



# Weekly Economic Highlights

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Week Ending  
1st 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 1<sup>st</sup> December 2023. The report also covers developments in mineral commodity prices and stock markets during the week.

Minimum and maximum savings deposit rates for local currency deposits were lower during the week under review amid a marginal increase in bank loans. Foreign currency deposit rates for deposits of all maturity classes decreased, during the week.

The prices for gold, platinum, crude oil and copper on the international commodity markets increased during the week under review, while the prices of nickel, palladium and lithium fell, during the same week, with the price developments mainly influenced by a softer US dollar.

The National Payment Systems (NPS) processed transactions valued at ZW\$6.42 trillion during the week, which is a marginal increase of 0.49% from the previous week's levels as expenditure improves into the festive season. Both the Zimbabwe Stock Exchange (ZSE) and the Victoria Falls Stock Exchange were bullish during the week reflecting the increase in activity.

## 2. INTEREST RATES

### Local Currency (ZW\$) Deposit Rates

Commercial bank minimum and maximum deposit rates for savings deposits and deposits of 1-month, 3-month, 6-month and 12-month tenors, decreased during the week under review.

**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 (%)
3-Nov-23	34.29	35.60	59.00	69.33	61.67	70.35	59.17	68.64	59.33	68.79
10-Nov-23	34.29	35.60	59.00	69.33	61.67	70.35	59.17	68.64	59.33	68.79
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

Source: Reserve Bank of Zimbabwe, 2023

### Local Currency (ZW\$) Lending Rates

During the week ending 1<sup>st</sup> December 2023, minimum and maximum lending rates for individual clients increased. Minimum deposit rates for corporates clients decreased, while maximum lending rates for corporate clients increased during the same week. The increase in lending rates, in part, reflects tight liquidity conditions in the market. The local currency lending rates are shown in Table 2.

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

Date	Minimum (%)		Maximum (%)	
	Individual Clients		Corporate Clients	
3-Nov-23	71.54	101.77	92.27	167.70
10-Nov-23	70.58	101.56	93.43	166.07
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

Source: Reserve Bank of Zimbabwe, 2023

### Foreign Currency (USD) Deposit Rates

During the week under review, minimum foreign currency deposit rates for savings deposits, deposits of 3-month and 6-month tenor declined while those for 1-month and 12-month tenors registered increases. Maximum deposit rates for all classes of deposits softened during the same week. The softening of deposit rates is indicative of supply and demand factors of foreign currency liquidity as the holiday season approaches. Foreign currency deposit rates are 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 (%)
3-Nov-23	1.27	1.81	3.15	4.56	3.33	5.00	3.35	5.27	3.43	5.50
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

Source: Reserve Bank of Zimbabwe, 2023

### Foreign Currency (USD) Lending Rates

During the week ending 1<sup>st</sup> December 2023, minimum and maximum foreign currency lending rates for individual clients decreased by 0.51 and 0.28 percentage points, respectively. Minimum and maximum foreign currency lending rates for corporate clients were higher however, during the same period.

**Table 4: Lending Rates (per annum)**

	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
	Individual Clients		Corporate Clients	
<b>27-Oct-23</b>	11.12	13.39	8.72	15.31
<b>3-Nov-23</b>	11.10	13.40	8.26	14.20
<b>10-Nov-23</b>	11.10	13.37	8.28	14.18
<b>17-Nov-23</b>	11.07	13.42	8.30	14.17
<b>24-Nov-23</b>	11.47	13.69	7.53	14.26
<b>1-Dec-23</b>	10.96	13.41	8.26	14.35

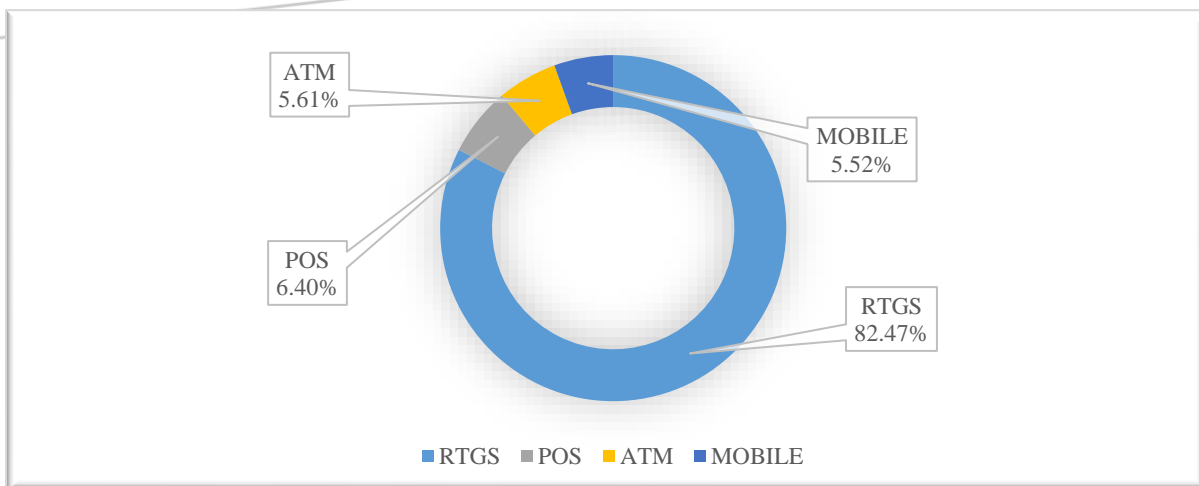
Source: Reserve Bank of Zimbabwe, 2023

### 3. CLEARING AND SETTLEMENT ACTIVITY

The aggregate transactions processed in value terms through the National Payment Systems platforms stood at ZW\$6.42 trillion, representing an increase of 0.49% from ZW\$6.39 trillion registered in the previous week amid tight liquidity conditions in the economy.

In value terms, the distribution of NPS transactions was as follows: Real Time Gross Settlement (RTGS) 82.47%, Mobile, 5.52%, Point of Sale (POS), 6.40% and Automated Teller Machines (ATM), 5.61%, as shown in Figure 1.

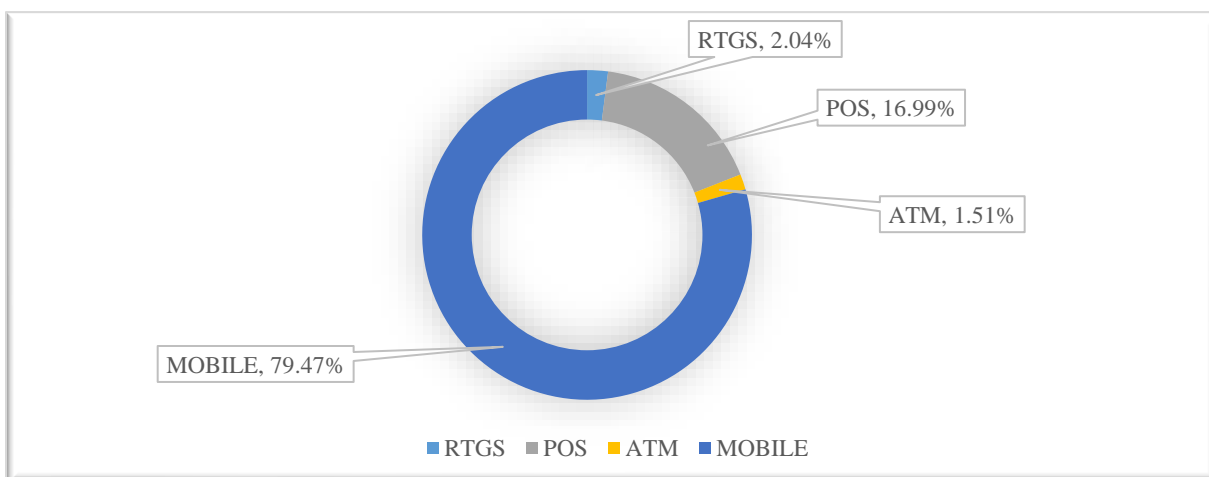
**Figure 1: Composition of NPS Transactions in Value Terms**



Source: Reserve Bank of Zimbabwe, 2023

The volume of transactions processed through the NPS decreased by 1.75% to close at 13.33 million. The NPS transaction volumes were distributed as follows: Mobile, 79.47%; POS, 16.99%; RTGS, 2.04% and ATM, 1.51%. 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 24 NOVEMBER 2023	WEEK ENDING 01 DECEMBER 2023	% CHANGE FROM LAST WEEK	PROPORTION
<b>VALUES IN ZW\$ MILLIONS</b>				
<b>RTGS</b>	5,291,282,605,122.93	5,293,535,012,562.92	0.04%	82.47%
<b>POS</b>	411,822,331,869.21	410,495,907,651.55	-0.32%	6.40%
<b>ATM</b>	365,466,947,301.42	360,398,549,849.12	-1.39%	5.61%
<b>MOBILE</b>	319,279,504,250.33	354,512,599,486.13	11.04%	5.52%
<b>TOTAL</b>	<b>6,387,851,388,543.90</b>	<b>6,418,942,069,549.72</b>	<b>0.49%</b>	<b>100%</b>
<b>VOLUMES</b>				
<b>RTGS</b>	242,997	271,305	11.65%	2.04%
<b>POS</b>	2,235,050	2,264,552	1.320%	16.99%
<b>ATM</b>	199,769	201,517	0.88%	1.51%
<b>MOBILE</b>	10,890,839	10,593,500	-2.73%	79.47%
<b>TOTAL</b>	<b>13,568,655</b>	<b>13,330,874</b>	<b>-1.75%</b>	<b>100%</b>

Source: Reserve Bank of Zimbabwe, 2023

#### 4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

Prices for gold, platinum, crude oil and copper rose during the week ending 1<sup>st</sup> December 2023, while nickel, palladium and lithium prices fell, as indicated in Table 6.

**Table 6: Metal and Crude Oil Prices for the week ending 1<sup>st</sup> 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
<b>Weekly Average (20Nov- 24Dec)</b>	<b>1,990.99</b>	<b>920.80</b>	<b>1,063.40</b>	<b>8,415.20</b>	<b>16,544.60</b>	<b>81.31</b>	<b>20,410.00</b>
<b>27-Nov</b>	2,016.20	928.50	1,074.00	8,281.00	16,455.00	81.46	19,700.00
<b>28-Nov</b>	2,019.83	926.00	1,063.00	8,364.00	16,079.00	81.46	19,700.00
<b>29-Nov</b>	2,042.28	935.00	1,035.50	8,473.00	16,845.00	83.24	19,200.00
<b>30-Nov</b>	2,036.65	934.00	1,019.50	8,421.00	16,640.00	83.24	19,200.00
<b>01-Dec</b>	2,044.98	933.00	1,012.00	8,548.00	16,565.00	78.26	18,610.00
<b>Weekly Average (27Nov- 1Dec)</b>	<b>2,031.99</b>	<b>931.30</b>	<b>1,040.80</b>	<b>8,417.40</b>	<b>16,516.80</b>	<b>81.53</b>	<b>19,282.00</b>
<b>Weekly Change (%)</b>	2.06	1.14	-2.13	0.03	-0.17	0.27	-5.53

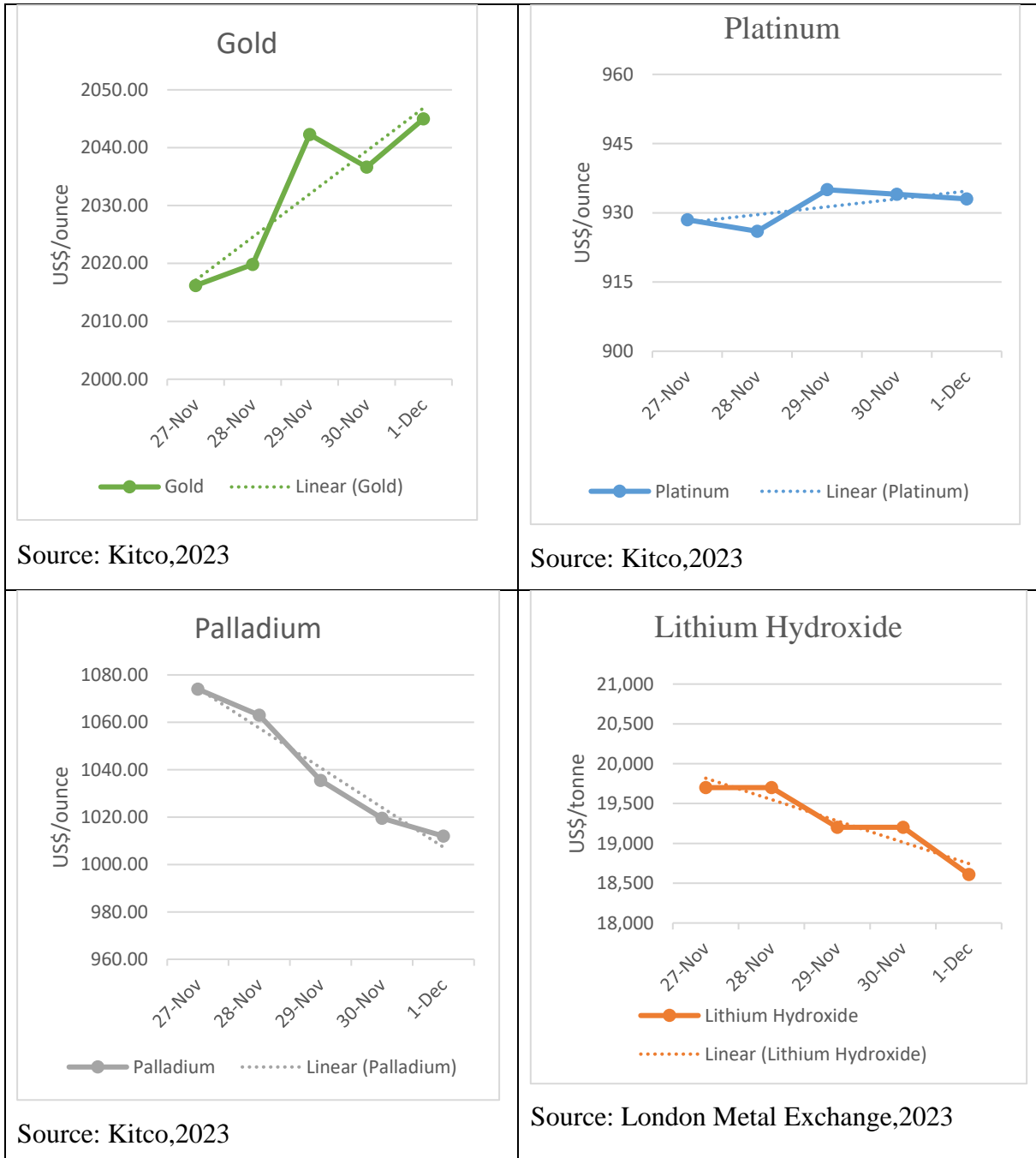
Source: BBC, KITCO and Bloomberg 2023

#### Precious Metals

During the week under review, the average prices of precious metals, namely gold and platinum, rose by 2.06%, 1.14%, respectively, while those for palladium and lithium decreased by 2.13% and 5.53%, respectively, as shown in Table 6. Gold prices rose as the US dollar continued to weaken on expectations that the Federal Reserve was not going to raise interest rates in the outlook period. Palladium prices continued to plummet due to expectations of an excess supply

resulting from the widespread adoption of electric vehicles and automakers opting for platinum in their catalytic converters. Lithium prices declined, as the market is typically weak in the summer when many battery manufacturers shut down for maintenance. The price trends for the precious metals for the week ending 1<sup>st</sup> December 2023, are illustrated in Figure 3.

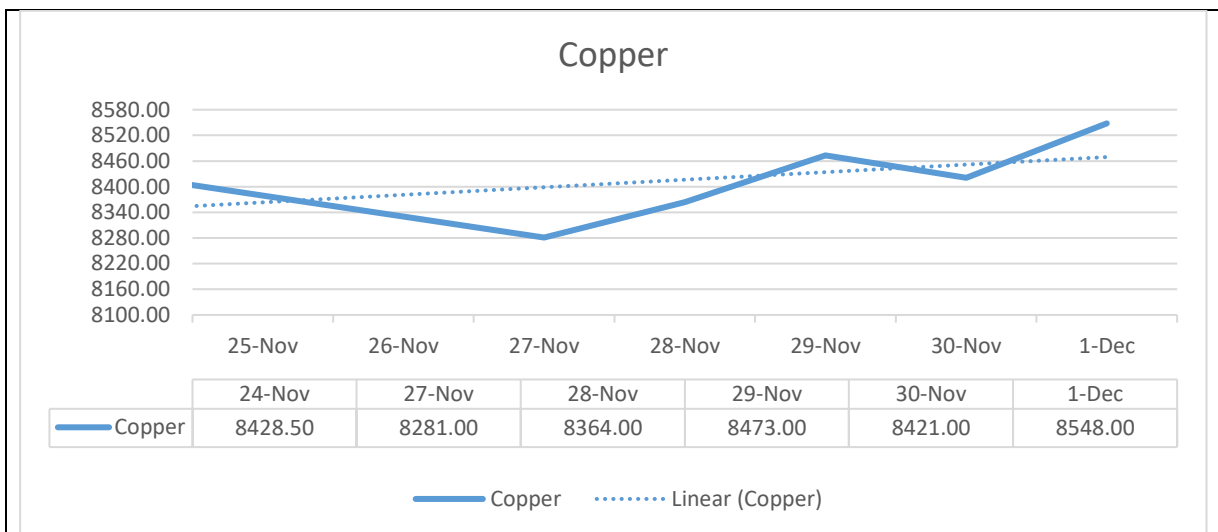
**Figure 3: Weekly Precious Metals Price Developments (27 Nov - 01 December, 2023)**



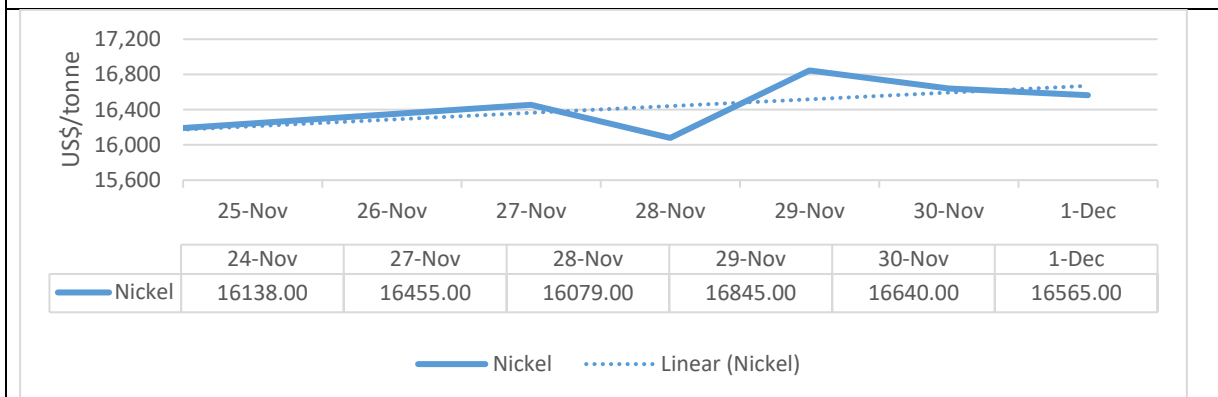
## Base Metals and Brent Crude Oil

Crude oil prices increased by 0.27%, following Saudi Arabia's statement on the continuation of output cuts, after considering market conditions arising from the Hamas-Israel conflict. Copper prices rose during the week under review following the better-than-expected data from the metal's top consumer, China, tighter commodity supply and a weaker dollar. On the other hand, nickel prices contracted by 0.17%, on the back of subdued demand as a result of the global economic slowdown.

**Figure 4: Daily commodity price developments for copper, nickel, and Brent crude oil (25 Nov. 2023 - 1 Dec. 2023)**

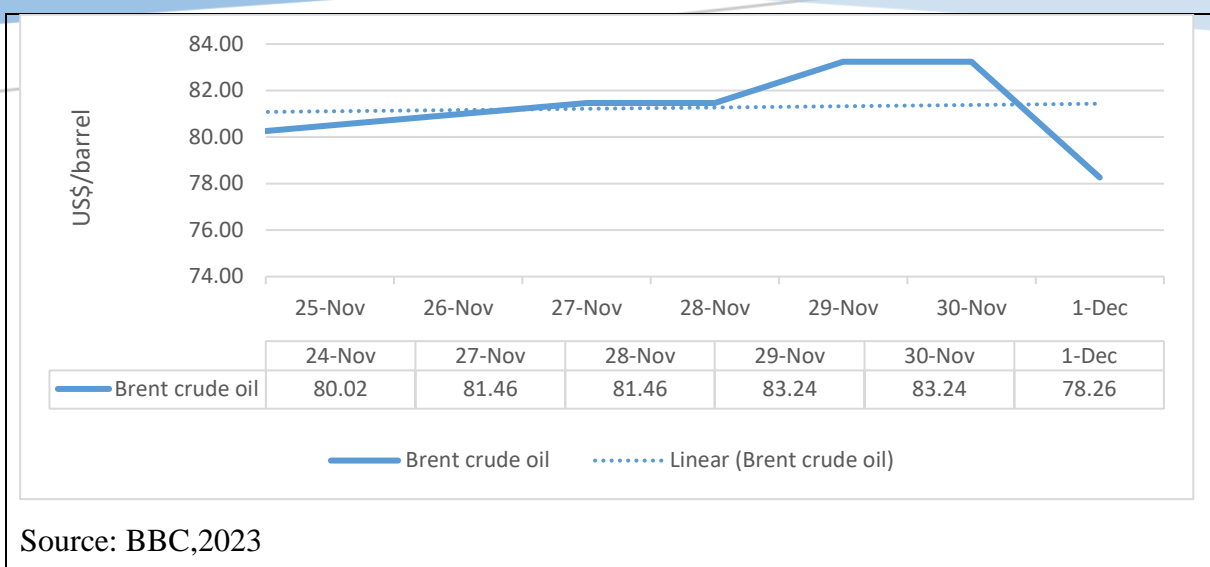


Source: London Metal Exchange, 2023



Source: London Metal Exchange, 2023





## Exchange Rate Developments

### Interbank Market

During the week under analysis, the Zimbabwe dollar (ZW\$) depreciated marginally by 0.28% against the US dollar on the interbank market. The average exchange rate moved from ZW\$ 5,769.65 per US\$1 in the previous week to ZW\$ 5,785.95 per US\$1, during the reporting week.

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

2023	USD	ZAR	GBP	BWP	EURO
<b>Weekly Average (20 – 24 November)</b>	<b>5,769.65</b>	<b>314.48</b>	<b>7,222.93</b>	<b>427.75</b>	<b>6,300.90</b>
<b>27-Nov</b>	5,777.05	312.50	7,282.37	425.29	6,323.63
<b>28-Nov</b>	5,778.44	312.50	7,296.47	425.29	6,329.19
<b>29-Nov</b>	5,790.05	317.46	7,358.89	425.29	6,368.54
<b>30-Nov</b>	5,791.08	312.50	7,352.39	425.29	6,352.30
<b>1-Dec</b>	5,793.12	312.50	7,324.06	429.94	6,319.78
<b>Weekly Average (27Nov – 01Dec)</b>	<b>5,785.95</b>	<b>313.49</b>	<b>7,322.84</b>	<b>426.22</b>	<b>6,338.69</b>
<b>Appr (-)/Depr (+) (%) of the ZWL</b>	0,28	-0,3	1,4	-0,4	0,6

Source: Reserve Bank of Zimbabwe, 2023

## 5. EQUITY MARKETS

During the week ending 1<sup>st</sup> December 2023, both the Zimbabwe Stock Exchange (ZSE) and the Victoria Falls Stock Exchange (VFEX) exhibited bullish sentiments. As such, the ZSE and VFEX All Share indices increased by 6.04% and 1.27% to close at 192 223.42 points and 70.55 points, respectively.

**Table 8: Zimbabwe Stock Exchange Statistics<sup>1</sup>**

	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)
<b>10-Nov-23</b>	173,883.74	76,606.36	104,347.52	713,116.49	5,343,533.69	134,627.40	13,926.15	14,117.02	46.16
<b>17-Nov-23</b>	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
<b>24-Nov-23</b>	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
<b>01-Dec-23</b>	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
<b>% Change</b>	<b>6.04</b>	<b>7.90</b>	<b>6.84</b>	<b>2.48</b>	<b>0.06</b>	<b>-2.24</b>	<b>5.90</b>	<b>79.26</b>	<b>-19.50</b>

Source, Zimbabwe Stock Exchange, 2023

**Table 9: Victoria Falls Stock Exchange**

Date	All Share Index Points	Grand Market Capitalization (US\$ billion)	Market Turnover (US\$ million)	Volume of Shares (million)
<b>10-Nov-23</b>	68.06	1.16	0.77	2.44
<b>17-Nov--23</b>	68.78	1.18	0.40	4.58
<b>24-Nov-23</b>	69.66	1.19	0.79	6.08
<b>1-Dec-23</b>	70.55	1.21	0.61	1.47
<b>% Change</b>	<b>1.27</b>	<b>1.28</b>	<b>-22.92</b>	<b>75.76</b>

Source, Zimbabwe Stock Exchange, 2023

### Zimbabwe Stock Exchange (ZSE) Developments

The top 15, top 10, medium cap and small cap rose by 2.48%, 7.90%, 6.84% and 0.06% to close at 834 813.78 points, 82 335.38 points, 111 745.50 points and 5 316 567.85 points, respectively. The resource index, however, lost 2.24% to close at 145 542.27 points compared to 148 883.44 points recorded in the prior week.

The rise in the mainstream index emanated from share price gains in Edgars Stores Limited (17.65%), Meikles Limited (15.37%), SeedCo Limited (15.18%), Dairibord Holdings Limited (14.31%) and Delta Corporation Limited (12.87%).

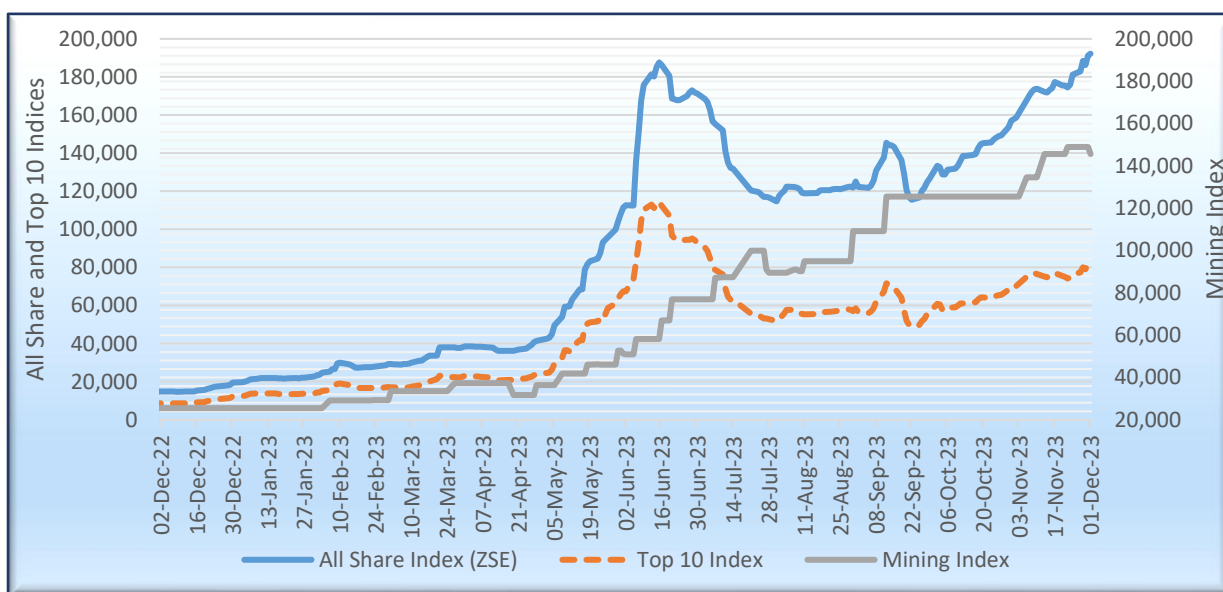
<sup>1</sup> The Zimbabwe Stock Exchange (ZSE) adopted the Global Industry Classification Standards, effective from 1 January 2020. ZSE major indices comprise of the following categories: All Share Index Top 10 Index; Top 15; Top 25; Medium cap and Small cap Indices.

Losses were, however, recorded in the share prices of CAFCA Limited (9.74%), Ecocash Holdings Zimbabwe Limited (8.48%), TSL Limited (8.10%), Willdale Limited (3.56%) and General Beltings Holdings Limited (1.47%).

The ZSE mining index declined from 148 883.44 points in the previous week to close at 145 542.27 points in the week under analysis. This was on account of a 2.24% decline in Riozim limited counter, during the week.

Figure 5 shows developments on the ZSE’s All Share, Top 10 and Mining indices from 2<sup>nd</sup> December 2022 to 1<sup>st</sup> December 2023.

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



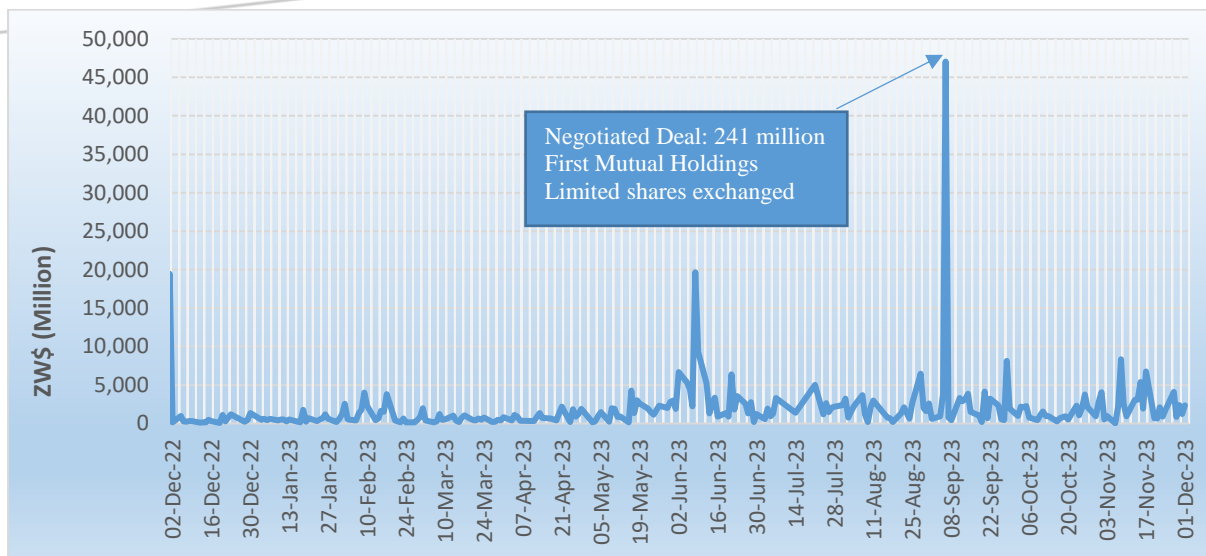
Source: Zimbabwe Stock Exchange, 2023

### Market Turnover

During the week under review, trading activity was concentrated on some selected wealth preserving counters, al-beit on low volumes. As such, the cumulative value of shares traded increased by 79.26% to ZW\$11.01 billion while turnover volumes lost 19.50% to 16.89 million shares. This compares to 20.98 million shares and ZW\$6.14 billion, recorded in the previous week.

Figure 6 shows the trend in daily market turnover for the period 2<sup>nd</sup> December 2022 to 1<sup>st</sup> of December 2023.

**Figure 6: Market Turnover**



Source: Zimbabwe Stock Exchange, 2023

### Market Capitalization

The ZSE market capitalisation added 5.9%, or ZW\$853.03 billion worth of capitalization to close at ZW\$15,311.63 billion during the week under review.

Figure 7 shows the evolution of market capitalization for the period 2<sup>nd</sup> December 2022 to 1<sup>st</sup> December 2023.

**Figure 7: Market Capitalization**



Source: Zimbabwe Stock Exchange, 2023

**Victoria Falls Stock Exchange (VFEX) Developments**

The VFEX mainstream index added 1.27% during the week under review, owing to share price increases in SeedCo International VX (38.36%), Innscor Africa Limited (6.19%), First Capital Bank (2.00%), Axia Corporation Limited (0.63%) and African Sun Limited (0.40%).

Losses were registered in the share prices of National Foods Holdings (6.67%), Simbisa Brands Limited (0.22%) and Padenga Holdings Limited (0.11%)

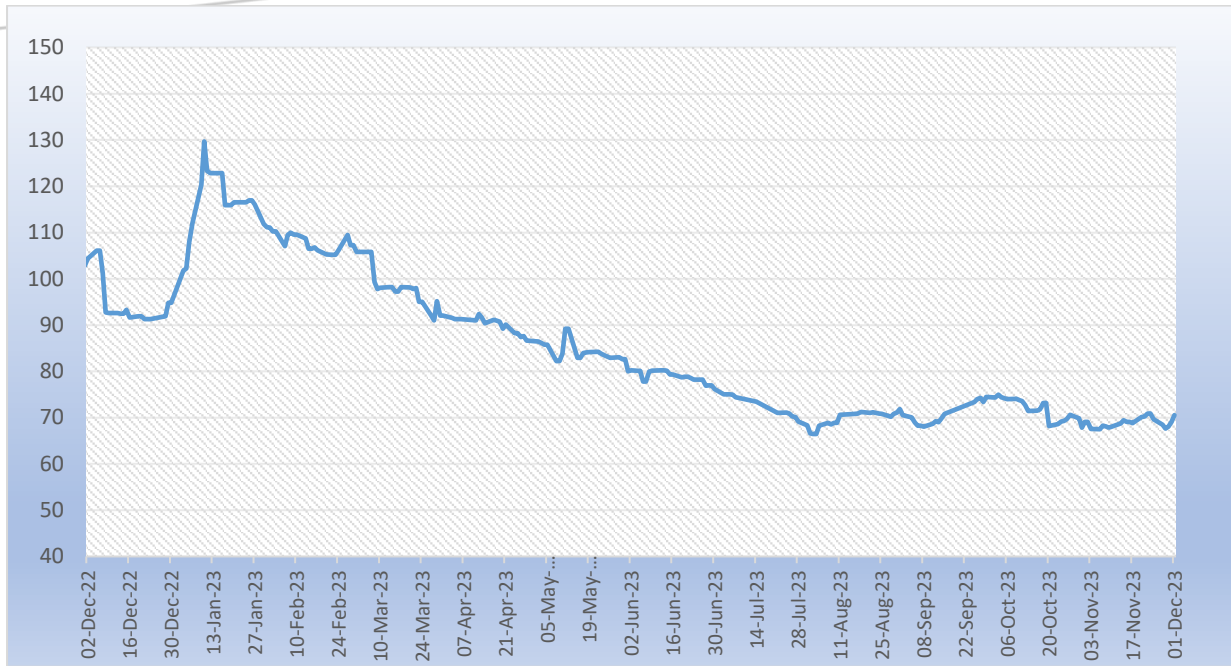
**VFEX Market Turnover**

The VFEX volume and values of shares declined by 75.76% and 22.92% to 1.47 million shares and US\$0.61million, respectively. This is in comparison to 6.08 million shares and US\$0.79 million recorded in the preceding week.

**VFEX Market Capitalization**

Reflecting positive trading activity on the USD denominated market, the VFEX added 1.28% worth of capitalization to close at US\$1.21 billion compared to US\$1.19 billion, recorded in the prior week. Figure 8 shows the trend in the VFEX All Share Index (ASI) for the period 2<sup>nd</sup> December 2022 to 1<sup>st</sup> December 2023.

**Figure 8: VFEX All Share Index**



*Source: Victoria Falls Stock Exchange (VFEX), 2023*

**RESERVE BANK OF ZIMBABWE**

## APPENDIX 1: FOREIGN EXCHANGE AUCTION RESULTS FOR WHOLESALAFX<sup>2</sup>

WHOLESALE FX				
	07-Nov-23	14-Nov-23	21-Nov-23	28-Nov-23
<b>Total Bids (US\$ dollars)</b>	17,460,100.00	17,343,660.00	17,309,350.08	16,695,652.00
<b>Amount Allotted (US\$ dollars)</b>	17,460,100.00	17,343,660.00	17,309,350.08	14,533,152.00
<b>Highest Rate</b>	5,775.00	5,781.00	5,792.0000	5,820.6746
<b>Lowest Bid Rate Allotted</b>	5,722.00	5,745.00	5,760.0000	5,785.0000
<b>Weighted Average Rate</b>	5,738.7217	5,755.7081	5,774.2758	5,790.0545
<b>Number of Bids Received</b>	20	19	18	18
<b>Number of Bids Rejected</b>	0	0	0	0

*Source: Reserve Bank of Zimbabwe, 2023*

<sup>2</sup> 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

	07-Nov-23	14-Nov-23	21-Nov-23	28-Nov-23
<b>Raw Materials</b>	582,700.58	598,523.02	866,444.48	780,641.97
<b>Machinery and Equipment</b>	610,987.82	612,285.63	586,565.83	650,261.27
<b>Consumables (Incl. Spares, Tyres, Packaging)</b>	153,558.13	123,770.73	113,022.49	244,314.16
<b>Pharmaceuticals and Chemicals</b>	2,753.86	27,527.50	28,937.82	71,124.40
<b>Services (Loans, Dividends and Disinvestments)</b>	340,875.92	249,383.83	298,514.91	212,328.45
<b>Retail and Distribution</b>	179,261.41	315,518.12	200,761.39	218,499.07
<b>Fuel, Electricity and Gas</b>	-	-	-	-
<b>Paper and Packaging</b>	29,201.90	72,709.08	20,011.84	-
<b>TOTAL</b>	<b>1,899,339.62</b>	<b>1,999,717.91</b>	<b>2,114,258.76</b>	<b>2,177,119.32</b>

Source: Reserve Bank of Zimbabwe, 2023