Vol. 16 No. 4

Weekly Economic Highlights

Week Ending 24 January 2014

1. INTEREST RATES

Deposit Rates

Savings deposit rates have remained unchanged for the month of January 2014. However, 1 month deposit rates went up marginally to 10.81% whilst the 3 months deposit rates decreased to 12.58% per annum.

Table 1: Average Deposit Rates

2013	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
27-December	3.15	10.84	12.67
2014			
03-January[1]	3.22	10.79	12.60
10-January	3.22	10.79	12.60
17-January	3.22	10.79	12.60
24-January	3.22	10.81	12.58

Source: Banking Institutions, 2014

Lending Rates

During the week under review, weighted lending rates went up slightly for both corporate and individual clients at commercial banks, whilst they remained unchanged at merchant banks.

Table 2: Lending Rates[2]

2013	Weighted Lending Rates (%)			
	Commercial Banks		Merchant Banks	
	Individuals	Corporate Clients	Individuals	Corporate Clients
27-December	14.13	9.35	18.84	17.76
2014				
03-January	14.10	9.35	18.89	17.75
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

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 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 24 January 2014, transactions processed through the Real Time Gross Settlement (RTGS) system decreased to US$657 million in value terms, from US$724 million recorded in the previous week. The RTGS volumes recorded a decrease of 2% from the previous week.

Table 3: National Payment Systems Activity

PAYMENT STREAM	WEEK ENDING 17 JANUARY 2014	WEEK ENDING 24 JANUARY 2014	CHANGE FROM PREVIOUS WEEK	PROPORTION
VALUES IN US$				
RTGS	724,086,959.61	656,954,724.95	-9%	83.75%
CHEQUE[3]	2,999,213.34	2,637,893.22	-12%	0.34%
POS	26,072,880.62	30,567,686.01	17%	3.90%
ATMS	41,882,710.00	44,974,190.00	7%	5.73%
MOBILE	54,796,670.52	49,291,401.04	-10.0%	6.28%
TOTAL	**849,838,434.09**	**784,425,895.22**		**100%**
VOLUMES				
RTGS	43,015	42,257	-2%	1.43%
CHEQUE[2]	7,649	7,009	-8.4%	0.24%
POS	263,448	275,124	4%	9.31%
ATMs	193,661	196,341	1%	6.64%
MOBILE	2,535,848	2,435,290	-4%	82.38%
TOTAL	**3,043,621**	**2,956,021**		**100%**

Source: Reserve Bank of Zimbabwe, 2014

[3] 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

The weekly average international commodity prices for gold, platinum, nickel and crude oil firmed, whilst that for copper retreated during the week ending 24th January 2014.

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 (17 Jan)	**1,243.80**	**1,426.30**	**7,316.90**	**14,316.00**	**106.70**
20-Jan	1,255.25	1,468.00	7,340.00	14,435.00	106.24
21-Jan	1,242.88	1,450.00	7,331.50	14,565.00	107.93
22-Jan	1,240.25	1,453.50	7,325.00	14,640.00	107.63
23-Jan	1,253.63	1,453.00	7,285.00	14,630.00	107.87
24-Jan	1,263.13	1,446.50	7,240.00	14,550.00	106.97
Weekly Average (24 Jan)	**1,251.03**	**1,454.20**	**7,304.30**	**14,564.00**	**107.33**
Weekly Change (%)	*0.6*	*2.0*	*-0.2*	*1.7*	*0.6*

Source: BBC, KITCO and Bloomberg

Gold

During the week under review, gold prices firmed by 0.6%, from an average of US$1 243.80/oz registered in the previous week to a weekly average of US$1 251.03/oz, buoyed by continued weaknesses in US equities and strong physical demand from Asia.

Platinum

After registering a 1% increase in the previous week, platinum prices further gained 2%, from an average of US$1 412.00/oz to an average of US$1 454.20/oz during the week under review. Renewed threats of industrial action in the South African platinum industry are threatening the supply side, hence the firming of the metal's price.

Copper

Copper prices retreated for the third consecutive week, declining marginally by 0.2%, from an average of US$7 316.90/tonne in the previous week to an average of US$7 304.30/tonne during the week under review. The metal's price continues to suffer from increased supplies in the outlook period as production is set to be boosted in Chile later in the year.

Nickel

Nickel prices firmed by 1.7%, from an average of US$14 316.00/tonne in the previous week to an average of US$14 564.00/tonne during the week under review, as the market continues to respond to an Indonesian ban on exports of unprocessed ores, a development that is likely to curtail global supply against steady global demand for the metal.

Crude Oil

Crude oil prices increased marginally by 0.6%, from an average of US$106.70/barrel to an average of US$107.33/barrel during the week under review, amid renewed worries of oil supplies due to instability in the Middle East, the world's key oil producing region.

4. EQUITY MARKETS

During the week ending 24th January 2014, trading on the ZSE continued on a downward trend. This is partly due to the fall in inflation, compounded by liquidity challenges.

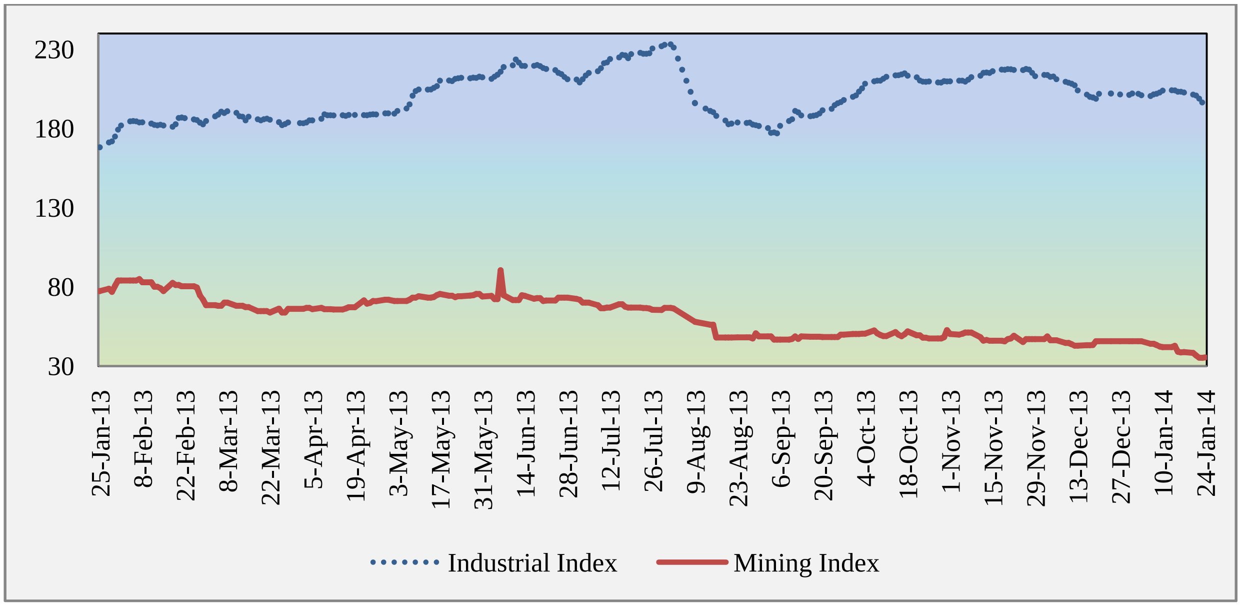
The industrial index softened by 3.68%, from 202.73 points in the previous week to 195.27 points, whilst the mining index also declined by 8.58%, to 35.49 points. The decline in the indices was largely due to losses on the heavily capitalized counters, as they succumbed to selling pressure.

Table 5: Zimbabwe Stock Exchange (ZSE) Statistics

2013	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US$)	Market Turnover (US$)	Volume of Shares
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
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

Source: Zimbabwe Stock Exchange (ZSE), 2014

Figure 1: Zimbabwe Stock Exchange Indices

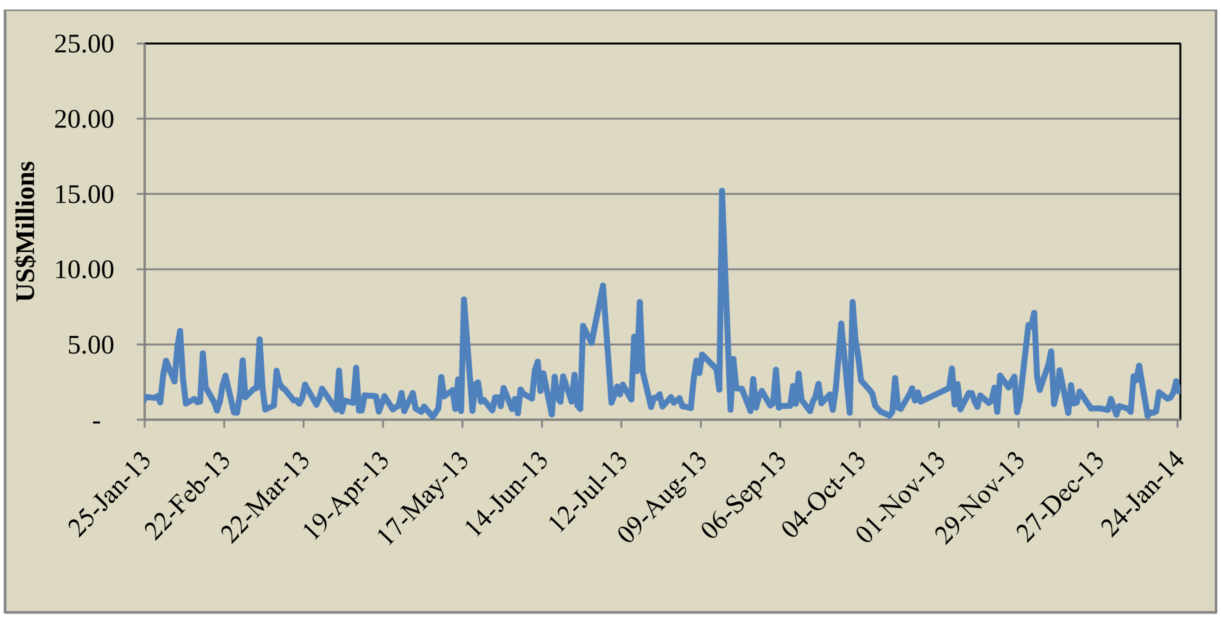


Source: Zimbabwe Stock Exchange, 2014

Volume and Market Turnover

During the period under review, market turnover increased by 152.08%, from US$3.61 million recorded in the previous week to $9.10 million. Foreign investors were behind the bulk of trades as they contributed 74.66% of total turnover, up from 39.06% in the previous week.

Figure 2: Daily Market Turnover

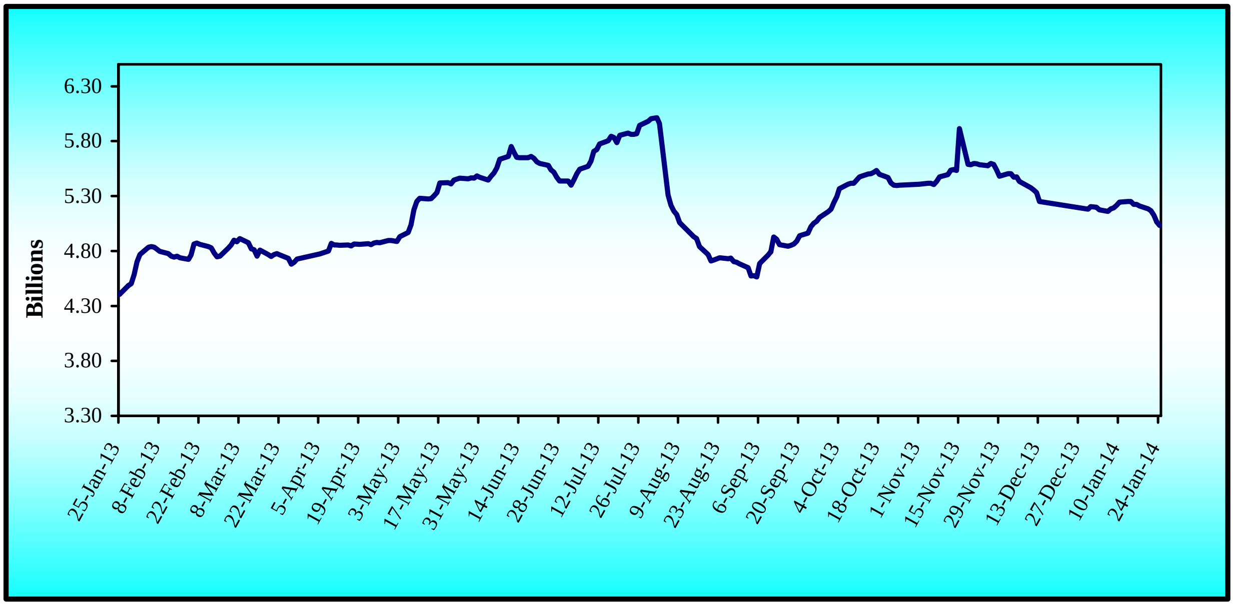


Source: Zimbabwe Stock Exchange, 2014

Market Capitalization

Market capitalization continued waning, decreasing further by 3.44%, from US$5.21 billion in the previous week to US$5.03 billion. The decrease is partly attributed to contractions in economic performance, as industries continue to face viability problems.

Figure 3: Market Capitalization



Source: Zimbabwe Stock Exchange, 2014

Johannesburg Stock Exchange (JSE) Developments

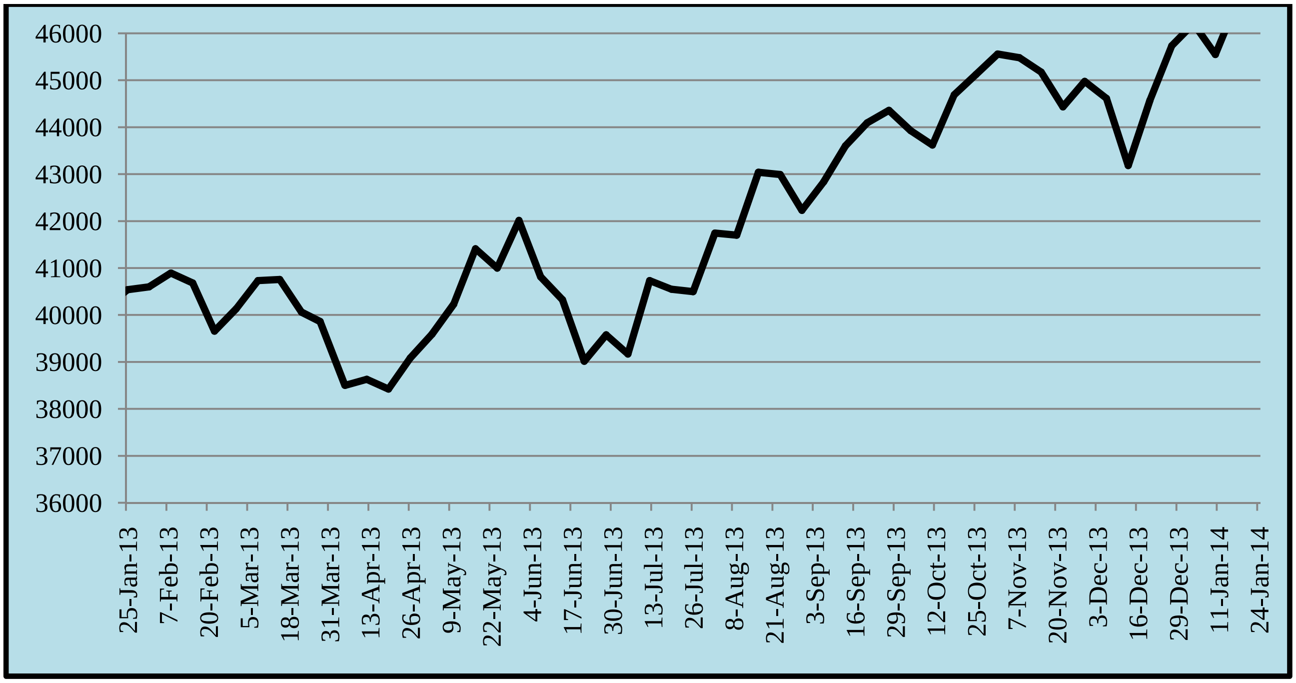
During the week under analysis, the JSE All Share index shed off 0.46% to close the week at 46 462.14 points. However, market capitalization increased by 0.85% to R10 858.33 billion.

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

2013	All Share Index (points)	Market Capitalization (R bn)
27-December	45,735.26	10,518.72
2014		
03-January	46,206.09	10,599.74
10-January	45,548.15	10,474.47
17-January	46,675.88	10,766.91
24-January	46,462.14	10,858.33

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

30 JANUARY 2014