Vol. 16 No. 1

Weekly Economic Highlights

Week Ending 03 January 2014

1. INTEREST RATES

Deposit Rates

During the week ending 3 January 2014, average interest rates for savings, 1 month and 3 months deposits closed at 3.22%, 10.79% and 12.60% respectively.

Table 1: Average Deposit Rates

2013	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
06-December	3.15	10.84	12.62
13-December	3.15	10.84	12.62
20-December	3.15	10.84	12.67
27-December	3.15	10.84	12.67
2014			
03-January[1]	3.22	10.79	12.60

Source: Banking Institutions, 2014

Lending Rates

During the week under review, weighted lending rates at commercial banks remained unchanged at 9.35%, for corporate clients while they marginally declined for individuals, closing at 14.10%. At merchant banks, weighted lending rates increased marginally for individuals closing at 18.89%, while they declined to close at 17.75% for corporate clients.

Table 2: Lending Rates

2013	Weighted Lending Rates (%)			
	Commercial Banks		Merchant Banks	
	Individuals	Corporate Clients	Individuals	Corporate Clients
06-December	14.19	9.42	18.84	17.75
13-December	14.20	9.43	18.84	17.75
20-December	14.14	9.40	18.84	17.75
27-December	14.13	9.35	18.84	17.76
2014				
03-January	14.10	9.35	18.89	17.75

Source: Banking Institutions, 2014

[1] Changes in the interests rates is due to exclusion of Trust Bank which was closed on the 6th of December 2013

2. CLEARING AND SETTLEMENT ACTIVITY

During the week ending 03 January 2014, transactions processed through the Real Time Gross Settlement (RTGS) system increased to USD631million in value terms, from USD507 million recorded in the previous week. The RTGS volumes recorded an increase of 29% from the previous week.

Table 3: National Payment Systems Activity

PAYMENT STREAM	WEEK ENDING 27 DECEMBER 2013	WEEK ENDING 03 JANUARY 2014	CHANGE FROM PREVIOUS WEEK	PROPORTION
VALUES IN US$				
RTGS	507,369,684.98	630,760,272.13	24%	87.61%
CHEQUE[2]	1,044,093.84	1,342,685.92	29%	0.19%
POS	9,356,000.27	5,385,193.29	-42%	0.75%
ATMS	85,850,756.37	53,561,345.00	-38%	7.44%
MOBILE	57,255,153.92	28,881,777.33	-49.6%	4.01%
TOTAL	**660,875,689.38**	**719,931,273.67**		**100%**
VOLUMES				
RTGS	18,577	23,931	29%	1.37%
CHEQUE[2]	2,782	3,694	32.8%	0.21%
POS	176,688	125,289	-29%	7.15%
ATMs	318,080	256,732	-19%	14.65%
MOBILE	2,746,475	1,342,258	-51%	76.62%
TOTAL	**3,262,602**	**1,751,904**		**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. INTERNATIONAL COMMODITY PRICES

International commodity prices for gold, platinum and copper firmed, whilst those for nickel and crude oil retreated during the week ending 3 January 2014.

Table 4: Metals and Crude Oil Prices

2013	Gold	Platinum	Copper	Nickel	Crude Oil
	US$/oz	**US$/oz**	**US$/ton**	**US$/ton**	**US$/barrel**
Weekly Average (27 Dec)[3]	1,196.29	1,329.50	7,277.00	14,200.83	111.90
30-Dec	1,211.88	1,370.50	7,375.00	14,050.00	112.09
31-Dec	1,203.00	1,360.00	7,386.50	14,005.00	111.33
2014					
2 Jan	1,195.75	1,358.00	7,360.00	13,900.00	110.58
3 Jan	1,222.38	1,387.50	7,439.00	13,970.00	109.50
Weekly Average (3 Jan)[4]	1,208.25	1,369.00	7,390.13	13,981.25	110.88
% Change	*1.0%*	*3.0%*	*1.6%*	*-1.5%*	*-0.9%*

Source: BBC, KITCO and Bloomberg

Gold

Gold prices posted a weekly average gain of 1%, from US$1 196.29/oz in the previous week, to US$1 208.25/oz during the week under analysis. The prices were driven by weaker equities which spurred demand for the metal as a safe-haven asset. Strong physical demand of the yellow metal from Asia further boosted the prices.

Platinum

Platinum prices firmed by 3%, from US$1 329.50/oz in the previous week to US$1 369.00/oz during the week under review.

Copper

Copper prices gained 1.6% from US$7 277.00/ton in the previous week to US$7 390.13/ton during the week under review, as the improved global economic outlook supported the base metal.

[3] Average prices for the week ending 27 December 2013.
[4] Average prices for the week ending 3 January 2014.

Nickel

Nickel prices declined from US$14 200.83/ton in the previous week, to US$13 981.25/ton during the week under review. The prices declined largely due to rising global supply as well as a stronger U.S. dollar.

Crude Oil

Crude oil prices decline by 0.9%, from an average of US$111.90/barrel to US$110.88/barrel during the week under review. Expectations of improved Libyan oil supply, coupled with speculation of a build up in U.S. stockpiles exerted downward pressure on the prices.

4. EQUITY MARKETS

During the week ending 3 January 2014, the benchmark industrial index was subdued, largely owing to the festive season. Gains that occurred at the beginning of the week, following the 2014 budget presentation were insufficient to offset losses registered later during the week.

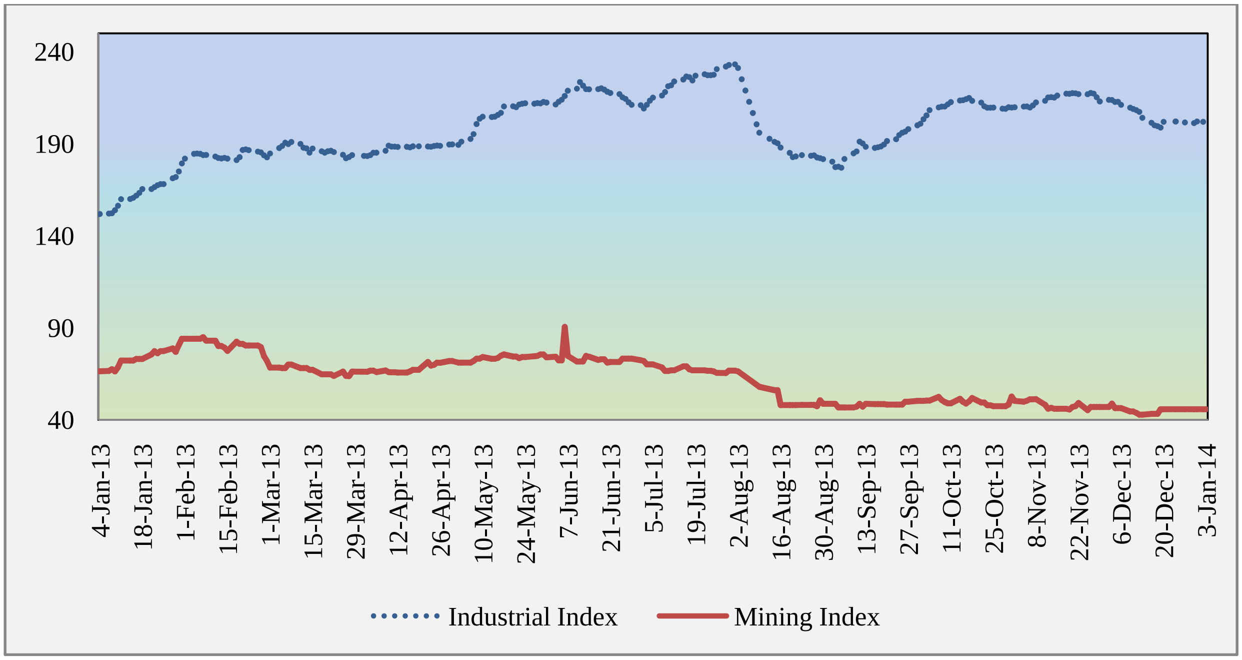
The industrial index declined by 0.26%, from 201.57 points in the previous week to 201.04 points during the week under review. The mining index also remained flat at 45.79 points, as no price movements were recorded on all resource counters.

Table 5: Zimbabwe Stock Exchange (ZSE) Statistics

2013	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US$)	Market Turnover (US$)	Volume of Shares
29-November	213.04	47.02	5,482,032,478	9,364,411	31,459,501
06-December	211.17	46.37	5,433,660,035	24,458,858	143,575,639
13-December	204.13	42.87	5,249,941,240	14,377,632	80,686,223
20-December	201.98	45.79	5,199,541,679	6,832,103	33,779,916
27-December	201.57	45.79	5,189,158,192	1,510,257	5,814,620
2014					
03-January	201.04	45.79	5,174,519,451	3,280,287	11,038,512

Source: Zimbabwe Stock Exchange (ZSE), 2014

Figure 1: Zimbabwe Stock Exchange Indices

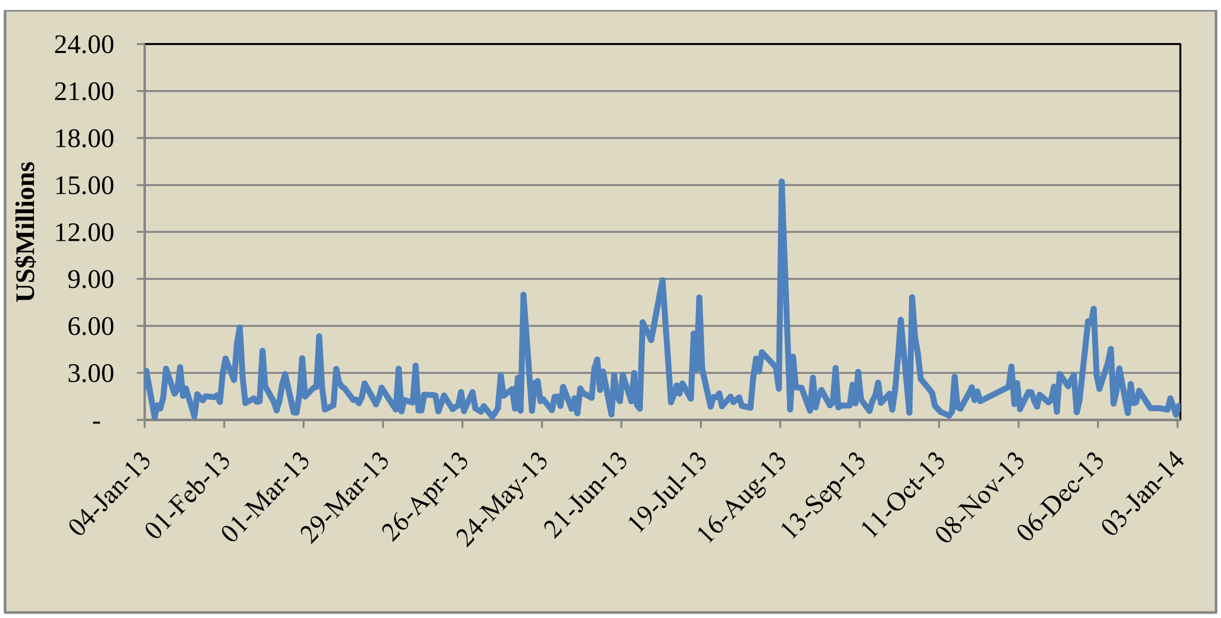


Source: Zimbabwe Stock Exchange, 2014

Volume and Market Turnover

With more trading days in the week under review compared to the previous week, the market turnover increased by 117.20%, from $1.51 million to $3.28 million.

Figure 2: Daily Market Turnover

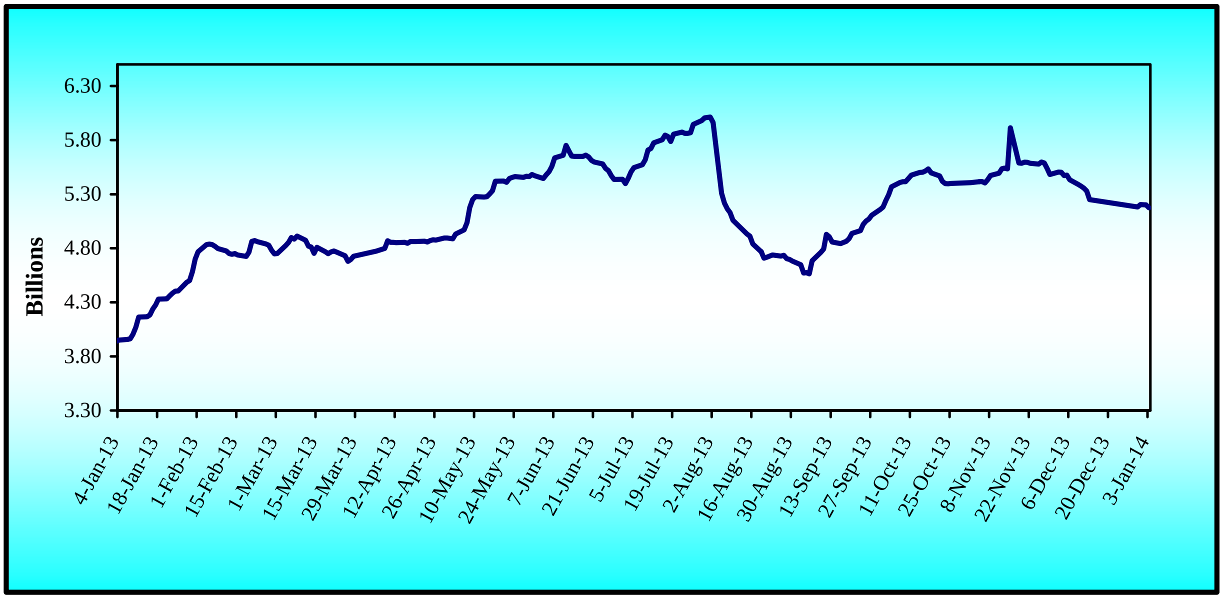


Source: Zimbabwe Stock Exchange, 2014

Market Capitalization

Market capitalization fell by 0.26%, from US$5.19 billion in the previous week to US$5.17 billion during the week under review. The decline in the market capitalization reflected low foreign investor interest.

Figure 3: Market Capitalization



Source: Zimbabwe Stock Exchange, 2014

Johannesburg Stock Exchange (JSE) Developments

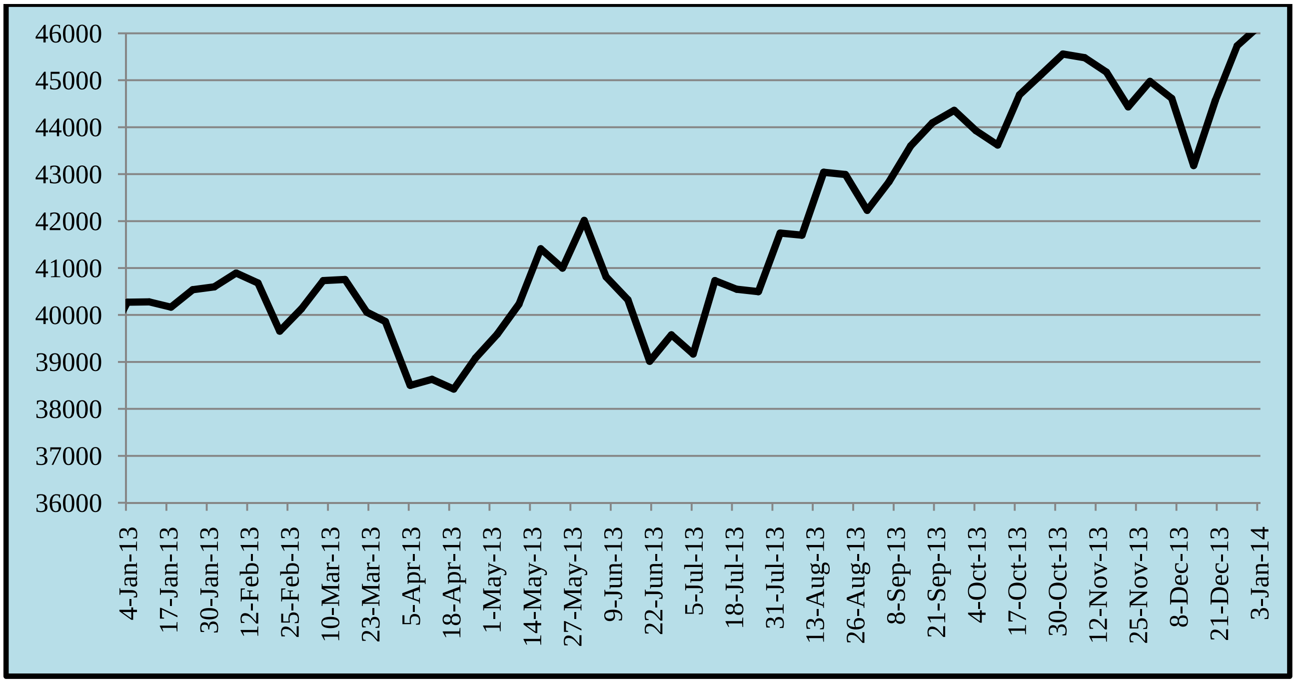
During the week under analysis, the JSE All Share index and market capitalization closed on a positive note recording 1.03% and 0.77% increases, respectively. The JSE All share Index closed the week at 46 206.09 points, while the JSE market capitalization closed at R10 599.74 billion.

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

2013	All Share Index (points)	Market Capitalization (R bn)
06-December	44,616.21	10,213.50
13-December	43,185.73	9,903.61
20-December	44,574.25	10,234.20
27-December	45,735.26	10,518.72
2014		
03-January	46,206.09	10,599.74

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
9 JANUARY 2014