

Vol. 16 No. 33



Weekly Economic Highlights

Week Ending 15 August 2014

1. INTEREST RATES

Deposit Rates

Deposit rates at all banking institutions remained unchanged from previous week levels, during the week ending 15th August 2014.

Table 1: Average Deposit Rates

| 2014 | Savings Deposits (%) | 1-Month Deposits (%) | 3-Months Deposits (%) |
|--------|-------------------------|-------------------------|--------------------------|
| 18-Jul | 3.42 | 9.91 | 11.55 |
| 25-Jul | 3.42 | 9.86 | 11.58 |
| 01-Aug | 3.42 | 9.84 | 11.55 |
| 08-Aug | 3.42 | 9.84 | 11.55 |
| 15-Aug | 3.42 | 9.84 | 11.55 |

Source: Banking Institutions, 2014

Lending Rates

During the week under review, merchant banks' weighted lending rates for individuals and corporates remained unchanged at 19% and 18%, respectively. Commercial banks' weighted lending rates for individuals and corporate clients closed the week at 14.35% and 9.51%, respectively.

Table 2: Lending Rates

| 2014 | Weighted Lending Rates (%) | | | |
|--------|----------------------------|-------------------|----------------|-------------------|
| | Commercial Banks | | Merchant Banks | |
| | Individuals | Corporate Clients | Individuals | Corporate Clients |
| 18-Jul | 14.34 | 9.32 | 19.00 | 18.00 |
| 25-Jul | 14.33 | 9.45 | 19.00 | 18.00 |
| 01-Aug | 14.36 | 9.46 | 19.00 | 18.00 |
| 08-Aug | 14.39 | 9.51 | 19.00 | 18.00 |
| 15-Aug | 14.35 | 9.51 | 19.00 | 18.00 |

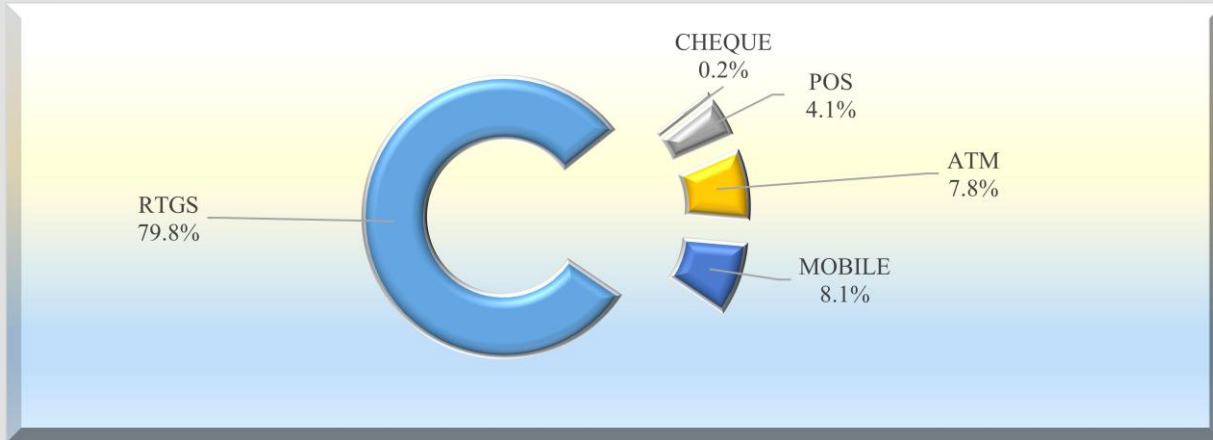
Source: Banking Institutions, 2014

2. CLEARING AND SETTLEMENT ACTIVITY

The total value of transactions processed through the National Payment Systems (NPS) amounted to US\$762 million during the week ending 15th August 2014, a further decline from US\$975 million processed during the previous week.

The total value of transactions processed through the Real Time Gross Settlement (RTGS) system continued on a downward trend, closing the week under review at US608 million in value terms, from US\$757 million recorded in the previous week. RTGS system payments, accounted for 79.8% of the total value of transactions processed through the NPS.

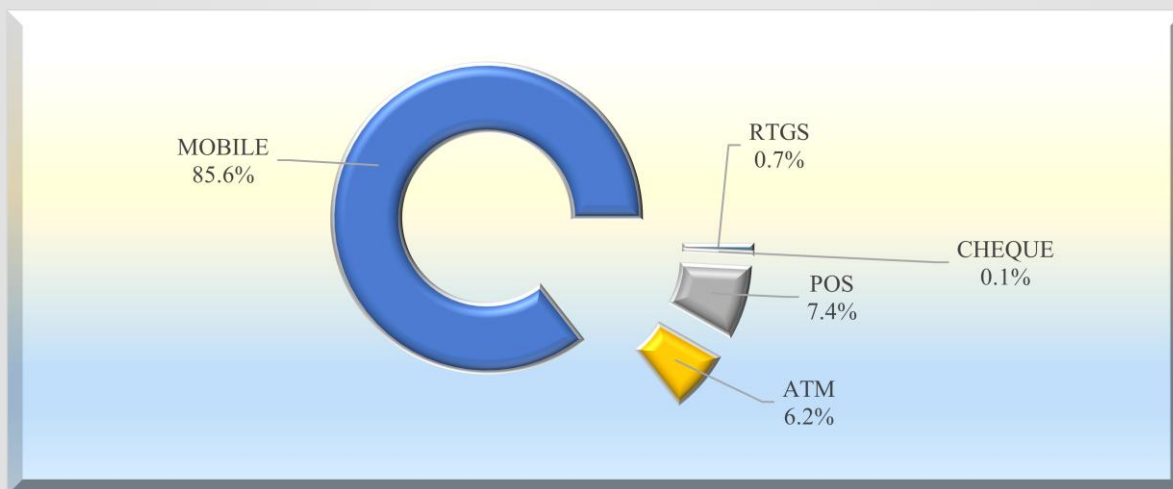
Figure 1: Proportions of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe.

In volume terms, Mobile-Based transactions were 86% of total transactions, as at week ending 15th August 2014, followed by Point of sale (POS), 7.4%; and Automated Teller Machines (ATMs), 6.2%. RTGS transaction volumes declined by 44% from the previous week.

Figure 2: Proportions of NPS Transactions in Volume Terms



Source: Reserve Bank of Zimbabwe.

Table 3: National Payment Systems Activity

| PAYMENT STREAM | WEEK ENDING 08 AUGUST 2014 | WEEK ENDING 15 AUGUST 2014 | CHANGE | PROPORTION |
|----------------------|----------------------------|----------------------------|--------|-------------|
| VALUES IN USD | | | | |
| RTGS | 756,864,079.02 | 608,006,100.23 | -20% | 79.84% |
| CHEQUE | 2,537,207.04 | 1,653,171.68 | -35% | 0.22% |
| POS | 48,887,342.27 | 31,070,742.20 | -36% | 4.08% |
| ATMS | 80,192,463.02 | 59,349,070.42 | -26% | 7.79% |
| MOBILE | 86,810,627.33 | 61,476,370.98 | -29% | 8.07% |
| TOTAL | 975,291,718.68 | 761,555,455.51 | | 100% |
| VOLUMES | | | | |
| RTGS | 46,149 | 25,865 | -44% | 0.67% |
| CHEQUE | 7,793 | 5,058 | -35% | 0.13% |
| POS | 388,892 | 282,867 | -27% | 7.38% |
| ATMs | 305,530 | 238,933 | -22% | 6.23% |
| MOBILE | 3,921,422 | 3,280,660 | -16.3% | 85.58% |
| TOTAL | 4,669,786 | 3,833,383 | | 100% |

Source: Reserve Bank of Zimbabwe.

3. INTERNATIONAL COMMODITY PRICES

For the week ending 15th August 2014, the weekly average international commodity prices for gold and platinum firmed, whilst those for copper, nickel and crude oil retreated.

Table 5: Metals and Crude Oil Prices

| Period | Gold US\$/ounce | Platinum US\$/ounce | Copper US\$/tonne | Nickel US\$/tonne | Crude Oil US\$/barrel |
|------------------------------------|--------------------|------------------------|----------------------|----------------------|--------------------------|
| Weekly average (8Aug) | 1,299.026 | 1,463.7 | 7,035.3 | 18,564.00 | 104.76 |
| 13-Aug | 1,310.63 | 1,470.50 | 6,930.00 | 18,580.00 | 103.37 |
| 14-Aug | 1,314.25 | 1,470.00 | 6,930.00 | 18,530.00 | 102.93 |
| 15-Aug | 1,304.80 | 1,453.00 | 6,851.50 | 18,505.00 | 102.34 |
| Weekly average (15 Aug) | 1,309.89 | 1,464.50 | 6,903.83 | 18,538.33 | 102.88 |
| Weekly Change % | 0.8 | 0.1 | -1.9 | -0.1 | -1.8 |

Source: BBBC.com, KITCO and Bloomberg

Gold

Gold prices posted gains for a second consecutive week as sluggish global economic data and geopolitical tensions in Ukraine and the Middle East boosted the metal's safe-haven appeal. They firmed from a weekly average of US\$1 299.03/oz, to an average of US\$1 309.89/oz during the week under review.

Platinum

Platinum prices reversed previous week's losses, marginally rising by 0.1% from a weekly average of US\$1 463.70/oz, to an average of US\$1 464.50/oz during the week under review. Similar to gold, weak global economic data supported demand for the Platinum Group of Metals (PGMs).

Copper

Copper prices retreated from an average of US\$7 035.30/tonne in the previous week, to US\$6 903.83/tonne during the week under review. This was on the back of concerns about news of weak economic data in the United States, Europe and China. Prices of the base metal were also weighed down by rising global supply as copper concentrate exports from Indonesia have resumed.

Nickel

Nickel prices fell from US\$18 564.00/tonne in the previous week, to US\$18 538.33/tonne during the week under review, amid rising global stocks.

Crude Oil

Crude oil price retreated from US\$104.76/barrel in the previous week to US\$102.88/barrel during the week under analysis. Prices declined as weak demand, amid signs of weak global growth, outweighed disruption risks posed by geo-political tensions in Iraq and Libya.

4. EQUITY MARKETS

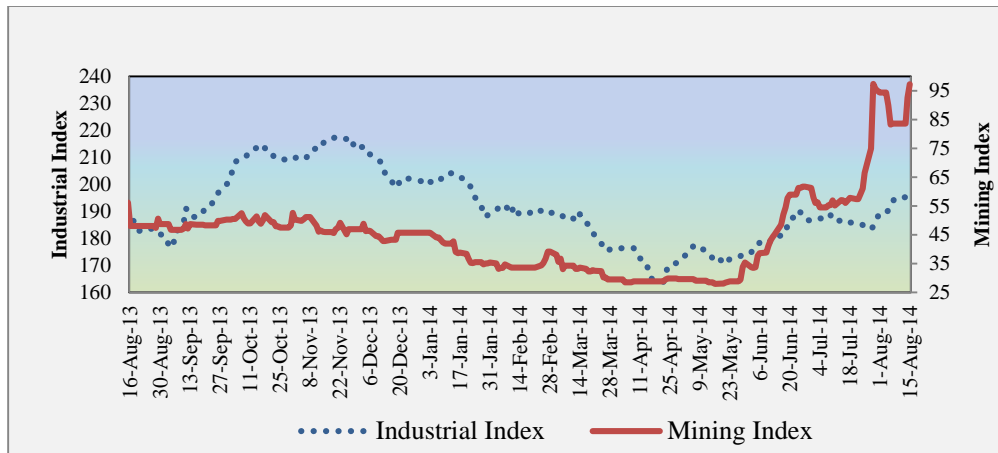
During the short trading week ending 15th August 2014, the stock market was characterized by mixed trading, although both indices maintained positive trends. The industrial index increased by 0.22%, from 194.91 points to 195.33 points during the week under review. The rise was driven by notable gains recorded in NTS (47.06%), NMB (12.50%), FBCH (4.35%), SeedCo (2.23%) and Old Mutual (0.55%).

The mining index recorded a strong growth of 16.29% to close the week at 97.28 points, up from 83.65 points in the previous week. The resources index rallied amid reports of strong growth prospects in Bindura and Hwange, which saw the counters registering gains.

Table 6: Zimbabwe Stock Exchange (ZSE) Statistics

| 2014 | Industrial Index (points) | Mining Index (points) | Grand Market Capitalization (US\$) | Market Turnover (US\$) | Volume of Shares |
|--------|---------------------------|-----------------------|------------------------------------|------------------------|------------------|
| 18-Jul | 185.93 | 57.83 | 4,852,906,349 | 5,526,191 | 132,707,769 |
| 25-Jul | 183.77 | 66.53 | 4,809,370,645 | 4,011,633 | 37,628,835 |
| 01-Aug | 189.31 | 94.45 | 4,990,064,791 | 4,454,454 | 58,654,027 |
| 08-Aug | 194.91 | 83.65 | 5,118,565,230 | 6,781,822 | 90,633,311 |
| 15-Aug | 195.33 | 97.28 | 5,148,085,398 | 6,674,009 | 46,277,102 |

Source: Zimbabwe Stock Exchange (ZSE), 2014



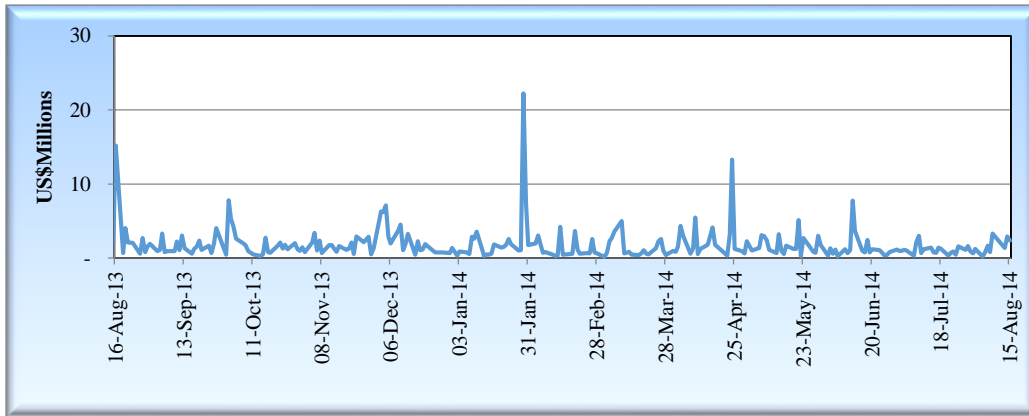
Source: Zimbabwe Stock Exchange, 2014

Volume and Market Turnover

Market turnover declined by 1.59% to US\$6.67 million, from US\$6.78 million registered in the previous week. The total volume of shares traded amounted to 46.28 million in the week under review, compared to 90.63 million shares in the previous week. A special bargain amounting to 10 million shares traded on Nicos Diamond was recorded during the week under review.

Foreign investor contribution to total market turnover on the Zimbabwe Stock Exchange declined from 61.16% in the previous week to 43.63% during the week under review.

Figure 2: Daily Market Turnover

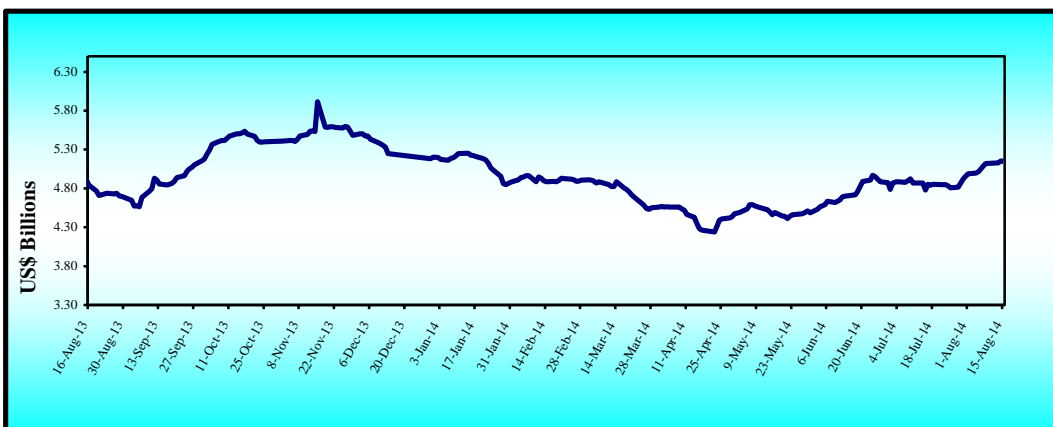


Source: Zimbabwe Stock Exchange, 2014

Market Capitalization

Market capitalization marginally increased by 0.58%, from US\$5.12 billion in the previous week to US\$5.14 billion, due to subdued activity during the shorter trading week.

Figure 3: Market Capitalization



Source: Zimbabwe Stock Exchange, 2014

Johannesburg Stock Exchange (JSE) Developments

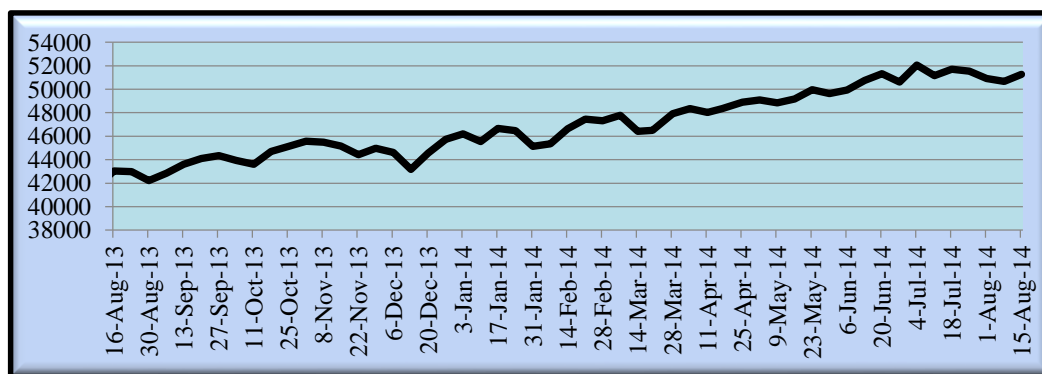
During the week under review the JSE All Share index firmed by 1.16%, to close the week at 51 257.72 points. Market capitalization also increased by 1.03%, to close the week at R12 052.62 billion.

Table 7: Johannesburg Stock Exchange (JSE) Statistics

| 2014 | All Share Index (points) | Market Capitalization (R bn) |
|--------|--------------------------|------------------------------|
| 18-Jul | 51,695.05 | 12,111.62 |
| 25-Jul | 51,550.17 | 12,126.70 |
| 01-Aug | 50,917.78 | 11,964.60 |
| 08-Aug | 50,669.95 | 11,930.29 |
| 15-Aug | 51,257.72 | 12,052.62 |

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

22 AUGUST 2014

