Vol. 24 No. 28

Weekly Economic Highlights

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Week Ending
15th July 2022

1. INTEREST RATES

Deposit Rates

Average deposit rates quoted by commercial banks for savings deposits, deposits of 1-month and 3-month tenors increased during the week ending 15th July 2022, 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 (%)
17-June-22	4.21	6.35	14.62	17.47	16.61	19.05
24-June-22	4.21	6.35	14.62	17.47	16.61	19.05
1-July-22	6.84	9.15	22.56	23.97	23.83	24.97
8-July-22	6.84	9.15	22.56	23.97	23.83	24.97
15-July-22	16.78	19.21	36.97	45.22	39.83	45.58

Source: Reserve Bank of Zimbabwe, 2022

Lending Rates

The week under review saw a rise in commercial bank minimum and maximum lending rates for both individuals and corporates, as shown in Table 2.

Table 2: Lending Rates (per annum)

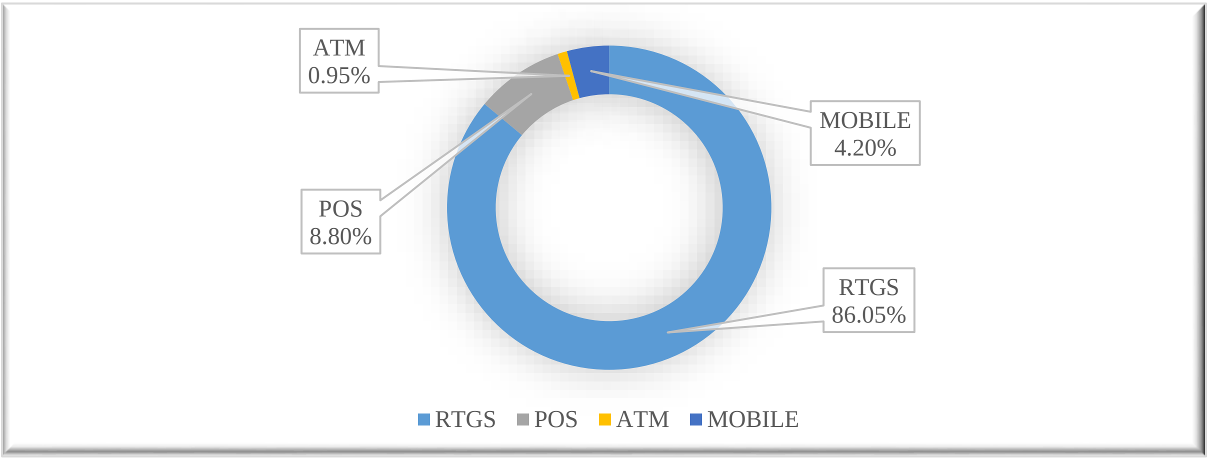
Date	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
	Individual Clients		Corporate Clients	
17-June-22	38.45	60.09	48.25	64.31
24-June-22	38.45	60.09	48.25	64.31
1-July-22	63.53	87.35	72.37	90.68
8-July-22	63.53	87.35	72.37	90.68
15-July-22	80.20	120.84	163.85	216.03

Source: Reserve Bank of Zimbabwe, 2022

2. CLEARING AND SETTLEMENT ACTIVITY

The National Payment Systems (NPS) processed transactions amounting to $486.44 billion, during the week ending 15th July 2022, up from $462.29 billion in the previous week. Real Time Gross Settlement (RTGS) transactions were 6.96% higher at $418.60 billion. The NPS transaction values were distributed as follows: RTGS, 86.05%, POS, 8.80%; Mobile, 4.20%; and ATM, 0.95%.

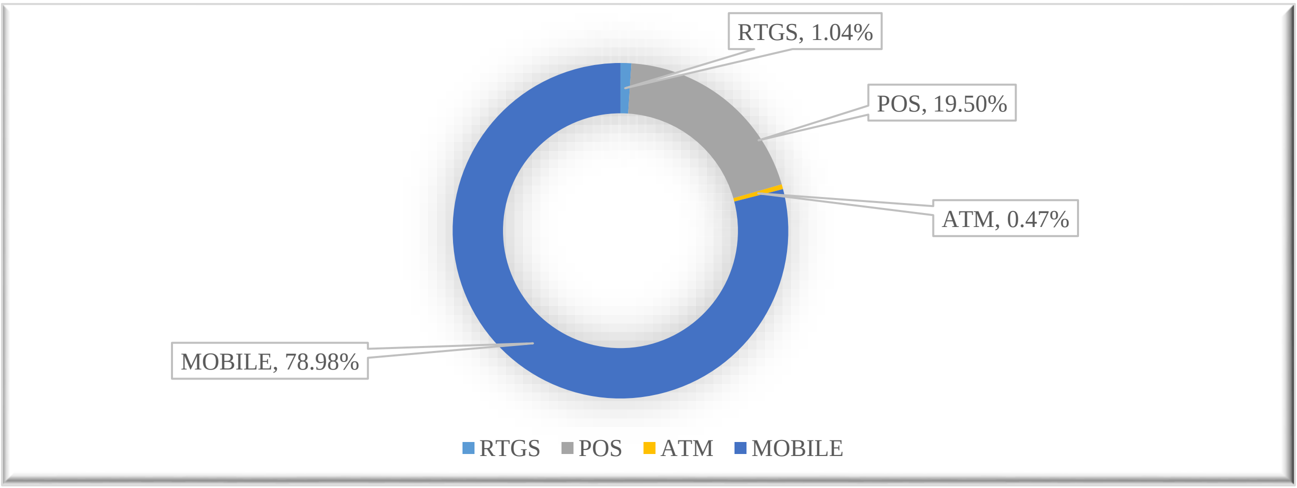
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2022

NPS transaction volumes increased by 1.42% to close at 20.49 million, during the week under review. The transaction volumes were dominated by mobile based transactions at 78.98% of the total, followed by POS, 19.50%; RTGS, 1.04%; and ATM, 0.47%, as shown in Figure 2.

Figure 2: Composition of NPS Transactions in Volume Terms



Source: Reserve Bank of Zimbabwe, 2022

Table 3: National Payment Systems Activity

PAYMENT STREAM	WEEK ENDING 8th July 2022	WEEK ENDING 15th July 2022	% CHANGE FROM LAST WEEK	PROPORTION %
	Values in ZW$ Millions			
RTGS	391,347.82	418,599.23	6.96%	86.05%
POS	42,501.83	42,787.30	0.67%	8.80%
ATM	7,124.96	4,604.64	-35.37%	0.95%
MOBILE	21,319.13	20,450.05	-4.08%	4.20%
TOTAL	**462,293.75**	**486,441.22**	**5.22%**	**100%**
	Volumes			
RTGS	275,031	213,494	-22.37%	1.04%
POS	4,169,650	3,995,123	-4.19%	19.50%
ATM	119,065	97,164	-18.39%	0.47%
MOBILE	15,636,059	16,180,514	3.48%	78.98%
TOTAL	**20,199,805**	**20,486,295**	**1.42%**	**100%**

Source: Reserve Bank of Zimbabwe, 2022

3. TOBACCO SALES

A cumulative total of 183.7 million kilograms of tobacco had been sold as at day 74 of the tobacco selling season. This was a 5.28% decrease from the 193.95 million kilograms sold during the same period in 2021. In value terms, tobacco sales registered a 3.80% increase to US$558.04 million, from US$537.60 million realized during the corresponding period in 2021.

Table 4: Weekly Cumulative Tobacco Sales: Day 74 (15th July 2022)

	2021	2022	Variance (%)
Cumulative Quantity Sold (million kgs)	193,950,251	183,702,481	(5.28)
Average Price(US$/kg)	2.77	3.04	9.59
Cumulative value (US$ million)	537,599,608	558,037,770	3.80

Source: Tobacco Industry and Marketing Board (TIMB), 2022

The golden leaf was sold at a price of US$3.04 dollars per kilogram during the period under review. This reflected a 9.59% increase, compared to US$2.77 dollars per kilogram recorded during the same period in 2021.

4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

International commodity prices for gold, platinum, copper, nickel, and crude oil retreated, during the week ending 15th July 2022. Palladium prices, however, firmed. Table 5 shows developments for commodity prices, during the week under review.

Table 5: Metal and Crude Oil Prices for the week ending 15th July 2022

2022	Gold US$/ounce	Platinum US$/ounce	Palladium US$/ounce	Copper US$/tonne	Nickel US$/tonne	Crude Oil US$/barrel
Weekly Average (04 - 08 July)	**1,767.95**	**872.30**	**1,959.80**	**7,755.22**	**21,956.70**	**106.11**
11-Jul	1,738.70	879.50	2,150.50	7,572.30	21,789.00	105.62
12-Jul	1,732.53	853.50	2,134.00	7,795.00	21,320.00	99.36
13-Jul	1,726.75	844.00	2,009.00	7,310.50	21,094.00	100.26
14-Jul	1,708.43	834.00	1,937.50	7,160.00	19,345.50	101.82
15-Jul	1,704.35	846.50	1,879.50	7,178.00	19,333.00	102.21
Weekly Average (11 - 15 July)	**1,722.15**	**851.50**	**2,022.10**	**7,403.16**	**20,576.30**	**101.85**
Weekly Change (%)	*-2.6*	*-2.4*	*3.2*	*-4.5*	*-6.3*	*-4.0*

Source: BBC, KITCO and Bloomberg, 2022

Gold

The price of gold declined by 2.6%, from US$1,767.95 per ounce recorded in the previous week to an average of US$1,722.15per ounce, during the week under review. Prices retreated on account of a firmer US dollar and looming interest rate hikes, as the U.S Federal Reserve intends to aggressively tame rising inflation.

Platinum

Platinum prices remained in negative territory, easing by 2.4% to close the week under review at an average of US$851.50 per ounce. Demand concerns due to fresh Covid-19-induced restrictions in China, coupled with weak global auto-manufacturing activities in major car producing countries, continued to exert downward pressure on platinum prices.

Palladium

Palladium prices remained buoyant, supported by low inventories, amid weak production in major source markets, during the week ending 15th July 2022. Prices increased by 3.2% to close the week under review at US$2,022.10 per ounce, from US$1,919.90 per ounce in the previous week.

Copper

Copper prices remained subdued, amidst investor fears that efforts by central banks to contain inflation would stifle global economic growth and reduce the demand for metals. Prices fell by 4.5%, from a weekly average of US$7,755.22 per tonne to US$7,403.16 per tonne, during the week under review.

Nickel

Nickel prices retreated by 6.3%, from a weekly average of US$21,956.70 per tonne to US$20,576.30 per tonne, during the week under review. Nickel prices were weighed down by fears that a potential global recession and coronavirus outbreaks in top consumer, China, could further hurt the demand for metals.

Brent Crude Oil

Brent Crude oil prices declined during the week ending 15th July 2022, due to the gloomy global demand outlook, amid investor concerns about a global economic slowdown as well as growing Covid-19 infection cases in China. Prices eased by 4.0%, from an average of US$106.11 per barrel in the previous week to US$101.85 per barrel, during the week under review.

5. EXCHANGE RATE DEVELOPMENTS

Foreign Exchange Auction

The Zimbabwe dollar (ZW$) depreciated by 3.2% against the US dollar, from an average of ZW$374.0442 per US$1 in the previous week to ZW$386.0600 per US$1, during the week under analysis. The developments in selected exchange rates were as shown in Table 6.

Table 6: International Exchange Rates[1]

	USD	ZAR	GBP	BWP	EURO
2022					
Weekly Average (04 - 08 July)	**374.0442**	**22.6205**	**449.5448**	**29.9031**	**385.0165**
11-Jul	379.2280	22.3714	454.3536	29.9782	384.6521
12-Jul	379.2280	22.1239	449.8029	29.9782	379.7221
13-Jul	388.7760	23.0681	466.0440	30.7763	392.9054
14-Jul	391.5339	23.0947	464.0267	30.8342	392.2585
15-Jul	391.5339	22.8311	463.3424	30.4064	392.6314
Weekly Average (11 - 15 July)	**386.0600**	**22.6978**	**459.5139**	**30.3946**	**388.4339**
Appr (-)/Depr (+) (%) of the ZWL	*3.2*	*0.3*	*2.2*	*1.6*	*0.9*

Source: Reserve Bank of Zimbabwe, 2022

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

Interbank Market

On the Willing-Buyer Willing-Seller (WBWS) interbank market, the Zimbabwe dollar (ZW$) depreciated by 2.9%, from an average of ZW$379.0411 per US$1 in the previous week to ZW$390.0184 per US$1, during the week under review, as shown in Table 7.

Table 7: International Exchange Rates[2]

	USD	ZAR	GBP	BWP	EURO
2022					
Weekly Average (04 - 08 July)	**379.0411**	**22.8945**	**455.6979**	**30.2888**	**390.2676**
11-Jul	385.4131	22.7015	461.8053	30.4677	390.90605
12-Jul	385.1511	22.4719	456.9247	30.4470	385.80905
13-Jul	388.7760	22.8571	462.7632	30.5625	390.17865
14-Jul	393.8579	23.1481	466.6634	31.0190	394.4916
15-Jul	396.8940	23.0947	469.7066	30.8292	398.00685
Weekly Average (11 - 15 July)	**390.0184**	**22.8547**	**463.5726**	**30.6650**	**391.8784**
Appr (-)/Depr (+) (%) of the ZWL	*2.9*	*-0.2*	*1.7*	*1.2*	*0.4*

Source: Reserve Bank of Zimbabwe, 2022

6. EQUITY MARKETS

Zimbabwe Stock Exchange

During the week ending 15th July 2022, Zimbabwe Stock Exchange (ZSE) indices registered declines, with the All Share, Top 10, Top 15, Medium Cap and Small Cap indices falling by 3.96%, 3.48%, 4.58%, 7.03% and 4.39% to close at 16 147.48 points, 9 867.48 points, 10 901.05 points, 32 627.10 points and 508 891.78 points, respectively.

Willdale Limited (37.67%), Turnall Holdings Limited (26.06%), SeedCo Limited (25.62%), Proplastics Limited (22.93%) and Tanganda Tea Company Limited (16.82%) were amongst the major losers. However, share prices for Zimbabwe Newspapers (15.17%), Mashonaland Holdings Limited (14.74%), Amalgamated Regional Trading (ART) (13.77%), General Beltings Holdings Limited (13.62%) and Zimplow Holdings Limited (12.56%) registered increases, during the week under review. The resources index remained unchanged at 20,021.24 points, during the same week.

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

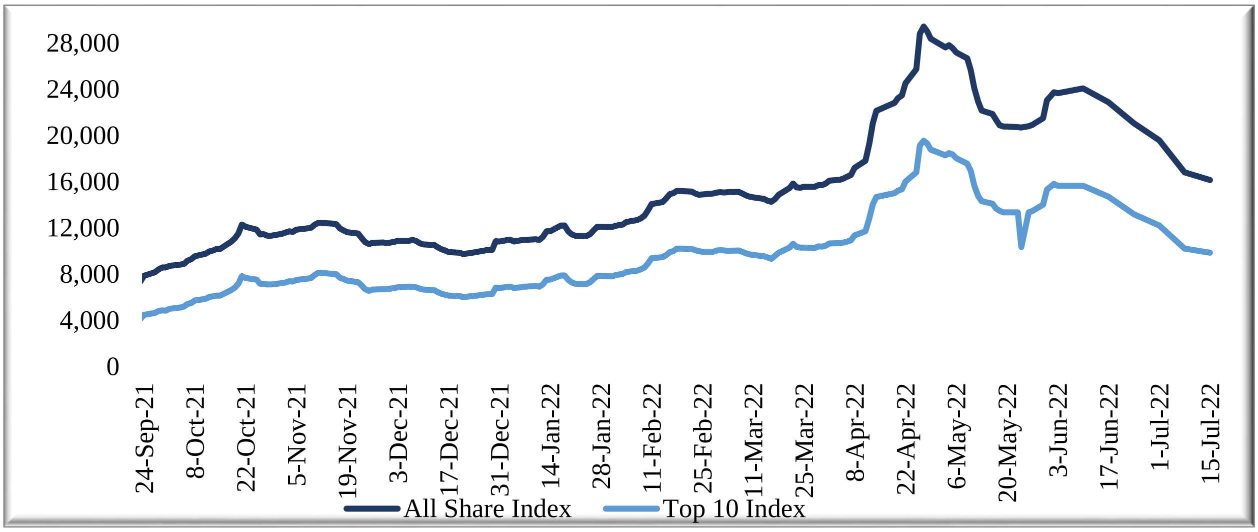
Table 8: Zimbabwe Stock Exchange Statistics[3]

	All Share Index Points	Top 10 index[3] (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)
10-June-22	24,091.20	15,668.66	17,261.01	41,975.92	485,318.69	20,021.24	3,004.56	3,152.39	17.84
17-June-22	22,900.71	14,704.54	16,207.96	41,330.07	478,450.40	20,627.62	2,835.47	2,846.74	32.85
24-June-22	21,073.30	13,178.29	14,684.86	40,627.22	499,070.29	20,021.24	2,606.07	4,135.23	26.83
1-July-22	19,590.05	12,209.39	13,559.50	38,151.54	507,512.80	20,021.24	2,420.73	3,329.30	185.87
8-July-22	16,813.22	10,223.45	11,424.34	35,094.68	532,250.86	20,021.24	2,066.44	1,470.45	16.15
15-July-22	16,147.48	9,867.48	10,901.05	32,627.10	508,891.78	20,021.24	1,981.75	3,360.73	56.26
% Change	**-3.96**	**-3.48**	**-4.58**	**-7.03**	**-4.39**	**0.00**	**-4.10**	**128.55**	**248.27**

Source: Zimbabwe Stock Exchange (ZSE), 2022

Figure 3 shows the trend in daily market turnover for the period from 24th September 2021 to 15th July 2022.

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



Source: Zimbabwe Stock Exchange, 2022

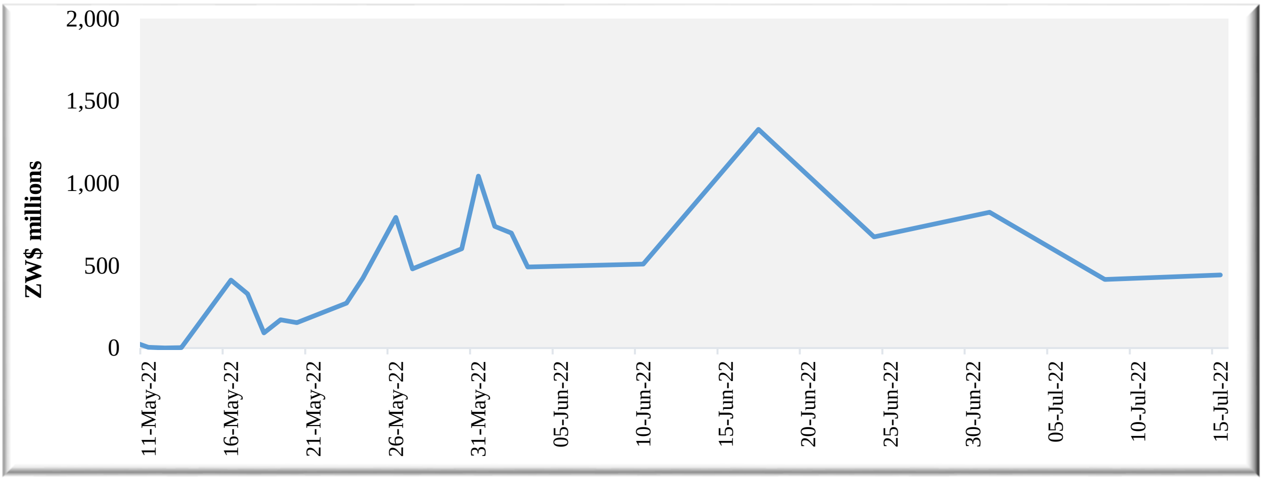
Market Turnover and Volume

The cumulative volume and value of shares traded on the ZSE increased by 248.27% and 128.55% to 56.26 million shares and ZW$3.36 billion, compared to 16.15 million shares and

3 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.

ZW$1.47 billion recorded in the prior week, respectively. Figure 4 shows the trend in daily market turnover for the period from 11th May 2022 to 15th July 2022.

Figure 4: Daily Market Turnover

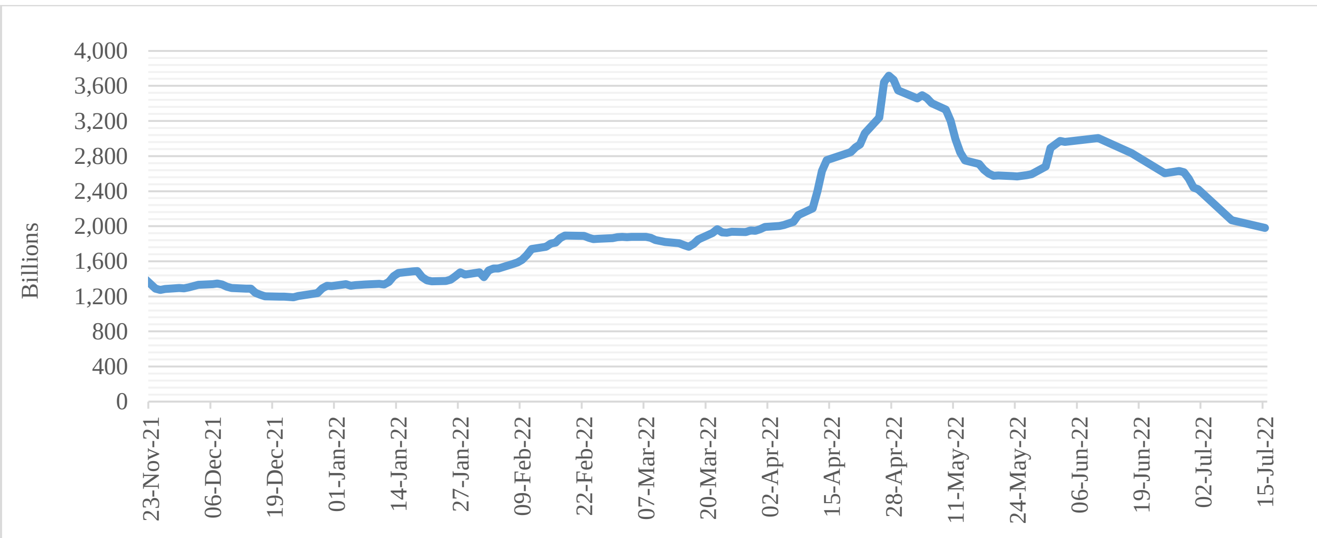


Source: Zimbabwe Stock Exchange, 2022

Market Capitalization

During the week under analysis, the local bourse lost ZW$84.69 billion, or 4.10% worth of capitalization to ZW$1 981.75 billion, compared to ZW$2 066.44 billion recorded in the previous week. Figure 5 shows market capitalization developments for the period from 23rd November 2021 to 15th July 2022.

Figure 5: Daily Market Capitalization in ZW$ billions

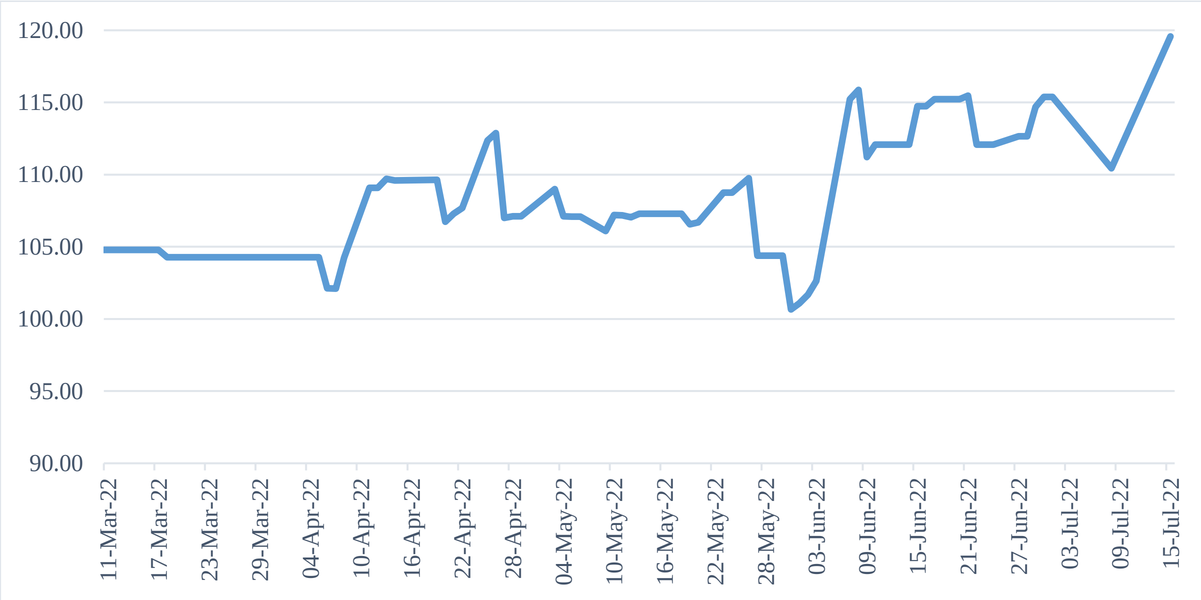


Source: Zimbabwe Stock Exchange, 2022

Victoria Falls Stock Exchange

The cumulative volume and value of shares traded on the Victoria Falls Stock Exchange (VFEX) declined by 68.59% and 82.61% to 0.25 million shares and US$0.08 million, respectively. Figure 6 shows the trend in the Victoria Falls Stock Exchange (VFEX) All Share Index for the period from 11th March 2021 to 15th July 2022.

Figure 6: Victoria Falls Stock Exchange All Share Index



Source: Victoria Falls Stock Exchange, 2022

Johannesburg Stock Exchange (JSE) Developments

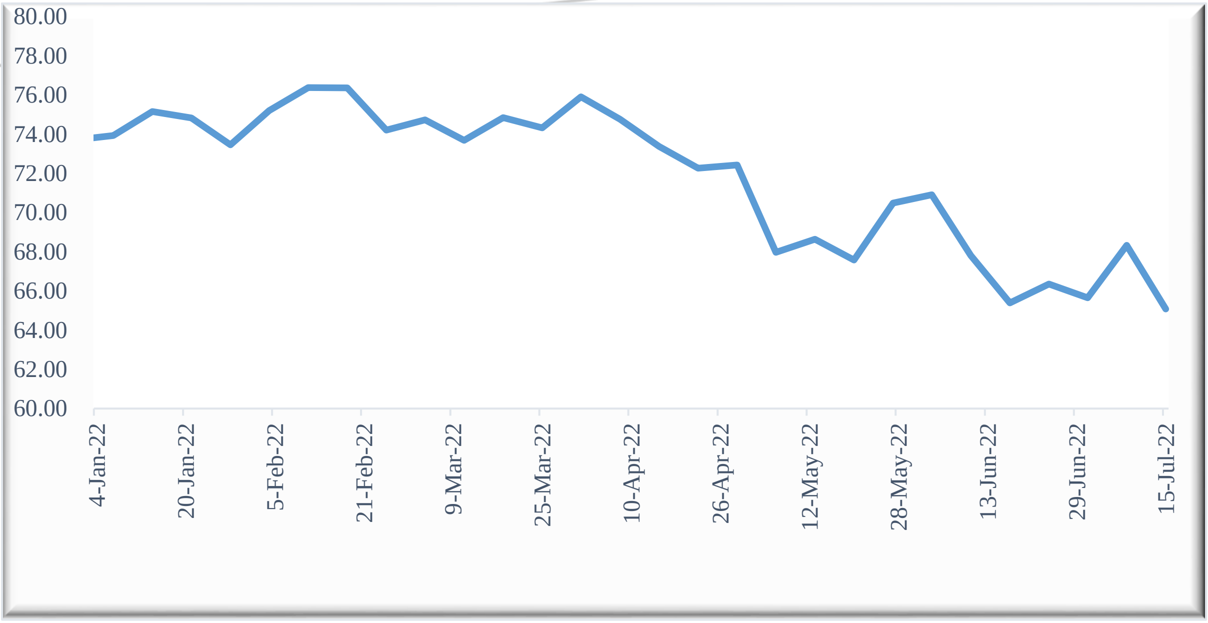
The Johannesburg Stock Exchange (JSE) All Share Index fell by 4.74% to 65,088.90 points, during the week under analysis. Similarly, JSE market capitalization declined by 4.44% to ZAR19.35 trillion, from ZAR20.25 trillion recorded in the previous week.

Table 9: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalization (ZAR trillions)
10-Jun-22	67,803.51	20.08
17-Jun-22	65,390.88	19.35
24-Jun-22	66,348.75	19.48
1-Jul-22	65,661.73	19.92
8-Jul-22	68,327.40	20.25
15-Jul-22	65,088.90	19.35
% Change	**-4.74**	**-4.44**

Source:https://www.jse.co.za/services/market-data/market-statistics, 2022

Figure 7: Johannesburg Stock Exchange (JSE) All Share Index



Source:https://www.jse.co.za/services/market-data/market-statistics,2022

RESERVE BANK OF ZIMBABWE

APPENDIX 1: FOREIGN EXCHANGE AUCTION RESULTS FOR MAINFX[4] AND SMEFX[5]

	MAINFX				SMEFX			
	24-June-22	1-July-22	8-July-22	15-July-22	24-June-22	1-July-22	8-July-22	15-July-22
Total Bids (US$ dollars)	21,534,506.41	21,448,724.90	19,749,893.72	19,506,514.99	3,532,866.47	4,395,910.22	3,747,679.66	4,109,266.59
Amount Allotted (US$ dollars)	21,408,737.57	20,849,394.61	19,678,200.34	19,506,514.99	3,489,505.04	4,390,229.79	3,714,582.77	4,053,982.01
Highest Rate	375	395	405	424	375	395	405	420
Lowest Bid Rate	330	345	358	368.64	330	345	357	366
Lowest Bid Rate Allotted	330	345	358	368.64	330	345	357	366
Weighted Average Rate	352.0626	366.2687	379.2280	391.5339	352.0626	366.2687	379.2280	391.5339
Number of Bids Received	279	261	232	212	770	748	661	643
Number of Bids Rejected	22	14	7	6	72	52	30	33

Source: Reserve Bank of Zimbabwe, 2022

4 Main Foreign Currency Auction

5 Small and Medium Enterprises Foreign Currency Auction

APPENDIX 2: SUMMARY OF FOREIGN CURRENCY AUCTION ALLOTMNTS BY PURPOSE

Purpose	MAINFX				SMEFX			
	24-June-22	1-July-22	8-July-22	15-July-22	24-June-22	1-July-22	8-July-22	15-July-22
Raw Materials	10,702,657.11	10,310,884.58	10,392,012.65	9,854,894.09	957,593.45	1,422,968.58	1,053,813.06	1,311,715.92
Machinery and Equipment	5,147,821.43	4,942,519.66	3,713,592.90	4,331,443.64	1,232,585.88	1,482,605.26	1,325,359.34	1,311,033.71
Consumables (Incl. Spares, Tyres, Packaging)	1,119,943.76	1,374,386.40	1,126,749.29	1,259,342.76	374,354.35	492,563.41	465,415.84	473,074.74
Pharmaceuticals and Chemicals	1,088,300.65	1,044,449.46	753,905.51	701,125.19	176,963.70	131,488.80	167,888.76	175,165.41
Services (Loans, Dividends and Disinvestments)	1,306,746.74	1,548,564.02	1,939,083.34	1,211,749.42	309,683.41	364,347.78	346,621.19	429,228.96
Retail and Distribution	1,575,999.13	1,146,502.41	1,324,487.84	1,302,076.56	267,646.08	308,158.82	228,776.94	291,251.46
Fuel, Electricity and Gas	59,485.00	29,657.74	49,429.56	-	-	-	7,106.76	4,737.84
Paper and Packaging	407,783.75	452,430.34	378,939.25	845,883.33	170,678.17	188,097.14	119,600.88	57,773.97
TOTAL	**21,408,737.57**	**20,849,394.61**	**19,678,200.34**	**19,506,514.99**	**3,489,505.04**	**4,390,229.79**	**3,714,582.77**	**4,053,982.01**

Source: Reserve Bank of Zimbabwe, 2022