



# Weekly Economic Highlights

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Week Ending  
31<sup>st</sup> December 2020

## 1. INTEREST RATES

### Deposit Rates

During the week ending 31<sup>st</sup> December 2020, minimum deposit rates on savings deposits remained unchanged from the previous week. Minimum deposit rates for deposits of 1-month tenor declined, while those for deposits of 3-month tenor registered an increase during the same period. Maximum deposit rates for savings deposits remained at previous week levels, while those for deposits of 1-month tenor were lower at 9.55%. Maximum deposit rates for deposits of 3-month tenor increased during the week of analysis, 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 (%)
<b>4-Dec-20</b>	1.68	4.69	4.92	9.37	5.28	10.04
<b>11-Dec-20</b>	1.68	4.69	4.92	9.37	5.28	10.04
<b>18-Dec-20</b>	1.68	4.69	5.63	10.33	6.58	9.42
<b>24-Dec-20</b>	1.68	4.69	5.63	10.33	6.58	9.42
<b>31-Dec-20</b>	1.68	4.69	5.25	9.55	6.68	9.46

Source: Reserve Bank of Zimbabwe, 2020

### Lending Rates

During the week under review, commercial bank minimum lending rates for individual clients increased, while those for corporate clients were lower than in the previous week. Maximum lending rates for individual clients declined by 0.11 percentage points to 55.47%, while those for corporate clients increased by 0.07 percentage points to 60.54%, during the same week, as shown in Table 2.

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

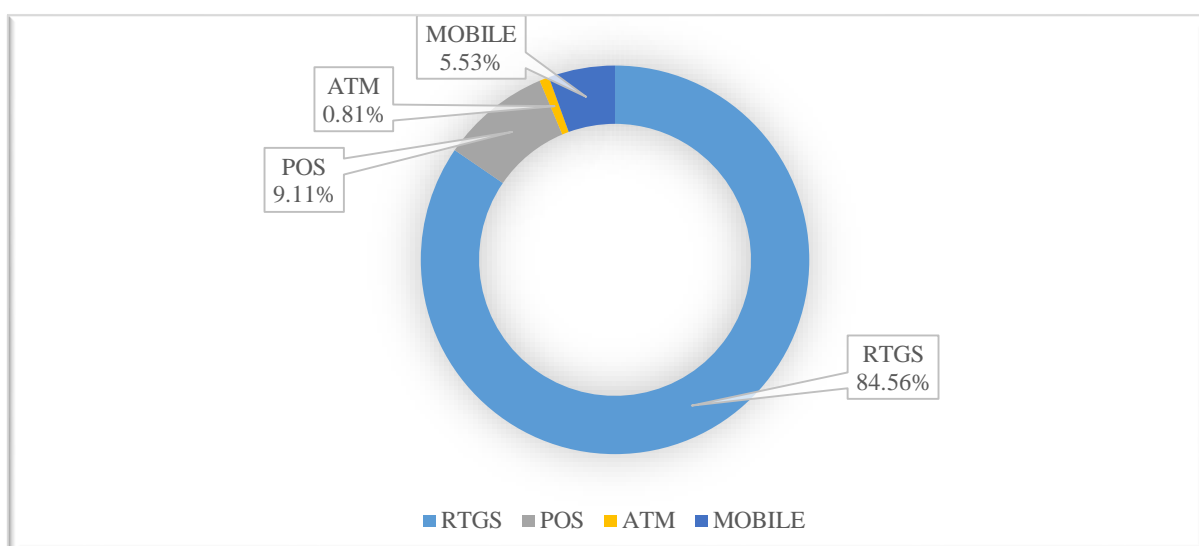
Date	Individual Clients		Corporate Clients	
	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
<b>4-Dec-20</b>	30.50	54.55	27.03	60.33
<b>11-Dec-20</b>	30.50	54.55	27.03	60.33
<b>18-Dec-20</b>	31.39	55.58	27.09	60.47
<b>24-Dec-20</b>	31.39	55.58	27.09	60.47
<b>31-Dec-20</b>	32.11	55.47	26.91	60.54

Source: Reserve Bank of Zimbabwe, 2020

## 2. CLEARING AND SETTLEMENT ACTIVITY

Transactions processed through the National Payment Systems (NPS) stood at ZW\$97.51 billion, during the week under analysis, up from ZW\$69.28 billion in the previous week. Real Time Gross Settlement (RTGS) system transactions rose to ZW\$82.57 billion, from ZW\$47.68 billion in the preceding week. The NPS transaction values were distributed as follows: RTGS, 84.56%; POS, 9.11%; Mobile, 5.53% and ATM, 0.81%.

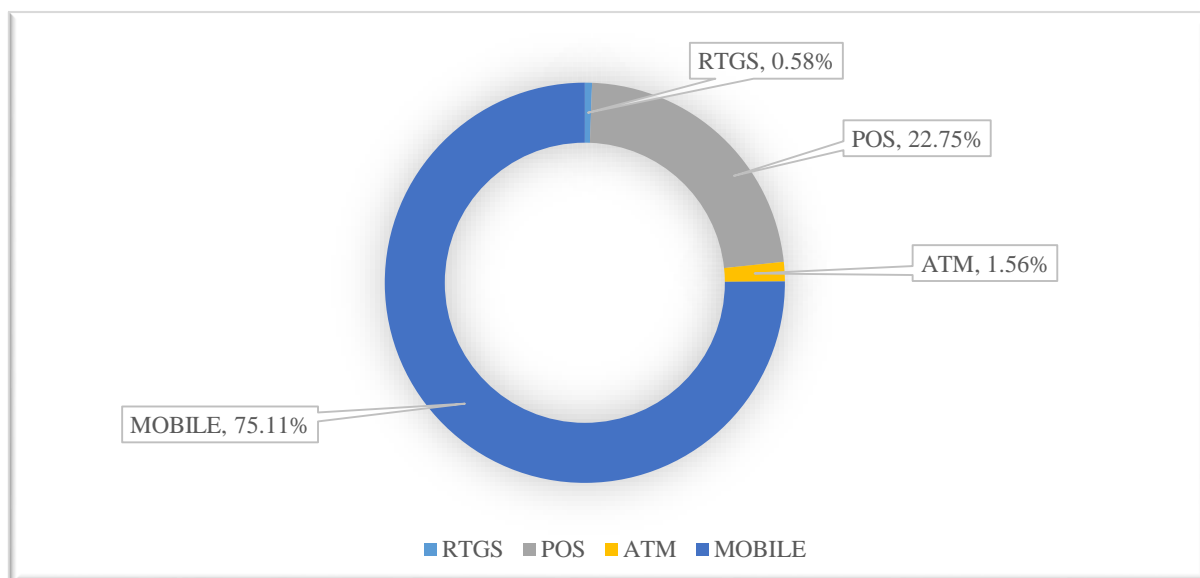
**Figure 1: Composition of NPS Transactions in Value Terms**



Source: Reserve Bank of Zimbabwe, 2020

The volume of NPS transactions declined by 16.17%, from 32.24 million in the previous week to close at 27.02 million, during the week under review. The NPS transaction volumes were distributed as follows: Mobile, 75.11%, POS, 22.75%; ATM, 1.56%; and RTGS, 0.58%.

**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 24 <sup>th</sup> DECEMBER 2020	WEEK ENDING 31 <sup>st</sup> DECEMBER 2020	% CHANGE FROM LAST WEEK	PROPORTION %
<b>Values in ZW\$ Millions</b>				
RTGS	47,683.43	82,456.58	72.93%	84.56%
POS	10,027.36	8,878.51	-11.46%	9.11%
ATM	1,160.92	788.48	-32.08%	0.81%
MOBILE	10,407.38	5,388.03	-48.23%	5.53%
<b>TOTAL</b>	<b>69,279.09</b>	<b>97,511.60</b>	<b>40.75%</b>	<b>100%</b>
<b>Volumes</b>				
RTGS	220,654	157,460	-28.64%	0.58%
POS	6,244,641	6,148,084	-1.55%	22.75%
ATM	427,103	420,940	-1.44%	1.56%
MOBILE	25,346,254	20,297,596	-19.92%	75.11%
<b>TOTAL</b>	<b>32,238,652</b>	<b>27,024,080</b>	<b>-16.17%</b>	<b>100%</b>

Source: Reserve Bank of Zimbabwe, 2020

### 3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international prices for gold, platinum, copper and Brent crude oil increased, during the week ending 31<sup>st</sup> December 2020. Nickel prices, however, declined during the same week.

Global markets were given an upside, following a successful Brexit trade deal and a new stimulus package in the US. Table 4 shows developments in selected commodity prices, during the week under review.

**Table 4: Metal and Crude Oil Prices for the week-ending 31<sup>st</sup> December 2020**

	Gold	Platinum	Copper	Nickel	Crude Oil
2020	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
<b>Weekly average (21 Dec – 24 Dec)</b>	<b>1,873.36</b>	<b>1,011.63</b>	<b>7,787.25</b>	<b>16,974.25</b>	<b>50.79</b>
<b>28-Dec</b>	1873.40	1038.00	7793.00	16960.00	51.04
<b>29-Dec</b>	1874.10	1040.00	7840.00	17003.00	51.04
<b>30-Dec</b>	1882.58	1065.00	7803.50	16775.00	51.52
<b>31-Dec</b>	1891.10	1075.00	7741.50	16540.00	51.72
<b>Weekly average (28 Dec – 31 Dec)</b>	<b>1,880.29</b>	<b>1,054.50</b>	<b>7,794.50</b>	<b>16,819.50</b>	<b>51.33</b>
<b>Weekly Change (%)</b>	0.4	4.2	0.1	-0.9	1.1

Source: BBC, KITCO and Bloomberg, 2020

### Gold

The international price of gold increased from a weekly average of US\$1,873.36 per ounce in the previous week to US\$1,880.29 per ounce, during the week under review. The yellow metal price gained by 0.4%, on increased safe haven appeal, as the US signed a coronavirus stimulus package into law.

### Platinum

Platinum prices rose by 4.2%, from US\$1,011.63 per ounce during the week ending 24<sup>th</sup> December 2020 to US\$1,054.50 per ounce, during the week under review. Prices were supported from the demand-side, after the clinching of a Brexit trade deal and the news of a new US stimulus package.

### Copper

Copper prices were steady during the week under review, increasing by 0.1% from a weekly average of US\$7,787.25 per tonne in the previous week, to US\$7,794.50 per tonne in the week ending 31<sup>st</sup> December 2020. Prices of the red metal were buoyed by expectations of increased demand and improved risk sentiment, on the back of a new US stimulus package and the vaccine roll-out. The gains were, however, limited by thin trading on the back of rising coronavirus cases.

## Nickel

Nickel prices marginally declined by 0.9%, from US\$16,974.25 per tonne in the preceding week to US\$ 16,819.50 per tonne, during the week under analysis. This was despite a weaker US dollar, the new US stimulus package and increased risk appetite, during the week under review.

## Brent Crude Oil

Brent crude oil prices rose during the week ending 31<sup>st</sup> December 2020, as producers cut production to meet weaker demand. The roll-out of vaccines in the European Union and vaccine approvals in the UK, lifted risk sentiment and lent support to Brent oil prices. Against this backdrop, Brent crude oil increased by 1.1%, from US\$50.79 per barrel in the previous week to US\$51.33 per barrel, during the week under analysis.

## EXCHANGE RATE DEVELOPMENTS

The Zimbabwe dollar traded steadily against the greenback, during the week under review. It slipped by 0.02% against the US dollar, from ZW\$ 81.7700 per US\$1 in the previous week to ZW\$81.7866 per US\$1, during the week under analysis. Developments in selected exchange rates are shown in Table 5.

**Table 5: International Exchange Rates<sup>1</sup>**

	USD	ZAR	GBP	BWP	EURO
<b>2020</b>					
<b>Weekly Average (21 Dec-24 Dec)</b>	<b>81.7700</b>	<b>5.5736</b>	<b>110.8107</b>	<b>7.5613</b>	<b>99.8631</b>
<b>28-Dec</b>	81.7866	5.6132	111.0214	7.5740	99.9802
<b>29-Dec</b>	81.7866	5.6038	110.2609	7.5779	100.0700
<b>30-Dec</b>	81.7866	5.5804	110.6861	7.5656	100.4626
<b>31-Dec</b>	81.7866	5.5928	111.4345	7.5738	100.5487
<b>Weekly Average (28 Dec-31 Dec)</b>	<b>81.7866</b>	<b>5.5991</b>	<b>110.6552</b>	<b>7.5725</b>	<b>100.1705</b>
<b>Appr(-)/Depr(+) (%) of the ZW\$</b>	0.02	0.5	-0.1	0.1	0.3

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

**Table 6: Foreign Exchange Auction results for MAINFX<sup>2</sup> and SMEFX<sup>3</sup>**

	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
<b>Total Bids (US\$ dollars)</b>	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
<b>Amount Allotted (US\$ dollars)</b>	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
<b>Highest Rate</b>	90	86	86	86	87	86	86	86
<b>Lowest Rate</b>	80	80	80	80	80	80	80	80
<b>Lowest Accepted Rate</b>	80	80	80	80	80	80	80	80
<b>Weighted Average Rate</b>	81.8765	81.8572	81.7368	81.7866	81.8765	81.8572	81.7368	81.7866
<b>Number of Bids Received</b>	278	202	278	237	189	202	207	129
<b>Number of Bids Rejected</b>	34	14	25	10	23	14	25	9

Source: Reserve Bank of Zimbabwe

#### 4. EQUITY MARKETS

During the week ending 31<sup>st</sup> December 2020, the Zimbabwe Stock Exchange (ZSE) maintained a positive momentum, with major indices recording positive growth rates. The Medium Cap, Top 15 and All Share increased by 20.06%, 18.13% and 17.51% to close at 5 491.09 points, 1 976.98 points, and 2 636.34 points, respectively.

The industrial increased by 17.68% to close at 8 782.18 points, largely as a result of share price gains for Cassava Smartech Zimbabwe Limited (44.97%), Meikles Limited (42.48%), First Capital Bank Limited (40.27%), Axia Corporation Limited (38.86%) and British American Tobacco Zimbabwe (37.50%). Partially offsetting the aforementioned gains were share price losses for Delta Corporation Limited (5.78%) and Ariston Holdings Limited (0.16%).

The resources index rose by 9.92% to close at and 4 134.09 points, during the week under analysis. This followed increases of 24.60% and 5.14% in the share prices of Riozim Limited and Bindura Nickel Corporation (BNC), respectively. Table 7 shows selected ZSE statistics.

<sup>2</sup> Main Foreign Currency Auction

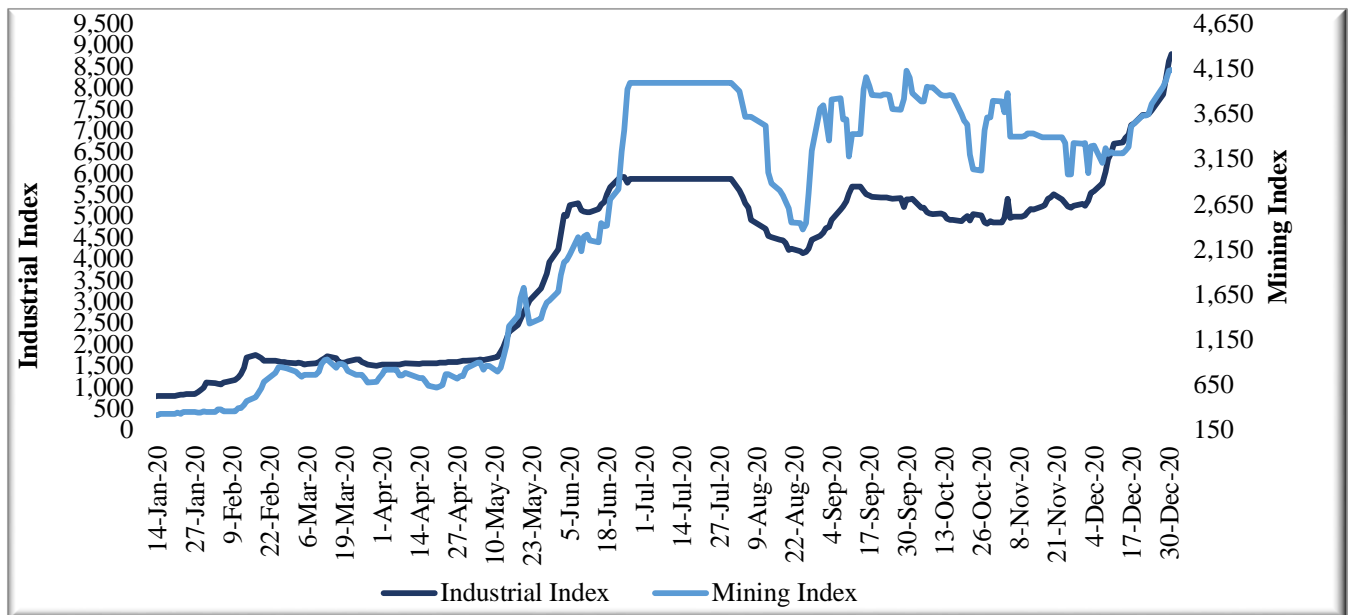
<sup>3</sup> Small and Medium Enterprises Foreign Currency Auction

**Table 7: Zimbabwe Stock Exchange Statistics<sup>4</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>27-Nov-20</b>	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
<b>4-Dec-20</b>	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
<b>11-Dec-20</b>	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
<b>18-Dec-20</b>	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
<b>24-Dec-20</b>	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
<b>30-Dec-20</b>	2 636.34	1 671.47	1 976.98	5 491.09	11914.14	8 782.18	4 134.09	371.89	501.71	33.27
<b>% Change</b>	<b>17.51</b>	<b>16.22</b>	<b>18.13</b>	<b>20.06</b>	<b>12.74</b>	<b>17.68</b>	<b>9.92</b>	<b>37.23</b>	<b>40.71</b>	<b>4.95</b>

Source: Zimbabwe Stock Exchange (ZSE), 2020

**Figure 3: Zimbabwe Stock Exchange Indices**



Source: Zimbabwe Stock Exchange, 2020

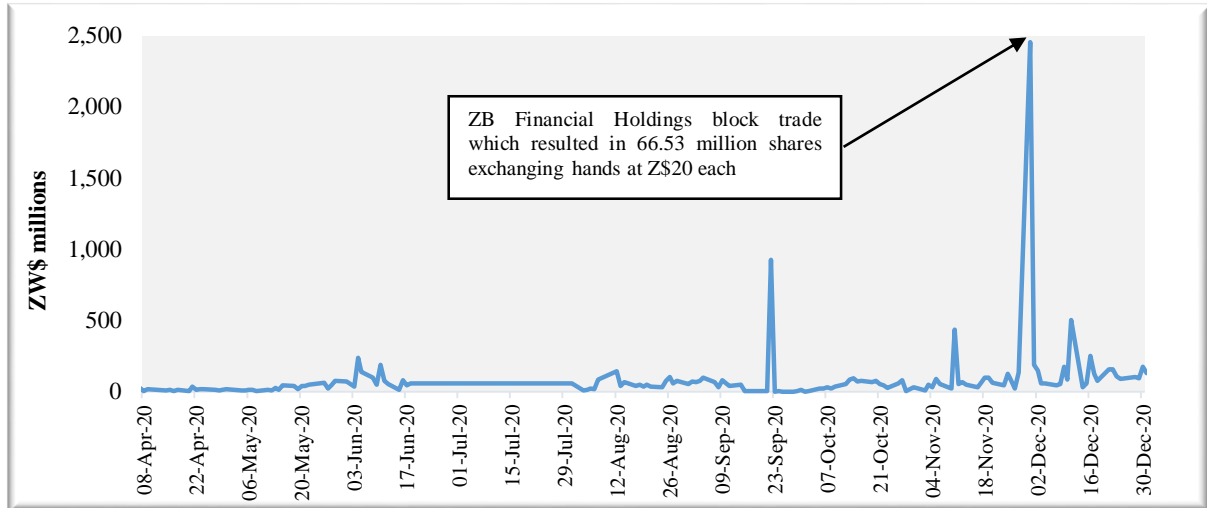
<sup>4</sup> The Zimbabwe Stock Exchange (ZSE) adopted the Global Industry Classification Standards, effective from 1 January 2020. The ZSE indices constitute the following categories; Top 10 Index; Top 15; Top 25; Medium cap and Small cap Indices.



## Market Turnover and Volume

In line with the positive trading experienced during the week under review, the cumulative value and volume of shares traded on the ZSE went up by 40.71% and 4.92% to ZW\$501.71 million and 33.27 million shares, respectively.

**Figure 4: Daily Market Turnover**

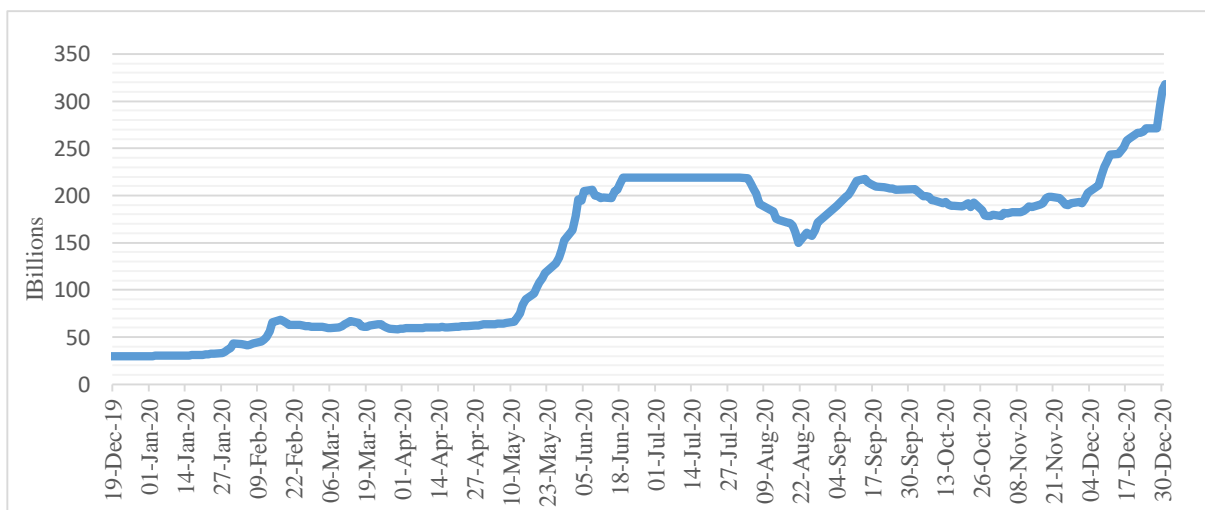


Source: Zimbabwe Stock Exchange, 2020

## Market Capitalization

The bullish sentiments that characterized the market during the week under review, resulted in the ZSE gaining ZW\$46.88 billion or 17.30% worth of market capitalisation to close at ZW\$317.88 billion. This compares with ZW\$270.99 billion recorded in the previous week.

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



Source: Zimbabwe Stock Exchange, 2020

## Johannesburg Stock Exchange (JSE) Developments

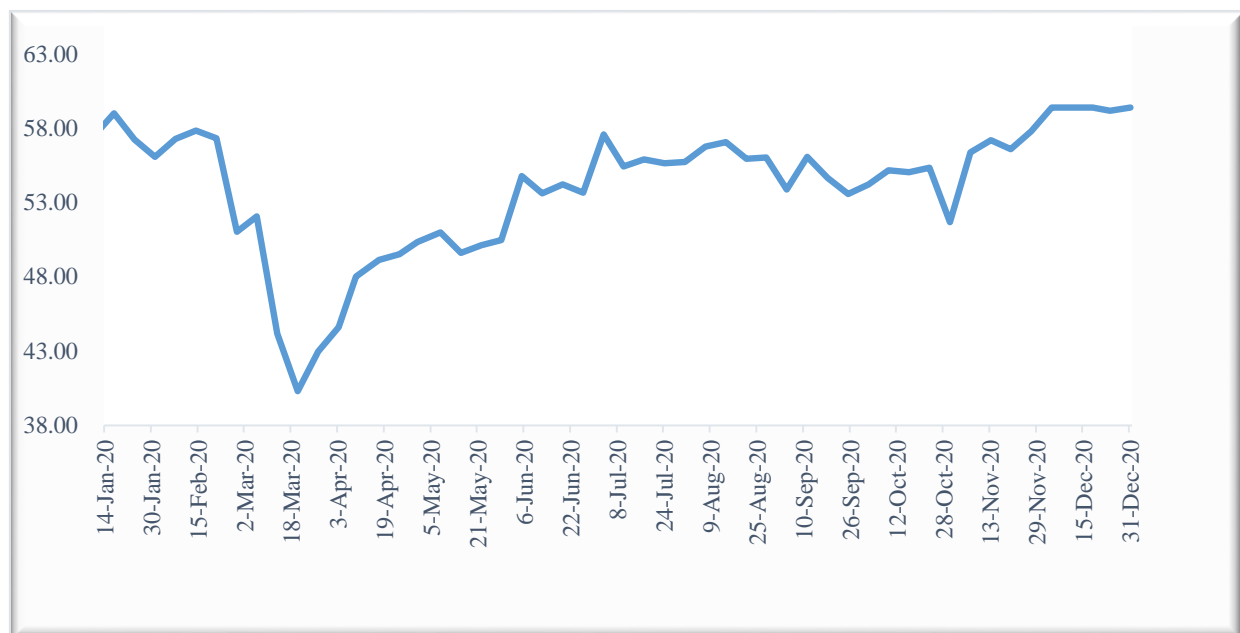
The week under analysis saw both the Johannesburg Stock Exchange (JSE) All share index and JSE market capitalization register increases of 0.39% and 0.73% to close at 59,048.68 points and ZAR17.85 trillion, respectively.

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

Period	All Share Index (points)	Market Capitalization (ZAR trillions)
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
31-December-20	59,408.68	17.85
<b>% Change</b>	<b>0.39</b>	<b>0.73</b>

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
<b>Raw Materials</b>	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
<b>Machinery and Equipment</b>	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
<b>Consumables (Incl. Spares, Tyres, Packaging)</b>	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
<b>Pharmaceuticals and Chemicals</b>	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
<b>Services (Loans, Dividends and Disinvestments)</b>	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
<b>Retail and Distribution</b>	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
<b>Fuel, Electricity and Gas</b>	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
<b>Paper and Packaging</b>	553,541.48	429,262.96	239,155.94	510,715.82	112,195.75	39,613.27	90,653.83	23,297.92
<b>TOTAL</b>	<b>31,193,922.34</b>	<b>27,722,832.57</b>	<b>29,468,843.66</b>	<b>27,909,106.11</b>	<b>2,153,933.22</b>	<b>2,551,643.23</b>	<b>2,477,875.40</b>	<b>1,673,639.08</b>

Source: Reserve Bank of Zimbabwe, 2020