



Weekly Economic Highlights

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Week Ending
5th March 2021

1. INTEREST RATES

Deposit Rates

During the week ending 5th March 2021, minimum and maximum deposit rates for all classes of deposits remained at 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 (%)
5-Feb-21	1.57	4.47	5.11	10.27	6.26	11.15
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

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)

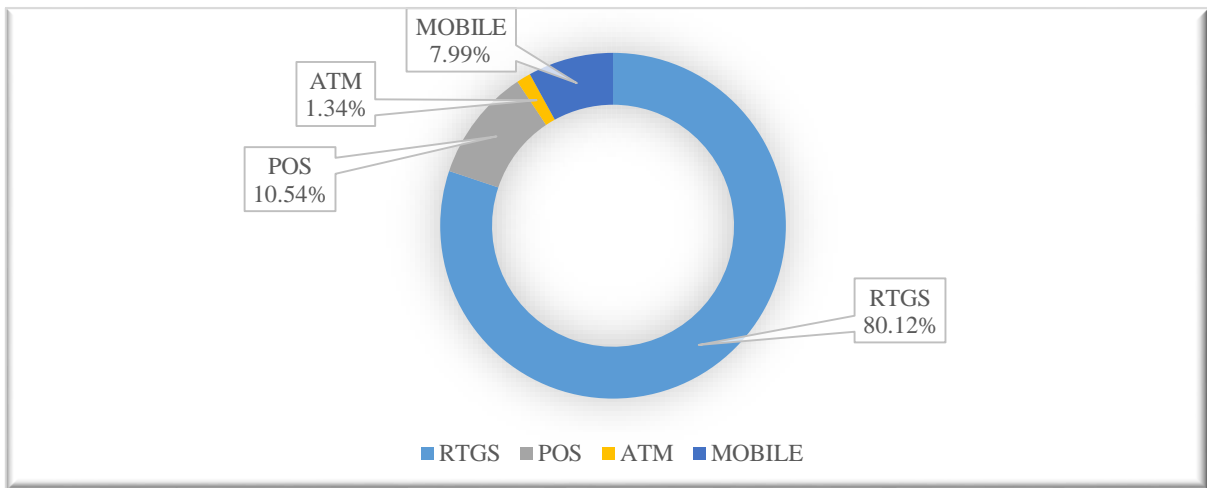
Date	Individual Clients		Corporate Clients	
	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
5-Feb-21	32.65	55.57	22.77	61.12
12-Feb-21	33.57	55.41	21.73	58.67
19-Feb-21	33.57	55.41	21.73	58.67
26-Feb-21	36.67	52.01	21.36	58.43
5-Mar-21	36.67	52.01	21.36	58.43

Source: Reserve Bank of Zimbabwe, 2021

2. CLEARING AND SETTLEMENT ACTIVITY

During the week under review, transactions processed through the National Payment Systems (NPS) amounted to ZW\$75.45 billion, a 3.00% decline from ZW\$77.81 billion recorded in the previous week. Real Time Gross Settlement (RTGS) transactions declined by 6.06% to close at ZW\$60.47 billion, during the week of analysis. NPS transaction values were distributed as follows: RTGS, 80.12%; POS, 10.54%; Mobile, 7.99% and ATM, 1.34%.

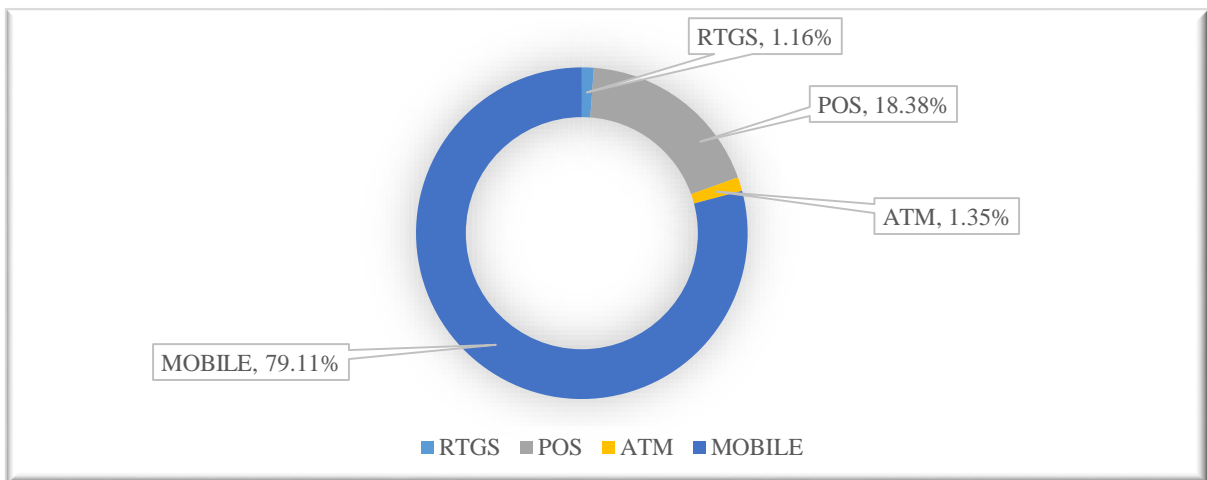
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2021

The volume of NPS transactions rose by 6.27% to close at 23.01 million transactions, during the week ending 5th March 2021. In proportions, NPS transaction volumes were distributed as follows: Mobile, 79.11%; POS, 18.38%; RTGS, 1.16% and ATM, 1.35%.

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 26 th FEBRUARY 2021	WEEK ENDING 5 th MARCH 2021	% CHANGE FROM LAST WEEK	PROPORTION %
Values in ZW\$ Millions				
RTGS	64,373.00	60,471.41	-6.06%	80.12%
POS	6,950.05	7,958.92	14.52%	10.54%
ATM	482.00	1,014.03	110.38%	1.34%
MOBILE	6,004.49	6,034.42	0.50%	7.99%
TOTAL	77,809.55	75,478.79	-3.00%	100%
Volumes				
RTGS	246,947	267,711	8.41%	1.16%
POS	3,634,512	4,230,222	16.39%	18.38%
ATM	243,761	309,580	27.00%	1.35%
MOBILE	17,532,175	18,207,144	3.85%	79.11%
TOTAL	21,657,395	23,014,657	6.27%	100%

Source: Reserve Bank of Zimbabwe, 2021

3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

International weekly average prices for gold, platinum, copper and nickel retreated, during the week ending 5th March 2021. Brent crude oil prices, however, increased during the same week.

Table 5 shows developments in selected commodity prices, during the week under review.

Table 4: Metal and Crude Oil Prices for the week-ending 5th March 2021

	Gold	Platinum	Copper	Nickel	Crude Oil
2021	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
Weekly average (22-26 Feb)	1,790.99	1,243.20	9,259.70	19,288.40	65.96
1-Mar	1,740.55	1,207.00	9,198.00	18,655.00	62.99
2-Mar	1,726.18	1,186.00	9,213.50	18,580.00	62.96
3-Mar	1,719.23	1,195.00	9,266.00	17,802.00	64.45
4-Mar	1,711.08	1,158.00	8,786.50	16,144.00	69.38
5-Mar	1,696.15	1,121.00	9,021.50	16,349.00	71.21
Weekly average (1-5 March)	1,718.64	1,173.40	9,097.10	17,506.00	66.20
Weekly Change (%)	-4.0	-5.6	-1.8	-9.2	0.4

Source: BBC, KITCO and Bloomberg, 2021

Gold

Gold prices continued on a negative trajectory largely on account of a strengthening US dollar and high US Treasury yields, a development which continued to erode the appeal for the yellow metal. Furthermore, optimism that the rollout of Covid-19 vaccines would drive global economic recovery pushed investors to switch from the traditional safe haven to other interest bearing assets. Consequently, the weekly average price of gold declined by 4.0%, from an average of US\$1,790.99 per ounce in the previous week to US\$1,718.64 per ounce, during the week under review.

Platinum

Platinum prices slumped by 5.6%, from US\$1,243.20 per ounce in the previous week to US\$1,173.40 per ounce, during the week ending 5th March 2021. The sustained decline in the price of the precious metal was attributable to a stronger US dollar and surging bond yields, which curbed its investment demand prospects.

Copper

Copper prices reversed gains recorded in recent weeks, shedding about 1.8%, to close the week at US\$9,097.10 per tonne. This was due to rising stockpiles that triggered a more aggressive round of sell-off in industrial metals. The metal was further weighed down by signs of weakening demand in China, as reports showed that factory activity had eased in February 2021.

Nickel

Nickel prices declined by 9.2%, from US\$19,288.40 per tonne in the previous week to US\$17,506.00 per tonne, during the week under review. Prices slumped after a major deal by a Chinese firm, Tsingshan Holdings Group, eased worries of battery-grade nickel supply shortages. The Chinese firm signed agreements to provide nickel matte, which is used to make batteries for electric vehicles, thereby easing worries of shortages. Nickel was trading at record highs in recent weeks, on expectations that surging demand from the electric-vehicle sub-sector would result in shortages.

Brent Crude Oil

Brent crude oil prices remained bullish, owing to tight global supply conditions, as OPEC member states extended production cuts in their last meeting. Against this backdrop, crude oil

prices rose by 0.4%, from a weekly average of US\$65.96 per barrel in the previous week to US\$66.20 per barrel, during the week ending 5th March 2021.

4. EXCHANGE RATE DEVELOPMENTS

During the week ending 5th March 2021, the Zimbabwe dollar (ZW\$) marginally depreciated against the US dollar, coming off by 0.1%, from ZW\$83.8350 per US\$1 in the prior week to an average of ZW\$83.8895 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 (22-26 Feb)	83.8350	5.7098	117.7316	7.7007	101.7693
1-Mar	83.8900	5.5975	117.3032	7.6301	101.3899
2-Mar	83.8900	5.5664	116.3637	7.6258	100.8406
3-Mar	83.8891	5.6164	117.0465	7.6218	101.3969
4-Mar	83.8891	5.5679	117.0633	7.6261	101.1370
5-Mar	83.8891	5.4675	116.4552	7.6133	100.3149
Weekly average (1-5 March)	83.8895	5.5631	116.8463	7.6234	101.0158
Appr(-)/Depr(+) (%) of the ZWL	<i>0.1</i>	<i>-2.6</i>	<i>-0.8</i>	<i>-1.0</i>	<i>-0.7</i>

Source: Reserve Bank of Zimbabwe, 2021

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

5. EQUITY MARKETS

The Zimbabwe Stock Exchange (ZSE) was bullish during the week under analysis, with Small Cap, Top 10, Top 15 and All Share Indices increasing by 31.85%, 12.63%, 11.75% and 11.11% to close at 34 496.32 points, 2 781.34 points, 3 181.89 points and 4 615.87 points, respectively.

The increase in the market indices was largely a result of gains share prices for National Tyre Services Limited (106.61%), General Beltings Holdings Limited (82.08%), Turnall Holdings Limited (72.67%), Fidelity Life Assurance Limited (66.67%) and Lafarge Cement Zimbabwe Limited (43.48%). The losses were partially offset by share price increases for First Capital Bank Limited (18.11%), Ok Zimbabwe Limited (12.38%), Masimba Holdings Limited (10.53%), Dairiboard Holdings Limited (7.31%) and Medtech Holdings Limited (6.67%).

The mining index was 1.10% higher, to close at 6 756.94 points during the week ending 5th March 2021. This was on account of the 1.45% increase in the share price of Bindura Nickel Corporation Limited. The share price for Riozim Limited, however, remained unchanged during the same week.

Table 6: Zimbabwe Stock Exchange Statistics²

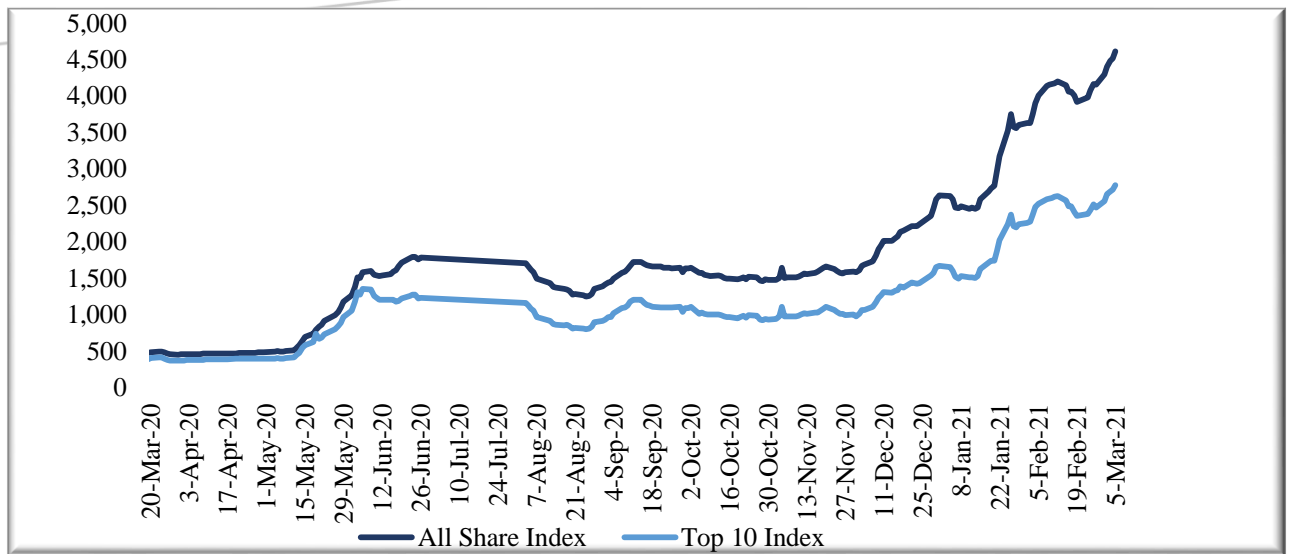
	All Share Index Points	Top 10 index (points)	Top 15 Index ³ points	Medium Cap ³ (points)	Small Cap ³ (points)	Mining Index (points)	Grand Market Capitalization (ZWL million)	Market Turnover (ZWL million)	Volume of Shares (million)
29-Jan-21	3 600.82	2 238.20	2 587.61	7 853.90	13 036.27	4 356.74	434.86	1 315.21	110.23
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
% Change	11.11	12.63	11.75	7.68	31.85	1.10	11.16	23.92	-14.93

Source: Zimbabwe Stock Exchange (ZSE), 2021

Figure 3 shows developments in the ZSE's All Share and Top 10 indices from the 20th March 2020 to the 5th February 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

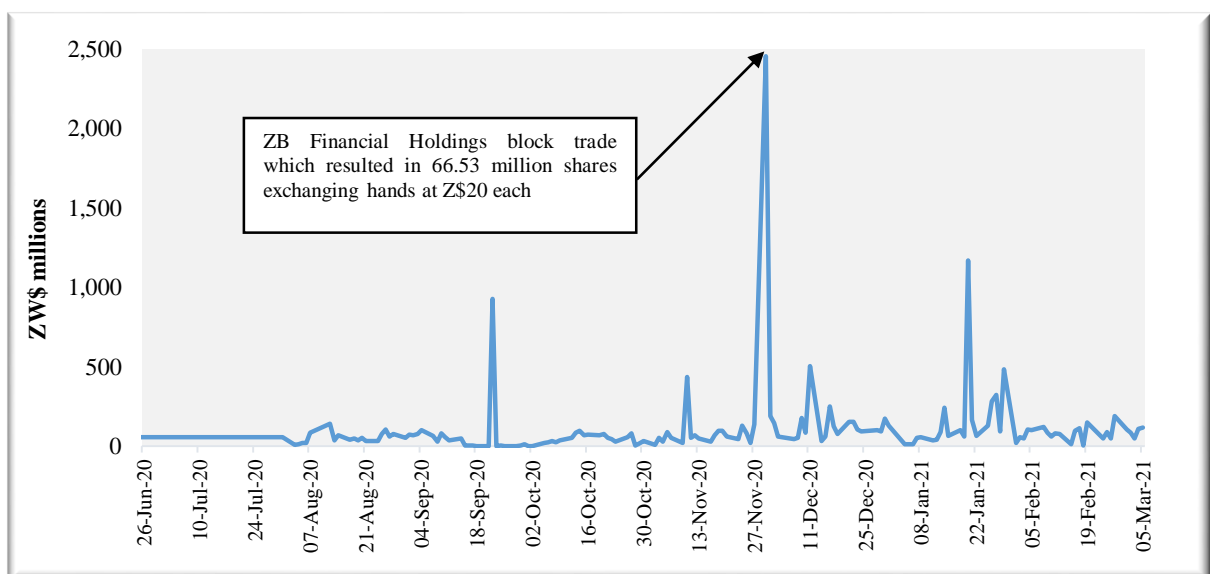


Source: Zimbabwe Stock Exchange, 2021

Market Turnover and Volume

The cumulative value of shares traded on the ZSE increased by 23.92% to Z\$471.56 million during the week under review. Shares traded, in volume terms, decreased by 14.92% to 37.48 million shares, during the same period. Figure 3 shows the trend in daily market turnover for the period from 26th June 2020 to 5th March 2021.

Figure 4: Daily Market Turnover

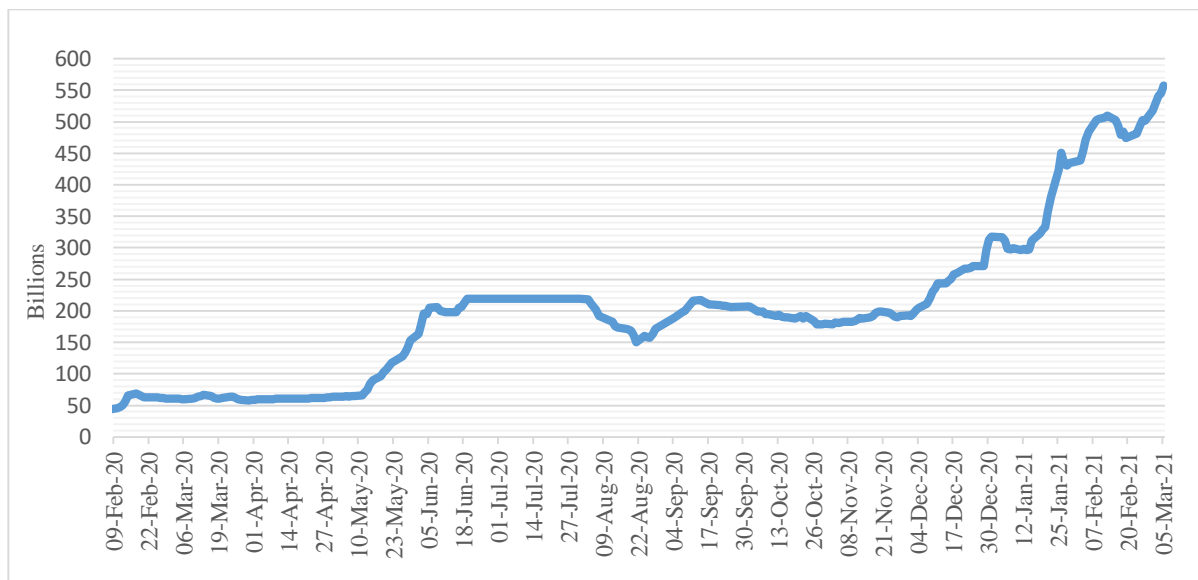


Source: Zimbabwe Stock Exchange, 2021

Market Capitalization

The ZSE registered a gain of ZW\$55.94 billion, or 11.16% worth of market capitalisation to close at ZW\$557.13 billion, compared to ZW\$501.18 billion recorded during the previous week.

Figure 5: Daily Market Capitalization in ZW\$ billions



Source: Zimbabwe Stock Exchange, 2021

Johannesburg Stock Exchange (JSE) Developments

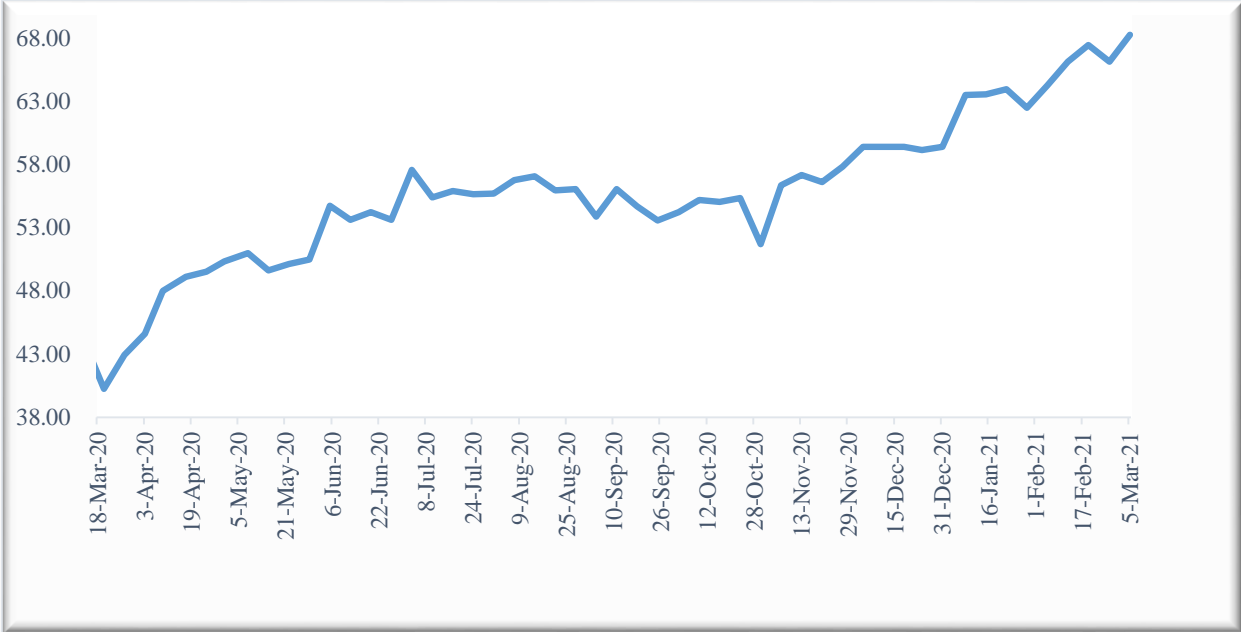
The Johannesburg Stock Exchange (JSE) All share index recovered from previous week losses, registering a gain of 3.23% to close at 68,271.19 points, during the week under review. Similarly, JSE market capitalization increased by 2.57%, from ZAR19.04 trillion in the previous week to close at ZAR19.53 trillion, during the week under analysis.

Table 7: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalization (ZAR trillions)
29-January-21	62,472.10	18.49
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
% Change	3.23	2.57

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			
	9-Feb-2	16-Feb-21	23-Feb-21	5-Mar-21	9-Feb-21	16-Feb-21	23-Feb-21	2-Mar-21
Total Bids (US\$ dollars)	31,980,155.84	35,658,511.50	34,615,283.93	32,001,222.04	2,646,464.78	2,928,388.78	2,579,573.89	3,106,385.22
Amount Allotted (US\$ dollars)	31,980,155.84	35,658,511.50	34,615,283.93	32,001,222.04	2,646,464.78	2,928,388.78	2,579,573.89	3,106,385.22
Highest Rate	87	89	87	87	88	88	88	86
Lowest Rate	81	82	82	82	81	82	82	82
Lowest Accepted Rate	82	82	82	82	82	82	82	82
Weighted Average Rate	83.3720	83.7573	83.8868	83.8891	83.3720	83.7573	83.8868	83.8891
Number of Bids Received	331	368	301	365	215	235	183	279
Number of Bids Rejected	28	44	34	61	18	19	23	43

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			
	9-Feb-21	16-Feb-21	23-Feb-21	2-Mar-21	9-Feb-21	16-Feb-21	23-Feb-21	2-Mar-21
Raw Materials	14,241,558.32	17,632,366.75	16,141,537.62	13,559,653.70	59,5412.97	642,079.49	613,448.97	761,530.80
Machinery and Equipment	4,581,809.57	6,168,295.87	6,232,922.02	5,040,973.36	615,646.39	584,020.62	485,101.40	540,545.30
Consumables (Incl. Spares, Tyres, Packaging)	1,994,243.28	2,297,642.05	2,156,924.38	2,632,893.20	521,743.38	728,829.69	714,924.93	676,256.00
Pharmaceuticals and Chemicals	1,946,511.09	1,897,952.19	2,374,832.50	2,056,113.86	136,593.07	127,726.27	156,065.84	211,727.57
Services (Loans, Dividends and Disinvestments)	2,606,817.67	2,420,340.41	1,818,742.38	2,680,874.08	278,588.16	352,162.24	206,427.25	422,505.26
Retail and Distribution	3,326,741.91	2,265,229.28	3,020,305.55	2,622,980.74	275,661.05	215,332.56	211,500.25	246,103.63
Fuel, Electricity and Gas	2,872,621.27	2,747,681.03	2,357,818.73	3,134,583.10	157,564.75	215,769.41	171,870.25	215,829.26
Paper and Packaging	409,852.73	229,003.92	512,200.75	273,150.00	65,285.01	62,468.50	20,235.00	31,887.40
TOTAL	31,980,155.84	35,658,511.50	34,615,283.93	32,001,222.04	2,646,461.78	2,928,388.75	2,579,573.89	3,106,385.22

Source: Reserve Bank of Zimbabwe, 2021