Vol. 16 No. 18

Weekly Economic Highlights

Week Ending 2 May 2014

1. INTEREST RATES

Deposit Rates

During the week ending 2nd May 2014, savings deposit rates remained unchanged at 3.36%, whilst 1 month and 3 months deposit rates softened by 0.03 and 0.05 percentage points to 10.07% and 11.75%, respectively.

Table 1: Average Deposit Rates

2014	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
28-March	3.36	10.10	11.78
04-April	3.36	10.10	11.78
11-April	3.36	10.10	11.78
17-April	3.36	10.10	11.78
25-April	3.36	10.10	11.78
02-May	3.36	10.07	11.75

Source: Banking Institutions, 2014

Lending Rates

Commercial banks' weighted lending rates for both individuals and corporate clients increased to close the week under review at 14.36% and 9.21%, respectively. At merchant banks, weighted lending rates for individual and corporate clients remained unchanged at 18.88% and 17.73%, respectively.

Table 2: Lending Rates[1]

2014	Weighted Lending Rates (%)			
	Commercial Banks		Merchant Banks	
	Individuals	Corporate Clients	Individuals	Corporate Clients
28-March	14.24	9.27	18.88	17.73
04-April	14.25	9.29	18.88	17.73
11-April	14.26	9.28	18.88	17.73
17-April	14.26	9.25	18.88	17.73
25-April	14.22	9.12	18.88	17.73
02-May	14.36	9.21	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 2nd May 2014, transactions processed through the Real Time Gross Settlement (RTGS) system decreased to US$657 million in value terms, from US$834 million recorded in the previous week. The volumes recorded an increase of 8%, from 36.5 million transactions in the previous week to 39.3 million transactions during the week under review.

Table 3: National Payment Systems Activity

PAYMENT STREAM	WEEK ENDING 25 APRIL2014	WEEK ENDING 2 MAY 2014	CHANGE FROM PREVIOUS WEEK	PROPORTION
VALUES IN US$				
RTGS	833,922,139.04	657,333,005.53	-21%	76.77%
CHEQUE[2]	1,774,826.76	1,715,334.29	-3%	0.20%
POS	40,428,656.66	46,980,275.49	16%	5.49%
ATMS	52,795,161.01	76,987,167.48	46%	8.99%
MOBILE	54,702,788.45	73,239,918.37	34%	8.55%
TOTAL	**983,623,571.92**	**856,255,701.16**		**100%**
VOLUMES				
RTGS	36,489	39,316	8%	1.09%
CHEQUE[2]	5,038	5,135	2%	0.14%
POS	292,036	329,368	13%	9.16%
ATMs	212,365	291,604	37%	8.11%
MOBILE	2,903,995	2,931,302	1%	81.50%
TOTAL	**3,449,923**	**3,596,725**		**100%**

Source: Reserve Bank of Zimbabwe, 2014

3. TOBACCO SALES

Cumulative tobacco sales as at day 50, the 2nd of May 2014, stood at 116.1 million kilograms, 27.4% higher than the 91.1 million kilograms recorded during the same period in 2013. A kilogram of tobacco sold for an average price of $3.21, which is 13.8% lower than the previous year's average price of $3.72 per kilogram.

[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

Cumulative tobacco sales amounted to US$372.33 million, 9.9% more than the US$338.8 million realized during the corresponding period in 2013.

Table 4: Cumulative Tobacco Sales As at Day 50(02/05/14)

	2013	**2014**	**Variance (%)**
Quantity Sold (kgs)	91,119,313	116,110,235	27.4
Average Price (US$/kg)	3.72	3.21	-13.8
Value (US$)	338,789,139	372,332,467	9.9

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

4. INTERNATIONAL COMMODITY PRICES

The weekly average international commodity prices for gold, platinum and copper firmed, whilst those for nickel and crude oil retreated during the week ending 2 May 2014.

Table 5: Metals and Crude Oil Prices

	Gold	**Platinum**	**Copper**	**Nickel**	**Crude Oil**
2014	**US$/oz**	**US$/oz**	**US$/ton**	**US$/ton**	**US$/barrel**
Weekly Average (25 Apr.)	**1,289.59**	**1,412.50**	**6,695.75**	**18,297.50**	**109.59**
28-Apr	1,300.50	1,428.00	6,782.00	18,545.00	108.78
29-Apr	1,293.75	1,419.00	6,782.00	18,230.00	109.21
30-Apr	1,284.50	1,424.00	6,670.00	18,075.00	108.17
2-May	1,283.13	1,424.50	6,699.00	18,075.00	108.34
Weekly Average (2 May)	**1,290.47**	**1,423.88**	**6,733.25**	**18,231.25**	**108.63**
Weekly Change (%)	*0.1*	*0.8*	*0.6*	*-0.4*	*-0.9*

Source: BBC, KITCO and Bloomberg, 2014

Gold

Gold prices declined throughout the week under review on account of renewed optimism about GDP growth in the US, which boosted the US dollar against major trading currencies. On a week on week basis, gold prices marginally declined by 0.1%, from an average of US$1 289.59/oz in the previous week to an average of USS$1290.47/oz during the week under review.

Platinum

Platinum prices firmed by 0.8%, from a weekly average of US$1 412.50/oz in the previous week to an average of US$1 423.88/oz during the week under review. Prices firmed on account of supply concerns after collapse of wage talks between labour unions and platinum producers in South Africa, the world's biggest producer of the metal.

Copper

Copper prices registered a marginal increase of 0.6%, from an average of $6 695.75/ton in the previous week to US$6 733.25/ton during the week under review, on account declining stockpiles as well as solid demand from China.

Nickel

Nickel prices marginally declined by 0.4%, from an average of US$18 297.50/ton registered in the previous week to an average of US$18 231.25/ton, despite tight global supply on account of continued Indonesia ban on nickel ore exports.

Crude Oil

Crude oil prices declined by 0.9%, from an average of US$109.59/barrel in the previous week to an average of US$108.63/barrel during the week under review. Oil prices declined following less inspiring Chinese economic data, as well as rising stockpiles in the United States. Escalating geopolitical tensions between the West and Russia over the crisis in Ukraine, however, capped further losses.

5. EQUITY MARKETS

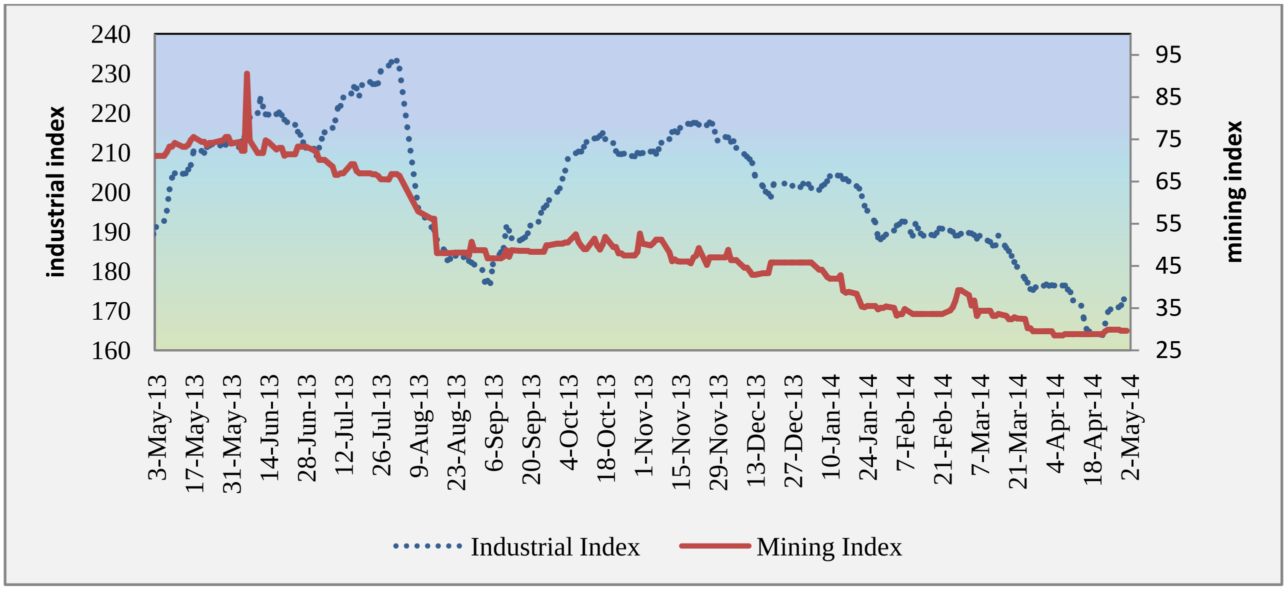
Table 6: Zimbabwe Stock Exchange (ZSE) Statistics

2014	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US$)	Market Turnover (US$)	Volume of Shares
28-March	175.93	29.51	4,550,446,737	7,621,483	53,867,150
04-April	176.36	28.53	4,559,874,829	10,718,578	39,230,310
11-April	172.60	28.82	4,463,919,747	9,162,158	230,386,256
17-April	164.79	28.82	4,264,248,814	10,593,882	68,937,915
25-April	170.34	29.88	4,407,773,064	18,032,907	56,694,356
02-May	173.58	29.64	4,490,758,571	4,823,714	61,921,406

Source: Zimbabwe Stock Exchange (ZSE), 2014

During the week ending 2nd of May 2014, the industrial index increased by 1.90%, from 170.34 points in the previous week to 173.58 points, following significant gains in Delta and Econet shares. The mining index, however, decreased by 0.24 points to 29.64 points, from 29.88 points, representing a 0.80% decline as the sentiment across the mining cluster remains bearish, with Bindura being the only stock traded during the week under review.

Figure 1: Zimbabwe Stock Exchange Indices

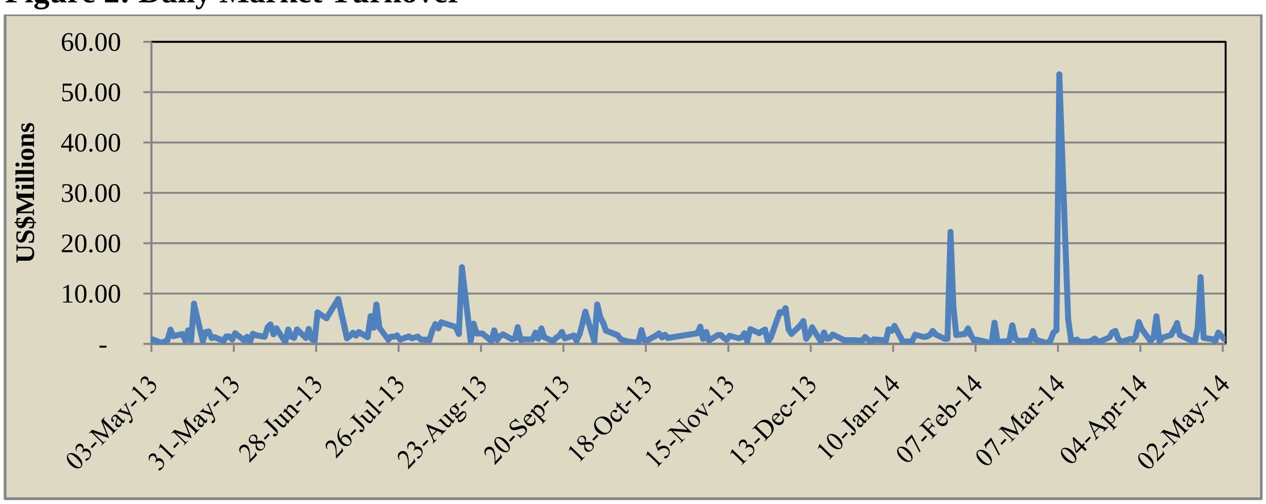


Source: Zimbabwe Stock Exchange, 2014

Volume and Market Turnover

During the week under review, market turnover decreased to US$4.82 million, from US$18.03 million in the previous week, as trading was concentrated in low cap shares.

Figure 2: Daily Market Turnover

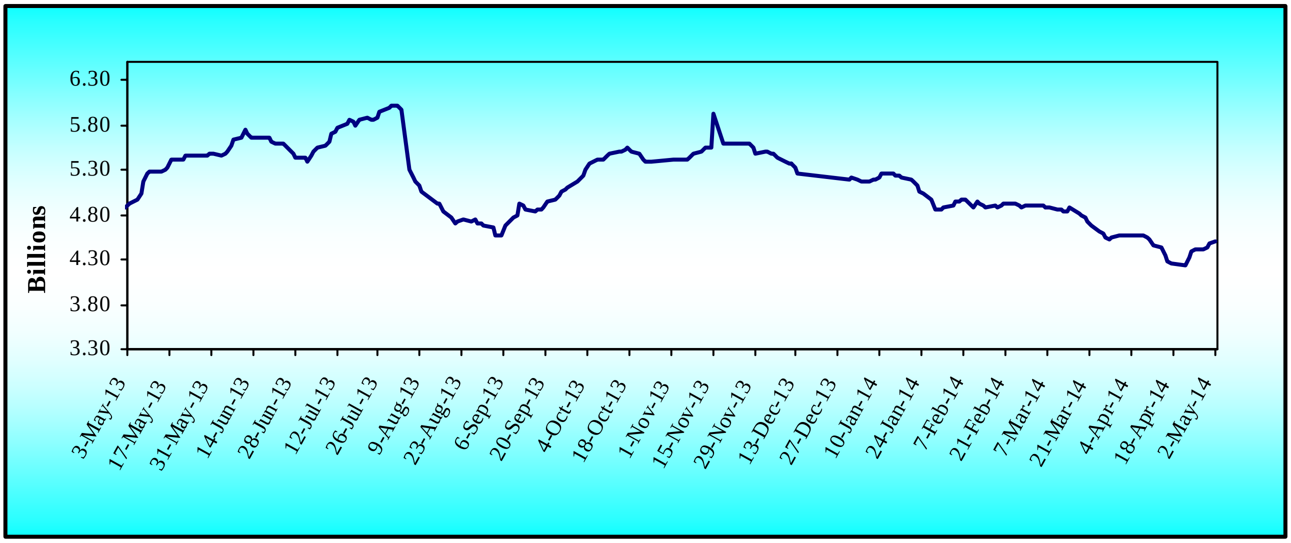


Source: Zimbabwe Stock Exchange, 2014

Market Capitalization

Market capitalization increased by 1.88%, from US$4.41 billion in the previous week to US$4.49 billion, reflecting strong investor interest in the blue chip stocks that characterized the period under review.

Figure 3: Market Capitalization



Source: Zimbabwe Stock Exchange, 2014

Johannesburg Stock Exchange (JSE) Developments

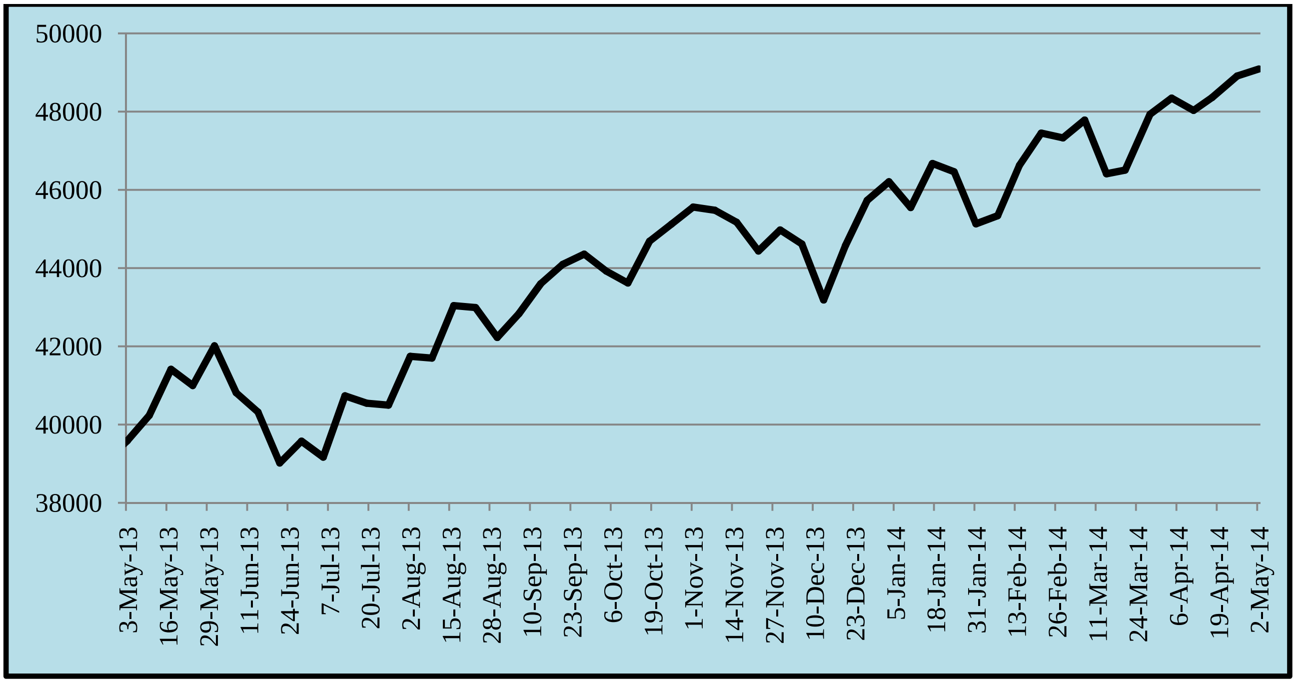
During the week under review, the JSE All Share index and market capitalization increased by 0.37% and 0.44% to 49 091.16 points and R11 477.59 billion, respectively.

Table 7: Johannesburg Stock Exchange (JSE) Statistics

2014	All Share Index (points)	Market Capitalization (R bn)
28-March	47,930.03	11,158.80
04-April	48,347.75	11,247.27
11-April	48,032.41	11,216.03
17-April	48,362.22	11,477.59
25-April	48,910.90	11,426.85
02-May	49,091.16	11,477.63

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

08 MAY 2014