

**Table 1: US inflation and unemployment trend**

	Unemployment	Inflation
Mar-16	5.0%	0.9%
Apr-16	5.0%	1.1%
May-16	4.7%	1.0%
Jun-16	4.9%	1.0%
Jul-16	4.9%	0.8%
Aug-16	4.9%	1.1%
Sep-16	4.9%	1.5%
Oct-16	4.8%	1.6%
Nov-16	4.6%	1.7%
Dec-16	4.7%	2.1%
Jan-17	4.8%	2.5%
Feb-17	4.7%	n/a

Source: Various

...Egypt's annual inflation accelerated to 30.2% in February 2017...

...Q4 2016 revenues for the telecomms sector rose by 2.9% to US\$269.6 million...

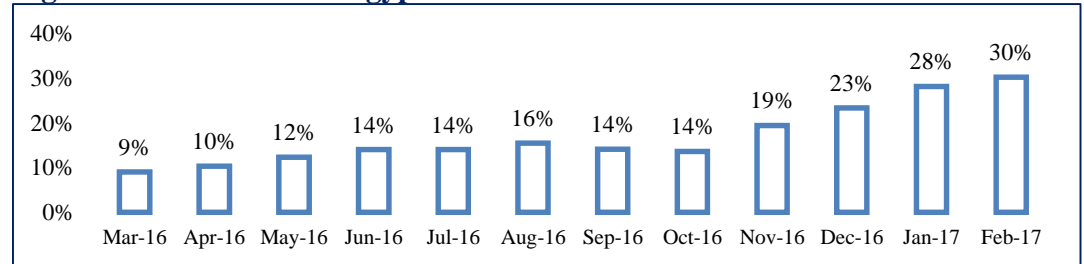
### America – US jobs data increases rate hike possibility...

According to the US Labor department, non-farm payrolls rose by 235, 000 in February 2017, below 238,000 in January 2017 but was above market expectations of 190,000. Job gains occurred in construction, private education services, manufacturing, health care and mining. As a result of the job gains, the unemployment rate declined from 4.8% in January 2017 to 4.7% in February 2017. In the short term, the positive employment data and rising inflationary pressures - **Table 1** across - increases the likelihood of a rate hike in the forthcoming 15 March 2017 meeting by the US Federal Reserve.

### Africa –Rising inflationary pressures in Egypt...

Annual inflation in Egypt accelerated from 28.1% in January 2017 to 30.2% in February 2017. According to the Central Bank of Egypt, prices have soared since the government rolled out a series of economic measures in November 2016. The measures, aimed at securing a US\$12 billion loan from the International Monetary Fund “IMF”, include floating the Egyptian pound and raising fuel prices. **Fig.1** below outlines the trend in inflation since March 2016.

**Fig.1: Inflation trend in Egypt**



Source: Central Bank of Egypt

Going forward, inflationary pressures are expected to persist in Egypt amidst expectations of higher international oil prices and a weakening currency.

### Zimbabwe –Q4 telecomms revenue growth driven by MNOs...

According to the Postal & Telecommunications Authority of Zimbabwe “Potraz”, telecommunications’ revenue rose by 2.9% to US\$269.6 million in the fourth quarter of 2016 “Q4 2016”. All sub-categories recorded increases in revenue as highlighted in **Table 2** below. Nonetheless, the major revenue driver was the increased mobile and data usage for mobile network operators and internet service providers. In fact, mobile data grew by 19% to 2.57 billion MB, whilst mobile voice and sms traffic fell by 8.6% and 1.1% to 843.9 million minutes and 4.5 million texts, respectively, in Q4 2016.

**Table 2: Trends in Telecomms revenue**

Figures in US\$m	Q3-16	Q4-16	Change(%)	Comment
Fixed telephone	19.47	19.88	2.1%	Increased traffic despite the reduction in subscribers
Mobile revenues	194.5	199.2	2.4%	Driven by growth in mobile internet & data usage as voice and sms were subdued
Internet & Data	39.37	40.88	3.8%	Increased internet and data usage
Postal & Courier	8.69	9.6	10.5%	Increased domestic and international volumes
Total Revenues	262.03	269.56	2.9%	Significant growth stemming from mobile revenues

Source: Potraz

Going forward, higher data and internet usage via Over the Top “OTT” services such as Whatsapp, Skype and Viber, is expected to at least sustain sector revenues given the low internet penetration rate of 50%.

## Markets Summary

### 1. Equities

On the Zimbabwe Stock Exchange, the industrial index advanced by 0.7% to close at 135.36 lifted by gains in Delta and BAT Zimbabwe. On the other hand, the mining index fell by 3.6% to end the week at 53.66 dragged by losses in Bindura. Meanwhile, weekly turnover declined by 38.7% to US\$3.49 million with foreign investors maintaining their net-selling position. Elsewhere, with the exception of US, UK and South Africa, all other regional and global markets recorded gains. Expectations of multiple interest rate increases in the US dampened investor confidence as reflected by the 0.5% loss recorded by the Dow Jones. **Table 3** below outlines the local as well as major regional and global equities markets' performance as at 10 March 2017.

**Table 3: Local, Regional and Global Stock Market Performance**

Domestic	03-Mar-17	10-Mar-17	Weekly change (%)	Previous week change(%)	YTD Change (%)
Industrial Index	134.48	135.36	0.7%	-0.3%	-6.3%
Mining Index	55.68	53.66	-3.6%	-8.6%	-8.3%
Mkt cap - US\$m	3.75	3.77	0.6%	-0.5%	-6.0%
Turnover - US\$m	5.69	3.49	-38.7%	143.2%	
<b>African</b>					
Botswana	9,111.65	9,120.69	0.1%	1.1%	-3.0%
Ghana	1,868.19	1,868.59	0.0%	0.6%	10.6%
Kenya	121.73	122.47	0.6%	-3.8%	-8.2%
Malawi	13,672.69	14,036.44	2.7%	0.6%	5.4%
South Africa	51,708.61	51,198.92	-1.0%	0.2%	1.1%
Nigeria	25,012.08	25,238.01	0.9%	-0.9%	-6.1%
Zambia	4,225.18	4,328.27	2.4%	0.7%	3.2%
Mauritius	1,917.37	1,917.76	0.0%	-0.3%	6.0%
<b>Global</b>					
U.S. - Dow	21,005.71	20,902.98	-0.5%	0.9%	5.8%
U.S. - S&P500	2,383.12	2,372.60	-0.4%	0.7%	6.0%
U.K. - FTSE 100	7,374.26	7,343.08	-0.4%	1.8%	2.8%
Japan - NIKKEI 225	19,469.17	19,633.75	0.8%	1.0%	2.7%
China - Shanghai Index	3,218.31	3,233.44	0.5%	-1.1%	4.2%

Source: Various

### 2. Commodities

With the exception of cotton, commodities traded in the negative territory. Oil prices recorded the largest loss of 8.1% to close at a 3-month low of US\$51.4/b on increased US inventories despite output curbs by OPEC members. On the other hand, cotton registered a marginal 0.01% gain to end the week at US\$77.29/p. (**Table 4**).

**Table 4: Commodities Price Performance**

Commodities	03-Mar-17	10-Mar-17	Weekly change (%)	Previous week change (%)	YTD Change (%)
<b>Metals</b>					
Gold - US\$/oz	1,226.50	1,202.65	-1.94%	-0.7%	5.0%
Platinum - US\$/oz	991.00	942.00	-4.94%	-2.7%	3.7%
Copper - US\$/t	5,994.00	5,655.00	-5.66%	0.1%	2.8%
Nickel - US\$/t	10,900.00	10,100.00	-7.34%	2.5%	0.9%
Oil - US\$/b	55.90	51.37	-8.10%	-0.2%	-9.6%
<b>Agricultural</b>					
Wheat - US\$/t	159.56	155.70	-2.42%	0.8%	3.7%
Soybeans - US\$/t	390.85	379.01	-3.03%	2.2%	-1.2%
Sugar - US\$/pound	19.52	18.22	-6.66%	-1.4%	-6.6%
Cotton - US\$/pound	77.28	77.29	0.01%	2.5%	9.4%

Source: Various

...Industrial index halts a seven week losing streak...

... Gold lost its safe-haven appeal on US rate hike expectations...

...US dollar almost flat at 101.33...

### 3. Currencies

The US dollar was largely flat during the week under review albeit increased expectations of a rate hike following the February 2017 jobs report. Thus, the dollar index closed the week at 101.33, compared to the prior week's level of 101.34. Elsewhere, the South African rand and Botswana pula remained weak by 1.1% and 0.4% to close at ZAR13.26/US\$ and BWP10.39/US\$, respectively, on waning demand for emerging market currencies ahead of the US Federal Reserve "Fed" forthcoming March 2017 meeting. Another rate hike by the Fed is expected to strengthen the US dollar. **Table 5** below outlines currencies performance as at 10 March 2017.

**Table 5: Currencies Performance**

Currencies	03-Mar-17	10-Mar-17	Weekly change (%)	Previous week change(%)	YTD Change (%)
USD/ZAR	13.1128	13.2597	1.1%	1.6%	-2.8%
USD/BWP	10.3458	10.3914	0.4%	0.8%	-1.3%
USD/ZMK	9.7026	9.5640	-1.4%	2.1%	-2.5%
USD/NGN	313.6030	312.7020	-0.3%	0.6%	3.2%
USD/GBP	0.8158	0.8221	0.8%	2.2%	1.2%
USD/EUR	0.9490	0.9418	-0.8%	0.4%	-0.8%
USD/JPY	114.307	115.17	0.8%	1.6%	-1.3%
USD/CNY	6.8965	6.9115	0.2%	0.4%	-0.5%
Dollar Index - DXY	101.34	101.33	0.0%	0.2%	-0.9%

Source: Oanda

### Week Ahead

Date	Event	Period	Forecast	Previous
<b>Local</b>				
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			
<b>Regional and International</b>				
13-Mar-17	ECB President Speaks			
14-Mar-17	South Africa Mining Production	Jan-17	-0.50%	-1.90%
14-Mar-17	South Africa Manufacturing Production	Jan-17	0.10%	0.30%
15-Mar-17	US IEA Monthly Report			
15-Mar-17	US CPI - YoY	Feb-17	2.70%	2.50%
15-Mar-17	US Interest Rate Decision		1.00%	0.75%
15-Mar-17	Bank of Japan Interest Rate Decision		-0.10%	-0.10%
16-Mar-17	Bank of England Interest Rate Decision		0.25%	0.25%

Source: Various

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