



Weekly Economic Highlights

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Week Ending
28th August 2020

1. INTEREST RATES

Deposit Rates

During the week under review, minimum deposit rates for deposits of 1-month and 3-month tenors increased by 0.64 and 0.05 percentage points to close at 4.14% and 4.79%, respectively. Minimum deposit rates for savings, however, remained unchanged at 2.35%, during the same week. Maximum deposit rates for savings deposits were unchanged at 5.19%, while those for 1-month and 3-month tenors increased to 7.71% and 7.49%, respectively, 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 (%)
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
28-Aug-20	2.35	5.19	4.14	7.17	4.79	7.49

Source: Reserve Bank of Zimbabwe, 2020

Lending Rates

Minimum deposit rates for individual and corporate clients at commercial banks declined to 19.14% and 18.99%, during the week under review, from 19.85% and 19.98%, registered during the previous week. Maximum lending rates for individuals were higher at 38.57%, while those for corporates declined by 0.5 percentage points, to close at 47.31%, as shown in Table 2.

Table 2: Lending Rates (per annum)

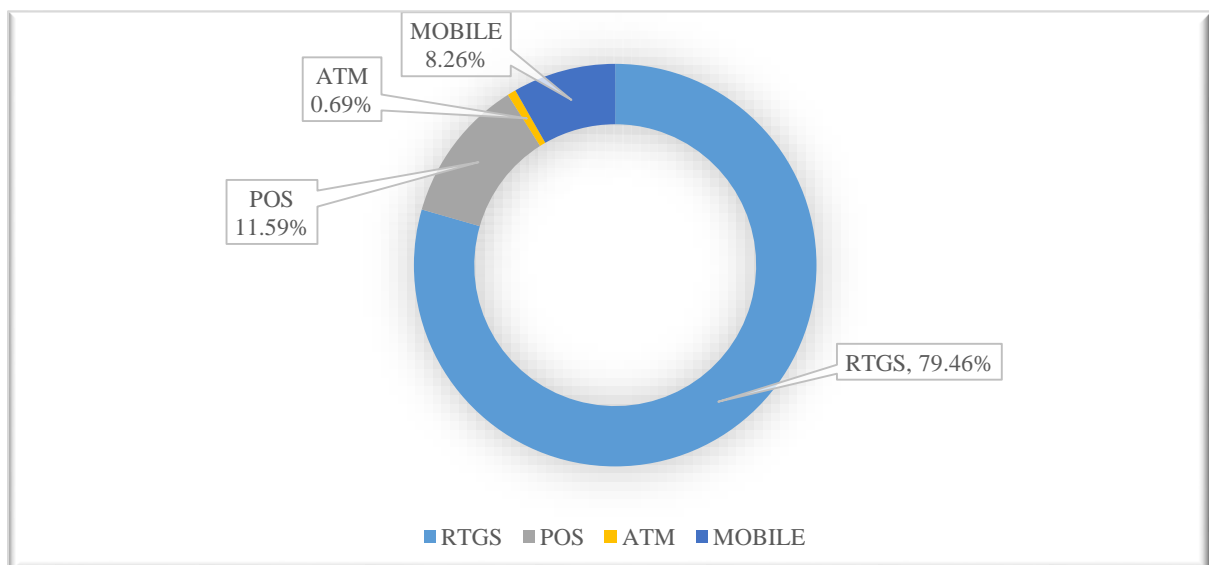
Date	Individual Clients		Corporate Clients	
	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
31-July-20	18.87	37.42	22.11	47.27
7-Aug-20	18.87	37.42	22.11	47.27
14-Aug-20	19.85	37.51	19.98	47.81
21-Aug-20	19.85	37.51	19.98	47.81
28-Aug-20	19.14	38.57	18.99	47.31

Source: Reserve Bank of Zimbabwe, 2020

2. CLEARING AND SETTLEMENT ACTIVITY

Transactions processed through the National Payment Systems (NPS) increased by 8.17%, from Z\$46.59 billion in the previous week to close at Z\$50.40 billion, during the week ending 28th August 2020. Real Time Gross Settlement (RTGS) system transactions rose by 6.44% to close at Z\$40.04 billion during the same week. NPS transaction values were constituted as follows: 79.46%; POS, 11.59%; Mobile, 8.26% and ATM, 0.69%.

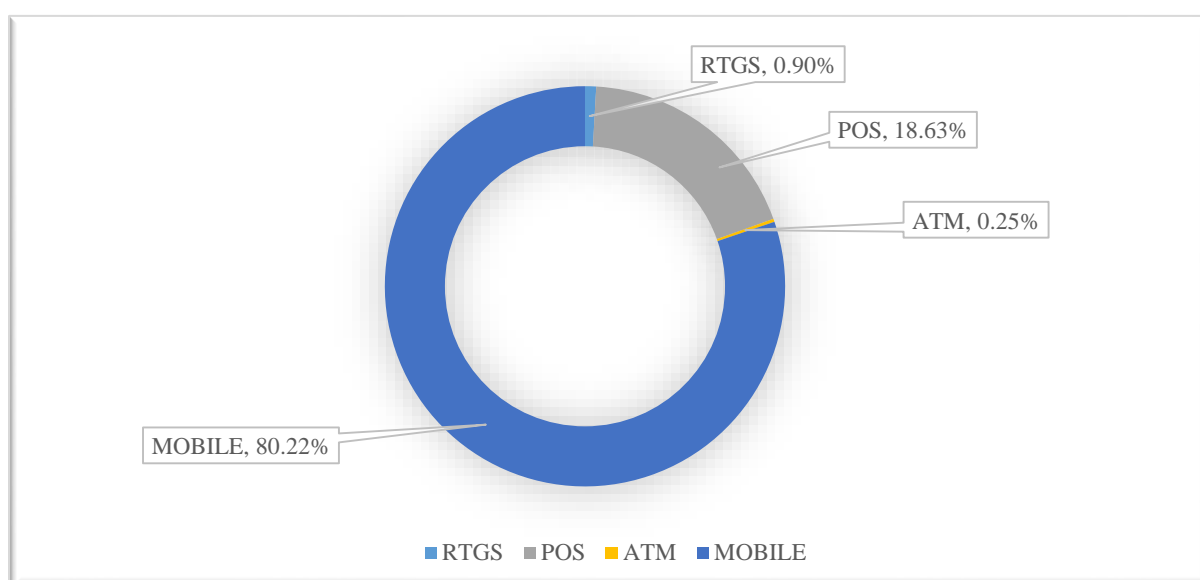
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2020

During the week under analysis, NPS transactions volumes stood at 28.39 million transactions, a 4.53% increase, from 27.16 million transactions registered in the preceding week. In volumes, NPS transactions were distributed as follows: Mobile, 80.22%; POS, 18.63%; RTGS, 0.90%; and ATM, 0.25%.

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 21 st AUGUST 2020	WEEK ENDING 28 th AUGUST 2020	% CHANGE FROM LAST WEEK	PROPORTION %
Values in Z\$ Millions				
RTGS	37,622.84	40,046.04	6.44%	79.46%
POS	4,662.19	5,839.76	25.26%	11.59%
ATM	163.013	348.12	113.55%	0.69%
MOBILE	4,142.17	4,164.74	0.54%	8.26%
TOTAL	46,590.22	50,398.66	8.17%	100%
Volumes in Thousands				
RTGS	174,845	254,139	45.35%	0.90%
POS	4,547,211	5,290,269	16.34%	18.63%
ATM	95,926	71,896	-25.05%	0.25%
MOBILE	22,343,914	22,776,848	1.94%	80.22%
TOTAL	27,161,896	28,393,152	4.53%	100%

Source: Reserve Bank of Zimbabwe, 2020

3. TOBACCO SALES

As at 28th August 2020, or day 84 of the 2020 tobacco selling season, the cumulative total of tobacco sold stood at 178.67 million kilograms, representing a 23.52% decline, from 233.63 million kilograms sold during the corresponding period in 2019. The cumulative value of tobacco sold during the period under review declined by 2.98% to US\$446.98 million, from US\$460.73 million sold during the comparable period in 2019. Tobacco prices at US\$2.50/kg were 26.85% higher than US\$1.97/kg realised on day 84 in 2019, as shown in Table 4.

Table 4: Weekly cumulative Tobacco Sales: Day 84 (28th August 2020)

	2019	2020	Variance (%)
Cumulative Quantity Sold (Million kgs)	233.63	178.67	(23.52)
Cumulative Average Price (US\$/kg)	1.97	2.50	26.85
Cumulative Value (US\$ million)	460.73	446.98	(2.98)

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

4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

Weekly average copper, nickel and crude oil prices declined during the week under analysis. Gold and platinum prices, however, registered declines during the same period, as shown in Table 5.

Table 5: International Commodity Prices for the week-ending 28th August 2020

	Gold	Platinum	Copper	Nickel	Crude Oil
2020	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
Weekly Average (17-21 Aug)	1,962.32	939.10	6,551.60	14,628.60	44.94
24-Aug	1,945.75	928.00	6,579.50	14,862.00	45.18
25-Aug	1,918.30	922.00	6,544.50	14,880.00	45.94
26-Aug	1,925.73	919.00	6,603.50	15,034.00	45.69
27-Aug	1,931.33	931.50	6,602.50	15,120.00	45.08
28-Aug	1,956.60	930.00	6,728.00	15,414.00	46.00
Weekly Average (24-28 Aug)	1,935.54	926.10	6,611.60	15,062.00	45.58
Weekly Change (%)	-1.36	-1.38	0.92	2.96	1.42

Source: BBC, KITCO and Bloomberg, 2020

Gold

Weekly average prices for gold declined by 1.4%, from an average of US\$ 1,962.32 per ounce in the previous week, to US\$1,935.54 per ounce, during the week under analysis. Gold prices retreated amid growing optimism over U.S.-China trade relations, which dented the metal's safe-haven appeal. This development prompted investors to shift to riskier assets such as equities.

Platinum

Platinum prices also declined, from a weekly average of US\$939.10 per ounce, in the previous week to US\$926.10 per ounce, during the week under review. The decline was underpinned by the sluggish industrial demand for the metal.

Copper

Copper prices rose by 0.9% from a weekly average price of US\$6,551.60 per tonne registered in the previous week, to US\$6,611.60 per tonne recorded, during the week ending 28th August 2020. Prices were partly boosted by of diminishing inventories, booming demand in China as well as pandemic-induced supply bottlenecks particularly from South America and Africa.

Nickel

Nickel prices also increased by 3.0%, from US\$14,628.60 per tonne to US\$15,062.00 per tonne, during the week under review. This was underpinned by robust demand, from the stainless steel sector and oversupply concerns from Indonesia, a top producer of the base metal.

Brent Crude Oil

Brent crude oil prices firmed by 1.4%, from US\$44.94 per barrel recorded in the previous week to US\$45.58 per barrel, during the week under review. The increase was occasioned by lingering concerns about supply disruptions as U.S. producers shut most offshore output in the Gulf of Mexico ahead of Hurricane Laura.

5. EXCHANGE RATE DEVELOPMENTS

The Zimbabwe dollar softened marginally against the South African rand, 2.81%; Botswana pula, 1.30%; US dollar, 0.52%, pound Sterling, 0.44% and euro, 0.02% during the week of analysis, as shown in Table 6.

Table 6. International Exchange Rates¹

	USD	ZAR	GBP	BWP	EURO
2020					
Weekly Average (17-21 Aug)	82.7750	4.7769	108.9993	7.0941	98.3658
24-Aug	82.9184	4.8473	108.5861	7.1271	97.8273
25-Aug	82.9184	4.8996	108.6190	7.1649	97.9226
26-Aug	83.3994	4.9542	109.5120	7.2314	98.5283
27-Aug	83.3994	4.9285	110.1164	7.2148	98.6533
28-Aug	83.3994	4.9249	110.5795	7.1935	98.9870
Weekly Average (24-28 Aug)	83.2070	4.9109	109.4826	7.1863	98.3837
<i>Appr(-)/Depr(+)</i> (%) <i>of the ZWL</i>	<i>0.52</i>	<i>2.81</i>	<i>0.44</i>	<i>1.30</i>	<i>0.02</i>

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 MAINFX² and SMEFX³

	MAINFX				SMEFX			
	4-Aug-20	13-Aug-20	18-Aug-20	25-Aug-20	6-Aug-20	13-Aug-20	18-Aug-20	25-Aug-20
Total Bids	19,773,961.25	17,981,174.01	13,679,558.32	14,064,871.9	460,167.99	789,866.02	517,630.88	960,791.84
Amount Allotted	18,531,336.74	17,981,174.01	13,679,558.32	14,064,871.9	460,167.99	789,866.02	517,630.88	960,791.84
Highest Rate	87	90	88.38	88	85	90	85	88
Lowest Rate	70	77.0160	80	80	75	80	78	75
Lowest Accepted Rate	78	77.0160	80	80	75	80	78	75
Weighted Average Rate	80.4663	82.5608	82.9184	83.3994	80.4663	82.5608	82.9184	83.3994
Number of Bids Received	237	171	113	139	40	75	56	85
Number of Bids Rejected	36	15	17	33	7	15	16	10

Source: Reserve Bank of Zimbabwe

¹ Direct quote – the amount of domestic currency needed to exchange for 1 unit of foreign currency

² Main Foreign Currency Auction

³ Small and Medium Enterprises Foreign Currency Auction

6. EQUITY MARKETS

The Zimbabwe Stock Exchange (ZSE) was bullish during the week under review. Consequently, the Top 10, Top 15, All Share, Small Cap and Medium Cap indices registered gains of 9.58%, 8.24%, 5.50%, 4.15% and 0.15% to close at 898.31 points, 1 028.71 points, 1 356.12 points, 4 784.29 points and 2 637.44 points, respectively.

The industrial index grew by 4.83% to close at 4 442.22 points, during the week under analysis. This underpinned by increases in National Tyre Services Limited, 107.17%; OK Zimbabwe Limited, 37.24%; Inscor Africa Limited, 30.35%; Simbisa Brands Limited, 14.99%, CBZ Holdings Limited, 12.27%; Delta Corporation Limited, 7.62%; and Econet Wireless Zimbabwe Limited, 3.52%. Partially offsetting the gains in the industrial index were losses registered in First Capital Bank Limited, 26.32%; ZB Financial Holdings Limited, 20.00%; Cassava Smartech Zimbabwe Limited, 10.75%; Rainbow Tourism Group Limited, 7.69%; Hippo Valley Estates Limited, 5.38% and First Mutual Holdings Limited, 3.31%.

The resources index surged by 32.29% to close at 3,240.49 points, on account of increases in Bindura Nickel Corporation Limited, 39.54% and Riozim Limited, 7.30%. Table 8 shows selected ZSE statistics.

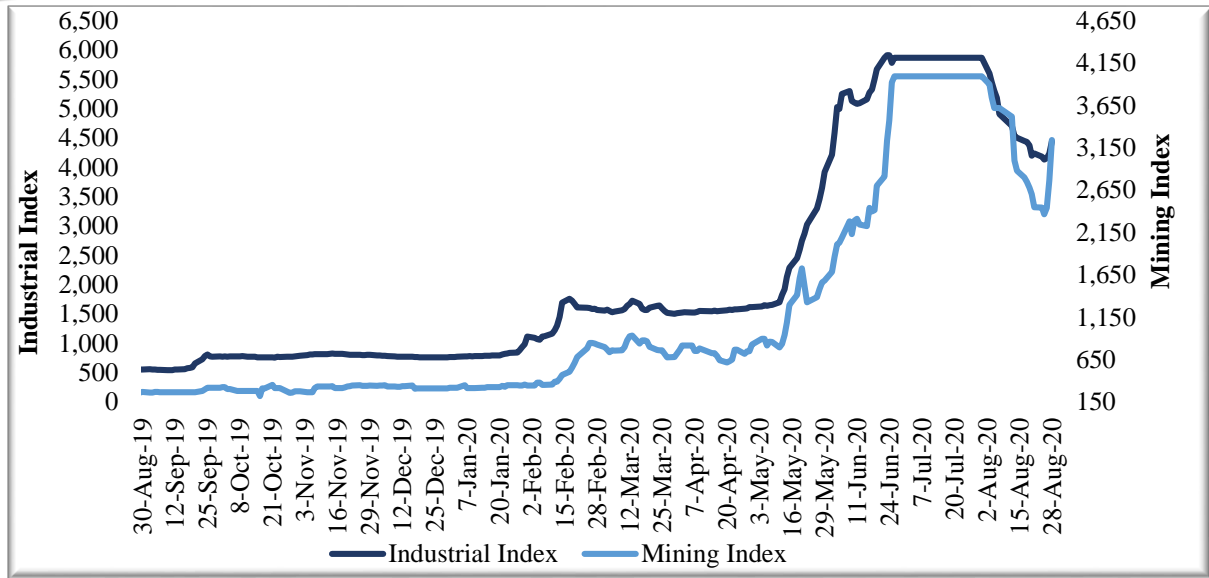
Table 8: Zimbabwe Stock Exchange Statistics⁴

	All Share Index points	Top 10 index (points)	Top 15 Index ³ points	Medium Cap ³ (points)	Small Cap ³ (points)	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (ZWL million)	Market Turnover (ZWL million)	Volume of Shares (million)
12-June-20	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
19-June-20	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
7-Aug-20	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
14-Aug-20	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
21-Aug-20	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
28-Aug-20	1,356.12	898.31	1,028.71	2,637.44	4,784.29	4,442.22	3,240.49	179.50	352.15	56.29
% Change	5.50	9.58	8.24	0.15	4.15	4.83	32.29	14.35	63.00	9.87

Source: Zimbabwe Stock Exchange (ZSE), 2020

⁴ 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

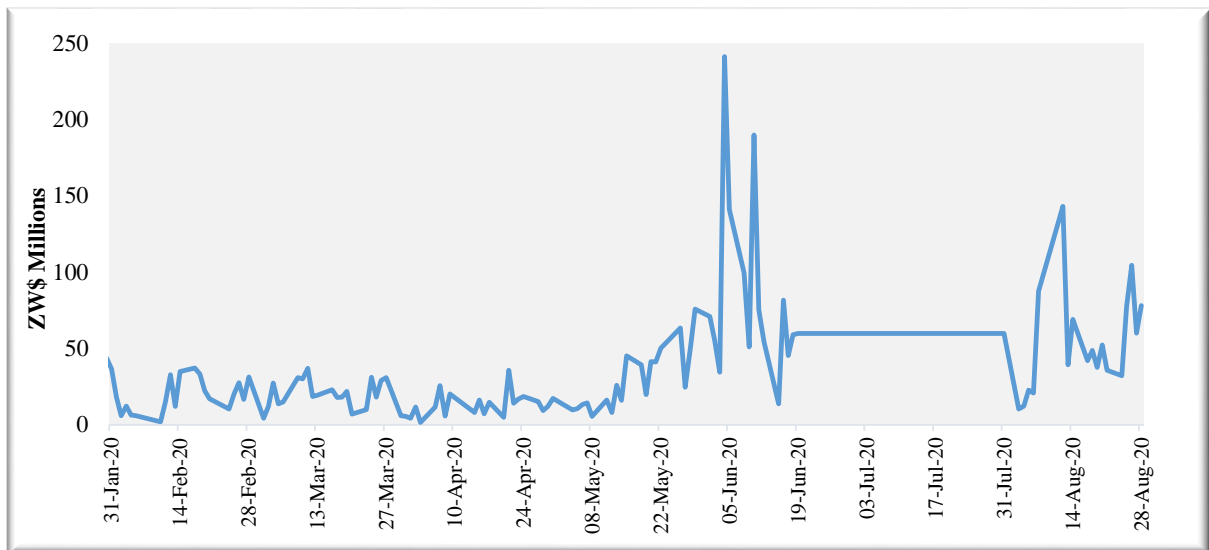


Source: Zimbabwe Stock Exchange, 2020

Market Turnover and Volume

ZSE cumulative volume of shares traded rose by 9.87%, from 51.23 million in the previous week to close at 56.29 million, during the week under review. In tandem, market turnover, surged by 63% to close at Z\$352.15 million, in the same period.

Figure 4: Daily Market Turnover

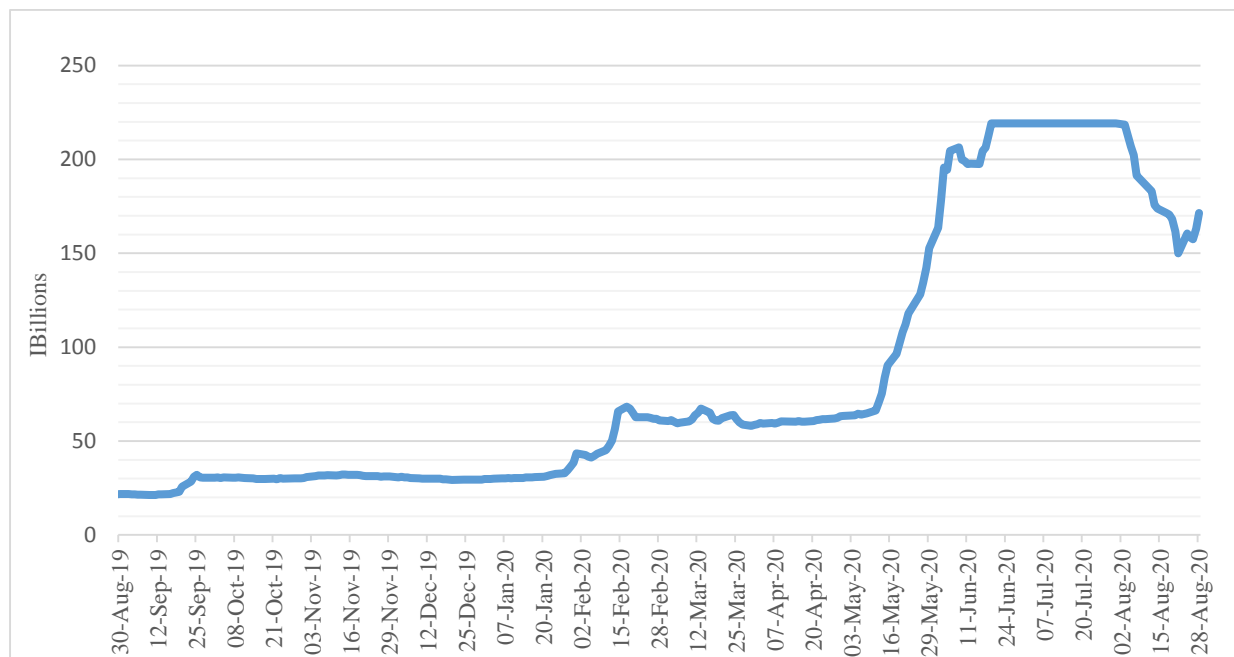


Source: Zimbabwe Stock Exchange, 2020

Market Capitalization

The ZSE gained 14.35% or 29.52 billion worth of market capitalisation to close at Z\$179.50 billion, during the week of analysis.

Figure 5: Daily Market Capitalization in ZW\$ billions



Source: Zimbabwe Stock Exchange, 2020

Johannesburg Stock Exchange (JSE) Developments

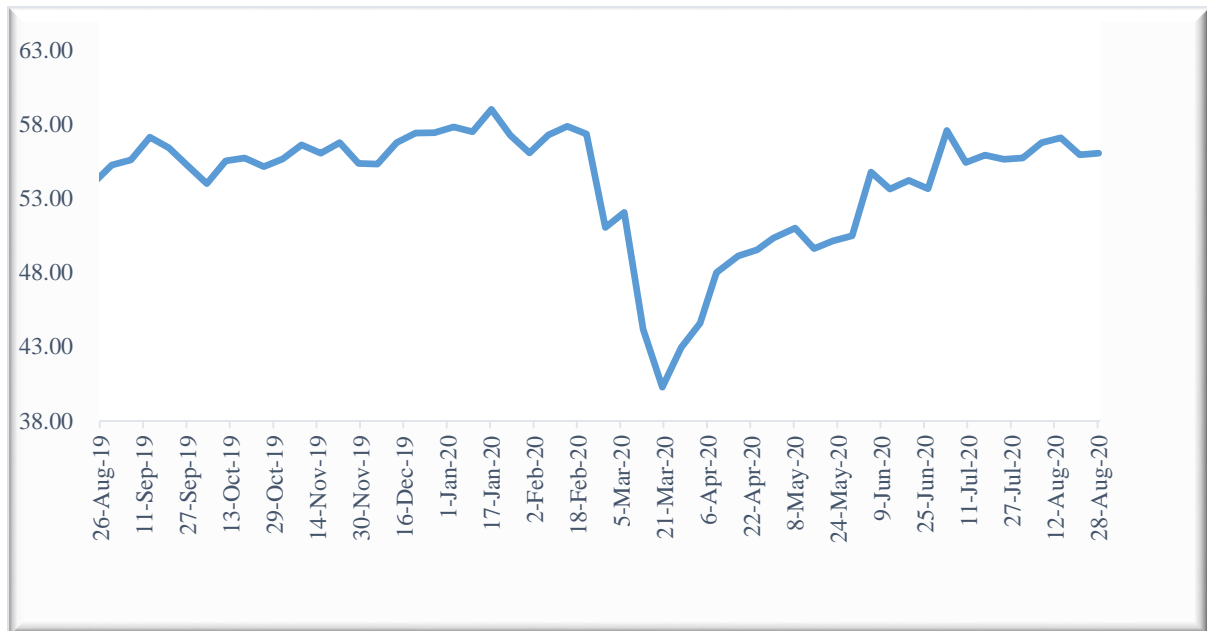
The week under analysis saw the Johannesburg Stock Exchange (JSE) increase by 0.19% to close at 56,057.10 points. JSE market capitalisation also rose from ZAR17.13 trillion in the previous week to close ZAR17.28 trillion, during the week ending 28th August 2020.

Table 9: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index	Market Capitalization
	(points)	(ZAR trillions)
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
28-August-20	56,057.10	17.28
% Change	0.19	0.88

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

4th SEPTEMBER 2020

APPENDIX 1: SUMMARY OF FOREIGN CURRENCY AUCTION ALLOTMENTS BY PURPOSE

Purpose	MAINFX				SMEFX			
	4-Aug-20	13-Aug-20	18-Aug-20	25-Aug-20	6-Aug-20	13-Aug-20	18-Aug-20	25-Aug-20
Raw Materials	7,566,099.30	7,638,735.47	5,267,239.56	4,970,224.02	178,517.91	235,721.60	180,953.85	207,931.76
Machinery and Equipment	4,506,804.60	2,939,205.80	2,826,748.46	3,870,515.84	91,447.39	148,685.35	96,791.85	162,741.26
Consumables (Incl. Spares, Tyres, Packaging)	1,326,311.90	2,530,257.93	1,941,302.63	1,671,224.20	86,309.97	145,872.68	78,526.56	151,749.85
Pharmaceuticals and Chemicals	1,710,908.75	1,421,435.64	1,221,045.68	1,470,373.59	-	97,023.36	57,358.62	140,450.41
Services (Loans, Dividends and Disinvestments)	1,221,265.77	1,353,774.00	946,712.64	843,215.51	23,700.00	67,416.87	54,000.00	137,101.50
Retail and Distribution	1,444,143.82	1,215,715.17	471,792.00	766,098.49	40,000.00	70,746.16	50,000.00	98,700.00
Fuel, Electricity and Gas	552,802.60	475,820.00	671,834.80	358,564.78	-	-	-	32,797.06
Paper and Packaging	203,000.00	406,230.00	332,882.55	114,655.47	40,192.72	24,400.00	-	29,320.00
TOTAL	18,531,336.74	17,981,174.01	13,679,558.32	14,064,871.90	460,167.99	789,866.02	517,630.88	960,791.84

Source: Reserve Bank of Zimbabwe, 2020