Vol. 16 No. 13

RESERVE BANK OF ZIMBABWE

Weekly Economic Highlights

Week Ending 28 March 2014

1. INTEREST RATES

Deposit Rates

During the week ending 28th March 2014, savings, 1 month and 3 months deposit rates remained unchanged at 3.36%, 10.10% and 11.78%, respectively.

Table 1: Average Deposit Rates

2014	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
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
28-March	3.36	10.10	11.78

Source: Banking Institutions, 2014

Lending Rates

At commercial banks, the weighted lending rate for individuals increased to 14.24%, while the weighted lending rate for corporate clients declined to 9.27%. At merchant banks, however, the weighted lending rates remained unchanged at 18.88% and 17.73% for individual and corporate clients, respectively.

Table 2: Lending Rates[1]

2014	Weighted Lending Rates (%)			
	Commercial Banks		Merchant Banks	
	Individuals	Corporate Clients	Individuals	Corporate Clients
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
28-March	14.24	9.27	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 28th March 2014, transactions processed through the Real Time Gross Settlement (RTGS) system increased to US$912 million in value terms, from US$800 million recorded in the previous week. RTGS volumes recorded an increase of 12% from the previous week.

Table 3: National Payment Systems Activity

PAYMENT STREAM	WEEK ENDING 21 MARCH 2014	WEEK ENDING 28 MARCH 2014	CHANGE FROM PREVIOUS WEEK	PROPORTION
VALUES IN US$				
RTGS	800,317,578.74	911,699,810.91	14%	86.61%
CHEQUE[2]	2,359,451.43	2,195,554.20	-7%	0.21%
POS	23,721,567.00	31,888,207.63	34%	3.03%
ATMS	39,663,746.00	50,791,023.00	28%	4.83%
MOBILE	51,201,144.38	56,036,715.73	9.4%	5.32%
TOTAL	**917,263,487.55**	**1,052,611,311.47**		**100%**
VOLUMES				
RTGS	41,903	47,015	12%	1.38%
CHEQUE[2]	7,463	6,873	-8%	0.20%
POS	249,225	262,761	5%	7.73%
ATMs	196,006	205,871	5%	6.06%
MOBILE	2,772,490	2,875,738	3.7%	84.62%
TOTAL	**3,267,087**	**3,398,258**		**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 28th March 2014 (Day 28 of the 2014 tobacco selling season), a cumulative total of 38 957 876 kilograms of tobacco had been sold, reflecting a 22.6% increase compared to the 31 767 635 kilograms sold during the same period in 2013.

The golden leaf, however, sold at a lower average price of US311 cents, compared to US370 cents during the same period in 2013. The cumulative tobacco sales totalled US$121.28 million, which was 3.2% higher than the US$117.53 million realized during the corresponding period in 2013.

Table 4: Cumulative Tobacco Sales As at Day 28 (28/03/14)

	2013	2014	Variance (%)
Quantity Sold (kgs)	31,767,635	38,957,876	22.6
Average Price(US$/kg)	3.70	3.11	-15.9
Value (US$ million)	117,532,787.78	121,288,171.71	3.2%

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

4. INTERNATIONAL COMMODITY PRICES

The weekly average international commodity prices for gold and platinum retreated, whilst those for copper, nickel and crude oil firmed during the week ending 28th 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 (21 Mar)	**1 350.48**	**1 452.20**	**6 490.20**	**15 988.00**	**106.56**
17-March	1 316.38	1 433.00	6 510.00	16 135.00	106.65
18-March	1 314.13	1 432.50	6 559.00	16 220.00	107.06
19-March	1 309.25	1 416.00	6 555.00	15 960.00	107.09
20-March	1 295.50	1 405.00	6 581.00	15 960.00	107.56
21-March	1 295.25	1 402.50	6 665.00	15 790.00	107.98
Weekly Average (28 Mar)	**1 306.10**	**1 417.80**	**6 574.00**	**16 013.00**	**107.27**
Weekly Change (%)	***-3.3%***	***-2.4%***	***-1.3%***	***0.2%***	***0.7%***

Source: BBC, KITCO and Bloomberg

Gold

Gold prices registered a 3.3% weekly loss, falling from a weekly average of US$1 350.48/oz in the previous week, to a weekly average of US$1 306.10/oz, as the improving US economic outlook lifted the US dollar and dented the yellow metal's appeal as a safe haven asset.

Platinum

Platinum prices declined by 2.4%, from a weekly average of US$1 452.20/oz in the previous week to an average of US$1 417.80/oz during the week under review. This was on account of a stronger US dollar, despite platinum supply side concerns, amid persisting labor unrest in the South African platinum sector.

Copper

Copper prices reversed the previous week’s losses, gaining by 1.3% from an average of US$6 581.40/tonne in the previous week to US$6 574.00/tonne during the week under review, on the back of improved demand in Europe and China. A stronger US dollar as well as continued worries about the credit squeeze in China, however, limited the gains.

Nickel

Nickel prices increased by 0.2%, from an average of US$15 988.00/tonne registered in the previous week, to a weekly average of US$16 013.00/tonne. The ban imposed on mineral ore exports by Indonesia continued to support prices of the base metal.

Crude Oil

Crude oil prices registered a rise of 0.7%, from an average of US$106.56/barrel in the previous week, to an average of US$107.27/barrel during the week under review. Oil prices firmed on account of supply concerns over geopolitical tensions in Ukraine and Libya, as well as better than expected economic data in the United States.

5. EQUITY MARKETS

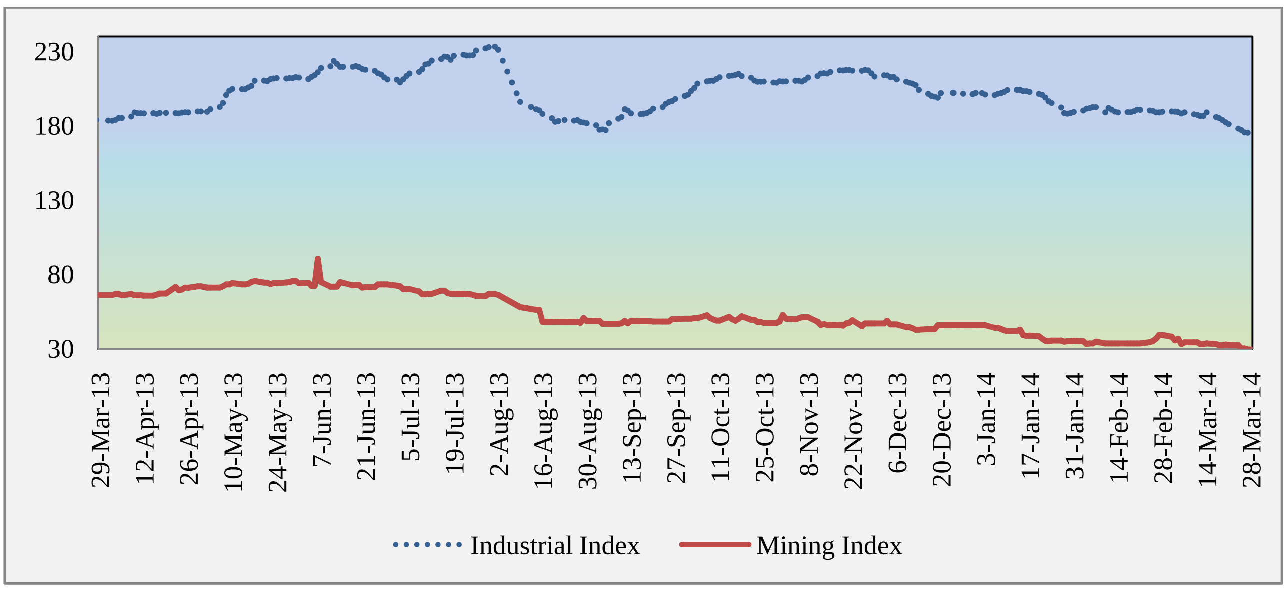
During the week ending 28th March 2014, subdued trading continued on the ZSE amid widespread losses across the sectors. The industrial index eased by 2.85%, from 181.1 points in the previous week to 175.93 points during the week under review. Concomitantly, the mining index retreated by 9.31% to 29.51 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
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
28-March	175.93	29.51	4,550,446,737	7,621,483	53,867,150

Source: Zimbabwe Stock Exchange (ZSE), 2014

Figure 1: Zimbabwe Stock Exchange Indices

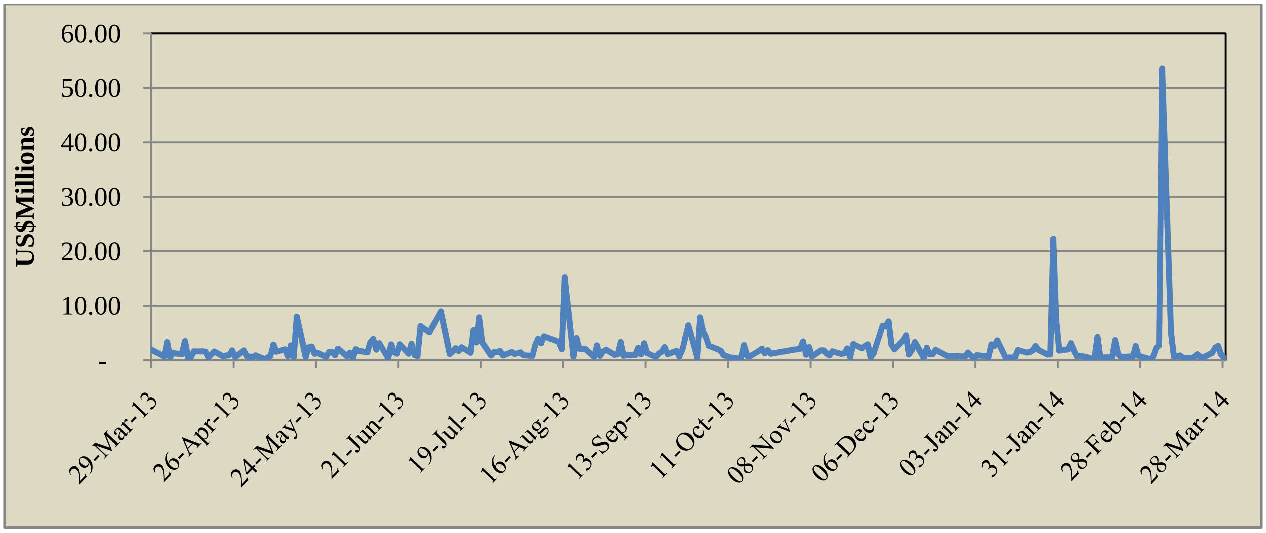


Source: Zimbabwe Stock Exchange, 2014

Volume and Market Turnover

During the week under review, market turnover increased by 133%, from US$3.27 million in the previous week to US$7.62 million. Foreign purchases increased to 55.36% of total revenue, from 35.32% recorded in the previous week.

Figure 2: Daily Market Turnover

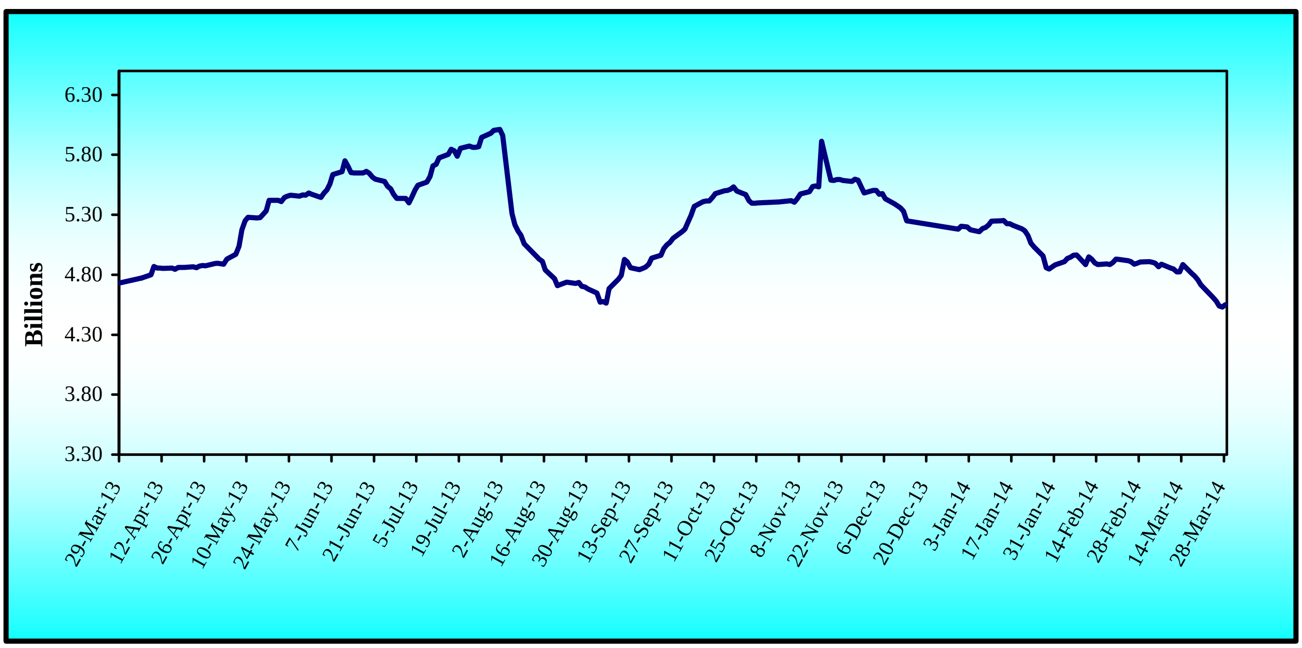


Source: Zimbabwe Stock Exchange, 2014

Market Capitalization

Market capitalization declined by 2.91%, from US$4.69 billion in the previous week to US$4.55 billion during the week under review.

Figure 3: Market Capitalization



Source: Zimbabwe Stock Exchange, 2014

Johannesburg Stock Exchange (JSE) Developments

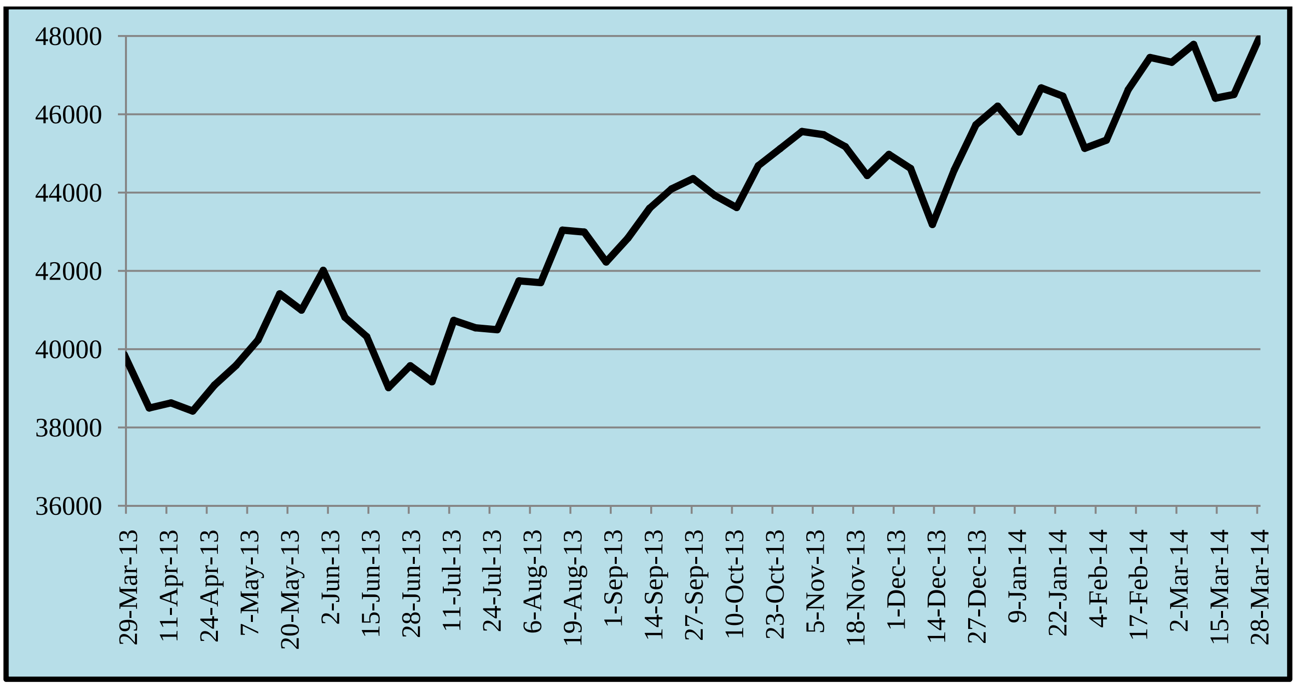
The JSE All Share index firmed by 3.06% to 47 930.03 points, whilst market capitalization increased by 3.04% to R11 158.80 billion during the week ending 28th March 2014.

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

2014	All Share Index (points)	Market Capitalization (R bn)
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
28-March	47,930.03	11,158.80

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

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