



Weekly Economic Highlights

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Week Ending
26th November 2021

1. INTEREST RATES

Deposit Rates

During the week ending 26th November 2021, minimum and maximum deposit rates for all classes of deposits remained at previous week levels, 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 (%) |
| 29-Oct-21 | 2.79 | 5.29 | 8.08 | 13.00 | 9.26 | 14.03 |
| 5-Nov-21 | 2.79 | 5.29 | 8.06 | 12.67 | 9.08 | 13.92 |
| 12-Nov-21 | 2.79 | 5.29 | 8.06 | 12.67 | 9.08 | 13.92 |
| 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 |

Source: Reserve Bank of Zimbabwe, 2021

Lending Rates

Minimum and maximum lending rates for domestic and commercial clients were unchanged during the week under review, as shown in Table 2.

Table 2: Lending Rates (per annum)

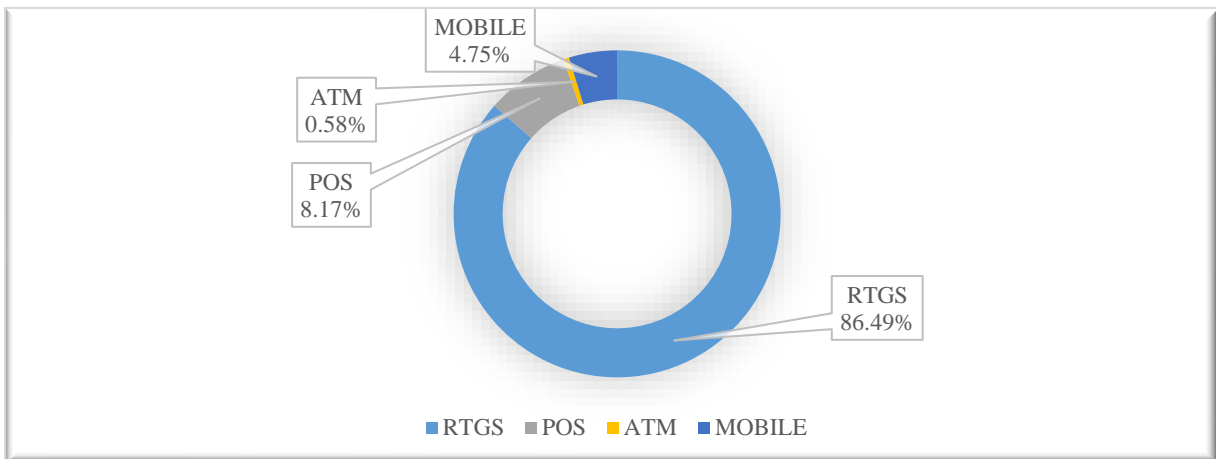
| Date | Individual Clients | | Corporate Clients | |
|-----------|--------------------|-------------|-------------------|-------------|
| | Minimum (%) | Maximum (%) | Minimum (%) | Maximum (%) |
| 29-Oct-21 | 41.86 | 58.68 | 45.81 | 58.54 |
| 5-Nov-21 | 39.20 | 58.55 | 43.97 | 59.14 |
| 12-Nov-21 | 39.20 | 58.55 | 43.97 | 59.14 |
| 19-Nov-21 | 39.13 | 58.74 | 38.10 | 64.38 |
| 26-Nov-21 | 39.13 | 58.74 | 38.10 | 64.38 |

Source: Reserve Bank of Zimbabwe, 2021

2. CLEARING AND SETTLEMENT ACTIVITY

The total value of transactions processed through the National Payment Systems (NPS) transactions amounted to \$177.46 billion, during the week under analysis. This was a 3.93% increase from \$170.75 billion recorded in the preceding week. Real Time Gross Settlement (RTGS) transactions were 2.82% higher and closed the week under review at \$153.49 billion. The proportions of NPS transaction values were as follows: RTGS, 86.49%, POS, 8.17%; Mobile, 4.75%; and ATM, 0.58%.

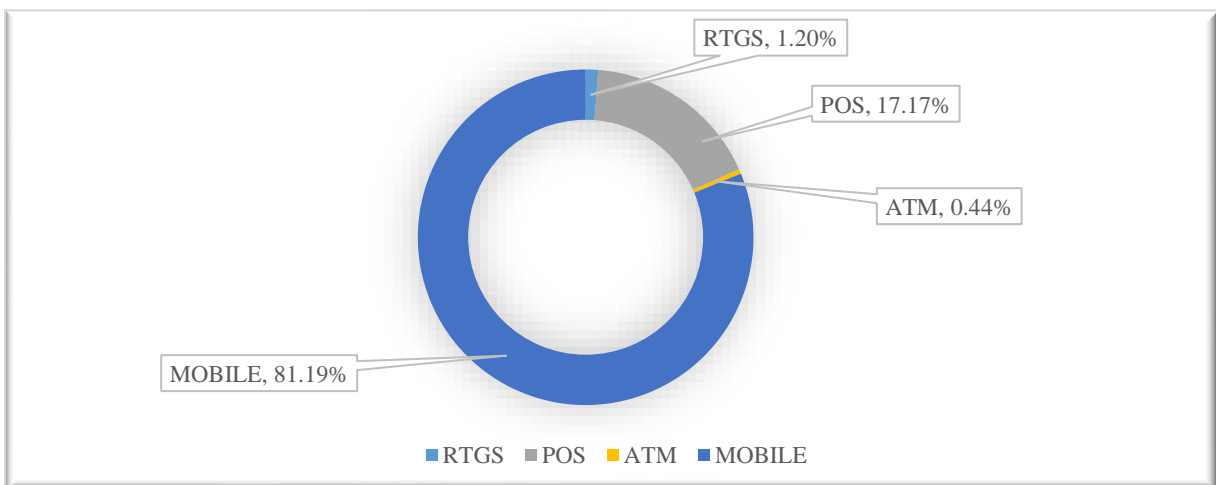
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2021

The total volume of NPS transactions fell by 1.47% to close at 24.16 million, during the week ending 26th November 2021. In terms of volume, NPS transactions were distributed as follows: Mobile, 81.19%; POS, 17.17%; RTGS, 1.20%; and ATM, 0.44%, 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 26 th November 2021 | WEEK ENDING 19 th November 2021 | % CHANGE | PROPORTION % |
|--------------------------------|--|--|---------------|-----------------|
| Values in ZW\$ Millions | | | | |
| RTGS | 149,277.99 | 153,488.93 | 2.82% | 86.49% |
| POS | 12,711.37 | 14,507.46 | 14.13% | 8.17% |
| ATM | 812.78 | 1,035.47 | 27.40% | 0.58% |
| MOBILE | 7,946.36 | 8,429.43 | 6.08% | 4.75% |
| TOTAL | 170,748.50 | 177,461.30 | 3.93% | 100% |
| Volumes | | | | |
| RTGS | 206,986 | 290,714 | 40.45% | 1.20% |
| POS | 3,677,610 | 4,147,837 | 12.79% | 17.17% |
| ATM | 85,765 | 106,177 | 23.80% | 0.44% |
| MOBILE | 20,552,866 | 19,616,871 | -4.55% | 81.19% |
| TOTAL | 24,523,227 | 24,161,599 | -1.47% | 100% |

Source: Reserve Bank of Zimbabwe, 2021

3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

International commodity prices for gold, platinum, and crude oil, retreated, during the week ending 26th November 2021. Copper and nickel prices, however, firmed during the same week. Commodity markets were largely influenced by a stronger US dollar, broader market volatility owing to concerns about a new Covid-19 variant, as well as developments in China, the world's top consumer of industrial commodities. Table 4 shows the developments in commodity prices, during the week under analysis.

Table 4: Metal and Crude Oil Prices for the week ending 26th November 2021

| | Gold | Platinum | Copper | Nickel | Crude Oil |
|--|-----------------|-----------------|-----------------|------------------|--------------|
| 2021 | US\$/ounce | US\$/ounce | US\$/tonne | US\$/tonne | US\$/barrel |
| Weekly Average (15 - 19 November) | 1,862.18 | 1,071.50 | 9,618.10 | 19,695.00 | 81.09 |
| 22-Nov | 1,828.58 | 1,034.50 | 9,730.00 | 20,270.00 | 79.02 |
| 23-Nov | 1,793.23 | 993.50 | 9,825.50 | 20,590.00 | 82.49 |
| 24-Nov | 1,786.43 | 963.00 | 9,852.00 | 21,135.00 | 82.30 |
| 25-Nov | 1,789.40 | 991.00 | 9,932.00 | 21,075.00 | 79.68 |
| 26-Nov | 1,805.30 | 975.00 | 9,630.00 | 20,235.00 | 74.86 |
| Weekly Average (22 - 26 November) | 1,800.59 | 991.40 | 9,793.90 | 20,661.00 | 79.67 |
| Weekly Change (%) | -3.3 | -7.5 | 1.8 | 4.9 | -1.8 |

Source: BBC, KITCO and Bloomberg, 2021

Gold

Gold prices fell by 3.3%, from a weekly average of US\$1,862.18 per ounce in the previous week to US\$1,800.59 per ounce, during the week ending 26th November 2021. This followed the release of robust U.S. economic data, which boosted the US dollar and Treasury yields, prompting investors to shift to riskier assets. The decline was, however, moderated by prospects of a positive safe-haven demand outlook, as markets try to gauge the severity of the newly discovered Omicron Covid-19 variant and its possible impact on economic recovery.

Platinum

Similarly, platinum prices retreated on account of subdued investment demand, occasioned by a stronger dollar and firming US Treasury yields. Reflecting these developments, platinum prices sharply fell by about 7.5%, from a weekly average of US\$1,071.50 per ounce to US\$991.40 per ounce, during the week under review.

Copper

Copper prices rebounded, as fears about further harm to growth and demand from the Omicron coronavirus variant were outweighed by low inventories of the industrial metal. Furthermore, the red metal was supported by investor hopes of improved demand, after the announcement of measures to support the property sector in China, the top consumer of base metals. Prices gained by 1.8%, from a weekly average of US\$9,618.10 per tonne in the previous week, to US\$9,793.90 per tonne during the week under review.

Nickel

Nickel prices bounced back, gaining by 4.9%, from a weekly average of US\$19,695.00 per tonne in the preceding week, to US\$20,661.00 per tonne during the week ending 26th November 2021. Prices were boosted by low inventories that pointed to tight supply and China's efforts to support its economy, which bolstered the demand outlook for industrial metals.

Brent Crude Oil

Brent crude oil prices remained under pressure, as investors weighed the risks posed by Omicron, the new Covid-19 variant. In addition, oil prices fell on fears of rising inventories, following the potential coordinated release of strategic oil reserves by major oil consumers, including the U.S and Japan. Prices fell by 1.8%, from US\$81.09 per barrel in the previous week to US\$79.67 per barrel, during the reporting week.

4. EXCHANGE RATE DEVELOPMENTS

The Zimbabwe dollar (ZW\$) depreciated against the greenback, shedding 2.2%, from an average of ZW\$103.3899 per US\$1 in the previous week to close the week under review at an average of ZW\$105.6796 per US\$1. The developments in selected exchange rates are as shown in Table 5.

Table 5: International Exchange Rates¹

| | USD | ZAR | GBP | BWP | EURO |
|--|-----------------|---------------|-----------------|----------------|-----------------|
| 2021 | | | | | |
| Weekly Average (15 - 19 November) | 103.3899 | 6.7007 | 138.9253 | 8.9503 | 117.4079 |
| 22-Nov | 105.6965 | 6.7182 | 142.0881 | 98.1868 | 119.1942 |
| 23-Nov | 105.6965 | 6.6667 | 141.5648 | 9.0375 | 118.7715 |
| 24-Nov | 105.6684 | 6.6578 | 141.3368 | 9.0086 | 118.8189 |
| 25-Nov | 105.6684 | 6.6534 | 141.0410 | 9.0139 | 118.5125 |
| 26-Nov | 105.6684 | 6.5295 | 140.5866 | 9.0032 | 118.6130 |
| Weekly Average (22 - 26 November) | 105.6796 | 6.6451 | 141.3234 | 26.8500 | 118.7820 |
| <i>Appr(-)/Depr(+) (%) of the ZWL</i> | 2.2 | -0.8 | 1.7 | 200.0 | 1.2 |

Source: Reserve Bank of Zimbabwe, 2021

5. EQUITY MARKETS

The Zimbabwe Stock Exchange (ZSE) was characterised by negative trading for the second consecutive week, resulting in all major indices registering losses. The All Share, Top 10 and Top 15 indices shed 8.05%, 10.32% and 9.54% to close at 10 712.88 points, 6 671.57 points and 7 422.06 points, respectively.

The decline in the mainstream index was on the back of share price losses for African Sun Limited (27.78%), Meikles Limited (25.11%), Econet Wireless Zimbabwe Limited (18.99%), Unifreight Africa Limited (11.76%) and CBZ Holdings Limited (9.32%). However, share price gains at National Tyre Services Limited (30%), First Capital Bank Limited (19.84%), Fidelity Life Assurance Limited (12.50%), British American Tobacco Zimbabwe (5.84%) and Ariston Holdings Limited (5.27%), partially offset the losses.

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

The resources index gained 2.46% to close at 6 966.06 points. The marginal rise in the mining index emanated from a 4.21% increase in the share price for Bindura Nickel Corporation Limited (BNC). RioZim Limited shares traded at the price level of the previous week.

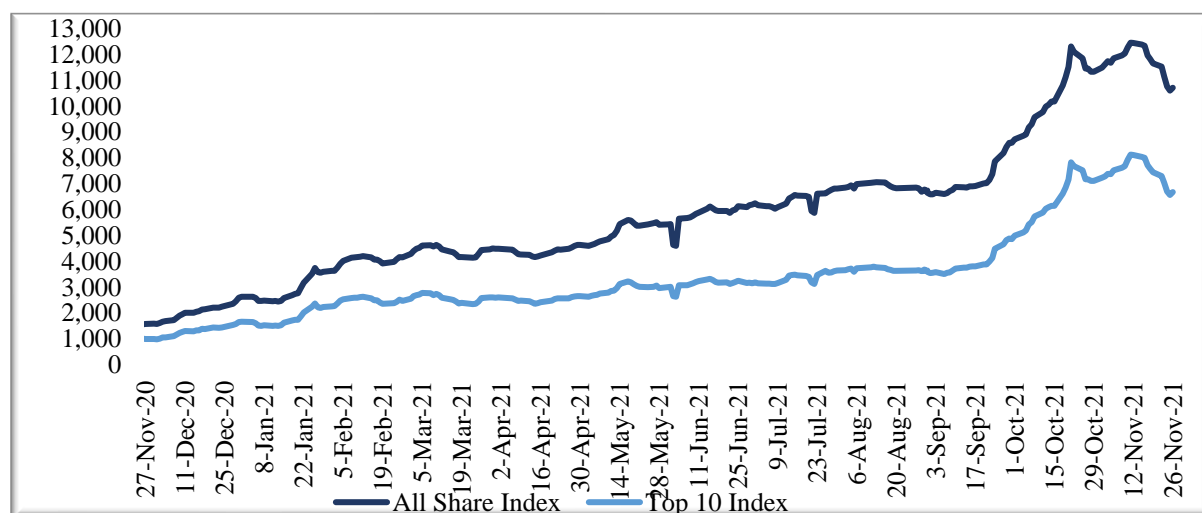
Table 6: Zimbabwe Stock Exchange Statistics²

| | 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) |
|------------------|------------------------|-----------------------|----------------------------------|----------------------------------|---------------------------------|-----------------------|---|-------------------------------|----------------------------|
| 22-Oct-21 | 12,097.36 | 7,678.83 | 8,501.10 | 22,864.87 | 324,284.55 | 7,448.76 | 1,474.57 | 965.56 | 22.72 |
| 29-Oct-21 | 11,329.48 | 7,104.99 | 7,900.36 | 21,942.11 | 330,018.90 | 6,652.04 | 1,378.23 | 781.45 | 19.22 |
| 5-Nov-21 | 11,846.33 | 7,513.24 | 8,298.69 | 22,207.30 | 369,643.93 | 6,841.96 | 1,441.02 | 760.67 | 19.66 |
| 12-Nov-21 | 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 |
| 19-Nov-21 | 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 |
| 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 |
| % Change | -8.05 | -10.32 | -9.54 | -2.58 | -1.64 | 2.46 | -8.67 | 161.99 | 875.15 |

Source: Zimbabwe Stock Exchange (ZSE), 2021

Figure 3 shows the trend in daily market turnover for the period 27th November 2020 to 26th November 2021.

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



Source: Zimbabwe Stock Exchange, 2021

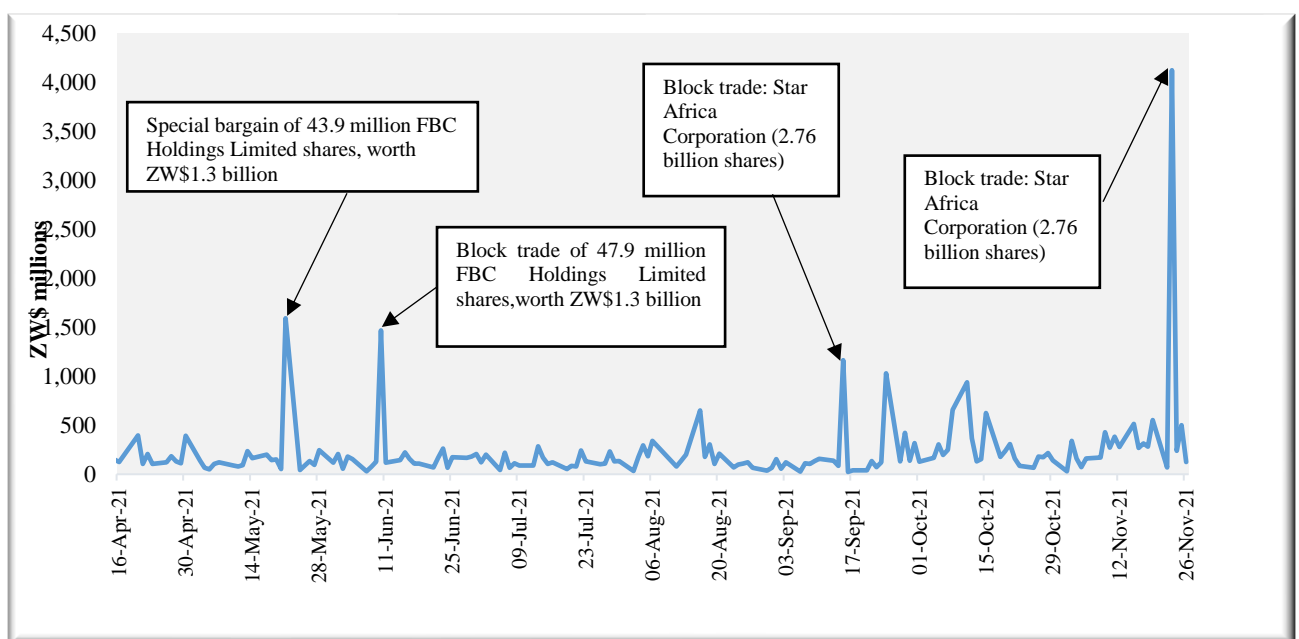
² The Zimbabwe Stock Exchange (ZSE) adopted the Global Industry Classification Standards, effective from 1 January 2020. The ZSE indices constitute the following categories; Top 10 Index; Top 15; Top 25; Medium cap and Small cap Indices.

Market Turnover and Volume

The cumulative volume and value of shares traded on the ZSE increased by 875.11% and 161.99% to 646.33 million shares and ZW\$5.06 billion, respectively. The increase in market turnover emanated from a negotiated deal in which 526.03 million Rainbow Tourism Group (RTG) shares exchanged hands at ZW\$5.60.

Figure 4 shows the trend in daily market turnover for the period 16th April 2021 to 26th November 2021.

Figure 4: Daily Market Turnover

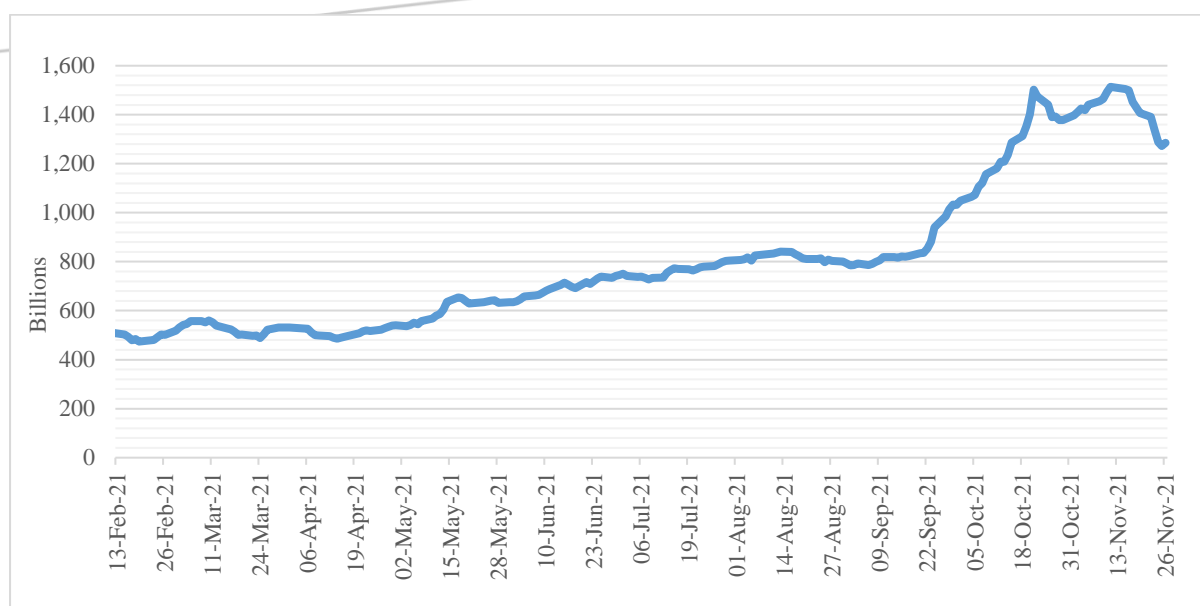


Source: Zimbabwe Stock Exchange, 2021

Market Capitalization

The local bourse lost ZW\$121.96 billion, or 8.67% worth of capitalization to close at ZW\$1,284.90 billion, compared to ZW\$1,406.85 billion recorded in the previous week. Figure 5 shows market capitalization developments for the period from 13th February 2021 to 26th November 2021.

Figure 5: Daily Market Capitalization in ZW\$ billions



Source: Zimbabwe Stock Exchange, 2021

Johannesburg Stock Exchange (JSE) Developments

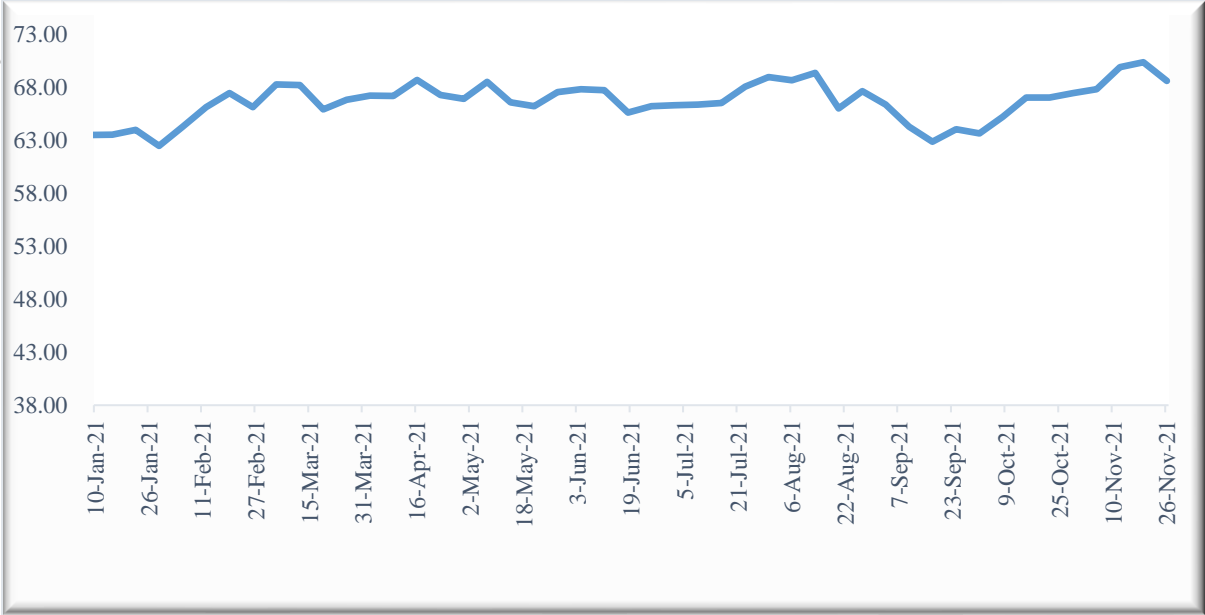
The week under review saw the Johannesburg Stock Exchange (JSE) All Share Index decline to 68,614.98 points, from 70,376.42 points recorded in the previous week. Similarly, JSE market capitalization fell by 2.06% to close at ZAR19.53 trillion in the same week.

Table 7: Johannesburg Stock Exchange (JSE) Statistics

| Period | All Share Index (points) | Market Capitalization (ZAR trillions) |
|-----------------|-----------------------------|--|
| 22-Oct-21 | 67,050.52 | 19.26 |
| 29-Oct-21 | 67,464.69 | 19.47 |
| 5-Nov-21 | 67,825.34 | 19.25 |
| 12-Nov-21 | 69,921.37 | 19.68 |
| 19-Nov-21 | 70,376.42 | 19.94 |
| 26-Nov-21 | 68,614.98 | 19.53 |
| % Change | -2.50 | -2.06 |

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 | | | |
|---------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------|--------------|
| | 5-Nov-21 | 12-Nov-21 | 19-Nov-21 | 26-Nov-21 | 5-Nov-21 | 12-Nov-21 | 19-Nov-21 | 26-Nov-21 |
| Total Bids (US\$ dollars) | 36,223,877.5 | 41,737,520.60 | 36,228,651.92 | 35,823,599.17 | 10,192,606.45 | 11,081,207.54 | 5,520,428.32 | 6,126,934.27 |
| Amount Allotted (US\$ dollars) | 36,205,839.71 | 35,792,885.54 | 36,228,651.92 | 35,823,599.17 | 10,182,138.13 | 11,081,207.54 | 5,520,428.32 | 6,126,934.27 |
| Highest Rate | 120 | 115.00 | 120 | 120 | 120 | 115 | 120 | 122 |
| Lowest Bid Rate | 95 | 97.14 | 99 | 99.3 | 95 | 96 | 98 | 97 |
| Lowest Bid Rate Allotted | 96 | 97.14 | 99 | 99.3 | 96 | 96 | 98 | 97 |
| Weighted Average Rate | 98.9821 | 99.9301 | 105.6965 | 105.6684 | 98.9821 | 99.9301 | 105.6965 | 105.6684 |
| Number of Bids Received | 659 | 732 | 623 | 653 | 1334 | 1283 | 881 | 913 |
| Number of Bids Rejected | 51 | 101 | 203 | 274 | 67 | 45 | 188 | 312 |

Source: Reserve Bank of Zimbabwe, 2021

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 | | | |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------|---------------------|
| | 5-Nov-21 | 12-Nov-21 | 19-Nov-21 | 26-Nov-21 | 5-Nov-21 | 12-Nov-21 | 19-Nov-21 | 26-Nov-21 |
| Raw Materials | 12,901,079.32 | 13,440,963.00 | 17,774,247.85 | 14,665,382.00 | 2,394,317.68 | 2,680,358.38 | 1,405,954.73 | 1,805,198.95 |
| Machinery and Equipment | 10,654,060.05 | 11,276,442.00 | 8,131,714.77 | 10,492,426.53 | 3,758,991.50 | 3,906,669.62 | 1,922,137.75 | 2,044,693.46 |
| Consumables (Incl. Spares, Tyres, Packaging) | 3,359,302.18 | 2,755,134.32 | 2,722,912.23 | 3,931,085.91 | 1,434,640.59 | 1,621,803.73 | 918,202.29 | 890,596.01 |
| Pharmaceuticals and Chemicals | 1,847,415.04 | 2,070,566.65 | 1,797,632.32 | 1,392,699.64 | 412,520.43 | 554,207.68 | 239,740.13 | 251,806.52 |
| Services (Loans, Dividends and Disinvestments) | 2,201,160.30 | 2,391,255.59 | 2,333,735.28 | 2,143,797.77 | 1,173,402.01 | 1,030,215.16 | 452,103.47 | 532,299.17 |
| Retail and Distribution | 4,207,524.96 | 2,717,413.32 | 2,392,568.40 | 2,455,681.47 | 847,494.68 | 1,033,587.14 | 444,542.24 | 475,846.20 |
| Fuel, Electricity and Gas | 0.00 | 61,963.54 | 55,497.02 | 0.00 | 8,890.05 | 31,605.49 | 16837.16 | 0.00 |
| Paper and Packaging | 1,035,297.86 | 1,079,147.12 | 1,020,344.05 | 742,525.85 | 151,881.19 | 222,760.34 | 120,964.55 | 126,493.96 |
| TOTAL | 36,205,839.71 | 35,792,885.54 | 36,228,651.92 | 35,823,599.17 | 10,182,138.13 | 11,081,207.54 | 5,520,482.32 | 6,126,934.27 |

Source: Reserve Bank of Zimbabwe, 2021