



Weekly Economic Highlights

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Week Ending 19
September 2014

1. INTEREST RATES

Deposit Rates

During the week ending 19th September 2014, average term deposit rates for 1 month and 3 months tenor closed the week firmer at 9.78% and 11.45%, respectively. Average savings deposit rates, however, remained unchanged at 3.42%.

Table 1: Average Deposit Rates

| 2014 | Savings Deposits (%) | 1-Month Deposits (%) | 3-Months Deposits (%) |
|--------|----------------------|----------------------|-----------------------|
| 22-Aug | 3.42 | 9.79 | 11.54 |
| 29-Aug | 3.42 | 9.73 | 11.43 |
| 05-Sep | 3.42 | 9.75 | 11.43 |
| 12-Sep | 3.42 | 9.75 | 11.43 |
| 19-Sep | 3.42 | 9.78 | 11.45 |

Source: Banking Institutions, 2014

Lending Rates

During the week under review commercial banks' weighted lending rates for individual and corporate clients stood at 14.30% and 9.53%, respectively. Merchant banks' 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 |
| 22-Aug | 14.29 | 9.44 | 19.00 | 18.00 |
| 29-Aug | 14.28 | 9.45 | 19.00 | 18.00 |
| 05-Sep | 14.26 | 9.51 | 19.00 | 18.00 |
| 12-Sep | 14.29 | 9.55 | 19.00 | 18.00 |
| 19-Sep | 14.30 | 9.53 | 19.00 | 18.00 |

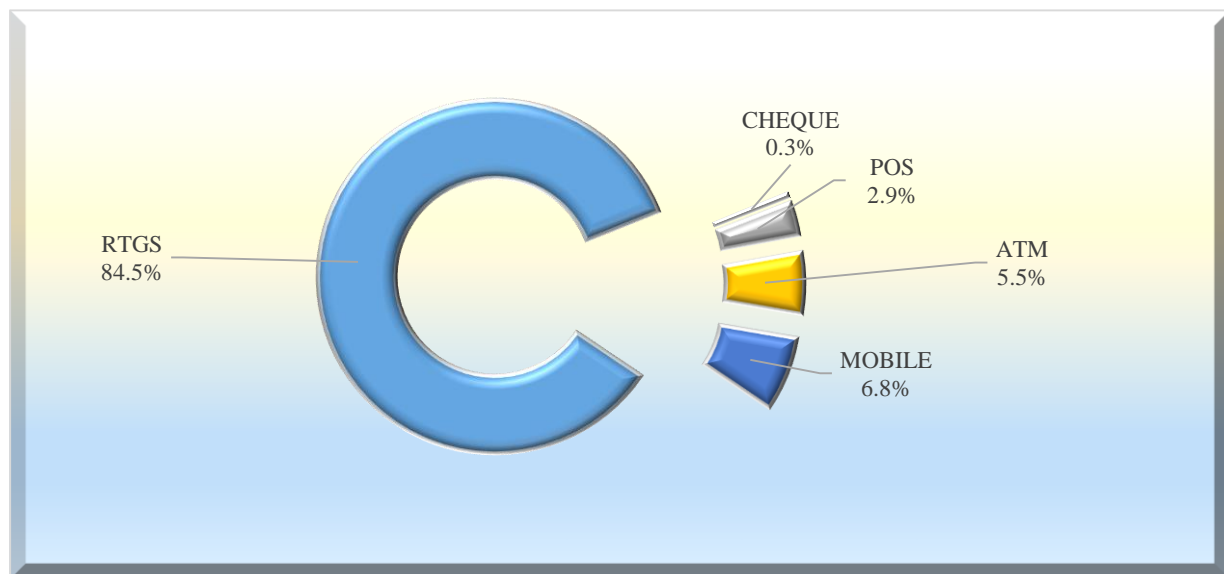
Source: Banking Institutions, 2014

2. CLEARING AND SETTLEMENT ACTIVITY

During the week ending 19th September 2014, the total value of transactions processed through the National Payment Systems (NPS), amounted to US\$1 028 million, down from US\$1 048 million registered in the previous week.

Transactions processed through the Real Time Gross Settlement (RTGS) system increased by 2% to close the week under review at US\$869 million, from US\$852 million recorded during the previous week. The RTGS system payments accounted for 84.5% of the total value of transactions processed through the NPS.

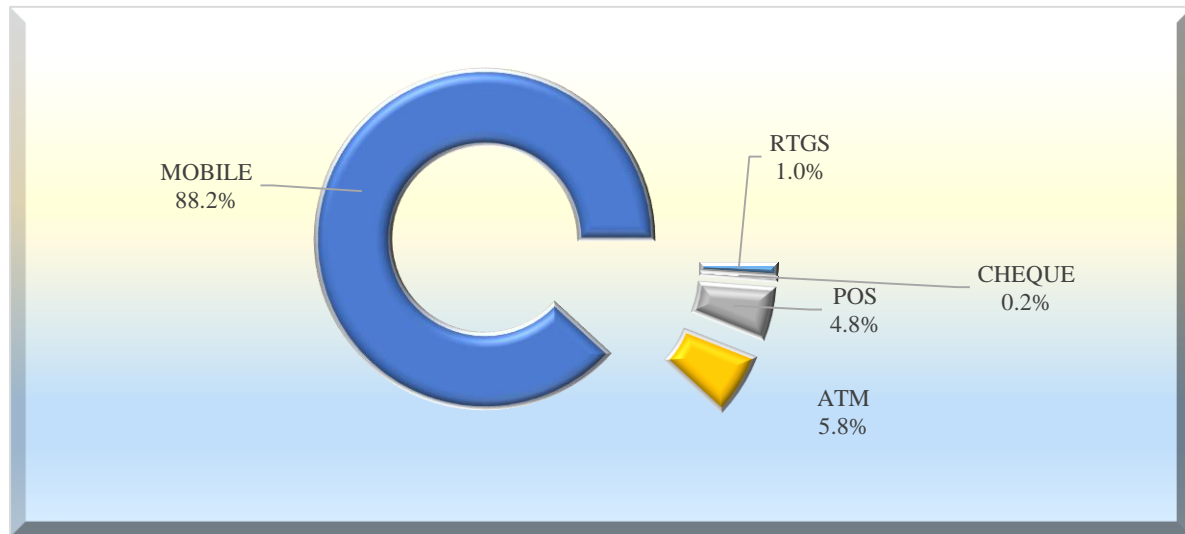
Figure 1: Proportions of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe

In volume terms, Mobile-Based transactions accounted for 88.2% of total transactions, as at week ending 19th September 2014, followed by Point of Sale (POS), 4.8%; and Automated Teller Machines (ATMs), 5.8%. RTGS transaction volumes declined by 7% 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 12 SEPTEMBER 2014 | WEEK ENDING 19 SEPTEMBER 2014 | CHANGE | PROPORTION |
|----------------------|-------------------------------|-------------------------------|--------|-------------|
| VALUES IN USD | | | | |
| RTGS | 852,305,293.97 | 868,790,587.30 | 2% | 84.51% |
| CHEQUE | 2,688,952.86 | 2,677,303.20 | -0.4% | 0.26% |
| POS | 38,499,970.20 | 30,223,910.27 | -21% | 2.94% |
| ATMS | 70,680,876.90 | 56,909,210.86 | -19% | 5.54% |
| MOBILE | 83,748,455.71 | 69,393,863.71 | -17% | 6.75% |
| TOTAL | 1,047,923,549.64 | 1,027,994,875.34 | | 100% |
| VOLUMES | | | | |
| RTGS | 44,273 | 40,957 | -7% | 1.02% |
| CHEQUE | 7,400 | 7,070 | -4% | 0.18% |
| POS | 302,824 | 191,935 | -37% | 4.79% |
| ATMs | 285,112 | 233,714 | -18% | 5.83% |
| MOBILE | 3,738,790 | 3,532,126 | -6% | 88.18% |
| TOTAL | 4,378,399 | 4,005,802 | | 100% |

Source: Reserve Bank of Zimbabwe.

3. INTERNATIONAL COMMODITY PRICES

The weekly average international commodity prices for gold, platinum, nickel and crude oil retreated, whilst those for copper firmed during the week ending 19th September 2014.

Table 5: 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 (12 Sep) | 1,250.03 | 1,385.00 | 6,898.70 | 18,891.00 | 98.55 |
| 15-Sep | 1,234.50 | 1,369.50 | 6,850.00 | 18,250.00 | 96.91 |
| 16-Sep | 1,235.50 | 1,366.00 | 6,895.00 | 17,900.00 | 98.88 |
| 17-Sep | 1,236.25 | 1,365.50 | 6,958.00 | 17,920.00 | 99.27 |
| 18-Sep | 1,221.75 | 1,347.00 | 6,958.00 | 17,875.00 | 98.69 |
| 19-Sep | 1,221.13 | 1,345.50 | 6,868.00 | 17,875.00 | 97.85 |
| Weekly average (19 Sep) | 1,229.83 | 1,358.70 | 6,905.80 | 17,964.00 | 98.32 |
| Weekly Change % | <i>-1.6</i> | <i>-1.9</i> | <i>0.1</i> | <i>-4.9</i> | <i>-0.2</i> |

Source: BBBC.com, KITCO and Bloomberg

Gold

Gold prices continued on a downward trend on the back of a stronger U.S. dollar which was buoyed by a decline in the U.S.A jobless claims. Prices declined from a weekly average of US\$1 250.03/oz. in the previous week, to an average of US\$1 229.83/oz, during the week under review.

Platinum

Platinum prices declined by 1.9%, from a weekly average of US\$1 385.00/oz in the previous week, to an average of US\$1 358.70/oz during the week under analysis.



Copper

Copper prices posted gains of 0.2% from an average of US\$6 898.70/ton in the previous week, to an average of US\$6 905.80/ton during the week under review. This was on the back of investors' expectations that the recovering U.S. economy would boost the metal's demand.

Nickel

A combination of a stronger U.S. dollar and rising global supplies, weighed down nickel prices during the week under review. Nickel prices further retreated by 4.9% from a weekly average of US\$18 891.00/ton in the previous week, to an average of US\$17 964.00/ton during the week under review.

Crude Oil

Crude oil prices declined from US\$98.55 in the previous week to US\$98.32/barrel, during the week under analysis. This followed an increase in global oil supply which exceeded demand.

4. EQUITY MARKETS

During the week ending 19th September 2014, the ZSE continued on a downward trend for the second consecutive week, largely owing to profit taking by most investors across the board.

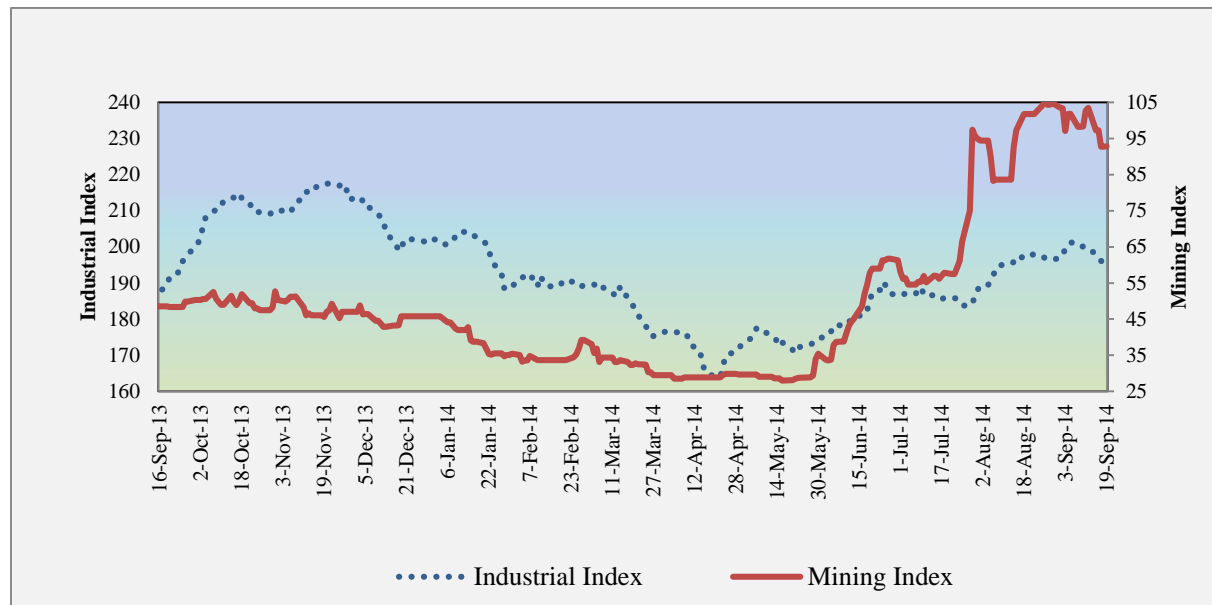
The industrial index dropped 4.50 points, from 199.85 points to 195.35 points. Notable losses were recorded in Econet (7.23%); Hippo Valley (6.67%); DZL (4.17%); Delta (3.00%); Astra (2.66%) and Cafca (1.96%). Partially offsetting these losses were gains recorded in National Foods (12.73%); Fidelity (10.47%); OK (2.86%); Afdis (1.52%) and ABCH (1.39%).

The resources index also declined by 10.60 points from 103.45 points the previous week, to close the week under review at 92.85 points. This followed selling pressures which dominated the market during the week under review. Further weighing down the resource index, were losses recorded in Rio Zim, Bindura, and Hwange counters which declined by 12.28%, 10.90%, and 5.88%, respectively.

Table 6: Zimbabwe Stock Exchange (ZSE) Statistics

| 2014 | Industrial Index (points) | Mining Index (points) | Grand Market Capitalization (US\$) | Market Turnover (US\$) | Volume of Shares |
|--------|---------------------------|-----------------------|------------------------------------|------------------------|------------------|
| 22-Aug | 198.04 | 101.78 | 5,223,724,252 | 46,716,592 | 140,908,383 |
| 29-Aug | 196.43 | 104.80 | 5,186,634,353 | 4,996,843 | 38,275,824 |
| 05-Sep | 201.28 | 101.84 | 5,306,828,775 | 7,949,280 | 48,351,255 |
| 12-Sep | 199.85 | 103.85 | 5,272,845,678 | 12,074,501 | 65,323,564 |
| 19-Sep | 195.35 | 92.85 | 5,142,820,362 | 6,461,426 | 70,460,988 |

Source: Zimbabwe Stock Exchange (ZSE), 2014



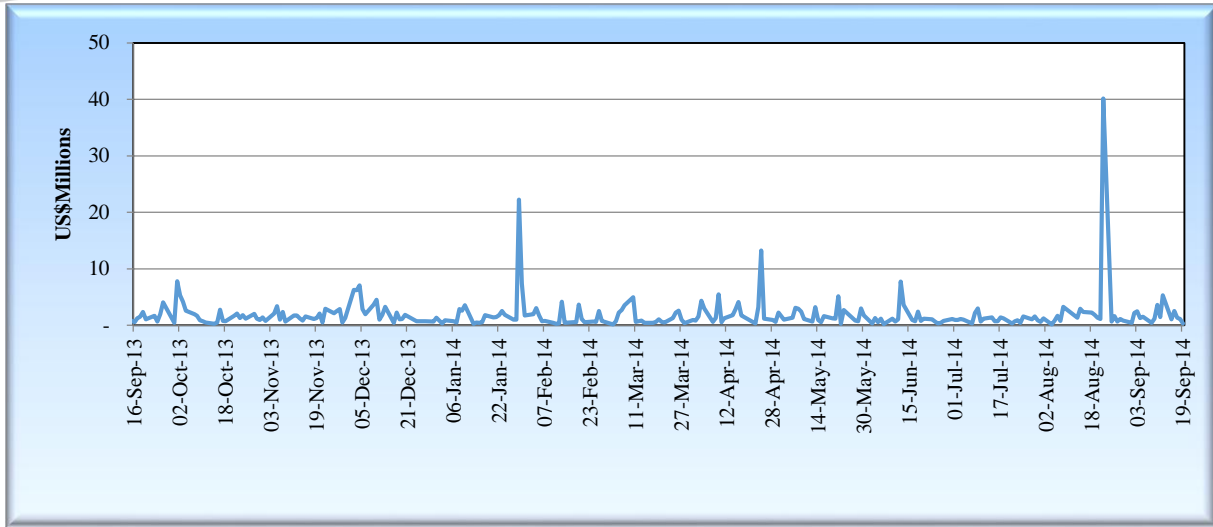
Source: Zimbabwe Stock Exchange, 2014

Volume and Market Turnover

Despite a special bargain trade, earlier during the week, that saw 25.2 million Astra shares being traded at 6.2 cents each, market turnover declined by 46.49% to US\$6.5 million, compared to US\$12.1 million realized in the previous week. The decline was largely attributed to depressed demand and thin trading in heavily capitalized stocks that characterized the period under review. A total of 70.5 million shares were traded during the week under review, compared to 65.3 million shares traded in the previous week.

Foreign trading amounted to US\$6.0 million, accounting for about 92.31% of total market turnover in the period under review. The significant foreign activity resulted in net foreign purchases increasing to US\$1.6 million, compared to net sales of US\$5.4 million realized the previous week.

Figure 2: Daily Market Turnover

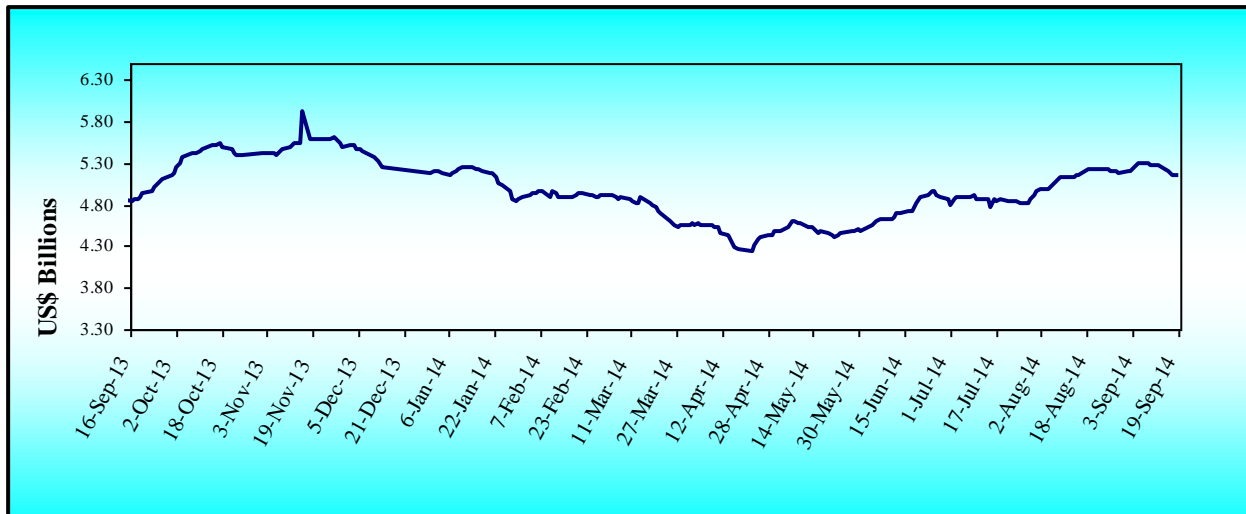


Source: Zimbabwe Stock Exchange, 2014

Market Capitalization

The ZSE market capitalization declined by 2.47% to close the week under review at US\$5.14 billion, from US\$5.27 billion in the previous week. This was on the back of losses recorded in some mid to heavily capitalized counters as well as thin trading that dominated the market.

Figure 3: Market Capitalization



Source: Zimbabwe Stock Exchange, 2014

Johannesburg Stock Exchange (JSE) Developments

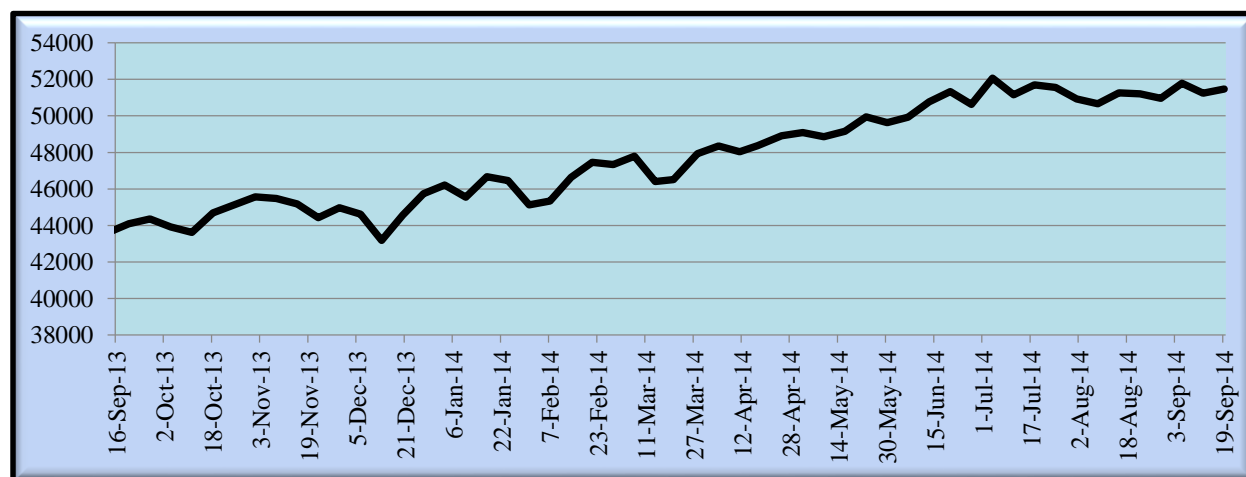
The JSE All Share index closed the week under review at 51 462.42 points, increasing by 0.42% from the previous week's level. Market capitalization also firmed by 0.84% to R12 171 billion during the week under review.

Table 7: Johannesburg Stock Exchange (JSE) Statistics

| 2014 | All Share Index (points) | Market Capitalization (R bn) |
|--------|--------------------------|------------------------------|
| 22-Aug | 51,197.16 | 12,029.13 |
| 29-Aug | 50,959.02 | 12,009.35 |
| 05-Sep | 51,789.40 | 12,173.81 |
| 12-Sep | 51,247.71 | 12,070.27 |
| 19-Sep | 51,462.42 | 12,171.16 |

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 SEPTEMBER 2014

