



Weekly Economic Highlights

TABLE OF CONTENTS

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

Week Ending
22nd January 2021

1. INTEREST RATES

Deposit Rates

Minimum and maximum deposit rates for savings deposits, deposits of 1 month and 3 month tenors remained unchanged during the week ending 22nd January 2021, 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 (%)
24-Dec-20	1.68	4.69	5.63	10.33	6.58	9.42
31-Dec-20	1.68	4.69	5.25	9.55	6.68	9.46
8-Jan-21	1.68	4.69	5.25	9.55	6.68	9.46
15-Jan-21	1.68	4.69	5.08	9.55	6.66	9.46
22-Jan-21	1.68	4.69	5.08	9.55	6.66	9.46

Source: Reserve Bank of Zimbabwe, 2021

Lending Rates

During the week under review, commercial bank minimum and maximum lending rates for individual and cooperate clients remained at previous week levels, as shown in Table 2.

Table 2: Lending Rates Per Annum

Date	Individual Clients		Corporate Clients	
	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
24-Dec-20	31.39	55.58	27.09	60.47
31-Dec-20	32.11	55.47	26.91	60.54
8-Jan-21	32.11	55.47	26.91	60.54
15-Jan-21	32.04	55.49	25.92	60.62
22-Jan-21	32.04	55.49	25.92	60.62

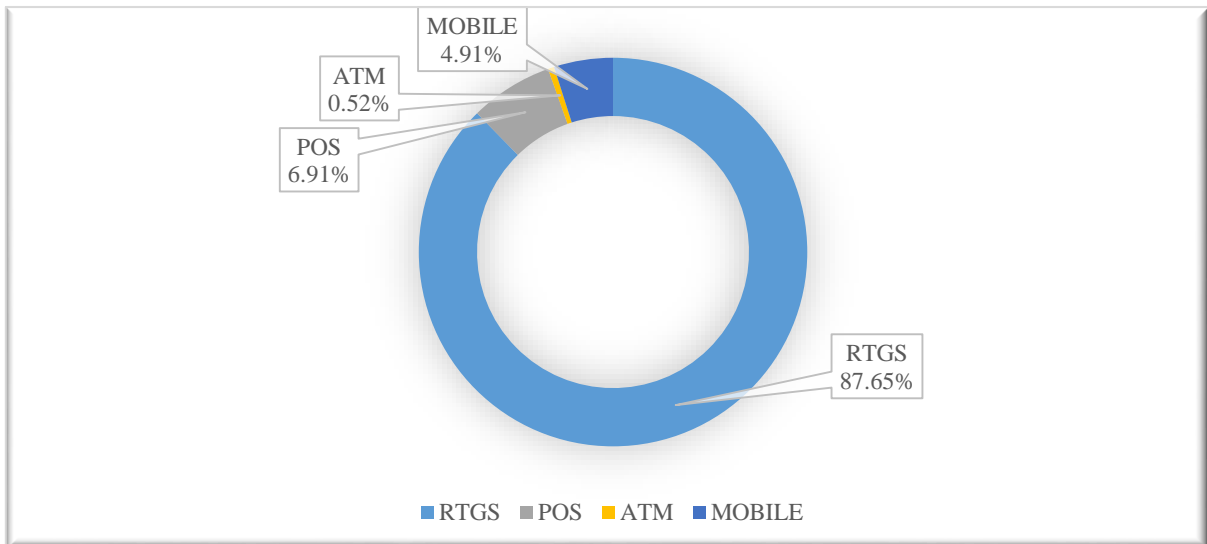
Source: Reserve Bank of Zimbabwe, 2021

2. CLEARING AND SETTLEMENT ACTIVITY

The value of transactions processed through the National Payment Systems (NPS) amounted to ZW\$83.98 billion, during the week under analysis, up from ZW\$73.96 billion in the previous

week. Real Time Gross Settlement (RTGS) transactions stood at ZW\$73.61 billion, a 18.57% increase from ZW\$60.56 billion in the previous week. In value terms, NPS transaction values were distributed as follows: RTGS, 87.65%; POS, 6.91%; Mobile, 4.91% and ATM, 0.52%.

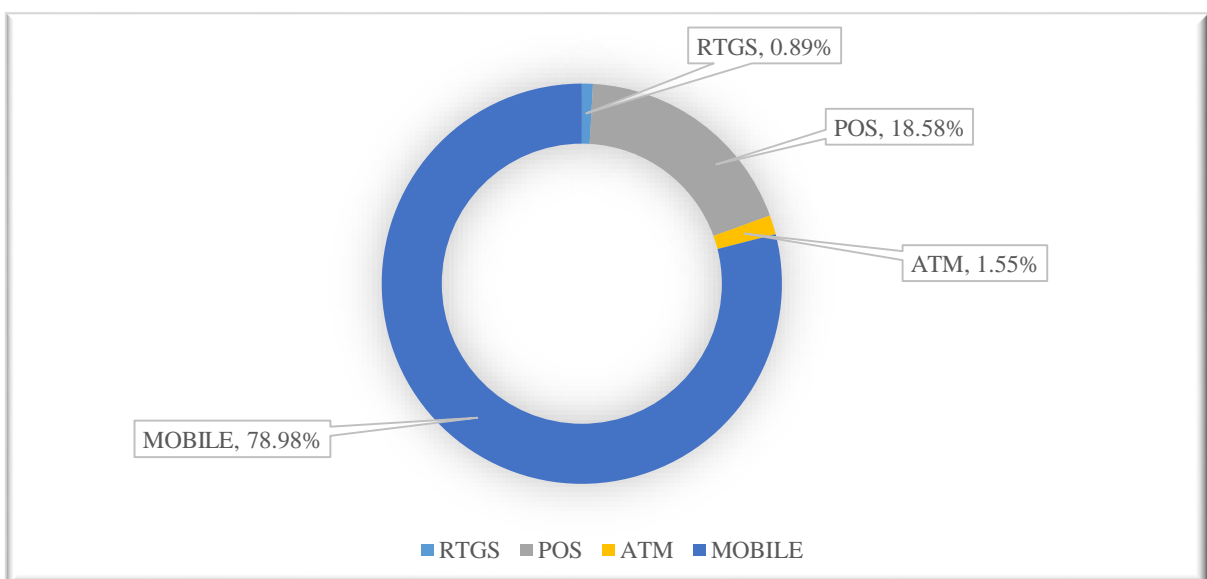
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2021

The volume of NPS transactions declined by 3.89% to close at 19.53 million, during the week under analysis. In proportions, NPS transaction volumes were distributed as follows: Mobile, 78.98%; followed by POS, 15.58%; ATM, 1.55% and RTGS, 0.89%.

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 15 th JANUARY 2021	WEEK ENDING 24 th JANUARY 2021	% CHANGE FROM LAST WEEK	PROPORTION %
Values in ZW\$ Millions				
RTGS	60,562.60	73,608.13	21.54%	87.65%
POS	5,629.04	5,802.24	3.08%	6.91%
ATM	485.49	440.71	-9.22%	0.52%
MOBILE	4,147.53	4,124.17	-0.56%	4.91%
TOTAL	70,824.66	83,975.26	18.57%	100%
Volumes				
RTGS	153,991	174,469	13.30%	0.89%
POS	3,310,476	3,629,452	9.64%	18.58%
ATM	121,164	301,896	149.16%	1.55%
MOBILE	16,737,486	15,427,685	-7.83%	78.98%
TOTAL	20,323,117	19,533,502	-3.89%	100%

Source: Reserve Bank of Zimbabwe, 2021

3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international weekly average prices for gold, platinum, copper and nickel increased, during the week under review. Brent crude oil prices, however, retreated during the same week. Table 4 shows the developments on international commodity prices, during the week under analysis.

Table 4: Metal and Crude Oil Prices for the week-ending 22nd January 2021

	Gold	Platinum	Copper	Nickel	Crude Oil
2021	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
Weekly average (11 – 15 Jan)	1,848.43	1,072.70	7,975.40	17,684.40	55.94
18-Jan	1,833.50	1,077.50	7,972.50	18,056.00	54.96
19-Jan	1,838.90	1,095.50	7,986.50	18,075.00	56.26
20-Jan	1,855.60	1,101.00	8,014.50	18,055.00	55.96
21-Jan	1,864.88	1,125.00	8,051.00	18,370.00	55.46
22-Jan	1,853.15	1,097.00	7,872.00	17,906.00	55.07
Weekly average (18 – 22 Jan)	1,849.21	1,099.20	7,979.30	18,092.40	55.54
Weekly Change (%)	0.04	2.5	0.05	2.3	(0.7)

Source: BBC, KITCO and Bloomberg, 2021

Gold

Gold prices posted a marginal increase of 0.04% to US\$1849.21 per ounce, during the week under review, as investors weighed the risks of the rising Covid-19 confirmed cases. This came as US lawmakers continued to debate the coronavirus aid package, while investors had queries over the efficacy of the vaccines in preventing Covid-19 infections.

Platinum

Platinum prices rebounded during the week on account of the positive demand outlook for jewellery from Asian countries, particularly China. The industrial demand for platinum has of late shown signs of recovery, owing to vaccine optimism in major markets. Consequently, prices increased by 2.5% to US\$1,099.20 per ounce, during the week under analysis, from US\$1,072.70 per ounce recorded in the previous week.

Copper

Copper prices rose by 0.05%, from a weekly average price of US\$7,975.40 per tonne, to US\$7,979.30 per tonne, during the week ending 22nd January 2021. This was prompted by positive demand prospects, following signs of a strong economic recovery in China, the world's largest consumer of base metals. The economic recovery is, however, under threat from the second wave of the coronavirus outbreak as the Asian giant's economy has started to re-impose lockdowns.

Nickel

Nickel prices firmed during the week, rising by 0.2% from a weekly average of US\$17,684.40 per tonne in the previous week to US\$18,092.40 per tonne. Prices were supported by expectations of strong demand, amid positive macroeconomic outlooks in most countries, and particularly in China.

Brent Crude Oil

Brent crude oil prices fell by 0.7%, from a weekly average of US\$55.94 per barrel in the previous week to US\$55.54 per barrel, during the week under review. Prices were weighed down by fears of soaring COVID-19 cases around the world and the slow pace of vaccination against the virus. The decline was, however, moderated by hopes of demand recovery in China, following a better-than-expected rebound in the world's second biggest economy.

4. EXCHANGE RATE DEVELOPMENTS

On the weekly foreign exchange auction market, the Zimbabwe dollar (ZW\$) traded steadily against the US dollar. The local unit depreciated by a marginal 0.1% against the US dollar, from ZW\$81.9695 per US\$1 to ZW\$82.0865 per US\$1, during the week under review. Table 5 shows developments in selected exchange rates, during the week ending 22nd January 2021.

Table 5: International Exchange Rates¹

	USD	ZAR	GBP	BWP	EURO
2021					
Weekly Average (11-15 Jan)	81.9695	5.3475	111.521	7.42682	99.7201
18-Jan	82.0914	5.3807	111.4065	7.4419	99.1459
19-Jan	82.0914	5.3807	111.6895	7.4419	99.2815
20-Jan	82.0833	5.4885	112.0396	7.5110	99.6698
21-Jan	82.0833	5.5127	112.4500	7.5314	99.5631
22-Jan	82.0833	5.4765	112.5445	7.5478	99.9407
Weekly Average (18-22 Jan)	82.0865	5.44779	112.026	7.49477	99.5202
Appr(-)/Depr(+) (%) of the ZWL	0.1	1.9	0.5	0.9	-0.2

Source: Reserve Bank of Zimbabwe, 2021

Table 6: Foreign Exchange Auction results for MAINFX² and SMEFX³

	MAINFX				SMEFX			
	15-Dec-20	21-Dec-20	12-Jan-21	19-Jan-21	15-Dec-20	21-Dec-20	12-Jan-21	19-Jan-21
Total Bids (US\$ dollars)	29,468,843.66	27,909,106.11	33,024,167.01	32,474,342.83	2,477,875.4	1,673,639.08	2,811,445.80	2,875,202.48
Amount Allotted (US\$ dollars)	29,468,843.66	27,909,106.11	33,024,167.01	32,474,342.83	2,477,875.4	1,673,639.08	2,811,445.80	2,875,202.48
Highest Rate	86	86	86	86	86	86	86	87
Lowest Rate	80	80	80	80	80	80	80	80
Lowest Accepted Rate	80	80	80	80	80	80	80	80
Weighted Average Rate	81.7368	81.7866	82.0914	82.0833	81.7368	81.7866	82.0914	82.0833
Number of Bids Received	278	237	305	289	207	129	207	228
Number of Bids Rejected	25	10	32	29	25	9	11	9

Source: Reserve Bank of Zimbabwe, 2020

5. EQUITY MARKETS

During the week ending 22nd January 2021, the Zimbabwe Stock Exchange (ZSE) experienced bullish sentiments, recording a 4 229% and 227.72% increase in the volume and value of shares traded, respectively.

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

Major indices recorded positive growths, with the Top 10, Top 15 and All Share indices increasing by 24.42%; 23.30%; and 22.58% to close at 2 025.06 points; 2 366.40 points; and 3 171.15 points, respectively.

The increase in the market indices was largely a result of share price gains for TSI Limited (93.39%); Axia Corporation Limited (68.04%); Proplastics Limited (65.87%); Dawn Properties Limited (55.41%); and OK Zimbabwe Limited (54.43%). Partially offsetting the aforementioned gains were losses in the share prices of Afdis Distillers Limited (9.09%); Nampak Zimbabwe Limited (6.59%); Cafca Limited (5.88%); and Amalgamated Regional Trading (Art) (3.64%).

The mining index, however, decreased by 2.07% to close at 3 944.54 points, during the week under analysis. The decrease in the resource index was due to a decrease of 4.10% in the share price of Riozim Limited. Table 7 shows selected ZSE statistics.

Table 7: Zimbabwe Stock Exchange Statistics⁴

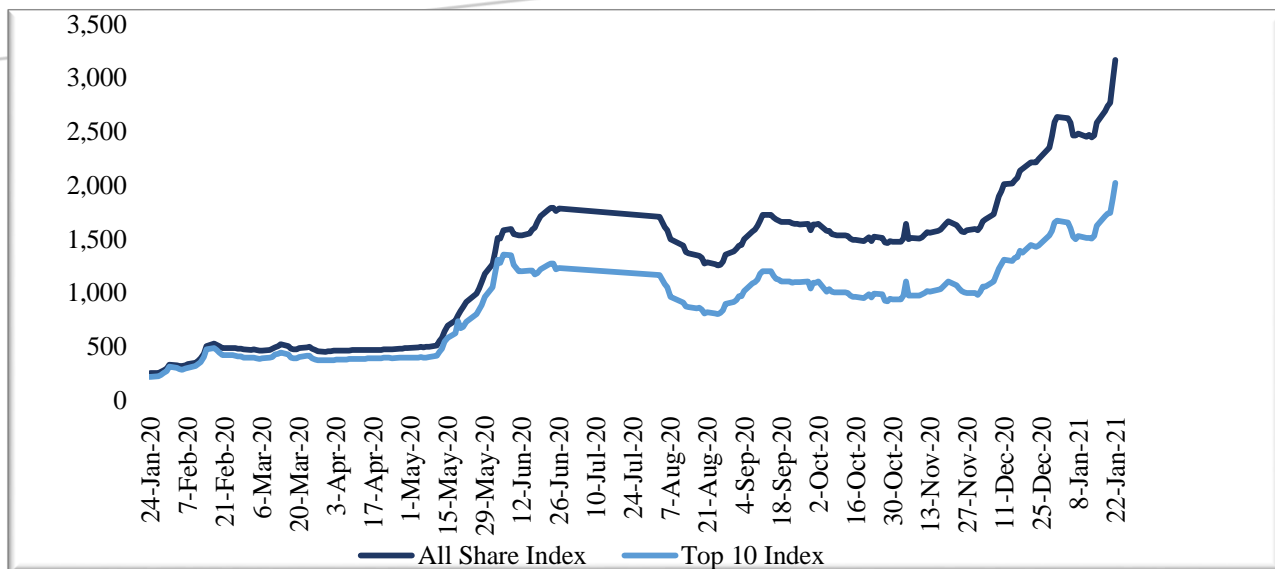
	All Share Index Points	Top 10 index (points)	Top 15 Index ³ points	Medium Cap ³ (points)	Small Cap ³ (points)	Mining Index (points)	Grand Market Capitalization (ZWL million)	Market Turnover (ZWL million)	Volume of Shares (million)
18-Dec-20	2 154.67	1 376.62	1 607.75	4 423.18	9 940.06	3 544.32	260.16	547.10	58.09
24-Dec-20	2 243.43	1 438.20	1 673.61	4 573.78	10 567.45	3 760.86	271.00	356.56	31.70
31-Dec-20	2 636.34	1 671.47	1 976.98	5 491.09	11 914.14	4 134.09	371.89	501.71	33.27
8-Jan-21	2 485.77	1 530.21	1 813.69	5 500.74	10 977.29	3 974.25	299.61	154.30	15.97
15-Jan-21	2,586.90	1,627.56	1,919.21	5,483.84	11,089.74	4,054.04	311.25	477.91	53.08
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
% Change	22.58	24.42	23.30	19.25	5.02	-2.07	22.28	227.72	4 229.00

Source: Zimbabwe Stock Exchange (ZSE), 2021

Figure 3 shows developments in the ZSE's All Share and Top 10 indices from the 24th January 2020 to the 22th January 2021.

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 All Share and Top 10 Indices



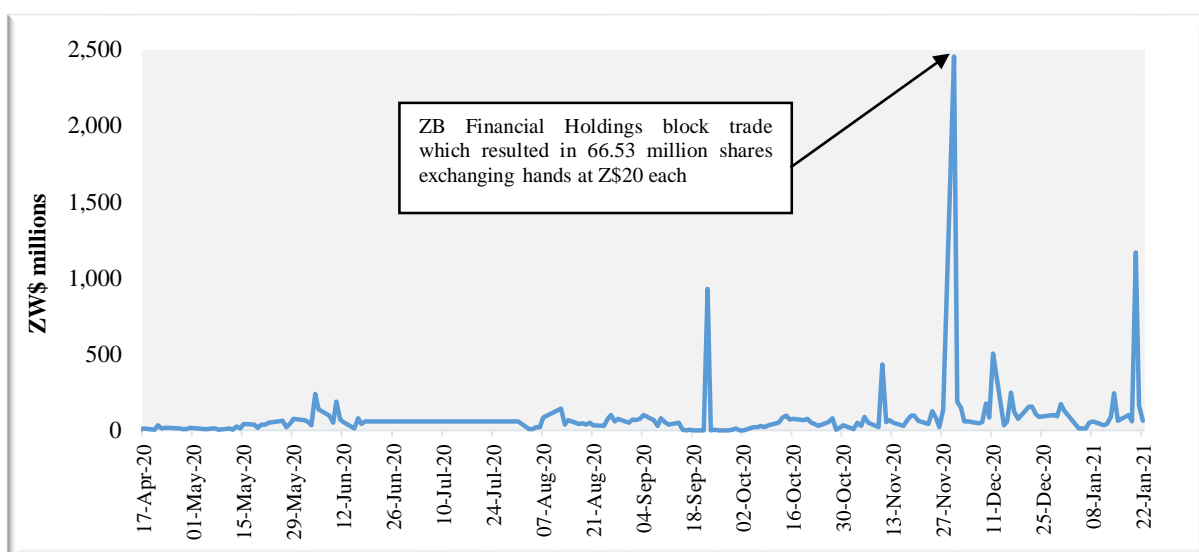
Source: Zimbabwe Stock Exchange, 2021

Market Turnover and Volume

In line with the bullish trading experienced during the week under review, the cumulative volume and value of shares traded increased by 4 229.00% and 227.72% to 2 297.88 million shares and Z\$1 566.17 million, respectively.

The increase in trading was due to a negotiated deal on Dawn Properties on the 20th of January 2021, which saw 2 240.36 million shares being traded on that counter at Z\$0.48 per share.

Figure 4: Daily Market Turnover

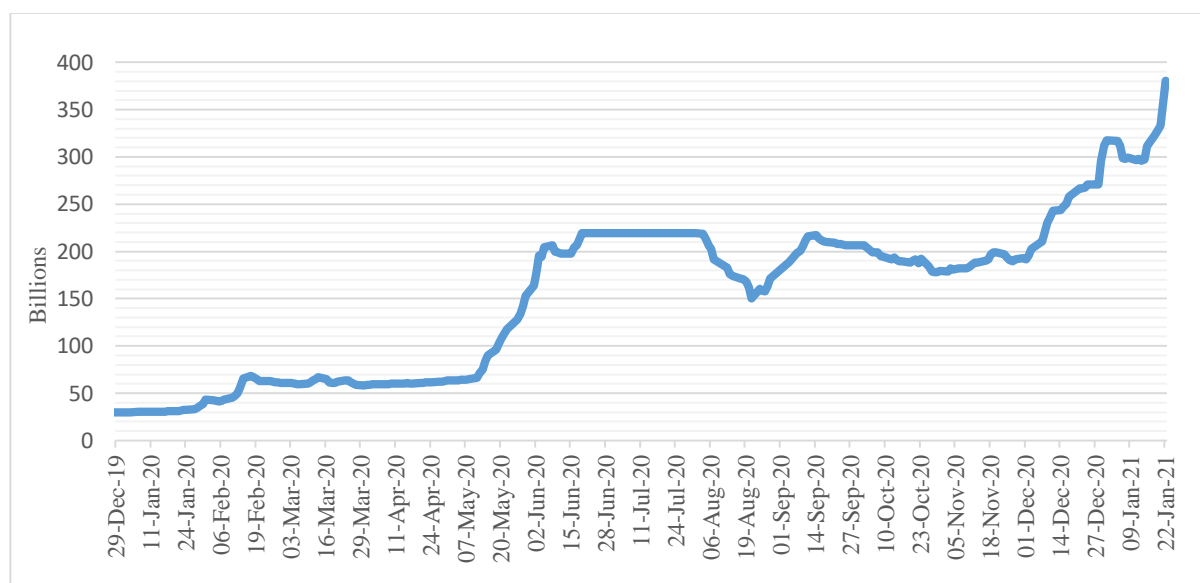


Source: Zimbabwe Stock Exchange, 2021

Market Capitalization

Following the bullish sentiments that characterized the market during the week under review, the ZSE gained ZW\$69.35 billion, or 22.28% worth of market capitalisation to close at ZW\$380.60 billion, compared to ZW\$311.25 billion recorded during the previous week.

Figure 5: Daily Market Capitalization in ZW\$ billions



Source: Zimbabwe Stock Exchange, 2021

Johannesburg Stock Exchange (JSE) Developments

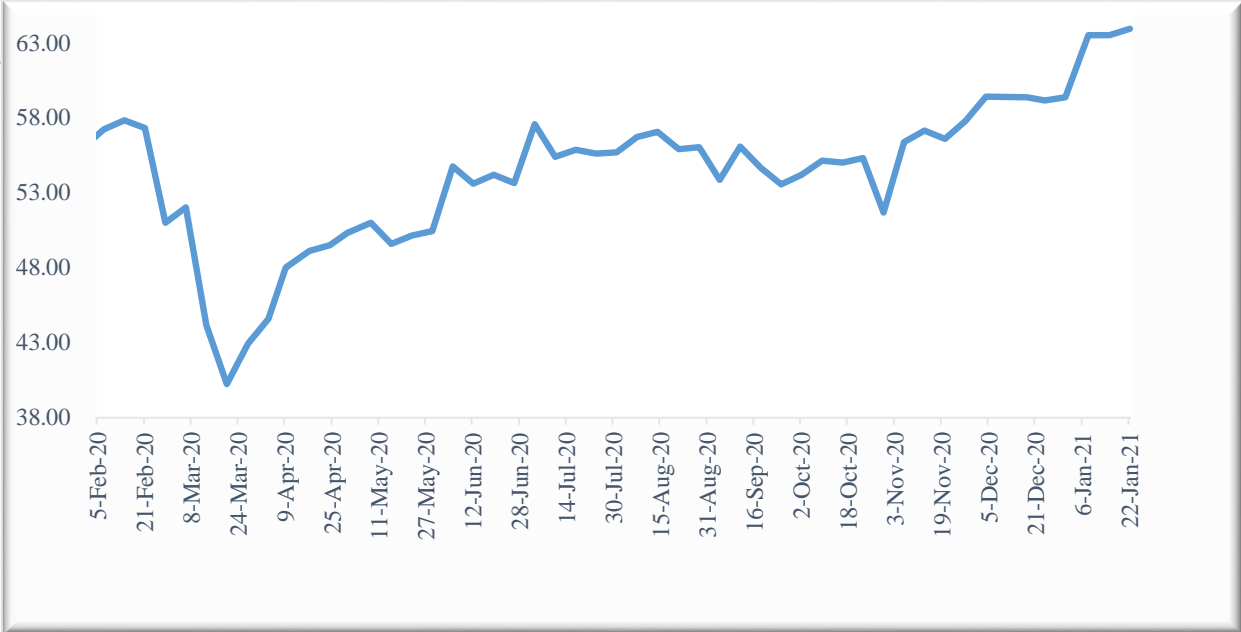
The Johannesburg Stock Exchange (JSE) All share index rose by 0.69%, from 63,549.75 points in the previous week to 63,987.92 points in the week under analysis. JSE market capitalization increased by 0.80% to close at ZAR19.01 trillion, during the same week.

Table 8: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index	Market Capitalization
	(points)	(ZAR trillions)
18-December-20	59,788.12	17.91
24-December-20	59,175.80	17.72
31-December-20	59,408.68	17.85
8-January-20	63,519.18	18.79
15-January-20	63,549.75	18.86
22-January-20	63,987.92	19.01
% Change	0.69	0.80

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: SUMMARY OF FOREIGN CURRENCY AUCTION ALLOTMENTS BY PURPOSE

Purpose	MAINFX				SMEFX			
	15-Dec-20	21-Dec-20	12-Jan-21	19-June-21	15-Dec-20	21-Dec-20	12-Jan-21	19-Jan-21
Raw Materials	15,459,943.39	13,301,481.09	16,689,326.97	14,860,000.50	614,518.31	503,434.33	663,898.47	723,820.73
Machinery and Equipment	5,733,891.17	4,550,481.08	4,055,706.41	6,218,398.68	553,266.45	287,409.40	605,825.02	527,444.38
Consumables (Incl. Spares, Tyres, Packaging)	1,645,495.48	1,567,264.86	1,998,458.79	1,621,972.59	528,768.79	353,602.63	648,742.50	681,830.48
Pharmaceuticals and Chemicals	2,009,086.47	1,084,551.98	2,399,586.12	1,833,334.58	66,908.85	133,096.80	132,534.40	165,453.82
Services (Loans, Dividends and Disinvestments)	2,046,398.09	2,700,865.11	2,082,323.40	1,760,405.40	205,596.59	163,989.68	335,252.72	359,206.46
Retail and Distribution	2,239,123.12	1,650,733.10	2,628,099.97	2,336,665.61	322,412.58	57,932.12	223,009.05	180,481.80
Fuel, Electricity and Gas	95,750.00	2,543,013.07	2,913,583.48	3,451,572.03	95,750.00	150,876.20	149,583.64	163,003.96
Paper and Packaging	239,155.94	510,715.82	257,081.87	391,993.44	90,653.83	23,297.92	52,600.00	73,960.85
TOTAL	29,468,843.66	27,909,106.11	33,024,167.01	32,474,342.83	2,477,875.40	1,673,639.08	2,811,445.80	2,875,202.48

Source: Reserve Bank of Zimbabwe, 2021