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1. Economic Performance

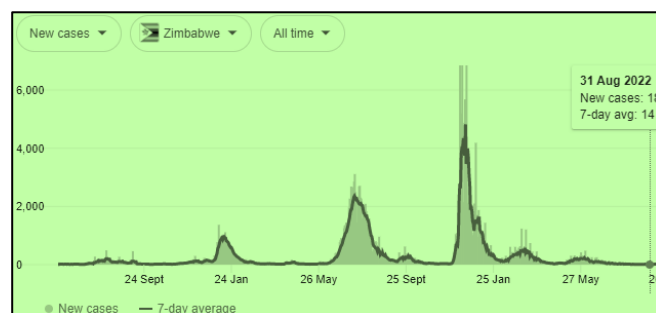
a) Domestic Economy

According to the Ministry of Finance and Economic Development, in 2022 Zimbabwe's economy will grow by less than the 4.6% previously forecast because of high inflation and Government spending cuts. The 4.6% estimate was given in July 2022 during a budget review after being revised lower from an earlier forecast of 5.5% growth. The new growth forecast target was not availed by the authority. Meanwhile, the International Monetary Fund forecast that Zimbabwe's economy will grow by 3.5% in 2022, nearly half of the 2021 growth. The growth forecast is underpinned by the following development: the Russia-Ukraine war, the poor rainfall patterns and price pressures among other factors that are adversely affecting economic and social conditions in Zimbabwe, already battered by the COVID-19 pandemic. The following table shows Zimbabwe economic growth estimates and forecasts for the period 2021 to 2023:

Zimbabwe Economic Growth Forecasts (%)			
Year	2021	2022	2023
World Bank	5.8	3.7	3.6
IMF	6.3	3.5	3.0
MOF	7.8	4.6	5.2

b) Health Issues

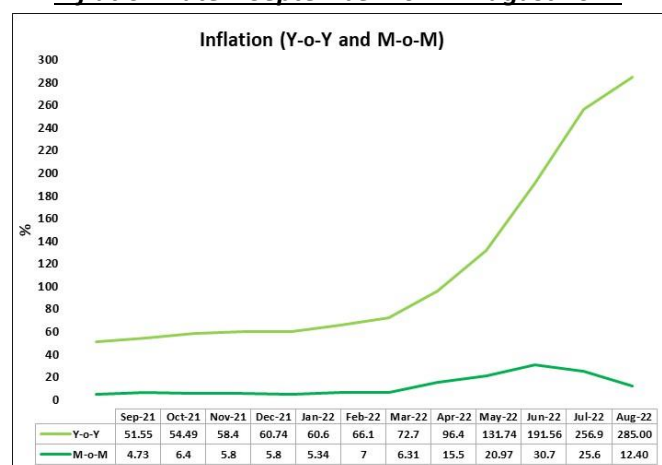
As at 31 August 2022, Zimbabwe had recorded 256,738 confirmed COVID-19 cases, including 250,984 recoveries and 5,596 deaths. To date, a total of 6,429,117 people have been vaccinated against COVID-19. The following graph shows the daily trend of recorded COVID-19 cases up to 31 August 2022:



2. Inflation

Annual inflation worsened by 28.10 percentage points, from 256.90% in July 2022 to 285% in August 2022. Month on month inflation improved by 13.20 percentage points, from 25.60% in July 2022 to 12.40% in August 2022. The graph below shows Zimbabwe's inflation trend for the period September 2021 to August 2022:

Inflation Rate – September 2021 - August 2022



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3. Financial Sector

a) Money supply

According to the RBZ's July 2022 Monthly Economic Report, Broad money (M3) stock stood at ZW\$1,207.31 billion, a 7.8% rise from ZW\$1,119.70 billion recorded in June 2022. The money stock was composed of foreign currency deposits, 57.06% and local currency deposits 42.61%. Currency in circulation constituted 0.34% of total money supply.

Meanwhile, reserve money increased by 2.24% in August 2022 to ZW\$36.38 billion from ZW\$35.52 billion recorded as at end of July 2022.

b) Interest Rates

The Monetary Policy Committee maintained the prevailing interest rates at current levels and will change them in line with the changes in the inflation profile. The tight monetary policy stance will be buttressed by the favourable uptake of gold coins which were introduced in the economy on 25 July 2022 as an alternative stable financial asset for store of value. The following table shows weighted lending rates and deposit rates for the period 29 July 2022 to 26 August 2022:

Weighted lending Rates and Deposit Rates

Week Ending	Weighted Lending Rates (%)		Deposit Rates (%)		
	Commercial Banks		Savings	1-Month	3-Months
	Individual Clients	Corporate Clients			
29-Jul-22	123.71	218.51	23.44	54.94	54.58
5-Aug-22	123.71	218.51	23.44	54.94	54.58
12-Aug-22	122.90	218.54	20.25	58.56	56.82
19-Aug-22	122.9	218.54	20.25	58.56	56.82
26-Aug-22	123.46	218.02	20.25	55.72	57.29
Average	123.34	218.42	21.53	56.54	56.02

c) Foreign Currency Market

During the period under review, the USD appreciated against 8 of the 18 currencies in our basket and depreciated against 10 currencies, when using the monthly average exchange rate analysis. The USD gained the most against the Zimbabwean Dollar (28.83%) followed by the Argentine Peso (5.37%) and the Russian Ruble (1.76%). On the other hand, the USD on average depreciated most against the Brazilian Real (4.22%), Norwegian Krone (2.86%) and the Australian Dollar (1.46%) as shown in the following table:

Exchange Rate Analysis

Exchange Rate Analysis: Monthly Average			
US\$/Currency	Jul-22	Aug-22	Change (%)
Zimbabwean Dollar	391.3575	488.5507	24.83%
Argentine Peso	128.4431	135.3374	5.37%
Russian Ruble	59.6156	60.6638	1.76%
South Korean Won	1308.0452	1322.3447	1.09%
Chinese Yuan Renminbi	6.7346	6.8041	1.03%
Euro	0.9824	0.9884	0.61%
British Pound	0.8339	0.8356	0.20%
Swedish Krona	10.3848	10.3920	0.07%
HongKong Dollar	7.8489	7.8466	-0.03%
Indian Rupee	79.5747	79.5351	-0.05%
Canadian Dollar	1.2934	1.2921	-0.11%
Botswana Pula	12.6439	12.6039	-0.32%
South African Rand	16.8503	16.7139	-0.81%
Japanese Yen	136.6648	135.3982	-0.93%
Swiss Franc	0.9697	0.9579	-1.22%
Australian Dollar	1.4589	1.4376	-1.46%
Norwegian Krone	10.0026	9.7162	-2.86%
Brazilian Real	5.3653	5.1391	-4.22%

Source: X-rates.com © ZB Financial Holdings

However when analysing the exchange rates based on the opening period and closing period exchange rates, the USD appreciated against 16 out of 18 currencies in our basket as shown in the following table:

Exchange Rate Analysis			
US\$/Currency	01-Aug-22	31-Aug-22	Change (%)
Zimbabwean Dollar	416.2890	546.8254	31.36%
Argentine Peso	131.2244	138.7264	5.72%
British Pound	0.8207	0.8585	4.61%
Swedish Krona	10.1879	10.6287	4.33%
Japanese Yen	133.2544	138.6587	4.06%
South Korean Won	1306.3084	1340.0690	2.58%
South African Rand	16.6253	17.0412	2.50%
Swiss Franc	0.9515	0.9746	2.43%
Norwegian Krone	9.6743	9.9032	2.37%
Canadian Dollar	1.2802	1.3088	2.23%
Chinese Yuan Renminbi	6.7442	6.8903	2.17%
Australian Dollar	1.4320	1.4566	1.72%
Botswana Pula	12.6323	12.8131	1.43%
Euro	0.9803	0.9934	1.33%
Indian Rupee	79.3544	79.4731	0.15%
Brazilian Real	5.1804	5.1848	0.08%
HongKong Dollar	7.8500	7.8494	-0.01%
Russian Ruble	62.8600	60.2370	-4.17%

Source: X-rates.com © ZB Financial Holdings

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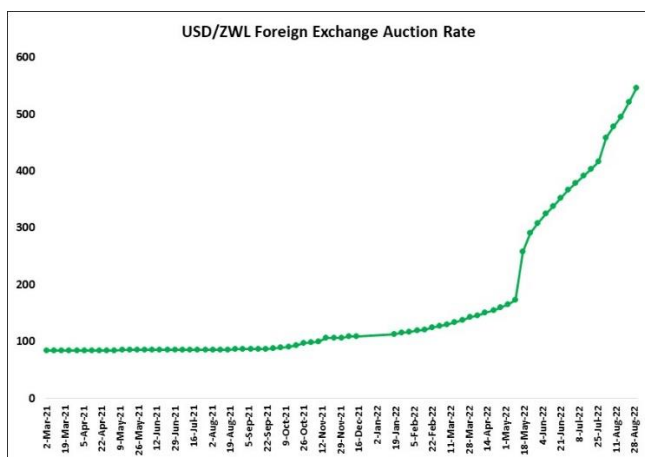
Meanwhile, on average the South African Rand appreciated by 0.81% in August 2022 against the USD from USDZAR 16.85 average in July 2022 to USDZAR 16.71 average rate in August 2022. The diagram below shows the trend of the South African Rand against the USD for August 2022:

USD/ZAR Exchange Rate – August 2022

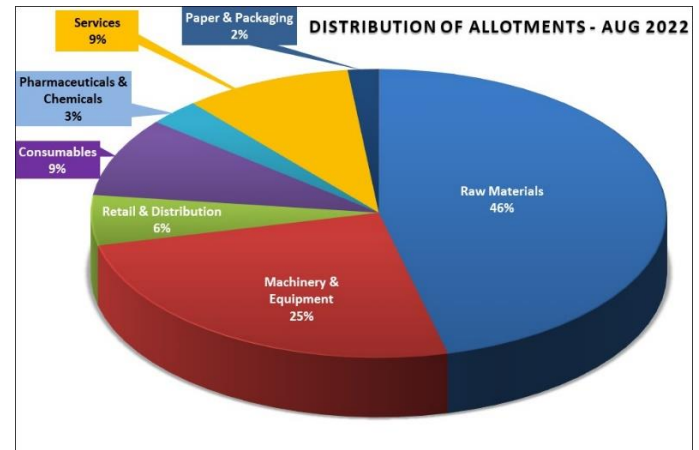


d) RBZ Forex Auction Market

The Government is set to continue with the auction bids and will be guided by the exchange rates obtained on the willing-buyer willing-seller foreign exchange trading platform and by the available foreign currency. The following table shows the trend of the USD/ZWL exchange rate from 2 March 2021 to 31 August 2022.



During the period under review, the Foreign Exchange Auction Market allocated US\$94.6 million. Of the August 2022 foreign currency allocations, 46% was allocated to raw materials and 25% to machinery & equipment as shown in the following diagram:



e) Equities Market & Corporate Briefs

- The Victoria Falls Stock Exchange Limited (VFEX) launched VFEX Direct, an online trading platform designed to make buying and selling of securities listed on the United States-denominated bourse easier.
- The ZSE has continued in bearish mode for the past few months, following a mixture of fiscal and monetary policy interventions by the Government to deal with speculation and arbitrage, which until recently had driven inflation resurgence and Zimbabwe Dollar depreciation.

Zimbabwe Stock Exchange Performance Indicators

DATE	TURNOVER VALUE	TURNOVER VOLUME	INDUSTRIAL INDEX	MINING INDEX	MARKET CAP (RTGS) (Mln)
Sep-21	318,905,814.65	8,240,223.00	28,361.54	6,014.51	975,263.47
Oct-21	219,963,365.78	5,001,856.00	37,508.67	6,652.04	1,293,543.00
Nov-21	160,988,787.44	37,058,783.00	35,367.45	7,193.11	506,531.55
Dec-21	231,152,323.00	16,309,211.00	35,762.09	7,819.37	1,227,272.43
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

News Highlights in the Financial Sector

- According to the Zimbabwe Stock Exchange, participation by the Government on the bond market will ensure transparency in the process through which the State raises funding for its programmes while this would also boost confidence in the capital markets. This comes as the Government intends to issue US\$100 million worth of Government bonds on the

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US Dollar denominated exchange, the Victoria Falls Stock Exchange (VFEX) in 2022.

4. Various Sectors of the Economy

a) Energy sector

According to the Government of Zimbabwe, failure to rehabilitate existing infrastructure and attract investment in the private sector has contributed to poor electricity generation and the current wave of rolling power cuts. Zimbabwe has been reeling under crippling power shortages since the start of winter in May 2022. Some of the country's ageing power plants are being repaired and the rest are struggling to cope with growing demand.

Currently the Government of Zimbabwe is on a drive to boost solar power in order to cut electricity import costs and combat climate change. However, expense of installing such systems in place is a barrier to their use.

News Highlights in the Energy Sector

- The African Development Bank (AfDB) met with Government of Zimbabwe to discuss how Zimbabwe's renewable energy resources, private sector and structural and fiscal reforms could pave the way for new project developments across the generation, transmission and distribution sectors in the country.
- Government injected US\$15 million towards the expansion of Feruka pipeline, as it scales up plans to convert the Msasa fuel depot in Harare into a regional inland hub for fuel distribution for Southern African Development Community (SADC) countries.

b) Mining

Zimbabwe's mining industry remains resilient in the short to medium term, despite the negative impact of COVID-19 induced setbacks on existing and planned investments. The country is targeting to grow export revenue from minerals to US\$12 billion by 2023 as it seeks to transform the country into an upper-middle-income economy by 2030.

News Highlights in the Mining sector

- Caledonia Mining Corporation Plc, is expected to register a 22% jump in revenue for the financial year 2022. Production efficiencies are seen helping the resources Group increase gold output at the miner's local unit, Blanket Mine, in line with the projected range of 73,000 to 80,000 ounces.

- Zimplats Holdings has spent US\$270.3 million on mine replacement and beneficiation projects, which remain largely on schedule.
- Galileo Resources announced the discovery of potential nickel targets at its Bulawayo gold project following the recently conducted airborne geophysical survey on its two exclusive prospecting orders.
- A Chinese Company Cobalt's Arcadia lithium mine expected to start delivering lithium-containing minerals spodumene and petalite in 2022.

c) Agriculture

China imported agricultural products worth USD332 million from Zimbabwe from January 2022 to July 2022, an increase of 111.6 % year on year. This occurred as the Zimbabwean Government is currently working to boost horticulture production to meet the growing demand for citrus fruits worldwide. During the period under review the Government of Zimbabwe launched a US\$30 million export revolving fund to revive the country's horticultural sector.

News Highlights in the Agriculture Sector

- Planting of the 2022/23 irrigated tobacco crop started and farmers are planning to cover more than 155 000 hectares compared to 86 782 hectares last season. The bulk of the rain-fed tobacco crop will be planted late October 2022 to early December 2022 depending on the region in which the farmer is located.
- The Tobacco Industry and Marketing Board (TIMB) has registered 80,314 farmers, 814 of which are new growers compared to 67,000 growers' registered last season.
- Zimbabwe is in the process of producing 15 million doses of vaccine against Newcastle to protect poultry. The Department of Veterinary Services is producing the vaccine, to save the poultry in communal areas.
- The Department of Veterinary Services started the manufacturing of the tick-borne disease vaccine under a pilot project which is expected to save and boost livestock production in the country. This comes as the country has been battling to contain

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tick-borne diseases that have depleted the national herd.

d) Manufacturing

According to the Confederation of Zimbabwe Industries (CZI) the industry capacity utilisation may remain flat in 2022 or rise marginally due to severe headwinds the economy is experiencing. On the turn down the prospects are crippling power cuts, acute foreign currency shortages, high inflation, volatile exchange rate and limited lines of credit, among other challenges.

News and highlights in the Manufacturing Sector

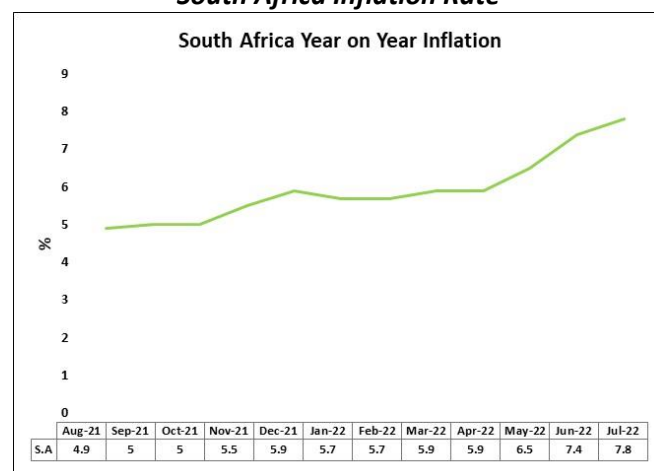
- ZIMASCO has started building two new furnaces at the Kwekwe complex as it targets to raise capacity by 40%. The US\$35 million investment will also involve the refurbishment of two furnaces and a sinter plant with an annual capacity of 300,000 tonnes at the same complex.
- Zimbabwe Phosphate Industries has made an investment into a new fertiliser blending plant which will increase local production of basal fertilisers.
- The Zimbabwe Iron and Steel and Company (ZISCO) has signed a management contract with Kuvimba Mining House (KMH), signalling a step in the right direction towards the long awaited resuscitation of once Africa's largest integrated steelworks.
- Nash Paints launched a decorative manufacturing plant in Harare as part of its efforts to aid the accelerated housing development projects being implemented by the Government throughout the country. The paint company also aims to penetrate regional and international markets with the decorative paint.

According to Stats South Africa, South Africa's Gross Domestic Product (GDP) decreased by 0.7% in Q2 2022. The manufacturing industry contracted by 5.9% in the Q2 2022, contributing -0.7 of a percentage point to GDP growth. The agriculture industry declined by 7.7% in Q2 2022, contributing -0.2 of a percentage point to GDP growth. Decreased economic activities were reported for animal products. Mining and quarrying declined by 3.5%, contributing -0.2 of a percentage point to GDP growth. Decreased economic activities were reported for gold, coal, manganese ore and diamonds. The following table shows economic growth forecasts for South Africa:

S.A Economic Growth Forecasts (%)			
Year	2021	2022	2023
World Bank	4.6	2.1	1.5
IMF	5.0	2.2	1.3

South Africa's annual inflation rate accelerated to 7.8% in July 2022, from 7.4% in June, above market expectations of 7.7% and the upper limit of the South African Reserve Bank's target range of 3%-6%. The following graph shows South Africa's inflation trend from August 2021 to July 2022:

South Africa Inflation Rate



5. Regional Economies

Economic growth in Sub-Saharan Africa is expected to stall in 2022, dropping from 4.6% in 2021 to 3.8%, according to the International Monetary Fund (IMF), as the global shock triggered by Russia's invasion of Ukraine sets back the region's prospects. As fuel prices are on a rise and import bills straining the external and fiscal balances of commodity-importing countries, recent progress on poverty alleviation in Africa is at a high risk.

a) South Africa

b) Botswana

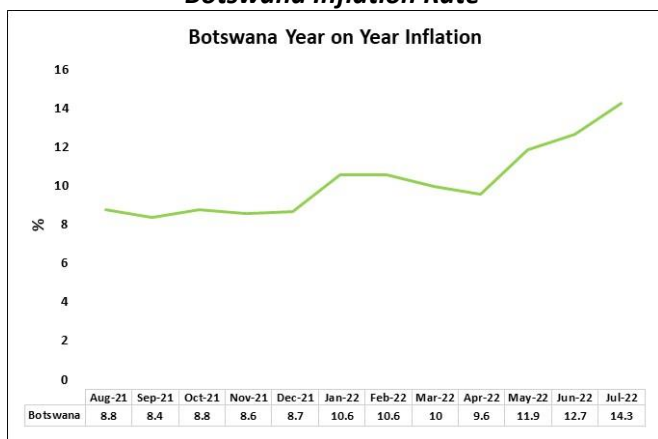
Botswana's Central Bank raised its monetary policy rate by 50 basis points to 2.65% in a bid to tame inflation. The Central Bank expects inflation to fall within the 3% to 6% range by Q3 2024. The following table shows Botswana's economic growth forecasts from the World Bank and IMF.

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Botswana Economic Growth Forecasts (%)			
Year	2021	2022	2023
World Bank	8.5	5.9	4.4
IMF	9.2	4.7	4.0

In terms of inflation, Botswana's annual inflation rate worsened by 1.6 percentage points to 14.3% in July 2022 from 12.7% in June 2022. The following graph shows Botswana inflation trend from August 2021 to July 2022:

Botswana Inflation Rate



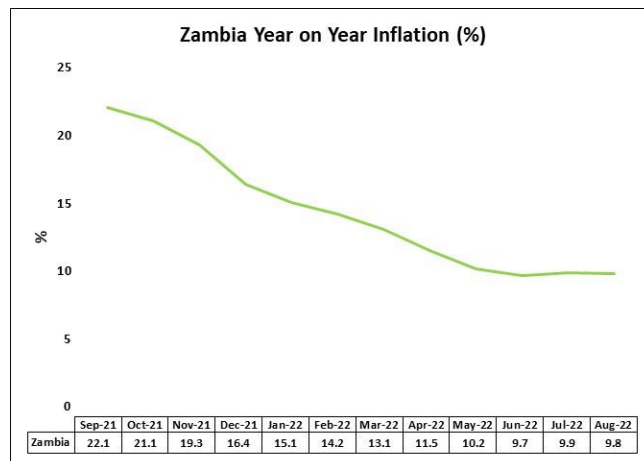
c) Zambia

The Zambian Government expects its economy to grow at 4% per year in the medium term and is focused on resolving the country's debt crisis. The following table shows Zambia's economic growth forecasts:

Zambia Economic Growth Forecasts (%)			
Year	2021	2022	2023
World Bank	2.2	2.9	4.5
IMF	1.0	1.1	1.5

In terms of inflation, Zambia's annual inflation rate ticked down to 9.8% in July 2022 from 9.9% in June 2022, amid a slight slowdown in food prices (11.3% vs 12% in June) and the continued strengthening of the Kwacha. The following graph shows Zambia's inflation trend from September 2021 to August 2022:

Zambia Inflation Rate



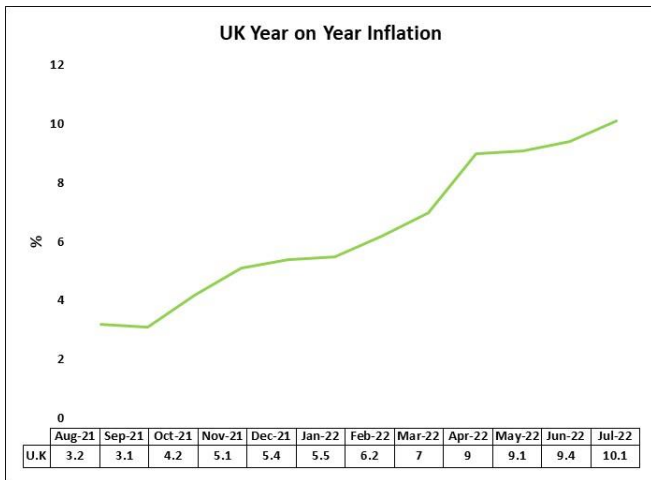
6. International Economies

The Global Economic Outlook is deteriorating due to inflation fighting efforts by Central Banks, the war between Russia & Ukraine, and China's prioritization of political control over economic growth. A global recession is likely, with at least slower economic growth virtually certain. Specifically, the European Central Bank has increased its policy rate and signalled more increases likely to come going forward. The only major countries easing monetary policy are Russia and China. The global tightening is likely to slow economic growth around the world and lead to recession in some countries.

a) United Kingdom

Britain's recovery from the pandemic stalled Q2 2022 when the economy contracted by 0.1%, according to the Bank of England. Exports fell and consumer spending contracted to push the UK closer to a long period of contraction that the Bank of England expects will stretch to the end of 2023. The Bank of England has forecast a modest bounce back in GDP in Q3 2022 to the end of September 2022 before a projected recession begins in October 2022 that will last through 2023. In the meantime, the annual inflation rate in the UK increased to 10.1% in July of 2022 from 9.4% in the previous period and slightly above market forecasts of 9.8%. The following graph shows UK annual inflation trend from August 2021 to July 2022:

UK Inflation Rate

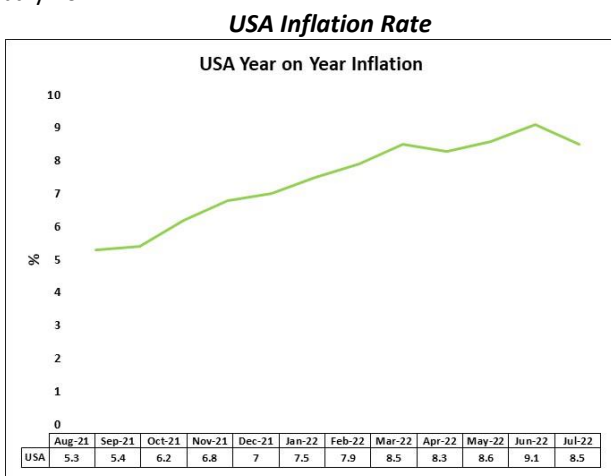


b) United States of America

The U.S. economy contracted at a more moderate pace than initially thought in Q2 2022 as consumer spending blunted some of the drag from a sharp slowdown in inventory accumulation, dispelling fears that a recession was underway. The table below shows the U.S growth forecasts up to 2023:

U.S.A Economic Growth Forecasts (%)			
Year	2021	2022	2023
World Bank	5.6	3.7	2.6
IMF	4.3	3.5	2.3

Meanwhile, the annual inflation rate in the US slowed more than expected to 8.5% in July 2022 from 9.1% in June 2022, and below market forecasts of 8.7%. The following graph shows the U.S. annual inflation trend from August 2021 to July 2022:

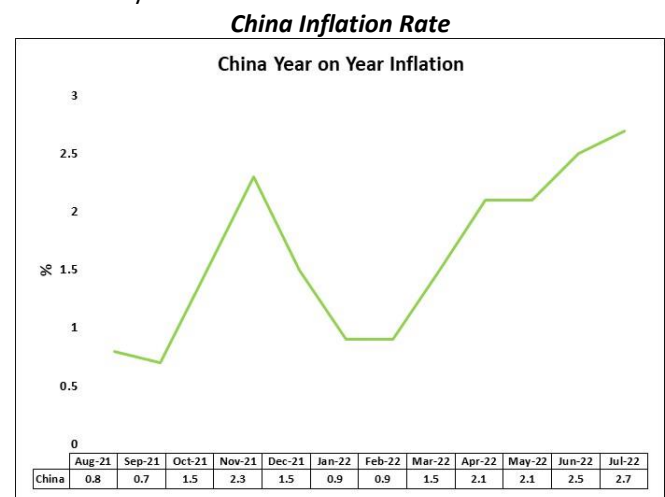


c) China

China's economy barely avoided contraction during the Q2 2022 as lockdowns and border controls pummelled economic activity, with Gross Domestic Product (GDP) expanding just 0.4 % on a year on year basis. China's exports growth weakened in August 2022, as surging inflation crippled overseas demand and fresh COVID-19 curbs and heatwaves disrupted production, reviving downside risks for the economy. Exports rose 7.1% in August from a year earlier, slowing from an 18.0% gain in July 2022. Outbound shipments outperformed other economic drivers in 2022 but now face growing challenges as external demand wanes. Imports were again tepid, rising only 0.3% in August 2022 from 2.3% in July 2022 which is below a 1.1% rise forecast. The following table shows China's economic growth forecasts up to 2023:

China Economic Growth Forecasts (%)			
Year	2021	2022	2023
World Bank	8.0	5.1	5.3
IMF	8.0	5.6	4.9

Meanwhile, China's annual inflation rate rose to 2.7% in July 2022 from 2.5% in June 2022 compared with market forecasts of 2.9%. This was the fastest rise in consumer prices since July 2020, mainly due to a surge in food prices with cost of pork bouncing back sharply after a cut in production capacity and a strong recovery in demand. The following graph shows China's inflation trend from August 2021 to July 2022:



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7. Commodities Markets

Commodity	July 2022 Price (US\$)	August 2022 Price (US\$)	Percentage Change
Gold	1,752.29	1,765.65	0.76%
Platinum	892.03	910.41	2.06%
Silver	19.5	19.75	1.28%
Oil	100.29	91.48	-8.78%

a) Gold

On a monthly basis, on average, the gold prices slightly increased by 0.76%, from US\$1,752.29 per ounce recorded in July 2022 to US\$1,765.65 per ounce in August 2022. The following diagram shows the trend of gold prices in August 2022:

Gold Price Movements in August 2022



b) Platinum

Platinum prices rose by 2.06%, from a monthly average of US\$892.03 per ounce in July 2022 to US\$910.41 per ounce in August 2022. The diagram below shows the trend of platinum price in August 2022:

Platinum Price Movements in August 2022



c) Silver

From July 2022 to August 2022, the average price of Silver increased by 1.28% to US\$19.75/oz in August 2022. The graph below show the trend of Silver price in August 2022:

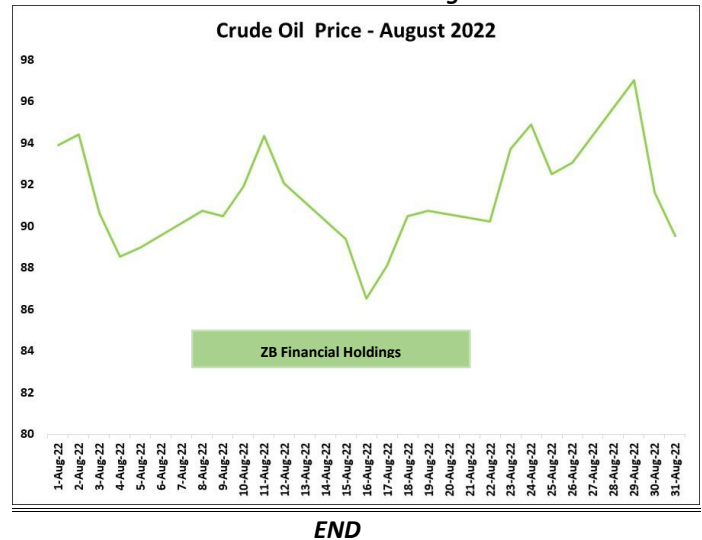
Silver Price Movements - August 2022



d) Crude Oil

Monthly average crude oil prices decreased by 8.78%, from US\$100.29 per barrel in July 2022 to US\$91.48 per barrel, in August 2022. The graph below show the trend of crude oil price in August 2022:

Crude Oil Price Movements - August 2022



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