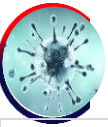




...ZIMRA net revenue
collections grew by 536%
y/y to ZWL\$88.3b in Q1
2021...

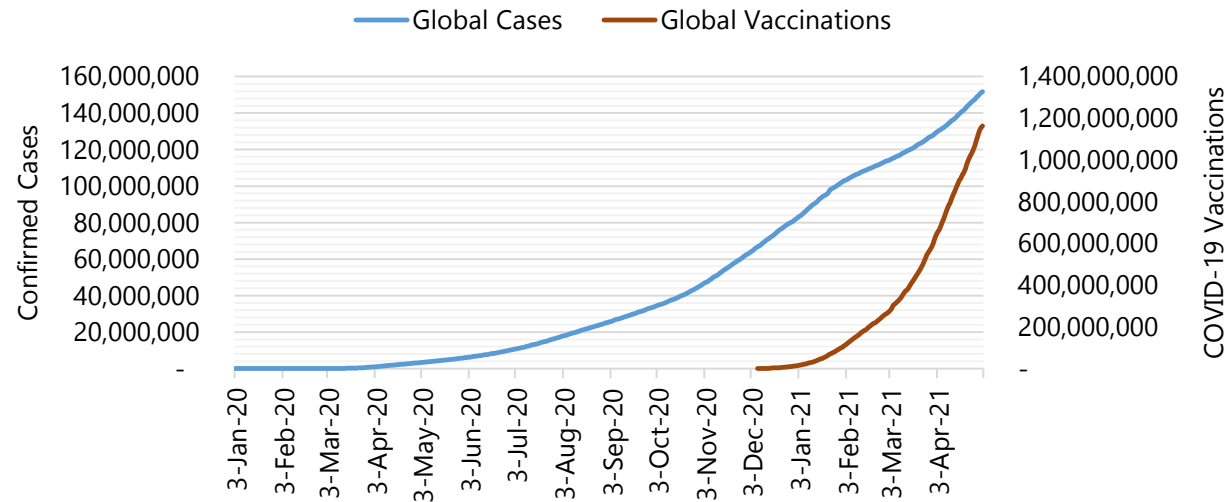
THE CBZ ECONOMIC BRIEF

Week Ending 30 April 2021

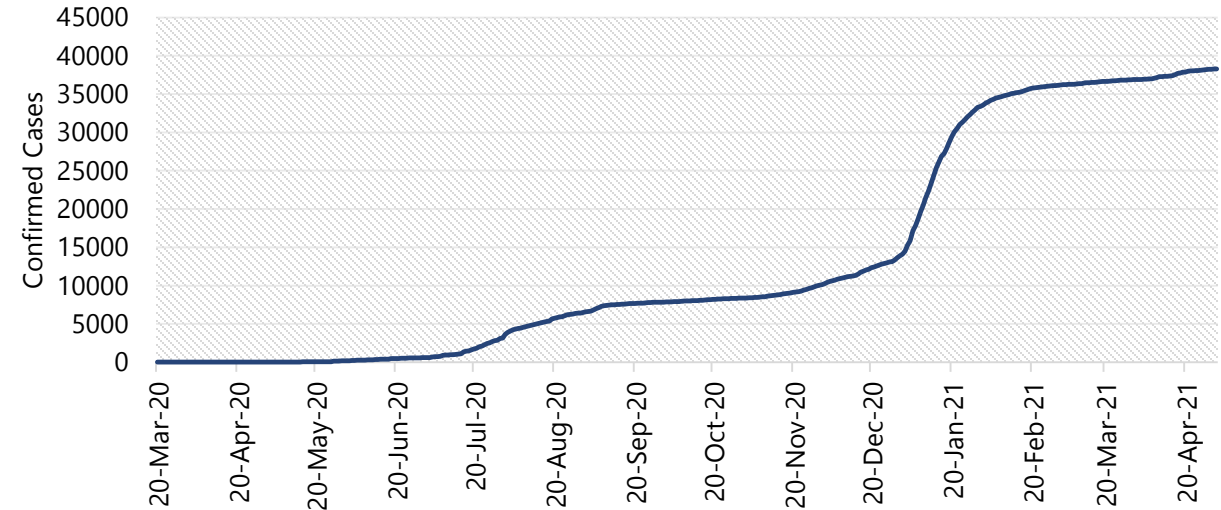


COVID-19 | Global Status as at 02 May 2021

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



Graph 2: Zimbabwe Cumulative COVID-19 Cases as at 02 May 2021



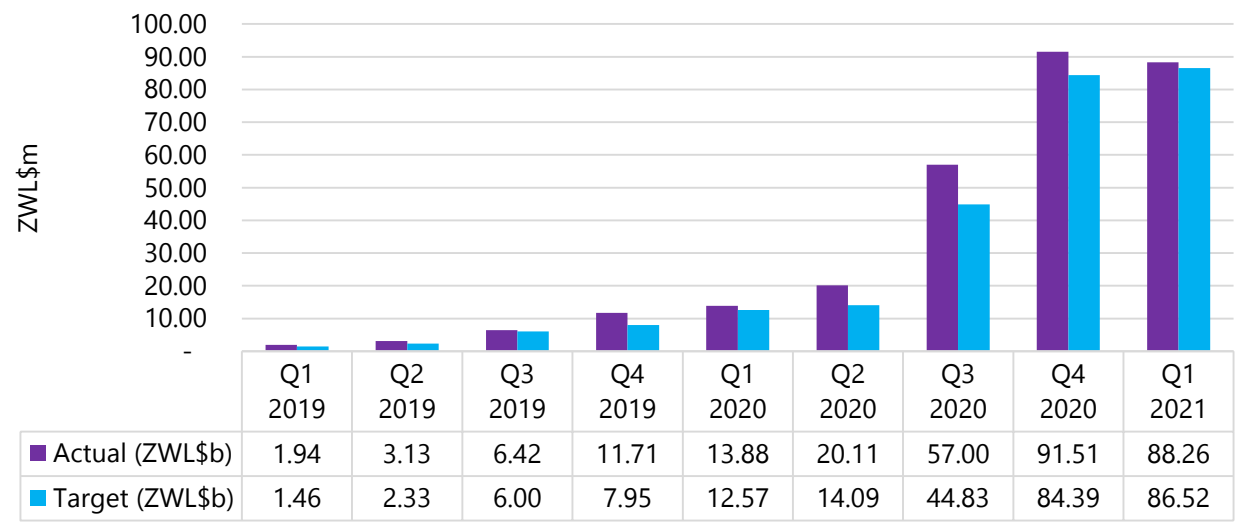
Sources: World Health Organisation & Ministry of Health & Child Care (Zimbabwe)

Notable Trends in Cases for the Week

- Global cumulative coronavirus cases surpassed the 150m cases mark after an additional 5.7m new cases were recorded during the week to 02 May 2021. Total COVID-19 vaccinations administered globally rose by 12.9% to 1.1m doses – **Graph 1**. Meanwhile, the European Union is expected to expand the list of countries whose citizens may visit its member countries for nonessential reasons if they have a good COVID-19 situation or if the individuals are vaccinated.
- In Africa, cumulative cases increased by 1.3% to 3.32m. South Africa remained the most infected country in the continent with 1.6m cases, followed by Morocco (511k), Tunisia (312k), Ethiopia (258k) and Egypt (229k). Meanwhile, Nigeria announced that all foreign travelers who have stayed in Brazil, India and Turkey over the past two weeks will be banned from entering the country in order to limit the spread of COVID-19, effective 04 May 2021. However, this measure does not apply to passengers having made a transit stop by one of these countries.
- In Zimbabwe, confirmed cases rose to 38,281 after an additional 195 new cases were recorded during the week - **Graph 2**. The national recovery rate increased to 93% as at 02 May 2021, from 92.2% recorded at end of the previous period. Meanwhile, the government advised that the Global Fund allocated US\$75 million towards the country's efforts to fight against COVID-19 pandemic.
- Meanwhile, the U.S Federal Reserve "Fed" kept its short-term interest rates unchanged at near zero (0-0.25%), while the US\$120 billion monthly bond purchases will remain in place in order to support the economy from the impact of COVID-19 pandemic.



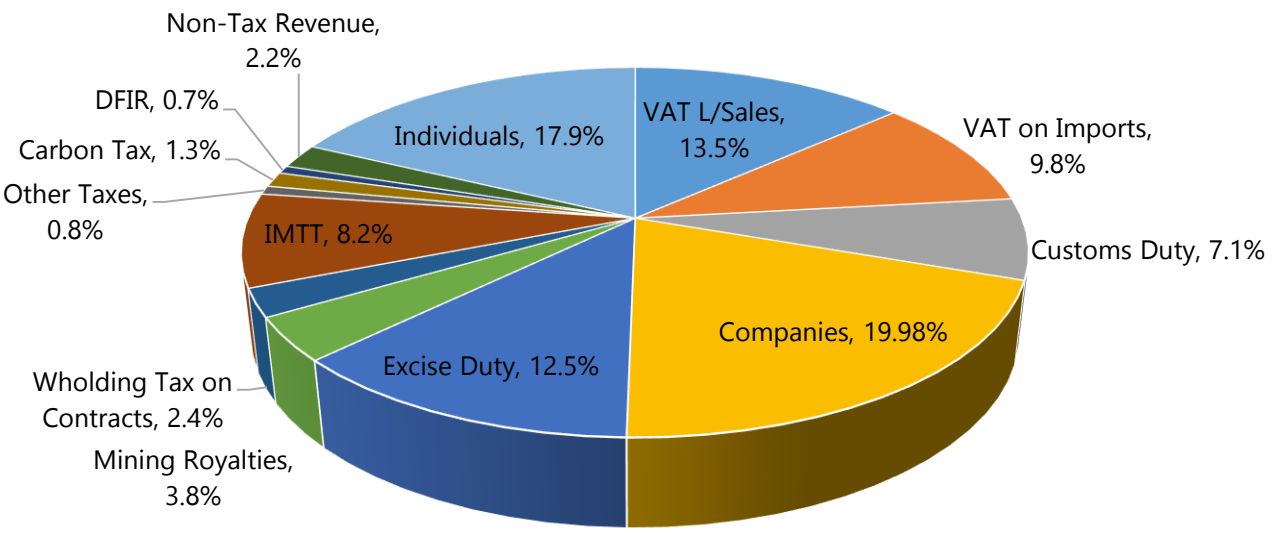
Graph 3: ZIMRA Net Revenue Collections vs MoFED Targets Quarterly Trends



- According to the Zimbabwe Revenue Authority “ZIMRA”, nominal net revenue collections declined by 4% quarter-on quarter “q/q” to ZWL\$88.3b in Q1 2021, from ZWL\$91.5b recorded in Q4 2020 – **Graph 3**. Notwithstanding the quarterly decline, net revenue collections recorded a positive variance for the quarter of 2.0% against revenue collection target of ZWL\$86.5b set out by the Ministry of Finance and Economic Development.

- On a year-on-year basis, Q1 2021 revenues grew by 536% in nominal terms from ZWL\$13.9b recorded in Q1 2020. The growth was attributed to inflationary pressures as well as revenue enhancement measures undertaken by the tax collector during the review period. Notable measures undertaken included rigorous and aggressive publicity on ZIMRA online services and tax due dates, foreign currency awareness campaign project, effective debt management, risk based audits, post clearance compliance enforcement and pre-clearance checks.

Chart 1: Revenue Heads Contribution to Net Revenue Collections



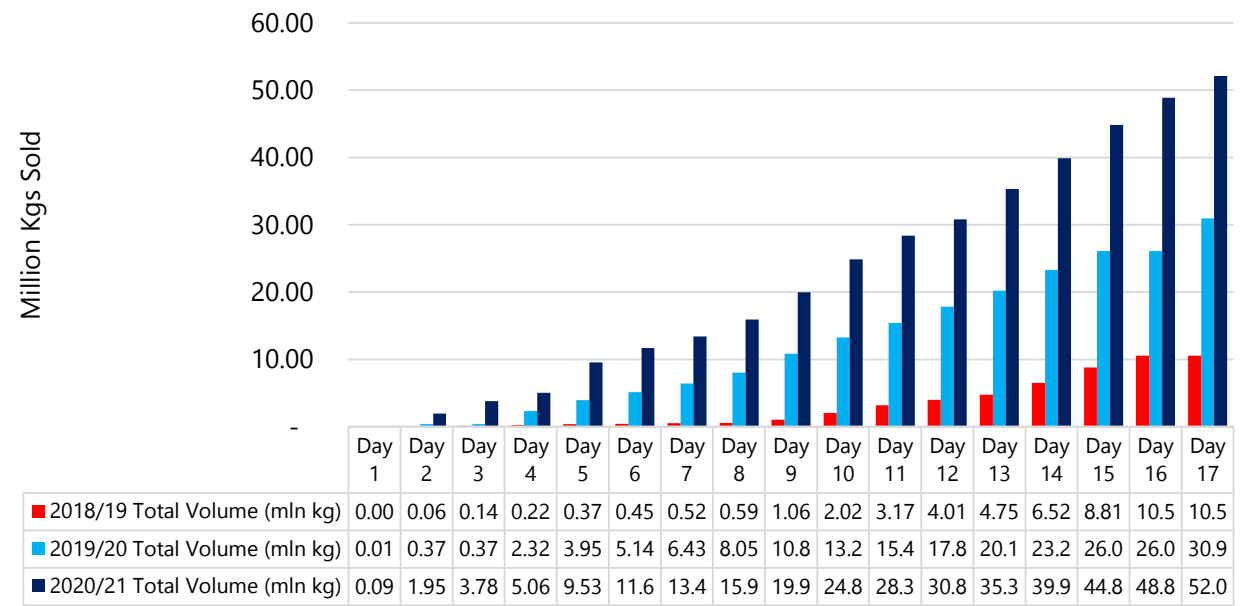
- Meanwhile, all revenue heads registered positive growth for the quarter, in nominal terms, led by carbon tax (+4563%), tobacco levy (+2810%), mining royalties (+919%) and companies (+784%).

- The major contributors to net revenue collections during the quarter were companies (20.0%), individuals (17.9%), VAT on Local Sales (13.5%), excise duty (12.5%), VAT on imports (9.8%) and customs duty (7.1%) – **Pie Chart 1**.

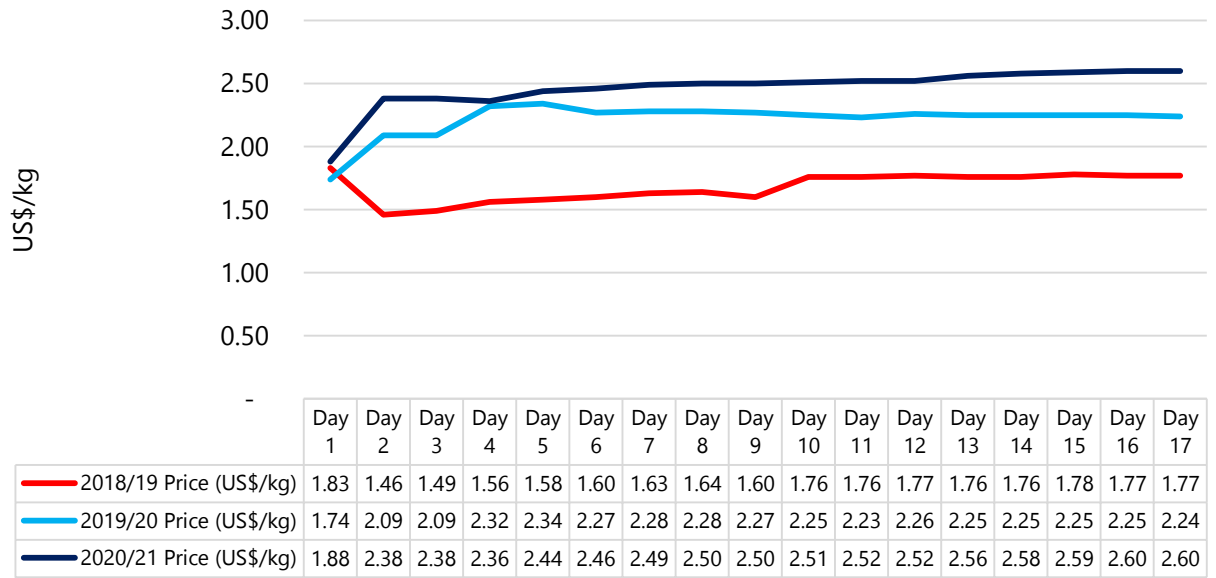


ZIMBABWE | THE 2020/21 TOBACCO MARKETING SEASON

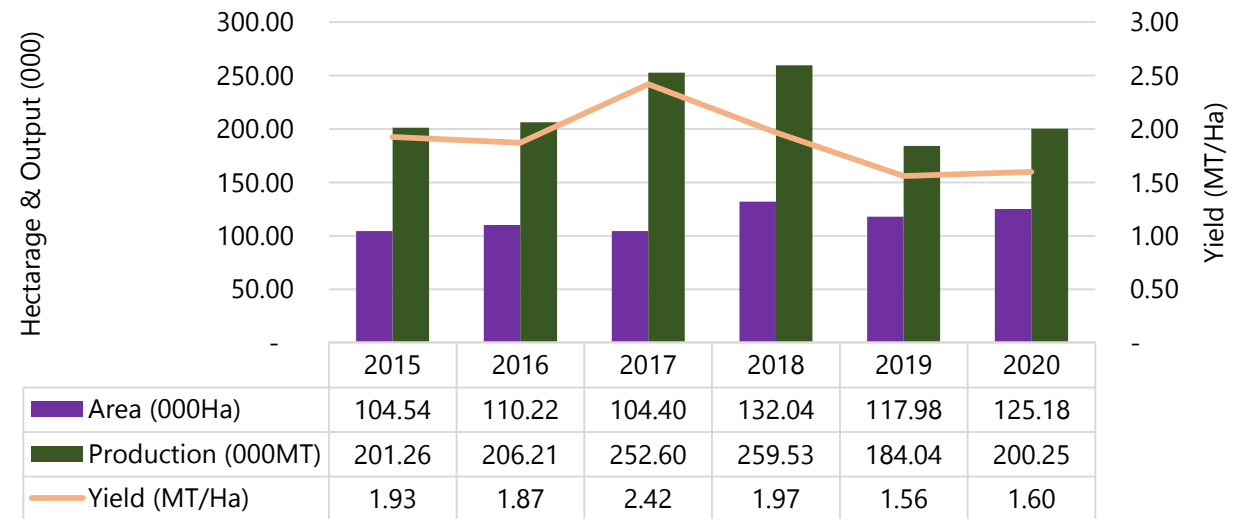
Graph 4: Tobacco Daily Sales Volume Trends



Graph 5: Tobacco Daily Average Price Trends



Graph 6: Tobacco Hectarage, Production & Yield Trends



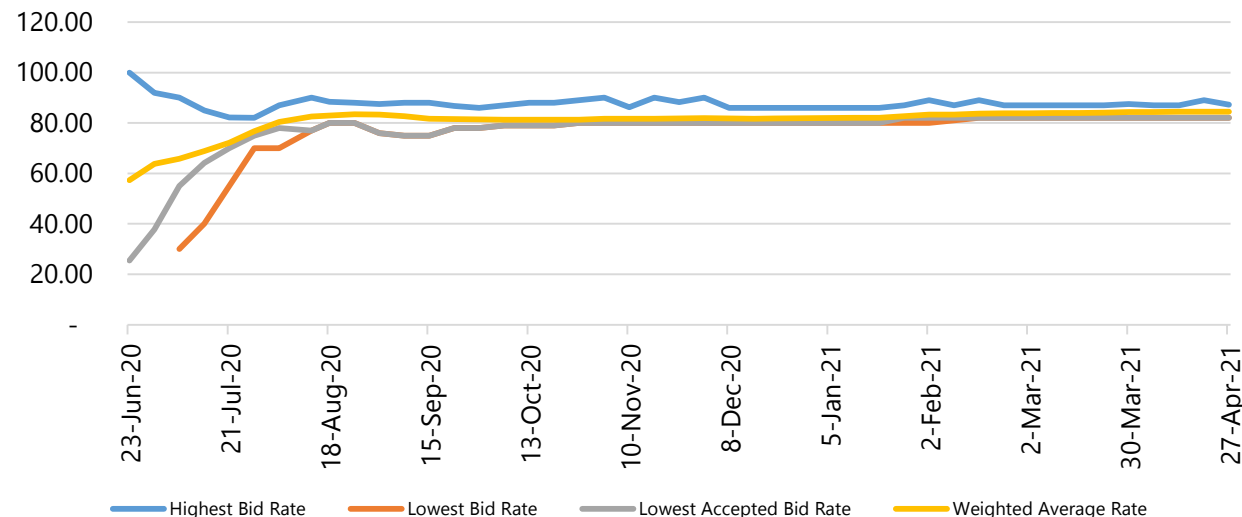
- According to the Tobacco Industry and Marketing Board "TIMB", the total volume of tobacco sold increased by 68.2% to 52.09m kgs as at Day 17 compared to 30.97m kgs recorded during the same period last year - **Graph 4**. Total value of sales increased by 95.1% to US\$135.6m as at Day 17, from US\$69.5m recorded during the same period last year.
- The average price rose by 16.1% to US\$2.60/kg compared to the last year's average price of US\$2.24/kg- **Graph 5**.
- Meanwhile, according to the Ministry of Lands, Agriculture, Fisheries, Water and Rural Resettlement, tobacco hectarage and output are expected to increase by 6.1% and 8.8% to 125.2k hectares "Ha" and 200.2k metric tonnes "MT" in 2020/21 season, respectively. Resultantly, tobacco yield is expected to increase to 1.60 in 2020/21 season, from 1.56 recorded in 2019/20 season – **Graph 6**.



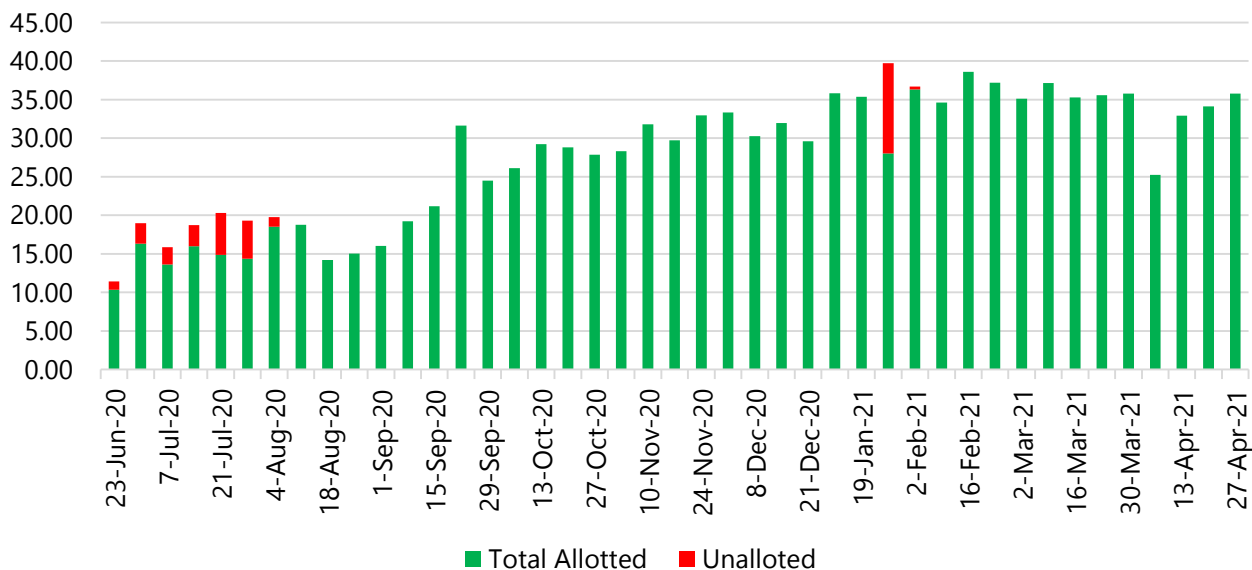
Foreign Currency Market Developments

- The ZW\$ marginally declined by 0.02% against the U.S dollar to trade at ZWL\$84.50/USD during the last auction held by the RBZ on Tuesday, 27 April 2021-**Graph 7**. The highest bid rate declined from 89.0 to 87.3, whilst the lowest accepted rate was unchanged at 82.0 on the main auction.
- The total number of allotted bids increased from 520 to 558. Resultantly, total allotment for the week increased by 4.9% to US\$35.8m, from US\$34.1m that was allotted during the previous week – **Graph 8a**.
- The largest weekly allotments were for raw materials (US\$13.7m), machinery & equipment (US\$6.5m), fuel, electricity & gas (US\$3.6m), consumables (US\$3.5m) and retail & distribution (US\$3.0m)- **Graph 8b**.

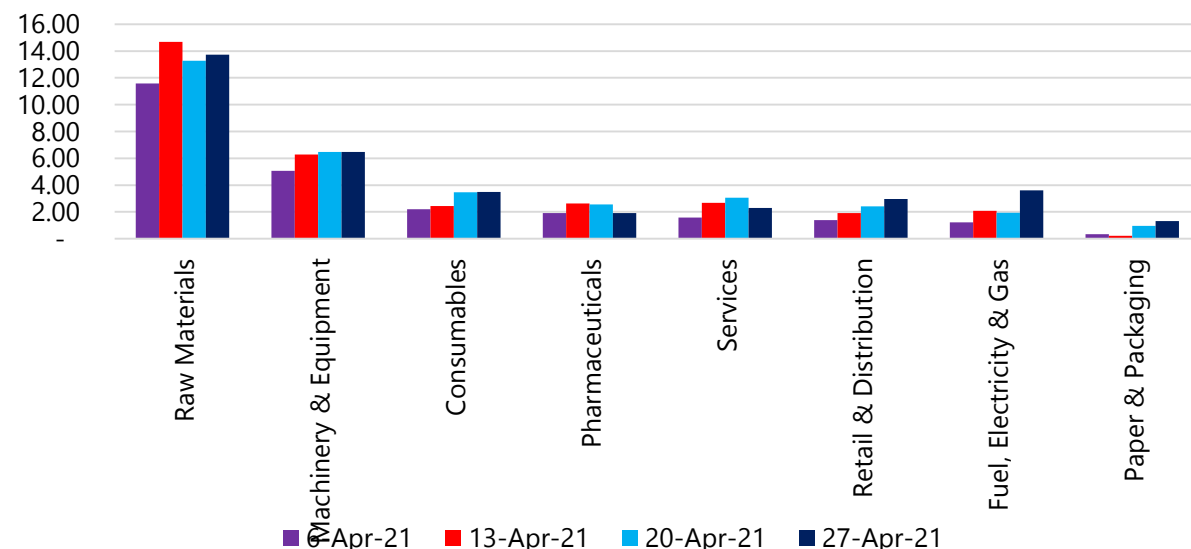
Graph 7: FX Auction Market Bid Rates Trend



Graph 8a: Foreign Currency Auction Allotment Trends



Graph 8b: FX Allotments Per Sector





Graph 9: ZSE Indices

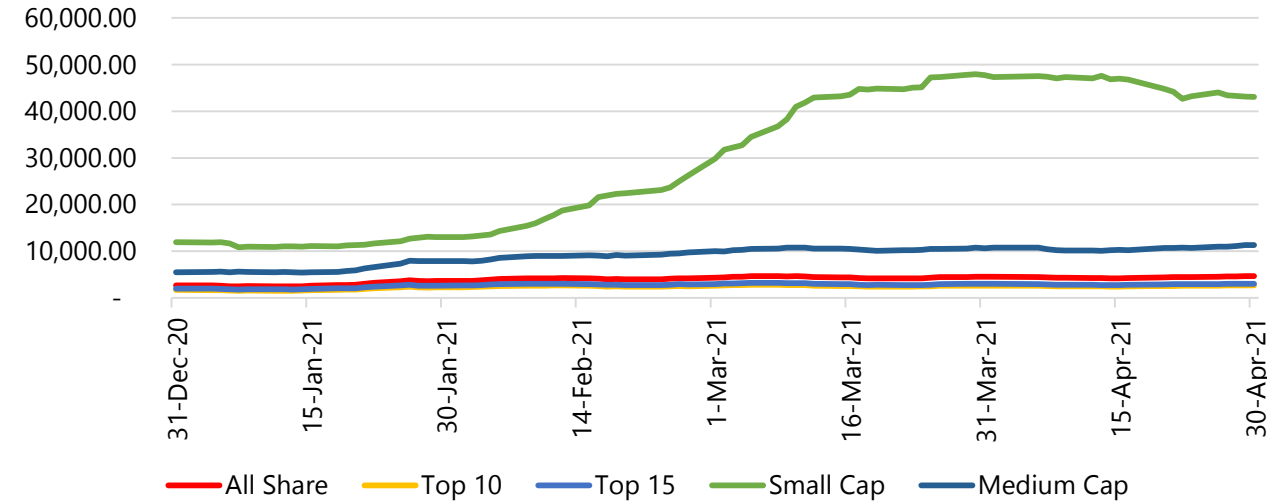
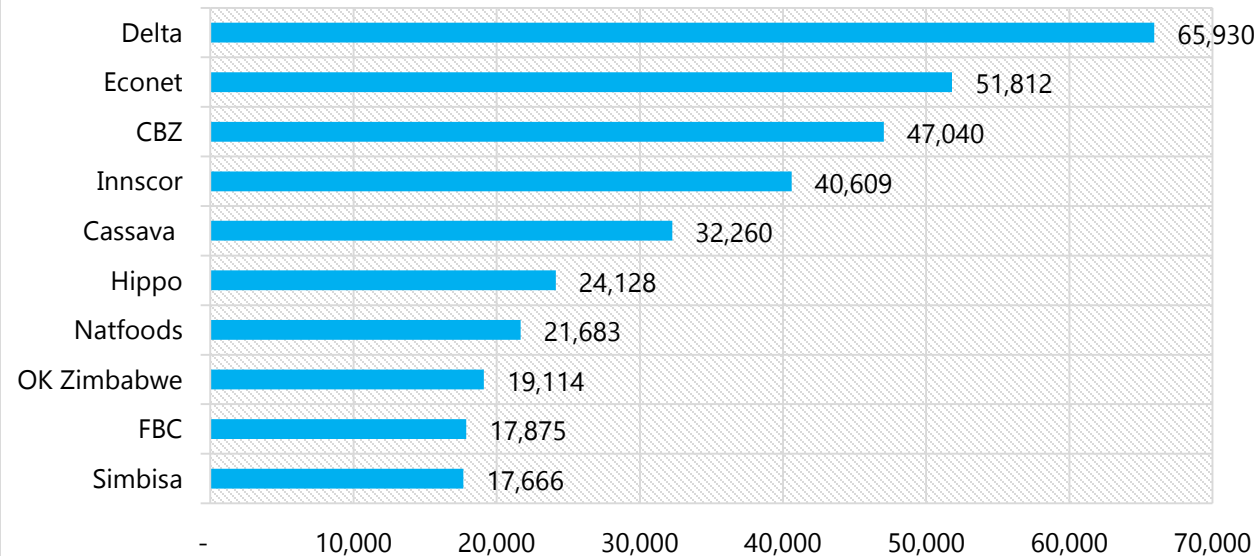


Table 1: ZSE Movers and Shakers

Movers	23-Apr-21	30-Apr-21	Weekly Change (%)
Nampak	1,250.00	1,822.95	45.8%
Lafarge	4,800.00	6,000.00	25.0%
GetBucks	40.00	48.00	20.0%
ZBFH	3,800.00	4,500.00	18.4%
Art	530.08	625.00	17.9%
Shakers	23-Apr-21	30-Apr-21	Weekly Change (%)
Star Africa	58.38	50.01	-14.3%
NTS	900.00	800.00	-11.1%
MedTech	13.47	12.04	-10.6%
Ariston	199.42	187.30	-6.1%
Zimplot	666.88	650.00	-2.5%

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



Source: ZSE

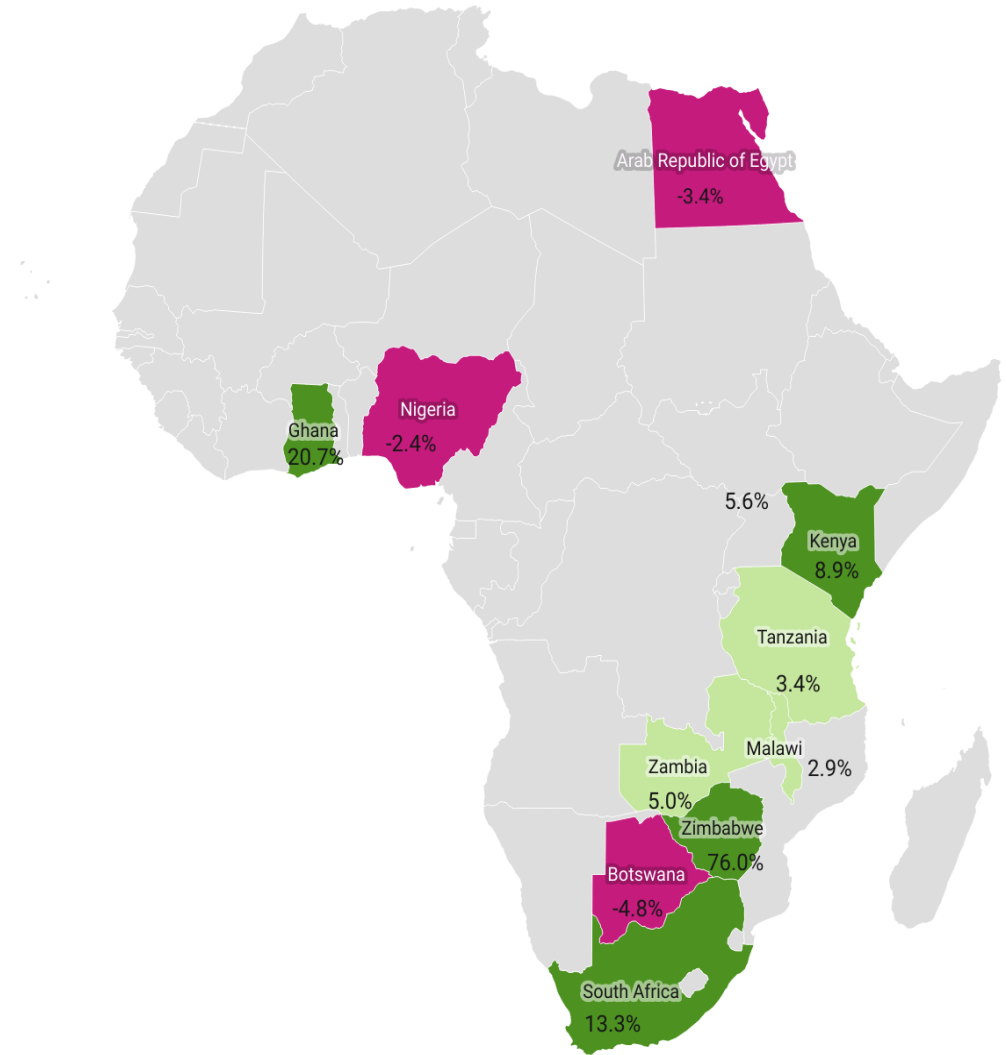
- On the ZSE, with the exception of the Small Cap Index (-0.4%), most indices recorded weekly gains led by the Medium Cap Index (+5.8%). The benchmark All Share Index rose by 4.4% to close the week at 4,641.11 points –**Graph 9**.
- Packaging manufacturer, Nampak, led the market movers with a weekly gain of 45.8%, followed by cement manufacturer Lafarge (+25.0%), micro-finance lender GetBucks (+20.0%), financial service group ZBFH (+18.4%) and paper manufacturer Art (+17.9%). However, market gains were offset by losses in Star Africa (-14.3%), NTS (-11.1%), and MedTech (-10.6%)–**Table 1**.
- Delta remained the largest counter on the ZSE with a market capitalisation to ZWL\$65.9b, followed by Econet (ZWL\$51.8b), CBZ (ZWL\$47.0b), Innskor (ZWL\$40.6b) and Cassava (ZWL\$32.3b) –**Graph 10**.
- Meanwhile, Proplastics and ZECO holdings announced that the publication of their audited financial results for the year ended 31 December 2020, due for release by the extended deadline of 30 April 2020, will now be published on or before the 14th of May 2021 and 18 May 2021 respectively.



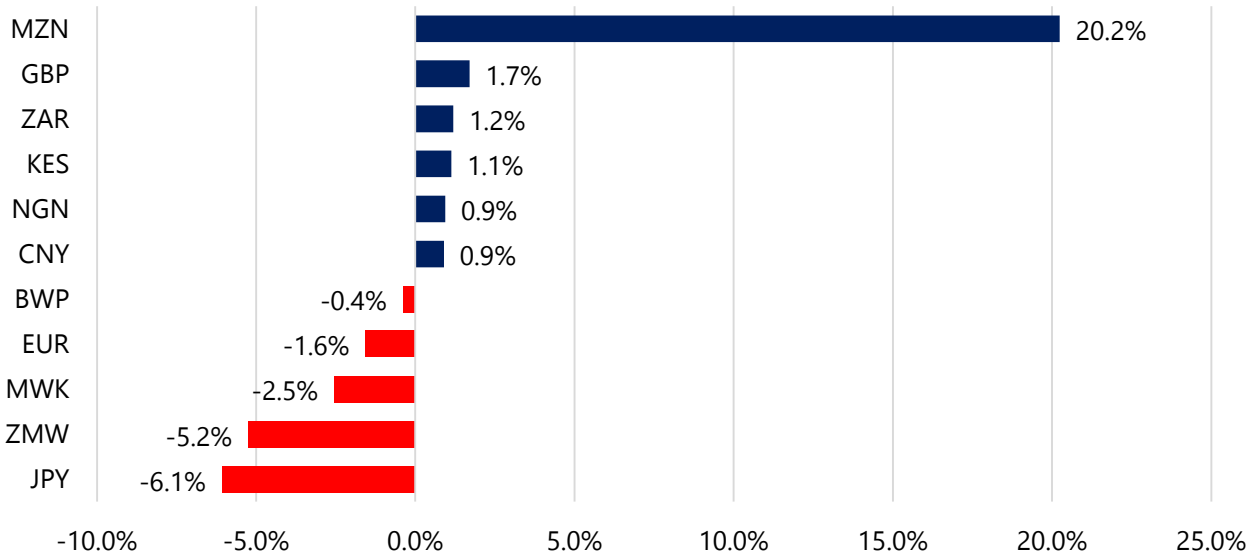
REGIONAL & GLOBAL FINANCIAL MARKETS

- On the global markets, most major benchmarks under our watch in the U.S, Europe and Asia were little changed for the week. The U.S DJIA, Japanese Nikkei 225 Stock Average and China’s Shanghai Composite Index were 0.5%, 0.72% and 0.79% down for the week, respectively. While U.K’s FTSE 100 recorded a modest weekly increase of 0.45%.
- In African, stock markets recorded mixed performances for the week. On a year-to-date “YTD” basis, Zimbabwe’s ZSE remained the best performer on the African equities markets chart after extending its gain to 76.0% - **Chart 1**.
- On the currencies market, the U.S dollar index gained 0.5% for the week to 91.28. Graph **11** below depicts YTD performances of major currencies against the U.S dollar as at 30 April 2021.

Chart 1: Selected African Equities Markets- YTD Performances



Graph 11: Major Currencies vs the USD-YTD Movements-30 April 2021



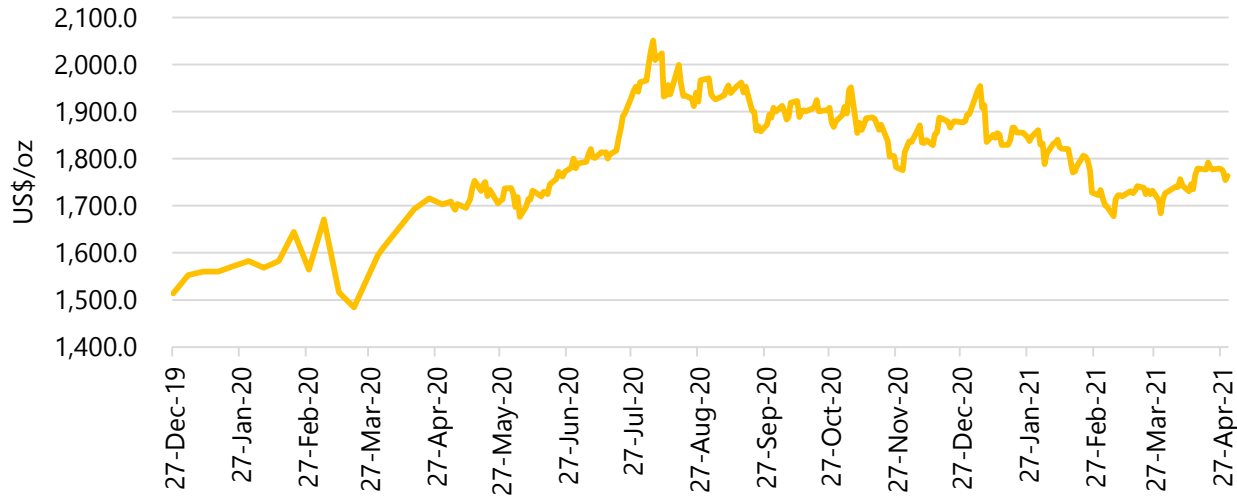


GLOBAL COMMODITY PRICE MOVEMENTS

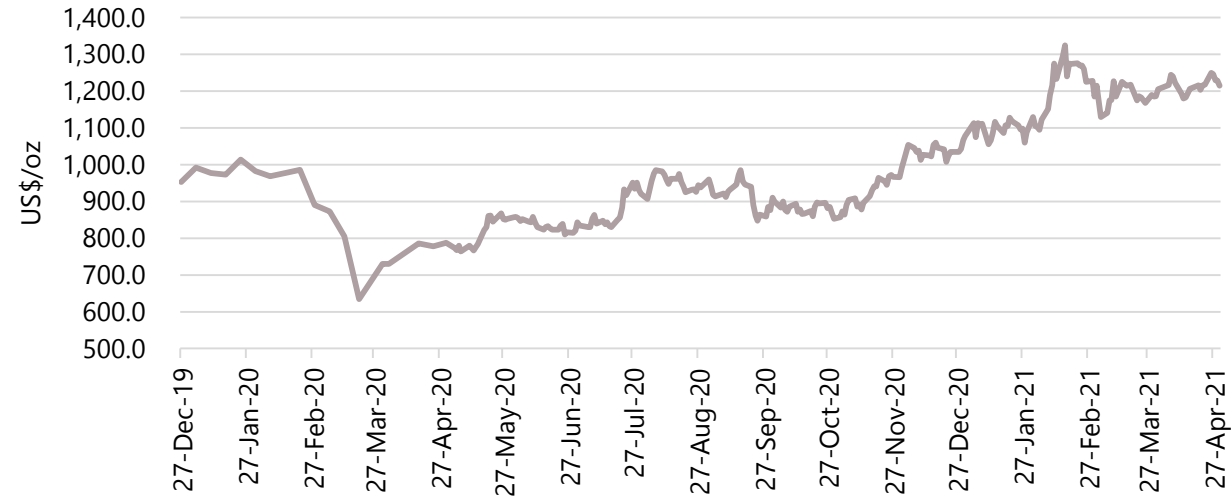
MINERALS



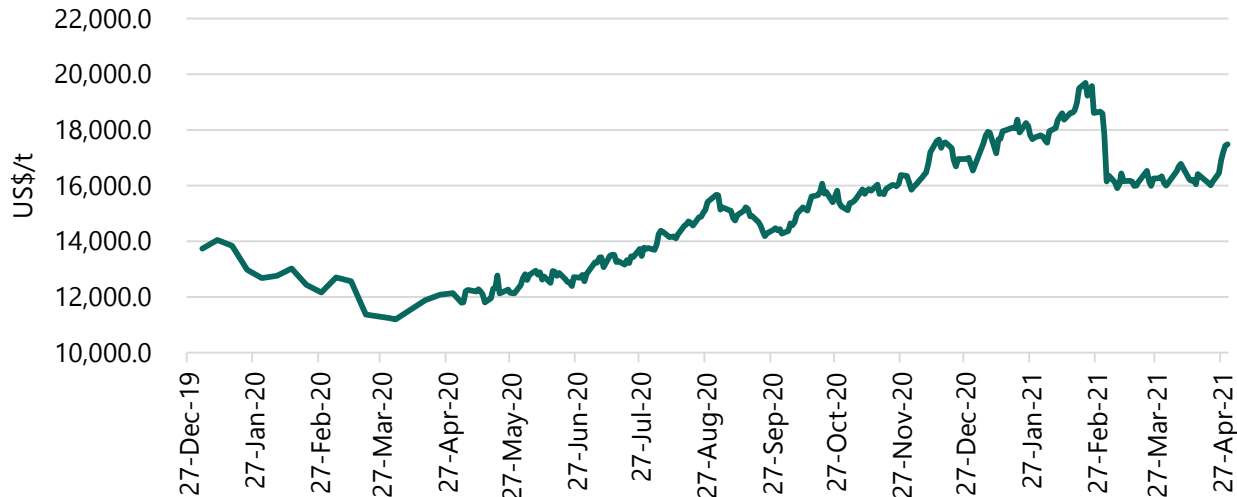
Gold prices - US\$/oz



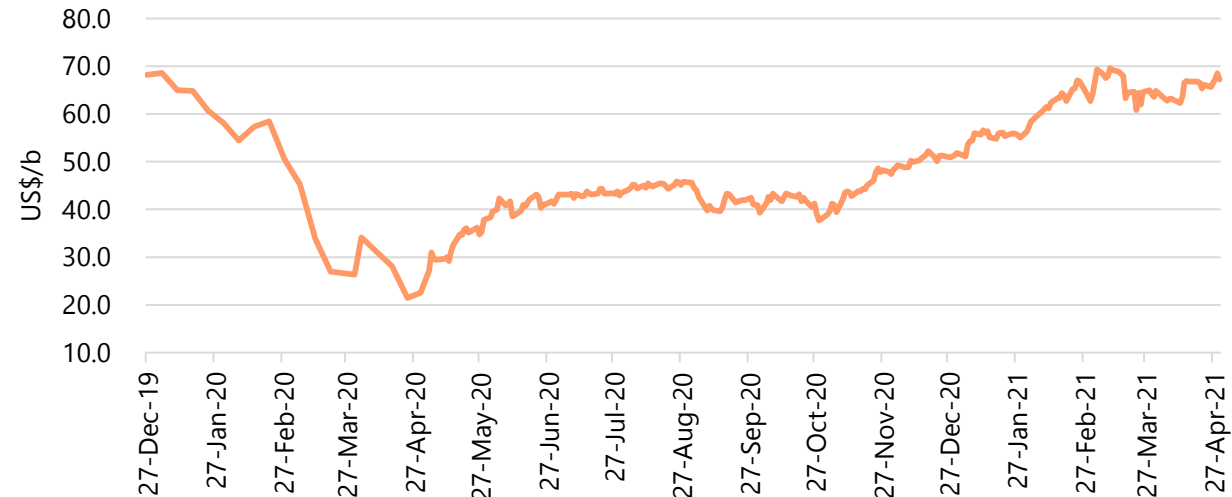
Platinum price - US\$/oz



Nickel price - US\$/t



Oil prices - US\$/b



Source: Quandl



GLOBAL COMMODITY PRICE MOVEMENTS

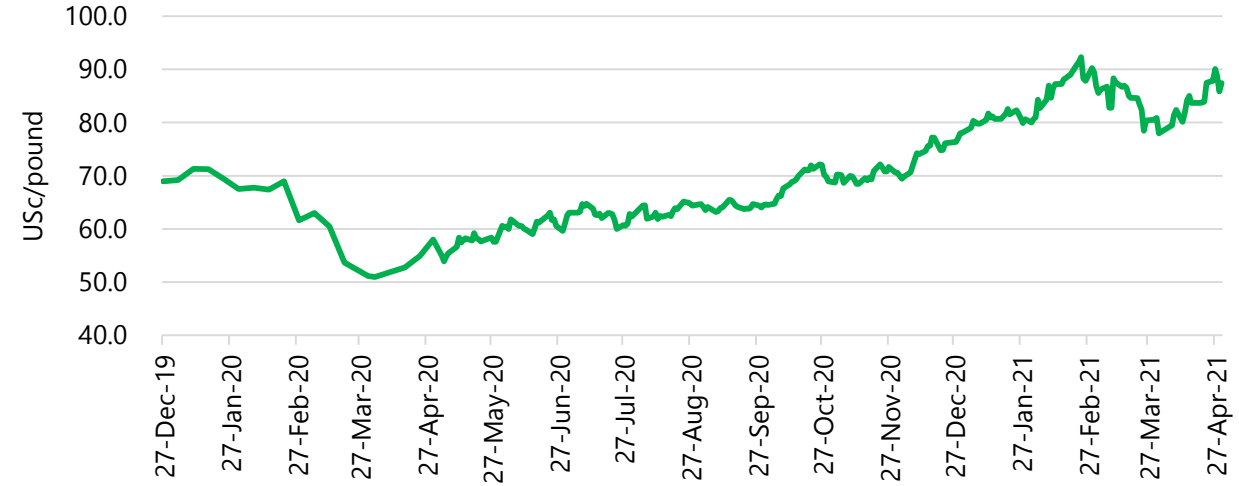
AGRIC COMMODITIES



Corn - US\$/t



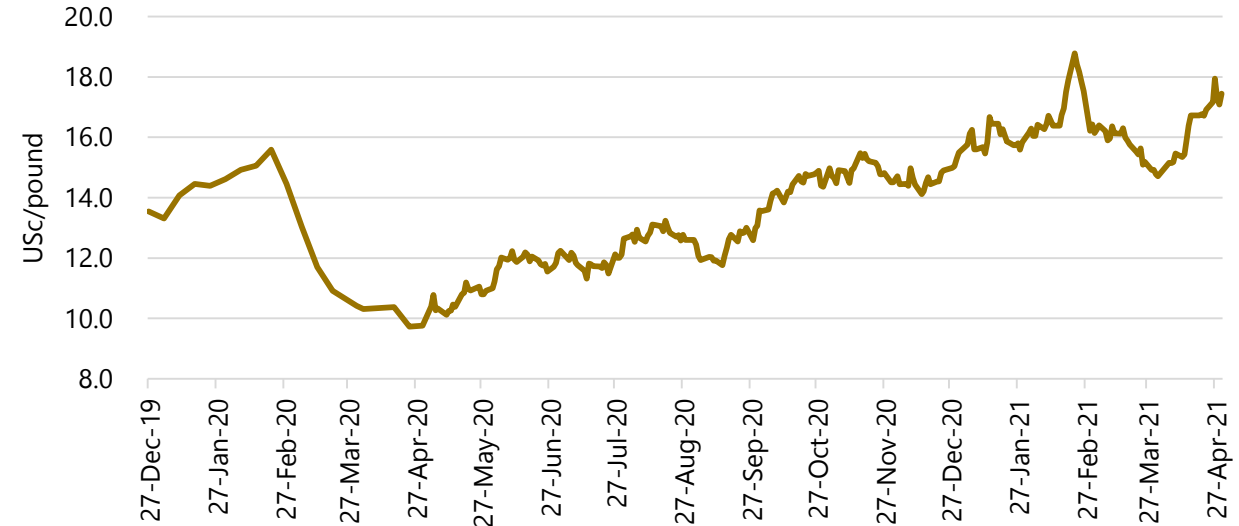
Cotton - USc/pound



Wheat - US\$/t



Sugar - USc/pound



Source: Quandl

Date	Event	Period	Forecast	Previous
Local				
04 May 2021	RBZ Foreign Exchange Auction Market	05 - 11 May 2021		84.5032
05 May 2021	Zimbabwe Energy Regulatory Authority "ZERA" Fuel Price Review	May 2021		
06 May 2021	FCB AGM (Time:1500hrs; Venue: Virtual)			
Regional & International				
04 May 2021	U.S Trade Balance	March 2021	-US\$74.50b	-US\$71.10b
05 May 2021	U.S Crude Oil Inventories		-2.191m	0.090m
05 May 2021	Bank of Japan "BoE" Monetary Policy Meeting Minutes			
06 May 2021	European Central Bank "ECB" Economic Bulletin			
06 May 2021	Bank of England "BoE" Interest Rate Decision	May 2021	0.10%	0.10%
07 May 2021				

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

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.