

Vol. 16 No. 30



Weekly Economic Highlights

Week Ending 25 July 2014

1. INTEREST RATES

Deposit Rates

During the week ending 25th July 2014, interest rates remained largely unchanged at all banking institutions. Savings, 1 month and 3 months average deposit rates closed the week at 3.42%, 9.86% and 11.58%, respectively.

Table 1: Average Deposit Rates

2014	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
27-Jun	3.42	9.91	11.57
04-Jul	3.42	9.91	11.58
11-Jul	3.42	9.91	11.58
18-Jul	3.42	9.91	11.55
25-Jul	3.42	9.86	11.58

Source: Banking Institutions, 2014

Lending Rates

Commercial banks' weighted lending rates for individuals and corporate clients closed the week at 14.33% and 9.45%. at merchant banks ,however, the weighted lending rates for individuals and corporates remained unchanged at 19% and 18%, respectively.

Table 2: Lending Rates

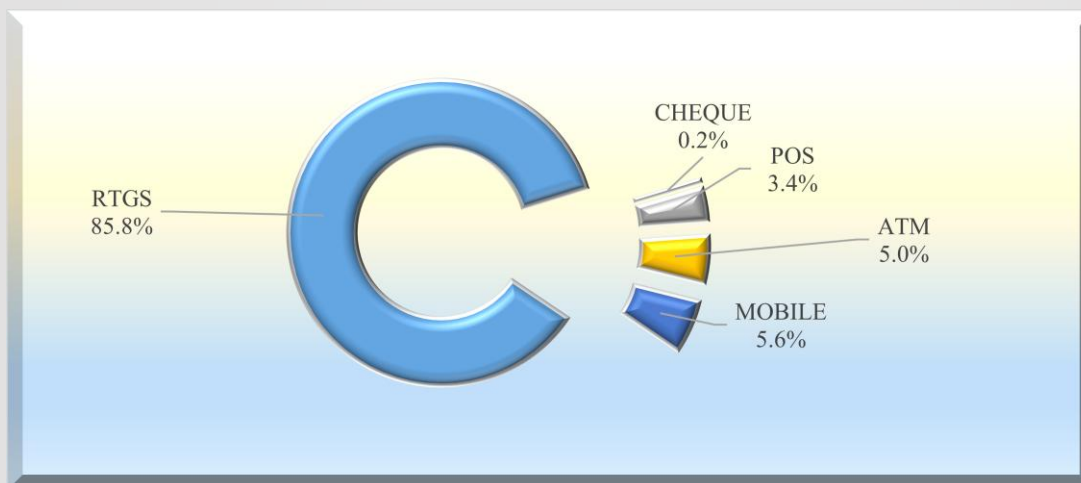
2014	Weighted Lending Rates (%)			
	Commercial Banks		Merchant Banks	
	Individuals	Corporate Clients	Individuals	Corporate Clients
27-Jun	14.44	9.33	19.00	18.00
04-Jul	14.36	9.34	19.00	18.00
11-Jul	14.34	9.34	19.00	18.00
18-Jul	14.34	9.32	19.00	18.00
25-Jul	14.33	9.45	19.00	18.00

Source: Banking Institutions, 2014

2. CLEARING AND SETTLEMENT ACTIVITY

During the week ending 25th July 2014, transactions processed through the Real Time Gross Settlement (RTGS) system increased to US\$1.03 billion in value terms, from US\$800 million recorded in the previous week.

Figure 1: Contribution to NPS Values



Mobile-based transactions continued to dominate the National Payment System, contributing 84.7% of total transaction volumes, as at week ending 25th July 2014. RTGS volumes recorded an increase of 7% from the previous week.

Figure 2: Contribution to NPS Volumes

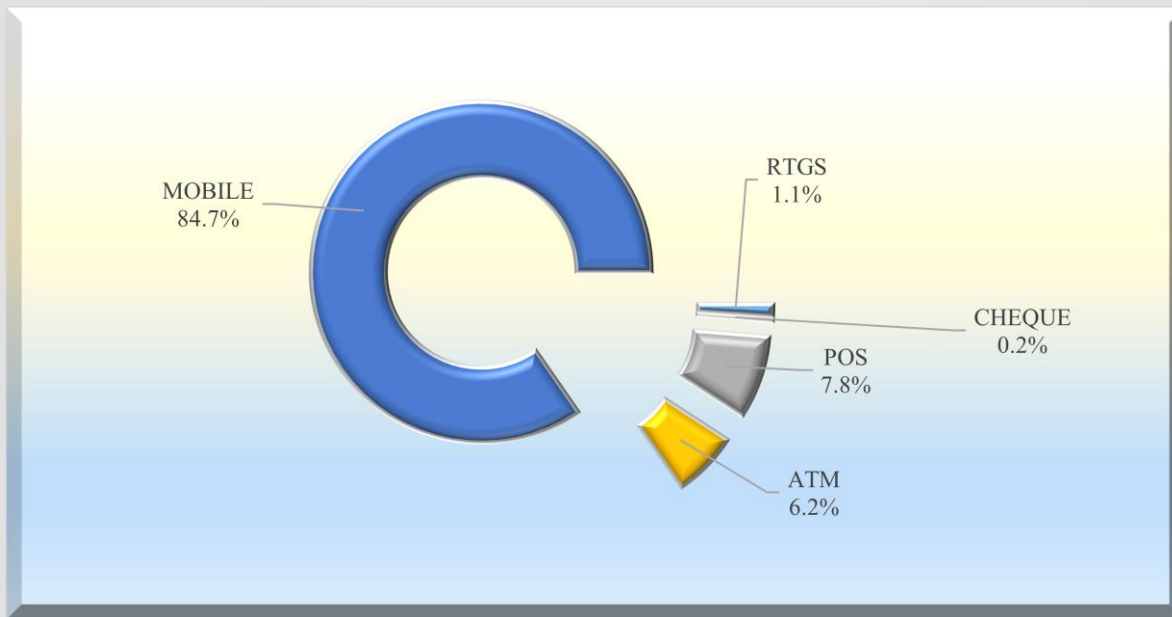


Table 3: National Payment Systems Activity

PAYMENT STREAM	PREVIOUS WEEK ENDING 18 JULY 2014	CURRENT WEEK ENDING 25 JULY 2014	CHANGE FROM LAST WEEK	PROPORTION
	VALUES IN USD			
RTGS	800,472,349.76	1,025,838,815.52	28%	85.80%
CHEQUE	2,444,990.11	2,517,377.81	3%	0.21%
POS	23,986,946.12	40,922,569.65	71%	3.42%
ATMS	46,560,984.00	59,733,540.65	28%	5.00%
MOBILE	64,361,426.77	66,601,748.36	3%	5.57%
TOTAL	937,826,696.76	1,195,614,051.99		100%
	VOLUMES			
RTGS	42,814	44,123	7%	1.11%
CHEQUE	7,211	7,510	4%	0.19%
POS	245,561	311,878	27%	7.85%
ATMs	198,825	245,792	24%	6.19%
MOBILE	3,271,471	3364256	2.8%	84.67%
TOTAL	3,764,327	3,973,559		100%

3. INTERNATIONAL COMMODITY PRICES

The weekly average international commodity prices for gold, platinum and nickel retreated, while those for copper and crude oil firmed, during the week ending 25th July 2014.

Table 5: Metals and Crude Oil Prices

Period	Gold US\$/ounce	Platinum US\$/ounce	Copper US\$/tonne	Nickel US\$/tonne	Crude Oil US\$/barrel
Weekly average (18 July)	1,307.05	1,494.30	7,084.70	19,072.00	106.69
21-Jul	1,312.13	1,493.00	6,989.00	18,730.00	107.37
22-Jul	1,308.63	1,485.50	7,060.00	18,925.00	107.84
23-Jul	1,307.75	1,485.50	7,050.00	18,955.00	107.85
24-Jul	1,296.38	1,470.50	7,151.00	19,080.00	107.72
25-Jul	1,293.63	1,472.00	7,180.00	19,155.00	107.01
Weekly average (25 July)	1,303.70	1,481.30	7,086.00	18,969.00	107.56
Weekly Change %	-0.26	-0.87	0.02	-0.54	0.81

Source: BBBC.com, KITCO and Bloomberg

Gold

Gold prices retreated from an average of US\$1 307.05/oz in the previous week, to US\$1 303.70/oz during the week under review. This was on the back of the improved U.S. economic outlook and stronger equities which curbed demand for the yellow metal as a safe haven asset. The losses were, however, capped by rising geopolitical tensions in Ukraine and Russia.

Platinum

Platinum prices also retreated by 0.87% from a weekly average of US\$1 494.30/oz, to an average of US\$1 481.30/oz, due to sell-offs as investors continued to take profits.

Copper

Copper prices firmed from an average of US\$7 084.70/tonne in the previous week, to US\$7 086.00/tonne, supported by strong manufacturing data in China, the world's top consumer of industrial metals. The data signaled a positive demand outlook for the base metal, pushing copper prices up.

Nickel

Nickel prices fell from US\$19 072.00/tonne in the previous week, to US\$18 969.00/tonne during the week under review, as speculators reduced positions due to a combination of sluggish demand of the metal and a global stock build-up.

Crude Oil

Crude oil price rose from US\$106.69/barrel in the previous week, to US\$107.56/barrel in the week under review. Prices rose as escalating geopolitical tensions in Ukraine, Russia, Israel and Libya re-ignited fears of supply disruptions in the global market. The improving U.S. economic outlook also boosted prices as it signaled a positive demand outlook for crude oil.

4. EQUITY MARKETS

During the week ending 25th July 2014, the industrial index registered a further 1.16% loss to 183.77 points. The index was largely weighed down by Colcom Holdings and Econet Wireless.

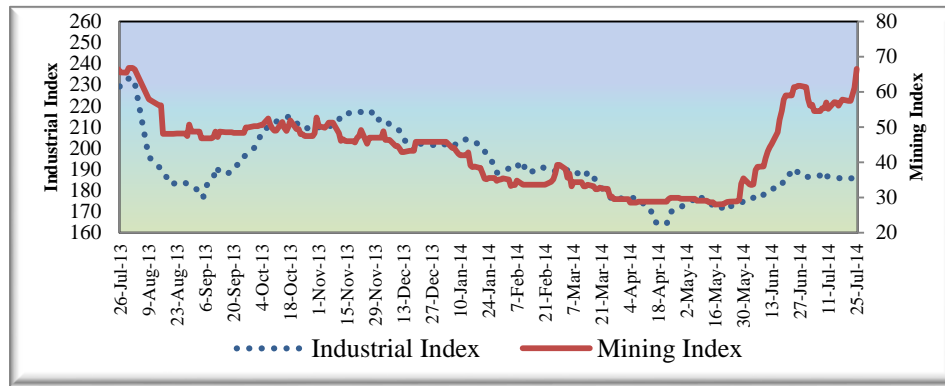
The mining index, however, continued to firm, sustained by gains in Bindura Nickel Mine. The index surged by 15.04%, from 57.83 points in the previous week to 66.53 points.

Table 6: Zimbabwe Stock Exchange (ZSE) Statistics

2014	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
27-Jun	187.08	61.71	4,887,084,943	3,343,589	16,631,283
04-Jul	187.44	54.56	4,886,463,775	5,220,034	16,468,027
11-Jul	186.78	55.17	4,870,337,179	7,391,635	91,078,394
18-Jul	185.93	57.83	4,852,906,349	5,526,191	132,707,769
25-Jul	183.77	66.53	4,809,370,645	4,011,633	37,628,835

Source: Zimbabwe Stock Exchange (ZSE), 2014

Figure 2: Zimbabwe Stock Exchange Indices

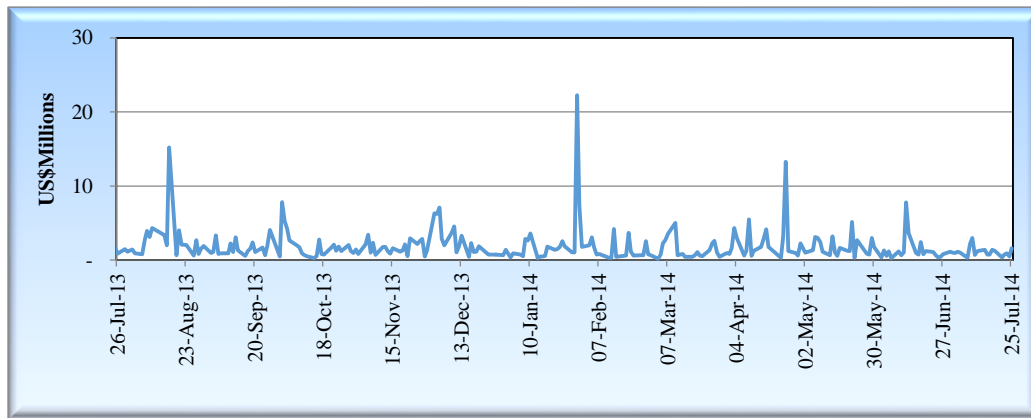


Source: Zimbabwe Stock Exchange, 2014

Volume and Market Turnover

Market turnover contracted by 23.5% to US\$4 million, from US\$5.23 million registered in the previous week. Total foreign purchases, at US\$2.6 million, represented 67.2% of total revenue during the week.

Figure 2: Daily Market Turnover

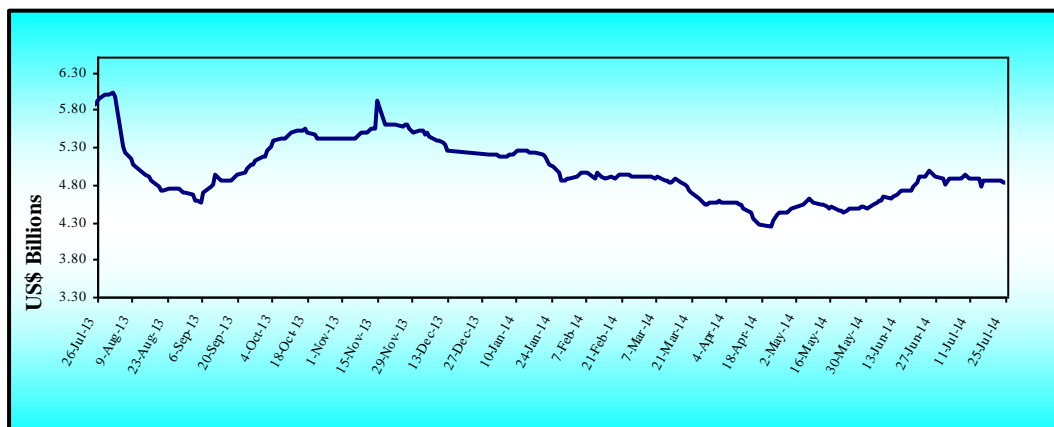


Source: Zimbabwe Stock Exchange, 2014

Market Capitalization

Market capitalization decelerated by 0.9%, from US\$4.85 billion in the previous week, to US\$4.81 billion during the week under review.

Figure 3: Market Capitalization



Source: Zimbabwe Stock Exchange, 2014

Johannesburg Stock Exchange (JSE) Developments

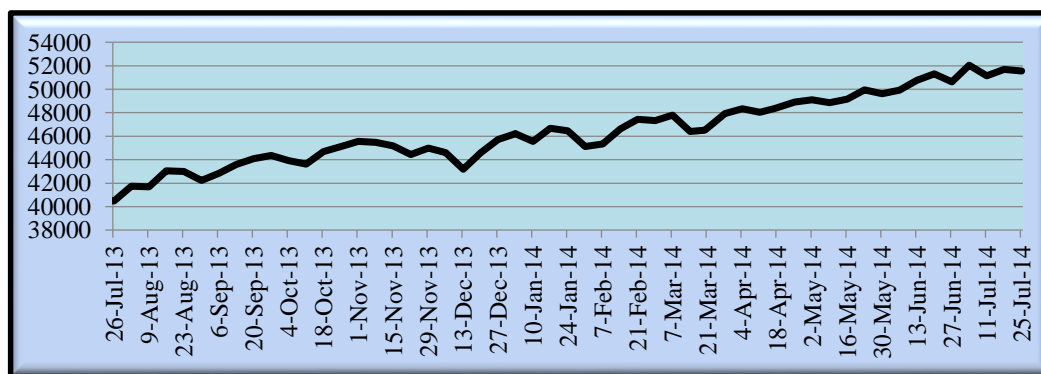
The JSE All Share index marginally declined by 0.28%, to close the week under review at 51 550.17 points. On the other hand market capitalization firmed by 0.12%, to close the week at R12 126.70 billion.

Table 7: Johannesburg Stock Exchange (JSE) Statistics

2014	All Share Index (points)	Market Capitalization (R bn)
27-Jun	50,625.37	11,825.08
04-Jul	52,060.03	12,224.57
11-Jul	51,161.33	12,017.95
18-Jul	51,695.05	12,111.62
25-Jul	51,550.17	12,126.70

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

5 AUGUST 2014

