Vol. 16 No. 12

Weekly Economic Highlights

Week Ending 21 March 2014

1. INTEREST RATES

Deposit Rates

During the week ending 21st March 2014, savings deposit rates decreased by 0.13 percentage points to 3.36%, while 1 month and 3 months deposit rates remained unchanged at 10.10% and 11.78%, respectively.

Table 1: Average Deposit Rates

2014	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
14-February	3.28	10.52	12.15
21-February	3.28	10.10	11.78
28-February	3.49	10.09	11.78
07-March	3.49	10.10	11.78
14-March	3.49	10.10	11.78
21-March	3.36	10.10	11.78

Source: Banking Institutions, 2014

Lending Rates

The weighted lending rate for both individuals and corporate clients at commercial banks increased slightly during the week under review. At merchant banks, however, the weighted lending rates remained unchanged at 17.73% and 18.88% for corporate and individual clients, respectively.

Table 2: Lending Rates[1]

2014	Weighted Lending Rates (%)			
	Commercial Banks		Merchant Banks	
	Individuals	Corporate Clients	Individuals	Corporate Clients
14-February	14.12	9.32	18.88	17.73
21-February	14.05	9.32	18.88	17.73
28- February	14.08	9.32	18.88	17.73
07- March	14.10	9.31	18.88	17.73
14-March	14.10	9.30	18.88	17.73
21-March	14.11	9.31	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 21st March 2014, transactions processed through the Real Time Gross Settlement (RTGS) system increased to US$800 million in value terms, from US$767 million recorded in the previous week. The RTGS volumes recorded a decline of 8% from the previous week.

Table 3: National Payment Systems Activity

PAYMENT STREAM	WEEK ENDING 14 MARCH 2014	WEEK ENDING 21 MARCH 2014	CHANGE FROM PREVIOUS WEEK	PROPORTION
VALUES IN US$				
RTGS	766,711,120.46	800,317,578.74	4%	87.25%
CHEQUE[2]	2,708,608.14	2,359,451.43	-13%	0.26%
POS	27,961,788.60	23,721,567.00	-15%	2.59%
ATMS	50,919,625.00	39,663,746.00	-22%	4.32%
MOBILE	54,711,354.48	51,201,144.38	-6%	5.58%
TOTAL	**903,012,496.68**	**917,263,487.55**		**100%**
VOLUMES				
RTGS	45,396	41,903	-8%	1.28%
CHEQUE[2]	8,257	7,463	-10%	0.23%
POS	264,131	249,225	-6%	7.63%
ATMs	204,459	196,006	-4%	6.00%
MOBILE	2,768,516	2,772,490	0%	84.86%
TOTAL	**3,290,759**	**3,267,087**		**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. TOBACCO SALES

As at 21st March 2014 (Day 23 of the 2014 tobacco selling season), a cumulative total of 26 526 476 kilograms of tobacco had been sold. This represented a 15.3% increase on the 23 014 810 kilograms sold during the same period in 2013.

The golden leaf, however, sold at a lower average price of US306 cents, compared to US366 cents, during the same period in 2013. The cumulative tobacco sales totalled US$81.10 million, 3.7% lower than the US$84.19 million realised during the corresponding period in 2013.

Table 4: Cumulative Tobacco Sales: Day 23 (14/03/14 –21/03/14)

	2013	2014	Variance (%)
Quantity Sold (kgs)	23,014,810	26,526,476	15.3
Average Price(US$/kg)	3.66	3.06	-16.5
Value (US$ million)	84,185,315.56	81,101,536.68	-3.7

Source: Tobacco Industry and Marketing Board (TIMB), 2014

4. INTERNATIONAL COMMODITY PRICES

The weekly average international commodity prices for gold, platinum, copper and crude oil retreated, while those for nickel firmed, during the week ending 21st March 2014.

Table 5: Metals and Crude Oil Prices

2014	Gold US$/oz	Platinum US$/oz	Copper US$/ton	Nickel US$/ton	Crude Oil US$/barrel
Weekly Average (14 Mar)	**1,358.90**	**1,474.25**	**6,581.40**	**15,597.00**	**108.20**
17-March	1,378.75	1,474.50	6,550.00	15,870.00	106.67
18-March	1,359.13	1,455.50	6,471.50	15,870.00	106.38
19-March	1,350.25	1,456.00	6,445.00	16,110.00	106.07
20-March	1,327.00	1,437.00	6,445.50	16,110.00	105.98
21-March	1,337.25	1,438.00	6,539.00	15,980.00	107.70
Weekly Average (21 Mar)	**1,350.48**	**1,452.20**	**6,490.20**	**15,988.00**	**106.56**
Weekly Change (%)	***-0.6***	***-1.5***	***-1.4***	***2.5***	***-1.5***

Source: BBC, KITCO and Bloomberg

Gold

Gold prices reversed the previous week's gains, falling by 0.6% from a weekly average of US$1 358.90/oz in the previous week, to a weekly average of US$1 350.48/oz, on account of a stronger US dollar.

Platinum

Platinum prices similarly declined by 1.5% from a weekly average of US$1 474.25/oz in the previous week, to an average of US$1 452.20/oz, during the week under review. Platinum prices retreated on account of a stronger US dollar, despite supply side concerns, amid persisting labour unrest in the South African platinum sector.

Copper

Copper prices further retreated by 1.4% from an average of US$7 030.80/tonne in the previous week to US$6 581.40/tonne during the week under review, as investors were worried about a credit squeeze in China. Prospects of the U. S. Federal Reserve increasing interest rates earlier than expected also dampened the demand outlook for copper.

Nickel

The ban on mineral ore exports from Indonesia continued to support nickel prices. Consequently, nickel prices firmed by 2.5% from an average of US$15 597.00/tonne registered in the previous week, to a weekly average of US$15 988.00/tonne.

Crude Oil

Crude oil prices registered a marginal decline of 1.5%, from an average of US$108.20/barrel in the previous week, to an average of US$106.56/barrel during the week under review. Oil prices retreated as weak manufacturing data from China added to supply concerns over geopolitical tensions in Ukraine and Libya.

5. EQUITY MARKETS

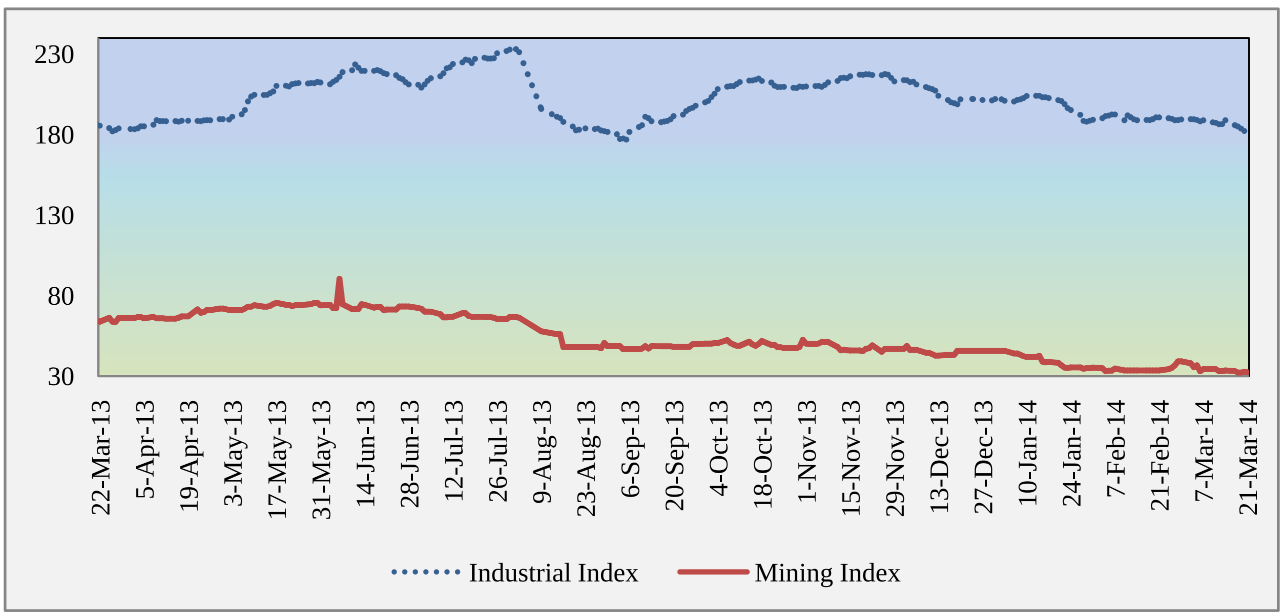
During the week ending 21st March 2014, there was subdued trading on the ZSE, as the ongoing reporting season has not yet significantly improved the liquidity situation in the economy. The industrial index softened by 4.17%, from 188.99 points in the previous week to 181.10 points while the mining index retreated by 3.18% to 32.54 points.

Table 6: Zimbabwe Stock Exchange (ZSE) Statistics

2014	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US$)	Market Turnover (US$)	Volume of Shares
14-February	188.99	33.61	4,884,332,096	5,697,750	32,300,783
21-February	190.70	33.61	4,928,325,890	6,519,482	26,217,692
28-February	189.45	39.24	4,906,935,052	5,296,465	39,229,906
07-March	188.94	34.36	4,887,071,618	59,414,096	241,596,115
14-March	188.99	33.61	4,884,332,096	7,624,635	43,838,050
21-March	181.10	32.54	4,686,709,759	3,266,757	40,400,795

Source: Zimbabwe Stock Exchange (ZSE), 2014

Figure 1: Zimbabwe Stock Exchange Indices

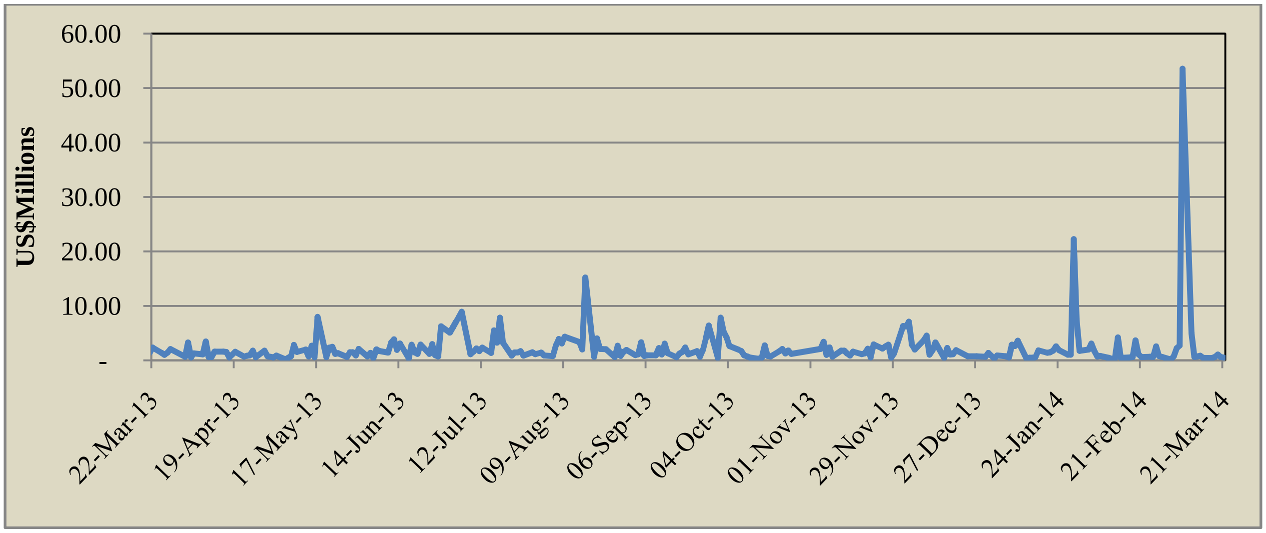


Source: Zimbabwe Stock Exchange, 2014

Volume and Market Turnover

During the week under review, market turnover contracted by 57.09%, from US$7.62 million in the previous week to US$3.27 million. Foreign purchases slowed down to 35.32% of total revenue, from 66.37% in the previous week.

Figure 2: Daily Market Turnover

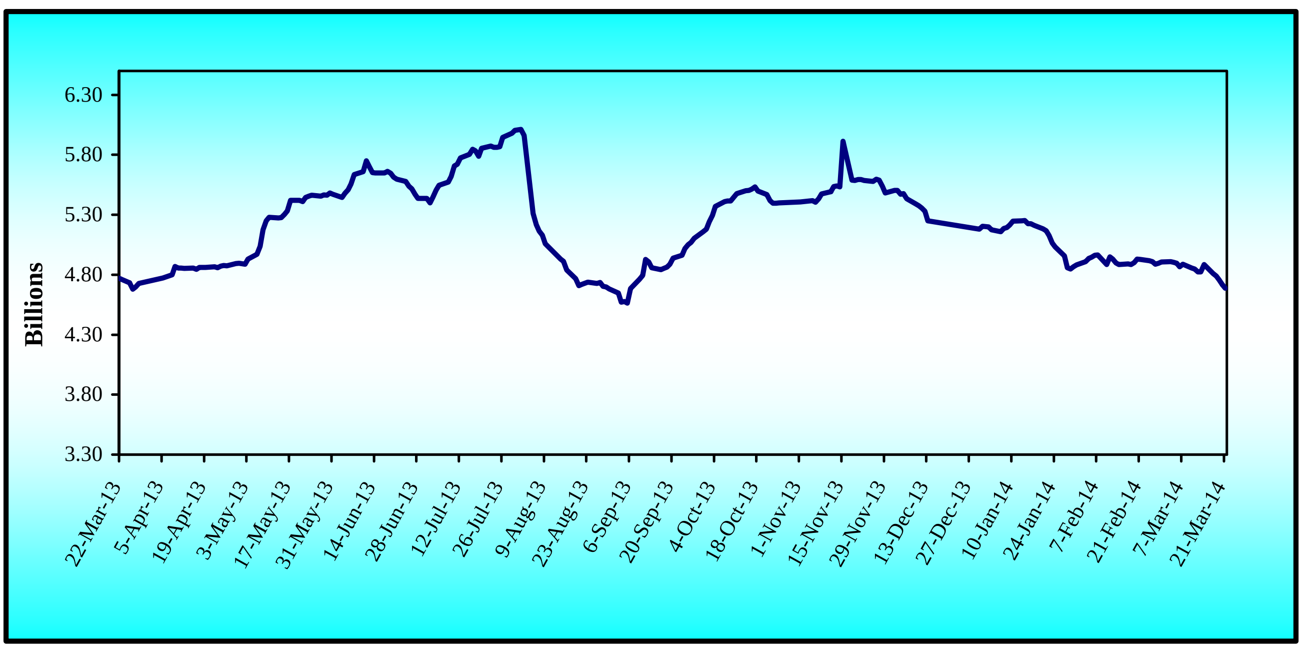


Source: Zimbabwe Stock Exchange, 2014

Market Capitalization

Market capitalization receded by 4.05%, from US$4.88billion in the previous week to US$4.69 billion, during the week under review.

Figure 3: Market Capitalization



Source: Zimbabwe Stock Exchange, 2014

Johannesburg Stock Exchange (JSE) Developments

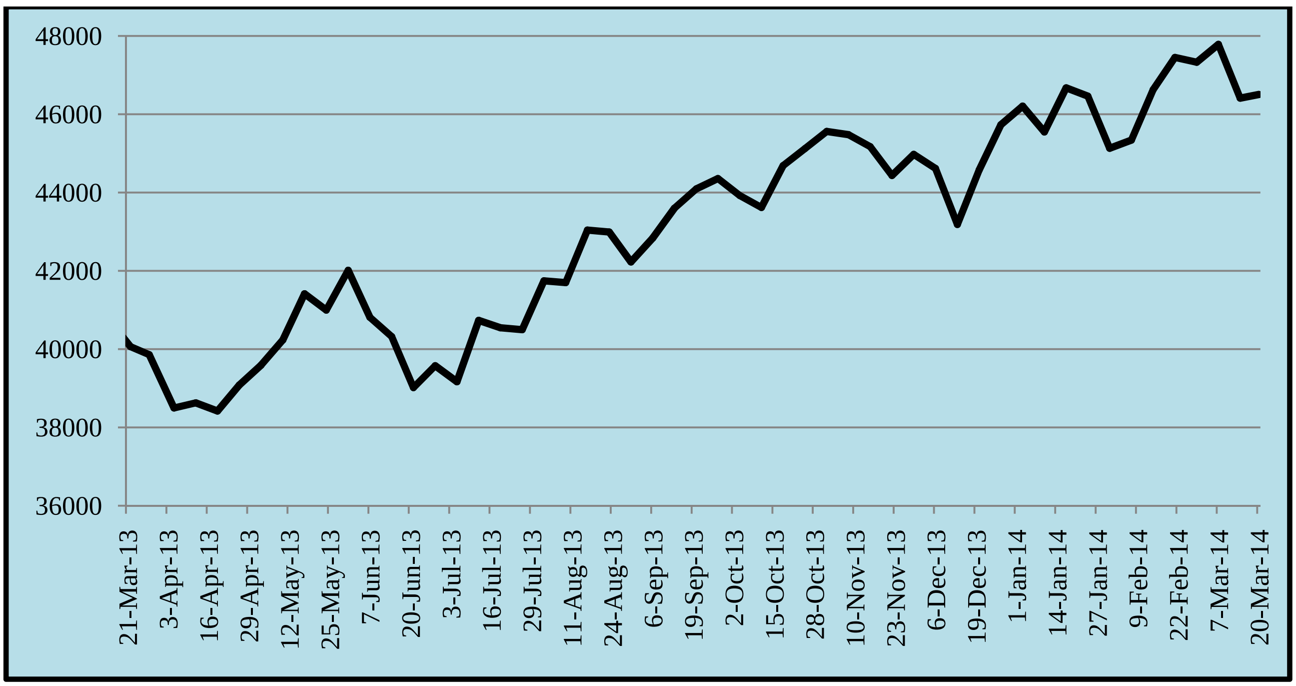
The JSE All Share index firmed by 0.21% to 46 508.27 points, whilst market capitalization increased by 0.72% to R10 829.48 billion, during the week ending 20th March 2014. There was no trading on the JSE on the 21st of March 2014, due to the Human Rights Day holiday.

Table 7: Johannesburg Stock Exchange (JSE) All Share Index

2014	All Share Index (points)	Market Capitalization (R bn)
14-February	46,628.74	10,835.65
21-February	47,452.24	11,020.31
28-February	47,328.92	10,984.09
07-March	47,786.85	11,156.85
14-March	46,412.40	10,752.33
20-March	46,508.27	10,829.48

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

25 MARCH 2014