



Weekly Economic Highlights

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Week Ending
8th October 2021

1. INTEREST RATES

Deposit Rates

Minimum deposit rates declined across all deposit classes, during the week ending 8th October 2021. Maximum deposit rates for deposits of 1- month and 3- month tenor increased, while those for savings deposits registered a decline 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 (%)
10-Sept-21	5.53	7.50	8.11	12.64	9.42	14.03
17-Sept-21	5.53	7.50	8.11	12.64	9.42	14.03
24-Sept-21	2.56	5.06	8.47	12.83	9.53	14.03
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

Source: Reserve Bank of Zimbabwe, 2021

Lending Rates

Minimum commercial banking lending rates for both individual and corporate clients increased during the week under analysis. Maximum lending rates for individuals declined, while those for corporate clients registered an increase during the same week, as shown in Table 2.

Table 2: Lending Rates (per annum)

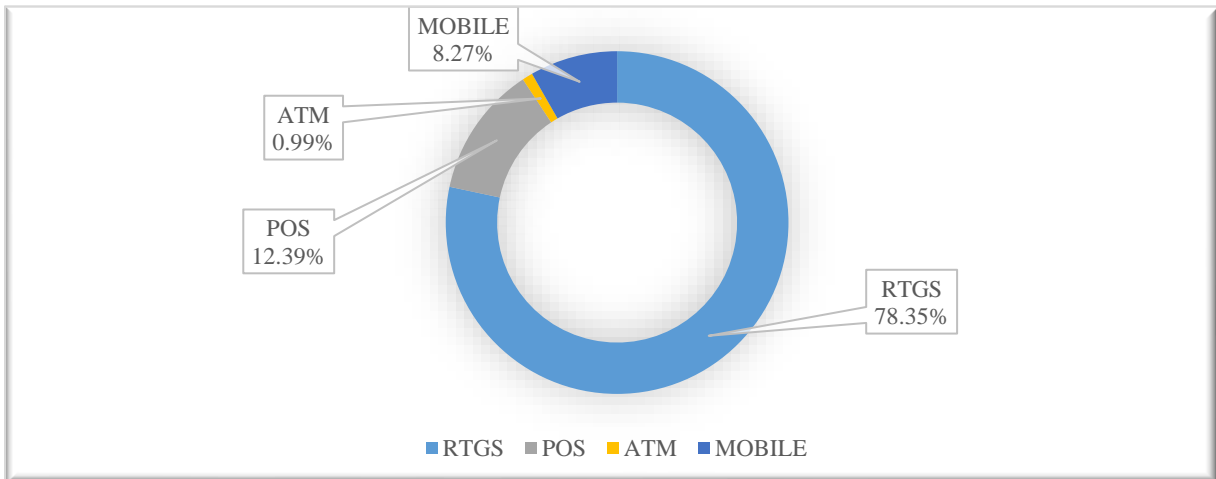
Date	Individual Clients		Corporate Clients	
	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
10-Sept-21	40.75	58.06	39.81	64.67
17-Sept-21	40.75	58.06	39.81	64.67
24-Sept-21	40.61	58.46	39.50	63.66
1-Oct-21	40.61	58.46	39.50	63.66
8-Oct-21	41.06	57.39	39.65	65.06

Source: Reserve Bank of Zimbabwe, 2021

2. CLEARING AND SETTLEMENT ACTIVITY

During the week ending 8th October 2021, the National Payment Systems (NPS) processed transactions worth \$123.83 billion, down from \$137.32 billion recorded in the previous week. Real Time Gross Settlement (RTGS) transactions at \$97.02 billion, were 13.54% lower compared to \$112.21 billion in the preceding week. In value terms, the composition of NPS transactions was as follows: RTGS, 78.35%, POS, 12.39%; Mobile, 8.27%; and ATM, 0.99%.

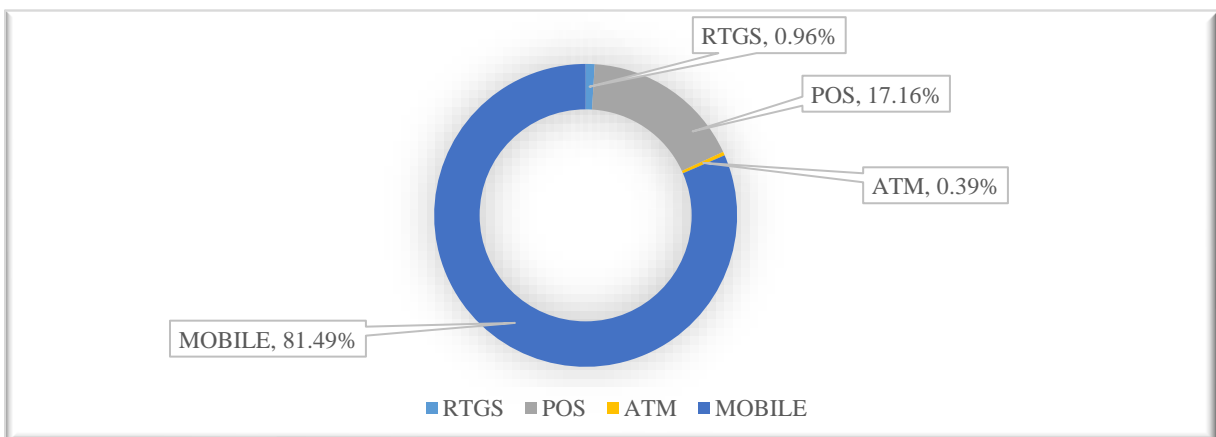
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2021

NPS transaction volumes increased by 7.90% to 28.66 million, during the week under analysis. The transaction volumes were distributed as follows: Mobile, 81.49%; POS, 17.16%; RTGS, 0.96%; and ATM, 0.39%, 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 1 st October 2021	WEEK ENDING 8 th October 2021	% CHANGE FROM LAST WEEK	PROPORTION %
Values in ZW\$ Millions				
RTGS	112,214.53	97,022.59	-13.54%	78.35%
POS	14,877.52	15,346.36	3.15%	12.39%
ATM	1,134.87	1,223.87	7.84%	0.99%
MOBILE	9,089.20	10,239.62	12.66%	8.27%
TOTAL	137,316.12	123,832.44	-9.82%	100%
Volumes				
RTGS	325,649	275,413	-15.43%	0.96%
POS	4,280,008	4,916,590	14.87%	17.16%
ATM	121,009	113,007	-6.61%	0.39%
MOBILE	21,834,408	23,354,708	6.96%	81.49%
TOTAL	26,561,074	28,659,718	7.90%	100%

Source: Reserve Bank of Zimbabwe, 2021

3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

During the week under review, international commodity prices for gold and crude oil firmed, while those for platinum, copper and nickel retreated. Table 4 shows the developments in commodity prices, during the week under analysis.

Table 4: Metal and Crude Oil Prices for the week ending 8th October 2021

	Gold	Platinum	Copper	Nickel	Crude Oil
2021	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
Weekly Average (27 Sep - 1 Oct)	1,744.31	972.70	9,197.00	18,492.00	78.41
4-Oct	1,753.20	952.50	9,267.50	18,140.00	81.64
5-Oct	1,755.60	958.00	9,091.50	17,800.00	82.59
6-Oct	1,753.98	956.00	9,096.00	18,095.00	80.70
7-Oct	1,760.48	982.50	9,177.00	18,240.00	82.95
8-Oct	1,765.38	1010.50	9,246.00	18,870.00	82.58
Weekly Average (4 - 8 October)	1,757.73	971.90	9,175.60	18,229.00	82.09
Weekly Change (%)	0.8	-0.1	-0.2	-1.4	4.7

Source: BBC, KITCO and Bloomberg, 2021

Gold

Gold prices rebounded, supported by simmering concerns over US inflation. The gains were, however capped by a firm US dollar and expectations that the US Federal Reserve would soon

announce the tapering of its stimulus measures. Prices rose by a marginal 0.8%, from a weekly average of US\$1,744.31 per ounce in the previous week, to US\$1,757.73 per ounce during the week under review.

Platinum

Platinum prices retreated by 0.1%, from a weekly average of US\$972.70 per ounce to US\$971.90 per ounce, during the week ending 8th October 2021. The decline was on account of subdued demand in China, the world's largest consumer of industrial metals.

Copper

Copper prices fell by 0.2% from a weekly average of US\$9,197.00 per tonne in the preceding week to US\$9,175.60 per tonne, during the week under review. The widespread power crisis in China as well as uncertainty over the credit-crunch surrounding China's Evergrande, continued to weigh down on the demand for industrial metals.

Nickel

Nickel prices were subdued as power outages in China, the top consumer of base metals, continued to dampen demand prospects of the base metal. Accordingly, prices fell by 1.4%, from a weekly average of US\$18,492.00 per tonne to US\$18,229.00 per tonne, during the week under analysis.

Brent Crude Oil

Brent crude oil prices sustained a bullish run after the Organisation of Petroleum Exporting Countries and its allies decided to stick to their output schedule at a time when demand was rapidly growing, as global economic activity increased. Reflecting these developments, weekly average crude oil prices rose by 4.7%, from US\$78.41 per barrel in the previous week to US\$82.09 per barrel, during the week under analysis.

4. EXCHANGE RATE DEVELOPMENTS

On the foreign exchange auction market, the Zimbabwe dollar (ZW\$) weakened against the US dollar, shedding 0.6% from an average of ZW\$86.8912 per US\$1 in the previous week to ZW\$87.4239 per US\$1, during the week under review. 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 (27 Sep - 1 Oct)	86.8912	5.8557	118.5897	7.7739	101.6916
4-Oct	88.5532	5.8599	120.4503	7.8331	102.5537
5-Oct	88.5532	5.9049	120.2466	7.8107	102.3058
6-Oct	88.5532	5.9084	120.4724	7.8286	102.2923
7-Oct	85.7300	5.9648	119.0385	7.8445	101.4470
8-Oct	85.7300	5.9172	119.3299	7.8102	101.3570
Weekly Average (4 - 8 October)	87.4239	5.9111	119.9075	7.8254	101.9912
<i>Appr(-)/Depr(+)</i> (%) <i>of the ZWL</i>	<i>0.6</i>	<i>0.9</i>	<i>1.1</i>	<i>0.7</i>	<i>0.3</i>

Source: Reserve Bank of Zimbabwe, 2021

5. EQUITY MARKETS

During the week ended 8th October 2021, the Zimbabwe Stock Exchange (ZSE) was characterized by positive trading. The bullish trading momentum was evidenced by positive gains recorded during the week under review, with the Top 10, Top 15, and All Share indices increasing by 14.69%, 13.01%, and 9.75% to close at 5 732.26 points, 6 428.89 points, and 9 570.05 points, respectively.

Share price gains were realised for British American Tobacco Limited (53.08%), Mashonaland Holdings Limited (51.44%), Hippo Valley Estates Limited (43.50%), African Sun Limited (35.85%) and Willdale Limited (34.90%). Losses were, however, recorded in share prices for First Mutual Properties Limited (15.08%), Ok Zimbabwe Limited (13.26%), Nmbz Holdings Limited (6.28%), Axia Corporation Limited (5.02%) and Starafrika Corporation Limited (1.41%).

The resources index fell by 2.97% to close the week under analysis at 6 432.53 points. This emanated from a 10.82% decline in the share price for Riozim Limited, partially offset by a 0.77% increase in the share price for Bindura Nickel Corporation Limited.

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

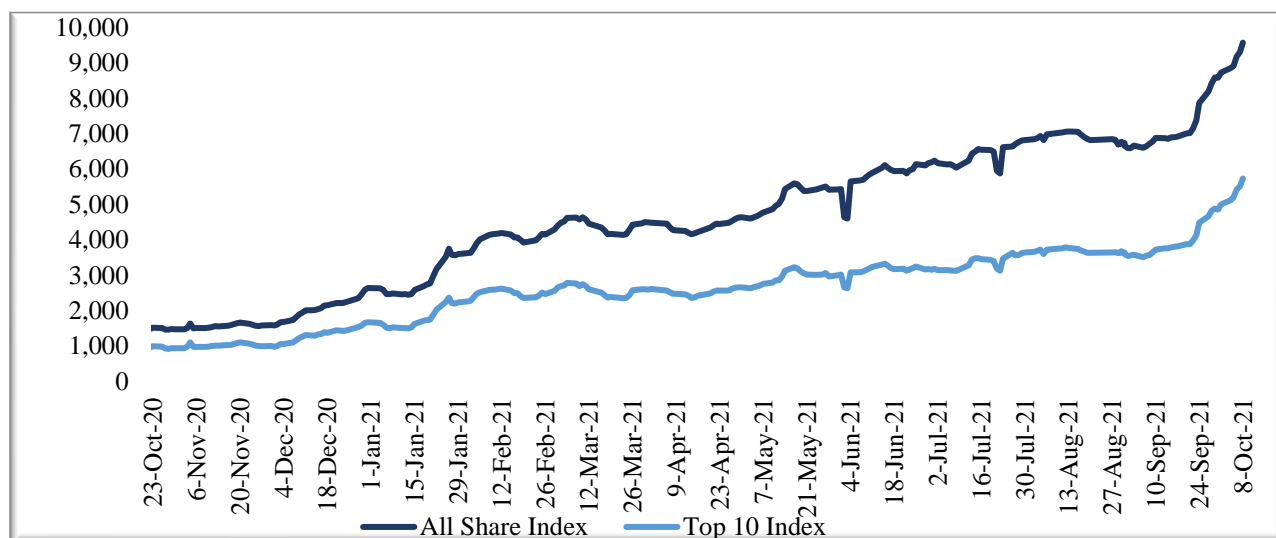
Table 7: Zimbabwe Stock Exchange Statistics²

	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)
3-Sept-21	6,658.25	3,583.93	4,103.15	17,140.96	225,648.37	6,279.88	793.15	440.40	14.56
10-Sept-21	6,878.97	3723.60	4 276.15	17,621.35	220 148.96	6,271.23	819.47	537.22	22.07
17-Sept-21	6,918.42	3,811.50	4,349.82	17,264.15	220,336.87	6,104.31	823.33	1,444.53	2,776.13
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
1-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
% Change	9.75	14.69	13.01	1.07	1.46	1.78	10.37	38.22	-29.02

Source: Zimbabwe Stock Exchange (ZSE), 2021

Figure 3 shows developments on the ZSE’s All Share, Top 10 and mining indices from the 23rd October 2020 to 8th October 2021.

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



Source: Zimbabwe Stock Exchange, 2021

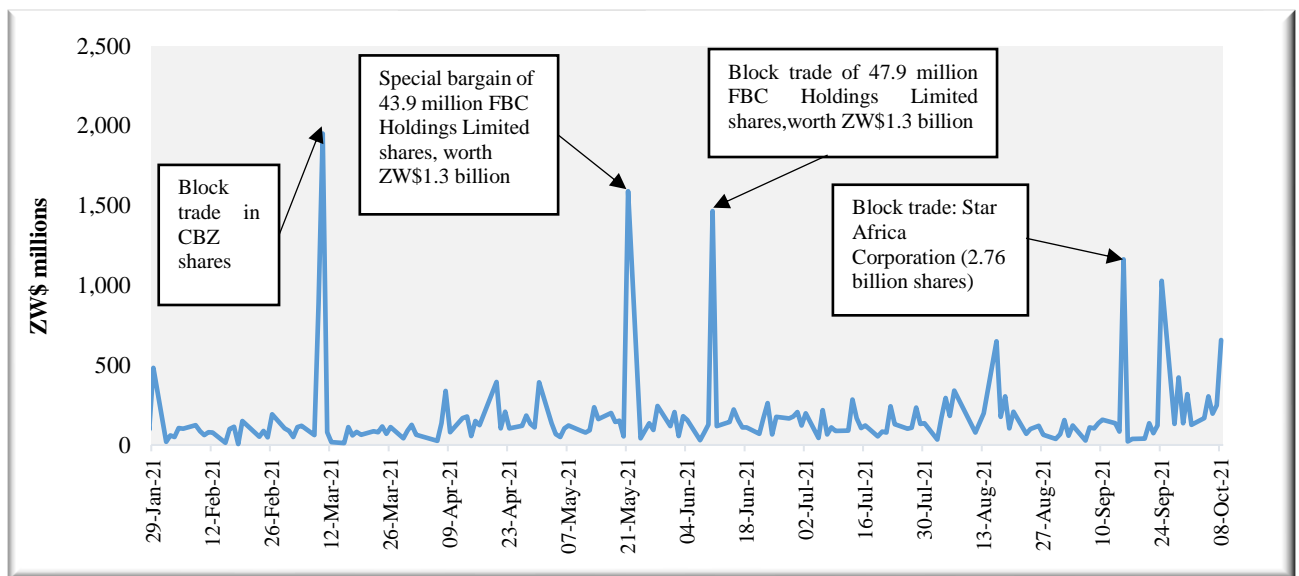
² The Zimbabwe Stock Exchange (ZSE) adopted the Global Industry Classification Standards, effective from 1 January 2020. The ZSE indices constitute the following categories; Top 10 Index; Top 15; Top 25; Medium cap and Small cap Indices.

Market Turnover and Volume

Despite the positive trading on the ZSE during the week under analysis, the cumulative volume and value of shares traded declined by 47.71% and 18.89% to 36.28 million shares and ZW\$1.14 billion, respectively.

The cumulative value of shares traded, however, went up by 38.27% to ZW\$1.57 billion, from ZW\$1.14 billion recorded in the previous week, reflecting trading in high value counters. Figure 2 shows the trend in daily market turnover for the period from 9th October 2020 to 8th October 2021.

Figure 4: Daily Market Turnover

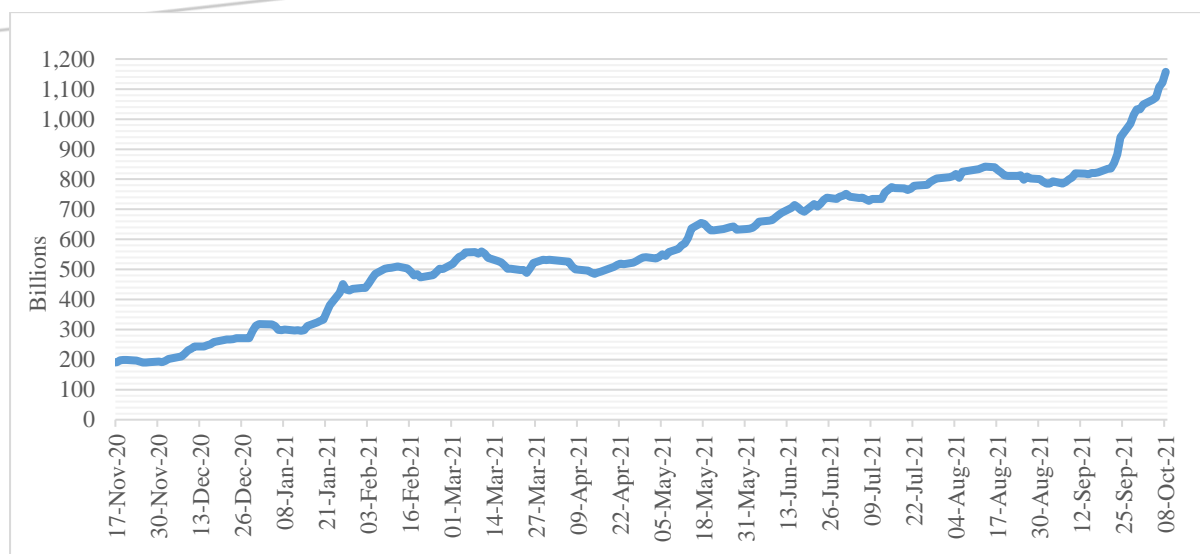


Source: Zimbabwe Stock Exchange, 2021

Market Capitalization

During the week under review, the local bourse gained ZW\$108.78 billion, or 10.37% worth of capitalization to close at ZW\$1,157.42 billion, compared to the previous week's position of ZW\$1,048.64 billion.

Figure 5: Daily Market Capitalization in ZW\$ billions



Source: Zimbabwe Stock Exchange, 2021

Johannesburg Stock Exchange (JSE) Developments

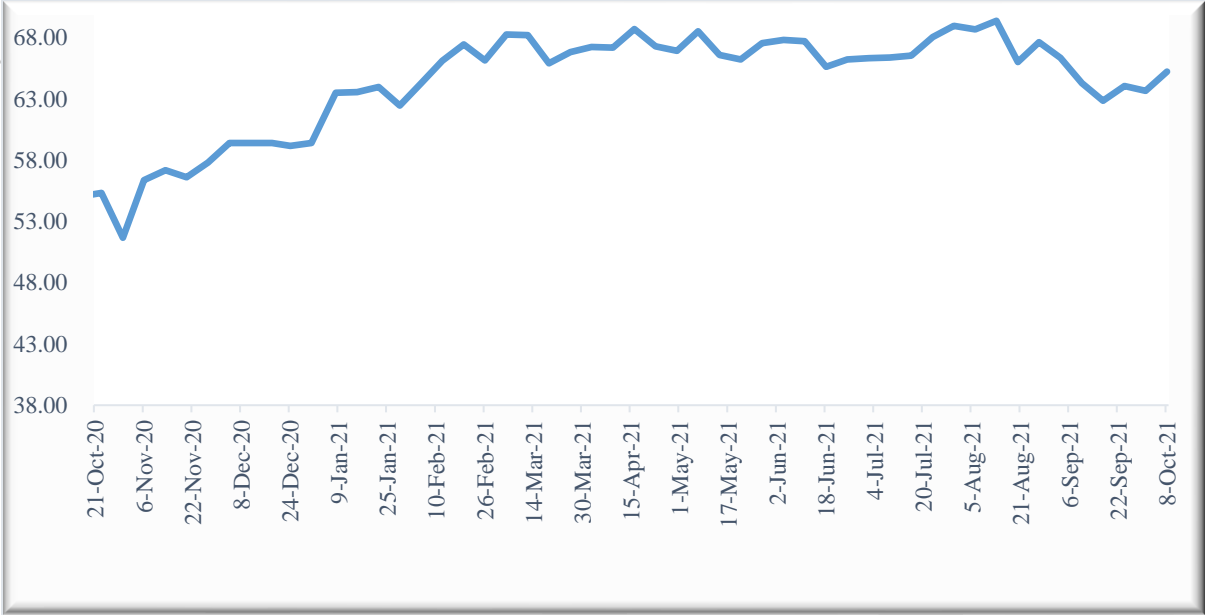
The Johannesburg Stock Exchange (JSE) All Share Index was 2.48% higher to close at 65,242.61 points, during the week under review. JSE market capitalization rose by 2.03% to ZAR18.60 trillion, during the same week.

Table 7: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalization (ZAR trillions)
3-Sept-21	66,371.85	19.06
10-Sept-21	64,296.06	18.41
17-Sept-21	62,863.64	18.22
24-Sept-21	64,049.05	18.45
1-Oct-21	63,661.02	18.23
8-Oct-21	65,242.61	18.60
% Change	2.48	2.03

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			
	17-Sept-21	24-Sept-21	1-Oct-21	8-Oct-21	10-Sept-21	17-Sept-21	1-Oct-21	8-Oct-21
Total Bids (US\$ dollars)	35,791,364.07	34,894,442.49	34,192,013.42	35,798,776.22	8,004,968.66	12,073,518.56	10,582,486.96	10,695,839.38
Amount Allotted (US\$ dollars)	33,522,285.59	29,002,007.15	31,709,267.96	35,798,776.22	8,004,968.66	9,779,692.35	9,377,226.27	10,695,839.38
Highest Rate	90	95	95	96	92	97.2	97.2	98
Lowest Bid Rate	85	85	85	85	85	85	85	85
Lowest Bid Rate Allotted	85	85	85	85	85	85	85	85
Weighted Average Rate	86.3010	86.9267	87.6653	88.5532	86.3010	86.9267	87.6653	88.5532
Number of Bids Received	444	443	450	466	862	1082	1236	1217
Number of Bids Rejected	60	33	22	22	148	59	56	53

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			
	17-Sept-21	24-Sept-21	1-Oct-21	8-Oct-21	17-Sept-21	24-Sept-21	1-Oct-21	8-Oct-21
Raw Materials	13,078,080.28	12,642,805.59	12,919,239.28	15,226,564.09	2,377,278.00	3,004,873.06	2,953,286.28	3,247,758.50
Machinery and Equipment	8,320,526.83	6,594,991.86	7,983,704.69	8,272,309.33	2,479,855.75	3,030,865.81	2,738,627.65	3,595,447.33
Consumables (Incl. Spares, Tyres, Packaging)	2,679,565.53	2,632,044.47	2,648,090.96	3,597,274.31	1,213,396.43	1,492,637.16	1,465,622.73	1,431,730.56
Pharmaceuticals and Chemicals	2,356,203.49	1,942,533.00	1,904,542.68	2,131,929.23	372,145.54	495,895.86	370,929.89	405,158.72
Services (Loans, Dividends and Disinvestments)	1,550,903.97	1,204,631.57	1,471,247.99	1,759,691.19	602,455.25	599,110.94	584,600.46	799,181.28
Retail and Distribution	4,168,993.39	3,262,929.05	3,535,845.96	3,573,549.89	734,088.06	819,992.52	961,374.21	997,704.92
Fuel, Electricity and Gas	2,356,203.49	0.00	0.00	129,343.11	372,145.54	20,482.41	0.00	29,354.10
Paper and Packaging	1,094,208.53	722,071.61	1,246,596.40	1,108,115.07	225,749.63	315,834.59	302,785.05	189,503.97
TOTAL	33,522,285.59	29,002,007.15	31,709,267.96	35,798,776.22	8,004,968.66	9,779,692.35	9,377,226.27	10,695,839.38

Source: Reserve Bank of Zimbabwe, 2021