



# Weekly Economic Highlights

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Week Ending  
21<sup>st</sup> January 2022

## 1. INTEREST RATES

### Deposit Rates

The week ending 21<sup>st</sup> January 2022 saw minimum and maximum deposit rates for all classes of deposits remain unchanged 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 (%)
<b>24-Dec-21</b>	3.04	5.26	11.38	14.33	11.72	15.05
<b>31-Dec-21</b>	3.04	4.97	10.75	14.33	11.26	15.05
<b>7-Jan-22</b>	3.04	4.97	10.75	14.33	11.26	15.05
<b>14-Jan-22</b>	3.52	5.31	12.14	15.50	12.26	15.89
<b>21-Jan-22</b>	3.52	5.31	12.14	15.50	12.26	15.89

Source: Reserve Bank of Zimbabwe, 2022

### Lending Rates

Commercial bank minimum and maximum lending rates for individual and corporate clients were unchanged, during the week of analysis, as shown in Table 2.

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

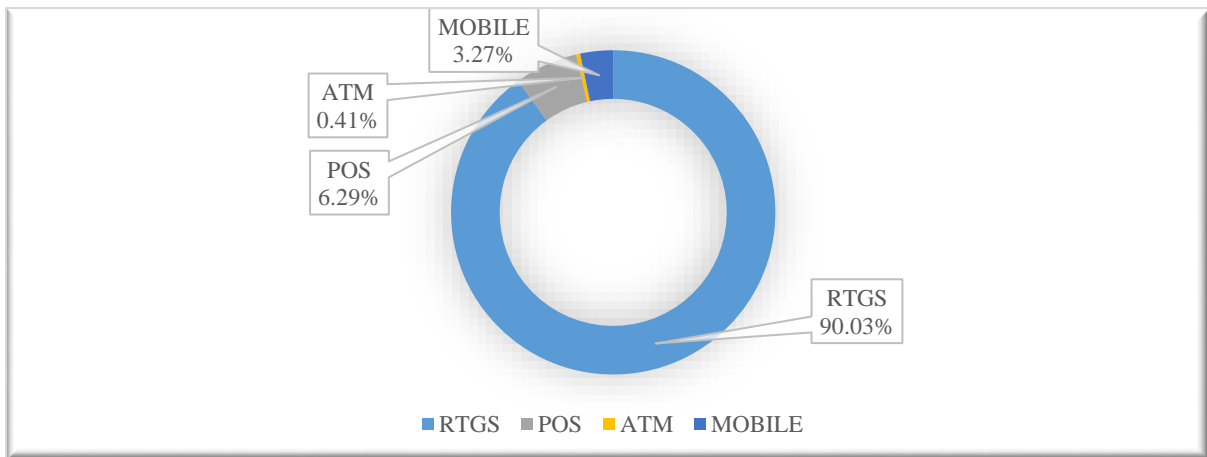
Date	Individual Clients		Corporate Clients	
	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
<b>24-Dec-21</b>	38.97	58.60	38.20	63.89
<b>31-Dec-21</b>	39.34	58.65	37.94	64.00
<b>7-Jan-22</b>	39.34	58.65	37.94	64.00
<b>14-Jan-22</b>	38.96	55.49	38.02	63.94
<b>21-Jan-22</b>	38.96	55.49	38.02	63.94

Source: Reserve Bank of Zimbabwe, 2022

## 2. CLEARING AND SETTLEMENT ACTIVITY

During the week under review, the National Payment Systems (NPS) processed transactions valued at \$218.21 billion, up from \$191.57 billion processed in the previous week. Transactions processed through the Real Time Gross Settlement (RTGS) platform rose from \$168.97 billion in the previous week to close at \$196.47 billion, during the week under analysis. The distribution of the NPS transaction values was as follows: RTGS, 90.03%, POS, 6.29%; Mobile, 3.27%; and ATM, 0.41%.

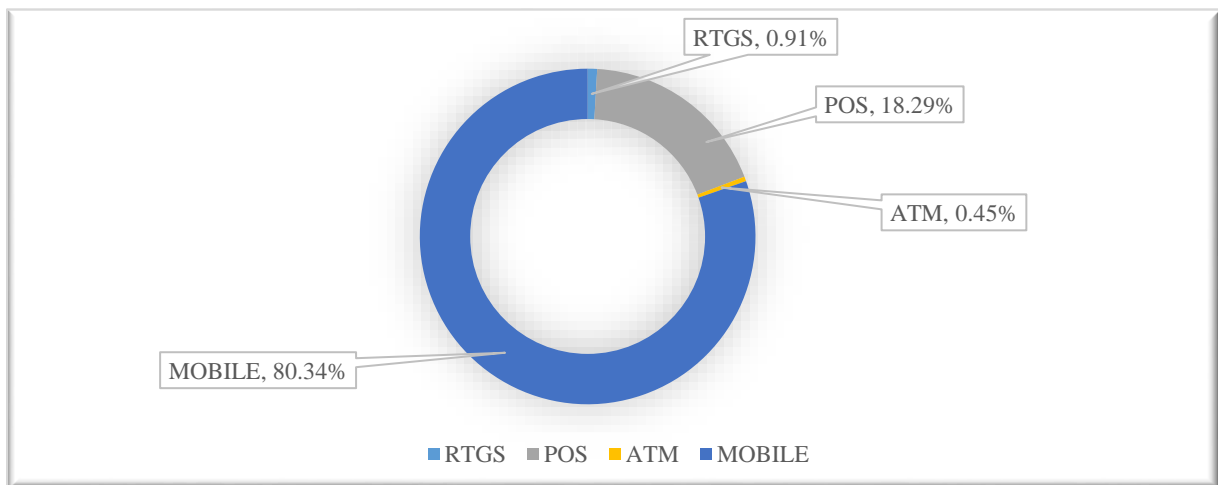
**Figure 1: Composition of NPS Transactions in Value Terms**



Source: Reserve Bank of Zimbabwe, 2022

NPS transaction volumes increased by 2.65% to 20.20 million, during the week under review, up from 19.68 million recorded in the previous week. The NPS transaction volumes were distributed as follows: Mobile, 80.34%, POS, 18.29%; RTGS, 0.91%; and ATM, 0.45%, as shown in Figure 2.

**Figure 2: Composition of NPS Transactions in Volume Terms**



Source: Reserve Bank of Zimbabwe, 2022

**Table 3: National Payment Systems Activity**

PAYMENT STREAM	WEEK ENDING 14 <sup>th</sup> January 2022	WEEK ENDING 21 <sup>st</sup> January 2022	% CHANGE FROM LAST WEEK	PROPORTION %
<b>Values in ZW\$ Millions</b>				
RTGS	168,965.97	196,465.46	16.28%	90.03%
POS	13,902.87	13,719.13	-1.32%	6.29%
ATM	959.70	903.67	-5.84%	0.41%
MOBILE	7,743.37	7,126.34	-7.97%	3.27%
<b>TOTAL</b>	<b>191,571.90</b>	<b>218,214.62</b>	<b>13.91%</b>	<b>100%</b>
<b>Volumes</b>				
RTGS	195,841	184,227	-5.93%	0.91%
POS	3,478,264	3,694,579	6.22%	18.29%
ATM	86,315	90,906	5.32%	0.45%
MOBILE	15,914,763	16,227,091	1.96%	80.34%
<b>TOTAL</b>	<b>19,675,183</b>	<b>20,196,802</b>	<b>2.65%</b>	<b>100%</b>

Source: Reserve Bank of Zimbabwe, 2022

### 3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

During the week under review, average prices for all selected commodities, including gold, platinum, nickel, copper, and crude oil firmed, as shown in Table 4.

**Table 4: Metal and Crude Oil Prices for the week ending 21<sup>st</sup> January 2022**

	Gold	Platinum	Copper	Nickel	Crude Oil
2021	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
<b>Weekly Average (10 – 14 January)</b>	<b>1,813.25</b>	<b>964.90</b>	<b>9,810.76</b>	<b>21,684.20</b>	<b>84.42</b>
<b>17-Jan</b>	1,818.95	973.00	9,730.00	22,571.00	87.13
<b>18-Jan</b>	1,814.03	974.00	9,749.00	22,558.00	87.80
<b>19-Jan</b>	1,840.23	1,002.50	9,785.50	22,443.00	88.30
<b>20-Jan</b>	1,841.03	1,050.00	9,864.00	23,484.00	86.55
<b>21-Jan</b>	1,835.93	1,046.00	10,018.00	24,076.00	87.90
<b>Weekly Average (17– 21 January)</b>	<b>1,830.03</b>	<b>1,009.10</b>	<b>9,829.30</b>	<b>23,026.40</b>	<b>87.54</b>
<b>Weekly Change (%)</b>	0.9	4.6	0.2	6.2	3.7

Source: BBC, KITCO and Bloomberg, 2022

#### Gold

Gold prices remained upbeat, gaining by 0.9%, from an average of US\$1,813.25 per ounce in the previous week to US\$1,830.03 per ounce, during the week ending 21<sup>st</sup> January 2022. Prices were boosted as rising US inflation prompted investors to shift to gold as a safe-haven asset. In addition, geo-political tensions pertaining to the build-up of Russian troops on its border with Ukraine, also boosted the appeal of the yellow metal as a safe-haven asset. The gains in

prices were, however, capped by investor expectations that the US Federal Reserve Bank would soon tighten monetary policy.

### **Platinum**

Platinum prices firmed on fears of tight supplies, owing to escalating geo-political tensions between Russia and Ukraine. Russia is one of the world's major platinum producers. Prices rose by 4.6%, from an average of US\$964.90 per ounce in the previous week to US\$1,009.10 per ounce, during the week under review.

### **Copper**

Copper prices remained relatively steady, as investors braced for a US Federal Reserve meeting at which it was expected to confirm the timing of raising of interest rates and the winding up of its stimulus program. The price of the base metal rose by a marginal 0.2%, from a weekly average of US\$9,810.76 per tonne, to close the week under analysis at US\$9,809.30 per tonne.

### **Nickel**

Nickel prices continued in positive territory, buoyed by supply concerns at a time global nickel inventories were low. Prices increased by 6.2%, from US\$21,684.20 per tonne, during the week ending 14<sup>th</sup> January 2022 to US\$23,026.40 per tonne, during the week under analysis.

### **Brent Crude Oil**

The average weekly price of Brent crude oil increased by 3.7%, from US\$84.42 per barrel in the previous week to US\$87.54 per barrel, during the week ending 21<sup>st</sup> January 2022. Prices were supported by the rising geo-political tensions between Russia and Ukraine, as the latter is a crucial transit hub for oil between Russia and the rest of the European Union area. Investors feared that further escalation of tensions between these countries would likely disrupt supply in an already tight market, sending oil prices even higher.

## **4. EXCHANGE RATE DEVELOPMENTS**

On the foreign exchange auction market, the Zimbabwe dollar (ZW\$) depreciated against the US dollar, shedding 2.3%, from an average of ZW\$108.6660 per US\$1 in the previous week to an average of ZW\$111.1584 per US\$1, during the week ending 21<sup>st</sup> January 2022. The 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 (10 – 14 January)</b>	<b>108.6660</b>	<b>7.0166</b>	<b>148.362</b>	<b>9.3554</b>	<b>123.812</b>
<b>17-Jan</b>	108.6660	7.0522	148.63365	9.4161	124.0912
<b>18-Jan</b>	108.6660	7.0447	148.1829	9.3944	123.8413
<b>19-Jan</b>	112.8200	7.2648	153.4787	9.7597	127.8284
<b>20-Jan</b>	112.8200	7.3665	153.6816	9.7652	128.0257
<b>21-Jan</b>	112.8200	7.3937	153.3263	9.7876	127.7549
<b>Weekly Average (17 – 21 January)</b>	<b>111.1584</b>	<b>7.2244</b>	<b>151.4606</b>	<b>9.6246</b>	<b>126.3083</b>
<b>Appr(-)/Depr(+) (%) of the ZWL</b>	2.3	3.0	2.1	2.9	2.0

Source: Reserve Bank of Zimbabwe, 2022

## 5. EQUITY MARKETS

During the week under analysis, the Zimbabwe Stock Exchange (ZSE) was characterised by bearish sentiment, resulting in all major indices registering losses. The All Share, Top 10 and Top 15 indices shed 6.48%, 3.49% and 4.50% to close at 11 324.01 points, 7 184.86 points and 7 943.10 points, respectively.

Share price losses for General Beltings Holdings Limited (17.46%), Delta Corporation Limited (15.20%), Econet Wireless Zimbabwe Limited (12.16%), TSL Limited (11.11) and Fidelity Life Assurance Limited (10.17%) weighed down the mainstream index. Gains were, however, registered in share prices of Zeco Holdings Limited (100%), Medtech Holdings Limited (25%), Edgars Stores Limited (8.82%), Star Africa Corporation Limited (6.03) and Getbucks Financial Services Limited (4.92%).

The resources index, however, gained by 4.88% to close at 8 196.79 points, during the week under review.

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

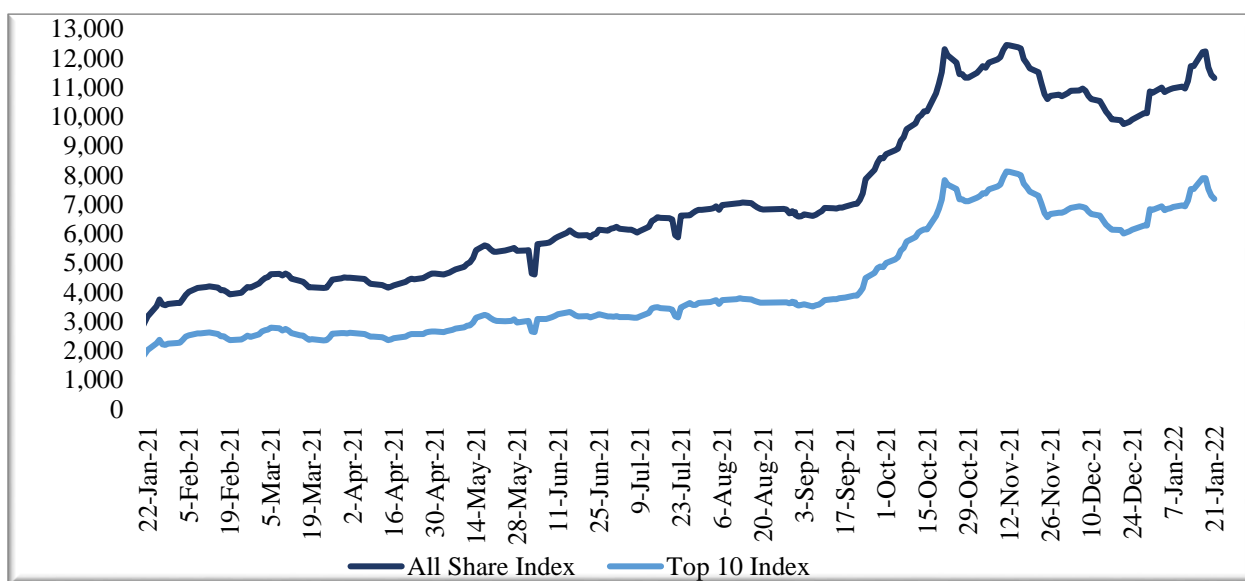
**Table 6: Zimbabwe Stock Exchange Statistics<sup>2</sup>**

	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-Dec-21</b>	9,914.76	6,137.22	6,789.95	19,394.51	374,354.08	7,662.79	1,200.44	757.57	10.83
<b>24-Dec-21</b>	9,895.68	6,130.95	6,760.90	19,334.87	380,623.83	7,739.08	1,203.99	2,747.06	44.19
<b>31-Dec-21</b>	10,822.36	6,811.43	7,529.37	20,407.26	402,753.21	7,815.37	1,317.21	831.60	26.79
<b>7-Jan-22</b>	10,973.50	6,911.60	7,670.42	20,668.38	417,650.07	7,815.37	1,336.23	975.91	15.74
<b>14-Jan-22</b>	11,733.61	7,523.41	8,317.55	21,131.63	398,369.22	7,815.37	1,466.64	1,276.87	43.41
<b>21-Jan-22</b>	11,324.01	7,184.86	7,943.10	21,013.11	371,740.14	8,196.79	1,371.63	478.90	8.04
<b>% Change</b>	<b>-3.49</b>	<b>-4.50</b>	<b>-4.50</b>	<b>-0.56</b>	<b>-6.68</b>	<b>4.88</b>	<b>-6.48</b>	<b>-62.49</b>	<b>-81.48</b>

Source: Zimbabwe Stock Exchange (ZSE), 2022

Figure 3 shows the trend in daily market turnover for the period from 22<sup>nd</sup> January 2021 to 21<sup>st</sup> January 2022.

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



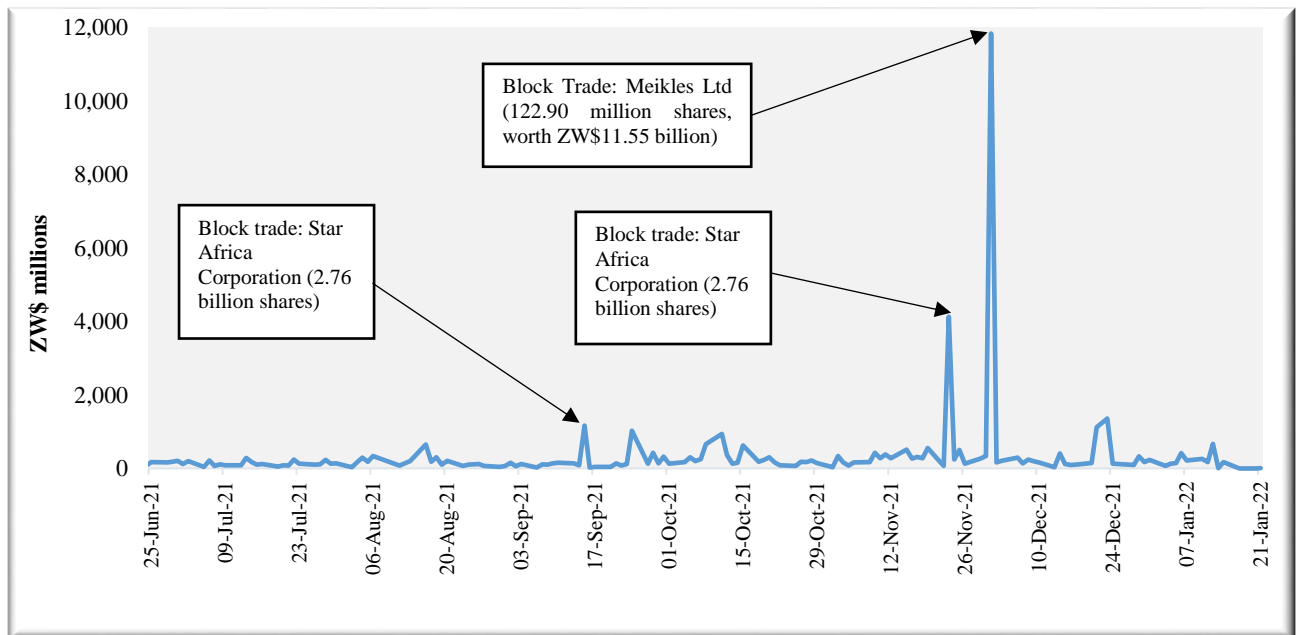
Source: Zimbabwe Stock Exchange, 2022

<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.

## Market Turnover and Volume

During the week under review, low trading activity on the ZSE resulted in a decline in the cumulative volume and value of shares traded, by 81.49% and 62.49% to 8.04 million shares and ZW\$478.90 million, respectively. Figure 4 shows the trend in daily market turnover for the period from 25<sup>th</sup> June 2021 to 21<sup>st</sup> January 2022.

**Figure 4: Daily Market Turnover**



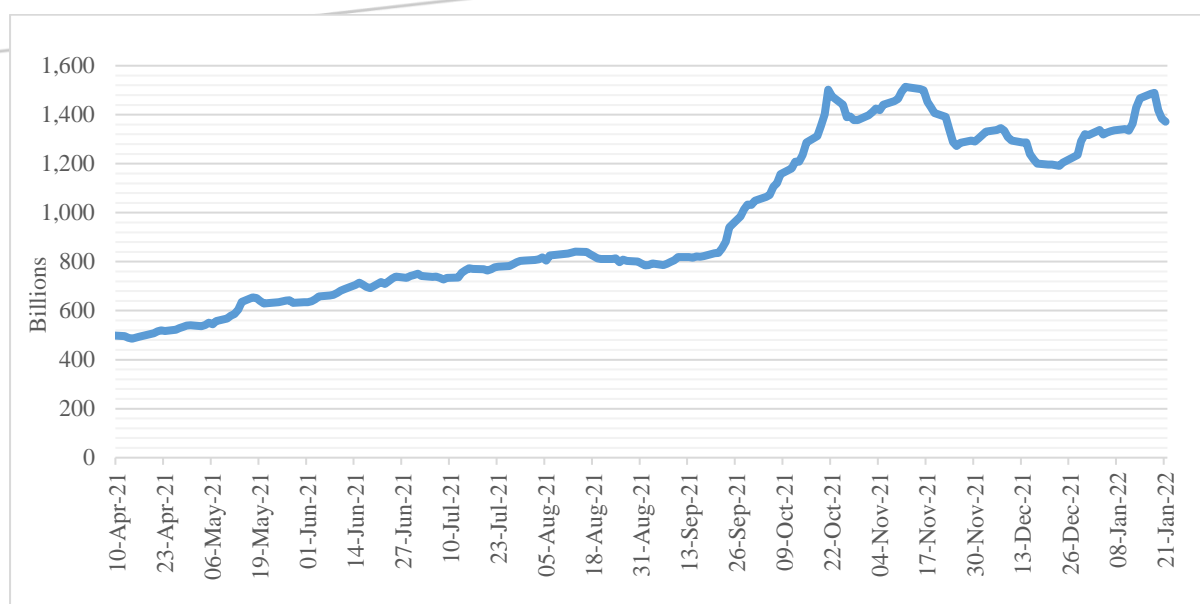
Source: Zimbabwe Stock Exchange, 2022

## Market Capitalization

In line with developments on the local bourse, market capitalisation declined by 6.48% to close at ZW\$1 371.63 billion, during the week under review, from ZW\$1 466.64 billion in the previous week. Figure 5 shows market capitalization developments for the period from 10<sup>th</sup> April 2021 to 21<sup>st</sup> January 2022.



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



Source: Zimbabwe Stock Exchange, 2022

### Johannesburg Stock Exchange (JSE) Developments

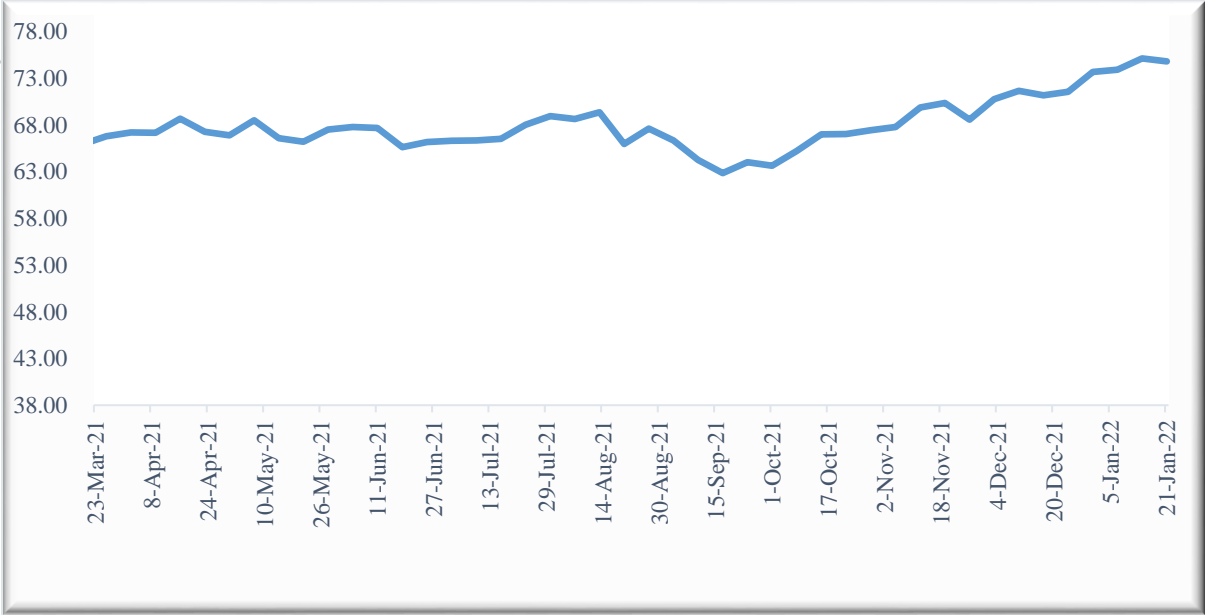
The Johannesburg Stock Exchange (JSE) All Share Index registered a marginal decline of 0.43% to 74,834.52 points, during the week under review, from 75,160.21 points in the previous week. Similarly, JSE market capitalization declined by 1.04%, to close at ZAR20.91 trillion.

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

Period	All Share Index (points)	Market Capitalization (ZAR trillions)
17-Dec-21	71,203.13	19.81
24-Dec-21	71,570.64	20.03
31-Dec-21	73,709.39	20.50
7-Jan-22	73,939.71	20.50
14-Jan-22	75,160.21	21.13
22-Jan-22	74,834.52	20.91
<b>% Change</b>	<b>-0.43%</b>	<b>-1.04%</b>

Source: <https://www.jse.co.za/services/market-data/market-statistics>, 2022

**Figure 6: Johannesburg Stock Exchange (JSE) All Share Index**



Source: <https://www.jse.co.za/services/market-data/market-statistics,2022>

**RESERVE BANK OF ZIMBABWE**

## APPENDIX 1: FOREIGN EXCHANGE AUCTION RESULTS FOR MAINFX<sup>3</sup> AND SMEFX<sup>4</sup>

	MAINFX				SMEFX			
	3-Dec-21	10-Dec-21	17-Dec-21	18-Jan-22	3-Dec-21	10-Dec-21	17-Dec-21	18-Jan-22
<b>Total Bids (US\$ dollars)</b>	32,681,877.66	34,672,497.78	35,102,236.84	25,679,781.10	6,466,518.27	6,147,829.66	6,675,670.74	5,186,494.80
<b>Amount Allotted (US\$ dollars)</b>	32,681,877.66	34,672,497.78	35,102,236.84	25,679,781.10	6,466,518.27	6,147,829.66	6,675,670.74	5,186,494.80
<b>Highest Rate</b>	120	125	125	126	125	125	126	125
<b>Lowest Bid Rate</b>	100	100	102	104	100	100	100	100
<b>Lowest Bid Rate Allotted</b>	100	100	102	104	100	100	100	100
<b>Weighted Average Rate</b>	105.6896	108.6678	108.6660	112.8228	105.6896	108.6678	108.6660	112.8228
<b>Number of Bids Received</b>	604	521	526	448	923	770	758	633
<b>Number of Bids Rejected</b>	236	117	114	128	311	210	125	141

*Source: Reserve Bank of Zimbabwe, 2022*

*\*The last foreign currency auction for 2021 was on 14<sup>th</sup> December 2021 and the first foreign currency auction for 2022 was conducted on 18<sup>th</sup> January 2022*

<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			
	3-Dec-21	10-Dec-21	17-Dec-21	18-Jan-22	3-Dec-21	10-Dec-21	17-Dec-21	18-Jan-22
<b>Raw Materials</b>	12,886,823.83	14,048,652.00	15,570,248.34	10,955,933.90	2,027,946.14	1,763,630.63	2,018,353.38	1,437,928.95
<b>Machinery and Equipment</b>	9,563,903.99	10,549,444.22	9,488,158.89	6,834,249.00	2,134,470.16	2,286,330.76	2,311,651.63	1,716,788.74
<b>Consumables (Incl. Spares, Tyres, Packaging)</b>	3,098,825.50	3,081,031.44	2,834,278.31	2,018,909.75	813,235.15	637,511.53	802,046.62	567,367.56
<b>Pharmaceuticals and Chemicals</b>	1,830,950.66	1,476,312.67	1,345,307.98	1,601,054.05	344,411.39	351,252.03	328,024.72	224,790.62
<b>Services (Loans, Dividends and Disinvestments)</b>	1,972,011.01	1,994,435.40	2,214,287.84	2,046,438.06	549,730.63	497,741.21	575,449.58	832,305.41
<b>Retail and Distribution</b>	2,506,916.23	2,850,071.31	2,637,477.63	1,717,910.17	467,852.29	458,991.16	423,215.30	223,739.04
<b>Fuel, Electricity and Gas</b>	160,008.59	0.00	0.00	50,251.21	0.00	9,970.00	32,201.34	-
<b>Paper and Packaging</b>	662,437.85	672,550.74	1,012,477.85	455,034.96	128,872.51	142,402.34	184,728.17	183,574.48
<b>TOTAL</b>	<b>32,681,877.66</b>	<b>34,672,497.78</b>	<b>35,102,236.84</b>	<b>25,679,781.10</b>	<b>6,466,518.27</b>	<b>6,147,829.66</b>	<b>6,675,670.74</b>	<b>5,186,494.80</b>

*Source: Reserve Bank of Zimbabwe, 2022*

\* The last foreign currency auction for 2021 was on 14<sup>th</sup> December 2021 and the first foreign currency auction for 2022 was conducted on 18<sup>th</sup> January 2022