



Weekly Economic Highlights

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Week Ending
27th November 2020

1. INTEREST RATES

Deposit Rates

Minimum and maximum deposit rates for savings deposits, deposits of 1 month and 3 month tenors remained unchanged during the week under review, 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-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
27-Nov-20	1.68	4.69	4.47	9.37	5.28	9.57

Source: Reserve Bank of Zimbabwe, 2020

Lending Rates

During the week ending 27th of November 2020, minimum and maximum lending rates at commercial banks for individuals and at corporate clients remained unchanged at the previous week's levels, as shown in Table 2.

Table 2: Lending Rates (per annum)

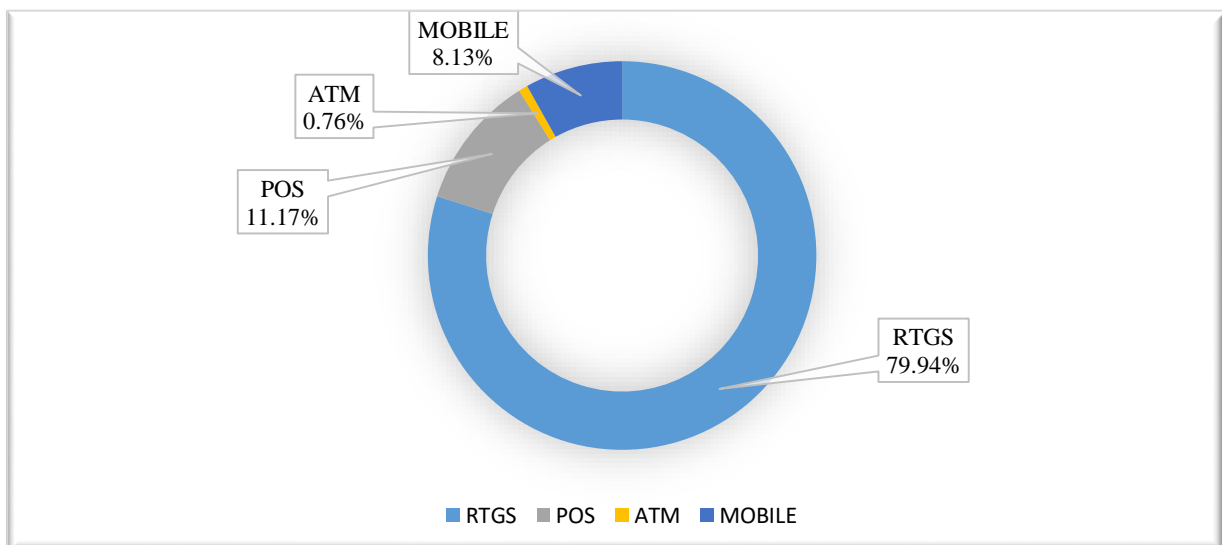
Date	Individual Clients		Corporate Clients	
	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
30-Oct-20	26.04	46.14	26.68	50.99
6-Nov-20	25.91	46.66	26.94	51.07
13-Nov-20	25.91	46.66	26.94	51.07
20-Nov-20	30.32	52.78	27.67	52.77
27-Nov-20	30.32	52.78	27.67	52.77

Source: Reserve Bank of Zimbabwe, 2020

2. CLEARING AND SETTLEMENT ACTIVITY

During the week under analysis, total value of National Payment Systems (NPS) transactions declined by 18.18% from ZW\$79.64 billion to ZW\$65.16 billion during the week of analysis. Real Time Gross Settlement (RTGS) system transactions were 24.35% lower to close at ZW\$52.01 billion, during the same period. In value terms, NPS transactions were distributed as follows: RTGS, 79.94%; POS, 11.17%; Mobile, 8.13% and ATM, 0.76%.

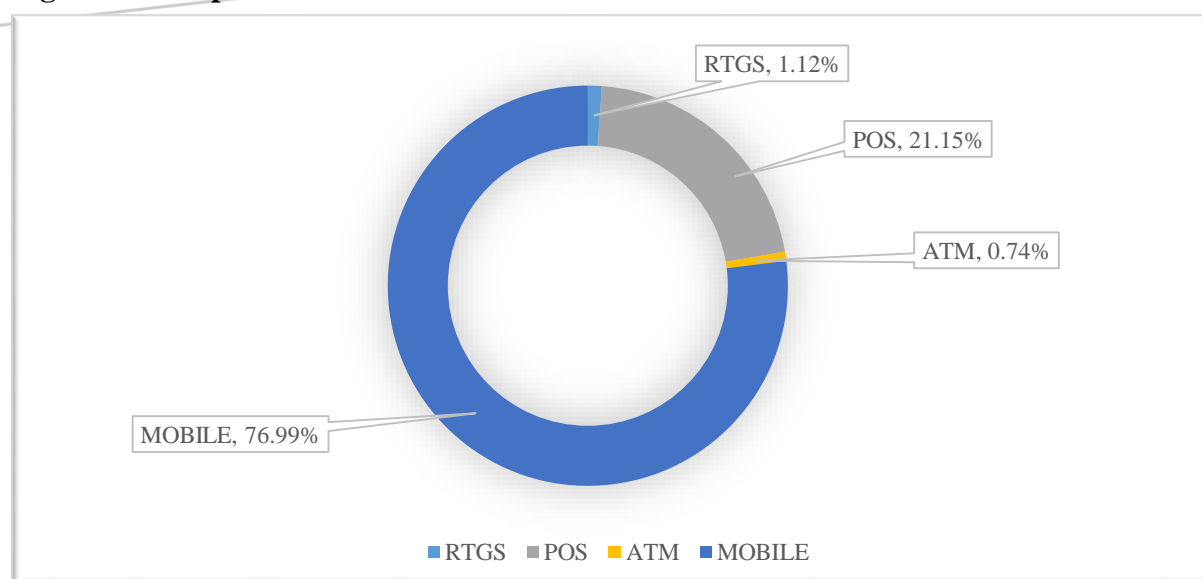
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2020

The volume of transactions processed through the NPS system registered a marginal increase of 4.89% to close at 24.91 million, during the week under analysis. The distribution of NPS transaction volumes was as follows: Mobile, 76.99%; POS, 21.15%; RTGS, 1.12%; and ATM, 0.74%.

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 20 th NOVEMBER 2020	WEEK ENDING 27 th NOVEMBER 2020	% CHANGE FROM LAST WEEK	PROPORTION %
Values in ZW\$ Millions				
RTGS	68,854.46	52,091.09	-24.35%	79.94%
POS	5,083.37	7,275.44	43.12%	11.17%
ATM	371.68	495.22	33.24%	0.76%
MOBILE	5,331.03	5,296.92	-0.64%	8.13%
TOTAL	79,640.54	65,158.67	-18.18%	100%
Volumes				
RTGS	187,591	279,557	49.02%	1.12%
POS	4,767,968	5,269,064	10.51%	21.15%
ATM	133,595	184,083	37.79%	0.74%
MOBILE	18,657,593	19,176,278	2.78%	76.99%
TOTAL	23,746,747	24,908,982	4.89%	100%

Source: Reserve Bank of Zimbabwe, 2020

3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international prices for platinum, copper, nickel and Brent crude oil, sustained an upward trajectory during the week under review, while gold prices retreated further amid coronavirus (COVID-19) vaccine buoyancy. Table 4 shows developments in selected commodity prices during the week under review.

Table 4: Metal and Crude Oil Prices for the week-ending 27th November 2020

	Gold	Platinum	Copper	Nickel	Crude Oil
2020	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
Weekly average (16-20 Nov)	1,876.34	933.90	7,090.50	15,807.60	44.24
23-Nov	1,852.00	948.00	7,215.50	16,017.00	46.46
24-Nov	1,808.85	936.50	7,302.00	16,007.00	48.32
25-Nov	1,809.53	959.50	7,238.50	15,975.00	48.86
26-Nov	1,811.13	960.50	7,356.50	16,055.00	47.66
27-Nov	1,793.68	953.50	7,462.00	16,373.00	48.24
weekly average (23-27 Nov)	1,815.04	951.60	7,314.90	16,085.40	47.91
Weekly Change (%)	<i>(3.3)</i>	<i>1.9</i>	<i>3.2</i>	<i>1.8</i>	<i>8.3</i>

Source: BBC, KITCO and Bloomberg, 2020

Gold

Gold remained subdued as hopes of a quick COVID-19 vaccine prompted investors to shift to riskier assets. Prospects of a swifter economic recovery and optimism about COVID 19 vaccine dampened the safe haven appeal for precious metals such as gold. Against this backdrop, gold weekly average price declined by 3.3% from a weekly average of US\$1,876.34 per ounce to US\$1,815.04 per ounce.

Platinum

Platinum prices extended gains recorded in the previous sessions registering a 1.9% increase from a weekly average price of US\$933.90 per ounce registered in the previous week to US\$951.60 per ounce recorded during the week ending 27th November 2020. Positive news about the new COVID-19 vaccine boosted the demand outlook for the metal, which is also used in the automobile manufacturing industries.

Copper

Copper rose further, reaching a near seven-year peak during the week on strong demand from China, the world's top consumer of the metal. Additional support emanated from prospects of U.S. political stability and positive news on the development of coronavirus vaccines. Accordingly, copper rose by 3.2% from a weekly average of US\$7,090.50 per tonne to US\$7,314.90 per tonne recorded.

Nickel

Likewise, nickel prices rose on account of an economic rebound in China and growing hopes for a COVID 19 vaccine. These developments bolstered the demand outlook for the base metal. As a result, nickel prices rose by 1.8% from US\$15,807.60 per tonne, to US\$16,085.40 per tonne during the week ending 27th November 2020.

Brent Crude Oil

Oil prices rallied for a fourth straight week ahead of a meeting of the Organization of Petroleum Exporting Countries (OPEC) scheduled for early December 2020. Reports of positive coronavirus vaccine trials also raised hopes for a recovery in global oil demand. There are, however growing concerns about oversupply in the market amid rising output from Libya. Consequently, crude oil weekly average prices firmed by 8.3% to close at US\$47.91 per barrel during the week under review, from US\$44.24 per barrel during the previous week.

EXCHANGE RATE DEVELOPMENTS

During the week under review, the Zimbabwean dollar (ZW\$) depreciated marginally against the US dollar, making it the sixth consecutive week of slight depreciations. The local unit slid by 0.09% against the US dollar from a weekly average of ZW\$81.6958 per USD to ZW\$81.7731 per USD in the week under review. Table 5 shows developments in selected exchange rates during the week ending 27th November 2020.

Table 5: International Exchange Rates¹

	USD	ZAR	GBP	BWP	EURO
2020					
Weekly Average (16-20 Nov)	81.6958	5.308	108.178	7.3612	96.6214
23-Nov	81.7102	5.316321	108.8094	7.37875	97.0147
24-Nov	81.7102	5.310674	108.9565	7.37495	96.8307
25-Nov	81.8151	5.376344	109.1987	7.37185	97.3641
26-Nov	81.8151	5.417118	109.5464	7.4046	97.5768
27-Nov	81.8151	5.38648	109.3746	7.41275	97.5565
Weekly Average (23-27 Nov)	81.7731	5.36139	109.177	7.38858	97.2686
Appr(-)/Depr(+) (%) of the ZWL	<i>0.09</i>	<i>1.01</i>	<i>0.92</i>	<i>0.37</i>	<i>0.67</i>

Source: Reserve Bank of Zimbabwe, 2020

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

Table 6: Foreign Exchange Auction results for MAINFX² and SMEFX³

	MAINFX				SMEFX			
	3-Nov-20	10-Nov-20	17-Nov-20	24-Nov-20	3-Nov-20	10-Nov-20	17-Nov-20	24-Nov-20
Total Bids (US\$ dollars)	26,517,763.38	29,947,934.68	27,436,863.5	30,630,562.31	1,777,373.0	1,844,700.5	2,303,580.0	2,324,864.5
Amount Allotted (US\$ dollars)	26,517,763.38	29,947,934.68	27,436,863.5	30,630,562.31	1,777,373.0	1,844,700.5	2,303,580.0	2,324,864.5
Highest Rate	90	86.3	86	86	86	85	90	86
Lowest Rate	80	80	79	80	79	80	80	80
Lowest Accepted Rate	80	80	79	80	79	80	80	80
Weighted Average Rate	81.6740	81.6741	81.7102	81.8151	81.6740	81.6741	81.7102	81.8151
Number of Bids Received	260	152	294	289	148	268	192	181
Number of Bids Rejected	26	9	38	21	9	20	17	15

Source: Reserve Bank of Zimbabwe

4. EQUITY MARKETS

The Zimbabwe Stock Exchange (ZSE) recorded negative trading, with the Top 10, Top 15 and All Share declining by 9.73%, 8.33% and 5.01% to close at 998.65 points, 1 187.17 points and 1 581.69 points, respectively. The Small Cap and Medium Cap indices, however, increased by 19.40% and 2.65% to 1 219.96 points and 3 306.67 points, respectively.

The industrial index decreased by 5.10% to close at 5 230.94 points, while the resource index shed 1.94% to close at 3 325.30 points. This was partly attributed to share price increases for Masimba Holdings Limited (88.74%), Nampak Zimbabwe Limited (47.06%), Hippo Valley Estates Limited (31.60%), Unifreight Africa Limited (19.69%) and First Capital Bank Limited (16.69%). Partially offsetting the above mentioned gains were losses recorded in the share prices of Delta Corporation Limited (24.83%), Fidelity Life Assurance Limited (19.95%), NMBZ Holdings Limited (19.06%), Mashonaland Holdings Limited (9.28%) and Padenga Holdings Limited (8.66%).

² Main Foreign Currency Auction

³ Small and Medium Enterprises Foreign Currency Auction

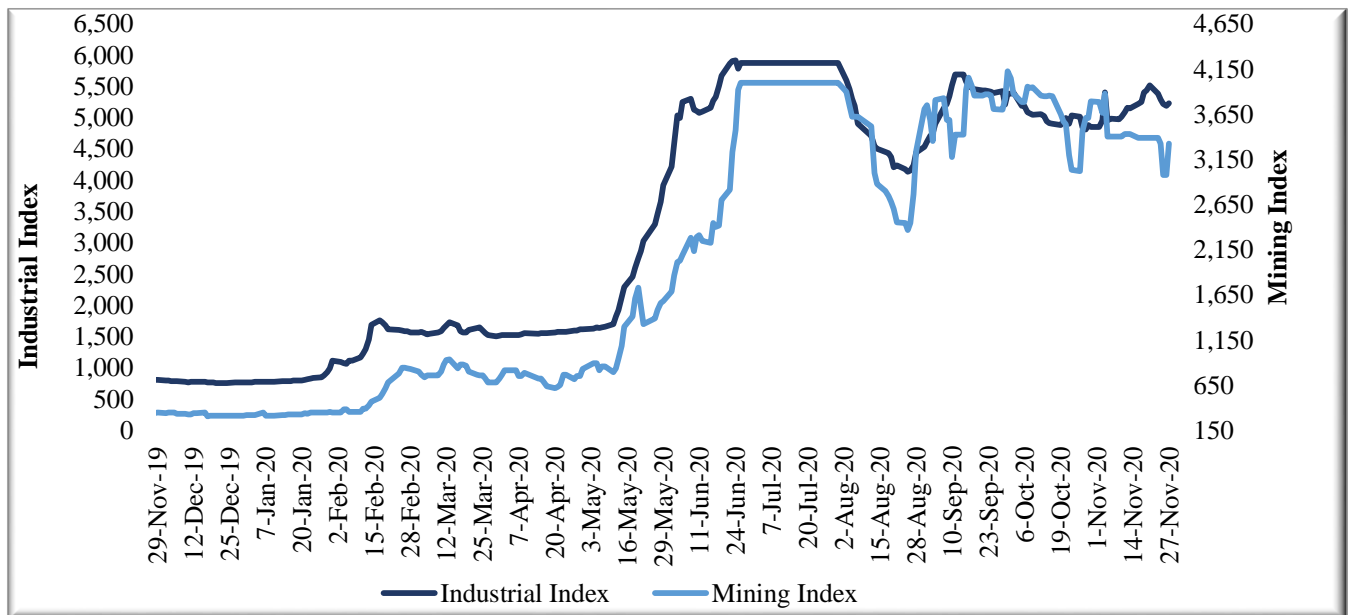
The resource index shed 1.94% to close at 3 325.30 points. The decline was underpinned by decreases in 9.11% and 0.23% share price decrease in both Rio-Zim Limited and Bindura Nickel Corporation (BNC), respectively. Table 7 shows selected ZSE statistics.

Table 7: Zimbabwe Stock Exchange Statistics⁴

	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)
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
20-Nov-20	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
27-Nov-20	1 581.69	998.65	1 187.17	3 306.67	1 219.96	5 230.94	3 325.30	191.63	415.35	126.19
% Change	-5.01	-9.73	-8.33	2.65	-80.60	-5.10	-1.94	-3.60	15.07	45.56

Source: Zimbabwe Stock Exchange (ZSE), 2020

Figure 3: Zimbabwe Stock Exchange Indices



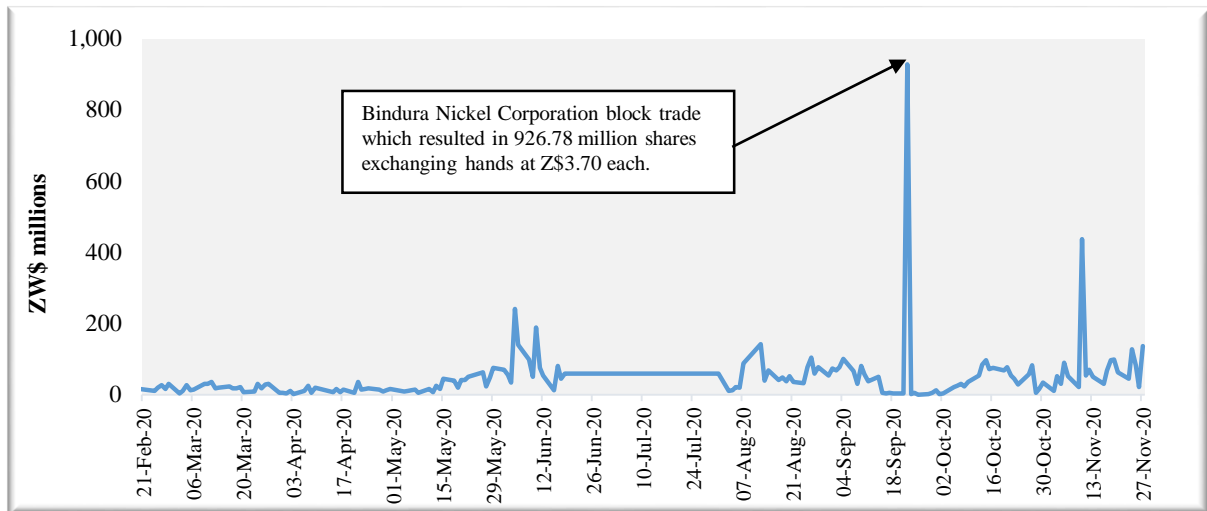
Source: Zimbabwe Stock Exchange, 2020

⁴ 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.

Market Turnover and Volume

Despite the negative trading recorded during the week under review, the volume of shares and market turnover increased by 45.57% and 15.07% to 126.19 million shares and ZW\$415.35 million, respectively.

Figure 4: Daily Market Turnover

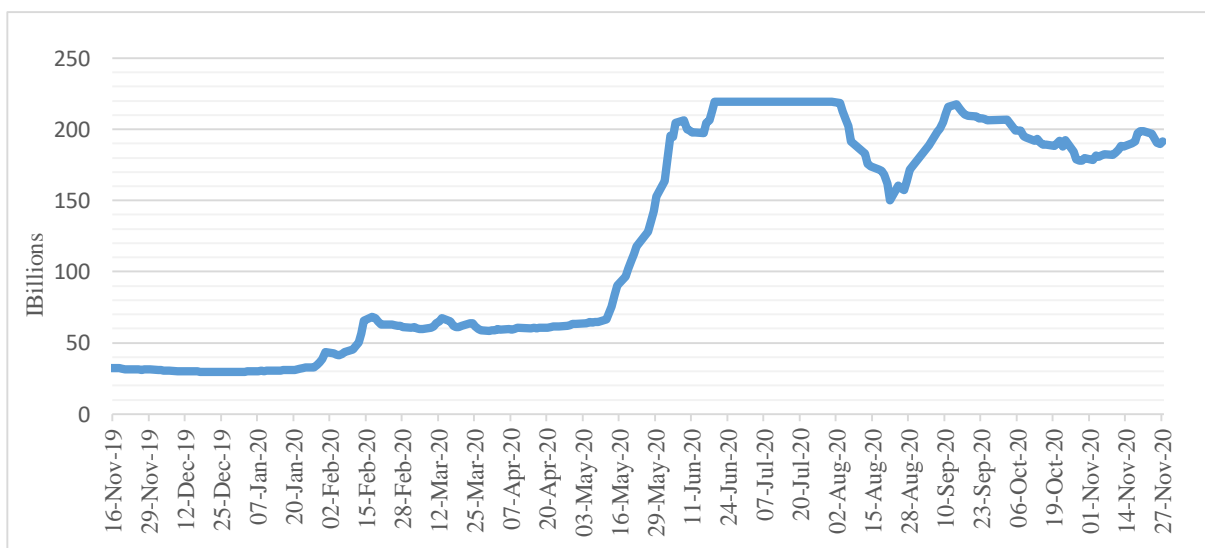


Source: Zimbabwe Stock Exchange, 2020

Market Capitalization

Bearish trading on the local bourse resulted in the ZSE losing ZW\$7.15 billion, or 3.60% worth of market capitalisation to close at ZW\$191.63 billion during the week under review.

Figure 5: Daily Market Capitalization in ZW\$ billions



Source: Zimbabwe Stock Exchange, 2020

Johannesburg Stock Exchange (JSE) Developments

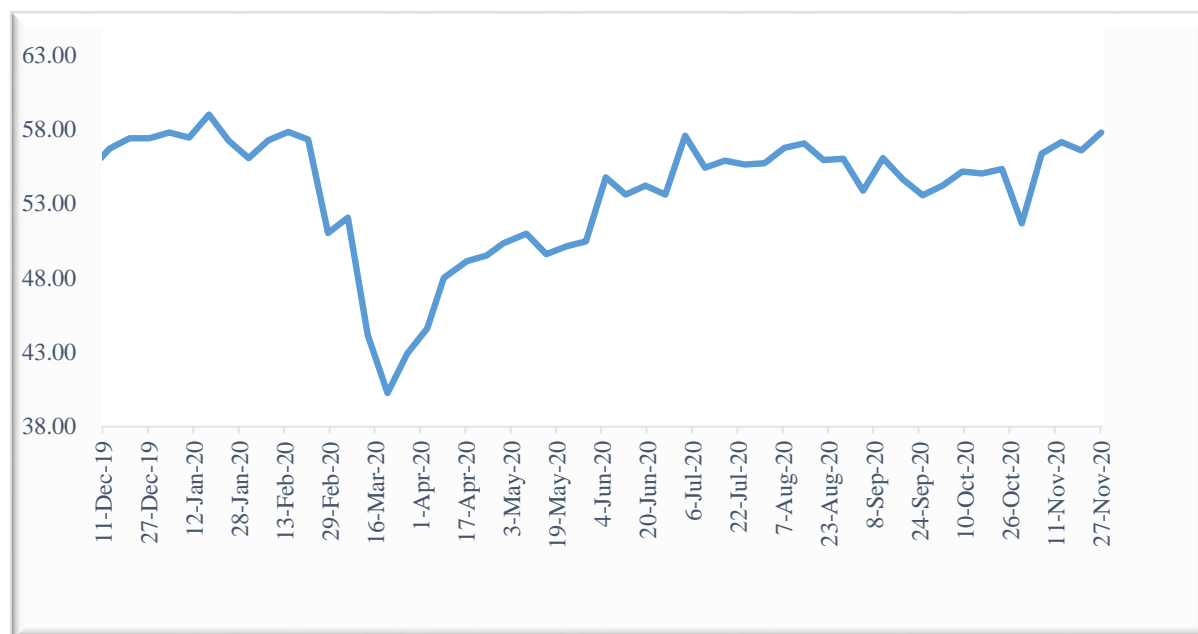
The Johannesburg Stock Exchange (JSE) All share increased by 2.13% to close at 57,822.50 points, during the week of analysis. In tandem, ZSE market capitalisation also rose by 2.21% to close at ZAR17.54 trillion, during the same week.

Table 9: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalization (ZAR trillions)
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
27-November-20	57,822.50	17.54
% Change	2.13	2.21

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			
	3-Nov-20	10-Nov-20	17-Nov-20	24-Nov-20	20-Oct-20	27-Oct-20	17-Nov-20	24-Nov-20
Raw Materials	12,008,084.41	12,542,113.84	11,092,297.82	13,388,111.44	455,965.18	413,913.78	530,608.23	627,543.76
Machinery and Equipment	4,381,559.77	4,639,312.84	5,628,197.63	6,158,604.61	410,717.78	377,174.05	578,959.12	488,162.79
Consumables (Incl. Spares, Tyres, Packaging)	2,387,256.81	2,687,250.18	2,094,829.54	2,651,123.89	338,687.55	556,338.82	478,606.33	437,479.62
Pharmaceuticals and Chemicals	1,504,563.06	1,566,376.32	1,133,717.24	1,043,660.49	86,277.63	127,230.50	114,870.24	82,656.98
Services (Loans, Dividends and Disinvestments)	2,348,762.69	2,686,945.11	2,715,428.55	2,367,928.69	131,578.41	160,651.63	241,910.39	190,567.68
Retail and Distribution	2,026,604.15	2,110,010.79	2,113,240.18	2,581,077.85	236,050.95	100,329.03	170,866.68	253,443.97
Fuel, Electricity and Gas	1,733,040.11	3,088,664.59	1,787,469.07	1,813,171.82	58,867.23	39,793.81	105,469.66	159,613.40
Paper and Packaging	127,892.38	627,261.01	871,683.46	626,883.52	59,228.31	69,268.91	82,289.35	85,396.28
TOTAL	26,517,763.38	29,947,934.68	27,436,863.49	30,630,562.31	1,777,373.04	1,844,700.53	2,303,580.00	2,324,864.48

Source: Reserve Bank of Zimbabwe, 2020