

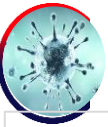


...Zimbabwe's Level IV
National Lockdown
extended by a further 14
days...

THE CBZ ECONOMIC BRIEF

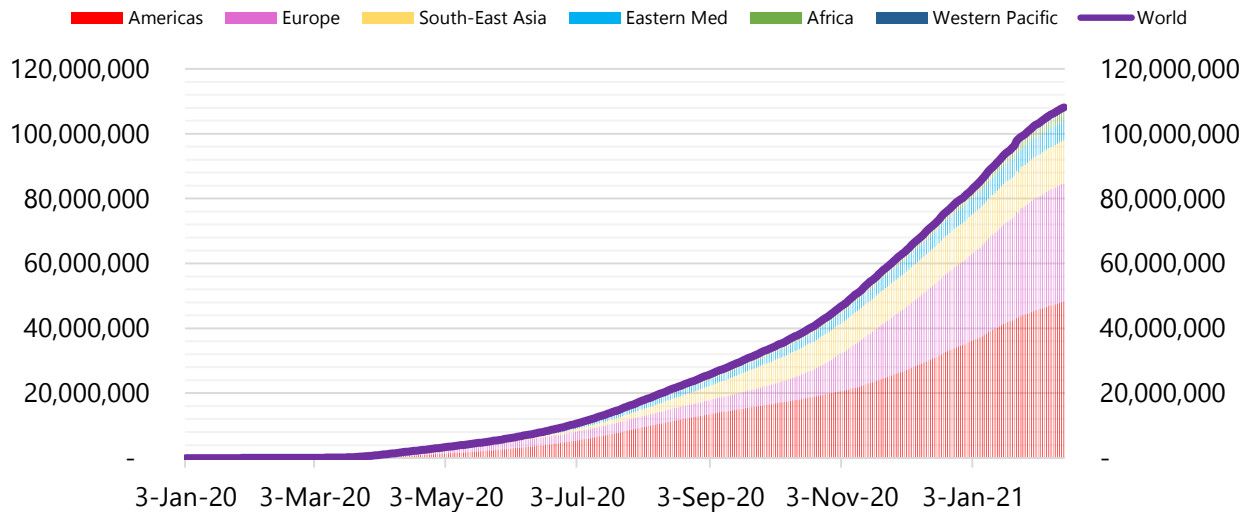
Week Ending 12 February 2021



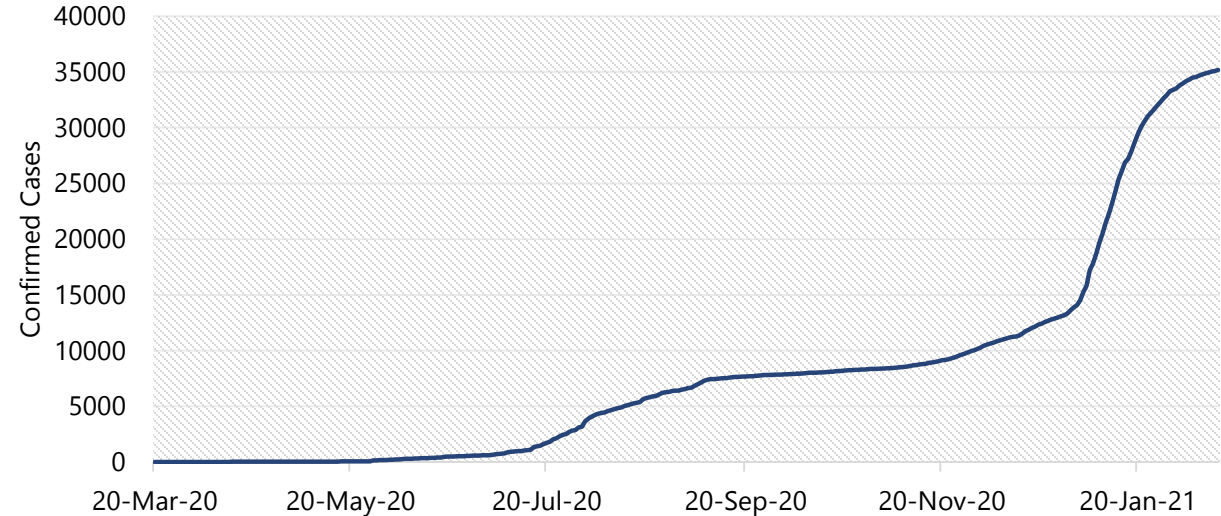


COVID-19 | Global Status as at 14 February 2021

Graph 1: Global Cumulative COVID-19 Cases as at 14 February 2021



Graph 2: Zimbabwe Cumulative COVID-19 Cases as at 14 February 2021



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

Notable Trends in Cases for the Week

- Cumulative global COVID-19 cases rose above 108m, after 2.6m new cases-the lowest weekly cases since October 2020- were recorded during the week to 14 February 2021- **Graph 1**. The largest weekly cases were recorded in the Americas (1.2m), Europe (967k) and Eastern Mediterranean (170k). Meanwhile, an additional 30m coronavirus vaccine doses were administered during the period under review, bringing the global cumulative administered doses to 160.7m. The U.S, China, U.K, India and Israel administered the largest cumulative vaccinations of 46.0m, 40.5m, 14.5m, 7.5m and 6.2m, respectively. Notable vaccinations in Africa were recorded in Mauritius (207k), Seychelles (48.1k), Algeria (30k) and Egypt (1.3k).
- Confirmed cumulative cases in Africa increased by 2.6% to 2.7m. South Africa remained the most infected country in the region, with a total of 1.4m confirmed cases. It was followed by Morocco (478k), Tunisia (223k) and Egypt (173k). Meanwhile, South Africa reopened their land borders, effective 15 February 2021, a month after the borders were closed due to large traveller volumes that caused bottlenecks and became COVID-19 "super spreaders". Going forward, all travellers presenting themselves at the country's borders will be required to provide negative COVID-19 certificates and those who present fake certificate will be banned to enter the country for the next 5 years.
- In Zimbabwe, confirmed cases increased to 35,172, after 620 new cases were recorded during the week, the lowest weekly cases in more than two months - **Graph 2**. Harare recorded the largest weekly cases of 215, followed by Bulawayo (103), Manicaland (76) and Masvingo (62). In line with slowdown in new cases, the national recovery rate increased to 87% as at Sunday, 14 February 2021, from 83% recorded during the end of the previous review period. Meanwhile, the country received 200k doses of Sinopharm vaccine from China, and a further 600k doses are expected in March 2021. The government also announced plans to secure other doses from Russia, India and the U.K
- Meanwhile, according to the Office of National Statistics, the U.K's economy grew by 1% in Q4 2020 down from a revised Q3 2020 growth of 16.1%, reflecting the impact of lockdown measures introduced during the quarter. The growth in the last quarter of the year was supported by increases in government expenditures and gross capital formation. However, on an annual basis, U.K's GDP contracted by 9.9% in 2020, the largest contraction since 1709, dragged by the coronavirus pandemic that slow down economic and social activities.



ZIMBABWE | COVID-19 ROLLOUT PLAN-Front line workers and vulnerable groups prioritised...



Table 1: Vaccination Target Groups

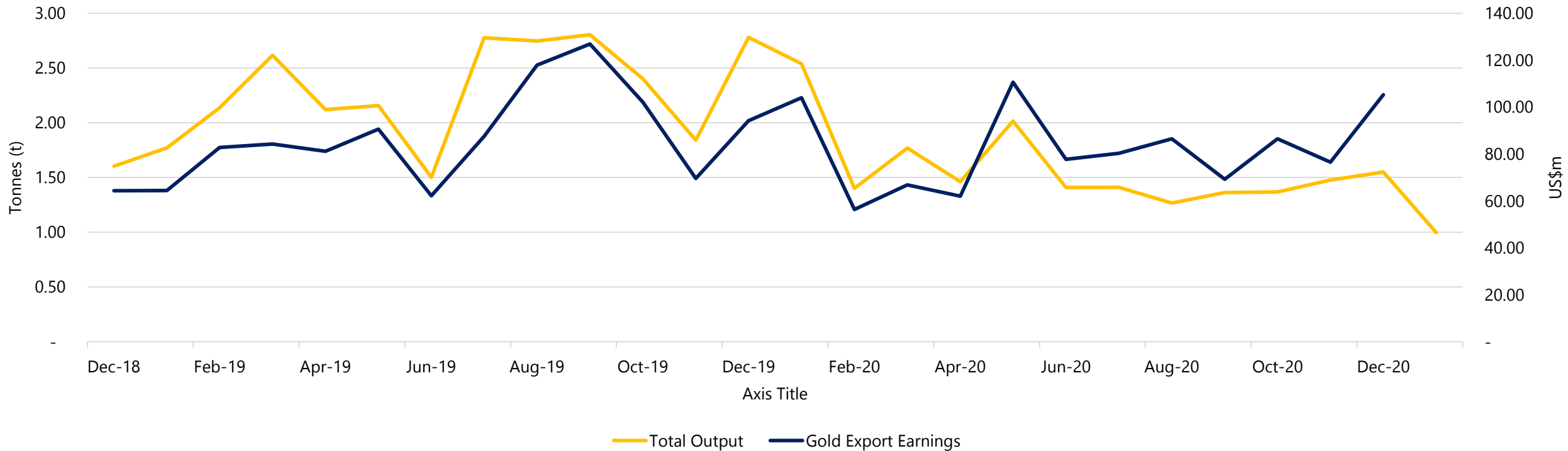
Phases	Target Groups	Population Targeted to receive Vaccination
Phase 1:		
Stage I (Front Line Workers)	a) Public health workers	3, 662 279
	b) Private Health workers	
	c) Zimbabwe Republic Police "ZRP"	
	d) Zimbabwe Defence Forces "ZDF"	
	e) Zimbabwe Prison Service "ZPS"	
	f) Immigration	
	g) ZIMRA	
Stage II (Vulnerable Groups)	a) Elderly population > 60 years	3, 050 855
	b) Chronic Illness	
	c) ZPS Correctional Centres	
	d) Refugee Camps	
Phase 2	a) School Teachers	3, 050 855
	b) Lecturers	
	c) College/School staff	
Phase 3	a) Low risk population	3, 050 855
Total Population for Vaccinations		9, 763 989
Total Population (Est)		16, 558 987
Target Herd Immunity		60%

- The Ministry of Health and Child Care "MoHCC" announced the country's framework for deployment, implementation and monitoring of COVID-19 vaccine under the auspices of the National Roll out and Deployment Vaccination Plan "NDVP".
- According to the framework, vaccinations will be conducted in three phases starting with high risk target populations. Phase one is divided into two stages, with stage one comprising of front line workers-health workers, security services and staff at the country's ports of entries- while stage two consists of other vulnerable groups including the elderly and those with chronic illnesses. Stages two and three include people who are classified as medium and low risk depending with the epidemiological picture of the disease, respectively – **Table 1**.
- The country targets to administer, on a voluntary bases, free COVID-19 vaccinations on about 9.8m people out an estimated national population of about 16.6m in order to achieve herd immunity of 60%.
- In terms of training for health workers, the ministry advised that it has arranged trainings (on-line and in-person) for trainers at provincial and district level, who are in turn supposed to train health workers at service delivery points. The training will center on vaccine storage, communication, surveillance, vaccinations, waste management and monitoring and evaluation.
- Meanwhile, the government announced an extension to the country's level four (4) national lockdown by a further two weeks. The following additional measures were announced:
 - Business hours extended from 0800hrs to 1700hrs,
 - Curfew relaxed to 2000hrs to 0530hrs,
 - Essentials services to remain open,
 - Government workers manning offices increased from 10% to 25%,
 - Intercity and interprovisional travel to remain suspended,
 - Schools to remain closed for the duration of the lockdown,
 - Markets to remain open while those in the informal sector may only open once they have satisfied WHO guidelines, and
 - Funeral gatherings restricted to 30 people and social gatherings remain banned.



- According to Fidelity Printers and Refiners, "FPR", the country's gold production declined by 35.6% month-on-month to 1.0t in January 2021, from 1.6t recorded in December 2020 - **Graph 3**. The decline in gold deliveries was attributed to increased rains that caused mines to collapse and small-scale miners to scale back production. On a year-year basis, gold output dropped by 60.7% in January 2021, compared to the same period last year.
- Output by small-scale miners declined by 52% month-on-month "m/m" and 80% year-on-year "y/y" to 0.36t in January 2021, while production by primary producers declined by 21% and 12% during the same period, respectively.
- Meanwhile, the yellow metal recorded a 37.6% m/m and 11.8% y/y growth in export earnings to US\$105.3 in December 2020, driven by improved gold production coupled with favorable gold prices on the international market. However, on a cumulative basis, gold exports declined by 7.7% to US\$982m in 2020, compared to US\$1,064m recorded in 2019.

Graph 3: Gold Production and Export Earnings Trends

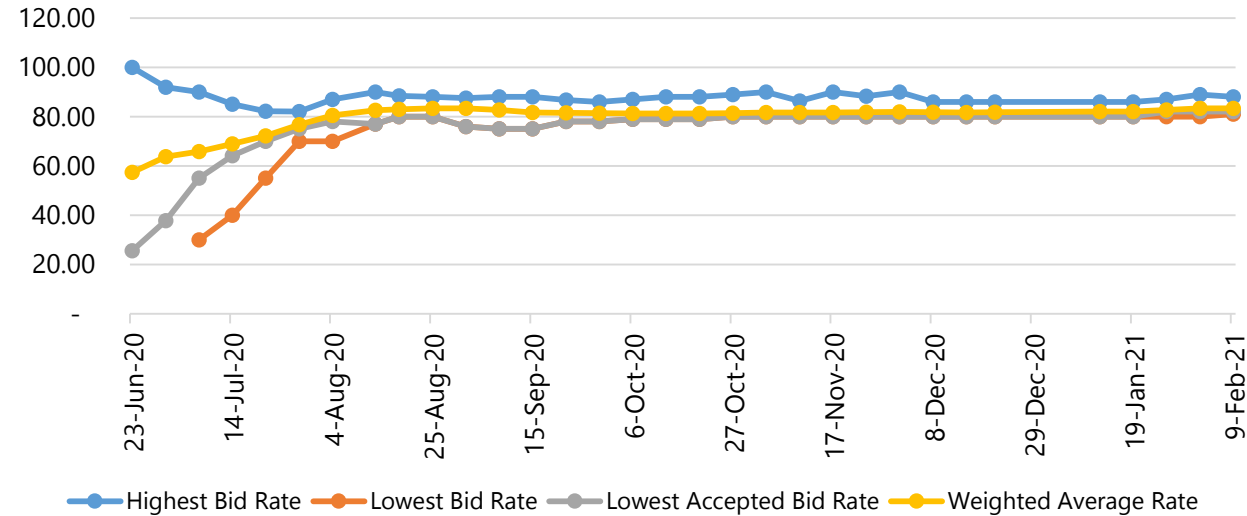




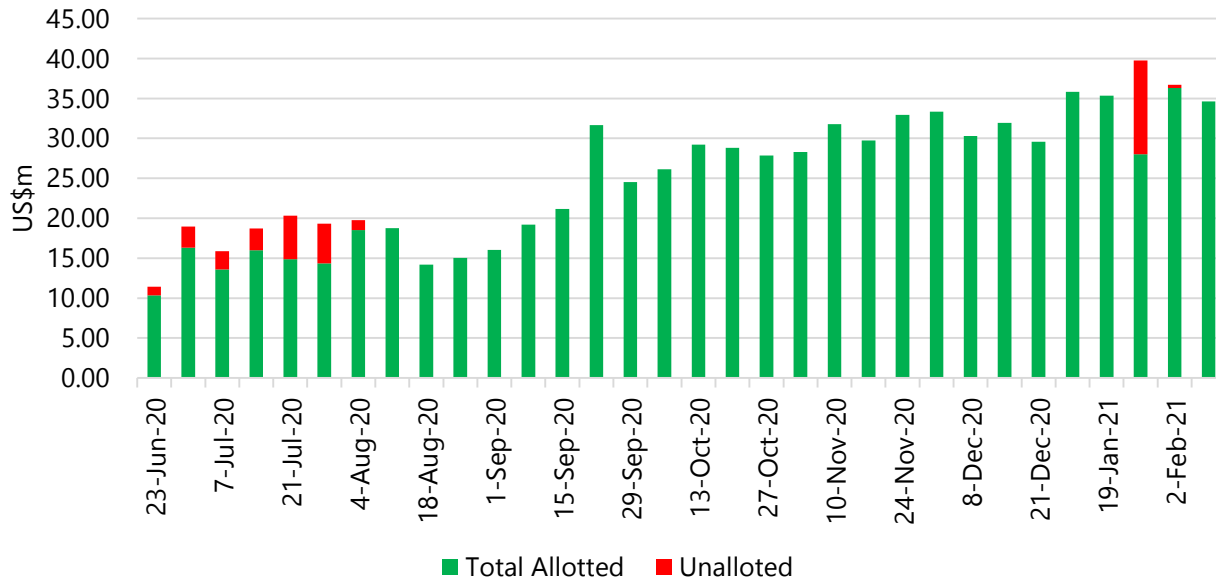
Foreign Currency Market Developments

- The ZW\$ traded flat as it remained at ZW\$83.37/ USD, during the last auction held by the RBZ on Tuesday, 09 February 2021-**Graph 4**.
- The highest bid rate declined from 89.0 to 87.0, while the lowest accepted bid rate remained steady at 82.0 on the main auction, respectively.
- The total number of allotted bids increased from 464 to 497. However, the total allotment for the week decreased by 4.7% to US\$34.6m, from US\$36.3m that was allotted during the previous week – **Graph 5a**. The largest weekly allotments were for raw materials (US\$14.8m), machinery & equipment (US\$5.2m), retail and distribution (US\$3.6m), fuel, electricity & gas (US\$3.0m) services (US\$2.9m) and consumables (US\$2.5m) - **Graph 5b**.

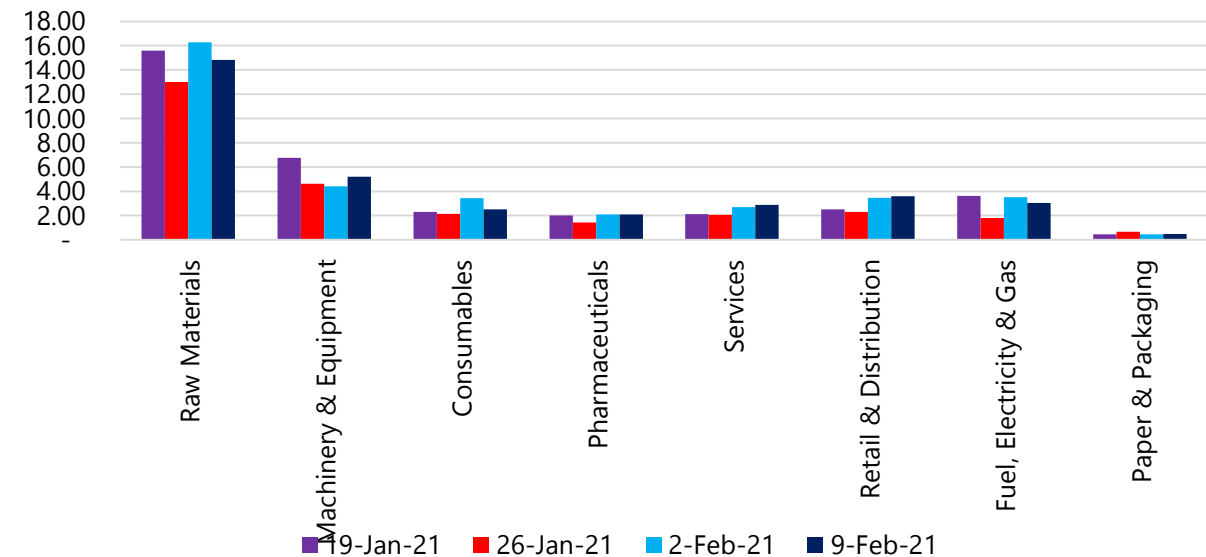
Graph 4: FX Auction Market Bid Rates Trend



Graph 5a: Foreign Currency Auction Allotments



Graph 5b: FX Allotments Per Sector

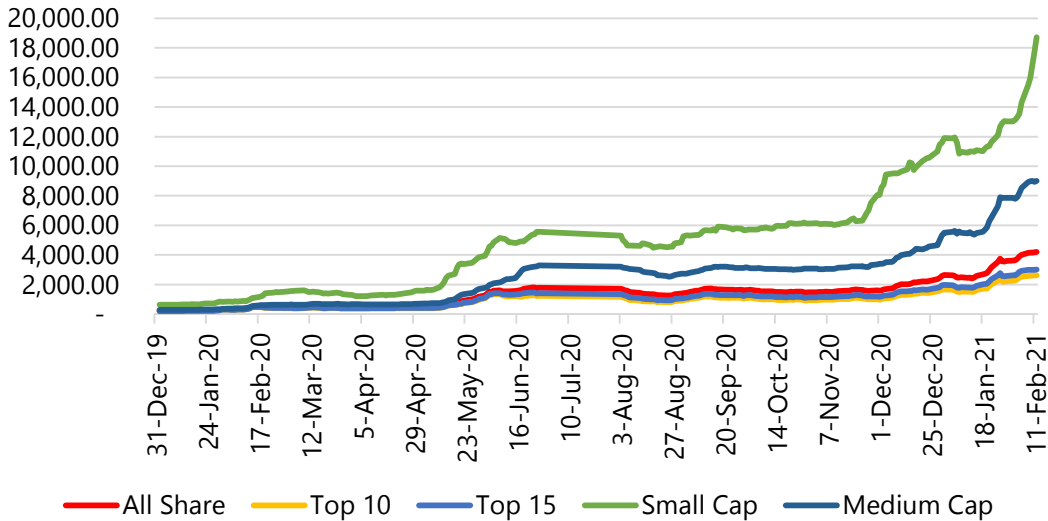




ZIMBABWE FINANCIAL MARKETS-EQUITIES MARKETS



Graph 6: ZSE Indices

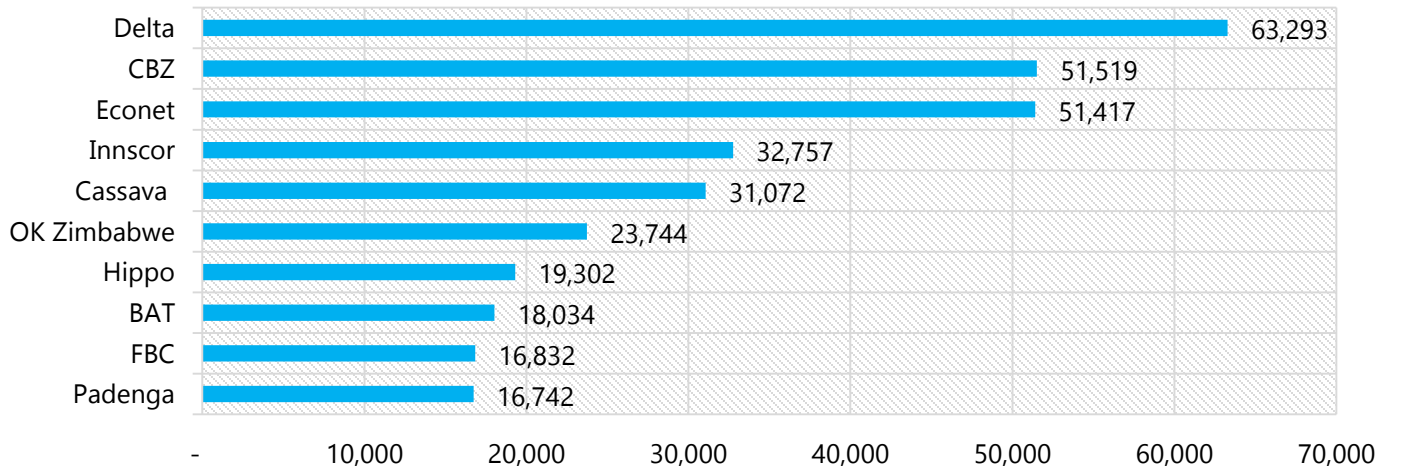


- On the ZSE, all indices recorded a 4th consecutive week of gains, led by the Small Cap Index (+30.7%) and the Medium Cap Index (+5.5%). The benchmark All Share Index gained 4.6%, to close the week at 4,198.26 points, supported by gains in selected heavyweights –**Graph 6**.
- Logistics group, Unifreight, recorded the largest weekly gain of +133.3%- for the 3rd successive weeks- followed by food processing and packaging concern Natfoods (+80.2%), clothing retailer Edgars (+78.2%), packaging company Nampak (+46.0%) and sugar refiners Starafica (+45.1%)- after reporting a relatively strong recovery during the quarter ended 31 December 2020. Market gains were offset by losses in Proplastics (-28.7%), ZHL (-19.0%) and SeedCo (-17.9%)-**Table 2**.
- Delta remained the largest counter on the ZSE after extending its market capitalisation to ZWL\$63.3b. It was followed by CBZ (ZWL\$51.5b), Econet (ZWL\$51.4b), Innscor (ZWL\$32.8b) and Cassava (ZWL\$31.1b) and **Graph 7**.
- Meanwhile, Starafica reported an improved business performance from its two divisions for the quarter ended 31 December 2020. Goldstar Sugars production and sales volumes for the quarter improved by 65% and 102% respectively from the previous quarter, while Country Choice Foods division recorded a 24% increase in sales for the nine months to December 2020. The growth was driven by increased production following the relaxation of COVID-19 containment measures during the quarter.

Table 2: ZSE Movers and Shakers

Movers	05-Feb-21	12-Feb-21	Weekly change (%)
Unifreight	114.25	266.5	133.3%
Natfoods	7,210.00	12995	80.2%
Edgars	138.00	245.93	78.2%
Nampak	410.88	600	46.0%
Star Africa	34.45	50	45.1%
Shakers	05-Feb-21	12-Feb-21	Weekly change (%)
Proplastics	2,385.00	1,700.00	-28.7%
ZHL	264.21	213.96	-19.0%
SeedCo	3,531.65	2,899.69	-17.9%
GB Holdings	24.96	20.53	-17.7%
Padenga	3,346.46	3,091.18	-7.6%

Graph 7: ZSE Top 10 Counters By Market Capitalisation-ZWL\$m





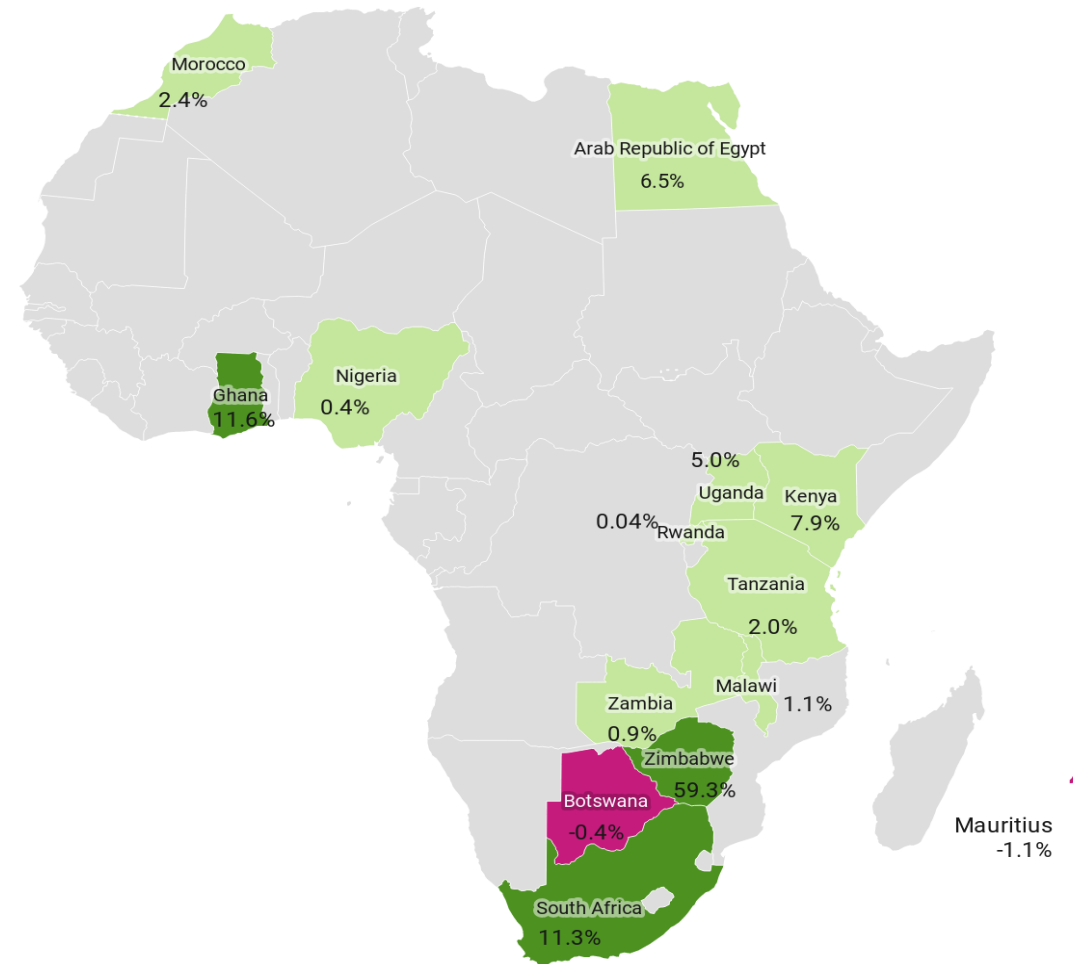
REGIONAL & GLOBAL FINANCIAL MARKETS

- On the global markets, all major benchmarks across the U.S, Europe and Asia recorded a second week of gains, supported by the accelerating coronavirus vaccine rollout and declining case trends. However, concerns about extended valuations appeared to prompt some profit taking in Europe.
- China's Shanghai Composite Index led the weekly gainers with 4.5%, followed by Japanese N225 Stock Average (+2.6%), U.K's FTSE100 (+1.6%) and the U.S DJIA (+1.0%),
- In African, with the exception of Mauritius, Botswana, most equities markets under our watch recorded positive YTD performances. Zimbabwe remained the best performer after its ZSE extended YTD gains to 59.3%. Other notable gainers include South Africa (+11.3%), Ghana (+11.6%) and Kenya (+7.9%) -

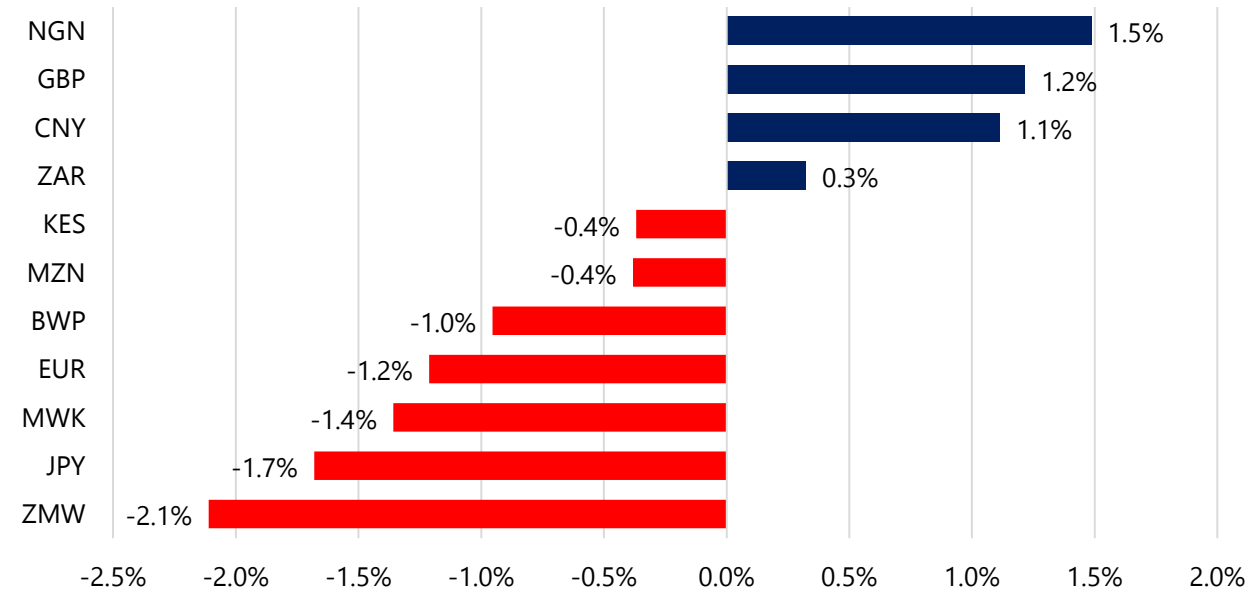
Chart 1.

- On the currencies market, the U.S dollar index lost 0.6% for the week to 91.48. On a YTD basis, the U.S dollar extended gains against most major currencies except the Nigeria Naira, Pound Sterling, Chinese Yuan and South African Rand- **Graph 8.**

Chart 1: Selected African Equities Markets- YTD Performances



Graph 8: Major Currencies vs the USD-YTD Movements-12 February 2021

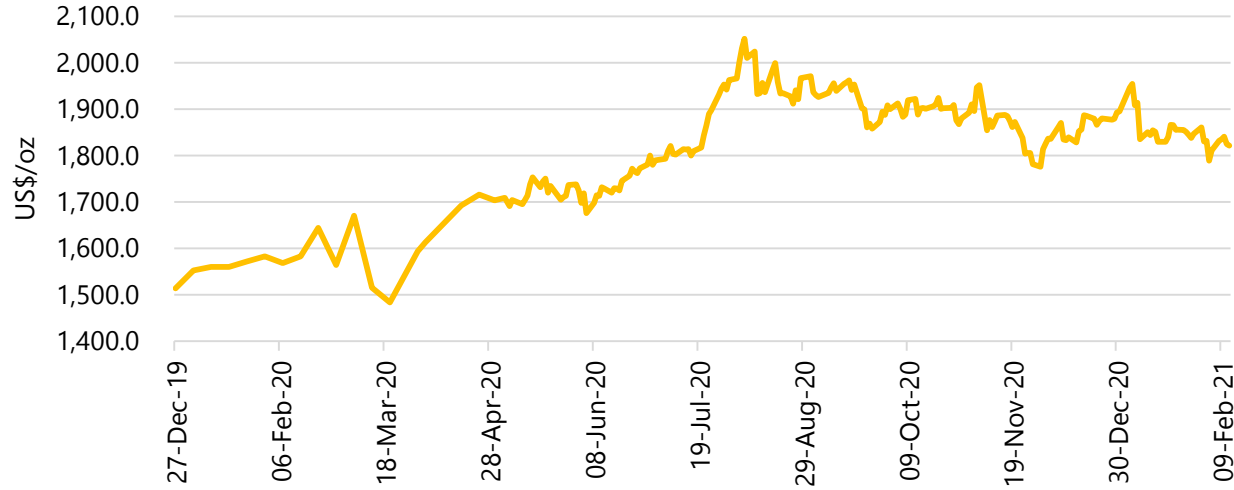




GLOBAL COMMODITY PRICE MOVEMENTS

MINERALS

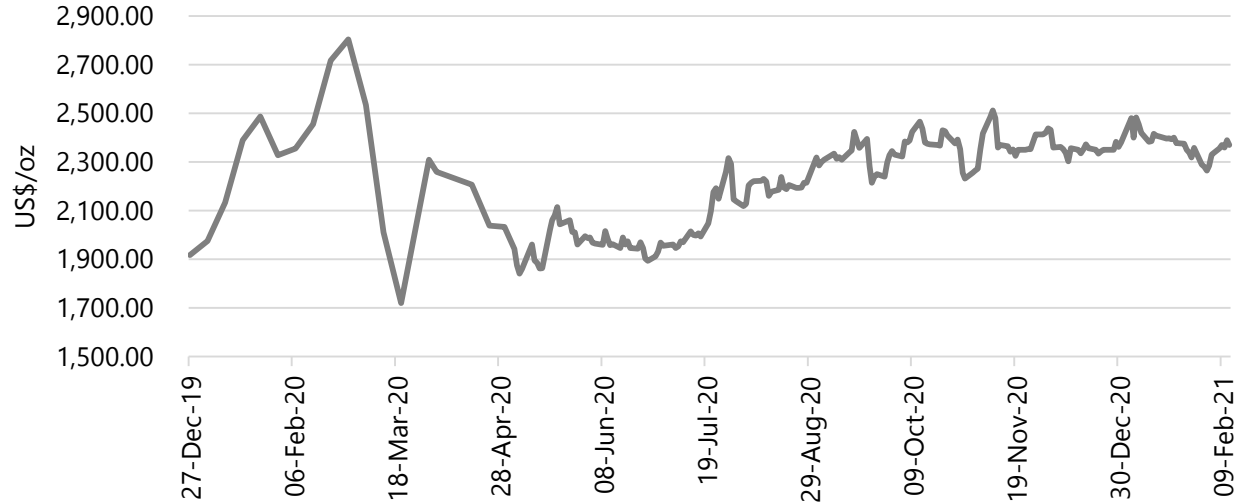
Gold prices - US\$/oz



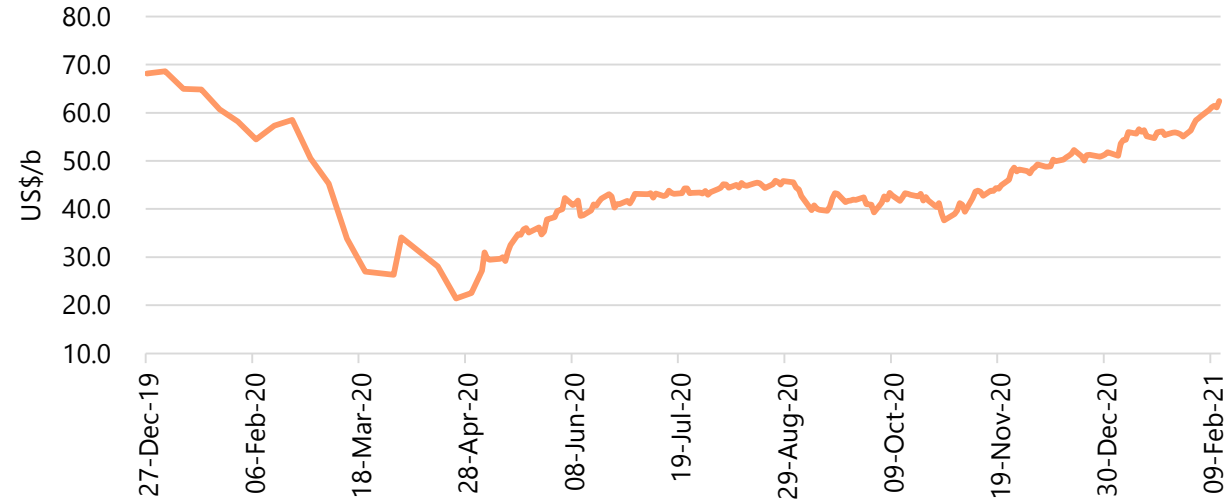
Platinum price - US\$/oz



Palladium-US\$/oz



Oil prices - US\$/b



Source: Quandl

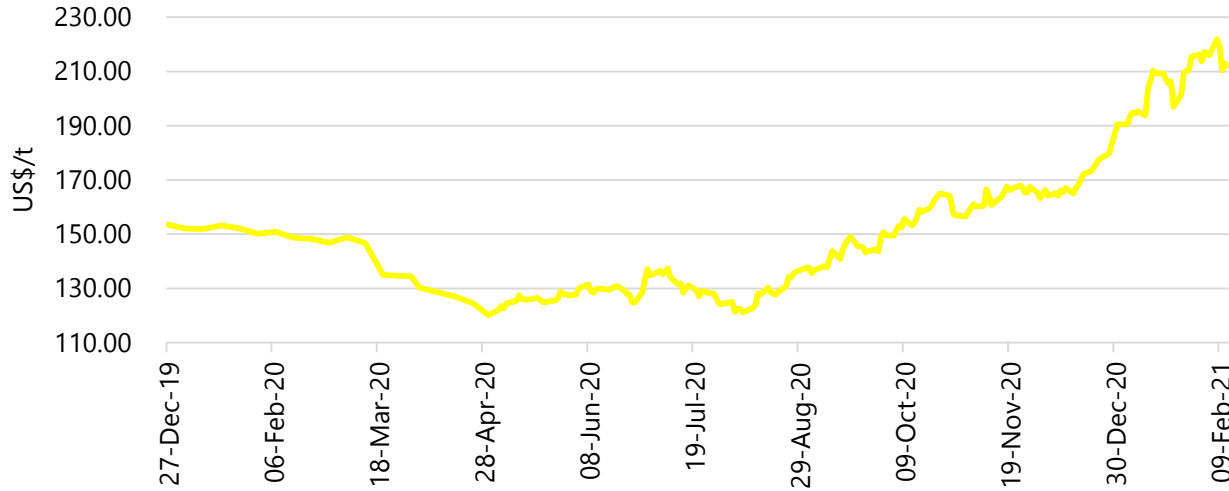


GLOBAL COMMODITY PRICE MOVEMENTS

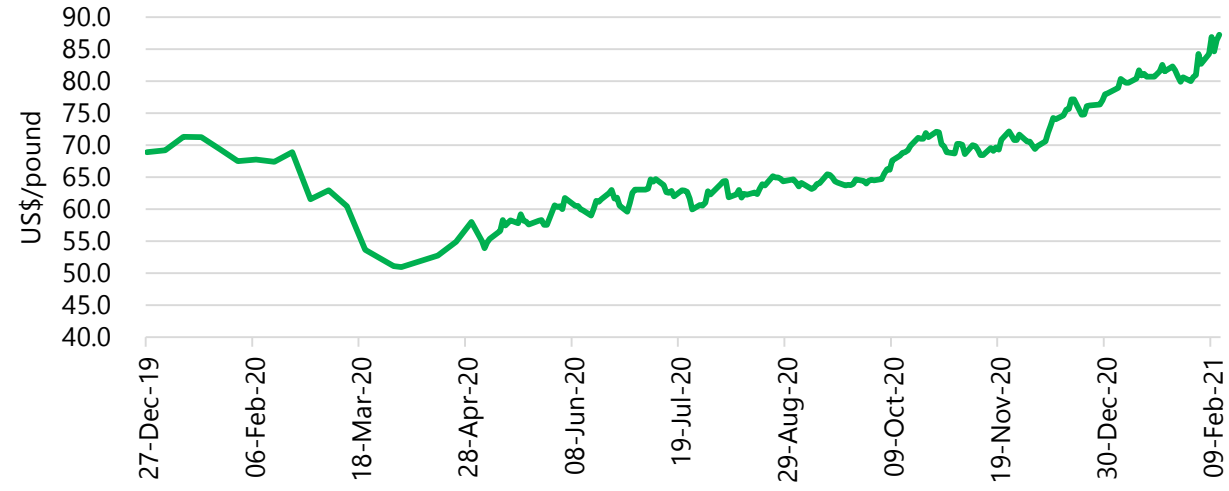
AGRIC COMMODITIES



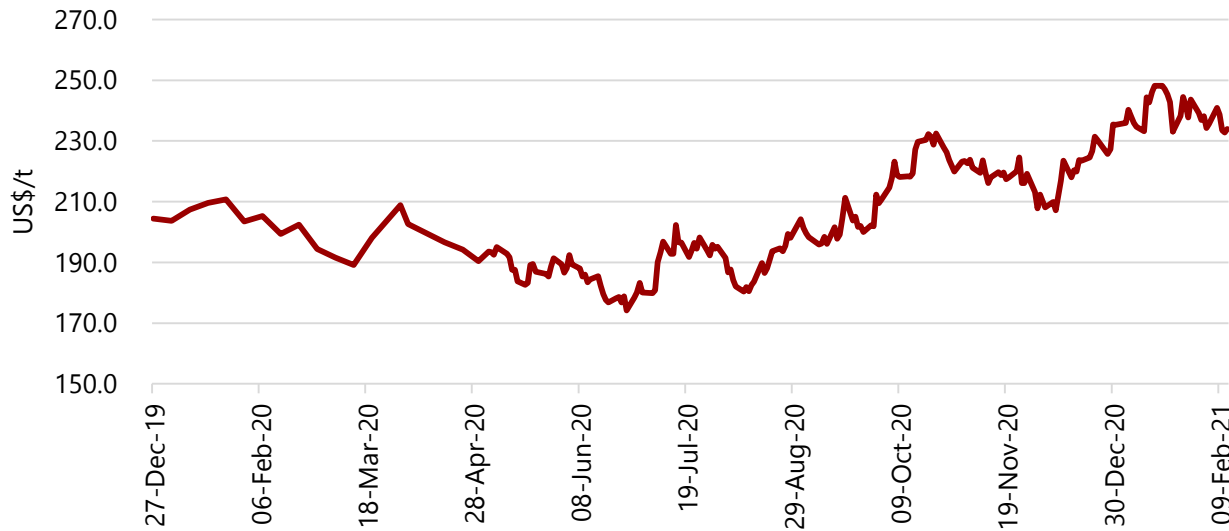
Corn - US\$/t



Cotton - USc/pound



Wheat - US\$/t



Sugar - USc/pound



Source: Quandl

Date	Event	Period	Forecast	Previous
Local				
16 February 2021	RBZ Foreign Exchange Auction Market	17-23 February 2021		83.3720
TBA	Monetary Policy Statement "MPS" Presentation	2021		
Jan- Mar 2021	December 2020 Earnings Season			
Regional & International				
14 February 2021	Japan GDP QoQ (y/y)	Q4 2020	2.3% (9.5%)	5.3% (22.9%)
15 February 2021	Euro Zone Trade Balance	December 2020	€25.3b	€25.8b
16 February 2021	Euro Zone GDP QoQ (y/y)	Q4 2020	-0.7% (-5.1%)	-0.7% (-5.1%)
16 February 2021	Zambia Interest Rate Decision	February 2021		8.00%
17 February 2021	U.K CPI M/M (y/y)	January 2021	-0.4% (0.5%)	0.3% (0.6%)
17 February 2021	European Central Bank "ECB" Monetary Policy Statement			
17 February 2021	Rwanda Interest Rate Decision	February 2021		4.50%
17 February 2021	South Africa CPI M/M (y/y)	January 2021	0.2% (3.1%)	0.2% (3.1%)
17 February 2021	U.S Federal Open Market Committee "FOMC" Meeting Minutes			
18 February 2021	Euro Zone CPI M/M (y/y)	January 2021	0.2% (0.9%)	0.3% (0.9%)
19 February 2021	U.S Manufacturing PMI	February 2021	58.5	59.2
20 February 2021	People's Bank of China 'PBoC' Interest Rate Decision	February 2021		3.85%

Contact Details

3rd Floor, Sapphire House,

Cnr Speke/Angwa St,

P O Box 3313,

Tel: +263 4 759 110-6

Website: www.cbz.co.zw

Email: economics@cbz.co.zw

Analysts

Andrew Chirewo

Group Economist

achirewo@cbz.co.zw

Johane Virima

Analyst

jvirima@cbz.co.zw

Andrew T Mafukidze

Analyst

amafukidze@cbz.co.zw

Kundai Patson

Analyst

kpatson@cbz.co.zw

Disclaimer

CBZ Holdings Limited has prepared this report on behalf of itself and its clients for informative purposes only. Whilst the facts and opinions expressed in this report are based on sources that are believed to be reliable, and every care has been taken in preparing the report, no warranty (implicit or explicit) is made by CBZ Holdings Limited, its employees, directors, associates and affiliates regarding the accuracy, reliability, currency or completeness of the information in this report nor its usefulness for any purpose. CBZ Holdings Limited, its employees, directors, associates and affiliates accept no responsibility or liability, whatsoever, for any loss, damage, cost or expense, howsoever, incurred or arising by reason of any person using or relying on information or opinions expressed in this report. The opinions and estimates expressed in this report are based on the information available as at the date of publication and such opinions and estimates are given in good faith, but without legal responsibility, and may be changed after publication at any time without notice. The information contained in this report does not constitute legal advice or personal recommendation and each recipient may undertake his or her own independent investigation of the issues discussed in this report.