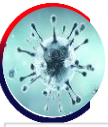




... Tourist arrivals dropped
by 72% in 2020 ...

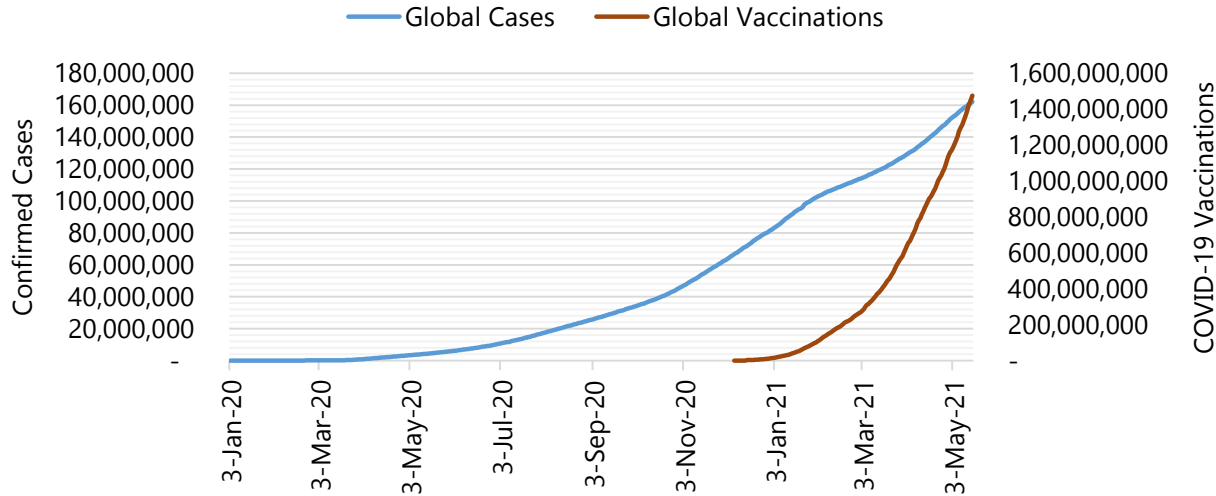
THE CBZ ECONOMIC BRIEF

Week Ending 14 May 2021

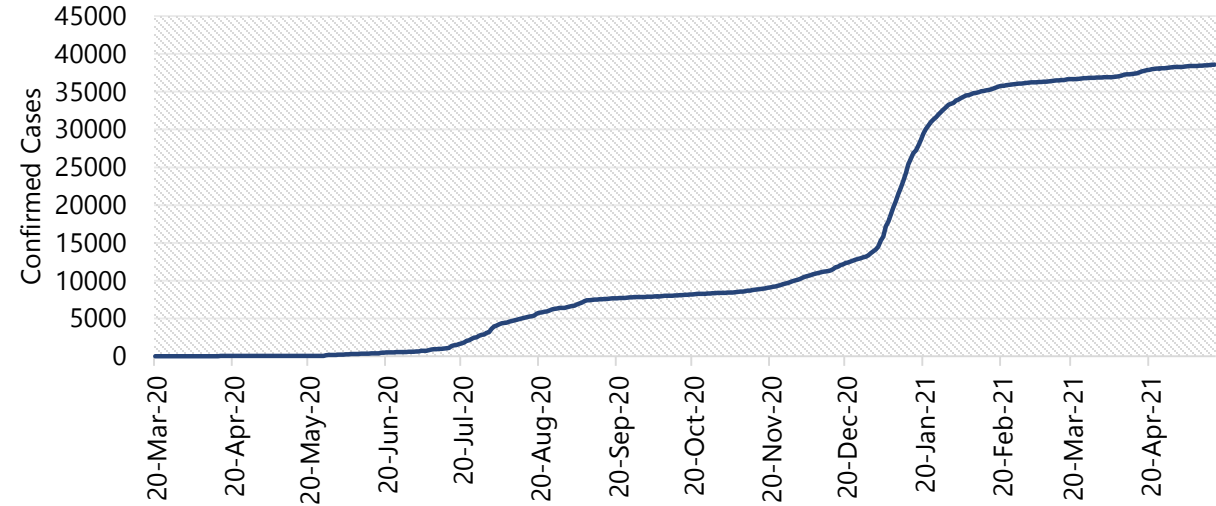


COVID-19 | Global Status as at 16 May 2021

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



Graph 2: Zimbabwe Cumulative COVID-19 Cases as at 16 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 162m after more than 4.8m new cases were recorded during the week to 16 May 2021. During the same period, a total of 164m COVID-19 doses were administered globally, bringing the cumulative COVID-19 vaccinations to 1.4b – **Graph 1**. Meanwhile, U.K’s National Health Service “NHS” launched the COVID-19 vaccine passport effective 17 May 2021. The vaccine passport will be used by citizens who have had two vaccination doses and will enable holders to travel abroad, and could potentially allow travellers to avoid the need to quarantine when visiting certain destinations.
- In Africa, cumulative cases increased by 1.2% to 3.39m. South Africa remained the most infected country in the continent with 1.61m cases, followed by Morocco (514k), Tunisia (326k), Ethiopia (266k) and Egypt (245k). Meanwhile, Tanzania announced COVID-19 containment measures, for the first time since the virus was declared a global health pandemic in 2020. Under the new measures, travellers arriving in the country are required to present a negative COVID-19 test obtained less than 72 hours before arrival. Additionally, those who have visited a country with new COVID-19 variants in the previous two weeks will undergo a mandatory 14-day quarantine, at their own expense.
- In Zimbabwe, confirmed cases rose to 38,560 after an additional 141 new cases were recorded during the week - **Graph 2**. The national recovery rate increased to 94.2% as at 16 May 2021, from 93.9% recorded at end of the previous period. Meanwhile, the country’s cumulative COVID-19 vaccinations rose to 581,615 after 55,549 doses were administered during the week under review.
- Meanwhile, according to World Bank “WB”, international remittance flows to low and middle-income countries declined by 1.6% to US\$540b in 2020 from US\$548b recorded in 2019. The decline was smaller than the decline recorded during the 2009 global financial crisis (4.8%) and far more smaller than the October 2020 WB projected decline of 7%. Remittance flows fell for East Asia and the Pacific (-7.9%), Europe and Central Asia (-9.7%) and Sub-Saharan Africa (-12.5%). However, increases were recorded for Latin America & Caribbean (+6.5%) and South Asia (+5.2%).

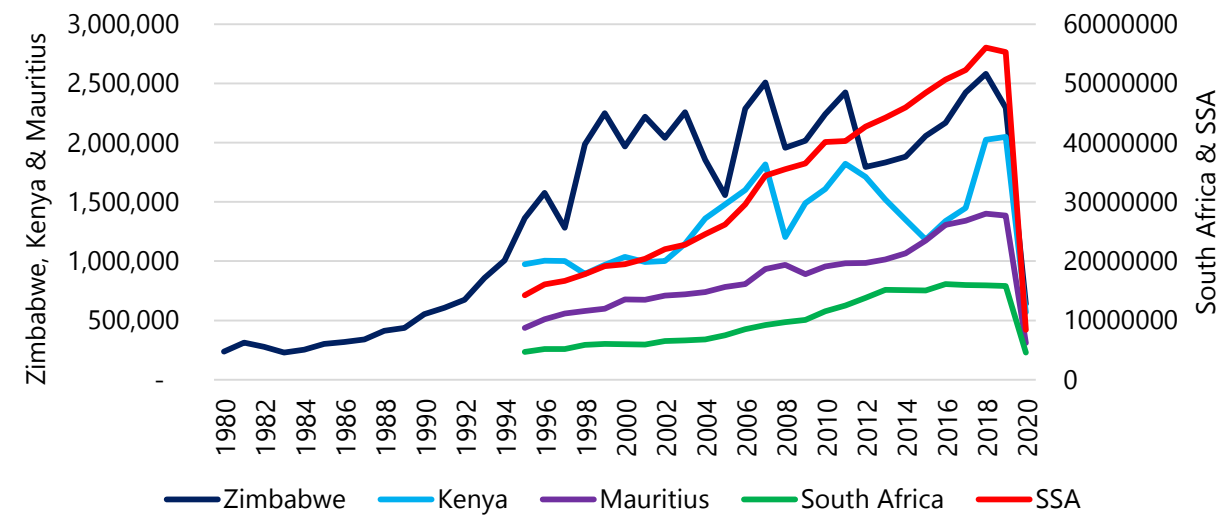


ZIMBABWE | TOURISM SECTOR DEVELOPMENTS

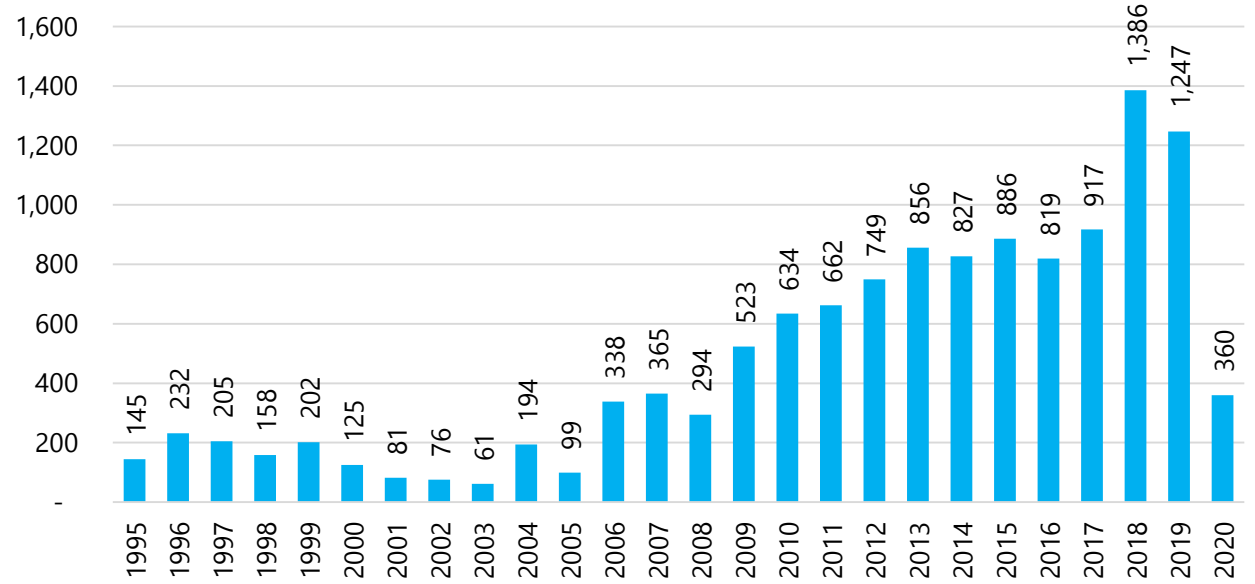


- According to the Zimbabwe Tourism Authority “ZTA”, tourist arrivals into the country dropped by 72% (1.7m) to 639,356 in 2020 – the lowest levels since 1991 (607,029), from 2,294,259 recorded in 2019 due to decline in demand as well as restrictions to cross border movements due to COVID-19 pandemic – **Graph 3**. Africa (89%), Europe (5%) and America (3%) were the country’s major regional source markets.
- This trend was observed almost uniformly across the continent and indeed the world. In Africa, tourist arrivals declined by 74.6% with notable declines recorded for Mauritius (-78%), Kenya (-72%) and South Africa (-71%). Globally, tourist arrivals declined by 74% to 381m in 2020.
- Subsequently, the country’s annual tourist receipts decreased by 71% to US\$360m in 2020 from US\$1.2b recorded in the previous year - **Graph 4**, reflecting the fall in international tourists.
- Meanwhile, the national average hotel room and bed occupancy rate declined by 25 pp and 17 pp to 19% and 15% in 2020 respectively – **Graph 5**.

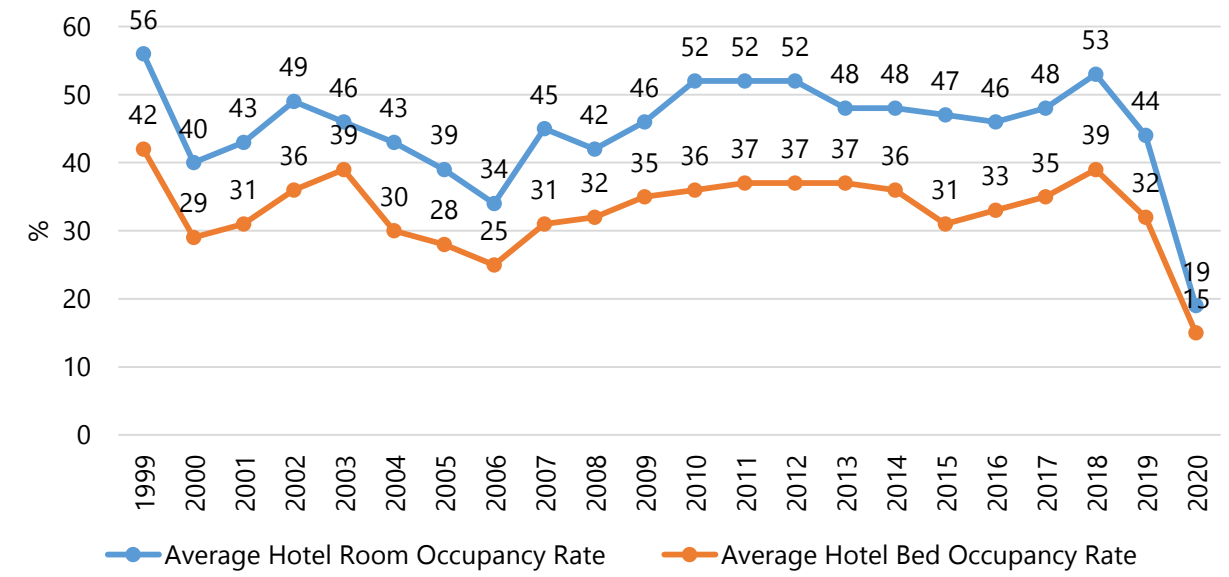
Graph 3: Annual Tourist Arrival Trends



Graph 4: Annual Tourist Receipts

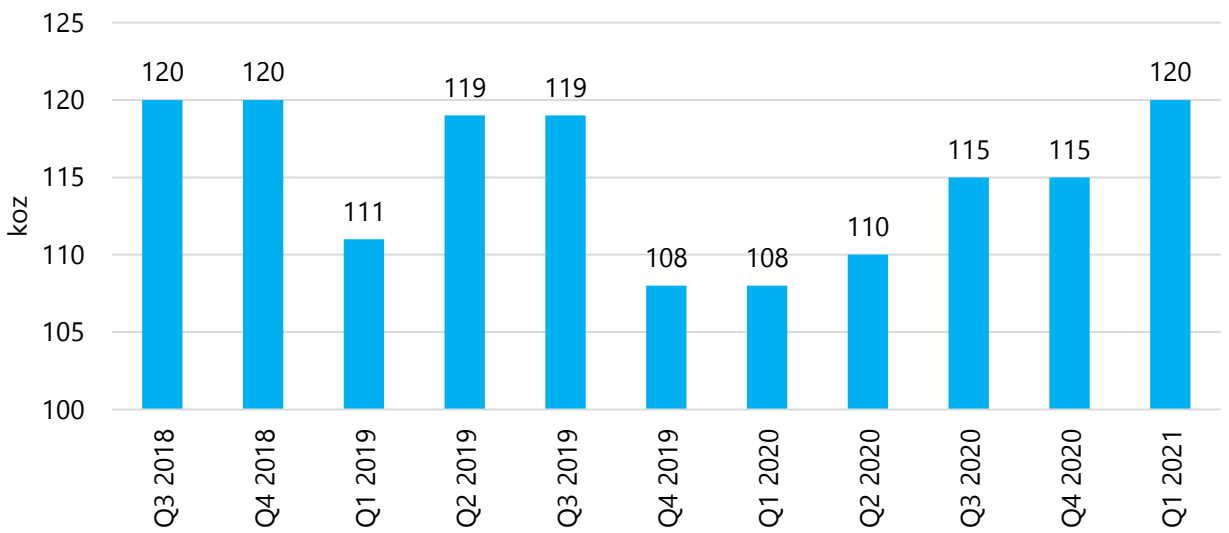


Graph 5: Average Hotel Room and Bed Occupancy Rate Trends

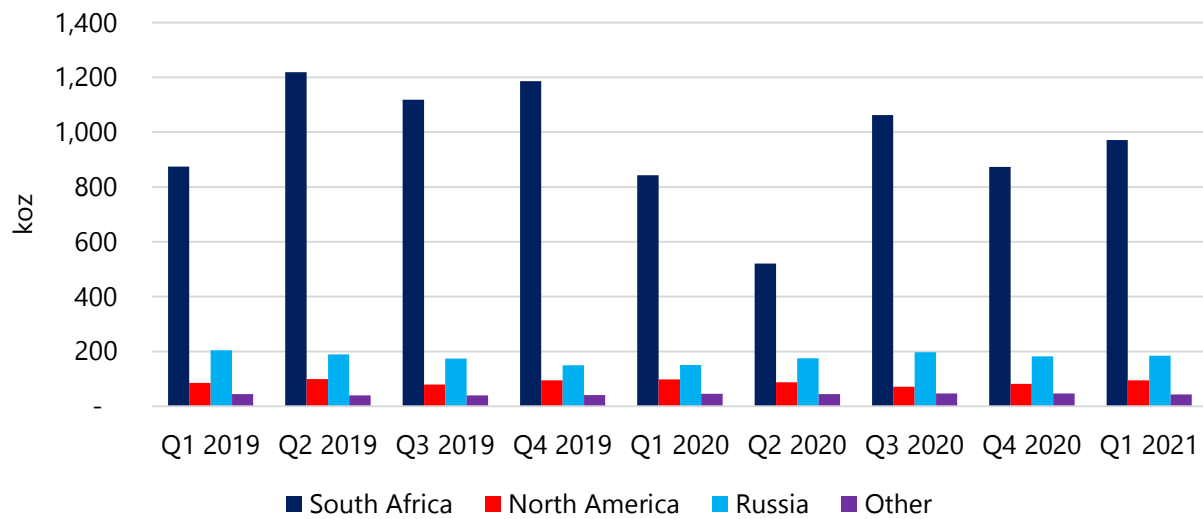




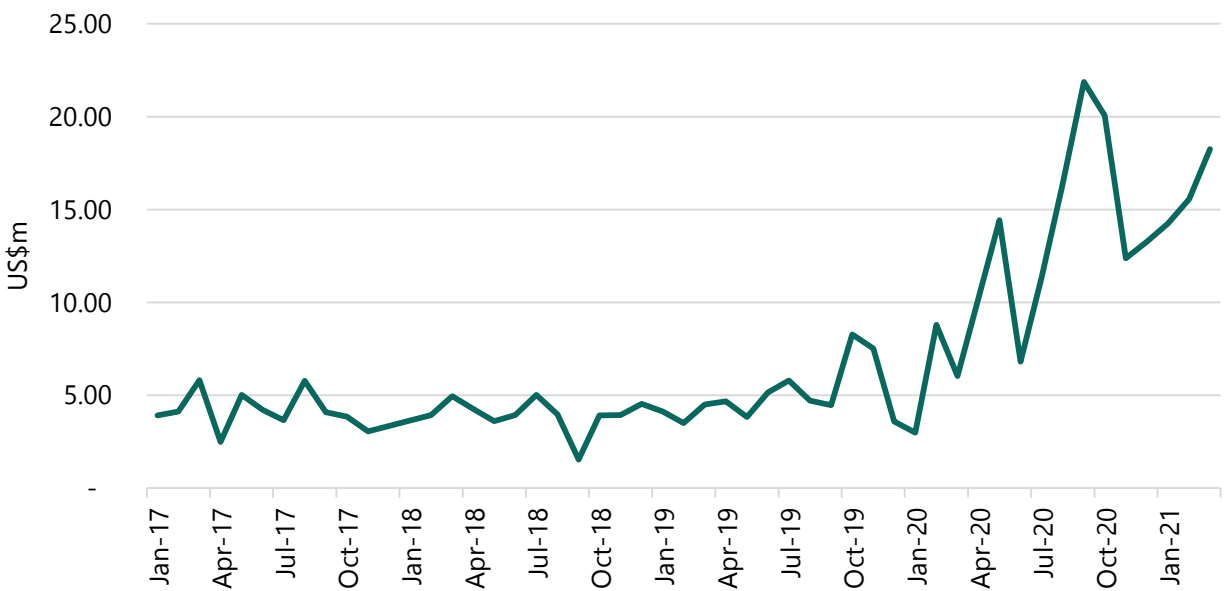
Graph 6: Quarterly Platinum Output Trends



Graph 7: Regional and International Platinum Supply Trends



Graph 8: Monthly Platinum Export Earnings



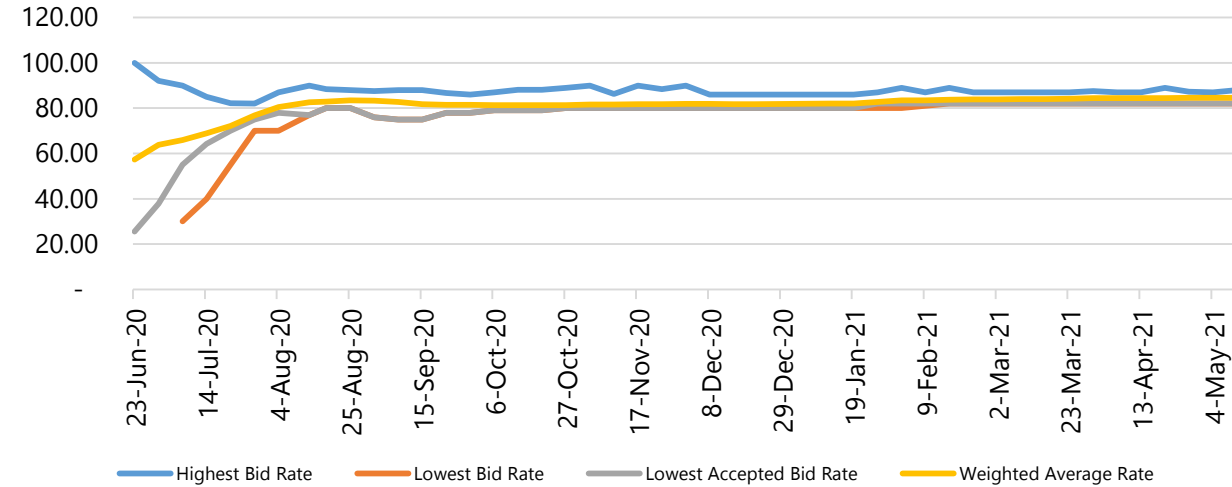
- According to the World Platinum Investment Council “WPIC”, Zimbabwe’s platinum output increased by 4.3% q/q to 120koz (thousand ounces) in Q1 2021, from 115koz recorded in Q4 2020. Output also increased 11.1% y/y compared to Q1 2020 levels of 108koz - **Graph 6**.
- Globally, total platinum supply increased by 8.7% q/q and 13.5% y/y to 1,412koz in Q1 2021, with other significant contributions coming from South Africa (971koz), Russia (184koz) and North America (94koz) – **Graph 7**.
- Meanwhile, according to ZimStat, the country’s platinum export earnings increased by 17.2% m/m to US\$18.25m in March 2021 from US\$15.57m recorded in February 2021 - **Graph 8**.



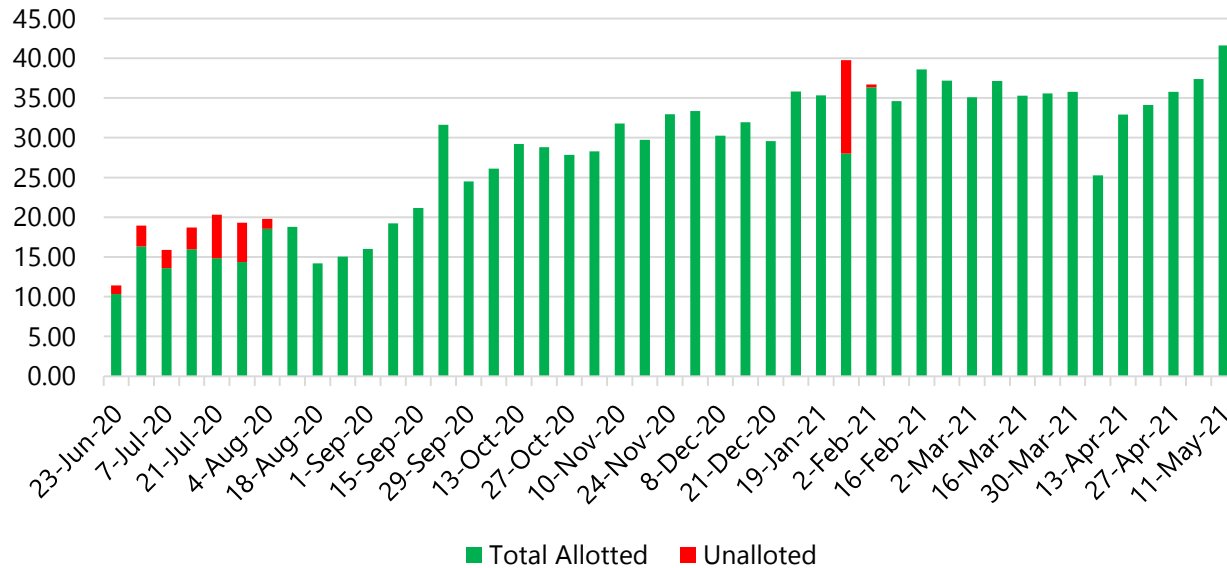
Foreign Currency Market Developments

- The ZW\$ declined by 0.2% against the U.S dollar to trade at ZWL\$84.61/USD during the last auction held by the RBZ on Tuesday, 11 May 2021-**Graph 9**. The highest bid rate increased from 87.0 to 88.0, whilst the lowest accepted rate was unchanged at 82.0 on the main auction.
- The total number of allotted bids increased from 579 to 664. Resultantly, total allotment for the week increased by 11.4% to US\$41.6m, from US\$37.4m that was allotted during the previous week – **Graph 10a**.
- The largest weekly allotments were for raw materials (US\$17.6m), machinery & equipment (US\$7.8m), consumables (US\$4.4m), services (US\$3.5m), retail & distribution (US\$2.9m) and Pharmaceuticals (US\$2.4m)- **Graph 10b**.

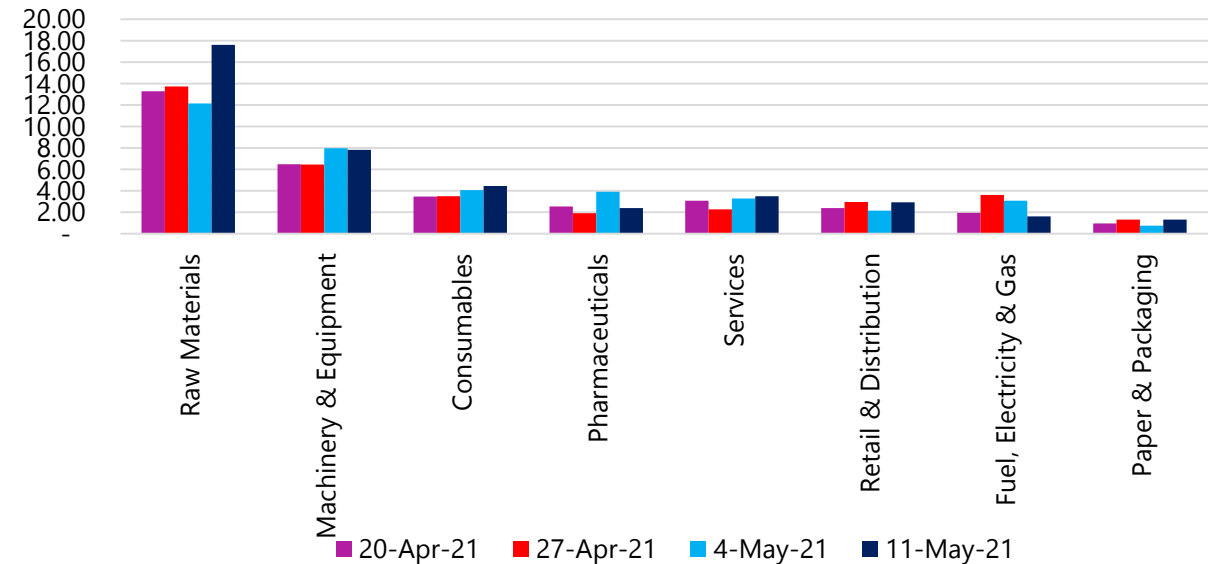
Graph 9: FX Auction Market Bid Rates Trend



Graph 10a: Foreign Currency Auction Allotment Trends



Graph 10b: FX Allotments Per Sector





Graph 11: ZSE Indices

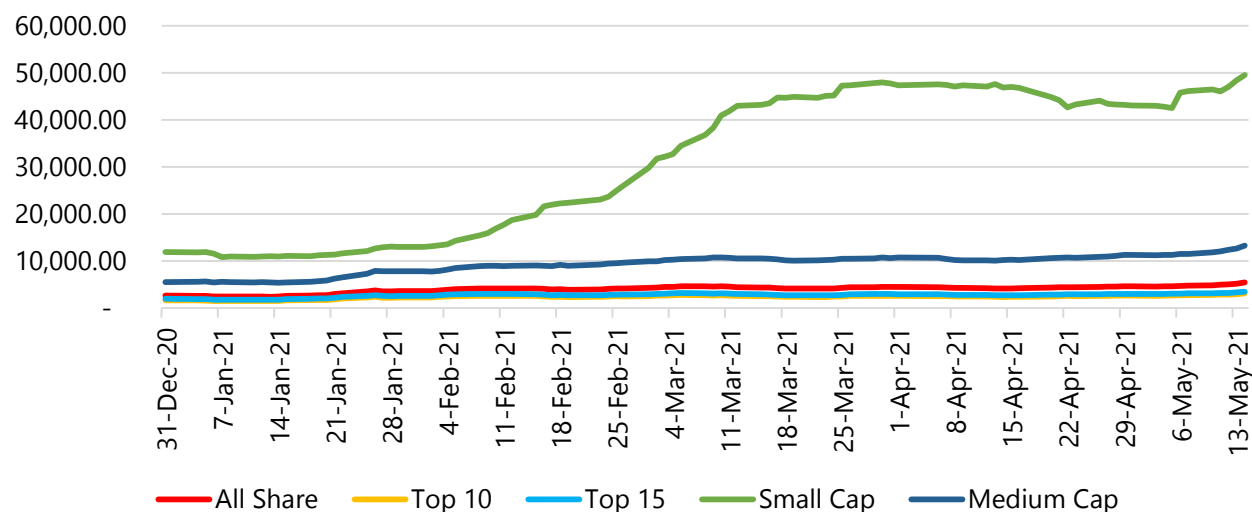
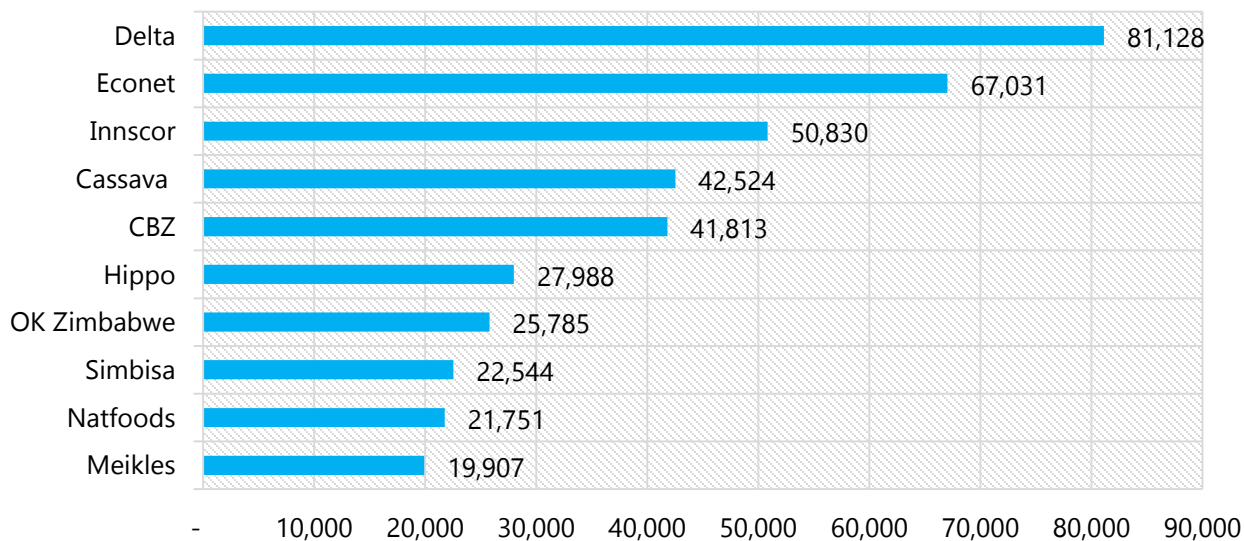


Table 1: ZSE Movers and Shakers

Movers	7-May-21	14-May-21	Weekly Change (%)
Proplastics	2,099.98	3,500.00	66.7%
GetBucks	48.00	79.00	64.6%
Willdale	110.04	169.04	53.6%
Star Africa	55.89	82.15	47.0%
Axia	1,600.88	2,202.06	37.6%
Shakers	7-May-21	14-May-21	Weekly Change (%)
CBZ	8,700.88	8,000.01	-8.1%
GB Holdings	77.89	73.23	-6.0%
NTS	1,000.00	950.00	-5.0%
NMB	1,130.00	1,105.83	-2.1%

Graph 12: ZSE Top 10 Counters By Market Capitalisation -ZWL\$m



Source: ZSE

- On the ZSE, all indices recorded gains, for the second consecutive week, led by the Medium Cap Index (+15.3%) and Top 10 Index (+13.3%). The benchmark All Share Index rose by 13.9% to close the week at 5,436.39 points –**Graph 11**.
- Proplastics led the market movers with a weekly gain of 66.7%, followed by GetBucks (+64.6%), Willdale (+53.6%), Star Africa (+47.0%) and Axia (+37.6%). However, market gains were offset by losses in CBZ (-8.1%), GB Holdings (-6.0%), and NTS (-5.0%)-**Table 1**.
- Delta remained the largest counter on the ZSE with a market capitalisation to ZWL\$81.1b, followed by Econet (ZWL\$67.0b), Innscor (ZWL\$50.8b), Cassava (ZWL\$42.5b) and CBZ (ZWL\$41.8b) -**Graph 12**.
- Meanwhile, Padenga published a cautionary statement advising shareholders that the company is engaged in discussions that involve a potential corporate action that may have a material impact on the value of the company's shares .



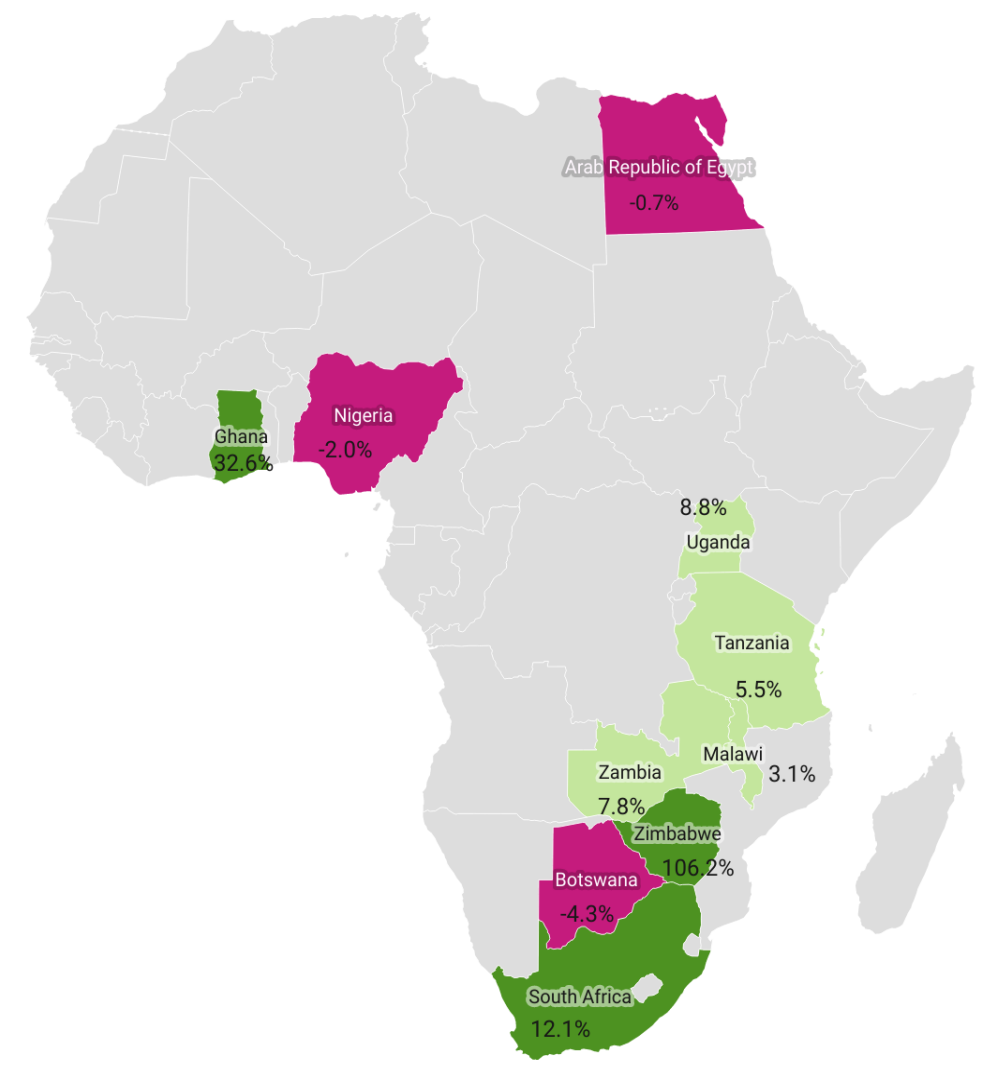
REGIONAL & GLOBAL FINANCIAL MARKETS

On the global markets, most major international benchmarks under our watch recorded some weekly declines dragged by unexpected acceleration in U.S inflation, stoking fears of a sharp rise in interest rates. The Japanese Nikkei 225 Stock Average recorded the largest weekly decline of 4.2%, followed by U.K's FTSE 100 (-1.2%) and U.S DJIA (-1.1%). China's Shanghai Composite Index recorded a weekly gain of 2.1%.

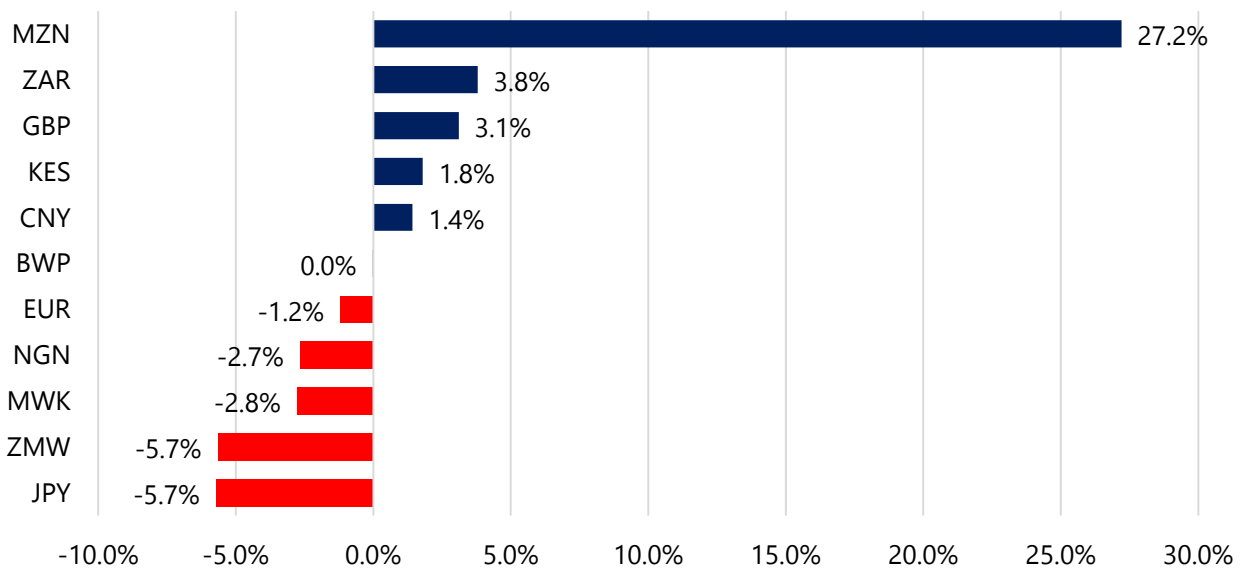
In African, bullish sentiment characterise the week trading. On a year-to-date "YTD" basis, Zimbabwe's ZSE remained the best performer on the African equities markets chart after extending its gain to 106% - **Chart 1**. Other notable YTD gainers were Ghana (33%) and South Africa (12.1%).

On the currencies market, the U.S dollar index recorded a marginal gain 0.1% for the week to 90.32. **Graph 13** below depicts YTD performances of major currencies against the U.S dollar as at 14 May 2021. The Nigeria Naira YTD gain against the U.S dollar declined by 1.8 pp to 27.25 after the western African nation's currency dropped to 406.25 on Thursday 13 May 2021.

Chart 1: Selected African Equities Markets- YTD Performances



Graph 13: Major Currencies vs the USD-YTD Movements-14 May 2021

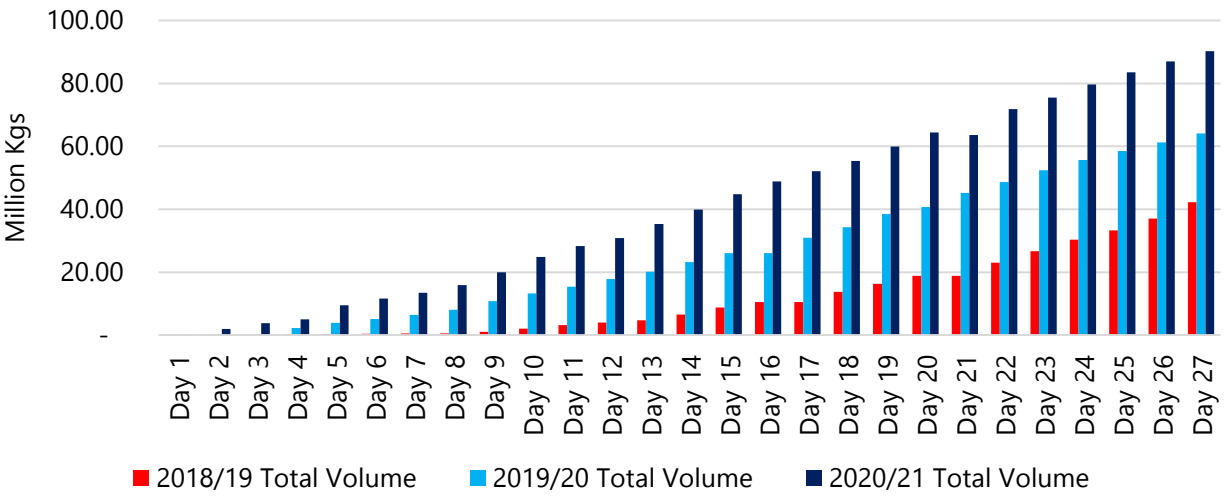


Map: Created by CBZ Holdings Limited • Created with Datawrapper

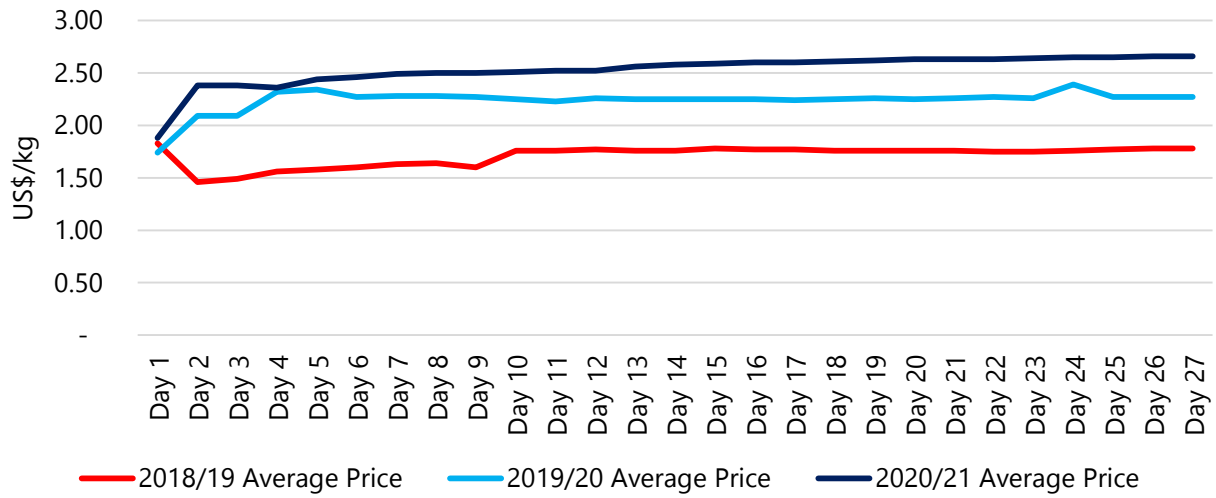


ZIMBABWE | THE 2020/21 TOBACCO MARKETING SEASON

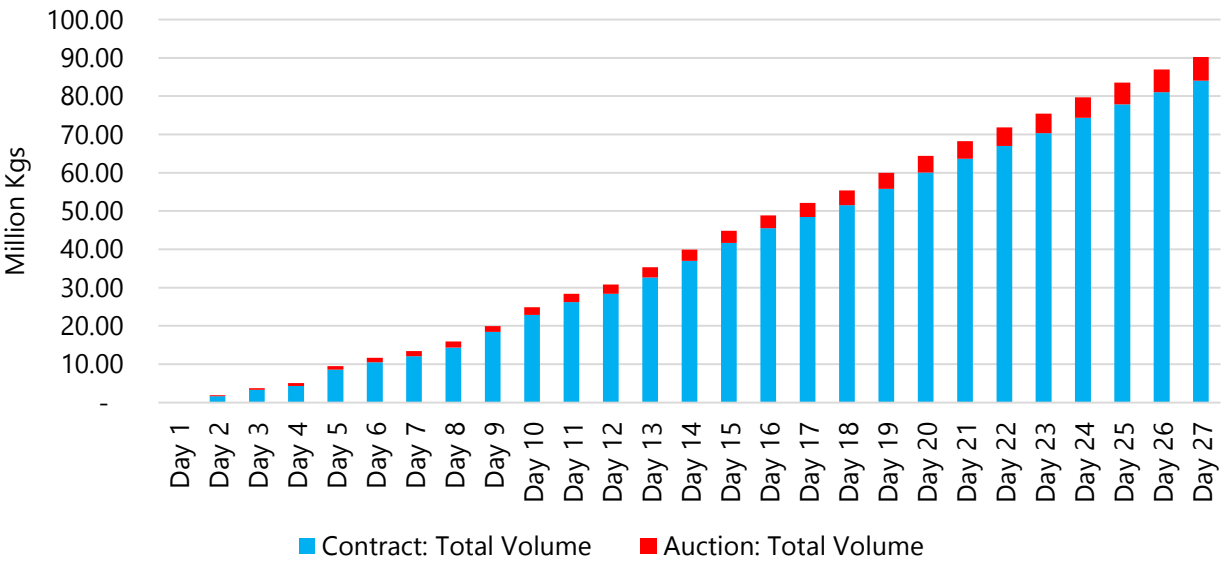
Cumulative Tobacco Sales Volume Trends (2019-2021)



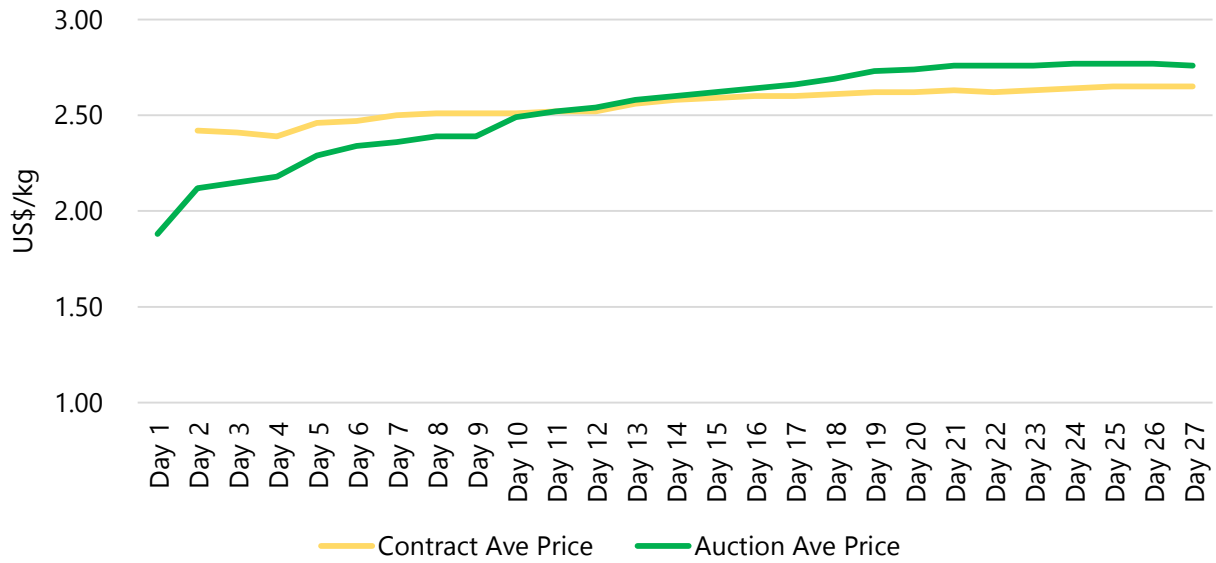
Tobacco Daily Average Price Trends (2019-2021)



2020/21 Cumulative Sales Volume - Contract vs Auction



2020/21 Average Prices- Contract vs Auction





GLOBAL COMMODITY PRICE MOVEMENTS

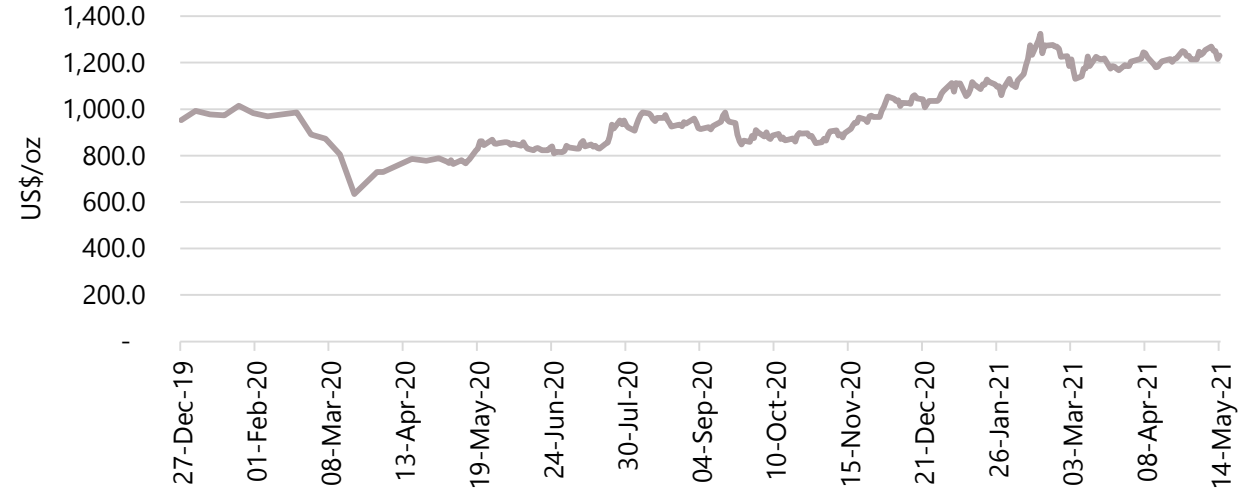
MINERALS



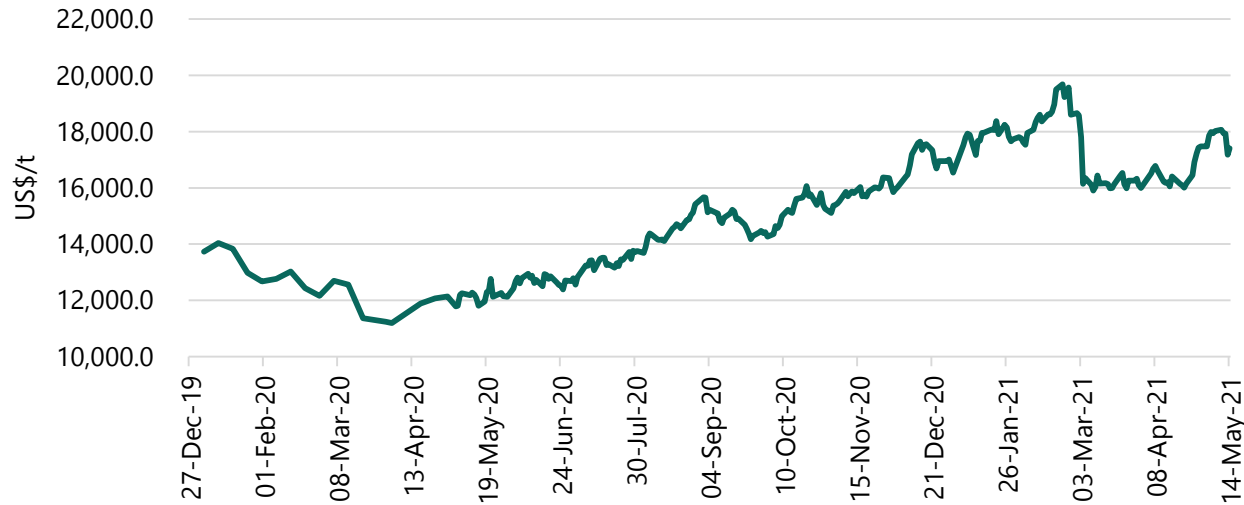
Gold prices - US\$/oz



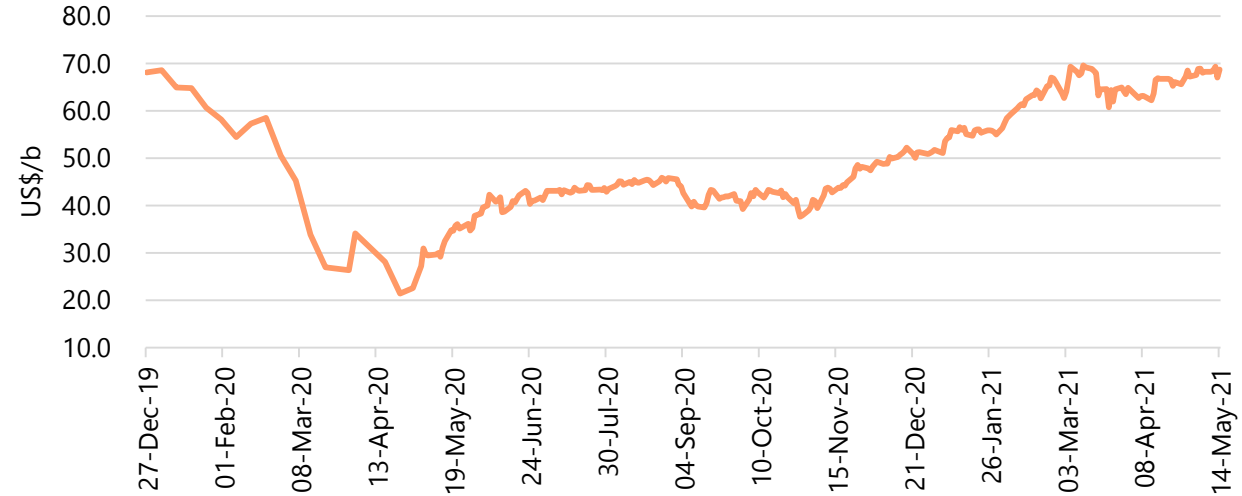
Platinum - US\$/oz



Nickel price - US\$/t



Oil prices - US\$/b



Source: Quandl

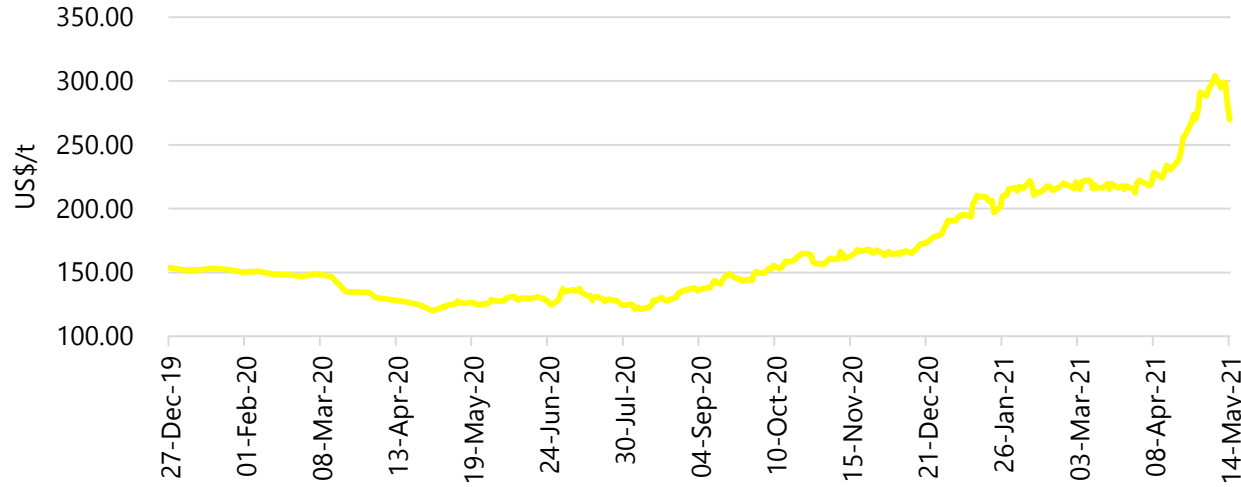


GLOBAL COMMODITY PRICE MOVEMENTS

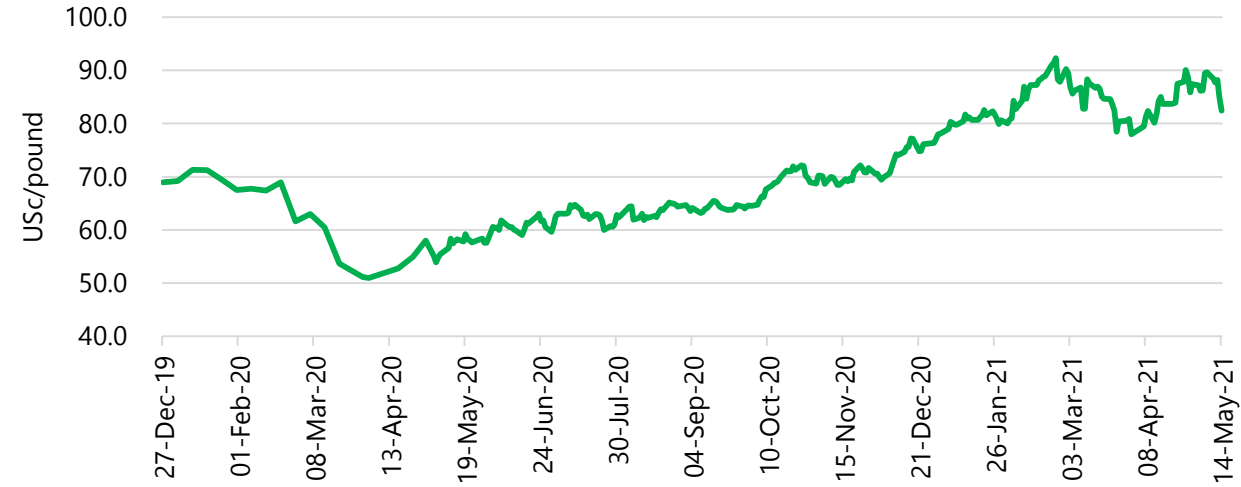
AGRIC COMMODITIES



Corn - US\$/t



Cotton - USc/pound



Wheat - US\$/t



Sugar - USc/pound



Source: Quandl

Date	Event	Period	Forecast	Previous
Local				
18 May 2021	RBZ Foreign Exchange Auction Market	19 - 25 May 2021		84.6140
Regional & International				
17 May 2021	Japan GDP q/q (y/y)	Q1 2021	-1.2% (-4.6%)	2.8% (11.7%)
18 May 2021	U.K Unemployment Rate	March 2021	4.9%	4.9%
18 May 2021	Euro Zone GDP q/q (y/y)	Q1 2021	-0.6% (-1.8%)	-0.6% (-1.8%)
18 May 2021	Euro Zone Trade Balance	March 2021		€17.7b
19 May 2021	U.K CPI m/m (y/y)	April 2021	0.6% (1.4%)	0.3% (0.7%)
19 May 2021	South Africa CPI m/m (y/y)	April 2021	0.5% (4.3%)	0.7% (3.2%)
19 May 2021	Euro Zone CPI m/m (y/y)	April 2021	0.6% (1.6%)	0.9% (1.6%)
19 May 2021	U.S Crude Oil Inventories		1.680m	-0.427m
19 May 2021	U.S Federal Open Market Committee " FOMC" Meeting Minutes			
19 May 2021	Zambia Interest Rate Decision	May 2021		8.50%
19 May 2021	Mozambique Interest Rate Decision	May 2021		13.25%
20 May 2021	People's Bank of China "PBoC" Interest Rate Decision	May 2021		3.85%
20 May 2021	South Africa Interest Rate Decision	May 2021		3.50%
20 May 2021	Mauritius Interest Rate Decision	May 2021		1.85%
21 May 2021	U.K Manufacturing PMI	May 2021	60.7	60.7
21 May 2021	U.S Manufacturing PMI	May 2021	60.2	60.5

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