



Weekly Economic Highlights

TABLE OF CONTENTS

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

Week Ending
19th March 2021

1. INTEREST RATES

Deposit Rates

Minimum and maximum deposit rates for all classes of deposits remained largely unchanged, during the week ending 19th March 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 (%)
19-Feb-21	1.57	4.24	5.00	10.66	6.08	11.43
26-Feb-21	1.57	4.24	5.00	9.88	6.08	11.43
5-Mar-21	1.57	4.24	5.00	9.88	6.08	11.43
12-Mar-21	1.57	4.04	5.14	10.66	6.95	11.65
19-Mar-21	1.57	4.04	5.15	10.66	6.95	11.65

Source: Reserve Bank of Zimbabwe, 2021

Lending Rates

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

Table 2: Lending Rates (per annum)

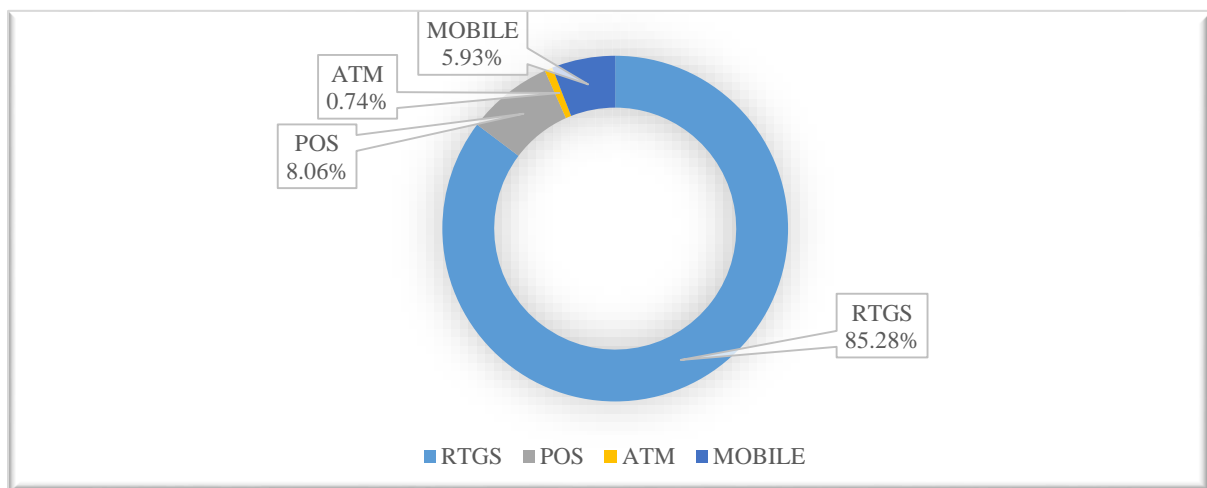
Date	Individual Clients		Corporate Clients	
	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
19-Feb-21	33.57	55.41	21.73	58.67
26-Feb-21	36.67	52.01	21.36	58.43
5-Mar-21	36.67	52.01	21.36	58.43
12-Mar-21	34.54	55.70	22.38	59.26
19-Mar-21	34.54	55.70	22.38	59.26

Source: Reserve Bank of Zimbabwe, 2021

2. CLEARING AND SETTLEMENT ACTIVITY

The total value of transactions processed through the National Payment System (NPS) increased by 9.84% to close at ZW\$81.13 billion, during the week of analysis. Real Time Gross Settlement (RTGS) transactions rose by 13.57%, from ZW\$60.92 billion in the previous week to close at ZW\$69.18 billion. The composition of the NPS transactions, in value terms, was as follows: RTGS, 85.28%; POS, 8.06%; Mobile, 5.93% and ATM, 0.74%.

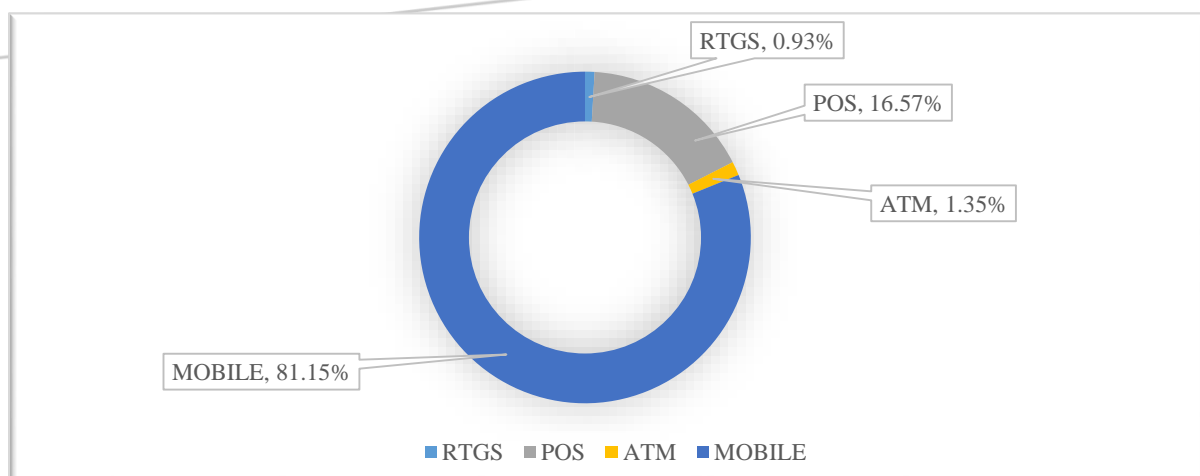
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2021

The volume of NPS transactions declined by 9.30% to close at 21.78 million, during the week under review, from 24.01 million in the previous week. In volume terms, NPS transactions were distributed as follows: Mobile, 81.15%; POS, 16.57%; ATM, 1.35% and RTGS, 0.93%.

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 12 th MARCH 2021	WEEK ENDING 19 th MARCH 2021	% CHANGE FROM LAST WEEK	PROPORTION %
Values in ZW\$ Millions				
RTGS	60,916.70	69,184.97	13.57%	85.28%
POS	6,274.29	6,537.86	4.20%	8.06%
ATM	805.20	598.50	-25.67%	0.74%
MOBILE	5,863.13	4,808.59	-17.99%	5.93%
TOTAL	73,859.32	81,129.92	9.84%	100%
Volumes				
RTGS	196,593	202,855	3.19%	0.93%
POS	3,560,075	3,609,010	1.37%	16.57%
ATM	362,112	293,047	-19.07%	1.35%
MOBILE	19,893,386	17,674,714	-11.15%	81.15%
TOTAL	24,012,166	21,779,626	-9.30%	100%

Source: Reserve Bank of Zimbabwe, 2021

3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

International weekly average prices for gold, platinum and copper firmed, while nickel and crude oil prices retreated, during the week ending 19th March 2021, as shown in Table 5.

Table 4: Metal and Crude Oil Prices for the week-ending 19th March 2021

	Gold	Platinum	Copper	Nickel	Crude Oil
2021	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
Weekly average (8-12 March)	1,709.82	1,173.60	8,988.30	16,130.80	68.62
15-Mar	1,725.78	1,215.00	9,147.50	16,167.00	68.17
16-Mar	1,733.65	1,207.50	8,965.50	16,131.00	68.51
17-Mar	1,733.30	1,202.00	9,027.00	15,988.00	65.28
18-Mar	1,730.00	1,212.00	9,090.00	15,999.00	63.15
19-Mar	1,736.20	1,185.50	9,036.00	16,121.00	64.51
Weekly average (15-19 March)	1,731.79	1,204.40	9,053.20	16,081.20	65.92
Weekly Change (%)	<i>1.3</i>	<i>2.6</i>	<i>0.7</i>	<i>-0.3</i>	<i>-3.9</i>

Source: BBC, KITCO and Bloomberg, 2021

Gold

Gold prices remained relatively firm during the week despite elevated bond yields, as the US Federal Reserve monetary policy meeting agreed to keep its benchmark interest rate to near zero through 2023. Prices rose by 1.3%, from a weekly average of US\$1,709.82 per ounce in the previous week to US\$1,731.79 per ounce, during the week under analysis.

Platinum

Platinum prices registered weekly gains, largely attributable to the continued global vaccination efforts, which boosted investor optimism about the return of the global economy to normalcy. Weekly average platinum prices rose by 2.6%, from US\$1,173.60 per ounce in the previous week to US\$1,204.40 per ounce, during the week under review.

Copper

Copper prices rebounded during the week under review, as a positive demand outlook and supply disruptions in some source markets offset pressure from rising inventories. Reports from China, the top consumer of the base metal, showed stronger-than-expected industrial growth in the first two months of 2021. Resultantly, copper prices rose by 0.7%, from US\$8,988.30 per tonne in the prior week to US\$9,053.20 per tonne, during the week ending 19th March 2021.

Nickel

Nickel prices continued on a negative trajectory after China's Tsingshan Holding Group announced that they had started producing a battery-grade form of nickel from low-grade ore,

a technical breakthrough which threatens to flood the nickel market. Reflecting this development, nickel prices declined by 0.3%, to close at US\$16,081.20 per tonne, during the week under review.

Brent Crude Oil

Crude oil prices declined by 3.9%, from a weekly average of US\$68.62 per barrel in the previous week to US\$65.92 per barrel, during the week under review, as new Covid-19 lockdowns in Europe dented crude oil demand prospects. In addition, reports that Germany, France and other European states had suspended the use of a major coronavirus vaccine, threatened the recovery of oil demand.

4. EXCHANGE RATE DEVELOPMENTS

The Zimbabwe dollar marginally depreciated against the greenback, during the week ending 19th March 2021. The local unit lost by 0.04%, from ZW\$83.9453 per US\$1 in the previous week to an average of ZW\$83.9829 per US\$1. Table 5 shows the developments in selected exchange rates, during the week under review.

Table 5: International Exchange Rates¹

	USD	ZAR	GBP	BWP	EURO
2021					
Weekly average (8-12 March)	83.9453	5.5114	116.5895	7.5563	99.9514
15-Mar	83.9827	5.6007	116.8495	7.6049	100.2292
16-Mar	83.9827	5.6529	116.4926	7.6096	100.2502
17-Mar	83.9830	5.6370	116.5812	7.6264	99.9316
18-Mar	83.9830	5.7225	117.1941	7.6597	100.4984
19-Mar	83.9830	5.6931	116.8247	7.6719	100.0701
Weekly average (15-19 March)	83.9829	5.6612	116.7884	7.6345	100.1959
Appr(-)/Depr(+) (%) of the ZWL	<i>0.04</i>	<i>2.7</i>	<i>0.2</i>	<i>1.0</i>	<i>0.2</i>

Source: Reserve Bank of Zimbabwe, 2021

5. EQUITY MARKETS

During the week ending 19th March 2021, the bearish sentiment that characterised the Zimbabwe Stock Exchange (ZSE) persisted for the second consecutive week. This resulted in

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

the decline in the All Share, Top 10 and Top 15 indices by 6.57%, 8.04%, and 7.79%, to close at 4 168.14 points, 2 391.23 points and 2 762.25 points, respectively.

The decreases in the market indices were largely a result of declines in share prices for Padenga Holdings Limited (30.79%), First Mutual Properties Limited (25.06%), African Sun Limited (24.28%), Nampak Zimbabwe Limited (23.64%) and Willdale Limited (15.54%). Partially offsetting the aforementioned losses were gains in the share prices of National Tyre Services Limited (48.64%), Zimbabwe Newspapers (35.11%), Cafca Limited (20%), Lafarge Cement Zimbabwe Limited (20%) and ZB Financial Holdings Limited (17.77%).

The resources index recovered from the loss of the previous week by gaining 3.22% to close at 5 984.98 points, during the week under review.

Table 6: Zimbabwe Stock Exchange Statistics²

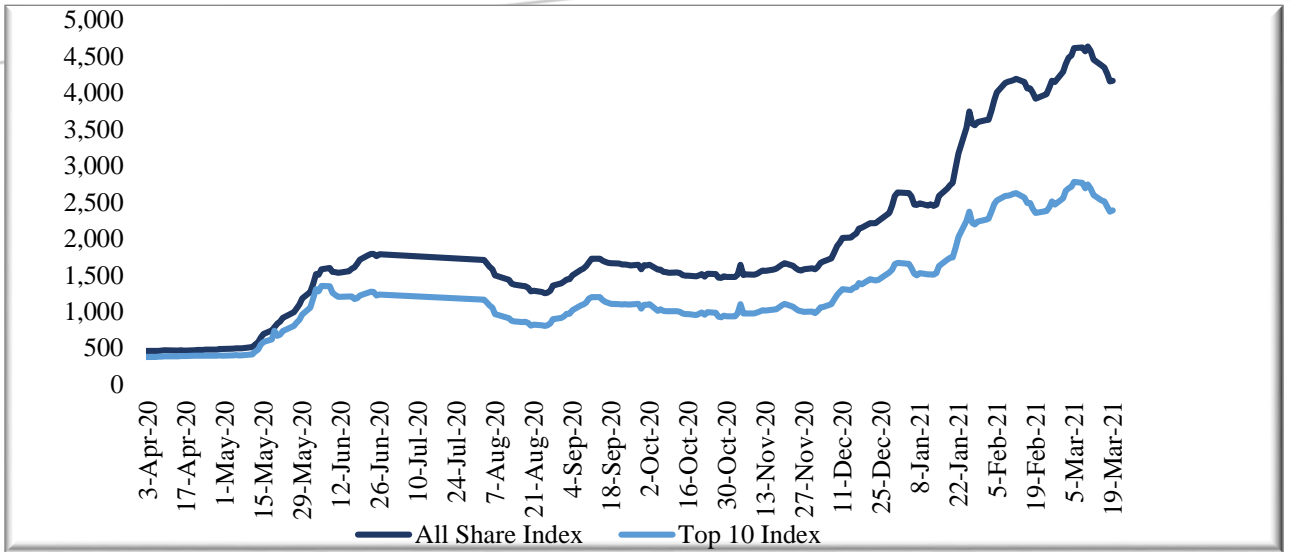
	All Share Index Points	Top 10 index (points)	Top 15 Index ³ points	Medium Cap ³ (points)	Small Cap ³ (points)	Mining Index (points)	Grand Market Capitalization (ZWL million)	Market Turnover (ZWL million)	Volume of Shares (million)
12-Feb-21	4 198.26	2 625.70	3 002.47	8 998.66	18 714.40	5 264.37	509.45	429.66	35.05
19-Feb-21	3 921.68	2 357.01	2 729.82	9 004.78	22 392.49	5 767.82	473.89	382.41	40.16
26-Feb-21	4154.37	2 469.42	2 847.26	9 697.12	26 164.14	6 683.44	501.18	380.53	44.06
5-March-21	4 615.87	2 781.34	3 181.89	10 442.02	34 496.32	6 756.94	557.13	471.56	37.48
12-March-21	4 461.41	2 600.17	2 995.51	10 576.56	42 963.35	5 798.04	538.68	2 993.15	81.93
19-March-21	4 168.14	2 391.23	2 762.25	10 082.42	44 875.78	5 984.98	502.30	331.53	35.33
% Change	-6.57	-8.04	-7.79	-4.67	4.45	3.22	-6.75	-88.92	-56.88

Source: Zimbabwe Stock Exchange (ZSE), 2021

Figure 3 shows developments in the ZSE's All Share and Top 10 indices from the 3rd April 2020 to the 19th March 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

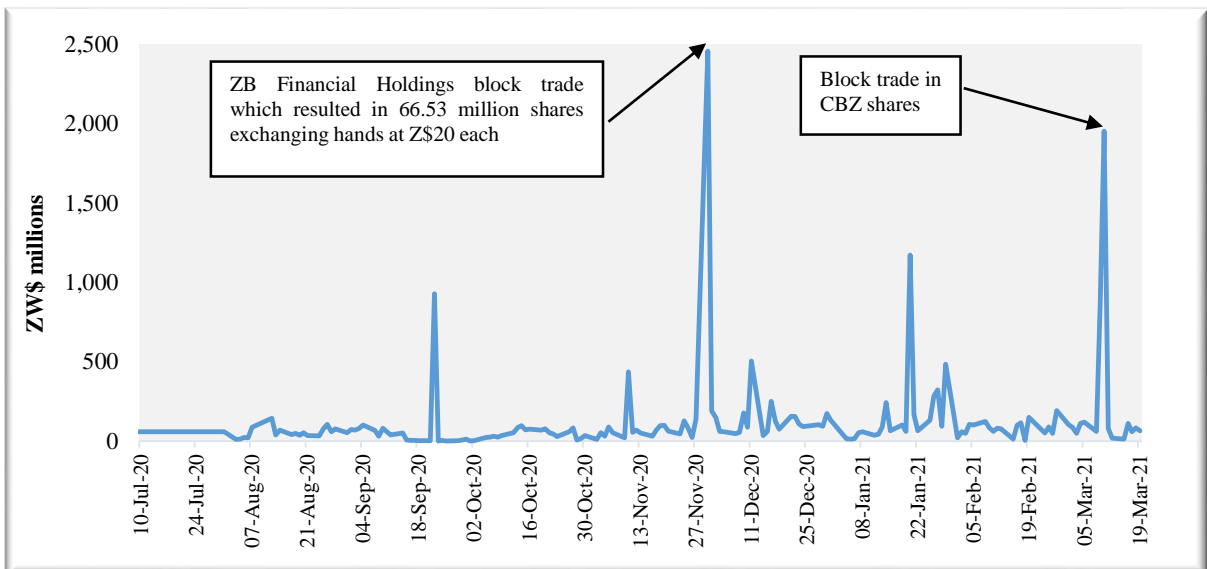


Source: Zimbabwe Stock Exchange, 2021

Market Turnover and Volume

As a consequence of negative trading activity during the week under review, the cumulative value and volume of shares traded on the ZSE declined by 89.92% and 56.87% to Z\$331.53 billion and 35.33 million shares, respectively. Figure 3 shows the trend in daily market turnover for the period from 10th July 2020 to 19th March 2021.

Figure 4: Daily Market Turnover

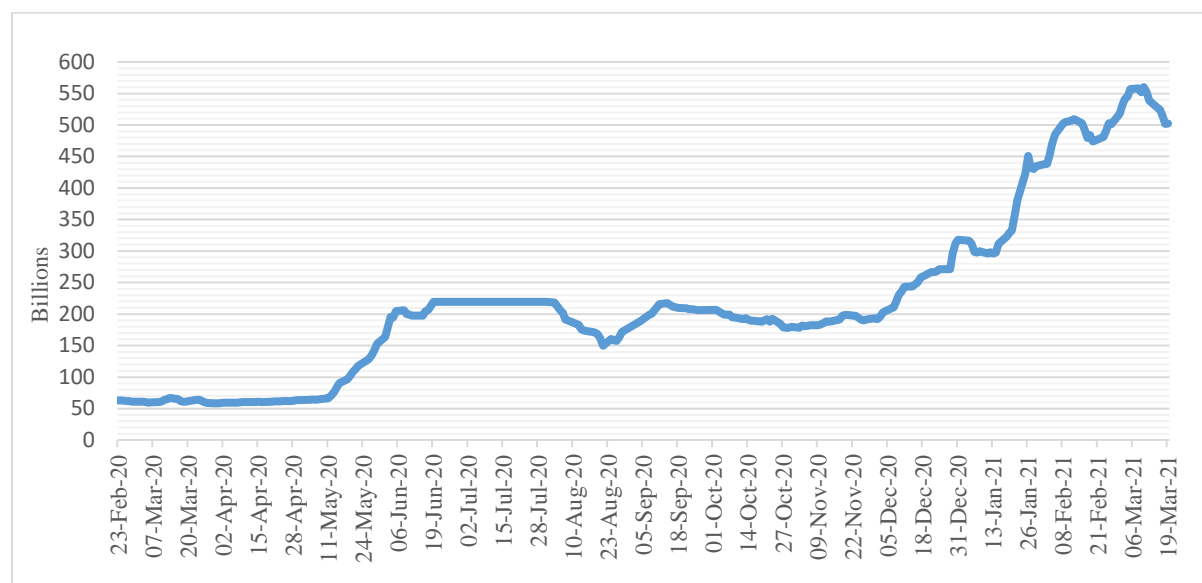


Source: Zimbabwe Stock Exchange, 2021

Market Capitalization

During the week under review, the ZSE lost ZW\$36.38 billion, or 6.75% worth of market capitalisation to close at ZW\$502.30 billion, compared to ZW\$538.68 billion recorded in the previous week. Figure 5 shows market capitalization developments for the period from 16th February 2020 to 19th March 2021.

Figure 5: Daily Market Capitalization in ZW\$ billions



Source: Zimbabwe Stock Exchange, 2021

Johannesburg Stock Exchange (JSE) Developments

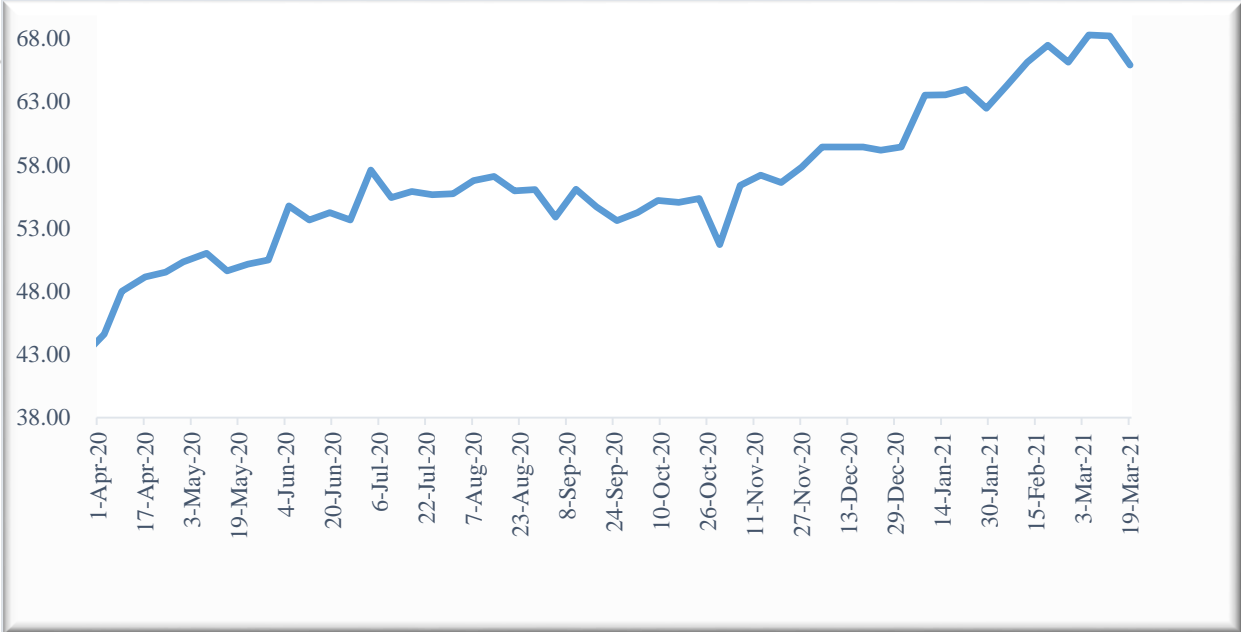
The Johannesburg Stock Exchange (JSE) All share index fell by 3.37%, from 68,209.86 points to close at 65,911.27 points, during the week ending 19th March 2021. Similarly, JSE market capitalization was 1.95% lower to close at ZAR19.09 trillion, in the same week.

Table 7: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index	Market Capitalization
	(points)	(ZAR trillions)
12-February-21	66,132.24	19.22
19-February-21	67,464.86	19.64
26-February-21	66,138.05	19.04
5-March-21	68,271.19	19.53
12-March-21	68,209.86	19.47
19-March-21	65,911.27	19.09
% Change	-3.37	-1.95

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			
	23-Feb-21	2-Mar-21	9-Mar-21	16-Mar-21	23-Feb-21	2-Mar-21	9-Mar-21	16-Mar-21
Total Bids (US\$ dollars)	34,615,283.93	32,001,222.04	34,171,927.42	32,064,981.88	2,579,573.89	3,106,385.22	2,971,567.57	3,233,262.22
Amount Allotted (US\$ dollars)	34,615,283.93	32,001,222.04	34,171,927.42	32,064,981.88	2,579,573.89	3,106,385.22	2,971,567.57	3,233,262.22
Highest Rate	87	87	86	87	88	86	86	87
Lowest Rate	82	82	82	82	82	82	82	82
Lowest Accepted Rate	82	82	82	82	82	82	82	82
Weighted Average Rate	83.8868	83.8891	83.9827	83.9830	83.8868	83.8891	83.9827	83.9830
Number of Bids Received	301	365	371	351	183	279	241	288
Number of Bids Rejected	34	61	73	59	23	43	36	59

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			
	23-Feb-21	2-Mar-21	9-Mar-21	16-Mar-21	23-Feb-21	2-Mar-21	9-Mar-21	16-Mar-21
Raw Materials	16,141,537.62	13,559,653.70	15,720,208.45	13,999,784.64	613,448.97	761,530.80	658,141.19	933,399.68
Machinery and Equipment	6,232,922.02	5,040,973.36	5,336,512.45	5,294,452.73	485,101.40	540,545.30	618,280.19	546,537.60
Consumables (Incl. Spares, Tyres, Packaging)	2,156,924.38	2,632,893.20	2,893,994.60	2,810,988.48	714,924.93	676,256.00	566,806.87	608,270.01
Pharmaceuticals and Chemicals	2,374,832.50	2,056,113.86	2,303,755.38	2,177,432.40	156,065.84	211,727.57	231,964.61	201,157.69
Services (Loans, Dividends and Disinvestments)	1,818,742.38	2,680,874.08	2,061,071.82	2,046,664.56	206,427.25	422,505.26	281,116.43	277,336.10
Retail and Distribution	3,020,305.55	2,622,980.74	2,951,055.68	2,485,750.31	211,500.25	246,103.63	195,839.97	294,729.60
Fuel, Electricity and Gas	2,357,818.73	3,134,583.10	2,439,825.38	2,687,940.58	171,870.25	215,829.26	257,000.94	278,180.34
Paper and Packaging	512,200.75	273,150.00	465,503.66	561,968.18	20,235.00	31,887.40	162,417.37	93,651.20
TOTAL	34,615,283.93	32,001,222.04	34,171,927.42	32,064,981.88	2,579,573.89	3,106,385.22	2,971,567.57	3,233,262.22

Source: Reserve Bank of Zimbabwe, 2021