



Weekly Economic Highlights

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Week Ending
2nd October 2020

1. INTEREST RATES

Deposit Rates

Minimum and maximum deposit rates for all classes of deposits remained unchanged at previous week levels during the week under 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 (%)
4-Sept-20	2.35	5.19	4.14	7.17	4.79	7.49
11-Sept-20	2.35	5.19	4.07	7.17	4.79	7.49
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

Source: Reserve Bank of Zimbabwe, 2020

Lending Rates

Commercial bank minimum and maximum lending rates for individual and corporate clients also remained unchanged during the week of analysis, as shown in Table 2.

Table 2: Lending Rates (per annum)

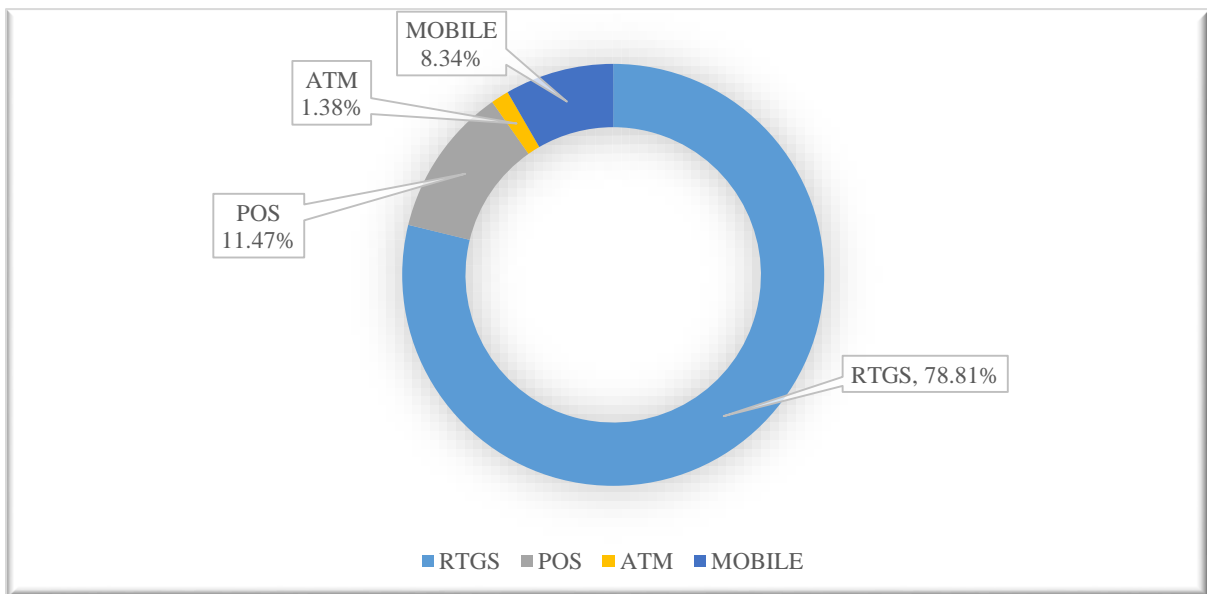
Date	Individual Clients		Corporate Clients	
	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
4-Sep-20	19.14	38.57	18.99	47.31
11-Sep-20	19.99	44.60	23.89	49.35
18-Sep-20	19.99	44.60	23.89	49.35
25-Sep-20	20.65	44.38	25.09	49.83
2-Oct-20	20.65	44.38	25.09	49.83

Source: Reserve Bank of Zimbabwe, 2020

2. CLEARING AND SETTLEMENT ACTIVITY

The total value of National Payment Systems (NPS) transactions rose by 12.37%, from ZW\$51.52 billion in the previous week to close at ZW\$57.52 billion, during the week under analysis. Real Time Gross Settlement (RTGS) transactions stood at ZW\$43.96 billion, a 5.5% increase from ZW\$41.81 billion in the previous week. In proportions, NPS transactions values were distributed as follows: RTGS, 78.81%; POS, 11.47%; Mobile, 8.34%; and ATM, 1.38%.

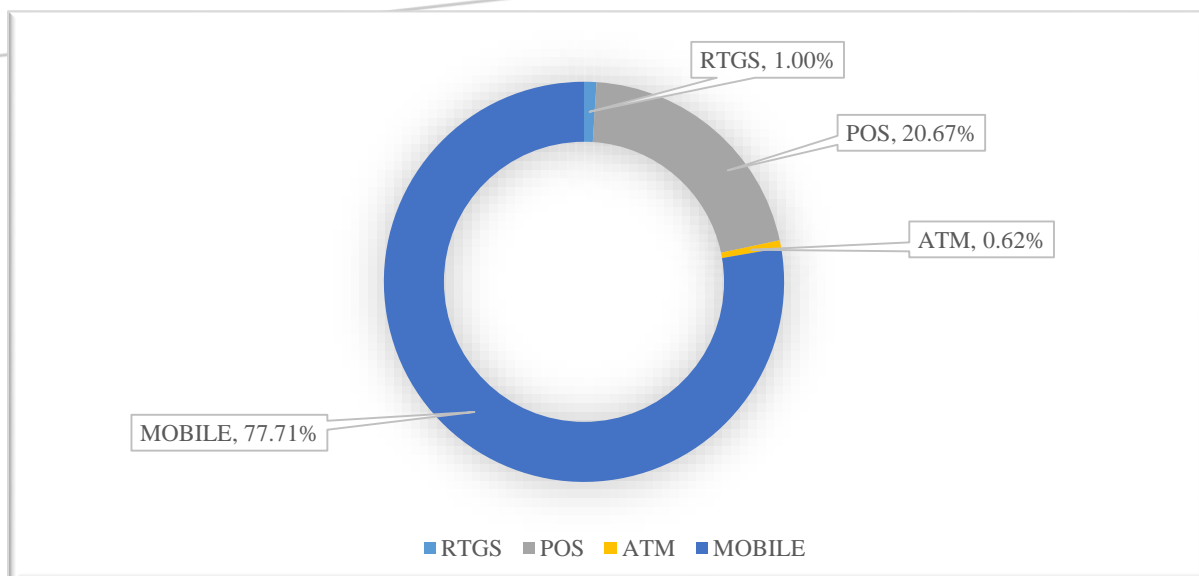
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2020

NPS transaction volumes at 26.54 million were 12.34% higher, compared to 23.63 million recorded in the preceding week. Mobile based transactions constituted 77.71% of the total volume of transactions, followed by POS, 20.67%; RTGS, 1.00%; and ATM, 0.62%.

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 25 th SEPTEMBER 2020	WEEK ENDING 2 nd OCTOBER 2020	% CHANGE FROM LAST WEEK	PROPORTION %
Values in ZW\$ Millions				
RTGS	41,807.80	43,961.53	5.15%	78.81%
POS	5,941.53	6,395.85	7.65%	11.47%
ATM	268.69	770.88	186.90%	1.38%
MOBILE	3,500.18	4,650.61	32.87%	8.34%
TOTAL	51,518.20	55,778.88	8.27%	100%
Volumes				
RTGS	211,288	264,714	25.29%	1.00%
POS	4,769,802	5,485,543	15.01%	20.67%
ATM	149,049	165,089	10.76%	0.62%
MOBILE	18,496,382	20,626,181	11.51%	77.71%
TOTAL	23,626,521	26,541,527	12.34%	100%

Source: Reserve Bank of Zimbabwe, 2020

3. TOBACCO SALES

As at 2nd of October 2020 or day 109 of the 2020 tobacco-selling season, a cumulative total of 183.35 million kilograms of tobacco had been sold. This compares with the 255.73 million kilograms of tobacco sold during the corresponding period in 2017. In terms of value, the cumulative sales of the golden leaf amounted to US\$458.52 million, compared to US\$518.72

million realized during the corresponding period in 2018. The golden leaf fetched a higher price of US\$2.50/kg, compared to the US\$2.03/kg realized during the same period in 2019.

Table 4: Weekly cumulative Tobacco Sales: Day 109 (2nd October 2020)

	2019	2020	Variance (%)
Cumulative Quantity Sold (million kgs)	255.73	183.35	(28.30)
Cumulative Average Price (US\$/kg)	2.03	2.50	23.29
Cumulative Value (US\$ million)	518.72	458.52	(11.60)

Source: Tobacco Industry and Marketing Board (TIMB), 2020

4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international prices of gold and platinum increased, while copper, nickel and crude oil prices declined, during the week ending 2nd October 2020. Markets were faced with increasing headwinds as coronavirus infections re-emerged in major economies and the US presidential election draws closer. Table 5 shows developments in selected commodity prices, during the week under review.

Table 5: International commodity prices for the week-ending 25th September 2020

	Gold	Platinum	Copper	Nickel	Crude Oil
2020	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
Weekly Average (21-25 Sep)	1,885.31	867.00	6,643.31	14,415.40	41.55
28-Sep	1,857.63	857.50	6,571.50	14,416.00	42.23
29-Sep	1,883.18	877.00	6,546.00	14,470.00	42.43
30-Sep	1,885.15	878.00	6,610.00	14,385.00	42.36
1-Oct	1,898.78	898.50	6,614.00	14,430.00	39.46
2-Oct	1,904.73	892.50	6,409.50	14,271.00	39.12
Weekly Average (28 Sep-2 Oct)	1,885.89	880.70	6,550.20	14,394.40	41.12
Weekly Change (%)	0.03	1.6	-1.4	-0.1	-1.0

Source: BBC, KITCO and Bloomberg, 2020

Gold

During the week under review, the international price for gold bullion was steady, and registered a marginal gain of 0.03%, from a weekly average price of US\$1,885.31 per ounce in the previous week to US\$1,885.89 per ounce, during the week under review. This was on the back of an easing US dollar and hopes of renewed stimulus in the US.

Platinum

Similarly, platinum prices registered a 1.6% increase, week-on-week, to an average of US\$880.70 per ounce, from US\$867.00 per ounce recorded in the week ending 25th September 2020.

Copper

Copper prices were weighed down by a rapid build-up in inventories and increased market volatility, as the US President tested positive to the coronavirus, ahead of US elections. Consequently, the price of the red metal shed 1.4%, from US\$6,643.31 per tonne in the previous week to US\$6,550.20 per tonne, during the week under review.

Nickel

The price of nickel tracked the performance of other base metals like copper and registered a 0.1% decline, from US\$14,415.40 per tonne in the previous week to US\$14,394.40 per tonne, during the week under analysis.

Brent Crude Oil

Prices of Brent crude oil eased during the week under review, on the back of a weaker demand outlook as coronavirus cases surged in major economies, and as city level lockdowns came into effect. Prices were further dampened by increased supply from OPEC producers. Resultantly, the weekly average price of Brent crude oil declined by 1.0% to US\$41.12 per barrel, during the week ending 2nd October 2020.

EXCHANGE RATE DEVELOPMENTS

The Zimbabwe dollar (ZW\$) gained by 0.2% against the greenback, from ZW\$81.6230 per US\$1 in the week ending 25th September 2020 to ZW\$ 81.4649 per US\$1, during the week under analysis. In the same period, the local unit also registered gains against the euro, South African rand and the Botswana pula, while it weakened marginally against the British pound. The developments in selected exchange rates is shown in Table 6.

Table 6. International Exchange Rates¹

	USD	ZAR	GBP	BWP	EURO
2020					
Weekly Average (21-25 Sep)	81.6230	4.8393	104.5726	7.0888	95.9266
28-Sep	81.4965	4.7744	104.1037	6.9645	94.8133
29-Sep	81.4965	4.7835	104.7599	6.9927	95.1147
30-Sep	81.4439	4.8008	104.5904	7.0333	95.5949
1-Oct	81.4439	4.8816	105.3681	7.0375	95.6600
2-Oct	81.4439	4.8697	104.7898	7.0496	95.5501
Weekly Average (21-25 Sep)	81.4649	4.8216	104.7208	7.0154	95.3454
<i>Appr(-)/Depr(+)</i> (%) <i>of the ZWL</i>	-0.2	-0.4	0.1	-1.0	-0.6

Source: Reserve Bank of Zimbabwe, 2020

Table 7. Foreign Exchange Auction results for MAINFX² and SMEFX³

	MAINFX				SMEFX			
	08-Sept-20	15-Sept-20	22-Sept-20	29-Sept-20	08-Sept-20	15-Sept-20	22-Sept-20	29-Sept-20
Total Bids	18,334,530.8	20,023,899.3	30,414,189.6	23,067,310.7	876,674.44	1,145,006.4	1,224,857.3	1,441,116.3
Amount Allotted	18,334,530.1	20,023,899.3	30,414,189.6	23,067,310.7	876,674.44	1,145,006.4	1,224,857.3	1,441,116.3
Highest Rate	88	88	86.7	86	86.0	86.5	86	86
Lowest Rate	75	75	78	78	73.0	75	78	78
Lowest Accepted Rate	75	75	78	78	73.0	75	78	78
Weighted Average Rate	82.6993	81.7076	81.4965	81.4439	82.6993	81.7076	81.4965	81.4439
Number of Bids Received	216	174	301	233	74	96	117	129
Number of Bids Rejected	31	10	35	22	15	12	22	6

Source: Reserve Bank of Zimbabwe

5. EQUITY MARKETS

During the week ending 2nd October 2020, the Zimbabwe Stock Exchange (ZSE), registered mixed trading. Resultantly, the All Share, Top 10 and Top 15 indices increased by 0.32%, 0.43% and 0.53% to close at 1,641.07, points, 1,104.45 points and 1,288.50 points,

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

² Main Foreign Currency Auction

³ Small and Medium Enterprises Foreign Currency Auction

respectively. The medium Cap and Small Cap indices, however, registered declines of 0.04% and 1.49%, to close at 3,109.53 points and 5,720.75 points, respectively.

The industrial index rose marginally by 0.21% to close at 5,404.17 points, during the week under analysis. This was underpinned by share price increases for Zimplow Holdings Limited, 19.05%; Inncor Africa Limited, 16.75%; Ok Zimbabwe Limited; 13.27%; Zimre Property Investments Limited, 10.67; ZB Financial Holdings Limited, 7.1429%; Fidelity Life Assurance Limited, 6.67%; and Padenga Holdings Limited, 5.63%. Partially offsetting the gains were share prices loses for Nampak Zimbabwe Limited, 22.40%; Truworths Limited, 19.23; Turnall Holdings Limited, 18.75%; First Capital Bank Limited, 17.08%; and Riozim Limited, 8.00%.

The mining index gained by 4.74% to close at 3 880.20 points, during the same week. Increases in share prices for Bindura Nickel Corporation Limited (8.11%), lent support to the mining index. A share price loss for Riozim Limited (8.00%), partially weighed down the resources index. Table 8 shows selected ZSE statistics.

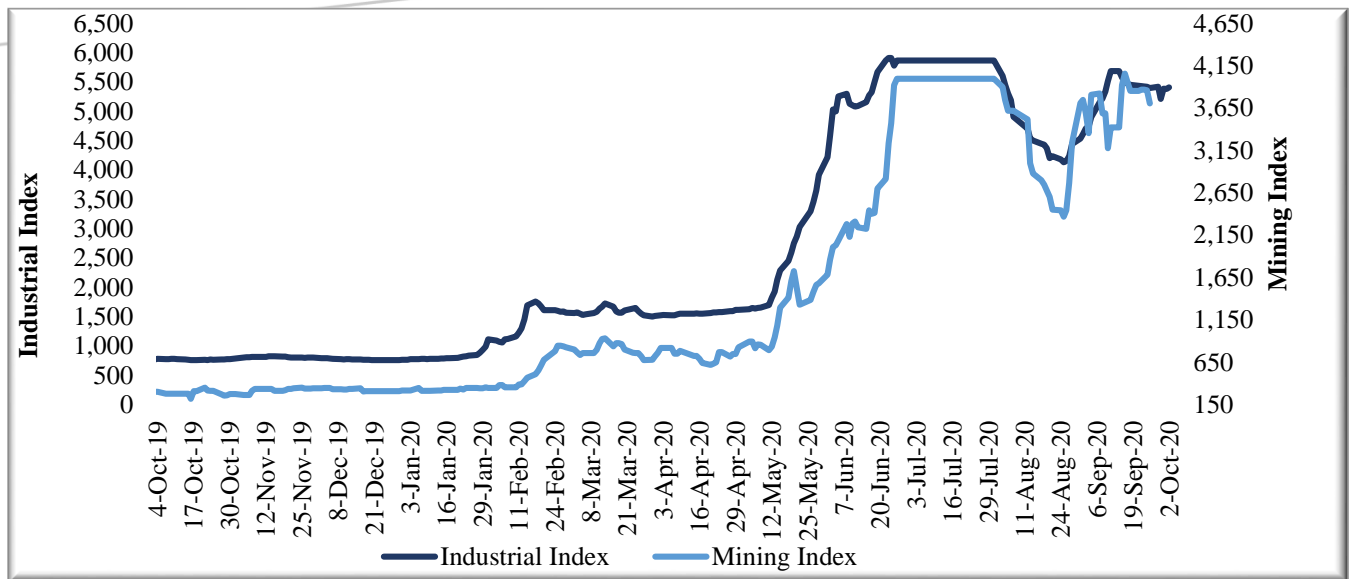
Table 8: Zimbabwe Stock Exchange Statistics⁴

	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)
28-Aug-20	1356.12	898.31	1028.71	2637.44	4784.29	4442.22	3240.49	179.50	352.15	56.29
4-Sept-20	1499.67	1,019.49	1,152.95	2,804.22	5,306.21	4,902.39	3,808.67	188.96	377.12	58.43
11-Sept-20	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
18-Sept-20	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
25-Sept-20	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
2-Oct-20	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
% Change	0.32	0.43	0.53	-0.04	-1.49	0.21	4.74	0.20	-88.67	-97.13

Source: Zimbabwe Stock Exchange (ZSE), 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.

Figure 3: Zimbabwe Stock Exchange Indices

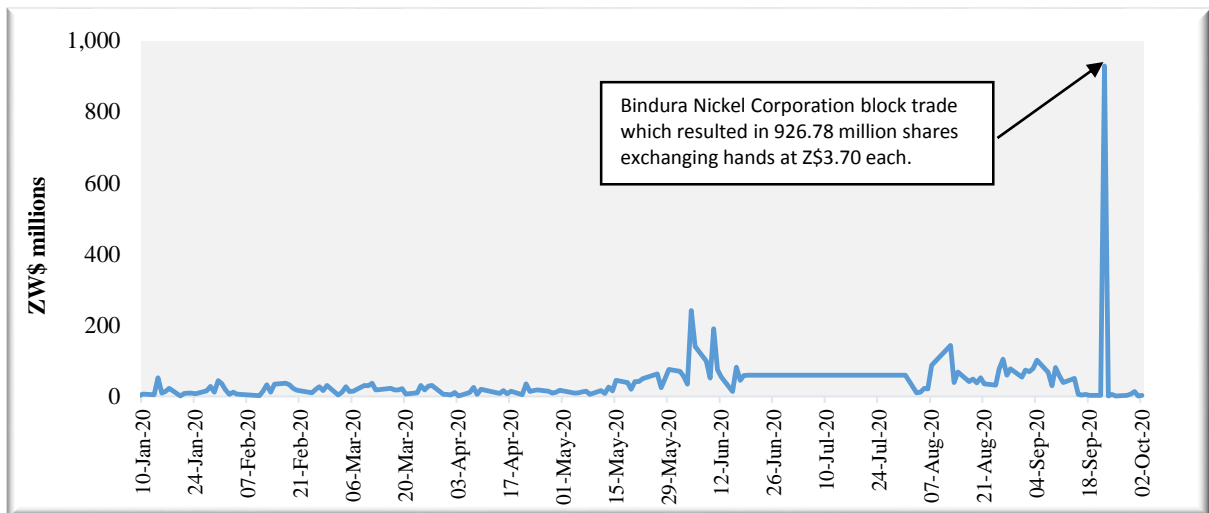


Source: Zimbabwe Stock Exchange, 2020

Market Turnover and Volume

ZSE market turnover stood at ZW\$399.52 million during the week under review, down from ZW\$3.53 billion registered in the previous week. The volume of shares traded also declined by 97.13% to close at 27 million, during the same week.

Figure 4: Daily Market Turnover

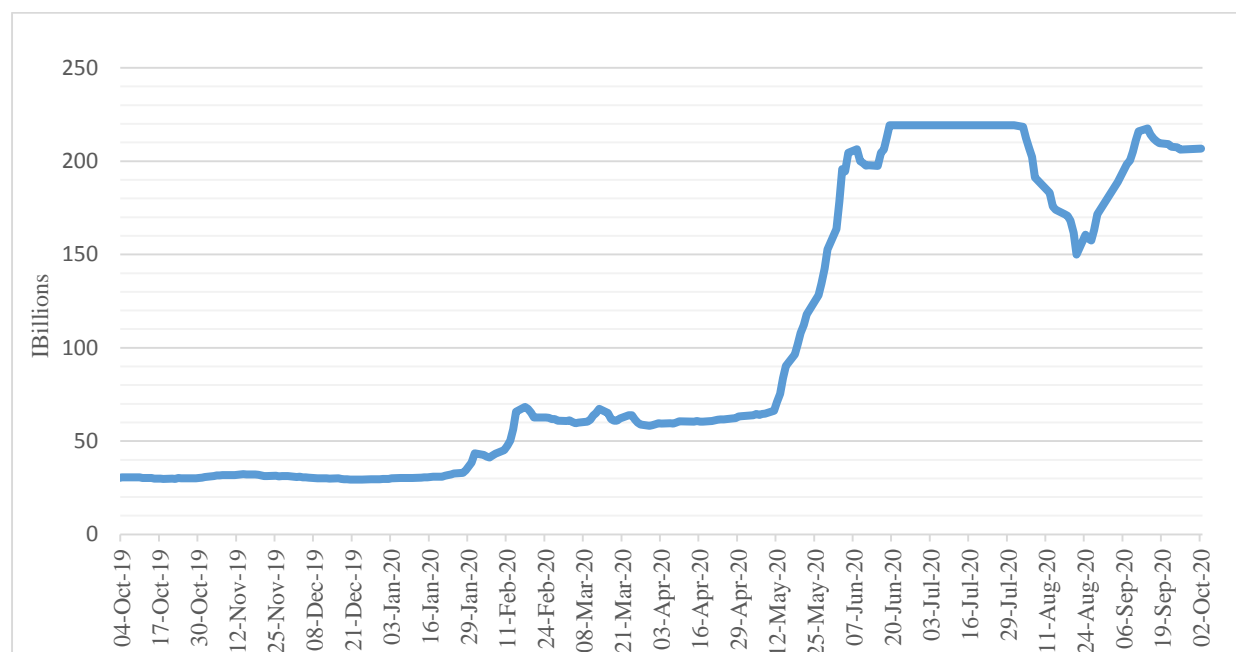


Source: Zimbabwe Stock Exchange, 2020

Market Capitalization

ZSE market capitalisation increased by 0.20% to close at ZWL206.69 billion, during the week under analysis, from ZW\$206.28 billion in the previous week.

Figure 5: Daily Market Capitalization in ZW\$ billions



Source: Zimbabwe Stock Exchange, 2020

Johannesburg Stock Exchange (JSE) Developments

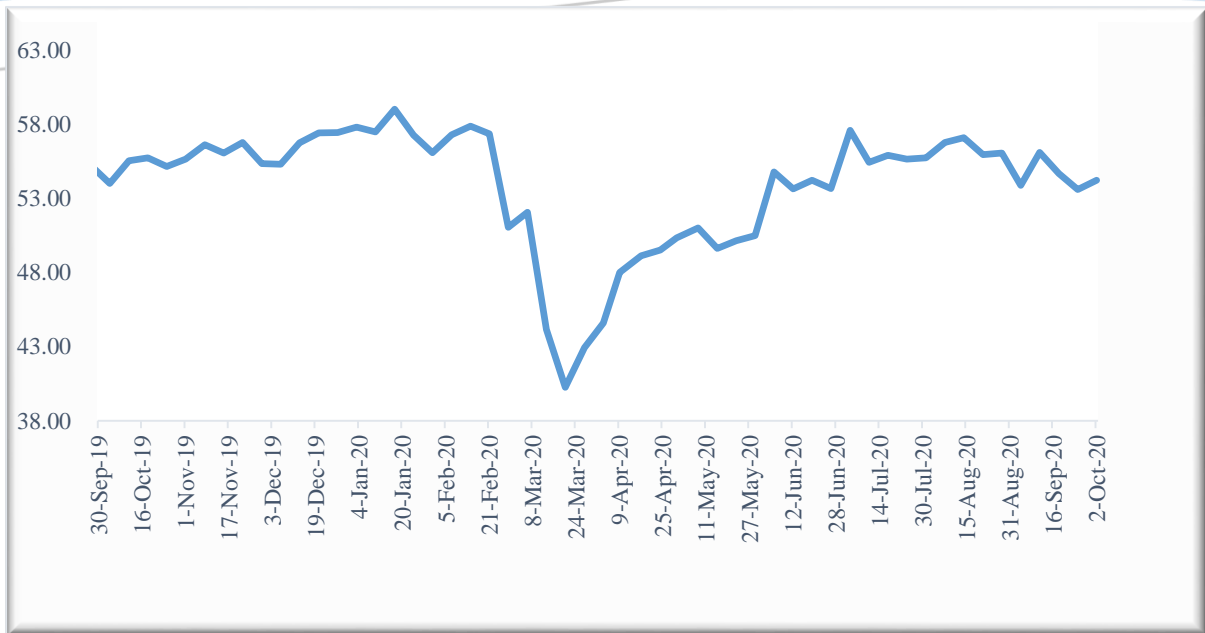
The Johannesburg Stock Exchange (JSE) All share index increased from 53,587.11 points in the previous week to close at 54,219.24 points, during the week ending 2nd October 2020. JSE market capitalisation was 0.43% lower to close at ZAR16.35 trillion, during the same week.

Table 9: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalization (ZAR trillions)
28-August-20	56,057.10	17.28
4-September-20	53,878.95	16.72
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
% Change	1.18	-0.43

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

16th OCTOBER 2020

APPENDIX 1: SUMMARY OF FOREIGN CURRENCY AUCTION ALLOTMENTS BY PURPOSE

Purpose	MAINFX				SMEFX			
	08-Sept-20	15-Sept-20	22-Sept-20	29-Sept-20	08- Sept-20	15-Sept-20	22-Sept-20	29-Sept-20
Raw Materials	8,733,446.74	8,517,466.62	13,561,794.59	8,636,133.19	255,701.24	216,017.57	367,244.21	277,342.23
Machinery and Equipment	3,320,021.02	3,184,717.63	5,726,110.84	2,956,385.89	255,701.24	218,345.42	210,272.02	326,567.01
Consumables (Incl. Spares, Tyres, Packaging)	2,288,538.49	1,357,389.93	2,737,206.45	3,107,571.06	218,332.56	291,322.10	228,453.11	342,354.35
Pharmaceuticals and Chemicals	293,320.00	1,201,484.00	1,522,098.10	1,798,133.39	66,392.74	69,586.00	62,527.00	61,142.19
Services (Loans, Dividends and Disinvestments)	1,595,142.76	1,982,763.37	2,418,570.33	2,428,054.20	67,312.18	148,175.75	118,470.39	138,376.84
Retail and Distribution	1,288,763.89	1,561,290.48	2,344,658.71	2,189,853.69	22,588.00	67,557.05	187,532.30	153,350.09
Fuel, Electricity and Gas	565,297.18	1,279,959.95	1,656,886.95	1,487,832.09	-	40,000.00	39,000.00	79,182.15
Paper and Packaging	250,000.00	938,827.34	446,863.66	463,347.22	20,000.00	94,002.50	11,358.26	62,801.42
TOTAL	18,334,530.08	20,023,899.32	30,414,189.63	23,067,310.73	876,674.44	1,145,006.39	1,224,857.29	1,441,116.28

Source: Reserve Bank of Zimbabwe, 2020