Vol. 24 No. 27

Weekly Economic Highlights

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Week Ending 8th July 2022

1. INTEREST RATES

Deposit Rates

During the week ending 8th July 2022, average deposit rates quoted by commercial banks remained unchanged at previous week levels for all classes of deposits, 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 (%)
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
8-July-22	6.84	9.15	22.56	23.97	23.83	24.97

Source: Reserve Bank of Zimbabwe, 2022

Lending Rates

Commercial bank minimum and maximum lending rates for individuals and corporates were unchanged during the week under review, as shown in Table 2.

Table 2: Lending Rates (per annum)

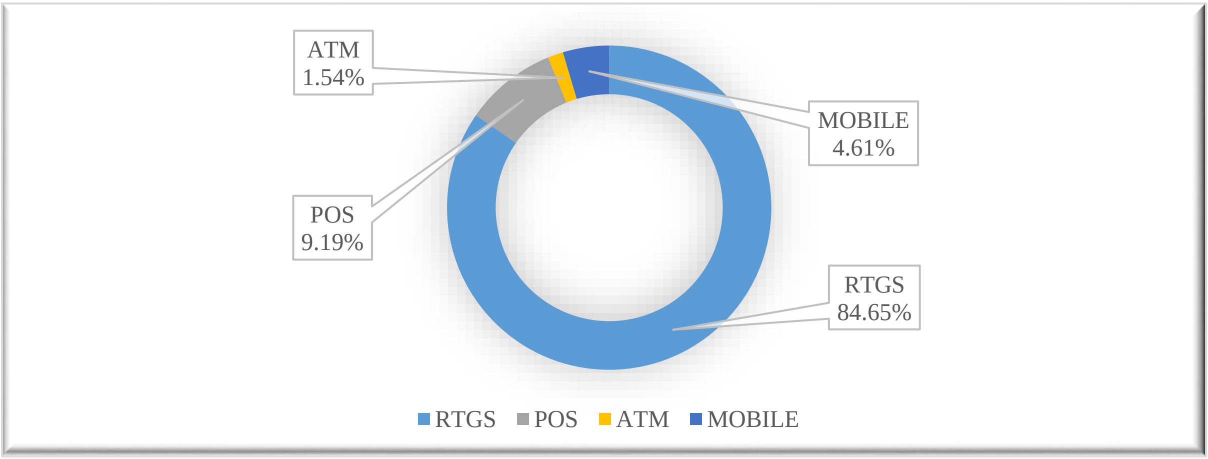
Date	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
	Individual Clients		Corporate Clients	
10-June-22	37.71	59.66	47.94	62.20
17-June-22	38.45	60.09	48.25	64.31
24-June-22	38.45	60.09	48.25	64.31
1-July-22	63.53	87.35	72.37	90.68
8-July-22	63.53	87.35	72.37	90.68

Source: Reserve Bank of Zimbabwe, 2022

2. CLEARING AND SETTLEMENT ACTIVITY

The value of transactions processed through the National Payment Systems (NPS) stood at $426.29 billion during the week under analysis, down by 18.89% from ZW$506.83 billion recorded in the previous week. Real Time Gross Settlement (RTGS) transactions decreased by 11.41% to close at $391.35 billion, during the same week. In value terms, the NPS transactions were distributed as follows: RTGS, 84.65%, POS, 9.19%; Mobile, 4.61%; and ATM, 1.54%.

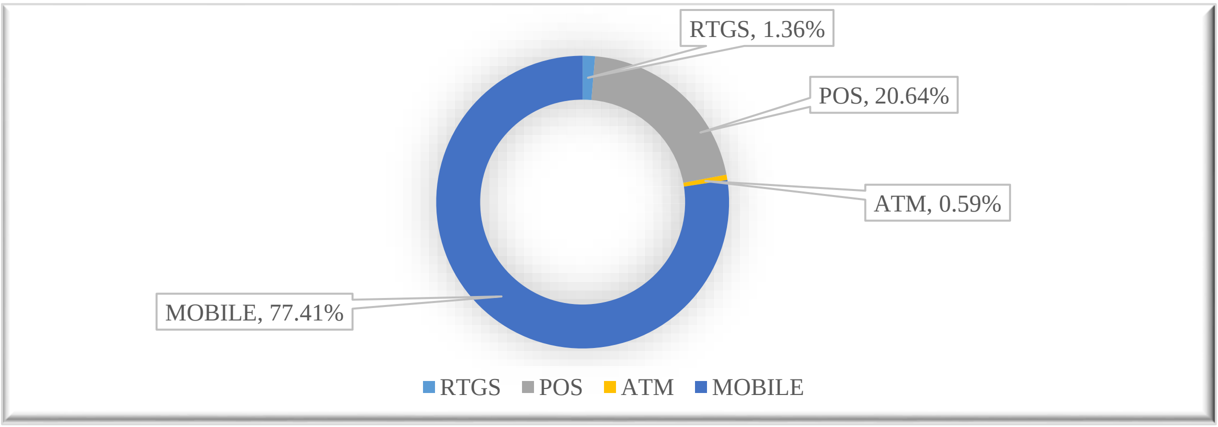
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2022

NPS transaction volumes increased by 4.61% to close at 20.20 million, during the week under review. The NPS transaction volumes were dominated by mobile based transactions, at 77.41% of the total, followed by POS, 20.64%; RTGS, 1.36%; and ATM, 0.59%, 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 1st July 2022	WEEK ENDING 8th July 2022	% CHANGE FROM LAST WEEK	PROPORTION %
	Values in ZW$ Millions			
RTGS	441,750.53	391,347.82	-11.41%	84.65%
POS	42,044.91	42,501.83	1.09%	9.19%
ATM	6,924.28	7,124.96	2.90%	1.54%
MOBILE	16,108.54	21,319.13	32.35%	4.61%
TOTAL	**506,828.26**	**462,293.75**	**-8.79%**	**100%**
	Volumes			
RTGS	326,290	275,031	-15.71%	1.36%
POS	4,194,081	4,169,650	-0.58%	20.64%
ATM	128,417	119,065	-7.28%	0.59%
MOBILE	14,660,853	15,636,059	6.65%	77.41%
TOTAL	**19,309,641**	**20,199,805**	**4.61%**	**100%**

Source: Reserve Bank of Zimbabwe, 2022

3. TOBACCO SALES

As at 8th July 2022 or day 69 of the 2022 tobacco selling season, a cumulative total of 176.79 million kilograms of tobacco had been sold, down by 7.02%, compared to the 190.14 million kilograms sold during the same period in the previous year. In terms of value, total sales of the golden leaf amounted to US$536.56 million, a 1.97% increase compared to US$526.17 million realized during the corresponding period in 2021, as shown in Table 4.

Table 4: Weekly Cumulative Tobacco Sales: Day 69 (8th July 2022)

	2021	2022	Variance (%)
Cumulative Quantity Sold (million kgs)	190,136,596	176,790,566	(7.02)
Average Price(US$/kg)	2.77	3.04	9.67
Cumulative value (US$ million)	526,172,654	536,562,132	(1.97)

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

The golden leaf was sold at an average price of US$3.04/kg during the week ending 8th July 2022, up from an average price of US$2.77/kg, realised during the same period in 2021.

4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

Prices for gold, platinum, copper, nickel, and crude oil retreated, while those for palladium firmed, during the week under review. The developments in commodity prices for the week ending 8th July 2022 are as shown in Table 5.

Table 5: Metal and Crude Oil Prices for the week ending 8th July 2022

2022	Gold US$/ounce	Platinum US$/ounce	Palladium US$/ounce	Copper US$/tonne	Nickel US$/tonne	Crude Oil US$/barrel
Weekly Average (27 Jun – 01 Jul)	**1,816.43**	**910.20**	**1,919.10**	**8,294.63**	**22,646.80**	**112.48**
4-Jul	1,807.73	885.00	1,955.00	7,998.50	22,447.00	113.65
5-Jul	1,788.20	871.00	1,908.50	7,657.80	22,581.00	103.72
6-Jul	1,760.48	865.00	1,952.50	7,506.30	21,776.00	101.21
7-Jul	1,745.70	865.00	1,949.00	7,818.50	21,468.00	105.60
8-Jul	1,737.63	875.50	2,034.00	7,795.00	21,511.50	106.38
Weekly Average (04 - 08 July)	**1,767.95**	**872.30**	**1,959.80**	**7,755.22**	**21,956.70**	**106.11**
Weekly Change (%)	*-2.7*	*-4.2*	*2.1*	*-6.5*	*-3.0*	*-5.7*

Source: BBC, KITCO and Bloomberg, 2022

Gold

Gold prices retreated, occasioned by a sharp rally in the US dollar and higher Treasury yields that shifted demand away from the safe-haven asset. The hawkish monetary policy stance taken by the US Federal Reserve and other global central banks, amidst concerns of a global economic recession, also exerted downward pressure on the price of the yellow metal. Prices fell by 2.7%, from a weekly average of US$1,816.43 per ounce in the previous week to US$1,767.95 per ounce, during the week under review.

Platinum

Platinum prices remained sluggish, shedding 4.2%, to close the week under review at an average of US$872.30 per ounce. The price of the industrial metal continued to be weighed down by the impact of a stronger US dollar and subdued demand, amid weak global auto-manufacturing data reported in major car producing countries.

Palladium

Palladium prices remained upbeat, supported by low inventories, amid weak production in major source markets. Weekly average prices rose by 2.1%, from US$1,919.10 per ounce in the previous week to US$1,959.80 per ounce, during the week under review.

Copper

Copper prices weakened in the wake of investor fears that a global economic recession could hurt the demand for metals. Prices declined by 6.5%, from a weekly average of US$8,294.63 per tonne in the previous week to US$7,755.22 per tonne, during the week under review.

Nickel

Weekly average prices of nickel softened by 3.0%, to close the week under review at US$21,956.70 per tonne, from US$22,646.80 per tonne in the previous week. The decrease was on account of on-going supply-side constraints for nickel sulphate and a stronger US dollar.

Brent Crude Oil

Brent Crude oil prices sharply retreated on the back of heightened concerns of a recession in large economies, together with Covid-19 lockdowns in China. These factors outweighed fears of tight global supply and depressed demand for the commodity. The weekly average price declined by 5.7%, from US$112.48 per barrel in the previous week to US$106.11 per barrel, during the week under analysis.

5. EXCHANGE RATE DEVELOPMENTS

Foreign Exchange Auction

On the Foreign Exchange Auction, the Zimbabwe dollar (ZW$) depreciated by 3.7% against the US dollar, from an average of ZW$360.58626 per US$1 in the previous week to close at ZW$374.0443 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 (27 June - 01 July)	**360.5862**	**22.4588**	**439.9608**	**29.3577**	**379.0233**
4-Jul	**366.2687**	22.4215	443.1862	29.4130	382.0193
5-Jul	**366.2687**	22.4719	443.8083	29.5961	382.642
6-Jul	**379.2280**	22.8833	452.3244	30.3767	388.4823
7-Jul	**379.2280**	22.6757	453.3303	30.0552	387.0972
8-Jul	**379.2280**	22.6501	455.0747	30.0745	384.8417
Weekly Average (04 - 08 July)	**374.0443**	**22.6205**	**449.5448**	**29.9031**	**385.0165**
Appr(-)/Depr(+) (%) of the ZWL	*3.7*	*0.7*	*2.2*	*1.9*	*1.6*

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

The Willing-Buyer Willing-Seller (WBWS) interbank market saw the Zimbabwe dollar (ZW$) depreciate by about 3.1%, from an average of ZW$367.77918 per US$1 in the previous week to ZW$379.0411 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 (27 June - 01 July)	**367.77918**	**22.8785**	**448.7352**	**29.9482**	**386.8145**
4-Jul	375.4440	22.9621	454.4781	30.1529	391.7039
5-Jul	376.8387	23.0681	456.6754	30.3621	393.7238
6-Jul	380.0225	22.8833	453.4462	30.4414	389.4884
7-Jul	380.4024	22.7273	454.7740	30.1505	388.2796
8-Jul	382.4981	22.8311	459.1157	30.3370	388.1424
Weekly Average (04 - 08 July)	**379.0411**	**22.8944**	**455.6979**	**30.2888**	**390.2676**
Appr(-)/Depr(+) (%) of the ZWL	*3.1*	*0.1*	*1.6*	*1.1*	*0.9*

Source: Reserve Bank of Zimbabwe, 2022

6. EQUITY MARKETS

Zimbabwe Stock Exchange

The Zimbabwe Stock Exchange (ZSE) was bearish for the fourth consecutive week. Consequently, the All Share, Top 10, Top 15 and Medium Cap indices lost 14.17%, 16.27%, 15.75% and 8.01% to close at 16 813.22 points, 10 223.45 points, 11 424.34 points and 35 094.68 points, respectively.

The decrease in market indices was a result of share price losses for Proplastic Limited (40%), First Mutual Properties Limited (31.33%), First Mutual Holdings Limited (24.44%), Dairibord Holdings Limited (24.22%) and TSL Limited (23.08%). Partially offsetting the aforementioned losses were gains in the share prices of ZB Financial Holdings (30.69%), Edgars Stores Limited (24.21%), Truworths Limited (22.46%), African Distillers Limited (15%) and Turnall Holdings Limited (8.20%). 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

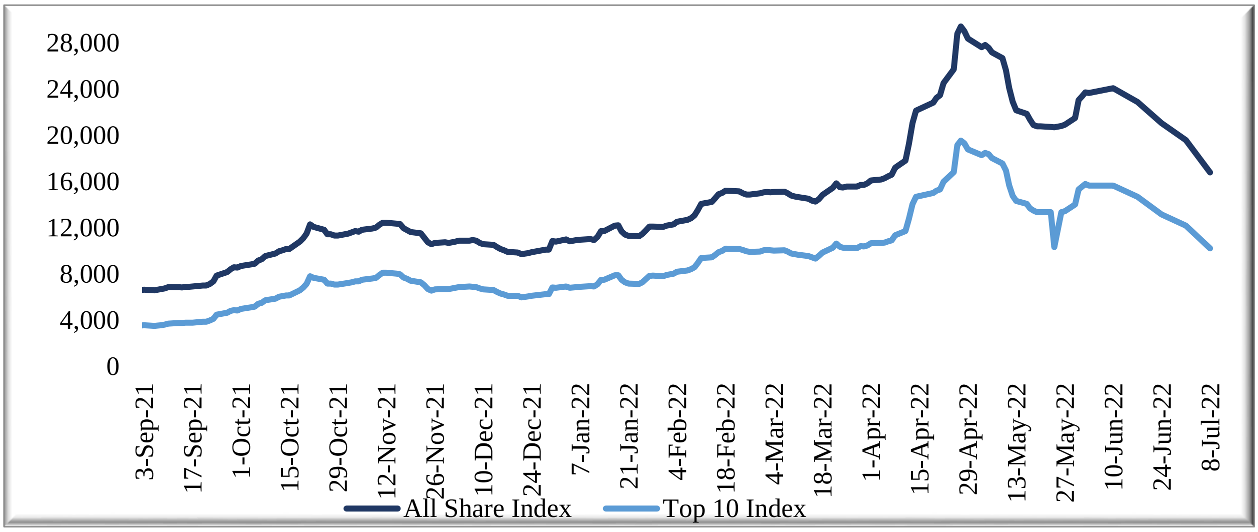
Table 8: Zimbabwe Stock Exchange Statistics[3]

	All Share Index Points	Top 10 index³ (points)	Top 15 Index³ points	Medium Cap³ (points)	Small Cap³ (points)	Mining Index (points)	Grand Market Capitalization (ZWL billion)	Market Turnover (ZWL million)	Volume of Shares (million)
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
8-July-22	16,813.22	10,223.45	11,424.34	35,094.68	532,250.86	20,021.24	2,066.44	1,470.45	16.15
% Change	**-14.17**	**-16.27**	**-15.75**	**-8.01**	**4.87**	**0.00**	**-14.64**	**-55.83**	**-91.31**

Source: Zimbabwe Stock Exchange (ZSE), 2022

Figure 3 shows the trend in daily market turnover for the period from 3rd September 2021 to 8th July 2022.

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



Source: Zimbabwe Stock Exchange, 2022

Market Turnover and Volume

During the week under review, the cumulative volume and value of shares traded on the ZSE declined by 91.31% and 55.83% to 16.15 million shares and ZW$1.47 billion, respectively.

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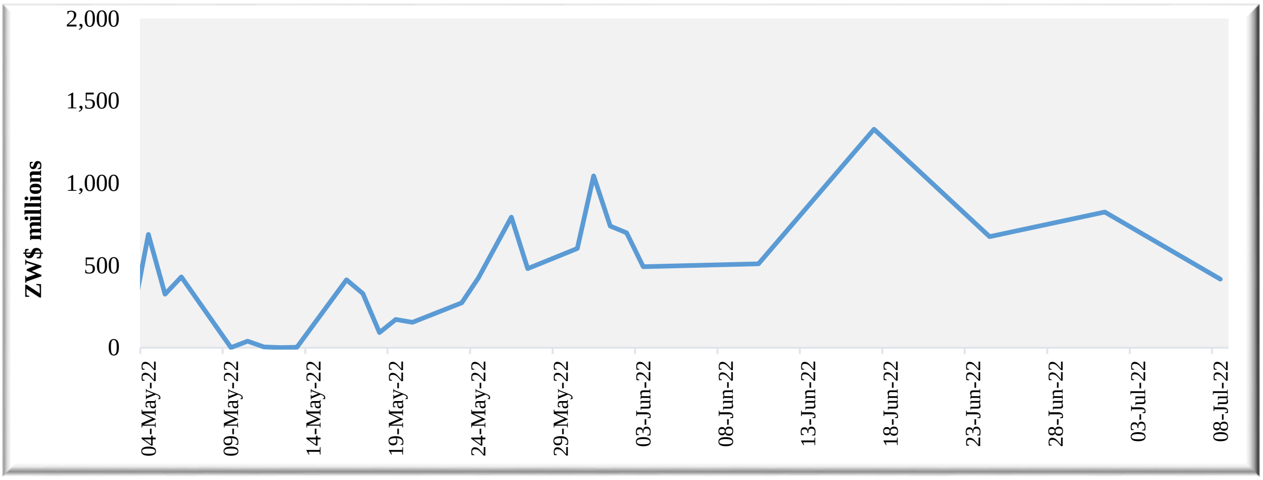
3 The Zimbabwe Stock Exchange (ZSE) adopted the Global Industry Classification Standards, effective from 1 January 2020.The ZSE indices constitute the following categories; Top 10 Index; Top 15; Top 25; Medium cap and Small cap Indices.

Figure 4 shows the trend in daily market turnover for the period from 4th May 2022 to 8th July 2022.

Figure 4: Daily Market Turnover

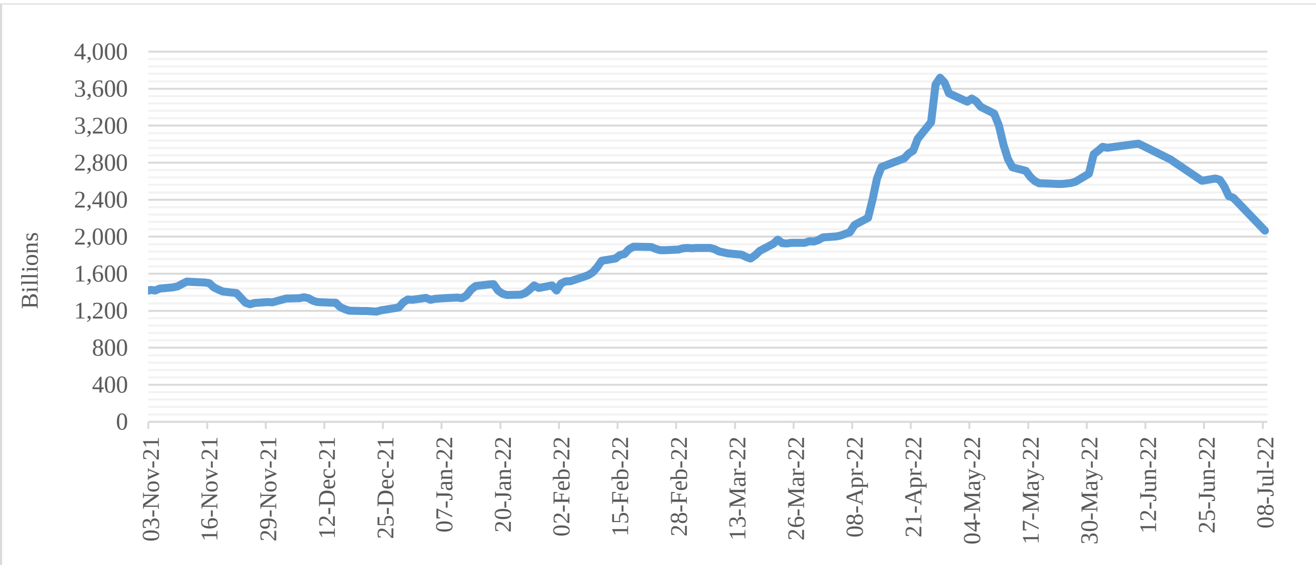


Source: Zimbabwe Stock Exchange, 2022

Market Capitalization

The local bourse shed ZW$354.28 billion, or 14.64% worth of capitalization to close at ZW$2,066.44 billion, during the week under review. Figure 5 shows market capitalization developments for the period from 3rd November 2022 to 8th July 2022.

Figure 5: Daily Market Capitalization in ZW$ billions

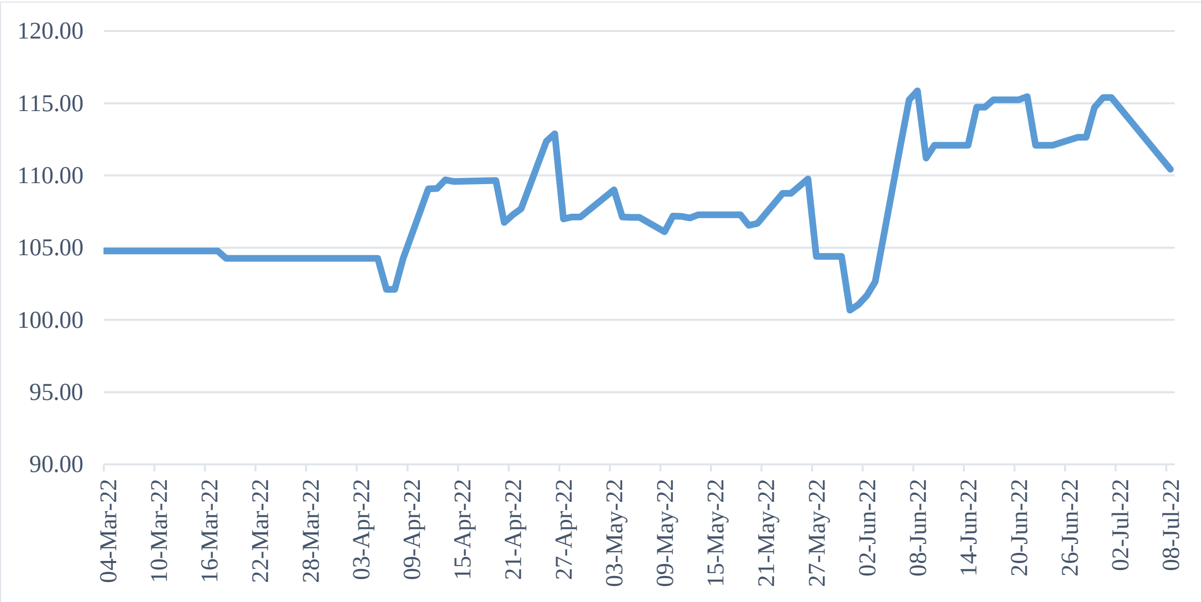


Source: Zimbabwe Stock Exchange, 2022

Victoria Falls Stock Exchange

The Victoria Falls Stock Exchange (VFEX) was characterised by bearish sentiments, during the week ending 8th July 2022. Resultantly, the cumulative volume of shares traded on the VFEX declined by 41.67% to 0.79 million shares, during the week under analysis. The value of shares traded, however, increased by 541.10% to US$0.46 million. Figure 6 shows the trend in the (VEFX) for the period from 4th March 2022 to 8th July 2022.

Figure 6: Victoria Falls Stock Exchange All Share Index



Source: Victoria Falls Stock Exchange, 2022

Johannesburg Stock Exchange (JSE) Developments

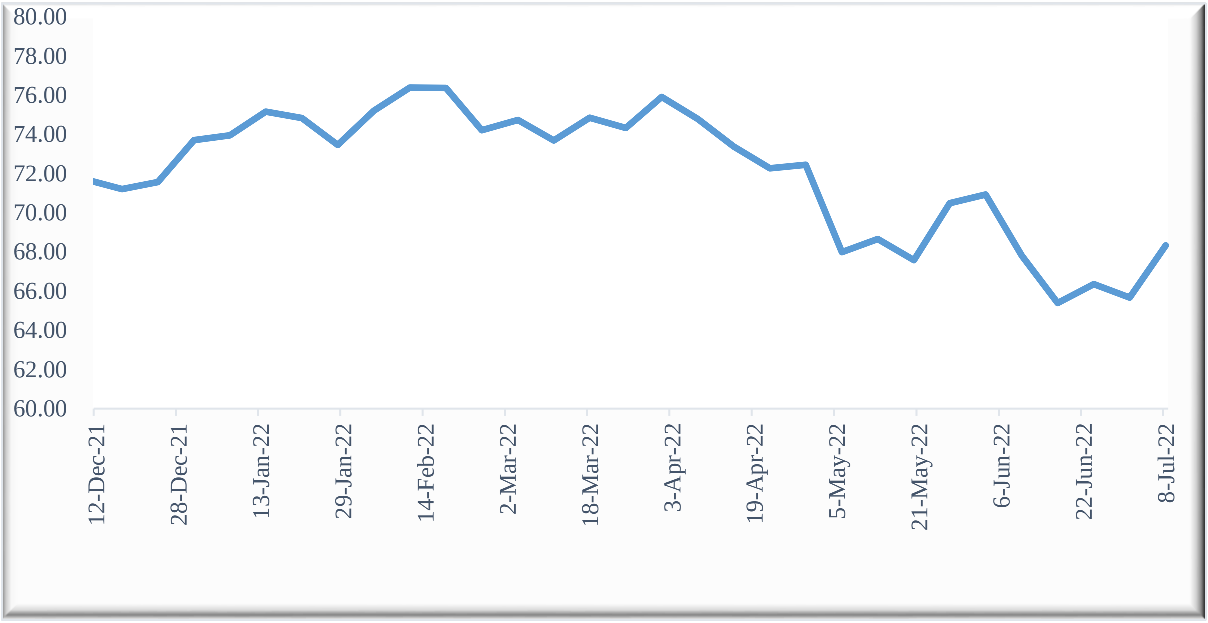
During the week ending 8th July 2022, the Johannesburg Stock Exchange (JSE) All share index increased by 4.06% to close at 68,327.40 points, from 65,661.73 points in the previous week. JSE market capitalization also increased by 1.66% to close at ZAR20.25 trillion, during the same week.

Table 9: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalization (ZAR trillions)
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
8-Jul-22	68,327.40	20.25
% Change	**4.06**	**1.66**

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			
	17-June-22	24-June-22	1-July-22	8-July-22	17-June-22	24-June-22	1-July-22	8-July-22
Total Bids (US$ dollars)	21,635,580.55	21,534,506.41	21,448,724.90	19,749,893.72	3,642,701.09	3,532,866.47	4,395,910.22	3,747,679.66
Amount Allotted (US$ dollars)	21,124,292.41	21,408,737.57	20,849,394.61	19,678,200.34	3,399,345.72	3,489,505.04	4,390,229.79	3,714,582.77
Highest Rate	365	375	395	405	365	375	395	405
Lowest Bid Rate	320	330	345	358	320	330	345	357
Lowest Bid Rate Allotted	320	330	345	358	320	330	345	357
Weighted Average Rate	338.4921	352.0626	366.2687	379.2280	338.4921	352.0626	366.2687	379.2280
Number of Bids Received	290	279	261	232	849	770	748	661
Number of Bids Rejected	32	22	14	7	82	72	52	30

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			
	17-June-22	24-June-22	1-July-22	8-July-22	17-June-22	24-June-22	1-July-22	8-July-22
Raw Materials	12,017,258.17	10,702,657.11	10,310,884.58	10,392,012.65	1,049,423.15	957,593.45	1,422,968.58	1,053,813.06
Machinery and Equipment	3,934,339.14	5,147,821.43	4,942,519.66	3,713,592.90	1,268,280.56	1,232,585.88	1,482,605.26	1,325,359.34
Consumables (Incl. Spares, Tyres, Packaging)	1,705,200.96	1,119,943.76	1,374,386.40	1,126,749.29	353,328.85	374,354.35	492,563.41	465,415.84
Pharmaceuticals and Chemicals	662,634.43	1,088,300.65	1,044,449.46	753,905.51	144,826.18	176,963.70	131,488.80	167,888.76
Services (Loans, Dividends and Disinvestments)	826,581.34	1,306,746.74	1,548,564.02	1,939,083.34	212,033.06	309,683.41	364,347.78	346,621.19
Retail and Distribution	1,223,673.03	1,575,999.13	1,146,502.41	1,324,487.84	248,441.83	267,646.08	308,158.82	228,776.94
Fuel, Electricity and Gas	119,171.66	59,485.00	29,657.74	49,429.56	7,030.20	-	-	7,106.76
Paper and Packaging	635,443.68	407,783.75	452,430.34	378,939.25	115,981.89	170,678.17	188,097.14	119,600.88
TOTAL	**21,124,292.41**	**21,408,737.57**	**20,849,394.61**	**19,678,200.34**	**3,399,345.72**	**3,489,505.04**	**4,390,229.79**	**3,714,582.77**

Source: Reserve Bank of Zimbabwe, 2022