



# Weekly Economic Highlights

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Week Ending  
23 January 2015

## 1. INTEREST RATES

### Deposit Rates

Savings and 3 months deposit rates remained unchanged at 10.94% and 3.31%, respectively, during the week ending 23<sup>rd</sup> January 2015. Deposit rates for deposits of 1 month tenor, however, decreased from 9.93% in the previous week, to close the week under review at 9.34%.

**Table 1: Average Deposit Rates**

2015	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
02-Jan	3.42	9.70	11.47
09-Jan	3.31	9.37	10.94
16-Jan	3.31	9.93	10.94
23-Jan	3.31	9.34	10.94

Source: Banking Institutions, 2015

### Lending Rates

During the week ending 23<sup>rd</sup> January 2015, nominal lending rates at merchant banks for individuals and corporate clients remained unchanged at 19% and 18%, respectively. At commercial banks, weighted lending rates for individuals and corporate clients rose to 14.19% and 9.68%, from 14.17% and 9.68%, respectively.

**Table 2: Lending Rates**

2015	Lending Rates (%)			
	Commercial Banks (weighted)		Merchant Banks (nominal) <sup>1</sup>	
	Individuals	Corporate Clients	Individuals	Corporate Clients
02-Jan	14.29	9.90	19.00	18.00
09-Jan	14.18	9.85	19.00	18.00
16-Jan	14.17	9.67	19.00	18.00
23-Jan	14.19	9.68	19.00	18.00

Source: Banking Institutions, 2015

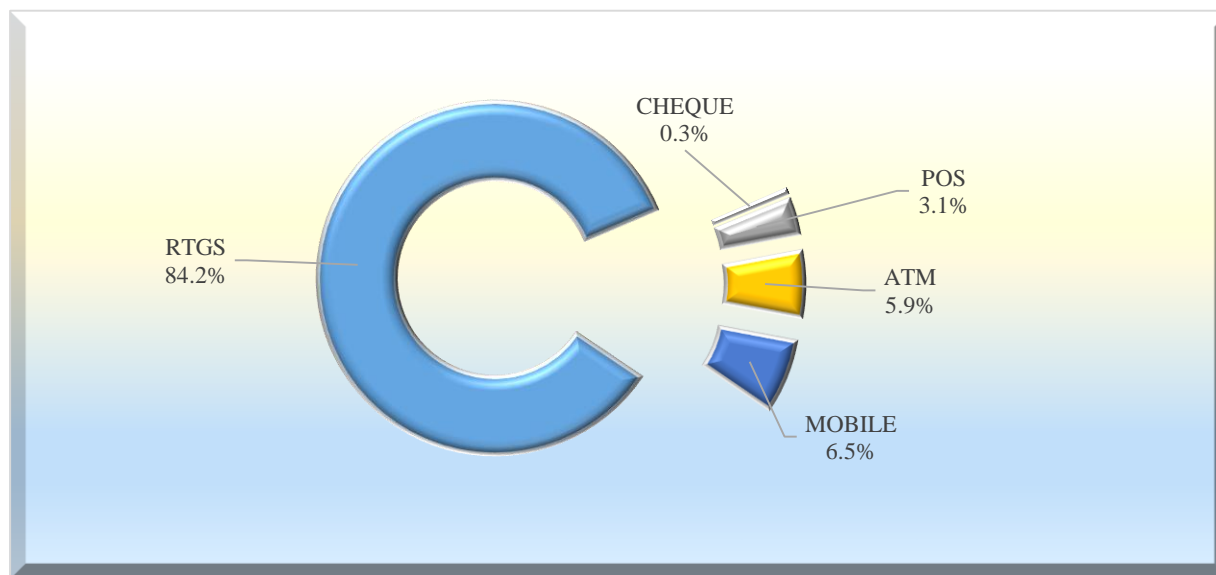
<sup>1</sup> There is only one merchant bank left in operation.

## 2. CLEARING AND SETTLEMENT ACTIVITY

The total value of transactions processed through the National Payment System (NPS) rose from US\$1 007.24 million in the previous week, to US\$1 027.84 million, during the period under analysis. Transactions processed through the RTGS system amounted to US\$865 million, up from US\$803 million. On the other hand, transactions processed through Mobile systems fell from US\$80.23 million in the previous week, to US\$66.83 million in the week ending 23<sup>rd</sup> January 2015.

RTGS payments accounted for 84.2% of the total value of transactions processed through the NPS, followed by Mobile, 6.5%; Automated Teller Machines (ATMs), 5.9%; Point of Sale (POS), 3.1%; and cheques , 0.3%, respectively.

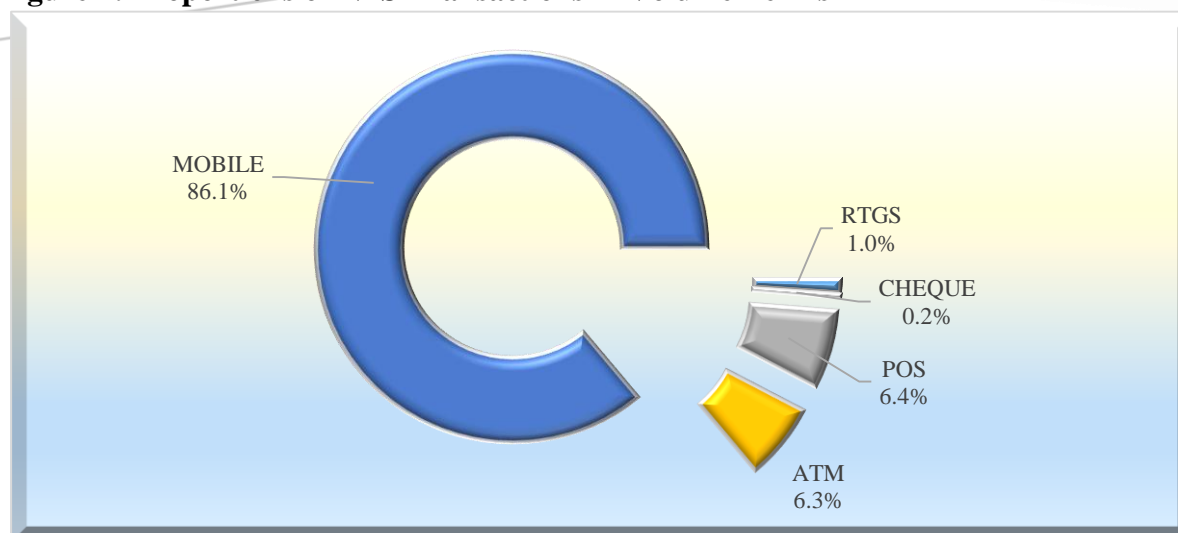
**Figure 1: Proportions of NPS Transactions in Value Terms**



*Source: Reserve Bank of Zimbabwe*

In volume terms, Mobile-based transactions accounted for 86.1% of total transactions; POS, 6.4%; ATMs, 6.3%; RTGS, 1.0%; and Cheque, 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 16 JANUARY 2015	WEEK ENDING 23 JANUARY 2015	CHANGE FROM LAST WEEK	PROPORTION
<b>VALUES IN USD (millions)</b>				
<b>RTGS</b>	802.97	864.87	8%	84.14%
<b>CHEQUE</b>	2.67	3.23	21%	0.31%
<b>POS</b>	42.66	32.04	-25%	3.12%
<b>ATMS</b>	78.70	60.87	-23%	5.92%
<b>MOBILE</b>	80.23	66.83	-17%	6.50%
<b>TOTAL</b>	1,007.24	1,027.84		100%
<b>VOLUMES</b>				
<b>RTGS</b>	39,546	42,038	6%	1.04%
<b>CHEQUE</b>	6,737	7,921	18%	0.20%
<b>POS</b>	158,743	258,764	-4%	6.40%
<b>ATMs</b>	296,722	253,581	-15%	6.27%
<b>MOBILE</b>	3,752,774	3,481,344	-7.2%	86.09%
<b>TOTAL</b>	4,254,522	4,043,648		100%

Source: Reserve Bank of Zimbabwe

### 3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

During the week ending 23<sup>rd</sup> January 2015, the average international commodity prices for gold platinum, crude oil and nickel firmed, while those for copper retreated.

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

Period	Gold	Platinum	Copper	Nickel	Crude Oil
<b>2015</b>	<i>US\$/ounce</i>	<i>US\$/ounce</i>	<i>US\$/tonne</i>	<i>US\$/tonne</i>	<i>US\$/barrel</i>
<b>Weekly Average (16 Jan)</b>	<b>1241.28</b>	<b>1244.00</b>	<b>5822.00</b>	<b>14581.00</b>	<b>47.86</b>
<b>19-Jan</b>	1274.63	1264.50	5671.50	14387.50	49.43
<b>20-Jan</b>	1290.50	1267.50	5760.00	14540.00	48.19
<b>21-Jan</b>	1295.75	1283.00	5630.00	14800.00	49.82
<b>22-Jan</b>	1291.38	1278.00	5741.00	14715.00	49.00
<b>23-Jan</b>	1294.13	1250.50	5580.50	14715.00	49.15
<b>Weekly Average (23 Jan)</b>	<b>1289.28</b>	<b>1268.70</b>	<b>5676.60</b>	<b>14631.50</b>	<b>49.12</b>
<b>Weekly Change (%)</b>	<b>3.9</b>	<b>2.0</b>	<b>-2.5</b>	<b>0.4</b>	<b>2.6</b>

Source: BBC, KITO, Reuters and Bloomberg

#### Gold

Gold prices continued on an upward trend, gaining 3.9%, from a weekly average of US\$1 241.28/oz in the previous week, to an average of US\$1 289.28/oz, during the week ending 23<sup>rd</sup> January 2015. The increase followed the decision by the European Central Bank to expand economic stimulus measures, boosting the demand for the precious mineral.

#### Platinum

In line with movements in the prices of gold, platinum prices gained by 2% from a weekly average of US\$1 244.00/oz in the previous week, to close the week under review at an average of US\$1 268.70/oz.

## **Copper**

Copper prices declined by 2.5%, from an average of US\$5 822.00/ton in the previous week, to an average of US\$5 676.60/ton, for the week ending 23<sup>rd</sup> January 2015. This was on the back of a stronger US dollar and a weaker demand outlook in China.

## **Nickel**

Nickel prices increased by 0.4%, from US\$14 581.00/ton in the previous week, to an average of US\$14 631.50/ton, during the week ending 23<sup>rd</sup> January 2015. The increase was largely attributed to dwindling supplies, following the continued ban on ore exports in Indonesia, the largest producer of the metal.

## **Crude Oil**

During the week ending 23<sup>rd</sup> January 2015, crude oil prices gained by 2.6% to close the week at US\$49.12/barrel, from an average of US\$47.86/barrel in the previous week. The price increase was backed by speculation about possible policy changes in Saudi Arabia, the largest OPEC producer.

#### 4. EQUITY MARKETS

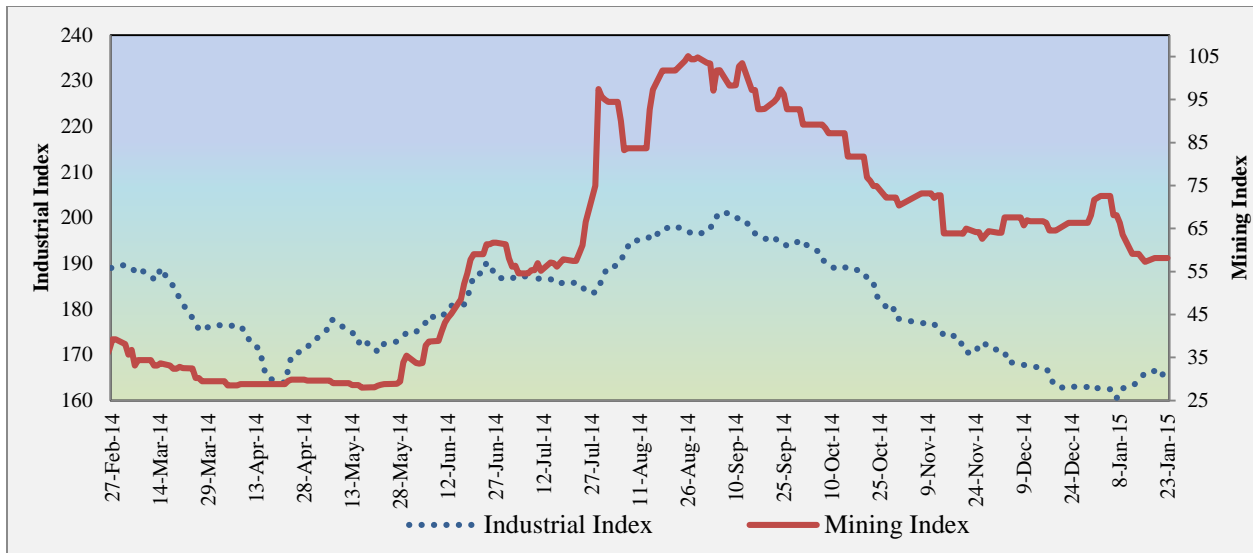
During the week ending 23<sup>rd</sup> January 2015, the Zimbabwe Stock Exchange traded positively. The industrial index registered a 0.19% increase to close the week at 166.46 points. Concomitantly, the mining index increased from 57.24 points, to 58.14 points during the week under review. The industrial index was driven by gains recorded in counters such as OK Zimbabwe (27.27%), Padenga (11.36%), FBCH (7.14%), Hippo (4.26%), TSL (3.88%) and Afdis (2.39%). The resource index increased, buoyed by Bindura which extended the deadline for investors to accept its US\$20 million bond offer. Riozim traded on thin volumes, while Falgold and Hwange remained static.

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

Period	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
24-Dec-14	163.02	66.31	4,325,414,010	3,039,507	12,829,144
02-Jan-15	162.57	72.61	4,323,173,821	5,071,602	16,689,321
09-Jan-15	162.70	63.61	4,314,173,584	5,262,232	16,139,709
16-Jan-15	166.15	57.24	4,395,719,222	3,359,225	17,125,141
23-Jan-15	166.46	58.14	4,405,177,051	5,668,477	12,709,045

*Source: Zimbabwe Stock Exchange (ZSE), 2015*

**Figure 3 : Zimbabwe Stock Exchange Indices**



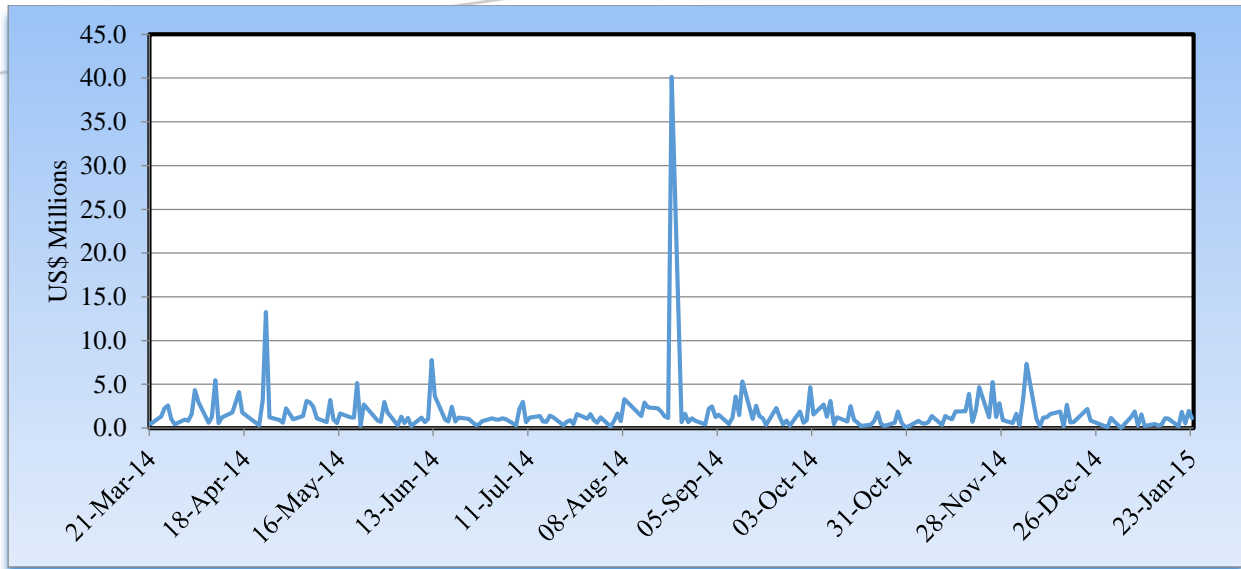
Source: Zimbabwe Stock Exchange, 2015

**Market Turnover and Volume**

Market turnover rose from US\$3.4 million in the previous week, to US\$5.7 million during the week ending 23<sup>rd</sup> January 2015. The increase was on the back of notable trades in heavily capitalized counters such as Econet, Delta, Old Mutual and Innscor. In terms of volume, total shares traded stood at 12 709 045, down from 17 125 141 in the previous week.

**Figure 4: Daily Market Turnover**



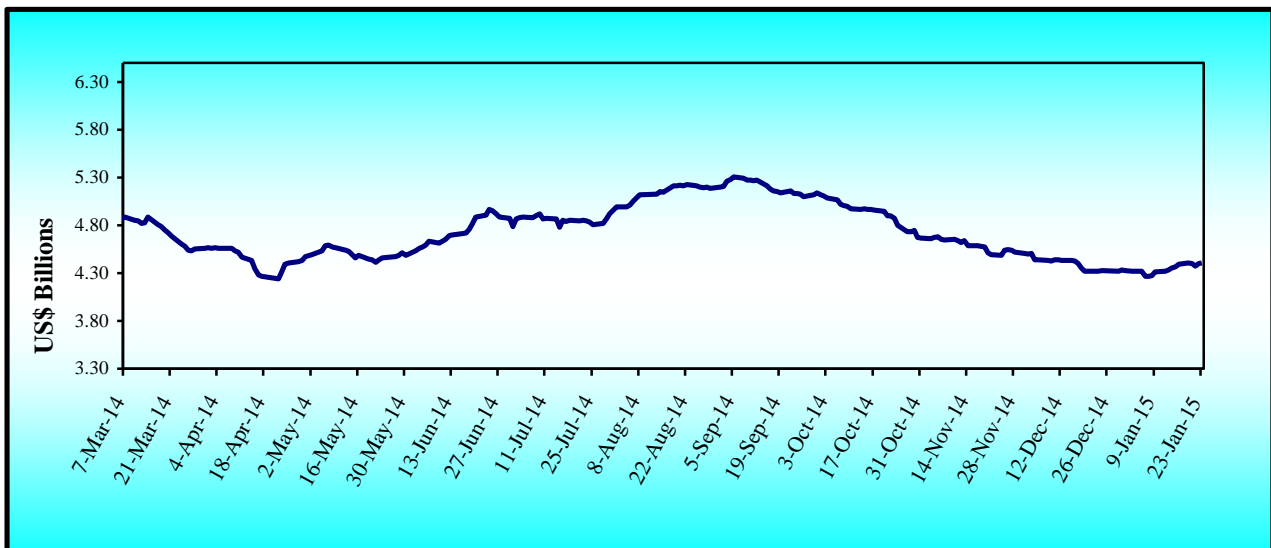


Source: Zimbabwe Stock Exchange, 2015

### Market Capitalization

During the week ending 23<sup>rd</sup> January 2015, market capitalization rose by 0.22% to US\$4.41 billion, compared to US\$4.40 billion in the previous week.

**Figure 5 : Market Capitalization**



Source: Zimbabwe Stock Exchange, 2015

### Johannesburg Stock Exchange (JSE) Developments

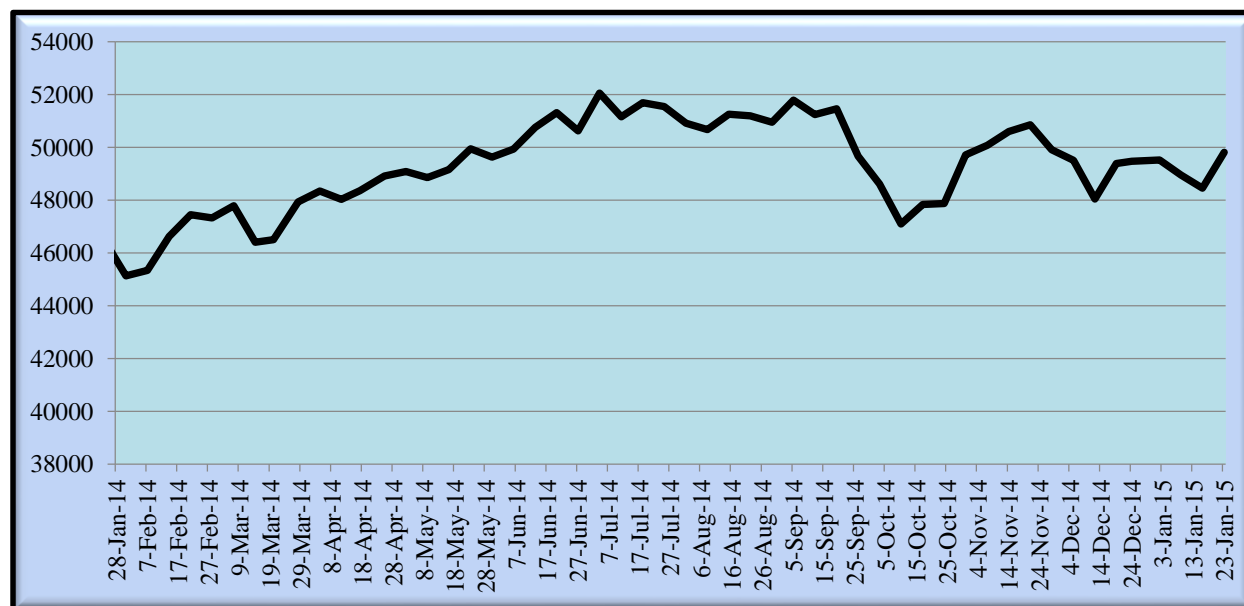
The JSE All Share index increased from 48 458.25 points in the previous week, to 49 816.57 points during the week ending 23<sup>rd</sup> January 2015. Market capitalization also rose by 2.54%, to R11 433.46 billion during the same period.

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

Period	All Share Index (points)	Market Capitalization (R billion)
<b>24-Dec-14</b>	49,478.57	11,481.04
<b>02-Jan -15</b>	49, 518.48	11,435.45
<b>09-Jan-15</b>	48,950.50	11,277.78
<b>16-Jan-15</b>	48,458.25	11,150.54
<b>23-Jan-15</b>	49,816.57	11,433.46

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

27<sup>TH</sup> JANUARY 2015