



Weekly Economic Highlights

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Week Ending
4th December 2020

1. INTEREST RATES

Deposit Rates

Minimum deposit rates of 1 month tenor registered an increase of 0.45 percentage points, while savings deposits and deposits of 3 month tenor remained unchanged during the week under analysis. Maximum deposit rates for savings deposits and deposits of 1 month tenor were unchanged during the week under review, while deposits rates of 3 month tenor increased by 0.47 percentage points during the same week, 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 (%)
6-Nov-20	2.35	5.19	4.49	8.57	4.82	8.71
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

Source: Reserve Bank of Zimbabwe, 2020

Lending Rates

Minimum lending rates at commercial banks for individuals and corporate clients declined while maximum deposit rates increased during the week under review, as shown in Table 2.

Table 2: Lending Rates (per annum)

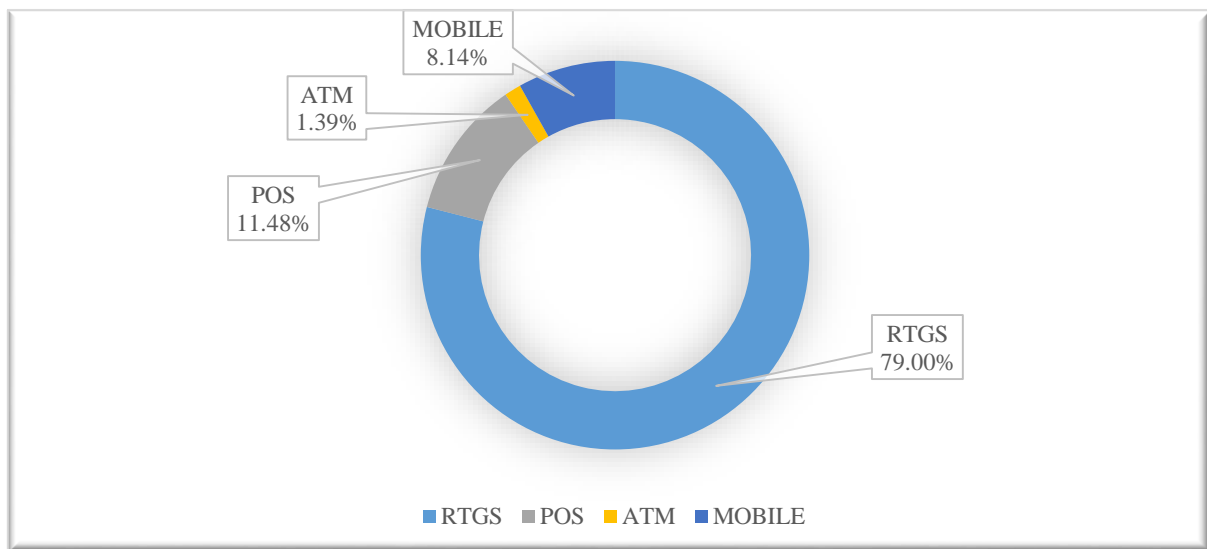
Date	Individual Clients		Corporate Clients	
	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
6-Nov-20	25.91	46.66	26.94	51.07
13-Nov-20	25.91	46.66	26.94	51.07
20-Nov-20	30.32	52.78	27.67	52.77
27-Nov-20	30.32	52.78	27.67	52.77
4-Dec-20	30.50	54.55	27.03	60.33

Source: Reserve Bank of Zimbabwe, 2020

2. CLEARING AND SETTLEMENT ACTIVITY

The value of transactions processed through the National Payment Systems (NPS) registered an increase of 3.75% to close at ZW\$67.60 billion during the week under review. Real Time Gross Settlement (RTGS) system transactions rose by 2.52% from ZW\$52.01 billion in the previous week, to close at ZW\$53.40 billion during the period under analysis. The distribution of NPS transactions in value terms was follows: RTGS, 79.00%; POS, 11.48%; Mobile, 8.14% and ATM, 1.39%.

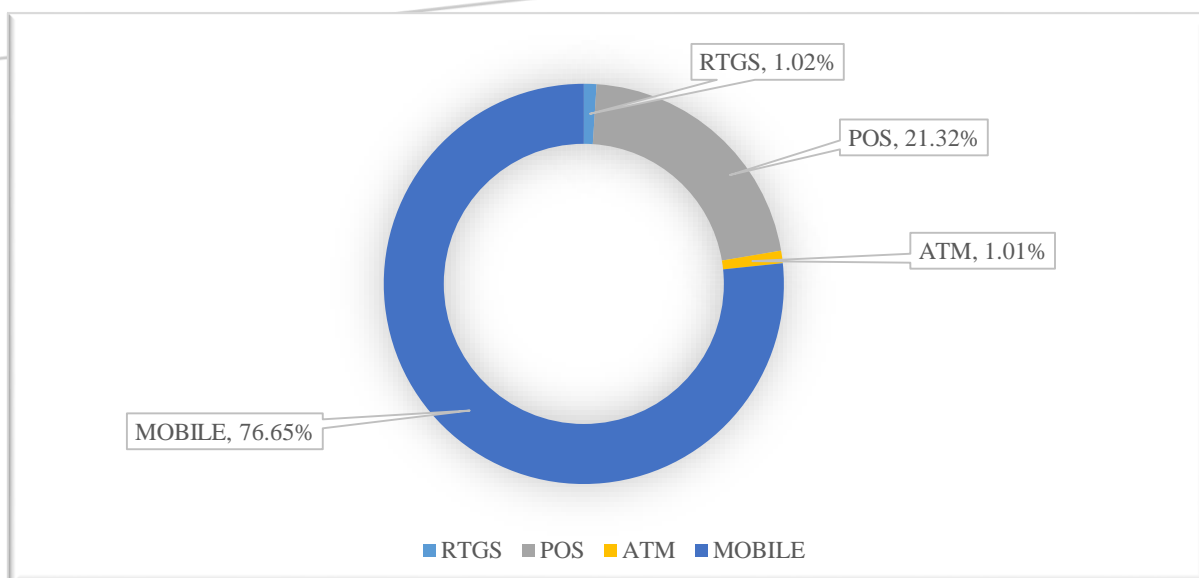
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2020

NPS transaction volumes were 2.25% higher to close at 25.46 million during the week of analysis. NPS transaction volumes were dominated by mobile based transactions contributing to 76.75% of total volumes, followed by POS, 21.32%; RTGS, 1.02%; and ATM, 0.74%.

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 27 th NOVEMBER 2020	WEEK ENDING 4 th DECEMBER 2020	% CHANGE FROM LAST WEEK	PROPORTION %
Values in ZW\$ Millions				
RTGS	52,091.09	53,403.70	2.52%	79.00%
POS	7,276.30	7,760.97	6.66%	11.48%
ATM	495.22	936.31	89.07%	1.39%
MOBILE	5,296.92	5,501.89	3.87%	8.14%
TOTAL	65,159.53	67,602.87	3.75%	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 platinum, copper and Brent crude oil increased in the week under analysis, while those for gold and nickel marginally declined. Global markets continue to be buoyed by rising vaccine optimism particularly as the UK announced a coronavirus vaccine approval, as well as expectations of the US stimulus package and robust growth in China. Table 4 shows developments in selected commodity prices during the week under review.

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

	Gold	Platinum	Copper	Nickel	Crude Oil
2020	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
Weekly average (23 – 27 Nov)	1,815.04	951.60	7,314.90	16,085.40	47.91
30-Nov	1,767.25	971.00	7,674.50	16,343.00	47.58
1-Dec	1,803.48	986.00	7,644.00	16,102.00	48.56
2-Dec	1,827.78	1,007.00	7,616.50	15,850.00	48.30
3-Dec	1,833.58	1,022.50	7,679.00	15,937.00	49.63
4-Dec	1,841.15	1,054.00	7,741.50	16,020.00	49.00
weekly average (30 Nov – 4 Dec)	1,814.65	1,008.10	7,671.10	16,050.40	48.61
Weekly Change (%)	-0.02	5.9	4.9	-0.2	1.5

Source: BBC, KITCO and Bloomberg, 2020

Gold

The international price of gold was relatively steady during the week under review on the back of optimism over a coronavirus vaccine rollout and profit taking by investors. The decline in the yellow metal price was occasioned by a weaker US dollar amid expectations of additional stimulus in the US. Against this backdrop, the price of gold eased marginally by 0.02%, from a weekly average price of US\$1,815.04 per ounce recorded in the previous week, to US\$1,814.65 per ounce in the week ending 4th December 2020.

Platinum

Platinum prices were higher than the US\$1,000 per ounce mark for the first time since February 2020. The price of platinum gained 5.9%, from US\$951.60 per ounce in the previous week to US\$1,008.10 per ounce during the week under analysis. Platinum prices were lifted optimism about an increase in global economic activity on the back of COVID vaccine hopes and a forecasted deficit in the platinum market.

Copper

Copper prices were higher during the week under review following the coronavirus vaccine approvals. Against this background, Copper price gained 4.9% from US\$7,314.90 per tonne to US\$7,671.10 per tonne, in the week ending 4th December 2020. Copper remains skewed to the upside on robust demand amid greater stockpiling in China and heightened expectations of greater fiscal spending in the US.

Nickel

Nickel prices retreated by 0.2% week-on-week from US\$16,085.40 per tonne to US\$16,050.40 per tonne during the week under review. Profit taking by investors amid a stronger US dollar dampened the price of the base metal, though losses were limited by vaccine optimism and strong industrial demand in China.

Brent Crude Oil

The international price of Brent crude oil gained 1.5% week-on-week on expectations of a stimulus package in the US, the world's largest oil consumer. Furthermore, crude oil prices were supported by higher demand prospects owing to the possibility of positive global economy spillover effects of the coronavirus vaccine. Consequently, the price of Brent crude oil increased from US\$ 47.91 per barrel recorded in the previous week, to US\$ 48.61 per barrel during the week under analysis.

EXCHANGE RATE DEVELOPMENTS

On the weekly foreign exchange market, the Zimbabwe dollar (ZWL) was steadily against the greenback. The local unit lost 0.1% against the US dollar from ZWL\$81.7731 per USD to ZWL\$81.8519 per USD in the week under analysis. Table 5 shows developments in selected exchange rates.

Table 5: International Exchange Rates¹

	USD	ZAR	GBP	BWP	EURO
2020					
Weekly Average (23-27 Nov)	81.7731	5.3614	109.1770	7.3886	97.2686
30-Nov	81.8151	5.3619	109.1579	7.4047	97.9656
1-Dec	81.8151	5.3121	109.3255	7.3801	97.8222
2-Dec	81.8765	5.3576	109.8333	7.4224	98.8538
3-Dec	81.8765	5.3419	109.6286	7.4021	99.2427
4-Dec	81.8765	5.3996	110.0831	7.4512	99.4310
Weekly Average (30 Nov-4 Dec)	81.8519	5.3545	109.6046	7.4120	98.6587
Appr(-)/Depr(+) (%) of the ZWL	<i>0.1</i>	<i>-0.1</i>	<i>0.4</i>	<i>0.3</i>	<i>1.4</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			
	10-Nov-20	17-Nov-20	24-Nov-20	1-Dec-20	10-Nov-20	17-Nov-20	24-Nov-20	1-Dec-20
Total Bids (US\$ dollars)	29,947,934.68	27,436,863.5	30,630,562.31	31,193,922.3	1,844,700.5	2,303,580.0	2,324,864.5	2,153,933.2
Amount Allotted (US\$ dollars)	29,947,934.68	27,436,863.5	30,630,562.31	31,193,922.3	1,844,700.5	2,303,580.0	2,324,864.5	2,153,933.2
Highest Rate	86.3	86	86	90	85	90	86	87
Lowest Rate	80	79	80	80	80	80	80	80
Lowest Accepted Rate	80	79	80	80	80	80	80	80
Weighted Average Rate	81.6741	81.7102	81.8151	81.8765	81.6741	81.7102	81.8151	81.8765
Number of Bids Received	152	294	289	278	268	192	181	189
Number of Bids Rejected	9	38	21	34	20	17	15	23

Source: Reserve Bank of Zimbabwe

4. EQUITY MARKETS

During the week ended 4th December 2020, the Zimbabwe Stock Exchange (ZSE) was characterized by bullish sentiments, resulting in the All Share, Top 10, Top 15, small cap, and Medium Cap increasing by 6.63%, 6.27%, 6.54%, 25.72% and 6.11% to close at 1 686.51 points, 1 061.3 points, 1 264.76 points, 9 437.51 points and 3 508.81 points, respectively.

The industrial index increased by 6.85% to close at 5 589.03 points. The increase largely emanated from gains in Masimba Holdings Limited (73.10%), Lafarge Cement Zimbabwe Limited (31.15%), Fidelity Life Assurance Limited (30.07%), First Capital Bank Limited (29.61%) and Hippo Valley Estates Limited (24.77%). Partially offsetting the above mentioned gains were losses in the share prices of CBZ Holdings Limited (10.42%), Willdale Limited (10.09%), Truworths Limited (6%), Dairibord Holdings Limited (5.87%) and Africa Sun Limited (5.04%).

The resource index shed 0.92% to close at 3 294.59 points. The decline was due to losses of 9.11% and 0.23% in the share prices of RioZim Limited and Bindura Nickel Corporation (BNC), respectively.

² Main Foreign Currency Auction

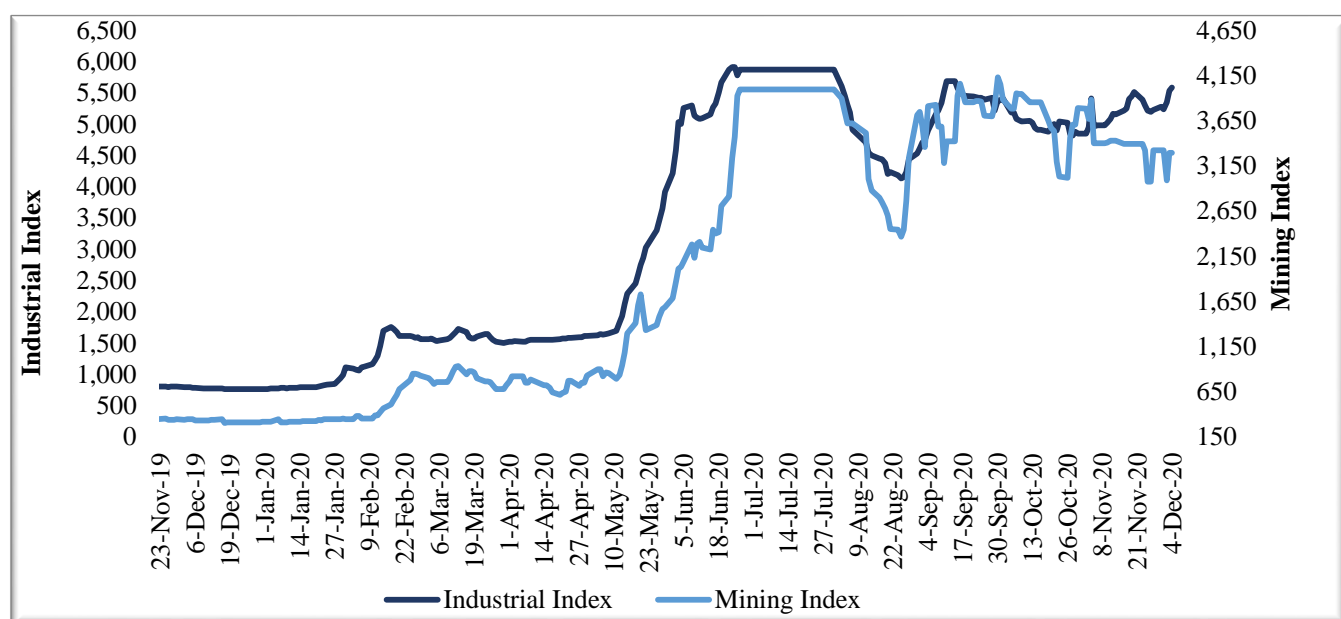
³ Small and Medium Enterprises Foreign Currency Auction

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)
30-Oct-20	1,476.87	937.28	1,122.83	3,083.35	6,134.03	4,852.49	3,792.35	179.69	197.55	257.35
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	7 506.85	5 230.94	3 325.30	191.63	415.35	126.19
4-Dec-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
% Change	6.63	6.27	6.54	6.11	25.72	6.85	-0.92	6.75	601.64	67.60

Source: Zimbabwe Stock Exchange (ZSE), 2020

Figure 3: Zimbabwe Stock Exchange Indices



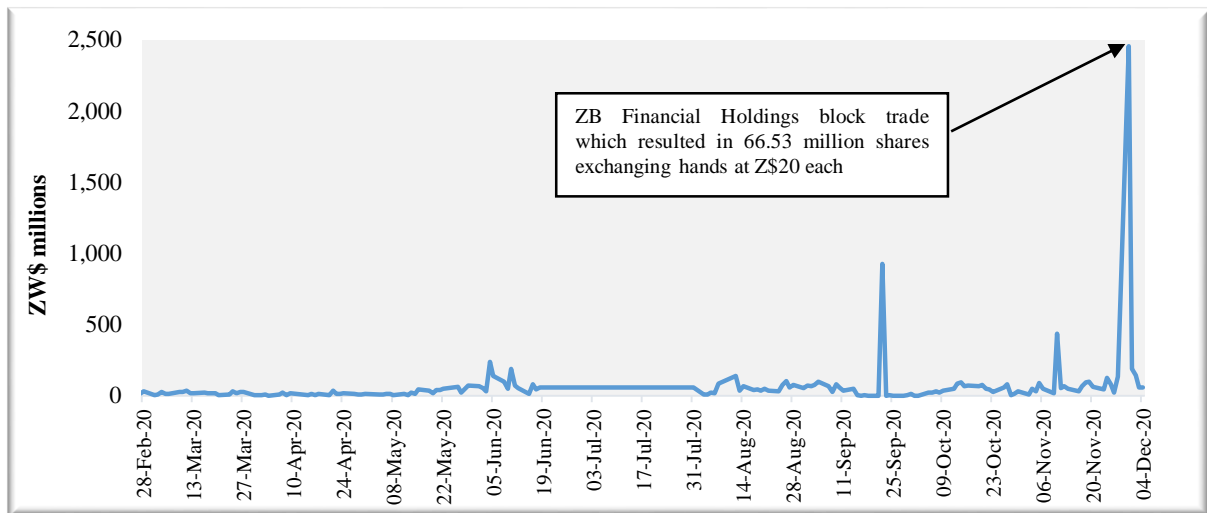
Source: Zimbabwe Stock Exchange, 2020

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

During the week under analysis, there was improved trading activity, coupled with a block trade which saw 111.25 million ZB Financial Holdings shares exchanging hands at ZW\$20. As a result, the volume and value of shares traded increased by 67.61% and 601.63% to 211.50 million shares and ZW\$2.91 billion, respectively.

Figure 4: Daily Market Turnover

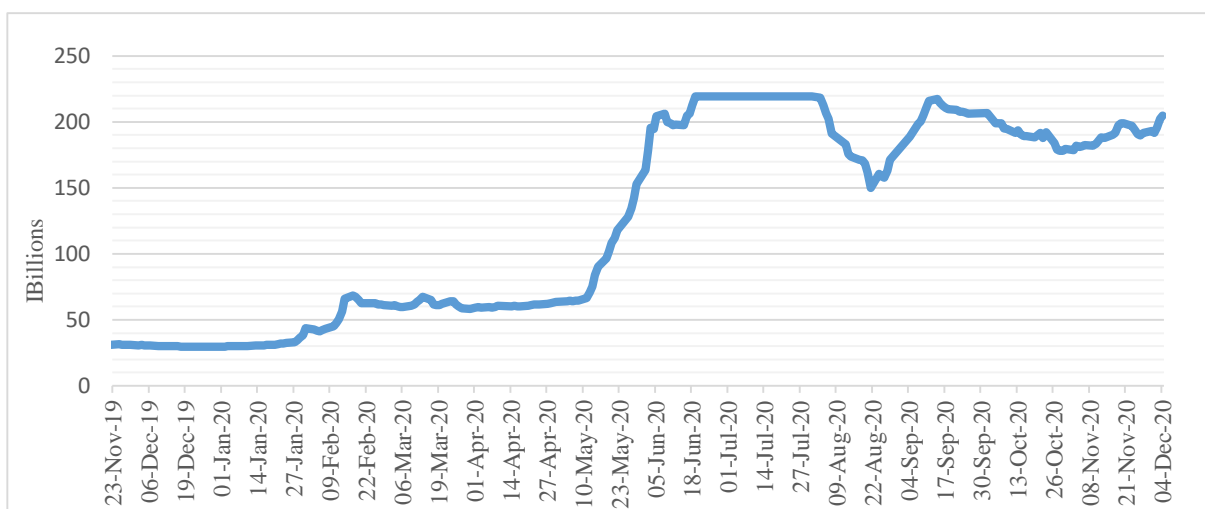


Source: Zimbabwe Stock Exchange, 2020

Market Capitalization

In line with the developments on the local bourse, the ZSE gained ZW\$12.94 billion, or 6.75% worth of market capitalisation to close at ZW\$204.57 billion during the week under review.

Figure 5: Daily Market Capitalization in ZW\$ billions



Source: Zimbabwe Stock Exchange, 2020

Johannesburg Stock Exchange (JSE) Developments

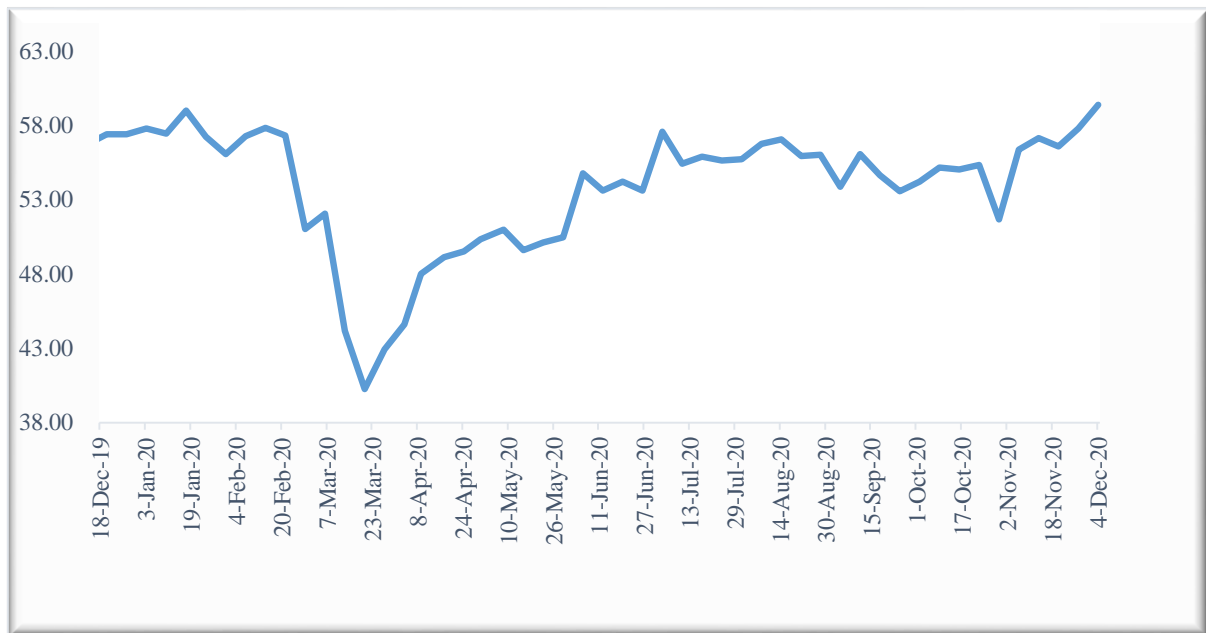
During the week ending 4th December 2020, the Johannesburg Stock Exchange (JSE) All share increased to 59,419.37 points from 57,822.50 points in the previous week. ZSE market capitalisation extended gains to close at close at ZAR18.01 trillion, during the same period.

Table 9: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalization (ZAR trillions)
30-October-20	51,684.70	15.78
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
% Change	2.76	2.68

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			
	10-Nov-20	17-Nov-20	24-Nov-20	1-Dec-20	27-Oct-20	17-Nov-20	24-Nov-20	1-Dec-20
Raw Materials	12,542,113.84	11,092,297.82	13,388,111.44	14,455,583.16	413,913.78	530,608.23	627,543.76	565,832.16
Machinery and Equipment	4,639,312.84	5,628,197.63	6,158,604.61	3,881,163.60	377,174.05	578,959.12	488,162.79	343,514.11
Consumables (Incl. Spares, Tyres, Packaging)	2,687,250.18	2,094,829.54	2,651,123.89	2,478,807.13	556,338.82	478,606.33	437,479.62	532,861.51
Pharmaceuticals and Chemicals	1,566,376.32	1,133,717.24	1,043,660.49	1,472,235.21	127,230.50	114,870.24	82,656.98	131,271.95
Services (Loans, Dividends and Disinvestments)	2,686,945.11	2,715,428.55	2,367,928.69	2,362,313.27	160,651.63	241,910.39	190,567.68	165,368.09
Retail and Distribution	2,110,010.79	2,113,240.18	2,581,077.85	2,524,188.11	100,329.03	170,866.68	253,443.97	152,915.69
Fuel, Electricity and Gas	3,088,664.59	1,787,469.07	1,813,171.82	3,466,090.38	39,793.81	105,469.66	159,613.40	149,973.96
Paper and Packaging	627,261.01	871,683.46	626,883.52	553,541.48	69,268.91	82,289.35	85,396.28	112,195.75
TOTAL	29,947,934.68	27,436,863.49	30,630,562.31	31,193,922.34	1,844,700.53	2,303,580.00	2,324,864.48	2,153,933.22

Source: Reserve Bank of Zimbabwe, 2020