



Weekly Economic Highlights

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Week Ending
12th March 2021

1. INTEREST RATES

Deposit Rates

During the week ending 12th March 2021, minimum deposit rates for saving deposits remained unchanged. Minimum deposit rates for deposits of 1 month and 3 month tenors increased by 0.14 and 0.87 percentage points, respectively. Maximum deposit rates for savings deposits softened by 0.20 percentage points to close at 4.04%, during the week under review. The week under analysis also saw maximum deposit rates for deposits of 1 month and 3 month tenors increase, 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 (%)
12-Feb-21	1.57	4.24	5.00	10.66	6.08	11.43
19-Feb-21	1.57	4.24	5.00	10.66	6.08	11.43
26-Feb-21	1.57	4.24	5.00	9.88	6.08	11.43
5-Mar-21	1.57	4.24	5.00	9.88	6.08	11.43
12-Mar-21	1.57	4.04	5.14	10.66	6.95	11.65

Source: Reserve Bank of Zimbabwe, 2021

Lending Rates

Minimum lending rates for individual clients at commercial banks declined, while those for corporate clients registered an increase, during the week ending 12th March 2021. Maximum commercial bank lending rates for individual and corporate clients were higher, compared to the previous week levels, as shown in Table 2.

Table 2: Lending Rates (per annum)

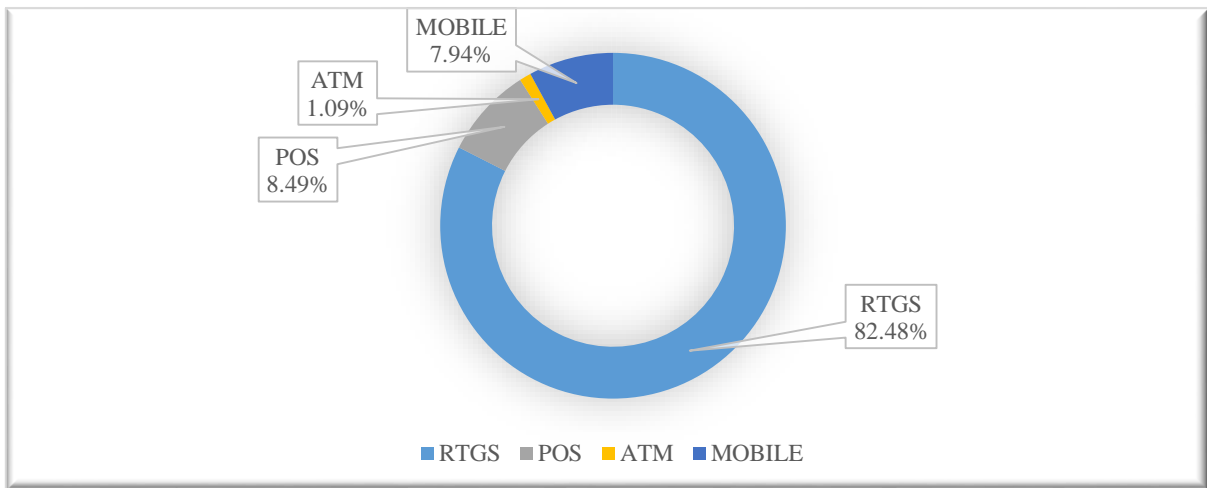
Date	Individual Clients		Corporate Clients	
	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
12-Feb-21	33.57	55.41	21.73	58.67
19-Feb-21	33.57	55.41	21.73	58.67
26-Feb-21	36.67	52.01	21.36	58.43
5-Mar-21	36.67	52.01	21.36	58.43
12-Mar-21	34.54	55.70	22.38	59.26

Source: Reserve Bank of Zimbabwe, 2021

2. CLEARING AND SETTLEMENT ACTIVITY

The National Payment System (NPS) processed transactions with a total value of ZW\$73.86 billion, during the week of analysis, down from ZW\$75.45 billion in the previous week. Real Time Gross Settlement (RTGS) transactions, however, increased by 0.74%, to close at ZW\$60.92 billion, during the same week. In value terms, NPS transactions were distributed as follows: RTGS, 82.48%; POS, 8.49%; Mobile, 7.94%; and ATM, 1.09%.

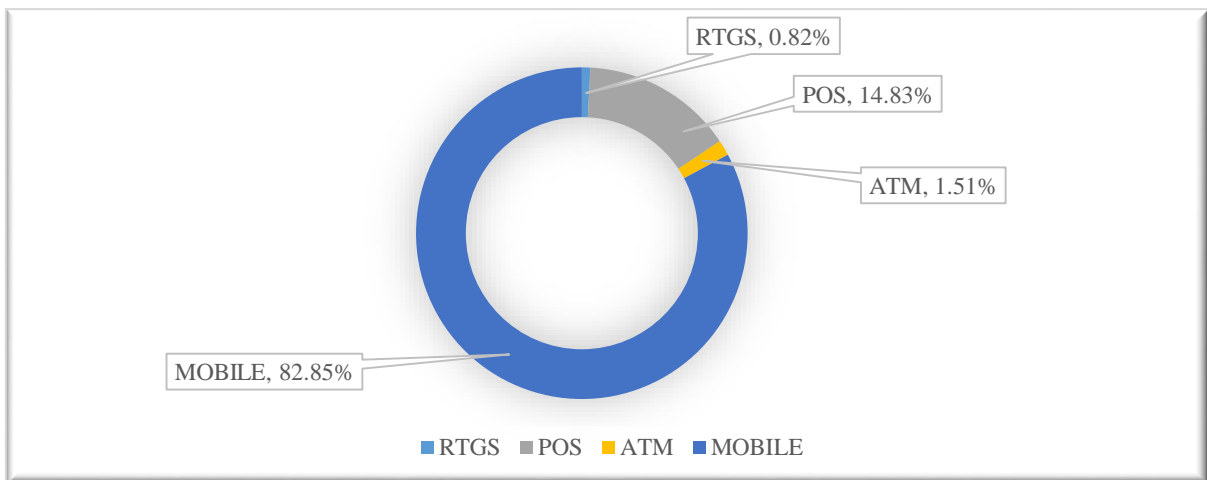
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2021

NPS transaction volumes were 4.33% higher than in the previous week, closing the week under review at 24.01 million transactions. The NPS transaction volumes were distributed as follows: Mobile, 82.25%; POS, 14.83%; RTGS, 0.82% and ATM, 1.51%.

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 MARCH 2021	WEEK ENDING 12 th MARCH 2021	% CHANGE FROM LAST WEEK	PROPORTION %
Values in ZW\$ Millions				
RTGS	60,471.41	60,916.70	0.74%	82.48%
POS	7,958.92	6,274.29	-21.17%	8.49%
ATM	1,014.03	805.20	-20.59%	1.09%
MOBILE	6,034.42	5,863.13	-2.84%	7.94%
TOTAL	75,478.79	73,859.32	-2.15%	100%
Volumes				
RTGS	267,711	196,593	-26.57%	0.82%
POS	4,230,222	3,560,075	-15.84%	14.83%
ATM	309,580	362,112	16.97%	1.51%
MOBILE	18,207,144	19,893,386	9.26%	82.85%
TOTAL	23,014,657	24,012,166	4.33%	100%

Source: Reserve Bank of Zimbabwe, 2021

3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

During the week ending 12th March 2021, international weekly average prices for gold, copper and nickel retreated, while those for platinum and crude oil firmed. Table 5 shows developments in selected commodity prices, during the week under review.

Table 4: Metal and Crude Oil Prices for the week-ending 12th March 2021

	Gold	Platinum	Copper	Nickel	Crude Oil
2021	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
Weekly average (1-5 March)	1,718.64	1,173.40	9,097.10	17,506.00	66.20
8-Mar	1,690.75	1,132.50	8,992.50	16,115.00	68.73
9-Mar	1,709.88	1,168.00	8,895.00	15,907.00	66.70
10-Mar	1,713.85	1,172.50	8,939.00	16,040.00	68.45
11-Mar	1,730.30	1,215.50	9,062.50	16,434.00	69.53
12-Mar	1,704.33	1,179.50	9,052.50	16,158.00	69.70
Weekly average (8-12 March)	1,709.82	1,173.60	8,988.30	16,130.80	68.62
Weekly Change (%)	-0.5	0.02	-1.2	-7.9	3.7

Source: BBC, KITCO and Bloomberg, 2021

Gold

Gold prices were generally steady during the week as investors awaited the outcome of the upcoming U.S. Federal Reserve monetary policy meeting. The yellow metal has been under pressure from the optimism stemming from global vaccine rollouts and concerns that the US stimulus would entice investors to riskier assets. Accordingly, prices marginally declined by 0.5%, to close at a weekly average of US\$1,709.82 per ounce.

Platinum

The average weekly price of platinum remained largely unchanged with a positive bias, as U.S. Treasury yields backed off recent highs and investors awaited cues from the Federal Reserve's policy meeting. Resultantly, prices rose by a marginal 0.02%, from US\$1,173.40 per ounce in the previous week to US\$1,173.60 per ounce, during the week under analysis.

Copper

Copper prices retreated for a second consecutive week, driven by expectations of weakened demand in China as the Asian giant economy is widely expected to restrain the coronavirus-related stimulus and credit expansion to contain debt risks. Consequently, prices declined by 1.2%, from a US\$9,097.10 per tonne in the previous week to US\$8,988.30 per tonne, during the week under review.

Nickel

Nickel prices retreated by 7.9%, from US\$17,506.00 per tonne in the week ending 5th March 2021 to US\$16,130.80 per tonne, during the week under review. The decline reflected easing shortage concerns, following a supply deal involving China's Tsingshan Holding Group. The Chinese firm announced arrangements to supply battery manufacturers with 100,000 tonnes of nickel matte.

Brent Crude Oil

Brent crude oil prices continued on an upward trend, largely on account of tight global supply conditions, emanating from production cuts by the Organization of Petroleum Exporting Countries (OPEC). In addition, prices were supported by reports of a sharp fall in crude inventories in the US, the world's largest crude oil consumer. As a result, prices rose by 0.4%, from a weekly average of US\$66.20 per barrel in the previous week to US\$68.62 per barrel, in the week ending 12th March 2021.

4. EXCHANGE RATE DEVELOPMENTS

During the week ending 12th March 2021, the local currency eased by a marginal 0.1% against the US dollar, from ZW\$83.8895 per US\$1 in the prior week, to an average of ZW\$83.9453 per US\$1. Table 5 shows developments in selected exchange rates, during the week under review.

Table 5: International Exchange Rates¹

	USD	ZAR	GBP	BWP	EURO
2021					
Weekly average (1-5 March)	83.8895	5.5631	116.8463	7.6234	101.0158
8-Mar	83.8891	5.4615	116.0105	7.5252	99.8996
9-Mar	83.8891	5.4186	116.1028	7.5171	99.4591
10-Mar	83.9827	5.4720	116.4296	7.5376	99.7380
11-Mar	83.9827	5.5695	117.0470	7.5714	100.1748
12-Mar	83.9827	5.6354	117.3577	7.6302	100.4856
Weekly average (8-12 March)	83.9453	5.5114	116.5895	7.5563	99.9514
Appr(-)/Depr(+) (%) of the ZWL	<i>0.1</i>	<i>-0.9</i>	<i>-0.2</i>	<i>-0.9</i>	<i>-1.1</i>

Source: Reserve Bank of Zimbabwe, 2021

5. EQUITY MARKETS

The Zimbabwe Stock Exchange (ZSE) was characterised by bearish sentiments, during the week ending 12th March 2021. This resulted in the All Share, Top 10 and Top 15 indices decreasing by 3.35%, 6.51%, and 5.86% to close at 4 461.41 points, 2 600.17 points and 2 995.51 points, respectively.

The decrease in the market indices was largely a result of share price declines for Zimbabwe Newspapers (1980) (20.51%), Afdis Distillers Limited (19.88%), CBZ Holdings Limited (17.03%), ZB Financial Holdings Limited (16.69%) and Hippo Valley Estates Limited (11.67%). Partially offsetting the aforementioned gains were increases in the share prices of National Tyre Services Limited (107.02%), Medtech Holdings Limited (101.43%), Turnall Holdings Limited (48.10%), Unifreight Holdings Limited (44.04%) and Willdale Limited (43.54%).

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

The mining index also declined by 14.19% to close at 5 798.04 points, during the week under review. The decline in the resource index was largely due to a 18.70% decline in the share price of Bindura Nickel Corporation Limited, while that for Riozim Limited remained unchanged.

Table 6: Zimbabwe Stock Exchange Statistics²

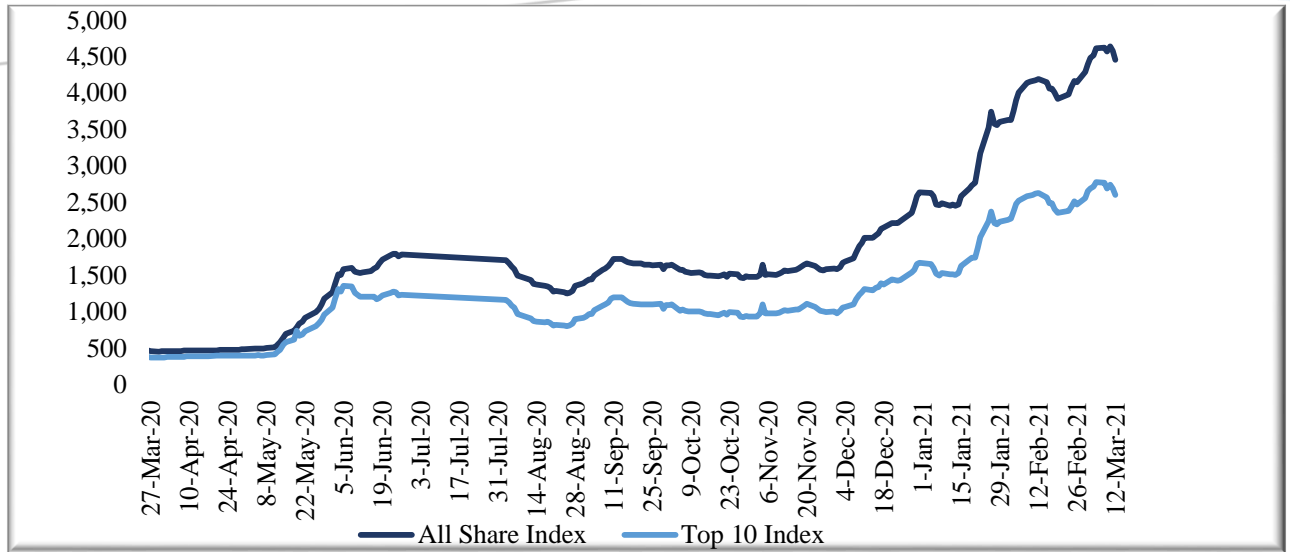
	All Share Index Points	Top 10 index (points)	Top 15 Index ³ points	Medium Cap ³ (points)	Small Cap ³ (points)	Mining Index (points)	Grand Market Capitalization (ZWL million)	Market Turnover (ZWL million)	Volume of Shares (million)
5-Feb-21	4 012.47	2 526.95	2 918.88	8 526.48	14 316.79	4 728.78	484.82	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
19-Feb-21	3 921.68	2 357.01	2 729.82	9 004.78	22 392.49	5 767.82	473.89	382.41	40.16
26-Feb-21	4154.37	2 469.42	2 847.26	9 697.12	26 164.14	6 683.44	501.18	380.53	44.06
5-March-21	4 615.87	2 781.34	3 181.89	10 442.02	34 496.32	6 756.94	557.13	471.56	37.48
12-March-21	4 461.41	2 600.17	2 995.51	10 576.56	42 963.35	5 798.04	538.68	2 993.15	81.93
% Change	-3.35	-6.51	-5.86	1.29	24.54	-14.19	-3.31	534.73	118.57

Source: Zimbabwe Stock Exchange (ZSE), 2021

Figure 3 shows developments in the ZSE's All Share and Top 10 indices from the 27th March 2020 to the 12th March 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: Zimbabwe Stock Exchange All Share and Top 10 Indices

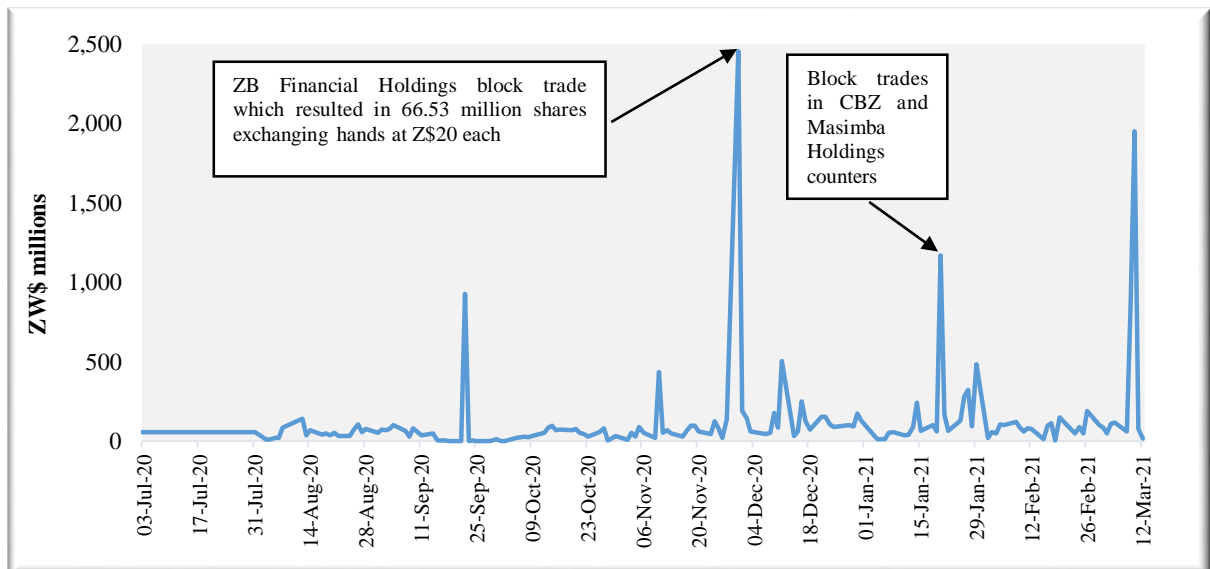


Source: Zimbabwe Stock Exchange, 2021

Market Turnover and Volume

The cumulative value and volume of shares traded on the ZSE increased by 534.73% and 118.57% to Z\$2.99 billion and 81.93 million shares, respectively, during the week ending 12th March 2021. Figure 3 shows the trend in daily market turnover for the period from 3rd Jul 2020 to 12th March 2021.

Figure 4: Daily Market Turnover

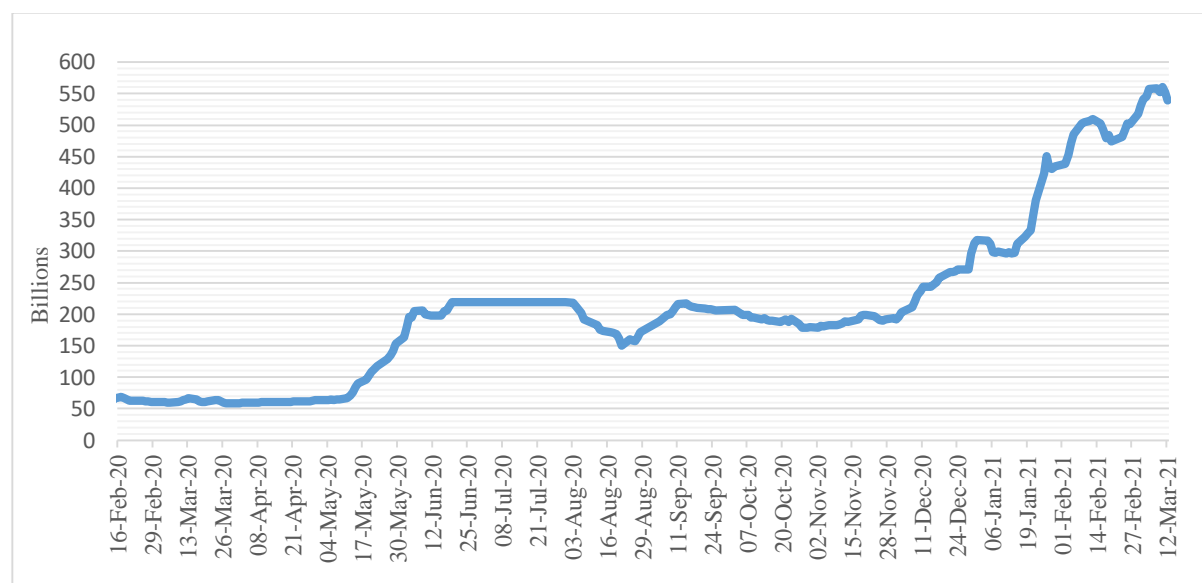


Source: Zimbabwe Stock Exchange, 2021

Market Capitalization

During the week under review, the ZSE lost ZW\$18.44 billion, or 3.31% worth of market capitalisation to close at ZW\$538.68 billion, compared to ZW\$557.13 billion recorded during the previous week. Figure 5 shows market capitalization developments for the period 16th February 2020 to 12th March 2021.

Figure 5: Daily Market Capitalization in ZW\$ billions



Source: Zimbabwe Stock Exchange, 2021

Johannesburg Stock Exchange (JSE) Developments

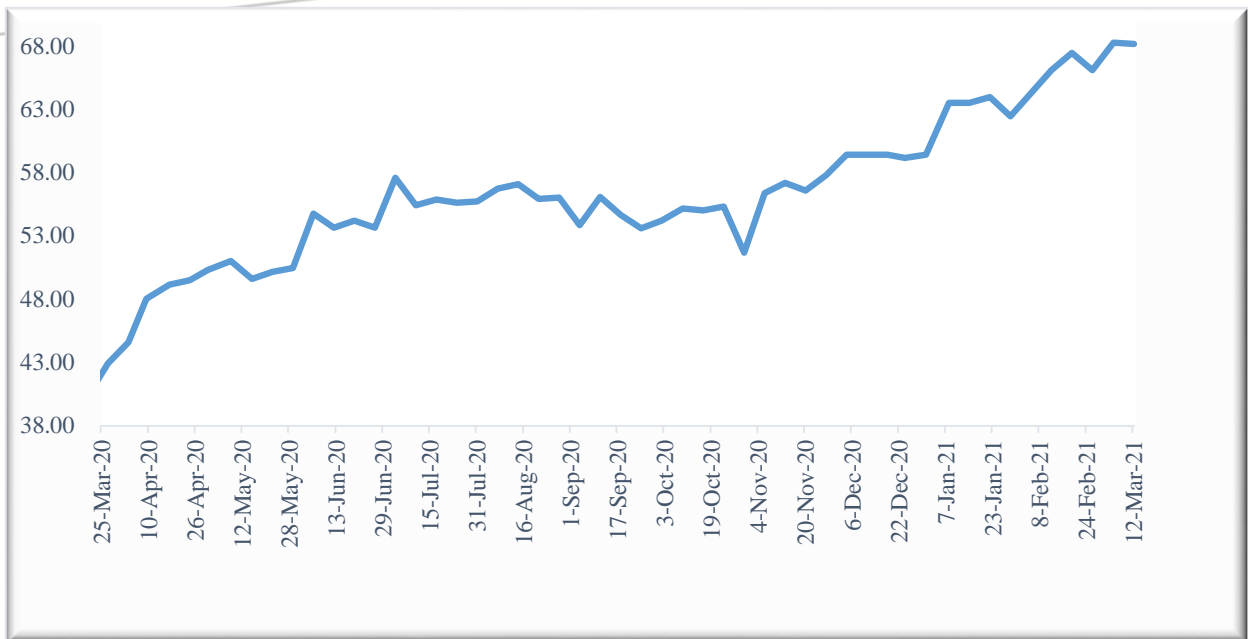
The week under review saw the Johannesburg Stock Exchange (JSE) All share index decline by 0.09% to close at 68,209.86 points, from 68,271.19 points recorded in the previous week. JSE market capitalization declined by 0.31% to close at ZAR19.47 trillion, during the same week.

Table 7: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalization (ZAR trillions)
5-February-21	64,289.48	18.92
12-February-21	66,132.24	19.22
19-February-21	67,464.86	19.64
26-February-21	66,138.05	19.04
5-March-21	68,271.19	19.53
12-March-21	68,209.86	19.47
% Change	-0.09	-0.31

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			
	16-Feb-21	23-Feb-21	2-Mar-21	9-Mar-21	16-Feb-21	23-Feb-21	2-Mar-21	9-Mar-21
Total Bids (US\$ dollars)	35,658,511.50	34,615,283.93	32,001,222.04	34,171,927.42	2,928,388.78	2,579,573.89	3,106,385.22	2,971,567.57
Amount Allotted (US\$ dollars)	35,658,511.50	34,615,283.93	32,001,222.04	34,171,927.42	2,928,388.78	2,579,573.89	3,106,385.22	2,971,567.57
Highest Rate	89	87	87	86	88	88	86	86
Lowest Rate	82	82	82	82	82	82	82	82
Lowest Accepted Rate	82	82	82	82	82	82	82	82
Weighted Average Rate	83.7573	83.8868	83.8891	83.9827	83.7573	83.8868	83.8891	83.9827
Number of Bids Received	368	301	365	371	235	183	279	241
Number of Bids Rejected	44	34	61	73	19	23	43	36

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			
	16-Feb-21	23-Feb-21	2-Mar-21	9-Mar-21	16-Feb-21	23-Feb-21	2-Mar-21	9-Mar-21
Raw Materials	17,632,366.75	16,141,537.62	13,559,653.70	15,720,208.45	642,079.49	613,448.97	761,530.80	658,141.19
Machinery and Equipment	6,168,295.87	6,232,922.02	5,040,973.36	5,336,512.45	584,020.62	485,101.40	540,545.30	618,280.19
Consumables (Incl. Spares, Tyres, Packaging)	2,297,642.05	2,156,924.38	2,632,893.20	2,893,994.60	728,829.69	714,924.93	676,256.00	566,806.87
Pharmaceuticals and Chemicals	1,897,952.19	2,374,832.50	2,056,113.86	2,303,755.38	127,726.27	156,065.84	211,727.57	231,964.61
Services (Loans, Dividends and Disinvestments)	2,420,340.41	1,818,742.38	2,680,874.08	2,061,071.82	352,162.24	206,427.25	422,505.26	281,116.43
Retail and Distribution	2,265,229.28	3,020,305.55	2,622,980.74	2,951,055.68	215,332.56	211,500.25	246,103.63	195,839.97
Fuel, Electricity and Gas	2,747,681.03	2,357,818.73	3,134,583.10	2,439,825.38	215,769.41	171,870.25	215,829.26	257,000.94
Paper and Packaging	229,003.92	512,200.75	273,150.00	465,503.66	62,468.50	20,235.00	31,887.40	162,417.37
TOTAL	35,658,511.50	34,615,283.93	32,001,222.04	34,171,927.42	2,928,388.75	2,579,573.89	3,106,385.22	2,971,567.57

Source: Reserve Bank of Zimbabwe, 2021