



Weekly Economic Highlights

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Week Ending
29th January 2021

1. INTEREST RATES

Deposit Rates

Minimum deposit rates for savings deposits and deposits of 3-month tenor registered declines, while those for deposits of 1-month tenor increased, during the week ending 29th January 2021. Maximum deposit rates for deposits of 1 month and 3 month tenors increased, while those for savings deposits declined during the same week, 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 (%)
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
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

Source: Reserve Bank of Zimbabwe, 2021

Lending Rates

During the week under analysis, commercial bank minimum lending rates for individual clients increased, while minimum lending rates for corporate clients registered a decrease. Maximum lending rates for both individual and corporate clients increased, during the same week, as shown in Table 2.

Table 2: Lending Rates Per Annum

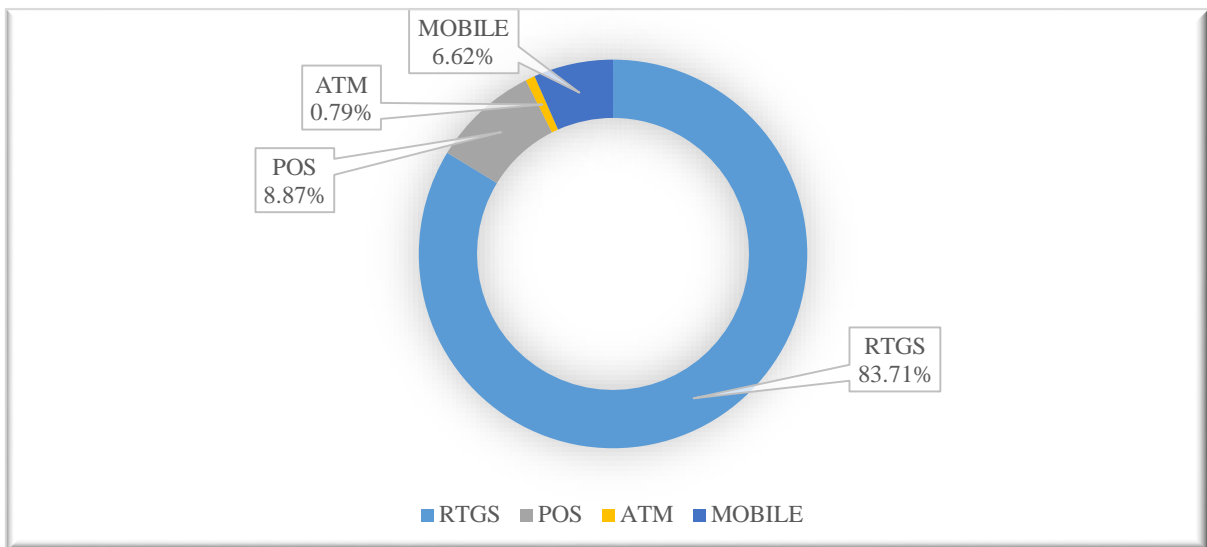
Date	Individual Clients		Corporate Clients	
	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
31-Dec-20	32.11	55.47	26.91	60.54
8-Jan-21	32.11	55.47	26.91	60.54
15-Jan-21	32.04	55.49	25.92	60.62
22-Jan-21	32.04	55.49	25.92	60.62
29-Jan-21	32.65	55.57	22.77	61.12

Source: Reserve Bank of Zimbabwe, 2021

2. CLEARING AND SETTLEMENT ACTIVITY

During the week under analysis, transactions processed through the National Payment System (NPS) were valued at ZW\$78.60 billion, representing a 6.40% decline from ZW\$83.98 billion in the preceding week. Real Time Gross Settlement (RTGS) transactions fell by 10.62% to close at ZW\$65.79 billion, during the same week. The distribution of NPS transaction values was as follows: RTGS, 83.71%; POS, 8.87%; Mobile, 6.62% and ATM, 0.79%.

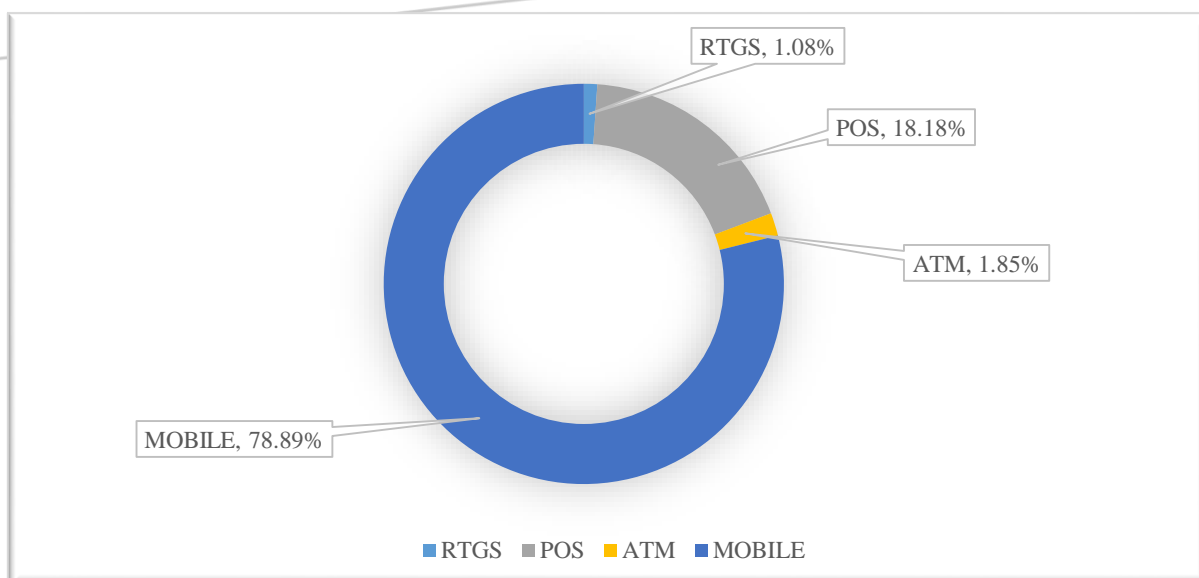
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2021

NPS transaction volumes stood at 21.48 million during the week under review, up from 19.53 million in the previous week. The NPS transaction volumes were distributed as follows: Mobile, 78.89%; POS, 18.18%; ATM, 1.85%; and RTGS, 1.08%.

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 22 nd JANUARY 2021	WEEK ENDING 29 th JANUARY 2021	% CHANGE FROM LAST WEEK	PROPORTION %
Values in ZW\$ Millions				
RTGS	73,608.13	65,793.33	-10.62%	83.71%
POS	5,802.24	6,972.55	20.17%	8.87%
ATM	440.71	624.68	41.74%	0.79%
MOBILE	4,124.17	5,206.70	26.25%	6.62%
TOTAL	83,975.26	78,597.26	-6.40%	100%
Volumes				
RTGS	174,469	231,764	32.84%	1.08%
POS	3,629,452	3,904,839	7.59%	18.18%
ATM	301,896	397,479	31.66%	1.85%
MOBILE	15,427,685	16,947,858	9.85%	78.89%
TOTAL	19,533,502	21,481,940	9.97%	100%

Source: Reserve Bank of Zimbabwe, 2021

3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

During the week ending 29th January 2021, international commodity prices for gold and Brent crude oil marginally increased, while those for platinum, copper and nickel declined. Table 4 shows international commodity price developments for selected commodities, during the week under analysis.

Table 4: Metal and Crude Oil Prices for the week-ending 29th January 2021

	Gold	Platinum	Copper	Nickel	Crude Oil
2021	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
Weekly average (18 – 22 Jan)	1,849.21	1,099.20	7,979.30	18,092.40	55.54
25-Jan	1,856.23	1,107.50	7,984.50	18,240.00	55.89
26-Jan	1,854.90	1,096.00	7,957.00	18,142.00	56.27
27-Jan	1,844.70	1,068.00	7,895.00	17,818.00	55.50
28-Jan	1,846.68	1,073.50	7,778.50	17,662.00	55.65
29-Jan	1,858.25	1,098.50	7,877.00	17,727.00	55.00
Weekly average (25 – 29 Jan)	1,852.15	1,088.70	7,898.40	17,917.80	55.66
Weekly Change (%)	<i>0.16</i>	<i>-0.96</i>	<i>-1.01</i>	<i>-0.97</i>	<i>0.22</i>

Source: BBC, KITCO and Bloomberg, 2021

Gold

Gold posted moderate gains during the week under review, as concerns about the impact of Covid-19 on the global economy persisted. In addition, a rise in speculation in the stock market helped boost demand for the safe-haven metal. The increase in the price of the yellow metal was, however, capped by a stronger United States dollar and higher treasury yields. Accordingly, prices rose by 0.16%, from a weekly average of US\$1,849.21 per ounce recorded in the prior week to US\$1,852.15 per ounce, during the week ending 29th January 2021.

Platinum

In the same week, platinum prices retreated by 0.96%, from US\$1,099.20 per ounce recorded in the previous week to US\$ US\$1,088.70 per ounce. The price was subdued, amid concerns that delays on vaccine rollouts and fresh travel restrictions across the globe would depress demand, particularly from the industrial sector.

Copper

Copper prices eased during the week under analysis, as the demand outlook for the red metal was dampened by the second wave of the coronavirus outbreak. The second wave resulted in the re-imposition of lockdowns in major economies including China, the top consumer of base metals. Resultantly, copper prices declined by 1.01%, from a weekly average of US\$7,979.30 per tonne to US\$7,898.40 per tonne, during the week ending 29th January 2021.

Nickel

In line with developments in copper prices, nickel prices retreated during the week, shedding 0.97%, from a weekly average of US\$18,092.40 per tonne in the prior week to US\$17,917.80 per tonne. Prices were also weighed down by slackening demand from China, as the threat of new Covid-19 variants prompted fears of a prolonged pandemic.

Brent Crude Oil

Brent crude oil prices rebounded and closed the week at an average of US\$55.66 per barrel, 0.22% higher than in the previous week. Brent crude oil prices somewhat recovered, as more signs of tightening supply offset concerns that a resurgent Covid-19 outbreak in some economies and a slow roll-out of vaccinations would dent demand.

4. EXCHANGE RATE DEVELOPMENTS

During the week under review, the Zimbabwe dollar (ZWS) marginally depreciated against the greenback to settle at ZW\$82.4387 per US\$1, from ZW\$82.0865 per US\$1 in the previous week. Table 5 shows the developments in selected exchange rates during the week ending 29th January 2021.

Table 5: International Exchange Rates¹

	USD	ZAR	GBP	BWP	EURO
2021					
Weekly Average (18-22 Jan)	82.0865	5.44779	112.026	7.49477	99.5202
25-Jan	82.0833	5.4333	112.4871	7.4784	99.9488
26-Jan	82.0833	5.3605	112.0643	7.4332	99.5712
27-Jan	82.6756	5.4780	113.5592	7.5362	100.5048
28-Jan	82.6756	5.4113	113.0508	7.4906	99.9715
29-Jan	82.6756	5.4127	113.3072	7.5157	100.0334
Weekly Average (25-29 Jan)	82.4387	5.41915	112.894	7.49081	100.006
Appr(-)/Depr(+) (%) of the ZW\$	<i>0.4</i>	<i>-0.5</i>	<i>0.8</i>	<i>-0.1</i>	<i>0.5</i>

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			
	21-Dec-20	12-Jan-21	19-Jan-21	26-Jan-21	21-Dec-20	12-Jan-21	19-Jan-21	26-Jan-21
Total Bids (US\$ dollars)	27,909,106.11	33,024,167.01	32,474,342.83	37,116,065.12	1,673,639.08	2,811,445.80	2,875,202.48	2,628,381.01
Amount Allotted (US\$ dollars)	27,909,106.11	33,024,167.01	32,474,342.83	26,043,880.13	1,673,639.08	2,811,445.80	2,875,202.48	1,965,845.19
Highest Rate	86	86	86	87	86	86	87	86
Lowest Rate	80	80	80	80	80	80	80	80
Lowest Accepted Rate	80	80	80	82	80	80	80	82
Weighted Average Rate	81.7866	82.0914	82.0833	82.6756	81.7866	82.0914	82.0833	82.6756
Number of Bids Received	237	305	289	337	129	207	228	196
Number of Bids Rejected	10	32	29	27	9	11	9	6

Source: Reserve Bank of Zimbabwe, 2021

5. EQUITY MARKETS

During the week ending 29th January 2021, the Zimbabwe Stock Exchange (ZSE) experienced positive trading, with the major indices recording positive growth. The Medium Cap, All Share, Small Cap and Top 10 indices increased by 20.10%, 13.55%, 11.94% and 10.53% to close at 7 853.90 points, 3 600.82 points, 13 036.27 points and 2 238.20 points, respectively.

The increase in the market indices was largely a result of share price gains for Unifreight Africa Limited (107.10%), TSL Limited (69.26%), First Mutual Properties Limited (65.00%), Zimplot Holdings Limited (64.21%) and First Capital Bank Limited (53.49%). Partially offsetting the aforementioned gains were losses in the share prices of SeedCo Limited (23.01%), Rainbow Tourism Group Limited (19.60%), Cafca Limited (19.29%), Mashonaland Holdings Limited (19.27%) and Starafrika corporation Limited (12.73%).

The mining index also increased by 10.45% to close at 4 356.74 points, during the week under analysis. This was mainly due to an increase of 13.89% and 0.42% in the share prices of Bindura Nickel Corporation Limited and Riozim Limited, respectively. Table 7 shows selected ZSE statistics.

² Main Foreign Currency Auction

³ Small and Medium Enterprises Foreign Currency Auction

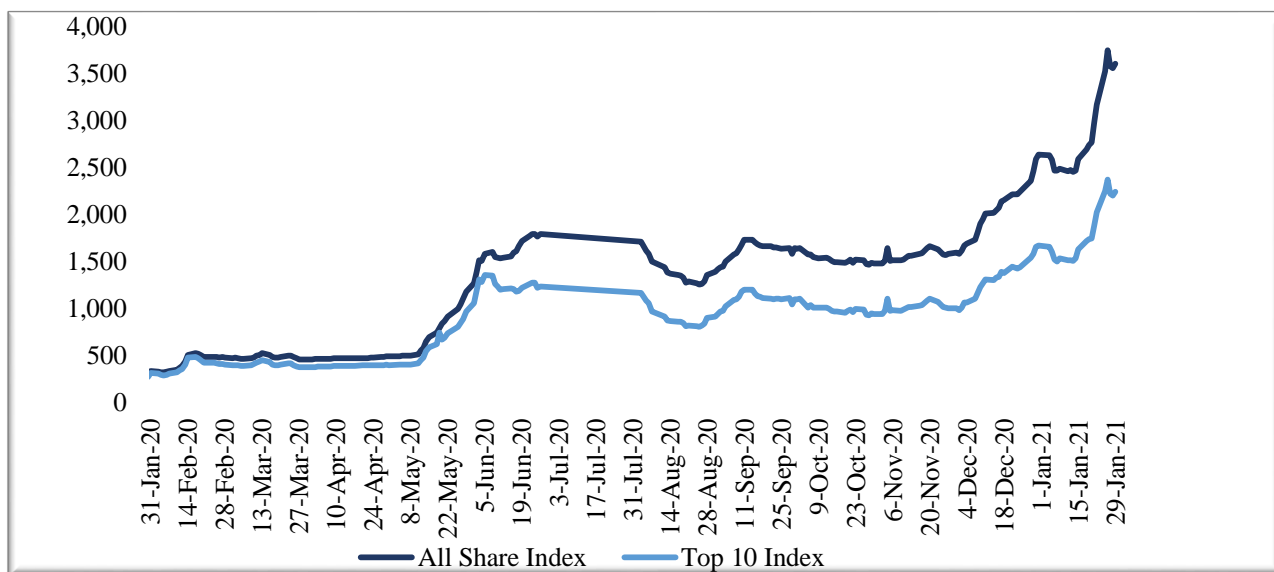
Table 7: Zimbabwe Stock Exchange Statistics⁴

	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)
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
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
% Change	13.55	10.53	9.35	20.10	11.94	10.45	14.26	-16.02	-95.20

Source: Zimbabwe Stock Exchange (ZSE), 2021

Figure 3 shows developments in the ZSE’s All Share and Top 10 indices from the 31st January 2020 to the 29th January 2021.

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



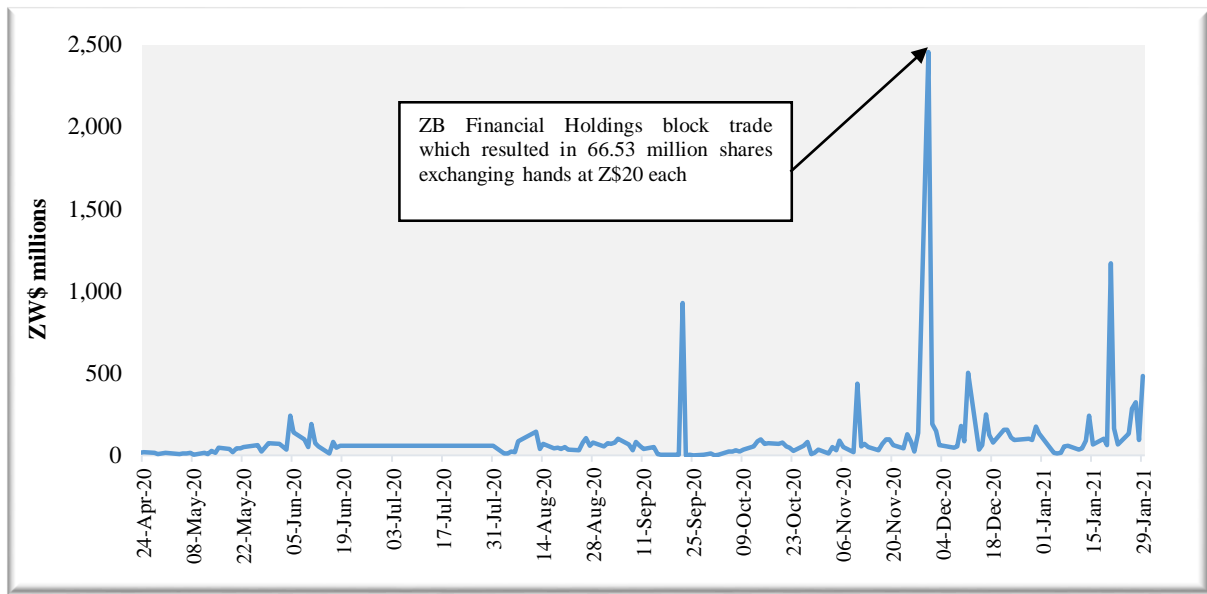
Source: Zimbabwe Stock Exchange, 2021

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

Although the market experienced positive trading during the week under review, the cumulative volume and value of shares traded decreased by 95.20% and 16.02% to 110.23 million shares and Z\$1 315.21 million, respectively. Figure 4 shows the trend in daily market turnover for the period 24th April 2020 to 29th January 2021.

Figure 4: Daily Market Turnover

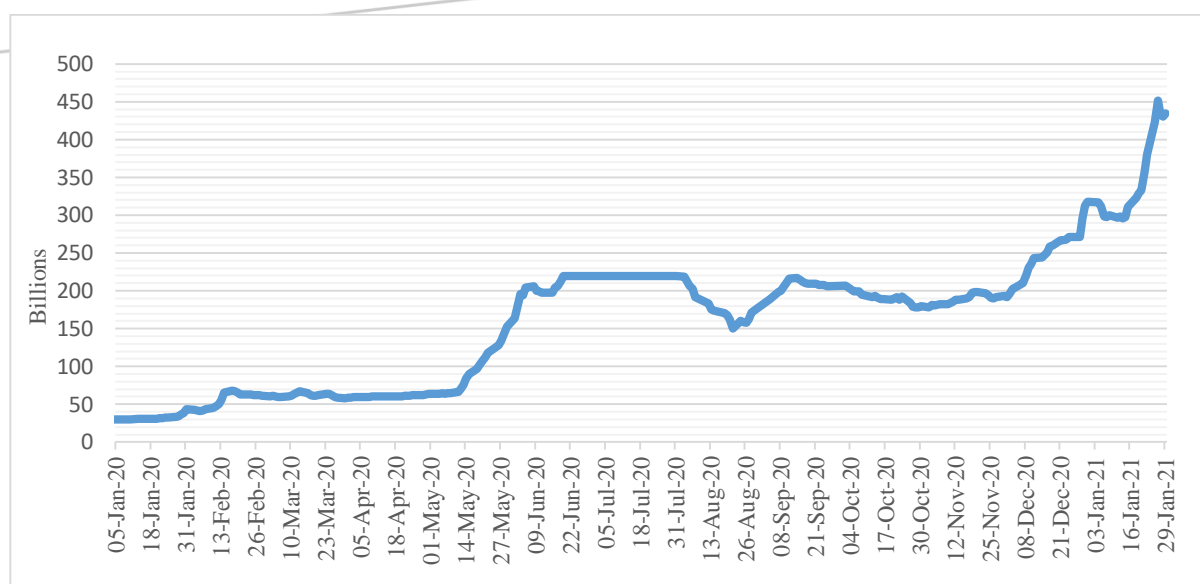


Source: Zimbabwe Stock Exchange, 2021

Market Capitalization

As a consequence of bullish trading that characterized the market during the week under review, the ZSE gained ZW\$54.26 billion, or 14.26% worth of market capitalisation to close at ZW\$434.86 billion, compared to ZW\$380.60 billion recorded, during the previous week.

Figure 5: Daily Market Capitalization in ZW\$ billions



Source: Zimbabwe Stock Exchange, 2021

Johannesburg Stock Exchange (JSE) Developments

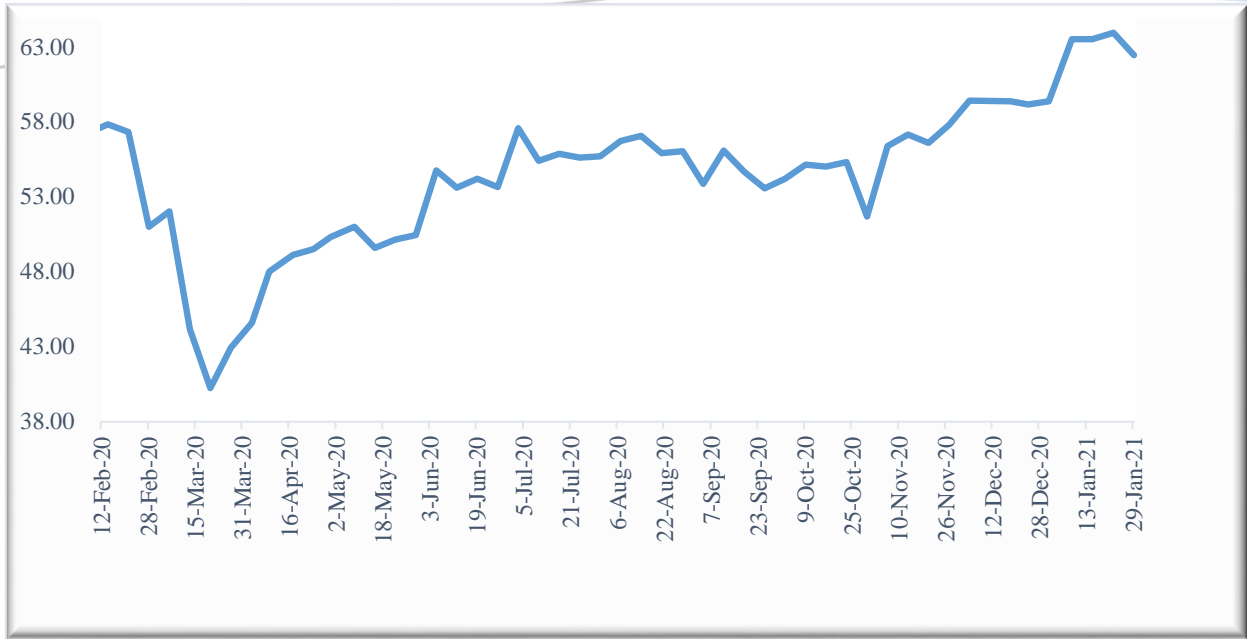
The Johannesburg Stock Exchange (JSE) All share index softened by 2.37% to close at 62,472.10 points, during the week under review. In tandem, JSE market capitalization declined by 2.74% to close at ZAR18.49 trillion, during the same week.

Table 8: 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
% Change	-2.37	-2.74

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			
	21-Dec-20	12-Jan-21	19-June-21	26-Jan-21	21-Dec-20	12-Jan-21	19-Jan-21	26-Jan-21
Raw Materials	13,301,481.09	16,689,326.97	14,860,000.50	12,442,376.93	503,434.33	663,898.47	723,820.73	558,018.79
Machinery and Equipment	4,550,481.08	4,055,706.41	6,218,398.68	4,129,887.43	287,409.40	605,825.02	527,444.38	489,125.42
Consumables (Incl. Spares, Tyres, Packaging)	1,567,264.86	1,998,458.79	1,621,972.59	1,738,995.94	353,602.63	648,742.50	681,830.48	393,958.44
Pharmaceuticals and Chemicals	1,084,551.98	2,399,586.12	1,833,334.58	1,303,614.53	133,096.80	132,534.40	165,453.82	135,488.24
Services (Loans, Dividends and Disinvestments)	2,700,865.11	2,082,323.40	1,760,405.40	1,942,262.32	163,989.68	335,252.72	359,206.46	117,679.66
Retail and Distribution	1,650,733.10	2,628,099.97	2,336,665.61	2,131,475.08	57,932.12	223,009.05	180,481.80	159,333.64
Fuel, Electricity and Gas	2,543,013.07	2,913,583.48	3,451,572.03	1,724,578.10	150,876.20	149,583.64	163,003.96	79,336.00
Paper and Packaging	510,715.82	257,081.87	391,993.44	630,689.80	23,297.92	52,600.00	73,960.85	32,905.00
TOTAL	27,909,106.11	33,024,167.01	32,474,342.83	26,043,880.13	1,673,639.08	2,811,445.80	2,875,202.48	1,965,845.19

Source: Reserve Bank of Zimbabwe, 2021