Vol. 24 No. 5

Weekly Economic Highlights

TABLE OF CONTENTS

Week Ending
4th February 2022

1. INTEREST RATES

Deposit Rates

The week ending 4th February 2022 saw minimum and maximum deposit rates for all classes of deposits remain unchanged from the previous week levels, 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 (%)
7-Jan-22	3.04	4.97	10.75	14.33	11.26	15.05
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

Source: Reserve Bank of Zimbabwe, 2022

Lending Rates

During the week under review, minimum and maximum commercial bank lending rates for both individuals and corporate clients remained unchanged from the position in the preceding week, as shown in Table 2.

Table 2: Lending Rates (per annum)

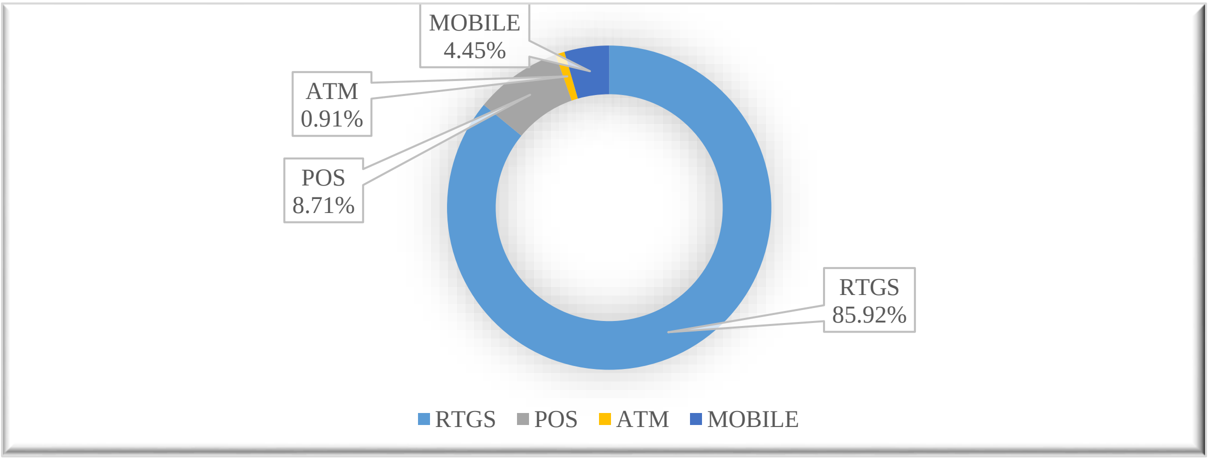
Date	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
	Individual Clients		Corporate Clients	
7-Jan-22	39.34	58.65	37.94	64.00
14-Jan-22	38.96	55.49	38.02	63.94
21-Jan-22	38.96	55.49	38.02	63.94
28-Jan-22	39.62	57.26	39.62	64.14
4-Feb-22	39.62	57.26	39.62	64.14

Source: Reserve Bank of Zimbabwe, 2022

2. CLEARING AND SETTLEMENT ACTIVITY

The National Payment Systems (NPS) processed transactions amounting to $194.12 billion during the week under review, down from $207.91 billion in the preceding week. Real Time Gross Settlement (RTGS) transactions fell by 9.62% to $166.79 billion. In value terms, NPS transactions were distributed as follows: RTGS, 85.92%, POS, 8.71%; Mobile, 4.45%; and ATM, 0.91%.

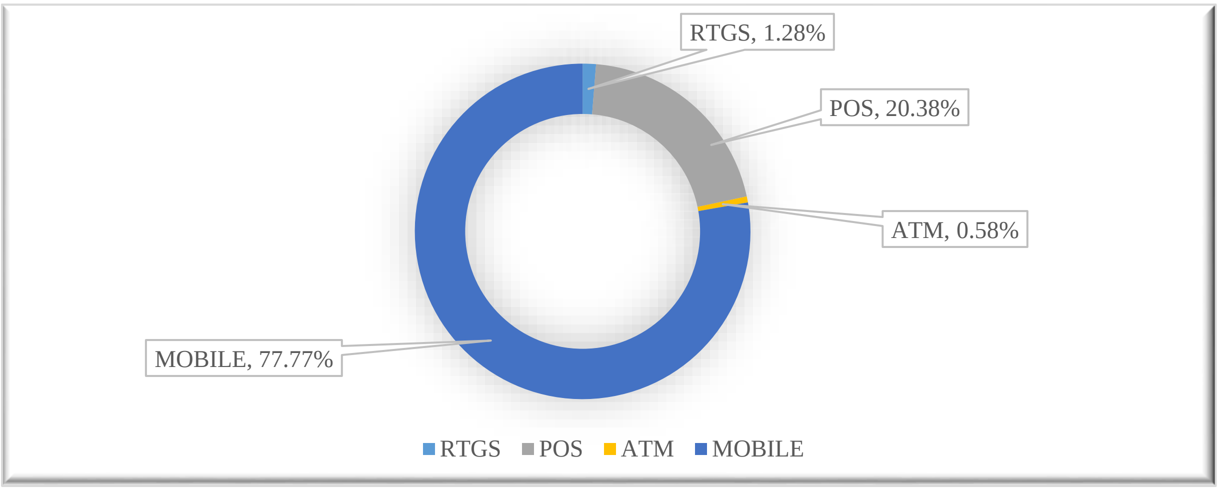
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2022

NPS transaction volumes rose by 2.34% to 20.77 million, during the week under analysis, and were distributed as follows: Mobile, 77.77%, POS, 20.38%; RTGS, 1.28%; and ATM, 0.58%, 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 28th January 2022	WEEK ENDING 4th February 2022	% CHANGE FROM LAST WEEK	PROPORTION %
	Values in ZW$ Millions			
RTGS	184,538.97	166,789.80	-9.62%	85.92%
POS	14,380.99	16,916.50	17.63%	8.71%
ATM	1,344.54	1,767.89	31.49%	0.91%
MOBILE	7,642.08	8,643.23	13.10%	4.45%
TOTAL	**207,906.57**	**194,117.42**	**-6.63%**	**100%**
	Volumes			
RTGS	300,932	265,623	-11.73%	1.28%
POS	3,685,460	4,232,212	14.84%	20.38%
ATM	105,575	120,466	14.10%	0.58%
MOBILE	16,203,128	16,152,602	-0.31%	77.77%
TOTAL	**20,295,095**	**20,770,903**	**2.34%**	**100%**

Source: Reserve Bank of Zimbabwe, 2022

3. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

During the week under review, international commodity prices for gold and copper retreated, while those for platinum, nickel and crude oil firmed. The developments in international commodity prices are as shown in Table 4.

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

	Gold	Platinum	Copper	Nickel	Crude Oil
2022	US$/ounce	US$/ounce	US$/tonne	US$/tonne	US$/barrel
Weekly Average (24 – 28 Jan)	**1,824.38**	**1,025.70**	**9,874.42**	**23,088.20**	**88.77**
31-Jan	1,792.93	1,018.50	9,556.00	22,764.00	89.61
1-Feb	1,803.18	1,040.00	9,578.00	22,836.00	89.61
2-Feb	1,802.83	1,038.00	9,737.00	23,334.00	89.21
3-Feb	1,798.23	1,028.00	9,877.80	23,321.00	91.52
4-Feb	1,809.63	1,022.00	9,868.50	23,221.00	92.52
Weekly Average (31 Jan – 4 Feb)	**1,801.36**	**1,029.30**	**9,723.46**	**23,095.20**	**90.49**
Weekly Change (%)	*-1.3*	*0.4*	*-1.5*	*0.03*	*1.9*

Source: BBC, KITCO and Bloomberg, 2022

Gold

Gold prices retreated on investor expectations that the robust US jobs statistics for February 2022 would prompt the US Federal Reserve to increase interest rates, thus reducing the demand for non-interest-bearing assets such gold. The strengthening US dollar, coupled with rising US

Treasury bond yields, also dented investor demand for the precious metal. Prices of the yellow metal fell by 1.3%, from an average of US$1,824.38 per ounce in the previous week to US$1,801.36 per ounce, during the week under analysis.

Platinum

Platinum prices rose by 0.4%, from an average of US$1,025.70 per ounce in the previous week to US$1,029.30 per ounce, during the week under review. The sustained bullish run was largely on account of increased demand for the metal, as automakers substituted palladium for platinum in auto-catalysts. Concerns about supply disruption from Russia, one of the world's largest platinum producers, also supported prices as tensions between Russia and the West, over Ukraine, escalated.

Copper

Copper prices reversed gains recorded in the previous week on account of a firmer US dollar, which dented the demand for the red metal. The outlook for the metal, however, remains positive, as the global transition from fossil fuels to copper intensive electrification, is likely to boost demand. Prices averaged US$9,723.46 per tonne during the week under review, representing a 1.5% decline, from US$9,874.42 per tonne in the previous week.

Nickel

Nickel prices marginally rose by 0.03%, from an average of US$23,088.20 per tonne in the week ending 28th January 2022 to US$23,095.20 per tonne, during the week under review. Prices continued to rise, reflecting a mismatch between supply of the metal and demand from stainless steel producers and battery manufacturers. These developments outweighed the impact of a stronger US dollar on the price of the base metal.

Brent Crude Oil

Brent crude oil prices remained buoyant during the week, supported by tight supplies and fears of supply bottlenecks, amid escalating geopolitical tensions between Russia and Ukraine. There were also fears that global supplies were failing to keep up with surging demand, from economies emerging from the Covid-19 pandemic. The increase in prices also followed the decision by the Organisation of Petroleum Exporting Countries and its allies, to stick to the principle of increasing output on the market gradually, despite the global increase in demand.

Prices increased by 1.9%, from US$88.77 per barrel in the preceding week to US$90.49 per barrel, during the week under review.

4. EXCHANGE RATE DEVELOPMENTS

During the week under review, the Zimbabwe dollar (ZW$) depreciated by 0.9% against the US dollar, from an average of ZW$114.3814 per US$1 in the previous week to ZW$115.4205 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 (24 – 28 Jan)	**114.3814**	**7.4772**	**154.1509**	**9.9125**	**128.8371**
31-Jan	115.4200	7.4074	154.8333	9.8117	128.8402
1-Feb	115.4200	7.5131	155.2719	9.9153	129.7579
2-Feb	115.4200	7.6394	157.7400	10.0789	131.5171
3-Feb	115.4200	7.5815	158.0728	10.0907	131.8087
4-Feb	115.4200	7.6511	158.6033	10.1024	133.7046
Weekly Average (31 Jan– 4 Feb)	**115.4205**	**7.5585**	**156.9042**	**9.9998**	**131.1257**
Appr(-)/Depr(+) (%) of the ZWL	*0.9*	*1.1*	*1.8*	*0.9*	*1.8*

Source: Reserve Bank of Zimbabwe, 2022

5. EQUITY MARKETS

During the week ending 4th February 2022, the Zimbabwe Stock Exchange (ZSE) maintained a positive momentum for the second consecutive week, resulting in all major indices registering gains. The All Share, Top 10 and Top 15 indices gained 3.38%, 4.29% and 4.04% to close at 12 529.84 points, 8 201.62 points and 8 991.14 points, respectively.

Share price increases for Mashonaland Holdings Limited (40.80%), National Tyre Services Limited (31.51%), Axia Corporation Limited (15.17%), Willdale Limited (11.86%) and CBZ Holdings Limited (9.55%) supported the gains in the mainstream index. Losses in share prices were, however, recorded for Star Africa Corporation Limited (6.83%), Ariston Holdings Limited (5.86%), General Beltings Holdings Limited (5.28%), First Mutual Properties Limited

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

(4%) and Cassava Smartech Zimbabwe Limited (3.44%). The resources index shed 2.82% to close at 7 965.26 points, during the week under review.

Table 6: Zimbabwe Stock Exchange Statistics[2]

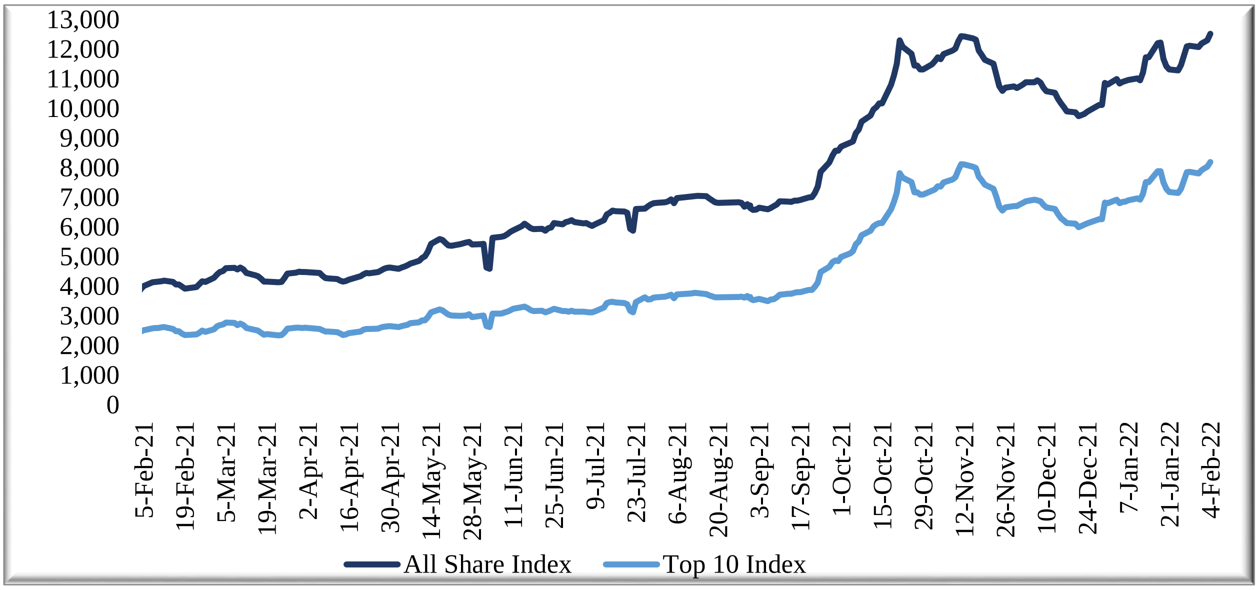
	All Share Index Points	Top 10 index (points)	Top 15 Index[3] points	Medium Cap[3] (points)	Small Cap[3] (points)	Mining Index (points)	Grand Market Capitalization (ZWL billion)	Market Turnover (ZWL million)	Volume of Shares (million)
31-Dec-21	10,822.36	6,811.43	7,529.37	20,407.26	402,753.21	7,815.37	1,317.21	831.60	26.79
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
% Change	**3.38**	**4.29**	**4.04**	**1.32**	**3.72**	**-2.82**	**4.89**	**125.44**	**83.47**

Source: Zimbabwe Stock Exchange (ZSE), 2022

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

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

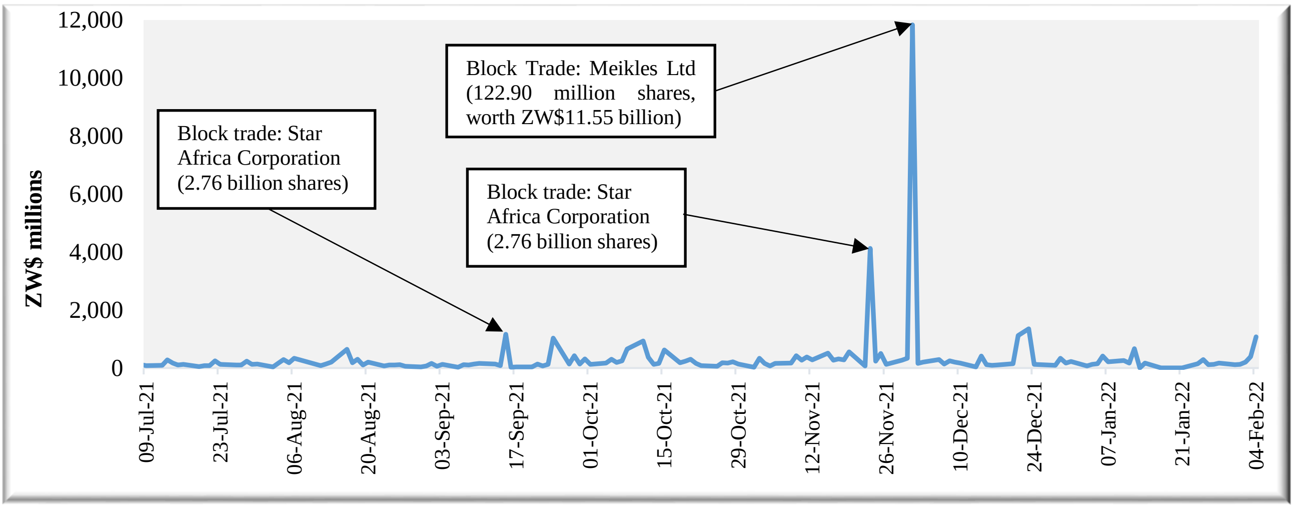


Source: Zimbabwe Stock Exchange, 2022

Market Turnover and Volume

The cumulative volume and value of shares traded on the ZSE increased by 83.47% and 125.44% to 24.64 million shares and ZW$1.92 billion, respectively, during the week under review. ZSE market turnover surged largely as a result of block trades of Econet Wireless Zimbabwe Limited shares and Delta Corporation Limited shares, which amounted to ZW$684.60 million and ZW$95.40 million, respectively. Figure 4 shows the trend in daily market turnover for the period from 9th July 2021 to 4th February 2022.

Figure 4: Daily Market Turnover

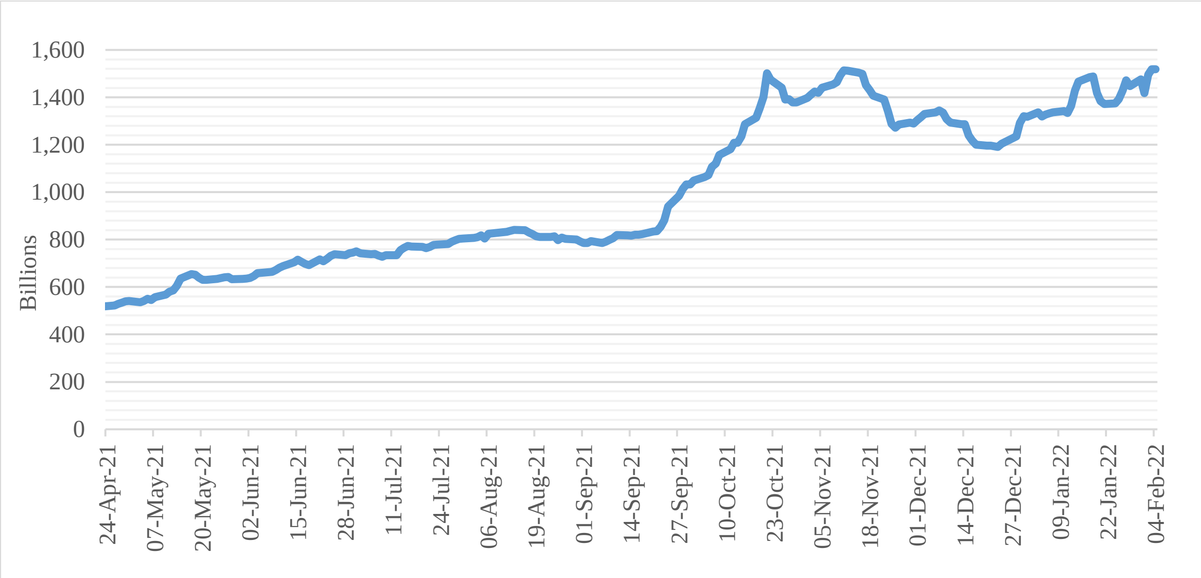


Source: Zimbabwe Stock Exchange, 2022

Market Capitalization

The local bourse gained ZW$70.76 billion, or 4.89% worth of capitalization to ZW$1,518.58 billion, during the week under review. Figure 5 shows ZSE market capitalization developments for the period from 24th April 2021 to 4th January 2022.

Figure 5: Daily Market Capitalization in ZW$ billions



Source: Zimbabwe Stock Exchange, 2022

Johannesburg Stock Exchange (JSE) Developments

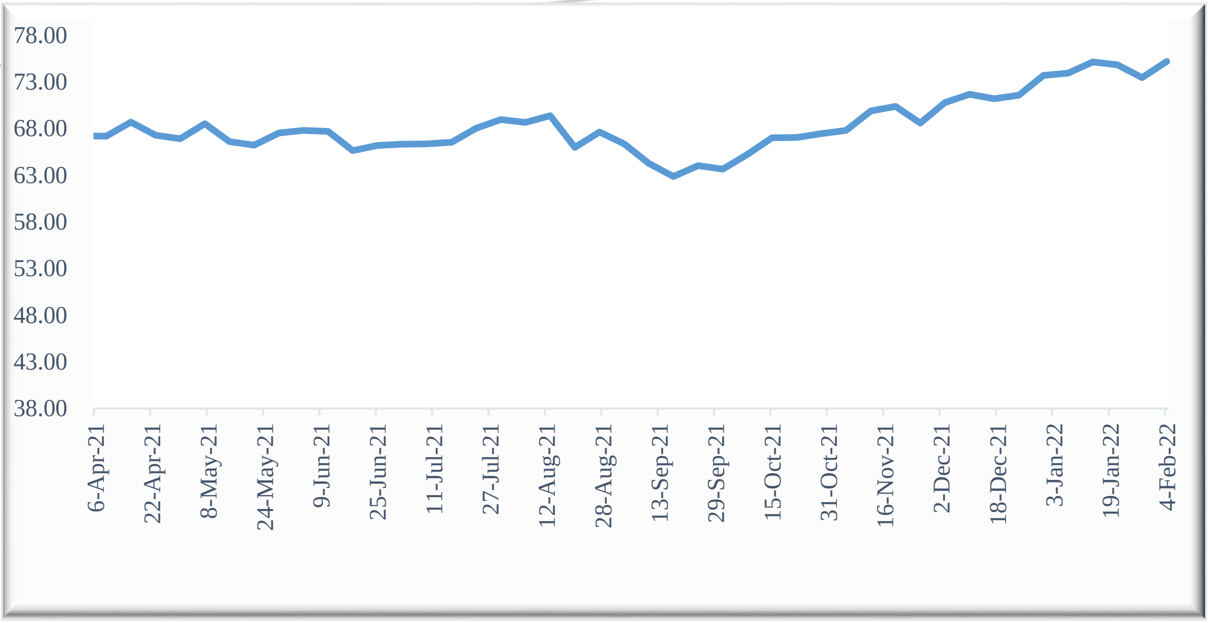
During the week ending 4th February 2022, the Johannesburg Stock Exchange (JSE) All Share index increased by 2.38% to 75,206.00 points, from 73,454.96 points in the previous week. JSE market capitalization increased by 9.35%, from ZAR20.43 trillion in the previous week to ZAR22.34 trillion, during the week under review.

Table 7: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalization (ZAR trillions)
31-Dec-21	73,709.39	20.50
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
% Change	**2.38**	**9.35**

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			
	17-Dec-21	18-Jan-22	25-Jan-22	4-Feb-22	17-Dec-21	18-Jan-22	25-Jan-22	4-Feb-22
Total Bids (US$ dollars)	35,102,236.84	25,679,781.10	32,621,993.68	32,275,383.86	6,675,670.74	5,186,494.80	6,153,778.39	6,773,484.47
Amount Allotted (US$ dollars)	35,102,236.84	25,679,781.10	32,621,993.68	30,775,095.86	6,675,670.74	5,186,494.80	6,153,778.39	6,773,484.47
Highest Rate	125	126	130	132.5	126	125	130	130
Lowest Bid Rate	102	104	107	108.0	100	100	106	107
Lowest Bid Rate Allotted	102	104	107	112.82	100	100	106	107
Weighted Average Rate	108.6660	112.8228	115.4223	116.6500	108.6660	112.8228	115.4223	116.6500
Number of Bids Received	526	448	537	546	758	633	906	901
Number of Bids Rejected	114	128	115	86	125	141	209	118

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			
	17-Dec-21	18-Jan-22	25-Jan-22	4-Feb-22	17-Dec-21	18-Jan-22	25-Jan-22	4-Feb-22
Raw Materials	15,570,248.34	10,955,933.90	15,075,011.73	13,258,231.07	2,018,353.38	1,437,928.95	1,219,985.38	1,584,646.80
Machinery and Equipment	9,488,158.89	6,834,249.00	8,367,681.17	7,024,692.98	2,311,651.63	1,716,788.74	1,927,856.57	2,147,777.51
Consumables (Incl. Spares, Tyres, Packaging)	2,834,278.31	2,018,909.75	2,882,019.59	2,750,638.64	802,046.62	567,367.56	967,713.63	961,908.64
Pharmaceuticals and Chemicals	1,345,307.98	1,601,054.05	1,700,372.52	1,490,692.27	328,024.72	224,790.62	250,416.84	314,122.62
Services (Loans, Dividends and Disinvestments)	2,214,287.84	2,046,438.06	1,749,583.84	1,922,356.55	575,449.58	832,305.41	1,195,329.76	1,053,903.16
Retail and Distribution	2,637,477.63	1,717,910.17	2,174,100.12	3,491,211.10	423,215.30	223,739.04	439,023.08	554,044.11
Fuel, Electricity and Gas	0.00	50,251.21	-	-	32,201.34	-	-	10,000.00
Paper and Packaging	1,012,477.85	455,034.96	673,224.71	837,273.25	184,728.17	183,574.48	153,453.13	147,081.63
TOTAL	**35,102,236.84**	**25,679,781.10**	**32,621,993.68**	**30,775,095.86**	**6,675,670.74**	**5,186,494.80**	**6,153,778.39**	**6,773,484.47**

Source: Reserve Bank of Zimbabwe, 2022