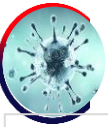




...ZERA announces new fuel
prices effective 05 April
2021...

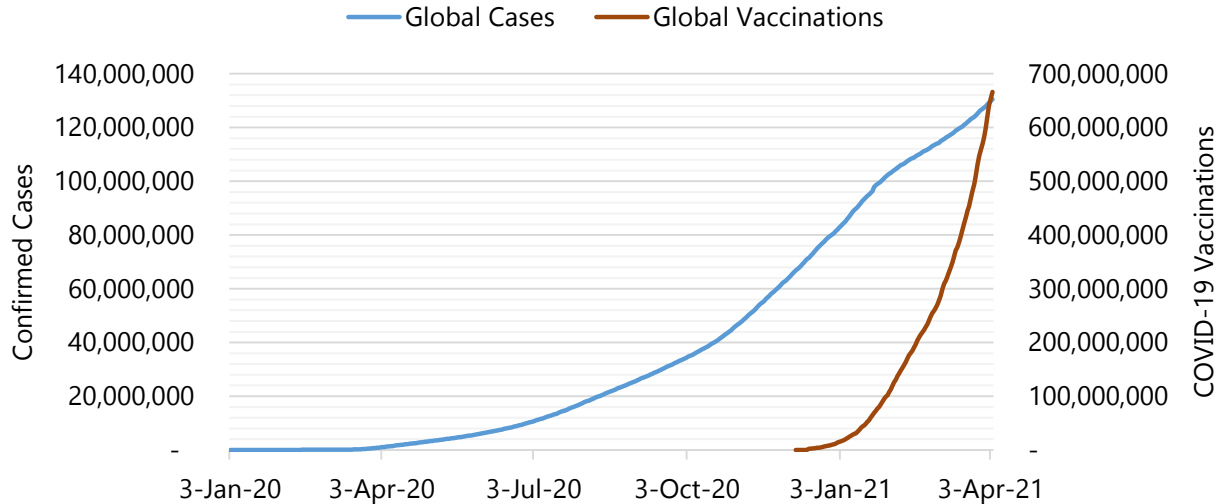
THE CBZ ECONOMIC BRIEF

Week Ending 02 April 2021

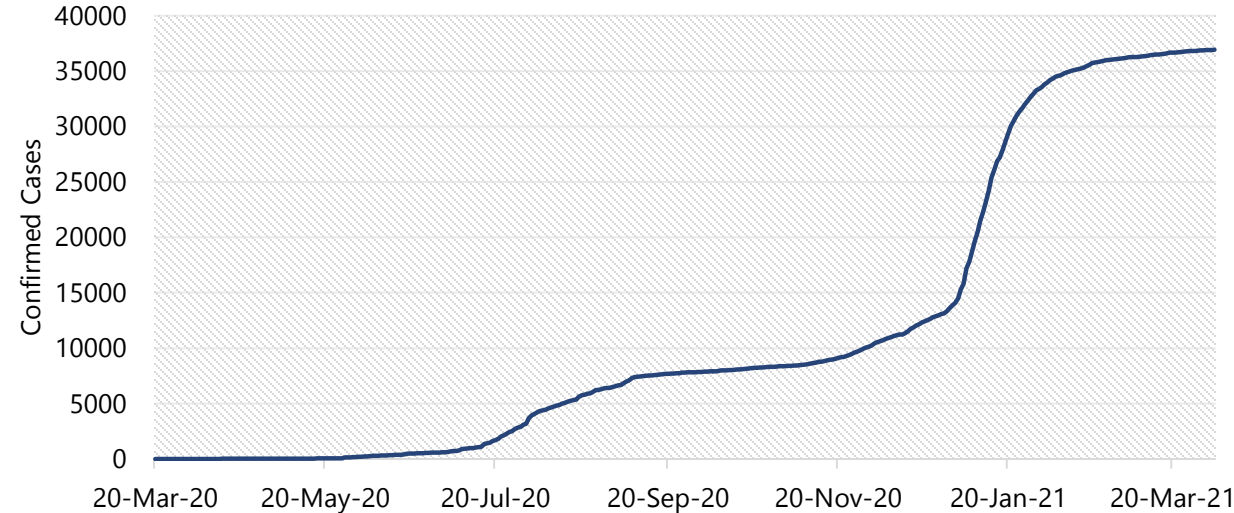


COVID-19 | Global Status as at 04 April 2021

Global Cumulative COVID-19 Cases and Vaccination Trends



Graph 2: Zimbabwe Cumulative COVID-19 Cases as at 04 April 2021



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

Notable Trends in Cases for the Week

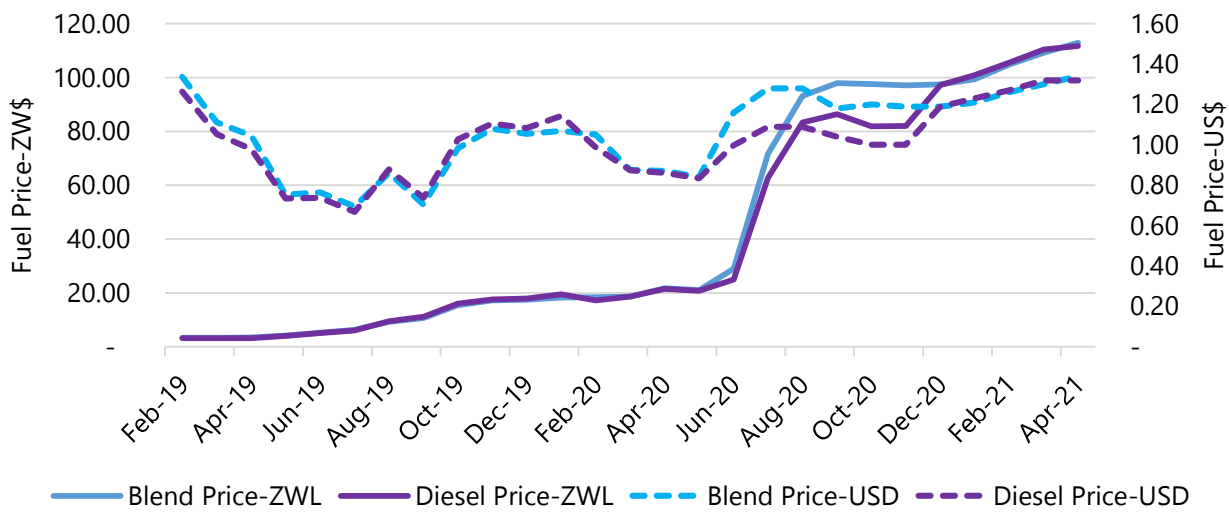
- Global cumulative coronavirus cases rose above 130m after more than 4.0m new cases were recorded during the week to 04 April 2021. During the same period, a total of 109m doses were administered globally, bringing the cumulative COVID-19 vaccinations to 666m– **Graph 1**.
- In Africa, cumulative cases increased by 1.9% to 3.12m. South Africa remained the most infected country in the continent with 1.6m cases, followed by Morocco (498k), Tunisia (260k), Ethiopia (215k) and Egypt (204k). Meanwhile, Johnson & Johnson and African Union through African Vaccine Acquisition Trust “AVAT” signed a COVID-19 procurement agreement where the drug maker promised to supply up to 400 million doses of the COVID-19 vaccine to the continent’s 55 member states starting in the 3rd quarter of 2021 through to 2022. The bulk of the supplies will be produced at the pharmaceutical manufacturing plant in South Africa operated by Aspen Pharma.
- In Zimbabwe, confirmed cases rose to 36,923 after an additional 101 new cases were recorded during the week - **Graph 2**. The national recovery rate was unchanged at 94% as at 04 April 2021. Meanwhile, the country received 1.056m doses of COVID-19 vaccine purchased from China on 30 March 2021. Going forward, the country announced that it will be receiving about 1 million doses of COVID-19 vaccines per month in order to reach herd immunity.
- Meanwhile, according the World Trade Organisation “WTO”, the world merchandise trade volume is expected to increase by 8% in 2021 after falling by 5.3% in 2020 (in nominal dollar terms, trade fell by 7% in 2020). Trade growth is expected to slow to 4.0% in 2022 as the effects of COVID-19 pandemic will continue to be felt in the long term.



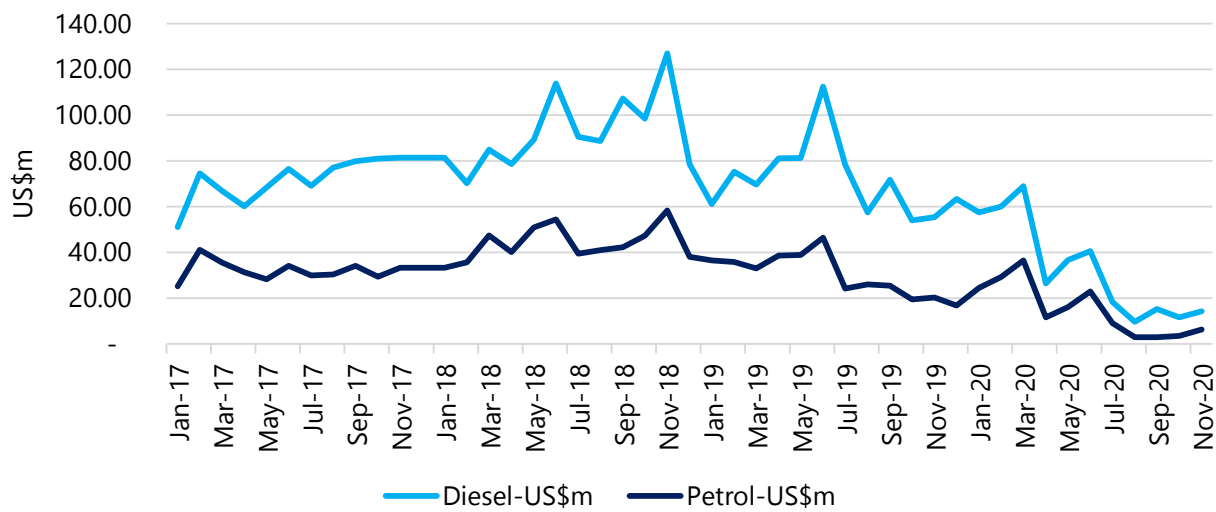
ZIMBABWE | ENERGY SECTOR DEVELOPMENTS – APRIL 2021



Graph 3: Blend and Diesel Prices Trend



Graph 4: Diesel & Petrol Monthly Import Trends



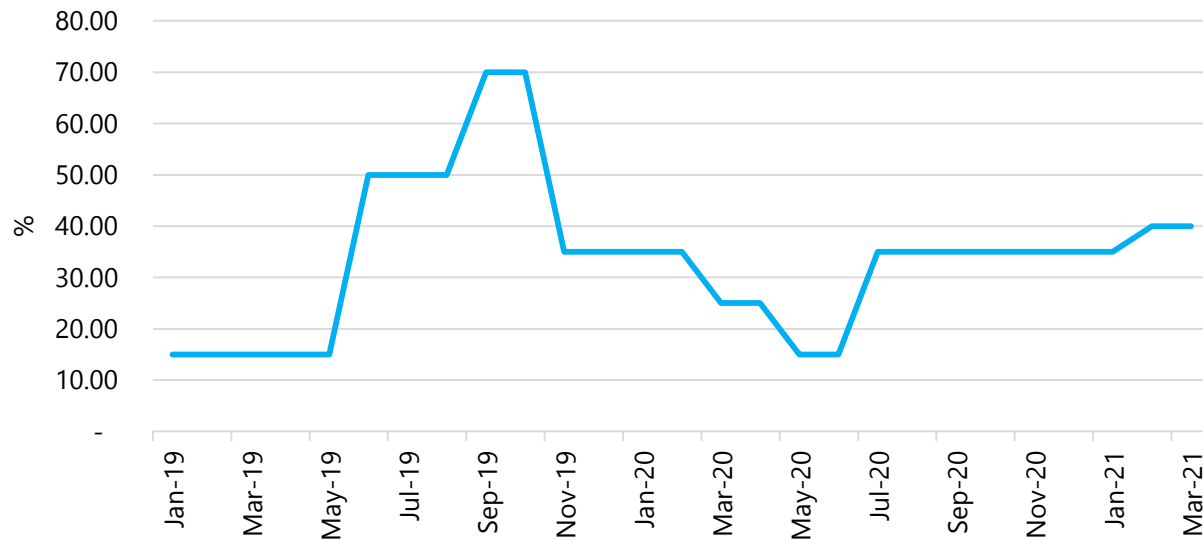
Country	Blend Price-US\$/Ltr	Diesel Price-US\$/Ltr
Angola	0.26	0.22
Botswana	0.73	0.73
DRC	1.00	1.00
Kenya	1.14	1.00
Malawi	1.15	1.14
Mauritius	1.09	0.87
Mozambique	0.90	0.83
Namibia	0.85	0.85
South Africa	1.07	1.08
Tanzania	0.85	0.82
Zambia	0.97	0.86
Zimbabwe	1.34	1.32
Global Average	1.11	1.00

- The Zimbabwe Energy Regulatory Authority “ZERA” announced new fuel prices effective 05 April 2021. The maximum pump price for blend increased by 3.47% (ZWL\$3.79) and 3.08% (US\$0.04) in local currency and U.S dollar terms to ZWL\$112.96/litre and US\$1.34/litre, respectively. Local currency price for diesel went up by 1.23% (ZWL\$1.36) to ZWL\$111.77/litre, while the U.S dollar price remain unchanged at US\$1.32/litre – **Graph 3**.
- This, to a large extent, reflected the rise in international oil price and the ZWL\$/USD exchange rate movements during the review period. In fact, global oil prices increased by 1.8% from US\$63.69/b on 01 March 2021 to US\$64.86b at the end of March 2021, while the ZWL\$/USD exchange rate declined by 0.6% over the same period.
- Meanwhile, data from ZimStat showed that the decline momentum in blend and diesel imports that started in second half of 2020 continued in January 2021. Blend import bill declined by 15% m/m and 75% y/y to US\$6.03m, while diesel decreased by 14% m/m and 66% y/y to US\$19.56m in January 2021- **Graph 4**.
- **Table 1** depicts comparable fuel prices for Zimbabwe’s major trading and/ regional peers.



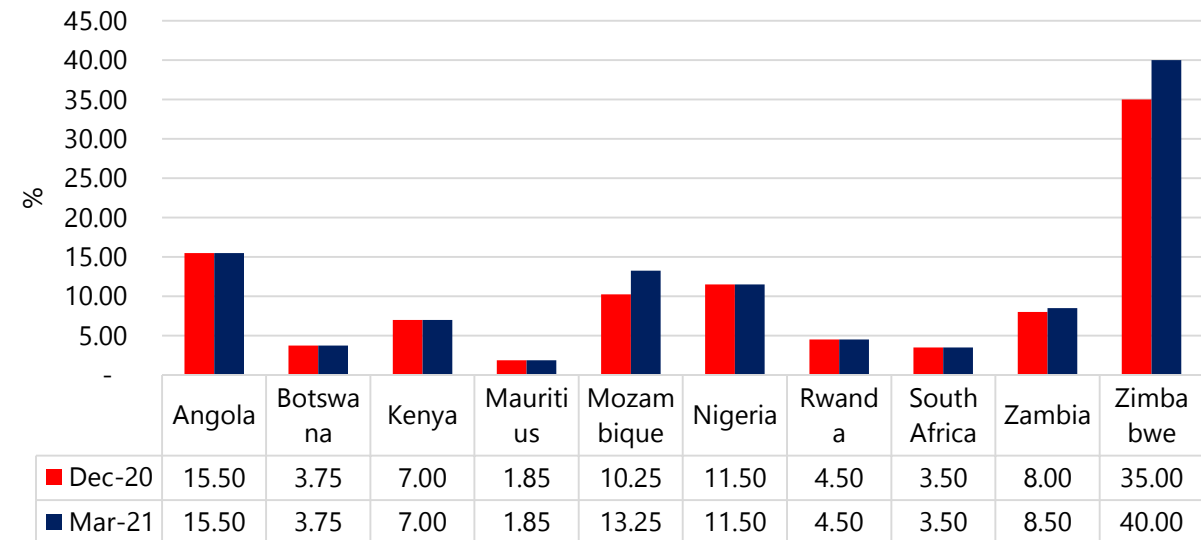
- The Reserve Bank of Zimbabwe “RBZ” maintained its interest rate and the accommodative monetary policy stance in order to “buttress measures announced in the February 2021 Monetary Policy Statement and to sustain macro economic stability”. The Bank left its interest rate on overnight accommodation at 40%, unchanged since it was cut by 500 basis points in February 2021- **Graph 5**. The interest applicable to the Medium Term Bank Accommodation “MBA” was also unchanged at 30%.
- Additionally, the RBZ’s Monetary Policy Committee resolved the following:
 - Increase the amount of the MBA Facility by an additional ZW\$2.5b to cater for the winter wheat planting programme;
 - Put a cap on the interest rate at which banks can on-lend the proceeds from the MBA Facility at 10% above the borrowing rate to ensure recovery of the productive sectors;
 - Maintain the current conservative monetary targeting framework anchored on 22.5% reserve money quarterly targets; and
 - Put in place a term lending facility to assist funding needs of Small and Medium Enterprises “SMEs” benchmarked on the experiences of other central banks.
- Meanwhile, **Graph 6** shows comparable interest rates for selected central banks in Africa.

Graph 5: RBZ Policy Rate Trends



Source: RBZ

Graph 6: Central Banks Policy Rates - Africa



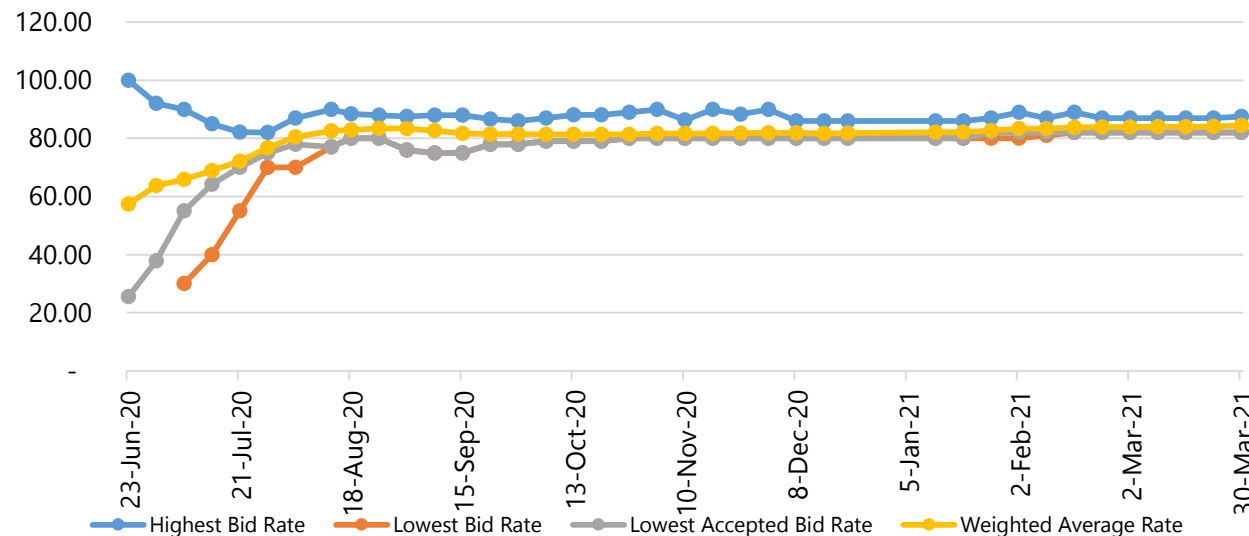
Source: Central Bank News



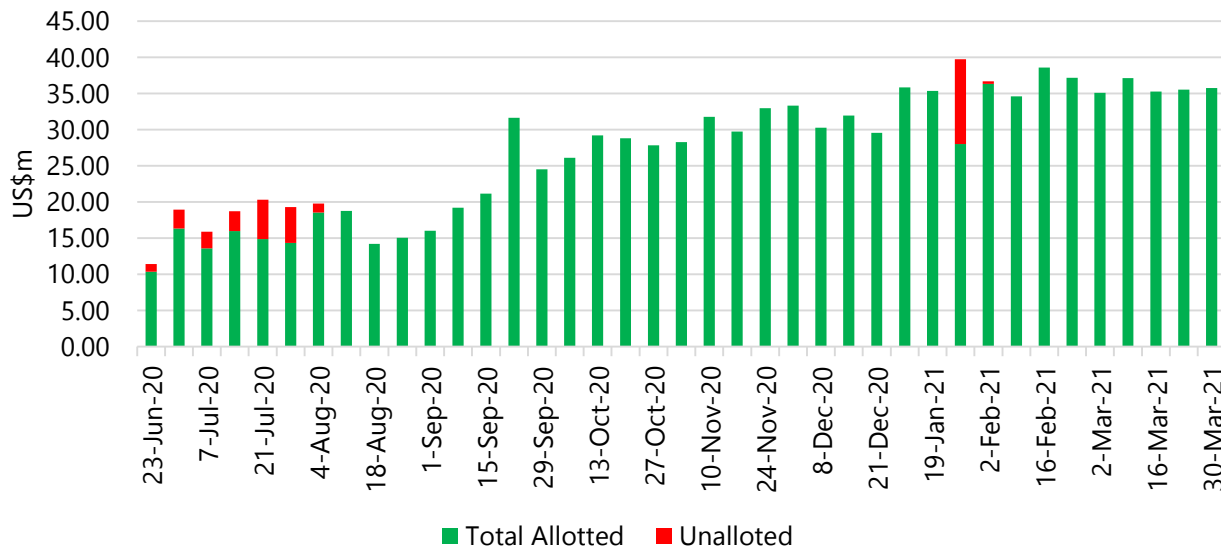
Foreign Currency Market Developments

- The ZW\$ lost 0.3% against the U.S dollar to trade at ZWL\$84.40/USD during the last auction held by the RBZ on Tuesday, 30 March 2021-**Graph 7**.
- The highest bid rate increased from 87.0 to 87.5 while the lowest accepted rate remained steady at 82.0, on the main auction respectively.
- The total number of allotted bids increased from 507 to 529. Resultantly, total allotment for the week marginally increased by 0.6% to US\$35.8m, from US\$35.6m that was allotted during the previous week – **Graph 8a**. The largest weekly allotments were for raw materials (US\$16.4m), machinery & equipment (US\$6.3m), consumables (US\$3.3m), services (US\$2.4m), pharmaceuticals (US\$2.4m), fuel, electricity & gas (US\$2.3m) and retail and distribution (US\$2.1m)- **Graph 8b**.

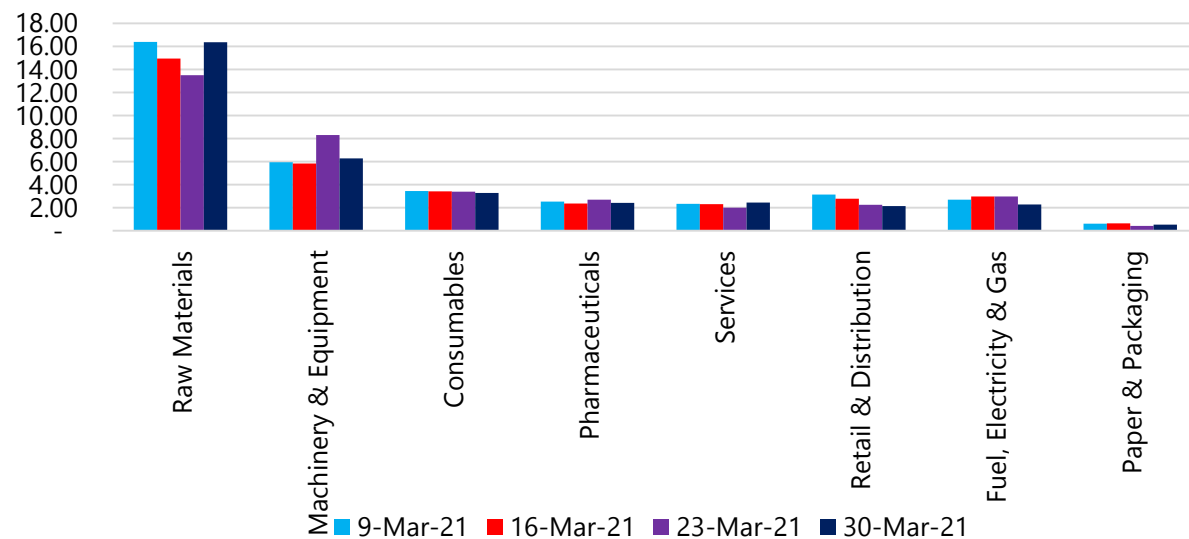
Graph 7: FX Auction Market Bid Rates Trend



Graph 8a: Foreign Currency Auction Allotments

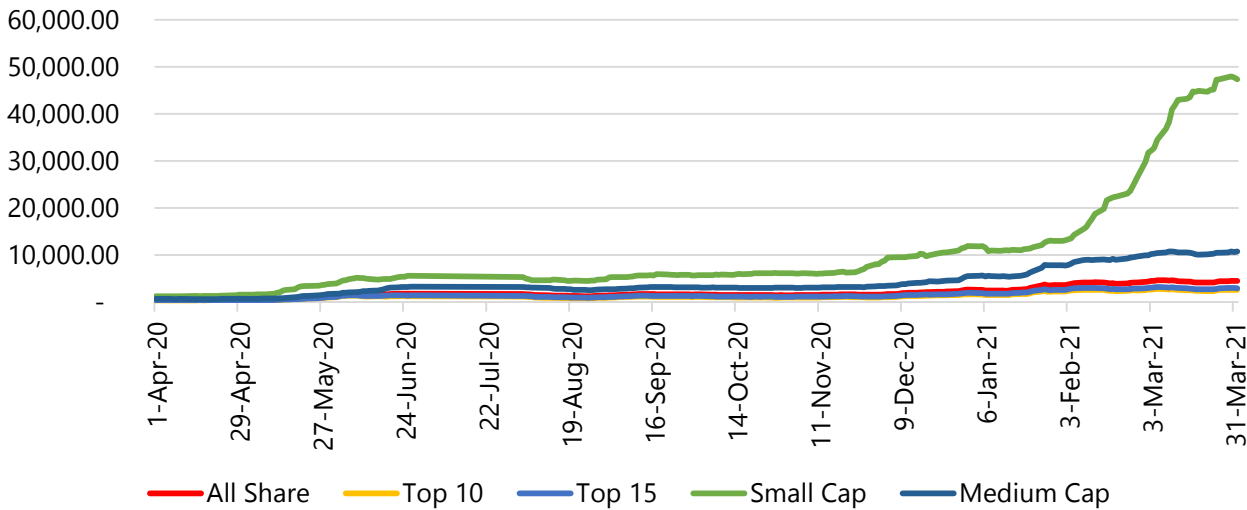


Graph 8b: FX Allotments Per Sector





Graph 8: ZSE Indices



Graph 9: ZSE Top 10 Counters By Market Capitalisation -ZWL\$m

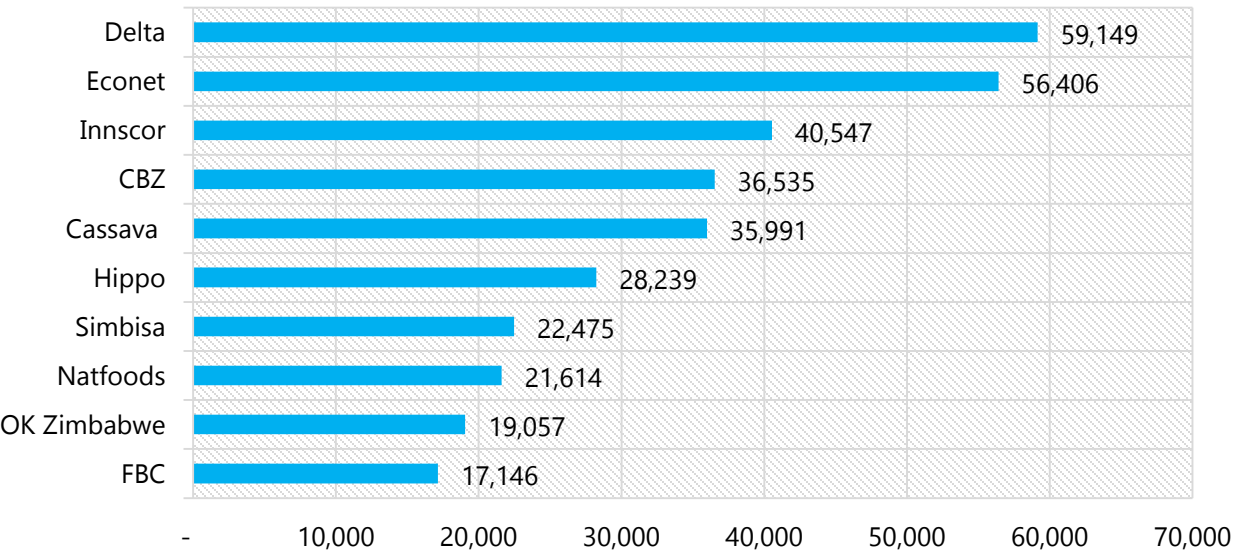


Table 2: ZSE Movers and Shakers

Movers	26-Mar-21	1-Apr-21	Weekly Change (%)
ZBFH	3,200.00	3,847.50	20.2%
Willdale	90.44	107.27	18.6%
Simbisa	3,428.77	3,997.75	16.6%
Econet	1,904.52	2,177.36	14.3%
NMB	798.00	900.64	12.9%
Shakers	26-Mar-21	1-Apr-21	Weekly Change (%)
Star Africa	49.99	44.30	-11.4%
DZLH	1,722.05	1,542.59	-10.4%
FMP	549.09	495.00	-9.9%
Art	640.56	580.87	-9.3%
Cafca	13,200.00	12,000.00	-9.1%

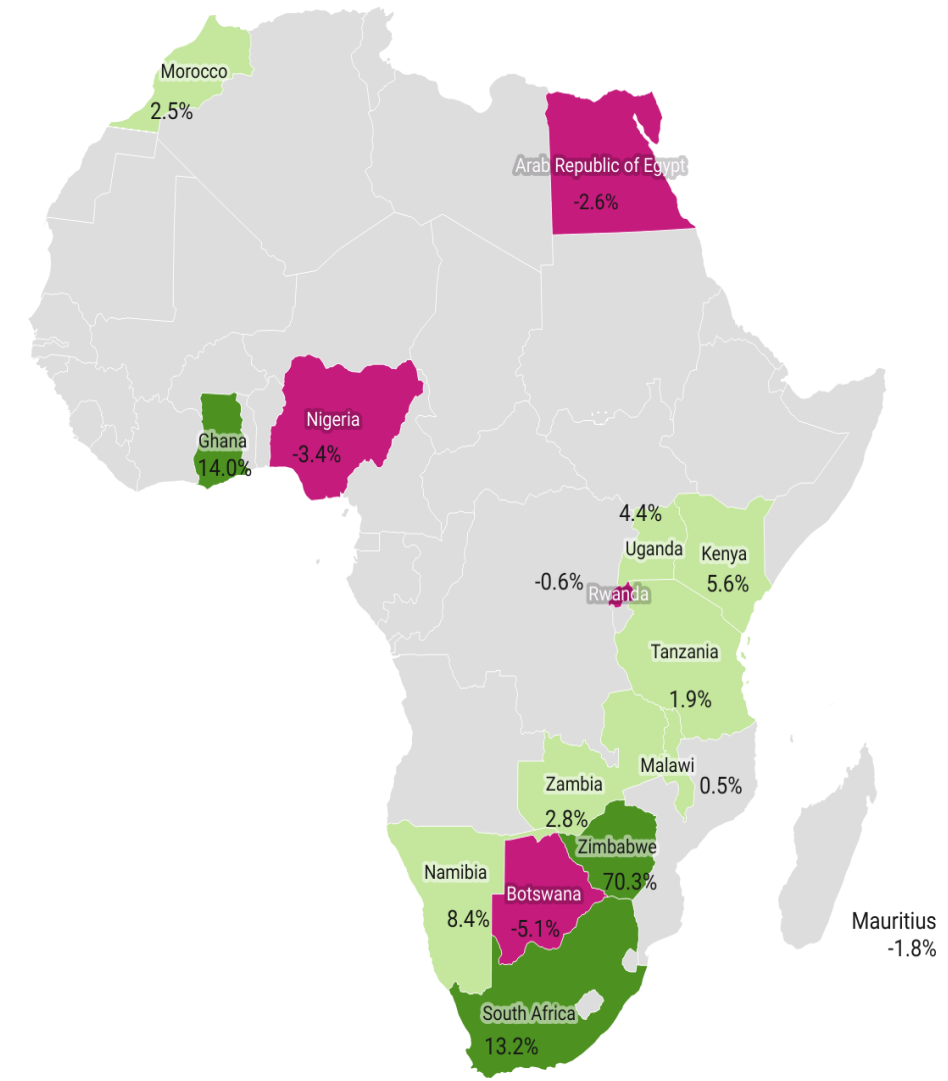
- On the ZSE, all indices recorded weekly gains led by the Medium Cap Index (+2.5%). The benchmark All Share Index rose by 1.3% to close the week at 4,489.47 points –**Graph 8**.
- ZBFH led the market movers with a weekly gain of 20.2%, followed by Willdale (+18.6%), Simbisa (+16.6%), Econet (+14.3%) and NMB (+12.9%). However, market gains were offset by losses in Star Africa (-11.4%), DZLH (-10.4%), FMP (-9.9%), Art (-9.3%) and Cafca (-9.1%)–**Table 2**.
- Delta remained the largest counter on the ZSE with a market capitalisation to ZWL\$59.1b, followed by Econet (ZWL\$56.4b), Innskor (ZWL\$40.5b), CBZ (ZWL\$36.5b) and Cassava (ZWL\$36.0b) –**Graph 9**.



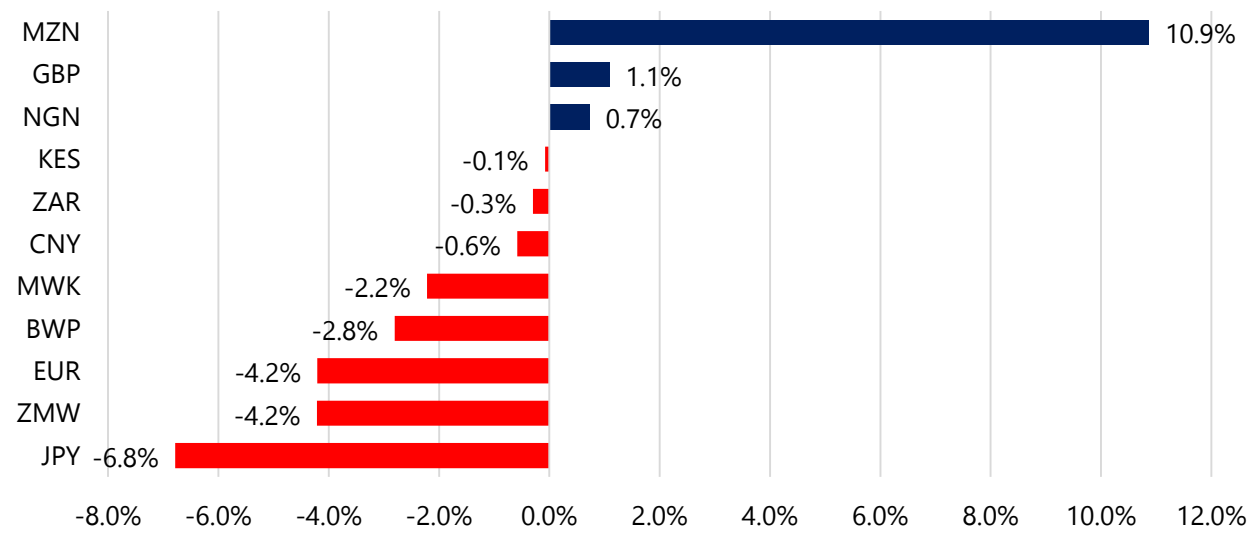
REGIONAL & GLOBAL FINANCIAL MARKETS

- On the global markets, most major benchmarks closed higher for the holiday-shortened trading week supported by positive sentiment around the U.S infrastructure spending plan and optimism about a speedy economic recovery.
- The Japanese Nikkei 225 Stock Average led the market gainers with +2.3%, followed by China’s Shanghai Composite Index (+1.9%) and U.S DJIA (+0.2%). U.K FTSE100 was little unchanged at -0.05%.
- In African, stock markets ended the holiday- shortened week mixed. South Africa led the weekly gainers with +3.8% while Kenya recorded the largest weekly decline of 4.8%. On a year-to-date “YTD” basis, Zimbabwe’s ZSE extended its gain to 70.3%. Other notable YTD gainers were Ghana (+14.0%) and South Africa (+13.2%)- **Chart 1**.
- Meanwhile, the Bank of Angola “BNA” kept its benchmark interest rate unchanged at 15.5% but raised the rate on its permanent liquidity absorption facility by 500 basis point to 12.0% citing persistent inflationary pressures. Elsewhere, Central Bank of Kenya “CBK” maintained its policy rate at 7.0%
- On the currencies market, the U.S dollar index firmed up 0.2% for the week to 92.93. On a YTD basis, the U.S dollar extended gains against most major currencies except the Mozambican Metical, British Pound Sterling and Nigerian Naira -**Graph 10**.

Chart 1: Selected African Equities Markets- YTD Performances



Graph 10: Major Currencies vs the USD-YTD Movements-01 April 2021

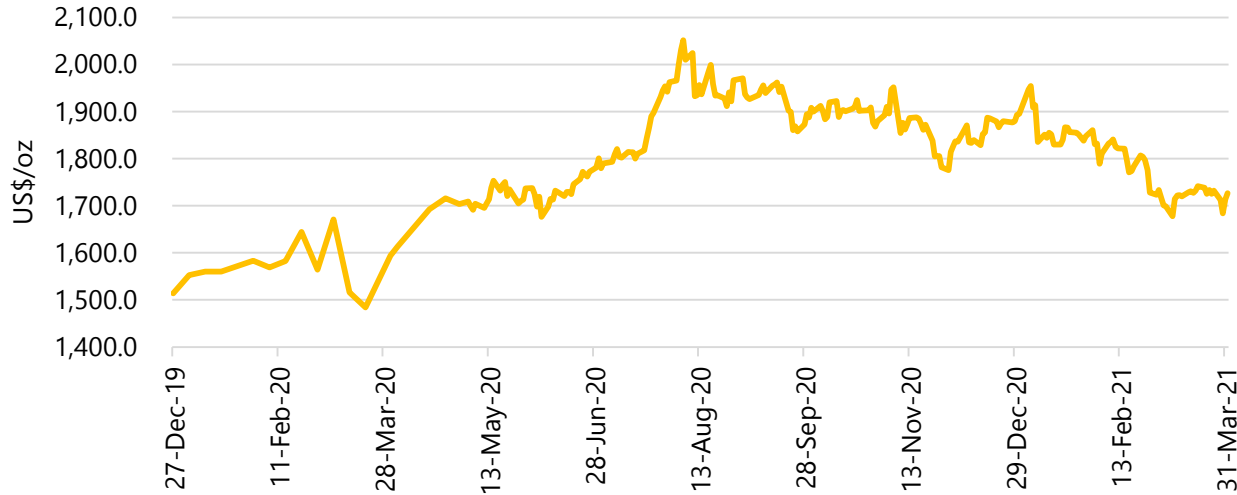




GLOBAL COMMODITY PRICE MOVEMENTS

MINERALS

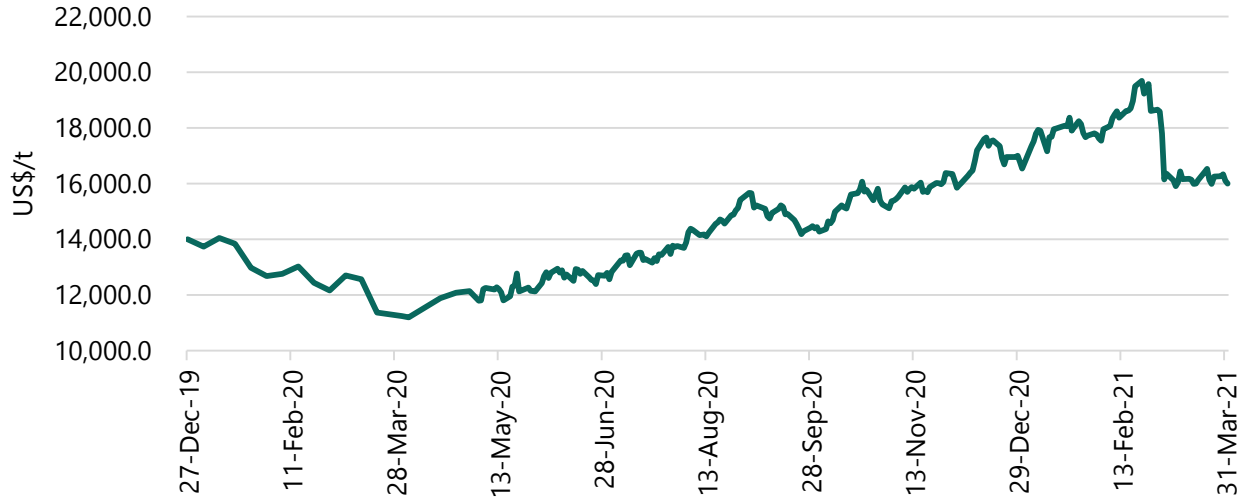
Gold prices - US\$/oz



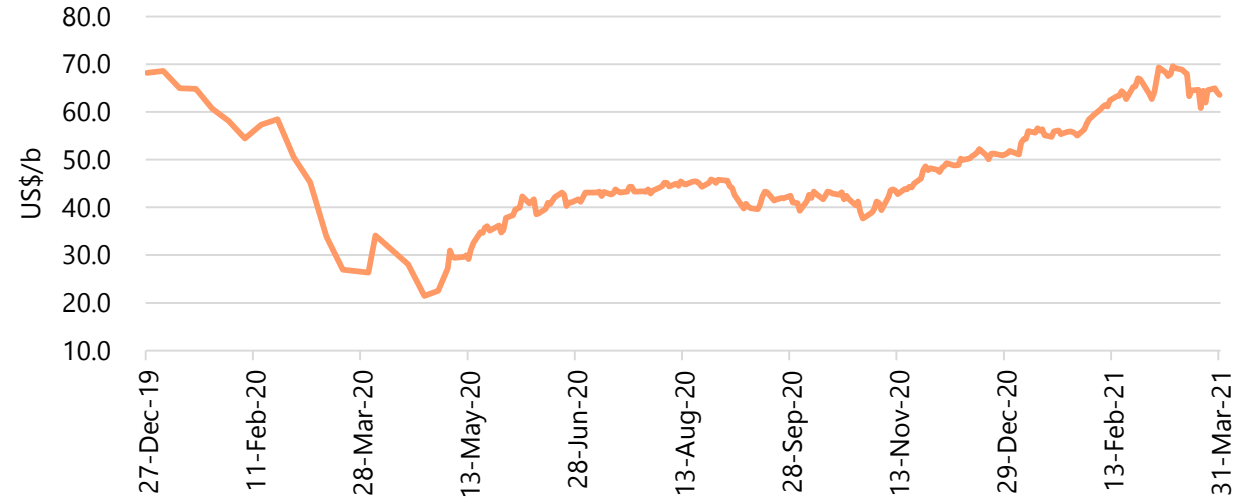
Platinum price - US\$/oz



Nickel price - US\$/t



Oil prices - US\$/b



Source: Quandl



GLOBAL COMMODITY PRICE MOVEMENTS

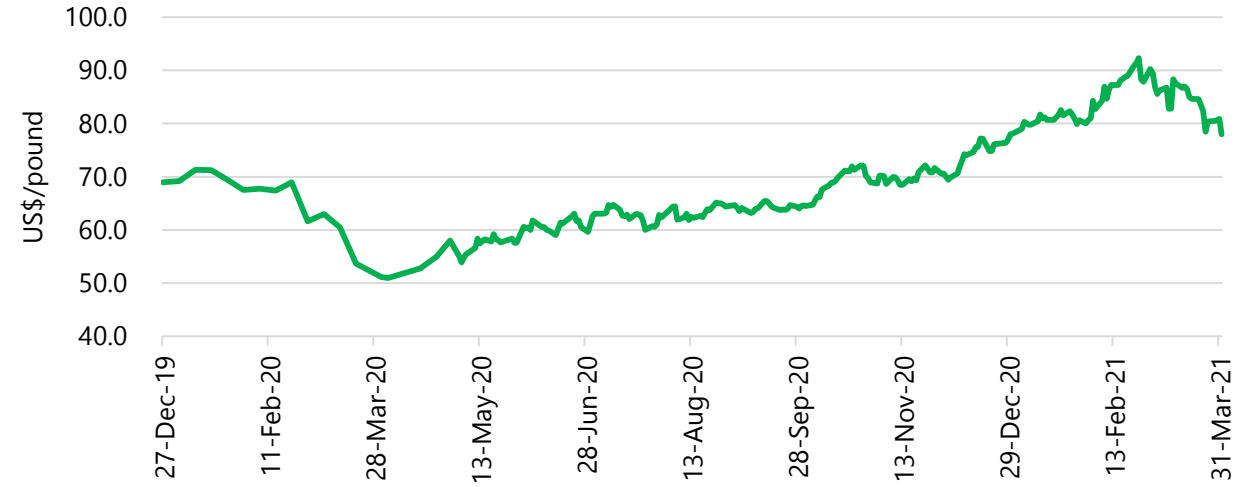
AGRIC COMMODITIES



Corn - US\$/t



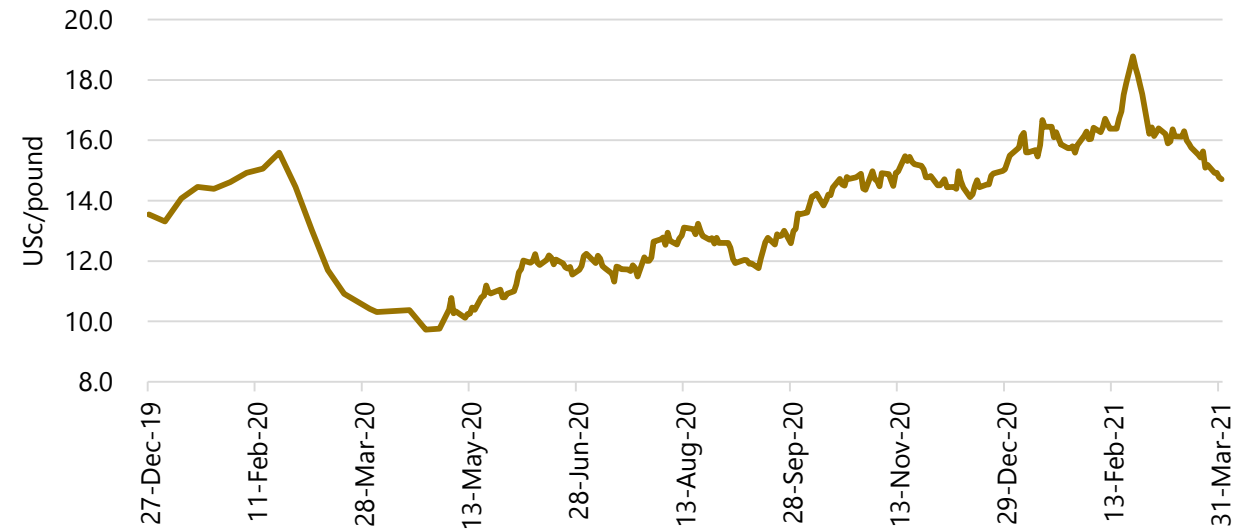
Cotton - USc/pound



Wheat - US\$/t



Sugar - USc/pound



Source: Quandl

Date	Event	Period	Forecast	Previous
Local				
06 March 2021	RBZ Foreign Exchange Auction Market	07-13 April 2021		84.4001
Regional & International				
06 April 2021	U.S EIA Short-Term Energy Outlook			
06 April 2021	Euro Zone Unemployment Rate	February 2021	8.1%	8.1%
07 April 2021	U.S Crude Oil Inventories		0.107m	-0.876m
07 April 2021	U.S Federal Open Market Committee "FOMC" Meeting Minutes			
08 April 2021	U.K Construction PMI	March 2021	51.0	53.3
08 April 2021	European Central Bank "ECB" Monetary Policy Statement			
08 April 2021	China CPI m/m (y/y)	March 2021	0.6% (-0.4%)	0.6% (-0.2%)
08 April 2021	South Africa Manufacturing Production	February 2021		0.5%
09 April 2021	South Africa Foreign Reserves	March 2021		US\$53.79b

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

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