



# Weekly Economic Highlights

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Week Ending  
13<sup>th</sup> March 2015

## 1. INTEREST RATES

### Deposit Rates

During the week ending 13<sup>th</sup> March 2015, the savings deposits rates remained unchanged at 3.54% and deposit rates for 1 month and 3 month tenors were quoted at 9.29%, and 10.96%, respectively.

**Table 1: Average Deposit Rates**

| 2015          | Savings Deposits (%) | 1-Month Deposits (%) | 3-Months Deposits (%) |
|---------------|----------------------|----------------------|-----------------------|
| <b>20-Feb</b> | 3.31                 | 9.42                 | 11.04                 |
| <b>27-Feb</b> | 3.31                 | 9.45                 | 11.03                 |
| <b>06-Mar</b> | 3.54                 | 9.36                 | 10.97                 |
| <b>13-Mar</b> | 3.54                 | 9.29                 | 10.96                 |

Source: Banking Institutions, 2015

### Lending Rates

Weighted lending rates at commercial banks for individuals closed the week under review at 13.01%, down from 13.89% recorded in the previous week. Weighted lending rates for commercial bank's corporate clients also declined to 8.84%, during the same week.

**Table 2: Lending Rates**

| 2015          | Lending Rates (%)           |                   |
|---------------|-----------------------------|-------------------|
|               | Commercial Banks (weighted) |                   |
|               | Individuals                 | Corporate clients |
| <b>13-Feb</b> | 14.08                       | 9.73              |
| <b>20-Feb</b> | 14.07                       | 9.72              |
| <b>27-Feb</b> | 14.00                       | 9.73              |
| <b>06-Mar</b> | 13.89                       | 9.72              |
| <b>13-Mar</b> | 13.01                       | 8.84              |

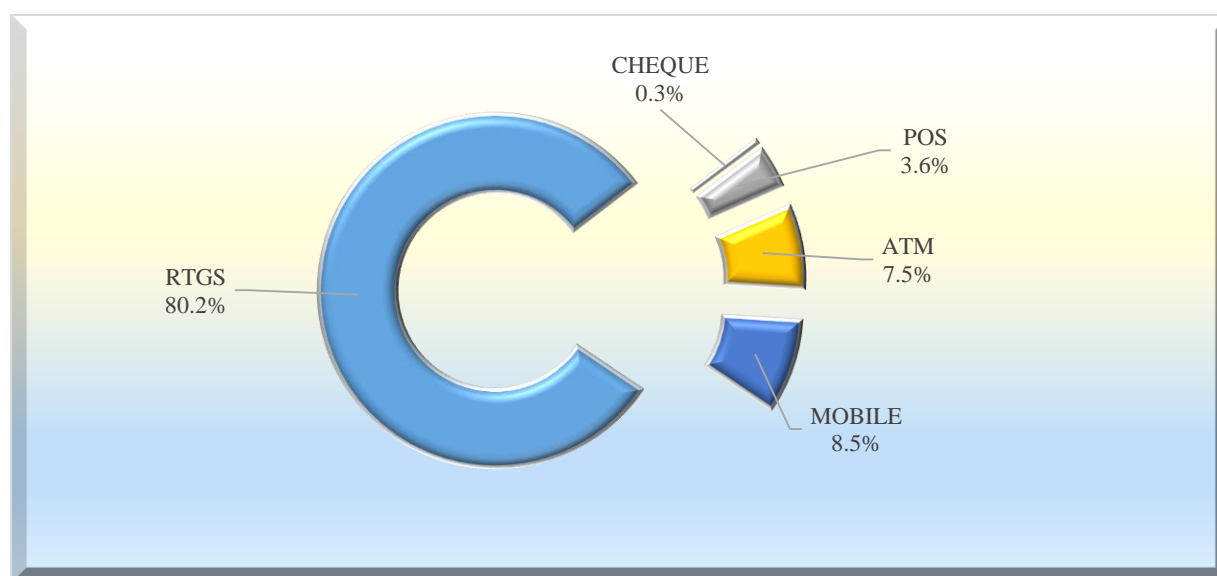
Source: Banking Institutions, 2015

## 2. CLEARING AND SETTLEMENT ACTIVITY

Transactions processed through the National Payment Systems (NPS), during the week ending 13<sup>th</sup> March 2015, amounted to US\$928.55 million, down from US\$1 122.14 million registered in the previous week.

Transactions processed through the Real Time Gross Settlement System (RTGS) declined to US\$744.22 million, from US\$830.07 million in the previous week. The RTGS system payments accounted for 80.15% of the total value of transactions processed through the NPS.

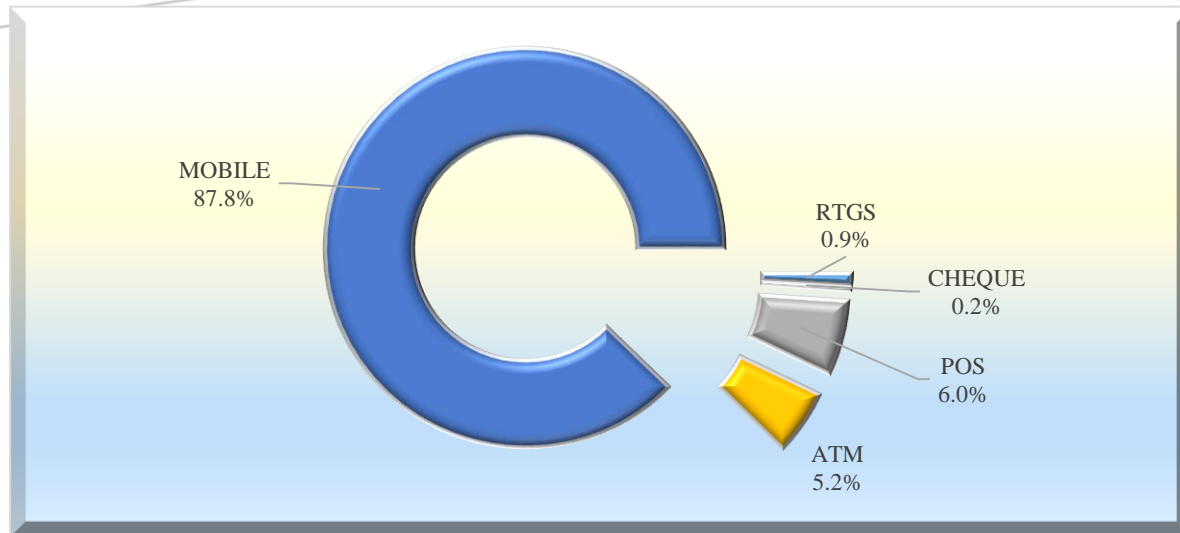
**Figure 1: Proportions of NPS Transactions in Value Terms**



*Source: Reserve Bank of Zimbabwe*

In volume terms, Mobile-Based transactions accounted for 87.78% of total transactions, followed by Point of Sale (POS) transactions, 5.97%; Automated Teller Machines (ATMs), 5.19% and cheque (0.16%).

**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 MARCH 2015 | WEEK ENDING 13 MARCH 2015 | CHANGE FROM LAST WEEK | PROPORTION  |
|---------------------------------|---------------------------|---------------------------|-----------------------|-------------|
| <b>VALUES IN USD (millions)</b> |                           |                           |                       |             |
| <b>RTGS</b>                     | 830.07                    | 744.22                    | -10%                  | 80.15%      |
| <b>MOBILE</b>                   | 103.07                    | 78.62                     | -24%                  | 8.47%       |
| <b>ATMS</b>                     | 116.58                    | 69.78                     | -40%                  | 7.52%       |
| <b>POS</b>                      | 69.78                     | 33.54                     | -52%                  | 3.61%       |
| <b>CHEQUE</b>                   | 2.63                      | 2.38                      | -9%                   | 0.26%       |
| <b>TOTAL</b>                    | <b>1,122.14</b>           | <b>928.55</b>             |                       | <b>100%</b> |
| <b>VOLUMES</b>                  |                           |                           |                       |             |
| <b>RTGS</b>                     | 44,984                    | 40,790                    | -9%                   | 0.90%       |
| <b>CHEQUE</b>                   | 7,073                     | 7,316                     | 3%                    | 0.16%       |
| <b>POS</b>                      | 457,018                   | 272,248                   | -40%                  | 5.97%       |
| <b>ATMs</b>                     | 411,690                   | 236,362                   | -43%                  | 5.19%       |
| <b>MOBILE</b>                   | 4,202,397                 | 3,999,871                 | -5%                   | 87.78%      |
| <b>TOTAL</b>                    | <b>5,123,162</b>          | <b>4,556,587</b>          |                       | <b>100%</b> |

Source: Reserve Bank of Zimbabwe

### 3. TOBACCO SALES

As at 13<sup>th</sup> March 2015 (day 8 of the 2015 tobacco selling season), a cumulative total of 3 557 854 kilograms of tobacco had been sold, reflecting a decline of 43.9%, compared to the 6 339 792 kilograms sold during the same period in 2014.

Cumulative tobacco sales totaled US\$8 million, which was 45.6% lower than the US\$14.7 million realized during the corresponding period in 2014. The golden leaf was sold at a lower average price of US\$2.15, compared to US\$2.32 during the same period in 2014.

**Table 4: Cumulative Tobacco Sales: Day 8 (13/03/15)**

|  | 2014       | 2015      | Variance (%) |
|--|------------|-----------|--------------|
| <b>Cumulative Quantity Sold (kgs)</b>    | 6,339,792  | 3,557,854 | -43.9%       |
| <b>Cumulative Average Price(US\$/kg)</b> | 2.32       | 2.25      | -3.0%        |
| <b>Cumulative Value (US\$ million)</b>   | 14,717,911 | 8,010,826 | -45.6%       |

Source: Tobacco Industry and Marketing Board (TIMB), 2015

#### 4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

During the week ending 13<sup>th</sup> March 2015, the international commodity prices for gold, platinum, copper, and crude oil retreated. On the other hand, the price for nickel firmed during the week under review.

**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> |
| <b>Weekly Average(06-Mar)</b> | <b>1,202.30</b>   | <b>1,180.70</b>   | <b>5,862.70</b>   | <b>13,887.00</b>  | <b>60.63</b>       |
| <b>9-Mar</b>                  | 1,171.13          | 1,154.00          | 5,800.00          | 14,080.00         | 59.35              |
| <b>10-Mar</b>                 | 1,161.50          | 1,137.00          | 5,780.00          | 14,075.00         | 56.85              |
| <b>11-Mar</b>                 | 1,154.38          | 1,124.50          | 5,785.50          | 13,970.00         | 56.53              |
| <b>12-Mar</b>                 | 1,156.75          | 1,121.50          | 5,865.00          | 13,825.00         | 57.99              |
| <b>13-Mar</b>                 | 1,154.25          | 1,118.00          | 5,865.00          | 13,850.00         | 56.43              |
| <b>Weekly Average(13 Mar)</b> | 1,159.60          | 1,131.00          | 5,819.10          | 13,960.00         | 57.43              |
| <b>Weekly Change (%)</b>      | <b>(3.6)</b>      | <b>(4.2)</b>      | <b>(0.7)</b>      | <b>0.5</b>        | <b>(5.4)</b>       |

*Source: BBC, KITCO, Reuters and Bloomberg*

#### Gold

During the week under analysis, gold prices further retreated by 3.6%, to close the week at US\$1 159.60/oz. The decline in gold prices was largely attributable to the strengthening of the US dollar, coupled with improved US economic prospects which lowered the demand for the precious metal as an alternative investment asset.



## **Platinum**

Similarly, platinum prices declined by 4.2%, from a weekly average of US\$1 180.70/oz, to US\$1 131.00/oz during the week under review. The decline in the precious metal's price was mainly underpinned by slackening absorption of the commodity by China, the world's largest platinum consumer, which is experiencing an economic slow-down.

## **Copper**

Copper prices marginally declined by 0.7%, from US\$5 862.70/tonne recorded in the previous week, to an average of US\$5 819.10/tonne. The price decline was on the back of depressed global demand, particularly from Europe and China which are facing subdued economic activity.

## **Nickel**

Nickel prices increased by 0.5% during the week under review, from a weekly average of US\$13 887.00/tonne to US\$13 960.00/tonne. The rise in nickel prices was backed by growing demand for the metal by the US stainless steel industry. In addition, the continued ban of nickel ore exports by Indonesia is stifling supply thereby exerting upward pressure on the metal's price.

## **Crude Oil**

Crude oil prices declined by 5.4% during the week under review, from an average of US\$60.69/barrel during the previous week, to an average of US\$57.43/barrel. The Organization of Petroleum Exporting Countries (OPEC) stood by its decision not to scale down production prompting a glut on the oil market, a development that supports the decline in oil prices.

## 5. EQUITY MARKETS

During the week ending 13<sup>th</sup> March 2015, both the industrial and mining indices dropped 2.89 points and 4.91 points, to 162.70 points and 49.79 points, respectively. The market weakness was supported by the downward revision of the national GDP growth forecasts by the International Monetary Fund (IMF) to 2.8%, from 3.2%, as agricultural output is expected to fall below initial projections due to erratic rainfall patterns coupled with depressed international commodity prices.

Dragging the industrial index down were losses largely realized in Ariston (37.50%), OK Zimbabwe (7.14%), Star Africa (6.25%), Delta (4.39%), Meikles (3.85%), DZLH (3.61%), Innscor (1.72%) and Hippo Valley (1.02%). Partially offsetting these losses were significant gains in Medtech (100%), African Sun (20%), Dawn (10%), Colcom (8.33%), National Foods (3.23%), Econet (1.78) and Seedco (0.47%)

The mining index experienced subdued trading volumes as a 10% loss in Bindura resulted in the mining index declining to 49.79 points. Rio Zim traded unchanged on low volumes while Falgold and Hwange remained stagnant during the week under review.

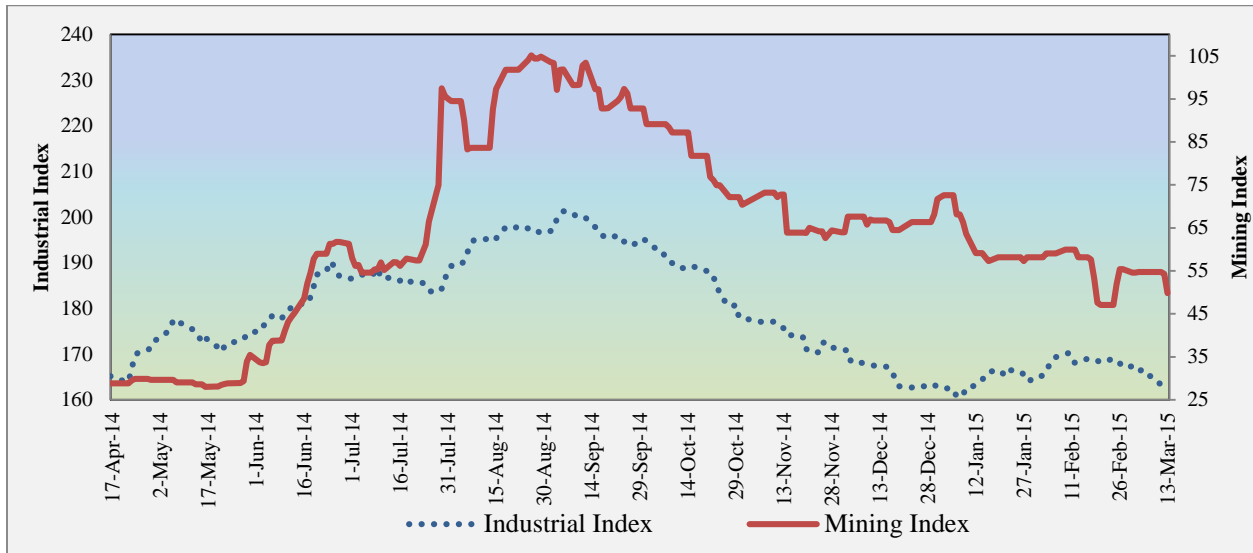
**Table 5: Zimbabwe Stock Exchange (ZSE) Statistics**

| Period    | Industrial Index (points) | Mining Index (points) | Grand Market Capitalization (US\$) | Market Turnover (US\$) | Volume of Shares |
|-----------|---------------------------|-----------------------|------------------------------------|------------------------|------------------|
| 13-Feb-15 | 168.36                    | 58.13                 | 4,381,524,714                      | 6,021,874              | 43,405,137       |
| 20-Feb-15 | 168.13                    | 47.09                 | 4,360,544,228                      | 17,207,739             | 36,116,628       |
| 27-Feb-15 | 167.16                    | 55.38                 | 4,353,375,154                      | 3,478,765              | 21,620,902       |
| 06-Mar-15 | 165.59                    | 54.70                 | 4,312,564,910                      | 5,936,189              | 66,655,446       |
| 13-Mar-15 | 162.70                    | 49.79                 | 4,231,994,331                      | 3,494,168              | 15,707,724       |

Source: Zimbabwe Stock Exchange (ZSE), 2015



**Figure 3 : Zimbabwe Stock Exchange Indices**

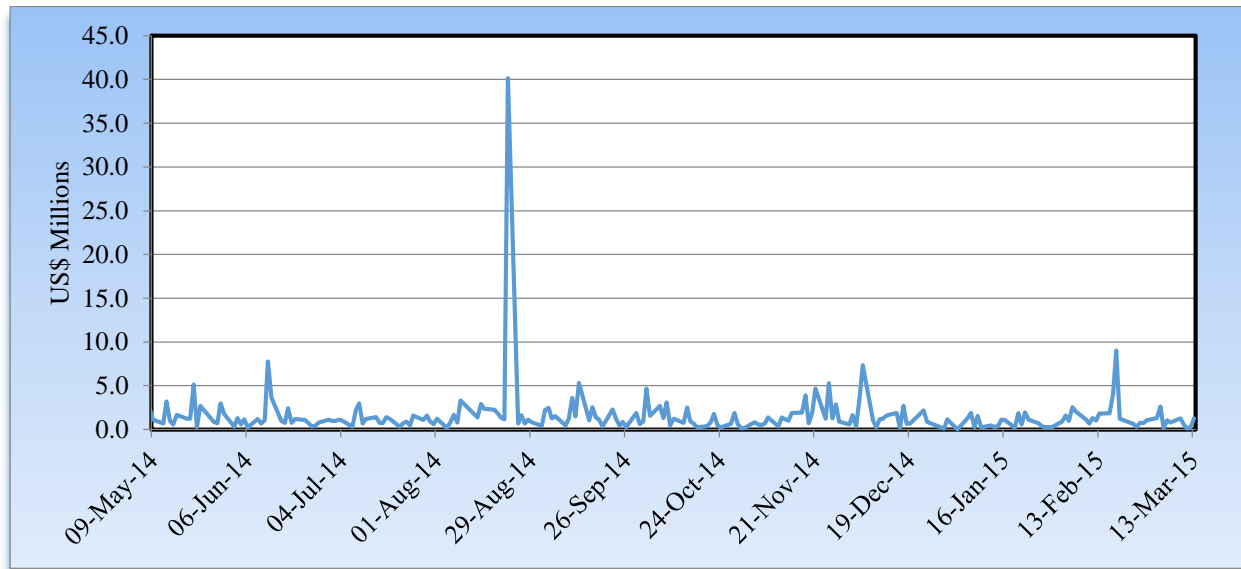


Source: Zimbabwe Stock Exchange, 2015

### Market Turnover and Volume

Negative trading across the bourse resulted in market turnover declining by 40.68%, from US\$5.9 million realized in the previous week to US\$3.5 million. Turnover disaggregation by market participant indicated that the foreign component was the main source of liquidity for the week. In terms of volume, 15 707 724 shares were traded, down from 66 655 446 shares in the previous week.

**Figure 4: Daily Market Turnover**

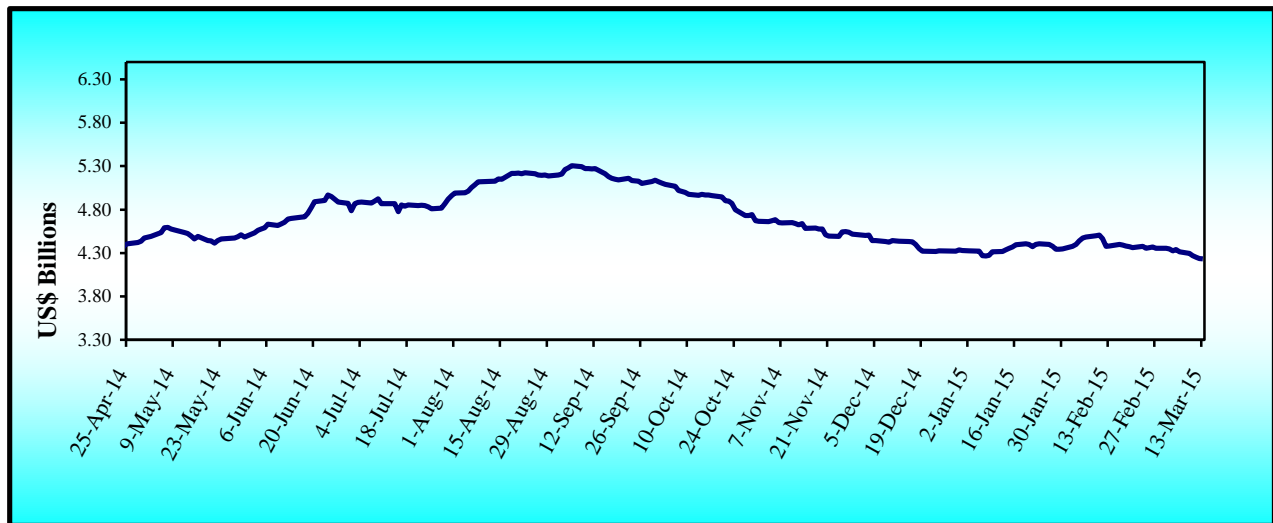


*Source: Zimbabwe Stock Exchange, 2015*

## **Market Capitalization**

In line with the developments on the ZSE, market capitalization declined for the third consecutive week, from US\$4.31 billion to US\$4.23 billion. The decline was largely attributed to negative trading in heavily capitalized counters such as Delta, Innscor, Hippo Valley and OK Zimbabwe.

**Figure 5 : Market Capitalization**



Source: Zimbabwe Stock Exchange, 2015

### Johannesburg Stock Exchange (JSE) Developments

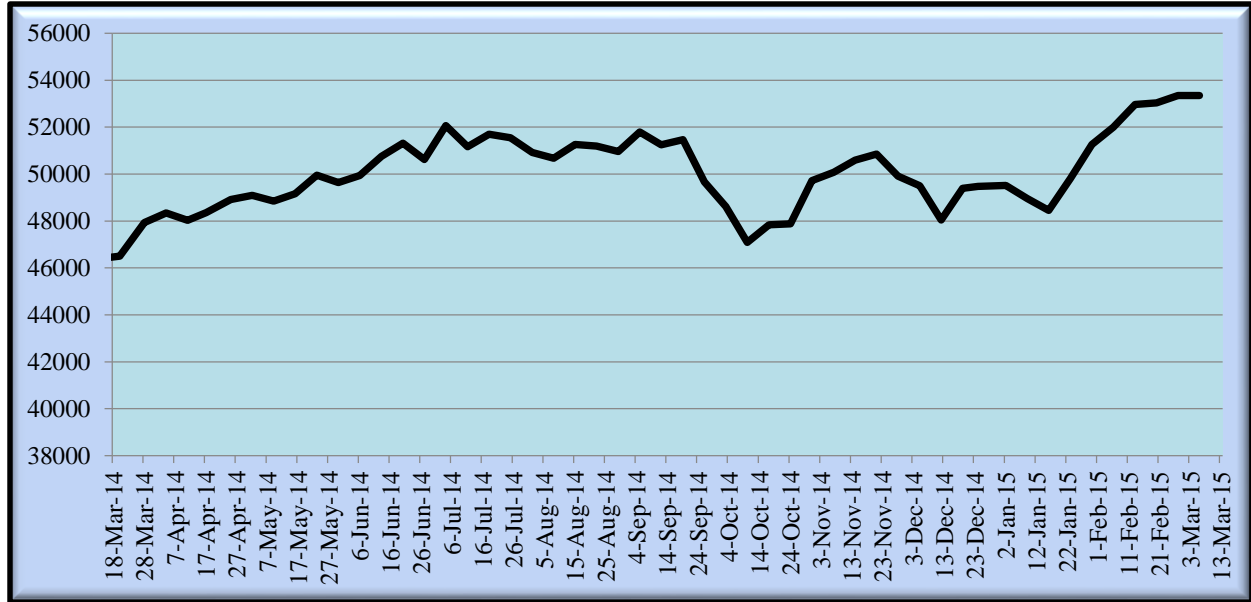
The JSE All Share index closed the week under review at 51 798.74 points, shedding 2.90% from 53 346.99 points recorded in the previous week. Market capitalization also declined by 3.07% to R11 868.03 billion during the week ending 13<sup>th</sup> March 2015.

**Table 6: Johannesburg Stock Exchange (JSE) Statistics**

| Period- 2015 | All Share Index (points) | Market Capitalization (R billion) |
|--------------|--------------------------|-----------------------------------|
| 13-Feb       | 52,967.63                | 12,015.88                         |
| 20-Feb       | 53,035.26                | 12,096.13                         |
| 27-Feb       | 53,344.20                | 12,228.89                         |
| 06-Mar       | 53,346.99                | 12,243.68                         |
| 13-Mar       | 51,798.74                | 11,868.03                         |

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**

**20<sup>TH</sup> MARCH 2015.**