



# Weekly Economic Highlights

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Week Ending  
17<sup>th</sup> December 2021

## 1. INTEREST RATES

### Deposit Rates

Minimum deposit rates for all classes of deposits increased during the week ending 17<sup>th</sup> December 2021. Maximum deposit rates for deposits of 1 month tenor increased, while those for savings deposits declined. However, the maximum deposit rates for deposits of 3-month tenor remained unchanged, during the same week, as shown in Table 1.

**Table 1: Average Deposit Rates (per annum)**

| Date      | Savings deposits (%) |             | 1- Month deposit rates (%) |             | 3- Month deposit rates (%) |             |
|-----------|----------------------|-------------|----------------------------|-------------|----------------------------|-------------|
|           | Minimum (%)          | Maximum (%) | Minimum (%)                | Maximum (%) | Minimum (%)                | Maximum (%) |
| 19-Nov-21 | 2.96                 | 5.33        | 10.47                      | 13.34       | 10.71                      | 15.05       |
| 26-Nov-21 | 2.96                 | 5.33        | 10.47                      | 13.34       | 10.71                      | 15.05       |
| 3-Dec-21  | 2.96                 | 5.33        | 10.75                      | 14.17       | 11.11                      | 15.05       |
| 10-Dec-21 | 2.96                 | 5.33        | 10.75                      | 14.17       | 11.11                      | 15.05       |
| 17-Dec-21 | 3.04                 | 5.26        | 11.38                      | 14.33       | 11.72                      | 15.05       |

Source: Reserve Bank of Zimbabwe, 2021

### Lending Rates

During the week under analysis, minimum commercial bank lending rates for individual and corporate clients registered increases. Maximum lending rates for individuals and corporate clients, however, declined during the same week, as shown in Table 2.

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

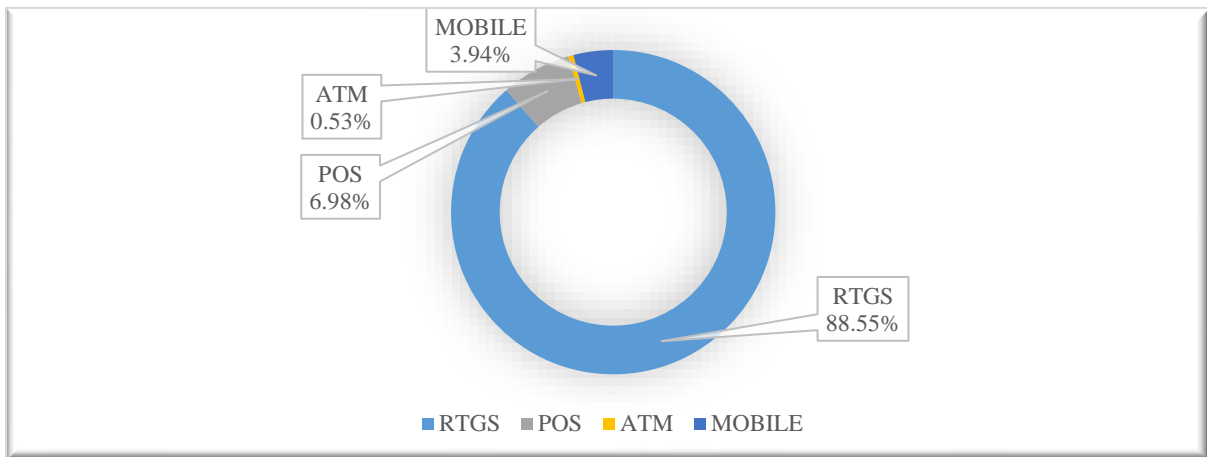
| Date      | Individual Clients |             | Corporate Clients |             |
|-----------|--------------------|-------------|-------------------|-------------|
|           | Minimum (%)        | Maximum (%) | Minimum (%)       | Maximum (%) |
| 19-Nov-21 | 39.13              | 58.74       | 38.10             | 64.38       |
| 26-Nov-21 | 39.13              | 58.74       | 38.10             | 64.38       |
| 3-Dec-21  | 38.79              | 58.67       | 38.14             | 64.47       |
| 10-Dec-21 | 38.79              | 58.67       | 38.14             | 64.47       |
| 17-Dec-21 | 38.97              | 58.60       | 38.20             | 63.89       |

Source: Reserve Bank of Zimbabwe, 2021

## 2. CLEARING AND SETTLEMENT ACTIVITY

Transactions processed through the National Payment Systems (NPS) increased from \$159.66 billion in the week ending 10<sup>th</sup> December 2021 to \$212.01 billion, during the week under review. Real Time Gross Settlement (RTGS) transaction values stood at \$187.73 billion, up from \$130.25 billion recorded in the week ending 10<sup>th</sup> December 2021. In value terms, NPS transactions were distributed as follows: RTGS, 88.55%, POS, 6.98%; Mobile, 3.94%; and ATM, 0.53%.

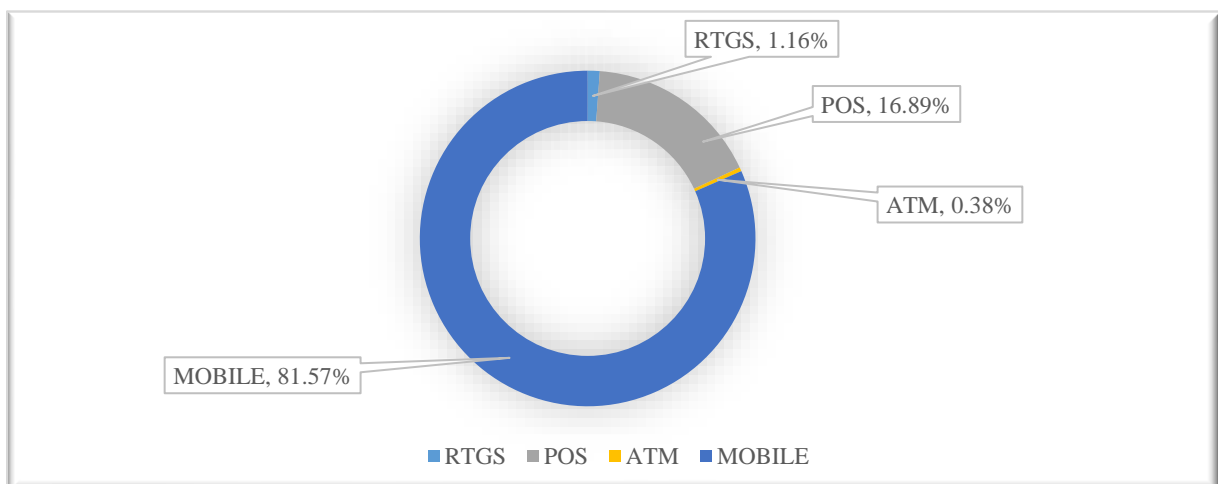
**Figure 1: Composition of NPS Transactions in Value Terms**



Source: Reserve Bank of Zimbabwe, 2021

NPS transaction volumes declined by 11.55% to close at \$24.43 million, during the week under analysis. The composition of NPS transaction volumes was as follows: Mobile, 81.57%; POS, 16.89%; RTGS, 1.16%; and ATM, 0.38%, as shown in Figure 2.

**Figure 2: Composition of NPS Transactions in Volume Terms**



Source: Reserve Bank of Zimbabwe, 2021

**Table 3: National Payment Systems Activity**

| PAYMENT STREAM                 | WEEK ENDING 10 <sup>th</sup> December 2021 | WEEK ENDING 17 <sup>th</sup> December 2021 | % CHANGE FROM LAST WEEK | PROPORTION % |
|--------------------------------|--|--|-------------------------|--------------|
| <b>Values in ZW\$ Millions</b> |  |  |                         |              |
| RTGS                           | 130,245.35                                 | 187,726.07                                 | 44.13%                  | 88.55%       |
| POS                            | 17,122.34                                  | 14,799.96                                  | -13.56%                 | 6.98%        |
| ATM                            | 1,614.79                                   | 1,118.71                                   | -30.72%                 | 0.53%        |
| MOBILE                         | 10,673.77                                  | 8,360.71                                   | -21.67%                 | 3.94%        |
| <b>TOTAL</b>                   | <b>159,656.24</b>                          | <b>212,005.45</b>                          | <b>32.79%</b>           | <b>100%</b>  |
| <b>Volumes</b>                 |  |  |                         |              |
| RTGS                           | 261,006                                    | 283,522                                    | 8.63%                   | 1.16%        |
| POS                            | 4,846,193                                  | 4,126,192                                  | -14.86%                 | 16.89%       |
| ATM                            | 126,320                                    | 92,358                                     | -26.89%                 | 0.38%        |
| MOBILE                         | 22,383,805                                 | 19,925,193                                 | -10.98%                 | 81.57%       |
| <b>TOTAL</b>                   | <b>27,617,324</b>                          | <b>24,427,265</b>                          | <b>-11.55%</b>          | <b>100%</b>  |

Source: Reserve Bank of Zimbabwe, 2021

### 3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

During the week ending 17<sup>th</sup> December 2021, global prices for gold and copper marginally firmed, whilst those for platinum, nickel and crude oil retreated. Table 4 shows developments in international commodity prices, during the week under review.

**Table 4: Metal and Crude Oil Prices for the week ending 10<sup>th</sup> December 2021**

|  | Gold            | Platinum      | Copper          | Nickel           | Crude Oil    |
|--|-----------------|---------------|-----------------|------------------|--------------|
| 2021                                     | US\$/ounce      | US\$/ounce    | US\$/tonne      | US\$/tonne       | US\$/barrel  |
| <b>Weekly Average (6 – 10 December)</b>  | <b>1,780.57</b> | <b>945.90</b> | <b>9,454.70</b> | <b>19,675.00</b> | <b>74.64</b> |
| <b>13-Dec</b>                            | 1,786.13        | 935.00        | 9,467.35        | 19,825.00        | 74.33        |
| <b>14-Dec</b>                            | 1,779.63        | 919.50        | 9,465.40        | 19,445.00        | 73.07        |
| <b>15-Dec</b>                            | 1,769.03        | 911.00        | 9,422.00        | 19,445.00        | 74.59        |
| <b>16-Dec</b>                            | 1,790.43        | 929.50        | 9,505.50        | 19,582.50        | 73.94        |
| <b>17-Dec</b>                            | 1,807.60        | 934.50        | 9,517.50        | 19,832.50        | 72.92        |
| <b>Weekly Average (13 - 17 December)</b> | <b>1,786.56</b> | <b>925.90</b> | <b>9,475.55</b> | <b>19,626.00</b> | <b>73.77</b> |
| <b>Weekly Change (%)</b>                 | <i>0.3</i>      | <i>-2.1</i>   | <i>0.2</i>      | <i>-0.2</i>      | <i>-1.2</i>  |

Source: BBC, KITCO and Bloomberg, 2021

#### Gold

Gold prices rebounded during the week as investor concerns about the Covid-19 Omicron variant and mounting worries over rising inflation boosted the yellow metal's appeal as a safe-

haven asset. Prices rose by 0.3%, from a weekly average of US\$1,780.57 per ounce in the preceding week to US\$1,786.56 per ounce, during the week under review.

### **Platinum**

Platinum prices fell by 2.1%, from a weekly average of US\$945.90 per ounce in the preceding week to US\$925.90 per ounce, during the week under review. Prices were weighed down by subdued demand for industrial metals, especially in China, the biggest consumer of industrial commodities.

### **Copper**

Copper prices increased on concerns over reduced supply, after a halt in production at a major mine in Peru, at a time when demand was increasing. Prices rose by 0.2%, from a weekly average of US\$9,454.70 per tonne in the previous week to US\$9,475.55 per tonne, during the week under analysis.

### **Nickel**

In the week under analysis, nickel prices were subdued on account of slackening demand in the stainless-steel industry, particularly in China. Prices fell by 0.2%, from a weekly average of US\$19,675.00 per tonne in the preceding week to US\$19,626.00 per tonne, during the week ending 17<sup>th</sup> December 2021.

### **Brent Crude Oil**

Brent crude oil prices reversed gains recorded in the previous week due to weak demand, as countries started to re-impose travel restrictions, to curb rising Covid-19 Omicron variant cases. Reflecting this development, crude oil prices fell by 1.2%, from a weekly average of US\$74.64 per barrel in the previous week to US\$73.77 per barrel, during the week under review.

## **4. EXCHANGE RATE DEVELOPMENTS**

The Zimbabwe dollar (ZW\$) depreciated by 1.1% against the greenback, from an average of ZW\$107.4765 per US\$1 in the previous week to an average of ZW\$108.6678 per US\$1, during the week under review. The developments in selected exchange rates are shown in Table 5.

**Table 5: International Exchange Rates<sup>1</sup>**

|  | USD             | ZAR           | GBP             | BWP           | EURO            |
|--|-----------------|---------------|-----------------|---------------|-----------------|
| <b>2021</b>                                  |                 |               |                 |               |                 |
| <b>Weekly Average<br/>(6 – 10 December)</b>  | <b>107.4765</b> | <b>6.7612</b> | <b>142.3067</b> | <b>8.9790</b> | <b>119.3027</b> |
| <b>13-Dec</b>                                | 108.6678        | 6.8074        | 144.0012        | 9.2481        | 122.7784        |
| <b>14-Dec</b>                                | 108.6678        | 6.7751        | 143.4526        | 9.2320        | 122.5612        |
| <b>15-Dec</b>                                | 108.6678        | 6.7545        | 143.8575        | 9.2098        | 122.4286        |
| <b>16-Dec</b>                                | 108.6678        | 6.7797        | 143.9450        | 9.2264        | 122.6516        |
| <b>17-Dec</b>                                | 108.6678        | 6.8097        | 144.8138        | 9.2374        | 123.2276        |
| <b>Weekly Average<br/>(13 - 17 December)</b> | 108.6678        | <b>6.7852</b> | <b>144.0140</b> | <b>9.2307</b> | <b>122.7295</b> |
| <i>Appr(-)/Depr(+) (%) of the ZWL</i>        | <i>1.1</i>      | <i>0.4</i>    | <i>1.2</i>      | <i>2.8</i>    | <i>2.9</i>      |

Source: Reserve Bank of Zimbabwe, 2021

## 5. EQUITY MARKETS

The Zimbabwe Stock Exchange (ZSE) exhibited bearish sentiment, resulting in all major indices registering losses during the week ending 17<sup>th</sup> December 2021. The All Share, Top 10 and Top 15 indices shed 6.44%, 7.96% and 7.53% to close at 9 914.76 points, 6 137.22 points and 6 789.95 points, respectively.

Share price losses for Mashonaland Holdings Limited (34.44%), Meikles Limited (31.03%), Dairiboard Holdings Limited (29.17%), Hippo Valley Estates Limited (17.46%) and Amalgamated Regional Trading (17.43%), in part, contributed to the decline in the mainstream index. Gains in share prices of Rainbow Tourism Group Limited (40%), African Sun Limited (16.67%), Medtech Holdings Limited Class B (13.33%), NMBZ Holdings Limited (11.11%) and CFI Holdings Limited (10.80%), however, partially offset the losses in the mainstream index.

The resources index, however, gained by 1.01% to close at 7 662.79 points. This was on the back of a 2.70% increase in the share price for RioZim Limited.

<sup>1</sup> Direct quote – the amount of domestic currency needed to exchange for 1 unit of foreign currency

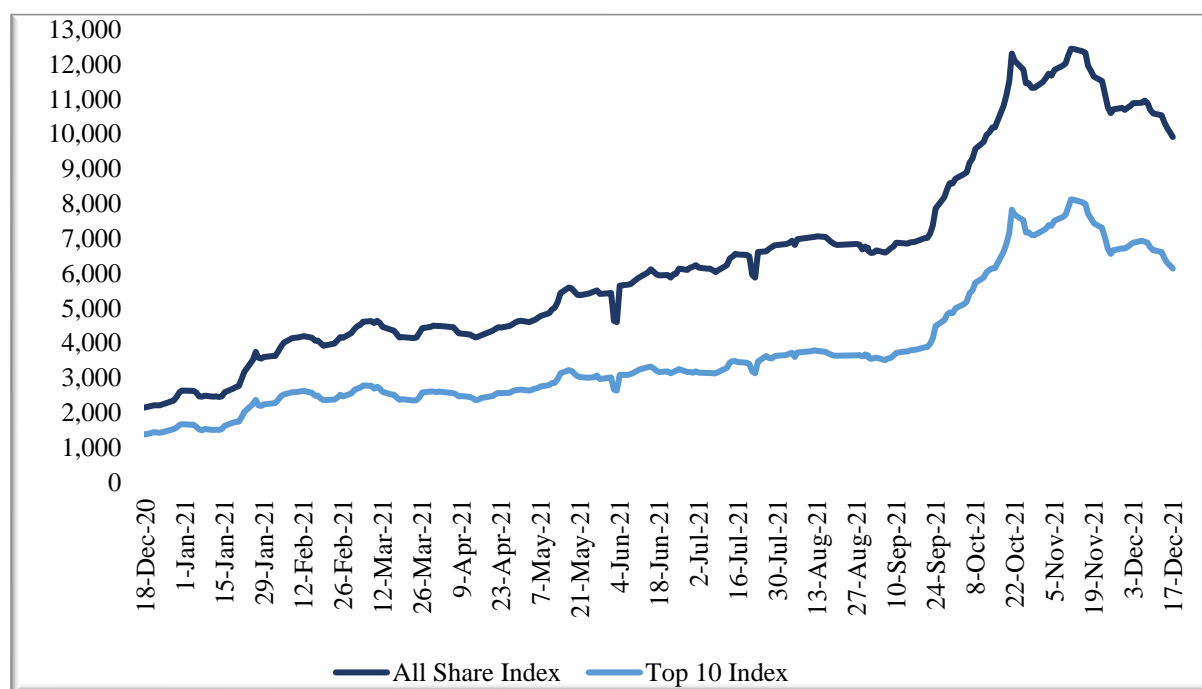
**Table 6: Zimbabwe Stock Exchange Statistics<sup>2</sup>**

|                  | All Share Index Points | Top 10 index (points) | Top 15 Index <sup>3</sup> points | Medium Cap <sup>3</sup> (points) | Small Cap <sup>3</sup> (points) | Mining Index (points) | Grand Market Capitalization (ZWL billion) | Market Turnover (ZWL million) | Volume of Shares (million) |
|------------------|------------------------|-----------------------|----------------------------------|----------------------------------|---------------------------------|-----------------------|---|-------------------------------|----------------------------|
| <b>12-Nov-21</b> | 12,442.42              | 8,112.62              | 8,877.14                         | 21,678.17                        | 398,342.34                      | 6,858.49              | 1,511.70                                  | 1,529.89                      | 39.13                      |
| <b>19-Nov-21</b> | 11,650.82              | 7,439.12              | 8,204.46                         | 21,385.45                        | 404,665.76                      | 6,798.82              | 1,406.85                                  | 1,930.09                      | 66.28                      |
| <b>26-Nov-21</b> | 10,712.88              | 6,671.57              | 7,422.06                         | 20,833.19                        | 398,010.12                      | 6,966.06              | 1,284.90                                  | 5,056.70                      | 646.33                     |
| <b>3-Dec-21</b>  | 10,890.02              | 6,878.02              | 7,566.82                         | 20,453.96                        | 392,728.15                      | 7,477.53              | 1,330.59                                  | 12,802.37                     | 153.13                     |
| <b>10-Dec-21</b> | 10,596.90              | 6,668.26              | 7,342.72                         | 20,037.53                        | 386,608.45                      | 7,586.54              | 1,293.94                                  | 1,044.56                      | 13.55                      |
| <b>17-Dec-21</b> | 9,914.76               | 6,137.22              | 6,789.95                         | 19,394.51                        | 374,354.08                      | 7,662.79              | 1,200.44                                  | 757.57                        | 10.83                      |
| <b>% Change</b>  | <b>-6.44</b>           | <b>-7.96</b>          | <b>-7.53</b>                     | <b>-3.21</b>                     | <b>-3.17</b>                    | <b>1.01</b>           | <b>-7.23</b>                              | <b>-27.47</b>                 | <b>-20.07</b>              |

Source: Zimbabwe Stock Exchange (ZSE), 2021

Figure 3 shows the trend in daily market turnover for the period from 18<sup>th</sup> December 2020 to 17<sup>th</sup> December 2021.

**Figure 3: Zimbabwe Stock Exchange All Share and Top 10 Indices**



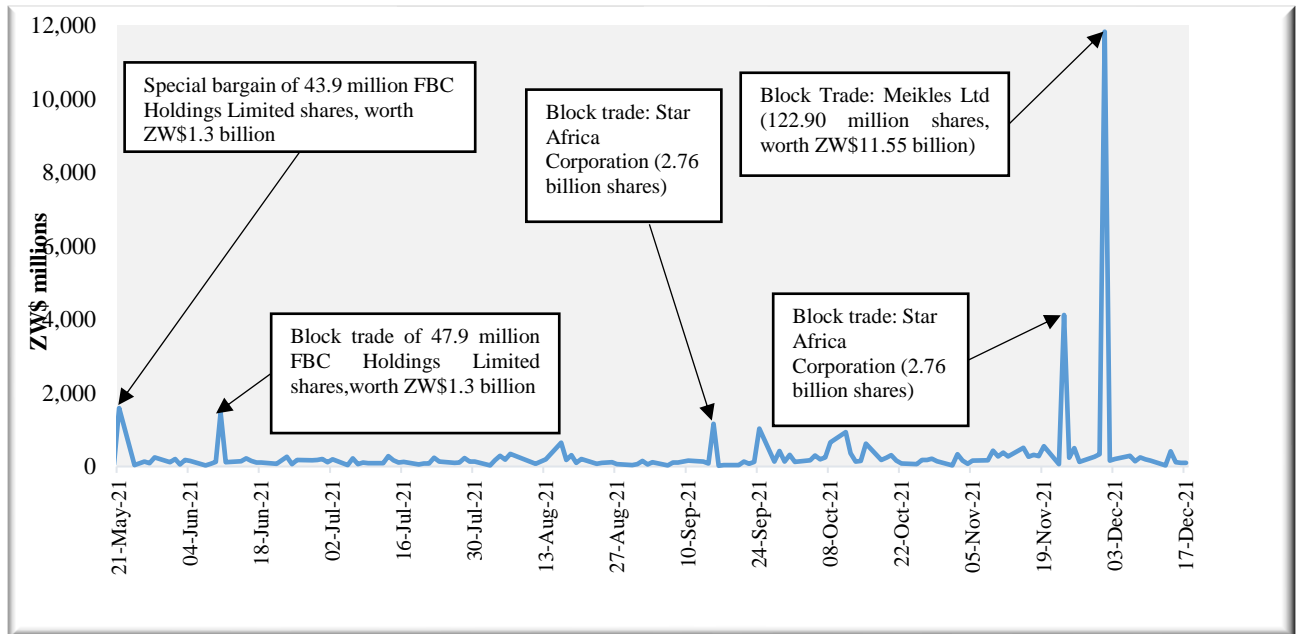
Source: Zimbabwe Stock Exchange, 2021

<sup>2</sup> The Zimbabwe Stock Exchange (ZSE) adopted the Global Industry Classification Standards, effective from 1 January 2020. The ZSE indices constitute the following categories; Top 10 Index; Top 15; Top 25; Medium cap and Small cap Indices.

## Market Turnover and Volume

During the week under analysis, the cumulative volume and value of shares traded on the ZSE declined by 20.07% and 27.47% to 10.83 million shares and ZW\$757.57 million, respectively. This was on account of subdued trading on the local bourse. Figure 4 shows the trend in daily market turnover for the period from 21<sup>st</sup> May 2021 to 17<sup>th</sup> December 2021.

**Figure 4: Daily Market Turnover**



Source: Zimbabwe Stock Exchange, 2021

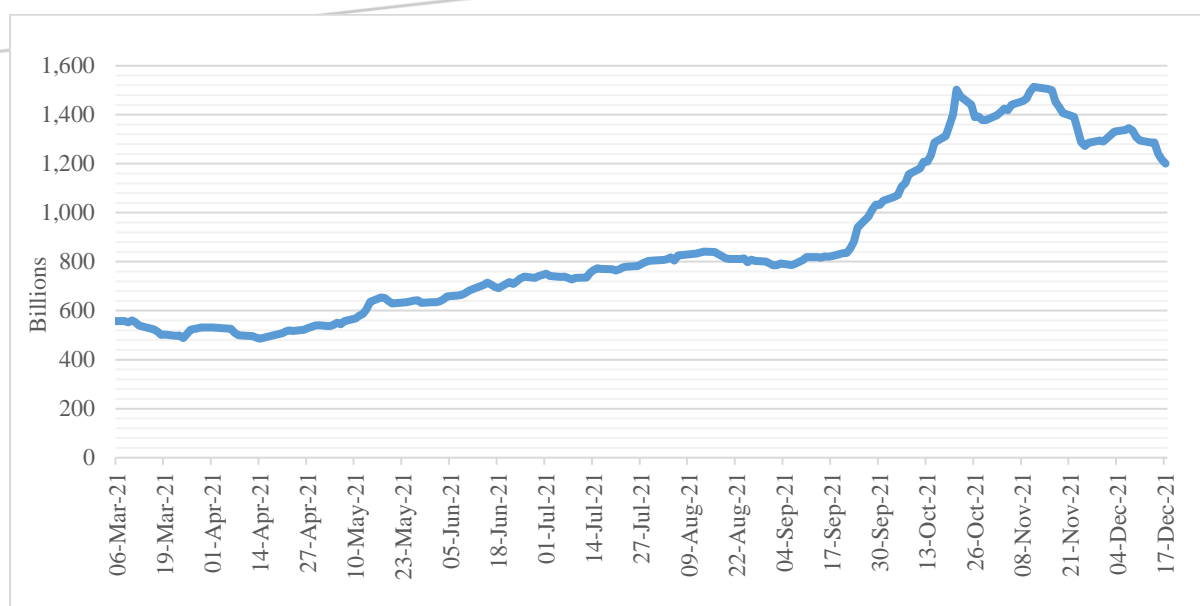
## Market Capitalization

The ZSE lost ZW\$93.50 billion, or 7.23% worth of capitalization to close at ZW\$1 200.44 billion, during the week under analysis, compared to ZW\$1 293.94 billion recorded in the previous week.

Figure 5 shows market capitalization developments for the period from 6<sup>th</sup> March 2021 to 10<sup>th</sup> December 2021.



**Figure 5: Daily Market Capitalization in ZW\$ billions**



Source: Zimbabwe Stock Exchange, 2021

### Johannesburg Stock Exchange (JSE) Developments

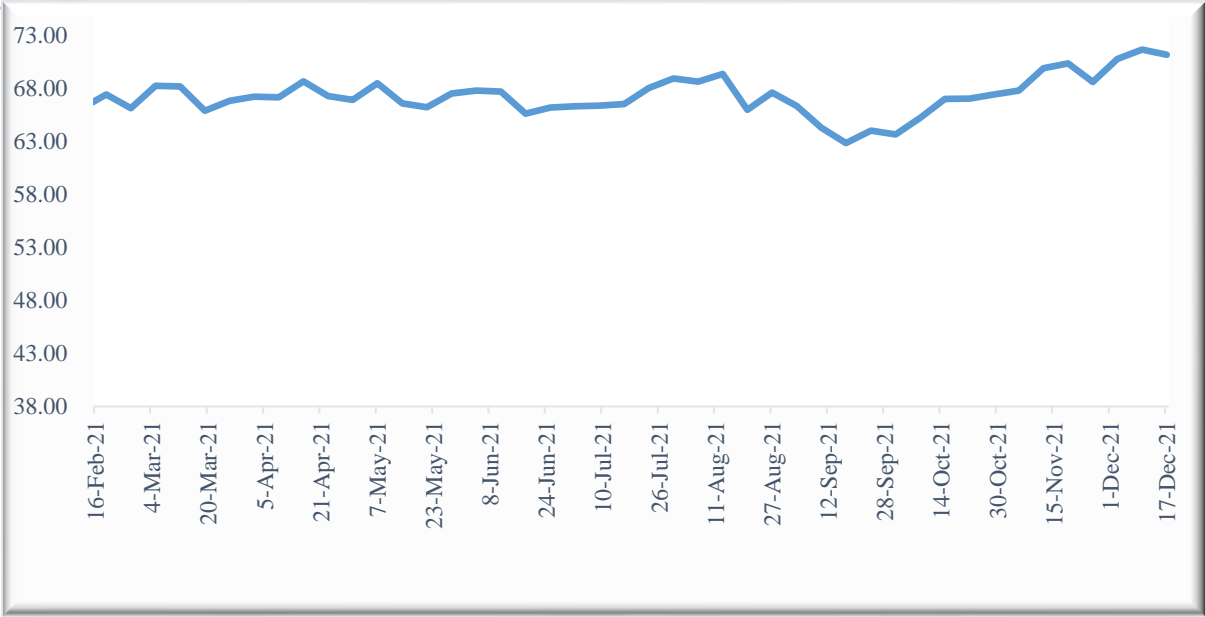
Johannesburg Stock Exchange (JSE) All Share Index fell by 0.67% to 71,203.13 points, during the week under review. Similarly, JSE market capitalization recorded a 1.15% decline to close at ZAR19.81 trillion, from ZAR20.04 trillion in the previous week.

**Table 7: Johannesburg Stock Exchange (JSE) Statistics**

| Period          | All Share Index<br>(points) | Market Capitalization<br>(ZAR trillions) |
|-----------------|-----------------------------|--|
| 12-Nov-21       | 69,921.37                   | 19.68                                    |
| 19-Nov-21       | 70,376.42                   | 19.94                                    |
| 26-Nov-21       | 68,614.98                   | 19.53                                    |
| 3-Dec-21        | 70,807.60                   | 19.67                                    |
| 10-Dec-21       | 71,686.33                   | 20.04                                    |
| 17-Dec-21       | 71,203.13                   | 19.81                                    |
| <b>% Change</b> | <b>-0.67</b>                | <b>-1.15</b>                             |

Source: <https://www.jse.co.za/services/market-data/market-statistics>, 2021

**Figure 6: Johannesburg Stock Exchange (JSE) All Share Index**



Source: <https://www.jse.co.za/services/market-data/market-statistics,2021>

**RESERVE BANK OF ZIMBABWE**

## APPENDIX 1: FOREIGN EXCHANGE AUCTION RESULTS FOR MAINFX<sup>3</sup> AND SMEFX<sup>4</sup>

|                                       | MAINFX        |               |               |               | SMEFX        |              |              |              |
|---------------------------------------|---------------|---------------|---------------|---------------|--------------|--------------|--------------|--------------|
|                                       | 26-Nov-21     | 3-Dec-21      | 10-Dec-21     | 17-Dec-21     | 26-Nov-21    | 3-Dec-21     | 10-Dec-21    | 17-Dec-21    |
| <b>Total Bids (US\$ dollars)</b>      | 35,823,599.17 | 32,681,877.66 | 34,672,497.78 | 35,102,236.84 | 6,126,934.27 | 6,466,518.27 | 6,147,829.66 | 6,675,670.74 |
| <b>Amount Allotted (US\$ dollars)</b> | 35,823,599.17 | 32,681,877.66 | 34,672,497.78 | 35,102,236.84 | 6,126,934.27 | 6,466,518.27 | 6,147,829.66 | 6,675,670.74 |
| <b>Highest Rate</b>                   | 120           | 120           | 125           | 125           | 122          | 125          | 125          | 126          |
| <b>Lowest Bid Rate</b>                | 99.3          | 100           | 100           | 102           | 97           | 100          | 100          | 100          |
| <b>Lowest Bid Rate Allotted</b>       | 99.3          | 100           | 100           | 102           | 97           | 100          | 100          | 100          |
| <b>Weighted Average Rate</b>          | 105.6684      | 105.6896      | 108.6678      | 108.6660      | 105.6684     | 105.6896     | 108.6678     | 108.6660     |
| <b>Number of Bids Received</b>        | 653           | 604           | 521           | 526           | 913          | 923          | 770          | 758          |
| <b>Number of Bids Rejected</b>        | 274           | 236           | 117           | 114           | 312          | 311          | 210          | 125          |

*Source: Reserve Bank of Zimbabwe, 2021*

<sup>3</sup> Main Foreign Currency Auction

<sup>4</sup> Small and Medium Enterprises Foreign Currency Auction

## APPENDIX 2: SUMMARY OF FOREIGN CURRENCY AUCTION ALLOTMENTS BY PURPOSE

| Purpose   | MAINFX               |                      |                      |                      | SMEFX               |                     |                     |                     |
|---|----------------------|----------------------|----------------------|----------------------|---------------------|---------------------|---------------------|---------------------|
|   | 26-Nov-21            | 3-Dec-21             | 10-Dec-21            | 17-Dec-21            | 26-Nov-21           | 3-Dec-21            | 10-Dec-21           | 17-Dec-21           |
| <b>Raw Materials</b>                                  | 14,665,382.00        | 12,886,823.83        | 14,048,652.00        | 15,570,248.34        | 1,805,198.95        | 2,027,946.14        | 1,763,630.63        | 2,018,353.38        |
| <b>Machinery and Equipment</b>                        | 10,492,426.53        | 9,563,903.99         | 10,549,444.22        | 9,488,158.89         | 2,044,693.46        | 2,134,470.16        | 2,286,330.76        | 2,311,651.63        |
| <b>Consumables (Incl. Spares, Tyres, Packaging)</b>   | 3,931,085.91         | 3,098,825.50         | 3,081,031.44         | 2,834,278.31         | 890,596.01          | 813,235.15          | 637,511.53          | 802,046.62          |
| <b>Pharmaceuticals and Chemicals</b>                  | 1,392,699.64         | 1,830,950.66         | 1,476,312.67         | 1,345,307.98         | 251,806.52          | 344,411.39          | 351,252.03          | 328,024.72          |
| <b>Services (Loans, Dividends and Disinvestments)</b> | 2,143,797.77         | 1,972,011.01         | 1,994,435.40         | 2,214,287.84         | 532,299.17          | 549,730.63          | 497,741.21          | 575,449.58          |
| <b>Retail and Distribution</b>                        | 2,455,681.47         | 2,506,916.23         | 2,850,071.31         | 2,637,477.63         | 475,846.20          | 467,852.29          | 458,991.16          | 423,215.30          |
| <b>Fuel, Electricity and Gas</b>                      | 0.00                 | 160,008.59           | 0.00                 | 0.00                 | 0.00                | 0.00                | 9,970.00            | 32,201.34           |
| <b>Paper and Packaging</b>                            | 742,525.85           | 662,437.85           | 672,550.74           | 1,012,477.85         | 126,493.96          | 128,872.51          | 142,402.34          | 184,728.17          |
| <b>TOTAL</b>  | <b>35,823,599.17</b> | <b>32,681,877.66</b> | <b>34,672,497.78</b> | <b>35,102,236.84</b> | <b>6,126,934.27</b> | <b>6,466,518.27</b> | <b>6,147,829.66</b> | <b>6,675,670.74</b> |

Source: Reserve Bank of Zimbabwe, 2021