



Weekly Economic Highlights

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Week Ending
3rd September 2021

1. INTEREST RATES

Deposit Rates

Average minimum and maximum deposit rates for all classes of deposits remained unchanged, during the week ending 3rd September 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 (%)
6-Aug-21	2.22	4.61	6.64	14.16	7.32	12.67
13-Aug-21	5.06	7.56	6.94	12.16	8.26	13.72
20-Aug-21	5.06	7.56	6.94	12.16	8.26	13.72
27-Aug-21	5.28	7.29	8.06	13.31	9.05	14.29
3-Sept-21	5.28	7.29	8.06	13.31	9.05	14.29

Source: Reserve Bank of Zimbabwe, 2021

Lending Rates

Commercial bank minimum and maximum lending rates for individual and corporate clients remained at previous week levels, as shown in Table 2.

Table 2: Lending Rates (per annum)

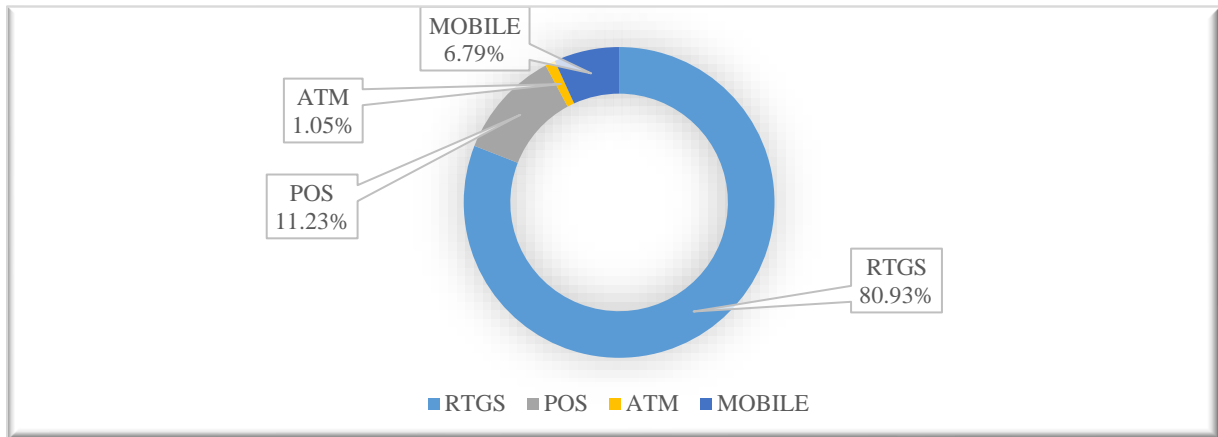
Date	Individual Clients		Corporate Clients	
	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
6-Aug-21	36.56	57.00	21.66	59.81
13-Aug-21	40.37	56.87	39.67	64.68
20-Aug-21	40.37	56.87	39.67	64.68
27-Aug-21	41.06	57.39	39.65	65.06
27-Sept-21	41.06	57.39	39.65	65.06

Source: Reserve Bank of Zimbabwe, 2021

2. CLEARING AND SETTLEMENT ACTIVITY

During the week under review, transactions processed through the National Payment Systems (NPS) stood at \$134.90 billion, up from \$123.73 billion in the previous week. Real Time Gross Settlement (RTGS) transactions rose by 9.03% to \$109.17 billion, during the week under analysis. In value terms, the distribution of NPS transactions was as follows: RTGS, 80.93%, POS, 11.23%; Mobile, 6.79%; and ATM, 1.05%.

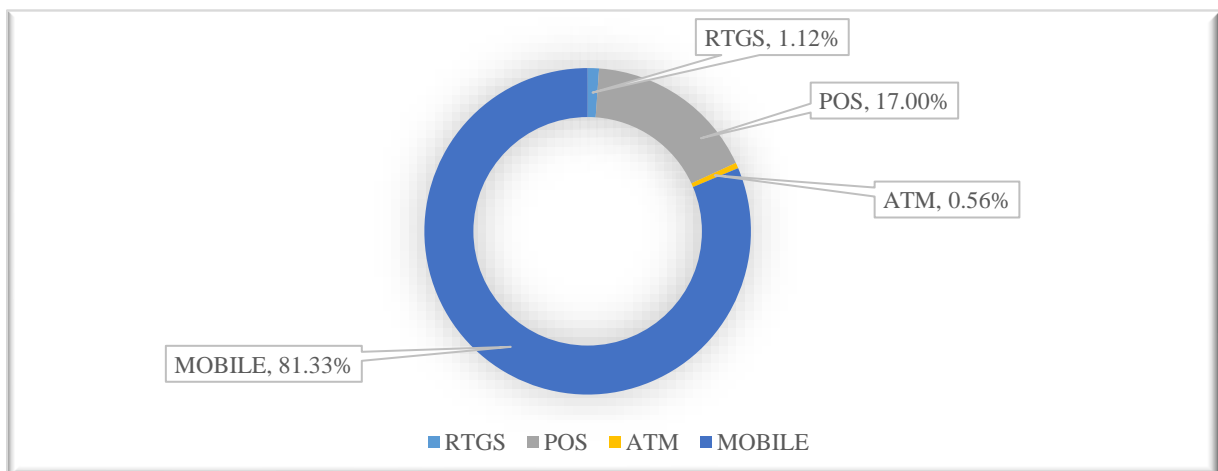
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2021

NPS transaction volumes increased by 5.10% to close at 26.91 million, during the week under analysis, from 25.61 million in the previous week. The NPS transaction volumes were distributed as follows: Mobile, 81.33%; POS, 17.00%; RTGS, 1.12%; and ATM, 0.56%, 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 27 th August 2021	WEEK ENDING 3 rd September 2021	% CHANGE FROM LAST WEEK	PROPORTION %
Values in ZW\$ Millions				
RTGS	100,126.12	109,170.49	9.03%	80.93%
POS	13,825.60	15,147.39	9.56%	11.23%
ATM	897.92	1,417.40	57.85%	1.05%
MOBILE	8,886.26	9,160.55	3.09%	6.79%
TOTAL	123,735.90	134,895.83	9.02%	100%
Volumes				
RTGS	292,640	300,698	2.75%	1.12%
POS	4,151,168	4,575,655	10.23%	17.00%
ATM	119,289	149,496	25.32%	0.56%
MOBILE	21,045,877	21,888,714	4.00%	81.33%
TOTAL	25,608,974	26,914,563	5.10%	100%

Source: Reserve Bank of Zimbabwe, 2021

3. TOBACCO SALES

As at 3rd September 2021 or day 104 of the 2021 tobacco selling season, a cumulative total of 209.34 million kilograms of tobacco had been sold. This reflected a 14.36% increase from 183.06 million kilograms sold during the same period in 2020. A cumulative total of US\$585.51 million was realized from tobacco sales, representing a 27.83% increase, compared to a cumulative value of US\$458.00 million recorded during the comparable period in 2020.

The average price of the golden leaf stood at US\$2.80/kg, up from US\$2.50/kg realized during the same period in the previous year.

Table 4: Weekly Cumulative Tobacco Sales: Day 104 (3rd September 2021)

	2020	2021	Variance (%)
Cumulative Quantity Sold (million kgs)	183,055,592	209,337,483	14.36
Average Price(US\$/kg)	2.50	2.80	11.78
Cumulative value (US\$ million)	458,022,947	585,508,706	27.83

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

4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

International commodity prices for selected commodities firmed during the week ending 3rd September 2021, largely boosted by a softer US dollar, amid lower-than-expected growth of U.S. jobs. Table 1 shows the developments in commodity prices, during the week under review.

Table 5: Metal and Crude Oil Prices for the week ending 3rd September 2021

	Gold	Platinum	Copper	Nickel	Crude Oil
2021	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
Weekly Average (23-27 August)	1,794.18	1,001.00	9,322.40	18,993.40	71.15
31-Aug	1814.58	1005.50	9462.50	19513.00	72.08
1-Sep	1812.85	1013.00	9312.00	19541.00	71.40
2-Sep	1813.85	1000.00	9347.00	19365.00	73.09
3-Sep	1817.88	1005.50	9361.00	19494.00	72.48
Weekly Average (31 Aug- 3 Sept)	1,814.79	1,006.00	9,370.63	19,478.25	72.26
Weekly Change (%)	<i>1.1</i>	<i>0.5</i>	<i>0.5</i>	<i>2.6</i>	<i>1.6</i>

Source: BBC, KITCO and Bloomberg, 2021

Gold

During the week under analysis, gold prices continued to firm up, as the US Federal Reserve assured investors that it was going to delay hiking interest rates. Additionally, the price of the yellow metal got support from a subdued US dollar, occasioned by the weak growth in jobs in the United States. These developments bolstered the bullion's appeal as an alternative investment asset. Consequently, prices rose by 1.1%, from a weekly average of US\$1,794.18 per ounce in the previous week to US\$1,814.79 per ounce, during the week ending 3rd September 2021.

Platinum

Platinum prices firmed on account of a strong recovery in demand from China, the biggest consumer of the metal. The price of the metal also got a boost from prospects of robust investment demand, as investors moved away from a weaker US dollar. Reflecting these developments, prices firmed by 0.5%, from a weekly average of US\$1,001.00 per ounce in the previous week, to US\$1,006.00 per ounce during the week under review.

Copper

Copper prices remained upbeat during the week, supported by a weaker US dollar which made dollar denominated commodities cheaper, and hence more attractive to holders of other currencies. Optimism about global economic recovery as the United States fully approved the

Pfizer-Biontech Covid-19 vaccine also boosted the price of the red metal. Resultantly, prices gained by 0.5%, from a weekly average of US\$9,322.40 per tonne in the previous week, to US\$9,370.63 per tonne during the week under review.

Nickel

Nickel prices rebounded, amid strong demand from the stainless-steel industry at a time when nickel inventories are low across the world. Accordingly, prices increased by 2.6%, from a weekly average of US\$18,993.40 per tonne to US\$19,478.25 per tonne, during the week ending 3rd September 2021.

Brent Crude Oil

Brent Crude oil prices firmed for a second consecutive week, rising by 1.6%, from a weekly average of US\$71.15 per barrel in the previous week, to US\$72.26 per barrel. Oil prices continued to be supported by the sustained sharp decline in crude oil stocks in the U.S, the world's largest crude oil consumer.

5. EXCHANGE RATE DEVELOPMENTS

The Zimbabwe dollar (ZWL) marginally slid against the US dollar, shedding 0.02% from an average of ZWL\$85.9084 per US\$1 in the previous week, to close the week under review at an average of ZWL\$85.9251 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 (23-27 Aug)	85.9084	5.7417	117.9194	7.6307	101.0054
30-Aug	86.0551	5.9259	118.2141	7.7882	101.5323
31-Aug	86.0551	5.9737	118.5453	7.8185	101.8850
1-Sep	86.0551	5.9559	119.0444	7.8227	102.2120
2-Sep	85.7300	5.9648	119.0385	7.8445	101.4470
3-Sep	85.7300	5.9172	119.3299	7.8102	101.3570
Weekly Average (30 Aug- 3 Sept)	85.9251	5.9475	118.8344	7.8168	101.6867
Appr(-)/Depr(+) (%) of the ZWL	0.02	3.6	0.8	2.4	0.7

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 3rd September 2021, the Zimbabwe Stock Exchange (ZSE) continued on a downward trend for the third consecutive week. The All Share, Top 10 and Medium Cap indices declined by 1.15%, 1.74% and 0.32% to close at 6 658.25 points, 3 583.93 points and 17 140.96 points, respectively.

The decline in the mainstream index resulted from share price losses recorded for National Tyre services (18.94%), Zimbabwe Newspapers (13.73%), Dairibord Holdings Limited (12.80%), Truworths Limited (9.28%) and Mashonaland Holdings Limited (8.55%). Partially offsetting the aforementioned losses were gains in share price recorded in Zeco Holdings Limited (300.00%), NMBZ Holdings Limited (16.33%), Hippo Valley Estates Limited (8.57%), Meikles Holdings Limited (7.91%) and First Mutual Properties Limited (6.48%).

The resources index rose by 5.17% to close at 6 279.88 points, during the week under review. This was underpinned by an 8.23% increase in the share price for Bindura Nickel Corporation Limited, partially offset by a 0.24% loss in the share price for Riozim Limited.

Table 7: Zimbabwe Stock Exchange Statistics²

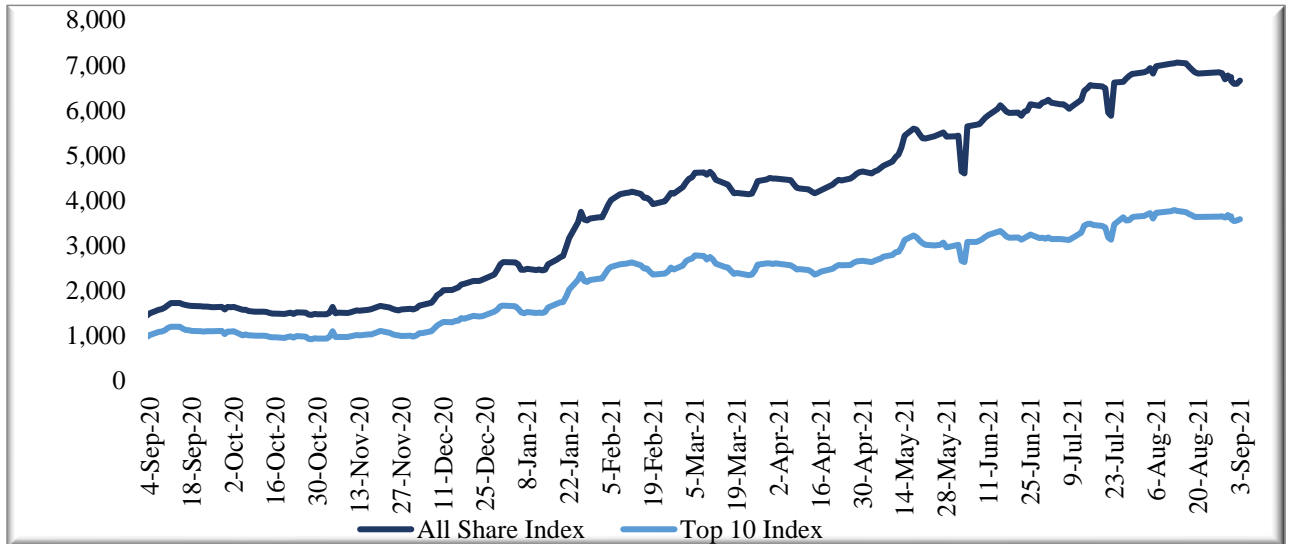
	All Share Index Points	Top 10 index (points)	Top 15 Index ³ points	Medium Cap ³ (points)	Small Cap ³ (points)	Mining Index (points)	Grand Market Capitalization (ZWL million)	Market Turnover (ZWL million)	Volume of Shares (million)
30-July-21	6,818.29	3,639.99	4,188.45	17,739.47	237,235.99	6,621.17	803.90	709.78	36.74
6-Aug-21	6,982.59	3,729.32	4,291.62	18,194.99	233,212.56	6,087.67	824.81	1 026.01	58.63
13-Aug-21	7,060.72	3,773.68	4,337.43	18,379.92	236,071.81	6,091.19	841.57	415.73	16.00
20-Aug-21	6,820.36	3,635.74	4,188.07	17,807.22	230,844.49	5,959.57	811.65	1,444.71	41.51
27-Aug-21	6,735.80	3,647.46	4,150.76	17,195.93	226,803.15	5,971.30	802.53	464.62	25.87
3-Sept-21	6,658.25	3,583.93	4,103.15	17,140.96	225,648.37	6,279.88	793.15	440.40	14.56
% Change	-1.15	-1.74	-1.15	-0.32	-0.51	5.17	-1.17	-5.21	-43.72

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 3 shows developments on the ZSE's All Share, Top 10 and mining indices from the 4th September 2020 to 3rd September 2021.

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

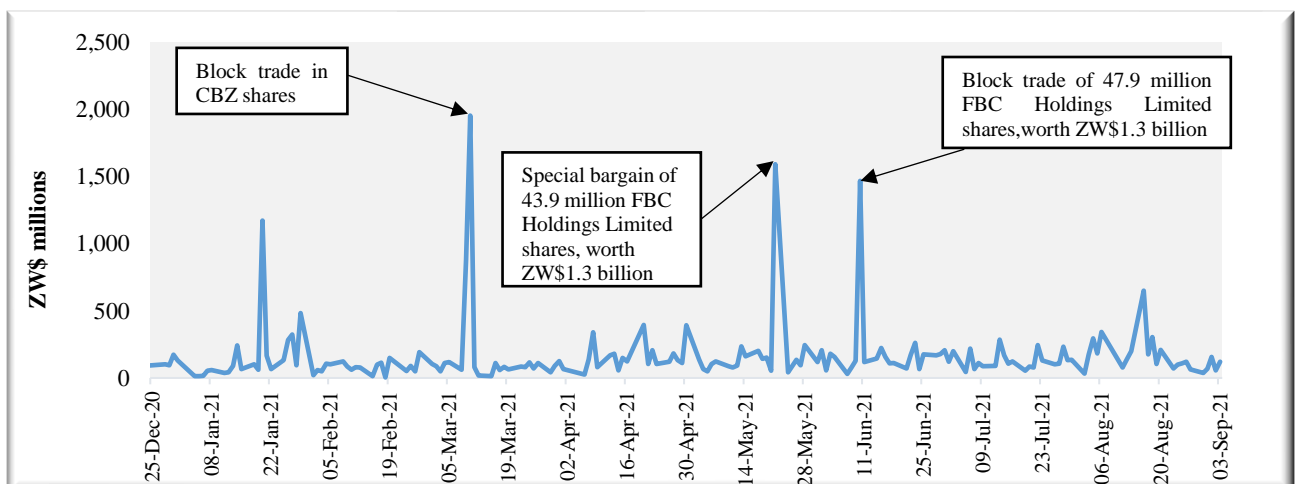


Source: Zimbabwe Stock Exchange, 2021

Market Turnover and Volume

The cumulative volume and value of shares traded declined by 5.21% and 43.72% to 14.56 million shares and ZW\$440.40 million, respectively.

Figure 4: Daily Market Turnover

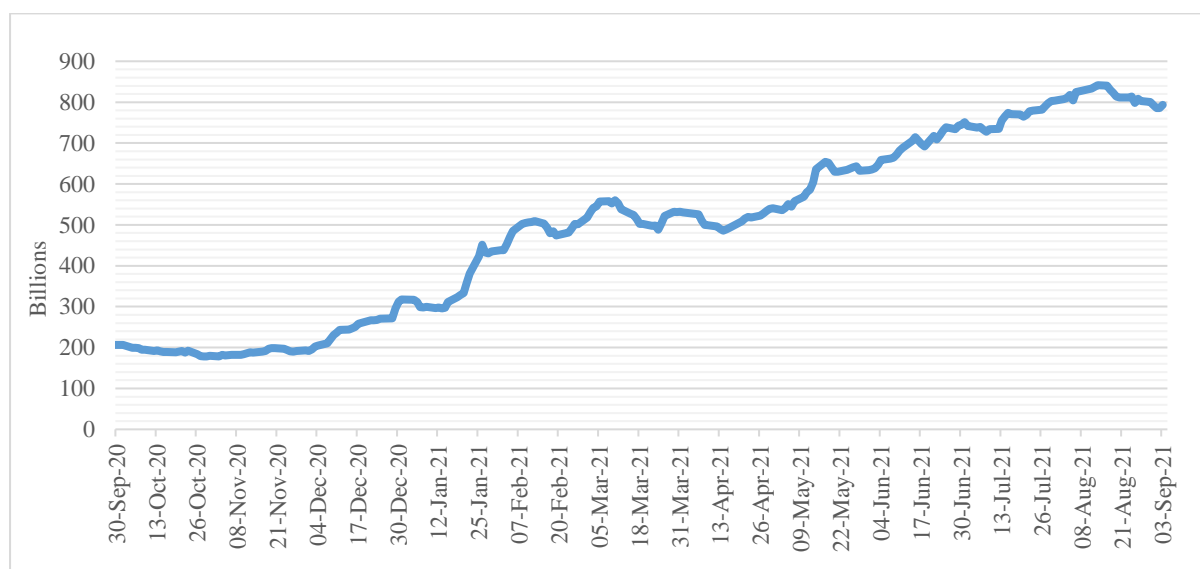


Source: Zimbabwe Stock Exchange, 2021

Market Capitalization

During the week under analysis, the ZSE lost ZW\$9.38 billion, or 1.17% worth of capitalization to close at ZW\$793.15 billion, compared to ZW\$802.53 billion recorded in the previous week.

Figure 5: Daily Market Capitalization in ZW\$ billions



Source: Zimbabwe Stock Exchange, 2021

Johannesburg Stock Exchange (JSE) Developments

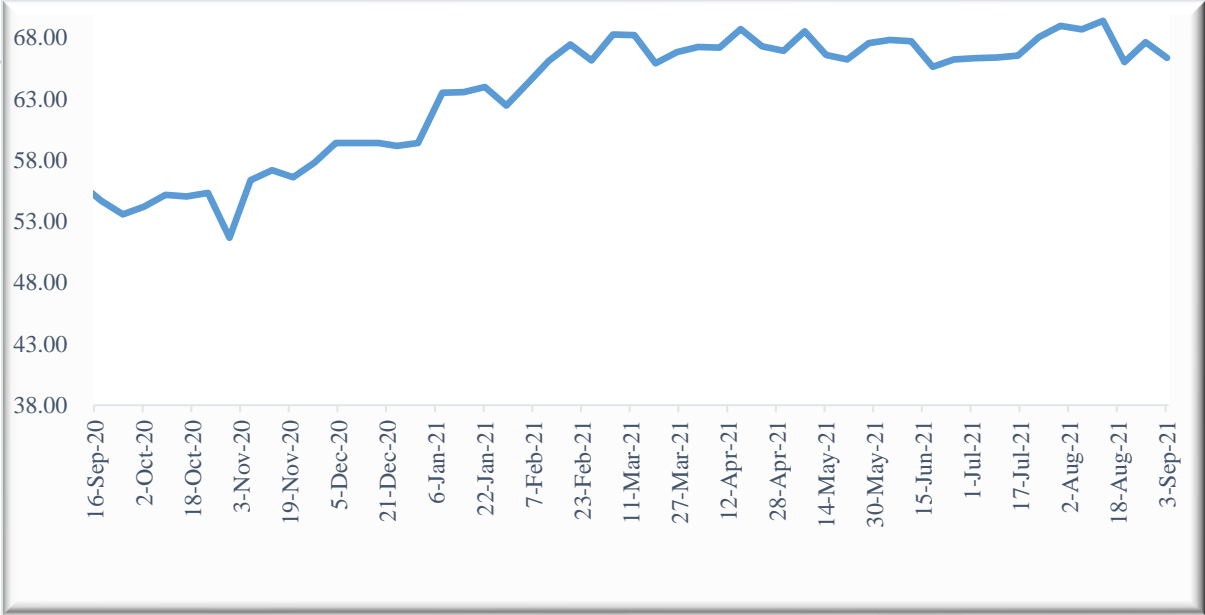
The Johannesburg Stock Exchange (JSE) All Share Index stood at 66,371.85 points during the week under review, 1.88 % down from 67,646.08 points in the preceding week. JSE market capitalization declined by 1.04% to close at ZAR19.06 trillion, during the week of analysis.

Table 8: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalization (ZAR trillions)
30-July-21	68,970.78	18.93
6-Aug-21	68,673.95	18.77
13-Aug-21	69,384.76	19.10
20-Aug-21	66,011.06	18.96
27-Aug-21	67,646.08	19.26
3-Sept-21	66,371.85	19.06
% Change	-1.88	-1.04

Source: <https://www.jse.co.za/services/market-data/market-statistics> week

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			
	13-Aug-21	20-Aug-21	27-Aug-21	3-Sept-21	13-Aug-21	20-Aug-21	27-Aug-21	3-Sept-21
Total Bids (US\$ dollars)	34,814,140.90	38,179,408.02	41,284,248.05	37,281,155.90	10,762,380.86	12,357,545.21	15,157,605.64	12,372,828.11
Amount Allotted (US\$ dollars)	34,814,140.90	38,179,408.02	36,532,794.36	34,132,367.81	10,762,380.86	12,357,545.21	15,157,605.64	12,372,828.11
Highest Rate	92	91	90	90	91	90	95	92
Lowest Bid Rate	82	82.5	83	83	82.1	82.5	82.5	83
Lowest Bid Rate Allotted	82	82.5	83	83	82.1	82.5	82.5	83
Weighted Average Rate	85.7467	85.8290	85.9084	86.0551	85.7467	85.8290	85.9084	86.0551
Number of Bids Received	382	413	425	444	710	843	971	932
Number of Bids Rejected	38	24	26	65	46	79	34	31

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			
	13-Aug-21	20-Aug-21	27-Aug-21	3-Sept-21	13-Aug-21	20-Aug-21	27-Aug-21	3-Sept-21
Raw Materials	14,011,320.21	16,084,510.52	14,931,751.41	13,093,143.79	2,351,192.10	2,602,606.69	3,436,846.75	3,192,120.15
Machinery and Equipment	7,939,559.49	8,720,467.04	8,341,921.49	8,570,635.86	2,559,391.68	2,916,795.17	4,165,020.38	3,901,801.01
Consumables (Incl. Spares, Tyres, Packaging)	2,406,795.44	2,187,488.80	2,189,046.00	2,134,357.20	2,432,945.36	3,063,886.09	3,314,351.23	1,704,547.79
Pharmaceuticals and Chemicals	2,429,520.05	1,642,222.27	2,765,470.75	2,797,310.08	589,863.17	580,359.01	662,544.75	787,501.10
Services (Loans, Dividends and Disinvestments)	1,589,893.19	1,809,919.73	1,530,409.87	1,472,119.76	859,923.67	861,513.52	1,300,977.26	953,761.85
Retail and Distribution	3,064,452.54	3,973,338.31	4,551,438.30	4,160,981.27	1,331,734.37	1,688,192.68	1,504,108.07	1,209,766.93
Fuel, Electricity and Gas	1,217,751.92	1,678,523.58	1,854,938.81	1,297,081.46	254,155.57	253,910.32	332,729.19	237,280.11
Paper and Packaging	652,120.15	650,887.78	367,817.73	606,738.39	383,174.94	390,281.73	441,028.01	386,049.17
TOTAL	33,311,412.99	36,747,358.03	36,532,794.36	34,132,367.81	10,762,380.86	12,357,545.21	15,157,605.64	12,372,828.11

Source: Reserve Bank of Zimbabwe, 2021