



# Weekly Economic Highlights

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

## 1. INTEREST RATES

### Deposit Rates

During the week ending 6<sup>th</sup> November 2020, minimum deposit rates for savings deposits and deposits of 1 month and 3 month tenors remained unchanged. Maximum deposits for savings deposits also remained unchanged at 5.19%, while those for deposits of 1 month and 3 month tenors registered increases of 0.29 and 0.02 percentage points to close at 8.57% and 8.71%, 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 (%)
9-Oct-20	2.35	5.19	4.17	7.71	4.50	8.37
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

Source: Reserve Bank of Zimbabwe, 2020

### Lending Rates

Commercial bank minimum lending rates for individuals were 0.13 percentage points lower, closing the week under review at 25.91%. Similarly, minimum lending rates for corporate clients increased by 0.26 percentage points to 26.94%. Maximum lending rates for individual and corporate clients increased by 0.52 and 0.08 percentage points to close at 46.66% and 51.07%, respectively, during the week ending 6<sup>th</sup> November 2020, as shown in Table 2.

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

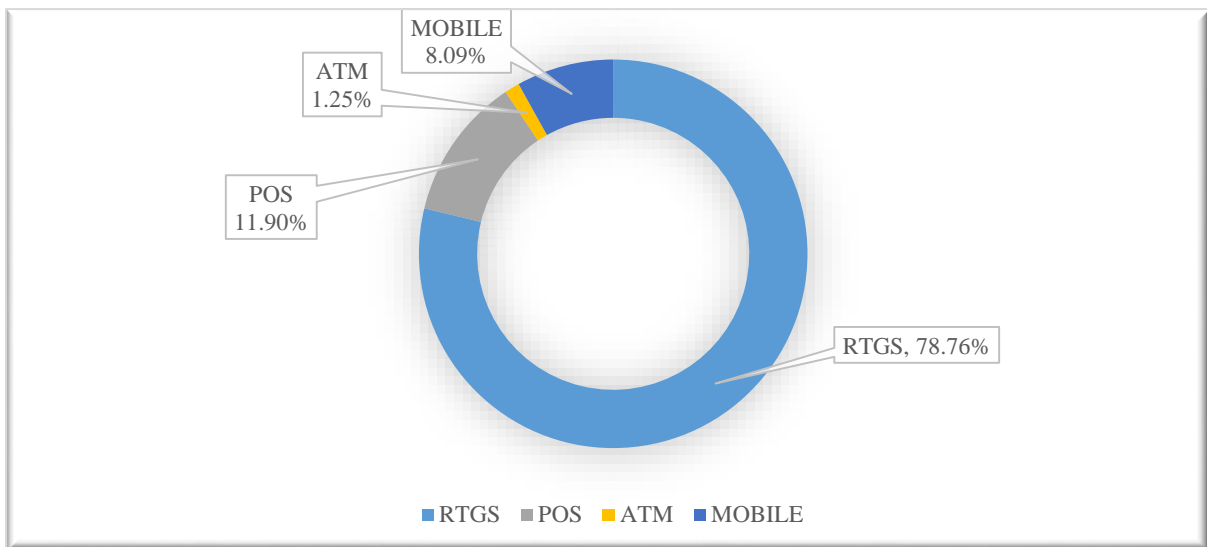
Date	Individual Clients		Corporate Clients	
	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
9-Oct-20	22.08	45.29	24.84	49.99
16-Oct-20	22.08	45.29	24.84	49.99
23-Oct-20	26.04	46.14	26.68	50.99
30-Oct-20	26.04	46.14	26.68	50.99
6-Nov-20	25.91	46.66	26.94	51.07

Source: Reserve Bank of Zimbabwe, 2020

## 2. CLEARING AND SETTLEMENT ACTIVITY

The value of transactions processed through the National Payment Systems (NPS) declined by 5.23%, from ZW\$59.31 billion in the previous week to close at ZW\$56.21 billion, during the week under analysis. Real Time Gross Settlement (RTGS) system transactions fell by 5.53% to close at ZW\$44.276 billion, during the same week. In proportions, NPS transaction values were distributed as follows: RTGS, 78.76%; POS, 11.90%; Mobile, 8.09% and ATM, 1.25%.

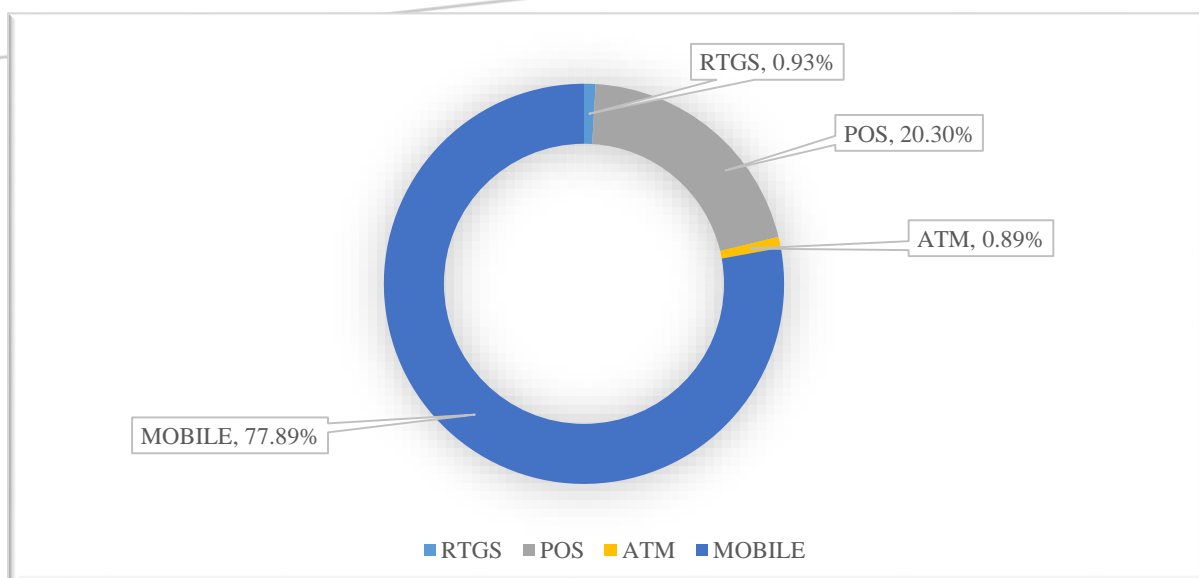
**Figure 1: Composition of NPS Transactions in Value Terms**



*Source: Reserve Bank of Zimbabwe, 2020*

NPS transaction volumes were 3.37% lower to close at 25.70 million transactions, during the week of analysis. The distribution of NPS transaction volumes was as follows: Mobile, 77.89%; POS, 20.30%; RTGS, 0.93%; and ATM, 0.89%.

**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 30 <sup>th</sup> OCTOBER 2020	WEEK ENDING 6 <sup>th</sup> NOVEMBER 2020	% CHANGE FROM LAST WEEK	PROPORTION %
<b>Values in ZW\$ Millions</b>				
RTGS	46,857.14	44,265.94	-5.53%	78.76%
POS	6,731.83	6,690.06	-0.62%	11.90%
ATM	703.52	703.72	0.03%	1.25%
MOBILE	5,016.43	4,546.95	-9.36%	8.09%
<b>TOTAL</b>	<b>59,308.92</b>	<b>56,206.67</b>	<b>-5.23%</b>	<b>100%</b>
<b>Volumes</b>				
RTGS	274,469	238,896	-12.96%	0.93%
POS	5,423,814	5,216,502	-3.82%	20.30%
ATM	210,783	228,380	8.35%	0.89%
MOBILE	20,688,839	20,018,173	-3.24%	77.89%
<b>TOTAL</b>	<b>26,597,905</b>	<b>25,701,951</b>	<b>-3.37%</b>	<b>100%</b>

Source: Reserve Bank of Zimbabwe, 2020

### 3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international commodity prices of gold, platinum, copper and Brent crude oil registered increases, during the week ending 6<sup>th</sup> November 2020. Nickel prices, however, declined in the same week, as shown in Table 4.

**Table 4: Metal and Crude Oil Prices for the week-ending 6 November 2020**

	Gold	Platinum	Copper	Nickel	Crude Oil
2020	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
<b>Weekly Average (26-30 Oct)</b>	1,887.54	869.20	6,734.90	15,493.40	38.45
<b>2-Nov</b>	1,888.33	856.50	6,712.50	15,113.00	38.90
<b>3-Nov</b>	1,904.08	873.50	6,791.50	15,365.00	40.60
<b>4-Nov</b>	1,894.35	866.50	6,748.00	15,391.00	40.59
<b>5-Nov</b>	1,927.63	892.50	6,798.00	15,450.00	39.96
<b>6-Nov</b>	1,944.38	906.00	6,938.50	15,532.00	39.66
<b>Weekly Average (2-6 Nov)</b>	1,911.75	879.00	6,797.70	15,370.20	39.94
<b>Weekly Change (%)</b>	1.3	1.1	0.9	-0.8	3.9

Source: BBC, KITCO and Bloomberg, 2020

### Gold

Gold registered a week-on-week increase in price of 1.3%, from a weekly average of US\$1,887.54 per ounce to US\$1,911.75 per ounce, during the week ending 6<sup>th</sup> November 2020. The usual preference of gold as a safe haven was boosted by uncertainty over the US presidential election results, a weaker US dollar and second waves of coronavirus infections in major economies, which resulted in new lockdown restrictions.

### Platinum

Platinum prices rose steadily through the week ending 6<sup>th</sup> November 2020, buoyed by the safe haven appeal of precious metals as uncertainty loomed in the global economy. Against this backdrop, the price increased by 1.1%, from a weekly average of US\$869.20 per ounce recorded in the previous week to US\$879.00 per ounce, during the week under analysis.

### Copper

The price of copper was little changed during the week under review, mainly on account of thin trading as markets awaited the outcome of the US presidential elections. Weekly average prices registered a 0.9% increase, from US\$6,734.90 per tonne in the previous week to US\$6,797.70 per tonne, during the week ending 6<sup>th</sup> November 2020. Recovery in China, the world's top metal consumer, propped up the price of copper from the demand side. Prices further gained support from expectations of tighter supply conditions, as industrial action at Chile's largest mine escalated.

## Nickel

Nickel prices retreated by 0.8%, from a weekly average of US\$15,493.40 per tonne in the previous week to US\$15,370.20 per tonne, during the week under analysis. The decline was occasioned by profit taking by investors, following the rally in October as well as growing uncertainty over the US presidential election results.

## Brent crude oil

Brent crude oil prices recovered during the week under review, rising by 3.9% from a weekly average of US\$38.45 per barrel in the previous week to US\$39.94 per barrel. Prices firmed after economic data showed that US crude oil inventories had declined. The increase in oil prices was, however, moderated by demand concerns emanating from new coronavirus (COVID-19)-induced lockdowns in Europe and uncertainty over the results of the US presidential election.

## EXCHANGE RATE DEVELOPMENTS

On the foreign exchange auction market, the Zimbabwe dollar (ZW\$) traded steadily against the greenback. The local unit lost by 0.2% against the US dollar, from ZW\$81.3518 per US\$1 in the previous week to ZW\$81.5453 per US\$1 during the week under analysis. Developments in selected exchange rates are shown in Table 5.

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

	USD	ZAR	GBP	BWP	EURO
<b>2020</b>					
<b>Weekly Average (26 -30 Oct)</b>	81.3518	4.9963	105.7998	7.1372	95.7783
<b>2-Nov</b>	81.3531	5.0125	105.0066	7.1149	94.6545
<b>3-Nov</b>	81.3531	5.0201	105.1327	7.1187	94.8294
<b>4-Nov</b>	81.6740	5.0480	106.1926	7.1879	95.3095
<b>5-Nov</b>	81.6740	5.1361	105.8863	7.2166	95.8731
<b>6-Nov</b>	81.6740	5.1921	107.2463	7.2328	96.5389
<b>Weekly Average (2 -6 Nov)</b>	81.5453	5.0808	105.8867	7.1738	95.4360
<b>Appr(-)/Depr(+) (%) of the ZWL</b>	<i>0.2</i>	<i>1.7</i>	<i>0.1</i>	<i>0.5</i>	<i>-0.4</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

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

	MAINFX				SMEFX			
	13-Oct-20	20-Oct-20	27-Oct-20	3-Nov-20	13-Oct-20	20-Oct-20	27-Oct-20	3-Nov-20
<b>Total Bids (US\$ dollars)</b>	27,396,490.9	27,057,595.9	26,175,746.8	26,517,763.38	1,828,623.4	1,740,633.9	1,676,072.9	1,777,373.0
<b>Amount Allotted (US\$ dollars)</b>	27,396,490.9	27,057,595.9	26,175,746.8	26,517,763.38	1,828,623.4	1,740,633.8	1,676,072.9	1,777,373.0
<b>Highest Rate</b>	88.07	87.1	86	90	86	86	89	86
<b>Lowest Rate</b>	79	79	79	80	79	79	80	79
<b>Lowest Accepted Rate</b>	79	79	79	80	79	79	80	79
<b>Weighted Average Rate</b>	81.3458	81.3499	81.3531	81.6740	81.3458	81.3499	81.3531	81.6740
<b>Number of Bids Received</b>	163	238	274	260	225	146	146	148
<b>Number of Bids Rejected</b>	10	15	36	26	26	14	18	9

Source: Reserve Bank of Zimbabwe

#### 4. EQUITY MARKETS

During the week ending 6<sup>th</sup> November 2020, the Zimbabwe Stock Exchange (ZSE) was bullish. Resultantly, the All Share, Top 10, Top 15 indices increased to 1,510.58 points, 997.24 points and 1,159.62 points, from the previous week levels of 1,476.87 points, 937.28 points and 1,122.83 points, respectively. The Medium Cap Small Cap indices were, however, lower by 0.88% and 0.39% to close at 3,056.33 points and 6,110.30 points, respectively.

The industrial index extended gains by 2.74% to close at 4,985.46 points, during the week under review. This was largely underpinned by share price increases for General Beltings Holdings Limited, 13.33%; Afdis Distillers Limited, 11.77%; Innscor Africa Limited, 10.91%; CBZ Holdings Limited, 9.27%; Axia Corporation Limited, 6.37%; Ok Zimbabwe Limited, 4.79%; Seed Co Limited, 3.03%; Padenga Holdings Limited, 2.89%; Meikles Limited, 1.97%; Simbisa Brands Limited, 1.83%; First Capital Bank Limited, 1.06%; and Ariston Holdings Limited, 0.77%. Partially offsetting the gains were losses registered in share prices for Mashonaland Holdings Limited, 15.89%; Dairibord Holdings Limited, 11.11%; NMBZ Holdings Limited, 10.06%; Cassava Smartech Zimbabwe Limited, 4.64%; ZB Financial Holdings Limited, 1.23%; Delta Corporation Limited, 1.12%; British American Tobacco Zimbabwe, 0.66%; and Hippo Valley Estates Limited, 0.34%.

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

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

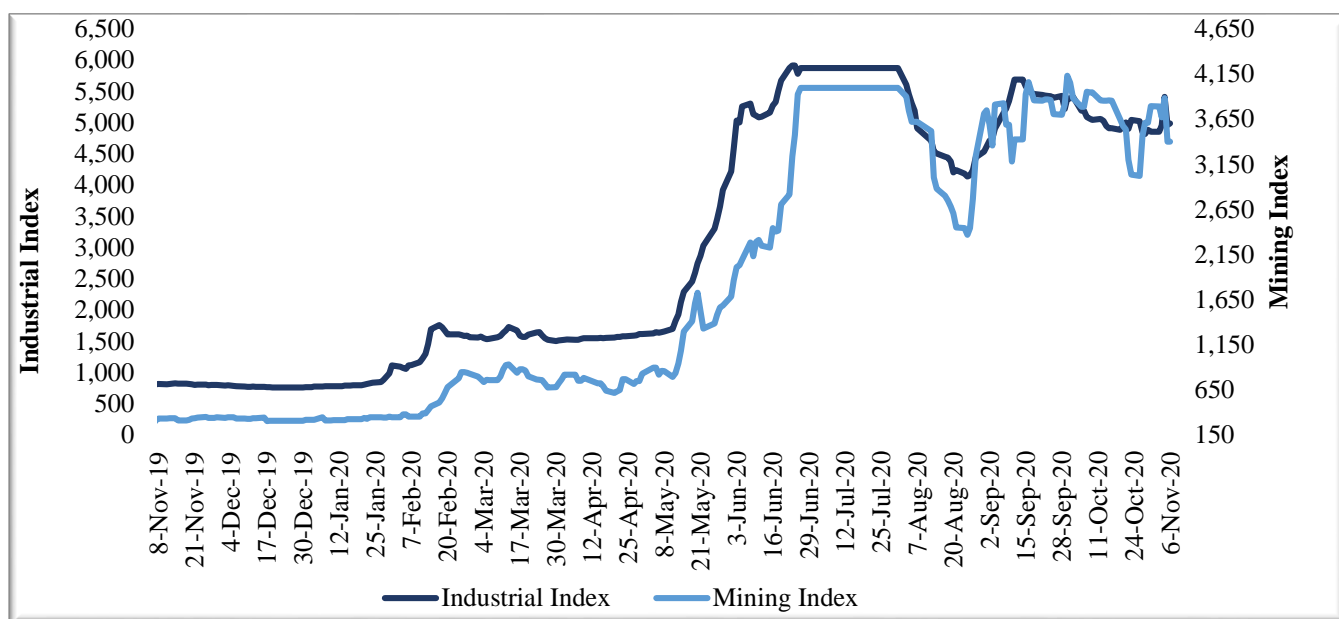
The resources index fell by 10.34% to close at 3,400.14 points, during the week under review. This was largely attributable to share price losses for Bindura Nickel Corporation, 3.85%; and RioZim Limited, 12.82%. Table 7 shows selected ZSE statistics.

**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>2-Oct-20</b>	1,641.07	1,104.45	1,288.50	3,109.53	5,720.75	5,407.17	3,880.20	206.69	399.52	27.00
<b>9-Oct-20</b>	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
<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>% Change</b>	2.28	6.40	3.28	-0.88	-0.39	2.74	-10.34	1.52	20.12	-86.79

Source: Zimbabwe Stock Exchange (ZSE), 2020

**Figure 3: Zimbabwe Stock Exchange Indices**



Source: Zimbabwe Stock Exchange, 2020

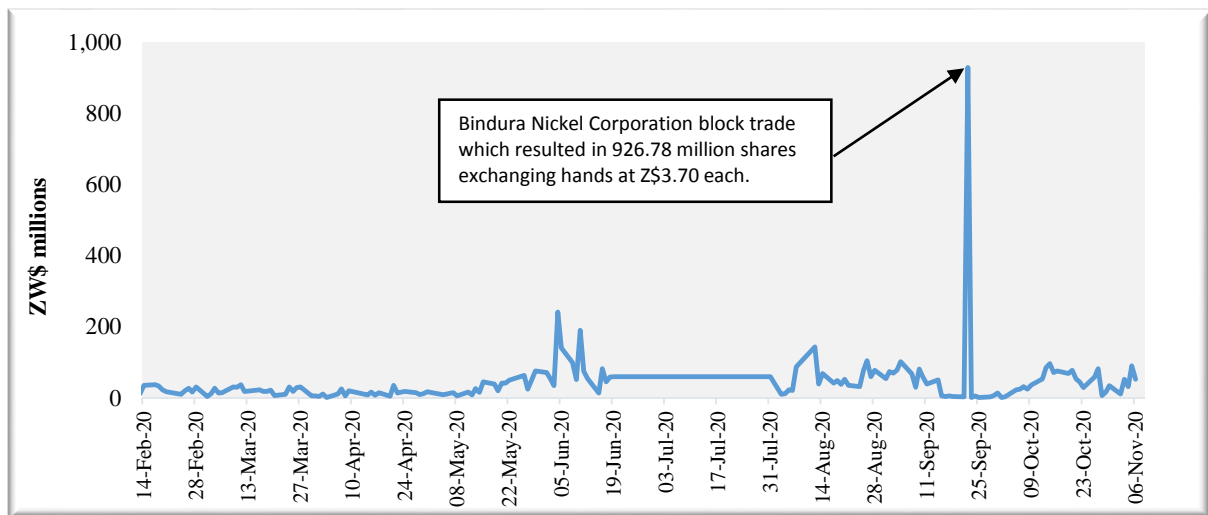
<sup>4</sup> The Zimbabwe Stock Exchange (ZSE) adopted the Global Industry Classification Standards, effective from 1 January 2020. The ZSE indices constitute the following categories; Top 10 Index; Top 15; Top 25; Medium cap and Small cap Indices.



## Market Turnover and Volume

The cumulative volume of shares traded on the ZSE increased from 257 million shares in the previous week to close at 40 million shares, during the week under review. Cumulative market turnover was higher at ZW\$237.29 million, reflecting a 20.12% increase from ZW\$197.55 million in the previous week.

**Figure 4: Daily Market Turnover**

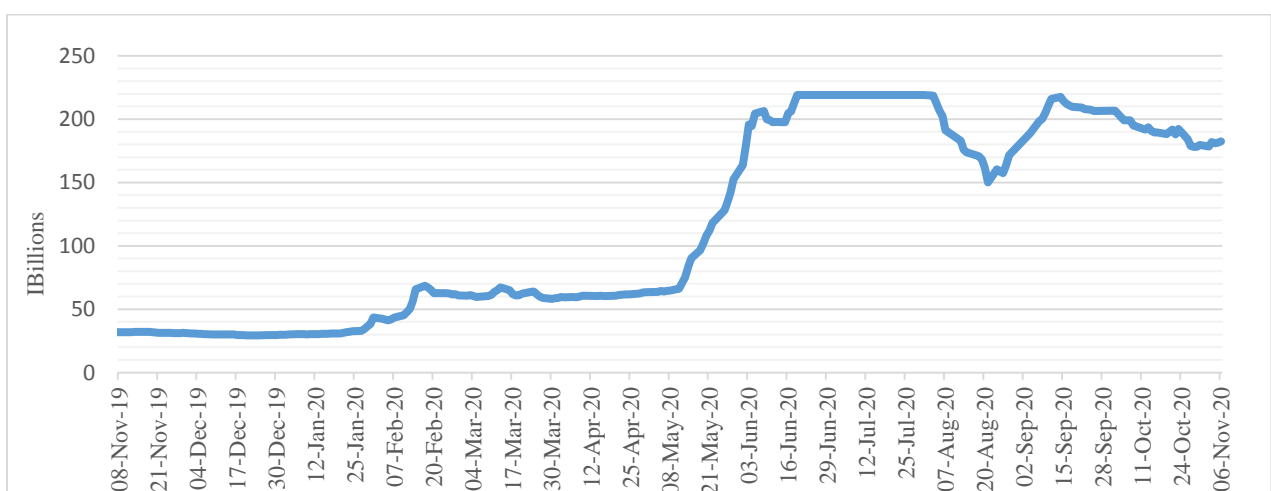


Source: Zimbabwe Stock Exchange, 2020

## Market Capitalization

ZSE market capitalisation registered a marginal increase of 1.52%, from ZW\$179.69 billion in the preceding week to close at ZW\$182.42 billion, during the week ending 6<sup>th</sup> November 2020.

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



Source: Zimbabwe Stock Exchange, 2020

## Johannesburg Stock Exchange (JSE) Developments

During the week under review, the Johannesburg Stock Exchange (JSE) All share index and market capitalisation declined by 9.10% and 7.41%, to close at 56,387.04 points and ZAR16.95 trillion, respectively.

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

Period	All Share Index (points)	Market Capitalization (ZAR trillions)
2-October-20	54,219.24	16.35
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
<b>% Change</b>	<b>9.10</b>	<b>7.41</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			
	13-Oct-20	20-Oct-20	27-Oct-20	3-Nov-20	13-Oct-20	20-Oct-20	27-Oct-20	3-Nov-20
<b>Raw Materials</b>	11,305,544.43	10,577,731.11	10,457,656.59	12,008,084.41	546,149.68	379,237.17	445,902.32	455,965.18
<b>Machinery and Equipment</b>	4,786,233.24	4,071,793.78	4,300,722.02	4,381,559.77	243,310.15	399,295.98	237,171.57	410,717.78
<b>Consumables (Incl. Spares, Tyres, Packaging)</b>	2,378,206.62	2,691,432.18	2,713,077.60	2,387,256.81	579,972.62	484,901.02	454,901.94	338,687.55
<b>Pharmaceuticals and Chemicals</b>	1,354,008.86	1,042,378.92	1,305,299.41	1,504,563.06	77,396.35	91,167.27	111,506.70	86,277.63
<b>Services (Loans, Dividends and Disinvestments)</b>	2,740,093.88	3,732,503.04	2,661,580.90	2,348,762.69	140,841.80	99,525.99	2,661,580.90	131,578.41
<b>Retail and Distribution</b>	1,222,531.00	2,464,388.66	1,652,236.53	2,026,604.15	140,542.10	163,404.77	1,652,236.53	236,050.95
<b>Fuel, Electricity and Gas</b>	2,482,126.96	1,864,413.48	2,528,349.23	1,733,040.11	58,015.47	103,101.59	2,528,349.23	58,867.23
<b>Paper and Packaging</b>	1,127,745.95	612,954.68	556,824.49	127,892.38	42,395.24	20,000.00	556,824.49	59,228.31
<b>TOTAL</b>	<b>27,396,490.94</b>	<b>27,057,595.85</b>	<b>26,175,746.77</b>	<b>26,517,763.38</b>	<b>1,828,623.41</b>	<b>1,740,633.79</b>	<b>1,676,072.85</b>	<b>1,777,373.04</b>

Source: Reserve Bank of Zimbabwe, 2020