



# Weekly Economic Highlights

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Week Ending  
7<sup>th</sup> May 2021

## 1. INTEREST RATES

### Deposit Rates

Minimum deposit rates for savings deposits remained unchanged during the week ending 7<sup>th</sup> May 2021, while those for deposits of 1 month and 3 month tenors registered increases. While maximum deposit rates for savings deposits stood at the previous week level, deposits rates for deposits of 1 month tenor registered an increase. Maximum deposit rates for deposits of 3 month tenor declined, during the week under review, 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 (%)
<b>9-Apr-21</b>	1.57	4.04	5.03	11.19	6.84	11.87
<b>16-Apr-21</b>	1.57	4.04	5.03	11.09	6.84	11.87
<b>23-Apr-21</b>	1.57	4.04	5.03	10.71	6.82	11.78
<b>30-Apr-21</b>	1.57	4.04	5.03	10.71	6.82	11.78
<b>7-May-21</b>	1.57	4.04	5.19	10.83	6.89	11.67

Source: Reserve Bank of Zimbabwe, 2021

### Lending Rates

Commercial bank minimum lending rates for individuals increased by 0.69 percentage points to 35.91%, during the week under review. Corporate clients, however, accessed commercial bank credit at lower minimum rates, compared to the previous week. Maximum commercial bank lending rates for individual and corporate clients increased by 0.09 and 0.05 percentage points, respectively, as shown in Table 2.

**Table 2: Lending Rates (per annum)**

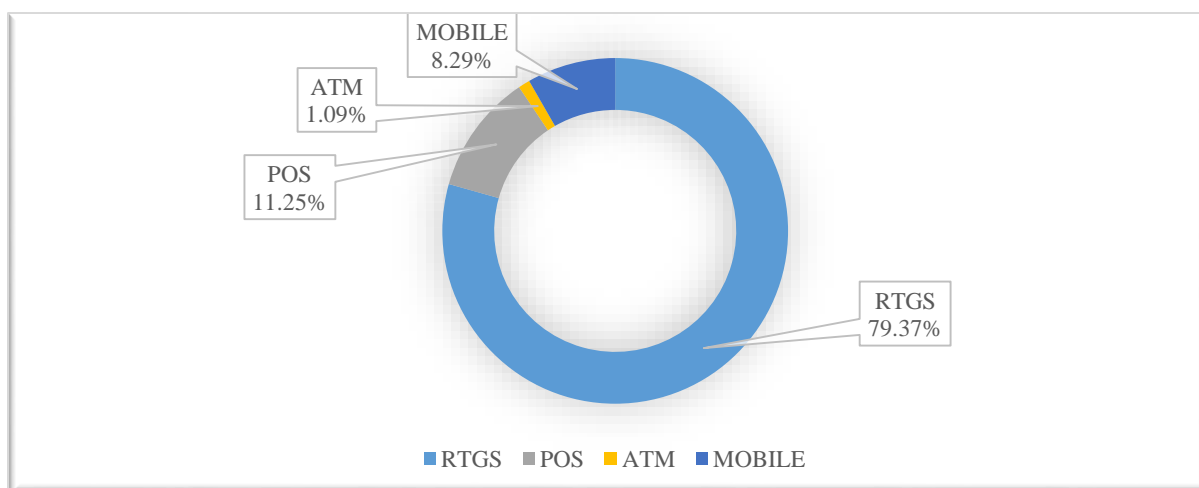
Date	Individual Clients		Corporate Clients	
	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
9-Apr-21	35.34	57.28	22.32	59.39
16-Apr-21	35.34	57.28	22.32	59.39
23-Apr-21	35.22	57.08	22.59	59.75
30-Apr-21	35.22	57.08	22.59	59.75
7-May-21	35.91	57.17	22.46	59.80

Source: Reserve Bank of Zimbabwe, 2021

## 2. CLEARING AND SETTLEMENT ACTIVITY

The National Payment System (NPS) processed transactions worth ZW\$94.08 billion, during the week under review. This was a 2.82% decline from ZW\$96.81 billion recorded in the preceding week. Real Time Gross Settlement (RTGS) transactions declined by 7.25% to close at ZW\$74.68 billion, from ZW\$80.60 billion in the previous week. The NPS transaction values were distributed as follows: RTGS, 79.37%; POS, 11.25%; Mobile, 8.29%; and ATM, 1.09%.

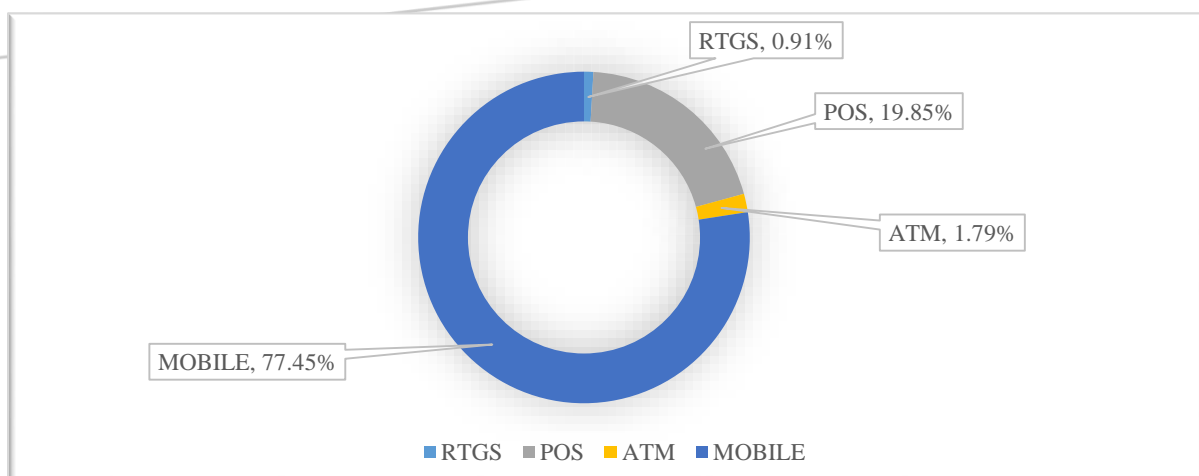
**Figure 1: Composition of NPS Transactions in Value Terms**



Source: Reserve Bank of Zimbabwe, 2021

The volume of NPS transactions increased from 23.11 million in the previous week to close at 25.52 million, during the week under analysis. In terms of distribution, NPS transaction volumes were dominated by Mobile transactions at 77.45%, followed by POS, 19.85%; ATM, 1.79% and RTGS, 0.91%.

**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 30 <sup>th</sup> APRIL 2021	WEEK ENDING 7 <sup>th</sup> MAY 2021	% CHANGE FROM LAST WEEK	PROPORTION %
<b>Values in ZW\$ Millions</b>				
RTGS	80,604.93	74,676.85	-7.35%	79.37%
POS	9,069.74	10,581.02	16.66%	11.25%
ATM	884.82	1,028.55	16.24%	1.09%
MOBILE	6,253.83	7,794.75	24.64%	8.29%
<b>TOTAL</b>	<b>96,813.32</b>	<b>94,081.17</b>	<b>-2.82%</b>	<b>100%</b>
<b>Volumes</b>				
RTGS	325,352	232,751	-28.46%	0.91%
POS	4,444,641	5,064,223	13.94%	19.85%
ATM	420,139	456,480	8.65%	1.79%
MOBILE	17,924,170	19,761,750	10.25%	77.45%
<b>TOTAL</b>	<b>23,114,302</b>	<b>25,515,204</b>	<b>10.39%</b>	<b>100%</b>

Source: Reserve Bank of Zimbabwe, 2021

### 3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international commodity prices for gold, platinum, copper, nickel and Brent crude oil firmed, during the week ending 7<sup>th</sup> May 2021. This was largely on account of a weakening US dollar, amid tepid employment data in the USA. Table 4 shows the developments in commodity prices, during the week under review.

**Table 4: Metal and Crude Oil Prices for the week-ending 7<sup>th</sup> May 2021**

	<b>Gold</b>	<b>Platinum</b>	<b>Copper</b>	<b>Nickel</b>	<b>Crude Oil</b>
<b>2021</b>	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
<b>Weekly Average (26 – 30 April)</b>	<b>1,772.73</b>	<b>1,224.90</b>	<b>9,879.60</b>	<b>17,099.20</b>	<b>66.72</b>
<b>3-May</b>	1,768.23	1,213.50	9,949.00	17,477.00	67.61
<b>4-May</b>	1,791.35	1,243.00	9,961.00	17,861.00	69.36
<b>5-May</b>	1,780.15	1,225.00	9,991.50	17,985.00	69.08
<b>6-May</b>	1,803.15	1,233.50	10,025.00	17,943.00	68.53
<b>7-May</b>	1,828.53	1,247.00	10,361.00	18,025.00	68.27
<b>Weekly Average (3 – 7 May)</b>	<b>1,794.28</b>	<b>1,232.40</b>	<b>10,057.50</b>	<b>17,858.20</b>	<b>68.57</b>
<b>Weekly Change (%)</b>	<i>1.2</i>	<i>0.6</i>	<i>1.8</i>	<i>4.4</i>	<i>2.8</i>

Source: BBC, KITCO and Bloomberg, 2021

### Gold

Gold prices rebounded during the week, as the US dollar retreated after data showed a surprise slowdown in U.S. job growth, supporting the case for continued economic stimulus and low interest rates. These developments supported the appeal of the precious metal as an alternative investment asset. Against this backdrop, bullion prices rose by 1.2%, from a weekly average of US\$1,772.73 per ounce in the preceding week to US\$1,794.28 per ounce, during the week ending 7<sup>th</sup> May 2021.

### Platinum

Platinum prices firmed by 0.6% to close the week under review at an average of US\$1,232.40 per ounce. This was largely underpinned by strong industrial demand, particularly, in the automobile sub-sector where it is used for emission control mechanisms.

### Copper

Copper prices strengthened further during the week, as stimulus measures in major economies and optimism over the vaccine boosted the demand outlook for base metals. Furthermore, the metal benefited from a push towards cleaner energy sources given its key role in the green-energy transition. Accordingly, prices surged by 1.8%, from a weekly average of US\$9,879.60 per ounce in the prior week to US\$10,057.50 per tonne, during the week ending 7<sup>th</sup> May 2021.

### Nickel

Nickel prices firmed on brighter global demand prospects particularly, in China and Europe, amid investor optimism over a strong global economic recovery. In addition, robust demand

from stainless steel industries, which remained significantly high, rendered support to the price of the base metal. Resultantly, prices rose by 4.4% to close the week ending 7<sup>th</sup> May 2021 at an average of US\$17,858.20 per tonne.

### Brent Crude Oil

Brent Crude oil prices firmed for a second consecutive week, adding 2.8% on the weekly average of US\$66.72 per barrel in the previous week to US\$68.57 per barrel. Prices have continued to be supported by positive oil demand prospects, on the back of optimism over global economic recovery.

## 4. EXCHANGE RATE DEVELOPMENTS

During the week under review, the Zimbabwe dollar (ZW\$) maintained its stability, depreciating by a marginal 0.03% against the US dollar, from an average of ZW\$84.4950 per US\$1 in the preceding week to ZW\$84.5182 per US\$1. The developments in selected exchange rates is shown in Table 5.

**Table 5: International Exchange Rates<sup>1</sup>**

	USD	ZAR	GBP	BWP	EURO
<b>2021</b>					
<b>Weekly Average (26 – 30 April)</b>	<b>84.4950</b>	<b>5.9233</b>	<b>117.8511</b>	<b>7.8314</b>	<b>102.5060</b>
<b>3-May</b>	84.5032	5.8292	116.7370	7.7749	101.5772
<b>4-May</b>	84.5032	5.8497	117.2947	7.7749	101.7166
<b>5-May</b>	84.5282	5.8565	117.4985	7.7430	101.5438
<b>6-May</b>	84.5282	5.8824	117.5620	7.7602	101.5017
<b>7-May</b>	84.5282	5.9506	117.5620	7.7602	101.9665
<b>Weekly Average (3 – 7 May)</b>	<b>84.5182</b>	<b>5.8737</b>	<b>117.3308</b>	<b>7.7626</b>	<b>101.6611</b>
<i>Appr(-)/Depr(+) (%) of the ZW\$</i>	0.03	-0.8	-0.4	-0.9	-0.8

Source: Reserve Bank of Zimbabwe, 2021

## 5. EQUITY MARKETS

During the week ending 7<sup>th</sup> May 2021, the Zimbabwe Stock Exchange (ZSE) exhibited bullish sentiments for the third consecutive week, with all the major indices registering gains.

<sup>1</sup> Direct quote – the amount of domestic currency needed to exchange for 1 unit of foreign currency

Consequently, the All Share, Top 10 and Top 15 indices gained by 2.88%, 3.71%, and 3.06% to close at 4 774.55 points, 2 758.97 points and 3 116.33 points, respectively.

The increase in the market indices was due to share price gains for First Capital Bank Limited (27.86%), National Tyre Services Limited (25%), First Mutual Properties Limited (24.67%), Willdale Limited (15.10%) and Starafriacorporation Limited (11.76%). Losses were, however, recorded for share prices of Lafarge Cement Zimbabwe Limited (13.33%), Cafca Limited (12.50%), Nampak Zimbabwe Limited (12.23%), ZB Financial Holdings Limited (11.11%) and First Mutual Holdings Limited (8.89%). The share price losses partially weighed down the gains in the market indices.

The resources index was 7.46% higher and closed at 5 438.60 points, during the week under analysis. This was underpinned by a 0.49% increase in the share price for RioZim Limited. Bindura Nickel Corporation Limited shares, however, traded at the previous week price level.

**Table 6: Zimbabwe Stock Exchange Statistics<sup>2</sup>**

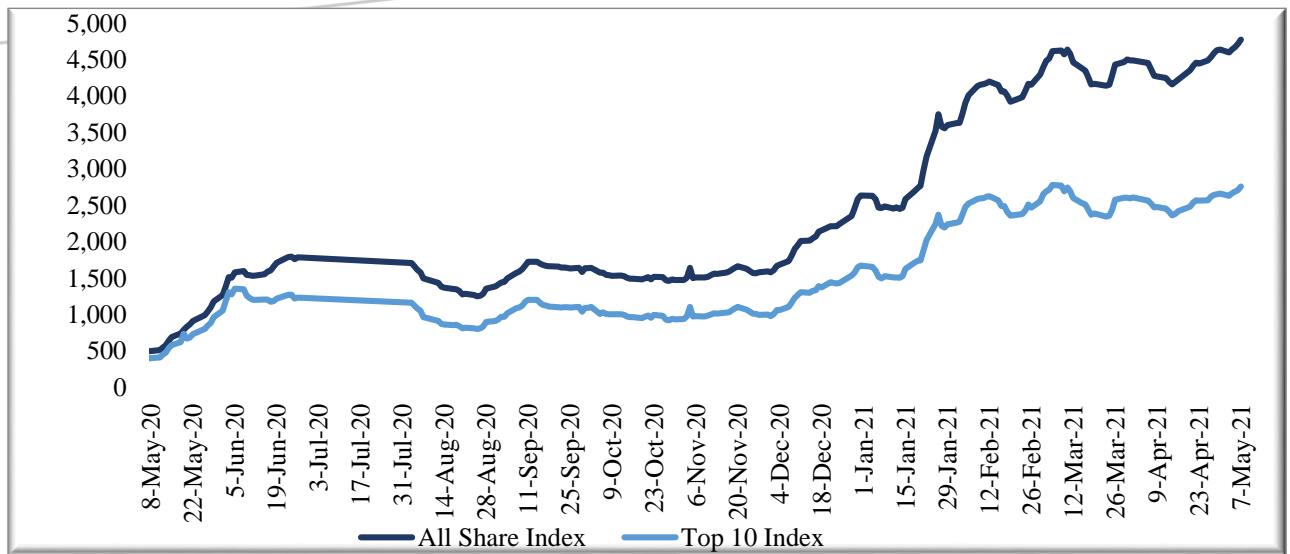
	All Share Index Points	Top 10 index (points)	Top 15 Index <sup>3</sup> points	Medium Cap <sup>3</sup> (points)	Small Cap <sup>3</sup> (points)	Mining Index (points)	Grand Market Capitalization (ZWL million)	Market Turnover (ZWL million)	Volume of Shares (million)
<b>1-April-21</b>	4 488.78	2 610.46	2 977.97	10 640.47	47 749.22	5 317.90	530.80	322.54	30.59
<b>9-April-21</b>	4 270.34	2 479.11	2 790.88	10 117.07	47 343.47	5 587.95	498.88	581.52	56.84
<b>16-April-21</b>	4 226.47	2 421.68	2 757.75	10 225.21	46 792.22	5 296.93	493.10	679.26	36.22
<b>23-April-21</b>	4 444.19	2 563.85	2 918.92	10 706.35	43 231.89	4 774.73	517.58	811.04	70.70
<b>30-April-21</b>	4 641.11	2 660.37	3 023.66	11 330.52	43 054.55	5 061.28	540.75	939.24	50.20
<b>7-May-21</b>	4 774.55	2 758.97	3 116.33	11 501.55	46 133.62	5 438.60	557.68	481.55	27.92
<b>% Change</b>	<b>2.88</b>	<b>3.71</b>	<b>3.06</b>	<b>1.51</b>	<b>7.15</b>	<b>7.46</b>	<b>3.13</b>	<b>-48.73</b>	<b>-44.38</b>

Source: Zimbabwe Stock Exchange (ZSE), 2021

Figure 1 shows developments on the ZSE's All Share, Top 10 and mining indices for the period from the 8<sup>th</sup> May 2020 to the 7<sup>th</sup> May 2021.

<sup>2</sup> 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**

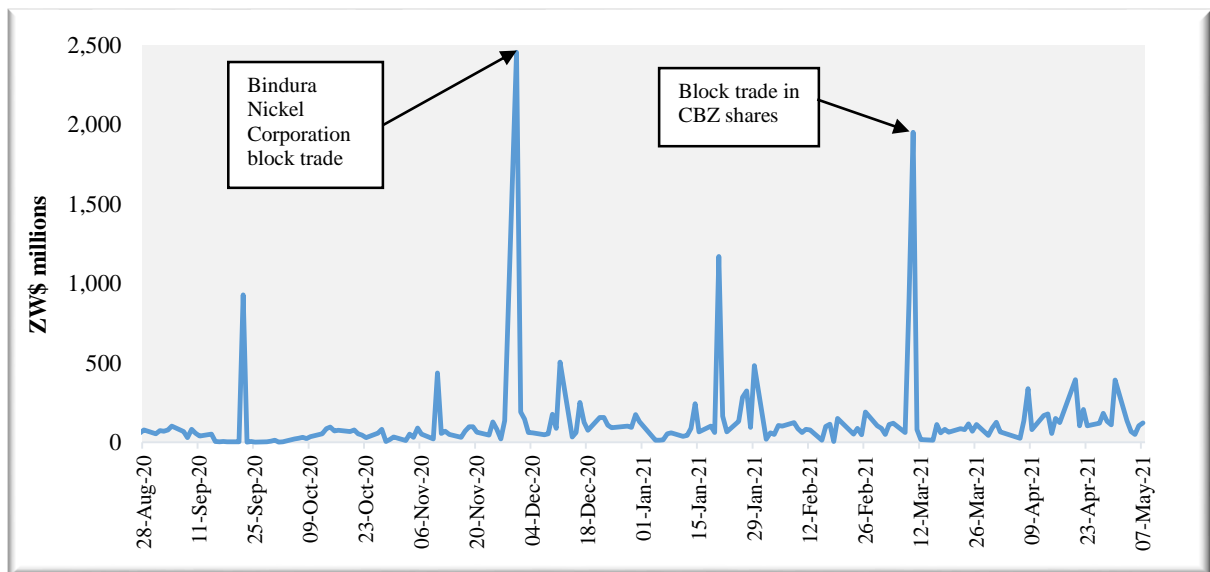


Source: Zimbabwe Stock Exchange, 2021

### Market Turnover and Volume

Despite the improved trading activity during the week under review, the cumulative volume and value of shares traded declined by 44.39% and 48.73% to close at 27.92 million shares and ZW\$50.20 million, respectively. Figure 2 shows the trend in daily market turnover for the period from 28<sup>th</sup> Aug 2020 to 7<sup>th</sup> May 2021.

**Figure 4: Daily Market Turnover**



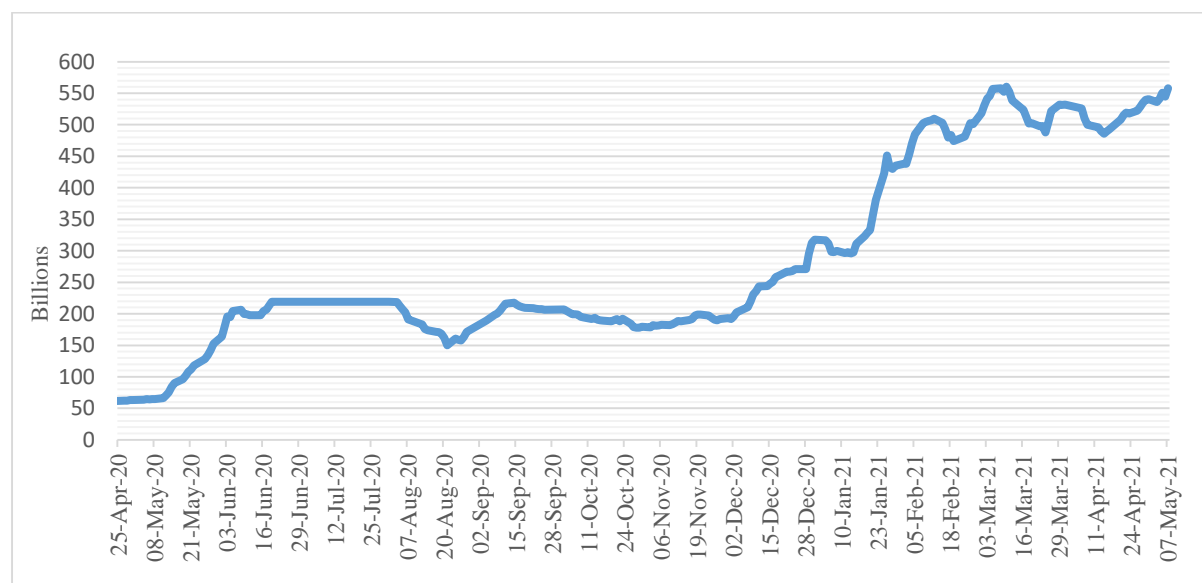
Source: Zimbabwe Stock Exchange, 2021



## Market Capitalization

During the week under review, the local bourse gained ZW\$16.94 billion, or 3.13% worth of market capitalisation to close at ZW\$557.68 billion, compared to ZW\$540.75 billion recorded in the previous week.

**Figure 5: Daily Market Capitalization in ZW\$ billions**



Source: Zimbabwe Stock Exchange, 2021

## Johannesburg Stock Exchange (JSE) Developments

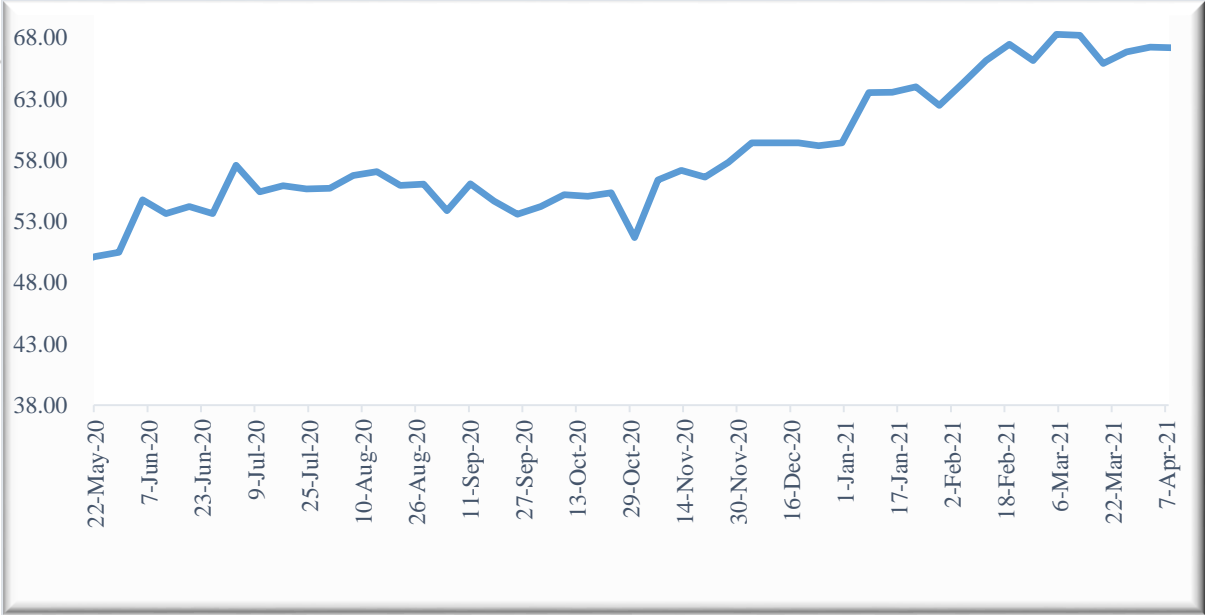
The Johannesburg Stock Exchange (JSE) All share index was 2.36% higher and closed at 68,519.53 points, during the week ending 7<sup>th</sup> May 2021. JSE market capitalization increased by 1.45%, from ZAR19.31 trillion in the previous week to close at ZAR19.59 trillion, during the week under analysis.

**Table 7: Johannesburg Stock Exchange (JSE) Statistics**

Period	All Share Index (points)	Market Capitalization (ZAR trillions)
2-April-21	67,236.31	19.41
9-April-21	67,191.27	19.34
16-April-21	68,698.78	19.63
23-April-21	67,295.74	19.33
30-April-21	66,937.00	19.31
7-May-21	68,519.53	19.59
<b>% Change</b>	<b>2.36</b>	<b>1.45</b>

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 MAINFX<sup>3</sup> AND SMEFX<sup>4</sup>

	MAINFX				SMEFX			
	16-Apr-21	23-Apr-21	30-Apr-21	7-May-21	16-Apr-21	23-Apr-21	30-Apr-21	7-May-21
<b>Total Bids (US\$ dollars)</b>	29,174,807.16	30,207,699.94	31,387,680.99	32,854,222.02	3,749,275.87	3,900,835.28	4,385,395.92	4,513,404.05
<b>Amount Allotted (US\$ dollars)</b>	29,174,807.16	30,207,699.94	31,387,680.99	32,854,222.02	3,749,275.87	3,900,835.28	4,385,395.92	4,513,404.05
<b>Highest Rate</b>	87	89	87.3	87	87.5	88	88	88.5
<b>Lowest Rate</b>	82	82	82	87	82	82	82	82
<b>Lowest Accepted Rate</b>	82	82	82	82	82	82	82	82
<b>Weighted Average Rate</b>	84.4827	84.4826	84.5032	84.5282	84.4827	84.4826	84.5032	84.5282
<b>Number of Bids Received</b>	316	332	335	328	298	310	352	328
<b>Number of Bids Rejected</b>	49	65	70	47	41	57	59	30

*Source: Reserve Bank of Zimbabwe, 2021*

<sup>3</sup> Main Foreign Currency Auction

<sup>4</sup> Small and Medium Enterprises Foreign Currency Auction

## APPENDIX 2: SUMMARY OF FOREIGN CURRENCY AUCTION ALLOTMENTS BY PURPOSE

Purpose	MAINFX				SMEFX			
	16-Apr-21	23-Apr-21	30-Apr-21	7-May-21	16-Apr-21	23-Apr-21	30-Apr-21	7-May-21
<b>Raw Materials</b>	13,631,643.45	12,258,325.81	12,746,653.11	11,097,737.19	1,045,035.55	1,030,911.59	990,218.19	1,061,417.15
<b>Machinery and Equipment</b>	5,573,039.47	5,698,750.65	5,526,550.37	6,798,893.55	709,343.36	773,605.26	934,414.01	1,165,482.55
<b>Consumables (Incl. Spares, Tyres, Packaging)</b>	1,464,270.32	2,726,391.14	2,358,267.78	3,049,059.44	962,300.09	733,886.14	1,124,974.63	1,015,479.29
<b>Pharmaceuticals and Chemicals</b>	1,908,556.73	1,518,160.80	1,624,061.22	2,859,485.22	163,698.61	409,657.02	297,221.30	220,705.98
<b>Services (Loans, Dividends and Disinvestments)</b>	2,410,695.77	2,241,848.94	2,018,322.78	3,609,117.67	223,047.33	304,363.14	265,386.45	312,326.14
<b>Retail and Distribution</b>	2,319,489.46	2,786,171.86	2,609,517.37	2,921,182.93	366,024.43	277,714.13	355,253.43	377,506.63
<b>Fuel, Electricity and Gas</b>	1,747,149.46	2,186,334.60	3,348,728.98	2,020,617.70	176,263.34	215,992.65	265,435.96	124,209.35
<b>Paper and Packaging</b>	119,962.50	791,716.14	1,155,579.38	498,128.32	103,563.16	154,705.35	152,491.95	236,276.96
<b>TOTAL</b>	<b>29,174,807.16</b>	<b>30,207,699.94</b>	<b>31,387,680.99</b>	<b>32,854,222.02</b>	<b>3,749,275.87</b>	<b>3,900,835.28</b>	<b>4,385,395.92</b>	<b>4,513,404.05</b>

Source: Reserve Bank of Zimbabwe, 2021