



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	5
6. EQUITY MARKETS.....	6

Week Ending
23rd October 2020

1. INTEREST RATES

Deposit Rates

Minimum and maximum deposit rates for savings deposits remained at levels recorded in the previous week, during the week ending 23rd October 2020. Minimum deposit rates for deposits of 1 month and 3 month tenors increased to 4.49% and 4.82%, while maximum deposit rates for the same tenors stood at 8.28% and 8.69%, 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 (%)
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
23-Oct-20	2.35	5.19	4.49	8.28	4.82	8.69

Source: Reserve Bank of Zimbabwe, 2020

Lending Rates

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

Table 2: Lending Rates (per annum)

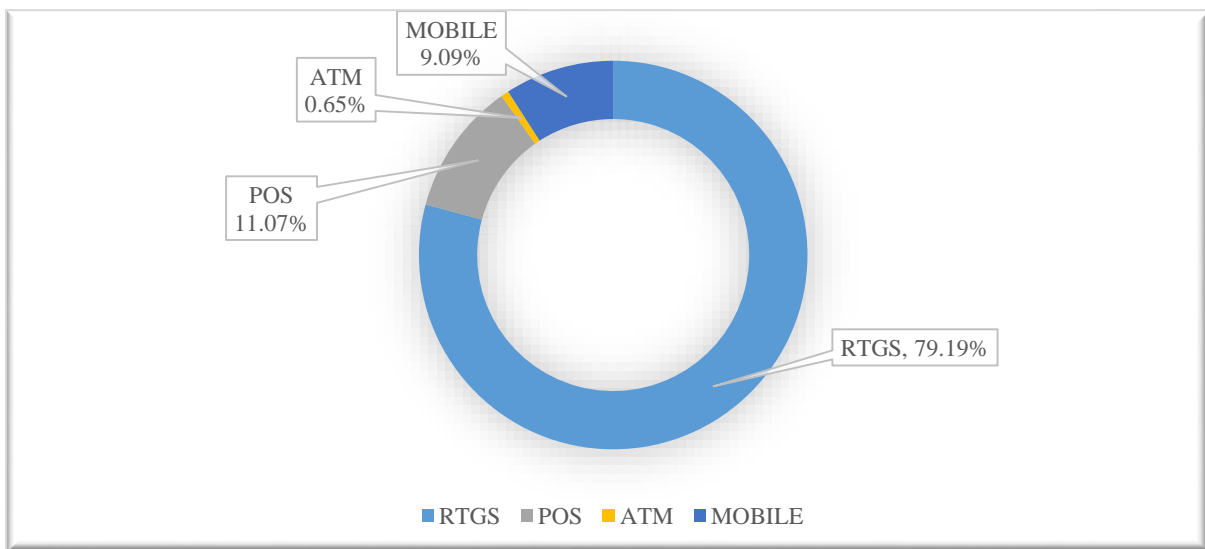
Date	Individual Clients		Corporate Clients	
	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
25-Sept-20	20.65	44.38	25.09	49.83
2-Oct-20	20.65	44.38	25.09	49.83
9-Oct-20	22.08	45.29	24.84	49.99
16-Oct-20	22.08	45.29	24.84	49.99
23-Oct-20	26.04	46.14	26.68	50.99

Source: Reserve Bank of Zimbabwe, 2020

2. CLEARING AND SETTLEMENT ACTIVITY

The value of transactions processed through the National Payment Systems (NPS) closed the week under analysis at ZW\$54.78 billion, representing a 5.11% decline from the previous week. Transactions processed through the Real Time Gross Settlement (RTGS) system also declined by 10.88% to ZW\$43.38 billion, during the same week. The distribution of NPS transaction values was as follows: RTGS, 79.19%; POS, 11.07%; Mobile, 9.09% and ATM, 0.65%.

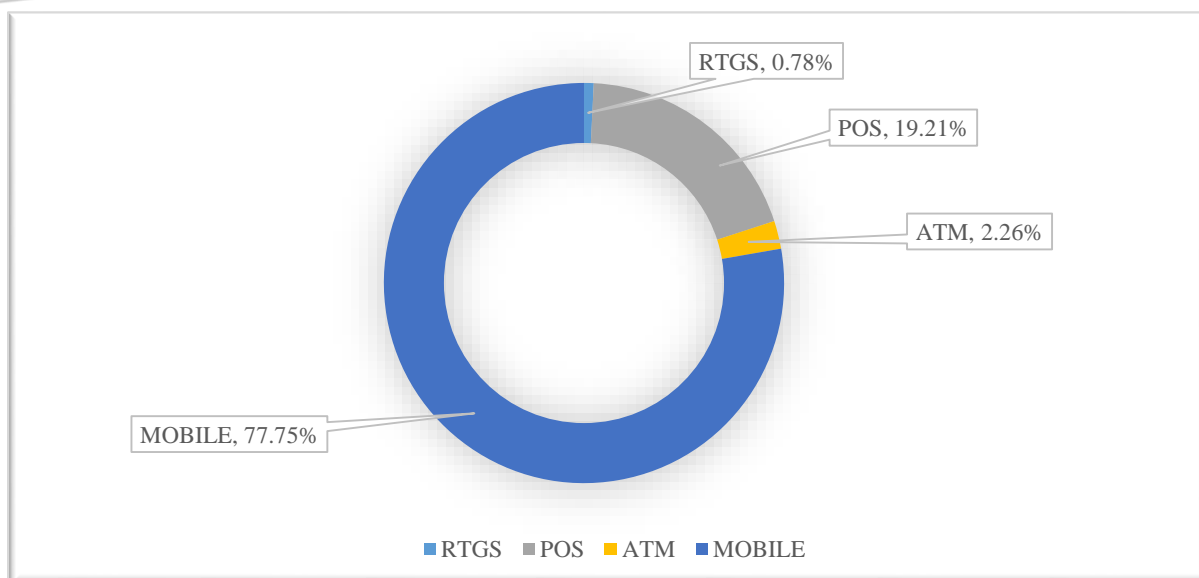
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2020

NPS transaction volumes increased by 4.88% to 26.24 million transactions, during the week under review. This was a 4.88% increase from 25.02 million transactions recorded in the preceding week. NPS transaction volumes were dominated by Mobile transactions, contributing 77.75% to the total, followed by POS, 19.21%; RTGS, 0.78%; and ATM, 2.26%.

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 16 th OCTOBER 2020	WEEK ENDING 23 rd OCTOBER 2020	% CHANGE FROM LAST WEEK	PROPORTION %
Values in ZW\$ Millions				
RTGS	48,631.51	43,376.03	-10.81%	79.19%
POS	4,580.41	6,065.15	32.41%	11.07%
ATM	315.45	353.56	12.08%	0.65%
MOBILE	4,198.64	4,981.34	18.64%	9.09%
TOTAL	57,726.02	54,776.07	-5.11%	100%
Volumes				
RTGS	191,212	205,248	7.34%	0.78%
POS	4,176,563	5,040,919	20.70%	19.21%
ATM	207,722	592,510	185.24%	2.26%
MOBILE	20,441,548	20,399,616	-0.21%	77.75%
TOTAL	25,017,045	26,238,293	4.88%	100%

Source: Reserve Bank of Zimbabwe, 2020

3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international prices of platinum, copper and nickel increased during the week ending 23rd October 2020. Gold and Brent crude oil prices, however, retreated. Commodity price developments continued to be influenced by the Covid-19 pandemic and the concomitant

economic uncertainty. Table 4 shows developments in selected commodity prices, during the week under review.

Table 4: Metal and Crude Oil Prices for the week-ending 23 October 2020

	Gold	Platinum	Copper	Nickel	Crude Oil
2020	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
Weekly Average (12 -16 Oct)	1,915.08	869.60	6,716.40	15,285.00	42.41
19-Oct	1,907.80	870.00	6,755.00	15,653.00	42.72
20-Oct	1,902.38	855.00	6,814.00	15,791.00	42.91
21-Oct	1,921.55	885.00	6,953.00	16,064.00	41.48
22-Oct	1,908.90	881.00	6,886.00	15,707.00	42.38
23-Oct	1,907.13	917.00	6,879.50	15,768.00	41.14
Weekly Average (19 -23 Oct)	1,909.55	881.60	6,857.50	15,796.60	42.13
Weekly Change (%)	-0.3	1.4	2.1	3.3	-0.7

Source: BBC, KITCO and Bloomberg, 2020

Gold

The weekly average price of gold eased by 0.3%, from US\$1,915.08 per ounce recorded in the previous week to US\$1,909.55 per ounce, during the week under review. Gold prices were weighed down by a strengthening US dollar. The decline was, however, moderated by hopes for a US stimulus package.

Platinum

Weekly average prices of platinum increased by 1.4%, from US\$869.60 per ounce in the previous week to US\$881.60 per ounce, during the week under review. Signs of recovery in the automobile sector, as vehicle makers tentatively recuperate from the coronavirus shock, lent support to platinum prices, during the period under analysis.

Copper

Copper prices were upbeat during the week under review, registering a 2.1% increase week-on-week, from US\$6,716.40 per tonne in the previous week to US\$6,857.50 per tonne. Prices were buoyed by positive investor sentiment, as economic data signaled robust Chinese demand. Further US stimulus and future supply disruptions, owing to the coronavirus pandemic, are expected to support the outlook for the base metal.

Nickel

Nickel prices rose by 3.3%, from US\$15,285 per tonne during the week ending 16th October 2020 to US\$15,796.00 per tonne, during the week under analysis. Prices were lifted by robust demand from stainless steel producers in China, who account for about two thirds of global nickel demand. The outlook for nickel remains positive as market shortages are expected, occasioned by the rainy season in the Philippines and the on-going nickel export ban in Indonesia.

Brent crude oil

For the week ending 23rd October 2020, prices of Brent crude oil declined by 0.7%, on back of fears of a demand slump, as coronavirus cases surged to levels greater than those recorded in March 2020 in Europe and the United States. Prices were further weighed down from the supply-side, as the ban on Libyan exports was lifted, coupled with OPEC's intentions to increase oil output over the near term. Resultantly, the price of Brent crude oil declined from US\$42.42 per barrel to US\$42.13 per barrel during the week ending 23rd October 2020.

EXCHANGE RATE DEVELOPMENTS

On the foreign exchange auction market, the Zimbabwe dollar (ZWS) remained virtually unchanged on a weekly basis. The local unit gained by 0.001% against the greenback, from ZW\$81.3469 per US\$1 in the previous week to ZW\$81.3474 per US\$1, during the week under analysis. Developments in selected exchange rates are shown in Table 5.

Table 5. International Exchange Rates¹

	USD	ZAR	GBP	BWP	EURO
2020					
Weekly Average (12 -16 Oct)	81.3469	4.9191	105.6140	7.0955	93.4846
19-Oct	81.3458	4.9285	105.2210	7.0856	95.2520
20-Oct	81.3458	4.9164	105.3876	7.1018	95.7888
21-Oct	81.3458	4.9456	105.6044	7.0983	96.3713
22-Oct	81.3499	4.9727	106.8816	7.1311	96.3836
23-Oct	81.3499	5.0100	106.2554	7.1391	95.9768
Weekly Average (19 -23 Oct)	81.3474	4.9544	105.8664	7.1111	95.9526
<i>Appr(-)/Depr(+)</i> (%) <i>of the ZWL</i>	<i>0.001</i>	<i>0.7</i>	<i>0.2</i>	<i>0.2</i>	<i>2.6</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			
	29-Sept-20	6-Oct-20	13-Oct-20	20-Oct-20	29-Sept-20	6-Oct-2	13-Oct-20	20-Oct-20
Total Bids	23,067,310.7	24,691,329.3	27,396,490.9	27,057,595.9	1,441,116.3	1,436,797.2	1,828,623.4	1,740,633.9
Amount Allotted	23,067,310.7	24,691,329.3	27,396,490.9	27,057,595.9	1,441,116.3	1,436,797.2	1,828,623.4	1,740,633.8
Highest Rate	86	86	88.07	87.1	86	87	86	86
Lowest Rate	78	79	79	79	78	79	79	79
Lowest Accepted Rate	78	79	79	79	78	79	79	79
Weighted Average Rate	81.4439	81.3486	81.3458	81.3499	81.4439	81.3486	81.3458	81.3499
Number of Bids Received	233	228	163	238	129	135	225	146
Number of Bids Rejected	22	35	10	15	6	21	26	14

Source: Reserve Bank of Zimbabwe

4. EQUITY MARKETS

The Zimbabwe Stock Exchange (ZSE) registered gains during the week under analysis. In this regard, the All Share, Top 10, Top 15 and Small Cap indices were higher by 1.86%, 3.08%, 2.06% and 2.65%, to close at 1,521.22 points, 994.65 points, 1,170.85 points and 6,108.26 points, respectively. The Medium Cap, however, declined by 0.31% to close at 3,021.43 points.

The industrial index closed 2.70% higher during the week under analysis, from 4,906.25 points in the previous week to 5,038.71 points. Gains were, in part, on account of increases in share prices for Fidelity Life Assurance Limited, 20.00%; CBZ Holdings Limited, 17.62%; African Sun Limited, 15.29%; First Mutual Properties Limited, 6.81%; Fbc Holdings Limited, 3.75%; First Mutual Holdings Limited, 2.49%; Ok Zimbabwe Limited, 2.41%; Hippo Valley Estates Limited, 1.40%; and Innscor Africa Limited, 0.96%. The gains were, however, partially offset by declines in share prices for Proplastics Limited, 17.46%; Econet Wireless Zimbabwe Limited, 5.83%; Rainbow Tourism Group Limited, 5.00; First Capital Bank Limited, 2.98%; Cassava Smartech Zimbabwe Limited, 2.93%; Delta Corporation Limited, 2.28%; Meikles Limited, 1.67%; and British American Tobacco Zimbabwe, 0.45%.

The resources index declined by 21.23% to close at 3034.28 points, during the week ending 23rd October 2020, from 3 852.23 points in the previous week. The decline was partly on

² Main Foreign Currency Auction

³ Small and Medium Enterprises Foreign Currency Auction

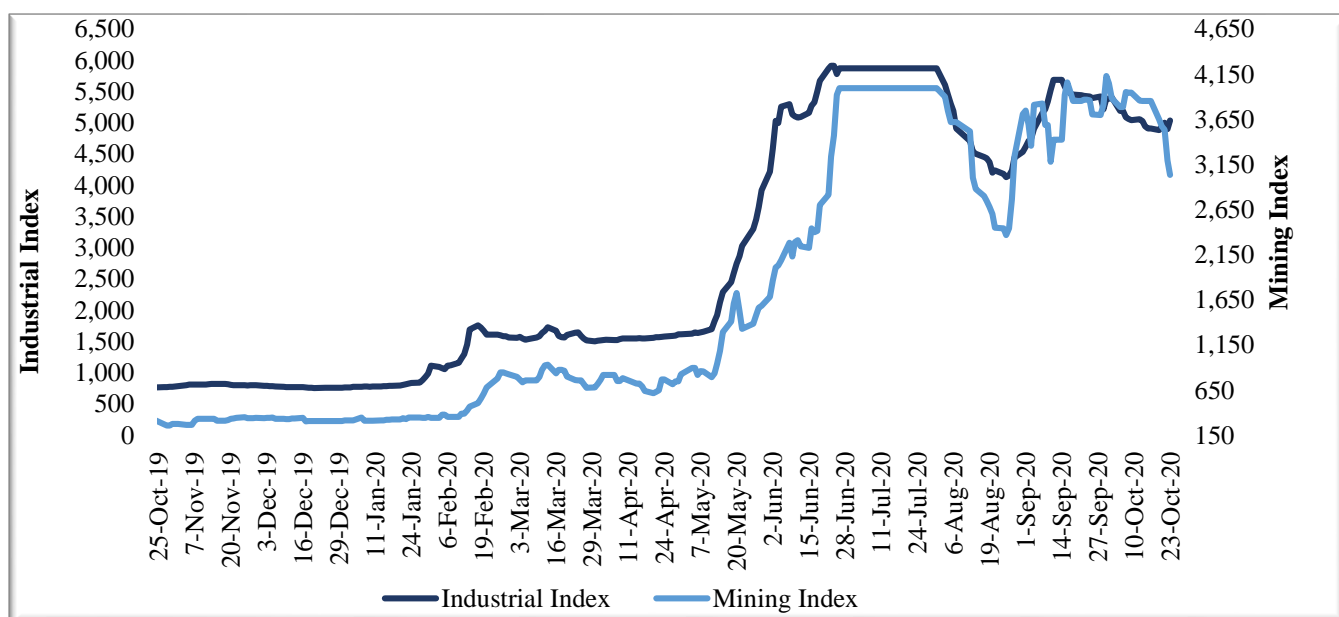
account of a fall in share prices for Bindura Nickel Corporation, 24.45%; and RioZim Limited, 6.63%. Table 7 shows selected ZSE statistics.

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)
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
9-Oct-20	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
16-Oct-20	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
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
% Change	1.86	3.08	2.06	-0.31	2.65	2.70	-21.23	1.56	-28.19	6.47

Source: Zimbabwe Stock Exchange (ZSE), 2020

Figure 3: Zimbabwe Stock Exchange Indices



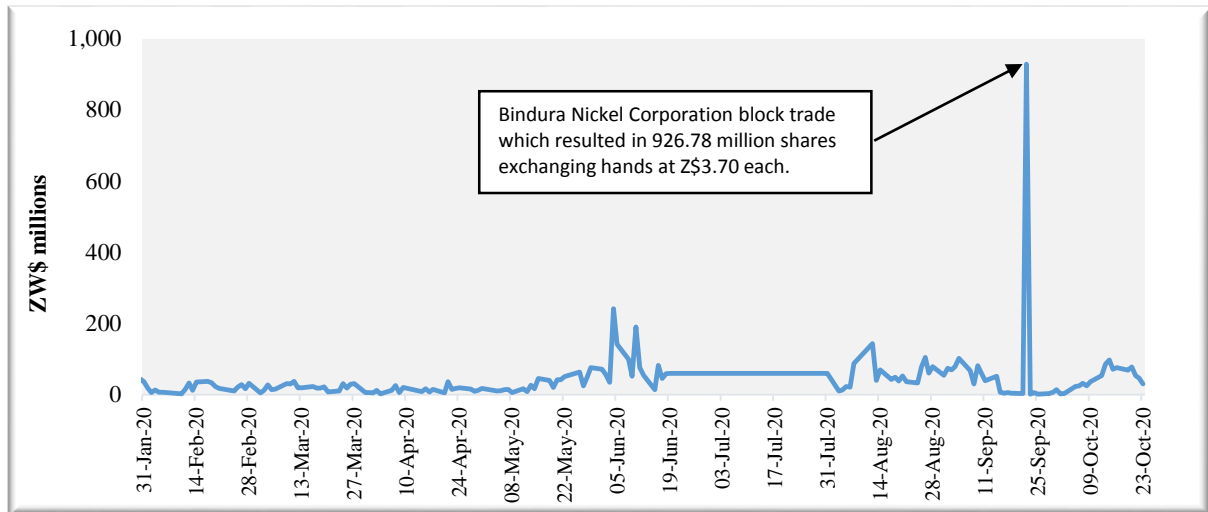
Source: Zimbabwe Stock Exchange, 2020

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

The cumulative volume of shares traded on the ZSE fell by 6.47% to close at 40.00 million shares, during the week under analysis. Concomitantly, the cumulative market turnover declined by 28.19% to close at ZW\$274.56 million, during the same period.

Figure 4: Daily Market Turnover

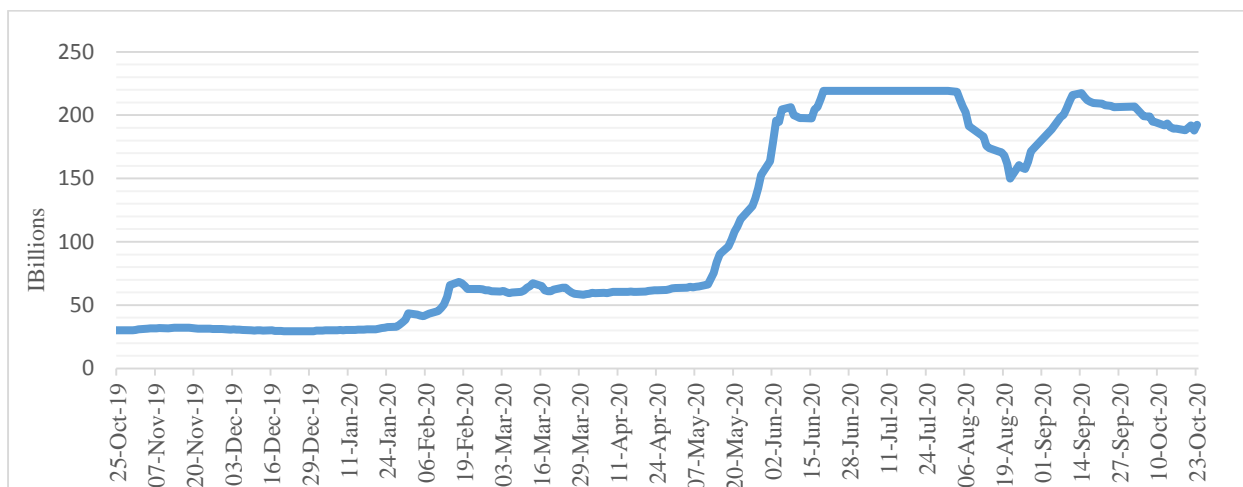


Source: Zimbabwe Stock Exchange, 2020

Market Capitalization

During the week ending 23rd October 2020, ZSE market capitalisation declined marginally by 1.55% to close at ZW\$192.30 billion. This reflected an increase of ZW\$2.94 billion worth of market capitalisation.

Figure 5: Daily Market Capitalization in ZW\$ billions



Source: Zimbabwe Stock Exchange, 2020

Johannesburg Stock Exchange (JSE) Developments

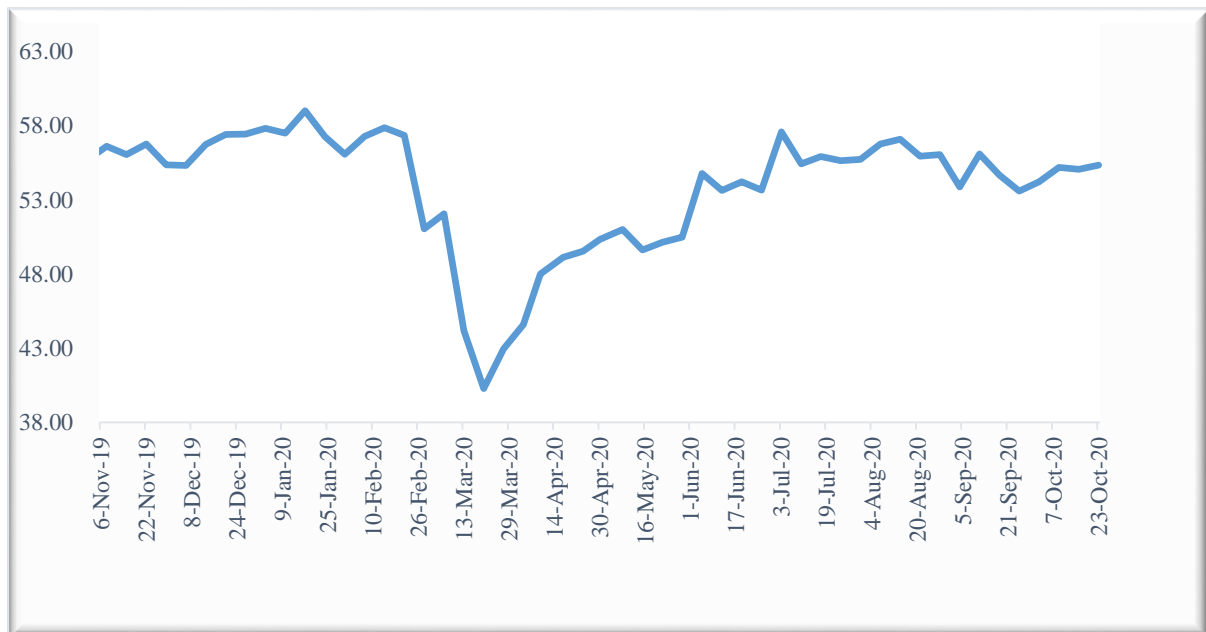
During the week ending 23rd October 2020, the Johannesburg Stock Exchange (JSE) All share index registered a 0.53% increase to close at 55,339.58 points, from 55,047.26 points in the preceding week. JSE market capitalisation was 0.66% lower than in the previous week and closed the week under review at ZAR16.61 trillion.

Table 9: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalization (ZAR trillions)
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
23-October-20	55,339.58	16.61
% Change	0.53	-0.66

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			
	29-Sept-20	6-Oct-20	13-Oct-20	20-Oct-20	29-Sept-20	6-Oct-20	13-Oct-20	20-Oct-20
Raw Materials	8,636,133.19	8,184,212.75	11,305,544.43	10,577,731.11	277,342.23	412,601.55	546,149.68	379,237.17
Machinery and Equipment	2,956,385.89	4,886,689.16	4,786,233.24	4,071,793.78	326,567.01	237,317.26	243,310.15	399,295.98
Consumables (Incl. Spares, Tyres, Packaging)	3,107,571.06	3,252,028.39	2,378,206.62	2,691,432.18	342,354.35	326,875.31	579,972.62	484,901.02
Pharmaceuticals and Chemicals	1,798,133.39	1,088,517.23	1,354,008.86	1,042,378.92	61,142.19	86,306.85	77,396.35	91,167.27
Services (Loans, Dividends and Disinvestments)	2,428,054.20	2,527,530.29	2,740,093.88	3,732,503.04	138,376.84	121,082.68	140,841.80	99,525.99
Retail and Distribution	2,189,853.69	1,867,269.79	1,222,531.00	2,464,388.66	153,350.09	125,440.30	140,542.10	163,404.77
Fuel, Electricity and Gas	1,487,832.09	2,160,642.09	2,482,126.96	1,864,413.48	79,182.15	53,100.00	58,015.47	103,101.59
Paper and Packaging	463,347.22	724,439.62	1,127,745.95	612,954.68	62,801.42	73,473.26	42,395.24	20,000.00
TOTAL	23,067,310.73	24,691,329.32	27,396,490.94	27,057,595.85	1,441,116.28	1,436,197.21	1,828,623.41	1,740,633.79

Source: Reserve Bank of Zimbabwe, 2020