Vol. 16 No. 17

RESERVE BANK OF ZIMBABWE

Weekly Economic Highlights

Week Ending 25 April 2014

1. INTEREST RATES

Deposit Rates

Interest rates on savings, 1 month and 3 months deposits remained unchanged during the week ending 25th April 2014.

Table 1: Average Deposit Rates

2014	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
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
25-April	3.36	10.10	11.78

Source: Banking Institutions, 2014

Lending Rates

At commercial banks, the weighted lending rates for both individuals and corporate clients declined closing the week under review at 13.93% and 8.86%, respectively. 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
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
25-April	13.93	8.86	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 25th April 2014 transactions processed through the Real Time Gross Settlement (RTGS) system increased to US$834 million in value terms, from US$707 million recorded in the previous week. The RTGS volumes recorded a decrease of 1% from the previous week.

Table 3: National Payment Systems Activity

PAYMENT STREAM	WEEK ENDING 17 APRIL 2014	WEEK ENDING 25 APRIL 2014	CHANGE FROM PREVIOUS WEEK	PROPORTION
VALUES IN US$				
RTGS	706,679,812.37	833,922,139.04	18%	84.78%
CHEQUE[2]	2,221,422.22	1,774,826.76	-20%	0.18%
POS	31,765,521.42	40,428,656.66	27%	4.11%
ATMS	43,703,925.79	52,795,161.01	21%	5.37%
MOBILE	56,799,572.90	54,702,788.45	-4%	5.56%
TOTAL	**841,170,254.70**	**983,623,571.92**		**100%**
VOLUMES				
RTGS	37,000	36,489	-1%	1.06%
CHEQUE[2]	6,048	5,038	-17%	0.15%
POS	199,494	292,036	46%	8.47%
ATMs	207,251	212,365	2%	6.16%
MOBILE	3,022,419	2,903,995	-4%	84.18%
TOTAL	**3,472,212**	**3,449,923**		**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 25th April 2014 (Day 46 of the 2014 tobacco selling season), a cumulative total of 99 724 905 kilograms of tobacco had been sold, recording a 24.5% increase from 80 109 683 kilograms sold during the same period in 2013. The average selling price for the golden leaf at US329 cents is, however, 11.6% lower than the average price of US372 cents during the same period in 2013.

Cumulative tobacco sales amounted to US$327.93 million, 10% more than the US$298.09 million realized during the corresponding period in 2013.

Table 4: Cumulative Tobacco Sales As at Day 46 (25/04/14)

	2013	**2014**	**Variance (%)**
Quantity Sold (kgs)	80,109,683	99,724,905	24.5
Average Price (US$/kg)	3.72	3.29	-11.6
Value (US$ million)	298,088,916	327,931,240	10.0

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

4. INTERNATIONAL COMMODITY PRICES

The average international prices for copper, nickel and crude oil firmed, while gold and platinum prices retreated, during the week ending 25th 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 (17 Apr.)	**1,307.31**	**1,445.88**	**6,627.38**	**17,712.50**	**109.05**
22-Apr	1,288.75	1,436.00	6,628.00	18,220.00	109.27
23-Apr	1,284.38	1,402.00	6,640.00	18,120.00	109.27
24-Apr	1,287.50	1,397.00	6,730.00	18,425.00	109.90
25-Apr	1,297.75	1,415.00	6,785.00	18,425.00	109.91
Weekly Average (25 Apr.)	**1,289.59**	**1,412.50**	**6,695.75**	**18,297.50**	**109.59**
Weekly Change (%)	**-1.4%**	**-2.3%**	**1.0%**	**3.3%**	**0.5%**

Source: BBC, KITCO and Bloomberg, 2014

Gold

Gold prices declined by 1.4% from a weekly average of US$1 307.31/oz. in the previous week, to a weekly average of US$1 289.59/oz. This was on the back of US data signaling improvements of the economy, leading to dampening of demand for the metal as a safe haven.

Platinum

Platinum prices retreated by 2.3%, from an average of US$1 445.88 /oz. in the previous week, to an average of US$1 412.50 /oz. during the week under review.

Copper

Copper prices registered a marginal increase of 1.0%, from an average of US$6 627.38/ton in the previous week, to US$6 695.75/ton during the week under review, on account of declining stockpiles.

Nickel

Nickel prices surged by 3.3%, from an average of US$17 712.50 /ton in the previous week, to an average of US$18 297.50 /ton during the week under review. The surge in prices was due to concerns over global supplies, as tension grows in Ukraine, as well as the continued ban on nickel ore exports by Indonesia.

Crude Oil

Crude oil prices rose by 0.5%, from an average of US$109.05 per barrel in the previous week, to US$109.59 per barrel, on account of escalating geopolitical tensions between the West and Russia over the crisis in Ukraine.

5. EQUITY MARKETS

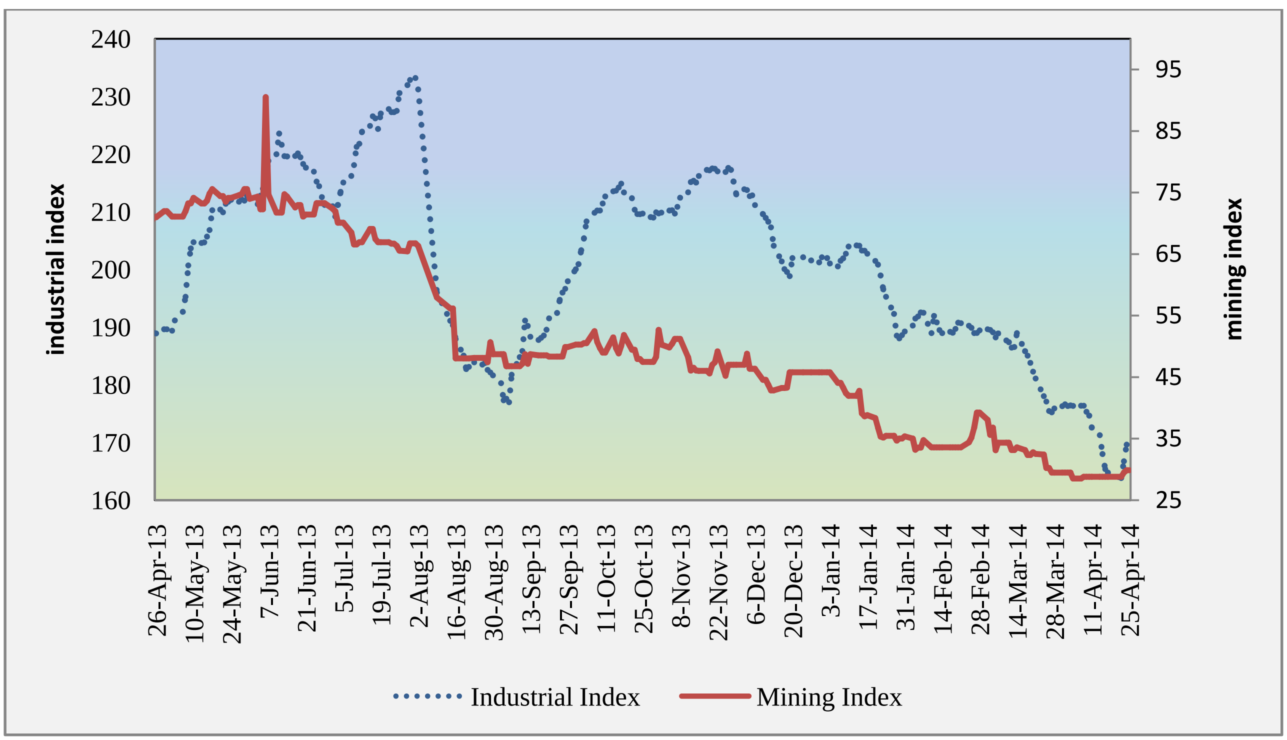
During the week ending 25th April 2014, the local bourse witnessed a rebound largely reflected by gains recorded in the majority of stocks, especially the heavily capitalized counters. The industrial index firmed by 3.37%, from 164.79 points in the previous week, to 170.34 points. The mining index also increased to 29.88 points from 28.82 points, representing a 32.68% surge.

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
25-April	170.34	29.88	4,407,773,064	18,032,907	56,694,356

Source: Zimbabwe Stock Exchange (ZSE), 2014

Figure 1: Zimbabwe Stock Exchange Indices

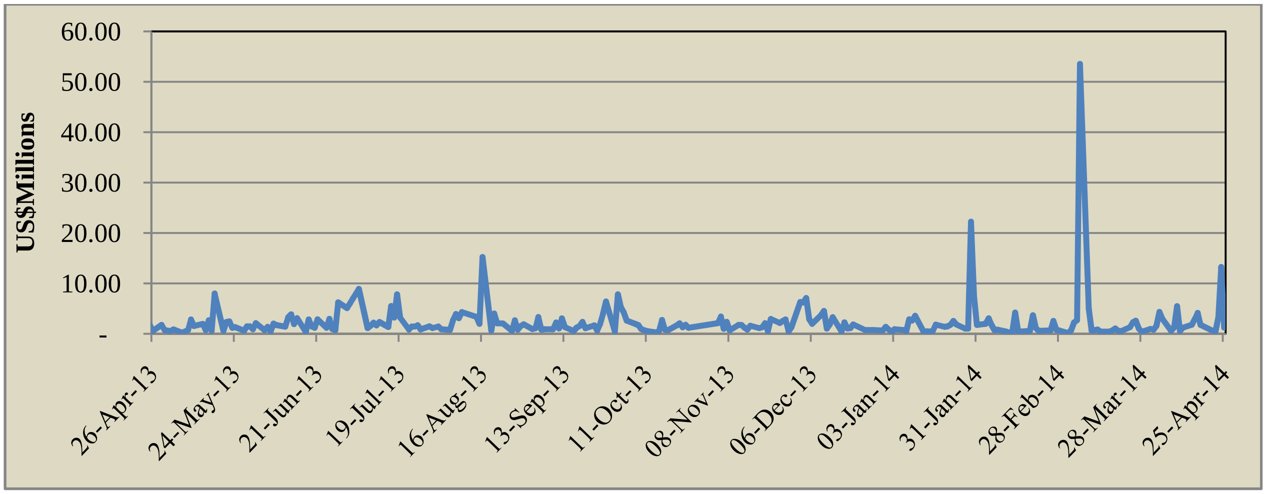


Source: Zimbabwe Stock Exchange, 2014

Volume and Market Turnover

During the week under review, market turnover increased by 70.25%, from US$10.59 million in the previous week to US$18.03 million. Foreign contribution rebounded to 79.39% of total revenue, from 62.56% registered in the previous week.

Figure 2: Daily Market Turnover

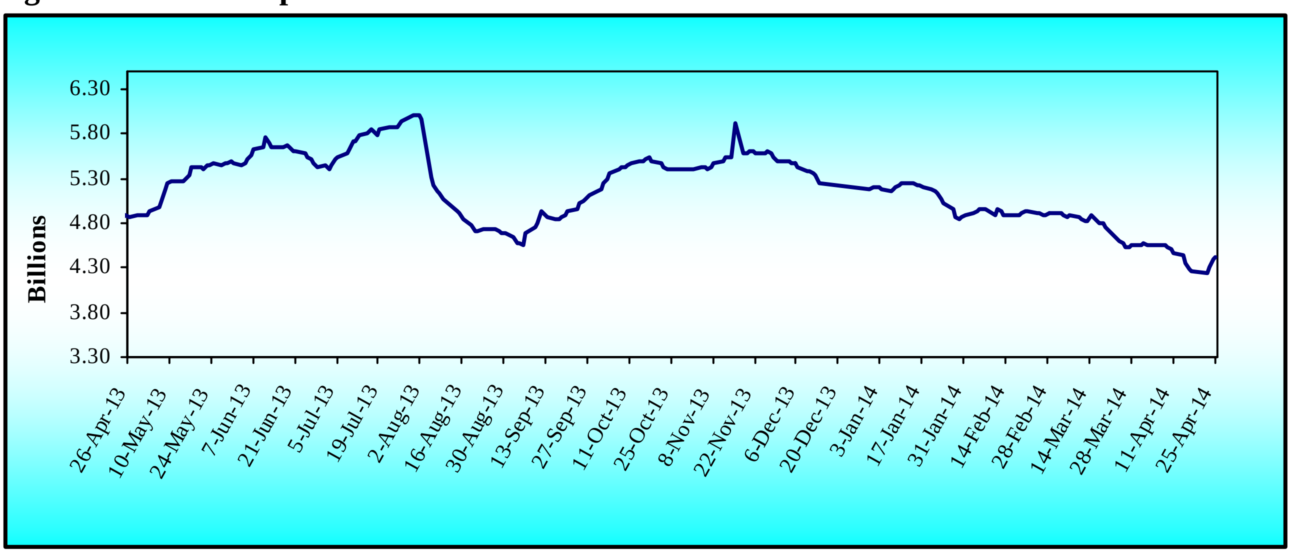


Source: Zimbabwe Stock Exchange, 2014

Market Capitalization

Market capitalization increased by 3.37%, from US$4.26 billion in the previous week to US$4.41 billion narrowing the year to date loss to15.19%.

Figure 3: Market Capitalization



Source: Zimbabwe Stock Exchange, 2014

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30 APRIL 2014