



Weekly Economic Highlights

TABLE OF CONTENTS

1. OVERVIEW	1
2. INTEREST RATES	1
3. CLEARING AND SETTLEMENT ACTIVITY	3
4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS	5
5. EQUITY MARKETS.....	9

Week Ending
21st December 2023

1. OVERVIEW

This report provides an analysis of the developments in money market interest rates and National Payment Systems transactions during the week ending 21st 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 and foreign currency deposits remained unchanged during the week under review. Deposit rates for 3-month, 6-month and 12-month tenors remained at the previous week's levels. The deposit rates for 1-month maximum tenor, however, marginally declined in both local and foreign currency during the period under review.

International commodity prices for gold, platinum, copper, nickel and crude oil firmed while palladium and lithium prices declined during the week ending 21st December 2023.

The aggregate value of transactions processed through the National Payment Systems platforms amounted to ZW\$8.29 trillion, a decrease of 0.26% from the previous week. The Real Time Gross Settlement (RTGS) system constituted 83.91% of the total NPS values. The Zimbabwe Stock Exchange (ZSE) and the Victoria Falls Stock Exchange (VFEX) were bullish during the week under analysis.

2. INTEREST RATES

Local Currency (ZW\$) Deposit Rates.

During the week ending 21st December 2023, deposit rates for all tenors remained largely unchanged, save for the maximum deposit rates for deposits of 1-month tenor which registered a decline during the same week. Commercial banks continued to offer higher deposit rates for long term deposits as banks sought to encourage longer-term deposits. Average commercial bank 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 (%)
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
21-Dec-23	34.38	37.13	55.94	64.50	57.94	65.65	56.03	65.43	56.20	65.57

Source: Reserve Bank of Zimbabwe, 2023

Local Currency (ZW\$) Lending Rates

Commercial bank minimum lending rates for individual clients increased while those for corporate clients softened during the week of analysis. On the contrary, maximum lending rates for individuals declined during the week ending 21st December 2023, while maximum lending rates for corporate clients, increased during the same period, as shown in Table 2.

Table 2: Lending Rates (per annum)

Date	Individual Clients		Corporate Clients	
	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
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
21-Dec-23	69.18	101.67	91.06	165.11

Source: Reserve Bank of Zimbabwe, 2023

Foreign Currency (USD) Deposit Rates

Average minimum and maximum savings deposit rates quoted by commercial banks were unchanged during the week ending 21st December 2023. Maximum deposit rates for deposits of 1-month, 3-month, 6-month and 12-month tenors registered declines, while minimum deposit rates for the same deposits increased during the week under review 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 (%)
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
21-Dec-23	1.32	1.82	3.06	4.56	3.42	5.10	3.53	5.39	3.73	5.68

Source: Reserve Bank of Zimbabwe, 2023

Foreign Currency (USD) Lending Rates

During the week under analysis, minimum foreign currency lending rates for individual clients softened, while maximum lending rates for individuals marginally increased. Minimum foreign currency lending rates for corporate clients registered marginal increases, while maximum lending rates for the same category registered declines during the week under review.

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
21-Dec-23	10.85	13.54	8.27	14.22

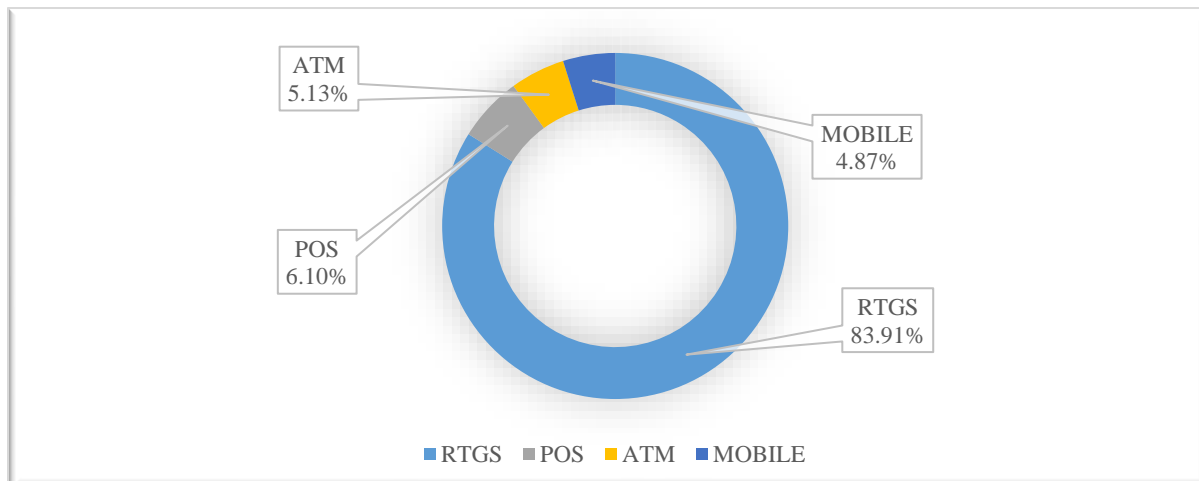
Source: Reserve Bank of Zimbabwe, 2023

3. CLEARING AND SETTLEMENT ACTIVITY

The aggregate value of transactions processed through the National Payment Systems platforms amounted to ZW\$8.29 trillion, a decrease of 0.26%, from the previous week's level of ZW\$8.32 trillion.

In value terms, the distribution of NPS transactions were as follows: Real Time Gross Settlement (RTGS) system constituted 83.91%, Mobile, 4.87%, Point of Sale (POS), 6.10% and Automated Teller Machines (ATM), 5.13%.

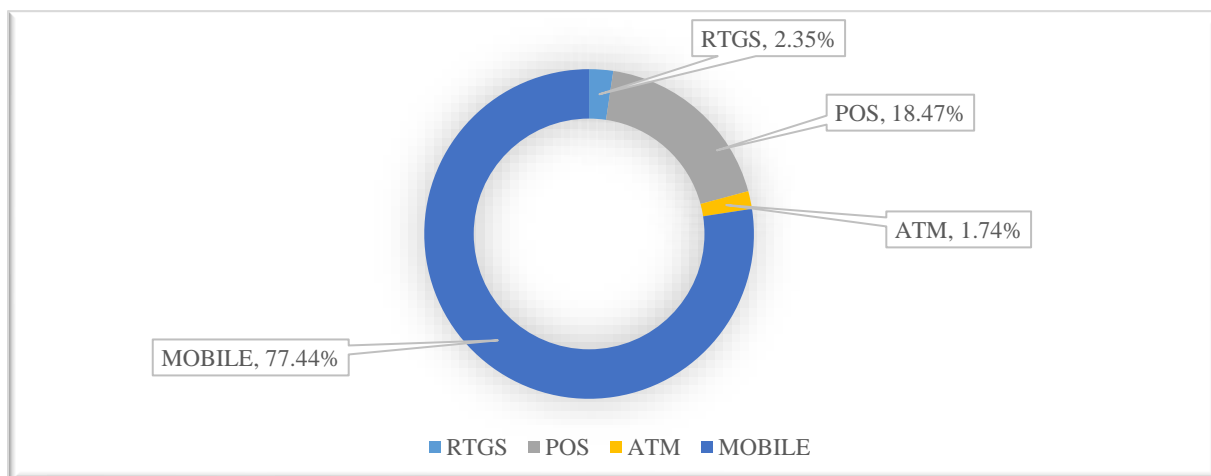
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2023

The volume of transactions processed through the NPS increased by 17.22% to close at 13.69 million. This was, underpinned by an increase in POS, ATM and Mobile transaction volumes. NPS transaction volumes were distributed as follows: Mobile, 77.44%; POS, 18.47%; RTGS, 2.35% and ATM, 1.74%, 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 15 DECEMBER 2023	WEEK ENDING 21 DECEMBER 2023	% CHANGE FROM LAST WEEK	PROPORTION
VALUES IN ZW\$ Millions				
RTGS	7,471,210.87	6,959,622.48	-6.85%	83.91%
POS	328,083.17	505,595.26	54.11%	6.10%
ATM	217,884.99	425,183.83	95.14%	5.13%
MOBILE	299,026.06	404,070.43	35.13%	4.87%
TOTAL	8,316,205.11	8,294,472.00	-0.26%	100%
VOLUMES				
RTGS	216,942	321,359	48.13%	2.35%
POS	1,739,471	2,529,516	45.42%	18.47%
ATM	133,933	238,052	77.74%	1.74%
MOBILE	9,590,179	10,603,414	10.57%	77.44%
TOTAL	11,680,525	13,692,341	17.22%	100%

Source: Reserve Bank of Zimbabwe, 2023

4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

International commodity prices for gold, platinum, copper, nickel and crude oil firmed during the week ending 21st December 2023. Palladium and lithium prices, however, declined during the same week. Table 6 shows commodity price developments during the week under analysis.

Table 6: Metal and Crude Oil Prices for the week ending 21st 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 (11-15 Dec)	1,999.46	929.50	984.57	8,418.40	16,702.40	76.05	17,022.00
18-Dec	2,024.27	941.67	977.50	8,482.50	16,502.00	78.01	16,600.00
19-Dec	2,027.99	944.47	977.50	8,593.50	16,747.00	79.28	16,400.00
20-Dec	2,035.76	969.82	977.50	8,582.50	16,854.00	79.65	16,200.00
21-Dec	2,024.45	970.85	977.50	8,582.50	16,945.00	80.25	16,000.00
Weekly Average (18 - 21 Dec)	2,028.12	956.70	977.50	8,560.25	16,762.00	79.30	16,300.00
Weekly Change (%)	1.43	2.93	-0.72	1.68	0.36	4.27	-4.24

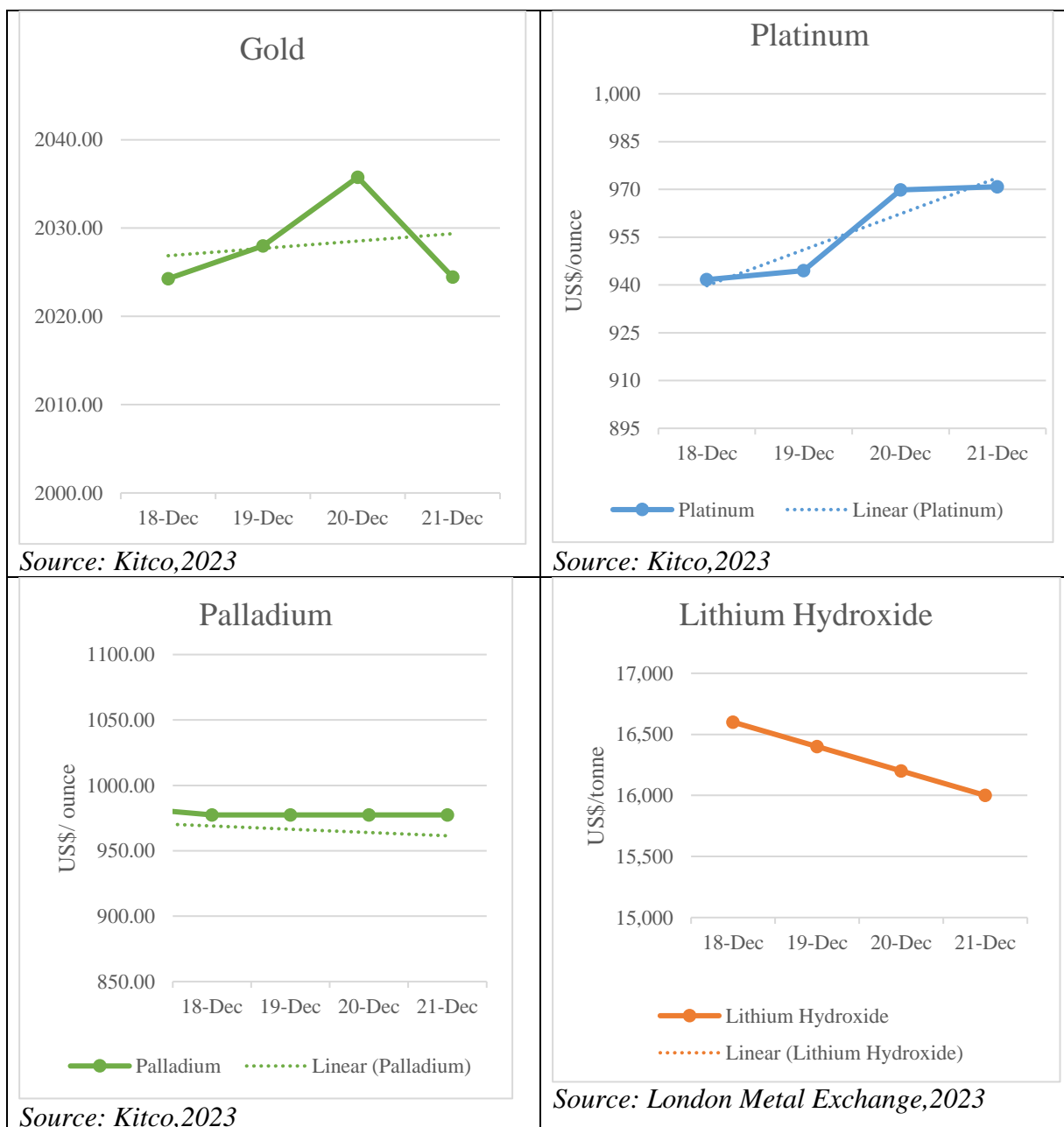
Source: BBC, KITCO and Bloomberg 2023

Precious Metals

In the week under review, average prices for platinum and gold rose by 2.93% and 1.43%, respectively, while those for lithium and palladium fell by 4.24% and 0.72%, in that order, as shown in Table 6. The increase in gold and platinum prices was underpinned by a softening US dollar amid rising expectations that the Federal Reserve would begin lowering interest rates in

early 2024. The average price for palladium, however, declined, in part, following continued pressure on cutting down on carbon emissions from cars with internal combustion engines. Figure 3 shows the trend in precious metal prices for the period from 18th December 2023 to 21st December 2023.

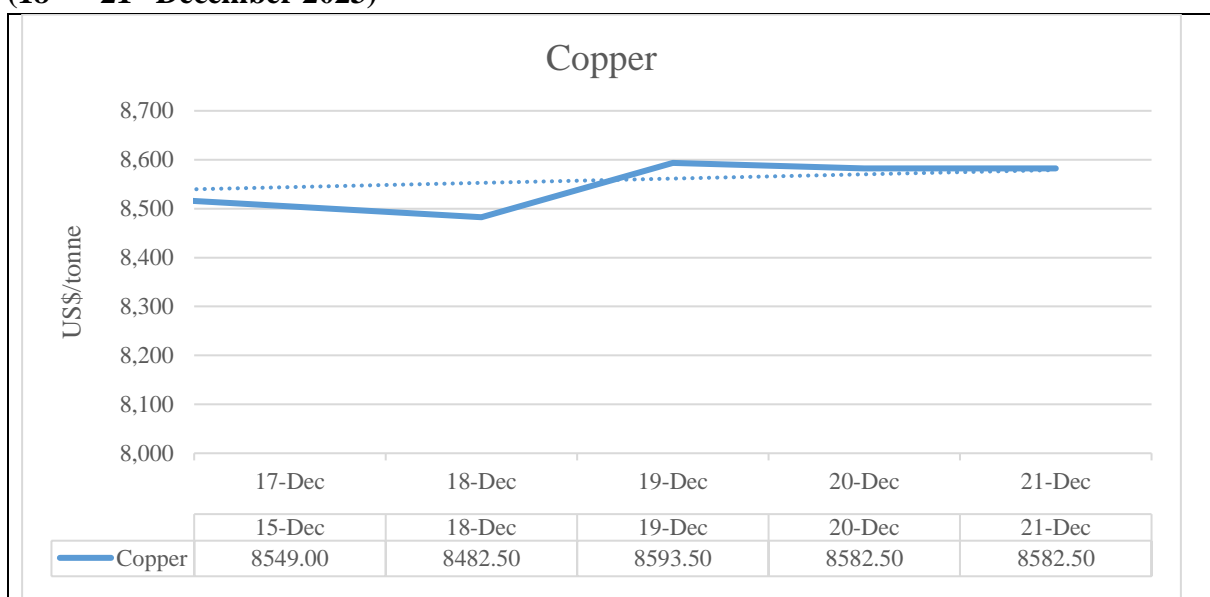
Figure 3: Weekly Precious Metals Price Developments (18th – 21st December 2023)



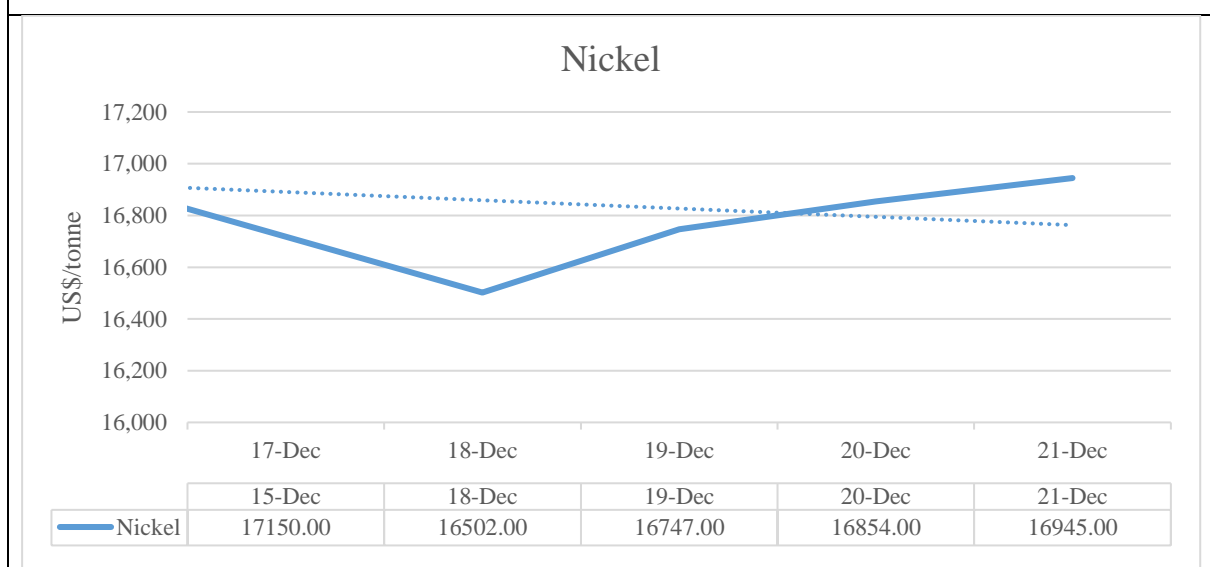
Base Metals and Brent Crude Oil

Copper prices increased by 1.68% during the reporting week, underpinned by the U.S. Federal Reserve's recent dovish monetary policy tilt, coupled with the softening of the US dollar. Similarly, nickel prices marginally increased by 0.36%, amid market caution ahead of the release of key US inflation data. Crude oil prices increased by 4.27%, on the back of continued tensions in the Middle East following attacks on ships in the Red Sea by Houthi rebels and the decision by Angola to leave the OPEC group. The price trends for base metals and Brent crude oil for the period from 18th December 2023 to 21st December 2023, are shown in Figure 4.

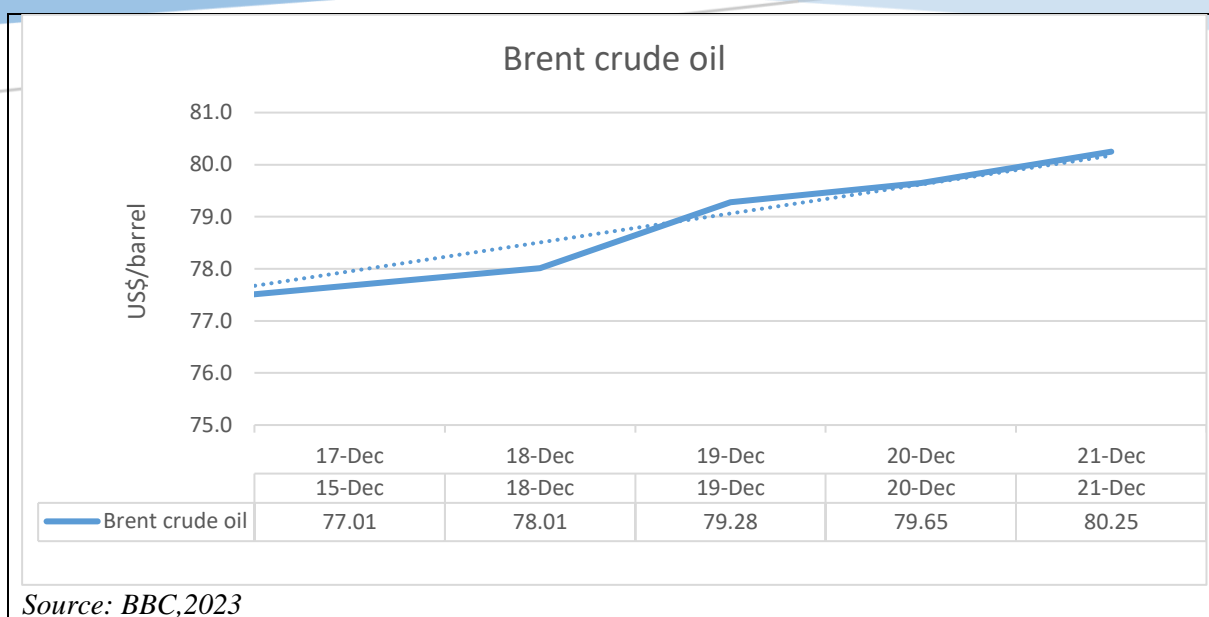
Figure 4: Daily commodity price developments for copper, nickel, and Brent crude oil (18th – 21st December 2023)



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 by 0.7% against the US dollar on the interbank market. The average exchange rate moved from ZW\$5,881.11 per US\$1 during the week ending 15 December 2023 to ZW\$5,924.96 per US\$1, during the reporting week, as shown in Table 7.

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

2023	USD	ZAR	GBP	BWP	EURO
Weekly Average (11– 15 Dec)	5,881.1082	317.5899	7,419.8778	432.9305	6,377.7613
18-Dec	5,917.1743	327.8689	7,511.3240	442.6991	6,456.2918
19-Dec	5,919.5531	322.5806	7,494.8713	442.8764	6,468.3582
20-Dec	5,927.6389	327.8689	7,540.6134	441.7050	6,500.2808
21-Dec	5,935.4572	327.8689	7,506.8851	444.4101	6,501.1690
Weekly Average (18 – 21 Dec)	5,924.9559	326.5468	7,513.4234	442.9226	6,481.5249
Appr (-)/Depr (+) (%) of the ZWL	<i>0.7</i>	<i>2.8</i>	<i>1.3</i>	<i>2.3</i>	<i>1.6</i>

Source: Reserve Bank of Zimbabwe, 2023

5. EQUITY MARKETS

The Zimbabwe Stock Exchange (ZSE) and the Victoria Falls Stock Exchange (VFEX) were bullish during the week under analysis. Consequently, the ZSE and VFEX All Share indices gained 3.09% and 1.64% to close the week under review at 198 791.48 points and 70.36 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)
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
21-Dec-23	198,791.48	83,719.76	114,013.74	892,907.22	5,344,423.84	145,542.27	15,764.91	12,776.36	10.37
% Change	3.09	4.58	4.25	0.34	0.00	0.00	2.94	12.63	-30.85

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)
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
21-Dec-23	70.36	1.20	1.15	3.06
% Change	1.64	1.64	25.85	13.10

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.

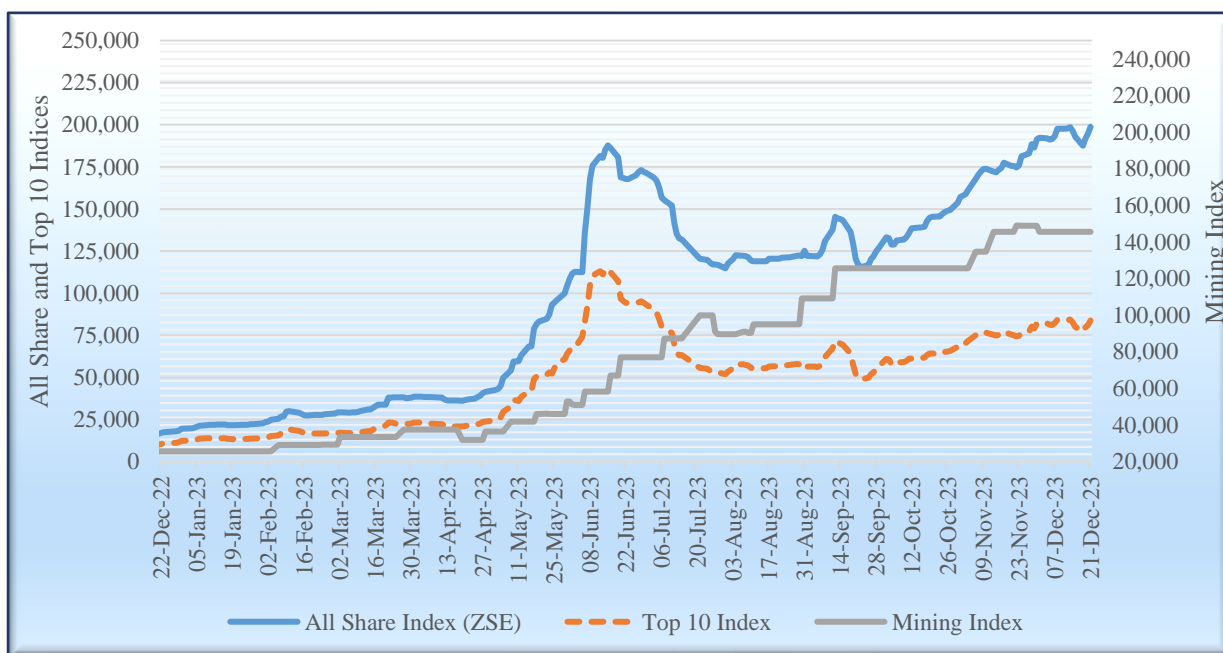
Zimbabwe Stock Exchange (ZSE) Developments

The Top 10, Top 15 and Medium Cap gained 4.58%, 4.25% and 0.34% to close at 83 719.76, 114 013.74 and 892 907.22 points respectively, while the Small Cap counter remained unchanged at 5 344 423.84.

The resource index was 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 22nd December 2022 to 21st December 2023.

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



Source: Zimbabwe Stock Exchange, 2023

Share price gains in Ecocash Holdings Zimbabwe Limited (29.84%), CBZ Holdings Limited (15.00%), CFI Holdings Limited (15.00%), Cafca Limited (14.97%) and Ariston Holdings Limited (12.50%) supported the increase in the mainstream index.

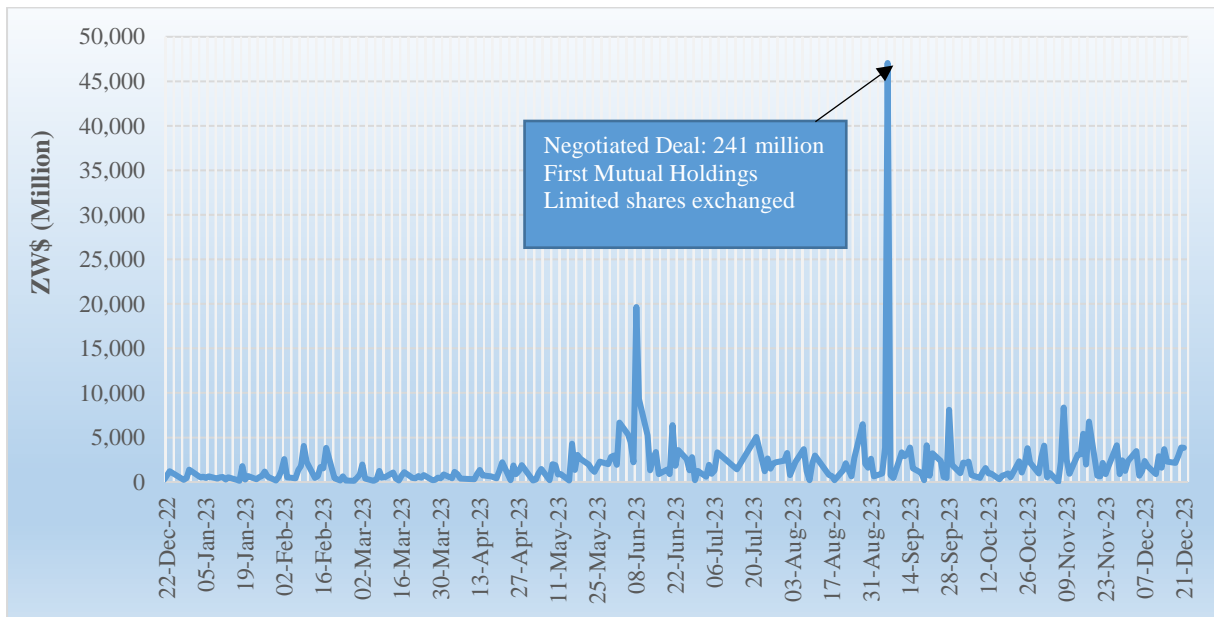
Losses were registered in share prices of Meikles Limited (6.92%), Willdale Limited (5.56%), First Mutual Holdings Limited (4.76%), Dairiboard Holdings Limited (2.76%) and FBC Holdings Limited (2.14%).

Market Turnover

During the week ending 21st December 2023, the cumulative volume of shares traded declined by 30.85% to close at 10 million shares, from 15 million shares registered in the previous week. The value of shares traded, however, increased by 12.63% to close at ZW\$12.78 billion.

Figure 6 shows the trend in daily market turnover for the period 22nd December 2022 to 21st December 2023.

Figure 6: Market Turnover



Source: Zimbabwe Stock Exchange, 2023

Market Capitalization

The ZSE market capitalisation increased by 2.94% to close at ZW\$15 764.91 billion during the period of analysis reflecting the increase in the stock market price index.

Figure 7 shows the evolution of market capitalization for the period 23rd December 2022 to 21st December 2023.

Figure 7: Market Capitalization



Source: Zimbabwe Stock Exchange, 2023

Victoria Falls Stock Exchange (VFEX) Developments

The VFEX mainstream index added 1.64% during the week under review in part on account of share price increases in Padenga Holdings Limited (4.96%), Innscor Africa Limited (4.51%), Simbisa Brands Limited (4.29%) and African Sun Limited (1.20%).

Partially offsetting these gains were losses in the share prices of First Capital Bank Limited (5.00%), Seed Co International Vx (3.28%) and Axia Corporation Limited (0.14%).

VFEX Market Turnover

The VFEX volume and value of shares increased by 13.10% and 25.85% to close at 3.06 million shares and US\$1.15 million, respectively. This compares to 2.70 million shares and US\$0.91 million registered in the previous week.

VFEX Market Capitalization

Reflecting positive trading activity on the VFEX, the bourse improved by 1.64% worth of capitalization to close at US\$1.20 billion compared to US\$1.18 billion, recorded in the prior week.

Figure 8 shows the trend in the VFEX All Share Index (ASI) for the period from 22nd December 2022 to 21st 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 WHOLESALAFX²

WHOLESAL 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

**The last Foreign Exchange Auction for 2023 was conducted on 12 December 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