



Weekly Economic Highlights

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Week Ending
13th November 2020

1. INTEREST RATES

Deposit Rates

Minimum and maximum deposit rates for savings deposits and deposits of 1 month and 3 month tenors were unchanged during the week of analysis, 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 (%)
16-Oct-20	2.35	5.19	4.17	7.71	4.50	8.37
23-Oct-20	2.35	5.19	4.49	8.28	4.82	8.69
30-Oct-20	2.35	5.19	4.49	8.28	4.82	8.69
6-Nov-20	2.35	5.19	4.49	8.57	4.82	8.71
13-Nov-20	2.35	5.19	4.49	8.57	4.82	8.71

Source: Reserve Bank of Zimbabwe, 2020

Lending Rates

Commercial bank minimum and maximum lending rates for individuals and corporate clients also remained at the previous week levels, as shown in Table 2.

Table 2: Lending Rates (per annum)

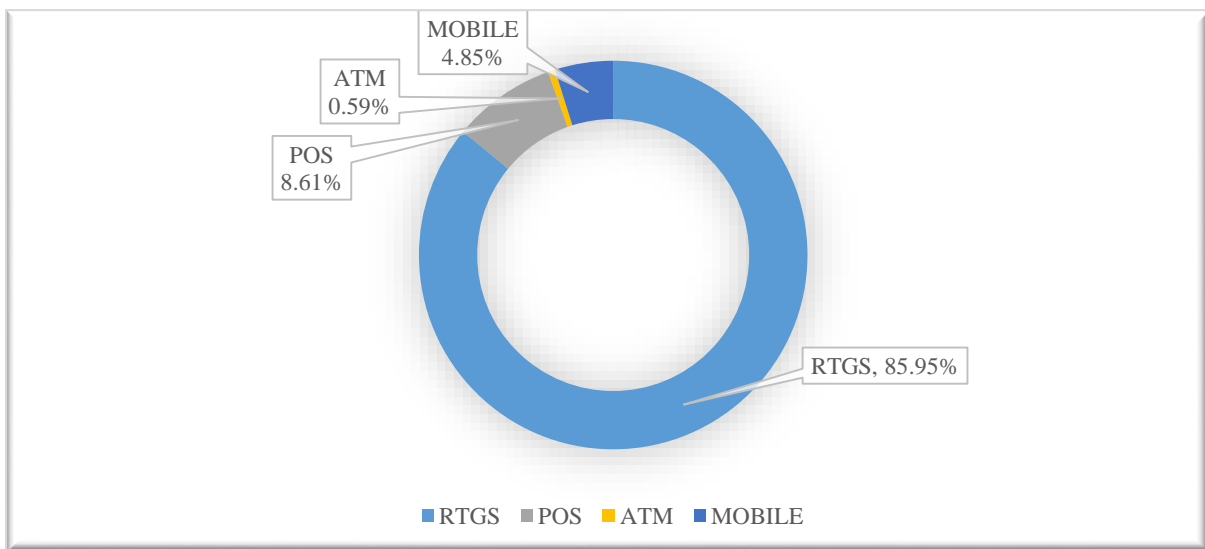
Date	Individual Clients		Corporate Clients	
	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
16-Oct-20	22.08	45.29	24.84	49.99
23-Oct-20	26.04	46.14	26.68	50.99
30-Oct-20	26.04	46.14	26.68	50.99
6-Nov-20	25.91	46.66	26.94	51.07
13-Nov-20	25.91	46.66	26.94	51.07

Source: Reserve Bank of Zimbabwe, 2020

2. CLEARING AND SETTLEMENT ACTIVITY

The value of transactions processed through the National Payment Systems (NPS) were 20.06% higher and closed at ZW\$67.48 billion, during the week under review. Similarly, Real Time Gross Settlement (RTGS) system transactions increased by 31.02%, from ZW\$44.28 billion in the previous week to close at ZW\$58.00 billion, during the week ending 13th November 2020. In value terms, NPS transaction were distributed as follows: RTGS, 85.95%; POS, 8.61%; Mobile, 4.85% and ATM, 0.59%.

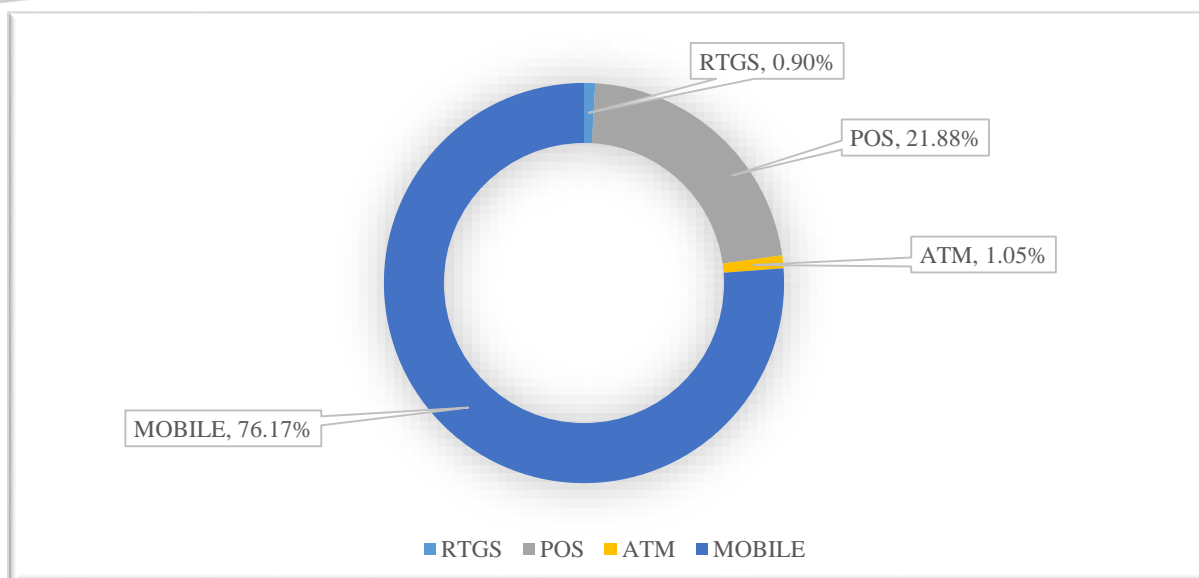
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2020

The week of analysis saw the volume of NPS transactions decline by 15.29% to close at 21.77 million transactions, from 25.70 million transactions in the preceding week. NPS transaction volumes were distributed as follows: Mobile, 76.17%; POS, 21.88%; RTGS, 0.90%; and ATM, 1.05%.

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 6 th NOVEMBER 2020	WEEK ENDING 13 th NOVEMBER 2020	% CHANGE FROM LAST WEEK	PROPORTION %
Values in ZW\$ Millions				
RTGS	44,265.94	57,999.28	31.02%	85.95%
POS	6,690.06	5,812.03	-13.12%	8.61%
ATM	703.72	394.77	-43.90%	0.59%
MOBILE	4,546.95	3,275.91	-27.95%	4.85%
TOTAL	56,206.67	67,481.99	20.06%	100%
Volumes				
RTGS	238,896	196,955	-17.56%	0.90%
POS	5,216,502	4,764,001	-8.67%	21.88%
ATM	228,380	227,894	-0.21%	1.05%
MOBILE	20,018,173	16,582,669	-17.16%	76.17%
TOTAL	25,701,951	21,771,519	-15.29%	100%

Source: Reserve Bank of Zimbabwe, 2020

3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international prices for platinum, copper, nickel and Brent crude oil firmed, during the week under analysis. Gold prices, however, retreated during the same week. Global markets reacted to the announced coronavirus (COVID-19) vaccine, boosting hopes of a speedy economic recovery, though the pervasiveness of the pandemic balanced market optimism. Table 4 shows developments in selected commodity prices during the week under review.

Table 4: Metal and Crude Oil Prices for the week-ending 13 November 2020

	Gold	Platinum	Copper	Nickel	Crude Oil
2020	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
Weekly Average (2-6 Nov)	1,911.75	879.00	6,797.70	15,370.20	39.94
2-Nov	1,912.38	885.00	7,034.00	15,862.00	42.64
3-Nov	1,876.80	872.50	6,865.50	15,700.00	42.80
4-Nov	1,868.58	876.50	6,912.50	15,807.00	43.94
5-Nov	1,871.43	874.00	6,904.00	15,874.00	42.88
6-Nov	1,884.55	893.50	6,926.00	15,815.00	43.24
Weekly Average (9-13 Nov)	1,882.75	880.30	6,928.40	15,811.60	43.10
Weekly Change (%)	-1.5	0.1	1.9	2.9	7.9

Source: BBC, KITCO and Bloomberg, 2020

Gold

Gold prices declined during the week under review on the back of reduced safe haven demand, spurred by optimism over the imminent availability of a coronavirus vaccine. Against this backdrop, the price declined by 1.5%, from a weekly average price of US\$1,911.75 per ounce recorded in the previous week, to US\$1,882.75 per ounce registered during the week under review. The safe haven demand for gold is, however, expected to remain strong, supported by expectations of greater stimulus and a weak global economic outlook.

Platinum

Platinum prices were steady during the week, recording a marginal 0.1% increase, from a weekly average of US\$879.00 per ounce in the previous week to US\$880.30 per ounce. The increase in the price of platinum was capped by the reduced safe haven appeal of precious metals, stemming from optimism on the imminent availability of a coronavirus vaccine.

Copper

Copper prices firmed during the week under review, as investor optimism was boosted by the announcement concerning the availability of a COVID-19 vaccine. To that end, prices gained by 1.9%, week-on-week, from US\$6,797.70 per tonne in the previous week to US\$6,928.40 per tonne recorded during the week under review. The red metal price also got a further boost from expectations of greater opening-up of economies, on the back of the imminent availability of a COVID-19 vaccine. Copper prices gained additional support from expectations of more stimulus in China, the world's top consumer of metals.

Nickel

During the week under review, nickel prices increased by 2.9%, from US\$15,370.20 per tonne in the week ending 6th November 2020 to US\$15,811.60 per tonne. Further to the optimism pertaining to the vaccine, the market for nickel was buoyed by expectations that Indonesia, the world's largest holder of nickel reserves, would position itself to be a leading producer of batteries for Electric Vehicles, for which nickel is a key component.

Brent Crude Oil

Brent crude oil prices gained by 7.9% to US\$43.10 per barrel, during the week under review, from US\$39.94 per barrel recorded in the previous week. Prices also benefitted from the hype created by the announcement of the imminent availability of a COVID-19 vaccine and the attendant expected sturdy recovery in demand. On the downside, however, rising COVID-19 infections and increased output from Libya may weigh down prices in the short term. In the medium to long term, the demand for oil is expected to weaken as the world prioritizes decarbonization in major economies¹.

EXCHANGE RATE DEVELOPMENTS

The Zimbabwe dollar (ZW\$) traded steadily against the greenback, on the foreign exchange auction market. The local unit lost 0.2% against the US dollar, from ZW\$81.5453 per US\$1 to ZW\$81.6741 per US\$1, during the week under analysis. Developments in selected exchange rates are shown in Table 5.

¹ Countries with proposed bans or implementing 100% sales of zero-emissions vehicles include the China, Japan, UK, South Korea, Iceland, **Denmark**, Sweden, **Norway**, Slovenia, Germany, France, the Netherlands, Spain, Portugal, Canada, the 12 U.S. states that adhered to California's Zero-Emission Vehicle (ZEV) Program. The UK in early November 2020, announced a ban on new petrol and diesel cars in UK from 2030 under Prime Minister Boris Johnson's green plan.

Table 5: Selected International Exchange Rates²

	USD	ZAR	GBP	BWP	EURO
2020					
Weekly Average (2 -6 Nov)	81.5453	5.0808	105.8867	7.1738	95.4360
2-Nov	81.6740	5.2632	107.7240	7.2938	97.1351
3-Nov	81.6740	5.3022	107.6423	7.2938	96.6124
4-Nov	81.6741	5.2480	108.3366	7.2938	96.5756
5-Nov	81.6741	5.2206	107.8590	7.2859	96.1428
6-Nov	81.6741	5.2178	107.2177	7.3063	96.4450
Weekly Average (9 -13 Nov)	81.6741	5.2502	107.7547	7.2947	96.5811
Appr(-)/Depr(+) (%) of the ZWL	0.2	3.3	1.8	1.7	1.2

Source: Reserve Bank of Zimbabwe, 2020

Table 6: Foreign Exchange Auction results for MAINFX³ and SMEFX⁴

	MAINFX				SMEFX			
	20-Oct-20	27-Oct-20	3-Nov-20	10-Nov-20	20-Oct-20	27-Oct-20	3-Nov-20	10-Nov-20
Total Bids (US\$ dollars)	27,057,595.9	26,175,746.8	26,517,763.38	29,947,934.68	1,740,633.9	1,676,072.9	1,777,373.0	1,844,700.5
Amount Allotted (US\$ dollars)	27,057,595.9	26,175,746.8	26,517,763.38	29,947,934.68	1,740,633.8	1,676,072.9	1,777,373.0	1,844,700.5
Highest Rate	87.1	86	90	86.3	86	89	86	85
Lowest Rate	79	79	80	80	79	80	79	80
Lowest Accepted Rate	79	79	80	80	79	80	79	80
Weighted Average Rate	81.3499	81.3531	81.6740	81.6741	81.3499	81.3531	81.6740	81.6741
Number of Bids Received	238	274	260	152	146	146	148	268
Number of Bids Rejected	15	36	26	9	14	18	9	20

Source: Reserve Bank of Zimbabwe

4. EQUITY MARKETS

During the week ending 13th November 2020, the Zimbabwe Stock Exchange (ZSE) traded in positive trajectory for the second consecutive week, resulting in all the major indices registering gains. The All Share, Top 10 and Medium Cap indices rose by 3.25%, 3.63% and 2.73% to close at 1,559.67 points, 1,012.72 points and 3,139.88 points, respectively.

² Direct quote – the amount of domestic currency needed to exchange for 1 unit of foreign currency

³ Main Foreign Currency Auction

⁴ Small and Medium Enterprises Foreign Currency Auction

The industrial index increased by 3.32% to close at 5,151.10 points, during the week under analysis. This emanated from share price gains for Star Africa Corporation Limited, 25.15%; Inncor Africa Limited, 19.93%; Delta Corporation Limited, 15.58%; Nampak Zimbabwe Limited, 14.59%; and Hippo Valley Estates Limited, 14.29%. Partially offsetting the gains in the mainstream index were losses recorded in the share prices of SeedCo Limited, 10.90%; Dawn Properties Limited, 7.14%; Ariston Holdings Limited, 6.26%; Medtech Holdings Limited, 6.25%; and FBC Holdings Limited, 5.45%.

The mining index increased from 3,400.14 points in the previous week to close at 3,430.75 points, during the week under review. The increase in the resource index was driven by a 1.12% share price increase for Bindura Nickel Corporation (BNC). RioZim Limited, however, traded at the previous week price level. Table 7 shows selected ZSE statistics.

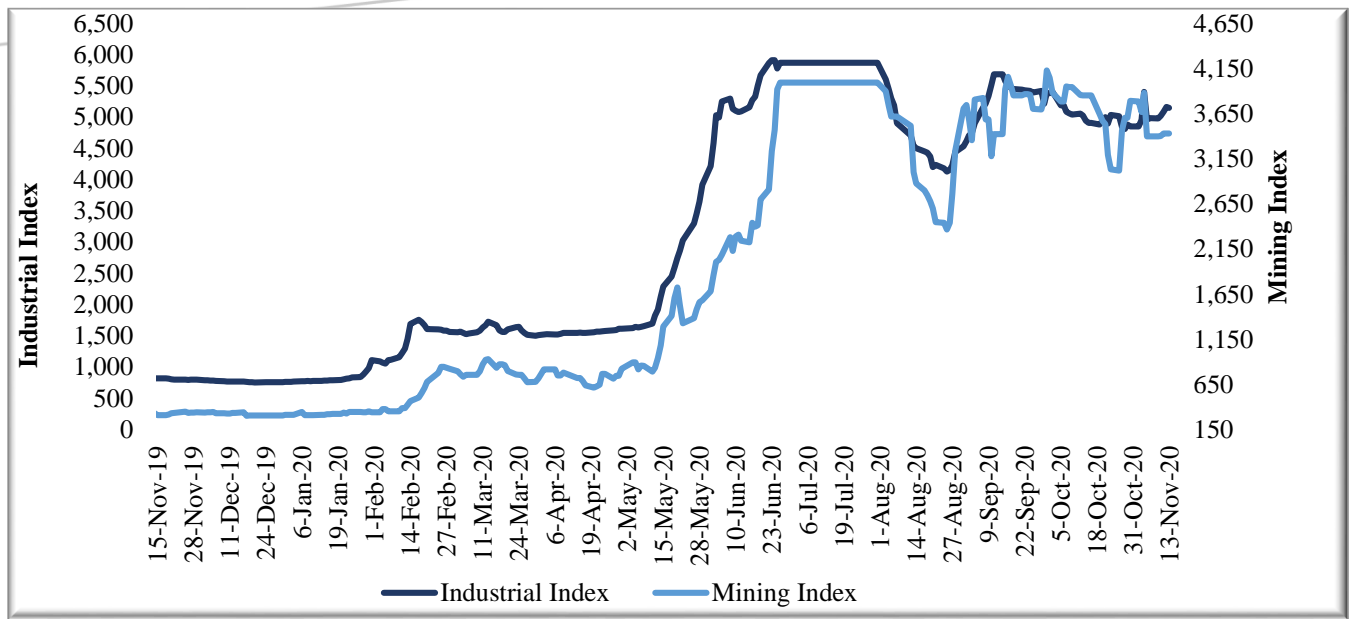
Table 7: Zimbabwe Stock Exchange Statistics⁵

	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)
9-Oct-20	1,534.34	1,004.43	1,188.74	3,048.37	5,864.62	5,040.96	3,944.68	194.36	138.76	33.77
16-Oct-20	1,493.49	964.93	1,147.26	3,030.86	5,950.78	4,906.25	3,852.23	189.34	382.35	37.57
23-Oct-20	1,521.22	994.65	1,170.85	3,021.43	6,108.26	5,038.71	3,034.28	192.30	274.58	40.00
30-Oct-20	1,476.87	937.28	1,122.83	3,083.35	6,134.03	4,852.49	3,792.35	179.69	197.55	257.35
6-Nov-20	1,510.58	997.24	1,159.62	3,056.33	6,110.30	4,985.46	3,400.14	182.42	237.29	33.99
13-Nov-20	1 559.67	1 012.72	1 197.46	3 139.88	6 129.02	5 151.10	3 430.75	188. 03	633.72	112.78
% Change	3.25	1.55	3.26	2.73	0.31	3.32	0.90	3.08	167.07	231.80

Source: Zimbabwe Stock Exchange (ZSE), 2020

⁵ 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

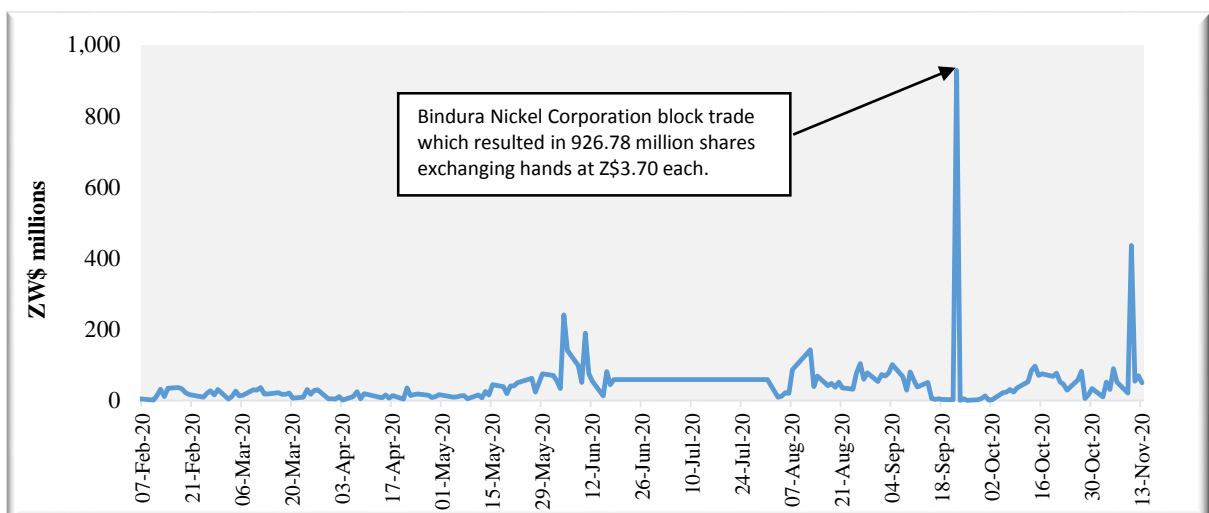


Source: Zimbabwe Stock Exchange, 2020

Market Turnover and Volume

As a consequence of positive trading during the week under review, the ZSE turnover value and volume of shares traded increased by 167.07% and 231.79% to close at ZW\$633.72 million and 112.78 million shares, respectively.

Figure 4: Daily Market Turnover

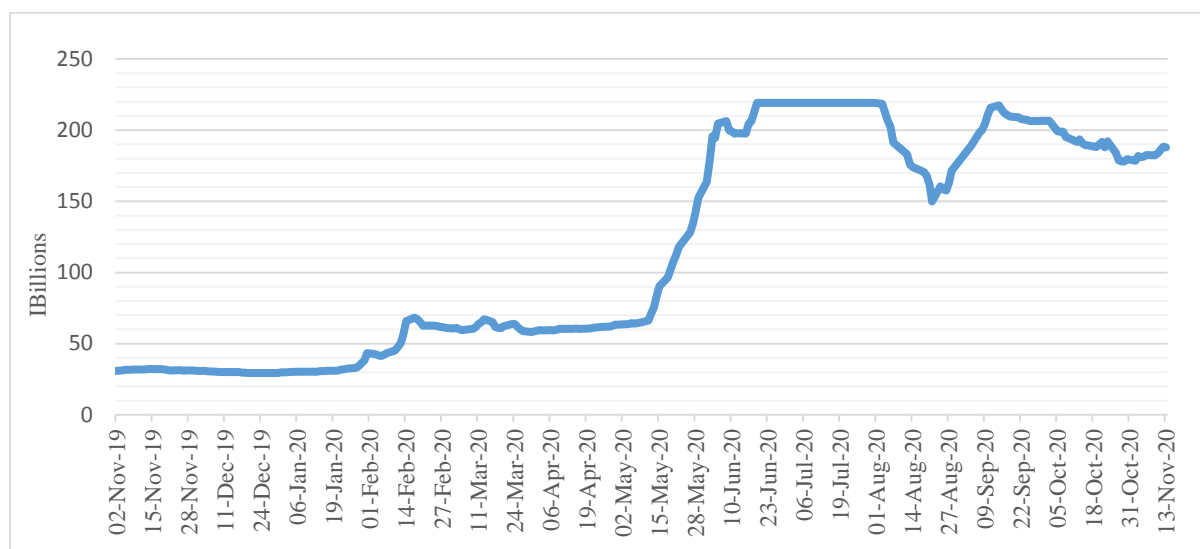


Source: Zimbabwe Stock Exchange, 2020

Market Capitalization

ZSE market capitalisation registered a 3.07% or ZW\$5.60 billion gain to close at ZW\$188.03 billion during the week under review, from ZW\$182.42 billion recorded in the previous week.

Figure 5: Daily Market Capitalization in ZW\$ billions



Source: Zimbabwe Stock Exchange, 2020

Johannesburg Stock Exchange (JSE) Developments

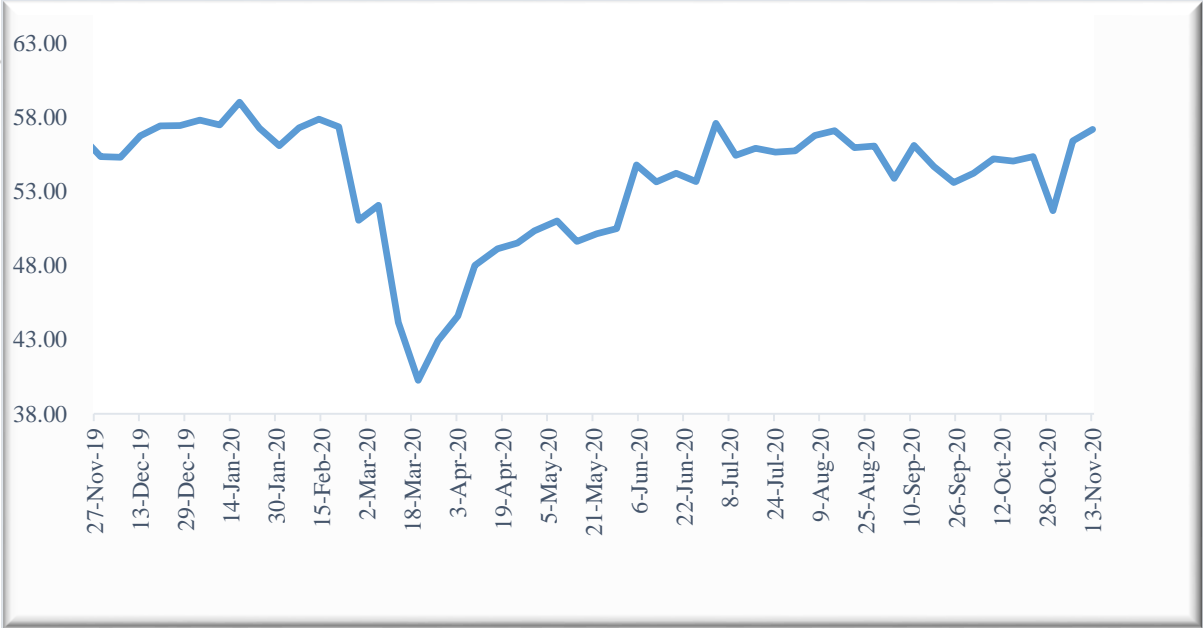
The Johannesburg Stock Exchange (JSE) All share index increased by 1.41% to close at 57,182.60 points, during the week under analysis. In tandem, JSE market capitalisation rose by 2.00% to close at ZAR17.29 trillion, during the same week.

Table 9: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalization (ZAR trillions)
9-October-20	55,182.99	16.74
16-October-20	55,047.26	16.72
23-October-20	55,339.58	16.61
30-October-20	51,684.70	15.78
6-November-20	56,387.04	16.95
13-November-20	57,182.60	17.29
% Change	1.41	2.00

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

APPENDIX 1: SUMMARY OF FOREIGN CURRENCY AUCTION ALLOTMENTS BY PURPOSE

Purpose	MAINFX				SMEFX			
	20-Oct-20	27-Oct-20	3-Nov-20	10-Nov-20	13-Oct-20	20-Oct-20	27-Oct-20	10-Nov-20
Raw Materials	10,577,731.11	10,457,656.59	12,008,084.41	12,542,113.84	379,237.17	445,902.32	455,965.18	413,913.78
Machinery and Equipment	4,071,793.78	4,300,722.02	4,381,559.77	4,639,312.84	399,295.98	237,171.57	410,717.78	377,174.05
Consumables (Incl. Spares, Tyres, Packaging)	2,691,432.18	2,713,077.60	2,387,256.81	2,687,250.18	484,901.02	454,901.94	338,687.55	556,338.82
Pharmaceuticals and Chemicals	1,042,378.92	1,305,299.41	1,504,563.06	1,566,376.32	91,167.27	111,506.70	86,277.63	127,230.50
Services (Loans, Dividends and Disinvestments)	3,732,503.04	2,661,580.90	2,348,762.69	2,686,945.11	99,525.99	2,661,580.90	131,578.41	160,651.63
Retail and Distribution	2,464,388.66	1,652,236.53	2,026,604.15	2,110,010.79	163,404.77	1,652,236.53	236,050.95	100,329.03
Fuel, Electricity and Gas	1,864,413.48	2,528,349.23	1,733,040.11	3,088,664.59	103,101.59	2,528,349.23	58,867.23	39,793.81
Paper and Packaging	612,954.68	556,824.49	127,892.38	627,261.01	20,000.00	556,824.49	59,228.31	69,268.91
TOTAL	27,057,595.85	26,175,746.77	26,517,763.38	29,947,934.68	1,740,633.79	1,676,072.85	1,777,373.04	1,844,700.53

Source: Reserve Bank of Zimbabwe, 2020