

Vol. 16 No. 22



Weekly Economic Highlights

Week Ending 30 May 2014

1. INTEREST RATES

Deposit Rates

During the week ending 30th May 2014, savings, 1 month and 3 months average deposit rates remained unchanged at 3.42%, 10.01% and 11.59%, respectively.

Table 1: Average Deposit Rates

2014	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
25-April	3.36	10.10	11.78
02-May	3.36	10.07	11.75
09-May	3.42	10.01	11.69
16-May	3.42	10.01	11.69
23-May	3.42	10.01	11.59
30-May	3.42	10.01	11.59

Source: Banking Institutions, 2014

Lending Rates

Commercial banks' weighted lending rates for individuals and corporate clients closed the week at 14.39% and 9.25%, respectively. At Merchant banks, the weighted lending rates for individuals softened to 18.87%, whilst the weighted lending rates for corporate clients remained unchanged at 17.74%.

Table 2: Lending Rates¹

2014	Weighted Lending Rates (%)			
	Commercial Banks		Merchant Banks	
	Individuals	Corporate Clients	Individuals	Corporate Clients
25-April	14.22	9.12	18.88	17.73
02-May	14.36	9.21	18.88	17.73
09-May	14.38	9.26	18.88	17.74
16-May	14.38	9.33	18.88	17.74
23-May	14.38	9.28	18.88	17.74
30-May	14.39	9.25	18.87	17.74

Source: Banking Institutions, 2014

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

2. CLEARING AND SETTLEMENT ACTIVITY

During the week ending 30th May 2014, transactions processed through the Real Time Gross Settlement (RTGS) system decreased to US\$812 million in value terms, from US\$853 million recorded in the previous week. The RTGS volumes recorded a decrease of 17%, from 49.1 thousand transactions in the previous week to 40.6 thousand transactions during the week under review.

Table 3: National Payment Systems Activity

PAYMENT STREAM	WEEK ENDING 23 MAY 2014	WEEK ENDING 30 MAY 2014	CHANGE FROM PREVIOUS WEEK	PROPORTION
VALUES IN US\$				
RTGS	852,879,018.69	811,897,734.40	-5%	83.31%
CHEQUE²	3,090,249.77	2,232,546.67	-28%	0.23%
POS	45,280,591.97	34,622,645.90	-24%	3.55%
ATMs	61,075,500.33	58,827,595.28	-4%	6.04%
MOBILE	60,551,078.95	66,962,959.51	11%	6.87%
TOTAL	1,022,876,439.71	974,543,481.76		
VOLUMES				
RTGS	49,109	40,642	-17%	1.10%
CHEQUE²	7,553	5,875	-22%	0.16%
POS	311,053	281,256	-10%	7.63%
ATMs	238,325	244,087	2%	6.62%
MOBILE	2,986,012	3,115,852	4%	84.49%
TOTAL	3,592,052	3,687,712		

Source: Reserve Bank of Zimbabwe, 2014

3. TOBACCO SALES

As at 30th May 2014 (Day 69 of the 2014 tobacco selling season), a cumulative total of 175.5 million kilograms of tobacco had been sold, compared to 133.2 million kilograms sold during the same period in 2013. The average selling price for the golden leaf, at US\$3.18, was 14.1% lower than the average price of US\$3.70 realised during the same period in 2013.

Cumulative tobacco sales amounted to US\$558.22 million, 13.1% more than the US\$493.62 million realized during the corresponding period in 2013.

Table 4: Cumulative Tobacco Sales As at Day 65 (23/05/14)

	2013	2014	Variance (%)
Quantity Sold (kgs)	133 231 127	175 533 282	31.8
Average Price (US\$/kg)	3.70	3.18	-14.1
Value (US\$)	493 618 121	558 221 600	11.7

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

4. INTERNATIONAL COMMODITY PRICES

The weekly average international commodity prices for crude oil, platinum, nickel and gold retreated, whilst that for copper firmed during the week ending 30th May 2014.

Table 5: Metals and Crude Oil Prices

2014	Gold	Platinum	Copper	Nickel	Crude Oil
	US\$/oz	US\$/oz	US\$/ton	US\$/ton	US\$/barrel
Weekly Average (23 May)	1,294.58	1,478.90	6,938.00	19,634.00	110.12
27-May	1,279.25	1,470.00	7,020.00	19,650.00	109.93
28-May	1,264.38	1,458.50	7,039.00	19,505.00	109.51
29-May	1,254.50	1,353.50	6,974.00	18,750.00	110.30
30-May	1,252.25	1,460.50	6,995.00	19,300.00	109.47
Weekly Average	1,262.59	1,435.63	7,007.00	19,301.25	109.80
<i>Weekly Change (%)</i>	-2.5	-2.9	1.0	-1.7	-0.3

Source: BBC, KITCO and Bloomberg, 2014

Gold

Gold prices retreated, from an average of US\$1 294.58/oz in the previous week to US\$1 262.59/oz during the week under review, as an improving US economic outlook dented the metal's appeal as an investment hedge.

Platinum

Platinum prices declined by 2.9%, from a weekly average of \$1 478.90/oz to an average of US\$1 435.63/oz, on dissipating supply worries following the South African mines minister's pledge to mediate on labor tensions that stretches back to the beginning of the year.

Copper

Copper prices increased marginally by 1.0%, from an average of US\$6 938.00/tonne to US\$7 007.50/tonne, on account of recovering demand in top consumer, China, amid tight global supply.

Nickel

Nickel prices retreated, from US\$19 634.00/tonne in the previous week to US\$19 301.25, as investors took profits following a 40% price gain since the beginning of the year. Concerns about global supply shortages, however, capped the losses.

Crude Oil

Crude oil price retreated, from US\$110.12/barrel in the previous week to US\$109.80/barrel, weighed down by a stronger US dollar and rising global supply. Increased supplies from Angola coupled with a pick up in exports from southern Iraq outweighed possible supply disruptions due to worsening unrest in Libya.

5. EQUITY MARKETS

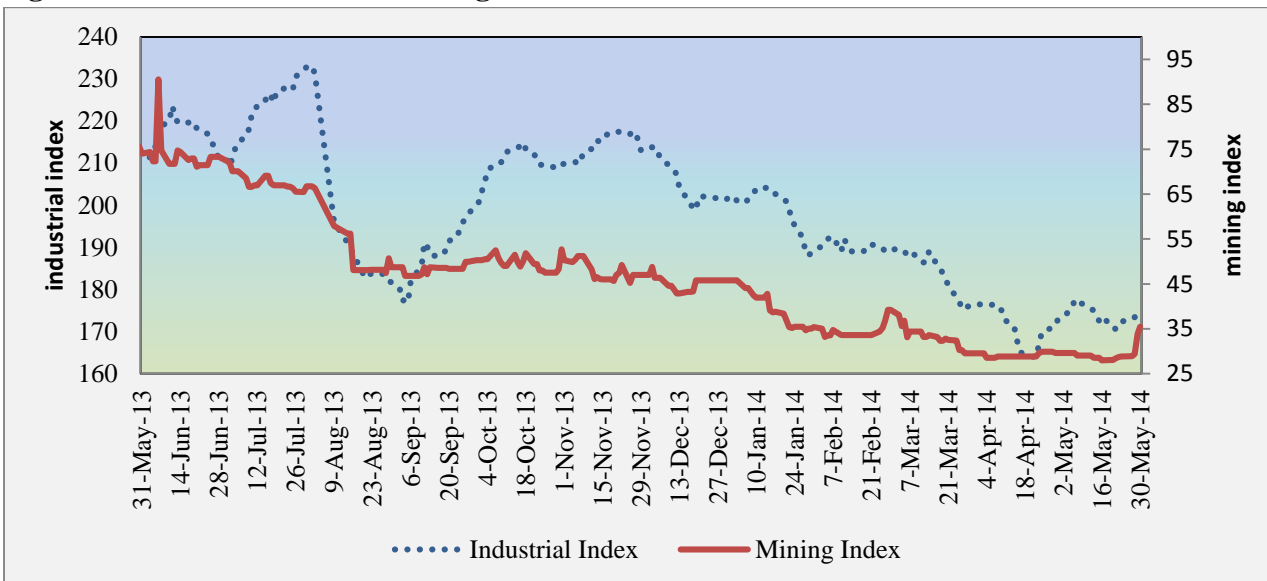
Table 6: Zimbabwe Stock Exchange (ZSE) Statistics

2014	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
25-April	170.34	29.88	4,407,773,064	18,032,907	56,694,356
02-May	173.58	29.64	4,490,758,571	4,823,714	61,921,406
09-May	176.56	29.03	4,565,842,322	10,971,928	27,458,555
16-May	173.59	27.97	4,489,397,813	7,098,631	31,611,922
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

Source: Zimbabwe Stock Exchange (ZSE), 2014

During the week ending 30th May 2014, the ZSE rebounded, with the industrial index rising by 1.44%, from 172.4 points in the previous week to 174.89 points, as gains were recorded on several heavyweight counters. The mining index surged by 23.05%, from 28.81 points in the previous week to 35.45 points during the week under review, due to renewed interest in the nickel miner, Bindura Nickel Mine. The counter's attractiveness was spurred by a bullish outlook forecasted on the company.

Figure 1: Zimbabwe Stock Exchange Indices

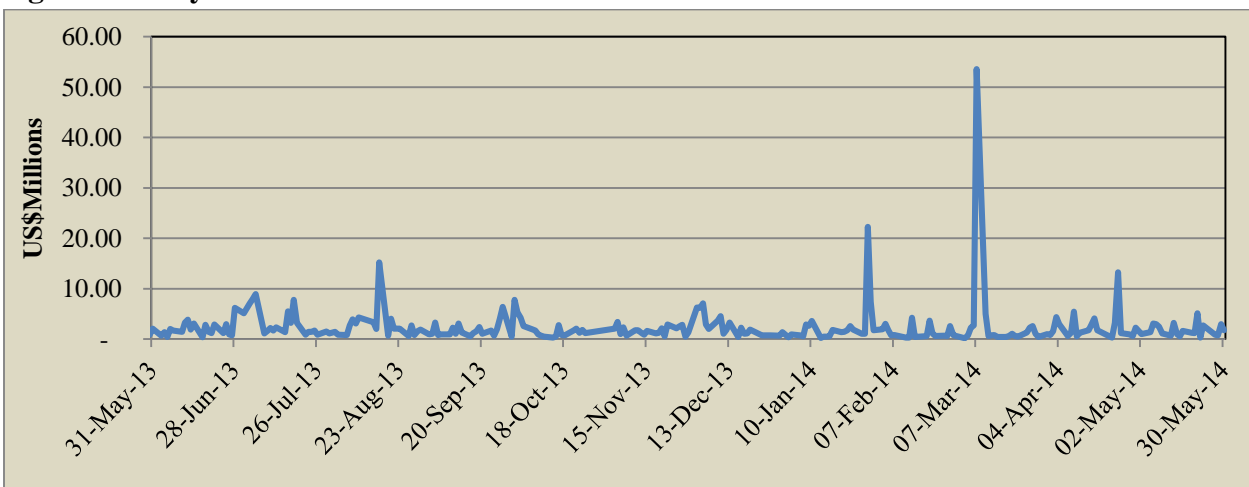


Source: Zimbabwe Stock Exchange, 2014

Volume and Market Turnover

During the week under review, market turnover declined by 39.98% to US\$6.35 million, from US\$10.58 million in the previous week. Foreign purchases also declined from US\$8.62 million to US\$2.42 million. The volume of shares traded, however, increased from 72.2 million shares to 73.7 million shares due to a special bargain on African Sun.

Figure 2: Daily Market Turnover

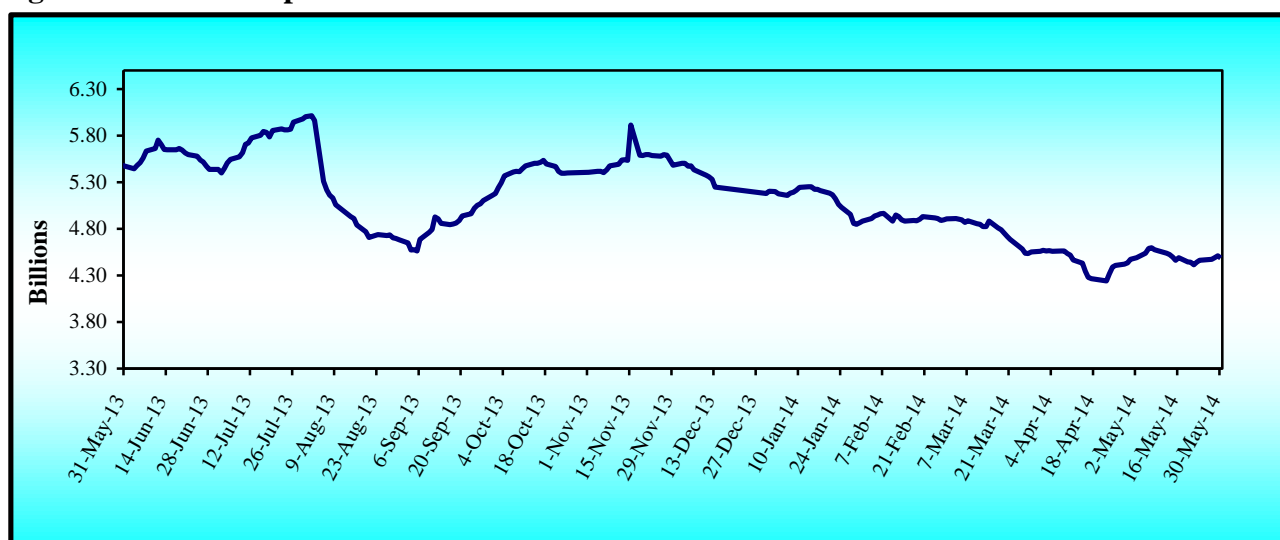


Source: Zimbabwe Stock Exchange, 2014

Market Capitalization

In line with the increases in stock market indices, market capitalization rose by 0.54%, from US\$4.46 billion in the previous week to US\$4.49 billion during the week under review.

Figure 3: Market Capitalization



Source: Zimbabwe Stock Exchange, 2014

Johannesburg Stock Exchange (JSE) Developments

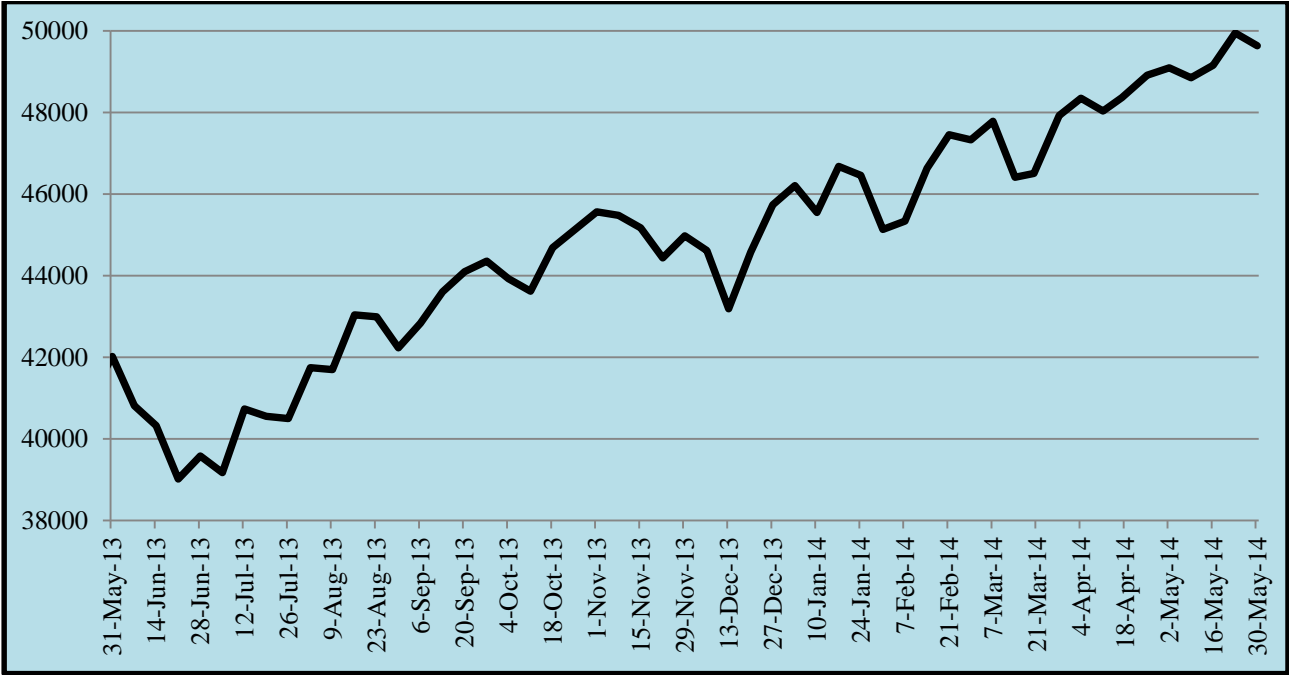
During the week under review, the JSE All Share index lost 0.64% to close the week at 49 632.70 points. At the same time, market capitalization declined by 0.08% to R11 619.23 billion.

Table 7: Johannesburg Stock Exchange (JSE) Statistics

2014	All Share Index (points)	Market Capitalization (R bn)
25-April	48,910.90	11,426.85
02-May	49,091.16	11,477.63
09-May	48,852.45	11,434.67
16-May	49,159.77	11,472.19
23-May	49,952.69	11,628.88
30-May	49,632.70	11,619.23

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

5 JUNE 2014