



Weekly Economic Highlights

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Week Ending
6th March 2020

1. INTEREST RATES

Deposit Rates

During the week ending 6th March 2020, minimum deposit rates for savings deposits and deposits of 1-month tenor remained unchanged at previous week levels of 2.36% and 2.82%, respectively. Minimum deposit rates for deposits of 3-month tenor, however, increased from 3.36% to 3.79%, during the same week.

Maximum deposit rates for savings deposits and deposits of 1-month and 3-month tenors, stood at 6.06% and 7.82%, respectively. Maximum deposit rates for savings deposits 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 (%)
7-Feb-20	2.36	4.74	2.79	5.22	3.37	5.47
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

Source: Reserve Bank of Zimbabwe, 2020

Lending Rates

Commercial bank minimum lending rates for individual and corporate clients rose by 1.80 and 0.51 percentage points to close at 18.72% and 17.19%, respectively. Similarly, maximum lending rates for individual and corporate clients also increased by 1.32 and 0.14 percentage points to close at 32.98% and 37.37%, respectively, as shown in Table 2.

Table 2: Lending Rates (per annum)

Date	Individual Clients		Corporate Clients	
	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
7-Feb-20	16.48	31.31	16.76	37.04
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

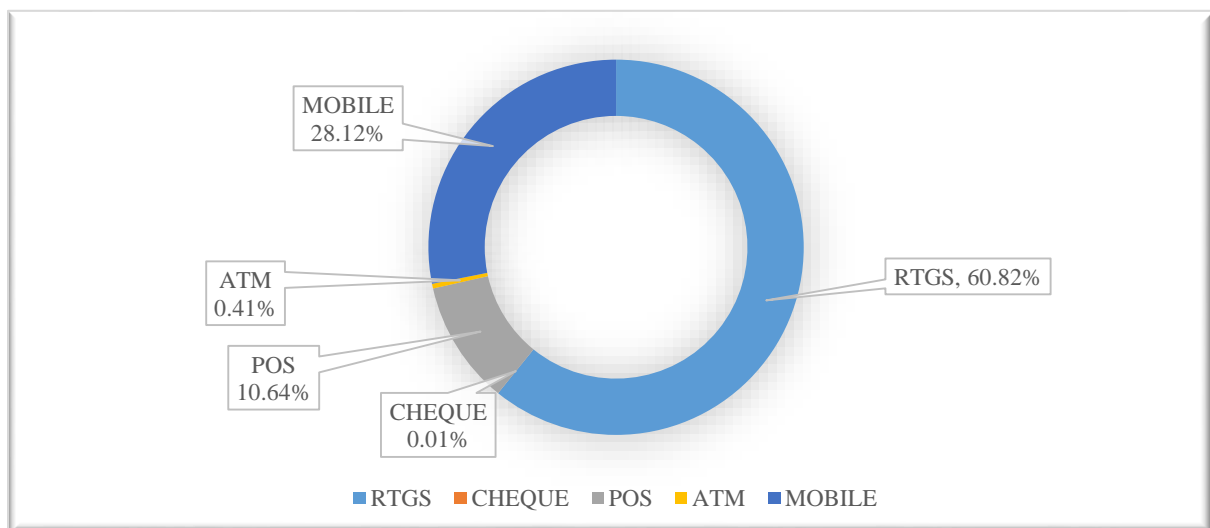
Source: Reserve Bank of Zimbabwe, 2020

2. CLEARING AND SETTLEMENT ACTIVITY

During the week ending 6th March 2020, the total value of transactions processed through the National Payment System (NPS) stood at \$18.24 billion, a 0.75% decline from \$18.38 billion recorded in the previous week. Similarly, the value of transactions processed through the Real Time Gross Settlement (RTGS) decreased from \$11.79 billion in the previous week, to close the week under review at \$11.09 billion.

As shown in Figure 1, the composition of NPS transactions, in value terms, was as follows: RTGS, 60.82%; Mobile, 28.12%; Point of Sale (POS), 10.64%; Automated Teller Machine (ATM), 0.41%; and Cheque, 0.01%.

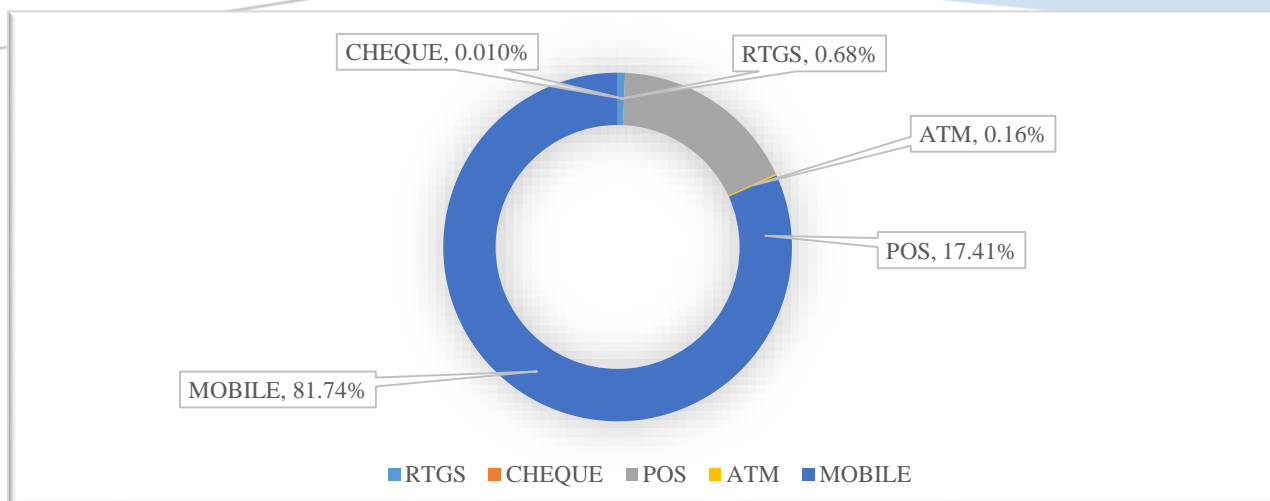
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2020

In volume terms, NPS transactions decreased by 4.84% to close at 39.17 million transactions, during the week under analysis. The composition of NPS transactions, in volume terms, was as follows: Mobile, 81.74%; POS, 17.41%; ATM, 0.16%; RTGS 0.68%; 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
	28-Feb-20	6-Mar-20		
	VALUES IN Z\$ (millions)			
RTGS	11,792.34	11,093.19	-5.93	60.82
CHEQUE	1.10	1.09	-1.14	0.01
POS	1,724.51	1,940.52	12.53	10.64
ATM	25.64	75.66	195.06	0.41
MOBILE	4,831.69	5,127.83	6.13	28.12
TOTAL	18,375.28	18,238.29	-0.75	100
	VOLUMES			
RTGS	289,674	267,213	-7.75	0.68
CHEQUE	2,005	2,347	17.06	0.01
POS	6,023,402	6,821,453	13.25	17.41
ATM	68,378	63,064	-7.77	0.16
MOBILE	34,778,760	32,016,127	-7.94	81.74
TOTAL	41,162,219.00	39,170,204.00	-4.84	100

Source: Reserve Bank of Zimbabwe, 2020

3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

Gold, platinum and crude oil prices declined during the week ending 6th March 2020. The prices of copper and nickel, however, firmed as shown in Table 4.

Table 4: International Commodity Prices

	Gold	Platinum	Copper	Nickel	Crude Oil
2020	<i>US\$/ounce</i>	<i>US\$/ounce</i>	<i>US\$/tonne</i>	<i>US\$/tonne</i>	<i>US\$/barrel</i>
weekly average (24-28 Feb)	1,647.79	929.6	5,633.00	12,333.30	53.33
<i>2-Mar</i>	<i>1,604.68</i>	<i>865.5</i>	<i>5,699.77</i>	<i>12,602.00</i>	<i>52.69</i>
<i>3-Mar</i>	<i>1,607.28</i>	<i>866.5</i>	<i>5,638.25</i>	<i>12,611.00</i>	<i>52.44</i>
<i>4-Mar</i>	<i>1,643.33</i>	<i>877</i>	<i>5,672.50</i>	<i>12,620.00</i>	<i>51.91</i>
<i>5-Mar</i>	<i>1,653.53</i>	<i>866.5</i>	<i>5,651.75</i>	<i>12,831.00</i>	<i>49.65</i>
<i>6-Mar</i>	<i>1,685.33</i>	<i>883</i>	<i>5,610.50</i>	<i>12,776.00</i>	<i>33.46</i>
weekly average (2-6 Mar)	1,638.83	871.7	5,654.55	12,688.00	48.03
Weekly Change (%)	-0.5	-6.2	0.4	2.9	-9.9

Source: BBC, KITCO and Bloomberg 2020

Gold

Gold prices stood at US\$1,638.83/oz. during the week under review, representing a marginal decline from US\$1,647.79/oz. recorded in the previous week. The yellow metal maintained its appeal as a safe haven asset, amid the rising number of coronavirus cases around the globe.

Platinum

Platinum prices shed 6.2% from US\$929.6/ounce recorded in the previous week, to US\$871.70/ounce during the week under review. Prices were weighed down by a slump in industrial demand in the automotive industry in Asia, coupled with a decrease in demand for jewelry in China and India due to the outbreak of the coronavirus epidemic.

Copper

Copper prices firmed by 0.4%, from US\$5,633.00/tonne recorded in the previous week to US\$ 5,654.55/tonne, during the week under review. The increase followed rising market optimism about a recovery in demand, following a slowdown in the number of coronavirus cases in China.

Nickel

Nickel prices closed the week under review at US\$12,688.00/tonne, 2.9% up from US\$12,333.30/tonne recorded in the previous week. Prices were supported by stimulus measures being implemented by central banks globally, to mitigate the economic impact of the coronavirus epidemic.

Crude Oil

The price of crude oil declined by 9.9%, from US\$53.33/barrel, recorded in the previous week to US\$48.03/barrel, during the week ending 6th March 2020. Prices were partly weighed down by the refusal of Russia to back Saudi Arabia and other Organization of Petroleum Exporting Countries (OPEC) members on production cuts, in order to offset demand lost due to the coronavirus epidemic.

EXCHANGE RATES

The ZWL depreciated against the euro; US dollar; pula and pound Sterling, during the week under analysis. The local unit, however, appreciated against the rand, as shown in Table 5.

Table 5. International Exchange Rates¹

2020	EUR	USD	BWP	GBP	ZAR
Weekly Average (24-28Feb)	19.4337	17.8892	1.61601	23.1642	1.1781
<i>2-Mar</i>	<i>19.8792</i>	<i>17.9976</i>	<i>1.6053</i>	<i>23.09</i>	<i>1.1509</i>
<i>3-Mar</i>	<i>20.1063</i>	<i>18.0383</i>	<i>1.6144</i>	<i>23.0538</i>	<i>1.1677</i>
<i>4-Mar</i>	<i>20.1727</i>	<i>18.0735</i>	<i>1.6338</i>	<i>23.1639</i>	<i>1.176</i>
<i>5-Mar</i>	<i>20.171</i>	<i>18.115</i>	<i>1.6376</i>	<i>23.3185</i>	<i>1.1851</i>
<i>6-Mar</i>	<i>20.3934</i>	<i>18.1525</i>	<i>1.6319</i>	<i>23.5138</i>	<i>1.1545</i>
Weekly Average (2-6 Mar)	20.0823	18.0561	1.6228	23.1565	1.1699
Appr(-)/Depr(+) (%) of the ZWL	3.3	0.9	0.4	0.0	-0.7

Source: Reserve Bank of Zimbabwe, 2020

¹ Direct quote – the amount of domestic currency needed to exchange for 1 unit of foreign currency

4. EQUITY MARKETS

Bearish sentiment characterized the Zimbabwe Stock Exchange (ZSE), during the week ending 6th March 2020. Resultantly, the All Share, Top 10 and Top 15 indices lost 1.76% and 2.31% and 1.97%, to close the week under review at 464.18; 390.45; and 401.35 points, respectively. Similarly, the Medium Cap shed 1.28% to close the week at 630.05 points. The Small Cap index, however, rose by 5.78%, to close the same week at 1579.58 points.

The industrial index declined by 1.60% to close at 1,539.90 points, during the week under review. Share price losses for Dairibord Holdings Limited, (18.60%); Mashonaland Holdings Limited, (18.41%); Meikles Limited, (16.57%); African Sun Limited, (15.74%) and Zimre Property Investment Limited, (12.28%) weighed down the industrial index.

The mining index decreased by 8.42% from 826.73 points, recorded in the previous week, to close the week under review at 757.10 points. This was largely underpinned by share price losses for Bindura Nickel Cooperation Limited, Riozim Limited and Falcon Gold Zimbabwe Limited.

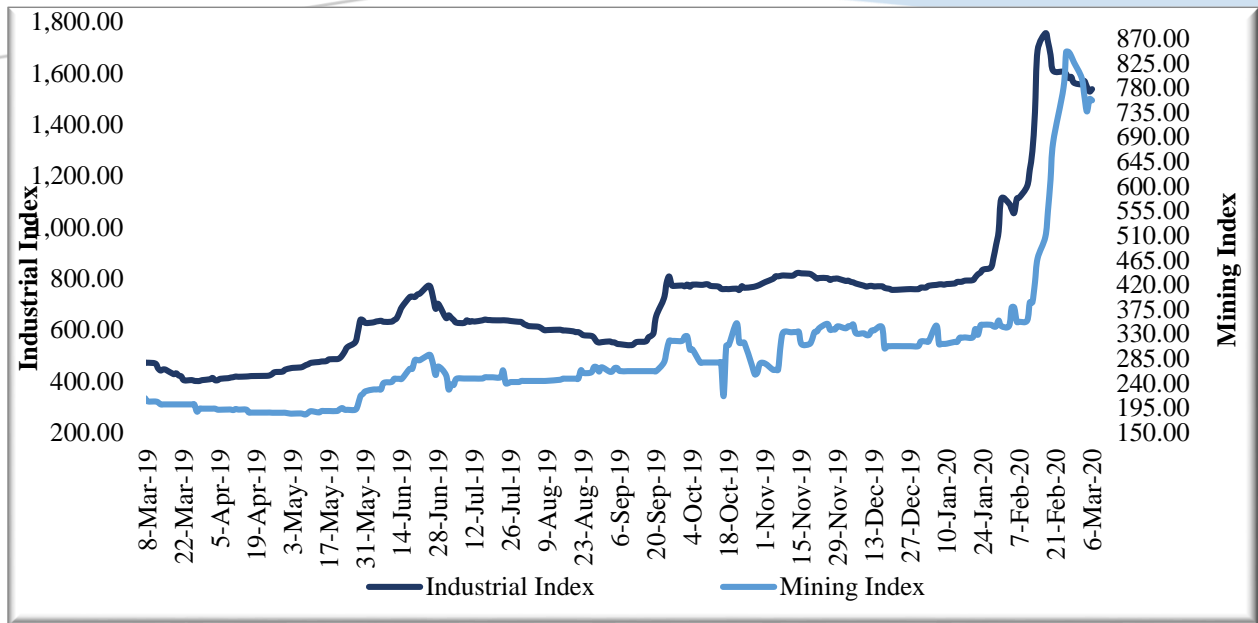
Table 6: Zimbabwe Stock Exchange Statistics³

	All Share Index points	Top 10 index (points)	Top 15 Index ³ points	Medium Cap ³ (points)	Small Cap ³ (points)	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (ZWL million)	Market Turnover (ZWL million)	Volume of Shares (million)
07-Feb-20	334.69	303.98	303.55	391.95	859.55	1118.00	352.62	43.35	48.53	21.96
14-Feb-20	505.85	476.94	472.79	544.95	1089.16	1690.91	468.35	65.75	96.25	35.12
20-Feb-20	485.05	421.68	428.79	621.92	1401.50	1611.50	680.44	62.70	109.53	78.42
28-Feb-20	473.13	399.69	409.42	638.23	1493.28	1564.98	826.73	60.99	105.81	37.18
6-Mar-20	464.81	390.45	401.35	630.05	1579.58	1539.90	757.10	59.84	71.99	59.83
Weekly Change (%)	-1.76	-2.31	-1.97	-1.28	5.78	-1.60	-8.42	-1.89	-31.96	60.92

Source: Zimbabwe Stock Exchange (ZSE), 2020

³ 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

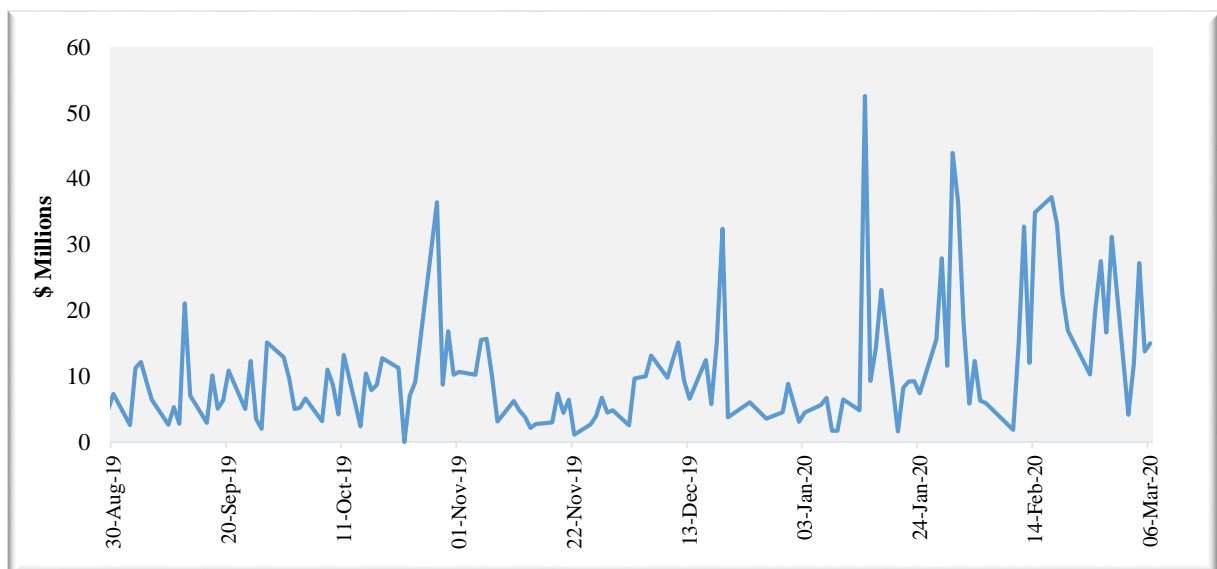


Source: Zimbabwe Stock Exchange, 2020

Market Turnover and Volume

The total volume of shares traded on the ZSE stood at 59.83 million shares, during the week under review, up from 37.18 million shares traded in the preceding week. ZSE market turnover, however, decreased by 31.96%, to close the week under analysis at \$71.99 million.

Figure 4: Daily Market Turnover



Source: Zimbabwe Stock Exchange, 2020

Market Capitalization

ZSE market capitalisation lost 1.89%, from \$60.99 billion recorded in the preceding week to \$59.84 billion, during the week under review. The decline was attributed to declines in all indices save for the Small Cap index.

Figure 5: Daily Market Capitalization



Source: Zimbabwe Stock Exchange, 2020

Johannesburg Stock Exchange (JSE) Developments

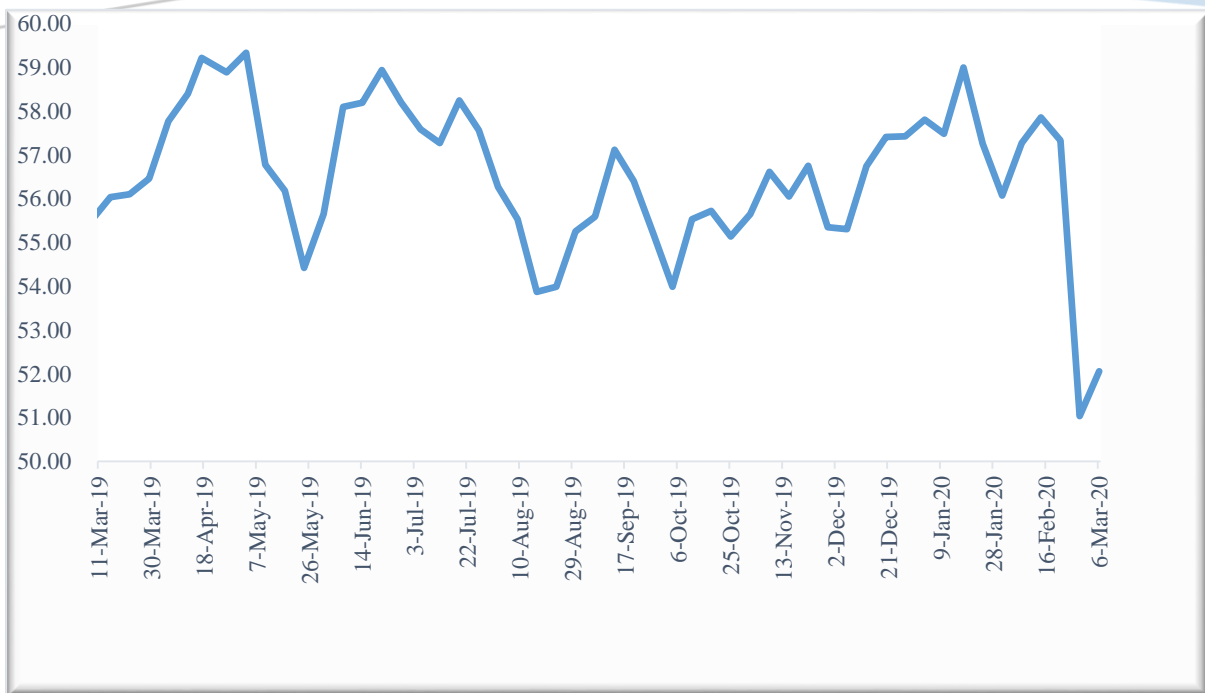
The JSE All Share Index rose by 2.01% to close at 52,064.72 points, during the week ending 6th March 2020. Similarly, JSE market capitalization stood at ZAR16.02 billion, a 1.52% increase from ZAR15.78 billion recorded in the previous week.

Table 7: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalization 8 (ZAR billions)
7-Feb-20	57,276.49	17.72
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
% Change	2.01	1.52

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

18th MARCH 2020