Vol. 17 No. 28

Weekly Economic Highlights

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Week Ending
10th July 2015

1. INTEREST RATES

Deposit Rates

During the week ending 10th July 2015, average deposit rates for savings and fixed deposits of 1 month and 3 months tenors remained unchanged at 3.43%, 8.31% and 10.01%, respectively.

Table 1: Average Deposit Rates

2015	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
12-June	3.43	8.31	10.03
19-June	3.43	8.31	10.03
26-June	3.43	8.31	10.03
03-July	3.43	8.31	10.01
10-July	3.43	8.31	10.01

Source: Banking Institutions, 2015

Lending Rates

Commercial bank weighted lending rates for individual borrowers declined marginally from 11.95% to 11.93%, during the week under review. The weighted lending rates for corporate clients, however, increased by 0.03 percentage points to 8.69%.

Table 2: Lending Rates

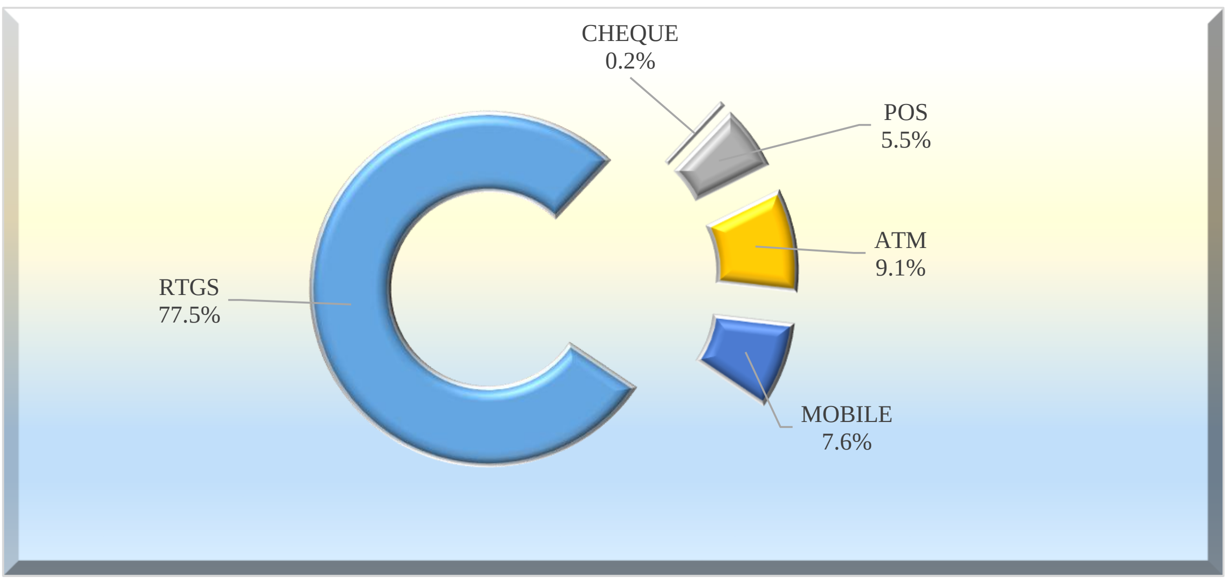
2015	Lending Rates (%) Commercial Banks (weighted)	
	Individuals	**Corporate clients**
12-June	12.07	8.73
19-June	12.04	8.73
26-June	11.94	8.42
03-July	11.95	8.66
10-July	11.93	8.69

Source: Banking Institutions, 2015

2. CLEARING AND SETTLEMENT ACTIVITY

The value of transactions processed through the National Payment Systems (NPS) stood at US$1 225.84 million during the week ending 10th July 2015, up from US$1 212.71 million in the previous week. Transactions processed through the Real Time Gross Settlement (RTGS) system, however, decreased by 4% to US$950.17 million. RTGS payments accounted for 77.51% of the total value of transactions processed through the NPS; ATMs, 9.12%; Mobile, 7.61%; POS, 5.53% and cheque, 0.22%.

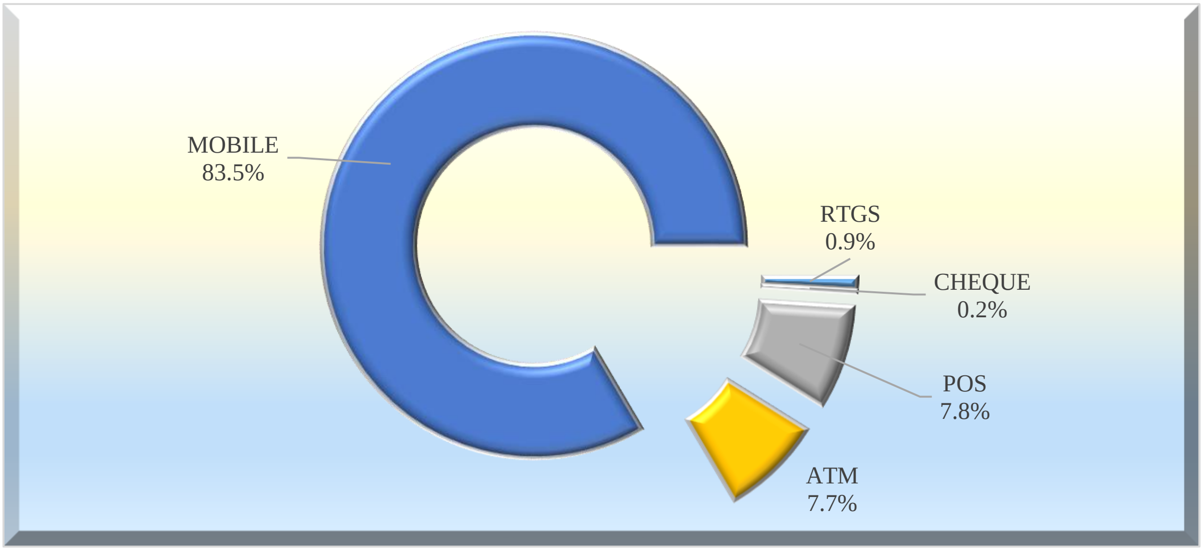
Figure 1: Proportions of NPS Transactions in Value Terms



Source:Reserve Bank of Zimbabwe

Mobile transactions accounted for 83.48% in volume terms, followed by POS, (7.84%); ATMs, (7.66%); RTGS, (0.86%) and Cheques, (0.15%).

Figure 2: Proportions of NPS Transactions in Volume Terms



Source: Reserve Bank of Zimbabwe.

Table 3: National Payment Systems Activity

PAYMENT STREAM	WEEK ENDING 3 July 2015	WEEK ENDING 10 July 2015	CHANGE FROM LAST WEEK	PROPORTION
	VALUES IN USD (millions)			
RTGS	987.81	950.17	-4%	77.51%
CHEQUE	2.87	2.74	-4%	0.22%
POS	36.74	67.83	85%	5.53%
ATMS	79.54	111.77	41%	9.12%
MOBILE	105.75	93.33	-12%	7.61%
TOTAL	**1,212.71**	**1,225.84**		**100%**
	VOLUMES			
RTGS	46,827	44,978	-4%	0.86%
CHEQUE	7,509	7,896	5%	0.15%
POS	319,256	407,792	28%	7.84%
ATMs	272,961	398,628	46%	7.66%
MOBILE	4,340,254	4,342,456	0%	83.48%
TOTAL	**4,986,807**	**5,201,750**		**100%**

Source: Reserve Bank of Zimbabwe

3. TOBACCO SALES

A cumulative total of 185 324 295 kilograms of tobacco had been sold as at 10th July 2015 (day 89 of the 2015 tobacco selling season). This represented a 9.39% decline from the 204 534 262 kilograms sold during the same period in 2014. The average selling price for the golden leaf was US$2.94 per kg - 7.02% lower than the average price of US$3.17 per kg, fetched during the corresponding period in 2014. Total sales were US$545.72 million, compared to US$647.73 million realised during the same period in 2014.

Table 4: Cumulative Tobacco Sales: Day 89 (10/07/15)

	2014	2015	Variance (%)
Cumulative Quantity Sold (kgs)	204,534,262	185,324,295	-9.39%
Cumulative Average Price(US$/kg)	3.17	2.94	-7.02%
Cumulative Value (US$)	647,730,635	545,724,312	-16%

Source: Tobacco Industry and Marketing Board (TIMB), 2015

4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

International commodity prices of gold, platinum, copper, nickel and crude oil retreated during the week ending 10th July 2015. Table 5 below shows price developments in the international commodities market during the week under analysis.

Table 5: Metals and Crude Oil Prices

Period	Gold	Platinum	Copper	Nickel	Crude Oil
2015	US$/ounce	US$/ounce	US$/tonne	US$/tonne	US$/barrel
Weekly Average (3 July)	**1,170.19**	**1,081.20**	**5,751.40**	**11,849.00**	**62.43**
6-Jul	1,165.13	1,055.50	5761.00	12,050.00	57.78
7-Jul	1,161.25	1,052.00	5440.00	11,140.00	55.83
8-Jul	1,156.38	1,015.50	5440.00	10,875.00	57.61
9-Jul	1,159.25	1,035.00	5571.00	10,875.00	58.96
10-Jul	1,160.85	1,032.50	5561.00	11,265.00	58.71
Weekly Average (10 July)	**1,160.57**	**1,038.10**	**5,554.60**	**11,241.00**	**57.78**
Weekly Change (%)	*-0.8*	*-4.0*	*-3.4*	*-5.1*	*-7.4*

Source: BBC, KITCO, Reuters and Bloomberg

Gold

Gold prices declined for the third consecutive week to US$1 160.57/oz during the week ending 10th July 2015, from US$1 170.19/oz in the previous week. The decline was attributed to the firming of the US dollar, following indications that the Fed Res is likely to raise its benchmark rate sometime in 2015. This follows more than six years of near-zero interest rates.

Platinum

Platinum prices declined by 4.0%, from a weekly average of US$1 081.20/oz in the previous week to a weekly average of US$1 038.10/oz during the week under analysis. The decline was attributed to increased production in South Africa.

Copper

Copper prices retreated by 3.4% to US$5 540.60/tonne during the week under review. This was on account of weak global demand for the metal.

Nickel

Nickel prices declined from US$11 849.00/tonne in the previous week to US$11 241/tonne during the week under analysis. Recent volatilities in China's equity markets heightened concerns over China's economic outlook, a development that had adverse repercussions on nickel prices.

Crude Oil

Crude oil prices declined by 7.5%, from a weekly average of US$62.43/barrel in the previous week, to an average of US$57.78/barrel during the week under review. The decline in oil prices was occasioned by the weak economic outlook in China and rising oil output from OPEC member states and the United States of America.

5. EQUITY MARKETS

During the week ending 10th July 2015, negative sentiments persisted on the Zimbabwe Stock Exchange (ZSE) for the third consecutive week. Consequently, the industrial and mining indices declined by 0.92% and 0.1%, to 144.86 points and 39.72 points, respectively.

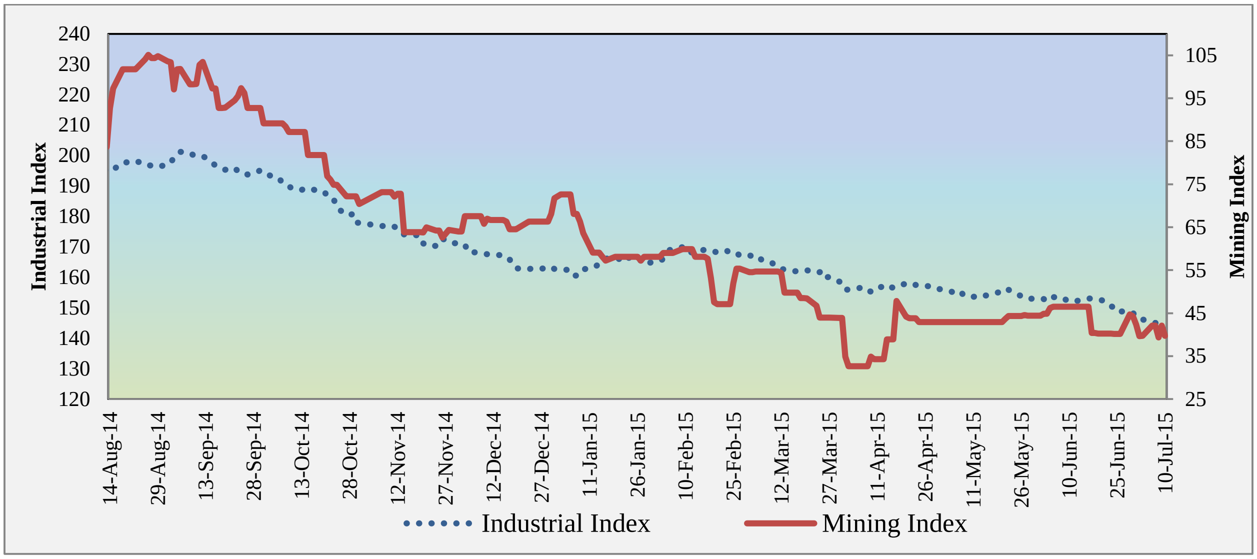
The industrial index was largely dragged down by share price losses in Fidelity Life (27.78%), Dawn (12.50%), Powerspeed (8.33%), Turnall (4.76%), Z.P.I. (3.61%), Delta (2.75%) and B.A.T. (0.44%). The mining index marginally declined as a result of losses in Falgold (37.50%) and Rio Zim (8.57%).

Table 6: Zimbabwe Stock Exchange (ZSE) Statistics

Period	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US$)	Market Turnover (US$)	Volume of Shares
12-June-15	152.20	46.54	3,968,883,265	3,492,167	28,242,831
19-June-15	152.90	40.28	3,978,036,078	5,202,854	24,644,727
26-June-15	148.79	40.19	3,869,035,933	1,906,697	12,368,517
03-July-15	146.20	39.76	3,802,325,041	4,129,654	61,921,904
10-July-15	144.86	39.72	3,787,624,893	3,870,668	14,160,800

Source: Zimbabwe Stock Exchange (ZSE), 2015

Figure 3 : Zimbabwe Stock Exchange Indices

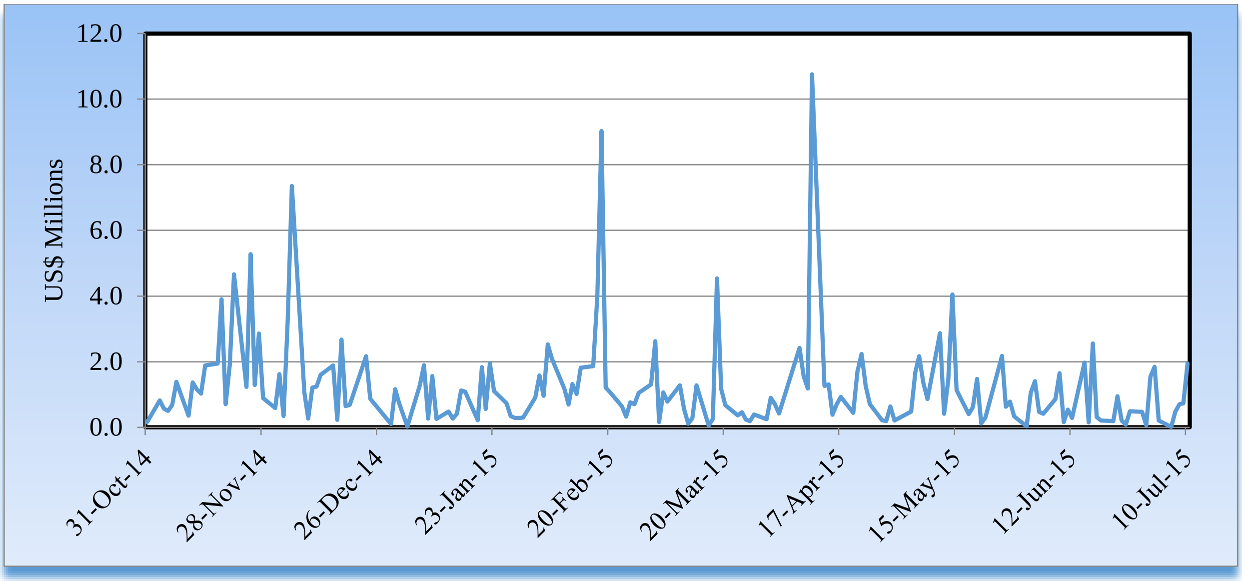


Source: Zimbabwe Stock Exchange, 2015

Market Turnover and Volume

Trading activity was subdued during the first week of Automated Trading at the ZSE. Resultantly, market turnover declined by 6.27%, from US$4.13 million in the previous week to US$3.87 million, during the week under review. The volume of shares traded decreased significantly to 14 160 800 shares, from 61 921 904 shares in the previous week.

Figure 4: Daily Market Turnover

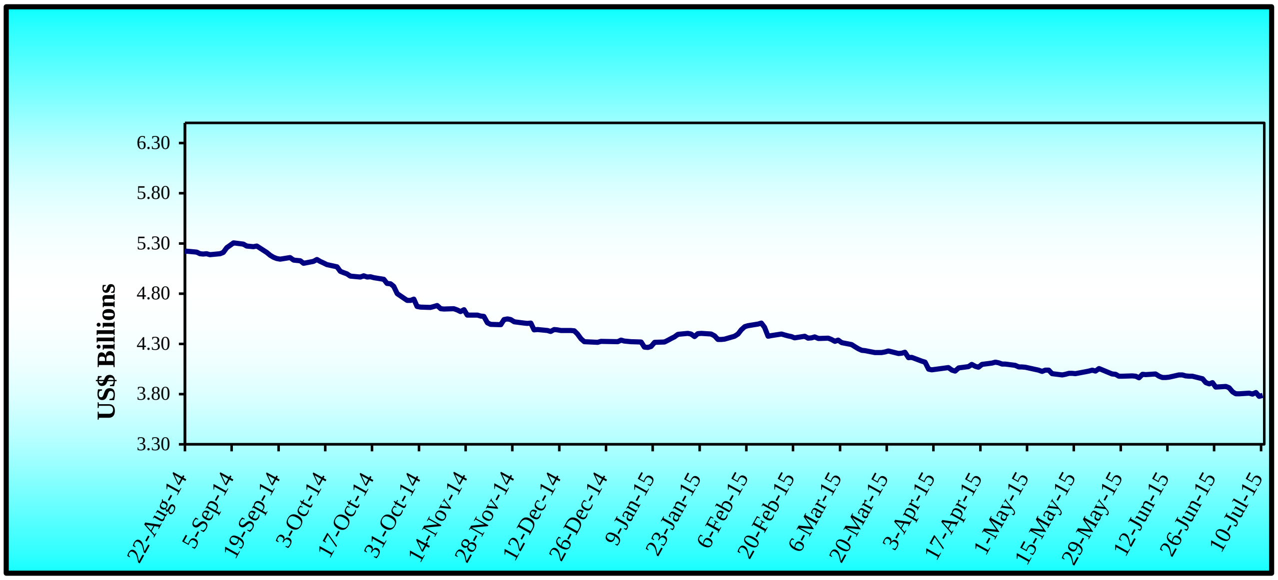


Source: Zimbabwe Stock Exchange, 2015

Market Capitalisation

During the week under review, market capitalisation stood at US$3.79 billion, down from US$3.80 billion in the previous week.

Figure 5 : Market Capitalization



Source: Zimbabwe Stock Exchange, 2015

Johannesburg Stock Exchange (JSE) Developments

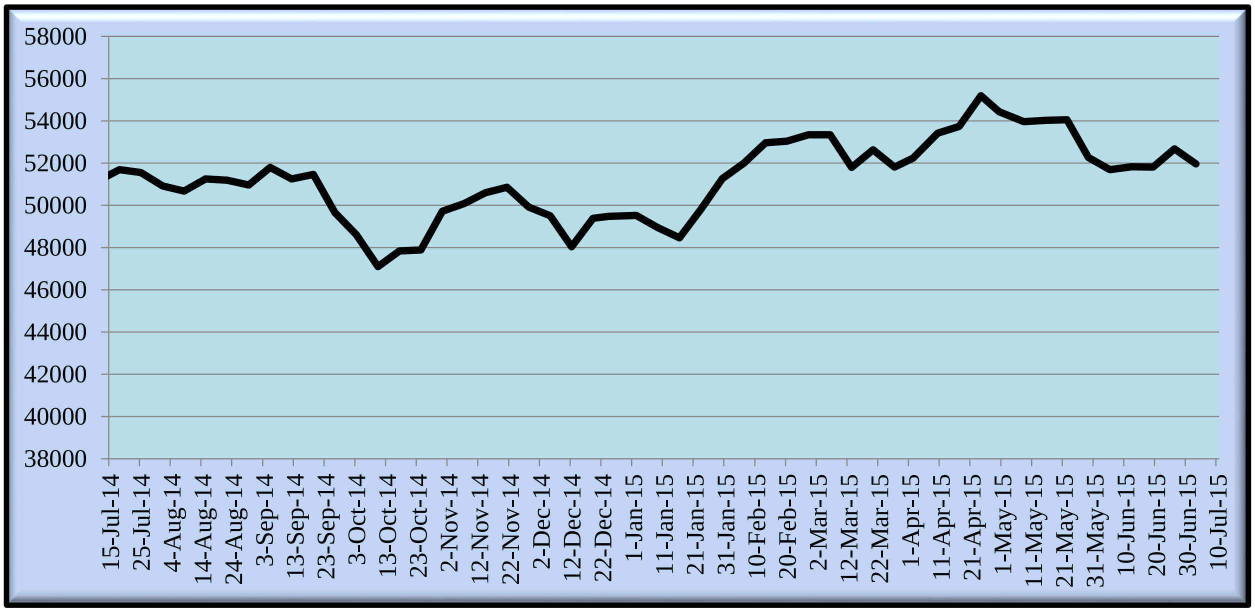
The JSE All Share index declined by 0.32%, to close the week under review at 51 800.70 points. Market capitalization stood at R11.97 trillion, up from R11.96 trillion in the previous week.

Table 7: Johannesburg Stock Exchange (JSE) Statistics

Period- 2015	All Share Index (points)	Market Capitalization (R trillion)
12-June	51,828.76	12,00
19-June	51,806.71	12,00
26-June	52,669.75	12,17
03-July	51,967.08	11,96
10-July	51,800.70	11,97

Source:https://www.jse.co.za/services/market-data/market-statistics

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



Source:https://www.jse.co.za/services/market-data/market-statistics

RESERVE BANK OF ZIMBABWE

17TH JULY 2015