



Weekly Economic Highlights

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Week Ending
8th 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 8th December 2023. The report also covers developments in mineral commodity prices and stock markets during the reporting week.

Minimum and maximum savings deposit rates for local currency deposits for all maturity classes remained unchanged while deposit rates for other classes registered declines during the week under review. Commercial bank minimum and maximum deposit rates for savings deposits and deposits for all tenors remained unchanged during the same week.

International prices for gold, platinum, palladium, copper, crude oil and lithium decelerated, while prices for nickel marginally rose during the week ending 8th December 2023. The price developments were mainly influenced by subdued demand.

In value terms, aggregate transactions processed through the National Payment Systems platforms amounted to ZW\$5.84 trillion, representing a decline of 8.97% from the previous week's levels. The Zimbabwe Stock Exchange (ZSE) and the Victoria Falls Stock Exchange were both bullish during the week under review. This reflected the increase in trading activity.

2. INTEREST RATES

Local Currency (ZW\$) Deposit Rates

During the week ending 8th December 2023, commercial bank minimum and maximum deposit rates for savings deposits remained unchanged. While minimum and maximum 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 (%)
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
8-Dec-23	34.38	37.13	55.67	64.78	58.00	65.47	55.70	65.07	55.87	65.21

Source: Reserve Bank of Zimbabwe, 2023

Local Currency (ZW\$) Lending Rates

During the week under analysis, minimum lending rates for individual clients declined while those for corporate clients registered increases. Maximum lending rates for both individuals and corporates, however, registered declines, partly on account of tight liquidity conditions and subdued demand for domestic currency loans. The commercial banks lending rates were as shown in Table 2.

Table 2: Lending Rates (per annum)

Date	Individual Clients		Corporate Clients	
	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
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
8-Dec-23	69.07	101.85	93.58	164.80

Source: Reserve Bank of Zimbabwe, 2023

Foreign Currency (USD) Deposit Rates

During the week under review, minimum and maximum foreign currency deposit rates for all deposit classes remained unchanged at previous week's 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

Source: Reserve Bank of Zimbabwe, 2023

Foreign Currency (USD) Lending Rates

During the week ending 8th December 2023, minimum and maximum foreign currency lending rates for individual clients increased by 0.04 and 0.06 percentage points, respectively. Minimum foreign currency lending rates for corporate clients increased by 0.03 while maximum foreign currency lending rates for corporate clients registered a marginal decline during the same period.

Table 4: Lending Rates (per annum)

Date	Individual Clients		Corporate Clients	
	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
10-Nov-23	11.10	13.37	8.28	14.18
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

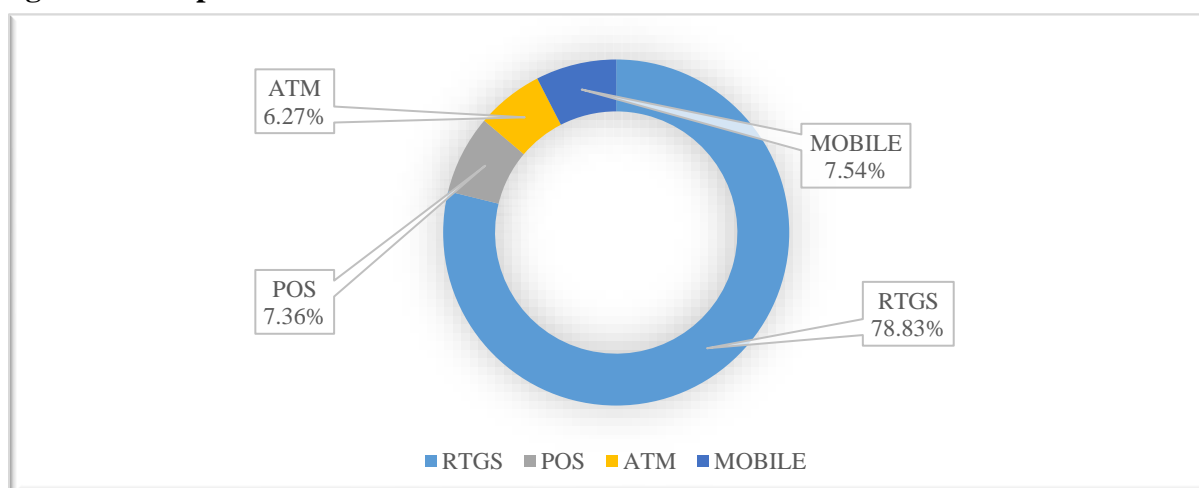
Source: Reserve Bank of Zimbabwe, 2023

3. CLEARING AND SETTLEMENT ACTIVITY

The aggregate transactions processed in value terms through the National Payment Systems platforms amounted to ZW\$5.84 trillion, representing a decrease of 8.97% from the previous week’s level of ZW\$6.42 trillion.

In value terms, the distribution of NPS transactions were as follows: Real Time Gross Settlement (RTGS), 78.83%, Mobile, 7.54%, Point of Sale (POS), 7.36% and Automated Teller Machines (ATM), 6.27%, as shown in Figure 1 and Table 5.

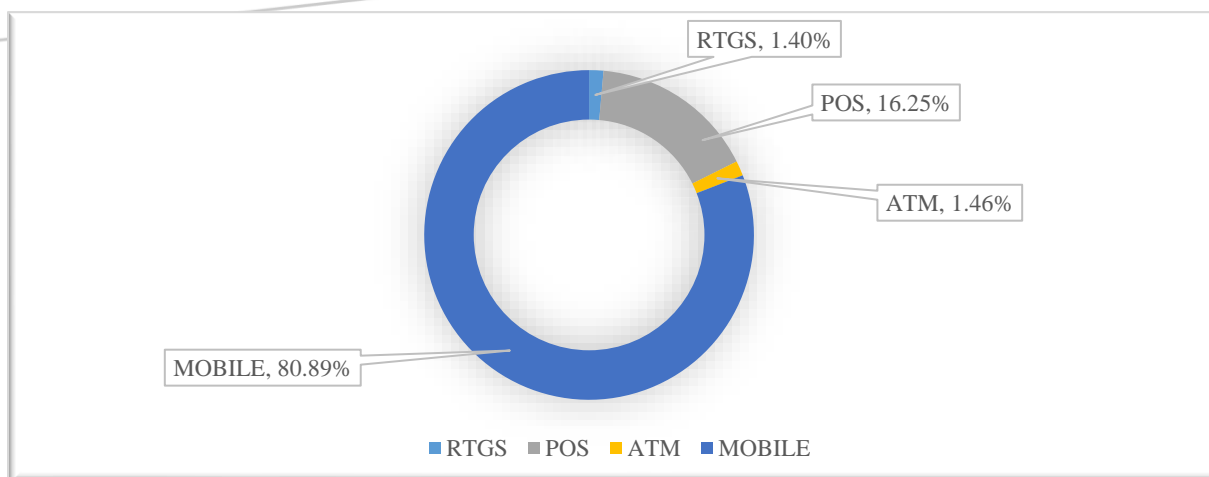
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2023

The volume of transactions processed through the NPS increased by 5.68% to close at 14.08 million. The NPS transaction volumes were distributed as follows: Mobile, 80.89%; POS, 16.25%; RTGS, 1.40% and ATM, 1.46%, 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 01 DECEMBER 2023	WEEK ENDING 08 DECEMBER 2023	% CHANGE FROM LAST WEEK	PROPORTION
VALUES IN ZW\$ MILLIONS				
RTGS	5,293,535,012,562.92	4,606,162,402,000.55	-12.99%	78.83%
POS	410,495,907,651.55	430,007,484,699.80	4.75%	7.36%
ATM	360,398,549,849.12	366,302,589,858.73	1.64%	6.27%
MOBILE	354,512,599,486.13	440,793,264,273.98	24.34%	7.54%
TOTAL	6,418,942,069,549.72	5,843,265,740,833.06	-8.97%	100%
VOLUMES				
RTGS	271,305	197,085	-27.36%	1.40%
POS	2,264,552	2,289,542	1.10%	16.25%
ATM	201,517	205,860	2.16%	1.46%
MOBILE	10,593,500	11,396,069	7.58%	80.89%
TOTAL	13,330,874	14,088,556	5.68%	100%

Source: Reserve Bank of Zimbabwe, 2023

4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

Prices for gold, platinum, palladium, copper, crude oil, and lithium decelerated during the week ending 8th December 2023, while prices for nickel increased marginally as indicated in Table 6.

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

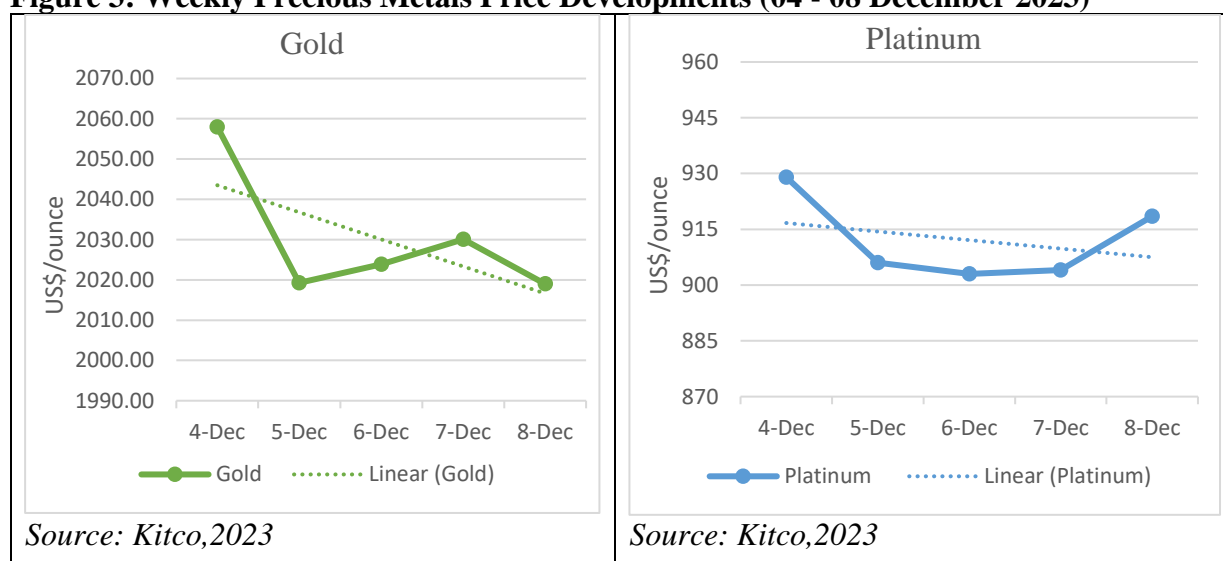
	Gold	Platinum	Palladium	Copper	Nickel	Crude Oil	Lithium
2023	US\$/ounce	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel	US\$/tonne
Weekly Average (27 Nov- 1 Dec)	2,031.99	931.30	1,040.80	8,417.40	16,516.80	81.53	19,282.00
4-Dec	2,058.00	929.00	978.50	8,449.50	16,415.00	78.14	18,320.00
5-Dec	2,019.30	906.00	939.00	8,334.50	16,413.00	77.21	18,120.00
6-Dec	2,023.90	903.00	950.50	8,291.50	16,595.00	74.60	17,920.00
7-Dec	2,030.10	904.00	964.00	8,342.00	16,508.00	75.21	17,720.00
8-Dec	2,019.00	918.50	976.50	8,401.50	16,660.00	76.38	17,516.00
Weekly Average (4 Dec- 8 Dec)	2,030.06	912.10	961.70	8,363.80	16,518.20	76.31	17,919.20
Weekly Change (%)	-0.09	-2.06	-7.60	-0.64	0.01	-6.41	-7.07

Source: BBC, KITCO and Bloomberg 2023

Precious Metals

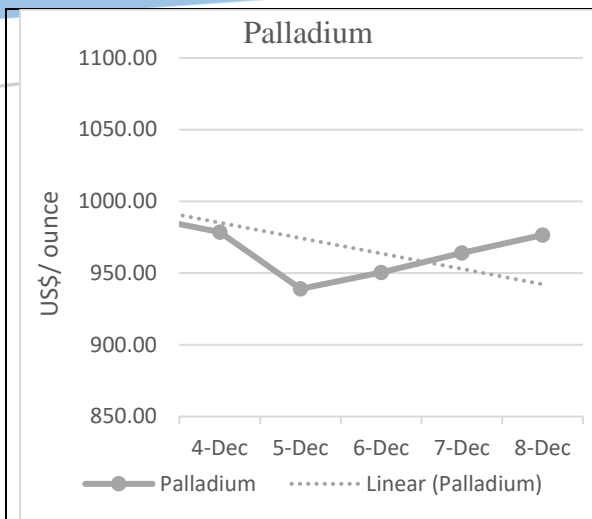
During the week ending 8th December 2023, the weekly average prices for precious metals, namely gold, platinum, palladium, and lithium decreased by 0.09%, 2.06%, 7.60% and 7.07%, respectively, as shown in Table 6. Gold and platinum prices fell as investors grew wary of expected monetary policy announcements from major central banks such as the Federal Reserve, the European Central Bank, and the Bank of England during the week under review. Palladium prices dropped due to weak demand, amidst the continued preference for platinum by automakers, for use in catalytic converters. Similarly, lithium prices declined amid slow demand in the automotive industry. The price trends for these precious metals for the week under analysis are shown in Figure 3.

Figure 3: Weekly Precious Metals Price Developments (04 - 08 December 2023)

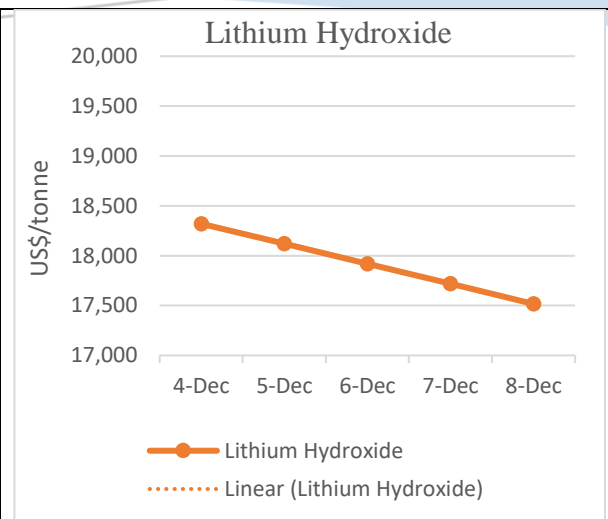


Source: Kitco,2023

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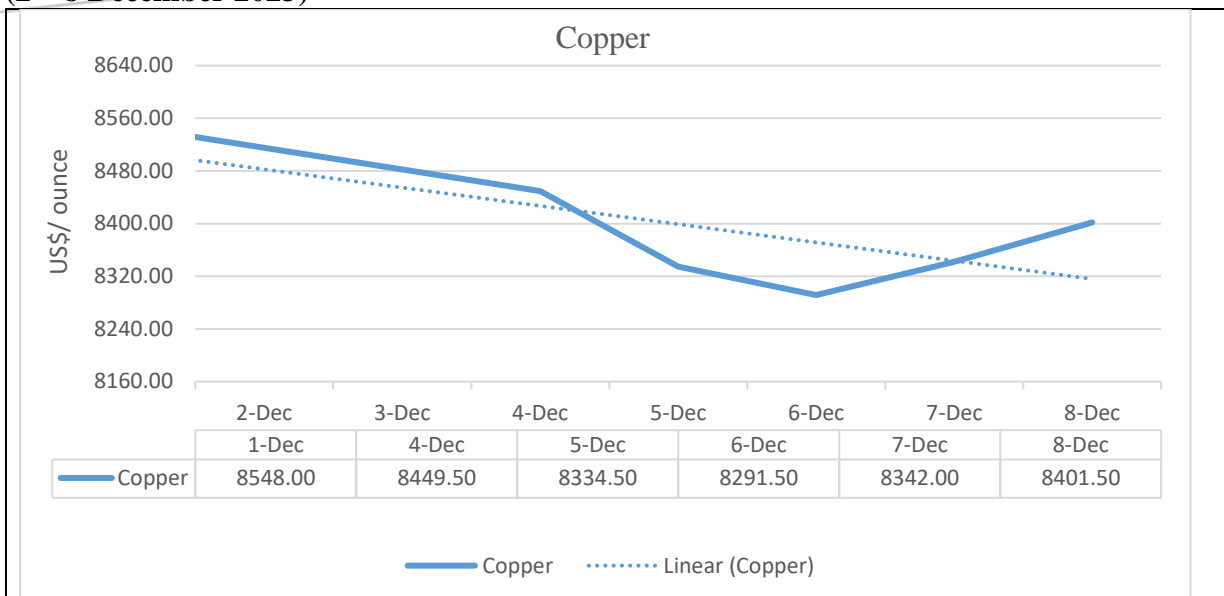


Source: London Metal Exchange, 2023

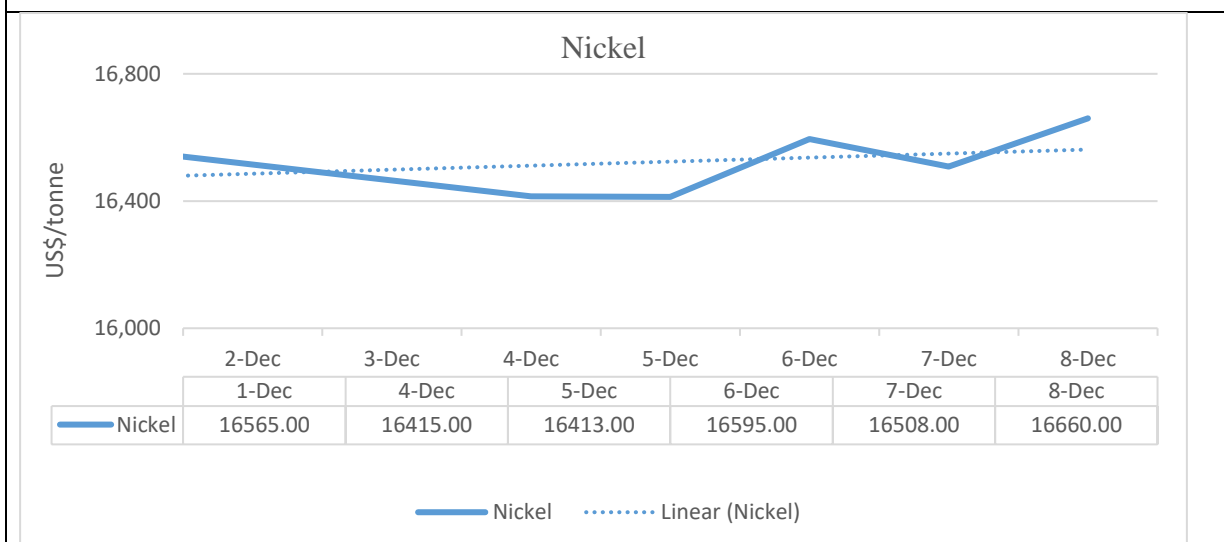
Base Metals and Brent Crude Oil

During the week under analysis, crude oil prices declined on account of weaker demand. Prices declined, primarily pointing to over supply concerns despite OPEC’s output cuts. Traders are therefore eagerly waiting for monthly reports and forecasts from the U.S Energy Information Administration, the International Energy Agency and from OPEC. In the same manner, copper prices fell due to stronger U.S dollar and an increase in stocks within the London Metal Exchange (LME) warehouses. On the other hand, nickel prices slightly increased by 0.01%, as the usage of the metal in electrical vehicles grew. According to latest forecasts by the International Nickel Study Group, the supply of the metal is set to surpass demand by 223,000 metric tons in 2023 after a 104,000-metric tonne surplus in 2022.

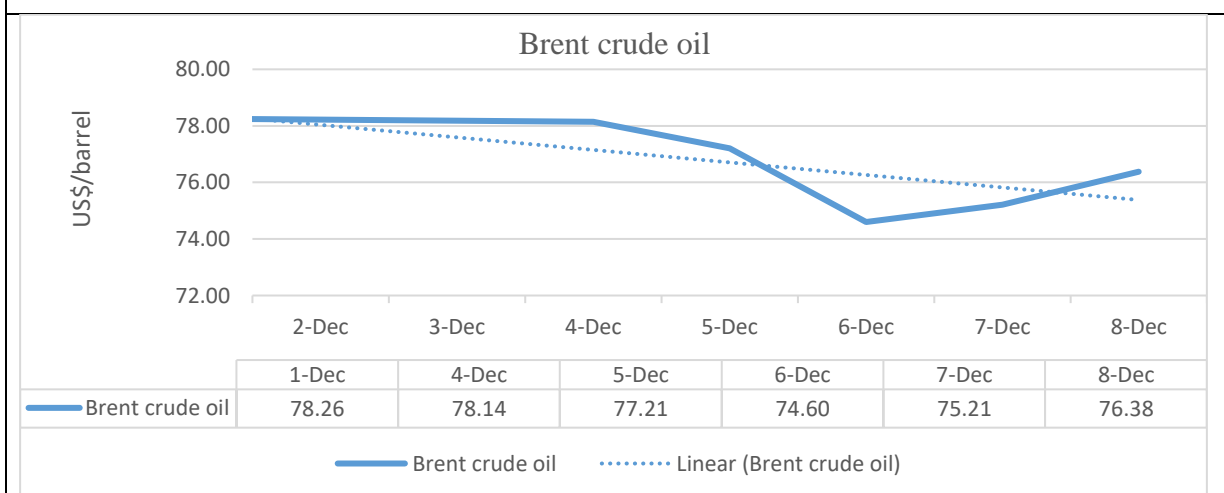
Figure 4: Daily commodity price developments for copper, nickel, and Brent crude oil (2 – 8 December 2023)



Source: London Metal Exchange, 2023



Source: London Metal Exchange, 2023



Source: BBC, 2023

Exchange Rate Developments

Interbank Market

During the week under analysis, the Zimbabwe dollar (ZW\$) depreciated by 0.56% against the U.S dollar, from ZW\$5,785.95 per US\$1 in the previous week to ZW\$5,818.57 per US\$1.

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

2023	USD	ZAR	GBP	BWP	EURO
Weekly Average (27 Nov – 1 Dec)	5,785.95	313.49	7,322.84	426.22	6,338.69
4-Dec	5,797.0157	312.5000	7,348.0230	430.5386	6,301.4190
5-Dec	5,801.4660	312.5000	7,331.0383	427.0195	6,290.8354
6-Dec	5,827.7972	312.5000	7,349.1606	433.1070	6,293.5059
7-Dec	5,830.8100	312.5000	7,315.4751	429.2497	6,272.8577
8-Dec	5,835.7745	312.5000	7,347.6515	429.9244	6,295.1183
Weekly Average (4 Dec – 8 Dec)	5,818.57	312.50	7,338.27	429.97	6,290.75
Appr (-)/Depr (+) (%) of the ZWL	0.56	-0.3	0.2	0.9	-0.8

Source: Reserve Bank of Zimbabwe, 2023

5. EQUITY MARKETS

During the week ending 8th December 2023, both the Zimbabwe Stock Exchange (ZSE) and the Victoria Falls Stock Exchange (VFEX) exhibited bullish sentiments. As a result, the ZSE and VFEX All Share indices gained 2.83% and 0.81% to close at 197 660.65 points and 71.12 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	5344,423.84	145,542.27	15,370.10	9,562.00	8.80
% Change	2.83	2.10	2.22	4.32	0.52	0.00	0.38	-13.18	-47.89

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)
17-Nov-23	68.78	1.18	0.40	4.58
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
% Change	0.81	0.83	68.85	204.08

Source, Zimbabwe Stock Exchange, 2023

Zimbabwe Stock Exchange (ZSE) Developments

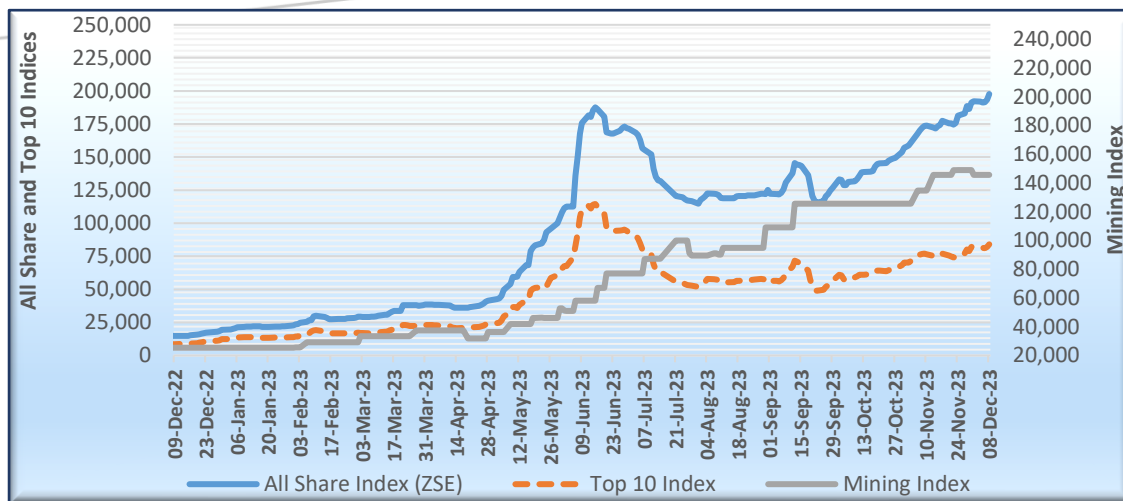
The Top 10, Top 15, Small Cap and Medium Cap counters gained 2.10%, 2.22%, 0.52% and 4.32% to close at 84 065.54 points, 114 225.56 points, 5 344 423.84 points and 870 872.87 points respectively.

The increase in the mainstream index resulted from share price gains in CAFCA Limited (32.25%), First Mutual Properties Limited (31.43%), CBZ Holdings Limited (27.20%), NMBZ Holdings Limited (16.51%) and Zimre Holdings Limited (13.83%). Losses were, however, recorded in the share prices of SeedCo Limited (11.32%), Edgars Stores Limited (8.00%), FBC Holdings Limited (5.45%), Tanganda Tea Company Limited (4.20%) and Econet Wireless Zimbabwe Limited (1.05%).

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

Figure 5 shows developments on the ZSE's All Share, Top 10 and Mining indices from 9th December 2022 to 8th December 2023.

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



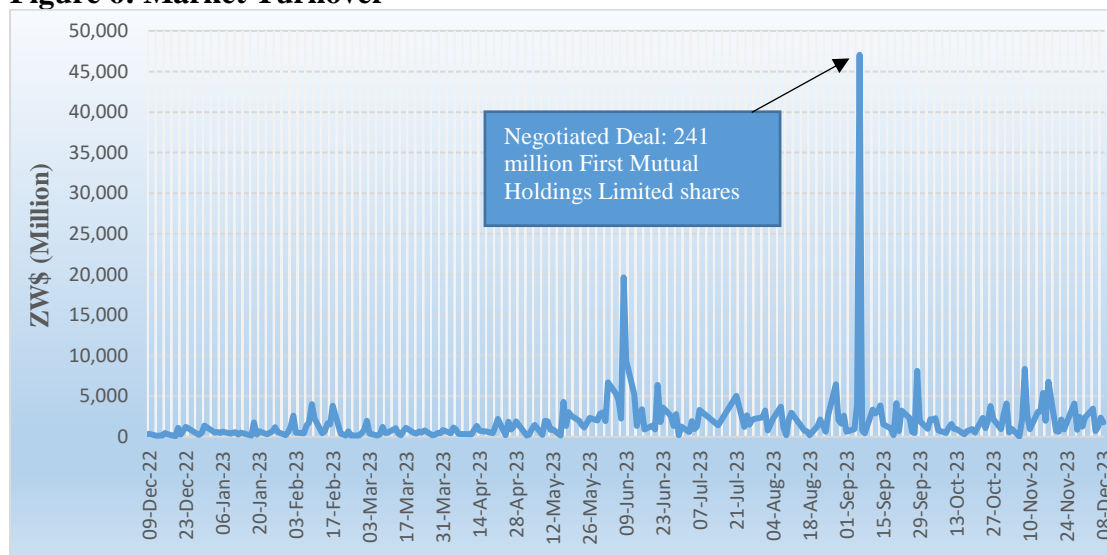
Source: Zimbabwe Stock Exchange, 2023

Market Turnover

During the week under review, the cumulative volume and value of shares traded declined by 47.89% and 13.18% to 8.80 million shares and ZW\$9.56 billion, respectively.

Figure 6 shows the trend in daily market turnover for the period 9th December 2022 to 8th December 2023.

Figure 6: Market Turnover



Source: Zimbabwe Stock Exchange, 2023

Market Capitalization

Reflecting improved trading activity on the ZSE during the week under analysis, the market gained 0.38%, or ZW\$58.47 billion worth of capitalization to close at ZW\$15,370.10 billion.

Figure 7 shows the evolution of market capitalization for the period 9th December 2022 to 8th 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 SeedCo International VX (10.34%), Axia Corporation Limited (3.75%), Padenga Holdings Limited (2.92%), National Foods Holdings (2.86%) and Innscor Africa Limited (0.07%).

Declines were registered in the share prices of Simbisa Brands Limited (2.33%), First Capital Bank (1.96%), and African Sun Limited (0.40%).

VFEX Market Turnover

The VFEX volume and value of shares rose by 203.16% and 69.98% to 4.47 million shares and US\$1.03 million, respectively. This compared to 1.47 million shares and US\$0.61 million recorded in the preceding week. The surge in turnover volume was largely on account of a notable trade deal where over 1.02 million Axia Corporation Limited shares exchanged hands at US\$0.083/share.

VFEX Market Capitalization

Owing to positive trading activity, on the VFEX market capitalisation rose by 0.81% to close at US\$1.22 billion compared to US\$1.21 billion, recorded in the prior week. Figure 8 shows the trend in the VFEX All Share Index (ASI) for the period 9th December 2022 to 8th 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				
	14-Nov-23	21-Nov-23	28-Nov-23	05-Dec-23
Total Bids (US\$ dollars)	17,343,660.00	17,309,350.08	16,695,652.00	15,760,508.00
Amount Allotted (US\$ dollars)	17,343,660.00	17,309,350.08	14,533,152.00	14,260,508.00
Highest Rate	5,781.00	5,792.0000	5,820.6746	5,910.5157
Lowest Bid Rate Allotted	5,745.00	5,760.0000	5,785.0000	5,800.0000
Weighted Average Rate	5,755.7081	5,774.2758	5,790.0545	5,827.7972
Number of Bids Received	19	18	18	19
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

	14-Nov-23	21-Nov-23	28-Nov-23	05-Dec-23
Raw Materials	598,523.02	866,444.48	780,641.97	919,863.74
Machinery and Equipment	612,285.63	586,565.83	650,261.27	361,166.34
Consumables (Incl. Spares, Tyres, Packaging)	123,770.73	113,022.49	244,314.16	306,216.66
Pharmaceuticals and Chemicals	27,527.50	28,937.82	71,124.40	77,799.20
Services (Loans, Dividends and Disinvestments)	249,383.83	298,514.91	212,328.45	276,912.54
Retail and Distribution	315,518.12	200,761.39	218,499.07	333,353.73
Fuel, Electricity and Gas	-	-	-	-
Paper and Packaging	72,709.08	20,011.84	-	65,383.88
TOTAL	1,999,717.91	2,114,258.76	2,177,119.32	2,340,696.09

Source: Reserve Bank of Zimbabwe, 2023