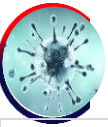




...Gold output increased by
17.3% month-on-month to
1.2t in February 2021 ...

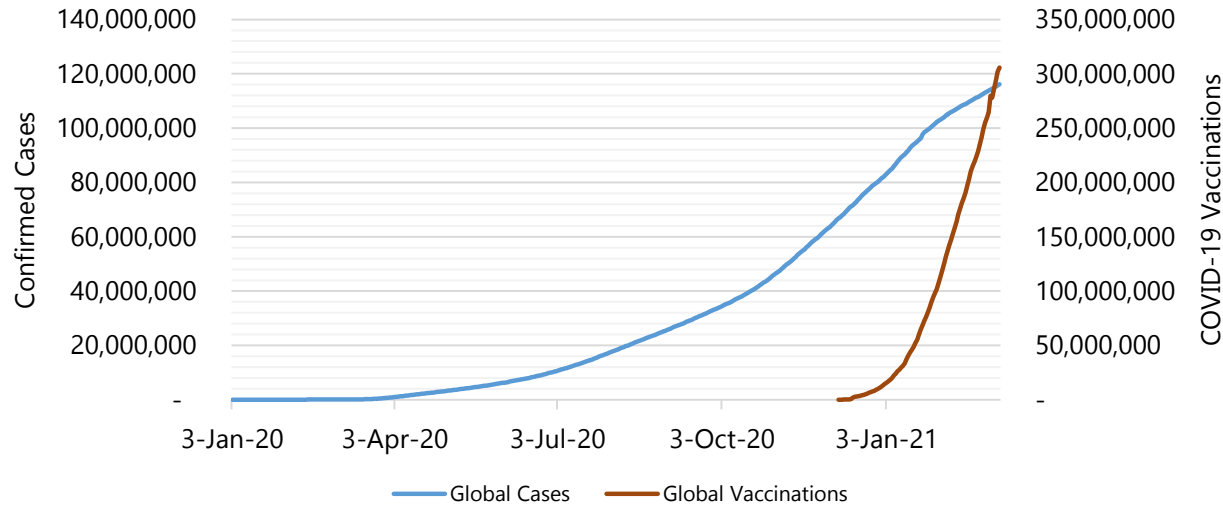
THE CBZ ECONOMIC BRIEF

Week Ending 05 March 2021

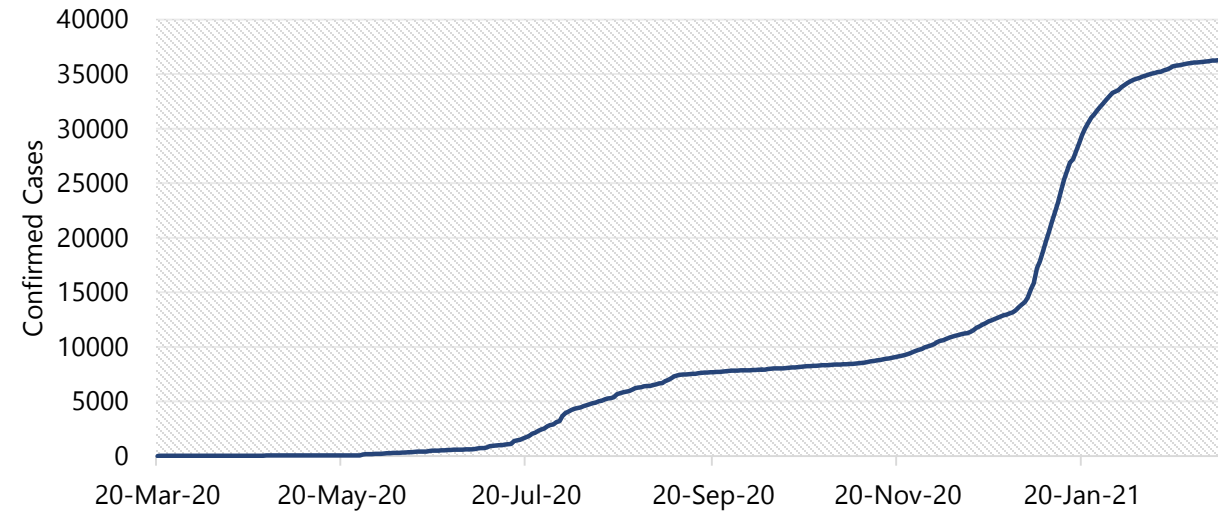


COVID-19 | Global Status as at 07 March 2021

Graph 1: Global Cumulative COVID-19 Cases and Vaccination Trends



Graph 2: Zimbabwe Cumulative COVID-19 Cases as at 07 March 2021



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

Notable Trends in Cases for the Week

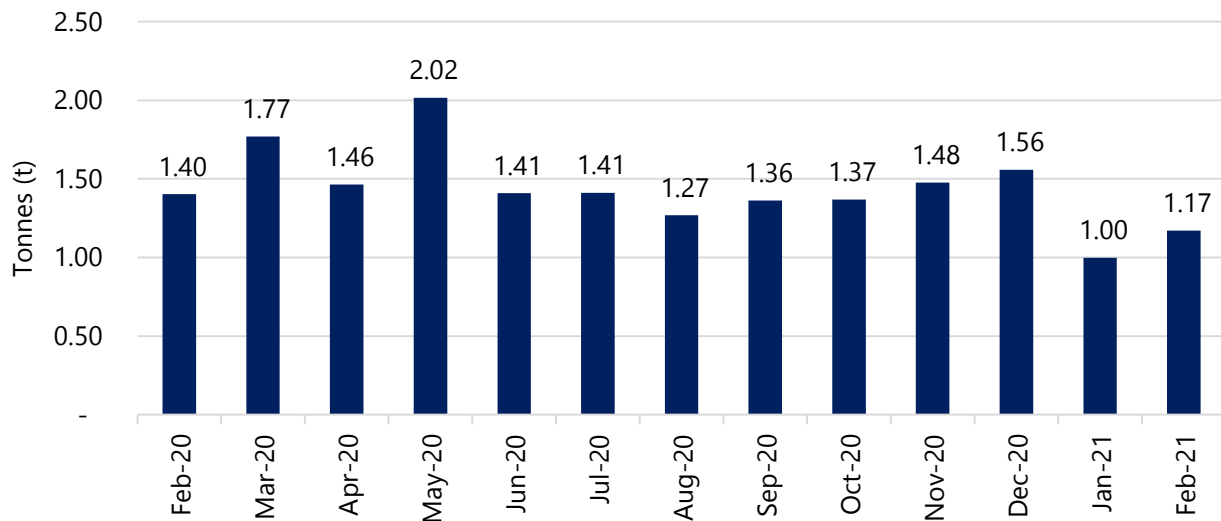
- Global cumulative coronavirus cases rose above 116m, after more than 2.7m confirmed new cases were recorded during the week to 07 March 2021. During the same period, global COVID-19 vaccinations increased by 17.6% to 305m – **Graph 1**. Meanwhile, the U.S Food and Drug Administration “FDA” approved a single shot Johnson & Johnson (J&J) COVID-19 vaccine for emergency use in the U.S and became the 3rd authorised vaccine after Pfizer and Moderna.
- In Africa, cumulative cases increased by 1.9% to 2.9m. South Africa remained the most infected country with 1.5m cases and it accounted for about 53% of the continent’s confirmed cases. Meanwhile, Kenya received over a million doses of the AstraZeneca COVID-19 vaccine on Wednesday 03 March 2021 under the COVAX facility, while Rwanda became the first African nation to administer the Pfizer vaccine after it received 102,960 doses of the drug.
- In Zimbabwe, confirmed cases increased to 36,271, after 182 new cases were recorded during the week - **Graph 2**. Harare recorded the largest weekly cases of 62, followed by Manicaland (29), Mat South (19) and Bulawayo (18). Active cases dropped to below 1000 on Saturday 06 March 2021 (970), for the first time since 27 November 2020 (969). Resultantly, the national recovery rate increased to 93.3% as at Sunday, 07 March 2021, from 90.5% recorded during the end of the previous review period. Meanwhile, COVID-19 vaccinations increased to 32 240 as at Friday 07 March 2021.
- Meanwhile, the Organisation of the Petroleum Exporting Countries “OPEC” extended oil production cuts through to April 2021, while Saudi Arabia extended its one million barrels per day “bpd” voluntary production cuts into April. However, Russia and Kazakhstan were allowed to increase production by 130,000 and 20,000 bpd respectively, due to continued seasonal consumption patterns.
- In Botswana, the government announced that the economy contracted by 6.4% during the 12 months to September 2020 compared to an increase of 3.7% recorded during the same period in 2019. The decline was attributed to the impact of coronavirus containment measures on economic activities which saw mining output declining by 21.9% while non-mining output declined by 4.7%. The economy is however expected to grow by 8.8% in 2021 on account of supportive monetary policy and a sound financial environment.



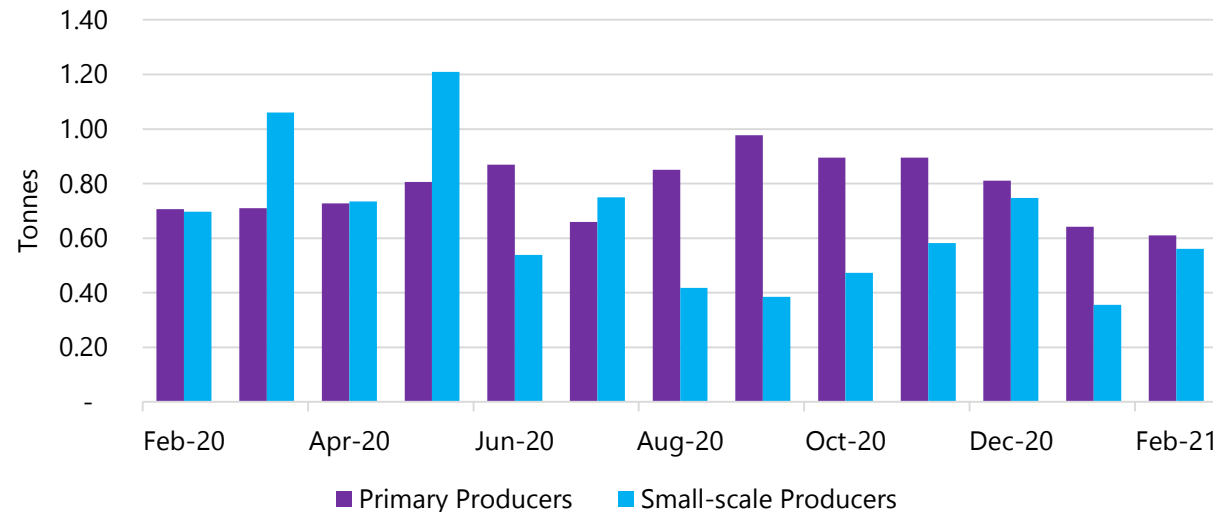
ZIMBABWE | GOLD SUB-SECTOR DEVELOPMENTS



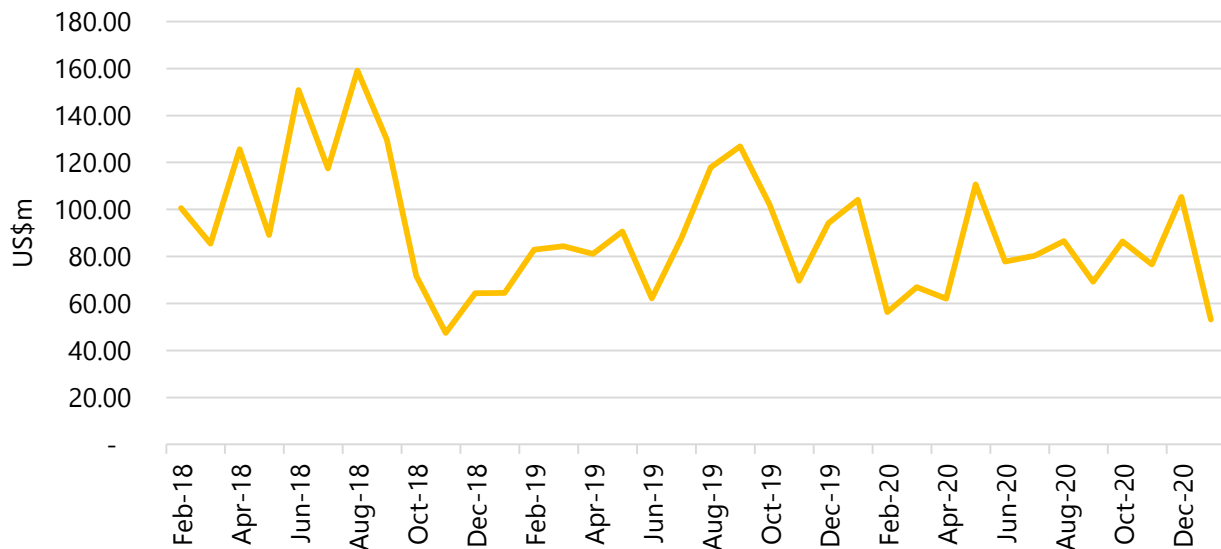
Graph 3: Monthly Gold Production Trends



Graph 4: Gold Output By Primary and Small-Scale Producers



Graph 5: Gold Export Earnings Trend



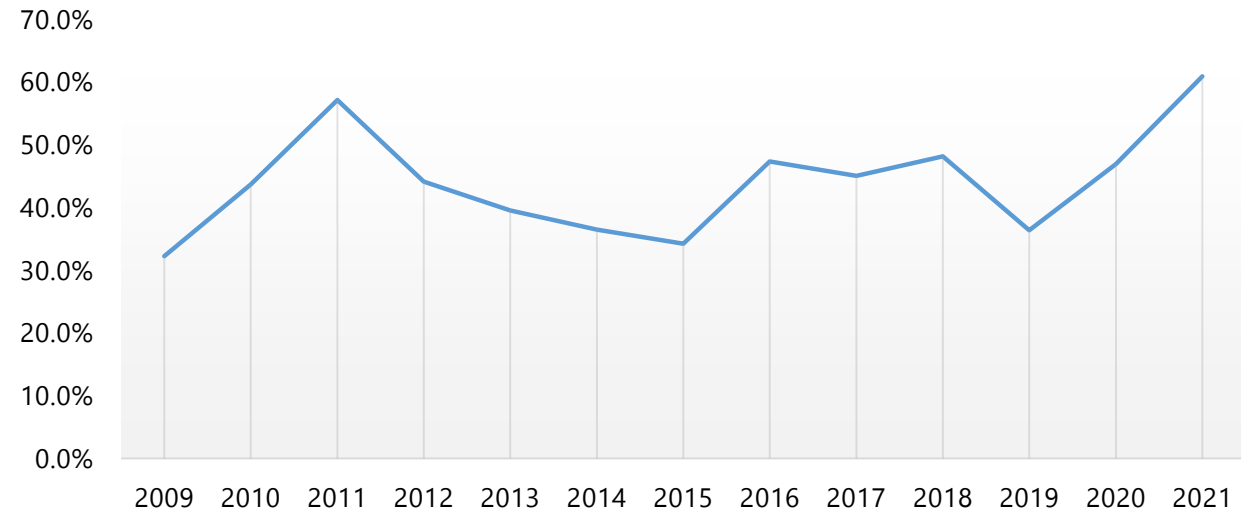
- According to Fidelity Printers and Refiners "FPR", the country's gold output increased by 17.3% m/m to 1.2t in February 2021, from 1.0t recorded in January 2021 - **Graph 3**. However, on a year-year basis, gold output dropped by 16.5% from a total production of 1.4t recorded in February 2020.
- Cumulatively, the yellow metal production for the two months to February 2021 stood at 2.2t, 45.0% below the comparable period of 2020.
- Small-scale miners increased their output by 57.7% m/m to 0.56t in February 2021, while output by primary producer declined by 5.0% to 0.61t during the same period. Compared to the same period last year, output declined by 19.5% and 13.6% for small-scale and primary producers, respectively - **Graph 4**.
- Meanwhile, preliminary figures from FPR showed that gold export earnings for January 2021 declined by 49.5% to US\$53.2m from US\$105.3m recorded in December 2020, reflecting the decline in gold production - **Graph 5**.



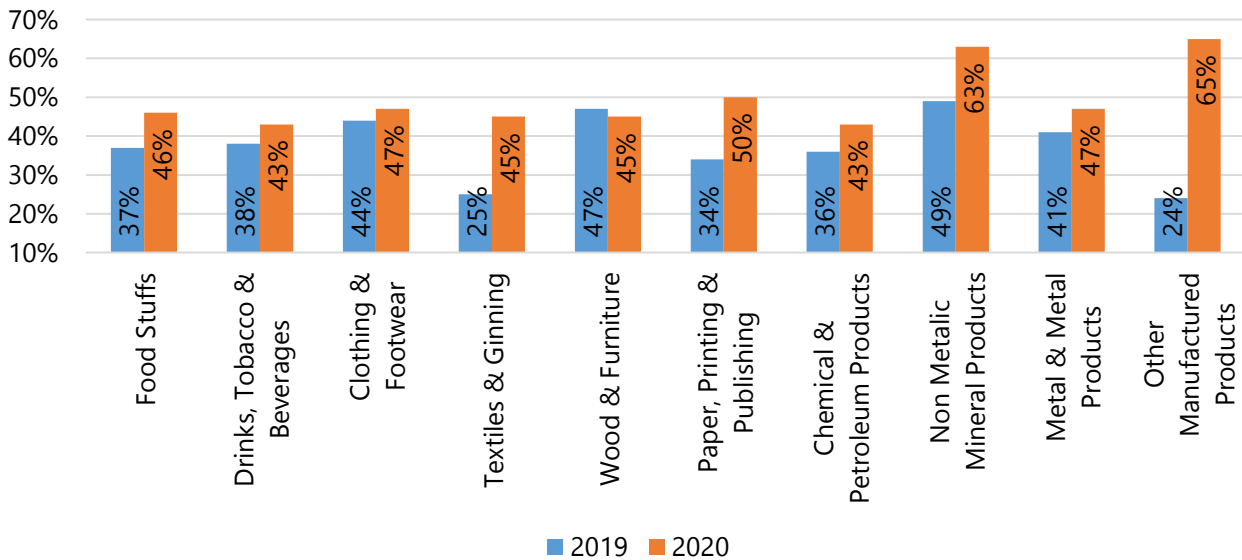
ZIMBABWE | MANUFACTURING SECTOR CAPACITY UTILISATION

- According to the Confederation of Zimbabwe Industries “CZI”, the manufacturing sector capacity utilisation increased by 10.6 percentage points “pp” to 47.0% in 2020 from 36.4% recorded in 2019, supported by improved foreign currency availability, increased sales and re-tooling. The sector’s capacity utilisation is projected to further increase to 61% in 2021 – **Graph 6**.
- The largest capacity utilisation was recorded for other manufactured products (65%), non-metallic mineral products (63%) and paper, printing & publishing (50%) sub-sectors. Compared to 2019, other manufactured products (+41 pp) and textiles & ginning (+20 pp) sub-sectors recorded the largest growth – **Graph 7**.
- However, notwithstanding the increase in capacity utilisation, the sector faced a number of constraints including competition from cheaper imports, Covid-19 restrictions, water shortages, machine breakdowns, inflation and foreign currency challenges especially during the first half of the year.
- Meanwhile, **Graph 8** depicts South Africa’s manufacturing sector capacity utilisation trends.

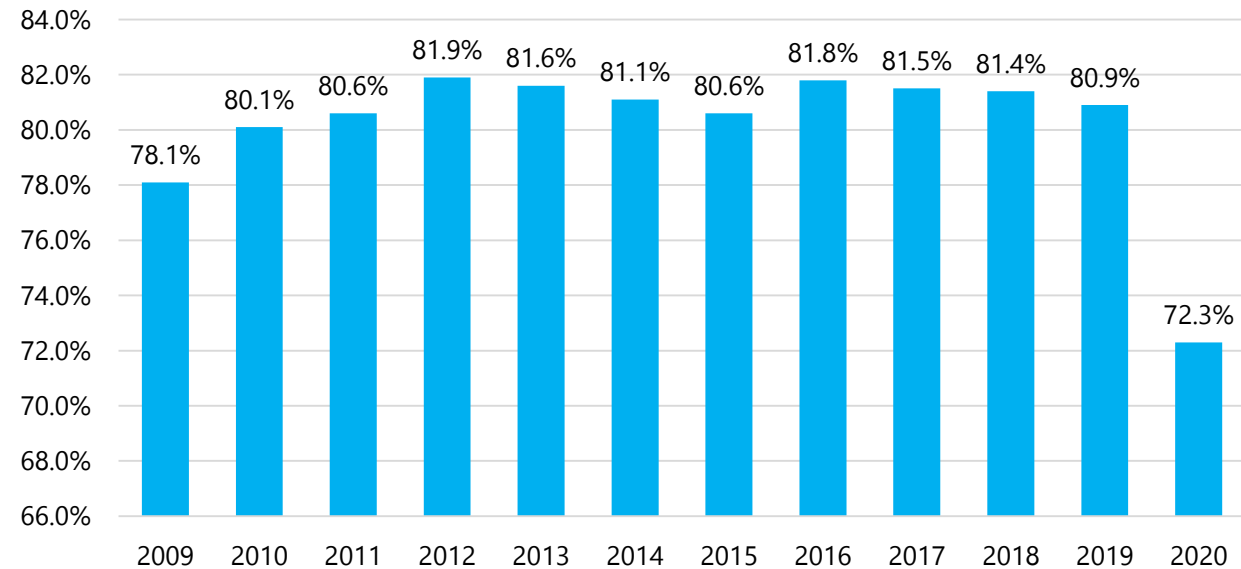
Graph 6: Manufacturing Sector Capacity Utilisation Trends



Graph 7: Capacity Utilisation By Manufacturing Sub-sectors



Graph 8: South Africa Manufacturing Sector Capacity Utilisation Trends



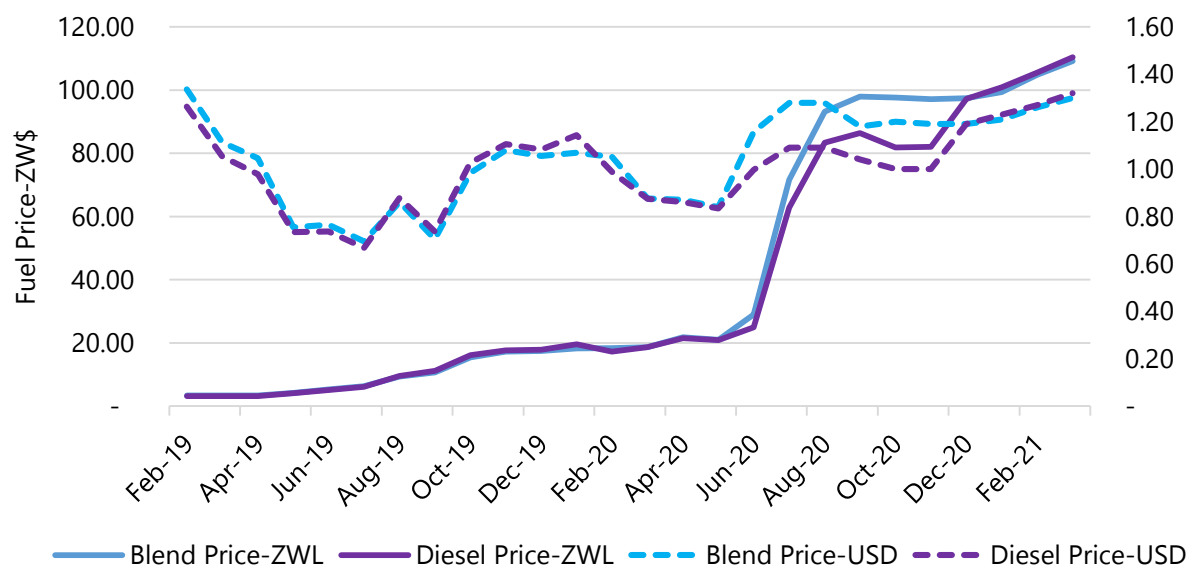


ZIMBABWE | FUEL PRICE REVIEW- MARCH 2021



- The Zimbabwe Energy Regulatory Authority “ZERA” announced an upward review of fuel prices -for the 4th successive months- in line with changes in international oil prices, effective 05 March 2021. The maximum pump price for blend increased by 4.15% (ZWL\$4.35) and 3.17% (US\$0.04) in local currency and U.S dollar terms to ZWL\$109.17/litre and US\$1.30/litre, respectively. Similarly, diesel price went up by 4.57% (ZWL\$4.83) and 3.94% (US\$0.05) to ZWL\$110.41/litre and US\$1.32/litre in ZWL\$ and US\$, respectively – **Graph 9**.
- On a year-on-year “y/y” basis, blend price rose by 484% and 48%, whilst the price of diesel increased by 492% and 51% in local currency and U.S dollar terms, respectively. This trend, to a large extent, reflected the international oil price recovery and the ZWL\$/USD exchange rate movements. In fact, global oil prices increased by 30.9% from US\$50.52/b at the end of February 2020 to US\$66.13b at the end of February 2021, while the ZWL\$/USD exchange rate declined by 78.6% over the same period.
- Meanwhile, **Table 1** below depicts comparable fuel prices for Zimbabwe’s neighbours and/ trading partners. The country’s fuel prices remain relatively higher than its peers and significantly above the world average.
- Going forward, movements in global oil prices and domestic exchange rate dynamics will continue to have a greater bearing on the direction of fuel prices.

Graph 9: Blend and Diesel Prices Trend



Sources: ZERA

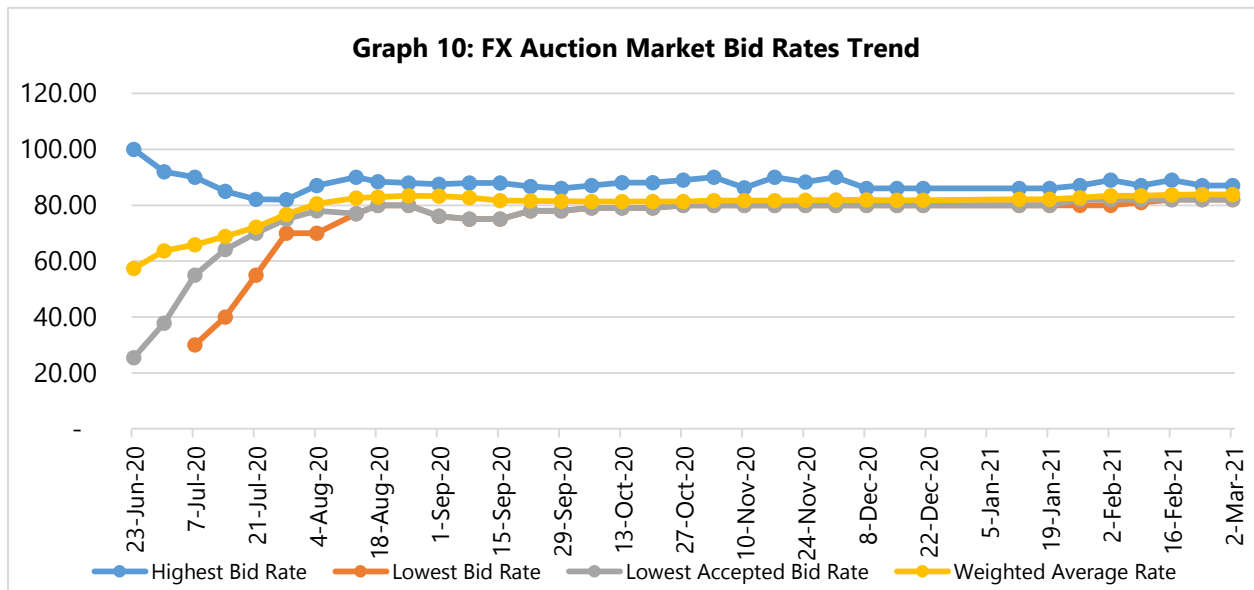
Country	Blend Price-US\$/Ltr	Diesel Price-US\$/Ltr
Angola	0.25	0.21
Botswana	0.73	0.73
DRC	1.01	1.00
Kenya	1.07	0.95
Malawi	1.07	1.06
Mauritius	1.11	0.88
Mozambique	0.84	0.77
Namibia	0.80	0.80
South Africa	1.06	1.07
Tanzania	0.85	0.82
Zambia	0.97	0.86
Zimbabwe	1.30	1.32
Global Average	1.09	0.99

Sources: GlobalPetrolPrices.com

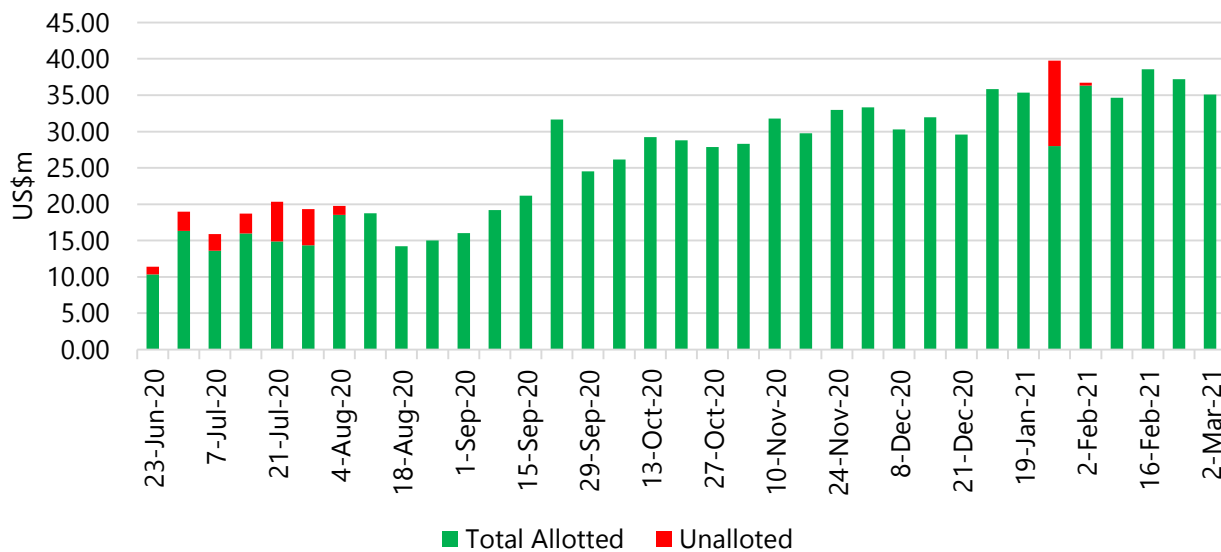


Foreign Currency Market Developments

- The ZW\$ traded flat against the USD at ZW\$83.89/ USD, during the last auction held by the RBZ on Tuesday, 02 March 2021-**Graph 10**.
- The lowest and highest bid rates remained steady at 82.0 and 87.0 on the main auction, respectively.
- The total number of allotted bids increased from 427 to 540. However, total allotment for the week decreased by 5.6% to US\$35.1m, from US\$37.2m that was allotted during the previous week – **Graph 11a**. The largest weekly allotments were for raw materials (US\$14.3m), machinery & equipment (US\$5.6m), fuel, electricity & gas (US\$3.4m), consumables (US\$3.3m), services (US\$3.1m) and retail and distribution (US\$2.9m) - **Graph 11b**.



Graph 11a: Foreign Currency Auction Allotments



Graph 11b: FX Allotments Per Sector

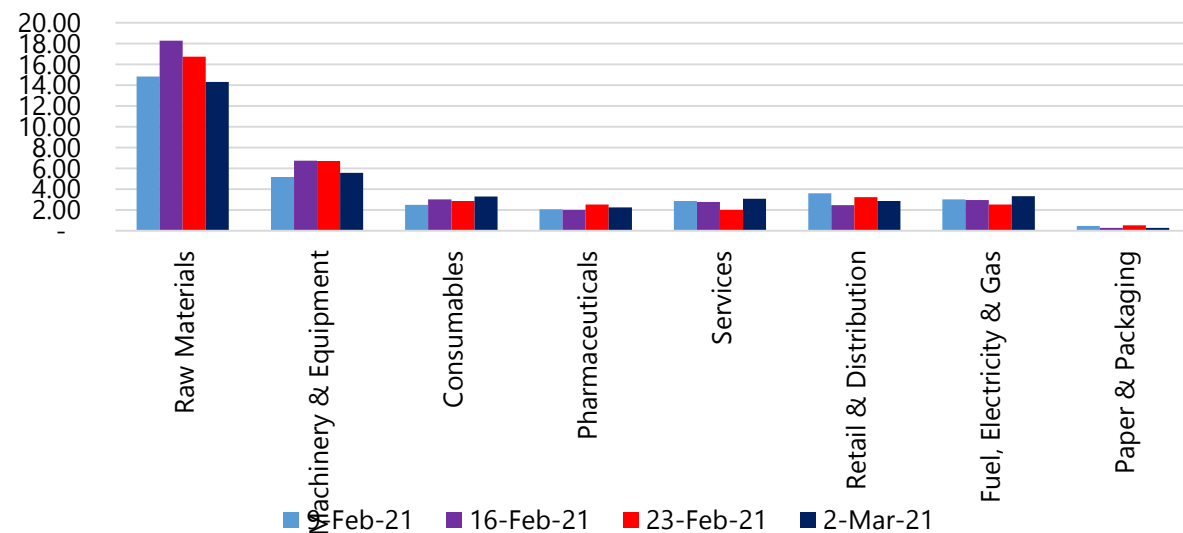
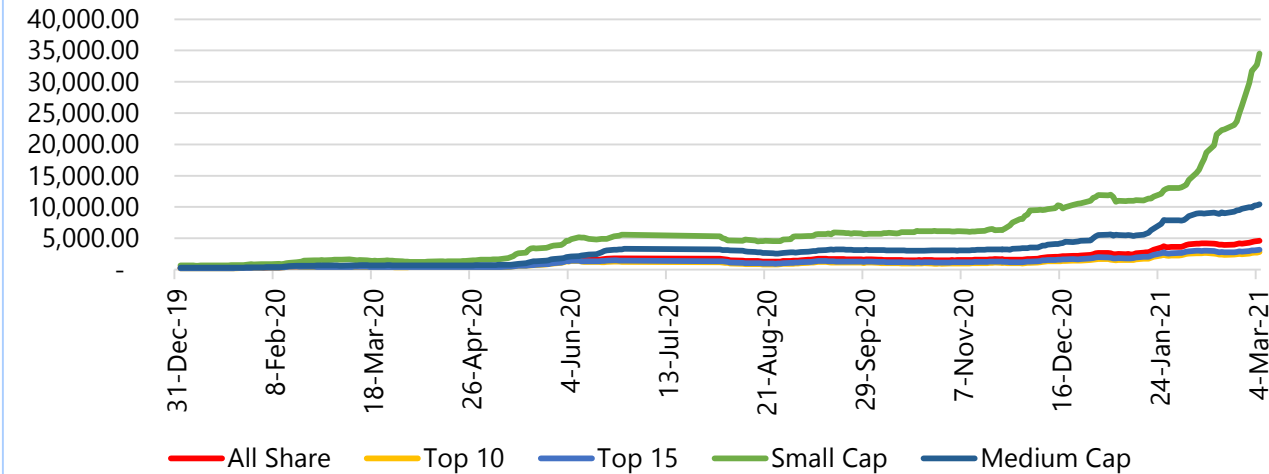


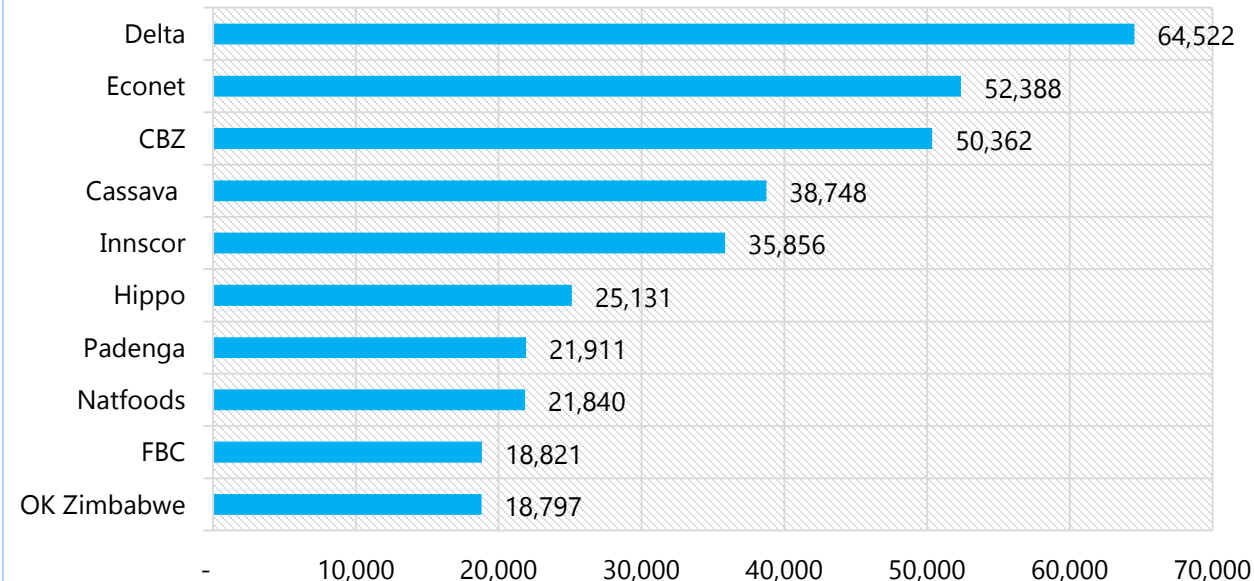


Table 2: ZSE Movers and Shakers

Graph 12: Zimbabwe Stock Exchange Indices



Graph 13: ZSE Top 10 Counters By Market Capitalisation-ZWL\$b



Movers	26-Feb-21	05-Mar-21	Weekly change (%)
NTS	117.25	242.25	106.6%
GB Holdings	32.26	58.74	82.1%
Turnall	150.00	259	72.7%
Fidelity Life	300.00	500	66.7%
Lafarge	2,760.00	3960	43.5%
Shakers	26-Feb-21	05-Mar-21	Weekly change (%)
FCB	187.79	153.78	-18.1%
OK Zimbabwe	1,716.61	1,504.18	-12.4%
Masimba	1,900.00	1,700.00	-10.5%
DZLH	1,940.00	1,798.18	-7.3%
MedTech	7.50	7.00	-6.7%

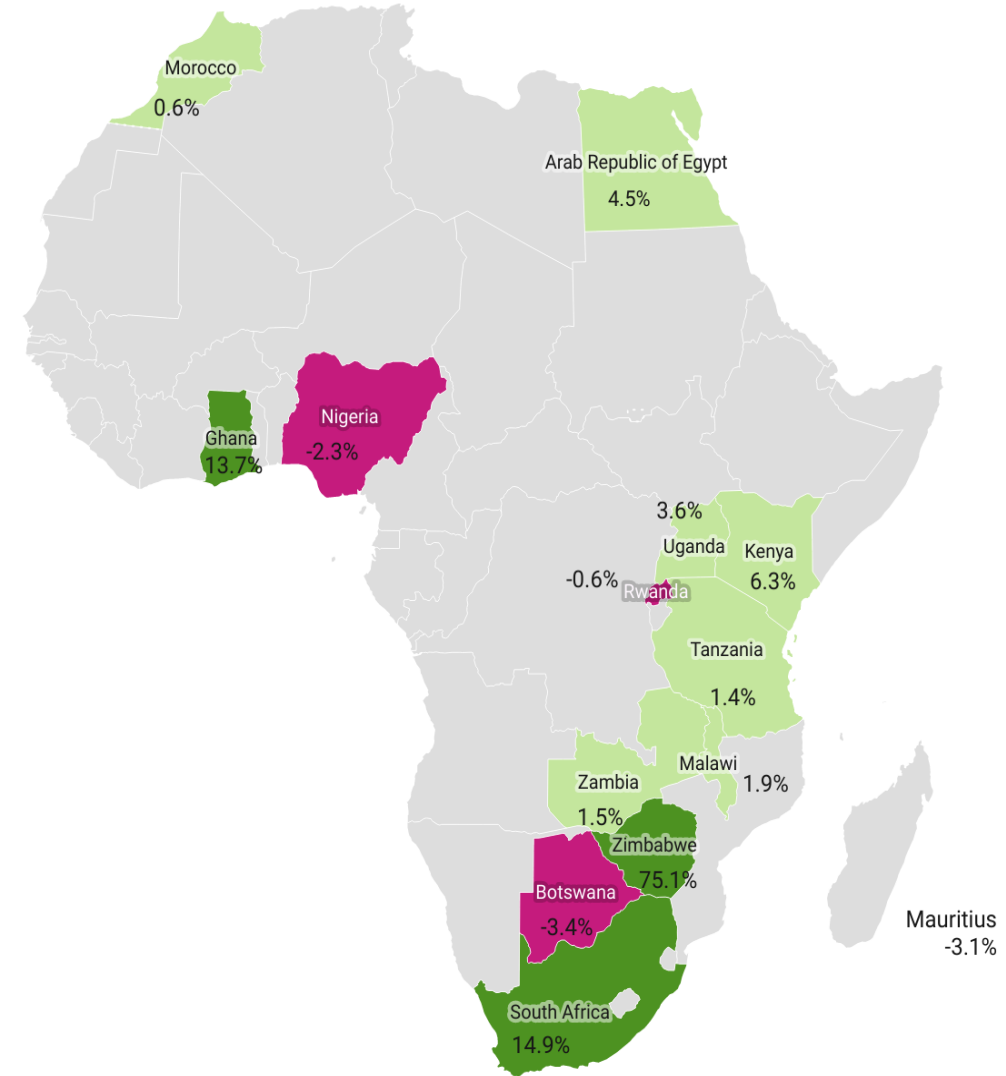
- On the ZSE, all the major indices recorded weekly gains, led by the Small Cap Index (+31.8%) and the Top 10 Index (+12.6%). The benchmark All Share Index gained 11.1%, to close the week at 4,615.87 points –**Graph 12**.
- Tire retailer, NTS, recorded the largest weekly gain of 106.6%, followed by conveyor belts & chemicals manufacturer GBH (+82.1%), building materials manufacturer Turnall (+72.7%), Life assurance provider Fidelity (+66.7%) and cement giant Lafarge (+43.5%). Market gains were offset by losses in FCB (-18.1%), OK Zimbabwe (-12.4%) and Masimba (-10.5%)–**Table 2**.
- Delta remained the largest counter on the ZSE with a market capitalisation to ZWL\$64.5b. It was followed by Econet (ZWL\$52.3b), CBZ (ZWL\$50.4b), Cassava (ZWL\$38.7b) and Innskor (ZWL\$35.9b) – **Graph 13**.
- Meanwhile, National Tire Services “NTS” released its trading update report for Q3 2020 characterised by improved business volumes across its product lines. In fact, new tyres, retreading and service categories recorded year-on-year sales volume growth of 213%, 21% and 87%, respectively. The growth was driven by stock availability and marketing initiatives.



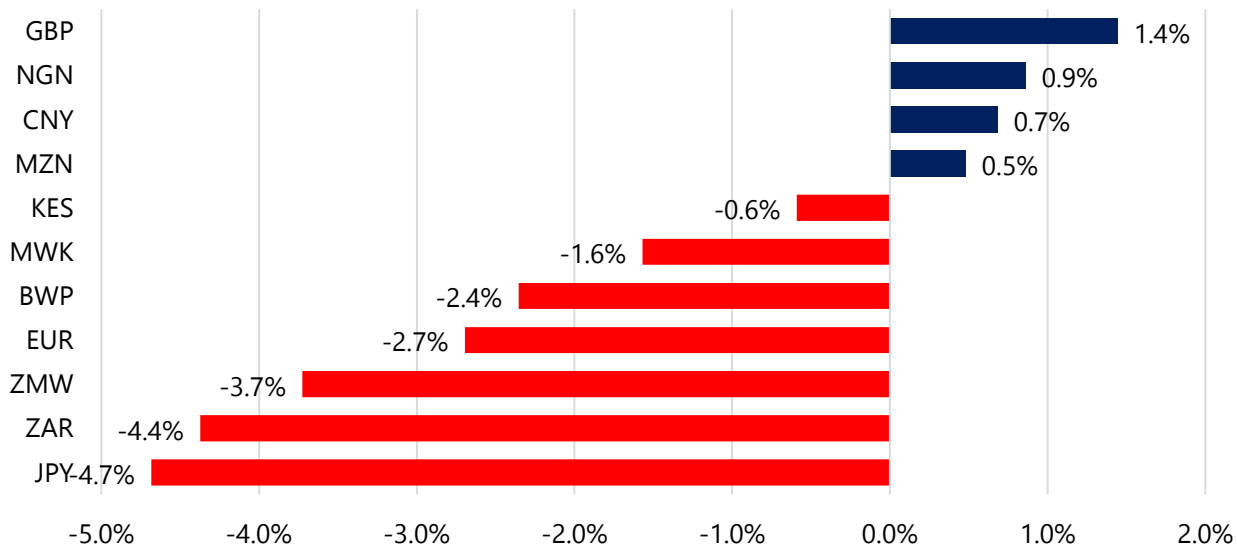
REGIONAL & GLOBAL FINANCIAL MARKETS

- On the global markets, mixed performances were recorded on major benchmarks in the U.S, Europe and Asia. The prospects for easing lockdown restrictions and supportive monetary and fiscal measures drove stocks in positive trajectory, while rising U.S long-term bond yields and inflation expectations were the major drag.
- U.K's FTSE 100 (+2.3%) and U.S DJIA (+1.8%) recorded weekly gains, while China's Shanghai Composite Index and the Japanese N225 Stock Average declined by 1.4% and 0.4%, respectively.
- In African, most equities markets under our watch recorded weekly declines, led by Egypt (-2.4%). However, on a YTD basis, positive performances were recorded on most exchanges, with Zimbabwe, South Africa and Ghana extending their gains to 75.1%, 14.9% and 13.7%, respectively - **Chart 1**. Meanwhile, Moody's Investment Service downgraded Mauritius's long term foreign and local currency issuer rating to Baa2 from Baa1, and maintained the negative outlook citing negative shocks brought by COVID-19 pandemic on an island nation that largely relies on the tourism sector.
- On the currencies market, the U.S dollar index gained by 1.2% for the week to 91.98. On a YTD basis, the U.S dollar extended gains against most major currencies except the Pound Sterling, Nigeria Naira, Chinese Yuan and the Mozambican Metical -**Graph 14**.

Chart 1: Selected African Equities Markets- YTD Performances



Graph 14: Major Currencies vs the USD-YTD Movements-05 March 2021



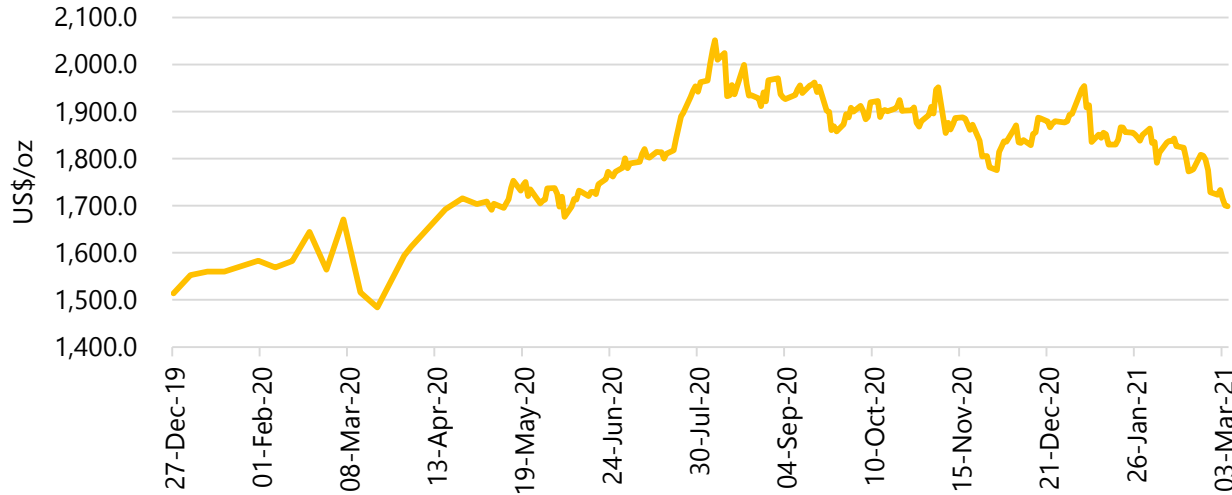


GLOBAL COMMODITY PRICE MOVEMENTS

MINERALS



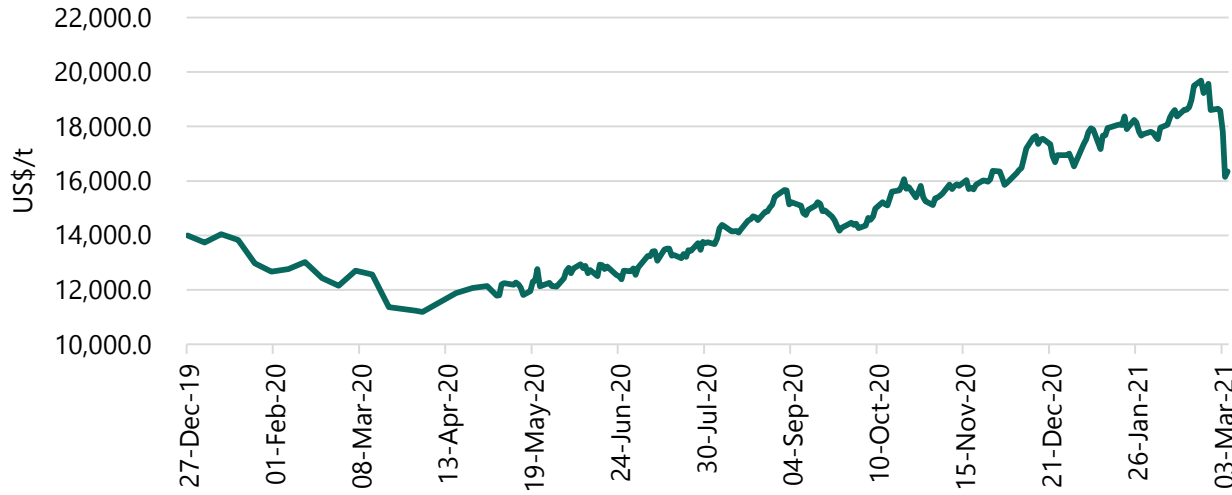
Gold prices - US\$/oz



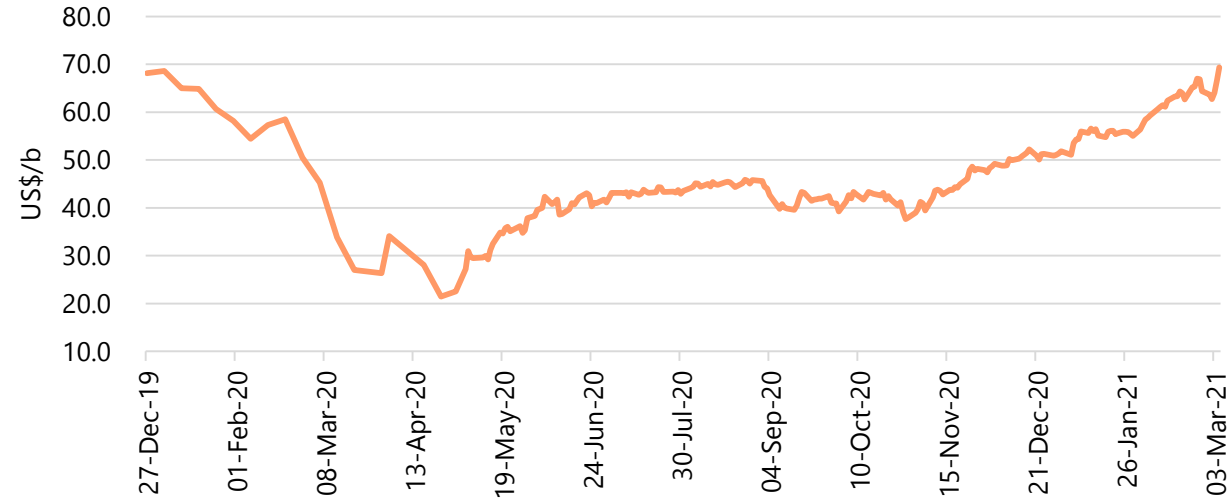
Platinum price - US\$/oz



Nickel price - US\$/t



Oil prices - US\$/b



Source: Quandl

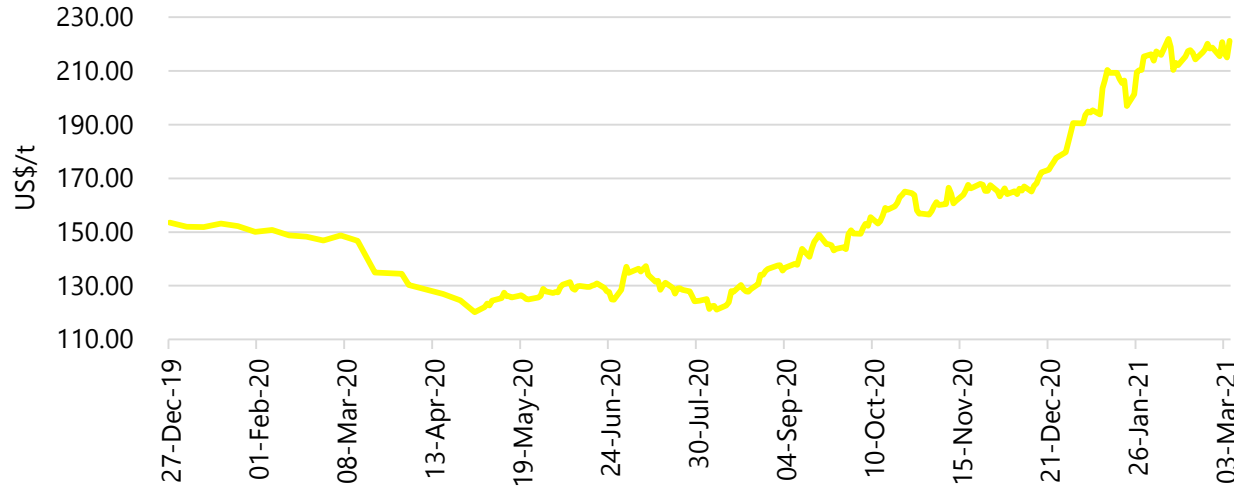


GLOBAL COMMODITY PRICE MOVEMENTS

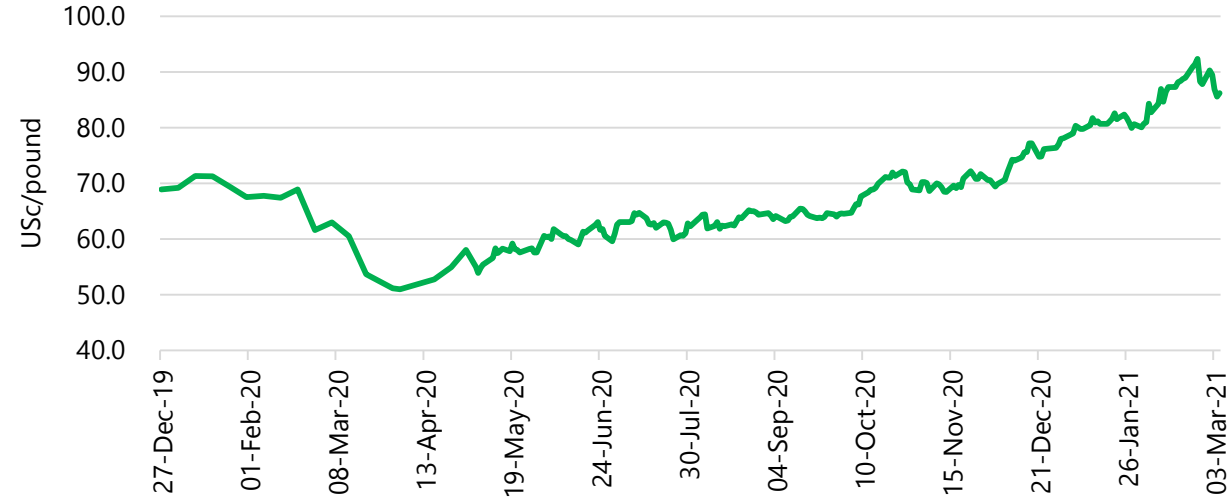
AGRIC COMMODITIES



Corn - US\$/t



Cotton - USc/pound



Wheat - US\$/t



Sugar - USc/pound



Source: Quandl

Date	Event	Period	Forecast	Previous
Local				
09 March 2021	RBZ Foreign Exchange Auction Market	10-16 March 2021		83.8891
10 March 2021	Nampak AGM (Time: 0900hrs; Venue: Virtual)			
11 March 2021	Mash Holdings AGM (Time: 1100hrs; Venue: Boardroom, 19th floor, ZB Life Towers, 77 Jason Moyo Ave, Harare)			
11 March 2021	Art Holdings AGM (Time: 1200hrs; Venue: Virtual- https://eagm.creg.co.zw/eagmZim/Login.aspx)			
Regional & International				
08 March 2021	Japan GDP Q/Q (y/y)	Q4 2020	3.0% (12.7%)	5.3% (22.9%)
09 March 2021	South Africa GDP Q/Q (y/y)	Q4 2020	4.5% (-4.6%)	66.1% (-6.0%)
09 March 2021	U.S EIA Short-Term Energy Outlook			
09 March 2021	China CPI M/M (y/y)	February 2021	0.4% (-0.4%)	1.0% (-0.3%)
10 March 2021	U.S CPI M/M (y/y)	February 2021	0.4% (1.7%)	0.3% (1.4%)
10 March 2021	U.S Crude Oil Inventories			21.563m
11 March 2021	ECB Interest Rate Decision	March 2021		0.25%
12 March 2021	U.K Trade Balance	January 2021	-£12.50b	-£14.32b

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