



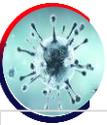
...Cost of living increased  
by 4% in February 2021...

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## THE CBZ ECONOMIC BRIEF

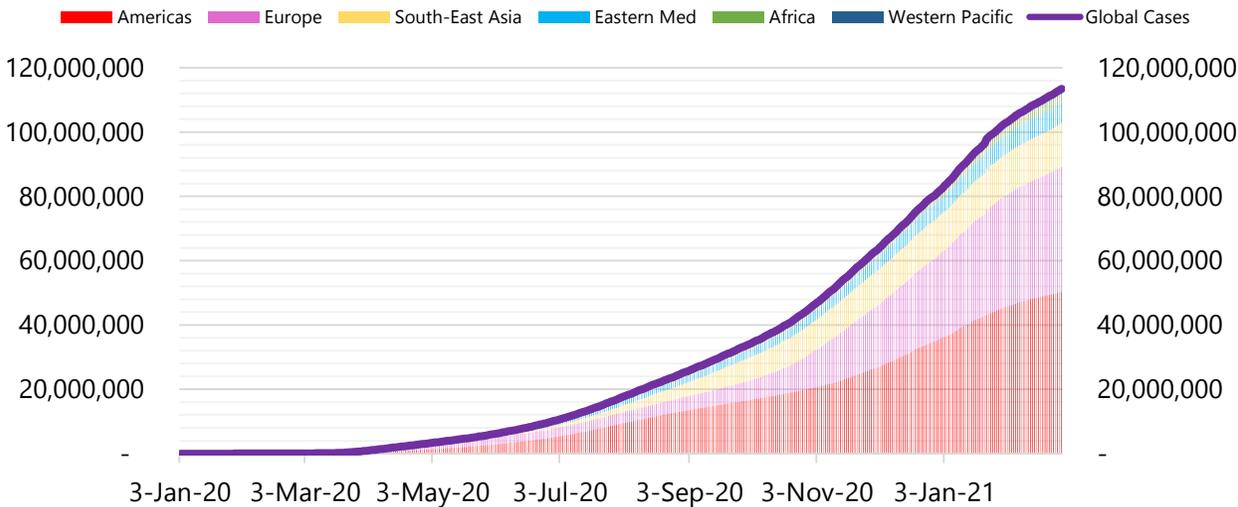
**Week Ending 26 February 2021**

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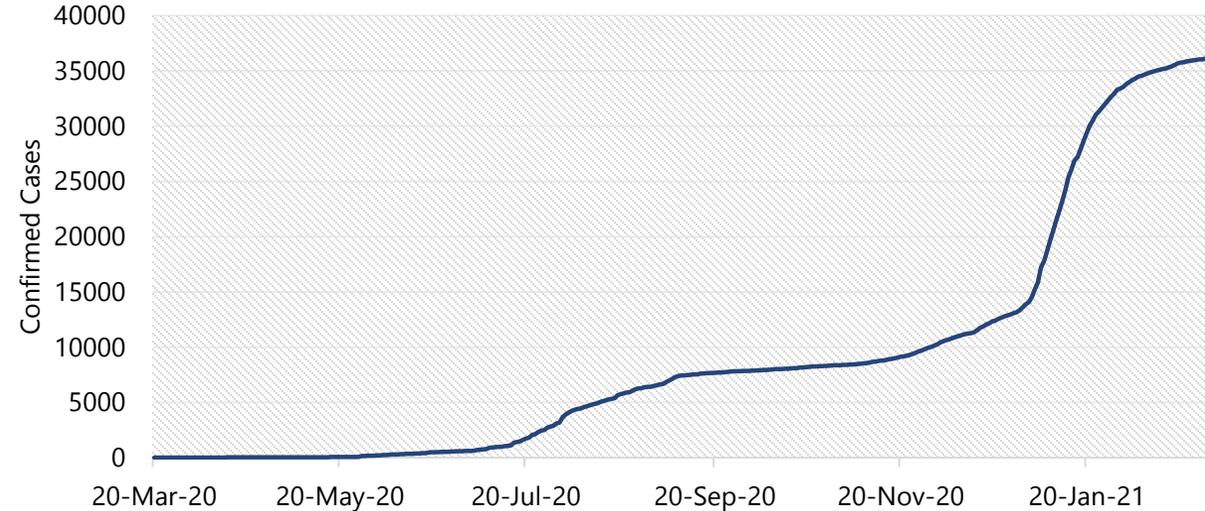


# COVID-19 | Global Status as at 28 February 2021

### Graph 1: Global Cumulative COVID-19 Cases as at 28 February 2021



### Graph 2: Zimbabwe Cumulative COVID-19 Cases as at 28 February 2021



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

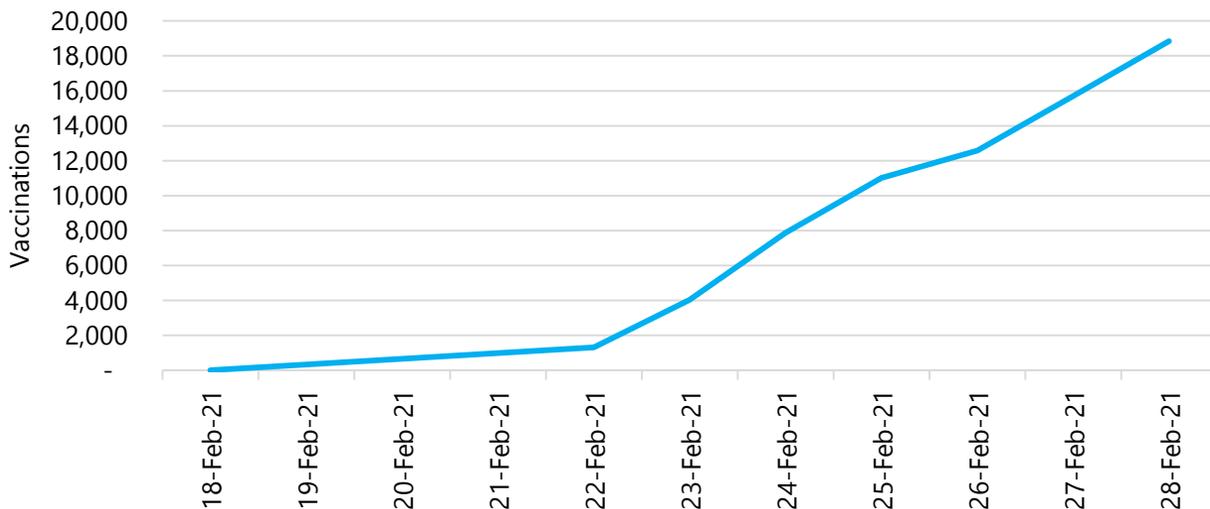
#### Notable Trends in Cases for the Week

- A total of 2.7m new coronavirus cases were recorded during the week to 28 February 2021, bring the cumulative confirmed cases to 113m – **Graph 1**. The Americas surpassed the 50m cases mark after an additional 1.1m cases were recorded during the period under review. Other notable weekly cases were recorded in Europe (1.0m), Eastern Mediterranean (207k) and South-East Asia (171k). Meanwhile, global coronavirus vaccinations rose above 244m after more than 34m doses were administered during the week.
- In Africa, cumulative cases increased by 1.8% to 2.8m. South Africa remained the most infected country in the continent with a total of 1.5m confirmed cases. It was followed by Morocco (483k), Tunisia (233k) and Egypt (182k). Meanwhile, South Africa announced that the country will move from level 3 to Level 1 of its coronavirus response framework, effective 28 February 2021. Under the new alert level 1, gatherings will be permitted, subject to limitations on size, adherence to social distancing and other health protocols, the hours of the national curfew will be from 12 midnight to 4am, sale of alcohol will be permitted, according to normal licence provisions, only five airports will be open for international travel with standard infection control measures, etc.
- In Zimbabwe, confirmed cases increased to 36,089, after 293 new cases were recorded during the week - **Graph 2**. Harare recorded the largest weekly cases of 95, followed by Bulawayo (57) and Mat South (39). The national recovery rate increased to 90.5% as at Sunday, 28 February 2021, from 89.7% recorded during the end of the previous review period, reflecting the decline in news.
- Meanwhile, the International Air Transport Association “IATA” announced plans to introduce digital COVID-19 Travel Pass on its affiliated airlines to ensure safe and seamless international connectivity. In Africa, Rwanda Air is expected to begin a three-week trial plan in April 2020 for customers traveling between Rwanda and Kenya. This followed a release of the Q4 2020 report which showed that global airline passenger revenue declined by 73% year-on-year, amid travel restrictions induced by coronavirus pandemic.
- According to South Africa’s 2021 National budget statement, government revenues are projected at 1.4 trillion Rands for the current 2020/2021 fiscal year which ends in March 2021, and to increase to 1.5 trillion Rands in 2021/2021. Total consolidated expenditures are projected at R2.1t and R2.0t in 2020 and 2021, representing budget deficits of 14.0% and 9.3%, respectively. The bulk of the spending in 2021/22 will be allocated to learning and culture (R402.9 billion), social development (R335.2 billion) and health (R248.8 billion).



# ZIMBABWE | COVID-19 VACCINATION DEVELOPMENTS

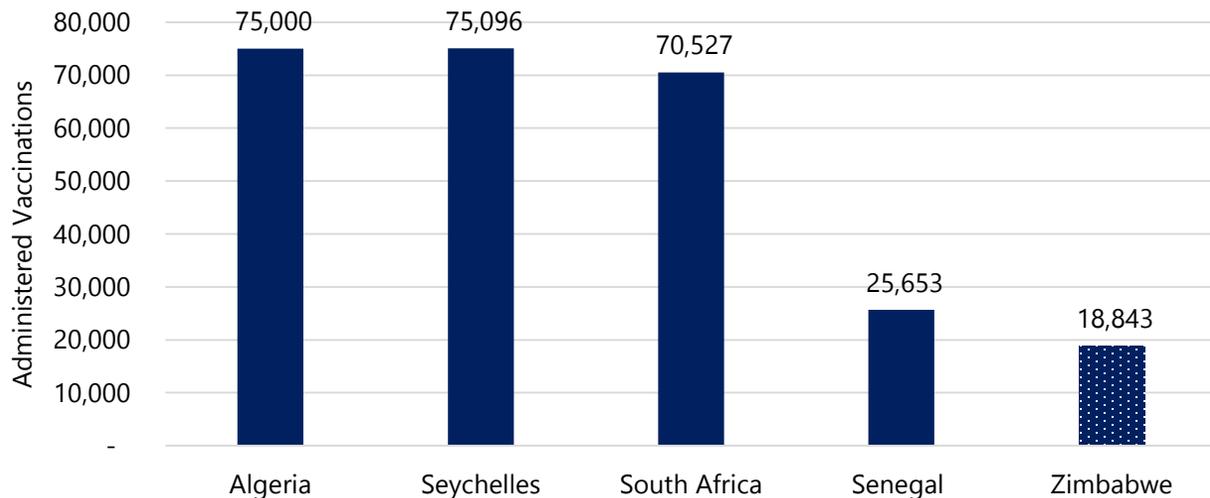
**Graph 3: Zimbabwe Cumulative COVID-19 Vaccination Trends**



- According to the Ministry of Health and Child Care “MoHCC”, the country administered a total of 18.8k coronavirus vaccinations since the start of the programme on 18 February 2021- **Graph 3**. The first phase of the vaccinations is mainly targeting front line health workers, security sector , and vulnerable groups.
- The country is anticipated to receive another batch of 600k Sinopharm vaccine from China in the coming weeks. Other deliveries of a combined 87k doses donated by India and the Russia Federation are also expected in the country.
- In the continent, total vaccinations surpassed 3m, with the bulk of the doses administered in Morocco (3.6m). **Graph 4** depicts comparable vaccinations for selected African countries.
- Meanwhile, the government announced new coronavirus containment measures, effective 02 March 2021, as follows:

- Industry & commerce to resume under COVID-19 guidelines,
- Curfew hours adjusted to 10pm-530am,
- Intercity travel to resume, bus operators to ensure disinfection,
- Food markets & informal sector to open subject to adherence to WHO guidelines,
- Restaurants to serve take-away and deliveries only,
- Funeral gathering remain at 30 people while 50 people are now allowed for all other social gatherings,
- Supermarkets to open until 7pm,
- Bars, clubs and gyms remain closed,
- Exemption letters for movement now not required and
- Schools and Colleges to prepare for safe re-opening

**Graph 4: Comparable COVID-19 Vaccinations Administered in Africa as at 28 Feb 2021**

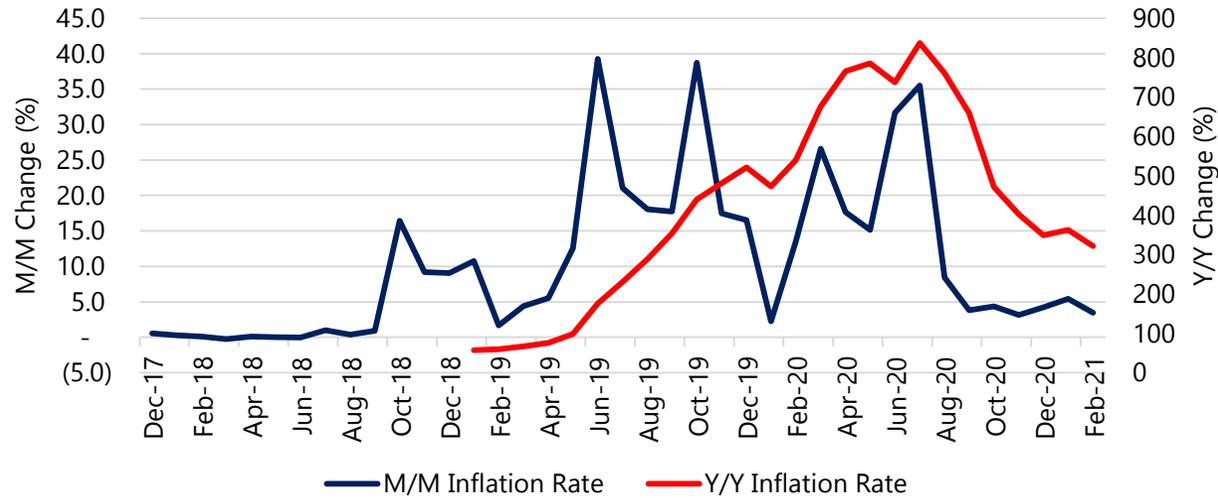




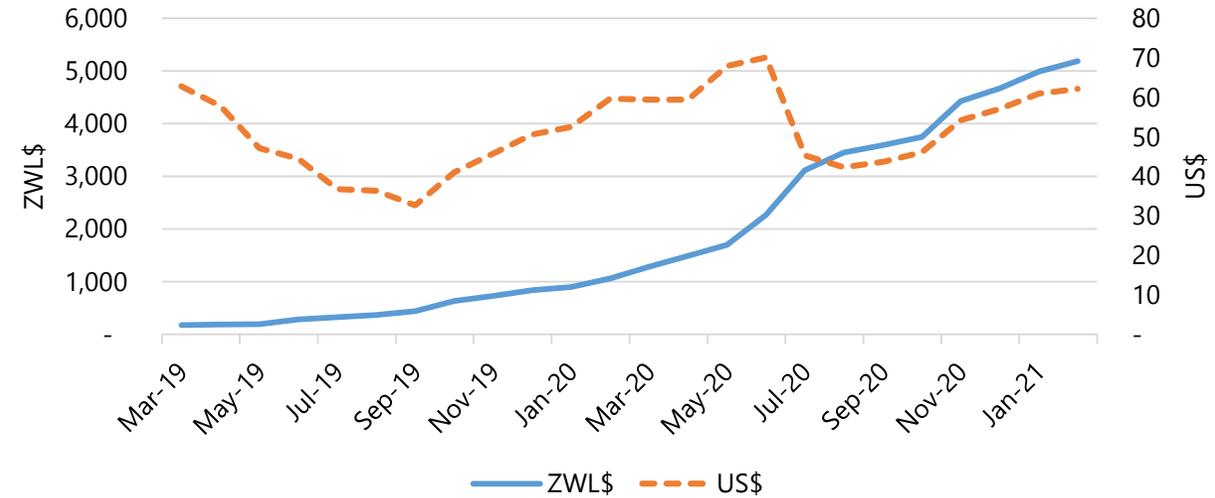
# ZIMBABWE | INFLATION & PDL DEVELOPMENTS- FEBRUARY 2021



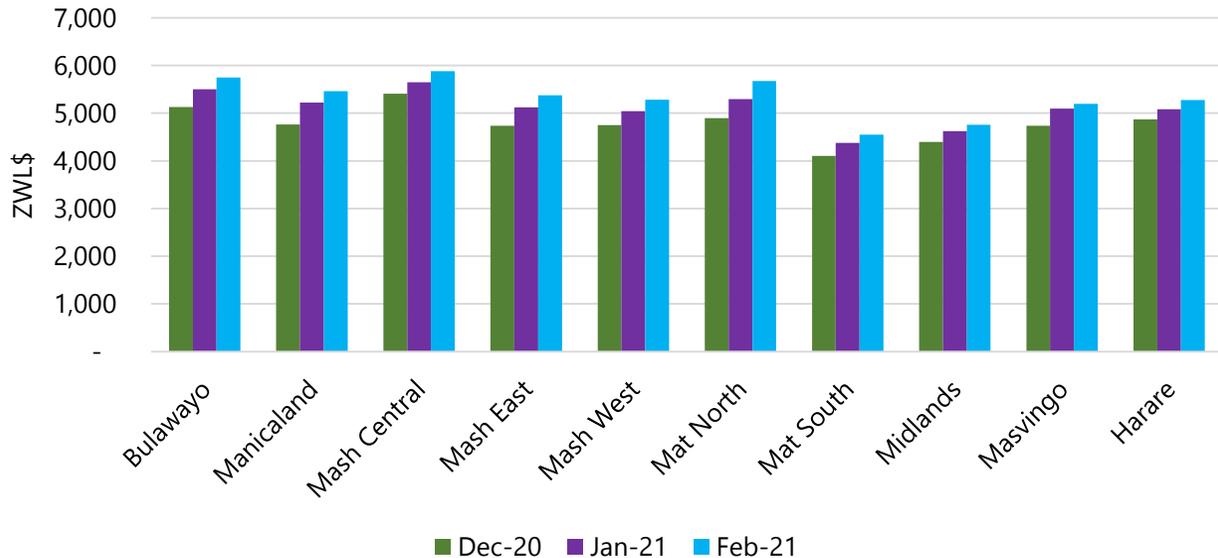
### Graph 5: Inflation Trends



### Graph 6: Poverty Datum Line Per Person Trends



### Graph 7: PDL Per Province



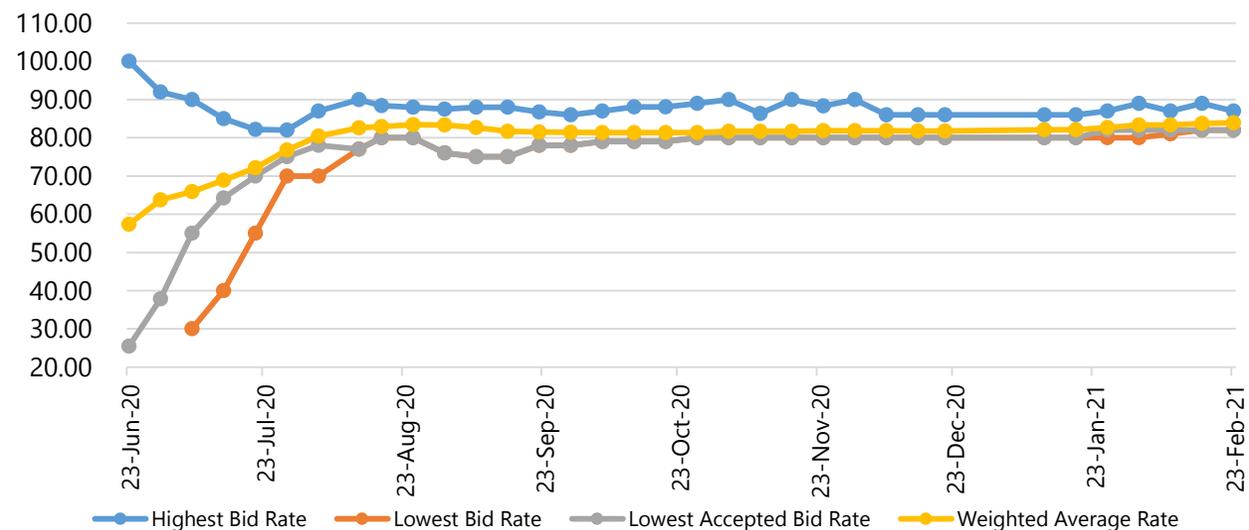
- According to the ZimStat, the annual headline consumer inflation receded in February 2021, to a 19-months low of 321.6%, from 362.3% recorded in January 2021 - **Graph 5**. The main contributors were 'food & non-alcoholic beverages', 'housing, water, electricity, gas & other fuels' and 'transport' categories which increased by 112.4%, 49.0% and 27.4%, respectively.
- On a monthly-on-month basis, prices edged up by 3.5% in February 2021, with food (1.4%), housing, water...& fuels (0.9%) and transport (0.4%) categories being the major inflation drivers.
- Meanwhile, the cost of living for an individual increased by 4.0% in February 2021 to ZWL\$5,187, from ZWL\$4,987 recorded in January 2021. In implied US dollar terms, the cost of living increased by 2.0% to US\$62 during the period under review – **Graph 6**.
- The largest increase in cost of living was recorded in Mat North (+7.2%), Mash East (+4.9%) and Mash West (+4.7%) However, Mash Central (ZWL\$5,882) and Bulawayo (ZWL\$5,747) remained the most expensive provinces, while Mat South was the cheapest province requiring income of ZWL\$4,548 per person per month - **Graph 7**.



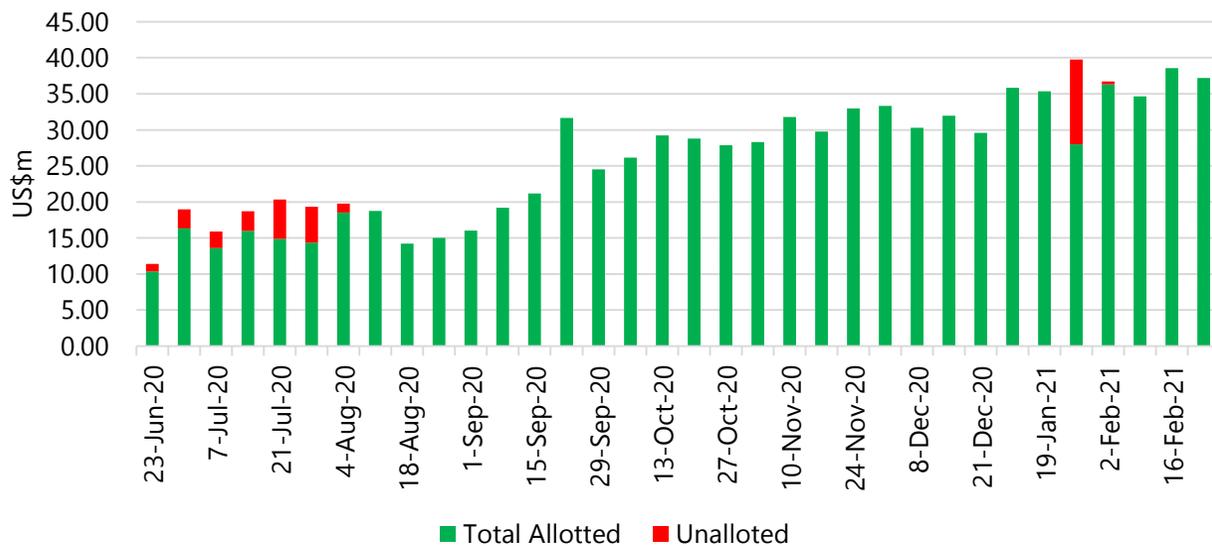
### Foreign Currency Market Developments

- The ZW\$ lost 0.2% against the USD to trade at ZW\$83.89/ USD, during the last auction held by the RBZ on Tuesday, 23 February 2021-**Graph 8**.
- The highest bid rate declined from 89.0 to 88.0, while the lowest accepted bid rate remained steady at 82.0 on the main auction, respectively.
- The total number of allotted bids decreased from 540 to 427. Resultantly, the total allotment for the week decreased by 3.6% to US\$37.2m, from US\$38.6m that was allotted during the previous week – **Graph 9a**. The largest weekly allotments were for raw materials (US\$16.8m), machinery & equipment (US\$6.7m), retail and distribution (US\$3.2m), consumables (US\$2.9m), pharmaceuticals (US\$2.5m) and fuel, electricity & gas (US\$2.5m) - **Graph 9b**.

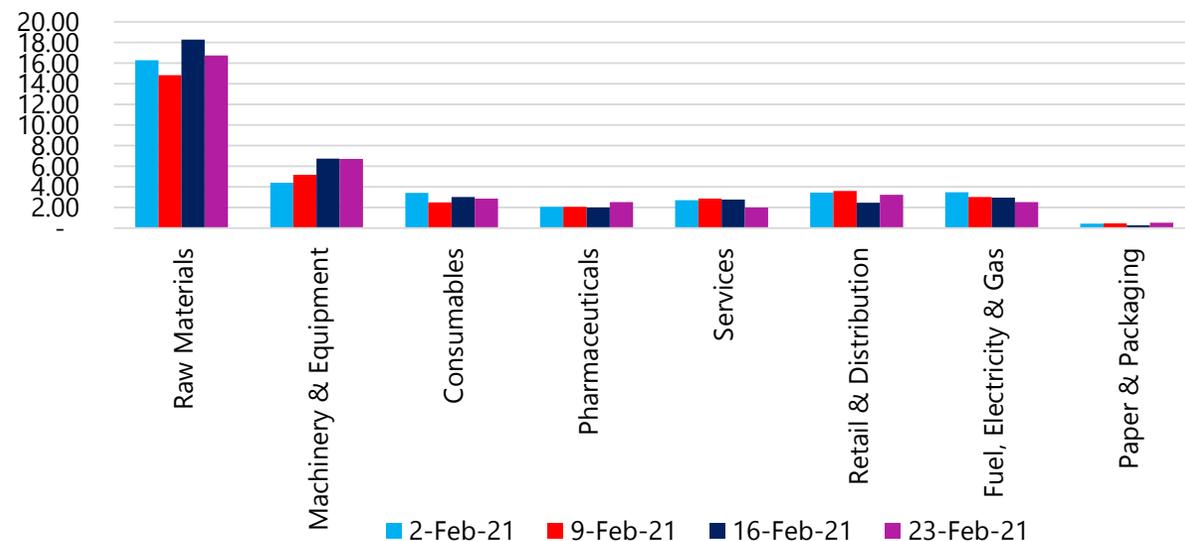
### Graph 8: FX Auction Market Bid Rates Trend



### Graph 9a: Foreign Currency Auction Allotments

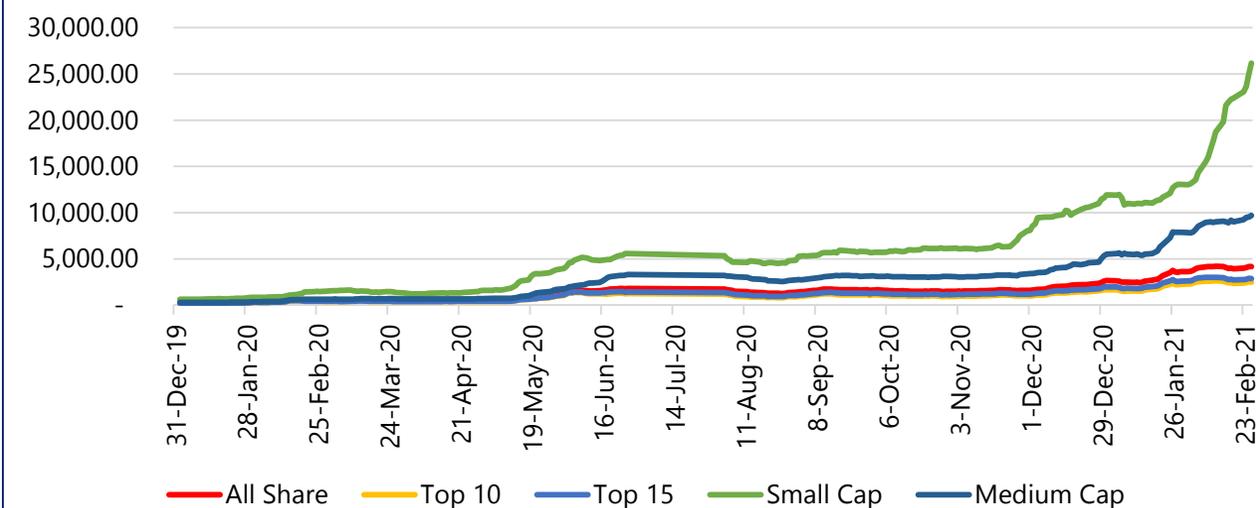


### Graph 9b: FX Allotments Per Sector





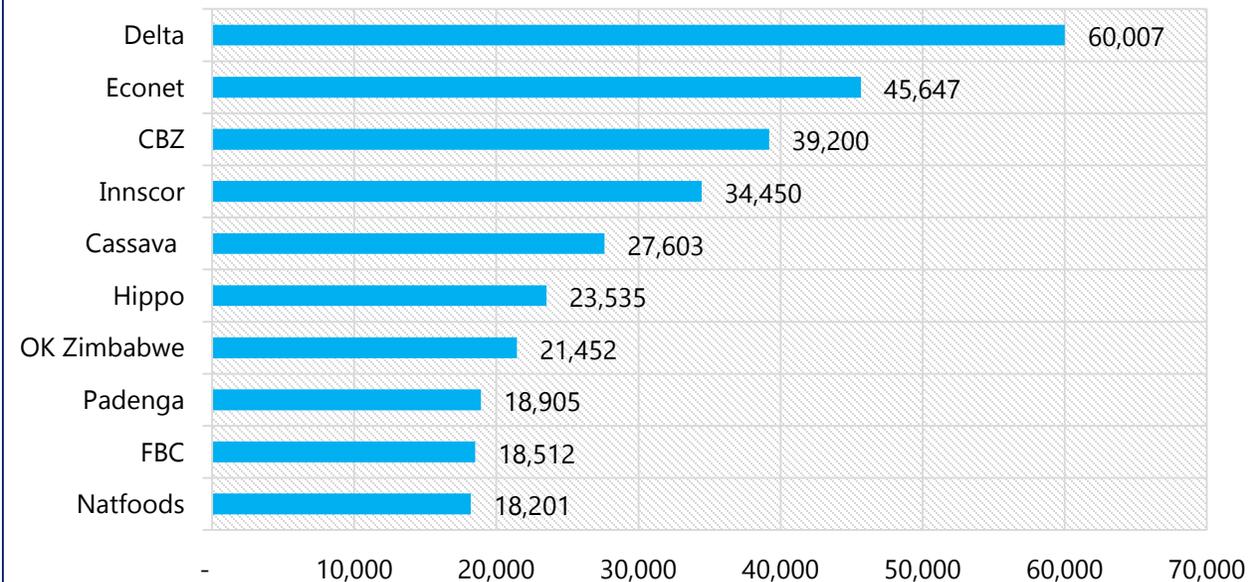
**Graph 10: ZSE Indices**



**Table 1: ZSE Movers and Shakers**

Movers	19-Feb-21	26-Feb-21	Weekly change (%)
Unifreight	383.50	794	107.0%
NTS	68.00	117.25	72.4%
Natfoods	18,480.00	26610	44.0%
Mash	102.41	138.32	35.1%
FML	1,407.67	1860	32.1%
Shakers	5-Feb-21	12-Feb-21	Weekly change (%)
SeedCo	2,497.02	2,160.89	-13.5%
ZHL	229.87	205.90	-10.4%
CBZ	8,211.05	7,500.00	-8.7%
RTG	170.00	159.88	-6.0%
FMP	600.00	570.00	-5.0%

**Graph 11: ZSE Top 10 Counters By Market Capitalisation-ZWL\$b**



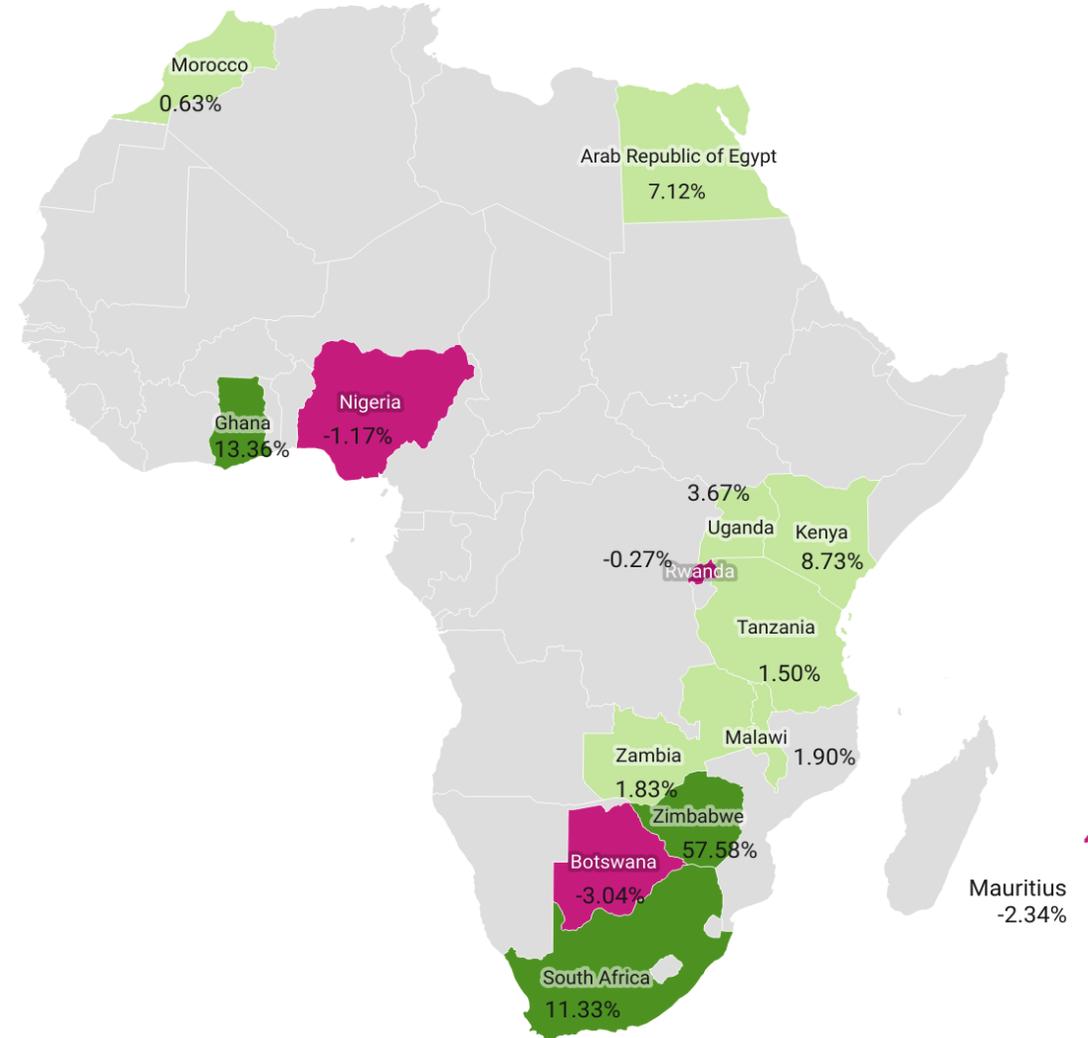
- On the ZSE, gains were recorded across all the major indices during a holiday shortened week, led by the Small Cap Index (+16.8%) and the Medium Cap Index (+7.7%). The benchmark All Share Index gained 5.9%, to close the week at 4,154.37 points – **Graph 10**.
- Logistics group, Unifreight, recorded the largest weekly gain of 107.0%, followed by tire retailer NTS (+72.4%), food processing giant Natfoods (+44.0%), property developer Mash (+35.1%) and financial management group FML (+32.1%). Market gains were offset by losses in SeedCo (-13.5%) - after it announced that its irrevocable and unconditional acceptances regarding the offer by SeedCo International to SeedCo shareholders will now be closed on 02 March 2021, from the initial date of 23 Feb 2021, ZHL (-10.4%) and CBZ (-8.7%) - **Table 1**.
- Delta remained the largest counter on the ZSE with a market capitalisation to ZWL\$60.0b. It was followed by Econet (ZWL\$45.6b), CBZ (ZWL\$39.2b), Innscor (ZWL\$34.5b) and Cassava (ZWL\$27.6b) - **Graph 11**.
- Meanwhile, MedTech published a further cautionary announcement notifying stakeholders that the discussions which involve a potential series of transactions at holding company level to transform MedTech into an investment holding company with the economic rights to separate investments or portfolios of investments belonging to the owners of different classes of shares are ongoing. The company is also involved in discussions to purchase a minority stake in a private company, the economic rights to which would belong to a separate class of shares and which would constitute a category 1 transaction in terms of SI 134 of 2019 ("the listing rules").



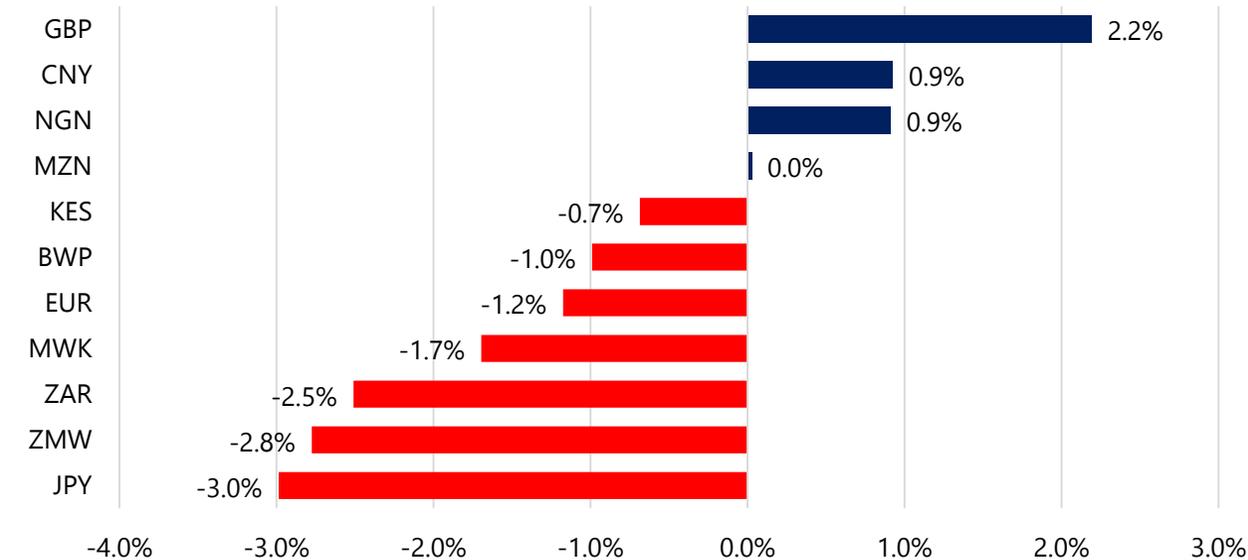
# REGIONAL & GLOBAL FINANCIAL MARKETS

- On the global markets, all major benchmarks across the U.S, Europe and Asia pulled back sharply during the weekly, dragged by a sharp increase in long-term U.S Treasury interest rates.
- China's Shanghai Composite Index led the decliners, with a weekly loss of 5.1%. It was followed by Japanese N225 Stock Average (-3.5%), U.K's FTSE100 (-2.1%) and the U.S DJIA (-1.8%).
- In African, most equities markets under our watch recorded positive YTD performances led by Zimbabwe (+57.6%), Ghana (+13.4%) and South Africa (+11.3%). However, notable declines were recorded for Botswana (-3.0%) and Mauritius (-2.3%) - **Chart 1**. Meanwhile, the central banks of Botswana and Rwanda kept their interest rates unchanged at 3.75% and 4.50%, respectively, to support their economies from the impact of coronavirus pandemic.
- On the currencies market, the U.S dollar index gained by 0.6% for the week to 90.88. On a YTD basis, the U.S dollar extended gains against most major currencies except the Pound Sterling, Chinese Yuan and Nigeria Naira -**Graph 12**.

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



Graph 12: Major Currencies vs the USD-YTD Movements-26 February 2021





# GLOBAL COMMODITY PRICE MOVEMENTS

## MINERALS

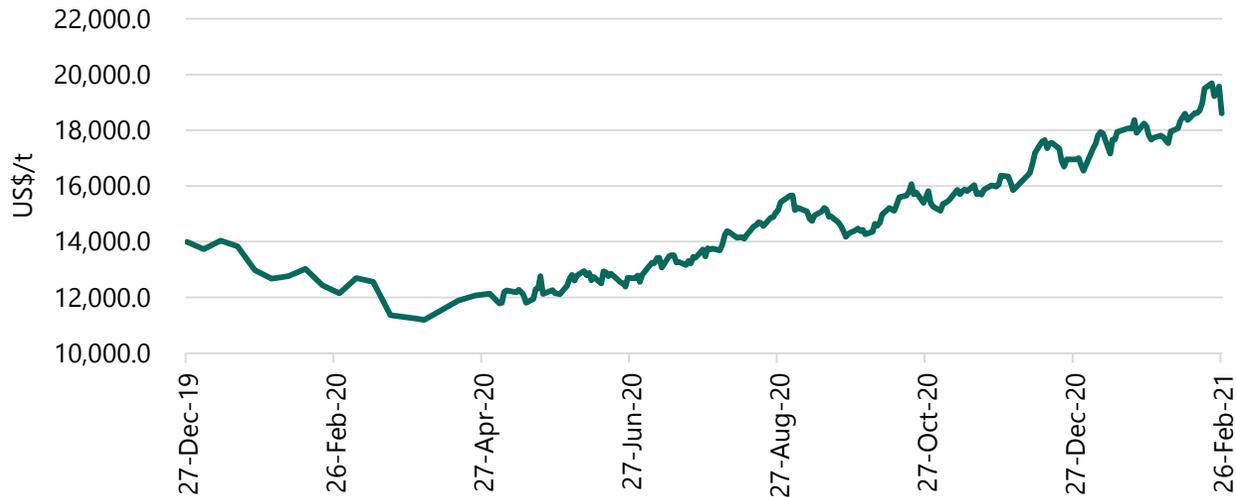
### Gold prices - US\$/oz



### Platinum price - US\$/oz



### Nickel price - US\$/t



### Oil prices - US\$/b



Source: Quandl



# GLOBAL COMMODITY PRICE MOVEMENTS

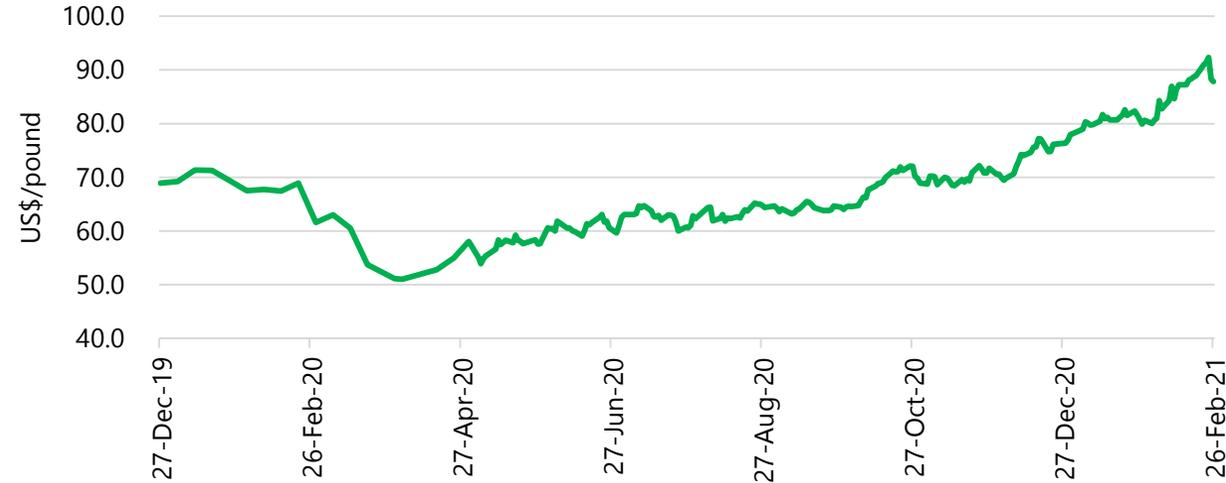
## AGRIC COMMODITIES



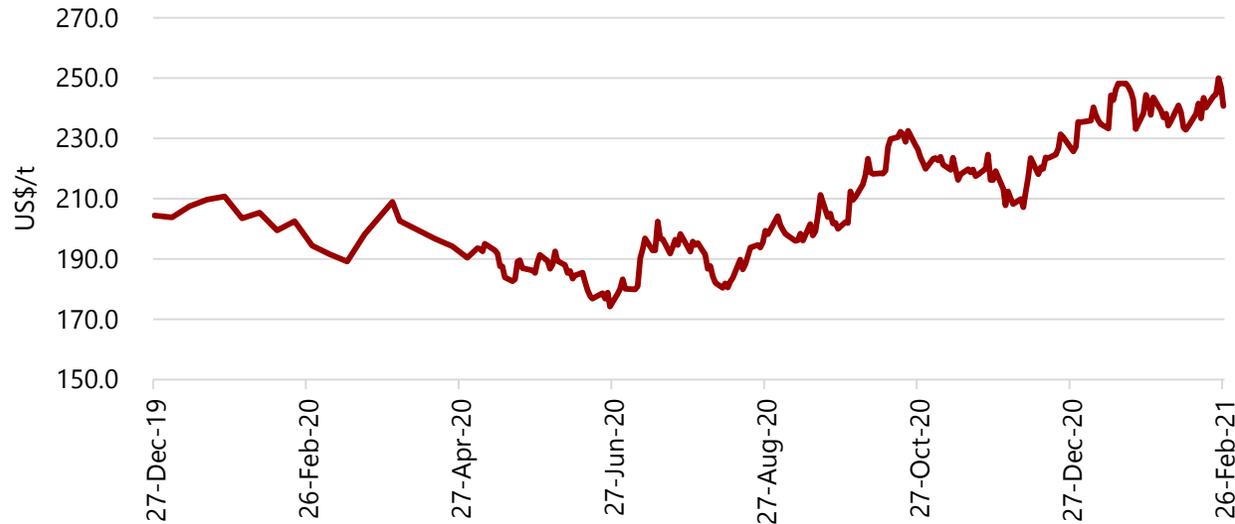
### Corn - US\$/t



### Cotton - USc/pound



### Wheat - US\$/t



### Sugar - USc/pound



Source: Quandl

Date	Event	Period	Forecast	Previous
<b>Local</b>				
02 March 2021	RBZ Foreign Exchange Auction Market	03-09 March 2021		83.8868
04 March 2021	Powerspeed AGM (Time:1100hrs; Venue: Powerspeed Boardroom, Gate 1, Powerspeed Complex, Cnr Cripps Road/Kelvin Road North, Graniteside, Harare)			
05 March 2021	Econet AGM (Time: 1000hrs; Venue: Virtual- <a href="https://econet.escrowagm.com">https://econet.escrowagm.com</a> )			
05 March 2021	Cassava AGM (Time: 1200hrs; Venue: Virtual- <a href="https://econet.escrowagm.com">https://econet.escrowagm.com</a> )			
<b>Regional &amp; International</b>				
28 March 2021	China Manufacturing PMI	February 2021	51.6	52.8
01 March 2021	U.K Manufacturing PMI	February 2021	54.9	54.9
01 March 2021	U.S Manufacturing PMI	February 2021		54.4
02 March 2021	Euro Zone CPI (y/y)	February 2021	1.0%	0.9%
03 March 2021	U.K Annual Budget Release	2021		
03 March 2021	U.S Crude Oil Inventories		-5.190m	1.285m
04 March 2021	ECB Economic Bulletin			
04 March 2021	U.S Federal Budget			-US\$430.0b

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