



Weekly Economic Highlights

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Week Ending
24th December 2020

1. INTEREST RATES

Deposit Rates

Minimum and maximum deposit rates for all classes of deposits remained unchanged, during the week ending 24th December 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 (%)
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
24-Dec-20	1.68	4.69	5.63	10.33	6.58	9.42

Source: Reserve Bank of Zimbabwe, 2020

Lending Rates

During the week under review, commercial bank minimum and maximum lending rates for individual and corporate clients remained unchanged at the previous week levels, as shown in Table 2.

Table 2: Lending Rates (per annum)

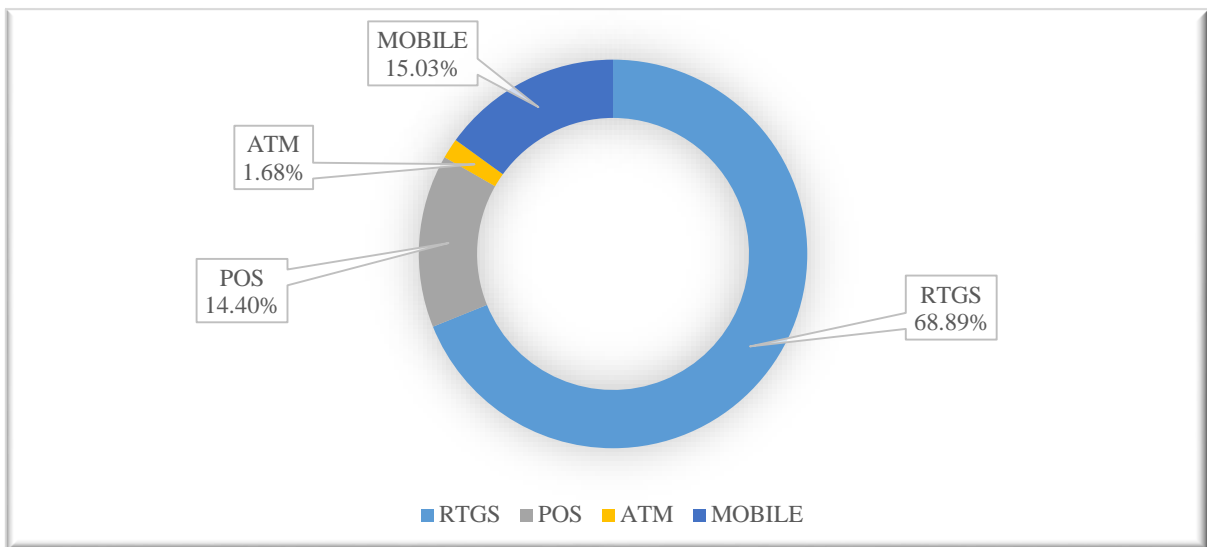
Date	Individual Clients		Corporate Clients	
	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
27-Nov-20	30.32	52.78	27.67	52.77
4-Dec-20	30.50	54.55	27.03	60.33
11-Dec-20	30.50	54.55	27.03	60.33
18-Dec-20	31.39	55.58	27.09	60.47
24-Dec-20	31.39	55.58	27.09	60.47

Source: Reserve Bank of Zimbabwe, 2020

2. CLEARING AND SETTLEMENT ACTIVITY

During the week under analysis, the total value of transactions processed through the National Payment Systems (NPS) fell by 19.54%, to close at ZW\$69.22 billion. Real Time Gross Settlement (RTGS) system transactions were valued at ZW\$47.68 billion, down from ZW\$73.24 billion in the previous week. The distribution of NPS transactions was as follows: RTGS, 68.89%; POS, 14.40%; Mobile, 15.03% and ATM, 1.68%.

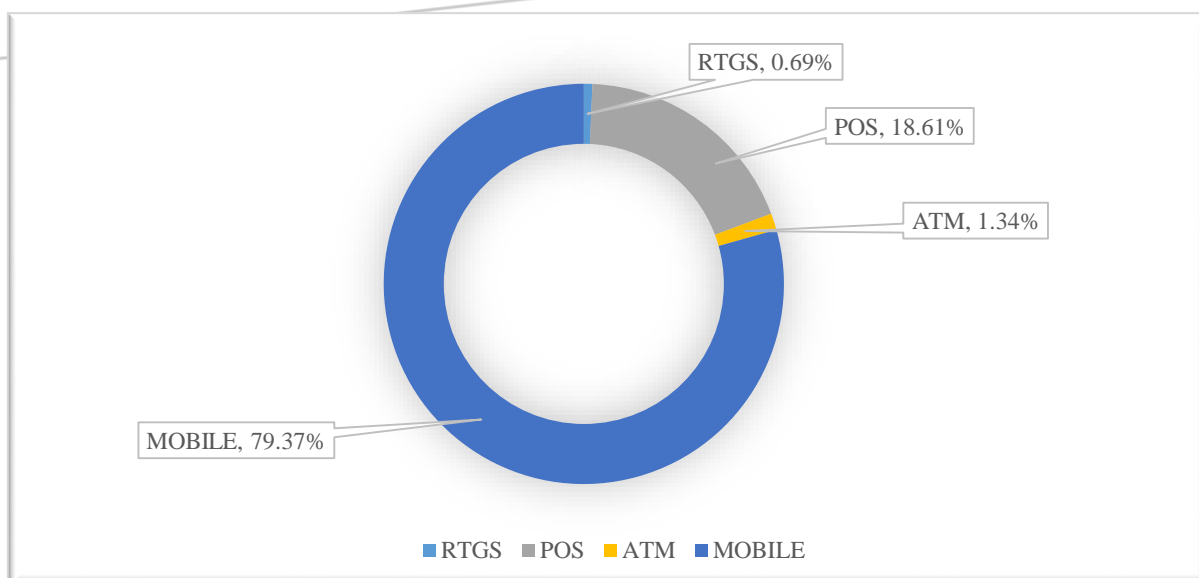
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2020

NPS transaction volumes increased by 25.93% to close at 31.94 million, during the week under review. The volume of NPS transactions was dominated by Mobile based transactions at 79.37%; followed by POS, 18.61%; RTGS, 0.69%; and ATM, 1.34%.

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 18 th DECEMBER 2020	WEEK ENDING 24 th DECEMBER 2020	% CHANGE FROM LAST WEEK	PROPORTION %
Values in ZW\$ Millions				
RTGS	73,240.70	47,683.43	-34.89%	68.89%
POS	6,005.20	9,969.35	66.01%	14.40%
ATM	520.02	1,160.92	123.24%	1.68%
MOBILE	6,265.96	10,407.38	66.09%	15.03%
TOTAL	86,031.87	69,221.08	-19.54%	100%
Volumes				
RTGS	308,528	220,654	-28.48%	0.69%
POS	4,251,746	5,941,672	39.75%	18.61%
ATM	297,736	427,103	43.45%	1.34%
MOBILE	19,797,803	25,346,254	28.03%	79.37%
TOTAL	24,655,813	31,935,683	29.53%	100%

Source: Reserve Bank of Zimbabwe, 2020

3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international prices for platinum, copper, nickel and Brent crude oil declined, during the week ending 24th December 2020. Gold prices, however, increased during the same week. Global markets reacted to the detection of a new more infectious variant of the coronavirus as well as hopes of a US stimulus package, with trading thinning on international markets ahead of the Christmas holiday. Table 4 shows developments in selected commodity prices, during the week under review.

Table 4: Metal and Crude Oil Prices for the week-ending 24th December 2020

	Gold	Platinum	Copper	Nickel	Crude Oil
2020	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
Weekly average (14 Dec – 18 Dec)	1,858.11	1,033.70	7,839.20	17,534.00	51.49
21-Dec	1874.63	1002.50	7838.50	17342.00	50.72
22-Dec	1875.20	1011.50	7753.00	16913.00	49.86
23-Dec	1871.05	1011.50	7764.50	16691.00	51.29
24-Dec	1872.55	1021.00	7793.00	16951.00	51.30
Weekly average (21 Dec – 24 Dec)	1,873.36	1,011.63	7,787.25	16,974.25	50.79
Weekly Change (%)	0.8	-2.1	-0.7	-3.2	-1.4

Source: BBC, KITCO and Bloomberg, 2020

Gold

The international price of gold increased by 0.8%, from US\$ 1,858.11 per ounce recorded in the previous week, to US\$ 1,873.36 per ounce during the week under analysis. Prices were supported by a weaker US dollar, investor optimism over a US stimulus package and uncertainty over the coronavirus as the UK renewed its nationwide lockdown and EU countries closed borders on contagion fears.

Platinum

Platinum prices eased by 2.1%, from US\$ 1,033.70 per ounce recorded in the previous week, to US\$ 1,011.63 per ounce in the week ending 24th December 2020. Prices eased on subdued trading and data showing a slowdown in UK automotive production, a significant demand driver of the precious metal.

Copper

The price of copper eased by 0.7%, from a weekly average of US\$ 7,839.20 per tonne to US\$ 7,787.25 per tonne, in the week ending 24th December 2020. Prices were subdued, as investors reacted to a new strain of COVID-19 with major economies tightening lockdown restrictions ahead of the Christmas holiday.

Nickel

Similarly, the international price of nickel declined by 3.2%, from US\$ 17,534.00 per tonne recorded in the previous week to US\$ 16,974.25 per tonne, during the week under analysis.

Brent Crude Oil

The international price of Brent crude oil declined during the week ending 24th December 2020, on the back of fears of a demand contraction as a new strain of coronavirus was detected in the United Kingdom, prompting tighter lockdown conditions. Against this backdrop, the price of crude oil fell by 1.4%, from a weekly average of US\$ 51.49 per barrel to US\$50.79 per barrel, during the week under review.

EXCHANGE RATE DEVELOPMENTS

The local unit posted a marginal depreciation of 0.01% against the US dollar, from an average of ZWL81.7609 per US\$1 in the previous week to ZWL81.7700 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 (14 Dec -18 Dec)	81.7609	5.4879	109.8989	7.5032	99.6557
21-Dec	81.7866	5.5975	110.8700	7.5820	99.8248
23-Dec	81.7866	5.5975	110.8700	7.5820	99.8248
24-Dec	81.7368	5.5264	110.6922	7.5202	99.9398
Weekly Average (21 Dec-24 Dec)	81.7700	5.5736	110.8107	7.5613	99.8631
Appr(-)/Depr(+) (%) of the ZWL	<i>0.01</i>	<i>1.6</i>	<i>0.8</i>	<i>0.8</i>	<i>0.2</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			
	1-Dec-20	8-Dec-20	15-Dec-20	21-Dec-20	1-Dec-20	8-Dec-20	15-Dec-20	21-Dec-20
Total Bids (US\$ dollars)	31,193,922.3	27,722,832.57	29,468,843.66	27,909,106.11	2,153,933.2	2,551,643.2	2,477,875.4	1,673,639.08
Amount Allotted (US\$ dollars)	31,193,922.3	27,722,832.57	29,468,843.66	27,909,106.11	2,153,933.2	2,551,643.2	2,477,875.4	1,673,639.08
Highest Rate	90	86	86	86	87	86	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	81.8765	81.8572	81.7368	81.7866	81.8765	81.8572	81.7368	81.7866
Number of Bids Received	278	202	278	237	189	202	207	129
Number of Bids Rejected	34	14	25	10	23	14	25	9

Source: Reserve Bank of Zimbabwe

4. EQUITY MARKETS

The Zimbabwe Stock Exchange (ZSE) registered gains, during the week under analysis. Consequently, the All Share, Top 10, Top 15 and Medium Cap and small cap indices rose by 4.12%, 4.47%, 4.10%, 3.40% and 6.31% to close at 2 243.43 points, 1 438.20 points, 1 673.61 points, 4 573.78 points and 10,567.45 points, respectively.

The industrial and mining indices were 4.07% and 6.11% higher, to close at 7 462.45 points and 3 760.86 points, respectively. Table 7 shows selected ZSE statistics.

² Main Foreign Currency Auction

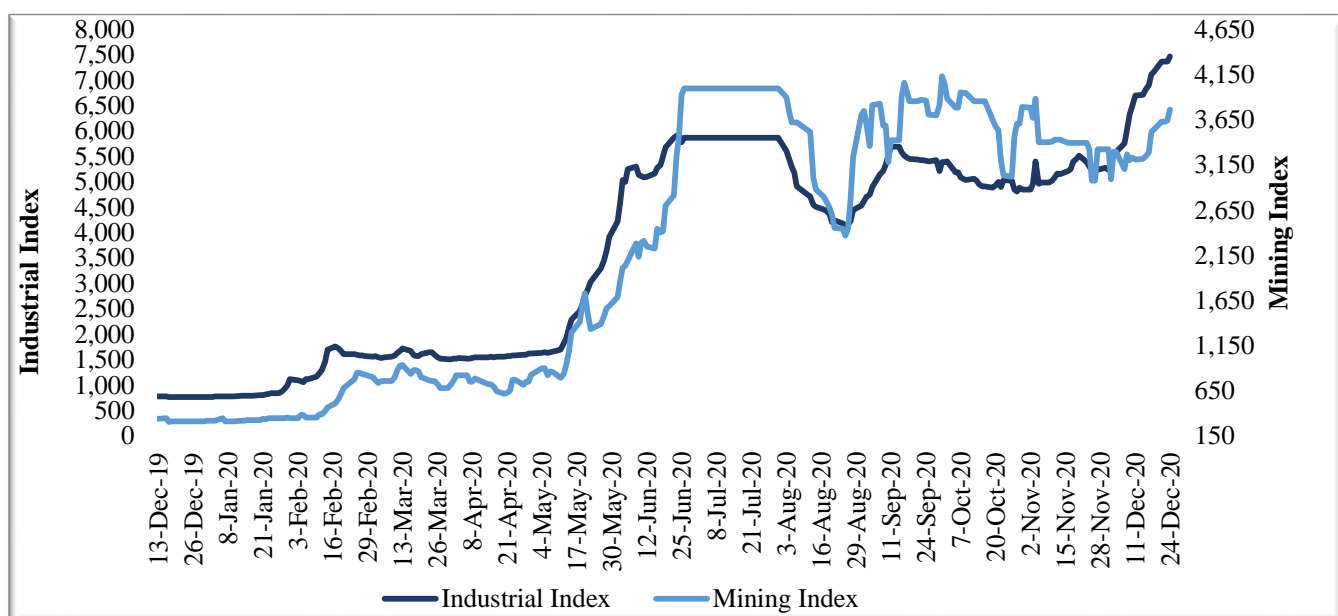
³ Small and Medium Enterprises Foreign Currency Auction

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)
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
24-Nov-20	2 243.43	1 438.20	1 673.61	4 573.78	10567.45	7 462.45	3760.86	271.00	356.56	31.70
% Change	4.12	4.47	4.10	3.40	6.31	4.07	6.11	4.17	-34.83	-45.43

Source: Zimbabwe Stock Exchange (ZSE), 2020

Figure 3: Zimbabwe Stock Exchange Indices



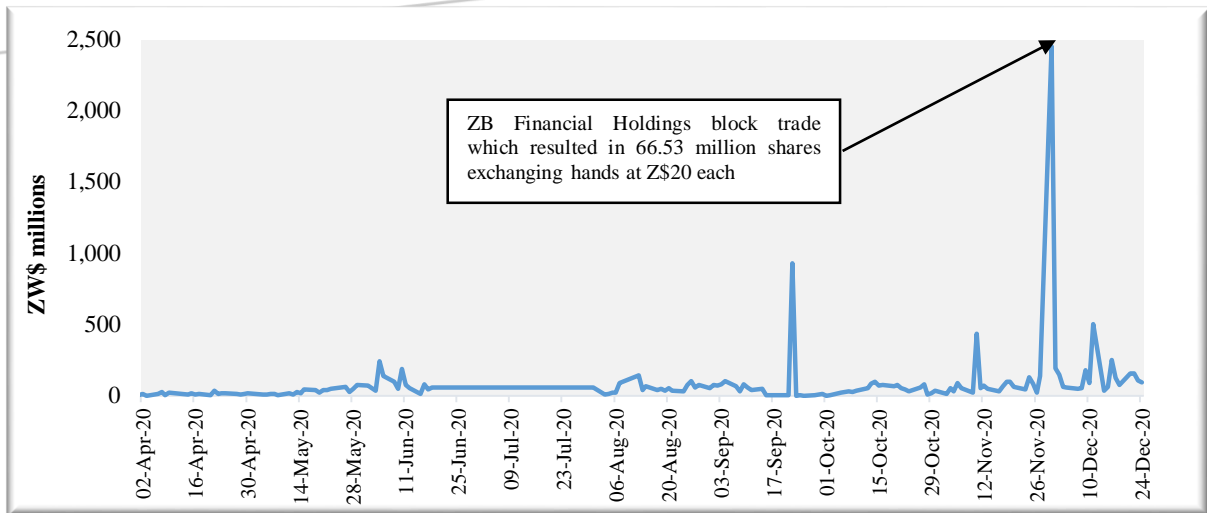
Source: Zimbabwe Stock Exchange, 2020

Market Turnover and Volume

During the period under review, the cumulative volume and value of shares traded on the ZSE were 34.83% and 45.43% lower at 31.70 million shares and ZW\$356.56 million, respectively.

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

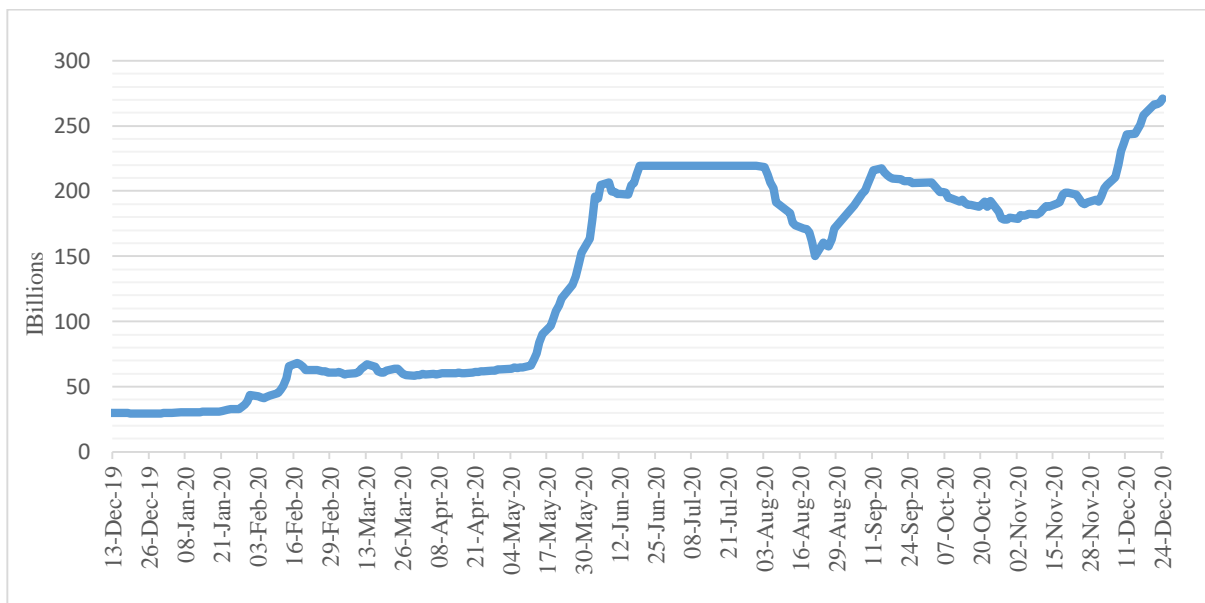


Source: Zimbabwe Stock Exchange, 2020

Market Capitalization

The ZSE gained 4.17% or ZW\$10.84 billion worth of market capitalisation to close at ZW\$271 billion, during the week under analysis.

Figure 5: Daily Market Capitalization in ZW\$ billions



Source: Zimbabwe Stock Exchange, 2020

Johannesburg Stock Exchange (JSE) Developments

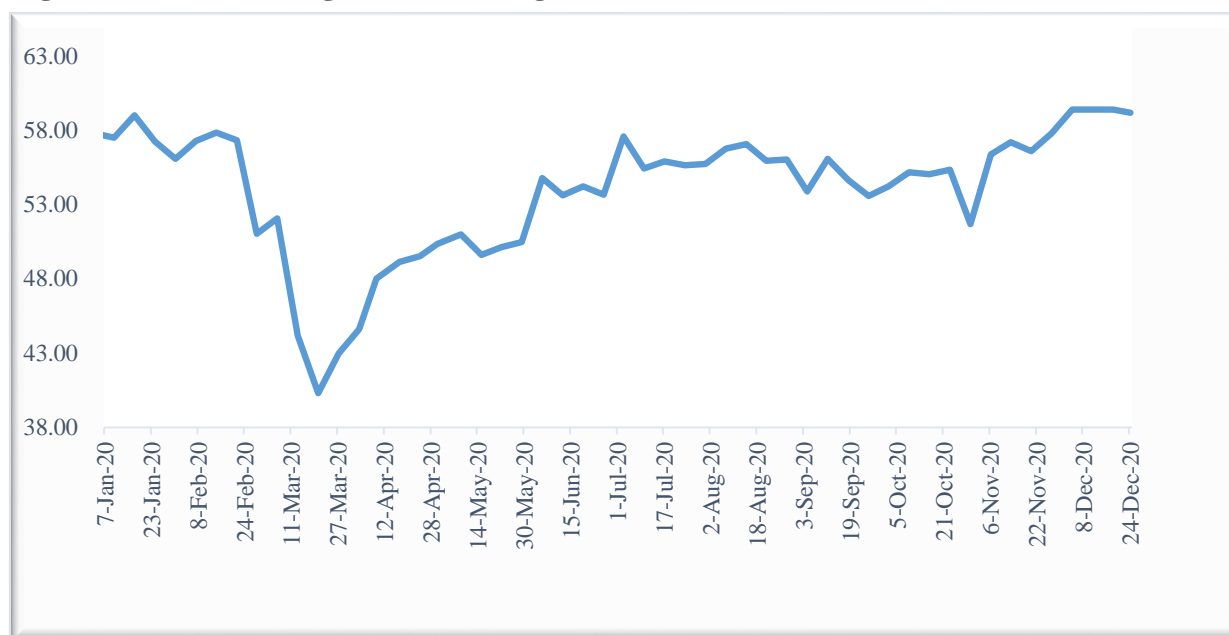
The Johannesburg Stock Exchange (JSE) All share index fell by 1.02% to close at 59,175.80 points, during the week ending 24th December 2020. Similarly, JSE market capitalisation declined by 1.06% to close at ZAR17.72 trillion, during the same period.

Table 9: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalization (ZAR trillions)
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
24-December-20	59,175.80	17.72
% Change	-1.02	-1.06

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			
	1-Dec-20	8-Dec-20	15-Dec-20	21-Dec-20	1-Dec-20	8-Dec-20	15-Dec-20	21-Dec-20
Raw Materials	14,455,583.16	12,482,562.44	15,459,943.39	13,301,481.09	565,832.16	616,205.64	614,518.31	503,434.33
Machinery and Equipment	3,881,163.60	4,445,741.19	5,733,891.17	4,550,481.08	343,514.11	602,238.70	553,266.45	287,409.40
Consumables (Incl. Spares, Tyres, Packaging)	2,478,807.13	2,283,242.13	1,645,495.48	1,567,264.86	532,861.51	628,390.59	528,768.79	353,602.63
Pharmaceuticals and Chemicals	1,472,235.21	1,452,199.39	2,009,086.47	1,084,551.98	131,271.95	168,178.81	66,908.85	133,096.80
Services (Loans, Dividends and Disinvestments)	2,362,313.27	2,140,153.23	2,046,398.09	2,700,865.11	165,368.09	186,429.18	205,596.59	163,989.68
Retail and Distribution	2,524,188.11	2,229,353.15	2,239,123.12	1,650,733.10	152,915.69	160,924.34	322,412.58	57,932.12
Fuel, Electricity and Gas	3,466,090.38	2,260,318.08	95,750.00	2,543,013.07	149,973.96	149,662.70	95,750.00	150,876.20
Paper and Packaging	553,541.48	429,262.96	239,155.94	510,715.82	112,195.75	39,613.27	90,653.83	23,297.92
TOTAL	31,193,922.34	27,722,832.57	29,468,843.66	27,909,106.11	2,153,933.22	2,551,643.23	2,477,875.40	1,673,639.08

Source: Reserve Bank of Zimbabwe, 2020