



# Weekly Economic Highlights

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

## 1. INTEREST RATES

### Deposit Rates

Minimum and maximum deposit rates for savings deposits and deposits of 1-month and 3-month tenors remained unchanged during the week ending 7<sup>th</sup> August 2020, 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 (%)
10-July-20	2.35	5.19	3.28	6.62	4.21	7.70
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

Source: Reserve Bank of Zimbabwe, 2020

### Lending Rates

Commercial bank minimum and maximum lending rates for individual and corporate clients also remained unchanged during the week under analysis, as shown in Table 2.

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

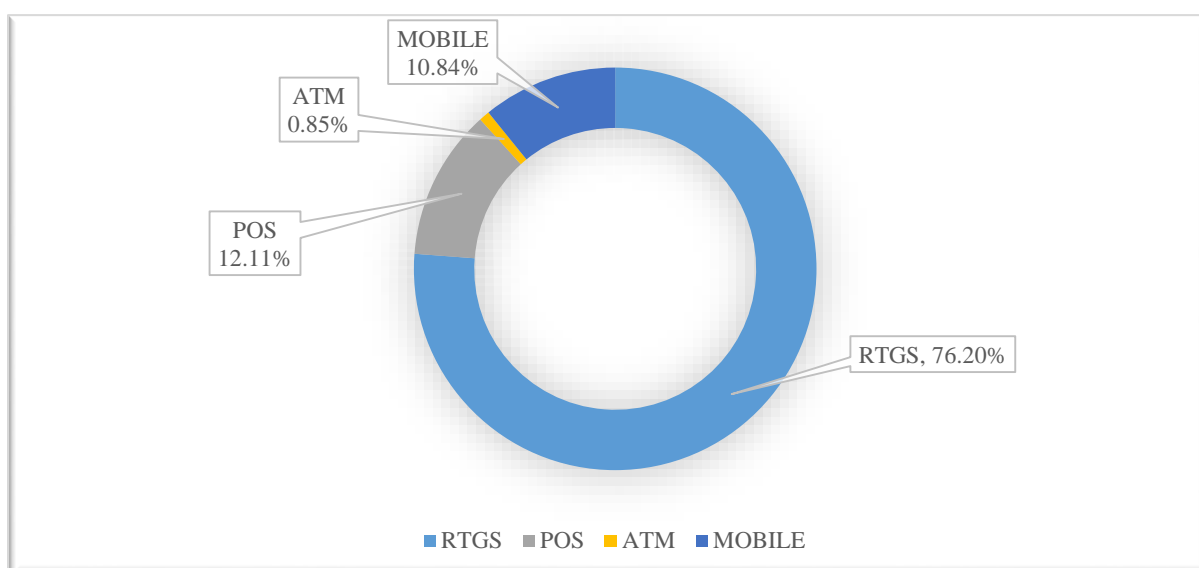
Date	Individual Clients		Corporate Clients	
	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
10-July-20	18.07	35.59	19.47	45.29
17-July-20	16.84	35.71	19.58	45.14
24-July-20	16.84	35.71	19.58	45.14
31-July-20	18.87	37.42	22.11	47.27
7-Aug-20	18.87	37.42	22.11	47.27

Source: Reserve Bank of Zimbabwe, 2020

## 2. CLEARING AND SETTLEMENT ACTIVITY

During the week ending 7<sup>th</sup> August 2020, transactions processed through the National Payment Systems (NPS) amounted to \$39.36 billion, up from \$30.11 billion in the previous week. Real Time Gross Settlement (RTGS) system transactions stood at \$29.99 billion, during the week under review, down from \$20.67 billion recorded in the previous week. In value terms, NPS transactions were distributed as follows: RTGS, 76.20%; POS, 12.11%; Mobile, 10.84% and ATM, 0.85%.

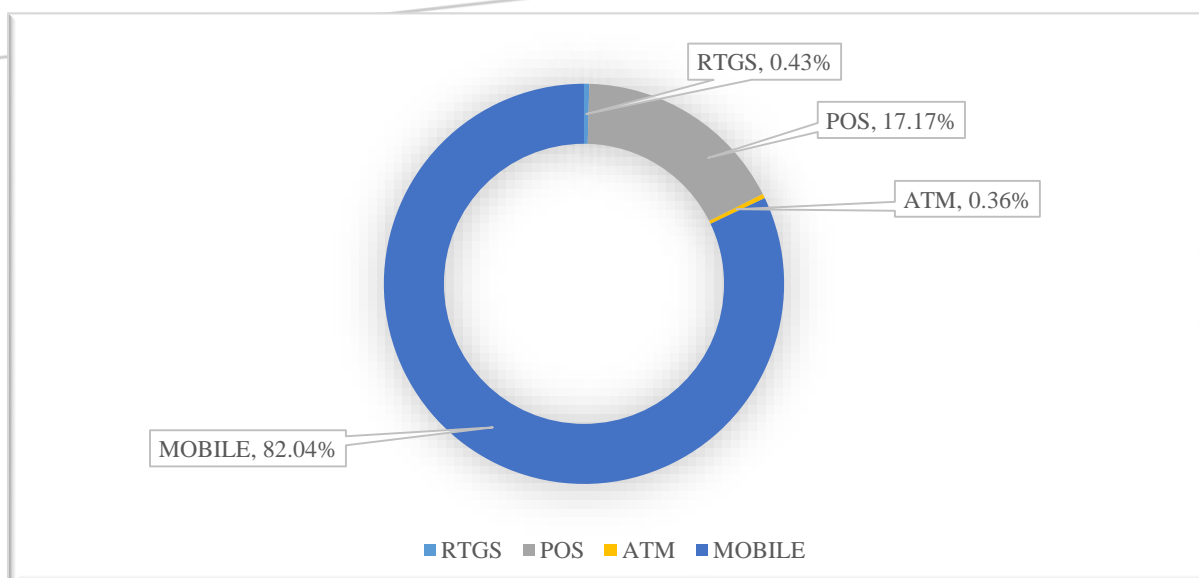
**Figure 1: Composition of NPS Transactions in Value Terms**



*Source: Reserve Bank of Zimbabwe, 2020*

The volume of NPS transactions declined by 10.44%, from 29.57 million transactions in the preceding week to close at 26.49 million, during the week under review. In volume terms, the composition of NPS transactions was as follows: Mobile 82.04%; POS, 17.17%; RTGS, 0.43%; and ATM, 0.36%.

**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 31 <sup>th</sup> JULY 2020	WEEK ENDING 7 <sup>th</sup> JULY 2020	% CHANGE FROM LAST WEEK	PROPORTION %
<b>Values in \$ Millions</b>				
RTGS	20,666.70	29,992.11	45.12%	76.20%
POS	5,105.27	4,767.00	-6.63%	12.11%
ATM	439.56	335.08	-23.77%	0.85%
MOBILE	3,901.78	4,267.21	9.37%	10.84%
<b>TOTAL</b>	<b>30 113.32</b>	<b>39 361.40</b>	<b>30.71%</b>	<b>100%</b>
<b>Volumes in Thousands</b>				
RTGS	216,483	112,773	-47.91%	0.43%
POS	5,046,681	4,547,211	-9.90%	17.17%
ATM	96,609	95,926	-0.71%	0.36%
MOBILE	24,212,162	21,729,945	-10.25%	82.04%
<b>TOTAL</b>	<b>29,571,935</b>	<b>26,485,855</b>	<b>-10.44%</b>	<b>100%</b>

Source: Reserve Bank of Zimbabwe, 2020

### 3. TOBACCO SALES

As at 7<sup>th</sup> August 2020, or day 71 of the 2020 tobacco selling season, a cumulative total of 167.40 million kilograms of tobacco had been sold. This reflected a 20.06% decline from the cumulative total of 209.40 million kilograms sold during the same period in 2019. The cumulative value of the golden leaf sold during the period under review amounted to US\$415.27 million, reflecting a 3.04% increase from US\$403.03 million registered during the corresponding period in 2019, as shown in Table 4.

**Table 4: Weekly cumulative Tobacco Sales: Day 71 (7<sup>th</sup> August 2020)**

	2019	2020	Variance (%)
<b>Cumulative Quantity Sold (million kgs)</b>	209.40	167.40	(20.06)
<b>Cumulative Average Price (US\$/kg)</b>	1.92	2.48	28.89
<b>Cumulative Value (US\$ million)</b>	403.03	415.27	3.04

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

The average price at US\$2.48/kg, reflected a 28.89% increase from US\$1.90/kg recorded during the same period in 2019.

#### 4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

International commodity prices of gold, platinum, copper, nickel and crude oil registered increases during the week ending 7<sup>th</sup> August 2020, as shown in Table 5.

**Table 5: International Commodity Prices for the Week-ending 7<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 (27-31 Jul)</b>	<b>1,950.45</b>	<b>923.10</b>	<b>6,376.00</b>	<b>13,684.40</b>	<b>43.36</b>
<b>3-Aug</b>	1,965.75	907.50	6,441.00	13,683.00	43.82
<b>4-Aug</b>	1,975.08	917.00	6,440.00	13,888.00	44.37
<b>5-Aug</b>	2,041.30	959.00	6,525.50	14,250.00	45.37
<b>6-Aug</b>	2,056.15	976.50	6,453.50	14,381.00	44.65
<b>7-Aug</b>	2,046.33	917.00	6,437.00	14,335.00	44.82
<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>Weekly Change (%)</b>	3.4	1.3	1.3	3.1	2.9

Source: BBC, KITCO and Bloomberg, 2020

##### Gold

Gold prices firmed by 3.4% to close at US\$2,016.92 per ounce, during the week under review. Prices were supported by the continued appeal of gold as a safe haven asset, on the back of a weaker US dollar and falling returns on interest bearing assets.

##### Platinum

Similarly, platinum prices rose by 1.3%, from a weekly average price of US\$923.10 per ounce recorded in the previous week to US\$935.40 per ounce, during the week under review. This

was also on the back of strong investment demand for the precious metal, amid a weaker US dollar.

### Copper

Copper prices gained by 1.3%, from a weekly average price of US\$6,376.00 per tonne in the previous week to US\$ 6,459.40 per tonne, during the week ending 7<sup>th</sup> August 2020. Prices were buoyed by improved demand from China, the world's top consumer of base metals.

### Nickel

Nickel prices rose by 3.1%, from a weekly average of US\$13,684.40 per tonne to US\$14,107.40 per tonne, during the week under review. Prices were boosted by optimism about a higher demand outlook, particularly in the manufacturing of electric-powered vehicles.

### Brent Crude Oil

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

## 5. EXCHANGE RATE DEVELOPMENTS

The Zimbabwe dollar registered losses against the pound Sterling, 6.9%; euro, 6.0%; US dollar, 5.5%; Botswana pula 3.9%; and South African rand, 1.1%, as shown in Table 6.

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

	USD	ZAR	GBP	BWP	EURO
<b>2020</b>					
<b>Weekly Average (27-31 Jul)</b>	<b>74.8455</b>	<b>4.5143</b>	<b>96.8345</b>	<b>6.5328</b>	<b>88.0451</b>
<b>3-Aug</b>	76.7596	4.4803	100.279	6.6131	90.2081
<b>4-Aug</b>	76.7596	4.4763	100.4248	6.6093	90.3769
<b>5-Aug</b>	80.4663	4.6404	105.2221	6.9003	95.0508
<b>6-Aug</b>	80.4663	4.6371	105.8336	6.9248	95.5538
<b>7-Aug</b>	80.4663	4.5882	105.6525	6.8805	95.32
<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>
<i>Appr(-)/Depr(+)(%) of the ZWL</i>	5.5	1.1	6.9	3.9	6.0

Source: Reserve Bank of Zimbabwe, 2020

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

The summary of the foreign exchange auction results held during the past four weeks are shown in Table 7.

**Table 7. Foreign Exchange Auction results**

	14-Jul-20	21-July-20	28-July-20	4-Aug-20
<b>Total Bids</b>	18,719,664.66	20,316,134.74	19,312,474.71	19,773,961.25
<b>Amount Allotted</b>	15,988,219.59	14,853,708.88	14,356,193.21	18,531,336.74
<b>Highest Rate</b>	85	82.17	82	87
<b>Lowest Rate</b>	40	55	70	70
<b>Lowest Accepted Rate</b>	68.9	70.0	75	78
<b>Weighted Average Rate</b>	68.8879	72.1470	76.7596	80.4663
<b>Number of Bids Received</b>	289	290	228	237
<b>Number of Bids Rejected</b>	59	51	55	36

*Source: Reserve Bank of Zimbabwe*

## 6. EQUITY MARKETS

The Zimbabwe Stock Exchange (ZSE) was bearish after the resumption of trading on 3<sup>rd</sup> August 2020. The Top 10, Top 15, All Share, Small Cap indices registered declines to close at 965.79 points, 1 133.73 points, 1 498.24 points and 4 620.90 points respectively.

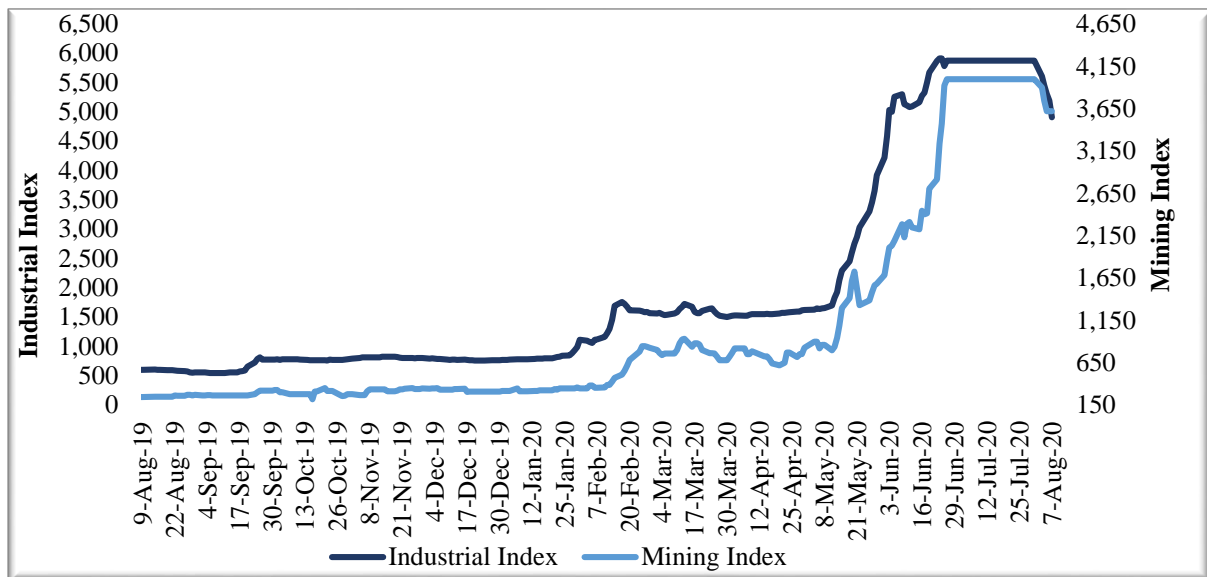
Industrial index was also lower at 4 905.74 points during the week under analysis, from 5 672.5 at the close of the last trading period. The mining index, however, registered an increase of 33.93% to close at 3 618.74 points, during the same period. Table 8 shows selected ZSE statistics.

**Table 8: Zimbabwe Stock Exchange Statistics<sup>2</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>22-May-20</b>	913.24	731.83	759.95	1,339.10	3,023.99	3,023.99	1,327.26	117.9	191.59	39.59
<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	153.49	17.92
<b>% Change</b>	-12.57	-20.96	-20.10	0.10	-5.64	-13.52	33.92	-12.70	-40.80	-56.15

Source: Zimbabwe Stock Exchange (ZSE), 2020

**Figure 3: Zimbabwe Stock Exchange Indices**



Source: Zimbabwe Stock Exchange, 2020

### Market Turnover and Volume

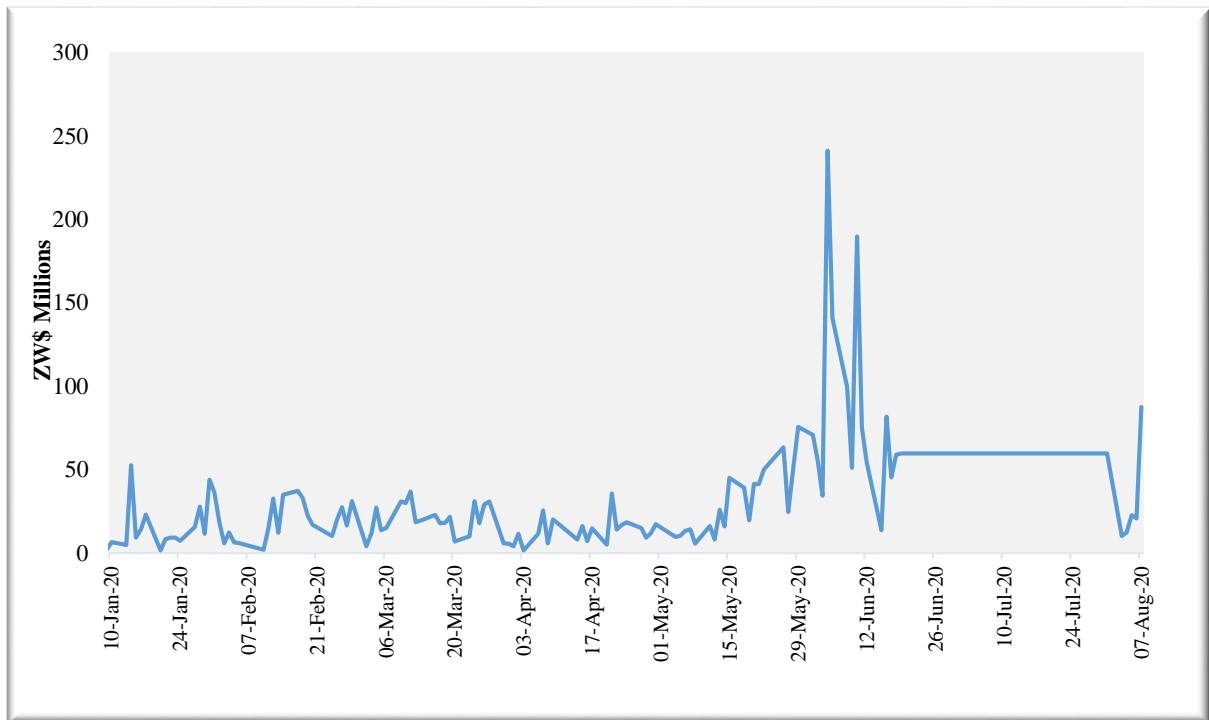
The cumulative volume of shares traded on the ZSE stood at 17.92 million during the week ending 7<sup>th</sup> August 2020, down from 40.87 million shares that exchanged hands, before

<sup>2</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.



suspension of trading at the ZSE. Market turnover registered a decline of 40.80% to close at \$153.49 during the same period.

**Figure 4: Daily Market Turnover**

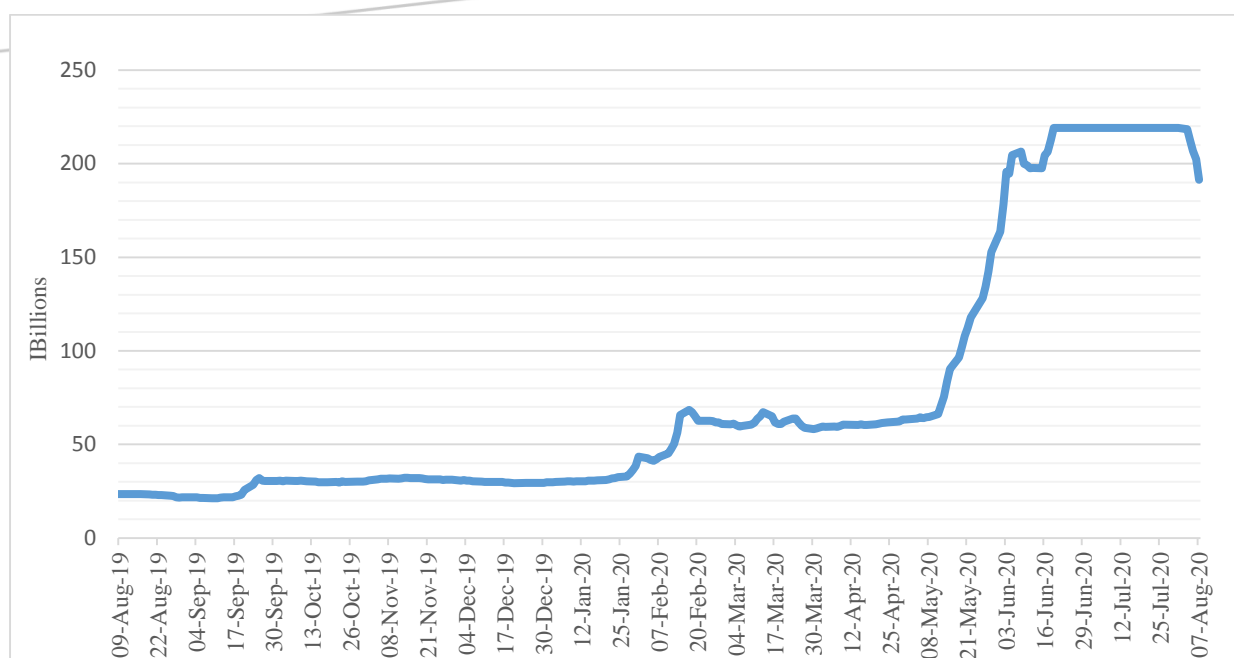


Source: Zimbabwe Stock Exchange, 2020

### Market Capitalization

The ZSE market capitalisation declined by 12.70% to close at Z\$191.33 billion, from Z\$219.16 billion recorded at the close of the trading period before the suspension of trading on the local bourse.

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



Source: Zimbabwe Stock Exchange, 2020

### Johannesburg Stock Exchange (JSE) Developments

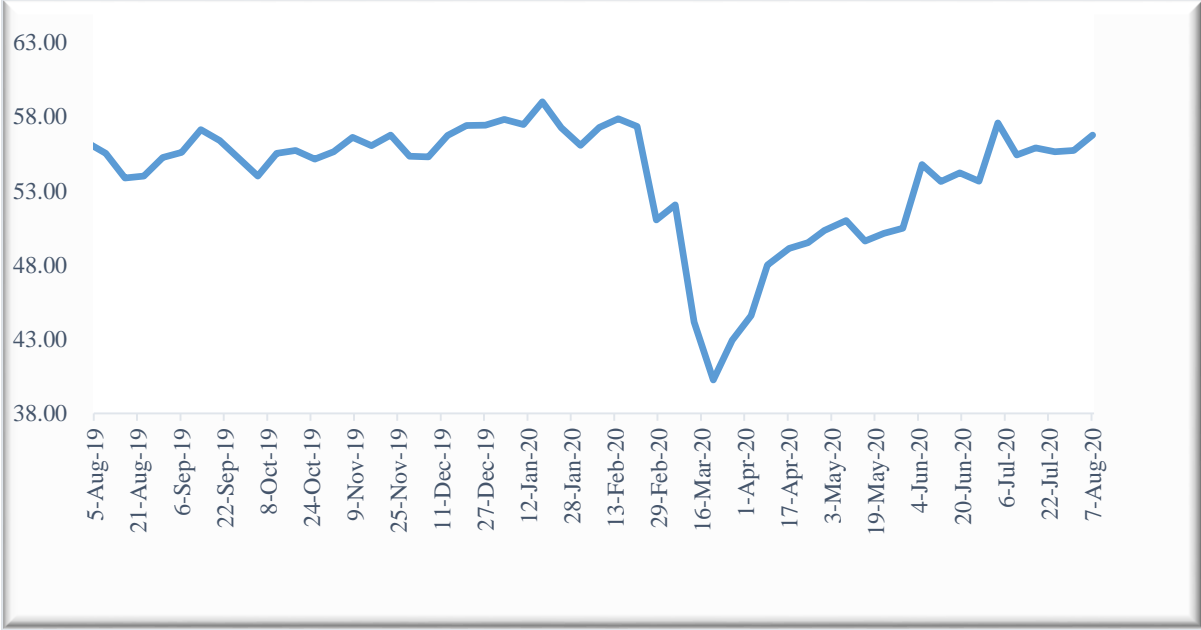
The Johannesburg Stock Exchange (JSE) All Share Index increased from 55 721.80 points in the week ending 31<sup>st</sup> July 2020 to 56,757.73 points, during the week under review. JSE market capitalization also increased by 1.22% to close at ZAR17.36 billion, during same the week.

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

Period	All Share Index (points)	Market Capitalization (ZAR billions)
03-July 20	54,521.90	16.87
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
<b>% Change</b>	<b>1.86</b>	<b>1.22</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**

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

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

Purpose	14-July-20	21-July-20	28-July-20	4-August-20
<b>Raw Materials</b>	5,623,684.60	7,417,479.47	7,706,268.09	7,566,099.30
<b>Machinery and Equipment</b>	3,016,110.90	2,309,655.89	3,038,617.17	4,506,804.60
<b>Pharmaceuticals and Chemicals</b>	1,264,842.70	696,875.00	648,510.54	1,710,908.75
<b>Retail and Distribution</b>	2,476,441.00	1,299,934.9	957,120.51	1,444,143.82
<b>Consumables</b>	1,416,913.67	1,122,315.00	670,875.00	1,326,311.90
<b>Services (Loans, Dividends and Disinvestments)</b>	900,526.72	752,000.00	760,482.90	1,221,265.77
<b>Fuel, Electricity and Gas</b>	528,200.00	640,453.05	224,319.00	552,802.60
<b>Paper and Packaging</b>	761,500.00	614,995.57	350,000.00	203,000.00
<b>TOTAL</b>	<b>15,988,219.59</b>	<b>14,853,708.88</b>	<b>14,356,193.21</b>	<b>18,531,336.74</b>

Source: Reserve Bank of Zimbabwe, 2020