



# Weekly Economic Highlights

## Table of Contents

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

Week Ending  
13<sup>th</sup> March 2020

## 1. INTEREST RATES

### Deposit Rates

During the week ending 13<sup>th</sup> March 2020, minimum deposit rates for savings deposits and deposits of 1-month tenor remained unchanged at 2.36% and 2.82%, respectively. Minimum deposit rates for deposits of 3-month tenor, however, marginally increased from 3.79% to 3.82%, during the same week.

Maximum deposits rates for deposits of 1-month and 3-month tenors, increased to 6.12% and 6.16%, from 6.06% and 7.82%, respectively. Maximum deposit rates for savings deposits, however, remained unchanged at 4.74%, 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 (%)
14-Feb-20	2.36	4.74	2.82	5.37	3.63	5.53
20-Feb-20	2.36	4.74	2.82	5.51	3.63	5.53
28-Feb-20	2.36	4.74	2.82	5.51	3.36	5.53
6-Mar-20	2.36	4.74	2.82	6.06	3.79	7.82
13-Mar-20	2.36	4.74	2.82	6.12	3.82	6.16

Source: Reserve Bank of Zimbabwe, 2020

### Lending Rates

The week under review saw commercial bank minimum lending rates for individual and corporate clients increase by 0.19 and 0.18 percentage points to close the week at 18.91% and 17.37%, respectively. Maximum lending rates for individual and corporate clients, however, registered decreases of 0.09 and 0.05 percentage points to close at 32.89% and 37.32%, respectively, as shown in Table 2.

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

Date	Individual Clients		Corporate Clients	
	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
14-Feb-20	16.14	31.16	16.76	37.20
20-Feb-20	16.89	31.56	16.55	37.40
28-Feb-20	16.92	31.66	16.68	37.23
6-Mar-20	18.72	32.98	17.19	37.37
13-Mar-20	18.91	32.89	17.37	37.32

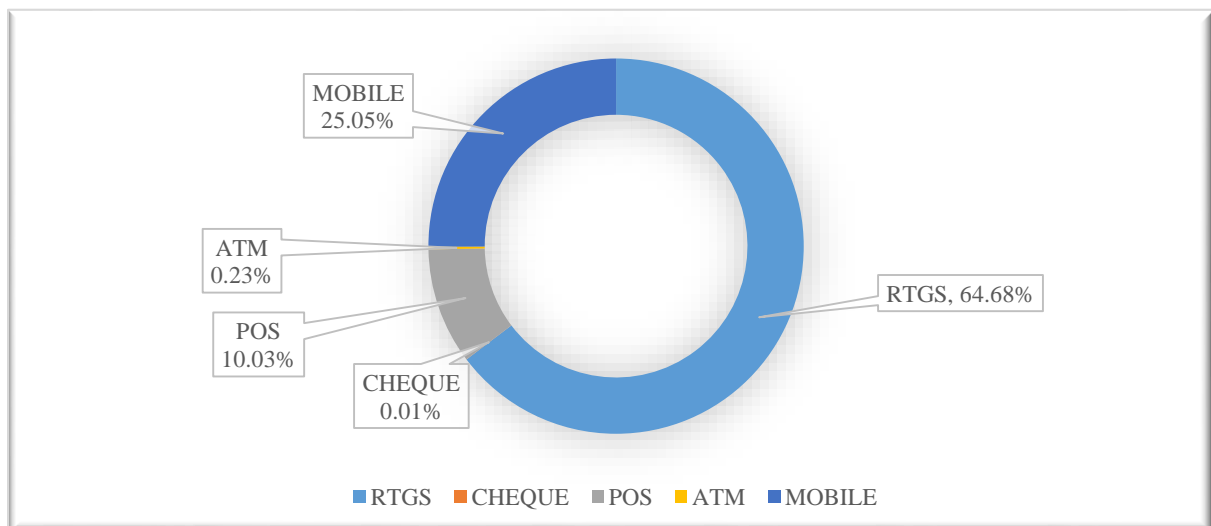
Source: Reserve Bank of Zimbabwe, 2020

## 2. CLEARING AND SETTLEMENT ACTIVITY

The total value of transactions processed through the National Payment Systems (NPS) amounted to \$20.08 billion, during the week ending 13<sup>th</sup> March 2020. This represented an increase of 10.11%, from \$18.24 recorded in the preceding week. The dominance of RTGS in the composition of NPS values continued in the week under analysis, accounting for 64.68% of the total transaction values, amounting to \$12.99 billion.

The NPS transactions, in values terms, were distributed as follows: RTGS, 64.68%; Mobile, 25.05%; Point of Sale (POS), 10.03%; Automated Teller Machine (ATM), 0.23%; and Cheque, 0.01%, as shown in Figure 1.

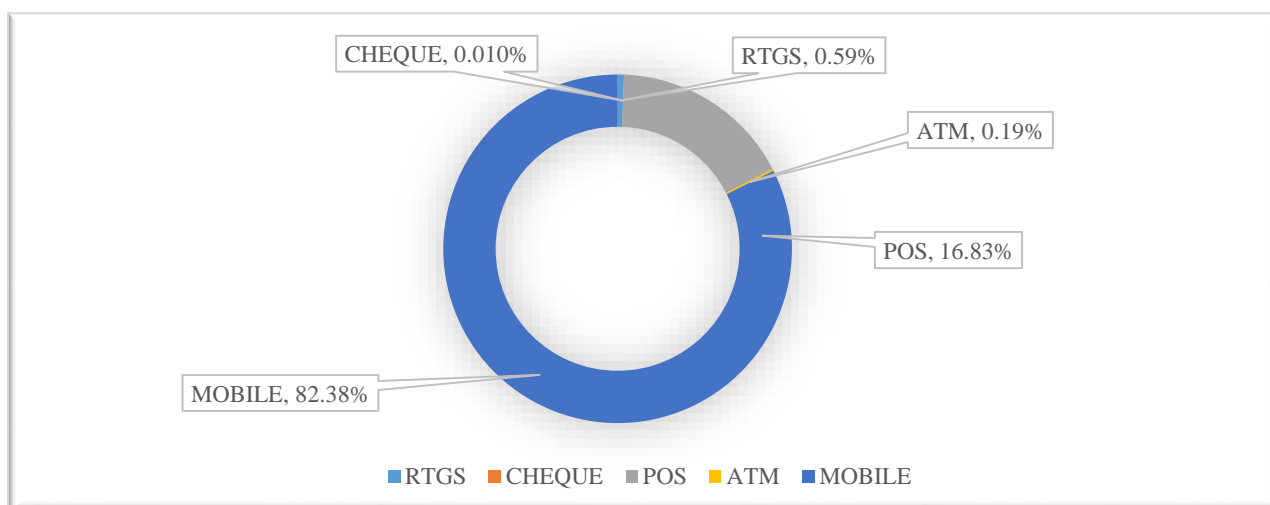
**Figure 1: Composition of NPS Transactions in Value Terms**



Source: Reserve Bank of Zimbabwe, 2020

The week-on-week NPS transaction volumes decreased by 2.6% to close the week under review at 38.15 million, from 39.17 million transactions recorded in the preceding week. The composition of NPS transactions in volume terms was as follows: Mobile, 82.38%; POS, 16.83%; ATM, 0.19%; RTGS 0.59%; and Cheque, 0.01%, 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
	6-Mar-20	13-Mar-20		
	<b>VALUES IN Z\$ (millions)</b>			
RTGS	11,093.19	12,988.23	17.08%	64.68%
CHEQUE	1.09	1.24	14.41%	0.01%
POS	1,940.52	2,014.58	3.82%	10.03%
ATM	75.66	46.67	-38.32%	0.23%
MOBILE	5,127.83	5,031.50	-1.88%	25.05%
<b>TOTAL</b>	<b>18,238.29</b>	<b>20,082.23</b>	<b>10.11%</b>	<b>100%</b>
	<b>VOLUMES</b>			
RTGS	267,213	224,891	-15.84%	0.59%
CHEQUE	2,347	2,119	-9.71%	0.01%
POS	6,821,453	6,421,265	-5.87%	16.83%
ATM	63,064	72,083	14.30%	0.19%
MOBILE	32,016,127	31,427,387	-1.84%	82.38%
<b>TOTAL</b>	<b>39,170,204</b>	<b>38,147,745</b>	<b>-2.61%</b>	<b>100%</b>

Source: Reserve Bank of Zimbabwe, 2020

### 3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The weekly average prices for all commodities in the selected basket retreated during the week under review, as shown in Table 4.

**Table 4: International Commodity Prices**

	<b>Gold</b>	<b>Platinum</b>	<b>Copper</b>	<b>Nickel</b>	<b>Crude Oil</b>
<b>2020</b>	<i>US\$/ounce</i>	<i>US\$/ounce</i>	<i>US\$/tonne</i>	<i>US\$/tonne</i>	<i>US\$/barrel</i>
<b>Weekly average (2-6 Mar)</b>	<b>1,638.83</b>	<b>871.70</b>	<b>5,654.55</b>	<b>12,688.00</b>	<b>48.03</b>
<i>9-Mar</i>	<i>1674.55</i>	<i>871.50</i>	<i>5508.50</i>	<i>12542.50</i>	<i>36.12</i>
<i>10-Mar</i>	<i>1656.55</i>	<i>873.50</i>	<i>5572.75</i>	<i>12679.00</i>	<i>38.01</i>
<i>11-Mar</i>	<i>1658.13</i>	<i>879.50</i>	<i>5497.75</i>	<i>12372.50</i>	<i>34.17</i>
<i>12-Mar</i>	<i>1603.68</i>	<i>833.50</i>	<i>5417.75</i>	<i>11812.00</i>	<i>33.91</i>
<i>13-Mar</i>	<i>1575.48</i>	<i>791.50</i>	<i>5436.75</i>	<i>12246.00</i>	<i>32.76</i>
<b>Weekly average (9-13 Mar)</b>	<b>1,633.68</b>	<b>849.90</b>	<b>5,486.70</b>	<b>12,330.40</b>	<b>34.99</b>
<b>Weekly Change (%)</b>	<b>-0.3</b>	<b>-2.5</b>	<b>-3.0</b>	<b>-2.8</b>	<b>-27.1</b>

Source: BBC, KITCO and Bloomberg 2020

#### **Gold**

The weekly average gold price eased by 0.3%, from US\$1,638.83/oz in the previous week to US\$ 1,633.68/oz, during the week under review. Slackening global demand in India, the world's second largest consumer of gold and a stronger US dollar partly contributed to the decline in prices.

#### **Platinum**

Platinum prices declined by 2.5%, from a weekly average of US\$871.70/oz in the previous week to US\$849.90/oz, during the week under review. This followed weakening demand, especially in the automobile industries, on the back of stringent restrictions taken by European nations, amid mounting concerns over the scale of the coronavirus pandemic.

#### **Copper**

The price of copper retreated by 3.0% to close at US\$5,486.70/tonne, during the week under analysis. Prices slumped amid market concerns over the impact of interventions currently being taken by Central Banks and governments to mitigate the adverse effects of the coronavirus pandemic.

## Nickel

Nickel prices dropped by a 2.8% margin, from a weekly average of US\$12,688.00/ton in the week ending 6<sup>th</sup> March 2020 to US\$12,330.40/ton during the week under review. The retreat in prices was on the back of negative Chinese trade data, which showed a widening trade deficit. This negatively affected investor confidence, sparking worries about China's ability to meet the terms of Phase 1 of the Trade Deal with the US.

## Crude Oil

The weekly average prices of crude oil declined by 27.1% to US\$34.99/barrel, during the week under review. This was occasioned by global price wars after Russia rejected proposed oil supply cuts by the Organization of the Petroleum Exporting Countries (OPEC). In addition, Saudi Arabia continued to boost output in a market already characterized by oversupply conditions. The slump in demand that emanated from travel restrictions between the US and Europe also weighed down the prices.

## 4. EXCHANGE RATES

The week ending 13<sup>th</sup> March 2020, saw the ZWL marginally weaken against the euro; pound sterling; US dollar; and pula. The local unit, however, appreciated against the rand, as shown in Table 5.

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

2020	EUR	GBP	USD	BWP	ZAR
<b>Weekly Average (2-6 Mar)</b>	<b>20.0823</b>	<b>23.1565</b>	<b>18.0561</b>	<b>1.62276</b>	<b>1.16993</b>
<i>9-Mar</i>	20.724	23.7469	18.1885	1.6151	1.1222
<i>10-Mar</i>	20.6972	23.7823	18.2226	1.6337	1.1503
<i>11-Mar</i>	20.7166	23.6167	18.2622	1.6289	1.1425
<i>12-Mar</i>	20.7415	23.534	18.3651	1.6317	1.1201
<i>13-Mar</i>	20.6082	23.0865	18.3986	1.6098	1.1205
<b>Weekly Average (9-13Mar)</b>	<b>20.7198</b>	<b>23.6699</b>	<b>18.2596</b>	<b>1.6273</b>	<b>1.1338</b>
<b>Appr(-)/Depr(+) (%) of the ZWL</b>	<b>3.2</b>	<b>2.2</b>	<b>1.1</b>	<b>0.3</b>	<b>-3.1</b>

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

## 5. EQUITY MARKETS

During the week ending 13<sup>th</sup> March 2020, the Zimbabwe Stock Exchange (ZSE) was characterised by positive trading. Resultantly, the All Share, Top 10 and Top 15 indices rose by 12.35%, 14.17% and 13.92%, to close the week at 522.20, 445.76, and 457.21 points, respectively. Similarly, the Medium Cap index gained by 139.79%, to close the week under analysis at 1510.77 points. The Small Cap index, however, declined by 55.96% to close at 695.58 points, during the same week.

The industrial index increased by 12.09%, to close the week under review at 1726.12 points. This was, in part, on account of share price gains recorded at First Mutual Properties Limited, (100%); Meikles Limited, (38.96%); Cafca Limited, (33.33%); Delta Corporation Limited, (25.47%) and Truworths Limited, (24.07%).

The mining index stood at 932.07 points during the week under review, up from 757.10 points recorded in the previous week. Share price increases for Riozim Limited and Bindura Nickel Corporation Limited accounted for the increase in the mining index.

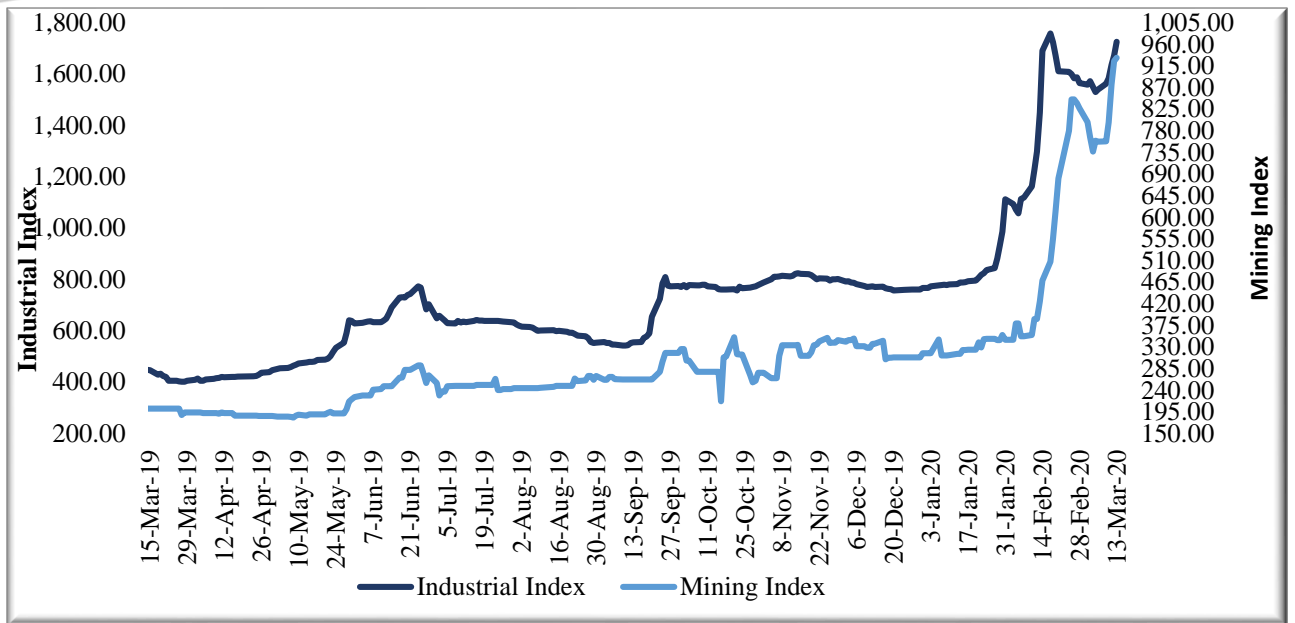
**Table 6: Zimbabwe Stock Exchange Statistics<sup>3</sup>**

	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 (millio)
<b>14-Feb-20</b>	505.85	476.94	472.79	544.95	1089.16	1690.91	468.35	65.75	96.25	35.12
<b>20-Feb-20</b>	485.05	421.68	428.79	621.92	1401.50	1611.50	680.44	62.70	109.53	78.42
<b>28-Feb-20</b>	473.13	399.69	409.42	638.23	1493.28	1564.98	826.73	60.99	105.81	37.18
<b>6-Mar-20</b>	464.81	390.45	401.35	630.05	1579.58	1539.90	757.10	59.84	71.99	59.83
<b>13-Mar-20</b>	522.20	445.76	457.21	1510.77	695.58	1726.12	932.07	67.25	135.61	43.31
<b>Weekly Change (%)</b>	12.35	14.17	13.92	139.79	-55.96	12.09	23.11	12.38	88.37	-27.61

Source: Zimbabwe Stock Exchange (ZSE), 2020

<sup>3</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**

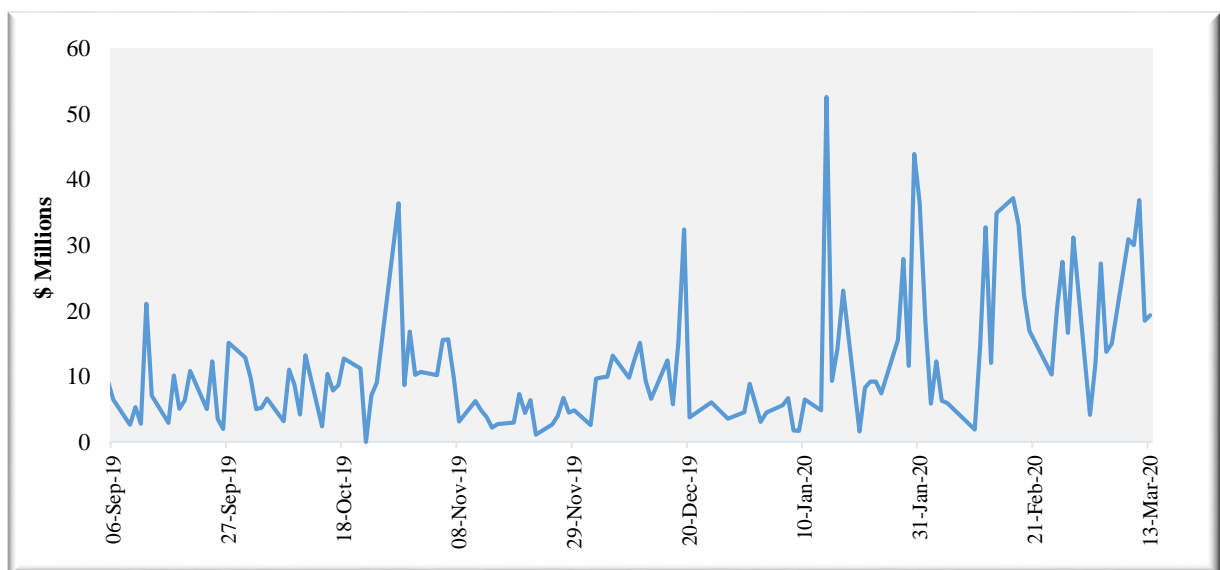


Source: Zimbabwe Stock Exchange, 2020

### Market Turnover and Volume

The cumulative volume of shares traded on the ZSE decreased by 27.61%, from 59.83 million shares traded in the preceding week to 43.31 million shares, during the week under review. ZSE market turnover, however, marginally increased by 88.38%, from \$71.99 million registered in the previous week to \$135.61 million, during the week under analysis.

**Figure 4: Daily Market Turnover**



Source: Zimbabwe Stock Exchange, 2020



## Market Capitalization

ZSE market capitalisation gained by 12.38%, from \$59.84 billion at the close of the preceding week to \$67.25 billion, at the close of the week under review. This was attributed to share gains in all indices save for the Medium Cap.

**Figure 5: Daily Market Capitalization**



Source: Zimbabwe Stock Exchange, 2020

## Johannesburg Stock Exchange (JSE) Developments

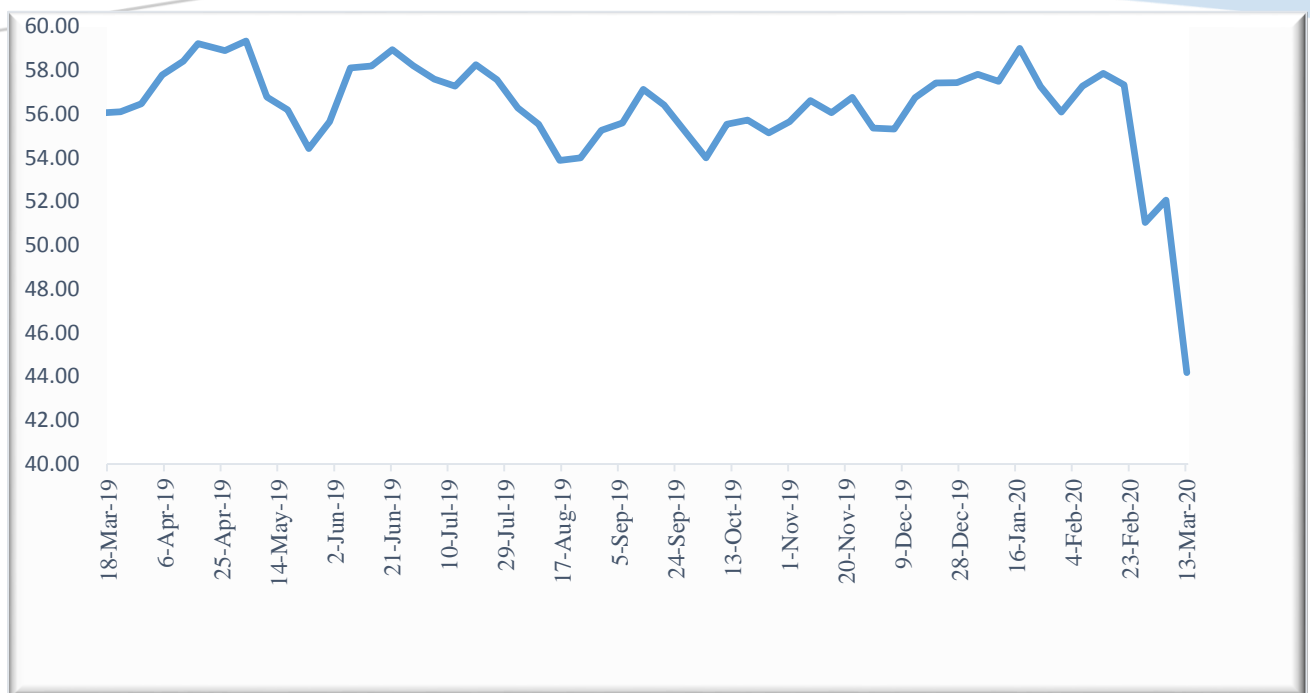
The JSE All Share Index closed the week under analysis at 44,177.63 points, a 15.15% decline from 52,064.72 points recorded in the previous week. Similarly, JSE market capitalization recorded a 17.67% decrease to close at R13.19 billion, during the same week.

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

Period	All Share Index (points)	Market Capitalization 8 (ZAR billions)
14-Feb-20	57,861.76	17.78
21-Feb-20	57,336.21	17.82
28-Feb-20	51,038.18	15.78
6-Mar-20	52,064.72	16.02
13-Mar-20	44,177.63	13.19
% Change	<b>-15.15</b>	<b>-17.67</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**

**24<sup>th</sup> MARCH 2020**