



Weekly Economic Highlights

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Week Ending 26
September 2014

1. INTEREST RATES

Deposit Rates

During the week ending 26th September 2014, average term deposit rates for 1 month and 3 months tenor closed the week at 9.71% and 11.38%, 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 (%)
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
26-Sep	3.42	9.71	11.38

Source: Banking Institutions, 2014

Lending Rates

During the week under review commercial banks' weighted lending rates for individual and corporate clients increased marginally to 14.45% and 9.57%, respectively. Merchant banks' weighted lending rates for individuals and corporates, however, 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
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
26-Sep	14.45	9.57	19.00	18.00

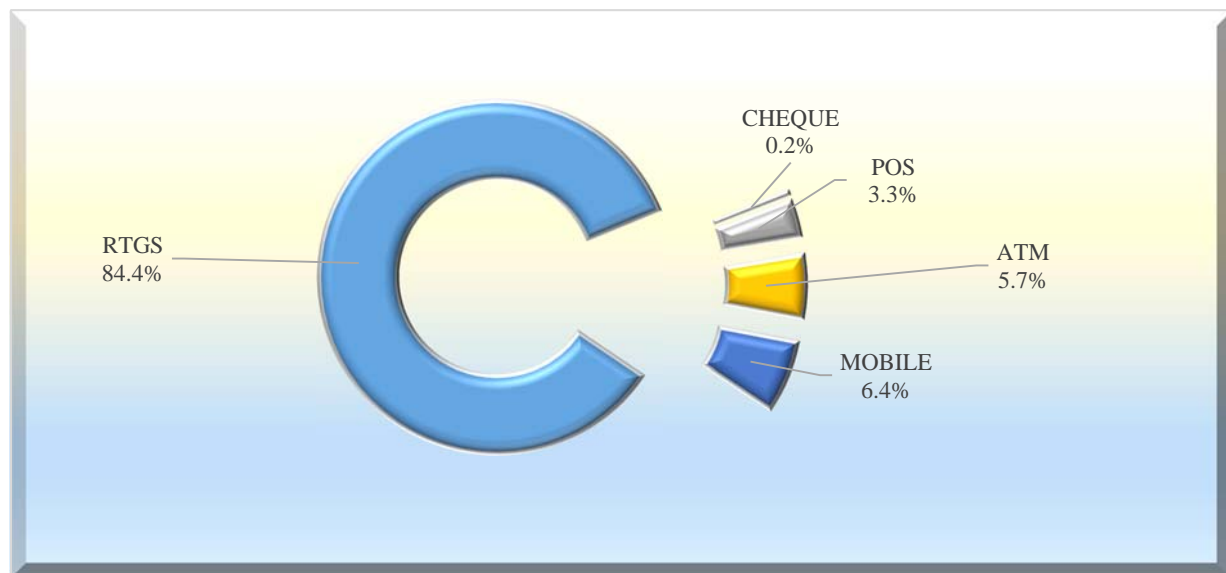
Source: Banking Institutions, 2014

2. CLEARING AND SETTLEMENT ACTIVITY

During the week ending 26th September 2014, the total value of transactions processed through the National Payment Systems (NPS), was US\$1 156 million, up from US\$1 028 million registered in the previous week.

Transactions processed through the Real Time Gross Settlement (RTGS) system increased by 12% to close the week under review at US\$975 million, from US\$869 million recorded during the previous week. The RTGS system payments accounted for 84.4% of the total value of transactions processed through the NPS.

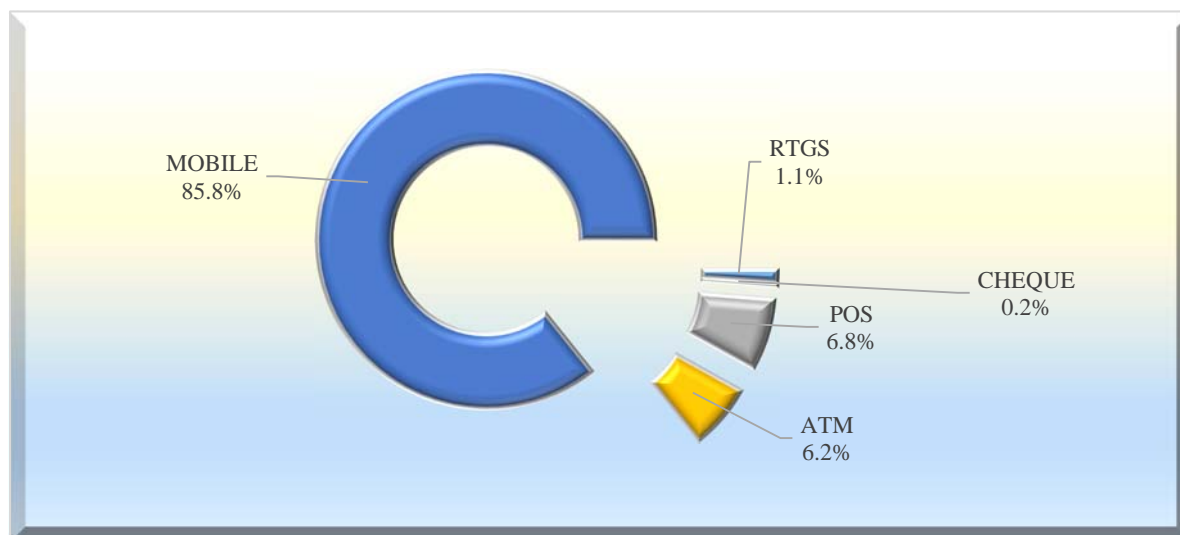
Figure 1: Proportions of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe

In volume terms, Mobile-Based transactions accounted for 85.8% of total transactions, as at week ending 26th September 2014, whilst Point of Sale (POS) transactions were 6.8%; and Automated Teller Machines (ATMs), 6.2%. RTGS transaction volumes declined by 12% 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 19 SEPTEMBER 2014	WEEK ENDING 26 SEPTEMBER 2014	CHANGE	PROPORTION
VALUES IN USD (millions)				
RTGS	868.79	974.90	12%	84.35%
CHEQUE	2.68	2.73	1.9%	0.24%
POS	30.22	37.60	24%	3.25%
ATMS	56.91	66.33	17%	5.74%
MOBILE	69.39	74.22	7%	6.42%
TOTAL	1027.99	1155.78		100%
VOLUMES				
RTGS	40,957	45,939	12%	1.11%
CHEQUE	7,070	6,850	-3%	0.17%
POS	191,935	280,430	46%	6.79%
ATMs	233,714	255,424	9%	6.18%
MOBILE	3,532,126	3,543,613	0.3%	85.75%
TOTAL	4,005,802	4,132,256		100%

Source: Reserve Bank of Zimbabwe.

3. INTERNATIONAL COMMODITY PRICES

The weekly average international commodity prices for gold, platinum, copper, nickel and crude oil retreated during the week ending 26th September 2014.

Table 4: 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 (19 Sep)	1,229.83	1,358.70	6,905.80	17,964.00	98.32
22-Sep	1,213.75	1,330.00	6,780.00	17,075.00	97.41
23-Sep	1,223.50	1,340.00	6,797.00	17,075.00	96.90
24-Sep	1,220.63	1,331.50	6,750.00	17,075.00	95.78
25-Sep	1,221.13	1,331.00	6,796.00	17,075.00	96.00
26-Sep	1,218.00	1,309.00	6,750.00	17,280.00	96.77
Weekly average (26 Sep)	1,219.40	1,328.30	6,774.60	17,116.00	96.57
Weekly Change %	-0.8	-2.2	-1.9	-4.7	-1.8

Source: BBBC.com, KITCO and Bloomberg

Gold

Gold prices declined from a weekly average of US\$1 229.83/oz in the previous week, to an average of US\$1 219.40/oz, following a strengthening US dollar which dampened the yellow metal's investment appeal. The US dollar strengthened against major trading partner currencies on account of the improving U.S. economic outlook.

Platinum

Platinum prices declined by 2.2%, from a weekly average of US\$1 358.70/oz in the previous week, to an average of US\$1 328.30/oz during the week under review.

Copper

Copper prices reversed the previous week's gains, decreasing by 1.9% from an average of US\$6 905.80/ton in the previous week, to an average of US\$6 774.60/ton, during the week of analysis. Concerns over lower than expected demand for copper in China, as well as a strengthening US dollar weighed down prices of the base metal.

Nickel

Nickel prices continued on a downward trend, declining by 4.7% from a weekly average US\$17 964.00/ton in the previous week, to an average of US\$17 116.00/ton during the week under review. Prices of the base metal were weighed down by a combination of rising global supplies and a stronger US dollar.

Crude Oil

Crude oil prices declined from an average of US\$98.32/barrel in the previous week to close the week under review at an average of US\$96.57/barrel. This was on account of improving global supply and concerns over weak oil demand in Europe and China.

4. EQUITY MARKETS

The bourse remained on a bearish trend for the third consecutive week, with the industrial index losing 1.56 points from 195.35 points, to close the week under review at 193.79 points. This was largely attributed to losses in Pioneer (25.00%); First Mutual (15.14%); DZLH (13.04%); Hippo (7.14%); CBZ (6.79%) and Inncor (5.54%). Partially offsetting these losses were gains in Willdale (33.33%), RTG (14.29%), Masimba (13.04%), Zimplow (4.83%); TA Holdings (3.40%); Barclays (2.56%) and ABCH (1.37%).

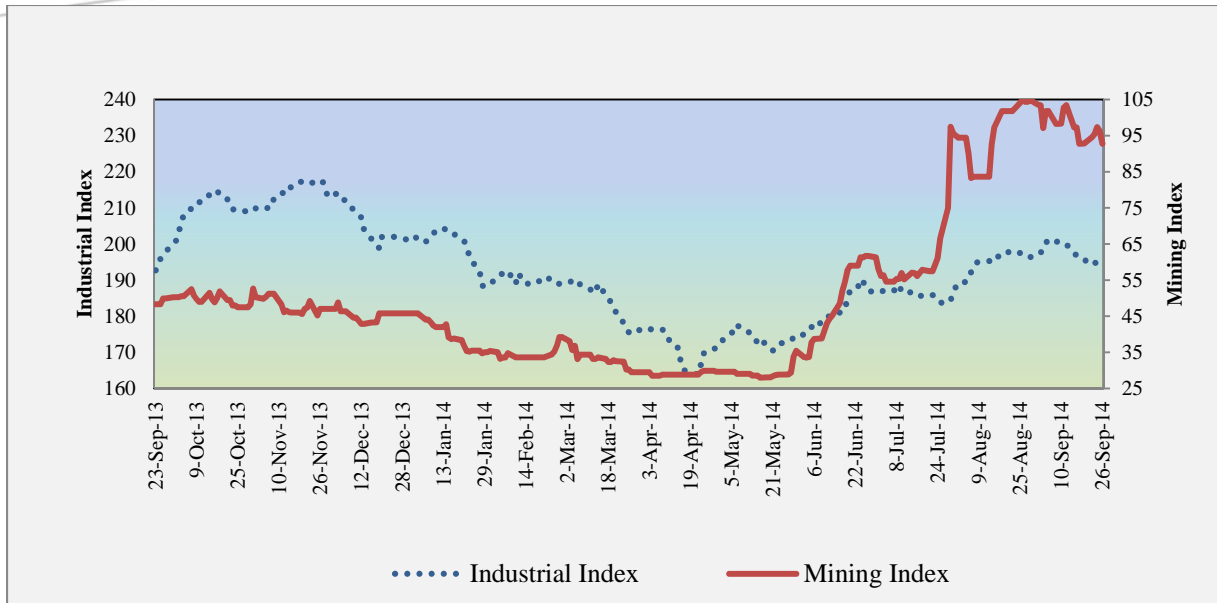
The resource index also declined by 0.09 points, to close the week ending 26th September 2014 at 92.76 points. This followed a decline of 0.12 % in the Bindura counter, while RioZim, as well as Hwange traded unchanged. Falgold, however, remained inactive during the week under review.

Table 5: Zimbabwe Stock Exchange (ZSE) Statistics

2014	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
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
26-Sep	193.79	92.76	5,102,722,729	5,078,219	12,592,808

Source: Zimbabwe Stock Exchange (ZSE), 2014

Figure 3 : Daily Market Turnover

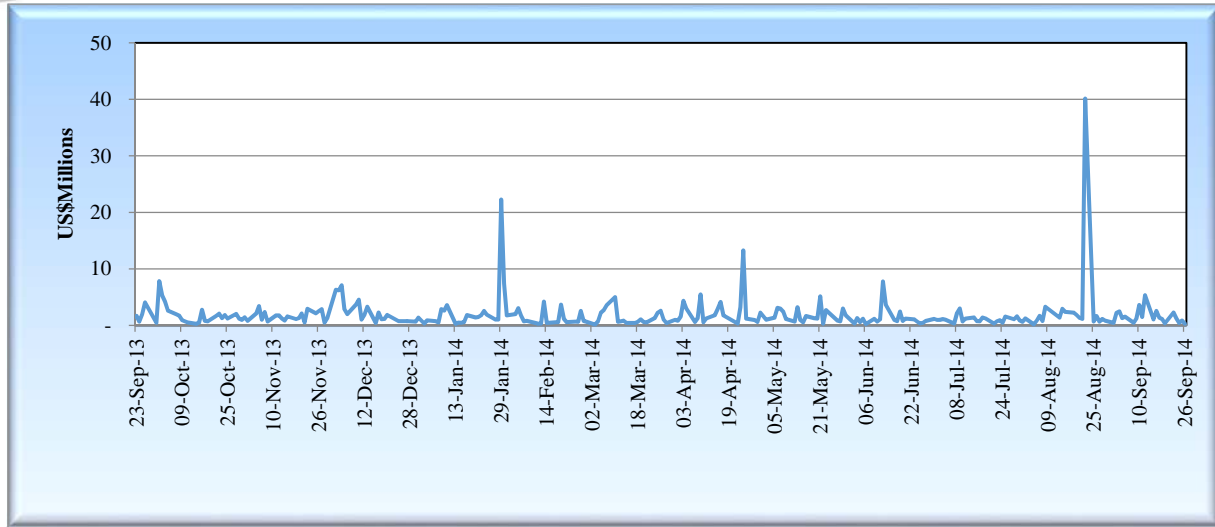


Source: Zimbabwe Stock Exchange, 2014

Volume and Market Turnover

Owing to thin trading and losses recorded in heavily capitalized stocks, market turnover declined by 21.36% to close the week under review at US\$5.08 million, from US\$6.46 million realized in the previous week. A total of 12.6 million shares were traded during the week under review, compared to 70.5 million shares traded in the previous week. Foreign trading amounted to US\$3.8 million, accounting for about 74.80% of total market turnover.

Figure 4 : Daily Market Turnover

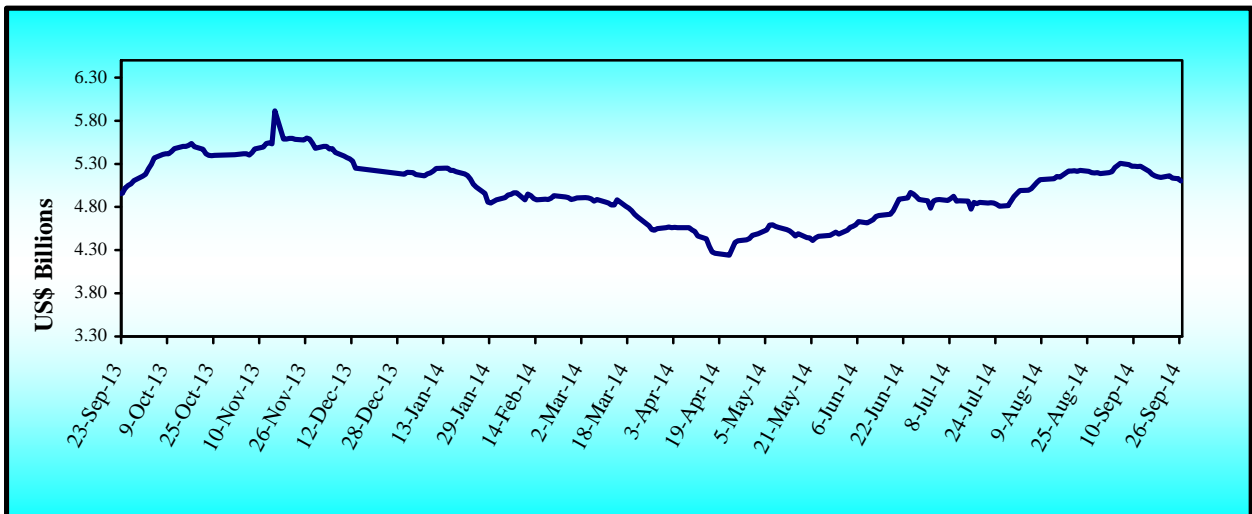


Source: Zimbabwe Stock Exchange, 2014

Market Capitalization

The ZSE market capitalization declined by 0.78% to close the week under review at US\$5.10 billion, from US\$5.14 billion in the previous week.

Figure 5 : Market Capitalization



Source: Zimbabwe Stock Exchange, 2014

Johannesburg Stock Exchange (JSE) Developments

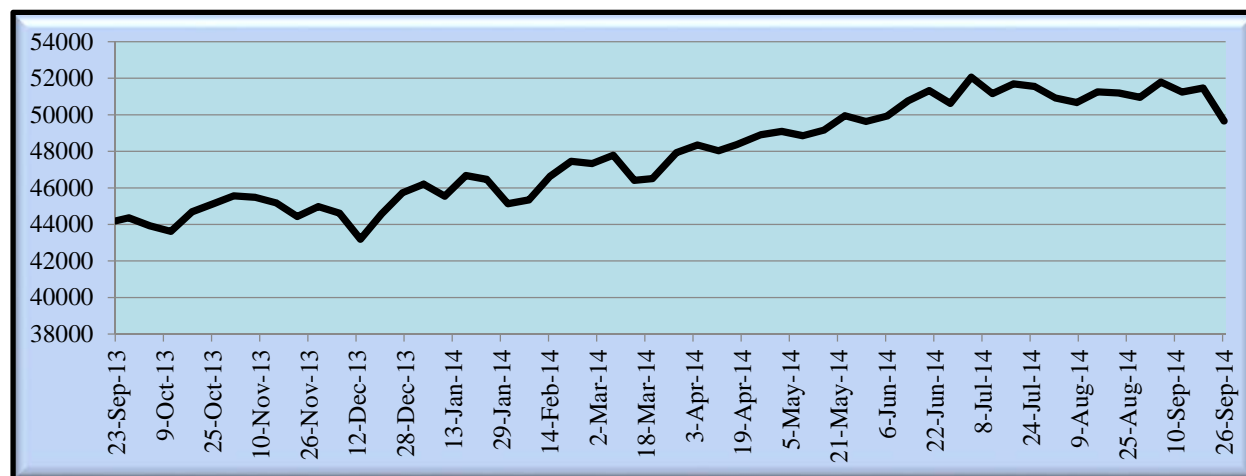
The JSE All Share index closed the week under review at 49 663.64 points, shedding 3.5% from the previous week's level. Market capitalization also declined by 3.43% to R11 754 billion.

Table 6: Johannesburg Stock Exchange (JSE) Statistics

2014	All Share Index (points)	Market Capitalization (R bn)
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
26-sep	49,663.64	11,753.80

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

01 OCTOBER 2014