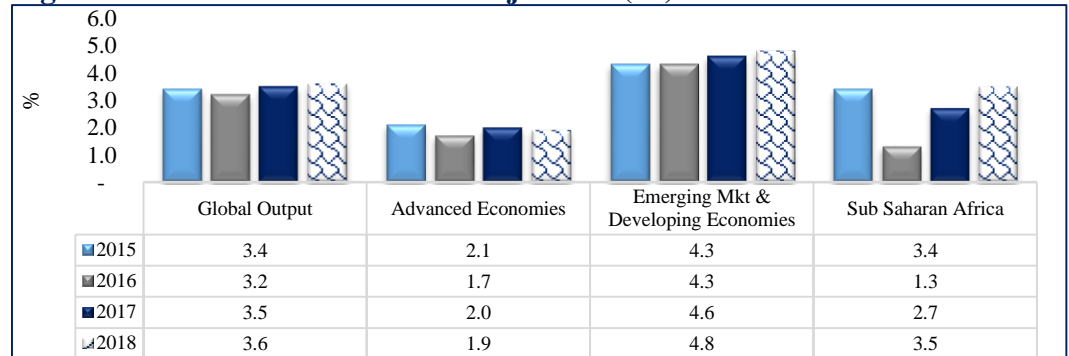


...Global economy to grow by 3.5% in 2017...

IMF – Global growth maintains momentum...

The International Monetary Fund “IMF” in its recent World Economic Outlook update maintained the global growth forecast at 3.5% for 2017, similar to its April 2017 projections. Expectations of accelerated growth in both advanced economies and emerging and developing economies, were cited as the major global growth drivers - **Fig.1** below.

Fig.1: World Economic Outlook Projections (%)



Source: IMF (July 2017)

According to the IMF, short-term risks were broadly balanced, however, medium term risks were skewed to the downside and these include protracted period of policy uncertainty, fiscal tension and inward-looking policies.

...Annual inflation slows to 6.6% in July 2017 for Zambia...

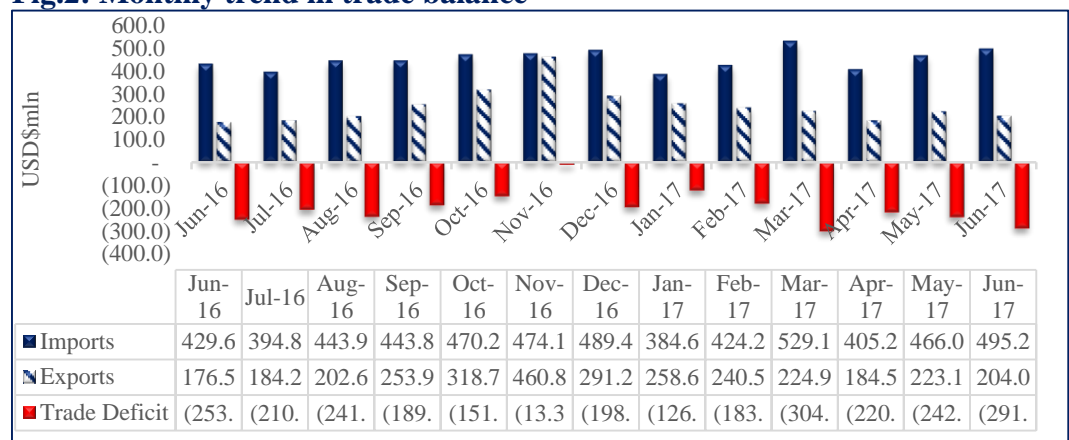
Africa – Inflation drops in Zambia...

Annual inflation in Zambia increased by 6.6% in July 2017, down from 6.8% in June 2017. Price decreases in food items managed to offset increases recorded in non-food items such as housing rentals. The relatively firm kwacha currency and improved agriculture output is expected to support moderate inflationary pressures in Zambia.

Zimbabwe - Trade deficit widens in June 2017...

According to the Zimbabwe National Statistics Agency “ZimStat”, the country trade deficit widened by 19.8% to US\$291.2 million in June 2017. The 6.2% growth in imports against an 8.6% reduction in exports, worsened the trade balance position as shown in **Fig.2** below.

Fig.2: Monthly trend in trade balance



Source: ZimStat

...Trade deficit widens in June 2017...

Going forward, increased supply-side interventions including value-addition on major export products, remains a critical pillar in improving the country’s trade balance.

Tobacco Sales Update

Cumulative sales for the period to 28 July 2017 show that total volume and value fell by 7.3% and 6.5% to 182.2 million kg and US\$540.4 million, respectively. However, average prices increased by a marginal 0.9% to US\$2.97/kg against US\$2.94/kg in the prior year. **Table 1** below outlines the cumulative tobacco sales statistics as at 28 July 2017 (*latest available data*).

Table 2: Tobacco Marketing Statistics as at 28 July 2017 (Day 93)

Seasonal	Total Auction	Total Contract	Total 2017	Total 2016	Change (%)
Mass sold (million kg)	31.09	151.06	182.15	196.40	-7.3%
Value (US\$ million)	88.50	451.85	540.35	577.81	-6.5%
Average Price (US\$/kg)	2.85	2.99	2.97	2.94	1.0%
Rejected %	11.54%	4.47%	5.92%	7.29%	1.4
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, the industrial index advanced by 1.0% to end the week at 202.6, whilst the mining index fell by 5.1% to 65.5. Meanwhile, weekly turnover declined by 38.8% to US\$3.54 million with offshore investors closing as net sellers. Elsewhere, most regional and global stocks traded in the positive territory except for markets in Botswana, UK and Japan. Markets were lifted by investor sentiment which remained solid on the back of upbeat corporate earnings results and a bright global economic outlook. **Table 2** below outlines the local as well as major regional and global equities markets' performance as at 28 July 2017.

Table 2: Local, Regional and Global Stock Market Performance

Domestic	21-Jul-17	28-Jul-17	Weekly change (%)	Previous week change (%)	YTD Change (%)
Industrial Index	200.04	202.06	1.0%	0.8%	39.8%
Mining Index	69.00	65.45	-5.1%	-0.3%	11.9%
Mkt cap - US\$m	5.81	5.72	-1.6%	0.9%	42.7%
Turnover - US\$m	5.78	3.54	-38.8%	-37.7%	
African					
Botswana	9,204.49	9,077.68	-1.4%	0.0%	-3.4%
Ghana	2,217.79	2,257.45	1.8%	6.3%	33.6%
Kenya	155.30	161.18	3.8%	1.4%	20.9%
Malawi	16,693.07	17,009.98	1.9%	2.8%	27.7%
South Africa	54,162.71	54,883.21	1.3%	1.1%	8.4%
Nigeria	34,020.37	36,864.71	8.4%	2.3%	37.2%
Zambia	4,749.90	4,748.79	0.0%	0.0%	13.2%
Mauritius	2,168.12	2,201.81	1.6%	0.4%	21.8%
Global					
U.S. - Dow	21,580.07	21,830.31	1.2%	-0.3%	10.5%
U.S. - S&P500	2,472.54	2,472.10	0.0%	0.5%	10.4%
U.K. - FTSE 100	7,452.91	7,368.37	-1.1%	1.0%	3.2%
Japan - NIKKEI 225	19,975.67	19,925.18	-0.3%	-0.7%	4.2%
China - Shanghai Index	3,260.25	3,272.33	0.4%	1.2%	5.4%

Source: Various

... Contracted crop remains dominant...

...Industrial index advanced by 1% to 202.06...

2. Commodities

Commodities registered mixed trades during the week under review. On the upside, oil prices advanced by 9.3% to US\$52.5/b buoyed by a decline in U.S. inventories and OPEC's ongoing efforts to curb production. On the downside, soybeans declined by 4.3% to US\$367.7/t pressured by forecasts for cooler weather conditions that could reduce stress on developing crops (**Table 3**).

Table 3: Commodities Price Performance

Commodities	21-July-17	28-July-17	Weekly change (%)	Previous week change (%)	YTD Change (%)
Metals					
Gold - US\$/oz	1,248.55	1,264.90	1.31%	1.5%	10.38%
Platinum - US\$/oz	934.00	931.00	-0.32%	2.6%	2.53%
Copper - US\$/t	5,930.00	6,283.00	5.95%	0.5%	14.22%
Nickel - US\$/t	9,540.00	10,180.00	6.71%	3.9%	1.70%
Oil - US\$/b	48.06	52.52	9.28%	-1.7%	-7.57%
Agricultural					
Wheat - US\$/t	183.35	176.74	-3.61%	0.6%	17.68%
Soybeans - US\$/t	384.33	367.71	-4.32%	4.5%	-4.19%
Sugar - US\$/pound	14.40	14.37	-0.21%	0.7%	-26.35%
Cotton - US\$/pound	69.14	70.22	1.56%	2.9%	-0.61%

Source: Various

3. Currencies

The US dollar traded weaker after the US Federal Reserve maintained the policy rate within the 1%-1.25% range at its July 2017 meeting. As a result, the dollar index marginally fell by 0.1% to end the week at 93.91. Elsewhere, the South African rand fell by 0.4% to ZAR13.0/US\$ after global ratings agency, Moody's, warned that the recent interest rate cut by the central bank signaled growing political pressure on economic policy. **Table 4** below outlines currencies performance as at 28 July 2017.

Table 4: Currencies Performance

Currencies	21-Jul-17	28-Jul-17	Weekly change (%)	Previous week change (%)	YTD Change (%)
USD/ZAR	12.9562	13.0053	0.4%	-1.2%	-4.7%
USD/BWP	10.013	10.0593	0.5%	-1.5%	-4.5%
USD/ZMK	8.7585	8.8570	1.1%	-0.8%	-9.7%
USD/NGN	318.0470	312.3290	-1.8%	-4.4%	3.1%
USD/GBP	0.7700	0.7631	-0.9%	0.2%	-6.1%
USD/EUR	0.8583	0.8531	-0.6%	-1.9%	-10.1%
USD/JPY	111.486	110.944	-0.5%	-1.3%	-5.0%
USD/CNY	6.7654	6.7411	-0.4%	-0.2%	-3.0%
Dollar Index - DXY	93.97	93.91	-0.1%	-1.2%	-8.1%

Source: Oanda

Week Ahead

Date	Event	Period	Forecast	Previous
Local				
03-Aug-17	CBZH Analyst Briefing, 3pm, Steward Room, Meikles			
09-Aug-17	Old Mutual Zimbabwe Analyst Briefing, 2pm, Meikles			
Regional and International				
01-Aug-17	Euro Manufacturing PMI	Jul-17	56.80	56.80
01-Aug-17	US ISM Manufacturing PMI	Jul-17	56.50	57.80
03-Aug-17	South Africa Standard Bank PMI	Jul-17		49.00
03-Aug-17	UK Interest Rate Decision	Jul-17	0.25%	0.25%
04-Aug-17	US Unemployment Rate	Jul-17	4.30%	4.40%

Source: Various

...oil prices lifted by declining US inventories...

...US dollar trading near 13-month lows...

Analysts:

Andrew Chirewo
achirewo@cbz.co.zw

Victor Makanda
vmakanda@cbz.co.zw

Godknows Muwandi
gmuwandi@cbz.co.zw

Contact Details

3rd Floor, Sapphire House,
Cnr Speke/ Angwa St,
P O Box 3313,
Harare, Zimbabwe,

Tel: +263 4 759101-16

Website: www.cbz.co.zw

Email: research@cbz.co.zw

Disclaimer

CBZ Holdings Limited has prepared this report on behalf of itself and its clients for informative purposes only. Whilst the facts and opinions expressed in this report are based on sources that are believed to be reliable, and every care has been taken in preparing the report, no warranty (implicit or explicit) is made by CBZ Holdings Limited, its employees, directors, associates and affiliates regarding the accuracy, reliability, currency or completeness of the information in this report nor its usefulness for any purpose. CBZ Holdings Limited, its employees, directors, associates and affiliates accept no responsibility or liability, whatsoever, for any loss, damage, cost or expense, howsoever, incurred or arising by reason of any person using or relying on information or opinions expressed in this report. The opinions and estimates expressed in this report are based on the information available as at the date of publication and such opinions and estimates are given in good faith, but without legal responsibility, and may be changed after publication at any time without notice. The information contained in this report does not constitute legal advice or personal recommendation and each recipient may undertake his or her own independent investigation of the issues discussed in this report.