



Weekly Economic Highlights

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Week Ending
12th February 2021

1. INTEREST RATES

Deposit Rates

The week ending 12th February 2021 saw minimum savings deposits rates remain unchanged, while deposit rates for deposits of 1 month and 3 month tenors declined. Maximum deposit rates for savings deposits softened, while those for deposits of 1 month and 3 month tenors increased, 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 (%) |
| 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 |
| 12-Feb-21 | 1.57 | 4.24 | 5.00 | 10.66 | 6.08 | 11.43 |

Source: Reserve Bank of Zimbabwe, 2021

Lending Rates

Minimum and maximum lending rates for individual and corporate clients declined, during the week under review, as shown in Table 2.

Table 2: Lending Rates (per annum)

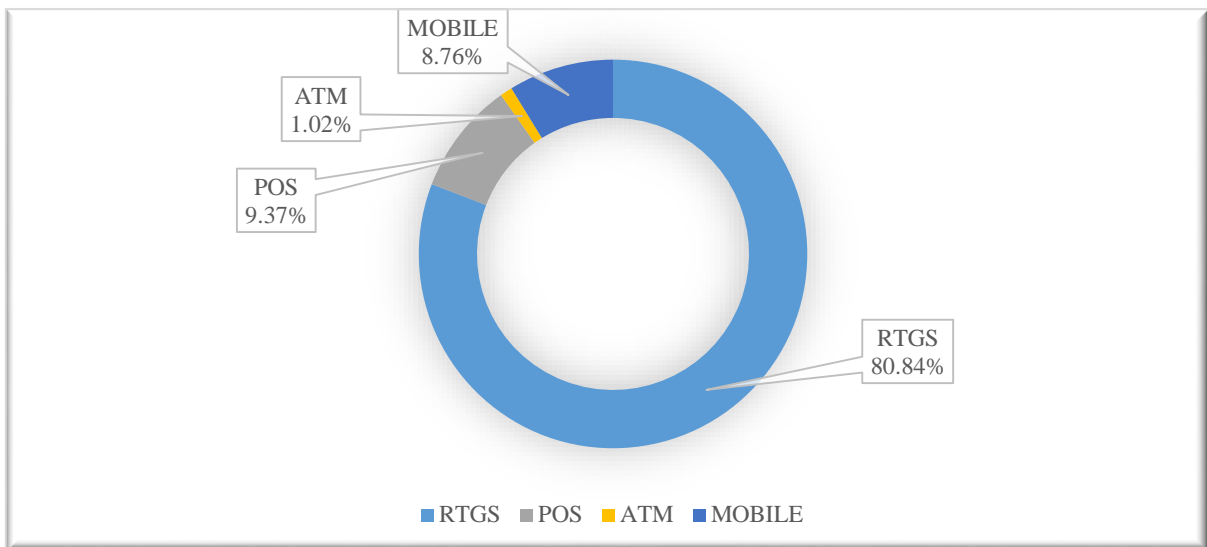
| Date | Individual Clients | | Corporate Clients | |
|-----------|--------------------|-------------|-------------------|-------------|
| | Minimum (%) | Maximum (%) | Minimum (%) | Maximum (%) |
| 15-Jan-21 | 32.04 | 55.49 | 25.92 | 60.62 |
| 22-Jan-21 | 32.04 | 55.49 | 25.92 | 60.62 |
| 29-Jan-21 | 32.65 | 55.57 | 22.77 | 61.12 |
| 5-Feb-21 | 32.65 | 55.57 | 22.77 | 61.12 |
| 12-Feb-21 | 33.57 | 55.41 | 21.73 | 58.67 |

Source: Reserve Bank of Zimbabwe, 2021

2. CLEARING AND SETTLEMENT ACTIVITY

The National Payment Systems (NPS) processed a total of ZW\$64.84 billion worth of transactions during the week under review, reflecting a marginal decline of 0.05%, from ZW\$64.87 billion recorded in the previous week. Real Time Gross Settlement (RTGS) transactions rose by 4.38% to close at ZW\$52.42 billion. NPS transaction values were distributed as follows: RTGS, 80.84%; POS, 9.37%; Mobile, 8.76% and ATM, 1.02%.

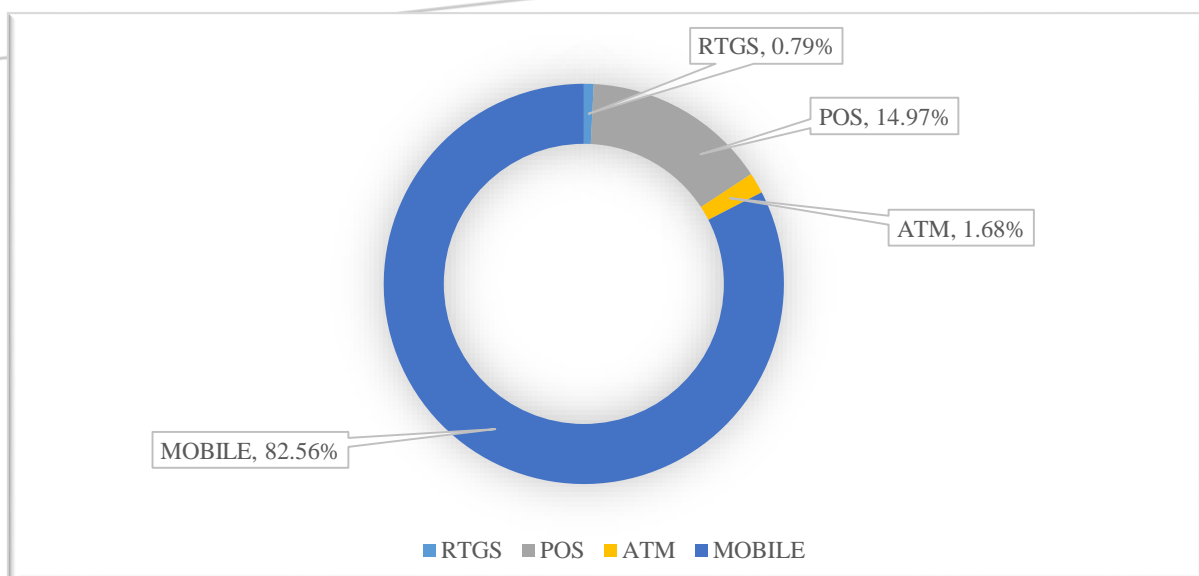
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2021

NPS transaction volumes fell by 2.38% to close at 22.80 million, during the week under review. The distribution of NPS transaction volumes was as follows: Mobile, 85.26%, POS, 14.97%; ATM, 1.68% and RTGS, 0.79%.

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 5 th FEBRUARY 2021 | WEEK ENDING 12 th FEBRUARY 2021 | % CHANGE FROM LAST WEEK | PROPORTION % |
|--------------------------------|---|--|-------------------------------|-----------------|
| Values in ZW\$ Millions | | | | |
| RTGS | 50,218.28 | 52,415.86 | 4.38% | 80.84% |
| POS | 7,806.21 | 6,075.69 | -22.17% | 9.37% |
| ATM | 881.90 | 663.13 | -24.81% | 1.02% |
| MOBILE | 5,962.94 | 5,682.84 | -4.70% | 8.76% |
| TOTAL | 64,869.34 | 64,837.52 | -0.05% | 100% |
| Volumes | | | | |
| RTGS | 216,406 | 180,585 | -16.55% | 0.79% |
| POS | 4,406,974 | 3,412,413 | -22.57% | 14.97% |
| ATM | 482,507 | 382,063 | -20.82% | 1.68% |
| MOBILE | 18,248,443 | 18,823,987 | 3.15% | 82.56% |
| TOTAL | 23,354,330 | 22,799,048 | -2.38% | 100% |

Source: Reserve Bank of Zimbabwe, 2021

3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

During the week ending 12th February 2021, the international weekly average prices for all selected commodities increased, as shown in Table 4.

Table 4: International Commodity Prices: Week-ending 12th February 2021

| | Gold | Platinum | Copper | Nickel | Crude Oil |
|----------------------------------|-----------------|-----------------|-----------------|------------------|--------------|
| 2021 | US\$/ounce | US\$/ounce | US\$/tonne | US\$/tonne | US\$/barrel |
| Weekly average (1-5 Jan) | 1,828.01 | 1,103.70 | 7,837.00 | 17,735.00 | 58.46 |
| 8-Feb | 1,823.45 | 1,155.00 | 8,007.00 | 18,067.00 | 61.01 |
| 9-Feb | 1,843.08 | 1,183.00 | 8,146.50 | 18,338.00 | 61.44 |
| 10-Feb | 1,843.05 | 1,227.00 | 8,279.50 | 18,484.00 | 61.04 |
| 11-Feb | 1,840.90 | 1,244.50 | 8,292.00 | 18,599.00 | 61.16 |
| 12-Feb | 1,817.18 | 1,224.00 | 8,270.00 | 18,363.00 | 63.48 |
| Weekly average (8-12 Feb) | 1,833.53 | 1,206.70 | 8,199.00 | 18,370.20 | 61.63 |
| Weekly Change (%) | <i>0.3</i> | <i>9.3</i> | <i>4.6</i> | <i>3.6</i> | <i>5.4</i> |

Source: BBC, KITCO and Bloomberg, 2021

Gold

Gold prices recovered during the week largely supported by a weaker US dollar, amid growing pessimism about the prospects of the recovery of the US economy, from the adverse impact of the coronavirus pandemic. Resultantly, the price of the yellow metal rose by 0.3% to close at US\$1,833.53 per ounce, from US\$1,828.01 per ounce in the previous week.

Platinum

Platinum prices rallied on firm investor expectations that global economic recovery would bolster the demand for the metal which is used as a catalyst in the automobile industry. Prices rose by 9.3% to close the week at an average of US\$1,206.70 per ounce.

Copper

Copper prices rebounded during the week, supported by falling inventories and tight supplies from Peru, the world's second largest producer of the red metal. Reflecting market supply constraints, copper prices rose by 4.6%, from a weekly average of US\$7,837.00 per tonne in the preceding week to US\$8,199.00 per tonne, during the week under review.

Nickel

The uptick in the demand for nickel induced by sharp appetite from China's stainless steel industry recovery spurred the price of the metal. Resultantly, its price gained by 3.6%, from a weekly average of US\$17,735.00 per tonne in the prior week to US\$18,370.20 per tonne, during the week under review.

Brent Crude Oil

Brent crude oil prices continued on a recovery path, gaining by 5.4% from a weekly average of US\$58.46 per barrel in the previous week to US\$61.63 per barrel, during the week ending 12th February 2021. The price rally was anchored by investor expectations that the US stimulus package and vaccine roll outs would both boost the economy and the demand for the commodity. In addition, tight supplies occasioned by production cuts by major producers also bolstered prices.

4. EXCHANGE RATE DEVELOPMENTS

The Zimbabwe dollar (ZWS) marginally depreciated by 0.34%, from ZW\$83.0937 per US\$1 in the previous week to an average of ZW\$83.3722 per US\$1, during the week under analysis, as shown in Table 5.

Table 5: International Exchange Rates¹

| | USD | ZAR | GBP | BWP | EURO |
|---------------------------------------|----------------|---------------|-----------------|---------------|-----------------|
| 2021 | | | | | |
| Weekly Average (1-5 Feb) | 83.0937 | 5.5337 | 113.6010 | 7.5495 | 100.0750 |
| 8-Feb | 83.3725 | 5.6070 | 114.4747 | 7.5875 | 100.3640 |
| 9-Feb | 83.3725 | 5.6322 | 114.9000 | 7.6497 | 100.7099 |
| 10-Feb | 83.3720 | 5.6657 | 115.2326 | 7.6249 | 101.0929 |
| 11-Feb | 83.3720 | 5.6625 | 115.4663 | 7.6914 | 101.1011 |
| 12-Feb | 83.3720 | 5.6625 | 115.4663 | 7.6914 | 101.1011 |
| Weekly Average (8-12 Feb) | 83.3722 | 5.6460 | 115.1080 | 7.6490 | 100.8738 |
| Appr(-)/Depr(+) (%) of the ZWL | <i>0.34</i> | <i>2.03</i> | <i>1.33</i> | <i>1.32</i> | <i>0.80</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

The Zimbabwe Stock Exchange (ZSE) experienced positive trading, during the week ending 12th February 2021, with the major indices recording upward growths. The Small Cap, All Share, Top 10 and Top 15 indices increased by 30.72%, 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 gains in the market indices was largely underpinned by share price increases for Unifreight Africa Limited (133.26%), National Foods Holdings Limited (80.24%), Edgars Stores Limited (78.21%), Nampak Zimbabwe Limited (46.03%) and Starafrika Corporation Limited (45.14%). Partially offsetting the gains in market indices were declines in the share prices of Proplastics Limited (28.72%), Zimre Holdings Limited (19.02%), Seed Co Limited (17.89%), General Beltings Holdings Limited (17.75%) and Padenga Holdings Limited (7.63%).

The mining index also increased by 11.33% to close at 5 264.37 points, during the week under analysis. Increases in the share prices of Riozim Limited, 41.03% and Bindura Nickel Corporation Limited, 1.18%, supported the gain in the resources index. Table 6 shows selected ZSE statistics.

Table 6: Zimbabwe Stock Exchange Statistics²

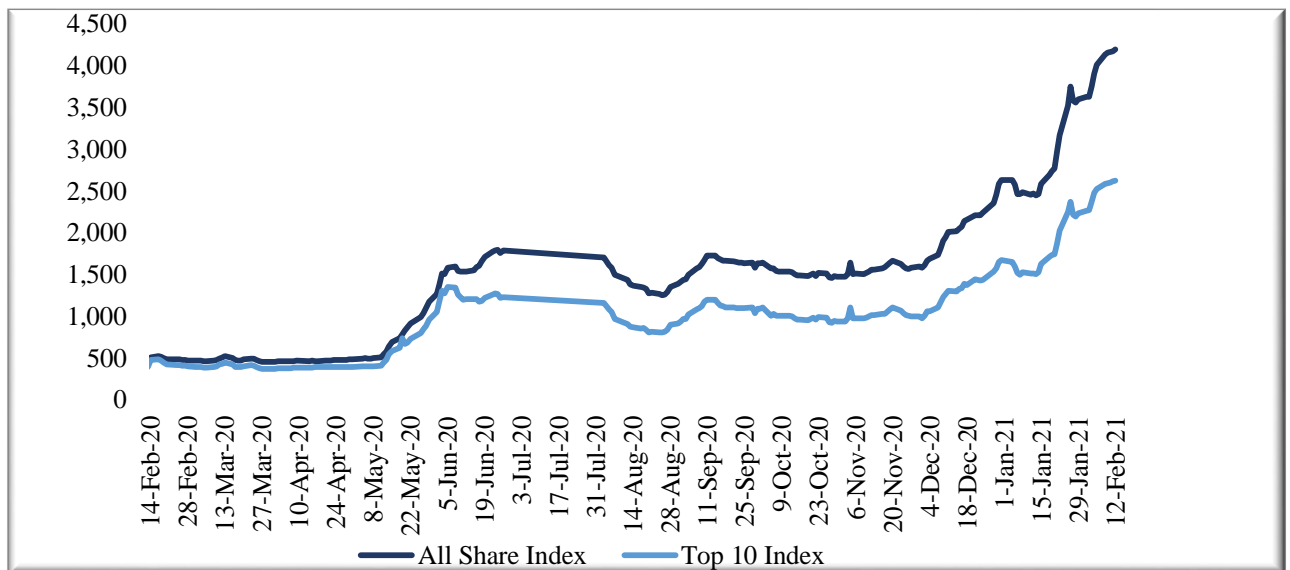
| | All Share Index Points | Top 10 index (points) | Top 15 Index ³ points | Medium Cap ³ (points) | Small Cap ³ (points) | Mining Index (points) | Grand Market Capitalization (ZWL million) | Market Turnover (ZWL million) | Volume of Shares (million) |
|------------------|------------------------|-----------------------|----------------------------------|----------------------------------|---------------------------------|-----------------------|---|-------------------------------|----------------------------|
| 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 |
| 12-Feb-21 | 4 198.26 | 2 625.70 | 3 002.47 | 8 998.66 | 18 714.40 | 5 264.37 | 509.45 | 429.66 | 35.05 |
| % Change | 4.63 | 3.91 | 2.86 | 5.54 | 30.72 | 11.33 | 5.08 | 27.63 | 17.75 |

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 14th February 2020 to 12th February 2021.

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

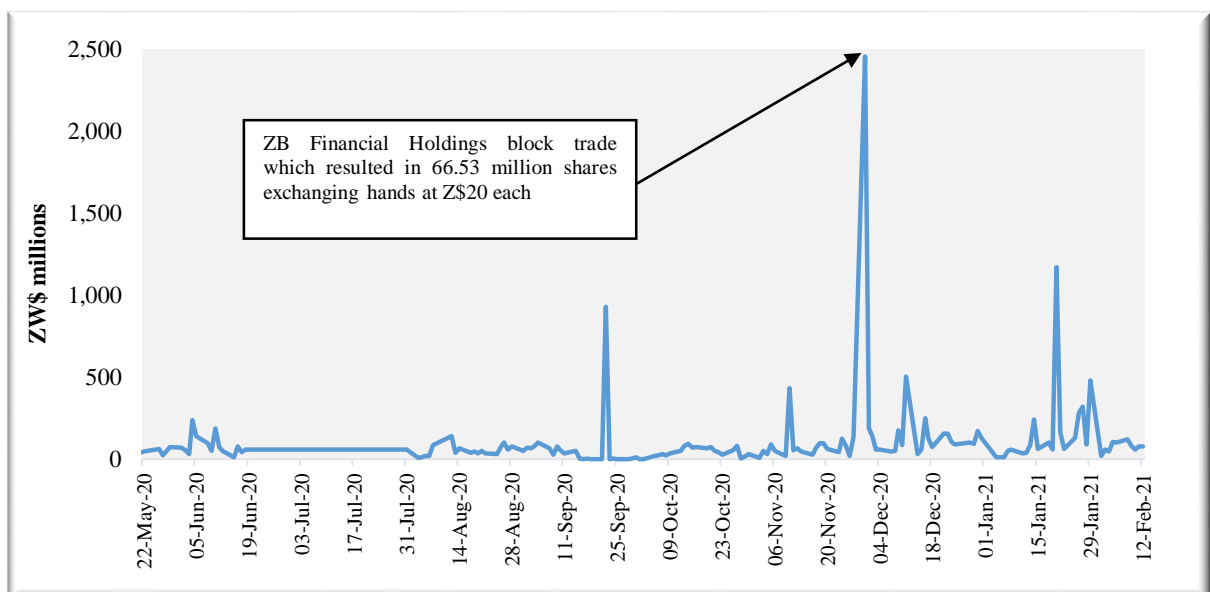


Source: Zimbabwe Stock Exchange, 2021

Market Turnover and Volume

In line with the positive trading during the week under review, the cumulative value and volume of shares traded on the ZSE increased by 27.75% and 17.75% to Z\$429.66 million and 35.05 million shares, respectively. Figure 3 shows the trend in daily market turnover for the period from 22nd May 2020 to 12th February 2021.

Figure 4: Daily Market Turnover

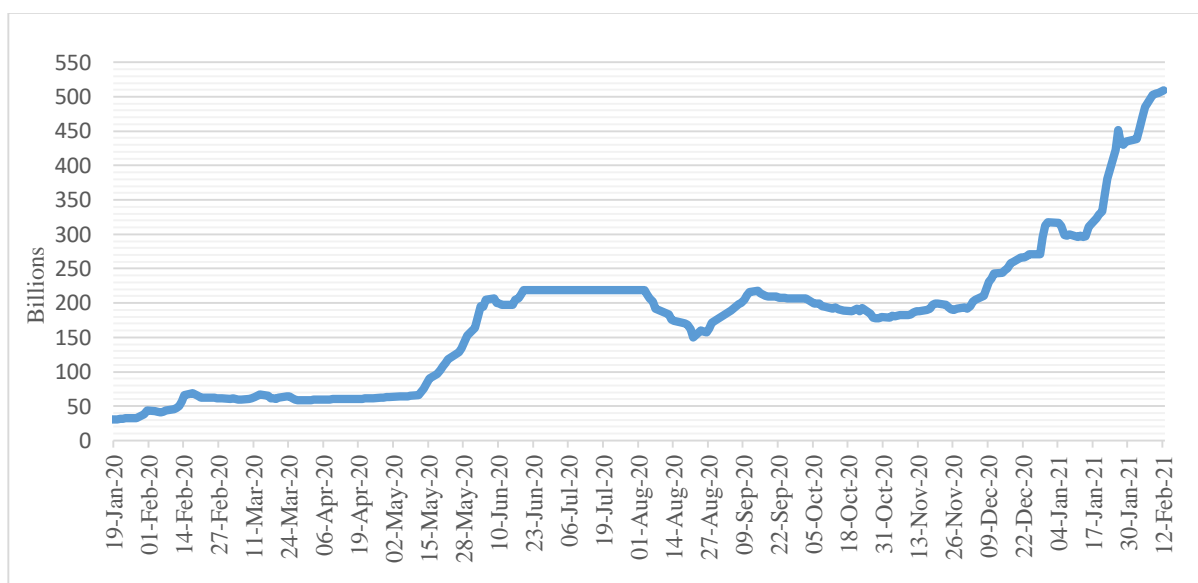


Source: Zimbabwe Stock Exchange, 2021

Market Capitalization

Following positive trading realised during the week under review, the ZSE gained ZW\$24.62 billion, or 5.08% worth of market capitalisation to close at ZW\$509.45 billion, compared to ZW\$484.83 billion recorded in the previous week.

Figure 5: Daily Market Capitalization in ZW\$ billions



Source: Zimbabwe Stock Exchange, 2021

Johannesburg Stock Exchange (JSE) Developments

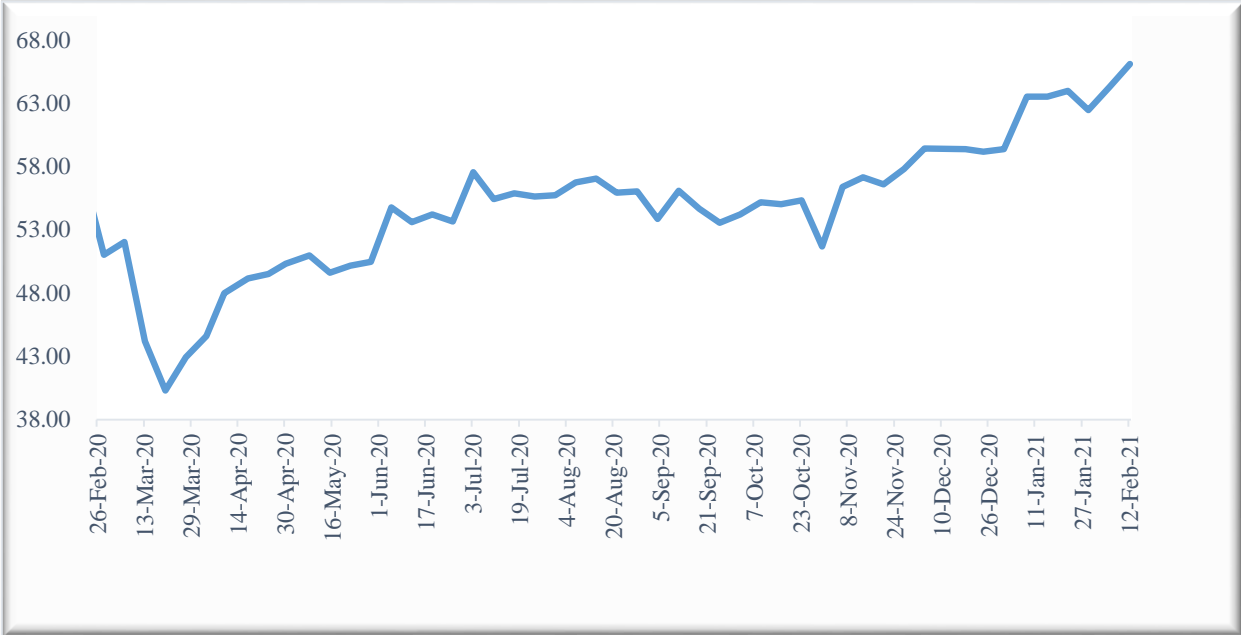
The Johannesburg Stock Exchange (JSE) All share index rose by 2.87%, from 64,289.48 points in the previous week to close at 66,132.24 points, during the week under review. Similarly, JSE market capitalization was 1.59% higher to close at ZAR19.22 trillion, during the same week.

Table 7: Johannesburg Stock Exchange (JSE) Statistics

| Period | All Share Index | Market Capitalization |
|-----------------|-----------------|-----------------------|
| | (points) | (ZAR trillions) |
| 8-January-21 | 63,519.18 | 18.79 |
| 15-January-21 | 63,549.75 | 18.86 |
| 22-January-21 | 63,987.92 | 19.01 |
| 29-January-21 | 62,472.10 | 18.49 |
| 5-February-21 | 64,289.48 | 18.92 |
| 12-February-21 | 66,132.24 | 19.22 |
| % Change | 2.87 | 1.59 |

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 | | | |
|---------------------------------------|---------------|---------------|---------------|---------------|--------------|--------------|--------------|--------------|
| | 19-June-21 | 26-Jan-21 | 2-Feb-21 | 9-Feb-21 | 19-June-21 | 26-Jan-21 | 2-Feb-21 | 9-Feb-21 |
| Total Bids (US\$ dollars) | 32,474,342.83 | 37,116,065.12 | 33,991,133.34 | 31,980,155.84 | 2,875,202.48 | 2,628,381.01 | 2,708,146.97 | 2,646,464.78 |
| Amount Allotted (US\$ dollars) | 32,474,342.83 | 26,043,880.13 | 33,704,856.36 | 31,980,155.84 | 2,875,202.48 | 1,965,845.19 | 2,625,771.59 | 2,646,464.78 |
| Highest Rate | 86 | 87 | 89 | 87 | 87 | 86 | 89 | 88 |
| Lowest Rate | 80 | 80 | 80 | 81 | 80 | 80 | 80 | 81 |
| Lowest Accepted Rate | 80 | 82 | 82 | 82 | 80 | 82 | 82 | 82 |
| Weighted Average Rate | 82.0833 | 82.6756 | 83.3725 | 83.3720 | 82.0833 | 82.6756 | 83.3725 | 83.3720 |
| Number of Bids Received | 289 | 337 | 325 | 331 | 228 | 196 | 220 | 215 |
| Number of Bids Rejected | 29 | 27 | 46 | 28 | 9 | 6 | 23 | 18 |

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 | | | |
|---|----------------------|----------------------|----------------------|----------------------|---------------------|---------------------|---------------------|---------------------|
| | 19-June-21 | 26-Jan-21 | 2-Feb-21 | 9-Feb-21 | 19-June-21 | 26-Jan-21 | 2-Feb-21 | 9-Feb-21 |
| Raw Materials | 14,860,000.50 | 12,442,376.93 | 15,671,423.18 | 14,241,558.32 | 723,820.73 | 558,018.79 | 602,842.75 | 59,5412.97 |
| Machinery and Equipment | 6,218,398.68 | 4,129,887.43 | 3,911,954.77 | 4,581,809.57 | 527,444.38 | 489,125.42 | 507,883.59 | 615,646.39 |
| Consumables (Incl. Spares, Tyres, Packaging) | 1,621,972.59 | 1,738,995.94 | 2,910,507.43 | 1,994,243.28 | 681,830.48 | 393,958.44 | 520,178.22 | 521,743.38 |
| Pharmaceuticals and Chemicals | 1,833,334.58 | 1,303,614.53 | 1,861,528.80 | 1,946,511.09 | 165,453.82 | 135,488.24 | 223,507.07 | 136,593.07 |
| Services (Loans, Dividends and Disinvestments) | 1,760,405.40 | 1,942,262.32 | 2,378,528.65 | 2,606,817.67 | 359,206.46 | 117,679.66 | 328,141.97 | 278,588.16 |
| Retail and Distribution | 2,336,665.61 | 2,131,475.08 | 3,188,652.28 | 3,326,741.91 | 180,481.80 | 159,333.64 | 264,884.99 | 275,661.05 |
| Fuel, Electricity and Gas | 3,451,572.03 | 1,724,578.10 | 3,390,943.37 | 2,872,621.27 | 163,003.96 | 79,336.00 | 110,462.00 | 157,564.75 |
| Paper and Packaging | 391,993.44 | 630,689.80 | 391,317.88 | 409,852.73 | 73,960.85 | 32,905.00 | 57,871.00 | 65,285.01 |
| TOTAL | 32,474,342.83 | 26,043,880.13 | 33,704,856.36 | 31,980,155.84 | 2,875,202.48 | 1,965,845.19 | 2,615,771.59 | 2,646,461.78 |

Source: Reserve bank of Zimbabwe, 2021