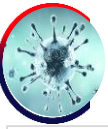


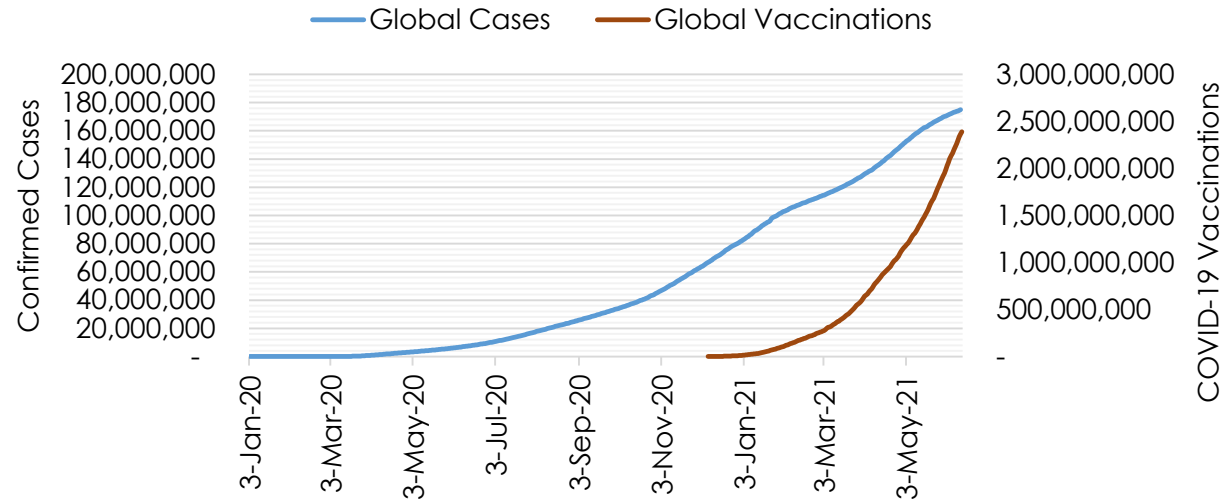
... Government
announced new COVID-
19 measures....

THE CBZ ECONOMIC BRIEF

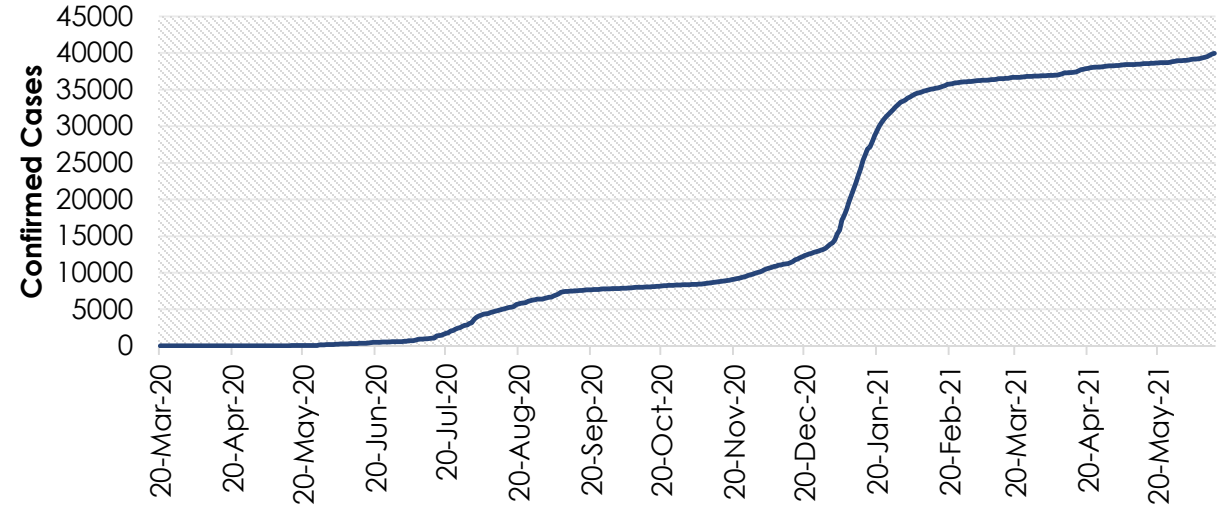
Week Ending 11 June 2021



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



Graph 2: Zimbabwe Cumulative COVID-19 Cases as at 13 June 2021



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

Notable Trends in Cases for the Week

- Global cumulative coronavirus cases rose above 175m after more than 2.7m new cases were recorded during the week to 13 June 2021. During the same period, a total of 226m COVID-19 doses were administered globally, bringing the cumulative COVID-19 vaccinations to 2.3b – **Graph 1**. Meanwhile, U.K announced a delay in the country's next phase of COVID-19 lockdown reopening by four more weeks after a surge in the delta variant of COVID-19 first identified in India. Resultantly, rules on use of face masks, limits on indoor and outdoor gatherings, ban on nightclubs and similar venues, which were due to be lifted on 21 June 2021, were pushed back to 19 July 2021.
- In Africa, cumulative cases increased by 2.7% to 3.7m. South Africa remained the most infected country in the continent with 1.7m cases, followed by Morocco (524k), Tunisia (359k), Ethiopia (274k) and Egypt (273k).
- In Zimbabwe, confirmed cases rose to 39,959 after an additional 770 new cases were recorded during the week - **Graph 2**. The national recovery rate declined to 93.0% as at 13 June 2021, from 94.0% recorded at the end of the previous review period, reflecting increase in new cases. Meanwhile, the country received a donation of 25k doses of Sputnik V COVID-19 vaccine manufactured in the Russian Federation.
- Meanwhile, South Africa's economy expanded by 1.1% (annualised: 4.6%) quarter-on-quarter "q/q" in Q1 2021, from a revised 1.4% q/q (annualised: 5.8%) growth in Q4 2020. Finance (7.4%), mining (18.1%) and trade (6.2%) subsectors were the main drivers, on the supply side, while household spending (4.7%) drove the demand side. On a year-on-year "y/y" basis, GDP contracted 3.2% in Q1 2021, compared to a contraction of 4.2% in Q4 2020.
- In Zimbabwe, the World Bank projected the country's GDP to grow by 3.9% in 2021, from an estimated contraction of 8.0% recorded in 2020. The expected growth is attributed to the recovery in agriculture, slower than expected inflation and improved electricity generation. However, the uncertainty around the evolution of COVID-19 could weigh heavily on domestic and external demand.



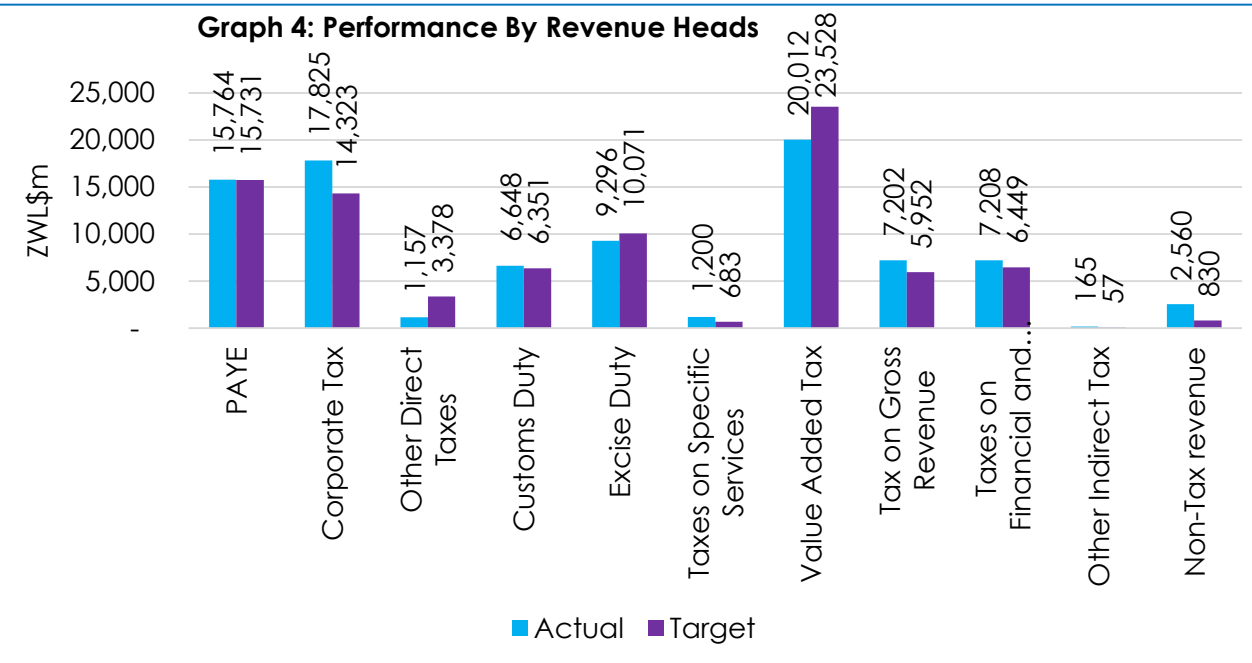
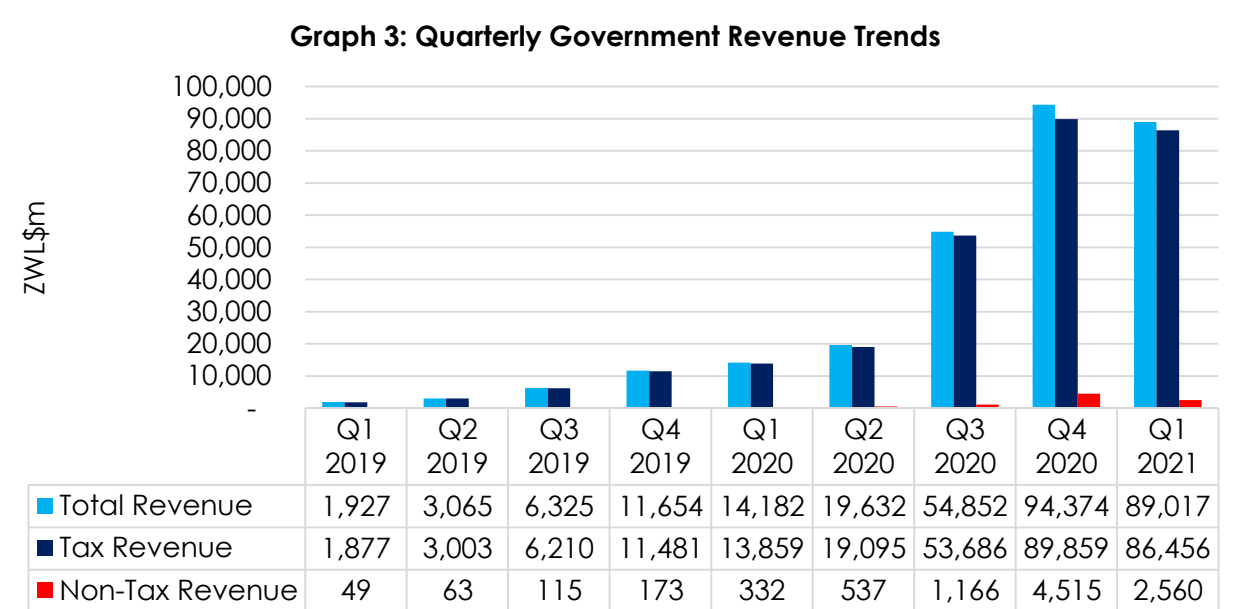
o The government announced new COVID-19 measures, effective 14 June 2021, to curb the surge in infections. The table below outlines the new coronavirus containment measures.

AREA	MEASURES
Preventive Measures	<ul style="list-style-type: none"> o Mandatory wearing of face masks in public places. o Maintaining social and physical distancing. o Washing or sanitising hands frequently.
Testing & Contact Tracing	<ul style="list-style-type: none"> o Government to strengthen testing and contact tracing. o Quarantining contacts and isolating confirmed cases.
Transport Services	<ul style="list-style-type: none"> o Transport operators to adhere to recommended passenger numbers and ensure that all passengers wear face masks properly. o Temperature checking and hand sanitisation should be done on boarding. o Operators to disinfect their vehicles after every trip.
Gatherings	<ul style="list-style-type: none"> o All gatherings except funerals are banned. These gatherings include but not limited to weddings, church gatherings, music festivals and sports activities. o Funerals gatherings to be limited to 30 people, and all COVID-19 funerals to be supervised by health personnel. o All workshops and meetings to be held virtually. o All offices, both government and private, to decongest by 50% (except for offices connected with essentials services).
Business Operating Hours	<ul style="list-style-type: none"> o Retail businesses and shops to operate from 0800hrs to 1800hrs. o Beerhalls and nightclubs to remain closed, while bottle stores to operate from 1000hrs to 1600hrs. o Hotel and lodge bars and restaurants to open to their residents up to 2200hrs. o All other restaurants and fast foods outlets to serve takeaways only. o People's markets, including Mbare, Renkin, Mupedzanhamo, Sakubva, Machipisa etc, to close at 1800hrs.
Tobacco Auction Floors	<ul style="list-style-type: none"> o Tobacco auction floor employees to have negative COVID-19 PCR or rapid antigen test, and will be valid for 2 weeks. o Targeted vaccination of tobacco farmers and their workers. o Each consignment of tobacco bales to be accompanied by at most 2 people into the auction floor.
Ports of Entry	<ul style="list-style-type: none"> o Travellers to present negative PCR test obtained within 48 hours. o Mandatory testing of all travellers from hot spots at their expense regardless of their negative PCR certificates. o Travellers from hot spots to be quarantined at designated centres at their own costs, and o Those who present fake COVID-19 certificates shall be arrested and prosecuted.
Local hot spots	<ul style="list-style-type: none"> o There shall be daily national updates of hot spots as part of daily COVID-19 situation report. o The public is advised against travelling to identified hot spot areas. o Increased testing and contact tracing within the hot spot areas. o Vaccination and education to be intensified in hot spot areas. o If localised control of hot spot areas fail, targeted lockdowns will be effected in those areas.

o Meanwhile, Kariba, Karoi and Kwekwe were placed under localised lockdown.



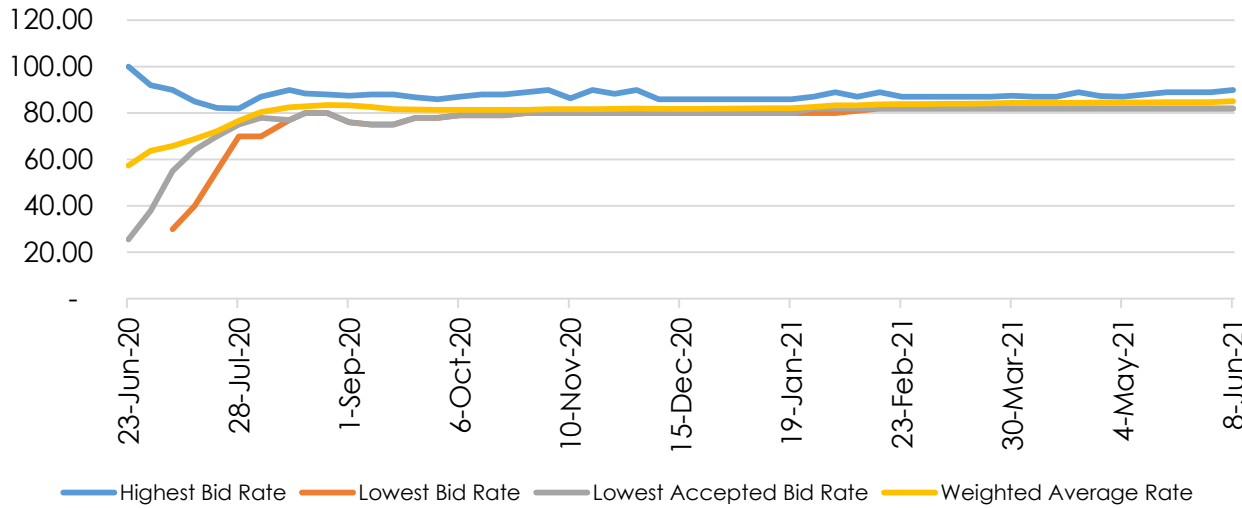
- o According to the Ministry of Finance and Economic Development quarterly report, cumulative revenue collections for Q1 2021 stood at ZWL\$89b, 1.9% above the quarter's target of ZWL\$86b – **Graph 3**.
- o Tax revenues accounted for about 97% (ZWL\$86b), while non-tax revenues constituted 3% (ZWL\$3b).
- o With the exception of direct taxes, excise duty and VAT, all revenue heads performed above their quarterly targets - **Graph 4**. The decline in VAT revenue was attributed to the negative impact of COVID-19 induced lockdown and the subsequent change in customer preferences toward basic commodities which are either tax exempt or zero rated.
- o On the expenditure side, total government spending stood at ZWL\$72b, against a target of ZWL\$77b. Employee compensation (44%) and non-financial & financial assets (22%), constituted the greater share of total expenditure.
- o On balance, government recorded a budget surplus of ZWL\$9.8b during Q1 2021.



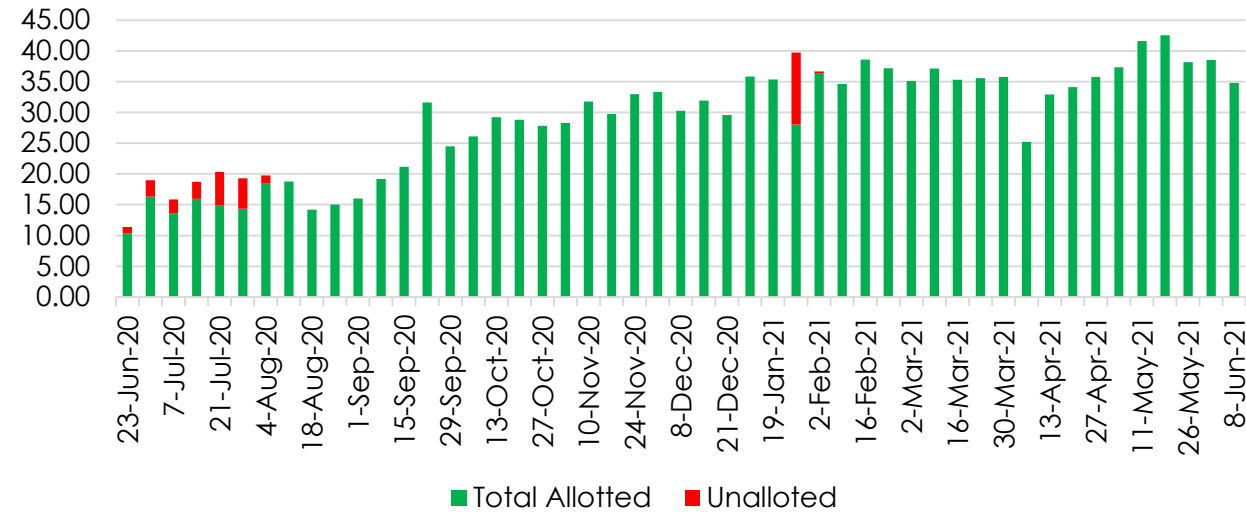
	Q1 2020 Actual (ZWL\$m)	Q1 2021 Target (ZWL\$m)	Variance (ZWL\$m)	Exp. Share
Total Expenditure	71,744	77,312	(5,568)	
o/w Compensation of Employees	31,274	24,998	6,275	44%
Use of Goods and Services	6,400	17,721	(11,321)	9%
Interest on debt	395	382	12	1%
Subsidies	1,070	739	331	1%
Grants	7,492	6,556	936	10%
Social Benefits	8,075	3,157	4,918	11%
Transfers to Provincial Councils	496	4,367	(3,871)	1%
Other expenses	616	391	225	1%
Non-Financial & Financial Assets	15,928	19,000	(3,072)	22%



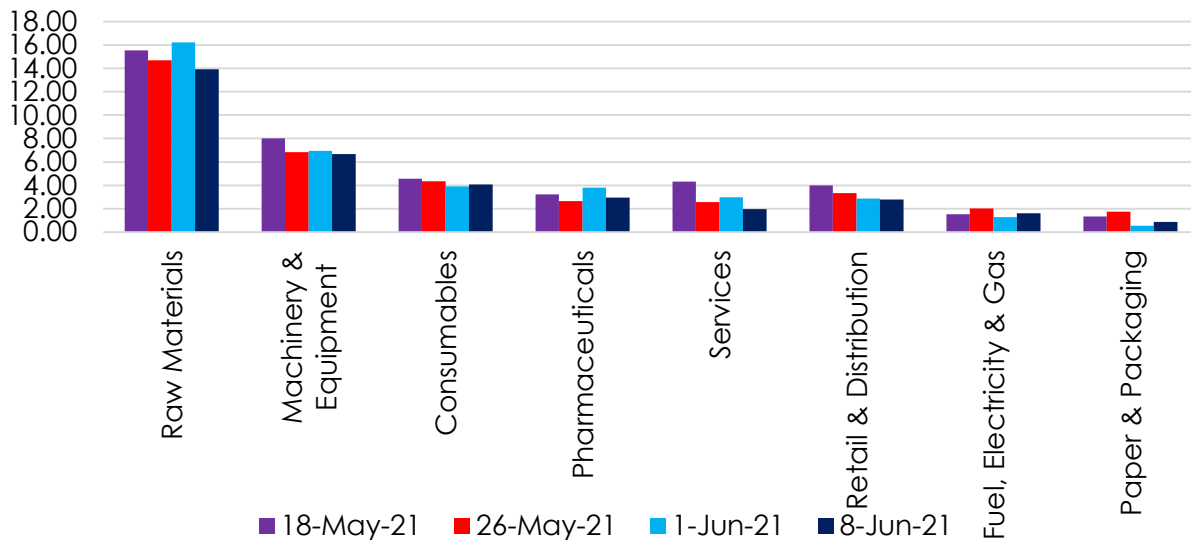
Graph 5: FX Auction Market Bid Rates Trend



Graph 6a: Foreign Currency Auction Allotment Trends



Graph 6b: Graph: FX Allotments Per Sector



Foreign Currency Market Developments

- The ZW\$ marginally declined by 0.4% against the U.S dollar to trade at ZWL\$85.07/USD during the last auction held by the RBZ on Tuesday, 08 June 2021 - **Graph 5**. The highest and lowest accepted bid rates were unchanged at 89.0 to 82.0 on the main auction, respectively.
- The total number of allotted bids increased from 670 to 777. However, total allotment for the week decreased by 9.7% to US\$34.8m, from US\$38.5m that was allotted during the previous week - **Graph 6a**.
- The largest weekly allotments were for raw materials (US\$13.9m), machinery & equipment (US\$6.7m), consumables (US\$4.1m), Pharmaceuticals (US\$3.0m), retail & distribution (US\$2.8m) and services (US\$2.0m) - **Graph 6b**.



Graph 7: ZSE Indices

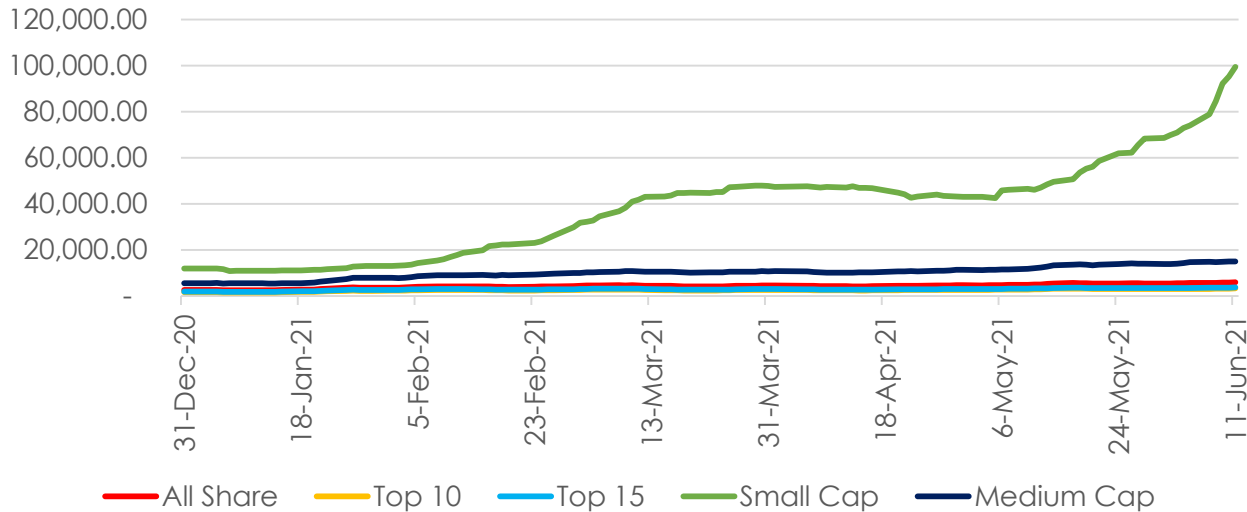
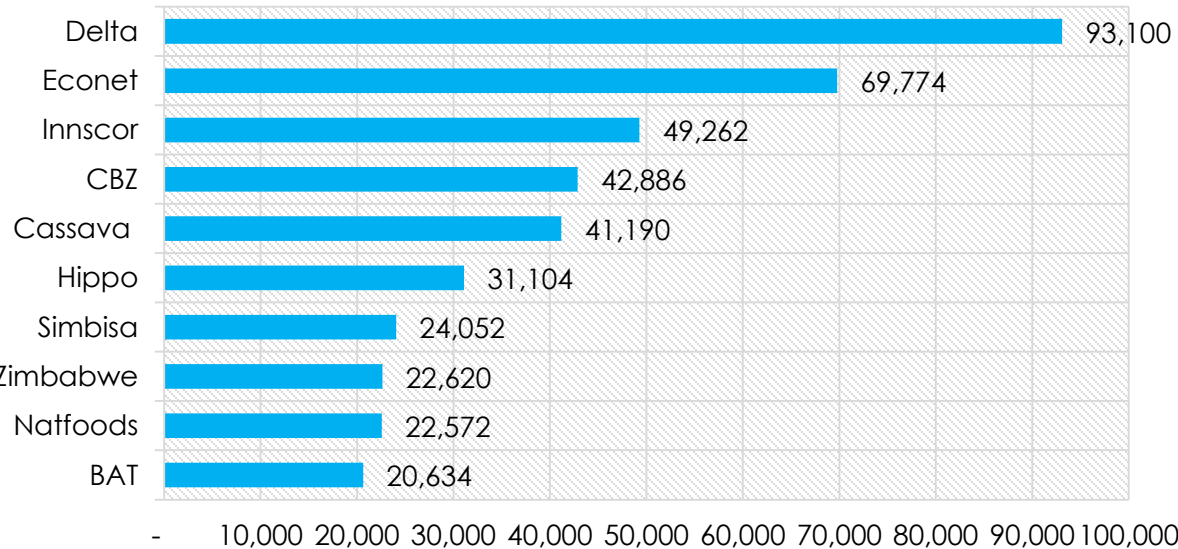


Table 3: ZSE Movers and Shakers

Movers	4-Jun-21	11-Jun-21	Weekly Change (%)
GetBucks	372.14	650.00	74.7%
African Sun	296.64	460.30	55.2%
ZBFH	5,893.53	8,600.00	45.9%
Star Africa	81.01	110.02	35.8%
Zimplow	680.00	887.93	30.6%
Shakers	4-Jun-21	11-Jun-21	Weekly Change (%)
RioZim	2,940.00	2,500.00	-15.0%
FML	3,297.23	2,805.13	-14.9%
RTG	230.00	200.51	-12.8%
FMP	1,800.50	1,600.26	-11.1%
NMB	1,250.00	1,130.21	-9.6%

Graph 8: ZSE Top 10 Counters By Market Capitalisation- ZWL\$m



Source: ZSE

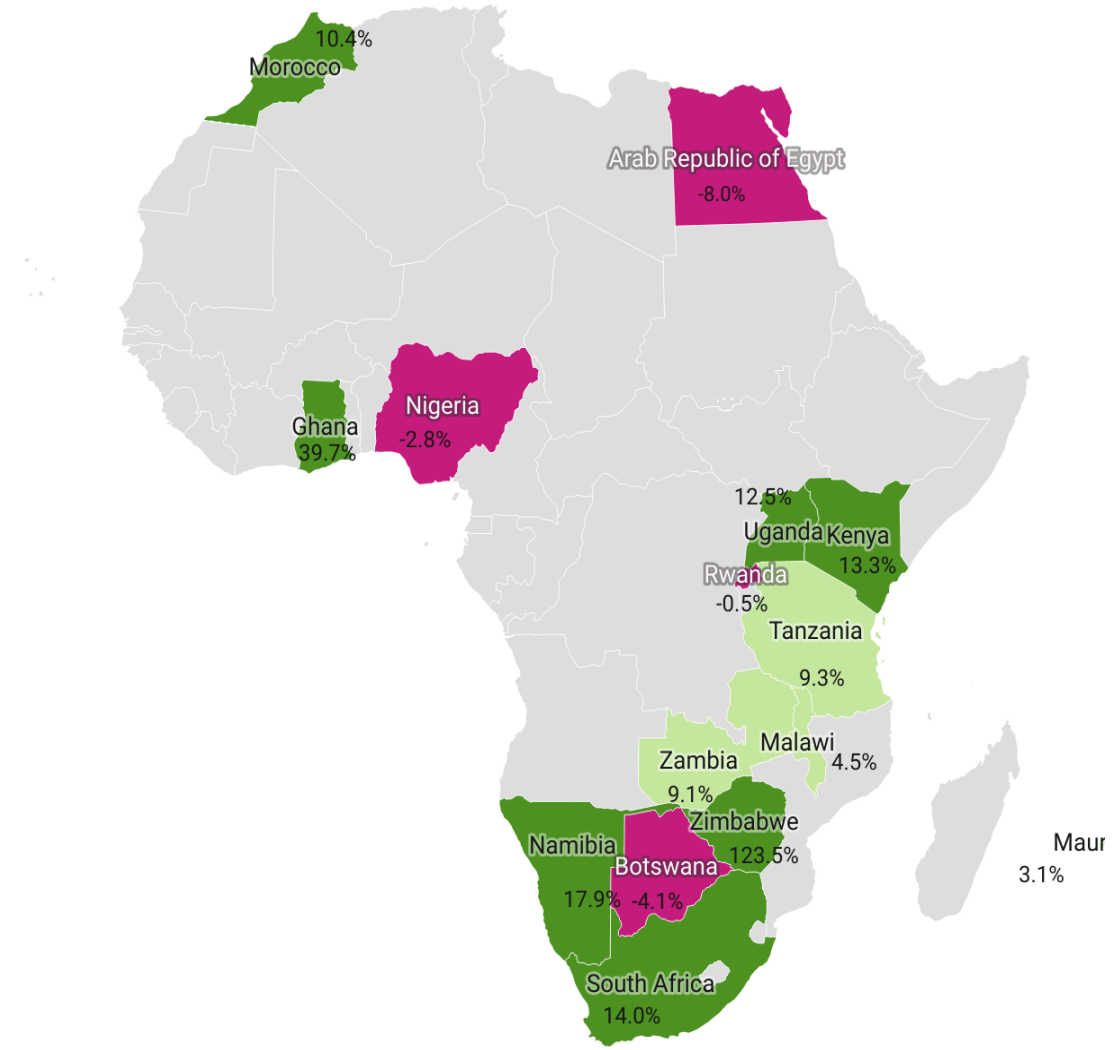
- On the ZSE, all indices recorded weekly gains, for the second successive week, led by the Small Cap (+34.2%) and Top 10 (5.1%) indices. The benchmark All Share Index gained by 4.3% to close the week at 5,891.40 points – **Graph 7**.
- GetBucks led the market movers with a weekly gain of 74.7%, followed by African Sun (+55.2%), ZBFH (+45.9%), Star Africa (+35.8%) and Zimplow (+30.6%). However, market gains were offset by losses in RioZim (-15.0%), FML (-14.9%), and RTG (-12.8%) - **Table 3**.
- Delta remained the largest counter on the ZSE with a market capitalisation of ZWL\$93.1b, followed by Econet (ZWL\$69.8b), Innscor (ZWL\$49.3b), CBZ (ZWL\$42.9b) and Cassava (ZWL\$41.2b) - **Graph 8**.
- Meanwhile, Dairibord Holdings Limited “DZLH” published further cautionary statement advising shareholders that the company is still in discussion with an unlisted entity (Dendairy (Pvt) Ltd), for a merger and acquisition transaction. If successfully concluded, the transaction will have a material effect on the price of the company's shares, the full impact of which is still being determined .



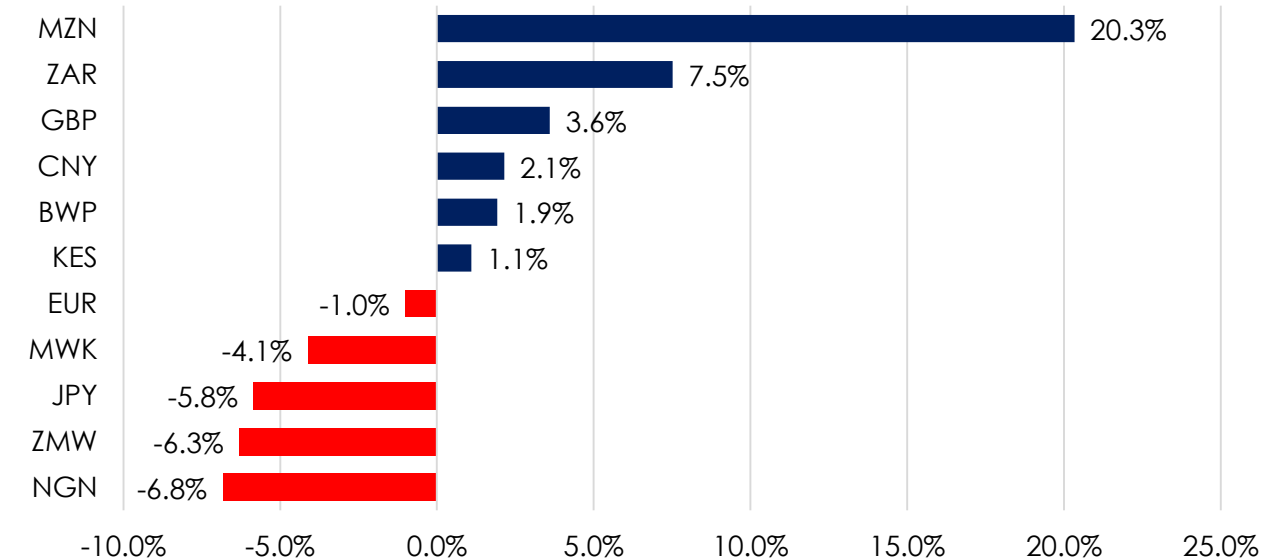
REGIONAL & GLOBAL FINANCIAL MARKETS

- On the global markets, mixed performances were recorded among the major international benchmarks under our watch in the U.S, Europe and Asia.
- The U.K's FTSE 100 gained 0.9% and the Japanese Nikkei 225 Stock Average was broadly unchanged at 0.02% for the week. China's Shanghai Composite Index and U.S DJIA recorded marginal declines of 0.1% and 0.8%, respectively.
- In African, the overall stock market sentiments were mixed for the week. However, on a year-on-year basis, most markets recorded positive YTD gains, led by Zimbabwe (+123.5%), Ghana (+39.7%) and Namibia (+17.9%) - **Chart 1**.
- On the currencies market, the U.S dollar index recorded a marginal gain of 0.5% for the week to 90.56. **Graph 9** below depicts YTD performances of major currencies against the U.S dollar as at 11 June 2021.

Chart 1: Selected African Equities Markets- YTD Performances



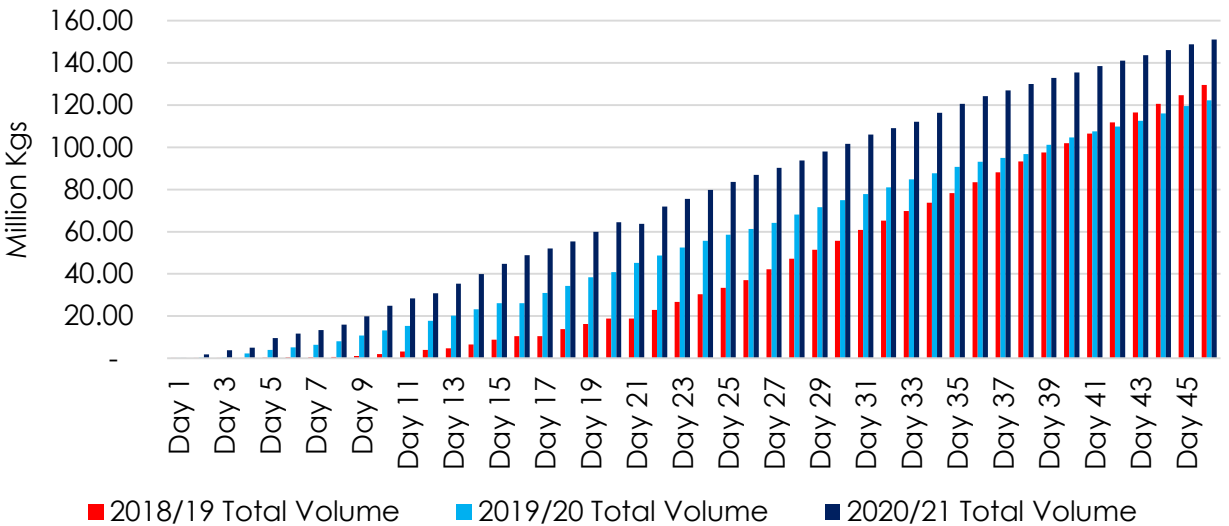
Graph 9: Major Currencies vs the USD-YTD Movements- 11 June 2021



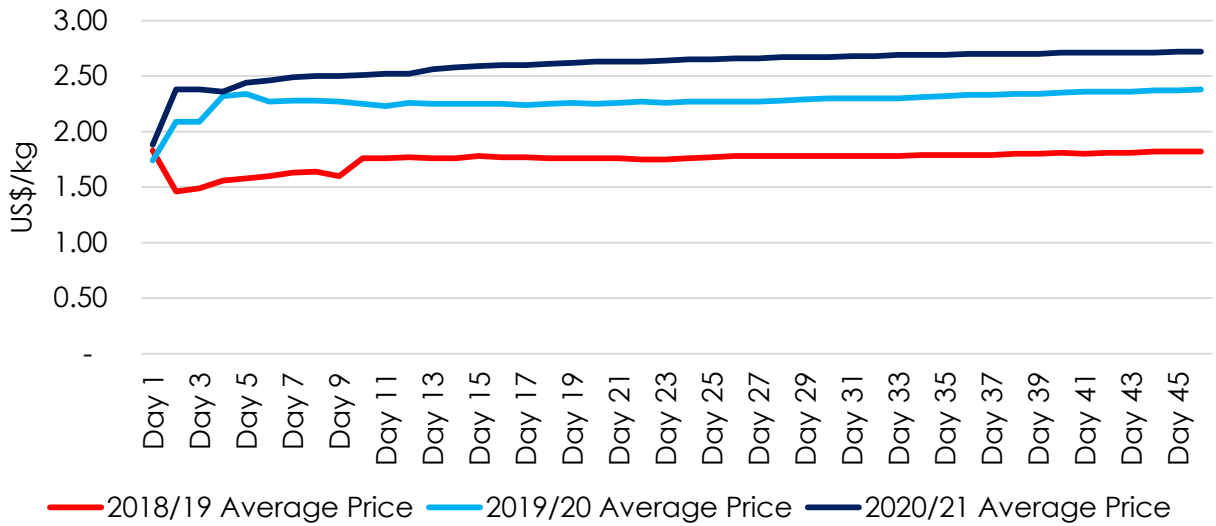


ZIMBABWE | THE 2020/21 TOBACCO MARKETING SEASON

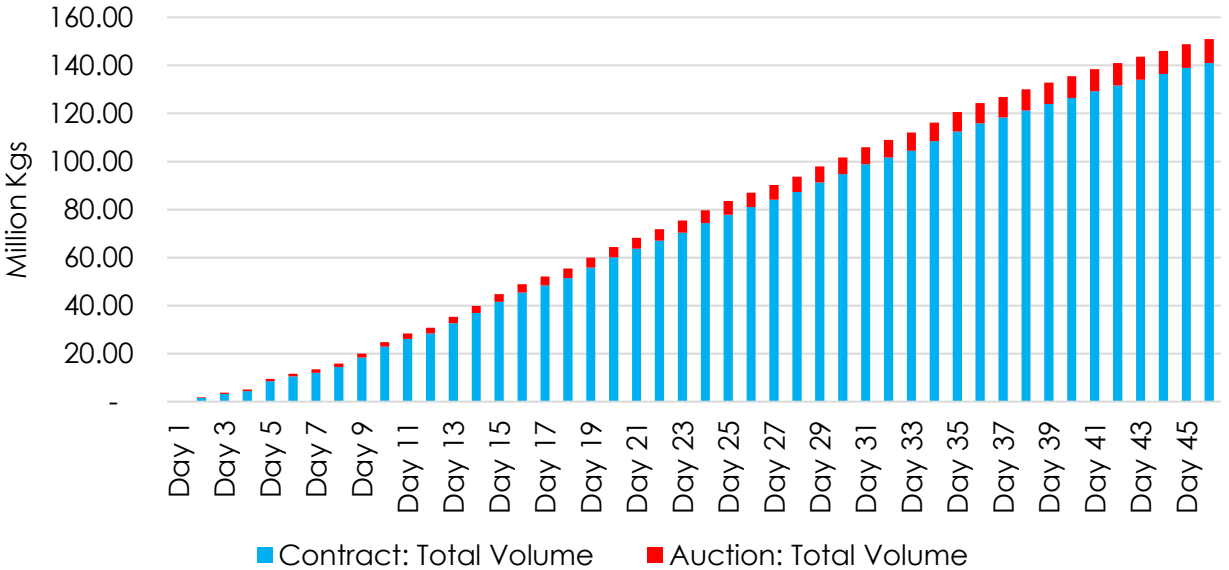
Cumulative Tobacco Sales Volume Trends (2019-2021)



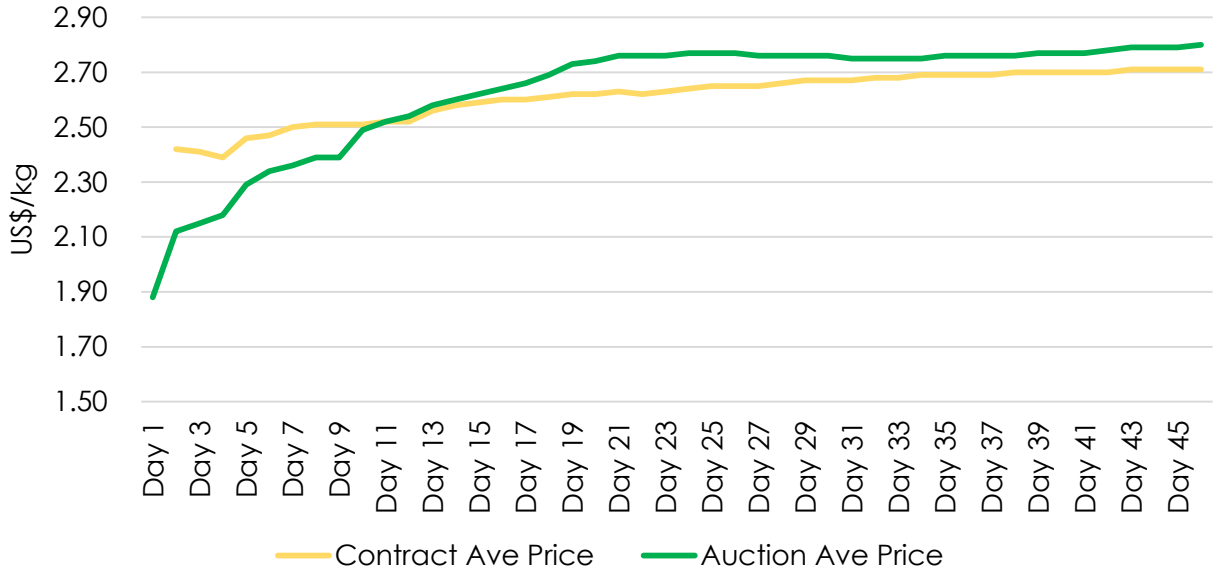
Tobacco Daily Average Price Trends (2019-2021)



2020/21 Cumulative Sales Volume - Contract vs Auction



2020/21 Average Prices - Contract vs Auction





GLOBAL COMMODITY PRICE MOVEMENTS

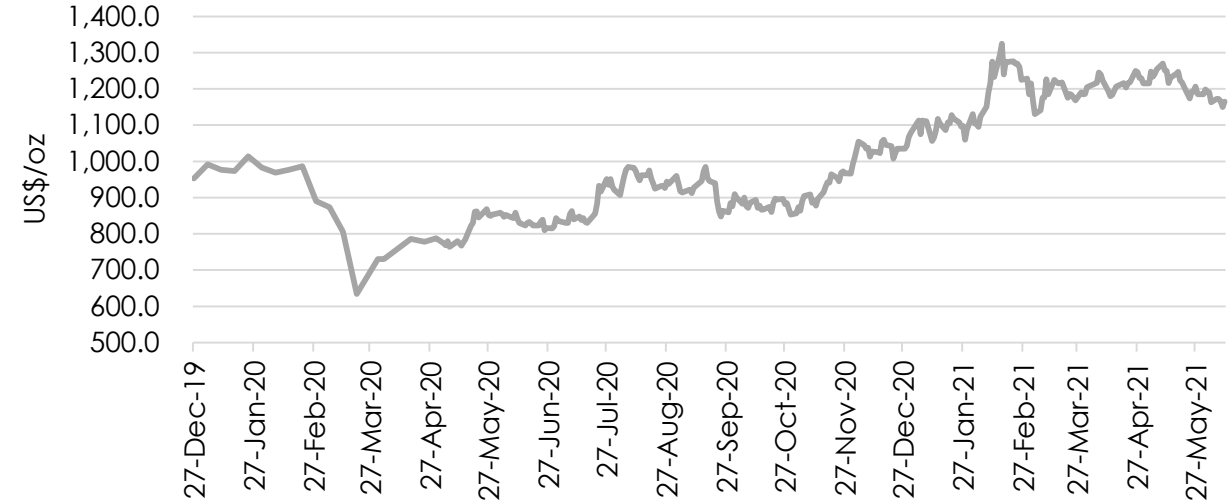
MINERALS



Gold prices - US\$/oz



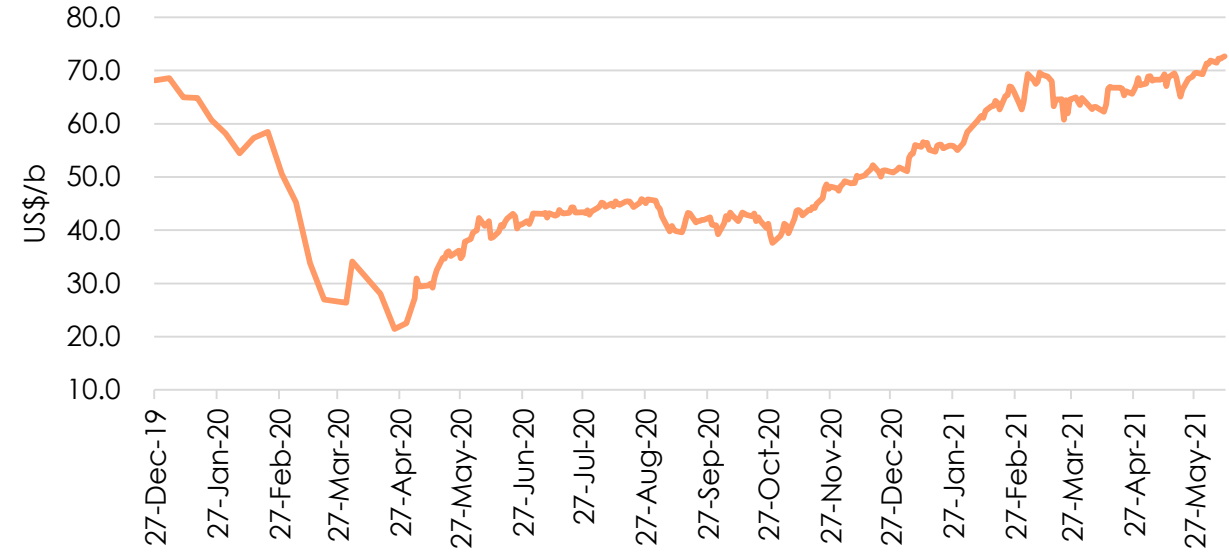
Platinum - US\$/oz



Nickel price - US\$/t



Oil prices - US\$/b



Source: Quandl

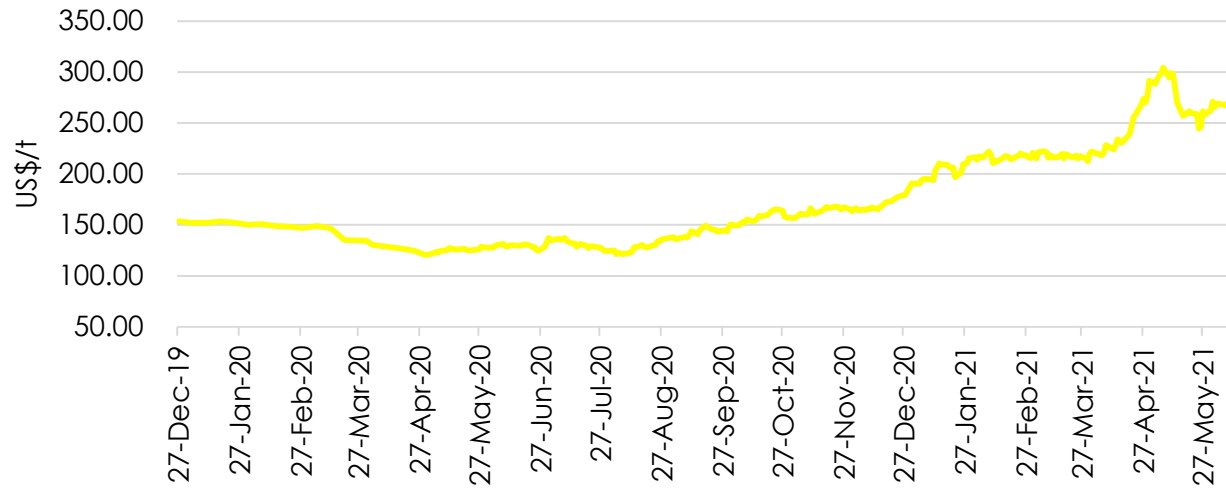


GLOBAL COMMODITY PRICE MOVEMENTS

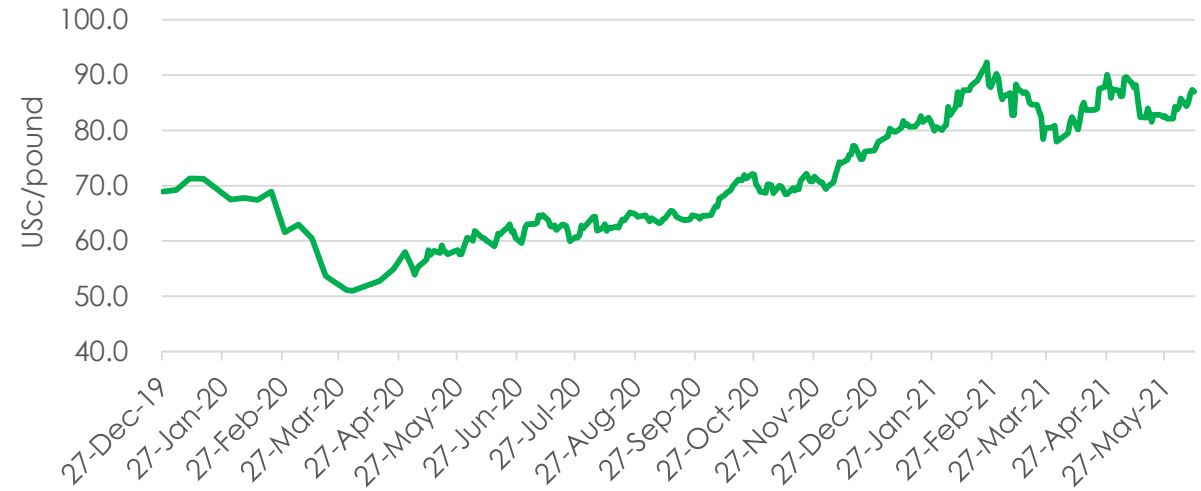
AGRIC COMMODITIES



Corn - US\$/t



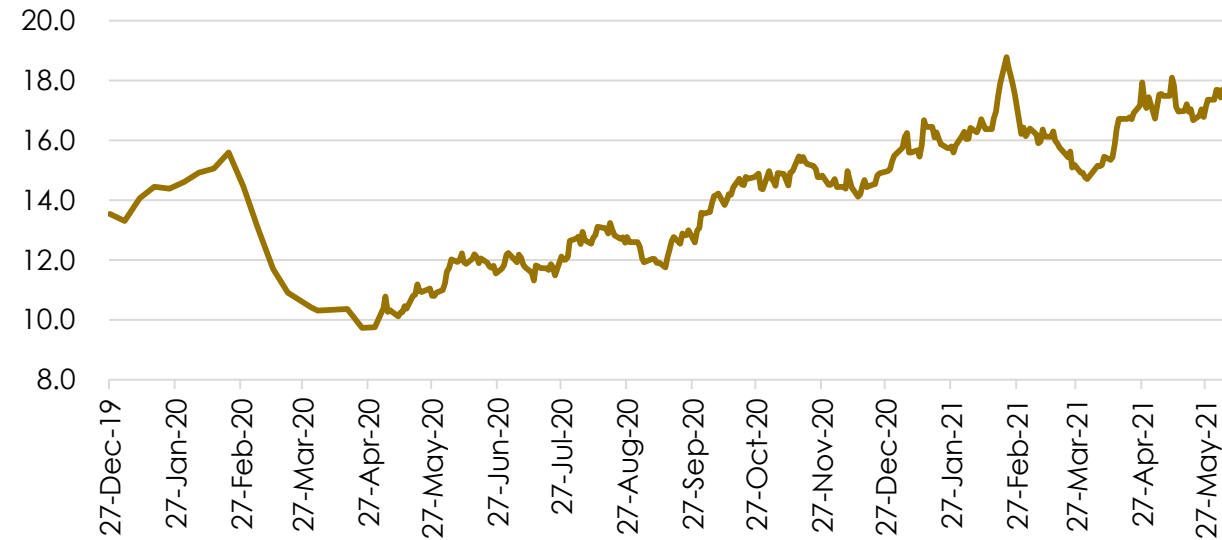
Cotton - USc/pound



Wheat - US\$/t



Sugar - USc/pound



Source: Quandl

Date	Event	Period	Forecast	Previous
Local				
15 June 2021	RBZ Foreign Exchange Auction Market	09 - 15 June 2021		85.0724
15 June 2021	Padenga AGM (Time: 0815hrs; Venue: Royal Harare Golf Club)			
Regional & International				
15 June 2021	U.K Unemployment Rate	April 2021	4.7%	4.8%
15 June 2021	U.S Producer Price Index m/m	May 2021	0.6%	0.6%
15 June 2021	Japan Trade Balance	May 2021	-¥91.2b	¥253.1b
15 June 2021	China Unemployment Rate			5.3%
16 June 2021	U.S Crude Oil Inventories		-2.036m	-5.241m
16 June 2021	U.S Federal Reserve "Fed" Interest Rate Decision	June 2021		0.25%
16 June 2021	U.S Federal Open Market Committee "FOMC" Statement	June 2021		
16 June 2021	Uganda Interest Rate Decision	June 2021		7.00%
16 June 2021	Namibia Interest Rate Decision	June 2021		3.75%
17 June 2021	Bank of Japan "BoJ" Interest Rate Decision	June 2021		-0.10%
17 June 2021	Botswana Interest Rate Decision	June 2021		3.75%
18 June 2021	U.K Retail Sales m/m	May 2021	1.6%	9.2%

ANALYST

Johane Virima

Email: jvirima@cbz.co.zw

RESEARCH TEAM

Andrew Chirewo

Chief Economist

Email: achirewo@cbz.co.zw

Johane Virima

Analyst

Email: jvirima@cbz.co.zw

Andrew T Mafukidze

Analyst

Email: amafukidze@cbz.co.zw

Kundai Patson

Analyst

Email: kpatson@cbz.co.zw

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