



Weekly Economic Highlights

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Week Ending
24th July 2020

1. INTEREST RATES

Deposit Rates

During the week ending 24th July 2020, both minimum and maximum average deposit rates for all classes of deposits remained unchanged at previous week levels, 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 (%)
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
24-June-20	2.35	5.19	3.28	6.62	4.21	7.70

Source: Reserve Bank of Zimbabwe, 2020

Lending Rates

Similarly, average minimum and maximum lending rates for individual and corporate clients at commercial banks also remained unchanged, during the week under review, as shown in Table 2.

Table 2: Lending Rates (per annum)

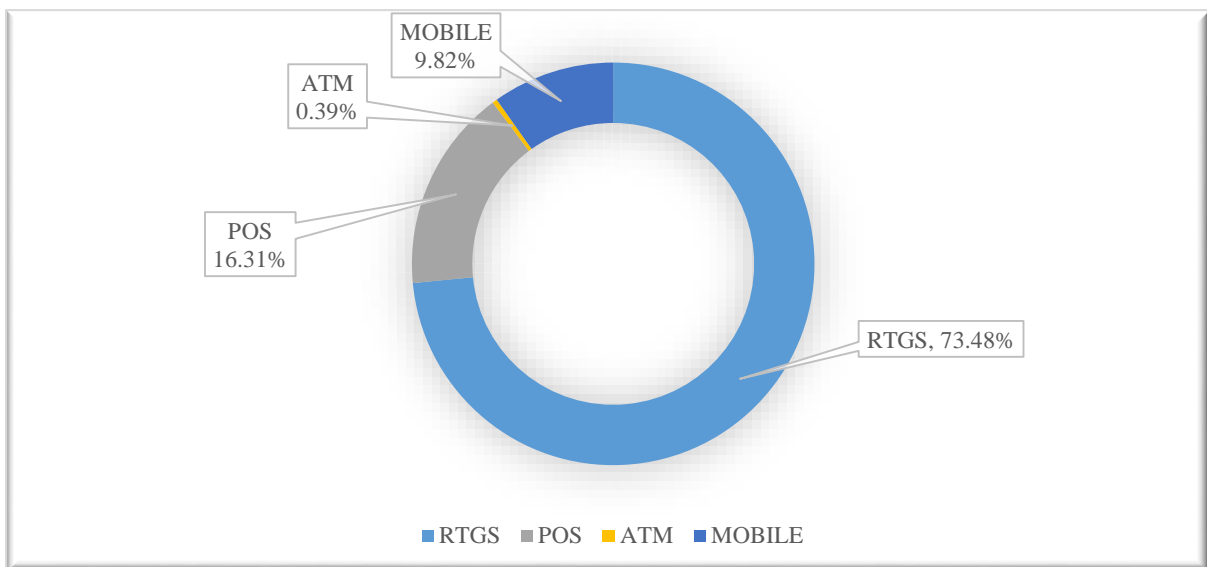
Date	Individual Clients		Corporate Clients	
	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
26- Jun-20	20.04	34.05	17.38	40.65
03-July-20	18.07	35.59	19.47	45.29
10-July-20	18.07	35.59	19.47	45.29
17-July-20	16.84	35.71	19.58	45.14
24-July-20	16.84	35.71	19.58	45.14

Source: Reserve Bank of Zimbabwe, 2020

2. CLEARING AND SETTLEMENT ACTIVITY

The total value of transactions processed through the National Payment Systems (NPS) declined by 17.76%, from \$44.68 billion in the previous week to close at \$36.74 billion, during the week under analysis. Real Time Gross Settlement (RTGS) system transactions fell by 23.20% to close at \$27.00 billion, during the same week. In value terms, the distribution of NPS transactions was as follows: RTGS, 73.48%; POS, 16.31%; Mobile, 9.82% and ATM, 0.39%.

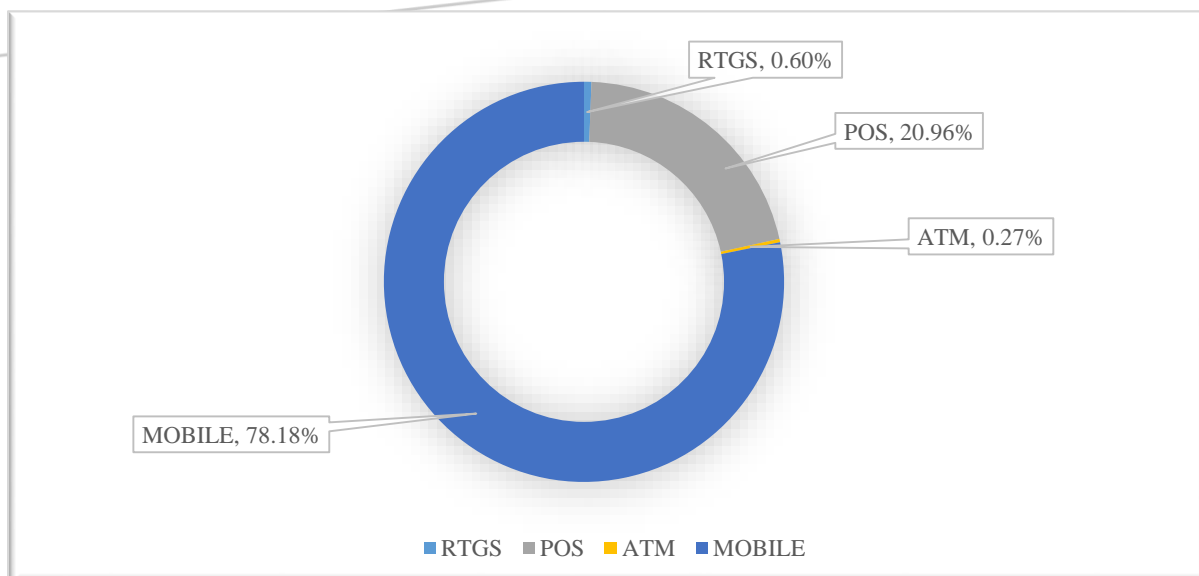
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2020

NPS transaction volumes registered an increase of 3.05% to close at 29.63 million transactions, during the week under analysis. The NPS transaction volumes were dominated by Mobile transactions at 78.18%, followed by POS, 20.96%; RTGS, 0.60%; and ATM, 0.27%.

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 17 th JULY 2020	WEEK ENDING 24 th JULY 2020	% CHANGE FROM LAST WEEK	PROPORTION %
Values in \$ Millions				
RTGS	35 153.01	26 997.54	-23.20%	73.48%
POS	5 304.66	5 994.50	13.00%	16.31%
ATM	269.89	142.35	-47.26%	0.39%
MOBILE	3 949.73	3 609.17	-8.61%	9.82%
TOTAL	44 676.94	36 743.56	-17.76%	100%
Volumes in Thousands				
RTGS	180.09	178,968	-0.62%	0.60%
POS	5 785.53	6,279,594	8.54%	20.96%
ATM	195.98	80,317	-59.02%	0.27%
MOBILE	22 915.23	23,424,940	2.22%	78.18%
TOTAL	29 076.83	29 963.82	3.05%	100%

Source: Reserve Bank of Zimbabwe, 2020

3. TOBACCO SALES

As at 24th July 2020, or day 61 of the 2020 tobacco selling season, a cumulative total of 154.59 million kilograms of tobacco had been sold. This reflected a 15.92% decline from the cumulative total of 183.86 million kilograms sold during the same period in 2019. The cumulative sales value amounted to US\$379.71 million, up from US\$346.54 million recorded during the corresponding period in 2019, as shown in Table 4.

Table 4: Weekly cumulative Tobacco Sales: Day 61 (24th July 2020)

	2019	2020	Variance (%)
Cumulative Quantity Sold (Million kgs)	183.86	154.59	(15.92)
Cumulative Average Price (US\$/kg)	1.88	2.46	30.32
Cumulative Value (US\$ million)	346.54	379.71	9.57

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

The golden leaf was sold at an average price of US\$2.46/kg, a 30.32% increase from US\$1.88/kg recorded during the same period in 2019.

4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

During the week ending 24th July 2020, international commodity prices of gold, platinum, copper, and crude oil registered gains. Nickel prices, however, declined marginally during the same period, 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 (13-17 Jul)	1,804.31	830.30	6,476.20	13,409.20	42.95
20-Jul	1,812.98	843.50	6,416.50	13,162.00	43.41
21-Jul	1,832.88	862.50	6,513.00	13,315.00	43.96
22-Jul	1,833.70	885.00	6,527.00	13,215.00	44.39
23-Jul	1,880.33	944.00	6,533.50	13,460.00	43.41
24-Jul	1,897.98	921.00	6,412.50	13,430.00	43.30
Weekly Average (20-24 Jul)	1,851.57	891.20	6,480.50	13,316.40	43.69
Weekly Change (%)	2.6	7.3	0.1	-0.7	1.7

Source: BBC, KITCO and Bloomberg, 2020

Gold

The weekly average prices of gold gained by 2.6%, from US\$1,804.31 per ounce in the previous week to US\$1,851.57 per ounce, during the week ending 24th July 2020. Prices were supported by a weaker US dollar and an increase in the safe-haven demand for the precious metal. A combination of dissipating investor appetite for risky-assets, coupled with the escalation of US-China geo-political tensions, on the back of a global resurgence of the coronavirus infections, also lent support to the prices.

Platinum

Platinum prices surged by 7.3%, from US\$830.30 per ounce recorded in the previous week to US\$891.20 per ounce, during the week under analysis. The increase was on the back of higher demand for the precious metal, especially from the automobile sector.

Copper

Copper prices registered a week-on-week increase of 0.1%, from US\$6 476.40 per tonne in the previous week to US\$6 480.50 per tonne, in the week under analysis. The increase was, in part, underpinned by a weaker US dollar and strong demand, particularly from China.

Nickel

Nickel prices eased by 0.7%, from a weekly average of US\$13,409.20 per tonne to US\$13,316.40 per tonne in the week under review. This was partly on account of an escalation in geo-political tensions between the US and China, which sparked fears of possible disruptions of the global supply chains for the base metal intensive industries.

Brent Crude Oil

During the week under review, Brent Crude oil prices gained by 1.7%, from US\$42.95 per barrel recorded in the previous week to US\$43.69 per barrel, during the week under analysis. Prices were supported by production cuts by the Organization of Petroleum Exporting Countries (OPEC)¹ and other non-OPEC countries. The increase was, however, constrained by rising geo-political tensions between the US and China, the world's top two consumers of oil.

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

5. EXCHANGE RATE DEVELOPMENTS

The Zimbabwe dollar registered losses against the euro, 6.1%; South African rand, 5.6%; Botswana pula 5.2%; pound Sterling, 5.5%; and US dollar, 4.7%, during the week ending 24th July 2020, as shown in Table 6.

Table 6. International Exchange Rates²

	USD	ZAR	GBP	BWP	EURO
2020					
Weekly Average (13-17 Jul)	67.6509	4.0468	85.1169	5.8396	76.9448
20-Jul	68.8870	4.1237	86.4476	5.9594	78.9766
21-Jul	68.8870	4.1459	87.3914	5.9593	78.8493
22-Jul	72.1470	4.3975	91.7674	6.2556	83.2396
23-Jul	72.1470	4.3850	91.9586	6.3063	83.6113
24-Jul	72.1470	4.3225	91.9478	6.2663	83.7485
Weekly Average (20-24 Jul)	70.8067	4.2717	89.8347	6.1454	81.6213
<i>Appr(-)/Depr(+) (%) of the ZWL</i>	4.7	5.6	5.5	5.2	6.1

Source: Reserve Bank of Zimbabwe, 2020

Table 7 gives a summary of the foreign exchange auction results for the auctions held during the past four weeks.

Table 7. Foreign Exchange Auction results

	30-Jun-20	7-Jul-20	14-Jul-20	21-July-20
Total Bids	18,957,677.1	15,872,481.9	18,719,664.7	20,316,134.74
Amount Allotted	16,321,028.6	13,602,407.8	15,988,219.6	14,853,708.88
Highest Rate	92	90	85	82.2
Lowest Rate	37.82	30	40	55
Weighted Average Rate	63.7442	65.8765	68.8879	72.1470
Lowest Accepted Rate	-	55	68.9	70.0
Number of Bids Received	-	264	289	290
Number of Bids Rejected	-	92	59	51

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

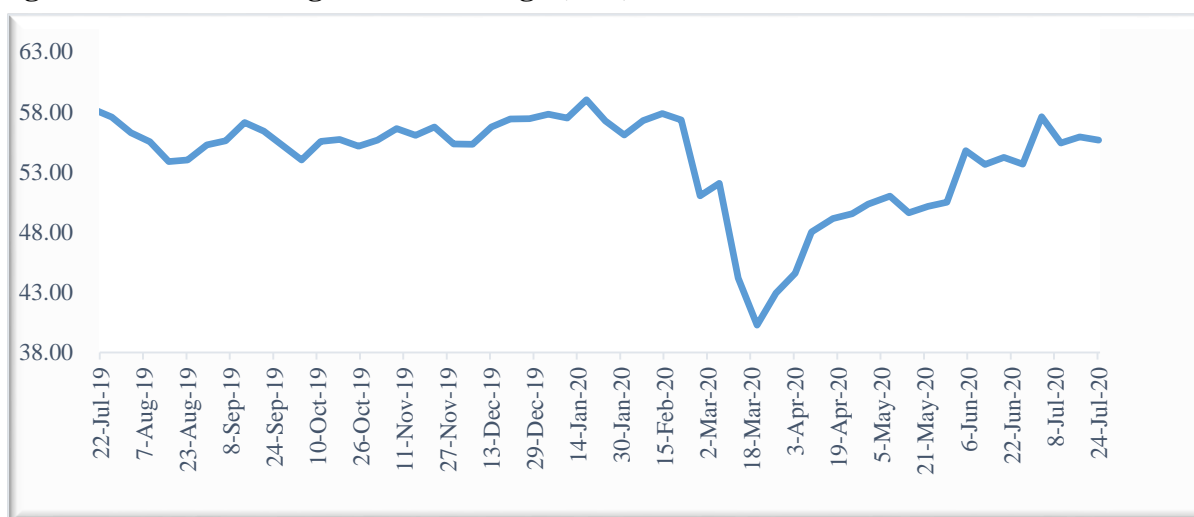
Trading on the Zimbabwe Stock Exchange remained suspended, during the week under review. The Johannesburg Stock Exchange (JSE) All Share Index declined by 0.48% to close at 55 645.65 points, during the week under analysis. Similarly, JSE market capitalization also fell by 0.18% to close at ZAR17.04 billion, during the same week.

Table 8: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index	Market Capitalization
	(points)	(ZAR billions)
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
24-July 20	55,645.65	17.04
% Change	-0.48	-0.18

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 FOREIGN CURRENCY AUCTION ALLOTMENTS BY PURPOSE

Purpose	30-Jun-20	7-July-20	14-July-20	21-July-20
Raw Materials	7,203,581.85	-	5,623,684.60	7,417,479.47
Consumables (Incl. Spares, Tyres, Packaging)	2,577,201.05	438,423.46	1,416,913.67	1,122,315.00
Food and Beverages	1,725,377.29	-	2,476,441.00	-
Machinery and Equipment	641,112.79	-	3,016,110.90	2,309,655.89
Services	559,000.00	1,864,916.71	900,526.72	752,000.00
Chemicals	1,006,115.27	-	-	-
Medicals	766,627.00	-	-	-
Mining	-	160,000.00	-	-
Manufacturing	-	5,621,578.8	-	-
Retail and Distribution	-	1,936,463.70	-	1,299,934.9
Paper and Packaging	-	468,800.00	761,500.00	614,995.57
Fuel, Electricity and Gas	-	-	528,200.00	640,453.05
Portfolio investments	-	-	-	-
Livestock	-	-	-	-
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	696,875.00
Other	375,000.00	-	-	-
TOTAL	16,321,028.61	13,602,407.84	15,988,219.59	14,853,708.88

Source: Reserve Bank of Zimbabwe, 2020