Vol. 17 No. 29

Weekly Economic Highlights

Table of Contents

Week Ending
17th July 2015

1. INTEREST RATES

Deposit Rates

During the week ending 17th July 2015 average deposit rates declined for all classes of deposits. Average savings deposit rates closed the week under review at 3.00%, while those for 1 month and 3 months tenors stood at 8.28% and 9.46%, respectively.

Table 1: Average Deposit Rates

2015	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
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
17-July	3.00	8.28	9.46

Source: Banking Institutions, 2015

Lending Rates

Commercial bank weighted lending rates for individuals and corporate clients stood at 11.58% and 8.82%, respectively.

Table 2: Lending Rates

2015	Lending Rates (%) Commercial Banks (weighted)	
	Individuals	**Corporate clients**
19-June	12.04	8.73
26-June	11.94	8.42
03-July	11.95	8.66
10-July	11.93	8.69
17-July	11.58	8.82

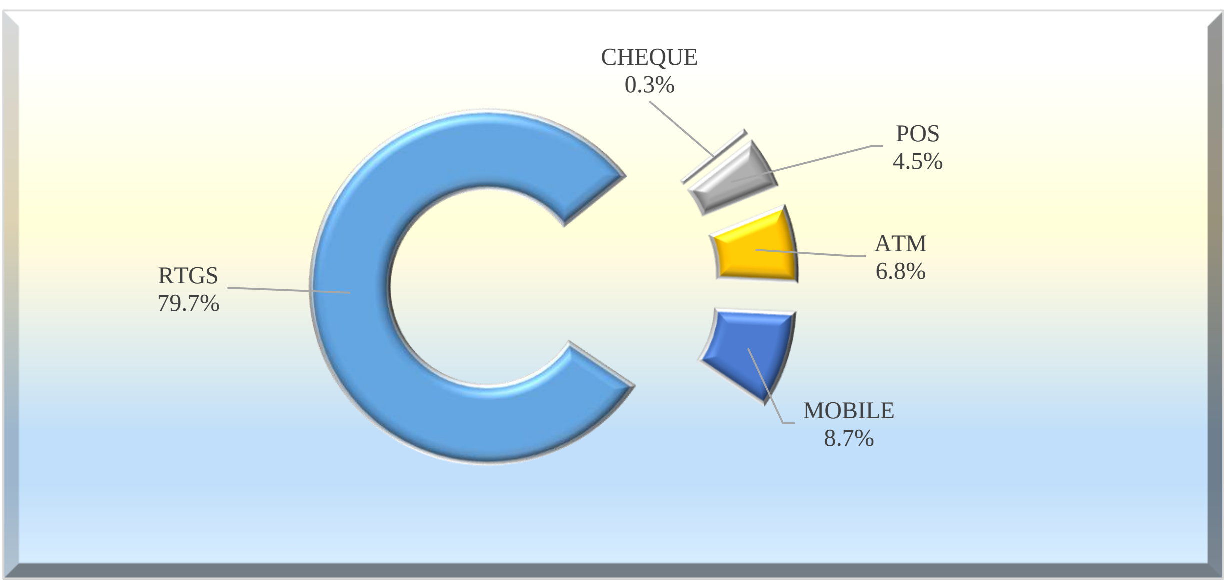
Source: Banking Institutions, 2015

2. CLEARING AND SETTLEMENT ACTIVITY

The total value of transactions processed through the National Payment System (NPS) declined from US$1 225.84 million in the previous week, to US$912.38 million during the period under review. The decline was partially attributed to a fall in the value of transactions processed through the Real Time Gross Settlement (RTGS) system. RTGS transactions decreased from US$950.17 million in the previous week, to US$727.77 million during the week under review.

In proportional terms, RTGS payments accounted for 79.74% of the total value NPS transactions, followed by Mobile, 8.70%; ATMs, 6.84%; POS, 4.46% and cheque, 0.26%.

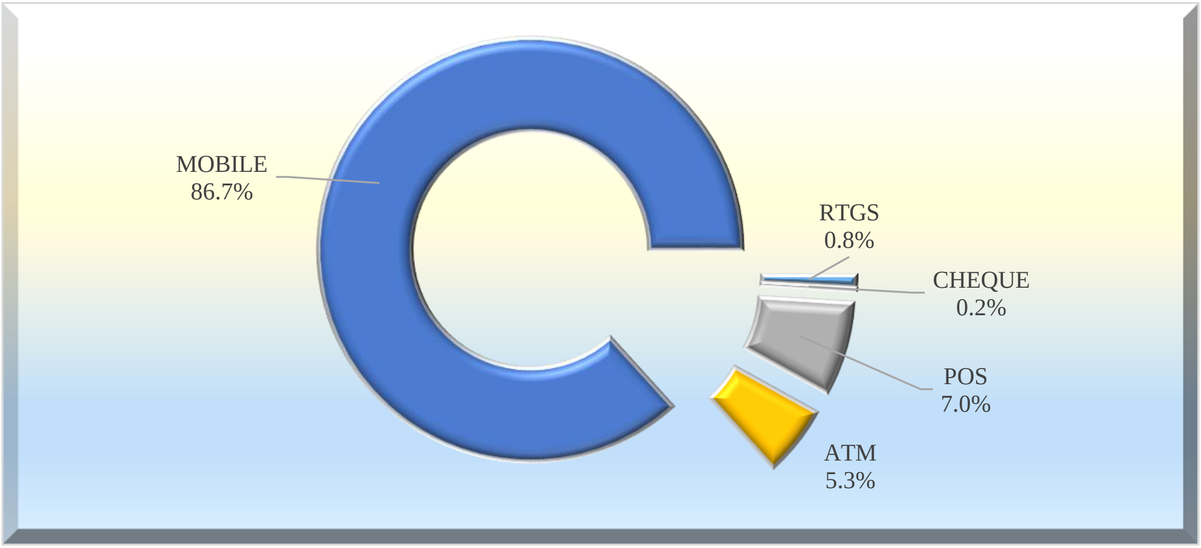
Figure 1: Proportions of NPS Transactions in Value Terms



Source:Reserve Bank of Zimbabwe

In terms of volume, Mobile-based transactions accounted for 86.73% of total NPS transactions; POS, 7.04%; ATM’s, 5.26%; RTGS, 0.83% and cheque, 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 10 July 2015	WEEK ENDING 17 July 2015	CHANGE FROM LAST WEEK	PROPORTION
	VALUES IN USD (millions)			
RTGS	950.17	727.77	-23%	79.74%
CHEQUE	2.74	2.40	-12%	0.26%
POS	67.83	40.69	-40%	4.46%
ATMS	111.77	62.39	-44%	6.84%
MOBILE	93.33	79.40	-15%	8.70%
TOTAL	**1,225.84**	**912.67**		**100%**
	VOLUMES			
RTGS	44,978	39,145	-13%	0.83%
CHEQUE	7,896	7,248	-8%	0.15%
POS	407,792	333,274	-18%	7.04%
ATMs	398,628	248,838	-38%	5.26%
MOBILE	4,342,456	4,106,532	-5%	86.73%
TOTAL	**5,201,750**	**4,735,037**		**100%**

Source: Reserve Bank of Zimbabwe

3. TOBACCO SALES

As at 17th July 2015 (day 93 of the 2015 tobacco selling season), a cumulative total of 189 068 285 kilograms of tobacco had been sold. This was a 8.47% decline from the 206 565 040 kilograms sold during the corresponding period in 2014.

Cumulative tobacco sales amounted to US$554.05 million, down from the US$655.34 million realized during the corresponding period in 2014. The golden leaf fetched a lower average price of US$2.93/kg, compared to US$3.17/kg during the same period in 2014.

Table 4: Cumulative Tobacco Sales: Day 93 (17/07/15)

	2014	2015	Variance (%)
Cumulative Quantity Sold (kgs)	206,565,040	189,068,285	-8.47%
Cumulative Average Price(US$/kg)	3.17	2.93	-7.63%
Cumulative Value (US$)	655,339,687	554,048,963	-15.46%

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

4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The weekly average international commodity prices for gold, platinum and crude oil declined during the week ending 17th July 2015. Copper and nickel prices, however, firmed as shown in Table 5 below.

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 (10 July)	**1,160.57**	**1,038.10**	**5,554.60**	**11,241.00**	**57.78**
13-Jul	1,154.48	1,035.50	5,605.50	11,450.00	57.63
14-Jul	1,155.30	1,026.50	5,605.50	11,450.00	57.53
15-Jul	1,151.08	1,022.50	5,595.00	11,730.00	57.62
16-Jul	1,144.75	1,041.81	5,530.00	11,415.00	57.85
17-Jul	1,137.50	991.00	5,530.00	11,425.00	56.59
Weekly Average (17 July)	**1,148.62**	**1,023.46**	**5,573.20**	**11,494.00**	**57.44**
Weekly Change (%)	*-1.0*	*-1.4*	*0.3*	*2.3*	*-0.6*

Source: BBC, KITCO, Reuters and Bloomberg

Gold

Gold prices continued on a negative trajectory during the week ending under review, declining from US$1 160.57/oz in the previous week to US$1 148.62/oz. The decline was largely on account of the strengthening of the US dollar, which led to the loss of appeal of the yellow metal as a safe investment haven.

Platinum

Platinum prices declined by 1.4% to US$1 023.46/oz during the week under analysis. This was partly attributed to global platinum oversupply concerns occasioned by increased platinum production in South Africa.

Copper

Copper prices rebounded from US$5 554.60/tonne in the previous week, to US$5 573.20/tonne during the week under review. Prices were boosted by rising expectations that China's economic outlook had improved. An improved economic outlook is anticipated to boost demand for copper in China, the world's largest consumer of the base metal.

Nickel

International nickel prices increased from US$11 241/tonne in the previous week, to US$11 494/tonne during the week ending 17th July 2015. The rise in price was attributed to renewed nickel demand from Chines industrial users, following a boost in the country's economic outlook. Chines data showed that second quarter 2015 economic growth surpassed expectations.

Crude Oil

Crude oil prices fell by 0.6% to close the week under analysis at US$57.44/barrel. This was on account of persistent oversupply concerns excebated by an increase in crude oil exports by Iran.

5. EQUITY MARKETS

Trading on the Zimbabwe Stock Exchange (ZSE) was mixed during the week ending 17th July 2015. The industrial index slumped from 144.86 points in the previous week, to close the week under review at 143.49 points. The mining index, however, registered a marginal gain of 0.93% to close the week under analysis at 40.09 points.

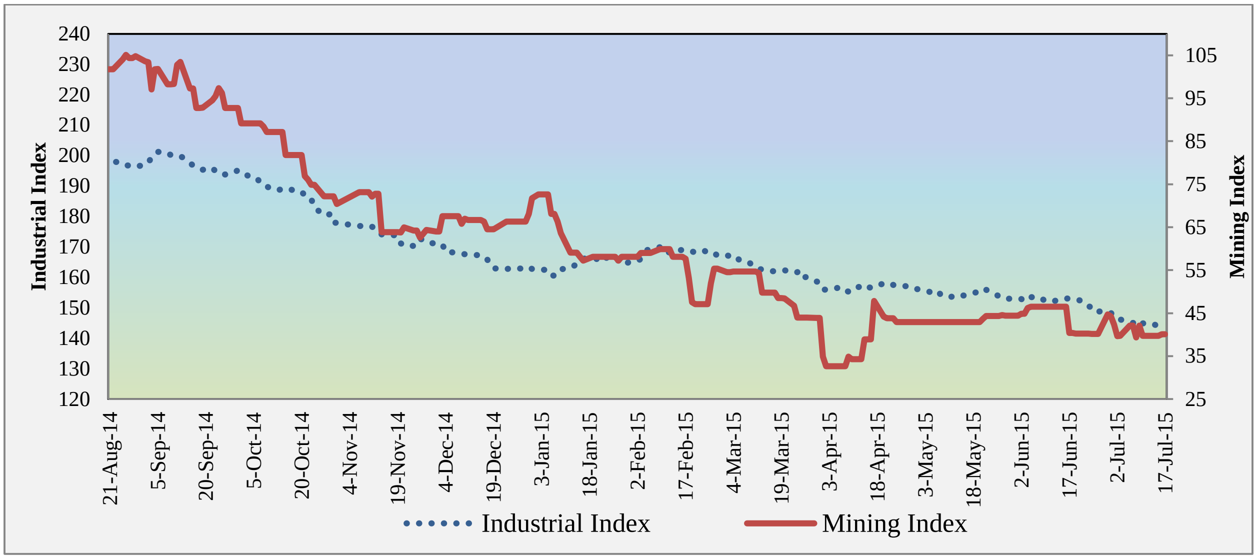
The industrial index declined on account of losses in share prices of OK Zimbabwe (16.67%), Fidelity Life (5.80%), Econet (5.23%), PPC (4.35%), Innscor (1.95%), Star Africa (1.60%), Mashonaland Holdings (0.99%), and Delta (0.51%). The marginal increase in the mining index was largely attributed to share price gains in Hwange (5.13%) and Rio Zim (1.56%).

Table 6: Zimbabwe Stock Exchange (ZSE) Statistics

Period	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US$)	Market Turnover (US$)	Volume of Shares
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
17-July-15	143.49	40.09	3,765,437,915	5,081,668	41,985,980

Source: Zimbabwe Stock Exchange (ZSE), 2015

Figure 3 : Zimbabwe Stock Exchange Indices

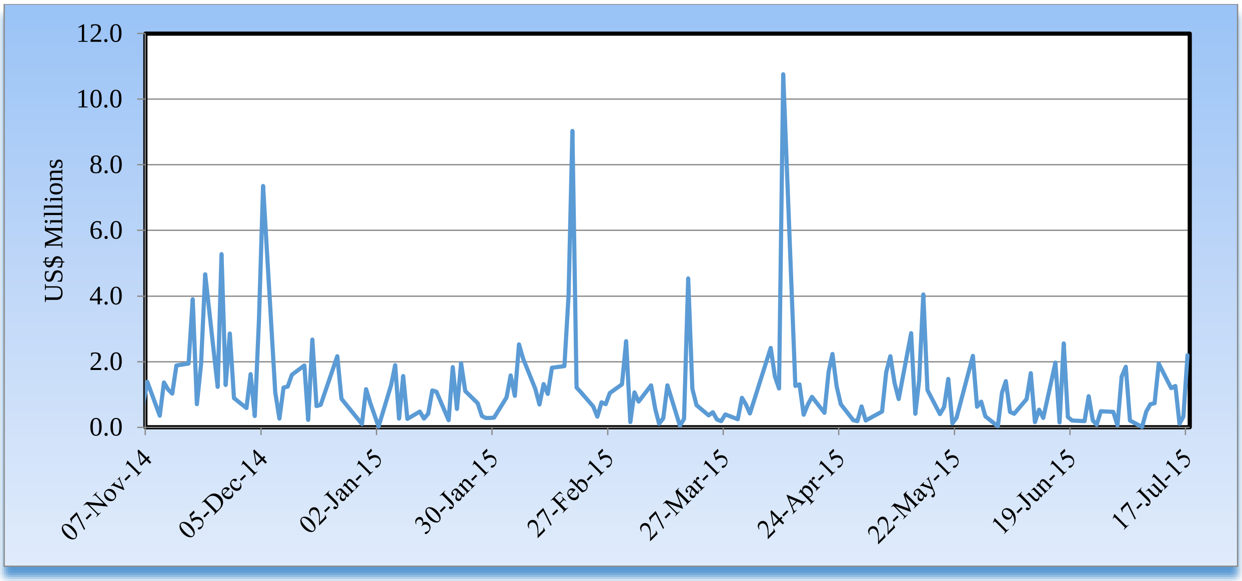


Source: Zimbabwe Stock Exchange, 2015

Market Turnover and Volume

Market turnover increased from US$3.87 million during the week ending 10th July 2015, to US$5.08 million during the week under review. In volume terms, shares traded increased from 14 160 800 shares in the previous week, to 41 985 980 shares during the week under review. Notable trades were registered in heavyweight counters such as Econet, Delta, Innscor and SeedCo.

Figure 4: Daily Market Turnover

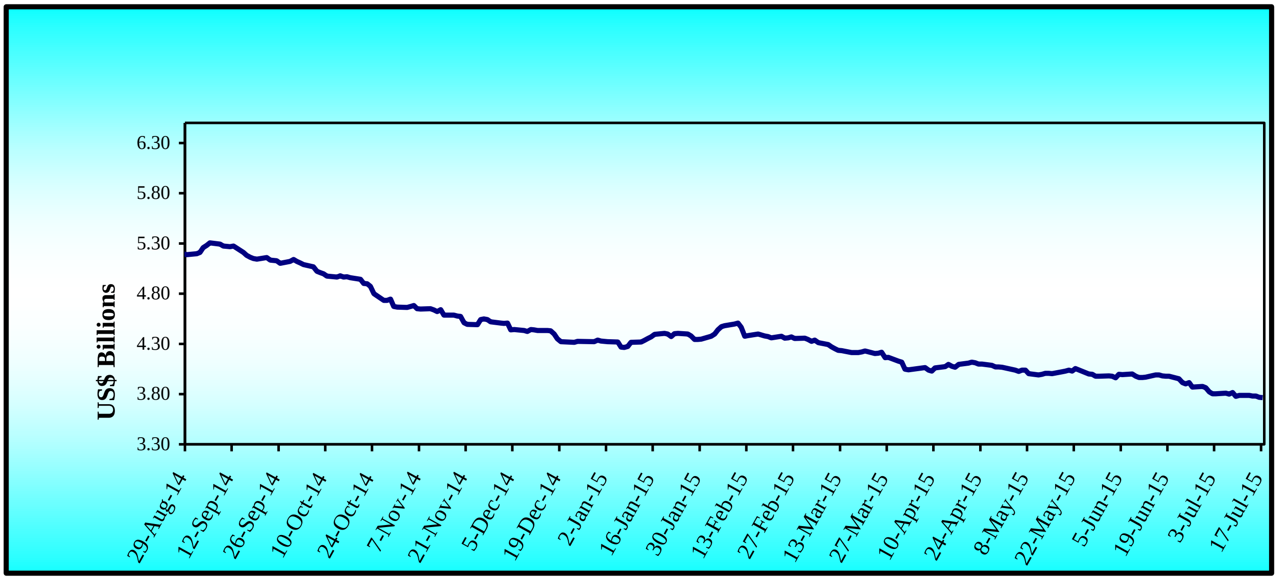


Source: Zimbabwe Stock Exchange, 2015

Market Capitalisation

During the week under review, market capitalisation declined by 0.59% to US$3.77 billion, largely on account of share price declines in large industrial counters.

Figure 5 : Market Capitalization



Source: Zimbabwe Stock Exchange, 2015

Johannesburg Stock Exchange (JSE) Developments

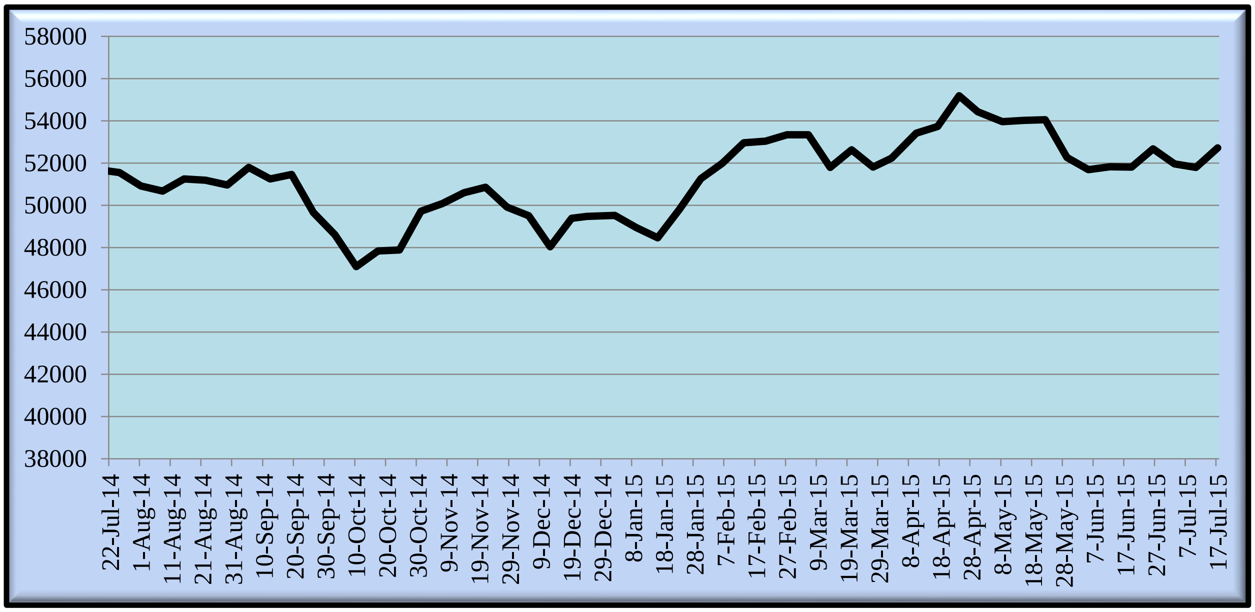
During the week under review, the JSE All Share index rose from 51 800.70 points, to close the week under review at 52 723.72 points. Similarly, market capitalization increased to R12.15 trillion, from R11.97 trillion in the previous week.

Table 7: Johannesburg Stock Exchange (JSE) Statistics

Period- 2015	All Share Index (points)	Market Capitalization (R trillion)
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
17-July	52,723.72	12,15

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

24TH JULY 2015