



Weekly Economic Highlights

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Week Ending
15th December 2023

1. OVERVIEW

This report provides an analysis of the developments on money market interest rates and transactions on the National Payment Systems, during the week ending 15th December 2023. The report also covers developments in international mineral commodity prices and stock markets during the same week.

Minimum and maximum savings deposit rates for both local currency deposits remained unchanged, while local currency deposit rates for other deposit classes were higher during the week of analysis. Commercial bank minimum and maximum foreign currency deposit rates for savings deposits and deposits of 1-month, 3-month, 6-month and 12-month tenors were unchanged, during the week under review.

International commodity prices for gold, lithium and crude oil declined, while those for platinum, palladium, copper, and nickel rose, during the week ending 15th December 2023.

The aggregate value of transactions processed through the National Payment Systems platforms amounted to ZW\$8.32 trillion during the reporting week, representing an increase of 42.31% compared to the previous week's value of ZW\$5.84 trillion. Trading on both the Zimbabwe Stock Exchange (ZSE) and the Victoria Falls Stock Exchange (VFEX) was subdued.

2. INTEREST RATES

Local Currency (ZW\$) Deposit Rates

Commercial bank minimum and maximum deposit rates for savings deposits remained unchanged at previous week levels, while those for 1-month, 6-month and 12-month tenors increased during the week ending 15th December 2023, amid tight local currency liquidity conditions in the market. Average deposit rates are shown in Table 1.

Table 1: Average Deposit Rates (per annum)

Date	Savings deposits		1- Month deposit rates		3- Month deposit rates		6- Month deposit rates		12- Month deposit rates	
	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
17-Nov-23	35.33	38.27	57.33	64.78	57.67	67.12	57.70	67.21	57.87	67.36
24-Nov-23	35.00	38.27	57.72	67.00	60.81	69.76	58.70	71.14	58.87	71.29
1-Dec-23	34.38	37.13	56.06	65.06	58.31	65.65	56.03	65.43	56.20	65.57
8-Dec-23	34.38	37.13	55.67	64.78	58.00	65.47	55.70	65.07	55.87	65.21
15-Dec-23	34.38	37.13	55.94	65.06	57.94	65.65	56.03	65.43	56.20	65.57

Source: Reserve Bank of Zimbabwe, 2023

Local Currency (ZW\$) Lending Rates

Commercial banks minimum lending rates for both individual and corporate clients were lower during the week under analysis. Maximum lending rates for individual clients increased, while those for corporate clients registered declines during the same period.

Table 2: Lending Rates (per annum)

Date	Individual Clients		Corporate Clients	
	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
17-Nov-23	71.09	101.72	92.36	168.04
24-Nov-23	70.15	101.53	93.15	166.18
1-Dec-23	70.64	102.21	91.91	167.90
8-Dec-23	69.07	101.85	93.58	164.80
15-Dec-23	62.39	105.16	93.45	155.05

Source: Reserve Bank of Zimbabwe, 2023

Foreign Currency (USD) Deposit Rates

The week ending 15th December 2023 saw average minimum and maximum deposit rates for deposits of all classes remain unchanged at previous week levels, as shown in Table 3.

Table 3: Average Foreign Currency Deposit Rates (per annum)

Date	Savings deposits (%)		1- Month deposit rates		3- Month deposit rates		6-Month deposit rates		12- Month deposit rates	
	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
10-Nov-23	1.27	1.81	3.15	4.56	3.33	5.00	3.35	5.27	3.43	5.50
17-Nov-23	1.36	1.86	2.97	4.94	3.43	5.53	3.56	5.86	3.70	6.21
24-Nov-23	1.36	1.86	2.97	4.94	3.43	5.53	3.56	5.86	3.70	6.21
1-Dec-23	1.32	1.82	3.00	4.74	3.34	5.17	4.46	5.46	3.60	5.82
8-Dec-23	1.32	1.82	3.00	4.74	3.34	5.17	3.46	5.46	3.60	5.82
15-Dec-23	1.32	1.82	3.00	4.74	3.34	5.17	3.46	5.46	3.60	5.82

Source: Reserve Bank of Zimbabwe, 2023

Foreign Currency (USD) Lending Rates

During the week ending 15th December 2023, minimum foreign currency lending rates for both individual clients and corporate clients decreased by 0.12 and 0.08 percentage points, respectively. Maximum foreign currency lending rates for corporate and individual clients registered marginal increases during the same period.

Table 4: Lending Rates (per annum)

Date	Individual Clients		Corporate Clients	
	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
17-Nov-23	11.07	13.42	8.30	14.17
24-Nov-23	11.47	13.69	7.53	14.26
1-Dec-23	10.96	13.41	8.26	14.35
8-Dec-23	11.00	13.47	8.29	14.26
15-Dec-23	10.88	13.53	8.21	14.31

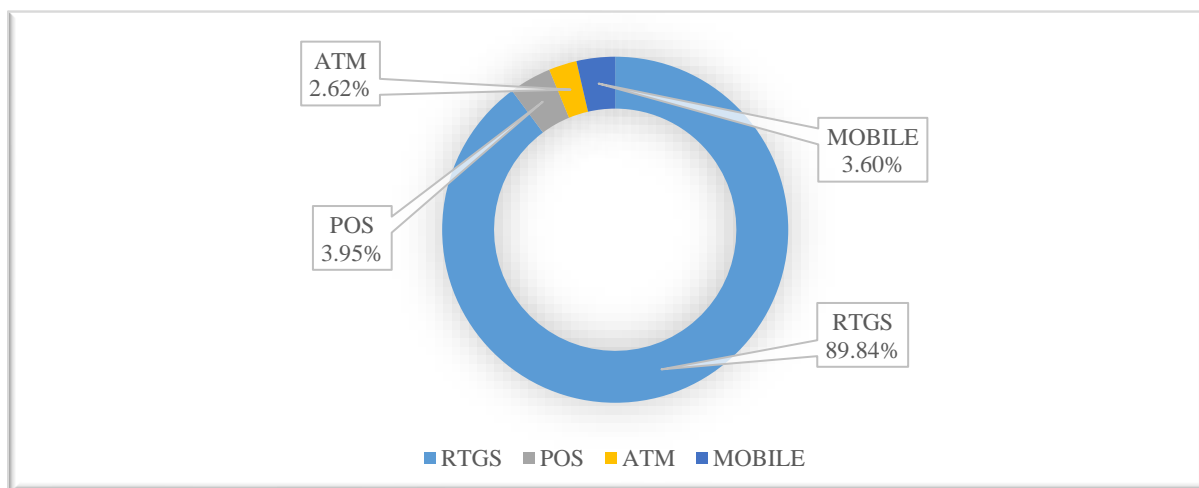
Source: Reserve Bank of Zimbabwe, 2023

3. CLEARING AND SETTLEMENT ACTIVITY

The aggregate transactions processed in value terms through the National Payment Systems platforms amounted to ZW\$8.32 trillion, representing an increase of 42.31% from the previous week’s level of ZW\$5.84 trillion.

In value terms, the distribution of NPS transactions were as follows: Real Time Gross Settlement (RTGS), 89.84%, Mobile, 3.60%, Point of Sale (POS), 3.95% and Automated Teller Machines (ATM), 2.62%, as shown in Figure 1 and Table 5.

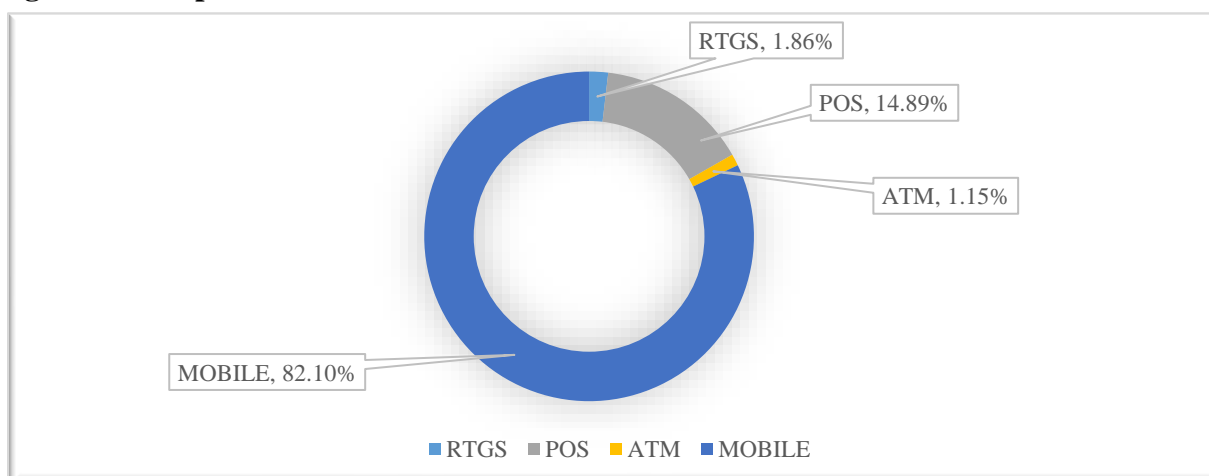
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2023

The volume of transactions processed through the NPS decreased by 17.16% to close at 11.68 million. This was, underpinned by declines in POS, ATM and Mobile transaction volumes. NPS transaction volumes were distributed as follows: Mobile, 82.10%; POS, 14.89%; RTGS, 1.86% and ATM, 1.15%, as shown in Figure 2.

Figure 2: Composition of NPS Transactions in Volume Terms



Source: Reserve Bank of Zimbabwe, 2023

Table 5: National Payment Systems Activity

PAYMENT STREAM	WEEK ENDING 08 DECEMBER 2023	WEEK ENDING 15 DECEMBER 2023	% CHANGE FROM LAST WEEK	PROPORTION
VALUES IN ZW\$ MILLIONS				
RTGS	4,606,162,402,000.55	7,471,210,873,078.62	62.20%	89.84%
POS	430,007,484,699.80	328,083,179,056.67	-23.70%	3.95%
ATM	366,302,589,858.73	217,884,991,657.18	-40.52%	2.62%
MOBILE	441,296,078,578.47	299,026,062,845.82	-32.24%	3.60%
TOTAL	5,843,768,555,137.55	8,316,205,106,638.29	42.31%	100%
VOLUMES				
RTGS	197,085	216,942	10.08%	1.86%
POS	2,289,542	1,739,471	-24.03%	14.89%
ATM	205,860	133,933	-34.94%	1.15%
MOBILE	11,407,652	9,590,179	-15.93%	82.10%
TOTAL	14,100,139	11,680,525	-17.16%	100%

Source: Reserve Bank of Zimbabwe, 2023

4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

During the week ending December 15th, 2023, international prices for gold, lithium and crude oil declined, while those for platinum, palladium, copper, and nickel rose, as shown in Table 6.

Table 6: Metal and Crude Oil Prices for the week ending 1st December 2023

	Gold	Platinum	Palladium	Copper	Nickel	Crude Oil	Lithium
2023	US\$/ounce	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel	US\$/tonne
Weekly Average (4-8 Dec)	2,030.06	912.10	961.70	8,363.80	16,518.20	76.31	17,919.20
11-Dec	1,989.30	923.50	949.50	8,341.00	16,607.00	76.60	17,510.00
12-Dec	1,983.88	921.00	976.00	8,320.50	16,315.00	73.12	17,100.00
13-Dec	1,982.03	927.00	977.50	8,330.00	16,468.00	76.60	17,100.00
14-Dec	2,040.10	945.00	1,026.50	8,551.50	16,972.00	76.91	16,750.00
15-Dec	2,002.00	931.00	993.33	8,549.00	17,150.00	77.01	16,650.00
Weekly Average (11- 15 Dec)	1,999.46	929.50	984.57	8,418.40	16,702.40	76.05	17,022.00
Weekly Change (%)	-1.51	1.91	2.38	0.65	1.12	-0.34	-5.01

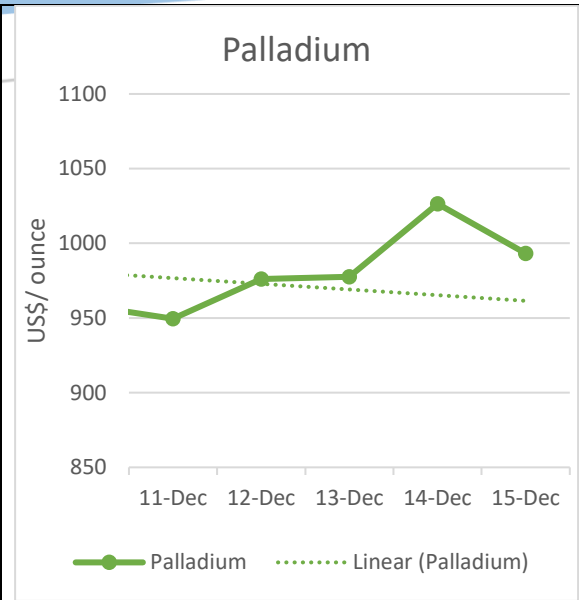
Source: BBC, KITCO and Bloomberg 2023

Precious Metals

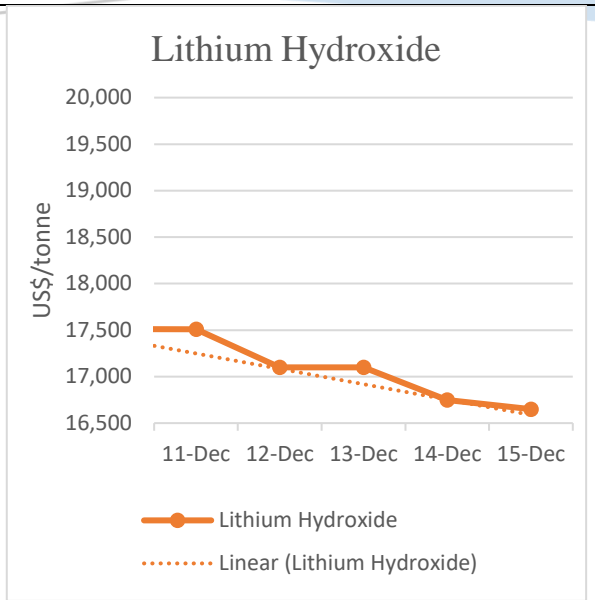
During the week under review, average prices for palladium and platinum, increased by 2.38% and 1.91%, respectively, while those for lithium and gold fell by 5.01% and 1.51%, respectively as shown in Table 1. Platinum and palladium prices rose as the U.S. dollar and Treasury yields slipped after the Federal Reserve signalled an end to its monetary policy tightening cycle. Gold prices fell as investors awaited pronouncement of outcomes, following crucial central bank meetings and U.S. inflation data that could influence the Federal Reserve’s policy path. The price trends for the precious metals for the period from 11th December 2023 to 15th December 2023, are shown in Figure 3.

Figure 3: Weekly Precious Metals Price Developments (11 - 15 December 2023)





Source: Kitco,2023

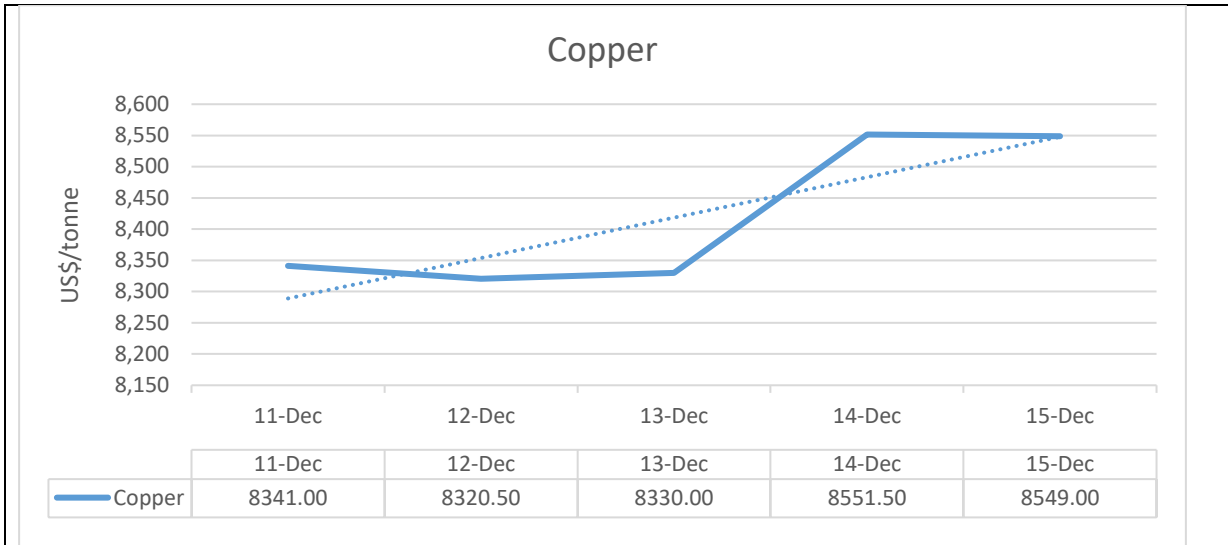


Source: London Metal Exchange,2023

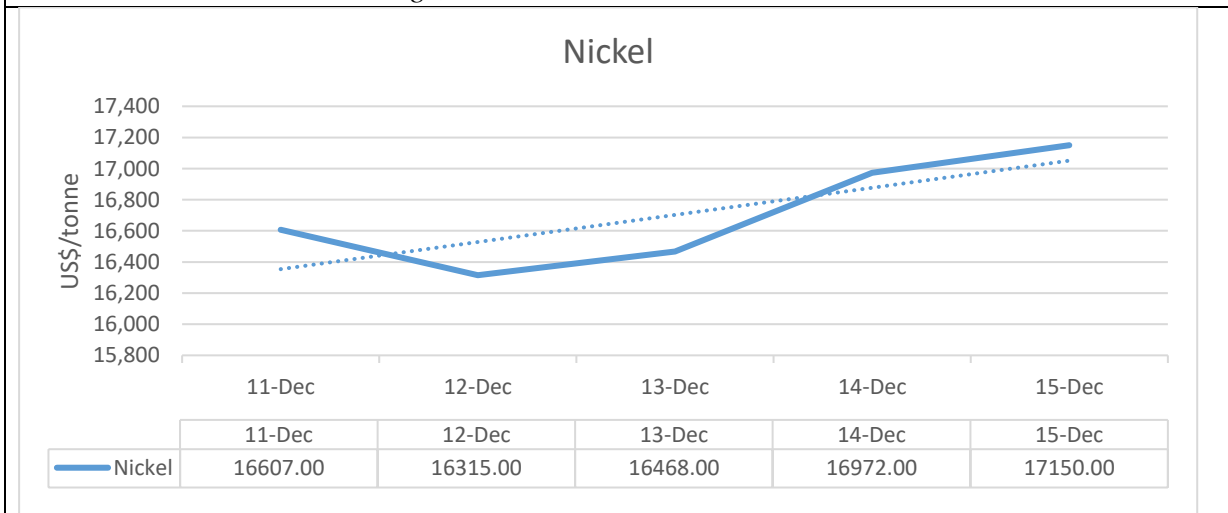
Base Metals and Brent Crude Oil

Copper prices firmed during the reporting week, following the Federal Reserve's announcement of anticipated interest rate cuts in 2024. The falling interest rates boosted positive sentiment towards copper prices since lower interest rates, would most likely boost business and construction activity, thereby increasing the demand for the red metal. Likewise, nickel prices increased by 1.12%, amid market caution ahead of the release of key U.S. inflation data. Crude oil prices, however, declined marginally by 0.34% during the same week, as traders tried to reconcile mixed signals for oil demand in 2024. The price trends for base metals and Brent crude oil for the period from 11th December 2023 to 15th December 2023, are shown in Figure 4.

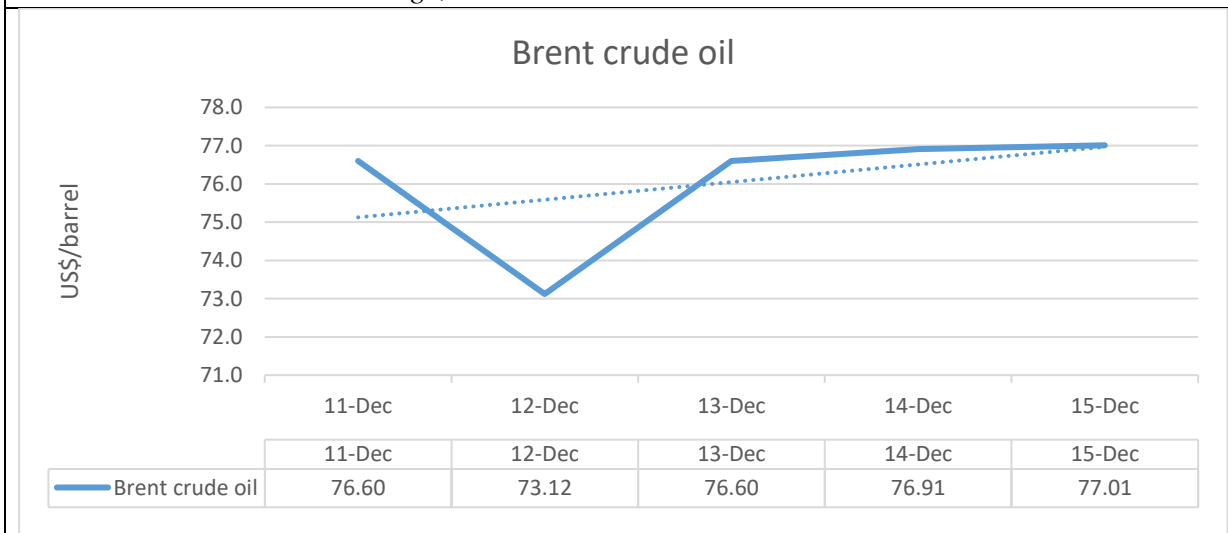
Figure 4: Daily commodity price developments for copper, nickel, and Brent crude oil (11 – 15 December 2023)



Source: London Metal Exchange, 2023



Source: London Metal Exchange, 2023



Source: BBC, 2023

Exchange Rate Developments

Interbank Market

During the week ending 15th December 2023, the Zimbabwe dollar (ZW\$) depreciated by 1.1% against the U.S dollar on the interbank market. The average exchange rate moved from ZW\$5,818.57 per US\$1 in the previous week to ZW\$5,881.11 per US\$1, as indicated in Table 7.

Table 7: Selected Exchange Rates (ZW\$ per unit of foreign currency)

2023	USD	ZAR	GBP	BWP	EURO
Weekly Average (4– 8 Dec)	5,818.5727	312.5000	7,338.2697	429.9678	6,290.7472
11-Dec	5,839.2425	312.5000	7,323.8869	429.2862	6,287.1803
12-Dec	5,841.3919	312.5000	7,349.9484	427.0399	6,291.8315
13-Dec	5,903.3898	312.5000	7,411.1474	431.0430	6,369.8213
14-Dec	5,909.2673	322.5806	7,466.1746	437.9084	6,439.3919
15-Dec	5,912.2494	327.8689	7,548.2320	439.3750	6,500.5814
Weekly Average (11 – 15 Dec)	5,881.1082	317.5899	7,419.8778	432.9305	6,377.7613
Appr (-)/Depr (+) (%) of the ZWL	1.1	1.6	1.1	0.7	1.4

Source: Reserve Bank of Zimbabwe, 2023

5. EQUITY MARKETS

During the week ending 15th December 2023, trading on both the Zimbabwe Stock Exchange (ZSE) and the Victoria Falls Stock Exchange (VFEX) was subdued. Consequently, the ZSE and VFEX All Share indices lost 2.44% and 2.67% to close at 192 837.21 points and 69.22 points, respectively.

Table 8: Zimbabwe Stock Exchange Statistics¹

	All Share Index (points)	Top 10 index (points)	Top 15 Index (points)	Medium Cap (points)	Small Cap (points)	Mining Index (points)	Grand Market Capitalization (ZWL billion)	Market Turnover (ZWL million)	Volume of Shares (million)
17-Nov-23	177,395.02	77,093.46	105,130.31	748,580.34	5,343,533.69	145,542.27	14,301.48	20,327.69	69.57
24-Nov-23	181,272.70	76,303.61	104,591.00	814,589.67	5,313,312.58	148,883.44	14,458.60	6,143.67	20.98
01-Dec-23	192 223.42	82 335.38	111 745.50	834,813.78	5,316,567.85	145 542.27	15 311.63	11 013.11	16.89
08-Dec-23	197,660.65	84,065.54	114,225.56	870,872.87	5,344,423.84	145,542.27	15,370.10	9,562.00	8.80
15-Dec-23	192,837.21	80,050.80	109,363.56	889,925.15	5,344,423,84	145,542,27	15,315.34	11,343.88	15,00
% Change	-2.44	-4.78	-4.76	2.19	0.00	0.00	0.36	18.64	70.47

Source, Zimbabwe Stock Exchange, 2023

¹ The Zimbabwe Stock Exchange (ZSE) adopted the Global Industry Classification Standards, effective from 1 January 2020. ZSE major indices comprise of the following categories: All Share Index Top 10 Index; Top 15; Top 25; Medium cap and Small cap Indices.

Table 9: Victoria Falls Stock Exchange

Date	All Share Index Points	Grand Market Capitalization (US\$ billion)	Market Turnover (US\$ million)	Volume of Shares (million)
24-Nov-23	69.66	1.19	0.79	6.08
1-Dec-23	70.55	1.21	0.61	1.47
8-Dec-23	71.12	1.22	1.03	4.47
15-Dec-23	69.22	1.18	0.91	2.70
% Change	-2.67	-2.67	-11.52	-39.55

Source, Zimbabwe Stock Exchange, 2023

Zimbabwe Stock Exchange (ZSE) Developments

The Top 10 and Top 15 indices lost 4.78% and 4.26% while the Medium Cap index gained 2.19% and the Small Cap remained largely unchanged, to close at 80 050.80 points, 109 363.56 points, 889 925.15 points and 5 344 423.84 respectively.

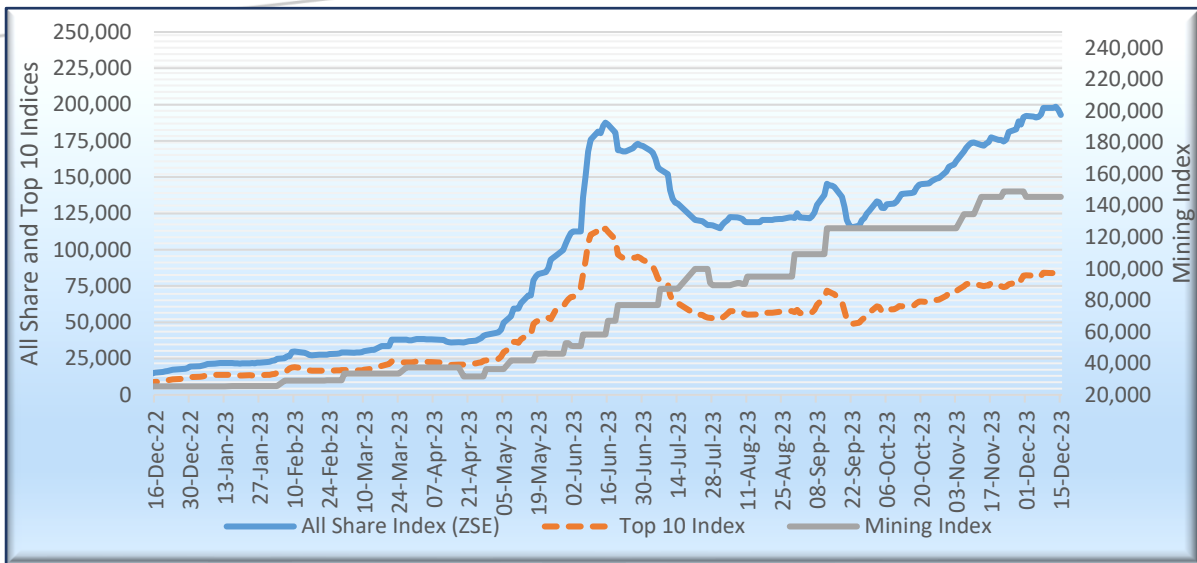
The decrease in the mainstream index, in part, emanated from share price losses in Delta Corporation Limited (9.24%), Ok Zimbabwe Limited (4.75%), Meikles Limited (3.42%), Nampak Zimbabwe Limited (3.33%) and Fbc Holdings Limited (3.05%).

Losses were registered in share prices of Willdale Limited (64.29%), Turnall Holdings Limited (46.15%), Zimbabwe Newspapers (1980) Limited (15.18%), Nmbz Holdings Limited (14.99%) and Mashonaland Holdings Limited (2.14%).

The mining index remained unchanged at 145 542.27 points during the week under review.

Figure 5 shows developments on the ZSE's All Share, Top 10 and Mining indices from 16th December 2022 to 15th December 2023.

Figure 5: ZSE All Share, Top 10 and Mining Indices



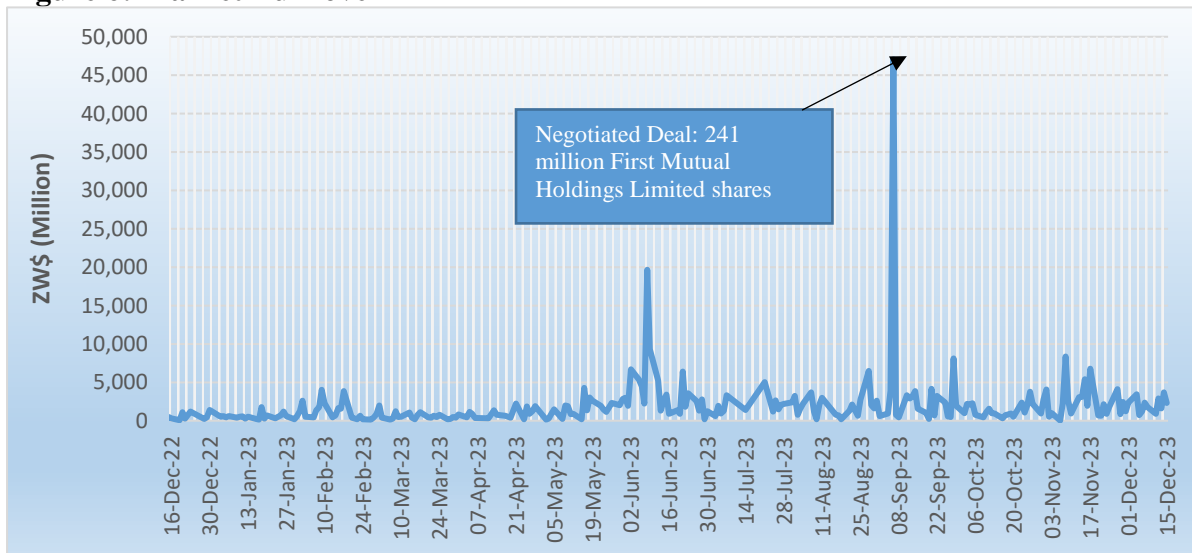
Source: Zimbabwe Stock Exchange, 2023

Market Turnover

During the week under review, the cumulative volume and value of shares traded increased by 70.47% and 18.64% to 15.0 million shares and ZW\$11.34 billion, respectively. This compares to 8.80 million shares and ZW\$9.56 billion, registered in the previous week, respectively.

Figure 6 shows the trend in daily market turnover for the period 16th December 2022 to 15th December 2023.

Figure 6: Market Turnover



Source: Zimbabwe Stock Exchange, 2023

Market Capitalization

Owing to the subdued trading activity on the ZSE during the week under analysis, the market lost 0.36%, or ZW\$54.76 billion worth of capitalization to close at ZW\$15,315.34 billion.

Figure 7 shows the evolution of market capitalization for the period 16th December 2022 to 15th December 2023.

Figure 7: Market Capitalization



Source: Zimbabwe Stock Exchange, 2023

Victoria Falls Stock Exchange (VFEX) Developments

The decline in the VFEX mainstream index stemmed from share price losses in National Foods Holdings Limited (16.32%), Axia Corporation Limited (15.42%), Innscor Africa Limited (6.40%), Padenga Holdings Limited (4.72%) and Zimplow Holdings Limited (0.75%).

Partially offsetting these losses was a gain in the share price of Simbisa Brands Limited (6.71%).

VFEX Market Turnover

The VFEX volume and value of shares declined by 39.55% and 11.52% to 2.70 million shares and US\$0.91 million, respectively. This compares to 4.47 million shares and US\$1.03 million registered in the previous week.

VFEX Market Capitalization

Owing to the negative trading activity on the VFEX market capitalisation declined by 2.67% to close at US\$1.18 billion compared to US\$1.22 billion, recorded in the previous week.

Figure 8: VFEX All Share Index



Source: Victoria Falls Stock Exchange (VFEX), 2023

RESERVE BANK OF ZIMBABWE

APPENDIX 1: FOREIGN EXCHANGE AUCTION RESULTS FOR WHOLESALEFX²

	WHOLESALE FX			
	21-Nov-23	28-Nov-23	05-Dec-23	12-Dec-23
Total Bids (US\$ dollars)	17,309,350.08	16,695,652.00	15,760,508.00	17,787,837.86
Amount Allotted (US\$ dollars)	17,309,350.08	14,533,152.00	14,260,508.00	17,787,837.86
Highest Rate	5,792.0000	5,820.6746	5,910.5157	6225.0000
Lowest Bid Rate Allotted	5,760.0000	5,785.0000	5,800.0000	5850.0000
Weighted Average Rate	5,774.2758	5,790.0545	5,827.7972	5,903.3898
Number of Bids Received	18	18	19	20
Number of Bids Rejected	0	0	0	0

Source: Reserve Bank of Zimbabwe, 2023

² Wholesale Foreign Currency Auction (Wholesale FX) is normally conducted on Tuesday every week. The RBZ MPC resolutions dated 6 June 2023 resolved that with effect from 7 June 2023, the Bank shall sell foreign currency at the market-determined exchange rate through banks to support and strengthen the foreign exchange interbank market, and banks shall in turn sell the foreign currency to their customers.

APPENDIX 2: SUMMARY OF FOREIGN CURRENCY AUCTION ALLOTMENTS BY PURPOSE

	21-Nov-23	28-Nov-23	05-Dec-23	12-Dec-23
Raw Materials	866,444.48	780,641.97	919,863.74	569,417.23
Machinery and Equipment	586,565.83	650,261.27	361,166.34	402,144.32
Consumables (Incl. Spares, Tyres, Packaging)	113,022.49	244,314.16	306,216.66	250,058.99
Pharmaceuticals and Chemicals	28,937.82	71,124.40	77,799.20	51,871.95
Services (Loans, Dividends and Disinvestments)	298,514.91	212,328.45	276,912.54	122,696.30
Retail and Distribution	200,761.39	218,499.07	333,353.73	141,160.54
Fuel, Electricity and Gas	-	-	-	-
Paper and Packaging	20,011.84	-	65,383.88	31,203.28
TOTAL	2,114,258.76	2,177,119.32	2,340,696.09	1,568,498.61

Source: Reserve Bank of Zimbabwe, 2023