



# Weekly Economic Highlights

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Week Ending  
16 January 2015

## 1. INTEREST RATES

### Deposit Rates

During the week ending 16<sup>th</sup> January 2015, the 3 months and savings deposit rates remained unchanged at 10.94% and 3.31%, respectively. Average deposit rates for term deposits of 1 month tenor increased from 9.37% in the previous week to close the week under review at 9.93%.

**Table 1: Average Deposit Rates**

	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
<b>24-Dec-14</b>	3.42	9.70	11.47
<b>02-Jan-15</b>	3.42	9.70	11.47
<b>09-Jan-15</b>	3.31	9.37	10.94
<b>16-Jan-15</b>	3.31	9.93	10.94

Source: Banking Institutions, 2015

### Lending Rates

Nominal lending rates at merchant banks for individuals and corporate clients remained unchanged at 19% and 18%, respectively, during the week under review. At commercial banks, weighted lending rates for both individual and corporate clients declined to 14.17% and 9.67%, from 14.18% and 9.85%, respectively.

**Table 2: Lending Rates**

	Lending Rates (%)			
	Commercial Banks (weighted)		Merchant Banks (nominal) <sup>1</sup>	
	Individuals	Corporate Clients	Individuals	Corporate Clients
<b>24-Dec-14</b>	14.33	9.90	19.00	18.00
<b>02-Jan-15</b>	14.29	9.90	19.00	18.00
<b>09-Jan-15</b>	14.18	9.85	19.00	18.00
<b>16-Jan-15</b>	14.17	9.67	19.00	18.00

Source: Banking Institutions, 2015

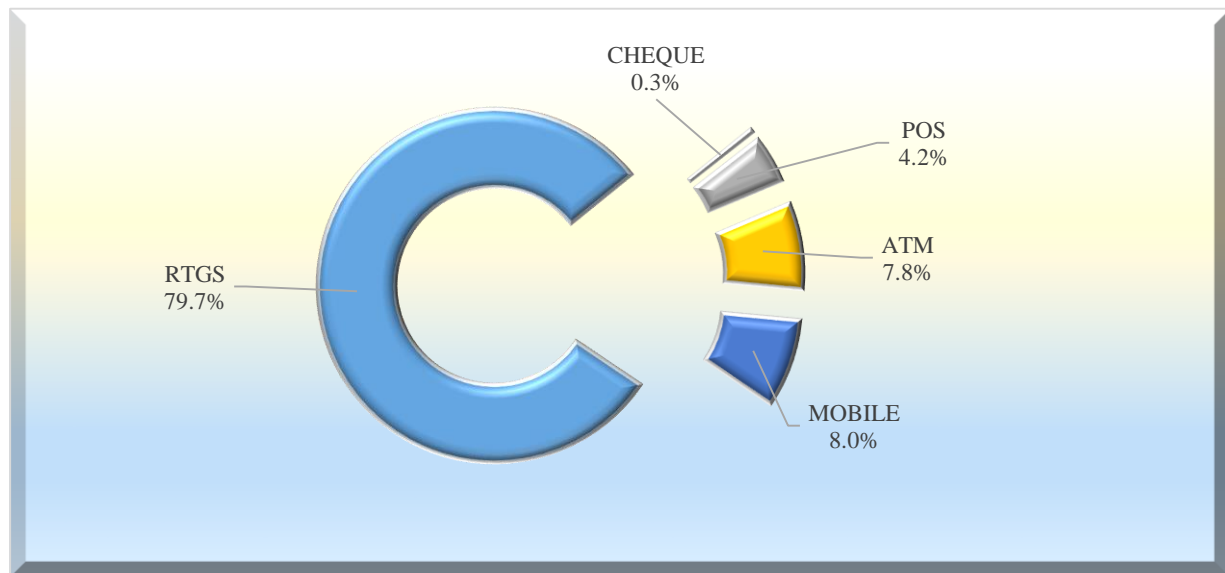
<sup>1</sup> There is only one merchant bank left in operation.

## 2. CLEARING AND SETTLEMENT ACTIVITY

The total value of transactions processed through the National Payment System (NPS) declined from US\$ 1 007.82 million in the previous week, to US\$1 007.24 million, during the week ending 16<sup>th</sup> January 2015. This was largely attributable to declines of 6% and 3% in transactions processed through the Mobile and RTGS systems, respectively. Transactions processed through the RTGS system amounted to US\$803 million, down from US\$825 million while those processed through Mobile systems stood at US\$80.23 million, up from US\$85.37 million.

RTGS payments, accounted for 79.7% of the total value of transactions processed through the NPS, followed by Mobile, 8.0%; Automated Teller Machines (ATMs), 7.8%; Point of Sale (POS),4.2%; and cheques , 0.3%, respectively.

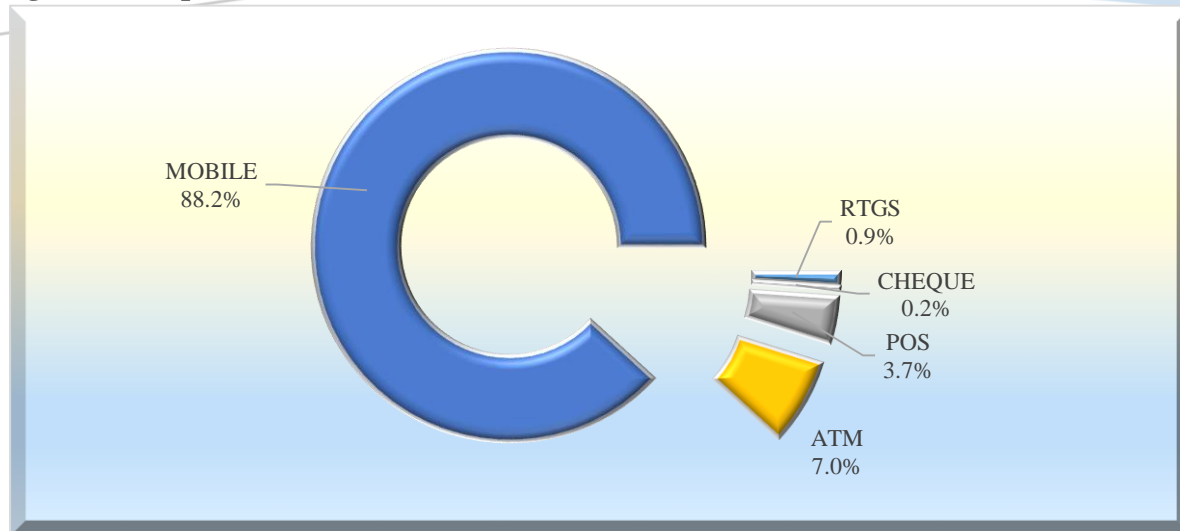
**Figure 1: Proportions of NPS Transactions in Value Terms**



*Source: Reserve Bank of Zimbabwe*

Mobile-based transactions accounted for 88.2% of total transactions in volume terms, followed by ATMs, 7.0%; POS, 3.7%; RTGS, 0.9%; and Cheque, 0.2%.

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



Source: Reserve Bank of Zimbabwe.

**Table 3: National Payment Systems Activity**

PAYMENT STREAM	WEEK ENDING 09 JANUARY 2015	WEEK ENDING 16 JANUARY 2015	CHANGE FROM LAST WEEK	PROPORTION
<b>VALUES IN USD (millions)</b>				
<b>RTGS</b>	825.12	802.97	-3%	79.72%
<b>CHEQUE</b>	2.18	2.67	22%	0.27%
<b>POS</b>	28.40	42.66	50%	4.24%
<b>ATMS</b>	66.74	78.70	18%	7.81%
<b>MOBILE</b>	85.37	80.23	-6%	7.96%
<b>TOTAL</b>	1,007.82	1,007.24		100%
<b>VOLUMES</b>				
<b>RTGS</b>	37,857	39,546	4%	0.93%
<b>CHEQUE</b>	5,309	6,737	27%	0.16%
<b>POS</b>	134,664	158,743	18%	3.73%
<b>ATMs</b>	279,833	296,722	6%	6.97%
<b>MOBILE</b>	3,735,814	3,752,774	0.5%	88.21%
<b>TOTAL</b>	4,193,477	4,254,522		100%

Source: Reserve Bank of Zimbabwe

### 3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The weekly average international commodity prices for gold and platinum firmed, while those for copper, nickel and crude oil retreated during the week ending 16<sup>th</sup> January 2015.

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

Period	Gold	Platinum	Copper	Nickel	Crude Oil
2015	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
<b>Weekly Average (9 Jan)</b>	1,208.83	1,216.80	6,215.10	15,272.00	52.01
<b>12-Jan</b>	1,224.25	1,233.50	6,130.00	14,950.00	47.82
<b>13-Jan</b>	1,235.25	1,243.50	5,915.00	14,780.00	46.65
<b>14-Jan</b>	1,231.88	1,236.00	5,625.00	14,250.00	46.79
<b>15-Jan</b>	1,247.13	1,247.50	5,720.00	14,570.00	48.54
<b>16-Jan</b>	1,267.88	1,259.50	5,720.00	14,355.00	49.48
<b>Weekly Average (16 Jan)</b>	1,241.28	1,244.00	5,822.00	14,581.00	47.86
<b>Weekly Change (%)</b>	2.68	2.24	-6.32	-4.52	-7.98

Source: BBC, KITO, Reuters and Bloomberg

#### Gold

Gold prices continued on an upward trend, rising by 3% from a weekly average of US\$1 208.83/oz in the previous week, to an average of US\$1 241.28/oz during the week under review. This was on account of increased demand for the metal as a safe haven for investment.

#### Platinum

Platinum gained 2%, from a weekly average of US\$1 216.80/oz recorded in the previous week, to close the week under analysis at an average of US\$1 244.00/oz.

#### Copper

Copper prices declined by 6%, from an average of US\$6 215.10/ton in the previous week, to an average of US\$5 822.00/ton during the week ending 16<sup>th</sup> January 2015. This was on the back of concerns over a slowing global economy.



## **Nickel**

Nickel prices decreased by 5%, from US\$15 272.00/ton in the previous week, to an average of US\$14 581.00/ton during the week under analysis. This followed concerns over the weak demand outlook for the metal.

## **Crude Oil**

Crude oil prices declined by 8%, to close the week under review at US\$47.86/barrel, from an average of US\$52.01/barrel in the previous week. Global oversupply concerns and weak demand in China and Europe, in large part, contributed to the decline.

## 4. EQUITY MARKETS

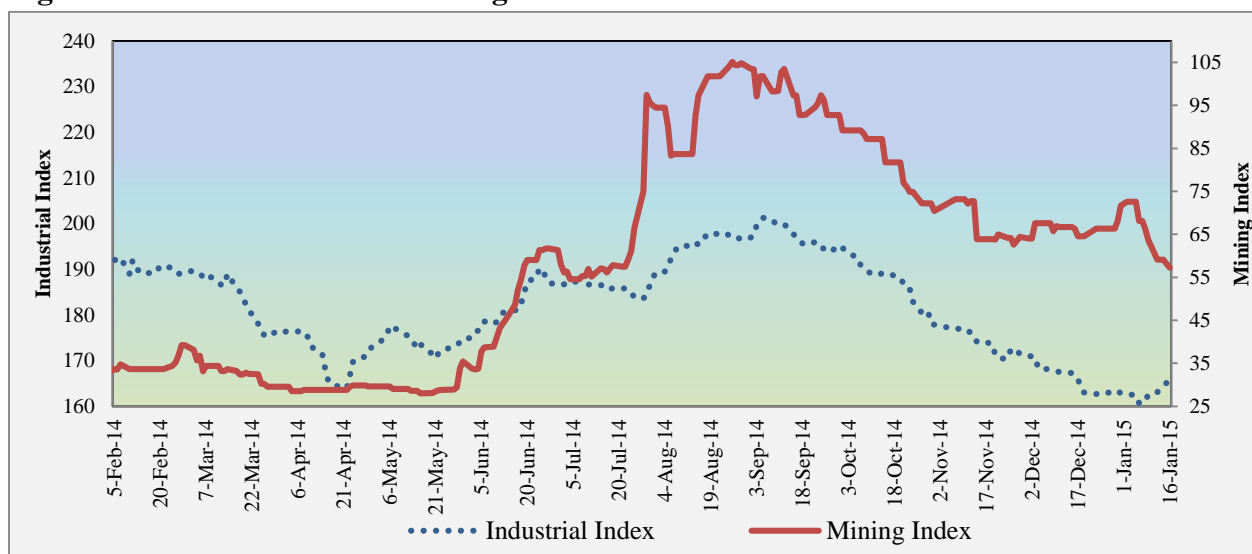
During the week ending 16<sup>th</sup> January 2015, trading on the Zimbabwe Stock Exchange was mixed. The industrial index gained 2.12%, to close at 166.15 points, while the mining index lost 10.01% to close at 57.24 points. The surge in the industrial index was attributable to notable gains recorded in ZPI, Dawn, Delta and BAT. The mining index was largely weighed down by losses in Hwange and Bindura counters.

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

Period	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US\$)	Market Turnover (US\$)	Volume of Shares
19-Dec-14	163.00	64.51	4,322,542,339	6,106,666	119,782,048
24-Dec-14	163.02	66.31	4,325,414,010	3,039,507	12,829,144
02-Jan-15	162.57	72.61	4,323,173,821	5,071,602	16,689,321
09-Jan-15	162.70	63.61	4,314,173,584	5,262,232	16,139,709
16-Jan-16	166.15	57.24	4,395,719,222	3,359,225	17,125,141

Source: Zimbabwe Stock Exchange (ZSE), 2015

**Figure 3 : Zimbabwe Stock Exchange Indices**

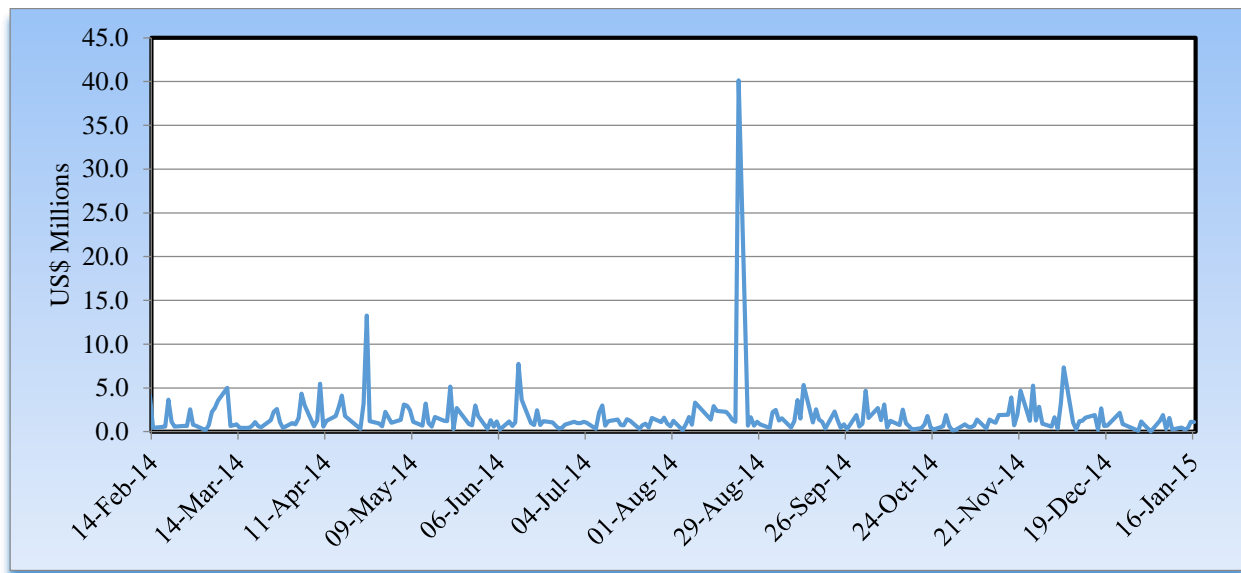


Source: Zimbabwe Stock Exchange, 2015

## Market Turnover and Volume

The total volume of shares traded amounted to 17.13 million during the week under review, compared to 16.14 million shares in the previous week. Market turnover declined by 36.3% to close the week under review at US\$3.36 million on account of subdued activity in heavily capitalized counters.

**Figure 4: Daily Market Turnover**



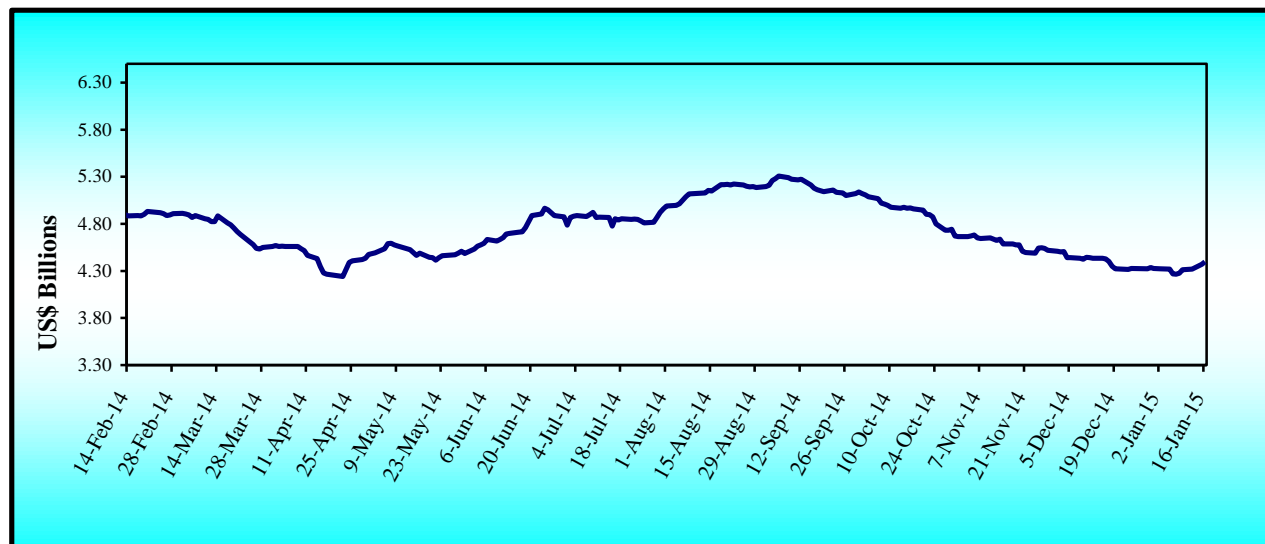
*Source: Zimbabwe Stock Exchange, 2015*

## Market Capitalization

Market capitalization increased by 1.89%, from US\$4.33 million in the previous week to US\$4.40 million during the week ending 16<sup>th</sup> January 2015.



**Figure 5 : Market Capitalization**



Source: Zimbabwe Stock Exchange, 2015

### Johannesburg Stock Exchange (JSE) Developments

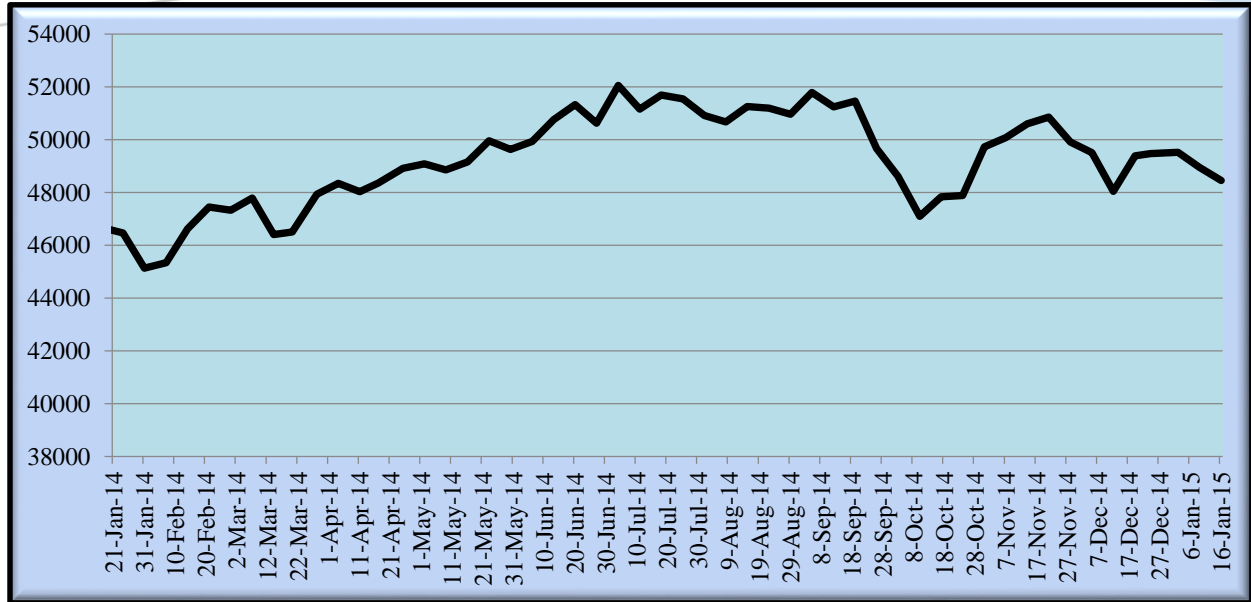
The JSE All Share index decreased by 1.01%, to close the week under review at 48 458.25 points, from 48 950.50 in the previous week. Market capitalization also declined by 1.13%, to R11 150.54 billion during the week ending 16<sup>th</sup> January 2015.

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

Period	All Share Index (points)	Market Capitalization (R billion)
<b>19-Dec-14</b>	49,386.71	11,430.76
<b>24-Dec-14</b>	49,478.57	11,481.04
<b>02-Jan -15</b>	49, 518.48	11,435.45
<b>09-Jan-15</b>	48,950.50	11,277.78
<b>16-Jan-15</b>	48,458.25	11,150.54

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**

**21<sup>ST</sup> JANUARY 2015**