



Weekly Economic Highlights

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Week Ending
28 November 2014

1. INTEREST RATES

Deposit Rates

Interest rates remained largely unchanged at most banking institutions, during the week ending 28th November 2014, a reflection of unchanged market conditions. Average deposit rates for savings, 1 month and 3 month tenors, closed the week under review at 3.42%, 9.66% and 11.43%, respectively.

Table 1: Average Deposit Rates

2014	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
31-Oct	3.42	9.70	11.47
07-Nov	3.42	9.70	11.47
14-Nov	3.42	9.68	11.45
21-Nov	3.42	9.66	11.42
28-Nov	3.42	9.66	11.43

Source: Banking Institutions, 2014

Lending Rates

Commercial banks' weighted lending rates for individuals and corporate clients closed the week at 14.26% and 9.97%, respectively. At merchant banks, however, the weighted lending rates for individuals and corporates remained unchanged at 19% and 18%, respectively.

Table 2: Lending Rates

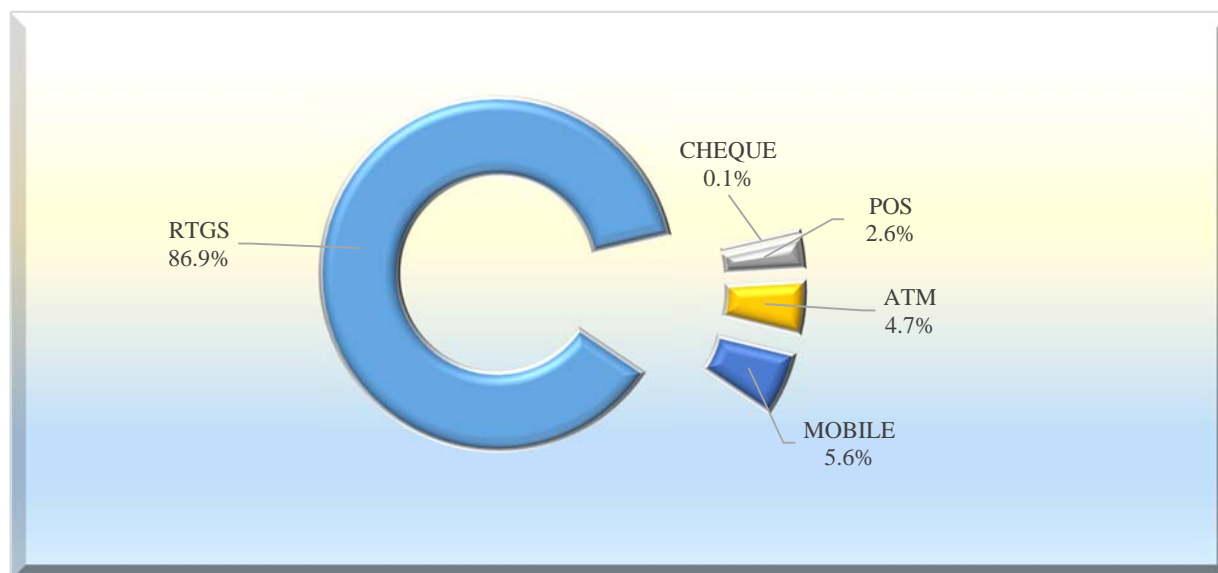
2014	Weighted Lending Rates (%)			
	Commercial Banks		Merchant Banks	
	Individuals	Corporate Clients	Individuals	Corporate Clients
31-Oct	14.36	9.90	19.00	18.00
07-Nov	14.37	9.86	19.00	18.00
14-Nov	14.39	9.88	19.00	18.00
21-Nov	14.37	9.91	19.00	18.00
28-Nov	14.26	9.97	19.00	18.00

Source: Banking Institutions, 2014

2. CLEARING AND SETTLEMENT ACTIVITY

During the week ending 28th November 2014, the value of transactions processed through the National Payment Systems (NPS) increased from US\$1 274 million to US\$1 573 million. Transactions processed through the Real Time Gross Settlement (RTGS) system increased to US\$1 367 million, from US\$1 107 million recorded in the previous week. RTGS volumes recorded an increase of 18% from the previous week, to close the week under review at 47 549.

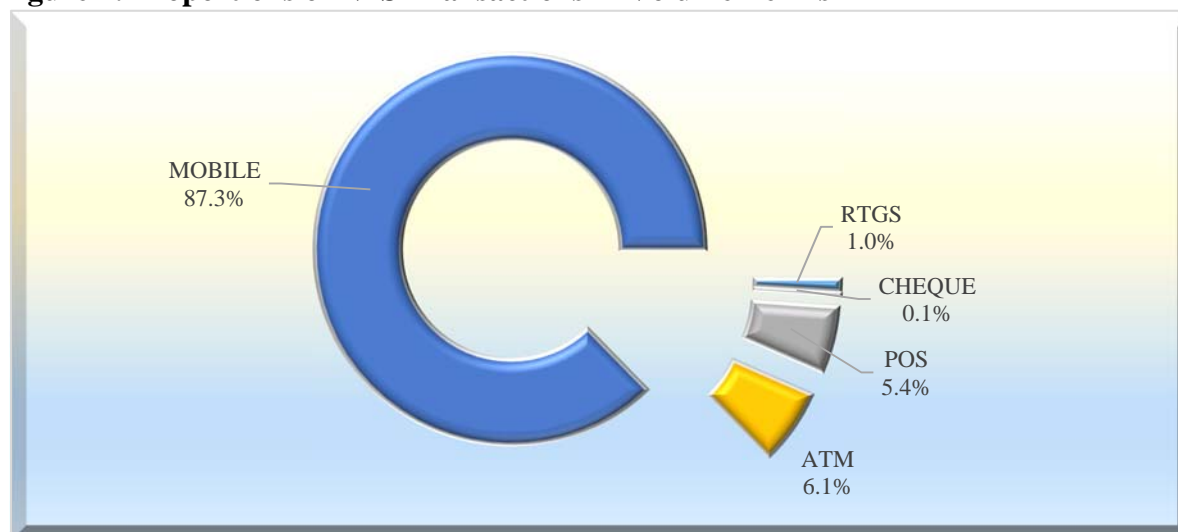
Figure 1: Proportions of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe

RTGS, Mobile, ATM, POS and Cheque transactions accounted for 86.9%, 5.6%, 4.7%, 2.6% and 0.1%, respectively, of the total value of transactions. In terms of volume, Mobile-Based transactions accounted for 89.3% of total transactions, followed by Automated Teller Machines (ATMs), 6.1%; Point of Sale (POS), 5.4%; RTGS, 1%; and Cheque 0.1%.

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 NOVEMBER 2014	WEEK ENDING 28 NOVEMBER 2014	CHANGE FROM LAST WEEK	PROPORTION
VALUES IN USD (millions)				
RTGS	1,107.47	1,367.41	23%	86.94%
CHEQUE	2.38	2.05	-14%	0.13%
POS	31.93	40.74	28%	2.59%
ATMS	56.43	74.11	31%	4.71%
MOBILE	75.96	88.56	17%	5.63%
TOTAL	1,274.17	1,572.88		100%
VOLUMES				
RTGS	40,130	47,549	18%	0.98%
CHEQUE	7,031	6,135	-13%	0.13%
POS	219,750	265,566	21%	5.45%
ATMs	193,546	299,490	55%	6.15%
MOBILE	3,873,255	4,253,712	10%	87.30%
TOTAL	4,333,712	4,872,452		100%

Source: Reserve Bank of Zimbabwe.

3. INTERNATIONAL COMMODITY PRICES

The weekly average international commodity prices for gold, platinum and nickel firmed, whilst copper and crude oil prices retreated, during the week ending 28th November 2014.

Table 4: Metals and Crude Oil Prices

Period	Gold	Platinum	Copper	Nickel	Crude Oil
2014	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
Weekly Average (21 Nov)	1,194.20	1,207.80	6,715.80	15,888.00	79.19
24-Nov	1,196.75	1,221.00	6,730.00	16,530.00	80.17
25-Nov	1,200.63	1,215.00	6,698.00	16,450.00	80.16
26-Nov	1,196.63	1,221.00	6,650.00	16,225.00	77.66
27-Nov	1,195.63	1,220.00	6,621.00	16,225.00	72.82
28-Nov	1,183.63	1,209.50	6,515.00	16,080.00	73.19
Weekly Average (28 Nov)	1,194.65	1,217.30	6,642.80	16,302.00	76.80
Weekly Change (%)	<i>0.0</i>	<i>0.8</i>	<i>-1.1</i>	<i>2.6</i>	<i>-3.0</i>

Source: BBC, KITCO, Reuters and Bloomberg

Gold

Gold prices marginally increased from an average of US\$1,194.20/oz, registered in the previous week, to an average of US\$1,194.65/oz for the week ending 28th November 2014. This followed increases in US equities' returns, which weakened the demand for the precious metal as a safe haven.

Platinum

Platinum prices firmed, gaining 0.8% from a weekly average of US\$1 207.80/oz recorded in the previous week, to US\$1 217.30/oz during the week under analysis. The increase in platinum prices was underpinned by the positive economic outlook in the US, following reports that the US economy grew during the third quarter of 2014.



Copper

Copper prices declined by 1.1%, from an average of US\$6 715.80/ton in the previous week, to a weekly average of US\$6 642.80/ton. The prices fell amid reports that Peru, the world's sixth largest copper producer, is expected to boost supply.

Nickel

Nickel prices firmed by 2.6%, from a weekly average of US\$15 888.00/ton recorded in the previous week, to an average of US\$16 302.00/ton during the week under review. Prices surged amid reports that the Philippines is moving close to implementing an export ban on unprocessed nickel ore.

Crude Oil

Crude oil prices declined by 3% from US\$79.19/barrel in the previous week, to an average of US\$76.80/barrel during the week under analysis. This was on account of rising US crude oil output and excess supply, as the Organization of Petroleum Exporting Countries kept its production levels constant.

4. EQUITY MARKETS

During the week ending 28th November 2014, activity on the Zimbabwe Stock Exchange was subdued as investors waited for the announcement of the Fiscal Budget. The industrial index added 0.01% from 170.49 points to 171.45 points. The mainstream index's marginal increase was largely attributable to gains realized by lower tier counters RTG (33.33%), Lafarge (32.50%), Fidelity, Star Africa and ZBFH, 20.00% each.

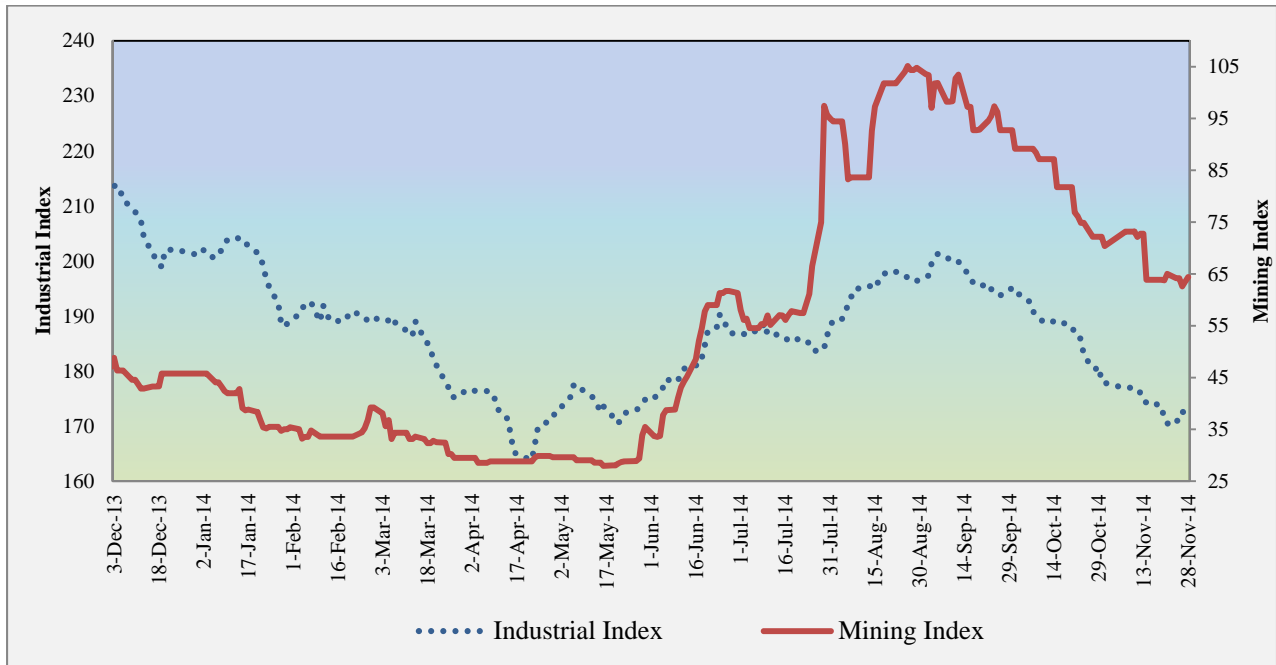
The resource cluster was characterized by thin trading with only two counters recording price changes. Consequently, the resource index shed 0.01% to close the week under review at 64.39 points, down from 65.00 points recorded in the previous week. The notable loss in RioZim was due to perceived negative investor sentiment towards the company's ability to raise working capital. Its inability to attract additional capital is evidenced by the time the company is taking to undertake a proposed rights issue to fund the resuscitation of the Cam and Motor gold mines.

Table 5: Zimbabwe Stock Exchange (ZSE) Statistics

2014	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
07-Nov	176.90	73.16	4,645,928,684	3,953,147	17,547,465
14-Nov	174.10	63.88	4,585,475,788	5,786,630	26,846,746
21-Nov	170.49	65.00	4,494,043,988	13,131,288	36,359,520
28-Nov	171.45	64.39	4,517,926,188	11,541,086	68,348,973

Source: Zimbabwe Stock Exchange (ZSE), 2014

Figure 3 : Zimbabwe Stock Exchange Indices

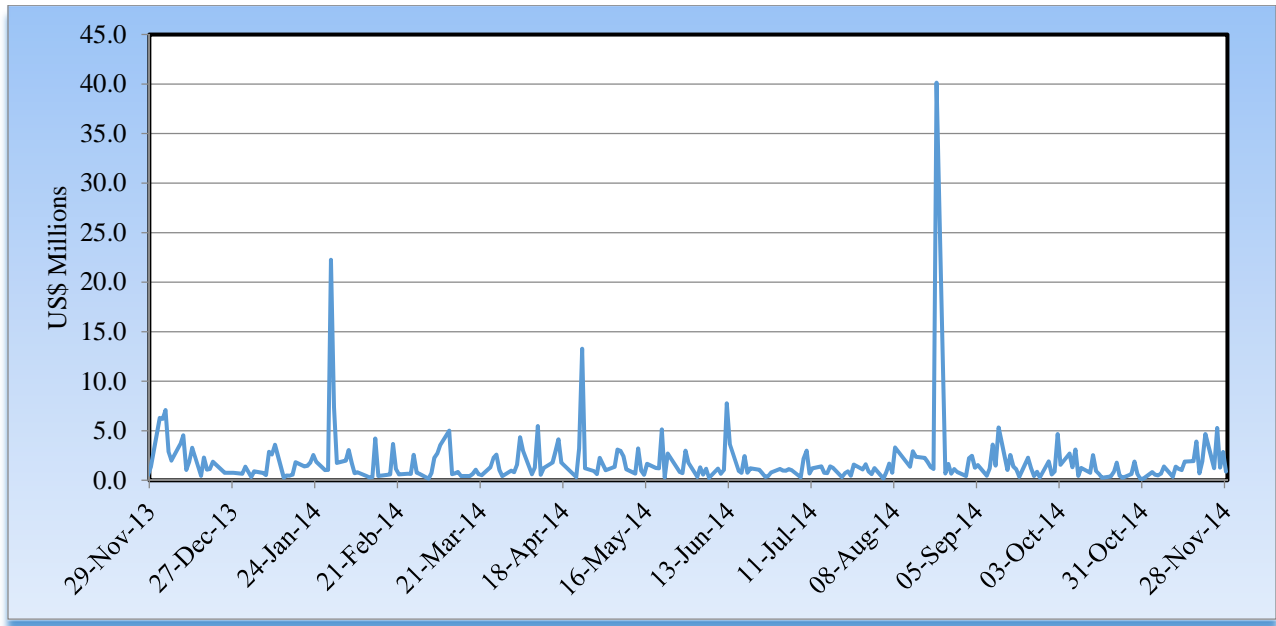


Source: Zimbabwe Stock Exchange, 2014

Market Turnover and Volume

Market turnover stood at US\$11.54 million, down from US\$13.13 million registered in the previous week. The total volume of shares traded amounted to 68.35 million during the week under review, compared to 36.36 million shares in the previous week. This was mainly due to losses in some blue chip counters and notable trade in low cost Mash Holdings, which accounted for more than 50% of trade volume.

Figure 4: Daily Market Turnover

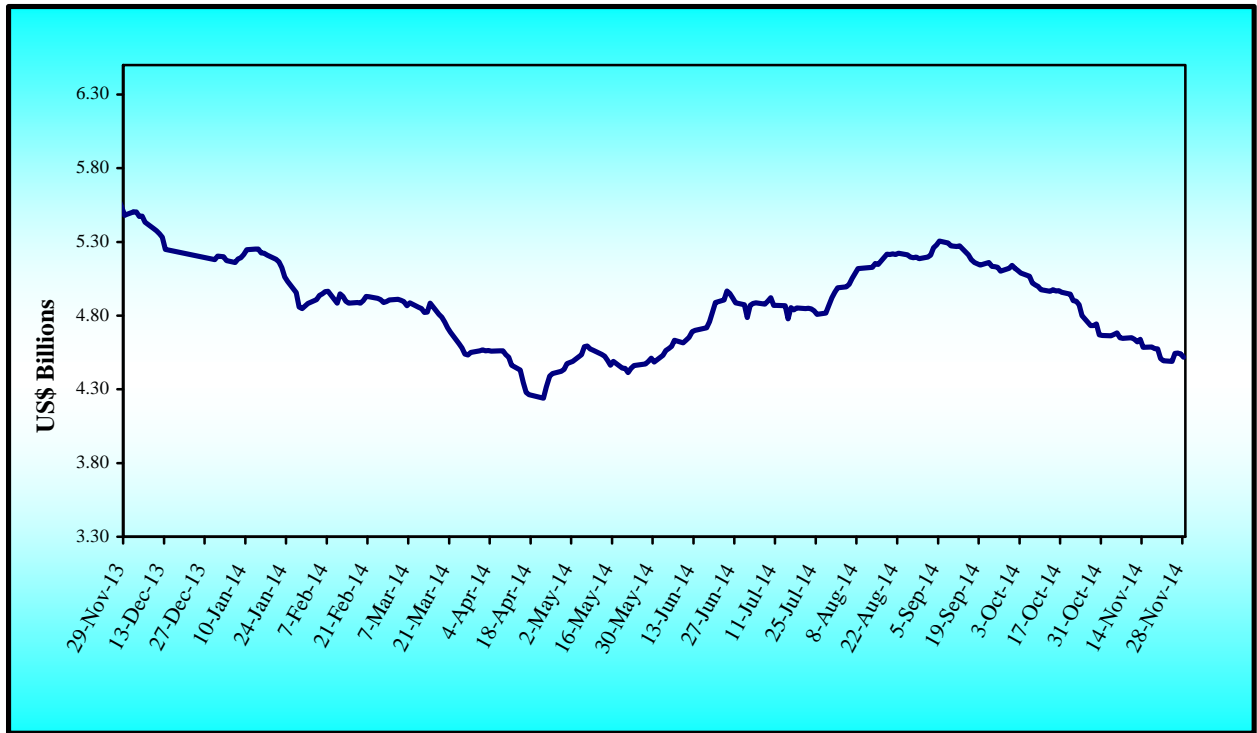


Source: Zimbabwe Stock Exchange, 2014

Market Capitalization

Market capitalization marginally increased by 0.01% to US\$4.518 billion during the week under review, largely driven by gains recorded in small to mid-cap counters.

Figure 5 : Market Capitalization



Source: Zimbabwe Stock Exchange, 2014

Johannesburg Stock Exchange (JSE) Developments

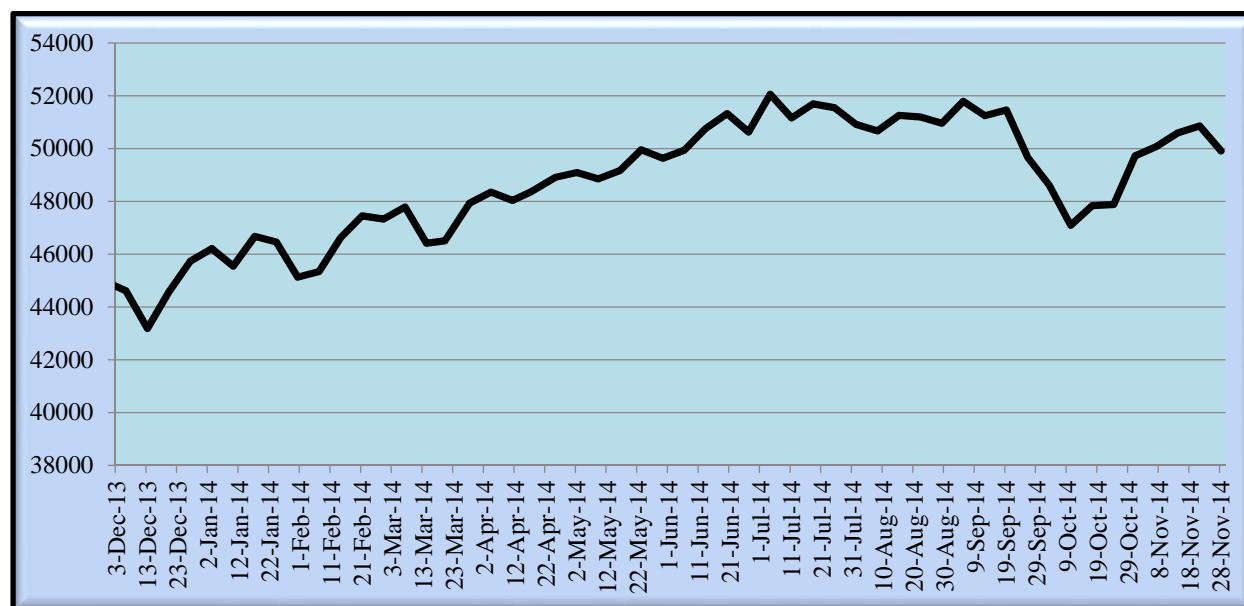
The JSE market capitalization stood at R11 579.60 billion during the week under review, down from R11 748.02 billion recorded in the previous week. Concomitantly, the JSE All Share index declined from 50 855.09 points in the previous week, to 49 911.37 points, during the week under review.

Table 6: Johannesburg Stock Exchange (JSE) Statistics

2014	All Share Index (points)	Market Capitalization (R billion)
07-Nov	50,079.44	11,612.17
14-Nov	50,598.02	11,691.51
21-Nov	50,855.09	11,748.02
28-Nov	49,911.37	11,579.60

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 DECEMBER 2014