



Weekly Economic Highlights

Table of Contents

1. INTEREST RATES	1
2. CLEARING AND SETTLEMENT ACTIVITY	2
3. INTERNATIONAL COMMODITY PRICES	4
4. EQUITY MARKETS.....	6

Week Ending
17 October 2014

1. INTEREST RATES

Deposit Rates

During the week ending 17th October 2014, the average deposit rates for savings and deposits of 1 month and 3 month tenor remained unchanged at 3.42%, 9.70%, and 11.47%, respectively.

Table 1: Average Deposit Rates

2014	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
19-Sep	3.42	9.78	11.45
26-Sep	3.42	9.71	11.38
03-Oct	3.42	9.70	11.46
10-Oct	3.42	9.70	11.47
17-Oct	3.42	9.70	11.47

Source: Banking Institutions, 2014

Lending Rates

Lending rates at commercial banks for individuals and corporate clients closed the week under review at 14.37% and 9.86%, respectively. At merchant banks, weighted lending rates remained unchanged for both individuals and corporate clients.

Table 2: Lending Rates

2014	Weighted Lending Rates (%)			
	Commercial Banks		Merchant Banks	
	Individuals	Corporate Clients	Individuals	Corporate Clients
19-Sep	14.30	9.53	19.00	18.00
26-Sep	14.45	9.57	19.00	18.00
03-Oct	14.38	9.76	19.00	18.00
10-Oct	14.38	9.79	19.00	18.00
17-Oct	14.37	9.86	19.00	18.00

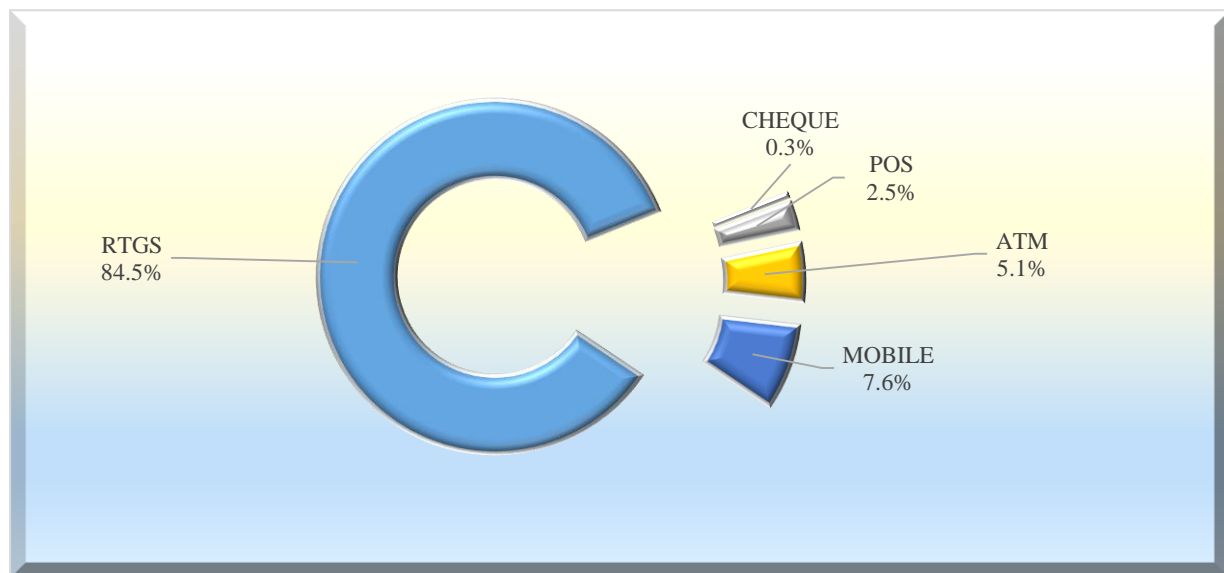
Source: Banking Institutions, 2014

2. CLEARING AND SETTLEMENT ACTIVITY

Transactions processed through the National Payment Systems (NPS), increased to US\$962.32 million during the week ending 17th October 2014, up from the previous week's level of US\$956.96 million.

Real Time Gross Settlement System (RTGS) processed transactions dominated the payment systems in value terms, amounting to US\$813 million, up from US\$753 million recorded in the previous week. The RTGS payments accounted for 84.5% of the total value of transactions processed through the NPS.

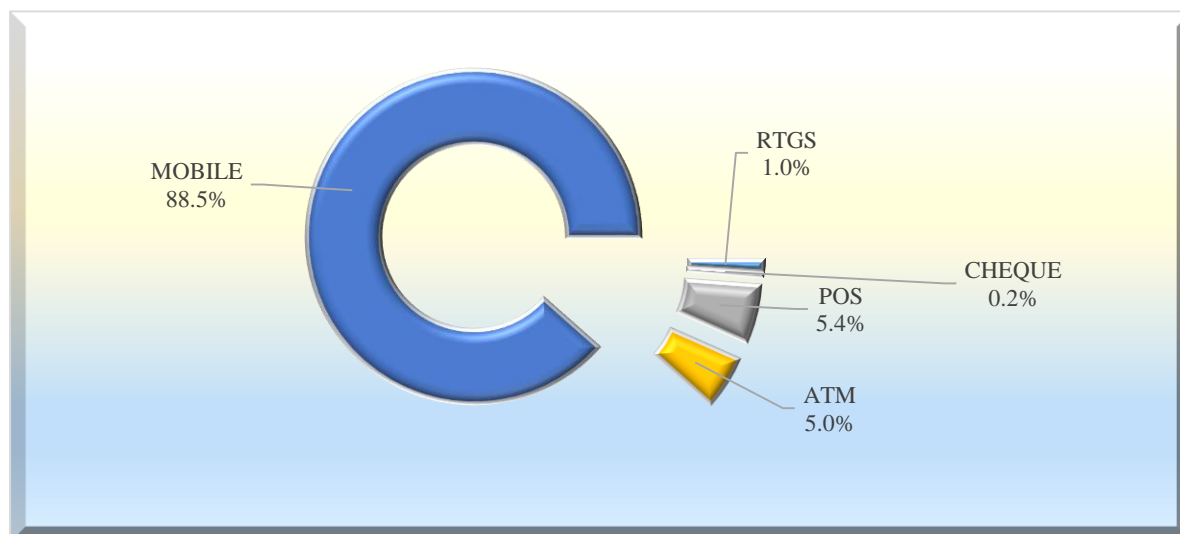
Figure 1: Proportions of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe

In volume terms, Mobile-Based transactions accounted for 88.5% of total transactions, followed by Point of Sale (POS) transactions, 5.4%; and Automated Teller Machines (ATMs), 5%. RTGS transaction volumes declined by 7%, during the week under review.

Figure 2: Proportions of NPS Transactions in Volume Terms



Source: Reserve Bank of Zimbabwe.

Table 3: National Payment Systems Activity

PAYMENT STREAM	WEEK ENDING 10 OCTOBER 2014	WEEK ENDING 17 OCTOBER 2014	CHANGE	PROPORTION
VALUES IN USD (millions)				
RTGS	753.36	812.71	8%	84.45%
CHEQUE	2.77	3.03	9%	0.32%
POS	35.38	23.84	-33%	2.48%
ATMS	80.10	49.22	-39%	5.11%
MOBILE	85.34	73.51	-14%	7.64%
TOTAL	956.96	962.32		100%
VOLUMES				
RTGS	44,161	41,248	-7%	0.99%
CHEQUE	7,388	8,084	9.42%	0.19%
POS	307,082	224,154	-27%	5.39%
ATMs	315,208	205,656	-35%	4.95%
MOBILE	3,838,750	3,677,344	-4%	88.47%
TOTAL	4,512,589	4,156,486		100%

Source: Reserve Bank of Zimbabwe.

3. INTERNATIONAL COMMODITY PRICES

The weekly average international commodity prices for gold firmed, whilst those for platinum, copper, nickel and crude oil retreated during the week ending 17th October 2014.

Table 4: Metals and Crude Oil Prices

Period 2014	Gold US\$/ounce	Platinum US\$/ounce	Copper US\$/tonne	Nickel US\$/tonne	Crude Oil US\$/barrel
Weekly average (10 Oct)	1,213.95	1,260.80	6,728.40	16,517.00	92.19
13-Oct	1,227.13	1,260.50	6,796.00	16,385.00	88.50
14-Oct	1,233.88	1,270.00	6,780.50	16,175.00	86.54
15-Oct	1,230.50	1,254.00	6,780.50	16,135.00	85.57
16-Oct	1,239.38	1,248.00	6,625.00	15,310.00	83.19
17--Oct	1,236.13	1,258.50	6,629.00	15,505.00	85.97
Weekly average (17 Oct)	1,233.40	1,258.20	6,722.20	15,902.00	85.95
Weekly Change %	<i>1.6</i>	<i>-0.2</i>	<i>-0.1</i>	<i>-3.7</i>	<i>-6.8</i>

Source: BBBC.com, KITCO and Bloomberg

Gold

Gold prices firmed from a weekly average of US\$1 213.95/oz in the previous week, to an average of US\$1 233.40/oz during the week under review. This was on the back of persistent concerns on the state of the world economy, which have taken a toll on global equities as well as the U.S. dollar. This resultantly attracted safe-haven bids for the yellow metal.

Platinum

Platinum prices retreated from a weekly average of US\$1 260.80/oz in the previous week, to close the week under analysis at an average of US\$1 258.20/oz. This was due to worries over global growth and weak equity markets.



Copper

Copper prices declined from US\$6 728.40/ton in the previous week, to US\$6 722.20/ton during the week under review. This followed dampened demand expectations for industrial metals due to fears over the global economic growth as the U.S. stimulus measures come an end.

Nickel

Nickel prices retreated from a weekly average of US\$16 517.00/ton in the previous week, to an average of US\$15 902.00/ton during the week under review.

Crude Oil

Crude oil prices declined from US\$92.19/barrel in the previous week, to US\$85.95/barrel during the week under review. This followed signs of weak demand growth and indications that key OPEC producers, particularly Saudi Arabia, have no intention to cut output to bolster prices.

4. EQUITY MARKETS

During the week ending 17th of October 2014, the mainstream index dropped 0.37 points from 189.14 points to close at 188.77 points. The decline in the industrial index was largely attributed to losses in Astra (29.15%); Lafarge (23.07%); Old Mutual (7.14%); Hippo Valley (2.86%); Barclays (2.78%); FBCH (2.04%); and Econet (0.13%). Partially offsetting these losses were gains in First Mutual (11.11%); Nicoz Diamond (8.33%); TA Holdings (7.14%); Innscor (6.15%); and Seedco (1.25%).

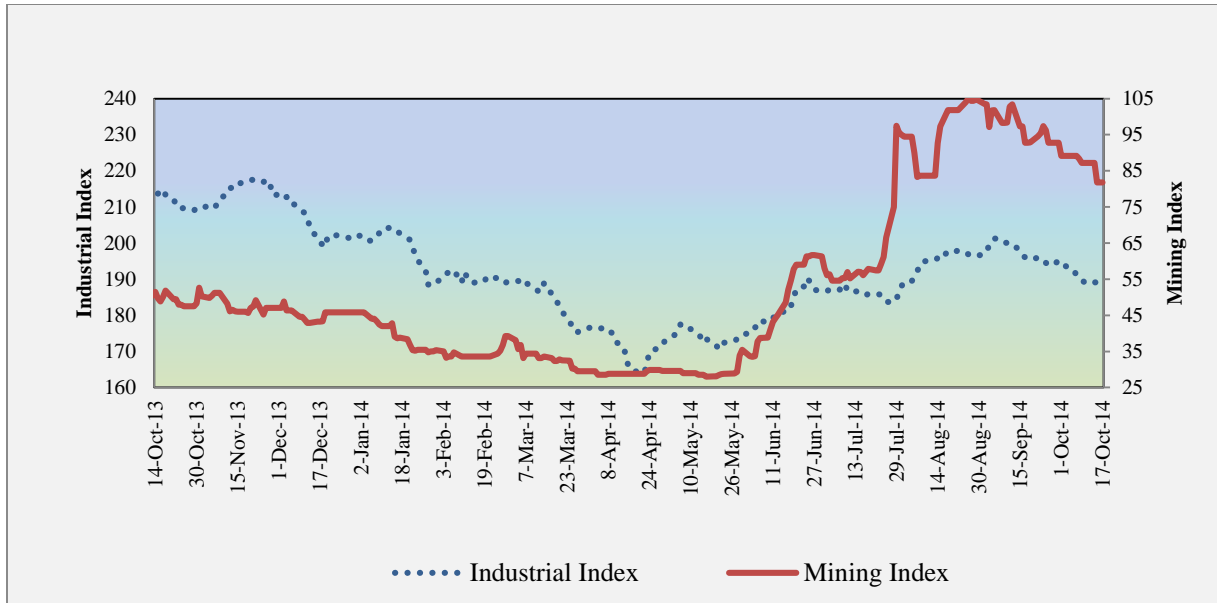
The mining index also shed 5.41 points from 87.17 points in the previous week, to close the week under review at 81.76 points. The resource index declined on the back of a 7.89% decrease in Bindura.

Table 5: Zimbabwe Stock Exchange (ZSE) Statistics

2014	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
19-Sep	195.35	92.85	5,142,820,362	6,461,426	70,460,988
26-Sep	193.79	92.76	5,102,722,729	5,078,219	12,592,808
03-Oct	193.45	89.16	5,089,138,149	9,628,967	62,510,700
10-Oct	189.14	87.17	4,975,884,890	8,816,281	20,227,321
17-Oct	188.77	81.76	4,959,473,376	5,116,625	24,987,405

Source: Zimbabwe Stock Exchange (ZSE), 2014

Figure 3 : Zimbabwe Stock Market Indices



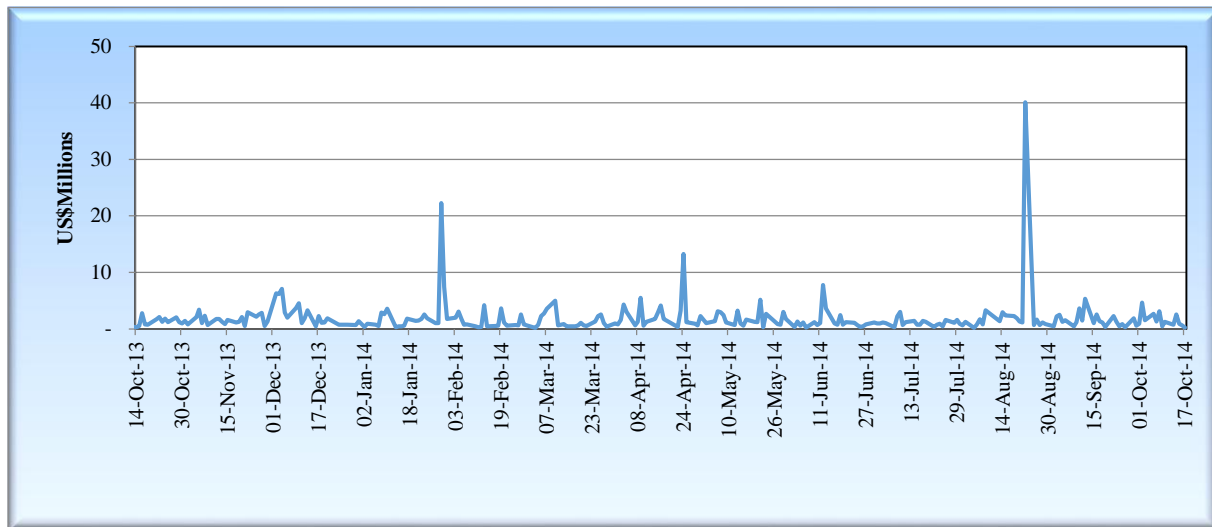
Source: Zimbabwe Stock Exchange, 2014

Volume and Market Turnover

A total of 25 million shares were traded during the week under review, compared to 20.2 million shares traded in the previous week. Market turnover continued on a downward trend, declining by 42.05% to close the week at US\$5.12 million, from US\$8.82 million in the previous week. This followed adverse investor sentiment which led to lower demand in the heavyweight counters.

Foreign investors were net sellers, as foreign outflows amounting to US\$2.8 million outweighed foreign inflows of US\$2.1 million, during the week under review.

Figure 4 : Daily Market Turnover

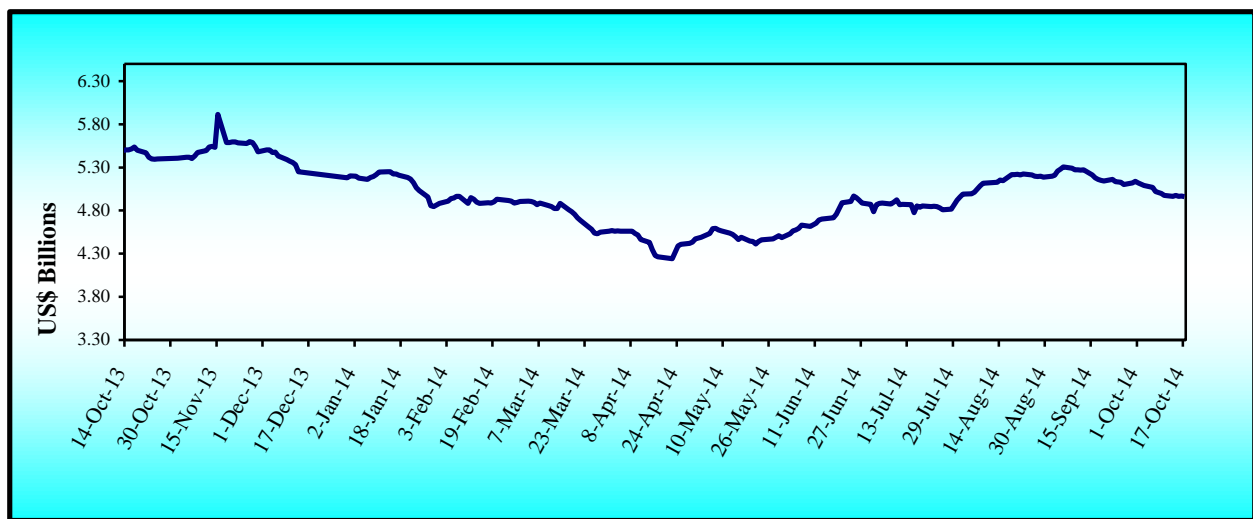


Source: Zimbabwe Stock Exchange, 2014

Market Capitalization

Market capitalization declined by 0.33%, from US\$4.98 billion registered the previous week to US\$4.96 billion during the week under review. This was on account of thin trading coupled with losses in some heavily capitalized counters.

Figure 5 : Market Capitalization



Source: Zimbabwe Stock Exchange, 2014

Johannesburg Stock Exchange (JSE) Developments

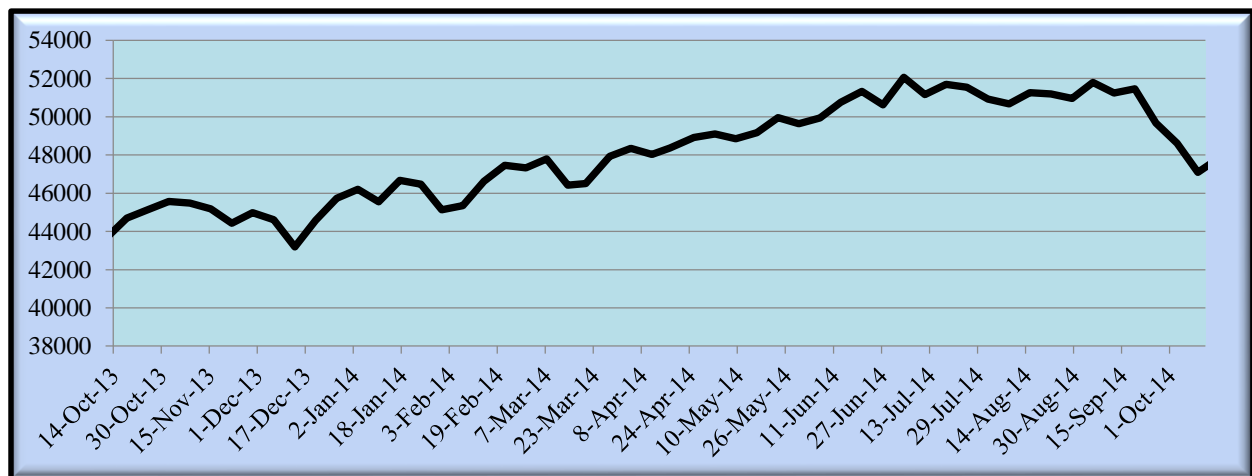
The JSE All Share index and the market capitalization increased by 1.58% and 1.84% , to close the week under review at 47 836.69 points and R11 314 billion, respectively.

Table 6: Johannesburg Stock Exchange (JSE) Statistics

2014	All Share Index (points)	Market Capitalization (R billion)
19-Sep	51,462.42	12,171.16
26-sep	49,663.64	11,753.80
03-Oct	43,613.93	11,502.83
10-Oct	47,092.24	11,108.91
17-Oct	47,836.69	11,313.66

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

23 OCTOBER 2014