



Weekly Economic Highlights

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Week Ending
29th 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 29th December 2023. The report also covers developments in international commodity prices and stock markets during the same week.

Minimum and maximum deposit rates for local currency deposits of all tenors remained at the previous week's levels. Maximum foreign currency deposit rates for deposits of all classes increased during the week under review.

International commodity prices for gold, platinum, palladium, and copper firmed during the week ending 29th December 2023. Prices for nickel, crude oil and lithium, however, declined during the same week.

The total value of transactions processed through the National Payment Systems platforms declined by 1.85% to close at ZW\$8.14 trillion during the week under review, from ZW\$8.29 trillion registered in the previous period. The Real Time Gross Settlement (RTGS) system constituted 79.59% of the NPS values during the week under review.

The Zimbabwe Stock Exchange (ZSE) and the Victoria Falls Stock Exchange (VFEX) were bullish for the third consecutive week in December 2023.

INTEREST RATES

Local Currency (ZW\$) Deposit Rates.

During the week ending 29th December 2023, minimum and maximum deposits rates for savings deposits and deposits of 1-month, 3-month, 6-month and 12-month tenors remained at previous week's levels, as 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 (%)
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
29-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

During the week under analysis, commercial bank minimum lending rates for individuals were lower while maximum lending rates registered an increase. On the contrary, minimum lending rates for corporate clients increased, while maximum lending rates for corporate clients declined, as shown in Table 2.

Table 2: Lending Rates (per annum)

Date	Individual Clients		Corporate Clients	
	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
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
29-Dec-23	69.02	101.71	93.77	164.47

Source: Reserve Bank of Zimbabwe, 2023

Foreign Currency (USD) Deposit Rates

During the week ending 29th December 2023, average minimum and maximum deposits rates for savings deposits remained at previous week's levels. Minimum deposit rates for deposits of 3-month, 6-month and 12-month tenors declined, while deposits of 1-month tenor were higher. Maximum deposit rates for deposits of all tenors increased 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 (%)
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
29-Dec-23	1.32	1.82	3.09	4.74	3.34	5.17	3.46	5.46	3.67	5.75

Source: Reserve Bank of Zimbabwe, 2023

Foreign Currency (USD) Lending Rates

Commercial bank minimum lending rates for individual clients were lower while maximum lending rates registered an increase during the week ending 29th December 2023. Minimum lending rates for corporate clients rose marginally, while maximum lending rates for corporate clients softened during the week under analysis.

Table 4: Lending Rates (per annum)

Date	Individual Clients		Corporate Clients	
	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
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
29-Dec-23	10.81	13.58	8.39	14.12

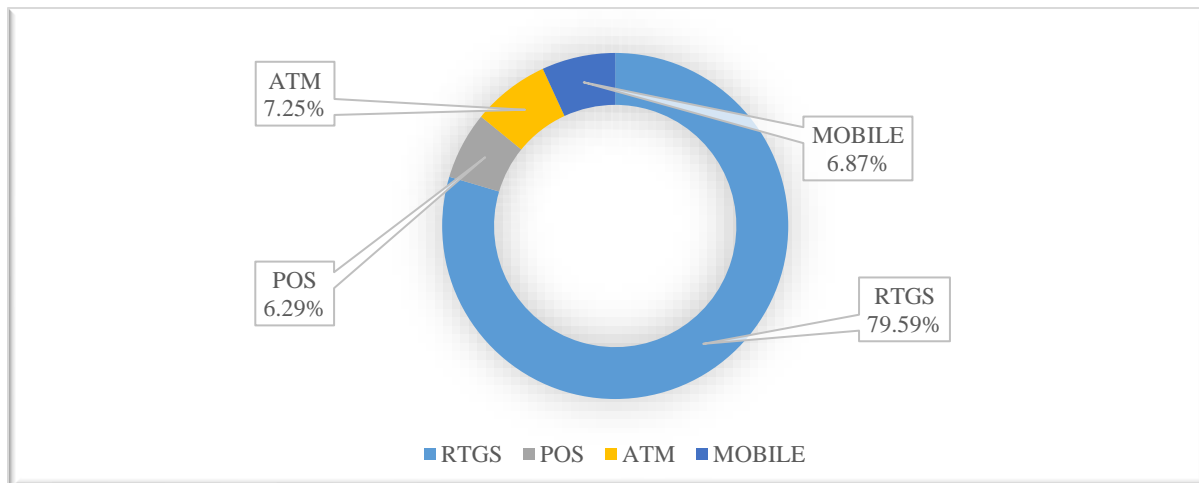
Source: Reserve Bank of Zimbabwe, 2023

2. CLEARING AND SETTLEMENT ACTIVITY

The total value of transactions processed through the National Payment Systems platforms stood at ZW\$8.14 trillion during the week under review, reflecting a decrease of 1.85% from the previous week's level of ZW\$8.29 trillion.

In value terms, the distribution of NPS transactions were as follows: Real Time Gross Settlement (RTGS) system constituted 79.59%, Mobile, 6.87%, Point of Sale (POS), 6.29% and Automated Teller Machines (ATM), 7.25%.

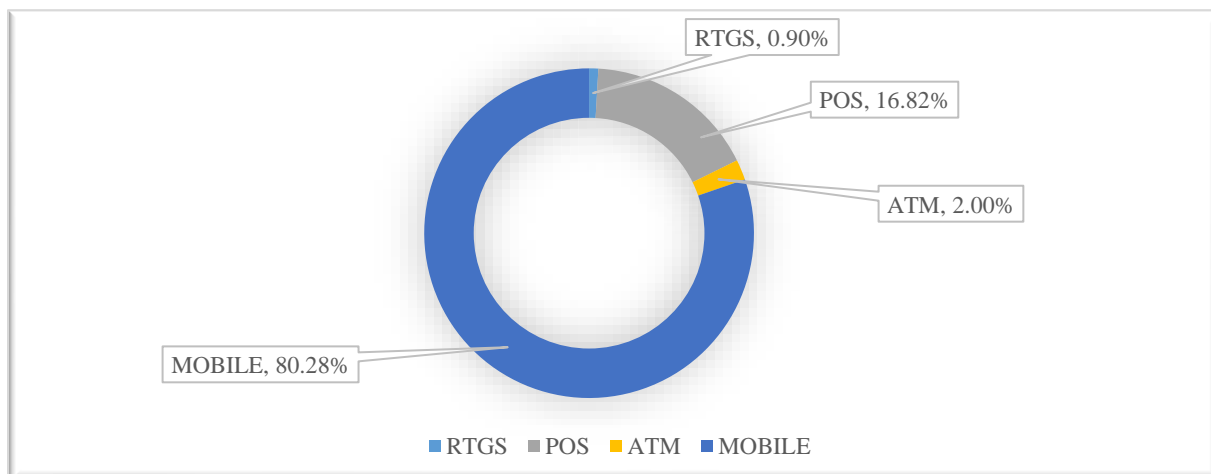
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2023

The volume of transactions processed through the NPS increased by 12.63% to close at 15.42 million. This was, underpinned by increases in POS, ATM and Mobile transaction volumes. NPS transaction volumes were distributed as follows: Mobile, 80.28%; POS, 16.82%; RTGS, 0.90% and ATM, 2.00%, 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 21 DECEMBER 2023	WEEK ENDING 29 DECEMBER 2023	% CHANGE FROM LAST WEEK	PROPORTION
VALUES IN ZW\$				
RTGS	6,959,622,482,660.65	6,479,552,208,793.98	-6.90%	79.59%
POS	505,595,260,388.26	512,238,634,018.76	1.31%	6.29%
ATM	425,183,834,484.56	589,872,808,291.47	38.73%	7.25%
MOBILE	404,070,426,152.18	559,302,483,591.41	38.42%	6.87%
TOTAL	8,294,472,003,685.66	8,140,966,134,695.62	-1.85%	100%
VOLUMES				
RTGS	321,359	139,116	-56.71%	0.90%
POS	2,529,516	2,593,567	2.53%	16.82%
ATM	238,052	307,849	29.32%	2.00%
MOBILE	10,603,414	12,381,358	16.77%	80.28%
TOTAL	13,692,341	15,421,890	12.63%	100%

Source: Reserve Bank of Zimbabwe, 2023

3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

The international prices for gold, platinum, palladium, and copper firmed during the week ending 29th December 2023 while the prices for nickel, crude oil and lithium declined. The developments in prices for selected commodities are shown in Table 6.

Table 6: Metal and Crude Oil Prices for the week ending 29th 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 (18-21 Dec)	2,028.12	956.70	977.50	8,560.25	16,762.00	79.30	16,300.00
27-Dec	2,065.60	978.00	1,184.00	8,620.00	16,660.00	80.81	15,900.00
28-Dec	2,078.10	1,010.00	1,140.00	8,637.50	16,610.00	77.55	15,700.00
29-Dec	2,062.40	991.00	1,108.00	8,589.50	16,620.00	78.43	15,650.00
Weekly Average (27 - 29 Dec)	2,068.70	993.00	1,144.00	8,615.67	16,630.00	78.93	15,750.00
Weekly Change (%)	2.00	3.79	17.03	0.65	-0.79	-0.47	-3.37

Source: BBC, KITCO and Bloomberg 2023

Precious Metals

The average prices for precious metals, particularly gold, platinum and palladium increased by 2.00%, 3.79% and 17.03%, respectively, during the week under analysis. Lithium prices, however, fell by 3.37%, as shown in Table 6. The firming of gold, platinum and palladium prices was largely supported by investor expectations of interest rate cuts by most major central banks

beginning early 2024. Figure 3 shows the trend in precious metal prices for the period from 27th December 2023 to 29th December 2023.

Figure 3: Weekly Precious Metals Price Developments (27th – 29th December 2023)

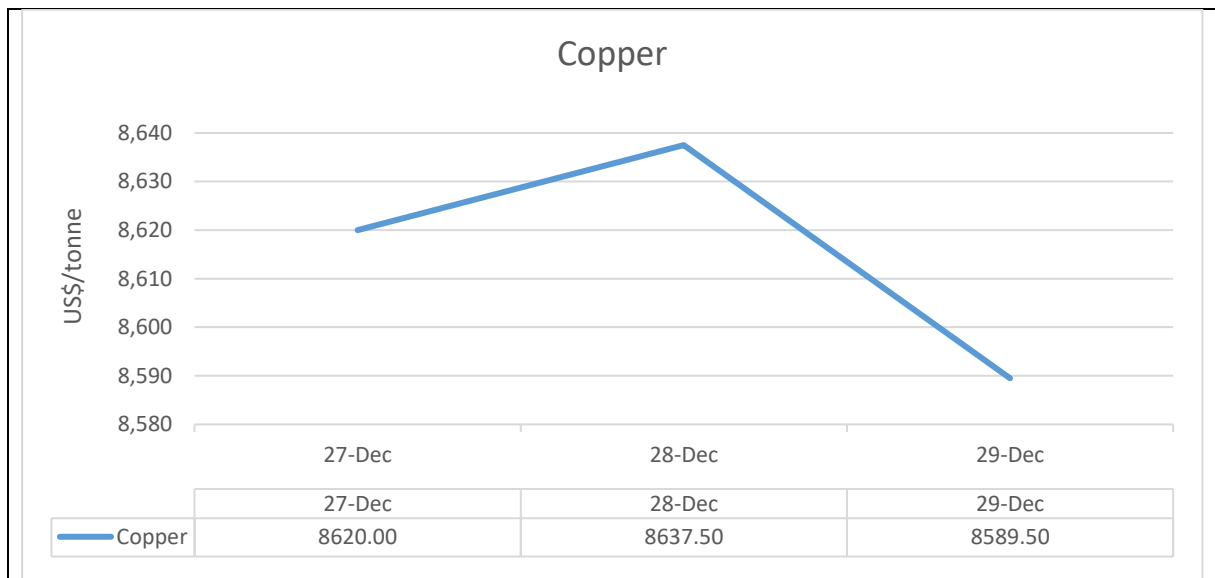


Base Metals and Brent Crude Oil

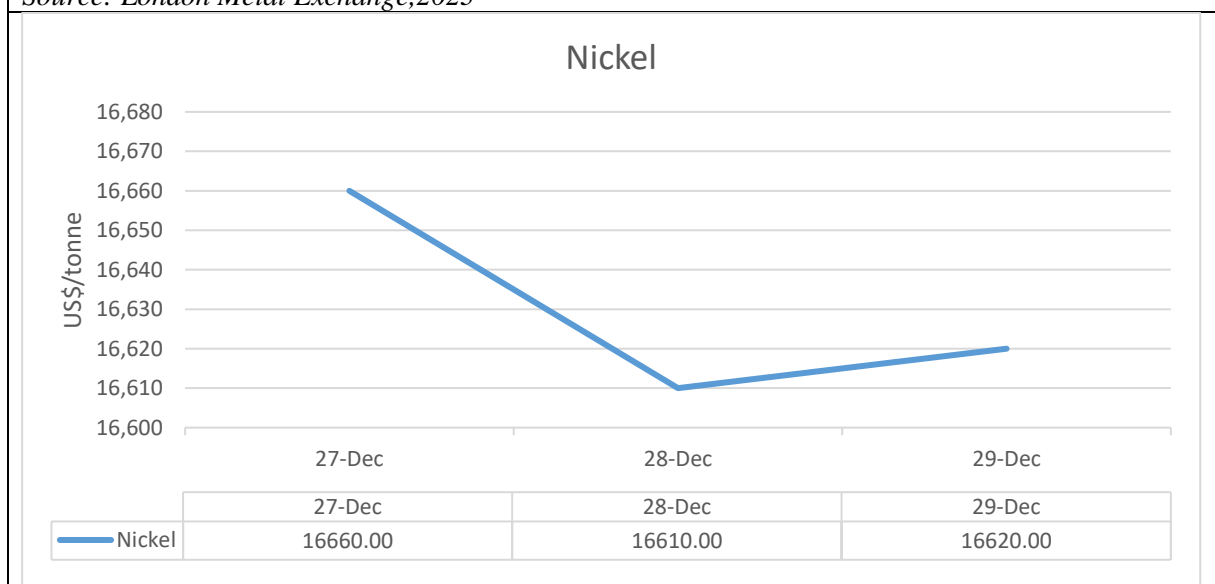
Copper prices marginally increased by 0.65%, during the week under review on concerns over tight supply of the red metal. During the same week, nickel prices, however, declined by 0.79%, amid robust supply from China, the world's leading producer. Crude oil prices fell by 0.47%, amid concerns about increasing global crude supplies and acute economic slowdown in large

economies. The price trends for base metals and Brent crude oil for the period from 27th December 2023 to 29th December 2023, are shown in Figure 4.

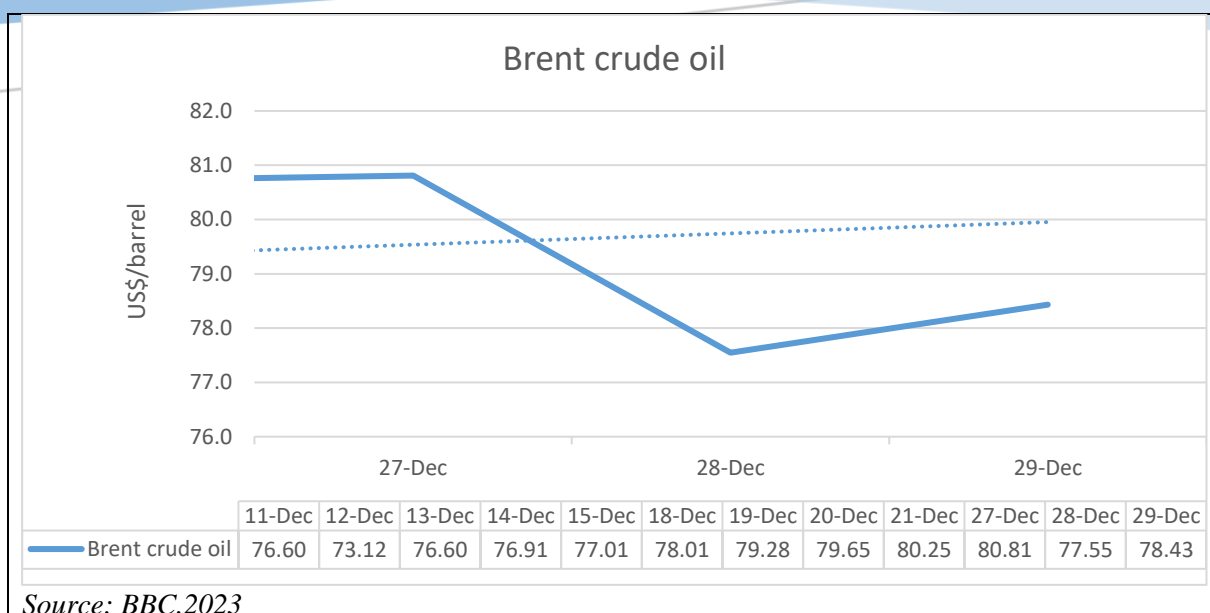
Figure 4: Daily commodity price developments for copper, nickel, and Brent crude oil (27th – 29th December 2023)



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 1.5% against the US dollar, from an average of ZW\$5,924.96 per US\$1 in the previous week to ZW\$6,012.33 per US\$1, as shown in Table 7.

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

2023	USD	ZAR	GBP	BWP	EURO
Weekly Average (18– 21 Dec)	5,924.9559	326.5468	7,513.4234	442.9226	6,481.5249
27-Dec	5,946.4471	322.5806	7,568.4368	443.6977	6,563.7395
28-Dec	5,985.8372	327.8689	7,670.6548	446.3599	6,653.3135
29-Dec	6,104.7226	333.3333	7,783.6486	455.5077	6,753.9757
Weekly Average (27 – 29 Dec)	6,012.3290	327.9276	7,674.2467	448.5218	6,657.0096
Appr (-)/Depr (+) (%) of the ZWL	<i>1.5</i>	<i>0.4</i>	<i>2.1</i>	<i>1.3</i>	<i>2.7</i>

Source: Reserve Bank of Zimbabwe, 2023

4. EQUITY MARKETS

During the week ending 29th December 2023, the Zimbabwe Stock Exchange (ZSE) and the Victoria Falls Stock Exchange (VFEX) were bullish for the third consecutive week. Subsequently, the ZSE and VFEX All Share indices added 6.06% and 0.41% to close at 210 833.92 points and 70.64 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)
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
29-Dec-23	210,833.92	90,085.91	121,916.39	920,516.25	5,483,703.77	145,542.42	16,812.91	73,691.74	219.33
% Change	6.06	7.60	6.93	3.09	2.61	0.00	6.65	476.78	2014.31

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)
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
29-Dec-23	70.64	1.21	1.51	3.26
% Change	0.41	0.41	31.34	6.57

Source, Zimbabwe Stock Exchange, 2023

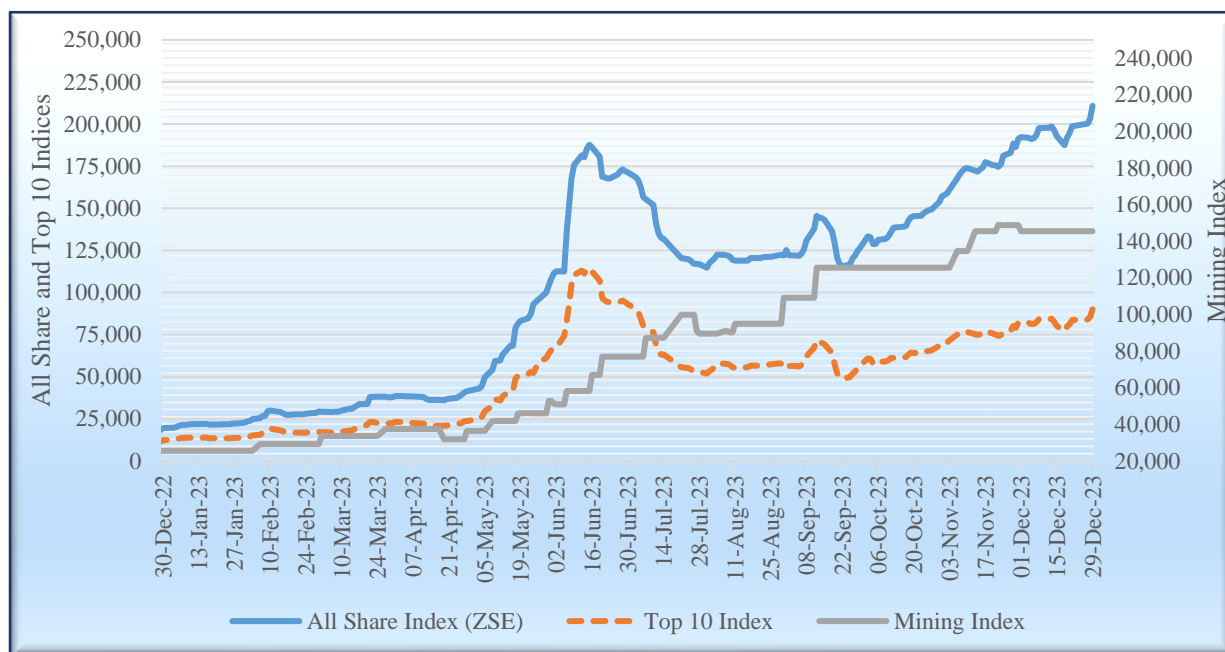
Zimbabwe Stock Exchange (ZSE) Developments

The Top 10, Top 15, Medium Cap and Small Cap gained 7.60%, 6.93%, 3.09% and 2.61% to close at 90 085.91, 121 916.39, 920 516.25 and 5 483 703.77 points respectively. The mining index recorded no movement at 145 542.27 points during the week under review.

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.

Figure 5 shows developments on the ZSE's All Share, Top 10 and Mining indices from 30th December 2022 to 29th December 2023.

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



Source Zimbabwe Stock Exchange, 2023:

The gains in the mainstream index resulted from share price gains in National Tyre Services Limited (100%), Starafrika Corporation Limited (49.91%), Econet Wireless Zimbabwe Limited (19.42%), First Mutual Properties Limited (15.02%) and Ok Zimbabwe Limited (12.54%).

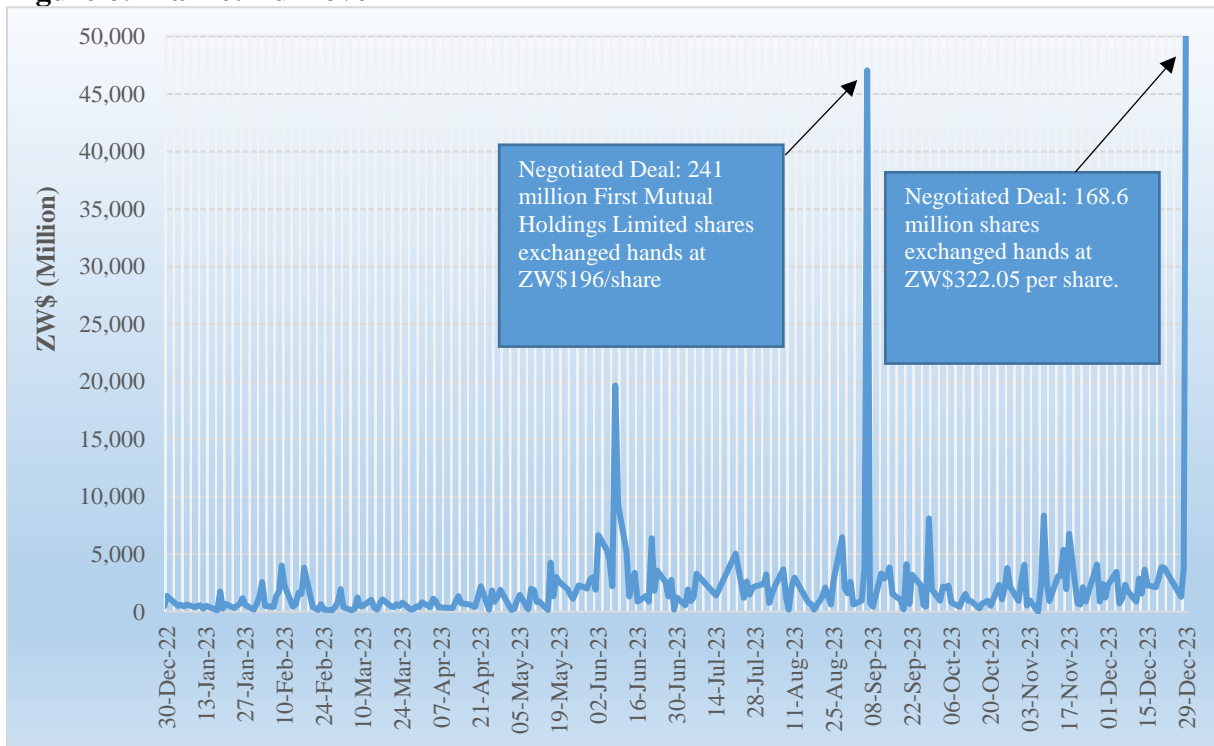
Partially offsetting the abovementioned gains were losses in share prices of Willdale Limited (2.84%), and NMBZ Holdings Limited (0.01%).

Market Turnover

The cumulative volume and value of shares traded increased by 2014.31% and 476.78% to 219.33 million shares and ZW\$73.69 billion, respectively. This compares to 10.37 million shares and ZW\$12.78 billion registered in the prior week, respectively. The jump in turnover volumes and values was largely informed by a negotiated trade deal on First Mutual Properties of 168 557 713 shares at \$322.05 per share.

Figure 6 shows the trend in daily market turnover for the period 30th December 2022 to 29th December 2023.

Figure 6: Market Turnover



Source: Zimbabwe Stock Exchange, 2023

Market Capitalization

Owing to the positive trajectory on the ZSE during the week under analysis, the market gained 6.65%, or ZW\$1 048.01 billion worth of capitalization to close at ZW\$16 812.91 billion.

Figure 7 shows the evolution of market capitalization for the period 30th December 2022 to 29th December 2023.

Figure 7: Market Capitalization



Source: Zimbabwe Stock Exchange, 2023

Victoria Falls Stock Exchange (VFEX) Developments

The increase in the VFEX mainstream index emanated from share price gains in National Foods Holdings Limited (19.92%), Axia Corporation Limited (14.12%) and First Capital Bank Limited (6.84%).

Losses were registered in the share prices of Simbisa Brands Limited (7.14%), Padenga Holdings Limited (5.28%), African Sun Limited (0.79%) and Zimplot Holdings Limited (0.25%).

VFEX Market Turnover

The VFEX volume and value of shares increased by 6.57% and 31.34% to 3.26 million shares and US\$1.51 million, respectively. This compares to 3.06 million shares and US\$1.15 million registered in the previous week.

VFEX Market Capitalization

The VFEX capitalisation increased from US\$1.20 billion, in the previous week to close at US\$1.21 billion, during the week under review.

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

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