



Weekly Economic Highlights

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Week Ending
15th May 2020

1. INTEREST RATES

Deposit Rates

During the week ending 15th May 2020, minimum deposit rates for savings deposits and deposits of 1-month and 3-month tenors remained unchanged at 2.35%, 3.39% and 3.95%, respectively. Maximum deposits rates for savings deposits and deposits of 1-month and 3-month tenors also remained unchanged at 5.19%, 6.24% and 6.39%, 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 (%)
17-April-20	2.36	4.74	3.12	6.12	3.79	6.16
24-April-20	2.36	4.74	3.46	5.84	3.95	6.39
30-April-20	2.36	4.74	3.46	5.84	3.95	6.39
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

Source: Reserve Bank of Zimbabwe, 2020

Lending Rates

Commercial bank minimum lending rates for individual and corporate clients remained unchanged at 18.57% and 18.69%, respectively, during the week under review. Similarly maximum commercial bank lending rates for individual and corporate clients were unchanged at 34.98% and 42.34%, respectively, as shown in Table 2.

Table 2: Lending Rates (per annum)

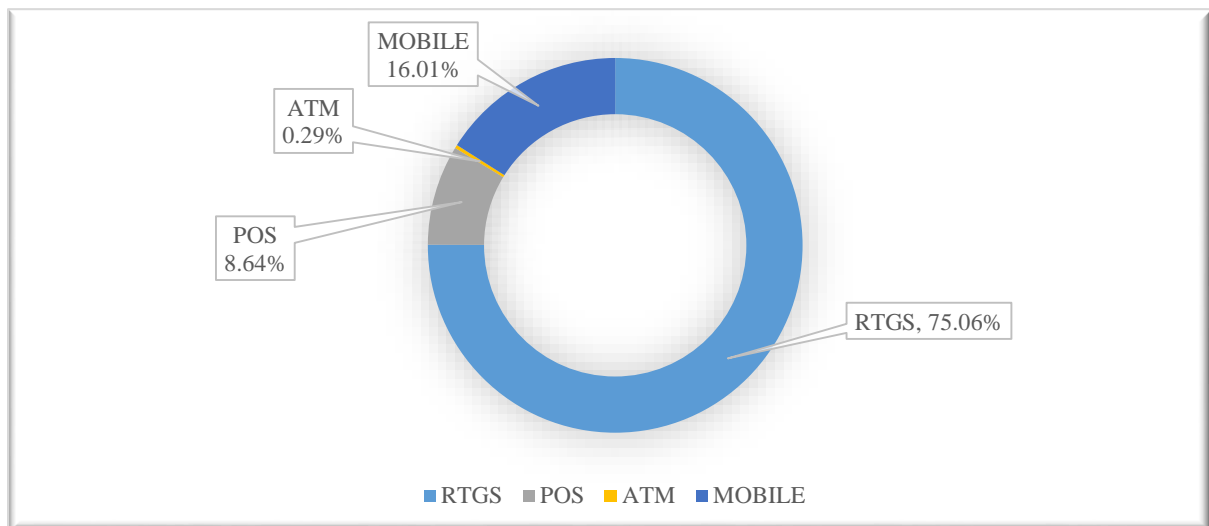
Date	Individual Clients		Corporate Clients	
	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
17-Apr-20	19.00	33.12	16.86	37.19
24-Apr-20	19.61	34.43	16.39	38.62
30-Apr-20	19.61	34.43	16.39	38.62
8-May-20	18.57	34.98	18.69	42.34
15-May-20	18.57	34.98	18.69	42.34

Source: Reserve Bank of Zimbabwe, 2020

2. CLEARING AND SETTLEMENT ACTIVITY

Transactions processed through the National Payment Systems (NPS) increased from \$18.83 billion in the previous week to \$20.75 billion, in the week under analysis. RTGS transactions were higher by 16.60% at \$15.58 billion, from \$13.36 billion recorded during the previous week. The distribution of NPS transaction values was as follows: RTGS, 75.06%; Mobile, 16.01%; Point of Sale (POS), 8.64%; and Automated Teller Machine (ATM), 0.29%, as shown in Figure 1.

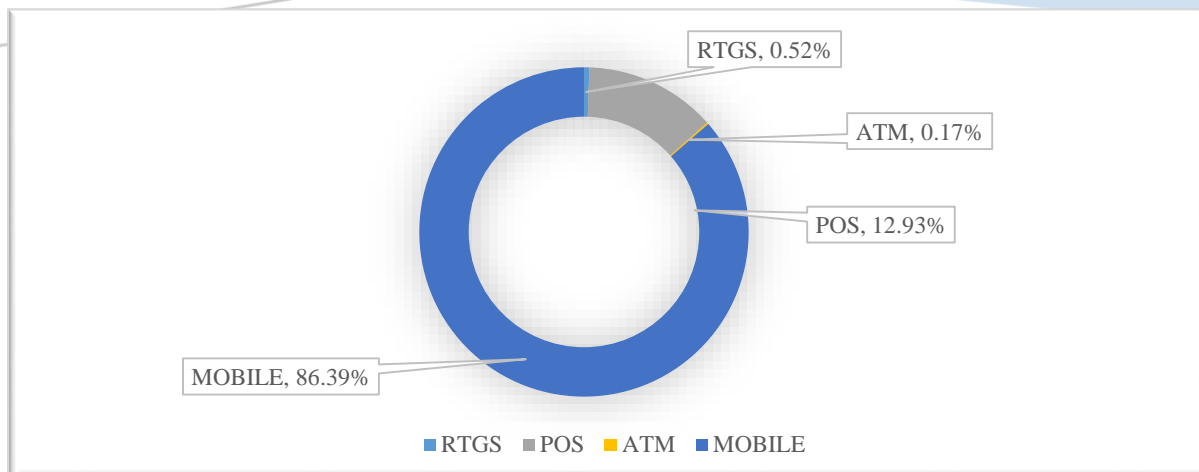
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2020

During the week ending 15th May 2020, the volume of NPS transactions declined by 14.17% to close at 26.69 million. NPS transaction volumes were distributed as follows: Mobile, 86.39%; POS, 12.93%; RTGS 0.52%; and ATM, 0.17%, 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
	8-May-2020	15-May-2020		
	VALUES IN \$ (millions)			
RTGS	13,361.34	15,578.87	16.60%	75.06%
POS	1,679.08	1,792.65	6.76%	8.64%
ATM	101.15	60.22	-40.47%	0.29%
MOBILE	3,688.121	3,322.10	-9.92%	16.01%
TOTAL	18,829.70	20,753.84	10.22%	100%
	VOLUMES			
RTGS	163,848	137,537	-16.06%	0.52%
POS	3,426,152	3,450,514	0.71%	12.93%
ATM	37,511	44,315	18.14%	0.17%
MOBILE	27,466,499	23,055,738	-16.06%	86.39%
TOTAL	31,094,010	26,688,104	-14.17%	100%

Source: Reserve Bank of Zimbabwe, 2020

3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

Weekly average prices of gold, platinum, copper and Brent Crude oil prices registered gains during the week under review, 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
weekly average (4-8 May)	1,699.85	758.80	5,168.40	12,046.20	29.98
11-May	1,700.78	762.00	5,231.00	12,188.00	29.92
12-May	1,705.43	767.00	5,234.00	12,275.00	29.56
13-May	1,704.13	764.00	5,212.50	12,200.00	29.33
14-May	1,724.00	761.50	5,155.50	12,084.00	31.32
15-May	1,735.10	771.00	5,165.00	11,807.00	32.50
weekly average (11-15 May)	1,713.89	765.10	5,199.60	12,110.80	30.53
Weekly Change (%)	<i>0.8</i>	<i>0.8</i>	<i>0.6</i>	<i>0.5</i>	<i>1.8</i>

Source: BBC, KITCO and Bloomberg 2020

Gold

Gold prices registered an increase of 0.8%, from US\$1,699.85 per ounce in the previous week to US\$1,713.89 per ounce, during the week under review. This was, in part, on account of a weaker US dollar. In addition, the renewed US-China trade tensions and weak economic data across the globe prompted investors to switch to bullion, bolstering safe haven demand for gold.

Platinum

The price of platinum rose by 0.8% to close at US\$765.10 per ounce, during the week ending 15th May 2020. This was occasioned by fears of supply disruptions in South Africa, the world's top producer of platinum. Impala Platinum announced a temporary closure of some of its mining operations due to coronavirus concerns in some of its mines.

Copper

Copper prices stood at US\$5,199.60 per tonne, a 0.6% increase from US\$ 5,168.40 per tonne recorded in the previous week. The re-opening of most economies and rising prospects of economic recovery boosted the demand for the base metal, leading to higher prices.

Nickel

Nickel prices firmed by 0.5%, from US\$12,046.20 per tonne in the previous week to US\$12,110.80 per tonne, during the week under analysis. This was underpinned by rising investor optimism about a recovery in demand for the base metal.

Crude Oil

Brent crude oil prices firmed by 1.8%, from US\$29.98 per barrel in the previous week to US\$30.53 per barrel, during the week ending 15th May 2020. Prices were supported by lower oil output in the US as well as output cuts in Saudi Arabia, amid rising global demand, following the easing of restrictions in major economies.

EXCHANGE RATES

During the week ending 15th May 2020, the Zimbabwe dollar (ZWL) depreciated against the pound Sterling, euro and the Botswana pula. The local unit, however, appreciated against the South Africa rand during the same week, as shown in Table 5.

Table 5. International Exchange Rates¹

2020	USD	ZAR	GBP	BWP	EUR
Weekly Average (4-8 May)	25.0000	1.3575	31.3306	2.0705	27.2805
11-May	25.0000	1.3676	31.0375	2.0613	27.1100
12-May	25.0000	1.3569	30.8200	2.0575	27.0300
13-May	25.0000	1.3647	30.7013	2.0650	27.1313
14-May	25.0000	1.3510	30.5138	2.0575	27.0125
15-May	25.0000	1.3548	30.5225	2.0500	27.0163
Weekly Average (11-15 May)	25.0000	1.3590	30.7190	2.0583	27.0600
Appr(-)/Depr(+) (%) of the ZWL	<i>0.0</i>	<i>0.1</i>	<i>-2.0</i>	<i>-0.6</i>	<i>-0.8</i>

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

During the week under review, the Zimbabwe Stock Exchange (ZSE) continued on a bullish trend. The Small Cap, Top 10, Top 15, All Share and Medium Cap indices stood at 2,602.94, 584.39, 584.39, 693.69 and 925.32 points, reflecting increases of 57.18%, 45.39%, 41.36%, 38.74% and 25.58%, respectively.

The mainstream index increased from 1 654.38 points, recorded in the preceding week to close at 2,289.51 points, during the week under review. This was, in part, underpinned by share price increases recorded for Zimre Property Investments Limited, (106.62%); Amalgamated Regional Trading, (101.34%), OK Zimbabwe Limited, (73.47%), Cassava Smartech Zimbabwe Limited, (61.74%), CBZ Holdings Limited, (61.46%), Delta Corporation Limited, (53.72%), Econet Wireless Zimbabwe Limited, (53.03%), Old Mutual Zimbabwe, 35.81%, British American Tobacco Zimbabwe, (32.08%), Hippo Valley Estates Limited, (26.67%) and Innscor Africa Limited, (11.13%)

The mining index surged by 50.94% to close at 1294.78 points, during the week under analysis. Share price increases for Bindura Nickel Corporation Limited (41.36%) and Riozim Limited (60.90%), accounted for the increase in the resources index.

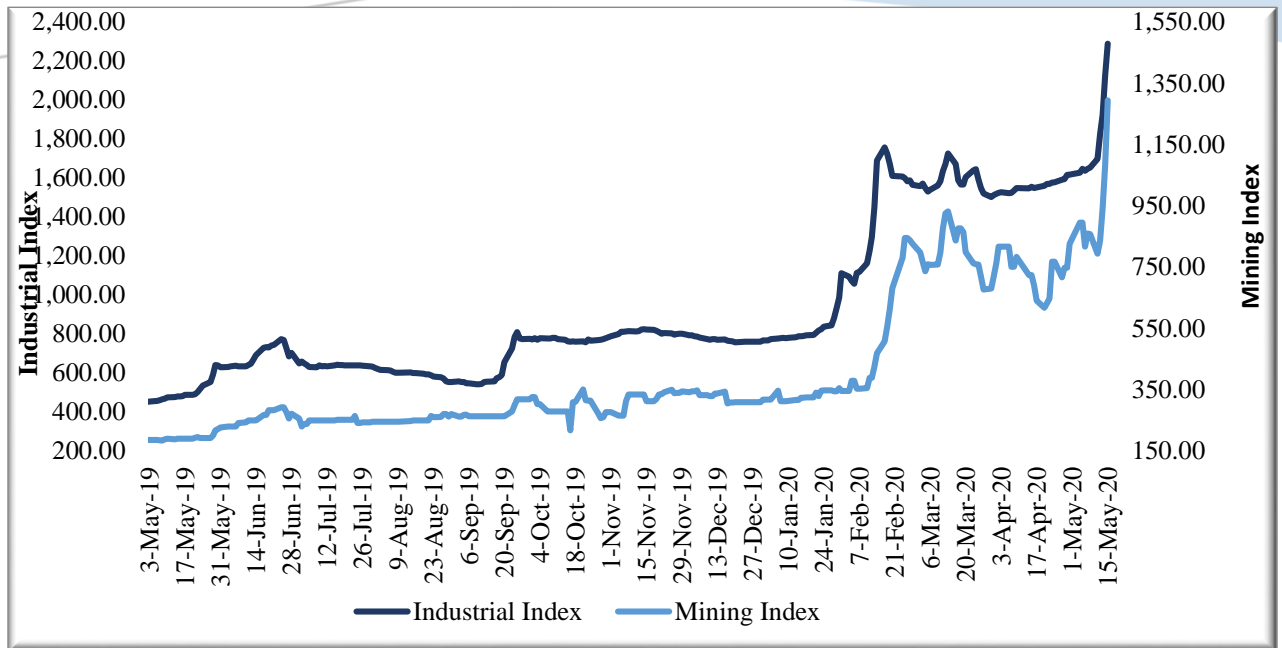
Table 6: Zimbabwe Stock Exchange Statistics²

	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)
10-Apr-20	467.82	387.37	402.00	664.79	1262.80	1548.94	783.61	60.53	62.98	35.36
17-Apr-20	469.02	393.14	404.85	650.11	1296.05	1560.16	617.15	60.70	46.10	16.30
24-Apr-20	476.56	393.62	407.49	676.39	1386.92	1579.09	768.18	61.71	89.85	31.12
30-Apr-20	488.60	397.18	410.96	707.58	1,579.97	1,617.24	826.64	63.39	53.64	19.68
8-May-20	500.00	401.95	416.95	736.84	1,656.00	1,654.38	857.80	64.75	53.10	18.30
15-May-20	693.69	584.39	589.38	925.32	2,602.94	2,289.51	1294.78	90.29	111.11	29.45
Weekly Change (%)	38.74%	45.39%	41.36%	25.58%	57.18%	38.39%	50.94%	39.45%	109.26%	60.93%

Source: Zimbabwe Stock Exchange (ZSE), 2020

² 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

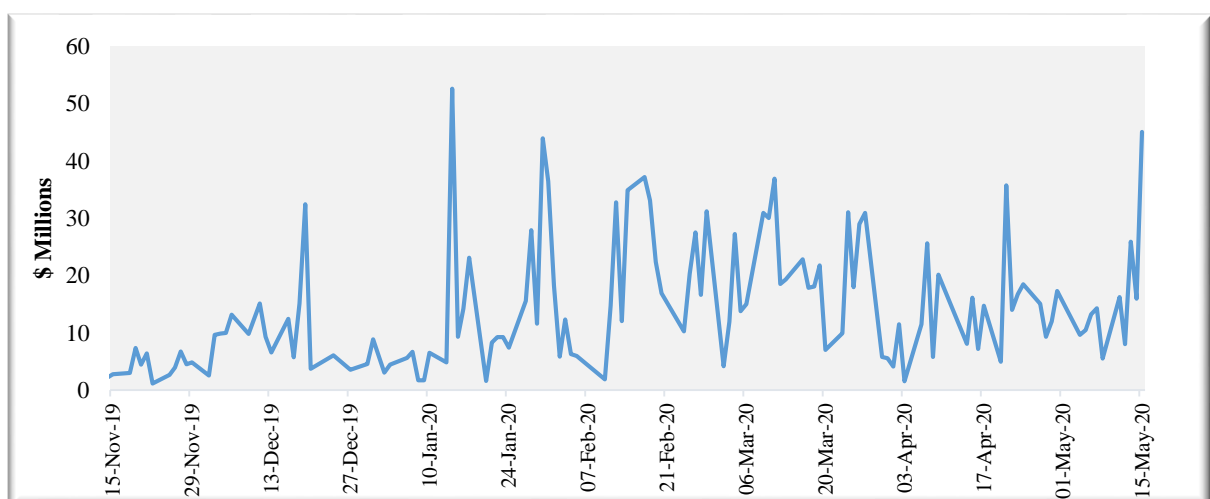


Source: Zimbabwe Stock Exchange, 2020

Market Turnover and Volume

The cumulative volume of shares traded on the ZSE increased from 18.30 million shares in the previous week to close at 29.45 million shares, during the week under review. In tandem, the ZSE market turnover amounted to \$111.11 million, a 109.26% increase from Z\$53.10 million, realised in the preceding week.

Figure 4: Daily Market Turnover

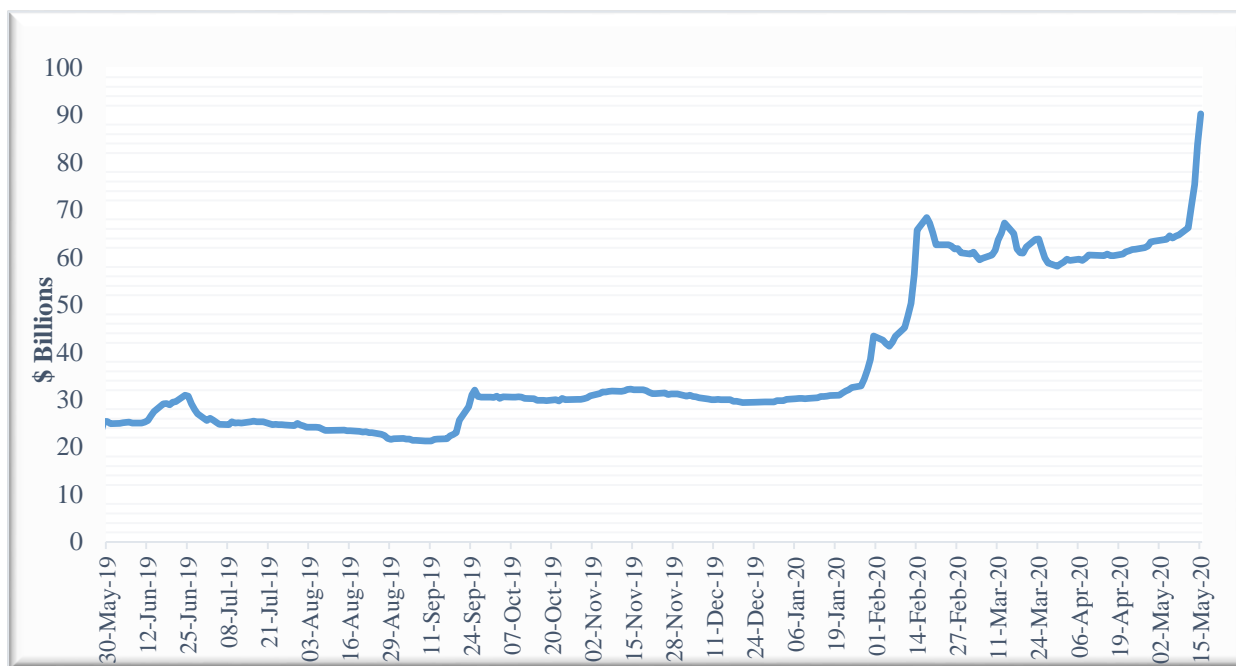


Source: Zimbabwe Stock Exchange, 2020

Market Capitalization

ZSE market capitalisation surged by 39.45% to close at Z\$64.75 billion, during the week under review. This was attributed to gains in both mining and industrial indices.

Figure 5: Daily Market Capitalization



Source: Zimbabwe Stock Exchange, 2020

Johannesburg Stock Exchange (JSE) Developments

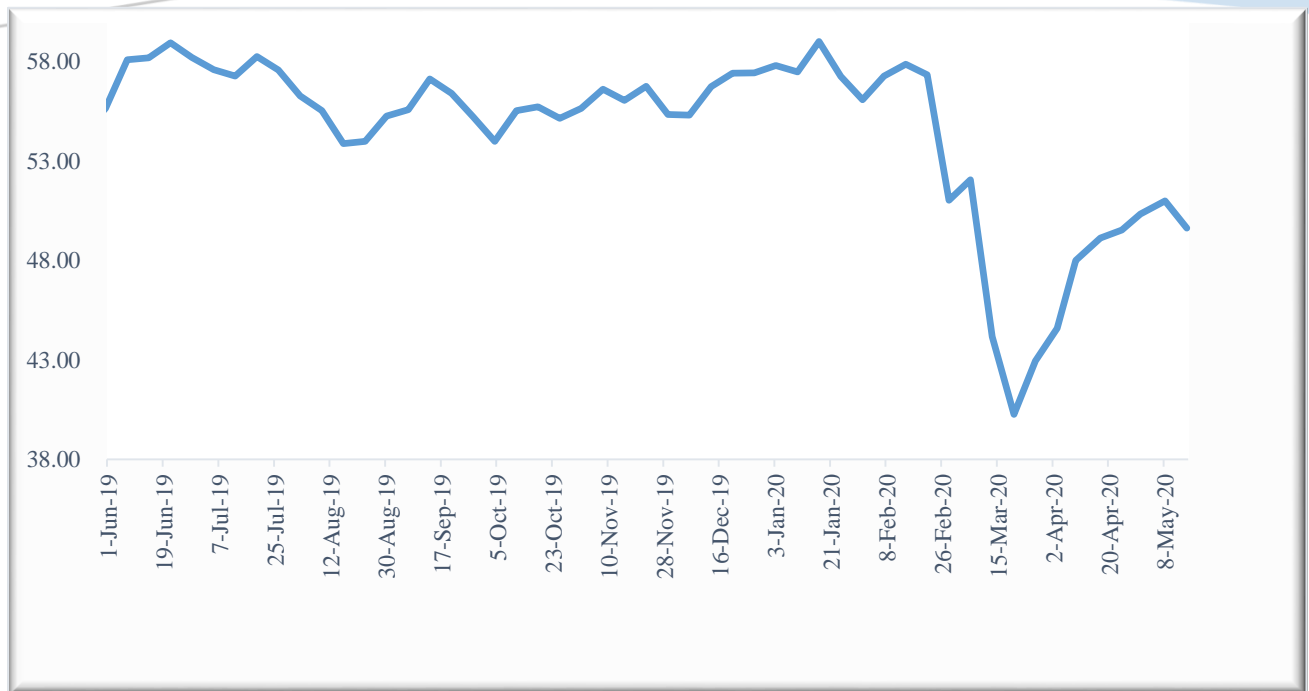
The JSE All Share Index declined by 2.7% to close at 49,628.72 points, during the week ending 15th May 2020. Similarly, JSE market capitalization declined by 1.18% to close at R15.89 billion, during the week under review, from R16.08 billion recorded in the previous week.

Table 7: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalization (ZAR billions)
9-Apr-20	48,011.56	15.41
17-Apr-20	49,134.65	15.82
24-Apr-20	49,527.23	15.85
30-Apr-20	50,336.72	16.10
8-May-20	51,003.58	16.08
15-May-20	49,628.72	15.89
% Change	-2.70	-1.18

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

22th MAY 2020