Vol. 16 No. 7

Weekly Economic Highlights

Week Ending 14 February 2014

1. INTEREST RATES

Deposit Rates

During the week ending 14 February 2014, the average savings deposit rate remained unchanged at 3.28%, whilst 1 month and 3 months average deposit rates declined to 10.52% and 12.15%, from 10.76% and 12.53%, respectively.

Table 1: Average Deposit Rates

2014	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
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
14-February	3.28	10.52	12.15

Source: Banking Institutions, 2014

Lending Rates

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

Table 2: Lending Rates[1]

2014	Weighted Lending Rates (%)			
	Commercial Banks		Merchant Banks	
	Individuals	Corporate Clients	Individuals	Corporate Clients
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
14-February	14.12	9.32	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 14 February 2014, transactions processed through the Real Time Gross Settlement (RTGS) system increased to US$784 million in value terms, from US$668 million recorded in the previous week. The RTGS volumes, however, recorded a decrease of 7% from the previous week.

Table 3: National Payment Systems Activity

PAYMENT STREAM	WEEK ENDING 7 FEBRUARY 2014	WEEK ENDING 14 FEBRUARY 2014	CHANGE FROM PREVIOUS WEEK	PROPORTION
VALUES IN US$				
RTGS	668,176,185.19	784,181,715.45	17%	86.94%
CHEQUE[2]	2,640,186.99	2,912,855.02	10%	0.32%
POS	39,685,737.75	24,553,795.14	-38%	2.72%
ATMS	60,759,067.00	41,545,269.00	-32%	4.61%
MOBILE	64,520,112.20	48,775,695.27	-24.4%	5.41%
TOTAL	**835,781,289.13**	**901,969,329.88**		**100%**
VOLUMES				
RTGS	45,024	41,724	-7%	1.40%
CHEQUE[2]	8,016	9,404	17.3%	0.32%
POS	357,051	241,173	-32%	8.09%
ATMs	248,359	230,339	-7%	7.72%
MOBILE	2,720,753	2,459,207	-10%	82.47%
TOTAL	**3,379,203**	**2,981,847**		**100%**

Source: Reserve Bank of Zimbabwe, 2014

3. INTERNATIONAL COMMODITY PRICES

The weekly average international commodity prices for gold, platinum, nickel, copper and crude oil firmed during the week ending 14 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 (7 Feb)[3]	**1,255.75**	**1,381.50**	**7,120.80**	**13,831.00**	**106.55**
10-Feb	1,275.25	1,389.50	7,190.00	14,275.00	109.70
11-Feb	1,282.38	1,385.50	7,120.00	14,115.00	108.85
12-Feb	1,288.00	1,397.50	7,174.00	14,265.00	109.34
13-Feb	1,293.13	1,396.00	7,155.00	14,235.00	108.54
14-Feb	1,314.25	1,424.00	7,175.00	14,230.00	107.95
Weekly Average (14 Feb)[4]	**1,290.60**	**1,398.50**	**7,162.80**	**14,224.00**	**108.88**
Weekly Change (%)	*2.8*	*1.2*	*0.6*	*2.8*	*2.2*

Source: BBC, KITCO and Bloomberg

Gold

During the week under analysis, gold prices averaged US$1 290.60/oz, compared to US$1 255.75/oz in the previous week, as fears over U.S. economic growth and a weaker dollar boosted the yellow metal's appeal as a safe-haven asset.

Platinum

Platinum prices increased by 1.2%, from an average of US$1 381.50/oz to US$1 398.50/oz, on account of supply disruptions, as labor unrest persists in the South African platinum industry.

Copper

Copper prices averaged US$7 162.80/tonne, compared to US$7 120.80/tonne in the previous week. The increase was largely due to a weaker dollar as well as limited short-term availability of the metal on the market. The gains were, however, curbed by uncertainty about demand outlook following weak U.S. and Chinese economic data.

[3] Average prices for the week ending 7 February 2014.
[4] Average prices for the week ending 14 February 2014.

Nickel

Nickel prices rose by 2.8%, from an average of US$13 831.00/tonne in the previous week to an average of US$14 224.00/tone, largely due to a weaker dollar. Despite the weekly price gain, investors' concerns of slowing growth of the Chinese economy, however, weighed down on prices of the base metal.

Crude Oil

Exceptionally cold winter weather in Northeast U.S.A. and supply disruptions in Libya and Angola lifted crude prices, while weak economic data in the U.S. moderated the price changes. Consequently, crude oil prices registered a weekly gain of 2.2%, from an average of US$106.55/barrel in the previous week to an average of US$108.88/barrel.

4. EQUITY MARKETS

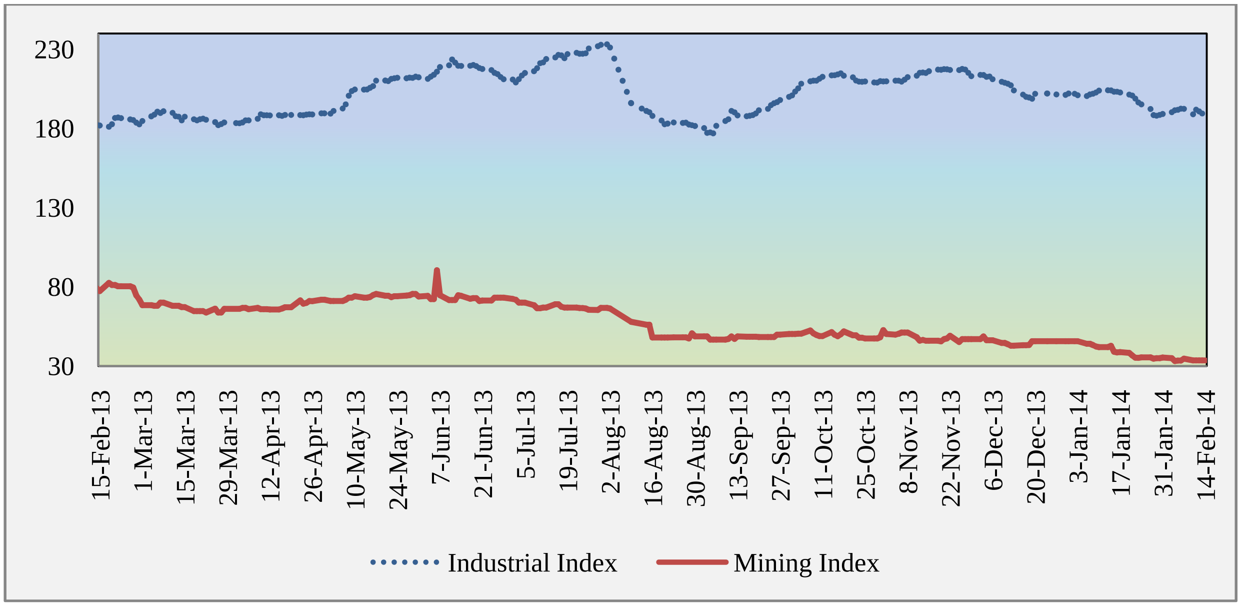
During the week ending 14 February 2014, there was subdued trading on the ZSE. The industrial index declined by 1.82% to 188.99 points, from 192.5 points in the previous week, while the mining index retreated by 3.34% to 33.61 points, from 34.77 points in the previous week.

Table 5: Zimbabwe Stock Exchange (ZSE) Statistics

2014	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US$)	Market Turnover (US$)	Volume of Shares
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
14-February	188.99	33.61	4,884,332,096	5,697,750	32,300,783

Source: Zimbabwe Stock Exchange (ZSE), 2014

Figure 1: Zimbabwe Stock Exchange Indices

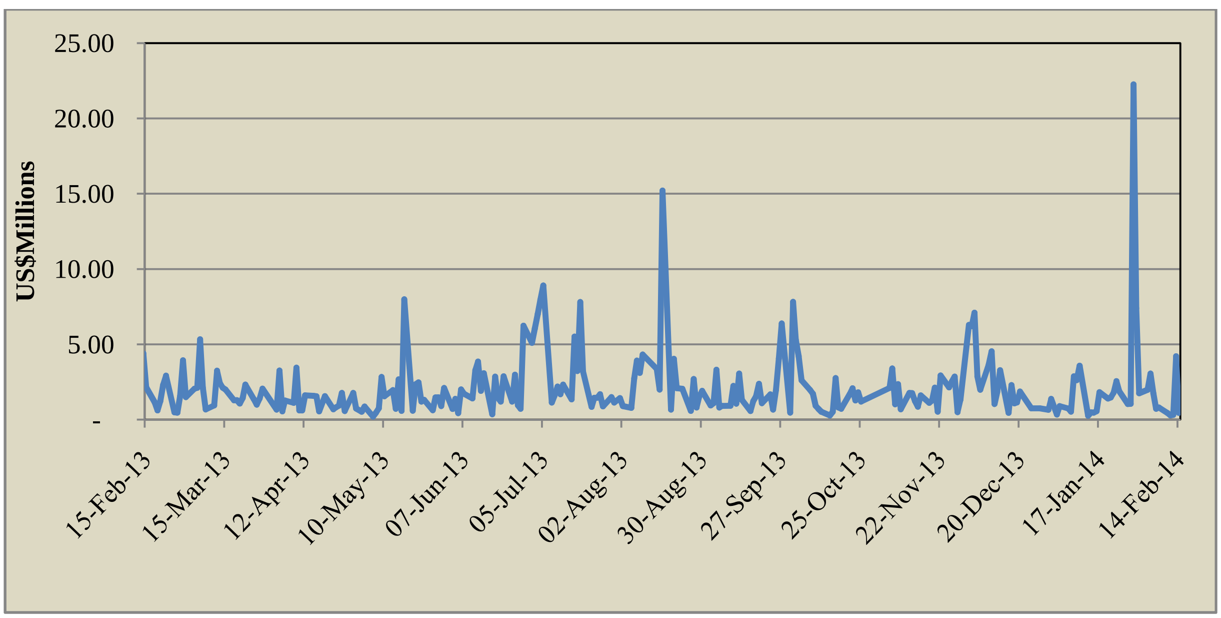


Source: Zimbabwe Stock Exchange, 2014

Volume and Market Turnover

During the period under review, a total of 32.3 million shares were traded, compared to 38.4 million shares in the previous week. Market turnover contracted by 31.33% to $5.7 million, from US$8.3 million recorded in the previous week.

Figure 2: Daily Market Turnover

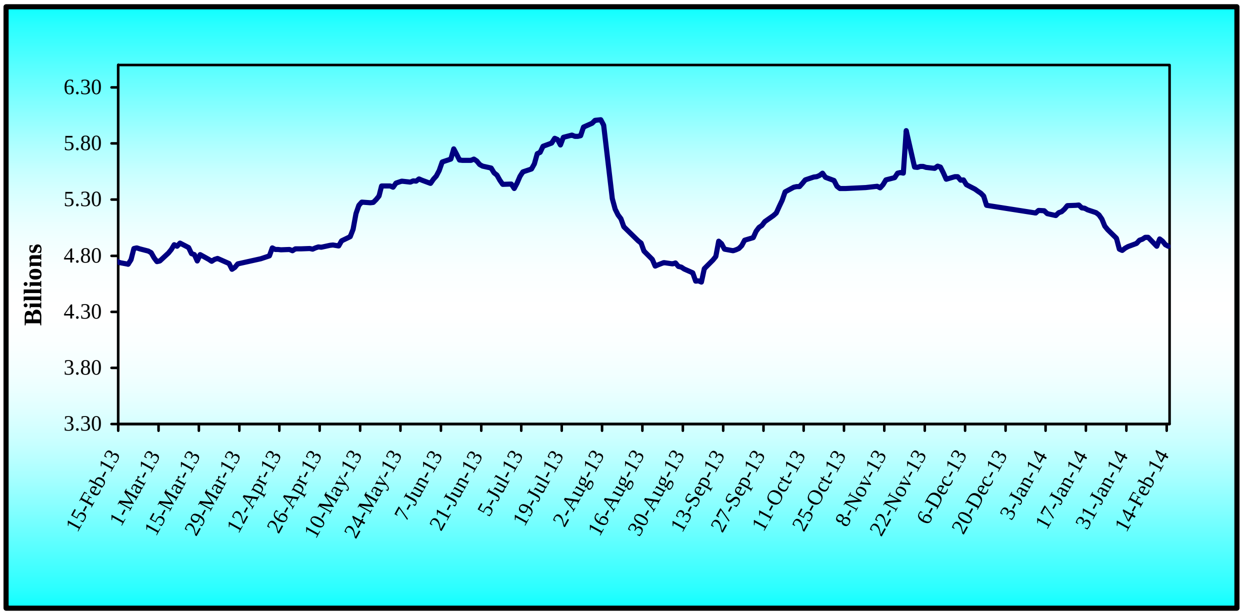


Source: Zimbabwe Stock Exchange, 2014

Market Capitalization

Market capitalization contracted by 1.61%, from US$4.96 billion in the previous week to US$4.88 billion.

Figure 3: Market Capitalization



Source: Zimbabwe Stock Exchange, 2014

Johannesburg Stock Exchange (JSE) Developments

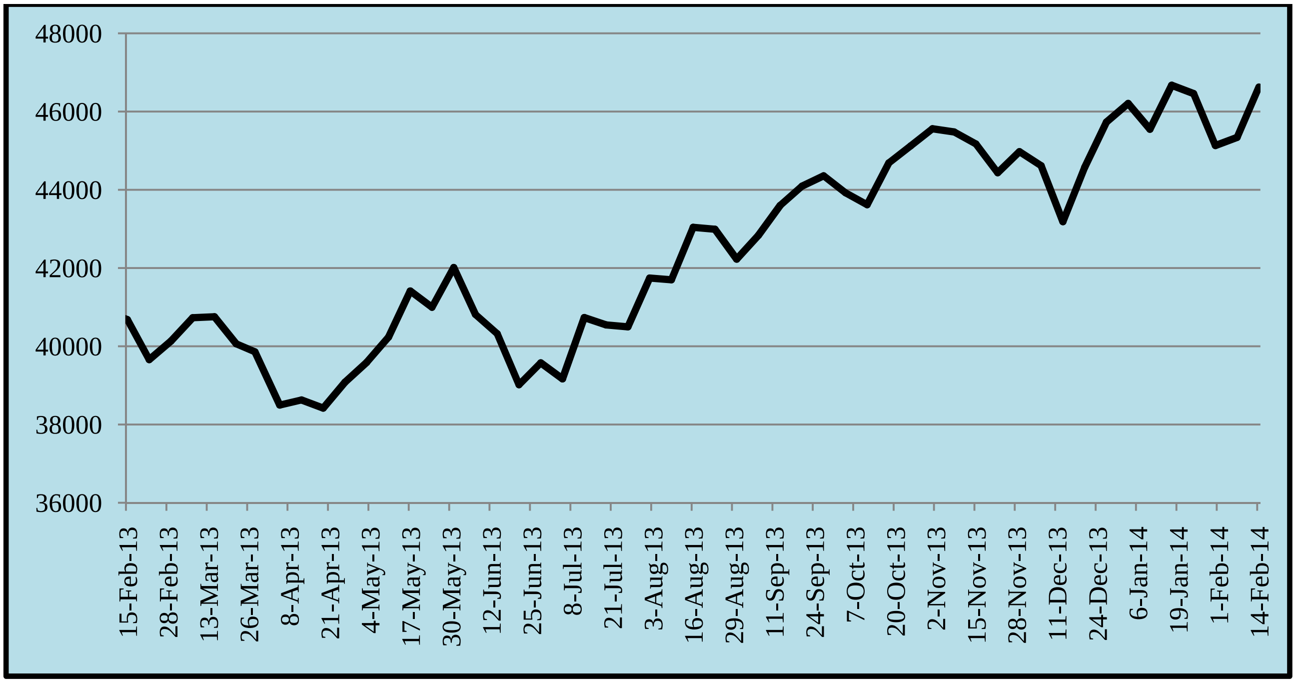
During the week under analysis, the JSE All Share index increased by 2.84% to close the week at 46 628.74 points, whilst the market capitalization gained 2.85% to R10 835.65 billion.

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

2014	All Share Index (points)	Market Capitalization (R bn)
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
14-February	46,628.74	10,835.65

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

20 FEBRUARY 2014