



Weekly Economic Highlights

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Week Ending
10th July 2020

1. INTEREST RATES

Deposit Rates

Average deposit rates quoted by commercial banks remained unchanged from the previous week for all classes of deposits, during the week ending 10th July 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 (%)
12-June-20	2.35	5.19	3.26	6.44	4.16	6.58
19-June-20	2.35	5.19	3.26	6.56	4.21	7.22
26-June-20	2.35	5.19	3.26	6.56	4.21	7.22
03-July-20	2.35	5.19	3.28	6.62	4.21	7.70
10-June-20	2.35	5.19	3.28	6.62	4.21	7.70

Source: Reserve Bank of Zimbabwe, 2020

Lending Rates

The average minimum and maximum lending rates for both individual and corporate clients at commercial banks also remained at the previous week level. Table 2 shows commercial bank lending rates for the week under analysis.

Table 2: Lending Rates (per annum)

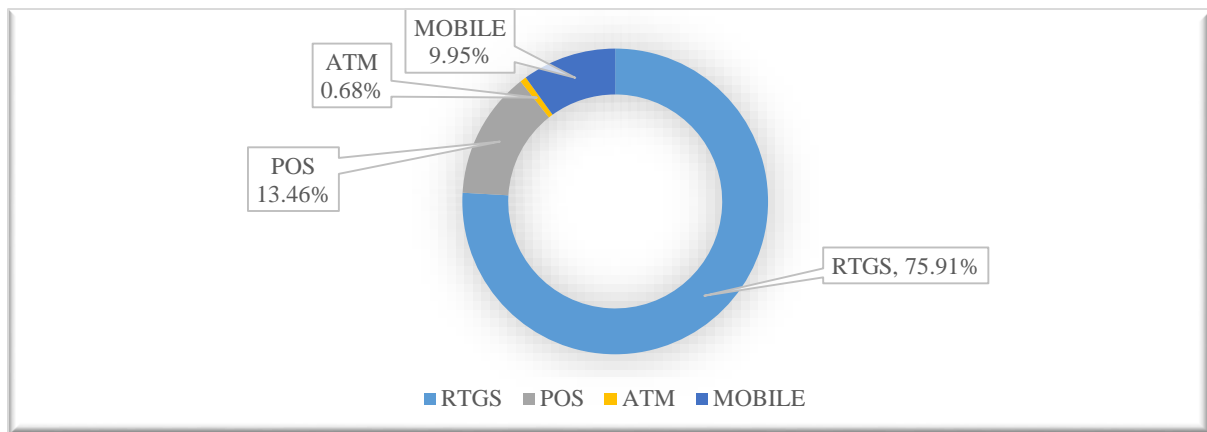
Date	Individual Clients		Corporate Clients	
	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
12- Jun-20	19.53	35.28	19.71	40.92
19- Jun-20	20.04	34.05	17.38	40.65
26- Jun-20	20.04	34.05	17.38	40.65
03-July-20	18.07	35.59	19.47	45.29
10-July-20	18.07	35.59	19.47	45.29

Source: Reserve Bank of Zimbabwe, 2020

2. CLEARING AND SETTLEMENT ACTIVITY

The value of transactions processed through the National Payment Systems (NPS) amounted to \$36.70 billion, during the week ending 10th July 2020. This represented an increase of 5.4% from \$34.46 billion worth of transactions that were processed in the preceding week. Transactions processed through the Real Time Gross Settlement (RTGS) system accounted for the highest proportion of values processed at 75.91%. Other payment platforms had the following proportions: POS, 13.46%; Mobile, 9.95%; and ATM, 0.68%.

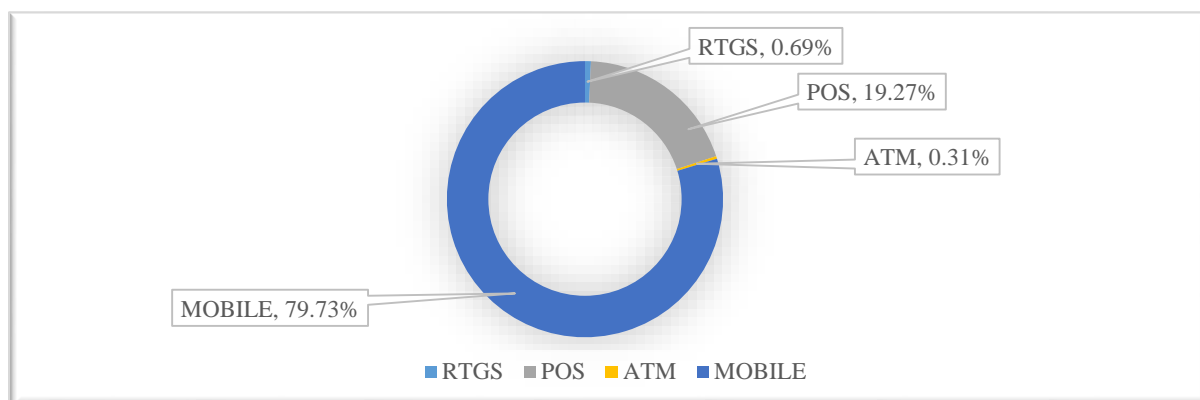
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2020

NPS transaction volumes increased by 3.5%, from 28.3 million transactions in the previous week to 29.3 million transactions, during the week under review. Mobile transactions, which accounted for 79.73% of the total volume of transactions, increased by 4.7%. The remaining NPS platforms accounted for the following proportions, in terms of volumes: POS, 19.27%; RTGS, 0.69%; and ATM, 0.31%.

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 3 rd JULY 2020	WEEK ENDING 10 th JULY 2020	% CHANGE FROM LAST WEEK	PROPORTION %
Values in \$ Millions				
RTGS	26 122.84	27 863.54	6.66	75.91
POS	4 867.43	4 940.85	1.51	13.46
ATM	260.66	248.87	-4.52	0.68
MOBILE	3 571.45	3 650.96	2.23	9.95
TOTAL	34 822.38	36 704.22	5.40	100.00
Volumes in Thousands				
RTGS	245.67	202.09	-17.74	0.69
POS	5 642.68	5 648.35	0.10	19.27
ATM	110.59	90.51	-18.16	0.31
MOBILE	22 318.31	23 367.25	4.70	79.73
TOTAL	28 317.25	29 308.20	3.50	100.00

Source: Reserve Bank of Zimbabwe, 2020

3. TOBACCO SALES

As at 10th July 2020 or day 51 of the 2020 tobacco selling season, a cumulative total of 135.43 million kilograms of tobacco had been sold. This reflected a decline of 9.74%, compared to the cumulative total of 150.04 million kilograms of tobacco sold during the same period in 2019. In value terms, cumulative tobacco sales stood at US\$326.31 million, compared to US\$275.70 million realised during the comparable period in the previous marketing season. The golden leaf was sold at a higher price of US\$2.41 per kg, as shown in Table 4.

Table 4: Weekly cumulative Tobacco Sales: Day 51 (10th July 2020)

	2019	2020	Variance (%)
Cumulative Quantity Sold (Million kgs)	150.04	135.43	(9.74)
Cumulative Average Price (US\$/kg)	1.84	2.41	31.13
Cumulative Value (US\$ million)	275.70	326.31	18.36

Source: Tobacco Industry and Marketing Board (TIMB), 2020

4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

International commodity prices of gold, platinum, copper, nickel, and crude oil increased during the week under review, as shown in Table 5.

Table 5: Metals and Crude Oil Prices for the Week-ending 10th July 2020

	Gold	Platinum	Copper	Nickel	Crude Oil
2020	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
Weekly Average (29 Jun-3 Jul)	1,773.45	815.10	6,022.80	12,778.40	42.19
06-Jul	1,781.15	823.00	6,112.00	13,242.00	42.76
07-Jul	1,782.53	826.00	6,086.00	13,231.00	43.09
08-Jul	1,805.23	842.00	6,194.00	13,415.00	43.26
09-Jul	1,812.28	857.00	6,339.50	12,425.00	41.76
10-Jul	1,804.43	838.50	6,322.50	13,070.00	42.56
Weekly Average (6-10 Jul)	1,797.12	837.30	6,210.80	13,076.60	42.69
Weekly Change (%)	<i>1.3</i>	<i>2.7</i>	<i>3.1</i>	<i>2.3</i>	<i>1.2</i>

Source: BBC, KITCO and Bloomberg, 2020

Gold

Gold prices increased by 1.3% to US\$1,797.12 per ounce, from US\$ 1,773.45 per ounce recorded in the previous week. The safe-haven demand for gold strengthened during the week under review, amid growing concerns over surging confirmed coronavirus cases that could stall global economic recovery. In addition, geo-political tensions and stimulus measures across the globe continued to support bullion prices. The outlook for gold continues to be positive as investors anticipate resurgence of rising inflation, on the back of widespread stimulus measures and disruption to global supply-chains.



Platinum

Platinum prices recorded a 2.7% increase, from a weekly average of US\$815.10 per ounce to US\$837.30 per ounce, during the week under review. The increase was largely on account of recovery in demand from the automobile industry

Copper

Copper prices rose by 3.1% to US\$6,210.80 per tonne, during the week ending 10th July 2020. The firming copper prices were supported by disruption in production, amid looming strikes at major mines in Chile, a top producer of the metal. Strong demand and prospects of a quick recovery in China, the world's top consumer of the base metal, further bolstered the positive trajectory of the prices. Additionally, positive investor sentiment continued to give support to prices, owing in part, to economic recovery plans announced by the EU, Britain, and China, which are expected to boost the demand for base metals.

Nickel

Positive investor sentiment over recovery plans announced by major consumer countries, supported nickel prices which registered a 1.8% increase, from US\$12,778.100 per tonne in the previous week to US\$13,076.60 per tonne, during the week ending 10th July 2020.

Brent Crude Oil

The average price of Brent crude oil increased by 1.2%, from US\$42.19 per barrel in the week ending 3rd July 2020 to US\$42.69 per barrel, during the week under review. This was on account of investor optimism, owing to new data released by the International Energy Agency, that shows a less severe demand contraction for 2020.

The gains in crude oil price developments were, however, partially offset by concerns arising from the potential adverse impact on fuel demand that is likely to be caused by the renewed lockdowns, especially in the United States. Furthermore, the current OPEC supply pact of limiting oil supplies to support prices, is being threatened by the possible resumption of oil exports from Libya.

5. EXCHANGE RATE DEVELOPMENTS

The results from the foreign exchange auction held by the Bank on the 7th July 2020, indicated that the Zimbabwe dollar weakened against the pound Sterling, 8.6%; US dollar, 7.2%; euro, 7.7%; rand, 8.1%; and pula 7.9%, shown in Table 6.

Table 6. International Exchange Rates¹

	USD	ZAR	GBP	BWP	EURO
2020					
Weekly Average (29 Jun-3 Jul)	61.0264	3.5481	75.6488	5.1920	68.6082
06-Jul	63.7440	3.7383	79.6356	5.4565	72.0724
07-Jul	65.8765	3.8322	82.6453	5.6192	74.2230
08-Jul	65.8765	3.8322	82.6453	5.6192	74.2230
09-Jul	65.8765	3.8911	83.1954	5.6456	74.8357
10-Jul	65.8765	3.8888	82.8728	5.6659	74.2101
Weekly Average (6-10 Jul)	65.4387	3.8357	82.1779	5.6003	73.9004
<i>Appr(-)/Depr(+) (%) of the ZWL</i>	7.2	8.1	8.6	7.9	7.7

Source: Reserve Bank of Zimbabwe, 2020

6. EQUITY MARKETS

Trading on the Zimbabwe Stock exchange remained suspended, during the week under review. On the Johannesburg Stock Exchange (JSE) the All Share Index rose by 1.67%, from 54 521.90 points at the close of the previous week to 55 417.89 by the end of the reporting week. Similarly, JSE market capitalization rose by 0.95%, from ZAR16.87 billion in the week ending 3rd June 2020 to ZAR17.02 billion, during the week under review.

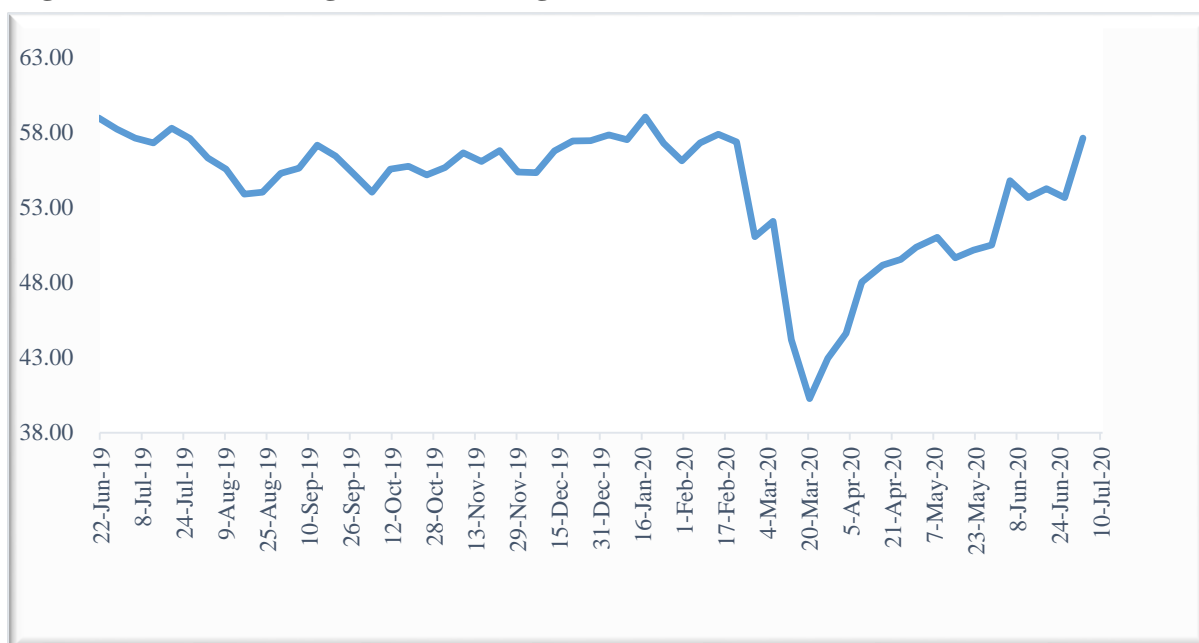
¹ Direct quote – the amount of domestic currency needed to exchange for 1 unit of foreign currency

Table 8: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalization (ZAR billions)
05-June 20	54,722.38	17.12
12-June 20	53,639.64	16.71
19-June 20	54,224.40	17.02
26-June 20	53,648.05	16.71
03-July 20	54,521.90	16.87
10-July 20	55,417.89	17.02
% Change	1.64	0.89

Source: <https://www.jse.co.za/services/market-data/market-statistics>

Figure 3: Johannesburg Stock Exchange (JSE) All Share Index



Source: <https://www.jse.co.za/services/market-data/market-statistics,2020>

RESERVE BANK OF ZIMBABWE

23rd JULY 2020