

Vol. 16 No. 26



Weekly Economic Highlights

Week Ending 27 June 2014

1. INTEREST RATES

Deposit Rates

During the week ending 27th June 2014, all classes of average deposit rates remained unchanged, partly reflecting low activity on the money market.

Table 1: Average Deposit Rates

2014	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
23-May	3.42	10.01	11.59
30-May	3.42	10.01	11.59
06-Jun	3.42	9.91	11.67
13-Jun	3.42	9.89	11.62
20-Jun	3.42	9.91	11.57
27-Jun	3.42	9.91	11.57

Source: Banking Institutions, 2014

Lending Rates

During the week under review, commercial banks' weighted lending rates for individuals decreased marginally from 14.45% recorded the previous week to 14.44%. The weighted lending rate for corporate clients, however, increased from 9.28% to 9.33%. At merchant banks, lending rates quoted for individual and corporate clients remained unchanged at 19.00% and 18.00%, respectively.

Table 2: Lending Rates¹

2014	Weighted Lending Rates (%)			
	Commercial Banks		Merchant Banks ²	
	Individuals	Corporate Clients	Individuals	Corporate Clients
23-May	14.38	9.28	18.88	17.74
30-May	14.39	9.25	18.87	17.74
06-Jun	14.37	9.24	19.00	18.00
13-Jun	14.42	9.22	19.00	18.00
20-Jun	14.45	9.28	19.00	18.00
27-Jun	14.44	9.33	19.00	18.00

Source: Banking Institutions, 2014

¹ The weighted lending rate is the sum of nominal rates weighted by each bank's loan book size.

² There is only one merchant bank left in Zimbabwe hence the high weighted lending rate.

2. CLEARING AND SETTLEMENT ACTIVITY

During the week ending 27th June 2014, the value of transactions processed through the Real Time Gross Settlement (RTGS) system increased to US\$1 024.2 million, from US\$836 million recorded in the previous week. RTGS volumes recorded an increase of 13%, from 41 487 in the previous week to 46 794.

Table 3: National Payment Systems Activity

PAYMENT STREAM	WEEK ENDING 20 JUNE 2014	WEEK ENDING 27 JUNE 2014	CHANGE FROM PREVIOUS WEEK	PROPORTION
VALUES IN US\$				
RTGS	835,902,329.50	1,024,191,462.55	23%	86.61%
CHEQUE²	2,901,856.70	2,560,249.83	-12%	0.22%
POS	29,484,162.98	37,269,373.99	26%	3.15%
ATMs	46,227,767.91	53,755,244.18	16%	4.55%
MOBILE	59,078,850.63	64,798,922.50	10%	5.48%
TOTAL	973,594,967.72	1,182,575,253.05		100%
VOLUMES				
RTGS	41,487	46,794	13%	1.26%
CHEQUE²	8,049	7,320	-9%	0.20%
POS	278,636	297,145	7%	7.99%
ATMs	216,925	223,807	3%	6.02%
MOBILE	3,132,355	3,142,576	0.3%	84.53%
TOTAL	3,677,452	3,717,642		100%

Source: Reserve Bank of Zimbabwe, 2014

3. TOBACCO SALES

As at 27th June 2014 (Day 89 of the 2014 tobacco selling season), a cumulative total of 204.38 million kilograms of tobacco had been sold, an increase of 33.52% from 153.07 million kilograms sold during the same period in 2013. The average selling price for the golden leaf, at US\$3.17, was 14.38% lower than the average price of US\$3.70, realized during the same period in 2013.

Cumulative tobacco sales for day 89 amounted to US\$647.42 million, 14.45% more than the US\$565.65 million realized during the corresponding period in 2013.

Table 4: Cumulative Tobacco Sales As at Day 89 (27/06/14)

	2013	2014	Variance (%)
Quantity Sold (kgs)	153,068,727	204,376,394	33.52
Average Price (US\$/kg)	3.70	3.17	-14.38
Value (US\$)	565,653,046	647,416,468	14.45

Source: Tobacco Industry and Marketing Board (TIMB), 2014

4.INTERNATIONAL COMMODITY PRICES

The weekly average international commodity prices for gold, copper and platinum firmed, whilst those for nickel and crude oil retreated during the week ending 27th June 2014.

Table 5: Metals and Crude Oil Prices

	Gold	Platinum	Copper	Nickel	Crude Oil
2014	US\$/oz	US\$/oz	US\$/ton	US\$/ton	US\$/barrel
Weekly Average (20 June)	1,282.63	1,446.50	6,738.60	18,561.00	113.79
23-Jun	1,313.50	1,450.50	6,777.00	18,420.00	114.24
24-Jun	1,320.75	1,467.00	6,898.00	18,160.00	114.28
25-Jun	1,314.38	1,458.50	6,898.00	18,275.00	113.36
26-Jun	1,311.63	1,463.00	6,898.00	18,625.00	113.31
27-Jun	1,316.38	1,476.50	6,976.00	18,765.00	113.50
Weekly Average	1,315.33	1,463.10	6,889.40	18,449.00	113.74
<i>Weekly Change (%)</i>	<i>2.55</i>	<i>1.15</i>	<i>2.24</i>	<i>-0.60</i>	<i>-0.04</i>

Source: BBC, KITCO and Bloomberg, 2014

Gold

Gold prices rallied from an average of US\$1,282.63/oz in the previous week, to US\$1,315.33/oz during the week under review, owing to a combination of a weaker US dollar and geopolitical tensions in Iraq and Ukraine, which boosted the yellow metal's appeal as a safe haven.

Platinum

Platinum prices firmed by 1.15% from a weekly an average of US\$1,446.50/oz, to an average of US\$1,463.10/oz during the week under review. Prices rose on account of tight global supplies, despite normalcy returning to the South African platinum sector.

Copper

Copper prices rallied from an average of US\$6,738.60/tonne in the previous week, to US\$6,889.40/tonne during the week under review. Copper edged up on tight supply stocks amid the positive demand outlook in China.

Nickel

Nickel prices slipped from US\$18,561.00/tonne in the previous week to US\$18,449.00/tonne, due to a build up in global stocks, which dampened the prices.

Crude Oil

Crude oil prices retreated marginally by 0.04%, from US\$113.79/barrel in the previous week, to US\$113.74/barrel as investors took profits. Further losses were, however, capped by supply worries amid geopolitical tensions in Iraq.

5. EQUITY MARKETS

Table 6: Zimbabwe Stock Exchange (ZSE) Statistics

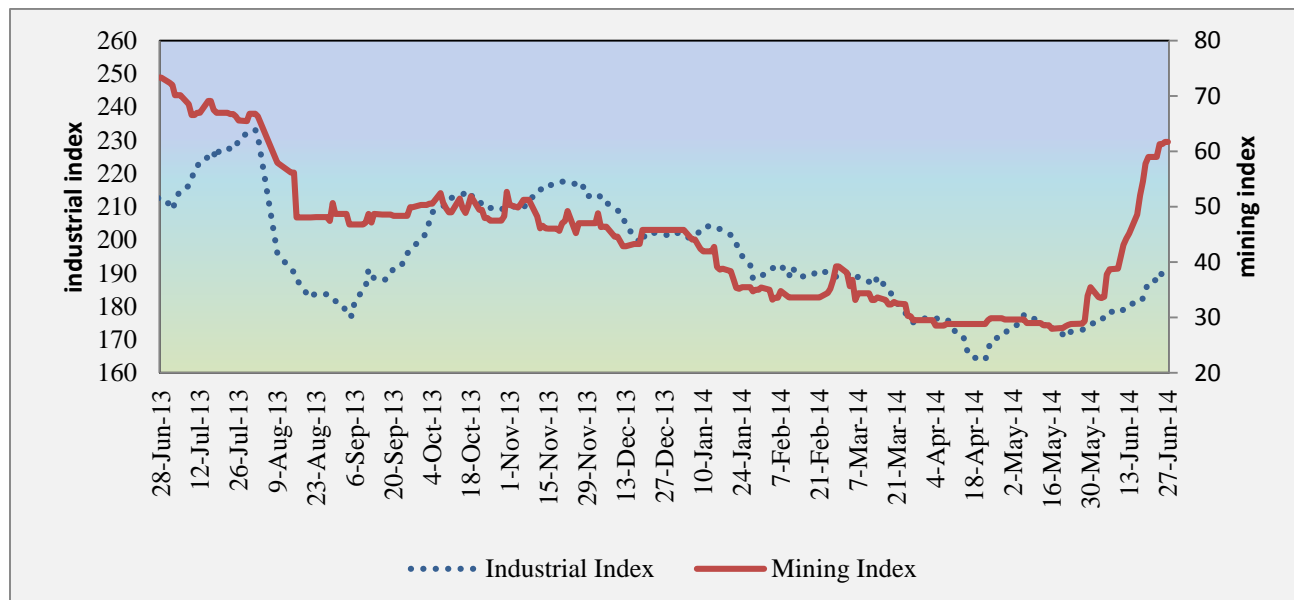
2014	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
23-May	172.40	28.81	4,460,892,327	10,584,534	72,201,692
30-May	174.89	35.45	4,485,108,012	6,353,501	73,708,677
06-Jun	178.57	38.69	4,632,762,780	3,616,120	27,466,635
13-Jun	180.74	45.17	4,700,124,294	14,305,979	87,116,246
20-Jun	187.39	59.00	4,889,623,500	6,139,497	44,890,463
27-Jun	187.08	61.71	4,887,084,943	3,343,589	16,631,283

Source: Zimbabwe Stock Exchange (ZSE), 2014

The Industrial index softened by 0.17%, from 187.39 points in the previous week, to close the week under review at 187.08 points. The bourse was largely weighed down by middle to heavily capitalized counters such as Cottco, Econet, Miekles and Ok Zimbabwe.

The mining index, however, increased by 4.59% to 61.71 points, from 59 points in the previous week. This was underpinned by increases in Hwange Colliery Company and Bindura Nickel Mine.

Figure 1: Zimbabwe Stock Exchange Indices

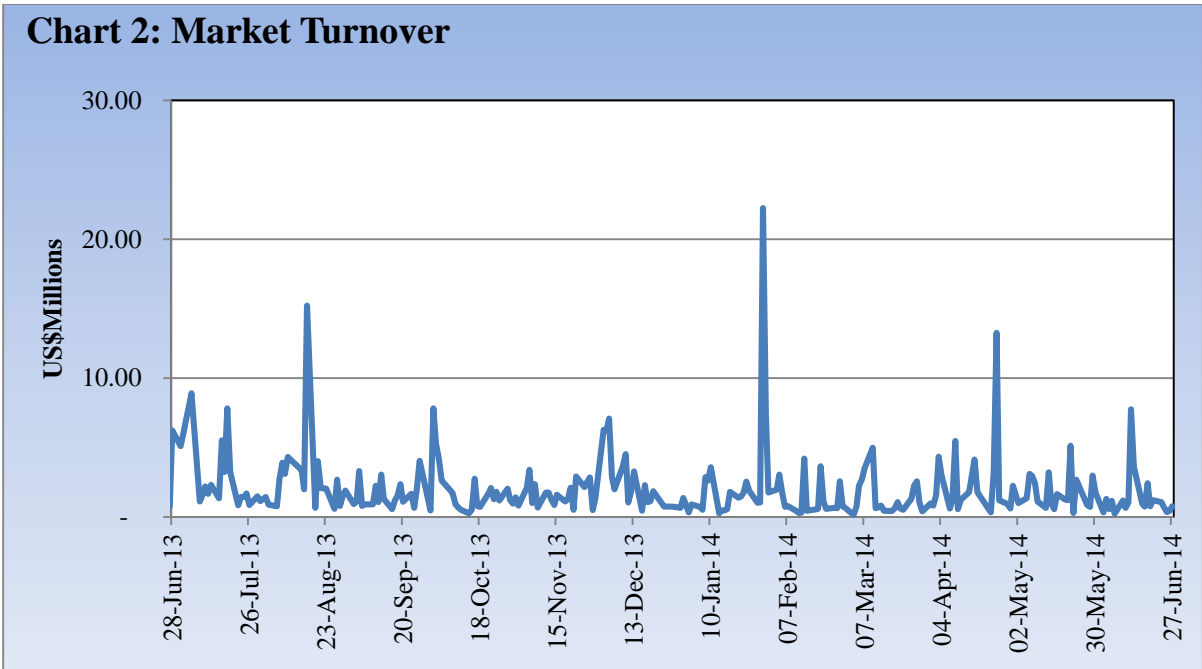


Source: Zimbabwe Stock Exchange, 2014

Volume and Market Turnover

Market turnover fell by 45.6% to US\$3.34 million, from US\$6.14 million registered in the previous week. Foreign contributions decelerated to 44.8% of total revenue, from 50.2% contributed in the previous week.

Figure 2: Market Turnover

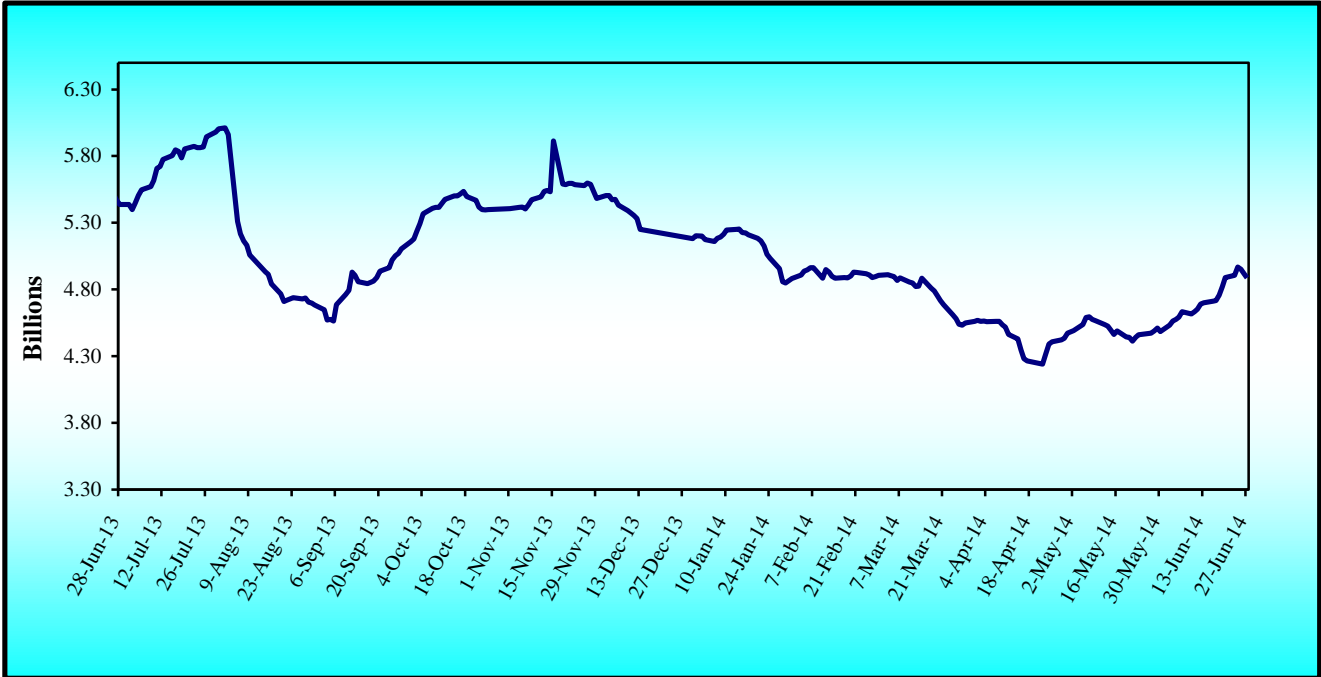


Source: Zimbabwe Stock Exchange, 2014

Market Capitalization

Market capitalization contracted by 0.05%, from US\$4.889 billion in the previous week to US\$4.887 billion.

Figure 3: Market Capitalization



Source: Zimbabwe Stock Exchange, 2014

Johannesburg Stock Exchange (JSE) Developments

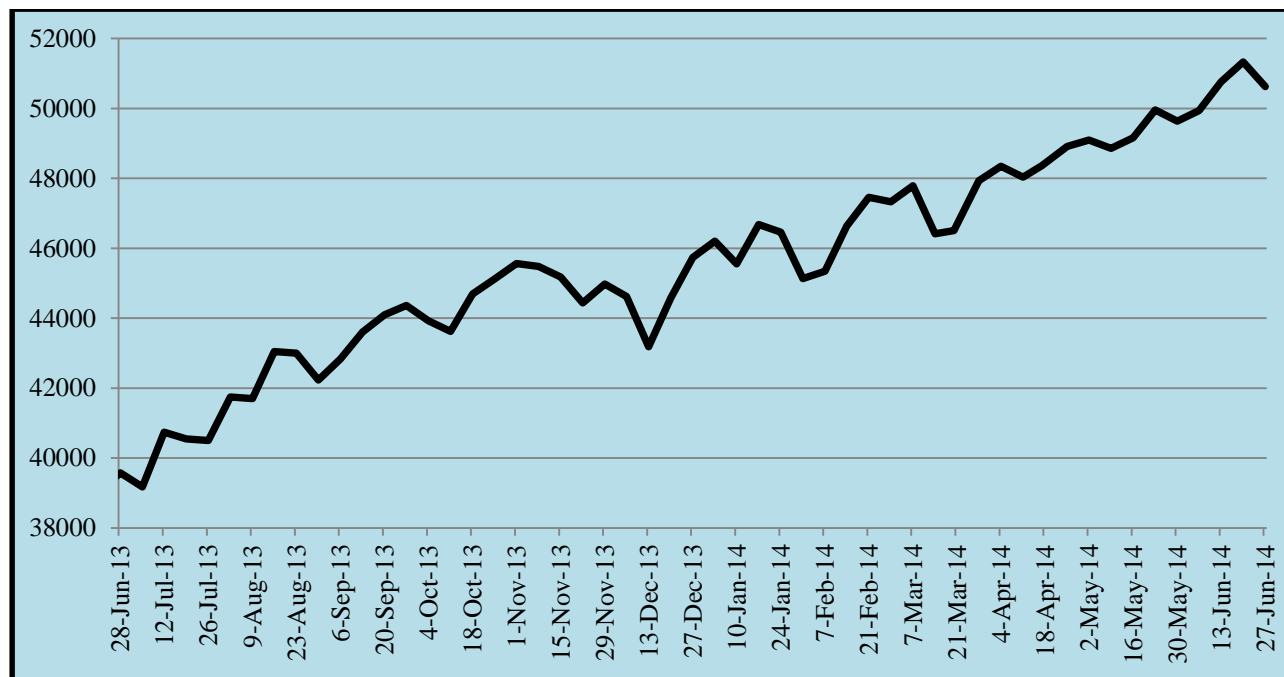
During the week under review, both the JSE All Share index and market capitalization retreated by 1.36% and 1.90%, to close the week at 50 625.37 points and R11 825.08 billion, respectively.

Table 7: Johannesburg Stock Exchange (JSE) Statistics

2014	All Share Index (points)	Market Capitalization (R bn)
23-May	49,952.69	11,628.88
30-May	49,632.70	11,619.23
06-Jun	49,933.99	11,666.43
13-Jun	50,763.71	11,874.64
20-Jun	51,322.67	12,053.78
27-Jun	50,625.37	11,825.08

Source: <http://www.jse.co.za/trade/derivative-market>

Figure 4: Johannesburg Stock Exchange (JSE) All Share Index



Source: <http://www.jse.co.za/trade/derivative-market>

RESERVE BANK OF ZIMBABWE

03 JULY 2014