



# Weekly Economic Highlights

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

## 1. INTEREST RATES

### Deposit Rates

During the week under review, minimum deposits rates for deposits of 1-month and 3-month tenors stood at 3.26% and 4.16%, respectively. Minimum deposit rates for savings deposits, however, remained unchanged at 2.35%. Maximum deposit rates for savings deposits also remained unchanged at 5.19%, while those for deposits of 1-month and 3 months tenors increased by 0.20 and 0.29 percentage points to close at 6.44% and 6.58%, respectively. Table 1 shows average deposit rates for the week under analysis.

**Table 1: Average Deposit Rates (per annum)**

Date	Savings deposits (%)		1- Month deposit rates (%)		3- Month deposit rates (%)	
	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
8-May-20	2.35	5.19	3.39	6.24	3.95	6.39
15-May-20	2.35	5.19	3.39	6.24	3.95	6.39
22-May-20	2.35	5.19	3.35	6.24	3.95	6.29
29-May-20	2.35	5.19	3.35	6.24	3.95	6.29
5-Jun-20	2.35	5.19	<b>3.26</b>	<b>6.44</b>	<b>4.16</b>	<b>6.58</b>

Source: Reserve Bank of Zimbabwe, 2020

### Lending Rates

Minimum commercial bank lending rates for individuals and corporates increased from 18.06% and 18.07% in the previous week, to close at 19.53% and 19.71%, respectively, during the week under review. Maximum lending rates for individuals rose by 0.85 percentage points to close at 32.28%, while those for corporate clients declined by 1.44 percentage points to 40.92%.

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

Date	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
	Individual Clients		Corporate Clients	
<b>8-May-20</b>	18.57	34.98	18.69	42.34
<b>15-May-20</b>	18.57	34.98	18.69	42.34
<b>22-May-20</b>	18.06	34.43	18.07	42.36
<b>29-May-20</b>	18.06	34.43	18.07	42.36
<b>5- Jun-20</b>	<b>19.53</b>	<b>35.28</b>	<b>19.71</b>	<b>40.92</b>

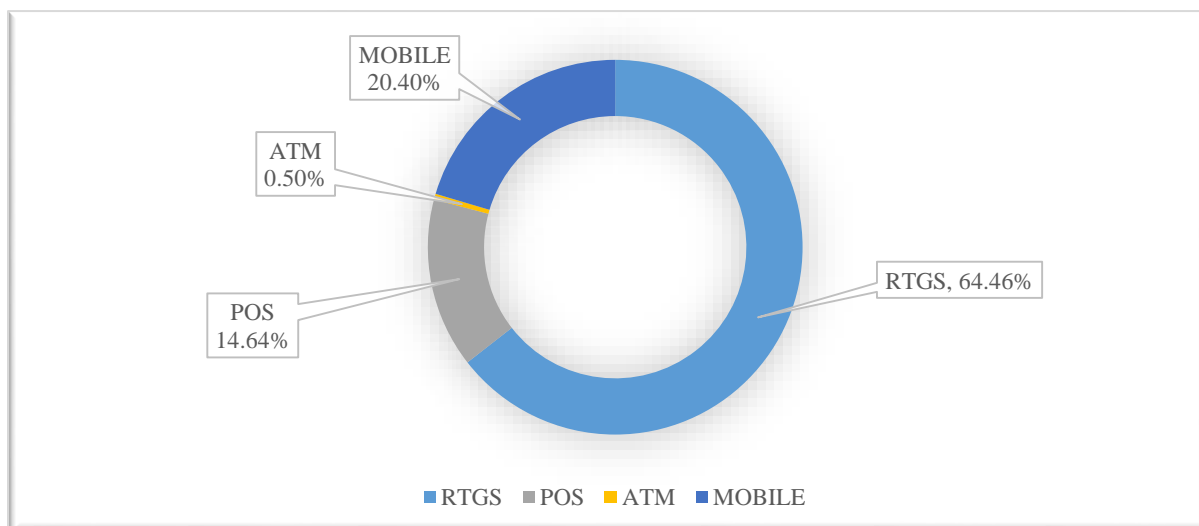
Source: Reserve Bank of Zimbabwe, 2020

## 2. CLEARING AND SETTLEMENT ACTIVITY

Transactions processed through the National Payment Systems (NPS) amounted to \$23.5 billion, compared to \$22.6 billion in the preceding week. This represented a 6.51% week-on-week increase in the value of aggregate transactions processed, during the week under review. RTGS transaction values rose by 4.88% to close at \$15.14 billion, during the same week.

The Real Time Gross Settlement (RTGS) transaction values constituted 64.46% of total NPS transactions, followed by Mobile, 20.40%; POS, 14.64% and ATM, 0.50%, respectively.

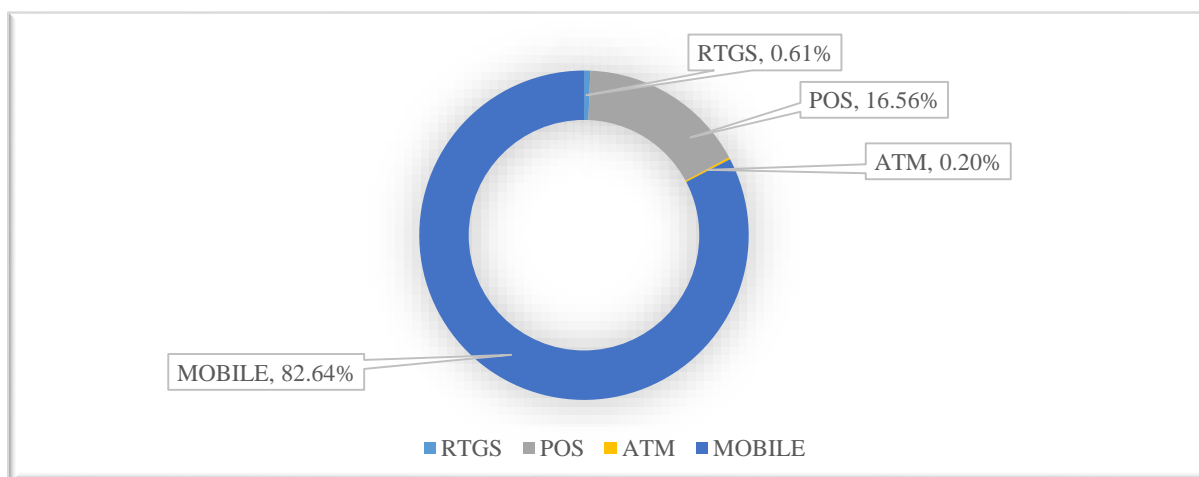
**Figure 1: Composition of NPS Transactions in Value Terms**



Source: Reserve Bank of Zimbabwe, 2020

NPS transactions volumes registered an increase of 2.57%, from 34,821,162 in the previous week to close at 35,718,017, during the reporting week. Mobile payments accounted for 82.64% of total volumes processed through the NPS, followed by POS, 16.56%; ATM, 0.20% and RTGS, 0.61%, 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
	29-May-2020	5-Jun-2020		
	<b>VALUES IN \$ (millions)</b>			
RTGS	14,437.53	15,142.17	4.88%	64.46%
POS	3,128.19	3,438.52	9.92%	14.64%
ATM	104.18	117.713	12.99%	0.50%
MOBILE	4,384.26	4,791.24	9.28%	20.40%
<b>TOTAL</b>	<b>22,054.17</b>	<b>23,489.65</b>	<b>6.51%</b>	<b>100%</b>
	<b>VOLUMES</b>			
RTGS	198,598	217,428	9.48%	0.61%
POS	5,655,276	5,913,755	4.57%	16.56%
ATM	90,307	71,212	-21.14%	0.20%
MOBILE	28,876,981	29,515,622	2.21%	82.64%
<b>TOTAL</b>	<b>34,821,162</b>	<b>35,718,017</b>	<b>2.57%</b>	<b>100%</b>

Source: Reserve Bank of Zimbabwe, 2020

### 3. TOBACCO SALES

As at 5<sup>th</sup> June 2019, or day 26 of the 2020 tobacco selling season, a cumulative total of 60.27 million kilograms of tobacco had been sold. This reflected a 62.4% increase in sales, compared to the 37.11 million kilograms sold during the same period in 2019. The cumulative value of tobacco sold amounted to \$136.92 million, which compares favorably to the \$65.96 million realized during the same period in 2019. The golden leaf was sold at an average price of US\$2.27/kg, compared to US\$1.78/kg realized during the same period in 2019.

**Table 4: Weekly Cumulative Tobacco Sales: Day 26 or as at 5<sup>th</sup> June 2019.**

	2019	2020	Variance (%)
<b>Cumulative Quantity Sold (kgs)</b>	37.11	60.27	62.41
<b>Cumulative Average Price (US\$/kg)</b>	1.78	2.27	27.81
<b>Cumulative Value (US\$ million)</b>	65.96	136.92	107.58

Source: Tobacco Industry and Marketing Board (TIMB), 2019

### 4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international commodity prices of platinum, copper, nickel, and Brent crude oil firmed, during the week under review. Gold prices, however, posted a marginal decline, as shown in Table 4.

**Table 4: International Commodity Prices**

	Gold	Platinum	Copper	Nickel	Crude Oil
2020	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
<b>weekly average (18-22 May)</b>	<b>1,717.22</b>	<b>830.00</b>	<b>5,315.25</b>	<b>12,164.25</b>	<b>34.89</b>
<b>26-May-20</b>	1,732.70	833.50	5,376.50	12,418.00	37.94
<b>27-May-20</b>	1,741.20	845.50	5,463.00	12,680.00	39.06
<b>28-May-20</b>	1,711.48	827.00	5,499.00	12,812.00	39.77
<b>29-May-20</b>	1,703.48	833.50	5,452.50	12,608.00	39.80
<b>5-Jun-20</b>	1,696.50	829.00	5,588.00	12,758.00	41.07
<b>weekly average (26-29 May)</b>	<b>1,717.07</b>	<b>833.70</b>	<b>5,475.80</b>	<b>12,655.20</b>	<b>39.53</b>
<b>Weekly Change (%)</b>	<i>-0.01</i>	<i>0.4</i>	<i>3.0</i>	<i>4.0</i>	<i>13.3</i>

Source: BBC, KITCO and Bloomberg 2020

## **Gold**

The weekly average price for the yellow metal stood at US\$1,717.22 per ounce, a marginal decline of 0.01%, from US\$1,717.07 per ounce recorded in the previous week. This was largely on account of waning demand for gold as a safe-haven asset. Signs of economic recovery for major economies such as the USA, coupled with the global easing of lockdown restrictions led to an increase in investor appetite for riskier assets.

## **Platinum**

Platinum prices increased by 0.4%, from US\$830.00 per ounce in the previous week to US\$833.70 per ounce, during the week under review. Prices were boosted by an improvement in the demand outlook for the precious metal, following the gradual relaxation of Covid-19 lockdown restrictions, especially in industrialized countries.

## **Copper**

The price of the base metal increased by 3.0%, from US\$5,315.25 per tonne recorded in the previous week, to US\$5 475.80 per tonne during the week under analysis. Signs of economic recovery in China, Europe and the US boosted the demand for copper, a development that provided support to the price.

## **Nickel**

Nickel prices firmed by 4.0%, from a weekly average of US\$12,164.25 per tonne in the preceding week to US\$12, 655.20 per tonne, during the week under analysis. Prices were supported by high demand prospects, amid an increase in global economic activities. In addition, global supply constraints for the base metal are anticipated to persist, following indications that Indonesia is likely to maintain the ban on exports of nickel ore.

## **Crude Oil**

Brent crude oil prices continued on an upward trend, gaining by 13.3%, from US\$34.89 per barrel in the previous week to US\$39.59 per barrel, during the week under analysis. The gains were, in part, attributable to optimism about a recovery in global demand. Additionally, increased compliance to production cuts by OPEC member countries also boosted prices.

## 5. EXCHANGE RATES

The Zimbabwe dollar (ZWL) softened against the South African rand, Botswana pula, British pound, and euro, during the week under review, as shown in Table 5.

**Table 5. International Exchange Rates<sup>1</sup>**

2020	USD	ZAR	GBP	BWP	EUR
<b>Weekly Average (26-29May)</b>	<b>25</b>	<b>1.3575</b>	<b>31.3306</b>	<b>2.0705</b>	<b>27.2805</b>
<b>1-Jun</b>	25	1.4408	31.0113	2.1125	27.8688
<b>2-Jun</b>	25	1.4382	31.285	2.12	27.8188
<b>3-Jun</b>	25	1.4627	31.4675	2.1375	28.0175
<b>4-Jun</b>	25	1.4707	31.3463	2.1425	28.0275
<b>5-Jun</b>	25	1.485	31.625	2.1575	28.4175
<b>Weekly Average (1-5June)</b>	<b>25</b>	<b>1.4593</b>	<b>31.3457</b>	<b>2.1339</b>	<b>28.0284</b>
<b>Apr (-)/Depr (+) (%) of the ZWL</b>	0	7.5	0.05	3.06	2.74

Source: Reserve Bank of Zimbabwe, 2020

## 6. EQUITY MARKETS

During the week ending 5<sup>th</sup> June 2020, the ZSE was characterised by bullish trading. Gains were recorded for all the major indices as follows: Top 10, 40.57%; Top 15, 39.55%; All Share, 34.04%; Small Cap 26.56%; and Medium Cap, 22.88% to close at 1 355.21 points, 1 415.58 points, 1 581.85 points, 4 849.47 points and 2 080.75 points, respectively.

The industrial index rose by 34.05% to close at 5 254.01 points, during the week under review. This followed share price gains recorded for Dawn Properties Limited (100.00%), Seed Co International Limited (92.83%), Willdale Limited (92.44%), Delta Corporation Limited (89.11%) and Seed Co Limited (70.09%). Partially offsetting the gains in the industrial index were losses in share prices of First Mutual Properties Limited (-12.83%), Medtech Holdings Limited (-9.41%) and Starafrika Corporation Limited (-5.56%).

The mining index increased by 31.95%, from 1582.86 points in the previous week to close at 2 088.66 points, during the week under review. This was largely underpinned by share price

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

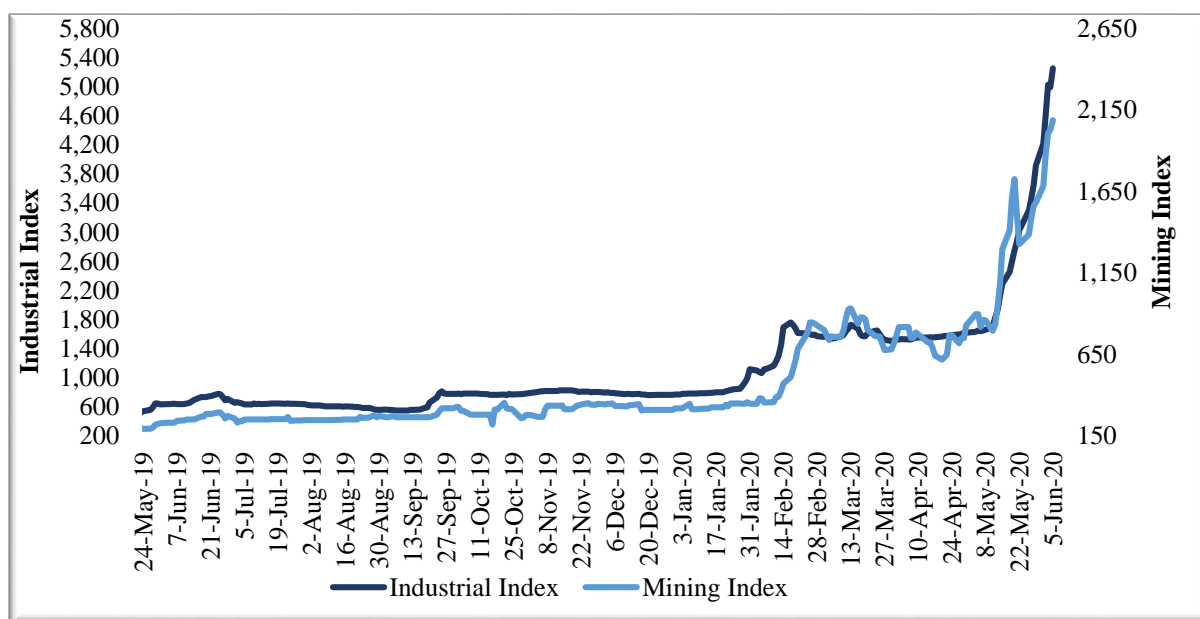
gains in RioZim Limited (37.68%); and Bindura Nickel Corporation Limited (28.41%), respectively.

**Table 6: 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>30-Apr-20</b>	488.60	397.18	410.96	707.58	1,579.97	1,617.24	826.64	63.39	53.64	19.68
<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>Weekly Change %</b>	34.04	40.57	39.55	186.38	-45.70	34.05	31.95	33.91	-33.89	-34.80

Source: Zimbabwe Stock Exchange (ZSE), 2020

**Figure 3: Zimbabwe Stock Exchange Indices**



Source: Zimbabwe Stock Exchange, 2020

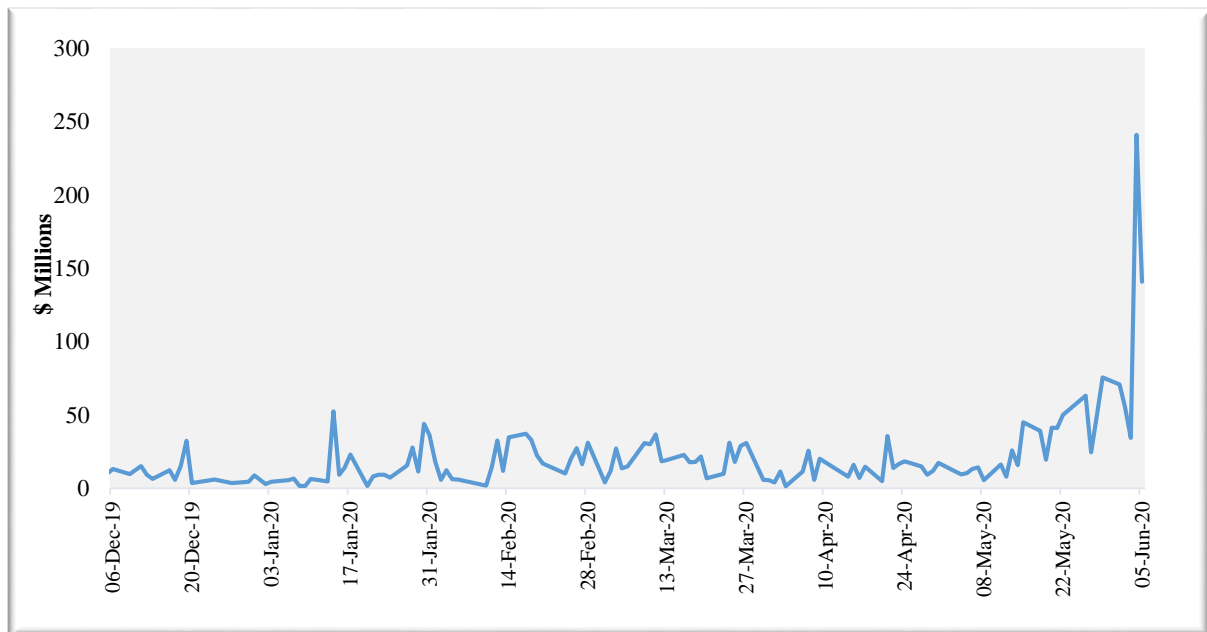
<sup>2</sup> The Zimbabwe Stock Exchange (ZSE) adopted the Global Industry Classification Standards, effective from 1 January 2020. The ZSE indices constitute the following categories; Top 10 Index; Top 15; Top 25; Medium cap and Small cap Indices.



## Market Turnover and Volume

The cumulative volume of shares traded at the ZSE declined by 34.80% to close at \$85.73 million shares, during the week under review. Weekly market turnover value for the local bourse amounted to \$140.92 million, compared to \$213.17 million realized in the previous week, as shown in Table 6. The daily market turnover is shown in Figure 4.

**Figure 4: Daily Market Turnover**



Source: Zimbabwe Stock Exchange, 2020

## Market Capitalization

The ZSE market capitalisation increased by 34%, from \$152.72 billion in the previous week to \$204.50 billion, during the week under review.

**Figure 5: Daily Market Capitalization**



Source: Zimbabwe Stock Exchange, 2020

### Johannesburg Stock Exchange (JSE) Developments

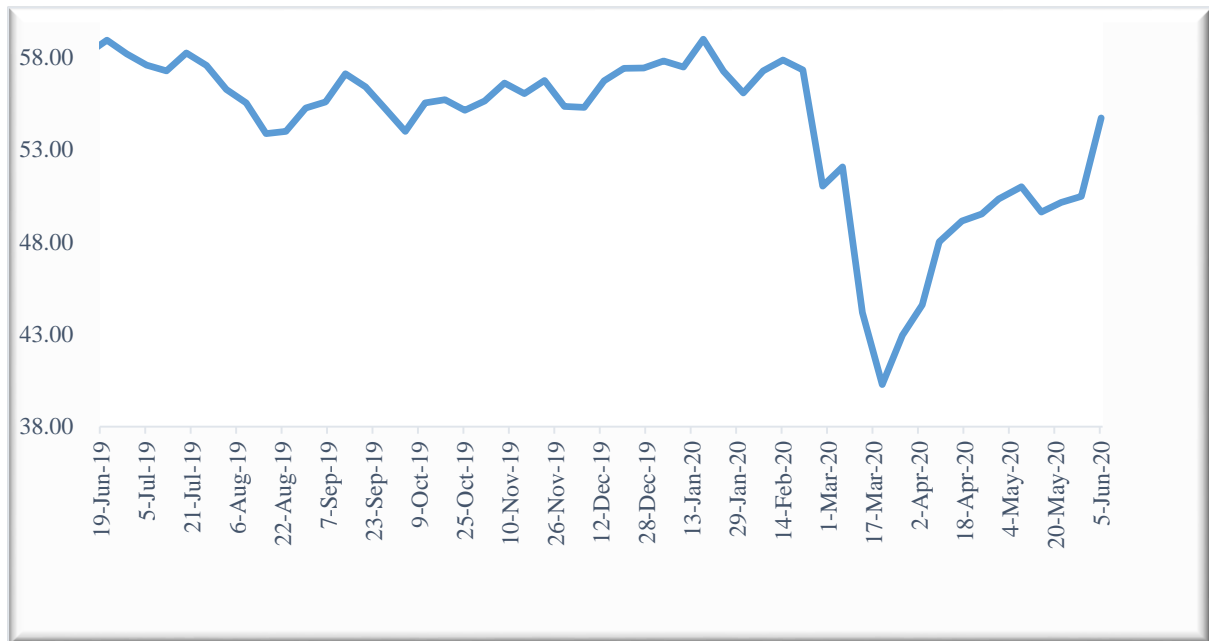
The JSE All Share Index increased by 8.4% to close at 54,722.38 points, during the week under analysis. Similarly, JSE market capitalization rose by 6.5% to close the same week at R17.12 billion.

**Table 7: Johannesburg Stock Exchange (JSE) Statistics**

Period	All Share Index (points)	Market Capitalization (ZAR billions)
<b>30-Apr-20</b>	50,336.72	16.10
<b>8-May-20</b>	51,003.58	16.08
<b>15-May-20</b>	49,628.72	15.89
<b>22-May-20</b>	50,147.21	15.90
<b>29-May-20</b>	50,483.00	16.08
<b>05-May 20</b>	54,722.38	17.12
<b>% Change</b>	<b>8.4</b>	<b>6.5</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**

**12<sup>TH</sup> JUNE 2020**