



Weekly Economic Highlights

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Week Ending
20th May 2022

1. INTEREST RATES

Deposit Rates

During the week ending 20th May 2022, minimum deposit rates for savings deposits and deposits of 3-month tenor increased, while those for deposits of 1-month tenor declined marginally. Maximum deposits rates for deposits of 1-month and 3-month tenors declined, during the same week. The week under review also maximum savings deposit rates increase, 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 (%)
22-Apr-22	4.22	6.35	14.32	15.56	16.78	18.53
29-April-22	4.22	6.35	14.32	15.56	16.78	18.53
6-May-22	3.62	5.71	15.32	17.00	16.39	18.53
13-May-22	3.62	5.71	15.32	17.00	16.39	18.53
20-May-22	4.21	6.35	15.29	16.69	16.44	18.42

Source: Reserve Bank of Zimbabwe, 2022

Lending Rates

Commercial bank minimum lending rates for individual clients registered a marginal decrease, while those for corporate clients increased, during the week under analysis. As is shown in Table 2, maximum lending rates for individual clients increased, while those for corporate clients softened, as shown in Table 2.

Table 2: Lending Rates (per annum)

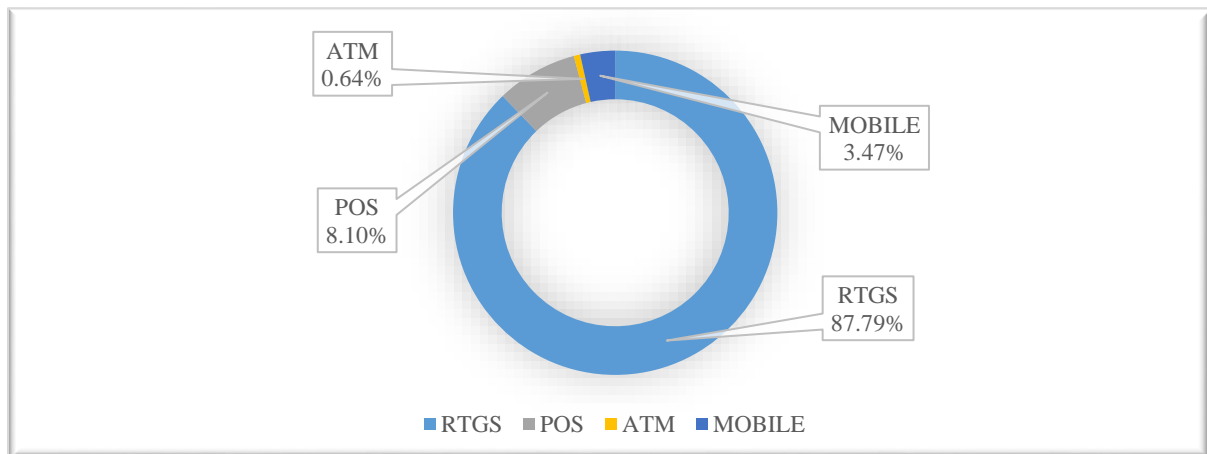
Date	Individual Clients		Corporate Clients	
	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
22-Apr-22	38.15	59.59	46.56	63.89
29-April-22	38.15	59.59	46.56	63.89
6-May-22	38.09	59.62	46.50	63.86
13-May-22	38.09	59.62	46.50	63.86
20-May-22	38.01	59.70	47.25	63.82

Source: Reserve Bank of Zimbabwe, 2022

2. CLEARING AND SETTLEMENT ACTIVITY

Transactions processed through the National Payment System (NPS) amounted to ZW\$358.23 billion, during the week ending 20th May 2022. This reflected a 5.17% increase from ZW\$340.60 billion recorded in the previous week. Real Time Gross Settlement (RTGS) transactions increased by 6.98% to ZW\$314.49 billion. The distribution of NPS transaction values was as follows: RTGS, 87.79%; POS, 8.10%; Mobile, 3.47% and ATM, 0.64%.

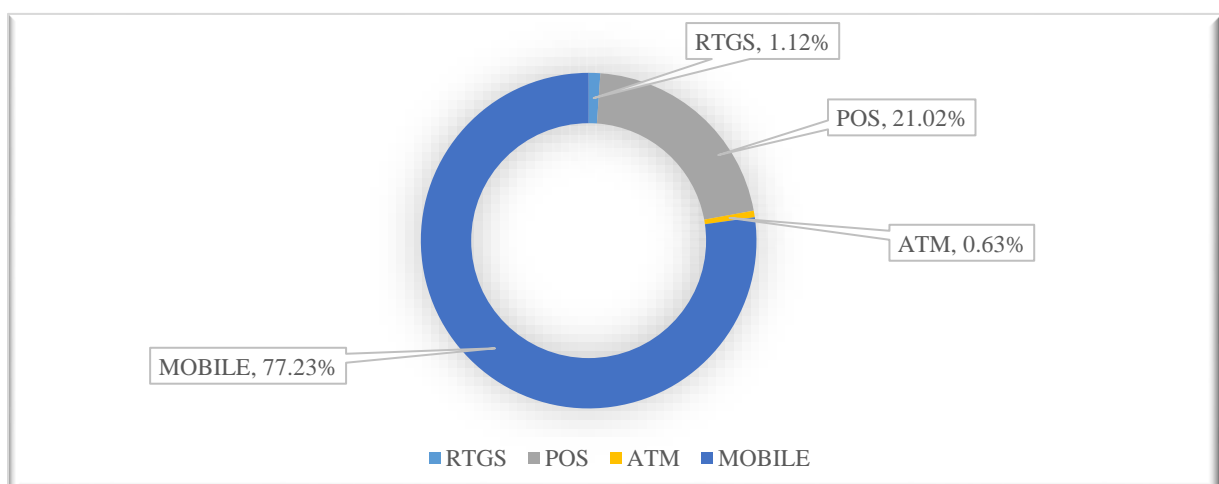
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2022

The NPS registered a 5.20% decline in the volume of transactions to 19.66 million, during the week under review. In volume terms, the NPS transactions were distributed as follows: Mobile, 77.23%; POS, 21.02%; ATM, 0.63% and RTGS, 1.12%.

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 13 th May 2022	WEEK ENDING 20 th May 2022	% CHANGE FROM LAST WEEK	PROPORTION %
Values in ZW\$ Millions				
RTGS	293,967.89	314,493.48	6.98%	87.79%
POS	30,587.00	29,012.06	-5.15%	8.10%
ATM	2,101.17	2,294.32	9.19%	0.64%
MOBILE	13,941.84	12,423.87	-10.89%	3.47%
TOTAL	340,597.89	358,223.73	5.17%	100%
Volumes				
RTGS	276,166	220,475	-20.17%	1.12%
POS	4,271,188	4,131,260	-3.28%	21.02%
ATM	99,173	123,813	24.85%	0.63%
MOBILE	16,088,807	15,182,545	-5.63%	77.23%
TOTAL	20,735,334	19,658,093	-5.20%	100%

Source: Reserve Bank of Zimbabwe, 2022

3. TOBACCO SALES

As at 20th May or day 35 of the 2022 tobacco selling season, a cumulative total of 99.37 million kilograms of tobacco had been sold. This reflected a 17.62% decrease, compared to the 120.63 million kilograms sold during the same period in 2021. Cumulative tobacco sales amounted to US\$295.99 million, down from US\$325.02 million realized during the corresponding period in 2021.

Table 4: Weekly Cumulative Tobacco Sales: Day 35 (20th May 2022)

	2021	2022	Variance (%)
Cumulative Quantity Sold (million kgs)	120,627,088	99,367,505	(17.62)
Average Price(US\$/kg)	2.69	2.98	10.55
Cumulative value (US\$ million)	325,018,073	295,992,868	(8.93)

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

The golden leaf was sold at an average price of US\$2.98/kg, up from US\$2.69/kg realized during the same period in 2021.

4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

During the week ending 20th May 2022, international commodity prices for gold, platinum and nickel retreated, while those for palladium, copper and crude oil firmed. The price developments of selected commodities, during the week under analysis, are as shown in Table 4.

Table 4: Metal and Crude Oil Prices for the week ending 20th May 2022

	Gold	Platinum	Palladium	Copper	Nickel	Crude Oil
2022	US\$/ounce	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
Weekly Average (9 - 13 May)	1,847.27	965.90	2,012.70	9,209.10	27,910.40	107.10
16-May	1,807.65	941.50	1,952.00	9,255.50	26,450.00	113.87
17-May	1,826.53	952.50	2,047.50	9,386.30	26,328.00	112.58
18-May	1,814.58	954.00	2,088.00	9,250.10	24,910.00	106.71
19-May	1,834.78	939.50	1,985.00	9,460.50	28,203.00	111.50
20-May	1,840.25	960.50	2,011.00	9,501.00	28,245.00	113.27
Weekly Average (16 - 20 May)	1,824.76	949.60	2,016.70	9,370.68	26,827.20	111.59
Weekly Change (%)	-1.2	-1.7	0.2	1.8	-3.9	4.2

Source: BBC, KITCO and Bloomberg, 2022

Gold

The price of gold declined by 1.2%, from US\$1,847.27 per ounce recorded in the week ending 20th May 2022 to an average of US\$1,824.76 per ounce, during the week under review. Prices retreated on account of a relatively firmer US dollar and looming interest rate hikes, as the U.S Federal Reserve moves to tame high inflation.

Platinum

Platinum prices remained bearish, shedding 1.7%, to close the week under review at an average of US\$949.60 per ounce. The price of the industrial metal continued to be weighed down by the impact of a stronger US dollar and subdued demand, amid weak global auto-manufacturing data.

Palladium

Palladium prices posted a marginal increase of 0.2%, from US\$2,012.70 per ounce in the preceding week to US\$2,016.70 per ounce, in the week under analysis. Prices were supported by supply concerns, following the imposition of a 35% tariff on Russian palladium exports. The increase was, however, moderated by weak global demand.

Copper

The price of copper averaged US\$9,370.68 per tonne during the week under review, representing a 1.8% increase over US\$9,209.10 per tonne recorded in the previous week. Prices were boosted by prospects of demand recovery in China, as the the People's Bank of China

reduced interest rates, to support economic activity, and the government began to relax Covid-19 related lockdowns.

Nickel

The weekly average prices of nickel softened by 3.9%, from US\$27,910.40 per tonne in the previous week to US\$26,827.20 per tonne, during the week under review. Prices were weighed down by weak demand for stainless steel. It is worth noting that more than two-thirds of nickel produced globally, is used as a raw material in stainless steel production.

Brent Crude Oil

During the week under review, crude oil prices surged by 4.2% to US\$111.59 per barrel, from US\$107.10 per barrel recorded in the previous week. Prices increased as the global oil market continued to tighten and many buyers shunned importing goods from Russia, in response to the country's invasion of Ukraine.

5. EXCHANGE RATE DEVELOPMENTS

The Zimbabwe dollar (ZW\$) depreciated against the US dollar to close the week under review at an average of ZW\$224.3916 per US\$1, from ZW\$170.3588 per US\$1 in the previous week. The developments in selected exchange rates are as depicted in Table 5.

Table 5: International Exchange Rates¹

	USD	ZAR	GBP	BWP	EURO
2022					
Weekly Average (9 - 13 May)	170.3588	10.5796	209.2609	13.4179	172.0282
16-May	173.2685	10.6724	212.0465	14.0702	180.1997
17-May	173.2685	17.7620	352.2834	23.2828	297.6768
18-May	258.4404	16.2206	322.7626	21.2791	272.3472
19-May	258.4404	16.1421	319.6788	21.0910	271.0789
20-May	258.4404	16.2999	321.9658	21.3090	273.379
Weekly Average (16 - 20 May)	224.3916	15.4194	305.7474	20.2064	258.9363
<i>Appr(-)/Depr(+) (%) of the ZWL</i>	<i>31.7</i>	<i>45.7</i>	<i>46.1</i>	<i>50.6</i>	<i>50.5</i>

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 3.0%, from an average of ZW\$278.6129 per US\$1 in the previous week to ZW\$287.0223 per US\$1, during the week under review. Similarly, the ZW\$ depreciated against other major trading partner currencies as shown in Table 6.

Table 6: International Exchange Rates²

	USD	ZAR	GBP	BWP	EURO
2022					
Weekly Average (9 - 13 May)	278.6129	17.28193	342.2418	22.7174	292.762
16-May	283.6546	17.52848	347.5199	23.0495	295.2014
17-May	284.9378	17.7305	351.815	23.14035	297.7338
18-May	286.7634	17.96945	358.0676	23.6039	302.1648
19-May	288.6439	18.0018	357.1993	23.56075	302.761
20-May	291.1117	18.33181	362.6403	24.004	307.924
Weekly Average (16 - 20 May)	287.0223	17.91241	355.4484	23.4717	301.157
<i>Appr(-)/Depr(+)</i> (%) <i>of the ZWL</i>	3.0	3.6	3.9	3.3	2.9

Source: Reserve Bank of Zimbabwe, 2022

6. EQUITY MARKETS

Zimbabwe Stock Exchange

During the week ended 20th May 2022, trading on the Zimbabwe Stock Exchange (ZSE) was characterized by bearish sentiments. All the major indices registered losses, with the Small Cap, Top 15, Top 10 and Medium Cap indices losing 11.15%, 6.80%, 6.77% and 4.62% to close at 498 491.72 points, 14 813.63 points, 13 359.56 points and 37 357.60 points, respectively. The decrease in the mainstream index was a result of share price losses for Turnall Holdings Limited (28.33%), Hippo Valley Estates Limited (17.50%), Nampack Zimbabwe Limited (17.30%), Willdale Limited (16.99%) and First Mutual Holdings Limited (15.75%).

Gains in share prices were, however, recorded for Ariston Holdings Limited (22.41%), Mashonaland Holdings Limited (17.13%), CFI Holdings Limited (14.78%), Zimre Holdings

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

Limited (5.94%) and ZB Financial Holdings Limited (4.47%). The resources index shed 13.72% to close at 21 021.24 points, during the same week.

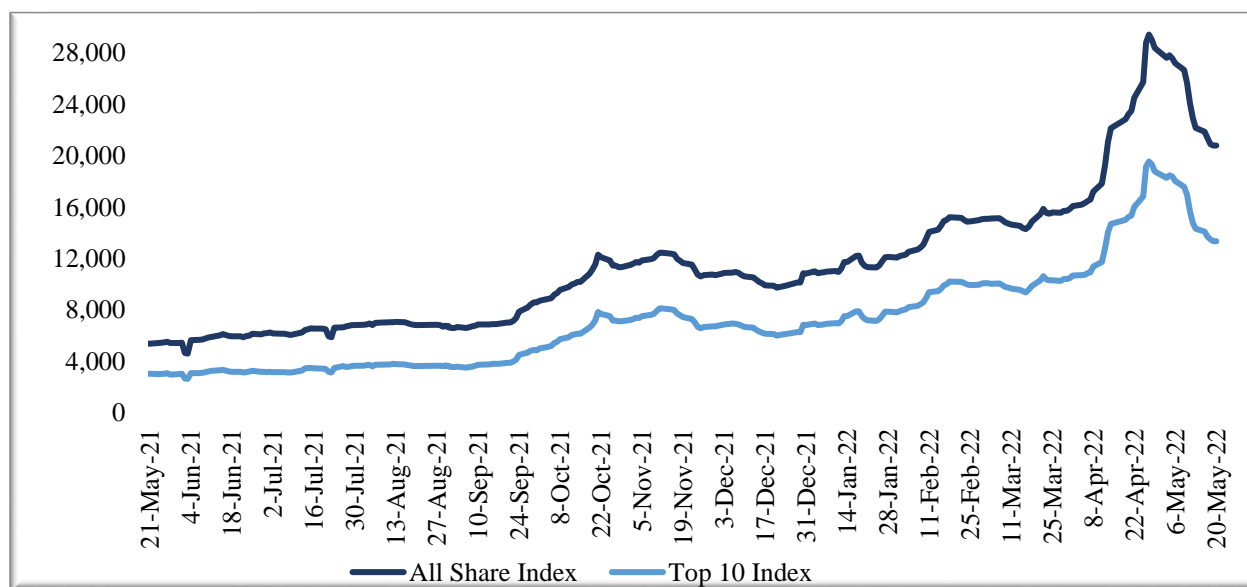
Table 6: Zimbabwe Stock Exchange Statistics³

	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)
14-Apr-22	22,149.04	14,697.52	16,274.2	36,270.86	481,979.94	13,820.22	2,757.76	1,533.18	14.48
22-Apr-22	24,527.07	16,007.07	17,959.60	42,248.87	503,410.25	19,884.80	3,059.61	2,391.90	12.26
29-Apr-22	28,391.75	18,786.03	20,926.14	46,972.25	587,219.17	30,527.28	3,547.35	5,465.63	127.00
06-May-22	27,196.87	18,044.54	19,887.26	44,544.97	597,946.28	27,297.82	3,404.14	1,614.68	16.59
13-May-22	22,183.37	14,330.29	15,893.63	39,167.07	561,075.93	23,204.74	2,751.64	1,814.20	48.84
20-May-22	20,797.23	13,359.56	14,813.61	37,357.60	498,491.72	20,021.24	2,577.52	1,161.18	10.96
% Change	-6.25	-6.77	-6.80	-4.62	-11.15	-13.72	-6.33	-36.00	-77.56

Source: Zimbabwe Stock Exchange (ZSE), 2022

Figure 3 shows the trend in daily market turnover for the period from 21st May 2021 to 20th May 2022.

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



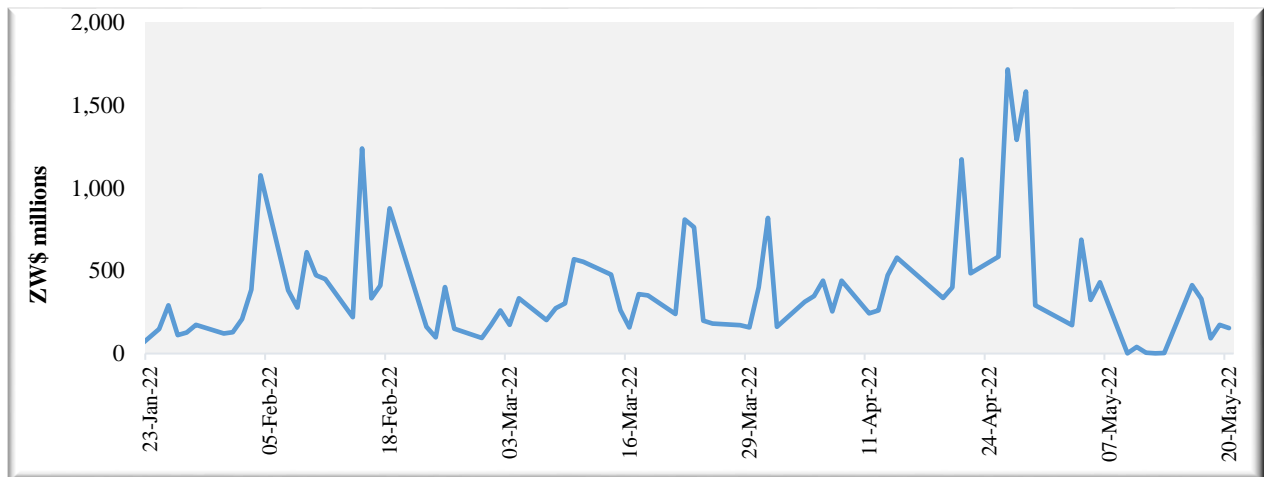
Source: Zimbabwe Stock Exchange, 2022

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.

Market Turnover and Volume

During the week under analysis, the cumulative volume and value of shares traded on the ZSE declined by 77.56% and 36.00% to close at 10.96 million shares and ZW\$1.16 billion, respectively. Figure 4 shows the trend in daily market turnover for the period from 23th January 2022 to 20th May 2022.

Figure 4: Daily Market Turnover

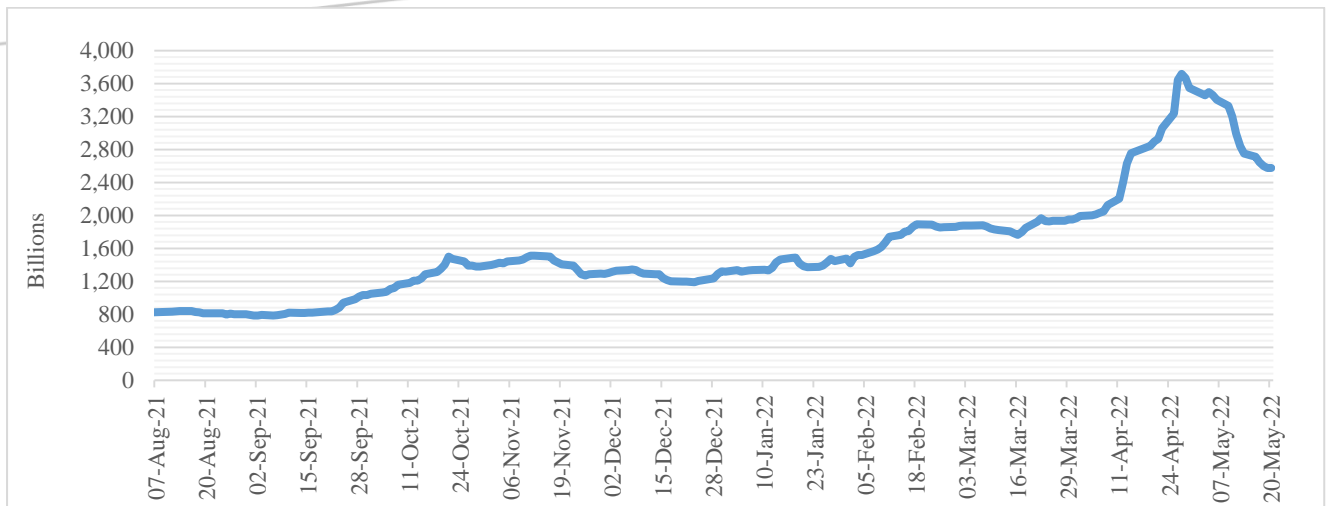


Source: Zimbabwe Stock Exchange, 2022

Market Capitalization

The local bourse lost ZW\$174.12 billion, or 6.33% worth of capitalization to close at ZW\$2 577.52 billion, during the week ending 20th May 2022, compared to ZW\$2 751.64 billion recorded in the previous week. Figure 5 shows market capitalization developments for the period from 7th August 2021 to 20th May 2022.

Figure 5: Daily Market Capitalization in ZW\$ billions

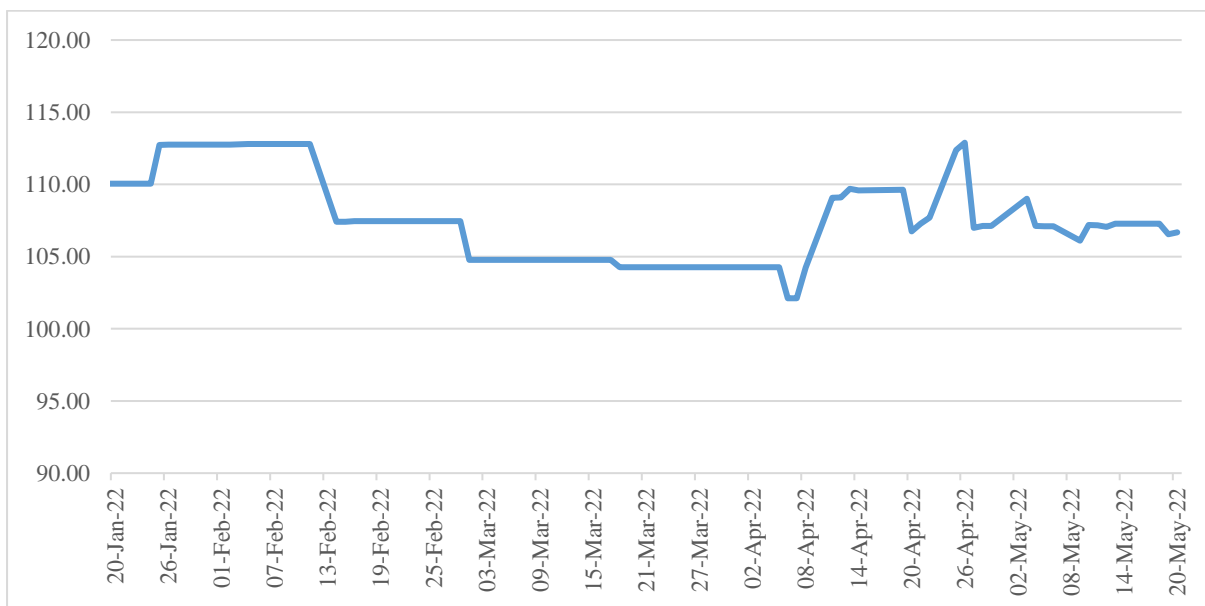


Source: Zimbabwe Stock Exchange, 2022

Victoria Falls Stock Exchange

The cumulative volume and value of shares traded on the Victoria Falls Stock Exchange (VFEX) increased by 1075.40% and 747.01% to 0.79 million shares and US\$0.03 million, respectively, during the week under analysis. Figure 6 shows the trend in the Victoria Falls Stock Exchange (VFEX) All Share Index for the period from 20th January 2021 to 20th May 2022.

Figure 6: Victoria Falls Stock Exchange All Share Index



Source: Victoria Falls Stock Exchange, 2022

Johannesburg Stock Exchange (JSE) Developments

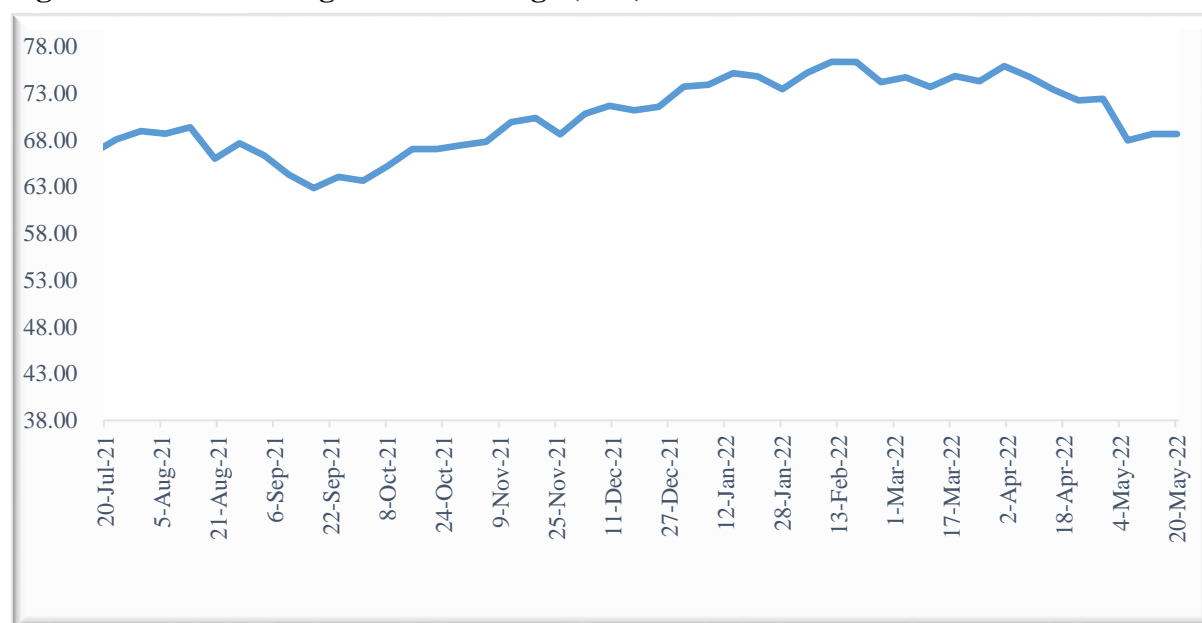
During the week ending 20th May 2022, the Johannesburg Stock Exchange (JSE) All share index declined by 1.57% to close at 67,575.28 points, from 68,650.66 points recorded in the previous week. JSE market capitalization, however, increased by 0.25% to ZAR20.16 trillion.

Table 7: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalization (ZAR trillions)
15-Apr-22	73,382.83	21.22
22-Apr-22	72,264.90	20.96
29-Apr-22	72,438.25	21.01
6-May-22	67,978.14	19.98
13-May-22	68,650.66	20.11
20-May-22	67,575.28	20.16
% Change	-1.57	0.25

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 MAINFX⁴ AND SMEFX⁵

	MAINFX				SMEFX			
	29-Apr-22	6-May-22	13-May-22	20-May-22	29-Apr-22	6-May-22	13-May-22	20-May-22
Total Bids (US\$ dollars)	25,936,487.43	24,070,457.63	23,020,941.86	42,053,973.50	4,522,761.60	4,579,271.64	4,132,275.84	8,998,155.54
Amount Allotted (US\$ dollars)	25,936,487.43	24,070,457.63	23,020,941.86	5,604,709.04	4,522,761.60	4,579,271.64	3,823,470.35	1,240,118.58
Highest Rate	180	200	205.50	299	180	240	240	300
Lowest Bid Rate	148	155	166	220	145	155	165	220
Lowest Bid Rate Allotted	148	155	166	220	145	155	165	220
Weighted Average Rate	159.3482	165.9942	173.2685	258.5404	159.3482	165.9942	173.2685	258.5404
Number of Bids Received	428	474	434	433	920	1151	918	1068
Number of Bids Rejected	36	45	78	26	51	69	45	53

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 ALLOTMENTS BY PURPOSE

Purpose	MAINFX				SMEFX			
	29-Apr-22	6-May-22	13-May-22	20-May-22	29-Apr-22	6-May-22	13-May-22	20-May-22
Raw Materials	12,957,459.57	11,325,102.37	943,388.28	3,162,049.14	1,219,251.74	1,206,244.02	10,669,395.02	399,298.05
Machinery and Equipment	5,419,206.84	6,120,869.88	1,339,884.35	1,022,000.57	1,527,835.83	1,598,573.38	6,438,722.90	421,176.31
Consumables (Incl. Spares, Tyres, Packaging)	1,867,234.18	1,532,512.07	484,561.52	199,557.09	534,565.97	581,984.96	1,664,849.84	152,356.57
Pharmaceuticals and Chemicals	1,262,149.08	1,265,094.94	206,892.74	50,000.00	193,164.92	162,982.00	663,221.81	66,866.96
Services (Loans, Dividends and Disinvestments)	1,322,872.33	1,686,903.52	405,151.21	303,837.41	478,934.09	541,832.93	1,516,399.85	118,337.19
Retail and Distribution	2,151,740.28	1,495,432.16	331,397.71	335,266.58	416,713.86	340,436.92	1,537,387.23	82,083.50
Fuel, Electricity and Gas	100,000.00	21,973.60	2,500.00	-	9,847.44	17,617.97	33,517.00	-
Paper and Packaging	855,825.15	622,569.09	109,694.54	531,998.25	142,447.75	129,599.46	497,448.21	-
TOTAL	25,936,487.43	24,070,457.63	3,823,470.35	5,604,709.04	4,522,761.60	4,579,271.64	23,020,941.86	1,240,118.58

Source: Reserve Bank of Zimbabwe, 2022