zimbabwe Stock Exchange was subdued, largely owing to losses in some mid to heavyweight counters. Consequently, the industrial and mining indices declined by 1.01 points and 0.90 points to close the week under review at 168.36 points and 58.13 points, respectively. The decline in the mainstream index was largely attributed to losses incurred by CAFCA, (20%); Masimba, (13.33%); Turnall, (8.33%); National Foods, (5.88%); Hippo Valley (4.17%) and Delta (0.86%).

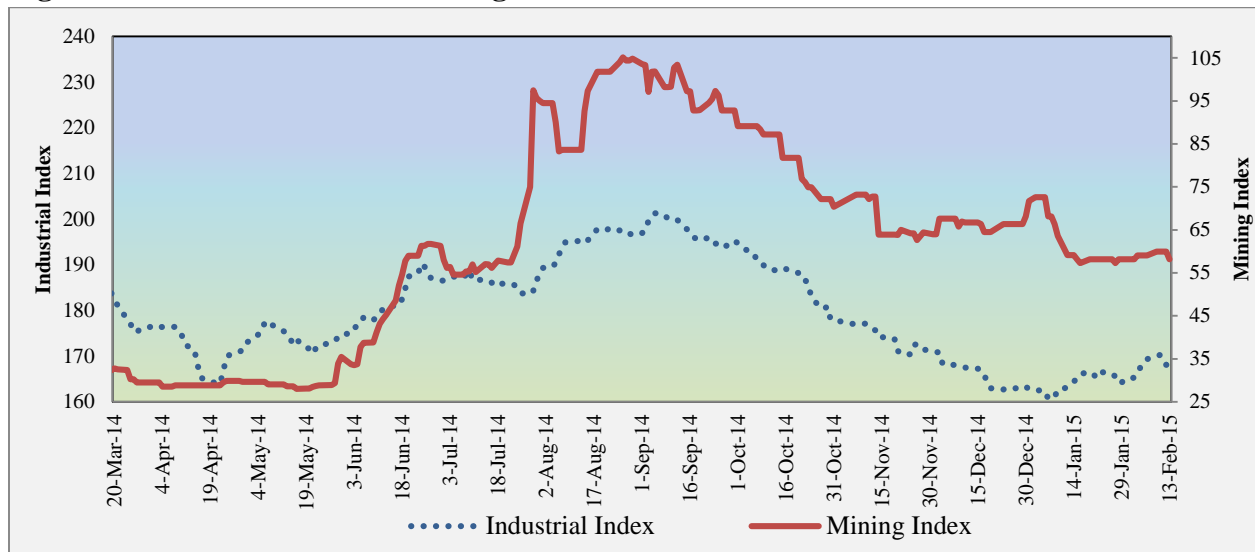
Partially offsetting these losses were gains in Powerspeed, (22.22%); DZHL, (6.25%) and Econet (1.46%) which released positive results. The decline in the mining index was on the back of Bindura Nickel Mine's announcement that the Trojan smelter will resume operations in the second half, rather than the first half of 2015. Rio-Zim, Hwange and Falgold traded unchanged during the same week.

Table 5: Zimbabwe Stock Exchange (ZSE) Statistics

| Period | Industrial Index (points) | Mining Index (points) | Grand Market Capitalization (US\$) | Market Turnover (US\$) | Volume of Shares |
|-----------|---------------------------|-----------------------|------------------------------------|------------------------|------------------|
| 16-Jan-15 | 166.15 | 57.24 | 4,395,719,222 | 3,359,225 | 17,125,141 |
| 23-Jan-15 | 166.46 | 58.14 | 4,405,177,051 | 5,668,477 | 12,709,045 |
| 30-Jan-15 | 164.90 | 58.13 | 4,347,569,893 | 1,942,127 | 10,399,733 |
| 06-Feb-15 | 169.37 | 59.03 | 4,482,179,535 | 8,067,238 | 18,181,447 |
| 13-Feb-15 | 168.36 | 58.13 | 4,381,524,714 | 6,021,874 | 43,405,137 |

Source: Zimbabwe Stock Exchange (ZSE), 2015

Figure 3 : Zimbabwe Stock Exchange Indices

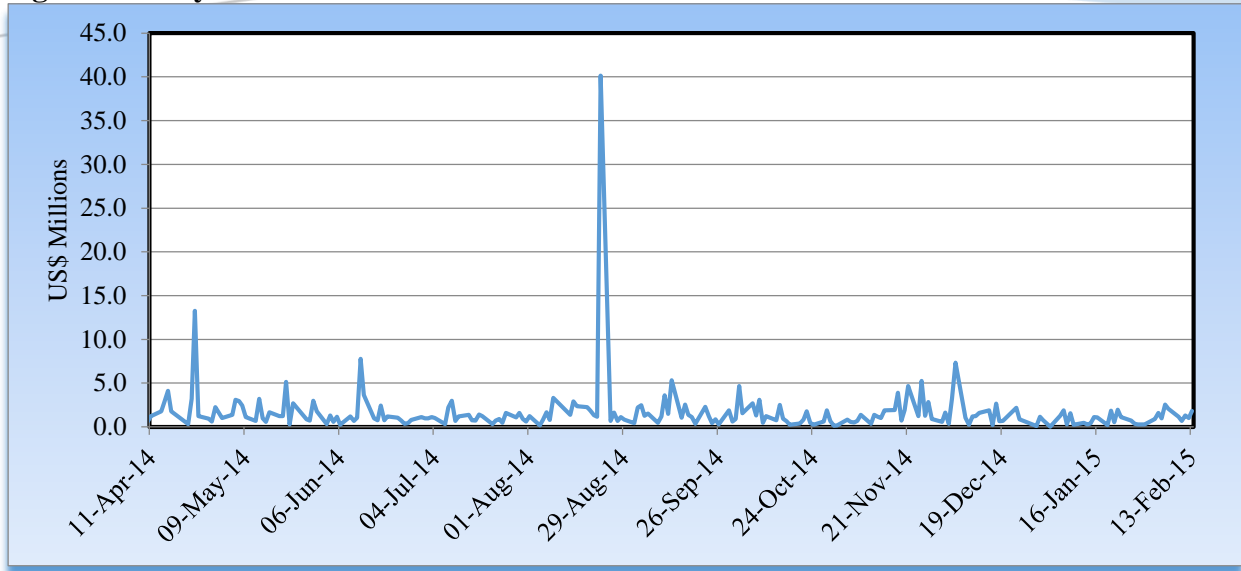


Source: Zimbabwe Stock Exchange, 2015

Market Turnover and Volume

In line with the price developments on the local bourse, market turnover declined by 25.93%, from US\$8.1 million in the previous week to US\$6.0 million, during the week under review. A special bargain in Mashonaland Holdings where 24 million shares were traded largely supported the significant increase in the volume of shares traded. In this regard, total volume of shares traded were 43 405 137 shares, up from 18 181 447 shares in the previous week.

Figure 4: Daily Market Turnover

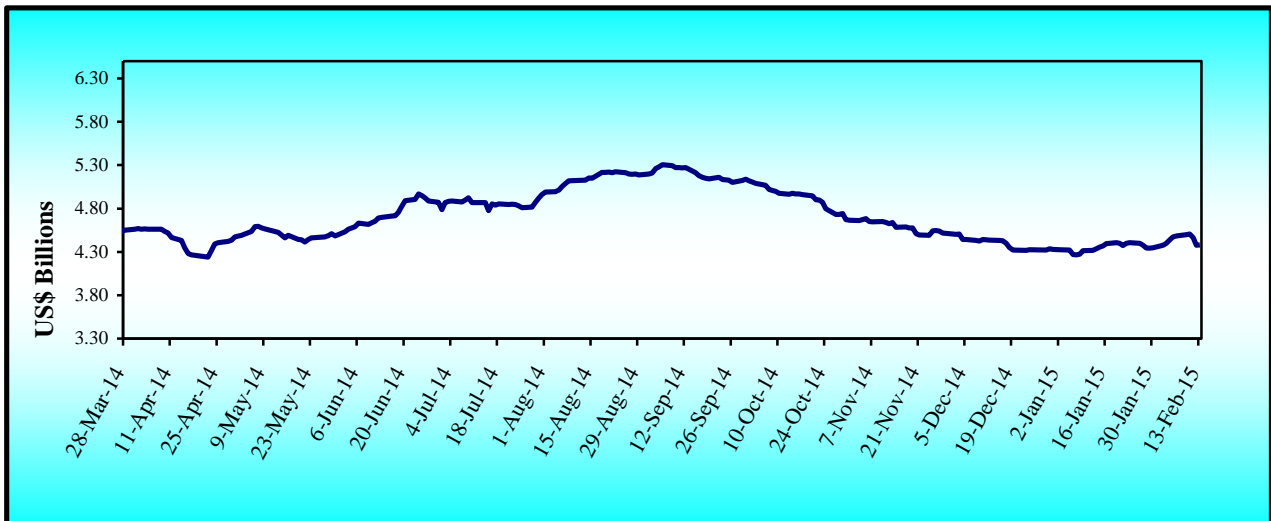


Source: Zimbabwe Stock Exchange, 2015

Market Capitalization

In tandem with the negative trading in the industrial index, market capitalization declined by 2.25%, to US\$4.382 billion, down from US\$4.482 billion recorded in the previous week.

Figure 5 : Market Capitalization



Source: Zimbabwe Stock Exchange, 2015

Johannesburg Stock Exchange (JSE) Developments

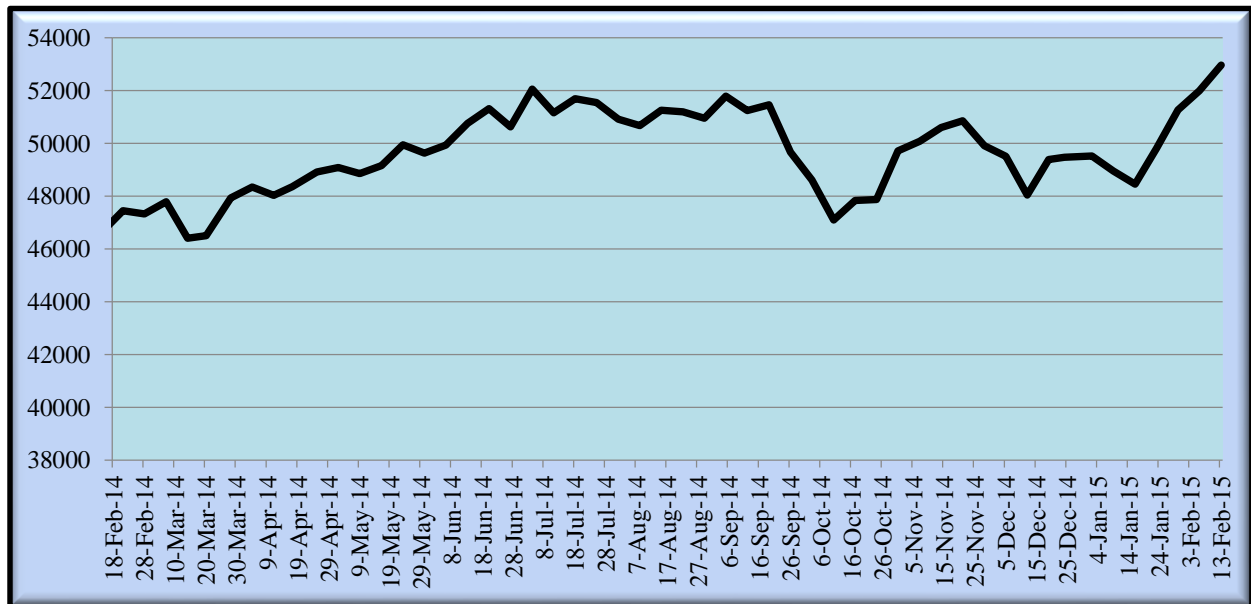
During the week ending 13th February 2015, the JSE All Share index firmed by 1.86%, to close the week at 52 967.63 points. Market capitalization also rose by 2.13%, to close the week at R12 015.88 billion, from R11 765.01 billion in the previous week.

Table 6: Johannesburg Stock Exchange (JSE) Statistics

| Period- 2015 | All Share Index (points) | Market Capitalization (R billion) |
|---------------|--------------------------|-----------------------------------|
| 16-Jan | 48,458.25 | 11,150.54 |
| 23-Jan | 49,816.57 | 11,433.46 |
| 30-Jan | 51,266.81 | 11,761.16 |
| 06-Feb | 51,998.32 | 11,765.01 |
| 13-Feb | 52,967.63 | 12,015.88 |

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

17TH FEBRUARY 2015.