

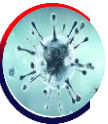
...Platinum output increased 3.4% quarter-on-quarter, and 4.3% year-on-year to 121koz in Q3 2020...

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## THE CBZ ECONOMIC BRIEF

**Week Ending 22 January 2021**

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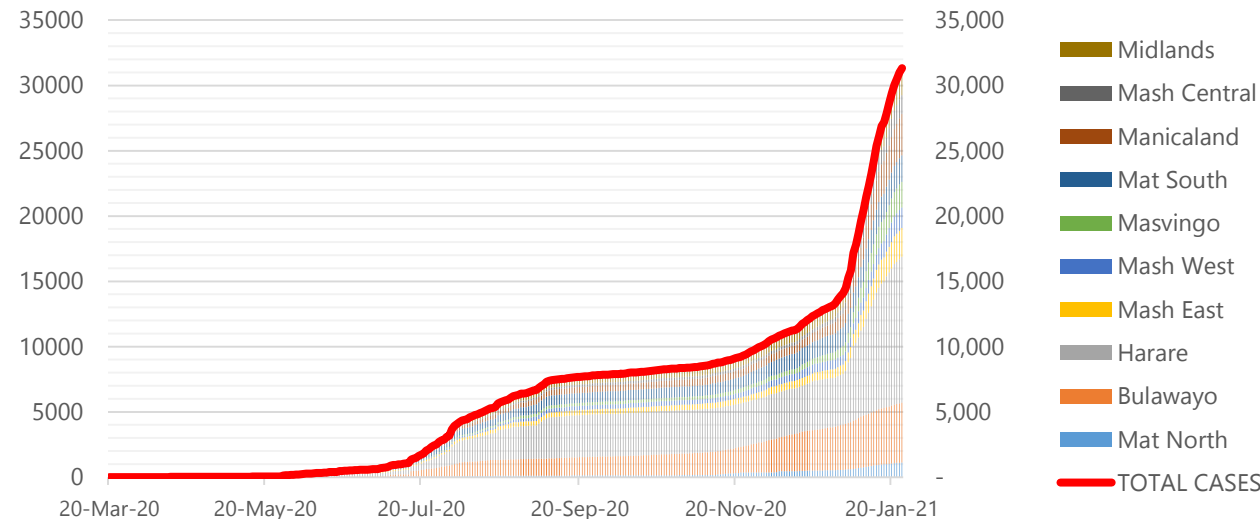
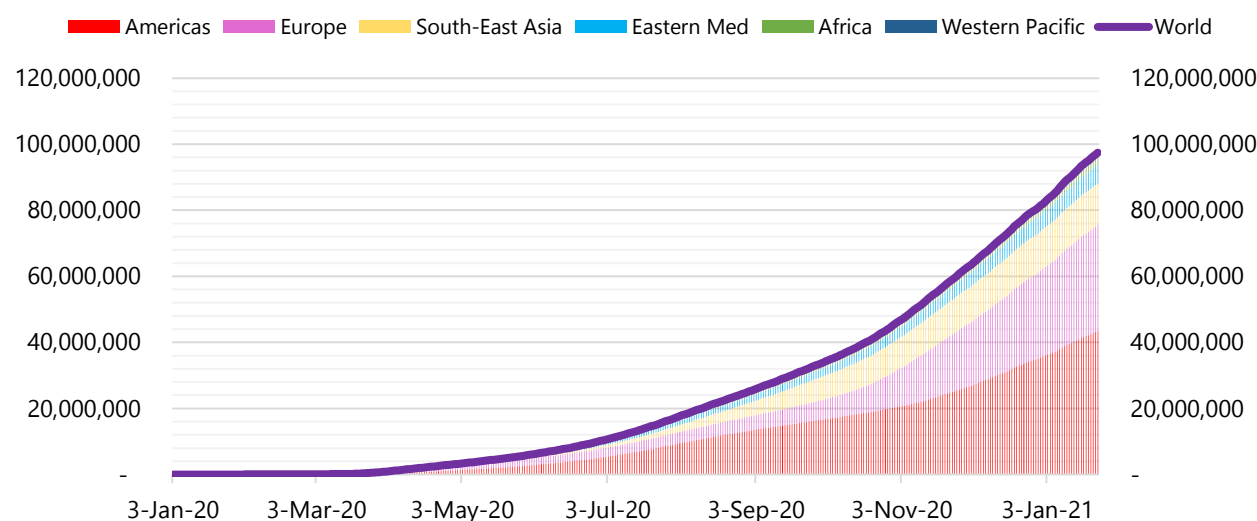


# COVID-19 | Global Status as at 24 January 2021



**Graph 1: Global Cumulative COVID-19 Cases as at 24 January 2021**

**Graph 2: Zimbabwe Cumulative COVID-19 Cases as at 24 January 2021**



**Sources: World Health Organisation & Ministry of Health & Child Care (Zimbabwe)**

## Notable Trends in Cases for the Week

- A total of 4.1m cases were recorded during the week ending 24 January 2021, bringing the cumulative global COVID-19 cases to 97.5m – **Graph 1**. The Americas remained the most infected region in the world with confirmed cases of 43.5m, followed by Europe (32.0m), South-East Asia (12.6m), Eastern Mediterranean (5.5m) and Africa (2.5m). Meanwhile, according to World Health Organisation “WHO”, the United Kingdom “U.K” coronavirus variant has now been found in at least 60 countries, while the South Africa variant was reported in 23 countries and territories.
- In Africa, confirmed cases rose by 6.4% to 2.5m. In terms of case fatalities, Africa’s rate climbed to 2.5%, higher than the global level of 2.2%, as the new COVID-19 variant spread across the continent. Resultantly, the U.K added travel ban to travellers coming from Tanzania and DRC, as the new Covid-19 variant was reported from those countries.
- In Zimbabwe, confirmed cases rose to 31,320, after additional 4,117 new cases were recorded during the period under review- **Graph 2**. The largest weekly cases were recorded in Harare (1,506), Manicaland (649), Mash East (350), Mash West (348) and Mash Central (315). The national recovery rate increased to 71.0% as at Sunday, 24 January 2021, from 60.7% recorded during the end of the previous review period, reflecting exponential increase in recovered cases as well as slowdown in new infections. Meanwhile, government announced that, all ministries, government departments and agencies will be operating with staff compliments of only 10% for a period of 2 weeks, effective 21 January 2021.
- Meanwhile, according to the United Nations Conference on Trade and Development “UNCTAD”, global Foreign Direct Investment “FDI” flows fell by 42% to an estimated US\$859b in 2020, from US\$1.5t recorded in 2019. FDI flows to developed countries declined by 69%, 37% in Latin American and the Caribbean, by 18% in Africa, and by 4% in developing Asia. The decline was attributed to the impact of the COVID-19 pandemic on free movement of goods and capital across borders.
- In South Africa, the South African Reserve Bank “SARB” kept its benchmark repo rate unchanged at 3.5%, as the risks to its inflation outlook remained balanced. Meanwhile, the country’s headline annual inflation rate declined to 3.1% in December 2020, from 3.2% recorded in November 2020, whilst monthly inflation rate increased to 0.2% during the same period. On an annual basis, average annual inflation rate for 2020 was 3.3%, the lowest annual average rate since 2004 (1.4%) and the second lowest since 1969 (3.0%).



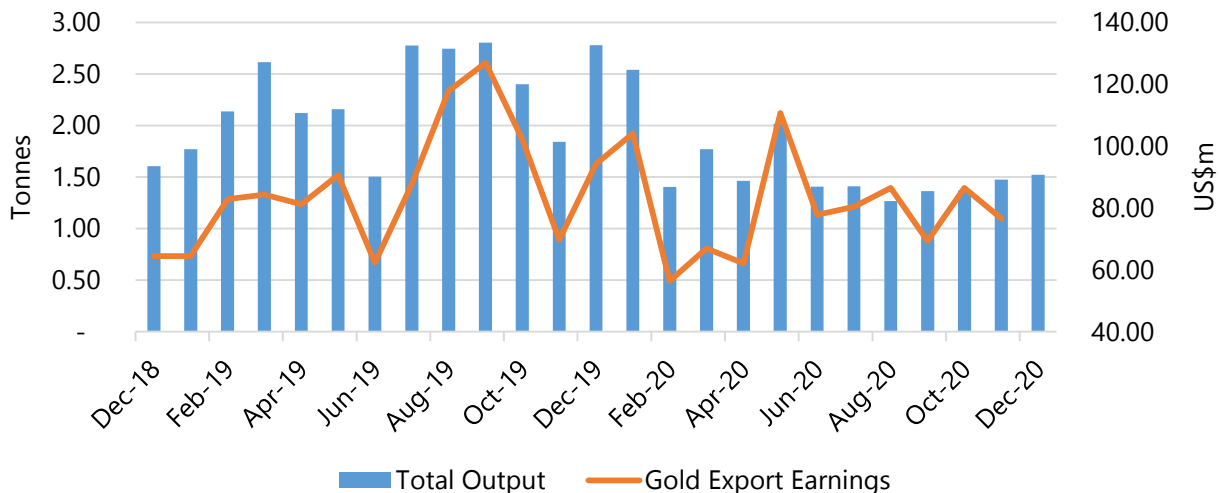
Country	Doses Secured	Vaccine Supplier/Scheme	Rollout Plan
<b>Egypt</b>	100mln	<ul style="list-style-type: none"> <li>○ China National Pharmaceutical Group (Sinopharm)</li> <li>○ Covax (World Health Organization-backed scheme)</li> </ul>	<ul style="list-style-type: none"> <li>○ Free vaccination to all doctors and frontline workers treating COVID-19 patients,</li> <li>○ Then other medical workers, senior citizens and people with chronic illnesses.</li> </ul>
<b>South Africa</b>	20mln	<ul style="list-style-type: none"> <li>○ Oxford-AstraZeneca</li> <li>○ Covax scheme</li> <li>○ African Union Scheme</li> </ul>	<ul style="list-style-type: none"> <li>○ People who want to be vaccinated are registered, given a vaccine registration card and allocated a vaccination site.</li> <li>○ Healthcare workers and the elderly will be inoculated first, then,</li> <li>○ Mass vaccinations in urban centres</li> </ul>
<b>Morocco</b>	66mln	<ul style="list-style-type: none"> <li>○ Oxford-AstraZeneca</li> <li>○ China Sinopharm</li> <li>○ Russia's R-Pharm (Coronavir)</li> </ul>	<ul style="list-style-type: none"> <li>○ Free vaccination, initially targeting health workers, public authorities, teachers and the elderly, in areas with higher infections</li> </ul>
<b>Seychelles</b>	150k	<ul style="list-style-type: none"> <li>○ China Sinopharm</li> <li>○ Oxford-AstraZeneca</li> </ul>	<ul style="list-style-type: none"> <li>○ Nation-wide vaccination, targeting 70% of it's over 18-population.</li> </ul>
<b>Ivory Coast</b>	100k	<ul style="list-style-type: none"> <li>○ Pfizer BioNTech vaccine</li> </ul>	<ul style="list-style-type: none"> <li>○ Frontline health workers and the vulnerable section of the population would be first to be vaccinated.</li> </ul>
<b>Nigeria</b>	100k	<ul style="list-style-type: none"> <li>○ Pfizer-BioNTech</li> </ul>	<ul style="list-style-type: none"> <li>○ Vaccine will be distributed to key political leaders and health workers in order to raise awareness before it gets to the citizens.</li> </ul>



# ZIMBABWE

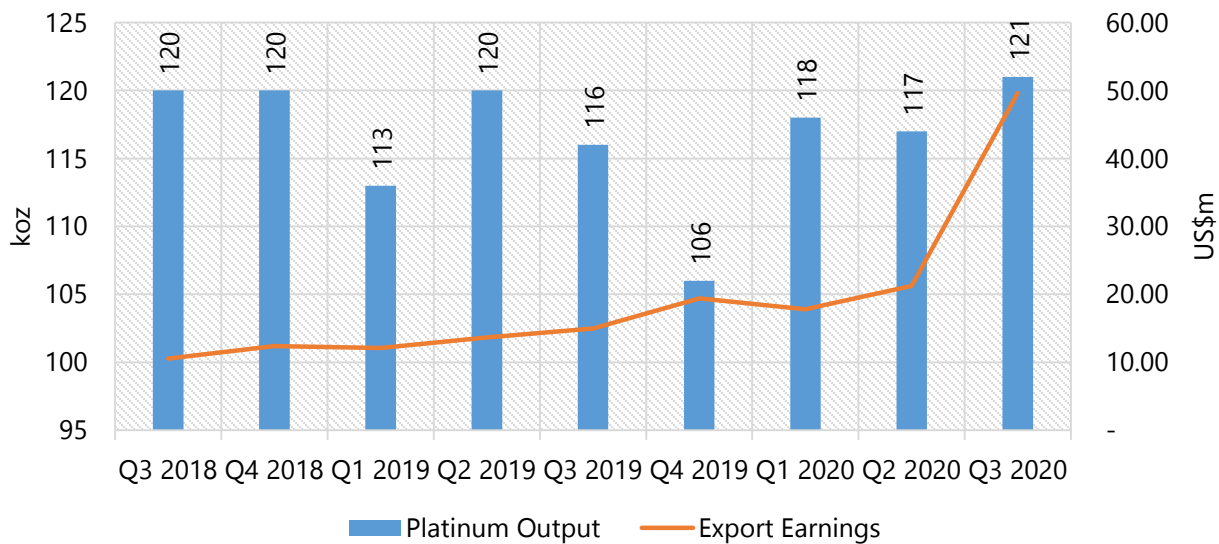
## MINING SECTOR DEVELOPMENTS-GOLD & PLATINUM SUB-SECTORS

### Graph 3: Monthly Gold Output & Export Earnings Trend



- According to Fidelity Printers and Refiners, "FPR", the country's gold output increased by 5.0% month-on-month to 1.55t in December 2020, from 1.48t recorded in November 2020 - **Graph 3.**
- However, on a year-on-year basis, gold output declined by 44.2% in December 2020, compared to December 2019. Output by the ASM sub-sector recorded significant drop, declining by 61.4% y/y, as unfavorable prices, especially during the first quarter of the year, delays in payment of gold deliveries and the impact of the coronavirus weighed down on gold deliveries.
- Cumulatively, gold production for the full-year to December 2020 stood at 19.0t, far short of the 25t target that was set for the year, and a decline of about 31% from the previous year's total of 26.7t.
- Meanwhile, according to ZimStat, total export earnings for the 11-months to 30 November 2020 stood at US\$877m, 9.6% below the comparable period of 2019. This followed a 11.5% drop in export earnings in November 2020 to US\$76.54m, compared to the October 2020 figure of US\$86.48m.

### Graph 4: Quarterly Platinum Output & Export Earnings Trend

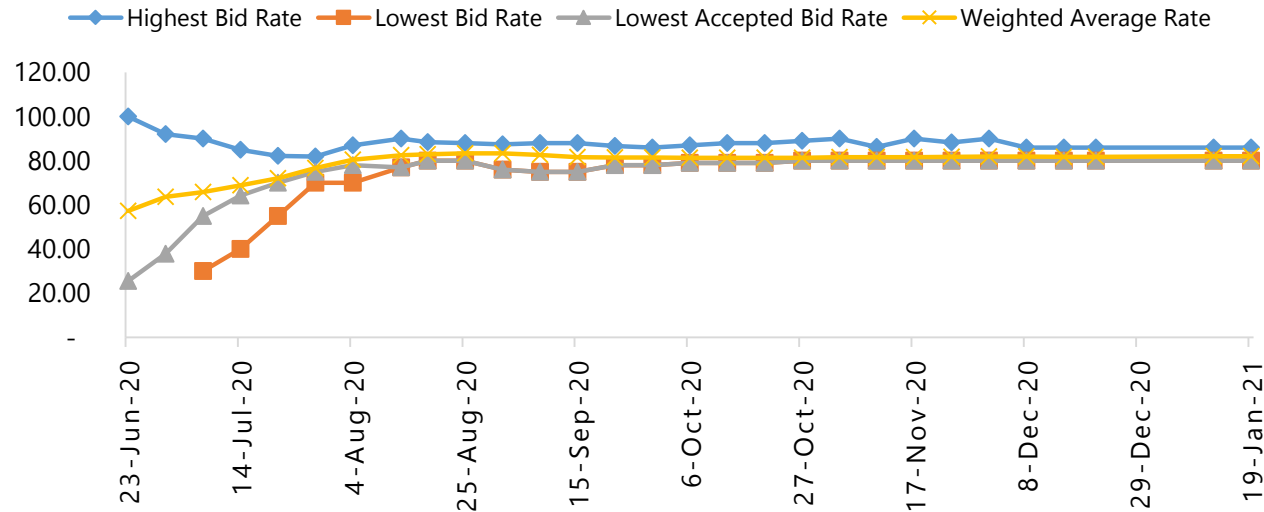


- According to the World Platinum Investment Council "WPIC", Zimbabwe's platinum output increased by 3.4% to 121koz (thousand ounces) in Q3 2020, from 117koz recorded in Q2 2020. Output also increased 4.3% year-on-year, from 116 recorded in Q3 2019. The growth was attributed to lifting of covid-19 restrictions during the quarter that allowed mining companies to ramp up production - **Graph 4.**
- Going forward, WIPC forecasts that Zimbabwe will see its 2020 FY production rise by 4% to 472koz from 455koz recorded in 2019. However, production is expected to fall by 2% in 2021.

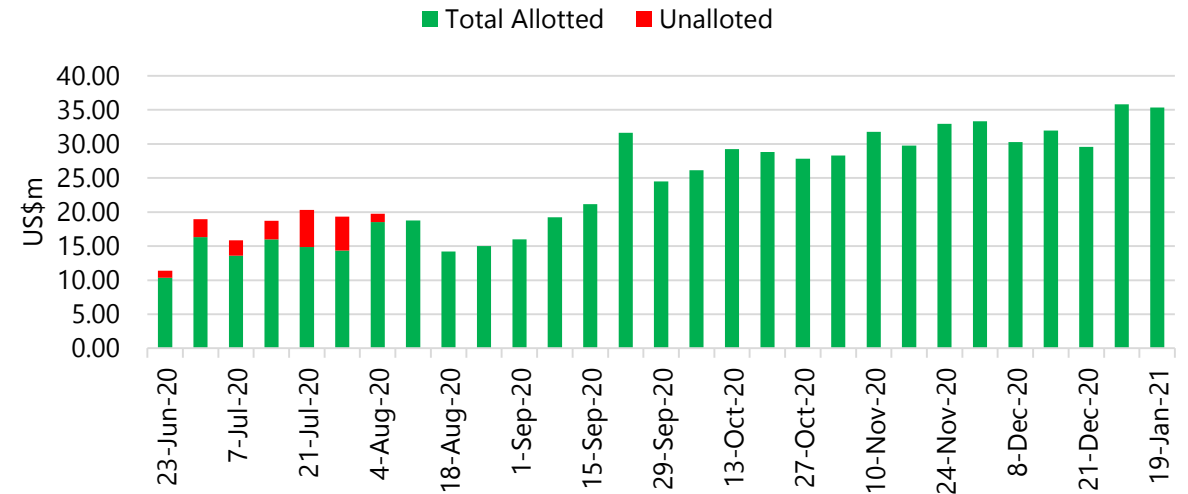
Source: ZimStat & WPIC



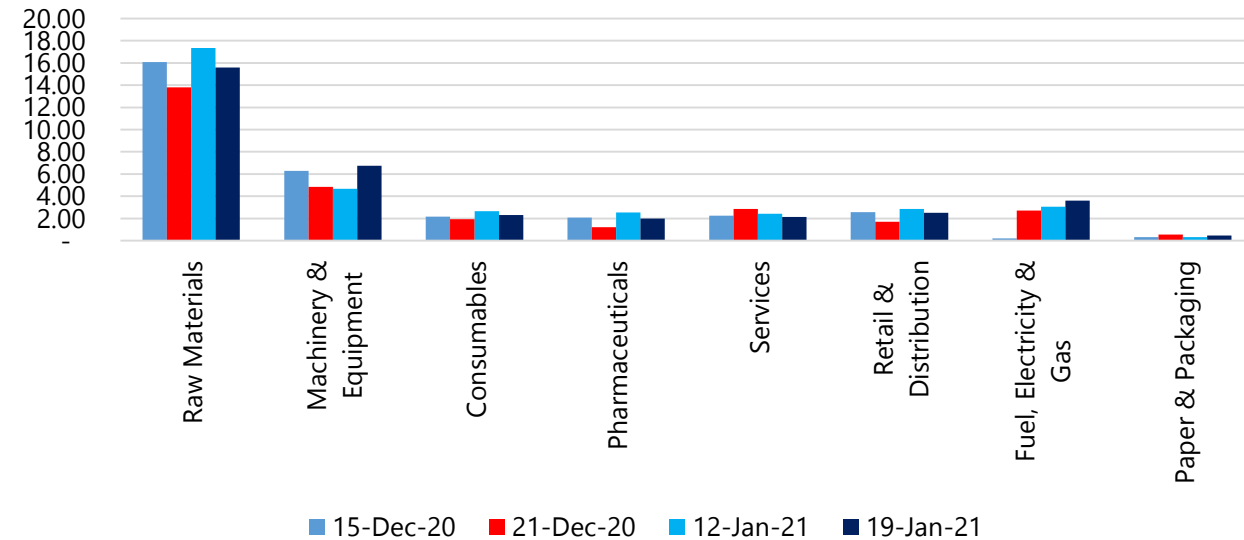
### Graph 5: FX Auction Market Bid Rates Trend



### Graph 6a: Foreign Currency Auction Allotments



### Graph 6b: FX Allotments Per Sector

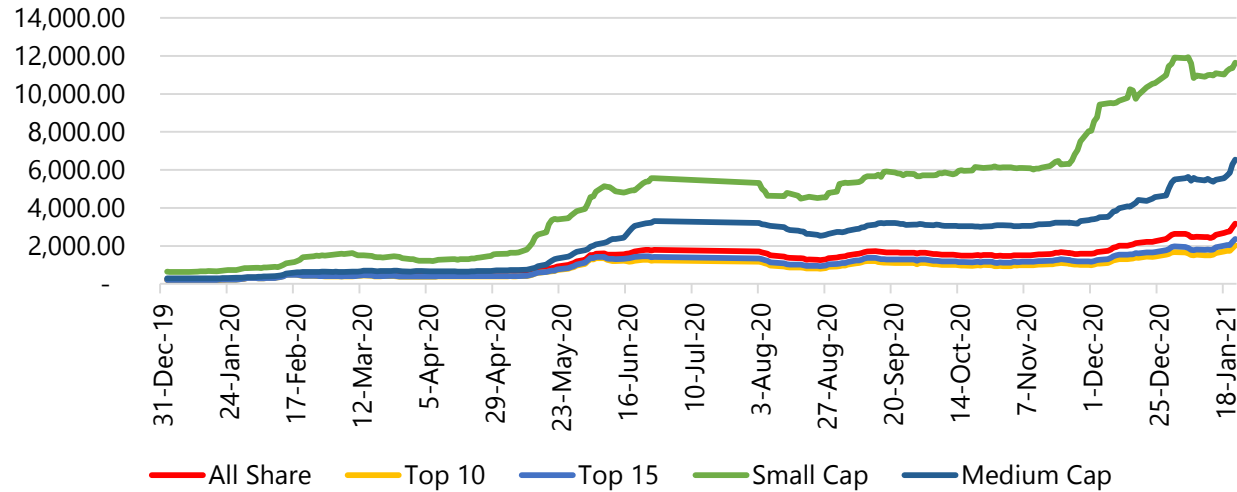


### Foreign Currency Market Developments

- The ZW\$ marginally gained by 0.01% to trade at ZW\$82.08/ USD, during the last auction held by the RBZ on Tuesday, 03 November, from ZW82.09/USD recorded during the previous week - **Graph 5**.
- The lowest and highest bids remained flat, for the last 5 weeks, at 80.0 and 86.0, on the main auction, respectively.
- Allotment for the week decreased by 1.4% to US\$35.3m, from US\$35.8m that was allotted during the previous week - **Graph 6a**. The largest weekly allotments were for raw materials (US\$15.6m), machinery & equipment (US\$6.7m), consumables (US\$2.7m), fuel, electricity & gas (US\$3.6m), retail and distribution (US\$2.5m) and consumables (US\$2.3m) - **Graph 6b**.



**Graph 7: ZSE Indices**



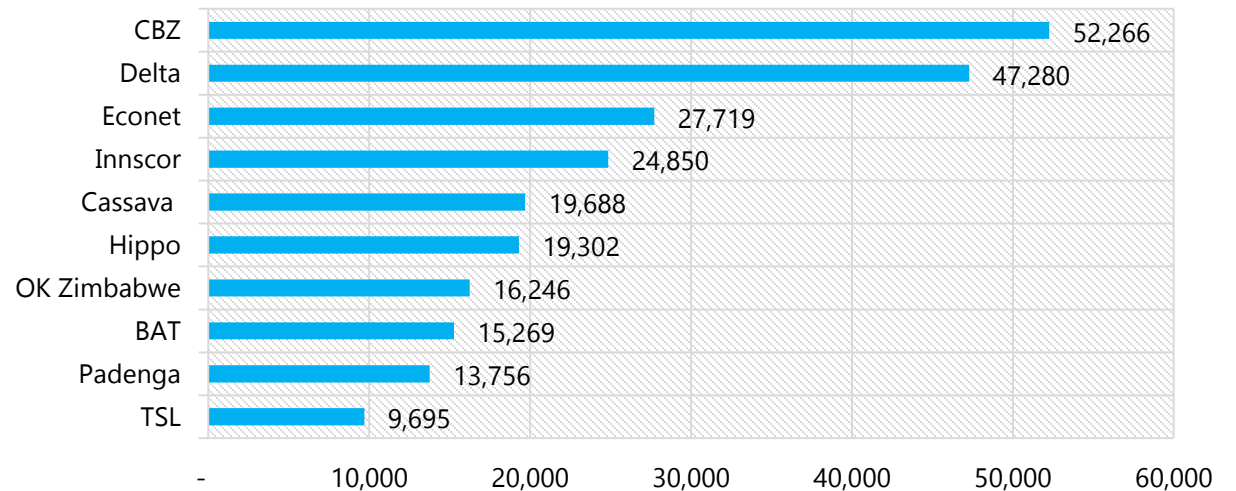
## Equities Market Developments

- On the ZSE, all indices recorded weekly gains, led by the Top 10 Index (+24.4%) and the Top 15 Index (23.3%). The benchmark All Share Index gained 22.6%, to close the week at 3,171.15 points, supported by selected heavyweights –**Graph 7**.
- TSL, led the market gainers, with a weekly gain of +93.2%, followed by Axia (+75.0%), Proplastics (+63.2%), OK Zimbabwe (+62.1%) and Delta (+49.4%). Market gains were offset by losses in Afdis (-9.1%), Nampak (-6.6% and RTG (-6.1%)-**Table 2**.
- CBZ remained the largest counter on the ZSE, with a market capitalization of ZW\$52.3b, followed by Delta (ZW\$47.3b), Econet (ZW\$27.7b), Innscor (ZW\$24.9b) and Cassava (ZW\$19.7b)- **Graph 8**.
- Meanwhile, Delta’s Q3 2020 trading report showed improved sales volume performances across the company’s product lines. In fact, larger, sorghum and sparkling beverages sales volume recorded quarterly growth of 48%, 29% and 66%, respectively. The growth was attributed to competitive pricing, consistent product supply and the relaxation of the lockdown measures during the quarter. The company also reported revenue growth of 77% during the same period, on account of improved sales volumes.

**Table 2: ZSE Movers and Shakers**

Movers	15-Jan-21	21-Jan-21	Weekly change (%)
TSL	1,405.09	2,715.00	93.2%
Axia	800.00	1,400.00	75.0%
Proplastics	864.00	1,410.00	63.2%
OK Zimbabwe	802.00	1,300.00	62.1%
<b>Delta Shakers</b>	<b>2,449.84</b>	<b>3,660.00</b>	<b>49.4%</b>
Afdis	2,200.00	2,000.00	-9.1%
Nampak	273.00	255.00	-6.6%
RTG	191.75	180.00	-6.1%
Cafca	8,500.00	8,000.00	-5.9%
RioZim	1,350.00	1,294.62	-4.1%

**Graph 8: Top 10 Counters By Market Capitalization-ZWLmIn**



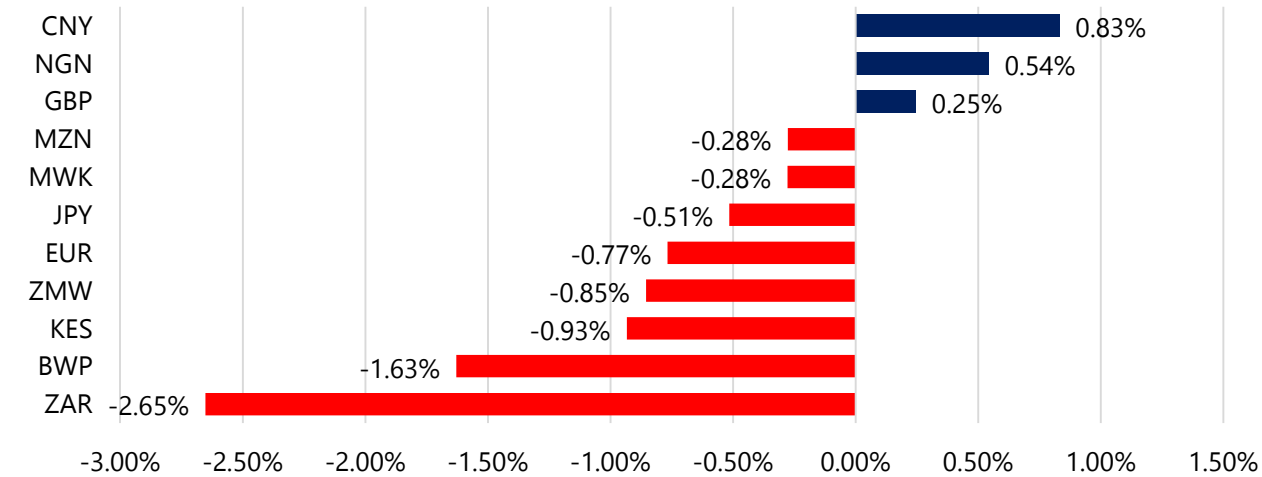


# REGIONAL & GLOBAL FINANCIAL MARKETS

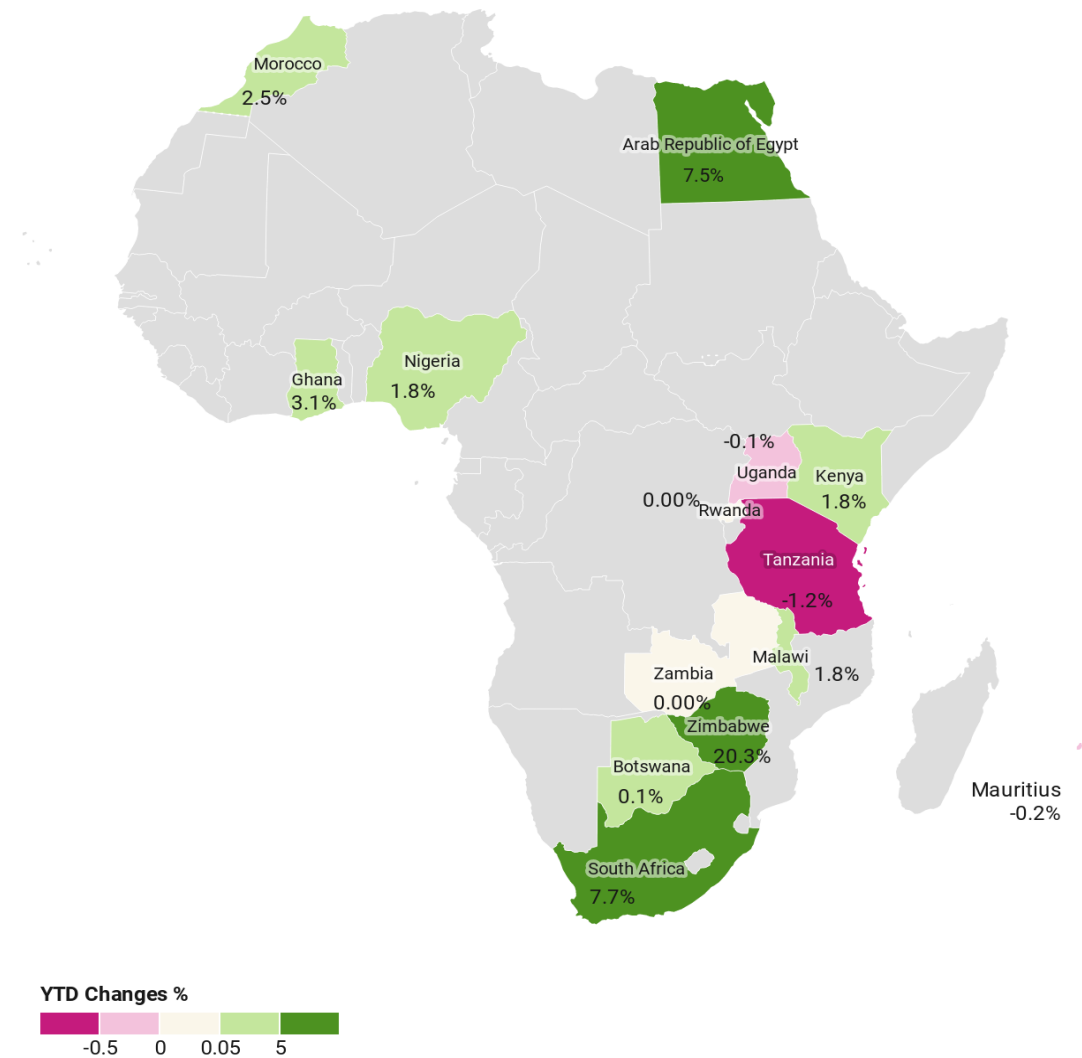
- On the global markets, mixed performances were recorded during the week, with major indexes in the U.S and China recording gains, while declines were recorded in Europe. Gains in U.S were supported by substantial new stimulus package under the new U.S administration, while the strong economic data and hopes of a warmer U.S.-China relations propelled Asian markets. In Europe, U.S economic stimulus doubts and renewed coronavirus concerns held back gains on major indices.
- The U.S DJIA and China's SCI recorded weekly gains of 5.2% and 1.1%, respectively, while the U.K's FTSE100 declined by 0.6%.
- In African, most equities markets under our watch recorded positive performances on a year-to-date basis, led by Zimbabwe, which extended its YTD gain by 20.3%, followed by South Africa (+7.7%) and Ghana (+3.1%). Tanzania and Uganda, however, recorded declines of 1.2% and 0.1%, respectively- **Chart 1.**
- On the currencies market, the U.S Dollar index dropped 0.6%, to end the week at 90.24, as investors remained cautious of the likely inflationary pressures that could emanate from Biden's Covid-19 rescue plan. On a YTD basis, the U.S dollar extended gains against most major currencies except the Chinese Yuan, Nigeria Naira and Pound Sterling-

## Graph 9.

**Graph 9: Major Currencies vs the USD-YTD Movements-25 January 2021**



**Chart 1: Selected African Equities Markets- YTD Performances**



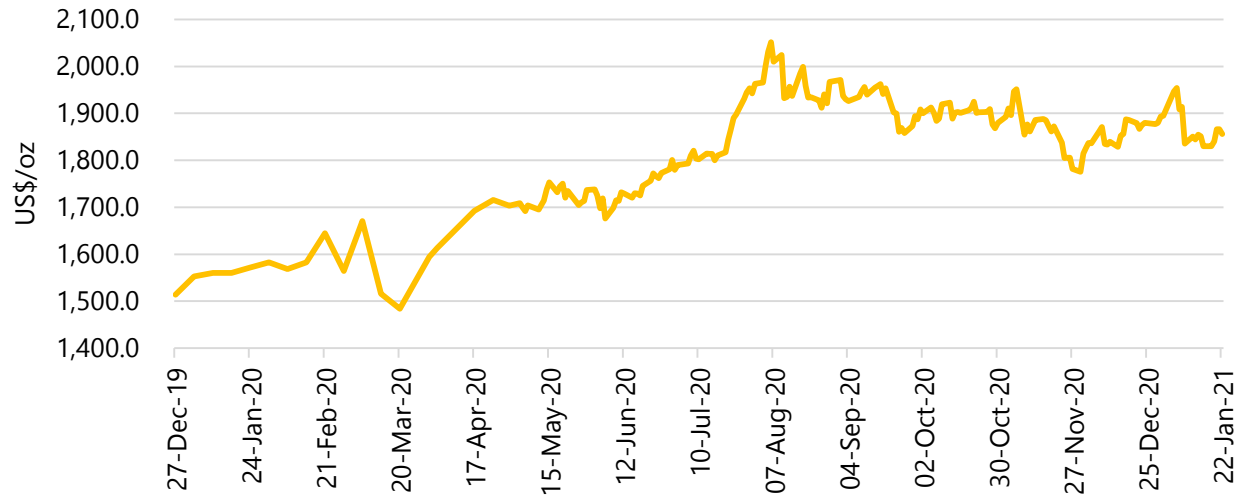


# GLOBAL COMMODITY PRICE MOVEMENTS

## MINERALS



### Gold prices - US\$/oz



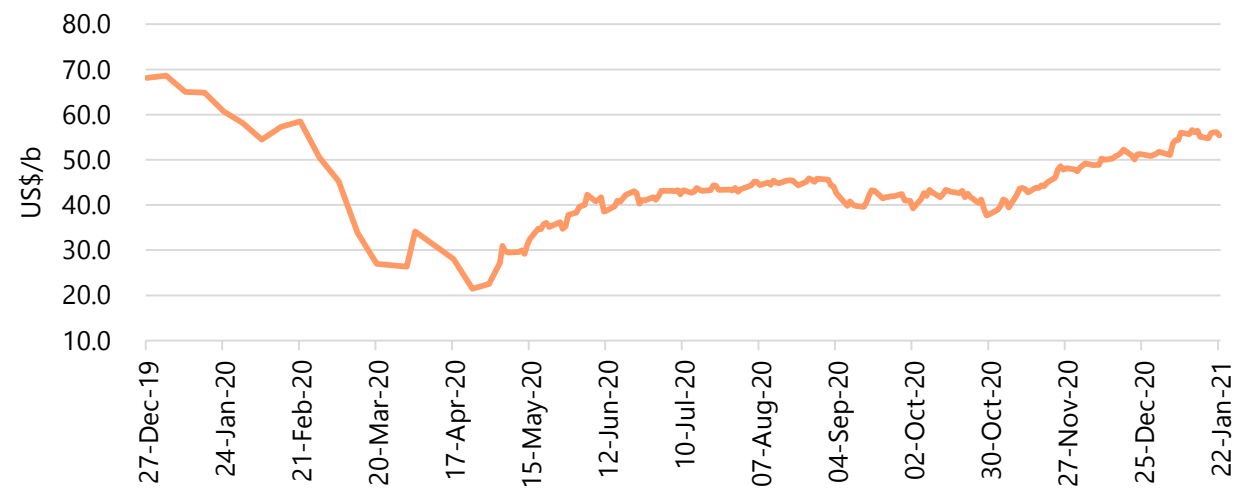
### Platinum price - US\$/oz



### Palladium-US\$/oz



### Oil prices - US\$/b



Source: Quandl



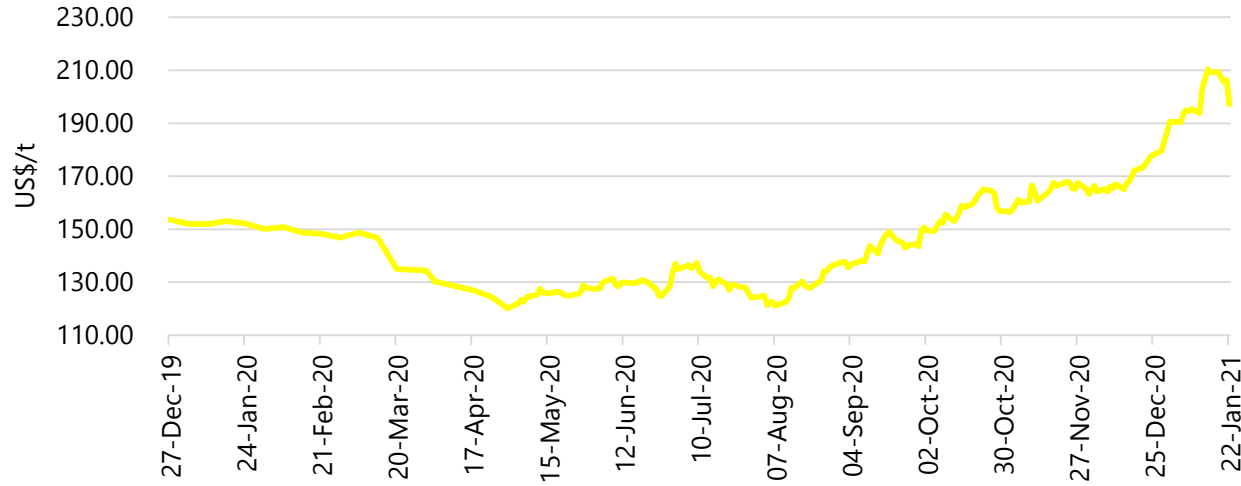


# GLOBAL COMMODITY PRICE MOVEMENTS

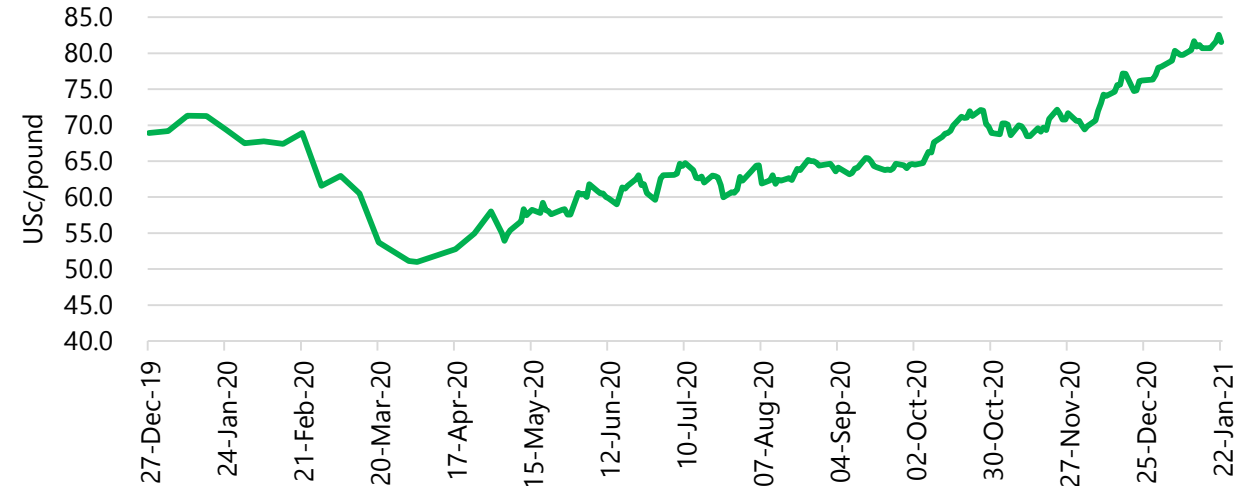
## AGRIC COMMODITIES



### Corn - US\$/t



### Cotton - USc/pound



### Wheat - US\$/t



### Sugar - USc/pound



Source: Quandl

Date	Event	Period	Forecast	Previous
<b>Local</b>				
26 January 2021	RBZ Foreign Exchange Auction Market	27 Feb – 02 Jan 2021		82.0833
27 January 2021	Consumer Price Index "CPI" M/M (y/y)	January 2021		4.2% (348.6%)
TBA	Monetary Policy Statement "MPS" Presentation	January/February 2021		
TBA	December 2020 Earnings Season	Jan-March 2021		
<b>Regional &amp; International</b>				
25 January 2021	Japan Monetary Policy Meeting Minutes	January 2021		
26 January 2021	Nigeria Interest Rate Decision	January 2021		11.5%
26 January 2021	U.K Unemployment Rate	November 2020	5.1%	4.9%
27 January 2021	U.S Crude Oil Inventories			-3.247m
27 January 2021	Kenya Interest Rate Decision	January 2021		7.0%
27 January 2021	U.S Federal Reserve "Fed" Interest Rate Decision	January 2021	0.25%	0.25%
27 January 2021	U.S GDP (q/q)	Q4 2020	4.0%	33.4%
28 January 2021	Angola Interest Rate Decision	January 2021		15.5%
29 January 2021	Malawi Interest Rate Decision	January 2021		12.0%

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