



Weekly Economic Highlights

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Week Ending
3rd July 2020

1. INTEREST RATES

Deposit Rates

During the week ending 3rd July 2020, deposit rates quoted by all commercial banks remained at previous week levels, the only exception being deposits rates for deposits of 1-month and 3-month tenors. The minimum quoted rates for deposits of 1-month increased by 0.2 percentage points to 3.28%, whilst the maximum rates increased by 0.6 percentage points to 6.62%. Maximum deposit rates for deposits of 3-month tenor rose by 0.48 percentage points to 7.70%, during the week under review, 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 (%)
5-Jun-20	2.35	5.19	3.26	6.44	4.16	6.58
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

Source: Reserve Bank of Zimbabwe, 2020

Lending Rates

The average minimum commercial bank lending rates for individual clients declined from 20.04% in the previous week to 18.07%, during the week under review. Maximum quoted rates, however, increased from 34.05% in the week ending 26th June 2020 to 35.59%, during the week under analysis. For corporate clients, commercial banks increased both the minimum and maximum average quoted rates from 17.38% to 19.47%, and 40.65% to 45.29%, respectively. Table 2 shows commercial bank lending rates for the week under analysis.

Table 2: Lending Rates (per annum)

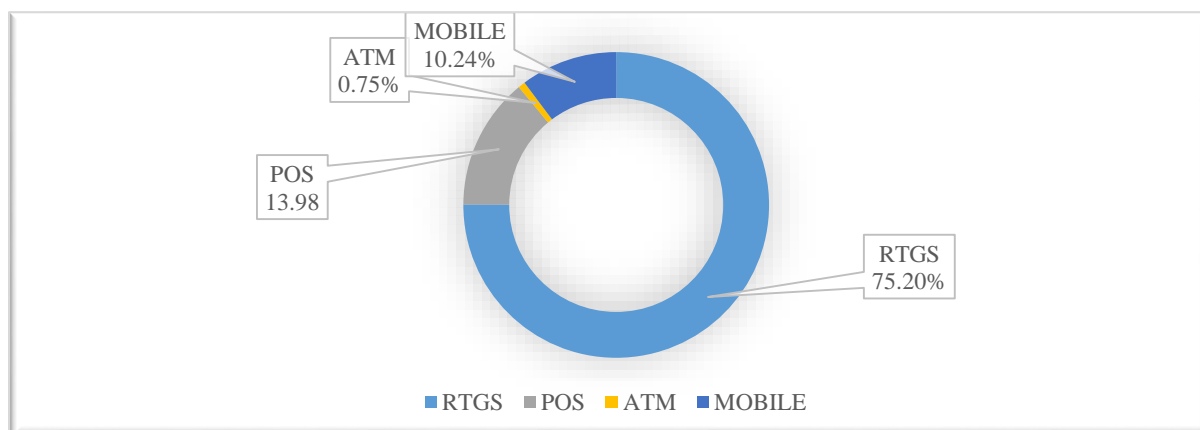
Date	Individual Clients		Corporate Clients	
	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
5- Jun-20	19.53	35.28	19.71	40.92
12- Jun-20	19.53	35.28	19.71	40.92
19- Jun-20	20.04	34.05	17.38	40.65
26- Jun-20	20.04	34.05	17.38	40.65
03-July-20	18.07	35.59	19.47	45.29

Source: Reserve Bank of Zimbabwe, 2020

2. CLEARING AND SETTLEMENT ACTIVITY

A total of ZW\$34.82 billion was processed through the National Payment Systems, during the week ending 3rd July 2020. This represented an increase of 1.04% from ZW\$34.46 billion, which was processed in the preceding week. The Real Time Gross Settlement (RTGS) system accounted for the highest proportion of transactions values processed, at 75.20%. Other payment platforms had the following proportions: POS, 13.98%; Mobile, 10.24%; and ATM, 0.75%.

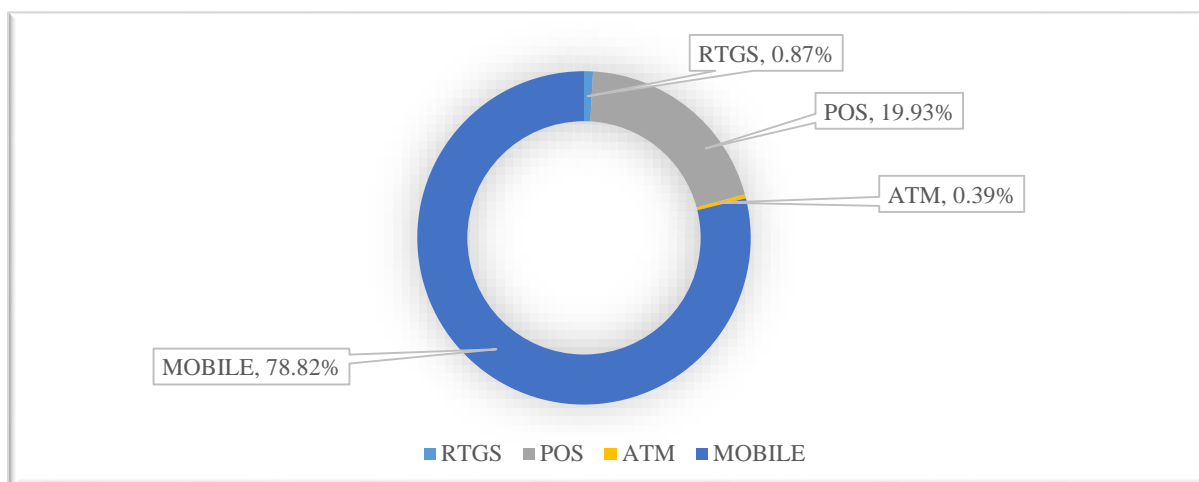
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2020

NPS transaction volumes were subdued during the week under review, retreating by 9.61%, from 31.23 million transactions in the previous week to 28.32 million transactions. The distribution of the NPS transaction volumes was as follows: Mobile, 78.82%; POS, 19.93%; RTGS, 0.87%; and ATM, 0.39%, 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	CURRENT WEEK ENDING 26 th JUNE 2020	CURRENT WEEK ENDING 3 rd JULY 2020	% CHANGE FROM LAST WEEK	PROPORTION
Values in \$ million				
RTGS	25 624.55	26 122.84	1.94%	75.02%
CHEQUE	0.00	0.00	0.00%	0.00%
POS	4 053.81	4 867.43	20.07%	13.98%
ATM	64.97	260.66	301.18%	0.75%
MOBILE	4 719.06	3 571.45	-24.32%	10.26%
TOTAL	34 462.39	34 822.38	1.04%	100%
Volumes Thousands				
RTGS	219.196	245.674	12.08%	0.87%
CHEQUE	0.00	0.00	0.00%	0.00%
POS	5 323.23	5 642.678	6.00%	19.93%
ATM	73.001	110.586	51.49%	0.39%
MOBILE	2 5713.58	22 318.30	-13.20%	78.82%
TOTAL	31 329.01	28 317.245	-9.61%	100%

Source: Reserve Bank of Zimbabwe, 2020

3. TOBACCO SALES

As at 3rd July 2020 or day 46 of the 2020 tobacco selling season, a cumulative total of 122.15 million kilograms of tobacco had been sold. This reflected a decrease of 5.73%, compared to the cumulative total of 129.57 million kilograms of tobacco sold during the same period in 2019. In value terms, cumulative tobacco sales stood at US\$290.98 million, compared to US\$236.14 million realised during the comparable period in the previous marketing season. The golden leaf was sold at a higher price of US\$2.38 per kg, as shown in Table 4.

Table 4: Weekly cumulative Tobacco Sales: Day 46 (3rd July 2020)

	2019	2020	Variance (%)
Cumulative Quantity Sold (Million kgs)	129.57	122.15	(5.73)
Cumulative Average Price (US\$/kg)	1.82	2.38	30.71
Cumulative Value (US\$ million)	236.14	290.98	23.22

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

4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

Weekly average international prices of gold, platinum, copper, nickel, and crude oil were all higher during the week under review, compared to the previous week. As shown in Table 5.

Table 5: International Commodity Prices

	Gold	Platinum	Copper	Nickel	Crude Oil
2020	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
weekly average (22-26 Jun)	1,759.94	810.70	5,891.40	12,554.20	41.53
29-Jun	1,770.20	812.00	5,957.00	12,684.00	41.42
30-Jun	1,769.40	812.00	6,038.00	12,790.00	41.62
01-Jul	1,779.23	824.00	6,016.50	12,555.00	42.19
02-Jul	1,774.65	817.50	6,080.00	12,823.00	42.84
03-Jul	1,773.78	810.00	6,022.50	13,040.00	42.88
Weekly Average (29 Jun-3 July)	1,773.45	815.10	6,022.80	12,778.40	42.19
Weekly Change (%)	0.8	0.5	2.2	1.8	1.6

Source: BBC, KITCO and Bloomberg 2020

Gold

Weekly average prices of gold increased by 0.8%, from US\$1,759.94 per ounce in the week ending 26th June 2020 to US\$1,773.45 per ounce, during the week under review. Prices were buoyed by safe-haven demand, as geo-political tensions between the US and China simmered.

Platinum

Platinum prices rose by 0.5%, from US\$810.70 per ounce in the previous week to US\$815.10 per ounce, during the week under analysis. This followed increased demand for the metal, as automobile producers in Europe, South Korea and China showed signs of recovery, whilst the supply-side remaining steady.

Copper

Copper prices gained by 2.2%, from US\$5891.40 per tonne recorded in the previous week to US\$6,022.80 per tonne, during the week under review. Prices were boosted by disruptions in supply chains, amid a surge in coronavirus cases in Chile, the world's top producer of the red metal. The prices were further supported by the demand-side, as investor optimism was buoyed by China and EU stimulus measures targeting infrastructure projects, which are base metal intensive.

Nickel

The price of nickel recorded a 1.8% increase, from US\$12,554.20 per tonne registered in the previous week to US\$12,778.40 per tonne, during the week under analysis. In particular, the EU 'green deal' stimulus package which targets electronic vehicles, was a key driver of price developments, during the week ending 3rd July 2020.

Crude Oil

Brent crude oil prices increased by 1.6%, from US\$41.53 per barrel during the week ending 26th June 2020 to US\$42.19 per barrel, in the week under review. The increase followed positive economic data from the US and China, which reflected increased employment and improvements in the services sector. These developments boosted investor sentiment, thus

pushing up prices. Prices were further supported by record supply cuts by OPEC, during the week under review.

EXCHANGE RATES

A second foreign currency auction was conducted on the 30th June 2020, with auction results indicating that the Zimbabwe dollar stood at ZW\$63.7442 per US\$1 compared to the first auction results which placed the local currency at ZW\$53.35 per US\$1. The local unit also depreciated against the pound Sterling, Botswana pula and euro, as shown in Table 6.

Table 6. International Exchange Rates¹

	USD	ZAR	GBP	BWP	EURO
2020					
Weekly Average (22-26 June)	37.7921	2.1781	46.9494	3.2076	42.4746
29-Jun	57.3582	3.3173	71.0238	4.8811	64.5738
30-Jun	57.3582	3.3140	70.4875	4.8811	64.4190
01-Jul	63.7442	3.6704	78.8516	5.4055	71.5465
02-Jul	63.7442	3.7425	79.6133	5.3991	71.7951
03-Jul	63.7442	3.7545	79.4571	5.4629	71.6198
Weekly Average (29 Jun-3 Jul)	61.1898	3.5597	75.8867	5.2059	68.7908
<i>Appr(-)/Depr(+)</i> (%) <i>of the ZWL</i>	61.9	63.4	61.6	62.3	62.0

Source: Reserve Bank of Zimbabwe, 2020

5. EQUITY MARKETS

Trading on the Zimbabwe Stock exchange remained suspended, during the week under review. The Johannesburg Stock Exchange (JSE) All Share Index firmed by 7.3%, from 53 648.05 points recorded in the previous week to 57 589.82 points, at the close of the reporting week. Similarly, JSE market capitalization rose by 0.96%, from ZAR16.71 billion in the week ending 26th June 2020 to ZAR16.87 billion, during the week ending 3rd July 2020.

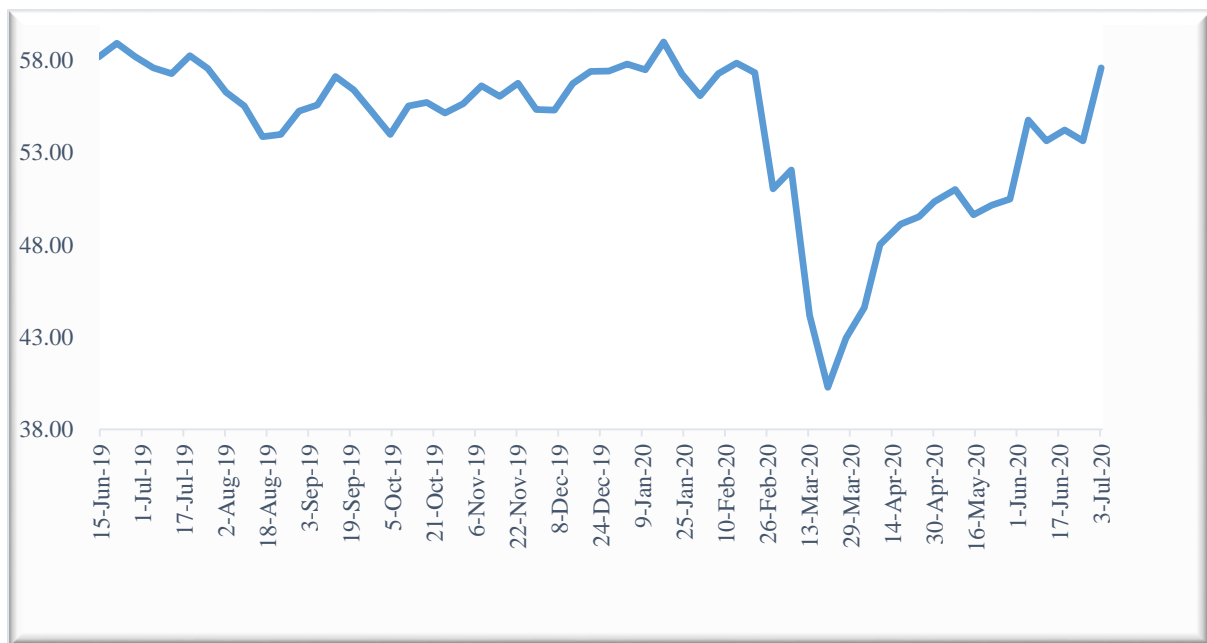
¹ Direct quote – the amount of domestic currency needed to exchange for 1 unit of foreign currency

Table 8: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index	Market Capitalization
	(points)	(ZAR billions)
29-May-20	50,483.00	16.08
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
% Change	1.63	0.96

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

16th JULY 2020