



# Weekly Economic Highlights

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Week Ending  
24<sup>th</sup> April 2020

## 1. INTEREST RATES

### Deposit Rates

Minimum deposit rates for savings deposits remained unchanged at 2.36%, while deposit rates for deposits of 1-month and 3-month tenors increased by 0.34 and 0.16 percentage points to close at 3.46% and 3.95%, respectively, during the week ending 24<sup>th</sup> April 2020. Maximum deposits rates for deposits of 1-month and 3-month tenors increased to 5.84% and 6.39%, during the week under review, from 6.12% and 6.16%, respectively, in the previous week. The week under review saw maximum deposits rates for savings deposits remain unchanged at 4.74%, 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 (%)
27-Mar-20	2.36	4.74	3.12	6.12	3.82	6.16
3-April-20	2.36	4.74	3.12	6.12	3.82	6.16
9-April-20	2.36	4.74	3.12	6.12	3.79	6.16
17-April-20	2.36	4.74	3.12	6.12	3.79	6.16
24-April-20	2.36	4.74	<b>3.46</b>	<b>5.84</b>	<b>3.95</b>	<b>6.39</b>

Source: Reserve Bank of Zimbabwe, 2020

### Lending Rates

Minimum commercial bank lending rates for individual clients increased by 0.61 percentage points to close at 19.61%, during the week under review. Commercial bank minimum lending rates for corporate clients, however, declined by 0.47 percentage points to 16.39%, during the same week. Maximum lending rates for individual and corporate clients increased by 1.31 and 1.43 percentage points to close at 34.43% and 38.62%, respectively, at commercial banks, as shown in Table 2.

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

Date	Individual Clients		Corporate Clients	
	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
27-Mar-20	19.65	34.29	17.21	37.08
3-Apr-20	19.65	34.29	17.21	37.08
9-Apr-20	19.00	33.12	16.86	37.19
17-Apr-20	19.00	33.12	16.86	37.19
24-Apr-20	<b>19.61</b>	<b>34.43</b>	<b>16.39</b>	<b>38.62</b>

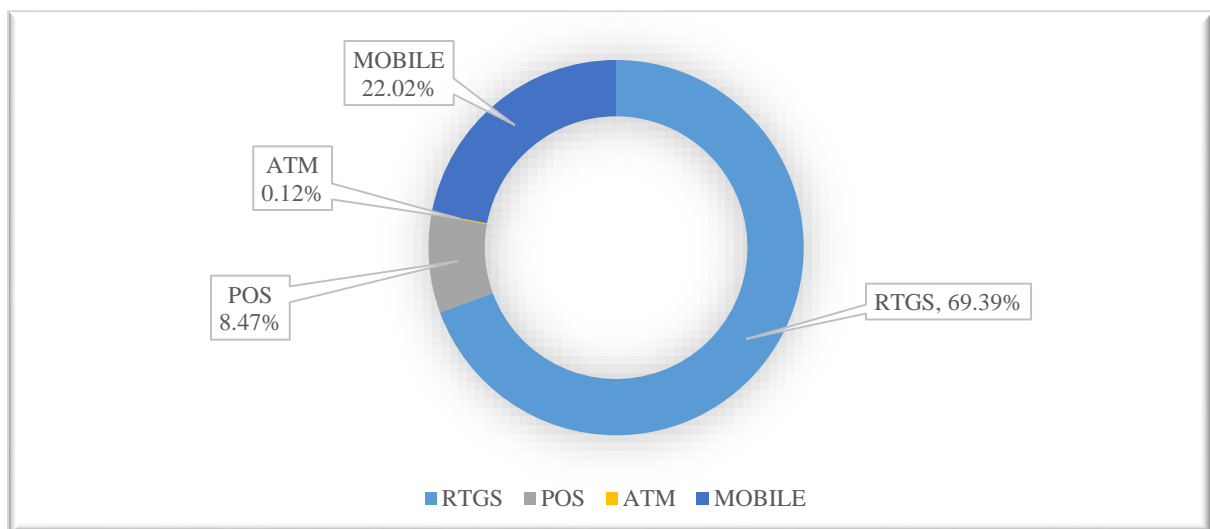
Source: Reserve Bank of Zimbabwe, 2020

## 2. CLEARING AND SETTLEMENT ACTIVITY

During the week ending 24<sup>th</sup> April 2020, the total value of transactions processed through the National Payment Systems (NPS) amounted to ZWL\$16.63 billion, representing an increase of 26.01%, from \$13.20 billion recorded in the previous week. RTGS transactions stood at \$11.54 billion, during the week under analysis, up from \$9.43 billion in the previous week.

The distribution of NPS transactions in value terms was as follows: RTGS, 69.39%; Mobile, 22.02%; Point of Sale (POS), 8.47%; and Automated Teller Machine (ATM), 0.12%, as shown in Figure 1.

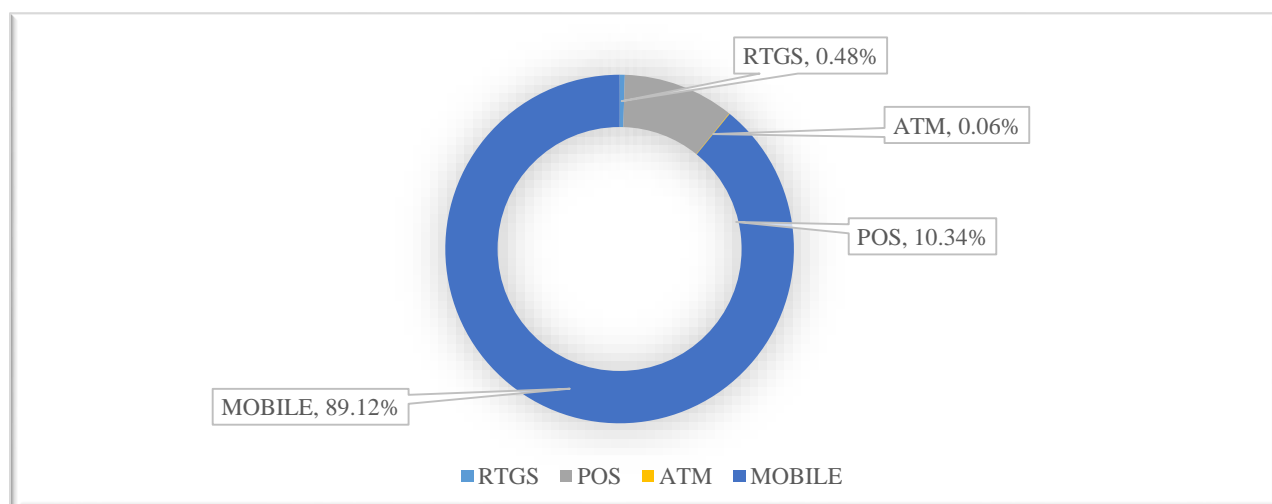
**Figure 1: Composition of NPS Transactions in Value Terms**



Source: Reserve Bank of Zimbabwe, 2020

The volume of NPS transactions increased from 25.57 million in the previous week to close at 29.05 million, during the week under analysis. NPS transactions were constituted as follows: Mobile, 89.12%, POS, 10.34%; RTGS 0.48%; and ATM, 0.06%, as shown in Figure 2.

**Figure 2: Composition of NPS Transactions in Volume Terms**



Source: Reserve Bank of Zimbabwe, 2020

**Table 3: National Payment Systems Activity**

PAYMENT STREAM	WEEK ENDING	WEEK ENDING	% CHANGE FROM LAST WEEK	PERCENTAGE OF TOTAL
	17-Apr-20	24-Apr-20		
	<b>VALUES IN \$ (millions)</b>			
RTGS	9,431.84	11,539.06	22.34%	69.39%
POS	886.29	1,408.33	58.90%	8.47%
ATM	19.72	19,37	-1.80%	0.12%
MOBILE	2,858.91	3,662.49	28.11%	22.02%
<b>TOTAL</b>	<b>13,196.77</b>	<b>16,629.25</b>	<b>26.01%</b>	<b>100%</b>
	<b>VOLUMES</b>			
RTGS	83,172	140,265	68.64%	0.48%
POS	2,158,786	3,002,376	39.08%	10.34%
ATM	10,174	16,581	62.97%	0.06%
MOBILE	23,321,316	25,890,231	11.02%	89.12%
<b>TOTAL</b>	<b>25,573,448</b>	<b>29,049,453</b>	<b>13.59%</b>	<b>100%</b>

Source: Reserve Bank of Zimbabwe, 2020

### 3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The weekly average prices of gold, platinum, copper and Brent crude oil registered declines, during the week ending 24<sup>th</sup> April 2020. Nickel prices, however, increased during the same week, as shown in Table 4.

**Table 4: International Commodity Prices**

	Gold	Platinum	Copper	Nickel	Crude Oil
2020	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
<b>weekly average (14-17Apr)</b>	<b>1,715.22</b>	<b>778.25</b>	<b>5,111.75</b>	<b>11,744.75</b>	<b>28.07</b>
<b>20-Apr</b>	1,685.58	780.00	5,147.00	12,395.00	23.41
<b>21-Apr</b>	1,680.33	739.00	4,994.50	12,085.00	16.65
<b>22-Apr</b>	1,706.60	760.00	5,034.00	11,895.00	21.19
<b>23-Apr</b>	1,731.90	765.50	5,120.50	12,010.00	22.01
<b>24-Apr</b>	1,721.58	763.00	5,118.00	12,073.00	20.74
<b>weekly average (20-24Apr)</b>	<b>1,705.20</b>	<b>761.50</b>	<b>5,082.80</b>	<b>12,091.60</b>	<b>20.80</b>
<b>Weekly Change (%)</b>	-0.58	-2.15	-0.57	2.95	-25.9

Source: BBC, KITCO and Bloomberg 2020

#### Gold

The average weekly price of gold shed 0.58% during the week ending 24<sup>th</sup> April 2020 to US\$1,705.20 per ounce<sup>1</sup>, from US\$1,715.22 per ounce recorded in the previous week. The decline was, in part, underpinned by sell off pressures, following a crash in energy prices and weak demand in Asian markets, especially India and China.

#### Platinum

Platinum prices registered a week-on-week decline, from a weekly average of US\$778.25 per ounce in the previous week to US\$778.25 per ounce, during the week under view. Prices were dampened by investor sell-offs, as losses in the oil market prompted a rush for safe-haven assets such as the US dollar. On the supply-side, prices were also weighed down by rising prospects of an imminent increase in production for major producers such as South Africa.

<sup>1</sup> 1 troy ounce (oz) of gold is equivalent to 31.103 grams.

## **Copper**

The weekly average price of copper softened by 0.57% to US\$5,082.80 per tonne, during the week under review, compared to US\$5,111.75 per tonne in the preceding week. Prices were dampened by depressed demand concerns, amid worries about developments in the energy markets and the severity of the global economic slump. In addition, prices were weighed down by prospects of improved supply from Zambia, following optimism about an imminent deal between the Government of Zambia and Glencore.

## **Nickel**

Nickel prices gained 2.95% to US\$12,091.60 per tonne, during the week ending 24<sup>th</sup> April 2020. The increase was occasioned by the announced production cuts for 2020 by the Brazilian Vale mine, a top global producer of nickel.

## **Crude Oil**

The weekly average price of Brent crude oil slumped by 25.9%, from US\$28.07 per barrel<sup>2</sup> recorded in the previous week to close at a record low of US\$20.80 per barre, during the week under review. This was attributable to worsening over-supply conditions that stoked fears of a severe global economic recession.

## **EXCHANGE RATES**

The Zimbabwe dollar (ZWL) appreciated against the South African rand, pound Sterling, Botswana pula and euro, during the week under analysis. It, however, remained pegged at \$25 per US\$, as per policy. Table 5 shows the weekly exchange rate developments during the week under review.

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<sup>2</sup> 1 barrel is equivalent to 157.987 litres

**Table 5. International Exchange Rates<sup>3</sup>**

2020	USD	ZAR	GBP	BWP	EUR
<b>Weekly Average (14-17Apr)</b>	25.0000	1.3575	31.3306	2.0705	27.2805
<b>20-Apr</b>	25.0000	1.3229	31.1475	2.0388	27.1400
<b>21-Apr</b>	25.0000	1.3245	31.0288	2.0500	27.0950
<b>22-Apr</b>	25.0000	1.3160	30.7263	2.0250	27.1313
<b>23-Apr</b>	25.0000	1.3221	30.9200	2.0275	27.0750
<b>24-Apr</b>	25.0000	1.3054	30.8275	2.0225	26.9013
<b>Weekly Average (20-24Apr)</b>	25.0000	1.3169	30.8752	2.0312	27.0503
<b>Appr(-)/Depr(+) (%) of the ZWL</b>	<b>0.0</b>	<b>-3.0</b>	<b>-1.5</b>	<b>-1.9</b>	<b>-0.8</b>

Source: Reserve Bank of Zimbabwe, 2020

#### 4. EQUITY MARKETS

The Zimbabwe Stock Exchange (ZSE) was characterised by bullish sentiments, during the week ending 24<sup>th</sup> April 2020. As such, Small Cap, Medium Cap, All Share, Top 15 and Top 10 indices gained 7.01%; 4.04%; 1.61%; 0.65% and 0.12% to close at 1 386.92; 676.39; 476.56; 407.49; and 393.62 points, respectively.

The industrial registered a marginal increase of 1.21% to close at 579.09 points, during the week under review. Gains in share prices of Willowdale Limited (48.88%), Edgars Stores Limited (43.74%), First Mutual Holdings Limited (42.57%), Powerspeed Electrical Limited (20.75%) and Masimba Holdings Limited (13.48%) contributed to the increase in the mainstream index. Partially offsetting the gains were losses in share prices of Simbisa Brands Limited (7.00%); Africa Sun Limited (3.53%); Delta Corporation Limited (2.79%); Padenga Holdings Limited (2.50%); and Inncor Africa Limited (1.38%).

The resources index increased by 24.47% to close at 768.18 points, during the week under analysis. This was on account of share prices gains of 32.61% and 12.73% for Bindura Nickel Corporation Limited (BNC) and Riozim Limited, respectively.

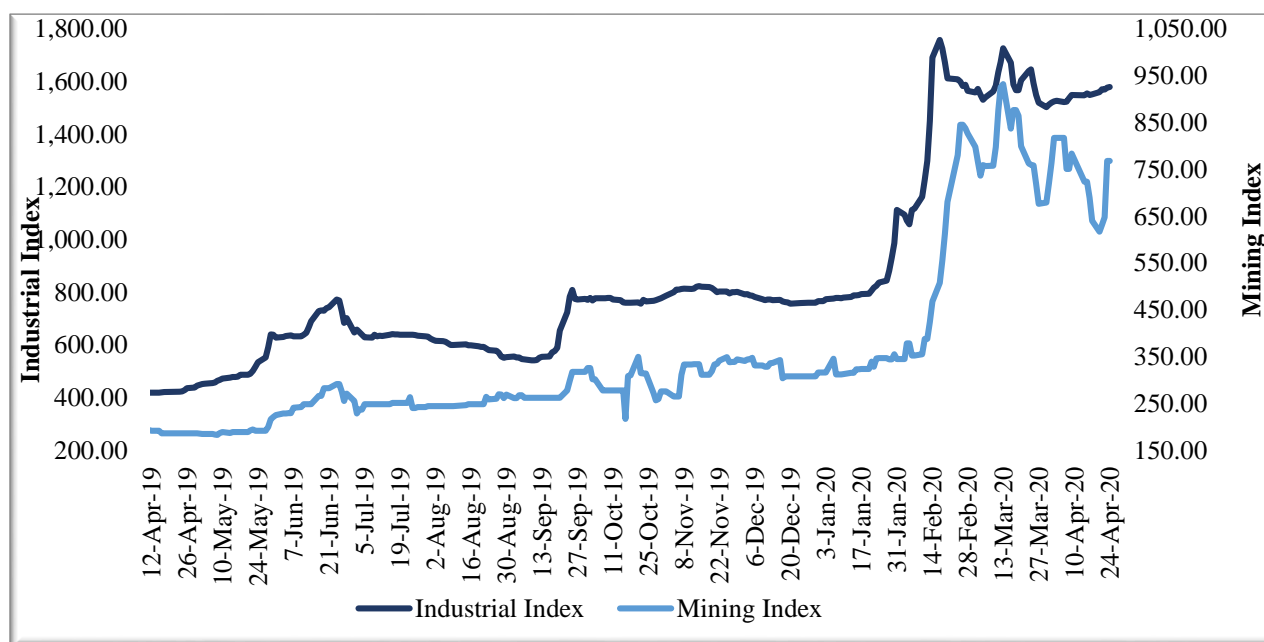
<sup>3</sup> Direct quote – the amount of domestic currency needed to exchange for 1 unit of foreign currency

**Table 6: Zimbabwe Stock Exchange Statistics<sup>4</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)	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (ZWL million)	Market Turnover (ZWL million)	Volume of Shares (million)
<b>20-Mar-20</b>	484.37	402.84	415.38	1385.95	679.68	1604.13	799.36	62.17	87.54	91.36
<b>27-Mar-20</b>	457.88	372.07	387.32	1351.15	668.62	1520.01	676.25	58.82	118.78	40.33
<b>3-Apr-20</b>	461.73	377.52	395.89	1224.00	672.25	1526.90	817.15	59.36	28.42	7.69
<b>10-Apr-20</b>	467.82	387.37	402.00	664.79	1262.80	1548.94	783.61	60.53	62.98	35.36
<b>17-Apr-20</b>	469.02	393.14	404.85	650.11	1296.05	1560.16	617.15	60.70	46.10	16.30
<b>24-Apr-20</b>	476.56	393.62	407.49	676.39	1386.92	1579.09	768.18	61.71	89.85	31.12
<b>Weekly Change (%)</b>	1.61%	0.12%	0.65%	4.04%	7.01%	1.21%	24.47%	1.66%	94.90%	90.92%

Source: Zimbabwe Stock Exchange (ZSE), 2020

**Figure 3: Zimbabwe Stock Exchange Indices**



Source: Zimbabwe Stock Exchange, 2020

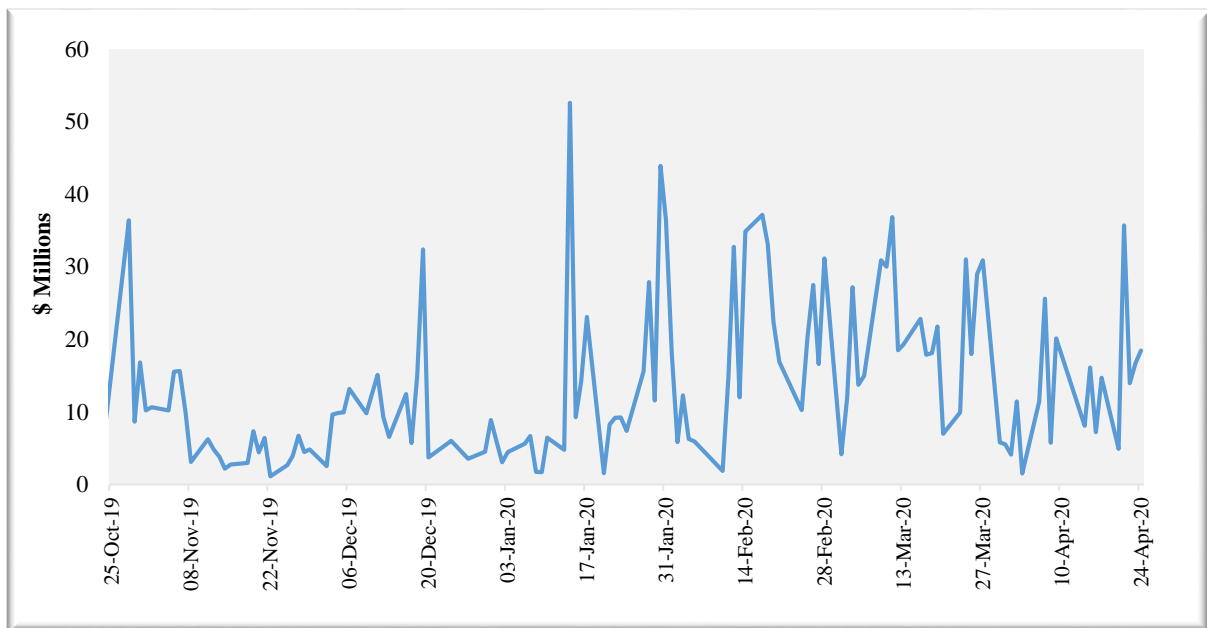
<sup>4</sup> The Zimbabwe Stock Exchange (ZSE) adopted the Global Industry Classification Standards, effective from 1 January 2020. The ZSE indices constitute the following categories; Top 10 Index; Top 15; Top 25; Medium cap and Small cap Indices.



## Market Turnover and Volume

The ZSE registered a 90.94% increase in the cumulative volume of shares traded, to close at 31.12 million shares, during the week ending 24<sup>th</sup> April 2020. In tandem, market turnover value also rose by 94.89%, from \$46.10 million realised in the previous week to close at \$89.85 million, during the week under review.

**Figure 4: Daily Market Turnover**



Source: Zimbabwe Stock Exchange, 2020

## Market Capitalization

The ZSE recorded gains amounting to \$1.01 billion, or 1.66% worth of market capitalization, to close at \$61.71 billion, during the week under review. This largely reflected positive trading on the local bourse.

**Figure 5: Daily Market Capitalization**



Source: Zimbabwe Stock Exchange, 2020

### Johannesburg Stock Exchange (JSE) Developments

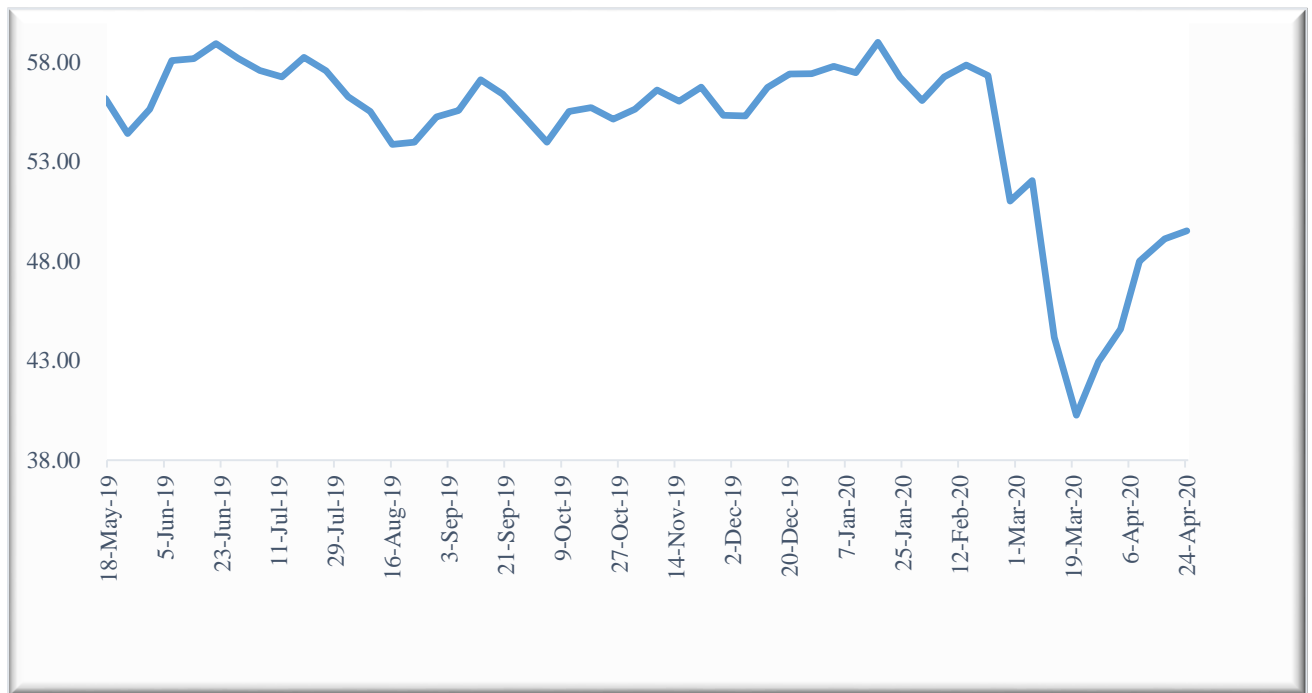
The JSE All Share Index gained marginally from 49,134.65 points in the previous week, to 49,527.23 points in the week under review. JSE market capitalization rose by 0.19%, from R15.82 billion in the previous week to close at R15.85 billion, in the week under analysis.

**Table 7: Johannesburg Stock Exchange (JSE) Statistics**

Period	All Share Index	Market Capitalization 8
	(points)	(ZAR billions)
<b>20-Mar-20</b>	40,272.00	16.07
<b>27-Mar-20</b>	42,946.83	13.95
<b>3-Apr-20</b>	44,598.70	14.66
<b>9-Apr-20</b>	48,011.56	15.41
<b>17-Apr-20</b>	49,134.65	15.82
<b>24-Apr-20</b>	49,527.23	15.85
<b>% Change</b>	<b>0.80</b>	<b>0.19</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,2020>

**RESERVE BANK OF ZIMBABWE**

**30<sup>th</sup> APRIL 2020**