



Weekly Economic Highlights

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Week Ending
21st February 2020

1. INTEREST RATES

Deposit Rates

During the week ending 21st February 2020, minimum deposit rates for savings deposits, deposits of 1-month and 3-month tenors remained unchanged at 2.82%, 3.63% and 2.36%, respectively.

Maximum deposit rates for deposits of 1-month tenor rose by 0.14 percentage points to close the week under review at 5.51%. The maximum deposits rates for deposits of 3-month tenor and savings deposits, however, remained unchanged at 5.53% and 4.74%, respectively.

Table 1: Average Deposit Rates (per annum)

Date	Savings deposits (%)		1- Month deposit rates (%)		3- Month deposit rates (%)	
	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum
24-Jan-20	2.36	4.74	2.82	5.24	3.37	5.47
31-Jan-20	2.36	4.74	2.88	5.24	3.37	5.47
7-Feb-20	2.36	4.74	2.79	5.22	3.37	5.47
14-Feb-20	2.36	4.74	2.82	5.37	3.63	5.53
21-Feb-20	2.36	4.74	2.82	5.51	3.63	5.53

Source: Banking Institutions, 2020

Lending Rates

Commercial bank minimum lending rates for individual clients stood at 16.89%, as at 21st February 2020, up from 16.14% in the previous week. Minimum lending rates for corporate clients, however, registered a decrease of 0.21% to close the week at 16.55%. During the same week, maximum lending rates for individual and corporate clients rose by 0.4 and 0.2 percentage points to 31.56% and 37.40%, respectively.

Table 2: Lending Rates

Date	Individual lending rates (%)		Corporates lending rates (%)	
	Minimum %	Maximum	Minimum	Maximum
24-Jan-20	16.49	31.95	17.93	37.18
31-Jan-20	16.56	32.11	17.20	37.16
7-Feb-20	16.48	31.31	16.76	37.04
14-Feb-20	16.14	31.16	16.76	37.20
20-Feb-20	16.89	31.56	16.55	37.40

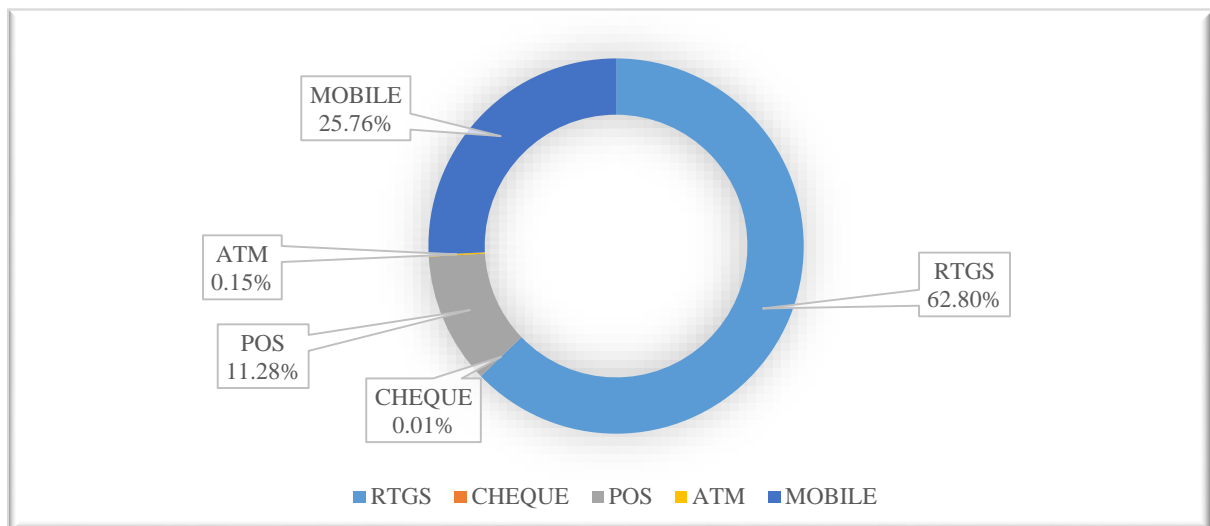
Source: Banking Institutions, 2020

2. CLEARING AND SETTLEMENT ACTIVITY

Transactions processed through the National Payment System (NPS) amounted to \$15.47 billion during the week ending 21st February 2020. This represented a 5.45% decrease from \$16.36 billion recorded in the previous week. In tandem, the value of transactions processed through the Real Time Gross Settlement (RTGS) system decreased by 9.86% to close the week at \$9.71 billion.

In value terms, the NPS transactions were distributed as follows, RTGS, 62.80%; Mobile, 25.76%; Point of Sale (POS), 11.28%; Automated Teller Machine (ATM), 0.15%; and Cheque, 0.01%, as shown in Figure 1.

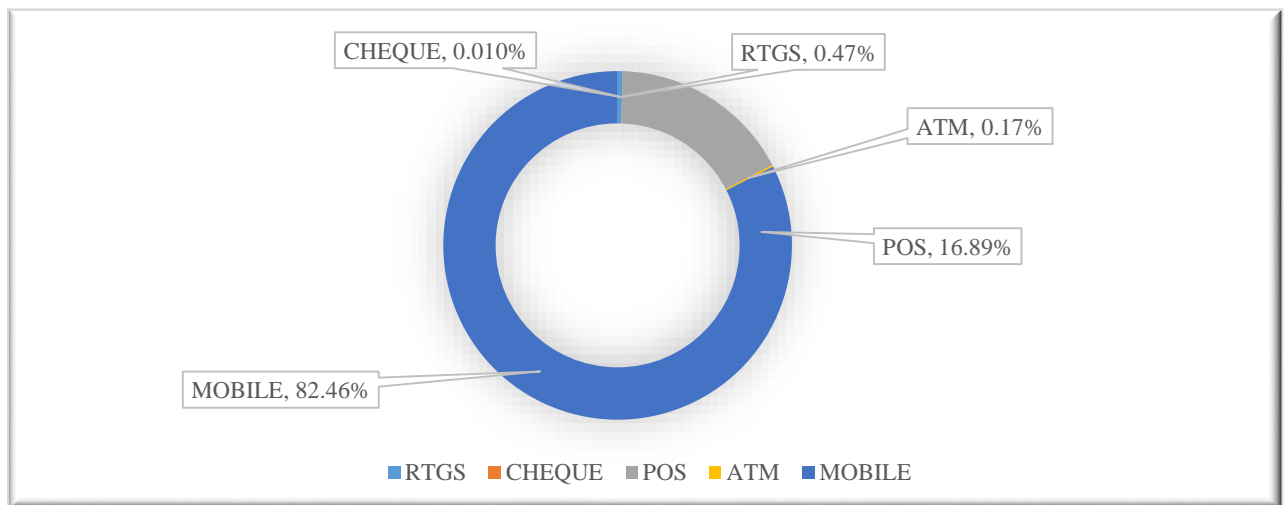
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2020

In terms of volumes, transactions processed through the NPS increased by 7.78% to close at 36.59 million transactions, during the week under analysis. This compares with 33.65 million transactions recorded in the preceding week. Mobile based transactions constituted 82.46% of the total volume of NPS transactions, followed by POS, 16.89%; RTGS 0.47%; ATM, 0.17% and Cheque, 0.01%, as shown in Figure 2.

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	WEEK ENDING	% CHANGE FROM LAST WEEK	PERCENTAGE OF TOTAL
	14-Jan-20	21-Feb-20		
	VALUES IN Z\$ (millions)			
RTGS	10,775.02	9,712.31	-9.86	62.80
CHEQUE	1.28	0.98	-23.70	0.01
POS	1,580.88	1,744.88	10.37	11.28
ATM	41.55	22.60	-45.61	0.15
MOBILE	3,957.67	3,984.44	0.68	25.76
TOTAL	16,356,40	15,465.20	-5.45	100
	VOLUMES			
RTGS	217,315	173,145	-20.33	0.47
CHEQUE	2,546	1,935	-24.00	0.01
POS	6,060,143	6,178,350	1.95	16.89
ATM	74,660	62,598	-16.16	0.17
MOBILE	27,590,967	30,170,663	9.35	82.46
TOTAL	33,945,631	36,586,691	7.78	100

Source: Reserve Bank of Zimbabwe, 2020

3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international commodity prices of gold, platinum, copper and crude oil continued on a positive trajectory, during the week ending 21st February 2020. Nickel prices, however, retreated, during the same week, as shown in Table 4.

Table 4: International Commodity Prices

	Gold	Platinum	Copper	Nickel	Crude Oil
2020	<i>US\$/ounce</i>	<i>US\$/ounce</i>	<i>US\$/tonne</i>	<i>US\$/tonne</i>	<i>US\$/barrel</i>
Weekly average (10-14 Feb)	1,572.37	963.80	5,722.00	13,006.40	55.70
<i>17-Feb</i>	<i>1,580.55</i>	<i>967.50</i>	<i>5,804.75</i>	<i>13,058.50</i>	<i>57.10</i>
<i>18-Feb</i>	<i>1,589.03</i>	<i>980.00</i>	<i>5,736.25</i>	<i>12,754.00</i>	<i>58.37</i>
<i>19-Feb</i>	<i>1,606.85</i>	<i>1,011.50</i>	<i>5,757.75</i>	<i>12,754.00</i>	<i>59.10</i>
<i>20-Feb</i>	<i>1,614.68</i>	<i>991.00</i>	<i>5,750.00</i>	<i>12,650.00</i>	<i>59.31</i>
<i>21-Feb</i>	<i>1,638.50</i>	<i>973.00</i>	<i>5,744.00</i>	<i>12,475.00</i>	<i>57.07</i>
Weekly average (17-21 Feb)	1,605.92	984.60	5,758.55	12,738.30	58.19
Weekly Change (%)	2.1	2.2	0.6	-2.1	4.5

Source: BBC, KITCO and Bloomberg 2020

Gold

Gold prices increased by 2.1% to US\$1,605.92/oz, during the week under review, from US\$1,572.37/oz recorded in the previous week. This followed investor flight to safe haven assets such as the yellow metal, as coronavirus cases spiked outside China, a development that will adversely impact on global growth.

Platinum

Platinum prices gained 2.2%, from US\$963.80/oz in the previous week to US\$ 984.60/oz, during the week under analysis. This was underpinned by higher demand as investors sought low risk assets to hedge against the uncertainties triggered by the impact of coronavirus epidemic on the global economy.

Copper

The price of copper rose by 0.6% to US\$5,758.55/tonne, during the week under analysis, from US\$5,722.00/tonne recorded in the previous week. The increase followed stimulus measures currently being implemented by the People's Bank of China.

Nickel

Nickel prices stood at US\$12,738.30/tonne during the week under analysis, a 2.1% decline from US\$13,006.40/tonne recorded in the previous week. Rising stockpiles and weak demand for the metal by automobile industries weighed down prices.

Crude Oil

The price of crude oil closed the week at US\$58.19/barrel. This was a 4.5% increase from US\$55.70/barrel recorded in the preceding week. The increase followed a temporary resumption in economic activity in China as the spread of the coronavirus eased, coupled with US oil supply cuts and the imposition of limits on exports of Venezuelan crude oil.

4. EXCHANGE RATES

During the week ending 21st February 2020, the Zimbabwe dollar depreciated against the US dollar; pound Sterling; pula; rand and euro, as shown in Table 5.

Table 5: International Exchange Rates¹

2020	USD	GBP	BWP	ZAR	EUR
Weekly Average (10-14 Feb)	17.6097	22.7747	1.6024	1.1803	19.2162
<i>17-Feb</i>	<i>17.7449</i>	<i>23.1473</i>	<i>1.6192</i>	<i>1.1945</i>	<i>19.2337</i>
<i>18-Feb</i>	<i>17.7474</i>	<i>23.0671</i>	<i>1.607</i>	<i>1.1814</i>	<i>19.2222</i>
<i>19-Feb</i>	<i>17.8105</i>	<i>22.9978</i>	<i>1.6136</i>	<i>1.1829</i>	<i>19.2308</i>
<i>20-Feb</i>	<i>17.8105</i>	<i>22.9978</i>	<i>1.6136</i>	<i>1.1829</i>	<i>19.2308</i>
Weekly Average (17-21 Feb)	17.7783	23.0525	1.6133	1.1854	19.2294
<i>Appr(+)/Depr(-) (%) of the ZWL</i>	<i>1.0</i>	<i>1.2</i>	<i>0.7</i>	<i>0.4</i>	<i>0.1</i>

Source: Reserve Bank of Zimbabwe, 2020

¹Foreign Currency per unit of ZWL

5. EQUITY MARKETS

The Zimbabwe Stock Exchange (ZSE) registered mixed trading activity, during the week ending 21st February 2020. Consequently, the All Share and Top 10 indices lost 4.11% and 11.59%, to close the week under review at 485.05 and 421.68 points, respectively. Medium Cap and Small Cap indices, however, added 14.12% and 28.68%, to close the week at 621.92 and 1401.50 points, respectively.

The industrial index shed 4.69% to close the week at 1611.56 points, from 1690.91 points recorded in the preceding week. This was largely attributed to share price losses for Old Mutual Zimbabwe, (24.10%); Cassava Smartech Zimbabwe Limited, (18.67%); Zimbabwe Newspapers, (16.67%); OK Zimbabwe Limited, (15.29%) and Zimplow Holdings Limited, (14.41%).

The mining index gained 45.28% to close the week under review at 680.44 points. This was mainly on account of the share price increase for Riozim Limited and Bindura Nickel Cooperation Limited.

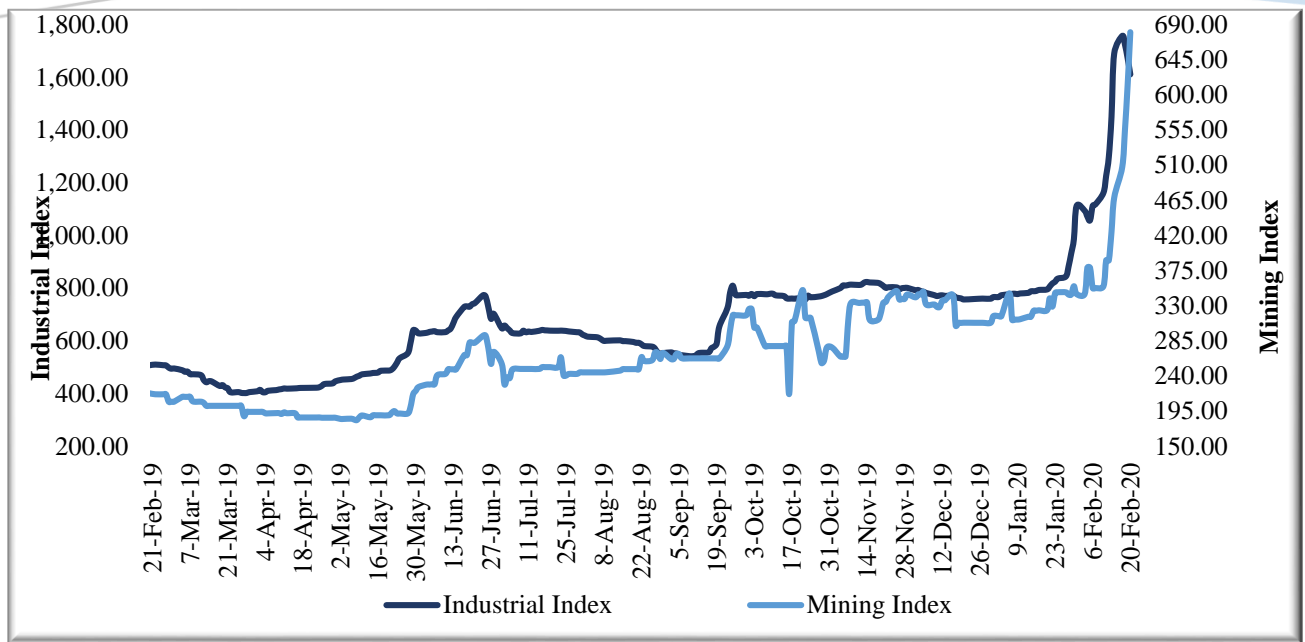
Table 6: Zimbabwe Stock Exchange Statistics³

	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)
24-Jan-2020	251.26	221.05	222.58	313.81	726.71	836.54	347.19	32.58	35.73	33.09
31-Jan-2020	332.90	313.32	308.10	355.88	831.08	1112.72	344.92	43.43	135.39	62.05
07-Feb-2020	334.69	303.98	303.55	391.95	859.55	1118.00	352.62	43.35	48.53	21.96
14-Feb-2020	505.85	476.94	472.79	544.95	1089.16	1690.91	468.35	65.75	96.25	35.12
20-Feb-20	485.05	421.68	428.79	621.92	1401.50	1611.50	680.44	62.70	109.53	78.42
Weekly Change (%)	-4.11	-11.59	-9.31	14.12	28.68	-4.70	45.28	-4.64	-13.80	123.2

Source: Zimbabwe Stock Exchange (ZSE), 2020

³ 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 3: Zimbabwe Stock Exchange Indices

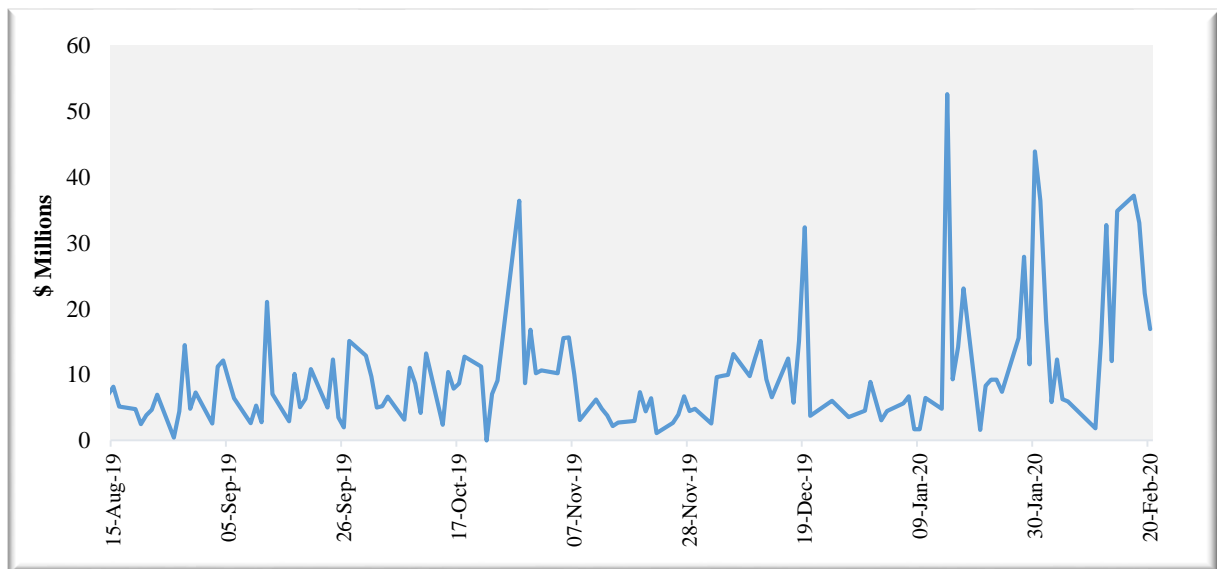


Source: Zimbabwe Stock Exchange, 2020

Market Turnover and Volume

The total volume of shares traded on the ZSE increased by 123.27% to close at 78.42 million shares, during the week under review. Similarly, ZSE market turnover value rose by 13.80% to close at \$109.53 million, during the same week.

Figure 4: Daily Market Turnover

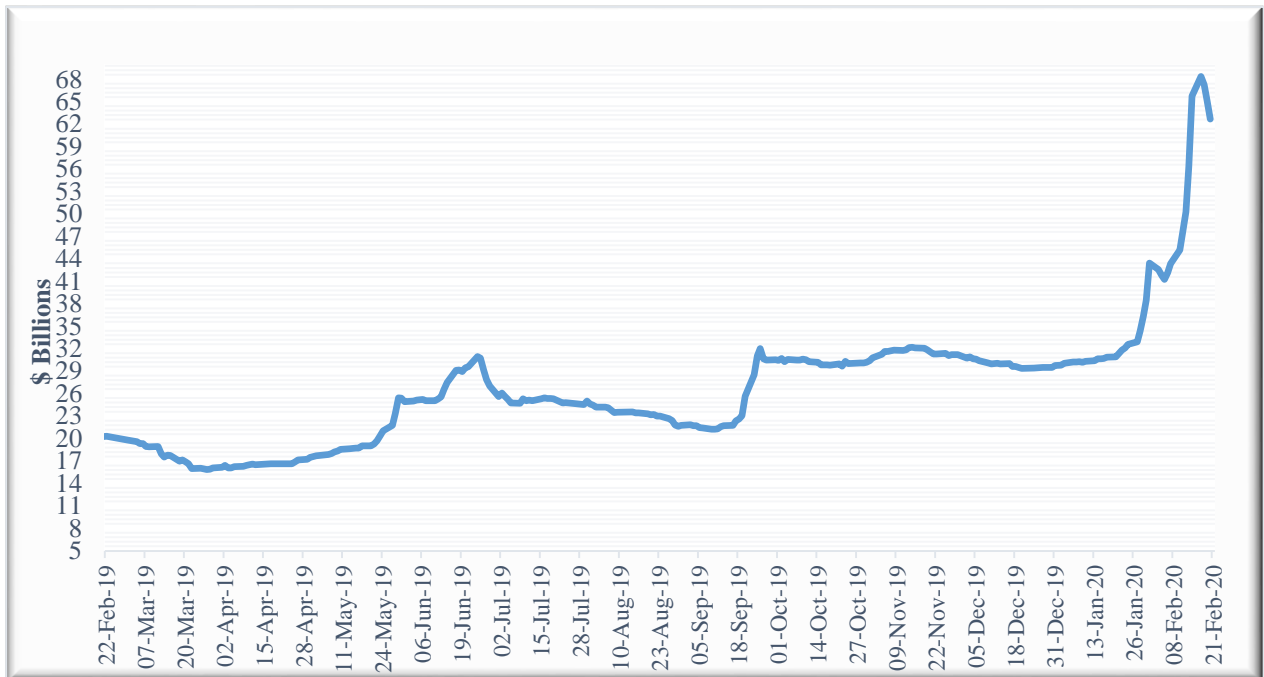


Source: Zimbabwe Stock Exchange, 2020

Market Capitalization

ZSE market capitalisation fell by 4.64%, from \$65.74 billion recorded in the preceding week to \$62.70 billion, during the week under review. This was partly attributable to declines in Top 10, Top 15 and Industrial Indices.

Figure 5: Daily Market Capitalization



Source: Zimbabwe Stock Exchange, 2020

Johannesburg Stock Exchange (JSE) Developments

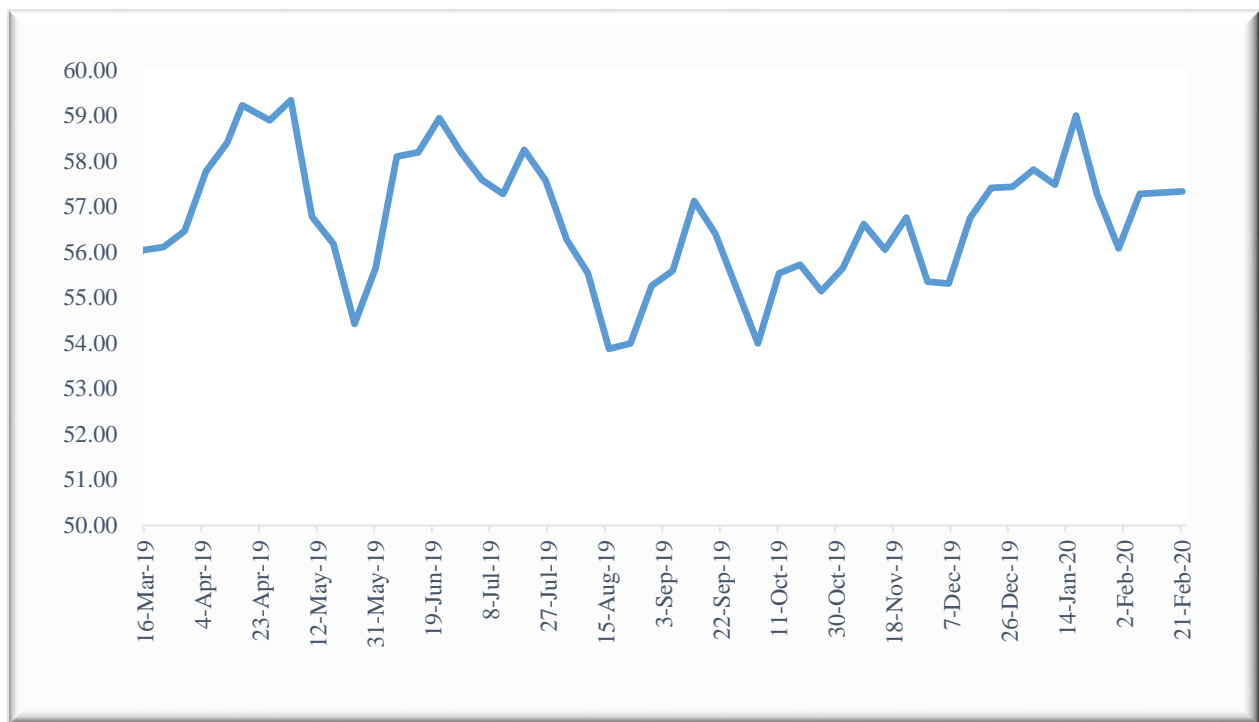
The JSE All Share Index stood at 57,336.21 points during the week ending 21st February 2020. This represented a 0.91% fall from 57,861.76 points recorded in the preceding week. JSE market capitalization, however, gained 0.22% to ZAR17.82 billion during the week under analysis, from ZAR17.78 billion recorded in the previous week.

Table 6: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index	Market Capitalization 8
	(points)	(ZAR billions)
24-Jan-20	57,261.04	17.57
31-Jan-20	56,079.54	17.39
7-Feb-20	57,276.49	17.72
14-Feb-20	57,861.76	17.78
21-Feb-20	57,336.21	17.82
% Change	-0.91	0.22

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
19TH FEBRUARY 2020