

Vol. 16 No. 29



Weekly Economic Highlights

Week Ending 18 July 2014

1. INTEREST RATES

Deposit Rates

During the week ending 18th July 2014, interest rates remained largely unchanged at all banking institutions. Savings and 1 month average deposit rates remained unchanged at 3.42% and 9.91%, respectively. The 3 months average deposit rates softened marginally to 11.55% owing to improved liquidity conditions at some banking institutions.

Table 1: Average Deposit Rates

2014	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
20-Jun	3.42	9.91	11.57
27-Jun	3.42	9.91	11.57
04-Jul	3.42	9.91	11.58
11-Jul	3.42	9.91	11.58
18-Jul	3.42	9.91	11.55

Source: Banking Institutions, 2014

Lending Rates

Commercial banks' weighted lending rates for individuals and corporate clients closed the week at 14.34% and 9.322%, respectively. At merchant banks, the weighted lending rates for individuals and corporates remained unchanged at 19% and 18%, respectively.

Table 2: Lending Rates

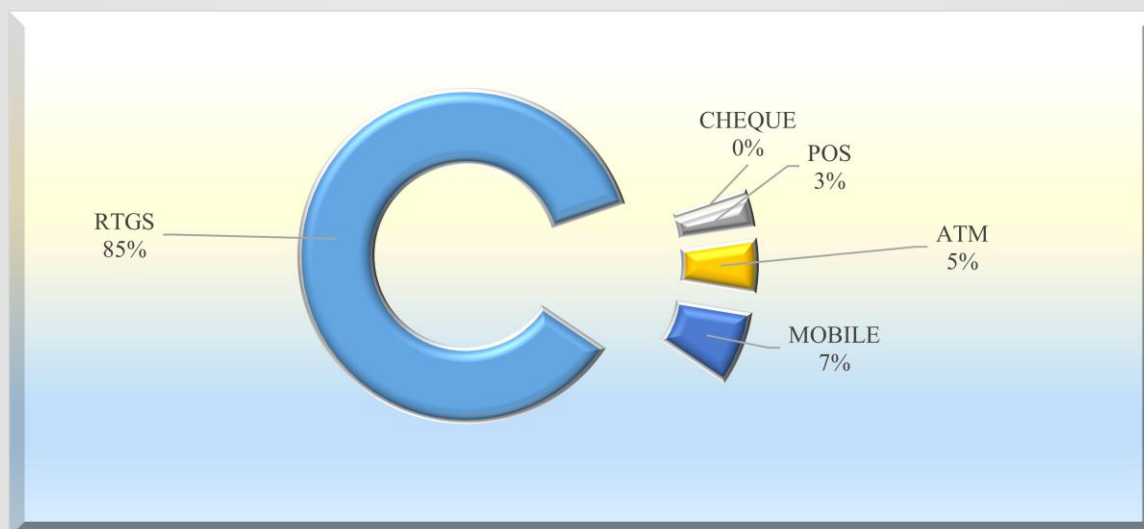
2014	Weighted Lending Rates (%)			
	Commercial Banks		Merchant Banks	
	Individuals	Corporate Clients	Individuals	Corporate Clients
20-Jun	14.45	9.28	19.00	18.00
27-Jun	14.44	9.33	19.00	18.00
04-Jul	14.36	9.34	19.00	18.00
11-Jul	14.34	9.34	19.00	18.00
18-Jul	14.34	9.32	19.00	18.00

Source: Banking Institutions, 2014

2. CLEARING AND SETTLEMENT ACTIVITY

During the week ending 18th July 2014, transactions processed through the Real Time Gross Settlement (RTGS) system increased to US\$800 billion in value terms, from US\$763 billion recorded in the previous week.

Figure 1: Contribution to NPS Values



Mobile-based transactions, continue to dominate the National Payment System, contributing 86.91% of total transaction volumes, as at week ending 18 July 2014. RTGS volumes, however, declined by 4% from the previous week.

Figure 2: Contribution to NPS Volumes

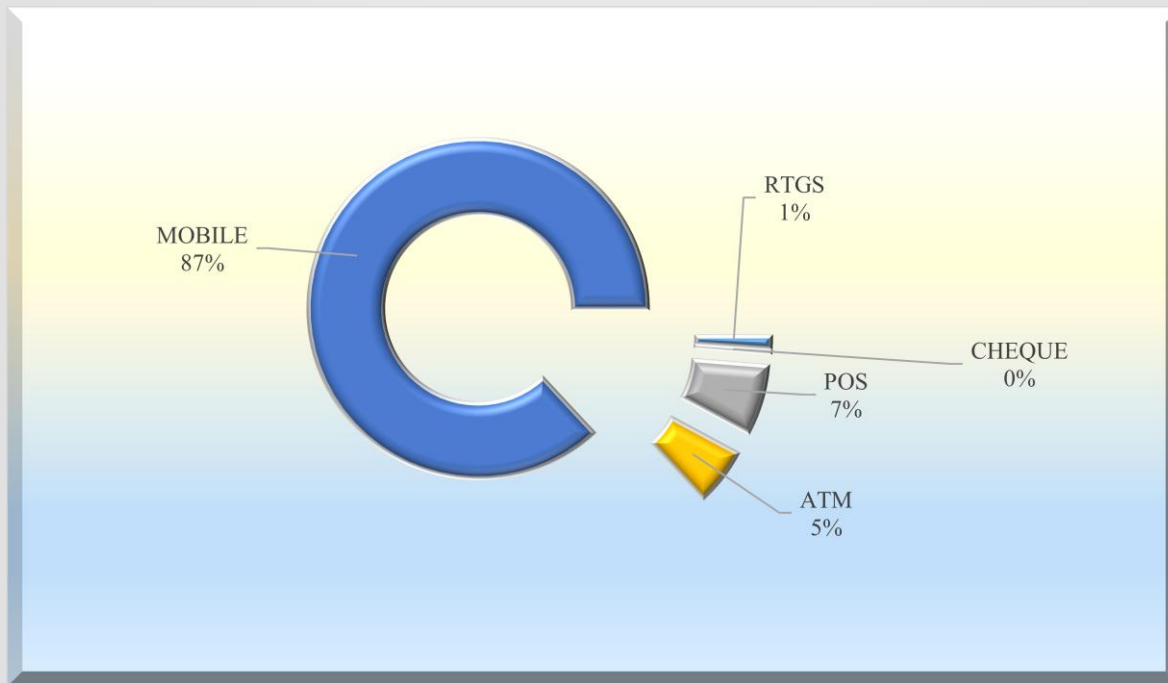


Table 3: National Payment Systems Activity

PAYMENT STREAM	PREVIOUS WEEK ENDING 11 JULY 2014	CURRENT WEEK ENDING 18 JULY 2014	CHANGE FROM LAST WEEK	PROPORTION
	VALUES IN USD			
RTGS	763,401,544.31	800,472,349.76	5%	85.35%
CHEQUE	2,686,824.38	2,444,990.11	-9%	0.26%
POS	43,251,589.41	23,986,946.12	-45%	2.56%
ATMS	73,065,896.85	46,560,984.00	-36%	4.96%
MOBILE	69,778,887.50	64,361,426.77	-8%	6.86%
TOTAL	952,184,742.45	937,826,696.76		100%
	VOLUMES			
RTGS	42,814	41,259	-4%	1.10%
CHEQUE	7,591	7,211	-5%	0.19%
POS	343,276	245,561	-28%	6.52%
ATMs	290,981	198,825	-32%	5.28%
MOBILE	3,312,837	3,271,471	-1.2%	86.91%
TOTAL	3,997,499	3,764,327		100%

3. INTERNATIONAL COMMODITY PRICES

The weekly average international commodity prices for gold, platinum, copper, nickel and crude oil retreated during the week ending 18th July 2014.

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 (11 July)	1,327.60	1,503.00	7,143.65	19,248.50	109.04
14-July	1,313.63	1,496.00	7,154.50	19,200.00	107.04
15-July	1,311.00	1,501.00	7,102.00	19,260.00	105.11
16-July	1,299.25	1,487.00	7,111.00	19,200.00	105.95
17-July	1,302.63	1,494.50	7,030.00	19,200.00	107.65
18-July	1,308.75	1,493.00	7,026.00	18,500.00	107.69
Weekly average (18 July)	1,307.05	1,494.30	7,084.70	19,072.00	106.69
Weekly Change %	-1.5	-0.6	-0.8	-0.9	-2.2

Source: BBBC.com, KITCO and Bloomberg

Gold

Gold prices retreated, from an average of US\$1 327.60 per ounce in the previous week to US\$1 307.05 per ounce. This was on the back of a strengthening US dollar as well as prospects of higher returns in the United States, which led to investors shifting their interest from gold as a safe haven.

Platinum

Similarly, platinum prices declined by 0.6%, from a weekly average of US\$1 503.00 per ounce to an average of US\$1 494.30 per ounce due to profit takings as well as persisting concerns on supply issues from the metal's major producer, South Africa.

Copper

Copper prices also retreated, from an average of US\$7 143.65 per tonne in the previous week to US\$7 084.70 per tonne amid growing concerns over weak demand for the metal as well as rising global production.

Nickel

Nickel prices dropped, from US\$19 248.50 per tonne in the previous week to US\$19 072.00 per tonne during the week under review, following signs of a rising supplies from Indonesia.

Crude Oil

Crude oil price retreated, from US\$109.04/barrel in the previous week to US\$106.69/barrel. Oil prices declined amid improved oil exports from Libya coupled with weak demand in the physical markets.

4. EQUITY MARKETS

During the week ending 18th July 2014, the industrial index continued on a downward trend, losing 0.46%, from 186.78 points in the previous week to close at 185.93 points. The performance was largely weighed down by losses registered in middle to small capitalized counters such as Cottco, Lafarge, Nicos Diamond and Pearl Properties as heavily capitalized counters showed resistance.

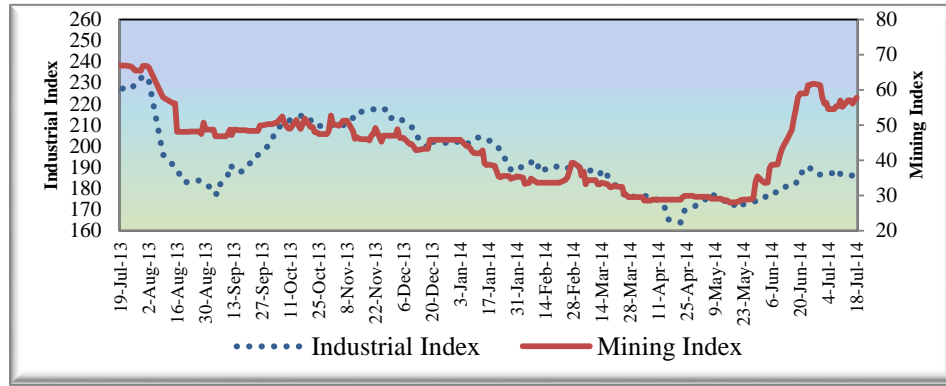
The mining index, however, continued to firm, sustained by gains in Bindura, Nickel Mine and Falgold. The index surged by 4.82%, from 55.17 points in the previous week to close the week at 57.83 points.

Table 6: Zimbabwe Stock Exchange (ZSE) Statistics

2014	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
20-Jun	187.39	59.00	4,889,623,500	6,139,497	44,890,463
27-Jun	187.08	61.71	4,887,084,943	3,343,589	16,631,283
04-Jul	187.44	54.56	4,886,463,775	5,220,034	16,468,027
11-Jul	186.78	55.17	4,870,337,179	7,391,635	91,078,394
18-Jul	185.93	57.83	4,852,906,349	5,526,191	132,707,769

Source: Zimbabwe Stock Exchange (ZSE), 2014

Figure 2: Zimbabwe Stock Exchange Indices



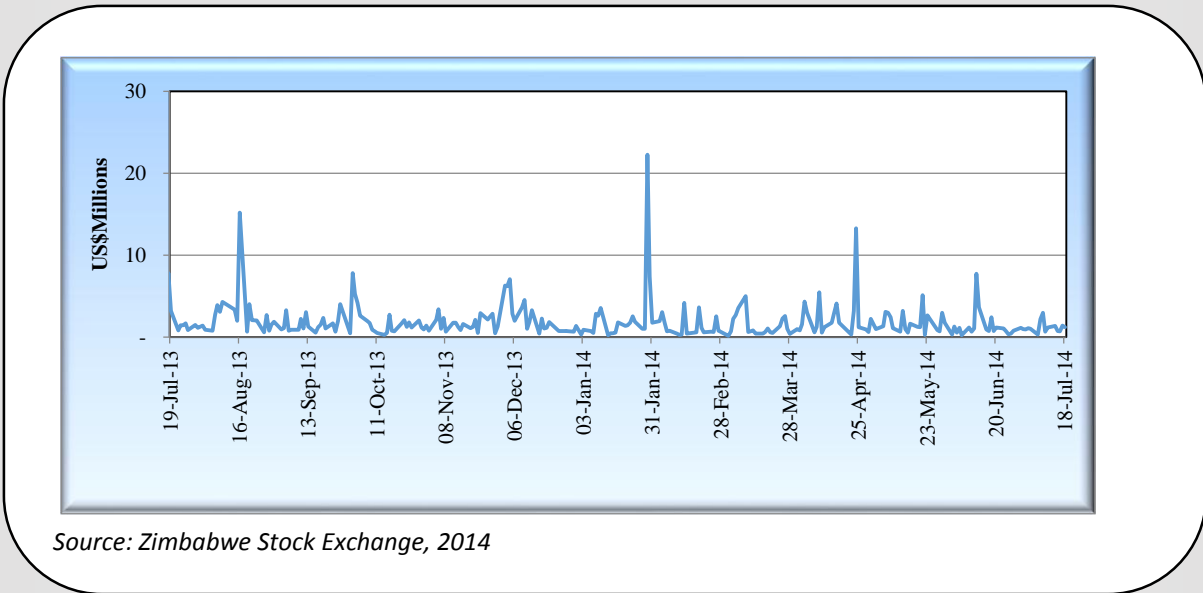
Source: Zimbabwe Stock Exchange, 2014

Volume and Market Turnover

Market turnover contracted by 29.23% to US\$5.23 million, from US\$7.39 million registered in the previous week. The decline was despite some special bargain deals that occurred during the week in Pearl Properties, Zimre Holding Limited and Zimflow Holdings Limited shares.

Total foreign purchases, at US\$3 million, represented 54.68% of total revenue during the week.

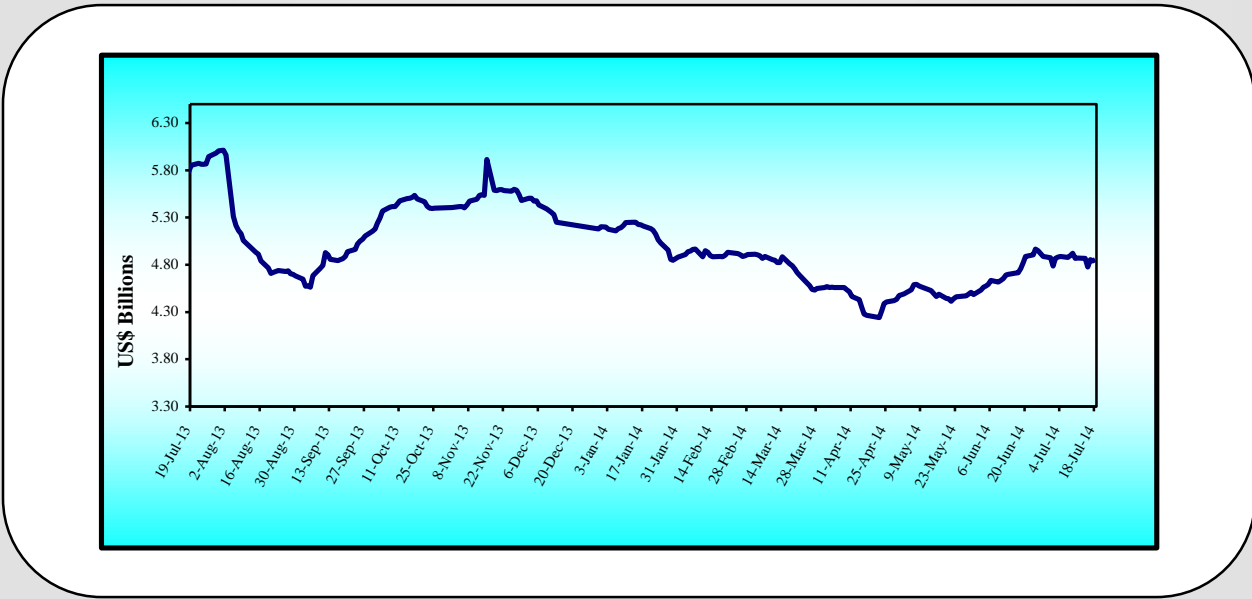
Figure 2: Daily Market Turnover



Market Capitalization

Market capitalization decelerated by 0.36%, from US\$4.87 billion in the previous week to US\$4.85 billion, reflecting a reduction of the value of listed stocks.

Figure 3: Market Capitalization



Johannesburg Stock Exchange (JSE) Developments

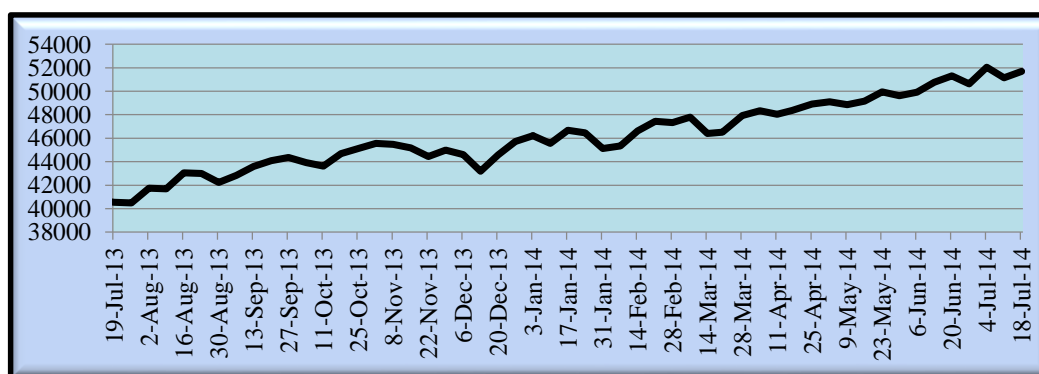
The JSE All Share index and market capitalization firmed by 1.04% and 0.78%, closing the week under review at 51 695.05 points and R12 111.62 billion, respectively.

Table 7: Johannesburg Stock Exchange (JSE) Statistics

2014	All Share Index (points)	Market Capitalization (R bn)
20-Jun	51,322.67	12,053.78
27-Jun	50,625.37	11,825.08
04-Jul	52,060.03	12,224.57
11-Jul	51,161.33	12,017.95
18-Jul	51,695.05	12,111.62

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

25 JULY 2014

