



Weekly Economic Highlights

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Week Ending
8th January 2021

1. INTEREST RATES

Deposit Rates

During the week ending 8th January 2021, minimum and maximum deposit rates for savings deposits, deposits of 1- month and 3- month tenor remained largely unchanged, 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 (%)
11-Dec-20	1.68	4.69	4.92	9.37	5.28	10.04
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-Dec-21	1.68	4.69	5.25	9.55	6.68	9.46

Source: Reserve Bank of Zimbabwe, 2021

Lending Rates

Minimum and maximum commercial bank lending rates for individual and corporate clients also remained at previous week levels, as shown in Table 2.

Table 2: Lending Rates (per annum)

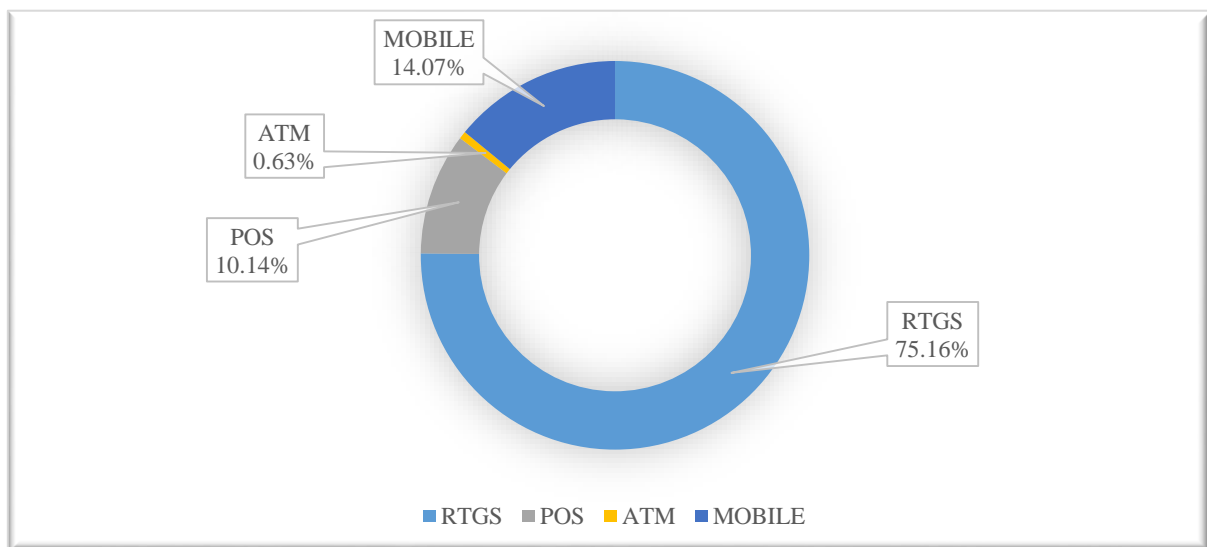
Date	Individual Clients		Corporate Clients	
	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
11-Dec-20	30.50	54.55	27.03	60.33
18-Dec-20	31.39	55.58	27.09	60.47
24-Dec-20	31.39	55.58	27.09	60.47
31-Dec-20	32.11	55.47	26.91	60.54
8-Dec-20	32.11	55.47	26.91	60.54

Source: Reserve Bank of Zimbabwe, 2021

2. CLEARING AND SETTLEMENT ACTIVITY

The week under analysis saw the value of transactions processed through the National Payment Systems (NPS) decline by 24.15% to close at ZW\$73.96 billion. The value of Real Time Gross Settlement (RTGS) system transactions fell by 32.59% to close at ZW\$55.59 billion, during the same week. NPS transaction values were distributed as follows: RTGS, 75.16%; POS, 10.14%; Mobile, 14.07% and ATM, 0.63%.

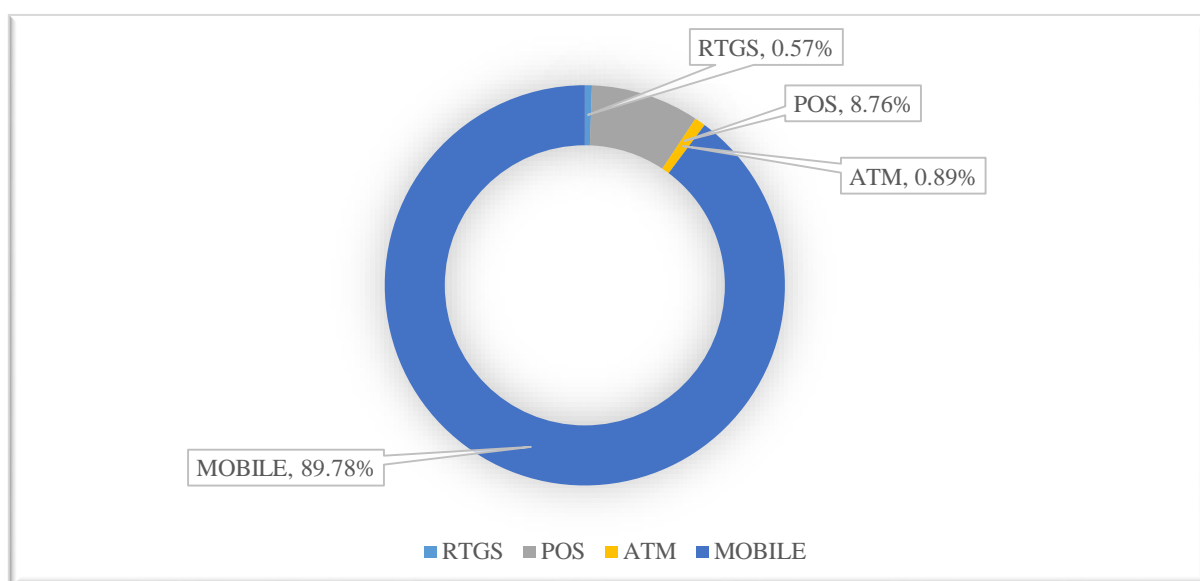
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2021

NPS transaction volumes registered a growth of 4.48%, to close at 28.36 million transactions, during the week under review, from 27.02 million transactions recorded in the previous week. The NPS transaction volumes were distributed as follows: Mobile, 89.78%, POS, 8.76%; ATM, 0.89%; and RTGS, 0.57%.

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 31 st DECEMBER 2020	WEEK ENDING 8 th JANUARY 2020	% CHANGE FROM LAST WEEK	PROPORTION %
Values in ZW\$ Millions				
RTGS	82,456.58	55,587.26	-32.59%	75.16%
POS	8,878.51	7,500.65	-15.52%	10.14%
ATM	788.48	466.96	-40.78%	0.63%
MOBILE	5,388.03	10,407.86	93.17%	14.07%
TOTAL	97,511.60	73,962.73	-24.15%	100%
Volumes				
RTGS	157,460	159,808	1.49%	0.57%
POS	6,148,084	2,474,135	-59.76%	8.76%
ATM	420,940	251,938	-40.15%	0.89%
MOBILE	20,297,596	25,350,147	24.89%	89.78%
TOTAL	27,024,080	28,236,028	4.48%	100%

Source: Reserve Bank of Zimbabwe, 2021

3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international prices of gold, platinum, copper, nickel and Brent crude oil, registered gains during the week ending 8th January 2021, as shown in Table 7.

Table 7: Metal and Crude Oil Prices for the week-ending 8th January 2021

	Gold	Platinum	Copper	Nickel	Crude Oil
2021	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
Weekly average (28 Dec – 31 Dec)	1,880.29	1,054.50	7,794.50	16,819.50	51.33
4-Jan	1937.00	1109.50	7918.50	17344.00	51.79
5-Jan	1943.45	1077.00	7914.00	17517.00	53.95
6-Jan	1944.58	1096.50	8129.50	17796.00	54.68
7-Jan	1915.58	1101.00	8036.50	17929.00	54.12
8-Jan	1877.10	1108.00	8146.00	17890.00	56.25
Weekly average (4 – 8 Jan)	1,923.54	1,098.4	8,028.9	17,695.2	53.16
Weekly Change (%)	2.3	4.2	3.0	5.2	5.5

Source: BBC, KITCO and Bloomberg, 2021

Gold

The international price of gold firmed during the week ending 8th January 2021, following expectations of a substantial stimulus package, renewed safe haven demand and a weaker US dollar. Prices of the yellow metal rose by 2.3%, from a weekly average of US\$1,880.29 per ounce to US\$1,923.5 per ounce registered, during the week under review.

Platinum

Platinum prices continued on a bullish trend, increasing by 4.2% to US\$1,098.4 per ounce during the week under review, from US\$1,054.50 per ounce recorded in the previous week. Similar to gold, platinum prices were boosted by expectations of a stimulus package and renewed safe haven demand.

Copper

Copper prices increased by 3.0%, from a weekly average of US\$7,794.50 per tonne to US\$8,028.9 per tonne, during the week under analysis. Expectations of a US stimulus package and a weaker US dollar supported prices from the demand-side. The price of the red metal was also boosted from the supply-side, on fears that prolonged industrial action in Peru would dent output. Base metal prices were upbeat during the week ending 8th January 2021, on the back of a weaker US dollar and strong manufacturing activity in China and Europe.

Nickel

Investor concerns over possible production delays in Indonesia, following disruptive seismic activity, supported nickel prices from the supply-side. Against this backdrop, the international price of nickel registered a 5.2% week-on-week increase to US\$17,695.2 per tonne, during the week under review.

Brent Crude Oil

The international price of Brent crude rose to a weekly average of US\$54.16 per barrel, during the week under review. This was on the back of bullish sentiments over announced production cuts by top producer, Saudi Arabia. The gulf state, pledged to cut production by 1 million barrels per day in February and March 2021. Resultantly, Brent crude oil prices gained by 5.5%, from a US\$51.33 per barrel recorded in the previous week to US\$53.16 per barrel, during the week under analysis.

4. EXCHANGE RATE DEVELOPMENTS

There was no trading on the foreign exchange auction market, during the week ending 8th January 2021. Trading was set to resume during the week ending 15th January 2021. In this regard, the ZW\$/US\$ exchange rate remained unchanged at ZW\$81.7666 per US\$1, during the week under review.

5. EQUITY MARKETS

During the week ending 8th January 2021, the Zimbabwe Stock Exchange (ZSE) experienced bearish sentiments, resulting in major indices recording negative growth. The Top 10, Top 15, Small Cap, and All Share indices decreased by 8.45%, 8.26%, 7.86% and 5.71% to close at 1 530.21 points, 1 813.69 points, 10 977.29 points and 2 485.77 points, respectively.

Notably, beginning 2021, the ZSE will no longer publish the industrial index as market indices have been further disaggregated to include small and medium cap as well as the Top 15 indices, for detailed analysis of counter performance. In this regard, continuing to publish the industrial index would be an unnecessary duplication of effort.

Share price gains were recorded for ZB Financial Holdings Limited (46.30%), First Mutual Properties Limited (43.98%), Lafarge Cement Zimbabwe Limited (37.50%), Truworths

Limited (35.69%), and General Beltings Holdings Limited (20.00%). Partially offsetting the aforementioned gains were share price losses for Dawn Properties Limited (44.44%), Simbisa Brands Limited (26.33%), Padenga Holdings Limited (25.97%), Edgars Stores Limited (25.62%) and Innscro Africa Limited (23.46%).

The mining index fell by 3.87% to close at 3 974.25 points, during the week under analysis. This was largely due to losses of 13.05% and 0.31% in the share prices of Riozim Limited and Bindura Nickel Corporation (BNC), respectively. Table 7 shows selected ZSE statistics.

Table 6: Zimbabwe Stock Exchange Statistics¹

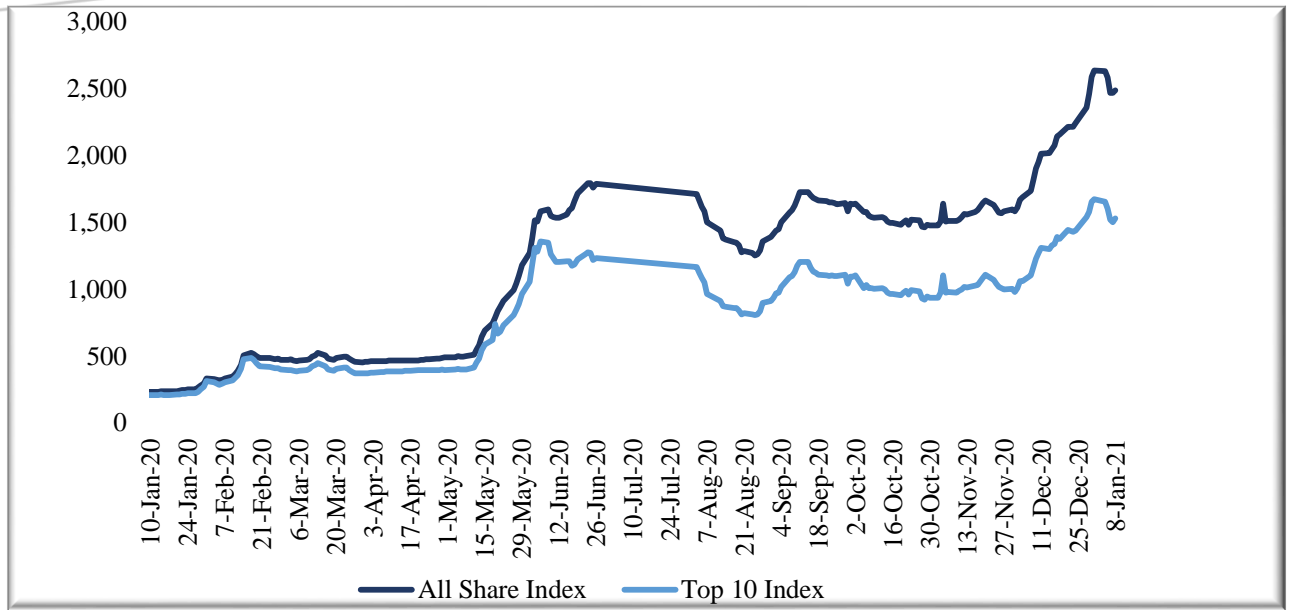
	All Share Index Points	Top 10 index (points)	Top 15 Index ³ points	Medium Cap ³ (points)	Small Cap ³ (points)	Mining Index (points)	Grand Market Capitalization (ZWL million)	Market Turnover (ZWL million)	Volume of Shares (million)
4-Dec-20	1 686.51	1 061.30	1 264.76	3 508.81	9 437.51	3 294.59	204.57	2 914.27	211.50
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	10 567.45	3 760.86	271.00	356.56	31.70
31-Dec-20	2 636.34	1 671.47	1 976.98	5 491.09	11 914.14	4 134.09	371.89	501.71	33.27
8-Jan-20	2 485.77	1 530.21	1 813.69	5 500.74	10 977.29	3 974.25	299.61	154.30	15.97
% Change	-5.71	-8.45	-8.26	0.18	-7.86	-3.87	-19.44	-69.25	-52.00

Source: Zimbabwe Stock Exchange (ZSE), 2021

Figure 3 shows developments in the ZSE's All Share and Top 10 indices from the 10th January 2020 to the 8th January 2021.

¹ 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: Zimbabwe Stock Exchange All Share and Top 10 Indices

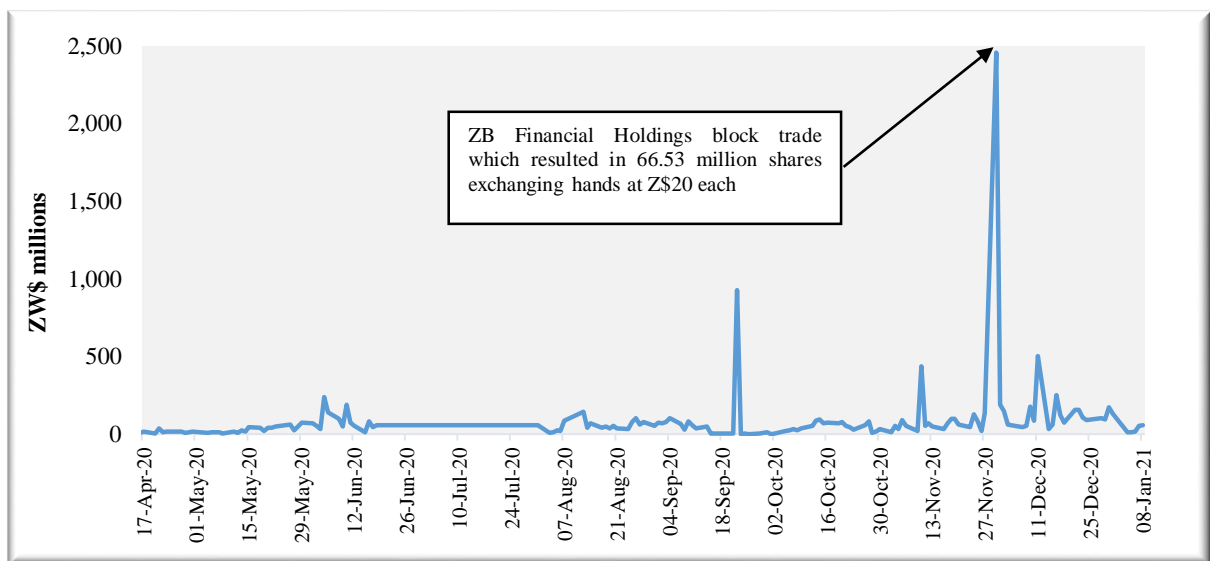


Source: Zimbabwe Stock Exchange, 2021

Market Turnover and Volume

The cumulative value and volume of shares traded declined by 69.25% and 52.00% to ZW\$154.30 million and 15.97 million shares, respectively, during the week ending 8th January 2021. This was in line with the bearish trading experienced on the ZSE, during the week under review.

Figure 4: Daily Market Turnover

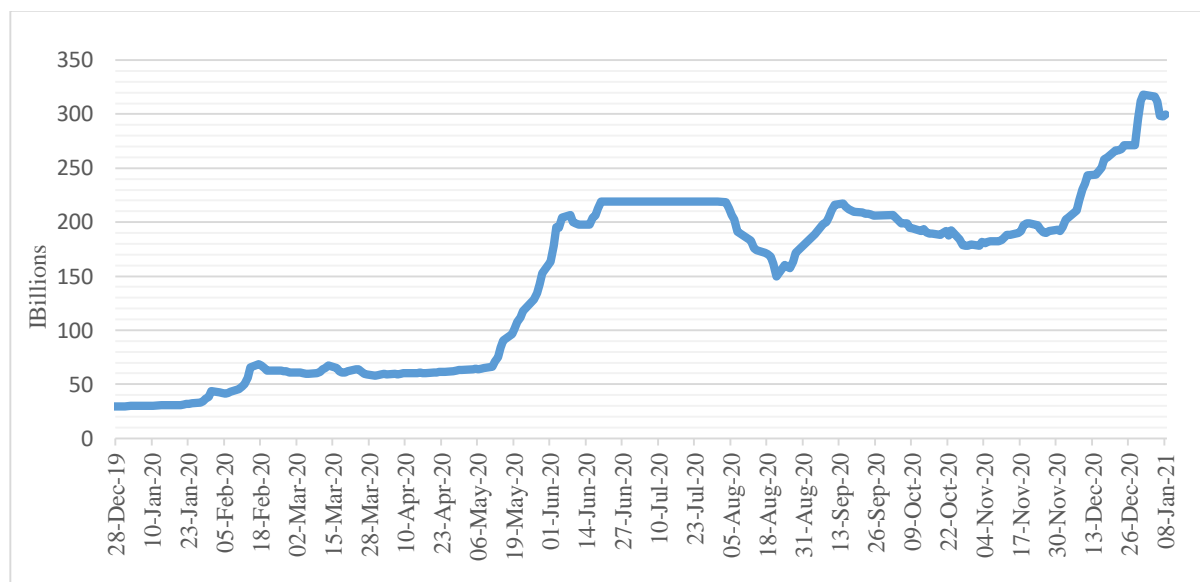


Source: Zimbabwe Stock Exchange, 2021

Market Capitalization

The ZSE lost ZW\$18.27 billion, or 5.75% worth of market capitalisation to close at ZW\$299.61 billion, during the week under review.

Figure 5: Daily Market Capitalization in ZW\$ billions



Source: Zimbabwe Stock Exchange, 2021

Johannesburg Stock Exchange (JSE) Developments

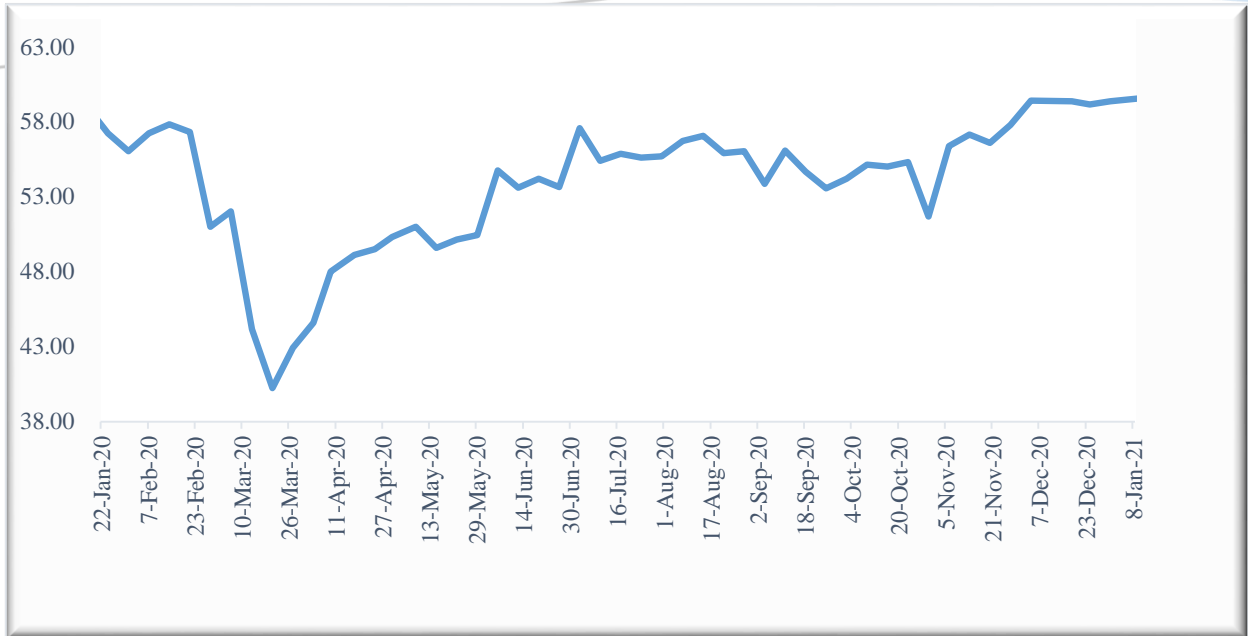
The Johannesburg Stock Exchange (JSE) All share index increased by 6.92% to close at 63,519.18 points during the week under analysis, from 59,408.68 points in the previous week. In tandem, JSE market capitalization gained by 5.27% to close at ZAR18.79 trillion, during the same week.

Table 9: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalization (ZAR trillions)
04-December-20	59,419.37	18.01
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
08-January-21	63,519.18	18.79
% Change	6.92	5.27

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			
	1-Dec-20	8-Dec-20	15-Dec-20	21-Dec-20	1-Dec-20	8-Dec-20	15-Dec-20	21-Dec-20
Raw Materials	14,455,583.16	12,482,562.44	15,459,943.39	13,301,481.09	565,832.16	616,205.64	614,518.31	503,434.33
Machinery and Equipment	3,881,163.60	4,445,741.19	5,733,891.17	4,550,481.08	343,514.11	602,238.70	553,266.45	287,409.40
Consumables (Incl. Spares, Tyres, Packaging)	2,478,807.13	2,283,242.13	1,645,495.48	1,567,264.86	532,861.51	628,390.59	528,768.79	353,602.63
Pharmaceuticals and Chemicals	1,472,235.21	1,452,199.39	2,009,086.47	1,084,551.98	131,271.95	168,178.81	66,908.85	133,096.80
Services (Loans, Dividends and Disinvestments)	2,362,313.27	2,140,153.23	2,046,398.09	2,700,865.11	165,368.09	186,429.18	205,596.59	163,989.68
Retail and Distribution	2,524,188.11	2,229,353.15	2,239,123.12	1,650,733.10	152,915.69	160,924.34	322,412.58	57,932.12
Fuel, Electricity and Gas	3,466,090.38	2,260,318.08	95,750.00	2,543,013.07	149,973.96	149,662.70	95,750.00	150,876.20
Paper and Packaging	553,541.48	429,262.96	239,155.94	510,715.82	112,195.75	39,613.27	90,653.83	23,297.92
TOTAL	31,193,922.34	27,722,832.57	29,468,843.66	27,909,106.11	2,153,933.22	2,551,643.23	2,477,875.40	1,673,639.08

Source: Reserve Bank of Zimbabwe, 2021