



Weekly Economic Highlights

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Week Ending
8th May 2020

1. INTEREST RATES

Deposit Rates

During the week ending 8th May 2020, minimum deposit rates for savings deposits and deposits of 1-month tenor softened to 2.35% and 3.39%, respectively. Minimum deposits for deposits of 3-month tenor, however, remained unchanged at 3.95%. Maximum deposits rates for savings deposits and deposits of 1-month tenor increased to 5.19% and 6.24%, respectively, while maximum deposit rates for deposits of 3-month tenor remained unchanged at 6.39%, 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 (%)
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	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

Source: Reserve Bank of Zimbabwe, 2020

Lending Rates

Commercial bank minimum lending rates for individual and corporate clients rose from 19.61% and 16.39% in the previous to close at 18.57% and 18.69%, respectively, during the week under review. Maximum commercial bank lending rates for individual and corporate clients stood at 34.98% and 42.34%, respectively, as shown in Table 2.

Table 2: Lending Rates (per annum)

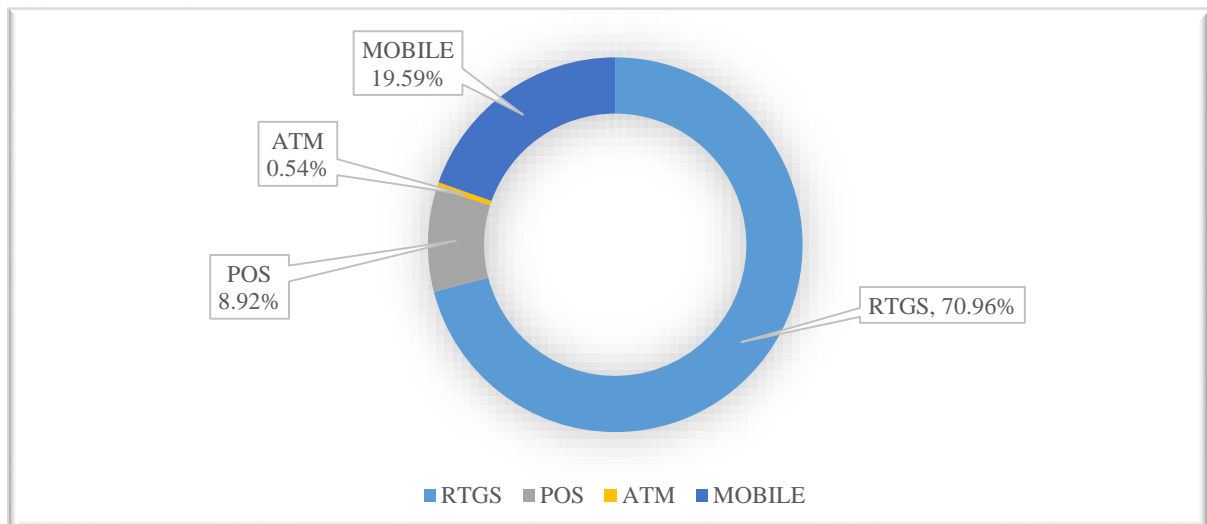
Date	Individual Clients		Corporate Clients	
	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
9-Apr-20	19.00	33.12	16.86	37.19
17-Apr-20	19.00	33.12	16.86	37.19
24-Apr-20	19.61	34.43	16.39	38.62
30-Apr-20	19.61	34.43	16.39	38.62
8-May-20	18.57	34.98	18.69	42.34

Source: Reserve Bank of Zimbabwe, 2020

2. CLEARING AND SETTLEMENT ACTIVITY

During the week ending 8th May 2020, transactions processed through the National Payment Systems (NPS) were higher at 18.83 billion, compared to ZWL\$15.18 billion recorded in the preceding week. RTGS transactions increased by 37.61% to close at \$13.36 billion, during the week under review. The NPS transaction values were distributed as follows: RTGS, 70.96%; Mobile, 19.59%; Point of Sale (POS), 8.92%; and Automated Teller Machine (ATM), 0.54%, as shown in Figure 1.

Figure 1: Composition of NPS Transactions in Value Terms

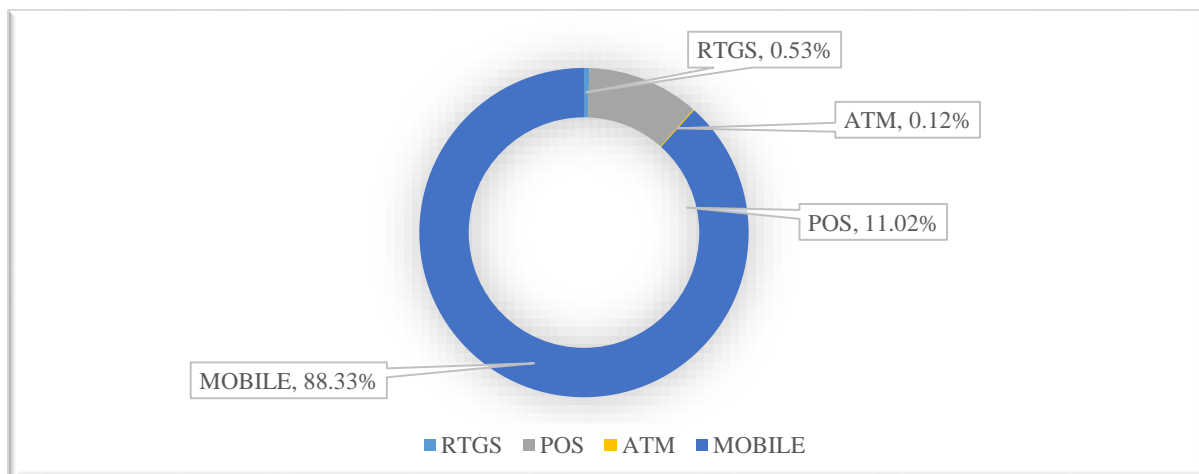


Source: Reserve Bank of Zimbabwe, 2020

The volume of NPS transactions stood at 31.09 million, a 0.48% decline from 31.25 million recorded in the previous week. NPS transaction volumes were dominated by Mobile based

transactions at 88.33%; followed by POS, 11.02%; RTGS 0.53%; and ATM, 0.12%, 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
	30-Apr-20	8-May-20		
	VALUES IN \$ (millions)			
RTGS	9,709.80	13,361.34	37.61%	70.96%
POS	1,559.64	1,679.08	7.66%	8.92%
ATM	48.83	101.15	107.14%	0.54%
MOBILE	3,869.68	3,688.121	-4.69%	19.59%
TOTAL	15,187.950	18,829.70	23.98%	100%
	VOLUMES			
RTGS	139,979	163,848	17.05%	0.53%
POS	3,174,098	3,426,152	7.94%	11.02%
ATM	39,568	37,511	-5.20%	0.12%
MOBILE	27,891,767	27,466,499	-1.52%	88.33%
TOTAL	31,245,412	31,094,010	-0.48%	100%

Source: Reserve Bank of Zimbabwe, 2020

3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

During the week ending 8th May 2020, the weekly average prices of copper and Brent Crude oil prices registered gains. Gold, platinum, and nickel prices, however, retreated 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 (27-30Apr)	1,701.06	770.50	5,144.88	12,123.75	22.79
4-May	1,706.40	758.00	5,058.00	11,785.00	28.59
5-May	1,697.93	758.50	5,111.50	11,805.00	30.92
6-May	1,695.20	752.50	5,199.50	12,199.00	29.70
7-May	1,696.33	755.50	5,227.50	12,247.00	29.97
8-May	1703.40	769.50	5,245.50	12,195.00	30.72
weekly average (4-8 May)	1,699.85	758.80	5,168.40	12,046.20	29.98
Weekly Change (%)	<i>-0.1</i>	<i>-1.5</i>	<i>0.5</i>	<i>-0.6</i>	<i>31.5</i>

Source: BBC, KITCO and Bloomberg 2020

Gold

The weekly average prices of gold softened by 0.1%, from US\$1,701.06 per ounce in the previous week to US\$1699.85 per ounce, during the week under review. The prospect of easing lockdown restrictions boosted investor appetite for riskier assets.

Platinum

Platinum prices declined by 1.5%, from US\$770.50 per ounce registered in the previous week to US\$758.80 per ounce, during the week under review. The demand for platinum particularly from automobile producers and jewelers remained weak, amid the lingering continuation of coronavirus restrictions that limit production and access to key markets by platinum producers.

Copper

Copper prices firmed by 0.5%, from US\$5,144.88 per tonne in the previous week to US\$5,168.40 per tonne, during the week under review. This was on account recovery in demand, following the easing of coronavirus lockdown restrictions in several countries.

Nickel

Nickel prices fell by 0.6%, from US\$12,123.75 per tonne during the preceding week to close at US\$12,046.20 per tonne, during the week under analysis. Improved supply conditions in the Philippines, a top global producer of nickel, weighed down prices of the industrial metal.

Crude Oil

Brent crude oil prices surged by 31.6% to close at US\$29.98 per barrel¹, from US\$22.79 per barrel registered in the previous week. Prices were supported by output cuts by major oil producers to plug global oversupply gaps.

EXCHANGE RATES

During the week under review, the local unit remained unchanged against the US dollar, reflecting the fixed exchange rate regime. The local unit strengthened against the South Africa rand, pound Sterling, Botswana pula and the euro, during the week under analysis, as shown in Table 5.

Table 5. International Exchange Rates²

2020	USD	ZAR	GBP	BWP	EUR
Weekly Average (27-30Apr)	25.0000	1.3575	31.3306	2.0705	27.2805
4-May	25.0000	1.3193	31.0638	2.0678	27.3175
5-May	25.0000	1.3570	31.1713	2.0500	27.2563
6-May	25.0000	1.3556	31.0575	2.0650	27.0450
7-May	25.0000	1.3402	30.9225	2.0413	26.9950
8-May	25.0000	1.3469	30.9763	2.0538	27.1025
Weekly Average (4-8May)	25.0000	1.3437	31.0383	2.0556	27.1433
Appr(-)/Depr(+) (%) of the ZWL	0.0	-1.0	-0.9	-0.7	-0.5

Source: Reserve Bank of Zimbabwe, 2020

¹ A barrel of oil is equivalent to 157.987 litres

² Direct quote – the amount of domestic currency needed to exchange for 1 unit of foreign currency

4. EQUITY MARKETS

The Zimbabwe Stock Exchange (ZSE) was bullish, during the week under analysis. Consequently, Small Cap, Medium Cap, All Share, Top 15 and Top 10 indices increased by 4.81%, 4.14%, 2.33%, 1.46% and 1.20% to close the week under review at 1 656.00, 736.84, 500.00, 416.95, and 401.95 points, respectively.

The industrial index increased by 2.30% to close at 1 654.38 points, during the week ending 8th May 2020. This was on account of share price increases registered for Turnall Holdings Limited (53.57%), Dairiboard Holdings Limited (37.19%), Truworths Limited (28.21%), TSL Limited (27.79%) and Fidelity Life Assurance Limited (19.91%). Partially weighing down the mainstream index were losses in share prices of Edgars Stores Limited (16.75%), ZB Financial Holdings Limited (6.67%), Cafca Limited (5.26%), Africa Sun Limited (4.81%) and First Capital Bank Limited (3.50%).

The resources index rose by 3.77% to close at 857.80 points, during the week under analysis. This was largely on account of a share price increase for Bindura Nickel Corporation Limited (19.30%). The loss in the share price of Riozim Limited (7.70%), partially weighed down the mining index.

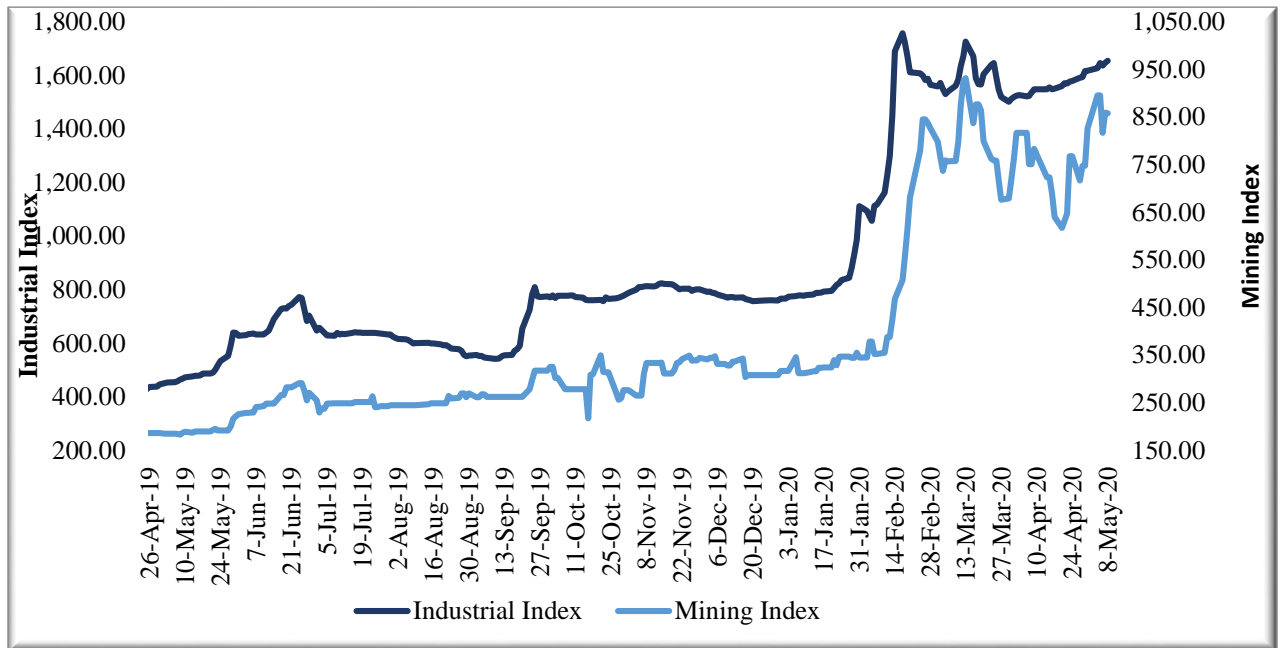
Table 6: Zimbabwe Stock Exchange Statistics³

	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)
3-Apr-20	461.73	377.52	395.89	1224.00	672.25	1526.90	817.15	59.36	28.42	7.69
10-Apr-20	467.82	387.37	402.00	664.79	1262.80	1548.94	783.61	60.53	62.98	35.36
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
Weekly Change (%)	2.33%	1.20%	1.46%	4.14%	4.81%	2.30%	3.77%	2.14%	-1.01%	-7.03%

Source: Zimbabwe Stock Exchange (ZSE), 2020

³ 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

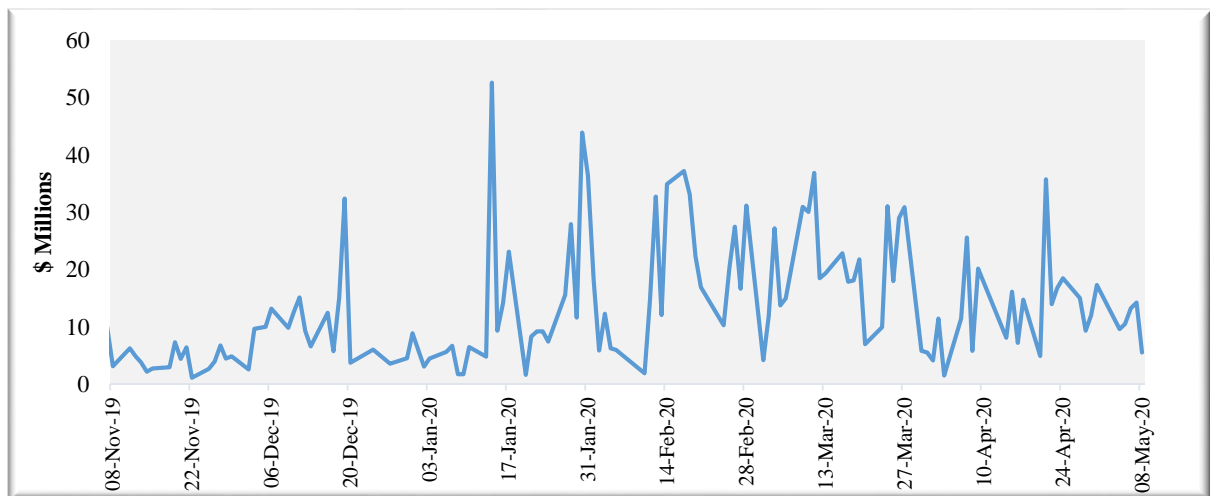


Source: Zimbabwe Stock Exchange, 2020

Market Turnover and Volume

The week under review saw the cumulative volume of shares traded decline by 7.03% to close at 18.30 million shares. Similarly, market turnover value also declined by 1.01% to Z\$53.10 million, from Z\$53.64 million realised in the previous week.

Figure 4: Daily Market Turnover

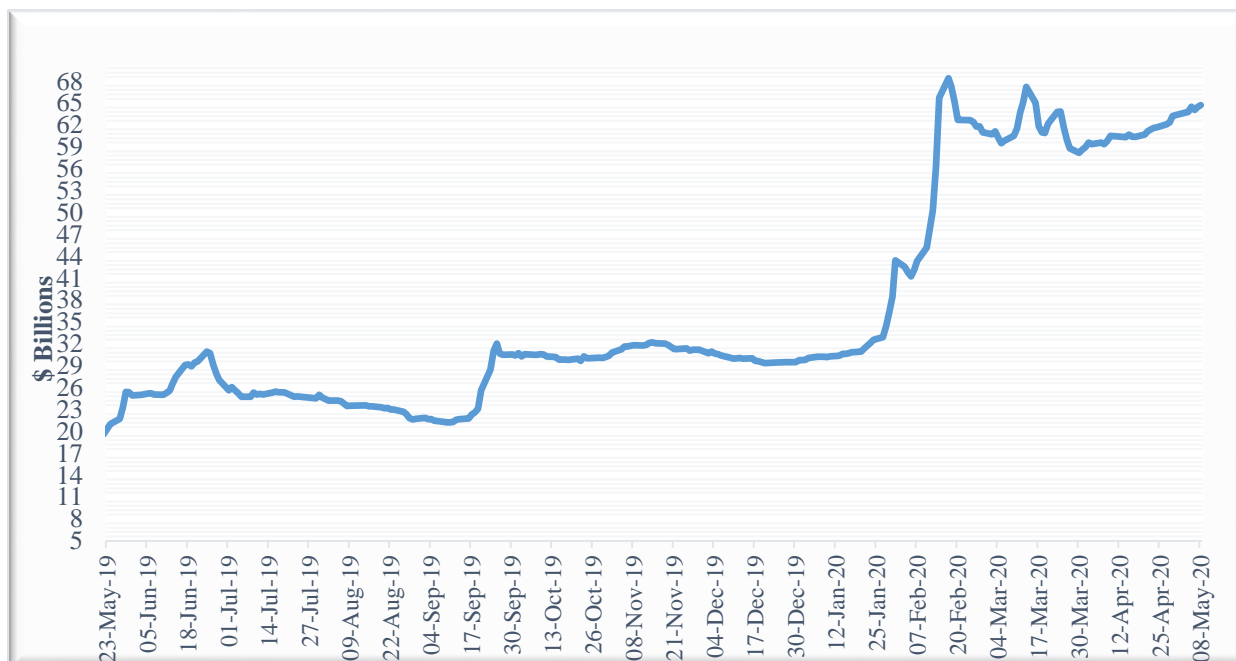


Source: Zimbabwe Stock Exchange, 2020

Market Capitalization

Reflecting the positive trading on the local bourse during the week under review, the market gained Z\$1.36 billion, or 2.14% worth of capitalization, to close at Z\$64.75 billion.

Figure 5: Daily Market Capitalization



Source: Zimbabwe Stock Exchange, 2020

Johannesburg Stock Exchange (JSE) Developments

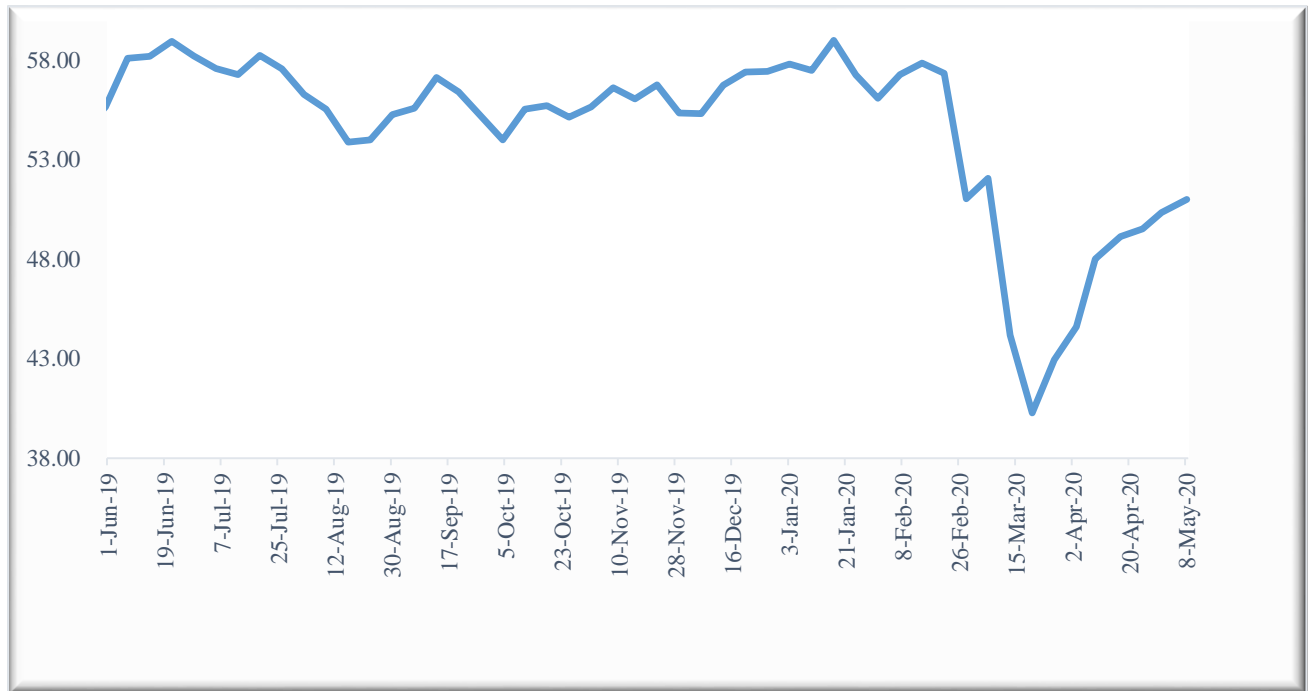
During the week ending 8th May 2020, the JSE All Share Index stood at 51,003.58 points, down from 50,336.72 points registered in the preceding week. JSE market capitalization, however, softened by 0.12% to close at R16.08 billion, during the same week.

Table 7: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalization 8 (ZAR billions)
3-Apr-20	44,598.70	14.66
9-Apr-20	48,011.56	15.41
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
% Change	1.32	-0.12

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

15th MAY 2020