



Weekly Economic Highlights

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Week Ending
28th August 2015

1. INTEREST RATES

Deposit Rates

During the week ending 28th August 2015, average deposit rates declined for all classes of deposits. Average savings deposit rates closed the week under review at 3%, while rates for deposits of 1 month and 3 months tenors stood at 8.11% and 9.11%, respectively.

Table 1: Average Deposit Rates

2015	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
24-July	3.00	8.22	9.40
31-July	3.00	8.19	9.28
07-Aug	3.00	8.17	9.22
14-Aug	3.00	8.17	9.22
21-Aug	3.00	8.11	9.11
28-Aug	3.00	8.11	9.11

Source: Banking Institutions, 2015

Lending Rates

Commercial bank weighted lending rates for individual borrowers increased from 11.52% to 11.96%, during the week under review. Similarly, the weighted lending rates for corporate clients increased by 0.02 percentage points to 8.51%.

Table 2: Lending Rates

2015	Lending Rates (%)	
	Commercial Banks (weighted)	
	Individuals	Corporate clients
24-July	11.92	8.56
31-July	11.86	8.56
07-Aug	11.82	8.55
14-Aug	11.82	8.54
21-Aug	11.52	8.49
28-Aug	11.96	8.51

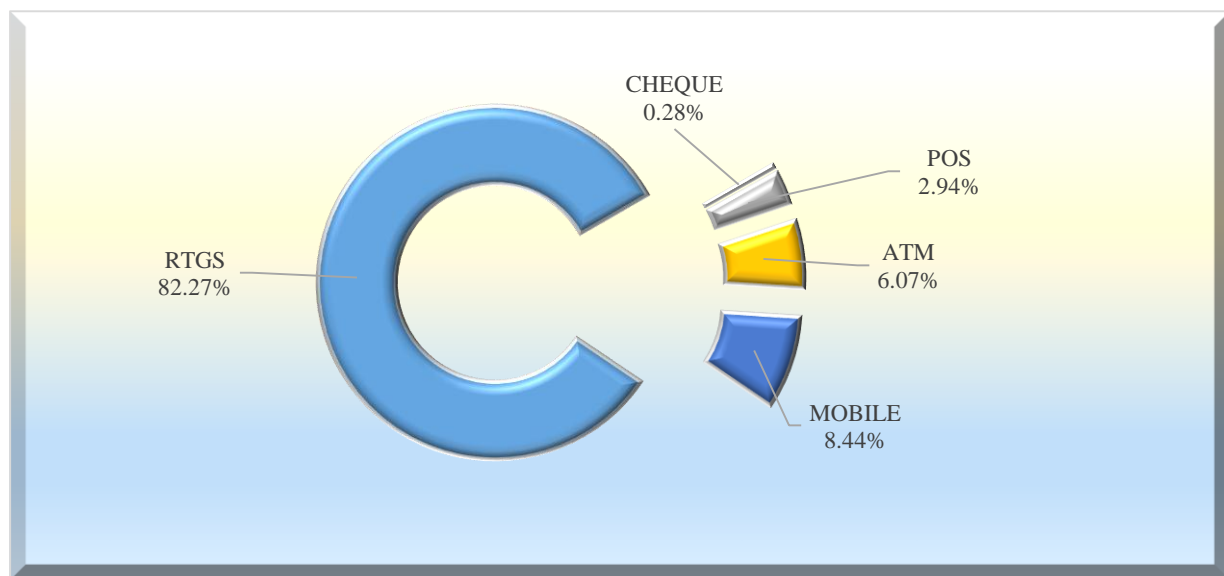
Source: Banking Institutions, 2015

2. CLEARING AND SETTLEMENT ACTIVITY

During the week under review, transactions processed through the National Payment System (NPS) decreased to US\$1 073.28 million, from US\$1 093.63 million in the previous week. Transactions processed through the Real Time Gross Settlement (RTGS) stood at US\$882.98 million, down from US\$921.61 million in the previous week.

In terms of proportion, RTGS transactions continued to dominate the NPS, accounting for 82.27% of the total value of transactions, followed by Mobile, 8.44%; ATMs, 6.07%; POS, 2.94% and cheque, 0.28%.

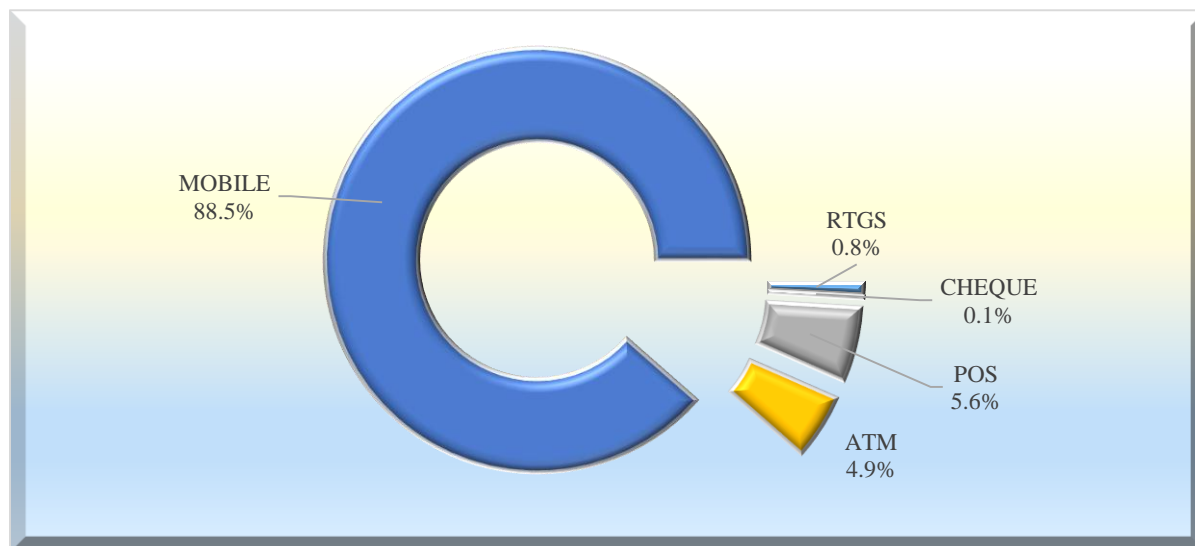
Figure 1: Proportions of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe

In volume terms, Mobile-based transactions accounted 88.53% of total NPS transactions; POS, 6.07%; ATM's, 4.89%; RTGS, 0.83%; and cheque transactions, 0.14%.

Figure 2: Proportions of NPS Transactions in Volume Terms



Source: Reserve Bank of Zimbabwe.

Table 3: National Payment Systems Activity

PAYMENT STREAM	WEEK ENDING 21 Aug 2015	WEEK ENDING 28 Aug 2015	CHANGE FROM LAST WEEK	PROPORTION
VALUES IN USD (millions)				
RTGS	921.61	882.98	-4%	82.27%
CHEQUE	2.72	3.03	11%	0.28%
POS	35.53	31.57	-11%	2.94%
ATMS	58.01	65.12	12%	6.07%
MOBILE	75.76	90.57	20%	8.44%
TOTAL	1,093.63	1,073.28		100%
RTGS	38,450	41,235	7%	0.83%
CHEQUE	7,250	7,002	-3%	0.14%
POS	360,146	279,879	-22%	5.61%
ATMs	258,514	243,829	-6%	4.89%
MOBILE	4,127,367	4,414,258	7%	88.53%
TOTAL	4,791,727	4,986,203		100%

Source: Reserve Bank of Zimbabwe

3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international commodity prices for platinum, copper, nickel and crude oil retreated, during the week ending 28th August 2015. This follows concerns over China's dampened demand outlook for commodities. Gold prices, however, firmed during the period under analysis as depicted in Table 4 below.

Table 4: Metals and Crude Oil Prices

Period	Gold	Platinum	Copper	Nickel	Crude Oil
2015	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
Weekly Average (21 Aug)	1,130.76	1004.1	5,045.60	10,326.00	47.85
24-Aug	1,160.00	992.00	4,888.00	9,300.00	43.26
25-Aug	1,145.88	988.50	5,031.00	9,670.00	43.62
26-Aug	1,127.58	976.00	4,959.00	9,475.00	43.44
27-Aug	1,123.75	989.50	5,028.50	9,727.50	45.02
28-Aug	1,130.25	1,001.00	5,095.00	9,730.00	47.74
Weekly Average (28 Aug)	1,137.49	989.40	5,000.30	9,580.50	44.62
Weekly Change (%)	0.6	(1.5)	(0.9)	(7.2)	(6.8)

Source: BBC, KITCO, Reuters and Bloomberg

Gold

Gold prices continued on an upward trend, rising by 0.6% from an average of US\$1 130.76/oz in the previous week, to US\$1 137.49/oz during the week under review. Prices rose amid concerns over China's economic slowdown, a development which continued to boost the precious metal's appeal as a safe haven asset. Reports that the Fed may delay interest rate hike also supported gold prices during the period under analysis.

Platinum

Platinum prices registered a 1.5% decline from US\$1 004.10/oz in the previous week, to US\$989.40/oz during the week ending 28th August 2015. The prices were depressed by subdued demand due to moderating global automobile production as well as weak demand from China.

Copper

Copper prices closed the week under review at US\$5 000.30/tonne, a further 0.9% decline from US\$5 045.60/tonne registered in the previous week. The persistent decline in copper prices was on account of subdued demand from China.

Nickel

Nickel registered a 7.2% decline in prices, from a weekly average of US\$10 326.00/tonne in the previous week, to US\$9 580.50/tonne, during the week under review. The base metal price decline is largely attributed to slowdown in demand from China.

Crude Oil

Crude oil prices continued on a downward trend, declining by 6.8% to US\$44.62/barrel during the week under analysis. The prices slumped on the back of a global glut as oil supply continued to be greater than demand.

4. EQUITY MARKETS

Activity on the Zimbabwe Stock Exchange remained depressed, resulting in declines in both the industrial and mining indices during the week under review. The industrial index declined by 0.21%, from 135.82 points in the previous week, to 135.53 points. The mining index lost 0.51%, to close the week under analysis at 35.34 points.

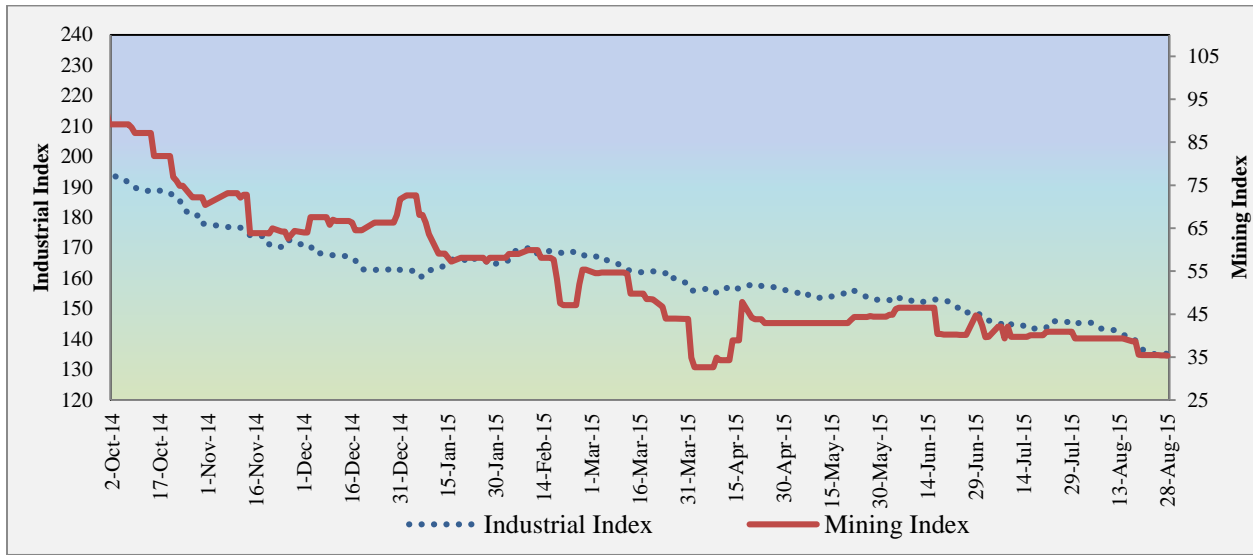
The decline in the industrial index was largely a result of losses in Pearl (12.28%), Padenga (6.93%), CBZ (5.81%), Turnall (5.26%) and Hippo Valley (0.85). The mining index slumped due to a 20% loss in Falgold and a 2.86% loss in Hwange.

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-July-15	145.90	40.94	3,829,331,098	3,474,177	18,749,070
31-July-15	145.35	39.36	3,812,648,666	4,395,587	26,625,959
7-Aug-15	143.58	39.36	3,766,983,066	3,227,108	14,657,065
14-Aug-15	141.38	39.36	3,710,230,886	3,058,771	16,382,255
21-Aug-15	135.82	35.52	3,562,323,411	5,834,289	18,589,275
28-Aug-15	135.53	35.34	3,554,514,836.00	2,806,244	24,991,562

Source: Zimbabwe Stock Exchange (ZSE), 2015

Figure 3 : Zimbabwe Stock Exchange Indices

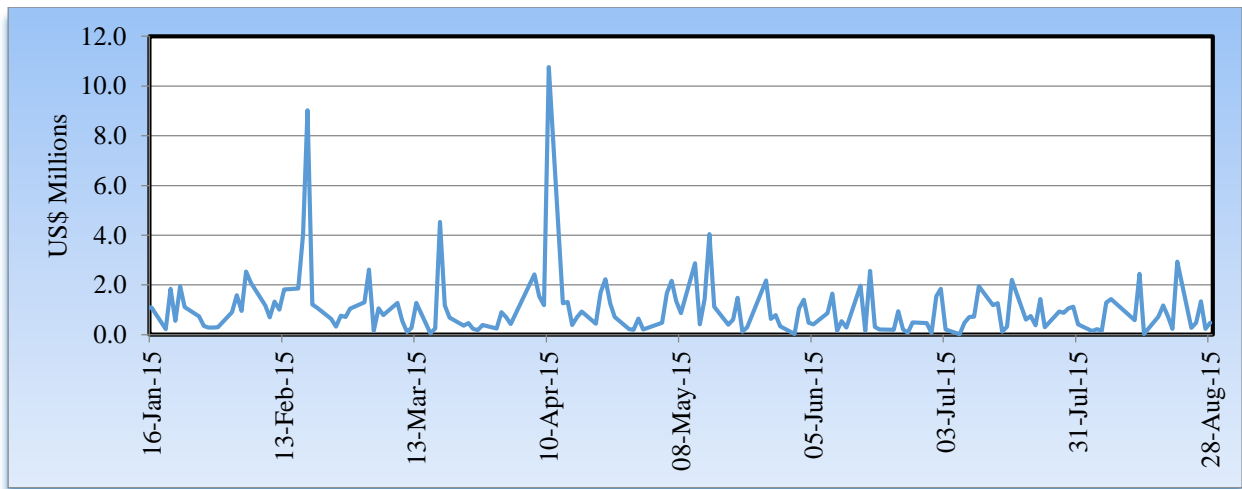


Source: Zimbabwe Stock Exchange, 2015

Market Turnover and Volume

Turnover value declined by 51.90%, from US\$5.83 million in the previous week, to US\$2.81 million during the week under review. The decline resulted from subdued investor interest in the stock market largely due to deteriorating economic conditions. In terms of volume, however, shares traded increased to 24 991 562 shares from 18 589 275 shares.

Figure 4: Daily Market Turnover

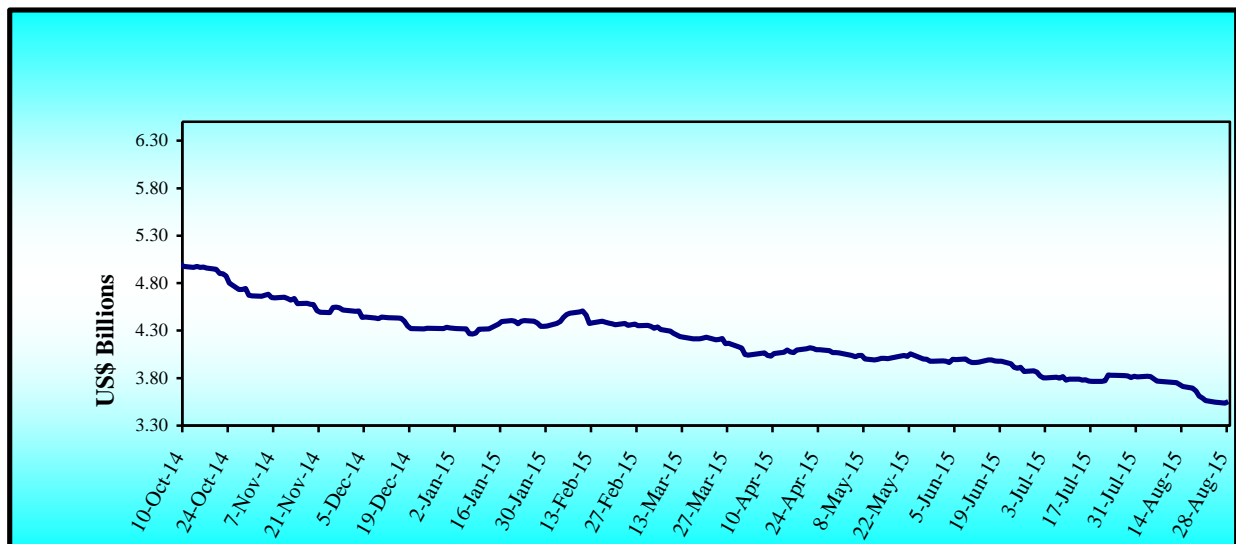


Source: Zimbabwe Stock Exchange, 2015

Market Capitalisation

Market capitalisation continued on a downward trend, declining by 0.22% to US\$3.55 billion during the period under review.

Figure 5 : Market Capitalisation



Source: Zimbabwe Stock Exchange, 2015

Johannesburg Stock Exchange (JSE) Developments

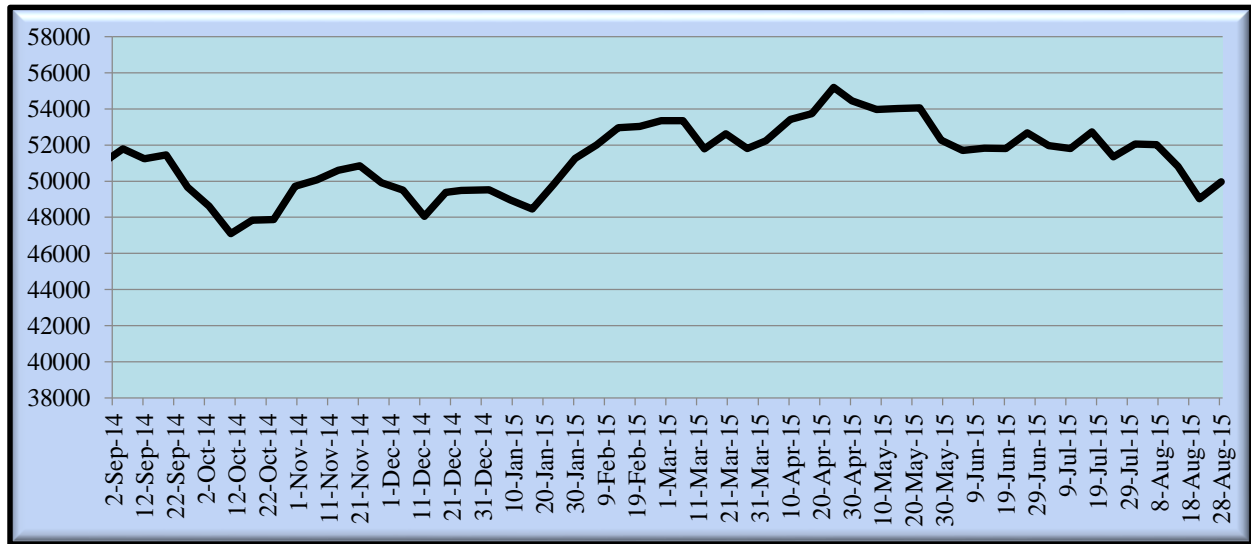
The JSE All Share index rose by 1.91% from the previous week's 49 028.36 points, to close the week under review at 49 966.80 points. Market capitalization stood at R11.40 trillion, up from R11.26 trillion in the previous week.

Table 6: Johannesburg Stock Exchange (JSE) Statistics

Period- 2015	All Share Index (points)	Market Capitalization (R trillion)
24-July	51,356.08	11.81
31-July	52,053.27	12.03
7-Aug	52,014.96	12.00
14-Aug	50,821.18	11.67
21-Aug	49,028.36	11.26
28-Aug	49,966.80	11.40

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

4TH SEPTEMBER 2015