



Weekly Economic Highlights

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Week Ending
31 October 2014

1. INTEREST RATES

Deposit Rates

Average deposit rates for savings and deposits of 1 month and 3 month tenor have remained unchanged at 3.42%, 9.70% and 11.47%, respectively, since the week ending 10th October 2014.

Table 1: Average Deposit Rates

2014	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
26-Sep	3.42	9.71	11.38
03-Oct	3.42	9.70	11.46
10-Oct	3.42	9.70	11.47
17-Oct	3.42	9.70	11.47
24-Oct	3.42	9.70	11.47
31-Oct	3.42	9.70	11.47

Source: Banking Institutions, 2014

Lending Rates

Lending rates at commercial banks for individuals clients declined to 14.36% during the week under review, from 14.38% for the previous week. Lending rates for corporate clients, however, marginally increased to close the week under review at 9.90%. At merchant banks, weighted lending rates remained unchanged for both individuals and corporate clients.

Table 2: Lending Rates

2014	Weighted Lending Rates (%)			
	Commercial Banks		Merchant Banks	
	Individuals	Corporate Clients	Individuals	Corporate Clients
19-Sep	14.30	9.53	19.00	18.00
26-Sep	14.45	9.57	19.00	18.00
03-Oct	14.38	9.76	19.00	18.00
10-Oct	14.38	9.79	19.00	18.00
17-Oct	14.37	9.86	19.00	18.00
24-Oct	14.38	9.89	19.00	18.00
31-Oct	14.36	9.90	19.00	18.00

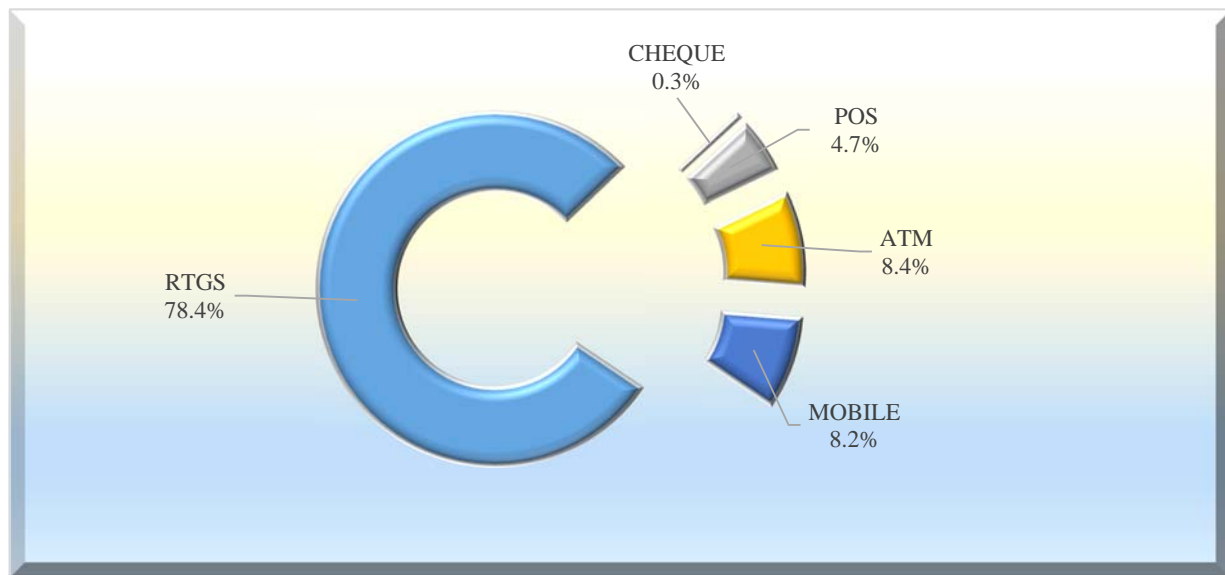
Source: Banking Institutions, 2014

2. CLEARING AND SETTLEMENT ACTIVITY

Transactions processed through the National Payment Systems (NPS), decreased to US\$1,070.75 million during the week ending 31st October 2014, from US\$1 071.19 million in the previous week.

During the same week, transactions processed through the Real Time Gross Settlement System (RTGS) stood at US\$839 million, down from US\$915 million in the previous week. In tandem with this decline, the contribution of RTGS payments to the total value of transactions processed through the NPS decreased by 7.04 percentage points to 78.36% during the week under review.

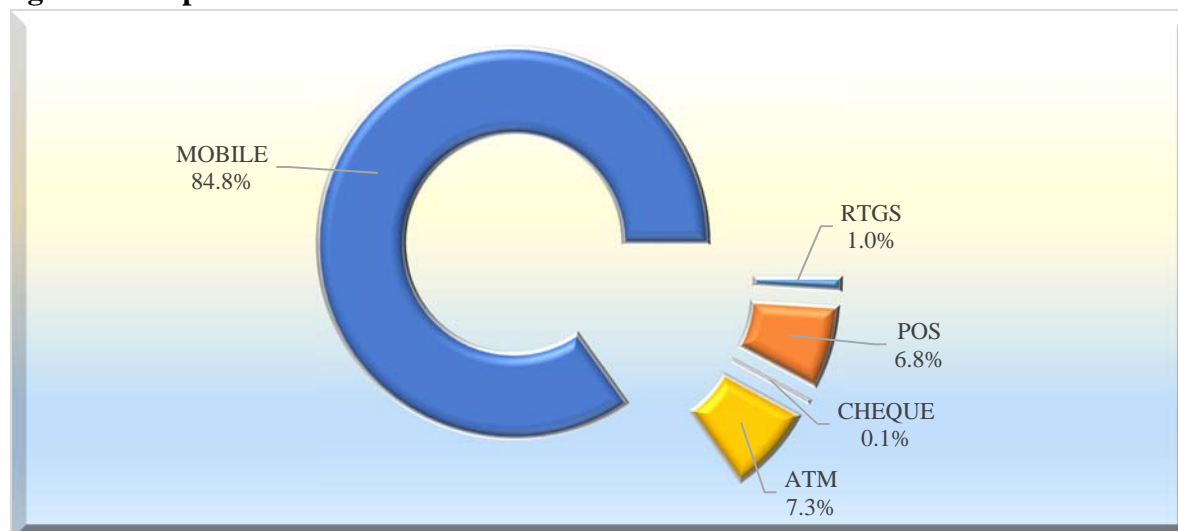
Figure 1: Proportions of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe

In terms of volume, Mobile-Based transactions accounted for 84.8% of total transactions, followed by Automated Teller Machines (ATMs), 7.3%; Point of Sale (POS), 6.8%; and RTGS, 1%.

Figure 2: Proportions of NPS Transactions in Volume Terms



Source: Reserve Bank of Zimbabwe.

Table 3: National Payment Systems Activity

PAYMENT STREAM	CURRENT WEEK ENDING 24 OCTOBER 2014	CURRENT WEEK ENDING 31 OCTOBER 2014	CHANGE FROM LAST WEEK	PROPORTION
VALUES IN USD				
RTGS	914,956,329.81	839,064,369.72	-8%	78.36%
CHEQUE	2,947,279.34	2,870,014.34	-3%	0.27%
POS	26,301,792.91	50,384,739.88	92%	4.71%
ATMS	50,182,280.88	90,828,855.95	81%	8.48%
MOBILE	76,803,829.00	87,603,352.80	14%	8.18%
TOTAL	1,071,191,511.94	1,070,751,332.69		100%
VOLUMES				
RTGS	42,455	45,532	7%	0.99%
CHEQUE	7,300	6,870	-6%	0.15%
POS	220,047	312,563	42%	6.79%
ATMs	210,176	334,449	59%	7.26%
MOBILE	3,778,818	3,905,456	3%	84.81%
TOTAL	4,258,796	4,604,870		100%

Source: Reserve Bank of Zimbabwe.

3. INTERNATIONAL COMMODITY PRICES

The weekly average international commodity prices for gold, platinum and crude oil recorded declines, whilst those for copper and nickel firmed during the week ending 31st October 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 (24 Oct)	1,241.58	1,266.20	6,693.20	15,189.00	86.03
27-Oct	1,229.63	1,254.50	6,800.00	14,650.00	85.66
28-Oct	1,228.75	1,261.50	6,859.00	14,650.00	85.87
29-Oct	1,225.75	1,269.75	6,855.00	15,580.00	84.86
30-Oct	1,203.89	1,269.75	6,786.00	15,325.00	85.43
31-Oct	1,168.77	1,229.50	6,835.00	15,810.00	85.96
Weekly average (31 Oct)	1,211.36	1,257.00	6,827.00	15,203.00	85.56
<i>Weekly Change %</i>	<i>-2.4</i>	<i>-0.7</i>	<i>2.0</i>	<i>0.1</i>	<i>-0.5</i>

Source: BBC, KITCO, Reuters and Bloomberg

Gold

Gold prices declined by 2.4% from a weekly average of US\$1 241.58/oz in the previous week, to US\$1 211.36/oz during the week under review. A firmer dollar, amid strong economic data, coupled with fears of an early interest rate hike in the USA, negatively impacted on the price of gold.

Platinum

In line with declining gold prices, platinum prices also slumped from a weekly average of US\$1 266.20/oz in the previous week, to an average of US\$1 257.00/oz during the week ending 31st October 2014. A combination of a stronger dollar and the improving U.S. economic outlook, exerted downward pressure on the price of the precious metal.

Copper

Copper prices firmed from a weekly average of US\$6 693.20/tonne in the previous week, to US\$6 827.000/tonne during the week ending 31st October 2014. This was partly on account of continued expansion of stimulus measures by the Bank of Japan, which supported prices of the base metals.

Nickel

Nickel prices recovered from the previous week's losses, rising from a weekly average of US\$15 189.00/tonne in the previous week, to an average of US\$15 203/tonne during the week under review. This was also driven by the stimulus measures undertaken by the Bank of Japan.

Crude Oil

Crude oil prices marginally declined from US\$86.03/barrel in the previous week, to US\$85.56/barrel during the week ending 31st October 2014, on the back of rising global supply as well as a stronger US dollar.

4. EQUITY MARKETS

During the week ending 31st October 2014, the industrial index fell by 2.74% to 177.88 points, from 182.90 points recorded in the previous week. The index was largely weighed down by losses in Cottco (40.00%), Edgars (28.57), Pearl (10.71%), ZPI (10.00%) and Barclays (8.57%). Partially offsetting these losses were gains in Ariston (42.86%), CFI (23.08%), Dawn (12.50%), Radar (10.00%), and Seedco (9.76%).

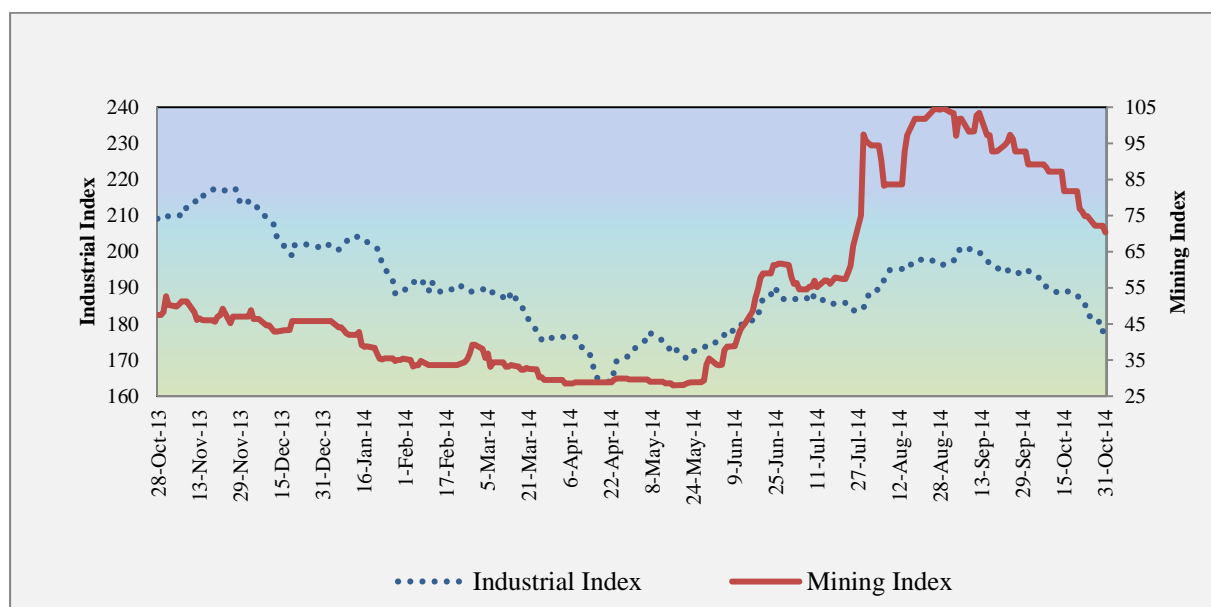
The mining index also declined from 74.88 points in the previous week to 70.38 points during the week ending 31st October 2014. This was, in large part, driven by the 7.7% loss recorded by Bindura, the only counter that traded during the week under review.

Table 5: Zimbabwe Stock Exchange (ZSE) Statistics

2014	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
19-Sep	195.35	92.85	5,142,820,362	6,461,426	70,460,988
26-Sep	193.79	92.76	5,102,722,729	5,078,219	12,592,808
03-Oct	193.45	89.16	5,089,138,149	9,628,967	62,510,700
10-Oct	189.14	87.17	4,975,884,890	8,816,281	20,227,321
17-Oct	188.77	81.76	4,959,473,376	5,116,625	24,987,405
24-Oct	182.90	74.88	4,799,663,267	3,727,541	12,331,738
31-Oct	177.88	70.38	4,664,797,085		

Source: Zimbabwe Stock Exchange (ZSE), 2014

Figure 3 : Zimbabwe Stock Exchange Indices

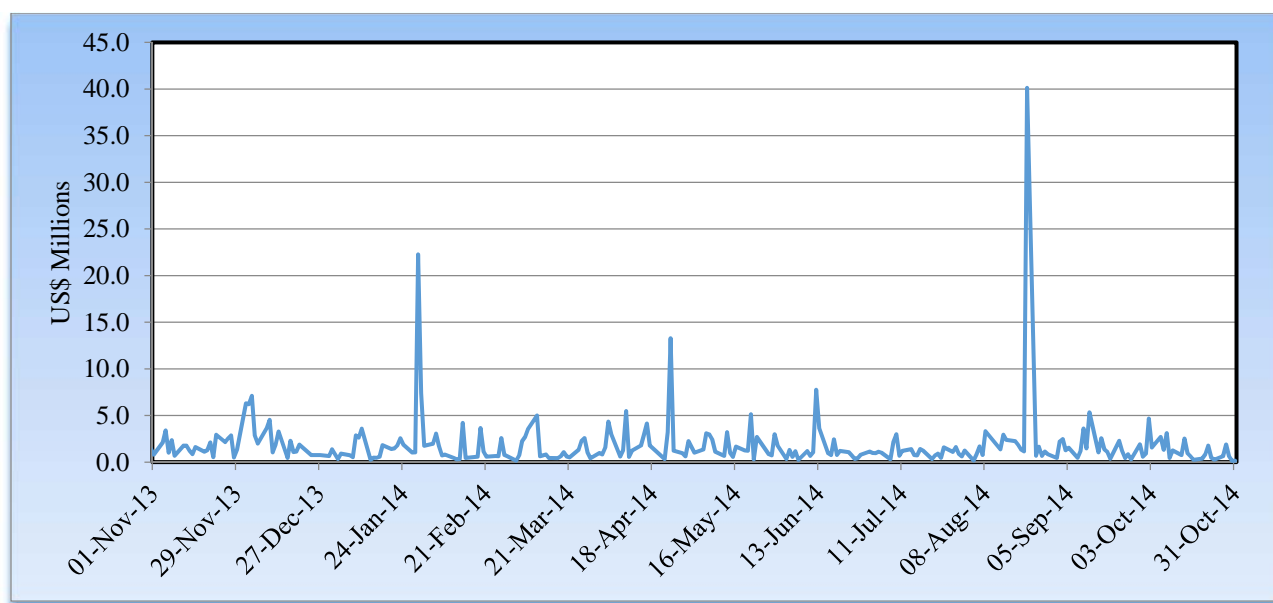


Source: Zimbabwe Stock Exchange, 2014

Market Turnover and Volume

The total number of shares traded during the week under review declined significantly, from 12.33 million in the previous week to 3.19 million for the week ending 31st October 2014. This was largely due to thin trading in blue-chip counters. Against the background of thin trading, market turnover declined by 7.24% to US\$3.46 million during the week under review, from US\$3.73 million registered during the previous week. During the week under analysis, foreign investors were net sellers, as foreign outflows amounting to US\$2.3 million outweighed foreign inflows of US\$2.2 million.

Figure 4: Daily Market Turnover

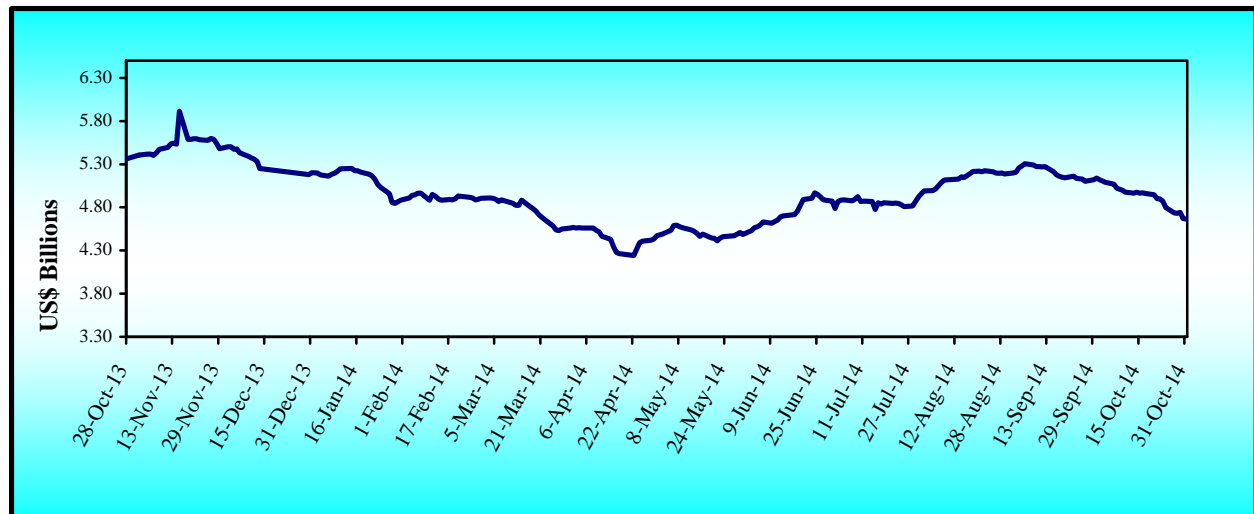


Source: Zimbabwe Stock Exchange, 2014

Market Capitalization

On the back of declines in both industrial and mining indices, market capitalization declined by 2.81%, from US\$4.80 billion registered the previous week to US\$4.66 billion during the week under review.

Figure 5 : Market Capitalization



Source: Zimbabwe Stock Exchange, 2014

Johannesburg Stock Exchange (JSE) Developments

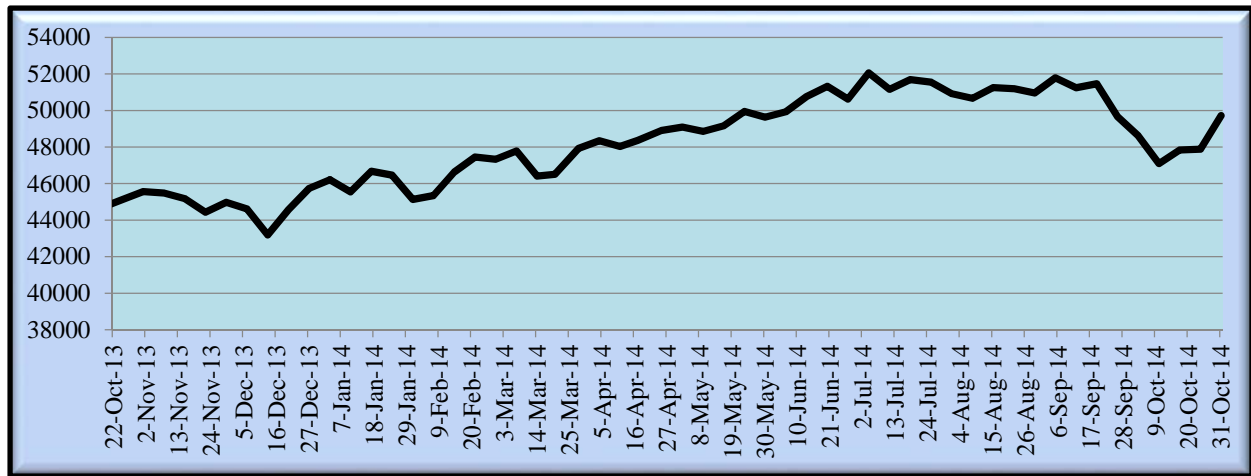
The JSE All Share index increased to 49,722.88 points during the week ending 31st October 2014, from 47,879.45 points in the previous week. Concomitantly, the JSE market capitalization was R11,522 billion, up from R11,281 billion in the previous week.

Table 6: Johannesburg Stock Exchange (JSE) Statistics

2014	All Share Index (points)	Market Capitalization (R billion)
19-Sep	51,462.42	12,171.16
26-sep	49,663.64	11,753.80
03-Oct	43,613.93	11,502.83
10-Oct	47,092.24	11,108.91
17-Oct	47,836.69	11,313.66
24-Oct	47,879.45	11,281.22
31-Oct	49,722.88	11,522.68

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

6TH NOVEMBER 2014