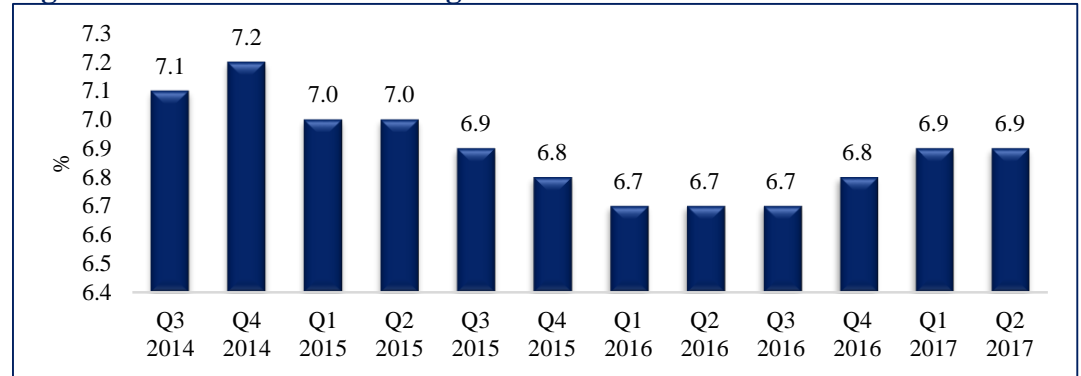


Asia - China's Q2 growth exceeds expectations...

According to the National Bureau of Statistics, China's economy grew by 6.9% in the second quarter of 2017 from a year earlier, matching the pace of expansion in the first quarter of 2017. Rising industrial output and consumption together with strong investment, sustained growth. **Fig.1** below outlines the trend in the world's second largest economy.

...China's economy grew by 6.9% in Q2...

Fig.1: Trend in China's annual growth rate



Source: National Bureau of Statistics China

Albeit the rising debt levels and property prices, the growth momentum witnessed in the first half is expected to see China surpassing its 6.5% annual target for 2017.

...Government of Tanzania raises royalties tax in new mining law...

Africa – Tanzania introduces new mining law...

The Government of Tanzania signed into law a new mining bill which requires the government to own at least a 16% stake in mining projects. In addition, the new law raised royalties tax for gold, copper, silver and platinum exports from 4% to 6%. Furthermore, the government was given the right to tear up and renegotiate contracts for natural resources like gas or minerals and remove the right to international arbitration. Going forward, investment into the mining sector is expected to slow down as investors assess the legislative changes, thereby exerting adverse pressure on the East African nation's growth prospects.

Zimbabwe –RBZ lowers bureau de change licensing fees...

In an effort to formalise Bureaux de Change services in the country, the Reserve Bank of Zimbabwe “RBZ” with immediate effect, revised downwards licensing fees for all Bureau De Change as shown in **Table 1** below.

Table 1: Bureau de Change Licensing Fees

	Old Fees (\$)		New Fees (\$)	
	Initial	Renewal	Initial	Renewal
Head Office	1,000	800	500	250
Branch	400	200	200	100
Rural Branch	200	100	50	50

Source: RBZ

.... RBZ lowers bureau de change licensing fees...

According to the RBZ, the review was part of on-going initiatives towards improving the ease of doing business, fostering financial inclusion and level of participation in the financial services sector. In the short term, formalising foreign exchange services will improve circulation of foreign currency within formal channels thereby suppressing growth of the parallel market.

Tobacco Sales Update

Cumulative sales for the period to 13 July 2017 show that total volume and value fell by 5.4% and 4.9% to 176.5 million kg and US\$521.7 million, respectively. However, average prices increased by a marginal 0.6% to US\$2.98/kg against US\$2.94/kg in the prior year. **Table 2** below outlines the cumulative tobacco sales statistics as at 13 July 2017 (*latest available data*).

Table 2: Tobacco Marketing Statistics as at 13 July 2017 (Day 82)

Seasonal	Total Auction	Total Contract	Total 2017	Total 2016	Change (%)
Mass sold (million kg)	30.97	145.55	176.52	186.65	-5.4%
Value (US\$ million)	88.32	433.36	521.68	548.38	-4.9%
Average Price (US\$/kg)	2.85	2.98	2.96	2.94	0.6%
Rejected %	11.51%	4.49%	5.95%	7.11%	1.2
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)	72.0	82.0	80.0	81.0	-1.2%

Source: TIMB

Markets Summary

1. Equities

On the Zimbabwe Stock Exchange, gains in heavyweights Delta, Innscor and Econet lifted the industrial index by a marginal 0.2% to end the week at 198.41. On the other hand, the mining index fell by 1.1% to close at 69.19 attributed to losses recorded by Bindura. Meanwhile, weekly turnover improved by 76.6% to US\$9.29 million with the trio of Old Mutual, Delta and Econet accounting for 80% of the total. Elsewhere, with the exception of Botswana and Zambia, all other regional and global markets traded in the positive territory. Dulled prospects of more interest rate hikes in 2017 after weak US consumer inflation and retail sales data in June 2017, sustained most stock markets. **Table 3** below outlines the local as well as major regional and global equities markets' performance as at 14 July 2017.

Table 3: Local, Regional and Global Stock Market Performance

Domestic	07-Jul-17	14-Jul-17	Weekly change (%)	Previous week change(%)	YTD Change (%)
Industrial Index	197.93	198.41	0.2%	1.0%	37.3%
Mining Index	69.98	69.19	-1.1%	0.3%	18.3%
Mkt cap - US\$mln	5.75	5.76	0.2%	1.0%	43.8%
Turnover - US\$mln	5.26	9.29	76.6%	-37.5%	
African					
Botswana	9,245.53	9,206.55	-0.4%	0.0%	-2.1%
Ghana	1,991.00	2,086.38	4.8%	1.3%	23.5%
Kenya	152.24	153.13	0.6%	-0.4%	14.8%
Malawi	16,017.55	16,245.61	1.4%	1.6%	22.0%
South Africa	51,900.26	53,597.96	3.3%	0.6%	5.8%
Nigeria	32,459.17	33,261.66	2.5%	-2.0%	23.8%
Zambia	4,759.65	4,750.98	-0.2%	0.0%	13.2%
Mauritius	2,136.17	2,158.61	1.1%	0.6%	19.4%
Global					
U.S. - Dow	21,414.34	21,637.74	1.0%	0.3%	9.5%
U.S. - S&P500	2,425.18	2,459.27	1.4%	0.1%	9.8%
U.K. - FTSE 100	7,350.92	7,378.39	0.4%	0.5%	3.3%
Japan - NIKKEI 225	20,080.98	20,118.86	0.2%	0.1%	5.3%
China - Shanghai Index	3,219.73	3,222.42	0.1%	0.8%	3.8%

Source: Various

... Contracted crop remains dominant...

...Industrial index advanced by 0.2% to end the week at 198.41...

2. Commodities

With the exception of wheat, soybeans and cotton, all commodities under our survey recorded price increases. On the upside, oil prices advanced by 4.7% to US\$48.91/b on reports of supply issues in Nigeria and a higher forecast by the International Energy Agency "IEA" for global crude demand. On the other hand, prospects of higher global inventories dragged cotton prices by 10.8% to end the week at US\$67.18/p (**Table 4**).

Table 4: Commodities Price Performance

Commodities	07-July-17	14-July-17	Weekly change (%)	Previous week change (%)	YTD Change (%)
Metals					
Gold - US\$/oz	1,215.65	1,230.30	1.21%	-2.1%	7.37%
Platinum - US\$/oz	908.00	910.00	0.22%	-1.8%	0.22%
Copper - US\$/t	5,828.50	5,902.00	1.26%	-1.3%	7.29%
Nickel - US\$/t	9,090.00	9,185.00	1.05%	-2.0%	-8.24%
Oil - US\$/b	46.71	48.91	4.71%	-4.2%	-13.92%
Agricultural					
Wheat - US\$/t	190.06	182.25	-4.11%	1.2%	21.35%
Soybeans - US\$/t	377.35	367.71	-2.55%	5.7%	-4.19%
Sugar - US\$/pound	14.15	14.30	1.06%	2.5%	-26.70%
Cotton - US\$/pound	75.29	67.18	-10.77%	0.0%	-4.91%

Source: Various

3. Currencies

The US dollar traded lost ground during the week under review as weak economic data lowered prospects of a rate increase in 2017 by the US Federal Reserve. In fact, U.S. consumer prices were unchanged in June 2017 and retail sales fell for a second straight month, pointing to tame inflation and soft domestic demand. As a result, the dollar index fell by 0.9% to end the week at 95.11. Elsewhere, the South African rand led a recovery by emerging market currencies sparked by a slide in the dollar and Federal Reserve boss Janet Yellen's cautious tone in her testimony before the U.S. Congress. **Table 5** below outlines currencies performance as at 14 July 2017.

Table 5: Currencies Performance

Currencies	07-Jul-17	14-Jul-17	Weekly change (%)	Previous week change (%)	YTD Change (%)
USD/ZAR	13.4175	13.1094	-2.3%	2.9%	-3.9%
USD/BWP	10.2664	10.1694	-0.9%	1.6%	-3.4%
USD/ZMK	9.0359	8.8281	-2.3%	-0.6%	-10.0%
USD/NGN	322.6010	332.8170	3.2%	-0.7%	9.8%
USD/GBP	0.7735	0.7682	-0.7%	0.6%	-5.5%
USD/EUR	0.8763	0.8745	-0.2%	0.1%	-7.9%
USD/JPY	113.689	112.939	-0.7%	1.4%	-3.2%
USD/CNY	6.8017	6.7797	-0.3%	0.4%	-2.4%
Dollar Index - DXY	96.00	95.11	-0.9%	0.4%	-6.9%

Source: Oanda

Week Ahead

Date	Event	Period	Forecast	Previous
Local				
17-Jul-17	Annual inflation - ZimStat	Jun-17		0.75%
Regional and International				
17-Jul-17	Euro CPI - YoY	Jun-17	1.30%	1.30%
18-Jul-17	UK CPI - YoY	Jun-17	2.90%	2.90%
19-Jul-17	South Africa CPI - YoY	Jun-17	5.20%	5.40%
19-Jul-17	Bank of Japan Interest Rate Decision		-0.10%	-0.10%
20-Jul-17	ECB Interest Rate Decision		0.00%	0.00%
20-Jul-17	South Africa Interest Rate Decision	Jul-17	7.00%	7.00%

Source: Various

...gold prices supported by weak US retail and inflation data...

...US dollar traded weaker on weak economic data...

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