



Weekly Economic Highlights

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Week Ending
2nd June 2023

1. OVERVIEW

This weekly report provides a comprehensive update on the key developments in the money and capital markets, as well as the tobacco industry, for the week ending 2 June 2023. The report highlights the stability of minimum and maximum deposit rates for deposits of all classes during the week, as well as a modest increase in minimum lending rates for individual and corporate clients.

In terms of commodity prices, the report states that while copper and nickel prices saw a slight gain, the weekly average prices for gold, platinum, and palladium decreased as a result of weaker demand. Additionally, the week saw a decline in the average price of Brent crude oil, which was linked to both an increase in US oil stocks and a stronger US dollar.

A strong demand for transactions in local currency is indicated by the report's mention of a favorable trend in the value of zwl transactions processed through the National Payment System (NPS). This pattern might be a result of the expanding significance of domestic economic activity as well as the local currency's relative stability to other currencies. Similar to the stock markets, the equity markets continued to grow throughout the week, which may be a sign of strong demand for value preservation strategies.

2. INTEREST RATES

Local Currency (ZWL) Deposit Rates

Minimum and maximum rates for deposits of all classes remained at previous week's levels, during the week ending 2 Jun 2023, as shown in Table 1. Commercial Banks maintained savings deposit rates marginally above the prescribed 30% per annum during the period of analysis. Deposit rates for deposits of 1 month and 3-month tenors were, however, maintained at higher levels compared to the prescribed minimum deposit rates of 50% per annum as part of measures to attract long term deposits.

Table 1: Average Deposit Rates (per annum)

Date	Savings deposits (%)		1- Month deposit rates (%)		3- Month deposit rates (%)	
	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
5-May-23	36.00	36.50	62.06	73.17	63.06	71.72
12-May-23	35.33	35.88	60.39	71.50	63.33	70.33
19-May-23	35.33	35.88	60.39	71.50	63.33	70.33

26-May-23	35.33	35.88	60.39	71.50	63.33	70.33
2-Jun-23	35.33	35.88	60.39	71.50	63.33	70.33

Source: Reserve Bank of Zimbabwe, 2023

Local Currency (ZWL) Lending Rates

Commercial bank minimum lending rates for individual and corporate clients were marginally higher during the week under review. This partly reflects incentives by banks to increase access to credit for less risky individuals and corporates. Maximum lending rates for individual clients registered increases during the same week while corporate clients remained the same. This was, partly on account of a higher lending premiums for riskier clients. Lending rates are shown in Table 2.

Table 2: Lending Rates (per annum)

Date	Minimum (%)		Maximum (%)	
	Individual Clients		Corporate Clients	
5-May-23	74.44	107.78	96.87	173.38
12-May-23	75.21	106.24	85.82	168.68
19-May-23	71.91	100.67	102.96	162.50
26-May-23	70.02	102.96	85.40	168.68
2-Jun-23	70.87	103.16	86.45	168.78

Source: Reserve Bank of Zimbabwe, 2023

Foreign Currency (USD) Deposit Rates

Average minimum and maximum deposits rates for all classes of deposits quoted by commercial banks were unchanged during the week ending 2nd June 2023, as shown in Table 3. Commercial banks continued to offer higher deposit rates to attract long term foreign currency deposits.

Table 3: Average Deposit Rates (per annum)

Date	Savings deposits (%)		1- Month deposit rates (%)		3- Month deposit rates (%)	
	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
5-May-23	1.27	1.69	3.12	4.44	3.45	4.93
12-May-23	1.27	1.69	3.12	4.44	3.45	4.93
19-May-23	1.27	1.69	3.12	4.44	3.45	4.93
26-May-23	1.27	1.69	3.12	4.44	3.45	4.93
2-Jun-23	1.27	1.69	3.12	4.44	3.45	4.93

Source: Reserve Bank of Zimbabwe, 2023

Foreign Currency (USD) Lending Rates

Minimum commercial bank lending rates for individual clients registered a marginal decrease, while those for corporate clients were higher during the week under analysis. Maximum lending rates for individual clients softened while those for corporates clients increased during the week under review, as shown in Table 4. Lending for rates for corporates increased on the back of higher demand for credit. Higher interest rates for foreign currency loans were underpinned by elevated deposit rates and risk premiums particularly for long term deposits. The level of foreign currency interest rates point to unfavourable foreign currency funding costs in the country when compared to interest rates for other countries with access to lower cost of capital.

Table 4: Lending Rates (per annum)

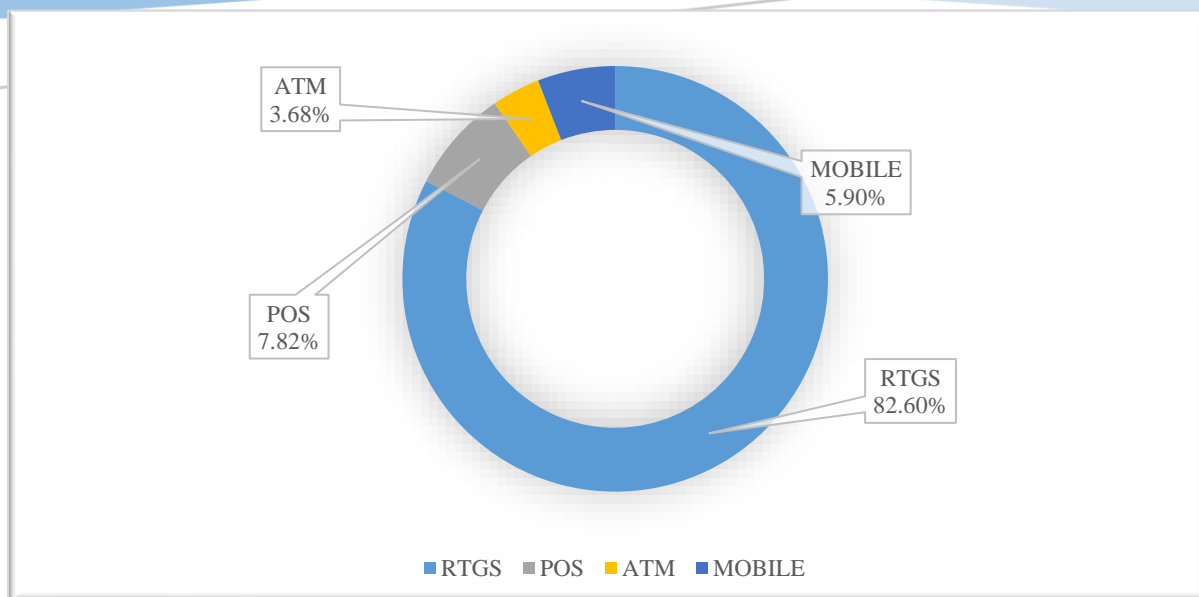
Date	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
	Individual Clients		Corporate Clients	
5-May-23	11.91	12.95	8.28	14.44
12-May-23	11.32	12.95	8.28	14.44
19-May-23	11.35	13.32	7.64	14.48
26-May-23	11.34	13.12	7.95	14.52
2-Jun-23	11.37	13.04	8.02	14.60

Source: Reserve Bank of Zimbabwe, 2023

3. CLEARING AND SETTLEMENT ACTIVITY

The week under review saw an increase in the value of transactions processed through the National Payment System (NPS), from ZW\$1.18 trillion in the previous week to ZW\$1.7 trillion. Real Time Gross Settlement (RTGS) increased by 52.83% to ZW\$1.43 trillion, during the same week. The increase in ATM transactions was, in part, on account of firm demand for local currency bank notes for use in small transactions and change. In proportions, NPS transaction values were distributed as follows: RTGS, 82.60%, POS, 7.82%; Mobile, 5.90%; and ATM, 3.68%.

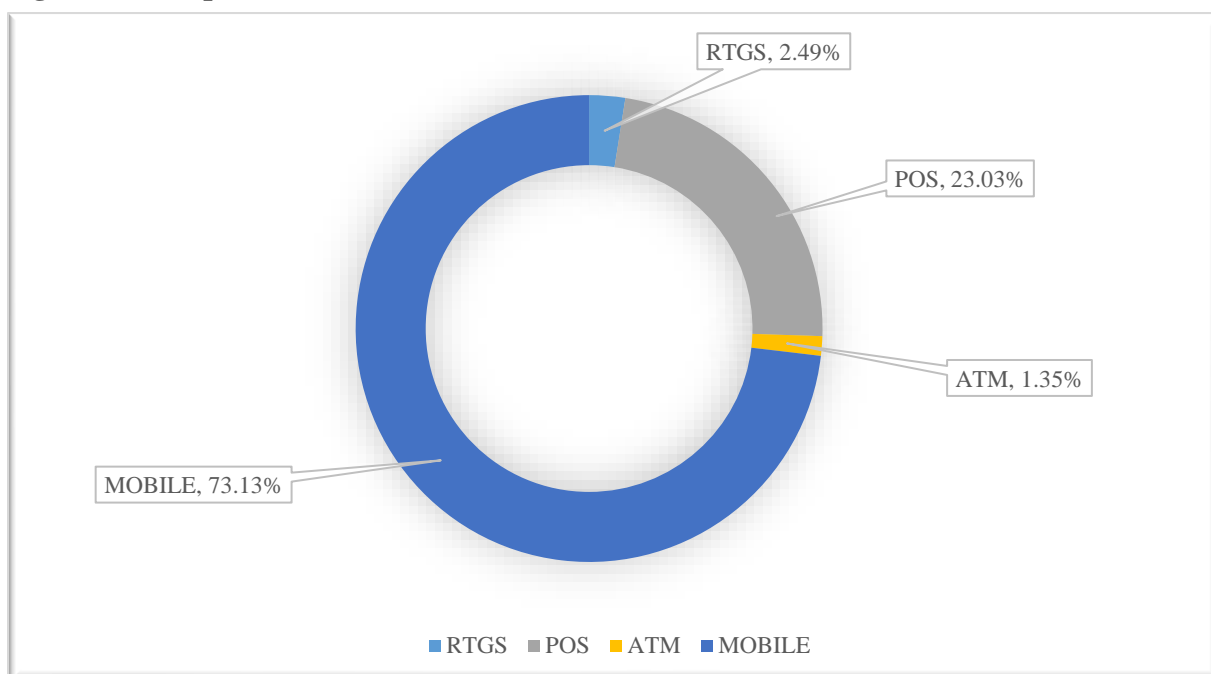
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2023

The volume of NPS transactions increased by 0.67% to 12.57 million, during the week ending 2nd June 2023. Lower ATM transaction volumes registered during the week under analysis were partly attributable ATM down times. In volume terms, the NPS transactions were distributed as follows: Mobile, 73.13%; POS, 23.03%; RTGS, 2.49%; and ATM, 1.35%, as shown in Fig. 3.

Figure 2: Composition of NPS Transactions in Volume Terms



Source: Reserve Bank of Zimbabwe, 2023

Table 5: National Payment Systems Activity

PAYMENT STREAM	WEEK ENDING 26 th May 2023	WEEK ENDING 2 nd May 2023	% CHANGE FROM LAST WEEK	PROPORTION %
Values in ZW\$ Millions				
RTGS	937,912.53	1,433,365.50	52.83%	82.60%
POS	123,955.30	135,753.24	9.52%	7.82%
ATM	39,001.41	63,796.23	63.57%	3.68%
MOBILE	83,613.60	102,443.80	22.52%	5.90%
TOTAL	1,184,482.84	1,735,358.99	46.51%	100%
Volumes				
RTGS	250,871	312,547	24.58%	2.49%
POS	3,139,731	2,895,014	-7.79%	23.03%
ATM	178,798	169,604	-5.14%	1.35%
MOBILE	8,915,804	9,192,031	3.10%	73.13%
TOTAL	12,485,204	12,569,196	0.67%	100%

Source: Reserve Bank of Zimbabwe, 2023

4. TOBACCO SALES

As at 2nd June or day 58 of the 2023 tobacco selling season, a cumulative total of 245.73 million kilograms of tobacco had been sold. This represented a 55.64% increase, compared to the 157.88 million kilograms sold during the comparable period in 2022. Turnover realized from the sales amounted to US\$740.99 million and was 55.82% higher than the US\$475.55 million recorded during the corresponding period in 2022, as shown in Table 6.

Table 6: Weekly Cumulative Tobacco Sales: Day 53 (2nd June 2023)

	2022	2023	Variance (%)
Cumulative Quantity Sold (million kgs)	157,884,276	245,732,137	55.64
Average Price (US\$/kg)	3.01	3.02	0.11
Cumulative value (US\$ million)	475,552,777	740,985,243	55.82

Source: Tobacco Industry and Marketing Board (TIMB), 2023

The golden leaf was sold at an average price of US\$3.02/kg, during the week under review, up from US\$3.01/kg realized during the same period in 2022.

5. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

During week ending 2nd June 2023, weekly average prices for gold, platinum, palladium, copper and nickel retreated on largely on account of lower demand while Brent crude oil weekly average prices surged on the back of declining inventories and anticipated production cuts by OPEC. Table 7 shows commodity prices developments during the week under analysis.

Table 7: Metal and Crude Oil Prices for the week ending 2nd June 2023

	Gold	Platinum	Palladium	Copper	Nickel	Crude Oil
2023	<i>US\$/ounce</i>	<i>US\$/ounce</i>	<i>US\$/ounce</i>	<i>US\$/tonne</i>	<i>US\$/tonne</i>	<i>US\$/barrel</i>
Weekly Average (22 -26 May)	1,963.88	1,046.80	1,451.90	8,019.10	21,017.00	77.61
29-May	1,953.20	1,030.00	1,440.50	8,083.00	21,330.00	76.66
30-May	1,950.98	1,030.50	1,427.00	8,091.50	20,625.00	73.55
31-May	1,961.50	1,010.00	1,393.50	8,180.00	20,920.00	72.95
01-June	1,966.55	1,004.50	1,385.50	8,287.00	21,525.00	74.99
02-June	1,972.13	1,011.50	1,404.00	8,174.50	20,695.00	76.93
Weekly Average (29 -02 June)	1,960.87	1,017.30	1,410.10	8,163.20	21,019.00	75.02
Weekly Change (%)	<i>-0.15</i>	<i>-2.82</i>	<i>-2.88</i>	<i>1.80</i>	<i>0.01</i>	<i>-3.34</i>

Source: BBC, KITCO and Bloomberg 2023

Gold

During the week ending 2nd June 2023, gold prices remained bearish and marginally eased by 0.15% to US\$1,960.87 per ounce from US\$1,963.88 per ounce in the previous week. Prices retreated as the strengthening of the US dollar raised the opportunity cost of holding non-yielding assets like gold. The US dollar appreciated against other currencies in the wake of better-than-expected U.S. employment data for May 2023.

Platinum

Platinum prices continued on a negative trend on account of stronger U.S dollar and fears of supply shortages, particularly in South Africa. Accordingly, platinum prices declined by 2.82%, from an average of US\$1,046.80 per ounce in the previous week to US\$1,017.30 per ounce during the week under review.

Palladium

In the same vein, palladium prices slumped by 2.88% to US\$1,410.10 per ounce, from US\$1,451.90 per ounce recorded in the prior week. Prices continued to decline owing to sluggish industrial demand and a stronger U.S dollar.

Copper

Copper prices increased by 1.80%, from US\$8,019.10 per tonne to US\$8,163.20 per tonne during the week ending 2nd June 2023. The red metal's prices rose after a surprise boost in Chinese factory activity which lifted hopes for improved demand.

Nickel

Nickel prices rebounded during the week under review, on account of improved demand from China following the signed partnership between Chinese firm and Ford Motor to build a new lithium battery plant. This development is expected to boost demand for nickel which is used in

the manufacture of electric vehicle batteries. Consequently, nickel prices increased by 0.01% from US\$21,017.00 per tonne to US\$21,019.00 per tonne during the week under analysis.

Brent Crude Oil

During the week ending 2nd June 2023, crude oil average prices weakened by 3.34% to US\$75.02 per barrel, from US\$77.61 per barrel recorded in the previous week. The decline in oil prices was occasioned by a stronger U.S dollar and a buildup in US oil inventories.

6. EXCHANGE RATE DEVELOPMENTS

Interbank Market

On the interbank market, the Zimbabwe dollar (ZW\$) depreciated by 41%, from an average of ZW\$1,677.85 per US\$1 in the previous week to ZW\$2,362.54 per US\$1, during the week under review, as is shown in Table 2.

Table 2: Selected Exchange Rates (ZW\$ per unit of foreign currency)

2023	USD	ZAR	GBP	BWP	EURO
Weekly Average (22-26 May)	1,677.8474	86.7674	2,081.7382	122.9702	1,808.9097
29-May	1,965.3643	100.5025	2,428.1105	142.5011	2,110.2165
30-May	1,989.1122	101.0101	2,454.7699	143.9238	2,126.6609
31-May	2,577.0564	131.5789	3,192.3317	186.6038	2,755.1435
01-June	2,611.1693	133.3333	3,246.2197	188.9427	2,789.2650
02-June	2,670.0225	136.9863	3,344.8768	193.6381	2,874.2915
Weekly Average (29-02 June)	2,362.5449	120.6822	2,933.2617	171.1219	2,531.1155
<i>Appr (-)/Depr (+) (%) of the ZWL</i>	<i>40.8</i>	<i>39.1</i>	<i>40.9</i>	<i>39.2</i>	<i>39.9</i>

Source: Reserve Bank of Zimbabwe, 2023

7. EQUITY MARKETS

Zimbabwe Stock Exchange

During the week ended 2nd June 2023, the Zimbabwe Stock Exchange (ZSE) maintained positive momentum for the seventh consecutive week. As a result, the ZSE All Share index gained 17.48% to close at 112 615.44 points. The Top 10, Top 15, Medium Cap and Small Cap indices increased by 15.08%, 16.94%, 25.98% and 8.16% to close the week at 67 504.61 points, 79 518.53 points, 220 449.67 points and 1 061 229.76 points, respectively.

The rise in the mainstream index was a result of share price gains in SeedCo Limited (98.01%), TSL Limited (77.94%), CBZ Holdings Limited (74.88%), ZB Financial Holdings Limited (74.85%), and Zimre Holdings Limited (51.92%). Partially offsetting the aforementioned increases were losses in share prices of Zimplow Holdings Limited (12.42%), NMBZ Holdings Limited (8.08%), General Beltings Holdings Limited (2.08%), Getbucks Microfinance Bank Limited (1.60%) and Proplastics Limited (0.78%). The increase in the resource index emanated from a 10.67% increase in RioZim Limited share price during the week under review.

Table 8: Zimbabwe Stock Exchange Statistics¹

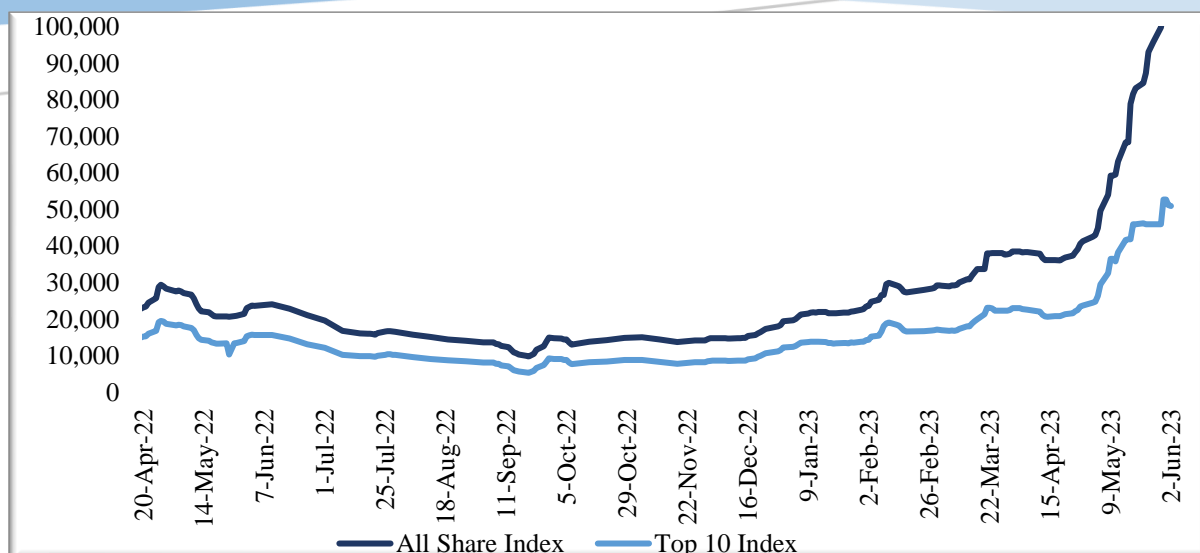
	All Share Index Points	Top 10 index ³ (points)	Top 15 Index ³ points	Medium Cap ³ (points)	Small Cap ³ (points)	Mining Index (points)	Grand Market Capitalization (ZWL billion)	Market Turnover (ZWL million)	Volume of Shares (million)
26-May-23	95 855.52	58,658.40	59 422.95	174,985.37	981,163.76	46,035.02	7,945.87	2,305.68	2.054
29-May-23	99,900.00	60,847.16	28,301.73	179,839.67	1,026,751.26	46,035.02	8,275.92	2,015.86	33,85
30-May-23	104,183.78	63,745.45	34,558.62	190,360.21	1,023 904.93	52,765.85	8,745.92	2,830.79	9,60
31-May-23	108,195.28	65,893.9	44,713.63	200,948.99	1,024,954.59	52,765.85	8,939.06	2,989.59	20,05
1-Jun-23	111,427.57	67,489.32	59 422.95	211,205.84	1,061,229.76	51,236.83	9,426.65	1,922.75	3,11
2-June-23	112,615.44	67,504.61	59 422.95	220,449.67	1,061,229.76	50,946.71	9,426.65	6,682.22	14,22
% Change	17.48	15.08	16.94	25.98	8.16	10.67	18.64	139.27	688.04

Source: Zimbabwe Stock Exchange (ZSE), 2023

Figure 3 shows the trend in daily market turnover for the period from 20th April 2022 to 2nd June 2023.

¹ 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

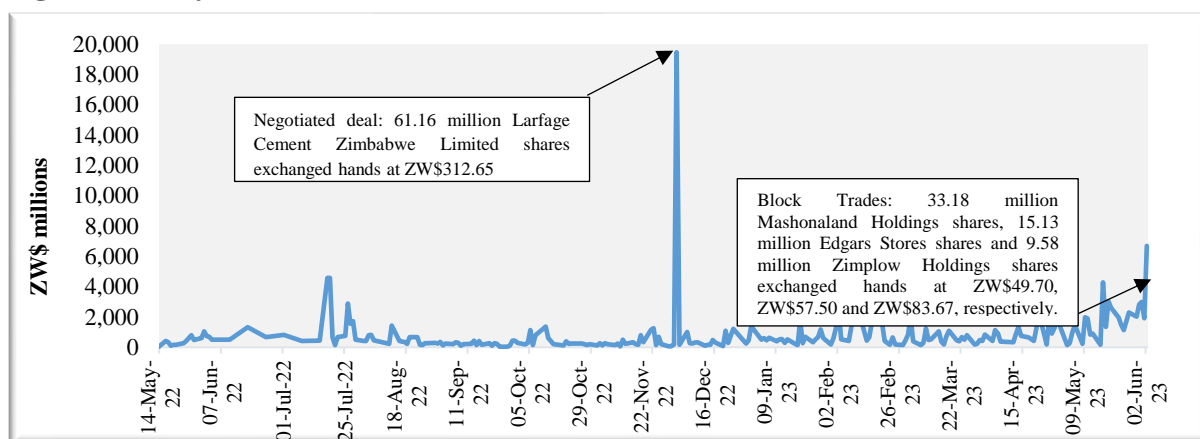


Source: Zimbabwe Stock Exchange, 2023

Market Turnover and Volume

The cumulative volume and value of shares traded increased by 688.04% and 139.27% to 80.84 million shares and ZW\$16.44 billion, respectively. The turnover value of shares amounted to ZW\$6.87 billion, representing a decrease of 40.04% from ZW\$11.46 billion recorded in the previous week. Figure 4 shows the trend in daily market turnover for the period from 14th May 2022 to 2nd June 2023.

Figure 4: Daily Market Turnover



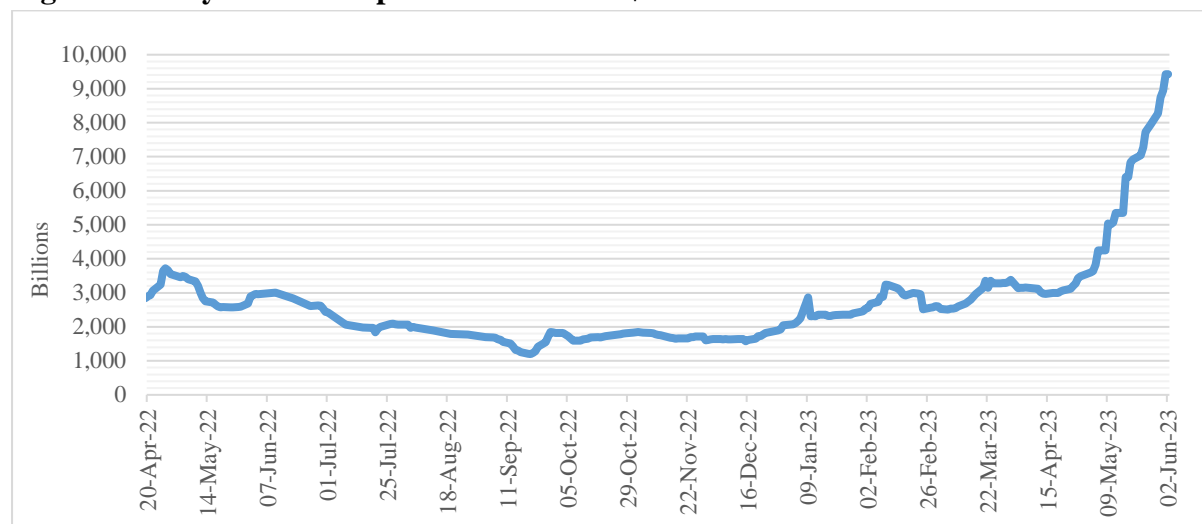
Source: Zimbabwe Stock Exchange, 2023

Market Capitalization

In line with developments on the ZSE during the week under review, the local bourse gained 18.64%, or ZW\$1,48 trillion worth of capitalization to close at ZW\$9,42 trillion, compared to

the previous week's position of ZW\$7,95 trillion, recorded in the previous week. Figure 5 shows ZSE market capitalization developments for the period from 20th April 2022 to 2nd June 2023.

Figure 5: Daily Market Capitalization in ZW\$ billions



Source: Zimbabwe Stock Exchange, 202

Victoria Falls Stock Exchange

The Victoria Falls Stock Exchange (VFEX) was characterised by bearish trading during the week ending 2nd June 2023. Resultantly, the VFEX All Share index lost 3.22% to close at 80.22 points, compared to 82.89 points recorded in the previous week. The decline in the VFEX mainstream index emanated from share price declines in Axia Corporation Limited (16.58%), First Capital Bank Limited (15%), Innscor Africa Limited (9.11%), Africa Sun Limited (2.34%) and Simbisa Brands Limited (0.27%) Partially offsetting the share price losses were gains registered in share price of SeedCo International (3.70%) and Bindura Nickel Corporation Limited (BNC) (1.94%).

The VFEX cumulative volume and value of shares traded declined by 0.51% and 29.47% to 1.83 million shares and US\$0.58 million respectively. Market capitalization, declined by 3.22%, or US\$44.99 million worth of capitalization to close at US\$1.35 billion, compared to US\$1.40 billion registered in the previous week. Figure 6 shows the trend in the VFEX All Share Index (ASI) for the period from 20th April 2022 to 2nd June 2023.

Figure 6: Victoria Falls Stock Exchange All Share Index



Source: Victoria Falls Stock Exchange, 2023

Johannesburg Stock Exchange (JSE) Developments

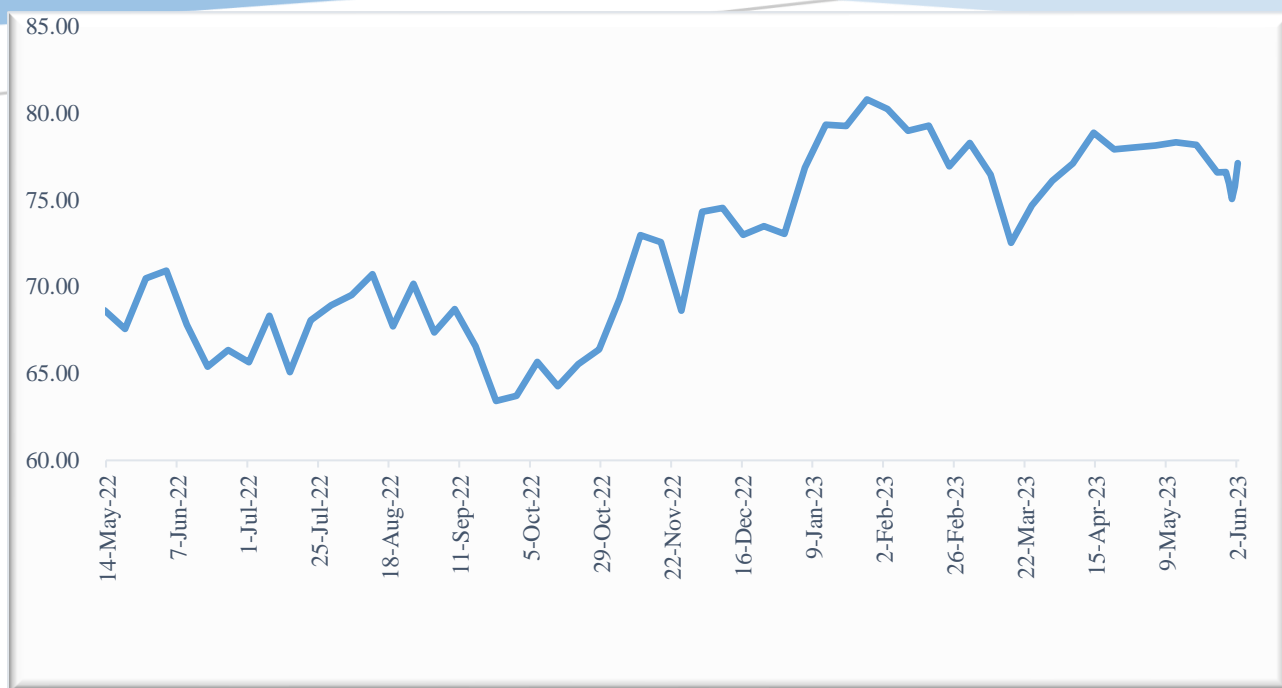
The Johannesburg Stock Exchange (JSE) All share index was 0.70% higher to close at 77,126.06 points during the week under analysis. JSE market capitalization also increased by 2.98% to close at ZAR21.82 trillion during the same period.

Table 9: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalization (ZAR trillions)
26-May-23	76,589.54	21.82
29-May-23	76,613.35	22.36
30-May-23	75,939.46	22.34
31-May-23	75,067.47	22.35
1-June-23	75,783.25	22.49
2-June-23	77,126.06	21.97
% Change	+0.70	+0.68

Source: <https://www.jse.co.za/services/market-data/market-statistics>, 2023

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

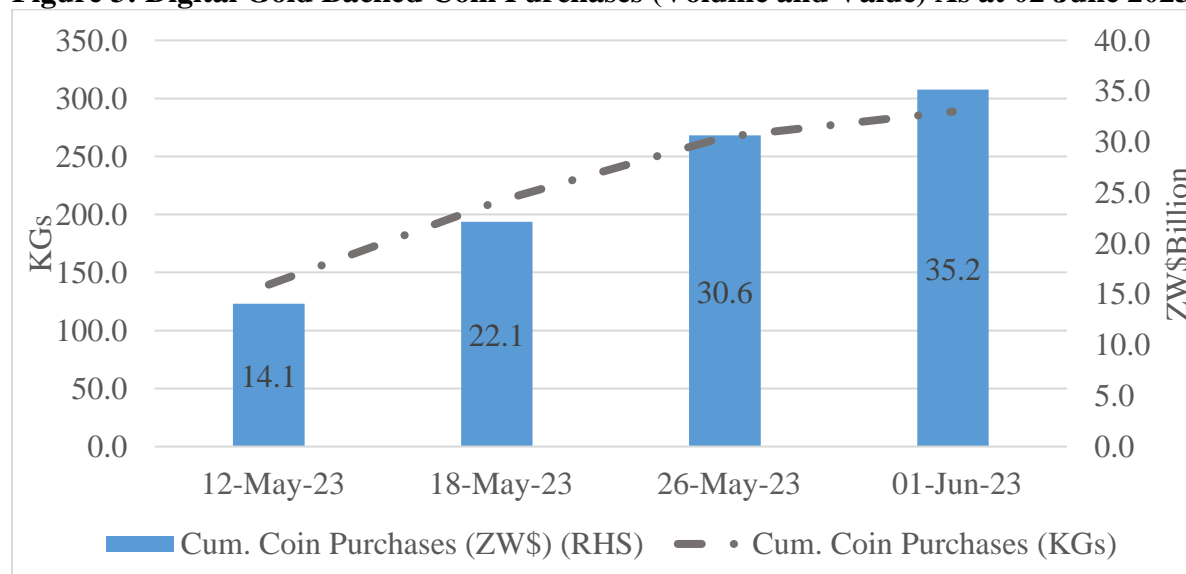


Source: <https://www.jse.co.za/services/market-data/market-statistics,2023>

8. GOLD COINS

A total amount of ZW\$31.8 billion had been purchased in respect of the gold coins by the 2nd of June 2023. Similarly, a total amount of ZW\$35.2 billion had been purchased in respect of the gold backed digital coins by the same date.

Figure 3: Digital Gold Backed Coin Purchases (Volume and Value) As at 02 June 2023



RESERVE BANK OF ZIMBABWE

APPENDIX 1: FOREIGN EXCHANGE AUCTION RESULTS FOR MAINFX² AND SMEFX³

	MAINFX				SMEFX			
	12-May-23	19-May-23	26-May-23	2-June-23	12-May-23	19-May-23	26-May-23	2-June-23
Total Bids (US\$ dollars)	23,534,849.06	26,816,031.89	54,243,996.14	7,779,994.45	2,701,090.14	3,558,737.72	6,110,283.97	0
Amount Allotted (US\$ dollars)	14,773,230.18	13,171,159.91	13,209,099.47	2,945,406.28	1,576,700.13	1,273,163.40	957,712.91	0
Highest Rate	1,400	1,600	2,001	7,000				
Lowest Bid Rate	1,151	1,351	1,801	5,200	1,400	1,525	2,100	0
Lowest Bid Rate Allotted	1,151	1,351	1,801	5,200	1,155	1,351	1,801	0
Weighted Average Rate	1,212.5448	1,404.8039	1,888.0119	5,978.6794	1,155	1,351	1,801	0
Number of Bids Received	450	490	469	294	1,212.5448	1,404.8039	1,888.0119	0
Number of Bids Rejected	8	7	2	3	495	569	674	0

Source: Reserve Bank of Zimbabwe, 2023

² Main Foreign Currency Auction

³ Small and Medium Enterprises Foreign Currency Auction

APPENDIX 2: SUMMARY OF FOREIGN CURRENCY AUCTION ALLOTMENTS BY PURPOSE

Purpose	MAINFX				SMEFX			
	12-May-23	19-May-23	26-May-23	2-June-23	12-May-23	19-May-23	26-May-23	2-June-23
Raw Materials	7,017,237.67	7,007,641.38	6,799,034.39	1,353,246.86	392,511.03	350,687.48	288,375.10	0
Machinery and Equipment	3,047,072.03	1,926,117.50	2,184,686.84	850,335.53	590,158.96	415,614.30	318,256.50	0
Consumables (Incl. Spares, Tyres, Packaging)	963,868.44	1,001,696.74	778,350.98	121,735.54	200,611.76	202,560.71	109,719.60	0
Pharmaceuticals and Chemicals	407,331.35	341,262.52	401,843.00	63,406.00	57,666.08	62,647.17	19,949.30	0
Services (Loans, Dividends and Disinvestments)	854,682.24	983,240.01	552,310.76	355,375.24	170,312.82	100,494.32	98,780.03	0
Retail and Distribution	1,390,864.07	1,514,194.61		142,263.37	111,545.24	125,715.23	95,177.70	0
Fuel, Electricity and Gas	50,000.00	-	-	-	-	-	-	0
Paper and Packaging	1,042,174.38	397,007.15	788,269.34	59,043.74	53,894.24	15,444.19	27,454.68	0
TOTAL	14,773,230.18	13,171,159.91	13,209,099.47		2,280,785.72	1,576,700.13	1,273,163.40	957,712.91

Source: Reserve Bank of Zimbabwe, 2023