



Weekly Economic Highlights

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Week Ending
25th September 2020

1. INTEREST RATES

Deposit Rates

Minimum deposit rates for savings deposits remained unchanged at 2.35%, during the week ending 25th September 2020. The same week saw minimum deposit rates for deposits of 1 month tenor register an increase of 0.10 percentage points to close at 4.17%. Minimum deposit rates for deposits of 3-month tenor declined by 0.29 percentage points to 4.50%. Maximum deposit rates for deposits of 1 month and 3 month tenors increased to 7.73% and 8.37%, respectively, while those on savings deposits remained unchanged at 5.19%, 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 (%) |
| 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 |
| 25-Sept-20 | 2.35 | 5.19 | 4.17 | 7.73 | 4.50 | 8.37 |

Source: Reserve Bank of Zimbabwe, 2020

Lending Rates

Minimum commercial bank lending rates for individual and corporate clients increased by 0.66 percentage points and 1.2 percentage points to 20.65% and 25.09%, respectively, during the week under review. A 0.22 percentage points decline in maximum commercial bank lending rates to individual clients was recorded, while maximum lending rates for corporate clients increased by 0.48 percentage points, as shown in Table 2.

Table 2: Lending Rates (per annum)

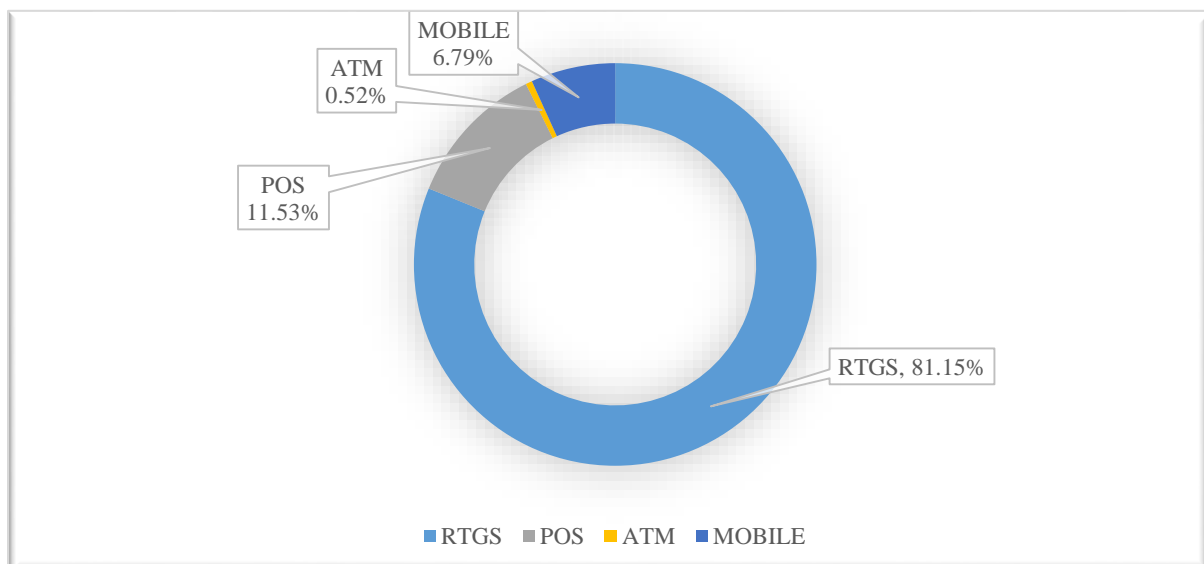
| Date | Individual Clients | | Corporate Clients | |
|-----------|--------------------|-------------|-------------------|-------------|
| | Minimum (%) | Maximum (%) | Minimum (%) | Maximum (%) |
| 28-Aug-20 | 19.14 | 38.57 | 18.99 | 47.31 |
| 4-Sep-20 | 19.14 | 38.57 | 18.99 | 47.31 |
| 11-Sep-20 | 19.99 | 44.60 | 23.89 | 49.35 |
| 18-Sep-20 | 19.99 | 44.60 | 23.89 | 49.35 |
| 25-Sep-20 | 20.65 | 44.38 | 25.09 | 49.83 |

Source: Reserve Bank of Zimbabwe, 2020

2. CLEARING AND SETTLEMENT ACTIVITY

During the week under analysis, the value of National Payment Systems (NPS) transactions stood at ZW\$51.52 billion, a -10.44% decline from ZW\$57.52 billion recorded during the preceding week. Real Time Gross Settlement (RTGS) transactions declined by 13.65% to close at ZW\$41.81 billion, during the same week. In proportions, the value of NPS transactions was distributed as follows: RTGS, 81.15%; POS, 11.53%; Mobile, 6.79% and ATM, 0.52%.

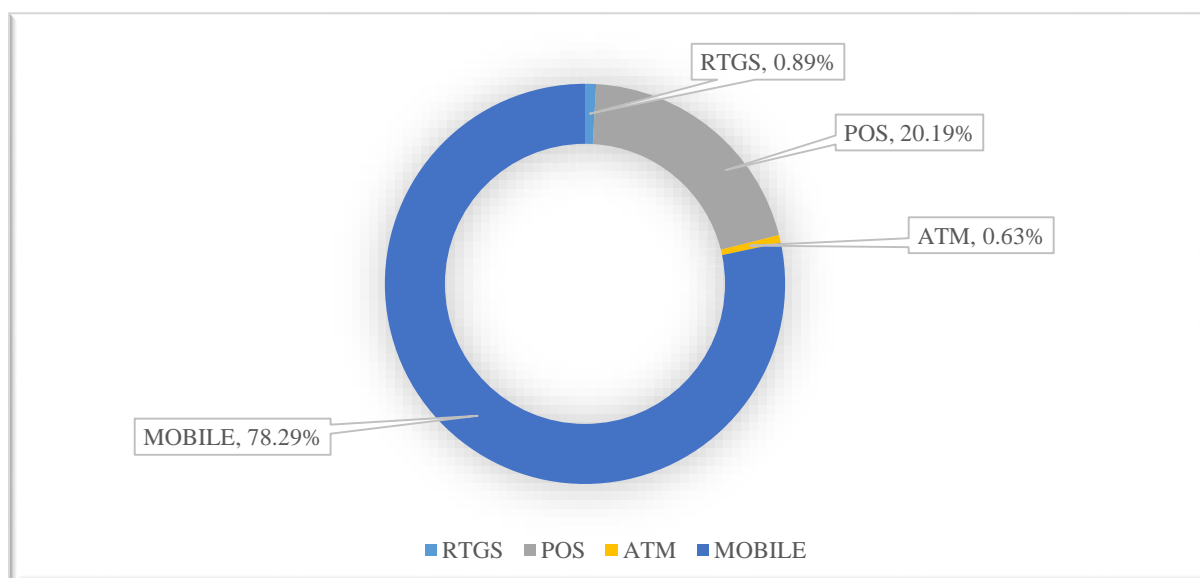
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2020

The volume of NPS transactions stood at 23.63 million, reflecting a marginal increase of 0.60%, from 23.49 million transactions recorded in the previous week. In volumes terms, the NPS transactions were distributed as follows: Mobile, 78.29%; POS, 20.19%; RTGS, 0.89%; and ATM, 0.63%.

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 18 th SEPTEMBER 2020 | WEEK ENDING 25 th SEPTEMBER 2020 | % CHANGE FROM LAST WEEK | PROPORTION % |
|--------------------------------|---|---|-------------------------|--------------|
| Values in ZW\$ Millions | | | | |
| RTGS | 48,416.62 | 41,807.80 | -13.65% | 81.15% |
| POS | 5,475.55 | 5,941.53 | 8.51% | 11.53% |
| ATM | 251.22 | 268.69 | 6.95% | 0.52% |
| MOBILE | 3,381.20 | 3,500.18 | 3.52% | 6.79% |
| TOTAL | 57,524.60 | 51,518.20 | -10.44% | 100% |
| Volumes | | | | |
| RTGS | 172,241 | 211,288 | 22.67% | 0.89% |
| POS | 4,638,551 | 4,769,802 | 2.83% | 20.19% |
| ATM | 63,504 | 149,049 | 134.71% | 0.63% |
| MOBILE | 18,610,893 | 18,496,382 | -0.62% | 78.29% |
| TOTAL | 23,485,189 | 23,626,521 | 0.60 | 100 |

Source: Reserve Bank of Zimbabwe, 2020

3. TOBACCO SALES

As at 25th September 2020, or day 104 of the 2020 tobacco selling season, a cumulative total of 183.04 million kilograms of tobacco had been sold. During the same period in 2019, a cumulative total of 252.54 million kilograms were sold. The cumulative sales value of tobacco amounted to US\$458.01 million as at 25th September 2020. This was 10.30% lower than the US\$510.61 million realised during the same period in 2019. The average price, at US\$2.50/kg, was 23.76% higher than US\$2.02/kg realised during the comparable period in 2019, as shown in Table 4.

Table 4: Weekly cumulative Tobacco Sales: Day 104 (25th September 2020)

| | 2019 | 2020 | Variance (%) |
|---|--------|--------|--------------|
| Cumulative Quantity Sold (million kgs) | 252.54 | 183.04 | (27.52) |
| Cumulative Average Price (US\$/kg) | 2.02 | 2.50 | 23.76 |
| Cumulative Value (US\$ million) | 510.61 | 458.01 | (10.30) |

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

4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international prices for selected precious metals, base metals as well as Brent crude oil retreated, during the week ending 25th September 2020, as shown in Table 5.

Table 5: Metal and Crude Oil Prices for the week-ending 25 September 2020

| | Gold | Platinum | Copper | Nickel | Crude Oil |
|-----------------------------------|-----------------|---------------|-----------------|------------------|--------------|
| 2020 | US\$/ounce | US\$/ounce | US\$/tonne | US\$/tonne | US\$/barrel |
| Weekly Average (14-18 Sep) | 1,951.85 | 955.60 | 6,803.35 | 15,065.60 | 41.63 |
| 21-Sep | 1,920.13 | 916.00 | 6,708.50 | 14,490.00 | 41.32 |
| 22-Sep | 1,904.55 | 882.00 | 6,794.00 | 14,585.00 | 41.38 |
| 23-Sep | 1,880.75 | 853.00 | 6,598.00 | 14,345.00 | 41.38 |
| 24-Sep | 1,856.25 | 835.00 | 6,567.50 | 14,322.00 | 41.73 |
| 25-Sep | 1,864.88 | 849.00 | 6,548.55 | 14,335.00 | 41.92 |
| Weekly Average (21-25 Sep) | 1,951.85 | 955.60 | 6,803.35 | 15,065.60 | 41.63 |
| Weekly Change (%) | -3.4 | -9.3 | -2.4 | -4.3 | -0.2 |

Source: BBC, KITCO and Bloomberg, 2020

Gold

Gold prices shed 3.4% week-on-week, from US\$1,951.85 per ounce recorded in the previous week to US\$ 1,885.31 per ounce, during the week under review. This was on the back of a strong US dollar and a shift in investor preference to the greenback as a safe haven asset.

Platinum

Platinum prices declined by 9.3%, from a weekly average of US\$955.60 per ounce to US\$867.00 per ounce, tracking the performance of gold as investors shifted to the US dollar as a safe haven asset. In addition, platinum prices were weighed down by sluggish demand from auto-industries, coupled with the move towards the electrification of vehicles.

Copper

The weekly average price of copper declined by 2.4%, from US\$ 6,803.35 per tonne in the previous week to US\$ 6,643.31 per tonne, during the week under analysis. Prices eased-off on the back of slowing demand.

Nickel

Similar to copper prices, nickel prices fell by 4.3%, from US\$ 15,065.60 per tonne recorded in the previous week to US\$ 14,415.40 per tonne, during the week ending 25th September 2020. This was largely due to lower global demand for the base metal.

Brent Crude Oil

Brent crude oil prices were relatively flat, recording a marginal 0.2% decline from the weekly average of US\$41.63 per barrel to US\$41.55 per barrel, during the week under review. The market was little changed, as the impact of a resurgence in coronavirus cases was expected to reduce fuel demand, while the resumption of Libyan exports was expected to boost global supply.

EXCHANGE RATE DEVELOPMENTS

The Zimbabwe dollar (ZW\$) gained 0.6% against the greenback, from ZW\$82.1014 per US\$1 to ZW\$81.6230 per US\$1, during the week ending 25th September 2020. The local unit also registered gains against the rand (3.0%); pula (1.4%); euro (1.3%); and pound Sterling (1.2%),

as shown in Table 6. The summary of foreign exchange auction results for the past four weeks is shown in Table 7.

Table 6. International Exchange Rates¹

| | USD | ZAR | GBP | BWP | EURO |
|---------------------------------------|----------------|---------------|-----------------|---------------|----------------|
| 2020 | | | | | |
| Weekly Average (14-18 Sep) | 82.1014 | 4.9868 | 105.8900 | 7.1910 | 97.2239 |
| 21-Sep | 81.7076 | 5.0188 | 105.8606 | 7.1990 | 96.9708 |
| 22-Sep | 81.7076 | 4.7687 | 105.8393 | 7.1737 | 97.3635 |
| 23-Sep | 81.7076 | 4.8461 | 103.7003 | 7.0743 | 95.2329 |
| 24-Sep | 81.4965 | 4.7495 | 103.5496 | 7.0133 | 95.0250 |
| 25-Sep | 81.4965 | 4.8228 | 103.9652 | 6.9886 | 95.0942 |
| Weekly Average (21-25 Sep) | 81.6230 | 4.8393 | 104.5726 | 7.0888 | 95.9266 |
| <i>Appr(-)/Depr(+) (%) of the ZWL</i> | -0.6 | -3.0 | -1.2 | -1.4 | -1.3 |

Source: Reserve Bank of Zimbabwe, 2020

Table 7. Foreign Exchange Auction results for MAINFX² and SMEFX³

| | MAINFX | | | | SMEFX | | | |
|--------------------------------|--------------|--------------|--------------|--------------|------------|------------|-------------|-------------|
| | 1-Sept-20 | 08-Sept-20 | 15-Sept-20 | 22-Sept-20 | 01-Sept-20 | 08-Sept-20 | 15-Sept-20 | 22-Sept-20 |
| Total Bids | 15,039,656.1 | 18,334,530.8 | 20,023,899.3 | 30,414,189.6 | 976,403.52 | 876,674.44 | 1,145,006.4 | 1,224,857.3 |
| Amount Allotted | 15,039,656.1 | 18,334,530.1 | 20,023,899.3 | 30,414,189.6 | 976,403.52 | 876,674.44 | 1,145,006.4 | 1,224,857.3 |
| Highest Rate | 87.5 | 88 | 88 | 86.7 | 86.0 | 86.0 | 86.5 | 86 |
| Lowest Rate | 76 | 75 | 75 | 78 | 76.5 | 73.0 | 75 | 78 |
| Lowest Accepted Rate | 76 | 75 | 75 | 78 | 76.5 | 73.0 | 75 | 78 |
| Weighted Average Rate | 83.3209 | 82.6993 | 81.7076 | 81.4965 | 83.3209 | 82.6993 | 81.7076 | 81.4965 |
| Number of Bids Received | 154 | 216 | 174 | 301 | 75 | 74 | 96 | 117 |
| Number of Bids Rejected | 25 | 31 | 10 | 35 | 11 | 15 | 12 | 22 |

Source: Reserve Bank of Zimbabwe

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

² Main Foreign Currency Auction

³ Small and Medium Enterprises Foreign Currency Auction

5. EQUITY MARKETS

The Zimbabwe Stock Exchange (ZSE) registered losses during the week under analysis. Consequently, the All Share, Top 10, Top 15, Medium Cap and Small Cap indices registered declines of 1.66%, 0.84%, 0.68%, 2.88% and 1.78% to close at 1 635.79 points, 1 099.67 points, 1 281.69 points, 3 110.83 points, 5 807.57 points, respectively.

The industrial index softened by 1.05% to close at 5 396.09 points, during the week under review, from 5 453.46 points in the previous week. This was, in part, attributable to share price losses for Mashonaland Holdings Limited, -34.59%; Turnall Holdings Limited, -31.35%; First Capital Bank Limited, -21.30%; Ariston Holdings Limited, 20.90%; Afdis Distillers Limited, -15.00%; Inncor Africa Limited, -6.20%; Ok Zimbabwe Limited, -4.21%; Lafarge Cement Zimbabwe Limited, 1.69%; and TSL Limited, 1.47%. Partially offsetting the gains were share price losses for Masimba Holdings Limited, 11.35%; Zimre Property Investments Limited, 9.52%; Simbisa Brands Limited, 6.18%; and Meikles Limited, 3.20%.

The resources index fell by 3.88% to close at 3 704.73 points, during the week ending 25th September 2020. This was attributable to share price losses for Bindura Nickel Corporation Limited, 0.079% and Riozim Limited, 17.01%. Table 8 shows selected ZSE statistics.

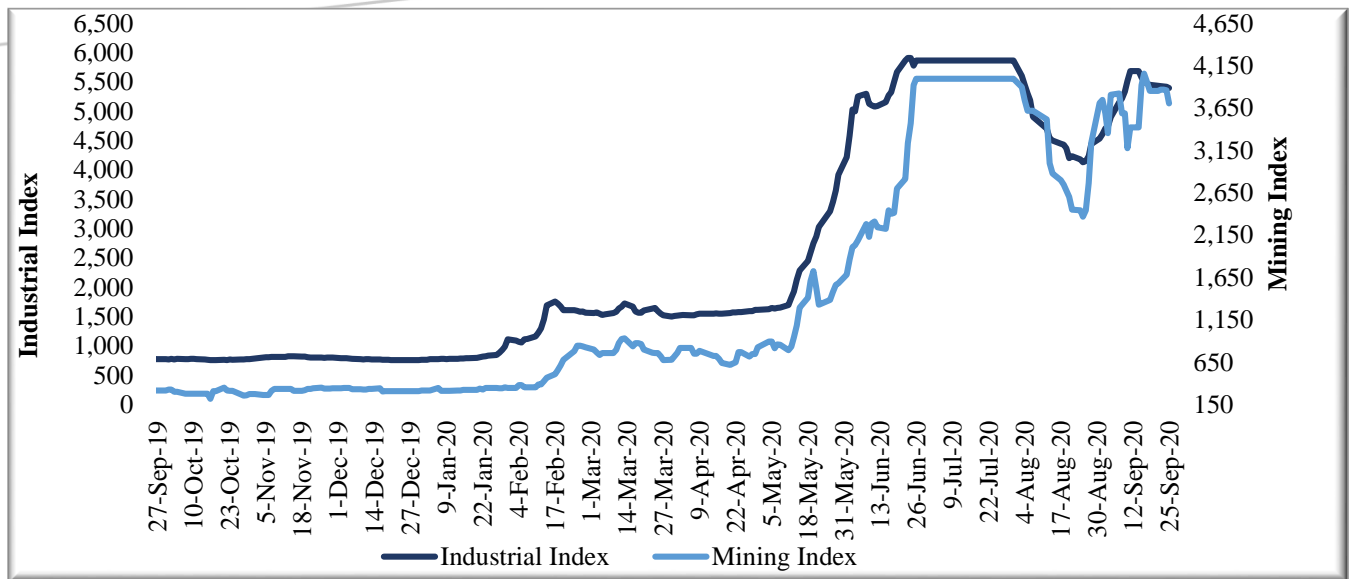
Table 8: Zimbabwe Stock Exchange Statistics⁴

| | 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) |
|-------------------|------------------------|-----------------------|----------------------------------|----------------------------------|---------------------------------|---------------------------|-----------------------|---|-------------------------------|----------------------------|
| 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 |
| 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 |
| % Change | -1.66 | -0.84 | -0.68 | -2.88 | -1.78 | -1.05 | -3.88 | -1.58 | 1566.93 | 3104.23 |

Source: Zimbabwe Stock Exchange (ZSE), 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.

Figure 3: Zimbabwe Stock Exchange Indices

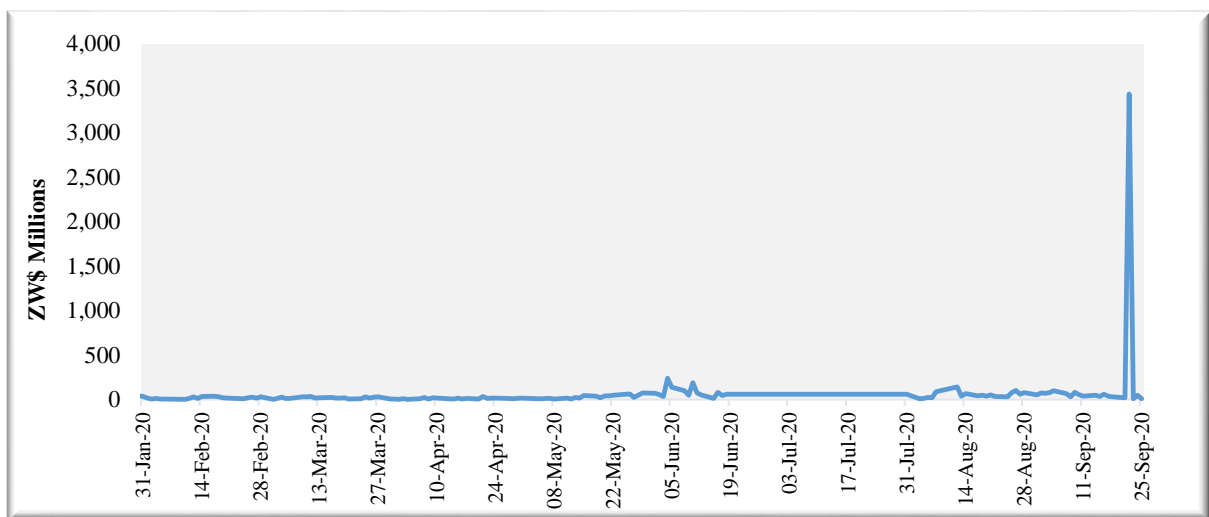


Source: Zimbabwe Stock Exchange, 2020

Market Turnover and Volume

During the week under review, there was a block trade which saw 926.78 million Bindura Nickel Corporation shares exchanging hands at ZW\$3.70. As a consequence, the cumulative value and volume of shares traded increased by 1 566.93% and 3 104.23% to ZW\$3.53 billion and 939.16 million shares respectively.

Figure 4: Daily Market Turnover

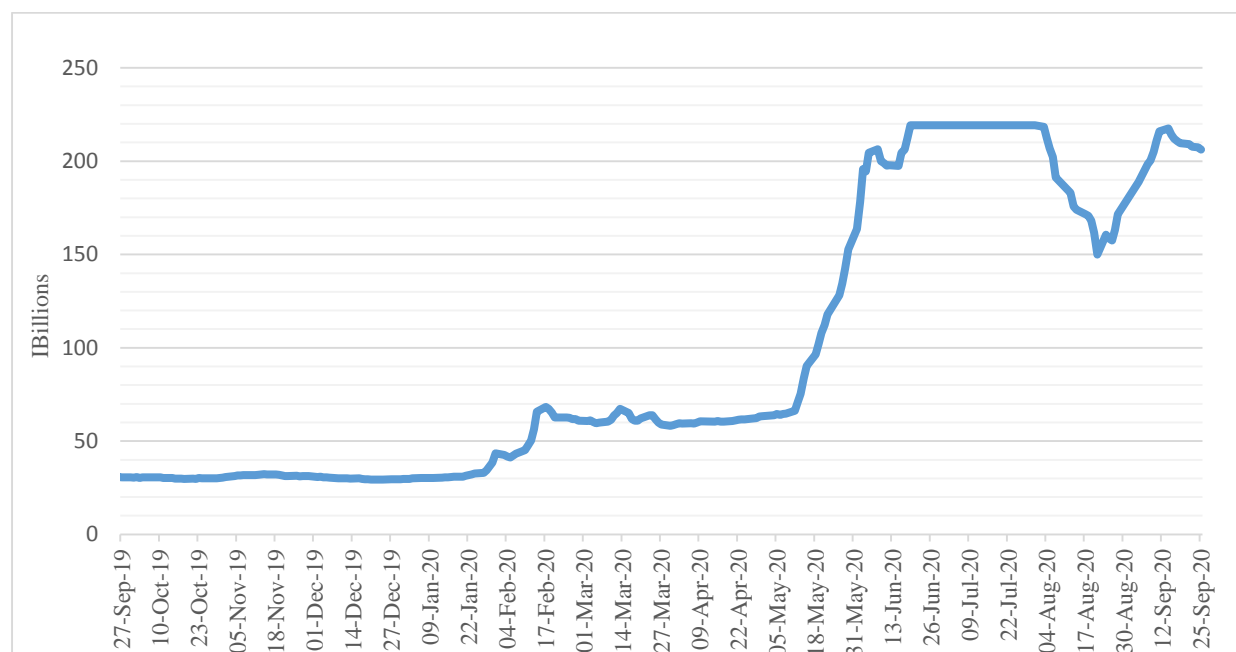


Source: Zimbabwe Stock Exchange, 2020

Market Capitalization

In line with the developments on the ZSE during the week under review, the local bourse lost ZW\$9.62 billion or 4.46% worth of capitalization, to close at ZW\$206.28 billion.

Figure 5: Daily Market Capitalization in ZW\$ billions



Source: Zimbabwe Stock Exchange, 2020

Johannesburg Stock Exchange (JSE) Developments

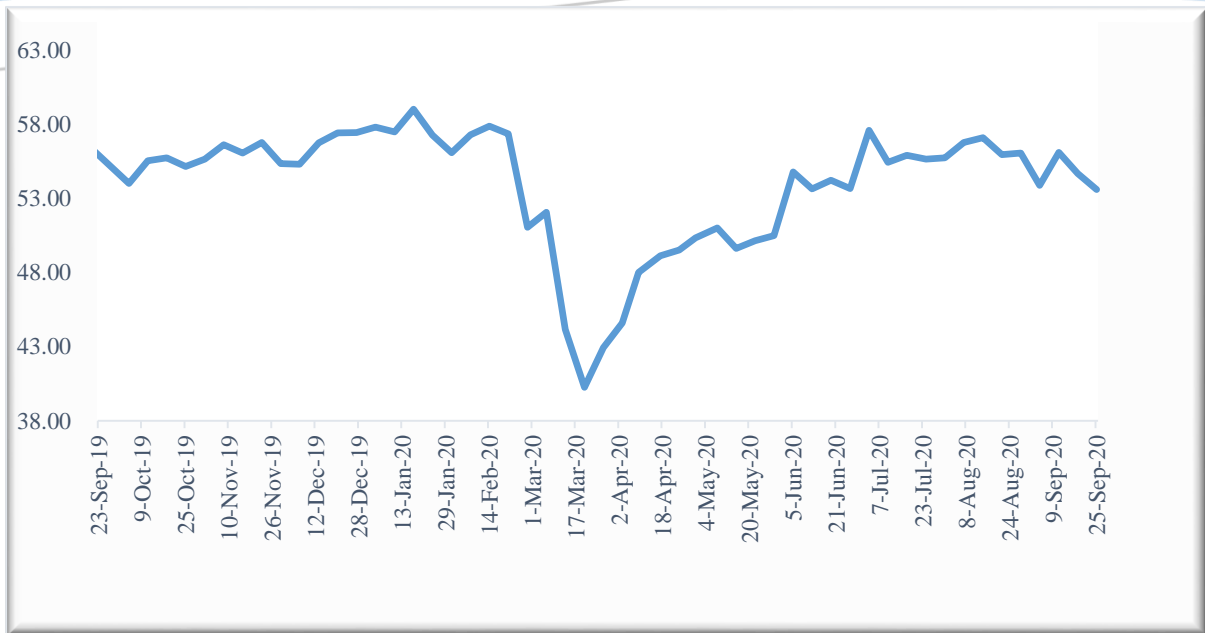
During the week under analysis, the Johannesburg Stock Exchange (JSE) All share index declined by 1.99% to close at 53,587.11 points. JSE market capitalisation also declined from ZAR 16.58 trillion in the preceding week to ZAR 16.42 trillion, during the week under analysis.

Table 9: Johannesburg Stock Exchange (JSE) Statistics

| Period | All Share Index | Market Capitalization |
|-----------------|-----------------|-----------------------|
| | (points) | (ZAR trillions) |
| 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 |
| 25-September-20 | 53,587.11 | 16.42 |
| % Change | -1.99 | -0.97 |

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

2nd OCTOBER 2020

APPENDIX 1: SUMMARY OF FOREIGN CURRENCY AUCTION ALLOTMENTS BY PURPOSE

| Purpose | MAINFX | | | | SMEFX | | | |
|---|----------------------|----------------------|----------------------|----------------------|-------------------|-------------------|---------------------|---------------------|
| | 01-Sept-2 | 08-Sept-20 | 15-Sept-20 | 22-Sept-20 | 01- Sept-20 | 08- Sept-20 | 15-Sept-20 | 22-Sept-20 |
| Raw Materials | 6,050,369.71 | 8,733,446.74 | 8,517,466.62 | 13,561,794.59 | 373,003.95 | 255,701.24 | 216,017.57 | 367,244.21 |
| Machinery and Equipment | 3,540,376.93 | 3,320,021.02 | 3,184,717.63 | 5,726,110.84 | 234,793.50 | 255,701.24 | 218,345.42 | 210,272.02 |
| Consumables (Incl. Spares, Tyres, Packaging) | 1,307,558.40 | 2,288,538.49 | 1,357,389.93 | 2,737,206.45 | 112,721.04 | 218,332.56 | 291,322.10 | 228,453.11 |
| Pharmaceuticals and Chemicals | 903,605.60 | 293,320.00 | 1,201,484.00 | 1,522,098.10 | 59,584.00 | 66,392.74 | 69,586.00 | 62,527.00 |
| Services (Loans, Dividends and Disinvestments) | 1,483,611.12 | 1,595,142.76 | 1,982,763.37 | 2,418,570.33 | 92,988.40 | 67,312.18 | 148,175.75 | 118,470.39 |
| Retail and Distribution | 1,003,384.34 | 1,288,763.89 | 1,561,290.48 | 2,344,658.71 | 53,252.63 | 22,588.00 | 67,557.05 | 187,532.30 |
| Fuel, Electricity and Gas | 550,750.00 | 565,297.18 | 1,279,959.95 | 1,656,886.95 | - | - | 40,000.00 | 39,000.00 |
| Paper and Packaging | 200,000.00 | 250,000.00 | 938,827.34 | 446,863.66 | 50,060.00 | 20,000.00 | 94,002.50 | 11,358.26 |
| TOTAL | 15,039,656.10 | 18,334,530.08 | 20,023,899.32 | 30,414,189.63 | 976,403.52 | 876,674.44 | 1,145,006.39 | 1,224,857.29 |

Source: Reserve Bank of Zimbabwe, 2020