



Weekly Economic Highlights

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Week Ending
23rd July 2021

1. INTEREST RATES

Deposit Rates

During the week ending 23rd July 2021, average deposit rates quoted by commercial banks for all classes of deposits remained unchanged at previous week levels, 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 (%) |
| 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 |
| 9-July-21 | 1.57 | 4.24 | 5.42 | 10.77 | 7.00 | 11.83 |
| 16-July-21 | 1.73 | 4.41 | 6.64 | 14.16 | 7.32 | 12.67 |
| 23- July-21 | 1.73 | 4.41 | 6.64 | 14.16 | 7.32 | 12.67 |

Source: Reserve Bank of Zimbabwe, 2021

Lending Rates

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

Table 2: Lending Rates (per annum)

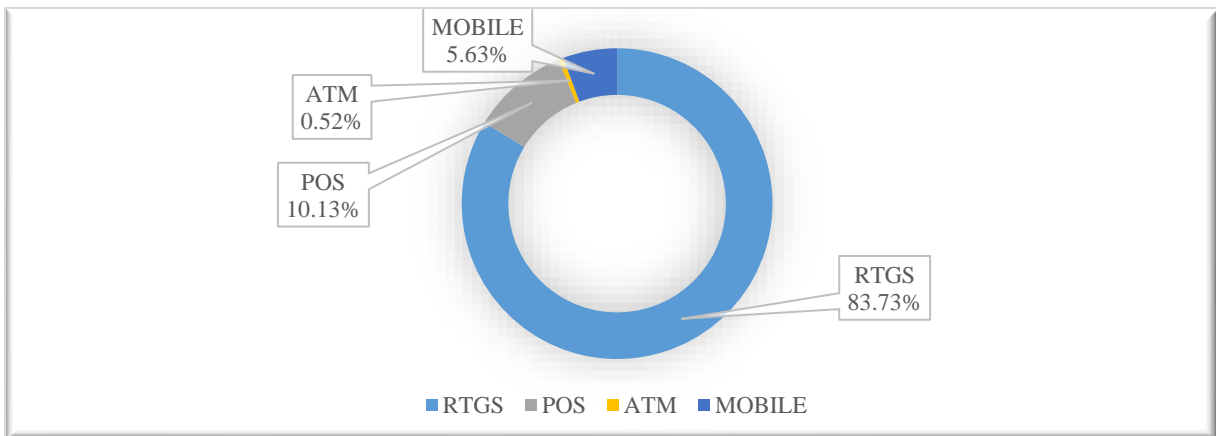
| Date | Individual Clients | | Corporate Clients | |
|------------|--------------------|-------------|-------------------|-------------|
| | Minimum (%) | Maximum (%) | Minimum (%) | Maximum (%) |
| 25-June-21 | 36.25 | 57.04 | 22.46 | 59.66 |
| 2-July-21 | 36.11 | 56.78 | 21.91 | 59.60 |
| 9-July-21 | 36.11 | 56.78 | 21.91 | 59.60 |
| 16-July-21 | 36.55 | 56.80 | 22.07 | 59.67 |
| 16-July-21 | 36.55 | 56.80 | 22.07 | 59.67 |

Source: Reserve Bank of Zimbabwe, 2021

2. CLEARING AND SETTLEMENT ACTIVITY

The value of transactions processed through the National Payment Systems (NPS) rose by 13.27% to close at \$111.21 billion, during the week under analysis. Real Time Gross Settlement (RTGS) transactions increased by 14.64% to close at \$93.11 billion, during the same week. In value terms, the NPS transactions were distributed as follows: RTGS, 83.73%, POS, 10.13%; Mobile, 5.63%; and ATM, 0.52%.

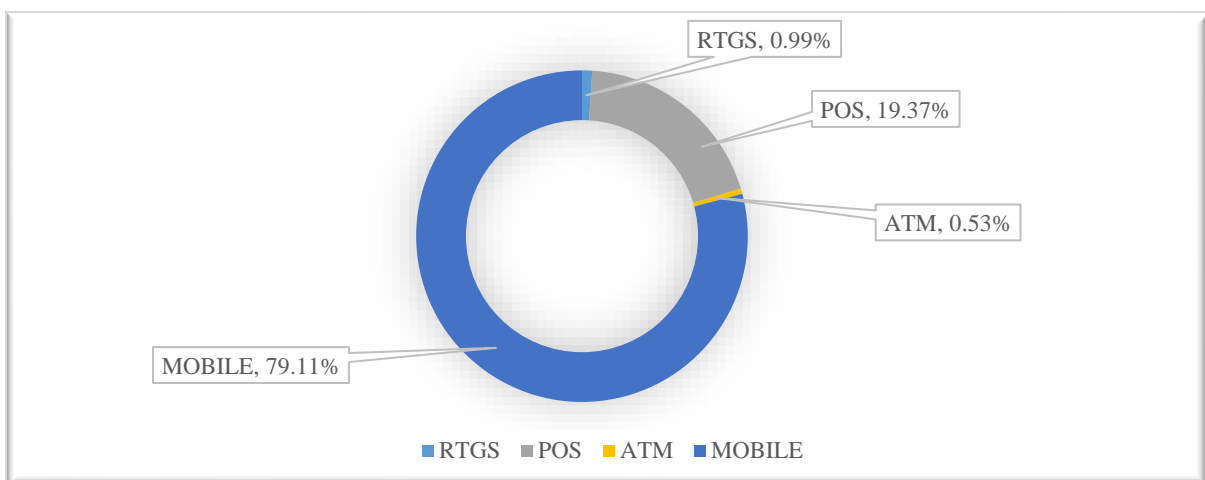
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2021

During the week under review, NPS transaction volumes declined by 7.15% to close at 20.50 million and were dominated by mobile based transactions at 79.11% of the total, followed by POS, 19.37%; RTGS, 0.99%; and ATM, 0.53%, as shown in Figure 2.

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 16 th July 2021 | WEEK ENDING 23 rd July 2021 | % CHANGE FROM LAST WEEK | PROPORTION % |
|--------------------------------|--|--|-------------------------------|-----------------|
| Values in ZW\$ Millions | | | | |
| RTGS | 81,214.96 | 93,108.27 | 14.64% | 83.73% |
| POS | 9,895.15 | 11,261.86 | 13.81% | 10.13% |
| ATM | 581.78 | 574.01 | -1.34% | 0.52% |
| MOBILE | 6,488.84 | 6,261.69 | -3.50% | 5.63% |
| TOTAL | 98,180.72 | 111,205.84 | 13.27% | 100% |
| Volumes | | | | |
| RTGS | 186,692 | 202,546 | 8.49% | 0.99% |
| POS | 3,611,301 | 3,970,705 | 9.95% | 19.37% |
| ATM | 325,952 | 109,534 | -66.40% | 0.53% |
| MOBILE | 17,952,141 | 16,214,319 | -9.68% | 79.11% |
| TOTAL | 22,076,086 | 20,497,104 | -7.15% | 100% |

Source: Reserve Bank of Zimbabwe, 2021

3. TOBACCO SALES

As at 23rd July 2021 or day 77 of the 2021 tobacco selling season, a cumulative total of 196.29 million kilograms of tobacco, valued at US\$544.64 million, had been sold at an average price of US\$2.77/kg. During the corresponding period in the previous year, a total of 172.35 million kilograms of the golden leaf were sold at an average price of US\$2.49/kg. The cumulative sales value of the golden leaf was US\$428.79 million, as shown in Table 4.

Table 4: Weekly Cumulative Tobacco Sales: Day 77 (23rd July 2021)

| | 2020 | 2021 | Variance (%) |
|---|-------------|-------------|--------------|
| Cumulative Quantity Sold (million kgs) | 172,345,271 | 196,285,295 | 13.89 |
| Average Price(US\$/kg) | 2.49 | 2.77 | 11.53 |
| Cumulative value (US\$ million) | 428,794,015 | 544,642,674 | 27.02 |

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

4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

During the week ending 23rd July 2021, global prices for gold, platinum, copper and crude oil retreated, while nickel prices firmed. Table 5 shows the evolution of selected commodity prices, during the week under review.

Table 5: Metal and Crude Oil Prices for the week-ending 23rd July 2021

| | Gold | Platinum | Copper | Nickel | Crude Oil |
|------------------------------------|-----------------|-----------------|-----------------|------------------|--------------|
| 2021 | US\$/ounce | US\$/ounce | US\$/tonne | US\$/tonne | US\$/barrel |
| Weekly Average (12-16 July) | 1,815.44 | 1,122.60 | 9,341.90 | 18,726.00 | 74.38 |
| 19-Jul | 1,809.08 | 1,085.00 | 9,264.50 | 18,866.00 | 68.69 |
| 20-Jul | 1,819.18 | 1,074.50 | 9,211.00 | 18,570.00 | 68.85 |
| 21-Jul | 1,804.03 | 1,071.00 | 9,271.50 | 18,382.00 | 71.95 |
| 22-Jul | 1,798.43 | 1,079.00 | 9,382.50 | 18,870.00 | 73.95 |
| 23-Jul | 1,801.33 | 1,081.00 | 9,433.50 | 19,267.00 | 73.66 |
| Weekly Average (19-23 July) | 1,806.41 | 1,078.10 | 9,312.60 | 18,791.00 | 71.42 |
| Weekly Change (%) | -0.5 | -4.0 | -0.3 | 0.3 | -4.0 |

Source: BBC, KITCO and Bloomberg, 2021

Gold

Gold prices reversed gains recorded in the previous week on account of a firmer US dollar, which bolstered bond yields, prompting investors to move out of safe haven assets as risk appetite returned. The decline was, however, moderated by fears that rising cases of the Covid-19 Delta variant may stall global economic recovery. Prices fell by 0.5%, from a weekly average of US\$1,815.44 per ounce in the previous week to US\$1,806.41, during the week ending 23rd July 2021.

Platinum

Similarly, platinum prices eased on account of a dampened investment demand outlook, as a stronger US dollar and higher U.S. Treasury yields rekindled investor appetite for riskier assets. Prices retreated by 4.0%, from a weekly average of US\$1,122.60 per ounce in the previous week to US\$1,078.10 per ounce, during the week under review.

Copper

Copper prices further retreated on account of waning demand in spot markets in China, the world's top consumer of base metals. A firmer US dollar and growing worries about surging Covid-19 cases also weighed down on the price of the base metal. Prices fell by 0.3%, from a weekly average of US\$9,341.90 per tonne in the previous week to US\$9,312.60 per tonne, during the week under review.

Nickel

Nickel prices firmed, amid fears of shortages as Indonesia, a key nickel producer, extended its partial lockdowns due to a surge in Covid-19 Delta variant cases. The rise in nickel prices was

also supported by strong demand from the stainless-steel industry and electric vehicle battery manufacturers. Prices rose by 0.3%, from a weekly average of US\$18,726.00 per tonne, to close the week under analysis at US\$18,791.00 per tonne.

Brent Crude Oil

Brent Crude oil prices remained under pressure, on concerns that the renewed spread of the Covid-19 Delta variant cases would hurt demand as economies re-impose travel restrictions. In addition, prices were also weighed down by reports that showed a surprise rise in U.S. crude oil inventories. Prices averaged US\$71.42 per barrel, 4.0% down from US\$74.38 per barrel recorded in the previous week.

5. EXCHANGE RATE DEVELOPMENTS

The Zimbabwe dollar (ZW\$) marginally slid against the US dollar, shedding 0.1% from an average of ZW\$85.4570 per US\$1 in the previous week, to close the week at an average of ZW\$85.5335 per US\$1. The developments in selected exchange rates are shown in Table 6.

Table 6: International Exchange Rates¹

| | USD | ZAR | GBP | BWP | EURO |
|---------------------------------------|----------------|---------------|-----------------|---------------|-----------------|
| 2021 | | | | | |
| Weekly Average (12-16 July) | 85.457 | 5.9023 | 118.5056 | 7.7545 | 101.1976 |
| 19-Jul | 85.2455 | 5.9207 | 117.5975 | 7.7479 | 100.9360 |
| 20-Jul | 85.5099 | 5.8668 | 116.8323 | 7.7523 | 100.7608 |
| 21-Jul | 85.6373 | 5.8258 | 116.5098 | 7.7638 | 100.7567 |
| 22-Jul | 85.6373 | 5.8824 | 117.5415 | 7.7205 | 101.0135 |
| 23-Jul | 85.6373 | 5.8038 | 117.6487 | 7.7077 | 100.7566 |
| Weekly Average (19-23 July) | 85.5335 | 5.8599 | 117.2259 | 7.7384 | 100.8447 |
| Appr(-)/Depr(+) (%) of the ZWL | 0.1 | -0.7 | -1.1 | -0.2 | -0.3 |

Source: Reserve Bank of Zimbabwe, 2021

6. EQUITY MARKETS

The Zimbabwe Stock Exchange (ZSE) was bullish for the second consecutive week. Resultantly, the All Share, Top 10 and Medium Cap indices gained 1.13%, 0.43% and 2.35% to close at 6 618.23 points, 3 473.03 points and 17 581.91 points, respectively.

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

The gains in market indices were, in part, underpinned by share price increases for African Sun Limited (27.21%), Star Africa Corporation (27.08%), Axia Corporation Limited (21.70%), British American Tobacco Zimbabwe (20.00%) and Lafarge Cement Limited (20.00%). Losses in the share prices of Getbucks Financial Services Limited (41.41%), OK Zimbabwe Limited (11.04%), Willdale Limited (10.47%), General Beltings Holdings Limited (8.00%) and Edgars Stores Limited (7.02%), however, moderated the gains in market indices.

The mining index declined by 2.65% to close the week ending 23rd July 2021 at 6 176.37 points. This largely emanated from a 4.00% decline in the share price for Bindura Nickel Corporation Limited (BNC). RioZim Limited shares, however, traded at the previous week price level.

Table 7: Zimbabwe Stock Exchange Statistics²

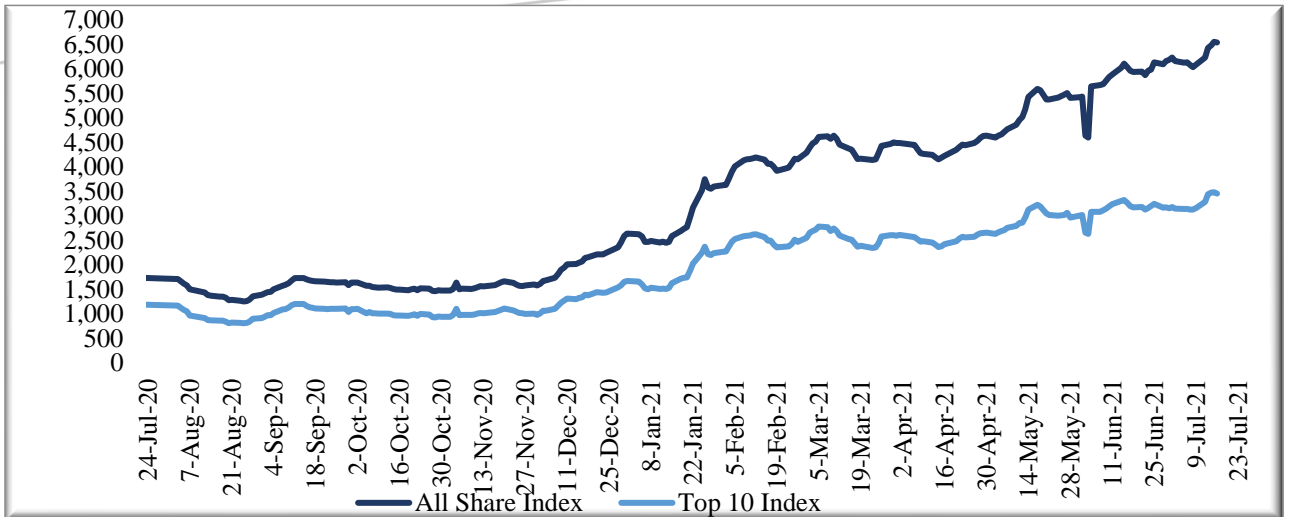
| | All Share Index Points | Top 10 index (points) | Top 15 Index ³ points | Medium Cap ³ (points) | Small Cap ³ (points) | Mining Index (points) | Grand Market Capitalization (ZWL million) | Market Turnover (ZWL million) | Volume of Shares (million) |
|-------------------|------------------------|-----------------------|----------------------------------|----------------------------------|---------------------------------|-----------------------|---|-------------------------------|----------------------------|
| 18-June 21 | 5,941.21 | 3,172.69 | 3,607.32 | 15,626.42 | 116,880.97 | 6,665.61 | 691.99 | 743.88 | 39.09 |
| 25-June-21 | 6,138.69 | 3,247.86 | 3,724.42 | 16,505.89 | 159,118.65 | 6,308.43 | 738.70 | 743.61 | 45.71 |
| 02-July-21 | 6,169.15 | 3,147.49 | 3,651.12 | 17,070.05 | 211,801.65 | 6,353.05 | 741.76 | 874.08 | 64.41 |
| 9-July-21 | 6,094.95 | 3,164.59 | 3,667.86 | 16,448.20 | 218,047.66 | 6,081.31 | 734.01 | 527.81 | 29.97 |
| 16-July-21 | 6,544.59 | 3,458.07 | 3,960.46 | 17,177.53 | 252,482.27 | 6,344.69 | 770.71 | 771.09 | 55.57 |
| 23-July-21 | 6,618.23 | 3,473.03 | 4,012.87 | 17,581.91 | 243,963.15 | 6,176.37 | 779.30 | 591.52 | 39.64 |
| % Change | 1.13 | 0.43 | 1.32 | 2.35 | -3.37 | -2.65 | 1.11 | -23.29 | -28.67 |

Source: Zimbabwe Stock Exchange (ZSE), 2021

Figure 3 shows developments on the ZSE's All Share, Top 10 and mining indices from the 17th July 2020 to 16th July 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: Zimbabwe Stock Exchange All Share and Top 10 Indices

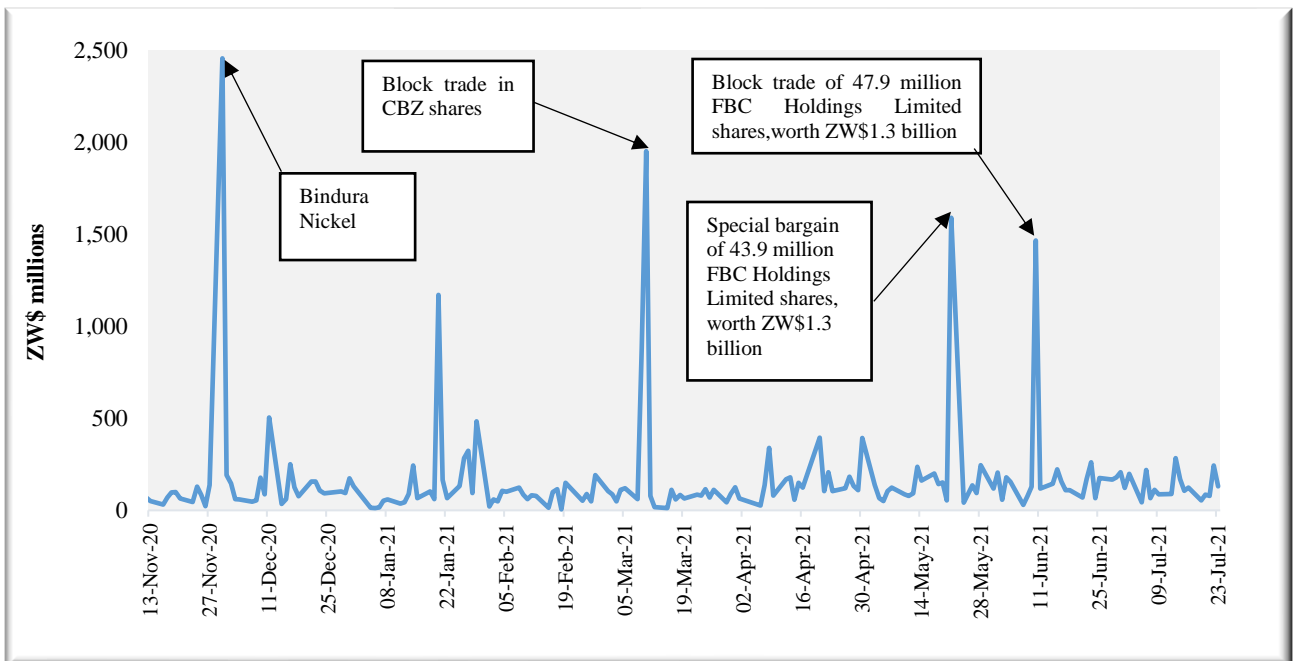


Source: Zimbabwe Stock Exchange, 2021

Market Turnover and Volume

During the week under review, the cumulative volume and value of shares traded on the ZSE declined by 28.66% and 23.29% to 39.64 million shares and ZW\$591.52 million, respectively.

Figure 4: Daily Market Turnover

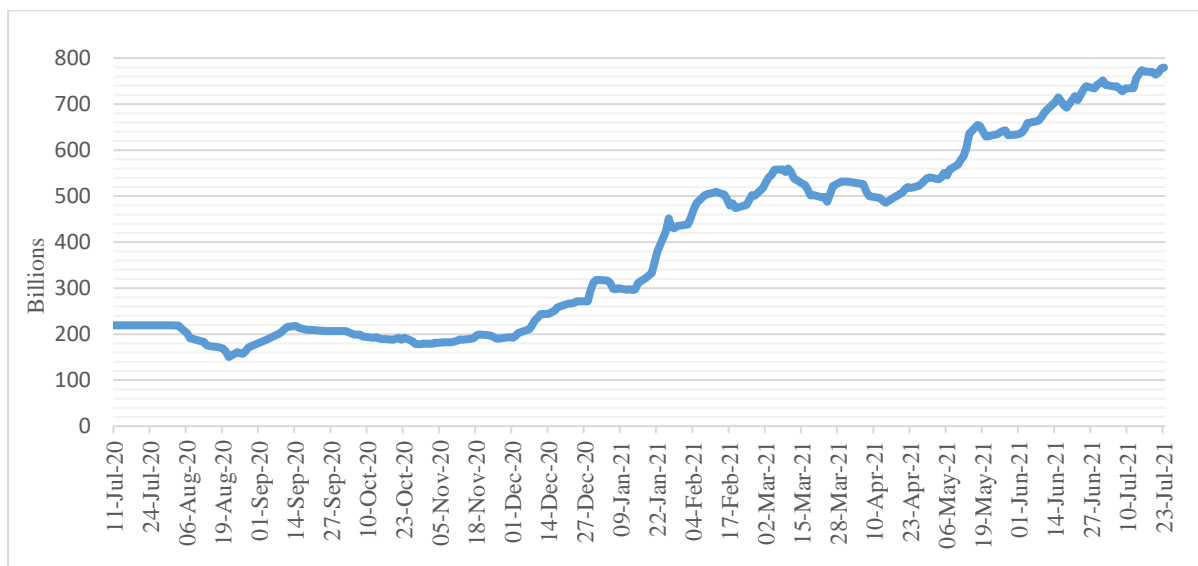


Source: Zimbabwe Stock Exchange, 2021

Market Capitalization

The local bourse gained ZW\$8.59 billion, or 1.11% worth of capitalization to close at ZW\$779.30 billion, during the week under analysis.

Figure 5: Daily Market Capitalization in ZW\$ billions



Source: Zimbabwe Stock Exchange, 2021

Johannesburg Stock Exchange (JSE) Developments

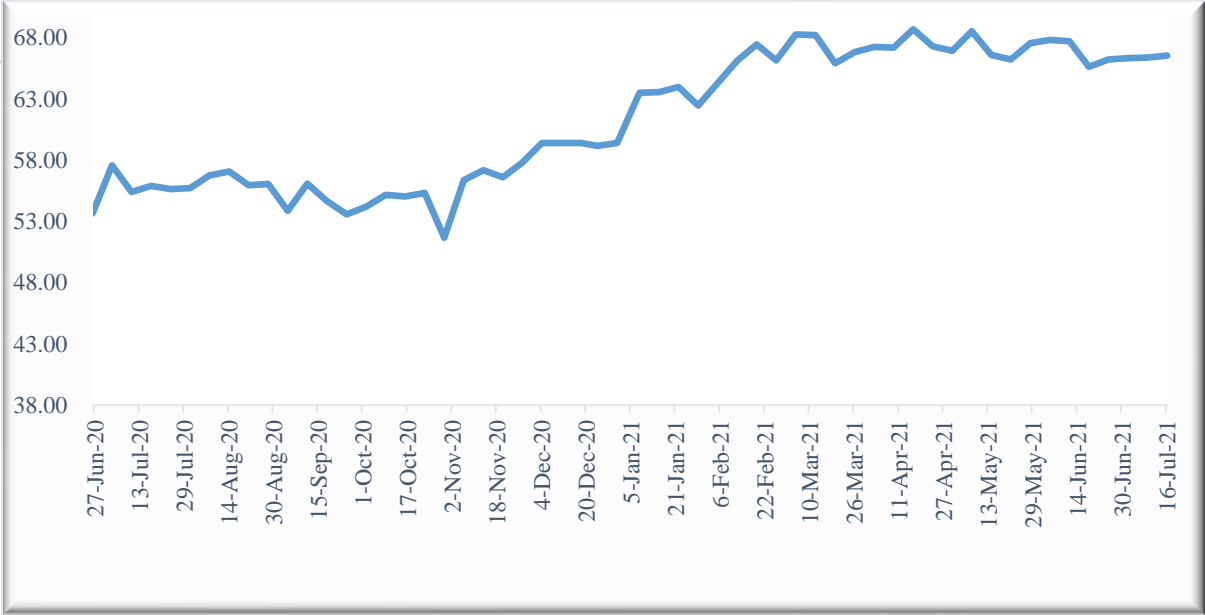
During the week under review, the Johannesburg Stock Exchange (JSE) All Share Index rose by 2.31% to close at 68 063.70 points, from 66 529.53 points recorded during the week ending 16th July 2021. JSE market capitalization increased by 1.491% to close at ZAR19.01 trillion.

Table 8: Johannesburg Stock Exchange (JSE) Statistics

| Period | All Share Index (points) | Market Capitalization (ZAR trillions) |
|-------------------|-----------------------------|--|
| 18-June-21 | 65,635.23 | 18.64 |
| 25-June-21 | 66,215.47 | 18.74 |
| 2-July-21 | 66,323.76 | 18.76 |
| 9-July-21 | 66,385.57 | 18.58 |
| 16-July-21 | 66,529.53 | 18.73 |
| 23-July-21 | 68,063.70 | 19.01 |
| % Change | 2.31 | 1.49 |

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-July-21 | 9-July-21 | 16-July-21 | 23-July-21 | 2-July-21 | 9-July-21 | 16-July-21 | 23-July-21 |
| Total Bids (US\$ dollars) | 33,935,720.53 | 34,558,007.09 | 36,682,230.81 | 37,295,634.31 | 8,038,987.65 | 7,749,452.73 | 8,439,127.69 | 8,733,042.62 |
| Amount Allotted (US\$ dollars) | 33,935,720.53 | 34,558,007.09 | 36,682,230.81 | 37,295,634.31 | 8,038,987.65 | 7,749,452.73 | 8,439,127.69 | 8,733,042.62 |
| Highest Rate | 90 | 90 | 90 | 90 | 90 | 90 | 90 | 90 |
| Lowest Bid Rate | 82 | 82 | 82 | 82 | 82 | 82 | 82 | 82 |
| Lowest Bid Rate Allotted | 82 | 82 | 82 | 82 | 82 | 82 | 82 | 82 |
| Weighted Average Rate | 85.4234 | 85.5097 | 85.5099 | 85.6373 | 85.4234 | 85.5097 | 85.5099 | 85.6373 |
| Number of Bids Received | 370 | 376 | 381 | 402 | 563 | 539 | 584 | 558 |
| Number of Bids Rejected | 39 | 39 | 30 | 32 | 43 | 36 | 32 | 44 |

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-July-21 | 9-July-21 | 16-July-21 | 23-July-21 | 2-July-21 | 9-July-21 | 23-July-21 | 23-Jul-21 |
| Raw Materials | 12,510,369.51 | 14,077,599.22 | 15,300,224.02 | 15,100,167.36 | 1,819,236.56 | 1,729,385.55 | 1,855,265.04 | 2,027,591.73 |
| Machinery and Equipment | 7,122,086.30 | 7,016,303.27 | 7,894,924.87 | 9,539,708.98 | 1,844,933.53 | 1,972,893.91 | 2,442,216.02 | 2,014,127.79 |
| Consumables (Incl. Spares, Tyres, Packaging) | 3,507,267.12 | 3,065,060.23 | 2,690,225.08 | 3,104,800.09 | 2,006,995.45 | 1,975,402.78 | 1,690,620.68 | 1,984,305.33 |
| Pharmaceuticals and Chemicals | 3,461,003.73 | 3,702,409.64 | 2,618,290.28 | 2,449,332.18 | 499,888.66 | 394,855.68 | 444,991.38 | 563,690.77 |
| Services (Loans, Dividends and Disinvestments) | 1,814,912.16 | 1,320,644.89 | 1,791,011.44 | 911,998.04 | 578,174.75 | 511,375.65 | 575,760.19 | 606,061.45 |
| Retail and Distribution | 2,888,414.87 | 3,210,048.87 | 3,721,669.82 | 3,713,743.57 | 783,172.37 | 655,316.87 | 811,269.47 | 968,244.79 |
| Fuel, Electricity and Gas | 1,630,588.39 | 1,333,354.93 | 1,747,233.43 | 1,748,127.88 | 194,334.69 | 158,059.75 | 323,011.21 | 278,492.74 |
| Paper and Packaging | 1,001,078.45 | 832,586.04 | 918,651.87 | 727,756.21 | 312,251.64 | 352,162.54 | 295,993.70 | 290,528.02 |
| TOTAL | 33,935,720.53 | 34,558,007.09 | 36,682,230.81 | 37,295,634.31 | 8,038,987.65 | 7,749,452.73 | 8,439,127.69 | 8,733,042.62 |

Source: Reserve Bank of Zimbabwe, 2021