



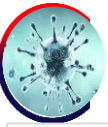
... Monthly inflation rate  
rose by 3.9% m/m in June  
2021....

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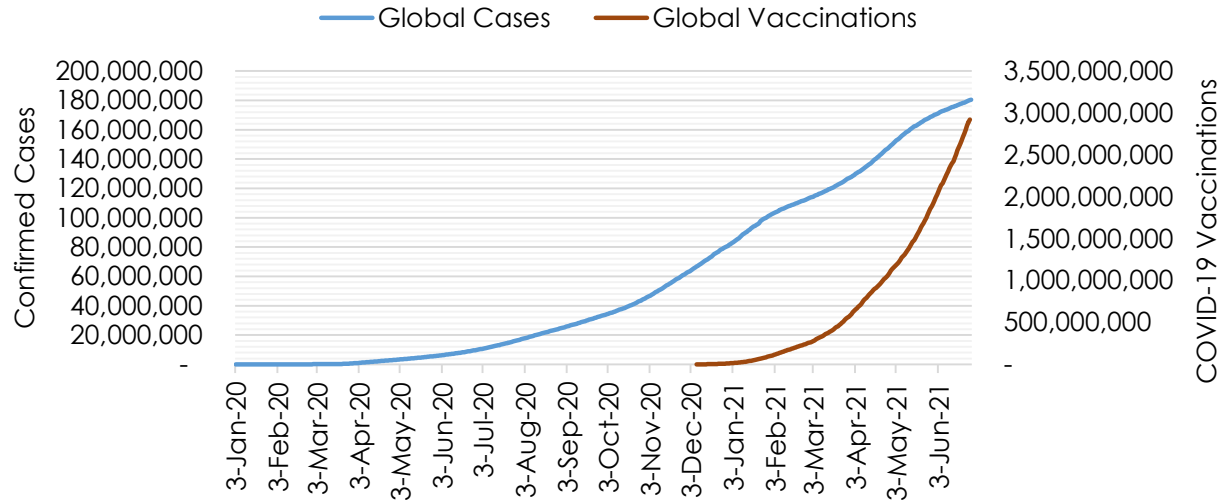
## THE CBZ ECONOMIC BRIEF

**Week Ending 25 June 2021**

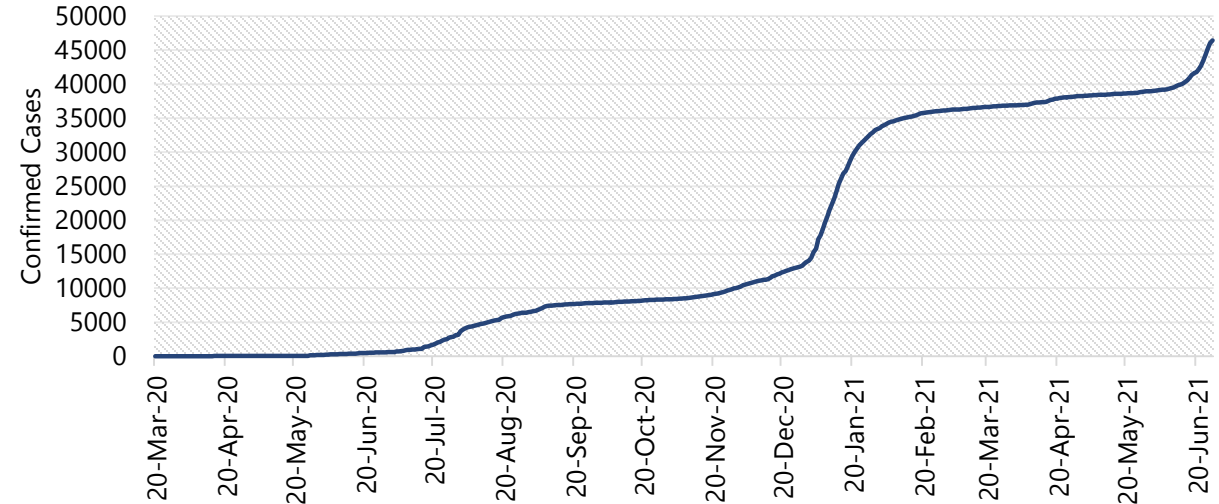
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### Graph 1: Global Cumulative COVID-19 Cases and Vaccination Trends



### Graph 2: Zimbabwe Cumulative COVID-19 Cases as at 27 June 2021

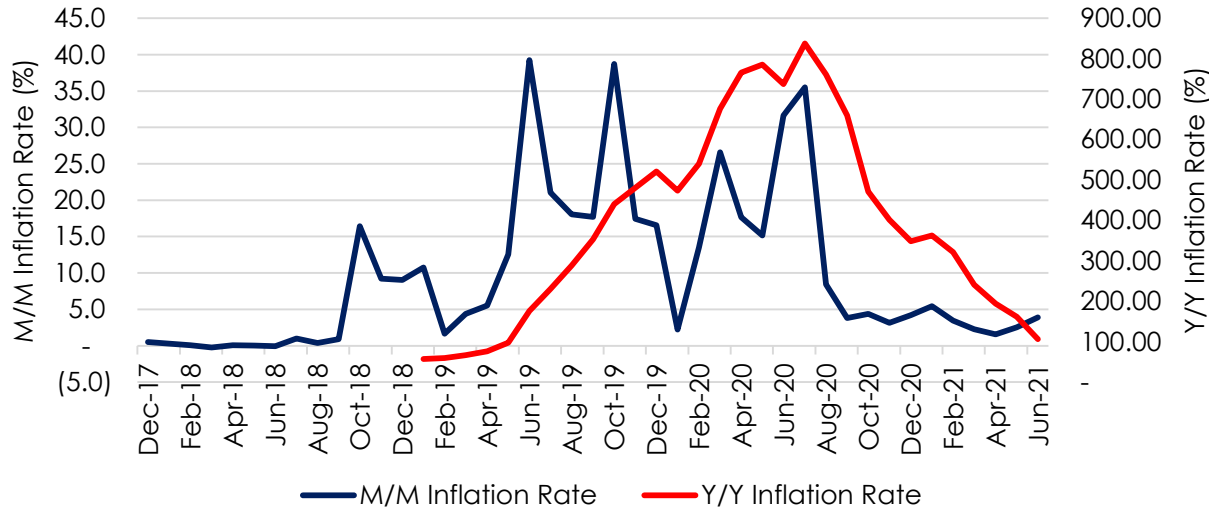


Sources: World Health Organisation & Ministry of Health & Child Care (Zimbabwe)

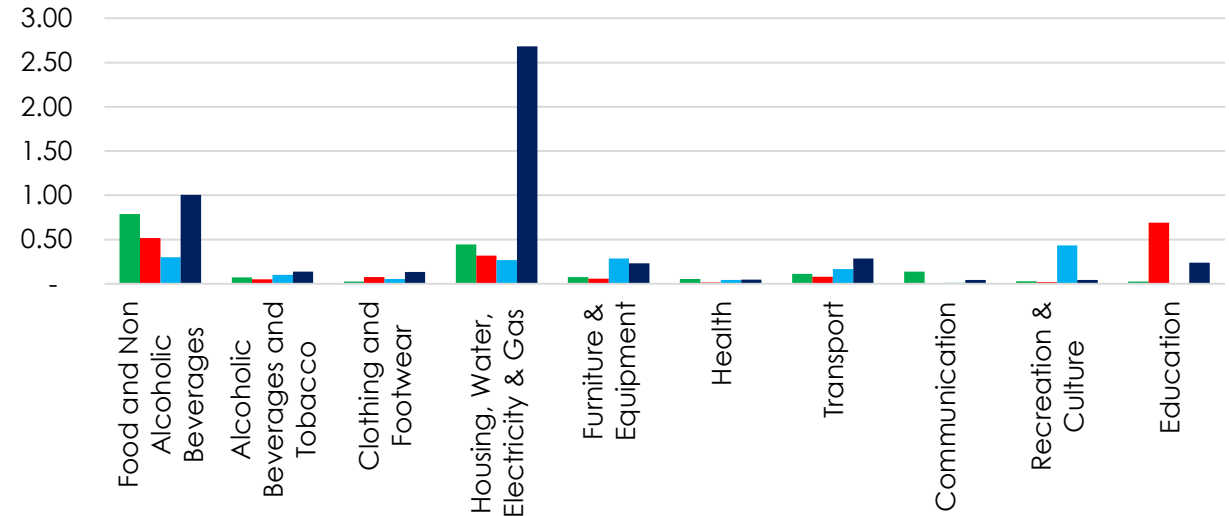
#### Notable Trends in Cases for the Week

- Global cumulative coronavirus cases rose above 180m after more than 2.6m new cases were recorded during the week to 27 June 2021. During the same period, a total of 252m COVID-19 doses were administered globally, bringing the cumulative COVID-19 vaccinations to 2.9b – **Graph 1**. Meanwhile, the European Union “EU” block will launch the EU Digital COVID Certificate “EUDCC” on 01 July 2021. The EUDCC, previously called the Digital Green Certificate “DGC”, aims to help Europeans travel easily between the 27 member states and gives freedom of movement to people who are vaccinated, have tested negative for COVID-19 within the previous day and those who have had and recovered from the virus.
- In Africa, cumulative cases increased by 4.7% to 4.0m. South Africa remained the most infected country in the continent with 1.9m cases, followed by Morocco (529k), Tunisia (407k), Egypt (280k) and Ethiopia (276k). Meanwhile, South Africa announced that it will move to alert Level 4 of its national COVID-19 response framework after a surge in new cases. Under this alert level, all social, religious, political and other gatherings are banned, sale of alcohol is prohibited, restaurants allowed to serve take-away only, mandatory wearing of face mask in public and the curfew will run between 2100hrs to 0400hrs.
- In Zimbabwe, confirmed cases rose to 46,442 after an additional 4,663 new cases were recorded during the week - **Graph 2**. The national recovery rate declined to 81.0% as at 27 June 2021, from 89.0% recorded at the end of the previous review period, reflecting increase in new cases. Mash West province recorded the biggest jump in new cases of 1,798, followed by Midlands (493), Harare (451) and Masvingo (412). Resultantly, Chinere and Doro in Mash West were added to the list of COVID-19 hotspot areas. Meanwhile, government received 500k doses of the Chinese made Sinopharm COVID-19 vaccine, with additional two batches of 2m and 1.5m doses expected to be delivered before the end of August 2021.
- Meanwhile, the Bank of England “BoE” left its main lending rate at 0.1%, unchanged since March 2020, in order to support the economy from the negative impact of COVID-19. The BoE’s Monetary Policy Committee also maintained its asset purchases at the current levels of £895b (c.US\$1.2t), unchanged since November 2020. In the outlook, BoE anticipates the economy to experience a temporary period of strong GDP growth and above-target inflation, after which growth and inflation will fall back. In fact, U.K’s headline consumer inflation for May 2021 rose 2.1%, 0.1 percentage points above BoE’s target of 2%.

**Graph 3: M/M & Y/Y Inflation Rates Trend**



**Graph 4: CPI Sub-Categories Contribution to Monthly Inflation Rate**



**Table 1: Comparative Regional Inflation Rates**

	M/M Inflation Rate (%)			Y/Y Inflation Rate (%)		
	April 2021	May 2021	June 2021	April 2021	May 2021	June 2021
South Africa	0.7	0.1	n/a	4.4	5.2	n/a
Kenya	0.8	0.2	n/a	5.8	5.9	n/a
Botswana	3.3	0.5	n/a	5.6	6.2	n/a
Tanzania	0.5	0.3	n/a	3.3	3.3	n/a
Zambia	2.2	2.0	1.3	22.7	23.2	24.6
Zimbabwe	1.6	2.5	3.9	194.1	161.9	106.6
Uganda	0.3	0.2	n/a	2.1	1.9	n/a

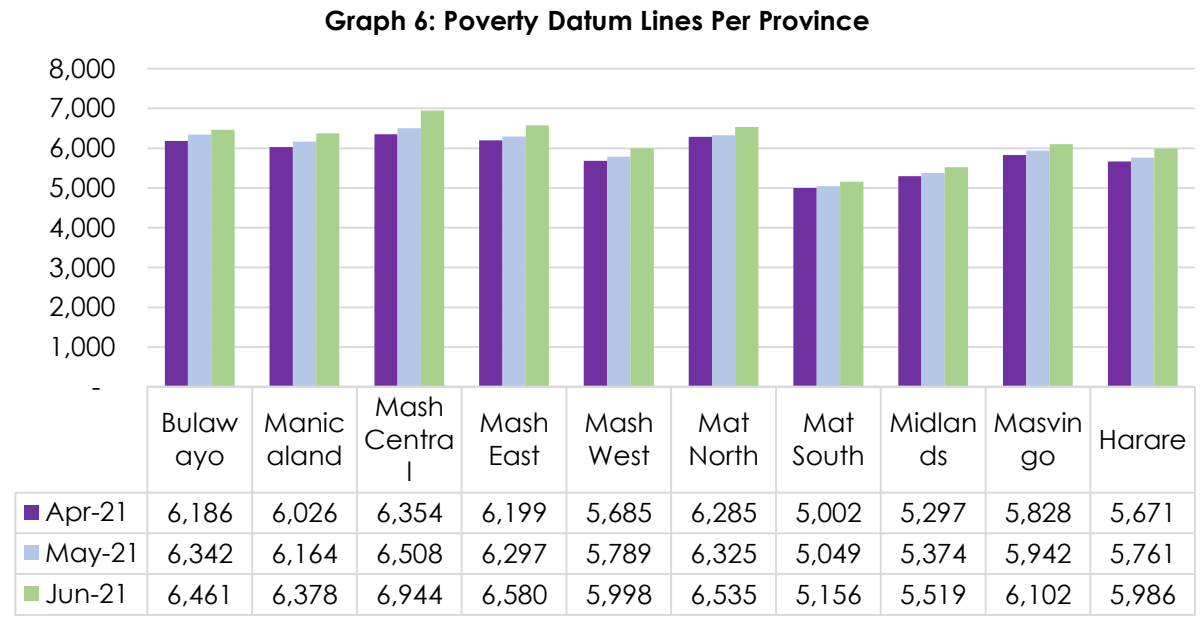
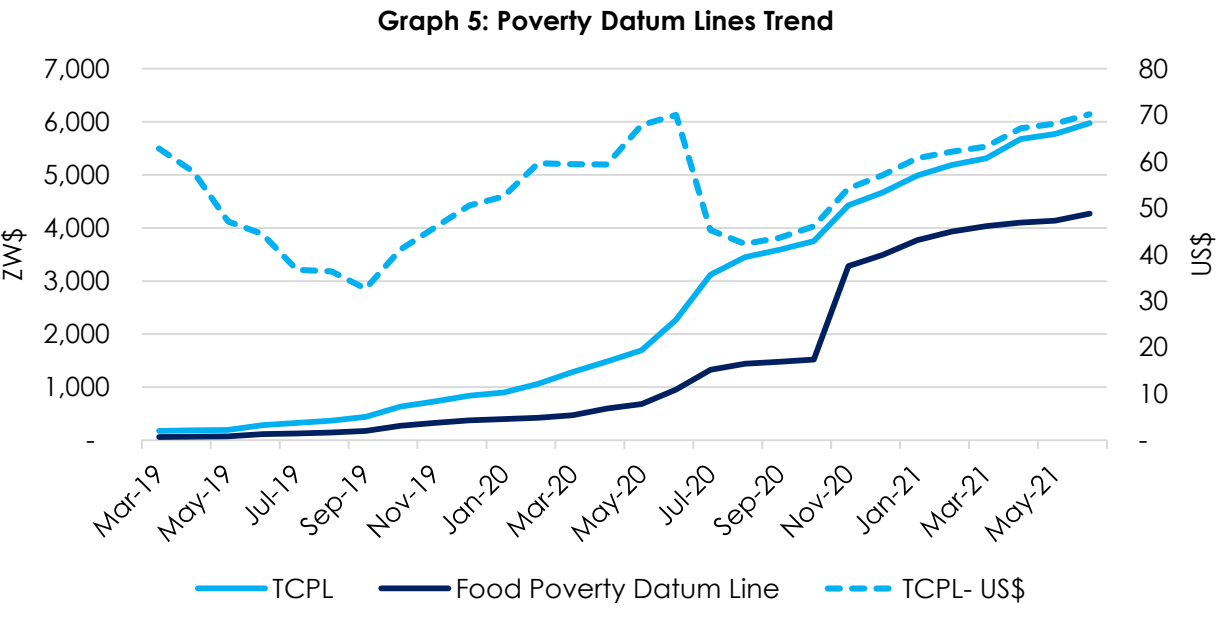
Source: Various

- o According to the ZimStat, the headline consumer inflation edged up in June 2021 to a 5-months high of 3.9%, from 2.5% recorded in May 2021—**Graph 3**.
- o The main contributors to the monthly inflation were 'housing, water, electricity, gas & other fuels', 'food & non-alcoholic beverages' and 'transport' categories, which added 2.7, 1.0 and 0.3 percentage points to the headline figure, respectively – **Graph 4**.
- o However, the annual headline consumer inflation rate decelerated to 106.6% in June 2021 compared to 161.9% recorded in May 2021.
- o Meanwhile, ZimStat issued its first publication of provisional inflation data. According to the latest figures, Mash Central and Harare recorded the highest m/m inflation rates of 7.3% and 5.3% in June 2021 respectively, while Mat South recorded the lowest inflation rate of 2.0%.
- o Mash East and Mat North recorded the highest y/y inflation rates of 115.4% and 114.8% respectively, over the same period.
- o **Table 1** depicts comparable inflation rates for Zimbabwe's regional and/or trading partners..



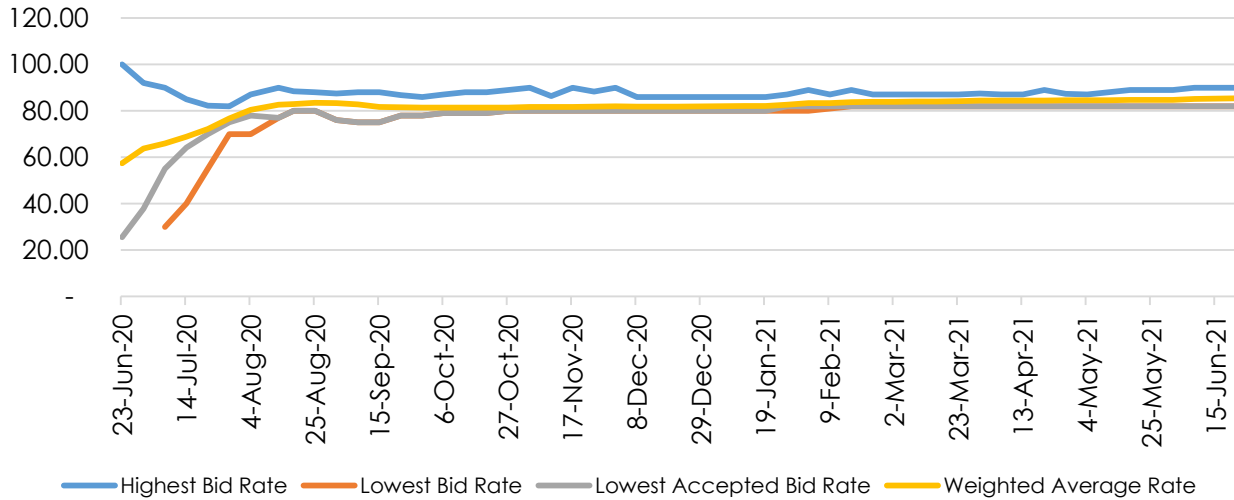
# ZIMBABWE | POVERTY DATUM LINE UPDATE - JUNE 2021

- According to ZimStat, the per capita cost of living, as measured by the total consumption poverty line "TCPL", increased by 3.5% to ZW\$5,975 in June 2021 from ZW\$5,771 recorded in May 2021 – **Graph 5**. The major cost pressures emanated from adjustments to electricity tariffs and the general increase in food prices over the review period. In fact, the food poverty lines, which measure the cost of consuming a minimum food basket per person, increased by 3.5% to ZW\$4,272 in June 2021, from ZW\$4,139 in May 2021.
- In implied U.S dollar terms, the TCPL increased by 2.9% to US\$70 in June 2021 compared to US\$68 recorded in May 2021.
- Generally in line with month-on-month inflation rate movement for June, the largest increases in cost of living were recorded in Mash Central (6.7%), Mash East (4.5%) and Harare (3.9%), while Bulawayo (1.9%) and Mat South (2.1%) recorded the least increase. Mash Central remained the most expensive province to live in, requiring an income of ZW\$6,944 per month for an individual not to be deemed poor – **Graph 6**.

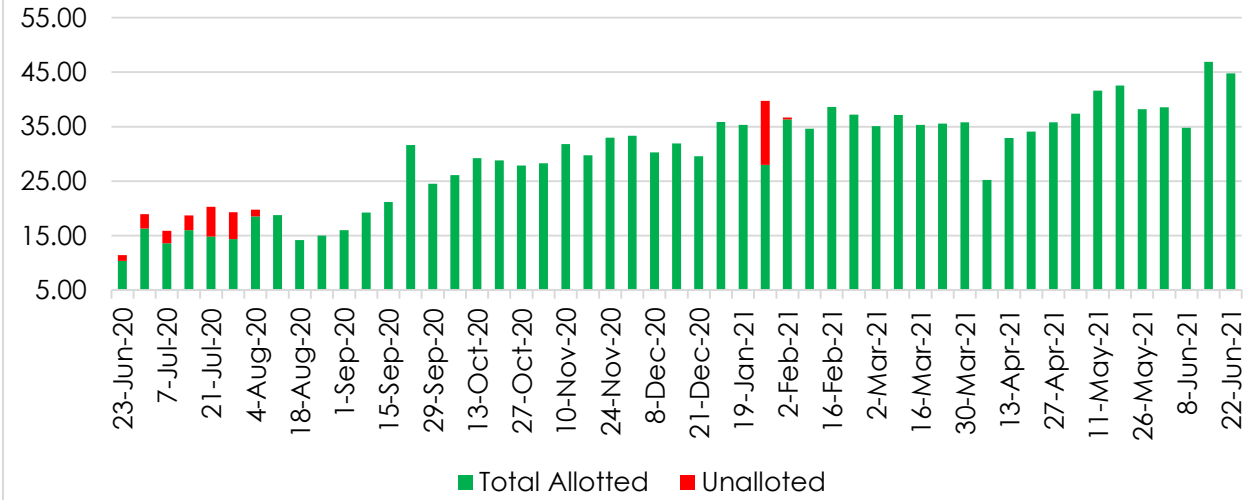




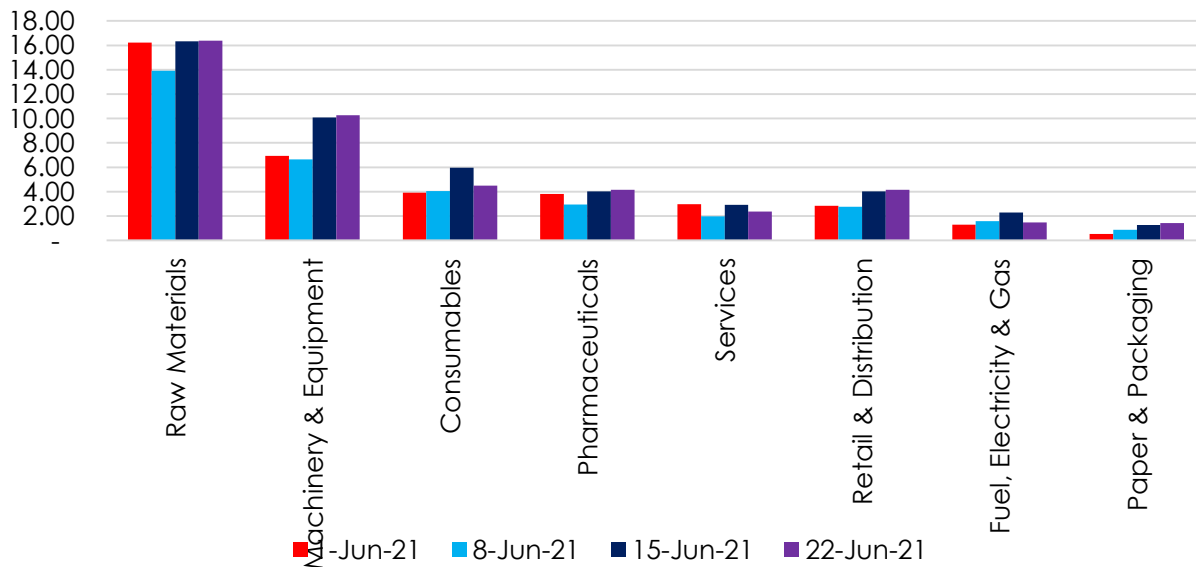
### Graph 7: FX Auction Market Bid Rates Trend



### Graph 8a: Foreign Currency Auction Allotment Trends



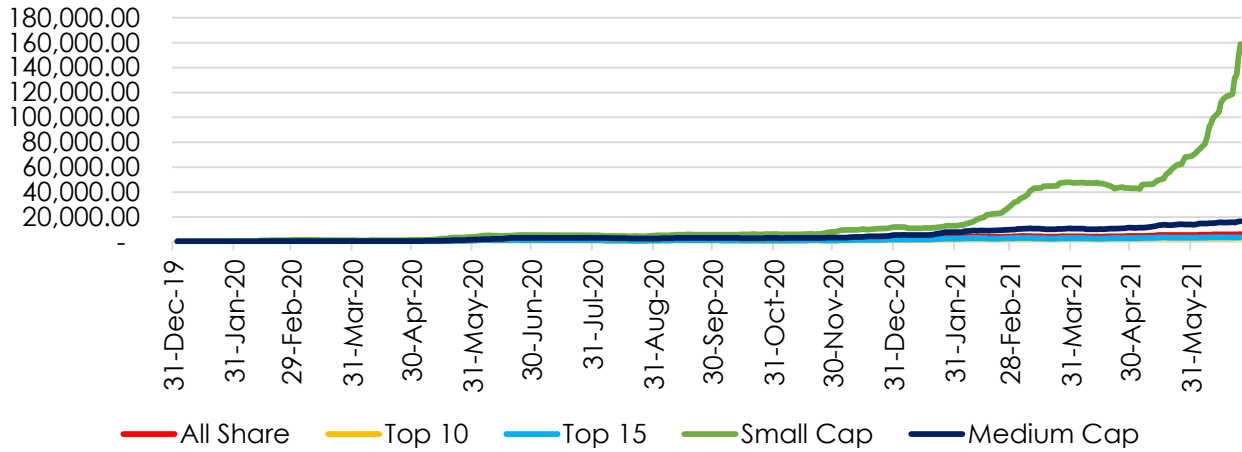
### Graph 8b: FX Allotments Per Sector



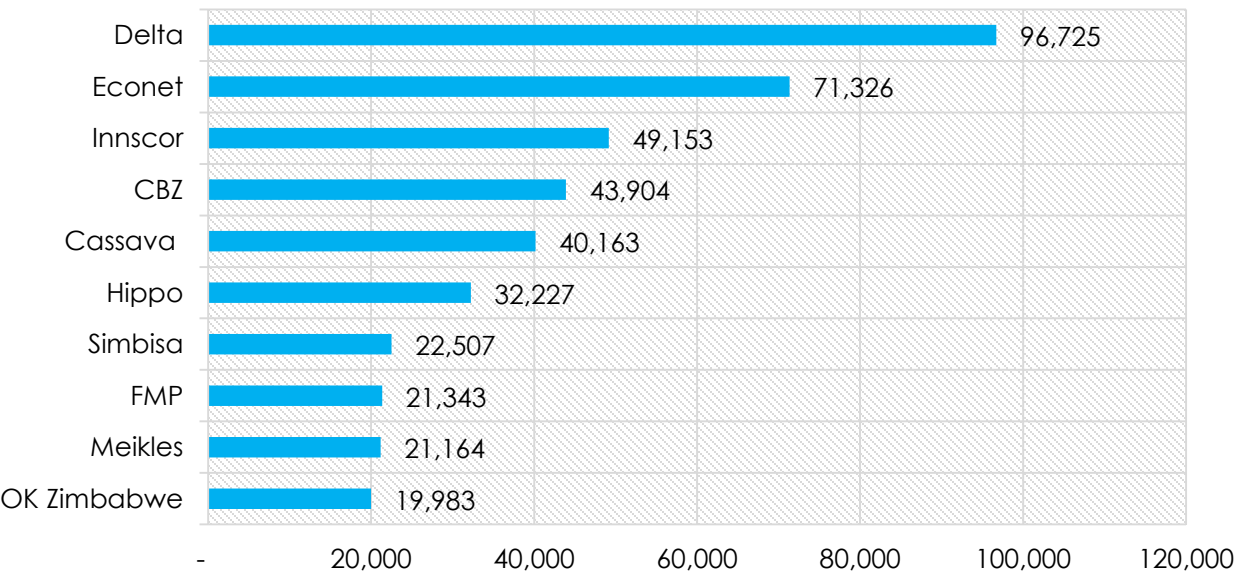
- The ZW\$ marginally declined by 0.1% against the U.S dollar to trade at ZWL\$85.37/USD during the last auction held by the RBZ on Tuesday, 22 June 2021-**Graph 7**. The highest and lowest accepted bid rates were unchanged at 90.0 and 82.0 on the main auction, respectively.
- The total number of allotted bids decreased from 918 to 880. Resultantly, total allotment for the week dropped by 4.6% to US\$44.8m, from US\$46.9m that was allotted during the previous week – **Graph 8a**. Cumulatively, a total of US\$1.5b have been traded on the auction market since its launch on the 23<sup>rd</sup> of June 2020.
- The largest weekly allotments were for raw material (US\$16.4m), machinery & equipment (US\$10.3m), consumables (US\$4.5m), retail & distribution (US\$4.2m) and pharmaceuticals (US\$4.2m) – **Graph 8b**.



**Graph 9: Zimbabwe Stock Exchange Indices**



**Graph 10: ZSE Top 10 Counters By Market Capitalisation-ZWL\$ mln  
25 June 2021**



Source: ZSE

Movers	18-Jun-21	25-Jun-21	Weekly Change (%)
SeedCo	2,160.89	5,523.95	155.6%
Star Africa	127.82	201.45	57.6%
GetBucks	804.76	1,257.50	56.3%
Willdale	199.98	304.36	52.2%
Unifreight	1,500.00	2,155.09	43.7%
Shakers	18-Jun-21	25-Jun-21	Weekly Change (%)
RioZim	2,940.00	2,610.00	-11.2%
Lafarge	6,750.00	6,000.00	-11.1%
Mash	356.13	339.69	-4.6%
Simbisa	4,191.81	4,003.52	-4.5%
ZHL	326.45	318.19	-2.5%

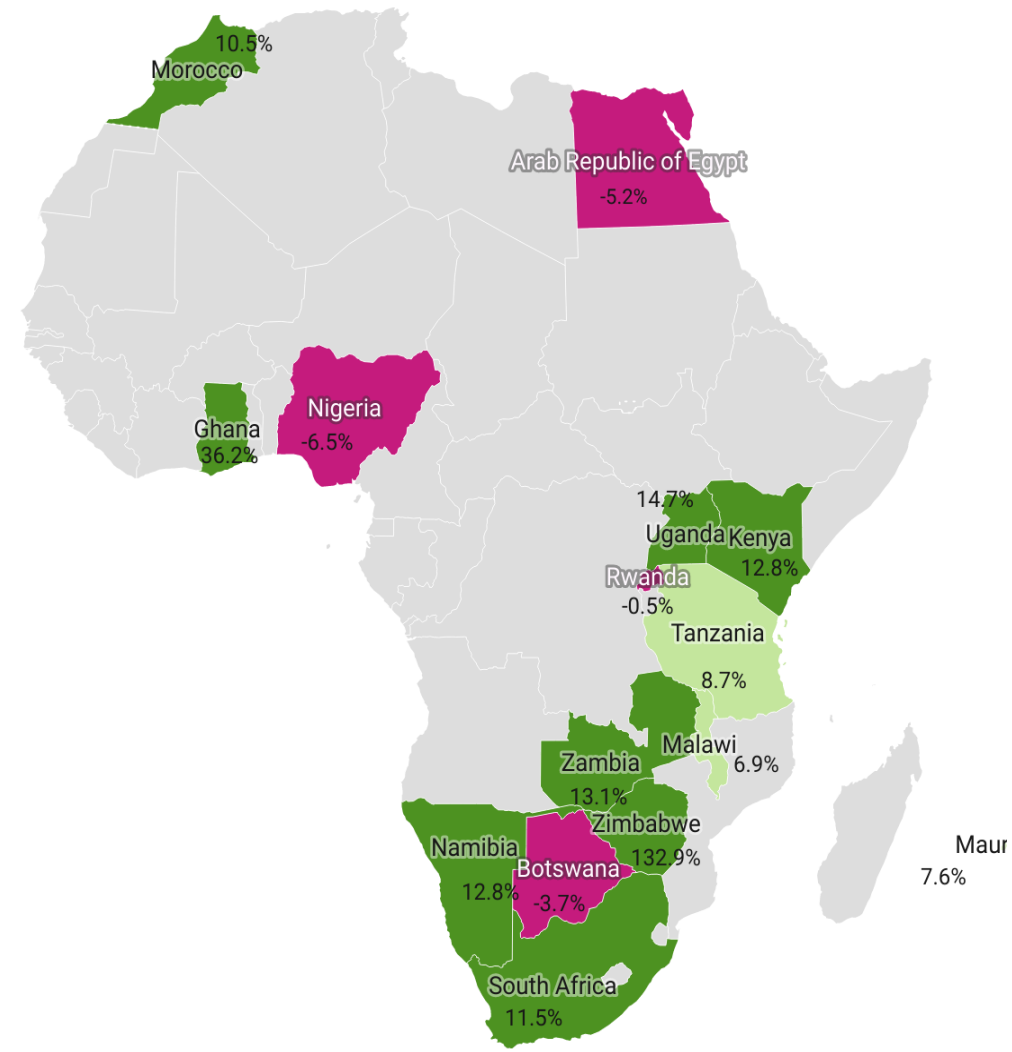
- On the ZSE, bullish sentiments prevailed across the market breadth. The Small Cap Index (+36.1%) was the biggest weekly gainer, followed by the Medium Cap (+5.6%), Top 15 (+3.2%) and Top 10 (+2.4%) indices. The benchmark All Share Index rose by 3.3% to close the week at 6,138.69 points – **Graph 9**.
- Certified crop seeds producer, Seed Co, led the market movers with a weekly gain of 155.6%, followed by sugar refinery Star Africa (+57.6%), microfinance lender GetBucks (+56.3%), brick manufacturer Willdale (+52.2%) and freight and logistic giant Unifreight (+43.7%). However, market gains were offset by losses in RioZim (-11.2%), Lafarge (-11.1%), and Mash (-4.6%) - **Table 2**.
- Delta remained the largest counter on the ZSE with a market capitalisation of ZWL\$96.7b, followed by Econet (ZWL\$71.3b), Innscor (ZWL\$49.2b), CBZ (ZWL\$43.9b) and Cassava (ZWL\$40.1b) - **Graph 10**.
- Meanwhile, Ariston Holdings Limited issued a further cautionary statement advising shareholders and investing public that the company is still in discussions, which if successful, may have a material impact on the company's share price. Accordingly, caution should continued to be exercised in dealing with the company's shares until the deal is finalised.



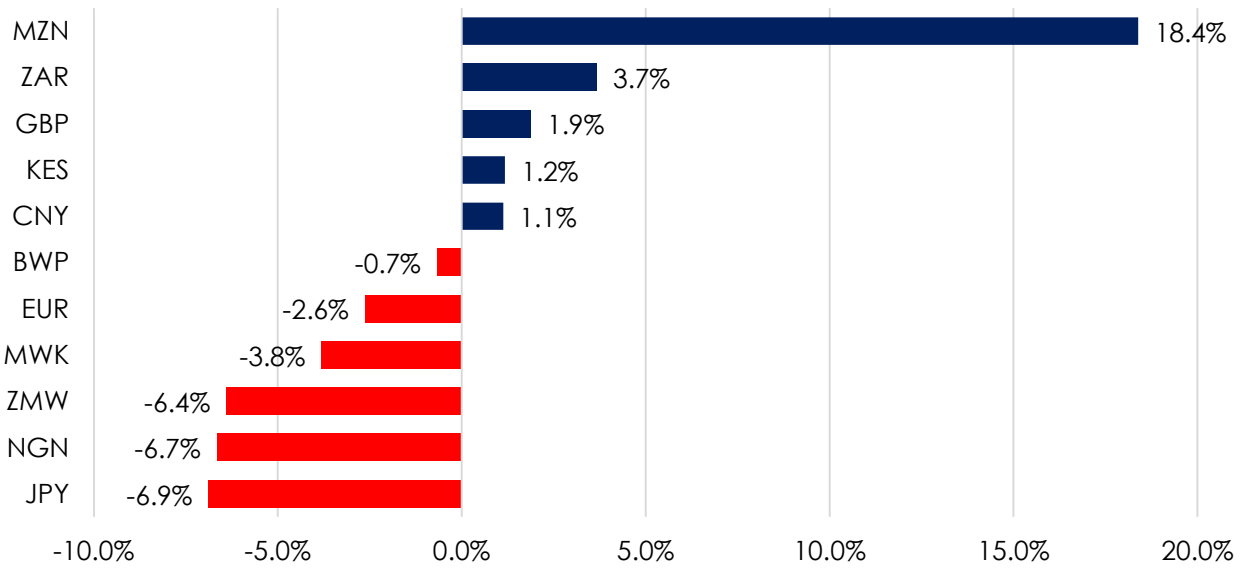
# REGIONAL & GLOBAL FINANCIAL MARKETS

- On the global markets, most major international benchmarks under our watch rebounded from previous week's declines, supported by a bipartisan agreement on U.S infrastructure spending plan, moderating inflation fears and the reaffirmation of ultra-loose monetary policy in the Euro Area.
- The U.S DJIA recorded the largest weekly gain of 3.4%, followed by China's Shanghai Composite Index (+2.0%), U.K.'s FTSE 100 (+1.7%) and Japanese Nikkei 225 Stock Average (+0.4%)
- In African, most equities markets recorded weekly gains, led by Egypt (+4.2%) and Namibia (+3.3%). Resultantly, YTD gains were recorded almost across the board. Zimbabwe (+132.9%), Ghana (+36.2%) and Uganda (+14.7%) recorded the largest YTD gains, while notable decline was recorded for Nigeria (-6.5%) - **Chart 1**.
- On the currencies market, the U.S dollar index slipped 0.5% for the week to 91.81, dragged by contrasting views on U.S inflationary pressures. **Graph 11** below depicts YTD performances of major currencies against the U.S dollar as at 25 June 2021.

### Chart 1: Selected African Equities Markets- YTD Performances



### Graph 11: Major Currencies vs the USD-YTD Movements- 25 June 2021



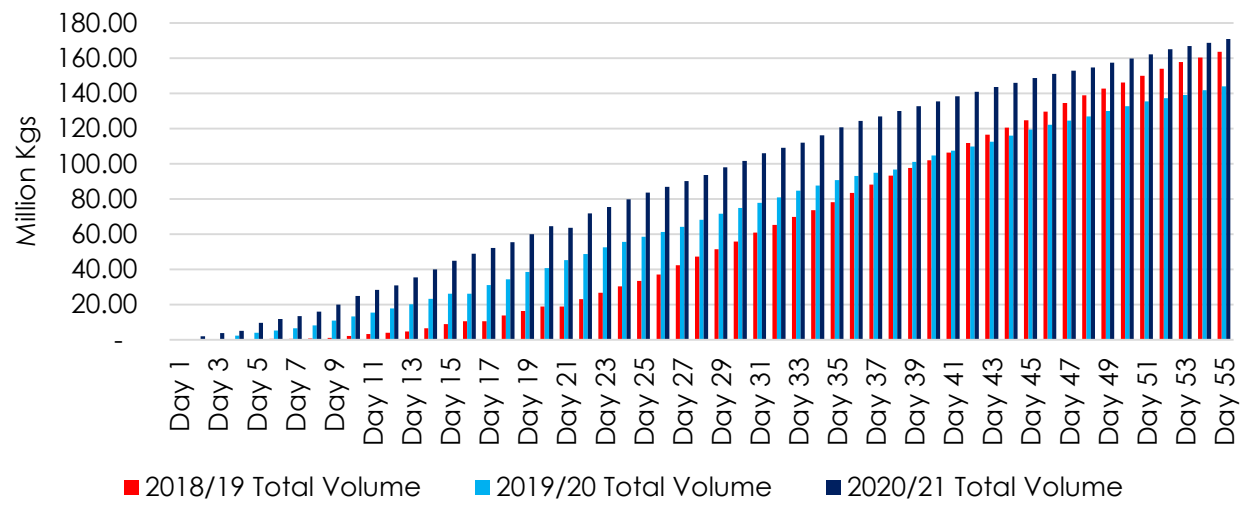
Map: Created by CBZ Holdings Limited • Created with Datawrapper



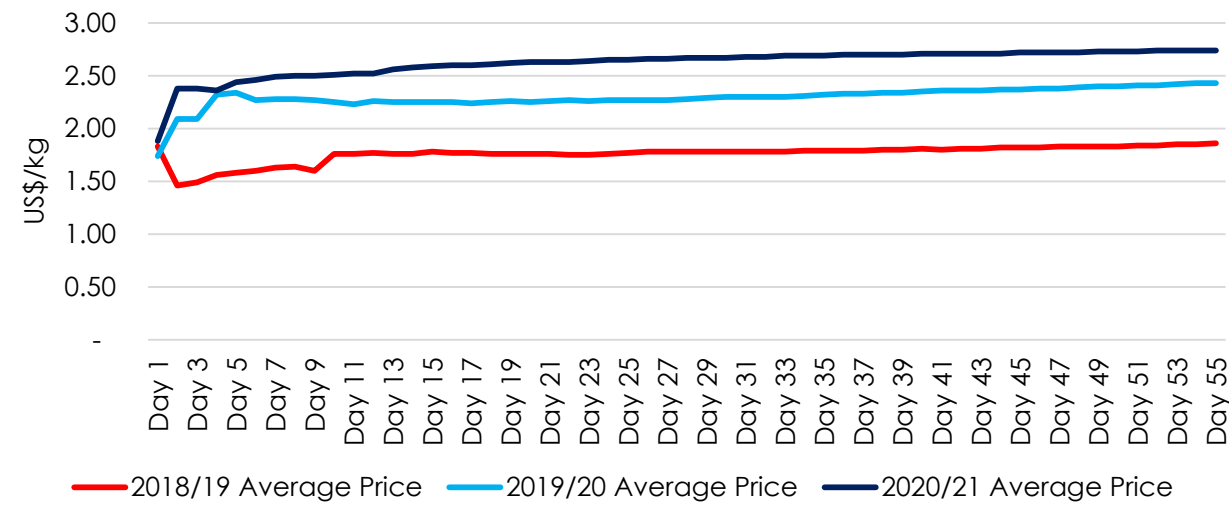
# ZIMBABWE

# THE 2020/21 TOBACCO MARKETING SEASON

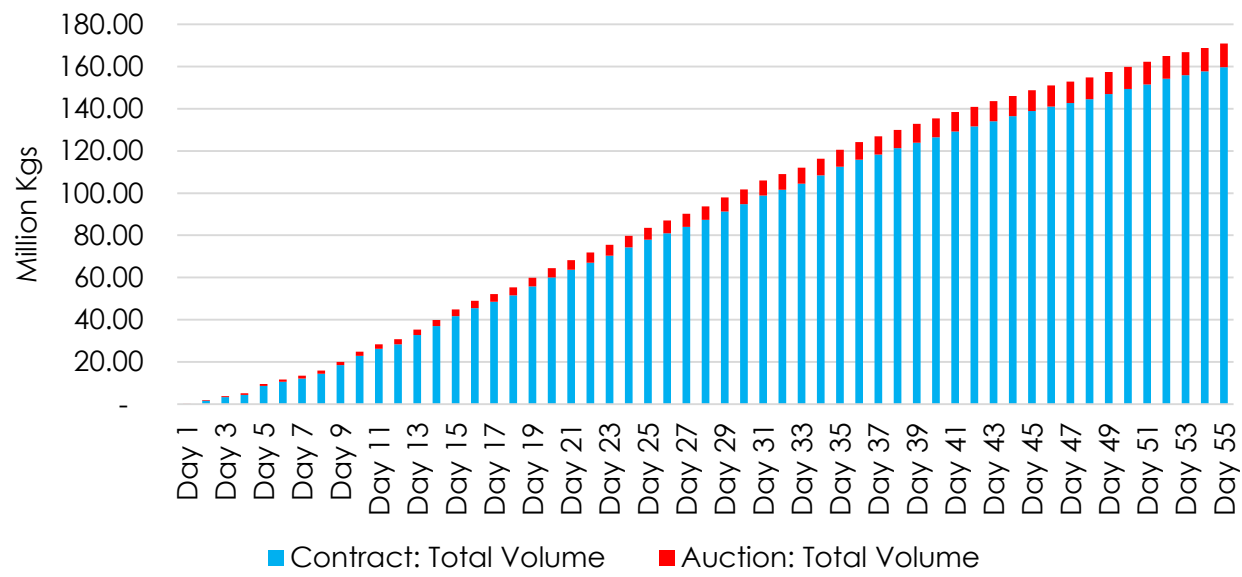
### Cumulative Tobacco Sales Volume Trends (2019-2021)



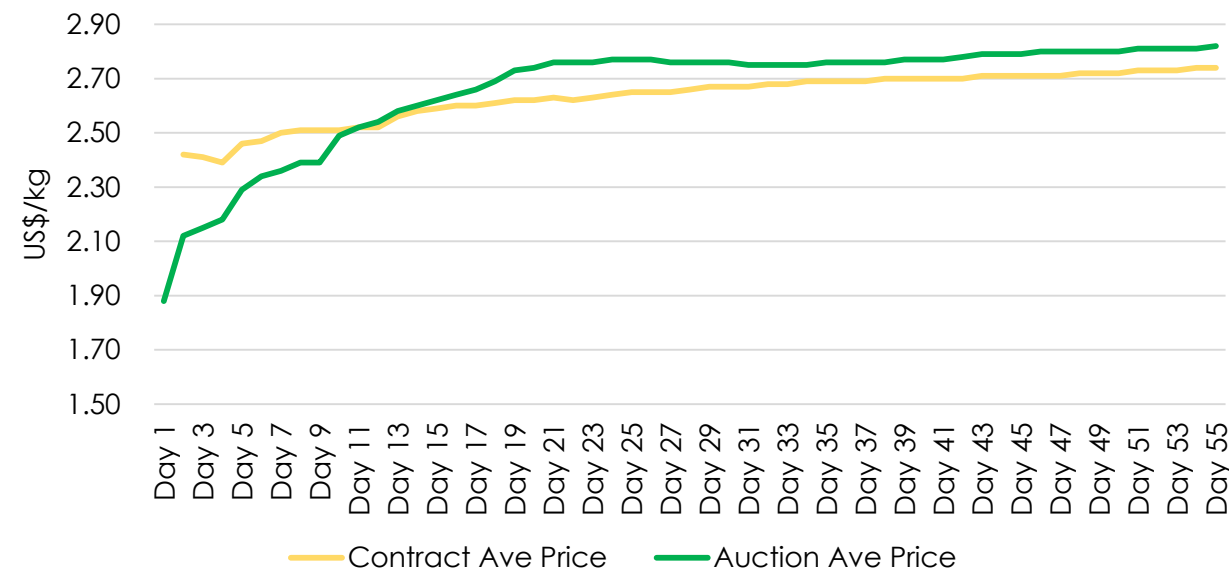
### Tobacco Daily Average Price Trends (2019-2021)



### 2020/21 Cumulative Sales Volume - Contract vs Auction



### 2020/21 Average Prices- Contract vs Auction







# GLOBAL COMMODITY PRICE MOVEMENTS

## MINERALS



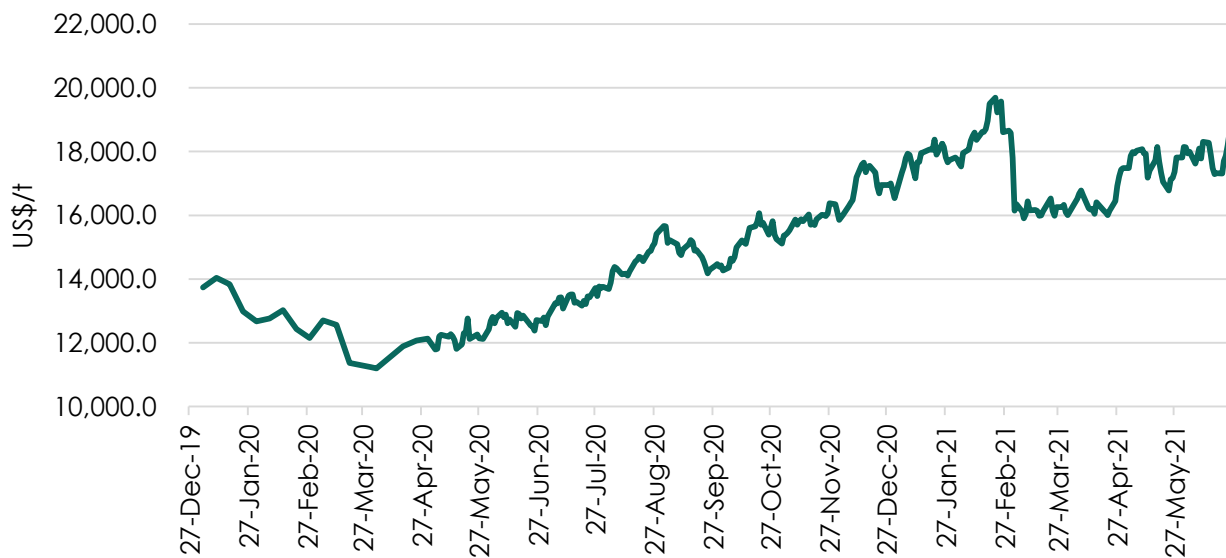
### Gold prices - US\$/oz



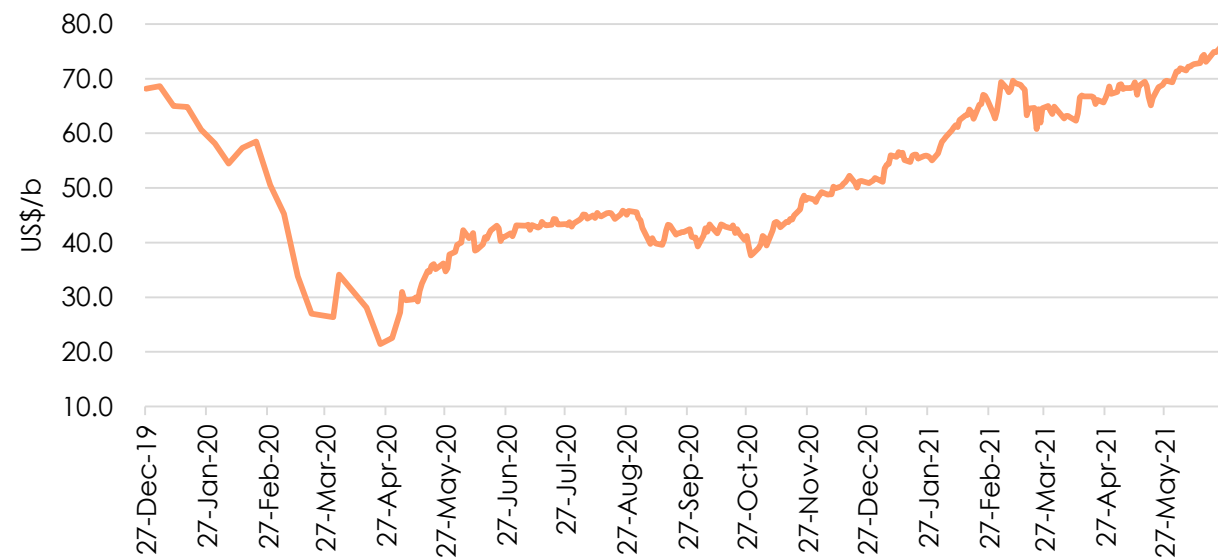
### Platinum - US\$/oz



### Nickel price - US\$/t



### Oil prices - US\$/b



Source: Quandl

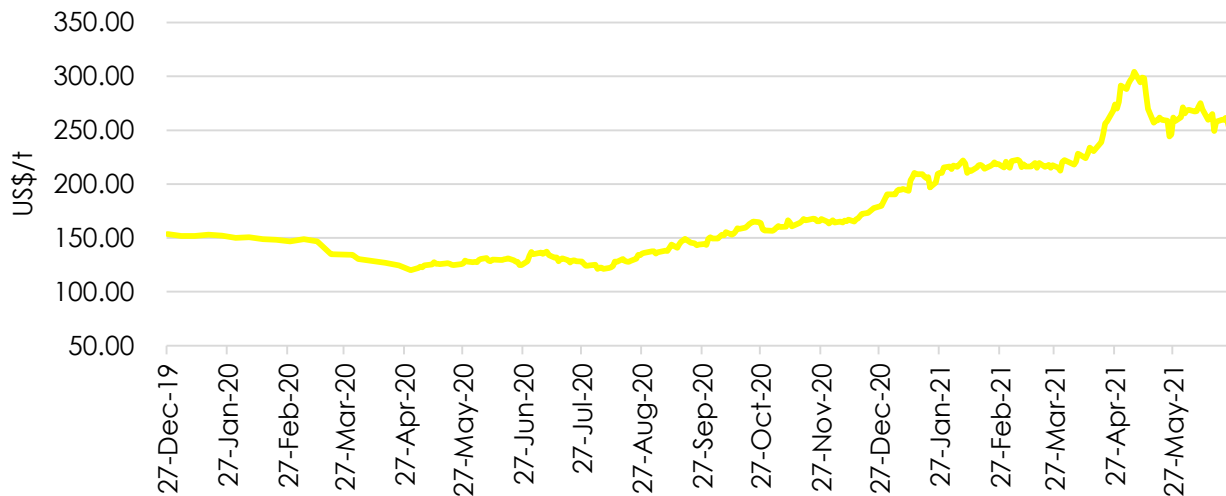


# GLOBAL COMMODITY PRICE MOVEMENTS

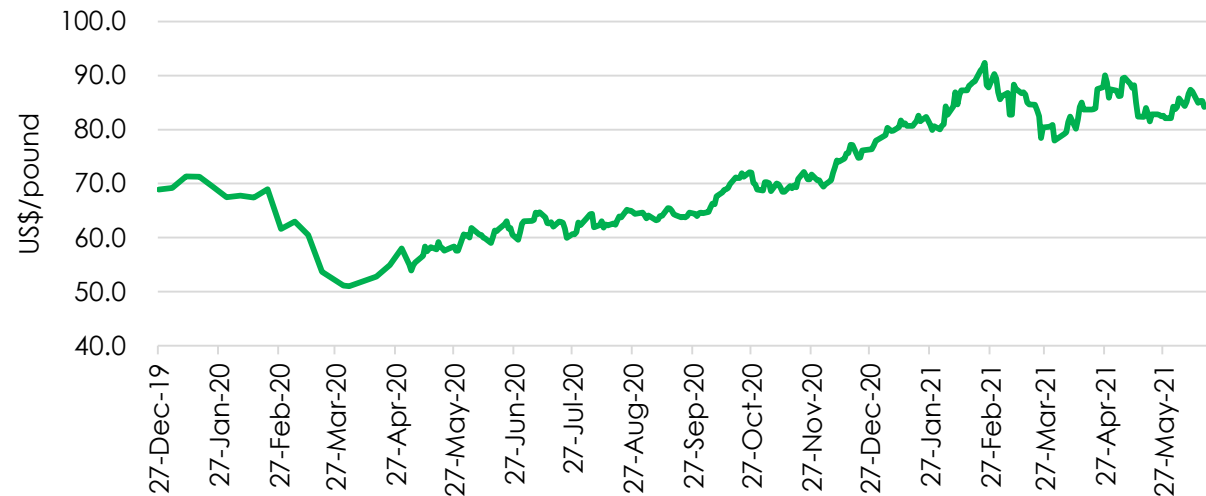
# AGRIC COMMODITIES



### Corn - US\$/t



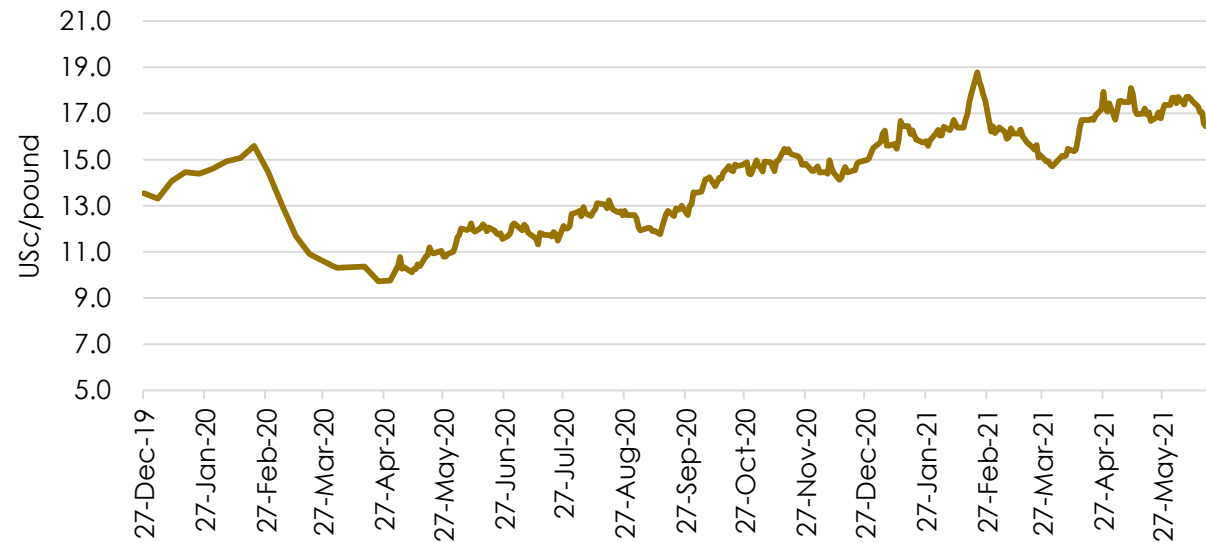
### Cotton - USc/pound



### Wheat - US\$/t



### Sugar - USc/pound



Source: Quandl

Date	Event	Period	Forecast	Previous
<b>Local</b>				
28 June 2021	ZimStat Consumer Price Index "CPI" Update m/m (y/y)	June 2021		2.5% (161.9%)
29 June 2021	RBZ Foreign Exchange Auction Market	30 Jun - 06 Jul 2021		85.3664
29 June 2021	GB Holdings AGM (Time: 1130hrs; Venue: Virtual)			
30 June 2021	FMP AGM (Time: 0930hrs; Venue: Virtual)			
30 June 2021	Dairibord AGM (Time: 1000hrs; Venue: Virtual)			
30 June 2021	First Mutual AGM (Time: 1130hrs; Venue: Virtual)			
30 June 2021	African Sun AGM (Time: 1200hrs; Venue: Virtual)			
30 June 2021	MedTech AGM (Time: 1400hrs; Venue: Virtual)			
30 June 2021	FBC AGM (Time: 1500hrs; Venue: Virtual)			
01 July 2021	GetBucks AGM (Time: 0830hrs; Venue: Virtual)			
01 July 2021	Padenga EGM (Time: 1000hrs; Venue: Virtual)			
<b>Regional &amp; International</b>				
29 June 2021	China Manufacturing PMI	June 2021	50.7	51.0
30 June 2021	U.K GDP q/q (y/y)	Q1 2021	-1.5% (-6.1%)	-1.5% (-6.1%)
30 June 2021	Euro Zone CPI m/m (y/y)	June 2021		0.3% (2.0%)
30 June 2021	South Africa Trade Balance	May 2021	R31.00b	R51.24b
30 June 2021	U.S Crude Oil Inventory			-7.614m
01 July 2021	Euro Zone Unemployment Rate	May 2021	8.0%	8.0%
02 June 2021	U.S Unemployment Rate	June 2021	5.7%	5.8%

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