Vol. 16 No. 16

Weekly Economic Highlights

Week Ending 17 April 2014

1. INTEREST RATES

Deposit Rates

During the week ending 17th April 2014, interest rates on savings, 1 month and 3 months deposits remained unchanged as the liquidity crunch continued to hamper money market activity.

Table 1: Average Deposit Rates

2014	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
14-March	3.49	10.10	11.78
21-March	3.36	10.10	11.78
28-March	3.36	10.10	11.78
04-April	3.36	10.10	11.78
11-April	3.36	10.10	11.78
17-April	3.36	10.10	11.78

Source: Banking Institutions, 2014

Lending Rates

At commercial banks, the weighted lending rates for individuals remained unchanged at 14.26%, whilst the weighted lending rates for corporate clients declined to 9.25%, during the week under review. At merchant banks, weighted lending rates for individual and corporate clients remained unchanged at 18.88% and 17.73%, respectively.

Table 2: Lending Rates[1]

2014	Weighted Lending Rates (%)			
	Commercial Banks		Merchant Banks	
	Individuals	Corporate Clients	Individuals	Corporate Clients
14-March	14.10	9.30	18.88	17.73
21-March	14.11	9.31	18.88	17.73
28-March	14.24	9.27	18.88	17.73
04-April	14.25	9.29	18.88	17.73
11-April	14.26	9.28	18.88	17.73
17-April	14.26	9.25	18.88	17.73

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 17th April 2014 transactions processed through the Real Time Gross Settlement (RTGS) system increased to USD707 million in value terms, from USD739 million recorded in the previous week. The RTGS volumes recorded a decrease of 15% from the previous week.

Table 3: National Payment Systems Activity

PAYMENT STREAM	WEEK ENDING 11 APRIL 2014	WEEK ENDING 17 APRIL 2014	CHANGE FROM PREVIOUS WEEK	PROPORTION
VALUES IN US$				
RTGS	739,137,818.29	706,679,812.37	-4%	84.01%
CHEQUE[2]	2,474,465.11	2,221,422.22	-10%	0.26%
POS	34,152,374.74	31,765,521.42	-7%	3.78%
ATMS	59,188,140.84	43,703,925.79	-26%	5.20%
MOBILE	62,575,426.64	56,799,572.90	-9%	6.75%
TOTAL	**897,528,225.62**	**841,170,254.70**		**100%**
VOLUMES				
RTGS	43,464	37,000	-15%	1.07%
CHEQUE[2]	7,639	6,048	-21%	0.17%
POS	297,436	199,494	-33%	5.75%
ATMs	258,742	207,251	-20%	5.97%
MOBILE	3,006,020	3,022,419	1%	87.05%
TOTAL	**3,613,301**	**3,472,212**		**100%**

Source: Reserve Bank of Zimbabwe, 2014

[2] The figures represent cheques processed through the clearing house and 'On Us' cheques. The 'On Us' refers to cheques drawn against the institution's own infrastructure by its own customers without going through another bank's infrastructure

3. TOBACCO SALES

As at 17th April 2014 (Day 38 of the 2014 tobacco selling season), a cumulative total of 85 924 848 kilograms of tobacco had been sold, reflecting a 20.2% increase on the 71 513 624 kilograms sold during the same period in 2013.

Cumulative tobacco sales totalled US$275.64 million, which is 3.4% higher than the US$266.62 million realized during the corresponding period in 2013. The golden leaf was, however, sold at a lower average price of US321 cents, compared to US373 cents during the same period in 2013.

Table 4: Cumulative Tobacco Sales As at Day 38 (17/04/14)

	2013	2014	Variance (%)
Quantity Sold (kgs)	71,513,624	85,924,848	20.2
Average Price (US$/kg)	3.73	3.21	-14.0%
Value (US$ million)	266,623,678.20	275,639,765.27	3.4

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

4. INTERNATIONAL COMMODITY PRICES

The weekly average international commodity prices for platinum, nickel and crude oil firmed, whilst those for gold and copper retreated during the week ending 17th April 2014.

Table 5: Metals and Crude Oil Prices

2014	Gold US$/oz	Platinum US$/oz	Copper US$/ton	Nickel US$/ton	Crude Oil US$/barrel
Weekly Average (11 Apr.)	**1,311.10**	**1,443.10**	**6,644.20**	**16,762.40**	**107.02**
14-Apr	1,325.13	1,465.00	6,644.50	17,730.00	107.97
15-Apr	1,304.75	1,442.00	6,635.00	17,270.00	108.46
16-Apr	1,300.25	1,440.50	6,600.00	17,875.00	110.15
17-Apr	1,299.13	1,436.00	6,630.00	17,975.00	109.60
Weekly Average (17 Apr.)	**1,307.31**	**1,445.88**	**6,627.38**	**17,712.50**	**109.05**
Weekly Change (%)	***-0.3%***	***0.2%***	***-0.3%***	***5.7%***	***1.9%***

Source: BBC, KITCO and Bloomberg, 2014

Gold

Gold prices reversed the previous week's gains, declining by 0.3% from a weekly average of US$1 311.10/oz in the previous week, to a weekly average of US$1 307.31/oz. The prices declined on account of technical selling, stronger equities as well as fears of slowing demand from China, one of the biggest consumers of the metal.

Platinum

Platinum prices marginally increased by 0.2%, from a weekly average of US$1 433.10/oz in the previous week, to an average of US$1 445.88/oz during the week under review. Prices increased despite easing supply worries as talks between labor unions and platinum producers in South Africa are progressing well.

Copper

Copper prices registered a marginal decline of 0.3%, from an average of US$6 644.20/tonne in the previous week to US$6 627.38/tonne during the week under review, as slowing demand from China, one of the biggest consumers of the metal, weighed on the market.

Nickel

Nickel prices surged by 5.7%, from an average of US$16 762.40/tonne registered in the previous week to a weekly average of US$17 712.50/tonne. The prices firmed on account of supply side concerns following the ban on nickel ore exports by one of the top producers, Indonesia. Rising tensions between the West and Russia over the crisis in Ukraine also supported the prices.

Crude Oil

Crude oil prices rose by 1.9%, from an average of US$107.02/barrel in the previous week to an average of US$109.05/barrel during the week under review. Oil prices firmed on account of escalating tensions between the West and Russia over the crisis in Ukraine.

5. EQUITY MARKETS

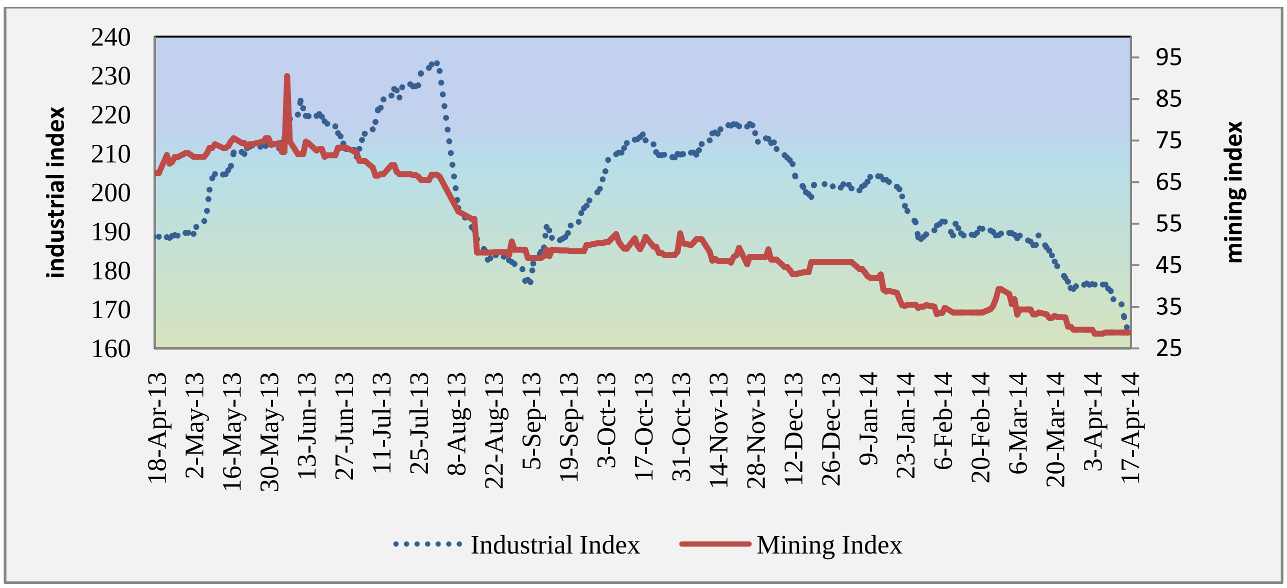
During the week ending 17^{h} April 2014, trading on the ZSE continued to be subdued. The industrial index eased by 4.52%, from 172.6 points in the previous week, to 164.79 points. The mining index, however, remained unchanged at 28.82 points as all the mining counters remained inactive throughout the week.

Table 6: Zimbabwe Stock Exchange (ZSE) Statistics

2014	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US$)	Market Turnover (US$)	Volume of Shares
21-March	181.10	32.54	4,686,709,759	3,266,757	40,400,795
28-March	175.93	29.51	4,550,446,737	7,621,483	53,867,150
04-April	176.36	28.53	4,559,874,829	10,718,578	39,230,310
11-April	172.60	28.82	4,463,919,747	9,162,158	230,386,256
17-April	164.79	28.82	4,264,248,814	10,593,882	68,937,915

Source: Zimbabwe Stock Exchange (ZSE), 2014

Figure 1: Zimbabwe Stock Exchange Indices

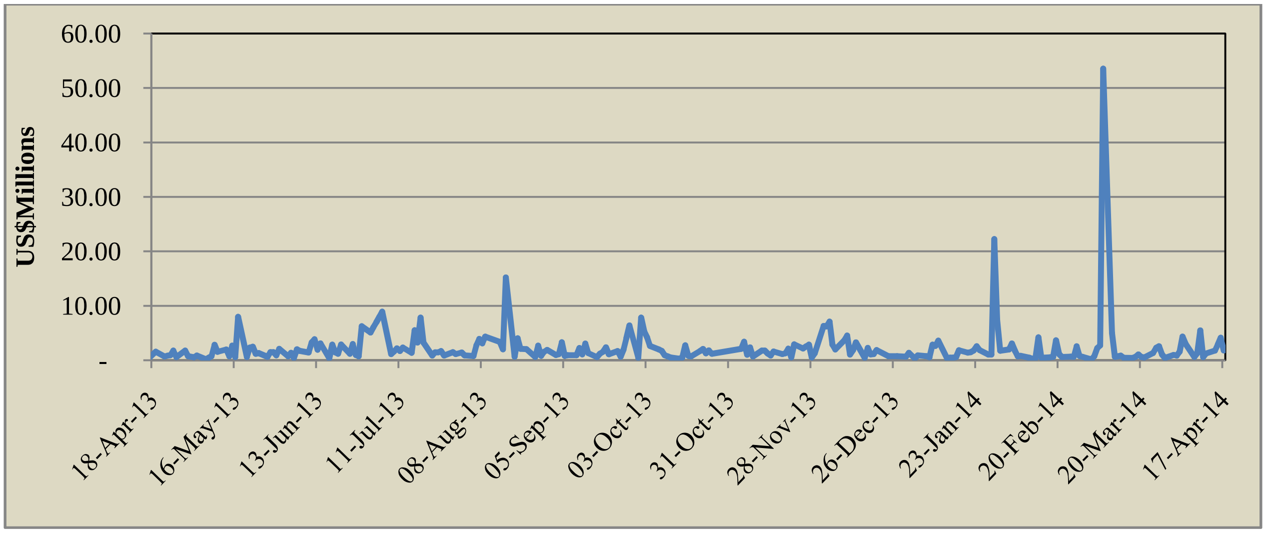


Source: Zimbabwe Stock Exchange, 2014

Volume and Market Turnover

During the week under review, market turnover increased by 15.61%, from US$ 9.16 million in the previous week to US$10.59 million. Foreign contribution rebounded to 62.56% of total revenue, from 60.51% in the previous week.

Figure 2: Daily Market Turnover

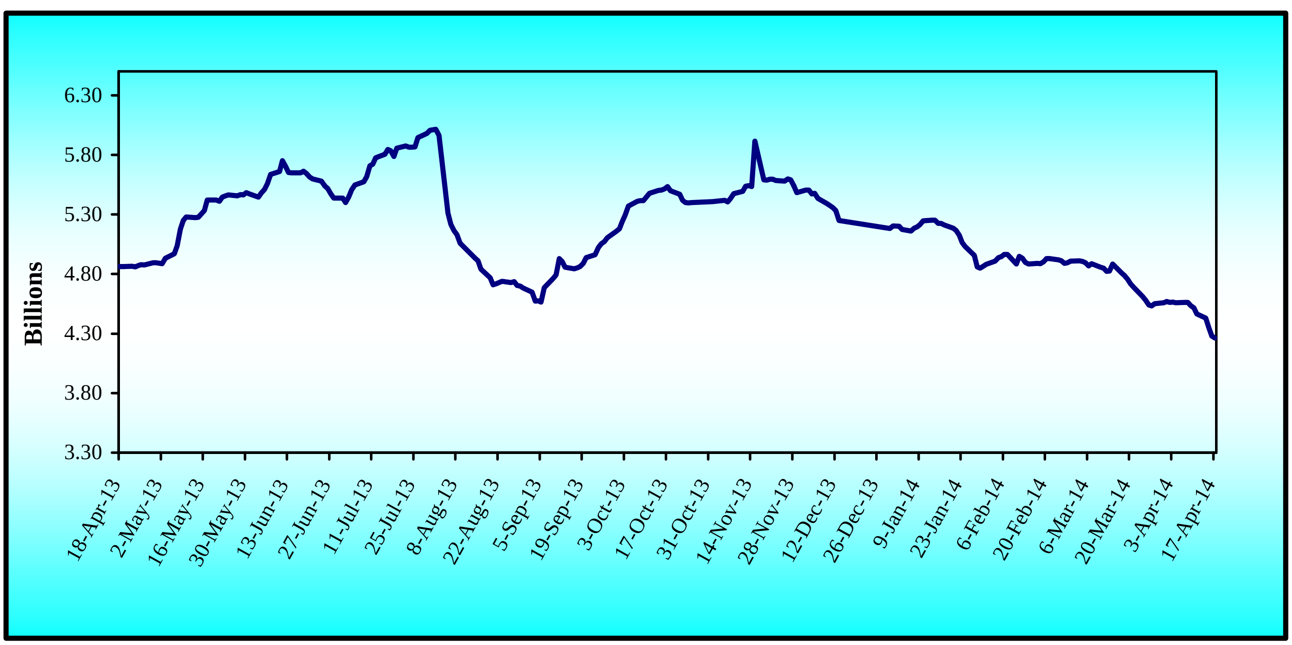


Source: Zimbabwe Stock Exchange, 2014

Market Capitalization

Market capitalization increased by 4.47%, from US$4.26 billion in the previous week to US$4.26 billion bringing the year to date loss to 18%.

Figure 3: Market Capitalization



Source: Zimbabwe Stock Exchange, 2014

Johannesburg Stock Exchange (JSE) Developments

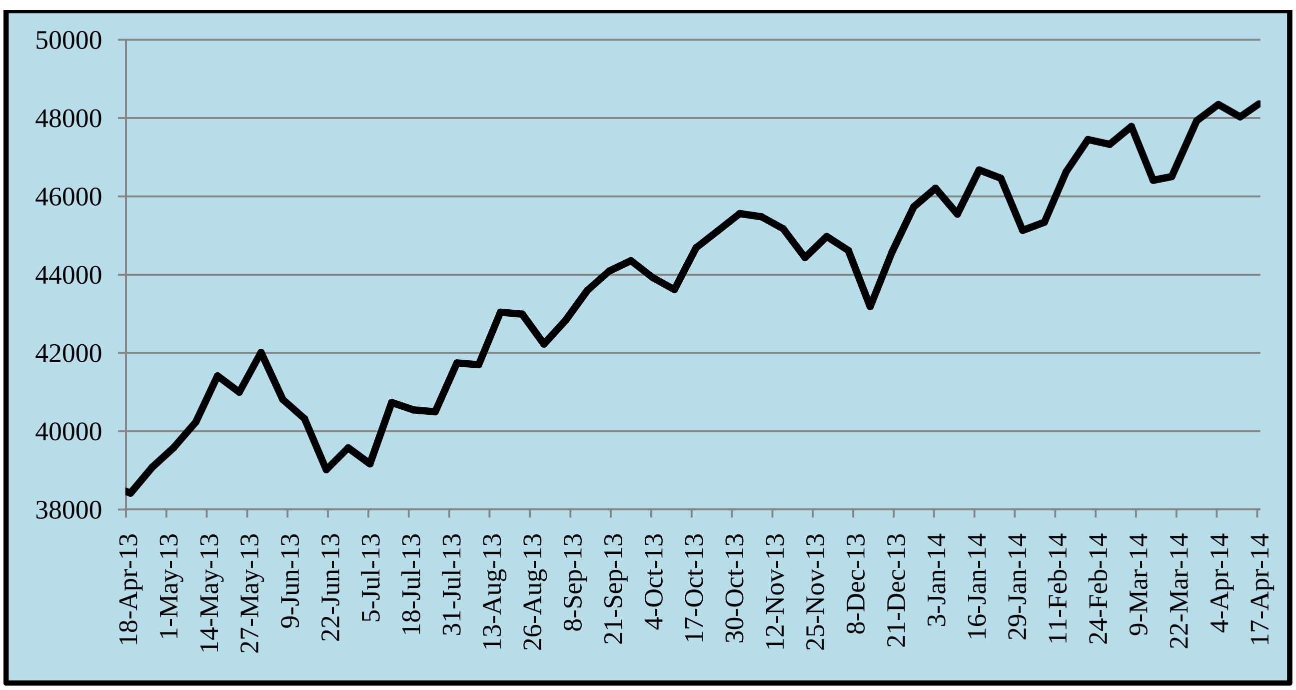
During the week under review, both the JSE All Share index and market capitalization increased by 0.69% and 2.33% to 48 362.22 points and R11 477.59 billion, respectively.

Table 7: Johannesburg Stock Exchange (JSE) Statistics

2014	All Share Index (points)	Market Capitalization (R bn)
20-March	46,508.27	10,829.48
28-March	47,930.03	11,158.80
04-April	48,347.75	11,247.27
11-April	48,032.41	11,216.03
17-April	48,362.22	11,477.59
24-April		

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

24 APRIL 2014