



Weekly Economic Highlights

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Week Ending
16th July 2021

1. INTEREST RATES

Deposit Rates

Average deposit rates quoted by commercial banks for savings deposits, deposits of 1 month and 3 month tenors increased during the week ending 16th July 2021, 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-June-21	1.57	4.24	5.42	10.77	6.89	11.72
25-June -21	1.57	4.24	5.42	10.77	6.89	11.72
2-July-21	1.57	4.24	5.42	10.77	7.00	11.83
9-July-21	1.57	4.24	5.42	10.77	7.00	11.83
16-July-21	1.73	4.41	6.64	14.16	7.32	12.67

Source: Reserve Bank of Zimbabwe, 2021

Lending Rates

During the week under review, minimum and maximum commercial bank lending rates for individuals increased by 0.44 and 0.02 percentage points, to 36.55% and 56.80%, respectively. Commercial bank minimum and maximum lending rates for corporate clients also increased during the same week, as shown in Table 2.

Table 2: Lending Rates (per annum)

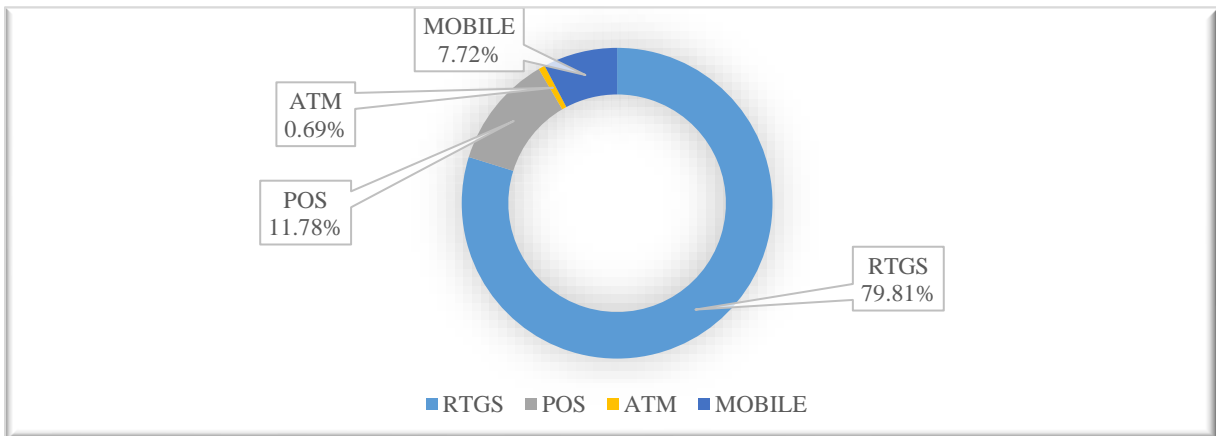
Date	Individual Clients		Corporate Clients	
	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
18-June-21	36.25	57.04	22.46	59.66
25-June-21	36.25	57.04	22.46	59.66
2-July-21	36.11	56.78	21.91	59.60
9-July-21	36.11	56.78	21.91	59.60
16-July-21	36.55	56.80	22.07	59.67

Source: Reserve Bank of Zimbabwe, 2021

2. CLEARING AND SETTLEMENT ACTIVITY

The National Payment Systems (NPS) processed a total of \$84.03 billion worth of transactions, during the week under review, reflecting a 11.95% decline from \$95.43 billion, recorded in the previous week. Real Time Gross Settlement (RTGS) transactions declined by 9.23% to close at \$67.07 billion, during the same period. In terms of proportions, the NPS transactions were constituted as follows: RTGS, 79.81%, POS, 11.78%; Mobile, 7.72%; and ATM, 0.69%.

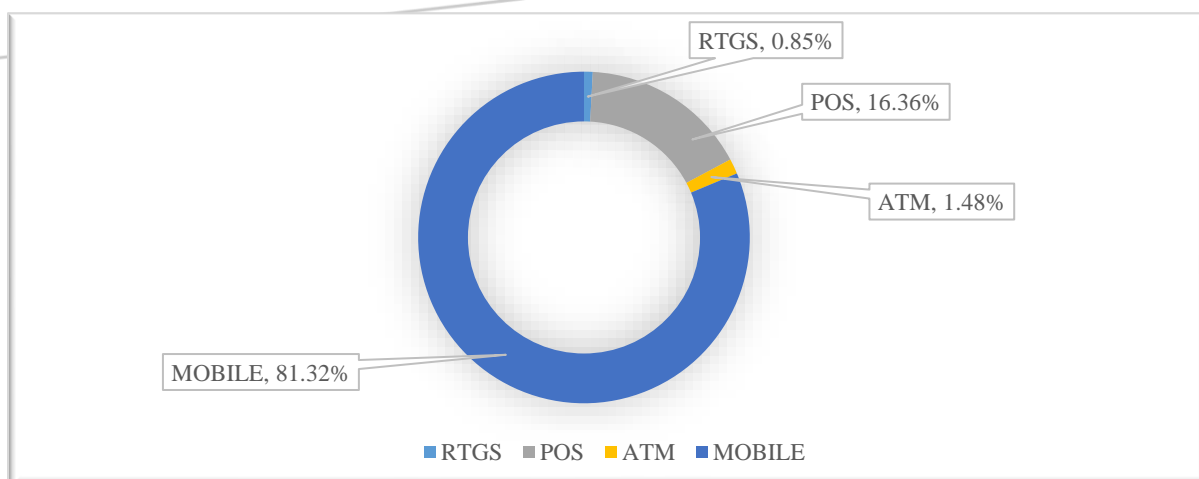
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2021

The volume of NPS transactions at 22.08 million during the week ending 16th July 2021, was 10.96% lower, compared to 24.79 million recorded in the previous week. NPS transaction volumes were distributed as follows: Mobile, 81.32%; POS, 16.36%; RTGS, 0.85%; and ATM, 1.48%, as shown in Figure 2.

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 9 th July 2021	WEEK ENDING 16 th July 2021	% CHANGE FROM LAST WEEK	PROPORTION %
Values in ZW\$ Millions				
RTGS	73,887.374	67,065.41	-9.23%	79.81%
POS	11,984.14	9,895.15	-17.43%	11.78%
ATM	1,488.76	580.19	-61.03%	0.69%
MOBILE	8,069.66	6,488.84	-19.59%	7.72%
TOTAL	95,429.93	84,029.58	-11.95%	100%
Volumes				
RTGS	230,923	186,692	-19.15%	0.85%
POS	4,549,994	3,611,301	-20.63%	16.36%
ATM	589,724	325,952	-44.73%	1.48%
MOBILE	19,422,861	17,952,141	-7.57%	81.32%
TOTAL	24,793,502	22,076,086	-10.96%	100%

Source: Reserve Bank of Zimbabwe, 2021

3. TOBACCO SALES

As at 16th July 2021, or day 71 of the 2021 tobacco selling season, a cumulative total of 191.91 million kilograms of tobacco had been sold, reflecting a 14.64% increase, compared to 167.40 million kilograms sold during the same period in 2020. The cumulative value of the golden leaf sold during the week under review stood at US\$531.37 million. This was 27.96% higher, compared to US\$393.99 million recorded during the corresponding period in 2020, as shown in Table 4.

Table 4: Weekly Cumulative Tobacco Sales: Day 71 (16th July 2021)

	2020	2021	Variance (%)
Cumulative Quantity Sold (million kgs)	167,403,839	191,912,808	14.64
Average Price(US\$/kg)	2.48	2.77	11.62
Cumulative value (US\$ million)	393,993,020	531,367,649	27.96

Source: Tobacco Industry and Marketing Board (TIMB), 2021

The golden leaf was sold at a price of US\$2.77/kg, which was 11.62% higher than the US\$2.48/kg realized during the comparable period in the previous year.

4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

International commodity prices for gold, platinum and nickel firmed, during the week ending 16th July 2021. Copper and crude oil prices, however, declined marginally. Table 5 shows the evolution of selected commodity prices, during the week under review.

Table 5: Metal and Crude Oil Prices for the week-ending 16th July 2021

	Gold	Platinum	Copper	Nickel	Crude Oil
2021	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
Weekly Average (5-9 July)	1,803.62	1,092.40	9,422.70	18,414.60	75.00
12-Jul	1,797.20	1,100.00	9,347.00	18,566.00	75.36
13-Jul	1,810.85	1,118.00	9,310.00	18,785.00	76.20
14-Jul	1,818.13	1,123.00	9,309.00	18,689.00	74.15
15-Jul	1,827.88	1,137.00	9,347.00	18,695.00	73.46
16-Jul	1,823.15	1,135.00	9,396.50	18,895.00	72.73
Weekly Average (12-16July)	1,815.44	1,122.60	9,341.90	18,726.00	74.38
Weekly Change (%)	0.7	2.8	-0.9	1.7	-0.8

Source: BBC, KITCO and Bloomberg, 2021

Gold

Gold prices remained upbeat after the U.S. Federal Reserve signalled continued support for economic stimulus, which boosted the precious metal's appeal as an inflation hedge. In addition, a weaker US dollar and concerns that the spread of the Delta variant of the coronavirus would slow global economic recovery, also supported the price of the yellow metal. Reflecting

these developments, gold prices increased by 0.7%, from a weekly average of US\$1,803.62 per ounce in the previous week to US\$1,815.44 per ounce, during the week under analysis.

Platinum

Platinum prices rose by 2.8%, from a weekly average of US\$1,092.40 per ounce in the previous week to US\$1,122.60 per ounce, during the week under review. This was due to prospects of strong investment demand for the metal, amid a weaker US dollar and falling treasury yields.

Copper

Copper prices reversed gains recorded in the previous week, largely on account of tepid demand in spot markets in China, the world's top consumer of base metals. Stronger-than-expected inflation data in the US also dampened the red metal's demand outlook in the world's largest economy. Consequently, prices retreated by 0.9%, from a weekly average of US\$9,422.70 per tonne in the previous week to US\$9,341.90 per tonne, during the week ending 16th July 2021.

Nickel

Nickel prices continued on a positive trajectory, amid dwindling stockpiles in major source markets and worries about supply constraints that were stoked by a surge in Covid-19 Delta variant cases. As a result, prices gained by 1.7%, from a weekly average of US\$18,414.60 per tonne, to close the week under review at US\$18,726.00 per tonne.

Brent Crude Oil

Brent crude oil prices retreated by 0.8%, from a weekly average of US\$75.00 per barrel to US\$74.38 per barrel, during the week under review. Prices were weighed down by prospects of slower growth in demand due to a surge in Covid-19 Delta variant cases. A deadlock among members of the Organisation of Petroleum Exporting Countries (OPEC) over output quotas also put downward pressure on oil prices.

5. EXCHANGE RATE DEVELOPMENTS

On the foreign exchange auction market, the Zimbabwe dollar (ZW\$) treaded steadily against the US dollar, shedding 0.02% from an average of ZW\$85.4396 per US\$1 in the previous week to close the week at an average of ZW\$85.4570 per US\$1. The developments in selected exchange rates are shown in Table 6.

Table 6: International Exchange Rates¹

	USD	ZAR	GBP	BWP	EURO
2021					
Weekly Average (5-9 July)	85.4396	5.9798	118.1088	7.7832	101.2061
12-Jul	85.2455	5.9737	118.7646	7.7777	101.4746
13-Jul	85.5097	5.9418	118.7688	7.7777	101.4532
14-Jul	85.5099	5.8072	118.2730	7.7473	100.8164
15-Jul	85.5099	5.9032	118.4270	7.7393	101.2269
16-Jul	85.5099	5.8858	118.2945	7.7306	101.0173
Weekly Average (12-16 July)	85.4570	5.9023	118.5056	7.7545	101.1976
Appr(-)/Depr(+) (%) of the ZWL	<i>0.0</i>	<i>-1.3</i>	<i>0.3</i>	<i>-0.4</i>	<i>0.0</i>

Source: Reserve Bank of Zimbabwe, 2021

6. EQUITY MARKETS

During the week ending 16th July 2021, the Zimbabwe Stock Exchange (ZSE) recovered from the losses in the previous week, resulting in all the indices registering gains. The All Share, Top 10, Medium Cap and mining indices gained 7.38%, 9.27%, 4.43% and 4.33% to close at 6 544.59 points, 3 458.07 points, 17 177.53 points and 6 344.69 points, respectively.

The increase in the market indices was a result of share price gains in Cafca Limited (43.24%), Medtech Holdings Limited (37.48%), Zimbabwe Newspapers (36.02%), SeedCo Limited (35.86%) and Lafarge Cement Zimbabwe Limited (30.00%). Partially offsetting the aforementioned gains were losses in the share prices of National Tyre Services Limited (19.65%), First Capital Bank Limited (14.83%), Ariston Holdings Limited (13.83%), Turnall Holdings Limited (11.95%) and British American Tobacco Zimbabwe (11.01%).

The resources index registered an increase of 4.33% to close at 6,344.69 points, during the week under review. Gains in the mining index emanated from a 5.66% gain in the share price of RioZim Limited. Bindura Nickel Corporation Limited (BNC) shares traded at the previous price level, albeit on thin volumes.

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

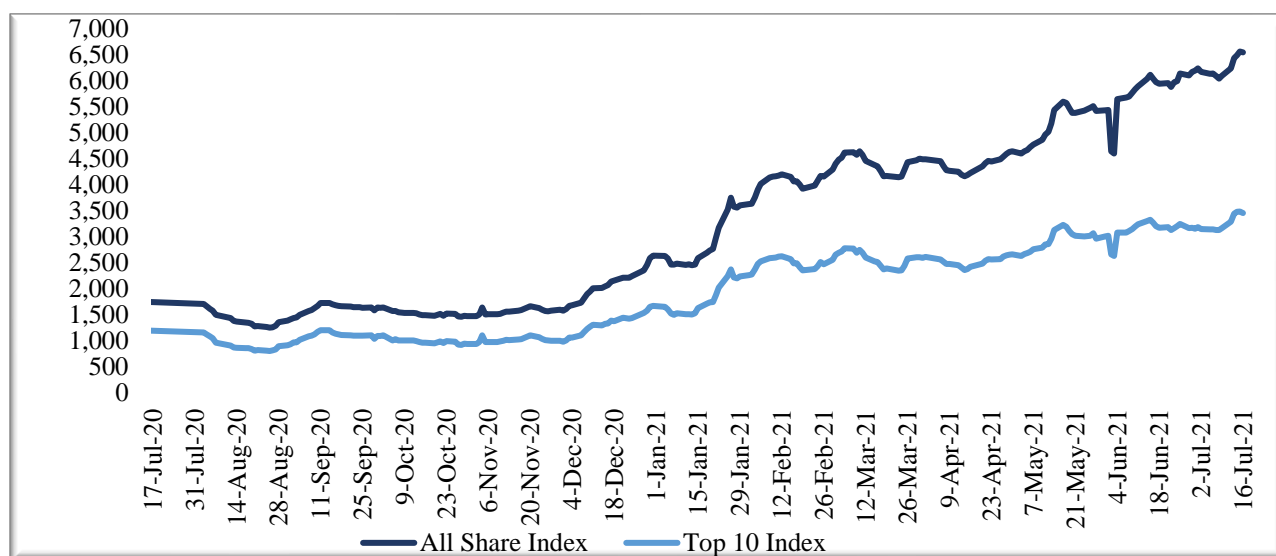
Table 7: Zimbabwe Stock Exchange Statistics²

	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)
11-June21	5,891.40	3,241.52	3,650.18	14,996.19	99,408.18	6,049.18	681.28	1820.56	120.43
18-June 21	5,941.21	3,172.69	3,607.32	15,626.42	116,880.97	6,665.61	691.99	743.88	39.09
25-June-21	6,138.69	3,247.86	3,724.42	16,505.89	159,118.65	6,308.43	738.70	743.61	45.71
02-July-21	6,169.15	3,147.49	3,651.12	17,070.05	211,801.65	6,353.05	741.76	874.08	64.41
9-July-21	6,094.95	3,164.59	3,667.86	16,448.20	218,047.66	6,081.31	734.01	527.81	29.97
16-July-21	6,544.59	3,458.07	3,960.46	17,177.53	252,482.27	6,344.69	770.71	771.09	55.57
% Change	7.38	9.27	7.98	4.43	15.79	4.33	5.00	46.09	85.42

Source: Zimbabwe Stock Exchange (ZSE), 2021

Figure 3 shows developments on the ZSE’s All Share, Top 10 and mining indices from the 17th July 2020 to 16th July 2021.

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



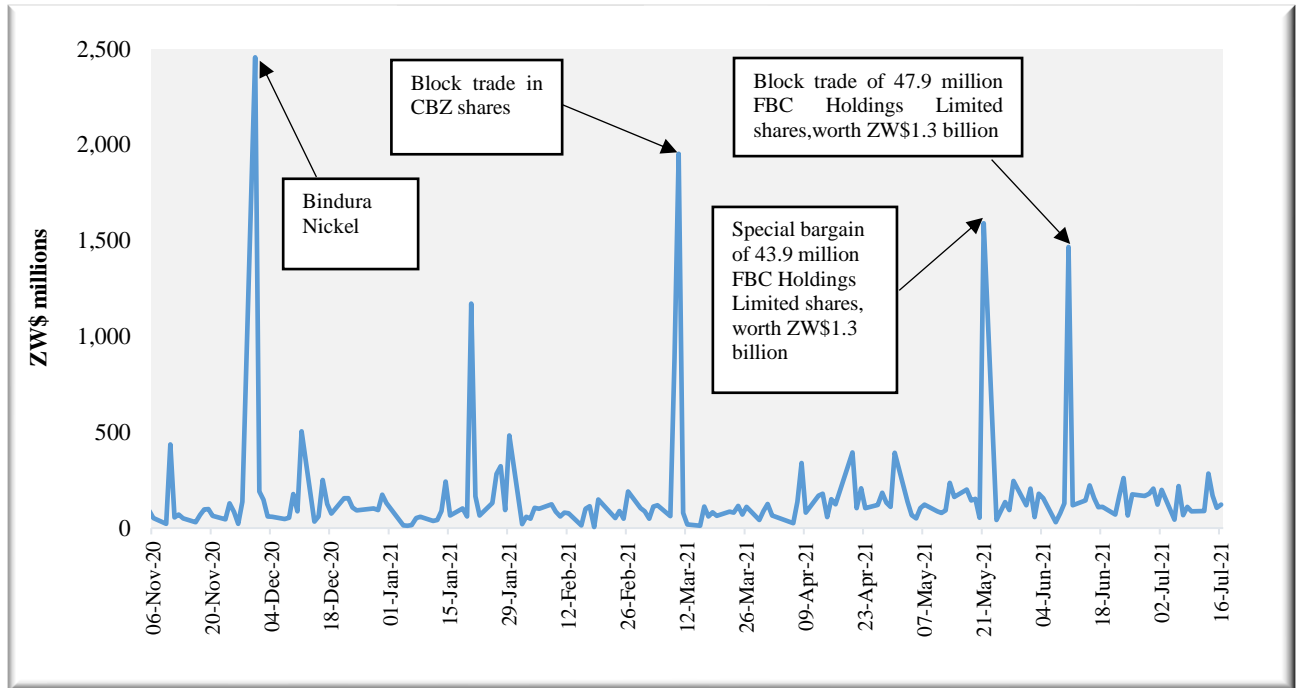
Source: Zimbabwe Stock Exchange, 2021

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.

Market Turnover and Volume

Owing to improved trading activity on the ZSE during the week under review, the cumulative volume and value of shares traded increased by 85.40% and 46.09% to 55.57 million shares and ZW\$771.09 million, respectively.

Figure 4: Daily Market Turnover

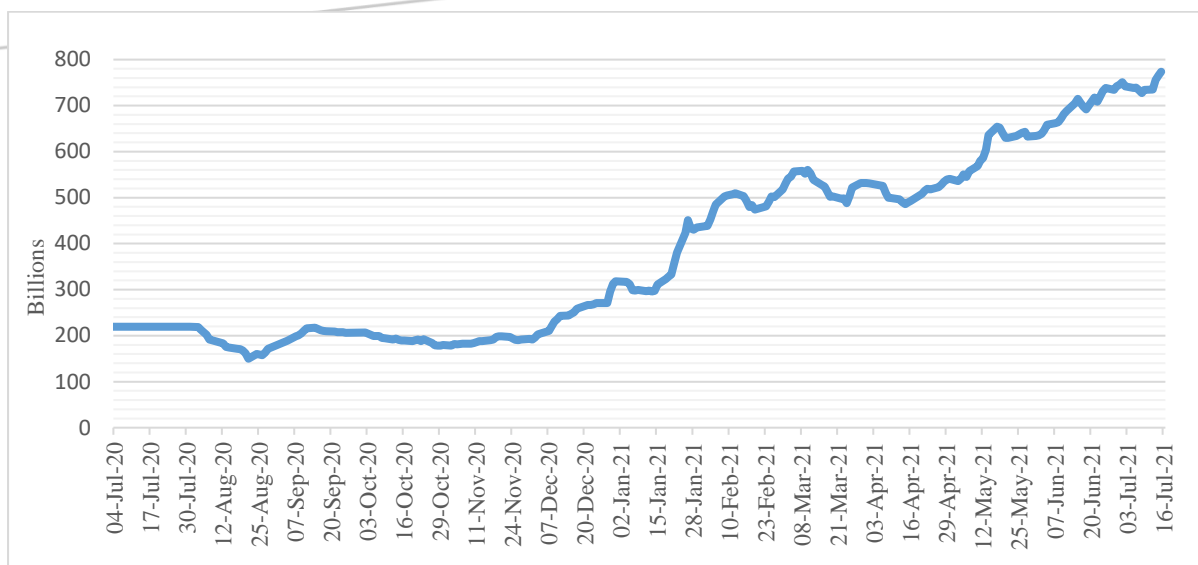


Source: Zimbabwe Stock Exchange, 2021

Market Capitalization

The local bourse gained ZW\$36.70 billion, or 5% worth of capitalization to close at ZW\$770.71 billion, during the week under analysis, following positive trading.

Figure 5: Daily Market Capitalization in ZW\$ billions



Source: Zimbabwe Stock Exchange, 2021

Johannesburg Stock Exchange (JSE) Developments

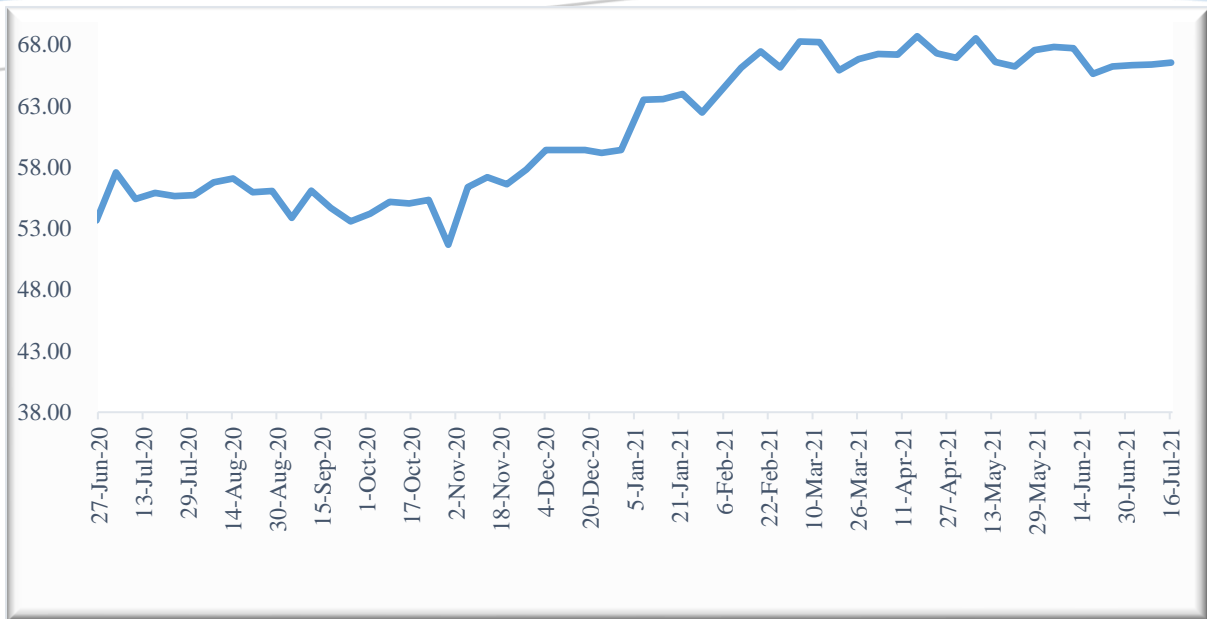
During the week under analysis, the Johannesburg Stock Exchange (JSE) All Share Index increased by 0.22% to close at 66 529.53 points, from 66 385.57 points recorded in the previous week. JSE market capitalization increased by 0.81% to close at ZAR18.73 trillion.

Table 8: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalization (ZAR trillions)
11-June-21	67,723.91	19.04
18-June-21	65,635.23	18.64
25-June-21	66,215.47	18.74
2-July-21	66,323.76	18.76
9-July-21	66,385.57	18.58
16-July-21	66,529.53	18.73
% Change	0.22	0.81

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			
	25-June-21	2-July-21	9-July-21	16-July-21	25-June-21	2-July-21	9-July-21	16-July-21
Total Bids (US\$ dollars)	36,952,648.91	33,935,720.53	34,558,007.09	36,682,230.81	7,805,948.50	8,038,987.65	7,749,452.73	8,439,127.69
Amount Allotted (US\$ dollars)	36,952,648.91	33,935,720.53	34,558,007.09	36,682,230.81	7,805,948.50	8,038,987.65	7,749,452.73	8,439,127.69
Highest Rate	90	90	90	90	90	90	90	90
Lowest Bid Rate	82	82	82	82	82	82	82	82
Lowest Bid Rate Allotted	82	82	82	82	82	82	82	82
Weighted Average Rate	85.3664	85.4234	85.5097	85.5099	85.3664	85.4234	85.5097	85.5099
Number of Bids Received	409	370	376	381	537	563	539	584
Number of Bids Rejected	37	39	39	30	29	43	36	32

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			
	25-June-21	2-July-21	9-July-21	16-July-21	25-June-21	2-July-21	9-July-21	16-July-21
Raw Materials	14,483,454.34	12,510,369.51	14,077,599.22	15,300,224.02	1,909,453.06	1,819,236.56	1,729,385.55	1,855,265.04
Machinery and Equipment	8,283,239.11	7,122,086.30	7,016,303.27	7,894,924.87	1,975,881.39	1,844,933.53	1,972,893.91	2,442,216.02
Consumables (Incl. Spares, Tyres, Packaging)	2,568,998.59	3,507,267.12	3,065,060.23	2,690,225.08	1,937,073.90	2,006,995.45	1,975,402.78	1,690,620.68
Pharmaceuticals and Chemicals	3,814,738.43	3,461,003.73	3,702,409.64	2,618,290.28	344,133.59	499,888.66	394,855.68	444,991.38
Services (Loans, Dividends and Disinvestments)	1,863,690.12	1,814,912.16	1,320,644.89	1,791,011.44	509,698.84	578,174.75	511,375.65	575,760.19
Retail and Distribution	3,469,710.01	2,888,414.87	3,210,048.87	3,721,669.82	689,849.28	783,172.37	655,316.87	811,269.47
Fuel, Electricity and Gas	1,317,791.03	1,630,588.39	1,333,354.93	1,747,233.43	156,771.88	194,334.69	158,059.75	323,011.21
Paper and Packaging	1,151,027.28	1,001,078.45	832,586.04	918,651.87	283,086.56	312,251.64	352,162.54	295,993.70
TOTAL	36,952,648.91	33,935,720.53	34,558,007.09	36,682,230.81	7,805,948.50	8,038,987.65	7,749,452.73	8,439,127.69

Source: Reserve Bank of Zimbabwe, 2021