



Weekly Economic Highlights

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Week Ending
19 December 2014

1. INTEREST RATES

Deposit Rates

During the week ending 19th December 2014, average deposit rates for 1 month and 3 month tenor and savings deposits were unchanged from the previous week's position, closing at 9.66%, 11.42% and 3.42%, respectively.

Table 1: Average Deposit Rates

2014	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
28-Nov	3.42	9.66	11.43
05-Dec	3.42	9.66	11.42
12-Dec	3.42	9.66	11.42
19-Dec	3.42	9.66	11.42

Source: Banking Institutions, 2014

Lending Rates

Over the same period, nominal lending rates for individuals and corporate clients at merchant banks also remained static at 19% and 18%, respectively. The weighted lending rates for individual clients at commercial banks, however, recorded a marginal decline, closing the week under review at 14.23%. Weighted lending rates for commercial banks' corporate clients remained unchanged at 9.79%.

Table 2: Lending Rates

2014	Lending Rates (%)			
	Commercial Banks(weighted)		Merchant Banks(nominal) ¹	
	Individuals	Corporate Clients	Individuals	Corporate Clients
28-Nov	14.26	9.97	19.00	18.00
05-Dec	14.34	9.93	19.00	18.00
12-Dec	14.24	9.79	19.00	18.00
19-Dec	14.23	9.79	19.00	18.00

Source: Banking Institutions, 2014

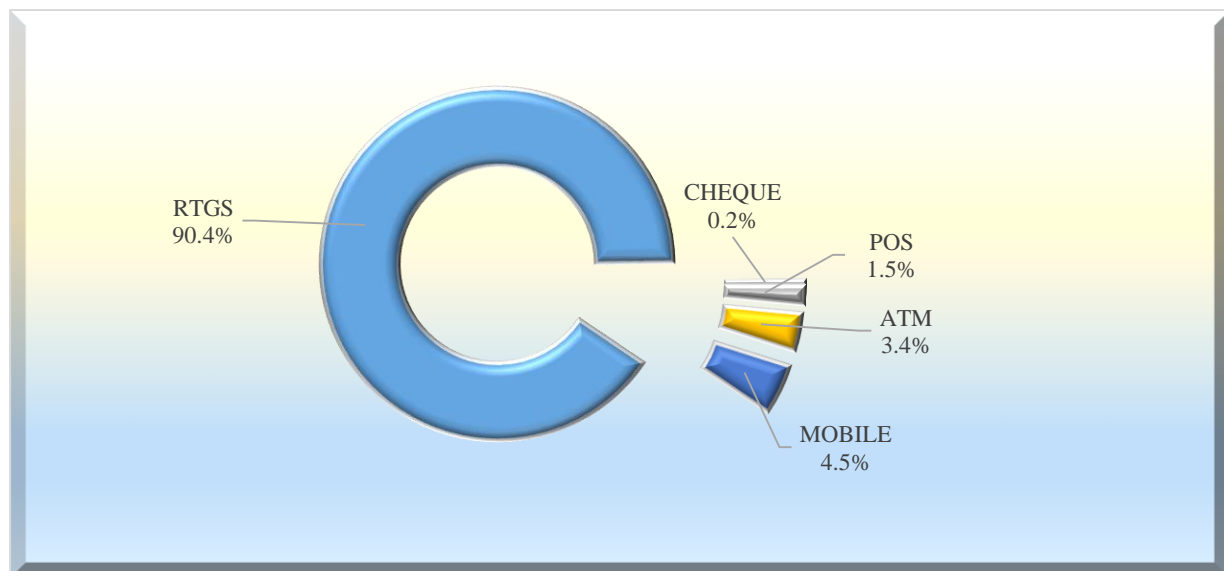
¹ There is only one merchant bank left in operation.

2. CLEARING AND SETTLEMENT ACTIVITY

The total value of transactions processed through the National Payment System (NPS) increased by 61.47%, to close the week under analysis at US\$1 876.87 million. Transactions processed through the Real Time Gross Settlement (RTGS) system rose to US\$1 695.80 million, from US\$974 million in the previous week.

RTGS payments, the dominant component of the NPS, in value terms, accounted for 90.4% of the total value of transactions processed through the system. This was followed by Mobile, Automated Teller Machines (ATMs), Point of Sale (POS) and cheque transactions which accounted for 4.5%, 3.4%, 1.5% and 0.2%, respectively.

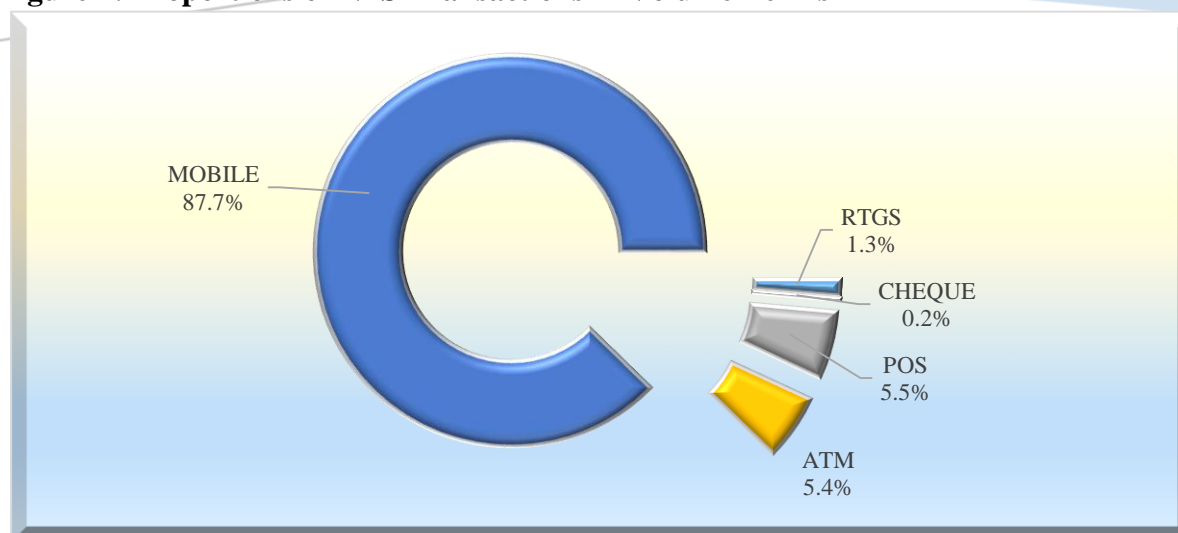
Figure 1: Proportions of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe

In volume terms, Mobile-based transactions accounted for 87.7% of total transactions, followed by ATMs, 5.4%; POS, 5.5%; RTGS, 1.3%; and cheques, 0.2%.

Figure 2: Proportions of NPS Transactions in Volume Terms



Source: Reserve Bank of Zimbabwe.

Table 3: National Payment Systems Activity

PAYMENT STREAM	WEEK ENDING 12 DECEMBER 2014	WEEK ENDING 19 DECEMBER 2014	CHANGE FROM LAST WEEK	PROPORTION
VALUES IN USD (millions)				
RTGS	973.89	1,695.80	74%	90.35%
CHEQUE	3.00	3.30	10%	0.18%
POS	32.85	28.54	-13%	1.52%
ATMS	73.11	64.00	-12%	3.41%
MOBILE	79.50	85.24	7%	4.54%
TOTAL	1,162.35	1,876.87		100%
VOLUMES				
RTGS	47,732	56,607	19%	1.25%
CHEQUE	7,360	6,994	-5%	0.15%
POS	257,529	250,366	-3%	5.52%
ATMs	291,896	243,105	-17%	5.36%
MOBILE	3,857,830	3,976,890	3%	87.71%
TOTAL	4,462,347	4,533,962		100%

Source: Reserve Bank of Zimbabwe.

3. INTERNATIONAL COMMODITY PRICES

During the week ending 19th December 2014, the weekly average international commodity prices for gold, platinum, copper, nickel and crude oil prices declined.

Table 4: Metals and Crude Oil Prices

Period	Gold	Platinum	Copper	Nickel	Crude Oil
2014	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
Weekly Average (12 Dec)	1,215.53	1,236.80	6,483.00	16,402.00	65.06
15-Dec	1,210.00	1,216.00	6,555.00	16,655.00	61.66
16-Dec	1,200.88	1,216.50	6,385.00	15,430.00	59.95
17-Dec	1,197.38	1,216.50	6,305.00	15,430.00	59.91
18-Dec	1,204.88	1,203.50	6,350.00	15,430.00	61.81
19-Dec	1,195.25	1,199.13	6,426.00	15,625.00	60.72
Weekly Average (19 Dec)	1,201.68	1,210.33	6,404.20	15,714.00	60.81
Weekly Change (%)	<i>-1.1</i>	<i>-2.1</i>	<i>-1.2</i>	<i>-4.2</i>	<i>-6.5</i>

Source: BBC, KITCO, Reuters and Bloomberg

Gold

Gold prices fell by 1.1%, from a weekly average of US\$1 215.53/oz in the previous week, to an average of US\$1 201.68/oz during the week under analysis. This was on account of the dollar gaining on expectations of increases in interest rates by the Fed in 2015. The current weak oil prices and equity market gains also exerted downward pressure on the price of the precious metal.

Platinum

In line with declining gold prices, platinum prices fell by 2.1% from a weekly average of US\$1 236.80/oz in the previous week, to US\$1 210.33/oz during the week under analysis. This decline was due to a stronger US dollar, softer US inflationary expectations and lower oil prices.

Copper

Copper prices fell by 1.2%, from an average of US\$6 483.8/tonne recorded in the previous week, to an average of US\$6 404.2/tonne during the week under review. This followed increases in the supply of the base metal.

Nickel

Concerns about a weak demand outlook for nickel in China led to the slump in the price of the metal during the week ending 19th December 2014. Prices declined from US\$16 402.00/tonne in the previous week, to US\$15 714.00/tonne during the week under analysis.

Crude Oil

Crude oil prices declined by 6.5% from US US\$65.06/barrel in the previous week, to an average of US\$60.81/barrel. The decline was due to the Organization of the Petroleum Exporting Countries' continued reluctance to cut output in order to support the prices.

4. EQUITY MARKETS

During the week ending 19th December 2014, profit taking dominated the Zimbabwe Stock Exchange, as investors liquidated their portfolios ahead of the festive season. Consequently, the industrial index shed 4.34 points (2.59%) to 163.00 points, from 167.34 points in the previous week. In addition to losses realized by the top five heavily capitalized counters, losses in Truworths (75.00%); Powerspeed (14.36%); Larfarge (13.21%); Turnall (9.09%); and OK Zimbabwe (8.33%), weighed down the industrial index.

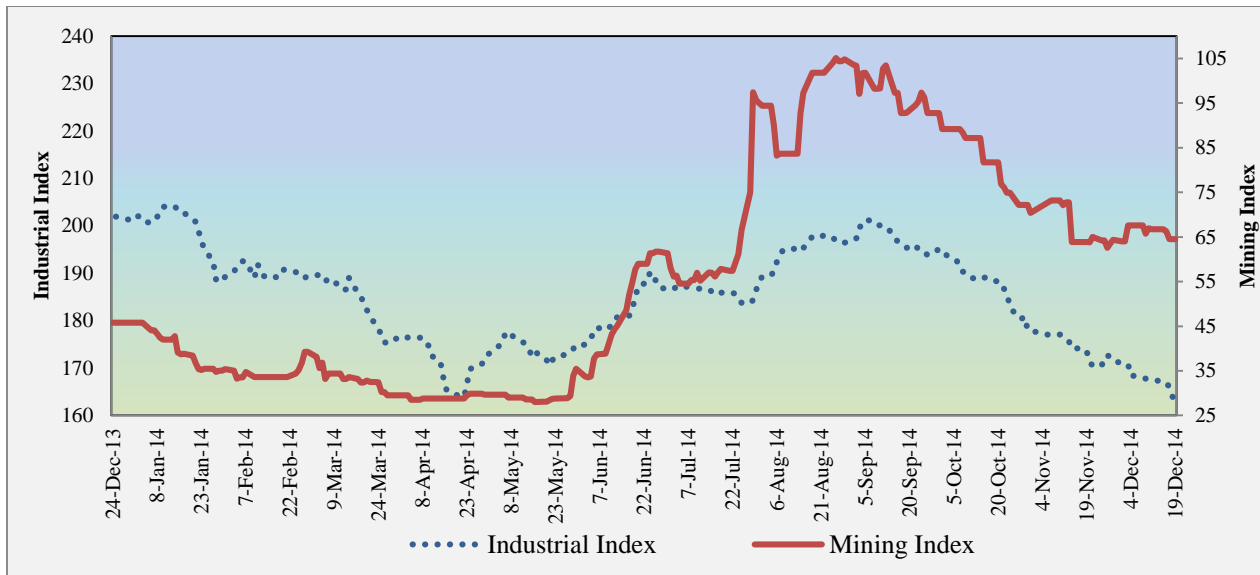
The mining index also lost 2.20 points (3.30%) to 64.51 points, from 66.71 points, with two counters recording price changes. Falgold and Rio Zim, however, remained unchanged. Hwange and Bindura recorded losses of 37.50% and 3.45%, respectively. The decline in Hwange share price was attributed to the company's operational challenges as well as the company's failure to finalise its recapitalization program, intended to boost coal output.

Table 5: Zimbabwe Stock Exchange (ZSE) Statistics

2014	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
28-Nov	171.45	64.39	4,517,926,188	11,541,086	68,348,973
05-Nov	168.36	67.59	4,442,720,412	13,171,926	302,811,489
12-Dec	167.34	66.71	4,435,028,656	5,374,255	24,115,301
19-Dec	163.00	64.51	4,322,542,339	6,106,666	119,782,048

Source: Zimbabwe Stock Exchange (ZSE), 2014

Figure 3 : Zimbabwe Stock Exchange Indices

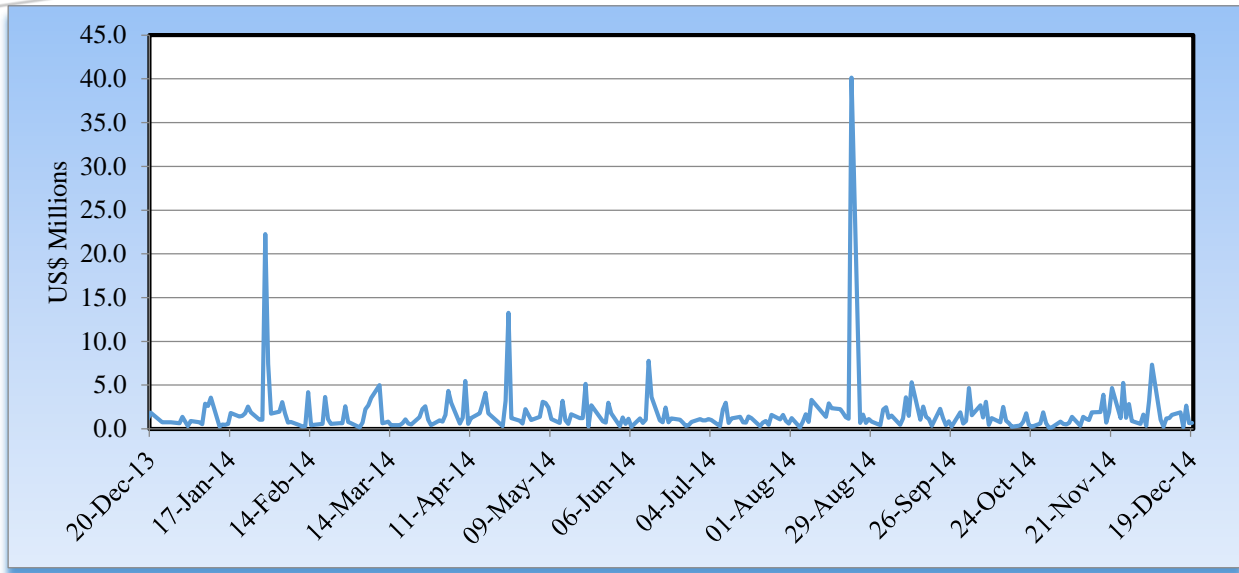


Source: Zimbabwe Stock Exchange, 2014

Market Turnover and Volume

During the week under review, a block trade in Mashonaland Holdings and a special bargain in Dawn Properties boosted market turnover, which increased by 13.63% from US\$5.38 million to US\$6.11 million. Volumes also increased to 119.7 million shares, due to the block trade and special bargain.

Figure 4: Daily Market Turnover

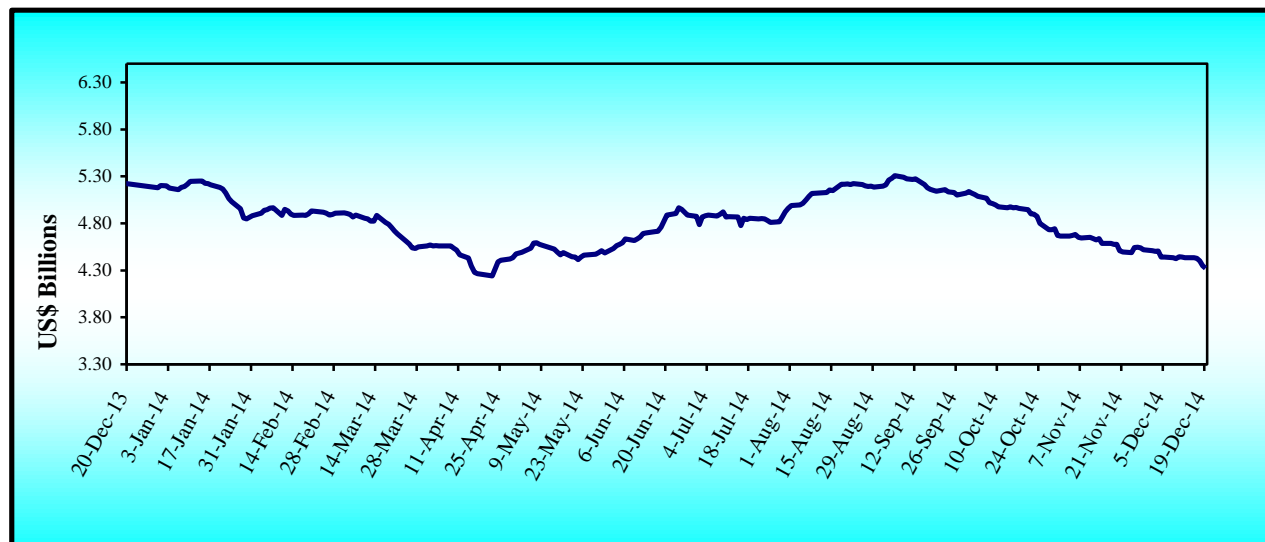


Source: Zimbabwe Stock Exchange, 2014

Market Capitalization

Profit taking which dominated the bourse resulted in losses in heavily capitalized counters; namely Delta, Econet, Innscor, BAT and Seedco. Consequently, market capitalization dipped by 2.45% to US\$4.323 billion, from US\$4.350 billion realized in the previous week.

Figure 5 : Market Capitalization



Source: Zimbabwe Stock Exchange, 2014

Johannesburg Stock Exchange (JSE) Developments

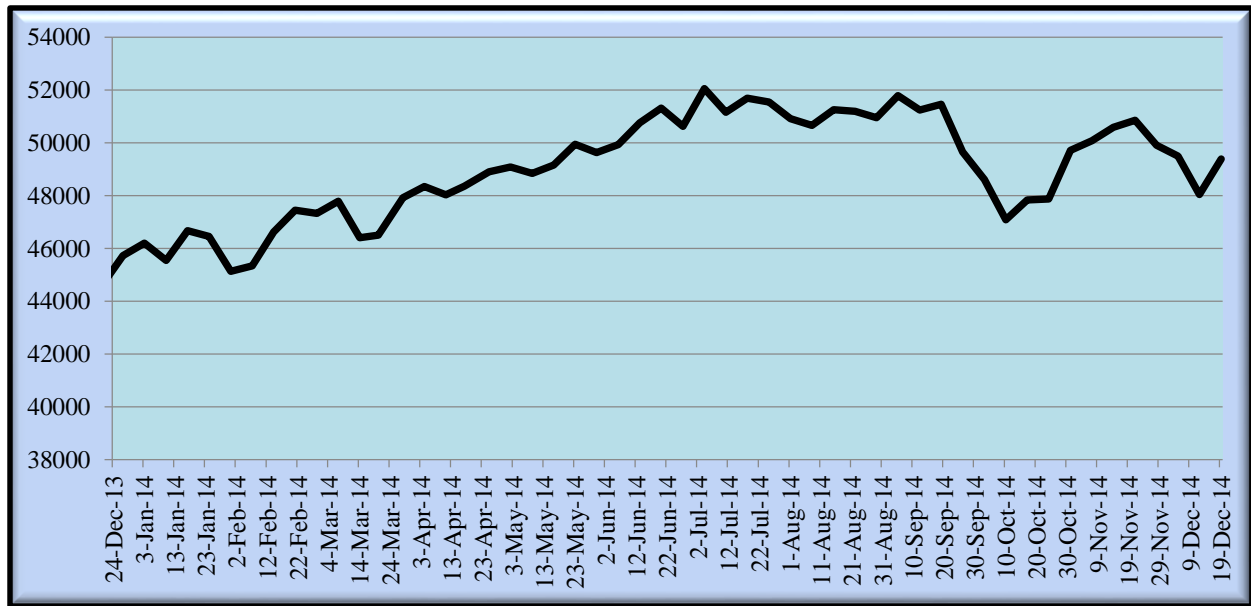
The JSE All Share Index increased by 2.80% from last week’s 48 043.19 points, to close the week under review at 49 386.71 points. Concomitantly, market capitalization rose by 2.43%, to close the week ending 19th December 2014 at R11 430.76 billion.

Table 6: Johannesburg Stock Exchange (JSE) Statistics

2014	All Share Index (points)	Market Capitalization (R billion)
21-Nov	50,855.09	11,748.02
28-Nov	49,911.37	11,579.60
05-Dec	49,506.59	11,516.94
12-Dec	48,043.19	11,159.66
19-Dec	49,386.71	11,430.76

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

31TH DECEMBER 2014