



# Weekly Economic Highlights

## TABLE OF CONTENTS

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

Week Ending  
12<sup>th</sup> June 2020

## 1. INTEREST RATES

### Deposit Rates

During the week ending 12<sup>th</sup> June 2020, minimum deposit rates for savings deposits and deposits of 1-month and 3-month tenors remained unchanged at 2.35%, 3.26 and 4.16%, respectively. Maximum deposits rates for savings deposits and deposits of 1-month and 3-month tenors also remained unchanged at 5.19%, 4.16% and 6.58%, respectively, 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 (%)
15-May-20	2.35	5.19	3.39	6.24	3.95	6.39
22-May-20	2.35	5.19	3.39	6.24	3.95	6.39
29-May-20	2.35	5.19	3.35	6.24	3.95	6.29
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

Source: Reserve Bank of Zimbabwe, 2020

### Lending Rates

During the week under review, minimum commercial bank lending rates for individual and corporate clients stood at 19.53% and 19.71%, respectively. Maximum lending rates for individuals and corporate clients also remained unchanged at 35.28% and 40.92%, respectively. Table 2 shows commercial bank lending rates for the week under analysis.

**Table 2: Lending Rates (per annum)**

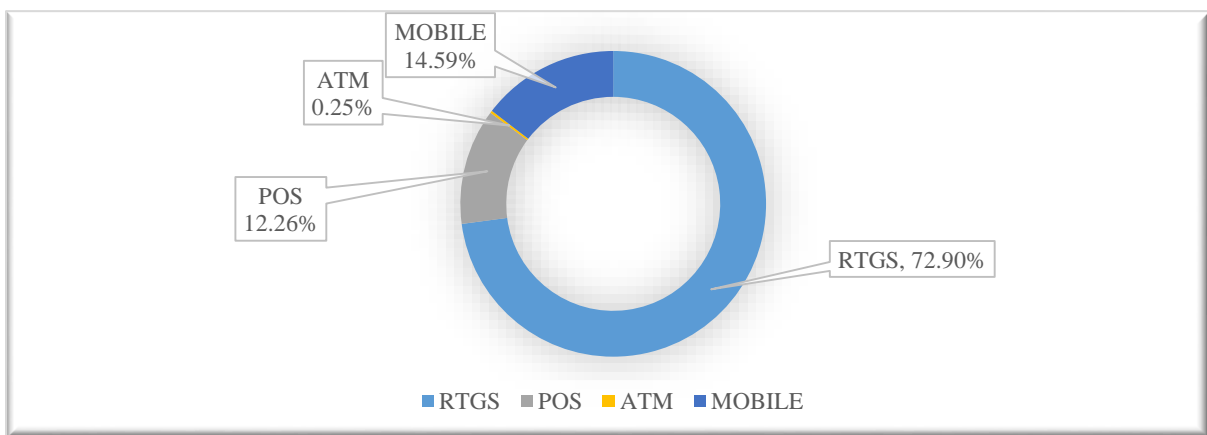
Date	Individual Clients		Corporate Clients	
	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
15-May-20	18.57	34.98	18.69	42.34
22-May-20	18.06	34.43	18.07	42.36
29-May-20	18.06	34.43	18.07	42.36
5-Jun-20	19.53	35.28	19.71	40.92
12- Jun-20	19.53	35.28	19.71	40.92

Source: Reserve Bank of Zimbabwe, 2020

## 2. CLEARING AND SETTLEMENT ACTIVITY

The aggregate value of transactions processed through the National Payment Systems amounted to ZW\$27.7 billion, during the week ending 12<sup>th</sup> June 2020. This represented a 17.96% increase from ZW\$23.49 billion registered in the previous week. Transactions processed through the Real Time Gross Settlement (RTGS) system increased by 33.40% to close at ZW\$20.20 billion, during the same period. In value terms, RTGS transactions constituted 72.9% of total transactions processed through the NPS, followed by Mobile, 14.59%; POS, 12.26%; and ATM, 0.25%.

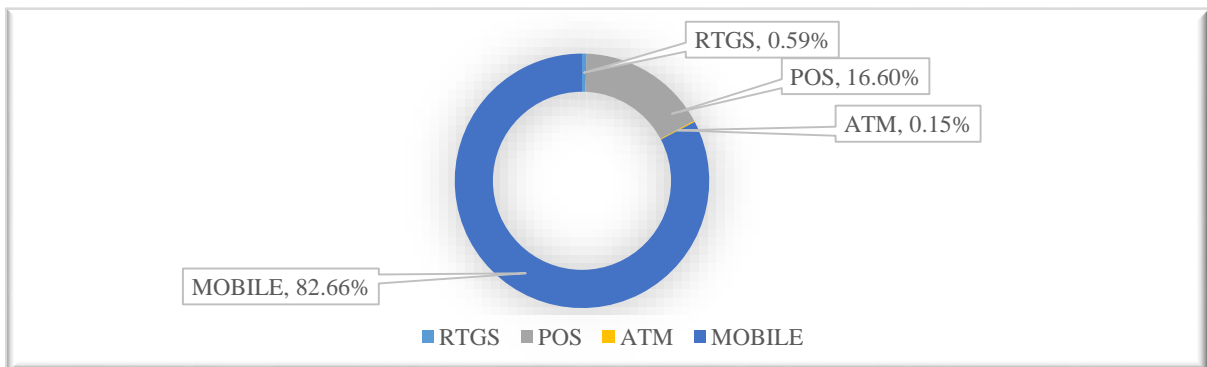
**Figure 1: Composition of NPS Transactions in Value Terms**



Source: Reserve Bank of Zimbabwe, 2020

NPS transaction volumes declined by 9.97%, from 35.72 million in the preceding week to close at 32.16, during the reporting week. The volume of NPS transactions were distributed as follows: Mobile, 82.66%; POS, 16.6%; RTGS, 0.59%, and ATM, 0.15% 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	WEEK ENDING	WEEK ENDING	% CHANGE FROM LAST WEEK	PERCENTAGE OF TOTAL
	5-Jun-2020	12-Jun-2020		
	<b>VALUES IN \$ (millions)</b>			
RTGS	15,142.17	20,200.34	33.40%	72.90%
POS	3,438.52	3,397.81	-1.18%	12.26%
ATM	117.71	69.49	-40.96%	0.25%
MOBILE	4,791.24	4,041.37	-15.65%	14.59%
<b>TOTAL</b>	<b>23,489.65</b>	<b>27,709.01</b>	<b>17.96%</b>	<b>100%</b>
	<b>VOLUMES</b>			
RTGS	217,428	189,117	-13.02%	0.59%
POS	5,913,755	5,338,970	-9.72%	16.60%
ATM	71,212	49,114	-31.03%	0.15%
MOBILE	29,515,622	26,579,780	-9.95%	82.66%
<b>TOTAL</b>	<b>35,718,017</b>	<b>32,156,981</b>	<b>-9.97%</b>	<b>100%</b>

Source: Reserve Bank of Zimbabwe, 2020

### 3. TOBACCO SALES

As at 12<sup>th</sup> June 2020 or day 31 of the 2020 tobacco selling season, weekly cumulative tobacco sales stood at 77.76 kilograms. This was 27.93% higher than the quantity sold during the same period in 2019. The cumulative value of tobacco sold amounted to US\$179.05 million, which compares favorably to the US\$108.48 million realized during the same period in 2019.

**Table 4: Weekly cumulative Tobacco Sales: Day 31 (12<sup>th</sup> June 2020)**

	2019	2020	Variance (%)
<b>Cumulative Quantity Sold (Million kgs)</b>	60.78	77.76	27.93
<b>Cumulative Average Price (US\$/kg)</b>	1.78	2.30	65.06
<b>Cumulative Value (US\$ million)</b>	108.48	179.05	29.02

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

The average price of the golden leaf increased to US\$2.30/kg during the period under review, reflecting a 65.06% increase from US\$1.78/kg realized during the same period in 2019.

## 4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

During the week under review, average weekly prices of gold, copper, nickel, and Brent crude oil firmed. Platinum prices, however, softened during the same period, 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
<b>weekly average (1-5 June)</b>	<b>1,717.07</b>	<b>833.70</b>	<b>5,475.80</b>	<b>12,655.20</b>	<b>39.53</b>
08-June	1,691.18	835.00	5,659.00	12,943.00	43.31
09-June	1,710.50	828.00	5,680.50	12,804.00	40.29
10-June	1,719.85	838.50	5,801.00	12,881.00	40.41
11-June	1,735.08	822.50	5,801.50	12,615.00	37.26
12-June	1,734.68	823.00	5,785.50	12,733.00	37.71
<b>weekly average (8-12 June)</b>	<b>1,718.26</b>	<b>829.40</b>	<b>5,745.50</b>	<b>12,795.20</b>	<b>39.80</b>
<b>Weekly Change (%)</b>	<i>0.1</i>	<i>-0.5</i>	<i>4.9</i>	<i>1.1</i>	<i>0.7</i>

Source: BBC, KITCO and Bloomberg 2020

### Gold

Weekly average prices of gold increased by 0.1%, from US\$1,717.07 per ounce recorded in the previous week to US\$1,718.26 per ounce, during the week under analysis. The increase was partly attributable to a weaker US dollar and an increase in the appeal of the yellow metal as a safe-haven asset.

### Platinum

Platinum prices registered a week-on-week decrease of 0.5% to close at US\$829.40 per ounce, during the week ending 12<sup>th</sup> June 2020. The easing of lockdown restrictions in top platinum producing nations such as South Africa, where mines are implementing strict coronavirus guidelines, partly contributed to a decline in prices.

### Copper

Copper prices firmed by 4.9%, from US\$5,475.80 per tonne in the previous week to US\$5,745.50 per tonne, during the week under review. A combination of increased demand mainly because of increased economic activities as global economies begin to lift lockdown restrictions and a weaker US dollar vis-à-vis major international currencies supported copper

prices. The strong demand for copper was evidenced by low inventories and a shortage of scrap copper.

### Nickel

Nickel prices increased by 1.1%, from US\$12,655.20 per tonne in the previous week to US\$12,795.20 per tonne, during the week under analysis. This was underpinned by strong demand, on the back of tight supply conditions.

### Crude Oil

The weekly average price of crude oil rose by 0.7% to US\$39.80 per barrel in the week under analysis, from US\$39.53 per barrel registered in the previous week. Prices were supported by the extension of oil production cuts to July 2020 by OPEC, on the back of demand concerns that were triggered by renewed signs of increased global coronavirus infections.

## 5. EXCHANGE RATES

During the week under review, the Zimbabwe dollar (ZWL) depreciated against the South Africa rand, Botswana pula, British pound, and the euro. The local unit, however, remained fixed at US\$1: ZWL25, during the same week, as shown in Table 6.

**Table 6. International Exchange Rates<sup>1</sup>**

2020	USD	ZAR	GBP	BWP	EUR
<b>Weekly Average (1-5 June)</b>	<b>25.0000</b>	<b>1.4593</b>	<b>31.3457</b>	<b>2.1339</b>	<b>28.0284</b>
08-Jun	25.0000	1.4883	31.7463	2.1475	28.2200
09-Jun	25.0000	1.4959	31.7863	2.1575	28.2375
10-Jun	25.0000	1.5067	31.9250	2.1675	28.4075
11-Jun	25.0000	1.4930	31.6713	2.1725	28.3425
12-Jun	25.0000	1.4602	31.4725	2.1388	28.2663
<b>Weekly Average (8-12 June)</b>	<b>25.0000</b>	<b>1.4886</b>	<b>31.7196</b>	<b>2.1567</b>	<b>28.2946</b>
<i>Appr(-)/Depr(+) (%) of the ZWL</i>	<i>0.0</i>	<i>2.0</i>	<i>1.2</i>	<i>1.1</i>	<i>0.9</i>

Source: Reserve Bank of Zimbabwe, 2020

<sup>1</sup> Direct quote – the amount of domestic currency needed to exchange for 1 unit of foreign currency

## 6. EQUITY MARKETS

The ZSE trading was bearish during the week ending 12<sup>th</sup> June 2020. Resultantly, the Top 10, Top 15 and All Share indices declined by 11.2%, 7.5% and 2.9% to close at 1,203.86 points, 1 308.96 points and 1 535.99 points, respectively. The Small cap and medium cap indices, however, registered declines of 13.9% and 0.6%, to close at 2 370.04 points and 4 880.06 points, respectively, during the same week.

The industrial index softened by 3.1% to 5 092.42 points, during the week under analysis, from 5 254.01 points in the previous week. This was partly attributable to share price losses for TSL Limited (27.48%); Edgars Stores Limited (22.49%); Inncor Africa Limited (19.52%); Delta Corporation Limited (14.13%); Econet Wireless Zimbabwe Limited (10.87%); Old Mutual Zimbabwe (8.50%); and Cassava Smartech Zimbabwe Limited (7.71%). The aforementioned losses were partially offset by share price gains for FBC Holdings Limited (107.74%); CBZ Holdings Limited (32.51%); Hippo Valley Estates Limited (32.14%); Lafarge Cement Zimbabwe Limited (20.0%); National Foods Holdings Limited (19.97%); and First Capital Bank Limited, 11.31%.

The mining index, however, registered an increase of 7.5% to close at 2 245.11 points during the week under review, from 2 088.66 points in the previous week. Contributing to the increase were share price gains for Bindura Nickel Corporation Limited (6.63%) and Riozim Limited (8.77%).

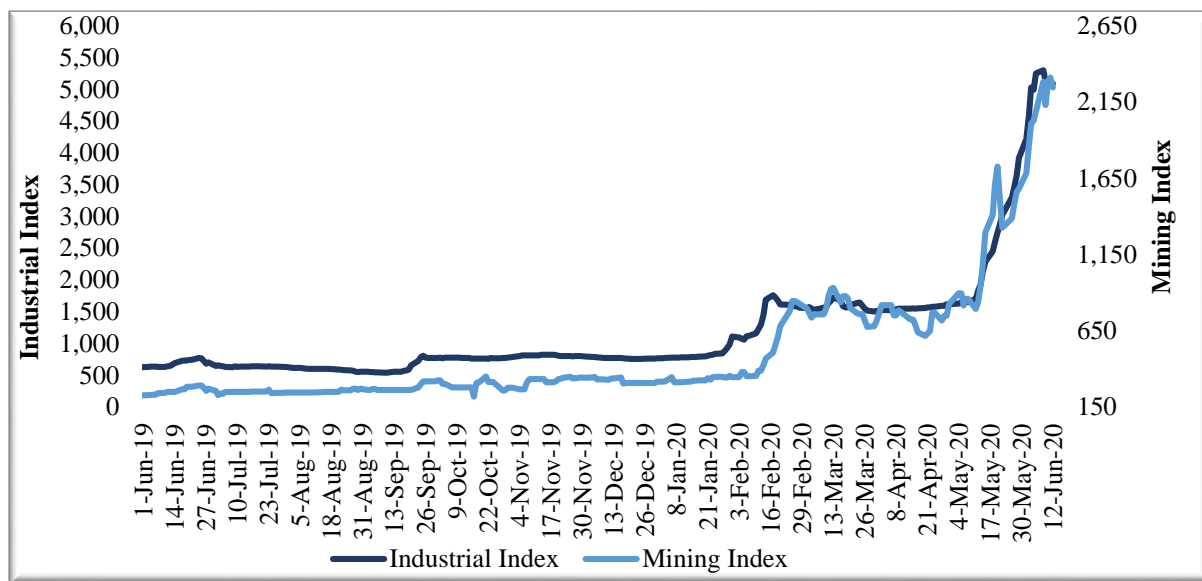
**Table 7: Zimbabwe Stock Exchange Statistics<sup>2</sup>**

	All Share Index points	Top 10 index (points)	Top 15 Index <sup>3</sup> points	Medium Cap <sup>3</sup> (points)	Small Cap <sup>3</sup> (points)	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (ZWL million)	Market Turnover (ZWL million)	Volume of Shares (million)
<b>8-May-20</b>	500.00	401.95	416.95	736.84	1,656.00	1,654.38	857.80	64.75	53.10	18.30
<b>15-May-20</b>	693.69	584.39	589.38	925.32	2,602.94	2,289.51	1294.78	90.29	111.11	29.45
<b>22-May-20</b>	913.24	731.83	759.95	1,339.10	3,023.99	3,023.99	1,327.26	117.9	191.59	39.59
<b>29-May-20</b>	1,180.14	964.07	1,014.41	1,693.35	3,831.64	3,919.50	1,582.86	152.72	213.17	131.49
<b>05-June-20</b>	1,581.85	1,355.21	1,415.58	4,849.47	2,080.75	5,254.01	2,088.66	204.50	140.92	85.73
<b>12-June-20</b>	1,535.99	1,203.86	1,308.96	4,880.06	2,370.04	5,092.42	2,245.11	197.78	54.44	6.15
<b>Weekly Change %</b>	-2.9	-11.2	-7.5	0.6	13.9	-3.1	7.5	-3.7	-61.4	-92.8

Source: Zimbabwe Stock Exchange (ZSE), 2020

<sup>2</sup> The Zimbabwe Stock Exchange (ZSE) adopted the Global Industry Classification Standards, effective from 1 January 2020. The ZSE indices constitute the following categories; Top 10 Index; Top 15; Top 25; Medium cap and Small cap Indices.

**Figure 3: Zimbabwe Stock Exchange Indices**

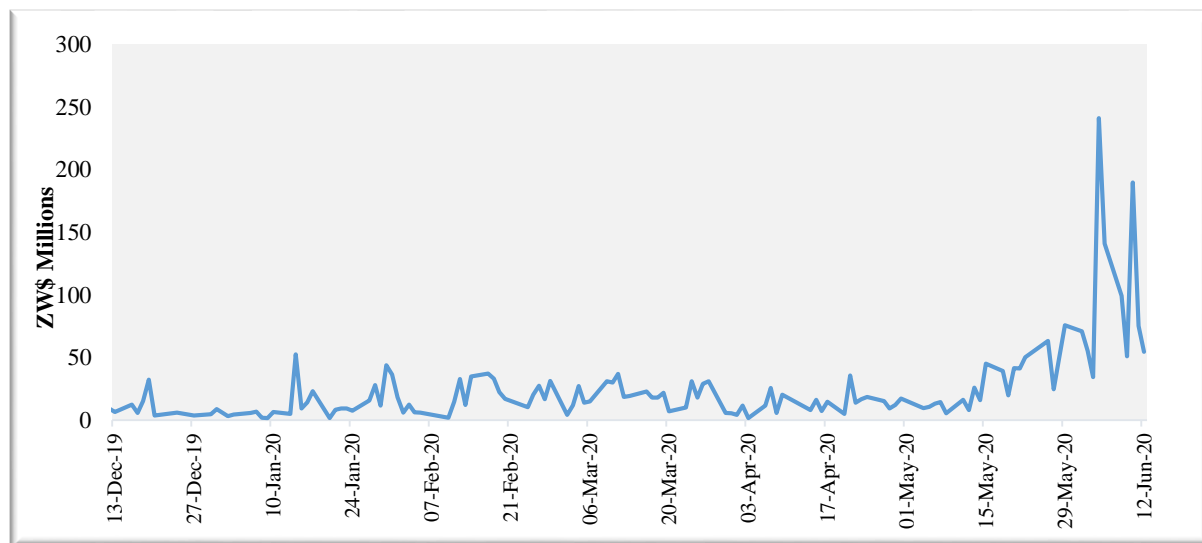


Source: Zimbabwe Stock Exchange, 2020

**Market Turnover and Volume**

Trading on the ZSE was subdued, during the week under analysis. The volume of trades on the ZSE declined by 92.3% to close at 6.15 million shares. Similarly, ZSE market turnover fell by 61.4% to ZW\$54.44 million in the same period.

**Figure 4: Daily Market Turnover**



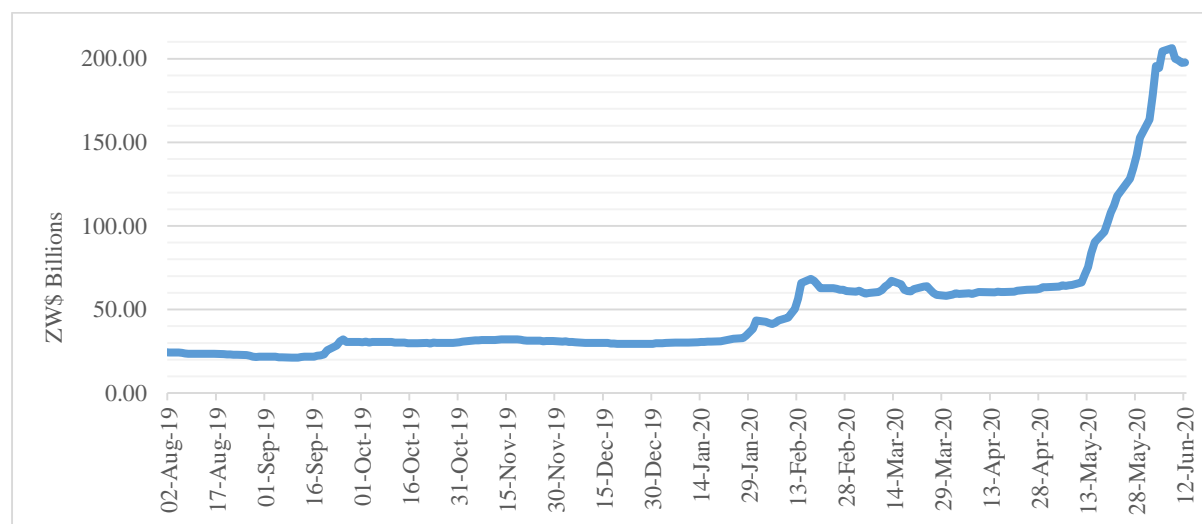
Source: Zimbabwe Stock Exchange, 2020



## Market Capitalization

The ZSE market capitalisation declined by 3.7% to ZW\$197.78 billion, during the week under review. This compares with ZW\$204.50 billion recorded in the previous week.

**Figure 5: Daily Market Capitalization in ZW\$ billions**



Source: Zimbabwe Stock Exchange, 2020

## Johannesburg Stock Exchange (JSE) Developments

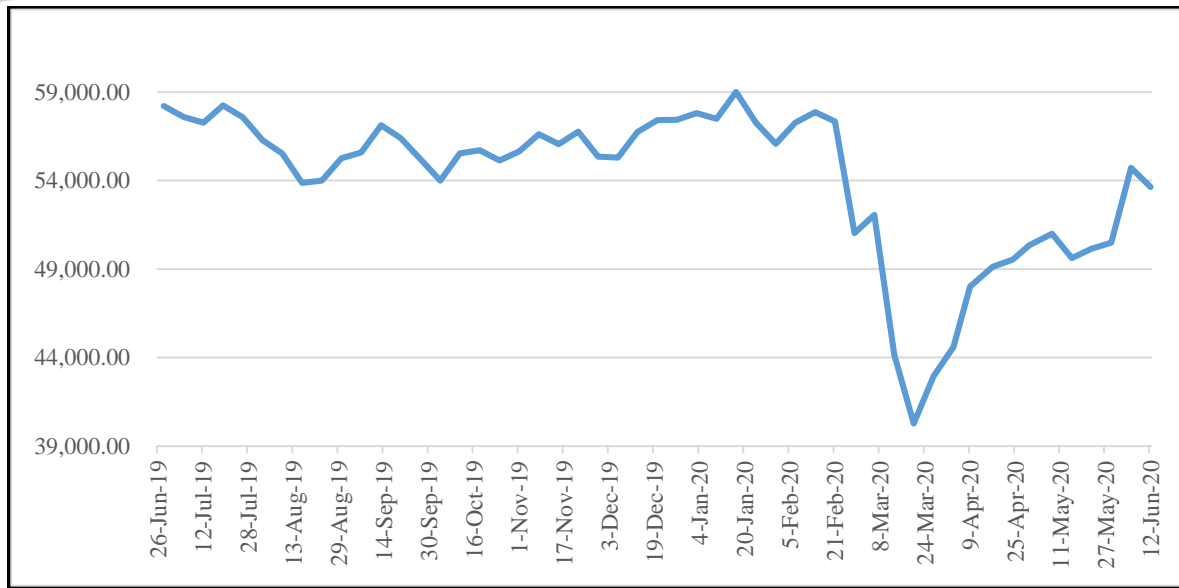
The JSE All Share Index retreated by 1.98% to close at 53,639.64 points, during the week under analysis. JSE market capitalisation declined by 2.39%, to close the trading week at R16.71 billion.

**Table 8: Johannesburg Stock Exchange (JSE) Statistics**

Period	All Share Index (points)	Market Capitalization (ZAR billions)
8-May-20	51,003.58	16.08
15-May-20	49,628.72	15.89
22-May-20	50,147.21	15.90
29-May-20	50,483.00	16.08
05-June 20	54,722.38	17.12
12-June 20	53,639.64	16.71
<b>% Change</b>	<b>-1.98</b>	<b>-2.39</b>

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**

**26<sup>th</sup> JUNE 2020**