Vol. 24 No. 7

Weekly Economic Highlights

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Week Ending
18th February 2022

1. INTEREST RATES

Deposit Rates

Minimum and maximum deposit rates remained at previous week levels, across all classes of deposits, during the week ending 18th February 2021, 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 (%)
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
18-Feb-22	2.80	5.91	13.50	15.61	14.39	16.95

Source: Reserve Bank of Zimbabwe, 2022

Lending Rates

The week under review saw commercial bank minimum and maximum lending rates for both individual and corporate clients remain unchanged, as shown in Table 2.

Table 2: Lending Rates (per annum)

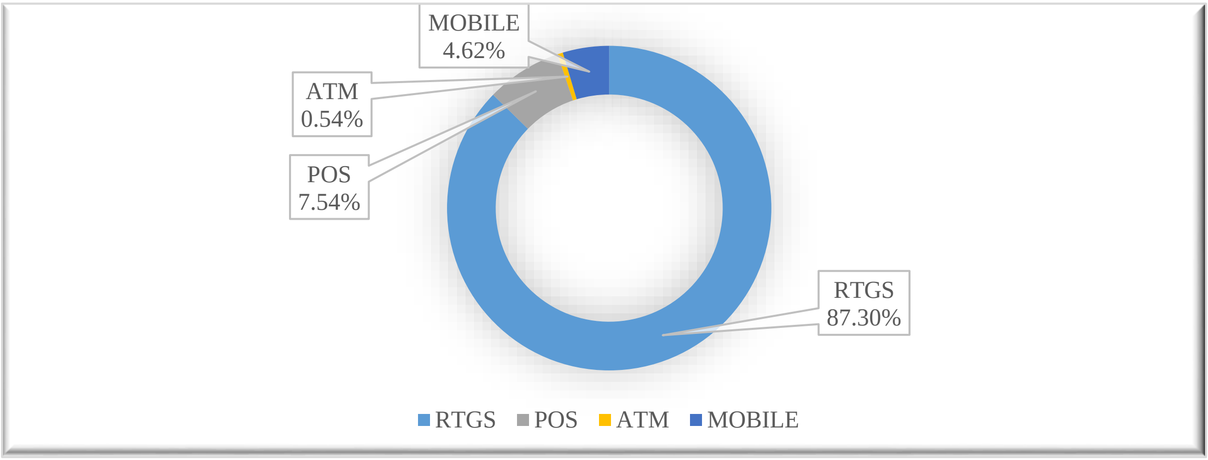
Date	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
	Individual Clients		Corporate Clients	
21-Jan-22	38.96	55.49	38.02	63.94
28-Jan-22	39.62	57.26	39.62	63.94
4-Feb-22	39.62	57.26	39.62	64.14
11-Feb-22	40.87	57.26	40.32	63.92
18-Feb-22	40.87	57.26	40.32	63.92

Source: Reserve Bank of Zimbabwe, 2022

2. CLEARING AND SETTLEMENT ACTIVITY

During the week under review, transactions processed through the National Payment System (NPS) amounted to ZW$205.43 billion. This was a 4.92% increase from ZW$195.79 billion worth of transactions, recorded during the week ending 11th February 2021. Real Time Gross Settlement (RTGS) transactions increased by 7.12% to ZW$179.34 billion. The NPS transaction values were distributed as follows: RTGS, 87.30%; POS, 7.54%; Mobile, 4.62% and ATM, 0.54%.

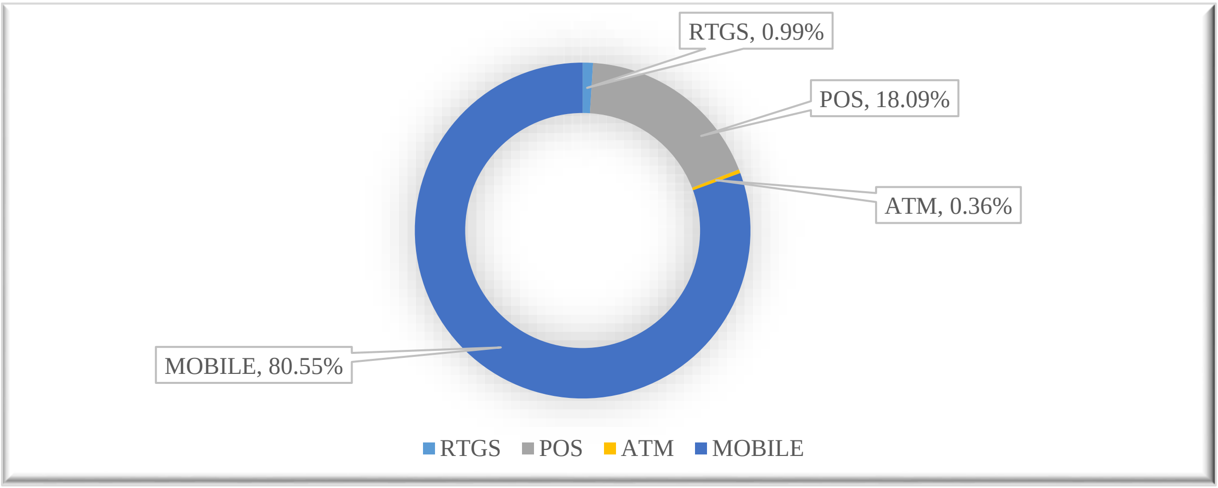
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2022

The volume of NPS transactions decreased from 22.49 million in the previous week to 20.55 million, during the week under analysis. In terms of distribution, the NPS transaction volumes were dominated by Mobile transactions at 80.55%, followed by POS, 18.09%; ATM, 0.36% and RTGS, 0.99%.

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 11th February 2022	WEEK ENDING 18th February 2022	% CHANGE FROM LAST WEEK	PROPORTION %
	Values in ZW$ Millions			
RTGS	167,411.60	179,336.66	7.12%	87.30%
POS	17,758.59	15,496.49	-12.74%	7.54%
ATM	1,112.60	1,108.47	-0.37%	0.54%
MOBILE	9,515.85	9,490.98	-0.26%	4.62%
TOTAL	**195,798.64**	**205,432.61**	**4.92%**	**100%**
	Volumes			
RTGS	246,887	203,852	-17.43%	0.99%
POS	4,352,872	3,716,986	-14.61%	18.09%
ATM	84,137	74,906	-10.97%	0.36%
MOBILE	17,807,895	16,552,922	-7.05%	80.55%
TOTAL	**22,491,791**	**20,548,666**	**-8.64%**	**100%**

Source: Reserve Bank of Zimbabwe, 2022

3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

International commodity prices for gold, platinum, copper, nickel and crude oil firmed, during the week ending 18th February 2022, as shown in Table 4.

Table 4: Metal and Crude Oil Prices for the week ending 18th February 2022

	Gold	Platinum	Copper	Nickel	Crude Oil
2022	US$/ounce	US$/ounce	US$/tonne	US$/tonne	US$/barrel
Weekly Average (7- 11 February)	**1,824.87**	**1,024.30**	**9,978.76**	**23,536.80**	**92.16**
14-Feb	1,860.98	1,033.00	9,894.30	23,373.00	96.00
15-Feb	1,851.83	1,019.00	9,984.50	23,530.00	93.14
16-Feb	1,857.50	1,037.50	10,010.00	23,572.00	92.90
17-Feb	1,890.00	1,080.50	10,035.00	23,720.00	92.41
18-Feb	1,890.28	1,091.50	9,982.00	24,254.00	92.80
Weekly Average (14 - 18 February)	**1,870.12**	**1,052.30**	**9,981.16**	**23,689.80**	**93.45**
Weekly Change (%)	*2.5*	*2.7*	*0.02*	*0.7*	*1.4*

Source: BBC, KITCO and Bloomberg, 2022

Gold

Gold prices continued to be supported by strong safe-haven demand, occasioned by intensifying geopolitical tensions between Russia and Ukraine. In addition, high inflation, particularly in the US, continued to support the metal's appeal as a safe-haven asset. Prices increased by 2.5%, from a weekly average of US$1,824.87 per ounce in the previous week to US$1,870.12 per ounce, during the week under analysis.

Platinum

Platinum prices firmed, driven by fears of supply disruptions in Russia, one of the world's top platinum producers, amid rising geopolitical tensions with the West. Prices increased by 2.7%, from a weekly average of US$1,024.30 per ounce in the previous week to US$1,052.30 per ounce, during the week ending 18th February 2022.

Copper

Copper prices were relatively stable during the week under review, rising by a marginal 0.02%, from a weekly average of US$9,978.76 per tonne in the previous week, to US$9,981.16 per tonne.

Nickel

Nickel prices continued in positive territory, gaining by 0.7%, from a weekly average of US$23,536.80 per tonne in the preceding week to US$23,689.80 per tonne, during the week ending 18th February 2022. The rise in prices was underpinned by falling global inventories, at a time the demand for the base metal from electric vehicle manufacturers is growing.

Brent Crude Oil

Brent crude oil prices remained bullish on account of mounting fears over supply disruptions, amid escalating tensions between Russia and the West. The tension between Russia and the West over Ukraine, ignited concerns that a war in Europe could disrupt global energy supplies. Oil prices gained by 1.4%, from a weekly average of US$92.16 per barrel to US$93.45 per barrel, during the week under analysis.

4. EXCHANGE RATE DEVELOPMENTS

The Zimbabwe dollar (ZW$) depreciated against the greenback, shedding 1.4% from an average of ZW$118.1838 per US$1 in the previous week to ZW$119.8604 per US$1, during the week under analysis. 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 (7- 11 February)	**118.1838**	**7.6810**	**159.6525**	**10.2074**	**134.7191**
14-Feb	118.8748	7.7973	160.9863	10.3427	134.8695
15-Feb	118.8748	7.8833	160.8793	10.3545	134.5485
16-Feb	120.5174	7.9904	163.2536	10.4614	136.7692
17-Feb	120.5174	8.0192	163.6808	10.4794	136.8358
18-Feb	120.5174	8.0483	164.0062	10.5215	136.9500
Weekly Average (14 - 18 February)	**119.8604**	**7.9477**	**162.5612**	**10.4319**	**135.9946**
Appr(-)/Depr(+) (%) of the ZWL	*1.4*	*3.5*	*3.8*	*2.2*	*0.9*

Source: Reserve Bank of Zimbabwe, 2022

5. EQUITY MARKETS

During the week ending 18th February 2022, the Zimbabwe Stock Exchange (ZSE) maintained positive trading, resulting in all major indices registering gains. The Top 15, Top 10 and All Share indices gained by 9.29%, 8.71% and 8.18% to close at 11 231.87 points, 10 211.38 points and 15 228.52 points, respectively.

The increase in the mainstream index was a result of share price increases for Seed Co Limited (36.20%), National Foods Holdings Limited (28.54%), Star Africa Corporation Limited (25.16%), OK Zimbabwe Limited (22.26%) and Edgars Stores Limited (20.53%). Partially offsetting the gains were losses in share prices of Unifreight Africa Limited (19.83%), ZB Financial Holdings Limited (17.67%), Willdale Limited (15.26%), General Beltings Holding Limited (13.35%) and Truworths Limited (9.15%). The resources index, went up by 8.68% to close at 9 106.36 points.

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

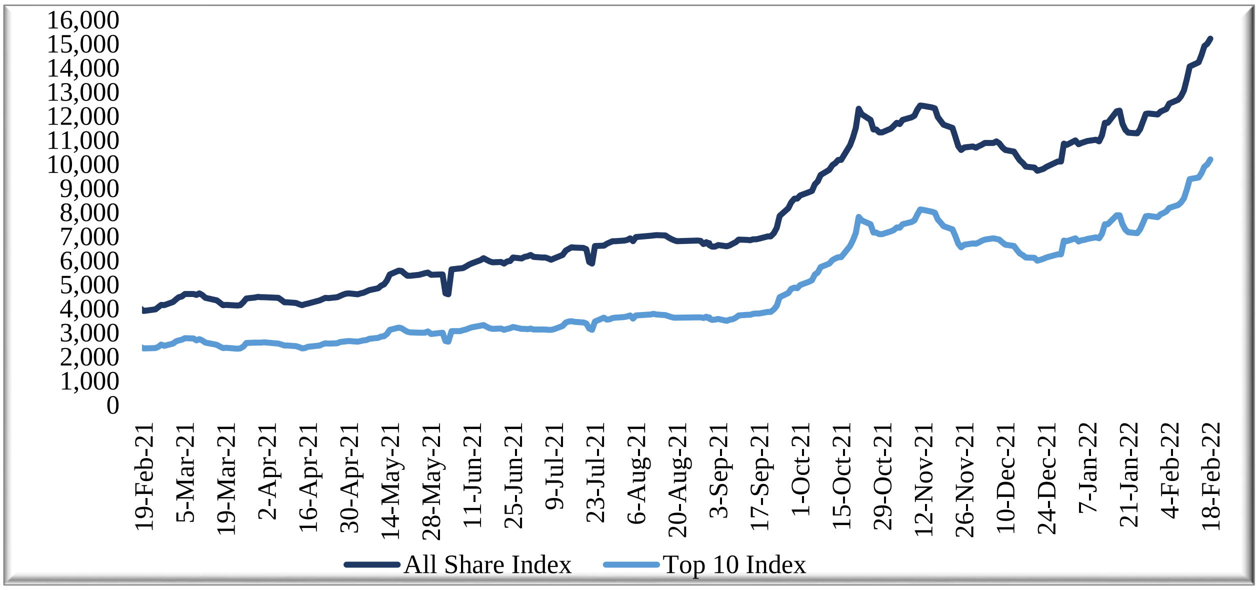
Table 6: Zimbabwe Stock Exchange Statistics[2]

	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)
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
18-Feb-22	15,228.58	10,211.38	11,231.9	24,222.31	390522.26	9,106.36	1,893.87	3,080.19	41.72
% Change	**8.18**	**8.71**	**9.29**	**7.26**	**-1.65**	**8.68**	**8.77**	**40.33**	**-3.47**

Source: Zimbabwe Stock Exchange (ZSE), 2022

Figure 3 shows the trend in daily market turnover for the period from 19th February 2021 to 18th February 2022.

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



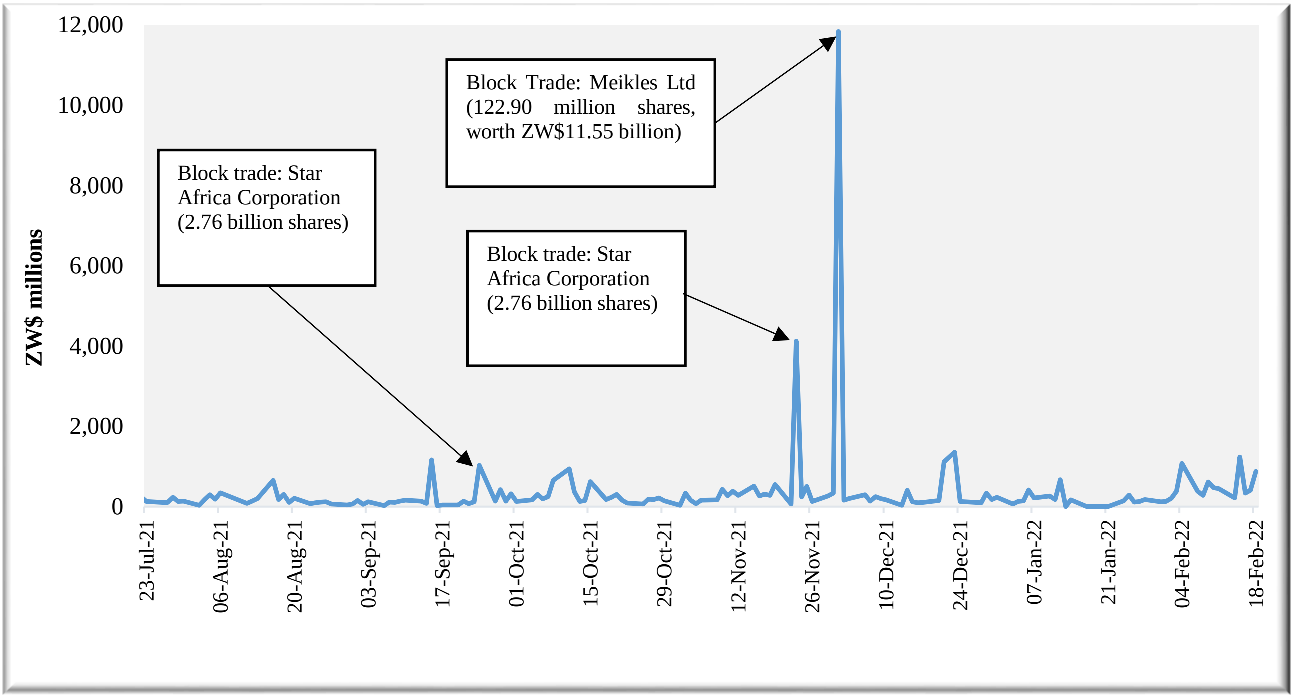
Source: Zimbabwe Stock Exchange, 2022

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 value of shares traded on the ZSE increased by 40.33% to ZW$3.08 billion. The cumulative volume of shares traded, however, fell by 3.46% to 41.72 million shares. Figure 4 shows the trend in daily market turnover for the period from 23th July 2021 to 18th February 2022.

Figure 4: Daily Market Turnover

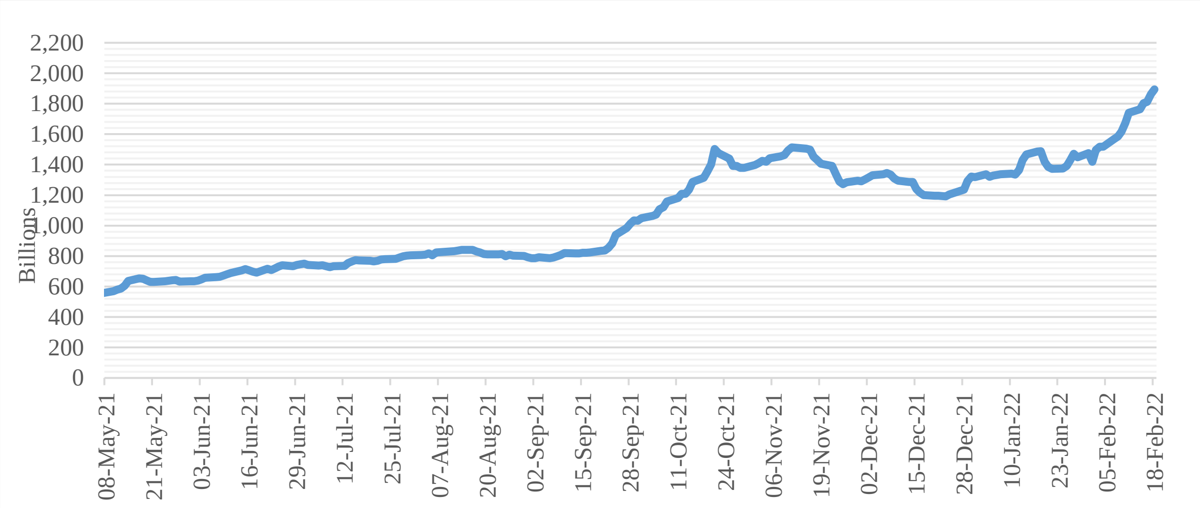


Source: Zimbabwe Stock Exchange, 2022

Market Capitalization

The local bourse market gained ZW$152.74 billion, or 8.77% worth of capitalization to ZW$1 893.87 billion, during the week under review. Figure 5 shows market capitalization developments for the period from 8th May 2021 to 18th February 2022.

Figure 5: Daily Market Capitalization in ZW$ billions



Source: Zimbabwe Stock Exchange, 2022

Johannesburg Stock Exchange (JSE) Developments

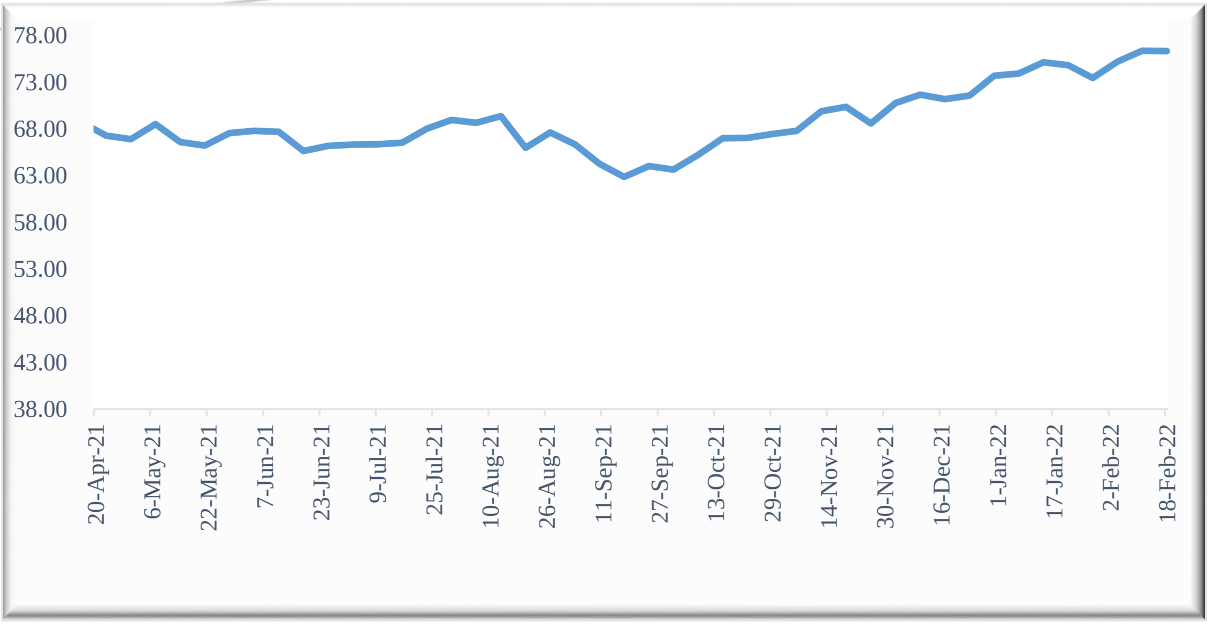
The JSE All Share Index stood at 76,368.34 points, during the week ending 18th February 2021. This represented a 0.02% decline from 76,382.95 points recorded in the preceding week. JSE market capitalization also declined by 0.71% to ZAR22.38 trillion, during the week under analysis, from ZAR22.54 trillion recorded in the previous week.

Table 7: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalization (ZAR trillions)
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
18-Feb-22	76,368.34	22.38
% Change	**-0.02**	**-0.71**

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 25-Jan-22	MAINFX 4-Feb-22	MAINFX 11-Feb-22	MAINFX 18-Feb-22	SMEFX 25-Jan-22	SMEFX 4-Feb-22	SMEFX 11-Feb-22	SMEFX 18-Feb-22
Total Bids (US$ dollars)	32,621,993.68	32,275,383.86	32,792,172.96	32,773,390.85	6,153,778.39	6,773,484.47	7,633,061.96	7,616,125.91
Amount Allotted (US$ dollars)	32,621,993.68	30,775,095.86	30,198,858.89	29,588,776.75	6,153,778.39	6,773,484.47	6,961,341.90	7,616,125.91
Highest Rate	130	132.5	130.00	135.00	130	130	135.00	135.00
Lowest Bid Rate	107	108.0	116.00	119.00	106	107	115.00	115.00
Lowest Bid Rate Allotted	107	112.82	116.00	119.00	106	107	115.00	115.00
Weighted Average Rate	115.4223	116.6500	118.8748	120.5174	115.4223	116.6500	118.8748	120.5174
Number of Bids Received	537	546	536	546	906	901	898	943
Number of Bids Rejected	115	86	85	78	209	118	100	99

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			
	25-Jan-22	4-Jan-22	11-Feb-22	18-Feb-22	25-Jan-22	4-Feb-22	11-Feb-22	18-Feb-22
Raw Materials	15,075,011.73	13,258,231.07	11,821,018.14	11,949,968.63	1,219,985.38	1,584,646.80	1,802,664.35	1,724,096.74
Machinery and Equipment	8,367,681.17	7,024,692.98	7,901,825.18	6,788,161.77	1,927,856.57	2,147,777.51	2,264,729.79	2,571,095.35
Consumables (Incl. Spares, Tyres, Packaging)	2,882,019.59	2,750,638.64	3,562,165.30	3,199,010.56	967,713.63	961,908.64	876,554.00	1,140,156.52
Pharmaceuticals and Chemicals	1,700,372.52	1,490,692.27	1,397,826.60	1,298,853.00	250,416.84	314,122.62	353,407.93	286,990.42
Services (Loans, Dividends and Disinvestments)	1,749,583.84	1,922,356.55	1,661,438.04	2,639,725.86	1,195,329.76	1,053,903.16	916,491.54	1,051,993.40
Retail and Distribution	2,174,100.12	3,491,211.10	3,280,283.01	2,970,176.75	439,023.08	554,044.11	568,363.12	617,456.92
Fuel, Electricity and Gas	-	-	-	113,813.32	-	10,000.00	20,620.00	31,770.53
Paper and Packaging	673,224.71	837,273.25	574,302.62	629,066.86	153,453.13	147,081.63	158,511.17	192,566.03
TOTAL	**32,621,993.68**	**30,775,095.86**	**30,198,858.89**	**29,588,776.75**	**6,153,778.39**	**6,773,484.47**	**6,961,341.90**	**7,616,125.91**

Source: Reserve Bank of Zimbabwe, 2022