



Weekly Economic Highlights

TABLE OF CONTENTS

1. INTEREST RATES	1
2. CLEARING AND SETTLEMENT ACTIVITY	2
3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS	3
4. EXCHANGE RATE DEVELOPMENTS	5
5. EQUITY MARKETS	6

Week Ending
26th February 2021

1. INTEREST RATES

Deposit Rates

Minimum deposit rates for savings deposits, deposits of 1 month and 3 month tenors remained unchanged, during the week ending 26th February 2021. Similarly, maximum deposit rates for savings deposits and deposits of 3 month tenor were also unchanged from the previous week levels. Maximum deposit rates for deposits of 1 month tenor, however, declined by 0.78 percentage points to close at 9.88%, 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 (%)
29-Jan-21	1.57	4.47	5.11	10.27	6.26	11.15
5-Feb-21	1.57	4.47	5.11	10.27	6.26	11.15
12-Feb-21	1.57	4.24	5.00	10.66	6.08	11.43
19-Feb-21	1.57	4.24	5.00	10.66	6.08	11.43
26-Feb-21	1.57	4.24	5.00	9.88	6.08	11.43

Source: Reserve Bank of Zimbabwe, 2021

Lending Rates

Minimum commercial bank lending rates for individual clients registered an increase, while those for corporate clients declined, during the week under analysis. Maximum lending rates for both individual and corporate clients declined during the same period, as shown in Table 2.

Table 2: Lending Rates (per annum)

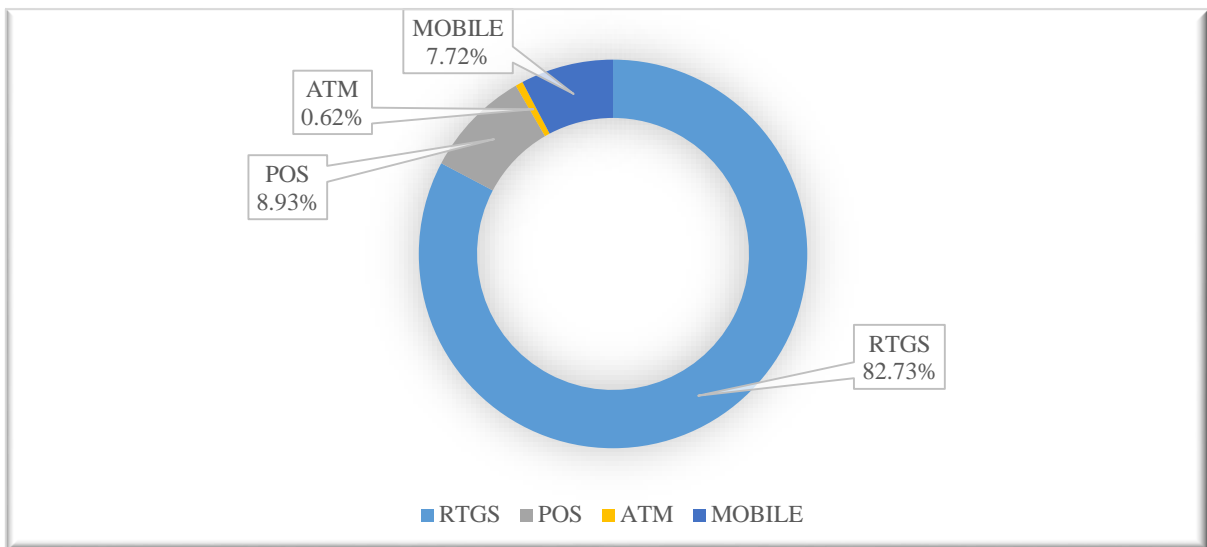
Date	Individual Clients		Corporate Clients	
	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
29-Jan-21	32.65	55.57	22.77	61.12
5-Feb-21	32.65	55.57	22.77	61.12
12-Feb-21	33.57	55.41	21.73	58.67
19-Feb-21	33.57	55.41	21.73	58.67
26-Feb-21	36.67	52.01	21.36	58.43

Source: Reserve Bank of Zimbabwe, 2021

2. CLEARING AND SETTLEMENT ACTIVITY

Transactions worth ZW\$77.81 billion were processed through the National Payment Systems (NPS), during the week under review, a 12.53% increase from ZW\$69.15 billion recorded in the previous week. Real Time Gross Settlement (RTGS) transactions were 8.50% higher and closed the week under analysis at ZW\$64.37 billion. The NPS transaction values were distributed as follows: RTGS, 82.73%; POS, 8.93%; Mobile, 7.72% and ATM, 0.62%.

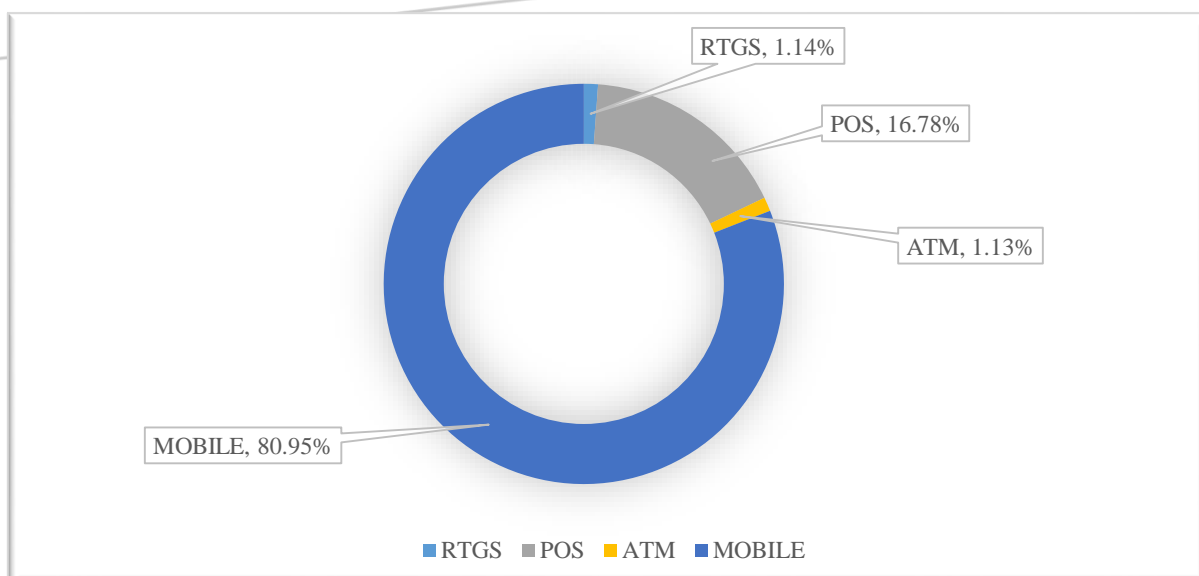
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2021

NPS transaction volumes increased by 9.82%, from 22.80 million transaction recorded in the preceding week to close at 21.66 million transactions, during the week under analysis. In proportions, NPS transaction volumes were dominated by Mobile based transactions at 80.95%; followed by POS, 16.78%; RTGS, 1.14% and ATM, 1.33%.

Figure 2: Composition of NPS Transactions in Volume Terms



Source: Reserve Bank of Zimbabwe, 2021

Table 3: National Payment Systems Activity

PAYMENT STREAM	WEEK ENDING 19 th FEBRUARY 2021	WEEK ENDING 26 th FEBRUARY 2021	% CHANGE FROM LAST WEEK	PROPORTION %
Values in ZW\$ Millions				
RTGS	59,328.68	64,373.00	8.50%	82.73%
POS	5,155.66	6,950.05	34.80%	8.93%
ATM	406.80	482.00	18.49%	0.62%
MOBILE	4,255.78	6,004.49	41.09%	7.72%
TOTAL	69,146.91	77,809.55	12.53%	100%
Volumes				
RTGS	162,050	246,947	52.39%	1.14%
POS	2,911,062	3,634,512	24.85%	16.78%
ATM	151,838	243,761	60.54%	1.13%
MOBILE	16,495,146	17,532,175	6.29%	80.95%
TOTAL	19,720,096	21,657,395	9.82%	100%

Source: Reserve Bank of Zimbabwe, 2021

3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

During the week ending 26th February 2021, weekly average international prices for copper, nickel and crude oil increased. Precious metal prices, however, retreated during the same week, as shown in Table 4.

Table 4: Metal and Crude Oil Prices for the week-ending 26th February 2021

	Gold	Platinum	Copper	Nickel	Crude Oil
2021	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
Weekly average (15-19 Feb)	1,793.79	1,270.80	8,485.20	18,878.72	63.78
22-Feb	1803.13	1270.00	9067.50	19689.00	66.36
23-Feb	1804.58	1250.00	9158.00	19226.00	65.04
24-Feb	1807.25	1239.00	9286.00	19352.00	67.61
25-Feb	1786.03	1250.50	9614.50	19568.00	65.38
26-Feb	1753.98	1206.50	9172.50	18607.00	65.39
Weekly average (22-26 Feb)	1,790.99	1,243.20	9,259.70	19,288.40	65.96
Weekly Change (%)	-0.2	-2.2	9.1	2.2	3.4

Source: BBC, KITCO and Bloomberg, 2021

Gold

Gold prices retreated during the week under review, as a stronger US dollar and elevated U.S. Treasury yields dampened the safe-haven appeal of the precious metal. This development compelled investors to shift to riskier assets as higher yields raised the opportunity cost of holding gold. Accordingly, weekly average gold prices declined by 0.2%, from an average of US\$1,793.79 per ounce in the previous week to US\$1,790.99 per ounce, during the week ending 26th February 2021.

Platinum

Platinum prices retreated by 2.2%, to close the week under review at an average of US\$1,243.20 per ounce. This was due to a stronger US dollar and surging bond yields, which diminished the precious metal's investment demand prospects.

Copper

During the week under review, copper prices remained upbeat supported by buoyant demand, particularly in China, the world's top consumer for the metal. Optimism of a stronger global economic recovery in view of COVID-19 vaccine roll-outs continued to boost the metal's demand outlook. Against this backdrop, prices surged by 9.1%, from a weekly average of US\$8,485.20 per tonne in the previous week to US\$9,259.70 per tonne in the week ending 26th February 2021.

Nickel

Nickel prices rose by 2.2%, from US\$18,878.72 per tonne in the previous week to US\$19,288.40 per tonne, during the week under review. This was due to investor optimism, amid strong demand from the Chinese stainless steel industry.

Brent Crude Oil

Brent crude oil prices extended gains to reach pre-pandemic levels, underpinned by tight supply conditions, owing to production cuts by the Organization of Petroleum Exporting Countries (OPEC), coupled with the sharp drop in oil production in the US. Prices firmed by 3.4%, from a weekly average of US\$63.78 per barrel in the previous week to US\$65.96 per barrel, during the week under review.

4. EXCHANGE RATE DEVELOPMENTS

During the week ending 26th February 2021, the Zimbabwe dollar (ZW\$) remained largely stable against the US dollar, shedding a marginal 0.3%, from ZW\$83.6032 per US\$1 in the prior week to an average of ZW\$83.8350 per US\$1, as shown in Table 5.

Table 5: International Exchange Rates¹

	USD	ZAR	GBP	BWP	EURO
2021					
Weekly average (15-19 Feb)	83.6032	5.7322	116.0843	7.7077	101.0723
22-Feb	83.7573	5.7143	116.0123	7.6850	100.8522
23-Feb	83.7573	5.7274	117.9430	7.6476	101.9452
24-Feb	83.8868	5.7537	118.7628	7.7389	101.9016
25-Feb	83.8868	5.7904	118.8467	7.7305	102.1828
26-Feb	83.8868	5.5633	117.0934	7.7014	101.9646
Weekly average (22-26 Feb)	83.8350	5.7098	117.7316	7.7007	101.7693
Appr(-)/Depr(+) (%) of the ZW\$	<i>0.3</i>	<i>-0.4</i>	<i>1.4</i>	<i>-0.1</i>	<i>0.7</i>

Source: Reserve Bank of Zimbabwe, 2021

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

5. EQUITY MARKETS

During the week ending 26th February 2021, the Zimbabwe Stock Exchange (ZSE) was characterised by positive trading, with Small Cap, All Share, Top 10 and Top 15 increasing by 16.84%, 5.93%, 4.77% and 4.30% to close at 26 164.14 points, 4 154.37 points, 2 469.42 points and 2 847.26 points, respectively.

The increase in the market indices was largely a result of share price gains for Unifreight Africa Limited (107.04%), National Tyre Services Limited (72.43%), National Foods Holdings Limited (43.99%), Mashonaland Holding Limited (35.06%) and First Mutual Holdings Limited (32.13%). Partially offsetting the aforementioned gains were losses in the share prices of Seed Co Limited (13.46%), Zimre Holdings Limited (10.43%), CBZ Holdings Limited (16.70%), Rainbow Tourism Group Limited (5.95%) and First Mutual Properties Limited (5.00%).

The mining index increased by 15.87% to close at 6 683.44points, during the week under analysis. This was due to an increase in the share price of Bindura Nickel Corporation Limited, 19.34% and Riozim Limited, 6.33%.

Table 6: Zimbabwe Stock Exchange Statistics²

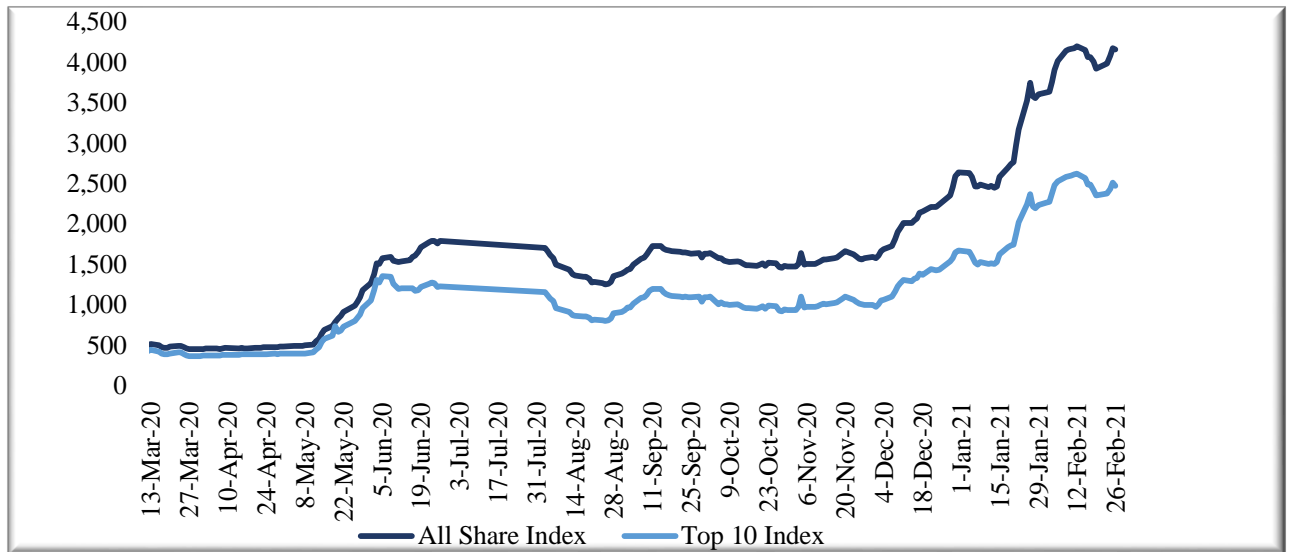
	All Share Index Points	Top 10 index (points)	Top 15 Index ³ points	Medium Cap ³ (points)	Small Cap ³ (points)	Mining Index (points)	Grand Market Capitalization (ZWL million)	Market Turnover (ZWL million)	Volume of Shares (million)
22-Jan-21	3 171.15	2 025.06	2 366.40	6 539.40	11 646.10	3 944.54	380.60	1 566.17	2 297.88
29-Jan-21	3 600.82	2 238.20	2 587.61	7 853.90	13 036.27	4 356.74	434.86	1 315.21	110.23
5-Feb-21	4 012.47	2 526.95	2 918.88	8 526.48	14 316.79	4 728.78	484.82	336.65	29.76
12-Feb-21	4 198.26	2 625.70	3 002.47	8 998.66	18 714.40	5 264.37	509.45	429.66	35.05
19-Feb-21	3 921.68	2 357.01	2 729.82	9 004.78	22 392.49	5 767.82	473.89	382.41	40.16
26-Feb-21	4154.37	2 469.42	2 847.26	9 697.12	26 164.14	6 683.44	501.18	380.53	44.06
% Change	5.93	4.77	4.30	7.69	16.84	15.87	5.76	-0.49	9.70

Source: Zimbabwe Stock Exchange (ZSE), 2021

² 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 shows developments in the ZSE's All Share and Top-10 indices from the 13th March 2020 to the 26th February 2021.

Figure 3: Zimbabwe Stock Exchange All Share and Top 10 Indices

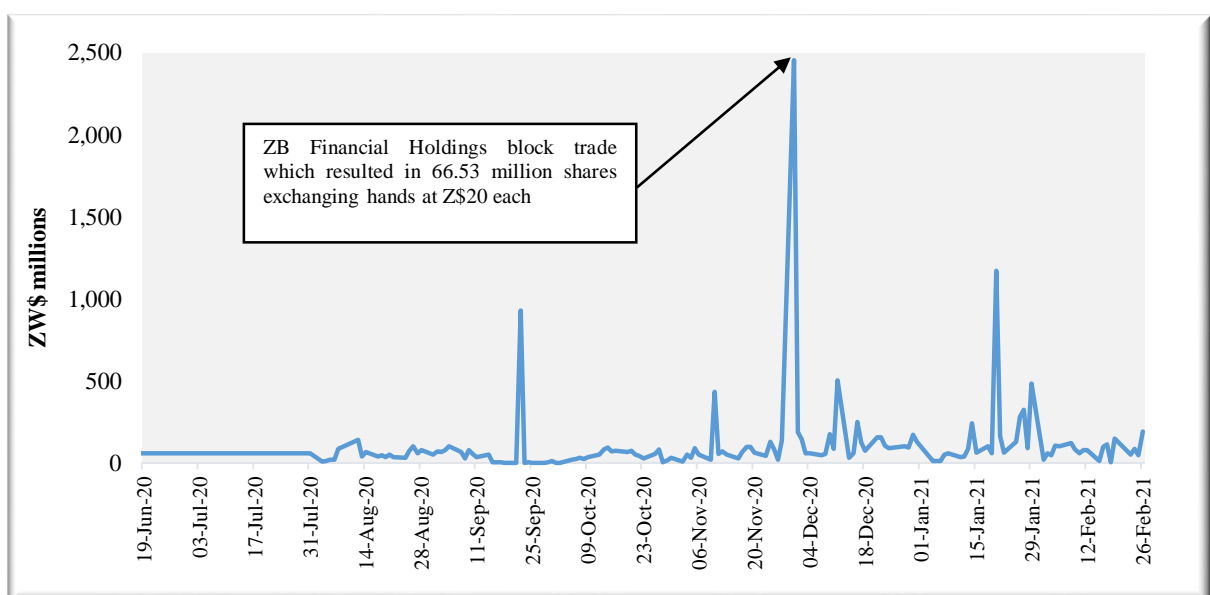


Source: Zimbabwe Stock Exchange, 2021

Market Turnover and Volume

In line with the positive trading on the ZSE during the week under review, the cumulative volume of shares traded increased by 9.70% to 44.06 million shares. The value of shares traded, however, decreased by 0.49% to Z\$380.53 million. Figure 4 shows the trend in daily market turnover for the period 19th June 2020 to 26th February 2021.

Figure 4: Daily Market Turnover

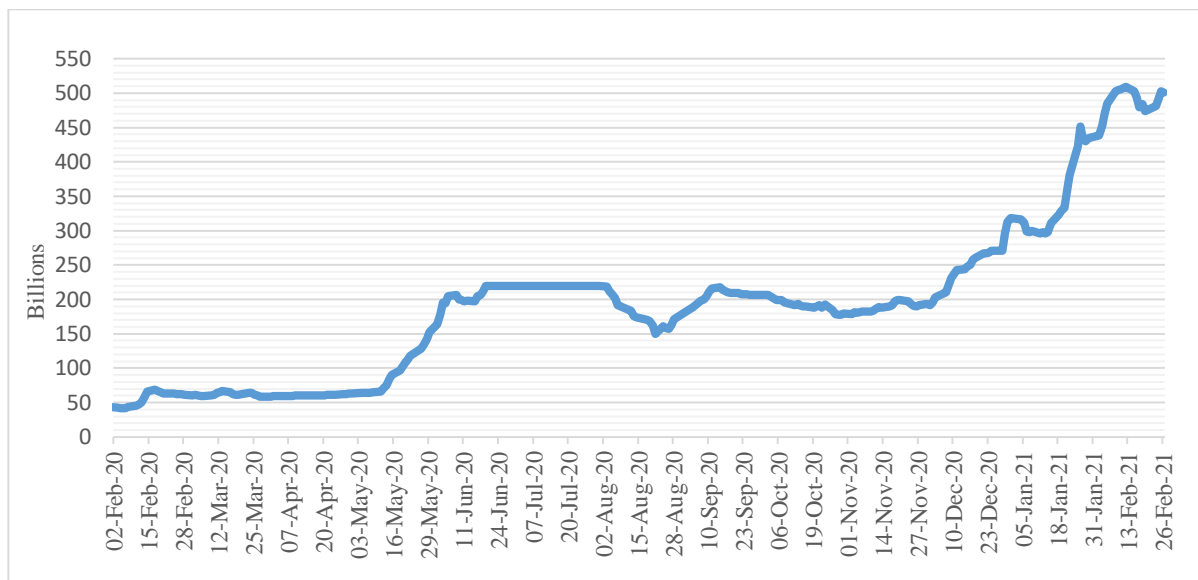


Source: Zimbabwe Stock Exchange, 2021

Market Capitalization

The ZSE gained ZW\$27.29 billion, or 5.76% worth of market capitalisation to close at ZW\$501.18 billion, during the week ending 26th February 2021. This compares with ZW\$473.89 billion recorded in the preceding week.

Figure 5: Daily Market Capitalization in ZW\$ billions



Source: Zimbabwe Stock Exchange, 2021

Johannesburg Stock Exchange (JSE) Developments

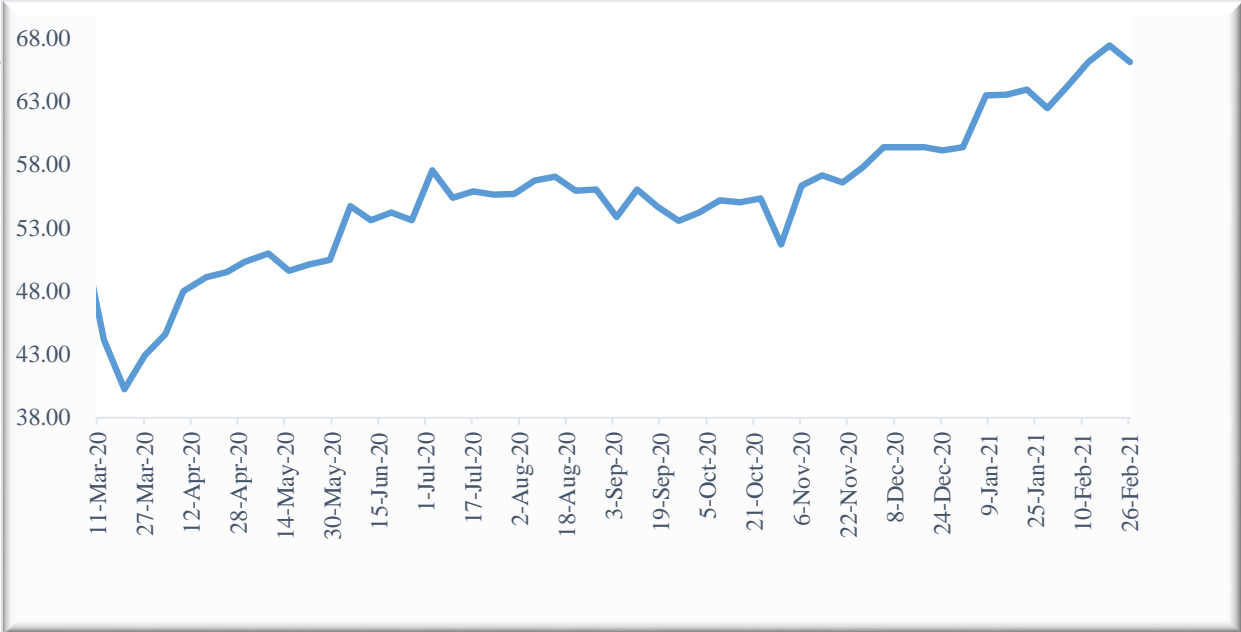
The Johannesburg Stock Exchange (JSE) All share index fell by 1.97% to close at 66,138.05 points, during the week ending 26th February 2021, from 67,464.86 points in the previous week. In tandem, JSE market capitalization declined by 3.05% to close at ZAR19.04 trillion, during the same week.

Table 7: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalization (ZAR trillions)
22-January-21	63,987.92	19.01
29-January-21	62,472.10	18.49
5-February-21	64,289.48	18.92
12-February-21	66,132.24	19.22
19-February-21	67,464.86	19.64
19-February-21	66,138.05	19.04
% Change	-1.97	-3.05

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,2021>

RESERVE BANK OF ZIMBABWE

APPENDIX 1: FOREIGN EXCHANGE AUCTION RESULTS FOR MAINFX³ AND SMEFX⁴

	MAINFX				SMEFX			
	2-Feb-21	9-Feb-21	16-Feb-21	23-Feb-21	2-Feb-21	9-Feb-21	16-Feb-21	23-Feb-21
Total Bids (US\$ dollars)	33,991,133.34	31,980,155.84	35,658,511.50	34,615,283.93	2,708,146.97	2,646,464.78	2,928,388.78	2,579,573.89
Amount Allotted (US\$ dollars)	33,704,856.36	31,980,155.84	35,658,511.50	34,615,283.93	2,625,771.59	2,646,464.78	2,928,388.78	2,579,573.89
Highest Rate	89	87	89	87	89	88	88	88
Lowest Rate	80	81	82	82	80	81	82	82
Lowest Accepted Rate	82	82	82	82	82	82	82	82
Weighted Average Rate	83.3725	83.3720	83.7573	83.8868	83.3725	83.3720	83.7573	83.8868
Number of Bids Received	325	331	368	301	220	215	235	183
Number of Bids Rejected	46	28	44	34	23	18	19	23

Source: Reserve Bank of Zimbabwe, 2021

³ Main Foreign Currency Auction

⁴ Small and Medium Enterprises Foreign Currency Auction

APPENDIX 2: SUMMARY OF FOREIGN CURRENCY AUCTION ALLOTMENTS BY PURPOSE

Purpose	MAINFX				SMEFX			
	2-Feb-21	9-Feb-21	16-Feb-21	23-Feb-21	2-Feb-21	9-Feb-21	16-Feb-21	23-Feb-21
Raw Materials	15,671,423.18	14,241,558.32	17,632,366.75	16,141,537.62	602,842.75	59,5412.97	642,079.49	613,448.97
Machinery and Equipment	3,911,954.77	4,581,809.57	6,168,295.87	6,232,922.02	507,883.59	615,646.39	584,020.62	485,101.40
Consumables (Incl. Spares, Tyres, Packaging)	2,910,507.43	1,994,243.28	2,297,642.05	2,156,924.38	520,178.22	521,743.38	728,829.69	714,924.93
Pharmaceuticals and Chemicals	1,861,528.80	1,946,511.09	1,897,952.19	2,374,832.50	223,507.07	136,593.07	127,726.27	156,065.84
Services (Loans, Dividends and Disinvestments)	2,378,528.65	2,606,817.67	2,420,340.41	1,818,742.38	328,141.97	278,588.16	352,162.24	206,427.25
Retail and Distribution	3,188,652.28	3,326,741.91	2,265,229.28	3,020,305.55	264,884.99	275,661.05	215,332.56	211,500.25
Fuel, Electricity and Gas	3,390,943.37	2,872,621.27	2,747,681.03	2,357,818.73	110,462.00	157,564.75	215,769.41	171,870.25
Paper and Packaging	391,317.88	409,852.73	229,003.92	512,200.75	57,871.00	65,285.01	62,468.50	20,235.00
TOTAL	33,704,856.36	31,980,155.84	35,658,511.50	34,615,283.93	2,615,771.59	2,646,461.78	2,928,388.75	2,579,573.89

Source: Reserve Bank of Zimbabwe, 2021