



# Weekly Economic Highlights

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Week Ending  
29<sup>th</sup> May 2020

## 1. INTEREST RATES

### Deposit Rates

The week ending 29<sup>th</sup> May 2020 saw minimum deposit rates for savings deposits and deposits of 1-month and 3-month tenors remain unchanged at 2.35%; 3.35%; and 3.95%, respectively. Maximum deposit rates for savings deposits and deposits of 1-month and 3-month tenors also remained unchanged at 5.19%; 6.24%; and 6.29%, 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 (%)
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
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

Source: Reserve Bank of Zimbabwe, 2020

### Lending Rates

Commercial bank minimum lending rates for individual and corporate clients were unchanged at 18.06% and 18.07%, respectively, during the week under review. Maximum lending rates for individual and corporate clients stood at 34.43% and 42.36%, respectively, as shown in Table 2.

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

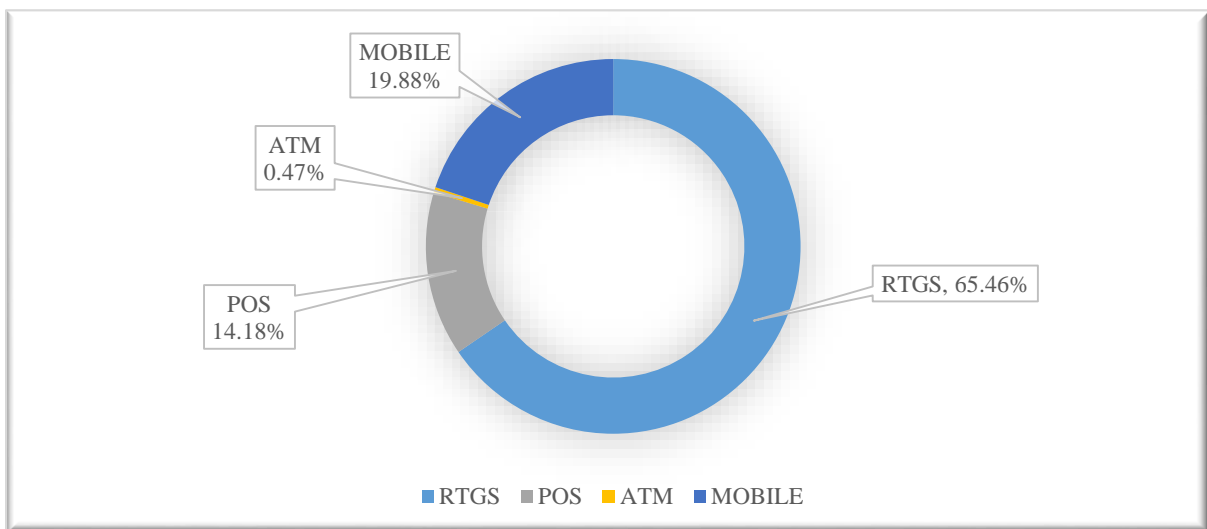
Date	Individual Clients		Corporate Clients	
	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
30-Apr-20	19.61	34.43	16.39	38.62
8-May-20	18.57	34.98	18.69	42.34
15-May-20	18.57	34.98	18.69	42.34
22-May-20	18.06	34.43	18.07	42.36
29-May-20	18.06	34.43	18.07	42.36

Source: Reserve Bank of Zimbabwe, 2020

## 2. CLEARING AND SETTLEMENT ACTIVITY

National Payment Systems (NPS) transactions declined by 3.33%, to close at \$22.05 billion during the week ending 29<sup>th</sup> May 2020. Transactions processed through the RTGS system were 9.16% lower, at \$14.44 billion. This compares with \$15.89 billion recorded during the preceding week. In value terms, the distribution of NPS transactions was as follows: RTGS, 65.46%; Mobile, 19.88%; Point of Sale (POS), 14.18%; and Automated Teller Machine (ATM), 0.47%, as shown in Figure 1.

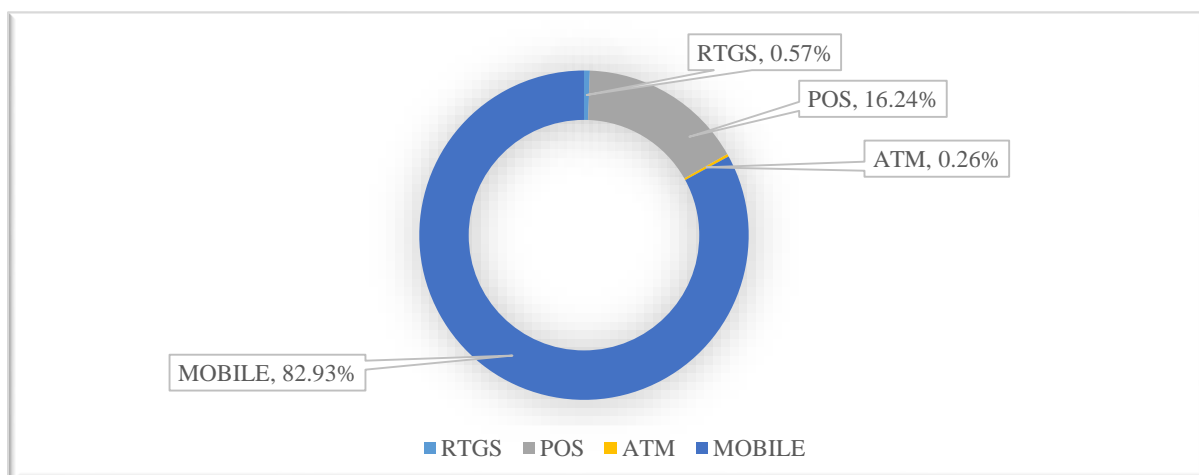
**Figure 1: Composition of NPS Transactions in Value Terms**



Source: Reserve Bank of Zimbabwe, 2020

The volume of NPS transactions stood at 34.82 million, representing a 3.22% decline from 33.73 million recorded in the previous week. In volume terms, NPS transaction volumes were distributed as follows: Mobile, 82.93%; POS, 16.24%; RTGS 0.57%; and ATM, 0.26%, 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
	15-May-2020	29-May-2020		
	<b>VALUES IN \$ (millions)</b>			
RTGS	15,893.39	14,437.53	-9.16%	65.46%
POS	2,671.47	3,128.19	17.10%	14.18%
ATM	45.02	104.18	131.42%	0.47%
MOBILE	4,204.77	4,384.26	4.27%	19.88%
<b>TOTAL</b>	<b>22,814.64</b>	<b>22,054.17</b>	<b>-3.33%</b>	<b>100%</b>
	<b>VOLUMES</b>			
RTGS	174,122	198,598	14.06%	0.57%
POS	5,371,636	5,655,276	5.28%	16.24%
ATM	48,679	90,307	85.52%	0.26%
MOBILE	28,138,015	28,876,981	2.62%	82.93%
<b>TOTAL</b>	<b>33,732,452</b>	<b>34,821,162</b>	<b>3.22%</b>	<b>100%</b>

Source: Reserve Bank of Zimbabwe, 2020

### 3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The average international commodity prices of Brent crude oil and copper increased, while gold, platinum and nickel prices declined, during the week ending 29<sup>th</sup> June 2020, 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>	1,738.65	831.10	5,305.20	12,294.20	33.78
<b>26-May</b>	1,721.50	834.50	5,341.50	12,260.00	35.92
<b>27-May</b>	1,699.88	824.50	5,308.50	12,144.00	34.06
<b>28-May</b>	1720.33	828.50	5,278.50	12,133.00	34.27
<b>29-May</b>	1,727.18	832.50	5,332.50	12,120.00	35.31
<b>weekly average (26-29 May)</b>	1,717.22	830.00	5,315.25	12,164.25	34.89
<b>Weekly Change (%)</b>	-1.2	-0.1	0.2	-1.1	3.3

Source: BBC, KITCO and Bloomberg 2020

#### Gold

Prices of gold declined by 1.2%, from US\$1,738.65 per ounce in the previous week to close at US\$1,717.22 per ounce, during the week ending 29<sup>th</sup> May 2020. This was on the back of the waning appeal of the yellow metal as a safe-haven asset. Investors shifted to riskier assets, amid rising optimism about a global economy recovery.

#### Platinum

The weekly average price of platinum softened by 0.1%, from US\$831.10 per ounce during the week ending 15<sup>th</sup> May 2020 to US\$830.00 per ounce, during the week under review. Prices were weighed down by lower demand for the precious metal.

#### Copper

During the week under analysis, weekly average prices of copper 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 prices were boosted by the recovery of demand, coupled with declining inventories in top copper consuming countries such as China.

## Nickel

Weekly average prices of nickel declined by 1.1% to close at US\$12,164.25 per tonne, during the week ending 29<sup>th</sup> May 2020, from US\$12,294.40 per tonne in the previous week. This was partly underpinned by improved global supply, following the re-opening of the Phillipino and Indonesian economies, the top global suppliers of the base metal.

## Crude Oil

Brent crude oil prices increased by 3.3%, from US\$33.78 per barrel in the previous week to close at US\$34.89 per barrel, during the week under review. The re-opening of more economies weighed up demand, leading to gains in prices. Prices were also supported by production cuts by OPEC and non-OPEC oil producers, in addition to drawdowns of U.S. crude inventories. These factors combined to ease concerns about the global oil supply glut.

## 4. EXCHANGE RATES

During the week ending 29<sup>th</sup> May 2020, the Zimbabwe dollar appreciated against the pound; pula; and euro. The local currency, however, depreciated against the rand, as shown in Table 5.

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

2020	USD	ZAR	GBP	BWP	EUR
<b>Weekly Average (18-22 May)</b>	<b>25.0000</b>	<b>1.3575</b>	<b>31.3306</b>	<b>2.0705</b>	<b>27.2805</b>
<b>26-May</b>	25.0000	1.4286	30.5488	2.0950	27.3000
<b>27-May</b>	25.0000	1.4337	30.7963	2.1150	27.4000
<b>28-May</b>	25.0000	1.4404	30.6488	2.1100	27.5375
<b>29-May</b>	25.0000	1.4330	30.8650	2.1100	27.7550
<b>Weekly Average (11-15 May)</b>	<b>25.0000</b>	<b>1.3590</b>	<b>30.7190</b>	<b>2.0583</b>	<b>27.0600</b>
<b>Appr(-)/Depr(+) (%) of the ZWL</b>	<i>0.0</i>	<i>0.11</i>	<i>-1.95</i>	<i>-0.59</i>	<i>-0.81</i>

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

The Zimbabwe Stock Exchange (ZSE) was bullish, during the week under analysis. The Top 15, Top 10, All Share, Medium Cap and Small Cap indices increased by 33.48%; 31.73%; 29.23%; 26.45%; and 13.20% to close at 1,014.41 points; 964.07 points; 1,180.14 points; 1,693.35; and 3,831.64 points, respectively.

The industrial index registered a gain of 29.61% to close at 3,919.50 points, during the week ending 29<sup>th</sup> May 2020. The gain was attributable to increases in share prices for Seed Co Limited, (90.27%); Powerspeed Electrical Limited (88.65%); Proplastics Limited (79.15%); CBZ Holdings Limited (67.33%); Inncor Africa Limited (53.47%); Hippo Valley Estates Limited (38%); Econet Wireless Zimbabwe Limited (35.49%); Cassava Smartech Zimbabwe Limited (29.22%); Delta Corporation Limited (27.91%); OK Zimbabwe Limited (23.89%); and Old Mutual Zimbabwe (13.73%).

The resources index rose from 1,327.26 points in the previous week to 1,582.86 points, during the week under review. Share price gains for Bindura Nickel Corporation Limited (33.09%) and Riozim Limited (3.16%) contributed to the increase in the mining index.

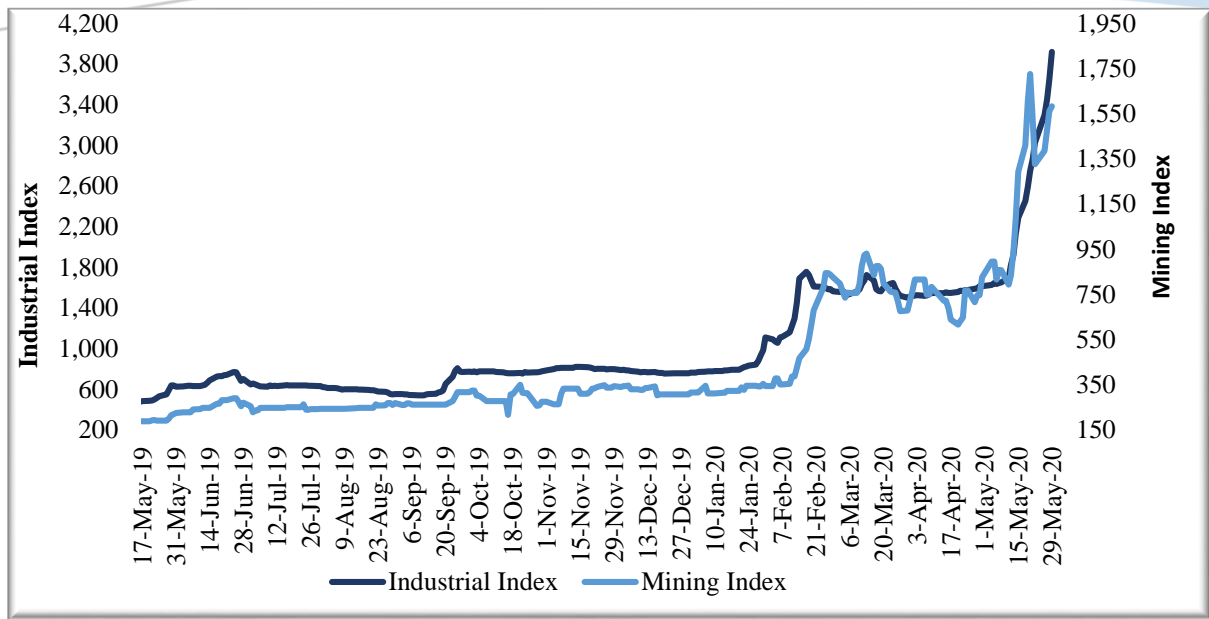
**Table 6: Zimbabwe Stock Exchange Statistics<sup>2</sup>**

	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>24-Apr-20</b>	476.56	393.62	407.49	676.39	1386.92	1579.09	768.18	61.71	89.85	31.12
<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	117.91	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>Weekly Change (%)</b>	29.23	31.73	33.48	26.45	13.20	29.61	19.26	29.52	11.27	232.13

Source: Zimbabwe Stock Exchange (ZSE), 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.

**Figure 3: Zimbabwe Stock Exchange Indices**

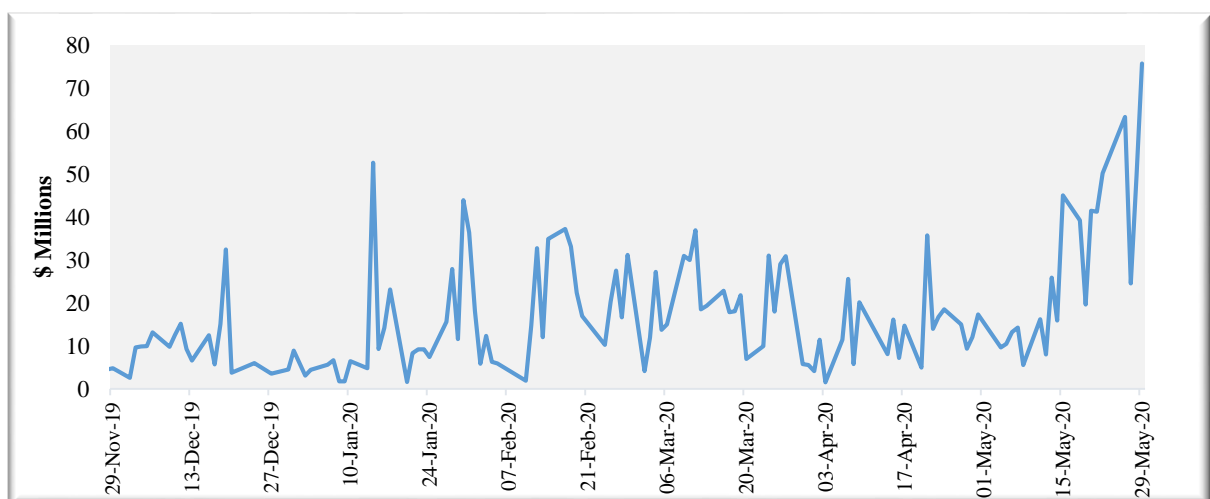


Source: Zimbabwe Stock Exchange, 2020

### Market Turnover and Volume

During the week under review, the cumulative volume of shares traded on the ZSE surged by 231.13% to close at 131.49 million, from 39.59 million in the previous week. Similarly, ZSE market turnover increased by 11.27% to close at \$213.17 million, during the same period, as shown in Table 6. The daily market turnover is shown in Figure 4.

**Figure 4: Daily Market Turnover**



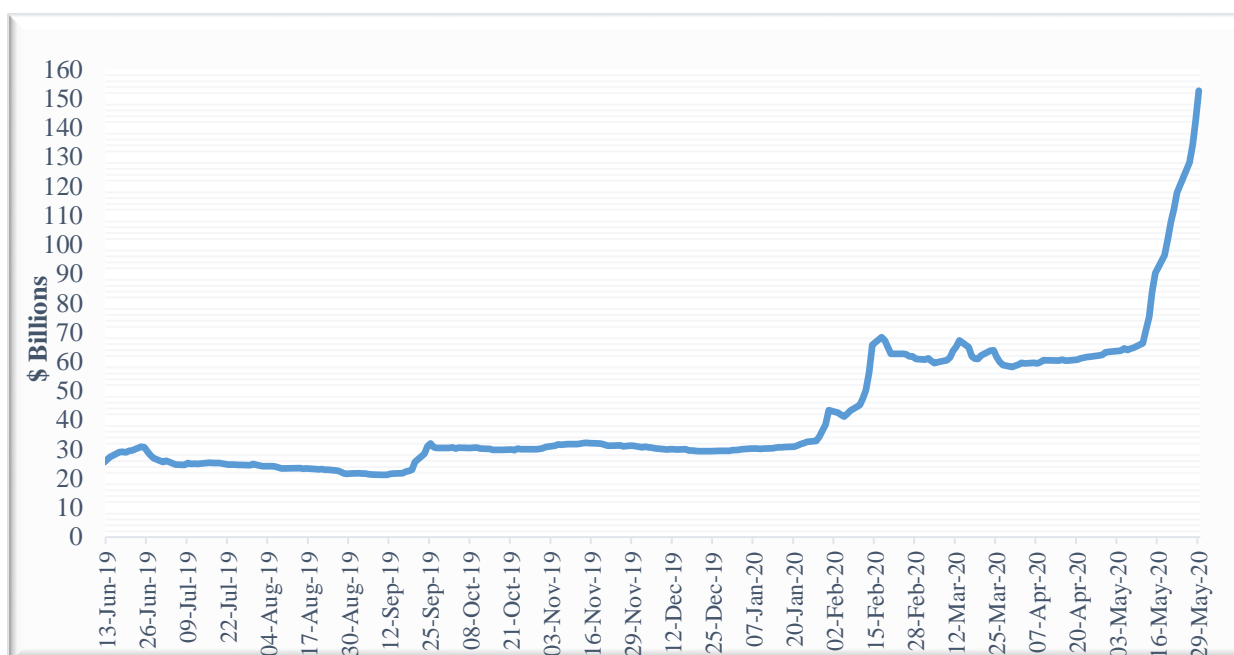
Source: Zimbabwe Stock Exchange, 2020



## Market Capitalization

The ZSE market capitalisation increased by 25.92%, from \$117.91 billion in the preceding week to close at \$152.72 billion, during the week under review.

**Figure 5: Daily Market Capitalization**



Source: Zimbabwe Stock Exchange, 2020

## Johannesburg Stock Exchange (JSE) Developments

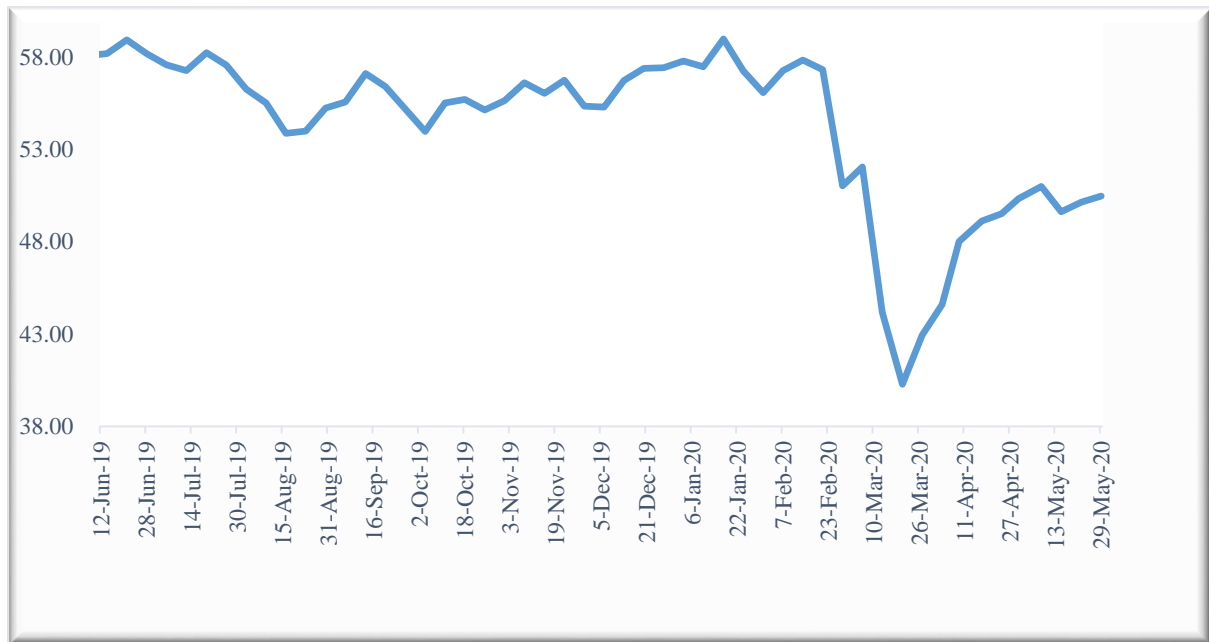
The JSE All Share Index registered a marginal increase of 0.67% to close at 50,483 points, during the week under review, from 50,147.21 points in the previous week. In tandem, JSE market capitalization increased by 1.13%, to close at R16.08 billion in the same week.

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

Period	All Share Index (points)	Market Capitalization (ZAR billions)
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
22-May-20	50,147.21	15.90
29-May-20	50,483.00	16.08
% Change	<b>0.67</b>	<b>1.13</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**

**29<sup>th</sup> MAY 2020**