

Asia - China's factory growth slows...

According to the Caixin, China's purchasing managers index "PMI" fell from 51.2 in March 2017 to 50.3 in April 2017, below the 51.0 market forecasts. The slowdown regarded as the weakest pace in seven months was attributed to faltering domestic and export demand as well as decline in commodity prices. A reading above the 50.0 mark indicates expansion or growth, whilst below 50.0 it signals contraction. Overall, despite the slowdown, the indicator shows momentum as it is over 50 indicating improving conditions.

Africa – SA's trade surplus increases...

According to the South African Revenue Service "SARS", the country's trade surplus increased by 139% from ZAR4.8 billion (US\$359.8 million) in February 2017 to ZAR 11,4 billion (US\$859.1 million) in March 2017. A relatively higher growth in exports of 16.9% in comparison to 8.9% increase in imports, lifted the trade surplus. **Table 1** below outlines the trend in South Africa's trade balance between February and March 2017.

Table 1: Trend in South Africa's Trade Data

	Mar-17 Rmln	M-o-m (%)	Y-o-y (%)	Feb-17 Rmln
Trade balance	11,435.2			4,788.8
Exports	101,234.2	16.0	6.3	87,269.5
Imports	89,799.0	8.9	-3.7	82,480.7

Source: SARS

Going forward, the anticipated recovery in commodity prices and agricultural production is expected to improve South Africa's trade balance.

Zimbabwe – Mukuru suspends rand remittances...

Money transfer agent, Mukuru, temporarily suspended South African rand disbursements in the country during the week under review. Mukuru attributed rand shortages in the country as the major reason for the decision. Nonetheless, the remittance company highlighted that they will continue conducting transfers from SA and will be issuing United States dollars only. Given the significance of remittances on the country's liquidity situation as indicated in **Table 2** below, the temporary suspension is expected to restrain short-term formal diaspora remittances.

Table 2: Trend in Foreign Currency Receipts

Category	2009	2010	2011	2012	2013	2014	2015	2016
Export Proceeds	1.61	3.24	4.42	3.81	3.69	3.56	3.38	2.96
Diaspora Remittances & IOs	0.71	0.63	1.80	2.03	1.89	1.76	1.92	1.57
External Loans	0.03	0.04	0.17	0.48	0.69	0.83	0.76	0.51
Income Receipts	0.10	0.07	0.24	0.29	0.20	0.08	0.06	0.32
Foreign Investment	0.01	-	0.15	0.25	0.40	0.16	0.15	0.05
Liquid foreign currency receipts	2.47	3.98	6.77	6.85	6.87	6.38	6.26	5.41

Source: RBZ

...Factory growth slows in China...

...Trade surplus increases in South Africa...

...formal remittances likely to be subdued following Mukuru's rand disbursement suspension...

Tobacco Sales Update

Cumulative sales for the period to 27 April 2017 show that total volume and value traded increased by 28.9% and 26.4% to 74.9 million kgs and US\$206.4 million, respectively, when compared to the 2016 marketing season. Meanwhile, the average price for the current season fell by 1.8% to US\$2.62/kg. **Table 3** below outlines the cumulative tobacco sales statistics as at 27 April 2017 (*latest available data*).

Table 3: Tobacco Marketing Statistics as at 27 April 2017 (Day 29)

Seasonal	Total Auction	Total Contract	Total 2017	Total 2016	Change (%)
Mass sold (million kg)	14.84	60.03	74.88	58.11	28.9%
Value (US\$ million)	40.75	165.69	206.44	163.35	26.4%
Average Price (US\$/kg)	2.75	2.76	2.76	2.81	-1.8%
Rejected %	10.76%	4.44%	5.87%	6.71%	0.8
Highest Price (US\$/kg)	4.99	6.00	6.00	6.25	-4.0%
Lowest Price (US\$/kg)	0.10	0.10	0.10	0.10	-
Average bale weight (kg)	69.0	76.0	75.0	78.0	-3.8%

Source: TIMB

Markets Summary

1. Equities

On the Zimbabwe Stock Exchange, the industrial and mining indices advanced by 1.2% and 0.1% to end the week at 143.20 and 66.33, respectively. Gains registered by Econet and BAT Zimbabwe were the major market movers. Meanwhile, weekly turnover improved by 467.1% to US\$5.20 million with the trio of Simbisa, Econet and Delta commanding c.51% of the total. Elsewhere, with the exception of Kenya, all other regional and global markets traded in the positive territory. Strong first quarter earnings, particularly banks and technology companies in the US and Europe, lifted investor sentiment. **Table 4** below outlines the local as well as major regional and global equities markets' performance as at 28 April 2017.

Table 3: Local, Regional and Global Stock Market Performance

Domestic	21-Apr-17	28-Apr-17	Weekly change (%)	Previous week change (%)	YTD Change (%)
Industrial Index	141.50	143.20	1.2%	0.4%	-0.9%
Mining Index	66.25	66.33	0.1%	10.2%	13.4%
Mkt cap - US\$mln	4.14	4.18	1.0%	5.5%	4.4%
Turnover - US\$mln	0.92	5.20	467.1%	-12.8%	
African					
Botswana	9,297.88	9,338.96	0.4%	0.3%	-0.7%
Ghana	1,885.76	1,896.13	0.5%	0.2%	12.3%
Kenya	133.50	133.28	-0.2%	-1.2%	0.0%
Malawi	15,112.97	15,203.97	0.6%	2.0%	14.1%
South Africa	52,194.59	53,817.31	3.1%	-1.6%	6.2%
Nigeria	25,189.37	25,767.26	2.3%	-1.3%	-4.1%
Zambia	4,563.15	4,570.08	0.2%	1.1%	8.9%
Mauritius	2,004.94	2,016.94	0.6%	0.9%	11.5%
Global					
U.S. - Dow	20,547.76	20,940.51	1.9%	-0.4%	6.0%
U.S. - S&P500	2,348.69	2,384.20	1.5%	0.0%	6.5%
U.K. - FTSE 100	7,114.55	7,203.94	1.3%	-2.0%	0.9%
Japan - NIKKEI 225	18,875.88	19,196.74	1.7%	2.5%	0.4%
China - Shanghai Index	3,133.58	3,154.66	0.7%	-2.0%	1.6%

Source: Various

... Cumulative tobacco sales at US\$206.4 million as at 27 April 2017...

...Industrial index advanced by 1.2% to 143.2...

2. Commodities

Mixed trades were recorded in commodities. On the upside, wheat prices advanced by 3.33% to close at US\$153.8/t after storms with heavy snow threatened to damage U.S. crops. On the other hand, the trio of platinum, sugar and nickel recorded huge losses of 2.7%, 2.3% and 2.0%, respectively (**Table 5**).

Table 5: Commodities Price Performance

Commodities	21-Apr-17	28-Apr-17	Weekly change (%)	Previous week change (%)	YTD Change (%)
Metals					
Gold - US\$/oz	1,281.85	1,266.45	-1.20%	-0.2%	10.5%
Platinum - US\$/oz	979.00	953.00	-2.66%	0.2%	5.0%
Copper - US\$/t	5,611.50	5,686.50	1.34%	-0.8%	3.4%
Nickel - US\$/t	9,380.00	9,190.00	-2.03%	-3.2%	-8.2%
Oil - US\$/b	51.96	51.73	-0.44%	-7.0%	-9.0%
Agricultural					
Wheat - US\$/t	148.81	153.77	3.33%	-5.6%	2.4%
Soybeans - US\$/t	358.61	357.05	-0.44%	-0.2%	-7.0%
Sugar - US\$/pound	16.41	16.04	-2.25%	-1.1%	-17.8%
Cotton - US\$/pound	78.99	80.23	1.57%	4.5%	13.6%

Source: Various

3. Currencies

The US dollar was largely flat during the period under review mainly as investors wait for the forthcoming US Federal Reserve meeting on 03 May 2017. Indications that US policymakers reached a deal to fund government through to September 2017 thereby avoiding fears of a shutdown, helped in easing pressure on the US dollar. As a result, the dollar index ended the week at 99.04. Elsewhere, the Nigerian naira strengthened by 0.3% to NGN312.8/US\$ after its central bank introduced a new policy to allow foreign investors to engage in foreign exchange trading at rates the buyers and sellers set. **Table 6** below outlines currencies performance as at 28 April 2017.

Table 6: Currencies Performance

Currencies	21-Apr-17	28-Apr-17	Weekly change (%)	Previous week change (%)	YTD Change (%)
USD/ZAR	13.1426	13.3241	1.4%	-2.4%	-2.4%
USD/BWP	10.3047	10.3222	0.2%	-1.4%	-2.0%
USD/ZMK	9.3393	9.3301	-0.1%	-0.3%	-4.9%
USD/NGN	313.6640	312.7950	-0.3%	0.7%	3.2%
USD/GBP	0.7813	0.7737	-1.0%	-2.0%	-4.8%
USD/EUR	0.9338	0.9181	-1.7%	-0.6%	-3.3%
USD/JPY	109.181	111.325	2.0%	0.1%	-4.6%
USD/CNY	6.8835	6.8949	0.2%	0.0%	-0.8%
Dollar Index - DXY	99.07	99.04	0.0%	-1.2%	-3.1%

Source: Oanda

Week Ahead

Date	Event	Period	Forecast	Previous
Local				
Regional and International				
03-May-17	Euro GDP - YoY	Q1-17	1.70%	1.70%
03-May-17	South Africa Manufacturing PMI			52.20
03-May-17	US ADP Non Farm Employment Change	Apr-17	175k	263k
03-May-17	US Fed Interest Rate Decision		1.00%	1.00%
04-May-17	South Africa Business Confidence			93.80
05-May-17	EU Economic Forecasts			
05-May-17	US Unemployment Rate	Apr-17	4.60%	4.50%

Source: Various

...oil prices dragged by excess supply concerns...

....US dollar index flat at 99.04...

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