



# Weekly Economic Highlights

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Week Ending  
16<sup>th</sup> October 2020

## 1. INTEREST RATES

### Deposit Rates

Minimum and maximum deposit rates for all classes of deposits remained unchanged, during the week ending 16<sup>th</sup> October 2020, 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 (%)
18-Sept-20	2.35	5.19	4.07	7.17	4.79	7.49
25-Sept-20	2.35	5.19	4.17	7.73	4.50	8.37
2-Oct-20	2.35	5.19	4.17	7.73	4.50	8.37
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

Source: Reserve Bank of Zimbabwe, 2020

### Lending Rates

During the week under review, minimum and maximum lending rates for individuals and corporates at commercial banks also remained unchanged at the preceding week levels, as shown in Table 2.

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

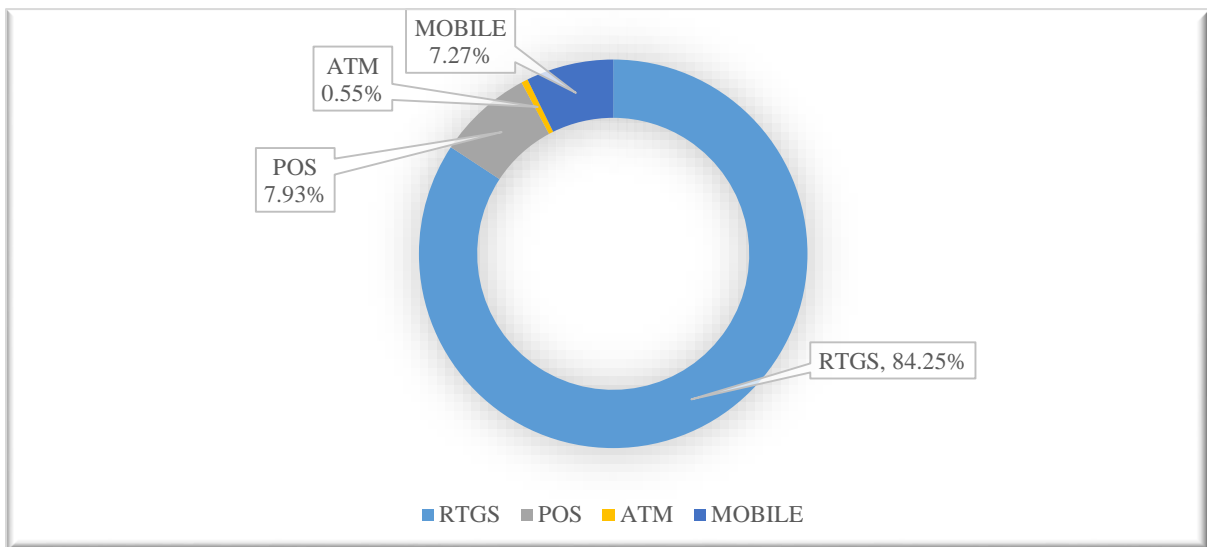
Date	Individual Clients		Corporate Clients	
	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
18-Sep-20	19.99	44.60	23.89	49.35
25-Sep-20	20.65	44.38	25.09	49.83
2-Oct-20	20.65	44.38	25.09	49.83
9-Oct-20	22.08	45.29	24.84	49.99
16-Oct-20	22.08	45.29	24.84	49.99

Source: Reserve Bank of Zimbabwe, 2020

## 2. CLEARING AND SETTLEMENT ACTIVITY

The total value of National Payment Systems (NPS) transactions closed the week under review at ZW\$57.73 billion, up from ZW\$54.08 billion in the previous week. Real Time Gross Settlement (RTGS) transactions registered a 15.30% increase to close at ZW\$46.43 billion, during the week ending 16<sup>th</sup> October 2020. The NPS transaction values were distributed as follows: RTGS, 84.25%; POS, 7.93%; Mobile, 7.27% and ATM, 0.55%.

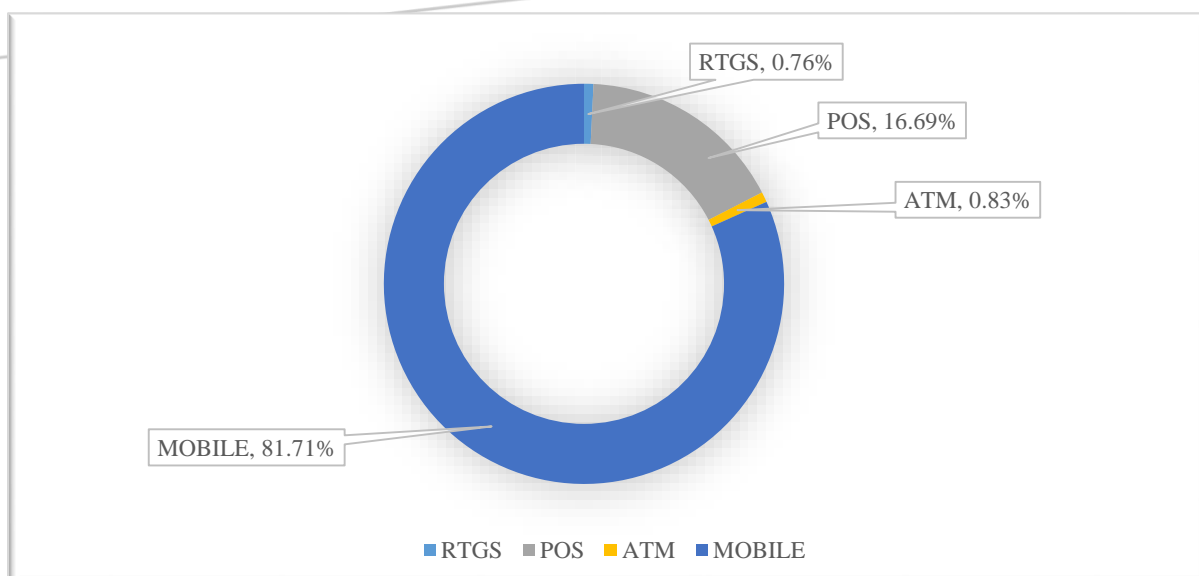
**Figure 1: Composition of NPS Transactions in Value Terms**



*Source: Reserve Bank of Zimbabwe, 2020*

The volume of NPS transactions declined by 1.69% to close at 25.02 million, during the week under analysis. The distribution of NPS transaction volumes was as follows: Mobile, 81.71%; POS, 16.69%; RTGS, 0.76%; and ATM, 0.76%.

**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 9 <sup>th</sup> OCTOBER 2020	WEEK ENDING 16 <sup>th</sup> OCTOBER 2020	% CHANGE FROM LAST WEEK	PROPORTION %
<b>Values in ZW\$ Millions</b>				
RTGS	42,178.74	48,631.51	15.30%	84.25%
POS	7,601.06	4,580.41	-39.74%	7.93%
ATM	616.82	315.45	-48.86%	0.55%
MOBILE	3,686.48	4,198.64	13.89%	7.27%
<b>TOTAL</b>	<b>54,083.11</b>	<b>57,726.02</b>	<b>6.74%</b>	<b>100%</b>
<b>Volumes</b>				
RTGS	224,349	191,212	-14.77%	0.76%
POS	6,679,683	4,176,563	-37.47%	16.69%
ATM	194,912	207,722	6.57%	0.83%
MOBILE	18,347,193	20,441,548	11.42%	81.71%
<b>TOTAL</b>	<b>25,446,137</b>	<b>25,017,045</b>	<b>-1.69%</b>	<b>100%</b>

Source: Reserve Bank of Zimbabwe, 2020

### 3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international prices of gold, copper, nickel and Brent crude oil increased, while platinum prices retreated, during the week ending 16<sup>th</sup> October 2020. Commodity markets are increasingly facing threats of a second wave of the coronavirus infections, as they started picking-up again in major economies. Table 4 shows developments in selected commodity prices, during the week under review.

**Table 4: Metal and Crude Oil Prices for the week-ending 9 October 2020**

	Gold	Platinum	Copper	Nickel	Crude Oil
2020	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
<b>Weekly Average (5 -9 Oct)</b>	<b>1,902.21</b>	<b>877.60</b>	<b>6,578.70</b>	<b>14,650.00</b>	<b>42.38</b>
<b>12-Oct</b>	1,922.65	886.50	6,769.00	15,217.00	41.84
<b>13-Oct</b>	1,906.05	870.00	6,699.50	15,147.00	42.48
<b>14-Oct</b>	1,903.25	874.50	6,702.00	15,105.00	42.12
<b>15-Oct</b>	1,936.80	850.50	6,683.50	15,353.00	42.82
<b>16-Oct</b>	1,906.63	866.50	6,728.00	15,603.00	42.80
<b>Weekly Average (12 -16 Oct)</b>	<b>1,915.08</b>	<b>869.60</b>	<b>6,716.40</b>	<b>15,285.00</b>	<b>42.41</b>
<b>Weekly Change (%)</b>	0.7	-0.9	2.1	4.3	0.1

Source: BBC, KITCO and Bloomberg, 2020

### Gold

The weekly average price of gold was steady on robust safe heaven demand, owing to uncertainty over the outcome of US elections and the impact of the coronavirus pandemic, as cases spiked and the likelihood of partial lockdowns increased in major economies. The gains in gold were, however, dampened by fading hopes of a US stimulus, coupled with the strengthening US dollar. Against this backdrop, the price of gold increased by 0.7%, from a weekly average of US\$1,902.21 per ounce to US\$1,915.08 per ounce, during the week under review.

### Platinum

The weekly average price of platinum declined by 0.9%, from US\$877.60 per ounce during the week ending 9<sup>th</sup> October 2020, to US\$869.60 per ounce in the week ending 16<sup>th</sup> October 2020. The decline was underpinned by fears of a second wave of the Covid-19 pandemic. Positive Covid-19 cases started rising across Europe, with many countries re-introducing stringent lockdown measures in major cities, to curb the its spread.

### Copper

Copper prices firmed, as demand from China remained strong, supported by the possibility of supply disruptions in Chile, the world's top producer. These developments outweighed the downside of a stronger US dollar and the stalled US stimulus talks. As a result, the weekly average price of the red metal gained by 2.1%, from US\$6,578.70 per tonne in the previous week to US\$6,716.40 per tonne, during the week under analysis.

## Nickel

In line with developments in copper prices, nickel prices rose, on the back of positive investor sentiment, as Indonesia took further steps to develop the electric vehicle battery industry in the country, where nickel is a key input. To that end, the price of nickel increased by 4.3% to US\$15,285.00 per tonne, during the week under analysis.

## Brent Crude Oil

The international price of Brent Crude oil was little changed, during the week under review. The likelihood of over-supply conditions in the global market, on the back of a resumption in Libyan production weighed down prices. In addition, down-side risks to demand due to partial lockdowns in major economies is likely to further weigh down the market. As a result, the price of Brent crude oil stood at US\$42.41 per barrel during the week under analysis, up by just 0.1% from the previous week price.

## EXCHANGE RATE DEVELOPMENTS

On the foreign exchange auction market, the Zimbabwe dollar (ZW\$) was relatively stable week-on-week. The local unit gained by 0.05% against the greenback, from ZW\$81.3867 per US\$1 to ZW\$81.3469 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 (5 -9 Oct)</b>	<b>81.3867</b>	<b>4.9157</b>	<b>105.3246</b>	<b>7.0923</b>	<b>95.7227</b>
<b>12-Oct</b>	81.3486	4.9322	106.1357	7.1186	96.0973
<b>13-Oct</b>	81.3486	4.9249	106.1887	7.1021	95.9509
<b>14-Oct</b>	81.3458	4.9358	105.0299	7.0897	95.5408
<b>15-Oct</b>	81.3458	4.9140	105.8513	7.0896	85.5458
<b>16-Oct</b>	81.3458	4.8888	104.8793	7.0777	95.2356
<b>Weekly Average (12 -16 Oct)</b>	<b>81.3469</b>	<b>4.9191</b>	<b>105.6140</b>	<b>7.0955</b>	<b>93.4846</b>
<i>Appr(-)/Depr(+) (%) of the ZW\$</i>	-0.05	0.1	0.3	0.0	-2.3

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			
	22-Sept-20	29-Sept-20	6-Oct-20	13-Oct-20	22-Sept-20	29-Sept-20	6-Oct-2	13-Oct-20
<b>Total Bids</b>	30,414,189.6	23,067,310.7	24,691,329.3	27,396,490.9	1,224,857.3	1,441,116.3	1,436,797.2	1,828,623.4
<b>Amount Allotted</b>	30,414,189.6	23,067,310.7	24,691,329.3	27,396,490.9	1,224,857.3	1,441,116.3	1,436,797.2	1,828,623.4
<b>Highest Rate</b>	86.7	86	86	88.07	86	86	87	86
<b>Lowest Rate</b>	78	78	79	79	78	78	79	79
<b>Lowest Accepted Rate</b>	78	78	79	79	78	78	79	79
<b>Weighted Average Rate</b>	81.4965	81.4439	81.3486	81.3458	81.4965	81.4439	81.3486	81.3458
<b>Number of Bids Received</b>	301	233	228	163	117	129	135	225
<b>Number of Bids Rejected</b>	35	22	35	10	22	6	21	26

Source: Reserve Bank of Zimbabwe

#### 4. EQUITY MARKETS

During the week ended 16<sup>th</sup> October 2020, the Zimbabwe Stock Exchange (ZSE) traded in negative territory for the second consecutive week. The All Share, Top 10 and Medium Cap indices shed 8.99%, 12.63% and 2.53% to close at 1 493.49 points, 964.93 points and 3 030.86 points, respectively. The Small Cap index, however, increased by 4.02% to close at 5 950.78 points.

The industrial index decreased by 9.26% to close at 4 906.25 points. The decline emanated from share price losses for Rainbow Tourism Group Limited, 11.89%, Willdale Limited, 10.91%, Dawn Properties Limited 9.33%, SeedCo Limited, 7.73% and First Mutual Holdings Limited, 6.98%. Partially offsetting the losses in the mainstream index were gains recorded in the share prices of Fidelity Life Assurance Limited, 19.79%, Turnall Holdings Limited, 12.33%, Nampak Zimbabwe Limited, 10.51%, First Capital Bank Limited, 5.35% and African Sun Limited, 4.67%.

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

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

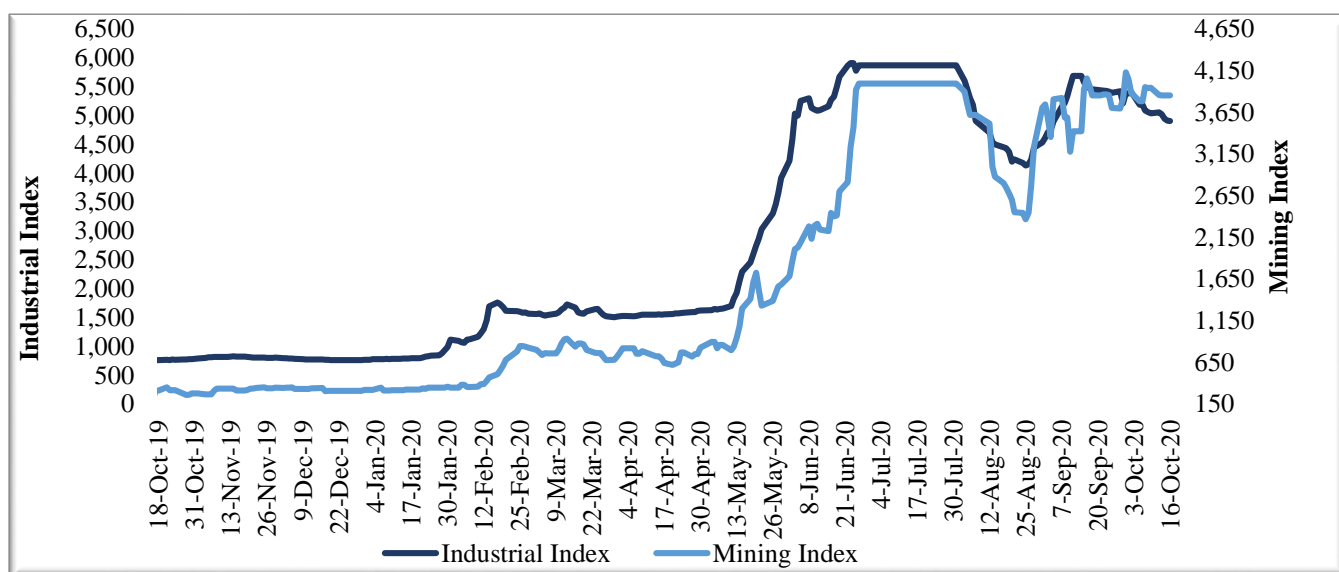
The mining index fell by 0.72% to close at 3 852.23 points, during the week under analysis. This was underpinned by share price declines for RioZim Limited, 3.55% and Bindura Nickel Corporation, 2.08%, respectively. Table 7 shows selected ZSE statistics.

**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>11-Sept-20</b>	1 727.06	1 201.48	1 369.72	3 129.44	5 662.85	5 686.77	3 422.94	215.90	275.81	49.78
<b>18-Sept-20</b>	1663.47	1,109.02	1,290.48	3,202.99	5,912.60	5,453.46	3,854.30	209.60	211.58	29.31
<b>25-Sept-20</b>	1 635.79	1 099.67	1 281.69	3 110.83	5,807.57	5 396.09	3 704.73	206.28	3 526.90	939.16
<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>% Change</b>	-2.66	-3.93	-3.49	-0.57	1.47	-2.67	-2.34	-2.58	175.55	11.25

Source: Zimbabwe Stock Exchange (ZSE), 2020

**Figure 3: Zimbabwe Stock Exchange Indices**



Source: Zimbabwe Stock Exchange, 2020

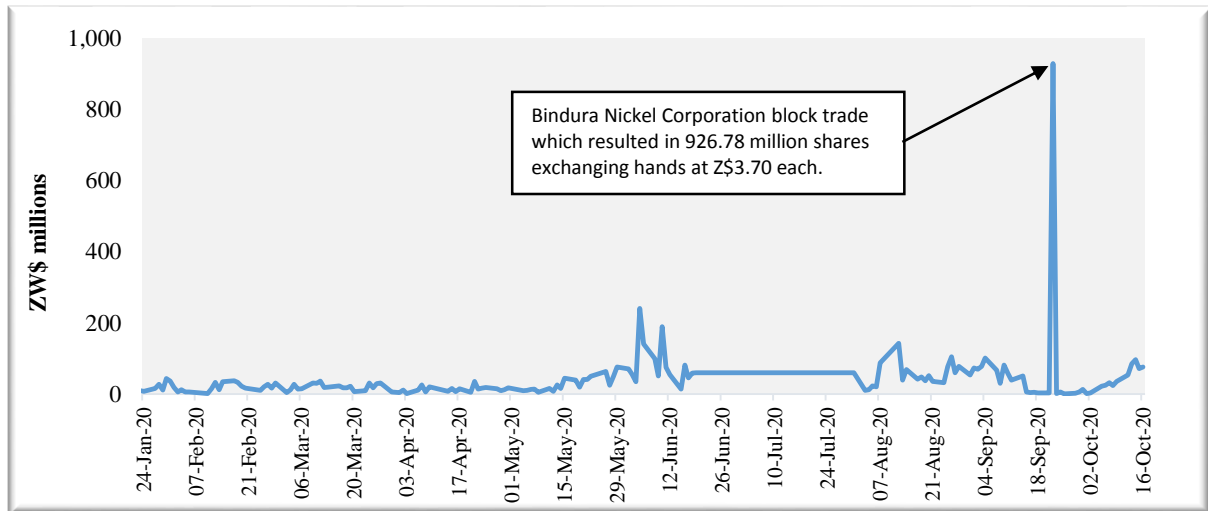
<sup>4</sup> The Zimbabwe Stock Exchange (ZSE) adopted the Global Industry Classification Standards, effective from 1 January 2020. The ZSE indices constitute the following categories; Top 10 Index; Top 15; Top 25; Medium cap and Small cap Indices.



## Market Turnover and Volume

During the week ending 16<sup>th</sup> October 2020, the cumulative value and volume of shares traded increased by 12.62% and 39.15% to ZW\$382.35 million and 37.57 million shares, respectively.

**Figure 4: Daily Market Turnover**

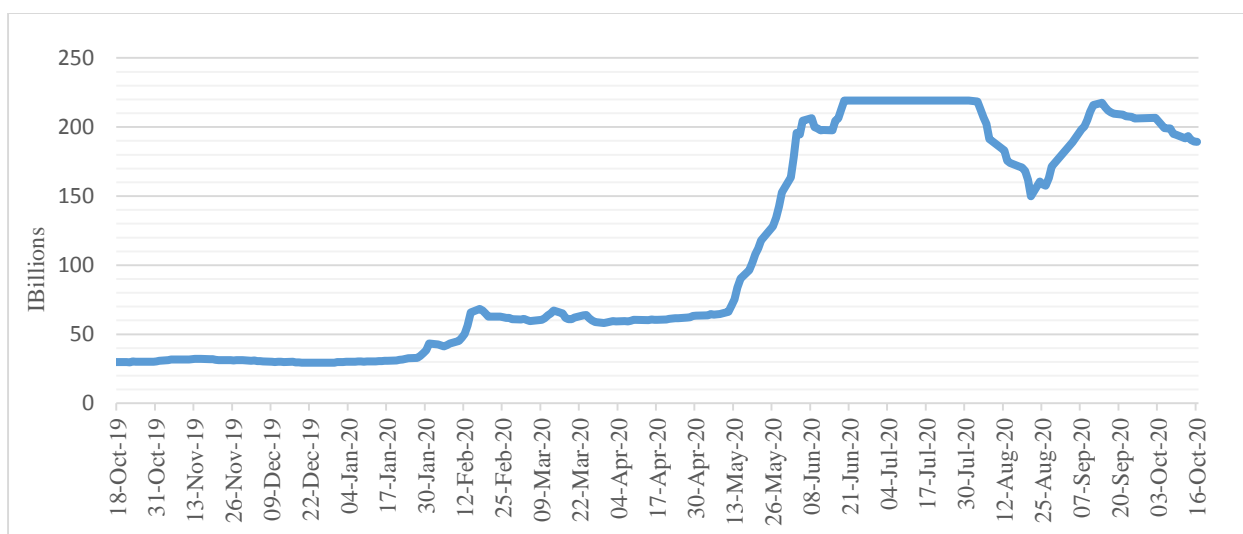


Source: Zimbabwe Stock Exchange, 2020

## Market Capitalization

In line with the developments on the ZSE during the week under review, the local bourse lost ZW\$17.33 billion, or 8.38% worth of capitalization, to close at ZW\$189.36 billion.

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



Source: Zimbabwe Stock Exchange, 2020

## Johannesburg Stock Exchange (JSE) Developments

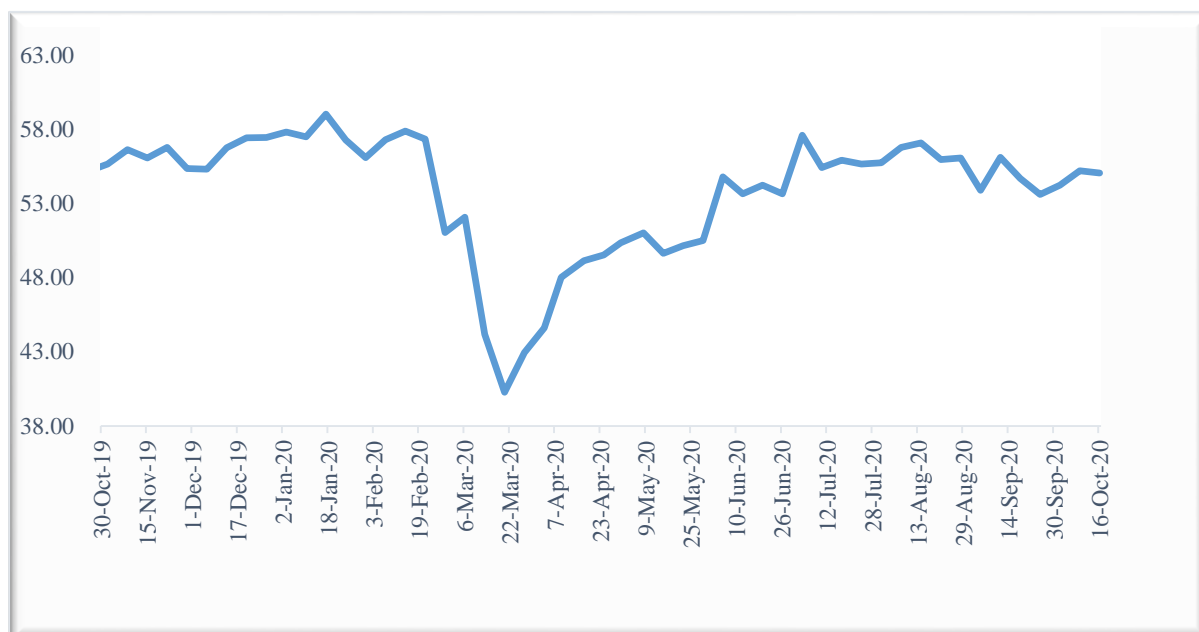
The Johannesburg Stock Exchange (JSE) All share index was 0.25% lower, from 55,182.99 points in the previous week to 55,047.26 points, during the week under analysis. JSE market capitalisation also declined by 0.12% to close at ZAR16.72 trillion, during the same week.

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

Period	All Share Index (points)	Market Capitalization (ZAR trillions)
11-September-20	56,087.84	16.97
18-September-20	54,673.65	16.58
25-September-20	53,587.11	16.42
2-October-20	54,219.24	16.35
9-October-20	55,182.99	16.74
16-October-20	55,047.26	16.72
<b>% Change</b>	<b>-0.25</b>	<b>-0.12</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			
	22-Sept-20	29-Sept-20	6-Oct-20	13-Oct-20	22-Sept-20	29-Sept-20	6-Oct-20	13-Oct-20
<b>Raw Materials</b>	13,561,794.59	8,636,133.19	8,184,212.75	11,305,544.43	367,244.21	277,342.23	412,601.55	546,149.68
<b>Machinery and Equipment</b>	5,726,110.84	2,956,385.89	4,886,689.16	4,786,233.24	210,272.02	326,567.01	237,317.26	243,310.15
<b>Consumables (Incl. Spares, Tyres, Packaging)</b>	2,737,206.45	3,107,571.06	3,252,028.39	2,378,206.62	228,453.11	342,354.35	326,875.31	579,972.62
<b>Pharmaceuticals and Chemicals</b>	1,522,098.10	1,798,133.39	1,088,517.23	1,354,008.86	62,527.00	61,142.19	86,306.85	77,396.35
<b>Services (Loans, Dividends and Disinvestments)</b>	2,418,570.33	2,428,054.20	2,527,530.29	2,740,093.88	118,470.39	138,376.84	121,082.68	140,841.80
<b>Retail and Distribution</b>	2,344,658.71	2,189,853.69	1,867,269.79	1,222,531.00	187,532.30	153,350.09	125,440.30	140,542.10
<b>Fuel, Electricity and Gas</b>	1,656,886.95	1,487,832.09	2,160,642.09	2,482,126.96	39,000.00	79,182.15	53,100.00	58,015.47
<b>Paper and Packaging</b>	446,863.66	463,347.22	724,439.62	1,127,745.95	11,358.26	62,801.42	73,473.26	42,395.24
<b>TOTAL</b>	<b>30,414,189.63</b>	<b>23,067,310.73</b>	<b>24,691,329.32</b>	<b>27,396,490.94</b>	<b>1,224,857.29</b>	<b>1,441,116.28</b>	<b>1,436,197.21</b>	<b>1,828,623.41</b>

Source: Reserve Bank of Zimbabwe, 2020