



# Weekly Economic Highlights

## TABLE OF CONTENTS

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

Week Ending  
20<sup>th</sup> November 2020

## 1. INTEREST RATES

### Deposit Rates

During the week under review, minimum deposit rates for savings deposits and deposits of 1 month tenor declined by 0.67 and 0.02 percentage points to close at 1.68% and 4.47%, while those for 3 month tenor increased by 0.46 percentage points to close at 5.28%. Maximum deposit rates for savings deposits were 0.50 percentage points lower to close at 4.69%. Deposits of 1 month and 3 month tenors increased to 9.37% and 9.57%, during the same week, 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 (%)
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
20-Nov-20	1.68	4.69	4.47	9.37	5.28	9.57

Source: Reserve Bank of Zimbabwe, 2020

### Lending Rates

Minimum and maximum lending rates at commercial bank for individuals and corporate clients registered increases during the week under review, as shown in Table 2.

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

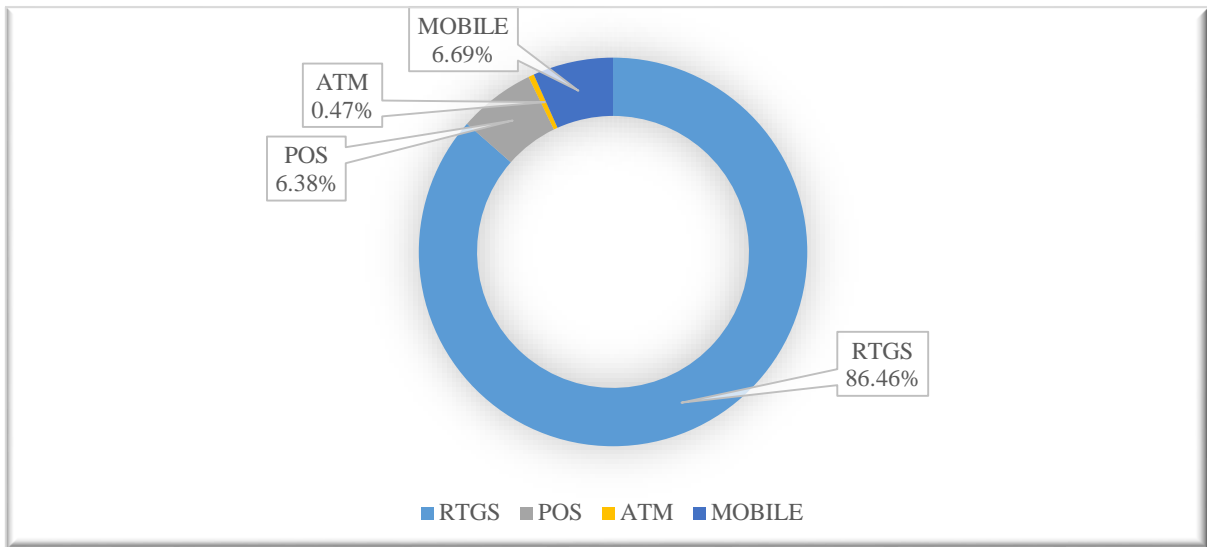
Date	Individual Clients		Corporate Clients	
	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
23-Oct-20	26.04	46.14	26.68	50.99
30-Oct-20	26.04	46.14	26.68	50.99
6-Nov-20	25.91	46.66	26.94	51.07
13-Nov-20	25.91	46.66	26.94	51.07
20-Nov-20	30.32	52.78	27.67	52.77

Source: Reserve Bank of Zimbabwe, 2020

## 2. CLEARING AND SETTLEMENT ACTIVITY

The value of National Payment Systems (NPS) transactions registered an increase of 18.02% to close at ZW\$79.64 billion, during the week of analysis. Real Time Gross Settlement (RTGS) system transactions rose by 18.72% to ZW\$68.85 billion, during the same week. NPS transactions values were distributed as follows: RTGS, 86.46%; POS, 6.38%; Mobile, 6.69% and ATM, 0.47%.

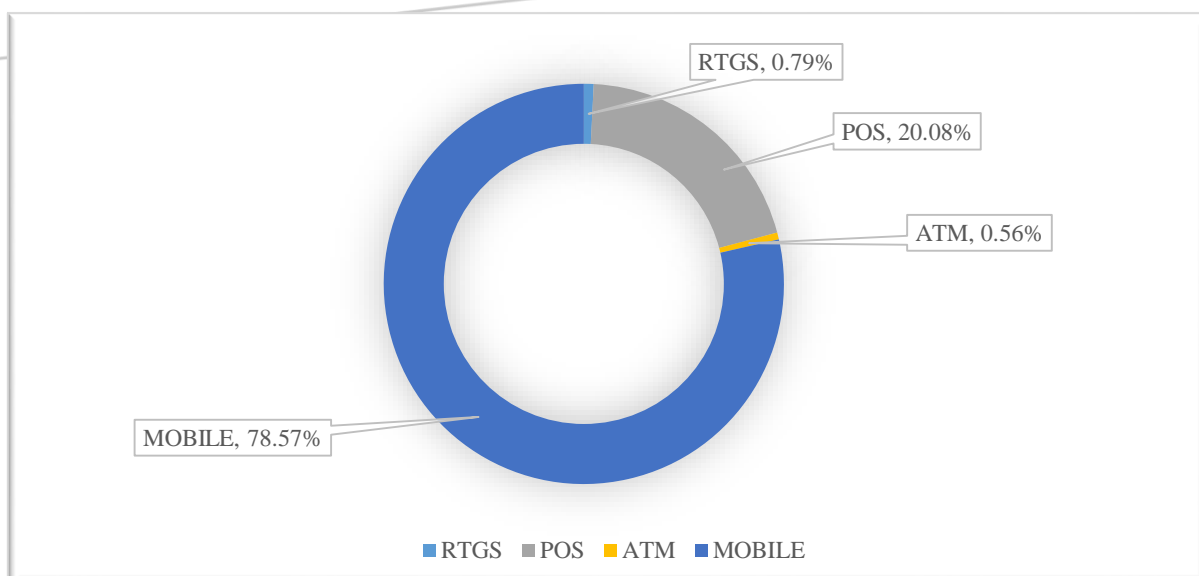
**Figure 1: Composition of NPS Transactions in Value Terms**



*Source: Reserve Bank of Zimbabwe, 2020*

NPS transaction volumes rose by 9.07%, from 21.77 million transactions in the previous week to 23.75 million transactions during the week under review. NPS transaction volumes were constituted as follows: Mobile, 78.57%; POS, 20.08%; RTGS, 0.79%; and ATM, 0.56%.

**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 13 <sup>th</sup> NOVEMBER 2020	WEEK ENDING 20 <sup>th</sup> NOVEMBER 2020	% CHANGE FROM LAST WEEK	PROPORTION %
<b>Values in ZW\$ Millions</b>				
RTGS	57,999.28	68,854.46	18.72%	86.46%
POS	5,812.03	5,083.37	-12.54%	6.38%
ATM	394.77	371.68	-5.85%	0.47%
MOBILE	3,275.91	5,331.03	62.73%	6.69%
<b>TOTAL</b>	<b>67,481.99</b>	<b>79,640.54</b>	<b>18.02%</b>	<b>100%</b>
<b>Volumes</b>				
RTGS	196,955	187,591	-4.75%	0.79%
POS	4,764,001	4,767,968	0.08%	20.08%
ATM	227,894	133,595	-41.38%	0.56%
MOBILE	16,582,669	18,657,593	12.51%	78.57%
<b>TOTAL</b>	<b>21,771,519</b>	<b>23,746,747</b>	<b>9.07%</b>	<b>100%</b>

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. 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
<b>Weekly Average (9-13 Nov)</b>	<b>1,882.75</b>	<b>880.30</b>	<b>6,928.40</b>	<b>15,811.60</b>	<b>43.10</b>
<b>16-Nov</b>	1,889.10	908.00	7,113.00	16,030.00	44.10
<b>17-Nov</b>	1,887.23	930.50	7,050.00	15,703.00	43.70
<b>18-Nov</b>	1,876.65	935.50	7,083.00	15,745.00	44.12
<b>19-Nov</b>	1,857.38	942.00	7,028.00	15,790.00	44.16
<b>20-Nov</b>	1,871.35	953.50	7,178.50	15,870.00	45.12
<b>weekly average (16-20 Nov)</b>	<b>1,876.34</b>	<b>933.90</b>	<b>7,090.50</b>	<b>15,827.60</b>	<b>44.24</b>
<b>Weekly Change (%)</b>	<i>(0.3)</i>	<i>6.1</i>	<i>2.3</i>	<i>0.1</i>	<i>2.6</i>

Source: BBC, KITCO and Bloomberg, 2020

### Gold

Gold retreated for the second consecutive week amid growing optimism about COVID-19 vaccines, a development which bolstered hopes for a swifter economic recovery and an accelerating shift by investors into riskier assets. In addition, gold prices were weighed down by uncertainty over additional U.S. stimulus measures after the US Treasury indicated that key pandemic lending programs at the Federal Reserve would expire by the end of the year. Resultantly, gold weekly average price slid by 0.3% from a weekly average of US\$1,882.75 per ounce to US\$1,876.34 per ounce during the week under review.

### Platinum

Platinum prices posted a marginal 0.1% increase from a weekly average price of US\$880.30 per ounce, to US\$933.900 per ounce recorded during the week ending 20<sup>th</sup> November 2020. The increase in platinum prices followed reports by the World Platinum Investment Council that the market will be in a deficit in 2020 and 2021 owing to COVID-19 induced supply disruptions.

### Copper

Copper prices continued on a positive trajectory as rebounding growth in China and signs of progress in developing a COVID-19 vaccine buoyed demand prospects. Furthermore, support came from worries about possible supply disruptions following unrest in Peru, one of the world's major producers of the red metal. Consequently, copper gained by 2.3% week-on-week from US\$6,928.40 per tonne to US\$7,090.50 per tonne, recorded during the week under review.

## Nickel

Nickel prices also rose by 0.1% from US\$15,811.60 per tonne, to US\$15,827.60 per tonne during the week under review. Nickel was boosted by strong demand in China and growing global trends towards electric motor vehicles. Nickel is used a major ingredient in the manufacturing of batteries for electrical vehicles.

## Brent Crude Oil

Oil prices edged up during the week under analysis amid hopes that the Organization of Petroleum Exporting Countries (OPEC) will continue to curb output. The increase was, however, capped by concerns of weaker fuel demand amid rising COVID-19 cases and higher production from Libya. Concomitantly, crude oil weekly average prices firmed by 2.6% to close the week at US\$44.24 per barrel.

## EXCHANGE RATE DEVELOPMENTS

In the week, the Zimbabwe dollar (ZW\$) fell slightly against the US dollar, making it the fifth consecutive week of slight depreciations. The local unit slid by a marginal 0.02% against the US dollar from a weekly average of ZW\$81.67441 per USD to ZW\$81.6885 per USD in the week under analysis. The developments in selected exchange rates is shown in Table 5.

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

	USD	ZAR	GBP	BWP	EURO
<b>2020</b>					
<b>Weekly Average (9 -13 Nov)</b>	81.6741	5.2502	107.7547	7.2947	96.5811
<b>16-Nov</b>	81.6741	5.2502	107.7547	7.2947	96.5811
<b>17-Nov</b>	81.6741	5.3291	107.9528	7.3755	96.1030
<b>18-Nov</b>	81.6741	5.3291	107.9528	7.3755	96.1030
<b>19-Nov</b>	81.7102	5.3107	108.3806	7.3667	96.9984
<b>20-Nov</b>	81.7102	5.2659	108.1395	7.3547	96.8023
<b>Weekly Average (16-20 Nov)</b>	81.6885	5.297	108.0361	7.3534	96.5176
<b>Appr(-)/Depr(+) (%) of the ZWL</b>	0.02	0.89	0.26	0.80	-0.07

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

**Table 6: Foreign Exchange Auction results for MAINFX<sup>2</sup> and SMEFX<sup>3</sup>**

	MAINFX				SMEFX			
	27-Oct-20	3-Nov-20	10-Nov-20	17-Nov-20	27-Oct-20	3-Nov-20	10-Nov-20	17-Nov-20
<b>Total Bids (US\$ dollars)</b>	26,175,746.8	26,517,763.38	29,947,934.68	27,436,863.5	1,676,072.9	1,777,373.0	1,844,700.5	2,303,580.0
<b>Amount Allotted (US\$ dollars)</b>	26,175,746.8	26,517,763.38	29,947,934.68	27,436,863.5	1,676,072.9	1,777,373.0	1,844,700.5	2,303,580.0
<b>Highest Rate</b>	86	90	86.3	86	89	86	85	90
<b>Lowest Rate</b>	79	80	80	79	80	79	80	80
<b>Lowest Accepted Rate</b>	79	80	80	79	80	79	80	80
<b>Weighted Average Rate</b>	81.3531	81.6740	81.6741	81.7102	81.3531	81.6740	81.6741	81.7102
<b>Number of Bids Received</b>	274	260	152	294	146	148	268	192
<b>Number of Bids Rejected</b>	36	26	9	38	18	9	20	17

Source: Reserve Bank of Zimbabwe

#### 4. EQUITY MARKETS

During the week ended 20<sup>th</sup> November 2020, the Zimbabwe Stock Exchange (ZSE) maintained its positive momentum for the third consecutive week, resulting in all the major indices registering gains. Notable investor interest was skewed towards wealth-preserving blue-chip counters. As such, the All Share, Top 10 and Medium Cap indices gained 6.76%, 9.24% and 2.59% to close at 1 665.13 points, 1 106.31 points and 3 221.28 points, respectively.

The industrial index increased by 7% to close at 5 511.80 points during the week under analysis. The increase in the mainstream index emanated from gains in Delta Corporation Limited (34.95%), Econet Wireless Zimbabwe Limited (26.75%), Seed Co Limited (20.66%), Star Africa Corporation Limited (19.86%) and Padenga Holdings Limited (19.82%). Partially offsetting the gains in the mainstream index were losses recorded in the share prices of African Sun Limited (18.91%), ZB Financial Holdings Limited (14.29%), Dairibord Holdings Limited (11.21%), Truworths Limited (10.52%) and NMBZ Holdings Limited (10.52%).

The mining index shed 1.15% to close at 3 391.21 points. The decline in the resources index was largely underpinned by a 1.43% share price decrease in Bindura Nickel Corporation

<sup>2</sup> Main Foreign Currency Auction

<sup>3</sup> Small and Medium Enterprises Foreign Currency Auction

(BNC). RioZim Limited traded at the previous week's price level, albeit on thin volumes.

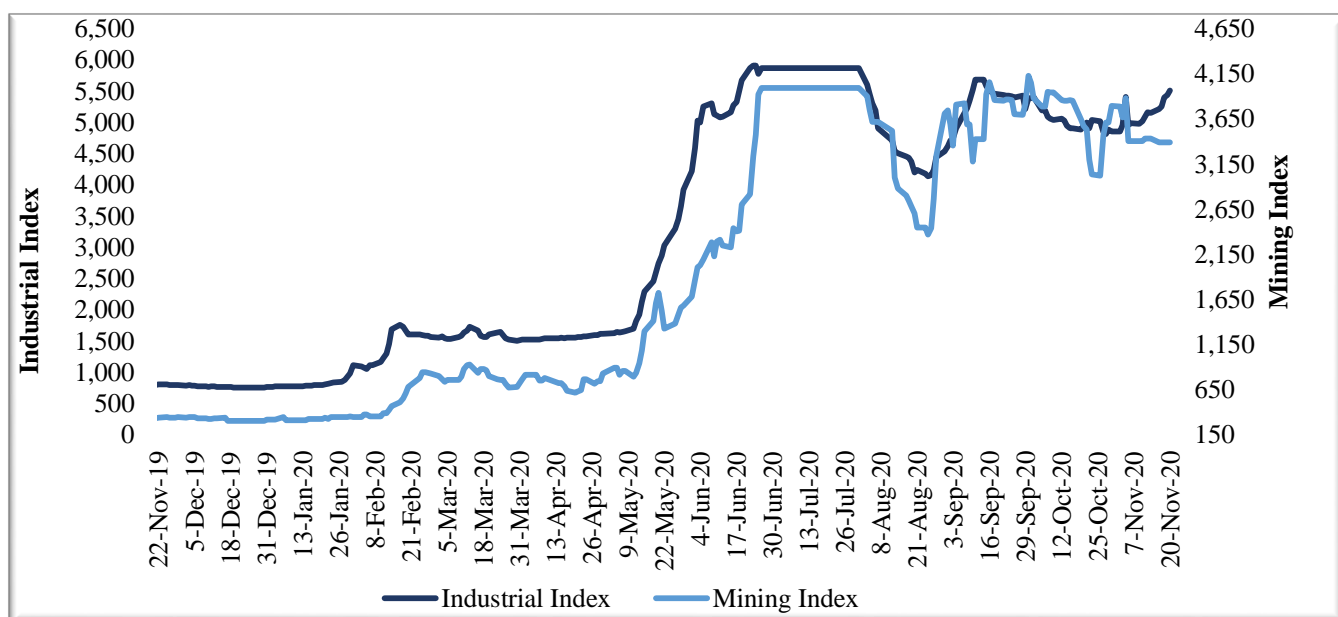
Table 7 shows selected ZSE statistics.

**Table 7: Zimbabwe Stock Exchange Statistics<sup>4</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>16-Oct-20</b>	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
<b>23-Oct-20</b>	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
<b>30-Oct-20</b>	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
<b>6-Nov-20</b>	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
<b>13-Nov-20</b>	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
<b>20-Nov-20</b>	1 665.13	1 106.31	1 295.08	3 221.28	6 286.89	5 511.80	3 391.21	198.78	360.96	86.69
<b>% Change</b>	<b>6.76</b>	<b>9.24</b>	<b>8.15</b>	<b>2.59</b>	<b>2.58</b>	<b>7.00</b>	<b>-1.15</b>	<b>5.72</b>	<b>-43.04</b>	<b>-23.13</b>

Source: Zimbabwe Stock Exchange (ZSE), 2020

**Figure 3: Zimbabwe Stock Exchange Indices**



Source: Zimbabwe Stock Exchange, 2020

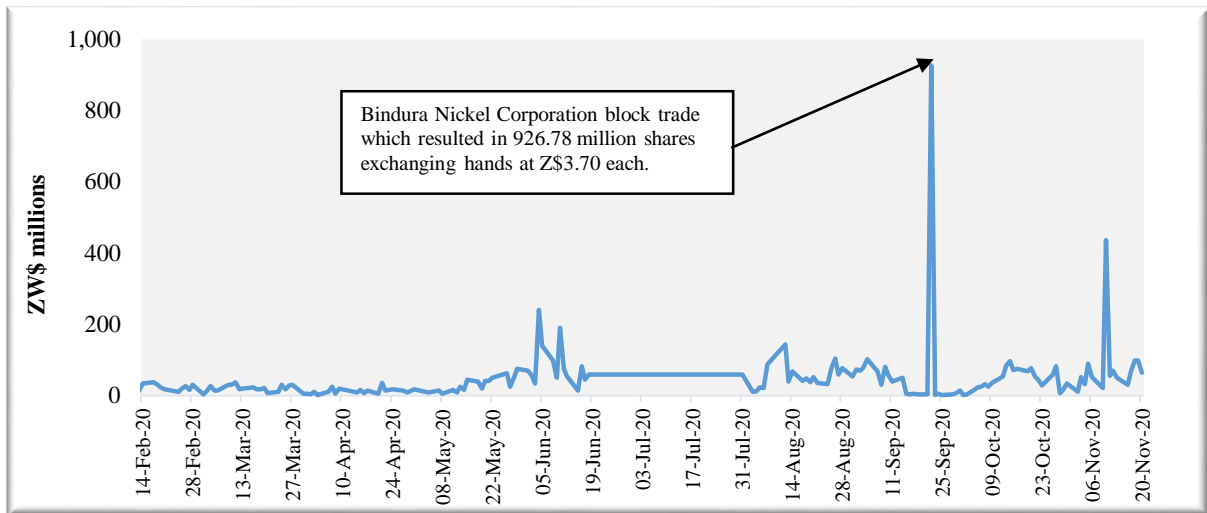
### Market Turnover and Volume

<sup>4</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.



During the week under review, market turnover value and the volume of shares traded decreased by 43.04% and 23.14% to ZW\$360.96 million and 86.69 million shares, respectively.

**Figure 4: Daily Market Turnover**

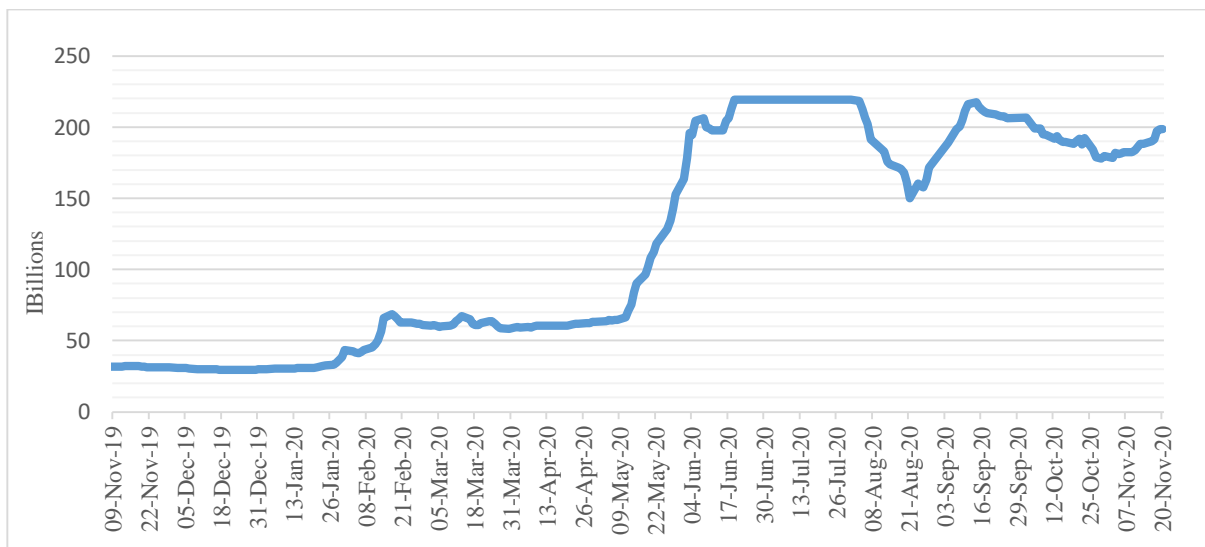


Source: Zimbabwe Stock Exchange, 2020

### Market Capitalization

The ZSE gained ZW\$10.76 billion, or 5.72% worth of market capitalisation to close at ZW\$198.78 billion during the week under review.

**Figure 5: Daily Market Capitalization in ZW\$ billions**



Source: Zimbabwe Stock Exchange, 2020

## Johannesburg Stock Exchange (JSE) Developments

During the week under analysis, the Johannesburg Stock Exchange (JSE) All share index declined by 0.99% to close at 56,615.28 points. Similarly, JSE market capitalisation fell by 0.75% to close at ZAR17.16 trillion during the same period.

**Table 9: Johannesburg Stock Exchange (JSE) Statistics**

Period	All Share Index (points)	Market Capitalization (ZAR trillions)
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
20-November-20	56,615.28	17.16
<b>% Change</b>	<b>-0.99</b>	<b>-0.75</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**

## APPENDIX 1: SUMMARY OF FOREIGN CURRENCY AUCTION ALLOTMENTS BY PURPOSE

Purpose	MAINFX				SMEFX			
	27-Oct-20	3-Nov-20	10-Nov-20	17-Nov-20	13-Oct-20	20-Oct-20	27-Oct-20	17-Nov-20
<b>Raw Materials</b>	10,457,656.59	12,008,084.41	12,542,113.84	11,092,297.82	445,902.32	455,965.18	413,913.78	530,608.23
<b>Machinery and Equipment</b>	4,300,722.02	4,381,559.77	4,639,312.84	5,628,197.63	237,171.57	410,717.78	377,174.05	578,959.12
<b>Consumables (Incl. Spares, Tyres, Packaging)</b>	2,713,077.60	2,387,256.81	2,687,250.18	2,094,829.54	454,901.94	338,687.55	556,338.82	478,606.33
<b>Pharmaceuticals and Chemicals</b>	1,305,299.41	1,504,563.06	1,566,376.32	1,133,717.24	111,506.70	86,277.63	127,230.50	114,870.24
<b>Services (Loans, Dividends and Disinvestments)</b>	2,661,580.90	2,348,762.69	2,686,945.11	2,715,428.55	2,661,580.90	131,578.41	160,651.63	241,910.39
<b>Retail and Distribution</b>	1,652,236.53	2,026,604.15	2,110,010.79	2,113,240.18	1,652,236.53	236,050.95	100,329.03	170,866.68
<b>Fuel, Electricity and Gas</b>	2,528,349.23	1,733,040.11	3,088,664.59	1,787,469.07	2,528,349.23	58,867.23	39,793.81	105,469.66
<b>Paper and Packaging</b>	556,824.49	127,892.38	627,261.01	871,683.46	556,824.49	59,228.31	69,268.91	82,289.35
<b>TOTAL</b>	<b>26,175,746.77</b>	<b>26,517,763.38</b>	<b>29,947,934.68</b>	<b>27,436,863.49</b>	<b>1,676,072.85</b>	<b>1,777,373.04</b>	<b>1,844,700.53</b>	<b>2,303,580.00</b>

Source: Reserve Bank of Zimbabwe, 2020