Vol. 16 No. 5

Weekly Economic Highlights

Week Ending 31 January 2014

1. INTEREST RATES

Deposit Rates

On average deposit rates remained unchanged for the week ending 31st January 2014 across all classes of deposits.

Table 1: Average Deposit Rates

2014	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
03-January	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
31-January	3.22	10.81	12.58

Source: Banking Institutions, 2014

Lending Rates

During the week under review, weighted lending rates also remained unchanged except for the rates on individual clients at commercial banks.

Table 2: Lending Rates[1]

2014	Weighted Lending Rates (%)			
	Commercial Banks		Merchant Banks	
	Individuals	Corporate Clients	Individuals	Corporate Clients
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
31-January	14.09	9.32	18.88	17.74

Source: Banking Institutions, 2014

2. CLEARING AND SETTLEMENT ACTIVITY

During the week ending 31st January 2014, transactions processed through the Real Time Gross Settlement (RTGS) system increased to US$742 million in value terms, from US$657 million recorded in the previous week. The RTGS volumes recorded an increase of 7% from the previous week.

1 The weighted lending rate is the sum of nominal rates weighted by each bank's loan book size.

Table 3: National Payment Systems Activity

PAYMENT STREAM	WEEK ENDING 24 JANUARY 2014	WEEK ENDING 31 JANUARY 2014	CHANGE FROM PREVIOUS WEEK	PROPORTION
		VALUES IN US$		
RTGS	656,954,724.95	741,722,804.80	13%	83.24%
CHEQUE[2]	2,637,893.22	2,917,860.62	11%	0.33%
POS	30,567,686.01	34,619,581.88	13%	3.89%
ATMS	44,974,190.00	56,667,675.00	26%	6.36%
MOBILE	49,291,401.04	55,104,257.17	11.8%	6.18%
TOTAL	**784,425,895.22**	**891,032,179.47**		**100%**
		VOLUMES		
RTGS	42,257	45,383	7%	1.47%
CHEQUE[2]	7,009	7,571	8.0%	0.25%
POS	275,124	292,082	6%	9.49%
ATMs	196,341	230,333	17%	7.48%
MOBILE	2,435,290	2,503,598	3%	81.31%
TOTAL	**2,956,021**	**3,078,967**		**100%**

Source: Reserve Bank of Zimbabwe, 2014

3. INTERNATIONAL COMMODITY PRICES

The weekly average international commodity prices for gold and crude oil firmed, whilst those for platinum, nickel and copper retreated during the week ending 31st January 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 (24 Jan)	**1,251.03**	**1,454.20**	**7,304.30**	**14,564.00**	**107.33**
27-Jan	1,265.25	1,425.00	7,240.00	14,255.00	107.38
28-Jan	1,252.38	1,419.00	7,195.00	14,075.00	107.45
29-Jan	1,259.38	1,410.50	7,195.00	14,075.00	107.13
30-Jan	1,248.25	1,392.50	7,154.00	13,850.00	108.05
31-Jan	1,248.75	1,382.50	7,091.00	13,695.00	107.37
Weekly Average (31 Jan)	**1,254.80**	**1,405.90**	**7,175.00**	**13,990.00**	**107.48**
Weekly Change (%)	*0.30*	*-3.32*	*-1.77*	*-3.94*	*0.14*

Source: BBC, KITCO and Bloomberg

Gold

During the week under review, gold prices gained 0.30%, from an average of US$1 251.03/oz registered in the previous week to an average of US$1 254.80/oz, partly due to the depreciation of the US dollar, which saw the demand for the metal increasing, as investors sought for safer assets.

Platinum

Platinum prices reversed the previous week's gains, declining by 3.32% from an average of US$1 454.20/oz, to an average of US$1 405.90/oz, during the week under review, as the fears of a worsening industrial action in South Africa were abated.

Copper

Copper prices declined by 1.77% from an average of US$7 304.30/tonne in the previous week to an average of US$7 175.00/tonne during the week under review. The decline in prices could be attributed to weak demand from China, ahead of a week-long Lunar holiday.

Nickel

Nickel prices also declined by 3.9% from an average of US$14 564.00/tonne in the previous week, to a weekly average of US$14 564.00/tonne during the week under review, on account of weak demand from China occasioned by the pending Lunar holiday.

Crude Oil

Crude oil prices gained marginally by 0.1% from an average of US$107.33/barrel, to an average of US$107.48/barrel during the week under review, following strong US economic data, which renewed hopes of stronger global demand for crude oil.

4. EQUITY MARKETS

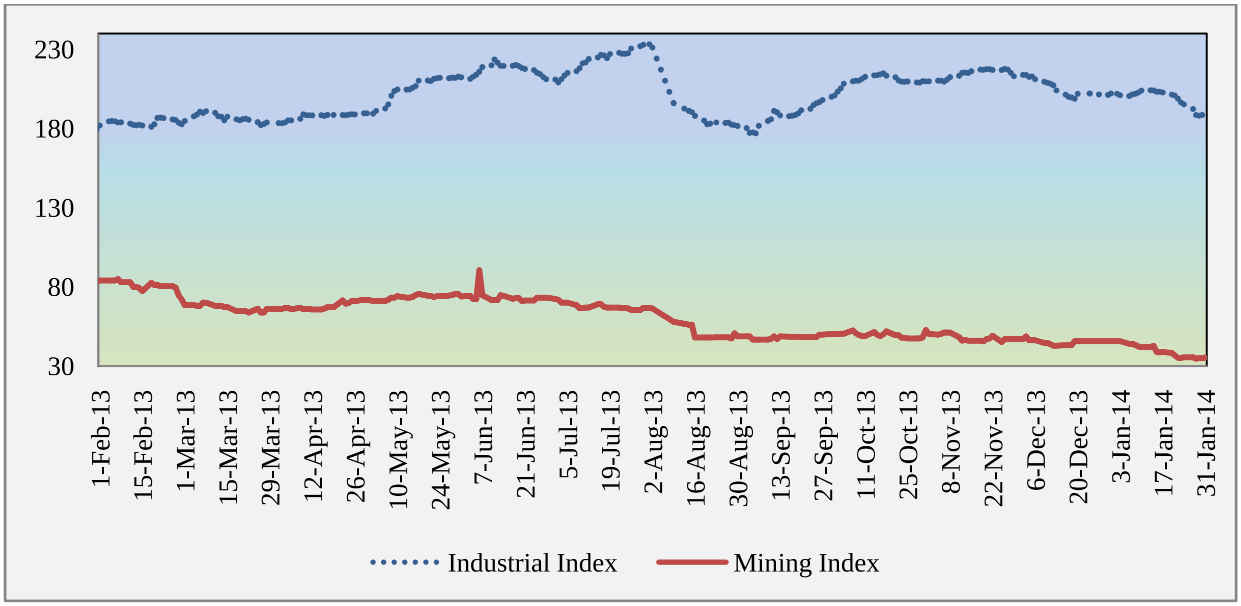
During the week ending 31st January 2014, trading on the ZSE continued on a downward trend as the industrial index softened by 3.08%, from 195.27 points in the previous week to 189.25 points. The mining index also declined by 0.25%, to 35.4 points due to losses incurred by Bindura Nickel Mine and RioZim.

Table 5: Zimbabwe Stock Exchange (ZSE) Statistics

2014	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US$)	Market Turnover (US$)	Volume of Shares
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
31-January	189.25	35.40	4,882,113,487	33,498,415	55,070,459

Source: Zimbabwe Stock Exchange (ZSE), 2014

Figure 1: Zimbabwe Stock Exchange Indices

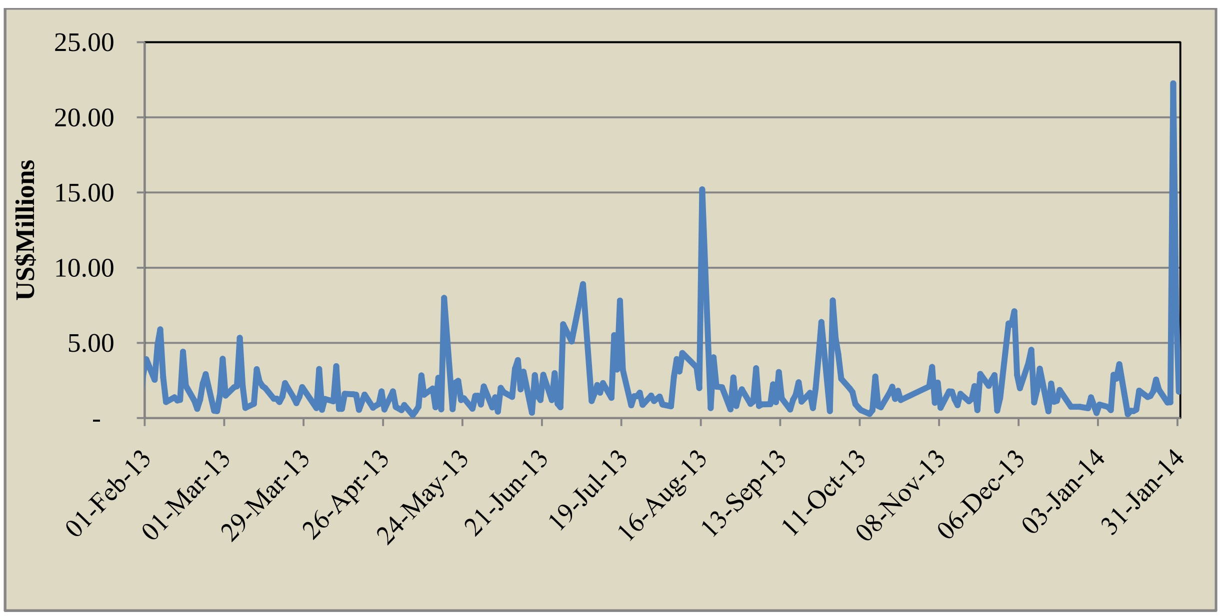


Source: Zimbabwe Stock Exchange, 2014

Volume and Market Turnover

During the period under review, market turnover increased by 268.13%, from US$9.10 million recorded in the previous week to $33.50 million. Turnover was boosted by a special bargain of Seedco shares worth US$23.40 million. Foreign investors continued to dominate trade, contributing 92.44% of total revenue, from 74.66% in the previous week.

Figure 2: Daily Market Turnover

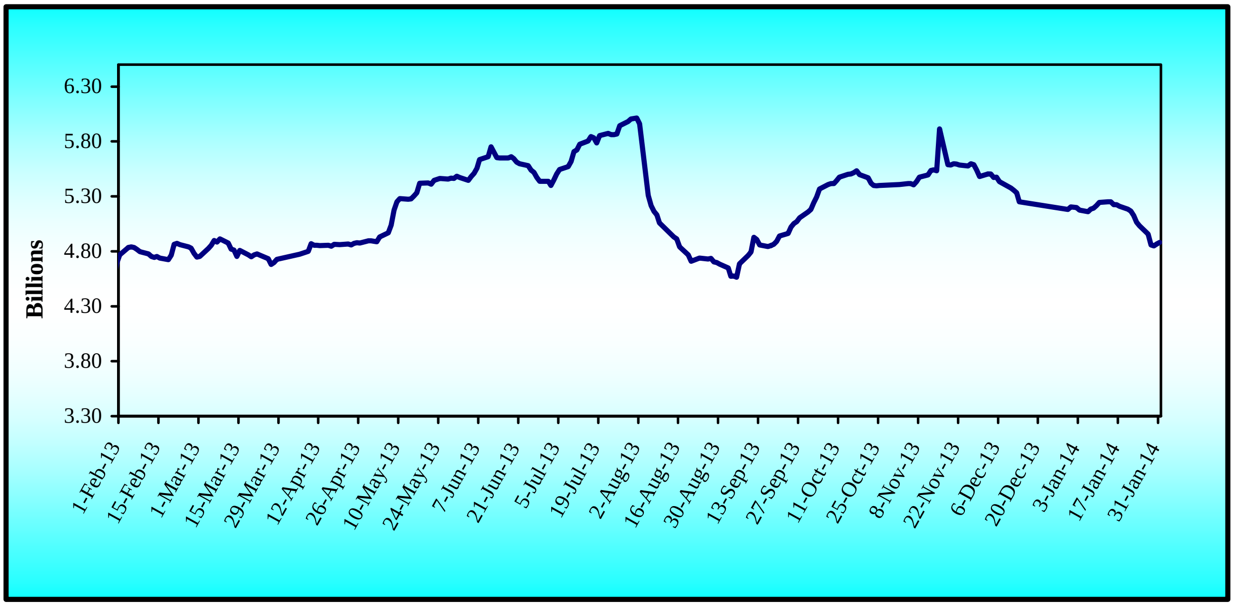


Source: Zimbabwe Stock Exchange, 2014

Market Capitalization

Market capitalization contracted by 2.98%, from US$5.03 billion in the previous week, to US$4.88 billion.

Figure 3: Market Capitalization



Source: Zimbabwe Stock Exchange, 2014

Johannesburg Stock Exchange (JSE) Developments

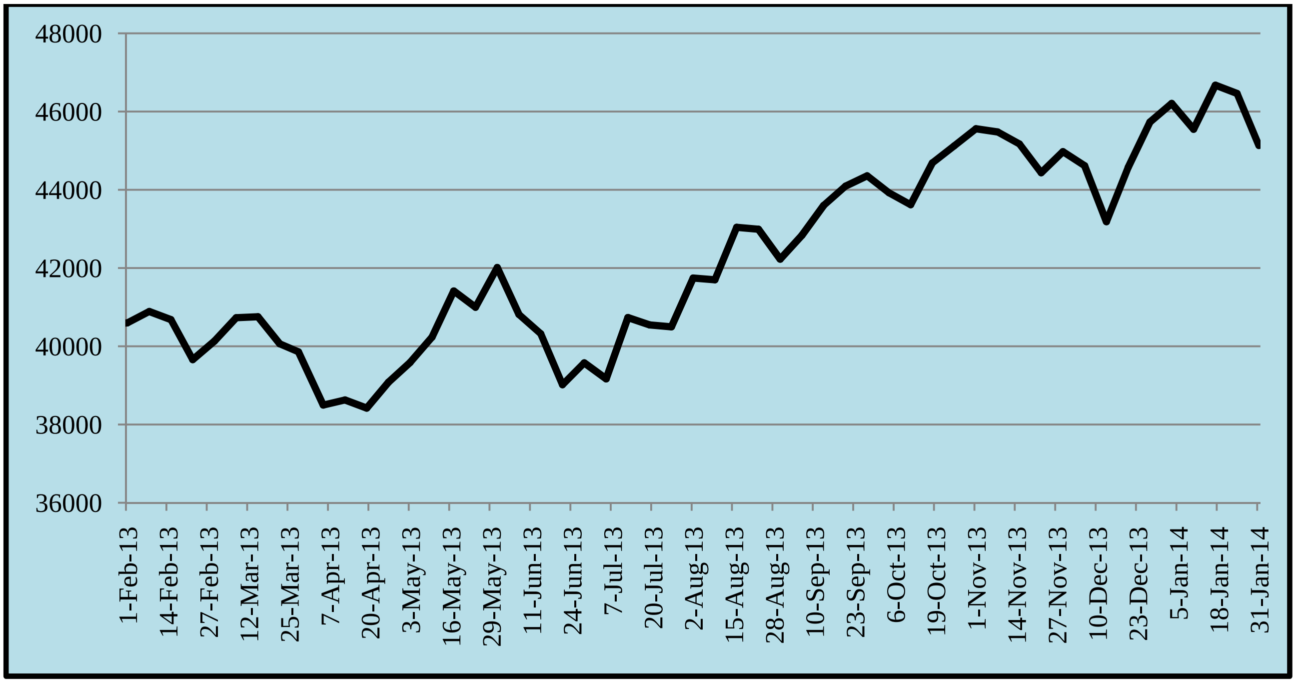
During the week under analysis, the JSE All Share index shed off 2.86% to close the week at 45 132.10 points, whilst the market capitalization lost 3.21% to R10 509.82 billion.

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

2014	All Share Index (points)	Market Capitalization (R bn)
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
31-January	45,132.10	10,509.82

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

05 FEBRUARY 2014