



Weekly Economic Highlights

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Week Ending
15th January 2021

1. INTEREST RATES

Deposit Rates

Minimum deposit rates for savings deposits remained unchanged during the week ending 15th January 2021, while those for deposits of 1- month and 3- month tenors declined. Maximum deposit rates for savings deposits, deposits of 1-month and 3-month tenors also remained unchanged at the 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 (%)
18-Dec-20	1.68	4.69	5.63	10.33	6.58	9.42
24-Dec-20	1.68	4.69	5.63	10.33	6.58	9.42
31-Dec-20	1.68	4.69	5.25	9.55	6.68	9.46
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

Source: Reserve Bank of Zimbabwe, 2021

Lending Rates

Commercial bank minimum lending rates for individual and corporate clients fell, during the week under analysis. Maximum lending rates for both individual and corporate clients, however, registered an increase during the same week, as shown in Table 2.

Table 2: Lending Rates (per annum)

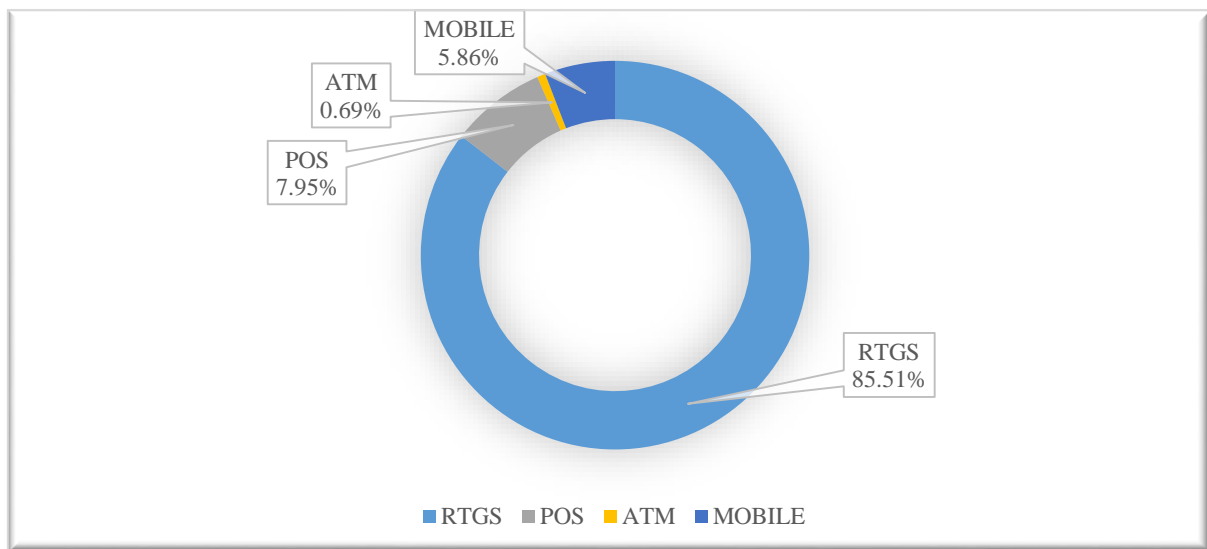
Date	Individual Clients		Corporate Clients	
	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
18-Dec-20	31.39	55.58	27.09	60.47
24-Dec-20	31.39	55.58	27.09	60.47
31-Dec-20	32.11	55.47	26.91	60.54
8-Jan-21	32.11	55.47	26.91	60.54
15-Jan-21	32.04	55.49	25.92	60.62

Source: Reserve Bank of Zimbabwe, 2021

2. CLEARING AND SETTLEMENT ACTIVITY

During the week ending 15th January 2021, the total value of transactions processed through the National Payment Systems (NPS) stood at ZW\$70.82 billion, a 4.24% decline from the previous week level of ZW\$73.96 billion. Real Time Gross Settlement (RTGS) transactions rose by 8.95%, from ZW\$55.59 billion in the previous week to close at ZW\$60.56 billion, during the week under review. The proportions of NPS transaction values were as follows: RTGS, 85.51%; POS, 7.95%; Mobile, 5.86% and ATM, 0.69%.

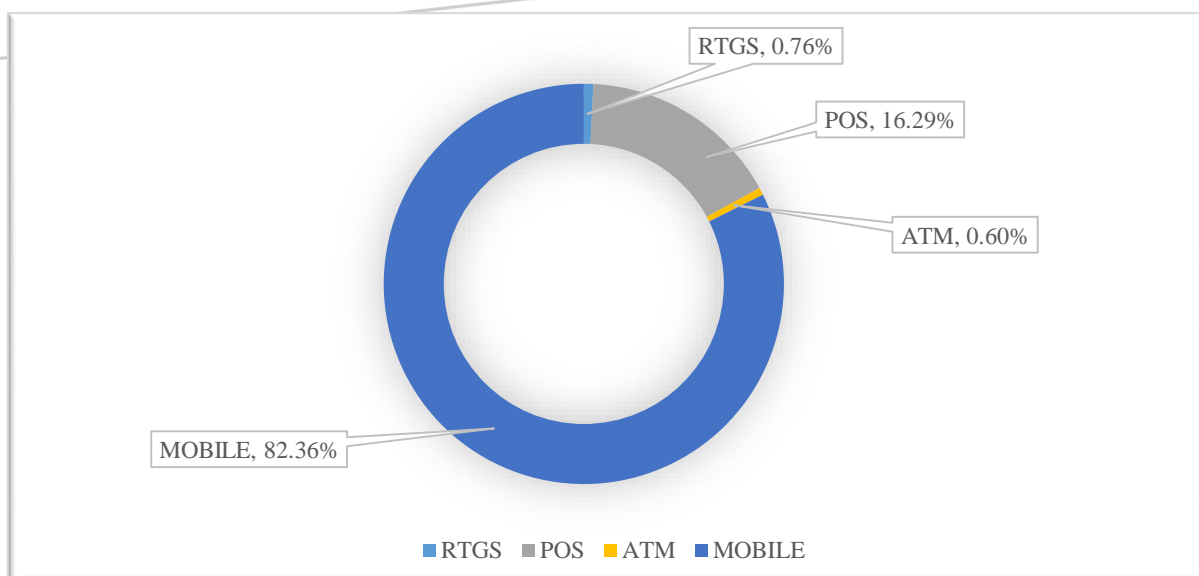
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2021

NPS transaction volumes fell by 28.02%, from 28.23 million transactions in the preceding week to close at 20.32 million transactions, during the week under review. NPS transaction volumes were dominated by Mobile based transactions at 82.36%; followed by POS, 16.29%; RTGS, 0.76% and ATM, 0.60%

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 8 th JANUARY 2021	WEEK ENDING 15 th JANUARY 2021	% CHANGE FROM LAST WEEK	PROPORTION %
Values in ZW\$ Millions				
RTGS	55,587.26	60,562.60	8.95%	85.51%
POS	7,500.65	5,629.04	-24.95%	7.95%
ATM	466.96	485.49	3.97%	0.69%
MOBILE	10,407.86	4,147.53	-60.15%	5.86%
TOTAL	73,962.73	70,824.66	-4.24%	100%
Volumes				
RTGS	159,808	153,991	-3.64%	0.76%
POS	2,474,135	3,310,476	33.80%	16.29%
ATM	251,938	121,164	-51.91%	0.60%
MOBILE	25,350,147	16,737,486	-33.97%	82.36%
TOTAL	28,236,028	20,323,117	-28.02%	100%

Source: Reserve Bank of Zimbabwe, 2021

3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international prices of gold, platinum and copper retreated, while those for nickel and crude oil continued on a positive trajectory, during the week ending 15th January 2021. Table 4 shows the evolution of prices of selected commodities, during the week under review.

Table 4: Metal and Crude Oil Prices for the week-ending 15th January 2021

	Gold	Platinum	Copper	Nickel	Crude Oil
2021	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
Weekly average (4 – 8 Jan)	1,935.15	1,096.00	7,999.63	17,646.50	53.64
11-Jan	1,847.53	1,029.50	7,951.50	17,161.00	55.52
12-Jan	1,851.55	1,056.50	7,983.00	17,665.00	57.38
13-Jan	1,855.63	1,079.00	7,960.50	17,675.00	56.30
14-Jan	1,841.00	1,108.50	8,002.50	17,951.00	55.72
15-Jan	1,846.43	1,090.00	7,979.50	17,970.00	54.80
Weekly average (11 – 15 Jan)	1,848.43	1,072.70	7,975.40	17,684.40	55.94
Weekly Change (%)	(4.5)	(2.1)	(0.3)	0.2	4.3

Source: BBC, KITCO and Bloomberg, 2021

Gold

Gold prices declined by 4.5%, from a weekly average of US\$1,935.15 per ounce recorded in the previous week to US\$1,848.43 per ounce, during the week under analysis. The price of the yellow metal was weighed down by a stronger US dollar, as the incoming US administration announced plans to scale up COVID-19 vaccination. Earlier, the US administration had unveiled a US\$1.9 trillion stimulus package proposal to boost the world's largest economy.

Platinum

Similarly, platinum prices retreated during the week, on account of subdued investment demand amid a stronger US dollar and higher yields from interest bearing assets. Against this backdrop, platinum prices declined by 2.1% to US\$ 1,072.70 per ounce during the week under review, from US\$ 1,096.00 per ounce registered in the previous week. Platinum's industrial demand was also dampened by global economic uncertainty heightened by relentless coronavirus infections.

Copper

Copper prices were subdued during the week, occasioned by demand concerns from the world's largest consumer of the red metal, China, where the resurgence in the coronavirus prompted the government to re-impose a lockdown. Furthermore, a stronger US dollar exerted downward pressure on copper prices as it made dollar denominated commodities expensive to holders of other currencies. Resultantly, the red metal price eased by 0.3%, from a weekly average of US\$7,999.63 per tonne to US\$7,975.40 per tonne, during the week under review.

Nickel

Nickel prices surged during the week under review, on supply concerns from top producers following a mining ban on an island in the Philippines and protests in New Caledonia. Consequently, the international price of nickel rose by a marginal 0.2%, to close the week at an average of US\$17,684.40 per tonne, during the week ending 15 January 2021. The increase was, however, capped by demand concerns from China, due to the impact of the second wave of coronavirus infections.

Brent Crude Oil

Brent crude prices rose by 4.3%, from a weekly average of US\$53.64 per barrel to US\$55.94 per barrel, during the week under review. The price of Brent crude oil was bolstered by Saudi Arabia's plans to limit supply, offsetting worries that rising coronavirus cases globally would curtail fuel demand. Saudi Arabia pledged to cut production by 1 million barrels per day in February and March 2021.

4. EXCHANGE RATE DEVELOPMENTS

On the foreign exchange auction market, the Zimbabwe dollar depreciated by a marginal 0.2% against the US dollar, from ZW\$81.7866 per US\$1 to ZW\$81.9695 per US\$1, during the week under analysis. Developments in selected exchange rates are shown in Table 5.

Table 5: International Exchange Rates¹

	USD	ZAR	GBP	BWP	EURO
2021					
Weekly Average (4-8 Jan)	81.7866	5.4699	111.29	7.5071	100.418
11-Jan	81.7866	5.3050	110.4490	7.4429	99.6531
12-Jan	81.7866	5.2452	110.6533	7.3532	99.3218
13-Jan	82.0914	5.3865	112.3054	7.4132	100.2420
14-Jan	82.0914	5.3792	111.9276	7.4583	99.7125
15-Jan	82.0914	5.4215	112.2724	7.4665	99.6713
Weekly Average (11-15 Jan)	81.9695	5.3475	111.521	7.42682	99.7201
Appr(-)/Depr(+) (%) of the ZWL	0.2	-2.2	0.2	-1.1	-0.7

Source: Reserve Bank of Zimbabwe, 2021

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

Table 6: Foreign Exchange Auction results for MAINFX² and SMEFX³

	MAINFX				SMEFX			
	8-Dec-20	15-Dec-20	21-Dec-20	12-Jan-21	8-Dec-20	15-Dec-20	21-Dec-20	12-Jan-21
Total Bids (US\$ dollars)	27,722,832.57	29,468,843.66	27,909,106.11	33,024,167.01	2,551,643.2	2,477,875.4	1,673,639.08	2,811,445.80
Amount Allotted (US\$ dollars)	27,722,832.57	29,468,843.66	27,909,106.11	33,024,167.01	2,551,643.2	2,477,875.4	1,673,639.08	2,811,445.80
Highest Rate	86	86	86	86	86	86	86	86
Lowest Rate	80	80	80	80	80	80	80	80
Lowest Accepted Rate	80	80	80	80	80	80	80	80
Weighted Average Rate	81.8572	81.7368	81.7866	82.0914	81.8572	81.7368	81.7866	82.0914
Number of Bids Received	202	278	237	305	202	207	129	207
Number of Bids Rejected	14	25	10	32	14	25	9	11

Source: Reserve Bank of Zimbabwe, 2020

5. EQUITY MARKETS

The Zimbabwe Stock Exchange (ZSE) was bullish, during the week ending 15th January 2021. Consequently, the Top 10, Top 15, All Share indices and the Small Cap indices gained by 6.36%, 5.82%, 4.07% and 1.02% to close at 1 627.56 points, 1 919.21 points, 2 586.10 points and 11 089.74 points, respectively. The medium cap index, however, declined by 0.31% to close at 5 483.84 points during the same week.

Gains registered in ZSE market indices were occasioned by share price increases for Innscor Africa Limited, 23.40%; Cassava Smartech Zimbabwe Limited, 11.76%; Dairibord Holdings Limited, 10.01%, Ok Zimbabwe Limited, 6.94%; Hippo Valley Estates Limited, 6.22%; Delta Corporation Limited, 4.82; Simbisa Brands Limited, 4.39%; First Capital Bank Limited, 2.39%; CBZ Holdings Limited, 1.87%; and British American Tobacco Zimbabwe, 1.39%.

Share price losses were recorded for Zimplow Holdings Limited, 23.63%; African Sun Limited, 20.48%; Amalgamated Regional Trading, 18.18%; TSL Limited, 15.36%; Starafriacorporation Limited, 11.93%; Dawn Properties Limited, 11.53%; Zimre Holdings Limited, 9.68%; Afdis Distillers Limited, 8.33%; Ariston Holdings Limited, 7.69%; Cafca Limited, 5.45%; and Nmbz Holdings Limited, 4.07%.

² Main Foreign Currency Auction

³ Small and Medium Enterprises Foreign Currency Auction

The resources index was 2.01% higher to close at 4 054.04 points, during the week ending 15th January 2021. Share price increases for Riozim Limited (3.85%) and Bindura Nickel Corporation (1.39%), largely explained the increase in the resources index. Table 7 shows selected ZSE statistics.

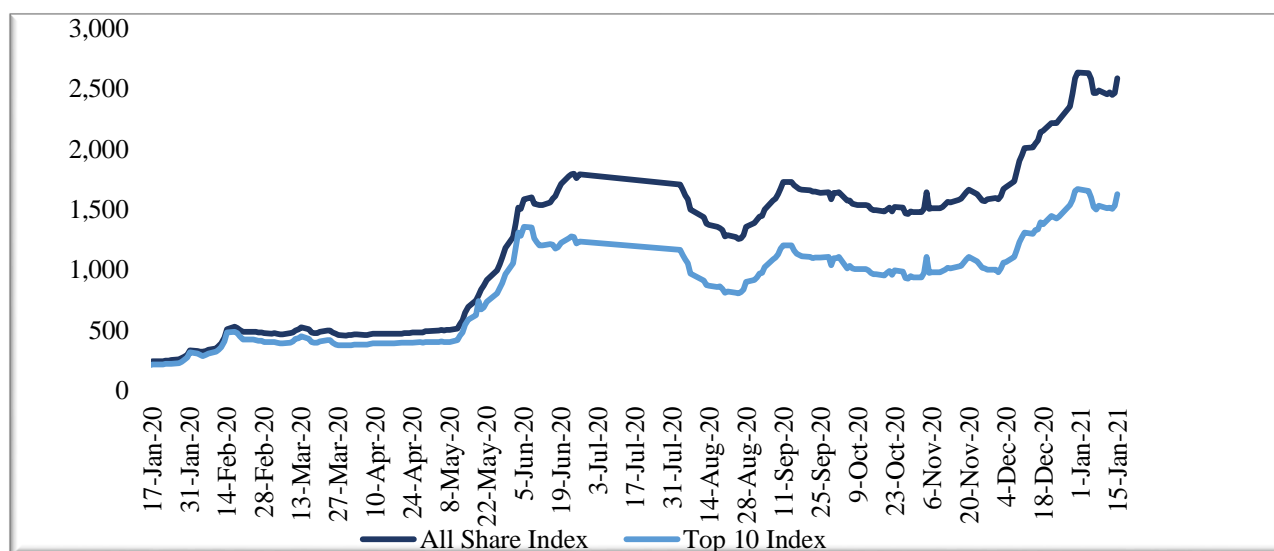
Table 7: Zimbabwe Stock Exchange Statistics⁴

	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)
11-Dec-20	2 010.57	1 309.02	1 542.60	3 984.29	9 638.14	3 209.89	243.27	871.31	93.41
18-Dec-20	2 154.67	1 376.62	1 607.75	4 423.18	9 940.06	3 544.32	260.16	547.10	58.09
24-Dec-20	2 243.43	1 438.20	1 673.61	4 573.78	10567.45	3760.86	271.00	356.56	31.70
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
% Change	4.07	6.36	5.82	-0.31	1.02	2.01	3.89	209.73	232.37

Source: Zimbabwe Stock Exchange (ZSE), 2021

Figure 3 shows developments in the ZSE's All Share and Top 10 indices from the 17th January 2020 to the 15th January 2021.

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



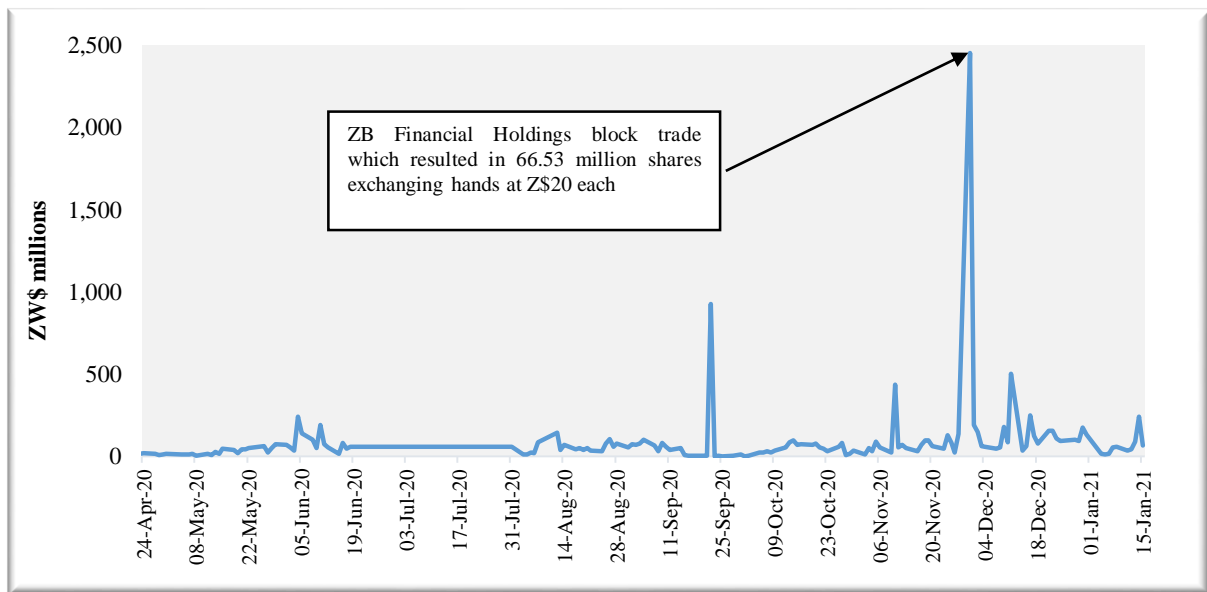
Source: Zimbabwe Stock Exchange, 2021

⁴ 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

The cumulative value of shares traded increased to ZW\$477.91 million, during the week under review, from ZW\$154.30 million in the previous week. The total volume of shares traded closed at 53.08 million shares during the week under analysis, up from 15.97 million shares in the previous week.

Figure 4: Daily Market Turnover

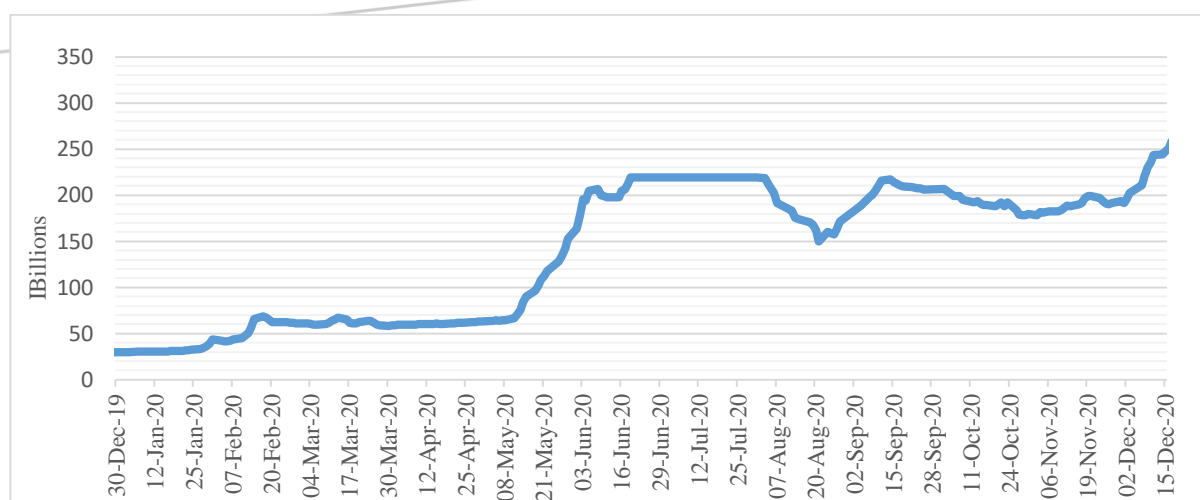


Source: Zimbabwe Stock Exchange, 2021

Market Capitalization

During the week under review, ZSE capitalisation rose by 3.89% to close at ZW\$311.25 billion, from ZW\$299.61 billion in the preceding week. This was, in part, on account of gains in the All Share Index.

Figure 5: Daily Market Capitalization in ZW\$ billions



Source: Zimbabwe Stock Exchange, 2021

Johannesburg Stock Exchange (JSE) Developments

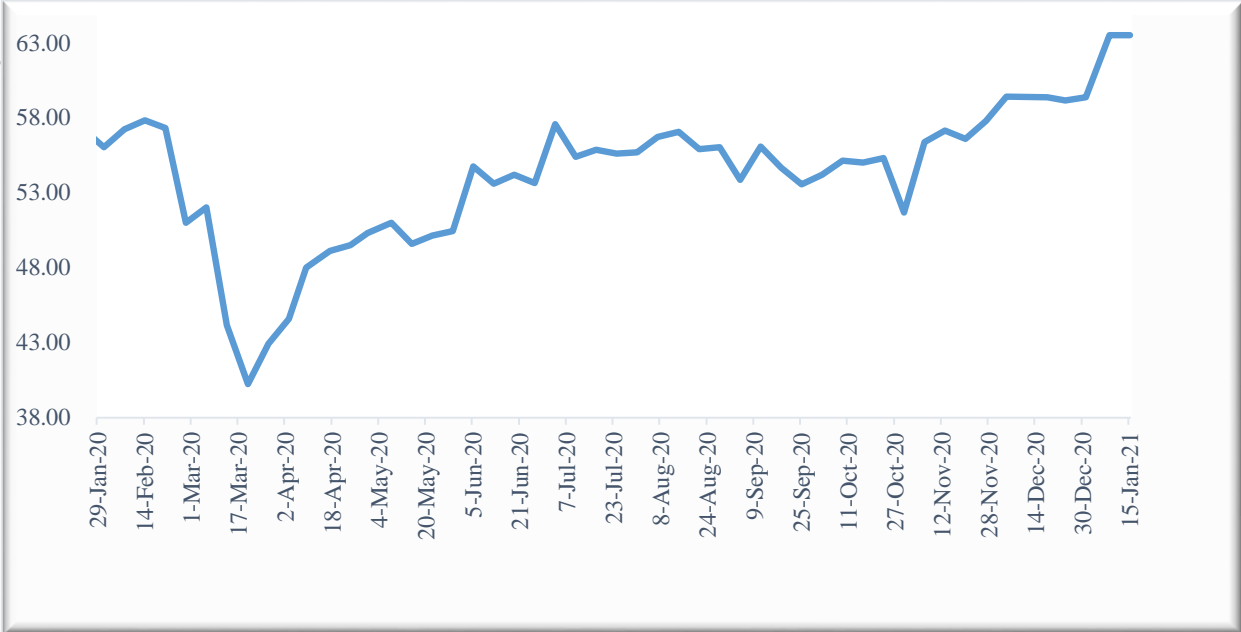
The Johannesburg Stock Exchange (JSE) All Share Index registered a marginal increase of 0.05% to close at 63,549.75 points, during the week under review. Similarly, JSE market capitalization was 0.37% higher to close at ZAR18.86 trillion, during the same week.

Table 8: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalization (ZAR trillions)
11-December-20	59,412.61	17.99
18-December-20	59,788.12	17.91
24-December-20	59,175.80	17.72
31-December-20	59,408.68	17.85
8-January-20	63,519.18	18.79
15-January-20	63,549.75	18.86
% Change	0.05	0.37

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: SUMMARY OF FOREIGN CURRENCY AUCTION ALLOTMENTS BY PURPOSE

Purpose	MAINFX				SMEFX			
	8-Dec-20	15-Dec-20	21-Dec-20	12-Jan-21	8-Dec-20	15-Dec-20	21-Dec-20	12-Jan-21
Raw Materials	12,482,562.44	15,459,943.39	13,301,481.09	16,689,326.97	616,205.64	614,518.31	503,434.33	663,898.47
Machinery and Equipment	4,445,741.19	5,733,891.17	4,550,481.08	4,055,706.41	602,238.70	553,266.45	287,409.40	605,825.02
Consumables (Incl. Spares, Tyres, Packaging)	2,283,242.13	1,645,495.48	1,567,264.86	1,998,458.79	628,390.59	528,768.79	353,602.63	648,742.50
Pharmaceuticals and Chemicals	1,452,199.39	2,009,086.47	1,084,551.98	2,399,586.12	168,178.81	66,908.85	133,096.80	132,534.40
Services (Loans, Dividends and Disinvestments)	2,140,153.23	2,046,398.09	2,700,865.11	2,082,323.40	186,429.18	205,596.59	163,989.68	335,252.72
Retail and Distribution	2,229,353.15	2,239,123.12	1,650,733.10	2,628,099.97	160,924.34	322,412.58	57,932.12	223,009.05
Fuel, Electricity and Gas	2,260,318.08	95,750.00	2,543,013.07	2,913,583.48	149,662.70	95,750.00	150,876.20	149,583.64
Paper and Packaging	429,262.96	239,155.94	510,715.82	257,081.87	39,613.27	90,653.83	23,297.92	52,600.00
TOTAL	27,722,832.57	29,468,843.66	27,909,106.11	33,024,167.01	2,551,643.23	2,477,875.40	1,673,639.08	2,811,445.80

Source: Reserve Bank of Zimbabwe, 2021