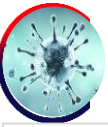




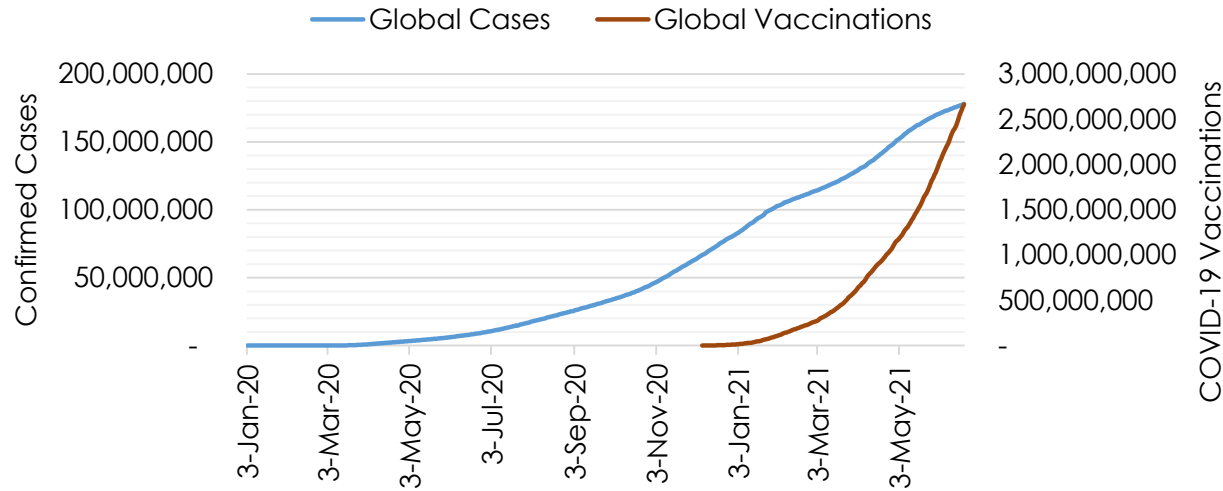
... Internet penetration rate increased to 61%, while mobile penetration rate declined to 88% in Q1 2021....

THE CBZ ECONOMIC BRIEF

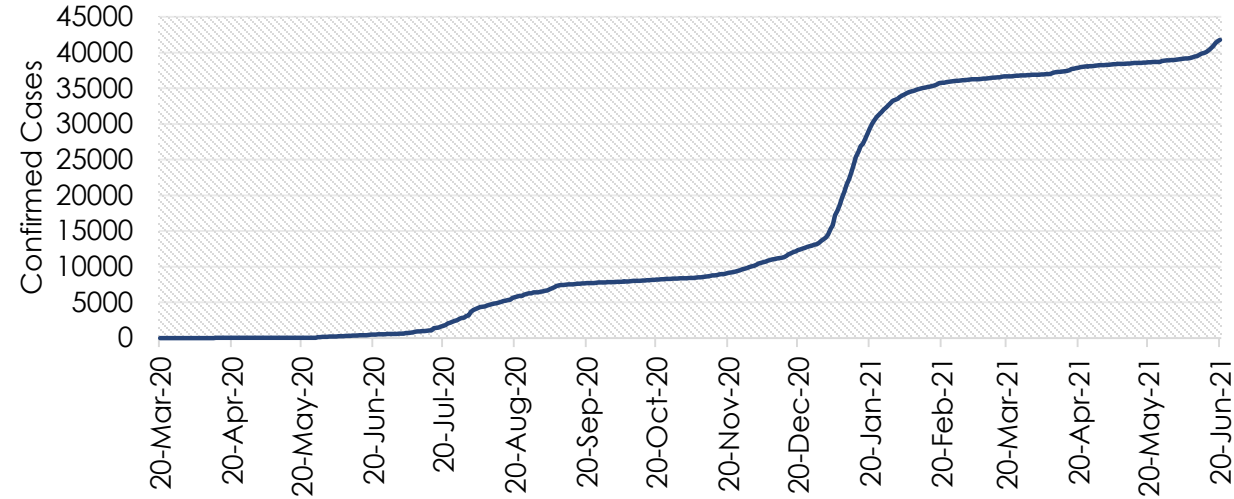
Week Ending 18 June 2021



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



Graph 2: Zimbabwe Cumulative COVID-19 Cases as at 20 June 2021



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

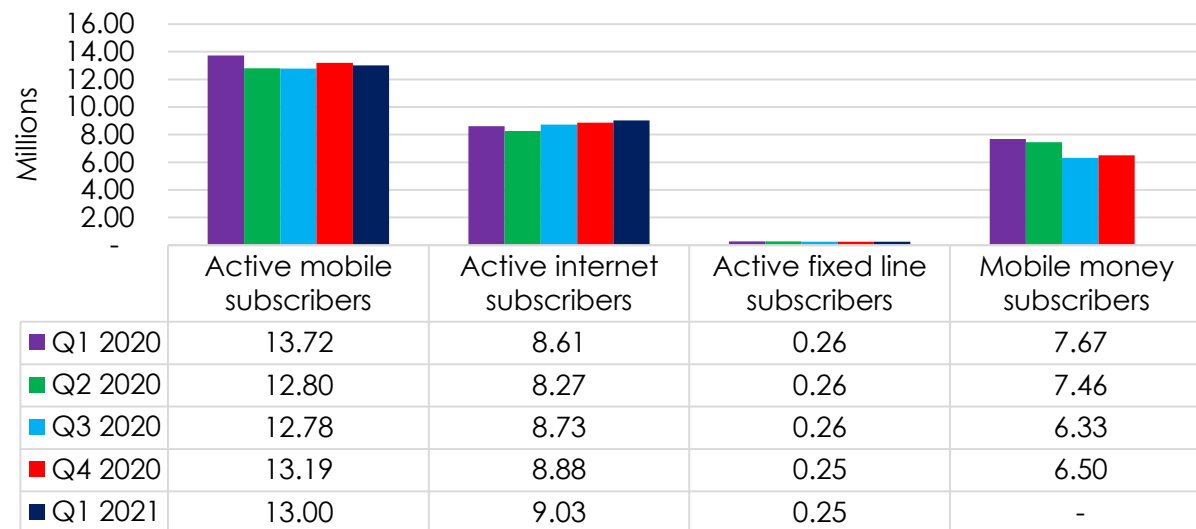
Notable Trends in Cases for the Week

- Global cumulative coronavirus cases rose above 177m after more than 2.5m new cases were recorded during the week to 20 June 2021. During the same period, a total of 263m COVID-19 doses were administered globally, bringing the cumulative COVID-19 vaccinations to 2.6b – **Graph 1**. Meanwhile, the U.S biotechnology company, Novavax, announced that results from its phase three trials showed that its COVID-19 vaccine was 100% effective in protecting against moderate and severe diseases. The trial results further showed that the vaccine was 93% effective against circulating variants and 91% effective in protecting high-risk populations.
- In Africa, cumulative cases increased by 3.6% to 3.8m. South Africa remained the most infected country in the continent with 1.8m cases, followed by Morocco (527k), Tunisia (383k), Egypt (277k) and Ethiopia (275k). Meanwhile, Uganda tightened its COVID-19 lockdown measures in order to stem a surge in new cases. The measures, which will last for 42 days, include a ban on private and public transport within and across districts. However, cargo vehicles and those transporting the sick or essential workers are permitted to operate.
- In Zimbabwe, confirmed cases rose to 41,779 after an additional 1,820 new cases were recorded during the week - **Graph 2**. The national recovery rate declined to 89.0% as at 20 June 2021, from 93.0% recorded at the end of the previous review period. Meanwhile, Karoi, Chirundu, Magunje, Mhangura, Chinhoyi, Chidamoyo (Mash West), Masvingo district, Chiredzi (Masvingo), Nkulumane, Emakhandeni, Northern Suburbs (Bulawayo) and Mt Darwin (Mash Central) were classified as COVID-19 hotspots.
- Meanwhile, the U.S Federal Reserve “Fed” left its benchmark short-term borrowing rate unchanged in the target range of 0% to 0.25%. Further, the Fed increased the System Open Market Account holdings of Treasury securities by US\$80 billion per month and of agency mortgage-backed securities “MBS” by US\$40 billion per month. In terms of inflation outlook, the Fed raised its headline inflation expectations by one percentage point to 3.4%.
- In Zimbabwe, the International Monetary Fund “IMF” projected the country's GDP to grow by 6% in 2021, after recording two successive declines of 6% and 4% in 2019 and 2020 respectively. The 2021 growth is premised on bumper agricultural output, increased energy production and the greater resumption in manufacturing and construction activities. However, the global financier noted that the outlook will depend on multiple variables including the pandemic evolution, pace of COVID-19 vaccination and implementation of sustainable policies.

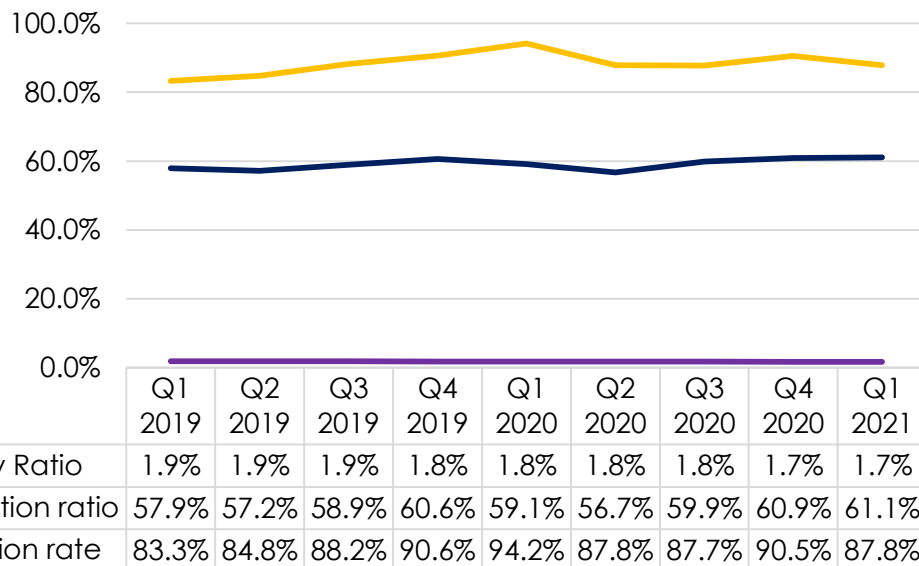


- According to the Postal and Telecommunications Regulatory Authority of Zimbabwe, "Potraz", the number of active internet subscribers increased by 1.7% to 9.03m in Q1 2021, from 8.88m recorded in Q4 2020 – **Graph 3**. Subsequently, internet penetration rate increased from 60.9% to 61.1% in Q1 2021.
- However, active mobile and fixed subscribers declined by 1.5% and 1.0% to 13.00m and 0.25m in Q1 2021, resulting in mobile penetration rate falling to 87.8% while the teledensity ratio remained unchanged at 1.7% over the same period – **Graph 4**.
- Compared to regional averages, the country remained above Sub-Saharan Africa's mobile penetration and internet penetration rates of 45.0% and 43.2%, respectively- **Graph 5**.
- Meanwhile, total mobile operator revenues grew by 12.3% to ZWL\$13.8b, while operating costs rose by 32.9% to ZWL\$7.6b in during the quarter. The rising operating costs were attributed to elevated inflationary environment and international internet connectivity expenses.

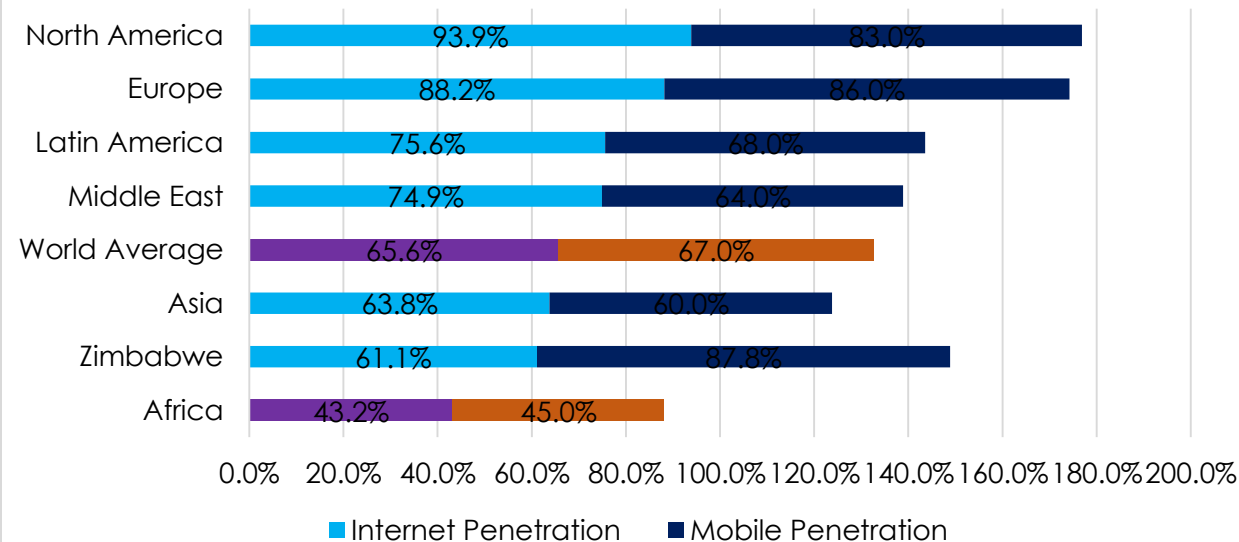
Graph 3: Trend in Subscriber Base



Graph 4: Penetration Rates

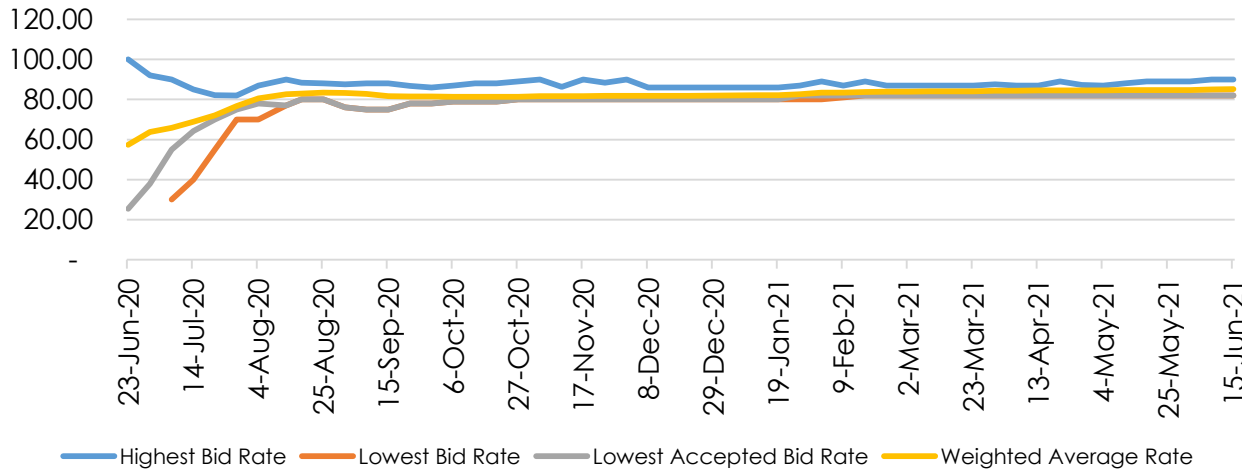


Graph 5: Regional Penetration Rates





Graph 6: FX Auction Market Bid Rates Trend



Graph 7: Foreign Currency Auction Allotment Trends

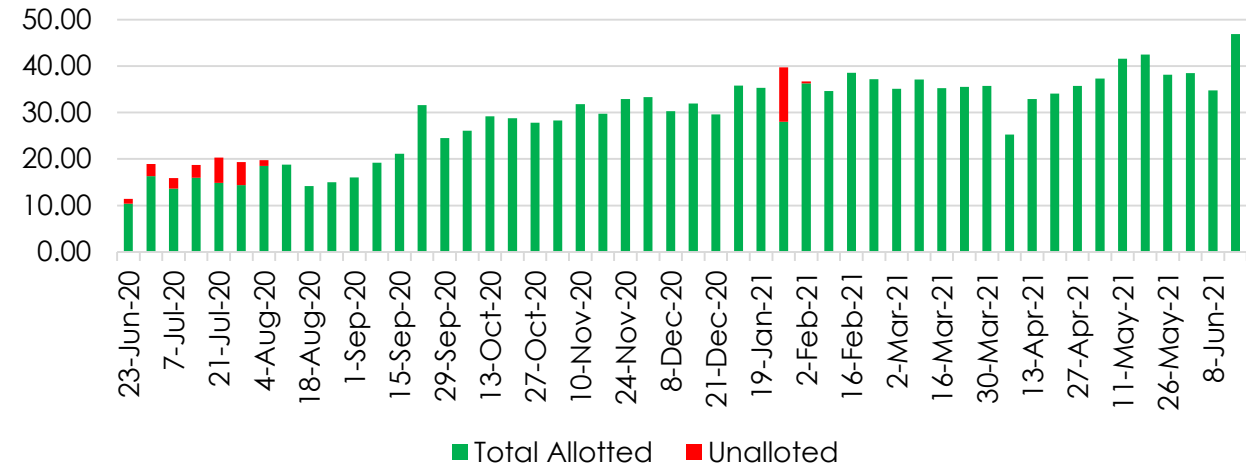


Table 1: Interest Rates on Deposits

	ZWL\$	USD
Savings Accounts	Minimum of 5% per annum	Minimum of 1% per annum
Fixed Term Deposits	Minimum of 10% per annum	Minimum of 2.5% per annum
Demand Deposits	0%	0%
Call Demands	0%	0%

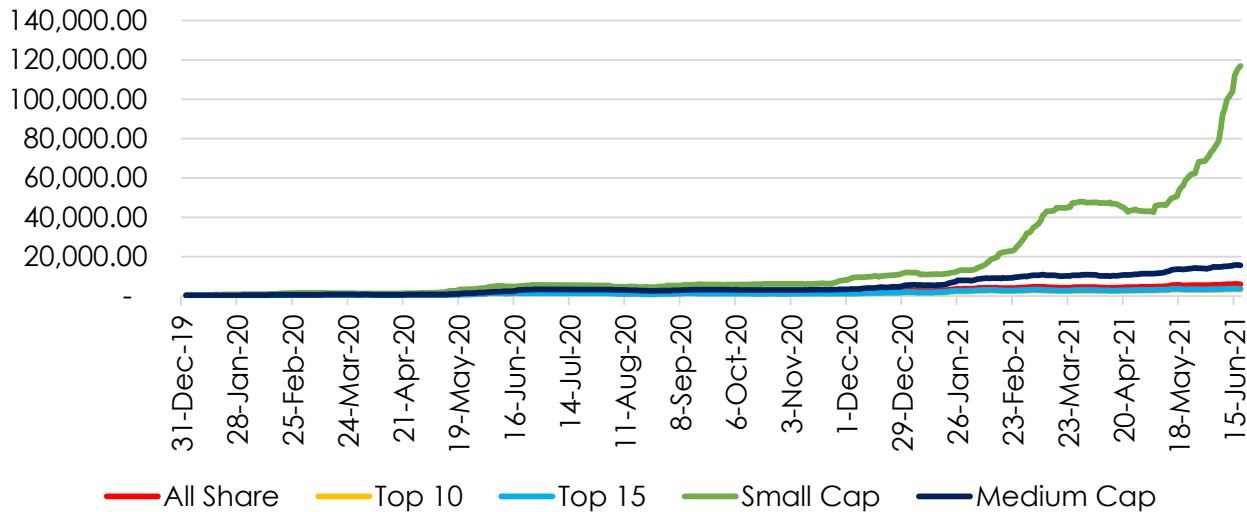
- o The ZWL\$ marginally declined by 0.2% against the U.S dollar to trade at ZWL\$85.25/USD during the last auction held by the RBZ on Tuesday, 15 June 2021-**Graph 6**. The highest and lowest accepted bid rates were unchanged at 90.0 and 82.0 on the main auction, respectively.
- o The total number of allotted bids increased from 777 to 918. Resultantly, total allotment for the week increased by 34.7% to US\$46.9m, from US\$34.8m that was allotted during the previous week – **Graph 7**.
- o Meanwhile, the Reserve Bank of Zimbabwe announced that, in compliance with Statutory Instrument “SI” 65A of 2020, banking institutions shall pay interest on savings accounts and fixed term deposits, with effect from 01 July 2021. ZWL\$ and USD savings accounts balances shall be paid minimum interest rates of 5% per annum “p.a” and 1% p.a while ZWL\$ and USD fixed term deposits shall be paid minimum interest rates of 10% p.a and 2.5% p.a, respectively. However, in line with global practice, no interest will be paid on demand and call accounts - **Table 1**. RBZ further noted that savings accounts and fixed term deposits will be exempted from bank charges.



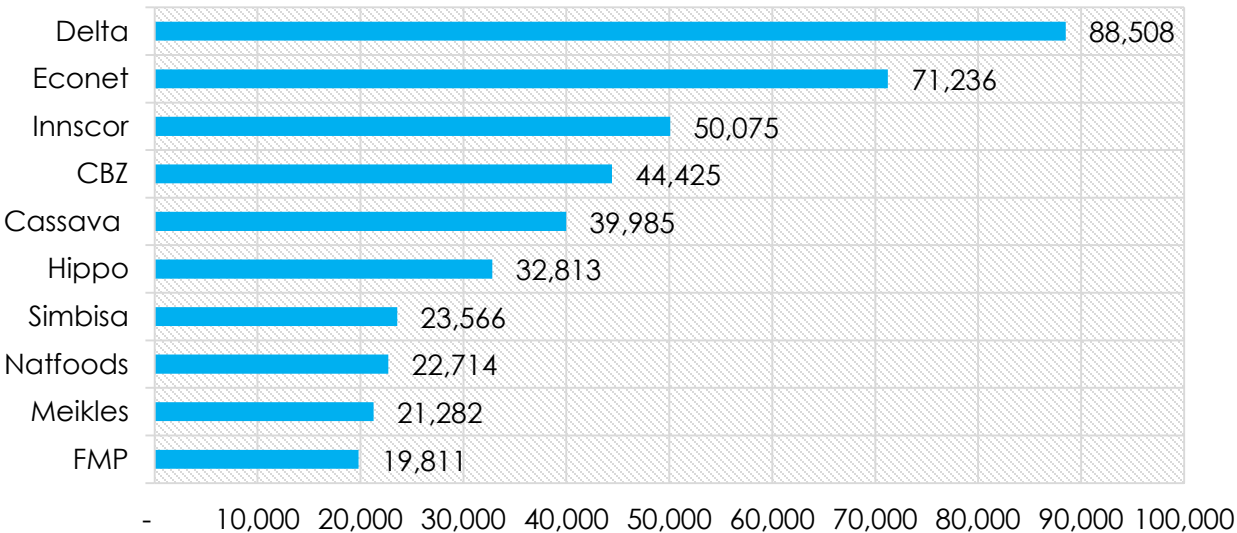
ZIMBABWE | FINANCIAL MARKETS-EQUITIES MARKETS



Graph 8: Zimbabwe Stock Exchange Indices



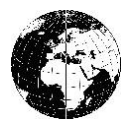
Graph 9: ZSE Top 10 Counters By Market Capitalisation - ZWL\$m



Source: ZSE

Movers	11-Jun-21	18-Jun-21	Weekly Change (%)
GB Holdings	89.98	186.00	106.7%
RTG	200.51	340.00	69.6%
GetBucks	650.00	804.76	23.8%
Lafarge	5,500.00	6,750.00	22.7%
Truworths	109.24	131.67	20.5%
Shakers	11-Jun-21	18-Jun-21	Weekly Change (%)
OK Zimbabwe	1,810.11	1,515.20	-16.3%
Padenga	3,143.77	2,760.06	-12.2%
Fidelity Life	740.00	661.54	-10.6%
ZBFH	8,600.00	7,700.00	-10.5%
BAT	100,000.00	90,000.00	-10.0%

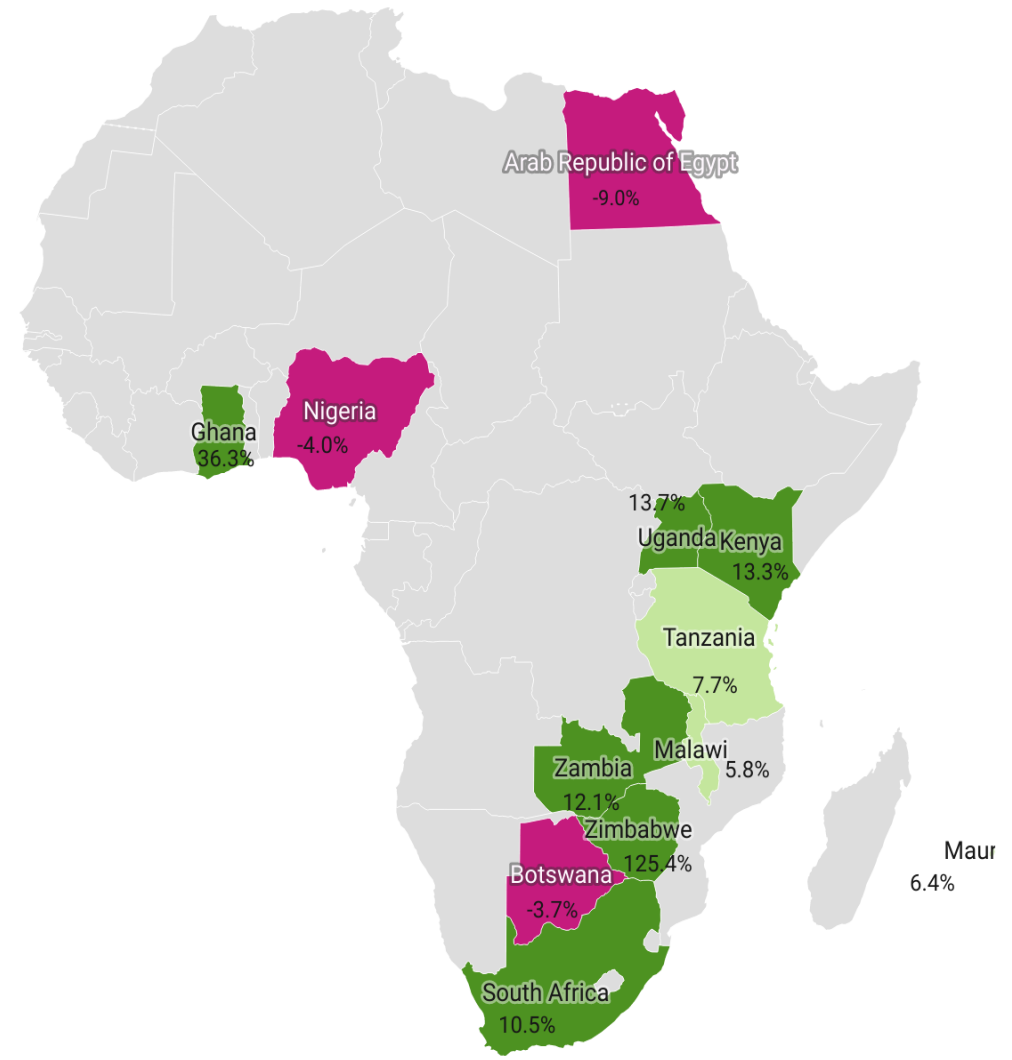
- On the ZSE, mixed performance was recorded for the week. The Small Cap Index (+17.6%) and Medium Cap Index (+4.2%) recorded gains, while the Top 10 and Top 15 Indices declined by 2.1% and 1.2% respectively. The benchmark All Share Index marginally rose by 0.8% to close the week at 5,941.21 points – **Graph 8**.
- GB Holdings led the market movers with a weekly gain of 106.7%, followed by RTG (+69.6%), GetBucks (+23.8%), Lafarge (+22.7%) and Truworths (+20.5%). However, market gains were offset by losses in OK Zimbabwe (-16.3%), Padenga (-12.2%), and Fidelity Life (-10.6%) – **Table 2**.
- Delta remained the largest counter on the ZSE with a market capitalisation of ZWL\$88.5b, followed by Econet (ZWL\$71.2b), Innscor (ZWL\$50.1b), CBZ (ZWL\$44.4b) and Cassava (ZWL\$40.0b) – **Graph 9**.
- Meanwhile, Zimbabwe Stock Exchange announced the resumption in trading of SeedCo Limited shares on the ZSE trading platform with effect from 21 June 2021. This followed after the proposed offer to Seed Co shareholders by Seed Co International “SCIL” to acquire the entire issued shares in Seed Co in exchange for new issued shares in SCIL failed to get the RBZ Exchange Control approval. Trading in Seed Co shares was suspended on the 23rd of February 2021 pending transaction approval for delisting.



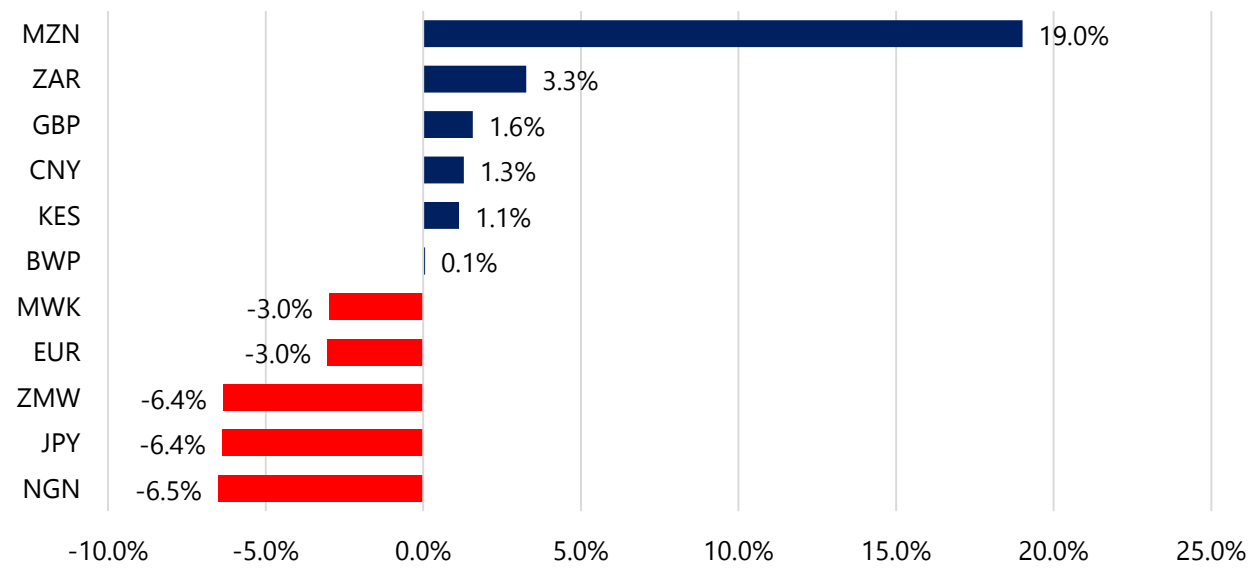
REGIONAL & GLOBAL FINANCIAL MARKETS

- On the global markets, most major international benchmarks under our watch in the U.S, Europe and Asia recorded weekly declines after U.S Fed announced plans to increase interest rates earlier than anticipated.
- The U.S DJIA recorded the largest decline of 3.4%, followed by China's Shanghai Composite Index (-1.7%) and U.K's FTSE 100 (-1.6%). The Japanese Nikkei 225 Stock Average marginally gained 0.1% for the week.
- 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 (+125.4%), Ghana (+36.3%) and Uganda (+13.7%) - **Chart 1**.
- On the currencies market, the U.S dollar index recorded gain of 1.5% for the week to 91.89. **Graph 10** below depicts YTD performances of major currencies against the U.S dollar as at 18 June 2021.

Chart 1: Selected African Equities Markets- YTD Performances



Graph 10: Major Currencies vs the USD-YTD Movements- 18 June 2021

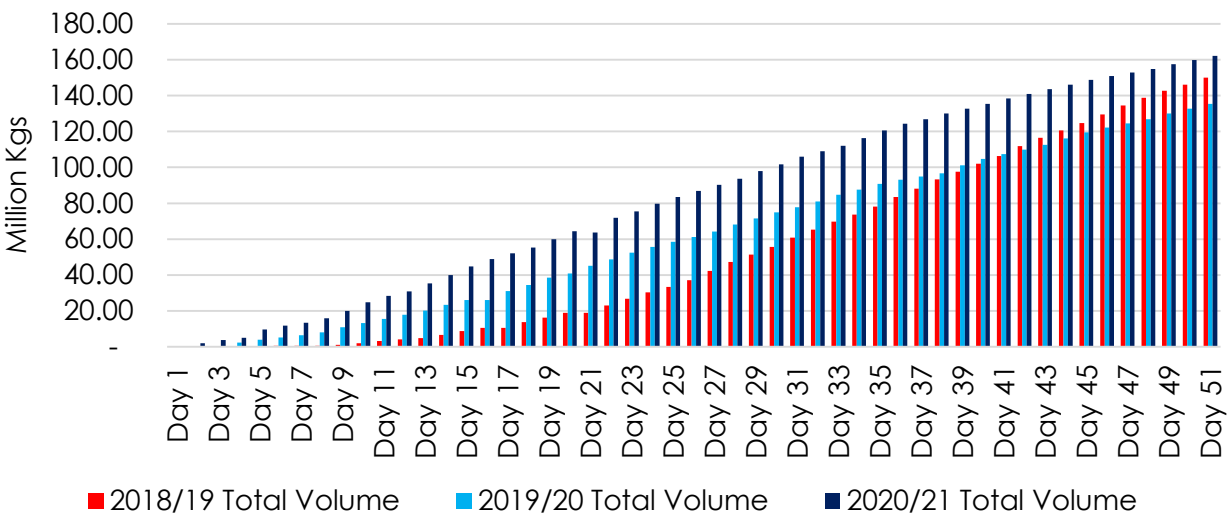


Map: Created by CBZ Holdings Limited • Created with Datawrapper

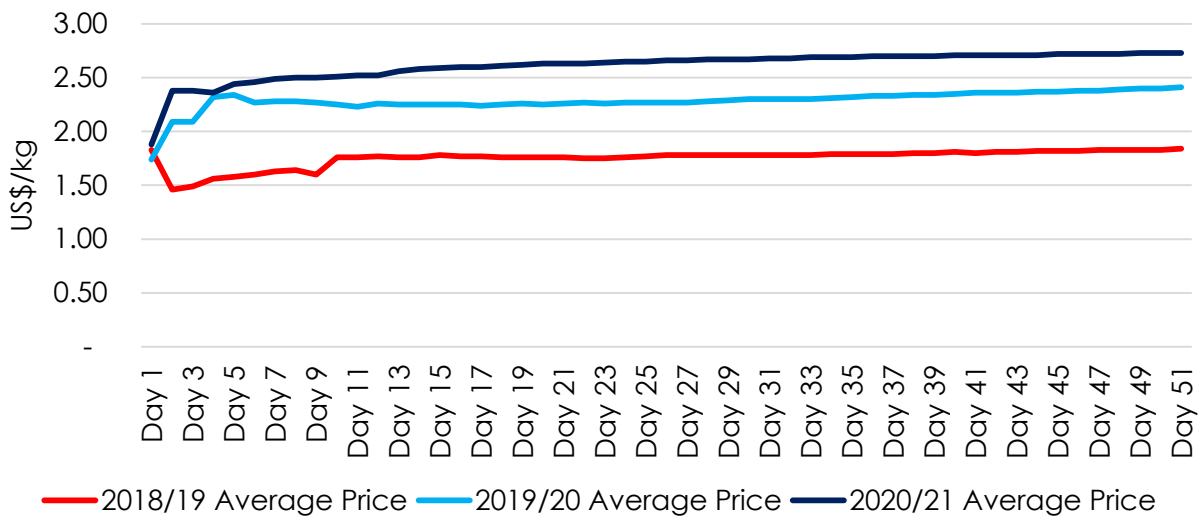


ZIMBABWE | THE 2020/21 TOBACCO MARKETING SEASON

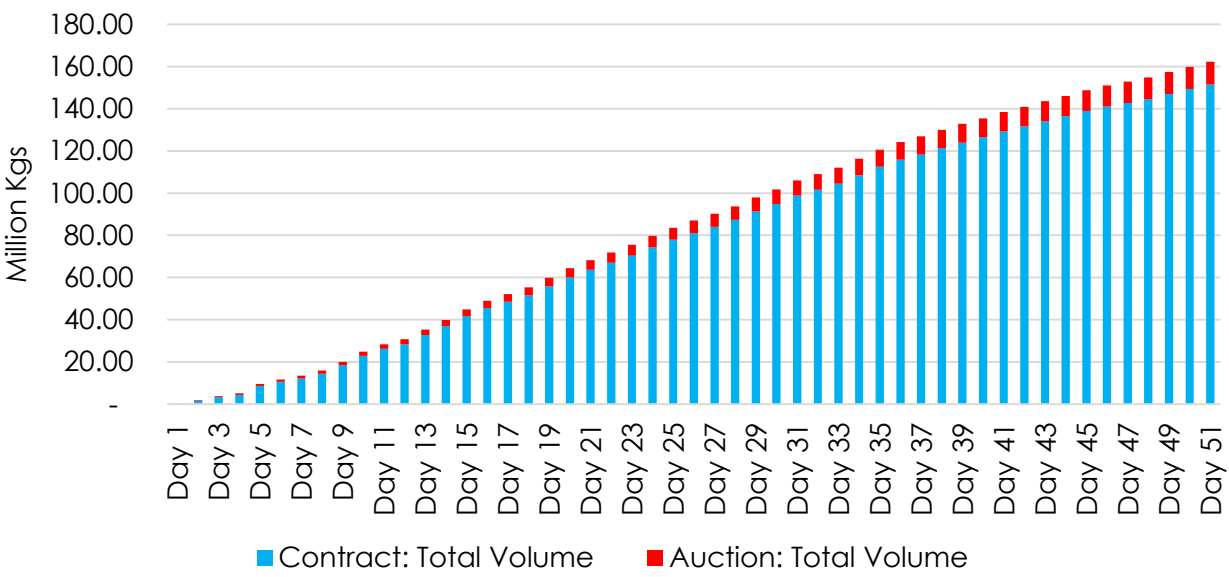
Cumulative Tobacco Sales Volume Trends (2019-2021)



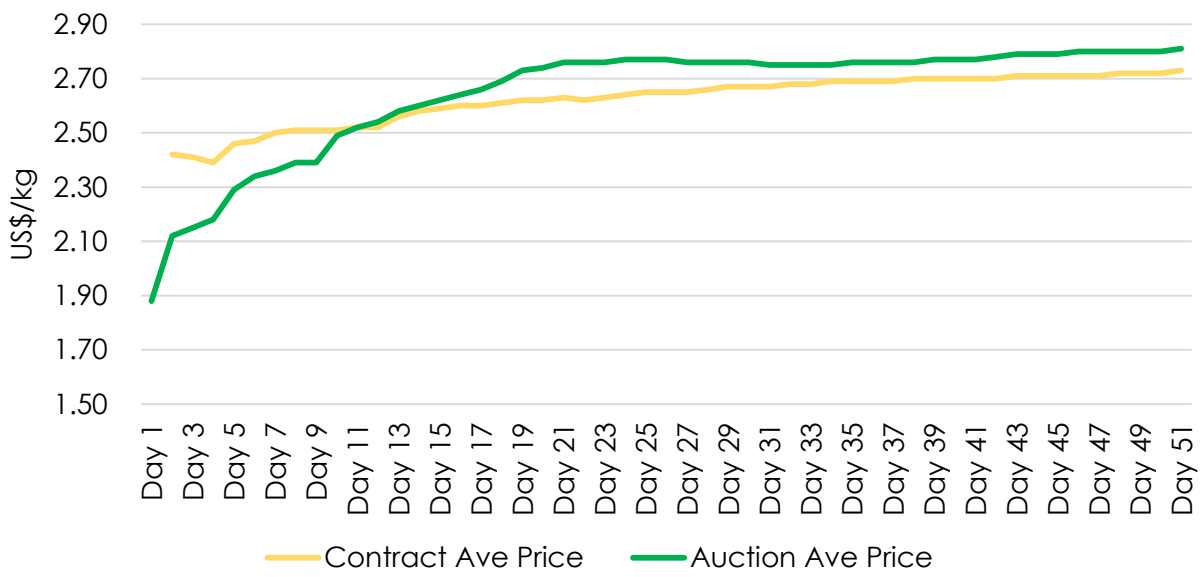
Tobacco Daily Average Price Trends (2019-2021)



2020/21 Cumulative Sales Volume - Contract vs Auction



2020/21 Average Prices - Contract vs Auction



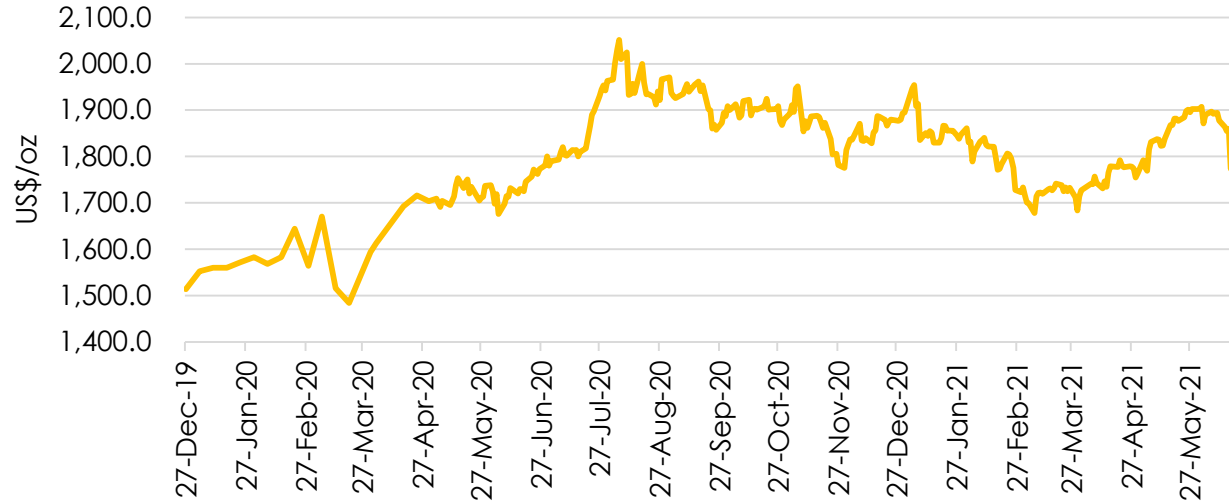


GLOBAL COMMODITY PRICE MOVEMENTS

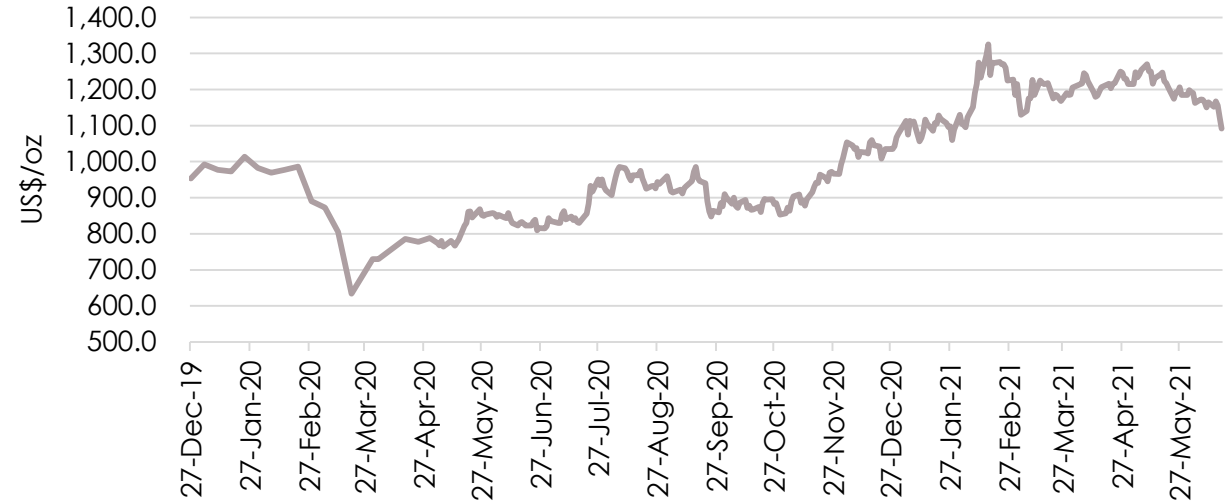
MINERALS



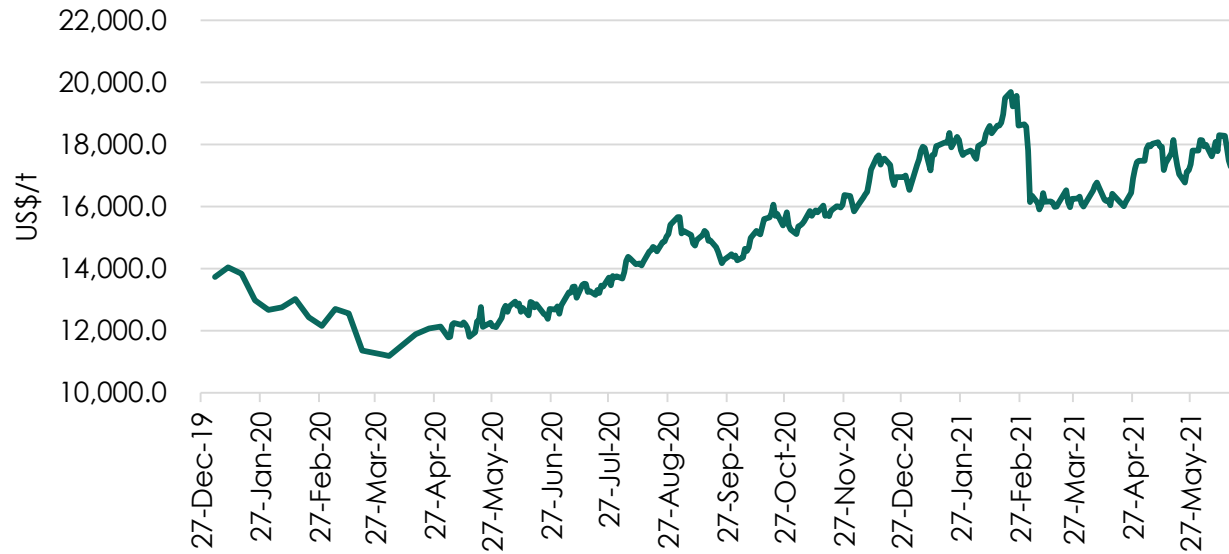
Gold - US\$/oz



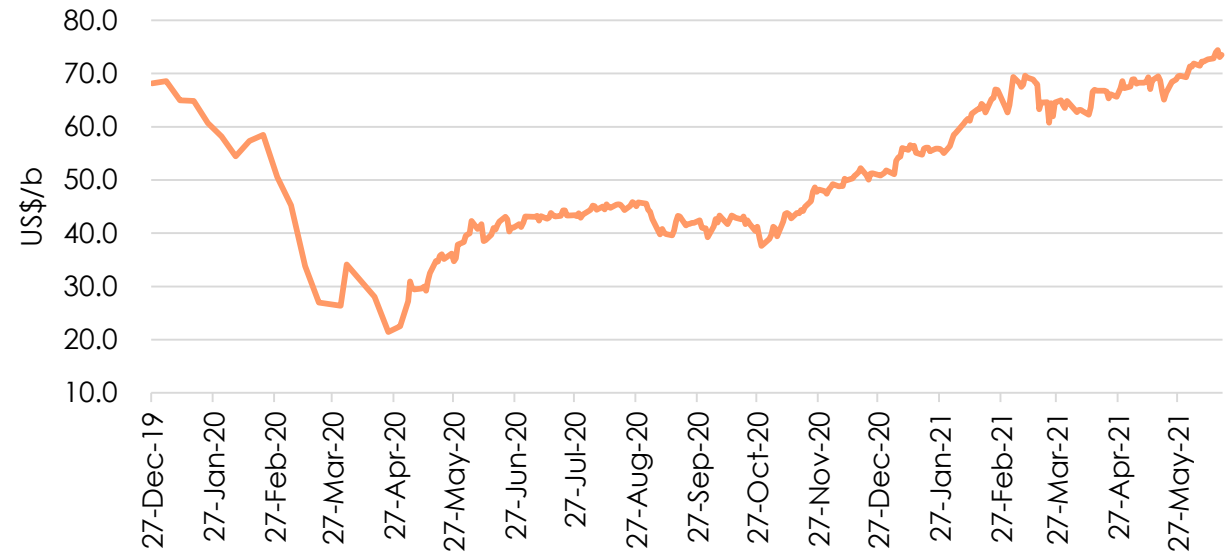
Platinum - US\$/oz



Nickel - US\$/t



Bent Crude Oil - US\$/b



Source: Quandl



GLOBAL COMMODITY PRICE MOVEMENTS

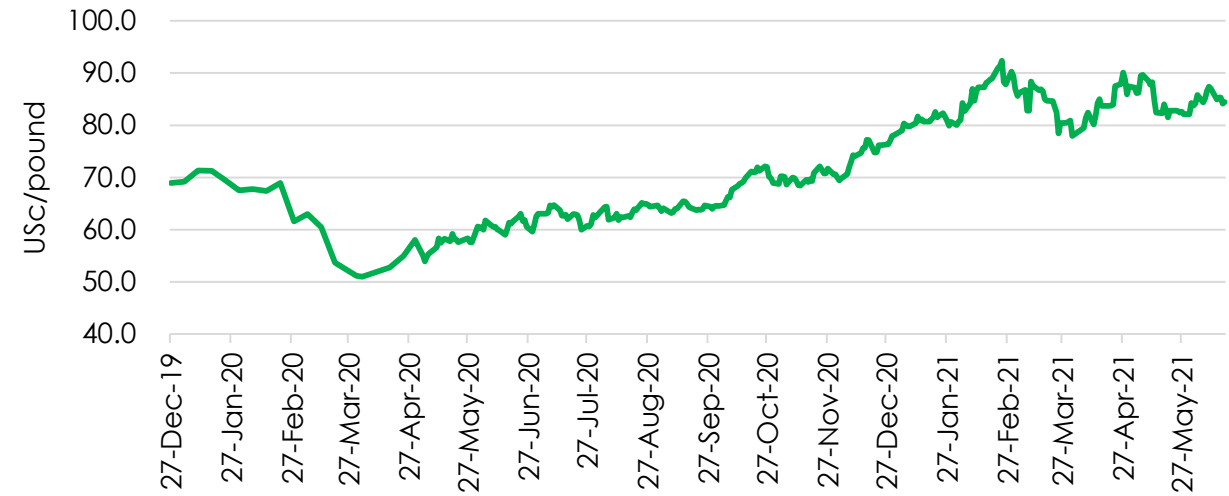
AGRIC COMMODITIES



Corn - US\$/t



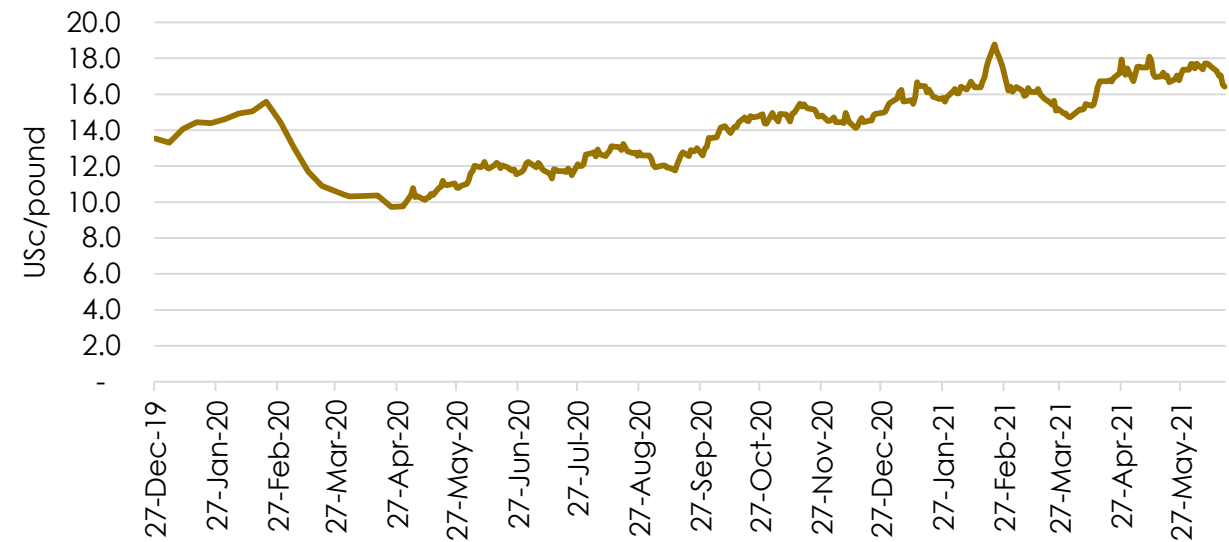
Cotton - USc/pound



Wheat - US\$/t



Sugar - USc/pound



Source: Quandl

Date	Event	Period	Forecast	Previous
Local				
22 June 2021	RBZ Foreign Exchange Auction Market	23 - 29 June 2021		85.2455
23 June 2021	RTG AGM (Time: 1200hrs; Venue: Virtual)			
24 June 2021	Proplastics AGM (Time: 1000hrs; Venue: Virtual)			
24 June 2021	TSL Analyst Briefing (Time: 1500hrs; Virtual https://mkutanoonline.com/web_signup.php)			
25 June 2021	RBZ Interest Rate Decision	June 2021		40.0%
Regional & International				
21 June 2021	People's Bank of China "PBoC" Interest Decision	June 2021		3.85%
22 June 2021	Morocco Interest Rate Decision	June 2021		1.50%
22 June 2021	Japan Manufacturing PMI	June 2021		53.0
23 June 2021	Euro Zone Manufacturing PMI	June 2021	62.1	63.1
23 June 2021	U.K Manufacturing PMI	June 2021		65.6
23 June 2021	South Africa CPI m/m (y/y)	May 2021	0.1% (5.2%)	0.7% (4.4%)
23 June 2021	U.S Crude Oil Inventories		-3.290m	-7.355m
24 June 2021	Bank of England "BoE" Interest Rate Decision	June 2021	0.10%	0.10%
24 June 2021	European Central Bank "ECB" Economic Bulletin			
24 June 2021	U.S Federal Reserve "Fed" Bank Stress Test Results			
24 June 2021	U.S GDP q/q	Q1 2021	6.4%	6.4%

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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