



# Weekly Economic Highlights

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Week Ending  
14<sup>th</sup> August 2020

## 1. INTEREST RATES

### Deposit Rates

During the week ending 14<sup>th</sup> August 2020, minimum deposit rates for savings deposits remained unchanged at 2.35%. Minimum deposit rates for deposits of 1-month tenor declined by 0.38 percentage points to close at 3.50%, while deposit rates for deposits of 3-month tenor increased by 0.38% to close at 4.74%, during the same week. Maximum deposit rates for savings deposits remained unchanged at 5.19%. Deposits of 1-month tenor attracted maximum deposit rates of 6.62%, while maximum deposits rates for deposits of 3-month tenor stood at 7.44%, as shown in Table 1.

**Table 1: Average Deposit Rates (per annum)**

Date	Savings deposits (%)		1- Month deposit rates (%)		3- Month deposit rates (%)	
	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
17-July-20	2.35	5.19	3.28	6.62	4.21	7.70
24-July-20	2.35	5.19	3.28	6.62	4.21	7.70
31-July-20	2.35	5.19	3.88	6.99	4.36	7.17
7-Aug-20	2.35	5.19	3.88	6.99	4.36	7.17
14-Aug-20	2.35	5.19	3.50	6.62	4.74	7.44

Source: Reserve Bank of Zimbabwe, 2020

### Lending Rates

Commercial bank minimum lending rates for individuals increased from 18.87% in the previous week to 19.85%, during the week under review. Minimum lending rates for corporate clients, however, declined by 2.13% during the same period. Maximum lending rates for individuals and corporates increased by 0.09 and 0.54 percentage points to close at 13.51% and 47.81%, respectively, as shown in Table 2.

**Table 2: Lending Rates (per annum)**

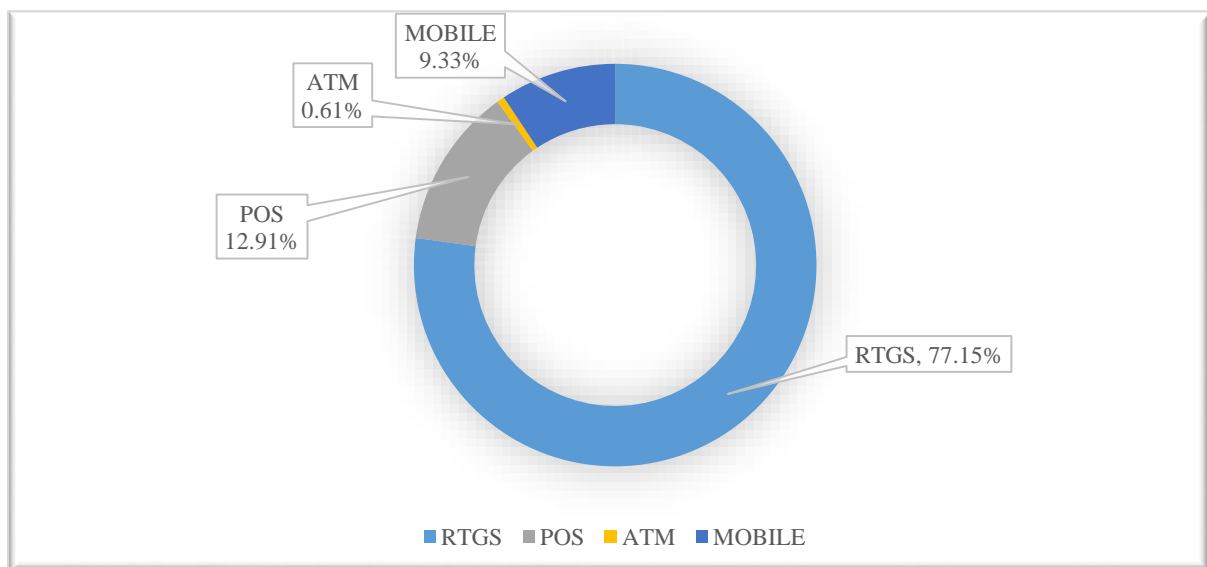
Date	Individual Clients		Corporate Clients	
	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
17-July-20	16.84	35.71	19.58	45.14
24-July-20	16.84	35.71	19.58	45.14
31-July-20	18.87	37.42	22.11	47.27
7-Aug-20	18.87	37.42	22.11	47.27
14-Aug-20	19.85	37.51	19.98	47.81

Source: Reserve Bank of Zimbabwe, 2020

## 2. CLEARING AND SETTLEMENT ACTIVITY

The total value of transactions processed through the National Payment Systems (NPS) declined by 6.96%, from \$39.36 billion in the previous week to close at ZW\$36.62 billion, during the week ending 14<sup>th</sup> August 2020. Real Time Gross Settlement (RTGS) system transactions fell by 5.79% to close at ZW\$28.25 billion, from ZW\$29.99 billion in the previous week. The NPS transactions values were distributed as follows: RTGS, 77.15%; POS, 12.91%; Mobile, 9.33% and ATM, 0.61%.

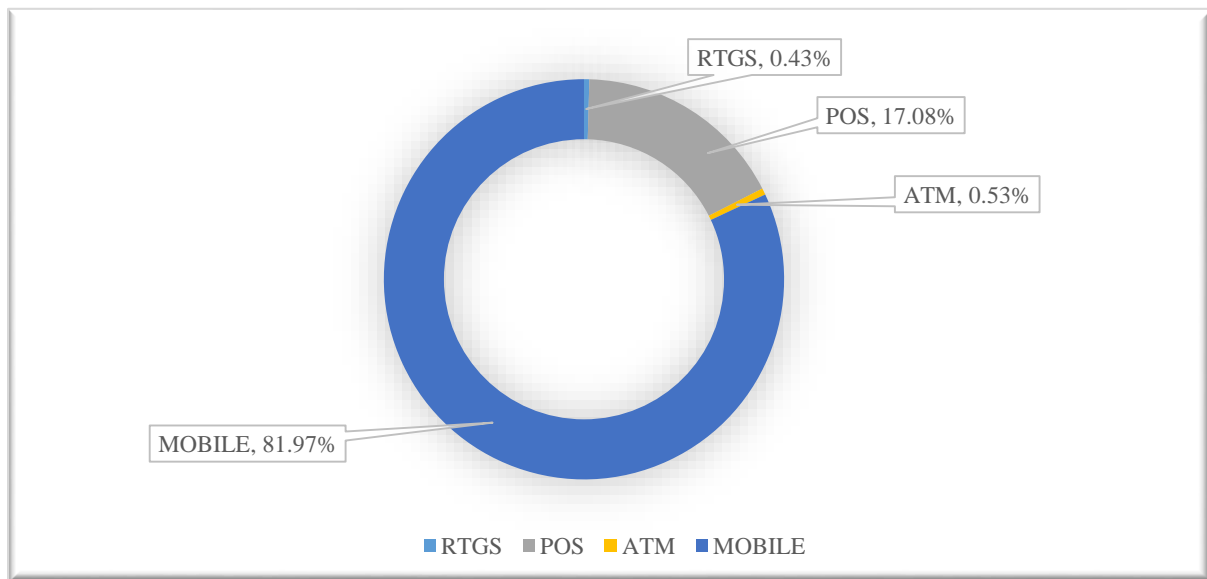
**Figure 1: Composition of NPS Transactions in Value Terms**



Source: Reserve Bank of Zimbabwe, 2020

NPS transaction volumes declined by 14.10% to close at 26.51 million transactions, during the week under review. The composition of NPS transaction volumes was as follows: Mobile 81.97%; POS, 17.08%; RTGS, 0.43%; and ATM, 0.53%.

**Figure 2: Composition of NPS Transactions in Volume Terms**



Source: Reserve Bank of Zimbabwe, 2020

**Table 3: National Payment Systems Activity**

PAYMENT STREAM	WEEK ENDING 7 <sup>th</sup> JULY 2020	WEEK ENDING 14 <sup>th</sup> JULY 2020	% CHANGE FROM LAST WEEK	PROPORTION %
<b>Values in ZW\$ Millions</b>				
RTGS	29,992.11	28,254.93	-5.79%	77.15%
POS	4,767.00	4,727.42	-0.83%	12.91%
ATM	335.08	223.57	-33.28%	0.61%
MOBILE	4,267.21	3,417.48	-19.91%	9.33%
<b>TOTAL</b>	<b>39,361.40</b>	<b>36,623.40</b>	<b>-6.96%</b>	<b>100%</b>
<b>Volumes in Thousands</b>				
RTGS	195,611	112,773	-42.35%	0.43%
POS	4,564,486	4,527,169	-0.82%	17.08%
ATM	100,556	139,900	39.13%	0.53%
MOBILE	26,001,207	21,729,945	-16.43%	81.97%
<b>TOTAL</b>	<b>30,861,860</b>	<b>26,509,787</b>	<b>-14.10%</b>	<b>100%</b>

Source: Reserve Bank of Zimbabwe, 2020

### 3. TOBACCO SALES

As at 14<sup>th</sup> August 2020, or day 74 of the 2020 tobacco selling season, a cumulative total of 170.90 million kilograms of tobacco had been sold at an average price of US\$2.49/kg. In the corresponding period in 2019, a cumulative total of 216.64 million kilograms were sold at an average price of US\$1.95/kg. The cumulative sales value of the golden leaf stood at US\$424.76 million, a 0.41% increase from US\$423.02 million realized during the comparable period in 2019, as shown in Table 4.

**Table 4: Weekly cumulative Tobacco Sales: Day 74 (14<sup>th</sup> August 2020)**

	2019	2020	Variance (%)
<b>Cumulative Quantity Sold (Million kgs)</b>	216.64	170.90	(21.12)
<b>Cumulative Average Price (US\$/kg)</b>	1.95	2.49	27.29
<b>Cumulative Value (US\$ million)</b>	423.02	424.76	0.41

Source: Tobacco Industry and Marketing Board (TIMB), 2020

### 4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international commodity prices of platinum; nickel; and crude oil registered increases, during the week ending 14<sup>th</sup> August 2020. Gold and copper prices, however, declined, as shown in Table 5.

**Table 5: International Commodity Prices for the Week-ending 14<sup>th</sup> August 2020**

	Gold	Platinum	Copper	Nickel	Crude Oil
2020	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
<b>Weekly Average (3-7 Aug)</b>	<b>2,016.92</b>	<b>935.40</b>	<b>6,459.40</b>	<b>14,107.40</b>	<b>44.61</b>
<b>10-Aug</b>	2,037.40	979.00	6,363.00	14,146.00	45.16
<b>11-Aug</b>	1,968.13	948.00	6,356.50	14,153.00	45.22
<b>12-Aug</b>	1,931.80	939.00	6,379.00	14,167.00	45.30
<b>13-Aug</b>	1,937.63	944.00	6,380.00	14,106.00	45.12
<b>14-Aug</b>	1,946.53	948.50	6,342.50	14,235.00	42.37
<b>Weekly Average (10-14 Aug)</b>	<b>1,964.30</b>	<b>951.70</b>	<b>6,364.20</b>	<b>14,161.40</b>	<b>44.63</b>
<b>Weekly Change (%)</b>	-2.6	1.7	-1.5	0.4	0.1

Source: BBC, KITCO and Bloomberg, 2020

## **Gold**

The weekly average prices of gold declined by 2.6%, from US\$2,016.92 per ounce in the previous week to US\$1,964.30 per ounce, during the week ending 14<sup>th</sup> August 2020. This was on the back of a stronger US dollar.

## **Platinum**

Platinum prices rose by 1.7%, from an average of US\$935.40 per ounce in the previous week to US\$951.70 per ounce, during the week under review. This was, in part, underpinned by a recovery in demand in the automotive industries, following the continued easing of lockdown measures.

## **Copper**

The weekly average prices of copper declined by 1.5%, from US\$6,459.40 per tonne recorded in the previous week to US\$6,364.20 per tonne, during the week under analysis. This was on the back of weak demand from China, coupled with improved supply conditions in Chile and Peru, the world's top producers of the base metal.

## **Nickel**

Nickel prices registered a 0.4% week-on-week increase, from US\$14,107.40 per tonne in the previous week to close at a weekly average price of US\$14,161.40 per tonne, in week ending 14<sup>th</sup> August 2020. Prices were supported by higher demand as stainless steel production increased. The stainless steel industry accounts for more than two-thirds of global nickel demand.

## **Brent Crude Oil**

Brent crude oil prices rebounded during the week under review, gaining by 2.9% from US\$43.36 per barrel in the previous week to US\$44.61 per barrel, during the week under analysis. The rally in oil prices was partly underpinned by indications of dwindling US crude inventories. Mounting worries about a resurgence in coronavirus cases, however, continued to dampen the demand outlook for crude oil.

## 5. EXCHANGE RATE DEVELOPMENTS

During the week under review, the Zimbabwe dollar depreciated against the US dollar, 2.7%; euro, 2.5%; pound Sterling, 2.4%; Botswana pula 2.1%; and South African rand, 1.9%, as shown in Table 6.

**Table 6. International Exchange Rates<sup>1</sup>**

	USD	ZAR	GBP	BWP	EURO
<b>2020</b>					
<b>Weekly Average (3-7 Aug)</b>	<b>78.9836</b>	<b>4.5645</b>	<b>103.4824</b>	<b>6.7856</b>	<b>93.3019</b>
<b>12-Aug</b>	80.4663	4.5998	105.0087	6.8561	94.4153
<b>13-Aug</b>	80.4663	4.6041	105.1092	6.8802	95.0267
<b>14-Aug</b>	82.5608	4.7461	107.8782	7.0593	97.5745
<b>Weekly Average (12-14 Aug)</b>	<b>81.1526</b>	<b>4.6490</b>	<b>105.9822</b>	<b>6.9306</b>	<b>95.6528</b>
<i>Appr(-)/Depr(+)</i> (%) <i>of the ZWL</i>	2.7	1.9	2.4	2.1	2.5

Source: Reserve Bank of Zimbabwe, 2020

Table 7 shows a summary of foreign exchange auction results for the past four weeks.

**Table 7. Foreign Exchange Auction results for MAINFX<sup>2</sup> and SMEFX<sup>3</sup>**

	MAINFX				SMEFX	
	21-July-20	28-July-20	4-Aug-20	13-Aug-20	6-Aug-20	13-Aug-20
<b>Total Bids</b>	20,316,134.74	19,312,474.71	19,773,961.25	17,981,174.01	460,167.99	789,866.02
<b>Amount Allotted</b>	14,853,708.88	14,356,193.21	18,531,336.74	17,981,174.01	460,167.99	789,866.02
<b>Highest Rate</b>	82.17	82	87	90	85	90
<b>Lowest Rate</b>	55	70	70	77.0160	75	80
<b>Lowest Accepted Rate</b>	70	75	78	77.0160	75	80
<b>Weighted Average Rate</b>	72.1470	76.7596	80.4663	82.5608	80.4663	82.5608
<b>Number of Bids Received</b>	290	228	237	171	40	75
<b>Number of Bids Rejected</b>	51	55	36	15	7	15

Source: Reserve Bank of Zimbabwe

<sup>1</sup> Direct quote – the amount of domestic currency needed to exchange for 1 unit of foreign currency

<sup>2</sup> Main Foreign Currency Auction

<sup>3</sup> Small and Medium Enterprises Foreign Currency Auction

## 6. EQUITY MARKETS

The Zimbabwe Stock Exchange (ZSE) continued on a bearish trend, during the week ending 14<sup>th</sup> August 2020. Resultantly, the Top 10, Top 15, All Share, and Medium Cap indices declined by 10.23%, 9.99%, 8.61% and 7.01% to close at 867.02 points, 1 020.49 points, 1 369.24 points and 2 839.15 points, respectively. The small cap index, however, increased by 2.45% to close at 4 502.15 points, during the same period.

The industrial index declined by 8.23% to close at 4 502.15 points during the week under review, while the mining index increased from 3 618.74 points in the previous week to close at 2 878.08 points, in the week under analysis. Table 8 shows selected ZSE statistics.

**Table 8: Zimbabwe Stock Exchange Statistics<sup>4</sup>**

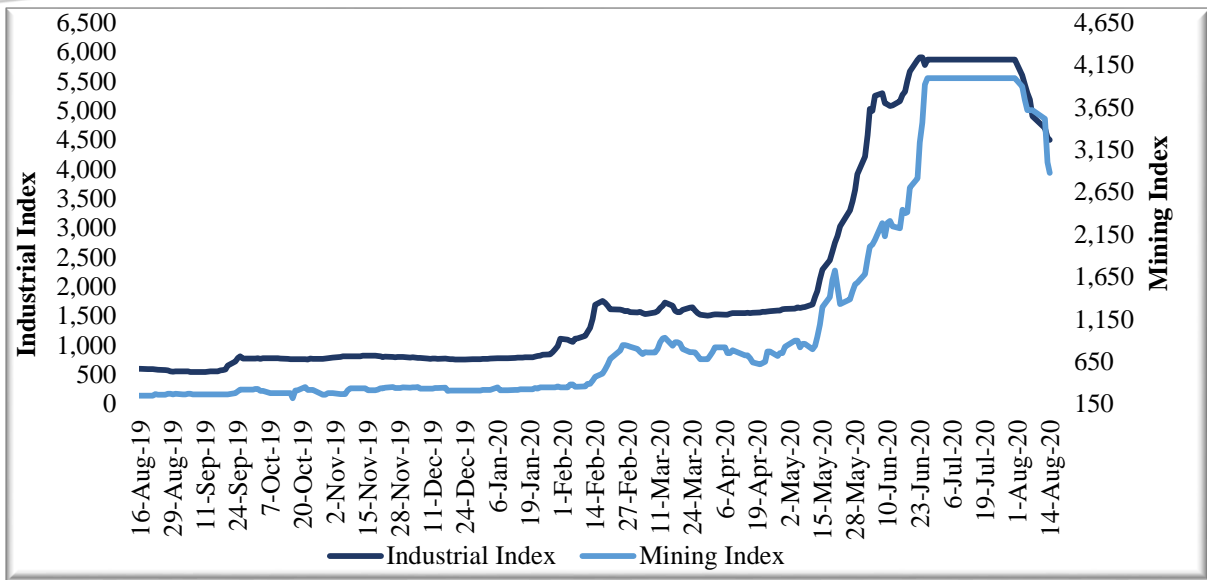
	All Share Index points	Top 10 index (points)	Top 15 Index <sup>3</sup> points	Medium Cap <sup>3</sup> (points)	Small Cap <sup>3</sup> (points)	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (ZWL million)	Market Turnover (ZWL million)	Volume of Shares (million)
<b>29-May-20</b>	1,180.14	964.07	1,014.41	1,693.35	3,831.64	3,919.50	1,582.86	152.72	213.17	131.49
<b>05-June-20</b>	1,581.85	1,355.21	1,415.58	4,849.47	2,080.75	5,254.01	2,088.66	204.50	140.92	85.73
<b>12-June-20</b>	1,535.99	1,203.86	1,308.96	4,880.06	2,370.04	5,092.42	2,245.11	197.78	469.98	81.29
<b>19-June-20</b>	1,713.63	1,221.93	1,418.98	3,049.98	4,920.22	5,672.5	2,702.2	219.16	259.29	40.87
<b>7-Aug-20</b>	1,498.24	965.79	1,133.73	3,053.15	4,642.90	4,905.74	3,618.74	191.33	153.50	17.92
<b>14-Aug-20</b>	1,369.24	867.02	1,020.49	2,839.19	4,756.52	4,502.15	2,878.08	173.90	251.17	33.00
<b>% Change</b>	<b>-8.61%</b>	<b>-10.23%</b>	<b>-9.99%</b>	<b>-7.01%</b>	<b>2.45%</b>	<b>-8.23%</b>	<b>-20.47%</b>	<b>-9.11%</b>	<b>63.63%</b>	<b>84.15%</b>

Source: Zimbabwe Stock Exchange (ZSE), 2020

<sup>4</sup> The Zimbabwe Stock Exchange (ZSE) adopted the Global Industry Classification Standards, effective from 1 January 2020. The ZSE indices constitute the following categories; Top 10 Index; Top 15; Top 25; Medium cap and Small cap Indices.



**Figure 3: Zimbabwe Stock Exchange Indices**

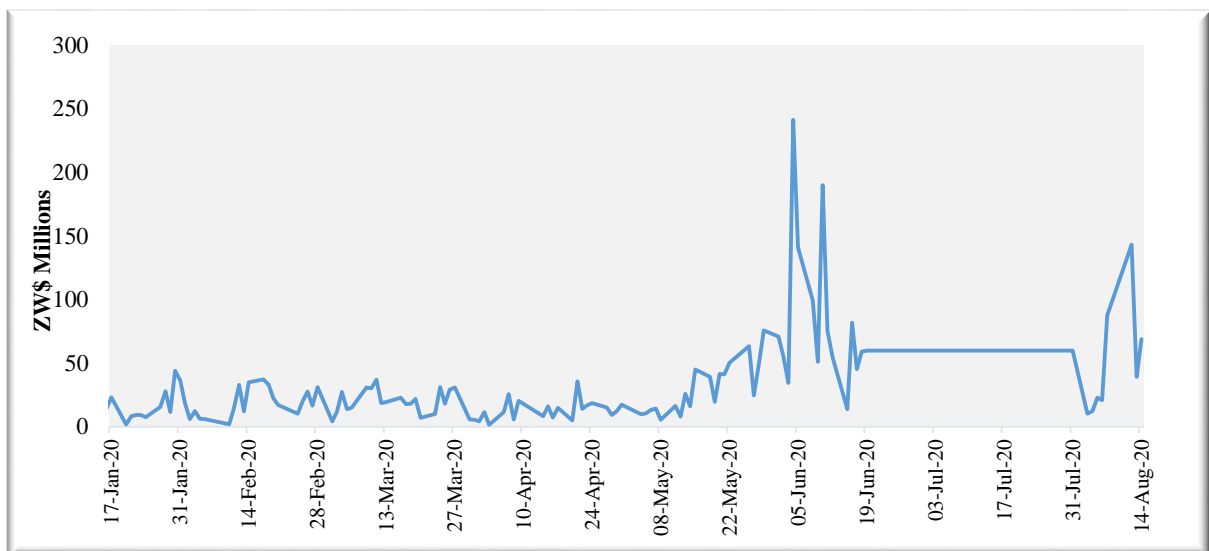


Source: Zimbabwe Stock Exchange, 2020

**Market Turnover and Volume**

The cumulative volume of shares traded on the ZSE increased by 84.15%, from 17.92 million in the previous week to close at 33.00 million, during the week under analysis. ZSE market turnover rose by 63.63% to close at ZW\$251.17 million.

**Figure 4: Daily Market Turnover**

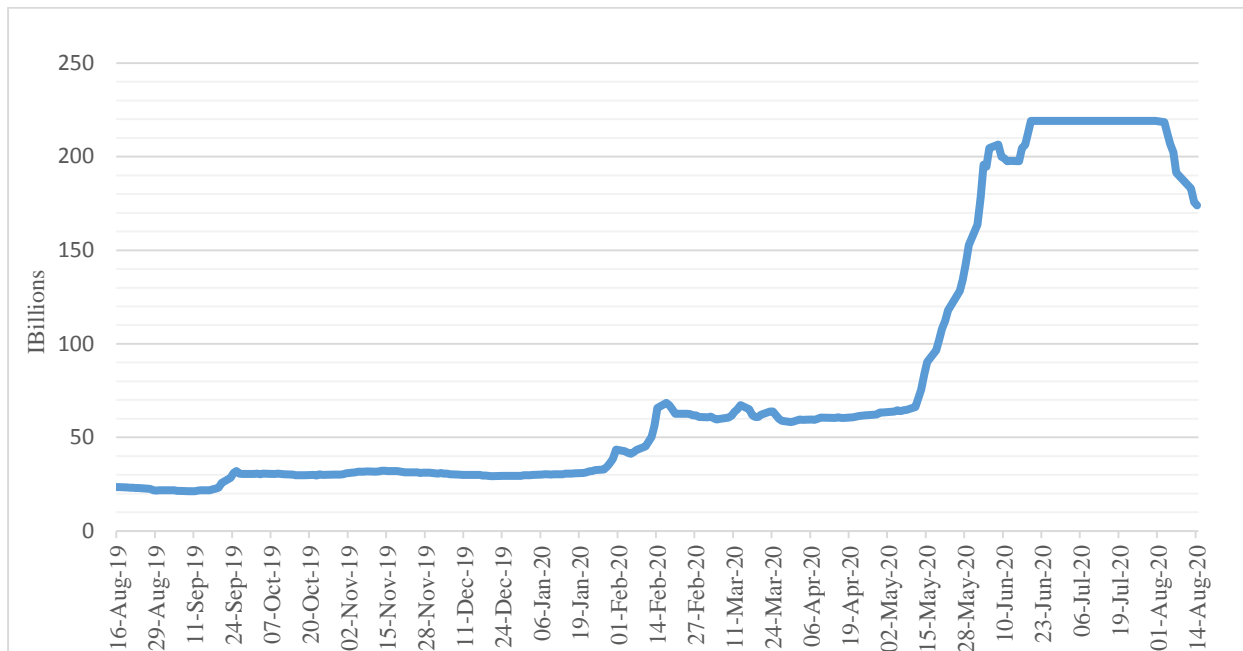


Source: Zimbabwe Stock Exchange, 2020

## Market Capitalization

During the week under review, ZSE market capitalisation stood at ZW\$173.90 billion, a 9.11% decline from ZW\$191.33 billion recorded in the preceding week.

**Figure 5: Daily Market Capitalization in ZW\$ billions**



Source: Zimbabwe Stock Exchange, 2020

## Johannesburg Stock Exchange (JSE) Developments

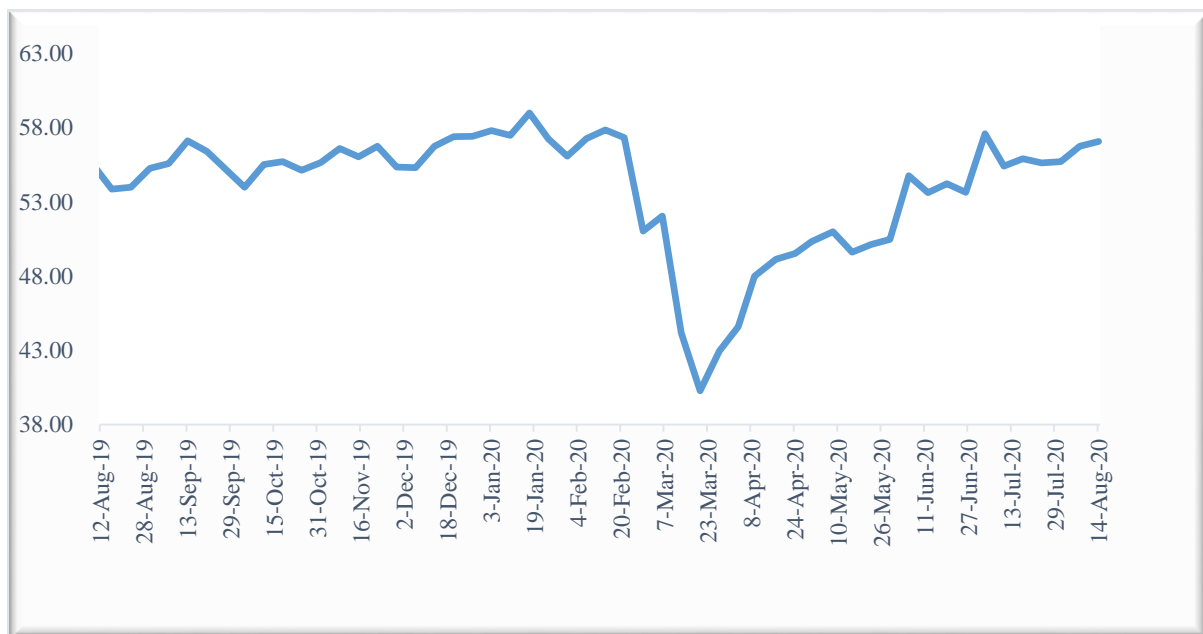
The Johannesburg Stock Exchange (JSE) All Share Index increased by 0.56% to close at 57 077 points, during the week ending 14<sup>th</sup> August 2020. In tandem, JSE market capitalization registered a 0.35% increase to close at ZAR17.42 trillion, during the week under review. This compares with a market capitalisation level of ZAR17.36 trillion recorded in the previous week.

**Table 9: Johannesburg Stock Exchange (JSE) Statistics**

Period	All Share Index	Market Capitalization
	(points)	(ZAR trillions)
10-July-20	55,417.89	17.02
17-July-20	55,911.80	17.07
24-July-20	55,645.65	17.04
31-July-20	55,721.80	17.15
7-August-20	56,757.73	17.36
14-August-20	57,077.48	17.42
<b>% Change</b>	<b>0.56</b>	<b>0.35</b>

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

**Figure 3: Johannesburg Stock Exchange (JSE) All Share Index**



Source: <https://www.jse.co.za/services/market-data/market-statistics,2020>

**RESERVE BANK OF ZIMBABWE**

**21<sup>st</sup> AUGUST 2020**

## APPENDIX 1: SUMMARY OF FOREIGN CURRENCY AUCTION ALLOTMENTS BY PURPOSE

Purpose	MAINFX				SMEFX	
	21-Jul-20	28-Jul-20	4-Aug-20	13-Aug-20	6-Aug-20	13-Aug-20
<b>Raw Materials</b>	7,417,479.47	7,706,268.09	7,566,099.30	7,638,735.47	178,517.91	235,721.60
<b>Machinery and Equipment</b>	2,309,655.89	3,038,617.17	4,506,804.60	2,939,205.80	91,447.39	148,685.35
<b>Consumables (Incl. Spares, Tyres, Packaging)</b>	1,122,315.00	670,875.00	1,326,311.90	2,530,257.93	86,309.97	145,872.68
<b>Pharmaceuticals and Chemicals</b>	696,875.00	648,510.54	1,710,908.75	1,421,435.64	-	97,023.36
<b>Services (Loans, Dividends and Disinvestments)</b>	752,000.00	760,482.90	1,221,265.77	1,353,774.00	23,700.00	67,416.87
<b>Retail and Distribution</b>	1,299,934.9	957,120.51	1,444,143.82	1,215,715.17	40,000.00	70,746.16
<b>Fuel, Electricity and Gas</b>	640,453.05	224,319.00	552,802.60	475,820.00	-	-
<b>Paper and Packaging</b>	614,995.57	350,000.00	203,000.00	406,230.00	40,192.72	24,400.00
<b>TOTAL</b>	<b>14,853,708.88</b>	<b>14,356,193.21</b>	<b>18,531,336.74</b>	<b>17,981,174.01</b>	<b>460,167.99</b>	<b>789,866.02</b>

Source: Reserve Bank of Zimbabwe, 2020