Vol. 24 No. 21

Weekly Economic Highlights

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Week Ending
27th May 2022

1. INTEREST RATES

Deposit Rates

Minimum and maximum deposit rates for savings deposits, deposits of 1-month and 3-month tenors remained unchanged at previous week levels, during the week ending 27th 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 (%)
29-April-22	4.22	6.35	14.32	15.56	16.78	18.53
06-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
20-May-22	4.21	6.35	15.29	16.69	16.44	18.42
27-May-22	4.21	6.35	15.29	16.69	16.44	18.42

Source: Reserve Bank of Zimbabwe, 2022

Lending Rates

During the week under analysis, commercial bank minimum and maximum lending rates for individual and corporate clients also remained at previous week levels, as shown in Table 2.

Table 2: Lending Rates (per annum)

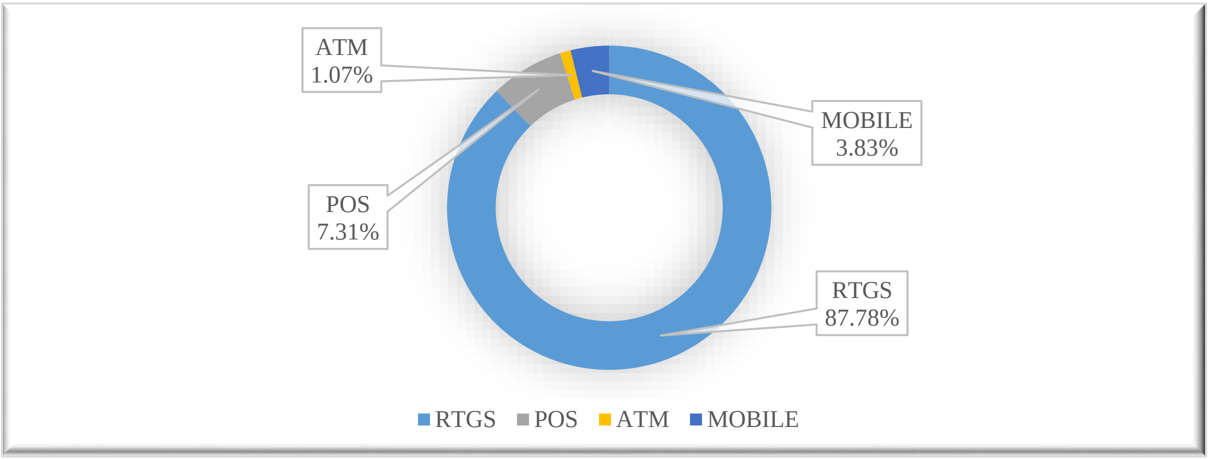
Date	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
	Individual Clients		Corporate Clients	
29-April-22	38.15	59.59	46.56	63.89
6-May-22	38.09	59.62	46.50	63.86
13-May-22	38.09	59.62	46.50	63.86
20-May-22	38.01	59.70	47.25	63.82
27-May-22	38.01	59.70	47.25	63.82

Source: Reserve Bank of Zimbabwe, 2022

2. CLEARING AND SETTLEMENT ACTIVITY

The week under review saw a decline in the value of transactions processed through the National Payment System (NPS), from ZW$358.22 billion in the previous week to ZW$307.31 billion. Similarly, Real Time Gross Settlement (RTGS) transactions fell by 14.22% to ZW$269.76 billion, during the same week. In proportions, NPS transaction values were distributed as follows: RTGS, 87.78%; POS, 7.31%; Mobile, 3.83% and ATM, 1.07%.

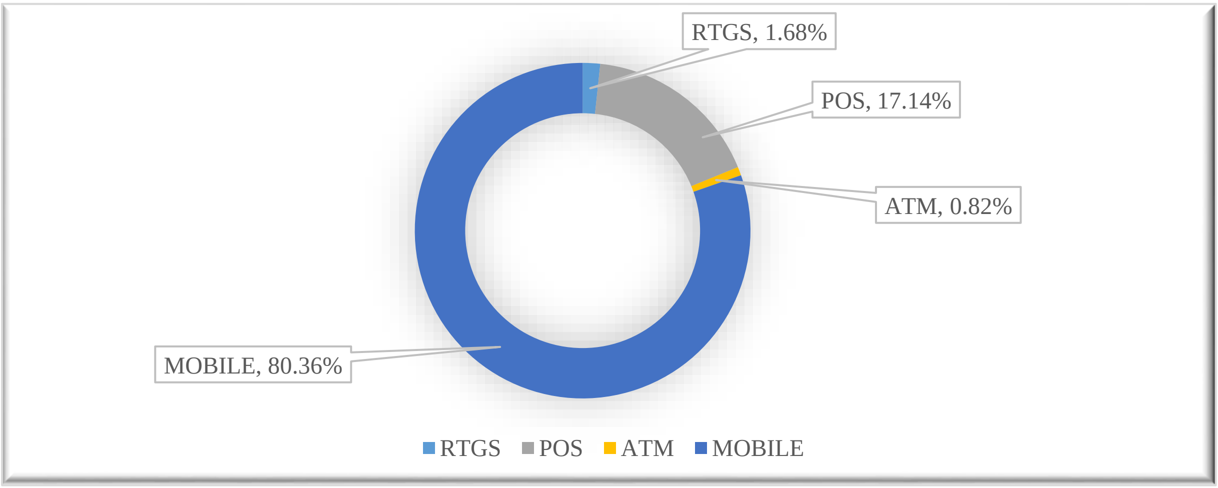
Figure 1: Composition of NPS Transactions in Value Terms



Source: Reserve Bank of Zimbabwe, 2022

The volume of NPS transactions decreased by 8.36% to 18.01 million, during the week ending 27th May 2022. In volume terms, the NPS transactions were distributed as follows: Mobile, 80.36%; POS, 17.14%; ATM, 0.82% and RTGS, 1.68%.

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 20th May 2022	WEEK ENDING 27th May 2022	% CHANGE FROM LAST WEEK	PROPORTION %
	Values in ZW$ Millions			
RTGS	314,493.48	269,764.51	-14.22%	87.78%
POS	29,012.06	22,473.09	-22.54%	7.31%
ATM	2,294.32	3,293.88	43.57%	1.07%
MOBILE	12,423.87	11,776.85	-5.21%	3.83%
TOTAL	**358,223.73**	**307,308.32**	**-14.21%**	**100%**
	Volumes			
RTGS	220,475	302,829	37.35%	1.68%
POS	4,131,260	3,087,222	-25.27%	17.14%
ATM	123,813	147,354	19.01%	0.82%
MOBILE	15,182,545	14,477,174	-4.65%	80.36%
TOTAL	**19,658,093**	**18,014,579**	**-8.36%**	**100%**

Source: Reserve Bank of Zimbabwe, 2022

3. TOBACCO SALES

As at 27th May 2021 or day 40 of the 2022 tobacco selling season, a total of 116.31 million kilograms of tobacco had been sold. This represented a 14.15% decrease, compared to the 135.48 million kilograms sold during the comparable period in 2021. Turnover realized from the sales amounted to US$347.51 million and was 5.19% lower than the US$366.54 million recorded during the corresponding period in 2021.

Table 4: Weekly Cumulative Tobacco Sales: Day 40 (27th May 2022)

	2021	2022	Variance (%)
Cumulative Quantity Sold (million kgs)	135,477,886	116,307,759	(14.15)
Average Price(US$/kg)	2.71	2.99	10.44
Cumulative value (US$ million)	366,535,787	347,514,153	(5.19)

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

The golden leaf was sold at an average price of US$2.99/kg, during the week under review, up from US$2.71/kg realized during the same period in 2021.

4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

On global markets, the weekly average prices for gold, platinum, copper, nickel, and crude oil firmed, while those for palladium retreated, during the week ending 27th May 2022. The evolution of prices for the selected commodities is as shown in Table 4.

Table 4: Metal and Crude Oil Prices for the week ending 27th May 2022

2022	Gold	Platinum	Palladium	Copper	Nickel	Crude Oil
	US$/ounce	US$/ounce	US$/ounce	US$/tonne	US$/tonne	US$/barrel
Weekly Average (16 - 20 May)	**1,824.76**	**949.60**	**2,016.70**	**9,370.68**	**26,827.20**	**111.59**
23-May	1,859.75	969.00	2,013.00	9\,588.50	27,693.00	112.11
24-May	1,861.82	957.50	2,004.50	9,728.90	27,054.00	113.83
25-May	1,853.13	946.50	1,994.00	9,367.00	26,731.00	114.46
26-May	1,846.70	942.50	1,994.00	9,345.50	27,155.00	117.03
27-May	1,855.38	953.50	2,036.50	9,352.00	27,162.00	116.58
Weekly Average (23 - 27 May)	**1,855.35**	**953.80**	**2,008.40**	**9,476.38**	**27,159.00**	**114.80**
Weekly Change (%)	*1.7*	*0.4*	*-0.4*	*1.1*	*1.2*	*2.9*

Source: BBC, KITCO and Bloomberg, 2022

Gold

Gold prices rebounded during the week under review, bolstered by a retreat in the US dollar and Treasury yields, as fears of aggressive policy tightening by the US Federal Reserve subsided. Accordingly, the average gold price rose by 1.7%, from US$1,824.76 per ounce in the previous week to US$1,855.35 per ounce, during the week under analysis.

Platinum

Similarly, platinum prices rebounded during the week under analysis, supported by a softer US dollar as well as recovering industrial demand from the auto-manufacturing industry. To that end, the weekly average price for the industrial metal rose by a marginal 0.4%, from US$949.60 per ounce in the previous week to US$953.80 per ounce, during the week under review.

Palladium

Palladium prices declined by 0.4%, from a weekly average of US$2,016.70 per ounce in the prior week to US$2,008.40 per ounce, during the week ending 27th May 2022. The marginal decline was underpinned by sell-offs and profit-taking, following recent price increases which were occasioned by uncertainties surrounding the supply of the commodity.

Copper

During the week ending 27th May 2022, copper prices remained upbeat, amid easing demand concerns, particularly from China, following the relaxation of a range of Covid-19-induced restrictions, in a step toward returning to normalcy. Prices increased by 1.1%, to close the week under review at US$9,476.38 per tonne.

Nickel

Nickel prices increased by 1.2%, to close the week under review at an average of US$27,159.00 per tonne. The increase was on the back of investor optimism on demand recovery, following the relaxation of Covid-19 induced lockdowns in China.

Brent Crude Oil

Crude oil prices sustained an upward drift, buoyed by reports that the European Union leaders had reached an agreement on a plan to ban oil imports from Russia by the end of this year. This was in retaliation to Russia's persistent onslaught on Ukraine, even as the bloc scrambles to secure alternative supplies. Against this backdrop, crude oil prices rose by 2.9%, from US$111.59 per barrel in the previous week to US$114.80 per barrel, during the week under review.

5. EXCHANGE RATE DEVELOPMENTS

Foreign Exchange Auction

The Zimbabwe dollar (ZW$) eased by 22.4% on the foreign exchange auction, from an average of ZW$224.3916 per US$1 in the previous week to ZW$274.6640 per US$1, during the week ending 27th May 2022. 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 (16 - 20 May)	**224.3916**	**15.4194**	**305.7474**	**20.2064**	**258.9363**
23-May	**258.4404**	16.3532	324.4042	21.3308	273.8726
24-May	**258.4404**	16.3532	324.9602	21.4342	275.7599
26-May	**290.8876**	18.4502	365.4278	24.1007	310.6688
27-May	**290.8876**	18.5701	367.9589	24.2031	312.8796
Weekly Average (23 - 27 May)	**274.6640**	**17.4317**	**345.6877**	**22.7672**	**293.2952**
Appr(-)/Depr(+) (%) of the ZWL	*22.4*	*13.1*	*13.1*	*12.7*	*13.3*

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 3.1%, from an average of ZW$287.0223 per US$1 in the previous week to ZW$296.0490 per US$1, during the week under review, as shown in Table 6.

Table 6: International Exchange Rates[2]

	USD	ZAR	GBP	BWP	EURO
2022					
Weekly Average (16 - 20 May)	**287.0223**	**17.9124**	**355.4484**	**23.4717**	**301.1570**
23-May	293.2709	18.5357	367.9822	24.1983	310.6478
24-May	295.6945	18.6741	371.7200	24.5166	315.4185
26-May	296.6801	18.8147	372.7049	24.5814	316.8104
27-May	298.5504	19.0294	377.6973	24.8433	321.0468
Weekly Average (23 - 27 May)	**296.0490**	**18.7635**	**372.5261**	**24.5349**	**315.9808**
Appr(-)/Depr(+) (%) of the ZWL	3.1	4.8	4.8	4.5	4.9

Source: Reserve Bank of Zimbabwe, 2022

6. EQUITY MARKETS

Zimbabwe Stock Exchange

During the week ending 27th May 2022, the Zimbabwe Stock Exchange (ZSE) registered gains. All the major indices registered gains, with the All Share, Top 10, Top 15 and Medium Cap indices increasing by 0.66%, 0.71%, 0.24% and 0.63% to close at 20 933. 98 points, 13 454.99 points, 14 848.43 points and 37 591.39 points, respectively. Willdale Limited (24.91%), Tanganda Tea Company Limited (24.28%), First Mutual Holdings Limited (14.95%), Getbucks Financial Services Limited (11.90%) and Nampack Zimbabwe Limited (7.59%) were amongst the major gainers.

The share prices for General Beltings Holdings Limited (20.87%), Zimplow Holdings Limited (17.97%), National Tyre Service Limited (14.76%), ZB Financial Holdings Limited (14.46%) and TSL Limited (13.26%) registered decreases, during the week under review. The resources index, however, remained unchanged at 21,021.24 points, during the same week.

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

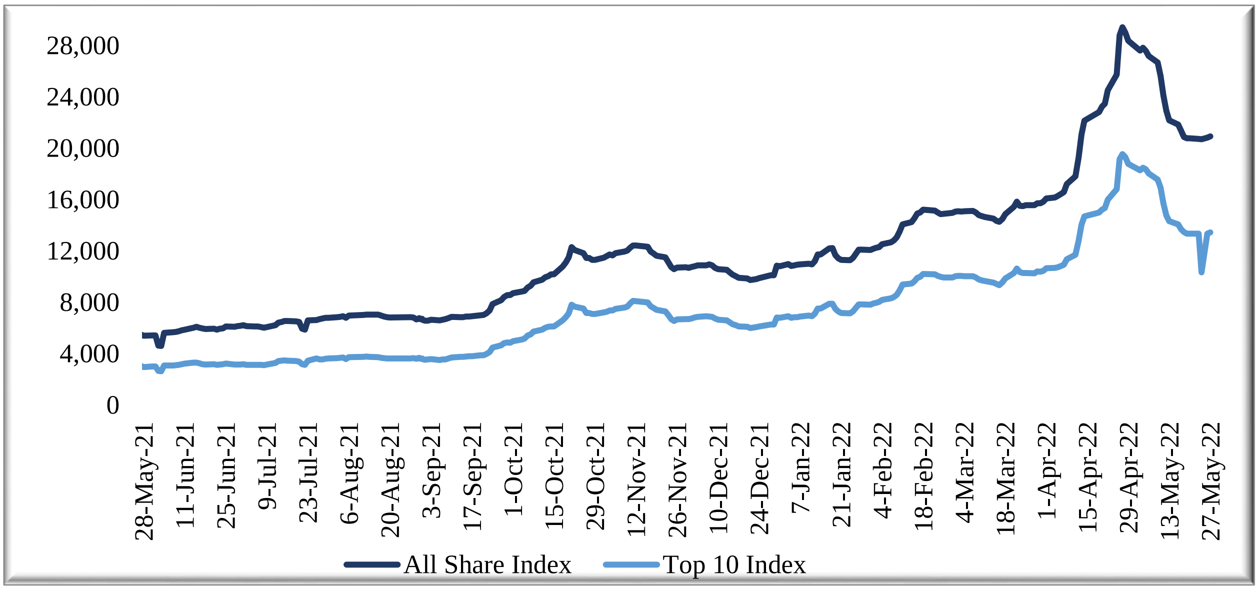
Table 6: Zimbabwe Stock Exchange Statistics[3]

	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)
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
20-May-22	20,797.23	13,359.56	14,813.61	37,357.60	498,491.72	20,021.24	2,577.52	1,161.18	10.96
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
% Change	**0.66**	**0.71**	**0.24**	**0.63**	**-3.89**	**0.00**	**0.64**	**69.95**	**917.24**

Source: Zimbabwe Stock Exchange (ZSE), 2022

Figure 3 shows the trend in daily market turnover for the period from 28th May 2021 to 27th May 2022.

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



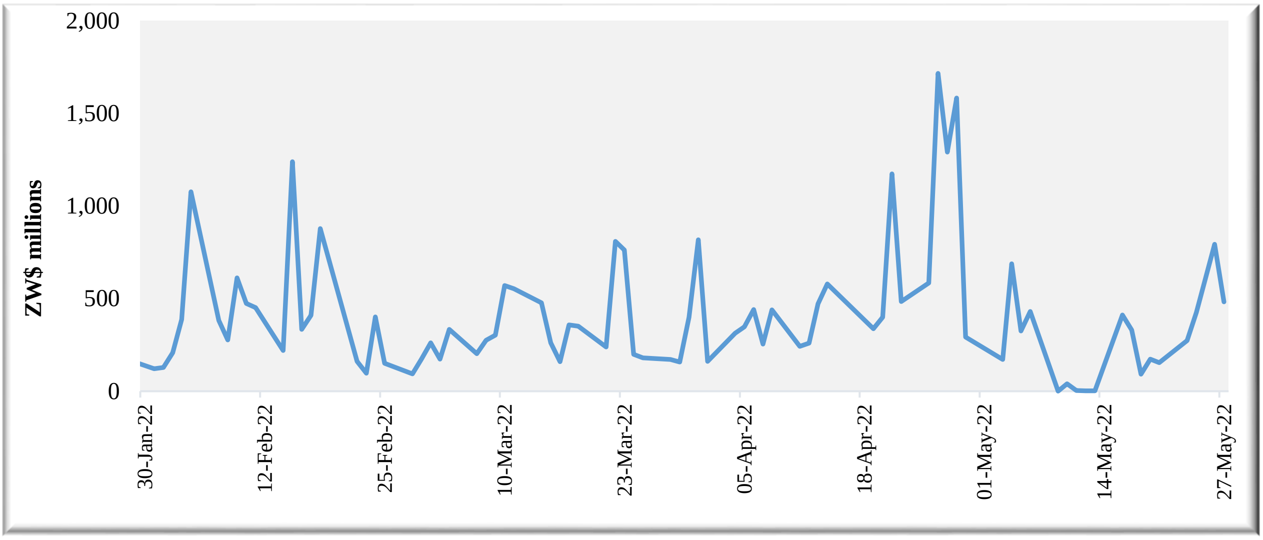
Source: Zimbabwe Stock Exchange, 2022

[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.

Market Turnover and Volume

The cumulative volume and value of shares traded on the ZSE increased by 917.24% and 69.95% to 111.48 million shares and ZW$1.97 billion, compared to 10.96 million shares and ZW$1.16 billion recorded in the previous week, respectively. Figure 4 shows the trend in daily market turnover for the period from 30th January 2022 to 27th May 2022.

Figure 4: Daily Market Turnover

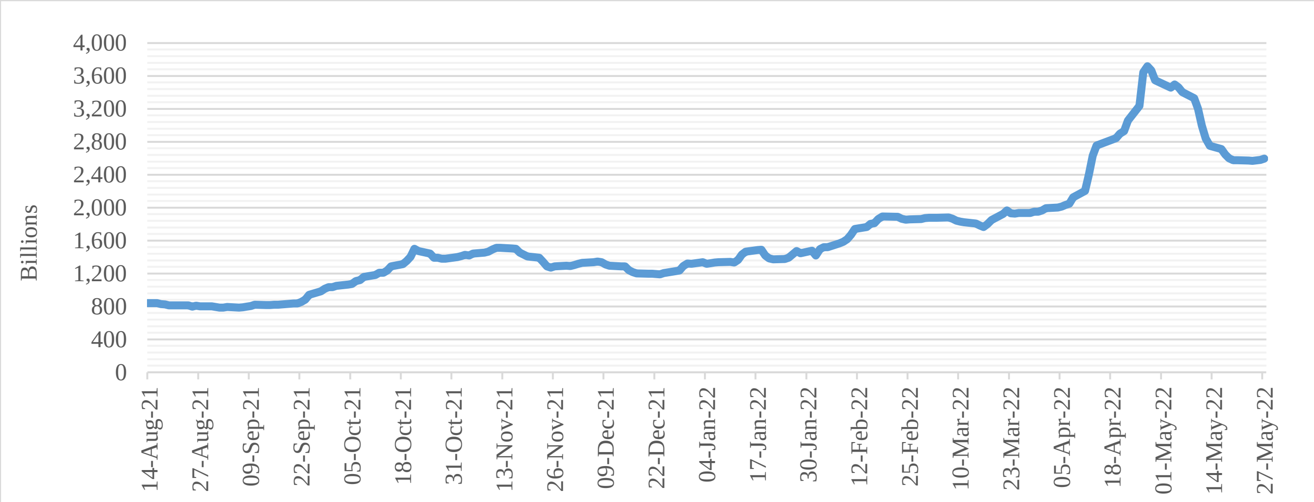


Source: Zimbabwe Stock Exchange, 2022

Market Capitalization

During the week under analysis, the local bourse added ZW$16.51 billion, or 0.64% worth of capitalization to ZW$2 594.03 billion, compared to ZW$2 577.52 billion recorded in the previous week. Figure 5 shows market capitalization developments for the period from 14th August 2021 to 27th May 2022.

Figure 5: Daily Market Capitalization in ZW$ billions

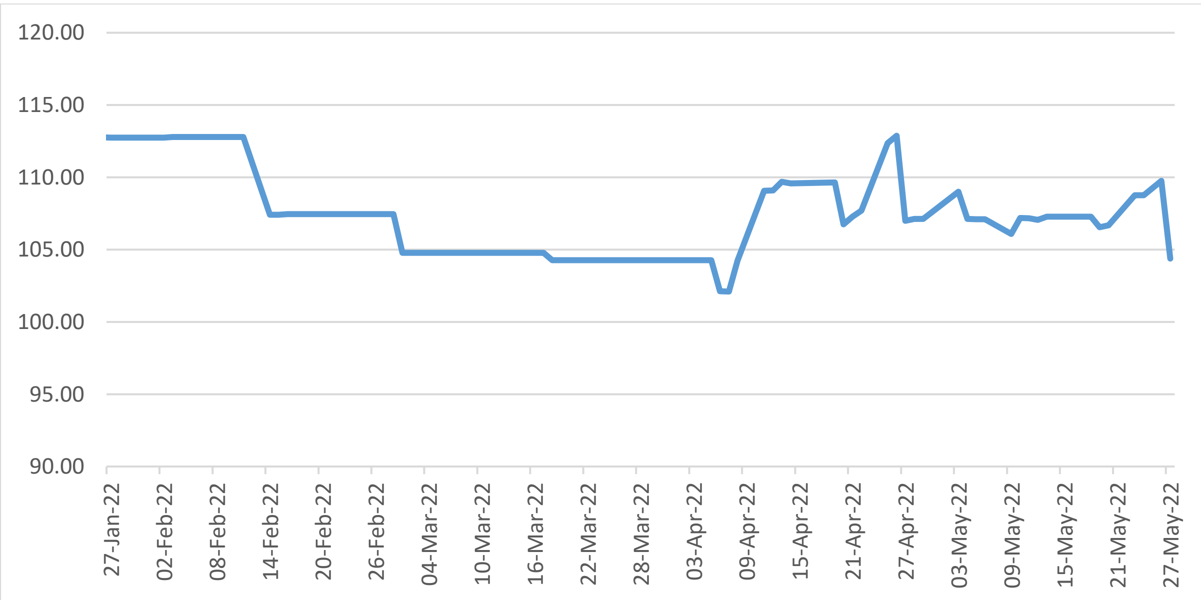


Source: Zimbabwe Stock Exchange, 2022

Victoria Falls Stock Exchange

The Victoria Falls Stock Exchange (VFEX) was bearish, during the week under review. Resultantly, the VFEX cumulative volume and value of shares traded declined by 6.19% and 6.26% to 0.74 million shares and US$0.03 million, respectively. Figure 6 shows the trend in the Victoria Falls Stock Exchange (VFEX) All Share Index for the period from 27th January 2021 to 27th May 2022.

Figure 6: Victoria Falls Stock Exchange All Share Index



Source: Victoria Falls Stock Exchange, 2022

Johannesburg Stock Exchange (JSE) Developments

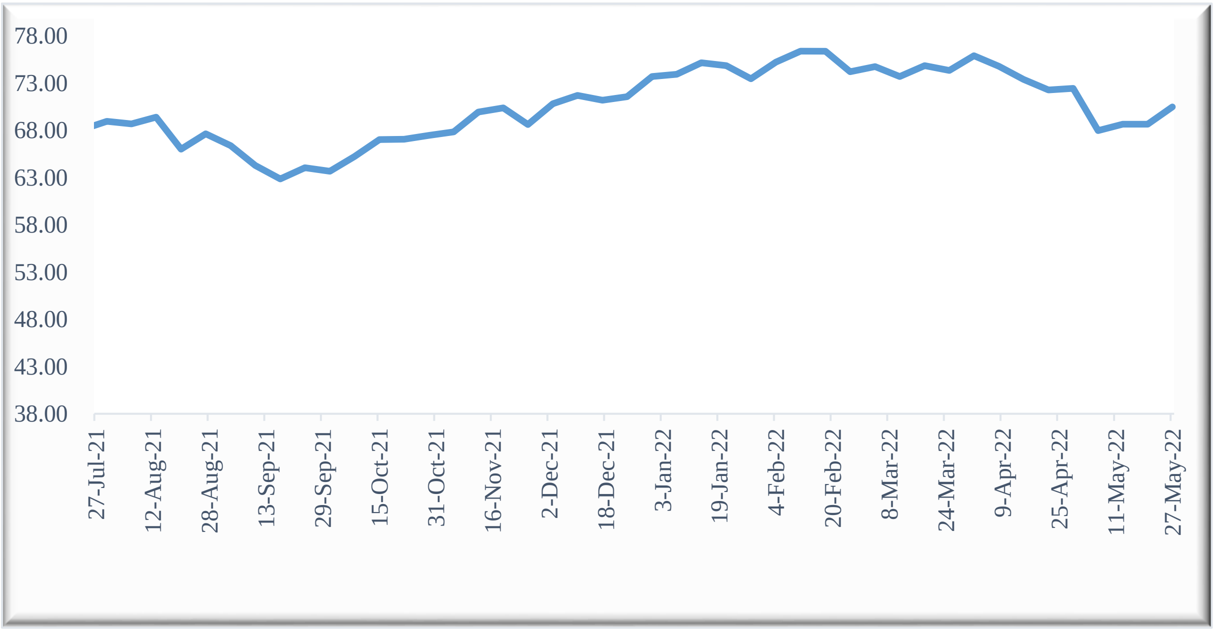
The Johannesburg Stock Exchange (JSE) All share declined by 4.31% to 70,485.46 points, during the week ending 27th May 2022. Similarly, JSE market capitalization increased by 6.00% to close at ZAR18.95 trillion, during the same week.

Table 7: Johannesburg Stock Exchange (JSE) Statistics

Period	All Share Index (points)	Market Capitalization (ZAR trillions)
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
20-May-22	67,575.28	20.16
27-May-22	70,485.46	18.95
% Change	**-4.31**	**6.00**

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			
	6-May-22	13-May-22	20-May-22	27-May-22	6-May-22	13-May-22	20-May-22	27-May-22
Total Bids (US$ dollars)	24,070,457.63	23,020,941.86	42,053,973.50	32,941,798.21	4,579,271.64	4,132,275.84	8,998,155.54	8,684,002.68
Amount Allotted (US$ dollars)	24,070,457.63	23,020,941.86	5,604,709.04	20,624,665.87	4,579,271.64	3,823,470.35	1,240,118.58	4,423,085.55
Highest Rate	200	205.50	299	330.5200	240	240	300	330
Lowest Bid Rate	155	166	220	280	155	165	220	280
Lowest Bid Rate Allotted	155	166	220	280	155	165	220	280
Weighted Average Rate	165.9942	173.2685	258.5404	290.8876	165.9942	173.2685	258.5404	290.8876
Number of Bids Received	474	434	433	381	1151	918	1068	1044
Number of Bids Rejected	45	78	26	42	69	45	53	55

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 ALLOTMENTS BY PURPOSE

Purpose	MAINFX				SMEFX			
	6-May-22	13-May-22	20-May-22	27-May-22	6-May-22	13-May-22	20-May-22	27-May-22
Raw Materials	11,325,102.37	943,388.28	3,162,049.14	10,659,453.77	1,206,244.02	10,669,395.02	399,298.05	1,243,402.30
Machinery and Equipment	6,120,869.88	1,339,884.35	1,022,000.57	5,004,038.83	1,598,573.38	6,438,722.90	421,176.31	1,686,880.11
Consumables (Incl. Spares, Tyres, Packaging)	1,532,512.07	484,561.52	199,557.09	1,268,902.14	581,984.96	1,664,849.84	152,356.57	450,609.88
Pharmaceuticals and Chemicals	1,265,094.94	206,892.74	50,000.00	770,726.31	162,982.00	663,221.81	66,866.96	221,947.22
Services (Loans, Dividends and Disinvestments)	1,686,903.52	405,151.21	303,837.41	971,701.72	541,832.93	1,516,399.85	118,337.19	301,132.00
Retail and Distribution	1,495,432.16	331,397.71	335,266.58	1,255,573.02	340,436.92	1,537,387.23	82,083.50	338,643.96
Fuel, Electricity and Gas	21,973.60	2,500.00	-	-	17,617.97	33,517.00	-	9,469.56
Paper and Packaging	622,569.09	109,694.54	531,998.25	694,270.08	129,599.46	497,448.21	-	171,000.52
TOTAL	**24,070,457.63**	**3,823,470.35**	**5,604,709.04**	**20,624,665.87**	**4,579,271.64**	**23,020,941.86**	**1,240,118.58**	**4,423,085.55**

Source: Reserve Bank of Zimbabwe, 2022