



# Weekly Economic Highlights

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Week Ending  
21<sup>st</sup> August 2015

## 1. INTEREST RATES

### Deposit Rates

Average deposit rates for savings accounts were unchanged at 3.00%, during the week ending 21<sup>st</sup> August 2015. Deposit rates for 1 month and 3 month tenors, however, retreated to 8.11% and 9.11%, respectively.

**Table 1: Average Deposit Rates**

2015	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
17-July	3.00	8.28	9.46
24-July	3.00	8.22	9.40
31-July	3.00	8.19	9.28
07-Aug	3.00	8.17	9.22
14-Aug	3.00	8.17	9.22
21-Aug	3.00	8.11	9.11

Source: Banking Institutions, 2015

### Lending Rates

Commercial banks' weighted lending rates for individual and corporate clients marginally declined to 11.52% and 8.49%, respectively.

**Table 2: Lending Rates**

2015	Lending Rates (%)	
	Commercial Banks (weighted)	
	Individuals	Corporate clients
17-July	11.58	8.82
24-July	11.92	8.56
31-July	11.86	8.56
07-Aug	11.82	8.55
14-Aug	11.82	8.54
21-Aug	11.52	8.49

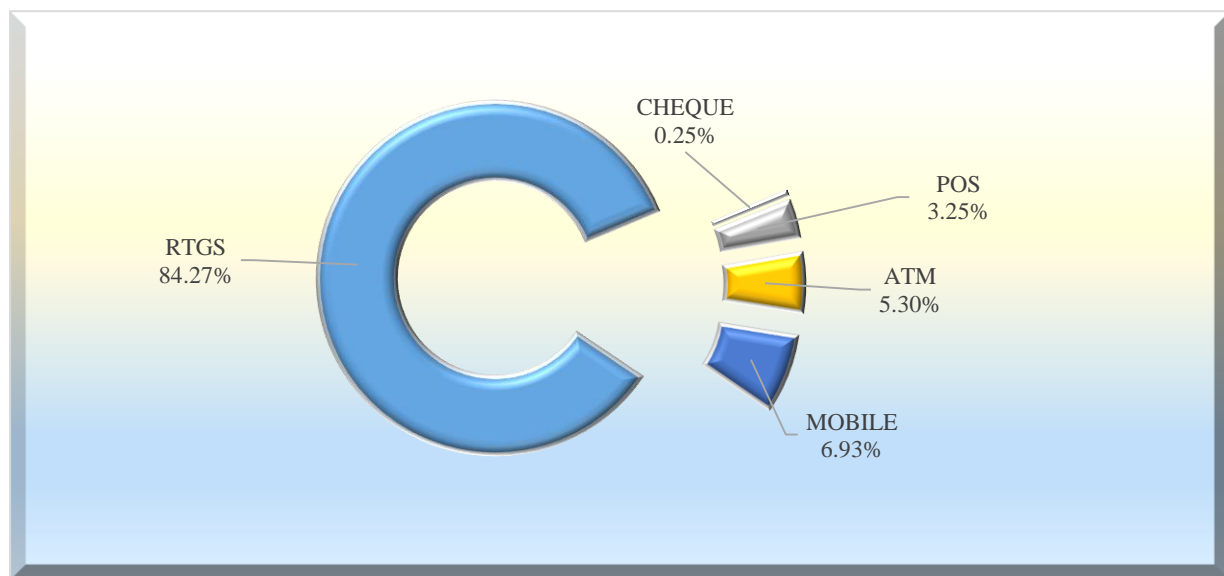
Source: Banking Institutions, 2015

## 2. CLEARING AND SETTLEMENT ACTIVITY

The total value of transactions processed through the National Payment System (NPS) rose from US\$759.42 million in the previous week, to US\$1 093.63 million during the period under review. Transactions processed through the Real Time Gross Settlement (RTGS) system amounted to US\$921.61 million, representing a 61% increase from US\$572.11 million in the previous week.

In terms of proportions, RTGS payments accounted for 84.27% of the total value of transactions processed through the NPS, followed by Mobile, 6.93%; Automated Teller Machines (ATMs), 5.30%; Point of Sale (POS), 3.25%; and Cheque, 0.25%.

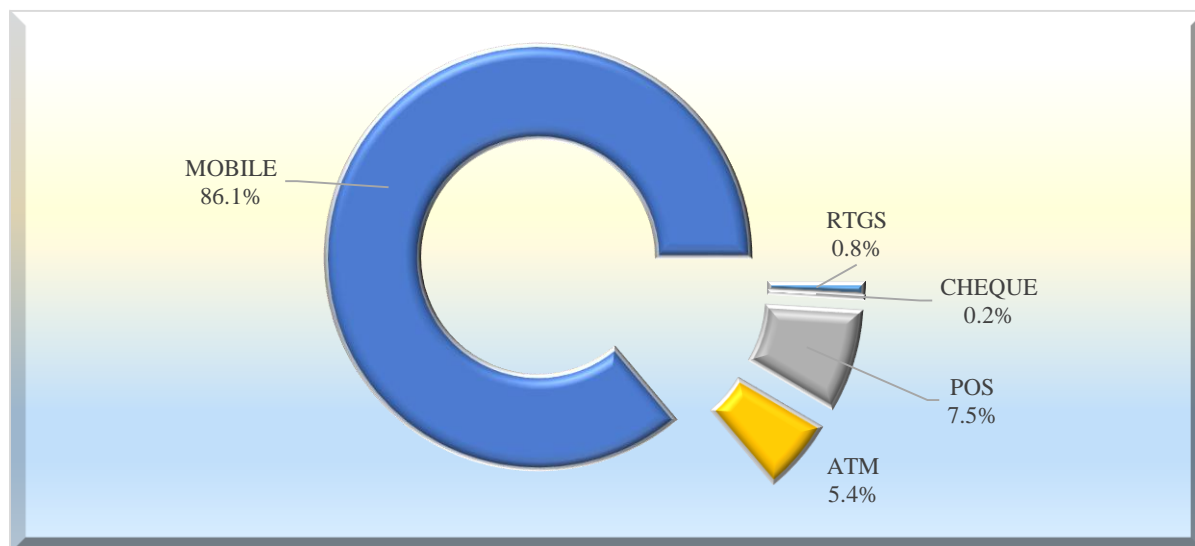
**Figure 1: Proportions of NPS Transactions in Value Terms**



*Source: Reserve Bank of Zimbabwe*

The distribution of transactions processed through the NPS, in volume terms, was as follows: Mobile, 86.14%; POS, 7.52%; ATMs, 5.40%; RTGS, 0.80% and cheque transactions, 0.15%.

**Figure 2: Proportions of NPS Transactions in Volume Terms**



Source: Reserve Bank of Zimbabwe.

**Table 3: National Payment Systems Activity**

PAYMENT STREAM	WEEK ENDING 14 Aug 2015	WEEK ENDING 21 Aug 2015	CHANGE FROM LAST WEEK	PROPORTION
<b>VALUES IN USD (millions)</b>				
<b>RTGS</b>	572.11	921.61	61%	84.27%
<b>CHEQUE</b>	1.90	2.72	44%	0.25%
<b>POS</b>	36.84	35.53	-4%	3.25%
<b>ATMS</b>	71.62	58.01	-19%	5.30%
<b>MOBILE</b>	76.95	75.76	-2%	6.93%
<b>TOTAL</b>	<b>759.42</b>	<b>1093.63</b>		<b>100%</b>
<b>RTGS</b>	23,812	38,450	61%	0.80%
<b>CHEQUE</b>	4,929	7,250	47%	0.15%
<b>POS</b>	282,810	360,146	27%	7.52%
<b>ATMs</b>	296,009	258,514	-13%	5.40%
<b>MOBILE</b>	4,202,000	4,127,367	-2%	86.14%
<b>TOTAL</b>	<b>4,809,560</b>	<b>4,791,727</b>		<b>100%</b>

Source: Reserve Bank of Zimbabwe

### 3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

During the week ending 21<sup>st</sup> August 2015, the international prices of gold and platinum firmed, while prices for copper, nickel and crude oil retreated. Price developments were influenced by the recent weakening of the Chinese currency, investor concerns over the deterioration in China's economic prospects and its implications for the global economic outlook.

**Table 4: Metals and Crude Oil Prices**

Period	Gold	Platinum	Copper	Nickel	Crude Oil
<b>2015</b>	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
<b>Weekly Average (14 Aug)</b>	<b>1,117.48</b>	<b>991.33</b>	<b>5,135.17</b>	<b>10,495.00</b>	<b>49.25</b>
<b>17-Aug</b>	1,118.05	992.5	5,100.00	10,550.00	49.23
<b>18-Aug</b>	1,115.30	991.5	5,002.00	10,310.00	48.55
<b>19-Aug</b>	1,124.68	993	5,005.00	10,330.00	48.69
<b>20-Aug</b>	1,142.83	1016.5	5,060.50	10,330.00	46.68
<b>21-Aug</b>	1,152.93	1027	5,060.50	10,110.00	46.12
<b>Weekly Average (21 Aug)</b>	<b>1,130.76</b>	<b>1,004.10</b>	<b>5,045.60</b>	<b>10,326.00</b>	<b>47.85</b>
<b>Weekly Change (%)</b>	1.2	1.3	(1.7)	(1.6)	(2.8)

Source: BBC, KITCO, Reuters and Bloomberg

#### Gold

International gold prices further firmed by 1.2%, from US\$1 117.48/oz in the previous week, to a weekly average of US\$1 130.76/oz, during the week under review. The precious metal's price continued to firm on account of the depreciation of the Chinese yuan, coupled with heightened speculation accompanying the US Federal Reserve's delay in hiking interest rates.

#### Platinum

Platinum prices stood at US\$1 004.10/oz, representing a 1.3% increase from a weekly average of US\$991.33/oz in the previous week. The weakening of the Chinese yuan as well as lingering threats of industrial action in South Africa supported the increase in the price of the precious metal. South Africa produces more than 70% of the world's platinum.

## **Copper**

Copper prices continued on a downward trend, registering a 1.7% decline to US\$5 045.60/tonne, during the week under analysis. The continued decline in copper prices was underpinned by subdued demand from China, the world's largest copper consumer.

## **Nickel**

Nickel prices at an average of US\$10 326.00/tonne during the week under analysis, was 1.6% lower than US\$10 495.00/tonne registered in the previous week. The retreat in the base metal's prices reflected subdued activity in the global stainless steel industry.

## **Crude Oil**

Crude oil prices further retreated by 2.8% from a weekly average of US\$49.25/barrel to US\$47.85/barrel. This was amid concerns of a slowdown in global demand, coupled with prospects of increased global supply.

## 4. EQUITY MARKETS

During the week ending 21<sup>st</sup> August 2015, trading on the Zimbabwe Stock Exchange (ZSE) remained depressed for the fourth consecutive week, amid significant selling pressure in blue-chip counters. As a result, the industrial index declined by 3.93%, from 141.38 points in the previous week to 135.82 points, during the week under analysis. The resources index retreated by 9.76% to 35.52 points.

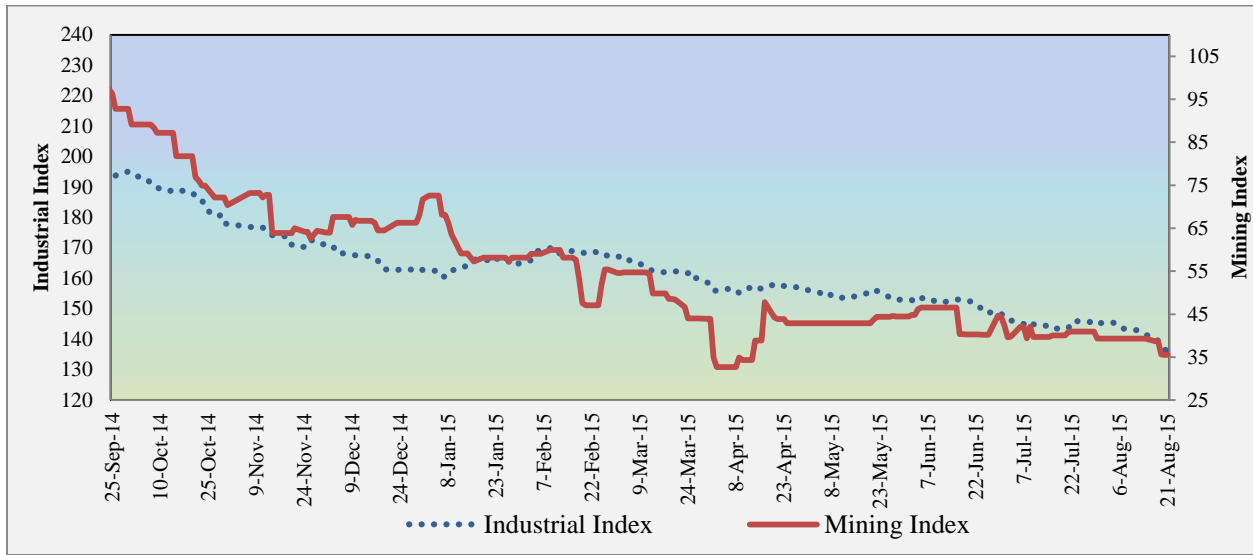
The industrial index declined as a result of losses in the share prices of Delta (9.40%), Zimre Holdings (8.33%), Dairibord (6.25%), OK Zimbabwe (6.25%), SeedCo (4.53%), Econet (3.45%), Innscor (3.23%), Dawn Properties (0.62%) and Hippo Valley (0.61%). Similarly, the mining index retreated due to losses in Falcon (16.67%), Hwange (14.63%), Rio Zim (14.29%) and Bindura (6.67%).

**Table 5: Zimbabwe Stock Exchange (ZSE) Statistics**

Period	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
17-July-15	143.49	40.09	3,765,437,915	5,081,668	41,985,980
24-July-15	145.90	40.94	3,829,331,098	3,474,177	18,749,070
31-July-15	145.35	39.36	3,812,648,666	4,395,587	26,625,959
7-Aug-15	143.58	39.36	3,766,983,066	3,227,108	14,657,065
14-Aug-15	141.38	39.36	3,710,230,886	3,058,771	16,382,255
21-Aug-15	135.82	35.52	3,562,323,411	5,834,289	18,589,275

Source: Zimbabwe Stock Exchange (ZSE), 2015

**Figure 3 : Zimbabwe Stock Exchange Indices**



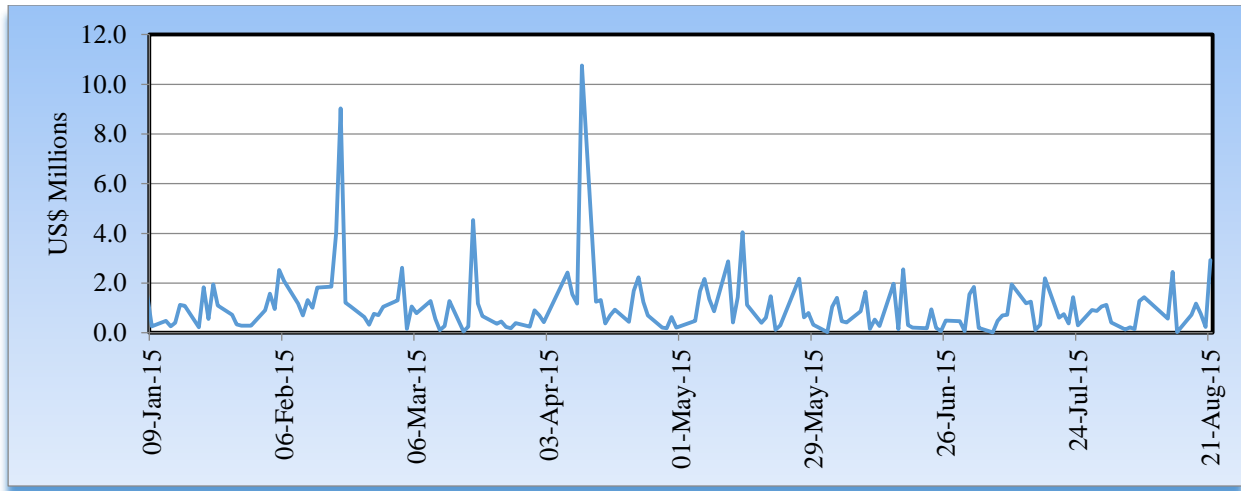
Source: Zimbabwe Stock Exchange, 2015

### Market Turnover and Volume

Market turnover rose from US\$3.06 million in the previous week, to US\$5.83 million during the week ending 21<sup>st</sup> August 2015. This was against sell-off pressure exhibited in some heavyweight counters such as Delta, Econet, Innscor and OK Zimbabwe, during the week under review. Likewise, volume of shares traded increased for the second consecutive week to 18 589 275 shares, from 16 382 255 shares in the previous week.



**Figure 4: Daily Market Turnover**

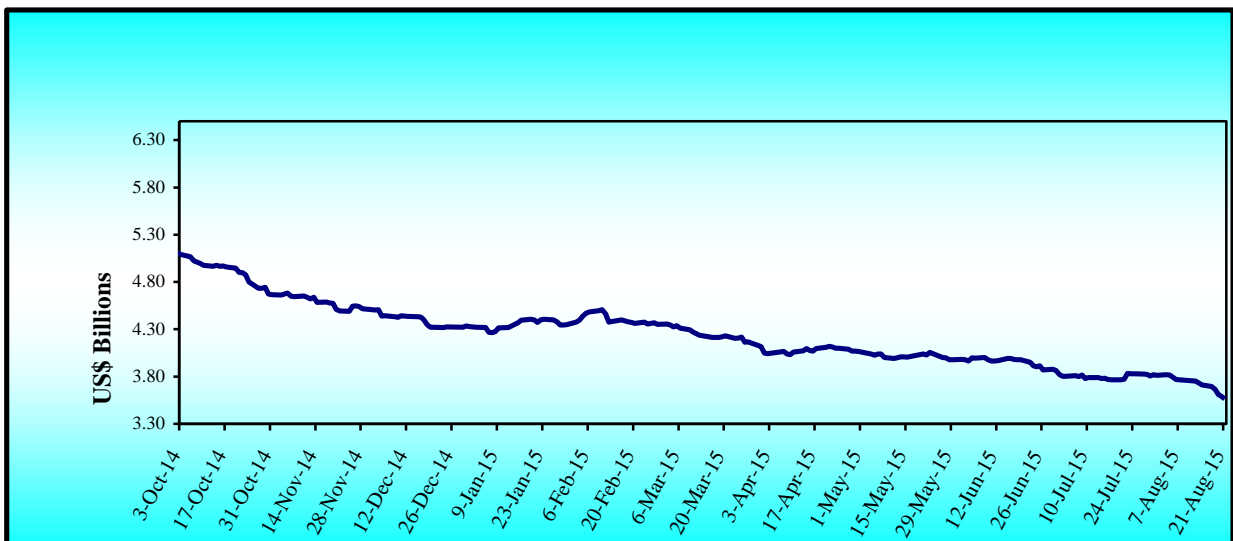


Source: Zimbabwe Stock Exchange, 2015

### Market Capitalisation

In line with declines in the industrial and mining index, market capitalisation declined by 3.99% to close the week under analysis at US\$3.56 billion.

**Figure 5 : Market Capitalization**



Source: Zimbabwe Stock Exchange, 2015

## Johannesburg Stock Exchange (JSE) Developments

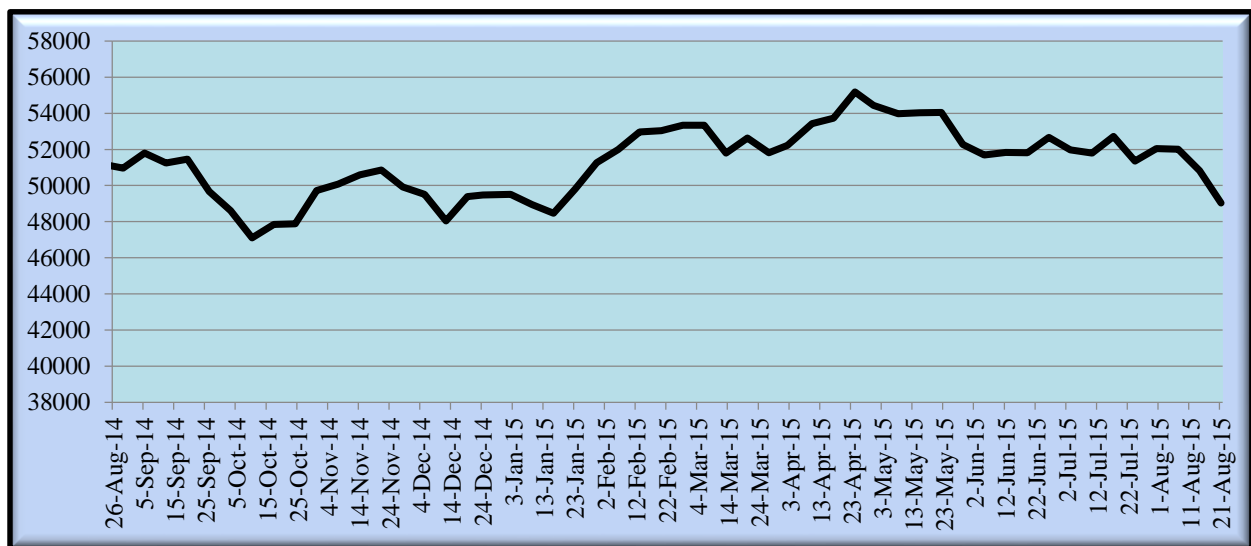
The JSE All Share index declined by 3.53%, to close the week under review at 49 028.36 points. Market capitalization stood at R11.26 trillion, down from R11.67 trillion in the previous week.

**Table 6: Johannesburg Stock Exchange (JSE) Statistics**

Period- 2015	All Share Index (points)	Market Capitalization (R trillion)
17-July	52,723.72	12.15
24-July	51,356.08	11.81
31-July	52,053.27	12.03
7-Aug	52,014.96	12.00
14-Aug	50,821.18	11.67
21-Aug	49,028.36	11.26

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**

**31<sup>ST</sup> AUGUST 2015**