



# Weekly Economic Highlights

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Week Ending  
9<sup>th</sup> June 2023

## 1. OVERVIEW

This report provides a comprehensive update on the latest developments in the money and capital markets for the week ending 9 June 2023. The report also covers developments in the tobacco, mineral commodities, gold coins and stock markets during the week. The last section of the report presents an analysis of domestic inflation developments.

The minimum and maximum deposit rates for domestic currency deposits remained unchanged at their previous week's levels during the week ending 9 June 2023. The banks also maintained the structure of deposit rates, short- and long-term deposits, paying higher rates on long-term deposits. The value and volume of ZWL transactions processed through the National Payment System (NPS) increased, reflecting higher economic activities. The equity markets continued to grow during the week under consideration.

The volume of tobacco sales as at the end of the week was 55.17% higher than the volume sold during the same period in 2022. The turnover realized from the tobacco sales was 54.9% higher than the US\$505.07 million realized during the same period in 2022.

## 2. INTEREST RATES

### Local Currency (ZWL) Deposit Rates

Minimum and maximum deposit rates for domestic currency deposits of all classes remained unchanged at their previous week's levels during the week ending 9<sup>th</sup> June 2023. Banks maintained higher deposit rates for the longer-term deposits to attract long-term savings needed for lending.

**Table 1: Average Deposit Rates (per annum)**

Date	Savings deposits (%)		1- Month deposit rates (%)		3- Month deposit rates (%)	
	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
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
9-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

The minimum ZWL lending rates for both individuals and corporate borrowers were adjusted upwards during the week reflecting higher credit demand for the banks' low-risk rated clients. The maximum ZWL lending rates were reduced for both individuals and corporate borrowers, which is positive for the low-end segments of the market. The lending rates were as in Table 2.

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

Date	Minimum (%)		Maximum (%)	
	Individual Clients		Corporate Clients	
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
9-Jun-23	72.49	102.12	88.01	167.75

Source: Reserve Bank of Zimbabwe, 2023

## Foreign Currency (USD) Deposit Rates

The minimum and maximum deposits rates for all classes of FCA deposits remained unchanged during the week ending 9<sup>th</sup> June 2023, as shown in Table 3. The banks continued to offer higher deposit rates on longer-term FCA deposits to attract long-term foreign currency deposits needed to support longer-term lending.

**Table 3: Average Foreign Currency Deposit Rates (per annum)**

Date	Savings deposits (%)		1- Month deposit rates (%)		3- Month deposit rates (%)	
	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
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
9-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

During the week ending 9 June 2023, the USD minimum lending rates increased by 0.02 and 0.46 percentage points for individuals and corporate clients, respectively. The increases reflect higher demand for loans by the low low-risk clients of the banks. The maximum USD lending rates for individual borrowers were reduced by 0.08 percentage points while the maximum lending rates for the orate borrowers were increased by 0.19 percentage points during the week under review as shown in Table 4.

**Table 4: Lending Rates (per annum)**

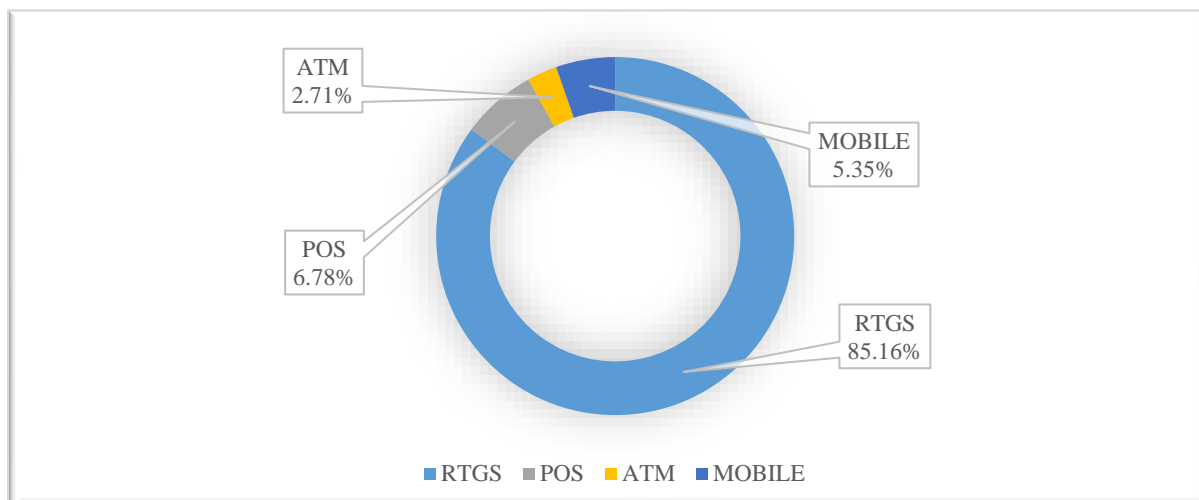
Date	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
	Individual Clients		Corporate Clients	
12-May-23	11.32	12.95	8.28	14.44
19-May-23	11.35	13.32	7.64	14.48
26-May-23	11.34	13.12	7.95	14.52
2-Jun-23	11.37	13.04	8.02	14.60
9-Jun-23	11.39	12.96	8.48	14.79

Source: Reserve Bank of Zimbabwe, 2023

## 3. CLEARING AND SETTLEMENT ACTIVITY

The value of transactions processed through the National Payment System (NPS) increased during the week under review from ZW\$1.74 trillion in the previous week to ZW\$2.36 trillion. The Real Time Gross Settlement (RTGS) increased by 39.97% to ZW\$2 trillion, during the week. The distribution of the NPS transaction in value terms during the week ending 9 June 2023 was distributed as shown in Figure 1.

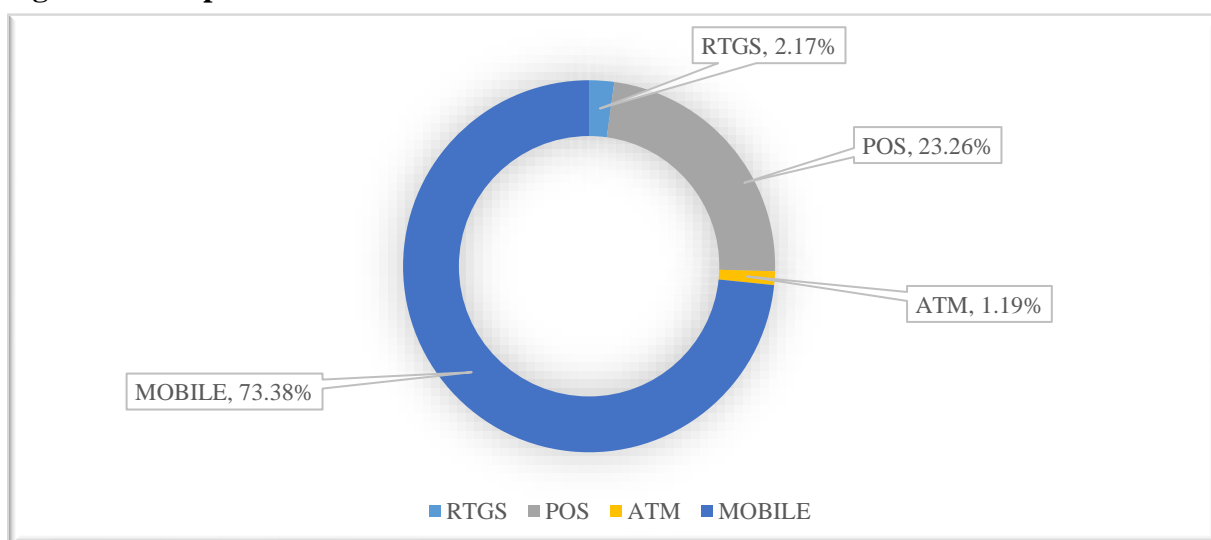
**Figure 1: Composition of NPS Transactions in Value Terms**



*Source: Reserve Bank of Zimbabwe, 2023*

The volume of transactions that went through the NPS during the week under review decreased by 3.977% to 12.07 million, reflecting higher economic activity. The lower ATM transaction volumes registered during the week under analysis were partly attributable to Adowntimesmes. In volume terms, the NPS transactions were distributed as shown in Figure 2.

**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 <sup>th</sup> May 2023	WEEK ENDING 2 <sup>nd</sup> May 2023	% CHANGE FROM LAST WEEK	PROPORTION %
<b>Values in ZW\$ Millions</b>				
RTGS	1,433,365.50	2,006,243.53	39.97%	82.60%
POS	135,753.24	159,746.66	17.67%	7.82%
ATM	63,796.23	63,751.71	-0.07%	3.68%
MOBILE	102,443.80	126,086.93	23.08%	5.90%
<b>TOTAL</b>	<b>1,735,358.99</b>	<b>2,355,828.84</b>	<b>35.75%</b>	<b>100%</b>
<b>Volumes</b>				
RTGS	312,547	262,493	-16.01%	2.17%
POS	2,895,014	2,807,194	-3.03%	23.26%
ATM	169,604	143,170	-15.59%	1.19%
MOBILE	9,192,031	8,857,304	-3.64%	73.38%
<b>TOTAL</b>	<b>12,569,196</b>	<b>12,070,161</b>	<b>-3.97%</b>	<b>100%</b>

Source: Reserve Bank of Zimbabwe, 2023

#### 4. TOBACCO SALES

A cumulative total of 259.10 million kilograms of tobacco had been sold as at 9<sup>th</sup> June 2023, the 58<sup>th</sup> day of the tobacco selling season. The volume of tobacco sales represented a 55.17% increase, compared to the 166.97 million kilograms sold during the same period in 2022. The turnover realized from the sales amounted to US\$782.33 million and was 54.90% higher than the US\$505.07 million realized during the same period in 2022, as shown in Table 6.

**Table 6: Weekly Cumulative Tobacco Sales: Day 58 (9<sup>th</sup> June 2023)**

	2022	2023	Variance (%)
<b>Cumulative Quantity Sold (million kgs)</b>	166,973,588	259,098,162	55.64
<b>Average Price (US\$/kg)</b>	3.02	3.02	-0.18
<b>Cumulative value (US\$ million)</b>	475,552,777	782,334,436	54.90

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 the week ending 9<sup>th</sup> June 2023, weekly average international prices for gold and palladium remained bearish and marginally eased, while platinum, copper, nickel, and crude oil rallied from their previous week's levels. Table 7 shows developments in prices for selected commodities during the week under review.

**Table 7: Metal and Crude Oil Prices for the week ending 2<sup>nd</sup> June 2023**

	Gold	Platinum	Palladium	Copper	Nickel	Crude Oil
2023	US\$/ounce	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
<b>Weekly Average (29 May -02 June)</b>	<b>1,960.87</b>	<b>1,017.30</b>	<b>1,410.10</b>	<b>8,163.20</b>	<b>21,019.00</b>	<b>75.02</b>
05-June	1,950.75	1,011.50	1,417.50	8,361.00	21,020.00	76.54
06-June	1,959.58	1,027.00	1,407.50	8,293.00	21,189.00	75.89
07-June	1,965.20	1,038.50	1,414.00	8,270.00	21,155.00	76.25
08-June	1,956.83	1,023.00	1,381.00	8,330.00	21,110.00	75.70
09-June	1,961.93	1,007.00	1,337.50	8,323.00	21,155.00	73.73
<b>Weekly Average (05- 09 June)</b>	<b>1,958.86</b>	<b>1,021.40</b>	<b>1,391.50</b>	<b>8,315.40</b>	<b>21,125.80</b>	<b>75.60</b>
<b>Weekly Change (%)</b>	<b>-0,10</b>	<b>0,40</b>	<b>-1,32</b>	<b>1,86</b>	<b>0,51</b>	<b>0,78</b>

Source: BBC, KITCO and Bloomberg 2023

## Gold

During the week ending 9th June 2023, gold prices declined by 0.10% to US\$1,958.86 per ounce from US\$1,960.87 per ounce in the previous week. Prices were weighed down by an uptick in U.S. bond yields as well as a strengthening US dollar. The decline was, however, marginal as investors awaited inflation data and the outcome of the upcoming Federal Reserve policy meeting for more clarity on the U.S. interest rate path.

## Platinum

Platinum prices rose by a marginal 0.40%, from an average of US\$1,017.30 per ounce in the previous week to US\$1,021.40 per ounce during the week under review. Prices continued to get support supply shortages owing to power-related disruptions in top producer, South Africa

## Palladium

Meanwhile, palladium prices slumped by 1.32% from a weekly average of US\$1,410.10 per ounce in the previous week to US\$1,391.50 per ounce. Palladium prices remained bearish owing to weak global industrial demand particularly in the auto sector.

## Copper

Copper prices continued on a positive trajectory following signs of dwindling inventories, particularly in China, the world's largest metals consumer. Resultantly, the red metal's prices increased by 1.86%, from an average of US\$8,163.20 per tonne to US\$8,315.40 per tonne during the week ending 9th June 2023. Prices are, however, expected to remain rangebound before the announcement of the Fed's rate decision.

## Nickel

Nickel prices marginally rose by 0.51% from US\$21,019.00 per tonne to US\$21,125.80 per tonne, supported by robust demand from China and supply disruptions in Indonesia, which have limited global supply.

## Brent Crude Oil

During the week ending 9th June 2023, crude oil average prices rebounded by 0.78% to US\$75.60 per barrel, from US\$75.02 per barrel recorded in the previous week. Prices recovered following an announcement by Saudi Arabia to cut production by one million barrels a day. This development more than offset demand woes stemming from recession fears.

## 6. EXCHANGE RATE DEVELOPMENTS

### Interbank Market

The Zimbabwe dollar (ZW\$) depreciated on the interbank market by 62%, from an average of ZW\$2,362.54 per US\$1 in the previous week to ZW\$3,825.12 per US\$1, during the week under review, as is shown in Table 8.

**Table 8: Selected Exchange Rates (ZW\$ per unit of foreign currency)**

2023	USD	ZAR	GBP	BWP	EURO
<b>Weekly Average (29-02 June)</b>	<b>2,362.5449</b>	<b>120.6822</b>	<b>2,933.2617</b>	<b>171.1219</b>	<b>2,531.1155</b>
05-June	2,727.0405	139.8601	3,389.4512	198.2010	2,916.9851
06-June	2,769.9366	144.9275	3,446.7762	201.3092	2,970.7795
07-June	3,673.7718	192.3077	4,562.2861	266.9540	3,925.9804
08-June	4,868.5152	259.7403	6,065.9298	357.3691	5,216.8608
09-June	5,086.3307	273.9726	6,383.6114	375.9524	5,482.8222
<b>Weekly Average (05-09 June)</b>	<b>3,825.1190</b>	<b>202.1616</b>	<b>4,769.6109</b>	<b>279.9571</b>	<b>4,102.6856</b>
<i>Appr (-)/Depr (+) (%) of the ZWL</i>	<i>61,9</i>	<i>67,5</i>	<i>62,6</i>	<i>63,6</i>	<i>62,1</i>

Source: Reserve Bank of Zimbabwe, 2023

## 7. EQUITY MARKETS

### Zimbabwe Stock Exchange

During the week ending 9th June 2023, the Zimbabwe Stock Exchange (ZSE) maintained a positive momentum for the eighth consecutive week with the ZSE All Share index gaining 56.06% to close the week at 175 785.58 points.



The Top 10, Top 15, and Medium Cap increased by 63.39%, 60.22%, 33.31% and 8.16% to close the week at 110 293.27 points, 127 407.23 points, 293 876.79 points respectively.

The rise in the mainstream index was a result of share price gains in CBZ Holdings Limited (101.05%), British American Tobacco Zimbabwe Limited (BAT) (75.09%), ZB Financial Holdings Limited (74.05%), Meikles Limited (73.45%) and Delta Corporation Limited (71.90%).

Partially offsetting the aforementioned increases were declines in share prices of Zimbabwe Newspapers (1980) Limited (26.80%) and Ariston Holdings Limited (5.06%). The increase in the resource index emanated from a 14.28 % increase in RioZim Limited's share price during the week under review.

**Table 8: Zimbabwe Stock Exchange Statistics<sup>1</sup>**

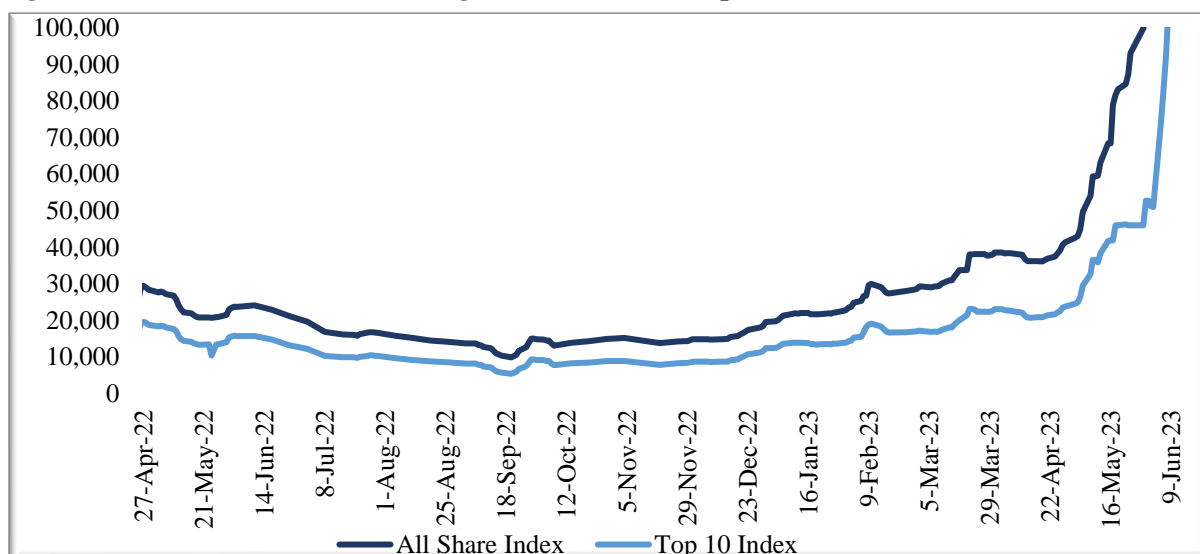
	All Share Index Points	Top 10 index <sup>3</sup> (points)	Top 15 Index <sup>3</sup> points	Medium Cap <sup>3</sup> (points)	Small Cap <sup>3</sup> (points)	Mining Index (points)	Grand Market Capitalization (ZWL billion)	Market Turnover (ZWL million)	The volume of Shares (million)
<b>29-May-23</b>	99,900.00	60,847.16	28,301.73	179,839.67	1,026,751.26	46,035.02	8,275.92	2,015.86	33,85
<b>30-May-23</b>	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
<b>31-May-23</b>	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
<b>1-Jun-23</b>	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
<b>2-June-23</b>	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	80.84
<b>9-June-23</b>	175,785.58	110,293.27	127,407.23	293,876.79	1,001,260.16	58,223.29	14,618.47	41,049.59	75,40
<b>% Change</b>	<b>56.09</b>	<b>63.39</b>	<b>60.22</b>	<b>33.31</b>	<b>-5.65</b>	<b>14.28</b>	<b>55.08</b>	<b>149.67</b>	<b>-6.73</b>

Source: Zimbabwe Stock Exchange (ZSE), 2023

<sup>1</sup> 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 shows the trend in daily market turnover for the period from 27<sup>th</sup> April 2022 to 9<sup>th</sup> June 2023.

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

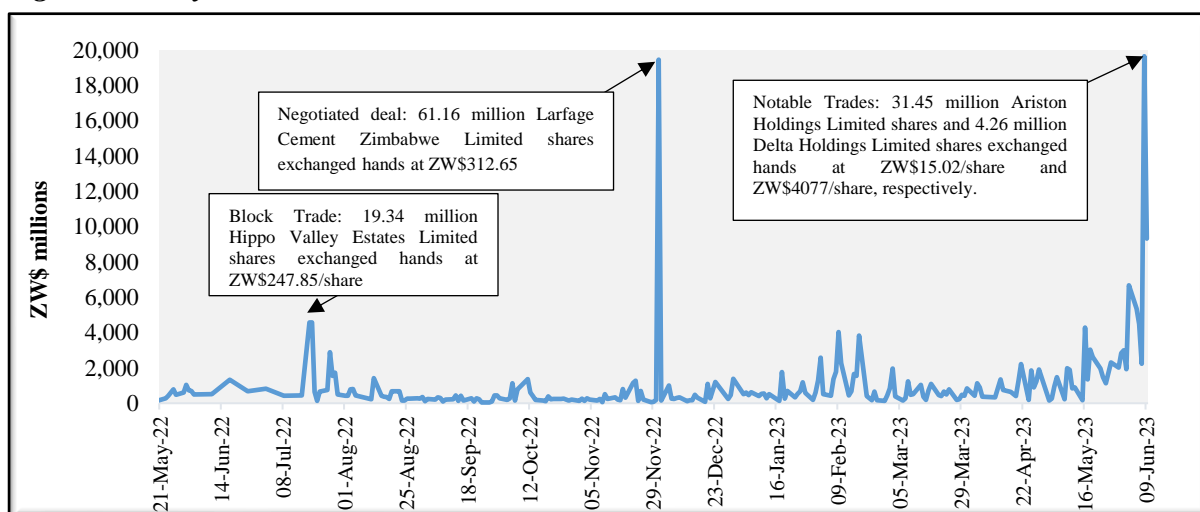


Source: Zimbabwe Stock Exchange, 2023

## Market Turnover and Volume

The cumulative value of shares traded increased by 149.67% to ZW\$41.05 billion, despite a decline of 6.73% in the volume of shares traded, amounting to 75.40 million shares. Figure 4 shows the trend in daily market turnover for the period from 21<sup>st</sup> May 2022 to 9<sup>th</sup> June 2023.

**Figure 4: Daily Market Turnover**

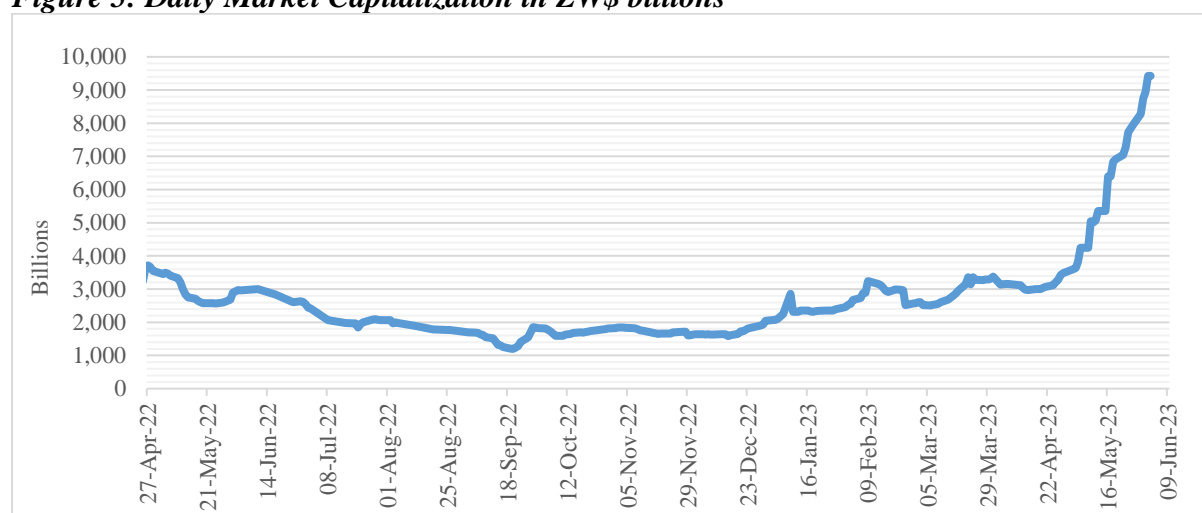


Source: Zimbabwe Stock Exchange, 2023

## Market Capitalization

Reflecting improved trading activity on the ZSE, largely informed by heightened speculative tendencies, market capitalization increased by 55.08%, or ZW\$ 191.83 billion worth of capitalization to close at ZW\$14 618.85 billion, compared to the previous week's position of ZW\$9 426.65 billion. Figure 5 shows ZSE market capitalization developments for the period from 27<sup>th</sup> April 2022 to 9th June 2023.

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



Source: Zimbabwe Stock Exchange, 2023

## Victoria Falls Stock Exchange

The Victoria Falls Stock Exchange (VFEX) was characterised by bearish trading during the week ending 9th June 2023. Resultantly, the VFEX All Share index lost 0.06% to close at 80.18 points, compared to 80.22 points recorded in the previous week.

The decline in the VFEX mainstream index was a result of share price losses in First Capital Bank Limited (23.53%), Africa Sun Limited (7.18%), Axia Corporation Limited (0.62%) and Padenga Holdings Limited (0.27%)

Partially offsetting the abovementioned share price losses were gains in the share prices of Innscor Africa Limited (6.82%) and Simbisa Brands Limited (1.97%).

The VFEX cumulative volume and value of shares traded increased by 23.99% and 86.25% to 2.28 million shares and US\$1.09 million. This is in comparison to 1.83 million shares and US\$

0.58 million registered in the previous week, respectively. Market capitalization, declined by 0.06%, or US\$0.75 million worth of capitalization to close at US\$1.35 billion, from US\$1.35 billion registered in the previous week. Figure 6 shows the trend in the VFEX All Share Index (ASI) for the period from 27th April 2022 to 9th 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 0.25% lower to close at 76,936.11 points during the week under analysis. JSE market capitalization also decreased by 1.46% 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)
29-May-23	76,613.35	22.36
30-May-23	75,939.46	22.34
31-May-23	75067.47	22.35
1-June-23	75783.25	22.49
2-June-23	77,126.06	21.97
9-June-23	76,936.11	21.65
% Change	-0.25	-1.46

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\$42.4 billion had been purchased in respect of the gold-backed digital coins by the 9<sup>th</sup> of June 2023.

**Table 10: Digital Gold-Backed Coin Purchases (Volume and Value) As at 09 June 2023**

	Date	Number of Bids Received	Value of Bids Received	Amount Allotted	Price per Milligram of Gold
			<b>ZWL</b>		
<b>RBZ GOLD-BACKED DIGITAL TOKENS ISSUE NO. 2/2023</b>	18-May-23	104	8,063,137,030	8,063,137,030	112,6
<b>RBZ GOLD-BACKED DIGITAL TOKENS ISSUE NO. 3/2023</b>	26-May-23	105	8,500,033,263	8,500,033,263	152,46
<b>RBZ GOLD-BACKED DIGITAL TOKENS ISSUE NO. 4/2023</b>	01-Jun-23	59	4,516,617,361	4,516,617,361	207,79
<b>RBZ GOLD-BACKED DIGITAL TOKENS ISSUE NO. 5/2023</b>	08-Jun-23	61	7,214,378,573	7,214,378,573	388,01
<b>Total ZWL</b>		<b>461</b>	<b>42,371,503,648</b>	<b>42,371,503,648</b>	

## 9. RECENT EXCHANGE RATE AND INFLATION DYNAMICS

The economy continues to exhibit strong external sector fundamentals as evidenced by persistent balance of payments current account surpluses being registered since 2019 and balanced fiscal performance since 2020. Given the above, the significant depreciation of the local currency witnessed since March 2023 is largely decoupled from conventional economic fundamentals as it was also influenced by other dual currency-related dynamics Zimbabwe.

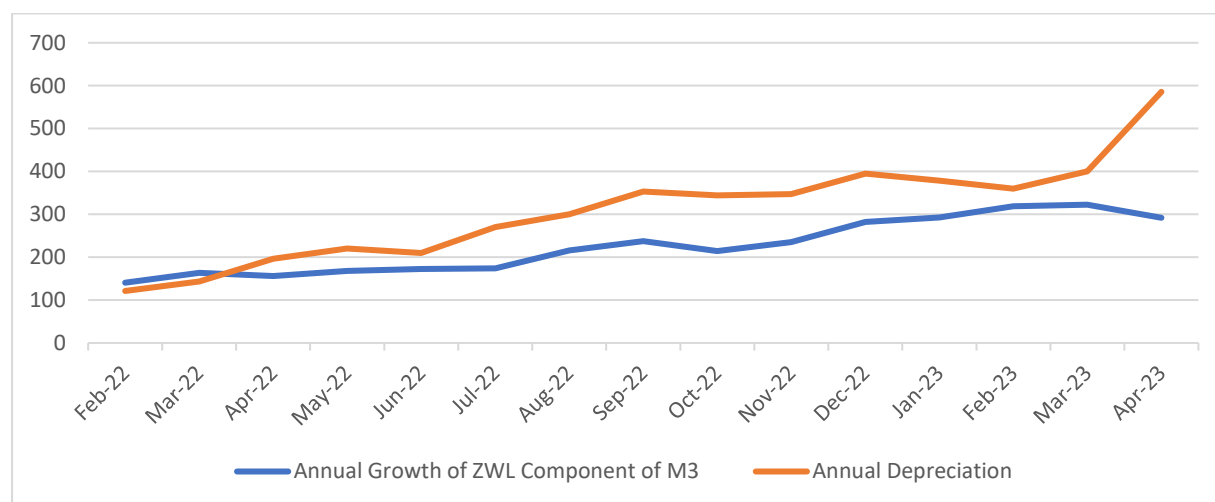
In a normal mono-currency environment, currency instability usually emanates from structural weaknesses in the economy that include unsustainable fiscal and current accounts deficits. The resultant monetization of fiscal deficits through financing from the central bank would then destabilize the exchange rate through excessive financial market liquidity. Similarly, unsustainable current account deficits may lead to foreign currency shortages that exert pressure on the exchange rate to depreciate. In addition, high dependency by a country on primary commodities without adequate foreign reserves exposes the exchange rate to adverse external shocks and to speculative attacks by rent-seeking.

Contrary to the afore-described conventional causes of currency instability, the country's fiscal position has been sustainably maintained at deficits of below 3% with no recourse to Central Bank financing since 2020. Similarly, the country has been experiencing favourable external balance as shown by current account surpluses registered since 2019 to date. Precisely, the country registered foreign currency inflows amounting to US\$11.6 billion in 2022, which is the highest in history. Economic growth prospects for the country are positive with growth estimated to surpass the initial growth projection underpinning the 2023 National budget of 3.8% in 2023. Diaspora remittances have been performing well and outweighing increases in imports to support growth in manufacturing capacity utilization estimated at 56% in 2022.

The country also continues to pursue a tight monetary policy stance since the last half of 2022, with moderate increases in the local component of the money supply. Relatedly, the growth in lending in local currency has been low since January 2023 which shows that the monetary conditions remain tight. Traditionally, the movements in the exchange rate in Zimbabwe have been closely related to the movements in the local currency component of the money supply. This, notwithstanding, the recent currency instability saw the exchange rate sharply depreciating in the face of a merely moderate and normal increase in the local currency component of the

money supply. This, somewhat, suggests a possible decoupling of dual currency exchange dynamics from money supply growth as shown in Figure 8.

**Figure 8: Money Supply and Exchange Rate Developments**



The historically observed money supply-exchange rate nexus, therefore, suggests that the exchange rate should be much lower at around half of what has been observed in the market. Thus, the current official and parallel exchange rates have overshot their equilibrium levels and are expected to appreciate or at the very least remain stable in the foreseeable future.

Given the above, the considered view of the Bank is that the current volatility in the exchange rate reflects the inherent challenges associated with a dual currency system. In a dual currency system, economic agents trade in both the USD and the local currency. Foreign currency is demanded for settling both external and domestic transactions and for store-of-value while under a mono-currency system, foreign currency is mainly reserved for external transactions. Hence the demand for foreign currency under a dual currency system is insatiably high.

On the supply side, the country experienced a decline in foreign currency receipts due to external shocks (declining commodity prices) of key minerals such as the Platinum Group of Metals (PGMs) during the period under review. Although the PGMs prices are yet to reverse, the net effect on trade flows has since been significantly moderated by the coming in of lithium exports and the softening of global petroleum, fertiliser, and other import prices.

It was also observed during the period under review that the quoting of abnormally depreciated exchange rates to discourage sales in local currency by some businesses also exerted pressure on the local unit. This came in the form of a sudden decline in the demand for local currency due to the implicit rejection and an equivalent increase in demand for foreign currency for settling domestic transactions. Given, the hysteresis of yesteryear's hyperinflation, this perpetuated the self-fulfilling negative inflation and exchange rate expectations.

Given that the current exchange rate volatility is not driven by structural factors and persistent money supply growth, the Bank is aptly confident that the worst patch is over. In addition, the recent measures instituted by the Bank, which include the introduction of the wholesale foreign exchange market to address transitory foreign exchange liquidity in the market and the rolling out of the second phase of the gold-backed digital coins are expected to buttress exchange rate stability in the near to short term. Precisely, intervening in the foreign exchange market through the wholesale auction system is already exerting a dual effect of mopping up excess liquidity and re-establishing the optimal mix of the dual currencies, thus ensuing exchange rate stability. Given the above, the Bank encourages all stakeholders, notably retailers, service providers and Government in all its tiers to accept payments in local currency going forward to boost its demand, critical for fostering exchange rate stability.

**RESERVE BANK OF ZIMBABWE**



## APPENDIX 1: FOREIGN EXCHANGE AUCTION RESULTS FOR MAINFX<sup>2</sup> AND SMEFX<sup>3</sup>

	MAINFX				SMEFX			
	19-May-23	26-May-23	2-June-2	9-June-23	19-May-23	26-May-23	2-June-23	9-June-23
<b>Total Bids (US\$ dollars)</b>	26,816,031.89	54,243,996.14	39, 022,401.47	22,581,743.16	3,558,737.72	6,110,283.97	4 862 990,77	2800317,72
<b>Amount Allotted (US\$ dollars)</b>	13,171,159.91	13,209,099.47	13,483,681.07	4,158,013,57	1,273,163.40	957,712.91	1 782 414,85	829 418,77
<b>Highest Rate</b>	1,600	2,001	3000,00	4,100,00	1,525	2,100	3,100	4,100
<b>Lowest Bid Rate</b>	1,351	1,801	2,500,00	3,555,00	1,351	1,801	2,500	3,500
<b>Lowest Bid Rate Allotted</b>	1,351	1,801	2500,00	3,555,00	1,351	1,801	2,500	3,500
<b>Weighted Average Rate</b>	1,404.8039	1,888.0119	2 577,06	3 673,77	1,404.8039	1,888.0119	2,577,06	3,673,77
<b>Number of Bids Received</b>	490	469	344	210	569	674	503	298
<b>Number of Bids Rejected</b>	7	2	6	5	15	29	2	6

*Source: Reserve Bank of Zimbabwe, 2023*

<sup>2</sup> Main Foreign Currency Auction

<sup>3</sup> Small and Medium Enterprises Foreign Currency Auction

## APPENDIX 2: SUMMARY OF FOREIGN CURRENCY AUCTION ALLOTMENTS BY PURPOSE

Purpose	MAINFX				SMEFX			
	19-May-23	26-May-23	2-June-23	9-June-23	19-May-23	26-May-23	2-June-23	9-June-23
<b>Raw Materials</b>	7,007,641.38	6,799,034.39	7,307,910.47	2,252,804.85	350,687.48	288,375.10	561,675.79	345,922.07
<b>Machinery and Equipment</b>	1,926,117.50	2,184,686.84	1,943,805.17	254,261.37	415,614.30	318,256.50	592,242.46	260,143.22
<b>Consumables (Incl. Spares, Tyres, Packaging)</b>	1,001,696.74	778,350.98	1,031,283.36	105,661.54	202,560.71	109,719.60	180,940.94	73,965.28
<b>Pharmaceuticals and Chemicals</b>	341,262.52	401,843.00	722,581.17	149,967.54	62,647.17	19,949.30	60,805.16	38,892.52
<b>Services (Loans, Dividends and Disinvestments)</b>	983,240.01	552,310.76	693,493.70	812,609.16	100,494.32	98,780.03	172,061.28	84,175.30
<b>Retail and Distribution</b>	1,514,194.61		1,532,656.21	200,497.47	125,715.23	95,177.70	151,223.78	20,946.22
<b>Fuel, Electricity and Gas</b>	-	-	-		-	-	-	-
<b>Paper and Packaging</b>	397,007.15	788,269.34	251,950.99	381,211.65	15,444.19	27,454.68	-	-
<b>TOTAL</b>	<b>13,171,159.91</b>	<b>13,209,099.47</b>	<b>13,483,681.07</b>	<b>4,158,013.57</b>	<b>2,280,785.72</b>	<b>1,576,700.13</b>	<b>1,273,163.40</b>	<b>957,712.91</b>

*Source: Reserve Bank of Zimbabwe, 2023*