



Weekly Economic Highlights

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Week Ending
3rd June 2022

1. INTEREST RATES

Deposit Rates

During the week ending 3rd June 2022, both minimum and maximum deposit rates for savings deposits remained unchanged at previous week levels. Minimum deposits rates for deposits of 1 month tenor declined, while those for deposits of 3 month tenor increased. Maximum deposit rates for deposits of 1 month and 3 month tenors registered increases during the same week, 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 (%) |
| 06-May-22 | 3.62 | 5.71 | 15.32 | 17.00 | 16.39 | 18.53 |
| 13-May-22 | 3.62 | 5.71 | 15.32 | 17.00 | 16.39 | 18.53 |
| 20-May-22 | 4.21 | 6.35 | 15.29 | 16.69 | 16.44 | 18.42 |
| 27-May-22 | 4.21 | 6.35 | 15.29 | 16.69 | 16.44 | 18.42 |
| 03-June-22 | 4.21 | 6.35 | 14.50 | 17.22 | 16.78 | 18.63 |

Source: Reserve Bank of Zimbabwe, 2022

Lending Rates

During the week under review, both minimum and maximum commercial banking lending rates for individual clients declined marginally. Commercial bank minimum lending rates for corporate clients increased, while maximum lending rates registered as 1.62 percentage points decline to 62.20%, as shown in Table 2.

Table 2: Lending Rates (per annum)

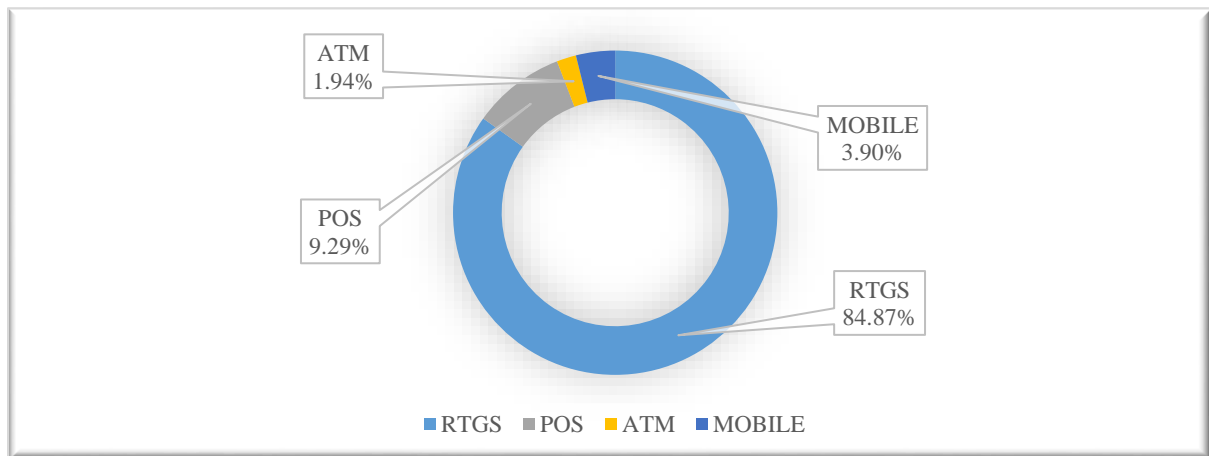
| Date | Individual Clients | | Corporate Clients | |
|-----------|--------------------|-------------|-------------------|-------------|
| | Minimum (%) | Maximum (%) | Minimum (%) | Maximum (%) |
| 6-May-22 | 38.09 | 59.62 | 46.50 | 63.86 |
| 13-May-22 | 38.09 | 59.62 | 46.50 | 63.86 |
| 20-May-22 | 38.01 | 59.70 | 47.25 | 63.82 |
| 27-May-22 | 38.01 | 59.70 | 47.25 | 63.82 |
| 3-June-22 | 37.71 | 59.66 | 47.94 | 62.20 |

Source: Reserve Bank of Zimbabwe, 2022

2. CLEARING AND SETTLEMENT ACTIVITY

Transactions processed through the National Payment System (NPS) amounted to ZW\$351.72 billion, during the week ending 3rd June 2022. This was a 14.45% increase from ZW\$307.31 billion recorded during the week ending 27th May 2022. Real Time Gross Settlement (RTGS) transactions rose by 10.65% to ZW\$298.50 billion, during the week under analysis. The NPS transaction values were distributed as follows: RTGS, 84.87%; POS, 9.29%; Mobile, 3.90% and ATM, 1.94%.

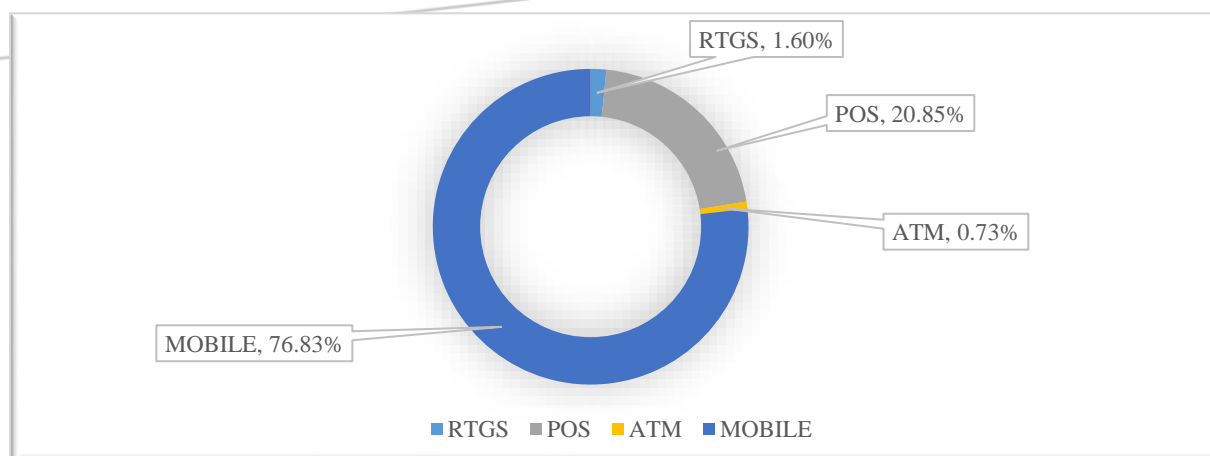
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2022

The volume of NPS transactions increased from 18.01 million in the previous week to 19.57 million, during the week under analysis. In terms of distribution, NPS transaction volumes were dominated by Mobile transactions at 76.83%, followed by POS, 20.85%; ATM, 0.73% and RTGS, 1.60%.

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 27 th May 2022 | WEEK ENDING 3 rd June 2022 | % CHANGE FROM LAST WEEK | PROPORTION % |
|--------------------------------|---------------------------------------|---------------------------------------|-------------------------|--------------|
| Values in ZW\$ Millions | | | | |
| RTGS | 269,764.51 | 298,502.53 | 10.65% | 84.87% |
| POS | 22,473.09 | 32,669.24 | 45.37% | 9.29% |
| ATM | 3,293.88 | 6,836.41 | 107.55% | 1.94% |
| MOBILE | 11,776.85 | 13,707.55 | 16.39% | 3.90% |
| TOTAL | 307,308.32 | 351,715.72 | 14.45% | 100% |
| Volumes | | | | |
| RTGS | 302,829 | 312,891 | 3.32% | 1.60% |
| POS | 3,087,222 | 4,080,129 | 32.16% | 20.85% |
| ATM | 147,354 | 142,531 | -3.27% | 0.73% |
| MOBILE | 14,477,174 | 15,036,593 | 3.86% | 76.83% |
| TOTAL | 18,014,579 | 19,572,144 | 8.65% | 100% |

Source: Reserve Bank of Zimbabwe, 2022

3. TOBACCO SALES

A cumulative total of 127.6 million kilograms of tobacco had been sold as at day 44 of the tobacco selling season. This was a 12.61% decrease from the 146 million kilograms sold during the same period in 2021. In value terms, tobacco sales registered a 3.64% decline to US\$382.04 million, from US\$396.48 million realized during the corresponding period in 2021, as shown in Table 4

Table 4: Weekly Cumulative Tobacco Sales: Day 44 (3rd June 2022)

| | 2021 | 2022 | Variance (%) |
|---|-------------|-------------|--------------|
| Cumulative Quantity Sold (million kgs) | 146,048,865 | 127,627,997 | (12.61) |
| Average Price(US\$/kg) | 2.71 | 2.99 | 10.27 |
| Cumulative value (US\$ million) | 396,477,197 | 382,036,510 | (3.64) |

Source: Tobacco Industry and Marketing Board (TIMB), 2022

The golden leaf was sold at a price of US\$2.99 dollars per kilogram, during the period under review. This reflected a 10.27% increase, compared to US\$2.71 dollars per kilogram recorded during the same period in 2021.

4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

International commodity prices for platinum, palladium, copper, nickel and crude oil firmed, while gold prices retreated, during the week ending 3rd June 2022. Metal prices in particular, were bolstered by prospects of demand recovery in China, following the relaxation of Covid-19-induced restrictions. Table 5 shows the evolution of prices of selected commodities, during the week under review.

Table 5: Metal and Crude Oil Prices for the week ending 3rd June 2022

| | Gold | Platinum | Palladium | Copper | Nickel | Crude Oil |
|---|-----------------|---------------|-----------------|-----------------|------------------|---------------|
| 2022 | US\$/ounce | US\$/ounce | US\$/ounce | US\$/tonne | US\$/tonne | US\$/barrel |
| Weekly Average (23 - 27 May) | 1,855.35 | 953.80 | 2,008.40 | 9,476.38 | 27,159.00 | 114.80 |
| 30-May | 1,856.10 | 969.50 | 2,060.00 | 9,537.00 | 29,231.00 | 119.35 |
| 31-May | 1,846.55 | 963.00 | 2,051.00 | 9,445.00 | 28,344.00 | 115.93 |
| 1-Jun | 1,837.30 | 982.50 | 2,013.00 | 9,445.50 | 28,344.00 | 113.97 |
| 2-Jun | 1,846.00 | 997.00 | 1,996.00 | 9,560.00 | 28,061.00 | 117.21 |
| 3-Jun | 1,850.51 | 1,014.15 | 1,976.37 | 9,728.90 | 27,706.00 | 121.08 |
| Weekly Average (30 May - 3 June) | 1,847.29 | 985.23 | 2,019.27 | 9,543.28 | 28,337.20 | 117.51 |
| Weekly Change (%) | -0.4 | 3.3 | 0.5 | 0.7 | 4.3 | 2.4 |

Source: BBC, KITCO and Bloomberg, 2022

Gold

Gold prices retreated as the US dollar and US Treasury yields rallied, amid investor expectations that the Federal Reserve would raise interest rates at its next policy meeting. Prices fell by 0.4%, from a weekly average of US\$1,855.35 per ounce in the previous week to US\$1,847.29 per ounce, during the week under review.

Platinum

Platinum prices gained momentum on prospects of strong industrial demand, following reports that the global automotive market was beginning to recover. Prices increased by 3.3% to US\$985.23 per ounce during the week under review, from a weekly average of US\$953.80 per ounce in the prior week.

Palladium

Palladium prices rebounded, gaining by 0.5% from a weekly average of US\$2,008.40 per ounce in the preceding week to US\$2,019.27 per ounce, during the week ending 3rd June 2022. The recovery in palladium prices was supported by supply concerns, as well as a positive demand outlook in China, the major metal consumer.

Copper

Copper prices rose on expectations of increased demand in China, after the country eased lockdown restrictions. Prices rose by 0.7%, from a weekly average of US\$9,476.38 per tonne in the previous week to US\$ 9,543.28 per tonne, during the week under review.

Nickel

Nickel prices remained upbeat, supported by low inventories, amid weak supply in major source markets. Weekly average prices rose by 4.3%, from US\$27,159.00 per tonne in the previous week to US\$28,337.20 per tonne, during the week under review.

Brent Crude Oil

Brent crude oil prices remained buoyant during the week under review, spurred by concerns over supply after the Organization of Petroleum Exporting Countries and its allies (OPEC+) only agreed to a modest increase in output at a time demand is rising. Furthermore, oil prices were supported by reports that U.S. crude oil inventories had fallen more than expected. Prices increased by 2.4%, from US\$114.80 per barrel in the previous week to US\$117.51 per barrel, during the week ending 3rd June 2022.

5. EXCHANGE RATE DEVELOPMENTS

Foreign Exchange Auction

The Zimbabwe dollar (ZW\$) depreciated by 9.8% against the US dollar, from an average of ZW\$274.664 per US\$1 in the previous week to ZW\$301.4680 per US\$1, during the week under review. The developments in selected exchange rates are as shown in Table 6.

Table 6: International Exchange Rates¹

| | USD | ZAR | GBP | BWP | EURO |
|---|-----------------|----------------|-----------------|----------------|-----------------|
| 2022 | | | | | |
| Weekly Average (23 - 27 May) | 274.6640 | 17.4317 | 345.6877 | 22.7672 | 293.2952 |
| 30-May | 290.8876 | 18.7091 | 367.8278 | 24.2331 | 312.9082 |
| 31-May | 290.8876 | 18.7970 | 367.1449 | 24.3204 | 312.8357 |
| 1-Jun | 308.5201 | 19.6850 | 388.1809 | 25.6850 | 330.3951 |
| 2-Jun | 308.5201 | 19.7628 | 384.7871 | 25.7628 | 328.6365 |
| 3-Jun | 308.5201 | 19.9800 | 387.8563 | 25.7319 | 331.7217 |
| Weekly Average (30 May - 3 June) | 301.4680 | 19.3868 | 379.1594 | 25.1466 | 323.2994 |
| <i>Appr(-)/Depr(+) (%) of the ZWL</i> | 9.8 | 11.2 | 9.7 | 10.5 | 10.2 |

Source: Reserve Bank of Zimbabwe, 2022

Interbank Market

The Willing-Buyer Willing-Seller (WBWS) interbank market also saw the Zimbabwe dollar (ZW\$) depreciate by 2.8%, from an average of ZW\$296.0490 per US\$1 in the previous week to ZW\$304.4070 per US\$1, during the week under review.

Table 7: International Exchange Rates²

| | USD | ZAR | GBP | BWP | EURO |
|---------------------------------------|-----------------|----------------|-----------------|----------------|-----------------|
| 2022 | | | | | |
| Weekly Average (23 - 27 May) | 296.0490 | 18.7635 | 372.5261 | 24.5349 | 315.9808 |
| 30-May | 299.6819 | 19.2678 | 378.98 | 24.9693 | 322.3701 |
| 31-May | 301.4994 | 19.4363 | 380.4503 | 25.2119 | 324.2049 |
| 1-Jun | 304.4223 | 19.3986 | 382.979 | 25.345 | 325.9912 |
| 2-Jun | 307.3619 | 19.685 | 383.3895 | 25.6683 | 327.4497 |
| 3-Jun | 309.0693 | 19.98 | 388.6127 | 25.7801 | 332.3756 |
| Weekly Average (27 May-3 June) | 304.4070 | 19.5536 | 382.8823 | 25.3949 | 326.4783 |
| <i>Appr(-)/Depr(+) (%) of the ZWL</i> | 2.8 | 4.2 | 2.8 | 3.5 | 3.3 |

Source: Reserve Bank of Zimbabwe, 2022

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

² Direct quote – the amount of domestic currency needed to exchange for 1 unit of foreign currency

6. EQUITY MARKETS

Zimbabwe Stock Exchange

The week ending 3rd June 2022 saw the Zimbabwe Stock Exchange (ZSE) continue on a positive trajectory, resulting in all major indices registering gains. The Top 10, Top 15 and Medium Cap indices gained 16.33%, 15.44% and 4.74% to close at 15 651.73 points, 17 140.92 points and 39 374.98 points, respectively. The increase in the market indices emanated from share price gains for Econet Wireless Zimbabwe Limited (28.33%), Ecocash Holdings Zimbabwe Limited (25.77%), Delta Corporation Limited (25.17%), First Mutual Property Limited (24.60%) and Axia Corporation Limited (24.37%).

Partially offsetting the gains were declines in the share prices of Unifreight Africa Limited (14.05%), Edgars Stores Limited (13.26%), Tanganda Tea Company Limited (8.50%), Turnall Holdings Limited (7.08%) and Proplastics Limited (4.41%). The resources index, however, remained unchanged at 21 021.24 points, during the same week.

Table 8: Zimbabwe Stock Exchange Statistics³

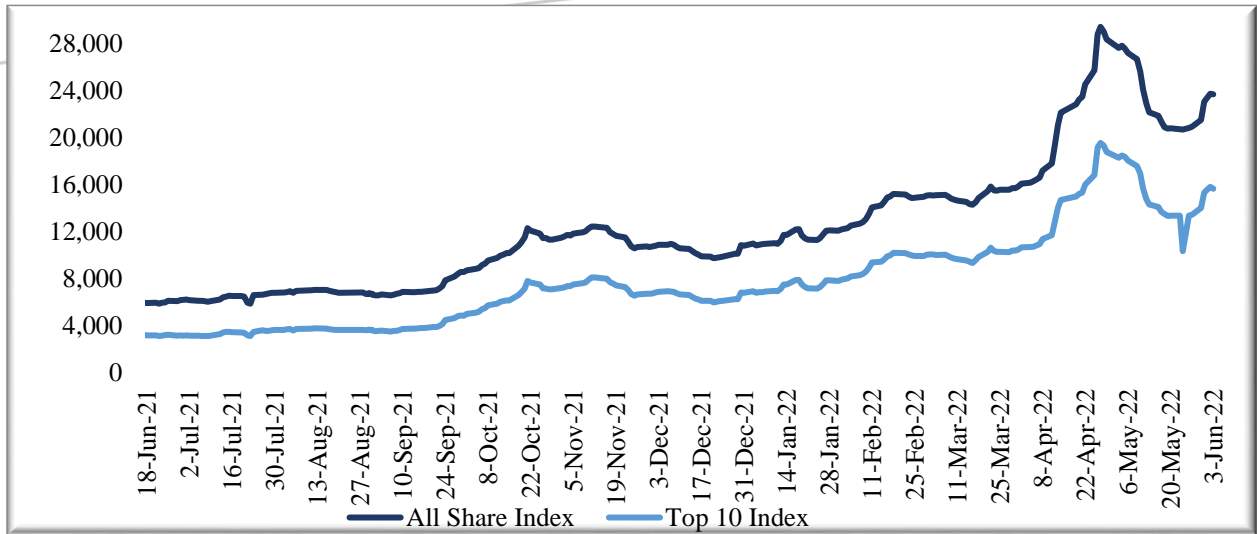
| | All Share Index Points | Top 10 index ³ (points) | Top 15 Index ³ points | Medium Cap ³ (points) | Small Cap ³ (points) | Mining Index (points) | Grand Market Capitalization (ZWL billion) | Market Turnover (ZWL million) | Volume of Shares (million) |
|-------------------|------------------------|------------------------------------|----------------------------------|----------------------------------|---------------------------------|-----------------------|---|-------------------------------|----------------------------|
| 29-Apr-22 | 28,391.75 | 18,786.03 | 20,926.14 | 46,972.25 | 587,219.17 | 30,527.28 | 3,547.35 | 5,465.63 | 127.00 |
| 06-May-22 | 27,196.87 | 18,044.54 | 19,887.26 | 44,544.97 | 597,946.28 | 27,297.82 | 3,404.14 | 1,614.68 | 16.59 |
| 13-May-22 | 22,183.37 | 14,330.29 | 15,893.63 | 39,167.07 | 561,075.93 | 23,204.74 | 2,751.64 | 1,814.20 | 48.84 |
| 20-May-22 | 20,797.23 | 13,359.56 | 14,813.61 | 37,357.60 | 498,491.72 | 20,021.24 | 2,577.52 | 1,161.18 | 10.96 |
| 27-May-22 | 20,933.98 | 13,454.99 | 14,848.43 | 37,591.39 | 479,093.24 | 20,021.24 | 2,594.03 | 1,973.45 | 111.48 |
| 03-June-22 | 23,685.59 | 15,651.73 | 17,140.92 | 39,374.98 | 475,482.38 | 20,021.24 | 2,962.17 | 3,579.43 | 19.76 |
| % Change | 13.14 | 16.33 | 15.44 | 4.74 | -0.75 | 0.00 | 14.19 | 81.38 | -82.27 |

Source: Zimbabwe Stock Exchange (ZSE), 2022

Figure 3 shows the trend in daily market turnover for the period from 18th June 2021 to 3rd June 2022.

³ 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

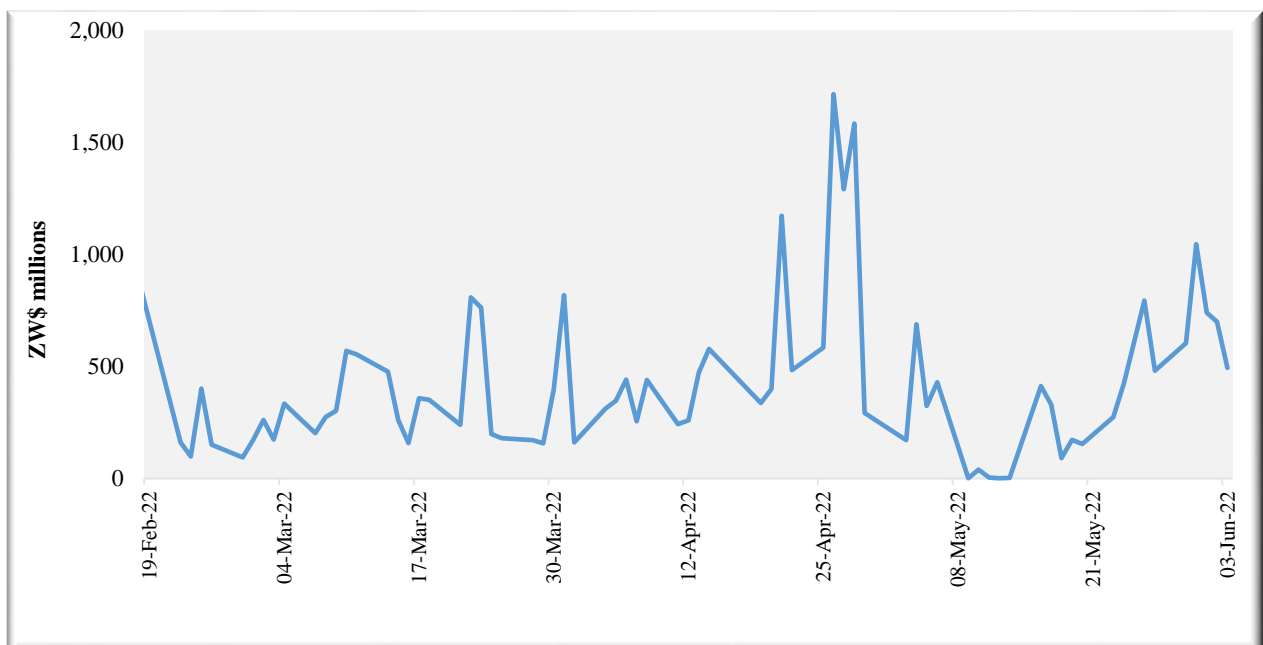


Source: Zimbabwe Stock Exchange, 2022

Market Turnover and Volume

The cumulative value of shares traded on the ZSE increased by 81.38% to ZW\$3.58 billion, despite a 82.27% decline in the volume of shares traded, which stood at 19.76 million. Figure 4 shows the trend in daily market turnover for the period 19th February 2022 to 3rd June 2022.

Figure 4: Daily Market Turnover

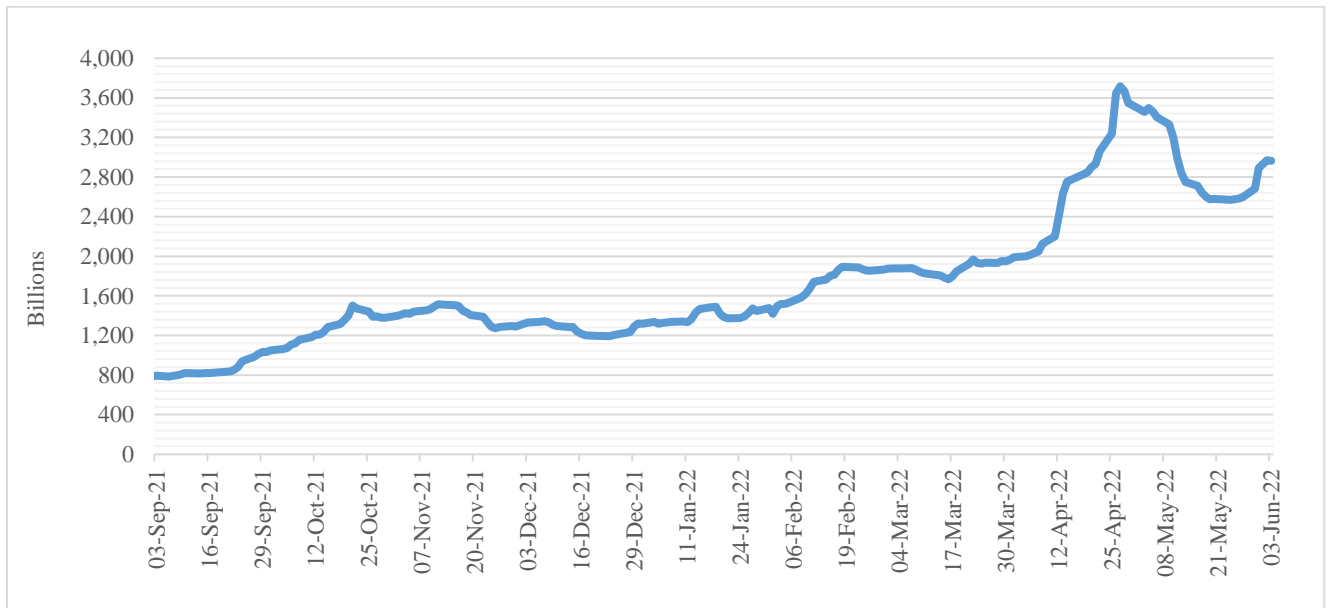


Source: Zimbabwe Stock Exchange, 2022

Market Capitalization

In line with the aforementioned developments, the local bourse gained ZW\$368.14 million, or 14.19% worth of capitalization to ZW\$2 962.08 billion, during the week under review compared to ZW\$2 594.03 billion recorded in the previous week. Figure 5 shows market capitalization developments for the period from 3rd September 2021 to 3rd June 2022.

Figure 5: Daily Market Capitalization in ZW\$ billions

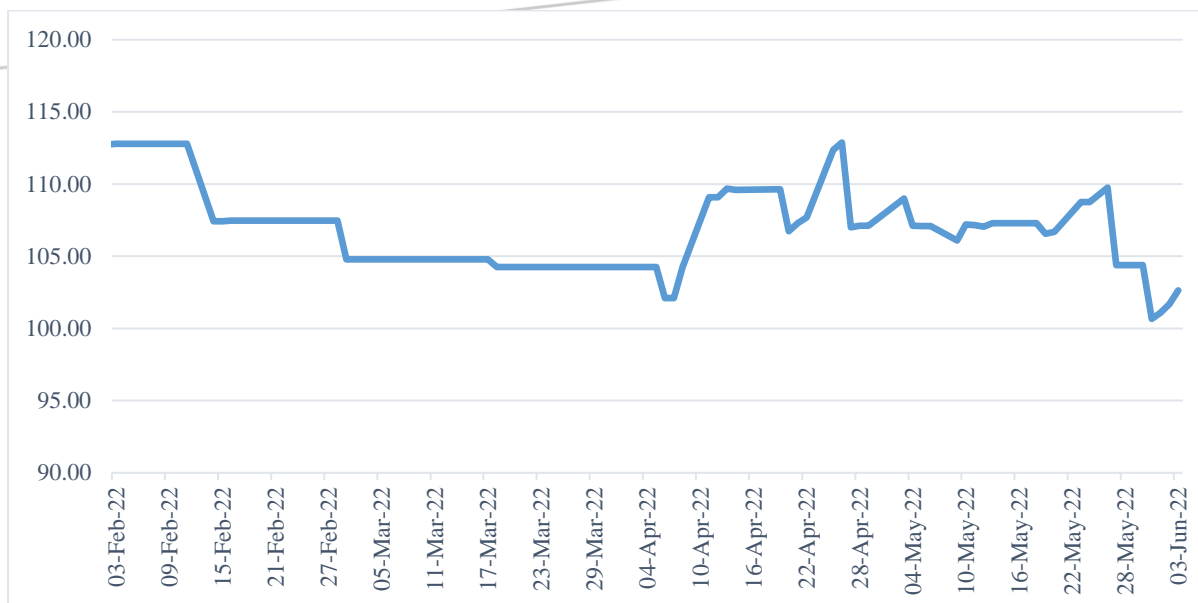


Source: Zimbabwe Stock Exchange, 2022

Victoria Falls Stock Exchange

The cumulative volume and value of shares traded on the Victoria Falls Stock Exchange (VFEX) declined by 58.55% and 9.41% to 0.31 million shares and US\$0.02 million, respectively. Figure 6 shows the trend in the Victoria Falls Stock Exchange (VFEX) All Share Index for the period from 3rd February 2021 to 3rd June 2022.

Figure 6: Victoria Falls Stock Exchange All Share Index



Source: Victoria Falls Stock Exchange, 2022

Johannesburg Stock Exchange (JSE) Developments

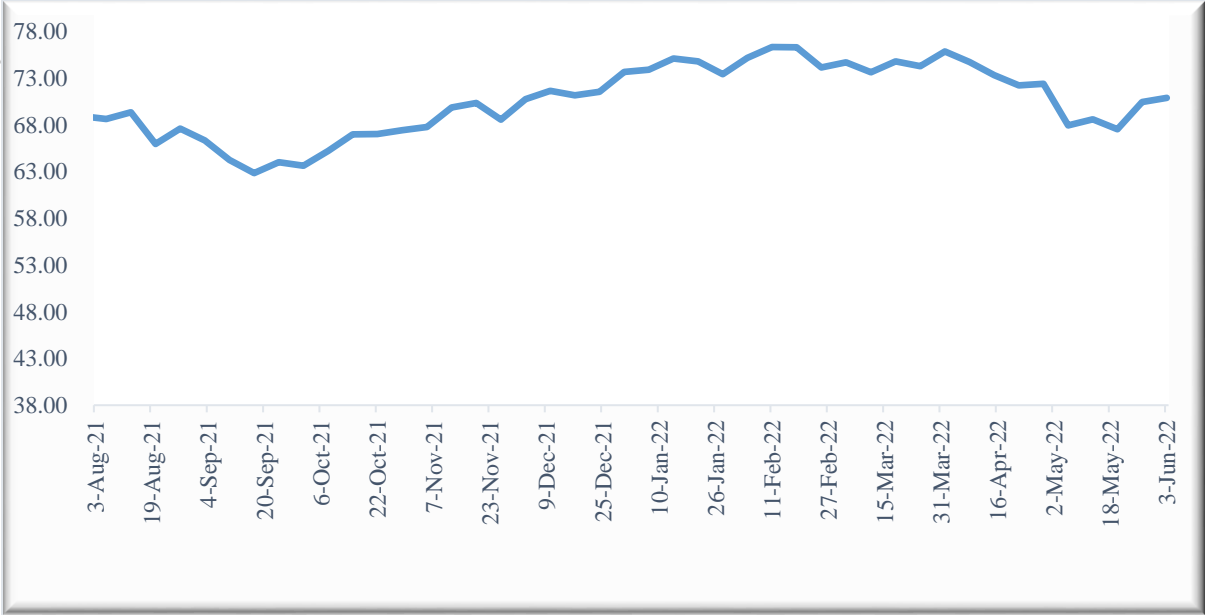
During the week ending 3rd June 2022, the Johannesburg Stock Exchange (JSE) All share index increased by 0.61% to close at 70,920.45 points, from 70,485.46 points in the previous week. JSE market capitalization also increased by 0.58% to close at ZAR20.61 trillion, during the same week.

Table 9: Johannesburg Stock Exchange (JSE) Statistics

| Period | All Share Index (points) | Market Capitalization (ZAR trillions) |
|------------------|-----------------------------|--|
| 29-Apr-22 | 72,438.25 | 21.01 |
| 6-May-22 | 67,978.14 | 19.98 |
| 13-May-22 | 68,650.66 | 20.11 |
| 20-May-22 | 67,575.28 | 20.16 |
| 27-May-22 | 70,485.46 | 20.49 |
| 3-Jun-22 | 70,920.45 | 20.61 |
| % Change | 0.61 | 0.58 |

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

Figure 7: 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 MAINFX⁴ AND SMEFX⁵

| | MAINFX | | | | SMEFX | | | |
|---------------------------------------|---------------|---------------|---------------|---------------|--------------|--------------|--------------|--------------|
| | 13-May-22 | 20-May-22 | 27-May-22 | 3-June-22 | 13-May-22 | 20-May-22 | 27-May-22 | 3-June-22 |
| Total Bids (US\$ dollars) | 23,020,941.86 | 42,053,973.50 | 32,941,798.21 | 23,947,063.37 | 4,132,275.84 | 8,998,155.54 | 8,684,002.68 | 5,135,841.87 |
| Amount Allotted (US\$ dollars) | 23,020,941.86 | 5,604,709.04 | 20,624,665.87 | 21,165,154.67 | 3,823,470.35 | 1,240,118.58 | 4,423,085.55 | 4,425,590.12 |
| Highest Rate | 205.50 | 299 | 330.5200 | 340.0000 | 240 | 300 | 330 | 340 |
| Lowest Bid Rate | 166 | 220 | 280 | 290 | 165 | 220 | 280 | 290 |
| Lowest Bid Rate Allotted | 166 | 220 | 280 | 290 | 165 | 220 | 280 | 290 |
| Weighted Average Rate | 173.2685 | 258.5404 | 290.8876 | 308.5201 | 173.2685 | 258.5404 | 290.8876 | 308.5201 |
| Number of Bids Received | 434 | 433 | 381 | 285 | 918 | 1068 | 1044 | 782 |
| Number of Bids Rejected | 78 | 26 | 42 | 22 | 45 | 53 | 55 | 59 |

Source: Reserve Bank of Zimbabwe, 2022

⁴ Main Foreign Currency Auction

⁵ Small and Medium Enterprises Foreign Currency Auction

APPENDIX 2: SUMMARY OF FOREIGN CURRENCY AUCTION ALLOTMENTS BY PURPOSE

| Purpose | MAINFX | | | | SMEFX | | | |
|---|---------------------|---------------------|----------------------|----------------------|----------------------|---------------------|---------------------|---------------------|
| | 13-May-22 | 20-May-22 | 27-May-22 | 3-June-22 | 13-May-22 | 20-May-22 | 27-May-22 | 3-June-22 |
| Raw Materials | 943,388.28 | 3,162,049.14 | 10,659,453.77 | 11,077,620.25 | 10,669,395.02 | 399,298.05 | 1,243,402.30 | 1,074,866.64 |
| Machinery and Equipment | 1,339,884.35 | 1,022,000.57 | 5,004,038.83 | 3,597,642.53 | 6,438,722.90 | 421,176.31 | 1,686,880.11 | 1,678,233.12 |
| Consumables (Incl. Spares, Tyres, Packaging) | 484,561.52 | 199,557.09 | 1,268,902.14 | 1,817,428.66 | 1,664,849.84 | 152,356.57 | 450,609.88 | 583,152.38 |
| Pharmaceuticals and Chemicals | 206,892.74 | 50,000.00 | 770,726.31 | 954,924.90 | 663,221.81 | 66,866.96 | 221,947.22 | 193,117.15 |
| Services (Loans, Dividends and Disinvestments) | 405,151.21 | 303,837.41 | 971,701.72 | 1,647,857.01 | 1,516,399.85 | 118,337.19 | 301,132.00 | 376,205.05 |
| Retail and Distribution | 331,397.71 | 335,266.58 | 1,255,573.02 | 1,439,602.03 | 1,537,387.23 | 82,083.50 | 338,643.96 | 388,571.00 |
| Fuel, Electricity and Gas | 2,500.00 | - | - | - | 33,517.00 | - | 9,469.56 | 16,187.13 |
| Paper and Packaging | 109,694.54 | 531,998.25 | 694,270.08 | 630,079.29 | 497,448.21 | - | 171,000.52 | 115,257.65 |
| TOTAL | 3,823,470.35 | 5,604,709.04 | 20,624,665.87 | 21,165,154.67 | 23,020,941.86 | 1,240,118.58 | 4,423,085.55 | 4,425,590.12 |

Source: Reserve Bank of Zimbabwe, 2022