



# Weekly Economic Highlights

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Week Ending  
22<sup>nd</sup> October 2021

## 1. INTEREST RATES

### Deposit Rates

Minimum deposit rates for savings deposits and deposits of 1 month and 3 month tenors registered increases, during the week ending 22<sup>nd</sup> October 2021. Maximum deposit rates for savings deposits also increased, while those for deposits of 1 month and 3 month tenors declined as is 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 (%)
24-Sept-21	2.56	5.06	8.47	12.83	9.53	14.03
1-Oct-21	2.56	5.06	8.47	12.83	9.53	14.03
8-Oct-21	2.78	4.79	8.06	13.31	9.05	14.29
15-Oct-21	2.78	4.79	8.06	13.31	9.05	14.29
22-Oct-21	2.79	5.29	8.08	13.00	9.26	14.03

Source: Reserve Bank of Zimbabwe, 2021

### Lending Rates

During the week under review, commercial bank minimum lending rates for individual and corporate clients increased, compared to the previous week. Maximum lending rates for individual clients rose by 1.29 percentage points to close at 58.68%, during the week of analysis, while those for corporate clients fell by 6.52 percentage points to close at 58.54% during the same week, as shown in Table 2.

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

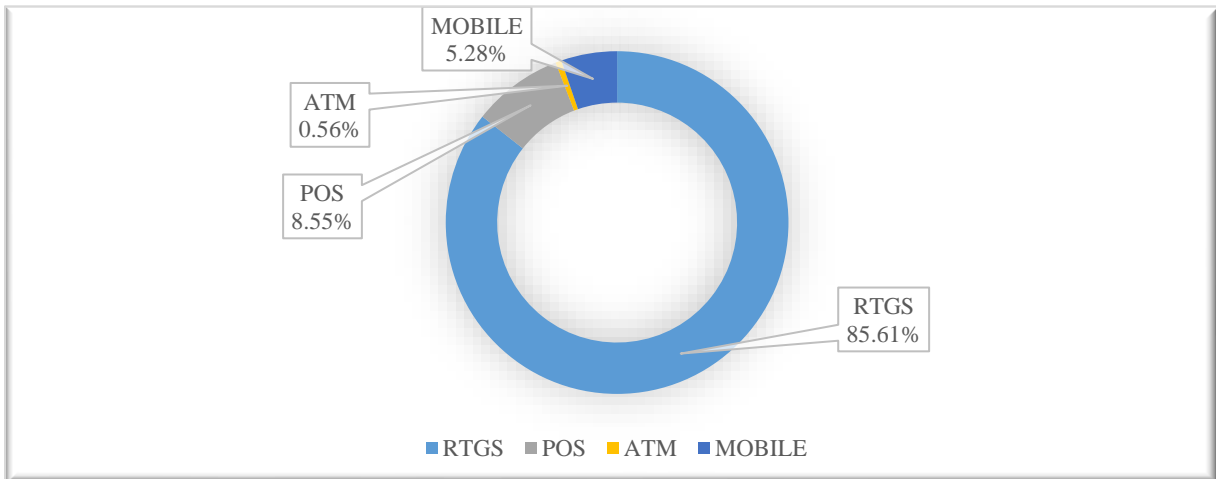
Date	Individual Clients		Corporate Clients	
	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
24-Sept-21	40.61	58.46	39.50	63.66
1-Oct-21	40.61	58.46	39.50	63.66
8-Oct-21	41.06	57.39	39.65	65.06
15-Oct-21	41.06	57.39	39.65	65.06
22-Oct-21	41.86	58.68	45.81	58.54

Source: Reserve Bank of Zimbabwe, 2021

## 2. CLEARING AND SETTLEMENT ACTIVITY

The value of transactions processed through the National Payment Systems (NPS) increased by 6.85% to \$146.88 billion, during the week under review. Real Time Gross Settlement (RTGS) transactions stood at \$125.73 billion, representing a 9.15% increase from the previous week. In value terms, NPS transactions were distributed as follows: RTGS, 85.61%, POS, 8.55%; Mobile, 5.28%; and ATM, 0.56%.

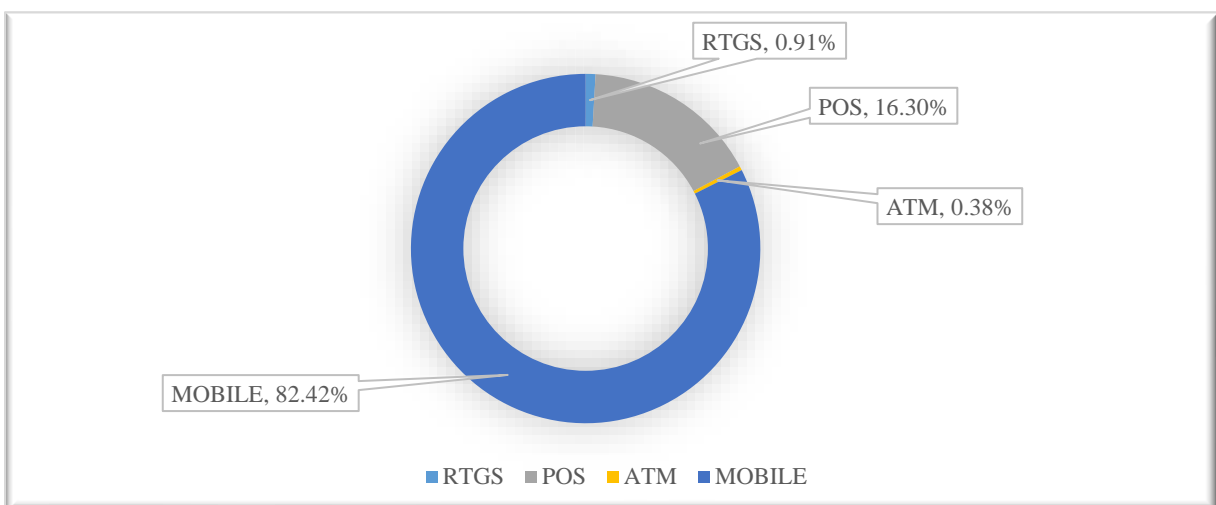
**Figure 1: Composition of NPS Transactions in Value Terms**



*Source: Reserve Bank of Zimbabwe, 2021*

NPS transaction volumes declined by 5.84% to 24.82 million, during the week under review. The transaction volumes were distributed as follows: Mobile, 82.42%; POS, 16.30%; RTGS, 0.91%; and ATM, 0.38%, 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 15 <sup>th</sup> October 2021	WEEK ENDING 22 <sup>nd</sup> October 2021	% CHANGE FROM LAST WEEK	PROPORTION %
<b>Values in ZW\$ Millions</b>				
RTGS	115,192.08	125,733.11	9.15%	85.61%
POS	12,763.36	12,561.77	-1.58%	8.55%
ATM	897.20	827.86	-7.73%	0.56%
MOBILE	8,610.96	7,752.46	-9.97%	5.28%
<b>TOTAL</b>	<b>137,463.61</b>	<b>146,875.19</b>	<b>6.85%</b>	<b>100%</b>
<b>Volumes</b>				
RTGS	212,240	225,242	6.13%	0.91%
POS	4,088,148	4,043,822	-1.08%	16.30%
ATM	103,834	93,460	-9.99%	0.38%
MOBILE	21,949,854	20,453,463	-6.82%	82.42%
<b>TOTAL</b>	<b>26,354,076</b>	<b>24,815,987</b>	<b>-5.84%</b>	<b>100%</b>

Source: Reserve Bank of Zimbabwe, 2021

### 3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

In the week under review, prices of selected commodities remained upbeat, largely on account of a softer US dollar. The US dollar headed for a second weekly decline, lending support to most dollar denominated commodities by making them more attractive to buyers holding other currencies. Table 4 shows the developments in selected commodity prices, during the week under review.

**Table 4: Metal and Crude Oil Prices for the week ending 22<sup>nd</sup> October 2021**

	Gold	Platinum	Copper	Nickel	Crude Oil
2021	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
<b>Weekly Average (11 - 15 October)</b>	<b>1,774.02</b>	<b>1,029.37</b>	<b>9,859.80</b>	<b>19,436.00</b>	<b>83.95</b>
<b>18-Oct</b>	1,765.15	1,044.00	10,500.00	20,215.00	84.18
<b>19-Oct</b>	1,779.48	1,051.00	10,652.00	20,455.00	84.26
<b>20-Oct</b>	1,778.08	1,043.50	10,161.00	20,035.00	85.68
<b>21-Oct</b>	1,782.25	1,051.00	10,051.00	20,530.00	84.34
<b>22-Oct</b>	1,800.23	1,062.50	9,992.00	20,355.00	86.26
<b>Weekly Average (18 - 22 October)</b>	<b>1,781.04</b>	<b>1,050.40</b>	<b>10,271.20</b>	<b>20,318.00</b>	<b>84.94</b>
<b>Weekly Change (%)</b>	0.4	2.0	4.2	4.5	1.2

Source: BBC, KITCO and Bloomberg, 2021

## **Gold**

Gold prices extended gains, as a weaker U.S. dollar and growing concerns over rising inflation boosted the safe-haven appeal of the yellow metal. Accordingly, prices rose by 0.4%, from a weekly average of US\$1,774.02 per ounce in the previous week to US\$1,781.04 per ounce, during the week ending 22<sup>nd</sup> October 2021.

## **Platinum**

Platinum prices firmed by 2.0%, from a weekly average of US\$1,029.37 per ounce in the preceding week, to US\$1,050.40 per ounce during the week under review. Prices were supported by a weaker US dollar, which raised prospects of strong investment demand for the metal at a time when supply is tight. The increase was, however moderated by slackening industrial demand from China, the world's largest consumer of metals.

## **Copper**

Copper prices rose for a second consecutive week, adding 4.2% to close the week under review at US\$10,271.20 per tonne, from a weekly average of US\$9,859.80 per tonne in the previous week. Prices continued to be supported by a weaker US dollar and renewed worries about tight supplies, which are being undermined by the on-going global energy crisis.

## **Nickel**

Nickel prices strengthened further, underpinned by growing concerns over low the supply, coupled with firm demand from the stainless steel industry. Notably, nickel output from the Philippines, the second-largest producer is expected to be lower than the annual average due to flooding. In this regard, prices surged by 4.5%, from a weekly average of US\$19,436.00 per tonne in the prior week, to US\$20,318.00 per tonne during the week ending 22<sup>nd</sup> October 2021.

## **Brent Crude Oil**

Brent crude oil prices remained buoyant, amid increasing demand as economies recover from the negative impact of the Covid-19 pandemic. In addition, prices were bolstered by tight global supplies, as well as worries about coal and gas shortages, particularly in China, India and Europe. Reflecting these developments, the weekly average price of Brent crude oil increased by 1.2%, from US\$83.95 per barrel in the previous week, to US\$84.94 per barrel during the week ending 22<sup>nd</sup> October 2021.

## 4. EXCHANGE RATE DEVELOPMENTS

On the foreign exchange auction market, the Zimbabwe dollar (ZWS) depreciated by 2.0% against the US dollar, from an average of ZW\$88.3395 per US\$1 in the previous week to ZW\$90.1406 per US\$1, during the week under review. Developments in selected exchange rates are shown in Table 5.

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

	USD	ZAR	GBP	BWP	EURO
<b>2021</b>					
<b>Weekly Average (11 - 15 October)</b>	<b>88.3395</b>	<b>6.0088</b>	<b>121.3693</b>	<b>7.9199</b>	<b>102.0584</b>
<b>18-Oct</b>	93.0810				
<b>19-Oct</b>	93.0810	6.4454	128.6009	8.3777	108.4534
<b>20-Oct</b>	93.0810	6.3512	128.4378	8.3824	108.2207
<b>21-Oct</b>	85.7300	5.9648	119.0385	7.8445	101.4470
<b>22-Oct</b>	85.7300	5.9172	119.3299	7.8102	101.3570
<b>Weekly Average (18 - 22 October)</b>	<b>90.1406</b>	<b>6.1696</b>	<b>123.8518</b>	<b>8.1037</b>	<b>104.8695</b>
<i>Appr(-)/Depr(+) (%) of the ZWL</i>	<i>2.0</i>	<i>2.7</i>	<i>2.0</i>	<i>2.3</i>	<i>2.8</i>

Source: Reserve Bank of Zimbabwe, 2021

## 5. EQUITY MARKETS

During the week ended 22<sup>nd</sup> October 2021, the Zimbabwe Stock Exchange (ZSE) continued on a bullish path, as reflected by gains in the Top 10, Top 15 and All Share indices, which increased by 25.00%, 22.76%, and 18.78% to close at 7 678.83 points, 8 507.10 points and 12 097.36 points, respectively.

Increases in share prices were recorded for Delta Corporation Limited (28.55%), Meikles Limited (24.58%), Dairiboard Holdings Limited (23.81%), Econet Wireless Zimbabwe Limited (19.99%) and Africa Sun Limited (16.68%). The following entities, however, registered share price losses: Masimba Holdings Limited (8.88%), Nmbz Holdings Limited (8.28%), Mashonaland Holdings Limited (5.45%), Zimplow Holdings Limited (4.84%) and British American Tobacco Zimbabwe (4.00%).

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

The resources index increased by 9.37% to close at 7 448.76 points, during the week under analysis. This was due to a 2.18% gain in the share price for Bindura Nickel Corporation Limited. The share price of Riozim Limited, however, remained unchanged.

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

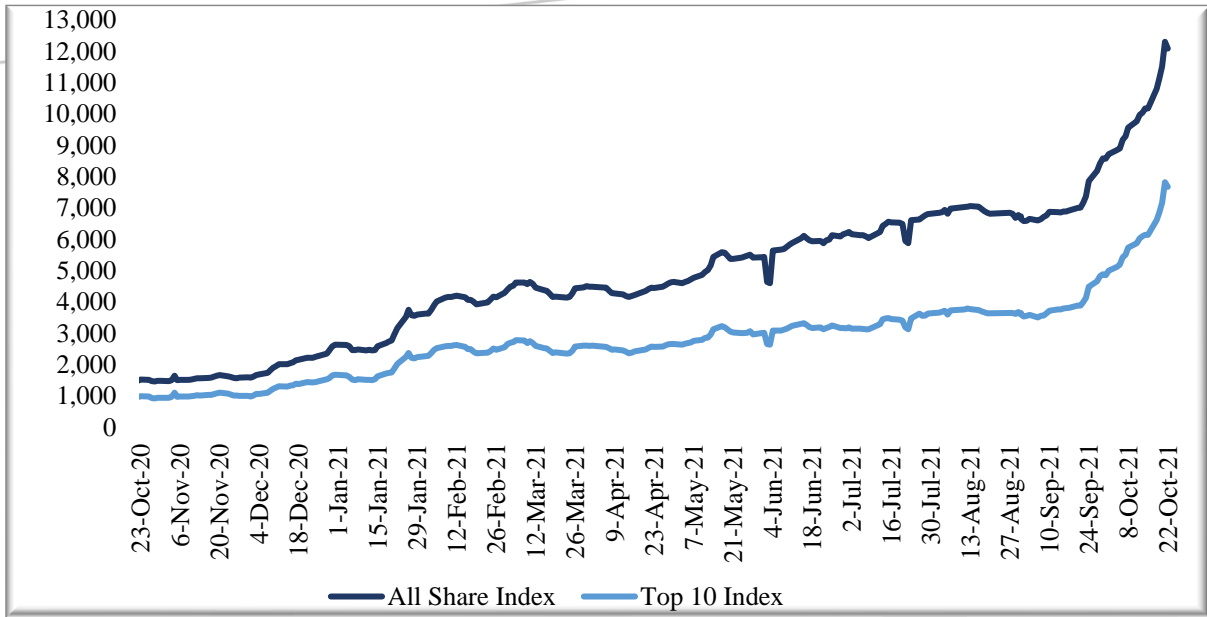
	All Share Index Points	Top 10 index (points)	Top 15 Index <sup>3</sup> points	Medium Cap <sup>3</sup> (points)	Small Cap <sup>3</sup> (points)	Mining Index (points)	Grand Market Capitalization (ZWL billion)	Market Turnover (ZWL million)	Volume of Shares (million)
<b>17-Sept-21</b>	6,918.42	3,811.50	4,349.82	17,264.15	220,336.87	6,104.31	823.33	1,444.53	2,776.13
<b>24-Sept-21</b>	7,866.84	4,488.02	5,072.84	18,655.87	229,647.05	6,629.24	940.02	1,403.07	69.39
<b>1-Oct-21</b>	8,719.53	4,998.20	5,688.58	20,464.29	255,411.79	6,432.53	1,048.64	1,138.05	36.28
<b>8-Oct-21</b>	9,570.05	5,732.26	6,428.89	20,682.54	259,144.42	6,547.32	1,157.42	1,573	25.75
<b>15-Oct-21</b>	10,184.95	6,142.98	6,929.79	21,528.31	316,367.25	6,810.45	1,286.46	2,214.02	37.39
<b>22-Oct-21</b>	12,097.36	7,678.83	8,501.10	22,864.87	324,284.55	7,448.76	1,474.57	965.56	22.72
<b>% Change</b>	<b>18.78</b>	<b>25.00</b>	<b>22.67</b>	<b>6.21</b>	<b>2.50</b>	<b>9.37</b>	<b>14.62</b>	<b>-56.39</b>	<b>-39.24</b>

Source: Zimbabwe Stock Exchange (ZSE), 2021

Figure 3 shows the trend in daily market turnover for the period 23<sup>rd</sup> October 2020 to 22<sup>nd</sup> October 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**



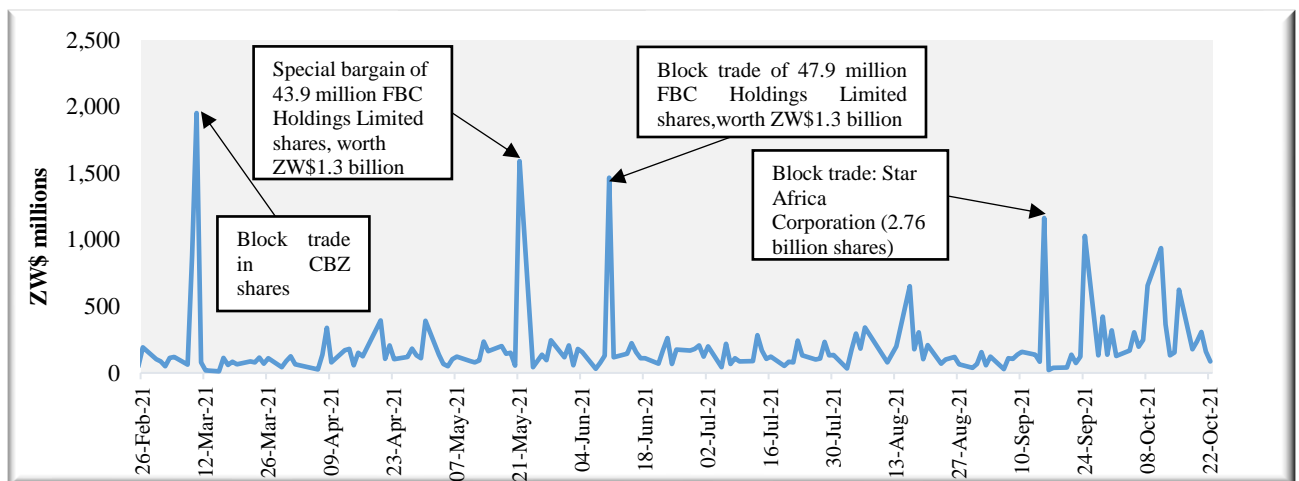
Source: Zimbabwe Stock Exchange, 2021

**Market Turnover and Volume**

Despite positive trading on the ZSE during the week under review, the cumulative value and volume of shares traded decreased by 56.39% and 39.23% to ZW\$965.56 million and 22.72 million shares and, respectively.

Figure 2 shows the trend in daily market turnover for the period 23<sup>rd</sup> October 2020 to 22<sup>nd</sup> October 2021.

**Figure 4: Daily Market Turnover**



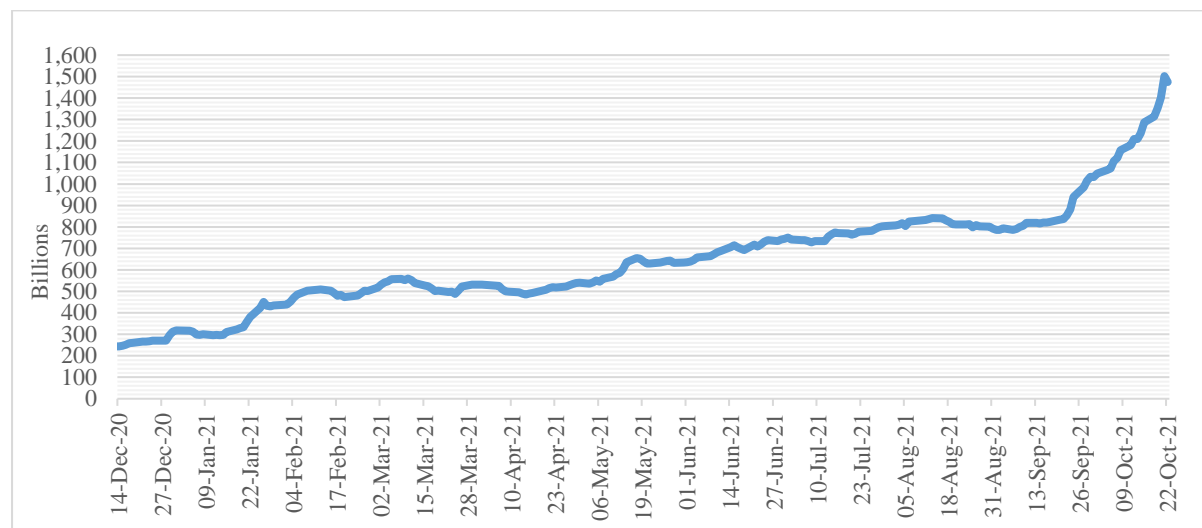
Source: Zimbabwe Stock Exchange, 2021



## Market Capitalization

The local bourse gained ZW\$188.11 billion, or 14.62% worth of capitalization to close at ZW\$1,474.57 billion, compared to the previous week's position of ZW\$1,286.46 billion.

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



Source: Zimbabwe Stock Exchange, 2021

## Johannesburg Stock Exchange (JSE) Developments

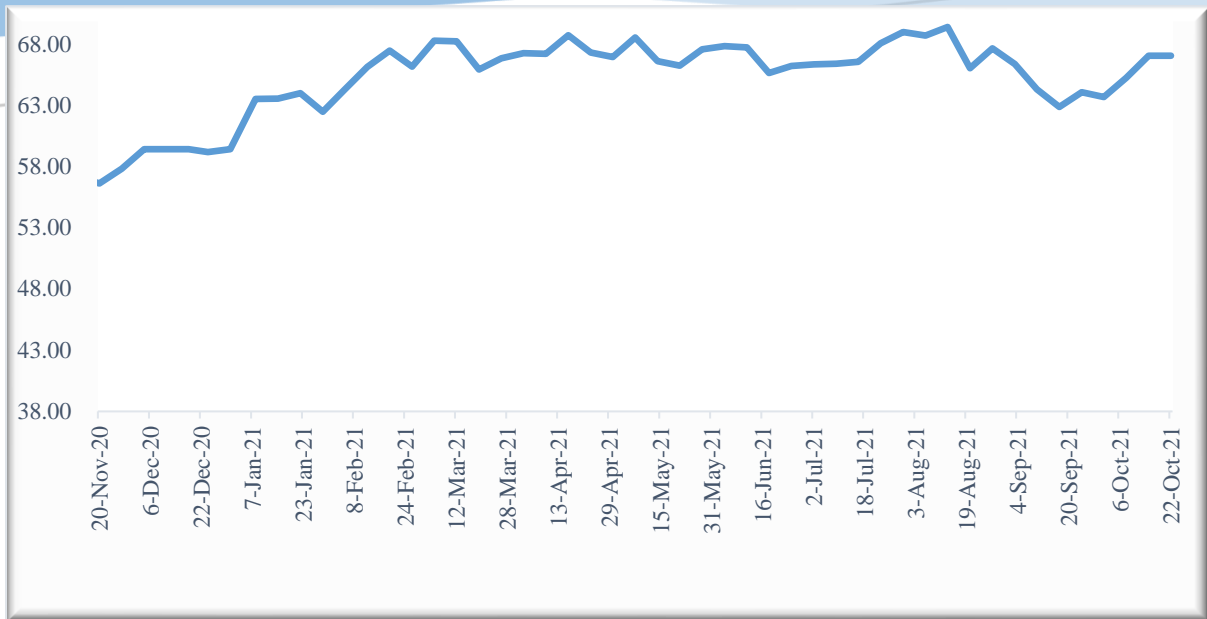
The Johannesburg Stock Exchange (JSE) All Share Index marginally increased by 0.03% to close at 67,050.52 points, during the week under analysis. Similarly, JSE market capitalization rose by 1.10% to close at ZAR19.26 trillion.

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

Period	All Share Index (points)	Market Capitalization (ZAR trillions)
17-Sept-21	62,863.64	18.22
24-Sept-21	64,049.05	18.45
1-Oct-21	63,661.02	18.23
8-Oct-21	65,242.61	18.60
15-Oct-21	67,028.86	19.05
22-Oct-21	67,050.52	19.26
<b>% Change</b>	<b>0.03</b>	<b>1.10</b>

Source: <https://www.jse.co.za/services/market-data/market-statistics>, 2021

**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			
	1-Oct-21	8-Oct-21	15-Oct-21	22-Oct-21	1-Oct-21	8-Oct-21	15-Oct-21	22-Oct-21
<b>Total Bids (US\$ dollars)</b>	34,192,013.42	35,798,776.22	32,826,554.76	37,373,661.57	10,582,486.96	10,695,839.38	9,365,574.40	11,188,380.30
<b>Amount Allotted (US\$ dollars)</b>	31,709,267.96	35,798,776.22	28,395,244.38	36,688,161.11	9,377,226.27	10,695,839.38	7,978,938.75	11,017,388.12
<b>Highest Rate</b>	95	96	95.16	102	97.2	98	100	105
<b>Lowest Bid Rate</b>	85	85	85	88.5	85	85	95.16	88.5
<b>Lowest Bid Rate Allotted</b>	85	85	88.5	90.0	85	85	88.5	90
<b>Weighted Average Rate</b>	87.6653	88.5532	90.0792	93.0810	87.6653	88.5532	90.0792	93.0810
<b>Number of Bids Received</b>	450	466	488	559	1236	1217	1196	1369
<b>Number of Bids Rejected</b>	22	22	357	39	56	53	759	79

*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			
	1-Oct-21	8-Oct-21	15-Oct-21	22-Oct-21	1-Oct-21	8-Oct-21	15-Oct-21	22-Oct-21
<b>Raw Materials</b>	12,919,239.28	15,226,564.09	11,010,262.22	13,799,777.83	2,953,286.28	3,247,758.50	2,428,873.54	3,049,941.67
<b>Machinery and Equipment</b>	7,983,704.69	8,272,309.33	7,822,826.32	9,877,882.27	2,738,627.65	3,595,447.33	2,482,427.55	3,460,523.13
<b>Consumables (Incl. Spares, Tyres, Packaging)</b>	2,648,090.96	3,597,274.31	3,010,781.10	4,290,143.67	1,465,622.73	1,431,730.56	1,215,781.53	1,869,021.43
<b>Pharmaceuticals and Chemicals</b>	1,904,542.68	2,131,929.23	1,139,496.66	2,181,884.67	370,929.89	405,158.72	368,996.62	356,694.20
<b>Services (Loans, Dividends and Disinvestments)</b>	1,471,247.99	1,759,691.19	980,656.00	1,835,546.53	584,600.46	799,181.28	608,013.90	1,096,008.34
<b>Retail and Distribution</b>	3,535,845.96	3,573,549.89	3,286,166.59	3,309,357.86	961,374.21	997,704.92	666,473.29	985,439.47
<b>Fuel, Electricity and Gas</b>	0.00	129,343.11	0.00	87,142.85	0.00	29,354.10	19,910.71	0.00
<b>Paper and Packaging</b>	1,246,596.40	1,108,115.07	1,145,055.49	1,306,425.43	302,785.05	189,503.97	188,461.61	199,759.88
<b>TOTAL</b>	<b>31,709,267.96</b>	<b>35,798,776.22</b>	<b>28,395,244.38</b>	<b>36,688,161.11</b>	<b>9,377,226.27</b>	<b>10,695,839.38</b>	<b>7,978,938.75</b>	<b>11,017,388.12</b>

Source: Reserve Bank of Zimbabwe, 2021