



Weekly Economic Highlights

TABLE OF CONTENTS

| | |
|---|---|
| 1. INTEREST RATES | 1 |
| 2. CLEARING AND SETTLEMENT ACTIVITY | 2 |
| 3. TOBACCO SALES..... | 3 |
| 4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS | 4 |
| 5. EXCHANGE RATE DEVELOPMENTS | 5 |
| 6. EQUITY MARKETS..... | 6 |

Week Ending
20th August 2021

1. INTEREST RATES

Deposit Rates

Average minimum and maximum deposit rates for all classes of deposits were unchanged during the week under analysis, 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 (%) |
| 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 |
| 20-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 both individual and corporate clients remained unchanged from previous week levels, as shown in Table 2.

Table 2: Lending Rates (per annum)

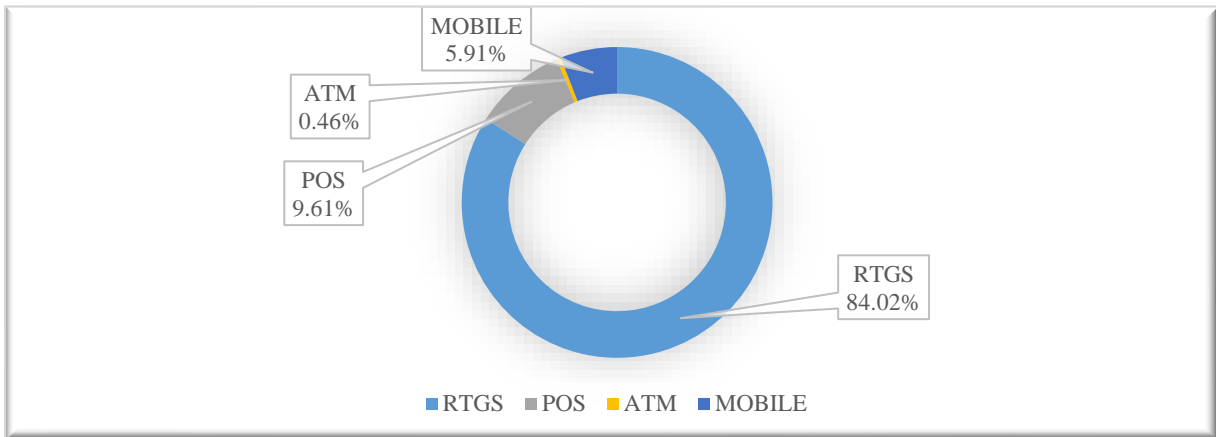
| Date | Individual Clients | | Corporate Clients | |
|-------------------|--------------------|-------------|-------------------|-------------|
| | Minimum (%) | Maximum (%) | Minimum (%) | Maximum (%) |
| 16-July-21 | 36.55 | 56.80 | 22.07 | 59.67 |
| 30-July-21 | 36.56 | 57.00 | 21.66 | 59.81 |
| 6-Aug-21 | 36.56 | 57.00 | 21.66 | 59.81 |
| 13-Aug-21 | 40.37 | 56.87 | 39.67 | 64.68 |
| 20-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 transactions worth \$120.85 billion during the week under analysis, up from \$85.49 billion recorded in the week ending 13th August 2021. Real Time Gross Settlement (RTGS) transactions stood at \$101.54 billion, down from \$64.41 billion in the preceding week. In value terms, the distribution of NPS transactions was as follows: RTGS, 84.02%, POS, 9.61%; Mobile, 5.91%; and ATM, 0.46%.

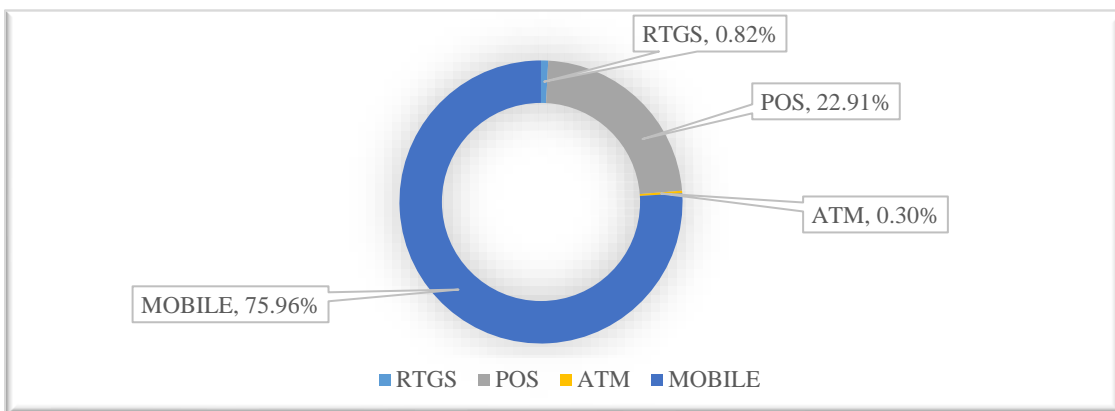
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2021

The volume of NPS transactions fell by 0.97% to close at 26.34 million, from 26.63 million in the previous week. NPS transaction volumes were dominated by Mobile based transactions at 75.96% of the total, followed by POS, 22.91%; RTGS, 0.82%; and ATM, 0.30%, 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 13 th August 2021 | WEEK ENDING 20 th August 2021 | % CHANGE FROM LAST WEEK | PROPORTION % |
|--------------------------------|--|--|-------------------------------|-----------------|
| Values in ZW\$ Millions | | | | |
| RTGS | 64,409.68 | 101,543.40 | 57.65% | 84.02% |
| POS | 10,905.67 | 11,610.75 | 6.47% | 9.61% |
| ATM | 679.54 | 560.29 | -17.55% | 0.46% |
| MOBILE | 9,496.41 | 7,138.27 | -24.83% | 5.91% |
| TOTAL | 85,491.30 | 120,852.71 | 41.36% | 100% |
| Volumes | | | | |
| RTGS | 154,298 | 217,125 | 40.72% | 0.82% |
| POS | 3,712,287 | 6,041,948 | 62.76% | 22.91% |
| ATM | 102,232 | 78,874 | -22.85% | 0.30% |
| MOBILE | 22,657,373 | 20,029,948 | -11.60% | 75.96% |
| TOTAL | 26,626,190 | 26,367,895 | -0.97% | 100% |

Source: Reserve Bank of Zimbabwe, 2021

3. TOBACCO SALES

As at 20th August 2021 or day 94 of the 2021 tobacco selling season, a cumulative total of 206.64 million kilograms of tobacco had been sold, reflecting a 13.49% increase over the 182.08 million kilograms sold during the same period in 2020. The cumulative sales value increased by 26.70% to US\$577.09 million, from US\$455.48 million realised in the corresponding period in the previous year.

The golden leaf was sold at an average price of US\$2.79/kg, compared to an average price of US\$2.50/kg realised in the same period in 2020.

Table 4: Weekly Cumulative Tobacco Sales: Day 94 (20th August 2021)

| | 2020 | 2021 | Variance (%) |
|---|-------------|-------------|--------------|
| Cumulative Quantity Sold (million kgs) | 182,080,324 | 206,639,819 | 13.19 |
| Average Price(US\$/kg) | 2.50 | 2.79 | 11.64 |
| Cumulative value (US\$ million) | 455,482,098 | 577,085,092 | 26.70 |

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

4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

Developments in international commodity markets saw platinum, copper, nickel and crude oil prices continue on a negative trajectory, while gold prices rebounded, during the week ending 20th August 2021. Table 5 shows the developments in commodity prices, during the week under review.

Table 5: Metal and Crude Oil Prices for the week ending 20th August 2021

| | Gold | Platinum | Copper | Nickel | Crude Oil |
|--------------------------------------|-----------------|-----------------|-----------------|------------------|--------------|
| 2021 | US\$/ounce | US\$/ounce | US\$/tonne | US\$/tonne | US\$/barrel |
| Weekly Average (9-13 August) | 1,744.53 | 1,001.60 | 9,416.00 | 19,108.20 | 70.77 |
| 16-Aug | 1,781.05 | 1,014.50 | 9,377.00 | 19,505.00 | 69.51 |
| 17-Aug | 1,791.75 | 1,021.00 | 9,346.50 | 19,470.00 | 69.12 |
| 18-Aug | 1,785.78 | 1,004.00 | 9,148.50 | 19,019.00 | 67.24 |
| 19-Aug | 1,785.13 | 971.50 | 8,775.50 | 18,476.00 | 66.58 |
| 20-Aug | 1,781.00 | 977.00 | 8,922.00 | 18,569.00 | 65.00 |
| Weekly Average (16-20 August) | 1,784.94 | 997.60 | 9,113.90 | 19,007.80 | 67.49 |
| Weekly Change (%) | 2.3 | -0.4 | -3.2 | -0.5 | -4.6 |

Source: BBC, KITCO and Bloomberg, 2021

Gold

Gold prices bounced back, gaining by 2.3%, from a weekly average of US\$1,744.53 per ounce in the previous week to US\$1,784.94 per ounce, during the week under analysis. The price of the yellow metal rose due to concerns over the slowdown in the global economy, brought about by surging cases of the Delta variant of Covid-19. Prices were also bolstered by a weakening US dollar and subdued U.S. bond yields.

Platinum

Platinum prices continued on a downward trend, as rising Covid-19 cases continued to dent the demand outlook for most industrial metals. Resultantly, prices further retreated by 0.4%, from a weekly average of US\$1,001.60 per ounce in the previous week, to US\$997.60 per ounce during the week ending 20th August 2021.

Copper

Copper prices remained subdued, largely weighed down by weak economic data in China, the world's largest consumer of base metals. In addition, surging Covid-19 Delta variant cases, particularly in Asia, continued to hurt demand for industrial metals. Consequently, prices

further retreated by 3.2%, from a weekly average of US\$9,416.00 per tonne in the previous week to US\$9,113.90 per tonne, during the week under review.

Nickel

Nickel prices retreated by 0.5%, from a weekly average of US\$19,108.20 per tonne during the week ending 13th August 2021 to US\$19,007.80 per tonne, during the week under review. Rising Covid-19 cases and weak Chinese economic data dampened the demand outlook for most industrial minerals, including nickel.

Brent Crude Oil

Brent crude oil prices declined by 4.6%, from a weekly average of US\$70.77 per barrel in the previous week to US\$67.49 per barrel, during the week ending 20th August 2021. The price decline was driven by waning investor concerns that the spread of coronavirus variants was slowing oil demand. Furthermore, the slowdown in economic activity in China, the world's biggest importer of oil, also exerted downward pressure on prices.

5. EXCHANGE RATE DEVELOPMENTS

During the week under review, the Zimbabwe dollar (ZWL), posted a marginal depreciation of 0.3% against the US dollar, from an average of ZW\$85.6146 per US\$1 in the previous week to ZW\$85.8290 per US\$1. The developments in selected exchange rates are shown in Table 6.

Table 6: International Exchange Rates¹

| | USD | ZAR | GBP | BWP | EURO |
|---------------------------------------|----------------|---------------|-----------------|---------------|-----------------|
| 2021 | | | | | |
| Weekly Average (9-13 August) | 85.6146 | 5.9355 | 119.1651 | 7.8096 | 101.5979 |
| 16-Aug | 85.8290 | 5.7803 | 117.9550 | 7.6649 | 100.5489 |
| 17-Aug | 85.8290 | 5.7061 | 117.7360 | 7.6562 | 100.2269 |
| 18-Aug | 85.8290 | 5.6338 | 116.9680 | 7.5834 | 100.3041 |
| 19-Aug | 85.7300 | 5.9648 | 119.0385 | 7.8445 | 101.4470 |
| 20-Aug | 85.7300 | 5.9172 | 119.3299 | 7.8102 | 101.3570 |
| Weekly Average (16-20 August) | 85.8290 | 5.7068 | 117.5530 | 7.6348 | 100.3599 |
| Appr(-)/Depr(+) (%) of the ZWL | 0.3 | -3.9 | -1.4 | -2.2 | -1.2 |

Source: Reserve Bank of Zimbabwe, 2021

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

6. EQUITY MARKETS

During the week ending 20th August 2021, the Zimbabwe Stock Exchange (ZSE) was characterized by bearish sentiments resulting in all major indices recording declines. The All Share, Top 10 and Medium Cap indices declined by 3.40%, 3.66% and 3.12% to close at 6 820.36 points, 3 635.74 points and 17 807.22 points, respectively.

The decline in the market indices emanated from share price losses for Star Africa Corporation Limited (23.05%), First Mutual Holdings Limited (10.12%), African Sun Limited (9.56%), Fidelity Life Assurance Limited (9.09%) and Simbisa Brands Limited (8.63%). Partially offsetting the aforementioned decline were gains in the share prices of Willdale Limited (8.76%), Unifreight Africa Limited (3.98%), Edgars Stores Limited (3.94%), Innscor Africa Limited (3.76%) and FBC Holdings Limited (3.69%).

The resources index lost by 2.16% to close at 5 959.57 points. This resulted from losses of 3.32% and 0.04% in the share prices of Bindura Nickel Corporation Limited (BNC) and RioZim Limited, respectively.

Table 7: Zimbabwe Stock Exchange Statistics²

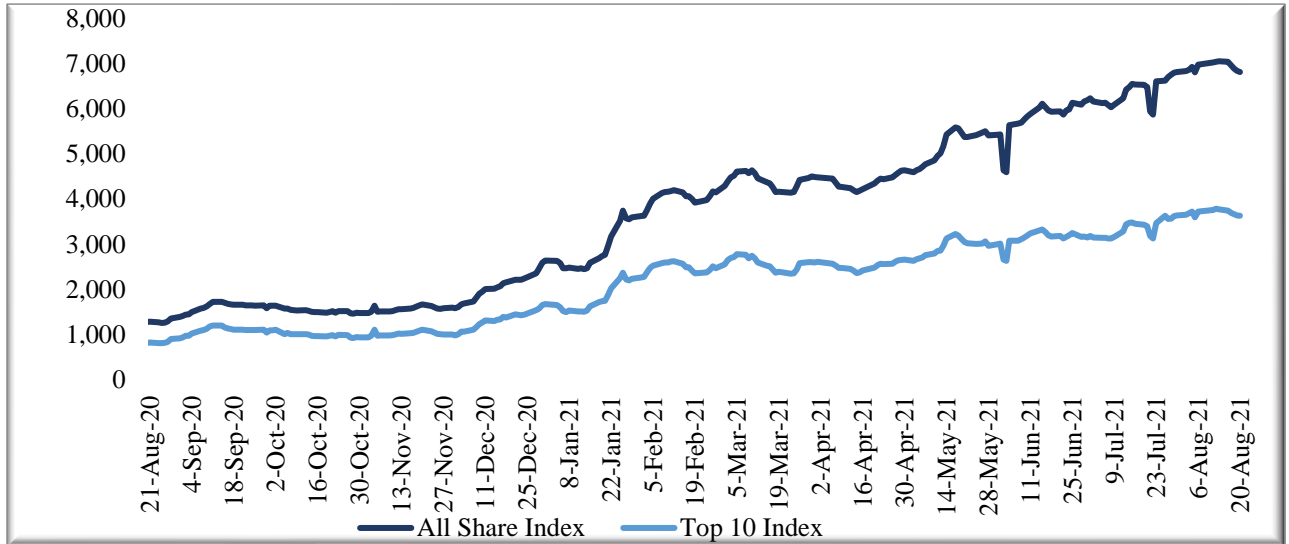
| | All Share Index Points | Top 10 index (points) | Top 15 Index ³ points | Medium Cap ³ (points) | Small Cap ³ (points) | Mining Index (points) | Grand Market Capitalization (ZWL million) | Market Turnover (ZWL million) | Volume of Shares (million) |
|-------------------|------------------------|-----------------------|----------------------------------|----------------------------------|---------------------------------|-----------------------|---|-------------------------------|----------------------------|
| 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 |
| 20-Aug-21 | 6,820.36 | 3,635.74 | 4,188.07 | 17,807.22 | 230,844.49 | 5,959.57 | 811.65 | 1,444.71 | 41.51 |
| % Change | -3.40 | -3.66 | -3.44 | -3.12 | -2.21 | -2.16 | -3.56 | 247.51 | 159.44 |

Source: Zimbabwe Stock Exchange (ZSE), 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 shows developments in the ZSE's All Share, Top 10 and mining indices from the 21st August 2020 to 20th August 2021.

Figure 3: Zimbabwe Stock Exchange All Share and Top 10 Indices

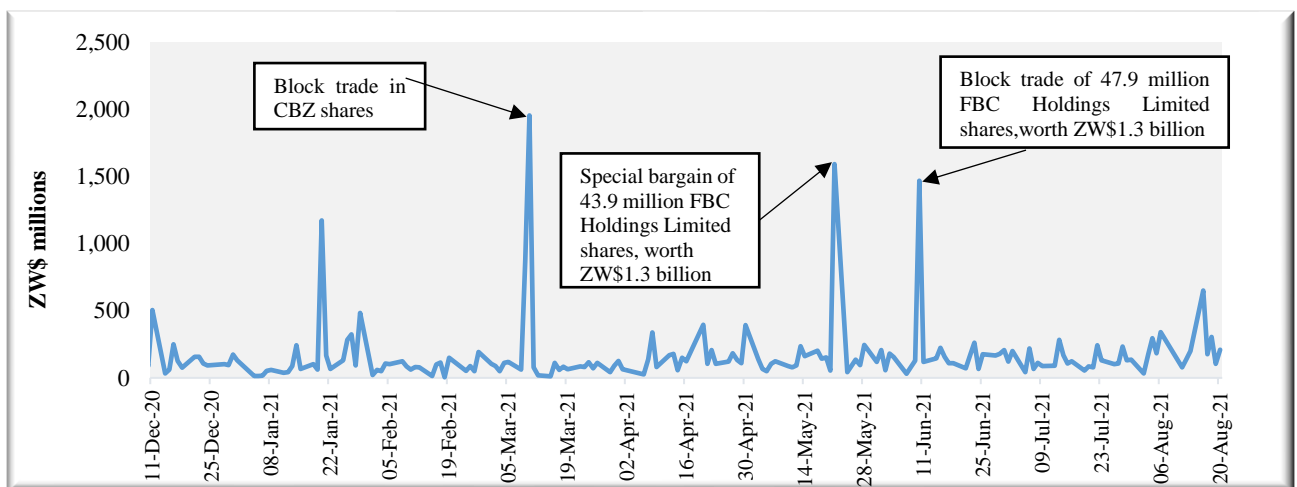


Source: Zimbabwe Stock Exchange, 2021

Market Turnover and Volume

During the week under analysis, there was improved demand in some selected blue-chip counters on the ZSE. Resultantly, the cumulative volume and value of shares traded increased by 159.50% and 247.52% to 41.51 million shares and ZW\$1.44 billion, respectively.

Figure 4: Daily Market Turnover

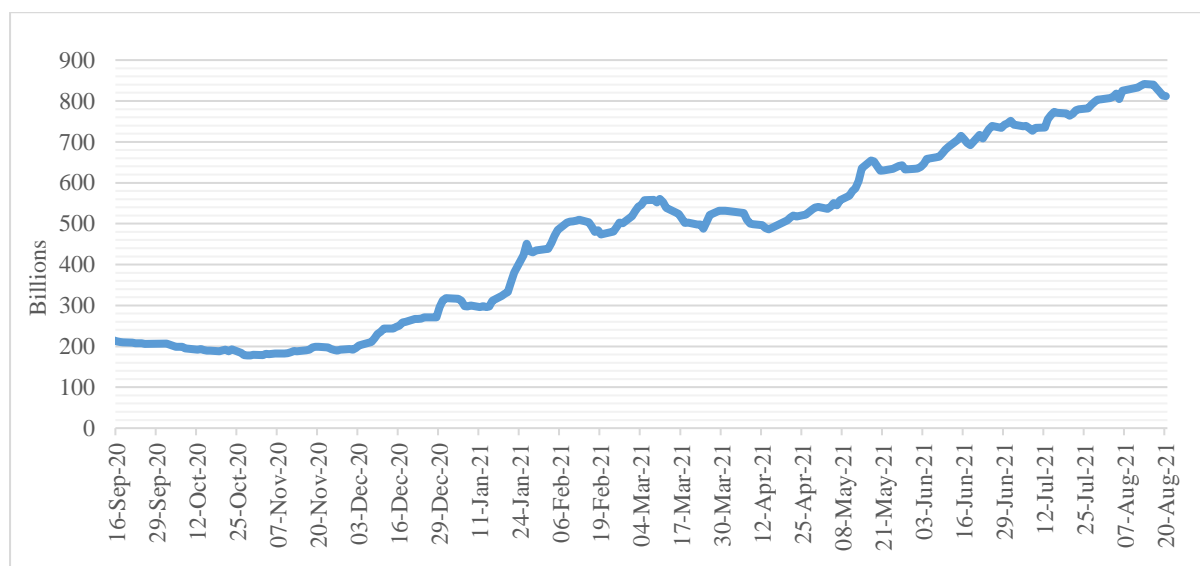


Source: Zimbabwe Stock Exchange, 2021

Market Capitalization

The ZSE gained ZW\$16.77 billion, or 2.03% worth of capitalization to close at ZW\$811.65 billion, during the week ending 20th August 2021.

Figure 5: Daily Market Capitalization in ZW\$ billions



Source: Zimbabwe Stock Exchange, 2021

Johannesburg Stock Exchange (JSE) Developments

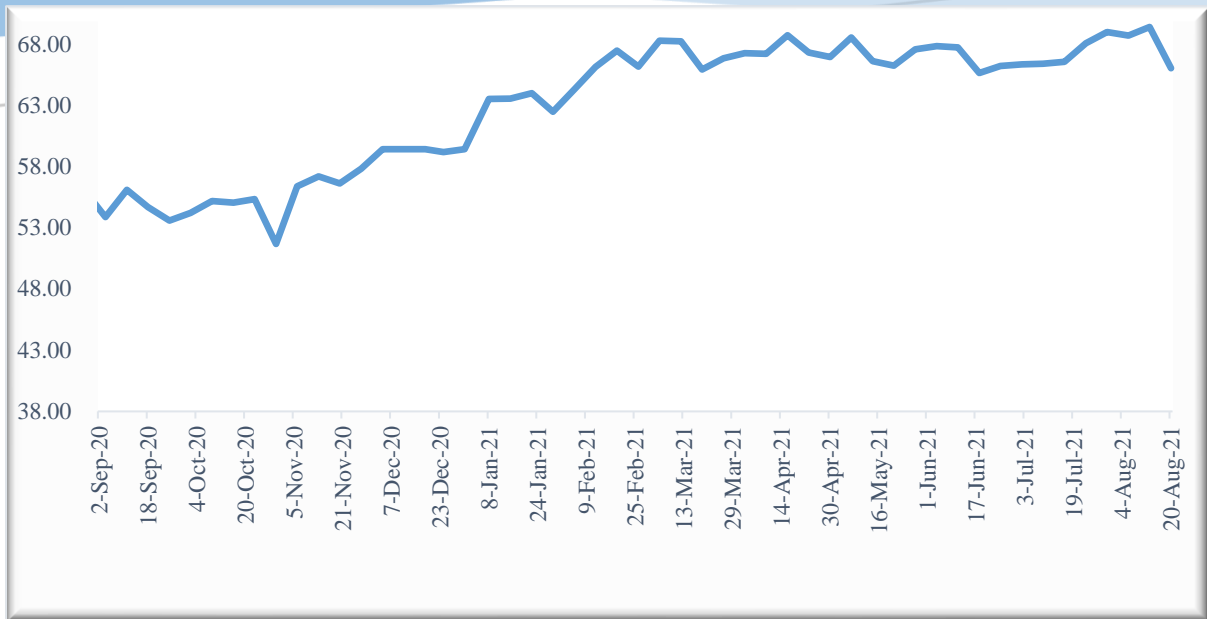
The Johannesburg Stock Exchange (JSE) All Share Index declined by 4.86% to 66,011.06 points during the week under review, from 69,384.76 points in the previous week. Similarly, JSE market capitalization declined by 0.73% to close at ZAR18.96 trillion, during the same week.

Table 8: Johannesburg Stock Exchange (JSE) Statistics

| Period | All Share Index (points) | Market Capitalization (ZAR trillions) |
|------------|-----------------------------|--|
| 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 |
| 20-Aug-21 | 66,011.06 | 18.96 |
| % Change | -4.86 | -0.73 |

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 | | | |
|---------------------------------------|---------------|---------------|---------------|---------------|--------------|---------------|---------------|---------------|
| | 30-July-21 | 6-Aug-21 | 13-Aug-21 | 20-Aug-21 | 30-July-21 | 6-Aug-21 | 13-Aug-21 | 20-Aug-21 |
| Total Bids (US\$ dollars) | 37,242,121.28 | 35,186,456.89 | 34,814,140.90 | 38,179,408.02 | 9,933,403.94 | 10,313,921.32 | 10,762,380.86 | 12,357,545.21 |
| Amount Allotted (US\$ dollars) | 37,242,121.28 | 35,186,456.89 | 34,814,140.90 | 38,179,408.02 | 9,933,403.94 | 10,313,921.32 | 10,762,380.86 | 12,357,545.21 |
| Highest Rate | 91 | 91 | 92 | 91 | 91 | 91 | 91 | 90 |
| Lowest Bid Rate | 82 | 82 | 82 | 82.5 | 82 | 82 | 82.1 | 82.5 |
| Lowest Bid Rate Allotted | 82 | 82 | 82 | 82.5 | 82 | 82 | 82.1 | 82.5 |
| Weighted Average Rate | 85.6402 | 85.7286 | 85.7467 | 85.8290 | 85.6402 | 85.7286 | 85.7467 | 85.8290 |
| Number of Bids Received | 394 | 393 | 382 | 413 | 682 | 687 | 710 | 843 |
| Number of Bids Rejected | 38 | 41 | 38 | 24 | 56 | 63 | 46 | 79 |

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 | | | |
|---|----------------------|----------------------|----------------------|----------------------|---------------------|----------------------|----------------------|----------------------|
| | 30-July-21 | 6-Aug-21 | 13-Aug-21 | 20-Aug-21 | 23-Jul-21 | 6-Aug-21 | 13-Aug-21 | 20-Aug-21 |
| Raw Materials | 14,262,215.75 | 14,424,474.16 | 14,011,320.21 | 16,084,510.52 | 2,618,337.54 | 2,420,925.75 | 2,351,192.10 | 2,602,606.69 |
| Machinery and Equipment | 8,981,866.50 | 8,122,641.57 | 7,939,559.49 | 8,720,467.04 | 2,571,114.31 | 2,491,365.09 | 2,559,391.68 | 2,916,795.17 |
| Consumables (Incl. Spares, Tyres, Packaging) | 1,896,941.25 | 2,821,012.22 | 2,406,795.44 | 2,187,488.80 | 1,848,155.35 | 2,119,675.23 | 2,432,945.36 | 3,063,886.09 |
| Pharmaceuticals and Chemicals | 2,900,273.71 | 2,178,056.90 | 2,429,520.05 | 1,642,222.27 | 732,787.66 | 440,846.64 | 589,863.17 | 580,359.01 |
| Services (Loans, Dividends and Disinvestments) | 2,137,154.25 | 1,820,934.53 | 1,589,893.19 | 1,809,919.73 | 711,992.69 | 770,877.03 | 859,923.67 | 861,513.52 |
| Retail and Distribution | 4,332,677.09 | 3,779,637.98 | 3,064,452.54 | 3,973,338.31 | 862,967.10 | 1,383,858.25 | 1,331,734.37 | 1,688,192.68 |
| Fuel, Electricity and Gas | 1,987,585.65 | 1,428,010.66 | 1,217,751.92 | 1,678,523.58 | 286,143.71 | 334,796.07 | 254,155.57 | 253,910.32 |
| Paper and Packaging | 743,407.07 | 611,688.87 | 652,120.15 | 650,887.78 | 301,905.58 | 351,577.26 | 383,174.94 | 390,281.73 |
| TOTAL | 37,242,121.28 | 35,186,456.89 | 33,311,412.99 | 36,747,358.03 | 9,933,403.94 | 10,313,921.32 | 10,762,380.86 | 12,357,545.21 |

Source: Reserve Bank of Zimbabwe, 2021