



Weekly Economic Highlights

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Week Ending
28th May 2021

1. INTEREST RATES

Deposit Rates

Minimum and maximum deposit rates for savings deposits, deposits of 1-month and 3-month tenors were unchanged during the week ending 28th May 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 (%)
30-Apr-21	1.57	4.04	5.03	10.71	6.82	11.78
7-May-21	1.57	4.04	5.19	10.83	6.89	11.67
14-May-21	1.57	4.04	5.19	10.83	6.89	11.67
21-May-21	1.57	4.04	5.19	10.83	6.89	11.72
28-May-21	1.57	4.04	5.19	10.83	6.89	11.72

Source: Reserve Bank of Zimbabwe, 2021

Lending Rates

During the week under review, minimum and maximum commercial bank lending rates for both individual and corporate clients remained unchanged, as shown in Table 2.

Table 2: Lending Rates (per annum)

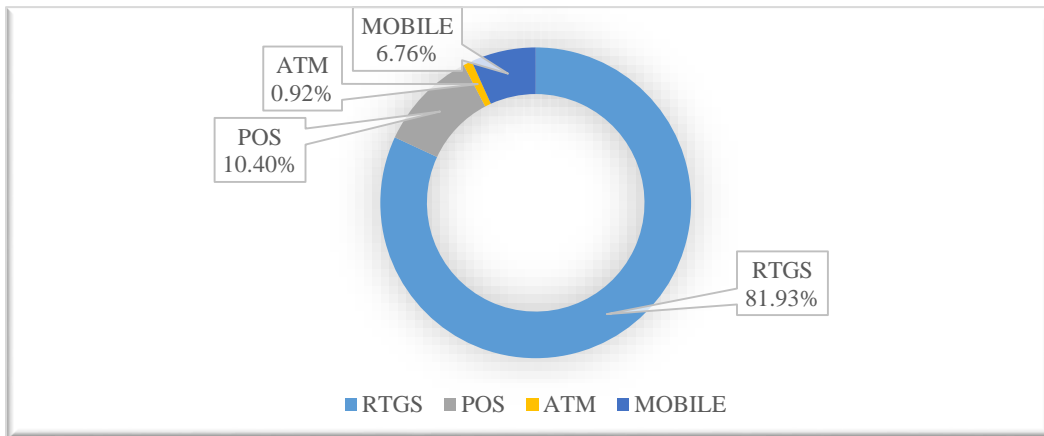
Date	Individual Clients		Corporate Clients	
	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
30-Apr-21	35.22	57.08	22.59	59.75
7-May-21	35.91	57.17	22.46	59.80
14-May-21	35.91	57.17	22.49	59.80
21-May-21	34.84	56.21	21.76	59.67
28-May-21	34.84	56.21	21.76	59.67

Source: Reserve Bank of Zimbabwe, 2021

2. CLEARING AND SETTLEMENT ACTIVITY

The value of transactions processed through the National Payment System (NPS) registered a decline from ZW\$102.97 billion in the previous week to ZW\$98.41 billion, during the week under analysis. Similarly, Real Time Gross Settlement (RTGS) transactions were lower by 6.76% to close at ZW\$80.63 billion, during the week under review. The distribution of the NPS transaction values was as follows: RTGS, 81.93%; POS, 10.40%; Mobile, 6.76% and ATM, 0.92%.

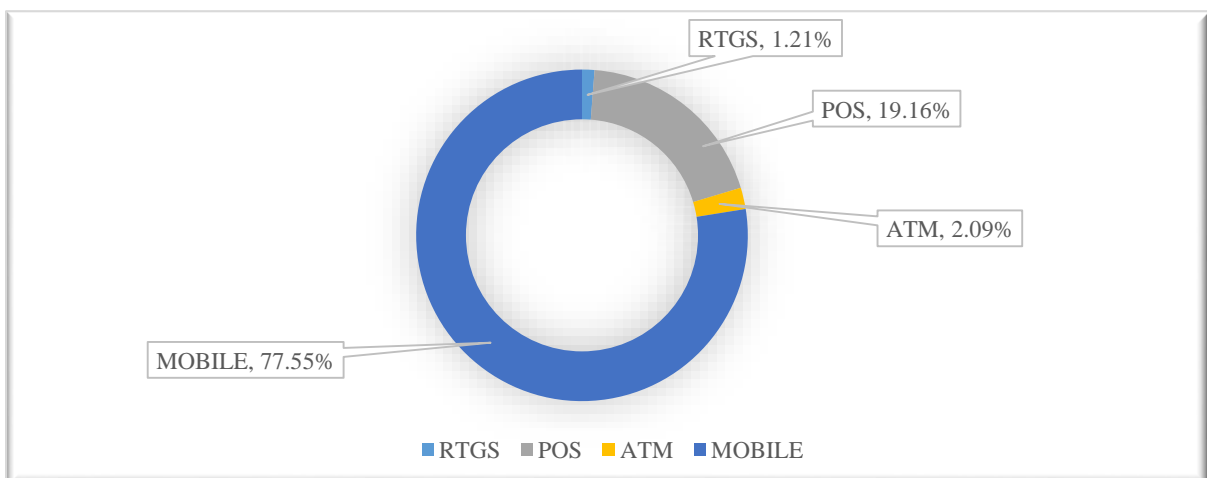
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2021

The volume transactions processed through the NPS increased by 7.52% to close at 23.57 million transactions, during the week ending 28th May 2021. The NPS transaction volumes were distributed as follows: Mobile, 77.55%; POS, 19.16%; ATM, 2.09% and RTGS, 1.21%.

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 21 st MAY 2021	WEEK ENDING 28 th MAY 2021	% CHANGE FROM LAST WEEK	PROPORTION %
Values in ZW\$ Millions				
RTGS	86,468.55	80,627.06	-6.76%	81.93%
POS	10,022.31	10,232.61	2.10%	10.40%
ATM	581.81	903.57	55.30%	0.92%
MOBILE	5,901.17	6,648.82	12.67%	6.76%
TOTAL	102,973.86	98,412.06	-4.43%	100%
Volumes				
RTGS	223,519	284,508	27.29%	1.21%
POS	4,536,113	4,516,315	-0.44%	19.16%
ATM	420,597	492,591	17.12%	2.09%
MOBILE	16,747,062	18,282,889	9.17%	77.55%
TOTAL	21,927,291	23,576,303	7.52%	100%

Source: Reserve Bank of Zimbabwe, 2021

3. TOBACCO SALES

As at 28th May 2021 or day 36 of the 2021 tobacco selling season, an aggregate of 124.26 million kilograms of tobacco had been sold. This represented a 33.50% increase, compared to the 93.07 million kilograms sold during the comparable period in 2020. Turnover realized from the sales amounted to US\$335.24 million and was 54.49% higher than the US\$216.72 million recorded during the corresponding period in 2020.

Table 4: Weekly Cumulative Tobacco Sales: Day 36 (28th May 2021)

	2020	2021	Variance (%)
Cumulative Quantity Sold (million kgs)	93,072,789	124,256,577	33.50
Average Price(US\$/kg)	2.33	2.70	15.79
Cumulative value (US\$ million)	216,716,094	335,235,168	54.69

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

The golden leaf was sold at an average price of US\$2.70/kg during the period under review, down from an average of US\$2.33/kg, in the same period in 2020.

4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international commodity prices of platinum, copper and nickel, declined during the week ending 28th June 2021. Gold and crude oil prices, however, firmed, as shown in Table 5.

Table 5: Metal and Crude Oil Prices for the week-ending 28th May 2021

	Gold	Platinum	Copper	Nickel	Crude Oil
2021	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
Weekly Average (17 – 21 May)	1,867.30	1,212.40	10,186.70	17,583.60	67.24
24-May	1,878.50	1,169.00	9,868.00	16,780.00	68.31
25-May	1,884.90	1,184.00	9,943.00	17,125.00	68.35
26-May	1,902.03	1,201.50	9,965.00	17,168.00	68.42
27-May	1,893.25	1,187.50	10,032.50	17,364.00	69.48
28-May	1,896.20	1,176.00	10,159.50	17,811.00	69.02
Weekly Average (24 – 28 May)	1,890.98	1,183.60	9,993.60	17,249.60	68.72
Weekly Change (%)	<i>1.3</i>	<i>-2.4</i>	<i>-1.9</i>	<i>-1.9</i>	<i>2.2</i>

Source: BBC, KITCO and Bloomberg, 2021

Gold

Gold prices remained upbeat during the week, benefitting from safe haven demand, amid a weaker US dollar and subdued performance in most interest-bearing assets. The increase was, however, limited as the U.S Federal Reserve indicated plans to tighten monetary policy, while reducing its massive bond purchases, if the economy continues on a recovery path post the pandemic slump. Resultantly, the weekly average price of the precious metal rose by 1.3%, from US\$1,867.30 per ounce in the previous week to US\$1,890.98 per ounce, during the week ending 28th May 2021.

Platinum

Platinum prices continued to be depressed, amid concerns of subdued industrial demand in China, as the country stepped-up efforts to contain raw material costs in light of inflation fears. Against this backdrop, platinum prices further declined by 2.4%, from a weekly average of US\$1,212.40 per ounce in the previous week to US\$1,183.60 per ounce, during the week under review.

Copper

Copper prices declined by 1.9%, from a weekly average of US\$10,186.70 per tonne in the prior week to US\$9,993.60 per tonne, during the week under analysis. Prices retreated following a crackdown on commodity markets in the Chinese economy.

Nickel

Similarly, nickel prices eased by 1.9%, from a weekly average of US\$17,583.60 per tonne in the preceding week to US\$17,249.60 per tonne, during the week ending 28th May 2021. This was on the back of investor concerns about the demand situation in China.

Brent Crude Oil

Brent Crude oil prices rebounded during the week under review, after U.S. government data showed a sudden decline in crude oil inventories. This outweighed demand concerns about rising coronavirus cases in Asia as well as concerns over the prospects for a return of Iranian crude oil supplies to the global market. Accordingly, weekly average prices of crude oil rose by 2.2%, to close the week under review at US\$68.72 per barrel.

5. EXCHANGE RATE DEVELOPMENTS

On the foreign exchange auction market, the Zimbabwe dollar (ZWL) traded steadily against the US dollar, sliding by 0.1%, from an average of ZW\$84.6352 per US\$1 in the previous week to ZW\$84.6877 per US\$1, during the week under analysis. The developments in selected exchange rates are shown in Table 6.

Table 6: International Exchange Rates¹

	USD	ZAR	GBP	BWP	EURO
2021					
Weekly Average (10 – 14 May)	84.6352	6.0213	119.7496	7.8951	103.1647
24-May	84.6494	6.0698	119.8171	7.9238	103.1623
26-May	84.6494	6.1557	119.6119	7.9815	103.3064
27-May	84.7259	6.1557	119.6119	7.9815	103.3064
28-May	84.7259	6.1463	120.1964	7.9687	103.2006
Weekly Average (24 – 28 May)	84.6877	6.1319	119.8093	7.9639	103.2439
<i>Appr(-)/Depr(+)</i> (%) <i>of the ZWL</i>	<i>0.1</i>	<i>1.8</i>	<i>0.05</i>	<i>0.9</i>	<i>0.1</i>

Source: Reserve Bank of Zimbabwe, 2021

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

6. EQUITY MARKETS

During the week ending 28th May 2021, the Zimbabwe Stock Exchange (ZSE) recovered from the loss in the previous week. The All Share, Medium Cap and Small Cap indices gained 0.68%, 3.87%, and 16.67% to close at 5 415.23 points, 14 058.91 points and 68 279.48 points, respectively. The Top 10 and Top 15 indices, however, registered marginal losses of 1.85% and 0.29% to close at 2 964.82 points and 3 389.72 points, respectively.

The increase in the market indices emanated from share price gains for ZB Financial Holdings Limited (20.00%), Ariston Holdings Limited (18.66%), Masimba Holdings Limited (17.83%), First Mutual Properties Limited (17.33%) and Cafca Limited (14.64%). The gains in the market indices were, however, partially offset by decreases in the share prices of Lafarge Cement Zimbabwe Limited (18.15%), Starafica Corporation Limited (11.69%), Mashonaland Holdings Limited (9.73%), Zimplow Holdings Limited (9.63%) and Zimre Holdings Limited (6.88%).

The mining index gained by 2.99% to close at 6 825.09 points, during the week under analysis. This emanated from a 4.56% increase in the share price for Bindura Nickel Corporation Limited. RioZim Limited, however, traded at the previous week price level.

Table 7: Zimbabwe Stock Exchange Statistics²

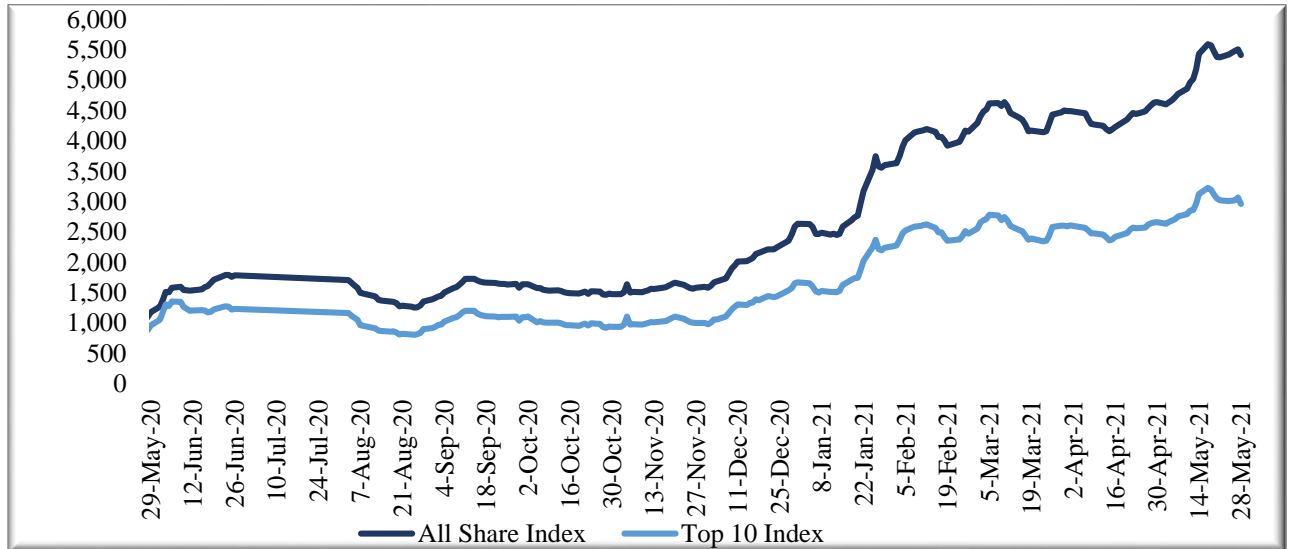
	All Share Index Points	Top 10 index (points)	Top 15 Index ³ points	Medium Cap ³ (points)	Small Cap ³ (points)	Mining Index (points)	Grand Market Capitalization (ZWL million)	Market Turnover (ZWL million)	Volume of Shares (million)
23-April-21	4 444.19	2 563.85	2 918.92	10 706.35	43 231.89	4 774.73	517.58	811.04	70.70
30-April-21	4 641.11	2 660.37	3 023.66	11 330.52	43 054.55	5 061.28	540.75	939.24	50.20
7-May-21	4 774.55	2 758.97	3 116.33	11 501.55	46 133.62	5 438.60	557.68	481.55	27.92
14-May-21	5 436.39	3 127.76	3 505.18	13 264.23	49 596.70	6 330.54	635.98	657.83	34.79
21-May-21	5,378.90	3,020.61	3,399.58	13,535.04	58,524.39	6,626.95	630.14	2 140.53	90.589
28- May-21	5,415.23	2,964.82	3,389.72	14,058.91	68,279.48	6,825.09	632. 54	518.96	30.14
% Change	0.68	-1.85	-0.29	3.87	16.67	2.99	0.38	-75.76	-66.73

Source: Zimbabwe Stock Exchange (ZSE), 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 1 shows developments on the ZSE's All Share, Top 10 and mining indices for the period from 29th May 2020 to the 28th May 2021.

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

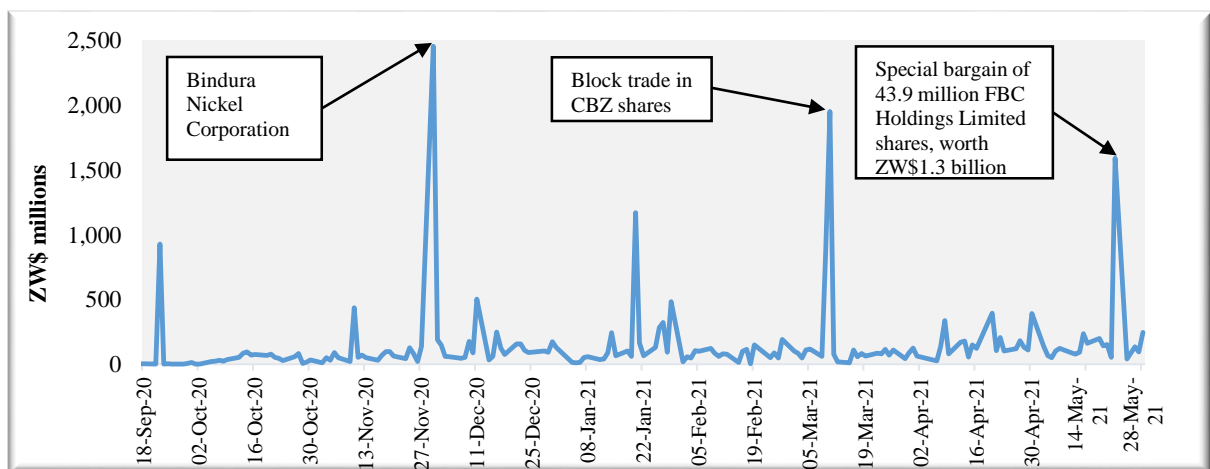


Source: Zimbabwe Stock Exchange, 2021

Market Turnover and Volume

During the week under review, trading activity was skewed towards some selected small and mid-cap counters. As a consequence, the cumulative volume and value of shares traded increased by 66.73% and 75.76% to 30.14 million shares and ZW\$518.96 million, respectively. Figure 2 shows the trend in daily market turnover for the period from 18th Sept 2020 to 28th May 2021.

Figure 4: Daily Market Turnover

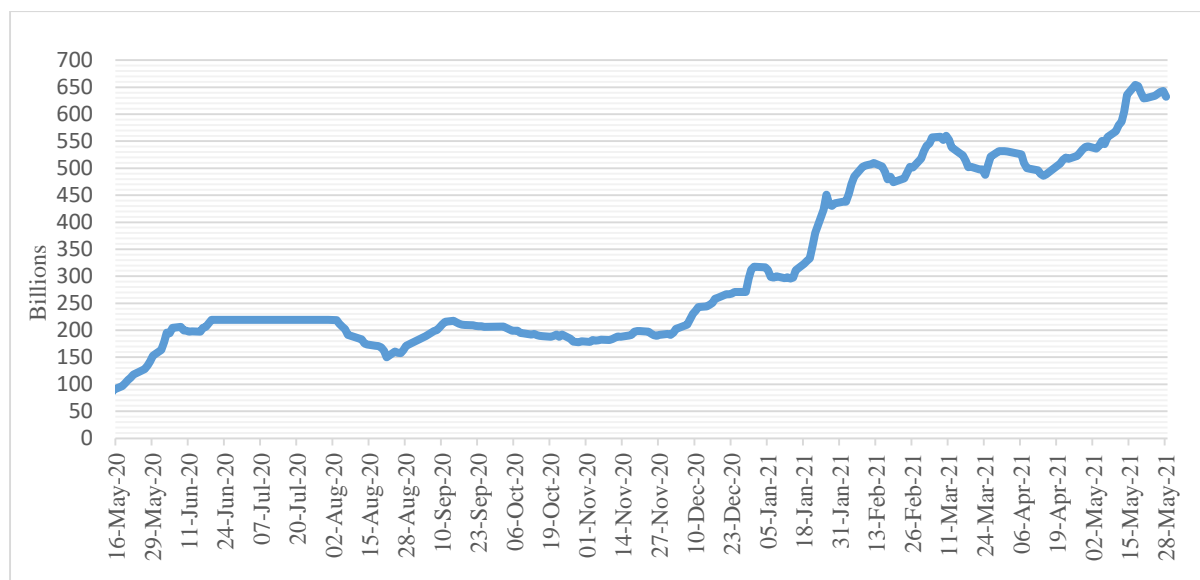


Source: Zimbabwe Stock Exchange, 2021

Market Capitalization

In line with the developments on the ZSE during the week under review, the local bourse gained ZW\$2.40 billion, or 0.38% worth of market capitalization to close at ZW\$632.54 billion, compared to the position in the previous week.

Figure 5: Daily Market Capitalization in ZW\$ billions



Source: Zimbabwe Stock Exchange, 2021

Johannesburg Stock Exchange (JSE) Developments

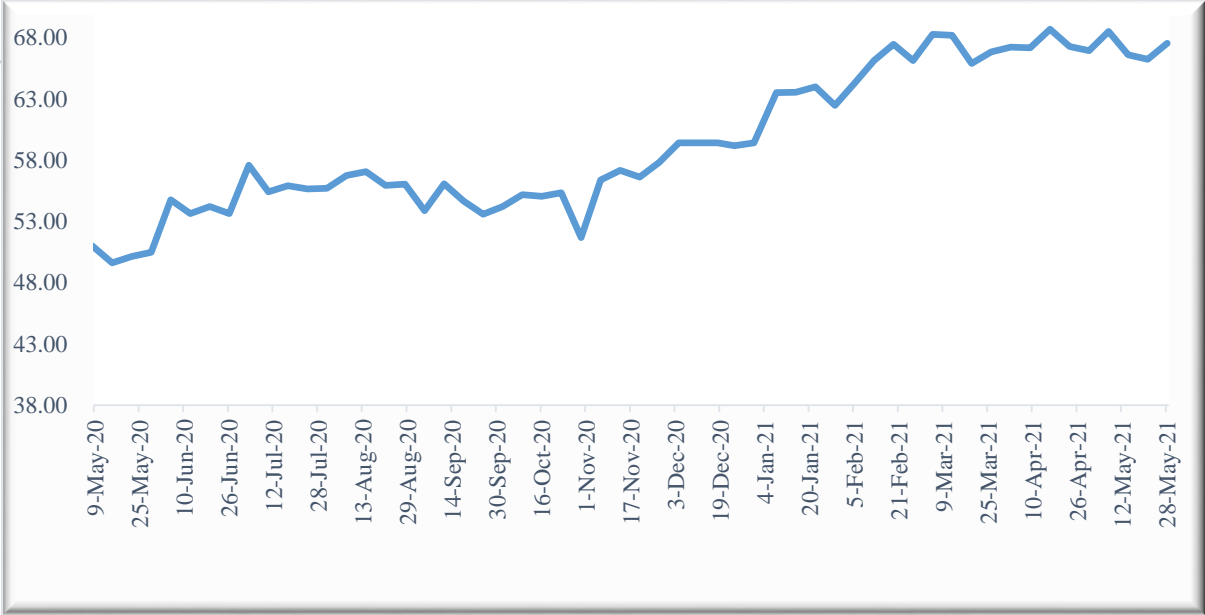
The Johannesburg Stock Exchange (JSE) All share index registered an increase of 1.99%, from 66,238.93 points in the previous week to close at 67,554.86 points, during the week under analysis. Similarly, JSE market capitalization was 0.64% higher and closed at ZAR18.95 trillion, during the same week.

Table 8: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalization (ZAR trillions)
23-April-21	67,295.74	19.33
30-April-21	66,937.00	19.31
7-May-21	68,519.53	19.59
14-May-21	66,598.13	19.13
21-May-21	66,238.93	18.83
28-May-21	67,554.86	18.95
% Change	1.99	0.64

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			
	7-May-21	14-May-21	21-May-21	28-May-21	7-May-21	14-May-21	21-May-21	28-May-21
Total Bids (US\$ dollars)	32,854,222.02	36,536,482.42	36,360,964.93	31,841,848.09	4,513,404.05	5,089,085.21	6,167,533.19	6,335,601.02
Amount Allotted (US\$ dollars)	32,854,222.02	36,536,482.42	36,360,964.93	31,841,848.09	4,513,404.05	5,089,085.21	6,167,533.19	6,335,601.02
Highest Rate	87	88	89	89	88.5	88.5	90	89
Lowest Rate	82	82	82	82	82	82	82	82
Weighted Average Rate	84.5282	84.6140	84.6494	84.7259	84.5282	84.6140	84.6494	84.7259
Number of Bids Received	328	382	370	354	328	362	445	441
Number of Bids Rejected	47	47	40	35	30	33	44	25

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			
	7-May-21	14-May-21	21-May-21	28-May-21	7-May-21	14-May-21	21-May-21	28-May-21
Raw Materials	11,097,737.19	16,412,069.18	14,096,917.34	13,308,370.06	1,061,417.15	1,193,446.14	1,435,735.01	1,373,479.46
Machinery and Equipment	6,798,893.55	6,507,907.31	6,645,605.09	5,196,702.99	1,165,482.55	1,327,093.83	1,374,209.84	1,637,585.90
Consumables (Incl. Spares, Tyres, Packaging)	3,049,059.44	3,344,573.54	3,275,512.08	1,560,300.21	1,015,479.29	1,097,024.55	1,292,674.62	1,560,300.21
Pharmaceuticals and Chemicals	2,859,485.22	2,087,994.87	2,798,134.81	349,062.45	220,705.98	295,113.59	432,355.91	349,062.45
Services (Loans, Dividends and Disinvestments)	3,609,117.67	3,166,705.23	3,813,997.19	378,702.54	312,326.14	338,693.52	499,484.30	378,702.54
Retail and Distribution	2,921,182.93	2,480,283.20	3,418,523.43	497,405.96	377,506.63	454,994.39	571,009.09	497,405.96
Fuel, Electricity and Gas	2,020,617.70	1,446,674.21	1,297,258.26	218,126.45	124,209.35	157,948.86	237,187.42	218,126.45
Paper and Packaging	498,128.32	1,090,274.88	1,015,016.73	320,938.05	236,276.96	224,770.33	324,877.00	320,938.05
TOTAL	32,854,222.02	36,536,482.42	36,360,964.93	31,841,848.09	4,513,404.05	5,089,085.21	6,167,533.19	6,335,601.02

Source: Reserve Bank of Zimbabwe, 2021