Vol. 17 No. 30

RESERVE BANK OF ZIMBABWE

Weekly Economic Highlights

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Week Ending
24th July 2015

1. INTEREST RATES

Deposit Rates

Average deposit rates for savings remained unchanged at 3.00%, during the week ending 24th July 2015. The average rates for fixed deposits of 1 month and 3 month tenors, however, declined to 8.22% and 9.40%, respectively.

Table 1: Average Deposit Rates

2015	Savings Deposits (%)	1-Month Deposits (%)	3-Months Deposits (%)
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
24-July	3.00	8.22	9.40

Source: Banking Institutions, 2015

Lending Rates

During the week under analysis, commercial banks' weighted lending rates for individuals firmed to 11.92%. Weighted lending rates for corporate clients at commercial banks, however, declined to 8.86%.

Table 2: Lending Rates

2015	Lending Rates (%) Commercial Banks (weighted)	
	Individuals	**Corporate clients**
26-June	11.94	8.42
03-July	11.95	8.66
10-July	11.93	8.69
17-July	11.58	8.82
24-July	11.92	8.56

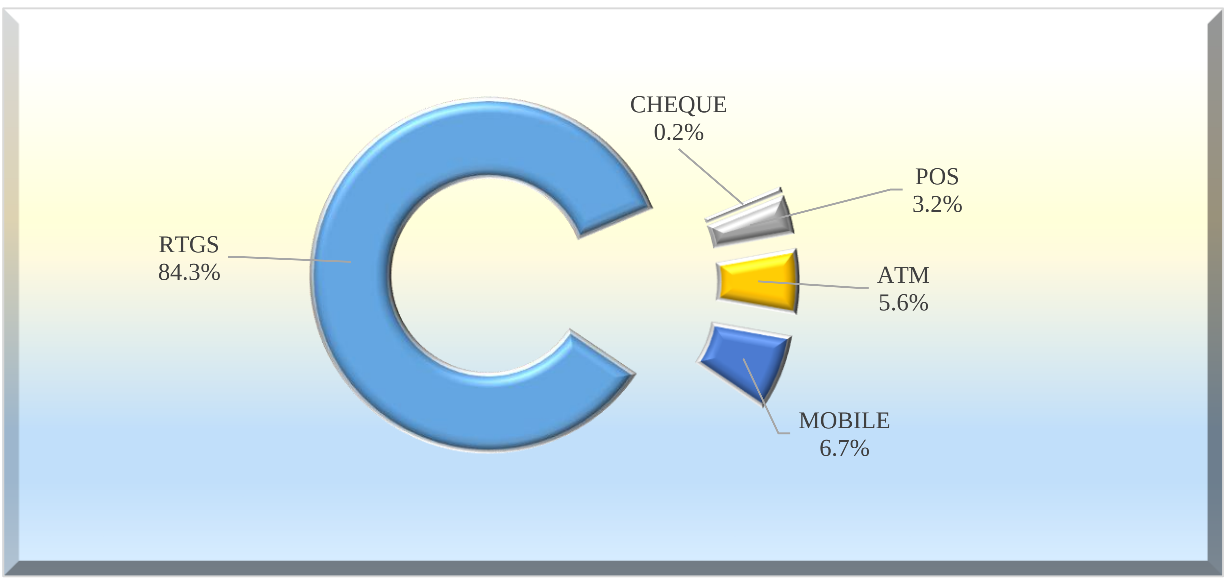
Source: Banking Institutions, 2015

2. CLEARING AND SETTLEMENT ACTIVITY

During the week ending 24th July 2015, the total value of transactions processed through the National Payment System (NPS) rose to US$1 081.01 million, from US$912.38 million recorded in the previous week. In tandem, transactions processed through Real Time Gross Settlement (RTGS) system increased to US$910.79 million, from US$727.77 million in the previous week.

RTGS accounted for 84.25%; Mobile, 6.65%; ATM's, 5.64%; POS, 3.21%; and cheque transactions accounted for 0.24% of the total value of transactions.

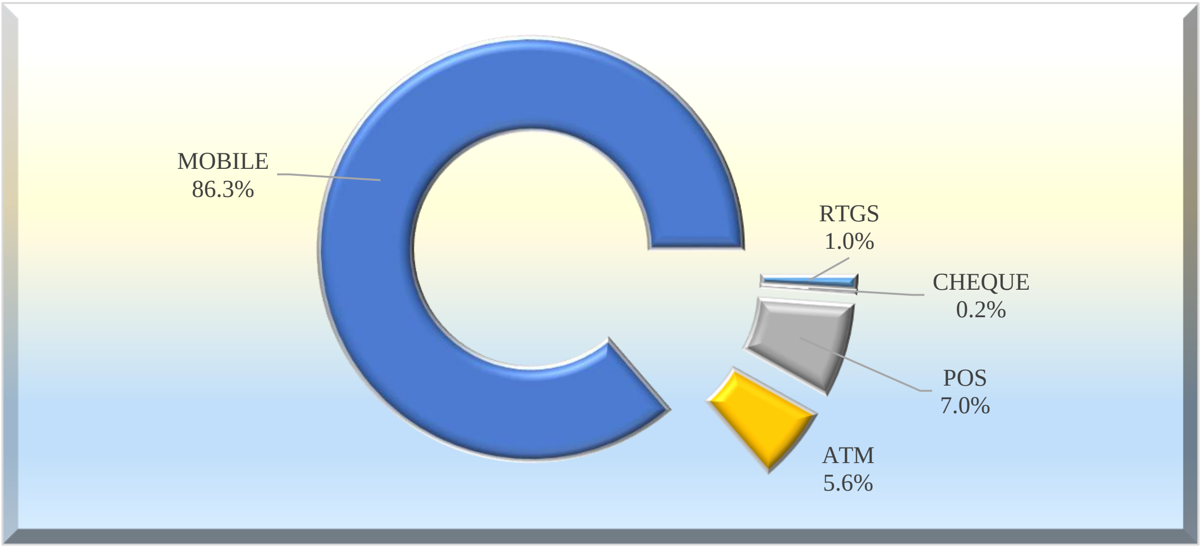
Figure 1: Proportions of NPS Transactions in Value Terms



Source:Reserve Bank of Zimbabwe

In terms of volume, the distribution of NPS transactions was as follows; Mobile, 86.30%; POS, 6.96%; ATM's, 5.60%; RTGS, 0.97% and cheque, 0.17%.

Figure 2: Proportions of NPS Transactions in Volume Terms



Source: Reserve Bank of Zimbabwe.

Table 3: National Payment Systems Activity

PAYMENT STREAM	WEEK ENDING 17 July 2015	WEEK ENDING 24 July 2015	CHANGE FROM LAST WEEK	PROPORTION
	VALUES IN USD (millions)			
RTGS	727.77	910.79	25%	84.25%
CHEQUE	2.40	2.57	7%	0.24%
POS	40.69	34.69	-15%	3.21%
ATMS	62.39	61.02	-2%	5.64%
MOBILE	79.40	71.93	-9%	6.65%
TOTAL	**912.67**	**1,081.01**		**100%**
RTGS	39,145	42,569	9%	0.97%
CHEQUE	7,248	7,660	6%	0.17%
POS	333,274	306,890	-8%	6.96%
ATMs	248,838	246,695	-1%	5.60%
MOBILE	4,106,532	3,802,985	-7%	86.30%
TOTAL	**4,735,037**	**4,406,799**		**100%**

Source: Reserve Bank of Zimbabwe

3. TOBACCO SALES

A cumulative total of 192 479 800 kilograms of tobacco had been sold as at 24th July 2015 (day 99 of the 2015 tobacco selling season). This represented an 8.29% decline from the 209 883 878 kilograms sold during the same period in 2014. The average selling price for the golden leaf was US$2.94 per kg - 7.27% lower than the average price of US$3.17 per kg, fetched during the corresponding period in 2014. Total sales were US$566.52 million, compared to US$666.14 million realised during the same period in 2014.

Table 4: Cumulative Tobacco Sales: Day 99 (24/07/15)

	2014	2015	Variance (%)
Cumulative Quantity Sold (kgs)	209,883,878	192,479,800	-8.29%
Cumulative Average Price(US$/kg)	3.17	2.94	-7.27%
Cumulative Value (US$)	666,140,027	566,519,060	-15%

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

4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

During the week ending 24th July 2015, international commodity prices for gold, platinum, copper and crude oil retreated. 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 (17 July)	**1,160.57**	**1,038.10**	**5,554.60**	**11,241.00**	**57.78**
20-Jul	1,109.80	982.00	5,425.00	11,425.00	56.55
21-Jul	1,106.80	984.00	5,425.00	11,775.00	56.96
22-Jul	1,092.70	966.00	5,350.00	11,545.00	56.24
23-Jul	1,099.53	960.00	5,335.00	11,240.00	56.23
24-Jul	1,059.78	978.50	5,225.00	11,170.00	55.07
Weekly Average (24 July)	**1,093.72**	**974.10**	**5,352.00**	**11,431.00**	**56.21**
Weekly Change (%)	*(5.8)*	*(6.2)*	*(3.6)*	*1.7*	*(2.7)*

Source: BBC, KITCO, Reuters and Bloomberg

Gold

Gold prices softened by 5.8% from a weekly average of US$1 160.57 recorded in the previous week, to close the week under review at US$1 093.72/oz. The precious metal's price retreated on account of the continued strengthening of the US dollar buoyed by the expected rise in US interest rates and the positive economic outlook in the world's leading economy.

Platinum

Similarly, platinum prices declined by 6.2% to US$974.10/oz, during the week under review. The demand for platinum was also undermined by the appreciation of the US Dollar against major world currencies.

Copper

Copper prices were 3.6% lower at US$5 352.00/tonne during the week under analysis, from an average of US$5 554.60/tonne realized in the previous week. The decline in prices is attributed to excess supply on the backdrop of weak demand from China, the world's largest consumer of the base metal.

Nickel

Nickel prices maintained an upward trend, firming by 1.7% to US$11 431/tonne during the week under review. Increased activity in China's alloy industry has shored up nickel demand, a development that has exerted upward pressure on the metal's prices.

Crude Oil

Crude oil prices continued on a bearish trend, closing the week under analysis at US$56.21/barrel, compared to a weekly average of US$57.78/barrel recorded in the previous week. An unexpected accumulation of U.S crude oil inventories, coupled with the output expansion by the Organization of the Petroleum Exporting Countries (OPEC) dampened crude oil prices.

5. EQUITY MARKETS

During the week ending 24th July 2015, there was positive trading on the Zimbabwe Stock Exchange (ZSE). This was reflected by a 1.68% increase in the industrial index, from 143.49 points in the previous week to 145.90 points. Likewise, the mining index rose by 2.12% to close the week under review at 40.94 points.

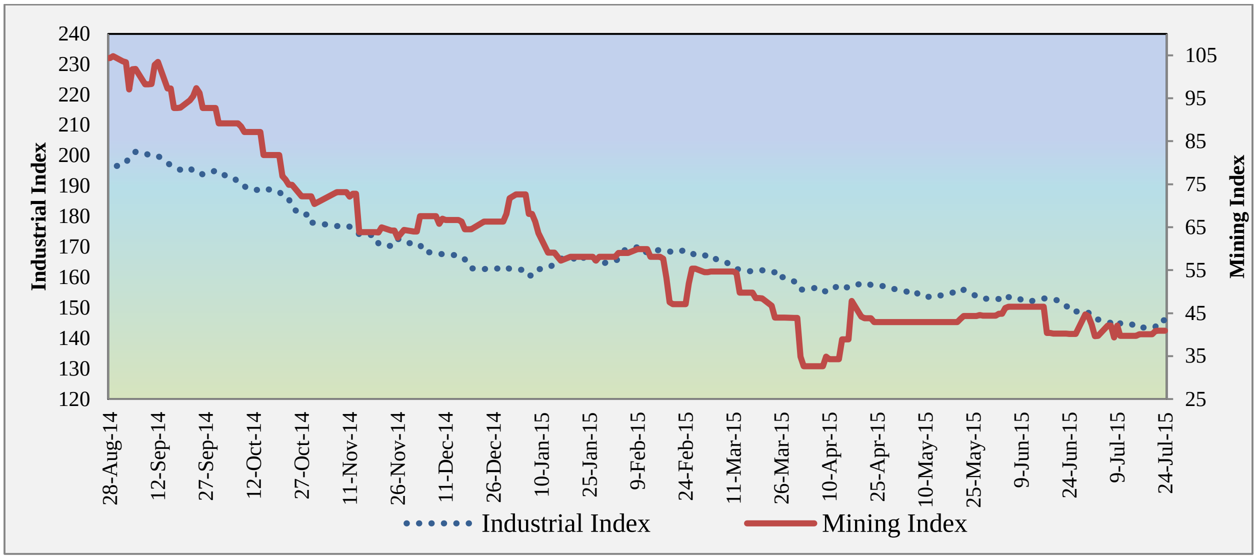
The industrial index gained due to increases in share prices of Willdale (20%), Dawn (6.67%), SeedCo (3.60%), Delta (3.36%), Fidelity (3.08%), Hippo Valley (2.76%), Econet (2.50%), Innscor (2.02%), OK Zimbabwe (1.33%) and Barclays (1.18%). The marginal increase in the mining index was largely attributed to a 20% gain in Falgold and a 7.69% gain in Rio Zim.

Table 6: Zimbabwe Stock Exchange (ZSE) Statistics

Period	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (US$)	Market Turnover (US$)	Volume of Shares
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
24-July-15	145.90	40.94	3,829,331,098	3,474,177	18,749,070

Source: Zimbabwe Stock Exchange (ZSE), 2015

Figure 3 : Zimbabwe Stock Exchange Indices

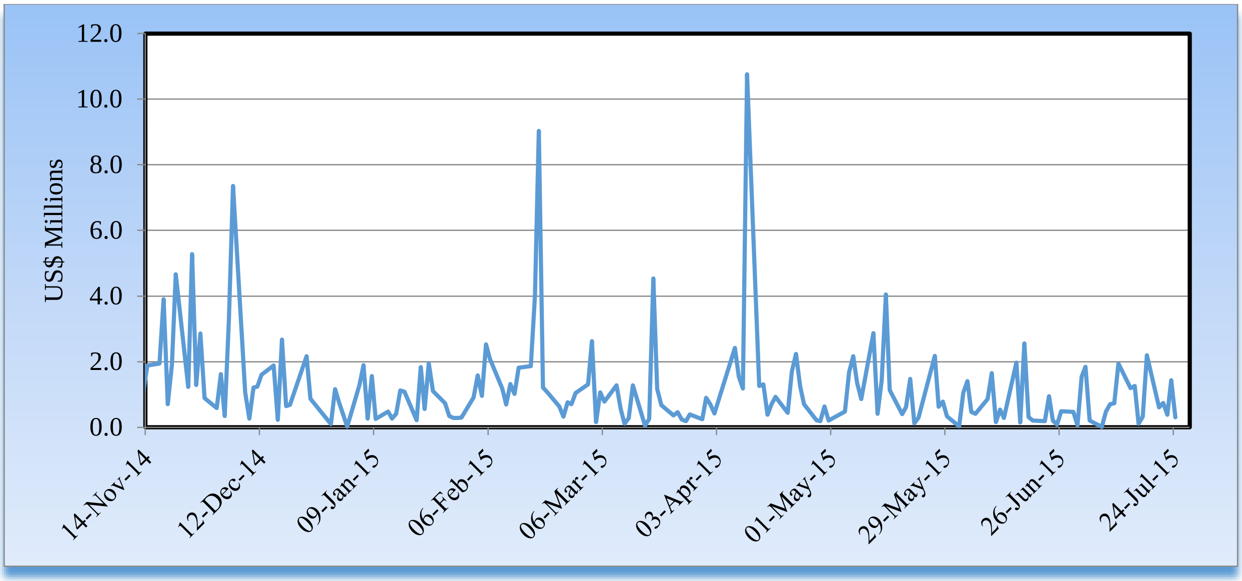


Source: Zimbabwe Stock Exchange, 2015

Market Turnover and Volume

Market turnover retreated by 31.63%, from US$5.08 million in the previous week, to US$3.47 million during the week under review. Similarly, volume of shares traded declined from 41 985 980 shares, to 18 749 070 shares.

Figure 4: Daily Market Turnover

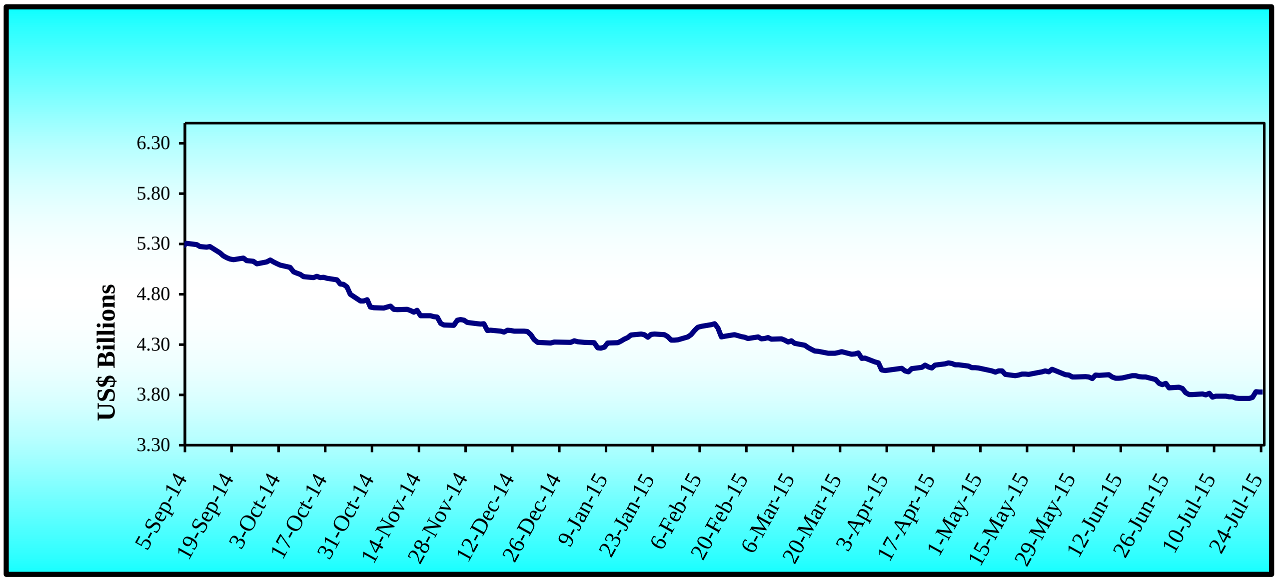


Source: Zimbabwe Stock Exchange, 2015

Market Capitalisation

As a consequence of positive trading on the ZSE during the week under review, the market capitalisation gained by 1.70% to close the week at US$3.83 billion, from US$3.77 billion in the previous week.

Figure 5 : Market Capitalization



Source: Zimbabwe Stock Exchange, 2015

Johannesburg Stock Exchange (JSE) Developments

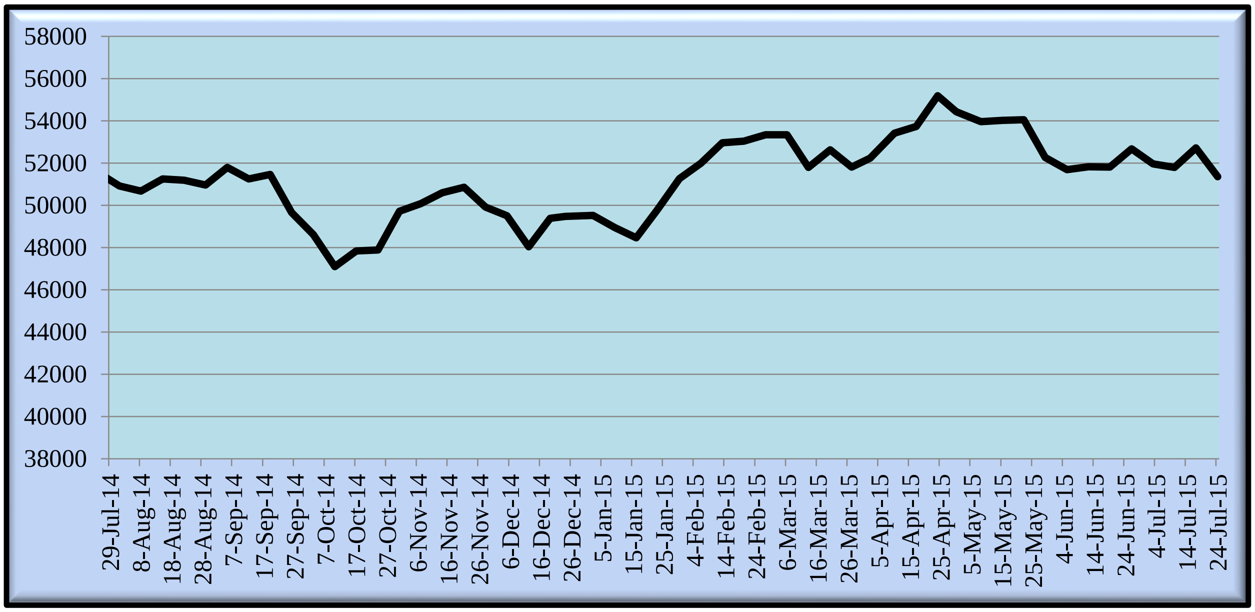
The JSE All Share index closed the week under review at 51 356.08 points, down from 52 723.72 points in the previous week. Market capitalisation, also declined to R11.81 trillion.

Table 7: Johannesburg Stock Exchange (JSE) Statistics

Period- 2015	All Share Index (points)	Market Capitalization (R trillion)
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
24-July	51,356.08	11,81

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

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31ST JULY 2015