Vol. 16 No. 28

Weekly Economic Highlights

Week Ending 11 July 2014

1. INTEREST RATES

Deposit Rates

Interest rates remained largely unchanged at all banking institutions during the week ending 11th July 2014 as a result of unchanged conditions in the money market. Savings, 1 month and 3 months average deposit rates remained unchanged at 3.42%, 9.91% and 11.58%, respectively.

Table 1: Average Deposit Rates

2014	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
13-Jun	3.42	9.89	11.62
20-Jun	3.42	9.91	11.57
27-Jun	3.42	9.91	11.57
04-Jul	3.42	9.91	11.58
11-Jul	3.42	9.91	11.58

Source: Banking Institutions, 2014

Lending Rates

Commercial banks' weighted lending rates for individuals and corporate clients closed the week at 14.34% and 9.34%, respectively. At Merchant banks, the weighted lending rates for individuals and corporates remained unchanged at 19% and 18%, respectively.

Table 2: Lending Rates

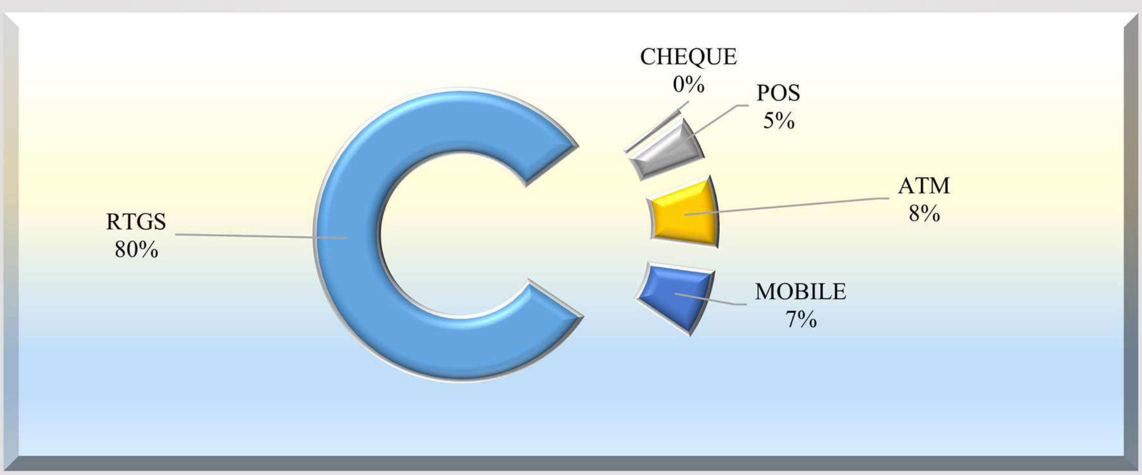
2014	Weighted Lending Rates (%)			
	Commercial Banks		Merchant Banks	
	Individuals	Corporate Clients	Individuals	Corporate Clients
13-Jun	14.42	9.22	19.00	18.00
20-Jun	14.45	9.28	19.00	18.00
27-Jun	14.44	9.33	19.00	18.00
04-Jul	14.36	9.34	19.00	18.00
11-Jul	14.34	9.34	19.00	18.00

Source: Banking Institutions, 2014

2. CLEARING AND SETTLEMENT ACTIVITY

During the week ending 11th July 2014, the total values of transactions processed through the National Payment Systems declined marginally to US$952.18 million. Real Time Gross Settlement (RTGS) system transactions accounted for 80.17% from 78.17% in the previous week.

Figure 1: Contribution to NPS Values



In volume terms, mobile-based transactions continued to dominate the National Payment System, accounting for 82.87% of total transaction volumes, as at week ending 11 July 2014.

Figure 2: Contribution to NPS Volumes

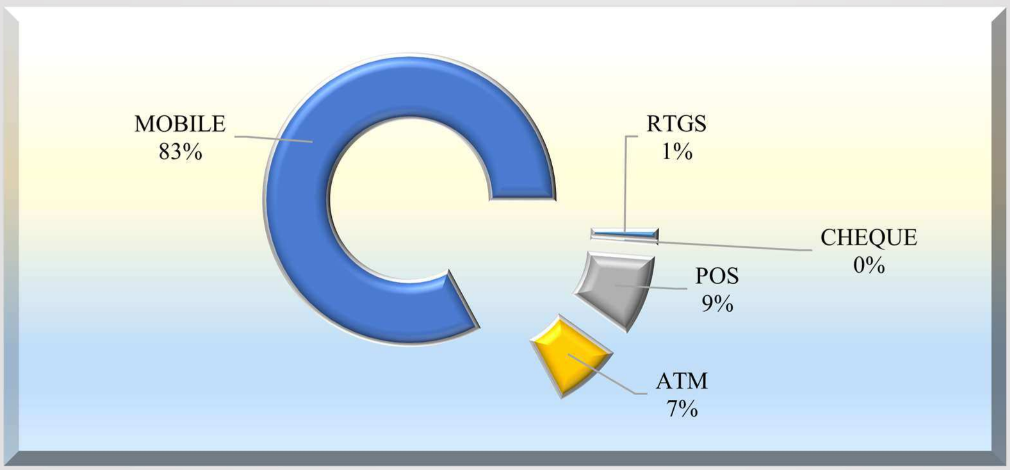


Table 3: National Payment Systems Activity

PAYMENT STREAM	PREVIOUS WEEK ENDING 04 JULY 2014	CURRENT WEEK ENDING 11 JULY 2014	CHANGE FROM LAST WEEK	PROPORTION
	VALUES IN USD			
RTGS	746,090,288.82	763,401,544.31	2%	80.17%
CHEQUE	2,498,489.84	2,686,824.38	8%	0.28%
POS	50,936,230.76	43,251,589.41	-15%	4.54%
ATMS	83,913,714.77	73,065,896.85	-13%	7.67%
MOBILE	87,300,650.70	69,778,887.50	-20%	7.33%
TOTAL	**970,739,374.89**	**952,184,742.45**		**100%**
	VOLUMES			
RTGS	45,730	42,814	-6%	1.07%
CHEQUE	7,534	7,591	1%	0.19%
POS	399,979	343,276	-14%	8.59%
ATMs	297,204	290,981	-2%	7.28%
MOBILE	3,652,029	3,312,837	-9.3%	82.87%
TOTAL	**4,402,476**	**3,997,499**		**100%**

3. INTERNATIONAL COMMODITY PRICES

The weekly average international commodity prices for gold, platinum, copper and nickel firmed, whilst those for crude oil retreated during the week ending 11th July 2014.

Table 5: Metals and Crude Oil Prices

Period	Gold *US$/ounce*	Platinum *US$/ounce*	Copper *US$/tonne*	Nickel *US$/tonne*	Crude Oil *US$/barrel*
Weekly Average (4 July)	**1,321.53**	**1,497.50**	**7,059.95**	**19,171.00**	**111.65**
7-Jul	1,317.25	1,499.50	7,120.25	19,177.50	110.58
8-Jul	1,320.63	1,496.00	7,165.00	19,540.00	109.61
9-Jul	1,322.63	1,501.50	7,173.00	19,510.00	108.31
10-Jul	1,341.75	1,511.50	7,109.00	18,955.00	109.19
11-Jul	1,335.75	1,506.50	7,151.00	19,060.00	107.51
Weekly Average (11 July)	**1,327.60**	**1,503.00**	**7,143.65**	**19,248.50**	**109.04**
Weekly Change %	*0.5*	*0.4*	*1.2*	*0.4*	*-2.3*

Source: BBBC.com, KITCO and Bloomberg

Gold

Gold prices firmed from an average of US$1 321.53 per ounce in the previous week to US$1 327.60 per ounce. The prices rose as a softer dollar, weaker equities and geopolitical tension in the Middle East spurred demand for the yellow metal.

Platinum

Platinum prices rallied by 0.4%, from a weekly average of US$1 497.50 per ounce in the preceding week, to an average of US$1 503.00 per ounce during the week under review. Platinum prices continued to gain amid fears over supply issues from major producer South Africa.

Copper

Copper prices increased, from an average of US$7 059.95 per tonne in the previous week to US$7 143.65 per tonne during the week under review. The prices rose on the back of tightening global supplies as well as growing optimism about demand for industrial metals as global economic recovery gathers pace.

Nickel

Nickel prices firmed, from US$19 171.00 per tonne in the previous week, to US$19 248.50 per tonne during the week under review. The increase in nickel prices reflects supply worries after top exporter, Indonesia, banned shipments of unprocessed ore in January 2014.

Crude Oil

Crude oil price retreated by 2.3%, from US$111.65 per barrel in the previous week to US$109.04 per barrel. Oil prices dropped on easing concern about supply losses in the Middle East.

4. EQUITY MARKETS

The liquidity challenges, aggravated by low Foreign Direct Investment (FDI) inflows, continued to adversely affect economic activities thereby contributing to subdued portfolio investment.

During the week ending 11th July 2014, the industrial index softened by 0.35%, from 187.44 points in the previous week to 186.78 points during the week under review. The decline was largely underpinned by losses registered by heavily capitalized counters such as Delta, CBZ, Zimsun and Dawn Properties.

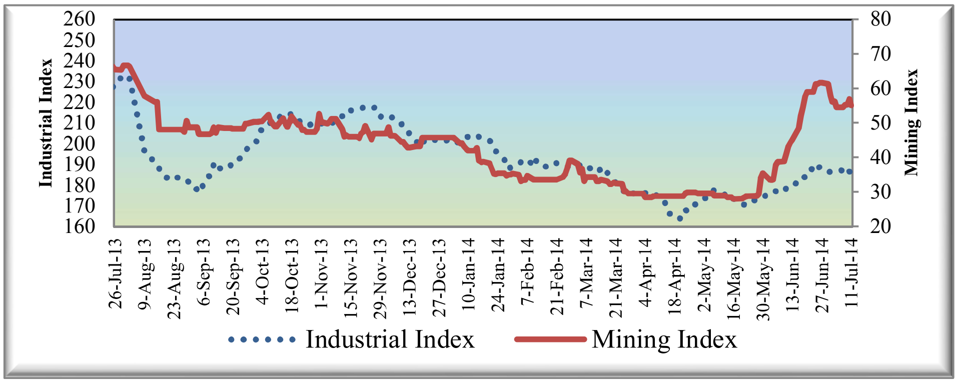
The mining index, however, gained 1.12%, from 54.56 points in the previous week to 55.17 points. The gain was spurred by the increase in the share price of Hwange Colliery Company.

Table 6: Zimbabwe Stock Exchange (ZSE) Statistics

2014	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US$)	Market Turnover (US$)	Volume of Shares
13-Jun	180.74	45.17	4,700,124,294	14,305,979	87,116,246
20-Jun	187.39	59.00	4,889,623,500	6,139,497	44,890,463
27-Jun	187.08	61.71	4,887,084,943	3,343,589	16,631,283
04-Jul	187.44	54.56	4,886,463,775	5,220,034	16,468,027
11-Jul	186.78	55.17	4,870,337,179	7,391,635	91,078,394

Source: Zimbabwe Stock Exchange (ZSE), 2014

Figure 2: Zimbabwe Stock Exchange Indices

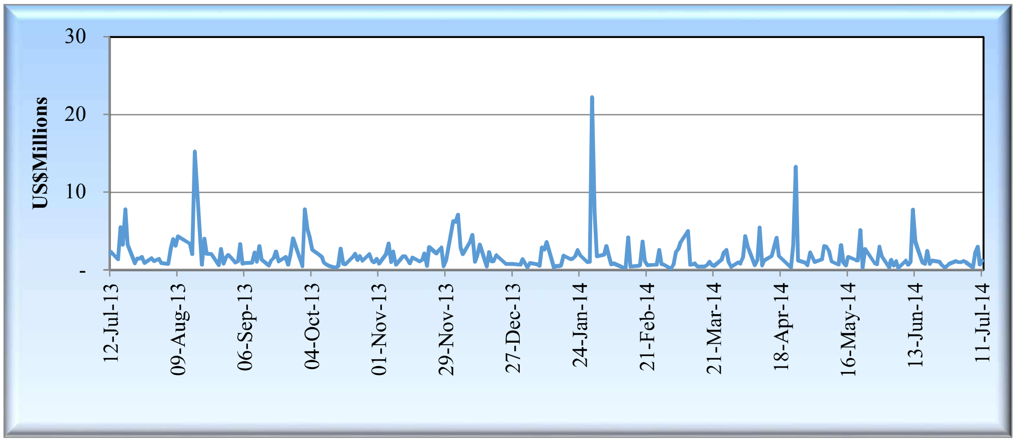


Source: Zimbabwe Stock Exchange, 2014

Volume and Market Turnover

Market turnover surged by 41.57%, from US$5.22 million registered in the previous week to US$7.39 million during the week under review. The surge was driven by two OK Zimbabwe special bargains of 7.5 million shares and 10 million shares at 18 cents per share that occurred on the 8th and 9th of July 2014, respectively. Total foreign purchases, at US$4.9 million, represented 66.92% of total revenue during the week.

Figure 2: Daily Market Turnover

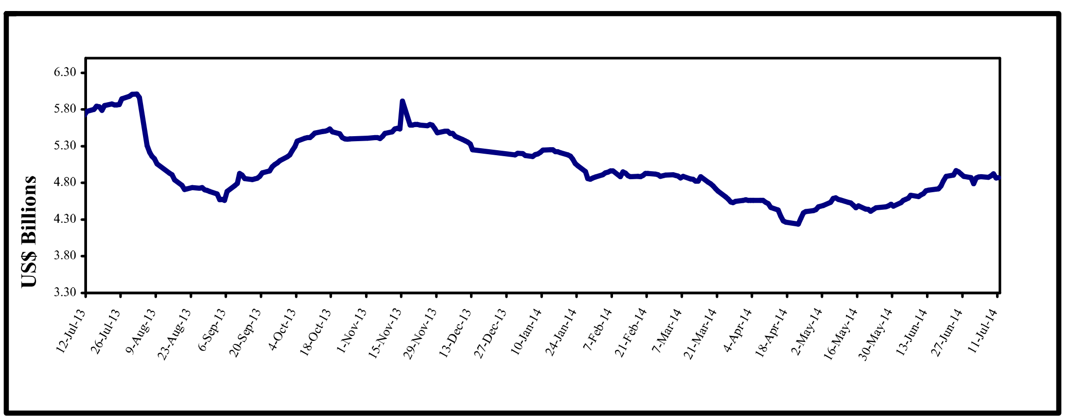


Source: Zimbabwe Stock Exchange, 2014

Market Capitalization

Market capitalization contracted by 0.01%, from US$4.887 billion in the previous week to US$4.886 billion, reflecting reduction of the value of listed stocks.

Figure 3: Market Capitalization



Source: Zimbabwe Stock Exchange, 2014

Johannesburg Stock Exchange (JSE) Developments

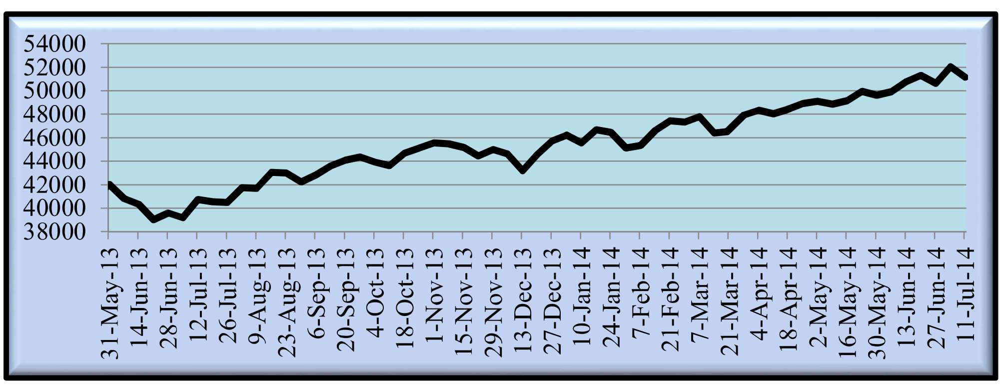
During the week under review, both the JSE All Share index and market capitalization further retreated by 1.73% and 1.69%, to close the week at 51 161.33 points and R12 017.95 billion, respectively.

Table 7: Johannesburg Stock Exchange (JSE) Statistics

2014	All Share Index (points)	Market Capitalization (R bn)
13-Jun	50,763.71	11,874.64
20-Jun	51,322.67	12,053.78
27-Jun	50,625.37	11,825.08
04-Jul	52,060.03	12,224.57
11-Jul	51,161.33	12,017.95

Source: http://www.jse.co.za/trade/derivative-market

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



Source: http://www.jse.co.za/trade/derivative-market

RESERVE BANK OF ZIMBABWE

17 JULY 2014