

...private sector growth at 6-year highs...

Euro Area – Resurgent private sector growth ...

According to Markit, the composite Purchasing Managers Index “PMI” for the euro area stood at 56 in February 2017, compared to 54.4 in January 2017. This was the highest reading since April 2011 as both services (55.5 from 53.7) and manufacturing (55.4 from 55.2) accelerated during the review period. A reading above 50 indicates expansion, whilst a reading below 50 reflects contraction. New business and output, job creation as well as business optimism supported private sector activity in February 2017. Going forward, political risk related to elections in France between April and May 2017 is expected to support the accommodative monetary policy stance by the European Central Bank.

Africa –Rising private equity deals ...

According to the African Private Equity and Venture Capital Association “AVCA”, the total value of private equity “PE” deals in Africa rose by 52% to US\$3.9 billion in 2016. AVCA noted that the utilities (21%), telecommunication services (25%) and energy (16%) sectors were the major drivers for the total deals logged in 2016. In terms of the split by region, West Africa, Southern Africa and North Africa dominated at 27%, 15% and 13%, respectively. **Fig.1** below outlines the total value of private equity deals and fundraising initiatives between 2011 and 2016 in Africa.

...Private equity deals in SSA rose by 52% to US\$3.9 billion in 2016...

Fig.1: Trend in PE deals and fundraising initiatives (US\$ billion)



Source: AVCA

According to AVCA, sectors associated with Africa’s strong macro-economic fundamentals; namely an emerging middle class, a young and growing population, rapid urbanisation, should remain the main focus of PE investors. Going forward, the anticipated recovery in commodity prices could spur an increase in private equity deals in SSA.

Zimbabwe –Tobacco marketing season to boost liquidity...

The Tobacco Industry Marketing Board “TIMB” recently announced 15 March 2017 as the opening date for the 2016/17 marketing season. According to the Ministry of Finance and Economic Development, the target for the 2016/17 season is 205 million kilograms “kg”, higher than the c.202.3 million kgs recorded in the prior season. Whilst acknowledging the possible adverse effects of the incessant rains on the quality of the crop, there is a high likelihood that tobacco output will be within the expected targets. The export incentive scheme together with an orderly marketing system, relative to other crops, will also boost output for the crop. In the short term, an improvement in liquidity is expected as tobacco remains the single largest agricultural export earner.

...TIMB sets 15 March 2017 as the opening date for the tobacco 2016/17 marketing season...

Markets Summary

1. Equities

On the Zimbabwe Stock Exchange, the industrial and mining indices fell by 0.3% and 8.6% to end the week at 134.08 and 55.68, respectively. Losses in Inncor, OK Zimbabwe and Bindura were the major drag. Meanwhile, weekly turnover improved by 143.2% to US\$5.69 million with activity highest in CFI, Delta and Inncor contributing 25%, 20% and 11%, respectively, of the total. Elsewhere, with the exception of Kenya, Nigeria, Mauritius and China, all other regional and global markets recorded gains. The US Dow broke the 21,000 mark for the first time after US President Mr. Donald Trump's measured tone in his first speech to Congress lifted investor optimism. **Table 1** below outlines the local as well as major regional and global equities markets' performance as at 03 March 2017.

Table 1: Local, Regional and Global Stock Market Performance

Domestic	24-Feb-17	03-Mar-17	Weekly change (%)	Previous week change(%)	YTD Change (%)
Industrial Index	134.83	134.48	-0.3%	-1.6%	-7.0%
Mining Index	60.89	55.68	-8.6%	0.3%	-4.8%
Mkt cap - US\$mln	3.76	3.75	-0.5%	-1.5%	-6.5%
Turnover - US\$mln	2.34	5.69	143.2%	-3.7%	
African					
Botswana	9,012.38	9,111.65	1.1%	-0.1%	-3.1%
Ghana	1,857.10	1,868.19	0.6%	2.6%	10.6%
Kenya	126.53	121.73	-3.8%	1.3%	-8.7%
Malawi	13,589.36	13,672.69	0.6%	0.0%	2.6%
South Africa	51,609.86	51,708.61	0.2%	-1.6%	2.1%
Nigeria	25,250.37	25,012.08	-0.9%	0.3%	-6.9%
Zambia	4,194.26	4,225.18	0.7%	2.3%	0.7%
Mauritius	1,924.01	1,917.37	-0.3%	-0.2%	6.0%
Global					
U.S. - Dow	20,821.76	21,005.71	0.9%	1.0%	6.3%
U.S. - S&P500	2,367.34	2,383.12	0.7%	0.7%	6.4%
U.K. - FTSE 100	7,243.70	7,374.26	1.8%	-0.8%	3.2%
Japan - NIKKEI 225	19,283.54	19,469.17	1.0%	0.2%	1.9%
China - Shanghai Index	3,253.43	3,218.31	-1.1%	0.4%	3.7%

Source: Various

2. Commodities

Commodities recorded mixed trades. Among the gainers, nickel advanced by 2.5% to US\$10,900/t after the metal recorded its first material deficit in 2016. On the other hand, gold prices fell by 0.74% to US\$1,227/oz as the US Fed hinted that an interest rate hike was likely in its forthcoming March 2017 meeting. (**Table 2**).

Table 2: Commodities Price Performance

Commodities	24-Feb-17	10-Feb-17	Weekly change (%)	Previous week change (%)	YTD Change (%)
Metals					
Gold - US\$/oz	1,235.65	1,226.50	-0.74%	-0.5%	7.0%
Platinum - US\$/oz	1,018.00	991.00	-2.65%	0.2%	9.1%
Copper - US\$/t	5,991.00	5,994.00	0.05%	0.9%	9.0%
Nickel - US\$/t	10,635.00	10,900.00	2.49%	-2.4%	8.9%
Oil - US\$/b	55.99	55.90	-0.16%	0.3%	-1.6%
Agricultural					
Wheat - US\$/t	158.37	159.56	0.75%	-2.6%	6.2%
Soybeans - US\$/t	382.31	390.85	2.23%	-2.0%	1.8%
Sugar - US\$/pound	19.80	19.52	-1.41%	-2.5%	0.1%
Cotton - US\$/pound	75.42	77.28	2.47%	2.6%	9.4%

Source: Various

...Industrial index registered its seventh consecutive weekly loss...

... Nickel advances on expectations of global deficit in the metal...

...US dollar strengthens on rate hike expectations...

3. Currencies

The US dollar remained strong supported by expectations of a rate hike and the measured tone by the US President Mr Donald Trump in his speech to Congress. Thus, the dollar index gained by 0.2% to end the week at 101.34. Elsewhere, expectations of a rate hike in the US dampened appetite for most emerging market currencies. For instance, the pair of the South African rand and Botswana pula fell by 1.6% and 0.8% to close at ZAR13.1/US\$ and BWP10.34/US\$, respectively. **Table 3** below outlines currencies performance as at 03 March 2017.

Table 3: Currencies Performance

Currencies	24-Feb-17	03-Mar-17	Weekly change (%)	Previous week change(%)	YTD Change (%)
USD/ZAR	12.9061	13.1128	1.6%	-1.1%	-3.9%
USD/BWP	10.2637	10.3458	0.8%	-0.2%	-1.7%
USD/ZMK	9.5026	9.7026	2.1%	-2.0%	-1.1%
USD/NGN	311.7060	313.6030	0.6%	0.1%	3.5%
USD/GBP	0.7980	0.8158	2.2%	-0.6%	0.4%
USD/EUR	0.9448	0.9490	0.4%	0.6%	0.0%
USD/JPY	112.506	114.307	1.6%	-0.5%	-2.1%
USD/CNY	6.8688	6.8965	0.4%	0.1%	-0.7%
Dollar Index - DXY	101.12	101.34	0.2%	0.2%	-0.9%

Source: Oanda

Week Ahead

Date	Event	Period	Forecast	Previous
Local				
15-Mar-17	TSL AGM, 12pm, Head Office, 28 Simon Mazorodze Rd, Southerton			
15-Mar-17	Old Mutual Zimbabwe Analyst Briefing, 9am, Steward Room, Meikles			
15-Mar-17	ZimStats Inflation Statistics	Feb-17		-0.65%
17-Mar-17	Nicoz Diamond Analysts Briefing, 12pm, 7th Floor Auditorium, Insurance Centre			
Regional and International				
07-Mar-17	South Africa GDP - YoY	Q4-17	0.50%	0.20%
07-Mar-17	Euro GDP - YoY	Q4-17	0.40%	0.40%
08-Mar-17	US ADP Non farm Employment Change	Feb-17	190k	246k
08-Mar-17	China CPI - YoY	Feb-17	1.70%	2.50%
09-Mar-17	Euro Deposit Facility Rate		-0.40%	-0.40%
09-Mar-17	ECB Interest Rate Decision		0.00%	0.00%
09-Mar-17	US Jobless Claims		239k	223k
10-Mar-17	US Unemployment Rate	Feb-17	4.70%	4.80

Source: Various

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