



# 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  
19<sup>th</sup> June 2020

## 1. INTEREST RATES

### Deposit Rates

During the week ending 19<sup>th</sup> June 2020, minimum deposit rates for savings deposits and deposits of 1-month tenor remained unchanged at 2.35% and 3.26%, respectively. Minimum deposit rates for deposits of 3-month tenor, however, increased by 0.05 percentage points to close at 4.21%, during the same week. Maximum deposit rates for savings deposits stood at 5.19%, while deposit rates for deposits of 1 month and 3 month tenors increased to 6.56% and 7.22% in the week under review, from 6.44% 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 (%)
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
19-June-20	2.35	5.19	3.26	<b>6.56</b>	<b>4.21</b>	<b>7.22</b>

Source: Reserve Bank of Zimbabwe, 2020

### Lending Rates

Minimum commercial bank lending rates for individual clients increased by 0.51 percentage points to close at 20.04%, during the week under analysis. The minimum commercial bank lending rates for corporate clients, however, declined to 17.38% during the same week. Maximum lending rates for individual and corporate clients softened by 1.23 and 0.27 percentage points to close at 34.05% and 40.65%, respectively. Table 2 shows commercial bank lending rates for the week under analysis.

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

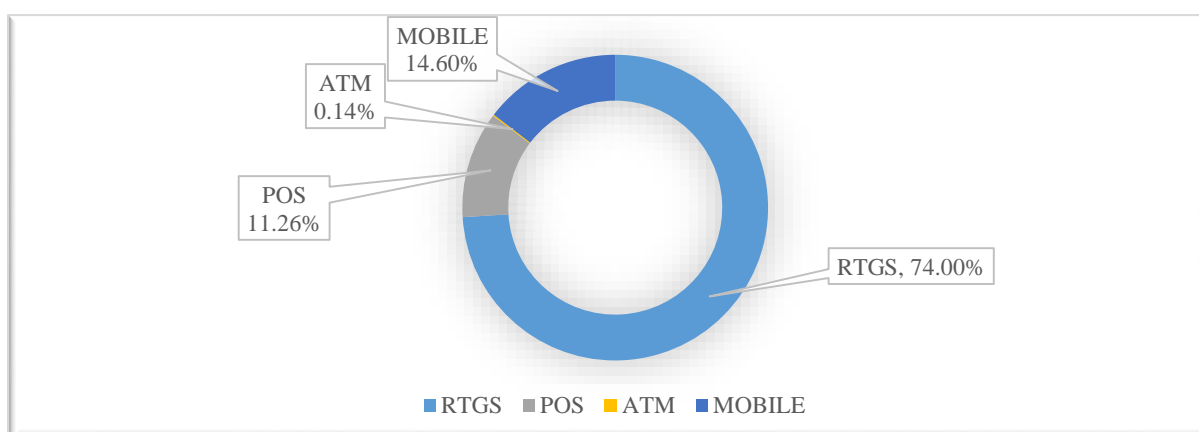
Date	Individual Clients		Corporate Clients	
	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
22-May-20	18.06	34.43	18.07	42.36
29-May-20	18.06	34.43	18.07	42.36
5- Jun-20	19.53	35.28	19.71	40.92
12- Jun-20	19.53	35.28	19.71	40.92
19- Jun-20	<b>20.04</b>	<b>34.05</b>	<b>17.38</b>	<b>40.65</b>

Source: Reserve Bank of Zimbabwe, 2020

## 2. CLEARING AND SETTLEMENT ACTIVITY

The total value of transactions processed through the National Payment Systems increased from to ZW\$27.71 billion in the previous week to close at ZW\$28.76 billion, during the week ending 19<sup>th</sup> June 2020. Real Time Gross Settlement (RTGS) system transactions rose by 5.36% to close at ZW\$21.28 billion, during the same week. The value of NPS transactions was distributed as follows: RTGS, 74%; Mobile, 14.60%; POS, 11.26% and ATM, 0.14%.

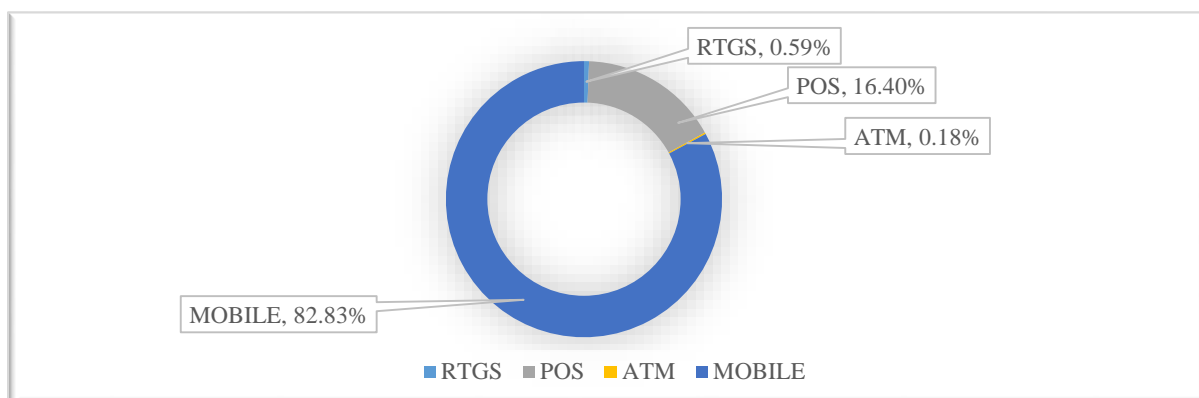
**Figure 1: Composition of NPS Transactions in Value Terms**



Source: Reserve Bank of Zimbabwe, 2020

NPS transaction volumes fell by 6.88% to close at 29.94 million transactions, during the week under analysis, from 32.16 million transactions recorded in the previous week. Mobile transactions at 82.83% of the total, dominated NPS transaction volumes, followed by POS, 16.40%; RTGS, 0.59%, and ATM, 0.18%, 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
	12-Jun-2020	19-Jun-2020		
	<b>VALUES IN \$ (millions)</b>			
RTGS	20,200.34	21,283.78	5.36%	74.00%
POS	3,397.81	3,238.92	-4.68%	11.26%
ATM	69.49	39.50	-43.16%	0.14%
MOBILE	4,041.37	4,199.99	3.92%	14.60%
<b>TOTAL</b>	<b>27,709.01</b>	<b>28,762.19</b>	<b>3.80%</b>	<b>100%</b>
	<b>VOLUMES</b>			
RTGS	189,117	177,081	-6.36%	0.59%
POS	5,338,970	4,911,877	-8.00%	16.40%
ATM	49,114	53,166	8.25%	0.18%
MOBILE	26,579,780	24,802,439	-6.69%	82.83%
<b>TOTAL</b>	<b>32,156,981</b>	<b>29,944,563</b>	<b>-6.88%</b>	<b>100%</b>

Source: Reserve Bank of Zimbabwe, 2020

### 3. TOBACCO SALES

As at 19<sup>th</sup> June 2020 or day 36 of the 2020 tobacco selling season, a cumulative total of 93.0 million kilograms of tobacco, valued at US\$216.66 million, had been sold at an average price of US\$2.33/kg. During the same period in 2019, a total of 83.50 million kilograms of the golden leaf were sold at an average price of US\$1.79/kg. The cumulative sales value of the golden leaf was US\$149.57 million on day 36 of the tobacco selling season in 2019.

**Table 4: Weekly cumulative Tobacco Sales: Day 36 (19<sup>th</sup> June 2020)**

	2019	2020	Variance (%)
Cumulative Quantity Sold (Million kgs)	83.50	93.00	11.38
Cumulative Average Price (US\$/kg)	1.79	2.33	30.06
Cumulative Value (US\$ million)	149.57	216.66	44.86

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

#### 4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The average weekly prices of gold, copper, and Brent crude oil increased, during the week under analysis. Platinum and nickel prices, however, registered declines, 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 (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>
15-Jun	1,710.43	800.50	5,646.00	12,503.00	39.82
16-Jun	1,724.10	826.50	5,759.50	12,930.00	40.34
17-Jun	1,720.83	817.50	5,734.00	12,900.00	40.60
18-Jun	1,726.08	815.50	5,799.00	12,760.00	42.71
19-Jun	1,731.65	812.50	5,835.50	12,855.00	42.33
<b>weekly average (5-19 June)</b>	<b>1,722.62</b>	<b>814.50</b>	<b>5,754.80</b>	<b>12,789.60</b>	<b>41.16</b>
<b>Weekly Change (%)</b>	0.3	-1.8	0.2	-0.04	3.4

Source: BBC, KITCO and Bloomberg 2020

#### Gold

Gold prices recorded a 0.3% increase, from US\$1,718.26 per ounce in the previous week to US\$1,722.62 per ounce, during the week under analysis. The yellow metal prices were supported by increased safe-haven demand prospects as global coronavirus infections spiked, amid rising concerns over a second wave of infections, which could compel governments to implement a second round of strict economy-wide lockdowns.

## **Platinum**

Weekly average prices of platinum fell by 1.8%, from an average of US\$829.40 per ounce recorded in the week ending 12<sup>th</sup> June 2020 to close at US\$814.50 per ounce, during the week under analysis.

## **Copper**

Copper prices rose by 0.2% to close at US\$5,754.80 per tonne, during the week under review. The increase in copper inventories in China pointed to a recovery in demand for the base metal, on the back of easing of lockdown restrictions.

## **Nickel**

Average nickel prices softened marginally, from US\$12,795.20 per tonne in the previous week to US\$12,789.60 per tonne, during the week under review. This was underpinned by the anticipated increase in global demand for the industrial metal. China plans to increase infrastructure spending to boost economic recovery.

## **Crude Oil**

Brent crude oil prices increased by 3.4%, from US\$39.80 per barrel recorded in the previous week to US\$41.16 per barrel, recorded in the week ending 19<sup>th</sup> June 2020. The gains were largely due to higher demand, on the back of a decline in US inventories. In addition, the extension of production cuts by OPEC also supported oil prices.

## **5. EXCHANGE RATES**

The Zimbabwe dollar (ZW\$) appreciated against the South Africa rand, British pound, Botswana pula and the euro, during the week ending 19<sup>th</sup> June 2020. The local dollar was pegged at ZW\$25 per US\$1, during the same period, as shown in Table 6.

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

2020	USD	ZAR	GBP	BWP	EUR
<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>
08-Jun	25.0000	1.4441	31.1750	2.1363	28.0913
09-Jun	25.0000	1.4679	31.6725	2.1325	28.3438
10-Jun	25.0000	1.4570	31.4400	2.1425	28.1938
11-Jun	25.0000	1.4498	31.3575	2.1288	28.1188
12-Jun	25.0000	1.4349	31.0825	2.1175	28.0238
<b>Weekly Average (15-19 June)</b>	<b>25.0000</b>	<b>1.4507</b>	<b>31.3441</b>	<b>2.1315</b>	<b>28.1538</b>
<i>Appr(-)/Depr(+)</i> (%) of the ZWL	0.0	-2.6	-1.2	-1.2	-0.5

Source: Reserve Bank of Zimbabwe, 2020

## 6. EQUITY MARKETS

The week ending 19<sup>th</sup> June 2020 saw the Zimbabwe Stock Exchange (ZSE) maintain a positive momentum. As such, all indices registered positive growth rates, with the Top 10, Top 15, All Share, Small Cap and Medium Cap indices gaining 1.50%, 8.41%, 11.57%, 0.82% and 28.69% to close at 1 221.93 points; 1 418.98 points; 1 713.63 points; 4 920.22 points; and 3 049.98 points, respectively.

The industrial index increased by 11.39% to close at 5 672.50 points, during the week under review. This emanated from share price gains for FBC Holdings Limited (115.79%); Rainbow Tourism Group Limited (72.46%); CBZ Holdings Limited (61.24%); Zimre Holdings Limited (ZHL) (55.98%); and Afdis Distillers Limited (43.25%). Partially offsetting the gains in the industrial index were losses recorded in the share prices of Medtech Holdings Limited (20%); Powerspeed Electrical Limited (19.84%); Hippo Valley Estates Limited (9.61%); and Econet Wireless Zimbabwe Limited (5.41%).

The mining index registered a gain of 20.36% to close at 2702.20 points, during the week under analysis. This was on account of share price increases for Bindura Nickel Corporation Limited, 44.35%. RioZim Limited share prices, however, registered a decline of 12.86%, during the same period.

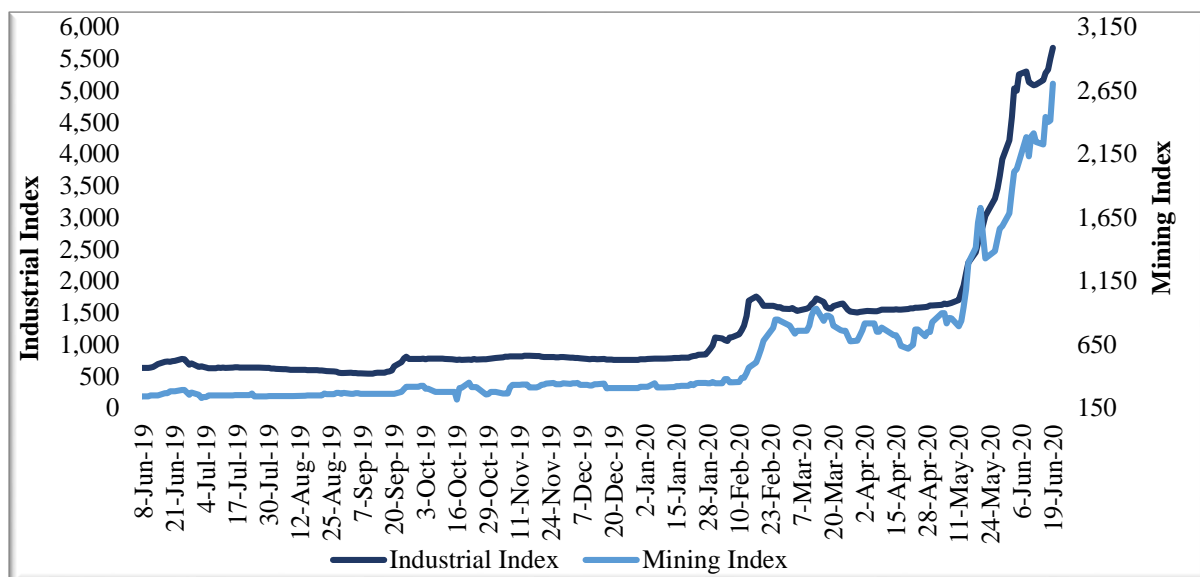
<sup>1</sup> Direct quote – the amount of domestic currency needed to exchange for 1 unit of foreign currency

**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>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	469.98	81.29
<b>19-June-20</b>	1,713.63	1,221.93	1,418.98	3,049.98	4,920.22	5672.5	2702.2	219.16	259.29	40.87
<b>Weekly Change %</b>	11.57	1.50	8.41	28.69	0.82	11.39	20.36	10.81	-44.83	-49.72

Source: Zimbabwe Stock Exchange (ZSE), 2020

**Figure 3: Zimbabwe Stock Exchange Indices**



Source: Zimbabwe Stock Exchange, 2020

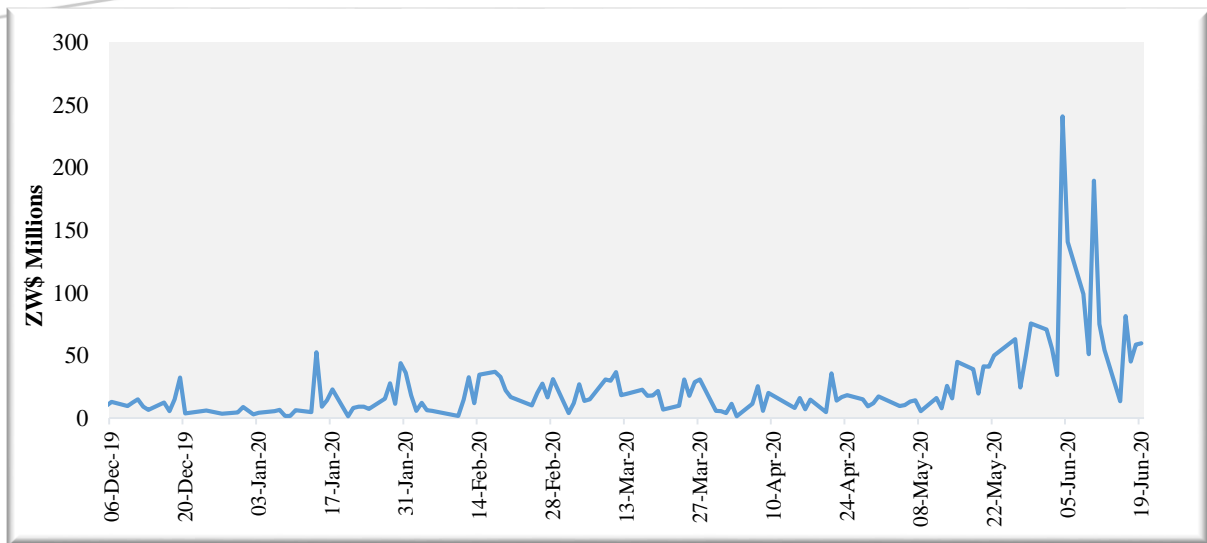
### Market Turnover and Volume

During the week under review, the cumulative volume of shares traded on the ZSE declined by 49.72% to 40.87 million shares. In tandem, market turnover declined by 44.83% to close at ZW\$259.29 million, during the same week.

<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 4: Daily Market Turnover**

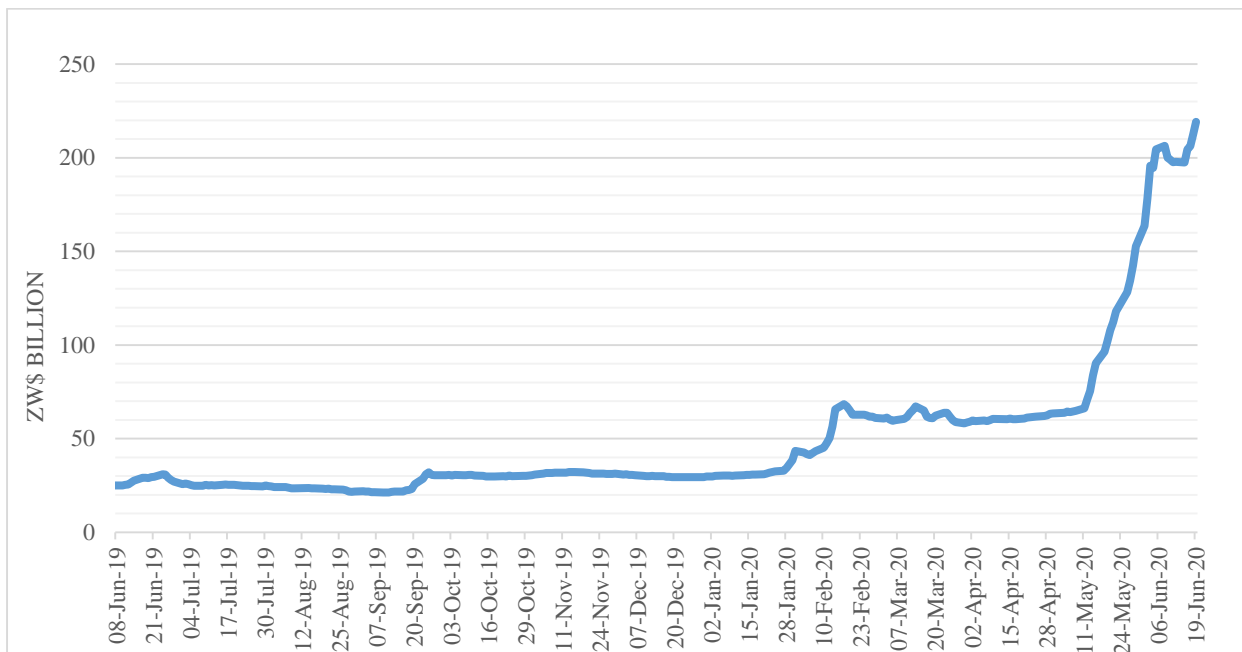


Source: Zimbabwe Stock Exchange, 2020

### Market Capitalization

The local bourse gained ZW\$21.38 billion, or 10.81% worth of capitalization, to close at ZW\$219.16 billion, during the week ending 19<sup>th</sup> June 2020.

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



Source: Zimbabwe Stock Exchange, 2020

## Johannesburg Stock Exchange (JSE) Developments

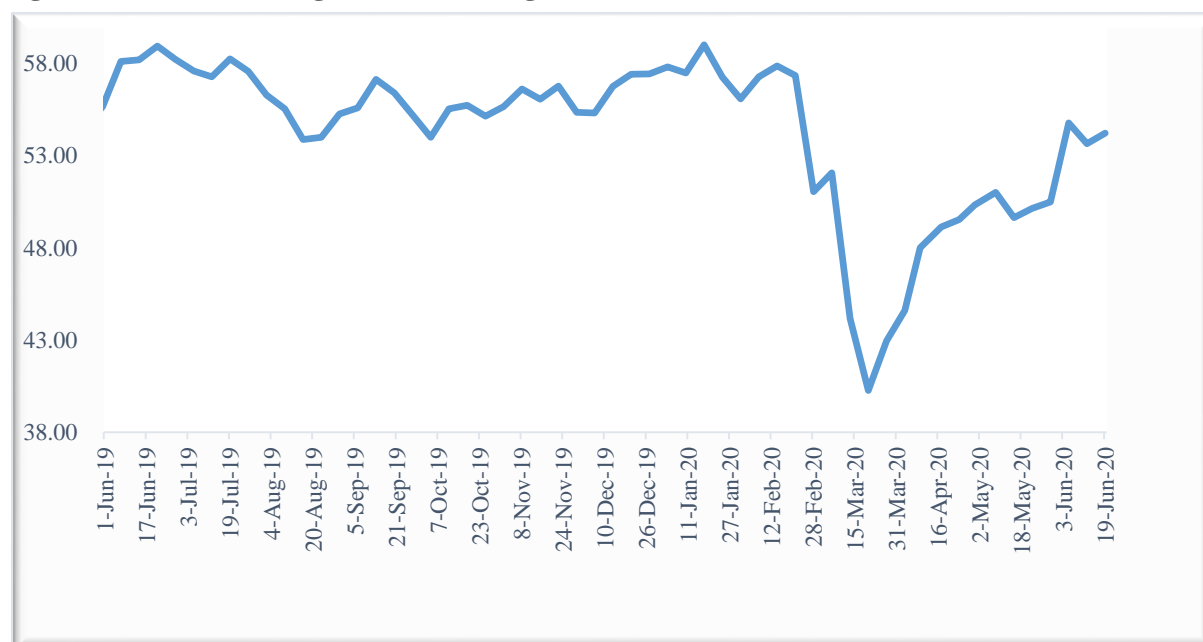
The JSE All Share Index stood at 54,224.40 points during the week under review, up from 53,639.64 points recorded in the previous week. Similarly, JSE market capitalisation increased by 1.86% to close at R17.02 billion, during the same week.

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

Period	All Share Index (points)	Market Capitalization (ZAR billions)
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
19-June 20	54,224.40	17.02
<b>% Change</b>	<b>1.09</b>	<b>1.86</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**