



Weekly Economic Highlights

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Week Ending
17th July 2020

1. INTEREST RATES

Deposit Rates

Average deposit rates for savings deposits and deposits of 1-month and 3-month tenors remained unchanged at previous week levels, during the week under 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 (%)
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
17-June-20	2.35	5.19	3.28	6.62	4.21	7.70

Source: Reserve Bank of Zimbabwe, 2020

Lending Rates

Average minimum lending rates for individual and corporate clients at commercial banks increased to 16.84% and 19.58% in the week under review, from 18.07% and 19.47%, respectively, in the previous week. Maximum lending rates for individual clients increased by 0.12 percentage points to close at 35.71%, while maximum lending rate for corporate clients softened to 45.14%, during the same week. Table 2 shows commercial bank lending rates for the week under analysis.

Table 2: Lending Rates (per annum)

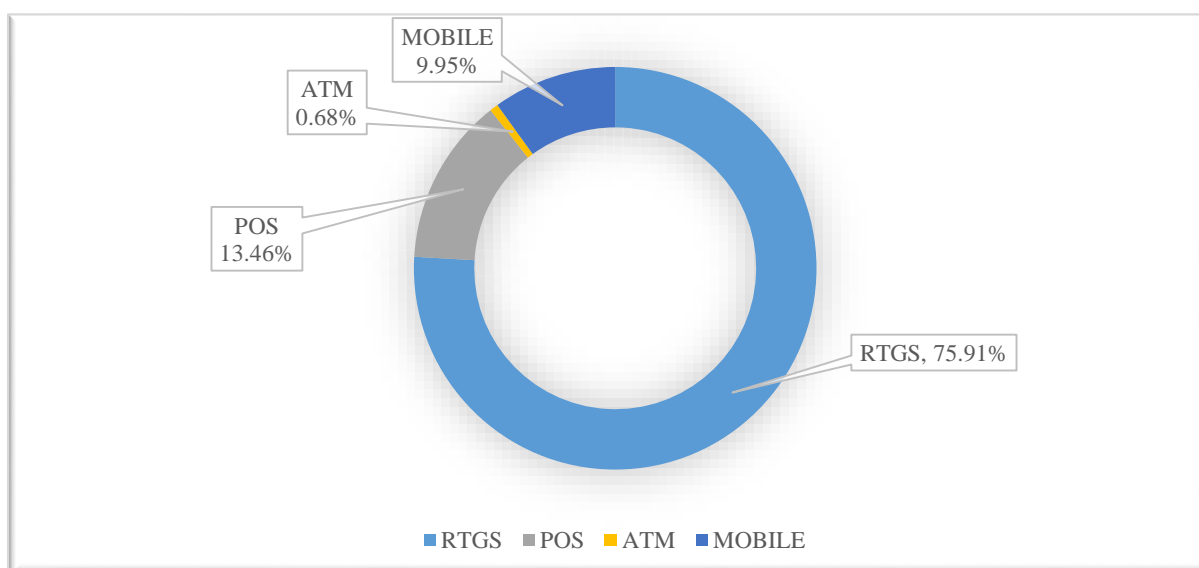
Date	Individual Clients		Corporate Clients	
	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
19- Jun-20	20.04	34.05	17.38	40.65
26- Jun-20	20.04	34.05	17.38	40.65
03-July-20	18.07	35.59	19.47	45.29
10-July-20	18.07	35.59	19.47	45.29
17-July-20	16.84	35.71	19.58	45.14

Source: Reserve Bank of Zimbabwe, 2020

2. CLEARING AND SETTLEMENT ACTIVITY

During the week ending 17th July 2020, the total value of transactions processed through the National Payment Systems (NPS) increased by 21.72% to \$44.67 billion, from \$36.70 billion in the previous week. The value of transactions processed through the Real Time Gross Settlement (RTGS) system amounted to \$35.15 billion, a 26.16% increase from \$26.87 billion registered in the preceding week. In value terms, the NPS transactions were distributed as follows: RTGS, 75.91%; POS, 13.46%; Mobile, 9.95% and ATM, 0.68%.

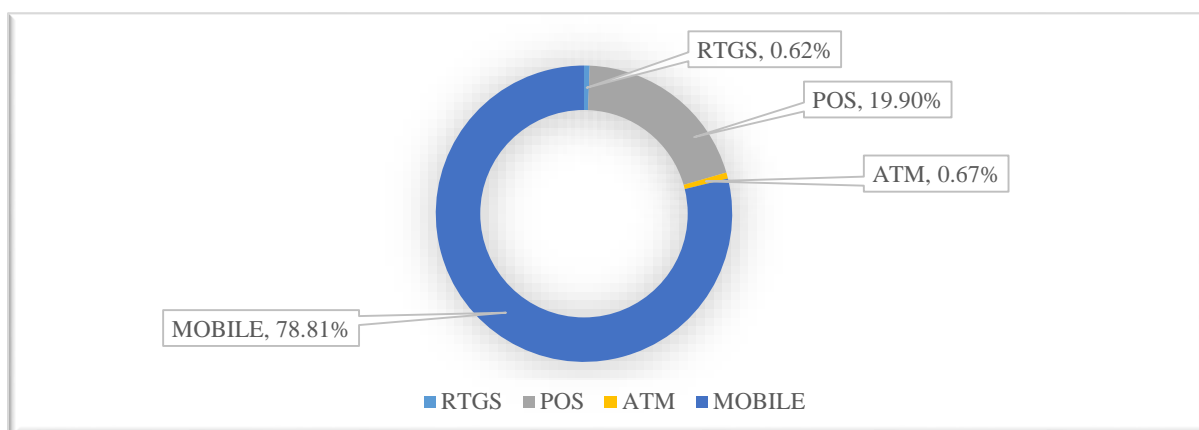
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2020

The NPS transaction volumes were 0.79% lower and closed at 29.07 million transactions, during the week under review, from 29.31 million transactions during the week ending 10th July 2020. In proportions, NPS transaction volumes were dominated by Mobile transactions at 78.81%, followed by POS, 19.90%; ATM, 0.67% and RTGS, 0.62%.

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 10 th JULY 2020	WEEK ENDING 17 th JULY 2020	% CHANGE FROM LAST WEEK	PROPORTION %
Values in \$ Millions				
RTGS	27 863.54	35 153.01	26.16%	78.68%
POS	4 940.85	5 304.66	7.36%	11.87%
ATM	248.87	269.89	8.45%	0.60%
MOBILE	3 650.96	3 949.73	8.17%	8.84%
TOTAL	36 704.22	44 676.94	21.72%	100%
Volumes in Thousands				
RTGS	202.09	180.09	-10.89%	0.62%
POS	5 648.35	5 785.53	2.43%	19.90%
ATM	90.51	195.98	116.53%	0.67%
MOBILE	23 367.25	22 915.23	-1.93%	78.81%
TOTAL	29 308.20	29 076.83	-0.79%	100%

Source: Reserve Bank of Zimbabwe, 2020

3. TOBACCO SALES

As at 17th July 2020, or day 56 of the 2020 tobacco selling season, a cumulative total of 145.95 million kilograms of tobacco had been sold. This was 12.76% lower than the cumulative total

of 167.30 million kilograms sold during the same period in 2019. The cumulative sales value stood at US\$355.74 million, an increase of 14.30% from US\$311.23 million realised during the corresponding period in 2019, as shown in Table 4.

Table 4: Weekly cumulative Tobacco Sales: Day 56 (17th July 2020)

	2019	2020	Variance (%)
Cumulative Quantity Sold (Million kgs)	167.30	145.95	(12.76)
Cumulative Average Price (US\$/kg)	1.86	2.44	31.01
Cumulative Value (US\$ million)	311.23	355.74	14.30

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

The golden leaf was sold at an average price of US\$2.44/kg during the week under review, reflecting a 31.01% increase, compared to US\$1.86/kg realised during the same period in 2019.

4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international commodity prices of gold, copper, nickel, and crude oil increased, while platinum prices declined during the week ending 17th July 2020, as shown in Table 5.

Table 5: Metal and Crude Oil Prices for the Week-ending 17th July 2020

	Gold	Platinum	Copper	Nickel	Crude Oil
2020	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
Weekly Average (6-10 Jul)	1,797.12	837.30	6,210.80	13,076.60	42.69
13-Jul	1,807.78	841.50	6,545.00	13,482.00	42.12
14-Jul	1,795.55	823.00	6,489.50	13,518.00	43.06
15-Jul	1,806.95	833.00	6,507.00	13,512.00	43.44
16-Jul	1,806.15	829.50	6,385.00	13,253.00	43.24
17-Jul	1,805.13	824.50	6,454.50	13,281.00	42.87
Weekly Average (13-17 Jul)	1,804.31	830.30	6,476.20	13,409.20	42.95
Weekly Change (%)	0.4	-0.8	4.3	2.5	0.6

Source: BBC, KITCO and Bloomberg, 2020

Gold

The price of gold increased by 0.4% to US\$1,804.31 per ounce, during the week ending 17th July 2020, from US\$1,797.12 per ounce in the preceding week. Prices continued to be buoyed

by strong safe-haven asset demand, amid the resurgence of positive confirmed coronavirus cases in most countries, with the United States leading the pack. The unfavorable health crisis continued to weigh down the prospects of a quick global economic recovery. Gold prices further benefitted from the simmering tensions between the US and China, as well a weaker US dollar.

Platinum

Platinum prices softened by 0.8% to US\$830.3 per ounce, during the week under review, from a weekly average of US\$837.30 per ounce recorded in the previous week. The second wave of coronavirus infections, simmering geo-political tensions and their likely impact on economic recovery, weakened the demand for platinum in the outlook period.

Copper

Copper prices increased by 4.3%, from a weekly average of US\$6,210.80 per tonne in the previous week to US\$6,476.20 per tonne, during the week under analysis. The increase was supported by an increase in factory activity in China which signaled strong demand for copper in the Asian giant, a major global consumer of the base metal. In addition, supply disruptions in Chilean and Peruvian mines, which account for the bulk of global supply, also supported the prices.

Nickel

Average prices for nickel gained by 2.5%, from US\$13,076.60 per tonne registered in the previous week to US\$13,409.20 per tonne, recorded during the week ending 17th July 2020.

Brent Crude Oil

Brent crude oil prices increased by 0.6%, from US\$42.69 per barrel in the week ending 10th July 2020 to US\$42.95 per barrel, during the week under review. The marginal increase was, in part, attributable to the implementation of production cuts by the Organization of Petroleum Exporting Countries (OPEC)¹ and other non-OPEC countries.

¹ These include Saudi Arabia, Gabon, Iran, Iraq, Venezuela, Indonesia, Nigeria, United Arab Emirates, Libya, Angola and Kuwait.

5. EXCHANGE RATE DEVELOPMENTS

Results from the foreign exchange auction held by the Bank on the 14th July 2020, indicated that the Zimbabwe dollar softened against the rand, 5.6%; pula 4.3%, euro, 4.2%; Pound Sterling, 3.6%; and US dollar, 3.4%, as shown in Table 6.

Table 6. International Exchange Rates²

	USD	ZAR	GBP	BWP	EURO
2020					
Weekly Average (6-10 Jul)	65.4387	3.8357	82.1779	5.6003	73.9004
13-Jul	65.8765	3.9401	83.3964	5.6593	74.6381
14-Jul	65.8765	3.9177	82.6783	5.6755	74.7600
15-Jul	68.8879	4.1297	86.7127	5.9353	78.5737
16-Jul	68.8879	4.1365	86.4853	5.9904	78.5669
17-Jul	68.8879	4.1220	86.4922	5.9557	78.4153
Weekly Average (13-17 Jul)	67.6833	4.0492	85.1530	5.8432	76.9908
<i>Appr(-)/Depr(+) (%) of the ZWL</i>	<i>3.4</i>	<i>5.6</i>	<i>3.6</i>	<i>4.3</i>	<i>4.2</i>

Source: Reserve Bank of Zimbabwe, 2020

These levels of depreciation are an indication of a stabilizing exchange rate. Table 7 gives a summary of the foreign exchange auction results, from the commencement of the auction system on the 23rd June 2020.

Table 7. Foreign Exchange Auction results

	23-Jun-20	30-Jun-20	7-Jul-20	14-Jul-20
Total Bids	11,407,240.2	18,957,677.1	15,872,481.9	18,719,664.7
Amount Allotted	10,345,250.0	16,321,028.6	13,602,407.8	15,988,219.6
Highest Rate	100	92	90	85
Lowest Rate	25.5	37.82	30	40
Weighted Average Rate	57.3582	63.7442	65.8765	68.8879
Lowest Accepted Rate	-	-	55	68.9
Number of Bids Received	-	-	264	289
Number of Bids Rejected	-	-	92	59

Source: Reserve Bank of Zimbabwe, 2020

² Direct quote – the amount of domestic currency needed to exchange for 1 unit of foreign currency

6. EQUITY MARKETS

Trading on the Zimbabwe Stock Exchange remained suspended, during the week under review. The Johannesburg Stock Exchange (JSE) All Share Index increased by 0.89% to close at 55 911.80 points, from 55 417.89 during the week ending 10th July 2020. In tandem, JSE market capitalization rose by 0.29% to ZAR17.07 billion, during the week under review, from ZAR17.02 billion in the preceding week.

Table 8: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalization (ZAR billions)
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
17-July 20	55,911.80	17.07
% Change	0.89	0.29

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

24th JULY 2020

APPENDIX 1: SUMMARY OF AUCTION ALLOTMENTS BY PURPOSE

Purpose	23-Jun-20	30-Jun-20	7-July-20	14-July-20
Raw Materials	2,883,052.05	7,203,581.85	-	5,623,684.60
Consumables (Incl. Spares, Tyres, Packaging)	1,286,995.43	2,577,201.05	438,423.46	1,416,913.67
Food and Beverages	1,398,340.00	1,725,377.29	-	2,476,441.00
Machinery and Equipment	2,407,666.89	641,112.79	-	3,016,110.90
Services	1,308,996.12	559,000.00	1,864,916.71	900,526.72
Chemicals	257,015.00	1,006,115.27	-	
Medicals	50,000.00	766,627.00	-	
Mining	-	-	160,000.00	
Manufacturing	-	-	5,621,578.8	
Retail and Distribution	-	-	1,936,463.70	
Paper and Packaging	-	-	468,800.00	761,500.00
Fuel, Electricity and Gas	263,147.46	-	-	528,200.00
Portfolio investments	436,400.73	-	-	
Livestock	53,636.36	-	-	
Agriculture	-	1,050,389.77	1,089,108.24	
Construction, Engineering and Electricals	-	-	1,036,653.18	
LPG Gas	-	416,623.59	575,421.34	
Pharmaceuticals and Chemicals	-	-	411,042.35	1,264,842.70
Other	-	375,000.00		
TOTAL	10,345,250.04	16,321,028.61	13,602,407.84	15,988,219.59