

Vol. 16 No. 35



Weekly Economic Highlights

Week Ending 29 August 2014

1. INTEREST RATES

Deposit Rates

Savings deposit rates at banking institutions remained unchanged at 3.42%, during the week ending 29th August 2014. The 1 month and 3 months deposit rates, however, declined to 9.73 % and 11.43%, respectively.

Table 1: Average Deposit Rates

2014	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
01-Aug	3.42	9.84	11.55
08-Aug	3.42	9.84	11.55
15-Aug	3.42	9.84	11.55
22-Aug	3.42	9.79	11.54
29-Aug	3.42	9.73	11.43

Source: Banking Institutions, 2014

Lending Rates

Commercial banks' weighted lending rates for individual and corporate clients closed the week under review at 14.28% and 9.45%, respectively. At merchant banks' 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
01-Aug	14.36	9.46	19.00	18.00
08-Aug	14.39	9.51	19.00	18.00
15-Aug	14.35	9.51	19.00	18.00
22-Aug	14.29	9.44	19.00	18.00
29-Aug	14.28	9.45	19.00	18.00

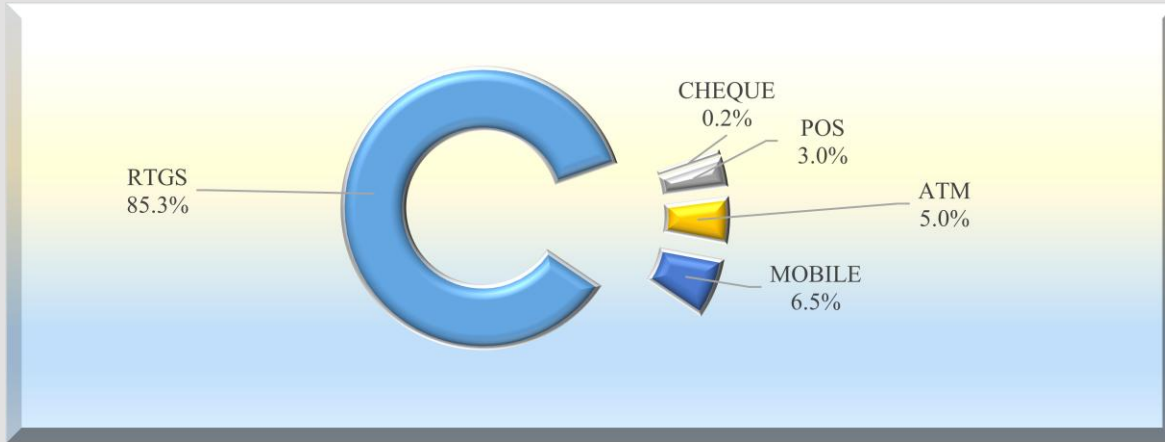
Source: Banking Institutions, 2014

2. CLEARING AND SETTLEMENT ACTIVITY

The total value of transactions processed through the National Payment Systems (NPS) during the week under review, increased to US\$1 229 million, from US\$1 042 million during the previous week.

The Real Time Gross Settlement (RTGS) system processed transactions valued at US\$1 048 million during the week under review, a 16% increase from US\$905 million recorded in the previous week. RTGS system payments accounted for 85.3% of the total value of transactions processed through the NPS.

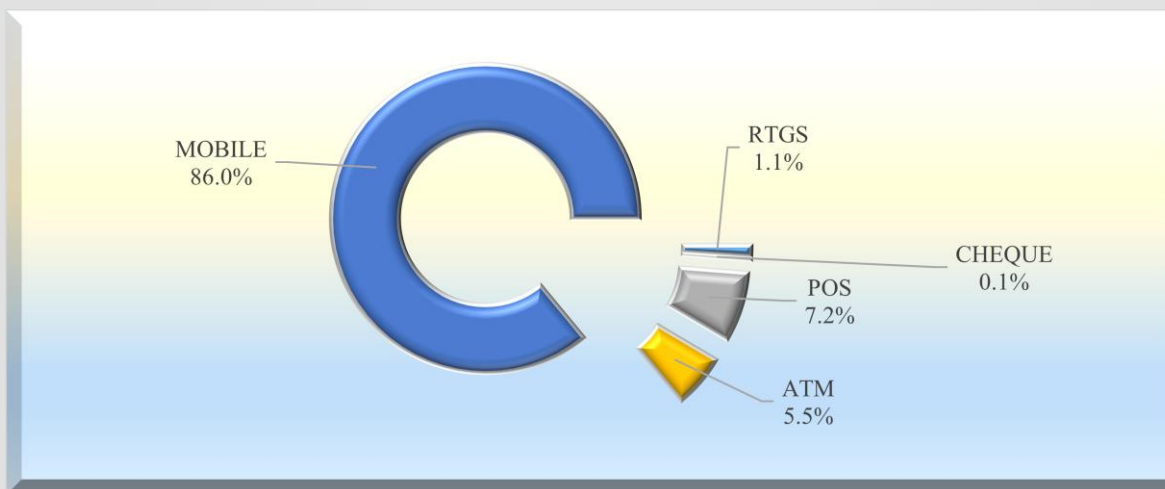
Figure 1: Proportions of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe.

In volume terms, Mobile-Based transactions accounted for 86% of total transactions, followed by Point of sale, 7.2%; and Automated Teller Machines, 5.5% as at week ending 29th August 2014.

Figure 2: Proportions of NPS Transactions in Volume Terms



Source: Reserve Bank of Zimbabwe.

Table 3: National Payment Systems Activity

PAYMENT STREAM	WEEK ENDING 22 AUGUST 2014	WEEK ENDING 29 AUGUST 2014	CHANGE	PROPORTION
VALUES IN USD				
RTGS	904,620,697.86	1,048,496,257.87	16%	85.28%
CHEQUE	2,470,192.23	2,199,518.00	-11%	0.18%
POS	25,561,825.92	37,483,258.63	47%	3.05%
ATMS	43,032,216.24	61,602,368.79	43%	5.01%
MOBILE	66,486,487.80	79,748,275.67	20%	6.49%
TOTAL	1,042,171,420.05	1,229,529,678.96		100%
VOLUMES				
RTGS	41,863	47,168	13%	1.10%
CHEQUE	6,866	6,053	-12%	0.14%
POS	261,027	310,927	19%	7.24%
ATMs	193,701	237,237	22%	5.52%
MOBILE	3,482,180	3,694,811	6%	86.00%
TOTAL	3,985,637	4,296,196		100%

Source: Reserve Bank of Zimbabwe.

3. INTERNATIONAL COMMODITY PRICES

The weekly average international commodity prices for copper and crude oil firmed, whilst those for gold, platinum and nickel retreated, during the week ending 29th August 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 (22 Aug)	1,289.98	1,433.40	6,970.60	18,626.00	101.91
25-Aug	1,279.00	1,419.50	7,087.00	18,625.00	102.36
26-Aug	1,286.25	1,422.50	7,051.00	18,625.00	102.80
27-Aug	1,283.88	1,420.50	7,050.00	18,625.00	102.88
28-Aug	1,290.00	1,426.50	7,033.00	18,640.00	102.86
29-Aug	1,285.75	1,424.00	7,000.00	18,455.00	102.97
Weekly average (29 Aug)	1,284.98	1,422.60	7,044.20	18,594.00	102.77
Weekly Change %	-0.4	-0.8	1.1	-0.2	0.8

Source: BBBC.com, KITCO and Bloomberg

Gold

Gold prices marginally declined by 0.4%, from a weekly average of US\$1 289.98/oz in the previous week, to an average of US\$1 284.98/oz during the week under review. This was on the back of a stronger U.S. dollar which outweighed any safe-haven induced demand.

Platinum

Platinum prices similarly registered losses during the week under review, declining by 0.8% from US\$1 433.40/oz in the previous week, to an average of US\$1 422.60/oz.

Copper

Copper prices extended the previous week's gains amid an improving global economic outlook, expectations of Chinese industrial recovery in the second half of 2014, as well as falling global inventories. Consequently, prices firmed by 1.1%, from an average of US\$6 970.60/tonne in the previous week, to an average of US\$7 044.20/tonne.

Nickel

Nickel prices reversed the previous week's gains, marginally falling by 0.1% from a weekly average of US\$18 626.00/tonne in the previous week, to an average of US\$18 594.00/tonne during the week under review, on the back of rising global stockpiles.

Crude Oil

Crude oil price firmed from US\$101.91/barrel in the previous week, to US\$102.77/barrel during the week under analysis. The price increases were due to geopolitical tensions in the Middle East, Russia and Ukraine.

4. EQUITY MARKETS

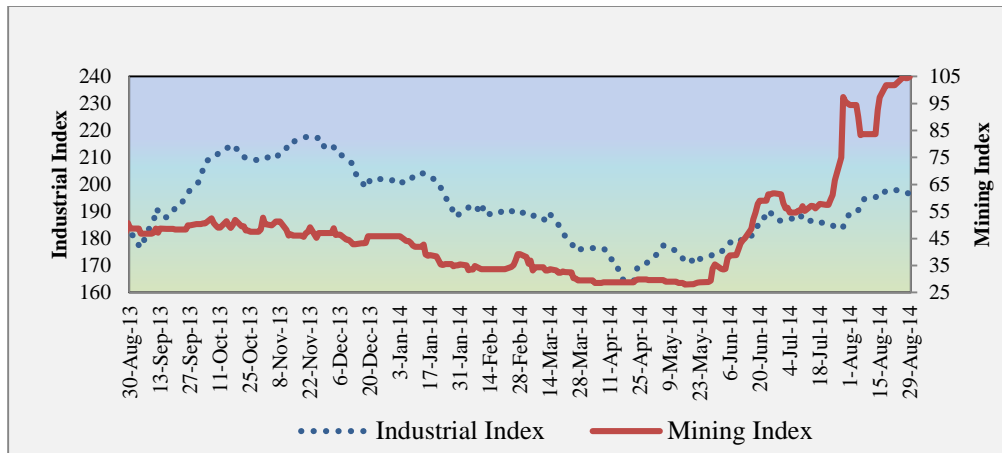
During the week ending 29th August 2014, bearish sentiments characterized the local bourse. The pessimism was on the back of an anticipated gloomy financial reporting season, as a result of the prevailing economic challenges.

The industrial index declined by 1.61 points (0.81%), from 198.04 points recorded in the previous week to close the week under review at 196.43 points. Major losses were recorded in Cafca (18.18%), Colcom (11.54%) and Innscor (2.56%). Partially offsetting these losses were gains in Lafarge (8.33%), NatFoods (4.76%), ABCH (2.86%) and Econet (1.33%). The mining index, however, gained 3.02 points (2.97%), from 101.78 points recorded the previous week to 104.80 points during the week under review.

Table 6: Zimbabwe Stock Exchange (ZSE) Statistics

2014	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
01-Aug	189.31	94.45	4,990,064,791	4,454,454	58,654,027
08-Aug	194.91	83.65	5,118,565,230	6,781,822	90,633,311
15-Aug	195.33	97.28	5,148,085,398	6,674,009	46,277,102
22-Aug	198.04	101.78	5,223,724,252	46,716,592	140,908,383
29-Aug	196.43	104.80	5,186,634,353	4,996,843	38,275,824

Source: Zimbabwe Stock Exchange (ZSE), 2014



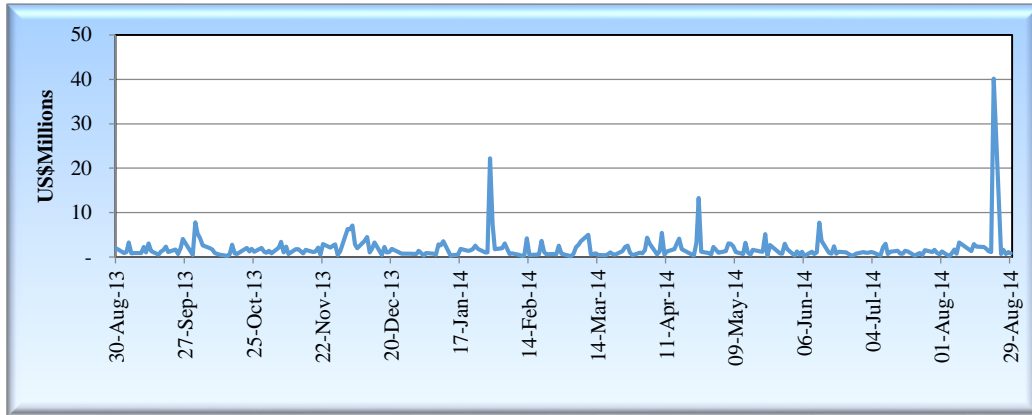
Source: Zimbabwe Stock Exchange, 2014

Volume and Market Turnover

Owing to thin trading which was skewed towards small to mid-cap counters, market turnover declined by 89.30% to US\$5.0 million, from US\$46.7 million registered in the previous week. A total of 38.3 million shares were traded during the week under review, compared to 140.9 million shares traded in the previous week.

Limited activity of foreign investors on the local bourse resulted in net foreign purchases declining to US\$1 million, from US\$38.7 million recorded in the previous week.

Figure 2: Daily Market Turnover

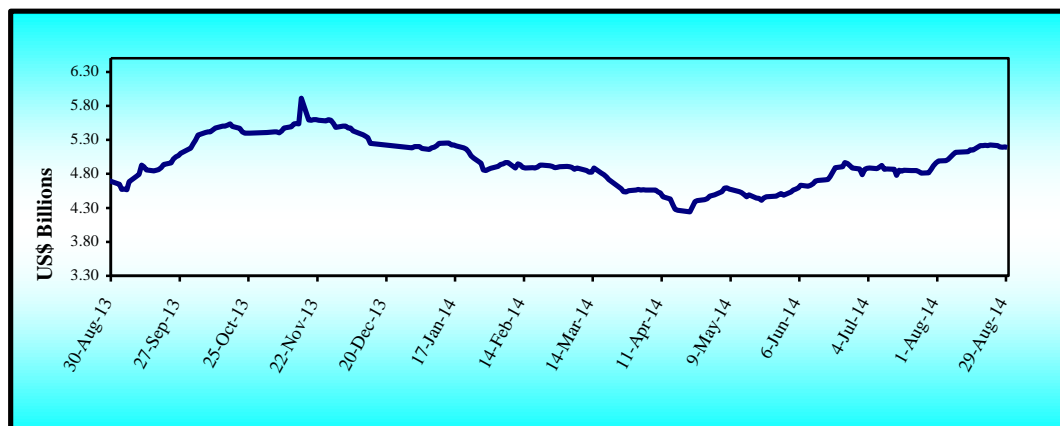


Source: Zimbabwe Stock Exchange, 2014

Market Capitalization

Declining market turnover and low trading activity in the blue chip counters resulted in market capitalization declining by 0.17%, from US\$5.19 billion in the previous week to US\$5.18 billion.

Figure 3: Market Capitalization



Source: Zimbabwe Stock Exchange, 2014

Johannesburg Stock Exchange (JSE) Developments

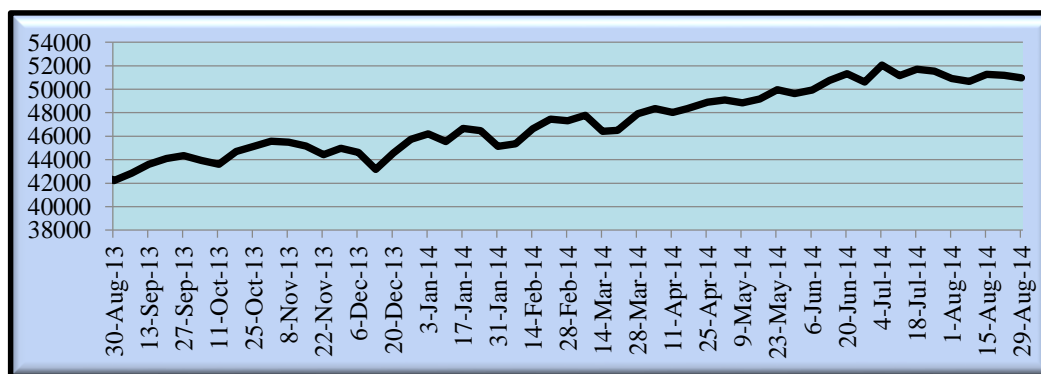
The JSE All Share index declined by 0.47% to close the week under review at 50 959.02 points. Similarly, market capitalization declined by 0.16% to 12 009.35, during the week under review.

Table 7: Johannesburg Stock Exchange (JSE) Statistics

2014	All Share Index (points)	Market Capitalization (R bn)
01-Aug	50,917.78	11,964.60
08-Aug	50,669.95	11,930.29
15-Aug	51,257.72	12,052.62
22-Aug	51,197.16	12,029.13
29-Aug	50,959.02	12,009.35

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

05 SEPTEMBER 2014

