RESERVE BANK OF ZIMBABWE

# Weekly Economic Highlights

Vol. 24 No. 19

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Week Ending
13th May 2022

## 1. INTEREST RATES

### Deposit Rates

Minimum and maximum deposit rates remained at previous week levels, during the week ending 13th May 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 (%) |
| **15-Apr-22** | 4.08 | 6.21 | 14.38 | 16.22 | 15.78 | 18.11 |
| **22-Apr-22** | 4.22 | 6.35 | 14.32 | 15.56 | 16.78 | 18.53 |
| **29-April-22** | 4.22 | 6.35 | 14.32 | 15.56 | 16.78 | 18.53 |
| **6-May-22** | 3.62 | 5.71 | 15.32 | 17.00 | 16.39 | 18.53 |
| **13-May-22** | 3.62 | 5.71 | 15.32 | 17.00 | 16.39 | 18.53 |

*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)**

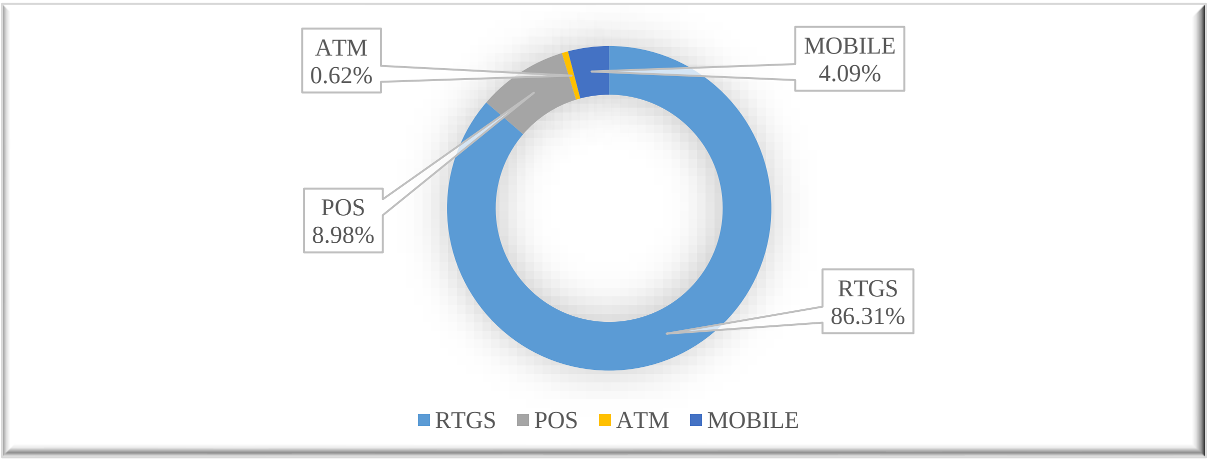
| Date | Minimum (%) | Maximum (%) | Minimum (%) | Maximum (%) |
|---|---|---|---|---|
| | Individual Clients | | Corporate Clients | |
| **15-Apr-22** | 40.85 | 57.81 | 46.60 | 63.98 |
| **22-Apr-22** | 38.15 | 59.59 | 46.56 | 63.89 |
| **29-April-22** | 38.15 | 59.59 | 46.56 | 63.89 |
| **6-May-22** | 38.09 | 59.62 | 46.50 | 63.86 |
| **13-May-22** | 38.09 | 59.62 | 46.50 | 63.86 |

*Source: Reserve Bank of Zimbabwe, 2022*

## 2. CLEARING AND SETTLEMENT ACTIVITY

The National Payment System (NPS) processed transactions with a total value of ZW$340.6 billion, during the week of analysis, up from ZW$259.42 billion in the previous week. Real Time Gross Settlement (RTGS) transactions, however, increased by 42.07%, to close at ZW$293.97 billion, during the same week. In value terms, NPS transactions were distributed as follows: RTGS, 86.31%; POS, 8.98%; Mobile, 4.09%; and ATM, 0.62%.

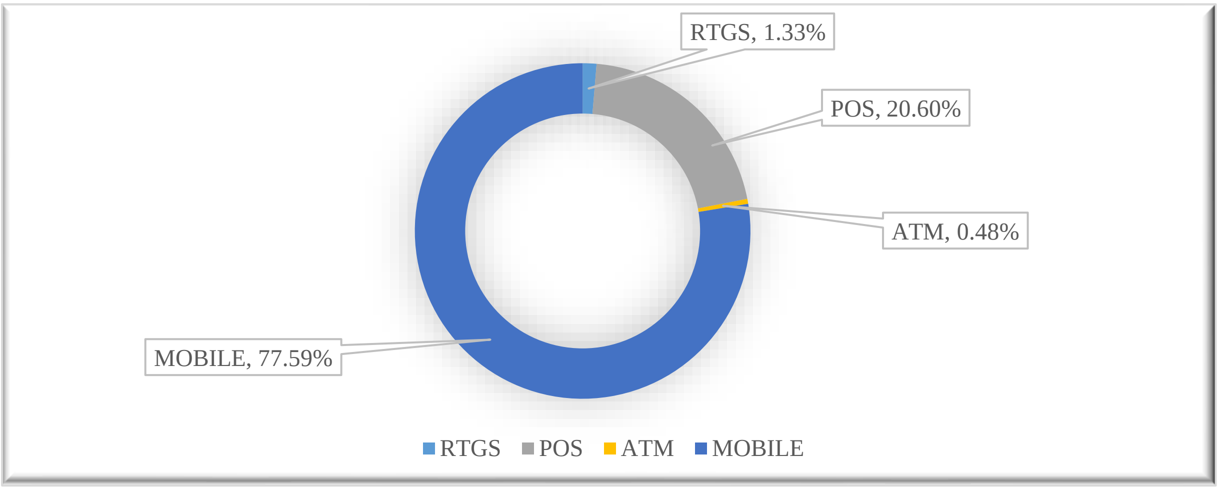
**Figure 1: Composition of NPS Transactions in Value Terms**




*Source: Reserve Bank of Zimbabwe, 2022*

NPS transaction volumes were 2.90% lower than in the previous week, closing the week under review at 20.74 million transactions. The NPS transaction volumes were distributed as follows: Mobile, 77.59%; POS, 20.60%; RTGS, 1.33% and ATM, 0.48%.

**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 6th May 2022 | WEEK ENDING 13th May 2022 | % CHANGE FROM LAST WEEK | PROPORTION % |
|---|---|---|---|---|
| | **Values in ZW$ Millions** | | | |
| RTGS | 206,924.50 | 293,967.89 | 42.07% | 86.31% |
| POS | 35,338.30 | 30,587,00 | -13.45% | 8.98% |
| ATM | 3,701.10 | 2,101.17 | -43.23% | 0.62% |
| MOBILE | 13,455.56 | 13,941.84 | 3.61% | 4.09% |
| **TOTAL** | **259,419.46** | **340,597.89** | **31.29%** | **100%** |
| | **Volumes** | | | |
| RTGS | 282,627 | 276,166 | -2.29% | 1.33% |
| POS | 5,023,788 | 4,271,188 | -14.98% | 20.60% |
| ATM | 144,428 | 99,173 | -31.33% | 0.48% |
| MOBILE | 15,902,722 | 16,088,807 | 1.17% | 77.59% |
| **TOTAL** | **21,353,565** | **20,735,334** | **-2.90%** | **105%** |

*Source: Reserve Bank of Zimbabwe, 2022*

## 3. TOBACCO SALES

Weekly cumulative tobacco sales stood at 83.24 million kilograms as at 13th May 2022 or day 30 of the 2022 tobacco selling season. The value of tobacco sold stood at US$247.79 million, reflecting an 8.86% decrease from US$271.88 million registered during the comparable period in 2021. Table 4 shows tobacco sales statistics.

**Table 4: Weekly Cumulative Tobacco Sales: Day 30 (13th May 2022)**

| | 2021 | 2022 | Variance (%) |
|---|---|---|---|
| **Cumulative Quantity Sold (million kgs)** | 101,672,752 | 83,239,721 | (18.3) |
| **Average Price(US$/kg)** | 2.67 | 2.98 | 11.32 |
| **Cumulative value (US$ million)** | 271,884,122 | 247,789,777 | (8.86) |

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

The average price of the golden leaf at $2.98/kg, was 11.32% higher compared to $2.67/kg realized during the same period in 2021.

## 4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

Prices of selected commodities remained subdued, during the week under review, largely driven by a stronger US dollar and weak demand due to stringent Covid-19 measures in China, the world's largest consumer of metals. The developments in commodity prices during the week under review are as shown in Table 4.

**Table 4: Metal and Crude Oil Prices for the week ending 13th May 2022**

| | Gold | Platinum | Palladium | Copper | Nickel | Crude Oil |
|---|---|---|---|---|---|---|
| **2022** | US$/ounce | US$/ounce | US$/once | US$/tonne | US$/tonne | US$/barrel |
| **Weekly Average (3 - 6 May)** | **1,876.76** | **969.25** | **2,214.00** | **9,489.08** | **30,369.50** | **110.16** |
| **9-May** | 1,863.15 | 948.50 | 2,060.50 | 9,240.40 | 28,076.00 | 104.63 |
| **10-May** | 1,859.80 | 982.50 | 2,075.50 | 9,235.80 | 28,309.00 | 105.41 |
| **11-May** | 1,851.85 | 980.50 | 2,050.00 | 9,358.80 | 27,712.00 | 106.00 |
| **12-May** | 1,843.88 | 968.50 | 1,948.50 | 9,103.50 | 27,725.00 | 109.52 |
| **13-May** | 1,817.68 | 949.50 | 1,929.00 | 9,107.00 | 27,730.00 | 109.93 |
| **Weekly Average (9 - 13May)** | **1,847.27** | **965.90** | **2,012.70** | **9,209.10** | **27,910.40** | **107.10** |
| ***Weekly Change (%)*** | *-1.6* | *-0.3* | *-9.1* | *-3.0* | *-8.1* | *-2.8* |

*Source: BBC, KITCO and Bloomberg, 2022*

**Gold**

In the week under review, gold prices averaged US$1,847.27 per ounce, 1.6% down from US$1,876.76 per ounce in the preceding week. Prices continued to be weighed down by a stronger US dollar and prospects of aggressive interest rate hikes by the US Federal Reserve, to abate inflationary pressures.

**Platinum**

Platinum prices retreated by 0.3%, from a weekly average of US$969.25 per ounce in the previous week to US$965.90 per ounce, during the week under review. Prices marginally declined as the impact of a stronger US dollar and weak demand from China outweighed supply concerns from Russia.

**Palladium**

Palladium prices also retreated on account of a stronger US dollar, as stringent Covid-19 measures in top user, China continued to hurt the demand for metals. Against this backdrop, the weekly average price of the industrial metal eased by 9.1%, from a weekly average of US$2,214.00 per ounce in the previous week to US$2,012.70 per ounce, during the week ending 13th May 2022.

**Copper**

Copper prices retreated by 3.0%, from a weekly average of US$9,489.08 per tonne in the prior week to close the week under analysis at US$9,209.10 per tonne. Prices continued to linger around seven-month lows over fears of a global economic slowdown and rising Covid-19 infection cases in China, the world's largest consumer of the base metal.

**Nickel**

Nickel prices declined by 8.1%, from a weekly average of US$30,369.50 per tonne in the previous week to US$27,910.40 per tonne, during the week under review. Prices declined on account of a stronger US dollar and subdued demand in China, amid the spread of the new Covid-19 wave in Asia's giant economy.

**Brent Crude Oil**

During the week under review, crude oil prices retreated on account of growing concerns about a looming global economic recession and waning demand from China. Reflecting these developments, prices retreated by 2.8%, from a weekly average of US$110.16 per barrel in the previous week to close the week under review at US$107.10 per barrel.

## 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$164.3328 per US$1 in the previous week to ZW$170.3588 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 (3 - 6 May)** | **164.3328** | **10.3691** | **205.0665** | **13.5317** | **173.2555** |
| **9-May** | **165.99** | 10.2722 | 203.8585 | 12.9627 | 167.1191 |
| **10-May** | **165.99** | 10.3093 | 205.3187 | 13.1070 | 167.4671 |
| **11-May** | **173.27** | 10.7759 | 213.7797 | 13.6789 | 174.5015 |
| **12-May** | **173.27** | 10.7124 | 211.6050 | 13.6705 | 176.2365 |
| **13-May** | **173.27** | 10.8284 | 211.7429 | 13.6705 | 174.817 |
| **Weekly Average (9 - 13 May)** | **170.3588** | **10.5796** | **209.2609** | **13.4179** | **172.0282** |
| ***Appr(-)/Depr(+) (%) of the ZWL*** | *3.7* | *2.0* | *2.0* | *-0.8* | *-0.7* |

*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 Bank introduced a Willing-Buyer Willing-Seller (WBWS) system on the interbank market on the 9th of May 2022. The WBWS exchange rate averaged ZW$ 275.79 per US$1 on the first day of trading and closed the week under review at ZW$ 281.68 per US$1.The developments in selected exchange rates on the Interbank Market are as shown in Table 6 below.

**Table 6: International Exchange Rates[2]**

| | USD | ZAR | GBP | BWP | EURO |
|---|---|---|---|---|---|
| **2022** | | | | | |
| **9-May** | 275.7864 | 17.06485 | 338.8608 | 22.5349 | 289.9087 |
| **10-May** | 277.0262 | 17.16738 | 342.6995 | 22.5258 | 293.0131 |
| **11-May** | 278.7610 | 17.33102 | 343.9097 | 22.7538 | 293.9836 |
| **12-May** | 279.8104 | 17.25626 | 341.5109 | 22.8392 | 294.0673 |
| **13-May** | 281.6804 | 17.59015 | 344.2280 | 22.9334 | 292.8372 |
| **Weekly Average (9 - 13 May)** | 278.6129 | 17.28193 | 342.2418 | 22.7174 | 292.762 |
| ***Appr(-)/Depr(+) (%) of the ZWL*** | *2.1* | *3.1* | *1.6* | *1.8* | *1.0* |

*Source: Reserve Bank of Zimbabwe, 2022*

## 6. EQUITY MARKETS

### Zimbabwe Stock Exchange

During the week ended 13th May 2022, the Zimbabwe Stock Exchange (ZSE) was bearish. All the indices registered losses, with the Top 10, Top 15, Medium Cap and Small Cap indices sheding 20.58%, 20.08%, 12.07% and 6.17% to close at 14 330.29 points, 15 893.63 points, 39 167.07 points and 561 075.93 points, respectively. Mashonaland Holdings Limited (34.58%), Nampak Zimbabwe Limited (29.24%), Hippo Valley Estates Limited (28.20%), Econet Wireless Zimbabwe Limited (27.91%) and First Mutual Properties Limited (26.83%) registered losses.

During the same week under review share prices of National Tyre Services Limited (7.50%), Unifreight Africa Limited (2.94%), FBC Holdings Limited (2.53%), and Getbucks Financial Services Limited (1.07%) increased. The resource index also lost 14.99% to close at 23 204.74 points during the week under analysis.

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

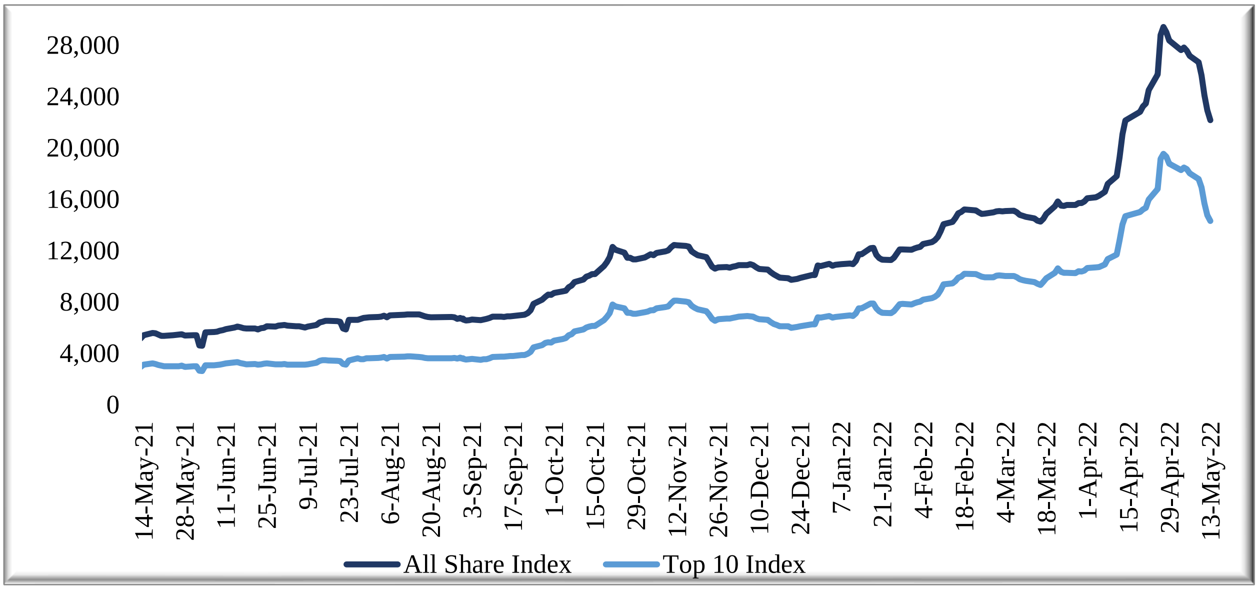
**Table 6: Zimbabwe Stock Exchange Statistics[3]**

| | 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) |
|---|---|---|---|---|---|---|---|---|---|
| **08-Apr-22** | 17,216.17 | 11,370.22 | 12,519.5 | 28,474.34 | 441,440.78 | 13,108.48 | 2,127.12 | 1,795.23 | 35.86 |
| **14-Apr-22** | 22,149.04 | 14,697.52 | 16,274.2 | 36,270.86 | 481,979.94 | 13,820.22 | 2,757.76 | 1,533.18 | 14.48 |
| **22-Apr-22** | 24,527.07 | 16,007.07 | 17,959.60 | 42,248.87 | 503,410.25 | 19,884.80 | 3,059.61 | 2,391.90 | 12.26 |
| **29-Apr-22** | 28,391.75 | 18,786.03 | 20,926.14 | 46,972.25 | 587,219.17 | 30,527.28 | 3,547.35 | 5,465.63 | 127.00 |
| **06-May-22** | 27,196.87 | 18,044.54 | 19,887.26 | 44,544.97 | 597,946.28 | 27,297.82 | 3,404.14 | 1,614.68 | 16.59 |
| **13-May-22** | 22,183.37 | 14,330.29 | 15,893.63 | 39,167.07 | 561,075.93 | 23,204.74 | 2,751,64 | 1,814.20 | 48.84 |
| **% Change** | **-18.43** | **-20.58** | **-20.08** | **-12.07** | **-6.17** | **-14.99** | **-22.43** | **12.36** | **194.50** |

*Source: Zimbabwe Stock Exchange (ZSE), 2022*

Figure 3 shows the trend in daily market turnover for the period from 14th May 2021 to 13th May 2022.

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




*Source: Zimbabwe Stock Exchange, 2022*

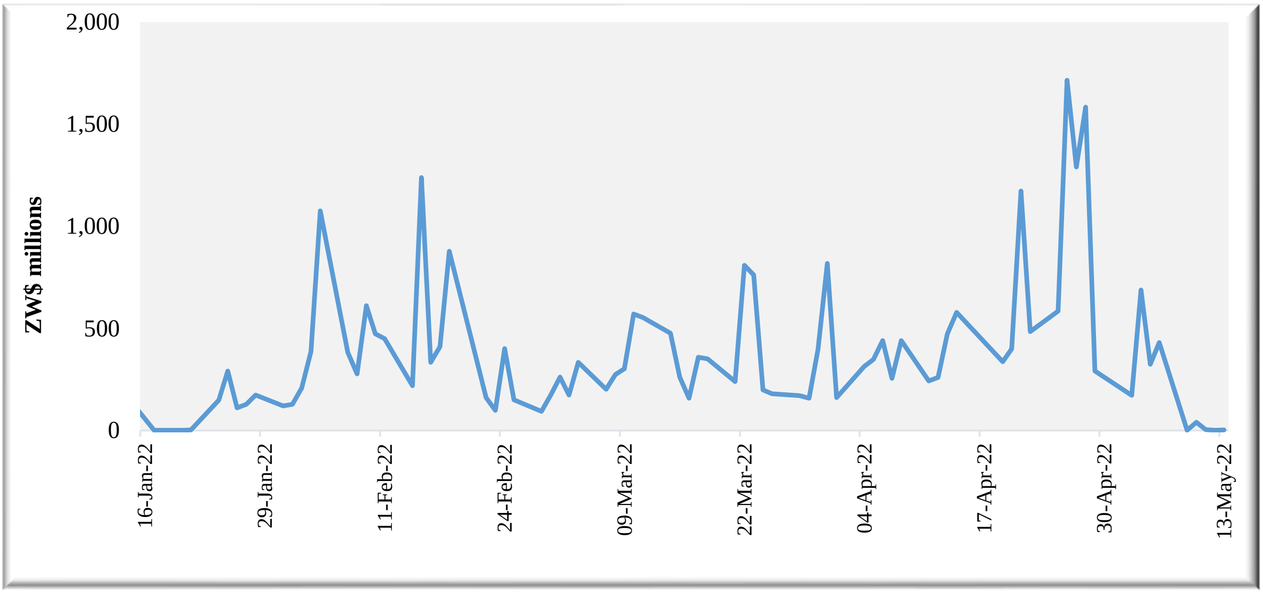
## Market Turnover and Volume

The cumulative volume and value of shares traded increased by 194.50% and 12.36% to 48.84 million shares and ZW$ 1.81 billion, respectively, compared to 16.59 million shares and

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.

ZW$1.61 billion recorded in the previous week. Figure 4 shows the trend in daily market turnover for the period 16th January 2022 to 13th May 2022.

**Figure 4: Daily Market Turnover**

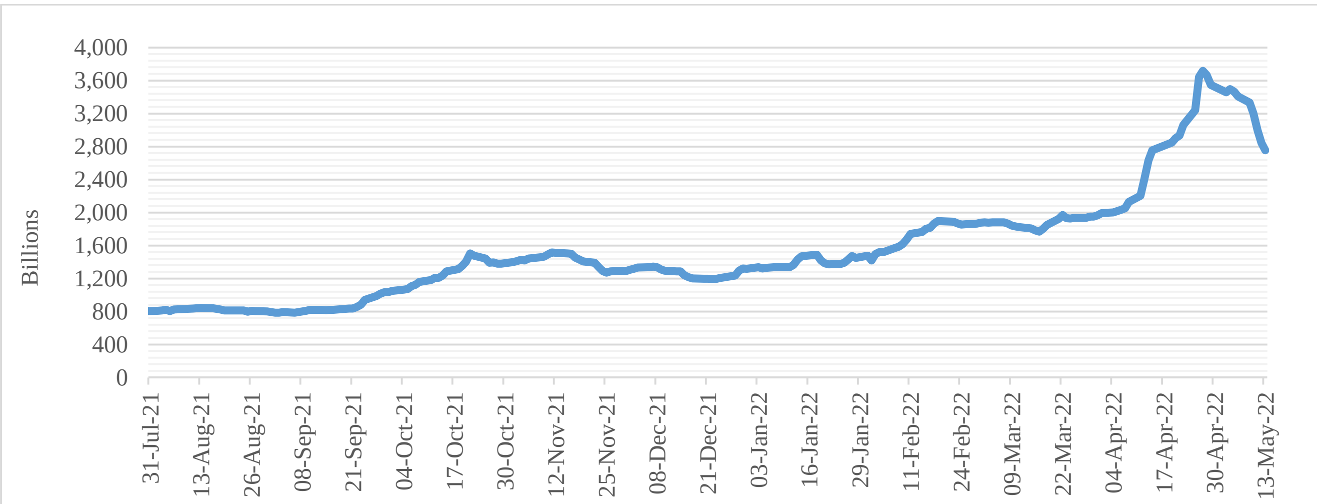



*Source: Zimbabwe Stock Exchange, 2022*

**Market Capitalization**

In line with the developments on the ZSE during the week under review, the local bourse lost ZW$795.71 billion, or 22.43% worth of capitalization to close at ZW$2 751.64 billion, compared to ZW$3 547.35 billion recorded in the previous week. Figure 5 shows market capitalization developments for the period 31st July 2021 to 13th May 2022.

**Figure 5: Daily Market Capitalization in ZW$ billions**

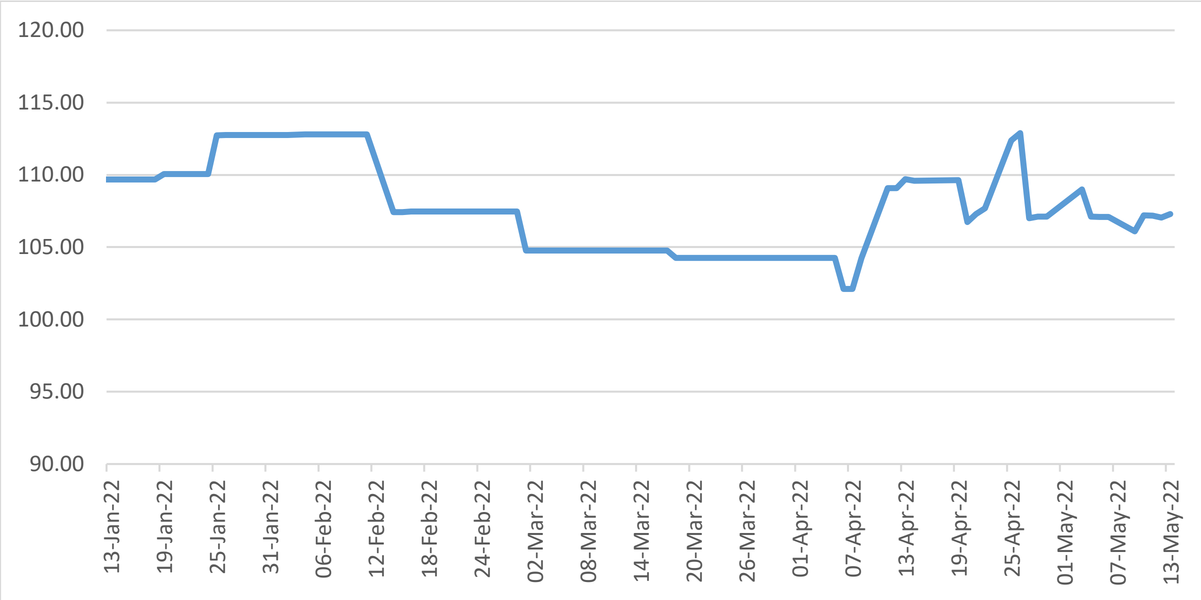



*Source: Zimbabwe Stock Exchange, 2022*

## Victoria Falls Stock Exchange

The Victoria Falls Stock Exchange (VFEX) cumulative volume and value of shares traded declined by 98.77% and 98.60% to 0.07 million shares and US$0.04 million, respectively. As a result, VFEX All Share indices declined by 0.94% to close at 106.28 points. Figure 6 shows the trend in the Victoria Falls Stock Exchange (VFEX) All Share Index for the period 13th July 2021 to 13th May 2022.

**Figure 6: Victoria Falls Stock Exchange All Share Index**




*Source: Victoria Falls Stock Exchange, 2022*

### Johannesburg Stock Exchange (JSE) Developments

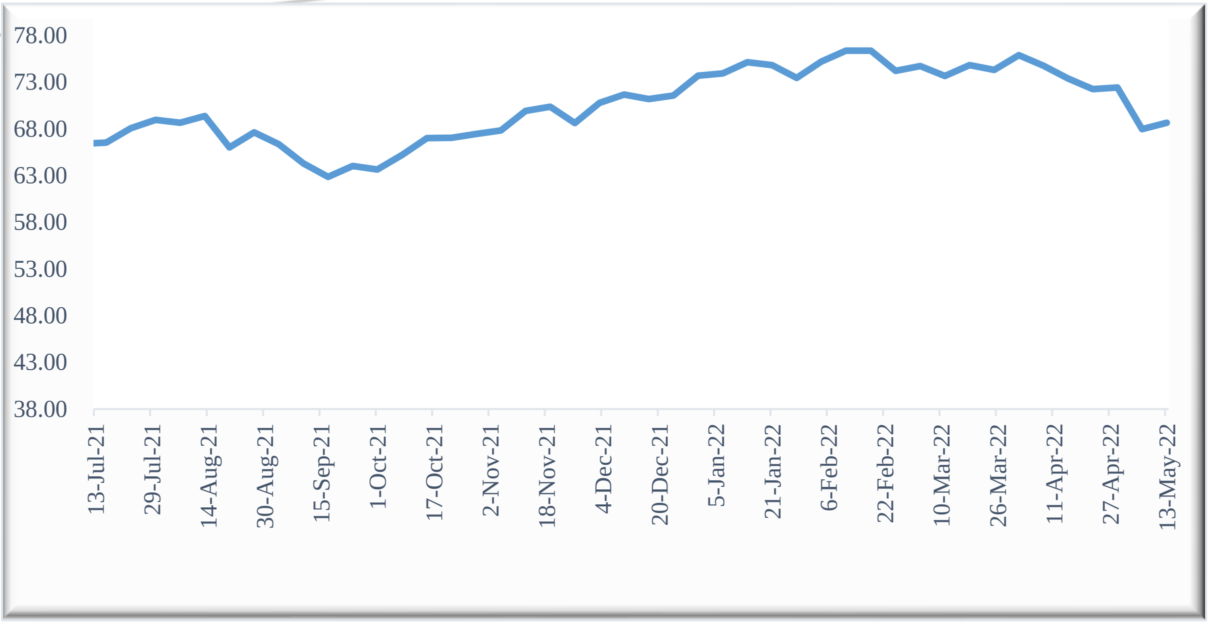
During the week ending 13th May 2021, the Johannesburg Stock Exchange (JSE) All share index increased by 0.99% to close at 68,650.66 points, from 67,978.14 points in the previous week. JSE market capitalization also increased by 0.65% to close at ZAR20.11 trillion during the same period.

**Table 7: Johannesburg Stock Exchange (JSE) Statistics**

| Period | All Share Index (points) | Market Capitalization (ZAR trillions) |
|---|---|---|
| **8-Apr-22** | 74,776.11 | 21.47 |
| **15-Apr-22** | 73,382.83 | 21.22 |
| **22-Apr-22** | 72,264.90 | 20.96 |
| **29-Apr-22** | 72,438.25 | 21.01 |
| **6-May-22** | 67,978.14 | 19.98 |
| **13-May-22** | 68,650.66 | 20.11 |
| **% Change** | **0.99** | **0.65** |

*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 | | | |
|---|---|---|---|---|---|---|---|---|
| | 22-Apr-22 | 29-Apr-22 | 6-May-22 | 13-May-22 | 22-Apr-22 | 29-Apr-22 | 6-May-22 | 13-May-22 |
| **Total Bids (US$ dollars)** | 26,068,380.08 | 25,936,487.43 | 24,070,457.63 | 23,020,941.86 | 4,277,846.44 | 4,522,761.60 | 4,579,271.64 | 4,132,275.84 |
| **Amount Allotted (US$ dollars)** | 26,068,380.08 | 25,936,487.43 | 24,070,457.63 | 23,020,941.86 | 4,277,846.44 | 4,522,761.60 | 4,579,271.64 | 3,823,470.35 |
| **Highest Rate** | 175 | 180 | 200 | 205.50 | 200 | 180 | 240 | 240 |
| **Lowest Bid Rate** | 145.8700 | 148 | 155 | 166 | 140 | 145 | 155 | 165 |
| **Lowest Bid Rate Allotted** | 145.8700 | 148 | 155 | 166 | 140 | 145 | 155 | 165 |
| **Weighted Average Rate** | 155.1419 | 159.3482 | 165.9942 | 173.2685 | 155.1419 | 159.3482 | 165.9942 | 173.2685 |
| **Number of Bids Received** | 437 | 428 | 474 | 434 | 1174 | 920 | 1151 | 918 |
| **Number of Bids Rejected** | 20 | 36 | 45 | 78 | 52 | 51 | 69 | 45 |

***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 | | | |
|---|---|---|---|---|---|---|---|---|
| | 22-Apr-22 | 29-Apr-22 | 6-May-22 | 13-May-22 | 22-Apr-22 | 29-Apr-22 | 6-May-22 | 13-May-22 |
| **Raw Materials** | 12,432,100.95 | 12,957,459.57 | 11,325,102.37 | 943,388.28 | 1,028,490.67 | 1,219,251.74 | 1,206,244.02 | 10,669,395.02 |
| **Machinery and Equipment** | 6,424,792.61 | 5,419,206.84 | 6,120,869.88 | 1,339,884.35 | 1,469,672.45 | 1,527,835.83 | 1,598,573.38 | 6,438,722.90 |
| **Consumables (Incl. Spares, Tyres, Packaging)** | 1,729,467.72 | 1,867,234.18 | 1,532,512.07 | 484,561.52 | 489,801.80 | 534,565.97 | 581,984.96 | 1,664,849.84 |
| **Pharmaceuticals and Chemicals** | 1,009,081.45 | 1,262,149.08 | 1,265,094.94 | 206,892.74 | 184,609.58 | 193,164.92 | 162,982.00 | 663,221.81 |
| **Services (Loans, Dividends and Disinvestments)** | 1,772,360.71 | 1,322,872.33 | 1,686,903.52 | 405,151.21 | 603,222.09 | 478,934.09 | 541,832.93 | 1,516,399.85 |
| **Retail and Distribution** | 2,053,313.04 | 2,151,740.28 | 1,495,432.16 | 331,397.71 | 363,293.68 | 416,713.86 | 340,436.92 | 1,537,387.23 |
| **Fuel, Electricity and Gas** | - | 100,000.00 | 21,973.60 | 2,500.00 | 3,449.45 | 9,847.44 | 17,617.97 | 33,517.00 |
| **Paper and Packaging** | 647,263.60 | 855,825.15 | 622,569.09 | 109,694.54 | 135,306.72 | 142,447.75 | 129,599.46 | 497,448.21 |
| **TOTAL** | **26,068,380.08** | **25,936,487.43** | **24,070,457.63** | **3,823,470.35** | **4,277,846.44** | **4,522,761.60** | **4,579,271.64** | **23,020,941.86** |

***Source: Reserve Bank of Zimbabwe, 2022***