



# Weekly Economic Highlights

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

## 1. INTEREST RATES

### Deposit Rates

Minimum and maximum deposit rates for savings deposits and deposits of 1 month and 3 month tenors remained unchanged during the week ending 30<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 (%)
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
30-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 individuals and corporates remained unchanged, during the week under review, as shown in Table 2.

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

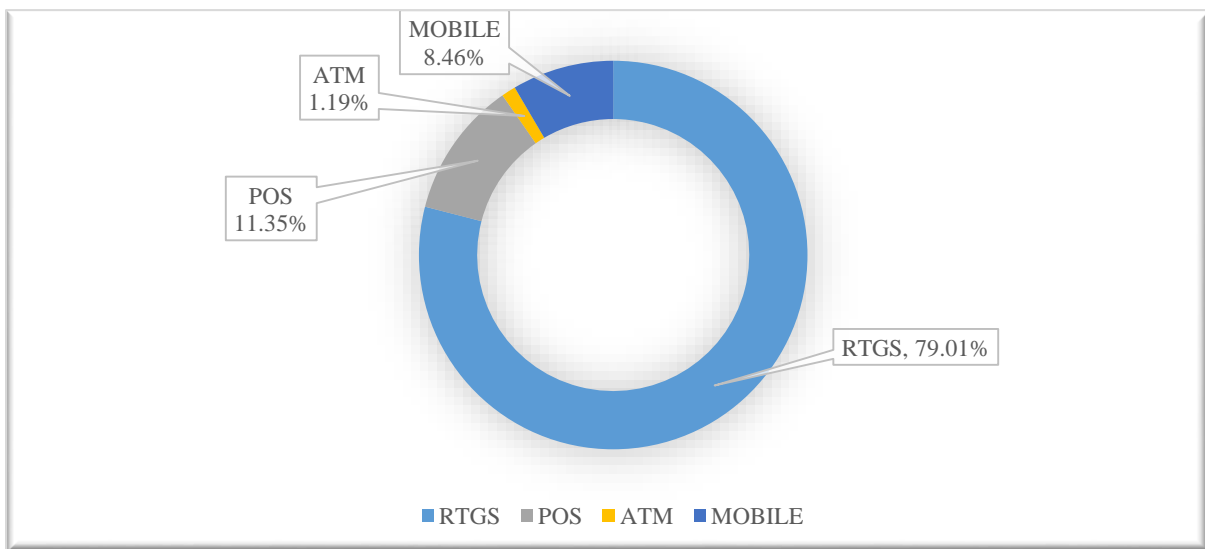
Date	Individual Clients		Corporate Clients	
	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
2-Oct-20	20.65	44.38	25.09	49.83
9-Oct-20	22.08	45.29	24.84	49.99
16-Oct-20	22.08	45.29	24.84	49.99
23-Oct-20	26.04	46.14	26.68	50.99
30-Oct-20	26.04	46.14	26.68	50.99

Source: Reserve Bank of Zimbabwe, 2020

## 2. CLEARING AND SETTLEMENT ACTIVITY

The week under review saw the total value of National Payment Systems (NPS) transactions increase by 8.28% to close at ZW\$59.31 billion. Transactions processed through the Real Time Gross Settlement (RTGS) system were 8.03% higher at ZW\$46.86 billion during the week under analysis, from ZW\$43.38 billion in the preceding week. In value terms, NPS transactions were distributed as follows: RTGS, 79.01%; POS, 11.35%; Mobile, 8.46% and ATM, 1.19%.

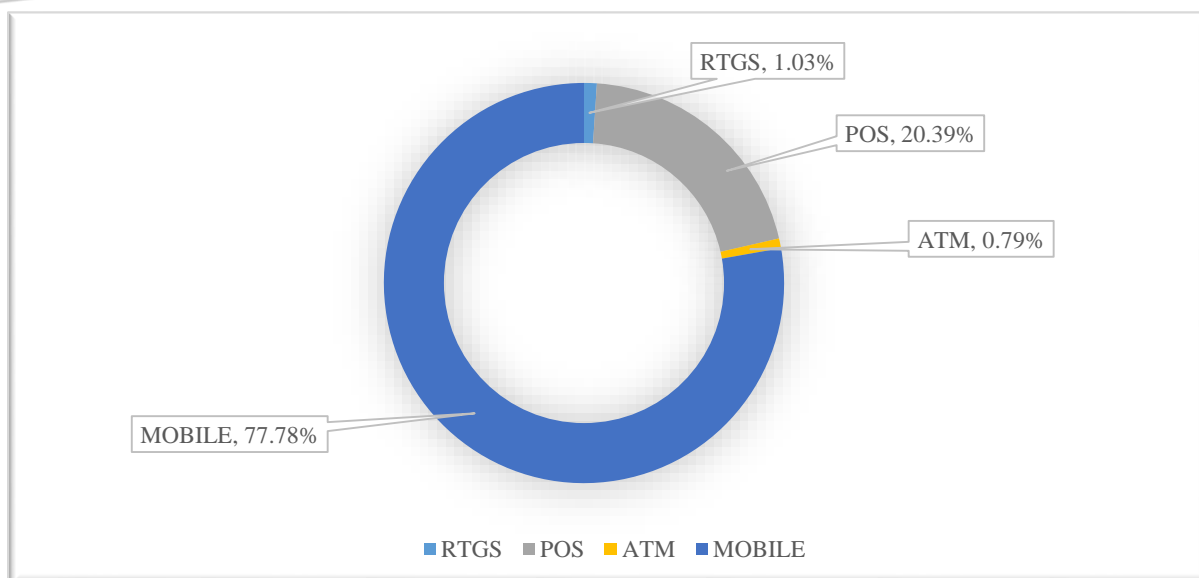
**Figure 1: Composition of NPS Transactions in Value Terms**



*Source: Reserve Bank of Zimbabwe, 2020*

The volume of NPS transactions increased marginally by 1.37%, from 26.24 million in the previous week to close at 26.60 million transactions during the week ending 30<sup>th</sup> October 2020. In terms of distribution, NPS transaction volumes were dominated by the Mobile platform, 77.78%; followed by POS, 20.39%; RTGS, 1.03%; and ATM, 0.79%.

**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 23 <sup>rd</sup> OCTOBER 2020	WEEK ENDING 30 <sup>th</sup> OCTOBER 2020	% CHANGE FROM LAST WEEK	PROPORTION %
<b>Values in ZW\$ Millions</b>				
RTGS	43,376.03	46,857.14	8.03%	79.01%
POS	6,065.15	6,731.83	10.99%	11.35%
ATM	353.56	703.52	98.98%	1.19%
MOBILE	4,981.34	5,016.43	0.70%	8.46%
<b>TOTAL</b>	<b>54,776.07</b>	<b>59,308.92</b>	<b>8.28%</b>	<b>100%</b>
<b>Volumes</b>				
RTGS	205,248	274,469	33.73%	1.03%
POS	5,040,919	5,423,814	7.60%	20.39%
ATM	592,510	210,783	-64.43%	0.79%
MOBILE	20,399,616	20,688,839	1.42%	77.78%
<b>TOTAL</b>	<b>26,238,293</b>	<b>26,597,905</b>	<b>1.37%</b>	<b>100%</b>

Source: Reserve Bank of Zimbabwe, 2020

### 3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international prices of gold, platinum, copper, nickel and Brent crude oil registered weekly declines, during the week ending 30<sup>th</sup> October 2020, as shown in Table 4.

**Table 4: Metal and Crude Oil Prices for the week-ending 30 October 2020**

	Gold	Platinum	Copper	Nickel	Crude Oil
2020	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
<b>Weekly Average (19 -23 Oct)</b>	<b>1,909.55</b>	<b>881.60</b>	<b>6,857.50</b>	<b>15,796.60</b>	<b>42.13</b>
<b>26-Oct</b>	1,900.03	884.50	6,806.00	15,397.00	40.47
<b>27-Oct</b>	1,902.30	876.50	6,787.50	15,602.00	40.40
<b>28-Oct</b>	1,883.40	868.00	6,694.50	15,819.00	39.14
<b>29-Oct</b>	1,873.15	863.00	6,692.00	15,393.00	37.76
<b>30-Oct</b>	1,878.83	854.00	6,694.50	15,256.00	34.47
<b>Weekly Average (26-30 Oct)</b>	<b>1,887.54</b>	<b>869.20</b>	<b>6,734.90</b>	<b>15,493.40</b>	<b>38.45</b>
<b>Weekly Change (%)</b>	<b>-1.2</b>	<b>-1.4</b>	<b>-1.8</b>	<b>-1.9</b>	<b>-8.7</b>

Source: BBC, KITCO and Bloomberg, 2020

## Gold

The price of the yellow metal declined by 1.2%, from a weekly average of US\$1,909.55 per ounce recorded in the previous week to US\$1,887.54 per ounce, during the week under analysis. This was on the back of a stronger US dollar and stalled talks on the US stimulus package.

## Platinum

In line with developments in gold prices, platinum prices registered a weekly decline of 1.4%, from a weekly average of US\$881.60 per ounce, in the previous week, to US\$869.20 per ounce, during the week under review. Prices were further weighed down by a gloomy industrial demand outlook, amid fears of a second wave of the Covid-19 pandemic. Most European countries introduced stringent lockdown measures across major cities.

## Copper

Copper prices posted a decrease of 1.8% to US\$6,734.90 per tonne, during the week under review. The lack of a new stimulus package and looming coronavirus lockdowns in major economies, which stoked fears of weaker economic recovery, largely accounted for the fall in the price of the base metal.

## Nickel

Similarly, nickel prices retreated by 1.9%, from a weekly average of US\$15,796.00 per tonne recorded in the previous week to US\$15,493.40 per tonne, during the week under analysis. This came as investors started to factor-in the adverse effects of further lockdowns in European cities.

## Brent crude oil

Brent crude oil prices took a knock during the week under analysis, registering a weekly decline of 8.7% on average. The threat of renewed lockdowns in Europe, amid a second wave of infections prompted fears of a contraction in the demand for oil, while supply from major oil producers is expected to increase. Against this backdrop, the weekly average Brent crude oil price declined from US\$42.13 per barrel in the previous week to US\$38.45 per barrel, during the week ending 30<sup>th</sup> October 2020.

## EXCHANGE RATE DEVELOPMENTS

On the foreign exchange auction market, the Zimbabwe dollar (ZWL) traded steadily against the greenback. The local unit marginally depreciated by 0.005% against the greenback, from ZWL81.3474 per US\$1 to ZWL81.3518 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 (19 -23 Oct)</b>	<b>81.3474</b>	<b>4.9544</b>	<b>105.8664</b>	<b>7.1111</b>	<b>95.9526</b>
<b>26-Oct</b>	81.3499	5.0013	105.9542	7.1591	96.2492
<b>27-Oct</b>	81.3499	5.0340	106.0518	7.1430	96.2248
<b>28-Oct</b>	81.3531	5.0213	106.1051	7.1757	95.8138
<b>29-Oct</b>	81.3531	4.9702	105.8933	7.1187	95.6103
<b>30-Oct</b>	81.3531	4.9554	105.0027	7.0902	95.0044
<b>Weekly Average (26 -30 Oct)</b>	<b>81.3518</b>	<b>4.9963</b>	<b>105.7998</b>	<b>7.1372</b>	<b>95.7783</b>
<i>Appr(-)/Depr(+) (%) of the ZWL</i>	<i>0.005</i>	<i>0.8</i>	<i>-0.1</i>	<i>0.4</i>	<i>-0.2</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			
	6-Oct-20	13-Oct-20	20-Oct-20	27-Oct-20	6-Oct-2	13-Oct-20	20-Oct-20	27-Oct-20
<b>Total Bids (US\$ dollars)</b>	24,691,329.3	27,396,490.9	27,057,595.9	26,175,746.8	1,436,797.2	1,828,623.4	1,740,633.9	1,676,072.9
<b>Amount Allotted (US\$ dollars)</b>	24,691,329.3	27,396,490.9	27,057,595.9	26,175,746.8	1,436,797.2	1,828,623.4	1,740,633.8	1,676,072.9
<b>Highest Rate</b>	86	88.07	87.1	86	87	86	86	89
<b>Lowest Rate</b>	79	79	79	79	79	79	79	80
<b>Lowest Accepted Rate</b>	79	79	79	79	79	79	79	80
<b>Weighted Average Rate</b>	81.3486	81.3458	81.3499	81.3531	81.3486	81.3458	81.3499	81.3531
<b>Number of Bids Received</b>	228	163	238	274	135	225	146	146
<b>Number of Bids Rejected</b>	35	10	15	36	21	26	14	18

Source: Reserve Bank of Zimbabwe

#### 4. EQUITY MARKETS

The Zimbabwe Stock Exchange (ZSE) was bearish, during the week under review. The All Share, Top 10, Top 15 indices registered declines of 2.92%, 5.77% and 4.10% to close at 1,476.87 points, 937.28 points and 1122.83 points, respectively. The Medium Cap Small Cap indices, however, registered gains of 2.05% and 0.42%, to close at 3,083.35 points and 6,143.64 points, respectively.

The mainstream index was 3.70% lower at 4,852.49 points, during the week ending 30<sup>th</sup> October 2020. This was underpinned by share price declines for CBZ Holdings Limited, 10.62%; African Sun Limited, 6.94%; Ok Zimbabwe Limited, 5.73%; Econet Wireless Zimbabwe Limited, 5.67%; FBC Holdings Limited, 4.83%; Cassava Smartech Zimbabwe Limited, 3.89%; First Capital Bank Limited, 2.45%; Delta Corporation Limited, 1.21%; and Inncor Africa Limited, 0.79%. The share price losses were partially offset by gains registered for National Tyre Services Limited, 19.90%; Proplastics Limited, 15.92%; Dairibord Holdings Limited, 5.75%; Fidelity Life Assurance Limited, 5.07%; Afdis Distillers Limited, 3.81%; Dawn Properties Limited, 2.94%; Meikles Limited, 0.66%.

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

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

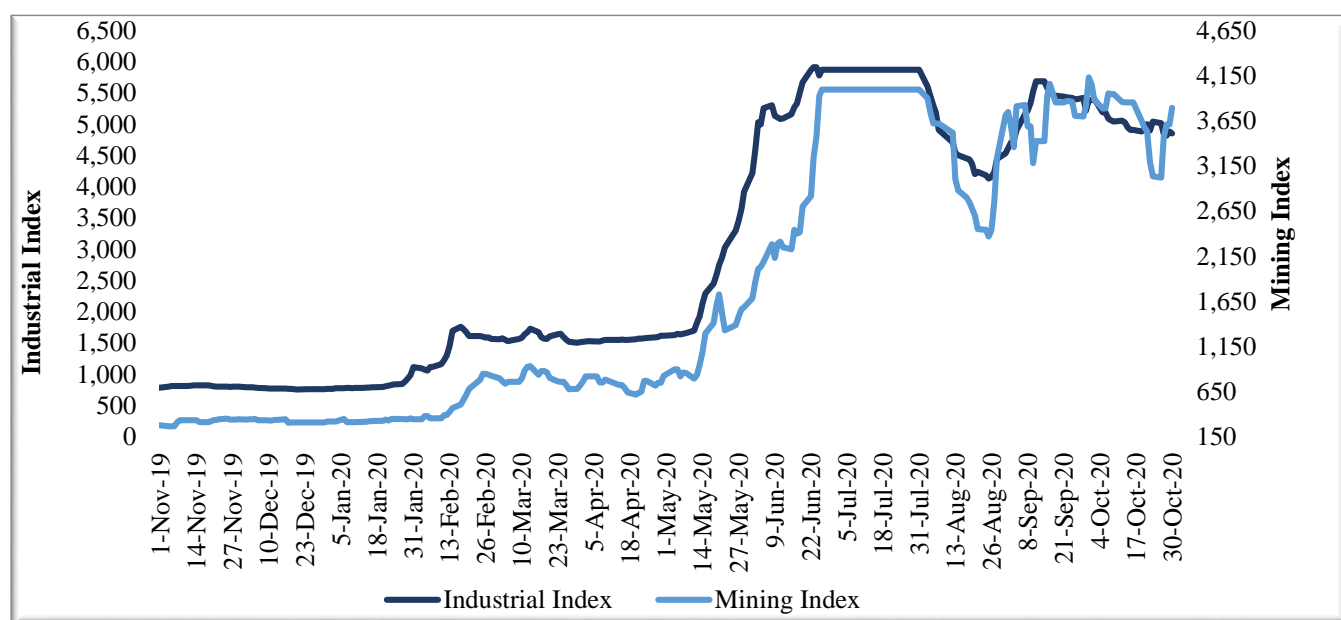
The mining index stood at 3,792.35 points at the close of the week under review, reflecting a 24.98% increase from 3034.28 points recorded in the preceding week. Increases in share prices for Bindura Nickel Corporation, 19.28% and RioZim Limited, 17.47% accounted for the increase in the resources index. 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>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>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>% Change</b>	<b>-2.92</b>	<b>-5.77</b>	<b>-4.10</b>	<b>2.05</b>	<b>0.42</b>	<b>-3.70</b>	<b>24.98</b>	<b>-6.56</b>	<b>-28.05</b>	<b>543.38</b>

Source: Zimbabwe Stock Exchange (ZSE), 2020

**Figure 3: Zimbabwe Stock Exchange Indices**



Source: Zimbabwe Stock Exchange, 2020

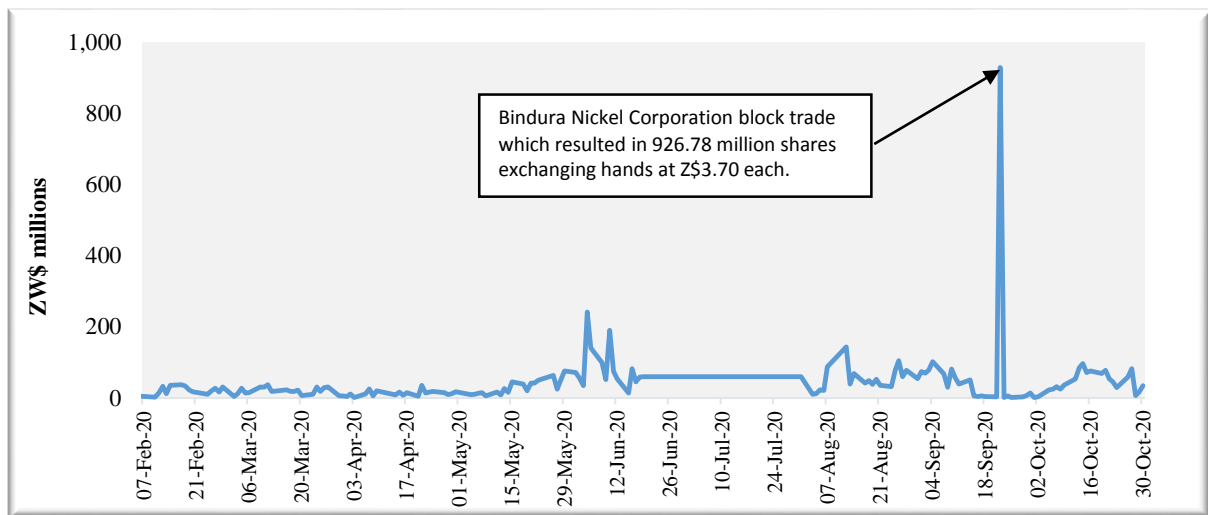
<sup>4</sup> The Zimbabwe Stock Exchange (ZSE) adopted the Global Industry Classification Standards, effective from 1 January 2020. The ZSE indices constitute the following categories; Top 10 Index; Top 15; Top 25; Medium cap and Small cap Indices.



## Market Turnover and Volume

During the week under review, the cumulative volume of shares traded on the ZSE stood at 257 million shares, up from 40 million shares traded in the previous week. The cumulative market turnover, however, declined by 28.05% to ZW\$197.55 million, from ZW\$274.56 million recorded during the week ending 23<sup>rd</sup> October 2020.

**Figure 4: Daily Market Turnover**

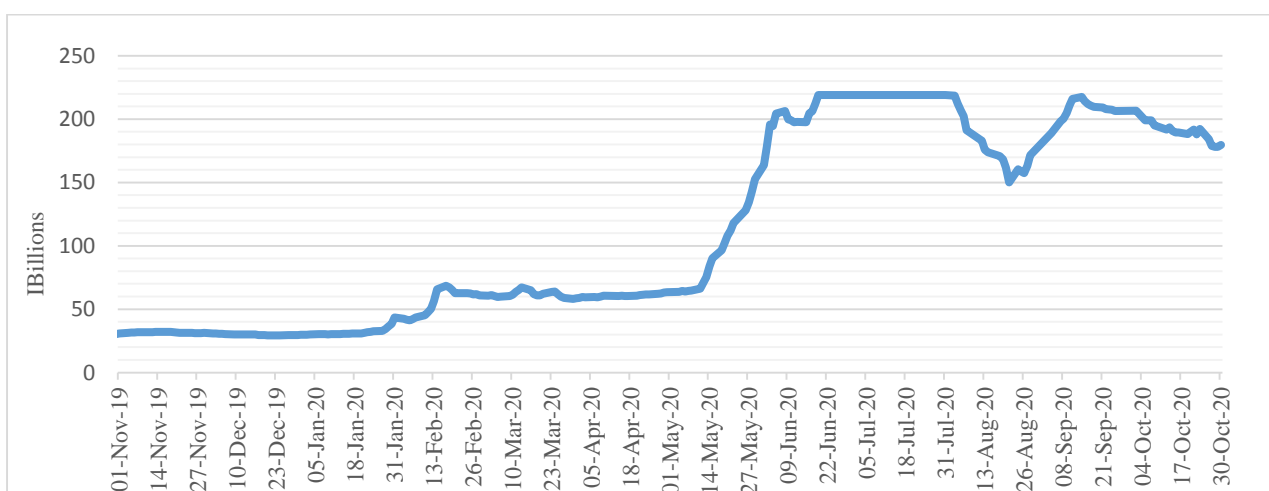


Source: Zimbabwe Stock Exchange, 2020

## Market Capitalization

ZSE market capitalisation fell by 6.56%, to close the week under review at ZW\$179.69 billion, from ZW\$192.30 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 fell by 6.60% to close at 51,5684.70 points, during the week under review. In tandem, JSE market capitalisation declined by 5% to close at ZAR15.78 trillion, during the same period.

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

Period	All Share Index (points)	Market Capitalization (ZAR trillions)
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
30-October-20	51,684.70	15.78
<b>% Change</b>	<b>-6.60</b>	<b>-5.00</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			
	6-Oct-20	13-Oct-20	20-Oct-20	27-Oct-20	6-Oct-20	13-Oct-20	20-Oct-20	27-Oct-20
<b>Raw Materials</b>	8,184,212.75	11,305,544.43	10,577,731.11	10,457,656.59	412,601.55	546,149.68	379,237.17	445,902.32
<b>Machinery and Equipment</b>	4,886,689.16	4,786,233.24	4,071,793.78	4,300,722.02	237,317.26	243,310.15	399,295.98	237,171.57
<b>Consumables (Incl. Spares, Tyres, Packaging)</b>	3,252,028.39	2,378,206.62	2,691,432.18	2,713,077.60	326,875.31	579,972.62	484,901.02	454,901.94
<b>Pharmaceuticals and Chemicals</b>	1,088,517.23	1,354,008.86	1,042,378.92	1,305,299.41	86,306.85	77,396.35	91,167.27	111,506.70
<b>Services (Loans, Dividends and Disinvestments)</b>	2,527,530.29	2,740,093.88	3,732,503.04	2,661,580.90	121,082.68	140,841.80	99,525.99	2,661,580.90
<b>Retail and Distribution</b>	1,867,269.79	1,222,531.00	2,464,388.66	1,652,236.53	125,440.30	140,542.10	163,404.77	1,652,236.53
<b>Fuel, Electricity and Gas</b>	2,160,642.09	2,482,126.96	1,864,413.48	2,528,349.23	53,100.00	58,015.47	103,101.59	2,528,349.23
<b>Paper and Packaging</b>	724,439.62	1,127,745.95	612,954.68	556,824.49	73,473.26	42,395.24	20,000.00	556,824.49
<b>TOTAL</b>	<b>24,691,329.32</b>	<b>27,396,490.94</b>	<b>27,057,595.85</b>	<b>26,175,746.77</b>	<b>1,436,197.21</b>	<b>1,828,623.41</b>	<b>1,740,633.79</b>	<b>1,676,072.85</b>

Source: Reserve Bank of Zimbabwe, 2020