



Weekly Economic Highlights

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Week Ending
11th September 2020

1. INTEREST RATES

Deposit Rates

During the week ending 11th September 2020, minimum deposit rates for savings deposits and deposits of 3-month tenor remained unchanged at 2.35% and 4.79%, respectively. Minimum deposit rates for deposits of 1-month tenor, however, registered a 0.07 percentage points decline to close at 4.07%. Maximum deposit rates for savings and deposits of 1-month and 3-month tenors remained unchanged at previous week levels, 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 (%)
14-Aug-20	2.35	5.19	3.50	6.62	4.74	7.44
21-Aug-20	2.35	5.19	3.50	6.62	4.74	7.44
28-Aug-20	2.35	5.19	4.14	7.17	4.79	7.49
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

Source: Reserve Bank of Zimbabwe, 2020

Lending Rates

Commercial bank minimum lending rates for individuals and corporates increased from 19.14% and 18.99% in the previous week to close at 19.99% and 23.89%, during the week under review, respectively. Maximum lending rates for individuals and corporates also increased by 6.03 and 2.04 percentage points, to close at 44.60% and 49.35%, respectively, as shown in Table 2.

Table 2: Lending Rates (per annum)

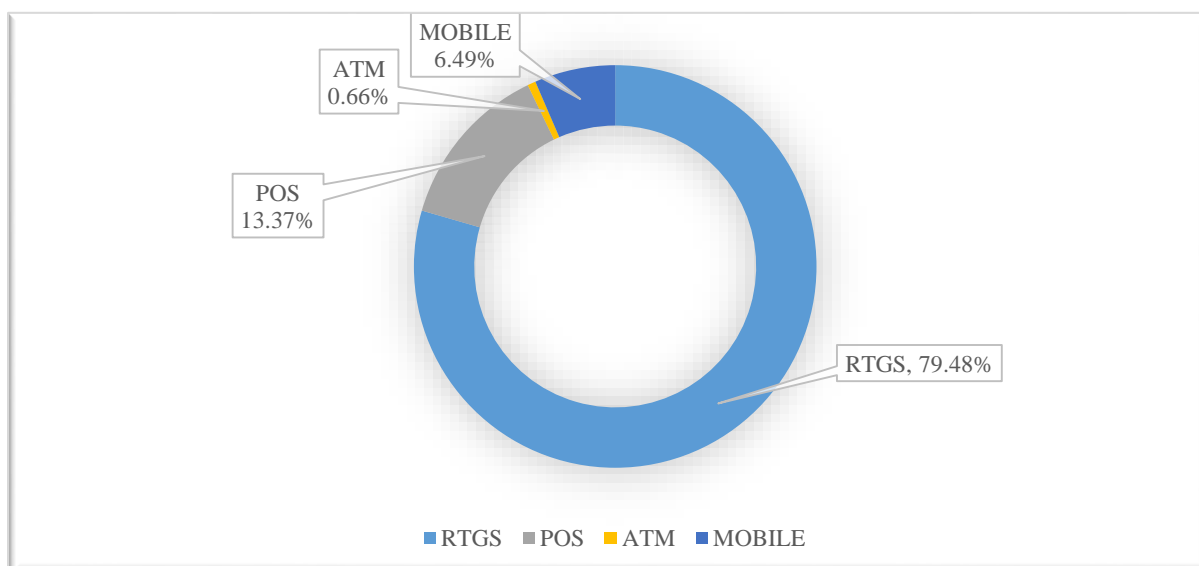
Date	Individual Clients		Corporate Clients	
	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
14-Aug-20	19.85	37.51	19.98	47.81
21-Aug-20	19.85	37.51	19.98	47.81
28-Aug-20	19.14	38.57	18.99	47.31
4-Sep-20	19.14	38.57	18.99	47.31
11-Sep-20	19.99	44.60	23.89	49.35

Source: Reserve Bank of Zimbabwe, 2020

2. CLEARING AND SETTLEMENT ACTIVITY

Transactions processed through the National Payment Systems (NPS) platforms declined by 29.14% to close at ZW\$48.02 billion, during the week under review. Real Time Gross Settlement (RTGS) transactions fell by 31.55% to close at ZW\$38.17 billion, during the week under analysis, from ZW\$55.76 billion in the preceding week. In value terms, NPS transactions were distributed as follows: RTGS, 79.48%; POS, 13.37%; Mobile, 6.49% and ATM, 0.66%.

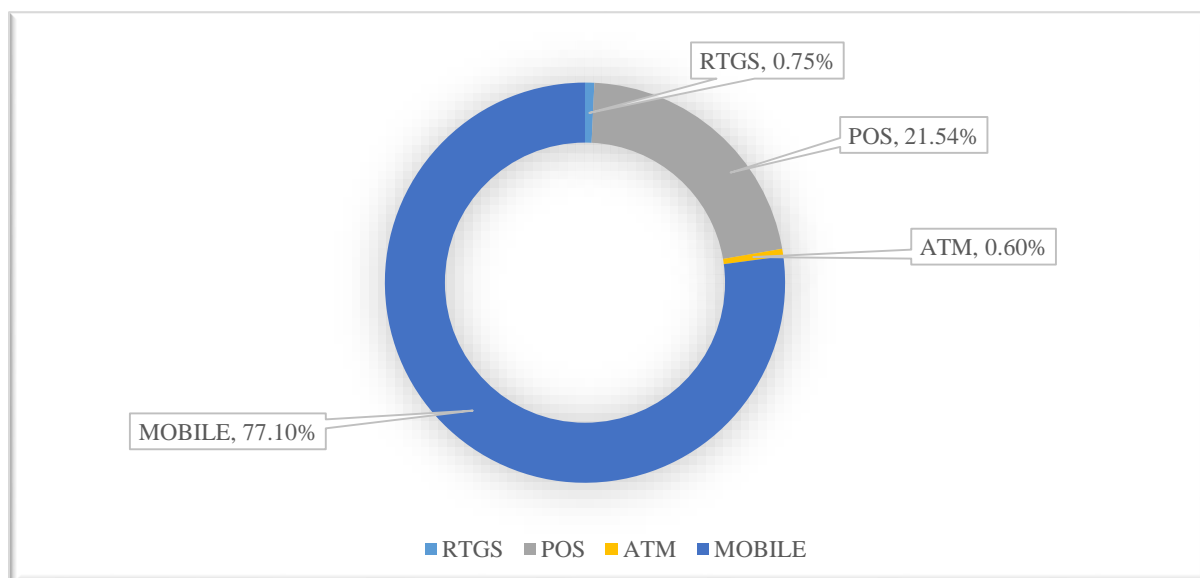
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2020

The volume of NPS transactions decreased by 8.19% to close at 25.51 million transactions, during the week under review. NPS transaction volumes were dominated by Mobile based transactions at 77.10%, followed by POS, 21.54%; RTGS, 0.75%; and ATM, 0.60%.

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 4 th SEPTEMBER 2020	WEEK ENDING 11 th SEPTEMBER 2020	% CHANGE FROM LAST WEEK	PROPORTION %
Values in ZW\$ Millions				
RTGS	55,761.39	38,171.01	-31.55	79.48
POS	7,233.78	6,419.12	-11.26	13.37
ATM	529.61	318.68	-39.83	0.66
MOBILE	4,249.81	3,116.09	-26.68	6.49
TOTAL	67,774.60	48,024.89	-29.14	100
Volumes				
RTGS	218,386	192,204	-11.99	0.75
POS	5,924,832	5,495,792	-7.24	21.54
ATM	71,376	153,804	115.48	0.60
MOBILE	21,793,932	19,672,344	-9.73	77.10
TOTAL	28,008,528	25,514,144	-8.91	100

Source: Reserve Bank of Zimbabwe, 2020

3. TOBACCO SALES

As at 11th September 2020, or day 94 of the 2020 tobacco selling season, a cumulative total of 182.11 million kilograms of tobacco had been sold. This was 25.66% lower, compared to 244.96 million kilograms sold during the same period in 2019. The cumulative value of tobacco sales amounted to US\$455.51 million at the close of the week under review, reflecting a 7.11% decline from US\$490.37 million realized in the corresponding period in 2019. Prices at US\$2.50/kg were 24.95% higher, compared to US\$2.00/kg realised in the same period in 2019, as shown in Table 4.

Table 4: Weekly cumulative Tobacco Sales: Day 94 (11th September 2020)

	2019	2020	Variance (%)
Cumulative Quantity Sold (million kgs)	244.96	182.11	(25.66)
Cumulative Average Price (US\$/kg)	2.00	2.50	24.95
Cumulative Value (US\$ million)	490.37	455.51	(7.11)

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

4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international prices of gold, platinum, nickel and Brent crude oil declined, during the week ending 11th September 2020. Copper prices, however, increased during the same week. Commodity markets continued to be sensitive to developments regarding the novel coronavirus, geo-political tensions and the outlook for the global economy. Table 5 shows developments in selected commodity prices, during the week under review.

Table 5: International Commodity Prices for the week-ending 11th September 2020

	Gold	Platinum	Copper	Nickel	Crude Oil
2020	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
Weekly Average (31st Aug – 4th Sept)	1,952.80	924.10	6,705.30	15,415.40	44.39
7-Sep	1,928.43	902.00	6,790.50	15,185.00	41.94
8-Sep	1,915.78	905.00	6,767.50	15,090.00	39.54
9-Sep	1,937.80	913.50	6,709.00	14,821.00	40.58
10-Sep	1,955.53	926.50	6,710.50	14,748.00	39.91
11-Sep	1,945.95	929.50	6,757.50	14,935.00	39.79
Weekly Average (7th -11th Sep)	1,936.70	915.30	6,747.00	14,955.80	40.35
Weekly Change (%)	-0.8	-1.0	0.6	-3.0	-9.1

Source: BBC, KITCO and Bloomberg, 2020

Gold

Gold prices softened during the week under review, from a weekly average of US\$1,952.80 per ounce in the previous week to US\$1,936.70 per ounce. The decline was driven, in part, by muted indications from the European Central Bank on future stimulus for the Euro Zone and short-term improvements in economic activity. This, notwithstanding, the price of the precious metal remained steadfast as interest rates stood near zero and economic uncertainty over the pandemic recovery still lingered, amid a resurgence in coronavirus infections and hiccups in vaccine testing programs. Physical demand from retail consumers in major hubs across India, China and Southeast Asia remained subdued on the back of coronavirus outbreaks and depressed purchasing power.

Platinum

Platinum prices eased by 1.0%, from a weekly average of US\$ 924.10 per ounce in the previous week, to US\$915.30 per ounce during the week under review. This was in line with developments in gold prices.

Copper

The weekly average price of copper increased by a marginal 0.6%, from US\$6,705.30 per tonne recorded in the previous week, to US\$6,747.00 per tonne during the week under review. Prices increased as investor sentiment remained strong, on widespread economic stimulus supporting the base metal from the demand-side. Additionally, tight supply conditions owing to Covid19-induced mining disruptions in key source markets also supported prices from the supply-side. Gains were, however, capped by worries over rising geo-political tensions between Beijing and Washington.

Nickel

Nickel prices shed 3.0% during the week under analysis, declining from US\$15,415.40 per tonne in the week ending 4th September 2020, to US\$ 14, 955.80 per tonne. The base metal faced headwinds on account of rising geo-political tensions and a strong US dollar.

Brent Crude Oil

The international price of Brent crude oil took a knock in the week ending 11th September 2020, on the back of a Saudi Arabia price cut; increased US stockpiles; and fears that a COVID19 resurgence would dent the demand outlook for the product. Against this backdrop, weekly

average prices of Brent crude oil fell by 9.1%, from US\$44.39 per barrel in the previous week, to US\$40.35 per barrel during the week under analysis.

EXCHANGE RATE DEVELOPMENTS

The local unit appreciated by 0.5% against the US dollar, during the week under analysis. It also registered gains against the pound Sterling, 2.8%; euro, 1.1%; pula, 0.9; and rand, 0.5%, as shown in Table 6.

Table 6. International Exchange Rates¹

	USD	ZAR	GBP	BWP	EURO
2020					
Weekly Average (24-28 Aug)	83.2063	4.9106	109.4768	7.1861	98.3817
7-Sep	83.3209	4.9988	110.0755	7.2662	98.5605
8-Sep	83.3209	4.9764	109.4462	7.2450	98.3189
9-Sep	82.6993	4.8924	107.0214	7.1453	97.3662
10-Sep	82.6993	4.9714	107.7614	7.1911	97.8418
11-Sep	82.6993	4.9188	105.9959	7.2037	97.9079
Weekly Average (7th -11th Sep)	82.9468	4.9512	108.0389	7.2100	97.9973
Appr(-)/Depr(+) (%) of the ZWL	-0.5	-0.5	-2.8	-0.9	-1.1

Source: Reserve Bank of Zimbabwe, 2020

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

Table 7 shows a summary of foreign exchange auction results for the past four weeks.

Table 7. Foreign Exchange Auction results for MAINFX² and SMEFX³

	MAINFX				SMEFX			
	18-Aug-20	25-Aug-20	1-Sept-20	08-Sept-20	18-Aug-20	25-Aug-20	01-Sept-20	08-Sept-20
Total Bids	13,679,558.32	14,064,871.9	15,039,656.1	18,334,530.8	517,630.88	960,791.84	976,403.52	876,674.44
Amount Allotted	13,679,558.32	14,064,871.9	15,039,656.1	18,334,530.8	517,630.88	960,791.84	976,403.52	876,674.44
Highest Rate	88.38	88	87.5	88	85	88	86.0	86.0
Lowest Rate	80	80	76	75	78	75	76.5	73.0
Lowest Accepted Rate	80	80	76	75	78	75	76.5	73.0
Weighted Average Rate	82.9184	83.3994	83.3209	82.6993	82.9184	83.3994	83.3209	82.6993
Number of Bids Received	113	139	154	216	56	85	75	74
Number of Bids Rejected	17	33	25	31	16	10	11	15

Source: Reserve Bank of Zimbabwe

5. EQUITY MARKETS

During the week ended 11th September 2020, the Zimbabwe Stock Exchange (ZSE) was bullish for the third consecutive week. This saw the All Share, Top 10, Top 15, Medium Cap and Small Cap indices gaining 15.16%, 17.85%, 18.80%, 11.60% and 6.72% to close at 1 727.06 points, 1 201.48 points, 1 369.72 points, 3 129.44 points, and 5 662.85 points, respectively.

The mainstream index increased by 16% to close at 5 662.85, while the resources index shed 10.13% to close at 3 422.94 points. The increase in the industrial index emanated from share price gains at Dairibord Limited (72.02%), Masimba Holdings Limited (62.75%), CBZ Holdings Limited (54.95%), FBC Holdings Limited (38.03%) and SeedCo Limited (29.07%). Partially offsetting the gains in the mainstream index were losses recorded in the share prices of Zimre Property Investments Limited (16.61%), African Sun Limited (6.03%), NMBZ Holdings Limited (3.12%), Dawn Properties Limited (2.03%) and First Capital Bank Limited

² Main Foreign Currency Auction

³ Small and Medium Enterprises Foreign Currency Auction

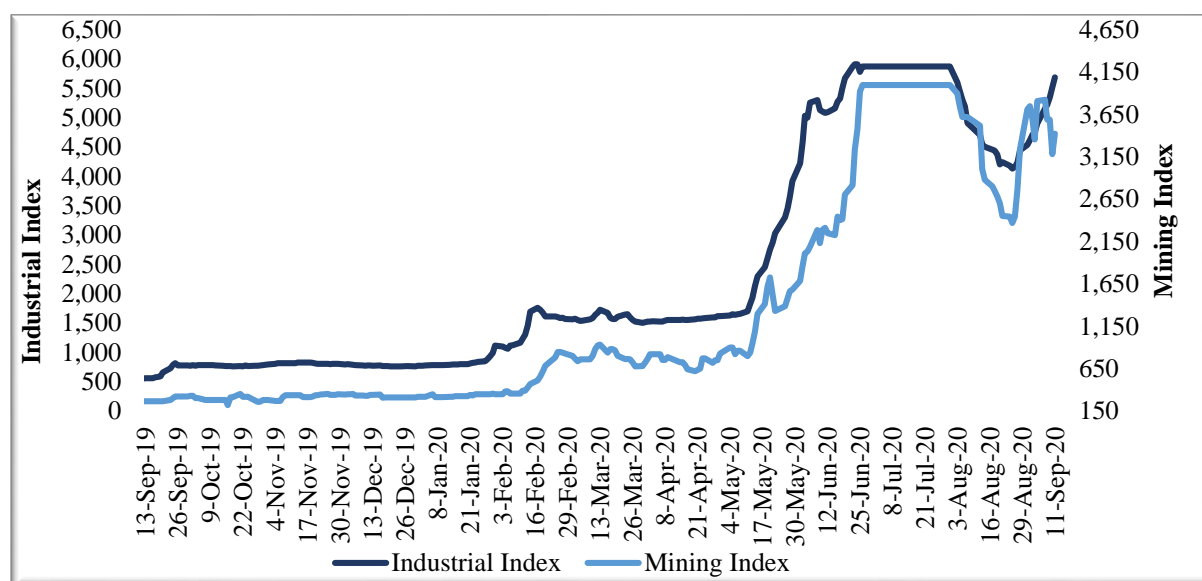
(1.96%). The share price loss for Bindura Nickel (24.62%), largely contributed to the decline in the mining index. Table 8 shows selected ZSE statistics.

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)
7-Aug-20	1,498.24	965.79	1,133.73	3,053.15	4,642.90	4,905.74	3,618.74	191.33	153.50	17.92
14-Aug-20	1,369.24	867.02	1,020.49	2,839.19	4,756.52	4,502.15	2,878.08	173.90	251.17	33.00
21-Aug-20	1,285.39	819.76	950.40	2,633.47	4,593.55	4,237.51	2,449.60	149.98	216.04	51.23
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
% Change	15.16	17.85	18.80	11.60	6.72	16.00	-10.13	14.26	-26.86	-14.80

Source: Zimbabwe Stock Exchange (ZSE), 2020

Figure 3: Zimbabwe Stock Exchange Indices



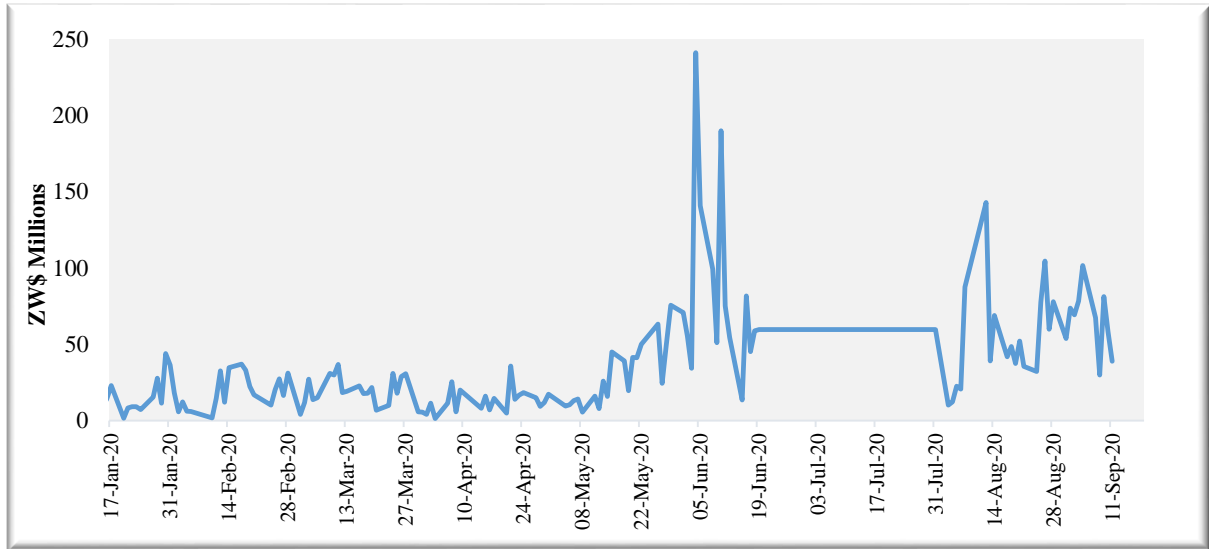
Source: Zimbabwe Stock Exchange, 2020

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

During the week under review, the cumulative volume of shares traded on the ZSE declined by 14.81% to close at 49.78 million shares. In tandem, the value of shares traded also decreased by 26.86% to Z\$275.81 million, during the same week.

Figure 4: Daily Market Turnover

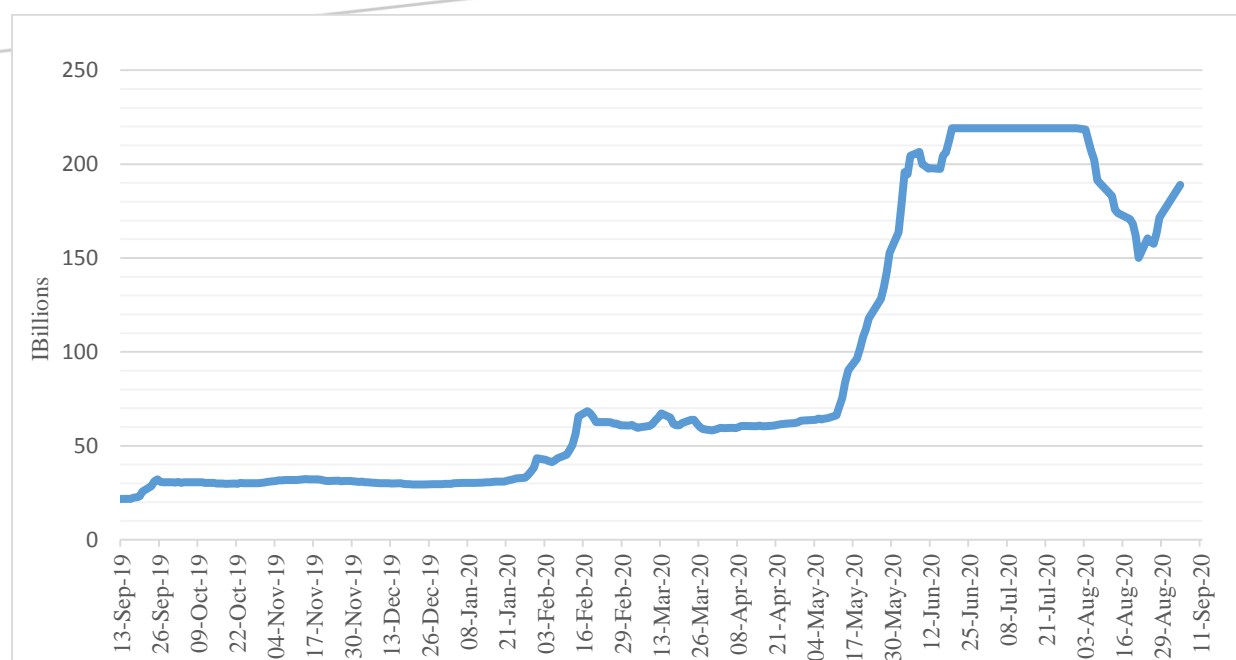


Source: Zimbabwe Stock Exchange, 2020

Market Capitalization

The local bourse gained ZW\$26.94 billion, or 14.26% worth of capitalization, to close at ZW\$215.90 billion, during the week under analysis.

Figure 5: Daily Market Capitalization in ZW\$ billions



Source: Zimbabwe Stock Exchange, 2020

Johannesburg Stock Exchange (JSE) Developments

During the week ending 11th September 2020, the Johannesburg Stock Exchange (JSE) All share index increased by 4.10% to 56,087.84 points, from 53,878.95 points in the previous week. JSE market capitalization rose by 1.50% to close at ZAR16.97 trillion, during the same week.

Table 9: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalization (ZAR trillions)
7-August-20	56,757.73	17.36
14-August-20	57,077.48	17.42
21-August-20	55,949.92	17.13
28-August-20	56,057.10	17.28
4-September-20	53,878.95	16.72
11-September-20	56,087.84	16.97
% Change	4.10	1.50

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

18th SEPTEMBER 2020

APPENDIX 1: SUMMARY OF FOREIGN CURRENCY AUCTION ALLOTMENTS BY PURPOSE

Purpose	MAINFX				SMEFX			
	18-Aug-20	25-Aug-20	01-Sept-2	08-Sept-20	18-Aug-20	25-Aug-20	01- Sept-20	08- Sept-20
Raw Materials	5,267,239.56	4,970,224.02	6,050,369.71	8,733,446.74	180,953.85	207,931.76	373,003.95	255,701.24
Machinery and Equipment	2,826,748.46	3,870,515.84	3,540,376.93	3,320,021.02	96,791.85	162,741.26	234,793.50	255,701.24
Consumables (Incl. Spares, Tyres, Packaging)	1,941,302.63	1,671,224.20	1,307,558.40	2,288,538.49	78,526.56	151,749.85	112,721.04	218,332.56
Pharmaceuticals and Chemicals	1,221,045.68	1,470,373.59	903,605.60	293,320.00	57,358.62	140,450.41	59,584.00	66,392.74
Services (Loans, Dividends and Disinvestments)	946,712.64	843,215.51	1,483,611.12	1,595,142.76	54,000.00	137,101.50	92,988.40	67,312.18
Retail and Distribution	471,792.00	766,098.49	1,003,384.34	1,288,763.89	50,000.00	98,700.00	53,252.63	22,588.00
Fuel, Electricity and Gas	671,834.80	358,564.78	550,750.00	565,297.18	-	32,797.06	-	-
Paper and Packaging	332,882.55	114,655.47	200,000.00	250,000.00	-	29,320.00	50,060.00	20,000.00
TOTAL	13,679,558.32	14,064,871.90	15,039,656.10	18,334,530.08	517,630.88	960,791.84	976,403.52	876,674.44

Source: Reserve Bank of Zimbabwe, 2020