



Weekly Economic Highlights

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Week Ending
31st December 2021

1. INTEREST RATES

Deposit Rates

During the week ending 31st December 2021, minimum deposit rates for savings deposits remained at previous week levels, while minimum deposit rates for deposits of 3 month tenor declined. Minimum deposit rates for deposits of 1 month tenor declined by 0.67 percentage points to 10.75%, while maximum deposit rates for deposits of 1 month and 3 month tenors remained unchanged. A decline was recorded for maximum deposit rates for savings deposits, during the week under review, 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 (%)
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
24-Dec-21	3.04	5.26	11.38	14.33	11.72	15.05
31-Dec-21	3.04	4.97	10.75	14.33	11.26	15.05

Source: Reserve Bank of Zimbabwe, 2021

Lending Rates

Minimum commercial bank lending rates for individual clients increased, while those for corporate clients declined, during the week of analysis. The week under review also saw maximum lending rates for individual and commercial clients increase by 0.05 and 0.11 percentage points, to close at 58.65% and 64.00%, respectively, as shown in Table 2.

Table 2: Lending Rates (per annum)

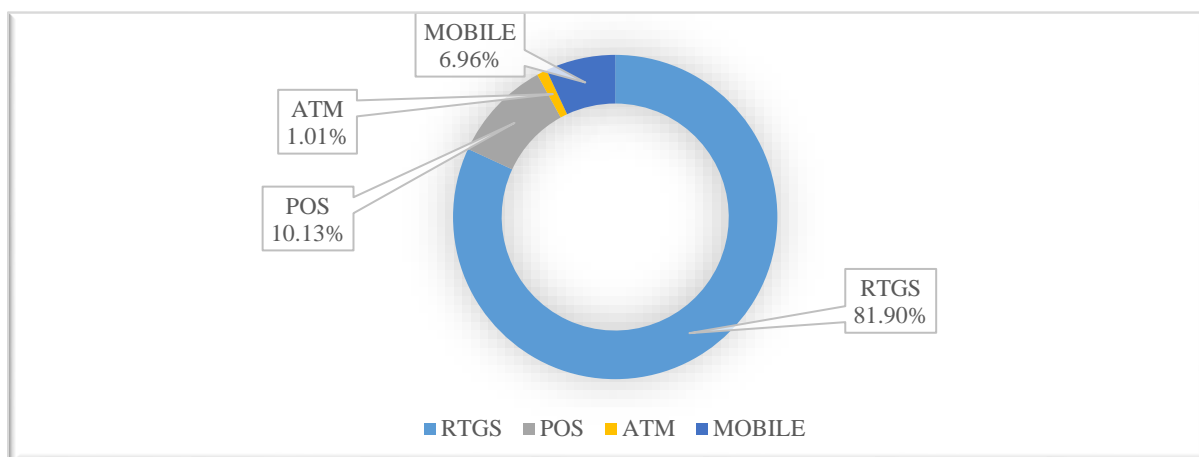
Date	Individual Clients		Corporate Clients	
	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
3-Dec-21	38.79	58.67	38.14	64.47
10-Dec-21	38.79	58.67	38.14	64.47
17-Dec-21	38.97	58.60	38.20	63.89
24-Dec-21	38.97	58.60	38.20	63.89
31-Dec-21	39.34	58.65	37.94	64.00

Source: Reserve Bank of Zimbabwe, 2021

2. CLEARING AND SETTLEMENT ACTIVITY

During the week under review, the value of transactions processed through the National Payment Systems (NPS), at \$186.37 billion, was 15.90% lower compared to \$221.59 billion recorded in the previous week. Real Time Gross Settlement (RTGS) transactions declined by 20.68% to close at \$152.64 billion, during the week ending 31st December 2021. The NPS transaction values were distributed as follows: RTGS, 81.90%, POS, 10.13%; Mobile, 6.96%; and ATM, 1.01%.

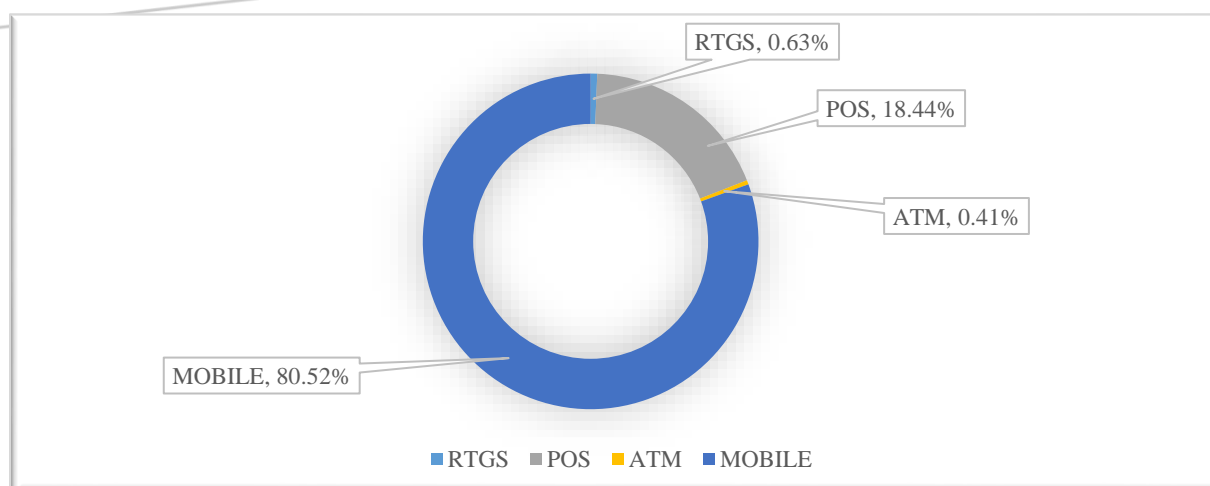
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2021

NPS transaction volumes stood at \$28.32 million during the week under analysis, compared to \$24.43 million recorded in the preceding week. The NPS transaction volumes were distributed as follows: Mobile, 80.52 %; POS, 18.44%; RTGS, 0.63%; and ATM, 0.41%, 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 24 th December 2021	WEEK ENDING 31 st December 2021	% CHANGE FROM LAST WEEK	PROPORTION %
Values in ZW\$ Millions				
RTGS	192,440.39	152,641.47	-20.68%	81.90%
POS	18,838.63	18,871.58	0.17%	10.13%
ATM	875.52	1,878.67	114.58%	1.01%
MOBILE	9,435.77	12,976.75	37.53%	6.96%
TOTAL	221,590.30	186,368.46	-15.90%	100%
Volumes				
RTGS	331,034	178,400	-46.11%	0.63%
POS	5,012,936	5,221,480	4.16%	18.44%
ATM	110,887	116,286	4.87%	0.41%
MOBILE	19,578,765	22,804,967	16.48%	80.52%
TOTAL	25,033,622	28,321,133	13.13%	100%

Source: Reserve Bank of Zimbabwe, 2021

3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

On the global markets, most commodity prices remained upbeat during the week ending 31st December 2021, largely buoyed by a softer US dollar. Table 4 shows the developments in commodity prices, during the week under review.

Table 4: Metal and Crude Oil Prices for the week ending 31st December 2021

	Gold	Platinum	Copper	Nickel	Crude Oil
2021	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
Weekly Average (20 – 24 December)	1,794.80	950.80	9,546.66	19,807.80	74.52
28-Dec	1,837.40	980.00	9,638.00	20,293.00	79.01
29-Dec	1,795.29	966.50	9,595.00	20,138.00	78.63
30-Dec	1,802.55	967.50	9,725.00	20,498.00	79.73
31-Dec	1,820.10	962.00	9,724.00	20,698.00	77.94
Weekly Average (28 – 31 December)	1,813.84	969.00	9,670.50	20,406.75	78.83
Weekly Change (%)	<i>1.1</i>	<i>1.9</i>	<i>1.3</i>	<i>3.0</i>	<i>5.8</i>

Source: BBC, KITCO and Bloomberg, 2021

Gold

Gold prices increased by 1.1%, from a weekly average of US\$1,794.80 per ounce in the previous week to US\$1,813.84 per ounce, during the week under analysis. This was on account of a softer US dollar and lower US Treasury yields, which bolstered the yellow metal’s safe-haven appeal.

Platinum

Platinum prices rose by 1.9%, from a weekly average of US\$950.80 per ounce in the prior week to US\$969.00 per ounce, during the week under analysis. Prices continued to be supported by a brighter investment demand outlook, as investors moved their portfolios from riskier assets and the weaker US dollar.

Copper

Copper prices rose by 1.3%, from a weekly average of US\$9,546.66 per tonne in the previous week to US\$9,670.50 per tonne, during the week under review. This was due to improved demand, particularly from China, the top consumer of base metals and a weaker US dollar.

Nickel

Nickel prices sustained a bullish run, rising by 3.0% from a weekly average of US\$19,807.80 per tonne in the preceding week to US\$20,406.75 per tonne, during the week ending 31st December 2021. The firming of prices was a result of a combination of a weaker US dollar and dwindling inventories, at a time demand from the stainless-steel sector was increasing.

Brent Crude Oil

Crude oil prices also rose on expectations that the Organization of Petroleum Exporting Countries and its allies (OPEC+) would continue to implement the phased approach in increasing output. Additionally, prices were boosted by the sudden fall in crude oil inventories in the US, the world's largest crude oil consumer. Weekly average crude oil prices increased by 5.8%, from US\$74.52 per barrel in the preceding week to US\$78.83 per barrel, during the week ending 31st December 2021.

4. EXCHANGE RATE DEVELOPMENTS

The Zimbabwe dollar (ZWS) remained at ZW\$108.6660 per US\$1, during the week ending 31st December 2021. This followed the Bank's decision to suspend trading on the foreign exchange auction market during the festive season. The developments in selected exchange rates are shown in Table 5.

Table 5: International Exchange Rates¹

	USD	ZAR	GBP	BWP	EURO
2021					
Weekly Average (20 – 24 December)	108.6660	6.8886	144.4879	9.2605	122.8064
28-Dec	108.6660	6.9881	146.0308	9.3349	123.0863
29-Dec	108.6660	6.8847	145.9439	9.3566	122.8415
30-Dec	108.6660	6.8074	146.4873	9.2319	123.0697
31-Dec	108.6660	6.8306	146.6994	9.2264	123.0211
Weekly Average (28 – 31 December)	108.6660	6.8777	146.2903	9.2874	123.0046
<i>Appr(-)/Depr(+)</i> (%) <i>of the ZWL</i>	<i>0.0</i>	<i>-0.2</i>	<i>1.2</i>	<i>0.3</i>	<i>0.2</i>

Source: Reserve Bank of Zimbabwe, 2021

5. EQUITY MARKETS

During the week ended 31st December 2021, the Zimbabwe Stock Exchange (ZSE) was characterized by a handful of trades, as expected during the usually quiet festive season. This, notwithstanding, all the indices registered gains, with the All Share, Top 10 and Top 15 indices adding 9.36%, 11.10% and 11.37% to close at 10 822.36 points, 6 811.43 points and 7 529.37 points, respectively.

¹ Direct quote – the amount of domestic currency needed to exchange for 1 unit of foreign currency

The gain in the mainstream index was result of share price increase for OK Zimbabwe Limited (29.36%), Fidelity Life Assurance Limited (21.43%), British American Tobacco Zimbabwe (19.97%), Cassava Smartech Zimbabwe Limited (19.56%) and FBC Holdings Limited (16.69%). Losses were, however, registered for share prices of NMBZ Holdings Limited (14.45%), Truworths Limited (11.83%), Star Africa Corporation Limited (3.47%), Zimbabwe Newspapers (3%) and First Capital Bank Limited (2.73%).

The mining index also gained by 0.99% to close at 7 815.37 points. This was on the back of a 2.56% share price increase for RioZim Limited.

Table 6: Zimbabwe Stock Exchange Statistics²

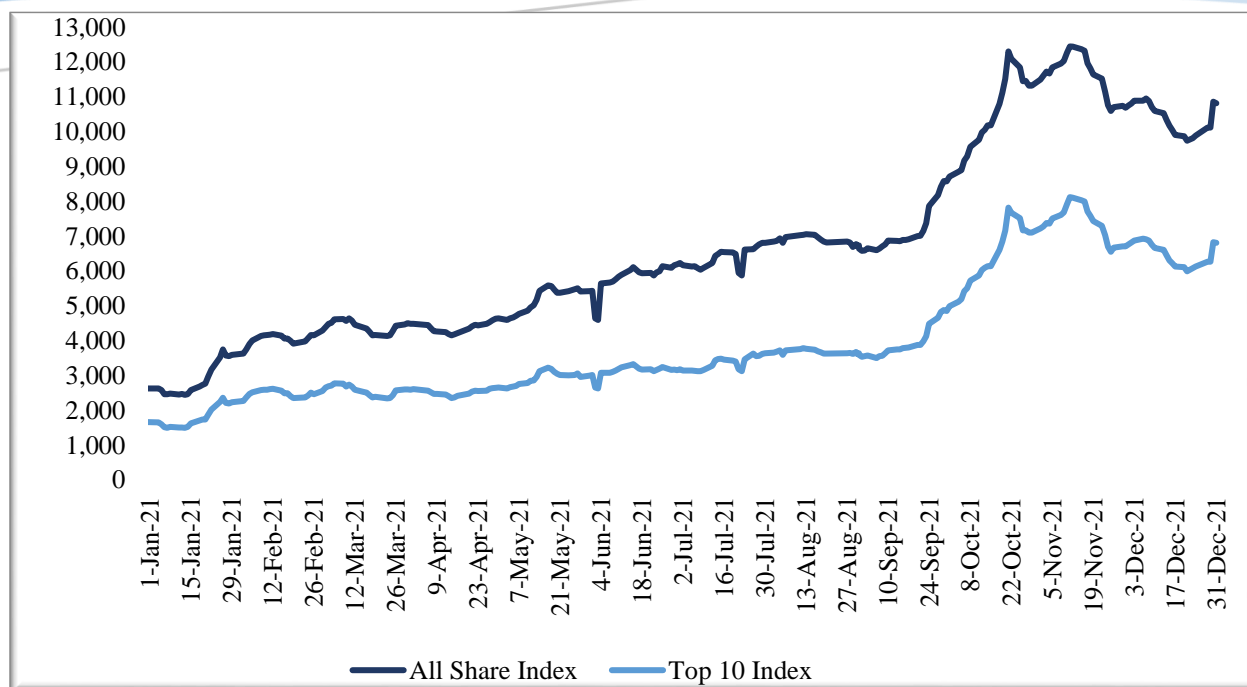
	All Share Index Points	Top 10 index (points)	Top 15 Index ³ points	Medium Cap ³ (points)	Small Cap ³ (points)	Mining Index (points)	Grand Market Capitalization (ZWL billion)	Market Turnover (ZWL million)	Volume of Shares (million)
26-Nov-21	10,712.88	6,671.57	7,422.06	20,833.19	398,010.12	6,966.06	1,284.90	5,056.70	646.33
3-Dec-21	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
10-Dec-21	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
17-Dec-21	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
24-Dec-21	9,895.68	6,130.95	6,760.90	19,334.87	380,623.83	7,739.08	1,203.99	2,747.06	44.19
31-Dec-21	10,822.36	6,811.43	7,529.37	20,407.26	402,753.21	7,815.37	1,317.21	831.60	26.79
% Change	9.36	11.10	11.37	5.55	5.81	0.99	9.40	-69.73	-39.38

Source: Zimbabwe Stock Exchange (ZSE), 2021

Figure 3 shows the trend in daily market turnover for the period from 1st January 2021 to 31st December 2021.

² 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.

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

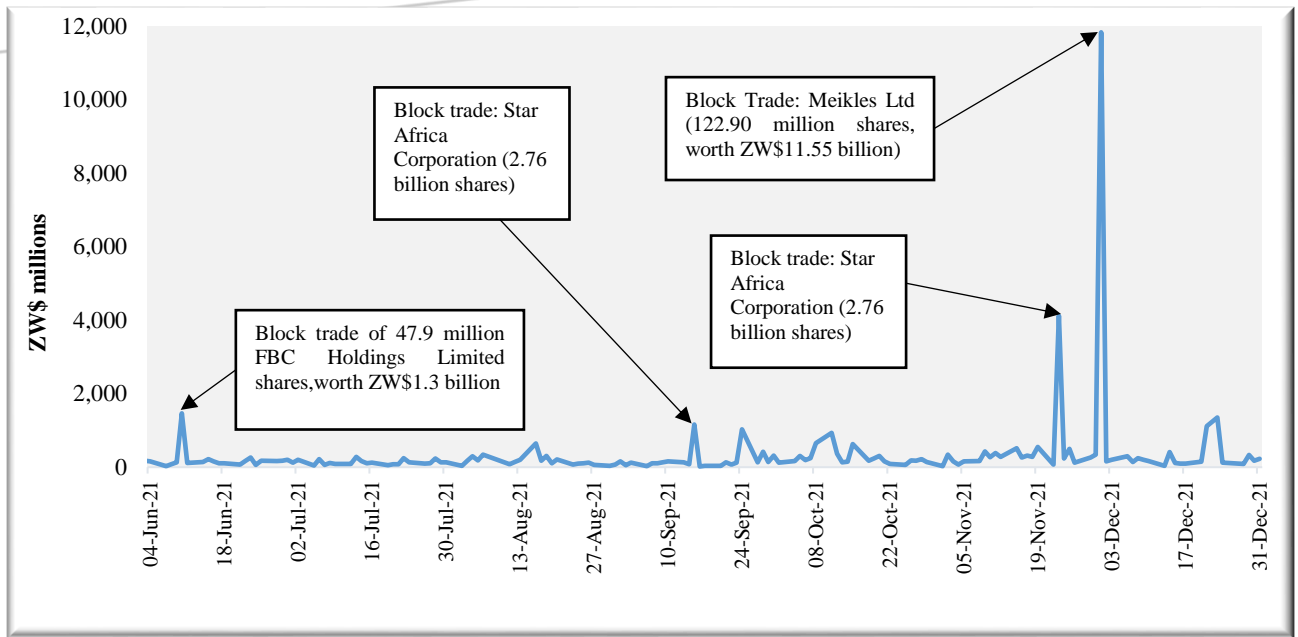


Source: Zimbabwe Stock Exchange, 2021

Market Turnover and Volume

During the week under analysis, trading activity was largely concentrated in counters with strong balance sheets, albeit on low volumes. In this regard, the cumulative volume and value of shares traded declined by 39.38% and 69.73% to 26.79 million shares and ZW\$831.60 million, respectively. Figure 4 shows the trend in daily market turnover for the period from 4th June 2021 to 31st December 2021.

Figure 4: Daily Market Turnover

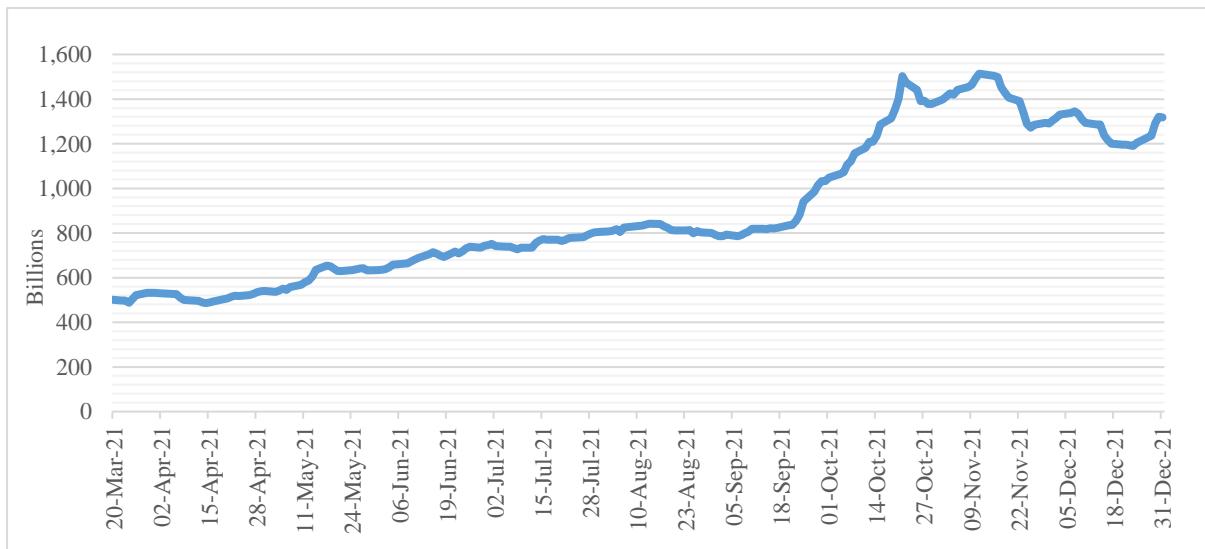


Source: Zimbabwe Stock Exchange, 2021

Market Capitalization

The ZSE gained ZW\$113.22 billion, or 9.40% worth of capitalization to close at ZW\$1 317.21 billion, during the week under review. Figure 5 shows market capitalization developments for the period from 20th March 2021 to 31th December 2021.

Figure 5: Daily Market Capitalization in ZW\$ billions



Source: Zimbabwe Stock Exchange, 2021

Johannesburg Stock Exchange (JSE) Developments

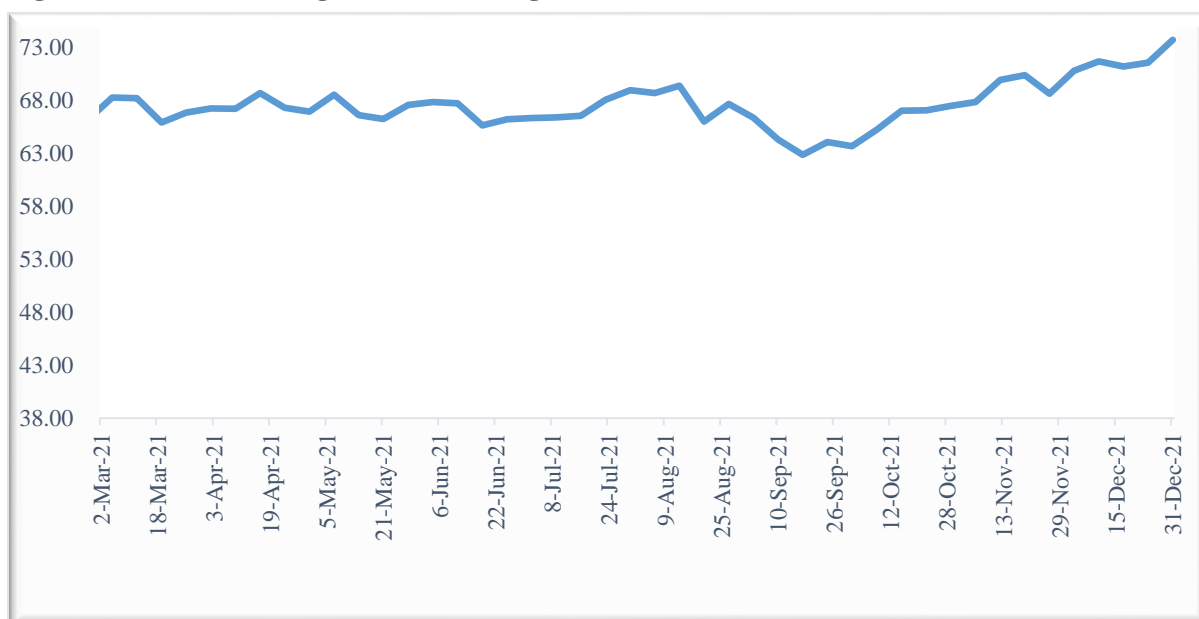
The week under review saw the Johannesburg Stock Exchange (JSE) All Share Index increase by 2.99% to close at 73,709.39 points, from 71,570.64 points in the previous week. JSE market capitalization was 2.35% higher, closing at ZAR20.50 trillion during the week under analysis.

Table 7: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalization (ZAR trillions)
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
24-Dec-21	71,570.64	20.03
31-Dec-21	73,709.39	20.50
% Change	2.99	2.35

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 MAINFX³ AND SMEFX⁴

	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
Total Bids (US\$ dollars)	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
Amount Allotted (US\$ dollars)	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
Highest Rate	120	120	125	125	122	125	125	126
Lowest Bid Rate	99.3	100	100	102	97	100	100	100
Lowest Bid Rate Allotted	99.3	100	100	102	97	100	100	100
Weighted Average Rate	105.6684	105.6896	108.6678	108.6660	105.6684	105.6896	108.6678	108.6660
Number of Bids Received	653	604	521	526	913	923	770	758
Number of Bids Rejected	274	236	117	114	312	311	210	125

Source: Reserve Bank of Zimbabwe, 2021

**The last foreign currency auction for 2021 was on 14th December 2021 and the first foreign currency auction for 2022 will be on 11th January 2022*

³ Main Foreign Currency Auction

⁴ 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
Raw Materials	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
Machinery and Equipment	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
Consumables (Incl. Spares, Tyres, Packaging)	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
Pharmaceuticals and Chemicals	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
Services (Loans, Dividends and Disinvestments)	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
Retail and Distribution	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
Fuel, Electricity and Gas	0.00	160,008.59	0.00	0.00	0.00	0.00	9,970.00	32,201.34
Paper and Packaging	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
TOTAL	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

Source: Reserve Bank of Zimbabwe, 2021

* The last foreign currency auction for 2021 was on 14th December 2021 and the first foreign currency auction for 2022 will be on 11th January 2022