

Vol. 16 No. 20



Weekly Economic Highlights

Week Ending 16 May 2014

1. INTEREST RATES

Deposit Rates

During the week ending 16th May 2014, savings, 1 month and 3 months deposit rates remained unchanged at 3.42%, 10.01% and 11.69%, respectively.

Table 1: Average Deposit Rates

2014	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
11-April	3.36	10.10	11.78
17-April	3.36	10.10	11.78
25-April	3.36	10.10	11.78
02-May	3.36	10.07	11.75
09-May	3.42	10.01	11.69
16-May	3.42	10.01	11.69

Source: Banking Institutions, 2014

Lending Rates

At commercial banks, the weighted lending rates for individuals remained unchanged at 14.38%, while the weighted lending rates for corporate clients increased to 9.33%. Merchant banks' weighted lending rates for individuals and corporate clients remained unchanged at 18.88% and 17.74%, respectively.

Table 2: Lending Rates¹

2014	Weighted Lending Rates (%)			
	Commercial Banks		Merchant Banks	
	Individuals	Corporate Clients	Individuals	Corporate Clients
11-April	14.26	9.28	18.88	17.73
17-April	14.26	9.25	18.88	17.73
25-April	14.22	9.12	18.88	17.73
02-May	14.36	9.21	18.88	17.73
09-May	14.38	9.26	18.88	17.74
16-May	14.38	9.33	18.88	17.74

Source: Banking Institutions, 2014

¹ The weighted lending rate is the sum of nominal rates weighted by each bank's loan book size.

2. CLEARING AND SETTLEMENT ACTIVITY

During the week ending 16th May 2014, transactions processed through the Real Time Gross Settlement (RTGS) system increased to US\$833 million in value terms, from US\$709 million recorded in the previous week. The RTGS volumes, however, decreased by 9%, from 52.5 thousand transactions in the previous week to 47.7 thousand transactions during the week under review.

Table 3: National Payment Systems Activity

PAYMENT STREAM	WEEK ENDING 9 MAY 2014	WEEK ENDING 16 MAY 2014	CHANGE FROM PREVIOUS WEEK	PROPORTION
VALUES IN US\$				
RTGS	709,160,604.01	833,237,970.14	17%	89.82%
CHEQUE²	2,375,962.52	2,794,042.18	18%	0.30%
POS	45,361,282.60	35,533,662.02	-22%	3.83%
ATMS	80,547,311.42	56,151,928.83	-30%	6.05%
MOBILE	75,308,367.36	72,459,763.60	-4%	7.24%
TOTAL	912,753,527.91	1,000,177,366.77		
VOLUMES				
RTGS	52,542	47,738	-9%	8.54%
CHEQUE²	6,697	7,156	7%	1.28%
POS	309,488	275,147	-11%	49.23%
ATMs	333,012	228,892	-31%	40.95%
MOBILE	3,200,747	3,987,993	25%	87.71%
TOTAL	3,902,486	4,546,926		

Source: Reserve Bank of Zimbabwe, 2014

3. TOBACCO SALES

Cumulative tobacco sales as at Day 60 of the 2014 tobacco selling season, 16th May 2014, amounted to 151.5 million kilograms, compared to 118.8 million kilograms sold during the corresponding period in 2013. A kilogram of tobacco sold for an average price of \$3.18, which is 14.3% lower than the 2013 average price of \$3.71 per kilogram.

²The figures represent cheques processed through the clearing house and 'On Us' cheques. The 'On Us' refers to cheques drawn against the institution's own infrastructure by its own customers without going through another bank's infrastructure

Cumulative tobacco sales amounted to US\$448.80 million, 9.4% more than the US\$440.58 million realized during the same period in 2013.

Table 4: Cumulative Tobacco Sales As at Day 55 (16/05/14)

	2013	2014	Variance (%)
Quantity Sold (kgs)	118 849 031	151 484 184	27.5
Average Price (US\$/kg)	371	318	-14.3
Value (US\$)	440 582 138.34	481 802 353.35	9.4

Source: Tobacco Industry and Marketing Board (TIMB), 2014

4. INTERNATIONAL COMMODITY PRICES

The weekly average international prices for gold, platinum, copper, nickel and crude oil firmed during the week ending 16th May 2014.

Table 5: Metals and Crude Oil Prices

2014	Gold	Platinum	Copper	Nickel	Crude Oil
	US\$/oz	US\$/oz	US\$/ton	US\$/ton	US\$/barrel
Weekly Average (9 May)	1,295.05	1,437.40	6,701.20	18,775.00	107.91
12-May	1,295.75	1,435.50	6,930.00	20,850.00	108.33
13-May	1,294.63	1,448.00	6,884.50	21,200.00	108.48
14-May	1,315.13	1,469.00	6,975.00	20,650.00	109.72
15-May	1,301.38	1,472.25	6,949.00	18,750.00	110.25
16-May	1,292.63	1,462.50	6,950.00	19,150.00	109.60
Weekly Average	1,299.90	1,457.45	6,937.70	20,120.00	109.28
<i>Weekly Change (%)</i>	<i>0.4%</i>	<i>1.4%</i>	<i>3.5%</i>	<i>7.2%</i>	<i>1.3%</i>

Source: BBC, KITCO and Bloomberg, 2014

Gold

Gold prices firmed by 0.4%, from an average of US\$1 295.05 per ounce in the previous week to an average of US\$1 299.90 per ounce during the week under review, as geopolitical tension in Ukraine continues to support the metal's appeal as a safe haven asset.

Platinum

Platinum prices increased by 1.4%, from a weekly average of US\$1 437.40 per ounce in the previous week to an average of US\$1 457.45 per ounce during the week under review, as supply worries mount amid continued labor disputes in the South African platinum sector.

Copper

Copper prices rebounded by 3.5%, from an average of US\$6 701.20/tonne in the previous week to an average of US\$6 937.70/tonne during the week under review. Heightened signals of tight global supply supported the metal's price.

Nickel

Nickel prices firmed by 7.2%, from an average of US\$18 775.00 per tonne in the previous week to a weekly average of US\$20 120.00 per tonne, driven by global supply constraints emanating from Indonesia's nickel ore exports ban.

Crude Oil

Crude oil prices increased by 1.3%, from an average of US\$107.91 per barrel in the previous week to an average of US\$109.28 per barrel during the week under review, on account of continued tension in Ukraine and limited supply from Libya.

5. EQUITY MARKETS

Table 6: Zimbabwe Stock Exchange (ZSE) Statistics

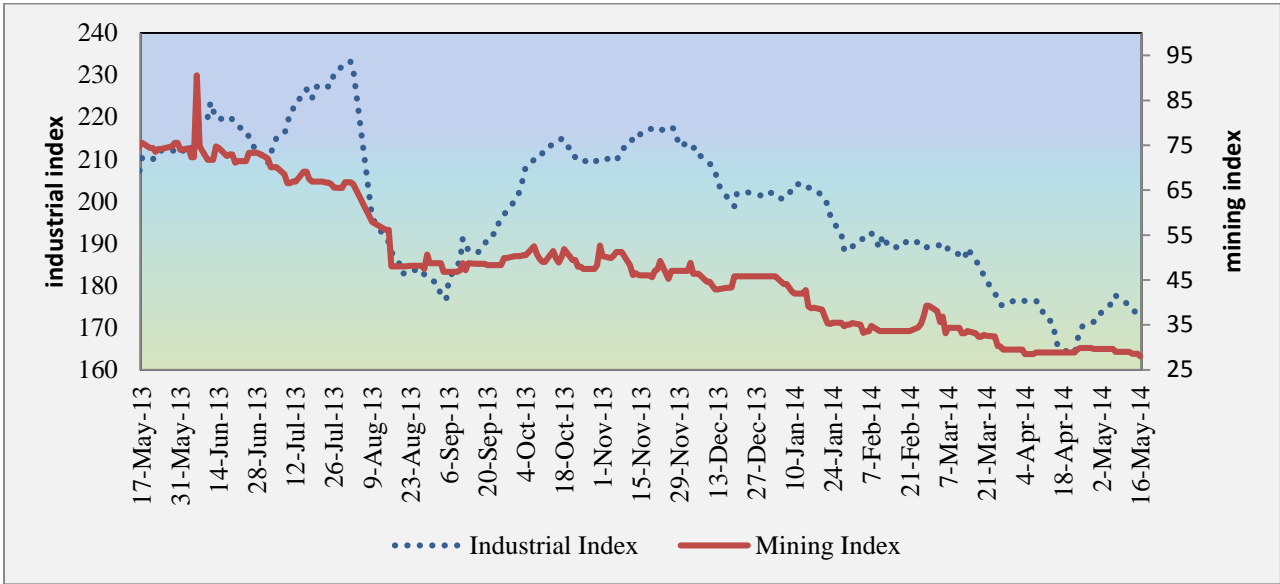
2014	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
11-April	172.60	28.82	4,463,919,747	9,162,158	230,386,256
17-April	164.79	28.82	4,264,248,814	10,593,882	68,937,915
25-April	170.34	29.88	4,407,773,064	18,032,907	56,694,356
02-May	173.58	29.64	4,490,758,571	4,823,714	61,921,406
09-May	176.56	29.03	4,565,842,322	10,971,928	27,458,555
16-May	173.59	27.97	4,489,397,813	7,098,631	31,611,922

Source: Zimbabwe Stock Exchange (ZSE), 2014

The industrial index declined by 1.68%, from 176.56 points in the previous week to 173.59 points during the week ending 16th May 2014. The mining index also retreated from 29.03 points to 27.97 points, during the same period, representing a 3.65% fall. The bourse was largely weighed down

by losses incurred in heavily capitalized counters such as Delta, Edgars, Meikles, Hwange and Ok Zimbabwe.

Figure 1: Zimbabwe Stock Exchange Indices

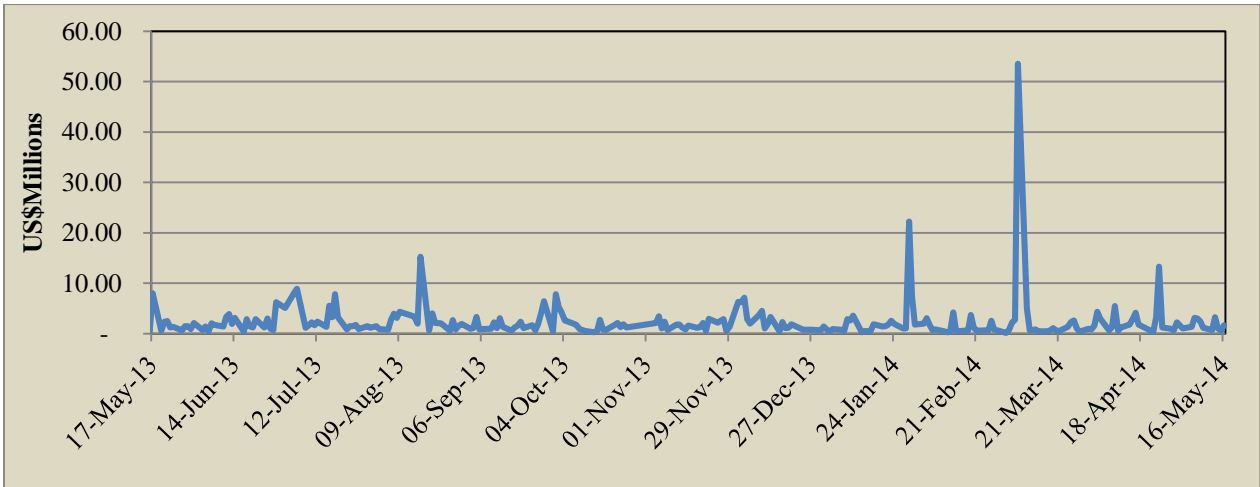


Source: Zimbabwe Stock Exchange, 2014

Volume and Market Turnover

Market turnover contracted by 35.28%, from US\$10.97 million in the previous week to US\$7.10 million. The decline was on the back of a slowdown in foreign purchases, which fell from \$7.47 million to \$2.55 million.

Figure 2: Daily Market Turnover

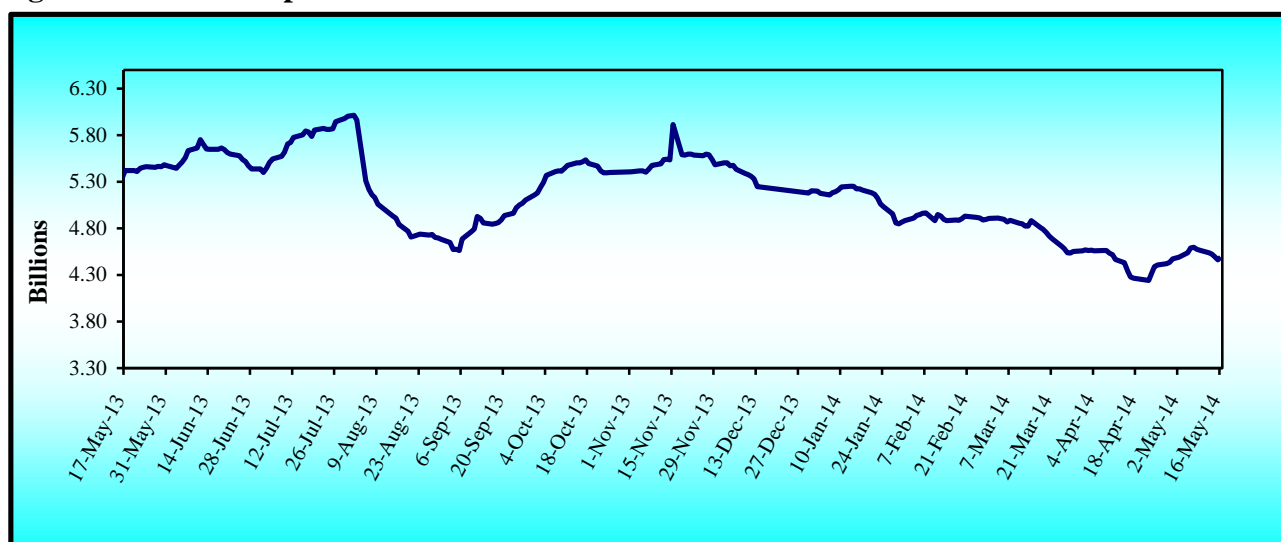


Source: Zimbabwe Stock Exchange, 2014

Market Capitalization

Market capitalization declined by 1.67%, from US\$4.57 billion in the previous week to US\$4.49 billion during the week under review.

Figure 3: Market Capitalization



Source: Zimbabwe Stock Exchange, 2014

Johannesburg Stock Exchange (JSE) Developments

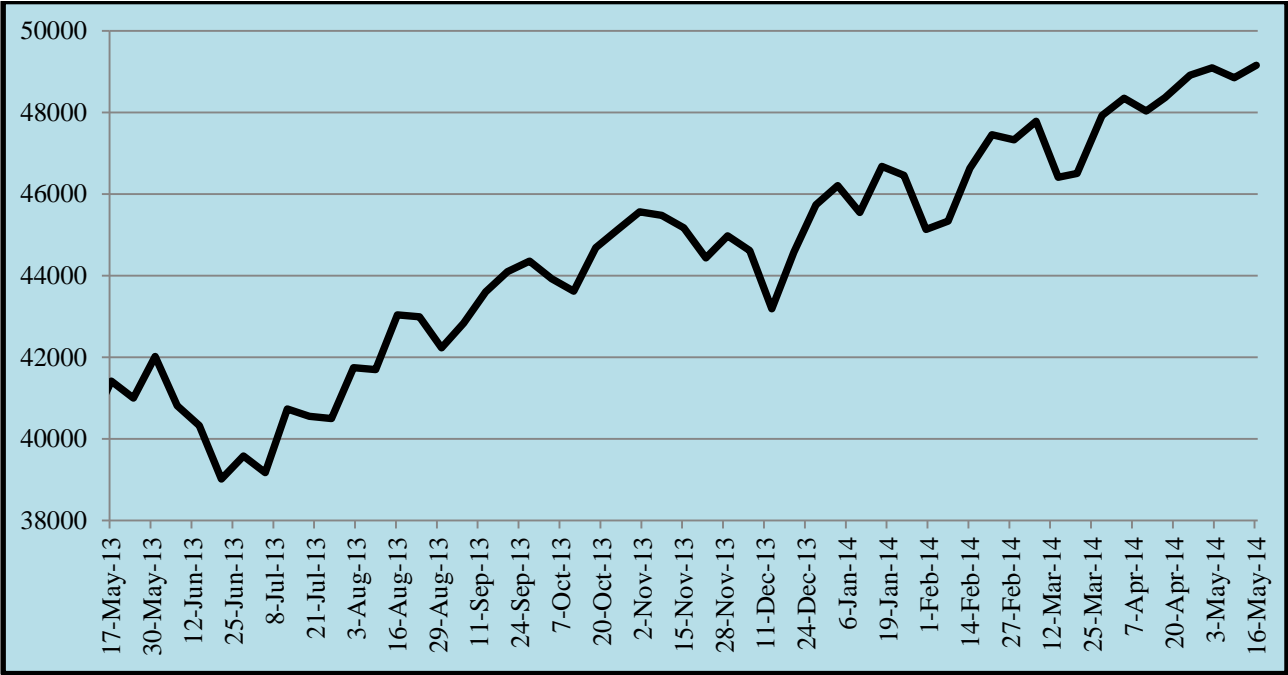
During the week under review, the JSE All Share index and market capitalization increased by 0.63% and 0.33% to 49 159.77 points and R11 472.19 billion, respectively.

Table 7: Johannesburg Stock Exchange (JSE) Statistics

2014	All Share Index (points)	Market Capitalization (R bn)
11-April	48,032.41	11,216.03
17-April	48,362.22	11,477.59
25-April	48,910.90	11,426.85
02-May	49,091.16	11,477.63
09-May	48,852.45	11,434.67
16-May	49,159.77	11,472.19

Source: <http://www.jse.co.za/trade/derivative-market>

Figure 4: Johannesburg Stock Exchange (JSE) All Share Index



Source: <http://www.jse.co.za/trade/derivative-market>

RESERVE BANK OF ZIMBABWE

23 MAY 2014