



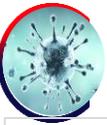
...The 2020/21 Tobacco  
Marketing Season  
commences...

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## THE CBZ ECONOMIC BRIEF

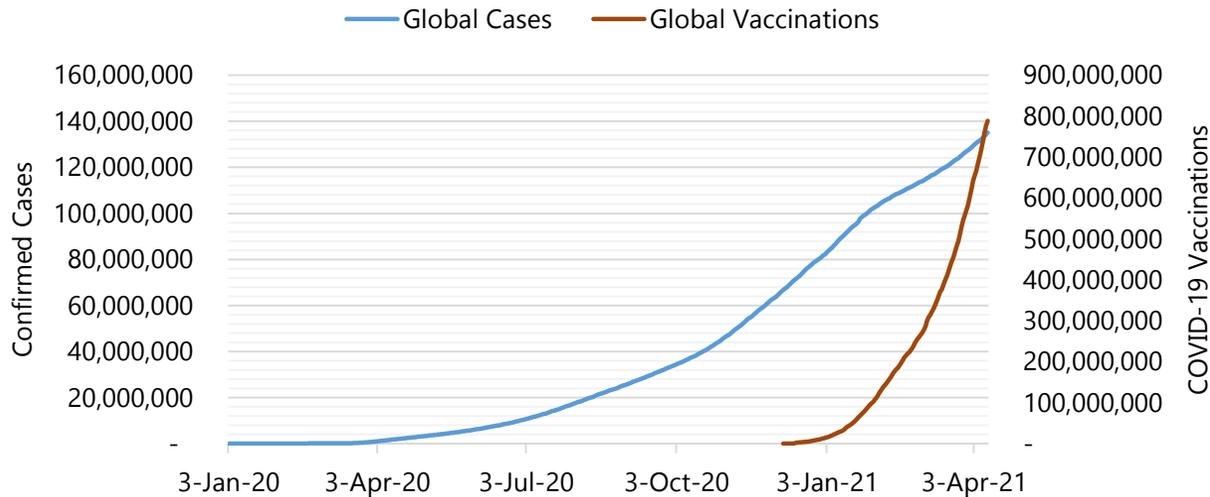
Week Ending 09 April 2021

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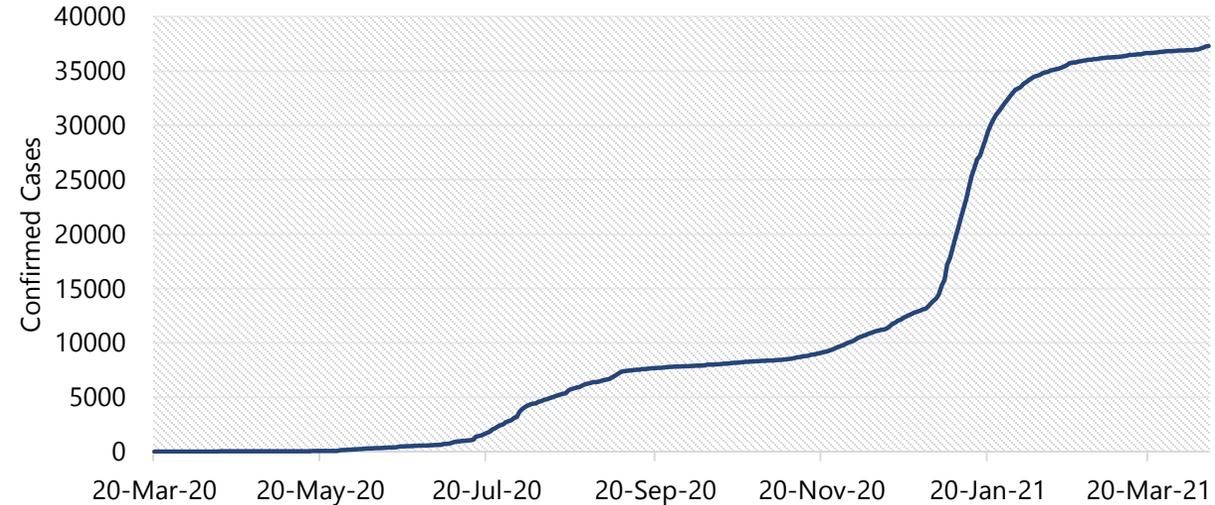


# COVID-19 | Global Status as at 11 April 2021

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



**Graph 2: Zimbabwe Cumulative COVID-19 Cases as at 11 April 2021**



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

## Notable Trends in Cases for the Week

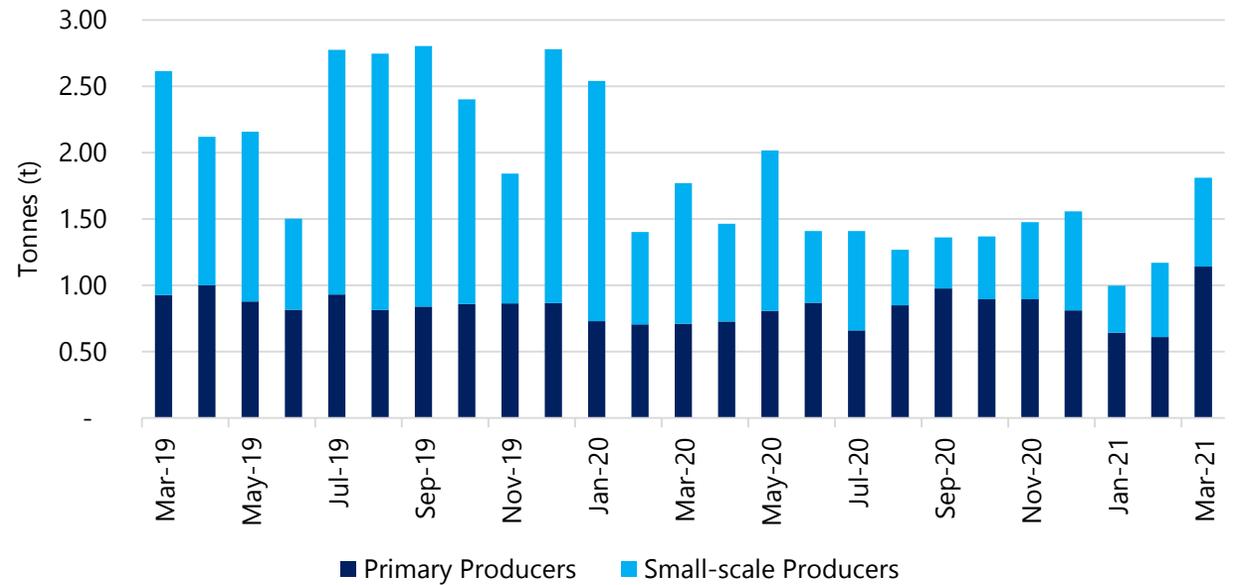
- Global cumulative coronavirus cases rose above 135m after more than 4.5m new cases were recorded during the week to 11 April 2021. During the same period, a total of 122m doses were administered globally, bringing the cumulative COVID-19 vaccinations to 788m— **Graph 1**. Meanwhile, the European Medicines Agency “EMA” announced that they found possible link between the AstraZeneca vaccine and very rare cases of blood clots after 169 cases were reported by early April 2021.
- In Africa, cumulative cases increased by 1.6% to 3.2m. Morocco surpassed the 500k cases mark and remained the 2<sup>nd</sup> most infected country in the continent behind South Africa (1.6m). Meanwhile, Nigeria announced that they have started clinical trials for two locally developed COVID-19 vaccines. The vaccines will be authorised for use after the completion of the trials and obtaining of relevant certifications.
- In Zimbabwe, confirmed cases rose to 37,288 after an additional 365 new cases- the largest weekly increase in two months- were recorded during the week - **Graph 2**. Resultantly, the national recovery rate declined to 93.5% as at 11 April 2021, from 94% recorded at end of the previous period. Meanwhile, the government announced the suspension of the Zimbabwe School Examination Council “ZIMSEC” June 2021 Ordinary and Advanced level examinations, citing the negative impact of the COVID-19 outbreak on the timing and cycle of the public examinations.
- Meanwhile, the International Monetary Fund “IMF” revised upwards its growth projection for the global economy to 6.0%, from January 2021 forecast of 5.5%. The global GDP is expected to moderate to 4.4% in 2022. According to the global fancier, the growth will be supported by additional fiscal support in a few large economies and the anticipated vaccine-powered growth in the second half of the year. Advanced economies are expected to grow by 5.1%, while Sub-Saharan Africa “SSA” is expected to expand by 3.4% in 2021. Zimbabwe’s economy is projected to grow by 3.1% and 4.0% in 2021 and 2020, respectively.
- In Kenya, the IMF Executive Board approved the US\$2.34b Extended Credit Facility “ECF” and the Extended Fund Facility “EFF” for the East African country to support the next phase of the authorities’ COVID-19 response and address the urgent need to reduce debt vulnerabilities.



# ZIMBABWE | GOLD SUB-SECTOR DEVELOPMENTS

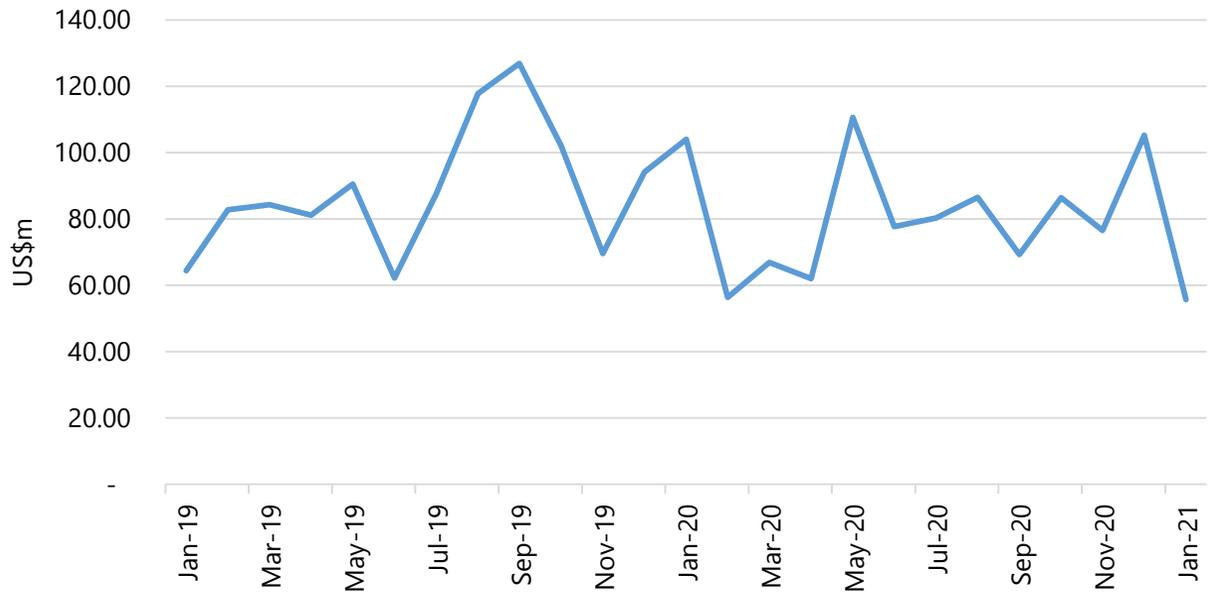
- According to Fidelity Printers and Refiners “FPR”, the country’s gold output increased by 54.6% m/m and 2.3% y/y to 1.8t in March 2021 from 1.2t recorded in February 2021, supported by improved weather conditions. Production by primary producers increased by 86.9% to 1.14t m/m, while output by small-scale miners rose by 19.5% m/m to 0.67t in March 2021- **Graph 3**.
- Cumulatively, the yellow metal production for the three months to March 2021 stood at 3.98t, 30.3% below the comparable period of 2020 (5.71t)
- Meanwhile, according to ZimStat, gold export earnings for January 2021 declined by 47.1% m/m and 46.5% y/y to US\$57.1m, reflecting the significant decline in gold deliveries to FPR due to the impact of side-marketing as well production disruptions due to wet weather conditions – **Graph 4**.

**Graph 3: Gold Production Trends**



**Source: Fidelity Printers & Refiners**

**Graph 4: Gold Export Earnings Trend**

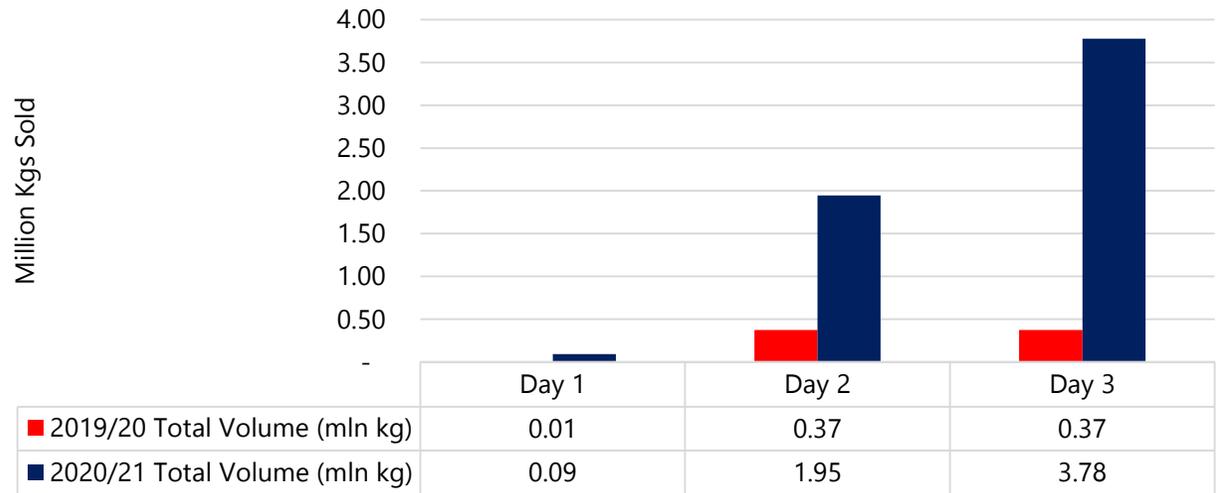


**Source: ZimStat**

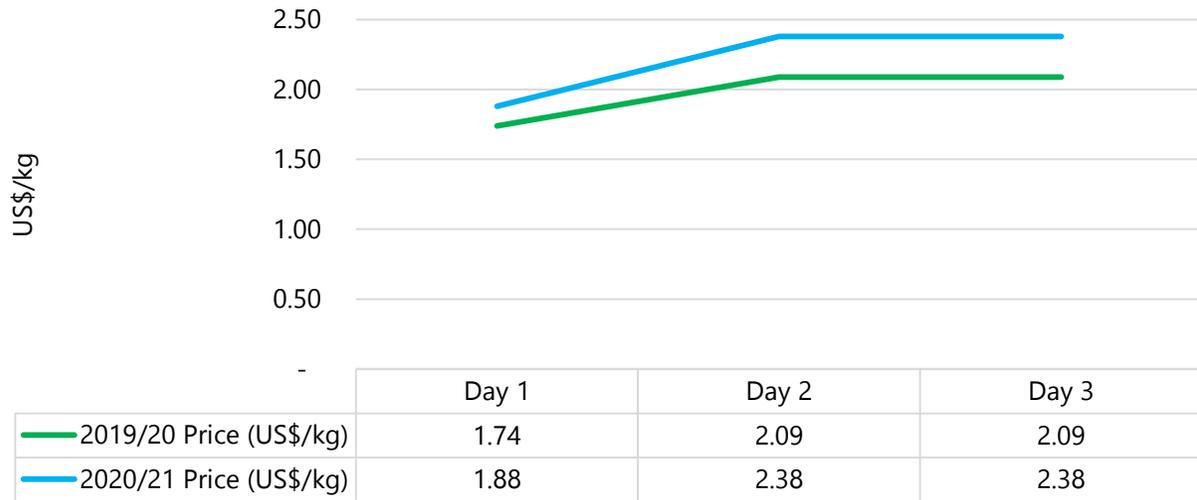


# ZIMBABWE | THE 2020/21 TOBACCO MARKETING SEASON

**Graph 5: Daily Tobacco Sales Statistics**



**Graph 6: Comparative Prices- 2019 vs 2020**



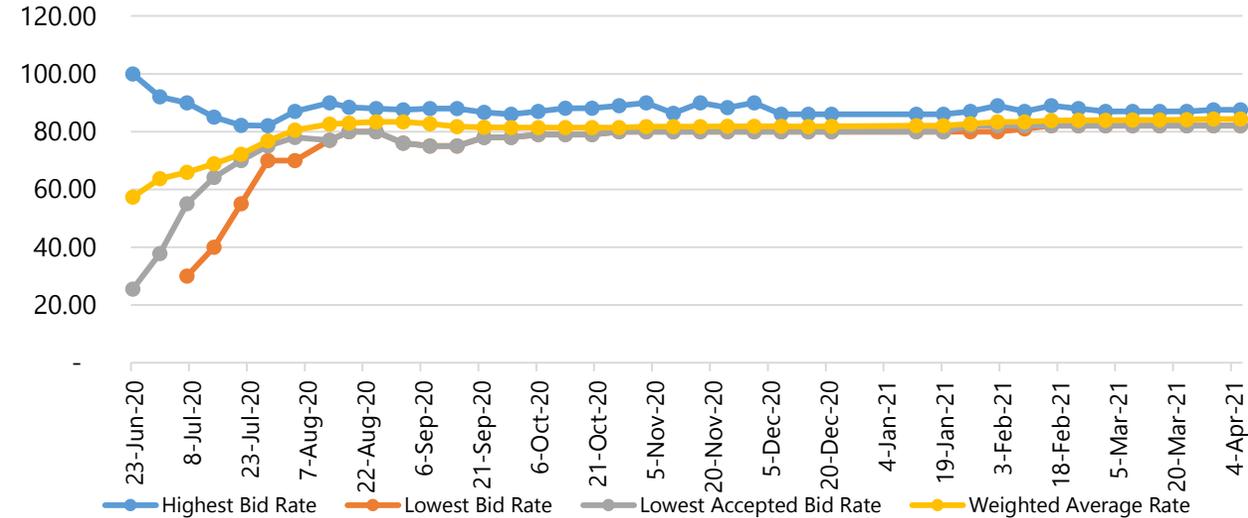
- According to the Tobacco Industry and Marketing Board "TIMB", the total volume of tobacco sold increased by 910% to 3.78m kgs as at Day 3, compared to the same period last year- **Graph 5**. In terms of value, total sales increased by 1047% to US\$8.99m as at Day 3, from US\$0.78m recorded during the same period last year.
- The average price rose by 13.6% to US\$2.38/kg, compared to the last year's average price of US\$2.09/kg- **Graph 6**.
- Meanwhile, the Reserve Bank of Zimbabwe announced, through the Exchange Control Guideline Number 2 of 2021, that tobacco growers shall be paid 40% of their total sales in local currency deposited into their accounts while the remaining 60% - net of foreign currency loan deductions- will be deposited into the grower's foreign currency account.



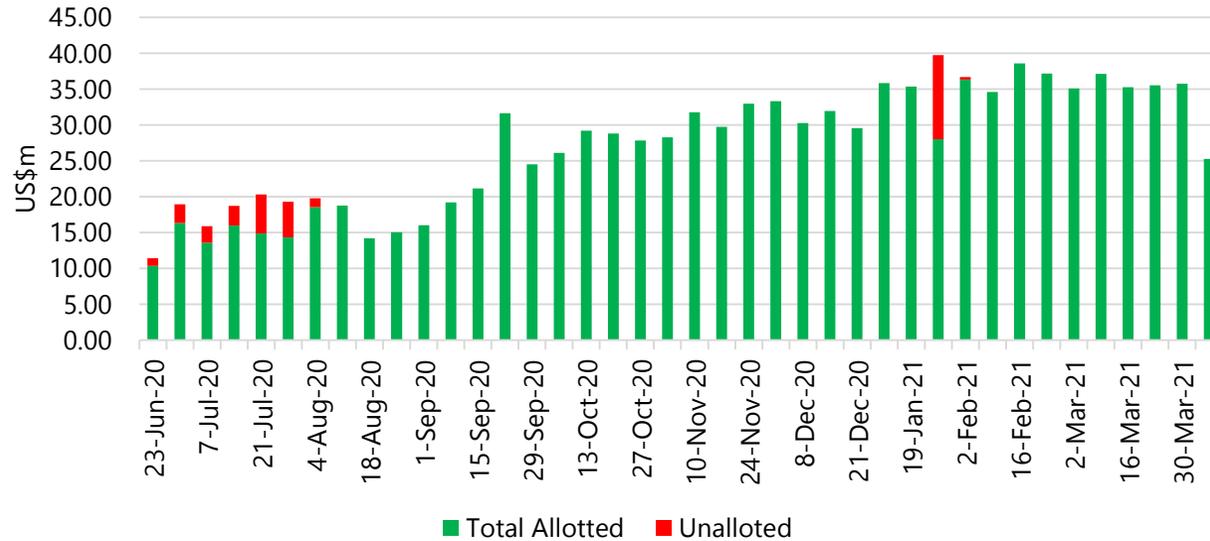
## Foreign Currency Market Developments

- The ZW\$ traded flat against the U.S dollar at ZWL\$84.40/USD during the last auction held by the RBZ on Tuesday, 06 April 2021-**Graph 7**.
- The lowest and highest bid rates were unchanged at 87.5 and 82.0, on the main auction respectively.
- The total number of allotted bids declined from 529 to 334. Resultantly, total allotment for the week decreased by 29% to US\$25.3m, from US\$35.8m that was allotted during the previous week – **Graph 8a**. The largest weekly allotments were for raw materials (US\$11.6m), machinery & equipment (US\$5.1m), consumables (US\$2.2m), pharmaceuticals (US\$1.9m), services (US\$1.6m) and retail and distribution (US\$1.4m)- **Graph 8b**.

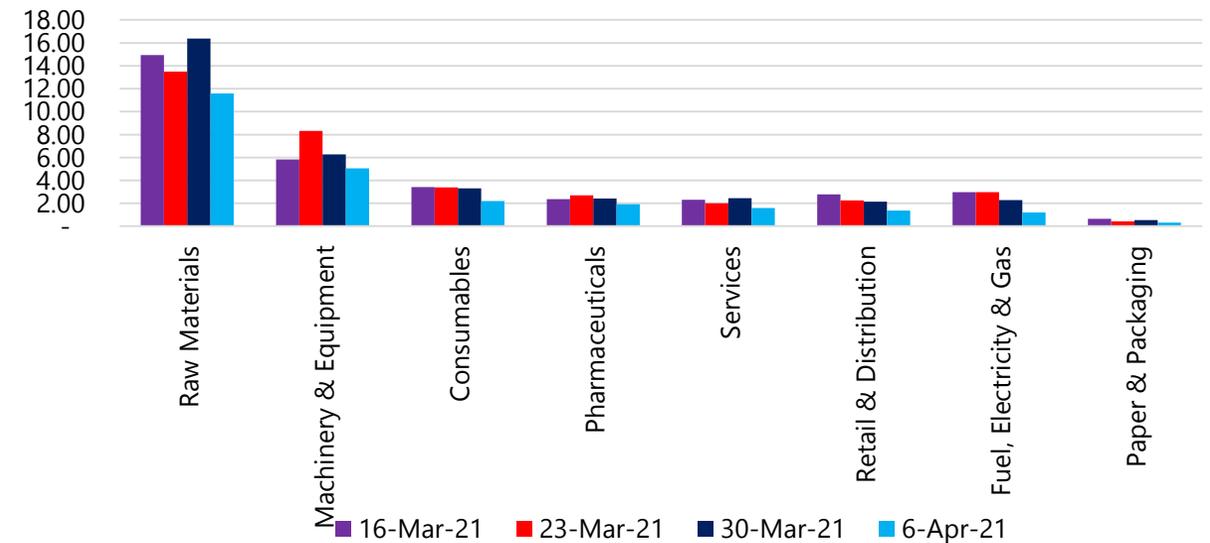
### Graph 7: FX Auction Market Bid Rates Trend



### Graph 8a: Foreign Currency Auction Allotments

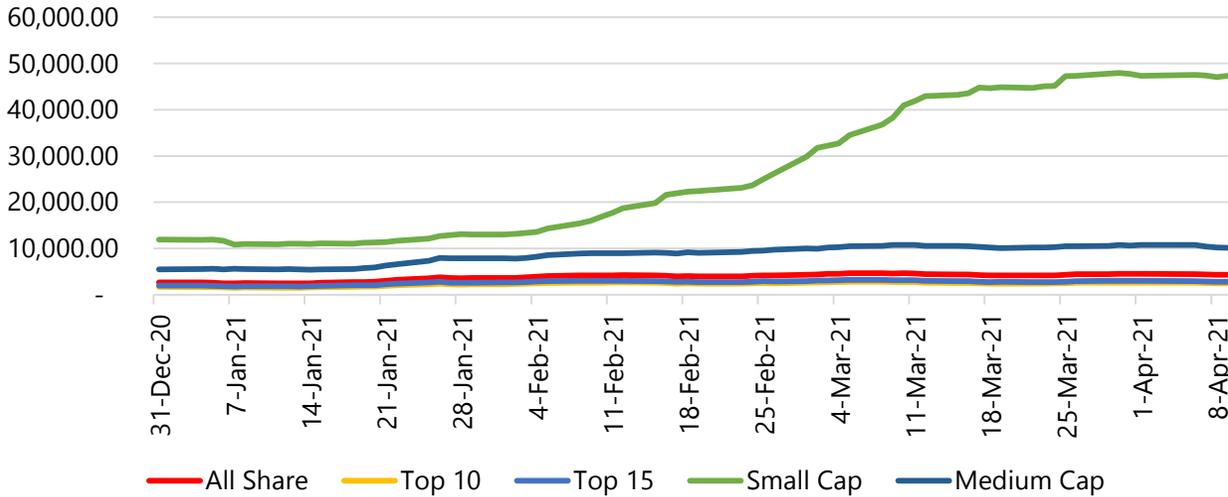


### Graph 8b: FX Allotments Per Sector





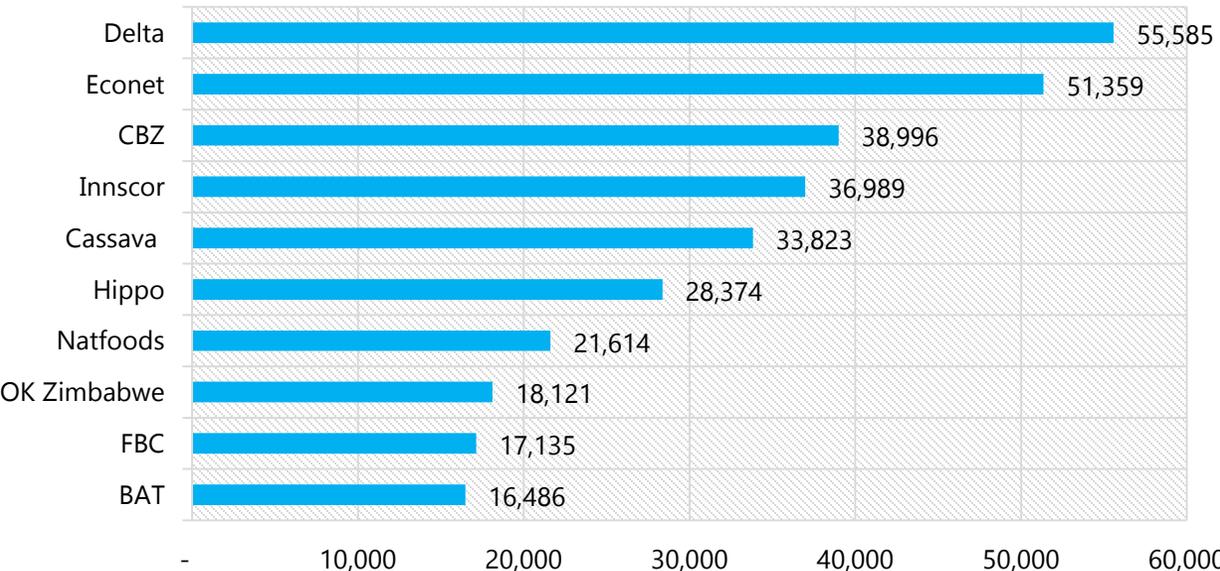
**Graph 9: ZSE Indices**



**Table 1: ZSE Movers and Shakers**

Movers	1-Apr-21	9-Apr-21	Weekly Change (%)
Star Africa	44.30	52.33	18.1%
NMB	900.64	1,030.00	14.4%
GB Holdings	67.22	75.75	12.7%
CBZ	6,990.13	7,461.04	6.7%
Bindura	472.45	500.74	6.0%
Shakers	1-Apr-21	9-Apr-21	Weekly Change (%)
Simbisa	3,997.75	2,891.59	-27.7%
FML	2,156.67	1,610.00	-25.3%
DZLH	1,542.59	1,264.81	-18.0%
Padenga	2,962.40	2,446.09	-17.4%
Edgars	340.89	297.26	-12.8%

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



○ On the ZSE, all indices recorded weekly losses led by the Medium Cap Index (-6.1%) and the Medium Cap Index (-5.9%), dragged by profit taking. The benchmark All Share Index declined by 4.9% to close the week at 4,270.34 points –**Graph 9**.

○ Star Africa led the market movers with a weekly gain of 18.1%, followed by NMB (+14.4%), GB Holdings (+12.7%), CBZ (+6.7%) and Bindura (+6.0%). However, market gains were offset by losses in Simbisa (-22.7%), FML (-25.3%), DZLH (-18.0%), Padenga (-17.4%) and Edgars (-12.8%)–**Table 1**.

**Table 1.**

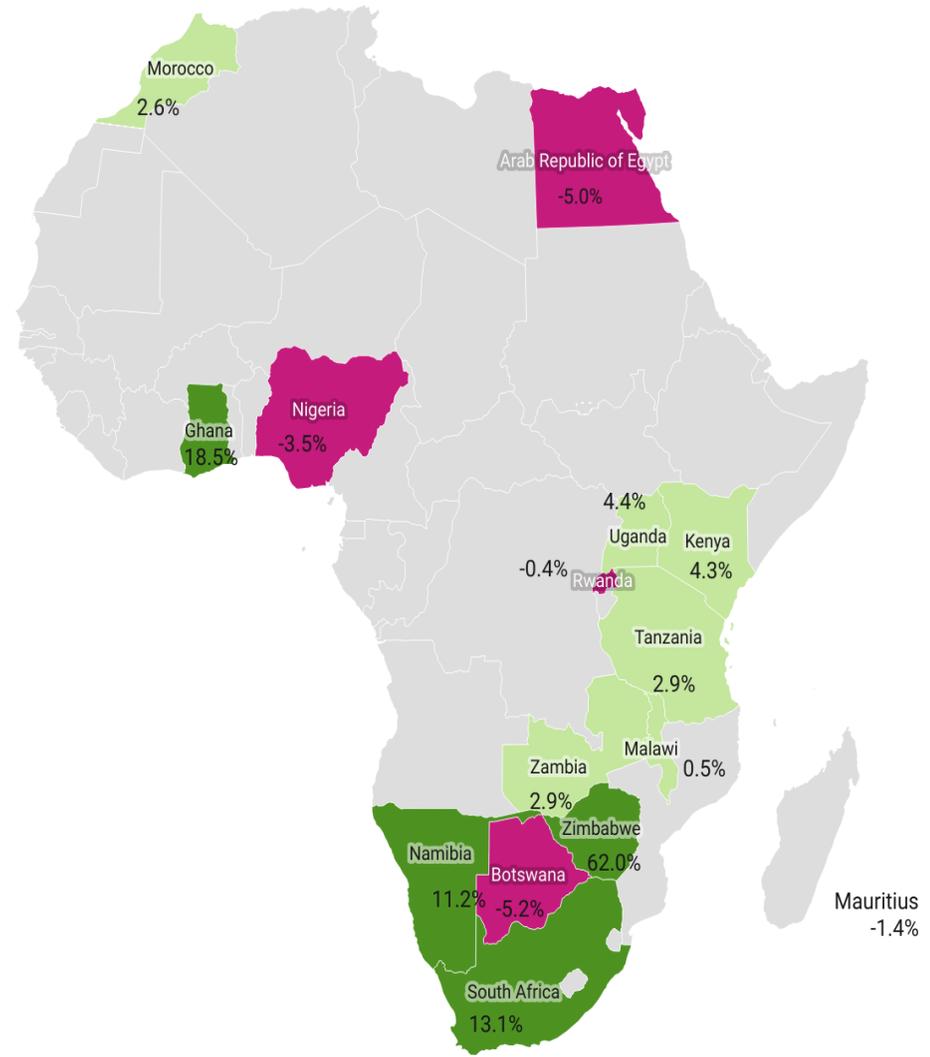
○ Delta remained the largest counter on the ZSE with a market capitalisation to ZWL\$55.6b, followed by Econet (ZWL\$51.4b), CBZ (ZWL\$40.0b), Innscor (ZWL\$37.0b) and Cassava (ZWL\$33.8b) –**Graph 10**.



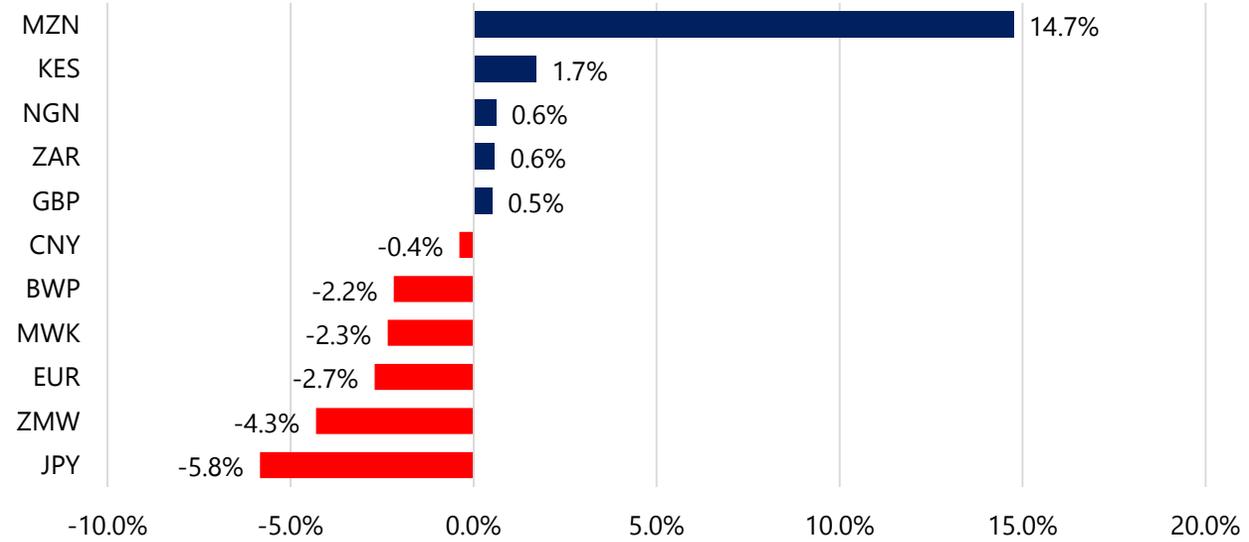
# REGIONAL & GLOBAL FINANCIAL MARKETS

- On the global markets, mixed performances were recorded for the week, with the major benchmarks in Europe and America recording gains while Asian stocks recorded losses. High inflation expectations and elevated U.S-China tension weighed on investor sentiment in Asia.
- The U.K's FTSE 100 and U.S DJIA recorded weekly gains of 2.65% and 1.95%, respectively. In Asia, the Japanese Nikkei 225 Stock Average lost 0.97% while China's Shanghai Composite Index shed 0.29%.
- In African, stock markets ended the holiday- shortened week mixed. Ghana led the weekly gainers with +3.98% while Zimbabwe recorded the largest weekly decline of 4.88%. However, on a year-to-date "YTD" basis, Zimbabwe recorded gains of 62.0%. Other notable YTD gainers were recorded for Ghana (+18.5%) and South Africa (+13.1%)- **Chart 1**.
- Meanwhile, Fitch Ratings upgraded Zambia's long-term local currency "LTLC" Issuer Default Rating "IDR" to CCC from CC and affirmed country's long-term foreign currency "LFTC" IDR at RD, reflecting that the country has continued to service its local currency debt but failed to service some of its outstanding Eurobonds obligations.
- On the currencies market, the U.S dollar index lost 0.8% for the week to 92.16. Graph 11 below depicts YTD performances of major currencies against the U.S dollar.

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



Graph 11: Major Currencies vs the USD-YTD Movements-09 April 2021



Map: Created by CBZ Holdings Limited • Created with Datawrapper



# 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

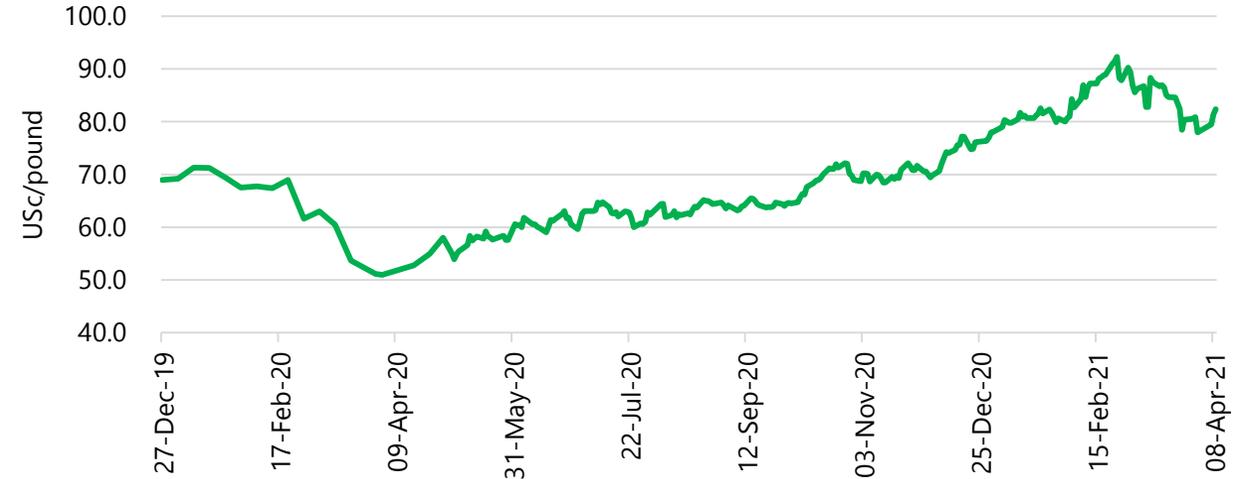
## AGRIC COMMODITIES



### Corn - US\$/t



### Cotton - USc/pound



### Wheat - US\$/t



### Sugar - USc/pound



Source: Quandl

Date	Event	Period	Forecast	Previous
<b>Local</b>				
13 April 2021	RBZ Foreign Exchange Auction Market	14-20 April 2021		84.3970
18 April 2021	Independence Day			
19 April 2021	Public Holiday			
<b>Regional &amp; International</b>				
12 April 2021	Euro Zone Retail Sales m/m (y/y)	February 2021	1.5% (-5.4%)	-5.9% (-6.4%)
12 April 2021	International Monetary Fund "IMF" Meetings			
12 April 2021	China Trade Balance	March 2021	US\$52.55b	US\$103.25b
13 April 2021	U.S. CPI m/m (y/y)	March 2021	0.5% (2.5%)	0.4% (1.4%)
13 April 2021	OPEC Monthly Report			
13 April 2021	U.K. GDP m/m (y/y)			-2.9% (-7.3%)
14 April 2021	Uganda Interest Rate Decision	March 2021		
14 April 2021	Namibia Interest Rate Decision	March 2021		
14 April 2021	U.S. Crude Oil Inventories			-3.522m
15 April 2021	Bank of England "BoE" Credit Conditions Survey			
15 April 2021	China GDP q/q (y/y)	Q1 2021	1.5% (18.9%)	2.6% (6.5%)
16 April 2021	Euro Zone CPI m/m (y/y)	March 2021	0.9% (1.3%)	0.2% (1.3%)
16 April 2021	Euro Group Meetings			

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