Vol. 16 No. 6

Weekly Economic Highlights

Week Ending 7 February 2014

1. INTEREST RATES

Deposit Rates

During the week ending 7 February 2014, savings deposit rates averaged 3.28%, from 3.22%, whilst 1 month and 3 months deposit rates averaged 10.76% and 12.53%, from 10.81% and 12.58%, respectively. These changes in deposit rates partially reflect banks' efforts to manage their cost of funds and deposit mix.

Table 1: Average Deposit Rates

2014	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
10-January	3.22	10.79	12.60
17-January	3.22	10.79	12.60
24-January	3.22	10.81	12.58
31-January	3.22	10.81	12.58
07-February	3.28	10.76	12.53

Source: Banking Institutions, 2014

Lending Rates

During the week under review, the weighted lending rate on loans to individual clients at commercial banks firmed marginally, whilst the weighted lending rates on loans to corporate clients remained unchanged. At merchant banks, the weighted lending rate on loans to individual clients and corporate clients remained unchanged.

Table 2: Lending Rates[1]

2014	Weighted Lending Rates (%)			
	Commercial Banks		Merchant Banks	
	Individuals	Corporate Clients	Individuals	Corporate Clients
10-January	14.11	9.36	18.89	17.76
17-January	14.09	9.30	18.88	17.74
24-January	14.10	9.32	18.88	17.74
31-January	14.09	9.32	18.88	17.74
07-February	14.11	9.32	18.88	17.74

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 7 February 2014, transactions processed through the Real Time Gross Settlement (RTGS) system decreased to US$668 million in value terms, from US$741 million recorded in the previous week. The RTGS volumes recorded a decline of 1% from the previous week.

Table 3: National Payment Systems Activity

PAYMENT STREAM	WEEK ENDING 31 JANUARY 2014	WEEK ENDING 7 FEBRUARY 2014	CHANGE FROM PREVIOUS WEEK	PROPORTION
VALUES IN US$				
RTGS	741,722,804.80	668,176,185.19	-10%	79.95%
CHEQUE[2]	2,917,860.62	2,640,186.99	-10%	0.32%
POS	34,619,581.88	39,685,737.75	15%	4.75%
ATMS	56,667,675.00	60,759,067.00	7%	7.27%
MOBILE	55,104,257.17	64,520,112.20	17.1%	7.72%
TOTAL	**891,032,179.47**	**835,781,289.13**		**100%**
VOLUMES				
RTGS	45,383	45,024	-1%	1.33%
CHEQUE[2]	7,571	8,016	5.9%	0.24%
POS	292,082	357,051	22%	10.57%
ATMs	230,333	248,359	8%	7.35%
MOBILE	2,503,598	2,720,753	9%	80.51%
TOTAL	**3,078,967**	**3,379,203**		**100%**

Source: Reserve Bank of Zimbabwe, 2014

3. INTERNATIONAL COMMODITY PRICES

The weekly average international commodity prices for gold firmed, whilst those for platinum, nickel, copper and crude oil retreated, during the week ending 7 February 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

Table 4: Metals and Crude Oil Prices

2014	Gold	Platinum	Copper	Nickel	Crude Oil
	US$/oz	US$/oz	US$/ton	US$/ton	US$/barrel
Weekly Average (31 Jan)[3]	**1,254.80**	**1,405.90**	**7,175.00**	**13,990.00**	**107.48**
3-Feb	1,254.25	1,386.00	7,095.00	13,825.00	105.79
4-Feb	1,251.63	1,377.50	7,105.00	13,860.00	106.15
5-Feb	1,255.75	1,382.50	7,095.00	13,840.00	105.97
6-Feb	1,257.50	1,379.50	7,109.00	13,815.00	106.88
7-Feb	1,259.63	1,382.00	7,200.00	13,815.00	107.95
Weekly Average (7 Feb)[4]	**1,255.75**	**1,381.50**	**7,120.80**	**13,831.00**	**106.55**
Weekly Change (%)	*0.1*	*-1.7*	*-0.8*	*-1.1*	*-0.9*

Source: BBC, KITCO and Bloomberg

Gold

During the week under review, gold prices gained 0.1%, from US$1 254.80/oz registered in the previous week to US$1 255.75/oz, as global equities remained weak as a result of economic growth concerns. Increased demand due to Chinese buyers returning to the market after the Chinese Lunar New Year holiday further lifted the prices.

Platinum

Platinum prices declined by 1.7%, from an average of US$1 405.90/oz to an average of US$1 381.50/oz during the week under review, following news that government brokered talks between labour unions and platinum mining houses in South Africa is set to end strikes. This development is expected to ease supply worries.

Copper

Copper prices depicted an upward trend during the week under review, boosted by hopes of an increase in demand after the Chinese Lunar New Year holiday, amid limited short term availability of the metal in the market. On a week-on-week basis, prices, however, declined by 0.8%, from US$7 175.00/tonne in the previous week to US$7 120.80/tone, during the week under review.

[3] Average prices for the week ending 31 January 2014.
[4] Average prices for the week ending 7 February 2014.

Nickel

Nickel prices declined by 1.1%, from an average of US$13 990.00/tonne in the previous week to a weekly average of US$13 831.00/tonne during the week under review, despite the Indonesian government remaining firm on its ban on exports of unprocessed minerals.

Crude Oil

Crude oil prices were largely on the rise during the week under analysis, driven by a stronger euro, coupled with a rally in gasoline and heating oil, as supplies tightened and refiners in the U.S and Europe started shutting down plants for maintenance. At US$106.55/barrel, the prices, however, posted a 0.9% weekly loss, compared to the US$107.48/barrel recorded in the previous week.

4. EQUITY MARKETS

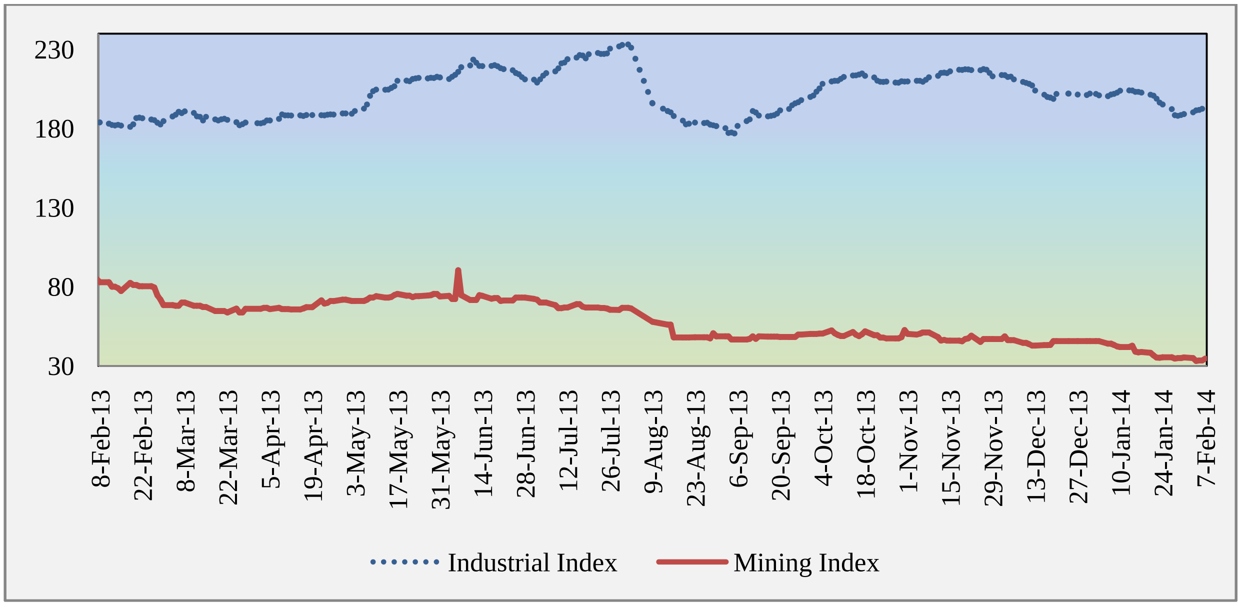
During the week ending 7 February 2014, the industrial index increased by 1.72%, from 189.25 points in the previous week to 192.5 points, largely driven by gains in heavy weight counters like Delta, Econet and Meikles. The mining index, however, declined by 1.78% to 34.77 points due to low trading activity in the mining counters.

Table 5: Zimbabwe Stock Exchange (ZSE) Statistics

2014	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US$)	Market Turnover (US$)	Volume of Shares
10-January	204.00	41.97	5,246,334,437	10,351,257	35,252,856
17-January	202.73	38.82	5,210,944,669	3,610,549	46,111,101
24-January	195.27	35.49	5,031,823,892	9,095,498	22,794,512
31-January	189.25	35.40	4,882,113,487	33,498,415	55,070,459
07-February	192.50	34.77	4,964,418,585	8,302,023	38,407,735

Source: Zimbabwe Stock Exchange (ZSE), 2014

Figure 1: Zimbabwe Stock Exchange Indices

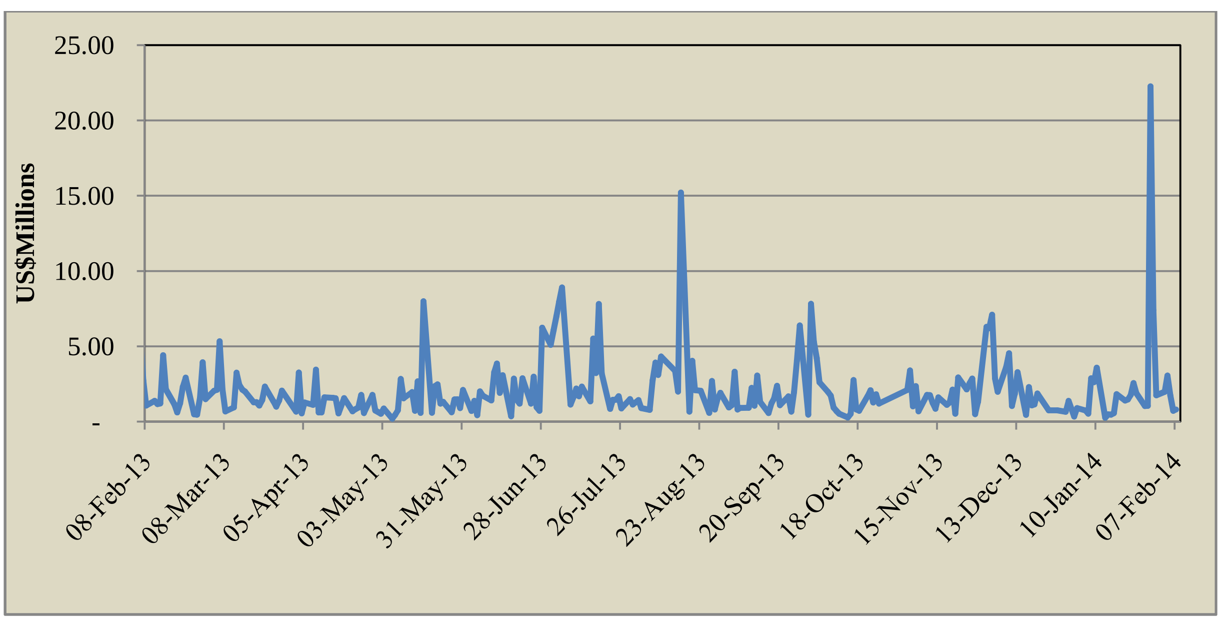


Source: Zimbabwe Stock Exchange, 2014

Volume and Market Turnover

During the period under review, a total of 38.4 million shares were traded, compared to 55.1 million shares in the previous week. Market turnover contracted by 75.22 % to $8.3 million, from US$33.5 million recorded in the previous week due to a special bargain on Sedco counters. Foreign purchases contributed 53% of the total revenue, compared to 92.44% recorded in the previous week.

Figure 2: Daily Market Turnover

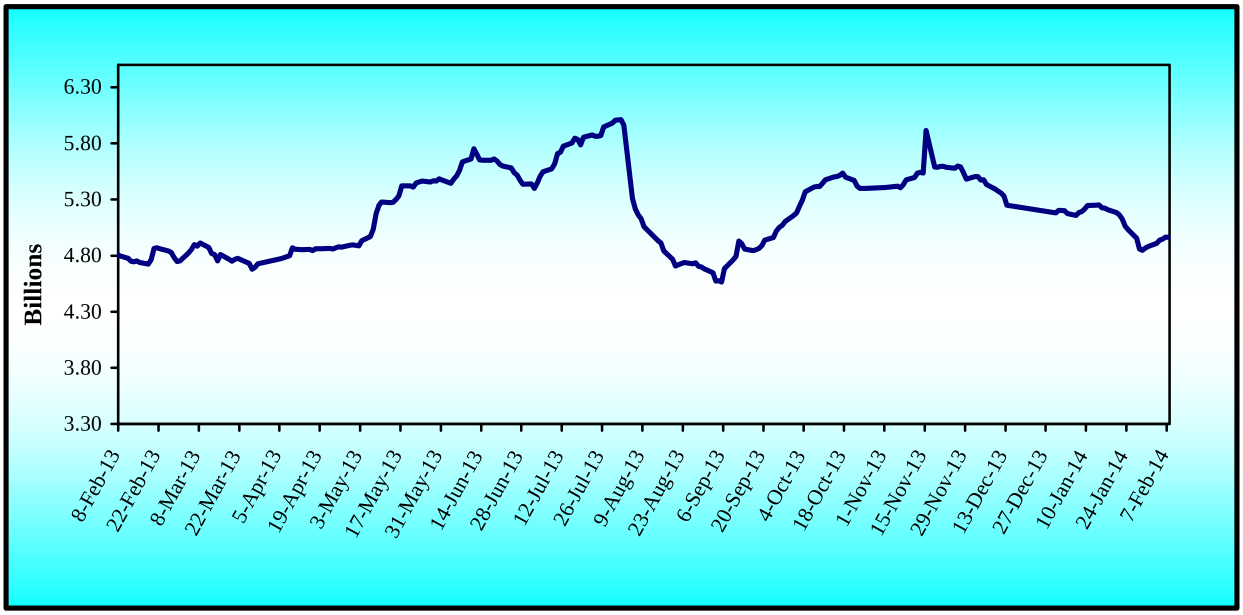


Source: Zimbabwe Stock Exchange, 2014

Market Capitalization

Market capitalization surged by 1.69%, from US$4.88 billion in the previous week to US$4.96 billion during the week under review.

Figure 3: Market Capitalization



Source: Zimbabwe Stock Exchange, 2014

Johannesburg Stock Exchange (JSE) Developments

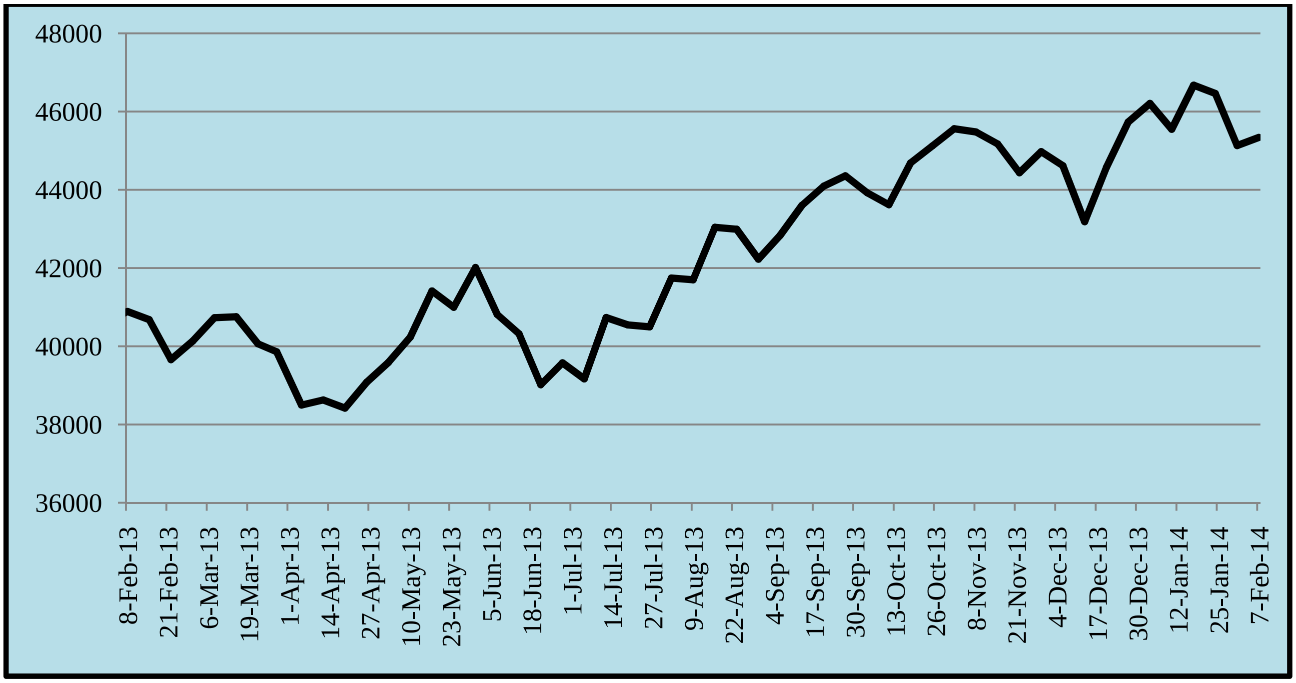
During the week under analysis, the JSE All Share index firmed by 0.46% to close the week at 45 340.76 points, whilst the market capitalization gained 0.24% to R10 535.10 billion.

Table 6: Johannesburg Stock Exchange (JSE) All Share Index

2014	All Share Index (points)	Market Capitalization (R bn)
10-January	45,548.15	10,474.47
17-January	46,675.88	10,766.91
24-January	46,462.14	10,858.33
31-January	45,132.10	10,509.82
07-February	45,340.76	10,535.10

Source: http://www.jse.co.za/Markets/Equity-Market/Equity-Market-Statistics.aspx

Figure 4: Johannesburg Stock Exchange (JSE) All Share Index



Source: http://www.jse.co.za/Markets/Equity-Market/Equity-Market-Statistics.aspx

RESERVE BANK OF ZIMBABWE

12 FEBRUARY 2014