



Weekly Economic Highlights

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Week Ending
13th August 2021

1. INTEREST RATES

Deposit Rates

During the week ending 13th August 2021, average minimum deposit rates for savings deposits and deposits of 1 and 3-month tenors increased. Maximum deposit rates for all classes of deposits increased, 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 (%)
16-July-21	1.73	4.41	6.64	14.16	7.32	12.67
23- July-21	1.73	4.41	6.64	14.16	7.32	12.67
30- July-21	2.22	4.61	6.64	14.16	7.32	12.67
6-Aug-21	2.22	4.61	6.64	14.16	7.32	12.67
13-Aug-21	5.06	7.56	6.94	12.16	8.26	13.72

Source: Reserve Bank of Zimbabwe, 2021

Lending Rates

Commercial bank minimum and maximum lending rates for individual and corporate clients increased during the week under review, as shown in Table 2.

Table 2: Lending Rates (per annum)

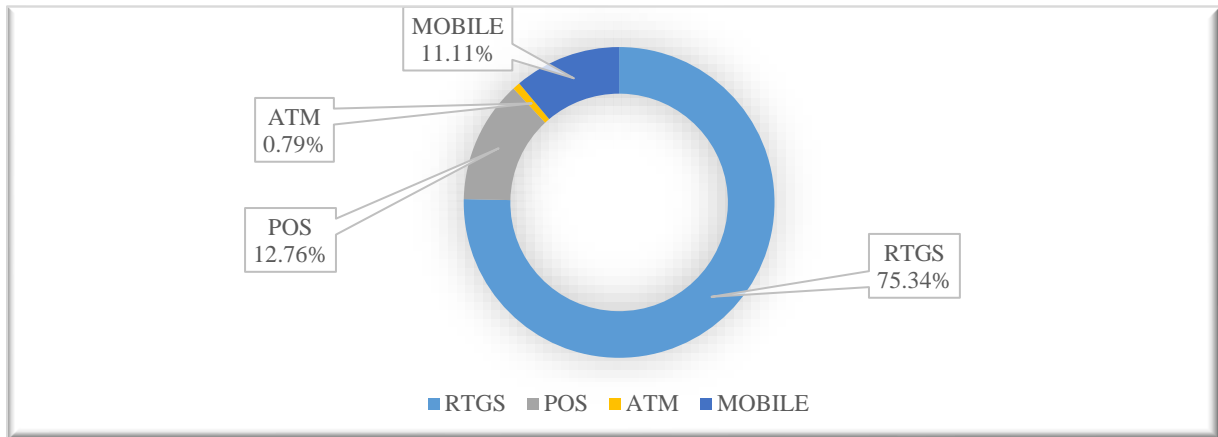
Date	Individual Clients		Corporate Clients	
	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
16-July-21	36.55	56.80	22.07	59.67
16-July-21	36.55	56.80	22.07	59.67
30-July-21	36.56	57.00	21.66	59.81
6-Aug-21	36.56	57.00	21.66	59.81
13-Aug-21	40.37	56.87	39.67	64.68

Source: Reserve Bank of Zimbabwe, 2021

2. CLEARING AND SETTLEMENT ACTIVITY

The National Payment Systems (NPS) processed \$85.49 billion worth of transactions during the week under review, down from \$111.60 billion recorded in the previous week. Real Time Gross Settlement (RTGS) transactions stood at \$64.61 billion, down from \$88.38 billion recorded in the previous week. The distribution of NPS transactions in value terms was as follows; RTGS, 72.34%; POS, 12.76%; Mobile, 11.11%; and ATM, 0.79%.

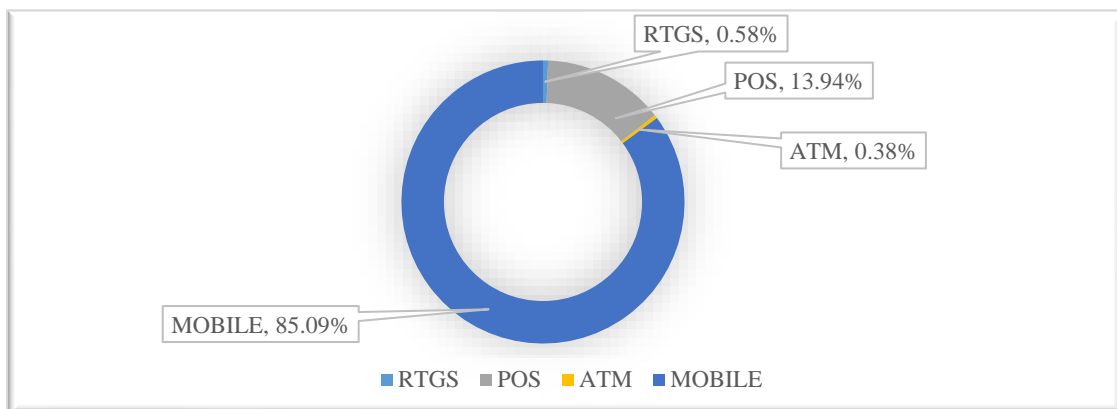
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2021

NPS transaction volumes increased by 9.02% to close at 26.62 million, during the week under review, from 24.42 million in the preceding week. Mobile based transactions dominated NPS transaction volumes at 85.09% of the total, followed by POS, 13.94%; RTGS, 0.58%; and ATM, 0.38%, as shown in Figure 2.

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 6 th August 2021	WEEK ENDING 13 th August 2021	% CHANGE FROM LAST WEEK	PROPORTION %
Values in ZW\$ Millions				
RTGS	88,382.96	64,409.68	-27.12%	75.34%
POS	13,273.86	10,905.67	-17.84%	12.76%
ATM	1,012.07	678.13	-33.00%	0.79%
MOBILE	8,930.62	9,495.80	6.33%	11.11%
TOTAL	111,599.51	85,489.28	-23.40%	100%
Volumes				
RTGS	253,233	154,298	-39.07%	0.58%
POS	4,650,723	3,712,287	-20.18%	13.94%
ATM	136,888	102,232	-25.32%	0.38%
MOBILE	19,379,334	22,653,960	16.90%	85.09%
TOTAL	24,420,178	26,622,777	9.02%	100%

Source: Reserve Bank of Zimbabwe, 2021

3. TOBACCO SALES

As at 13th August 2021 or day 89 of the 2021 tobacco selling season, a cumulative total of 204.61 million kg of tobacco had been sold. This reflected a 13.19% increase, compared to the cumulative total of 180.77 million kg of tobacco sold during the same period in 2020.

In value terms, cumulative tobacco sales amounted to US\$570.36 million, compared to US\$452.20 million realized during the corresponding period in 2020. The golden leaf was sold at a higher price of US\$2.79 per kg, reflecting a 11.43% increase from the US\$2.50 per kg realized in 2020.

Table 4: Weekly Cumulative Tobacco Sales: Day 89 (13th August 2021)

	2020	2021	Variance (%)
Cumulative Quantity Sold (million kgs)	180,770,853	204,613,545	13.19
Average Price(US\$/kg)	2.50	2.79	11.43
Cumulative value (US\$ million)	452,202,929	570,356,417	26.13

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

4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

During the week under review, prices of gold, platinum, copper, nickel and crude oil retreated, largely on the back of a stronger US dollar, as shown in Table 5.

Table 5: Metal and Crude Oil Prices for the week ending 13th August 2021

	Gold	Platinum	Copper	Nickel	Crude Oil
2021	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
Weekly Average (2-6 August)	1,806.62	1,035.00	9,556.30	19,461.80	71.59
9-Aug	1,740.18	977.50	9,311.50	18,748.00	71.05
10-Aug	1,726.45	987.00	9,409.50	18,718.00	70.15
11-Aug	1,738.83	1,005.50	9,421.00	18,885.00	71.56
12-Aug	1,751.45	1,015.50	9,508.50	19,540.00	70.86
13-Aug	1,765.75	1,022.50	9,429.50	19,650.00	70.25
Weekly Average (9-13 August)	1,744.53	1,001.60	9,416.00	19,108.20	70.77
Weekly Change (%)	-3.4	-3.2	-1.5	-1.8	-1.1

Source: BBC, KITCO and Bloomberg, 2021

Gold

Gold prices softened, as strong US jobs employment data raised worries that the US Federal Reserve would begin cutting back Covid-19 induced economic support. This development bolstered the US dollar, thereby increasing the opportunity cost of holding non-interest-bearing assets such as gold. Prices declined by 3.4%, from a weekly average of US\$1,806.62 per ounce in the preceding week, to US\$1,744.53 per ounce during the week under review.

Platinum

Platinum prices retreated by 3.2%, from a weekly average of US\$1,035.00 per ounce in the previous week to US\$1,001.60 per ounce, during the week under analysis. The sustained decline in platinum prices followed waning industrial demand, induced by the rise in Covid-19 Delta variant cases.

Copper

During the week under analysis, copper prices retreated by 1.5%, from a weekly average of US\$9,556.30 per tonne in the previous week to US\$9,416.00 per tonne, during the week under review. This was, in large part, due to softer demand in China, the world's largest consumer of the base metal.

Nickel

Nickel prices fell by 1.8%, from an average of US\$19,461.80 per tonne recorded in the week ending 6th August 2021 to US\$19,108.20 per tonne, during the week under analysis. A stronger US dollar, coupled with slackening demand in spot markets in China, exerted downward pressure on prices.

Brent Crude Oil

Brent crude oil prices eased by 1.1%, from a weekly average of US\$71.59 per barrel in the preceding week to US\$70.77 per barrel, during the week under review. This followed the indication by the International Energy Agency that the spread of coronavirus variants was slowing down the demand for oil.

5. EXCHANGE RATE DEVELOPMENTS

On the foreign exchange auction market, the Zimbabwe dollar (ZWL) marginally eased against the US dollar by 0.1%, from an average of ZW\$85.6146 per US\$1 in the previous week to ZW\$85.7407 per US\$1, during the week under review, as shown in Table 6.

Table 6: International Exchange Rates¹

	USD	ZAR	GBP	BWP	EURO
2021					
Weekly Average (2-6 August)	85.6146	5.9355	119.1651	7.8096	101.5979
2-Aug	85.7286	5.7854	118.5585	7.6647	100.4570
3-Aug	85.7467	5.8497	118.9179	7.6793	100.7012
5-Aug	85.7467	5.7954	118.4291	7.6794	100.6538
Weekly Average (9-13 August)	85.7407	5.8101	118.6352	7.6744	100.6040
Appr(-)/Depr(+) (%) of the ZWL	<i>0.1</i>	<i>-2.1</i>	<i>-0.4</i>	<i>-1.7</i>	<i>-1.0</i>

Source: Reserve Bank of Zimbabwe, 2021

6. EQUITY MARKETS

Trading on the Zimbabwe Stock Exchange (ZSE) was bullish, during the week ending 13th August 2021. The continued positive momentum resulted in all the indices registering gains,

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

extending the bullish sentiments for the fifth consecutive week. The All Share, Top 10 and Medium Cap indices gained 1.12%, 1.19% and 1.02% to close at 7 060.72 points, 3 773.68 points and 18 379.92 points, respectively.

The increase in the market indices was a result of share price gains in Econet Wireless Zimbabwe Limited (24.31%), Proplastics Limited (20%), National Tyre Services Limited (19.98%), NMBZ Holdings Limited (17.22%) and Afdis Distillers Limited (10.31%). Partially offsetting the aforementioned gains were losses in the share prices of Masimba Holdings Limited (8.82%), Simbisa Brands Limited (7.01%), Medtech Holdings Limited (6.33%), Delta Corporation Limited (5.90%) and Zimbabwe Newspapers (5.24%).

The resources index gained by 0.06% to close at 6 091.19 points, emanating from marginal gains in the share prices of Bindura Nickel Corporation Limited, (0.07%) and RioZim Limited (0.03), respectively.

Table 7: Zimbabwe Stock Exchange Statistics²

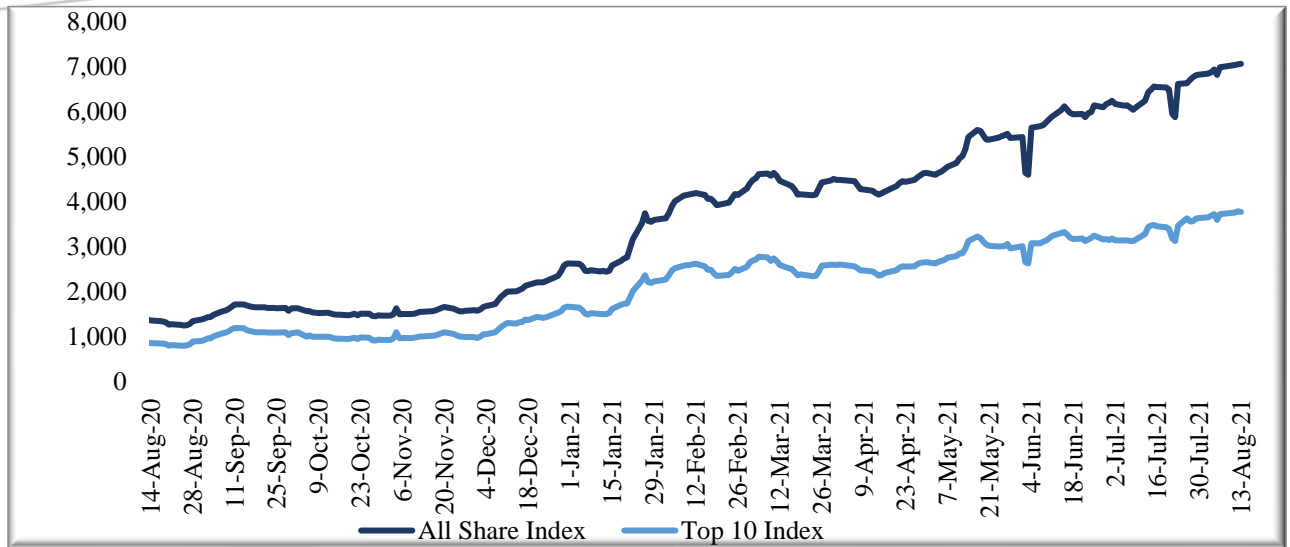
	All Share Index Points	Top 10 index (points)	Top 15 Index ³ points	Medium Cap ³ (points)	Small Cap ³ (points)	Mining Index (points)	Grand Market Capitalization (ZWL million)	Market Turnover (ZWL million)	Volume of Shares (million)
9-July-21	6,094.95	3,164.59	3,667.86	16,448.20	218,047.66	6,081.31	734.01	527.81	29.97
16-July-21	6,544.59	3,458.07	3,960.46	17,177.53	252,482.27	6,344.69	770.71	771.09	55.57
23-July-21	6,618.23	3,473.03	4,012.87	17,581.91	243,963.15	6,176.37	779.30	591.52	39.64
30-July-21	6,818.29	3,639.99	4,188.45	17,739.47	237,235.99	6,621.17	803.90	709.78	36.74
6-Aug-21	6,982.59	3,729.32	4,291.62	18,194.99	233,212.56	6,087.67	824.81	1 026.01	58.63
13-Aug-21	7,060.72	3,773.68	4,337.43	18,379.92	236,071.81	6,091.19	841.57	415.73	16.00
% Change	1.12	1.19	1.07	1.02	1.23	0.06	2.03	-59.48	-72.71

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 14th August 2020 to 13th August 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

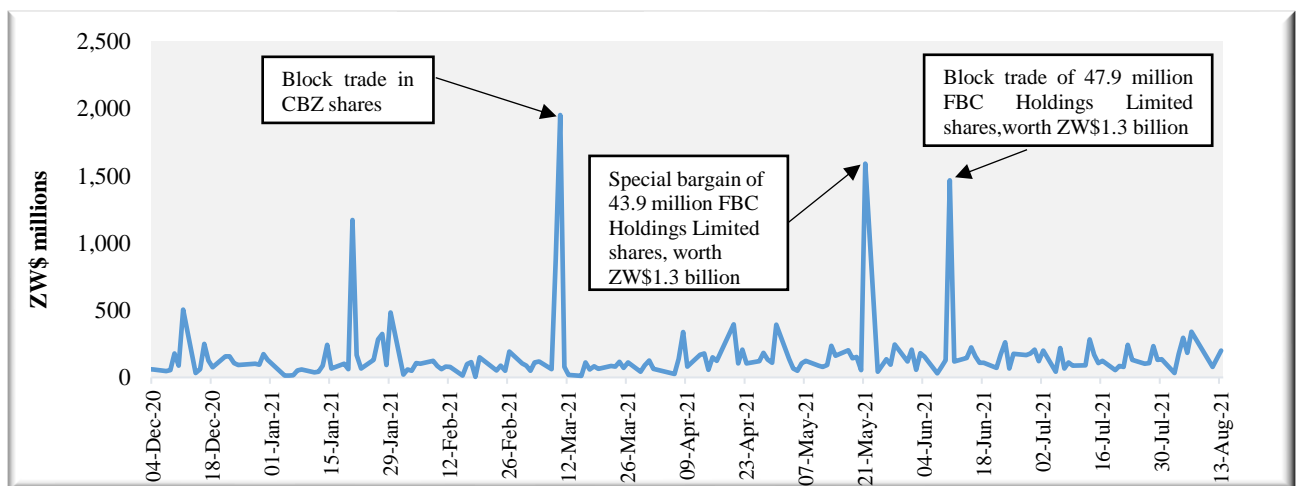


Source: Zimbabwe Stock Exchange, 2021

Market Turnover and Volume

The week under review had only three trading days due to the National Heroes and Defence Forces holiday. resultantly, the cumulative volume and value of shares traded declined by 72.71% and 59.48% to 16 million shares and ZW\$415.73 million, respectively.

Figure 4: Daily Market Turnover

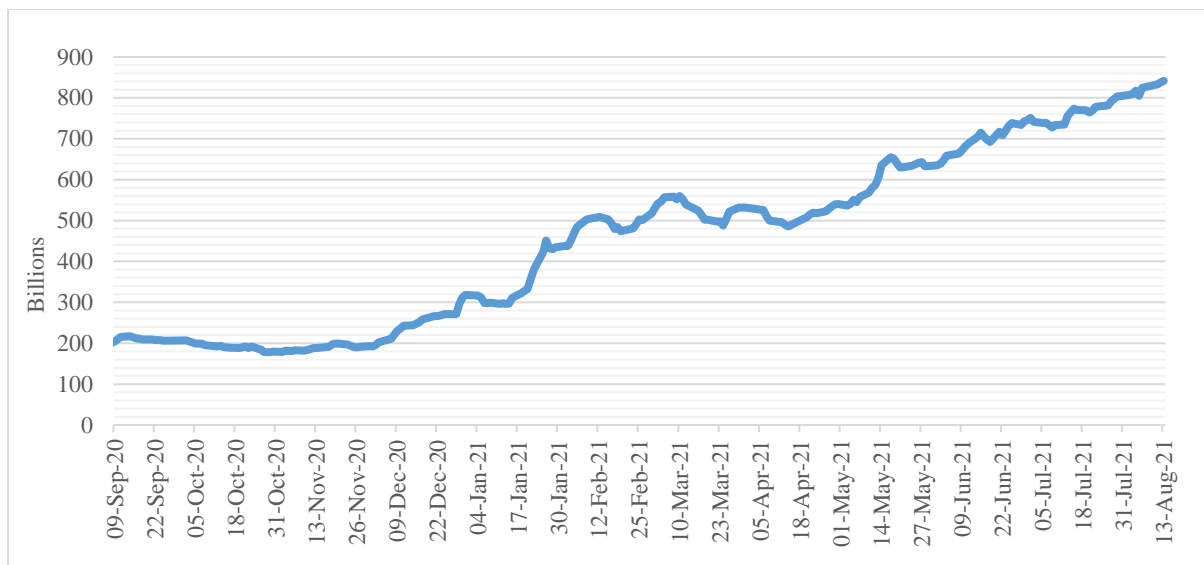


Source: Zimbabwe Stock Exchange, 2021

Market Capitalization

The local bourse was characterised by improved bids for stocks with pristine balance sheets, despite subdued supply. Resultantly, the ZSE gained ZW\$16.77 billion, or 2.03% worth of capitalization to close at ZW\$841.57 billion, during week under analysis.

Figure 5: Daily Market Capitalization in ZW\$ billions



Source: Zimbabwe Stock Exchange, 2021

Johannesburg Stock Exchange (JSE) Developments

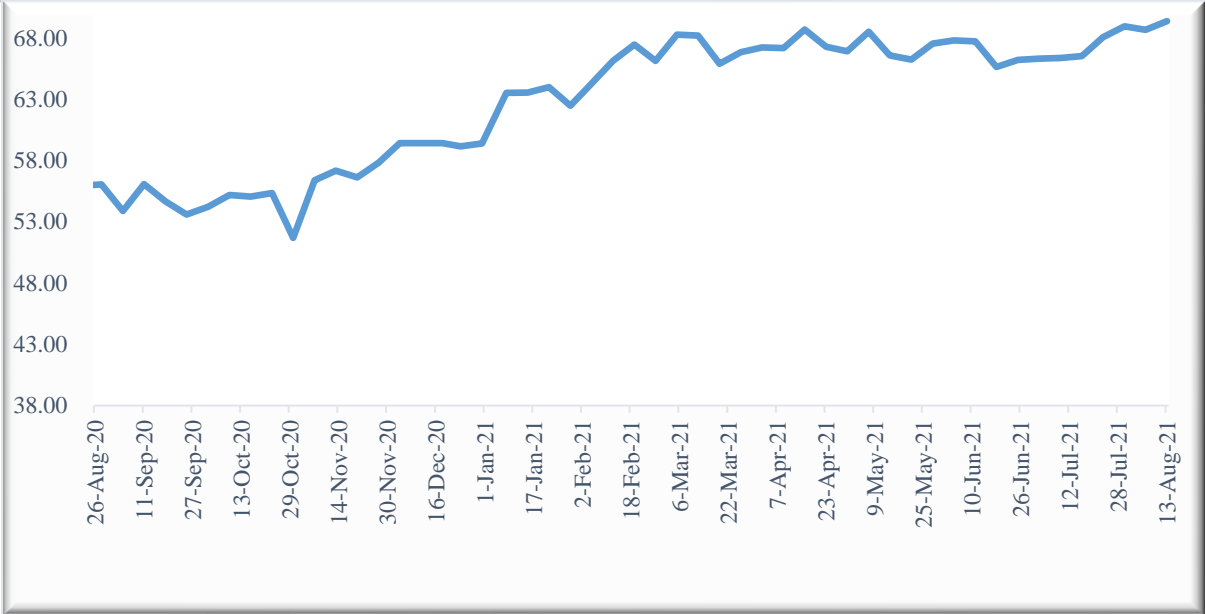
The week under review saw the Johannesburg Stock Exchange (JSE) All Share Index increase by 1.04% to close at 68,384.76 points, from 68,673.95 points in the previous week. In tandem, JSE market capitalization increased by 1.76% to close at ZAR19.10 trillion, during the same period.

Table 8: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalization (ZAR trillions)
9-July-21	66,385.57	18.58
16-July-21	66,529.53	18.73
23-July-21	68,063.70	19.01
30-July-21	68,970.78	18.93
6-Aug-21	68,673.95	18.77
13-Aug-21	69,384.76	19.10
% Change	1.04	1.76

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-July-21	30-July-21	6-Aug-21	13-Aug-21	23-July-21	30-July-21	6-Aug-21	13-Aug-21
Total Bids (US\$ dollars)	37,295,634.31	37,242,121.28	35,186,456.89	34,814,140.90	8,733,042.62	9,933,403.94	10,313,921.32	10,762,380.86
Amount Allotted (US\$ dollars)	37,295,634.31	37,242,121.28	35,186,456.89	34,814,140.90	8,733,042.62	9,933,403.94	10,313,921.32	10,762,380.86
Highest Rate	90	91	91	92	90	91	91	91
Lowest Bid Rate	82	82	82	82	82	82	82	82.1
Lowest Bid Rate Allotted	82	82	82	82	82	82	82	82.1
Weighted Average Rate	85.6373	85.6402	85.7286	85.7467	85.6373	85.6402	85.7286	85.7467
Number of Bids Received	402	394	393	382	558	682	687	710
Number of Bids Rejected	32	38	41	38	44	56	63	46

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-July-21	30-July-21	6-Aug-21	13-Aug-21	23-July-21	23-Jul-21	6-Aug-21	13-Aug-21
Raw Materials	15,100,167.36	14,262,215.75	14,424,474.16	14,011,320.21	2,027,591.73	2,618,337.54	2,420,925.75	2,351,192.10
Machinery and Equipment	9,539,708.98	8,981,866.50	8,122,641.57	7,939,559.49	2,014,127.79	2,571,114.31	2,491,365.09	2,559,391.68
Consumables (Incl. Spares, Tyres, Packaging)	3,104,800.09	1,896,941.25	2,821,012.22	2,406,795.44	1,984,305.33	1,848,155.35	2,119,675.23	2,432,945.36
Pharmaceuticals and Chemicals	2,449,332.18	2,900,273.71	2,178,056.90	2,429,520.05	563,690.77	732,787.66	440,846.64	589,863.17
Services (Loans, Dividends and Disinvestments)	911,998.04	2,137,154.25	1,820,934.53	1,589,893.19	606,061.45	711,992.69	770,877.03	859,923.67
Retail and Distribution	3,713,743.57	4,332,677.09	3,779,637.98	3,064,452.54	968,244.79	862,967.10	1,383,858.25	1,331,734.37
Fuel, Electricity and Gas	1,748,127.88	1,987,585.65	1,428,010.66	1,217,751.92	278,492.74	286,143.71	334,796.07	254,155.57
Paper and Packaging	727,756.21	743,407.07	611,688.87	652,120.15	290,528.02	301,905.58	351,577.26	383,174.94
TOTAL	37,295,634.31	37,242,121.28	35,186,456.89	33,311,412.99	8,733,042.62	9,933,403.94	10,313,921.32	10,762,380.86

Source: Reserve Bank of Zimbabwe, 2021