



Weekly Economic Highlights

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Week Ending
11th December 2020

1. INTEREST RATES

Deposit Rates

Minimum and maximum deposits rates for savings deposits, deposit rates of 1 month and 3 month tenors remained largely unchanged at previous week's levels, 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 (%)
13-Nov-20	2.35	5.19	4.49	8.57	4.82	8.71
20-Nov-20	1.68	4.69	4.47	9.37	5.28	9.57
27-Nov-20	1.68	4.69	4.47	9.37	5.28	9.57
4-Dec-20	1.68	4.69	4.92	9.37	5.28	10.04
11-Dec-20	1.68	4.69	4.92	9.37	5.28	10.04

Source: Reserve Bank of Zimbabwe, 2020

Lending Rates

During the week ending 11th December 2020, commercial bank maximum and minimum lending rates for individuals and corporates remained unchanged compared with the previous week's lending rates, as shown in Table 2.

Table 2: Lending Rates (per annum)

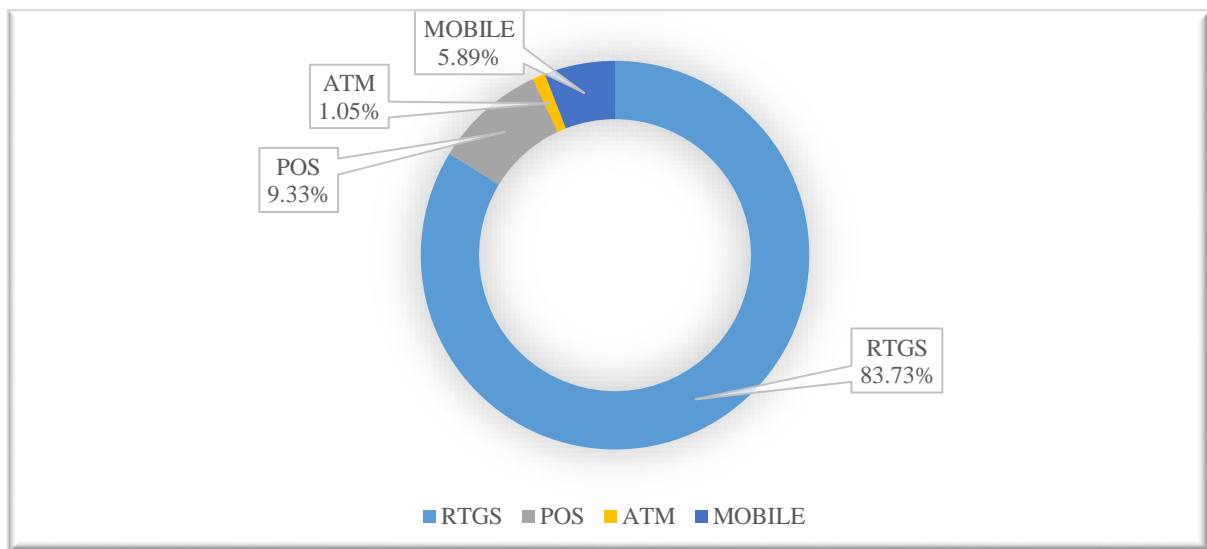
Date	Individual Clients		Corporate Clients	
	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
13-Nov-20	25.91	46.66	26.94	51.07
20-Nov-20	30.32	52.78	27.67	52.77
27-Nov-20	30.32	52.78	27.67	52.77
4-Dec-20	30.50	54.55	27.03	60.33
11-Dec-20	30.50	54.55	27.03	60.33

Source: Reserve Bank of Zimbabwe, 2020

2. CLEARING AND SETTLEMENT ACTIVITY

The National Payment Systems (NPS) processed a total of ZW\$70.34 billion worth of transactions during the week ending 11th December 2020, up from ZW\$67.60 billion in the previous week. Real Time Gross Settlement (RTGS) system transactions stood at ZW\$58.90 billion, a 10.29% increase from ZW\$53.40 billion registered in the preceding week. In value terms, NPS transactions were distributed as follow: RTGS, 83.73%; POS, 9.33%; Mobile, 5.89% and ATM, 1.05%.

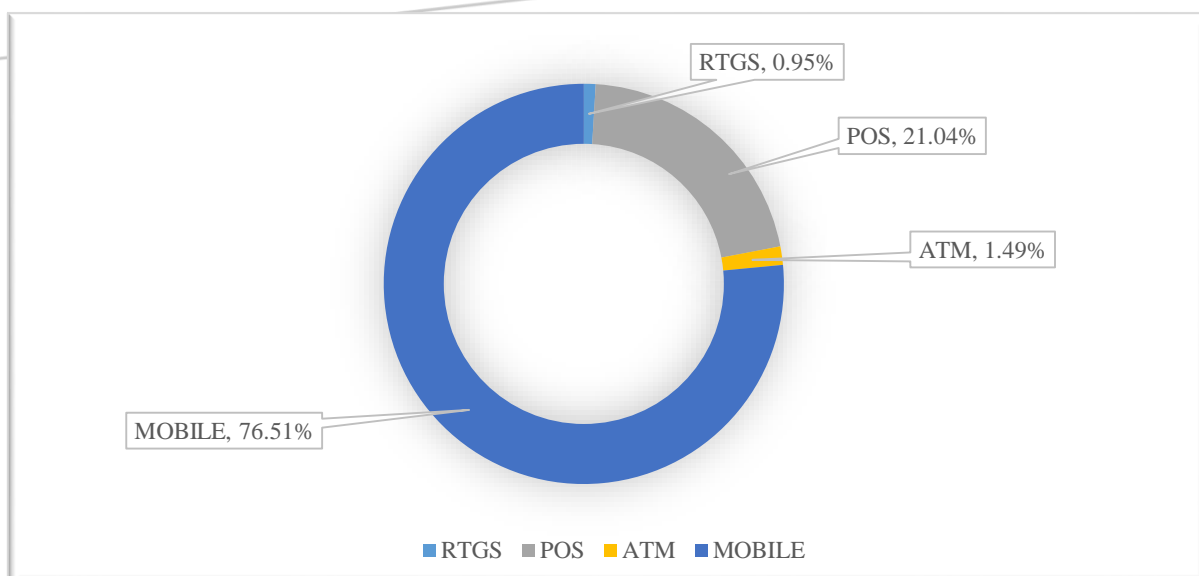
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2020

During the week under analysis, NPS transaction volumes increased by 4.02% to close at 25.47 million from 25.46 million recorded during the previous week. NPS transaction volumes were constituted as follows: Mobile, 76.65%; POS, 21.04%; RTGS, 1.02%; and ATM, 1.01%.

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 4 th DECEMBER 2020	WEEK ENDING 11 th DECEMBER 2020	% CHANGE FROM LAST WEEK	PROPORTION %
Values in ZW\$ Millions				
RTGS	53,403.70	58,897.51	10.29%	83.73%
POS	7,760.97	6,563.17	-15.43%	9.33%
ATM	936.31	739.49	-21.02%	1.05%
MOBILE	5,527.59	4,144.23	-25.03%	5.89%
TOTAL	67,628.57	70,344.39	4.02%	100%
Volumes				
RTGS	279,557	258,925	-7.38%	1.02%
POS	5,269,064	5,431,026	3.07%	21.32%
ATM	184,083	256,156	39.15%	1.01%
MOBILE	19,176,278	19,522,997	1.81%	76.65%
TOTAL	24,908,982	25,469,104	2.25%	100%

Source: Reserve Bank of Zimbabwe, 2020

3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international price for gold, platinum, copper, nickel and Brent crude oil increased during the week under analysis. Global markets were buoyed by expectations of new stimulus packages, coronavirus (COVID19) vaccine optimism and lingering uncertainties over the global economy outlook. Table 4 shows developments in selected commodity prices during the week under review.

Table 4: Metal and Crude Oil Prices for the week-ending 11th November 2020

	Gold	Platinum	Copper	Nickel	Crude Oil
2020	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
weekly average (27 Nov – 4 Dec)	1,814.65	1,008.10	7,671.10	16,050.40	48.61
7-Dec	1,846.38	1,025.50	7,656.50	16,290.00	48.44
8-Dec	1,866.33	1,023.00	7,635.00	16,390.00	48.96
9-Dec	1,850.78	1,024.50	7,704.50	16,475.00	49.82
10-Dec	1,839.28	1,024.00	7,712.00	16,807.00	50.00
11-Dec	1,837.83	1,015.50	7,741.00	17,192.00	50.30
weekly average (11 Dec – 7 Dec)	1,848.12	1,022.50	7,689.80	16,630.80	49.50
Weekly Change (%)	<i>1.8</i>	<i>1.4</i>	<i>0.2</i>	<i>3.6</i>	<i>1.8</i>

Source: BBC, KITCO and Bloomberg, 2020

Gold

During the week under review the average price of gold increased by 1.8% from US\$1,814.65 per ounce to US\$1,848.12 per ounce. The yellow metal price was lifted by investors' expectations of an impending stimulus package from the US Government and uncertainty over the US economy amid lackluster employment data. The gains were, however, capped by a strong US dollar making gold more expensive for holders of other currencies. The outlook for bullion remains positive particularly on muted recovery of the US economy, inflation and stimulus. However, investment demand could ease in the near-term as the coronavirus vaccine is rolled out.

Platinum

Platinum price registered a week-on-week increase of 1.4% from US\$1,008.10 per ounce to US\$1,022.50 per ounce during the week under review. Platinum was boosted by higher investor demand amid expectations of renewed stimulus measures. In addition, the price continued to be supported from the supply-side as the market remained in deficit.

Copper

Copper price was steady during the week ending 11th December 2020 increasing by a marginal 0.2% from a weekly average price of US\$7,671.10 per tonne to US\$7,689.80 per tonne. Copper prices softened on profit taking by investors and uncertainty over Brexit, amid protracted talks between the UK and the EU.

Nickel

Nickel prices rebounded during the week amid brighter demand prospects following a recovery in steel production in China and strong demand for stainless steel. Against this backdrop the price of nickel increased by 3.6% from US\$16,050.40 per tonne to US\$16,630.80 per tonne during the week under analysis.

Brent Crude Oil

Brent crude oil registered a gain of 1.8% from US\$48.16 per barrel in the previous week to US\$49.50 per barrel in the week ending 11th December 2020. Brent oil was buoyed by investor optimism over a coronavirus vaccine and expectations of a new stimulus from the US. On the downside, the likelihood of renewed lockdowns in major economies has elevated fears of a demand contraction particularly in the northern hemisphere.

EXCHANGE RATE DEVELOPMENTS

On the weekly foreign exchange market, the Zimbabwe dollar (ZWL\$) softened marginally against the greenback. The local unit lost 0.02% against the US dollar from ZW\$81.8519 per USD to ZW\$81.8649 per USD in the week under analysis. The developments in selected exchange rates are shown in Table 5.

Table 5: International Exchange Rates¹

	USD	ZAR	GBP	BWP	EURO
2020					
Weekly Average (30 Nov-4 Dec)	81.8519	5.3545	109.6046	7.4120	98.6587
7-Dec	81.8765	5.3749	109.8496	7.4551	99.3285
8-Dec	81.8765	5.4010	109.3829	7.4593	99.2140
9-Dec	81.8572	5.4825	109.4881	7.4660	99.2725
10-Dec	81.8572	5.4645	109.3040	7.5069	98.9859
11-Dec	81.8572	5.4466	108.9808	7.4741	99.5097
Weekly Average (7-11 Dec)	81.8649	5.4336	109.4003	7.4722	99.2618
Appr(-)/Depr(+)(%) of the ZWL	<i>0.02</i>	<i>1.5</i>	<i>-0.2</i>	<i>0.8</i>	<i>0.6</i>

Source: Reserve Bank of Zimbabwe, 2020

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

Table 6: Foreign Exchange Auction results for MAINFX² and SMEFX³

	MAINFX				SMEFX			
	17-Nov-20	24-Nov-20	1-Dec-20	8-Dec-20	17-Nov-20	24-Nov-20	1-Dec-20	8-Dec-20
Total Bids (US\$ dollars)	27,436,863.5	30,630,562.31	31,193,922.3	27,722,832.57	2,303,580.0	2,324,864.5	2,153,933.2	2,551,643.2
Amount Allotted (US\$ dollars)	27,436,863.5	30,630,562.31	31,193,922.3	27,722,832.57	2,303,580.0	2,324,864.5	2,153,933.2	2,551,643.2
Highest Rate	86	86	90	86	90	86	87	86
Lowest Rate	79	80	80	80	80	80	80	80
Lowest Accepted Rate	79	80	80	80	80	80	80	80
Weighted Average Rate	81.7102	81.8151	81.8765	81.8572	81.7102	81.8151	81.8765	81.8572
Number of Bids Received	294	289	278	202	192	181	189	202
Number of Bids Rejected	38	21	34	14	17	15	23	14

Source: Reserve Bank of Zimbabwe

4. EQUITY MARKETS

During the week ending 11th December 2020, the Zimbabwe Stock Exchange (ZSE) registered positive trading, resulting in the Top 10, Top 15, All Share, Medium Cap and Small Cap increasing by 23.34%, 21.97%, 19.21%, 13.55% and 2.13% to close at 1 309.02 points, 1 542.60 points, 2 010.57 points, 3 984.29 points and 9 638.14 points, respectively.

The industrial index increased by 19.80% to close at 6 695.73 points. The increase in the industrial index largely emanated from gains in Amalgamated Regional Trading (ART) (61.54%), Hippo Valley Estates Limited (55.15%), CBZ Holdings Limited (47.92%), British American Tobacco Zimbabwe (43.02%) and Padenga Holdings Limited (36.18%). Partially offsetting the gains were losses in the share prices of Zimplow Holdings Limited (18.03%), Starafrika Corporation Limited (15.19%), First Mutual Properties Limited (4.10%), Dawn Properties Limited (4.00%) and Fidelity Life Assurance Limited (3.96%).

The resource index declined by 2.57% to close at 3 209.89 points. The resource index fell by 84.70 points (2.57%) due to a 12.42% loss in the share price of Bindura Nickel Corporation

² Main Foreign Currency Auction

³ Small and Medium Enterprises Foreign Currency Auction

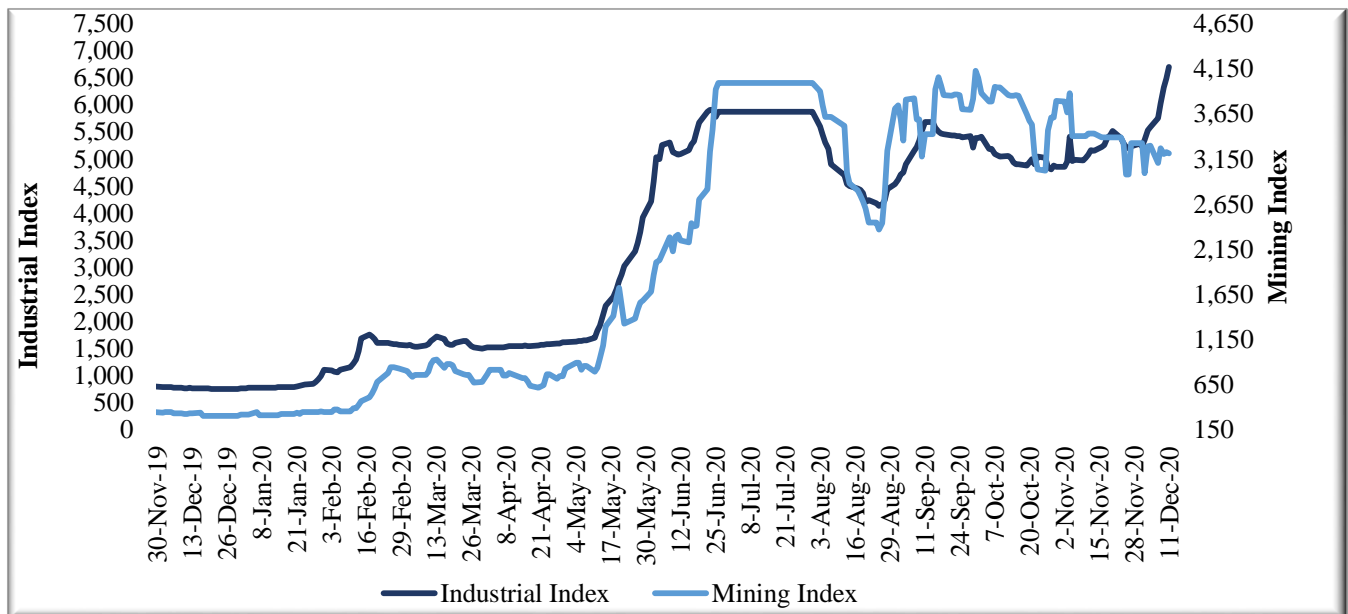
(BNC), against a 43.47% gain in the share price of RioZim Limited, during the week under review. Table 7 shows selected ZSE statistics.

Table 7: 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)
6-Nov-20	1,510.58	997.24	1,159.62	3,056.33	6110.30	4,985.46	3,400.14	182.42	237.29	33.99
13-Nov-20	1 559.67	1 012.72	1 197.46	3 139.88	6 129.02	5 151.10	3 430.75	188.03	633.72	112.78
20-Nov-20	1 665.13	1 106.31	1 295.08	3 221.28	6 286.89	5 511.80	3 391.21	198.78	360.96	86.69
27-Nov-20	1 581.69	998.65	1 187.17	3 306.67	1 219.96	5 230.94	3 325.30	191.63	415.35	126.19
4-Nov-20	1 686.51	1 061.30	1 264.76	3 508.81	9 437.51	5 589.03	3 294.59	204.57	2 914.27	211.50
11-Nov-20	2 010.57	1 309.02	1 542.60	3 984.29	9 638.14	6 695.73	3 209.89	243.27	871.31	93.41
% Change	19.21	23.34	21.97	13.55	2.13	19.80	-2.57	18.92	-70.10	-55.83

Source: Zimbabwe Stock Exchange (ZSE), 2020

Figure 3: Zimbabwe Stock Exchange Indices



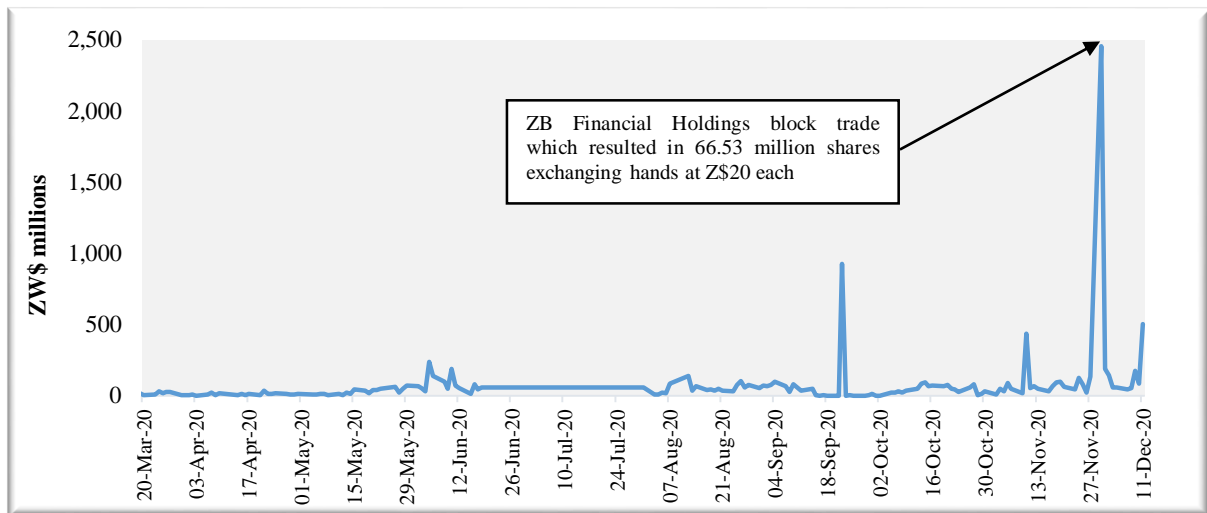
Source: Zimbabwe Stock Exchange, 2020

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.

Market Turnover and Volume

Although the stock market was characterized by positive trading during the week under review, the volume of shares traded declined by 55.84% to close at 93.410 million shares. The value of shares traded also declined by 70.10% or ZW\$871.31 million worth of shares largely due to the festive season effects.

Figure 4: Daily Market Turnover

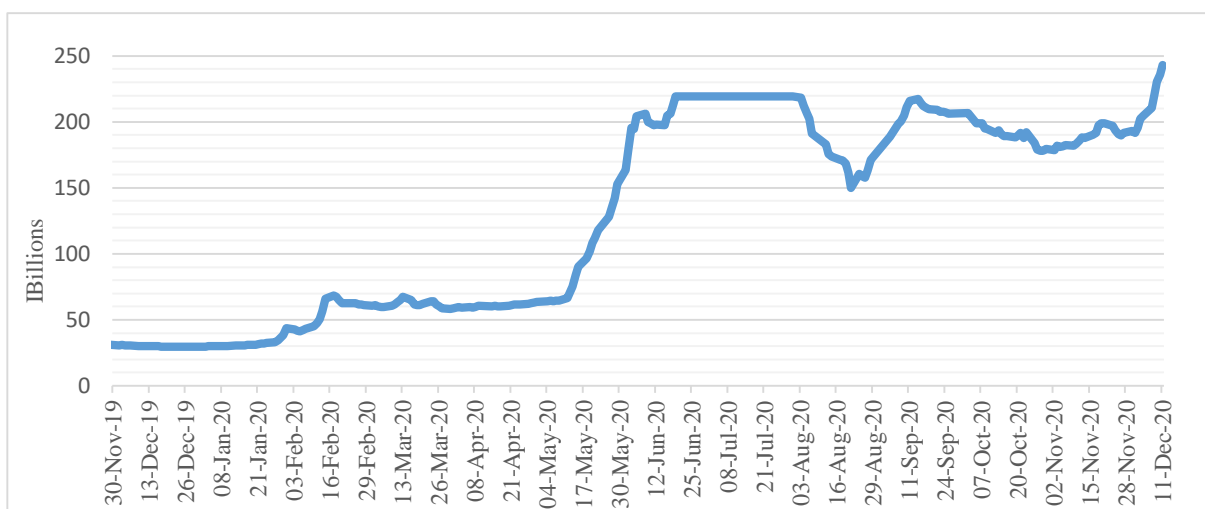


Source: Zimbabwe Stock Exchange, 2020

Market Capitalization

The ZSE registered an increase of ZW\$38.70 billion or 18.92% worth of market capitalisation to close at ZW\$243.27 billion during the week ending 11th December 2020

Figure 5: Daily Market Capitalization in ZW\$ billions



Source: Zimbabwe Stock Exchange, 2020

Johannesburg Stock Exchange (JSE) Developments

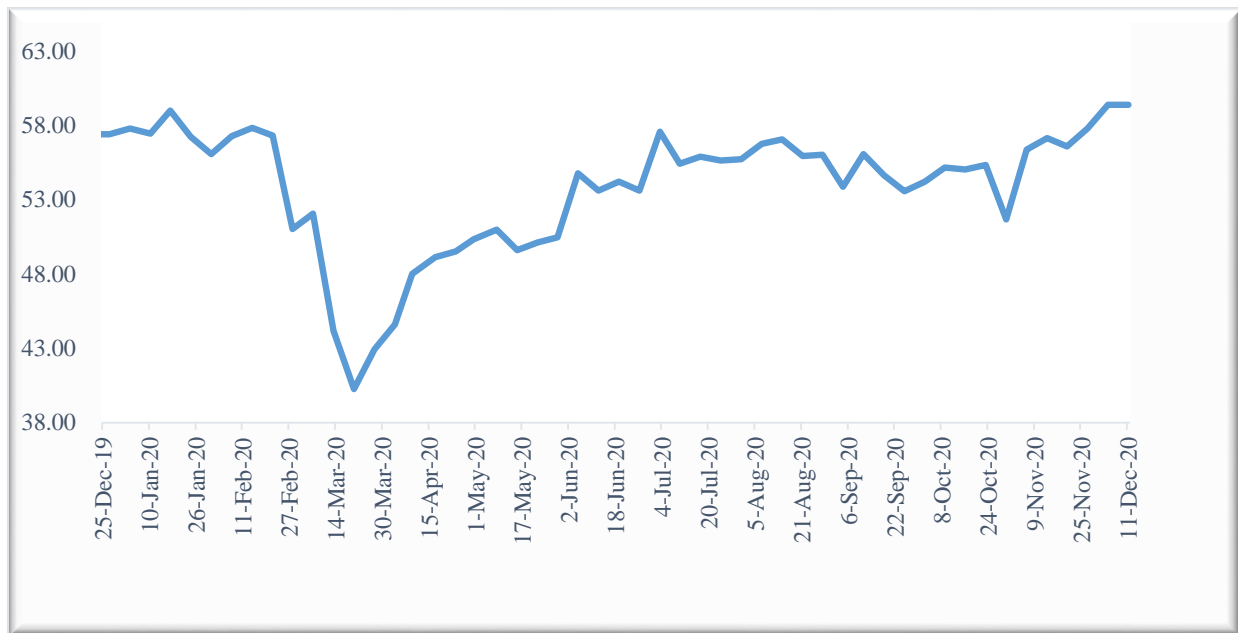
The During Johannesburg Stock Exchange (JSE) All share index registered a marginal loss of 0.01% to close at 59,412.61 points during the week under review. Similarly, ZSE market capitalisation was 0.11% lower to close at ZAR17.99 trillion during the same week.

Table 9: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalization (ZAR trillions)
6-November-20	56,387.04	16.95
13-November-20	57,182.60	17.29
20-November-20	56,615.28	17.16
27-November-20	57,822.50	17.54
4-December-20	59,419.37	18.01
11-December-20	59,412.61	17.99
% Change	-0.01	-0.11

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

APPENDIX 1: SUMMARY OF FOREIGN CURRENCY AUCTION ALLOTMENTS BY PURPOSE

Purpose	MAINFX				SMEFX			
	17-Nov-20	24-Nov-20	1-Dec-20	8-Dec-20	17-Nov-20	24-Nov-20	1-Dec-20	8-Dec-20
Raw Materials	11,092,297.82	13,388,111.44	14,455,583.16	12,482,562.44	530,608.23	627,543.76	565,832.16	616,205.64
Machinery and Equipment	5,628,197.63	6,158,604.61	3,881,163.60	4,445,741.19	578,959.12	488,162.79	343,514.11	602,238.70
Consumables (Incl. Spares, Tyres, Packaging)	2,094,829.54	2,651,123.89	2,478,807.13	2,283,242.13	478,606.33	437,479.62	532,861.51	628,390.59
Pharmaceuticals and Chemicals	1,133,717.24	1,043,660.49	1,472,235.21	1,452,199.39	114,870.24	82,656.98	131,271.95	168,178.81
Services (Loans, Dividends and Disinvestments)	2,715,428.55	2,367,928.69	2,362,313.27	2,140,153.23	241,910.39	190,567.68	165,368.09	186,429.18
Retail and Distribution	2,113,240.18	2,581,077.85	2,524,188.11	2,229,353.15	170,866.68	253,443.97	152,915.69	160,924.34
Fuel, Electricity and Gas	1,787,469.07	1,813,171.82	3,466,090.38	2,260,318.08	105,469.66	159,613.40	149,973.96	149,662.70
Paper and Packaging	871,683.46	626,883.52	553,541.48	429,262.96	82,289.35	85,396.28	112,195.75	39,613.27
TOTAL	27,436,863.49	30,630,562.31	31,193,922.34	27,722,832.57	2,303,580.00	2,324,864.48	2,153,933.22	2,551,643.23

Source: Reserve Bank of Zimbabwe, 2020