



# Weekly Economic Highlights

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Week Ending  
6<sup>th</sup> August 2021

## 1. INTEREST RATES

### Deposit Rates

Average minimum and maximum deposit rates for all classes of deposits remained unchanged during the week ending 6<sup>th</sup> August 2021, 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-July-21	1.57	4.24	5.42	10.77	7.00	11.83
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

Source: Reserve Bank of Zimbabwe, 2021

### Lending Rates

Commercial bank minimum and maximum lending rates for individual and corporate clients remained at previous week levels, during the period under review, as shown in Table 2.

**Table 2: Lending Rates (per annum)**

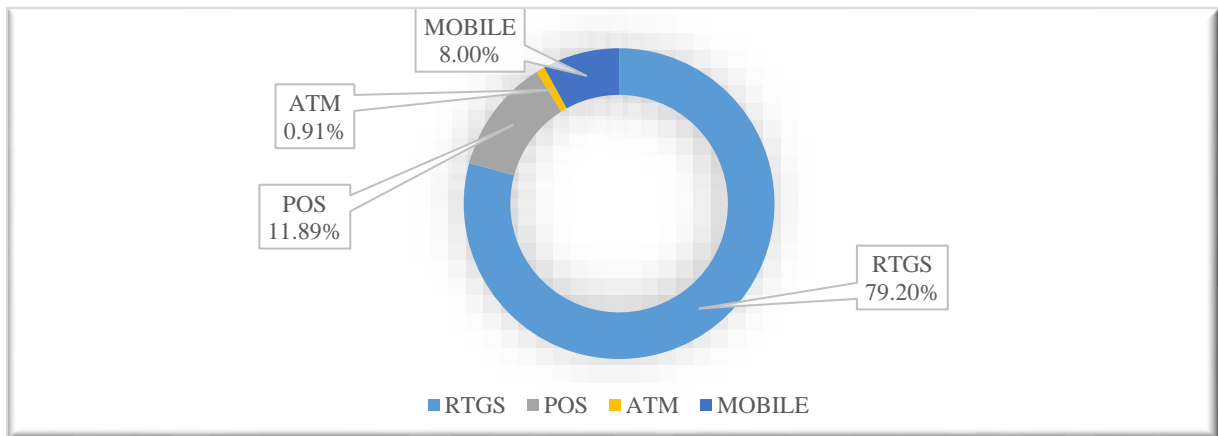
Date	Individual Clients		Corporate Clients	
	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
9-July-21	36.11	56.78	21.91	59.60
16-July-21	36.55	56.80	22.07	59.67
16-July-21	36.55	56.80	22.07	59.67
30-July-21	36.56	57.00	21.66	59.81
6-Aug-21	36.56	57.00	21.66	59.81

Source: Reserve Bank of Zimbabwe, 2021

## 2. CLEARING AND SETTLEMENT ACTIVITY

The value of transactions processed through the National Payment Systems (NPS) stood at \$111.60 billion, during the week under review. This represented a 7.86% increase from \$103.46 billion recorded in the previous week. Real Time Gross Settlement (RTGS) transactions increased from \$83.38 billion in the previous week to close at \$88.38 billion, during the week ending 6<sup>th</sup> August 2021. In value terms, NPS transactions were distributed as follows: RTGS, 79.20%, POS, 11.89%; Mobile, 8.0%; and ATM, 0.91%.

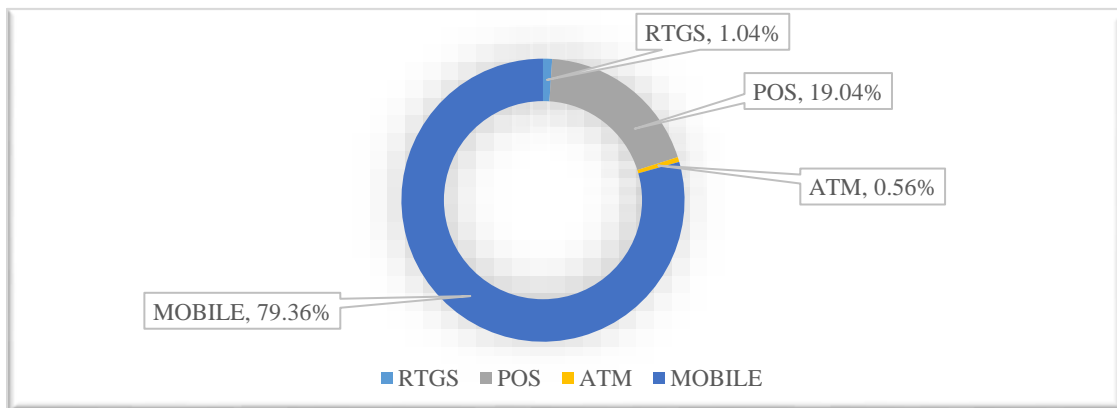
**Figure 1: Composition of NPS Transactions in Value Terms**



Source: Reserve Bank of Zimbabwe, 2021

The volume of NPS transactions increased by 9.07% to close at 24.42 million, during the week under review, from 22.39 million in the previous week. Mobile based transactions dominated NPS transaction volumes at 79.36% of the total, followed by POS, 19.04%; RTGS, 1.04%; and ATM, 0.56%, 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 30 <sup>th</sup> July 2021	WEEK ENDING 6 <sup>th</sup> August 2021	% CHANGE FROM LAST WEEK	PROPORTION %
<b>Values in ZW\$ Millions</b>				
RTGS	83,380.18	88,382.96	6.00%	79.20%
POS	11,929.85	13,273.86	11.27%	11.89%
ATM	788.67	1,012.07	28.33%	0.91%
MOBILE	7,366.01	8,930.62	21.24%	8.00%
<b>TOTAL</b>	<b>103,464.71</b>	<b>111,599.51</b>	<b>7.86%</b>	<b>100%</b>
<b>Volumes</b>				
RTGS	290,346	253,233	-12.78%	1.04%
POS	4,101,389	4,650,723	13.39%	19.04%
ATM	126,517	136,888	8.20%	0.56%
MOBILE	17,871,134	19,379,334	8.44%	79.36%
<b>TOTAL</b>	<b>22,389,386</b>	<b>24,420,178</b>	<b>9.07%</b>	<b>100%</b>

Source: Reserve Bank of Zimbabwe, 2021

### 3. TOBACCO SALES

As at 6<sup>th</sup> August 2021 or day 86 of the 2021 tobacco selling season, a cumulative total of 202.88 million kilograms of the golden leaf had been sold. This reflected a 13.18% increase from 179.25 million kilograms sold during the corresponding period in 2020. A cumulative total sales amount of US\$565.01 million was realised during the period under analysis, a 25.99% increase from US\$448.47 million worth of sales, achieved during the corresponding period in 2020, as shown in Table 4.

**Table 4: Weekly Cumulative Tobacco Sales: Day 86 (6<sup>th</sup> August 2021)**

	2020	2021	Variance (%)
<b>Cumulative Quantity Sold (million kgs)</b>	179,250,730	202,878,018	13.18
<b>Average Price(US\$/kg)</b>	2.50	2.79	11.32
<b>Cumulative value (US\$ million)</b>	448,465,453	565,015,469	25.99

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

The golden leaf fetched an average price of US\$2.79/kg during the period under review, an 11.32% increase from the US\$2.50/kg, realised during the same period in 2020.

## 4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

International commodity markets were largely subdued during the week under review, as fears over US Federal Reserve monetary policy tightening and China's new coronavirus outbreaks weighed down on investor sentiment. Prices for selected precious and base metals and crude oil retreated during the week ending 6<sup>th</sup> August 2021, as shown in Table 5.

**Table 5: Metal and Crude Oil Prices for the week ending 6<sup>th</sup> August 2021**

	Gold	Platinum	Copper	Nickel	Crude Oil
2021	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
<b>Weekly Average (26-30 July)</b>	<b>1,810.39</b>	<b>1,058.80</b>	<b>9,702.90</b>	<b>19,618.80</b>	<b>74.73</b>
<b>2-Aug</b>	1,809.50	1,057.00	9,737.00	19,725.00	72.97
<b>3-Aug</b>	1,815.68	1,053.00	9,583.00	19,324.00	72.50
<b>4-Aug</b>	1,820.78	1,050.00	9,503.00	19,448.00	70.58
<b>5-Aug</b>	1,805.98	1,015.50	9,429.00	19,279.00	71.39
<b>6-Aug</b>	1,781.18	999.50	9,529.50	19,533.00	70.49
<b>Weekly Average (2-6 August)</b>	<b>1,806.62</b>	<b>1,035.00</b>	<b>9,556.30</b>	<b>19,461.80</b>	<b>71.59</b>
<b>Weekly Change (%)</b>	-0.2	-2.2	-1.5	-0.8	-4.2

Source: BBC, KITCO and Bloomberg, 2021

### Gold

Gold prices declined due to a stronger US dollar, which got a boost from robust U.S. employment data that fuelled bets on the US Federal Reserve Bank reigning-in its stimulus. In addition, gold prices were weighed down by higher US Treasury yields which increased the opportunity cost of holding non-interest yielding bullion. The decline in the price of the yellow metal was, however, moderated by prospects of strong safe haven demand, amid surging Delta variant global cases of Covid-19. Consequently, gold prices eased by 0.2%, from a weekly average of US\$1,810.39 per ounce in the previous week to US\$1,806.62 per ounce, during the week ending 6<sup>th</sup> August 2021.

### Platinum

Platinum prices further retreated during the week occasioned by weak global demand in the automotive and jewellery industries, on the back of concerns about rising Delta variant Covid-19 cases. Resultantly, platinum prices fell by 2.2%, from a weekly average of US\$1,058.80 per ounce in the previous week to US\$1,035.00 per ounce., during the week under analysis.

## **Copper**

Copper prices fell as the resurgence of the coronavirus in China dented the outlook for industrial commodities. China, the world's top consumer of base metals, is grappling with a growing number of Covid-19 cases, which prompted investors to review the country's economic growth projections. Furthermore, a stronger US dollar also weighed down on base metal prices. Accordingly, copper prices declined by 1.5%, from a weekly average of US\$9,702.90 per tonne in the previous week, to US\$9,556.30 per tonne during the week under review.

## **Nickel**

Nickel prices eased by 0.8%, from a weekly average of US\$19,618.80 per tonne to close the week under review at US\$19,461.80 per tonne. Prices were also subdued on account of softer demand, particularly in China, the world's largest consumer of base metals. China's coronavirus outbreak has lately become the biggest concern in commodity markets.

## **Brent Crude Oil**

Brent Crude oil prices reversed gains recorded in the previous sessions, after a surprise increase in U.S. crude inventories added to renewed concerns about demand recovery, as China battles a resurgence of coronavirus cases. Reflecting these developments, crude oil prices slipped by 4.2%, from a weekly average of US\$74.73 per barrel to US\$71.59 per barrel, during the week ending 6<sup>th</sup> August 2021.

## **5. EXCHANGE RATE DEVELOPMENTS**

During the week ending 6<sup>th</sup> August 2021, the Zimbabwe dollar (ZW\$) marginally depreciated against the US dollar by 0.1%, from an average of ZW\$85.5589 per US\$1 in the previous week, to close the week at an average of ZW\$85.6146 per US\$1. The developments in selected exchange rates are shown in Table 6.

**Table 6: International Exchange Rates<sup>1</sup>**

	USD	ZAR	GBP	BWP	EURO
<b>2021</b>					
<b>Weekly Average (26-30 July)</b>	<b>85.5589</b>	<b>5.8047</b>	<b>118.7429</b>	<b>7.7046</b>	<b>101.2872</b>
<b>2-Aug</b>	85.2455	5.8565	119.0613	7.7549	101.6592
<b>3-Aug</b>	85.6373	5.9365	118.9886	7.7939	101.7235
<b>4-Aug</b>	85.7300	6.0024	119.4072	7.8444	101.8030
<b>5-Aug</b>	85.7300	5.9648	119.0385	7.8445	101.4470
<b>6-Aug</b>	85.7300	5.9172	119.3299	7.8102	101.3570
<b>Weekly Average (2-6 August)</b>	<b>85.6146</b>	<b>5.9355</b>	<b>119.1651</b>	<b>7.8096</b>	<b>101.5979</b>
<b>Appr(-)/Depr(+) (%) of the ZWL</b>	<i>0.1</i>	<i>2.3</i>	<i>0.4</i>	<i>1.4</i>	<i>0.3</i>

Source: Reserve Bank of Zimbabwe, 2021

## 6. EQUITY MARKETS

During the week ending 6<sup>th</sup> August 2021, positive trading characterised the Zimbabwe Stock Exchange (ZSE) for the fourth consecutive week, resulting in all the major indices registering gains. The All Share, Top 10 and Medium Cap indices gained 2.41%, 2.45% and 2.57% to close at 6 982.59 points, 3 729.32 points and 18 194.99 points, respectively.

The increase in the market indices was, in part, on account of share price gains for Getbucks Financial Services Limited (51.84%), Seed Co Limited (17.31%), Delta Corporation Limited (15.33%), TSL Limited (11.63%) and Zimplow Holdings Limited (8.54%). Losses in the share prices of NMBZ Holdings Limited (17.27%), Willdale Limited (14.05%), National Tyre Services Limited (13.83%), General Beltings Holdings Limited (11.74%) and Innscor Africa Limited (11.55%), however, partially offset the aforementioned gains in market indices.

The resources index, however, shed 8.06% to close at 6,087.67 points. This emanated from a 11.91% loss in the share price of Bindura Nickel Corporation Limited (BNC). RioZim Limited shares did not register any trades.

<sup>1</sup> Direct quote – the amount of domestic currency needed to exchange for 1 unit of foreign currency

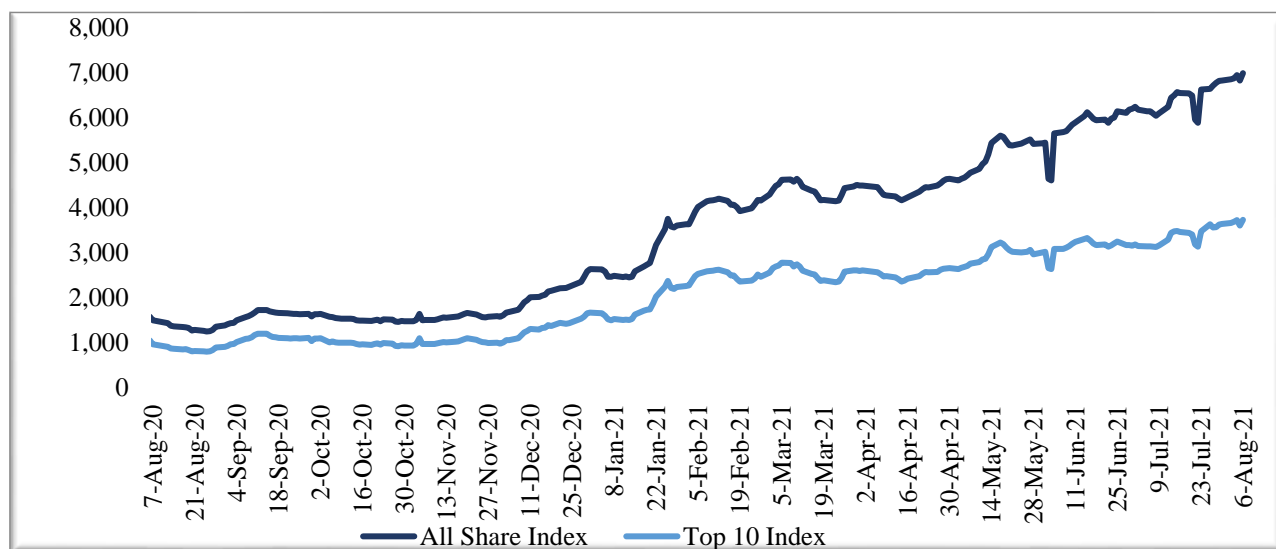
**Table 7: Zimbabwe Stock Exchange Statistics<sup>2</sup>**

	All Share Index Points	Top 10 index (points)	Top 15 Index <sup>3</sup> points	Medium Cap <sup>3</sup> (points)	Small Cap <sup>3</sup> (points)	Mining Index (points)	Grand Market Capitalization (ZWL million)	Market Turnover (ZWL million)	Volume of Shares (million)
<b>02-July-21</b>	6,169.15	3,147.49	3,651.12	17,070.05	211,801.65	6,353.05	741.76	874.08	64.41
<b>9-July-21</b>	6,094.95	3,164.59	3,667.86	16,448.20	218,047.66	6,081.31	734.01	527.81	29.97
<b>16-July-21</b>	6,544.59	3,458.07	3,960.46	17,177.53	252,482.27	6,344.69	770.71	771.09	55.57
<b>23-July-21</b>	6,618.23	3,473.03	4,012.87	17,581.91	243,963.15	6,176.37	779.30	591.52	39.64
<b>30-July-21</b>	6,818.29	3,639.99	4,188.45	17,739.47	237,235.99	6,621.17	803.90	709.78	36.74
<b>6-Aug-21</b>	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
<b>% Change</b>	<b>2.41</b>	<b>2.45</b>	<b>2.46</b>	<b>2.57</b>	<b>-1.70</b>	<b>-8.06</b>	<b>2.60</b>	<b>44.55</b>	<b>59.58</b>

Source: Zimbabwe Stock Exchange (ZSE), 2021

Figure 3 shows developments on the ZSE’s All Share, Top 10 and mining indices from the 7<sup>th</sup> August 2020 to 6<sup>th</sup> August 2021.

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



Source: Zimbabwe Stock Exchange, 2021

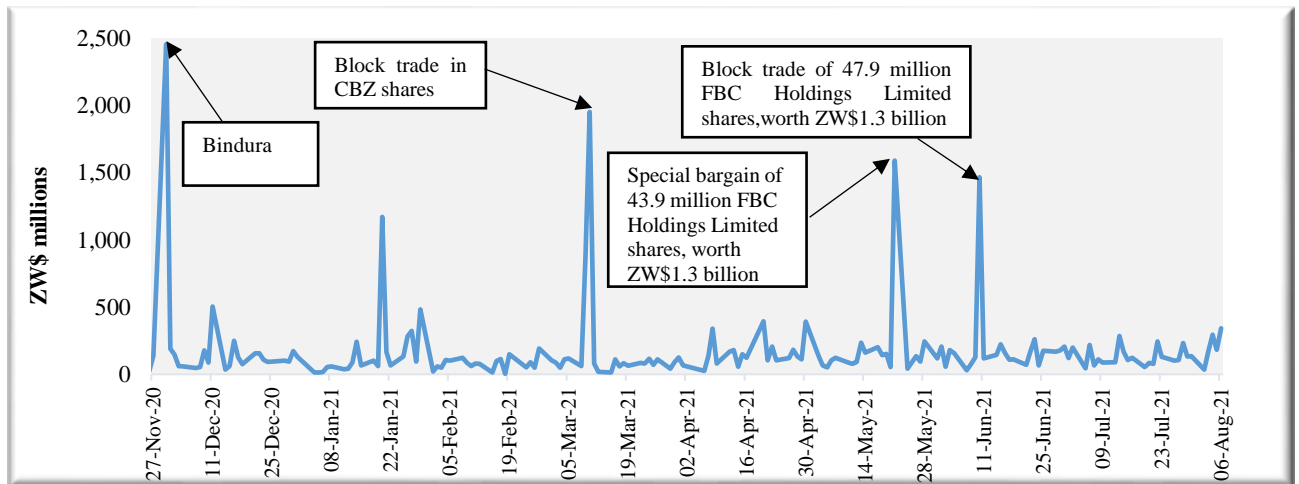
<sup>2</sup> The Zimbabwe Stock Exchange (ZSE) adopted the Global Industry Classification Standards, effective from 1 January 2020. The ZSE indices constitute the following categories; Top 10 Index; Top 15; Top 25; Medium cap and Small cap Indices.



## Market Turnover and Volume

During the week under review, trading activity was concentrated in some selected wealth preserving counters. As such, the cumulative volume and value of shares traded increased by 59.58% and 44.55% to 58.63 million shares and ZW\$1.03 billion, respectively.

**Figure 4: Daily Market Turnover**

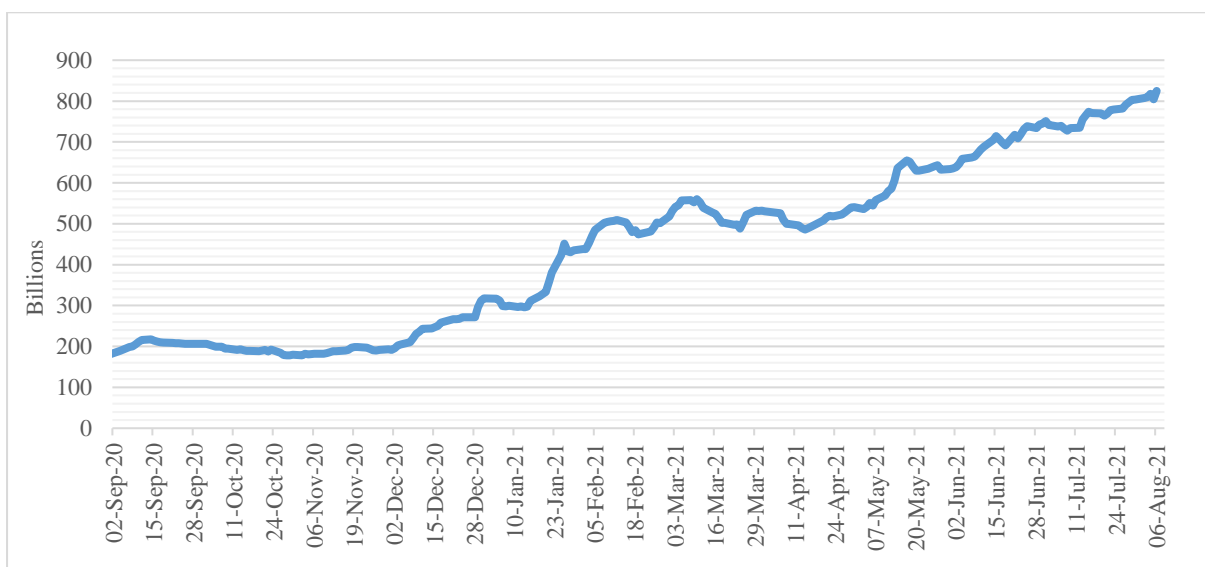


Source: Zimbabwe Stock Exchange, 2021

## Market Capitalization

As a result of positive trading on the ZSE during the week under analysis, the local bourse gained ZW\$20.91 billion, or 2.60% worth of capitalization to close at ZW\$824.81 billion, compared to the previous week’s position.

**Figure 5: Daily Market Capitalization in ZW\$ billions**



Source: Zimbabwe Stock Exchange, 2021

## Johannesburg Stock Exchange (JSE) Developments

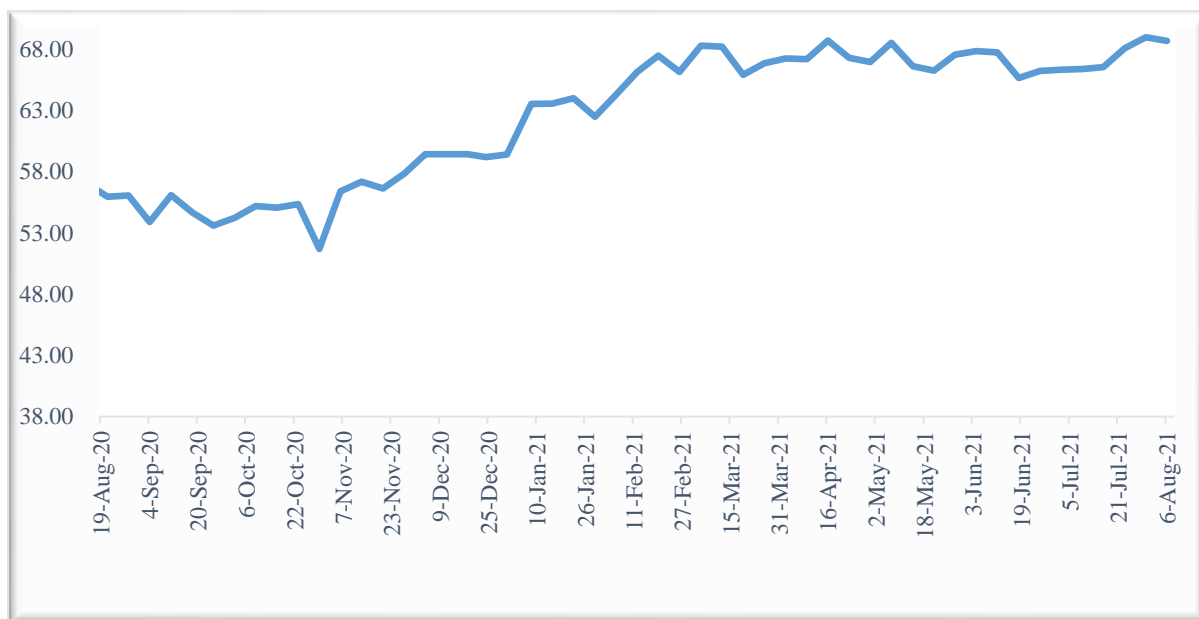
During the week ending 6<sup>th</sup> August 2021, the Johannesburg Stock Exchange (JSE) All Share Index declined from 68,970.78 points in previous week to close at 68,673.95 points. JSE market capitalization also declined by 0.85% to close at ZAR18.77 trillion, during the same week.

**Table 8: Johannesburg Stock Exchange (JSE) Statistics**

Period	All Share Index (points)	Market Capitalization (ZAR trillions)
2-July-21	66,323.76	18.76
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
<b>% Change</b>	<b>-0.43</b>	<b>-0.85</b>

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 MAINFX<sup>3</sup> AND SMEFX<sup>4</sup>

	MAINFX				SMEFX			
	16-July-21	23-July-21	30-July-21	6-Aug-21	16-July-21	23-July-21	30-July-21	6-Aug-21
<b>Total Bids (US\$ dollars)</b>	36,682,230.81	37,295,634.31	37,242,121.28	35,186,456.89	8,439,127.69	8,733,042.62	9,933,403.94	10,313,921.32
<b>Amount Allotted (US\$ dollars)</b>	36,682,230.81	37,295,634.31	37,242,121.28	35,186,456.89	8,439,127.69	8,733,042.62	9,933,403.94	10,313,921.32
<b>Highest Rate</b>	90	90	91	91	90	90	91	91
<b>Lowest Bid Rate</b>	82	82	82	82	82	82	82	82
<b>Lowest Bid Rate Allotted</b>	82	82	82	82	82	82	82	82
<b>Weighted Average Rate</b>	85.5099	85.6373	85.6402	85.7286	85.5099	85.6373	85.6402	85.7286
<b>Number of Bids Received</b>	381	402	394	393	584	558	682	687
<b>Number of Bids Rejected</b>	30	32	38	41	32	44	56	63

*Source: Reserve Bank of Zimbabwe, 2021*

<sup>3</sup> Main Foreign Currency Auction

<sup>4</sup> Small and Medium Enterprises Foreign Currency Auction

## APPENDIX 2: SUMMARY OF FOREIGN CURRENCY AUCTION ALLOTMENTS BY PURPOSE

Purpose	MAINFX				SMEFX			
	16-July-21	23-July-21	30-July-21	6-Aug-21	9-July-21	23-July-21	23-Jul-21	6-Aug-21
<b>Raw Materials</b>	15,300,224.02	15,100,167.36	14,262,215.75	14,424,474.16	1,855,265.04	2,027,591.73	2,618,337.54	2,420,925.75
<b>Machinery and Equipment</b>	7,894,924.87	9,539,708.98	8,981,866.50	8,122,641.57	2,442,216.02	2,014,127.79	2,571,114.31	2,491,365.09
<b>Consumables (Incl. Spares, Tyres, Packaging)</b>	2,690,225.08	3,104,800.09	1,896,941.25	2,821,012.22	1,690,620.68	1,984,305.33	1,848,155.35	2,119,675.23
<b>Pharmaceuticals and Chemicals</b>	2,618,290.28	2,449,332.18	2,900,273.71	2,178,056.90	444,991.38	563,690.77	732,787.66	440,846.64
<b>Services (Loans, Dividends and Disinvestments)</b>	1,791,011.44	911,998.04	2,137,154.25	1,820,934.53	575,760.19	606,061.45	711,992.69	770,877.03
<b>Retail and Distribution</b>	3,721,669.82	3,713,743.57	4,332,677.09	3,779,637.98	811,269.47	968,244.79	862,967.10	1,383,858.25
<b>Fuel, Electricity and Gas</b>	1,747,233.43	1,748,127.88	1,987,585.65	1,428,010.66	323,011.21	278,492.74	286,143.71	334,796.07
<b>Paper and Packaging</b>	918,651.87	727,756.21	743,407.07	611,688.87	295,993.70	290,528.02	301,905.58	351,577.26
<b>TOTAL</b>	<b>36,682,230.81</b>	<b>37,295,634.31</b>	<b>37,242,121.28</b>	<b>35,186,456.89</b>	<b>8,439,127.69</b>	<b>8,733,042.62</b>	<b>9,933,403.94</b>	<b>10,313,921.32</b>

Source: Reserve Bank of Zimbabwe, 2021