



Weekly Economic Highlights

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Week Ending
4th September 2020

1. INTEREST RATES

Deposit Rates

Minimum and maximum deposit rates for savings deposits and deposits of 1-month and 3-month tenors were largely unchanged, during the week under analysis, 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 (%)
7-Aug-20	2.35	5.19	3.88	6.99	4.36	7.17
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

Source: Reserve Bank of Zimbabwe, 2020

Lending Rates

Commercial bank minimum and maximum lending rates for individuals and corporates also remained unchanged from the previous week levels, as shown in Table 2.

Table 2: Lending Rates (per annum)

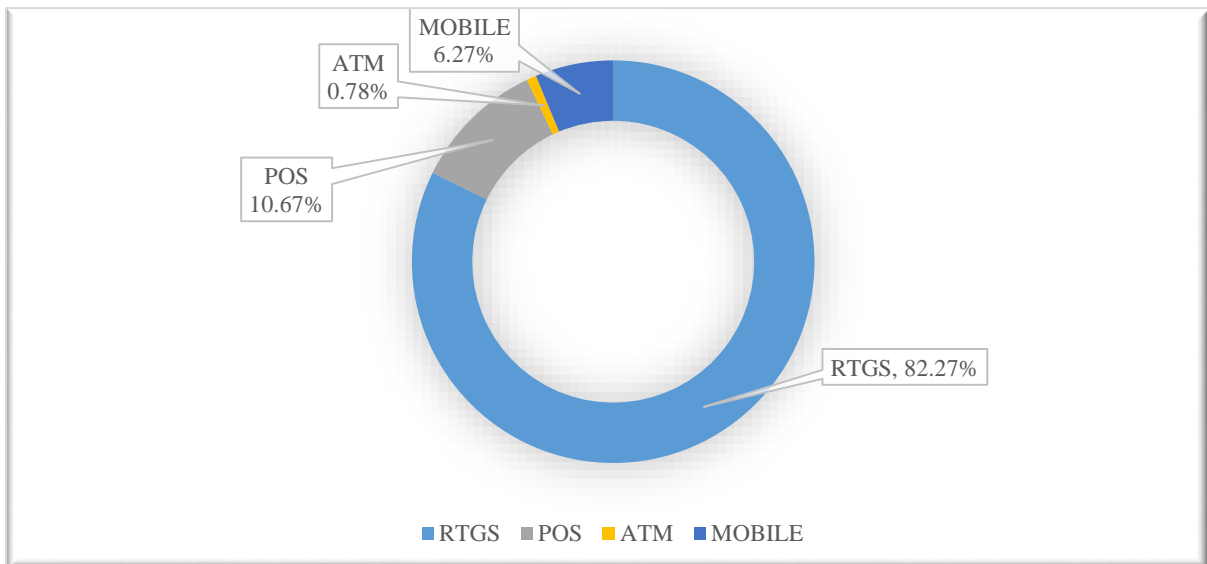
Date	Individual Clients		Corporate Clients	
	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
7-Aug-20	18.87	37.42	22.11	47.27
14-Aug-20	19.85	37.51	19.98	47.81
21-Aug-20	19.85	37.51	19.98	47.81
28-Aug-20	19.14	38.57	18.99	47.31
4-Sep-20	19.14	38.57	18.99	47.31

Source: Reserve Bank of Zimbabwe, 2020

2. CLEARING AND SETTLEMENT ACTIVITY

During the week ending 4th September 2020, the value of transactions processed through the National Payment Systems (NPS) amounted to ZW\$67.77 billion, a 34.48% increase from ZW\$50.40 billion recorded in the previous week. Real Time Gross Settlement (RTGS) transactions registered a 39.24% increase, to close at ZW\$55.76 billion in the same week. The distribution of NPS transactions was as follows: RTGS, 82.27%; POS, 10.67%; Mobile, 6.27% and ATM, 0.78%.

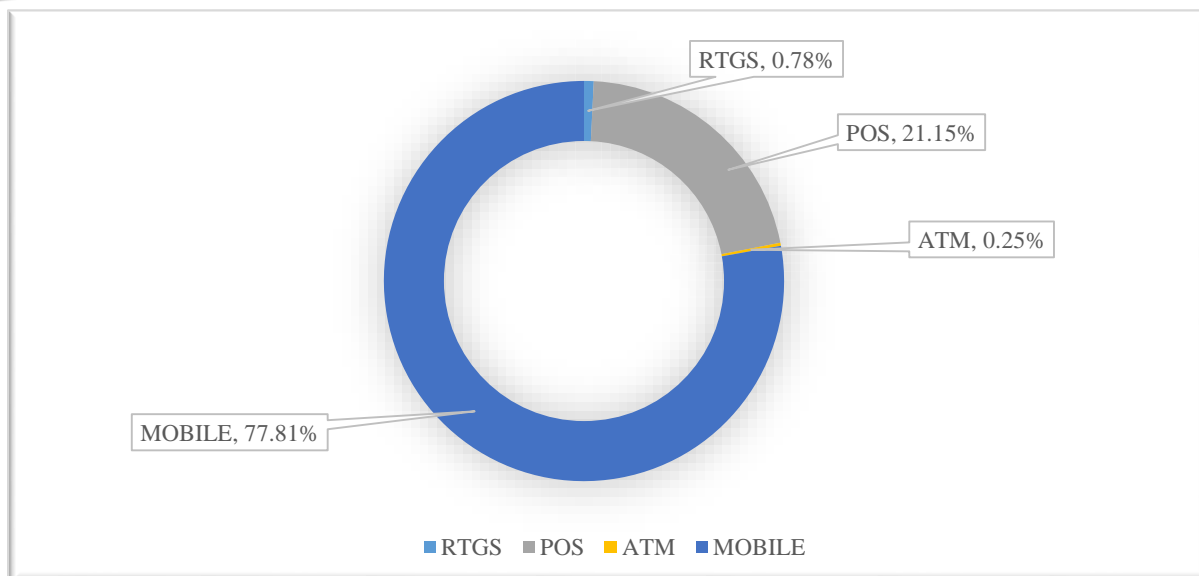
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2020

NPS transaction volumes declined by 1.35%, from 28.39 million transactions in the previous week to close at 28.00 million transactions, during the week under analysis. The distribution of NPS transaction volumes was as follows: Mobile, 77.81%; POS, 21.15%; RTGS, 0.78%; and ATM, 0.25%.

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 28 th AUGUST 2020	WEEK ENDING 4 th SEPTEMBER 2020	% CHANGE FROM LAST WEEK	PROPORTION %
Values in ZW\$ Millions				
RTGS	40,046.04	55,761.39	39.24%	82.27%
POS	5,839.76	7,233.78	23.87%	10.67%
ATM	348.12	529.61	52.14%	0.78%
MOBILE	4,164.74	4,249.81	2.04%	6.27%
TOTAL	50,398.66	67,774.60	34.48%	100%
Volumes				
RTGS	254,139	218,386	-14.07%	0.78%
POS	5,290,269	5,924,832	11.99%	21.15%
ATM	71,896	71,376	-0.72%	0.25%
MOBILE	22,776,848	21,793,932	-4.32%	77.81%
TOTAL	28,393,152	28,008,528	-1.35%	100%

Source: Reserve Bank of Zimbabwe, 2020

3. TOBACCO SALES

As at 4th September 2020, or day 89 of the 2020 tobacco selling season, a cumulative of 180.77 million kilograms of tobacco had been sold. This reflected a decline of 24.07%, from 238.07 million kilograms sold during the comparable period in 2019. The cumulative sales value of

the golden leaf, at US\$452.20 million, was 4.23% % down from US\$472.16 million realized during the same period in 2019. The price of the golden leaf increased by 26.13% to close at US\$2.50/kg, during the week of analysis. This compares with the average price of US\$1.98/kg recorded during the corresponding period in 2019, as shown in Table 4.

Table 4: Weekly cumulative Tobacco Sales: Day 89 (4th September 2020)

	2019	2020	Variance (%)
Cumulative Quantity Sold (million kgs)	238.07	180.77	(24.07)
Cumulative Average Price (US\$/kg)	1.98	2.50	26.13
Cumulative Value (US\$ million)	472.16	452.20	(4.23)

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

4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

During the week ending 4th September 2020, international commodity prices of gold, copper and nickel increased. Platinum and crude oil prices, however, retreated during the same week, as shown in Table 5.

Table 5: International Commodity Prices for the week-ending 4th September 2020

	Gold	Platinum	Copper	Nickel	Crude Oil
2020	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
Weekly Average (24-28 Aug)	1,935.54	926.10	6,611.60	15,062.00	45.58
31-Aug	1,956.60	930.00	6,728.00	15,414.00	45.82
1-Sep	1,980.15	953.00	6,788.50	15,660.00	45.98
2-Sep	1,958.03	928.00	6,719.00	15,658.00	44.32
3-Sep	1,937.28	905.50	6,613.00	15,135.00	43.60
4-Sep	1,931.95	904.00	6,678.00	15,210.00	42.24
Weekly Average (31st Aug – 4th Sept)	1,952.80	924.10	6,705.30	15,415.40	44.39
Weekly Change (%)	0.9	-0.2	1.4	2.3	-2.6

Source: BBC, KITCO and Bloomberg, 2020

Gold

Gold prices registered a marginal week-on-week increase of 0.9%, from US\$1,935.54 per ounce recorded in the previous week to US\$1,952.80 per ounce, during the week under review. This was on the back of the waning appeal of the precious metal as a safe haven asset, coupled with a stronger dollar.

Platinum

Platinum prices eased by 0.2%, from a weekly average of US\$926.10 per ounce recorded in the previous week to US\$924.10 per ounce, during the week ending 4th September 2020. This followed sluggish industrial demand, due to the coronavirus induced economic slowdown, particularly in major markets such as Europe.

Copper

Prices of the red metal gained by 1.4%, from US\$6,611.60 per tonne in the previous week to close at US\$6,705.30 per tonne, during the week under analysis. Prices were boosted by strong demand, particularly from China, against a background of declining global inventories.

Nickel

Nickel prices registered a week-on-week gain of 2.3% to close at US\$15,415.40 per tonne, during the week under analysis. Prices were partly supported by expectations of improved demand, due to relaxed regulatory conditions for electric vehicle manufacturers in Indonesia. Nickel is used as a key input in the manufacture of batteries for electric vehicles.

Brent Crude Oil

Brent crude oil prices faced set-backs during the week ending 4th September 2020, despite positive US economic data indicating increased factory activity. Investor sentiment was weighed down by uncertainty over the demand outlook, as the US summer season known for peak oil demand ended and signals from major consumers like China and Saudi Arabia were muted. As a result, the weekly average price of Brent crude oil fell by 2.6%, from a weekly average price of US\$45.58 per barrel in the previous week to US\$44.39 per barrel, during the week under analysis.

5. EXCHANGE RATE DEVELOPMENTS

Signaling that it was now on a path to stability, the Zimbabwe dollar softened marginally against the pound Sterling, 1.5%; South African rand, 1.4%; Botswana pula, 1.2%; euro, 0.7%; and US dollar, 0.2%, during the period under analysis, 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
31-Aug	83.3994	5.0188	111.1842	7.3108	99.2372
1-Sep	83.3994	4.9665	111.8889	7.2398	100.0253
2-Sep	83.3209	5.0063	111.4376	7.2996	99.1938
3-Sep	83.3209	4.9383	110.7836	7.2407	98.3647
4-Sep	83.3209	4.9628	110.5836	7.2746	98.6771
Weekly Average (31 Aug- 4 Sept)	83.3523	4.9783	111.1736	7.2730	99.0964
<i>Appr(-)/Depr(+)</i> (%) <i>of the ZWL</i>	<i>0.2</i>	<i>1.4</i>	<i>1.5</i>	<i>1.2</i>	<i>0.7</i>

Source: Reserve Bank of Zimbabwe, 2020

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			
	13-Aug-20	18-Aug-20	25-Aug-20	1-Sept-20	13-Aug-20	18-Aug-20	25-Aug-20	1-Sept-20
Total Bids	17,981,174.01	13,679,558.32	14,064,871.9	15,039,656.1	789,866.02	517,630.88	960,791.84	976,403.52
Amount Allotted	17,981,174.01	13,679,558.32	14,064,871.9	15,039,656.1	789,866.02	517,630.88	960,791.84	976,403.52
Highest Rate	90	88.38	88	87.5	90	85	88	86.0
Lowest Rate	77.0160	80	80	76	80	78	75	76.5
Lowest Accepted Rate	77.0160	80	80	76	80	78	75	76.5
Weighted Average Rate	82.5608	82.9184	83.3994	83.3209	82.5608	82.9184	83.3994	83.3209
Number of Bids Received	171	113	139	154	75	56	85	75
Number of Bids Rejected	15	17	33	25	15	16	10	11

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

6. EQUITY MARKETS

The Zimbabwe Stock Exchange (ZSE) was bullish, during the week under review. Consequently, the Top 10, Top 15, All Share, Small Cap and Medium Cap indices registered gains of 9.58%; 8.24%; 5.50%; 4.15%; and 0.15% to close at 898.31 points; 1 028.71 points; 1 356.12 points; 4 784.29 points; and 2 637.44 points, respectively.

The industrial index grew by 4.83% to close at 4442.22 points, during the week under analysis. This was underpinned by share price increases for National Tyre Services Limited, 107.17%; OK Zimbabwe Limited, 37.24%; Inscor Africa Limited, 30.35%; Simbisa Brands Limited, 14.99%, CBZ Holdings Limited, 12.27%; Delta Corporation Limited, 7.62%; and Econet Wireless Zimbabwe Limited, 3.52%. Partially offsetting the gains were share price losses recorded for First Capital Bank Limited, -26.32%; ZB Financial Holdings Limited, -20.00%; Cassava Smartech Zimbabwe Limited, -10.75%; Rainbow Tourism Group Limited, -7.69%; Hippo Valley Estates Limited, -5.38%; and First Mutual Holdings Limited, -3.31%.

During the week under analysis, the resources index surged by 32.29% to close at 3240.49 points, on account of share price increases for Bindura Nickel Corporation Limited, 39.54% and Riozim Limited, 7.30%. Table 8 shows selected ZSE statistics.

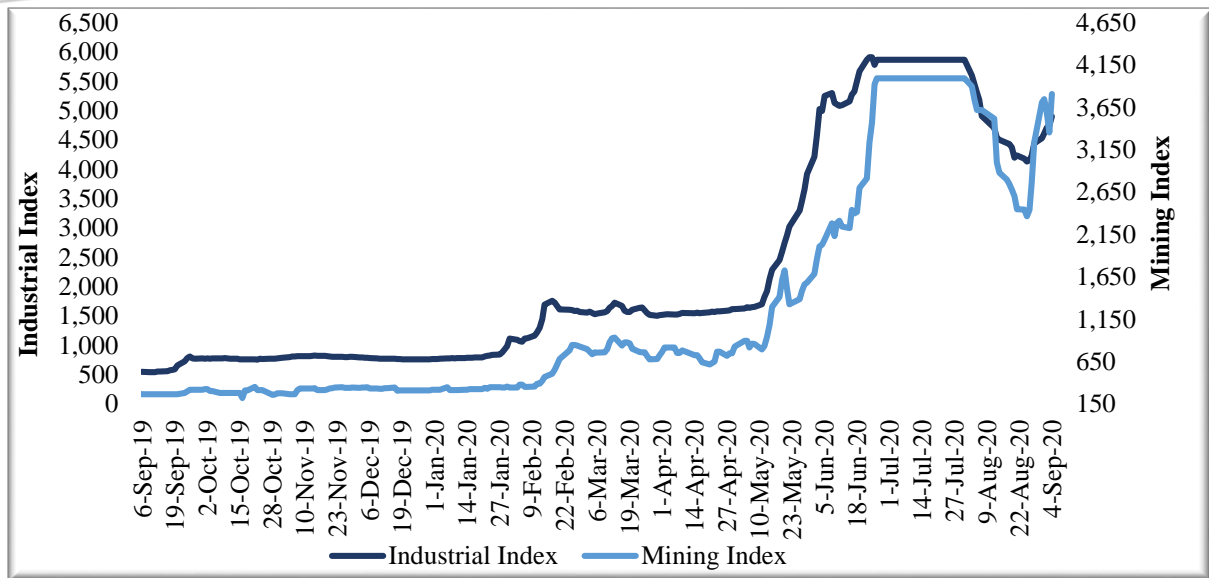
Table 8: Zimbabwe Stock Exchange Statistics⁴

	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)
19-June-20	1,713.63	1,221.93	1,418.98	3,049.98	4,920.22	5,672.5	2,702.2	219.16	259.29	40.87
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
% Change	10.59	13.49	12.08	6.32	10.91	10.36	17.53	10.18	7.09	3.80

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

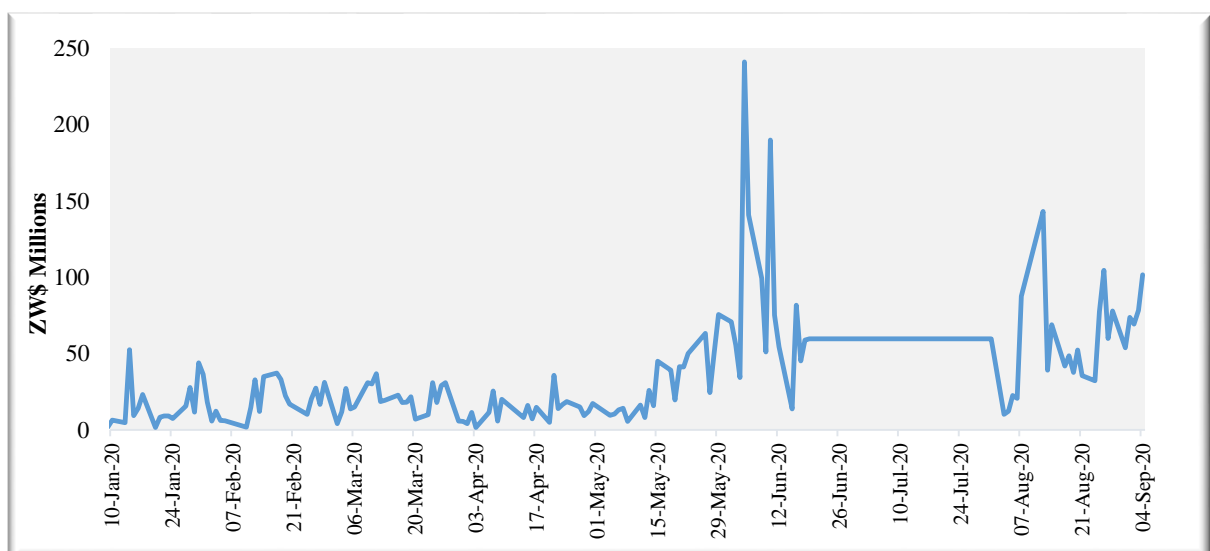


Source: Zimbabwe Stock Exchange, 2020

Market Turnover and Volume

The cumulative volume of shares traded on the ZSE increased by 3.80%, from 51.23 million shares in the week under review to close at 58.43 million shares, during the week under analysis. ZSE market turnover increased to Z\$377.12 million, from Z\$352.15 million in the preceding week.

Figure 4: Daily Market Turnover

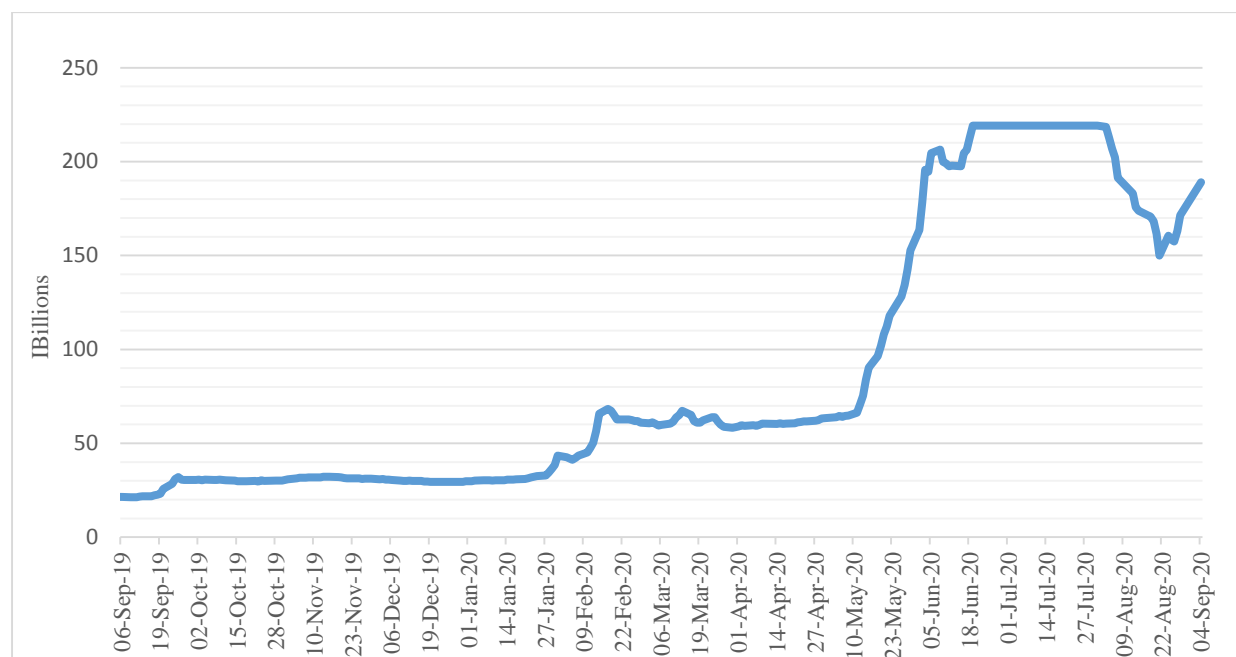


Source: Zimbabwe Stock Exchange, 2020

Market Capitalization

During the week ending 4th September 2020, ZSE market capitalization rose by 10.18% to close at Z\$188.96 billion, from Z\$179.50 billion in the previous week.

Figure 5: Daily Market Capitalization in ZW\$ billions



Source: Zimbabwe Stock Exchange, 2020

Johannesburg Stock Exchange (JSE) Developments

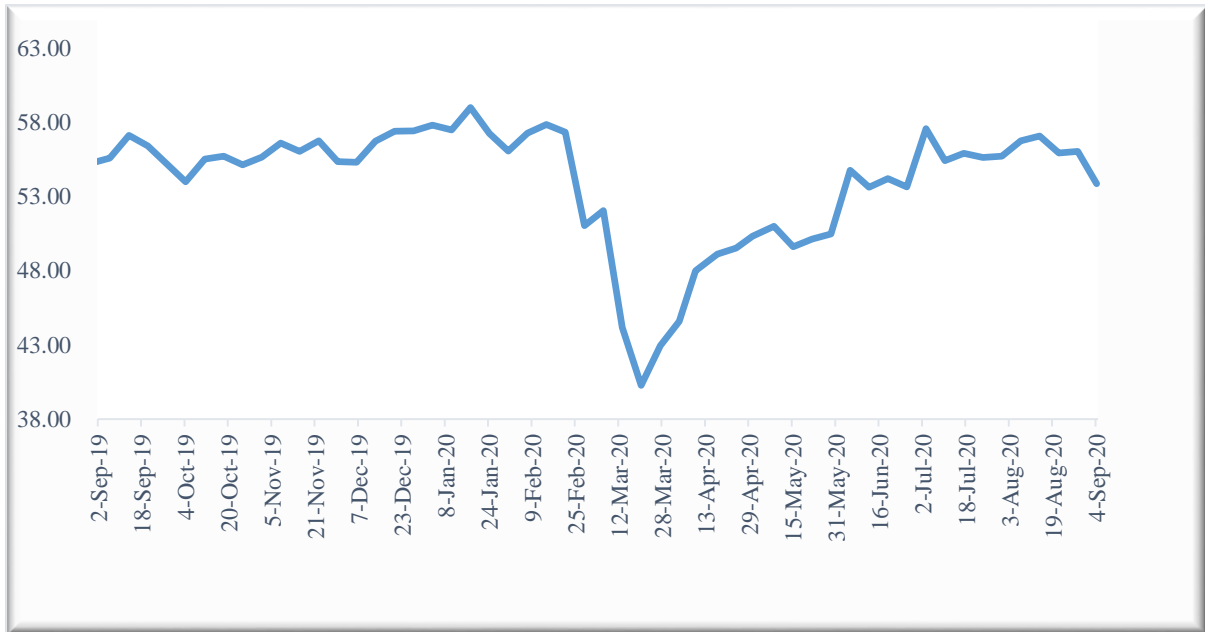
The Johannesburg Stock Exchange (JSE) All share index registered a decline of 3.89% to close at 53,878.95 points, during the week under review. Similarly, JSE market capitalisation was 3.24% lower, to close at ZAR16.72 trillion during the same week.

Table 9: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index	Market Capitalization
	(points)	(ZAR trillions)
31-July-20	55,721.80	17.15
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
% Change	-3.89	-3.24

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			
	13-Aug-20	18-Aug-20	25-Aug-20	1-Sept-20	13-Aug-20	18-Aug-20	25-Aug-20	1- Sept-20
Raw Materials	7,638,735.47	5,267,239.56	4,970,224.02	6,050,369.71	235,721.60	180,953.85	207,931.76	373,003.95
Machinery and Equipment	2,939,205.80	2,826,748.46	3,870,515.84	3,540,376.93	148,685.35	96,791.85	162,741.26	234,793.50
Consumables (Incl. Spares, Tyres, Packaging)	2,530,257.93	1,941,302.63	1,671,224.20	1,307,558.40	145,872.68	78,526.56	151,749.85	112,721.04
Pharmaceuticals and Chemicals	1,421,435.64	1,221,045.68	1,470,373.59	903,605.60	97,023.36	57,358.62	140,450.41	59,584.00
Services (Loans, Dividends and Disinvestments)	1,353,774.00	946,712.64	843,215.51	1,483,611.12	67,416.87	54,000.00	137,101.50	92,988.40
Retail and Distribution	1,215,715.17	471,792.00	766,098.49	1,003,384.34	70,746.16	50,000.00	98,700.00	53,252.63
Fuel, Electricity and Gas	475,820.00	671,834.80	358,564.78	550,750.00	-	-	32,797.06	-
Paper and Packaging	406,230.00	332,882.55	114,655.47	200,000.00	24,400.00	-	29,320.00	50,060.00
TOTAL	17,981,174.01	13,679,558.32	14,064,871.90	15,039,656.10	789,866.02	517,630.88	960,791.84	976,403.52

Source: Reserve Bank of Zimbabwe, 2020