



Weekly Economic Highlights

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Week Ending
9th October 2020

1. INTEREST RATES

Deposit Rates

During the week ending 9th October 2020, minimum and maximum deposit rates for savings deposits and deposits of 3-month tenor, remained at the preceding week levels. Minimum deposit rates for deposits of 1-month tenor also remained unchanged, while maximum deposit rates declined by 0.02 percentage points to close at 7.71%, during the same week, 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 (%)
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
9-Oct-20	2.35	5.19	4.17	7.71	4.50	8.37

Source: Reserve Bank of Zimbabwe, 2020

Lending Rates

Commercial bank minimum lending rates for individuals and corporates declined from 20.65% and 25.09% in the previous week, to close at 22.08% and 24.84%, respectively, during the week under analysis. Maximum lending rates for individual and corporate clients were 0.91 and 0.16 percentage points higher to close at 45.29% and 49.99%, respectively, during the same week, as shown in Table 2.

Table 2: Lending Rates (per annum)

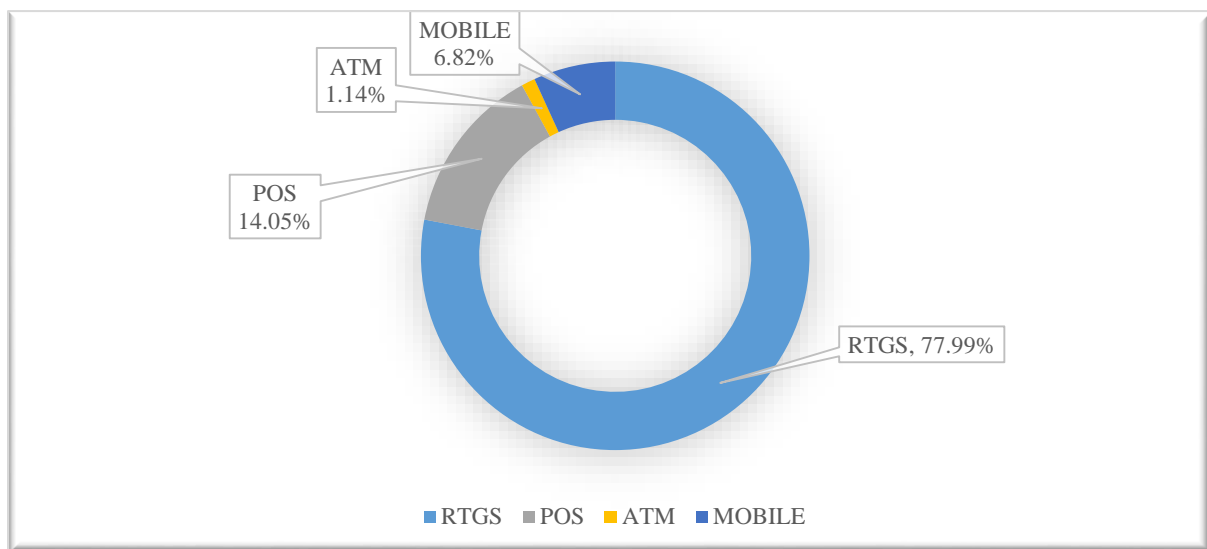
Date	Individual Clients		Corporate Clients	
	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
11-Sep-20	19.99	44.60	23.89	49.35
18-Sep-20	19.99	44.60	23.89	49.35
25-Sep-20	20.65	44.38	25.09	49.83
2-Oct-20	20.65	44.38	25.09	49.83
9-Oct-20	22.08	45.29	24.84	49.99

Source: Reserve Bank of Zimbabwe, 2020

2. CLEARING AND SETTLEMENT ACTIVITY

During the week under review, National Payment Systems (NPS) transactions amounted to ZW\$54.08 billion, representing a 3.04% decline from ZW\$57.52 billion recorded in the previous week. Real Time Gross Settlement (RTGS) transactions were 4.06% lower, to close at ZW\$48.18 billion during the same week. In value terms, the NPS transactions were distributed as follows: RTGS, 77.99%; POS, 14.05%; Mobile, 6.82% and ATM, 1.14%.

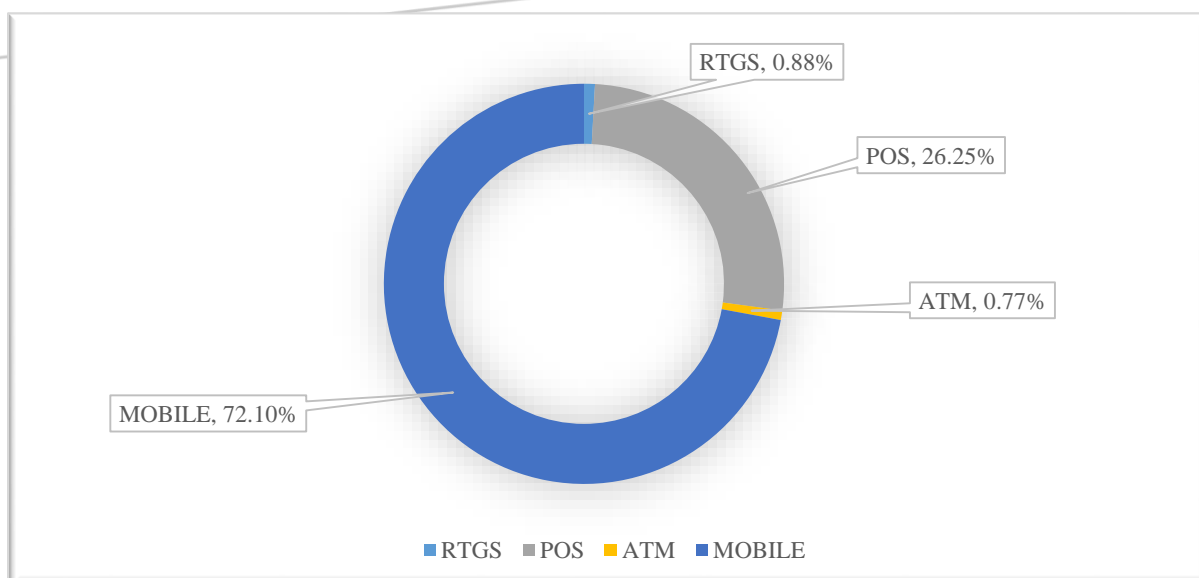
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2020

NPS transactions volumes registered a decline of 4.13% to close at 25.45 million, during the week under review, from 26.54 million in the previous week. The NPS transaction volumes were distributed as follows: Mobile, 72.10%; POS, 26.25%; RTGS, 0.88%; and ATM, 0.77%.

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 2 nd OCTOBER 2020	WEEK ENDING 9 th OCTOBER 2020	% CHANGE FROM LAST WEEK	PROPORTION %
Values in ZW\$ Millions				
RTGS	43,961.53	42,178.74	-4.06%	77.99%
POS	6,395.85	7,601.06	18.84%	14.05%
ATM	770.88	616.82	-19.98%	1.14%
MOBILE	4,650.61	3,686.48	-20.73%	6.82%
TOTAL	55,778.88	54,083.11	-3.04%	100%
Volumes				
RTGS	264,714	224,349	-15.25%	0.88%
POS	5,485,543	6,679,683	21.77%	26.25%
ATM	165,089	194,912	18.06%	0.77%
MOBILE	20,626,181	18,347,193	-11.05%	72.10%
TOTAL	26,541,527	25,446,137	-4.13%	100%

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 declined, during the week ending 9th October 2020. Commodity markets were relentlessly faced with increasing headwinds, as coronavirus infections picked-up 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
Weekly Average (28 Sep-2 Oct)	1,885.89	880.7	6,550.20	14,394.40	41.12
5-Oct	1,904.63	884.5	6,507.50	14,360.00	41.26
6-Oct	1,912.95	883.5	6,509.00	14,643.00	42.12
7-Oct	1,886.25	866	6,525.00	14,570.00	43.02
8-Oct	1,889.40	868.5	6,611.50	14,687.00	43
9-Oct	1,917.83	885.5	6,740.50	14,990.00	42.52
Weekly Average (5 -9 Oct)	1,902.21	877.6	6,578.70	14,650.00	42.38
Weekly Change (%)	<i>0.9</i>	<i>-0.4</i>	<i>0.4</i>	<i>1.8</i>	<i>3.1</i>

Source: BBC, KITCO and Bloomberg, 2020

Gold

The international price of gold increased by 0.9% to US\$1,902.21 per ounce, during the week under analysis, from US\$1,885.89 per ounce recorded in the previous week. The yellow metal price was supported by expectations of further stimulus in the US, following the resumption of talks about a stimulus package.

Platinum

Platinum prices registered a 0.4% decline, from a weekly average of US\$880.70 per ounce to US\$877.60 per ounce, during the week under review. This was largely underpinned by pressure on the auto-mobile sub-sector in general, and the move towards electrification of vehicles, in particular. Platinum, a major component in emission control mechanisms in diesel cars, has of late been negatively affected by emerging electricity-powered vehicles. The medium term outlook for platinum, however, remains positive as its safe-haven status becomes more prominent again, in the face of a global resurgence of the coronavirus pandemic.

Copper

Copper prices remained largely unchanged, registering a marginal weekly gain of 0.4%, from US\$6,550.20 per tonne in the previous week to US\$6,578.70 per tonne, during the week under analysis.

Nickel

Nickel prices gained by 1.8%, from US\$14,394.40 per tonne in the previous week to US\$14,650.00 per tonne, during the week under review. Investor sentiment picked up,

following an announcement of the intention by the Philippines, the world's top nickel producer and key supplier of nickel to China, to boost the mining sector.

Brent Crude Oil

Brent crude oil prices rose by 3.1% to US\$42.38 per barrel, during the week ending 9th October 2020, from US\$41.12 per barrel recorded in the previous week. Prices gained support from the supply-side, as industrial action hurt production in the North Sea, coupled with the possibility of a substantial production cut by Saudi Arabia in the near future.

EXCHANGE RATE DEVELOPMENTS

On the foreign exchange auction market, the local unit appreciated by 0.1% against the greenback, from ZW\$81.4649 per US\$1 in the previous week to ZW\$81.3867 per US\$1, during the week under analysis. The local unit, however, weakened marginally against the other selected international and regional currencies, as shown in Table 5.

Table 5. International Exchange Rates¹

	USD	ZAR	GBP	BWP	EURO
2020					
Weekly Average (28 Sep-2 Oct)	81.4649	4.8216	104.7208	7.0154	95.3454
5-Oct	81.4439	4.9432	105.3602	7.1063	95.5705
6-Oct	81.4439	4.9261	105.7470	7.1308	95.9940
7-Oct	81.3486	4.8948	104.9357	7.0817	95.4830
8-Oct	81.3486	4.8936	105.2205	7.0654	95.7841
9-Oct	81.3486	4.9213	105.3629	7.0777	95.7839
Weekly Average (5 -9 Oct)	81.3867	4.9157	105.3246	7.0923	95.7227
Appr(-)/Depr(+)(%) of the ZWL	-0.1	2.0	0.6	1.1	0.4

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			
	15-Sept-20	22-Sept-20	29-Sept-20	6-Oct-20	15-Sept-20	22-Sept-20	29-Sept-20	6-Oct-20
Total Bids	20,023,899.3	30,414,189.6	23,067,310.7	24,691,329.3	1,145,006.4	1,224,857.3	1,441,116.3	1,436,797.2
Amount Allotted	20,023,899.3	30,414,189.6	23,067,310.7	24,691,329.3	1,145,006.4	1,224,857.3	1,441,116.3	1,436,797.2
Highest Rate	88	86.7	86	86	86.5	86	86	87
Lowest Rate	75	78	78	79	75	78	78	79
Lowest Accepted Rate	75	78	78	79	75	78	78	79
Weighted Average Rate	81.7076	81.4965	81.4439	81.3486	81.7076	81.4965	81.4439	81.3486
Number of Bids Received	174	301	233	228	96	117	129	135
Number of Bids Rejected	10	35	22	35	12	22	6	21

Source: Reserve Bank of Zimbabwe

4. EQUITY MARKETS

Trading on the Zimbabwe Stock Exchange (ZSE) was bearish, during the week under review. Consequently, the All Share, Top 10 and Top 15, Medium Cap indices, fell by 6.50%, 9.06%, 7.74%, and 1.97% to close at 1,534.34, points, 1,004.43 points, 3,048.37 points and 1,188.74 points, respectively. The Small Cap index, however, registered an increase of 2.51% to close at 5,864.62 points, during the same week.

The industrial index declined from 5,404.17 points in the previous week to close at 5,040.96 points, during the week under review. Share price losses were recorded for CBZ Holdings Limited, -24.39%; First Capital Bank Limited, -16.16%; Dairibord Holdings Limited, -8.20%; Simbisa Brands Limited, -7.33%; Innscor Africa Limited, -6.15%; Fbc Holdings Limited, -4.91%; Hippo Valley Estates Limited, -4.39%; Delta Corporation Limited, -2.95%; Lafarge Cement Zimbabwe Limited, -2.29%; Cassava Smartech Zimbabwe Limited, -1.34%; Ok Zimbabwe Limited, -1.06%. Gains were, however, registered for Mashonaland Holdings Limited, 57.77%; Masimba Holdings Limited, 20.00%; Meikles Limited, 8.70%; National Foods Holdings Limited, 1.83%; Ariston Holdings Limited, 1.81%; Axia Corporation Limited, 1.16%; Econet Wireless Zimbabwe Limited, 0.13%.

² Main Foreign Currency Auction

³ Small and Medium Enterprises Foreign Currency Auction

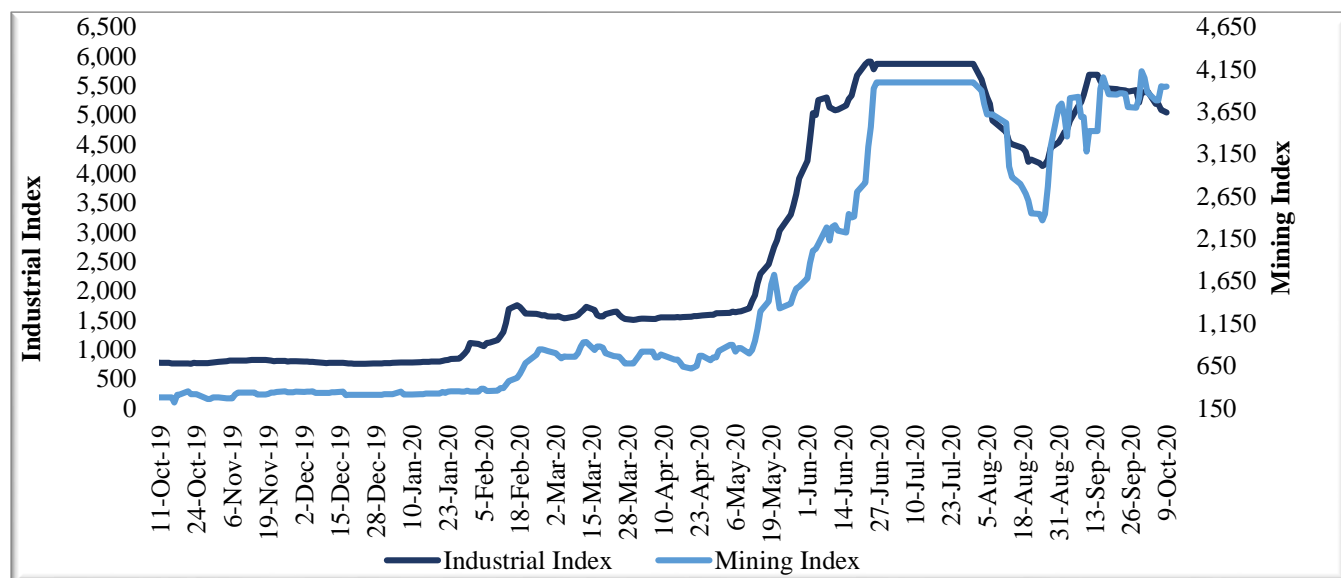
The mining index was 1.66% higher, to close at 3,944.68 points during the week under review, from 3 880.20 points in the previous week. This was underpinned by share price increases for Bindura Nickel Corporation Limited, 2.00%; and Riozim Limited, 0.17%. Table 7 shows selected ZSE statistics.

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)
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
9-Oct-20	1,534.34	1004.43	1188.74	3,048.37	5,864.62	5,040.96	3,944.68	194.36	138.76	33.77
% Change	-6.50	-9.06	-7.74	-1.97	2.51	-6.77	1.66	-5.97	-65.27	25.07

Source: Zimbabwe Stock Exchange (ZSE), 2020

Figure 3: Zimbabwe Stock Exchange Indices



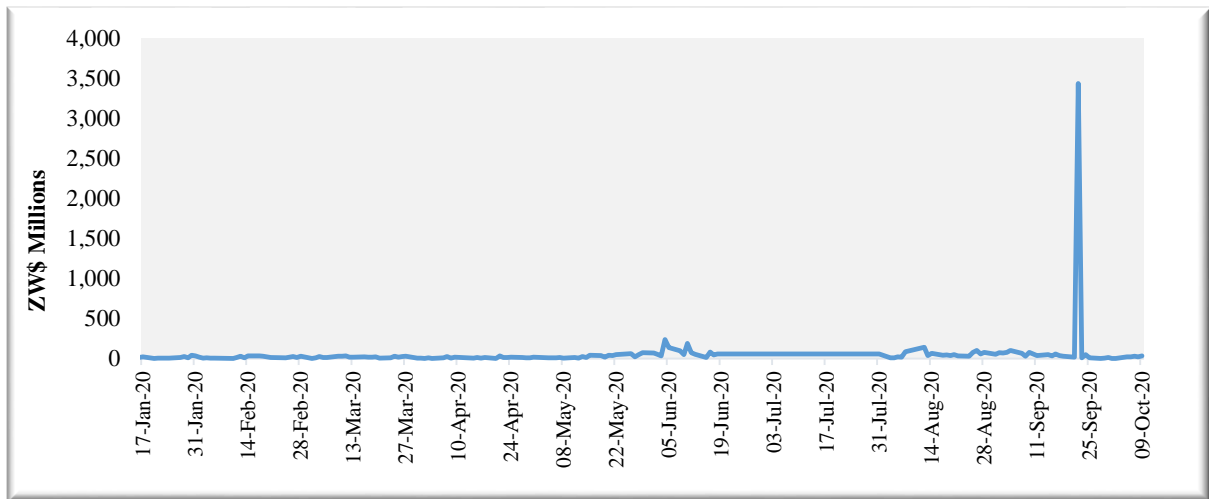
Source: Zimbabwe Stock Exchange, 2020

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 week under review saw ZSE market turnover decline to ZW\$138.76 million, from ZW\$399.52 million in the previous week. Traded share volumes, however, increased by 25.08% to close at 33.77 million shares, during the same period.

Figure 4: Daily Market Turnover

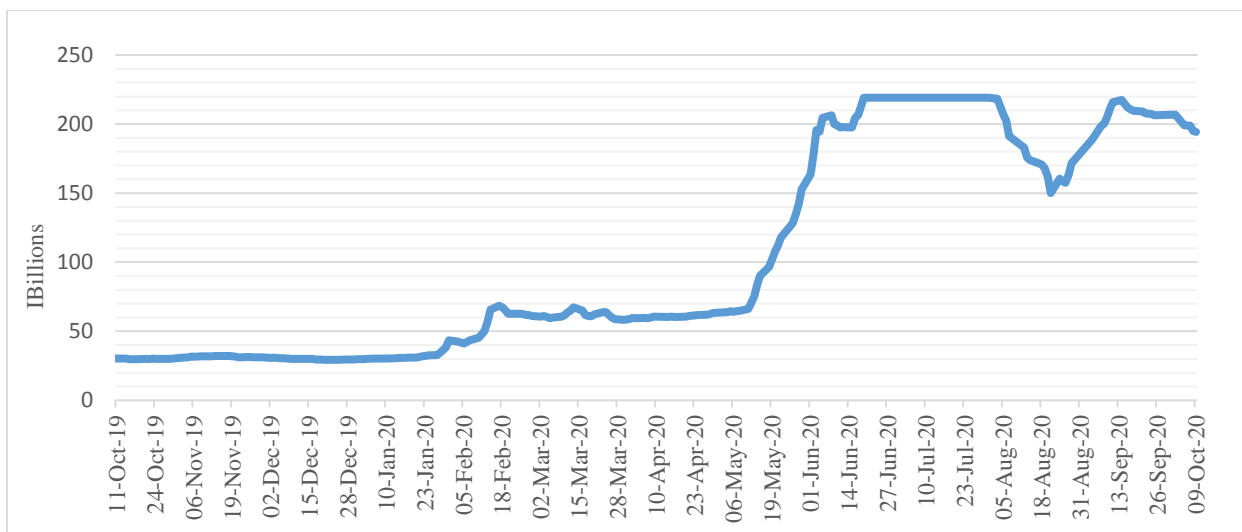


Source: Zimbabwe Stock Exchange, 2020

Market Capitalization

ZSE market capitalisation was 5.96% lower at ZW\$194.36 billion, during the week of analysis, from ZW\$206.69 billion in the preceding week.

Figure 5: Daily Market Capitalization in ZW\$ billions



Source: Zimbabwe Stock Exchange, 2020

Johannesburg Stock Exchange (JSE) Developments

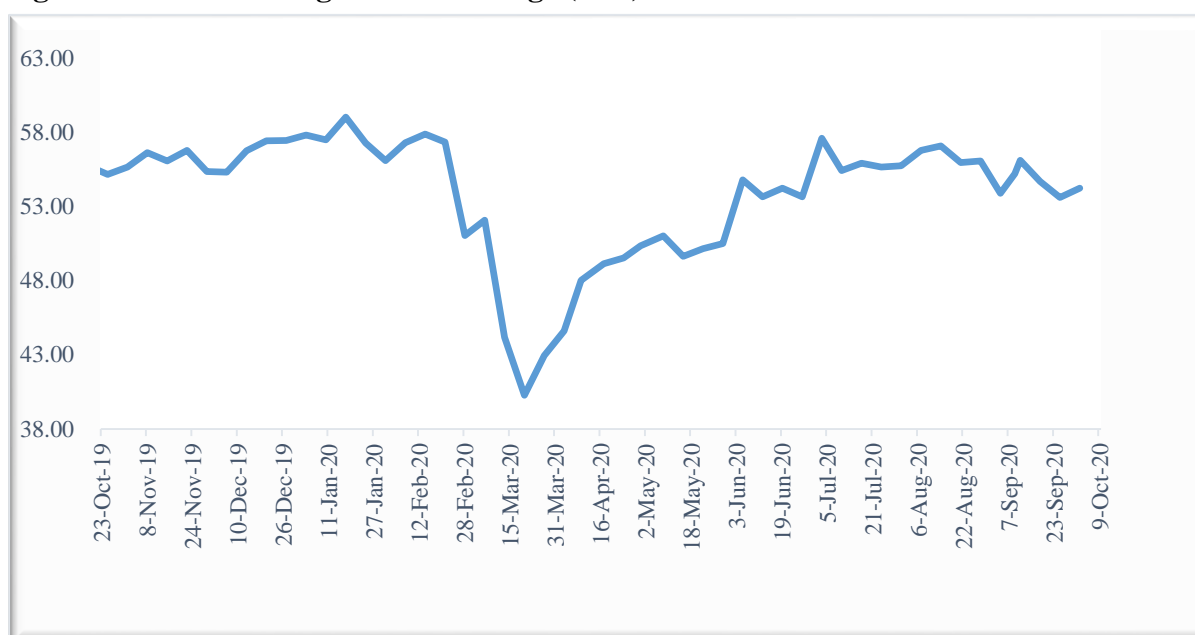
During the week under analysis, the Johannesburg Stock Exchange (JSE) All share index increased by 1.78%, to close at 55,182.99 points. In tandem, JSE market capitalisation registered a 2.39% increase to close at ZAR16.74 trillion, during the same week.

Table 9: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalization (ZAR trillions)
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
9-October-20	55,182.99	16.74
% Change	1.78	2.39

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			
	15-Sept-20	22-Sept-20	29-Sept-20	6-Oct-20	15-Sept-20	22-Sept-20	29-Sept-20	6-Oct-20
Raw Materials	8,517,466.62	13,561,794.59	8,636,133.19	8,184,212.75	216,017.57	367,244.21	277,342.23	412,601.55
Machinery and Equipment	3,184,717.63	5,726,110.84	2,956,385.89	4,886,689.16	218,345.42	210,272.02	326,567.01	237,317.26
Consumables (Incl. Spares, Tyres, Packaging)	1,357,389.93	2,737,206.45	3,107,571.06	3,252,028.39	291,322.10	228,453.11	342,354.35	326,875.31
Pharmaceuticals and Chemicals	1,201,484.00	1,522,098.10	1,798,133.39	1,088,517.23	69,586.00	62,527.00	61,142.19	86,306.85
Services (Loans, Dividends and Disinvestments)	1,982,763.37	2,418,570.33	2,428,054.20	2,527,530.29	148,175.75	118,470.39	138,376.84	121,082.68
Retail and Distribution	1,561,290.48	2,344,658.71	2,189,853.69	1,867,269.79	67,557.05	187,532.30	153,350.09	125,440.30
Fuel, Electricity and Gas	1,279,959.95	1,656,886.95	1,487,832.09	2,160,642.09	40,000.00	39,000.00	79,182.15	53,100.00
Paper and Packaging	938,827.34	446,863.66	463,347.22	724,439.62	94,002.50	11,358.26	62,801.42	73,473.26
TOTAL	20,023,899.32	30,414,189.63	23,067,310.73	24,691,329.32	1,145,006.39	1,224,857.29	1,441,116.28	1,436,197.21

Source: Reserve Bank of Zimbabwe, 2020