



# Weekly Economic Highlights

## Table of Contents

1. INTEREST RATES .....	1
2. CLEARING AND SETTLEMENT ACTIVITY .....	2
3. TOBACCO SALES .....	4
4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS .	5
5. EQUITY MARKETS.....	7

Week Ending  
29<sup>th</sup> May 2015

## 1. INTEREST RATES

### Deposit Rates

During the week ending 29<sup>th</sup> May 2015, average deposit rates for savings accounts remained unchanged at 3.43% for the fifth consecutive week. The average rates for fixed deposits of 1 month and 3 month tenors, however, increased to 8.58% and 10.31%, respectively.

**Table 1: Average Deposit Rates**

2015	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
<b>30-Apr</b>	3.43	8.68	10.37
<b>08-May</b>	3.43	8.67	10.35
<b>15-May</b>	3.43	8.60	10.28
<b>22-May</b>	3.43	8.56	10.28
<b>29-May</b>	3.43	8.58	10.31

Source: Banking Institutions, 2015

### Lending Rates

Weighted lending rates for individuals and corporate clients at commercial banks registered declines from 12.76% and 8.81%; to 12.74% and 8.79%, respectively.

**Table 2: Lending Rates**

2015	Lending Rates (%)	
	Commercial Banks (weighted)	
	Individuals	Corporate clients
<b>30-Apr</b>	12.71	8.84
<b>08-May</b>	13.02	8.91
<b>15-May</b>	12.78	8.83
<b>22-May</b>	12.76	8.81
<b>29-May</b>	12.74	8.79

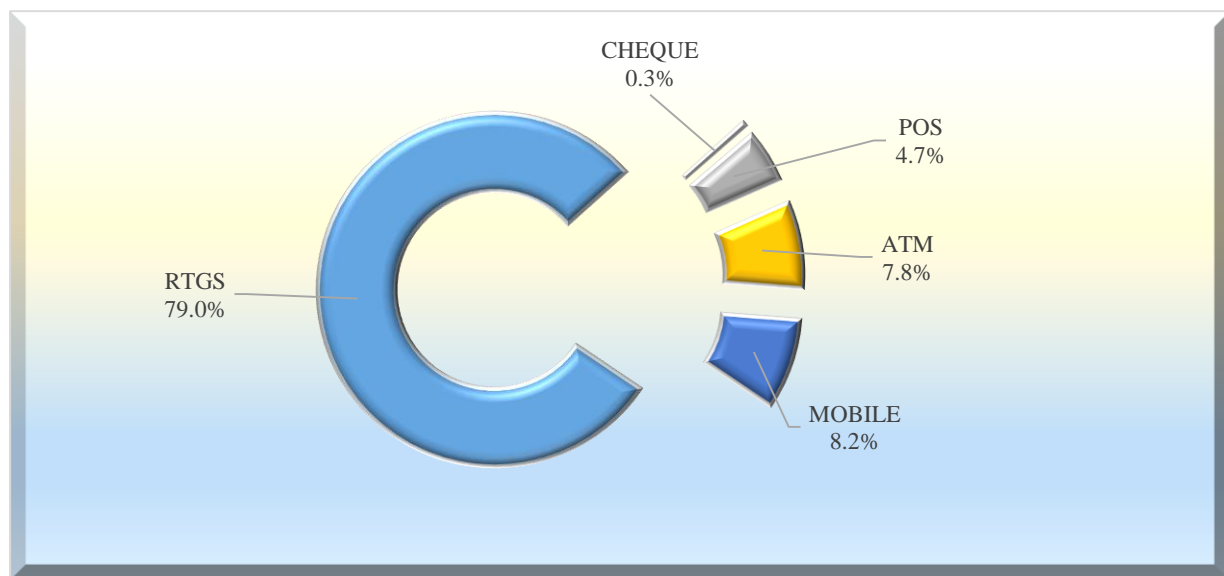
Source: Banking Institutions, 2015

## 2. CLEARING AND SETTLEMENT ACTIVITY

During the week ending 29<sup>th</sup> May 2015, transactions processed through the National Payment System (NPS) decreased to US\$1 029.64 million, from US\$1 151.40 million recorded in the previous week. Transactions processed through the Real Time Gross Settlement (RTGS) stood at US\$813.00 million, down from US\$970.08 million in the previous week.

RTGS transactions accounted for 78.96% of the total value of transactions processed through the NPS, followed by Mobile, 8.22%; Automated Teller Machines (ATMs), 7.79%; Point of Sale (POS), 4.70% and Cheque, 0.33%.

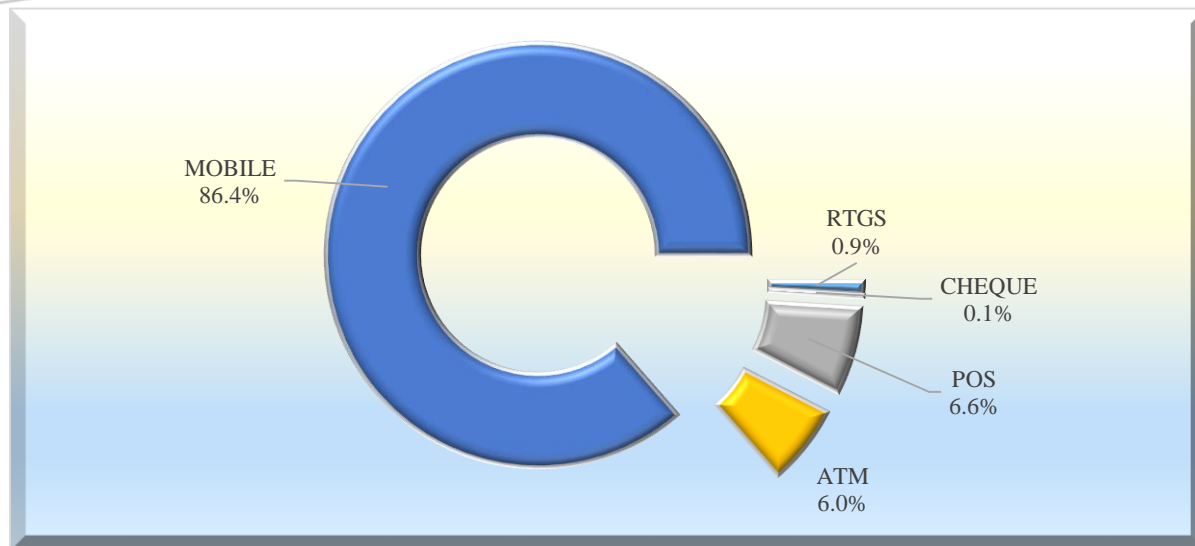
**Figure 1: Proportions of NPS Transactions in Value Terms**



*Source: Reserve Bank of Zimbabwe*

In volume terms, the distribution of transactions processed through the NPS was as follows: Mobile, (86.42%); POS, (6.55%); ATMs, (6.03%); RTGS, (0.88%) and cheque transactions, (0.11%).

**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 MAY 2015	WEEK ENDING 29 MAY 2015	CHANGE FROM LAST WEEK	PROPORTION
<b>VALUES IN USD (millions)</b>				
<b>RTGS</b>	970.08	813.00	-16%	78.96%
<b>CHEQUE</b>	3.37	3.42	1%	0.33%
<b>POS</b>	41.95	48.40	15%	4.70%
<b>ATMS</b>	60.82	80.16	32%	7.79%
<b>MOBILE</b>	75.19	84.66	13%	8.22%
<b>TOTAL</b>	<b>1,151.40</b>	<b>1029.64</b>		<b>100%</b>
<b>VOLUMES</b>				
<b>RTGS</b>	45,335	41,852	-8%	0.88%
<b>CHEQUE</b>	7,401	5,371	-27%	0.11%
<b>POS</b>	329,214	310,503	-6%	6.55%
<b>ATMs</b>	240,755	286,075	19%	6.03%
<b>MOBILE</b>	3,842,088	4,097,237	7%	86.42%
<b>TOTAL</b>	<b>4,464,793</b>	<b>4,741,038</b>		<b>100%</b>

Source: Reserve Bank of Zimbabwe

### 3. TOBACCO SALES

As at 29<sup>th</sup> May 2015 (day 59 of the 2015 tobacco selling season), a cumulative total of 138 348 367 kilograms of tobacco had been sold, reflecting a decline of 7.15%, from the 149 002 360 kilograms sold during the same period in 2014.

Cumulative tobacco sales totaled US\$407.16 million - 14% lower than the US\$474.03 million realized during the corresponding period in 2014. The golden leaf was sold at a lower average price of US\$2.94, compared to US\$3.18 during the same period in 2014.

**Table 4: Cumulative Tobacco Sales: Day 59 (29/05/15)**

	2014	2015	Variance (%)
<b>Cumulative Quantity Sold (kgs)</b>	149,002,360	138,348,367	-7.15%
<b>Cumulative Average Price(US\$/kg)</b>	3.18	2.94	-7.49%
<b>Cumulative Value (US\$ million)</b>	474,033,945	407,160,666	- 14%

Source: Tobacco Industry and Marketing Board (TIMB), 2015

#### 4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

During the week ending 29<sup>th</sup> May 2015, international commodity prices of gold, platinum, copper, nickel and crude oil declined. The decline in metal prices was largely on account of the strengthening of the US dollar, coupled with the slackening global demand for metals. Crude oil prices declined due to excess supply concerns. Table 5 below shows commodity price developments during the period under analysis.

**Table 5: Metals and Crude Oil Prices**

Period	Gold	Platinum	Copper	Nickel	Crude Oil
<b>2015</b>	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
<b>Weekly Average (22 May)</b>	<b>1,212.81</b>	<b>1,157.80</b>	<b>6,727.00</b>	<b>13,440.00</b>	<b>65.60</b>
<b>25-May</b>	1,195.50	1,140.00	6,240.00	13,380.00	65.00
<b>26-May</b>	1,189.70	1,131.00	6,134.50	12,650.00	64.34
<b>27-May</b>	1,186.85	1,125.00	6,134.50	12,650.00	63.04
<b>28-May</b>	1,187.23	1,119.50	6,115.00	12,830.00	61.73
<b>29-May</b>	1,190.90	1,111.50	6,088.00	12,675.00	63.55
<b>Weekly Average (29 May)</b>	<b>1,190.04</b>	<b>1,125.40</b>	<b>6,142.40</b>	<b>12,837.00</b>	<b>63.53</b>
<b>Weekly Change (%)</b>	(1.9)	(2.8)	(8.7)	(4.5)	(3.2)

*Source: BBC, KITCO, Reuters and Bloomberg*

#### **Gold**

Gold prices retreated by 1.9% from a weekly average of US\$1 212.81/oz in the previous week, to US\$ 1 190.04/oz during the week under review. The decline in gold prices was due to the appreciation of the US dollar and a surge in US housing prices. This depressed the demand for gold as a safe investment haven.

#### **Platinum.**

Platinum prices declined by 2.8%, to US\$1 125.40/oz during the week ending 29<sup>th</sup> May 2015. The decline was largely on account of a stronger US dollar.

## **Copper**

During the week under review, copper prices significantly declined by 8.7% to a weekly average price of US\$6 142.40/tonne. The decline in prices was attributed to the weakening of the demand for the metal in China.

## **Nickel**

Nickel prices declined by 4.5%, from a weekly average of US\$13 440.00/tonne, in the previous week to US\$12 837/tonne during the week under review. This was on account of depressed global demand.

## **Crude Oil**

International crude oil prices further retreated by 3.2% during the week under analysis, to US\$63.53/barrel. Saudi Arabia exacerbated crude oil over-supply by increasing production to a record 10.25 million barrels a day.

## 5. EQUITY MARKETS

During the week ending 29<sup>th</sup> May 2015, trading on the Zimbabwe Stock Exchange (ZSE) was mixed. The industrial index softened by 2.98 points, to close the week under review at 152.96 points. The mining index marginally increased by 0.07 points to 44.45 points.

The decline in the mainstream index was largely attributed to decreases in share prices for Powerspeed (31.82%), Cafca (12.25%), OK Zimbabwe (10%), Econet (8.16%), Mashonaland Holdings (3%), Delta (1.78%) and Dawn (0.66%). The increase in the mining index was on account of gains in the share price of RioZim (5.88%).

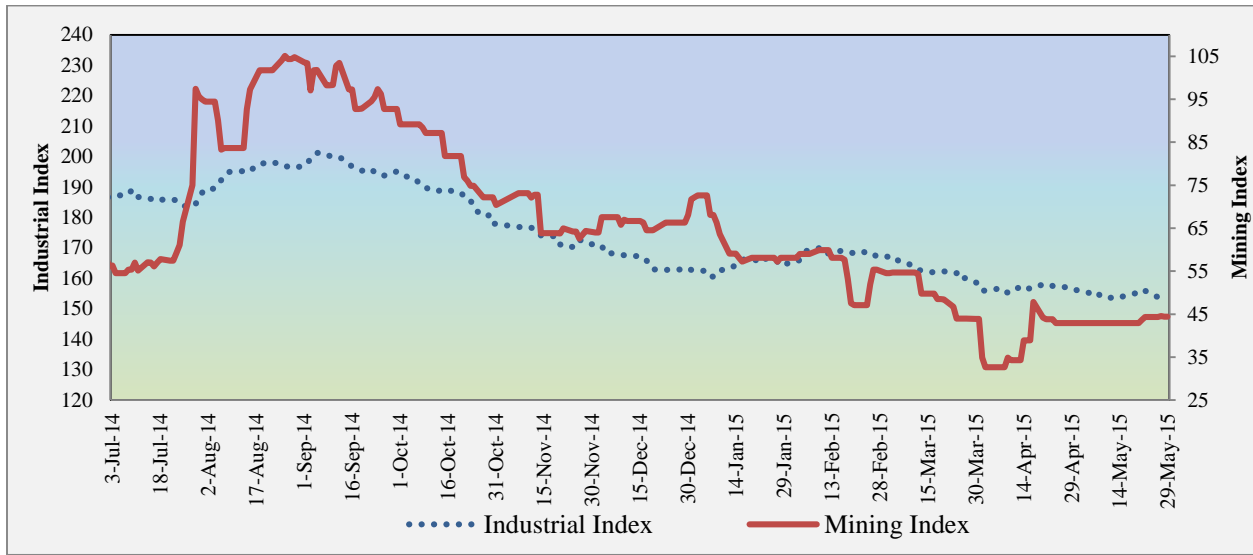
**Table 6: Zimbabwe Stock Exchange (ZSE) Statistics**

Period	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
30-Apr-15	156.26	42.93	4,066,067,417	1,251,685	10,900,084
08-May-15	154.0	42.93	4,002,667,140	6,548,246	67,419,257
15-May-15	154.03	42.93	4,003,415,014	9,898,069	183,656,168
22-May-15	155.94	44.38	4,054,076,256	2,912,266	25,121,118
29-May-15	152.96	44.45	3,978,062,358	3,921,841	14,124,142

Source: Zimbabwe Stock Exchange (ZSE), 2015



**Figure 3 : Zimbabwe Stock Exchange Indices**

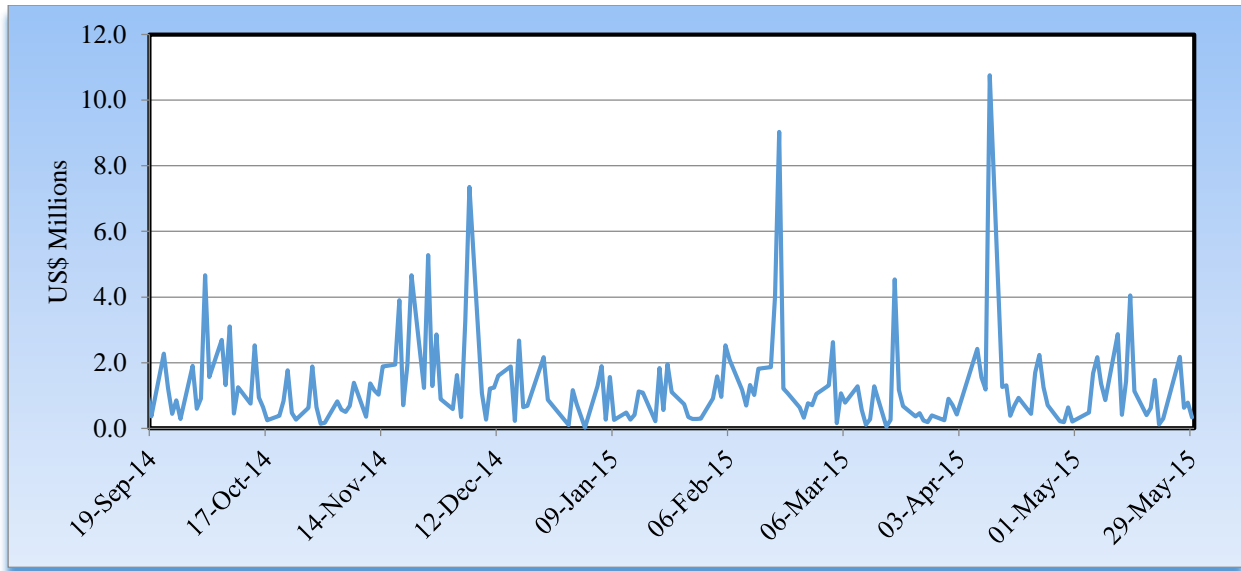


Source: Zimbabwe Stock Exchange, 2015

**Market Turnover and Volume**

Market turnover increased by 34.71% to US\$3.92 million during the week under analysis. Notable trades were registered in CBZ, Delta and Econet. Share volumes, however, declined from 25 121 118 shares in the previous week, to 14 124 142 shares during the week ending 29<sup>th</sup> May 2015.

**Figure 4: Daily Market Turnover**

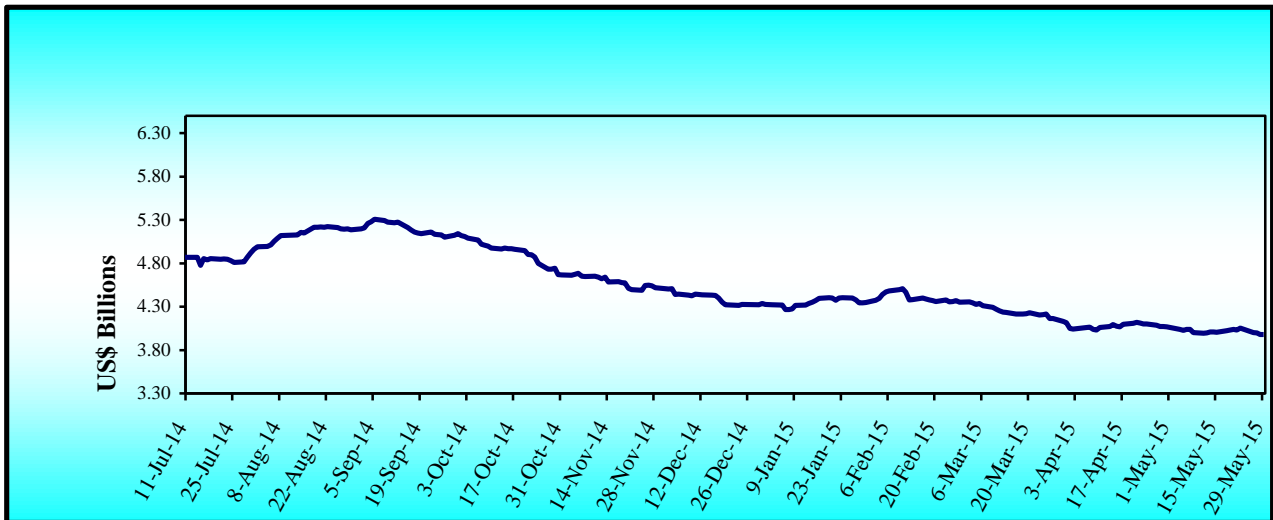


Source: Zimbabwe Stock Exchange, 2015

### Market Capitalisation

Market capitalization on the ZSE marginally declined by 1.87% to US\$4.0 billion. Activity on the local bourse remained subdued as most counters continued to be inactive due to depressed demand.

**Figure 5 : Market Capitalization**



Source: Zimbabwe Stock Exchange, 2015

## Johannesburg Stock Exchange (JSE) Developments

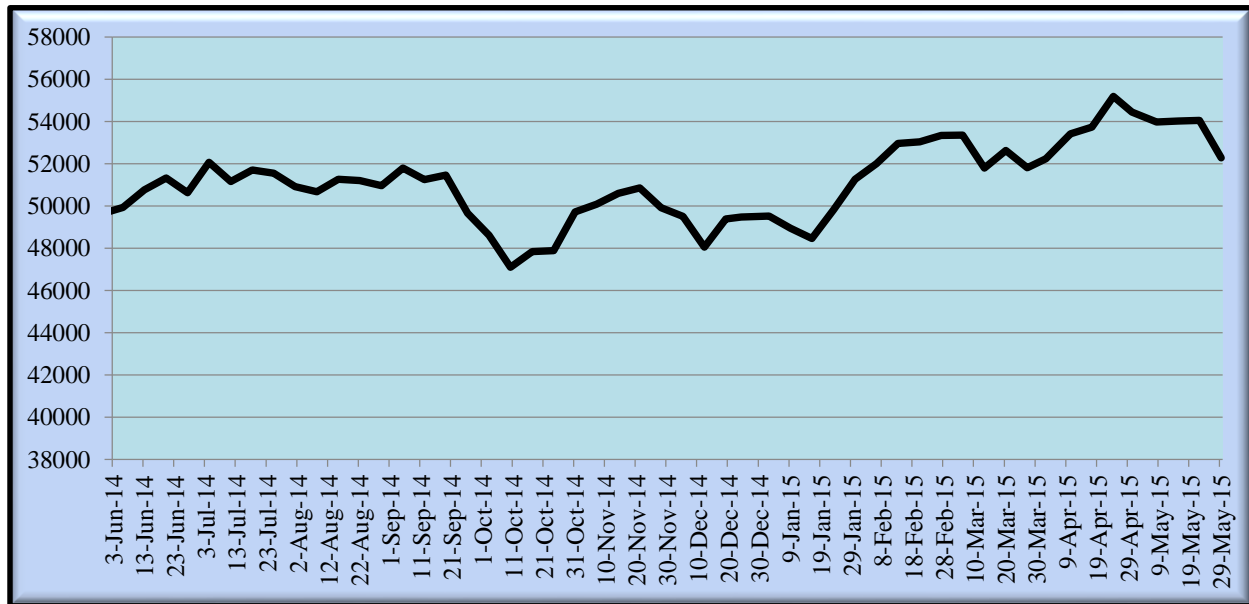
During the week ending 29<sup>th</sup> May 2015, the JSE market capitalization declined from R12.43 trillion in the previous week, to R12.09 trillion during the week under review. Similarly, the JSE All Share index stood at 52 270.86 points, down from 54 055.38 points in the previous week.

**Table 7: Johannesburg Stock Exchange (JSE) Statistics**

Period- 2015	All Share Index (points)	Market Capitalization (R trillion)
<b>30-Apr</b>	54,440.43	12,44
<b>08-May</b>	53,790.57	12,33
<b>15-May</b>	54,028.17	12,35
<b>22-May</b>	54,055.38	12,43
<b>29-May</b>	52,270.86	12,09

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**

**5<sup>TH</sup> MAY 2015**