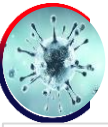




...Government introduces
gold production and export
incentives for miners...

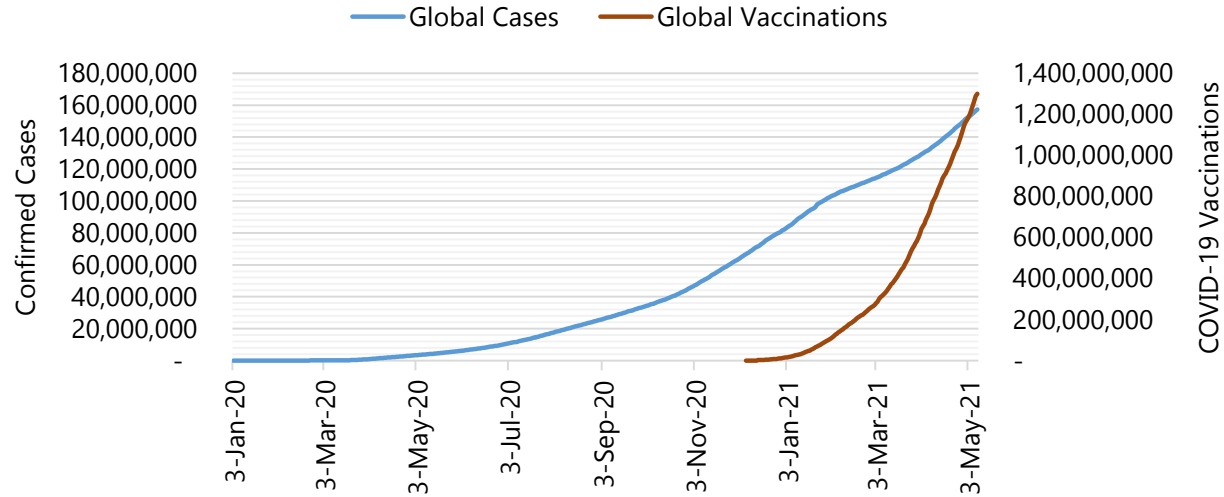
THE CBZ ECONOMIC BRIEF

Week Ending 07 May 2021

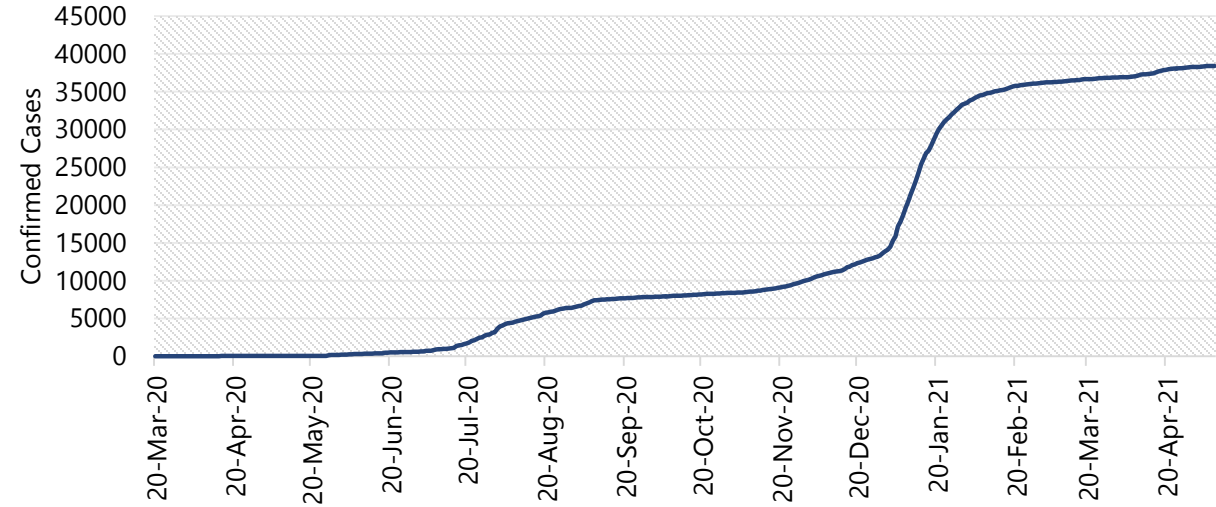


COVID-19 | Global Status as at 09 May 2021

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



Graph 2: Zimbabwe Cumulative COVID-19 Cases as at 09 May 2021



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

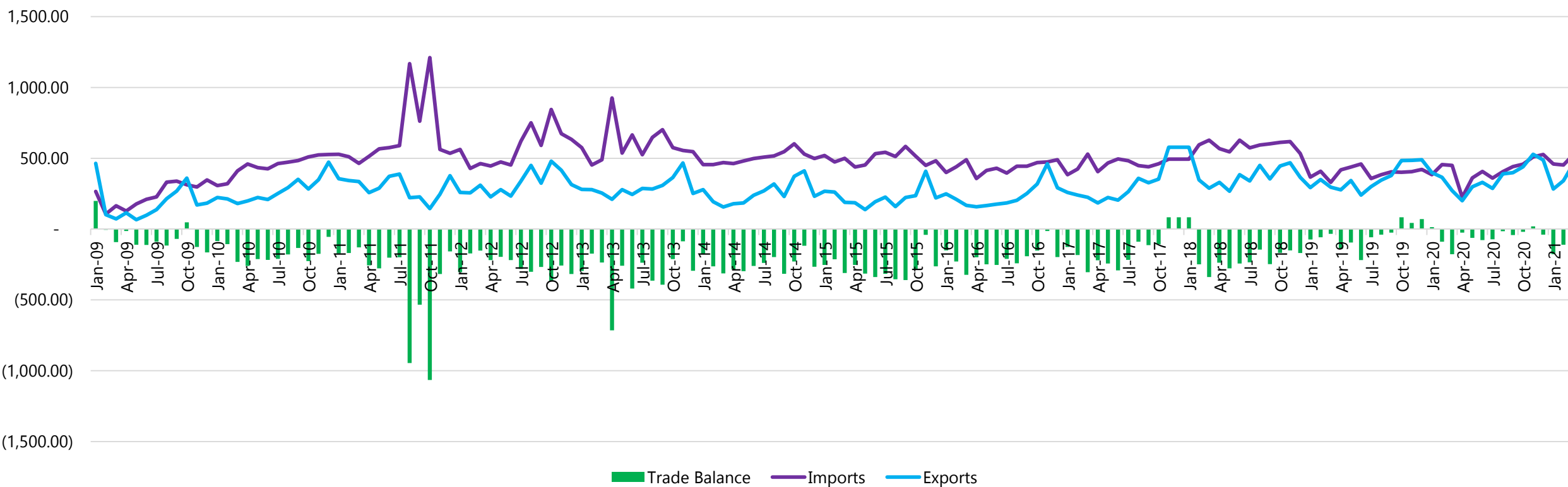
Notable Trends in Cases for the Week

- Global cumulative coronavirus cases rose above 157m after 5.4m new cases were recorded during the week to 07 May 2021. Total COVID-19 vaccinations administered globally rose by 11.2% to 1.3m doses – **Graph 1**.
- In Africa, cumulative cases increased by 1.2% to 3.36m. South Africa remained the most infected country in the continent with 1.6m cases, followed by Morocco (513k), Tunisia (320k), Ethiopia (262k) and Egypt (237k). Meanwhile, Madagascar rolled out its COVID-19 vaccination programme after the Indian Ocean Island nation received its first shipment of 250k AstraZeneca vaccine doses.
- In Zimbabwe, confirmed cases rose to 38,419 after an additional 138 new cases were recorded during the week - **Graph 2**. The national recovery rate marginally increased to 93.9% as at 09 May 2021, from 93% recorded at end of the previous period. Meanwhile, the government approved the extension of business operating hours for restaurants to 2100hrs. However, they are expected to continue to be open for 50% sit-in capacity, takeaways and deliveries.
- Meanwhile, the Bank of England "BoE" left its main interest rate unchanged at 0.1% as the bank continues to support the economy from the impact of COVID-19 outbreak. The north-western European nation's central bank also maintained its target stock of asset purchases at £895m (c.US\$1.2t). In terms of growth outlook, BoE upgraded its 2021 projections to 7.5%, underpinned by the country's comparatively quick COVID-19 vaccination campaign



- According to ZimStat, the country’s trade deficit narrowed to a 3-months low of US\$65.4m in March 2021, from a deficit of US\$111.1m recorded in February 2021. This followed a relatively large increase in exports of 35.5% m/m to US\$461.8m in March 2021, compared to a lesser growth in imports of 16.4% m/m to US\$527.2m during the same period – **Graph 3**.
- Nickel mates (+775%), ferro-chromium (+26%), industrial diamonds (+25%) and other mineral substances (+2614%) were the major export drivers, while growth in imports was driven by increases in the importation of vaccines for human medicine (+769%), generating sets (+1850%), towers and lattice masts of iron or steel (+16338%), diesel (+37% and stranded wire, cables... of aluminium, with steel core, not electric (+1410%).
- Cumulatively, exports for the 3 months to March 2021 rose by 4.8% to US\$1.1b compared to US\$1.0b recorded during the same period last year, while imports rose by 11.9% to US\$1.4b over the same period .
- Subsequently, the cumulative trade deficit for the first quarter of 2021 worsened to US\$354m, compared to a deficit of US\$254m recorded during the comparable period of 2020.

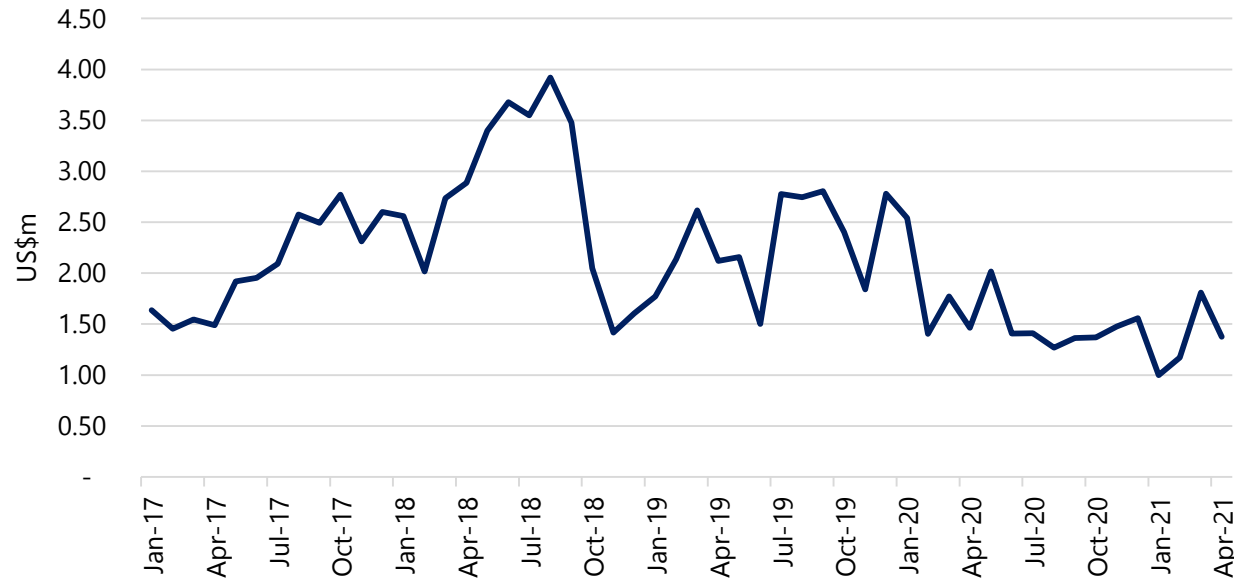
Graph 3: Imports, Exports and Trade Balance Trends





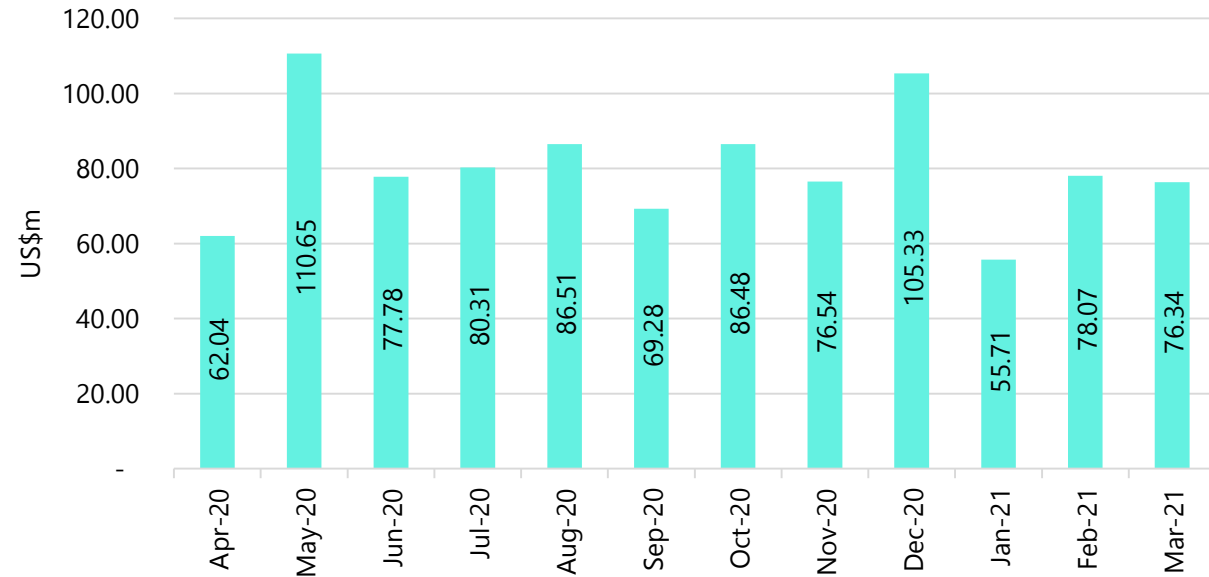
- According to Fidelity Printers and Refiners "FPR", the country's gold output declined by 24% m/m to 1.37t in April 2021, from 1.81t recorded in March 2021. On a year-on-year basis, output dropped by 6% from the April 2020 levels of 1.46t – **Graph 4**. Output by small-scale miners decreased by 5.6% m/m to 0.63t in April 2021, while output by primary producers declined by 34.9% to 0.74t during the same period.
- Resultantly, the cumulative output for the yellow metal during the four months to April 2021 stood at 5.4t, 25.4% below the comparable period of 2020.
- Meanwhile, the Ministry of Finance and Economic Development announced that gold producers who deliver gold quantities above their average monthly deliveries shall be entitled to a retention level of 80% on the incremental portion of gold delivered to FPR. Additionally, large-scale gold producers that qualify for the 80% retention threshold shall be entitled to directly export the incremental portion of the gold to enable them to secure funding and gold loans to enhance their production. These measures are meant to encourage gold production and promotes export growth.
- This followed after latest figures from ZimStat showed that gold export earnings declined by 2.2% m/m to US\$76.3m in March 2021 from US\$78.1m recorded in February 2021 – **Graph 5**.

Graph 4: Gold Production Trends



Source: FPR

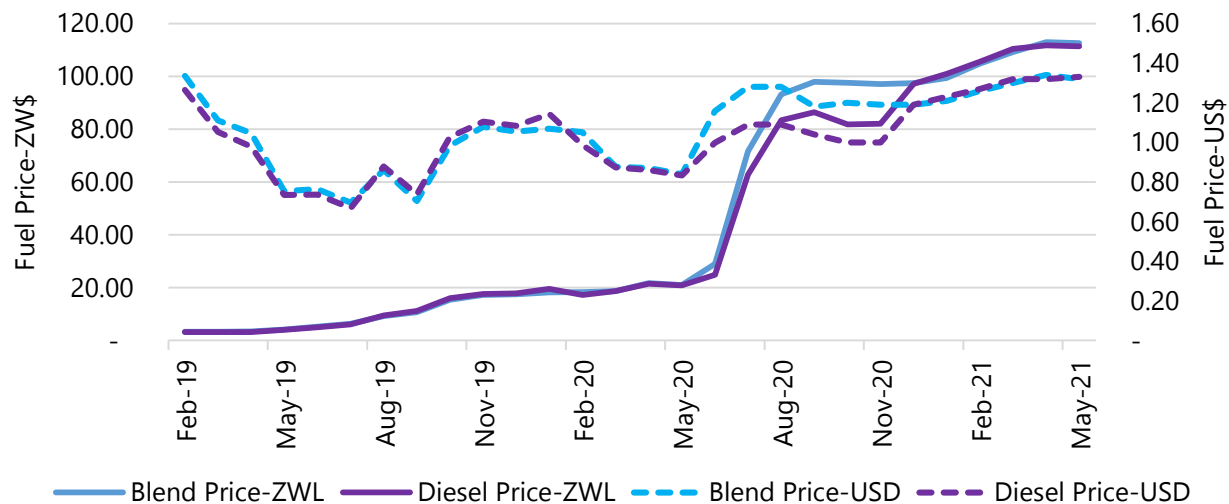
Graph 5: Gold Export Earnings Trend



Source: ZimStat

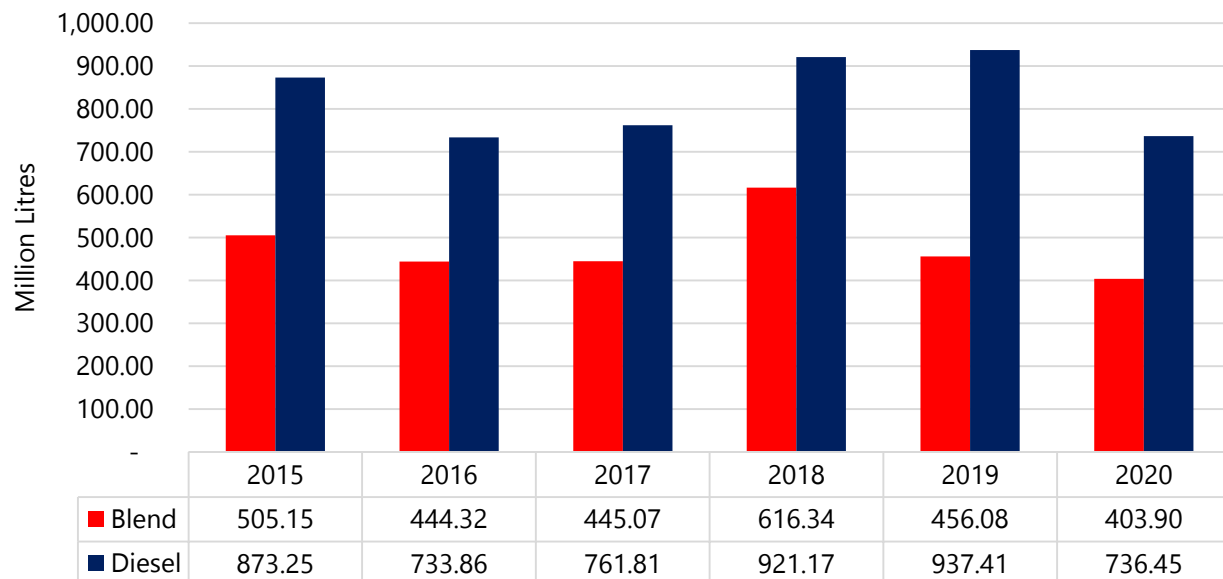


Graph 6: Blend and Diesel Prices Trend



Country	Blend Price-US\$/Ltr	Diesel Price-US\$/Ltr
Angola	0.25	0.21
Botswana	0.89	0.88
DRC	1.00	1.00
Kenya	1.16	1.02
Malawi	1.13	1.13
Mauritius	1.19	0.86
Mozambique	1.09	1.00
Namibia	0.88	0.89
South Africa	1.17	1.13
Tanzania	0.92	0.86
Zambia	0.97	0.86
Zimbabwe	1.33	1.32
Global Average	1.15	1.02

Graph 7: Annual Fuel Consumption Trends



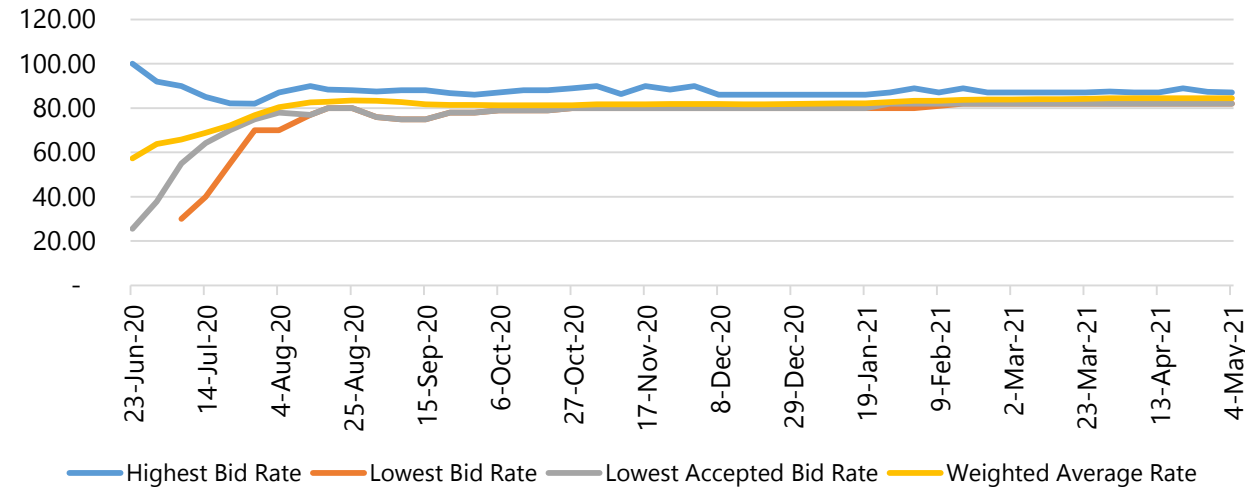
- The Zimbabwe Energy Regulatory Authority “ZERA” announced new monthly prices for diesel and blend effective 05 May 2021.
- Blend price was little changed, with the maximum pump price decreased by 0.30% (ZWL\$0.34) and 0.75% (US\$0.01) in local currency and U.S dollar terms to ZWL\$112.62/litre and US\$1.33/litre, respectively. The local currency price for diesel marginally declined by 0.30% (ZWL\$0.34) to ZWL\$111.43/litre while the US dollar price was unchanged for the 3rd straight month at US\$1.32/litre – **Graph 6**.
- **Table 1** depicts comparable fuel prices for Zimbabwe’s neighbours and/ trading partners as at 03 May 2021.
- Meanwhile, fuel consumption figures from ZERA indicate that the volume of diesel imported into the country dropped by 21% to 736m litres in 2020 from 937m litres recorded in 2019, while blend imports declined by 11% to 404m litres during the same period- **Graph 7**. This reflected the depressed demand for the precious liquid as a result of COVID-19 induced economic slowdown in 2020.



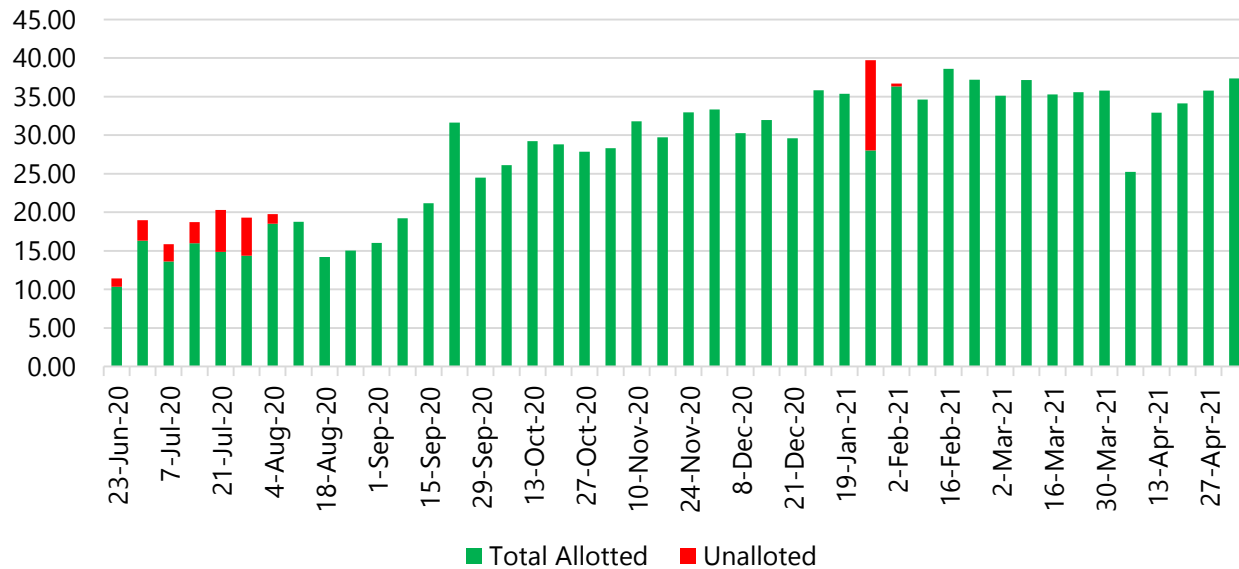
Foreign Currency Market Developments

- The ZW\$ marginally declined by 0.03% against the U.S dollar to trade at ZWL\$84.53/USD during the last auction held by the RBZ on Tuesday, 04 May 2021-**Graph 8**. The highest bid rate declined from 87.3 to 87.0, whilst the lowest accepted rate was unchanged at 82.0 on the main auction.
- The total number of allotted bids increased from 558 to 579. Resultantly, total allotment for the week increased by 4.5% to US\$37.4m, from US\$35.8m that was allotted during the previous week – **Graph 9a**.
- The largest weekly allotments were for raw materials (US\$12.2m), machinery & equipment (US\$8.0m), consumables (US\$4.1m), pharmaceuticals (US\$3.9m) and services (US\$3.2m)- **Graph 9b**.

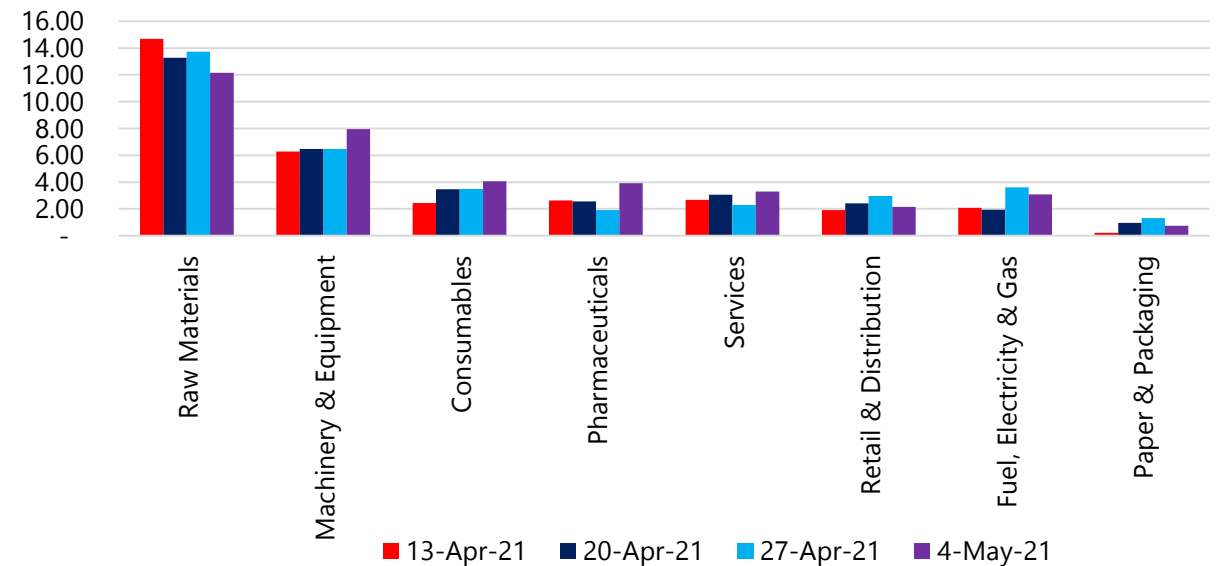
Graph 8: FX Auction Market Bid Rates Trend



Graph 9a: Foreign Currency Auction Allotment Trends



Graph 9b: FX Allotments Per Sector





Graph 10: ZSE Indices

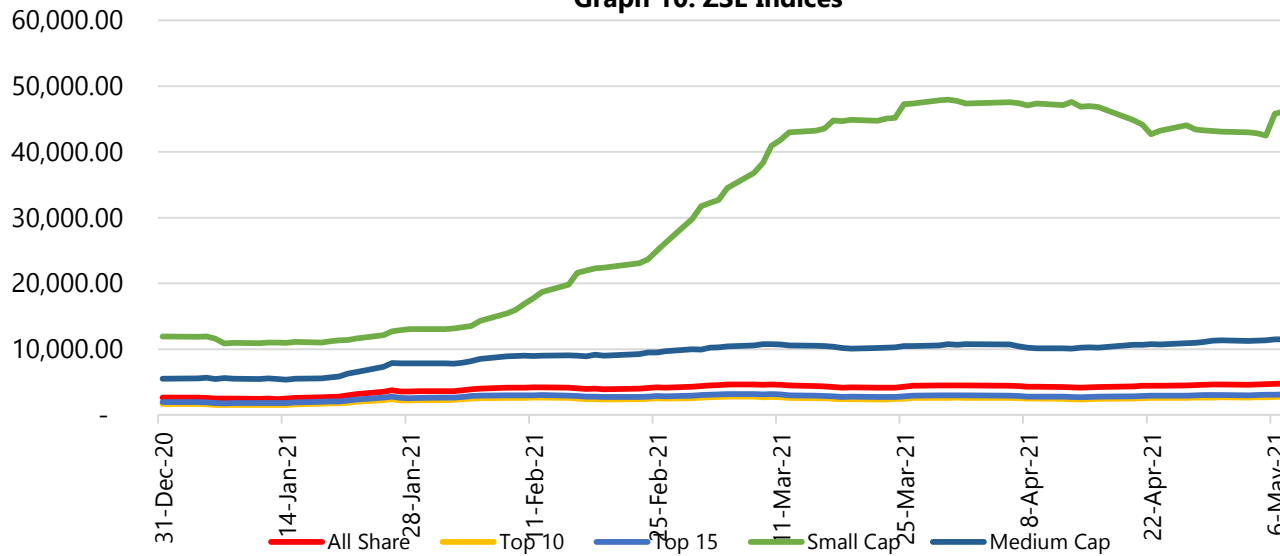
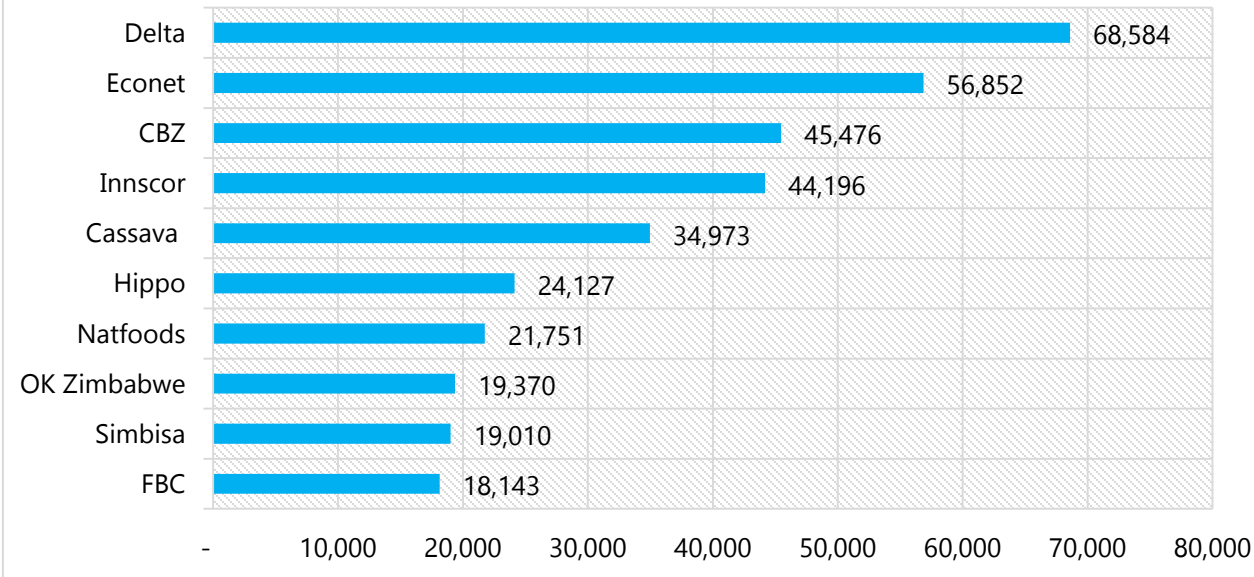


Table 2: ZSE Movers and Shakers

Movers	30-Apr-21	7-May-21	Weekly Change (%)
FCB	230.24	294.39	27.9%
NTS	800.00	1,000.00	25.0%
FMP	545.46	680.00	24.7%
Willdale	95.60	110.04	15.1%
Star Africa	50.01	55.89	11.8%
Shakers	30-Apr-21	7-May-21	Weekly Change (%)
Lafarge	6,000.00	5,200.00	-13.3%
Cafca	12,000.00	10,500.00	-12.5%
Nampak	1,822.95	1,600.00	-12.2%
ZBFH	4,500.00	4,000.00	-11.1%
FML	2,200.23	2,004.52	-8.9%

Graph 11: ZSE Top 10 Counters By Market Capitalisation -ZWL\$m



Source: ZSE

- On the ZSE, all indices recorded weekly gains led by the Small Cap Index (+7.2%) and Top 10 Index (+3.7%). The benchmark All Share Index rose by 2.9% to close the week at 4,774.55 points –**Graph 10**.
- Financial services concern, FCB, led the market movers with a weekly gain of 27.9%, followed by tire retailer NTS (+25.0%), property developer FMP (+24.7%), brick manufacturer Willdale (+15.1%) and sugar refinery Star Africa (+11.8%). However, market gains were offset by losses in Lafarge (-13.3%), Cafca (-12.5%), and Nampak (-12.2%)–**Table 2**.
- Delta remained the largest counter on the ZSE with a market capitalisation to ZWL\$68.6b, followed by Econet (ZWL\$56.9b), CBZ (ZWL\$45.5b), Innscor (ZWL\$44.2b) and Cassava (ZWL\$35.0b) –**Graph 11**.
- Meanwhile, Meikles published a further cautionary statement advising shareholders that the board has determined to unbundle from the company and list separately on the ZSE the company’s agricultural processing business, Tanganda Tea Company Limited, subject to shareholders’ approval.



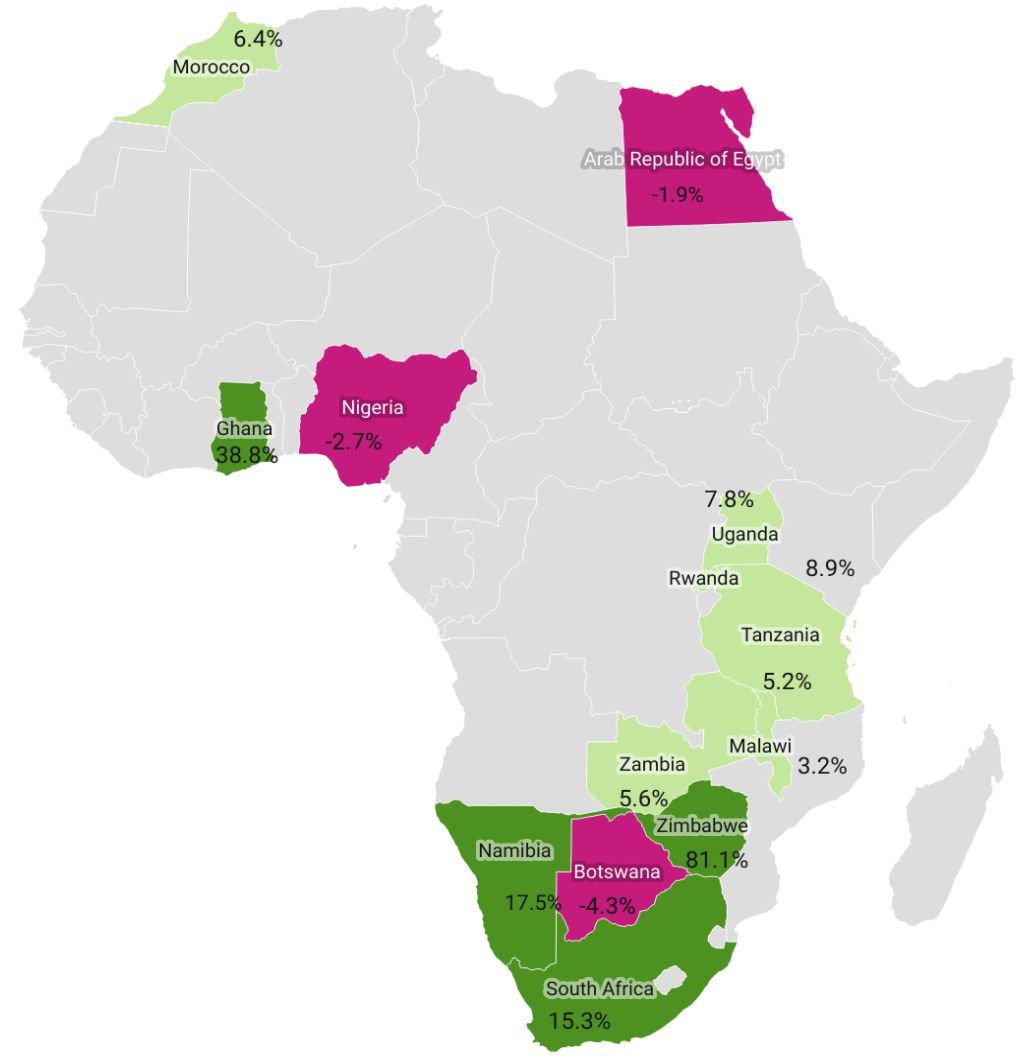
REGIONAL & GLOBAL FINANCIAL MARKETS

On the global markets, most major international benchmarks under our watch recorded some weekly gains, supported by stronger-than-expected corporate earning results for Q1 2021. In U.S, the DJIA rose by 2.7%, while U.K's FTSE 100 and Japanese Nikkei 225 Stock Average recorded gains of 2.3% and 1.9% respectively.

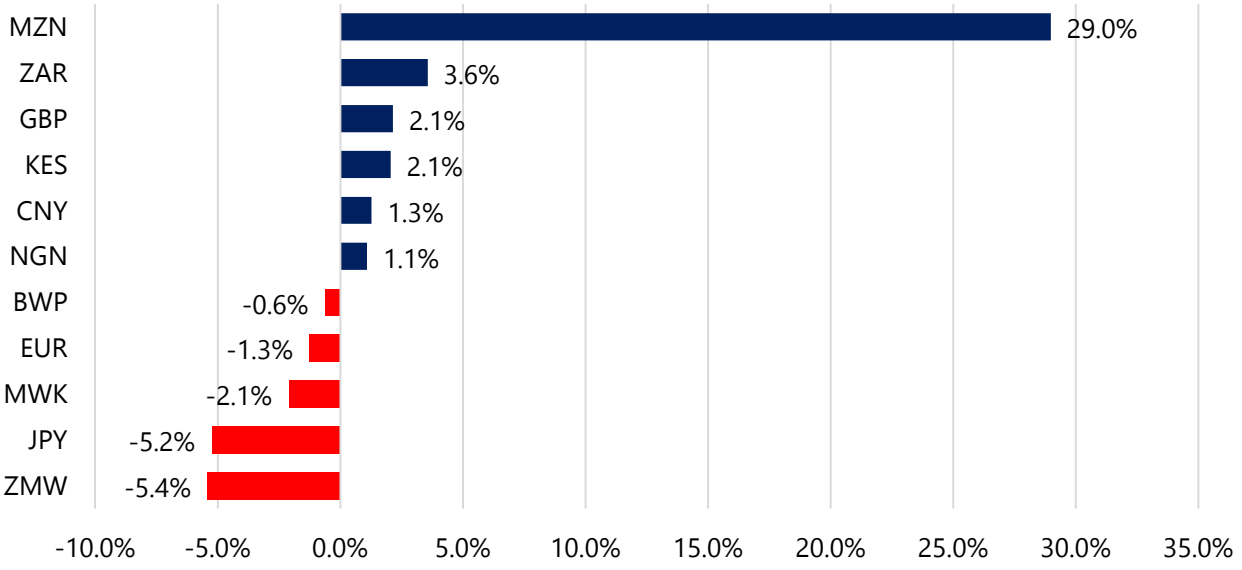
In African, with the exception of Nigeria's NGX, all equities markets under our watch recorded weekly gains led by Ghana (5.2%). On a year-to-date "YTD" basis, Zimbabwe's ZSE remained the best performer on the African equities markets chart after extending its gain to 81.1% - **Chart 1**. Other notable YTD gainers were Ghana (38.8%), Namibia (17.5%) and South Africa (15.3%).

On the currencies market, the U.S dollar index lost 1.2% for the week to 91.28. **Graph 12** below depicts YTD performances of major currencies against the U.S dollar as at 07 May 2021.

Chart 1: Selected African Equities Markets- YTD Performances



Graph 12: Major Currencies vs the USD-YTD Movements-07 May 2021

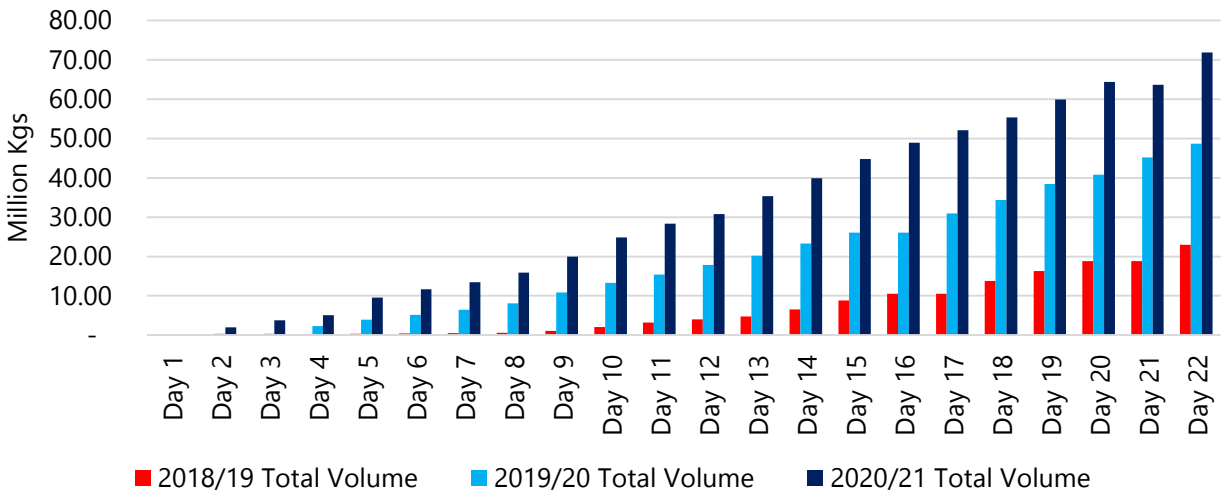


Map: Created by CBZ Holdings Limited • Created with Datawrapper

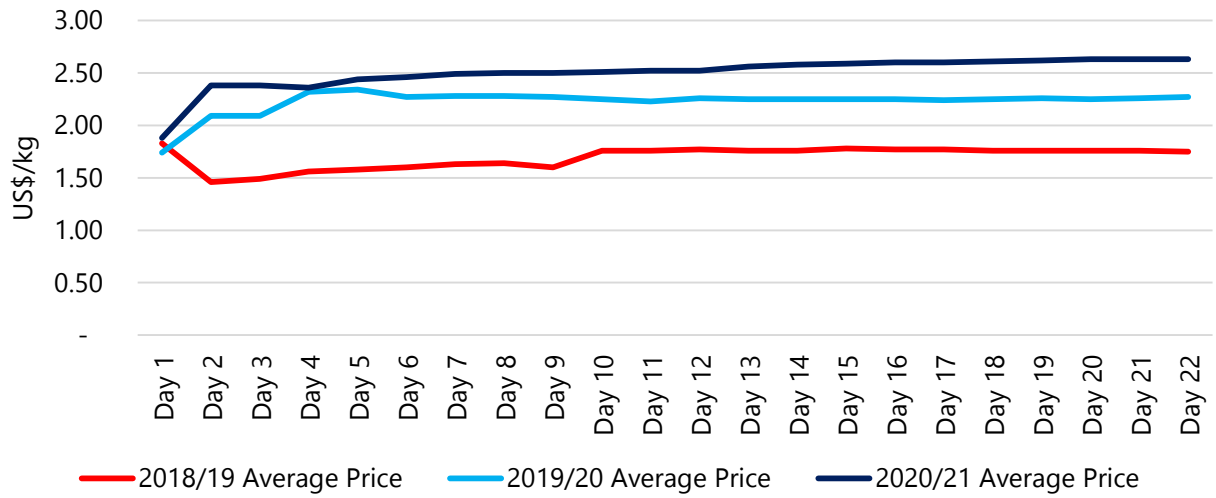


ZIMBABWE | THE 2020/21 TOBACCO MARKETING SEASON

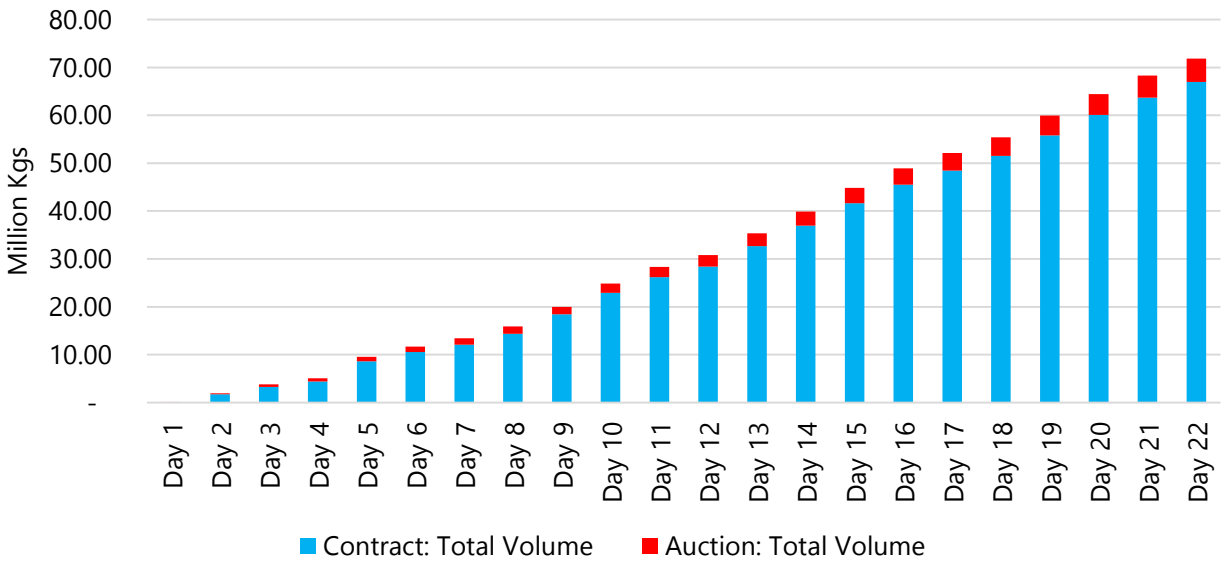
Cumulative Tobacco Sales Volume Trends (2019-2021)



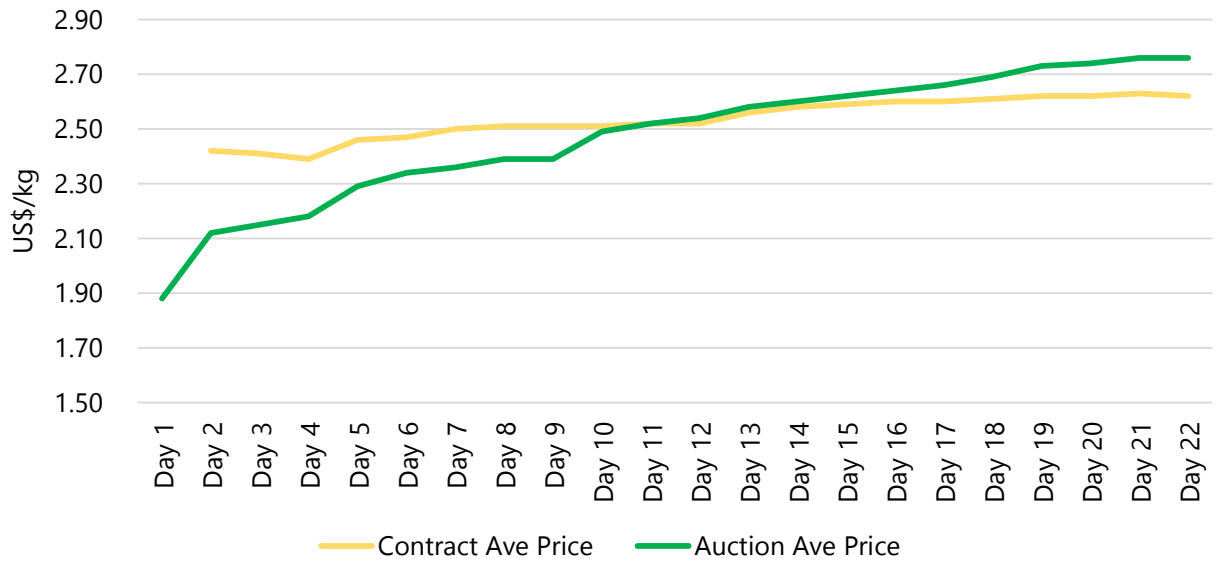
Tobacco Daily Average Price Trends (2019-2021)



2020/21 Cumulative Sales Volume - Contract vs Auction



2020/21 Average Prices - Contract vs Auction



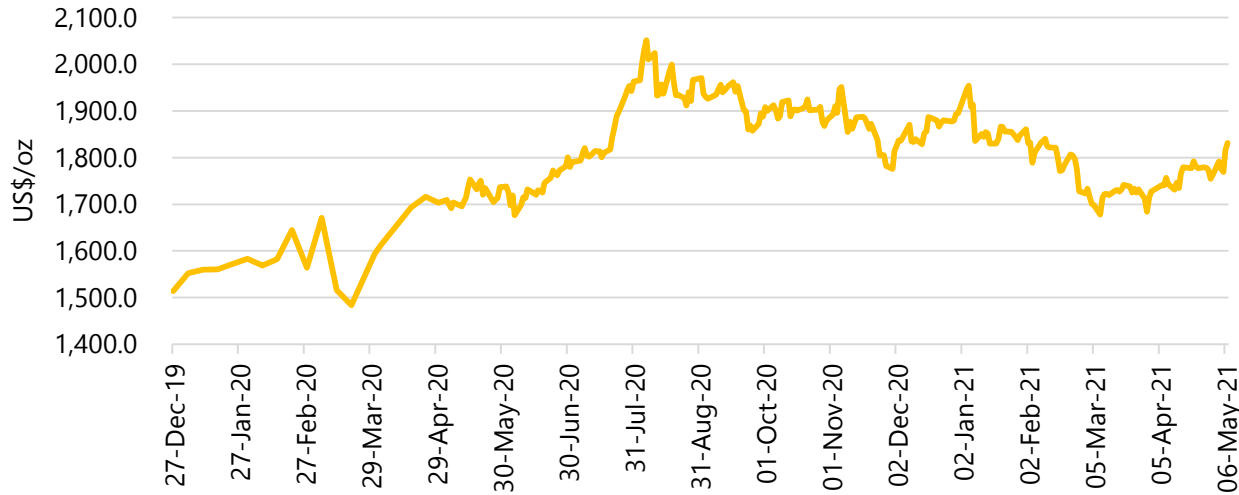


GLOBAL COMMODITY PRICE MOVEMENTS

MINERALS



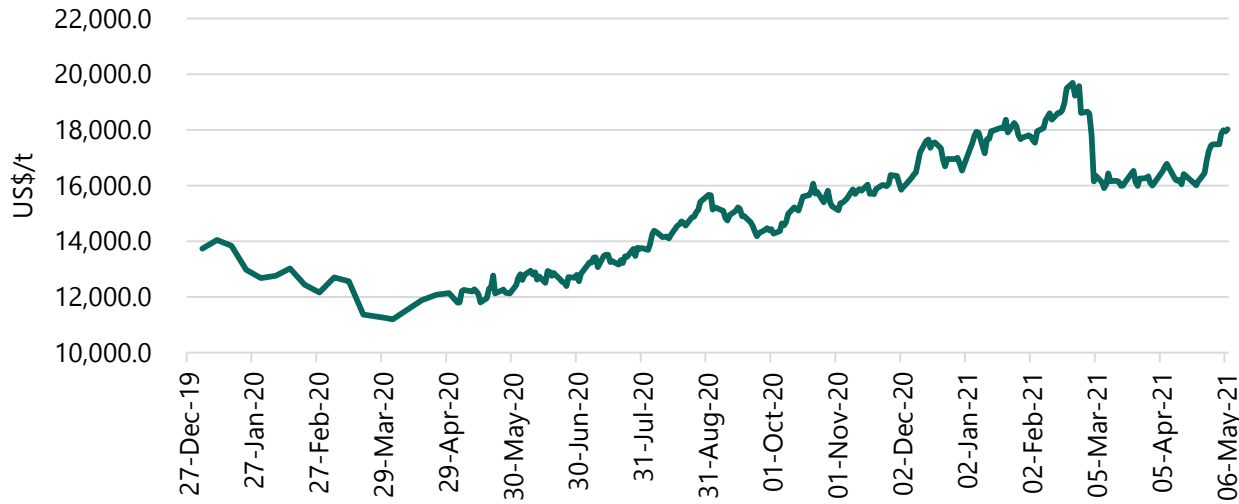
Gold prices - US\$/oz



Platinum - 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				
11 May 2021	RBZ Foreign Exchange Auction Market	12 - 18 May 2021		84.5282
12 May 2021	NMB AGM (Time: 1530hrs; Venue: Virtual)			
Regional & International				
10 May 2021	China CPI m/m (y/y)	April 2021	-0.2% (1.0%)	-0.5% (0.4%)
11 May 2021	U.S EIA Short Term Energy Outlook			
11 May 2021	South Africa Manufacturing Production m/m	March 2021	0.4%	-1.25
12 May 2021	U.K GDP q/q (y/y)	Q1 2021	-1.7% (-6.0%)	1.3% (-7.3%)
12 May 2021	U.K Trade Balance	March 2021	-£14.53b	-£16.44b
12 May 2021	U.S Crude Oil Inventories	-2.346m	-7.990m	
12 May 2021	U.S World Agricultural Supply and Demand Estimates "WASDE" Report			
14 May 2021	European Central Bank "ECB" Monetary Policy Statement			

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