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## 1. Economic Performance

### a) Domestic Economy

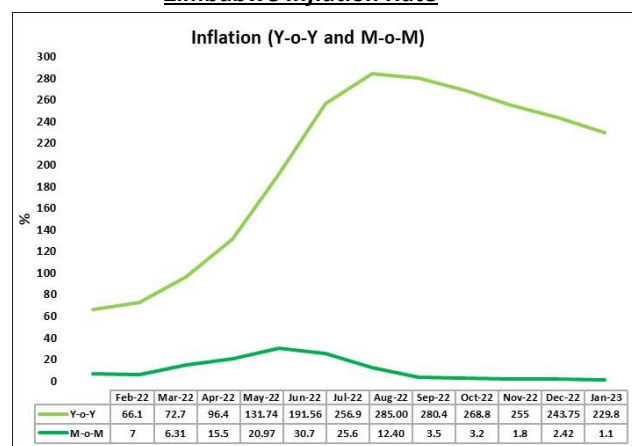
According to the 2023 Monetary Policy Statement, the Zimbabwean economy grew by 4.0% in 2022 as a result of significant growth in a number of sectors, including energy production, the wholesale and retail trade, lodging and food services, and mining and quarrying. It is anticipated that the GDP will expand by 3.8% in 2023. The anticipated increase in mining output, which would benefit from favourable global commodity prices, is expected to propel this growth. A considerable increase in the agriculture sector is also projected in 2023, following the output reduction brought on by the present drought. The current solid economic conditions are also expected to result in increasing activity in the manufacturing, wholesale, and retail trade sectors. However, poor and inconsistent electrical supply poses downside risks to the expected growth for 2023.

| Zimbabwe Economic Growth Forecasts (%) |      |      |      |
|--|------|------|------|
| Year                                   | 2022 | 2023 | 2024 |
| World Bank                             | 3.4  | 3.6  | 3.6  |
| IMF                                    | 3.0  | 2.8  | 3.0  |
| MOF                                    | 4    | 3.8  | 4.8  |

## 2. Inflation

During the period under review, annual inflation improved to 229.8% in January 2023, from 243.75% recorded in December 2022. Month on month inflation also improved to 1.1% in January 2022 from 2.42% recorded in December 2022. The following diagram shows Zimbabwe inflation rates from February 2022 to January 2023:

**Zimbabwe Inflation Rate**



## 3. Financial Sector

### a) Money supply

The reserve money stock increased from ZW\$33.55 billion reported as at 30 June 2022 to ZW\$104.04 billion as at 31 December 2022, according to the 2023 Monetary Policy Statement. A significant contributor to the increase was the requirement of required reserves on deposits placed into foreign currency accounts (FCA). The significant increase in reserve money that was observed in Q4 2022 can be attributed to the statutory reserves' local currency equivalent increasing as the exchange rate changed. An increase in statutory reserves, however, signals a tightening of monetary policy because they are locked up at the Central Bank and cannot be used by banks for additional lending.

### b) Interest Rates

In line with the current and expected inflation outturn, the Reserve Bank, with effect from 1 February 2023, reviewed the policy rates as follows:

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- i. Reducing the Bank policy rate from 200% per annum to 150% per annum;
- ii. Reducing the lending rate on the Medium-term Bank Accommodation (MBA) Facility for the productive sectors of the economy (including individuals and MSMEs) from 100% per annum to 75% per annum;
- iii. Maintaining the prevailing Bank policy rates as the minimum lending rates for all banks;
- iv. Adjusting the minimum deposit interest rates on savings and time deposits to 30% and 50% per annum, respectively; and
- v. Maintaining the minimum deposit interest rate on savings and time FCA deposits at 1% and 2.5% per annum, respectively.

The following table shows weighted lending rates and deposit rates for the period 9 December 2022 to 6 January 2023:

**Weighted Lending Rates and Deposit Rates**

| Week Ending    | Weighted Lending Rates (%) |                   | Deposit Rates (%) |              |              |
|----------------|----------------------------|-------------------|-------------------|--------------|--------------|
|                | Commercial Banks           |                   | Savings           | 1-Month      | 3-Months     |
|                | Individual Clients         | Corporate Clients |                   |              |              |
| 9-Dec-22       | 126.54                     | 243.40            | 18.03             | 59.67        | 61.00        |
| 16-Dec-22      | 126.28                     | 243.43            | 18.03             | 59.67        | 56.28        |
| 23-Dec-22      | 126.28                     | 243.43            | 18.03             | 59.67        | 56.28        |
| 30-Dec-22      | 125.64                     | 242.53            | 18.03             | 59.33        | 55.94        |
| 6-Jan-23       | 125.64                     | 242.53            | 18.03             | 59.33        | 55.94        |
| <b>Average</b> | <b>126.08</b>              | <b>243.06</b>     | <b>18.03</b>      | <b>59.53</b> | <b>57.09</b> |

**c) Foreign Currency Market**

| Exchange Rate Analysis: Monthly Average |           |           |            |
|---|-----------|-----------|------------|
| US\$/Currency                           | Dec-22    | Jan-23    | Change (%) |
| Zimbabwean Dollar                       | 666.1849  | 717.4444  | 7.69%      |
| Argentine Peso                          | 172.5825  | 182.1796  | 5.56%      |
| Russian Ruble                           | 66.5263   | 69.9629   | 5.17%      |
| Norwegian Krone                         | 9.8806    | 9.9449    | 0.65%      |
| HongKong Dollar                         | 7.7866    | 7.8195    | 0.42%      |
| Swedish Krona                           | 10.3844   | 10.4025   | 0.17%      |
| British Pound                           | 0.8214    | 0.8181    | -0.40%     |
| Swiss Franc                             | 0.9317    | 0.9243    | -0.80%     |
| Indian Rupee                            | 82.5145   | 81.7694   | -0.90%     |
| Brazilian Real                          | 5.2432    | 5.1957    | -0.91%     |
| South African Rand                      | 17.2759   | 17.1031   | -1.00%     |
| Botswana Pula                           | 12.8883   | 12.7484   | -1.09%     |
| Canadian Dollar                         | 1.3586    | 1.3429    | -1.16%     |
| Euro                                    | 0.9441    | 0.9283    | -1.67%     |
| Chinese Yuan Renminbi                   | 6.9730    | 6.7920    | -2.60%     |
| Australian Dollar                       | 1.4824    | 1.4395    | -2.89%     |
| Japanese Yen                            | 134.8212  | 130.3807  | -3.29%     |
| South Korean Won                        | 1294.2413 | 1244.7233 | -3.83%     |

Source: X-rates.com © ZB Financial Holdings

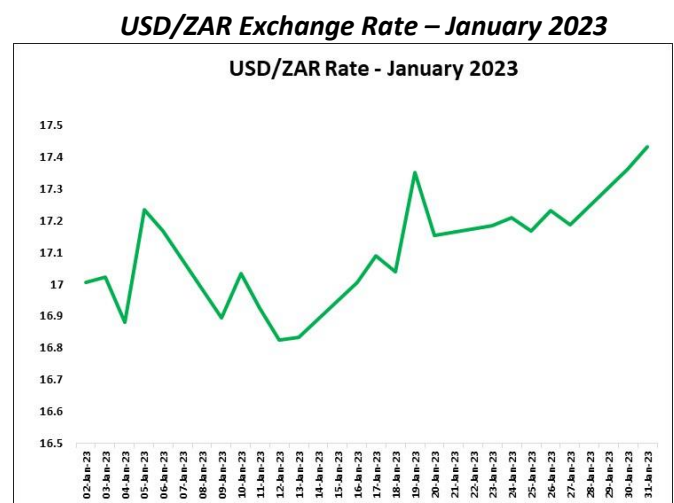
During the period under review, the USD appreciated against 6 of the 18 currencies in our basket and depreciated against 12 currencies, when using the monthly average exchange rate analysis. The USD gained most against the Zimbabwean Dollar (7.69%) and depreciated most against the South Korean Won (3.83%) as shown in the table.

When analysing the exchange rates based on the opening period and closing period exchange rates, the USD appreciated against 7 out of 18 currencies in our basket as shown in the following table:

| Exchange Rate Analysis |           |           |            |
|------------------------|-----------|-----------|------------|
| US\$/Currency          | 02-Jan-23 | 31-Jan-23 | Change (%) |
| Zimbabwean Dollar      | 671.4466  | 779.3101  | 16.06%     |
| Argentine Peso         | 178.1523  | 186.8822  | 4.90%      |
| South African Rand     | 17.0084   | 17.4349   | 2.51%      |
| Norwegian Krone        | 9.8785    | 10.0014   | 1.24%      |
| Botswana Pula          | 12.7462   | 12.8449   | 0.77%      |
| HongKong Dollar        | 7.8054    | 7.8386    | 0.42%      |
| Swedish Krona          | 10.4620   | 10.4652   | 0.03%      |
| Japanese Yen           | 130.7562  | 130.1594  | -0.46%     |
| Swiss Franc            | 0.9254    | 0.9187    | -0.72%     |
| Russian Ruble          | 71.1393   | 70.5608   | -0.81%     |
| Indian Rupee           | 82.7314   | 81.7208   | -1.22%     |
| Canadian Dollar        | 1.3573    | 1.3334    | -1.76%     |
| Euro                   | 0.9384    | 0.9210    | -1.86%     |
| Chinese Yuan Renminbi  | 6.8996    | 6.7546    | -2.10%     |
| British Pound          | 0.8301    | 0.8115    | -2.23%     |
| South Korean Won       | 1272.0155 | 1233.6332 | -3.02%     |
| Australian Dollar      | 1.4673    | 1.4187    | -3.31%     |
| Brazilian Real         | 5.3390    | 5.0952    | -4.57%     |

Source: X-rates.com © ZB Financial Holdings

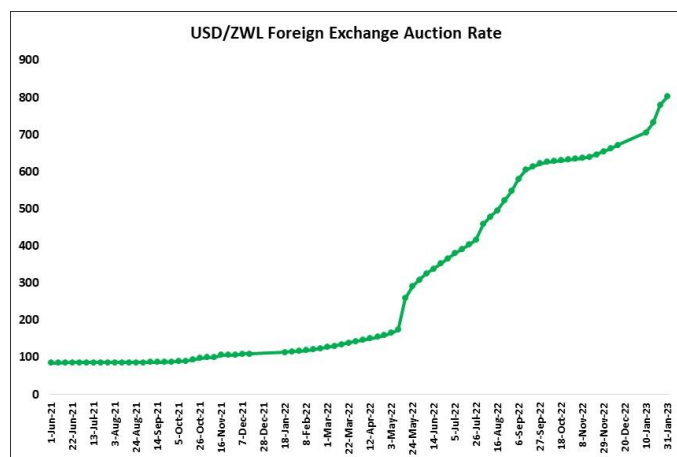
Meanwhile, on average the South African Rand appreciated by 1% in January 2023 against the USD from USDZAR 17.26 average in December 2022 to USDZAR 17.17.10 average rate in January 2023. The diagram below shows the trend of the South African Rand against the USD for January 2023:



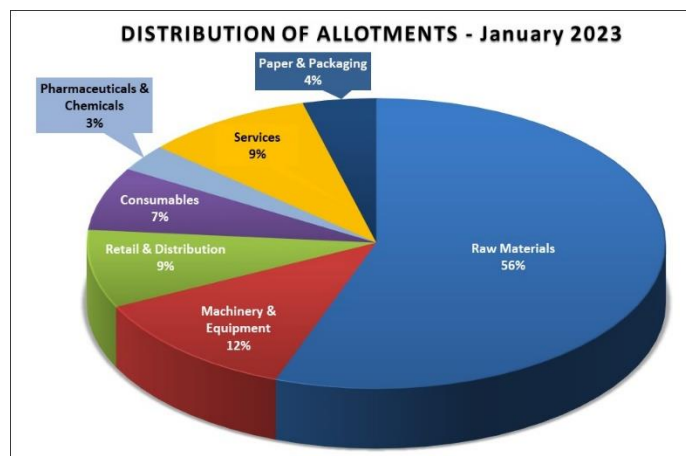
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#### d) RBZ Forex Auction Market

The local currency continued to depreciate against the USD on the official foreign exchange market, as shown in the previous analysis. The following table shows the trend of the USD/ZWL exchange rate from June 2021 to January 2023:



Meanwhile, of the January 2023 foreign currency allocations, 56% was allocated to raw materials and 12% to machinery & equipment as shown in the following diagram:



#### e) Equities Market & Corporate Briefs

- Innsco Africa Limited listed on the VFEX which followed listings of other firms such as Simbisa Brands Limited.
- According to the Zimbabwe Stock Exchange (ZSE), the recent wave of exits from the main bourse is not an indicator that firms are dumping the ZSE, but that companies are looking to raise capital.
- Getbucks Financial Services plans to delist from ZSE and migrate to VFEX.

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- Seed Co Limited, Zimbabwe's largest seed producer, intends to list on the Victoria Falls Stock Exchange (VFEX) after receiving Board Approval to delist from the Zimbabwe Stock Exchange (ZSE).
- Gold Star, a subsidiary of ZSE-listed StarAfrica, has temporarily closed its Harare refinery and placed employees on indefinite leave, citing a sharp increase in raw sugar prices by its supplier Tongaat Hulett.
- Hippo Valley Estates, the Zimbabwe-listed unit of Tongaat Hulett which is now under voluntary business rescue could seek funding from Local and Regional Banks to cover any financial requirements that may arise out of Zimbabwe.

#### Zimbabwe Stock Exchange Performance Indicators

| DATE   | TURNOVER VALUE   | TURNOVER VOLUME | INDUSTRIAL INDEX | MINING INDEX | MARKET CAP (RTGS) (Mln) |
|--------|------------------|-----------------|------------------|--------------|-------------------------|
| Jan-22 | 174,445,629.90   | 2,366,359.00    | 39,930.84        | 8,014.88     | 1,375,001.39            |
| Feb-22 | 95,074,707.33    | 1,295,205.00    | 36,212.74        | 9,470.19     | 1,721,967.60            |
| Mar-22 | 824,291,924.45   | 9,199,921.00    | 36,956.36        | 10,015.94    | 1,821,910.18            |
| Apr-22 | 292,993,802.09   | 2,564,049.00    | 28,862.01        | 30,572.28    | 3,261,726.30            |
| May-22 | 1,045,833,065.75 | 5,029,310.00    | 20,212.73        | 20,021.24    | 2,650,627.30            |
| Jun-22 | 603,604,722.76   | 85,425,265.00   | 20,775.70        | 20,021.24    | 2,273,749.41            |
| Jul-22 | 498,022,629.33   | 54,208,368.00   | 17,742.07        | 20,021.24    | 1,906,464.04            |
| Aug-22 | 344,658,779.80   | 6,673,058.00    | 16,639.36        | 15,473.37    | 1,576,273.94            |
| Sep-22 | 444,020,344.65   | 37,492,663.00   | 18,711.10        | 18,929.75    | 1,717,964.44            |
| Oct-22 | 130,084,886.00   | 626,413.00      | 20,810.57        | 23,659.53    | 1,733,574.15            |
| Nov-22 | 190,413,682.50   | 5,484,993.00    | 19,848.68        | 25,478.67    | 1,532,619.76            |
| Dec-22 | 1,483,620,167.05 | 176,938,636.00  | 21,289.85        | 25,496.86    | 1,945,345.06            |
| Jan-23 | 597,346,892.17   | 6,488,718.00    | 28,333.91        | 25,496.86    | 2,267,711.60            |

#### News Highlights in the Financial Sector

- NMB Bank has re-opened its Kwekwe branch, which was closed at the height of the COVID-19 pandemic in 2020 when the economy almost ground to a halt.

#### f) Condition and Performance of the Banking Sector in 2022

| Type of Institution   | Number     |
|---|------------|
| Commercial Banks  | 14         |
| Building Societies  | 4          |
| Savings Bank (POSB)   | 1          |
| <b>Total Banking Institutions</b>   | <b>19</b>  |
| <b>Other Financial Institutions Under the Supervision of the Reserve Bank</b>           |            |
| Credit-only-MFIs  | 188        |
| Deposit-taking MFIs   | 7          |
| Development Financial Institutions (SMEDCO, IDBZ, IDCZ and AFC Land & Development Bank) | 4          |
| <b>Total Other Institutions</b>   | <b>199</b> |
| <b>Total Number of Institutions</b>   | <b>218</b> |

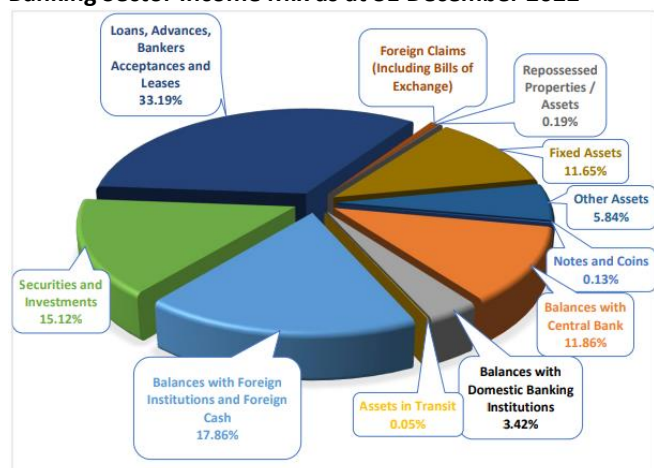
With the merger of CBZ Bank and CBZ Building Society on September 30, 2022, and the subsequent loss of the building society's license, the number of building societies reduced from 5 to 4, according to the 2023 Monetary Policy Statement.

The banking industry continues to be well-capitalized, with sufficient liquidity levels, strong earnings growth, and low levels of non-performing loans. Below are key financial soundness indicators for the banking sector:

| Key Indicators          | Benchmark | Dec- 21    | Mar-22     | Jun-22     | Sep-22      | Dec-22     |
|-------------------------|-----------|------------|------------|------------|-------------|------------|
| Total Assets            | -         | \$762.96bn | \$969.24bn | \$1.94tn   | \$3.11tn    | \$3.81tn   |
| Total Loans & Advances  | -         | \$229.94bn | \$320.36bn | \$603.14bn | \$1.01tn    | \$1.29tn   |
| Net Capital Base        | -         | \$122.85bn | \$170.00bn | \$349.48bn | \$535.96bn  | \$746.30bn |
| Core Capital            | -         | \$100.83bn | \$138.21bn | \$284.74bn | \$438.11 bn | \$611.11bn |
| Total Deposits          | -         | \$476.35bn | \$582.26bn | \$1.12tn   | \$1.91tn    | \$2.29tn   |
| Net Profit              | -         | \$59.29bn  | \$27.05bn  | \$181.25bn | \$342.28bn  | \$503.13bn |
| Return on Assets        | -         | 12.04%     | 3.39%      | 8.67%      | 16.48%      | 17.43%     |
| Return on Equity        | -         | 43.16%     | 12.43%     | 31.60%     | 53.19%      | 54.33%     |
| Capital Adequacy Ratio  | 12%       | 32.86%     | 35.16%     | 33.87%     | 35.45%      | 37.15%     |
| Tier 1 Ratio            | 8%        | 26.54%     | 26.97%     | 18.84%     | 23.97%      | 26.92%     |
| Loans to Deposits Ratio | 60%       | 48.27%     | 55.02%     | 53.69%     | 52.83%      | 55.67%     |
| NPLs Ratio              | 5%        | 0.94%      | 1.57%      | 1.50%      | 1.41%       | 1.58%      |
| Liquidity Ratio         | 30%       | 64.37%     | 61.38%     | 60.78%     | 59.51%      | 59.50%     |

All banking institutions were profitable with reported aggregate profits of ZW\$503.13 billion for the year ended 31 December 2022, a 748.59% increase from ZW\$59.29 billion reported in the corresponding period in 2021 – *Monetary Policy Statement 2023*. The growth in the banking sector income largely emanated from non-interest income, which constituted 67.82% of total income as at 31 December 2022, up from 54.35% reported in the corresponding period in 2021. The table below depicts the Banking Sector Income mix for the year ended 2022.

#### Banking Sector Income Mix as at 31 December 2022



## 4. Various Sectors of the Economy

### a) Energy sector

The country has been experiencing power shortages which the power utility Zimbabwe Electricity Transmission and Distribution Company (ZETDC) attributed to low water levels at the Kariba hydro power plant and maintenance at Hwange thermal power station. Efforts are being directed to refurbishment the Hwange 1 and 6 so as to boost production.

#### News Highlights in the Energy Sector

- Zimbabwe is expected to start operating a new unit at its only coal-fired power plant by March 2023. The new unit of the Hwange power plant is expected to lift the Zimbabwe's installed capacity by more than 14% to 2400 megawatts.
- 117 householders and businesses with solar power are selling their surplus to ZESA Holdings as net metering is being speeded up, allowing those generating renewable energy to sell when they have surplus and buy when they need power from ZETDC, usually at night. Those with solar power, a grid-tied inverter and the smart meter can sell electricity into the grid in return for electricity credits they use when they do not have sufficient renewable supply.
- According to ZESA, the prevailing electricity challenges will subside significantly from the H2 2023 up to the end of 2024 buoyed by improved generation at Kariba South and Hwange power stations. Coal-fired Hwange Power Station and Kariba South Power Station, a hydropower plant, are the country's two major power plants.

### b) Mining

According to the Ministry of Mines and Mining Development, Zimbabwe is on track to achieve the targeted US\$12 billion mining sector by the end of 2023 on the back of increased investments and expansion projects. The gold sub-sector is projected to contribute US\$4 billion; platinum (US\$3 billion); and diamonds (US\$1 billion); while chrome, ferro-chrome and carbon steel will generate US\$1 billion; and coal (US\$1 billion). Lithium is expected to contribute US\$500 million, while other minerals will weigh in with US\$1,5 billion.

Registration of companies for value addition and beneficiation will help secure capital from banks and other investors. This is in tandem with the Government's policy framework which seeks to grow exports from the secondary sector.

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**News Highlights in the Mining sector**

- Zimbabwe's gold mining sector is targeting to raise production to 40 tonnes in 2023, up from 35.38 tonnes recorded in 2022. In 2022, output was a record high, spurred by new mining projects, timely payments, and incentives to Miners.
- Out of the 35.38 tonnes produced in 2022, small-scale and artisanal miners contributed 65.5%, Zimbabwe Miners Federation (ZMF).
- Better Brands Mining has suspended surface and underground mining operations over fatalities and environmental degradation concerns.

**c) Agriculture**

The revival of Gowe Irrigation Scheme in Sanyati by the Agricultural and Rural Development Authority (ARDA) has given hope for a better future to the community. The scheme has been lying idle for long time and now is being revived as part of enhancing food security efforts through revitalising irrigation schemes across the country. The aim is to rehabilitate and develop 350,000 hectares of land by 2025 throughout the country to avert the negative effects of climate change. Gowe Irrigation Scheme is expected to contribute to Vision 2030 through the successful utilisation of 120 hectares with a budget for its rehabilitation already approved.

**News Highlights in the Agriculture Sector**

- Iran and Zimbabwe plan to boost their cooperation in the agriculture sector amid Tehran's efforts to increase its presence in Africa's export markets. Iran is ready to offer its technology on farming mechanization and on pesticides and fertilizers to Zimbabwe.
- The Government has indicated the intent to reclaim all underutilised farms across the country and redistribute them to prospective investors.
- Zimbabwe's agricultural exports to China increased by more than 22% to ZW\$657 million in 2022.

**d) Manufacturing**

The Iranian Tobacco Co. (ITC) is aiming at building a cigarette factory in Zimbabwe. The deal is now at an advanced stage as the agreement has been signed as Zimbabwe will supply tobacco for cigarette manufacturing in Iran or for re-exports to Central Asia. Other Iranian-made cigarette brands will be exported to Zimbabwe under the deal.

In addition, German adhesives giant Henkel has announced a marketing deal for its wide range of products with Cluster Diagnostics. Dusseldorf headquartered Henkel, a global leader and producer of common brands such as Pritt is targeting Zimbabwe's manufacturing sector.

**5. Tourism Sector**

Local companies have started to tap into the local tourism business, e.g. Pamushana Africa Group has come up with an innovation which saw the company expand into the tourism sector. They offer full package trips for locals to explore even some of the untapped tourism destinations in the country. The packages being offered include day trips or even weeks with travellers provided with transport facilities, beverages in transit and all bookings being done by companies.

**6. Regional Economies**

In spite of the prolonged effects of the COVID-19 pandemic, growth in Sub-Saharan Africa is forecast to be mild in 2023 at 3.8% before ramping up to 4.1% in 2024, according to the *IMF's January 2023 - World Economic Outlook*. Nigeria's growing economy in 2023 as a result of steps taken to resolve security concerns in the oil sector is reflected in the slight upward revision of growth for 2023 (0.1 percentage point). In contrast, predicted growth in South Africa, following a COVID-19 reopening bounce in 2022, more than halved to 1.2% in 2023, citing decreased foreign demand, power problems, and structural constraints.

**a) South Africa**

The South African Reserve Bank (SARB) reviewed the 2023 country's GDP growth outlook to 0.3% from 1.1% which was projected in November 2022. Its 2024 and 2025 forecasts were also lowered notably, to 0.7% (from 1.4%) and 1.0% (from 1.5%), respectively. The key reason for the downward revision, is the scale and extended duration of load shedding in the country, adding that rolling blackouts have knocked out two whole percentage points from the annual growth outlook. The following table shows economic growth forecasts for South Africa:

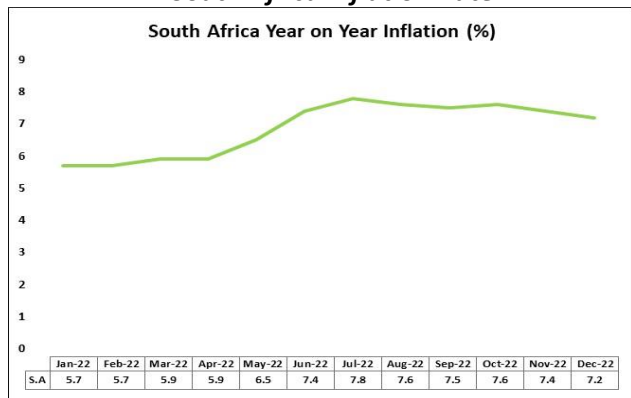
| <b>S.A Economic Growth Forecasts (%)</b> |             |             |             |
|--|-------------|-------------|-------------|
| <b>Year</b>                              | <b>2022</b> | <b>2023</b> | <b>2024</b> |
| <b>World Bank</b>                        | 1.9         | 1.4         | 1.8         |
| <b>IMF</b>                               | 2.1         | 1.1         | 1.4         |

South Africa's annual inflation rate was 7.2% in December of 2022, down from 7.4% in the prior month, as expected, but still above the upper limit of the South African Reserve Bank's target range of 3%-6%. The following graph shows

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South Africa's inflation trend from January 2022 to December 2022:

### South Africa Inflation Rate



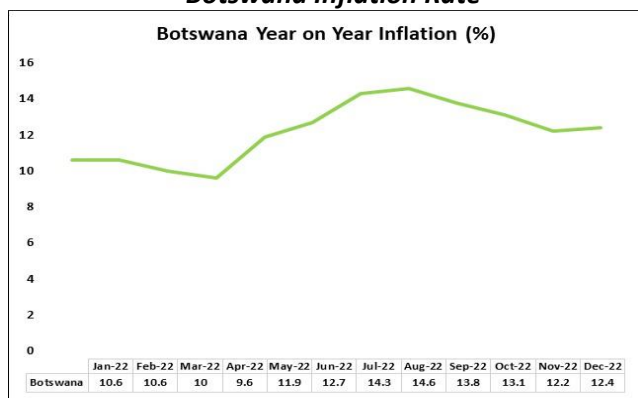
### b) Botswana

Botswana expects economic growth of 4% in 2023 while targeting medium-term growth of 5.7%. This is expected to be supported by the Government's plans to ramp up infrastructure investment. The budget deficit in Botswana is expected at 3.06% of Gross Domestic Product (GDP) in 2023/2024, compared with 2.1% for 2022/23. The table below shows the Botswana growth forecasts up to 2023:

| Botswana Economic Growth Forecasts (%) |      |      |      |
|--|------|------|------|
| Year                                   | 2022 | 2023 | 2024 |
| World Bank                             | 4.1  | 4.0  | 4.0  |
| IMF                                    | 4.1  | 4.0  | 4.0  |

Botswana's annual inflation rate rose to 12.4 % in December of 2022, accelerating from 12.2 % in the previous month, as prices increased for both food & non-alcoholic beverages as shown on the following diagram:

### Botswana Inflation Rate



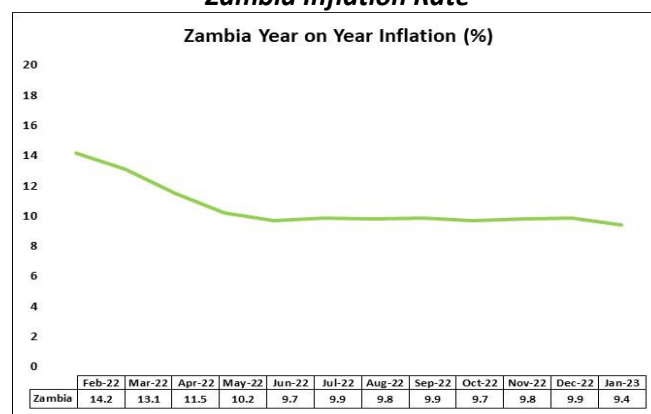
### c) Zambia

Zambia released a National Development Plan and Green Paper which aims to double the country's power generation and grow the economy to achieve the feat by 2030. Meanwhile, Zambia has revived Kawambwa Tea company which was once defunct and it is now helping the country to become self-sufficient in tea beverages while creating the much needed economic survival. Tea, like coffee, can play a huge role in rural industrialisation and spurring incomes in rural parts of the country as it helps the country reach import substitution. Kawambwa and other areas in the country have a favourable environment for growing tea varieties for both local consumption and the export market. The following table shows Zambia's economic growth forecasts:

| Zambia Economic Growth Forecasts (%) |      |      |      |
|--------------------------------------|------|------|------|
| Year                                 | 2022 | 2023 | 2024 |
| World Bank                           | 3.0  | 3.9  | 4.1  |
| IMF                                  | 2.9  | 4.0  | 5.0  |

Meanwhile, the annual inflation rate in Zambia fell to 9.4% in January 2023, from 9.9% in December 2022. It was the lowest reading since August of 2019, mainly due to base effects after high inflation of 15.1% last January. The following graph shows Zambia's inflation trend from February 2022 to January 2023:

### Zambia Inflation Rate



## 7. International Economies

Global growth is projected to fall from an estimated 3.4% in 2022 to 2.9% in 2023, then rise to 3.1% in 2024. The rapid spread of COVID-19 in China dampened growth in 2022, but the recent reopening has paved the way for a faster than expected recovery. Global inflation is expected to fall from

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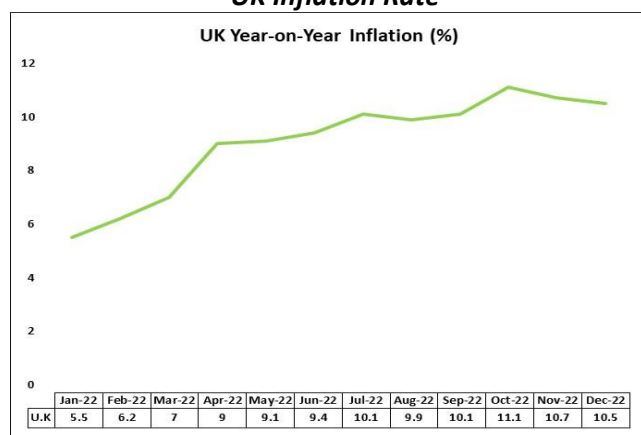
8.8% in 2022 to 6.6% in 2023 and 4.3% in 2024, still above pre-pandemic (2017–19) levels of about 3.5%.

### a) United Kingdom

Growth in the United Kingdom is projected to be –0.6 % in 2023, a 0.9 percentage point downward revision from October 2022 projection. This reflects the effects of tighter fiscal and monetary policies and financial conditions and still-high energy retail prices weighing on household budgets.

Meanwhile, annual inflation rate in the UK fell to 10.5% in December of 2022 from 10.7% in November, matching market forecasts. It marks a second consecutive month of slowing inflation and the lowest rate in three months, after a peak of 11.1% in October. The following diagram shows UK annual inflation trend from January 2022 to December 2022:

**UK Inflation Rate**



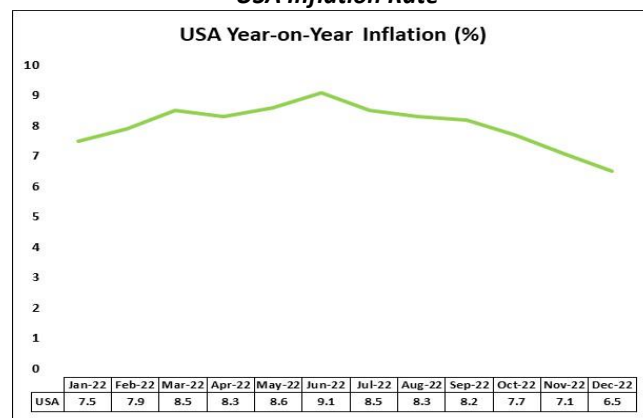
### b) United States of America

The United States, growth is projected to fall from 2.0% in 2022 to 1.4% in 2023 and 1.0% in 2024. With growth rebounding in the second half of 2024, growth in 2024 will be faster than in 2023 on a fourth-quarter-over-fourth-quarter basis, as in most advanced economies. There is a 0.4 percentage point upward revision for annual growth in 2023, reflecting carryover effects from domestic demand resilience in 2022, but a 0.2 percentage point downward revision of growth in 2024 due to the steeper path of Federal Reserve rate hikes, to a peak of about 5.1 % in 2023. The following table shows the U.S growth forecasts up to 2024:

| <b>U.S.A Economic Growth Forecasts (%)</b> |      |      |      |
|--|------|------|------|
| Year                                       | 2022 | 2023 | 2024 |
| <b>World Bank</b>                          | 1.9  | 0.5  | 1.6  |
| <b>IMF</b>                                 | 1.6  | 1.0  | 1.9  |

Meanwhile, USA annual inflation rate slowed for a sixth straight month to 6.5% in December of 2022, the lowest since October of 2021, in line with market forecasts. The graph depicts the annual inflation trend in the United States from January 2022 to December 2022:

**USA Inflation Rate**



### c) China

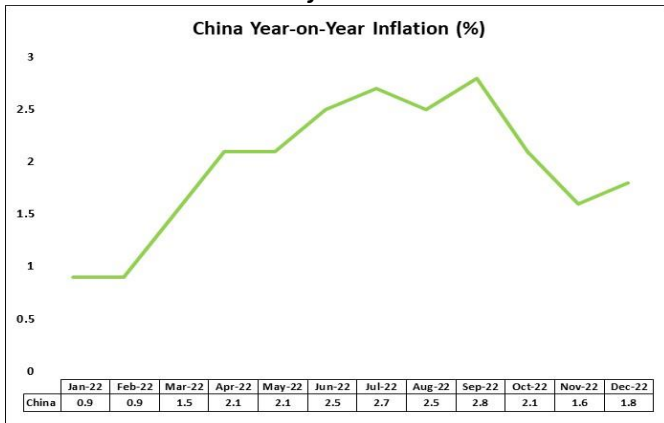
In Q4 2022, China's economy stagnated due to numerous significant Covid-19 breakouts in Beijing and other densely populated areas. The persisting real estate market crisis, real estate investment continues to decline, and Developers reorganization is moving slowly. New immunization goals for the aged, increased monetary and fiscal policy interventions, and actions to encourage the completion of unfinished real estate projects are all responses from the Authorities. However, by the end of 2022, consumer and corporate sentiment was still muted. Global trade growth and international commodity prices have declined as a result of China's recession. The table below shows the China growth forecasts up to 2024:

| <b>China Economic Growth Forecasts (%)</b> |      |      |      |
|--|------|------|------|
| Year                                       | 2022 | 2023 | 2024 |
| <b>World Bank</b>                          | 2.7  | 4.3  | 5.0  |
| <b>IMF</b>                                 | 3.2  | 4.4  | 4.6  |

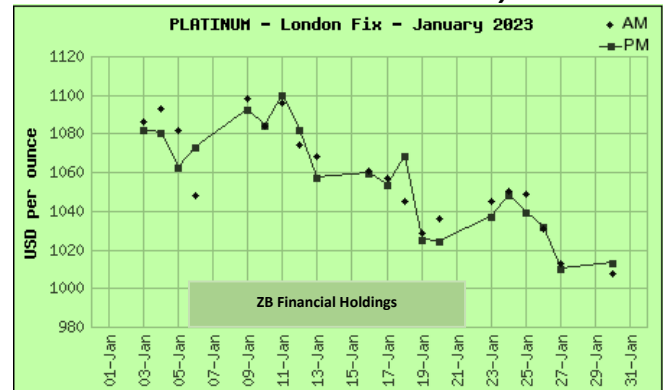
Meanwhile, China's annual inflation rate increased to 1.8% in December 2022 from 1.6% in November 2022 as shown on the following diagram:

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### China Inflation Rate



### Platinum Price Movements - January 2023



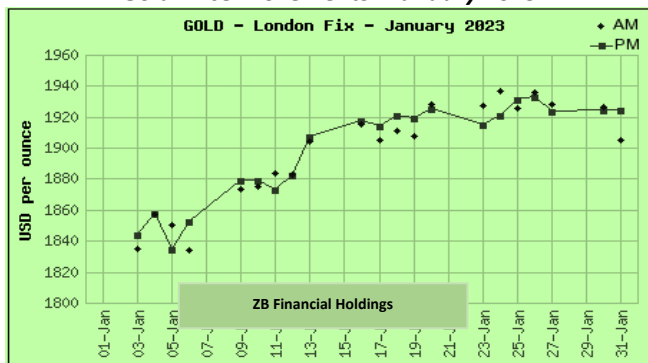
## 8. Commodities Markets

| Commodity | December 2022 Price (US\$) | January 2023 Price (US\$) | Percentage Change |
|-----------|----------------------------|---------------------------|-------------------|
| Gold      | 1,617.07                   | 1,897.37                  | 17.33%            |
| Platinum  | 907.95                     | 1,056.00                  | 16.31%            |
| Silver    | 20.86                      | 23.79                     | 14.01%            |
| Oil       | 76.91                      | 78.50                     | 2.06%             |

### a) Gold

On a monthly basis, on average, the gold prices increased by 17.33%, from US\$1,617.07 per ounce recorded in December 2022 to US\$1,897.37 per ounce in January 2023. The following diagram shows the trend of gold prices in January 2022:

#### Gold Price Movements - January 2023



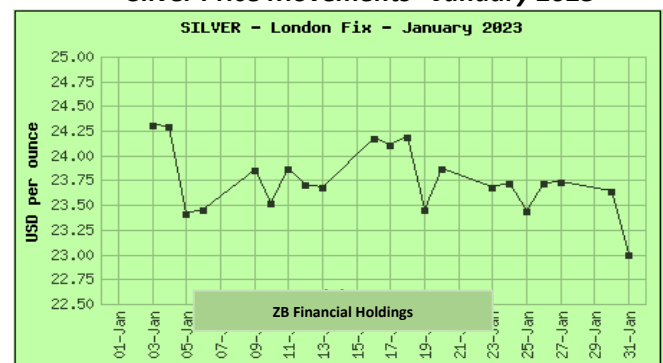
### b) Platinum

Platinum prices increased by 16.31%, from a monthly average of US\$907.95 per ounce in December 2022 to US\$1,056.00 per ounce in January 2023. The following diagram shows the trend of platinum price in January 2023:

### c) Silver

From December 2022 to January 2023, the average price of Silver increased by 14.01% to US\$23.79/oz in January 2023. The graph below shows the trend of Silver price in January 2023:

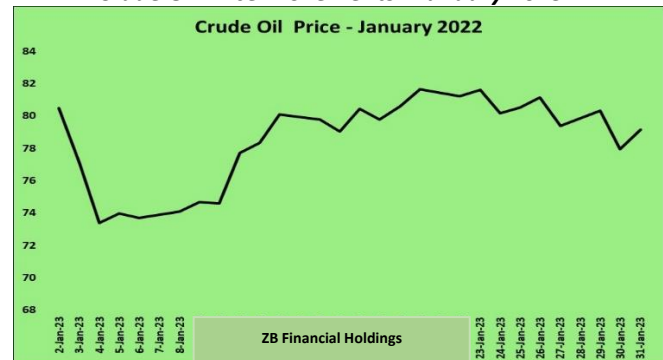
#### Silver Price Movements - January 2023



### d) Crude Oil

Monthly average crude oil prices increased by 2.06%, from US\$76.91 per barrel in December 2022 to US\$78.50 per barrel, in January 2023. The graph below shows the trend of crude oil price in January 2023:

#### Crude Oil Price Movements - January 2023



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