



Weekly Economic Highlights

TABLE OF CONTENTS

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

Week Ending
5th February 2021

1. INTEREST RATES

Deposit Rates

During the week ending 5th February 2021, minimum and maximum deposit rates for savings deposits, deposits of 1 month and 3 month tenors remained at previous week levels, 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 (%)
8-Jan-21	1.68	4.69	5.25	9.55	6.68	9.46
15-Jan-21	1.68	4.69	5.08	9.55	6.66	9.46
22-Jan-21	1.68	4.69	5.08	9.55	6.66	9.46
29-Jan-21	1.57	4.47	5.11	10.27	6.26	11.15
5-Feb-21	1.57	4.47	5.11	10.27	6.26	11.15

Source: Reserve Bank of Zimbabwe, 2021

Lending Rates

The week under analysis saw minimum and maximum lending rates for individual and corporate clients remain unchanged from preceding week levels, as shown in Table 2.

Table 2: Lending Rates (per annum)

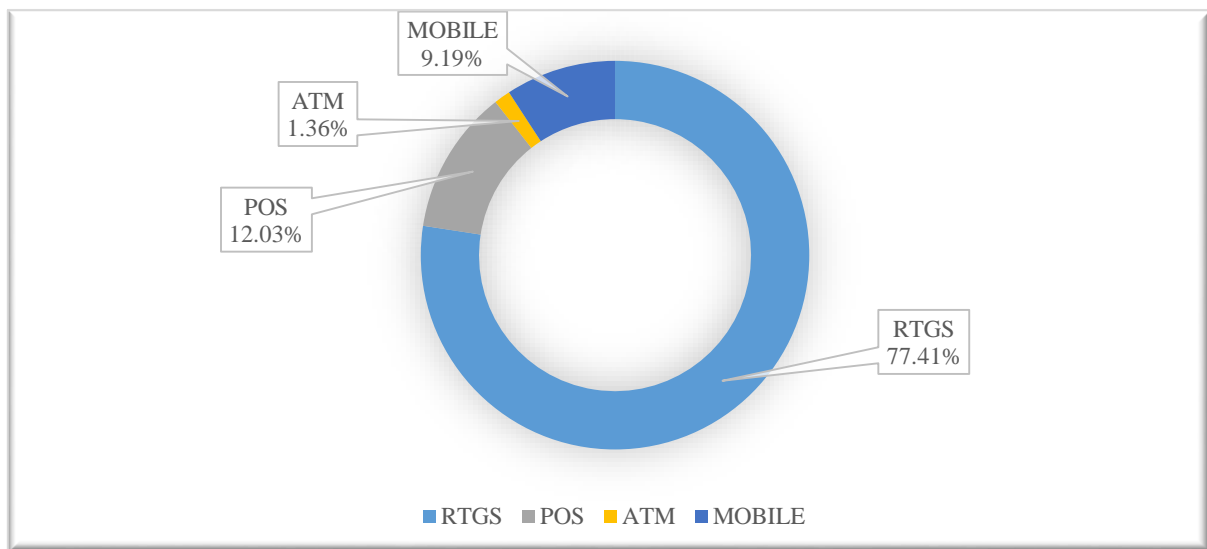
Date	Individual Clients		Corporate Clients	
	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
8-Jan-21	32.11	55.47	26.91	60.54
15-Jan-21	32.04	55.49	25.92	60.62
22-Jan-21	32.04	55.49	25.92	60.62
29-Jan-21	32.65	55.57	22.77	61.12
5-Feb-21	32.65	55.57	22.77	61.12

Source: Reserve Bank of Zimbabwe, 2021

2. CLEARING AND SETTLEMENT ACTIVITY

The total value of transactions processed through the National Payment Systems (NPS) declined from ZW\$78.58 billion in the previous week to close at ZW\$64.87 billion, during the week under review. Real Time Gross Settlement (RTGS) transactions decreased by 23.67%, from ZW\$65.79 billion in the preceding week to ZW\$50.22 billion, during the week ending 5th February 2021. In value terms, NPS transactions were distributed as follows: RTGS, 77.41%; POS, 12.03%; Mobile, 9.19% and ATM, 1.36%, as shown in Figure 1.

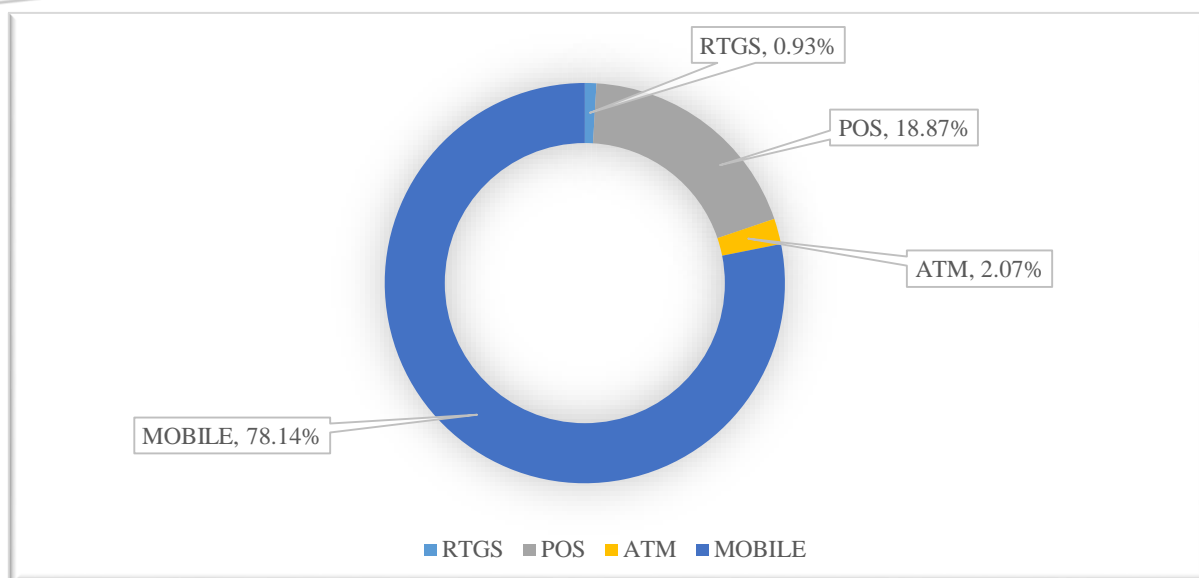
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2021

The volume of NPS transactions increased by 8.72% to close at 23.35 million, during the week of analysis. In volume terms, NPS transactions were distributed as follows: Mobile, 78.14%, POS, 18.87%; ATM, 2.07% and RTGS, 0.93%.

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 29 th JANUARY 2021	WEEK ENDING 5 th FEBRUARY 2021	% CHANGE FROM LAST WEEK	PROPORTION %
Values in ZW\$ Millions				
RTGS	65,793.33	50,218.28	-23.67%	77.41%
POS	6,972.55	7,806.21	11.96%	12.03%
ATM	624.675.99	881.90	41.18%	1.36%
MOBILE	5,206.70	5,962.94	14.52%	9.19%
TOTAL	78,597.26	64,869.34	-17.47%	100%
Volumes				
RTGS	231,764	216,406	-6.63%	0.93%
POS	3,904,839	4,406,974	12.86%	18.87%
ATM	397,479	482,507	21.39%	2.07%
MOBILE	16,947,858	18,248,443	7.67%	78.14%
TOTAL	21,481,940	23,354,330	8.72%	100%

Source: Reserve Bank of Zimbabwe, 2021

3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

During the week ending 5th February 2021, international weekly average prices for gold, copper and nickel retreated, while platinum and crude oil prices firmed. Table 4 shows developments in commodity prices, during the week under analysis.

Table 4: Metal and Crude Oil Prices for the week-ending 5th February 2021

	Gold	Platinum	Copper	Nickel	Crude Oil
2021	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
Weekly average (25 – 29 Jan)	1,852.15	1,088.70	7,898.40	17,917.80	55.66
1-Feb	1,860.38	1,117.00	7,827.00	17,807.00	56.96
2-Feb	1,840.10	1,102.00	7,755.50	17,756.00	57.73
3-Feb	1,835.08	1,098.50	7,832.50	17,623.00	58.78
4-Feb	1,798.73	1,084.00	7,833.50	17,535.00	59.26
5-Feb	1,805.75	1,117.00	7,936.50	17,954.00	59.56
Weekly average (1-5 Jan)	1,828.01	1,103.70	7,837.00	17,735.00	58.46
Weekly Change (%)	<i>(1.3)</i>	<i>1.4</i>	<i>(0.8)</i>	<i>(1.0)</i>	<i>5.0</i>

Source: BBC, KITCO and Bloomberg, 2021

Gold

Weekly average gold prices declined by 1.3% to US\$1,828.01 per ounce, during the week ending 5th February, from US\$1,852.15 per ounce recorded in the previous week. The precious metal's appeal was dented by a strong US dollar, amid signs of US labor market recovery. Furthermore, the price of the bullion was weighed down by surging bond yields, as investors looked forward to the passage of a massive stimulus package in the US.

Platinum

Platinum prices rebounded, gaining by 1.4%, from a weekly average of US\$1,088.70 per ounce in the previous week to US\$ US\$1,103.70 per ounce, during the week ending 5th February 2021. The platinum price rally was supported by investor expectation that the current vaccine roll out would support economic activity, particularly in the automobile sector where the metal is a major raw material.

Copper

Copper prices continued on a negative trajectory during the week, as its demand was still under pressure from the second wave of the coronavirus outbreak. Prices declined by 0.8%, from a weekly average price of US\$7,898.40 per tonne in the preceding week to US\$7,837.00 per tonne, during the week ending 5th February 2021.

Nickel

Similarly, the second wave and threat of new Covid-19 variants weighed down nickel prices, during the week under review. Resultantly, prices eased by 1.0%, from a weekly average of US\$17,917.80 per tonne in the prior week to US\$17,735.00 per tonne.

Brent Crude Oil

Brent crude oil prices remained buoyant, on tightening global supplies and a decline in crude oil stock piles in the US, the world's largest oil consumer. Accordingly, prices rose by 5.0%, from a weekly average of US\$55.66 per barrel in the previous week to US\$58.46 per barrel, during the week under analysis.

4. EXCHANGE RATE DEVELOPMENTS

During the week under review, the Zimbabwe dollar (ZWL) depreciated against the US dollar, to close the week at an average of ZW\$83.0937 per US\$1, from ZW\$82.6756 per US\$1 in the previous week. Table 5 shows developments in selected exchange rates, during the week under review.

Table 5: International Exchange Rates¹

	USD	ZAR	GBP	BWP	EURO
2021					
Weekly Average (25-29 Jan)	82.4387	5.41915	112.894	7.49081	100.006
1-Feb	82.6756	5.4720	113.5756	7.5199	100.2733
2-Feb	82.6756	5.5036	113.1665	7.5115	99.8680
3-Feb	83.3725	5.5772	113.7787	7.5748	100.3641
4-Feb	83.3725	5.5556	113.4325	7.5790	100.1389
5-Feb	83.3725	5.5602	114.0538	7.5621	99.7304
Weekly Average (1-5 Feb)	83.0937	5.5337	113.601	7.54945	100.075
Appr(-)/Depr(+) (%) of the ZWL	<i>0.8</i>	<i>2.1</i>	<i>0.6</i>	<i>0.8</i>	<i>0.1</i>

Source: Reserve Bank of Zimbabwe, 2021

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

5. EQUITY MARKETS

During the week ending 5th February 2021, the Zimbabwe Stock Exchange (ZSE) was characterised by bullish sentiments, which resulted in major indices recording positive growths. The Top 10, Top 15, All Share and Small Cap indices increased by 12.90%, 12.80%, 11.43% and 9.82% to close at 2 526.95 points, 2 918.88 points, 4 012.47 points and 14 316.79 points, respectively.

The increase in the market indices was, in part, on account of share price gains in Unifreight Africa Limited (106.23%), Proplastics Limited (59.00%), Ariston Holdings Limited (47.04%), Innscor Africa Limited (46.64%) and Seed Co Limited (36.47%). The gains were, however, partially offset by declines in the share prices of Dawn Properties Limited (17.69%), First Mutual Properties Limited (16.67%), CBZ Holdings Limited (13.58%), Turnall Holdings Limited (9.36%) and First Mutual Holdings Limited (8.93%).

The mining index increased by 8.54% to close at 4 728.78 points, during the week under analysis. This was due to gains of 20.00% and 5.12% in the share prices of Riozim Limited and Bindura Nickel Corporation Limited, respectively. Table 6 shows selected ZSE statistics.

Table 6: Zimbabwe Stock Exchange Statistics²

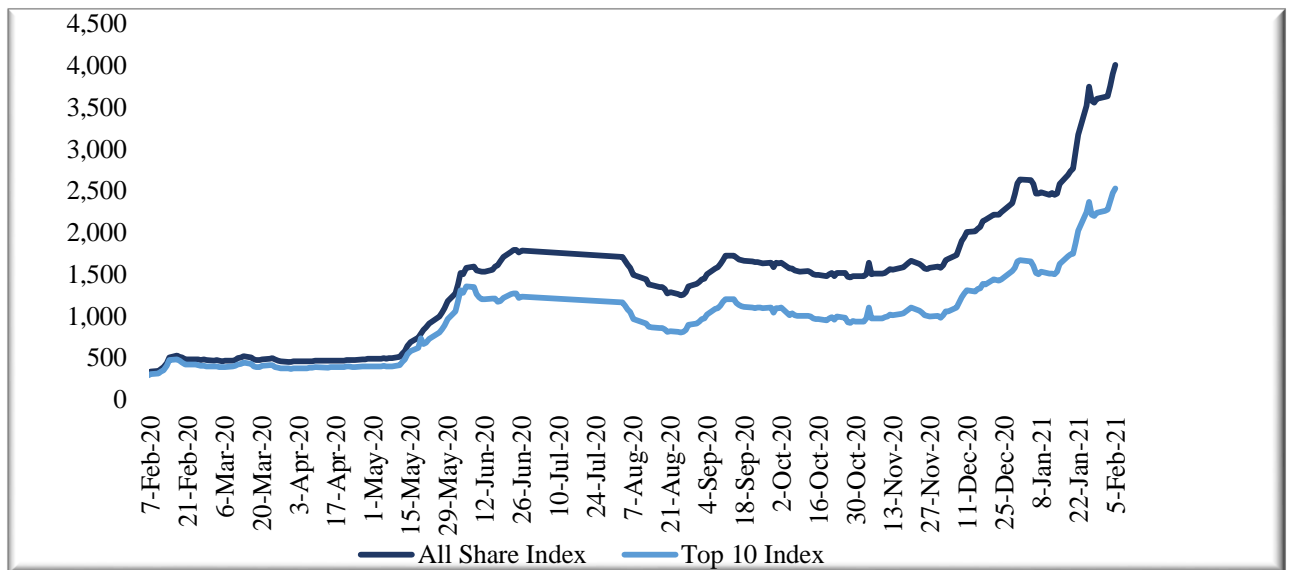
	All Share Index Points	Top 10 index (points)	Top 15 Index ³ points	Medium Cap ³ (points)	Small Cap ³ (points)	Mining Index (points)	Grand Market Capitalization (ZWL million)	Market Turnover (ZWL million)	Volume of Shares (million)
31-Dec-20	2 636.34	1 671.47	1 976.98	5 491.09	11914.14	4 134.09	371.89	501.71	33.27
8-Jan-21	2 485.77	1 530.21	1 813.69	5 500.74	10 977.29	3 974.25	299.61	154.30	15.97
15-Jan-21	2,586.90	1,627.56	1,919.21	5,483.84	11,089.74	4,054.04	311.25	477.91	53.08
22-Jan-21	3 171.15	2 025.06	2 366.40	6 539.40	11 646.10	3 944.54	380.60	1 566.17	2 297.88
29-Jan-21	3 600.82	2 238.20	2 587.61	7 853.90	13 036.27	4 356.74	434.86	1 315.21	110.23
5-Feb-21	4 012.47	2 526.95	2 918.88	8 526.48	14 316.79	4 728.78	484.82	336.65	29.76
% Change	11.43	12.90	12.80	8.56	9.82	8.54	11.49	-74.40	-73.00

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 and Top 10 indices from the 7th February 2020 to the 5th February 2021.

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

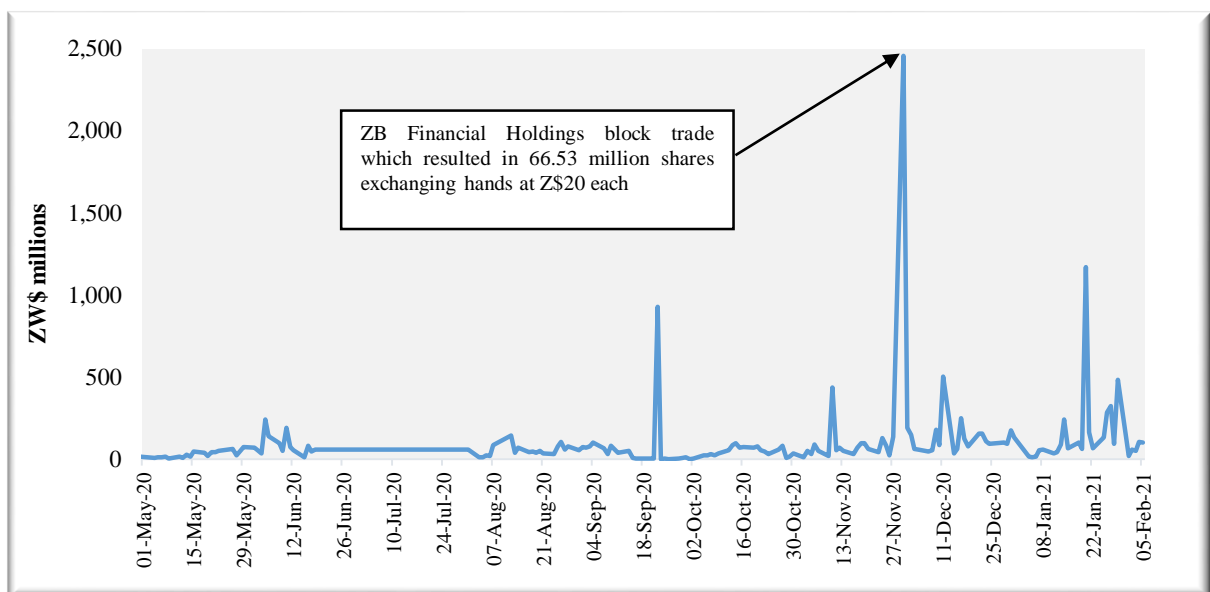


Source: Zimbabwe Stock Exchange, 2021

Market Turnover and Volume

Despite the positive trading experienced during the week under review, the cumulative value and volume of shares traded decreased by 74.40% and 73.00% to Z\$336.65 million and 29.76 million shares, respectively. Figure 3 shows the trend in daily market turnover for the period from 1st May 2020 to 5th February 2021.

Figure 4: Daily Market Turnover

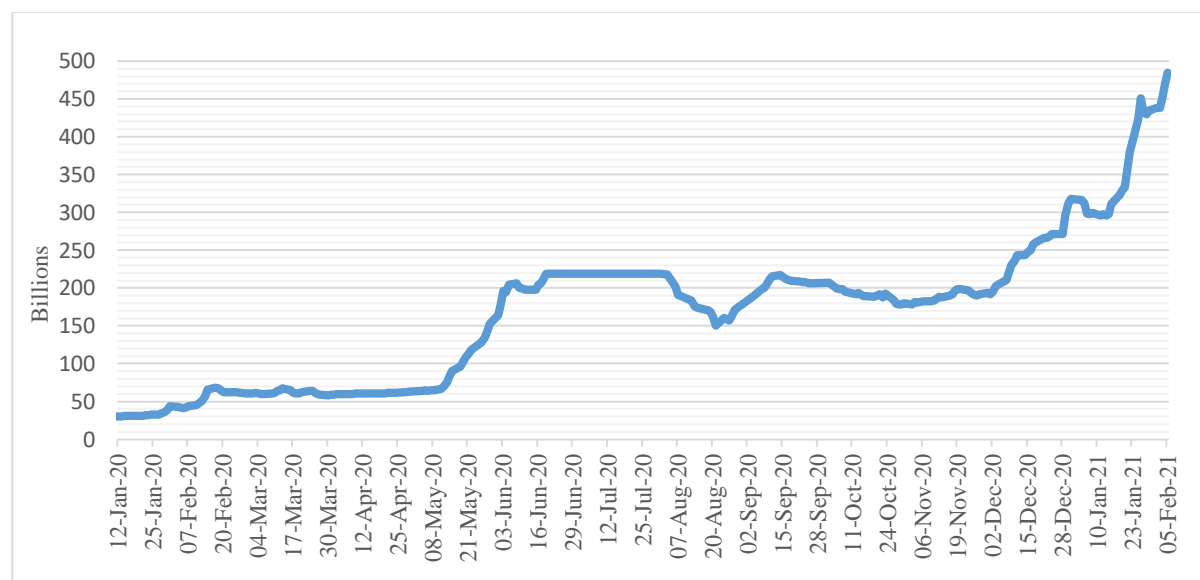


Source: Zimbabwe Stock Exchange, 2021

Market Capitalization

During the week under analysis, the ZSE gained ZW\$49.97 billion, or 11.49% worth of market capitalisation to close at ZW\$484.83 billion, compared to ZW\$434.86 billion recorded in the previous week.

Figure 5: Daily Market Capitalization in ZW\$ billions



Source: Zimbabwe Stock Exchange, 2021

Johannesburg Stock Exchange (JSE) Developments

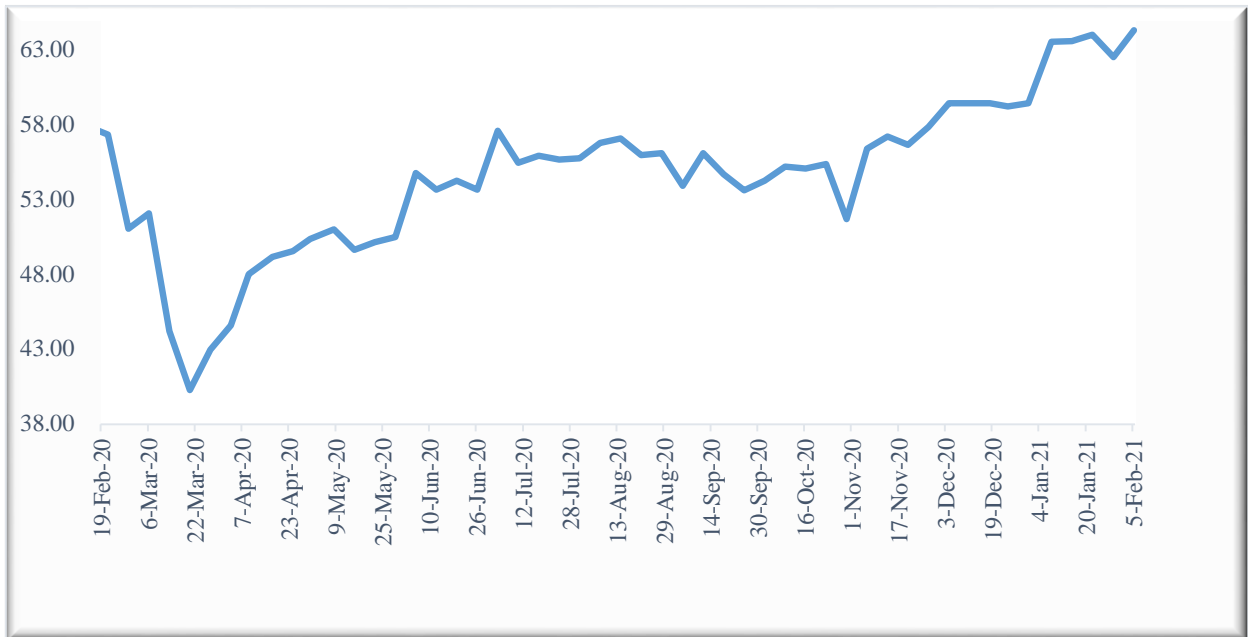
The week ending 5th February 2021 saw the Johannesburg Stock Exchange (JSE) All share index increase by 2.91% to close at 64,289.48 points, from 62,472.10 in the preceding week. Similarly, JSE market capitalization registered an increase of 2.33%, from ZAR18.49 trillion to close at ZAR18.92 trillion, during the week under analysis.

Table 7: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalization (ZAR trillions)
31-December-20	59,408.68	17.85
8-January-20	63,519.18	18.79
15-January-20	63,549.75	18.86
22-January-20	63,987.92	19.01
29-January-20	62,472.10	18.49
5-February-20	64,289.48	18.92
% Change	2.91	2.33

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			
	12-Jan-21	19-June-21	26-Jan-21	2-Feb-21	12-Jan-21	19-June-21	26-Jan-21	2-Feb-21
Total Bids (US\$ dollars)	33,024,167.01	32,474,342.83	37,116,065.12	33,991,133.34	2,811,445.80	2,875,202.48	2,628,381.01	2,708,146.97
Amount Allotted (US\$ dollars)	33,024,167.01	32,474,342.83	26,043,880.13	33,704,856.36	2,811,445.8	2,875,202.48	1,965,845.19	2,615,771.59
Highest Rate	86	86	87	89	86	87	86	89
Lowest Rate	80	80	80	80	80	80	80	80
Lowest Accepted Rate	80	80	82	82	80	80	82	82
Weighted Average Rate	82.0914	82.0833	82.6756	83.3725	82.0914	82.0833	82.6756	83.3725
Number of Bids Received	305	289	337	325	207	228	196	220
Number of Bids Rejected	32	29	27	46	11	9	6	23

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			
	12-Jan-21	19-June-21	26-Jan-21	2-Feb-21	12-Jan-21	19-Jan-21	26-Jan-21	2-Feb-21
Raw Materials	16,689,326.97	14,860,000.50	12,442,376.93	15,671,423.18	663,898.47	723,820.73	558,018.79	602,842.75
Machinery and Equipment	4,055,706.41	6,218,398.68	4,129,887.43	3,911,954.77	605,825.02	527,444.38	489,125.42	507,883.59
Consumables (Incl. Spares, Tyres, Packaging)	1,998,458.79	1,621,972.59	1,738,995.94	2,910,507.43	648,742.50	681,830.48	393,958.44	520,178.22
Pharmaceuticals and Chemicals	2,399,586.12	1,833,334.58	1,303,614.53	1,861,528.80	132,534.40	165,453.82	135,488.24	223,507.07
Services (Loans, Dividends and Disinvestments)	2,082,323.40	1,760,405.40	1,942,262.32	2,378,528.65	335,252.72	359,206.46	117,679.66	328,141.97
Retail and Distribution	2,628,099.97	2,336,665.61	2,131,475.08	3,188,652.28	223,009.05	180,481.80	159,333.64	264,884.99
Fuel, Electricity and Gas	2,913,583.48	3,451,572.03	1,724,578.10	3,390,943.37	149,583.64	163,003.96	79,336.00	110,462.00
Paper and Packaging	257,081.87	391,993.44	630,689.80	391,317.88	52,600.00	73,960.85	32,905.00	57,871.00
TOTAL	33,024,167.01	32,474,342.83	26,043,880.13	33,704,856.36	2,811,445.80	2,875,202.48	1,965,845.19	2,625,771.59

Source: Reserve bank of Zimbabwe, 2021