Vol. 23 No. 30

Weekly Economic Highlights

TABLE OF CONTENTS

Week Ending
30th July 2021

1. INTEREST RATES

Deposit Rates

During the week ending 30th July 2021, minimum and maximum average deposit rates for savings deposits increased, while minimum and maximum deposit rates for deposits of 1 month and 3 month tenors remained unchanged at the 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 (%)
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
30- July-21	222	4.61	6.64	14.16	7.32	12.67

Source: Reserve Bank of Zimbabwe, 2021

Lending Rates

The week under review saw a rise in commercial bank minimum and maximum lending rates for both individuals and corporates, as shown in Table 2.

Table 2: Lending Rates (per annum)

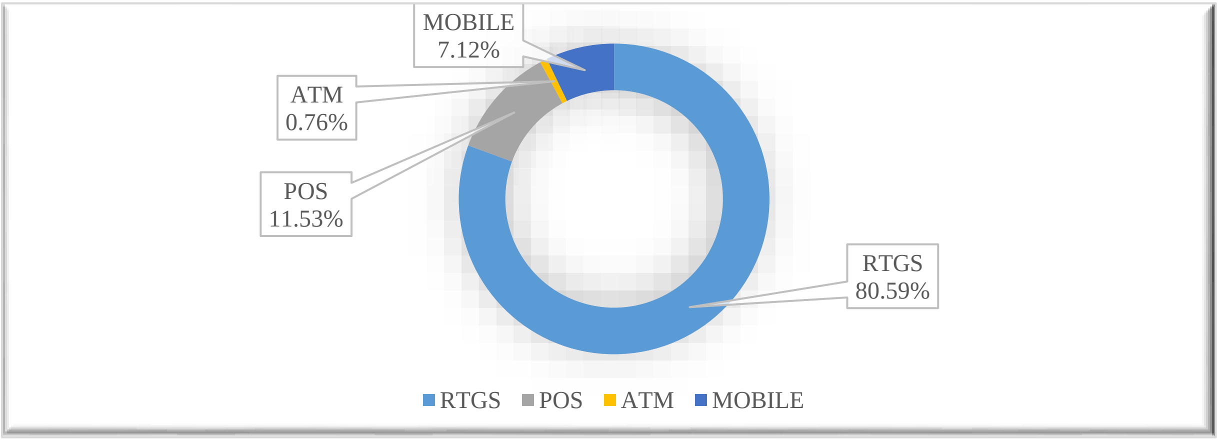
Date	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
	Individual Clients		Corporate Clients	
2-July-21	36.11	56.78	21.91	59.60
9-July-21	36.11	56.78	21.91	59.60
16-July-21	36.55	56.80	22.07	59.67
16-July-21	36.55	56.80	22.07	59.67
30-July-21	36.56	57.00	21.66	59.81

Source: Reserve Bank of Zimbabwe, 2021

2. CLEARING AND SETTLEMENT ACTIVITY

The National Payment Systems (NPS) processed transactions amounting to $103.46 billion, during the week ending 30th July 2021, up from $111.21 billion in the previous week. Real Time Gross Settlement (RTGS) transactions were 10.45% lower, at $83.38 billion. The NPS transaction values were distributed as follows: RTGS, 80.59%, POS, 11.53%; Mobile, 7.12%; and ATM, 0.76%.

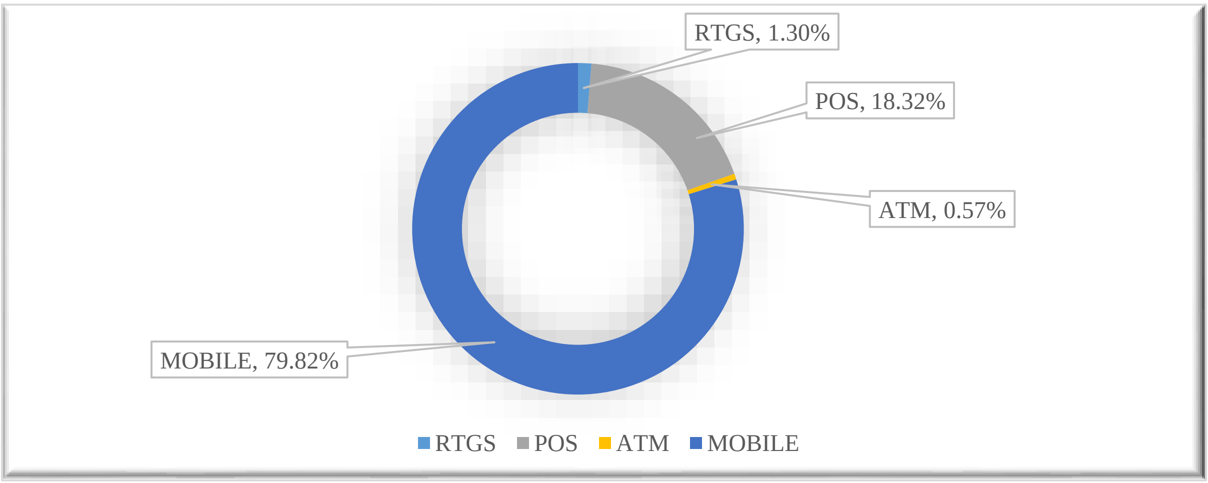
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2021

NPS transaction volumes increased by 9.23% to close at 22.39 million, during the week under review. The transaction volumes were dominated by mobile based transactions at 79.82% of the total, followed by POS, 18.32%; RTGS, 1.30%; and ATM, 0.57%, 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 23rd July 2021	WEEK ENDING 30th July 2021	% CHANGE FROM LAST WEEK	PROPORTION %
	Values in ZW$ Millions			
RTGS	93,108.27	83,380.18	-10.45%	80.59%
POS	11,261.86	11,929.85	5.93%	11.53%
ATM	574.01	788.67	37.40%	0.76%
MOBILE	6,261.69	7,366.01	17.64%	7.12%
TOTAL	**111,205.84**	**103,464.71**	**-6.96%**	**100%**
	Volumes			
RTGS	202,546	290,346	43.35%	1.30%
POS	3,970,705	4,101,389	3.29%	18.32%
ATM	109,534	126,517	15.50%	0.57%
MOBILE	16,214,319	17,871,134	10.22%	79.82%
TOTAL	**20,497,104**	**22,389,386**	**9.23%**	**100%**

Source: Reserve Bank of Zimbabwe, 2021

3. TOBACCO SALES

As at 30th July 2021 or day 81 of the 2021 tobacco selling season, a cumulative total of 199.66 million kilograms of tobacco had been sold. The sales volume was 13.31% higher than 176.21 million kilograms sold during the same period in the previous year. In terms of value, the golden leaf sales amounted to US$555.22 million, a 26.21% increase compared to US$439.09 million realised during the corresponding period in 2020, as shown in Table 4.

Table 4: Weekly Cumulative Tobacco Sales: Day 81 (30th July 2021)

	2020	2021	Variance (%)
Cumulative Quantity Sold (million kgs)	176,210,299	199,664,147	13.31
Average Price(US$/kg)	2.50	2.78	11.39
Cumulative value (US$ million)	439,903,080	555,218,841	26.21

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

The golden leaf was sold at an average price of US$2.78/kg during the week ending 30th July 2021, up from an average price of US$2.50/kg, during the same period in 2020.

4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

During the week ending 30th July 2021, international commodity prices for gold, copper, nickel and crude oil firmed. Platinum prices, however, declined. The movements in selected international commodity prices are shown in Table 5.

Table 5: Metal and Crude Oil Prices for the week-ending 30th July 2021

	Gold	Platinum	Copper	Nickel	Crude Oil
2021	US$/ounce	US$/ounce	US$/tonne	US$/tonne	US$/barrel
Weekly Average (19-23 July)	**1,806.41**	**1,078.10**	**9,312.60**	**18,791.00**	**71.42**
26-Jul	1,804.18	1,062.50	9,580.00	19,482.00	74.84
27-Jul	1,798.75	1,053.00	9,709.00	19,368.00	74.76
28-Jul	1,797.65	1,052.50	9,697.00	19,583.00	74.21
29-Jul	1,824.38	1,075.50	9,781.00	19,769.00	74.60
30-Jul	1,827.00	1,050.50	9,747.50	19,892.00	75.22
Weekly Average (26-30 July)	**1,810.39**	**1,058.80**	**9,702.90**	**19,618.80**	**74.73**
Weekly Change (%)	*0.2*	*-1.8*	*4.2*	*4.4*	*4.6*

Source: BBC, KITCO and Bloomberg, 2021

Gold

Gold prices firmed during the week under review, following the Federal Reserve's assurance that it was not considering an interest rate hike in the short term. Lower interest rates diminish the opportunity cost of holding non-yielding assets, thereby, boosting the yellow metal's appeal to investors. Resultantly, gold prices increased by 0.2%, from a weekly average of US$1,806.41 per ounce in the previous week to an average of US$1,810.39, during the week ending 30th July 2021.

Platinum

Platinum prices retreated by 1.8%, from a weekly average of US$1,078.10 per ounce in the preceding week to US$1,058.80 per ounce, during the week under review. Slackening global demand in the automotive and jewellery industry, amid fears pertaining to rising Covid-19 Delta variant induced infections exerted downward pressure on the price of the precious metal.

Copper

Copper prices rose by 4.2%, from a weekly average price US$9,321.60 per tonne in the previous week to US$9,702.90 per tonne, during the week under review. This was due to the softening of the US dollar, following the assurance to investors by the Federal Reserve that interest rates would not be hiked any time soon.

Nickel

Nickel prices firmed as a result of supply constraints caused by bad weather and travel restrictions in major source markets, amid increasing Covid-19 Delta variant infections. Reflecting these developments, nickel prices increased by 4.4%, from a weekly average of US$18,791.00 per tonne, to close the week under review at a weekly average of US$19,618.80 per tonne.

Brent Crude Oil

Crude oil prices surged by 4.6%, from a weekly average of US$71.42 per barrel to US$74.73 per barrel, during the week ending 30th July 2021. This followed the fall of crude oil stockpiles in the US to their lowest level, since January 2020.

5. EXCHANGE RATE DEVELOPMENTS

On the foreign exchange auction market, the Zimbabwe dollar (ZW$) treaded steadily against the US dollar, shedding 0.03% from an average of ZW$85.5335 per US$1 in the previous week, to close the week ending 30th July 2021 at an average of ZW$85.5589 per US$1. The developments in selected exchange rates are shown in Table 6.

Table 6: International Exchange Rates[1]

	USD	ZAR	GBP	BWP	EURO
2021					
Weekly Average (19-23 July)	**85.5335**	**5.8599**	**117.2259**	**7.7384**	**101.8447**
26-Jul	85.2455	5.7637	117.7813	7.7249	100.8895
27-Jul	85.6373	5.7887	118.4193	7.6864	101.0694
28-Jul	85.6373	5.7870	118.7702	7.6741	101.1968
29-Jul	85.6373	5.8224	119.3183	7.6741	101.5353
30-Jul	85.6373	5.8617	119.4254	7.7634	101.7450
Weekly Average (26-30 July)	**85.5589**	**5.8047**	**118.7429**	**7.7046**	**101.2872**
Appr(-)/Depr(+) (%) of the ZWL	*0.03*	*-0.94*	*1.29*	*-0.44*	*-0.55*

Source: Reserve Bank of Zimbabwe, 2021

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

6. EQUITY MARKETS

During the week ending 30th July 2021, the Zimbabwe Stock Exchange (ZSE) maintained positive trading for the third consecutive week, resulting in all the major indices registering gains. The All Share, Top 10 and Medium Cap indices gained 3.02%, 4.81% and 0.90% to close at 6 818.29 points, 3 639.99 points and 17 739.47 points, respectively.

The increase in market indices was a result of share price gains for British American Tobacco Zimbabwe (20%), Hippo Valley Estates Limited (15.70%), Rainbow tourism Group Limited (13.74%), Afdis Distillers Limited (12.68%) and Innscor Africa Limited (10.49%). Partially offsetting the aforementioned gains were losses in the share prices of Edgars Stores Limited (26.67%), Fidelity Life Assurance Limited (13.04%), Medtech Holdings Limited (11.97%), First Mutual Properties Limited (9.89%) and First Mutual Holdings Limited (6.09%).

The resources index gained by 7.20% to close at 6 621.17 points, during the week under analysis. The increase in the mining index was, in part, on account of a 11.02% gain in the share price for Bindura Nickel Corporation Limited (BNC). RioZim Limited shares traded at the previous week price level.

Table 7: Zimbabwe Stock Exchange Statistics[2]

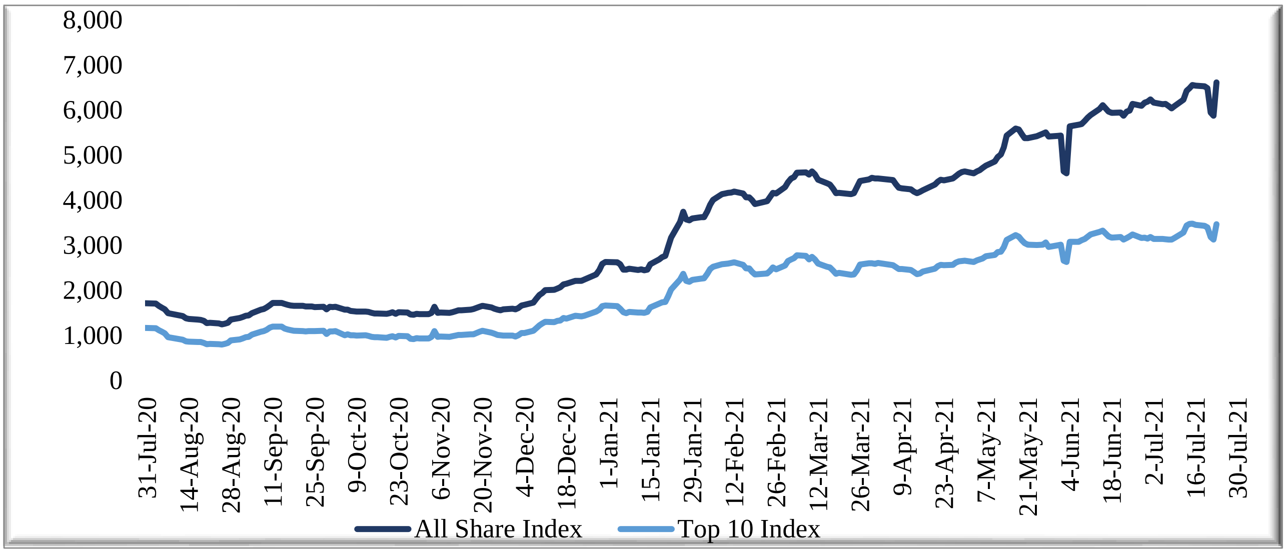
	All Share Index Points	Top 10 index (points)	Top 15 Index[3] points	Medium Cap[3] (points)	Small Cap[3] (points)	Mining Index (points)	Grand Market Capitalization (ZWL million)	Market Turnover (ZWL million)	Volume of Shares (million)
25-June-21	6,138.69	3,247.86	3,724.42	16,505.89	159,118.65	6,308.43	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
30-July-21	6,818.29	3,639.99	4,188.45	17,739.47	237,235.99	6621.17	803.90	709.78	36.74
% Change	**3.02**	**4.81**	**4.38**	**0.90**	**-2.76**	**7.20**	**3.16**	**19.99**	**-7.32**

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 on the ZSE's All Share, Top 10 and mining indices from the 24th July 2020 to 30th July 2021.

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

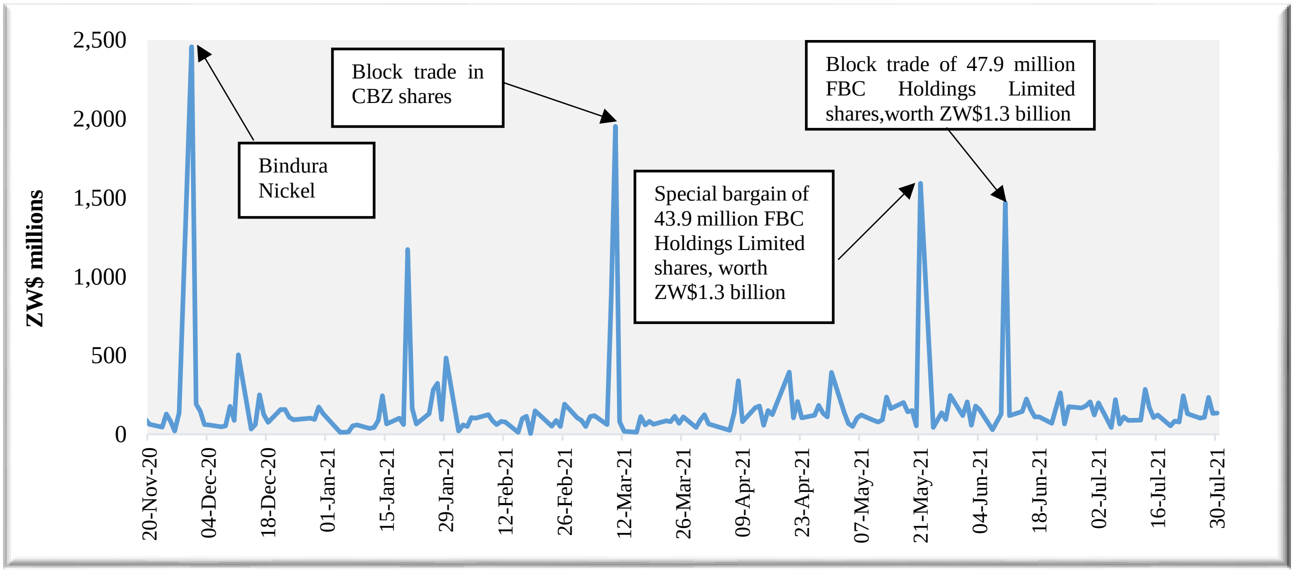


Source: Zimbabwe Stock Exchange, 2021

Market Turnover and Volume

During the week under review, trading activity on the ZSE was concentrated in some selected heavyweight counters. As such, the cumulative value of shares traded increased by 19.99% to ZW$709.78 million, despite a 7.32% decline in the volume of shares traded, which amounted to 36.74 million shares.

Figure 4: Daily Market Turnover

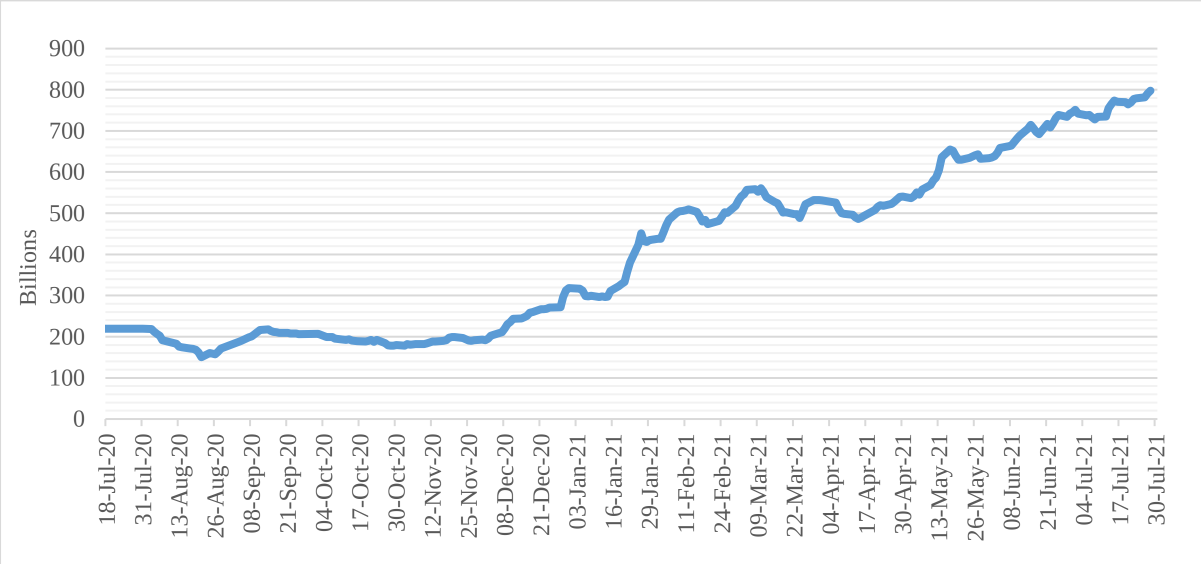


Source: Zimbabwe Stock Exchange, 2021

Market Capitalization

During the week under review, the ZSE gained ZW$24.60 billion, or 3.16% worth of capitalization to close at ZW$803.90 billion, compared to the position in the previous week.

Figure 5: Daily Market Capitalization in ZW$ billions



Source: Zimbabwe Stock Exchange, 2021

Johannesburg Stock Exchange (JSE) Developments

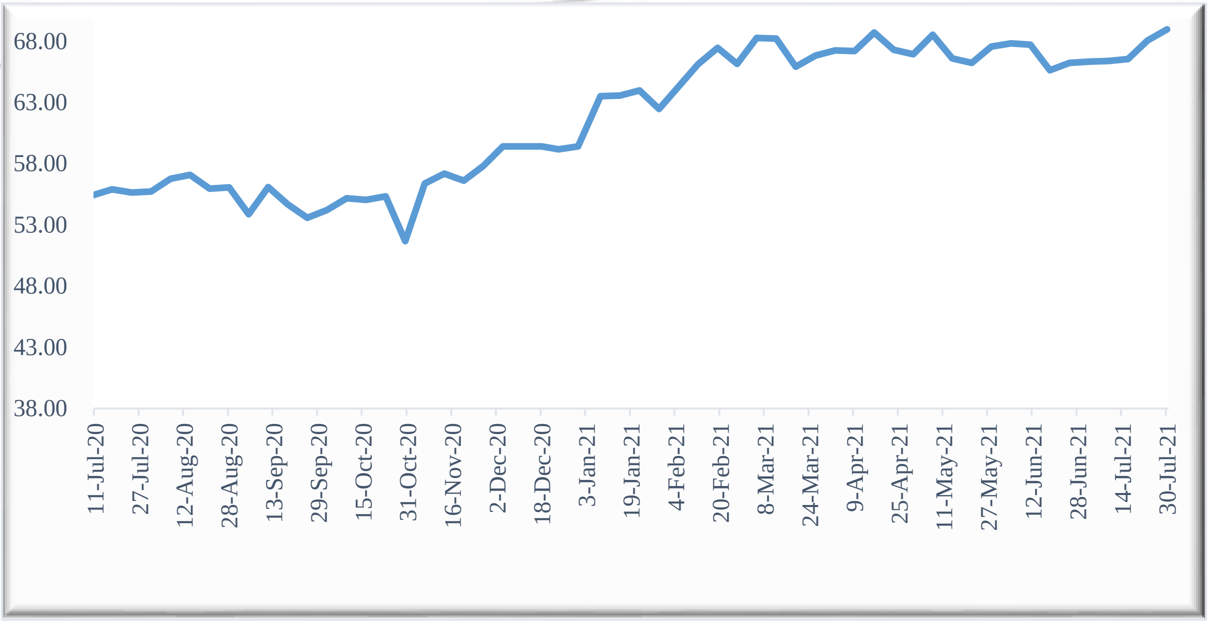
The Johannesburg Stock Exchange (JSE) All Share Index was 1.33% higher and closed at 68,970.78 points, during the week under analysis. JSE market capitalization at ZAR18.93 trillion was 0.42% lower, compared to ZAR19.01 trillion recorded in the previous week.

Table 8: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalization (ZAR trillions)
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
30-July-21	68,970.78	18.93
% Change	**1.33**	**-0.42**

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[3] AND SMEFX[4]

	MAINFX				SMEFX			
	9-July-21	16-July-21	23-July-21	30-July-21	9-July-21	16-July-21	23-July-21	30-July-21
Total Bids (US$ dollars)	34,558,007.09	36,682,230.81	37,295,634.31	37,242,121.28	7,749,452.73	8,439,127.69	8,733,042.62	9,933,403.94
Amount Allotted (US$ dollars)	34,558,007.09	36,682,230.81	37,295,634.31	37,242,121.28	7,749,452.73	8,439,127.69	8,733,042.62	9,933,403.94
Highest Rate	90	90	90	91	90	90	90	91
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	85.5097	85.5099	85.6373	85.6402	85.5097	85.5099	85.6373	85.6402
Number of Bids Received	376	381	402	394	539	584	558	682
Number of Bids Rejected	39	30	32	38	36	32	44	56

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			
	9-July-21	16-July-21	23-July-21	30-July-21	9-July-21	23-July-21	23-Jul-21	30-Jul-21
Raw Materials	14,077,599.22	15,300,224.02	15,100,167.36	14,262,215.75	1,729,385.55	1,855,265.04	2,027,591.73	2,618,337.54
Machinery and Equipment	7,016,303.27	7,894,924.87	9,539,708.98	8,981,866.50	1,972,893.91	2,442,216.02	2,014,127.79	2,571,114.31
Consumables (Incl. Spares, Tyres, Packaging)	3,065,060.23	2,690,225.08	3,104,800.09	1,896,941.25	1,975,402.78	1,690,620.68	1,984,305.33	1,848,155.35
Pharmaceuticals and Chemicals	3,702,409.64	2,618,290.28	2,449,332.18	2,900,273.71	394,855.68	444,991.38	563,690.77	732,787.66
Services (Loans, Dividends and Disinvestments)	1,320,644.89	1,791,011.44	911,998.04	2,137,154.25	511,375.65	575,760.19	606,061.45	711,992.69
Retail and Distribution	3,210,048.87	3,721,669.82	3,713,743.57	4,332,677.09	655,316.87	811,269.47	968,244.79	862,967.10
Fuel, Electricity and Gas	1,333,354.93	1,747,233.43	1,748,127.88	1,987,585.65	158,059.75	323,011.21	278,492.74	286,143.71
Paper and Packaging	832,586.04	918,651.87	727,756.21	743,407.07	352,162.54	295,993.70	290,528.02	301,905.58
TOTAL	**34,558,007.09**	**36,682,230.81**	**37,295,634.31**	**37,242,121.28**	**7,749,452.73**	**8,439,127.69**	**8,733,042.62**	**9,933,403.94**

Source: Reserve Bank of Zimbabwe, 2021