



ECONOMIC REVIEW

Global market

- Because Russia is too powerful to lose the war yet too weak to win it, the Russo-Ukraine conflict is far from over.
- Given that Russia and Ukraine control a big percentage of the oil market, this has created enormous uncertainty and supply limits in the global commodities market.
- Because oil is a basic commodity in practically every manufacturing process, this has had a global rippling impact on the pricing of basic commodities such as fuel, as indicated by a 9.2 percent year-to-date global inflation rate.

Regional Market

- As the whole world continues to suffer the effect from the global inflation, the regional economy was not spared as they recorded a 5.9% inflation rate for the month of May

Zimbabwe situation

- All this has had some pass over effects to the economy of Zimbabwe as we recorded a month on month inflation rate of 20%, leading to a year on year inflation rate of 130%, which is the second largest inflation rate figure in the world currently (behind Venezuela)
- In addition to the imported inflation, the Zimbabwean economy was already operating under life support, and the government of Zimbabwe issued a raft of policies to try and fix the economy, among them was the banning of bank lending.
- Whenever businesses are spooked, they engage survival mode. As the government of Zimbabwe banned bank lending, companies engaged the survival mode which led to shortages of basic commodities in the market, and ultimately leading to cost push inflation.
- For example, the price of cooking oil rose from an average US\$3.50 to US\$7.00, whilst sugar went up from US\$2.00 to US\$3.60
- As the economy continued facing the effects of the locally manufactured and the globally imported inflation, the alternative exchange rates continued on a slippery slope from ZWL\$350 to ZWL\$514 per US\$1

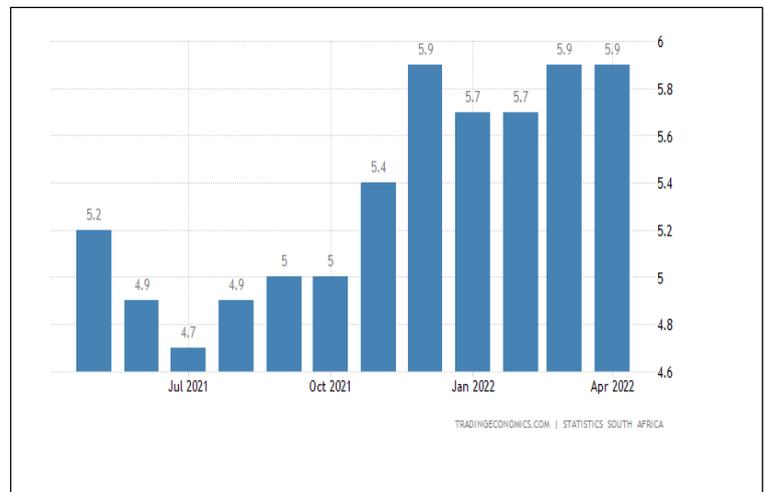
ZSE situation

- In a bid to try and fix the economy, the government imposed a Statutory Instrument 103A which included these highlights;
- 1. Brokerage Commission reduced from 0.92% to 0.7650% when the ZSE and SEC levy increased to 0.25% and 0.2% respectively.
- The trades continued falling further so the government rescinded back, removing the Statutory Instrument 103A with the exception of the 4% Capital Gains Tax.

Global inflation



Regional Inflation



ZSE Market Statistics

	Opening	Closing	Change
All-Share	21504.66	23976.33	11.4936%
Top 10	14025.13	15814.61	12.7590%
Top 15	15412.20	17327.43	12.4267%
Midcap	37086.85	40080.74	8.0726%
Small Cap	474860.42	482263.06	1.5589%

Stock Picks

- TSL
- Zimflow
- Econet
- Hippo
- Meikles