Vol. 23 No. 43

# Weekly Economic Highlights

TABLE OF CONTENTS



Week Ending
29th October 2021

## 1. INTEREST RATES

### Deposit Rates

During the week ending 29th October 2021, minimum and maximum deposit rates for all classes of deposits remained largely unchanged compared to previous 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 (%) |
| **1-Oct-21** | 2.56 | 5.06 | 8.47 | 12.83 | 9.53 | 14.03 |
| **8-Oct-21** | 2.78 | 4.79 | 8.06 | 13.31 | 9.05 | 14.29 |
| **15-Oct-21** | 2.78 | 4.79 | 8.06 | 13.31 | 9.05 | 14.29 |
| **22-Oct-21** | 2.79 | 5.29 | 8.08 | 13.00 | 9.26 | 14.03 |
| **29-Oct-21** | 2.79 | 5.29 | 8.08 | 13.00 | 9.26 | 14.03 |

*Source: Reserve Bank of Zimbabwe, 2021*

### Lending Rates

The week under review saw commercial bank minimum and maximum lending rates for both individual and commercial clients remain unchanged from the previous week, as shown in Table 2.

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

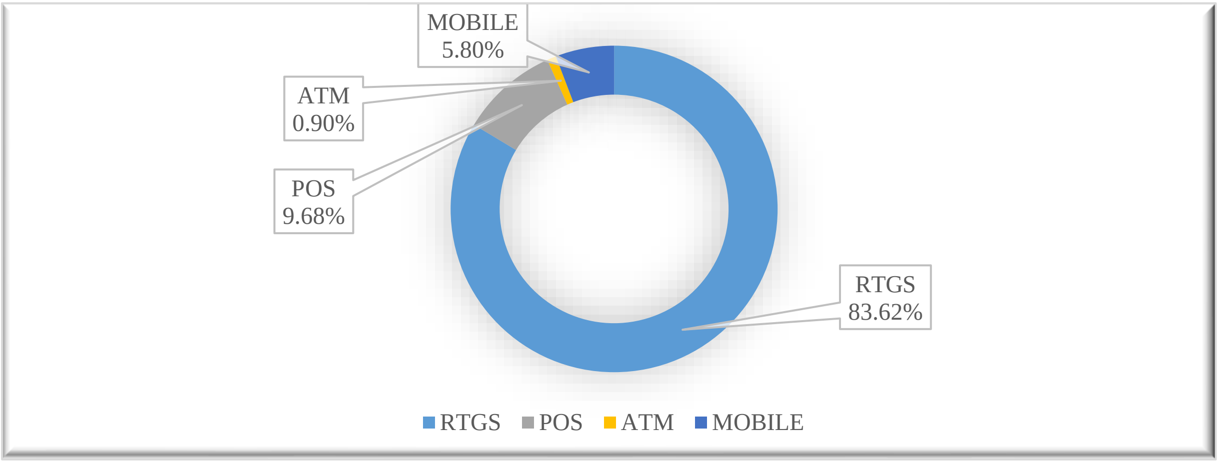
| Date | Minimum (%) | Maximum (%) | Minimum (%) | Maximum (%) |
|---|---|---|---|---|
| | Individual Clients | | Corporate Clients | |
| **1-Oct-21** | 40.61 | 58.46 | 39.50 | 63.66 |
| **8-Oct-21** | 41.06 | 57.39 | 39.65 | 65.06 |
| **15-Oct-21** | 41.06 | 57.39 | 39.65 | 65.06 |
| **22-Oct-21** | 41.86 | 58.68 | 45.81 | 58.54 |
| **29-Oct-21** | 41.86 | 58.68 | 45.81 | 58.54 |

*Source: Reserve Bank of Zimbabwe, 2021*

## 2. CLEARING AND SETTLEMENT ACTIVITY

The National Payment Systems (NPS) processed transactions amounting to ZW$146.64 billion, during the week ending 29 October 2021, compared to ZW$146.88 billion in the preceding week. Real Time Gross Settlement (RTGS) transactions declined by 2.48%, from ZW$125.73 billion in the previous week to ZW$122.62 billion, during the week under review. The NPS transaction values were distributed as follows: RTGS, 83.62%, POS, 9.68%; Mobile, 5.80%; and ATM, 0.90%.

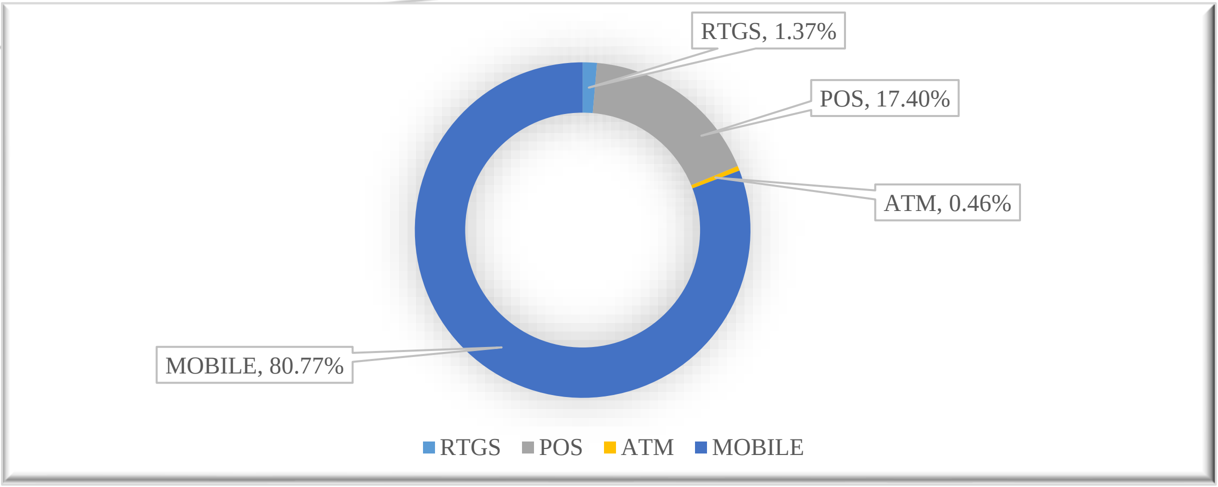
**Figure 1: Composition of NPS Transactions in Value Terms**




*Source: Reserve Bank of Zimbabwe, 2021*

During the week under review, the volume of NPS transactions stood at 24.84 million, a marginal increase from 24.82 million recorded in the week ending 22$^{th}$ October 2021. The NPS transaction volumes were distributed as follows: Mobile, 80.77%; POS, 17.40%; RTGS, 1.37%; and ATM, 0.46%, 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 22nd October 2021 | WEEK ENDING 29th October 2021 | % CHANGE FROM LAST WEEK | PROPORTION % |
|---|---|---|---|---|
| | **Values in ZW$ Millions** | | | |
| RTGS | 125,733.11 | 122,619.83 | -2.48% | 83.62% |
| POS | 12,561.77 | 14,192.48 | 12.98% | 9.68% |
| ATM | 827.86 | 1,324.90 | 60.04% | 0.90% |
| MOBILE | 7,752.46 | 8,502.08 | 9.67% | 5.80% |
| **TOTAL** | **146,875.19** | **146,639.29** | **-0.16%** | **100%** |
| | **Volumes** | | | |
| RTGS | 225,242 | 340,677 | 51.25% | 1.37% |
| POS | 4,046,620 | 4,322,139 | 6.81% | 17.40% |
| ATM | 93,460 | 114,438 | 22.45% | 0.46% |
| MOBILE | 20,453,463 | 20,063,305 | -1.91% | 80.77% |
| **TOTAL** | **24,818,785** | **24,840,559** | **0.09%** | **100%** |

*Source: Reserve Bank of Zimbabwe, 2021*

## 3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

During the week ending 29th October 2021, prices for platinum, copper, nickel and crude oil retreated. Gold prices, however, gold firmed. Table 4 shows the evolution of selected commodity prices, during the week under analysis.

**Table 4: Metal and Crude Oil Prices for the week ending 29th October 2021**

| | Gold | Platinum | Copper | Nickel | Crude Oil |
|---|---|---|---|---|---|
| **2021** | US$/ounce | US$/ounce | US$/tonne | US$/tonne | US$/barrel |
| **Weekly Average (18 - 22 October)** | **1,781.04** | **1,050.40** | **10,271.20** | **20,318.00** | **84.94** |
| **25-Oct** | 1,802.23 | 1,045.00 | 10,050.00 | 20,135.00 | 85.94 |
| **26-Oct** | 1,793.73 | 1,050.00 | 9,988.00 | 20,495.00 | 85.89 |
| **27-Oct** | 1,789.55 | 1,019.50 | 9,849.50 | 19,850.00 | 82.13 |
| **28-Oct** | 1,800.85 | 1,017.00 | 9,860.00 | 19,825.00 | 83.85 |
| **29-Oct** | 1,782.73 | 1,012.95 | 9,955.00 | 19,480.00 | 83.53 |
| **Weekly Average (25 - 29 October)** | **1,793.82** | **1,028.89** | **9,940.50** | **19,957.00** | **84.27** |
| **Weekly Change (%)** | *0.7* | *-2.0* | *-3.2* | *-1.8* | *-0.8* |

*Source: BBC, KITCO and Bloomberg, 2021*

### Gold

Gold prices remained upbeat, supported by high inflation expectations, a development which boosted the precious metal's safe haven demand. The increase in the price of the yellow metal was, however, capped by a rebound in the US dollar as well as prospects of interest rate hikes in the medium term. Prices marginally rose by 0.7% to US$1,793.82 per ounce, from US$1781.04 per ounce in the previous week.

### Platinum

Platinum prices fell by 2.0%, from a weekly average of US$1,050.40 per ounce in the previous week to US$1,028.89 per ounce, during the week ending 29th October 2021. Prices were weighed down by a stronger US dollar and subdued industrial demand, particularly in China, the world's largest consumer of metals.

### Copper

Copper prices reversed gains recorded in the previous week, falling by 3.2% from a weekly average of US$10,271.20 per tonne in the previous week, to US$9,940.50 per tonne in the week under analysis. A stronger US dollar and investor concerns that the ongoing power crisis in China would dampen demand exerted downward pressure on the price of the red metal.

### Nickel

Nickel prices declined by 1.8%, from a weekly average of US$20,318.00 per tonne in the prior week to US$19,957.00 per tonne, during the week under analysis. In line with developments in prices of other base metals like copper, nickel prices were also weighed down by a stronger US dollar and subdued demand, particularly in China.

**Brent Crude Oil**

Brent Crude oil prices retreated, as US inventories increased more than was expected and on prospects of an increase in Iranian exports, as there were indications that talks over Iran's nuclear program would start soon. Reflecting these developments, crude oil prices fell by 0.8%, from a weekly average of US$84.94 per barrel to US$84.27 per barrel, during the week under review.

## 4. EXCHANGE RATE DEVELOPMENTS

The Zimbabwe dollar (ZW$) depreciated by 6.0% against the US dollar, from an average of ZW$90.1406 per US$1 in the previous week to close the week under review at an average of ZW$95.5141 per US$1. The developments in selected exchange rates are shown in Table 5.

**Table 5: International Exchange Rates**[1]

| | USD | ZAR | GBP | BWP | EURO |
|---|---|---|---|---|---|
| **2021** | | | | | |
| **Weekly Average (18 - 22 October)** | **90.1406** | **6.1696** | **123.8518** | **8.1037** | **104.8695** |
| **25-Oct** | 93.0810 | 6.3331 | 128.0562 | 8.3032 | 107.9880 |
| **26-Oct** | 93.0810 | 6.3331 | 128.0562 | 8.3032 | 107.9880 |
| **27-Oct** | 97.1361 | 6.5402 | 133.7905 | 8.6071 | 112.7073 |
| **28-Oct** | 97.1361 | 6.4392 | 133.5088 | 8.5775 | 112.7411 |
| **29-Oct** | 97.1361 | 6.4185 | 133.9944 | 8.5677 | 113.3970 |
| **Weekly Average (25 - 29 October)** | **95.5141** | **6.4128** | **131.4812** | **8.4717** | **110.9642** |
| ***Appr(-)/Depr(+) (%) of the ZWL*** | *6.0* | *3.9* | *6.2* | *4.5* | *5.8* |

*Source: Reserve Bank of Zimbabwe, 2021*

## 5. EQUITY MARKETS

The Zimbabwe Stock Exchange (ZSE) registered losses during the week under review, as reflected by losses in the Top 10, Top 15, All Share and Medium Cap indices, which declined by 7.47%, 7.07%, 6.35% and 4.04% to close at 7 104.99 points, 7 900.36 points, 11 329.48 points and 21 942.11 points, respectively.

The decrease in the mainstream index was on the back of share price losses in Medtech Holdings Limited (20.34%), Cassava Smartech Zimbabwe Limited (18.95%), National Tyre

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

Services Limited (18.01%), Mashonaland Holdings Limited (15.38%) and Lafarge Cement Zimbabwe Limited (14.48%). Loses were, however, partially offset by share price increases recorded in Zeco Limited (100.00%), CFI Holdings Limited (43.85%), Meikles Limited (20.60%), Masimba Holdings Limited (10.00%) and Zimplow Holdings Limited (6.43%).

The mining index also registered a decrease of 10.70% from the previous week, to close at 6,652.04 points. This emanated from an 11.33% and 10.28% decrease in share prices for RioZim and Bindura Nickel Corporation Limited, respectively.

**Table 6: Zimbabwe Stock Exchange Statistics[2]**

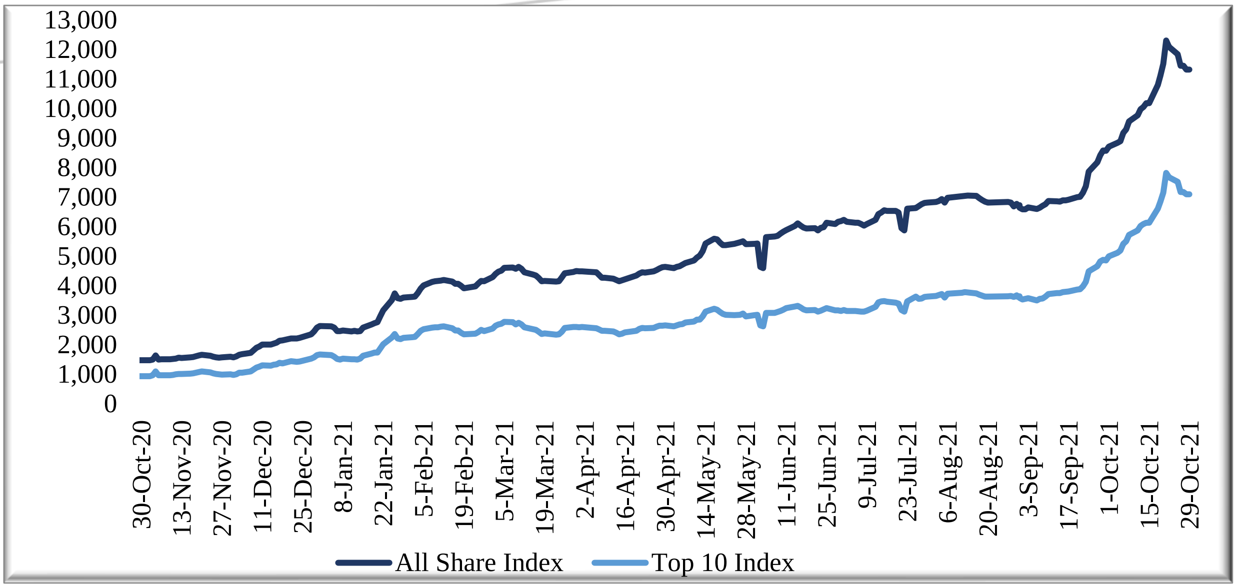
| | All Share Index Points | Top 10 index (points) | Top 15 Index[3] points | Medium Cap[3] (points) | Small Cap[3] (points) | Mining Index (points) | Grand Market Capitalization (ZWL billion) | Market Turnover (ZWL million) | Volume of Shares (million) |
|---|---|---|---|---|---|---|---|---|---|
| **24-Sept-21** | 7,866.84 | 4,488.02 | 5,072.84 | 18,655.87 | 229,647.05 | 6,629.24 | 940.02 | 1,403.07 | 69.39 |
| **1-Oct-21** | 8,719.53 | 4,998.20 | 5,688.58 | 20,464.29 | 255,411.79 | 6,432.53 | 1,048.64 | 1,138.05 | 36.28 |
| **8-Oct-21** | 9,570.05 | 5,732.26 | 6,428.89 | 20,682.54 | 259,144.42 | 6,547.32 | 1,157. 42 | 1,573 | 25.75 |
| **15-Oct-21** | 10,184.95 | 6,142.98 | 6,929.79 | 21,528.31 | 316,367.25 | 6,810.45 | 1,286.46 | 2,214.02 | 37.39 |
| **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 |
| **% Change** | **-6.35** | **-7.47** | **-7.07** | **-4.04** | **1.77** | **-10.70** | **-6.53** | **-19.07** | **-15.40** |

*Source: Zimbabwe Stock Exchange (ZSE), 2021*

Figure 3 shows the trend in daily market turnover for the period from 30th October 2020 to 29th October 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**



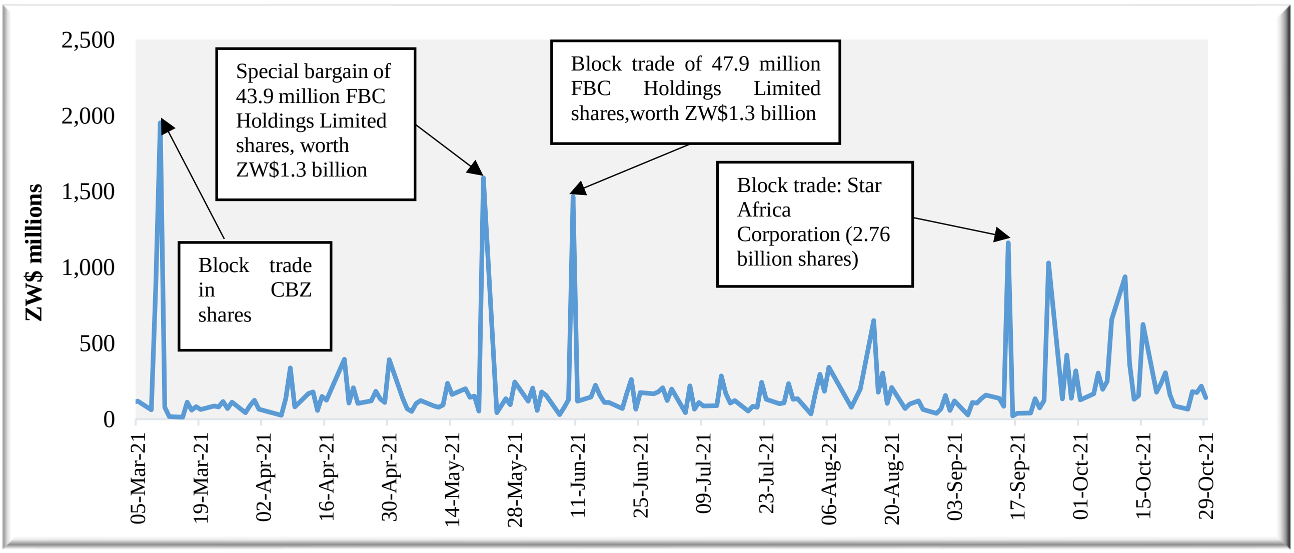

*Source: Zimbabwe Stock Exchange, 2021*

### Market Turnover and Volume

The week under review saw the cumulative value and volume of shares traded decrease by 19.07% and 15.39% to ZW$781.45 million and 19.22 million shares, respectively.

Figure 2 shows the trend in daily market turnover for the period 5$^{th}$ March 2021 to 29$^{th}$ October 2021.

**Figure 4: Daily Market Turnover**



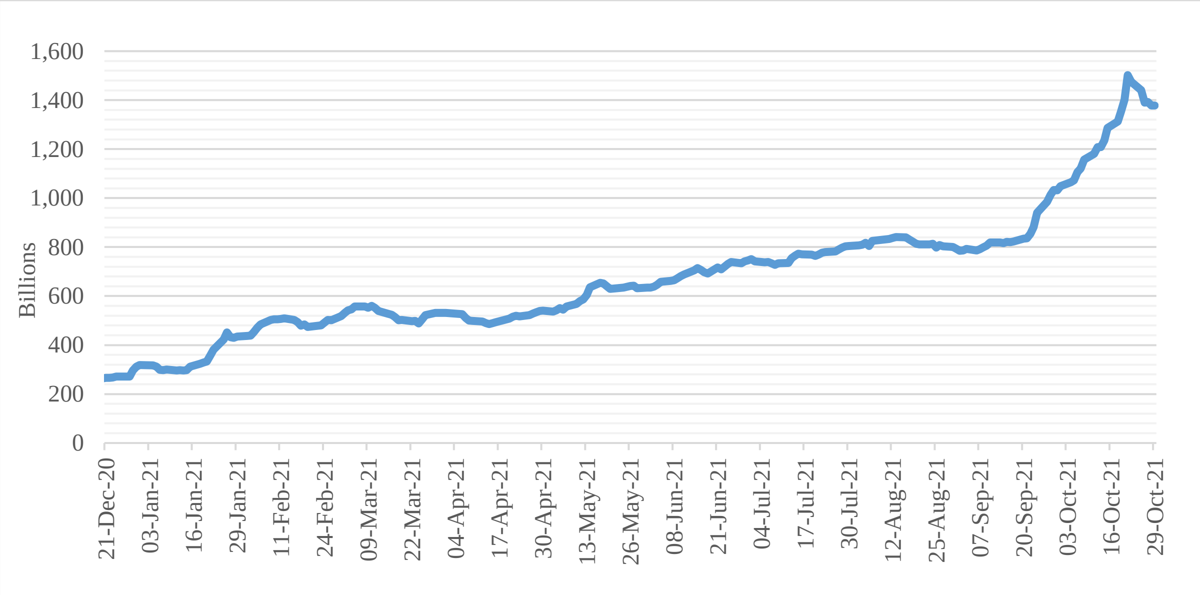

*Source: Zimbabwe Stock Exchange, 2021*

## Market Capitalization

The ZSE registered a loss of ZW$96.34 billion, or 6.53% worth of capitalization to close at ZW$1,378.23 billion, during the week ending 29th October 2021, from ZW$1,474.57 billion recorded in the preceding week.

Figure 3 shows market capitalization developments for the period 21st December 2020 to 29th October 2021.

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




*Source: Zimbabwe Stock Exchange, 2021*

## Johannesburg Stock Exchange (JSE) Developments

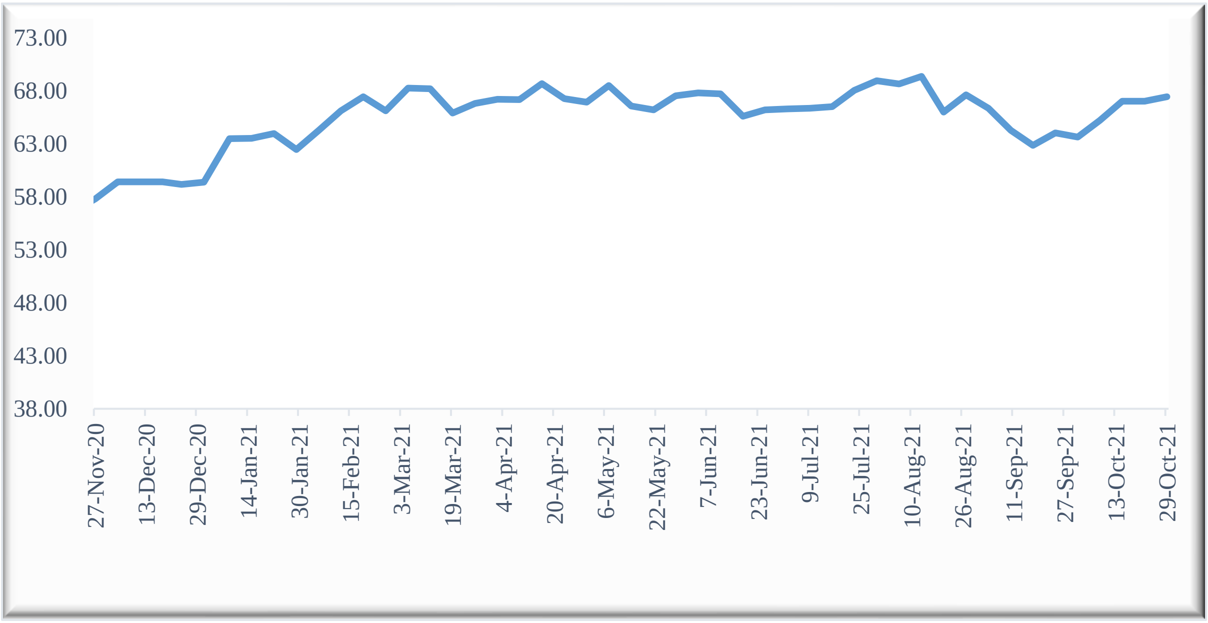
The Johannesburg Stock Exchange (JSE) All Share Index increased by 0.62%, from 67,050.52 points in the previous week to close at 67,464.69 points, during the week under review. In tandem, JSE market capitalization increased was 1.09% higher to close at ZAR19.47 trillion, from ZAR19.26 trillion in the previous week.

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

| Period | All Share Index (points) | Market Capitalization (ZAR trillions) |
|---|---|---|
| **24-Sept-21** | 64,049.05 | 18.45 |
| **1-Oct-21** | 63,661.02 | 18.23 |
| **8-Oct-21** | 65,242.61 | 18.60 |
| **15-Oct-21** | 67,028.86 | 19.05 |
| **22-Oct-21** | 67,050.52 | 19.26 |
| **29-Oct-21** | 67,464.69 | 19.47 |
| **% Change** | **0.62** | **1.09** |

*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[3] AND SMEFX[4]

| | MAINFX | | | | SMEFX | | | |
|---|---|---|---|---|---|---|---|---|
| | 8-Oct-21 | 15-Oct-21 | 22-Oct-21 | 29-Oct-21 | 8-Oct-21 | 15-Oct-21 | 22-Oct-21 | 29-Oct-21 |
| **Total Bids (US$ dollars)** | 35,798,776.22 | 32,826,554.76 | 37,373,661.57 | 39,942,897.13 | 10,695,839.38 | 9,365,574.40 | 11,188,380.30 | 11,327,283.03 |
| **Amount Allotted (US$ dollars)** | 35,798,776.22 | 28,395,244.38 | 36,688,161.11 | 31,710,331.10 | 10,695,839.38 | 7,978,938.75 | 11,017,388.12 | 9,047,262.59 |
| **Highest Rate** | 96 | 95.16 | 102 | 115 | 98 | 100 | 105 | 110 |
| **Lowest Bid Rate** | 85 | 85 | 88.5 | 90 | 85 | 95.16 | 88.5 | 90 |
| **Lowest Bid Rate Allotted** | 85 | 88.5 | 90.0 | 95 | 85 | 88.5 | 90 | 95 |
| **Weighted Average Rate** | 88.5532 | 90.0792 | 93.0810 | 97.1361 | 88.5532 | 90.0792 | 93.0810 | 97.1361 |
| **Number of Bids Received** | 466 | 488 | 559 | 598 | 1217 | 1196 | 1369 | 1336 |
| **Number of Bids Rejected** | 22 | 357 | 39 | 30 | 53 | 759 | 79 | 54 |

***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 | | | |
|---|---|---|---|---|---|---|---|---|
| | 8-Oct-21 | 15-Oct-21 | 22-Oct-21 | 29-Oct-21 | 8-Oct-21 | 15-Oct-21 | 22-Oct-21 | 29-Oct-21 |
| **Raw Materials** | 15,226,564.09 | 11,010,262.22 | 13,799,777.83 | 13,995,057.72 | 3,247,758.50 | 2,428,873.54 | 3,049,941.67 | 2,641,419.91 |
| **Machinery and Equipment** | 8,272,309.33 | 7,822,826.32 | 9,877,882.27 | 8,412,238.04 | 3,595,447.33 | 2,482,427.55 | 3,460,523.13 | 2,938,244.92 |
| **Consumables (Incl. Spares, Tyres, Packaging)** | 3,597,274.31 | 3,010,781.10 | 4,290,143.67 | 2,993,185.24 | 1,431,730.56 | 1,215,781.53 | 1,869,021.43 | 1,334,586.82 |
| **Pharmaceuticals and Chemicals** | 2,131,929.23 | 1,139,496.66 | 2,181,884.67 | 1,568,495.54 | 405,158.72 | 368,996.62 | 356,694.20 | 331,653.20 |
| **Services (Loans, Dividends and Disinvestments)** | 1,759,691.19 | 980,656.00 | 1,835,546.53 | 1,302,000.75 | 799,181.28 | 608,013.90 | 1,096,008.34 | 736,398.20 |
| **Retail and Distribution** | 3,573,549.89 | 3,286,166.59 | 3,309,357.86 | 2,617,756.14 | 997,704.92 | 666,473.29 | 985,439.47 | 912,835.62 |
| **Fuel, Electricity and Gas** | 129,343.11 | 0.00 | 87,142.85 | 0.00 | 29,354.10 | 19,910.71 | 0.00 | 0.00 |
| **Paper and Packaging** | 1,108,115.07 | 1,145,055.49 | 1,306,425.43 | 821,597.67 | 189,503.97 | 188,461.61 | 199,759.88 | 152,123.92 |
| **TOTAL** | **35,798,776.22** | **28,395,244.38** | **36,688,161.11** | **31,710,331.10** | **10,695,839.38** | **7,978,938.75** | **11,017,388.12** | **9,047,262.59** |

***Source: Reserve Bank of Zimbabwe, 2021***