

...China unveils first AI news anchor...

Asia –China launches “world’s first AI” news anchor...

Xinhua News Agency recently unveiled the world’s first Artificial Intelligence “AI” anchor to its Chinese viewers. According to state-run news agency, “the presenter can read texts as naturally as a professional news anchor.” The system designed in collaboration with Sogou, China’s second biggest search engine, means presenters can work 24-hours a day on its website and social media channels thereby reducing production costs. This development highlights the evolving trends in technology with Accenture Research outlining “AI is a new factor of production and has the potential to introduce new sources of growth, changing how work is done and reinforcing the role of people to drive growth in business.”

...Nigeria’s Eurobond issue over-subscribed...

Africa – Nigeria issues first triple-tranche Eurobond...

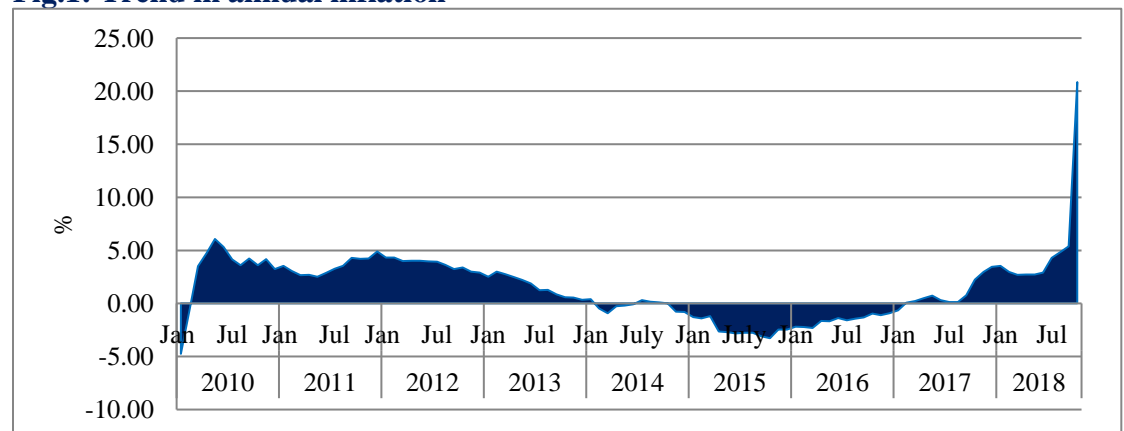
According to the Debt Management Office “DMO”, Nigeria raised US\$2.86 billion to fund the 2018 fiscal deficit and other financing needs. The issuance, with an order book over US\$9.5 billion, comprised US\$1.18bn 7-year series, US\$1.0bn 12-year series and US\$750mln 30-year series. Meanwhile, the respective interest rates were 7.625%, 8.75% and 9.25%. The issuance was the first triple-tranche offering and represented Nigeria’s sixth Eurobond issuance since 2011. Citibank Global Markets Limited and Standard Chartered Bank were the joint-lead managers for the transaction. The 3-times over-subscription rate for Nigeria’s issuance outlines the strong demand from international investors regardless of the rising global interest rates. Going forward, most African sovereigns will continue to tap on the international debt market for refinancing debt as well supporting various infrastructure projects.

...highest inflation level since dollarisation...

Zimbabwe – Highest inflation level since dollarisation...

According to the ZimStat, the year-on-year “y/y” rate of inflation surged from 5.4% in Sept 2018 to 20.9% in Oct 2018. The y/y food and non-alcoholic beverages inflation rose from 7.9% to 26.8%, driven by increases in prices of bread & cereals, meat, oils and fats, vegetables and dairy products. The non-food inflation also rose from 4.2% to 18.1%, over the same period, underpinned by higher prices for clothing & footwear, furniture, transport and health (medical services and pharmaceuticals) categories. Meanwhile, the underlying m/m inflation rate also jumped from 0.9% to 16.4% between Sept 2018 and Oct 2018. **Fig.1** below outlines the trend in annual inflation since 2010.

Fig.1: Trend in annual inflation



Source: ZimStat

The future direction of Zimbabwe’s inflation rate depends on (1) the authorities’ ability to build public confidence, trust and support in the ongoing reforms and, thus, eliminate adverse expectations and (2) the currency regime and the authorities’ ability to stabilize the exchange rate going forward. It is, therefore, expected that the fiscal and monetary authorities will outline more measures to deal with these fundamental issues in the forthcoming stabilization policies.

Markets Summary

1. Equities

On the Zimbabwe Stock Exchange, the All Share Index advanced by 5.9% to end the week at 169.39 sustained by gains in the blue-chip category. Meanwhile, weekly turnover declined by 65.8% to US\$9.52 million due to reduced offshore investor participation. Elsewhere, most regional and global markets traded in the negative territory dragged by weak corporate earnings in the US. **Table 1** below outlines the local as well as major regional and global equities markets' performance as at 16 November 2018.

...All share index advanced by 5.9%...

Table 4: Local, Regional and Global Stock Market Performance

Domestic	09-Nov-18	16-Nov-18	Weekly change (%)	Previous week change (%)	YTD Change (%)
All Share Index	159.96	169.39	5.9%	0.9%	69.4%
Industrial Index	537.17	569.25	6.0%	1.0%	70.9%
Mining Index	208.11	208.81	0.3%	-0.8%	46.6%
Top 10 Index	164.3	177.95	8.3%	2.2%	78.0%
Mkt cap - US\$mln	17.64	18.92	7.3%	1.6%	97.5%
Turnover - US\$mln	27.85	9.52	-65.8%	69.5%	
African					
Botswana	7,936.12	7,913.69	-0.3%	-0.1%	-10.7%
Ghana	2,711.02	2,635.13	-2.8%	-0.9%	2.1%
Kenya	147.01	144.90	-1.4%	-0.6%	-15.4%
Malawi	28,686.33	27,048.50	-5.7%	-6.3%	25.2%
South Africa	53,295.35	52,096.04	-2.3%	-1.8%	-12.5%
Nigeria	32,200.21	32,058.28	-0.4%	0.2%	-16.2%
Zambia	5,291.33	5,284.65	-0.1%	1.0%	-0.8%
Mauritius	2,241.90	2,238.64	-0.1%	0.1%	1.6%
Global					
U.S. - Dow	25,989.30	25,413.22	-2.2%	2.8%	2.8%
U.S. - S&P500	2,781.01	2,736.27	-1.6%	2.1%	2.3%
U.K. - FTSE 100	7,105.34	7,013.88	-1.3%	0.2%	-8.8%
Japan - NIKKEI 225	22,269.88	21,807.92	-2.1%	1.7%	-4.2%
China - Shanghai Index	2,623.15	2,679.11	2.1%	-1.4%	-19.0%

Source: Various

2. Commodities

With the exception of copper, wheat and soybeans, most major commodities registered price declines. Oil prices fell by a further 4.9% to US\$66.76/b due to rising US production. On the other hand, soybeans advanced by 1.3% to US\$335.2/t on US-China trade hopes - **Table 2** below.

Table 2: Commodities Price Performance

Commodities	09-Nov-18	16-Nov-18	Weekly change (%)	Previous Week Change (%)	YTD Change (%)
Metals					
Gold - US\$/oz	1,224.15	1,211.85	-1.0%	-0.6%	-6.1%
Platinum - US\$/oz	867.00	847.00	-2.3%	-0.1%	-9.2%
Copper - US\$/t	6,137.00	6,188.00	0.8%	1.1%	-13.5%
Nickel - US\$/t	11,615.00	11,340.00	-2.4%	0.5%	-7.5%
Oil - US\$/b	70.18	66.76	-4.9%	-3.6%	-0.2%
Agricultural					
Wheat - US\$/t	185.01	186.20	0.6%	-1.0%	18.7%
Soybeans - US\$/t	330.78	335.19	1.3%	0.4%	-15.8%
Sugar - US\$/pound	12.73	12.69	-0.3%	-5.3%	-15.4%
Cotton - US\$/pound	78.09	76.12	-2.5%	-0.9%	-3.4%

Source: Various

...soybeans advanced on US-China trade hopes...

...US dollar weakens on profit taking...

3. Currencies

The US dollar weakened on profit taking as investors were cautious about the near-term outlook after dovish comments by a top Federal Reserve official. Thus, the dollar index fell by a marginal 0.6% to end the week at 96.43. Elsewhere, the pound sterling weakened by 1.6% after a wave of ministers opposed the British Prime Minister May's Brexit deal with Brussels resigned. On the other hand, the South African Rand recovered by 0.9% to ZAR 14.1/US\$ mainly due to anticipated US-China trade hopes. **Table 3** below outlines currencies performance as at 16 November 2018.

Table 3: Currencies Performance

Currencies	09-Nov-18	16-Nov-18	Weekly change (%)	Previous week change(%)	YTD Change (%)
USD/ZAR	14.2459	14.1111	-0.9%	-0.6%	14.2%
USD/BWP	10.4332	10.4785	0.4%	-0.8%	8.2%
USD/ZMK	11.7366	11.8245	0.7%	-0.7%	18.8%
USD/NGN	362.8000	362.9860	0.1%	0.2%	1.8%
USD/GBP	0.7682	0.7802	1.6%	-0.2%	5.3%
USD/EUR	0.8815	0.8795	-0.2%	0.6%	5.4%
USD/JPY	113.837	113.11	-0.6%	0.8%	0.4%
USD/CNY	6.9481	6.9393	-0.1%	0.7%	6.6%
Dollar Index - DXY	97.00	96.43	-0.6%	0.6%	4.7%

Source: Oanda

Looking Ahead

Date	Event	Period	Forecast	Previous
Local				
22-Nov-18	2019 National Budget Presentation			
23-Nov-18	Simbisa Brands AGM, 815am, SAZ Buildings, Northend Close, Borrowdale			
Regional and International				
20-Nov-18	Japan All Industries Activity Index	Oct-18	-0.80%	0.50%
21-Nov-18	South Africa's CPI -YoY	Oct-18	5.10%	4.90%
22-Nov-18	South Africa Interest Rate Decision		6.50%	6.50%
23-Nov-18	US Markit Composite PMI	Nov-18	56.00	54.90
23-Nov-18	Euro Markit Composite PMI	Nov-18	53.00	53.10

Source: Various

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