



# Weekly Economic Highlights

## TABLE OF CONTENTS

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

Week Ending  
2<sup>nd</sup> July 2021

## 1. INTEREST RATES

### Deposit Rates

Minimum and maximum deposit rates for savings deposits and deposits of 1 month tenor remained at previous week levels, while maximum and minimum deposit rates for deposits of 3 month tenor registered increases, during the week ending 2<sup>nd</sup> July 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 (%)
4-Jun-21	1.57	4.24	5.42	10.77	6.89	11.72
11- June-21	1.57	4.24	5.42	10.77	6.89	11.72
18-June-21	1.57	4.24	5.42	10.77	6.89	11.72
25-June -21	1.57	4.24	5.42	10.77	6.89	11.72
2-July-21	1.57	4.24	5.42	10.77	7.00	11.83

Source: Reserve Bank of Zimbabwe, 2021

### Lending Rates

During the week under review, commercial bank minimum and maximum lending rates for individuals and corporate clients were all lower than in the previous week, as shown in Table 2.

**Table 2: Lending Rates (per annum)**

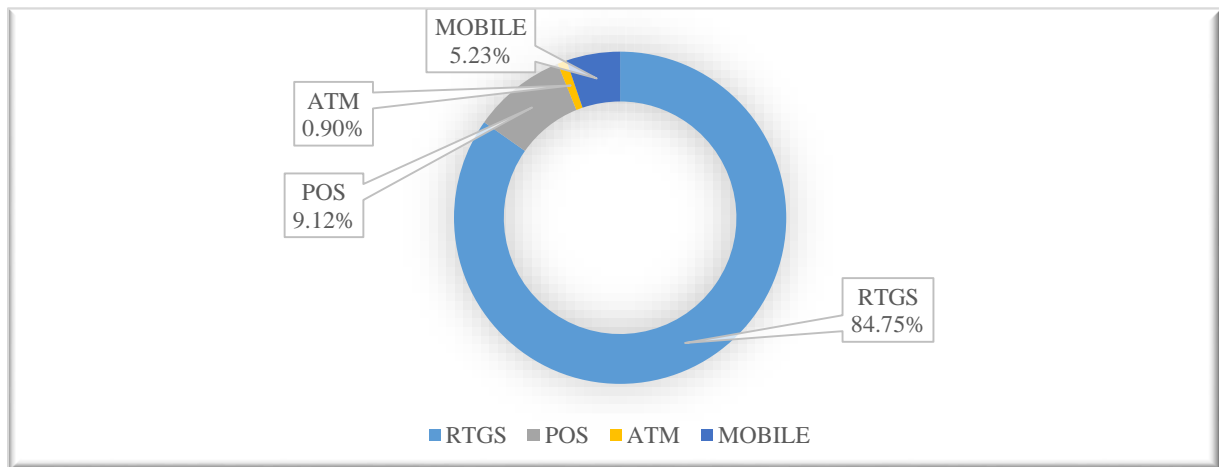
Date	Individual Clients		Corporate Clients	
	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
4-Jun-21	36.03	57.05	21.81	59.79
11-June-21	36.03	57.05	21.81	59.79
18-June-21	36.25	57.04	22.46	59.66
25-June-21	36.25	57.04	22.46	59.66
2-July-21	36.11	56.78	21.91	59.60

Source: Reserve Bank of Zimbabwe, 2021

## 2. CLEARING AND SETTLEMENT ACTIVITY

A total of ZW\$134.26 billion worth of transactions was processed through the National Payment Systems (NPS), during the week ending 2<sup>nd</sup> July 2021. Compared to the preceeding week, this represented an increase of 30.85%. The value of Real Time Gross Settlement (RTGS) transactions increased from ZW\$85.57 billion in the previous week to close at ZW\$113.79 billion, during the week under analysis. In value terms, NPS transactions were distributed as follows: RTGS, 84.75%; POS, 9.12%; Mobile, 5.23%; and ATM, 0.90%.

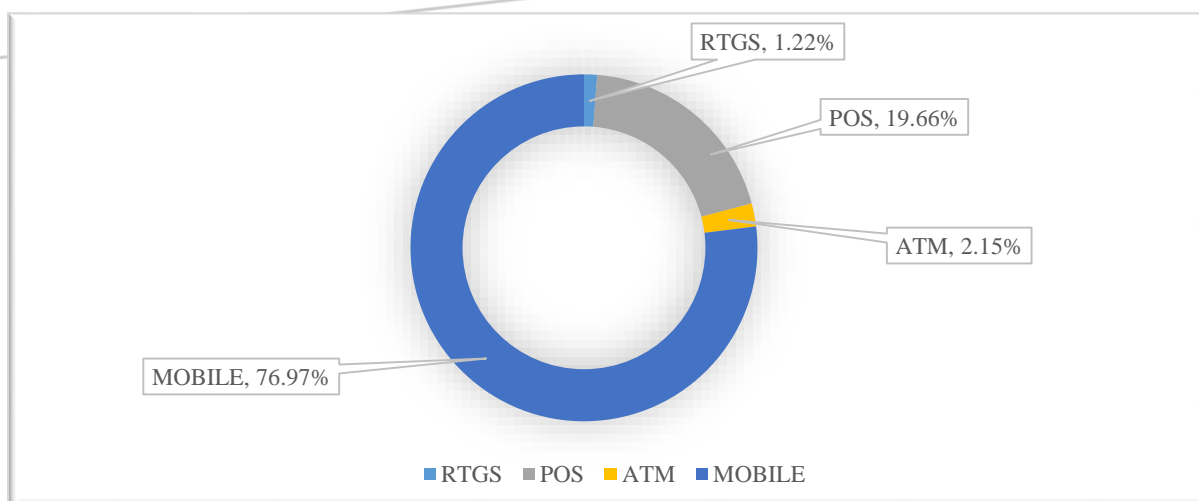
**Figure 1: Composition of NPS Transactions in Value Terms**



*Source: Reserve Bank of Zimbabwe, 2021*

NPS transaction volumes increased by 4.94%, from 22.55 million transactions in the previous week to 23.66 million transactions, during the week under review. The volume of NPS transactions was distributed as follows: Mobile, 76.97%; POS, 19.66%; RTGS, 1.22%; and ATM, 2.15%.

**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 25 <sup>th</sup> June 2021	WEEK ENDING 2 <sup>nd</sup> July 2021	% CHANGE FROM LAST WEEK	PROPORTION %
<b>Values in ZW\$ Millions</b>				
RTGS	85,567.45	113,788.05	34.55%	84.75%
POS	11,001.70	12,247.20	11.32%	9.12%
ATM	500.69	1,207.92	141.25%	0.90%
MOBILE	6,543.84	7,021.79	7.30%	5.23%
<b>TOTAL</b>	<b>102,613.68</b>	<b>134,264.96</b>	<b>30.85%</b>	<b>100%</b>
<b>Volumes</b>				
RTGS	227,536	289,587	4.34%	1.22%
POS	4,273,963	4,651,527	8.83%	19.66%
ATM	435,449	508,866	16.86%	2.15%
MOBILE	17,559,933	18,210,906	3.71%	76.97%
<b>TOTAL</b>	<b>22,546,881</b>	<b>23,660,886</b>	<b>4.94%</b>	<b>100%</b>

Source: Reserve Bank of Zimbabwe, 2021

### 3. TOBACCO SALES

As at 2<sup>nd</sup> July 2021 or day 61 of the 2021 tobacco selling season, a cumulative total of 180.46 million kilograms of tobacco had been sold. This reflected an increase of 16.69%, compared to the cumulative total of 154.64 million kilograms of tobacco sold during the same period in 2020. In value terms, cumulative tobacco sales stood at US\$497.29 million, compared to US\$379.82 million, realised during the comparable period in the previous marketing season. Table 4 shows tobacco statistics.

**Table 4: Weekly Cumulative Tobacco Sales: Day 61 (2<sup>nd</sup> July 2021)**

	2020	2021	Variance (%)
<b>Cumulative Quantity Sold (million kgs)</b>	154,639,238	180,455,450	16.69
<b>Average Price(US\$/kg)</b>	2.46	2.76	12.20
<b>Cumulative value (US\$ million)</b>	379,823,739	497,291,172	30.93

Source: Tobacco Industry and Marketing Board (TIMB), 2021

The golden leaf was sold at a higher price of US\$2.76/kg, compared to \$2.46/kg realised during the corresponding period in 2020.

#### 4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

During the week ending 2<sup>nd</sup> July 2021, weekly average prices for gold and Brent crude oil retreated. Platinum, copper and nickel prices, however, firmed. The movements in selected international commodity prices, during the week under review, are shown in Table 5.

**Table 5: Metal and Crude Oil Prices for the week-ending 2<sup>nd</sup> July 2021**

	Gold	Platinum	Copper	Nickel	Crude Oil
2021	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
<b>Weekly Average (21-25 Jun)</b>	<b>1,782.52</b>	<b>1,073.60</b>	<b>9,269.10</b>	<b>17,936.20</b>	<b>75.46</b>
<b>28-Jun</b>	1,777.28	1,104.50	9,333.50	18,358.00	73.82
<b>29-Jun</b>	1,762.53	1,073.50	9,225.50	18,213.00	74.67
<b>20-Jun</b>	1,760.48	1,056.50	9,385.00	18,450.00	74.65
<b>1-Jul</b>	1,777.75	1,085.00	9,342.00	18,082.00	76.02
<b>2-Jul</b>	1,784.83	1,092.50	9,296.50	18,141.00	75.97
<b>Weekly Average (28 Jun-02 Jul)</b>	<b>1,772.57</b>	<b>1,082.40</b>	<b>9,316.50</b>	<b>18,248.80</b>	<b>75.03</b>
<b>Weekly Change (%)</b>	-0.6	0.8	0.5	1.7	-0.6

Source: BBC, KITCO and Bloomberg, 2021

#### Gold

Gold prices eased during the week on account of a stronger US dollar and stable U.S treasury yields, following release of strong US payroll data. The decline in the price of the yellow metal was, however, moderated by prospects of strong haven demand, amid concerns over the rapidly spreading Delta variant of the coronavirus. Resultantly, prices fell by 0.6%, from a weekly

average of US\$1,782.52 per ounce in the previous week to US\$1,772.57 per ounce, during the week under review.

### **Platinum**

Platinum prices bounced back during the week under review, gaining 0.8% from a weekly average of US\$1,073.60 per ounce to US\$1,082.40 per ounce, during the week ending 2<sup>nd</sup> July 2021. The rebound in platinum prices was underpinned by hopes of strong demand for metals in the US, the world's largest economy, as investors rebuild their long positions, following positive U.S. jobs data.

### **Copper**

Copper prices also firmed, supported by upbeat U.S. jobs data which boosted hopes of stronger demand for metals in the US. In addition, the base metal price was also boosted after China announced that it would release smaller quantities of copper reserves as part of its efforts to tame surging prices of raw materials. The rebound was, however, capped by a stronger US dollar. Prices posted a marginal increase of 0.5%, from a weekly average of US\$9,269.10 per tonne to US\$9,316.50 per tonne, during the week under review.

### **Nickel**

Nickel prices gained on account of supply concerns, following Russia's announcement of possible export taxes and Indonesia's plan to restrict investment in nickel pig iron and ferro-nickel smelters. Resultantly, nickel prices increased by 1.7%, from a weekly average of US\$17,936.20 per tonne in the previous week to US\$18,248.80 per tonne, during the week ending 2<sup>nd</sup> July 2021.

### **Brent Crude Oil**

Brent Crude oil prices retreated by 0.6%, from a weekly average of US\$75.46 per barrel to US\$75.03 per barrel, during the week under review. The slump in prices came as investors weighed the impact of the failure by OPEC to come up with an agreement over future output levels. Furthermore, demand concerns emanating from the rapid spread of the highly contagious Delta variant of the coronavirus, which sparked new mobility restrictions around the world, weighed down crude oil prices.

## 5. EXCHANGE RATE DEVELOPMENTS

In the week under review, the Zimbabwe dollar (ZW\$) traded steadily against the US dollar, losing by a marginal 0.1%, from an average of ZW\$85.3180 per US\$1 in the previous week to close the week at an average of ZW\$85.3764 per US\$1. Developments in selected exchange rates are shown in Table 6.

**Table 6: International Exchange Rates<sup>1</sup>**

	USD	ZAR	GBP	BWP	EURO
<b>2021</b>					
<b>Weekly Average (21-25 Jun)</b>	<b>85.3180</b>	<b>5.9853</b>	<b>118.6138</b>	<b>7.8301</b>	<b>101.6388</b>
<b>28-Jun</b>	85.2455	6.0187	118.5783	7.8545	101.7997
<b>29-Jun</b>	85.3664	5.9809	118.3949	7.8285	101.7058
<b>30-Jun</b>	85.4234	5.9577	118.3072	7.8207	101.6496
<b>1-Jul</b>	85.4234	5.9755	118.0471	7.8250	101.2184
<b>2-Jul</b>	85.4234	5.9032	117.5941	7.8250	101.1586
<b>Weekly Average (28 Jun to 02-Jul)</b>	<b>85.3764</b>	<b>5.9672</b>	<b>118.1843</b>	<b>7.8307</b>	<b>101.5064</b>
<b>Appr(-)/Depr(+) (%) of the ZWL</b>	0.1	-0.3	-0.4	0.0	-0.1

Source: Reserve Bank of Zimbabwe, 2021

## 6. EQUITY MARKETS

During the week ending 2<sup>nd</sup> July 2021, the Zimbabwe Stock Exchange (ZSE) maintained a positive momentum for the seventh consecutive week. The All Share, Medium and Small Cap indices gained by 0.50%, 3.42%, and 33.11% to close at 6 169.15 points, 17 070.05 points and 211 801.65 points, respectively. The Top 10 index, however, shed 3.09% to close at 3 147.49 points.

The increase in the market indices emanated from share price gains for Truworths Limited (69.81%), Zimbabwe Newspapers (62.09%), Rainbow Tourism Group Limited (53.07%), Willdale Limited (50.29%) and Fidelity Life Assurance Limited (42.67%). Partially offsetting the gains were declines in the share prices of First Mutual Properties Limited (10.15%), Delta Corporation Limited (7.84%), OK Zimbabwe Limited (7.29%), Axia Corporation Limited (5.61%) and Econet Wireless Zimbabwe Limited (5.20%).

The mining index recovered from the loss of the previous week, by gaining 0.71% to close at 6 353.05 points, during the week under analysis. The marginal increase in the mining index

<sup>1</sup> Direct quote – the amount of domestic currency needed to exchange for 1 unit of foreign currency

was a result of a 1.04% gain in the share price for Bindura Nickel Corporation Limited. RioZim Limited did not register any trades, during the week under review.

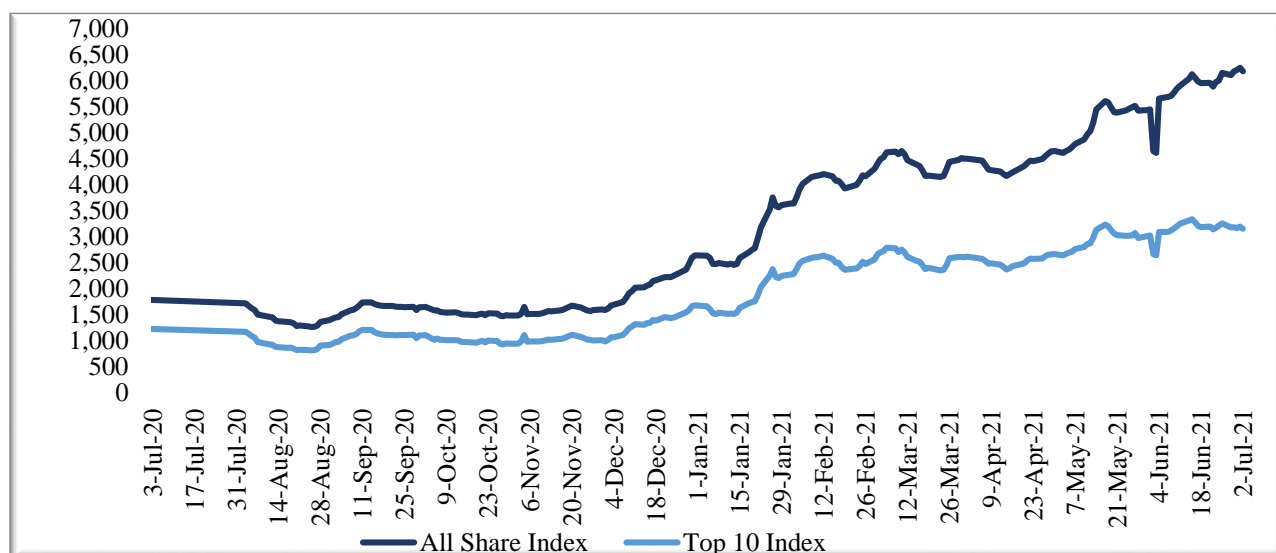
**Table 7: Zimbabwe Stock Exchange Statistics<sup>2</sup>**

	All Share Index Points	Top 10 index (points)	Top 15 Index <sup>3</sup> points	Medium Cap <sup>3</sup> (points)	Small Cap <sup>3</sup> (points)	Mining Index (points)	Grand Market Capitalization (ZWL million)	Market Turnover (ZWL million)	Volume of Shares (million)
<b>28-May-21</b>	5,415.23	2,964.82	3,389.72	14,058.91	68,279.48	6,825.09	632.54	518.96	30.14
<b>4-Jun-21</b>	5,646.12	3,082.87	3,506.58	14,704.50	74,079.26	6,665.61	658.65	716.39	52.60
<b>11-June21</b>	5,891.40	3,241.52	3,650.18	14,996.19	99,408.18	6,049.18	681.28	1820.56	120.43
<b>18-June 21</b>	5,941.21	3,172.69	3,607.32	15,626.42	116,880.97	6,665.61	691.99	743.88	39.09
<b>25-June-21</b>	6,138.69	3,247.86	3,724.42	16,505.89	159,118.65	6,308.43	738.70	743.61	45.71
<b>02-July-21</b>	6,169.15	3,147.49	3,651.12	17,070.05	211,801.65	6,353.05	741.76	874.08	64.41
<b>% Change</b>	<b>0.50</b>	<b>-3.09</b>	<b>-1.97</b>	<b>3.42</b>	<b>33.11</b>	<b>0.71</b>	<b>0.41</b>	<b>17.55</b>	<b>40.91</b>

Source: Zimbabwe Stock Exchange (ZSE), 2021

Figure 3 shows developments on the ZSE's All Share, Top 10 and mining indices from the 3<sup>rd</sup> July 2020 to 2<sup>nd</sup> July 2021.

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



Source: Zimbabwe Stock Exchange, 2021

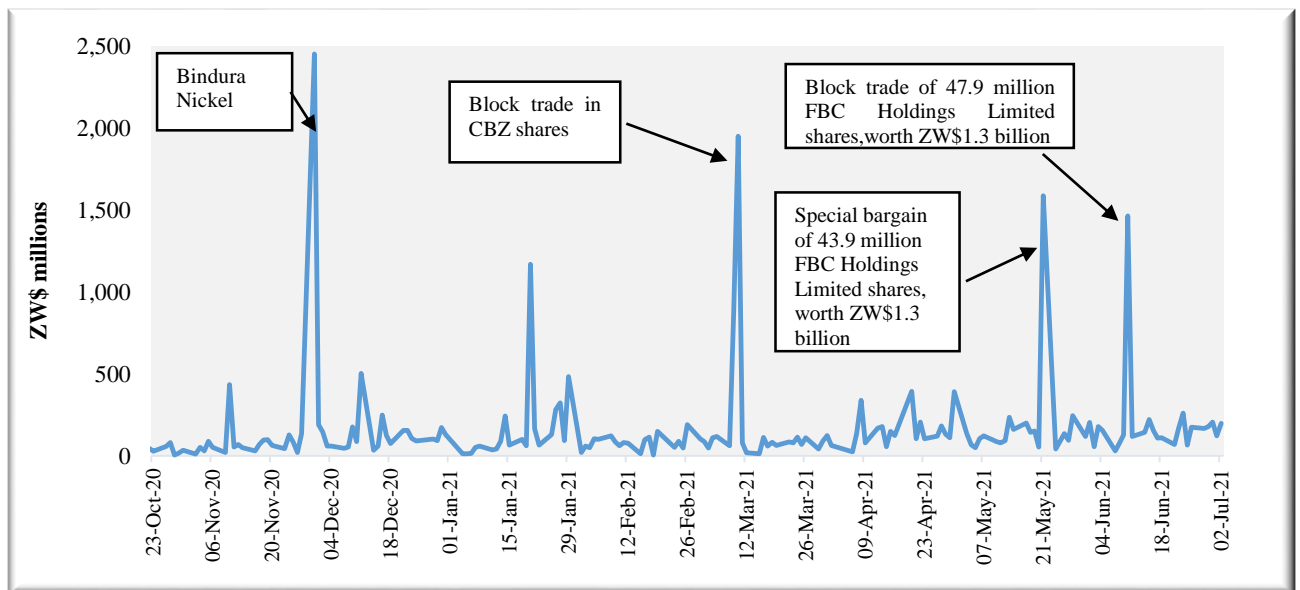
<sup>2</sup> The Zimbabwe Stock Exchange (ZSE) adopted the Global Industry Classification Standards, effective from 1 January 2020. The ZSE indices constitute the following categories; Top 10 Index; Top 15; Top 25; Medium cap and Small cap Indices.



## Market Turnover and Volume

In tandem with positive trading activity on the ZSE during the week under review, the cumulative volume and value of shares traded increased by 40.90% and 17.55% to close at 64.41 million shares and ZW\$874.08 million, respectively.

**Figure 4: Daily Market Turnover**

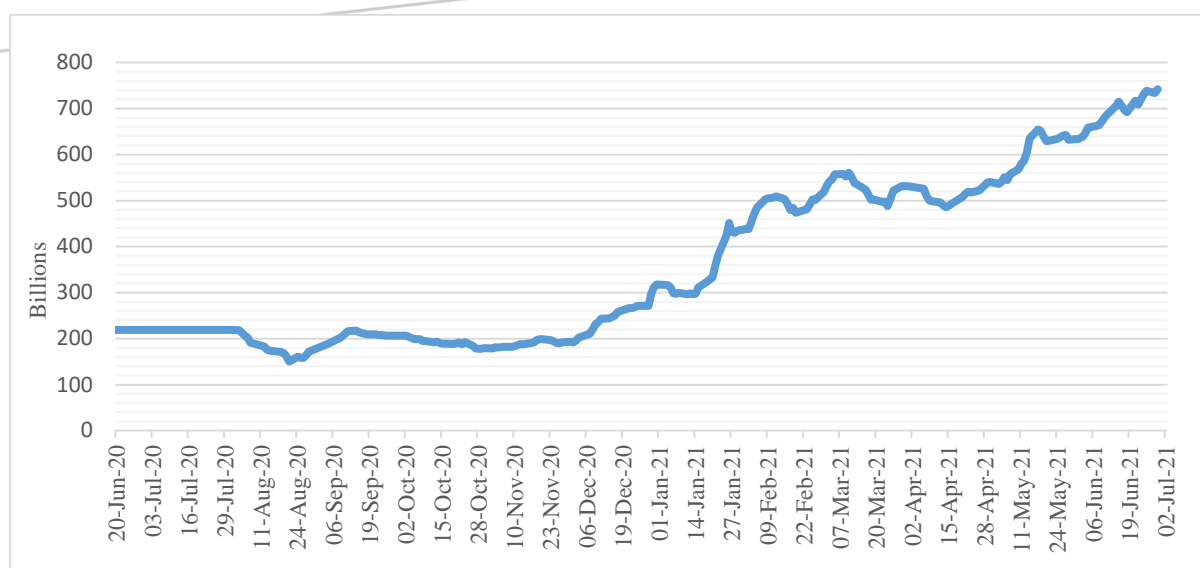


Source: Zimbabwe Stock Exchange, 2021

## Market Capitalization

During the week under analysis, the ZSE added ZW\$3.06 billion, or 0.41% worth of capitalization to close at ZW\$741.76 billion, compared to the previous week's position.

**Figure 5: Daily Market Capitalization in ZW\$ billions**



Source: Zimbabwe Stock Exchange, 2021

### Johannesburg Stock Exchange (JSE) Developments

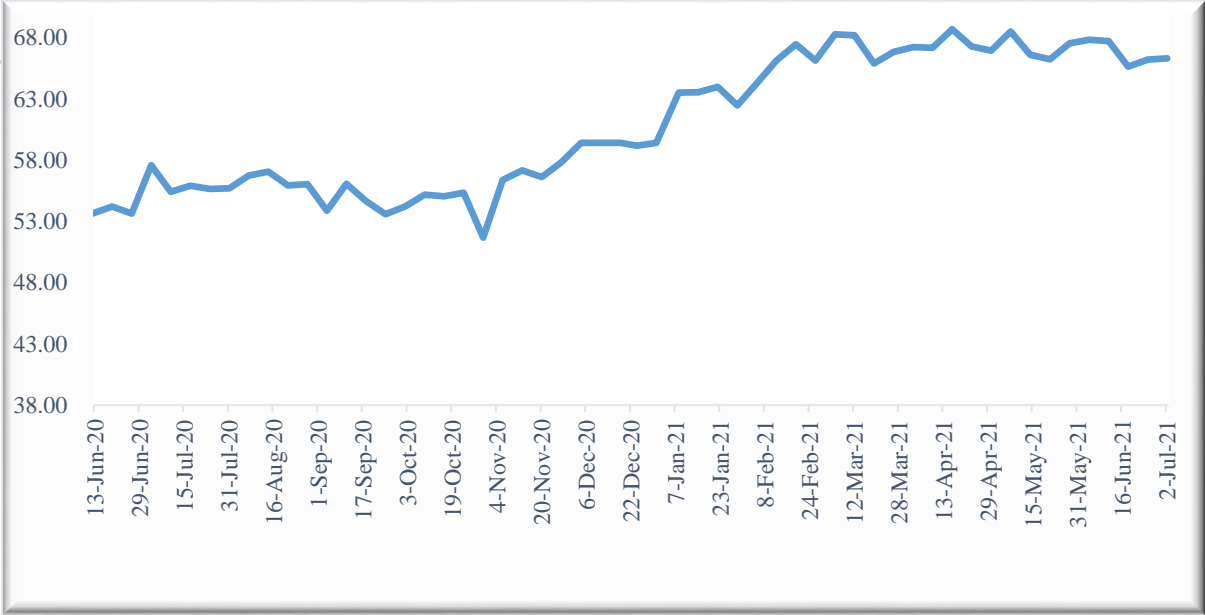
The Johannesburg Stock Exchange (JSE) All Share Index rose by 0.16%, from 66,215.47 points at the close of the previous week to 66,323.76 at the close of the reporting week. Similarly, JSE market capitalization increased by 0.11%, from ZAR18.74 trillion in the week ending 25<sup>th</sup> June 2021 to ZAR18.76 trillion, during the week under review.

**Table 8: Johannesburg Stock Exchange (JSE) Statistics**

Period	All Share Index (points)	Market Capitalization (ZAR trillions)
<b>28-May-21</b>	67,554.86	18.95
<b>4-June-21</b>	67,825.02	18.95
<b>11-June-21</b>	67,723.91	19.04
<b>18-June-21</b>	65,635.23	18.64
<b>25-June-21</b>	66,215.47	18.74
<b>2-July-21</b>	66,323.76	18.76
<b>% Change</b>	<b>0.16</b>	<b>0.11</b>

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 MAINFX<sup>3</sup> AND SMEFX<sup>4</sup>

	MAINFX				SMEFX			
	11-June-21	18-June-21	25-June-21	2-July-21	11-June-21	18-June-21	25-June-21	2-July-21
<b>Total Bids (US\$ dollars)</b>	29,505,925.17	38,979,127.69	36,952,648.91	33,935,720.53	5,312,455.06	7,934,235.31	7,805,948.50	8,038,987.65
<b>Amount Allotted (US\$ dollars)</b>	29,505,925.17	38,979,127.69	36,952,648.91	33,935,720.53	5,312,455.06	7,934,235.31	7,805,948.50	8,038,987.65
<b>Highest Rate</b>	90	90	90	90	90	90	90	90
<b>Lowest Bid Rate</b>	82	82	82	82	82	82	82	82
<b>Lowest Bid Rate Allotted</b>	82	82	82	82	82	82	82	82
<b>Weighted Average Rate</b>	85.0724	85.2455	85.3664	85.4234	85.0724	85.2455	85.3664	85.4234
<b>Number of Bids Received</b>	383	451	409	370	461	546	537	563
<b>Number of Bids Rejected</b>	38	54	37	39	29	25	29	43

Source: Reserve Bank of Zimbabwe, 2021

<sup>3</sup> Main Foreign Currency Auction

<sup>4</sup> Small and Medium Enterprises Foreign Currency Auction

## APPENDIX 2: SUMMARY OF FOREIGN CURRENCY AUCTION ALLOTMENTS BY PURPOSE

Purpose	MAINFX				SMEFX			
	11-June-21	18-June-21	25-June-21	2-July-21	11-June-21	18-June-21	25-June-21	2-July-21
<b>Raw Materials</b>	12,477,275.80	14,488,442.38	14,483,454.34	12,510,369.51	1,440,671.24	1,844,866.44	1,909,453.06	1,819,236.56
<b>Machinery and Equipment</b>	5,397,735.31	8,093,703.75	8,283,239.11	7,122,086.30	1,263,600.99	1,983,854.14	1,975,881.39	1,844,933.53
<b>Consumables (Incl. Spares, Tyres, Packaging)</b>	2,809,858.37	3,906,651.15	2,568,998.59	3,507,267.12	1,249,897.05	2,053,997.77	1,937,073.90	2,006,995.45
<b>Pharmaceuticals and Chemicals</b>	2,640,395.96	3,616,210.02	3,814,738.43	3,461,003.73	315,431.81	397,982.97	344,133.59	499,888.66
<b>Services (Loans, Dividends and Disinvestments)</b>	1,643,774.83	2,303,990.07	1,863,690.12	1,814,912.16	334,590.26	631,633.35	509,698.84	578,174.75
<b>Retail and Distribution</b>	2,395,425.74	3,446,719.93	3,469,710.01	2,888,414.87	379,823.92	580,585.47	689,849.28	783,172.37
<b>Fuel, Electricity and Gas</b>	1,445,678.49	2,182,124.53	1,317,791.03	1,630,588.39	151,893.86	117,050.01	156,771.88	194,334.69
<b>Paper and Packaging</b>	695,780.67	941,285.86	1,151,027.28	1,001,078.45	176,545.92	324,265.16	283,086.56	312,251.64
<b>TOTAL</b>	<b>29,505,925.17</b>	<b>38,979,127.69</b>	<b>36,952,648.91</b>	<b>33,935,720.53</b>	<b>5,312,455.05</b>	<b>7,934,235.31</b>	<b>7,805,948.50</b>	<b>8,038,987.65</b>

Source: Reserve Bank of Zimbabwe, 2021