



# Weekly Economic Highlights

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Week Ending  
30<sup>th</sup> April 2015

## 1. INTEREST RATES

### Deposit Rates

Average deposit rates for all deposit classes softened during the week ending 30<sup>th</sup> April 2015. Savings deposit rates declined to 3.43%, from 3.54% recorded in the previous week. Deposit rates for 1 month and 3 month tenors also declined to 8.68% and 10.37%, respectively.

**Table 1: Average Deposit Rates**

2015	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
10-Apr	3.54	9.24	10.84
17-Apr	3.54	9.22	10.82
24-Apr	3.54	9.21	10.81
30-Apr	3.43	8.68	10.37

Source: *Banking Institutions, 2015*

### Lending Rates

Commercial banks' weighted lending rates for individuals increased from 12.69% for the week ending 24 April to 12.71% for the week ending 30 April 2015. For corporate clients, commercial banks' weighted lending rates were marginally lower at 8.84%, compared to 8.85% in the previous week.

**Table 2: Lending Rates**

2015	Lending Rates (%)	
	Commercial Banks (weighted)	
	Individuals	Corporate clients
02-Apr	13.22	8.75
10-Apr	12.59	8.88
17-Apr	12.59	8.90
24-Apr	12.69	8.85
30-Apr	12.71	8.84

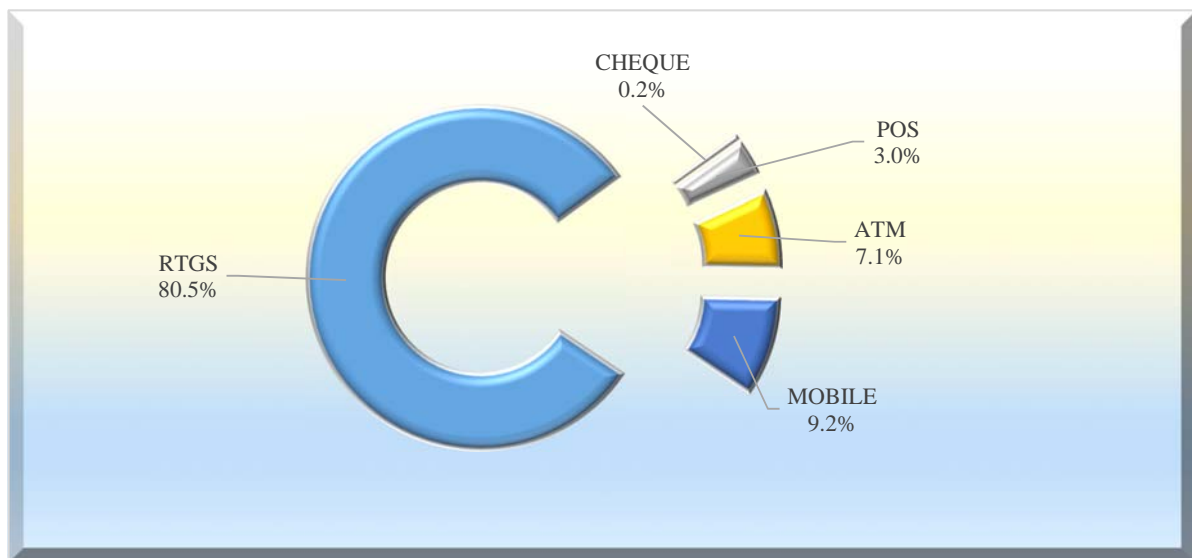
Source: *Banking Institutions, 2015*

## 2. CLEARING AND SETTLEMENT ACTIVITY

The total value of transactions processed through the National Payment Systems (NPS) stood at US\$1 026.97 million for the week ending 30<sup>th</sup> April 2015, down from US\$1 114.96 million in the previous week. This followed respective declines of 40% and 14% registered in RTGs and cheque transactions.

In terms of proportions, RTGS payments continued to dominate the NPS, accounting for 80.50% of the total value of transactions, followed by Mobile-based transactions, 9.16%; Automated Teller Machines (ATMs), 7.14%; Point of Sale (POS), 3.02%; and cheque, 0.18%.

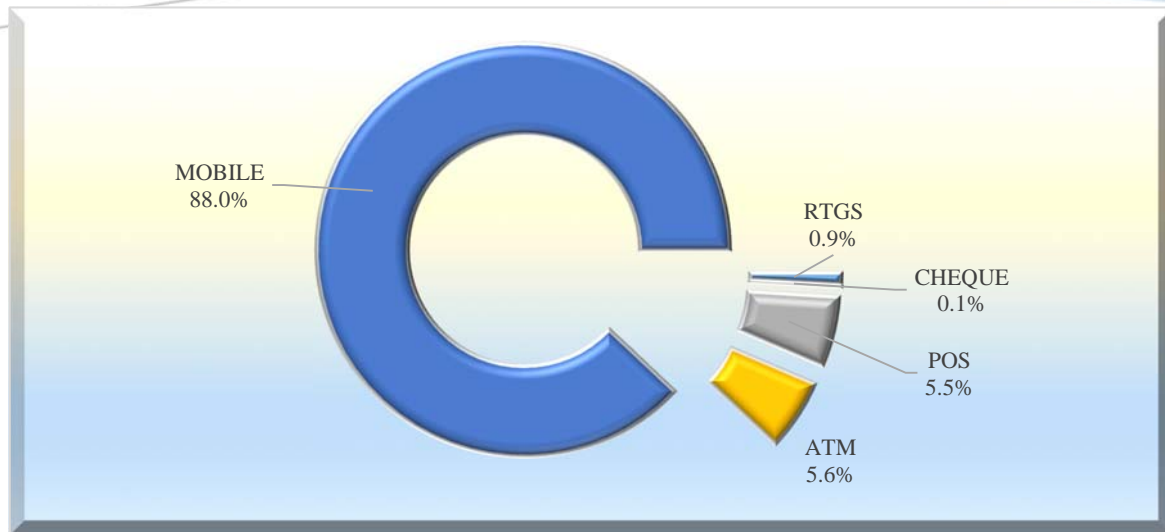
**Figure 1: Proportions of NPS Transactions in Value Terms**



*Source: Reserve Bank of Zimbabwe*

In volume terms, Mobile-based transactions accounted for 88.02% of total NPS transactions; ATMs, 5.55%; POS, 5.47%; RTGS, 0.86%; and cheque transactions, 0.10%.

**Figure 2: Proportions of NPS Transactions in Volume Terms**



Source: Reserve Bank of Zimbabwe.

**Table 3: National Payment Systems Activity**

PAYMENT STREAM	WEEK ENDING 24 APRIL 2015	WEEK ENDING 30 APRIL 2015	CHANGE FROM LAST WEEK	PROPORTION
<b>VALUES IN USD (millions)</b>				
<b>RTGS</b>	962.98	826.70	-14%	80.50%
<b>MOBILE</b>	67.04	94.05	40%	9.16%
<b>ATMS</b>	53.96	73.34	36%	7.14%
<b>POS</b>	27.81	30.99	11%	3.02%
<b>CHEQUE</b>	3.17	1.89	-40%	0.18%
<b>TOTAL</b>	<b>1,114.96</b>	<b>1,026.97</b>		<b>100%</b>
<b>VOLUMES</b>				
<b>RTGS</b>	42,735	41,064	-4%	0.86%
<b>CHEQUE</b>	6,642	4,692	-29%	0.10%
<b>POS</b>	225,540	262,024	16%	5.47%
<b>ATMs</b>	217,805	266,082	22%	5.55%
<b>MOBILE</b>	3,611,779	4,218,214	17%	88.02%

Source: Reserve Bank of Zimbabwe

### 3. TOBACCO SALES

As at 30<sup>th</sup> April 2015 (day 40 of the 2015 tobacco selling season), a cumulative total of 73 238 195 kilograms of tobacco had been sold. This reflected a decline of 7.48%, from the 79 162 296 kilograms sold during the same period in 2014.

Notably, the golden leaf was sold at a lower average price of US\$2.87 per kg, compared to US\$3.20/kg during the same period in 2014. Cumulative tobacco sales were valued at US\$210 million - 17% lower than the US\$254 million realised during the corresponding period in 2014.

**Table 4: Cumulative Tobacco Sales: Day 40 (30/04/15)**

	2014	2015	Variance (%)
<b>Cumulative Quantity Sold (kgs)</b>	79 162 296	73 238 195	-7.5%
<b>Cumulative Average Price(US\$/kg)</b>	3.20	2.87	-10.4%
<b>Cumulative Value (US\$ million)</b>	253 681 222	210 289 960	-17,0%

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

## 4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international commodity prices of gold, copper, nickel and crude oil firmed, while that of platinum retreated during the week ending 30 April 2015.

**Table 4: Metals and Crude Oil Prices**

Period	Gold	Platinum	Copper	Nickel	Crude Oil
<b>2015</b>	<i>US\$/ounce</i>	<i>US\$/ounce</i>	<i>US\$/tonne</i>	<i>US\$/tonne</i>	<i>US\$/barrel</i>
<b>Weekly Average (24 April)</b>	<b>1,193.31</b>	<b>1,141.80</b>	<b>5,971.20</b>	<b>12,705.00</b>	<b>63.59</b>
<b>27-Apr</b>	1,191.38	1,120.50	6,060.00	13,525.00	64.98
<b>28-Apr</b>	1,205.20	1,142.50	6,090.00	13,230.00	65.17
<b>29-Apr</b>	1,206.90	1,155.50	6,103.00	13,300.00	65.10
<b>30-Apr</b>	1,177.48	1,133.00	6,103.00	13,755.00	66.24
<b>Weekly Average (30April)</b>	<b>1,195.24</b>	<b>1,137.88</b>	<b>6,089.00</b>	<b>13,452.50</b>	<b>65.37</b>
<b>Weekly Change (%)</b>	<b>0.2</b>	<b>-0.3</b>	<b>2.0</b>	<b>5.9</b>	<b>2.8</b>

Source: BBC, KITCO, Reuters and Bloomberg

### Gold

Gold prices gained by 0.2% from US\$1,193.31/oz to US\$1,195.24/oz during the week under review. The rebound in gold prices was largely on account of investor speculation on the possible outcome of the Federal Reserve's meeting on an interest rate hike, as this would have an impact on gold as an investment haven.

### Platinum

Platinum prices retreated by 0.3%, to close the week under review at US\$1,137.88/oz. This was on account of increased output at South Africa's Anglo Mines, following the resumption of operations in March 2015.



## **Copper**

Copper prices increased by 2.0% to US\$6,089.00/tonne during the week under review. This was partly due to a positive demand outlook for the base metal in China, the world's largest consumer of copper.

## **Nickel**

Nickel prices continued on an upward trend, firming by 5.9% from a weekly average of US\$12,705.00/tonne in the previous week, to US\$13,452.50/tonne during the week under analysis. This was mainly attributable to supply side concerns that exerted upward pressure on prices. The current industrial action at BHP Billiton's second world largest ferro-nickel mine has led to the scaling down of nickel production capacity. This is expected to continue creating nickel supply shortages in the foreseeable future

## **Crude Oil**

Crude oil prices firmed by 2.8%, from a weekly average of US\$63.59/barrel recorded during the previous week, to US\$65.37/barrel, during the period under review. Prices rose on account of expected slowdown in production, owing to scheduled refinery maintenance work, which could hurt crude oil supplies in the US.

## 5. EQUITY MARKETS

Activity on the Zimbabwe Stock Exchange (ZSE) continued to be depressed due to the prevailing economic challenges, occasioned by liquidity constraints. The poor performance was, in large part, on the back of a difficult operating environment characterised by scaling down of operations; retrenchments; company closures and very limited access to affordable long term capital. Against this background, ABCH, TA Holdings and Astra de-listed from the ZSE in 2015.

Trading on the ZSE was negative and largely characterised by thin trades during the week ending 30<sup>th</sup> April 2015. As a result of lack of impetus for significant trades, the industrial index was subjected to four successive sessions of dampened trading. Consequently, it registered a cumulative weekly loss of 0.83% to 156.26 points, from 157.57 points in the holiday-shortened week. The mainstream index recorded losses due to declines in ZBFH (16.67%), Hippo Valley (11.36%), OK Zimbabwe (9.09%), Padenga (8.16%), DZHL (5.88%) and Delta (0.94%).

The mining index, however, remained unchanged at 42.93 points during the week under analysis. Bindura traded unchanged, whilst the rest of the resource counters did not register any trades during the period under review.

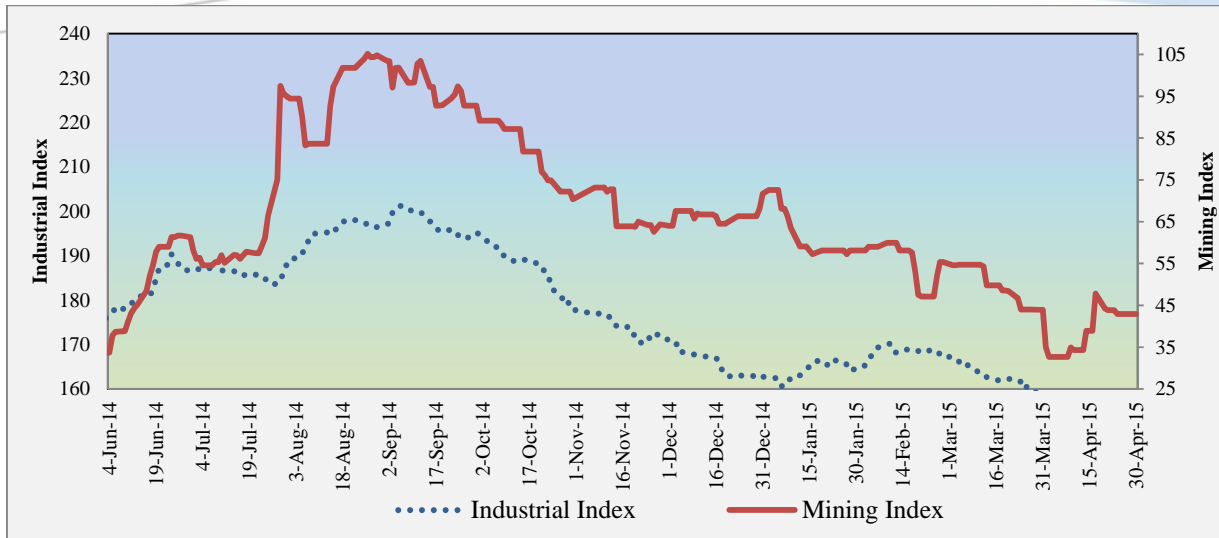
**Table 5: Zimbabwe Stock Exchange (ZSE) Statistics**

Period	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
02-Apr-15	155.89	32.67	4,042,058,693	2,271,865	33,319,568
10-Apr-15	156.51	34.31	4,059,987,899	15,910,953	495,108,011
17-Apr-15	157.19	47.82	4,096,028,252	4,567,268	14,768,000
24-Apr-15	157.57	42.93	4,099,520,155	6,322,747	23,693,933
30-Apr-15	156.26	42.93	4,066,067,417	1,251,685	10,900,084

Source: Zimbabwe Stock Exchange (ZSE), 2015



**Figure 3 : Zimbabwe Stock Exchange Indices**

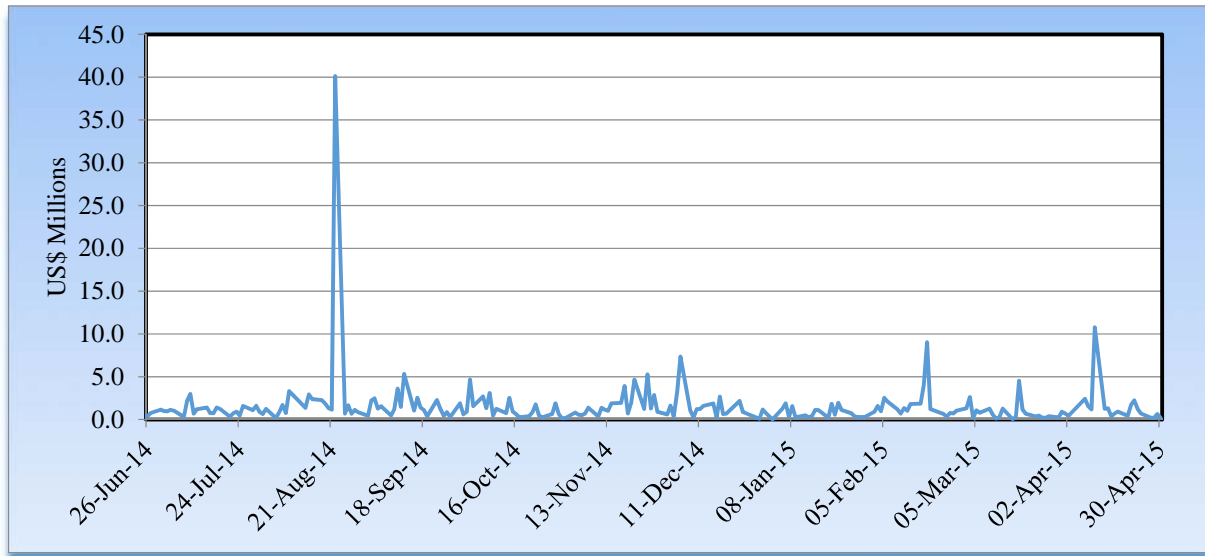


Source: Zimbabwe Stock Exchange, 2015

### Market Turnover and Volume

The reduction in trading sessions due to the workers day holiday, coupled with thin trading on the ZSE during the week under review, saw market turnover decline by 80.20%, from US\$6.32 million to US\$1.25 million. In terms of volume, 10 900 084 shares were traded, down from 23 693 933 shares traded in the previous week.

**Figure 4: Daily Market Turnover**

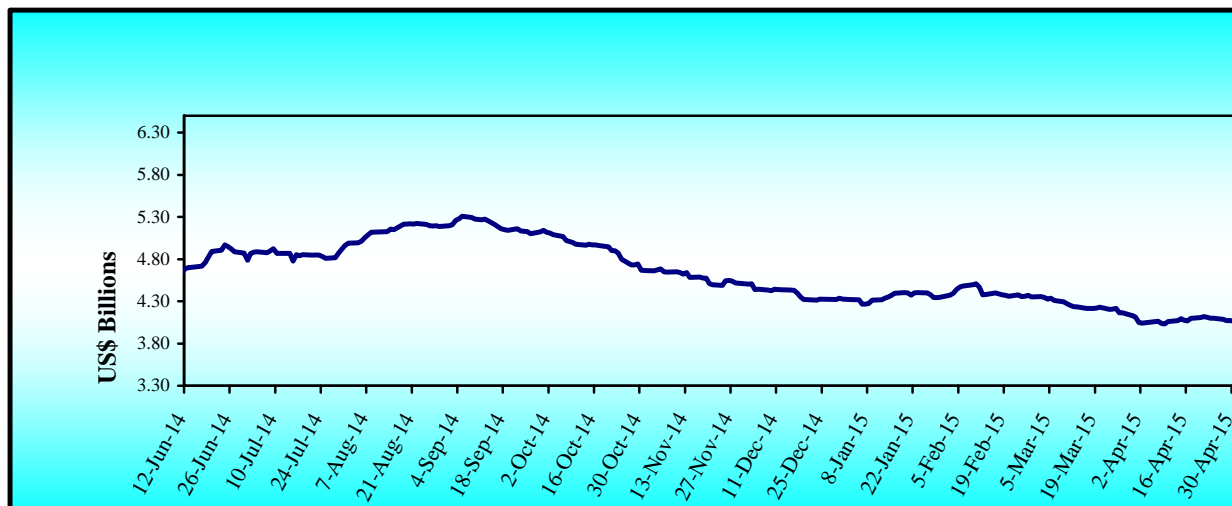


Source: Zimbabwe Stock Exchange, 2015

### **Market Capitalisation**

The ZSE market capitalisation declined by 0.82%, to close the week under review at US\$4.066 billion.

**Figure 5 : Market Capitalization**



Source: Zimbabwe Stock Exchange, 2015

### Johannesburg Stock Exchange (JSE) Developments

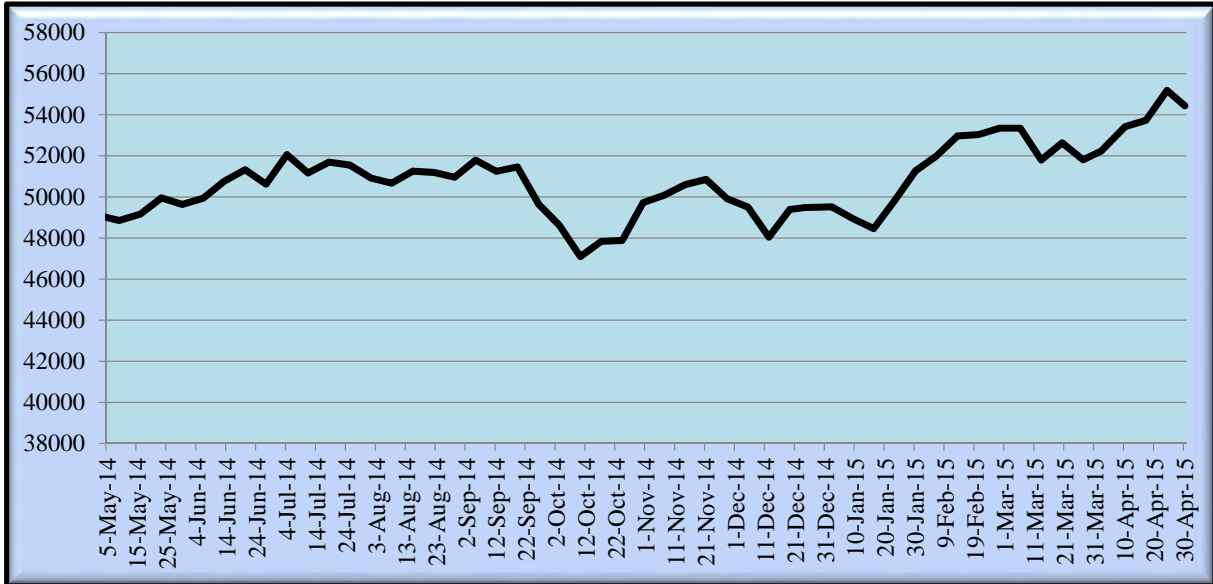
During the week ending 30<sup>th</sup> April 2015, the JSE All Share index declined by 1.36%, to close the week at 54 440.43 points. Market capitalisation also fell to close the week under review at R12 443.60 billion, from R12 651.03 billion recorded in the previous week.

**Table 6: Johannesburg Stock Exchange (JSE) Statistics**

Period- 2015	All Share Index (points)	Market Capitalization (R billion)
<b>02-Apr</b>	52,229.32	11,921.95
<b>10-Apr</b>	53,420.78	12,207.70
<b>17-Apr</b>	53,734.04	12,437.81
<b>24-Apr</b>	55,188.34	12,651.03
<b>30-Apr</b>	54,440.43	12,443.60

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**

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