



# Weekly Economic Highlights

## TABLE OF CONTENTS

1. INTEREST RATES.....	1
2. CLEARING AND SETTLEMENT ACTIVITY .....	2
3. TOBACCO SALES.....	3
4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS .....	4
5. EXCHANGE RATE DEVELOPMENTS .....	6
6. EQUITY MARKETS.....	6

Week Ending  
21<sup>st</sup> August 2020

## 1. INTEREST RATES

### Deposit Rates

Minimum and maximum deposit rates for all classes of deposits remained at previous week levels, during the week under review, 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 (%)
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
21-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 and maximum lending rates for individuals and corporates also remained unchanged, during the week ending 21<sup>st</sup> August 2020, as shown in Table 2.

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

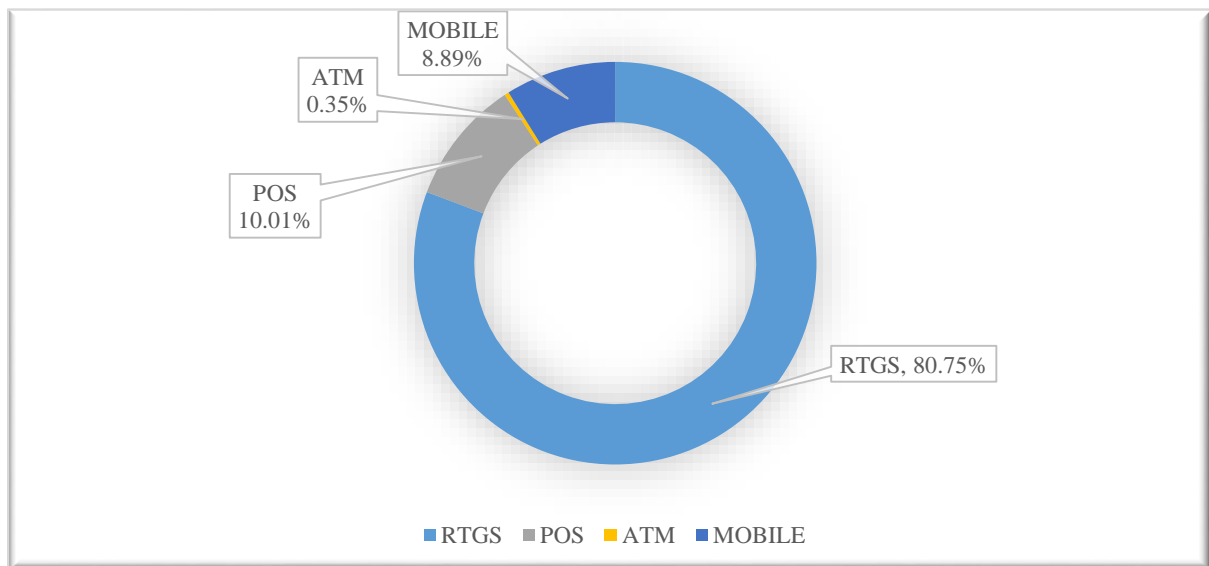
Date	Individual Clients		Corporate Clients	
	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
24-July-20	16.84	35.71	19.58	45.14
31-July-20	18.87	37.42	22.11	47.27
7-Aug-20	18.87	37.42	22.11	47.27
14-Aug-20	19.85	37.51	19.98	47.81
21-Aug-20	19.85	37.51	19.98	47.81

Source: Reserve Bank of Zimbabwe, 2020

## 2. CLEARING AND SETTLEMENT ACTIVITY

The National Payment Systems (NPS) processed transactions worth Z\$46.59 billion, during the week under analysis, a 33.15% increase from Z\$36.62 billion, recorded in the preceding week. Real Time Gross Settlement (RTGS) system transactions increased by 33.15%, from Z\$28.25 billion in the previous week to close at Z\$37.62 billion, during the week under review. In value terms, the distribution of NPS transactions was as follows: RTGS, 80.75%; POS, 10.01%; Mobile, 8.89% and ATM, 0.35%.

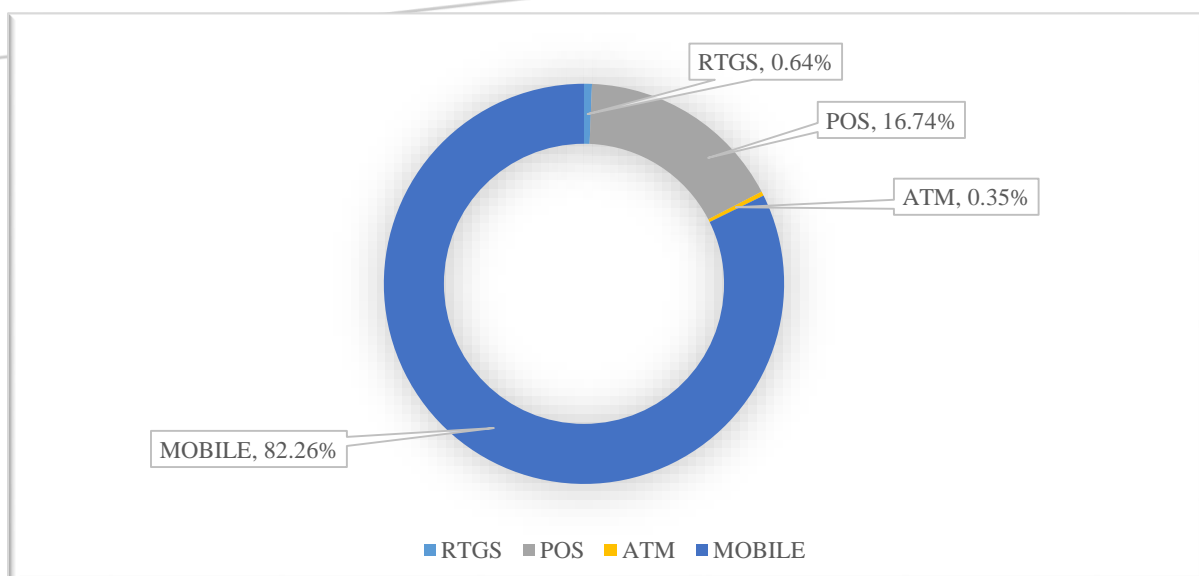
**Figure 1: Composition of NPS Transactions in Value Terms**



*Source: Reserve Bank of Zimbabwe, 2020*

The volume of NPS transactions registered a marginal increase of 2.46% to close at 27.16 million transactions, during the week ending 21<sup>st</sup> August 2020. In terms of proportions, NPS transaction volumes were dominated by Mobile based transactions at 82.26%; followed by POS, 16.74%; RTGS, 0.64%; and ATM, 0.35%.

**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 14 <sup>th</sup> AUGUST 2020	WEEK ENDING 21 <sup>st</sup> AUGUST 2020	% CHANGE FROM LAST WEEK	PROPORTION %
<b>Values in Z\$ Millions</b>				
RTGS	28,254.93	37,622.84	33.15%	80.75%
POS	4,727.42	4,662.19	-1.38%	10.01%
ATM	223.57	163.01	-27.09%	0.35%
MOBILE	3,417.48	4,142.17	21.21%	8.89%
<b>TOTAL</b>	<b>36,623.40</b>	<b>46,590.22</b>	<b>27.21%</b>	<b>100%</b>
<b>Volumes in Thousands</b>				
RTGS	112,773	174,845	55.04%	0.64%
POS	4,527,169	4,547,211	0.44%	16.74%
ATM	139,900	95,926	-31.43%	0.35%
MOBILE	21,729,945	22,343,914	2.83%	82.26%
<b>TOTAL</b>	<b>26,509,787</b>	<b>27,161,896</b>	<b>2.46%</b>	<b>100%</b>

Source: Reserve Bank of Zimbabwe, 2020

### 3. TOBACCO SALES

As at 21<sup>st</sup> August 2020, or day 79 of the 2020 tobacco selling season, a cumulative total of 175.42 million kilograms of tobacco had been sold. This was 22.48% lower than the cumulative total of 226.28 million kilograms sold during the comparable period in 2019. The cumulative value of the golden leaf sold during the period under analysis amounted to US\$437.52 million.

This reflected a decline of 1.07%, from US\$442.28 million, realized in the same 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 (%)
Cumulative Quantity Sold (Million kgs)	226.28	175.42	(22.48)
Cumulative Average Price (US\$/kg)	1.95	2.49	27.61
Cumulative Value (US\$ million)	442.26	437.52	(1.07)

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

The golden leaf was sold at a higher average price of US\$2.49/kg, compared to an average price of US\$1.95/kg realized during the corresponding period in 2019.

#### 4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

During the week ending 21<sup>st</sup> August 2020, the international commodity prices of copper, nickel and crude oil increased. Gold and platinum prices, however, declined during the same week, as shown in Table 5.

**Table 5: International Commodity Prices for the week-ending 21<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 (14-14 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>17-Aug</b>	1,961.35	952.50	6,439.50	14,548.00	45.16
<b>18-Aug</b>	2,006.95	964.50	6,492.50	14,602.00	45.18
<b>19-Aug</b>	1,987.08	949.00	6,667.00	14,765.00	44.98
<b>20-Aug</b>	1,927.60	923.50	6,594.50	14,666.00	45.06
<b>21-Aug</b>	1,928.60	906.00	6,564.50	14,562.00	44.32
<b>Weekly Average (17-21 Aug)</b>	<b>1,962.32</b>	<b>939.10</b>	<b>6,551.60</b>	<b>14,628.60</b>	<b>44.94</b>
<b>Weekly Change (%)</b>	<b>-0.1</b>	<b>-1.3</b>	<b>2.9</b>	<b>3.3</b>	<b>0.7</b>

Source: BBC, KITCO and Bloomberg, 2020

#### Gold

The weekly average price of gold retreated by 0.1%, from an average of US\$1 964.30 per ounce in the previous week to US\$1 962.32 per ounce, during the week under analysis. Prices were

lower amid a stronger US dollar, which resulted in a decline in the appeal of the yellow metal as a safe haven asset.

### **Platinum**

Platinum prices softened by 1.3% to close at US\$939.10 per ounce, during the week under review. This was on the back of lower demand concerns due to the negative effects of Covid-19, which dampened vehicle sales.

### **Copper**

Copper prices increased on the back of falling refinery activity in China, a development that led to the dwindling of stockpiles. Against this backdrop, prices gained by 2.9%, from a weekly average price of US\$6,364.20 per tonne in the previous week to US\$6,551.60 per tonne, during the week ending 21<sup>st</sup> August 2020.

### **Nickel**

Nickel prices also recorded a week-on-week increase of 3.3%, from US\$14,161.40 per tonne, during the week ending 14<sup>th</sup> August 2020 to US\$14,628.60 per tonne, during the week under review. Prices were boosted by falling output in the Philippines, coupled with the positive demand outlook in China, following indications that the People's Bank of China would implement additional stimulus measures to support the economy.

### **Brent Crude Oil**

Brent crude oil prices rose by 0.7%, from US\$44.63 per barrel in the previous week to US\$44.94 per barrel, during the week under analysis. This was occasioned by the recovery in demand, on the back of concerns about constrained supply conditions.

## 5. EXCHANGE RATE DEVELOPMENTS

During the week under review, the Zimbabwe dollar depreciated against the euro; South African rand and pound Sterling, 2.8% each; Botswana pula 2.4%; and US dollar, 2.0%; as shown in Table 6.

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

	USD	ZAR	GBP	BWP	EURO
<b>2020</b>					
<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>
<b>17-Aug</b>	82.5608	4.7585	108.2044	7.0634	97.9627
<b>18-Aug</b>	82.5608	4.7170	108.4851	7.0469	98.1772
<b>19-Aug</b>	82.9184	4.7973	109.9167	7.1233	99.0089
<b>20-Aug</b>	82.9184	4.7996	108.5196	7.1315	98.1880
<b>21-Aug</b>	82.9184	4.8135	109.8959	7.1065	98.4988
<b>Weekly Average (17-21 Aug)</b>	<b>82.7750</b>	<b>4.7769</b>	<b>108.9993</b>	<b>7.0941</b>	<b>98.3658</b>
<i>Appr(-)/Depr(+)</i> (%) <i>of the ZWL</i>	2.0	2.8	2.8	2.4	2.8

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		
	28-July-20	4-Aug-20	13-Aug-20	18-Aug-20	6-Aug-20	13-Aug-20	18-Aug-20
<b>Total Bids</b>	19,312,474.71	19,773,961.25	17,981,174.01	13,679,558.32	460,167.99	789,866.02	517,630.88
<b>Amount Allotted</b>	14,356,193.21	18,531,336.74	17,981,174.01	13,679,558.32	460,167.99	789,866.02	517,630.88
<b>Highest Rate</b>	82	87	90	88.38	85	90	85
<b>Lowest Rate</b>	70	70	77.0160	80	75	80	78
<b>Lowest Accepted Rate</b>	75	78	77.0160	80	75	80	78
<b>Weighted Average Rate</b>	76.7596	80.4663	82.5608	82.9184	80.4663	82.5608	82.9184
<b>Number of Bids Received</b>	228	237	171	113	40	75	56
<b>Number of Bids Rejected</b>	55	36	15	17	7	15	16

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) experienced losses, during the week under analysis. In this regard, the Medium Cap, Top 15, All Share, Top 10 and Small share indices fell by 7.25%, 6.87%, 6.12%, 5.45% and 3.43% to close at 2 633.47 points, 950.40 points, 1 285.39 points, 819.76 points and 4 593.55 points, respectively.

The industrial index registered a 5.9 % decline, from 4 502.15 points in the previous week to close the week under analysis at 4 237.51 points. Similarly, the mining index fell by 14.89% to close at 2 449.60 points, during the same week. Table 8 shows selected ZSE statistics.

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

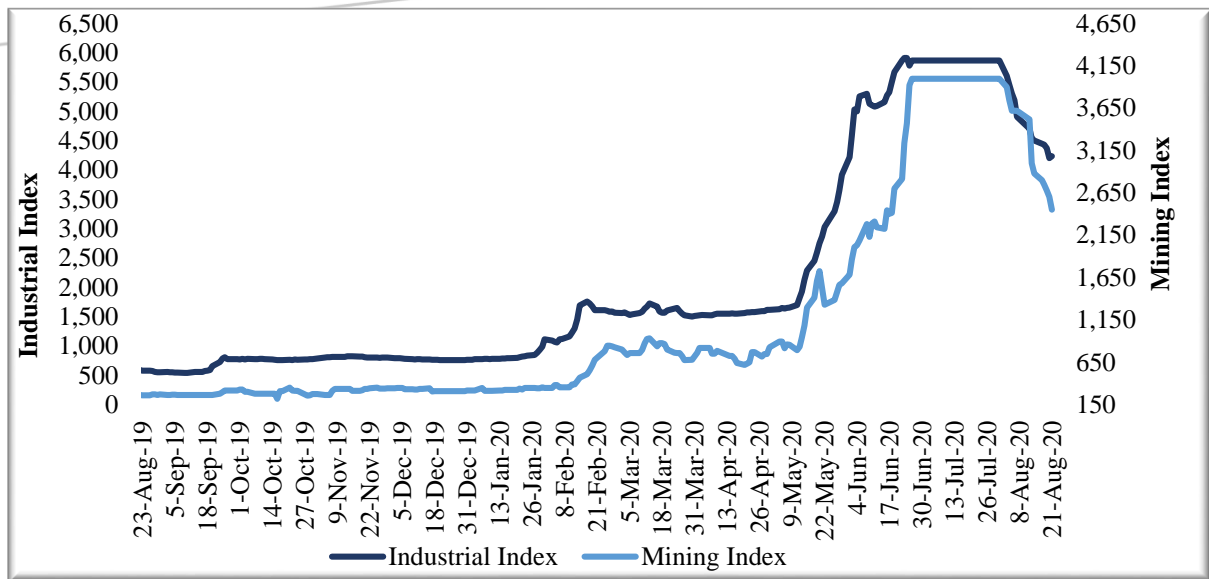
	All Share Index points	Top 10 index (points)	Top 15 Index <sup>3</sup> points	Medium Cap <sup>3</sup> (points)	Small Cap <sup>3</sup> (points)	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (ZWL million)	Market Turnover (ZWL million)	Volume of Shares (million)
<b>05-June-20</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>21-Aug-20</b>	1,285.39	819.76	950.40	2,633.47	4,593.55	4,237.51	2,449.60	149.98	216.04	51.23
<b>% Change</b>	<b>-6.12</b>	<b>-5.45</b>	<b>-6.87</b>	<b>-7.25</b>	<b>-3.43</b>	<b>-5.88</b>	<b>-14.89</b>	<b>-13.75</b>	<b>-13.99</b>	<b>55.25</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**

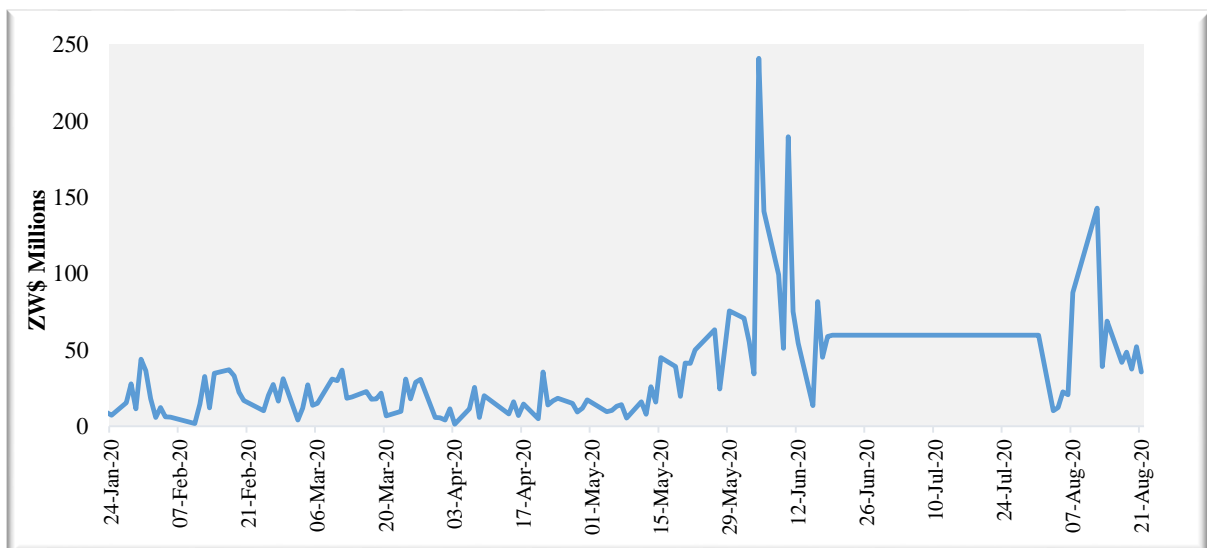


Source: Zimbabwe Stock Exchange, 2020

### Market Turnover and Volume

The cumulative volume of shares traded on the ZSE increased by 55.25% to close at 51.23 million shares, during the week ending 21<sup>st</sup> August 2020. Market turnover, however, decreased by 13.99% to close at Z\$216.04 million, from Z\$251.17 million in the preceding week.

**Figure 4: Daily Market Turnover**

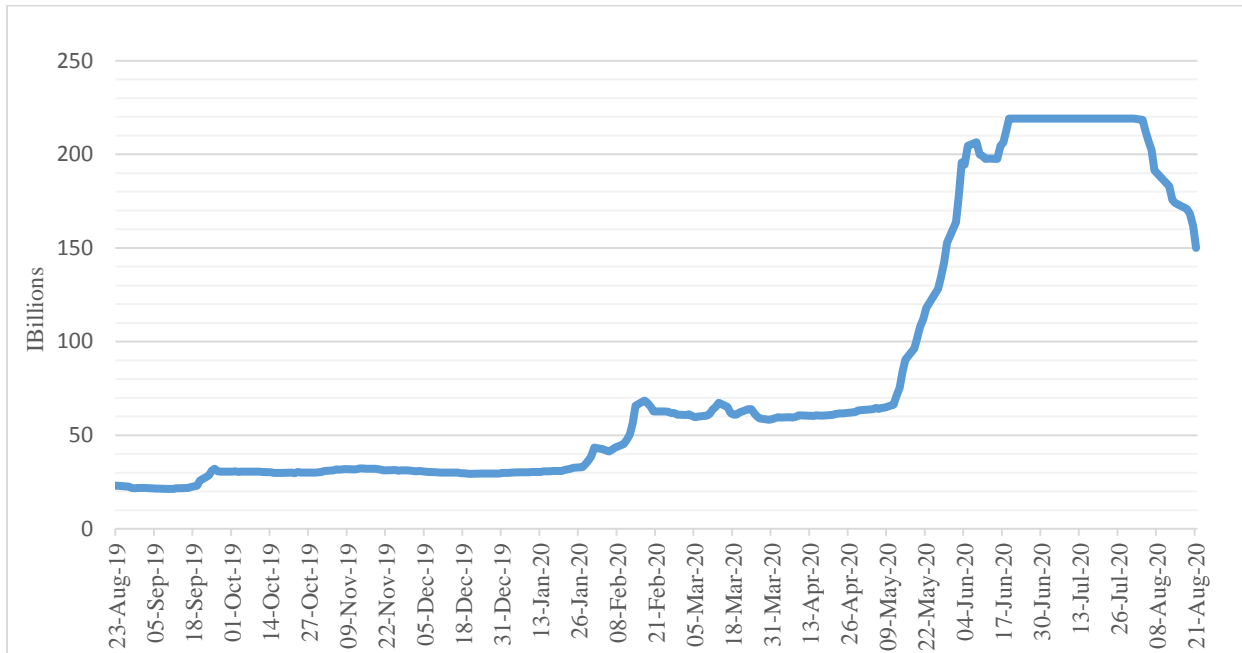


Source: Zimbabwe Stock Exchange, 2020

## Market Capitalization

The ZSE lost 13.75% worth of capitalization, from Z\$173.90 billion in the previous week to close at Z\$149.98 billion, during the week under analysis.

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



Source: Zimbabwe Stock Exchange, 2020

## Johannesburg Stock Exchange (JSE) Developments

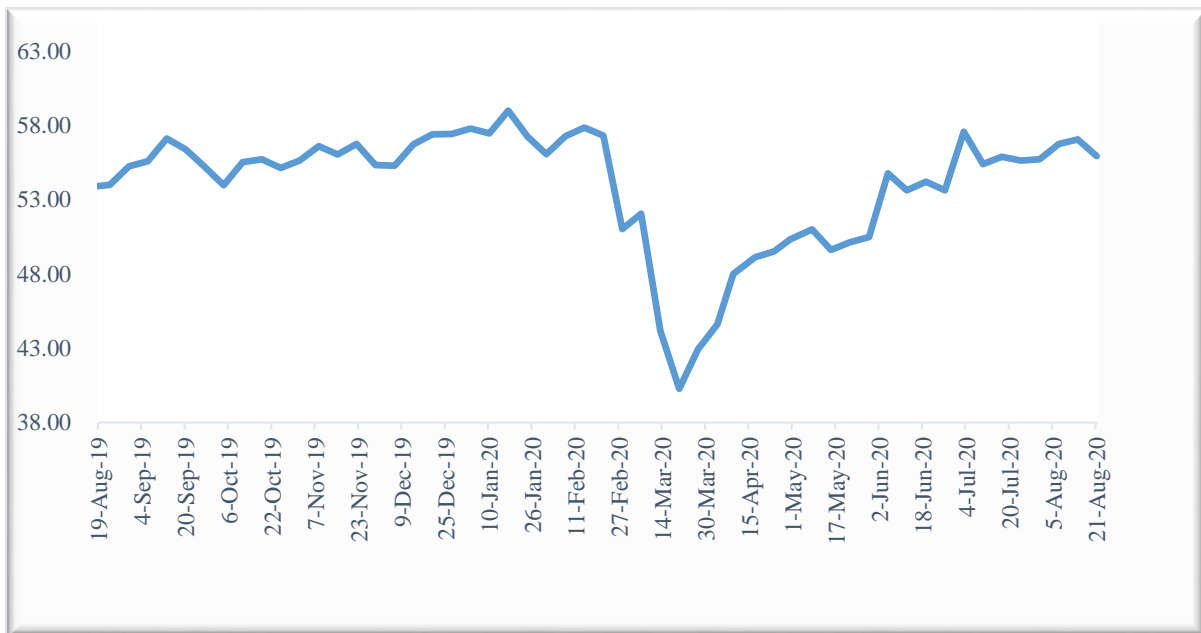
During the week under review, the Johannesburg Stock Exchange (JSE) declined by 1.98%, from 57 077 points in the previous week, to 55 949.42 points in the week under review. Similarly, JSE market capitalization slumped by 1.66% to close at ZAR17.13 trillion, during the same week.

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

Period	All Share Index	Market Capitalization
	(points)	(ZAR trillions)
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
21-August-20	55,949.92	17.13
<b>% Change</b>	<b>-1.98</b>	<b>-1.66</b>

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,2020>

**RESERVE BANK OF ZIMBABWE**

**28<sup>th</sup> AUGUST 2020**

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

Purpose	MAINFX				SMEFX		
	28-Jul-20	4-Aug-20	13-Aug-20	18-Aug-20	6-Aug-20	13-Aug-20	18-Aug-20
<b>Raw Materials</b>	7,706,268.09	7,566,099.30	7,638,735.47	5,267,239.56	178,517.91	235,721.60	180,953.85
<b>Machinery and Equipment</b>	3,038,617.17	4,506,804.60	2,939,205.80	2,826,748.46	91,447.39	148,685.35	96,791.85
<b>Consumables (Incl. Spares, Tyres, Packaging)</b>	670,875.00	1,326,311.90	2,530,257.93	1,941,302.63	86,309.97	145,872.68	78,526.56
<b>Pharmaceuticals and Chemicals</b>	648,510.54	1,710,908.75	1,421,435.64	1,221,045.68	-	97,023.36	57,358.62
<b>Services (Loans, Dividends and Disinvestments)</b>	760,482.90	1,221,265.77	1,353,774.00	946,712.64	23,700.00	67,416.87	54,000.00
<b>Retail and Distribution</b>	957,120.51	1,444,143.82	1,215,715.17	471,792.00	40,000.00	70,746.16	50,000.00
<b>Fuel, Electricity and Gas</b>	224,319.00	552,802.60	475,820.00	671,834.80	-	-	-
<b>Paper and Packaging</b>	350,000.00	203,000.00	406,230.00	332,882.55	40,192.72	24,400.00	-
<b>TOTAL</b>	<b>14,356,193.21</b>	<b>18,531,336.74</b>	<b>17,981,174.01</b>	<b>13,679,558.32</b>	<b>460,167.99</b>	<b>789,866.02</b>	<b>517,630.88</b>

Source: Reserve Bank of Zimbabwe, 2020