



Weekly Economic Highlights

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Week Ending
8th September 2023

1. OVERVIEW

This report provides an analysis of the developments in the money and capital markets for the week ending 8th September 2023. The report also covers developments in tobacco sales, mineral commodities, and stock markets during the week.

The Zimbabwe Stock Exchange (ZSE) exhibited bullish sentiments for the fourth consecutive week, while negative trading characterized the Victoria Falls Stock Exchange (VFEX). Consecutively, the value of transactions processed through the National Payment System (NPS) were lower during the week under review compared to the previous week.

The maximum deposit rates for the domestic currency deposits remained largely unchanged during the week under analysis.

2. INTEREST RATES

Local Currency (ZWL) Deposit Rates

During the week ending 8th September 2023, minimum deposit rates for deposits of 3-month, 6-month and 12-month tenors also remained unchanged during the same week. Maximum deposit rates for savings deposits and deposits of 1-month tenor were unchanged during the week under analysis. Maximum deposit rates for deposits of 3-month, 6-month, and 12-month tenors, however, registered declines 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 (%)		6- Month deposit rates (%)		12- Month deposit rates (%)	
	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
11-Aug-23	34.29	35.60	59.00	69.33	57.67	69.44	59.17	68.64	59.33	68.79
18-Aug-23	34.29	35.60	59.00	70.11	57.67	70.35	59.17	68.64	59.33	68.79
25-Aug-23	34.29	34.29	59.00	70.11	57.67	70.35	59.17	68.64	59.33	68.79
01-Sep-23	34.29	35.60	59.00	70.11	57.67	70.35	59.17	68.64	59.33	68.79
08-Sep-23	34.29	35.60	59.00	70.11	57.67	69.22	59.17	67.40	59.33	67.53

Source: Reserve Bank of Zimbabwe, 2023

Local Currency Lending Rates

The minimum and maximum ZWL lending rates for individual and corporate clients were lower during the week under review. The ZWL lending rates are shown in Table 2.

Table 2: Lending Rates (per annum)

Date	Minimum (%)		Maximum (%)	
	Individual Clients		Corporate Clients	
11-Aug-23	77.70	102.85	94.39	166.34
18-Aug-23	77.83	102.86	93.46	165.81
25-Aug-23	77.63	102.79	93.18	166.18
01-Sep-23	76.78	100.11	92.40	166.33
08-Sep-23	76.51	99.92	91.76	166.02

Source: Reserve Bank of Zimbabwe, 2023

Foreign Currency (USD) Deposit Rates

During the week under review, minimum and maximum FCA deposit rates for all classes of deposits remained at the previous week's levels. Banks continue to actively take measures to attract long-term foreign currency deposits amid firm demand for foreign currency loans by individual and corporate clients. Average foreign currency deposit rates are shown in Table 3.

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

Date	Savings deposits (%)		1- Month deposit rates (%)		3- Month deposit rates (%)		6-Month deposit rates (%)		12- Month deposit rates (%)	
	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
11-Aug-23	1.27	1.81	3.15	4.50	3.33	5.00	3.35	5.27	3.86	5.04
18-Aug-23	1.27	1.81	3.15	4.62	3.33	5.00	3.35	5.27	3.43	5.50
25-Aug-23	1.27	1.81	3.15	4.62	3.33	5.00	3.35	5.27	3.43	5.50
01-Sep-23	1.27	1.81	3.15	4.62	3.33	5.00	3.35	5.27	3.43	5.50
08-Sep-23	1.27	1.81	3.15	4.62	3.33	5.00	3.35	5.27	3.43	5.50

Source: Reserve Bank of Zimbabwe, 2023

Foreign Currency (USD) Lending Rates

Minimum foreign currency lending rates for both individuals and corporations increased by 0.07 and 1.13 percentage points respectively. Maximum lending rates for individuals and corporates softened during the week ending 8th September 2023.

Table 4: Lending Rates (per annum)

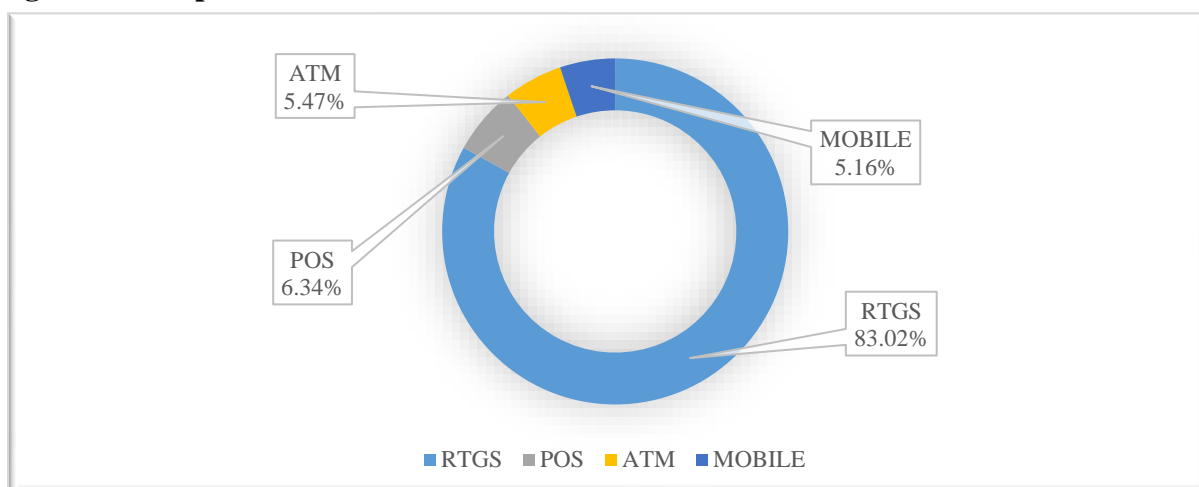
Date	Individual Clients		Corporate Clients	
	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
11-Aug-23	11.30	13.14	8.02	14.33
18-Aug-23	11.29	13.15	8.03	14.38
25-Aug-23	11.28	13.19	8.03	14.36
01-Sep-23	11.22	13.23	7.12	14.92
08-Sep-23	11.29	13.16	8.25	14.20

Source: Reserve Bank of Zimbabwe, 2023

3. CLEARING AND SETTLEMENT ACTIVITY

During the week under analysis, aggregate transactions processed in value terms through the National Payment System (NPS) platforms were ZW\$5.11 trillion, representing a decrease of 2.55% from ZW\$5.24 trillion in the previous week. The Real Time Gross Settlement (RTGS) system constituted 83.02% of the total value of transactions processed through the NPS. In value terms, NPS transactions were distributed as shown in Figure 1.

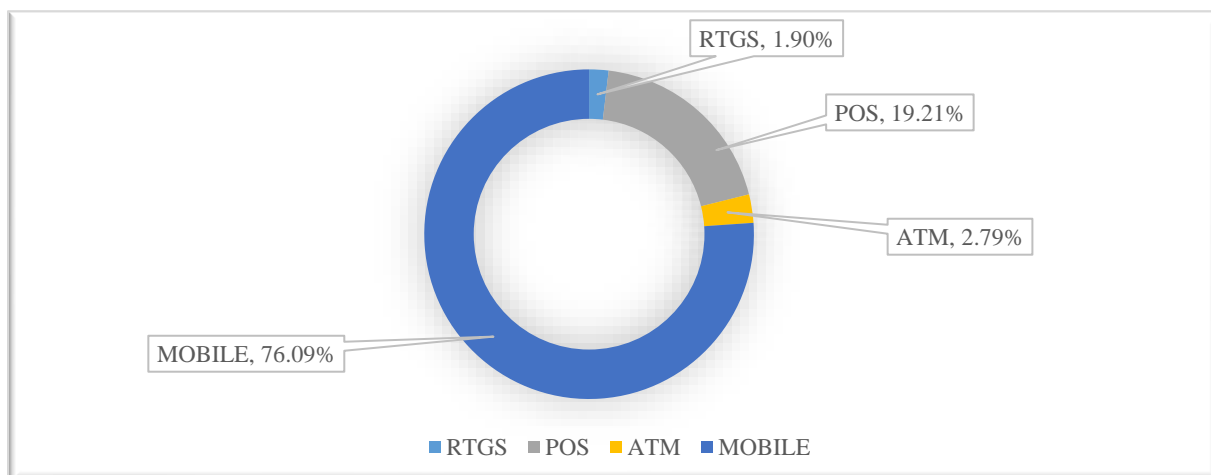
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2023

The volume of transactions processed through the NPS increased by 7.44% to close at 11.10 million driven by increases in Mobile, POS, and ATM transaction volumes. NPS transaction volumes were distributed as follows: Mobile, 76.09%; POS, 19.21%; ATM, 2.79%; and RTGS, 1.90%, 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 01 September 2023	WEEK ENDING 08 September 2023	% CHANGE FROM LAST WEEK	PROPORTION %
Values in ZW\$ Millions				
RTGS	4,472,722.99	4,243,909.60	-5.12%	83.02%
POS	259,039.38	324,132.97	25.13%	6.34%
ATM	272,089.61	279,709.56	2.80%	5.47%
MOBILE	241,936.14	264,014.42	9.13%	5.16%
TOTAL	5,245,788.12	5,111,766.55	-2.55%	100%
Volumes				
RTGS	287,828	211,396	-26.55%	1.90%
POS	1,886,812	2,133,115	13.05%	19.21%
ATM	206,872	309,747	49.73%	2.79%
MOBILE	7,952,448	8,448,524	6.24%	76.09%
TOTAL	10,333,960	11,102,782	7.44%	100%

Source: Reserve Bank of Zimbabwe, 2023

4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

During the week ending 8th September 2023, international prices for gold, platinum, palladium, copper, and nickel fell, while crude oil prices increased. Table 6 shows commodity price developments during the week under review.

Table 6: Metal and Crude Oil Prices for the week ending 8th September 2023

	Gold	Platinum	Palladium	Copper	Nickel	Crude Oil
2023	US\$/ounce	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
Weekly Average (29 Aug-1 Sep)	1,938.84	978.88	1,232.13	8,477.33	20,695.75	86.51
4-Sep	1,939.63	959.50	1,232.50	8,414.00	20,965.00	88.95
5-Sep	1,928.95	945.00	1,210.50	8,450.00	20,955.00	89.89
6-Sep	1,922.75	918.00	1,202.50	8,371.50	20,593.00	90.27
7-Sep	1,919.10	906.00	1,202.00	8,242.00	20,130.00	90.37
8-Sep	1,926.68	901.50	1,220.00	8,333.50	20,240.00	90.67
Weekly Average (4 - 8 Sep)	1,927.42	926.00	1,213.50	8,362.20	20,576.60	90.03
<i>Weekly Change (%)</i>	<i>-0.59</i>	<i>-5.40</i>	<i>-1.51</i>	<i>-1.36</i>	<i>-0.58</i>	<i>4.07</i>

Source: BBC, KITCO and Bloomberg 2023

Gold

Gold prices fell by 0.59% to US\$1,927.42 in the week under review, from US\$1,938.84 per ounce reported in the previous week. The price decrease was mainly due to the strengthening of the U.S. dollar amid rising expectations that the Federal Reserve will keep interest rates higher for longer.

Platinum

Platinum prices declined by 5.40% to a weekly average of US\$926.00 per ounce, during the week under review, from a weekly average of US\$978.88 per ounce reported in the previous week. A stronger U.S. dollar and weak industrial demand underpinned the decline in the price of the metal.

Palladium

During the week ending 8th September 2023, palladium prices retreated by 1.51% to US\$1,213.50 per ounce, from US\$1,232.13 per ounce recorded in the previous week. Prices slipped as the U.S. dollar strengthened, dampening the metal's appeal to holders of other currencies.

Copper

Copper prices fell by 1.36% to US\$8,362.20 per tonne during the week ending 8th September 2023, from US\$8,477.33 per tonne recorded in the previous week, mainly due to a rally in the U.S. dollar.

Nickel

Nickel prices decreased by 0.58% to close at US\$20,576.60 per tonne during the week under review, from US\$20,695.75 per tonne reported in the week ending 1st September 2023. A stronger U.S. dollar and weak economic data from major economies, including China, the top metals consumer, largely drove the price decline.

Brent Crude Oil

Crude oil prices increased by 4.07% to US\$90.03 per barrel during the week ending 8th September 2023, from US\$86.51 per barrel reported in the previous week. This was underpinned by supply-tightening behaviour, with Saudi Arabia extending its production cut to the end of the year. Furthermore, the United States reported a significant drop in its inventories, pushing the demand for the commodity in the face of a supply decline.

Exchange Rate Developments

Interbank Market

The Zimbabwe dollar (ZW\$) depreciated by 0.9% on the interbank market, from an average of ZW\$4,593.69 per US\$1 in the prior week to ZW\$4,633.01 per US\$1, during the reporting week, as shown in Table 7.

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

2023	USD	ZAR	GBP	BWP	EURO
Weekly Average (28 Aug – 1 Sep)	4,593.6939	248.7811	5,809.9797	340.7333	4,985.7677
04-Sep	4,610.3163	246.9136	5,814.0980	341.2479	4,973.2044
05-Sep	4,610.3894	240.9639	5,817.6903	338.4870	4,972.3331
06-Sep	4,647.9681	246.9136	5,845.8038	229.8851	4,989.1833
07-Sep	4,647.9693	243.9024	5,809.4967	336.7453	4,982.3906
08-Sep	4,648.3861	243.9024	5,809,5529	337.7052	4,982.3726
Weekly Average (4 - 8 Sep)	4,633.0058	244.5192	5,819.3283	316.8141	4,979.8968
<i>Appr (-)/Depr (+) (%) of the ZWL</i>	<i>0.86</i>	<i>-1.7</i>	<i>0.2</i>	<i>-7.0</i>	<i>-0.1</i>

Source: Reserve Bank of Zimbabwe, 2023

5. EQUITY MARKETS

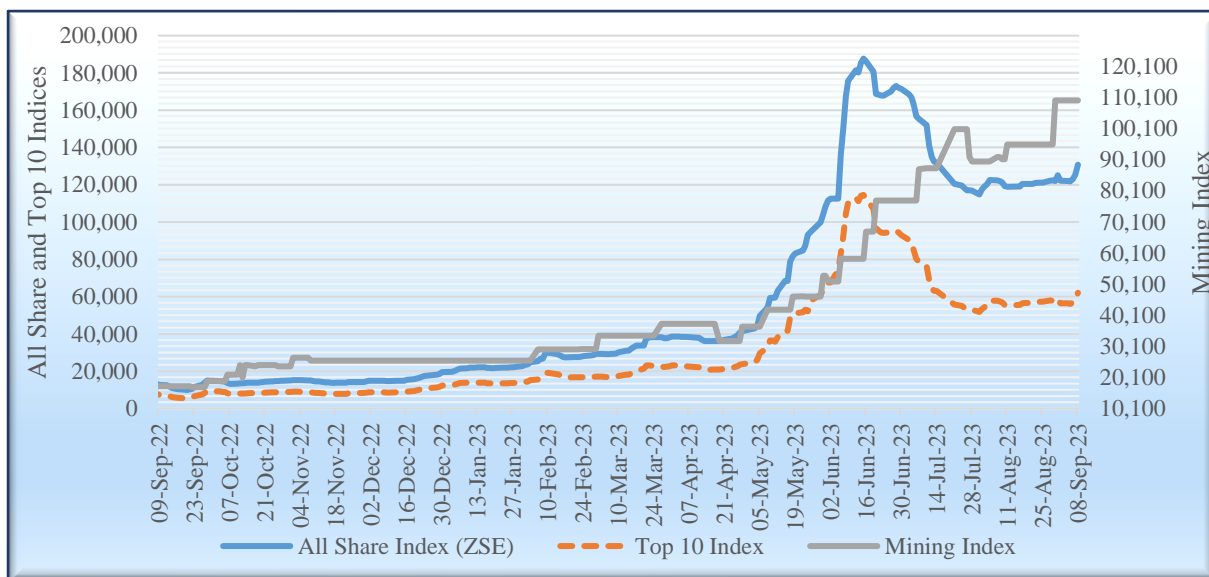
During the week of analysis, the Zimbabwe Stock Exchange (ZSE) exhibited bullish sentiments for the fourth consecutive week, while negative trading characterized the Victoria Falls Stock Exchange (VFEX). As a result, the ZSE All Share index rose by 7.05% while the VFEX All Share index lost 3.50% to close at 130 812.47 points and 68.06 points, respectively.

Zimbabwe Stock Exchange (ZSE) Developments

The Top 10, Top 15 and Medium Cap indices added 9.94%, 8.12%, and 2.01% to close at 62 062.50 points, 84 773.55 points, and 459 558.89 points, respectively. This is compared to the previous week's positions of 56 448.75 points, 78 409.88 points, and 450 491.88 points, respectively.

The resource index remained unchanged at 109 159.36 points during the same week. Figure 3 shows developments on the ZSE's All Share, Top 10, and Mining indices from 9th September 2022 to 8th September 2023.

Figure 3: ZSE All Share, Top 10 and Mining Indices



Source: Zimbabwe Stock Exchange, 2023

The rise in the mainstream index emanated from share price gains in Willdale Limited (63.96%), Masimba Holdings Limited (32.24%), CBZ Holdings Limited (27.22%), Ariston Holdings Limited (20.51%) and Delta Corporation Limited (16.69%).

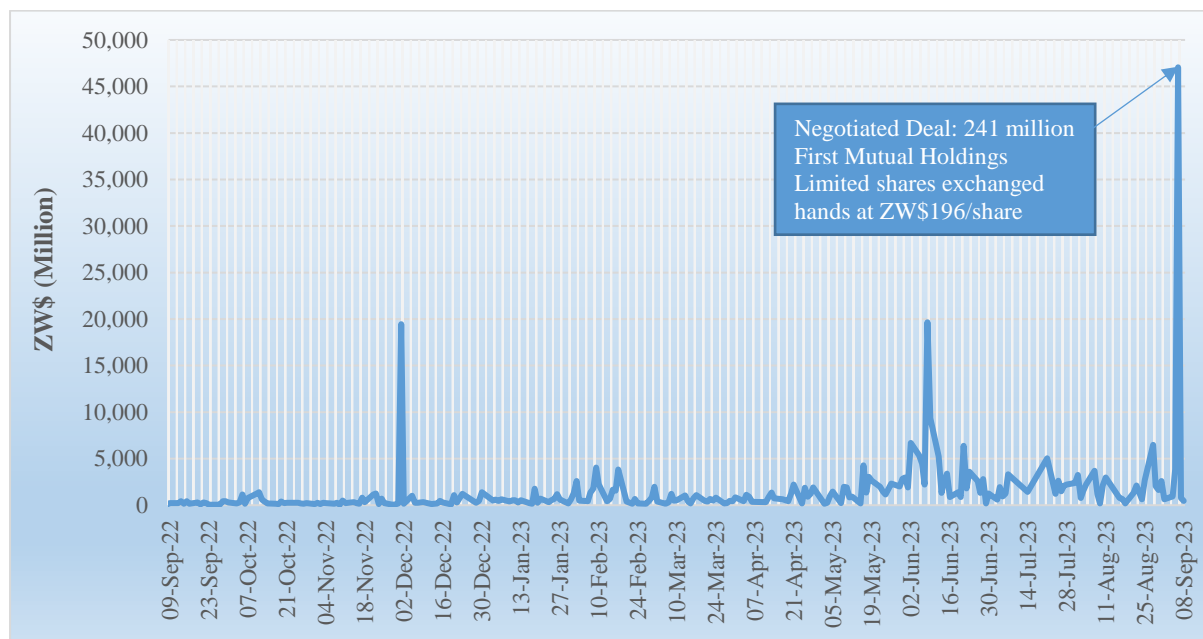
Partially offsetting the gains were declines in the share prices of Amalgamated Regional Trading (ART) Limited (13.96%), SeedCo Limited (11.36%), Hippo Valley Estates Limited (10%), StarAfrica Corporation Limited (6.31%) and Edgars Stores Limited (4.35%).

Market Turnover

During the week under analysis, cumulative volume and value of shares traded increased by 1 008.31% and 297.69% to 248.02 million shares and ZW\$53 131.23 million. This compares to 22.38 million shares and ZW\$13 359.98 million recorded in the prior week, respectively. The surge in turnover volume and value was largely informed by a block trade in which 241 million First Mutual Holdings Limited shares exchanged hands at ZW\$196 per share.

Figure 4 shows the trend in daily market turnover for the period 9th September 2022 to 8th September 2023.

Figure 4: Market Turnover



Source: Zimbabwe Stock Exchange, 2023

Market Capitalization

As a consequence of bullish sentiments exhibited on the ZSE during the week under review, the market added 7.37%, or ZW\$716.70 billion worth of capitalization to close at ZW\$10 435.10 billion, compared to ZW\$9 718.39 billion registered in the previous week.

Figure 5 shows the evolution of market capitalization for the period 9th September 2022 to 8th September 2023.

Figure 5: Market Capitalization



Source: Zimbabwe Stock Exchange, 2023

Victoria Falls Stock Exchange (VFEX) Developments

The decrease in the VFEX mainstream index was a result of share price declines in First Capital Bank Limited (25%), National Foods Holdings Limited (19.90%), Padenga Holdings Limited (1.91%), Simbisa Brands Limited (1.29%) and Inncor Africa Limited (0.31%)

Partially offsetting the abovementioned declines were increases in the share price of Axia Corporation Limited (3.22%).

VFEX Market Turnover

The VFEX cumulative volume and value of shares traded declined by 66.97% and 35.59% to 1.48 million shares and US\$0.45 million, compared to 4.47 million shares and US\$ 0.70 million, recorded in the previous week, respectively.

VFEX Market Capitalization

Owing to subdued trading activity on the VFEX during the week under review, the market lost 3.50% worth of capitalization to close at US\$1.16 billion.

Figure 6 shows the trend in the VFEX All Share Index (ASI) for the period 9th September 2022 to 8th September 2023.

Figure 6: VFEX All Share Index



Source: Victoria Falls Stock Exchange (VFEX), 2023

RESERVE BANK OF ZIMBABWE

APPENDIX 1: FOREIGN EXCHANGE AUCTION RESULTS FOR MAINFX¹ AND WHOLESALFX²

	WHOLESALFX			
	03-August-23	08- Aug-23	16-Aug-23	29-Aug-23
Total Bids (US\$ dollars)	13,823,820.00	17,518,500.00	18,854,776.00	19,610,040.40
Amount Allotted (US\$ dollars)	12,498,820.00	17,518,500.00	18,854,776.00	19,610,040.40
Highest Rate	4,573.00	4,584.45	4,600.00	4,650.00
Lowest Bid Rate	4,535.00	4,550.00	4,559.00	4,570.00
Lowest Bid Rate Allotted	4,535.00	4,550.00	4,559.00	4,570.00
Weighted Average Rate	4,556.16	4,559.74	4,577.50	4,604.62
Number of Bids Received	13	16	13	18
Number of Bids Rejected	0	0	0	0

Source: Reserve Bank of Zimbabwe, 2023

¹ Main Foreign Currency Auction. The Auction is normally conducted every Tuesday every week.

² Wholesale Foreign Currency Auction (Wholesale FX). The RBZ MPC resolutions dated 6 June 2023 resolved that with effect from 7 June 2023, the Bank shall sell foreign currency at the market-determined exchange rate through banks to support and strengthen the foreign exchange interbank market, and banks shall in turn sell the foreign currency to their customers.

APPENDIX 2: SUMMARY OF FOREIGN CURRENCY AUCTION ALLOTMENTS BY PURPOSE

Purpose	MAINFX			
	01-August-23	08-Aug-23	16-Aug-23	29-Aug-23
Raw Materials	128,132.37	308,170.98	113,729.24	144,400.98
Machinery and Equipment	232,872.55	287,094.68	345,440.82	123,873.61
Consumables (Incl. Spares, Tyres, Packaging)	-	2,120.64	-	47,224.00
Pharmaceuticals and Chemicals	-	-	-	-
Services (Loans, Dividends and Disinvestments)	69,961.27	232,795.36	58,000.00	220,379.23
Retail and Distribution	49,618.06	54,648.06	30,000.00	10,000.00
Fuel, Electricity and Gas	-	-	-	-
Paper and Packaging	17,308.81	-	22,269.22	-
TOTAL	497,893.08	884,829.72	569,439.28	545,877.82

Source: Reserve Bank of Zimbabwe, 2023