

**Table 1: Trend in US unemployment rate (%)**

Period	%
May-16	4.7%
Jun-16	4.9%
Jul-16	4.9%
Aug-16	4.9%
Sep-16	4.9%
Oct-16	4.8%
Nov-16	4.6%
Dec-16	4.7%
Jan-17	4.8%
Feb-17	4.7%
Mar-17	4.5%
Apr-17	4.4%

Source: US Labor Department

**America - Jobs market gains momentum...**

According to the US Labor Department, employers added 211,000 jobs in April 2017, compared to 79,000 in March 2017 and market expectations of 185,000. Employment rose in leisure and hospitality, health care and social assistance, financial activities and mining. As a result of the increase in private sector jobs, the unemployment rate fell to a 10-year low of 4.4% in April 2017 from 4.5% in the previous month – **Table 1** across. In the short term, the improvement in US labour market is expected to support further monetary policy tightening in line with the US Federal Reserve target of two interest rate hikes in 2017.

**Africa – Kenya’s annual inflation on the rise...**

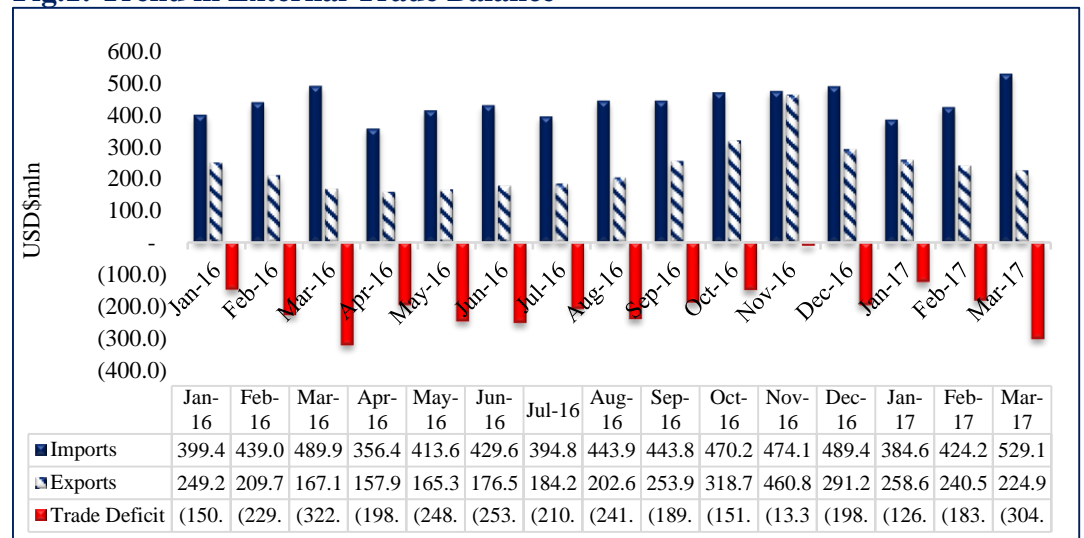
Annual inflation in Kenya rose to 11.48% in April 2017 from 10.28% in March 2017. According to Kenya’s National Bureau of Statistics, food prices continued to surge due to a drought which has left 2.7 million citizens in need of food aid. Meanwhile, the impact of drought has also impacted on major agricultural export earners. In fact, the Kenya Tea Board noted that tea output fell by 35% to 90.09 million kg in the first quarter of 2017. Going forward, the twin objectives of stimulating economic growth and promoting price stability will most likely leave the Central Bank of Kenya between a rock and a hard place.

**Zimbabwe – Trade deficit widens in March 2017...**

According to the Zimbabwe National Statistics Agency “ZimStat”, the country’s trade deficit widened by 66.6% to US\$304.2 million in March 2017 (Feb 2017 – US\$183.7 million). A relatively higher growth of 24.7% in imports and a 6.5% reduction in exports, lifted the trade deficit. On the imports side, the increase was driven by maize, wheat, urea, soybeans and medicaments, whilst exports were subdued due to decreases in tobacco and diamond categories. **Fig.1** below outlines the monthly trend in external trade since January 2016.

...Trade deficit widens by 66% to US\$304 million in March 2017...

**Fig.1: Trend in External Trade Balance**



Source: ZimStat

Going forward, efforts to grow output for key exports remains a critical success factor in improving the trade gap and the subsequent retention of liquidity.

### Tobacco Sales Update

Cumulative sales for the period to 04 May 2017 show that total volume and value traded increased by 30.7% and 28.0% to 91.7 million kgs and US\$255.6 million, respectively, when compared to the 2016 marketing season. Meanwhile, the average price for the current season fell by 2.1% to US\$2.79/kg. **Table 2** below outlines the cumulative tobacco sales statistics as at 04 May 2017 (*latest available data*).

**Table 2: Tobacco Marketing Statistics as at 27 April 2017 (Day 29)**

Seasonal	Total Auction	Total Contract	Total 2017	Total 2016	Change (%)
Mass sold (million kg)	17.53	74.15	91.68	70.15	30.7%
Value (US\$ million)	48.71	206.87	255.57	199.73	28.0%
Average Price (US\$/kg)	2.78	2.79	2.79	2.85	-2.1%
Rejected %	10.70%	4.40%	5.77%	6.39%	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 1.4% and 5.9% to end the week at 145.26 and 70.22, respectively. Gains registered by Econet and Delta supported the upward market movement. Meanwhile, weekly turnover fell by 43.5% to US\$2.94 million as foreign investor participation was subdued. Elsewhere, with the exception of Ghana, South Africa and China, all other regional and global markets recorded gains during the week under review. Strong earnings in the US continued to drive global equities. **Table 3** below outlines the local as well as major regional and global equities markets' performance as at 05 May 2017.

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

Domestic	28-Apr-17	05-May-17	Weekly change (%)	Previous week change(%)	YTD Change (%)
Industrial Index	143.20	145.26	1.4%	1.2%	0.5%
Mining Index	66.33	70.22	5.9%	0.1%	20.0%
Mkt cap - US\$m	4.18	4.25	1.7%	1.0%	6.1%
Turnover - US\$m	5.20	2.94	-43.5%	467.1%	
<b>African</b>					
Botswana	9,338.96	9,363.92	0.3%	0.4%	-0.4%
Ghana	1,896.13	1,884.87	-0.6%	0.5%	11.6%
Kenya	133.28	135.22	1.5%	-0.2%	1.4%
Malawi	15,203.97	15,266.66	0.4%	0.6%	14.6%
South Africa	53,817.31	53,579.01	-0.4%	3.1%	5.8%
Nigeria	25,767.26	26,235.63	1.8%	2.3%	-2.4%
Zambia	4,570.08	4,637.85	1.5%	0.2%	10.5%
Mauritius	2,016.94	2,027.16	0.5%	0.6%	12.1%
<b>Global</b>					
U.S. - Dow	20,940.51	21,006.94	0.3%	1.9%	6.3%
U.S. - S&P500	2,384.20	2,399.29	0.6%	1.5%	7.2%
U.K. - FTSE 100	7,203.94	7,297.43	1.3%	1.3%	2.2%
Japan - NIKKEI 225	19,196.74	19,895.70	3.6%	1.7%	4.1%
China - Shanghai Index	3,154.66	3,085.46	-2.2%	0.7%	-0.6%

Source: Various

... Contracted crop accounted for 81% of total sales as at 04 May 2017...

...Industrial index advanced by 1.4% to 145.26...

...gold prices fell to a seven-week low...

## 2. Commodities

With the exception of wheat and soybeans, all commodities under our survey recorded price declines. Gold prices fell by 3.0% to US\$1,228/oz due to weak global investment demand and the positive US jobs data which lowered the safe-haven appeal for the metal. Oil prices also fell by 5.1% to a five-month low of US\$49.1/b on excess supply concerns (**Table 4**).

**Table 4: Commodities Price Performance**

Commodities	28-Apr-17	05-May-17	Weekly change (%)	Previous week change (%)	YTD Change (%)
<b>Metals</b>					
Gold - US\$/oz	1,266.45	1,228.05	-3.03%	-1.2%	7.2%
Platinum - US\$/oz	953.00	914.00	-4.09%	-2.7%	0.7%
Copper - US\$/t	5,686.50	5,543.00	-2.52%	1.3%	0.8%
Nickel - US\$/t	9,190.00	9,010.00	-1.96%	-2.0%	-10.0%
Oil - US\$/b	51.73	49.10	-5.08%	-0.4%	-13.6%
<b>Agricultural</b>					
Wheat - US\$/t	153.77	157.26	2.27%	3.3%	4.7%
Soybeans - US\$/t	357.05	369.64	3.53%	-0.4%	-3.7%
Sugar - US\$/pound	16.04	15.31	-4.55%	-2.3%	-21.5%
Cotton - US\$/pound	80.23	79.76	-0.59%	1.6%	12.9%

Source: Various

....euro lifted by outcome from France election...

## 3. Currencies

The US dollar traded weak somehow linked to the decision by the US Federal Reserve to maintain the policy rate at 0.75% to 1% range during its May 2017 meeting. As a result, the dollar index closed the week 0.4% lower at 98.64. Elsewhere, the euro strengthen by 0.7% as traders looked beyond the French elections to the potential for the European Central Bank to signal further reduction in bond-buying. On the other hand, the South African rand fell by 2.0% to ZAR13.58/US\$ as investors favored developed market currencies after the French election result calmed fears the country would follow Britain out of the European Union. **Table 5** below outlines currencies performance as at 05 May 2017.

**Table 5: Currencies Performance**

Currencies	28-Apr-17	05-May-17	Weekly change (%)	Previous week change (%)	YTD Change (%)
USD/ZAR	13.3241	13.5846	2.0%	1.4%	-0.5%
USD/BWP	10.3222	10.3639	0.4%	0.2%	-1.6%
USD/ZMK	9.3301	9.1757	-1.7%	-0.1%	-6.4%
USD/NGN	312.7950	312.5360	-0.1%	-0.3%	3.1%
USD/GBP	0.7737	0.7729	-0.1%	-1.0%	-4.9%
USD/EUR	0.9181	0.9107	-0.8%	-1.7%	-4.0%
USD/JPY	111.325	112.471	1.0%	2.0%	-3.6%
USD/CNY	6.8949	6.8981	0.0%	0.2%	-0.7%
Dollar Index - DXY	99.04	98.64	-0.4%	0.0%	-3.5%

Source: Oanda

## Week Ahead

Date	Event	Period	Forecast	Previous
<b>Local</b>				
11-May-17	Barclays AGM, 3pm, Mirabelle Room, Meikles			
11-May-17	CBZ AGM, La Fontained, Meikles			
12-May-17	ZBFH AGM, 1030am, Boardroom, 21 Natal Rd, Avondale			
<b>Regional and International</b>				
09-May-17	South Africa Unemployment Rate	Q1 2017		26.50%
10-May-17	ECB President Draghi Speech			
10-May-17	New Zealand Interest Rate Decision		1.75%	1.75%
11-May-17	UK Interest Rate Decision		0.25%	0.25%
11-May-17	South Africa Mining Production	Mar-17	4.30%	4.60%
12-May-17	US CPI - YoY	Apr-17	2.30%	2.40%

Source: Various

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