Vol. 24 No. 6

Weekly Economic Highlights

TABLE OF CONTENTS

Week Ending
11th February 2022

1. INTEREST RATES

Deposit Rates

During the week ending 11th February 2022, average minimum deposit rates for savings deposits declined, while those for deposits of 1-month and 3-month tenors registered increases. Maximum deposit rates for savings deposits increased, while those for deposits of 1 month tenor decline. The week under review also saw maximum deposit rates for deposits of 3 month tenor remain unchanged, 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 (%)
14-Jan-22	3.52	5.31	12.14	15.50	12.26	15.89
21-Jan-22	3.52	5.31	12.14	15.50	12.26	15.89
28-Jan-22	3.66	5.76	12.14	15.67	13.16	16.95
4-Feb-22	3.66	5.76	12.14	15.67	13.16	16.95
11-Feb-22	2.80	5.91	13.50	15.61	14.39	16.95

Source: Reserve Bank of Zimbabwe, 2022

Lending Rates

Commercial bank minimum lending rates for individual and corporate clients increase by 1.25 and 0.7 percentage points to close at 40.87% and 40.32%, respectively. Maximum commercial bank lending rates for individual clients remained unchanged, while those for corporate clients registered a decline, as shown in Table 2.

Table 2: Lending Rates (per annum)

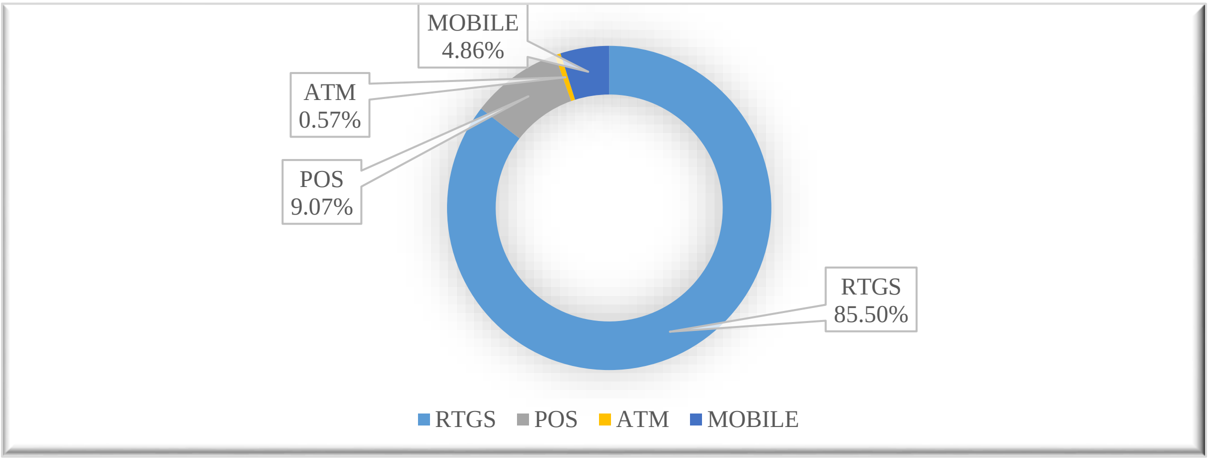
Date	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
	Individual Clients		Corporate Clients	
14-Jan-22	38.96	55.49	38.02	63.94
21-Jan-22	38.96	55.49	38.02	63.94
28-Jan-22	39.62	57.26	39.62	64.14
4-Feb-22	39.62	57.26	39.62	64.14
11-Feb-22	40.87	57.26	40.32	63.92

Source: Reserve Bank of Zimbabwe, 2022

2. CLEARING AND SETTLEMENT ACTIVITY

During the week under review, the National Payment System (NPS) processed transactions worth ZW$195.8 billion, a 0.87 % increase from $194.11 billion in the previous week. Real Time Gross Settlement (RTGS) transactions increased by 0.37% to close at $167.41 billion. In value terms, the NPS transactions were distributed as follows: RTGS, 85.50%, POS, 9.07%; Mobile, 4.86%; and ATM, 0.57%.

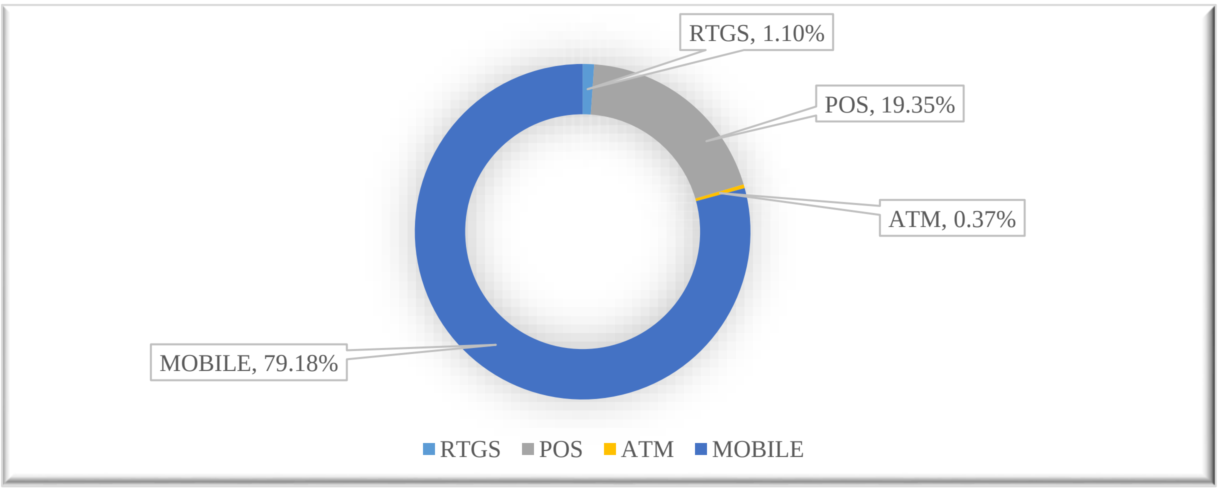
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2022

The week under analysis saw NPS transaction volumes increase by 8.29% to close at 22.49 million. In terms of proportions, the NPS transaction volumes were distributed as follows: Mobile, 79.18%; POS, 19.35%; RTGS, 1.10%; and ATM, 0.37%, 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 4th February 2022	WEEK ENDING 11th February 2022	% CHANGE FROM LAST WEEK	PROPORTION %
	Values in ZW$ Millions			
RTGS	166,789.80	167,411.60	0,37%	85,50%
POS	16,916.50	17,758.59	4,98%	9,07%
ATM	1,767.89	1,112.60	-37,07%	0,57%
MOBILE	8,643.23	9,515.85	10,10%	4,86%
TOTAL	**194,117.42**	**195,798.64**	**0,87%**	**100%**
	Volumes			
RTGS	265,623	246,887	-7,05%	1,10%
POS	4,232,212	4,352,872	2,85%	19,35%
ATM	120,466	84,137	-30,16%	0,37%
MOBILE	16,152,602	17,807,895	10,25%	79,18%
TOTAL	**20,770,903**	**22,491,791**	**8,29%**	**100%**

Source: Reserve Bank of Zimbabwe, 2022

3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

In the week under review, global prices for gold, copper, nickel and crude oil firmed. Platinum prices, however, retreated. Table 4 shows the evolution of selected international commodity prices, during the week ending 11th February 2022.

Table 4: Metal and Crude Oil Prices for the week ending 11th February 2022

	Gold	Platinum	Copper	Nickel	Crude Oil
2022	US$/ounce	US$/ounce	US$/tonne	US$/tonne	US$/barrel
Weekly Average (31 Jan - 4 February)	**1,801.36**	**1,029.30**	**9,723.46**	**23,095.20**	**90.49**
7-Feb	1,812.35	1,014.50	9,870.50	23,390.00	92.56
8-Feb	1,821.50	1,020.50	9,806.00	23,814.00	91.07
9-Feb	1,827.95	1,033.00	9,809.30	23,023.00	91.43
10-Feb	1,833.83	1,027.50	10,103.00	23,571.00	90.63
11-Feb	1,828.70	1,026.00	10,305.00	23,886.00	95.10
Weekly Average (7 - 11 February)	**1,824.87**	**1,024.30**	**9,978.76**	**23,536.80**	**92.16**
Weekly Change (%)	*1.3*	*-0.5*	*2.6*	*1.9*	*1.8*

Source: BBC, KITCO and Bloomberg, 2022

Gold

Gold prices gained by 1.3%, from a weekly average of US$1,801.36 per ounce in the previous week to US$1,824.87 per ounce, during the week ending 11th February 2022. Prices largely firmed on account of escalating geopolitical tensions between Russia and Ukraine, coupled with fears over rising global inflation. These developments boosted the yellow metal's safe-haven appeal. The gains were, however, capped by higher U.S Treasury bond yields, amid expectations that the Federal Reserve would increase interest rates in the near term.

Platinum

Platinum prices retreated, registering a 0.5% decline, from a weekly average of US$1,029.30 per ounce in the previous week to US$1,024.30 per ounce, during the week under review. This followed weak demand from the automobile industry, which outweighed fears of tight supplies from Russia, in the midst of escalating geopolitical tensions with Ukraine.

Copper

Copper prices rebounded, supported by falling global inventories, at a time when demand for the red metal is increasing, amid the global transitioning from fossil fuels to copper intensive electrification. The weekly average price of the base metal rose by 2.6%, from a weekly average of US$9,723.46 per tonne in the preceding week to US$9,978.76 per tonne, during the week ending 11th February 2022.

Nickel

Nickel prices remained in positive territory, supported by a combination of tight supplies and robust demand from manufacturers of electric vehicle batteries. Prices rose by 1.9%, from a weekly average of US$23,095.20 per tonne in the previous week to US$23,536.80 per tonne, during the week under review.

Brent Crude Oil

Brent crude oil price rallied, on fears that a possible and imminent invasion of Ukraine by Russia could trigger U.S. and European sanctions that would disrupt exports from the world's top producer, in an already tight market. Weekly average crude oil price rose by 1.8%, from US$90.49 per barrel in the preceding week to US$92.16 per barrel, during the week under review.

4. EXCHANGE RATE DEVELOPMENTS

The Zimbabwe dollar (ZW$) depreciated against the US dollar, shedding 2.4%, from an average of ZW$115.4205 per US$1 in the previous week, to close the week under review at ZW$118.1838 per US$1. The developments in selected exchange rates are as shown in Table 5.

Table 5: International Exchange Rates[1]

	USD	ZAR	GBP	BWP	EURO
2022					
Weekly Average (31 Jan - 4 February)	**115.4205**	**7.5585**	**156.9042**	**9.9998**	**131.1257**
7-Feb	115.4200	7.5472	157.81	10.0791	133.4418
8-Feb	118.8748	7.4991	157.6234	10.0557	133.1969
9-Feb	118.8748	7.7549	161.1830	10.2532	135.8386
10-Feb	118.8748	7.8003	160.8378	10.2770	135.8148
11-Feb	118.8748	7.8034	160.8085	10.3721	135.3037
Weekly Average (7 - 11 February)	**118.1838**	**7.6810**	**159.6525**	**10.2074**	**134.7191**
Appr(-)/Depr(+) (%) of the ZWL	*2.4*	*1.6*	*1.8*	*2.1*	*2.7*

Source: Reserve Bank of Zimbabwe, 2022

5. EQUITY MARKETS

During the week ending 11th February 2022, the performance of the Zimbabwe Stock Exchange (ZSE) remained positive, with all major indices registering gains. The Top 10, Top 15 and All Share, indices went up by 14.53%, 14.30% and 12.35% to close at 9 393.29 points, 10 277.13 points and 14 077.59 points, respectively.

The increase in the mainstream index was a result of share price increases for Axia Corporation Limited (41.79%), Tanganda Tea Company Limited (29.05%), Hippo Valley Estates Limited (28.81%), Cassava Smartech Zimbabwe Limited (27.04%) and Delta Corporation Limited (16.20%). Losses were, however, registered for share prices of NMBZ Holdings Limited (8.79%), Nampak Zimbabwe Limited (6.72%), Mashonaland Holdings Limited (5.98%), First Mutual Properties Limited (5.78%) and Unifreight Africa Limited (3.23%). The resources index went up by 5.19% to close at 8 378.71 points.

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

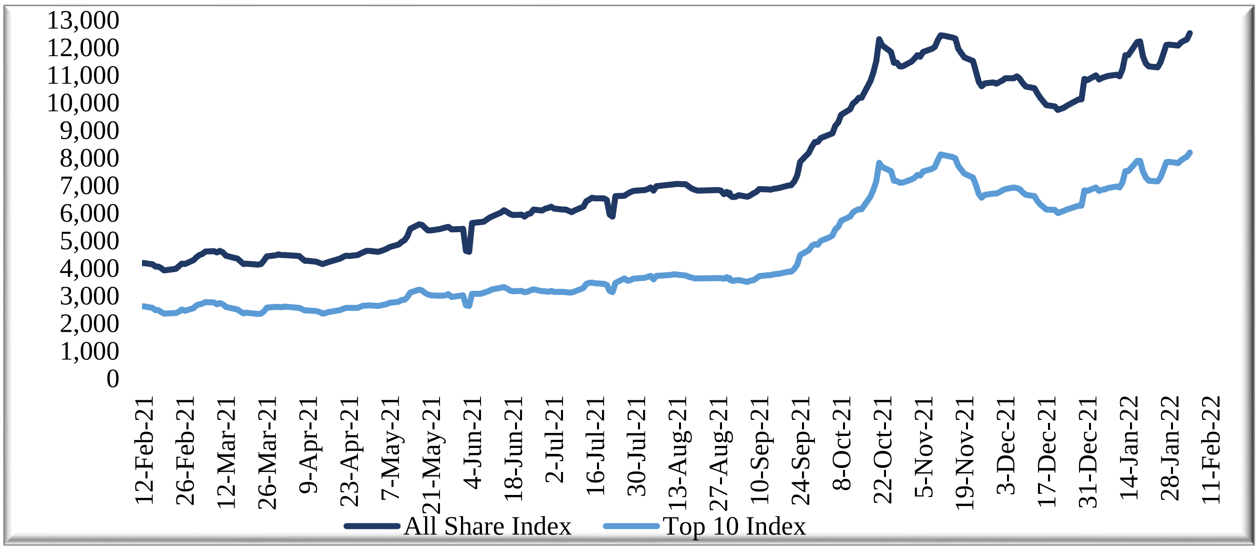
Table 6: Zimbabwe Stock Exchange Statistics[2]

	All Share Index Points	Top 10 index (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)
7-Jan-22	10,973.50	6,911.60	7,670.42	20,668.38	417,650.07	7,815.37	1,336.23	975.91	15.74
14-Jan-22	11,733.61	7,523.41	8,317.55	21,131.63	398,369.22	7,815.37	1,466.64	1,276.87	43.41
21-Jan-22	11,324.01	7,184.86	7,943.10	21,013.11	371,740.14	8,196.79	1,371.63	478.90	8.04
28-Jan-22	12,120.10	7,864.28	8,642.03	21,155.21	374,941.96	8,196.79	1,447.82	851.58	13.43
4-Feb-22	12,529.84	8, 201.62	8,991.14	21,435.43	388,887.56	7,965.26	1,518.58	1,919.81	24.64
11-Feb-22	14,077.59	9,393.29	10,277.1	22,583.29	397,070.92	8,378.71	1,741.12	2,194.99	43.22
% Change	**12.35**	**14.53**	**14.30**	**5.35**	**2.10**	**5.19**	**14.65**	**14.33**	**75.41**

Source: Zimbabwe Stock Exchange (ZSE), 2022

Figure 3 shows the trend in daily market turnover for the period from 4th February 2021 to 11th February 2022.

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



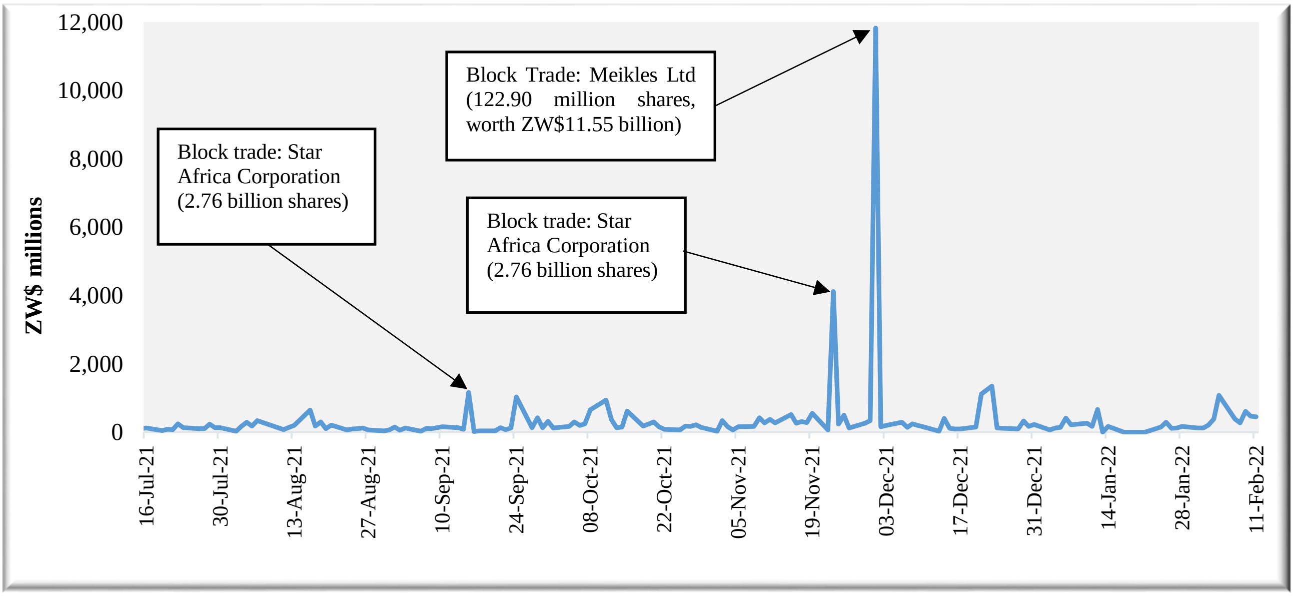
Source: Zimbabwe Stock Exchange, 2022

2 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 review, the cumulative volume and value of shares traded on the ZSE increased by 75.41% and 14.33% to 43.22 million shares and ZW$2.19 billion, respectively. The surge in the volume of shares traded was, in part, a result of foreign purchases of 5.64 million shares worth ZW$70.45 million on the Nampak Zimbabwe counter. Figure 4 shows the trend in daily market turnover for the period from 16th July 2021 to 11th February 2022.

Figure 4: Daily Market Turnover

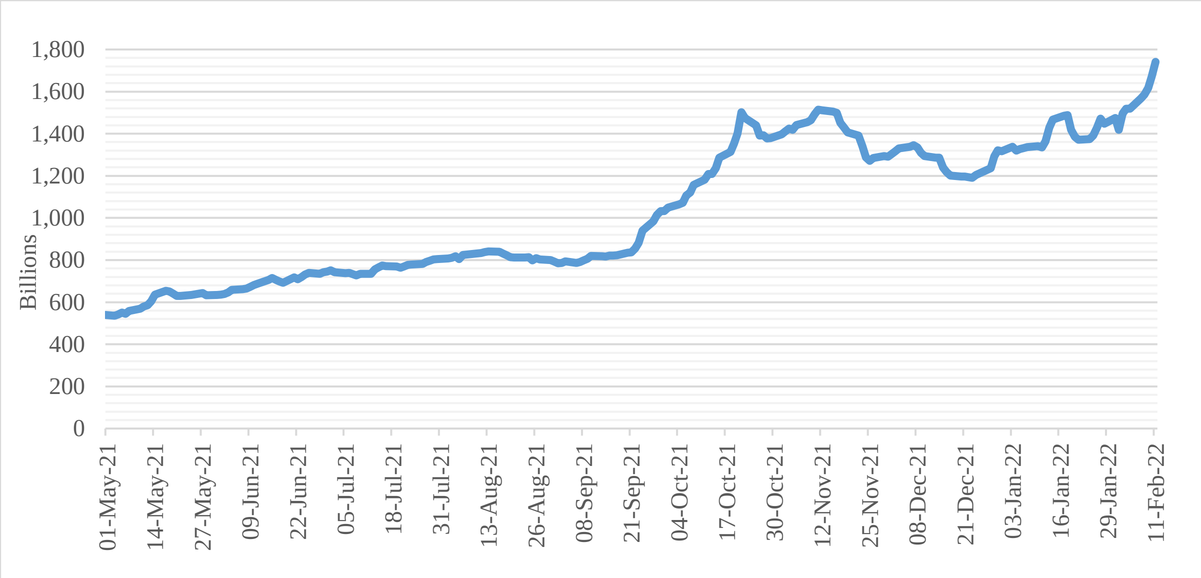


Source: Zimbabwe Stock Exchange, 2022

Market Capitalization

The local bourse gained ZW$222.54 billion, or 14.65% worth of capitalization to close at ZW$1 741.13 billion, during the week under review. Figure 5 shows market capitalization developments for the period from 1st May 2021 to 11th February 2022.

Figure 5: Daily Market Capitalization in ZW$ billions



Source: Zimbabwe Stock Exchange, 2022

Johannesburg Stock Exchange (JSE) Developments

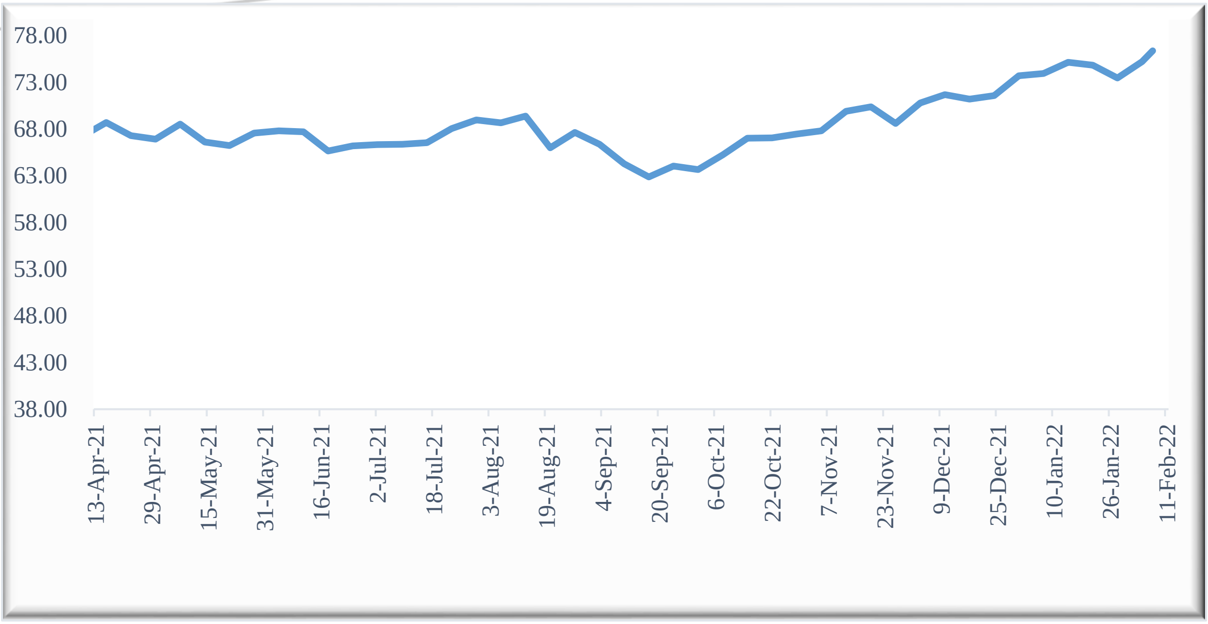
During the week ending 11th February 2022, the Johannesburg Stock Exchange (JSE) All Share index increased from 75,206.00 points in the previous week to 76,382.95 points. JSE market capitalization increased by 0.90% from ZAR22.34 trillion in the previous week to ZAR22.54 trillion, during the week under review.

Table 7: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalization (ZAR trillions)
7-Jan-22	73,939.71	20.50
14-Jan-22	75,160.21	21.13
21-Jan-22	74,834.52	20.91
28-Jan-22	73,454.96	20.43
4-Feb-22	75,206.00	22.34
11-Feb-22	76,382.95	22.54
% Change	**1.56**	**0.90**

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

Figure 6: 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[3] AND SMEFX[4]

	MAINFX				SMEFX			
	18-Jan-22	25-Jan-22	4-Feb-22	11-Feb-22	18-Jan-22	25-Jan-22	4-Feb-22	11-Feb-22
Total Bids (US$ dollars)	25,679,781.10	32,621,993.68	32,275,383.86	32,792,172.96	5,186,494.80	6,153,778.39	6,773,484.47	7,633,061.96
Amount Allotted (US$ dollars)	25,679,781.10	32,621,993.68	30,775,095.86	30,198,858.89	5,186,494.80	6,153,778.39	6,773,484.47	6,961,341.90
Highest Rate	126	130	132.5	130.00	125	130	130	135.00
Lowest Bid Rate	104	107	108.0	116.00	100	106	107	115.00
Lowest Bid Rate Allotted	104	107	112.82	116.00	100	106	107	115.00
Weighted Average Rate	112.8228	115.4223	116.6500	118.8748	112.8228	115.4223	116.6500	118.8748
Number of Bids Received	448	537	546	536	633	906	901	898
Number of Bids Rejected	128	115	86	85	141	209	118	100

Source: Reserve Bank of Zimbabwe, 2022

3 Main Foreign Currency Auction

4 Small and Medium Enterprises Foreign Currency Auction

APPENDIX 2: SUMMARY OF FOREIGN CURRENCY AUCTION ALLOTMNTS BY PURPOSE

Purpose	MAINFX				SMEFX			
	18-Jan-22	25-Jan-22	4-Feb-22	11-Feb-22	18-Jan-22	25-Jan-22	4-Feb-22	11-Feb-22
Raw Materials	10,955,933.90	15,075,011.73	13,258,231.07	11,821,018.14	1,437,928.95	1,219,985.38	1,584,646.80	1,802,664.35
Machinery and Equipment	6,834,249.00	8,367,681.17	7,024,692.98	7,901,825.18	1,716,788.74	1,927,856.57	2,147,777.51	2,264,729.79
Consumables (Incl. Spares, Tyres, Packaging)	2,018,909.75	2,882,019.59	2,750,638.64	3,562,165.30	567,367.56	967,713.63	961,908.64	876,554.00
Pharmaceuticals and Chemicals	1,601,054.05	1,700,372.52	1,490,692.27	1,397,826.60	224,790.62	250,416.84	314,122.62	353,407.93
Services (Loans, Dividends and Disinvestments)	2,046,438.06	1,749,583.84	1,922,356.55	1,661,438.04	832,305.41	1,195,329.76	1,053,903.16	916,491.54
Retail and Distribution	1,717,910.17	2,174,100.12	3,491,211.10	3,280,283.01	223,739.04	439,023.08	554,044.11	568,363.12
Fuel, Electricity and Gas	50,251.21	-	-	-	-	-	10,000.00	20,620.00
Paper and Packaging	455,034.96	673,224.71	837,273.25	574,302.62	183,574.48	153,453.13	147,081.63	158,511.17
TOTAL	**25,679,781.10**	**32,621,993.68**	**30,775,095.86**	**30,198,858.89**	**5,186,494.80**	**6,153,778.39**	**6,773,484.47**	**6,961,341.90**

Source: Reserve Bank of Zimbabwe, 2022