



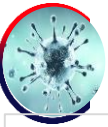
...Bureau De Change to get foreign currency from RBZ's FX auction market ...

---

## THE CBZ ECONOMIC BRIEF

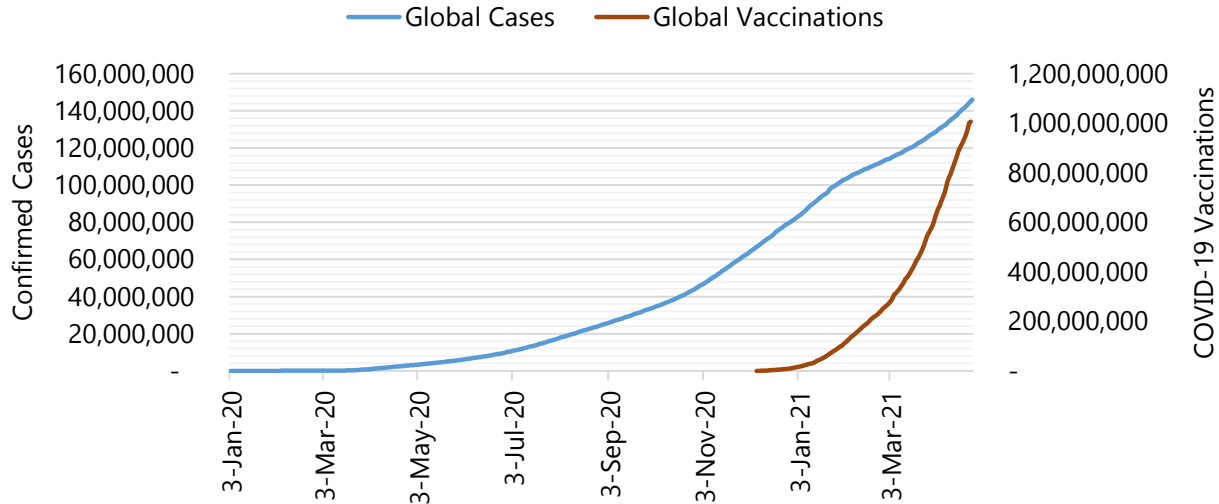
**Week Ending 23 April 2021**

---

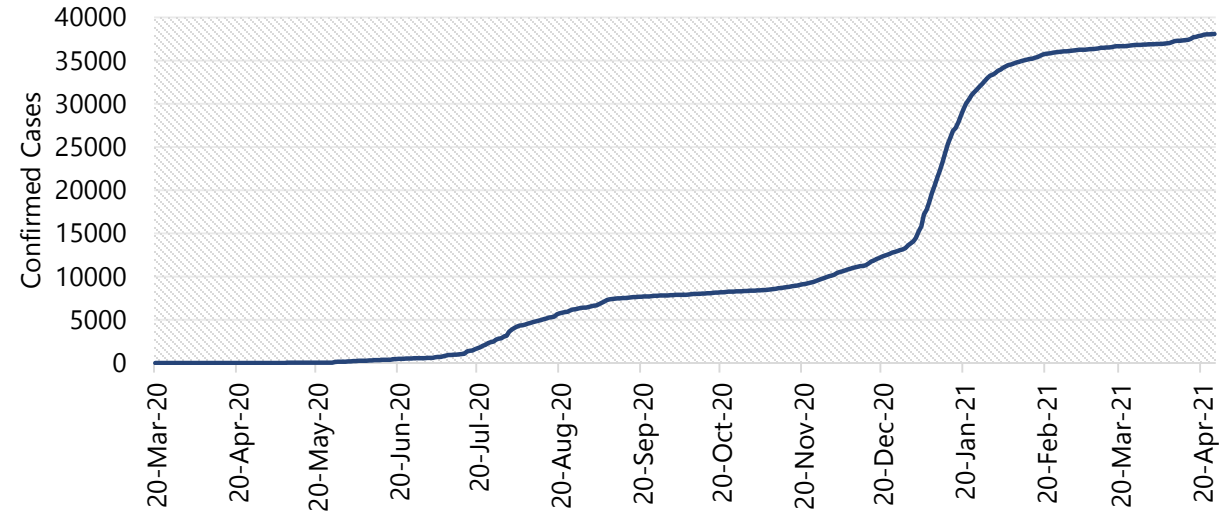


# COVID-19 | Global Status as at 25 April 2021

### Global Cumulative COVID-19 Cases and Vaccination Trends



### Graph 2: Zimbabwe Cumulative COVID-19 Cases as at 25 April 2021



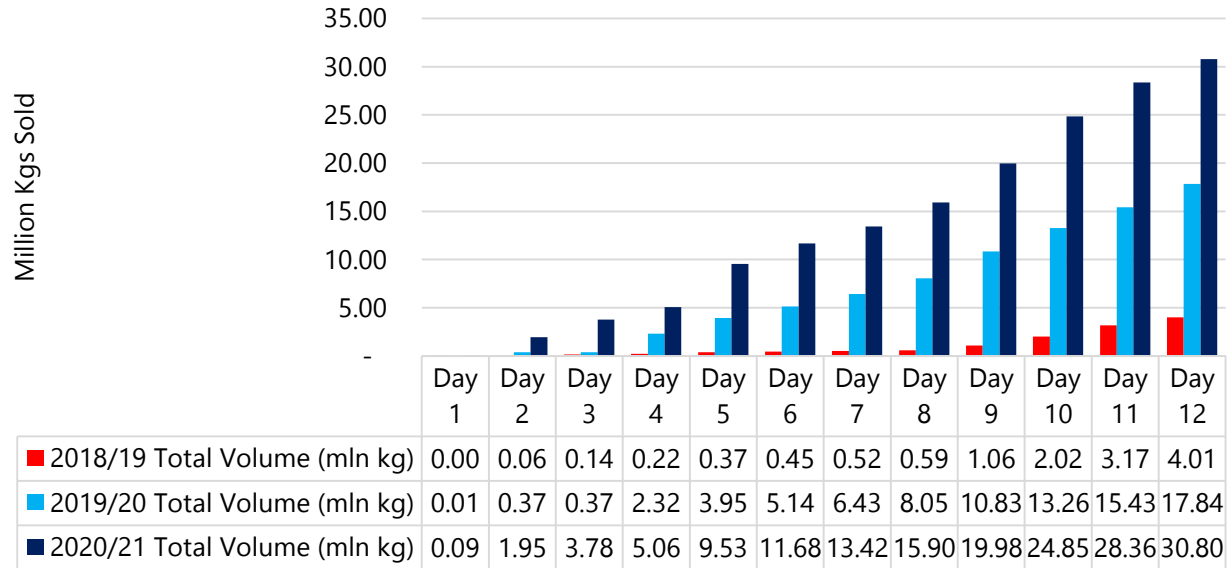
Sources: World Health Organisation & Ministry of Health & Child Care (Zimbabwe)

### Notable Trends in Cases for the Week

- A total of 5.6m new coronavirus cases were recorded during the week to 25 April 2021, bringing the global cumulative cases to 146m. Cumulative COVID-19 vaccinations surpassed the 1 billion mark after an additional 93m doses were administered during the week – **Graph 1**. Meanwhile, the U.K announced the launch of the COVID-19 Antivirals Taskforce mandated to develop at least two effective home-based treatments (in tablet or capsule form) that can stop the spread of the virus and speed up recovery time. The therapeutic drugs are expected to be available by the end of 2021.
- In Africa, cumulative cases increased by 1.5% to 3.3m. South Africa remained the most infected country in the continent with 1.6m cases, followed by Morocco (509k), Tunisia (300k), Ethiopia (252k) and Egypt (222k).
- In Zimbabwe, confirmed cases rose to 38,086 after an additional 335 new cases were recorded during the week - **Graph 2**. The national recovery rate marginally declined to 92.2% as at 25 April 2021, from 92.9% recorded at end of the previous period. Meanwhile, the government deferred the consideration of the re-opening of bars and night clubs until further notice in order to minimize the risk of a third wave of COVID-19 cases.
- Meanwhile, the European Central Bank “ECB” kept the interest rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility unchanged at 0.00%, 0.25% and -0.50% respectively. Furthermore, the Euro Zone’s central bank expects the net asset purchases under the pandemic emergency purchase program “PEPP” with a total envelop of €1,850b to continue until March 2022.
- In Ethiopia, the government announced a US\$907m financing arrangement with the World Bank geared towards improving access to financing, the fight against COVID-19 and investment in electricity generation. According to the country’s finance ministry, US\$200m will go towards Small and Medium Enterprises “SMEs” affected by COVID-19 pandemic, while US\$207m will be for deployment of COVID-19 vaccines and the remaining US\$500m will be invested in efforts to increase access to electricity.

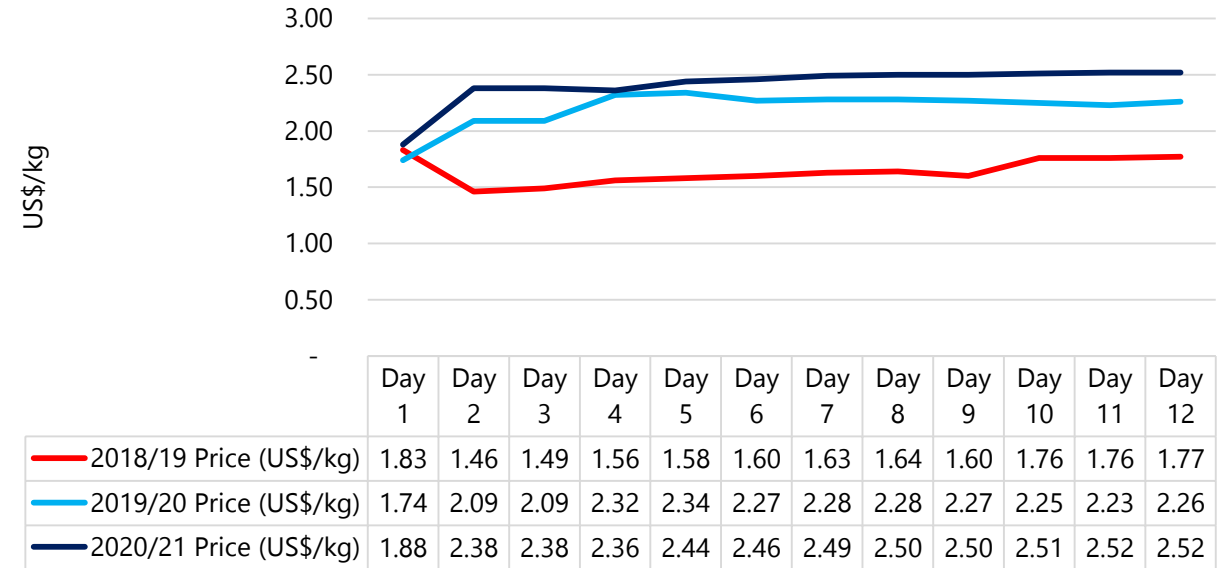


**Graph 3: Tobacco Daily Sales Volume Trends**



Source: TIMB

**Graph 4: Tobacco Daily Average Price Trends**

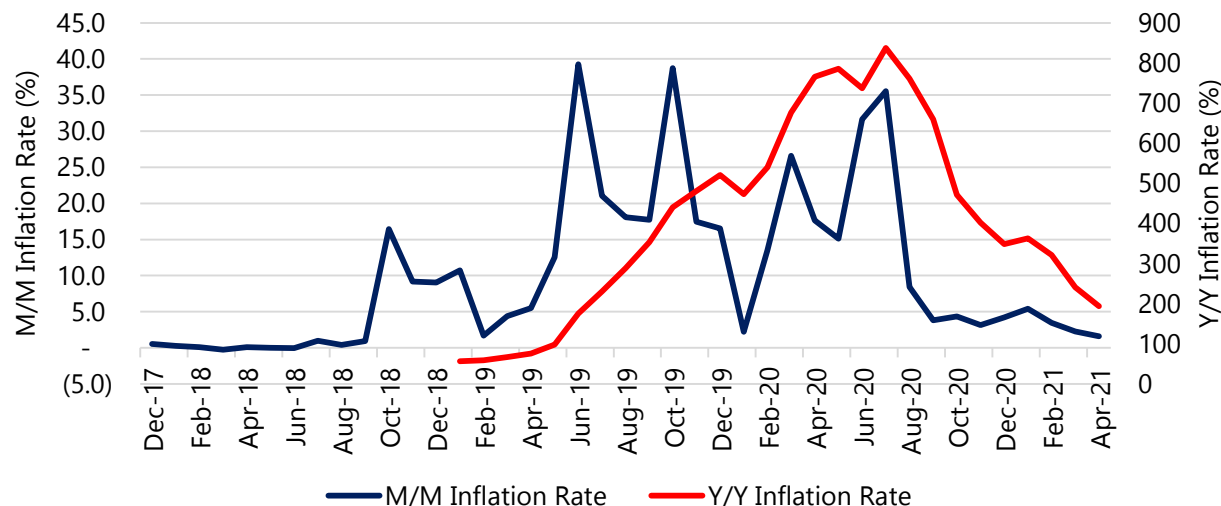


Source: TIMB

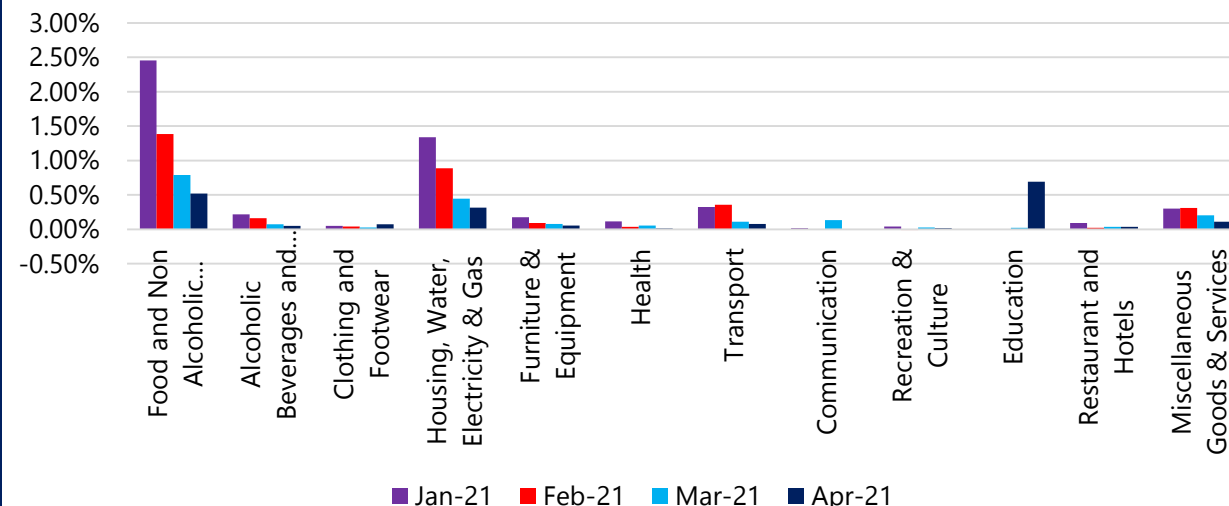
- According to the Tobacco Industry and Marketing Board "TIMB", the total volume of tobacco sold increased by 72.7% to 30.8m kgs as at Day 12 compared to 17.8m kgs recorded during the same period last year. Compared to 2018/19 levels of 4.0m kgs, the volume of tobacco sold represent a growth of 667.3% - **Graph 3**. This somewhat reflects the improved payment arrangements for tobacco delivered at the auction floors and the impact of decentralization of tobacco sales floors.
- Total value of sales increased by 93.0% to US\$77.7m as at Day 12, from US\$40.3m recorded during the same period last year, while the average price rose by 11.5% to US\$2.52/kg compared to the last year's average price of US\$2.26/kg- **Graph 4**.



**Graph 5: Inflation Trends**



**Graph 6: M/M Inflation Trends By CPI Sub-Categories**



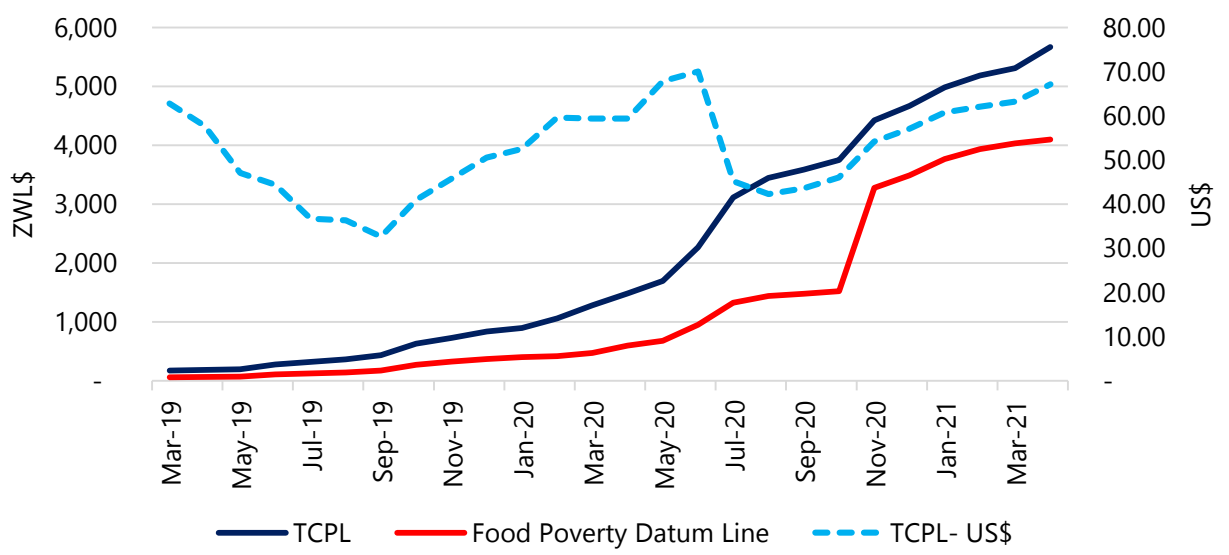
**Table 1: Comparative Regional Inflation Rates**

	M/M Inflation Rate (%)			Y/Y Inflation Rate (%)		
	February 2021	March 2021	April 2021	February 2021	March 2021	April 2021
South Africa	0.7	0.7	n/a	2.9	3.2	n/a
Kenya	0.7	0.4	n/a	5.8	5.9	n/a
Botswana	0.3	0.8	n/a	2.4	3.2	n/a
Tanzania	0.9	0.9	n/a	3.3	3.2	n/a
Zambia	2.5	1.7	n/a	22.2	22.8	n/a
Zimbabwe	3.4	2.3	1.6	321.6	240.6	194.1
Uganda	0.3	0.3	n/a	3.8	4.1	n/a

- According to the ZimStat, headline consumer inflation rate eased to 1.6% m/m in April 2021- the lowest monthly inflation rate since September 2018 (0.9%)- from 2.3% recorded in March 2021 - **Graph 5**. Significant price increases were recorded for 'education', 'food and non-alcoholic beverages', 'housing, water, electricity & gas' sub-categories which rose by 0.7%, 0.5% and 0.3% in April 2021 respectively, while the price levels for 'communication', 'health' and 'recreation & culture' were unchanged from the previous month – **Graph 6**.
- On a year-on-year basis, prices advanced by 194.1% in April 2021 compared to 240.6% in March 2021, reflecting weak domestic demand conditions.
- Meanwhile, **Table 1** shows comparable inflation rates for Zimbabwe's regional partners.
- Going forward, the expansionary fiscal measures being undertaken by government aimed at supporting the various sectors of the economy, including the upcoming winter planting season, and the rising global oil prices will continue to exert upward pressures on prices. However, weak domestic demand and a stable local currency will somewhat contain the upward drift.

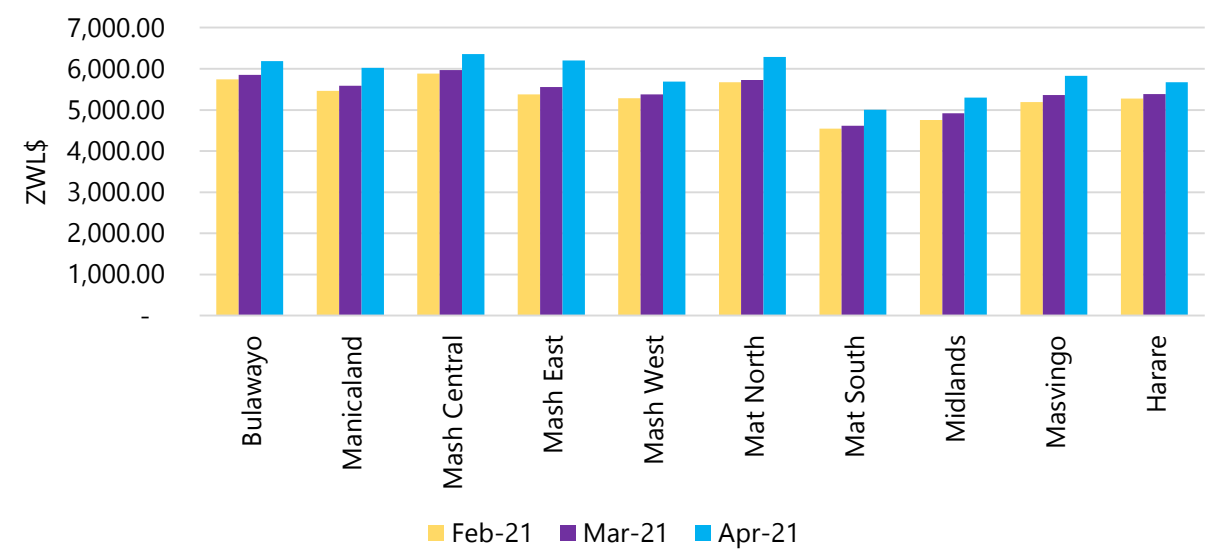


### Graph 7: Poverty Datum Lines Per Person Trends



Source: ZimStat

### Graph 8: Poverty Datum Line Per Province



Source: ZimStat

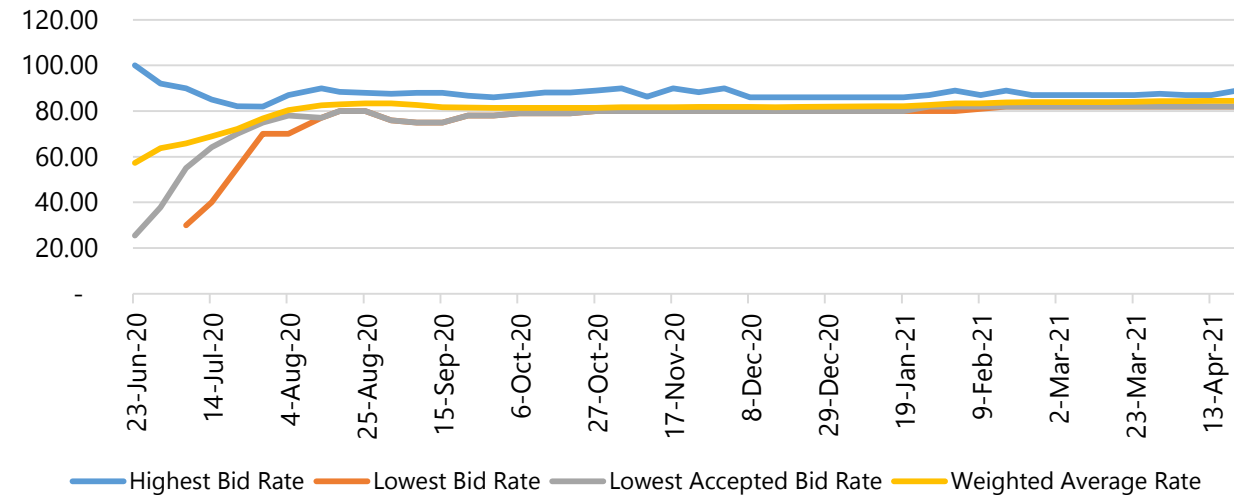
- According to ZimStat, the per capita cost of living as measured by the Total Consumption Poverty Line “TCPL” edged by 6.8% in April 2021 to ZWL\$5,672 from ZWL\$5,312 recorded in March 2021. Furthermore, the portion of income required by an individual to afford a standard food basket increased from ZWL\$4,033 in March 2021 to ZWL\$4,100 in April 2021– **Graph 7**. In U.S dollar implied terms, the cost of living rose by 6.2% to US\$67.17 in April 2021, reflecting the presence of US\$ inflation.
- The largest increase in cost of living was recorded in Mash East (11.6%), Mat North (9.7%) and Masvingo (8.6%). Mash Central and Mat North were the most expensive provinces in April 2021, requiring incomes of ZWL\$6,355 and ZWL\$6,285 per person per month respectively, while Mat South (ZWL\$5,002) remained the cheapest province- **Graph 8**.



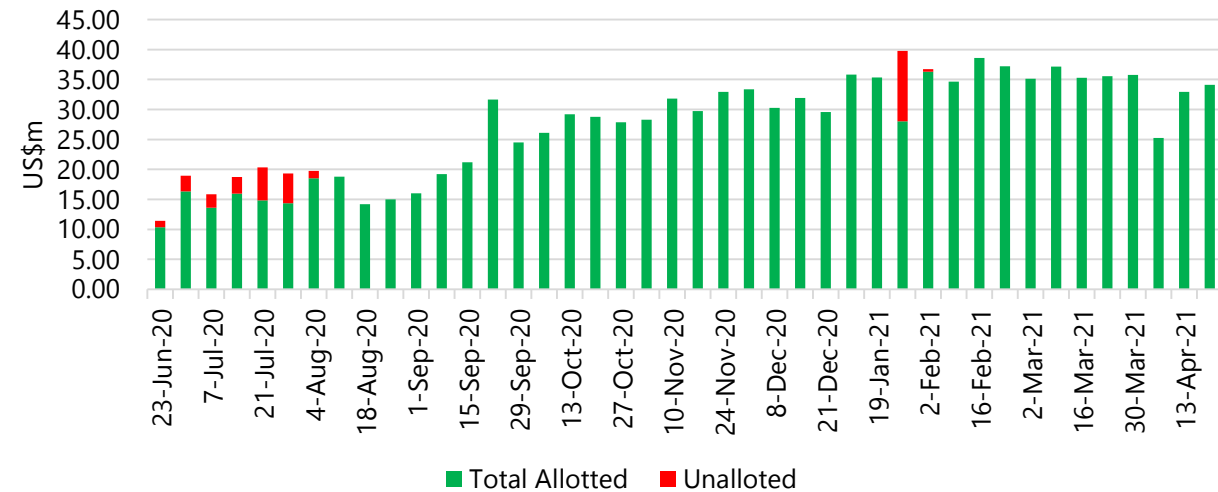
### Foreign Currency Market Developments

- The ZW\$ traded flat against the U.S dollar at ZWL\$84.48/USD during the last auction held by the RBZ on Tuesday, 20 April 2021-**Graph 9**. The highest bid rate increased from 87.0 to 89.0 while the lowest accepted bid rate was unchanged at 82.0 on the main auction.
- The total number of allotted bids marginally declined from 524 to 520. However, total allotment for the week increased by 3.6% to US\$34.1m, from US\$32.9m that was allotted during the previous week – **Graph 10**. Raw materials received the largest allotment of US\$13.3m, followed by machinery & equipment (US\$6.5m), consumables (US\$3.5m) and services (US\$3.1m).
- Meanwhile, the RBZ announced that it shall, with effect from 21 April 2021, sell foreign currency to registered bureau de change for on-selling to their customers in order to promote active participation of bureau de change in the foreign exchange market to meet the foreign currency needs of SMEs and individuals.
- The Bank further stated that the bureau de change must comply with the agreed terms of engagement, including supporting small transactions up to a maximum of value of US\$500 per transaction. All transaction shall be done and monitored through the Bureau de Change Transaction Reporting System put in place by the Bank.

### Graph 9: FX Auction Market Bid Rates Trend

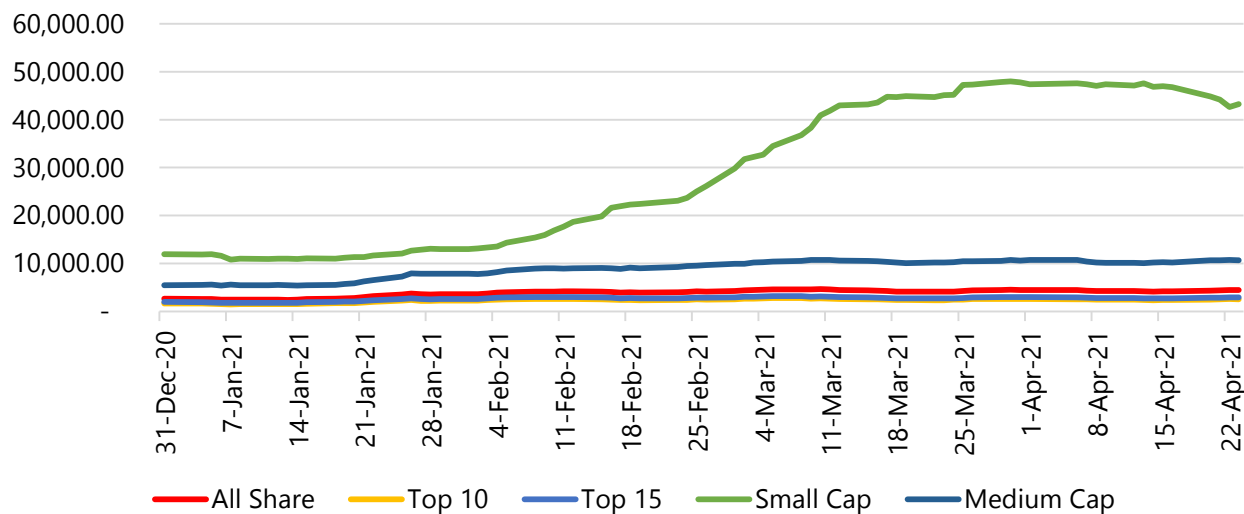


### Graph 10: Foreign Currency Auction Allotments





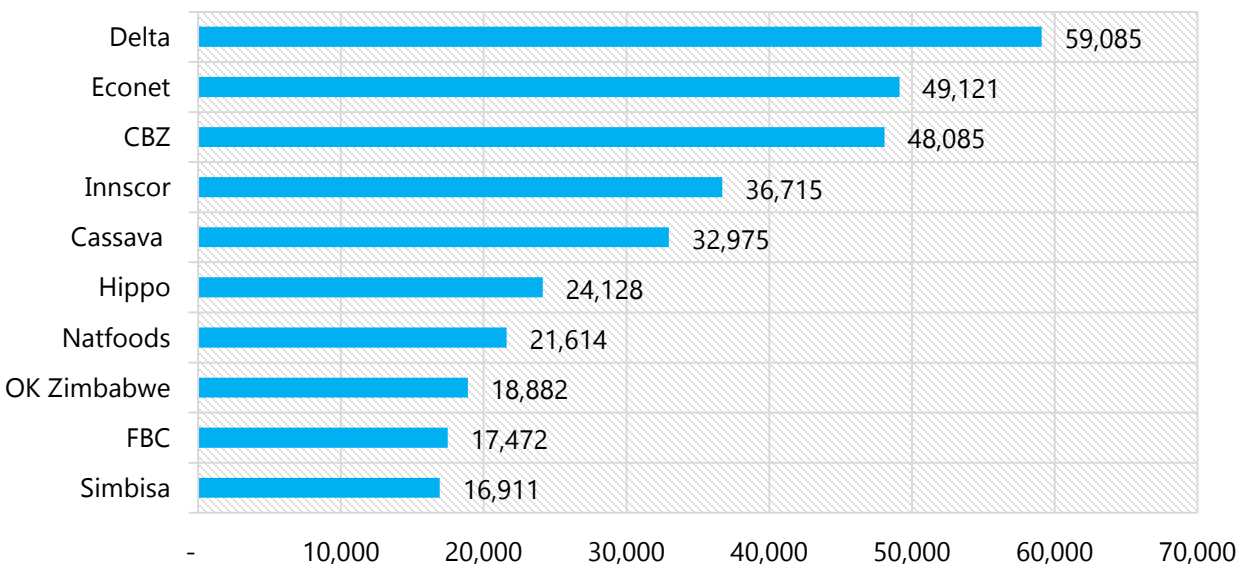
**Graph 11: ZSE Indices**



**Table 2: ZSE Movers and Shakers**

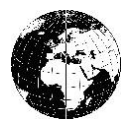
Movers	16-Apr-21	23-Apr-21	Weekly Change (%)
MedTech	10.13	13.47	33.0%
Masimba	1,604.98	2,005.31	24.9%
Ariston	160.00	199.42	24.6%
DZLH	1,300.00	1,569.09	20.7%
Padenga	2,506.03	2,994.36	19.5%
Shakers	16-Apr-21	23-Apr-21	Weekly Change (%)
Unifreight	1,400.00	1,000.00	-28.6%
Bindura	469.80	403.76	-14.1%
NTS	1,000.00	900.00	-10.0%
NMB	1,099.81	1,000.00	-9.1%
African Sun	217.63	200.31	-8.0%

**Graph 12: ZSE Top Counters By Market Capitalisation - ZWL\$m**



Source: ZSE

- On the ZSE, with the exception of the Medium Cap Index (-7.6%), most indices recorded weekly gains led by the Top 10 Index (+5.9%). The benchmark All Share Index rose by 5.2% to close the week at 4,444.19 points –**Graph 11**.
- MedTech led the market movers with a weekly gain of 33.0%, followed by Masimba (+24.9%), Ariston (+24.6%), DZLH (+20.7%) and Padenga (+19.5%). However, market gains were offset by losses in Unifreight (-28.6%), Bindura (-14.1%), and NTS (-10.0%)–**Table 2**.
- Delta remained the largest counter on the ZSE with a market capitalisation to ZWL\$59.1b, followed by Econet (ZWL\$49.1b), CBZ (ZWL\$48.1b), Innscor (ZWL\$36.7b) and Cassava (ZWL\$33.0b) –**Graph 12**.
- Meanwhile, Truworths announced the extension of the publication of its audited financial results for the half year to the 10<sup>th</sup> of May 2021 after approval was granted by the Zimbabwe Stock Exchange, citing sub-optimal working arrangements arising from the implementation of lock-down rules which required closure of non-essential businesses, limited working hours and the need to work from home. The results were due for publication on 10 April 2021.



# REGIONAL & GLOBAL FINANCIAL MARKETS

- On the global markets, most major benchmarks under our watch in the U.S, Europe and Asia recorded weekly losses on concerns that the rising coronavirus caseload may slow the pace of economic recovery and the negative sentiments around the proposed hike in capital gains tax rate on high income earners in the U.S.
- The Japanese Nikkei 225 Stock Average led the market fallers with a weekly decline of 2.2%, followed by U.K's FTSE 100 (-1.2%) and U.S DJIA (-0.5%). China's Shanghai Composite Index recorded a weekly gain of 1.4%, after the People's Bank of China "PBoC" left its loan prime rate "LPR" unchanged at 3.85% for the 12<sup>th</sup> straight month.
- In African, most stock markets recorded weekly gains, led by Zimbabwe. Notable declines were recorded for Namibia (-2.6%) and Uganda (-2.2%). On a year-to-date "YTD" basis, Zimbabwe's ZSE remained the best performer on the equities markets chart in Africa after extending its gain to 68.6% - **Chart 1**.
- On the currencies market, the U.S dollar index lost 0.8% for the week to 90.86. Graph **13** below depicts YTD performances of major currencies against the U.S dollar as at 23 April 2021.

Major Currencies vs the USD-YTD Movements-23 April 2021

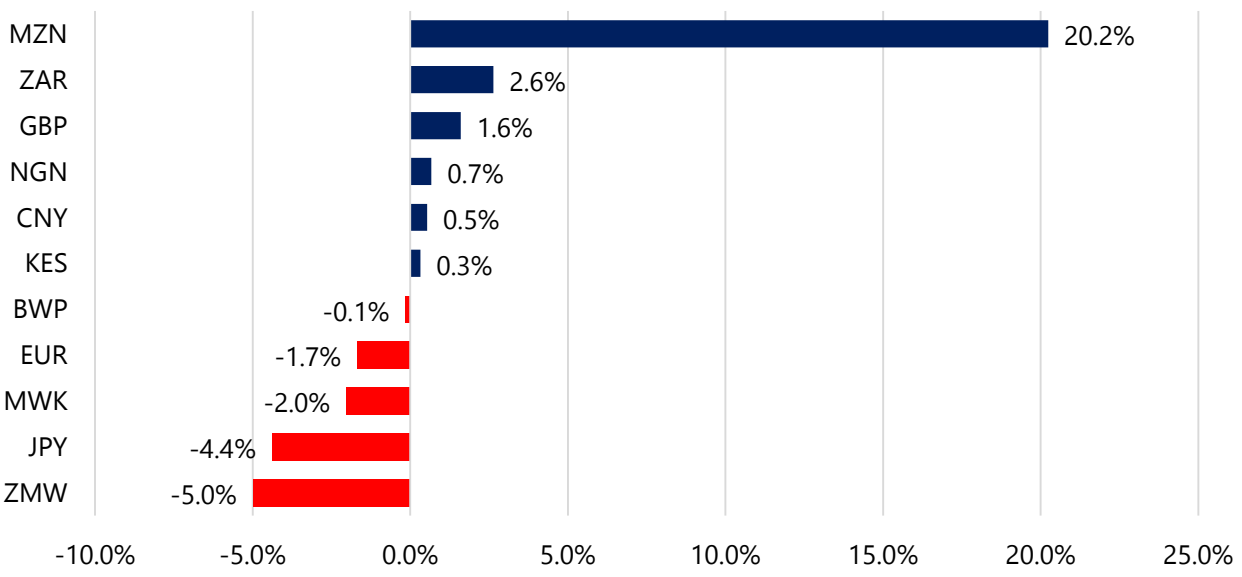
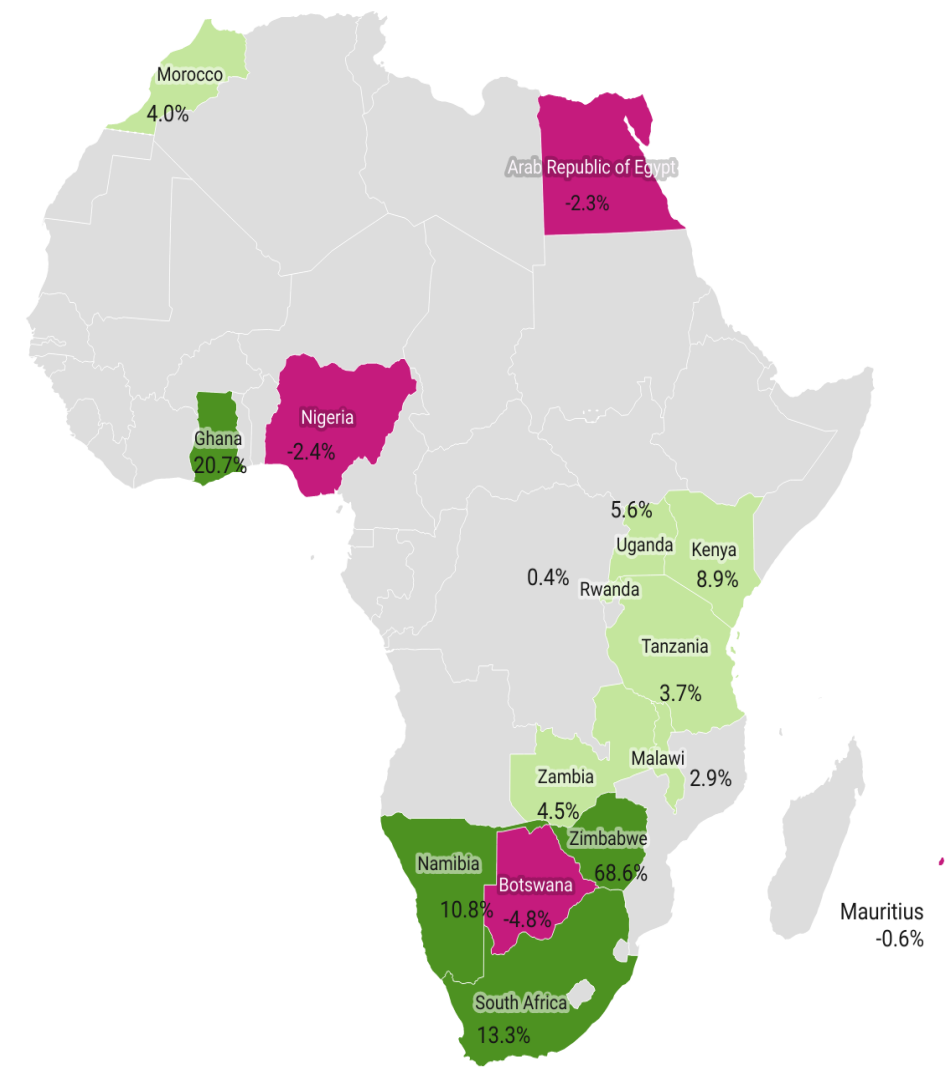


Chart 1: Selected African Equities Markets- YTD Performances



Map: Created by CBZ Holdings Limited • Created with Datawrapper



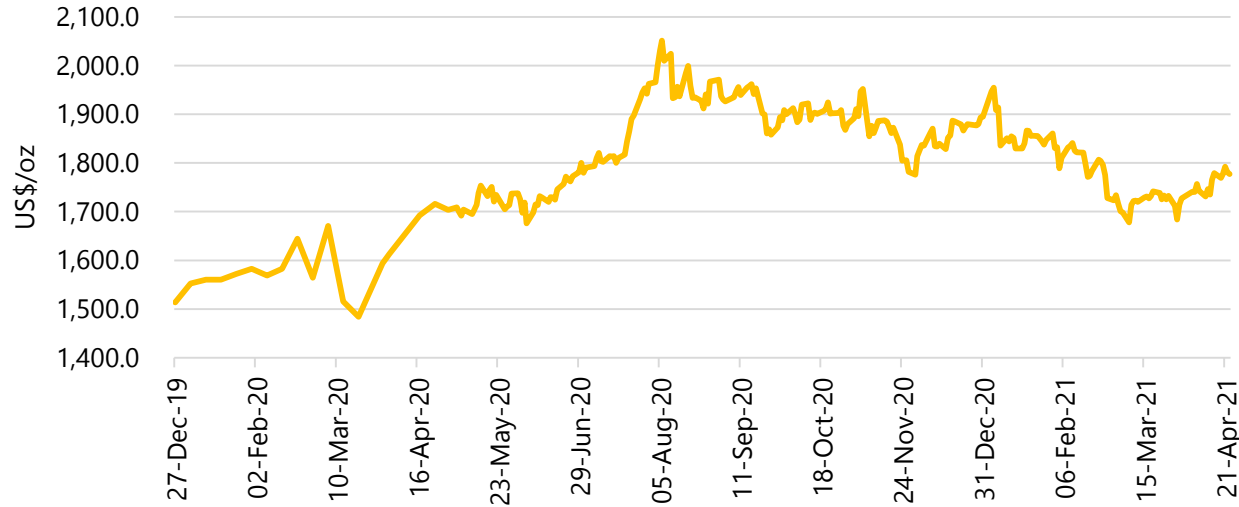


# GLOBAL COMMODITY PRICE MOVEMENTS

## MINERALS



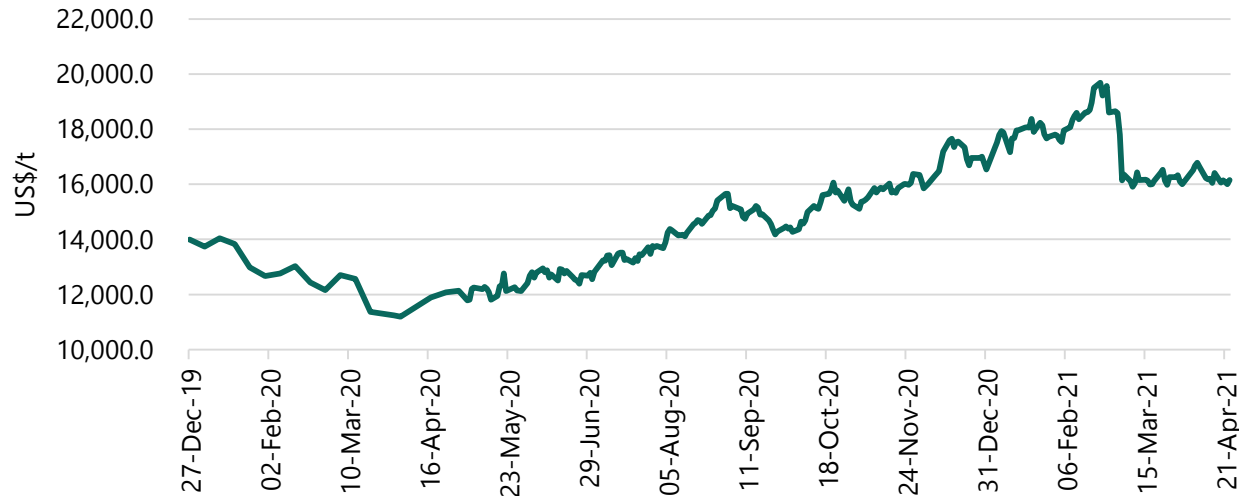
### Gold prices - US\$/oz



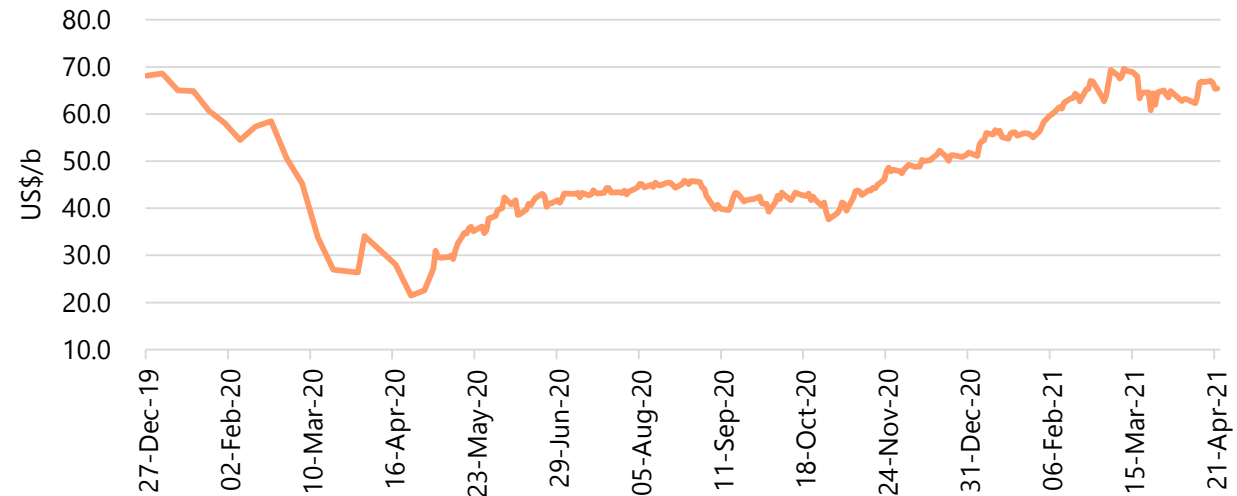
### Platinum price - US\$/oz



### Nickel price - US\$/t



### Oil prices - US\$/b



Source: Quandl

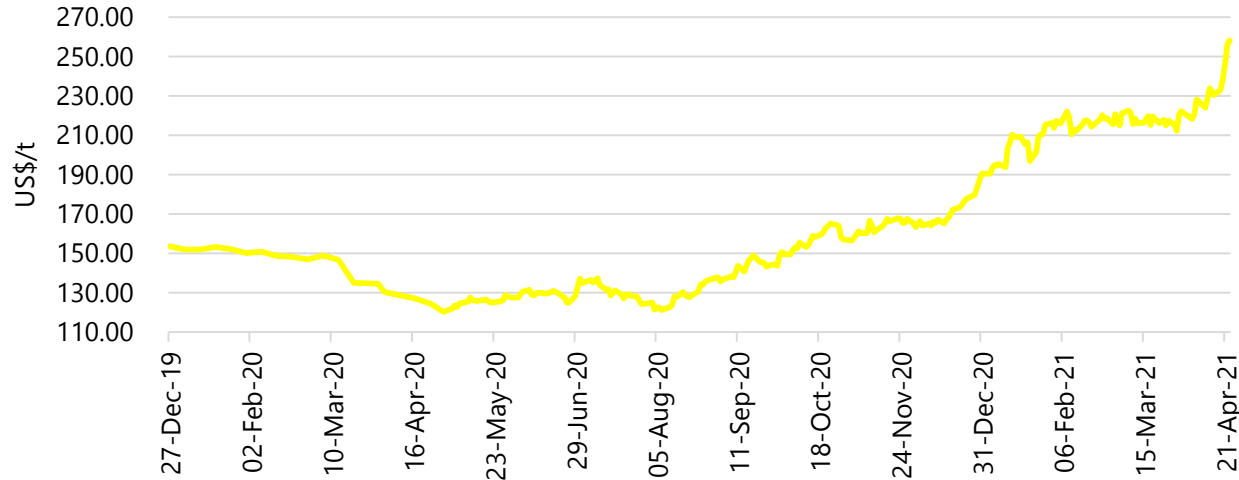


# GLOBAL COMMODITY PRICE MOVEMENTS

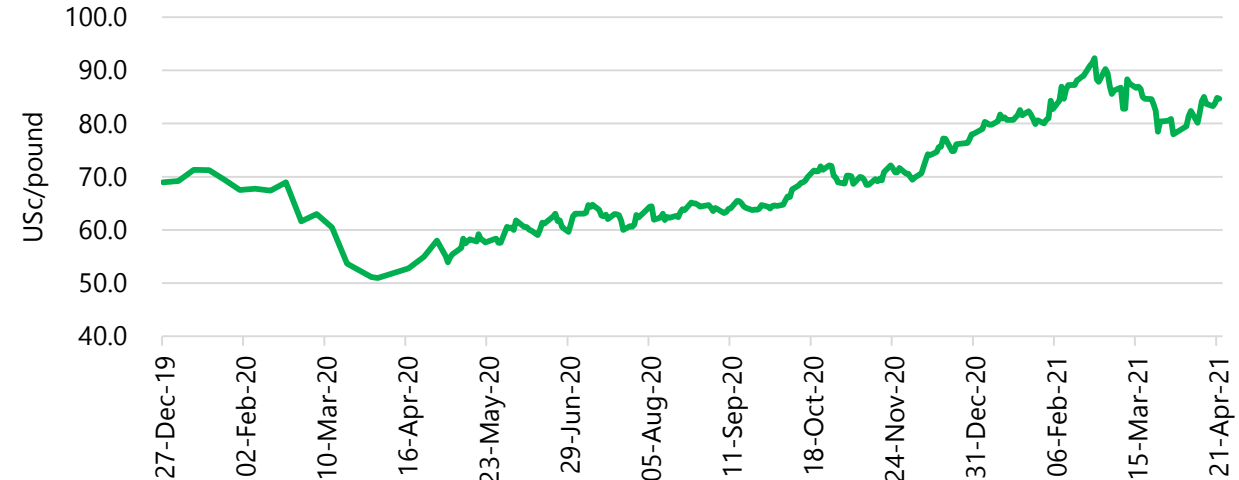
## AGRIC COMMODITIES



### Corn - US\$/t



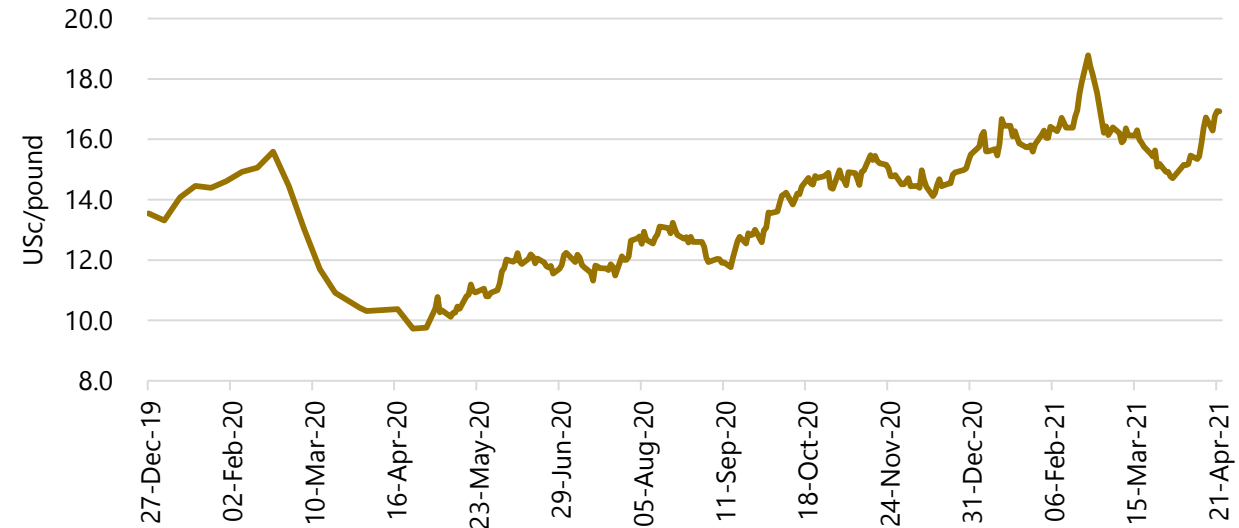
### Cotton - USc/pound



### Wheat - US\$/t



### Sugar - USc/pound



Source: Quandl

Date	Event	Period	Forecast	Previous
<b>Local</b>				
27 April 2021	RBZ Foreign Exchange Auction Market	28 April- 04 May 2021		84.4826
30 April 2021	BAT AGM (Time: 1000hrs: Venue: Cresta Lodge, Msasa, Harare)			
30 April 2021	Reserve Bank of Zimbabwe Interest Rate Decision			40.0%
01 May 2021	Workers Day (Public Holiday)			
<b>Regional &amp; International</b>				
27 April 2021	Bank of Japan "BoJ" Interest Rate Decision	April 2021	-0.10%	-0.10%
27 April 2021	BoJ Outlook Report y/y			
28 April 2021	U.S Crude Oil Inventories			0.594m
28 April 2021	U.S Federal Reserve "Fed" Interest Rate Decision	April 2021		0.25%
28 April 2021	U.S Federal Open Market Committee "FOMC" Statement	April 2021		
29 April 2021	South Africa Producer Price Index m/m (y/y)	March 2021	0.5% (3.8%)	0.7% (4.0%)
29 April 2021	Botswana Interest Rate Decision	April 2021		3.75%
29 April 2021	Egypt Interest Rate Decision	April 2021		8.25%
29 April 2021	U.S GDP q/q	Q1 2021	6.5%	4.3%
29 April 2021	China Manufacturing PMI	April 2021	51.7	51.9
30 April 2021	South Africa Trade Balance	March 2021	R19.50b	R28.96b
30 April 2021	Malawi Interest Rate Decision	April 2021		12.00%

## Contact Details

3<sup>rd</sup> Floor, Sapphire House,

Cnr Speke/Angwa St,

P O Box 3313,

Tel: +263 4 759 110-6

Website: [www.cbz.co.zw](http://www.cbz.co.zw)

Email: [economics@cbz.co.zw](mailto:economics@cbz.co.zw)

## Analysts

Andrew Chirewo

Group Economist

[achirewo@cbz.co.zw](mailto:achirewo@cbz.co.zw)

Johane Virima

Analyst

[jvirima@cbz.co.zw](mailto:jvirima@cbz.co.zw)

Andrew T Mafukidze

Analyst

[amafukidze@cbz.co.zw](mailto:amafukidze@cbz.co.zw)

Kundai Patson

Analyst

[kpatson@cbz.co.zw](mailto: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.