



Weekly Economic Highlights

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Week Ending
22nd May 2020

1. INTEREST RATES

Deposit Rates

During the week ending 22nd May 2020, minimum deposit rates for savings deposits and deposits of 3-month tenor remained unchanged at 2.35% and 3.95%, respectively. Minimum deposit rates for deposits of 1-month tenor, however, softened by 0.04 percentage points to close at 3.35%, during the same week. Maximum deposits rates for savings deposits and deposits of 1-month tenor remained unchanged at 5.19% and 6.24%, respectively, while deposit rates for deposits of 3-month tenor decreased by 0.10 percentage points to close at 6.29%, 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 (%)
24-April-20	2.36	4.74	3.46	5.84	3.95	6.39
30-April-20	2.36	4.74	3.46	5.84	3.95	6.39
8-May-20	2.35	5.19	3.39	6.24	3.95	6.39
15-May-20	2.35	5.19	3.39	6.24	3.95	6.39
22-May-20	2.35	5.19	3.35	6.24	3.95	6.29

Source: Reserve Bank of Zimbabwe, 2020

Lending Rates

Minimum commercial bank lending rates for individuals and corporate clients declined from 18.57% and 18.69% in the previous week, to close the week under analysis at 18.06% and 18.07%, respectively. Commercial bank maximum lending rates for individual clients declined by 0.55 percentage points to close at 34.43%. Maximum lending rates for corporate clients, however, declined from 42.34% recorded in the preceding period to close at 42.36%, during the week under review, as shown in Table 2.

Table 2: Lending Rates (per annum)

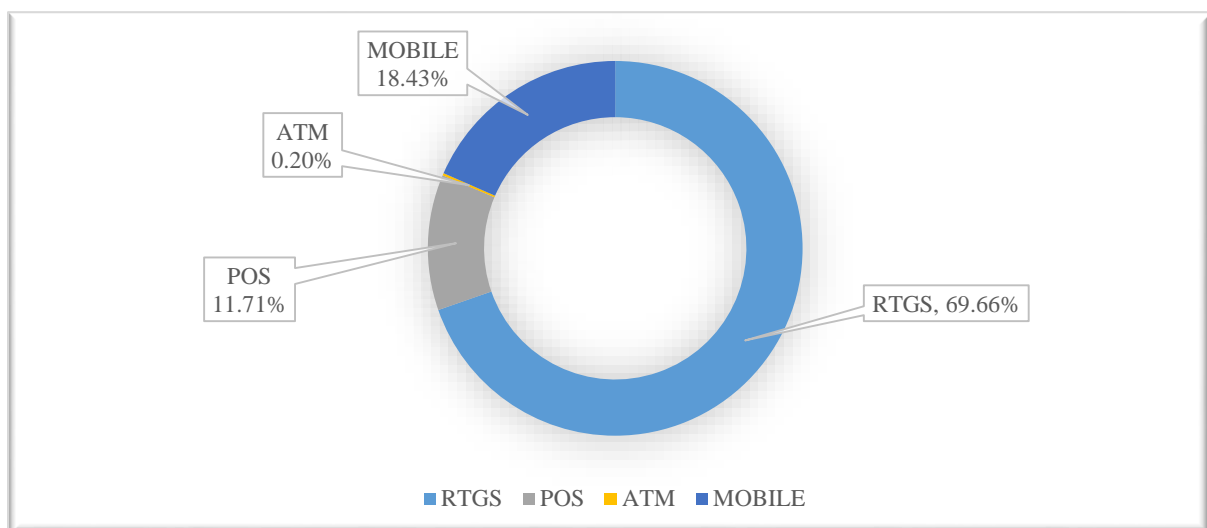
Date	Individual Clients		Corporate Clients	
	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
24-Apr-20	19.61	34.43	16.39	38.62
30-Apr-20	19.61	34.43	16.39	38.62
8-May-20	18.57	34.98	18.69	42.34
15-May-20	18.57	34.98	18.69	42.34
22-May-20	18.06	34.43	18.07	42.36

Source: Reserve Bank of Zimbabwe, 2020

2. CLEARING AND SETTLEMENT ACTIVITY

Transactions processed through the National Payment Systems (NPS) amounted to \$22.81 billion, during the week ending 22nd May 2020, up from \$20.75 billion registered during the previous week. RTGS transaction values rose by 2.02%, to close at \$15.89 billion during the same week. The NPS transaction values were constituted as follows: RTGS, 69.66%; Mobile, 18.43%; Point of Sale (POS), 11.71%; and Automated Teller Machine (ATM), 0.20%, as shown in Figure 1.

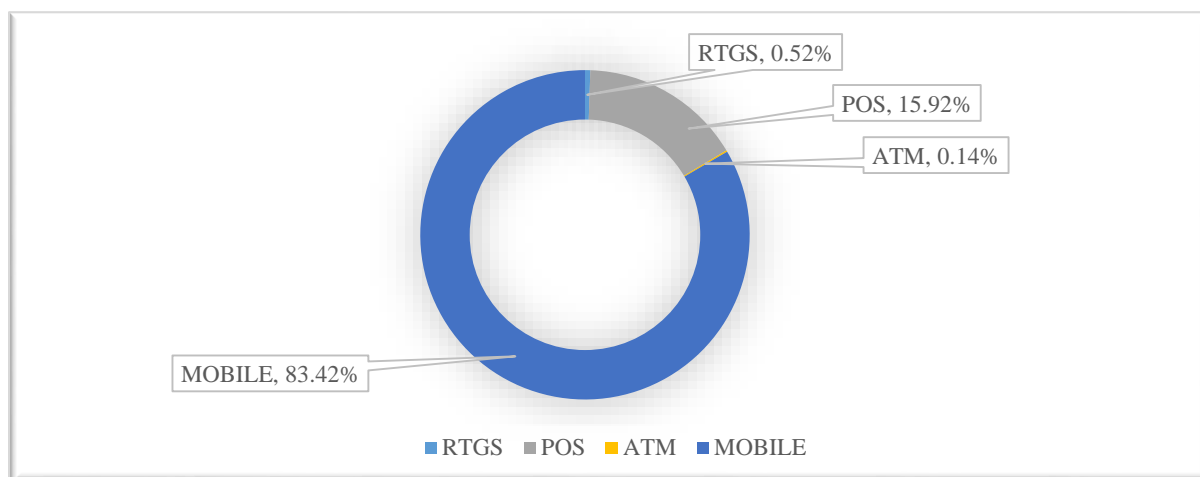
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2020

NPS transaction volumes increased from 26.69 million in the previous week, to 33.73 million during the week of analysis. The distribution of NPS transactions was as follows: Mobile, 83.42%; POS, 15.92%; RTGS 0.52%; and ATM, 0.14%, 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
	15-May-2020	22-May-2020		
	VALUES IN \$ (millions)			
RTGS	15,578.87	15,893.39	2.02%	69.66%
POS	1,792.65	2,671.47	49.02%	11.71%
ATM	60.22	45.02	-25.24%	0.20%
MOBILE	3,322.10	4,204.77	26.57%	18.43%
TOTAL	20,753.84	22,814.64	9.93%	100%
	VOLUMES			
RTGS	137,537	174,122	26.60%	0.52%
POS	3,450,514	5,371,636	55.68%	15.92%
ATM	44,315	48,679	9.85%	0.14%
MOBILE	23,055,738	28,138,015	22.04%	83.42%
TOTAL	26,688,104	33,732,452	26.40%	100%

Source: Reserve Bank of Zimbabwe, 2020

3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

During the week ending 22nd May 2020, average weekly prices of gold; platinum; copper; and Brent Crude oil increased, 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
weekly average (11-15 May)	1,713.89	765.10	5,199.60	12,110.80	30.53
18-May	1,745.60	815.00	5,249.50	11,950.00	33.30
19-May	1,736.60	814.50	5,314.00	12,300.00	32.50
20-May	1,749.18	847.00	5,333.00	12,335.00	33.49
21-May	1,728.85	847.00	5,387.00	12,762.00	34.50
22-May	1,733.00	832.00	5,242.50	12,124.00	35.13
weekly average (18-22 May)	1,738.65	831.10	5,305.20	12,294.20	33.78
Weekly Change (%)	<i>1.4</i>	<i>8.6</i>	<i>2.0</i>	<i>1.5</i>	<i>10.6</i>

Source: BBC, KITCO and Bloomberg 2020

Gold

The weekly average prices of gold rose by 1.4% to close at US\$1,738.65 per ounce during the week under review, from US\$1,713.89 per ounce in the previous week. This followed higher demand for the yellow metal in Asian markets, coupled with its continued safe-haven appeal, following the escalation of the US-China trade tensions and a gloomy global economic outlook.

Platinum

Platinum prices registered a week-on-week gain of 8.6%, from US\$765.10 per ounce in the previous week to US\$831.10 per ounce, during the week under review. Investors priced-in expectations of tighter supply conditions in South Africa, the world's top producer, owing to the publication of legally binding COVID-19 guidelines by the South African Ministry of Mines, as part of measures to mitigate the risk of coronavirus transmission in mines. This development followed a temporary closure of an Impala Platinum mine due to coronavirus concerns.

Copper

Copper prices increased by 2.0% to close at US\$5,305.20 per tonne, during the week under review, from US\$5,199.60 per tonne in the previous week. Prices were weighed up by signs of

a recovery in demand following the loosening of economic lockdown measures by various countries.

Nickel

Nickel prices registered a weekly gain of 1.5%, from US\$12,110.80 per tonne in the previous week, to US\$12,294.20 per tonne, during the week ending 22nd May 2020. This was largely attributable to rising investor optimism about a recovery in demand for the base metal.

Crude Oil

Brent crude oil prices surged by 10.6%, to close at an average price of US\$33.78 per barrel during the week ending 22nd May 2020, from an average price of US\$30.53 per barrel recorded in the previous week. The rebound was underpinned by a recovery in demand, following the re-opening of major economies. In addition, prices were also supported by supply cuts by major producers, coupled with a decline in US inventories which led to the easing of the global oil glut concerns.

4. EXCHANGE RATES

The Zimbabwe dollar depreciated against the South Africa rand, while it appreciated against the British pound Sterling, Botswana pula and the euro, during the week ending 22nd May 2020. The South African rand rallied during the week under review, following the decision by the South African Reserve Bank to cut its key lending rate. The local unit remained unchanged against the greenback, reflecting the official exchange rate peg, as shown in Table 5.

Table 5: International Exchange Rates¹

	USD	ZAR	GBP	BWP	EUR
Weekly Average (11-15 May)	25.0000	1.3575	31.3306	2.0705	27.2805
18-May	25.0000	1.3500	30.2425	2.0450	27.0488
19-May	25.0000	1.3643	30.5675	2.0600	27.3113
20-May	25.0000	1.3637	30.6000	2.0638	27.3513
21-May	25.0000	1.3868	30.4775	2.0625	27.4013
22-May	25.0000	1.4007	30.4200	2.0850	27.2575
Weekly Average (18-22 May)	25.0000	1.3731	30.4615	2.0633	27.2740
Appr (-)/Depr (+) (%)	<i>0.00</i>	<i>1.15</i>	<i>-2.77</i>	<i>-0.35</i>	<i>-0.02</i>

Source: Reserve Bank of Zimbabwe, 2020

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

5. EQUITY MARKETS

During the week under review, the Zimbabwe Stock Exchange (ZSE) continued on a bullish trend. The Medium Cap, All Share, Small Cap, Top 15 and Top 10 indices stood at 1 339.10 points; 913.24 points; 3 384.92 points; 759.95 points; and 731.83 points, respectively, reflecting increases of 44.72%; 31.65%; 16.18%; 28.94%; and 25.23%; respectively.

Both the industrial and resources indices rose by 32.08% and 2.51% and to close at 3 023.99 points and 1 327.26 points, respectively. The increase in the industrial index was a result of share price gains recorded in Dawn Properties Limited (131.48%); ZB Financial Holdings Limited (130.95%); Proplastics Limited (113.21%); General Beltings Holdings Limited (107.20%); and Mashonaland Holdings Limited (103.75%).

The mining index increased marginally by 2.51% to close at 1327.26 points, during the week under review. Partially offsetting the gains in the resource index was a decline in the share price of Riozim Limited (-13.33%).

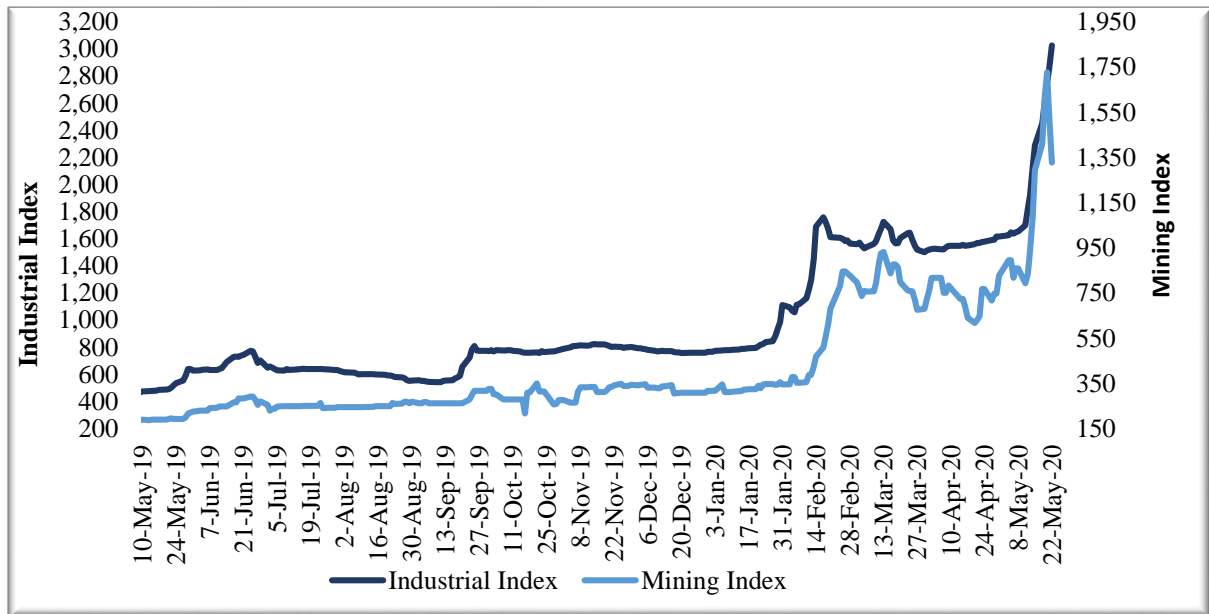
Table 6: Zimbabwe Stock Exchange Statistics²

	All Share Index points	Top 10 index (points)	Top 15 Index ³ points	Medium Cap ³ (points)	Small Cap ³ (points)	Industrial Index (points)	Mining Index (points)	Grand Market Capitalization (ZWL million)	Market Turnover (ZWL million)	Volume of Shares (million)
17-Apr-20	469.02	393.14	404.85	650.11	1296.05	1560.16	617.15	60.70	46.10	16.30
24-Apr-20	476.56	393.62	407.49	676.39	1386.92	1579.09	768.18	61.71	89.85	31.12
30-Apr-20	488.60	397.18	410.96	707.58	1,579.97	1,617.24	826.64	63.39	53.64	19.68
8-May-20	500.00	401.95	416.95	736.84	1,656.00	1,654.38	857.80	64.75	53.10	18.30
15-May-20	693.69	584.39	589.38	925.32	2,602.94	2,289.51	1294.78	90.29	111.11	29.45
22-May-20	913.24	731.83	759.95	1,339.10	3,023.99	3,023.99	1,327.26	117.9	191.59	39.59
Weekly Change (%)	31.65	25.23	28.94	44.72	16.18	32.08	2.51	30.58	72.43	34.43

Source: Zimbabwe Stock Exchange (ZSE), 2020

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 Indices (Daily)

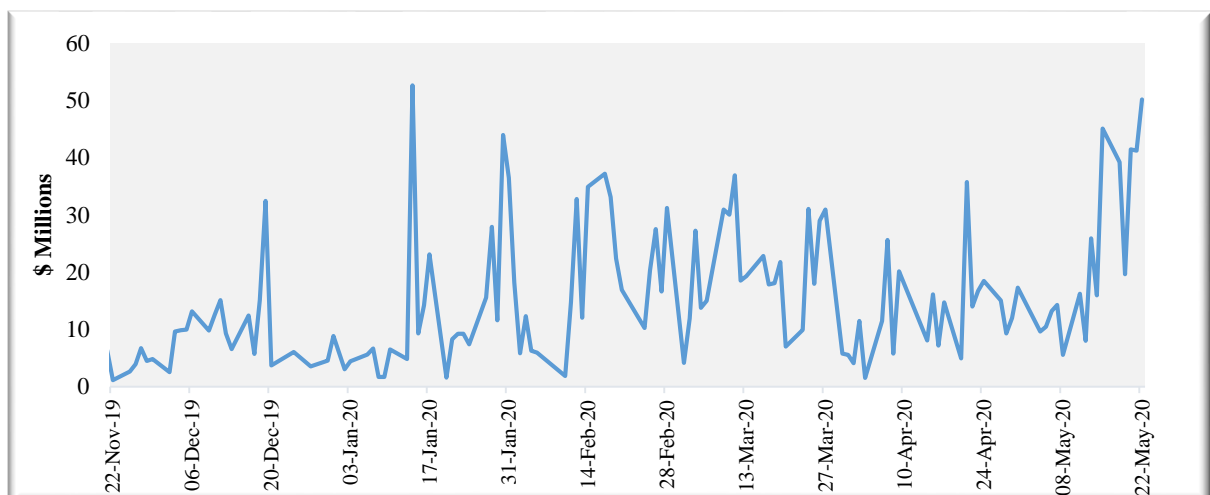


Source: Zimbabwe Stock Exchange, 2020

Market Turnover and Volume

During the week under analysis, the cumulative volume of shares traded at the ZSE increased by 34.43% to close at 39.59 million shares, from 29.45 million shares, during the preceding week. ZSE market turnover also increased by 72.43% to close at 191.59 million, during the same week.

Figure 4: Daily Market Turnover

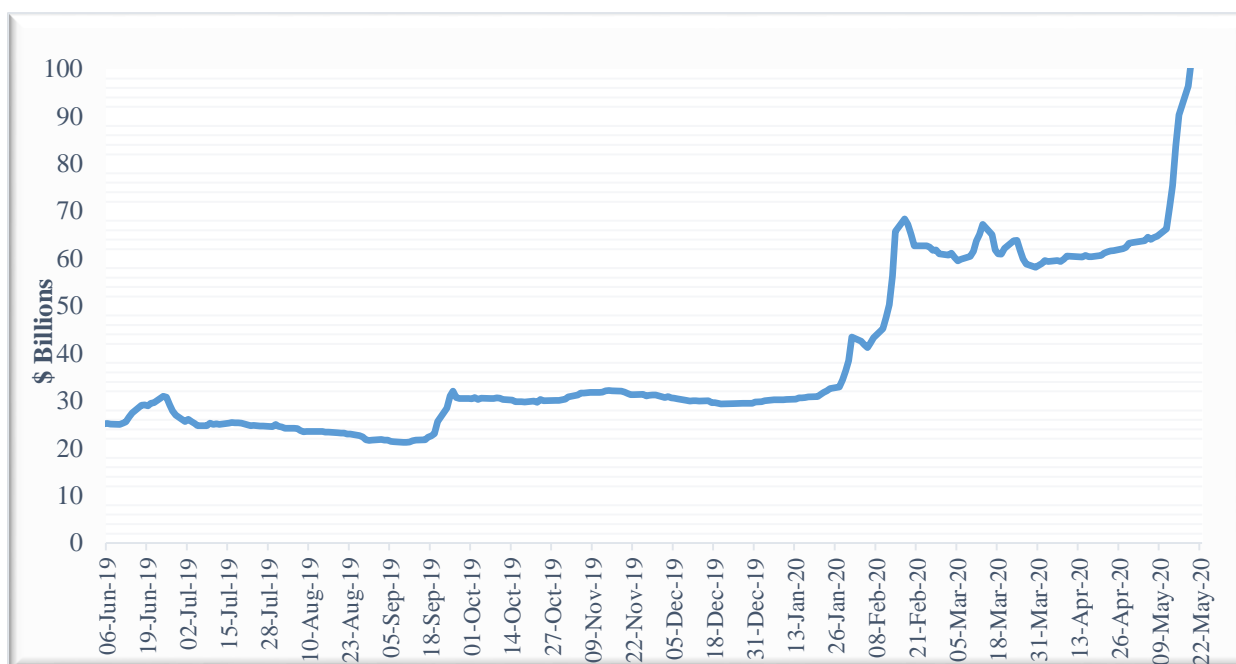


Source: Zimbabwe Stock Exchange, 2020

Market Capitalization

ZSE market capitalisation gained \$27.62 billion worth of capitalization to close at \$117.91 billion, during the week under review. This was on the back of increases in both the mining and industrial indices.

Figure 5: Daily Market Capitalization



Source: Zimbabwe Stock Exchange, 2020

Johannesburg Stock Exchange (JSE) Developments

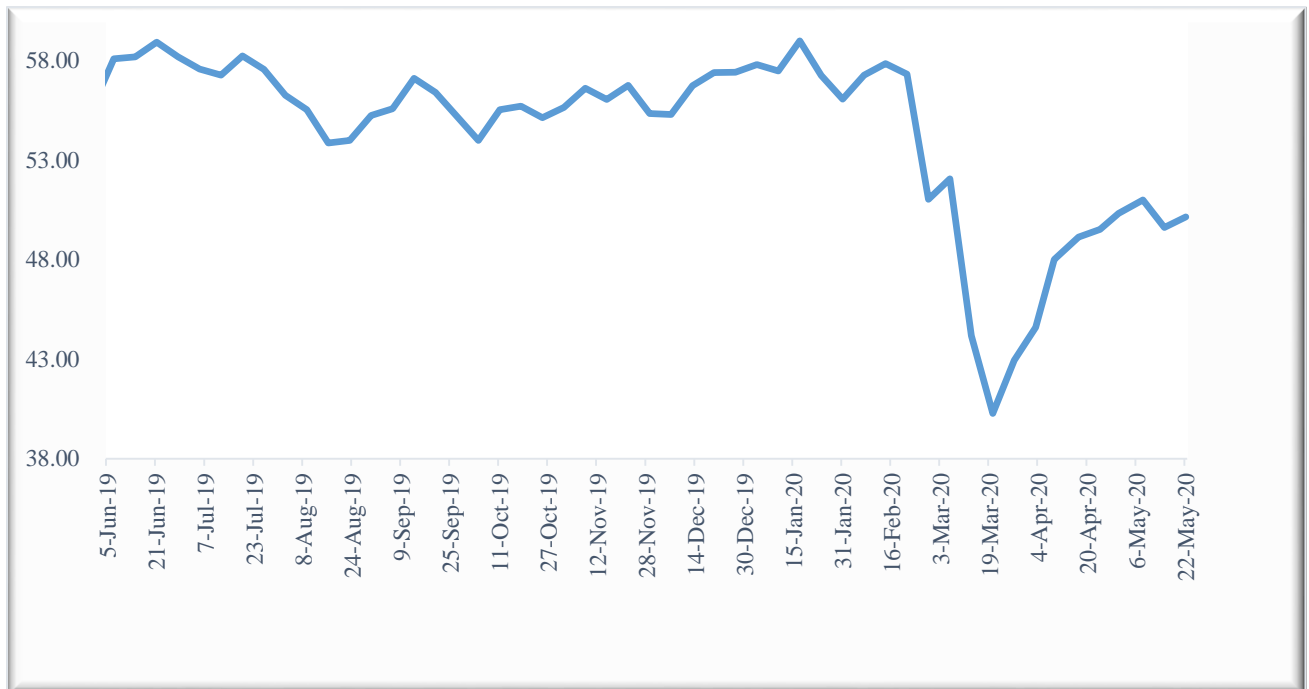
The JSE All Share Index increased from 49,628.72 points during the previous week to close at 50,147.21, during the week under review. In tandem, JSE market capitalization also gained marginally by 0.06%, to close at R15.90 billion in the same week.

Table 7: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalization (ZAR billions)
17-Apr-20	49,134.65	15.82
24-Apr-20	49,527.23	15.85
30-Apr-20	50,336.72	16.10
8-May-20	51,003.58	16.08
15-May-20	49,628.72	15.89
22-May-20	50,147.21	15.90
% Change	1.04	0.06

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

29th MAY 2020