



Weekly Economic Highlights

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Week Ending
18th December 2020

1. INTEREST RATES

Deposit Rates

During the week ending 18th December 2020, minimum deposit rates for savings deposits remained unchanged. Minimum deposits rates for deposits of 1 month and 3-month tenor, however, registered increases during the same week. Maximum deposit rates for deposits of 1- month tenor rose by 0.96 percentage points to close at 10.33%, while those for deposit rates of 3 month tenor declined by 0.62 percentage points to close at 9.42%. Maximum deposit rates for savings deposits remained unchanged during the same period, 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 (%)
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
18-Dec-20	1.68	4.69	5.63	10.33	6.58	9.42

Source: Reserve Bank of Zimbabwe, 2020

Lending Rates

Maximum and minimum commercial bank lending rates for individual and corporate clients increased during the week under review, as shown in Table 2.

Table 2: Lending Rates (per annum)

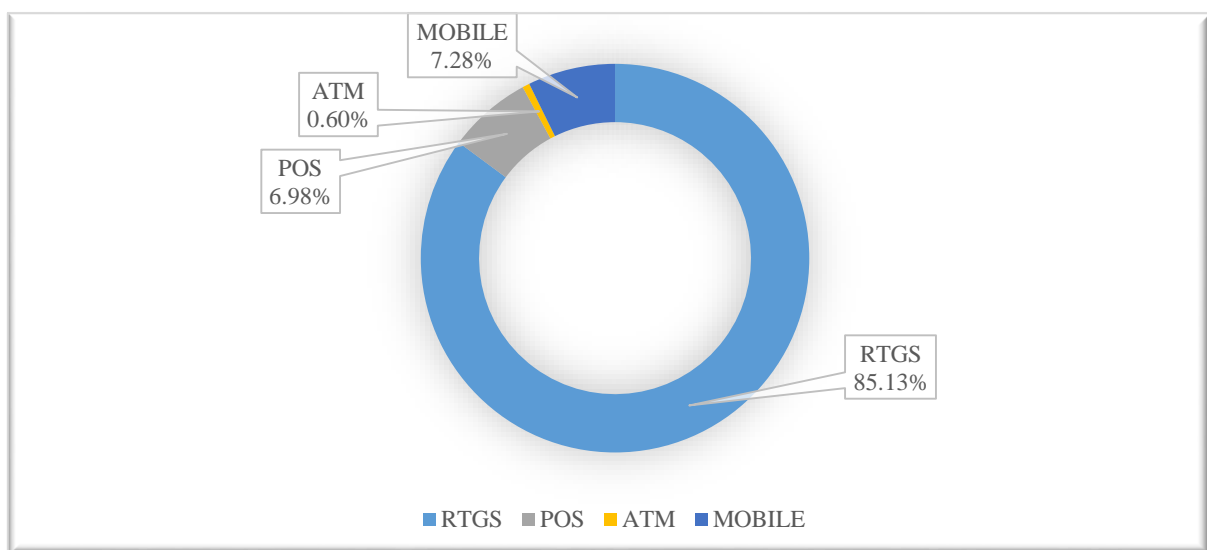
Date	Individual Clients		Corporate Clients	
	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
20-Nov-20	30.32	52.78	27.67	52.77
27-Nov-20	30.32	52.78	27.67	52.77
4-Dec-20	30.50	54.55	27.03	60.33
11-Dec-20	30.50	54.55	27.03	60.33
18-Dec-20	31.39	55.58	27.09	60.47

Source: Reserve Bank of Zimbabwe, 2020

2. CLEARING AND SETTLEMENT ACTIVITY

During the week ending 18th December 2020, the value of National Payment Systems (NPS) transactions increased to ZW\$86.03 billion, from ZW\$70.34 billion worth of transactions recorded in the preceding week. The value of Real Time Gross Settlement (RTGS) system transactions rose by 24.35% to close at ZW\$73.24 billion, during the same week. NPS transaction values were distributed as follows: RTGS, 85.13%; POS, 6.98%; Mobile, 7.28%; and ATM, 0.60%.

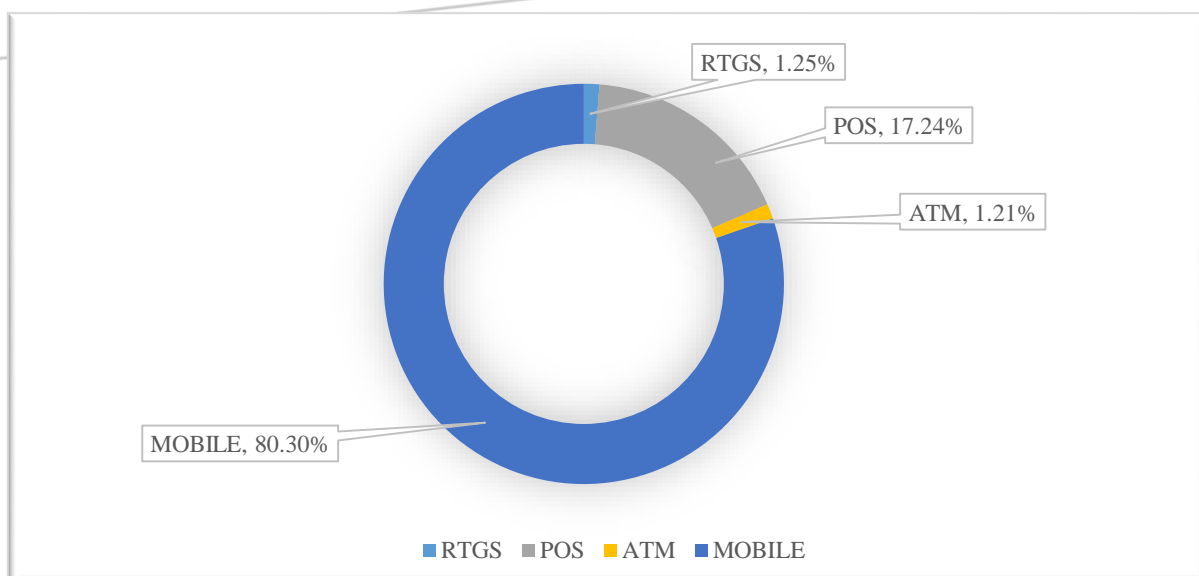
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2020

The volume of NPS transactions stood at 24.66 million during the week under review, a 5.53% increase from 23.36 million in the previous week. In volume terms, NPS transactions were distributed as follows: Mobile, 80.30%; POS, 17.24%; RTGS, 1.25%; and ATM, 1.21%.

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 11 th DECEMBER 2020	WEEK ENDING 18 th DECEMBER 2020	% CHANGE FROM LAST WEEK	PROPORTION %
Values in ZW\$ Millions				
RTGS	58,897.51	73,240.70	24.35%	85.13%
POS	6,563.17	6,005.20	-8.50%	6.98%
ATM	739.49	520.02	-29.68%	0.60%
MOBILE	4,146.41	6,265.96	51.12%	7.28%
TOTAL	70,346.58	86,031.87	22.30%	100%
Volumes				
RTGS	222,736	308,528	38.52%	1.25%
POS	4,915,161	4,251,746	-13.50%	17.24%
ATM	348,255	297,736	-14.51%	1.21%
MOBILE	17,878,113	19,797,803	10.74%	80.30%
TOTAL	23,364,265	24,655,813	5.53%	100%

Source: Reserve Bank of Zimbabwe, 2020

3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international prices for selected precious and base metals and Brent crude oil increased during the week under analysis. Global markets were buoyed by expectations of new stimulus packages and optimism pertaining to the Covid-19 vaccination. Table 4 shows developments in selected commodity prices, during the week under review.

Table 4: Metal and Crude Oil Prices for the week-ending 18th December 2020

	Gold	Platinum	Copper	Nickel	Crude Oil
2020	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
Weekly average (7 Dec – 11 Dec)	1,848.12	1,022.50	7,689.80	16,630.80	49.50
14-Dec	1,825.70	1,021.50	7,763.00	17,594.00	50.47
15-Dec	1,847.48	1,022.00	7,753.00	17,650.00	50.72
16-Dec	1,856.65	1,039.50	7,823.00	17,355.00	51.50
17-Dec	1,881.35	1,047.50	7,893.00	17,520.00	52.48
18-Dec	1,879.35	1,038.00	7,964.00	17,551.00	52.30
Weekly average (14 Dec – 18 Dec)	1,858.11	1,033.70	7,839.20	17,534.00	51.49
Weekly Change (%)	<i>0.5</i>	<i>1.1</i>	<i>1.9</i>	<i>5.4</i>	<i>4.0</i>

Source: BBC, KITCO and Bloomberg, 2020

Gold

The international price of gold increased by 0.5%, from a weekly average price of US\$1,848.12 per ounce recorded in the previous week to US\$1,858.11 per ounce, during the week under review. Gold prices were supported by the new economic stimulus, as the US Congress passed a Covid-19 relief package bill. Prices were also supported by a weakening US dollar, making the yellow metal cheaper for holders of other currencies and boosting its safe haven appeal.

Platinum

Platinum prices registered a weekly increase, from US\$1,022.50 per ounce recorded in the previous week to US\$1,033.70 per ounce, during week ending 18th December 2020. The precious metal price tracked the performance of gold, buoyed by investor demand on the basis of a fresh bout of stimulus in the US.

Copper

Copper prices were upbeat during the week under review, on the back of a weaker US dollar and expectations of fiscal stimulus in the US. Prices rose by 1.9%, from a weekly average of US\$7,689.80 per tonne to US\$7,839.20 per tonne, during the week under review, supported by declining inventories in major metal exchanges, coupled with the US stimulus package.

Nickel

Nickel prices firmed from US\$16,630.80 per tonne, during the week ending 11th December 2021, to US\$17,534.00 per tonne during the week under analysis. The base metal gained by

5.5% on the back of a weaker US dollar; expectations of a new stimulus package and robust Chinese demand.

Brent Crude Oil

Brent crude oil prices were firmed on expectations of a fresh stimulus package in the US and a weaker US dollar. Prices were, however, faced with a downside risk on account of spiraling COVID-19 infections in major economies. Against this backdrop, the international price of Brent crude oil surged by 4.0%, from US\$49.50 per barrel recorded in the previous week, to US\$51.49 during the week ending 18th December 2020.

EXCHANGE RATE DEVELOPMENTS

The Zimbabwe dollar (ZW\$) traded steadily against the greenback, during the week under review. It gained by 0.13% against the US dollar, from ZW\$81.8649 per US\$1 in the previous week to ZW\$81.7609 per US\$1, during the week under analysis. Developments in selected exchange rates are shown in Table 5.

Table 5: International Exchange Rates¹

	USD	ZAR	GBP	BWP	EURO
2020					
Weekly Average (7 Dec -11 Dec)	81.8649	5.4336	109.4003	7.4722	99.2618
14-Dec	81.8572	5.4274	109.0912	7.4741	99.3912
15-Dec	81.7368	5.4437	109.1650	7.4782	99.4771
16-Dec	81.7368	5.4885	110.0137	7.4753	99.3961
17-Dec	81.7368	5.5264	110.6922	7.5202	99.9398
18-Dec	81.7368	5.5556	110.5532	7.5693	100.0787
Weekly Average (14 Dec-18 Dec)	81.7609	5.4879	109.8989	7.5032	99.6557
Appr(-)/Depr(+) (%) of the ZWL	<i>-0.13</i>	<i>1.0</i>	<i>0.5</i>	<i>0.4</i>	<i>0.4</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			
	24-Nov-20	1-Dec-20	8-Dec-20	15-Dec-20	24-Nov-20	1-Dec-20	8-Dec-20	15-Dec-20
Total Bids (US\$ dollars)	30,630,562.31	31,193,922.3	27,722,832.57	29,468,843.66	2,324,864.5	2,153,933.2	2,551,643.2	2,477,875.4
Amount Allotted (US\$ dollars)	30,630,562.31	31,193,922.3	27,722,832.57	29,468,843.66	2,324,864.5	2,153,933.2	2,551,643.2	2,477,875.4
Highest Rate	86	90	86	86	86	87	86	86
Lowest Rate	80	80	80	80	80	80	80	80
Lowest Accepted Rate	80	80	80	80	80	80	80	80
Weighted Average Rate	81.8151	81.8765	81.8572	81.7368	81.8151	81.8765	81.8572	81.7368
Number of Bids Received	289	278	202	278	181	189	202	207
Number of Bids Rejected	21	34	14	25	15	23	14	25

Source: Reserve Bank of Zimbabwe

4. EQUITY MARKETS

During the week ending 18th December 2020, the Zimbabwe Stock Exchange (ZSE) maintained a positive momentum for the third consecutive week, resulting in the All Share, Top 10 and Medium Cap increasing by 7.17%, 5.16% and 11.02%, to close at 2 154.67 points, 1 376.62 points and 4 423.18 points, respectively.

The industrial increased by 7.09% to close at 7 170.53 points, during the week under review. The increase in the mainstream index was largely a result of share price gains for Hippo Valley Estates Limited (68.25%), TSL Limited (41.45%), First Mutual Holdings Limited (40%), Nampak Zimbabwe Limited (24.80%), and Axia Corporation Limited (23.22%). Partially offsetting the aforementioned gains were losses in the share prices of First Capital Bank Limited (15.49%), Mashonaland Holdings Limited (13.94%), Meikles Limited (13.59%), Padenga Holdings Limited (13.09%) and African Sun Limited (12.40%).

The mining index rose by 10.42% to close at 3 544.32 points. This was on account of a 11.52% and 10.06% increase in the share prices of RioZim Limited and Bindura Nickel Corporation (BNC), respectively. Table 7 shows selected ZSE statistics.

² Main Foreign Currency Auction

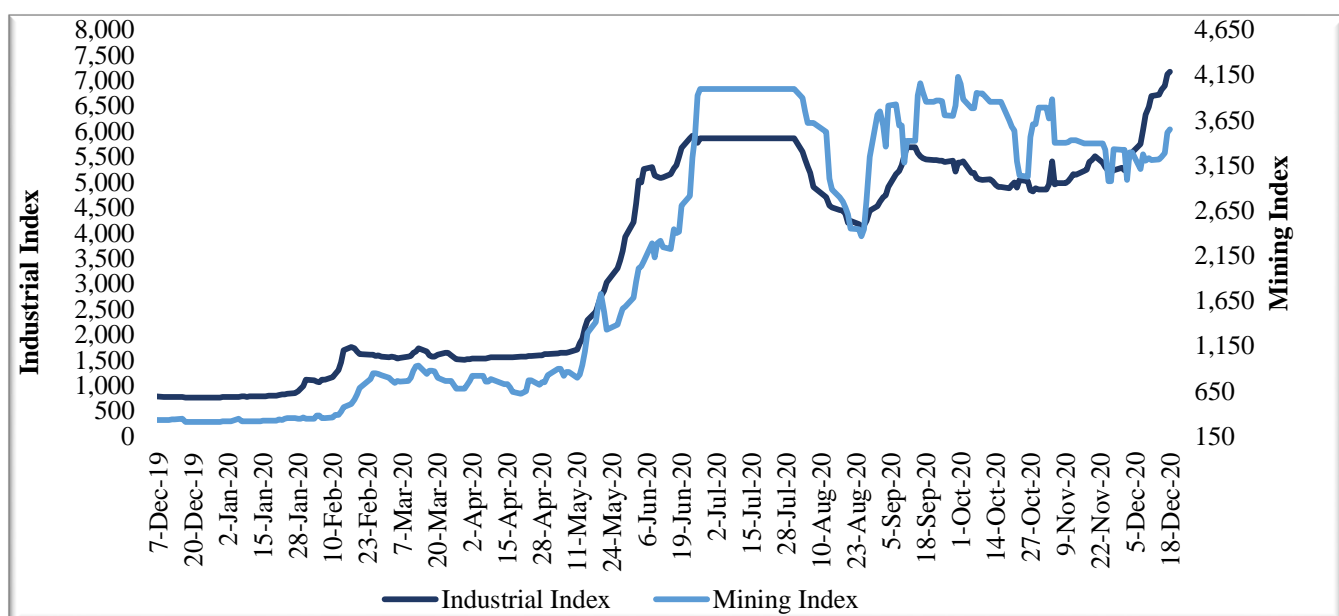
³ Small and Medium Enterprises Foreign Currency Auction

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)
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
18-Nov-20	2 154.67	1 376.62	1 607.75	4 423.18	9 940.06	7 170.53	3 544.32	260.16	547.10	58.09
% Change	7.17	5.16	4.22	11.02	3.13	7.09	10.42	6.94	-37.21	-37.81

Source: Zimbabwe Stock Exchange (ZSE), 2020

Figure 3: Zimbabwe Stock Exchange Indices



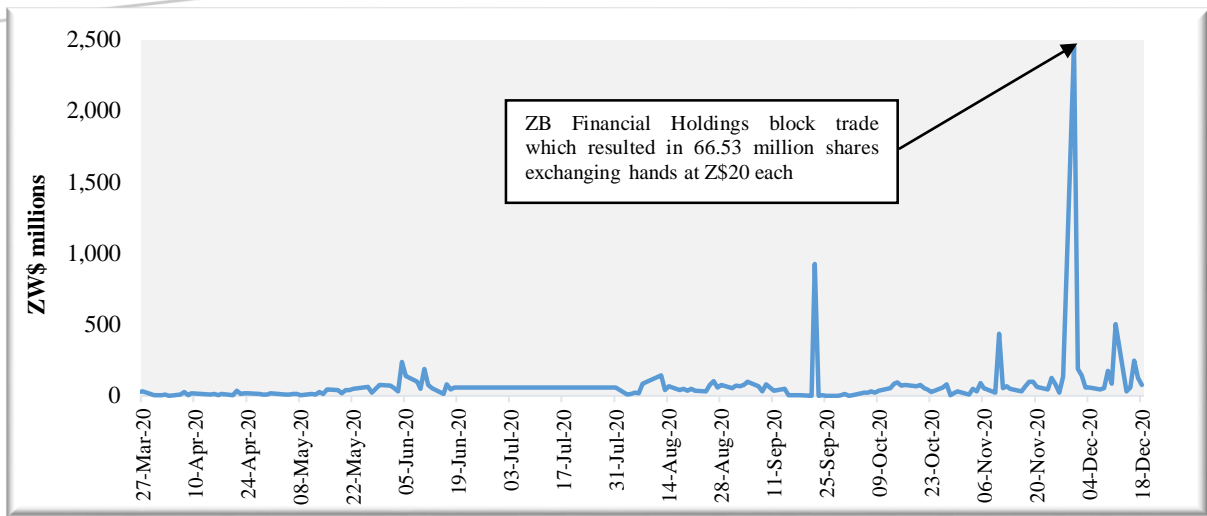
Source: Zimbabwe Stock Exchange, 2020

Market Turnover and Volume

Despite the stock market exhibiting bullish sentiments during the week under review, the cumulative volume and value of shares traded declined by 37.81% and 37.21% to 58.09 million shares and ZW\$547.10 million, respectively, as investors continued to take a cautious approach ahead of the festive season.

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 4: Daily Market Turnover

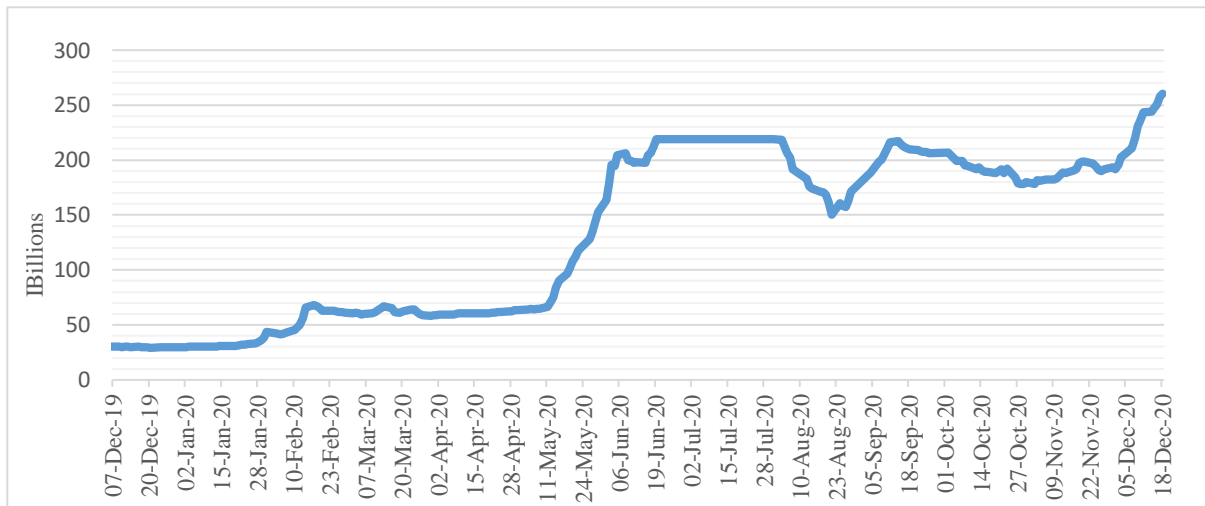


Source: Zimbabwe Stock Exchange, 2020

Market Capitalization

As a consequence of bullish sentiments that characterized the market during the week under review, the ZSE gained ZW\$16.89 billion, or 6.94% worth of market capitalisation to close at ZW\$260.16 billion, compared to ZW\$243.27 billion recorded during the previous week.

Figure 5: Daily Market Capitalization in ZW\$ billions



Source: Zimbabwe Stock Exchange, 2020

Johannesburg Stock Exchange (JSE) Developments

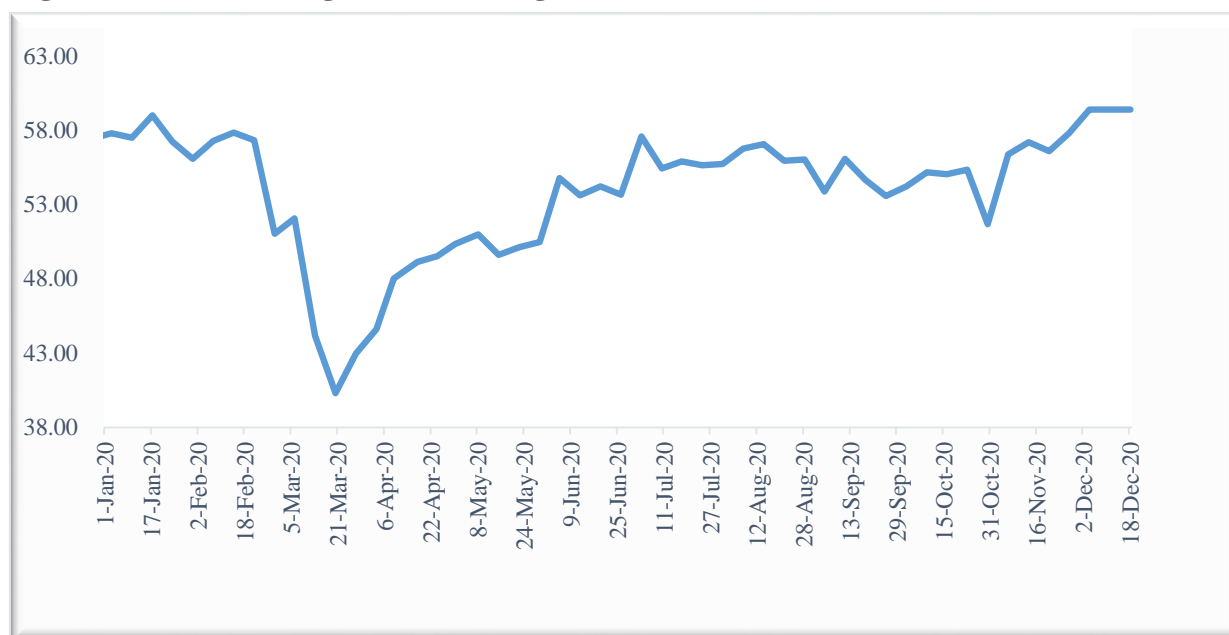
The Johannesburg Stock Exchange (JSE) All share index registered a 0.63% gain to close at 59,788.12 points, during the week under review. Similarly, JSE market capitalisation was 0.44% lower, to close at ZAR17.91 trillion during the same week.

Table 9: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalization (ZAR trillions)
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
18-December-20	59,788.12	17.91
% Change	0.63	-0.44

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			
	24-Nov-20	1-Dec-20	8-Dec-20	15-Dec-20	24-Nov-20	1-Dec-20	8-Dec-20	15-Dec-20
Raw Materials	13,388,111.44	14,455,583.16	12,482,562.44	15,459,943.39	627,543.76	565,832.16	616,205.64	614,518.31
Machinery and Equipment	6,158,604.61	3,881,163.60	4,445,741.19	5,733,891.17	488,162.79	343,514.11	602,238.70	553,266.45
Consumables (Incl. Spares, Tyres, Packaging)	2,651,123.89	2,478,807.13	2,283,242.13	1,645,495.48	437,479.62	532,861.51	628,390.59	528,768.79
Pharmaceuticals and Chemicals	1,043,660.49	1,472,235.21	1,452,199.39	2,009,086.47	82,656.98	131,271.95	168,178.81	66,908.85
Services (Loans, Dividends and Disinvestments)	2,367,928.69	2,362,313.27	2,140,153.23	2,046,398.09	190,567.68	165,368.09	186,429.18	205,596.59
Retail and Distribution	2,581,077.85	2,524,188.11	2,229,353.15	2,239,123.12	253,443.97	152,915.69	160,924.34	322,412.58
Fuel, Electricity and Gas	1,813,171.82	3,466,090.38	2,260,318.08	95,750.00	159,613.40	149,973.96	149,662.70	95,750.00
Paper and Packaging	626,883.52	553,541.48	429,262.96	239,155.94	85,396.28	112,195.75	39,613.27	90,653.83
TOTAL	30,630,562.31	31,193,922.34	27,722,832.57	29,468,843.66	2,324,864.48	2,153,933.22	2,551,643.23	2,477,875.40

Source: Reserve Bank of Zimbabwe, 2020