



Weekly Economic Highlights

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Week Ending
18th September 2020

1. INTEREST RATES

Deposit Rates

During the week under analysis, minimum and maximum deposit rates for all classes of deposits remained unchanged from 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 (%)
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
18-Sept-20	2.35	5.19	4.07	7.17	4.79	7.49

Source: Reserve Bank of Zimbabwe, 2020

Lending Rates

Maximum and minimum lending rates at commercial banks for both individual and corporate clients remained at previous week levels, during the week ending 18th September 2020, as shown in Table 2.

Table 2: Lending Rates (per annum)

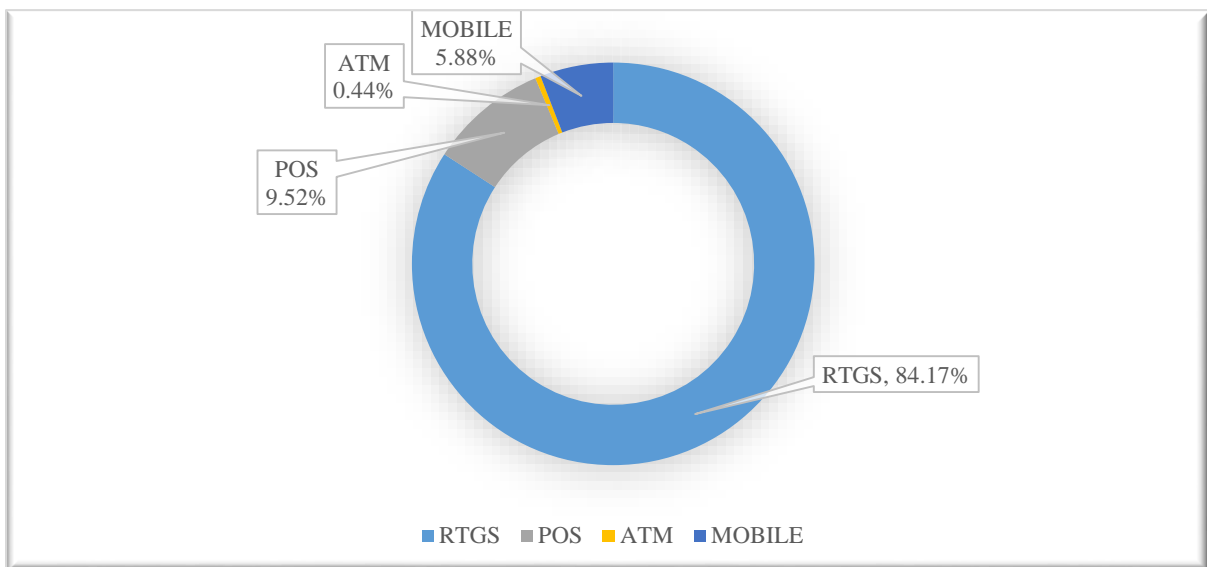
Date	Individual Clients		Corporate Clients	
	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
21-Aug-20	19.85	37.51	19.98	47.81
28-Aug-20	19.14	38.57	18.99	47.31
4-Sept-20	19.14	38.57	18.99	47.31
11-Sept-20	19.99	44.60	23.89	49.35
18-Sept-20	19.99	44.60	23.89	49.35

Source: Reserve Bank of Zimbabwe, 2020

2. CLEARING AND SETTLEMENT ACTIVITY

The total value of transactions processed through the National Payment Systems (NPS) increased by 19.78%, to close at ZW\$57.52 billion during the week ending 18th September 2020. Real Time Gross Settlement (RTGS) transactions registered an increase of 26.84%, from ZW\$38.17 billion in the previous week, to ZW\$48.42 billion during the week under analysis. The distribution of NPS transaction values was as follows: RTGS, 84.17%; POS, 9.52%; Mobile, 5.88% and ATM, 0.44%.

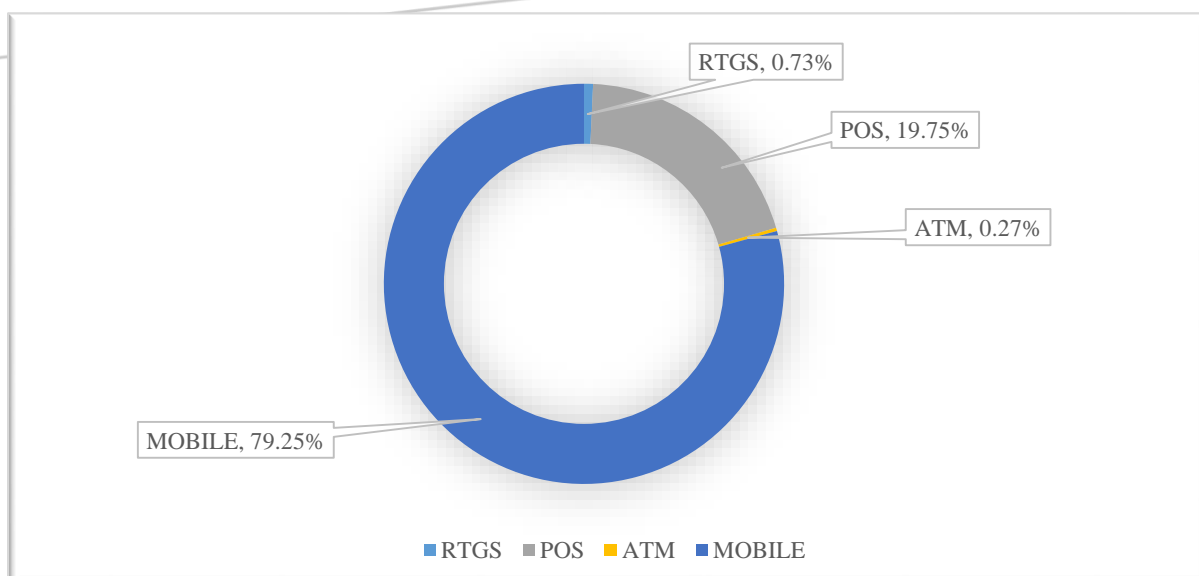
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2020

NPS transaction volumes stood at 23.49 million, during the week under review, a 7.95% decline from 25.51 million transactions recorded in the previous week. The NPS transaction volumes were distributed as follows: Mobile, 79.25%; POS, 19.75%; RTGS, 0.73%; and ATM, 0.27%.

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 11 th SEPTEMBER 2020	WEEK ENDING 18 th SEPTEMBER 2020	% CHANGE FROM LAST WEEK	PROPORTION %
Values in ZW\$ Millions				
RTGS	38,171.01	48,416.62	26.84	84.17
POS	6,419.12	5,475.55	-14.70	9.52
ATM	318.68	251.22	-21.17	0.44
MOBILE	3,116.09	3,381.20	8.51	5.88
TOTAL	48,024.89	57,524.60	19.78	100
Volumes				
RTGS	192,204	172,241	-10.39	0.73
POS	5,495,792	4,638,551	-15.60	19.75
ATM	153,804	63,504	-58.71	0.27
MOBILE	19,672,344	18,610,893	-5.40	79.25
TOTAL	25,514,144	23,485,189	-7.95	100

Source: Reserve Bank of Zimbabwe, 2020

3. TOBACCO SALES

As at 18th September 2020, or day 99 of the 2020 tobacco selling season, a cumulative total of 182.69 million kilograms of tobacco had been sold at an average price of US\$2.50/kg. This was a 26.68% decline, compared to the 249.7 million kilograms sold at a lower average price of US\$2.01/kg, during the same period in 2019. The cumulative value realized amounted to

US\$457 million, during the week of analysis, a 8.88% decline from US\$501 million recorded in the comparable period in 2019, as shown in Table 4.

Table 4: Weekly cumulative Tobacco Sales: Day 99 (18th September 2020)

	2019	2020	Variance (%)
Cumulative Quantity Sold (million kgs)	249.17	182.69	(26.68)
Cumulative Average Price (US\$/kg)	2.01	2.50	24.28
Cumulative Value (US\$ million)	501.52	457.00	(8.88)

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

4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

International prices of gold; platinum; copper; nickel; and Brent crude oil rose, during the week ending 18th September 2020. Table 5 shows developments in selected commodity prices, during the week under review.

Table 5: International Commodity Prices for the week-ending 18th September 2020

	Gold	Platinum	Copper	Nickel	Crude Oil
2020	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
Weekly Average (7th -11th Sep)	1,936.70	915.30	6,747.00	14,955.80	40.35
14-Sep	1,950.50	943.50	6,796.00	15,165.00	39.39
15-Sep	1,956.45	972.00	6,762.50	15,184.00	41.10
16-Sep	1,963.30	976.00	6,767.75	15,146.50	41.50
17-Sep	1,936.18	945.50	6,809.50	15,040.00	43.42
18-Sep	1,952.80	941.00	6,881.00	14,792.50	42.76
Weekly Average (14th -18th Sep)	1,951.85	955.60	6,803.35	15,065.60	41.63
Weekly Change (%)	0.8	4.4	0.8	0.7	3.2

Source: BBC, KITCO and Bloomberg, 2020

Gold

The weekly average price of gold gained by 0.8%, from US\$ 1,936.70 per ounce recorded in the previous week, to US\$ 1,951.85 per ounce during the week under analysis. Fears of a second wave of coronavirus infections and possibilities of localized lockdowns in major economies boosted safe haven demand for gold bullion. Furthermore, demand for the yellow metal was spurred by lackluster US employment data and vows by major central banks to roll out further stimulus if required, to revive their economies that have been negatively impacted by the coronavirus lockdown restrictions.

Platinum

Platinum prices surged by 4.4% week-on-week to US\$955.60 per ounce, following two consecutive weeks of declines. Prices were partly driven by strong investment demand as well as expectations that the precious metal would feature prominently in a post-COVID green recovery. Meanwhile, the World Platinum Investment Council also projected a supply deficit of platinum of 336 000 ounces for 2020, citing strong investment demand and supply outages in South Africa, the world's largest producer.

Copper

The price of copper increased by 0.8% to US\$6,803.35 per tonne, during the week under review. This was on the back of boosted investor sentiment as the United States Fed indicated a better than forecasted recovery for the world's largest economy. A weaker US dollar and the recovery in China, the world's largest base metal consumer also boosted prices. The gains were, however, limited by poor US employment data and expectations that US - Sino tensions could rise further.

Nickel

Nickel prices rose by 0.7%, from a weekly average of US\$ 14, 955.80 per tonne in the previous week, to US\$ 15,065.00 per tonne, during the week under analysis. The demand for base metals rose, following the anticipated recovery in the US and Chinese economies.

Brent Crude Oil

During the week under analysis, Brent crude oil prices were boosted by anticipated tighter supply conditions, on the back of OPEC commitments to production cuts and declining inventories, as hurricane Sally stalled US production. Resultantly, prices gained by 3.2%, from US\$ 40.35 per barrel in the week ending 11th September 2020 to US\$ 41.63 per barrel, during the week under review. Gains were, however, capped by indications that Libyan oil exports would resume.

EXCHANGE RATE DEVELOPMENTS

The Zimbabwe dollar (ZW\$) gained by 1.0% against the greenback, from ZW\$82.9468 per US dollar in the previous week, to ZW\$82.1014 per dollar during the week under analysis. Similarly, the local unit also registered gains against the British pound, euro and the Botswana pula. The week under analysis also saw the local unit depreciate by 0.7% against the South African rand, as shown in Table 6.

Table 6. International Exchange Rates¹

	USD	ZAR	GBP	BWP	EURO
2020					
Weekly Average (7th -11th Sep)	82.9468	4.9512	108.0389	7.2100	97.9973
14-Sep	82.6993	4.9566	106.0786	7.2035	97.9699
15-Sep	82.6993	4.9801	106.4216	7.2037	98.3958
16-Sep	81.7076	4.9677	105.3172	7.1501	96.7829
17-Sep	81.7076	4.9850	105.6768	7.1991	96.1455
18-Sep	81.7076	5.0454	105.9625	7.1988	96.8605
Weekly Average (14th-18th Sep)	82.1014	4.9868	105.8900	7.1910	97.2239
<i>Appr(-)/Depr(+)</i> (%) <i>of the ZWL</i>	<i>-1.0</i>	<i>0.7</i>	<i>-2.0</i>	<i>-0.3</i>	<i>-0.8</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 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			
	25-Aug-20	1-Sept-20	08-Sept-20	15-Sept-20	25-Aug-20	01-Sept-20	08-Sept-20	15-Sept-20
Total Bids	14,064,871.9	15,039,656.1	18,334,530.8	20,023,899.3	960,791.84	976,403.52	876,674.44	1,145,006.4
Amount Allotted	14,064,871.9	15,039,656.1	18,334,530.1	20,023,899.3	960,791.84	976,403.52	876,674.44	1,145,006.4
Highest Rate	88	87.5	88	88	88	86.0	86.0	86.5
Lowest Rate	80	76	75	75	75	76.5	73.0	75
Lowest Accepted Rate	80	76	75	75	75	76.5	73.0	75
Weighted Average Rate	83.3994	83.3209	82.6993	81.7076	83.3994	83.3209	82.6993	81.7076
Number of Bids Received	139	154	216	174	85	75	74	96
Number of Bids Rejected	33	25	31	10	10	11	15	12

Source: Reserve Bank of Zimbabwe

5. EQUITY MARKETS

The Zimbabwe Stock Exchange (ZSE) registered losses, during the week under analysis. Consequently, the All Share, Top 10, Top 15 indices registered declines of 3.68%, 7.70% and 5.79% to close at 1 663.47 points, 1 109.02 points and 1 290.48 points, respectively. The Medium Cap and Small Cap indices, however, recorded gains of 2.35% and 4.41% to close at 3 202.99 and 5 912.60, respectively, during the same period.

The industrial index softened by 4.10% to close at 5 453.46 points during the week under review, from 5 686.77 points in the previous week. This was, in part, attributable to share price losses for Delta Corporation Limited, (24.07%); Inncor Africa Limited, 16.83%; OK Zimbabwe Limited, 12.46%; Meikles Limited, 8.13%; First Capital Bank Limited, 8.04%; Padenga Holdings Limited, 7.00%; Simbisa Brands Limited, 5.73%; Dairibord Holdings Limited, 4.24%. Partially offsetting the losses were gains registered for FBC Holdings Limited, 37.81%; Masimba Holdings Limited, 20.48%; Truworhs Limited, 19.25%; Turnall Holdings Limited, 16.19%; ZB Financial Holdings Limited, 13.64%; Fidelity Life Assurance Limited, 11.11%; Zimplow Holdings Limited, 10.53%; and TSL Limited, 8.16%.

² Main Foreign Currency Auction

³ Small and Medium Enterprises Foreign Currency Auction

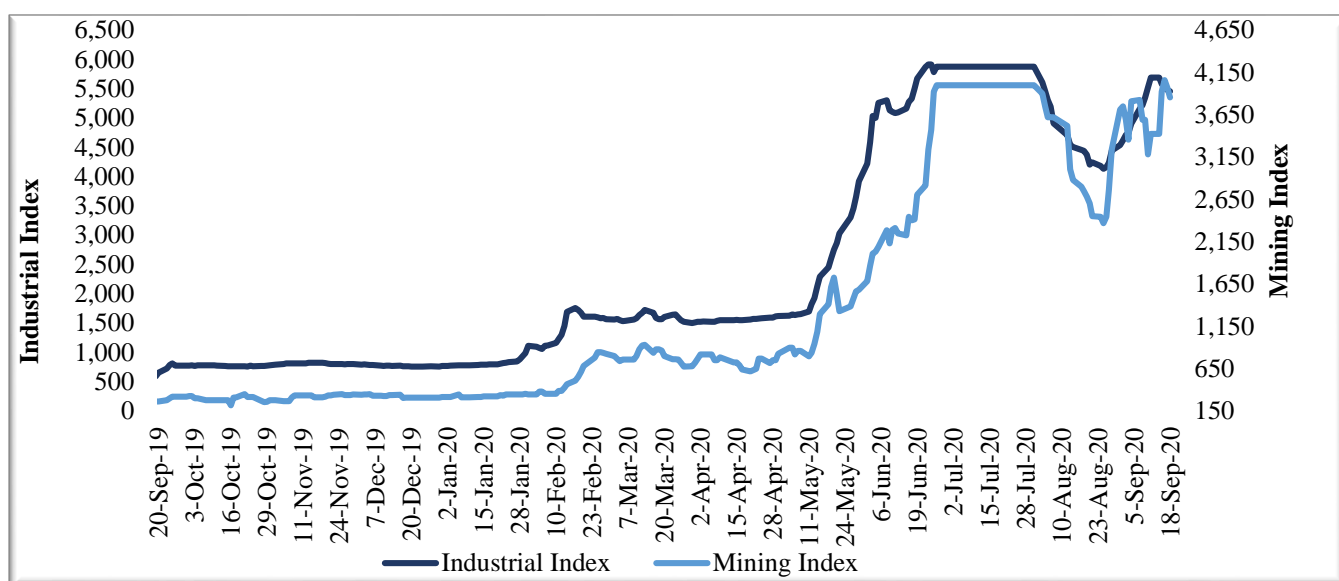
The resources index increased by 12.60% to close at 3,854.30 points, during the week ending 18th September 2020. Share price gains in Bindura Nickel Corporation Limited, 22.95% and Riozim Limited, 18.87%, supported the mining index. Table 8 shows selected ZSE statistics.

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)
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
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
% Change	-3.68	-7.70	-5.79	2.35	4.41	-4.10	12.60	-2.92	-23.29	-41.12

Source: Zimbabwe Stock Exchange (ZSE), 2020

Figure 3: Zimbabwe Stock Exchange Indices



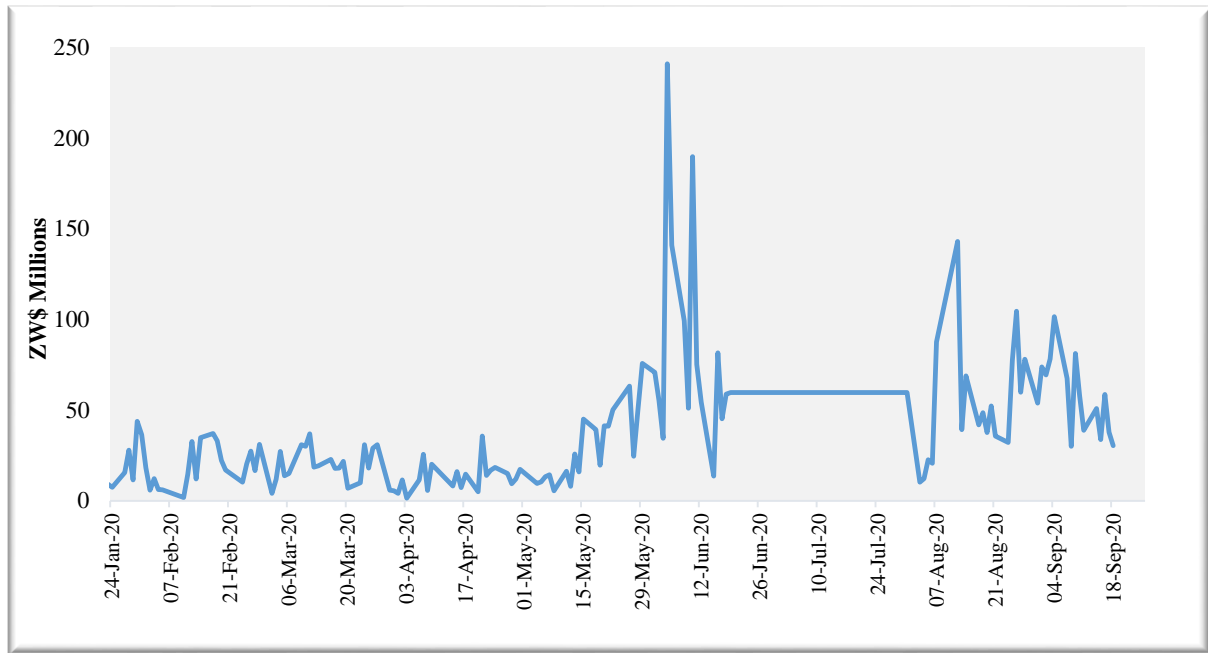
Source: Zimbabwe Stock Exchange, 2020

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 at the ZSE slumped by 41.42% to close the week under analysis at 21.39 million shares. ZSE market turnover also declined by 23.29% to close at ZW\$211.58 million, during the same week.

Figure 4: Daily Market Turnover

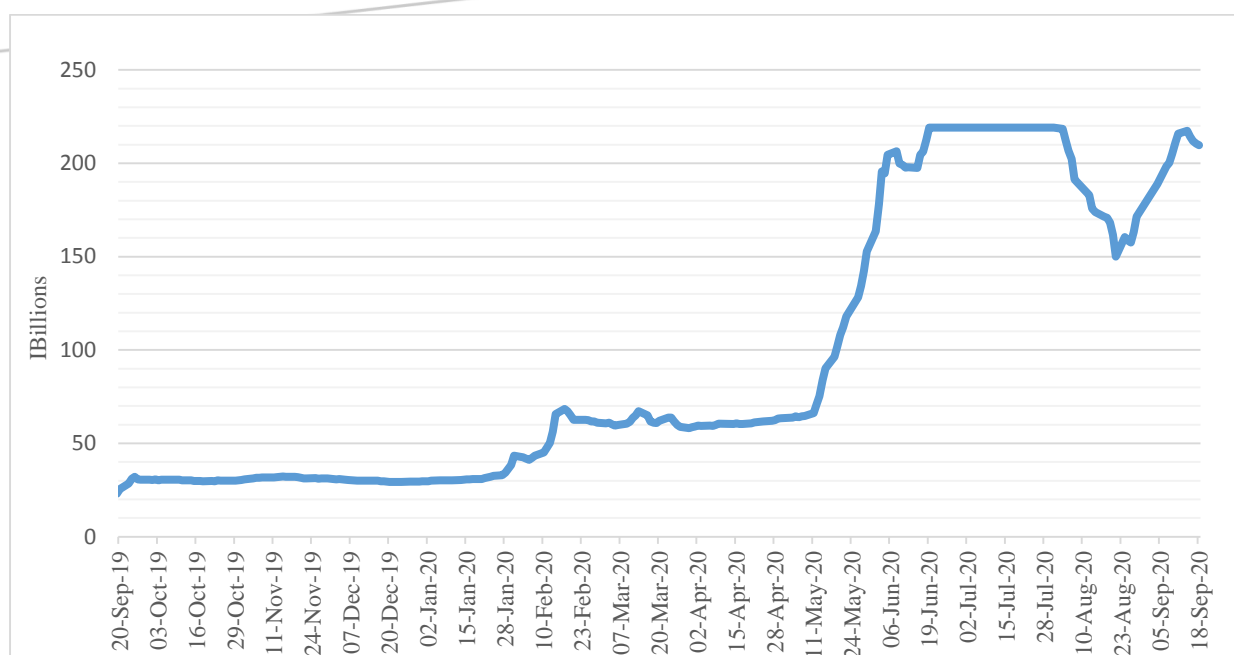


Source: Zimbabwe Stock Exchange, 2020

Market Capitalization

ZSE market capitalisation registered a 2.92% decline, from ZW\$215.90 billion in the preceeding week to ZW\$209.60 billion, during the week under review.

Figure 5: Daily Market Capitalization in ZW\$ billions



Source: Zimbabwe Stock Exchange, 2020

Johannesburg Stock Exchange (JSE) Developments

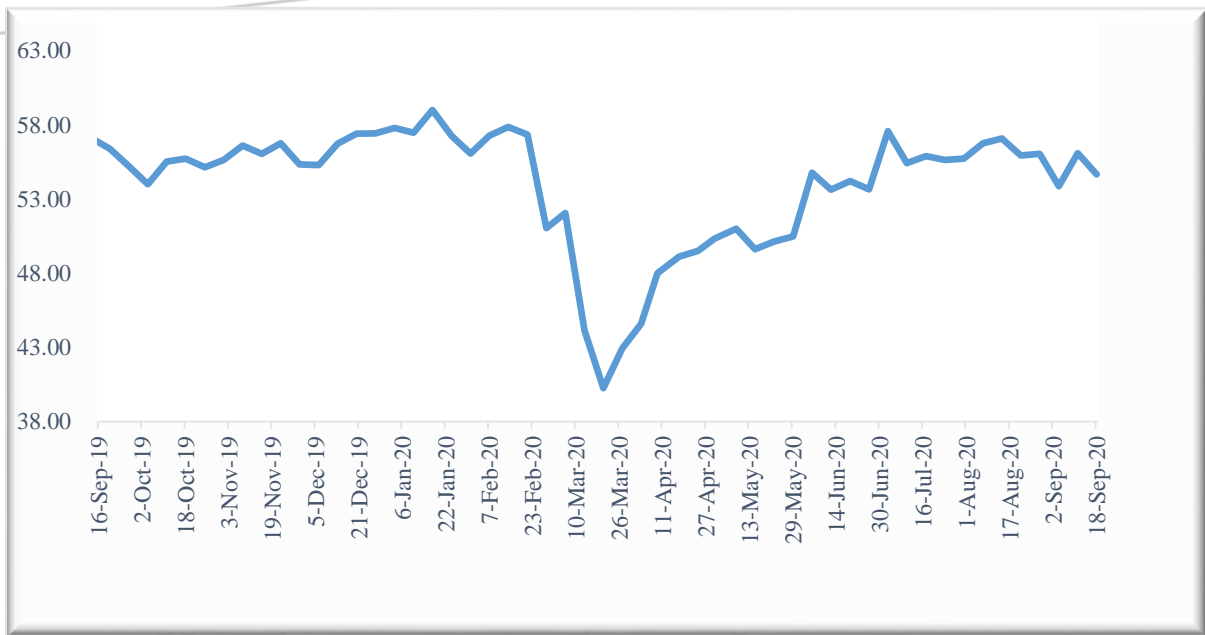
The Johannesburg Stock Exchange (JSE) All share index registered a 2.52% decline to close at 54,673.65 points, during the week under review. In tandem, JSE market capitalisation fell by 2.30% to close at ZAR 16.58 trillion, during the week under review, from ZAR 16.97 trillion in the previous week.

Table 9: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalization (ZAR trillions)
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
18-September-20	54,673.65	16.58
% Change	-2.52	-2.30

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

25th SEPTEMBER 2020

APPENDIX 1: SUMMARY OF FOREIGN CURRENCY AUCTION ALLOTMENTS BY PURPOSE

Purpose	MAINFX				SMEFX			
	25-Aug-20	01-Sept-2	08-Sept-20	15-Sept-20	25-Aug-20	01- Sept-20	08- Sept-20	15- Sept-20
Raw Materials	4,970,224.02	6,050,369.71	8,733,446.74	8,517,466.62	207,931.76	373,003.95	255,701.24	216,017.57
Machinery and Equipment	3,870,515.84	3,540,376.93	3,320,021.02	3,184,717.63	162,741.26	234,793.50	255,701.24	218,345.42
Consumables (Incl. Spares, Tyres, Packaging)	1,671,224.20	1,307,558.40	2,288,538.49	1,357,389.93	151,749.85	112,721.04	218,332.56	291,322.10
Pharmaceuticals and Chemicals	1,470,373.59	903,605.60	293,320.00	1,201,484.00	140,450.41	59,584.00	66,392.74	69,586.00
Services (Loans, Dividends and Disinvestments)	843,215.51	1,483,611.12	1,595,142.76	1,982,763.37	137,101.50	92,988.40	67,312.18	148,175.75
Retail and Distribution	766,098.49	1,003,384.34	1,288,763.89	1,561,290.48	98,700.00	53,252.63	22,588.00	67,557.05
Fuel, Electricity and Gas	358,564.78	550,750.00	565,297.18	1,279,959.95	32,797.06	-	-	40,000.00
Paper and Packaging	114,655.47	200,000.00	250,000.00	938,827.34	29,320.00	50,060.00	20,000.00	94,002.50
TOTAL	14,064,871.90	15,039,656.10	18,334,530.08	20,023,899.32	960,791.84	976,403.52	876,674.44	1,145,006.39

Source: Reserve Bank of Zimbabwe, 2020