Vol. 24 No. 26

Weekly Economic Highlights

TABLE OF CONTENTS

Week Ending
1st July 2022

1. INTEREST RATES

Deposit Rates

Average deposit rates quoted by commercial banks for savings deposits, deposits of 1 month and 3-month tenors increased during the week ending 1st July 2022, 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 (%)
03-June-22	4.21	6.35	14.50	17.22	16.78	18.63
10-June-22	4.21	6.35	14.50	17.22	16.78	18.63
17-June-22	4.21	6.35	14.62	17.47	16.61	19.05
24-June-22	4.21	6.35	14.62	17.47	16.61	19.05
1-July-22	6.84	9.15	22.56	23.97	23.83	24.97

Source: Reserve Bank of Zimbabwe, 2022

Lending Rates

The week under review saw a rise in commercial bank minimum and maximum lending rates for both individuals and corporates, as shown in Table 2.

Table 2: Lending Rates (per annum)

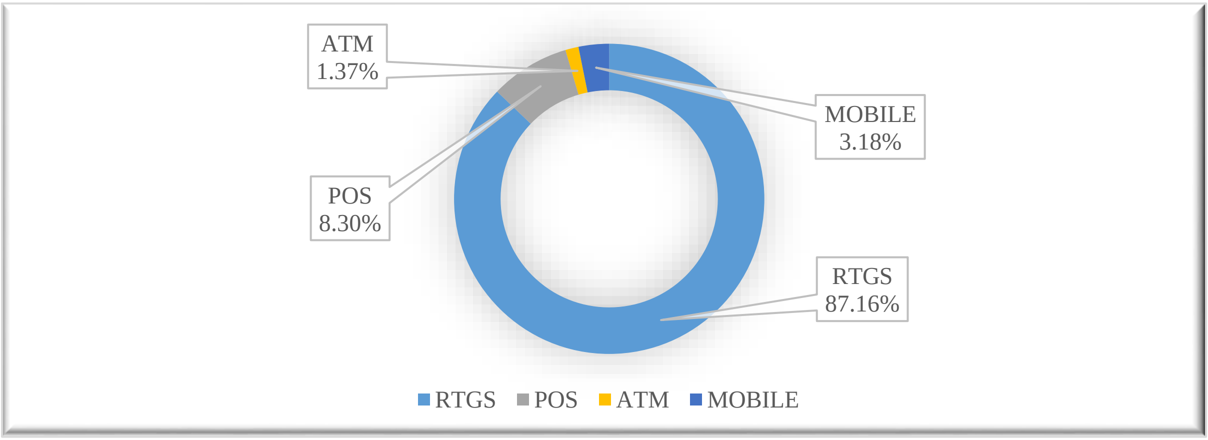
Date	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
	Individual Clients		Corporate Clients	
3-June-22	37.71	59.66	47.94	62.20
10-June-22	37.71	59.66	47.94	62.20
17-June-22	38.45	60.09	48.25	64.31
24-June-22	38.45	60.09	48.25	64.31
1-July-22	63.53	87.35	72.37	90.68

Source: Reserve Bank of Zimbabwe, 2022

2. CLEARING AND SETTLEMENT ACTIVITY

The value of transactions processed through the National Payment Systems (NPS) stood at ZW$506.83 billion, during the week ending 1st July 2022. This represented an increase of 25.05%, from ZW$405.29 billion worth of transactions processed in the preceding week. Transactions processed through the Real Time Gross Settlement (RTGS) system accounted for the highest proportion of values processed at 87.16% of the total. Other payment platforms accounted for the following proportions: POS, 8.30%; Mobile, 3.18%; and ATM, 1.37%.

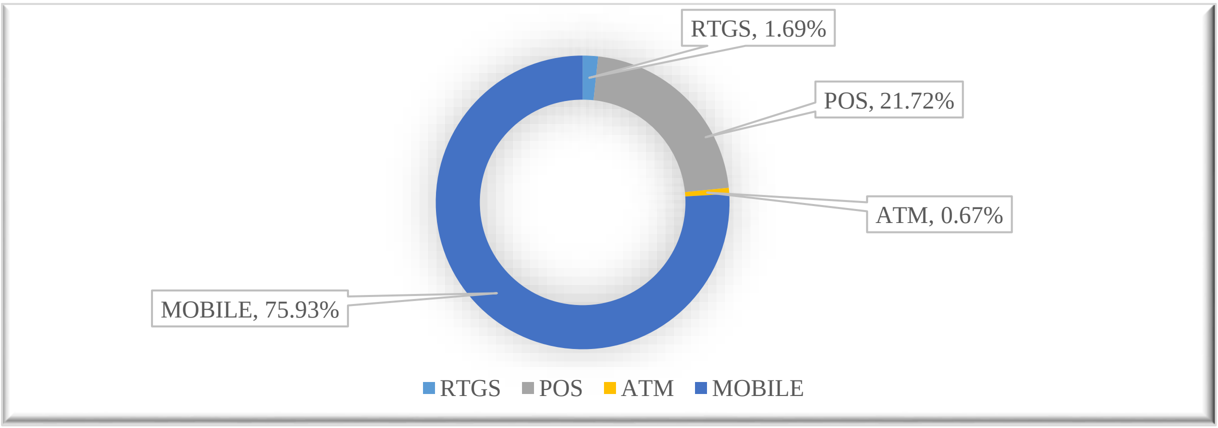
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2022

NPS transaction volumes increased by 3.81%, from 18.6 million transactions in the previous week to 19.31 million transactions, during the week under review. The distribution of the NPS transaction volumes was as follows: Mobile, 75.93%; POS, 21.72%; RTGS, 1.69%; and ATM, 0.67%, 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 24th June 2022	WEEK ENDING 1st July 2022	% CHANGE FROM LAST WEEK	PROPORTION %
	Values in ZW$ Millions			
RTGS	353,223.15	441,750.53	25.06%	87.16%
POS	33,160.14	42,044.91	26.79%	8.30%
ATM	4,964.75	6,924.28	39.47%	1.37%
MOBILE	13,946.14	16,108.54	15.51%	3.18%
TOTAL	**405,294.19**	**506,828.26**	**25.05%**	**100%**
	Volumes			
RTGS	261,720	326,290	24.67%	1.69%
POS	3,565,824	4,194,081	17.62%	21.72%
ATM	135,158	128,417	-4.99%	0.67%
MOBILE	14,640,118	14,660,853	0.15%	75.93%
TOTAL	**18,602,820**	**19,309,641**	**3.81%**	**100%**

Source: Reserve Bank of Zimbabwe, 2022

3. TOBACCO SALES

As at 1st July 2022, or day 64 of the 2022 tobacco selling season, a cumulative total of 168.82 million kilograms of tobacco had been sold. This was 8.12% lower than the cumulative total of 183.74 million kilograms, sold during the comparable period in 2021. The cumulative value of the golden leaf sold during the period under analysis amounted to US$511.34 million, reflecting an increase of 0.80%, from US$507.31 million realized in the same period in 2021, as shown in Table 4.

Table 4: Weekly Cumulative Tobacco Sales: Day 64 (1st July 2022)

	2021	2022	Variance (%)
Cumulative Quantity Sold (million kgs)	183,743,051	168,815,372	(8.12)
Average Price(US$/kg)	2.76	3.03	9.71
Cumulative value (US$ million)	507,306,864	511,343,660	(0.80)

Source: Tobacco Industry and Marketing Board (TIMB), 2022

The golden leaf fetched a higher price of US$3.03/kg, compared to US$2.76/kg realized during the same period in 2021.

4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

International commodity prices for gold, platinum, copper and nickel retreated, while those for palladium and crude oil firmed, during the week under review. The developments in commodity prices are as shown in Table 5.

Table 5: Metal and Crude Oil Prices for the week ending 1st July 2022

2022	Gold *US$/ounce*	Platinum *US$/ounce*	Palladium *US$/ounce*	Copper *US$/tonne*	Nickel *US$/tonne*	Crude Oil *US$/barrel*
Weekly Average (20 - 24 June)	**1,834.89**	**929.90**	**1,868.90**	**8,707.30**	**24,461.60**	**111.77**
27-Jun	1,832.18	912.00	1,921.50	8,419.30	21,955.00	116.51
28-Jun	1,823.33	920.00	1,884.50	8,360.00	23,119.00	113.00
29-Jun	1,814.80	929.00	1,944.50	8,399.30	23,751.00	112.55
30-Jun	1,815.30	911.00	1,934.50	8,254.30	22,643.00	108.86
1-Jul	1,796.55	879.00	1,910.50	8,040.25	21,766.00	111.48
Weekly Average (27 Jun - 1 Jul)	**1,816.43**	**910.20**	**1,919.10**	**8,294.63**	**22,646.80**	**112.48**
Weekly Change (%)	*-1.0*	*-2.1*	*2.7*	*-4.7*	*-7.4*	*0.6*

Source: BBC, KITCO and Bloomberg, 2022

Gold

Gold prices retreated marginally, as the hawkish tone from major global central banks dimmed the appeal of the non-interest yielding asset. Prospects for higher interest rates hurt the yellow metal's appeal as an alternative investment asset. The decline was, however, moderated by support from safe-haven bids spurred by growing recession risks. Prices declined by 1%, from a weekly average of US$1,834.89 per ounce in the previous week to US$1,816.43 per ounce, during the week under analysis.

Platinum

Platinum prices remained in negative territory, easing by 2.1%, to close the week under review at an average of US$910.20 per ounce. The price of the industrial metal continued to be weighed down by demand concerns due to fresh Covid-19-induced restrictions in China, coupled with weak global auto-manufacturing activities in major car producers.

Palladium

Palladium prices remained bullish during the week under review, posting an increase of 2.7%, from US$1,868.90 per ounce in the preceding week to US$1,919.10 per ounce. The increase was underpinned by supply-side concerns, as G7 countries announced additional sanctions against Russia, one of the major global producers of palladium and other industrial metals.

Copper

Copper prices sharply retreated, amidst investor fears that efforts by most central banks to contain inflation would stifle global economic growth and reduce the demand for metals. Prices fell by 4.7%, from a weekly average of US$8,707.30 per tonne in the previous week, to US$8,294.63 per tonne, during the week ending 1st July 2022.

Nickel

Nickel prices were subdued during the week under analysis, weighed down by fears that a potential global recession and coronavirus outbreaks in China could further hurt the demand for metals. Resultantly, prices retreated by 7.4%, from a weekly average of US$24,461.60 per tonne in the week ending 24th June 2022 to US$22,646.80 per tonne, during the reporting week.

Brent Crude Oil

Brent crude oil prices posted a marginal increase during the week ending 1st July 2022, as global supply outages and expected shutdowns in Asia outweighed expectations of low global demand. Weekly average prices rose by 0.6%, from US$111.77 per barrel during the week ending 24th June 2022 to US$112.48 per barrel, during the week under review.

5. EXCHANGE RATE DEVELOPMENTS

Foreign Exchange Auction

On the Foreign Exchange Auction, the Zimbabwe dollar (ZW$) depreciated by 4.0% against the US dollar, from an average of ZW$346.6344 per US$1 in the previous week to ZW$360.5863 per US$1, during the week under analysis. The developments in selected exchange rates are as shown in Table 6.

Table 6: International Exchange Rates[1]

	USD	ZAR	GBP	BWP	EURO
2022					
Weekly Average (20 - 24 June)	**346.6344**	**21.7115413**	**424.70375**	**28.2534**	**364.9899**
27-Jun	**352.0626**	22.2717	432.4747	28.8366	371.9904
28-Jun	**352.0626**	22.2717	431.9298	28.9059	372.3072
29-Jun	**366.2687**	22.8311	446.8297	29.8164	384.9128
30-Jun	**366.2687**	22.5479	444.3583	29.7607	382.8618
1-Jul	**366.2687**	22.3714	444.2118	29.4688	383.0444
Weekly Average (27 - 01 July)	**360.5863**	**22.4588**	**439.9608**	**29.3577**	**379.0233**
Appr(-)/Depr(+) (%) of the ZWL	*4.0*	*3.4*	*3.6*	*3.9*	*3.8*

Source: Reserve Bank of Zimbabwe, 2022

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

Interbank Market

On the Willing-Buyer Willing-Seller (WBWS) interbank market, the Zimbabwe dollar (ZW$) depreciated by 4.6%, from an average of ZW$351.6384 per US$1 in the previous week to ZW$367.7791 per US$1, during the week under review, as shown in Table 7.

Table 7: International Exchange Rates[2]

	USD	ZAR	GBP	BWP	EURO
2022					
Weekly Average (20 June - 24 June)	**351.6384**	**22.0146**	**430.8649**	**28.6650**	**370.2696**
27-Jun	**362.6034**	22.9095	445.4771	29.7047	384.4345
28-Jun	**365.2381**	23.0681	448.0969	29.9899	386.2054
29-Jun	**367.2153**	22.8311	447.8749	29.8973	385.8361
30-Jun	**370.9646**	22.8050	449.9282	30.1447	387.6046
1-Jul	**372.8740**	22.7790	452.2992	30.0045	389.9919
Weekly Average **(24 June - 01 July)**	**367.7791**	**22.8785**	**448.7352**	**29.9482**	**386.8145**
Appr(-)/Depr(+) (%) of the ZWL	*4.6*	*3.9*	*4.1*	*4.5*	*4.5*

Source: Reserve Bank of Zimbabwe, 2022

6. EQUITY MARKETS

Zimbabwe Stock Exchange

During the week ending 1st July 2022, the Zimbabwe Stock Exchange (ZSE) was characterized by bearish sentiments. Resultantly, the All Share, Top 10, Top 15 and Medium Cap indices shed 7.04%, 7.35%, 7.66% and 6.09% to close at 19 590.05 points, 12 209.39 points, 13 559.50 points and 38 151.54 points, respectively. The Small Cap index, however, gained by 1.69% to close at 507 512.80 points.

The decline in the market indices was a result of share price losses for Dairibord Holdings Limited (39.30%), AfricaSun Limited (37.44%), Mashonaland Holdings Limited (27.86%), British American Tobacco Zimbabwe Limited (22.22%) and Seed Co Limited (20.65%). Partially offsetting the aforementioned losses were gains in the share prices of ZB Financial Holdings Limited (42.25%), Turnall Holdings Limited (24.61%), CBZ Holdings Limited (15.35%), CFI Holdings Limited (12.12%) and Unifreight Africa Limited (8.55%). The resources index, however, remained unchanged at 20 021.24 points during the same week.

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

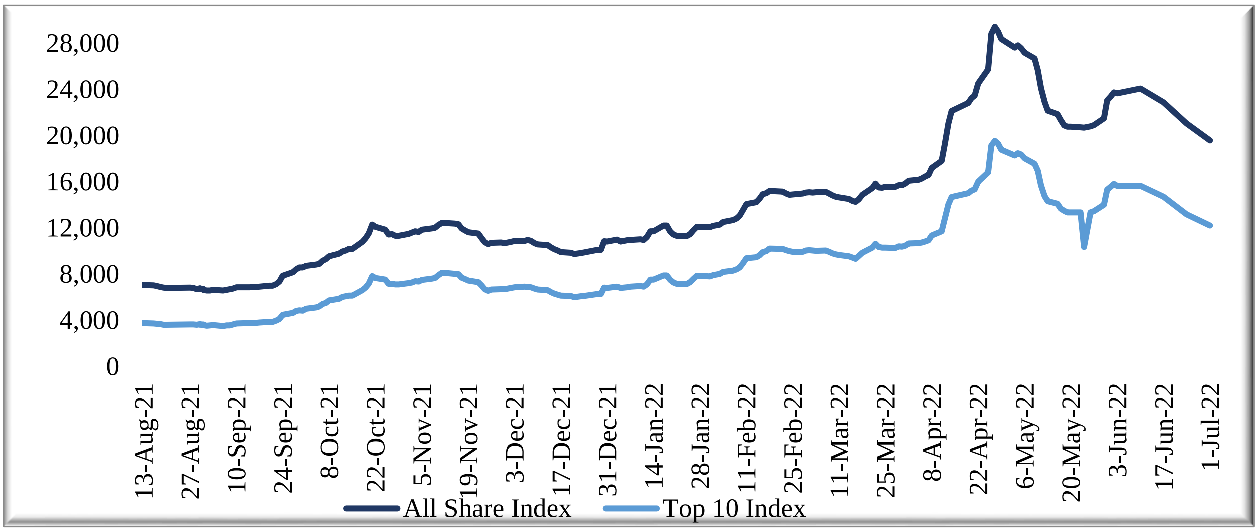
Table 8: Zimbabwe Stock Exchange Statistics[3]

	All Share Index Points	Top 10 index[3] (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)
27-May-22	20,933.98	13,454.99	14,848.43	37,591.39	479,093.24	20,021.24	2,594.03	1,973.45	111.48
03-June-22	23,685.59	15,651.73	17,140.92	39,374.98	475,482.38	20,021.24	2,962.17	3,579.43	19.76
10-June-22	24,091.20	15,668.66	17,261.01	41,975.92	485,318.69	20,021.24	3,004.56	3,152.39	17.84
17-June-22	22,900.71	14,704.54	16,207.96	41,330.07	478,450.40	20,627.62	2,835.47	2,846.74	32.85
24-June-22	21,073.30	13,178.29	14,684.86	40,627.22	499,070.29	20,021.24	2,606.07	4,135.23	26.83
1-July-22	19,590.05	12,209.39	13,559.50	38,151.54	507,512.80	20,021.24	2,420.73	3,329.30	185.87
% Change	**-7.04**	**-7.35**	**-7.66**	**-6.09**	**1.69**	**0.00**	**-7.11**	**-19.49**	**592.88**

Source: Zimbabwe Stock Exchange (ZSE), 2022

Figure 3 shows the trend in daily market turnover for the period from 13th August 2021 to 1st July 2022.

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



Source: Zimbabwe Stock Exchange, 2022

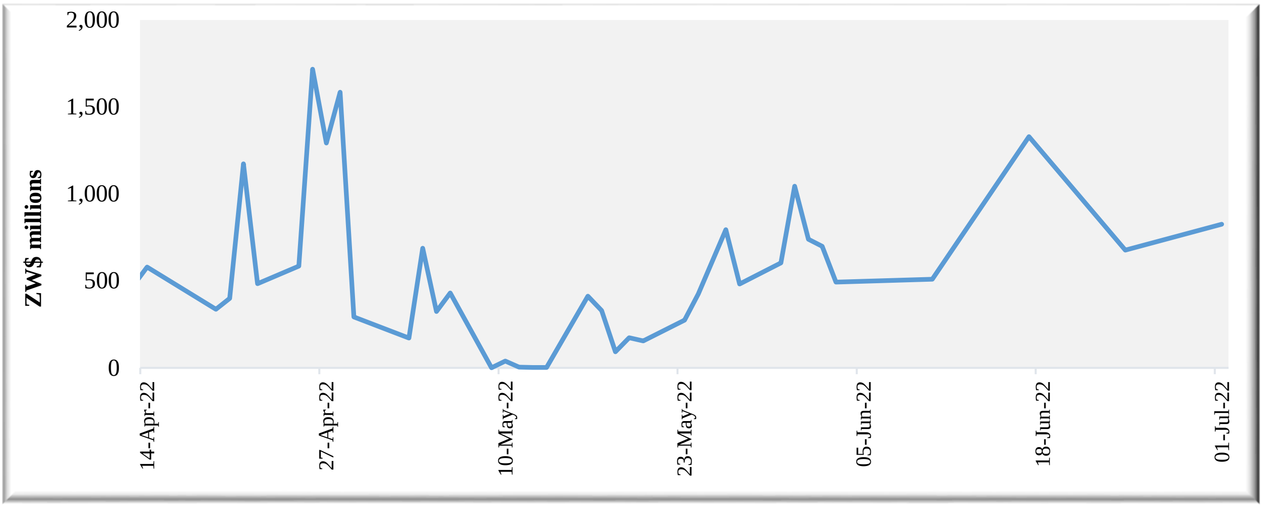
Market Turnover and Volume

As a consequence of subdued trading activity during the week under review, the cumulative value of shares traded on the ZSE declined by 19.49% to ZW$3.33 billion. The cumulative

3 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.

volume of shares traded, however, rose by 592.88%, from 26.83 million shares in the previous week to 185.87 million shares, during the week under analysis. Figure 4 shows the trend in daily market turnover for the period from 14th April 2022 to 1st July 2022.

Figure 4: Daily Market Turnover

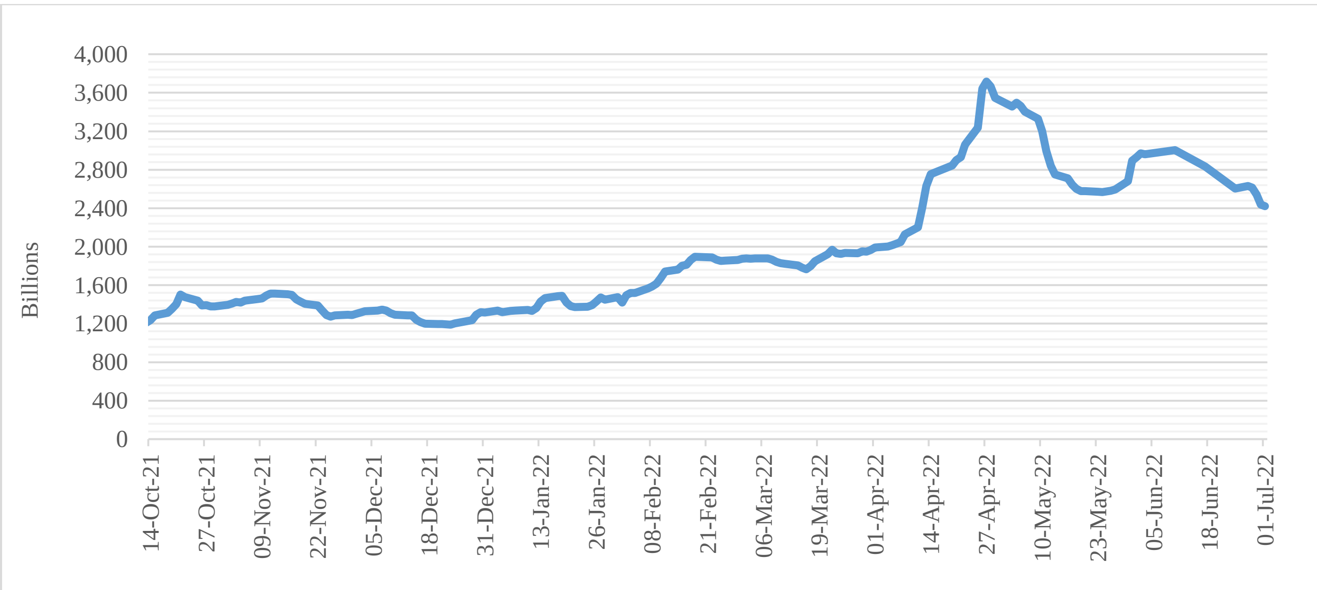


Source: Zimbabwe Stock Exchange, 2022

Market Capitalization

The ZSE lost ZW$185.35 billion, or 7.11% worth of capitalization to close at ZW$2,420.73 billion, during the week ending 1st July 2022. Figure 5 shows market capitalization developments for the period from 14th October 2021 to 1st July 2022.

Figure 5: Daily Market Capitalization in ZW$ billions

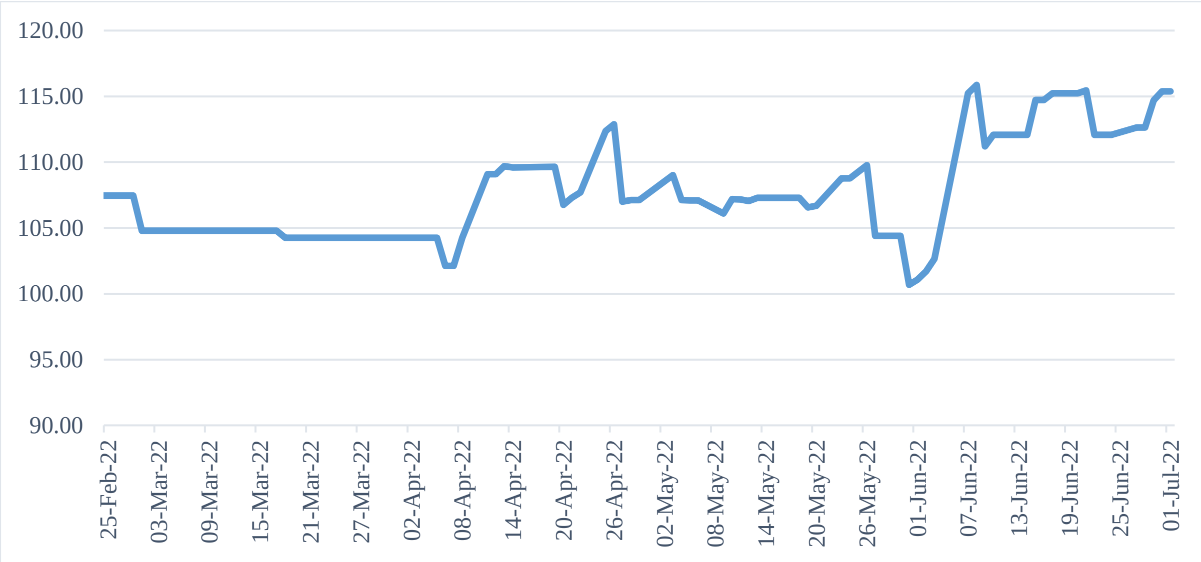


Source: Zimbabwe Stock Exchange, 2022

Victoria Falls Stock Exchange

The Victoria Falls Stock Exchange VFEX was bullish during the week under analysis. Resultantly, the All Shares index gained 2.95% to 115.39 points. The volume and value of shares traded increased by 79.93% and 124.54% to 1.35 million and US$0.07 million, respectively. Figure 6 shows the trend in daily market turnover for the period from 25th February 2021 to 1st July 2022.

Figure 6: Victoria Falls Stock Exchange All Share Index



Source: Victoria Falls Stock Exchange, 2022

Johannesburg Stock Exchange (JSE) Developments

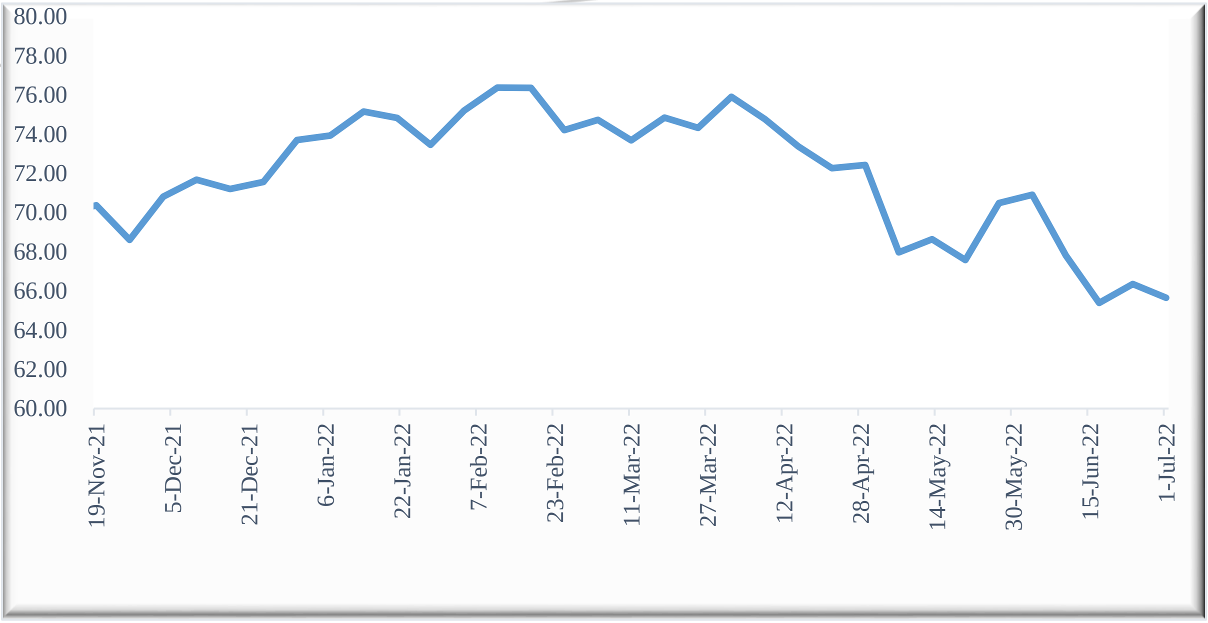
The Johannesburg Stock Exchange (JSE) All Share Index decreased by 1.04%, from 66 348.75 points recorded in the previous week to 65 661.73 points, at the close of the reporting week. JSE market capitalization increased by 2.26%, from ZAR19.48 trillion in the week ending 24th June 2022 to ZAR19.92 trillion, during the week under analysis.

Table 9: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalization (ZAR trillions)
27-May-22	70,485.46	20.49
3-Jun-22	70,920.45	20.61
10-Jun-22	67,803.51	20.08
17-Jun-22	65,390.88	19.35
24-Jun-22	66,348.75	19.48
1-Jul-22	65,661.73	19.92
% Change	**-1.04**	**2.26**

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

Figure 7: 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[4] AND SMEFX[5]

	MAINFX				SMEFX			
	10-June-22	17-June-22	24-June-22	1-July-22	10-June-22	17-June-22	24-June-22	1 -July-22
Total Bids (US$ dollars)	20,665,498.04	21,635,580.55	21,534,506.41	21,448,724.90	4,269,142.30	3,642,701.09	3,532,866.47	4,395,910.22
Amount Allotted (US$ dollars)	20,665,498.04	21,124,292.41	21,408,737.57	20,849,394.61	4,269,142.30	3,399,345.72	3,489,505.04	4,390,229.79
Highest Rate	350	365	375	395	350	365	375	395
Lowest Bid Rate	295	320	330	345	295	320	330	345
Lowest Bid Rate Allotted	295	320	330	345	295	320	330	345
Weighted Average Rate	325.3314	338.4921	352.0626	366.2687	325.3314	338.4921	352.0626	366.2687
Number of Bids Received	317	290	279	261	855	849	770	748
Number of Bids Rejected	43	32	22	14	102	82	72	52

Source: Reserve Bank of Zimbabwe, 2022

4 Main Foreign Currency Auction

5 Small and Medium Enterprises Foreign Currency Auction

APPENDIX 2: SUMMARY OF FOREIGN CURRENCY AUCTION ALLOTMNTS BY PURPOSE

Purpose	MAINFX				SMEFX			
	10-June-22	17-June-22	24-June-22	1-July-22	10-June-22	17-June-22	24-June-22	1-July-22
Raw Materials	11,493,062.61	12,017,258.17	10,702,657.11	10,310,884.58	1,279,708.33	1,049,423.15	957,593.45	1,422,968.58
Machinery and Equipment	3,665,882.99	3,934,339.14	5,147,821.43	4,942,519.66	1,597,956.90	1,268,280.56	1,232,585.88	1,482,605.26
Consumables (Incl. Spares, Tyres, Packaging)	1,510,009.41	1,705,200.96	1,119,943.76	1,374,386.40	424,281.67	353,328.85	374,354.35	492,563.41
Pharmaceuticals and Chemicals	783,510.85	662,634.43	1,088,300.65	1,044,449.46	166,387.47	144,826.18	176,963.70	131,488.80
Services (Loans, Dividends and Disinvestments)	1,236,837.05	826,581.34	1,306,746.74	1,548,564.02	325,110.73	212,033.06	309,683.41	364,347.78
Retail and Distribution	947,019.68	1,223,673.03	1,575,999.13	1,146,502.41	312,977.80	248,441.83	267,646.08	308,158.82
Fuel, Electricity and Gas	109,266.09	119,171.66	59,485.00	29,657.74	9,767.03	7,030.20	-	-
Paper and Packaging	919,909.36	635,443.68	407,783.75	452,430.34	152,952.37	115,981.89	170,678.17	188,097.14
TOTAL	**20,665,498.04**	**21,124,292.41**	**21,408,737.57**	**20,849,394.61**	**4,269,142.30**	**3,399,345.72**	**3,489,505.04**	**4,390,229.79**

Source: Reserve Bank of Zimbabwe, 2022