



Weekly Economic Highlights

TABLE OF CONTENTS

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

Week Ending
27th August 2021

1. INTEREST RATES

Deposit Rates

Average minimum deposit rates for savings deposits, deposits of 1- month and 3- month tenor increased during the week ending 27th August 2021. Maximum deposit rates for deposits of 1 month and 3- month tenor were higher, while those for savings deposits declined, 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 (%)
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
27-Aug-21	5.28	7.29	8.06	13.31	9.05	14.29

Source: Reserve Bank of Zimbabwe, 2021

Lending Rates

During the week under review, commercial bank minimum lending rates for individual clients increased by 0.69 percentage points to 41.06%, while minimum lending rates for corporate clients marginally declined by 0.01 percentage points to 39.65%. Maximum lending rates for both individual and corporate clients rose, as shown in Table 2.

Table 2: Lending Rates (per annum)

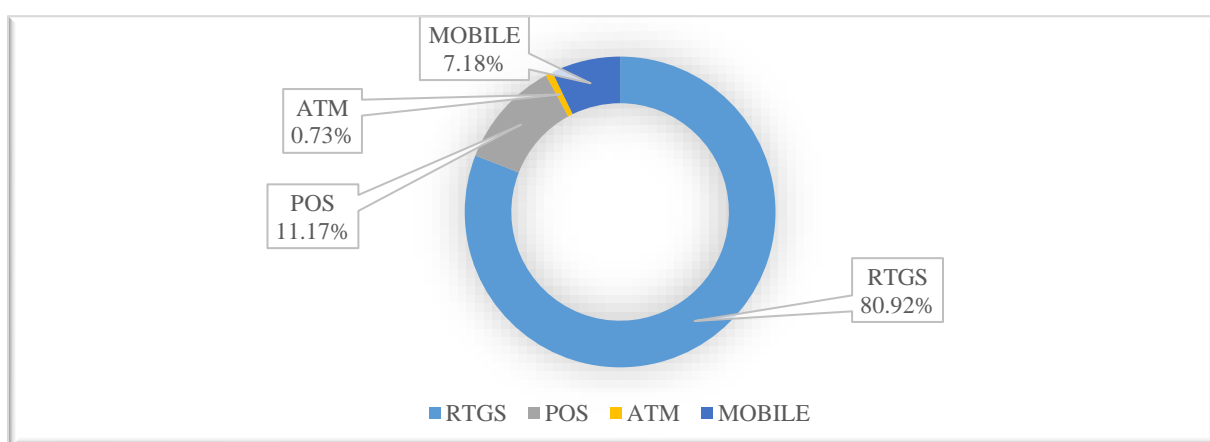
Date	Individual Clients		Corporate Clients	
	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
30-July-21	36.56	57.00	21.66	59.81
6-Aug-21	36.56	57.00	21.66	59.81
13-Aug-21	40.37	56.87	39.67	64.68
20-Aug-21	40.37	56.87	39.67	64.68
27-Aug-21	41.06	57.39	39.65	65.06

Source: Reserve Bank of Zimbabwe, 2021

2. CLEARING AND SETTLEMENT ACTIVITY

The total value of transactions processed through the National Payment Systems (NPS) amounted to \$123.73 billion, during the week under analysis. This reflected an increase of 2.37%, compared to \$120.87 billion recorded during the week ending 20th August 2021. Real Time Gross Settlement (RTGS) transactions at \$100.13 billion were 1.40% lower, compared to \$101.54 billion recorded in the previous week. NPS transaction values were distributed as follows: RTGS, 80.92%, POS, 11.17%; Mobile, 7.18%; and ATM, 0.73%.

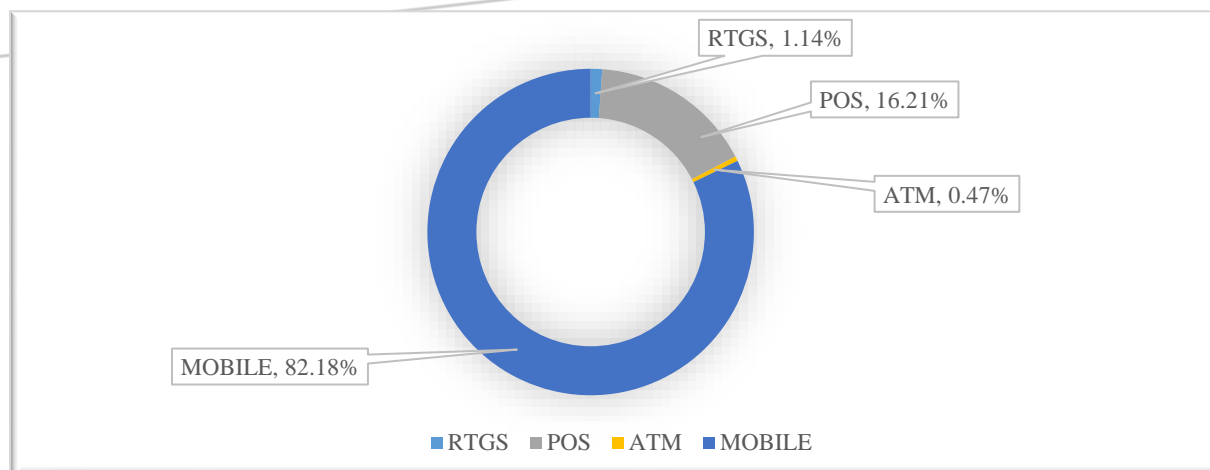
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2021

The volume of NPS transactions declined by 2.96% to close at 25.61 million, during the week under review. In volume terms, NPS transactions were distributed as follows: Mobile, 82.18%; POS, 16.21%; RTGS, 1.14%; and ATM, 0.47%, 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 20 th August 2021	WEEK ENDING 27 th August 2021	% CHANGE FROM LAST WEEK	PROPORTION %
Values in ZW\$ Millions				
RTGS	101,543.40	100,126.12	-1.40%	80.92%
POS	11,610.75	13,825.60	19.08%	11.17%
ATM	560.29	897.92	60.26%	0.73%
MOBILE	7,154.28	8,886.26	24.21%	7.18%
TOTAL	120,868.72	123,735.90	2.37%	100%
Volumes				
RTGS	217,125	292,640	34.78%	1.14%
POS	6,041,948	4,151,168	-31.29%	16.21%
ATM	78,874	119,289	51.24%	0.47%
MOBILE	20,052,717	21,045,877	4.95%	82.18%
TOTAL	26,390,664	25,608,974	-2.96%	100%

Source: Reserve Bank of Zimbabwe, 2021

3. TOBACCO SALES

As at 27th August 2021 or day 99 of the 2021 tobacco selling season, a cumulative total of 208.39 million kilograms of tobacco had been sold. This was a 14.07% increase from the 182.69 million kilograms sold during the comparable period in 2020. A cumulative total of US\$582.48 million was realised from tobacco sales during the week under analysis, compared to US\$457.00 million recorded during the same period in the previous year.

The average price of the golden leaf was 11.74% higher at US\$2.80/kg, compared to an average of US\$2.50/kg realised in the same period in 2020.

Table 4: Weekly Cumulative Tobacco Sales: Day 99 (27th August 2021)

	2020	2021	Variance (%)
Cumulative Quantity Sold (million kgs)	182,689,019	208,388,240	14.07
Average Price(US\$/kg)	2.50	2.80	11.74
Cumulative value (US\$ million)	457,002,656	582,484,699	27.46

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

4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

During the week ending 27th August 2021, international commodity prices for gold, platinum, copper and crude oil strengthened, while nickel prices retreated. Commodity markets were, largely influenced by a weaker US dollar as well as the developments on the global health crisis. Table 5 below shows developments in commodity prices, during the week under analysis.

Table 5: Metal and Crude Oil Prices for the week ending 27th August 2021

	Gold	Platinum	Copper	Nickel	Crude Oil
2021	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
Weekly Average (16-20 August)	1,784.94	997.60	9,113.90	19,007.80	67.49
23-Aug	1,794.45	1,013.00	9,237.00	18,895.00	68.99
24-Aug	1,805.70	1,010.50	9,316.50	19,065.00	70.70
25-Aug	1,791.70	1,000.00	9,378.50	19,225.00	71.89
26-Aug	1,785.20	991.50	9,328.00	18,868.00	71.44
27-Aug	1,797.00	990.00	9,352.00	18,914.00	72.75
Weekly Average (23-27 August)	1,794.81	1,001.00	9,322.40	18,993.40	71.15
Weekly Change (%)	<i>0.6</i>	<i>0.3</i>	<i>2.3</i>	<i>-0.1</i>	<i>5.4</i>

Source: BBC, KITCO and Bloomberg, 2021

Gold

Gold prices remained in positive territory, as the retreat in the US dollar prompted investors to move to safe haven assets such as gold. In addition, rising coronavirus cases are driving investor expectations that the U.S. Federal Reserve might delay tapering of economic support. Prices increased by 0.6%, from a weekly average of US\$1,784.94 per ounce in the previous week, to US\$1,794.81 per ounce during the week under review.

Platinum

Platinum prices rebounded during the week, buoyed by brighter investment demand prospects, amid a softer dollar. The gains were, however curbed as rising Covid-19 cases continued to hurt the industrial demand outlook for the metal. Reflecting these developments, prices gained by 0.3%, from a weekly average of US\$997.60 per ounce in the previous week to US\$1,001.00 per ounce, during the week ending 27th August 2021.

Copper

Copper prices rose by 2.3%, from a weekly average of US\$9,113.90 per tonne in the previous week, to US\$9,322.40 per tonne during the week under analysis. This was supported by booming demand for the red metal in China, the world's top consumer of base metals. Notably, the green revolution is bolstering the demand for copper, for use in various electrification processes.

Nickel

Nickel prices eased by 0.1%, from a weekly average of US\$19,007.80 per tonne in the previous week to US\$18,993.40 per tonne, during the week under review. This followed subdued demand for the base metal in the spot market.

Brent Crude Oil

Brent crude oil prices bounced back during the week, buoyed by a broader market rebound and signs of progress in containing the Covid-19 pandemic. Optimism about falling Covid-19 cases in China, the world's top oil importer, also boosted crude oil prices. In addition, a major production outage in the Gulf of Mexico after a fire broke out at one of the state-run producers and the shutting of production ahead of a hurricane also boosted prices. Prices rose by 5.4%, from a weekly average of US\$67.49 per barrel in the week ending 20th August 2021 to US\$71.15 per barrel, during the week under analysis.

5. EXCHANGE RATE DEVELOPMENTS

During the week ending 27th August 2021, the Zimbabwe dollar (ZWL) marginally depreciated by 0.1% against the US dollar, from an average of ZWL\$85.8290 per US\$1 in the previous week to close the week under review at an average of ZWL\$85.9084 per US\$1, as shown in Table 6.

Table 6: International Exchange Rates¹

	USD	ZAR	GBP	BWP	EURO
2021					
Weekly Average (16-20 August)	85.8290	5.7068	117.553	7.6348	100.3599
23-Aug	85.9084	5.7208	117.8923	7.6122	100.8780
24-Aug	85.9084	5.7389	118.1713	7.6166	101.0799
25-Aug	85.9084	5.7654	117.6947	7.6634	101.0584
26-Aug	85.7300	5.9648	119.0385	7.8445	101.4470
27-Aug	85.7300	5.9172	119.3299	7.8102	101.3570
Weekly Average (23-27 August)	85.9084	5.7417	117.9194	7.6307	101.0054
<i>Appr(-)/Depr(+) (%) of the ZWL</i>	<i>0.1</i>	<i>0.6</i>	<i>0.3</i>	<i>-0.1</i>	<i>0.6</i>

Source: Reserve Bank of Zimbabwe, 2021

6. EQUITY MARKETS

During the week ending 27th August 2021, the Zimbabwe Stock Exchange (ZSE) traded in negative territory for the second consecutive week, resulting in all major indices registering losses. The All Share, Top 15 and Medium Cap indices declined by 1.24%, 0.89% and 3.43% to close at 6 735.80 points, 4 150.76 points and 17 195.93 points, respectively.

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

Losses in the mainstream index emanated from share price declines for British American Tobacco Zimbabwe (20.06%), Proplastics Limited (15.15%), NMBZ Holdings Limited (14.06%), First Mutual Properties Limited (11.79%) and Ariston Holdings Limited (11.68%). Partially offsetting the aforementioned losses were gains in share price recorded for Cassava Smartech Zimbabwe Limited (24.99%), Edgars Stores Limited (17.51%), African Sun Limited (15.71%), Dairiboard Holding Limited (13.71%) and Econet Wireless Zimbabwe Limited (1.48%).

The resources index, however, marginally gained by 0.20% to close at 5,971.30 points. This followed share price gains of 0.24% and 0.15% for Riozim Limited and Bindura Nickel Corporation Limited, respectively.

Table 7: Zimbabwe Stock Exchange Statistics²

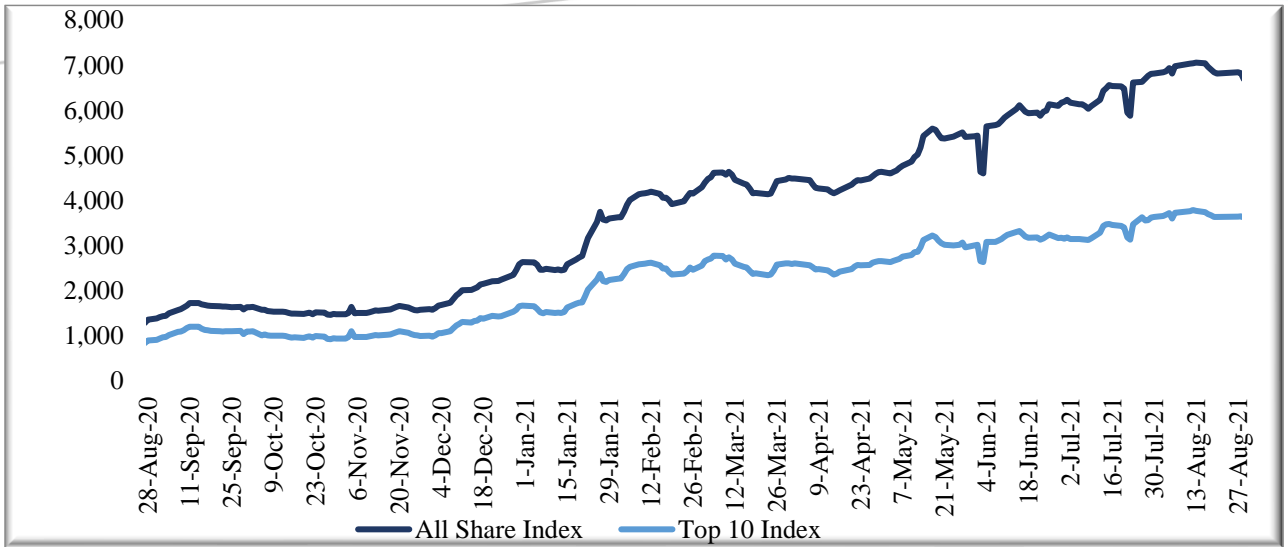
	All Share Index Points	Top 10 index (points)	Top 15 Index ³ points	Medium Cap ³ (points)	Small Cap ³ (points)	Mining Index (points)	Grand Market Capitalization (ZWL million)	Market Turnover (ZWL million)	Volume of Shares (million)
23-July-21	6,618.23	3,473.03	4,012.87	17,581.91	243,963.15	6,176.37	779.30	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
27-Aug-21	6,735.80	3,647.46	4,150.76	17,195.93	226,803.15	5,971.30	802.53	464.62	25.87
% Change	-1.24	0.32	-0.89	-3.43	-1.75	0.20	-1.12	-67.84	-37.68

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 28th August 2020 to 27th 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

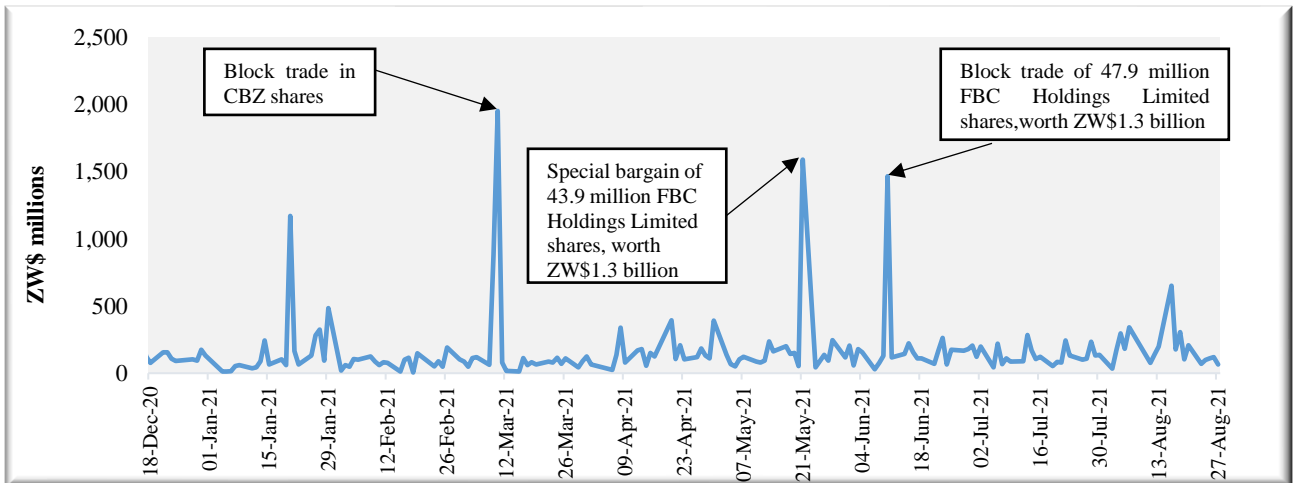


Source: Zimbabwe Stock Exchange, 2021

Market Turnover and Volume

Owing to subdued trading activity during the week under analysis, the cumulative volume and value of shares traded declined by 37.67% and 67.84% to 25.87 million shares and ZW\$464.62 million, respectively.

Figure 4: Daily Market Turnover

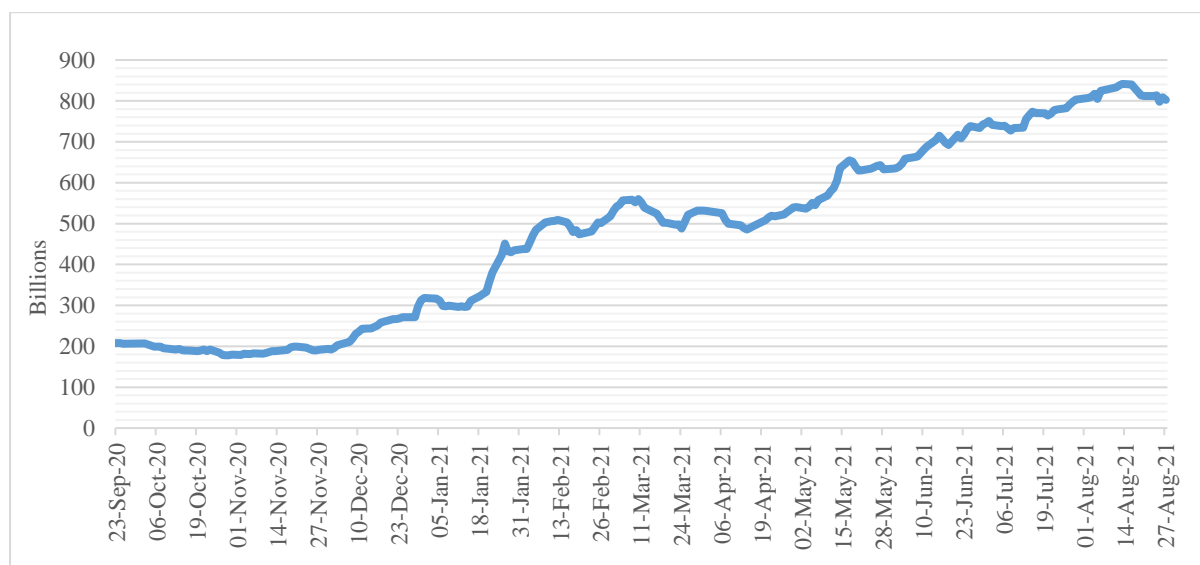


Source: Zimbabwe Stock Exchange, 2021

Market Capitalization

In line with developments on the local bourse during the week under review, the ZSE lost ZW\$9.12 billion, or 1.12% worth of capitalization to close at ZW\$802.53 billion.

Figure 5: Daily Market Capitalization in ZW\$ billions



Source: Zimbabwe Stock Exchange, 2021

Johannesburg Stock Exchange (JSE) Developments

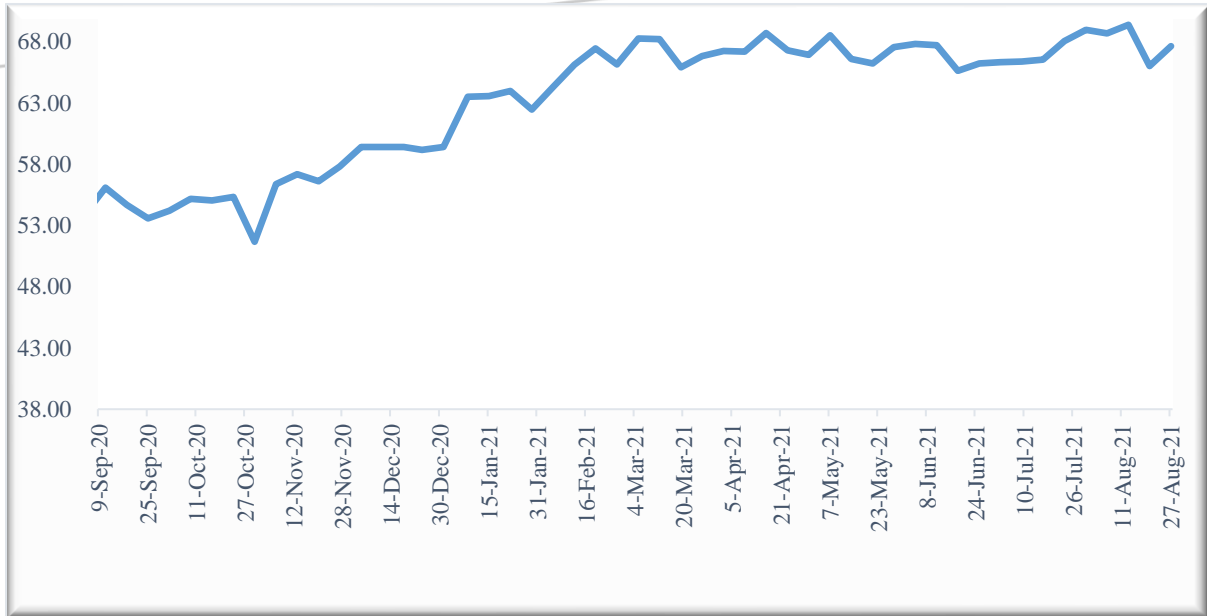
During the week ending 27th August 2021, the Johannesburg Stock Exchange (JSE) All Share Index rose by 2.48% to close at 67,646.08 points. JSE market capitalization also increased by 1.58% to close the week under review at ZAR19.26 trillion.

Table 8: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalization (ZAR trillions)
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
27-Aug-21	67,646.08	19.26
% Change	2.48	1.58

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			
	6-Aug-21	13-Aug-21	20-Aug-21	27-Aug-21	6-Aug-21	13-Aug-21	20-Aug-21	27-Aug-21
Total Bids (US\$ dollars)	35,186,456.89	34,814,140.90	38,179,408.02	41,284,248.05	10,313,921.32	10,762,380.86	12,357,545.21	15,157,605.64
Amount Allotted (US\$ dollars)	35,186,456.89	34,814,140.90	38,179,408.02	36,532,794.36	10,313,921.32	10,762,380.86	12,357,545.21	15,157,605.64
Highest Rate	91	92	91	90	91	91	90	95
Lowest Bid Rate	82	82	82.5	83	82	82.1	82.5	82
Lowest Bid Rate Allotted	82	82	82.5	83	82	82.1	82.5	82
Weighted Average Rate	85.7286	85.7467	85.8290	85.9084	85.7286	85.7467	85.8290	85.9084
Number of Bids Received	393	382	413	425	687	710	843	971
Number of Bids Rejected	41	38	24	26	63	46	79	34

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			
	6-Aug-21	13-Aug-21	20-Aug-21	27-Aug-21	6-Aug-21	13-Aug-21	20-Aug-21	27-Aug-21
Raw Materials	14,424,474.16	14,011,320.21	16,084,510.52	14,931,751.41	2,420,925.75	2,351,192.10	2,602,606.69	3,436,846.75
Machinery and Equipment	8,122,641.57	7,939,559.49	8,720,467.04	8,341,921.49	2,491,365.09	2,559,391.68	2,916,795.17	4,165,020.38
Consumables (Incl. Spares, Tyres, Packaging)	2,821,012.22	2,406,795.44	2,187,488.80	2,189,046.00	2,119,675.23	2,432,945.36	3,063,886.09	3,314,351.23
Pharmaceuticals and Chemicals	2,178,056.90	2,429,520.05	1,642,222.27	2,765,470.75	440,846.64	589,863.17	580,359.01	662,544.75
Services (Loans, Dividends and Disinvestments)	1,820,934.53	1,589,893.19	1,809,919.73	1,530,409.87	770,877.03	859,923.67	861,513.52	1,300,977.26
Retail and Distribution	3,779,637.98	3,064,452.54	3,973,338.31	4,551,438.30	1,383,858.25	1,331,734.37	1,688,192.68	1,504,108.07
Fuel, Electricity and Gas	1,428,010.66	1,217,751.92	1,678,523.58	1,854,938.81	334,796.07	254,155.57	253,910.32	332,729.19
Paper and Packaging	611,688.87	652,120.15	650,887.78	367,817.73	351,577.26	383,174.94	390,281.73	441,028.01
TOTAL	35,186,456.89	33,311,412.99	36,747,358.03	36,532,794.36	10,313,921.32	10,762,380.86	12,357,545.21	15,157,605.64

Source: Reserve Bank of Zimbabwe, 2021