



# Weekly Economic Highlights

## Table of Contents

1. INTEREST RATES .....	1
2. CLEARING AND SETTLEMENT ACTIVITY .....	2
3. INTERNATIONAL COMMODITY PRICES .....	4
4. EQUITY MARKETS.....	6

Week Ending  
24 October 2014

## 1. INTEREST RATES

### Deposit Rates

Average deposit rates for savings and deposits of 1 month and 3 month tenor have remained unchanged at 3.42%, 9.70% and 11.47%, respectively, for the third consecutive week.

**Table 1: Average Deposit Rates**

2014	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
19-Sep	3.42	9.78	11.45
26-Sep	3.42	9.71	11.38
03-Oct	3.42	9.70	11.46
10-Oct	3.42	9.70	11.47
17-Oct	3.42	9.70	11.47
24-Oct	3.42	9.70	11.47

Source: Banking Institutions, 2014

### Lending Rates

Lending rates at commercial banks for individuals and corporate clients marginally increased to close the week under review at 14.38% and 9.89%, respectively. At merchant banks, weighted lending rates remained unchanged for both individuals and corporate clients.

**Table 2: Lending Rates**

2014	Weighted Lending Rates (%)			
	Commercial Banks		Merchant Banks	
	Individuals	Corporate Clients	Individuals	Corporate Clients
19-Sep	14.30	9.53	19.00	18.00
26-Sep	14.45	9.57	19.00	18.00
03-Oct	14.38	9.76	19.00	18.00
10-Oct	14.38	9.79	19.00	18.00
17-Oct	14.37	9.86	19.00	18.00
24-Oct	14.38	9.89	19.00	18.00

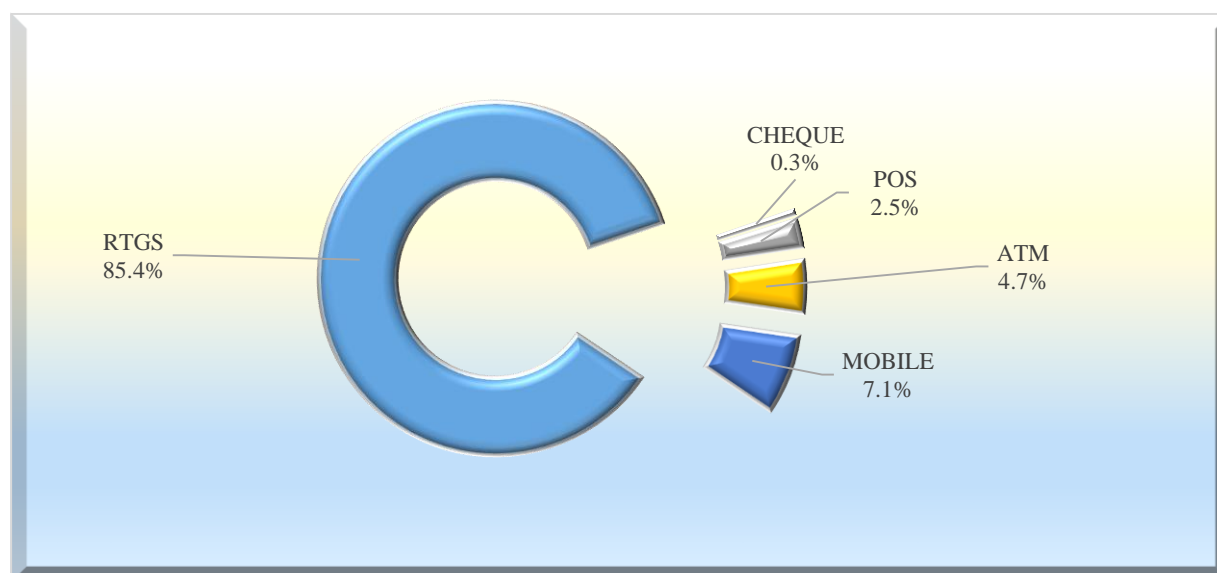
Source: Banking Institutions, 2014

## 2. CLEARING AND SETTLEMENT ACTIVITY

Transactions processed through the National Payment Systems (NPS), increased to US\$1 071.01 million during the week ending 24<sup>th</sup> October 2014, up from US\$962.32 million in the previous week.

Real Time Gross Settlement System (RTGS) processed transactions dominated the payment system in value terms, amounting to US\$915 million. This compares with the US\$813 million recorded in the previous week. RTGS payments accounted for 85.4% of the total value of transactions processed through the payment system.

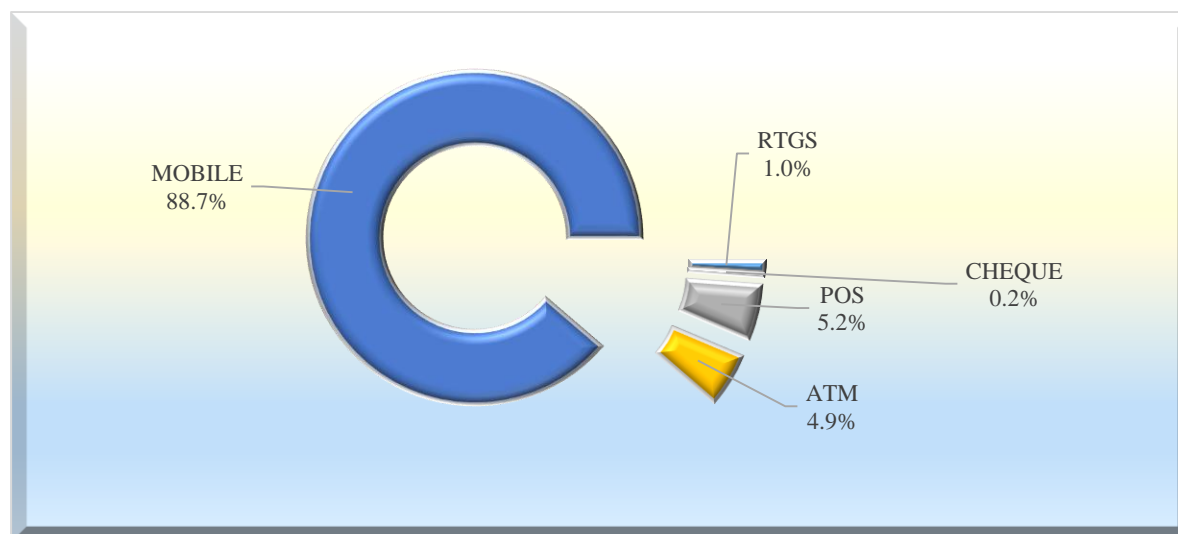
**Figure 1: Proportions of NPS Transactions in Value Terms**



*Source: Reserve Bank of Zimbabwe*

In volume terms, Mobile-Based transactions accounted for 88.7% of total transactions, followed by Point of Sale (POS) transactions, 5.2%; Automated Teller Machines (ATMs), 4.9%; and RTGS, 1%.

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



Source: Reserve Bank of Zimbabwe.

**Table 3: National Payment Systems Activity**

PAYMENT STREAM	CURRENT WEEK ENDING 17 OCTOBER 2014	CURRENT WEEK ENDING 24 OCTOBER 2014	CHANGE FROM LAST WEEK	PROPORTION
<b>VALUES IN USD</b>				
<b>RTGS</b>	812,713,002.37	914,956,329.81	13%	85.43%
<b>CHEQUE</b>	3,034,988.48	2,947,279.34	-3%	0.28%
<b>POS</b>	23,839,913.11	26,301,792.91	10%	2.46%
<b>ATMS</b>	49,221,202.47	50,182,280.88	2%	4.69%
<b>MOBILE</b>	73,514,834.72	76,626,970.46	4%	7.15%
<b>TOTAL</b>	<b>962,323,941.15</b>	<b>1,071,014,653.40</b>		<b>100%</b>
<b>VOLUMES</b>				
<b>RTGS</b>	41,248	42,455	3%	1.00%
<b>CHEQUE</b>	8,084	7,300	-10%	0.17%
<b>POS</b>	224,154	220,047	-2%	5.17%
<b>ATMs</b>	205,656	210,176	2%	4.94%
<b>MOBILE</b>	3,677,344	3,776,485	3%	88.72%
<b>TOTAL</b>	<b>4,156,486</b>	<b>4,256,463</b>		<b>100%</b>

Source: Reserve Bank of Zimbabwe.

### 3. INTERNATIONAL COMMODITY PRICES

The weekly average international commodity prices for gold, platinum and crude oil firmed, whilst those for copper and nickel retreated during the week ending 24<sup>th</sup> October 2014.

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

<b>Period 2014</b>	<b>Gold US\$/ounce</b>	<b>Platinum US\$/ounce</b>	<b>Copper US\$/tonne</b>	<b>Nickel US\$/tonne</b>	<b>Crude Oil US\$/barrel</b>
<b>Weekly average (17 Oct)</b>	1,233.40	1,258.20	6,722.20	15,902.00	85.95
<b>20-Oct</b>	1,237.00	1,268.00	6,640.00	15,300.00	85.95
<b>21-Oct</b>	1,251.00	1,277.00	6,660.00	15,225.00	85.96
<b>22-Oct</b>	1,251.00	1,271.50	6,730.00	15,210.00	86.65
<b>23-Oct</b>	1,236.63	1,260.50	6,718.00	15,210.00	85.85
<b>24-Oct</b>	1,232.25	1,254.00	6,718.00	15,000.00	85.73
<b>Weekly average (24 Oct)</b>	1,241.58	1,266.20	6,693.20	15,189.00	86.03
<b>Weekly Change %</b>	0.7	0.6	-0.4	-4.5	0.1

Source: BBBC.com, KITCO and Bloomberg

#### **Gold**

Gold prices firmed for the third consecutive week, from a weekly average of US\$1 233.40 per ounce recorded in the previous week, to an average of US\$1 241.58 per ounce. This was on the back of rising demand for gold as a safe investment haven.

#### **Platinum**

Platinum prices firmed from a weekly average of \$ 1 258.20 per ounce in the previous week, to an average of US\$1 266.20 per ounce, as the global economic growth weakens.



## **Copper**

Copper prices declined from a weekly average of US\$6 722.20 per tonne in the previous week, to US\$6 693.20 per tonne during the week under review. This followed dampened demand expectations for industrial metals due to fears over the weak global economic growth, as the U.S. stimulus measures ended.

## **Nickel**

Nickel prices posted losses for a second consecutive week, retreating from a weekly average US\$15 902.00 per tonne, to an average of US\$15 189.00 per tonne. The metal's prices were weighted down by a combination of rising global supply and worries over the global economic slowdown.

## **Crude Oil**

Crude oil prices firmed from US\$85.90 per barrel in the previous week, to US\$86.03 per barrel during the week under analysis. The prices increased due to reduced supply of the commodity, emanating from declines in supply from Iraq and Syria, some of the key producers of crude oil.

## 4. EQUITY MARKETS

During the week ending 24<sup>th</sup> of October 2014, the mainstream index declined by 3.11% to 182.90 points, from 188.77 points recorded in the previous week. The decline in the industrial index was largely attributed to losses in ZB (54.83%), Cottco (28.57), BAT (7.66%), Innscor (5.80%), Econet (7.50%) and Hippo (4.41%). Partially offsetting these losses were gains in Ariston (16.67%), Colcom (8.00%), TSL (6.25%), Masimba Holdings (4.00%), CBZ (3.85%) and Seedco (1.23%).

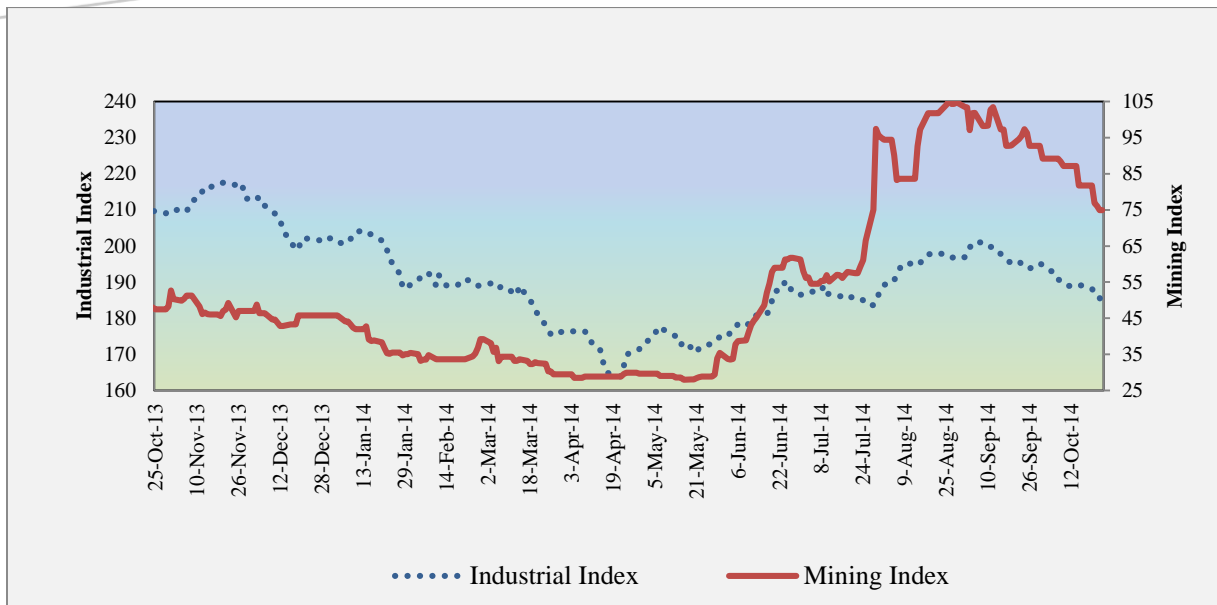
The mining index also shed 6.88 points, from 81.76 points in the previous week to 74.88 points. Bindura, Hwange and Rio Zim declined by 7.14%, 14.29% and 16.67%, respectively, weighing down the mining index. Falgold, however, remained inactive during the trading sessions.

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

2014	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
19-Sep	195.35	92.85	5,142,820,362	6,461,426	70,460,988
26-Sep	193.79	92.76	5,102,722,729	5,078,219	12,592,808
03-Oct	193.45	89.16	5,089,138,149	9,628,967	62,510,700
10-Oct	189.14	87.17	4,975,884,890	8,816,281	20,227,321
17-Oct	188.77	81.76	4,959,473,376	5,116,625	24,987,405
24-Oct	182.90	74.88	4,799,663,267	3,727,541	12,331,738

Source: Zimbabwe Stock Exchange (ZSE), 2014

**Figure 3 : Zimbabwe Stock Market Indices**



Source: Zimbabwe Stock Exchange, 2014

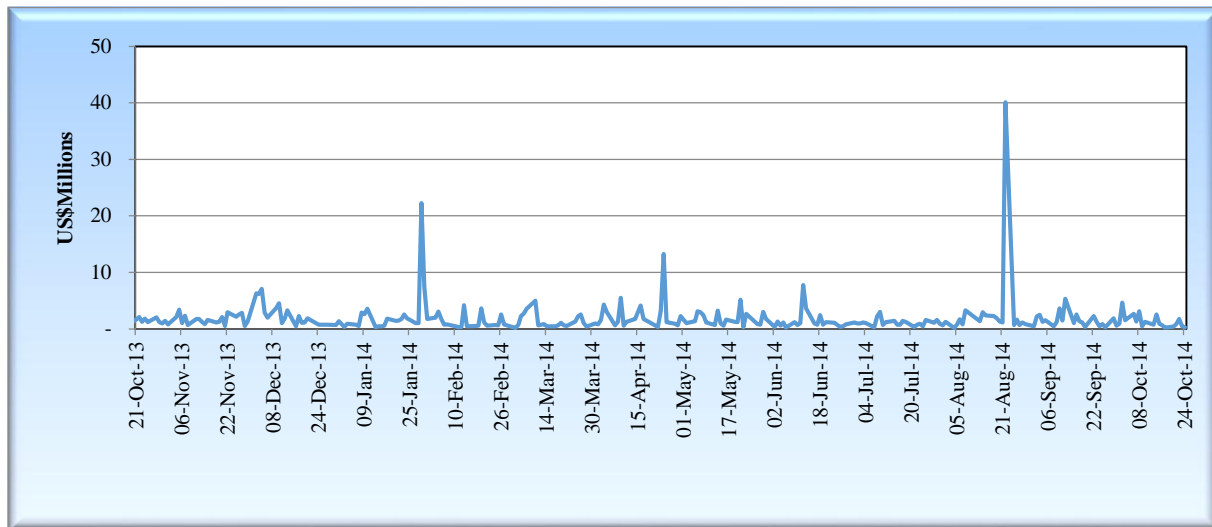
### Volume and Market Turnover

The total number of shares traded during the week under review declined significantly, from 25 million in the previous week to 12.33 million for the week ending 24<sup>th</sup> October 2014. This was largely due to thin trading and constricted demand in some blue-chip counters, owing to reports of depressed corporate earnings among the heavyweight stocks. Market turnover continued on a downward trend, declining by 27.12% to close the week at US\$3.73 million, from US\$5.12 million in the previous week. This followed adverse investor sentiment which led to lower demand in the heavyweight counters.

During the week under review, foreign investors were net sellers, as foreign outflows amounting to US\$1.89 billion outweighed foreign inflows of US\$1.81 billion.



**Figure 4 : Daily Market Turnover**

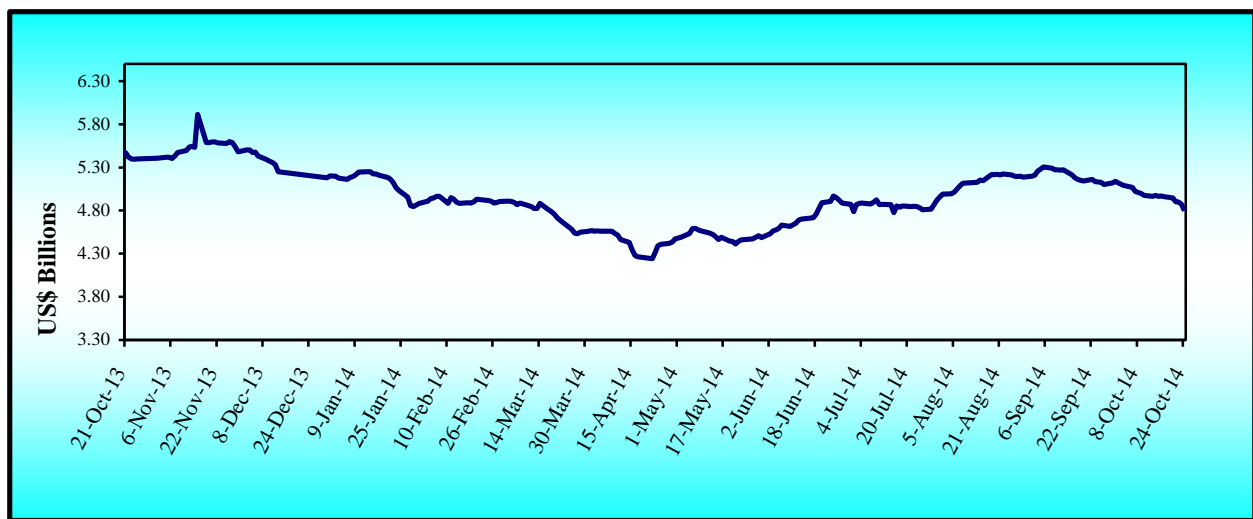


Source: Zimbabwe Stock Exchange, 2014

### Market Capitalization

Market capitalization declined by 3.22%, from US\$4.96 billion registered the previous week to US\$4.80 billion during the week under review. This was on account of thin trading, coupled with losses in some heavily capitalized counters.

**Figure 5 : Market Capitalization**



Source: Zimbabwe Stock Exchange, 2014

## Johannesburg Stock Exchange (JSE) Developments

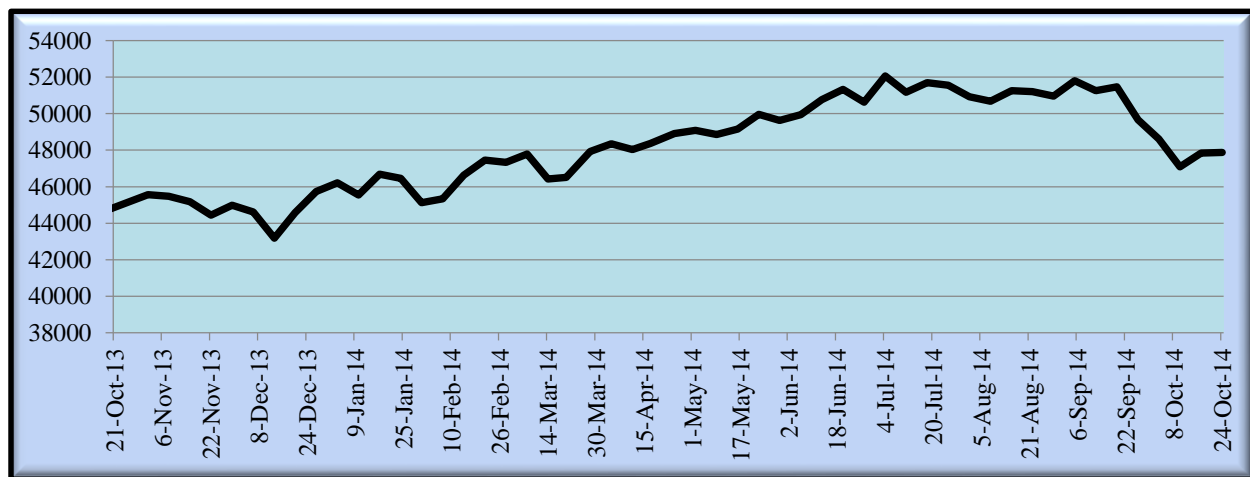
During the week under review, the JSE All Share index increased by 0.09% to 47 879.45 points, whilst market capitalization decreased by 0.29% to R11 281.22 billion.

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

2014	All Share Index (points)	Market Capitalization (R billion)
19-Sep	51,462.42	12,171.16
26-sep	49,663.64	11,753.80
03-Oct	43,613.93	11,502.83
10-Oct	47,092.24	11,108.91
17-Oct	47,836.69	11,313.66
24-Oct	47,879.45	11,281.22

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 OCTOBER 2014**