



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	5
6. EQUITY MARKETS.....	6

Week Ending
4th June 2021

1. INTEREST RATES

Deposit Rates

During the week ending 4th June 2021, minimum deposit rates for savings deposits and deposits of 3-month tenor remained unchanged. Minimum deposit rates for deposits of 1-month tenor, however, increased during the same week. Maximum deposit rates for savings deposits registered an increase, while deposit rates for deposits of 1-month tenor declined. The week under review also saw maximum deposit rates for deposits of 3-month tenor remain unchanged, 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 (%)
7-May-21	1.57	4.04	5.19	10.83	6.89	11.67
14-May-21	1.57	4.04	5.19	10.83	6.89	11.67
21-May-21	1.57	4.04	5.19	10.83	6.89	11.72
28-May-21	1.57	4.04	5.19	10.83	6.89	11.72
4-Jun-21	1.57	4.24	5.42	10.77	6.89	11.72

Source: Reserve Bank of Zimbabwe, 2021

Lending Rates

Minimum commercial bank lending rates for individual clients declined, while those for corporate clients increased, during the week under review. Commercial bank maximum lending rates for both individual and corporate clients increased during the week ending 4th June, as shown in Table 2.

Table 2: Lending Rates (per annum)

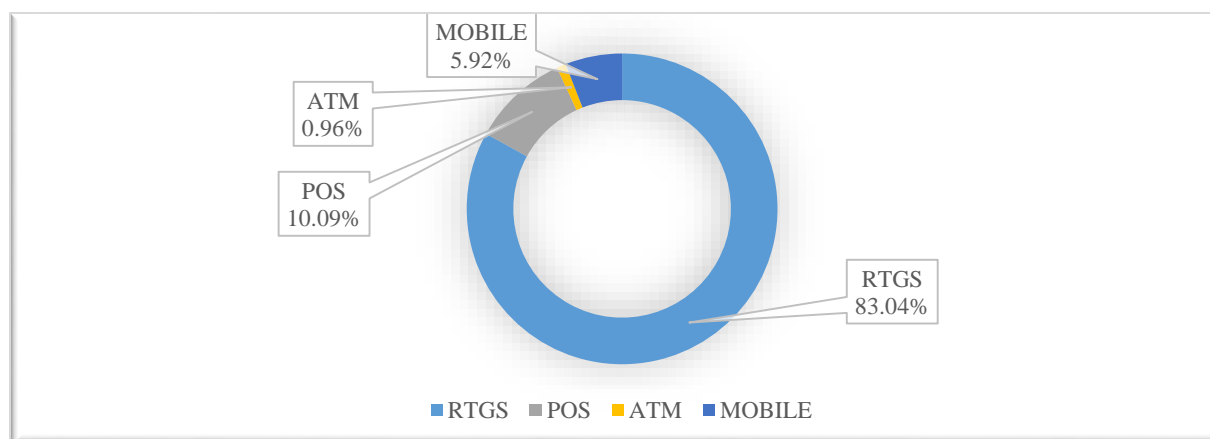
Date	Individual Clients		Corporate Clients	
	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
7-May-21	35.91	57.17	22.46	59.80
14-May-21	35.91	57.17	22.49	59.80
21-May-21	34.84	56.21	21.76	59.67
28-May-21	34.84	56.21	21.76	59.67
4-Jun-21	36.03	57.05	21.81	59.79

Source: Reserve Bank of Zimbabwe, 2021

2. CLEARING AND SETTLEMENT ACTIVITY

Transactions processed through the National Payment System (NPS) stood at ZW\$118.41 billion, during the week under analysis, up from ZW\$98.41 billion in the previous week. Real Time Gross Settlement (RTGS) transactions increased by 21.95% to close at ZW\$98.33 billion, during the same week. The NPS transaction values were distributed as follows: RTGS, 83.04%; POS, 10.09%; Mobile, 5.92% and ATM, 0.96%.

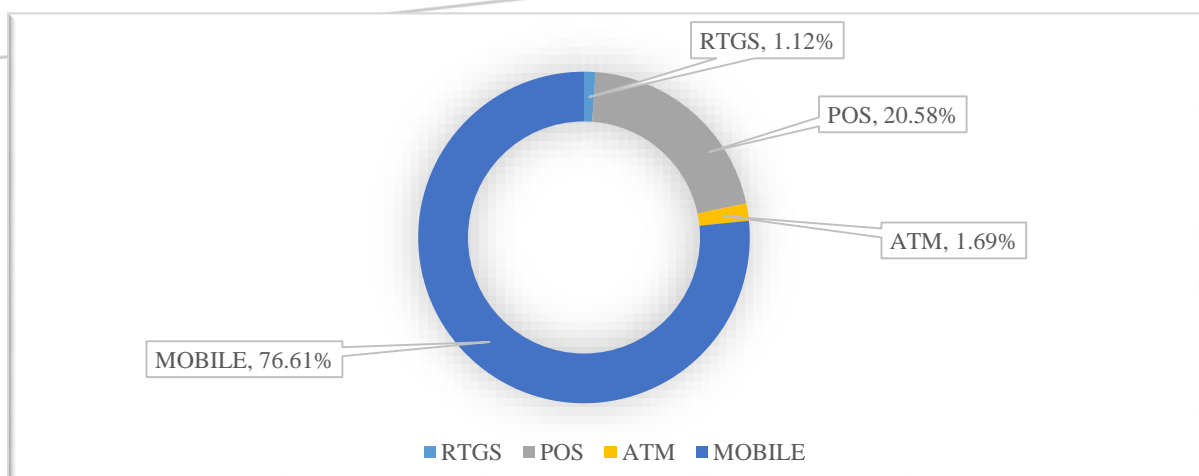
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2021

During the week under review, NPS transaction volumes rose by 3.20% to close at 24.33 million transactions, from 23.57 million transactions in the previous week. The NPS transaction volumes were distributed as follows: Mobile, 76.61%; POS, 20.59%; ATM, 1.69% and RTGS, 1.12%.

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 28 th MAY 2021	WEEK ENDING 4 th June 2021	% CHANGE FROM LAST WEEK	PROPORTION %
Values in ZW\$ Millions				
RTGS	80,627.06	98,326.62	21.95%	83.04%
POS	10,232.61	11,941.76	16.70%	10.09%
ATM	903.57	1,134.92	25.60%	0.96%
MOBILE	6,648.82	7,006.78	5.38%	5.92%
TOTAL	98,412.06	118,410.07	20.32%	100%
Volumes				
RTGS	284,508	271,421	-4.60%	1.12%
POS	4,516,315	5,007,494	10.88%	20.58%
ATM	492,591	411,778	-16.41%	1.69%
MOBILE	18,282,889	18,639,153	1.95%	76.61%
TOTAL	23,576,303	24,329,846	3.20%	100%

Source: Reserve Bank of Zimbabwe, 2021

3. TOBACCO SALES

As at 4th June 2021 or day 41 of the 2021 tobacco selling season, an aggregate of 138.43 million kilograms of tobacco had been sold at a price of US\$2.71/kg. This represented a 28.83% increase, compared to the 107.45 million kilograms sold at US\$2.36/kg during the comparable period in 2020. A total of US\$374.99 million was realized from the sales, compared to US\$253.15 million recorded during the corresponding period in 2020.

Table 4: Weekly Cumulative Tobacco Sales: Day 41 (4th June 2021)

	2020	2021	Variance (%)
Cumulative Quantity Sold (million kgs)	107,450,767	138,431,239	28.83
Average Price(US\$/kg)	2.36	2.71	14.94
Cumulative value (US\$ million)	253,248,104	374,98,861	48.08

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

4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

During the week ending 4th June 2021, international commodity prices for gold, copper, nickel and crude oil firmed, while platinum prices retreated. Table 5 shows the evolution of prices of selected commodities, during the week under review.

Table 5: Metal and Crude Oil Prices for the week-ending 4th June 2021

	Gold	Platinum	Copper	Nickel	Crude Oil
2021	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
Weekly Average (24 – 28 May)	1,890.98	1,183.60	9,993.60	17,249.60	68.72
31-May	1,894.73	1,181.75	10,096.00	17,587.50	69.25
1-Jun	1,903.53	1,186.00	10,212.50	18,147.00	70.42
2-Jun	1,899.33	1,190.00	10,117.50	18,133.00	71.74
3-Jun	1,879.35	1,178.50	10,115.75	17,999.25	71.61
4-Jun	1,880.08	1,156.50	9,852.00	17,922.00	71.82
Weekly Average (31 May – 4 Jun)	1,891.40	1,178.55	10,078.75	17,957.75	70.97
Weekly Change (%)	0.02	-0.4	0.9	4.1	3.3

Source: BBC, KITCO and Bloomberg, 2021

Gold

Gold prices were relatively steady, rising by a marginal 0.02%, from a weekly average of US\$1,890.98 per ounce in the previous week to US\$1,891.40 per ounce, during the week under analysis. The yellow metal slightly strengthened as U.S. Treasury yields retreated, while investors awaited key economic data that would shed light on the outlook for inflation.

Platinum

Platinum prices were largely subdued during the period under review on account of slackening industrial demand, particularly in China. Reflecting this development, prices further retreated by 0.4%, from a weekly average of US\$1,183.60 per ounce in the previous week to US\$1,178.55 per ounce, during the week under review.

Copper

Copper prices bounced back during the week, gaining by 0.9%, from a weekly average of US\$9,993.60 per tonne in the preceding week to US\$10,078.75 per tonne, during the week ending 4th June 2021. The rebound in copper prices was underpinned by investor expectations that the push for the green energy revolution would spur global demand for the metal, widely used in electric appliances and electric conductors. The increase in prices was, however, moderated by fears of monetary policy tightening in the US and easing demand in China, the metal's top consumer.

Nickel

Nickel prices also firmed, in large part, due to optimism about global economic recovery. The volumes traded, however, remained low on account of investor concerns about sluggish demand in China. Resultantly, prices rose by 4.1%, from a weekly average of US\$17,249.60 per tonne in the previous week to US\$17,957.75 per tonne, during the week under review.

Brent Crude Oil

Brent Crude oil prices remained buoyant during the week, spurred by bullish signals from the Organisation of Petroleum Exporting Countries (OPEC)'s decision to stick to its output reduction plans. In addition, a further decline in US crude oil inventories of more than five million barrels, supported prices. Consequently, crude oil weekly average prices increased by 3.3%, from US\$68.72 per barrel in the previous week to US\$70.97 per barrel, during the week ending 4th June 2021.

5. EXCHANGE RATE DEVELOPMENTS

The Zimbabwe dollar (ZW\$) continued to trade steadily against the US dollar, shedding a marginal 0.1%, from an average of ZW\$84.6877 per US\$1 in the previous week, to close the week under review at an average of ZW\$84.7495 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 (24 – 28 May)	84.6877	6.1319	119.8093	7.9639	103.2439
31-May	84.7259	6.1463	120.1880	7.9646	103.3021
1-Jun	84.7259	6.1747	120.4974	7.9734	103.5309
2-Jun	84.7653	6.1538	119.9770	7.9768	103.5536
3-Jun	84.7653	6.2617	119.9685	8.0064	103.3841
4-Jun	84.7653	6.2093	119.9685	7.9938	102.6297
Weekly Average (31 May – 4 Jun)	84.7495	6.1892	120.1199	7.9830	103.2801
<i>Appr(-)/Depr(+)</i> (%) <i>of the ZWL</i>	<i>0.1</i>	<i>0.9</i>	<i>0.3</i>	<i>0.2</i>	<i>0.04</i>

Source: Reserve Bank of Zimbabwe, 2021

6. EQUITY MARKETS

During the week ending 4th June 2021, the Zimbabwe Stock Exchange (ZSE) maintained a positive momentum for the second consecutive week, resulting in all major indices registering gains. The All Share, Top 10 and Medium Cap indices gained 4.26%, 3.98%, and 4.59% to close at 5 646.12 points, 3 082.87 points and 14 704.50 points, respectively.

Market indices increased, in part, on account of gains in First Mutual Properties Limited (58%), Dairibord Holdings Limited (34.85), Getbucks Financial Services Limited (25.68%), Masimba Holdings Limited (20.07%) and Delta Corporation Limited (19.40%). Partially offsetting the aforementioned losses were declines in the share prices of Medtech Holdings Limited (11.66%), Edgars Stores Limited (8.40%), Afdis Distillers Limited (6.25%), First Capital Bank Limited (5.06%) and TSL Limited (4.55%).

The mining index, however, shed 2.34% to close at 6 665.61 points, during the week under analysis. The decline in the mining index emanated from a 3.51% decline in the share price for Bindura Nickel Corporation Limited, whilst RioZim Limited traded at the previous week price level.

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

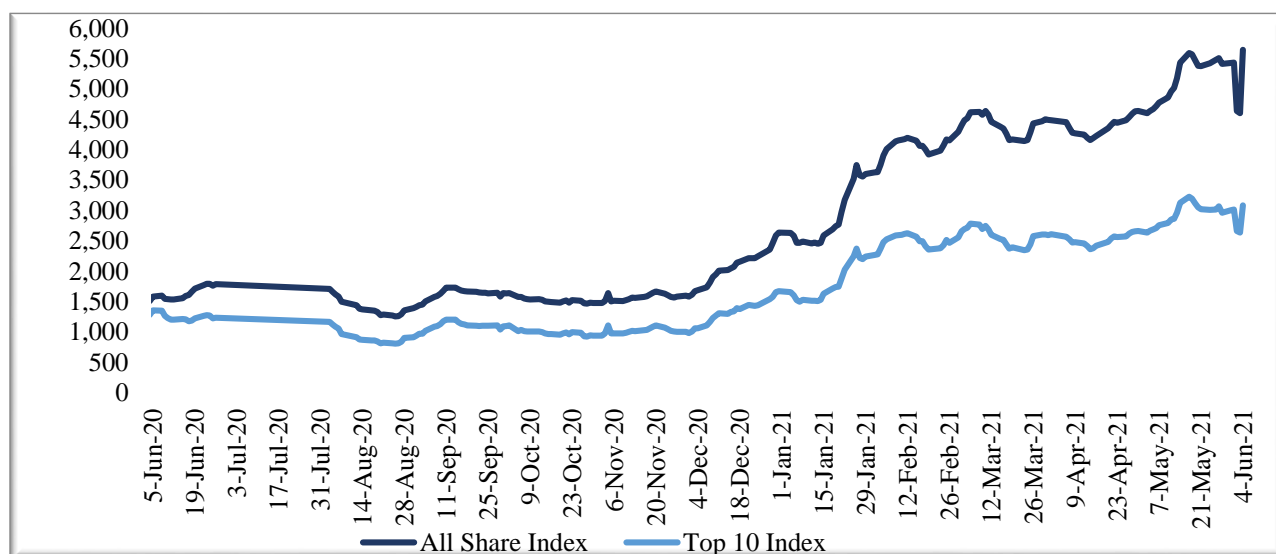
Table 7: Zimbabwe Stock Exchange Statistics²

	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)
30-April-21	4 641.11	2 660.37	3 023.66	11 330.52	43 054.55	5 061.28	540.75	939.24	50.20
7-May-21	4 774.55	2 758.97	3 116.33	11 501.55	46 133.62	5 438.60	557.68	481.55	27.92
14-May-21	5 436.39	3 127.76	3 505.18	13 264.23	49 596.70	6 330.54	635.98	657.83	34.79
21-May-21	5,378.90	3,020.61	3,399.58	13,535.04	58,524.39	6,626.95	630.14	2 140.53	90.589
28-May-21	5,415.23	2,964.82	3,389.72	14,058.91	68,279.48	6,825.09	632.54	518.96	30.14
4-Jun-21	5,646.12	3,082.87	3,506.58	14,704.50	74,079.26	6,665.61	658.65	716.39	52.60
% Change	4.26	3.98	3.45	4.59	8.49	-2.34	4.13	38.04	74.52

Source: Zimbabwe Stock Exchange (ZSE), 2021

Figure 3 shows developments on the ZSE’s All Share, Top 10 and mining indices for the period from 5th June 2020 to the 4th June 2021.

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



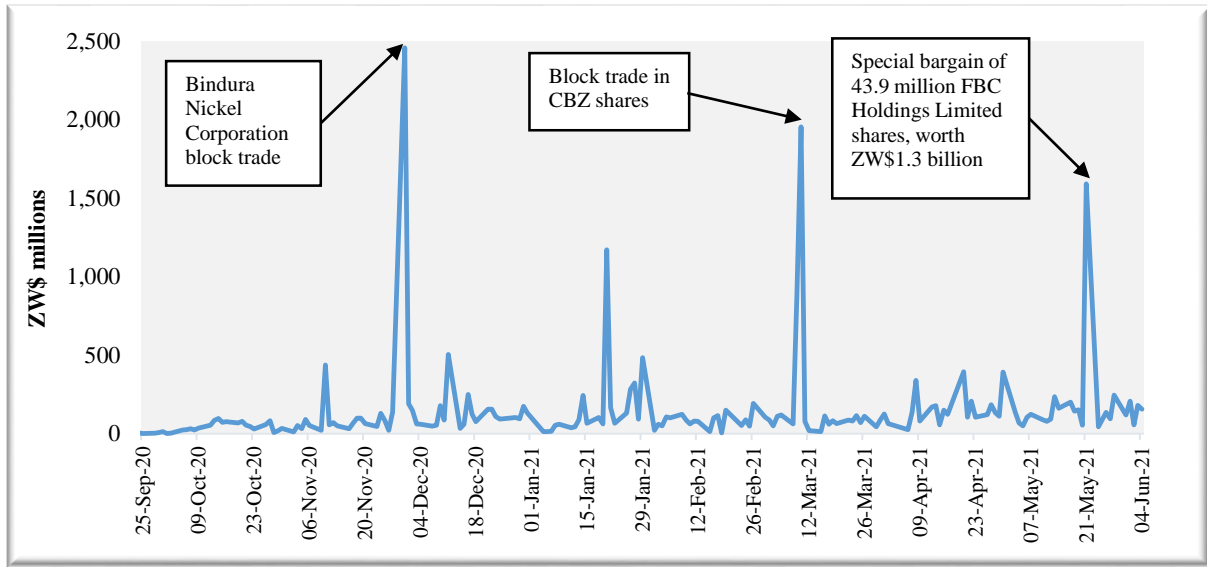
Source: Zimbabwe Stock Exchange, 2021

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.

Market Turnover and Volume

During the week under review, trading activity was skewed towards some selected wealth preserving counters. As a consequence, the cumulative volume and value of shares traded increased by 74.52% and 38.04% to 52.60 million shares and ZW\$716.39 million, respectively. Figure 4 shows the trend in daily market turnover for the period 25th Sept 2020 to 4th June 2021.

Figure 4: Daily Market Turnover

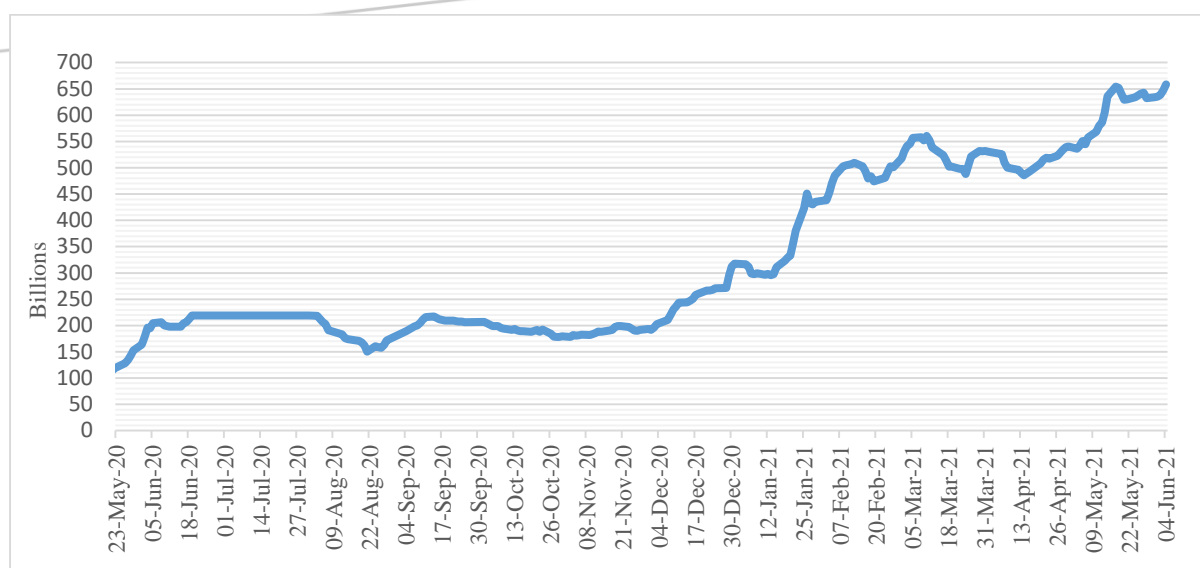


Source: Zimbabwe Stock Exchange, 2021

Market Capitalization

The local bourse gained ZW\$26.11 billion, or 4.13% worth of market capitalization to close at ZW\$658.65 billion, during the week under review. Figure 5 shows ZSE market capitalization developments for the period from 23th May 2020 to 4th June 2021.

Figure 5: Daily Market Capitalization in ZW\$ billions



Source: Zimbabwe Stock Exchange, 2021

Johannesburg Stock Exchange (JSE) Developments

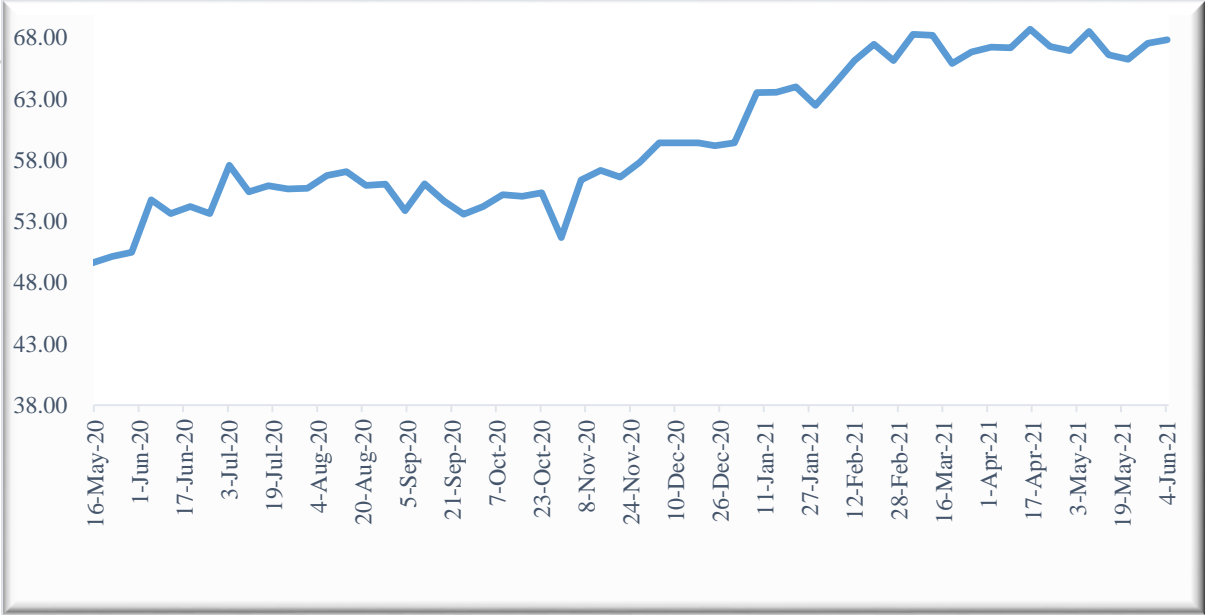
During the week ending 4th June 2021, the Johannesburg Stock Exchange (JSE) All share index rose by 0.40% to close at 67,825.02 points, from at 67,554.86 points recorded in the preceding week. JSE market capitalization remained unchanged at ZAR18.95 trillion, during the same week.

Table 8: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalization (ZAR trillions)
30-April-21	66,937.00	19.31
7-May-21	68,519.53	19.59
14-May-21	66,598.13	19.13
21-May-21	66,238.93	18.83
28-May-21	67,554.86	18.95
4-June-21	67,825.02	18.95
% Change	0.40%	0.00%

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			
	14-May-21	21-May-21	28-May-21	4-Jun-21	7-May-21	14-May-21	21-May-21	4-Jun-21
Total Bids (US\$ dollars)	36,536,482.42	36,360,964.93	31,841,848.09	32,599,234.77	5,089,085.21	6,167,533.19	6,335,601.02	5,939,711.40
Amount Allotted (US\$ dollars)	36,536,482.42	36,360,964.93	31,841,848.09	32,599,234.77	5,089,085.21	6,167,533.19	6,335,601.02	5,939,711.40
Highest Rate	88	89	89	89	88.5	90	89	89
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	84.6140	84.6494	84.7259	84.7653	84.6140	84.6494	84.7259	84.7653
Number of Bids Received	382	370	354	328	362	445	441	441
Number of Bids Rejected	47	40	35	38	33	44	25	31

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			
	14-May-21	21-May-21	28-May-21	4-Jun-21	14-May-21	21-May-21	28-May-21	4-Jun-21
Raw Materials	16,412,069.18	14,096,917.34	13,308,370.06	14,686,352.08	1,193,446.14	1,435,735.01	1,373,479.46	1,540,214.62
Machinery and Equipment	6,507,907.31	6,645,605.09	5,196,702.99	5,717,615.44	1,327,093.83	1,374,209.84	1,637,585.90	1,232,531.29
Consumables (Incl. Spares, Tyres, Packaging)	3,344,573.54	3,275,512.08	1,560,300.21	2,554,971.41	1,097,024.55	1,292,674.62	1,560,300.21	1,353,400.14
Pharmaceuticals and Chemicals	2,087,994.87	2,798,134.81	349,062.45	3,521,696.55	295,113.59	432,355.91	349,062.45	286,669.03
Services (Loans, Dividends and Disinvestments)	3,166,705.23	3,813,997.19	378,702.54	2,439,667.98	338,693.52	499,484.30	378,702.54	535,324.58
Retail and Distribution	2,480,283.20	3,418,523.43	497,405.96	2,344,239.90	454,994.39	571,009.09	497,405.96	510,574.99
Fuel, Electricity and Gas	1,446,674.21	1,297,258.26	218,126.45	1,034,163.66	157,948.86	237,187.42	218,126.45	252,729.41
Paper and Packaging	1,090,274.88	1,015,016.73	320,938.05	300,527.75	224,770.33	324,877.00	320,938.05	228,267.34
TOTAL	36,536,482.42	36,360,964.93	31,841,848.09	32,599,234.77	5,089,085.21	6,167,533.19	6,335,601.02	5,939,711.40

Source: Reserve Bank of Zimbabwe, 2021