



Weekly Economic Highlights

TABLE OF CONTENTS

1. INTEREST RATES.....	1
2. CLEARING AND SETTLEMENT ACTIVITY	2
3. TOBACCO SALES.....	4
4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS	4
5. EXCHANGE RATE DEVELOPMENTS	6
6. EQUITY MARKETS.....	7

Week Ending
31st July 2020

1. INTEREST RATES

Deposit Rates

During the week ending 31st July 2020, minimum deposit rates for savings deposits remained unchanged at 2.35%, while minimum deposit rates for deposits of 1-month and 3-month tenors increased to 3.88% and 4.36%, respectively. Maximum deposit rates for savings deposits remained unchanged at 5.19%. Maximum deposit rates for deposits of 1-month tenors, however, increased by 0.37 percentage points to close at 6.99%, while those for 3-month tenor softened by 0.53 percentage points to close at 7.17%, 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 (%)
03-July-20	2.35	5.19	3.28	6.62	4.21	7.70
10-July-20	2.35	5.19	3.28	6.62	4.21	7.70
17-July-20	2.35	5.19	3.28	6.62	4.21	7.70
24-July-20	2.35	5.19	3.28	6.62	4.21	7.70
31-July-20	2.35	5.19	3.88	6.99	4.36	7.17

Source: Reserve Bank of Zimbabwe, 2020

Lending Rates

Commercial bank minimum and maximum lending rates for individual and corporate clients all registered increases, during the week under review, as shown in Table 2.

Table 2: Lending Rates (per annum)

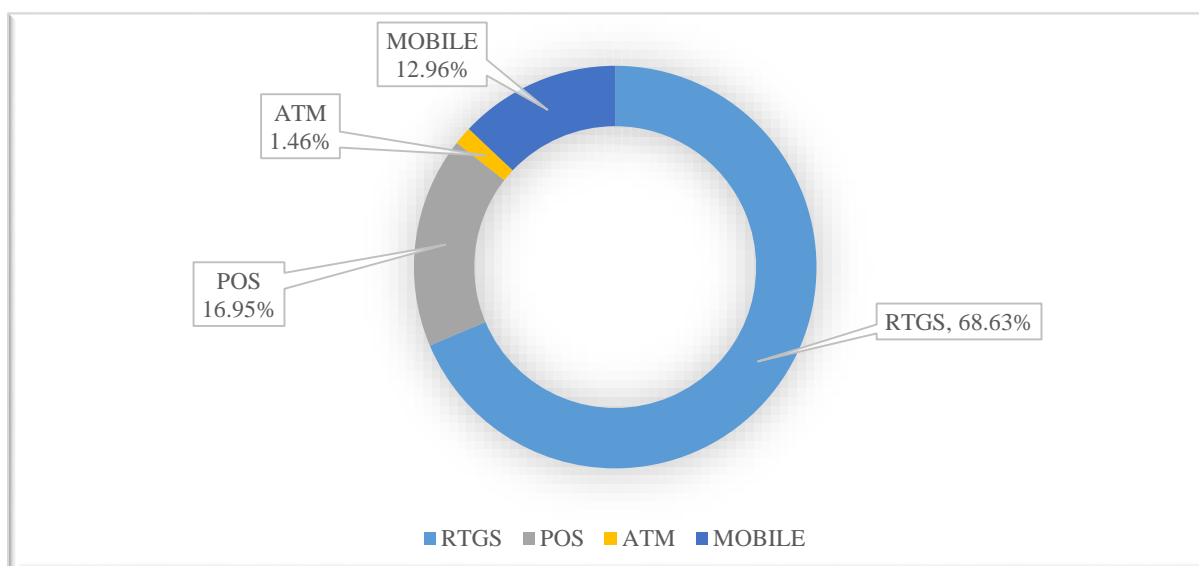
Date	Individual Clients		Corporate Clients	
	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
03-July-20	18.07	35.59	19.47	45.29
10-July-20	18.07	35.59	19.47	45.29
17-July-20	16.84	35.71	19.58	45.14
24-July-20	16.84	35.71	19.58	45.14
31-July-20	18.87	37.42	22.11	47.27

Source: Reserve Bank of Zimbabwe, 2020

2. CLEARING AND SETTLEMENT ACTIVITY

The National Payment Systems (NPS) processed transactions worth \$30.11 billion, during the week ending 31st July 2020. This was a 18.04% decline from \$36.74 billion recorded in the previous week. Transactions processed through the Real Time Gross Settlement (RTGS) system declined by 23.45% to close at \$20.67 billion, during the week under review. The distribution of NPS transactions in value terms was as follows: RTGS, 68.63%; POS, 16.95%; Mobile, 12.96% and ATM, 1.46%.

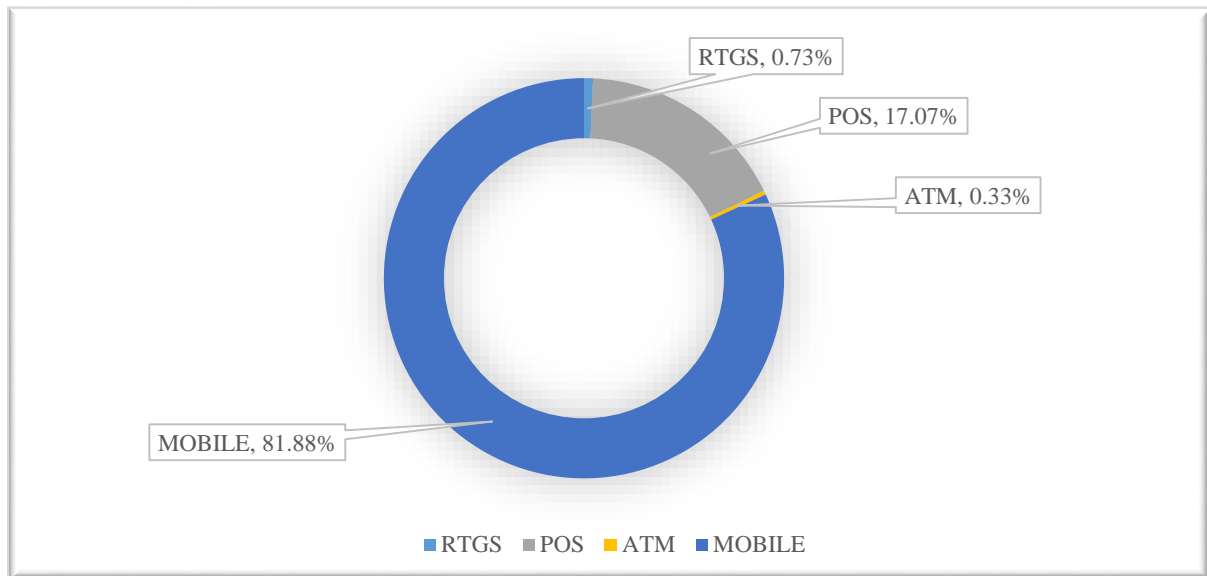
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2020

NPS transaction volumes increased by 1.31% to close at 29.57 million, during the week under review. In volume terms, NPS transactions were distributed as follows: Mobile 81.88%; POS, 17.07%; RTGS, 0.73%; and ATM, 0.33%.

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 24 th JULY 2020	WEEK ENDING 31 th JULY 2020	% CHANGE FROM LAST WEEK	PROPORTION %
Values in \$ Millions				
RTGS	26 997.54	20,666.70	-23.45%	68.63%
POS	5 994.50	5,105.27	-14.83%	16.95%
ATM	142.35	439.56	208.80%	1.46%
MOBILE	3 609.17	3,901.78	8.11%	12.96%
TOTAL	36 743.56	30 113.32	-18.04%	100%
Volumes in Thousands				
RTGS	178,968	216,483	20.96%	0.73%
POS	6,279,594	5,046,681	-19.63%	17.07%
ATM	80,317	96,609	20.28%	0.33%
MOBILE	23,424,940	24,212,162	3.36%	81.88%
TOTAL	29,963,819	29,571,935	1.31%	100%

Source: Reserve Bank of Zimbabwe, 2020

3. TOBACCO SALES

As at 31st July 2020, or day 66 of the 2020 tobacco selling season, a cumulative total of 159.72 million kilograms of tobacco had been sold. This was 19.21% lower than the cumulative total of 197.71 million kilograms sold during the comparable period in 2019. Cumulative sales stood at US\$393.90 million, a 4.60% increase from US\$376.57 million recorded during the corresponding period in 2019, as shown in Table 4.

Table 4: Weekly cumulative Tobacco Sales: Day 66 (31st July 2020)

	2019	2020	Variance (%)
Cumulative Quantity Sold (million kgs)	197.71	159.72	(19.21)
Cumulative Average Price (US\$/kg)	1.90	2.47	29.48
Cumulative Value (US\$ million)	376.57	393.90	4.60

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

The average price of the golden leaf at US\$2.47/kg, was 29.48% higher than the US\$1.90/kg realised during the same period in 2019.

4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international commodity prices of gold, platinum and nickel increased, during the week under analysis. Copper and crude oil prices, however, declined during the same period, as shown in Table 5.

Table 5: Metal and Crude Oil Prices for the Week-ending 31st July 2020

	Gold	Platinum	Copper	Nickel	Crude Oil
2020	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
Weekly Average (20-24 Jul)	1,851.57	891.20	6,480.50	13,316.40	43.69
27-Jul	1,938.60	934.50	6,125.50	13,718.00	43.44
28-Jul	1,936.28	934.50	6,399.50	13,470.00	43.20
29-Jul	1,952.63	942.50	6,475.00	13,762.00	43.66
30-Jul	1,954.93	899.00	6,433.50	13,716.00	43.12
31-Jul	1,969.80	905.00	6,446.50	13,756.00	43.37
Weekly Average (27-31 Jul)	1,950.45	923.10	6,376.00	13,684.40	43.36
Weekly Change (%)	5.3	3.6	-1.6	2.8	-0.8

Source: BBC, KITCO and Bloomberg, 2020

Gold

Gold prices rallied and reached new record highs, gaining 5.3% from a weekly average of US\$ 1,851.57 per ounce in the previous week, to US\$1,950.45 per ounce during the week under analysis. This was on the back of an escalation in the safe-haven demand for the yellow metal, amid a weaker US dollar.

Platinum

Platinum prices continued on a positive trajectory, gaining 3.6% from a weekly average of US\$ 891.20 per ounce in the previous week, to US\$ 923.10 per ounce recorded during the week under review. This was on account of higher demand for the precious metal, on the back of higher volatility in equities markets and a weakening US dollar.

Copper

Average prices of the red metal weakened by 1.6% to close at US\$6,376.00 per tonne, during the week under review, from US\$6 480.50 per tonne, in the previous week. This was, in part, underpinned by concerns over subdued global economic activities occasioned by the coronavirus pandemic and rising geopolitical tensions. These developments dented the demand for the base metal and weighed the priced downwards, notwithstanding the supply disruptions in Chile, the world's top producer.

Nickel

Nickel prices rose by 2.8%, from a weekly average of US\$13,316.40 per tonne to US\$13,684.40 per tonne, during the week under review. Prices were supported by the bullish outlook in the electric vehicle manufacturing sector, where the metal is a major input for batteries.

Brent Crude Oil

Brent crude oil prices fell by 0.8%, from US\$43.69 per barrel recorded during the week ending 24th July 2020 to close at US\$43.36 per barrel, during the week under review. Prices were weighed down by expectations of an increase in supply as OPEC¹ and non-OPEC members signaled a potential boost in production.

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

5. EXCHANGE RATE DEVELOPMENTS

During the week ending 31st July 2020, the Zimbabwe dollar softened against the euro, 7.9%; pound Sterling, 7.8%; Botswana pula 6.3%; South African rand, 5.7%; and US dollar, 5.7%, as shown in Table 6.

Table 6. International Exchange Rates²

	USD	ZAR	GBP	BWP	EURO
2020					
Weekly Average (20-24 Jul)	70.8067	4.2717	89.8347	6.1454	81.6213
27-Jul	72.1470	4.3535	92.5394	6.2699	84.4482
28-Jul	72.1470	4.3927	92.8207	6.3205	84.6647
29-Jul	76.7596	4.6577	99.2080	6.7133	90.0930
30-Jul	76.7596	4.6104	99.4960	6.7055	90.2925
31-Jul	76.7596	4.5735	100.7625	6.6861	91.2290
Weekly Average (27-31 Jul)	74.8455	4.5143	96.8345	6.5328	88.0451
<i>Appr(-)/Depr(+)</i> (%) <i>of the ZWL</i>	5.7	5.7	7.8	6.3	7.9

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

	7-Jul-20	14-Jul-20	21-July-20	28-Jun-20
Total Bids	15,872,481.93	18,719,664.66	20,316,134.74	19,312,474.71
Amount Allotted	13,602,407.84	15,988,219.59	14,853,708.88	14,356,193.21
Highest Rate	90	85	82.17	82
Lowest Rate	30	40	55	70
Lowest Accepted Rate	55	64.2	70.0	75
Weighted Average Rate	65.8765	68.8879	72.1470	76.7596
Number of Bids Received	264	289	290	228
Number of Bids Rejected	92	59	51	55

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

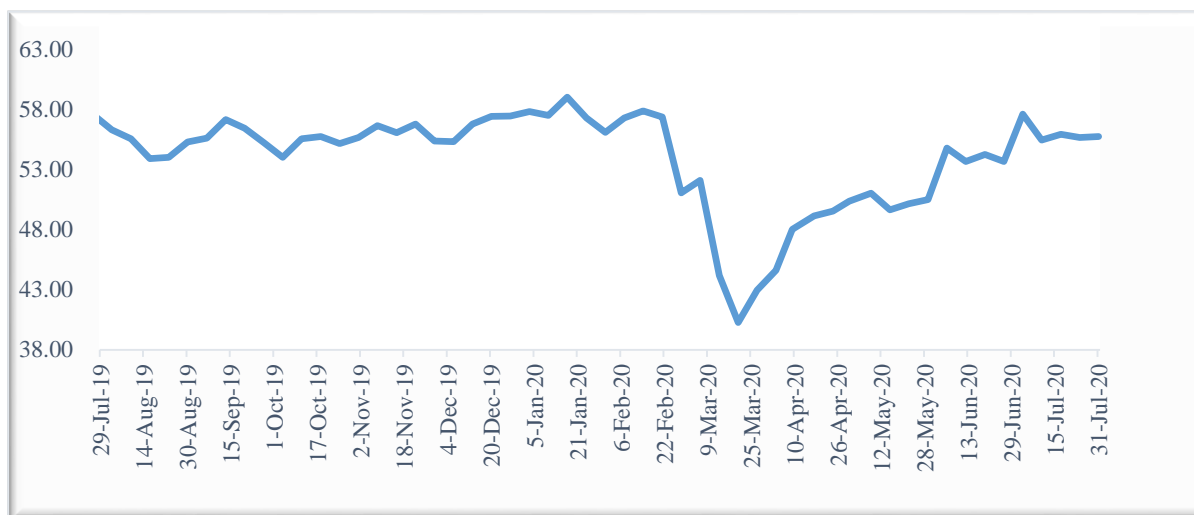
Trading on the Zimbabwe Stock Exchange remained suspended, during the week under review. The Johannesburg Stock Exchange (JSE) All Share Index rose by 0.14%, to close the week under analysis at 55 721.80 points. In tandem, JSE market capitalization registered a marginal increase of 0.65% to close at ZAR17.15 billion, during the week under review, from ZAR17.04 billion in the previous week.

Table 8: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index	Market Capitalization
	(points)	(ZAR billions)
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
31-July 20	55,721.80	17.15
% Change	0.14	0.65

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

31th JULY 2020

APPENDIX 1: SUMMARY OF FOREIGN CURRENCY AUCTION ALLOTMENTS BY PURPOSE

Purpose	7-July-20	14-July-20	21-July-20	28-July-20
Raw Materials	-	5,623,684.60	7,417,479.47	7,706,268.09
Machinery and Equipment	-	3,016,110.90	2,309,655.89	3,038,617.17
Retail and Distribution	1,936,463.70	2,476,441.00	1,299,934.9	957,120.51
Consumables (Incl. Spares, Tyres, Packaging, food and beverages etc)	438,423.46	1,416,913.67	1,122,315.00	670,875.00
Services (Loans, Dividends and Disinvestments)	1,864,916.71	900,526.72	752,000.00	760,482.90
Mining	160,000.00	-	-	-
Manufacturing	5,621,578.86	-	-	-
Paper and Packaging	468,800.00	761,500.00	614,995.57	350,000.00
Fuel, Electricity and Gas	-	528,200.00	640,453.05	224,319.00
Agriculture	1,089,108.24	-	-	-
Construction, Engineering and Electricals	1,036,653.18	-	-	-
LPG Gas	575,421.34	-	-	-
Pharmaceuticals and Chemicals	411,042.35	1,264,842.70	696,875.00	648,510.54
TOTAL	13,602,407.84	15,988,219.59	14,853,708.88	14,356,193.21

Source: Reserve Bank of Zimbabwe, 2020