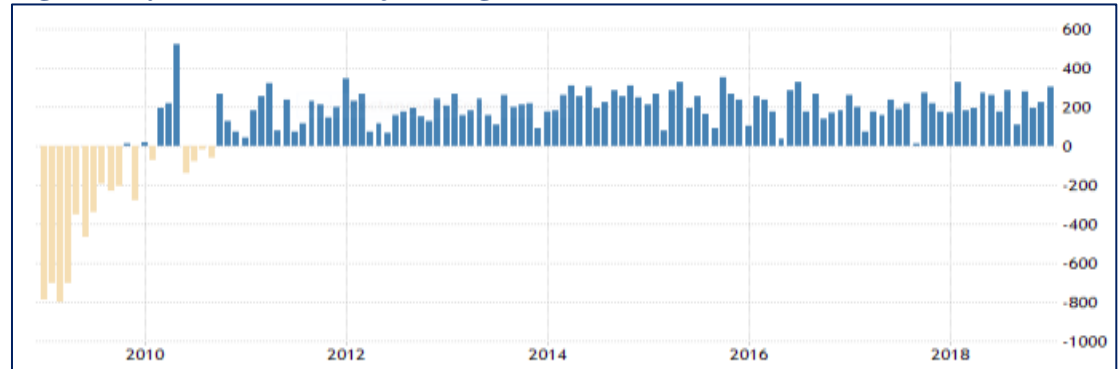


...US employers record the 100th month of successive job gains in Jan 2019...

America –Better-than-expected jobs growth in the US...

According to the U.S. Bureau of Statistics, employers added 304,000 new jobs in Jan 2019, compared to the revised 222,000 in Dec 2018. The better-than-expected performance was underpinned by growth in several industries including leisure and hospitality, construction, healthcare as well as transportation and housing. Meanwhile, the unemployment rate rose to 4.0% from 3.9%, over the same period, as federal employees were classified as unemployed following the partial government shutdown. **Fig.1** below outlines the trend in jobs growth.

Fig. 1: 10-year trend in US jobs (figures in thousands)



Source: US Bureau of Statistics

Going forward, the Fed is expected to slow-down on its monetary tightening stance in view of the gloomy global economic outlook. Such as stance will benefit the jobs market, which recorded the 100th month successive gain, through stabilising investment and demand for labour.

...SA PMI slows in Jan 2019...

Africa – South Africa’s PMI falls in Jan 2019...

The Absa purchasing managers’ index “PMI” fell to 49.9 in Jan 2019 against 50.7 recorded in Dec 2018. A reading below 50 indicates contraction, whilst a reading above 50 reflects expansion/growth. The decline was a result of a slump in new orders and business activity. Although the Jan 2019 reading was 2 points above the 2018 average, Africa’s most developed economy faces considerable short-term downside risks including load-shedding, potential sovereign credit downgrade, high unemployment and low business and consumer confidence.

...Gvt establishes a 26-member PAC to advance Vision 2030...

Zimbabwe– Appointment of Presidential Advisory Council...

The Government established a 26-member Presidential Advisory Council “PAC” meant to “...advise and assist the President in formulating key economic policies and strategies that advance (the) Vision 2030.” The PAC comprises experts and leaders drawn from diverse sectors like business, health and social protection, agriculture, governance and human rights, faith-based organizations, tourism, education, minorities, ICT, civic society, communication and media management. Furthermore, PAC members are expected to hold office for the duration of the President’s term of office, whilst the Government will fund all operations with members drawing some honorarium “although the expectation is that their services are voluntary”. The development is in line with international and regional trends, and it remains to be seen how the PAC will complement and collaborate with the existing pool of skills and structures that includes permanent secretaries, cabinet ministers, the cabinet and as well as business member organizations.

Markets Summary

1. Equities

On the Zimbabwe Stock Exchange, the All Share Index fell by 0.2% to end the week at 157.85, as investors remained cautious ahead of the forthcoming 2019 Monetary Policy Statement. Meanwhile, weekly turnover declined by 19.9% to US\$31.2 million with notable trades recorded in Old Mutual, Econet, Simbisa, Cassava and Innscor. Elsewhere, mixed trades were recorded among regional markets, whilst global markets registered gains. In fact, global stocks were firm following the positive US jobs growth and the decision by the US Federal Reserve “Fed” to maintain its policy rate. **Table 1** below outlines the local as well as major regional and global equities markets’ performance as at 01 February 2019.

...All share index fell by 0.2%...

Table 1: Local, Regional and Global Stock Market Performance

Domestic	26-Jan-19	01-Feb-19	Weekly change (%)	Previous week change (%)	YTD Change (%)
All Share Index	158.22	157.85	-0.2%	3.2%	7.9%
Industrial Index	528.21	526.94	-0.2%	3.2%	8.2%
Mining Index	212.19	213.13	0.4%	2.5%	-6.4%
Top 10 Index	159.43	158.45	-0.6%	3.5%	9.3%
Mkt cap - US\$mln	21.02	20.92	-0.5%	3.0%	7.7%
Turnover - US\$mln	38.97	31.21	-19.9%	1517.1%	
African					
Botswana	7,874.91	7,875.36	0.0%	-0.1%	0.3%
Ghana	2,433.36	2,425.12	-0.3%	-2.1%	-2.8%
Kenya	146.48	154.52	5.5%	0.8%	10.0%
Malawi	29,322.93	29,328.77	0.0%	1.6%	1.2%
South Africa	54,050.23	53,930.14	-0.2%	0.0%	2.3%
Nigeria	31,426.63	30,636.36	-2.5%	1.4%	-2.5%
Zambia	5,680.10	5,691.10	0.2%	1.6%	8.4%
Mauritius	2,220.58	2,212.92	-0.3%	-0.3%	-0.3%
Global					
U.S. - Dow	24,737.20	25,063.89	1.3%	0.1%	7.4%
U.S. - S&P500	2,664.76	2,706.53	1.6%	-0.2%	8.0%
U.K. - FTSE 100	6,809.22	7,020.22	3.1%	-2.3%	4.3%
Japan - NIKKEI 225	20,773.56	20,877.24	0.5%	0.3%	4.3%
China - Shanghai Index	2,601.72	2,618.23	0.6%	-0.3%	5.0%

Source: Various

2. Commodities

With the exception of cotton, most major commodities recorded price gains. In fact, cotton prices fell by 0.7% to \$73.6/pound dragged by the slow pace in US-China trade talks. On the other hand, gold prices advanced by 3.1% to US\$1,323/oz on renewed safe-haven demand and hints of slower policy tightening by the Fed - **Table 2** below.

Table 2: Commodities Price Performance

Commodities	25-Jan-19	01-Feb-19	Weekly change (%)	Previous Week Change (%)	YTD Change (%)
Metals					
Gold - US\$/oz	1,283.70	1,323.25	3.1%	0.0%	3.5%
Platinum - US\$/oz	808.00	825.00	2.1%	-0.6%	3.1%
Copper - US\$/t	6,056.00	6,139.00	1.4%	0.1%	2.9%
Nickel - US\$/t	11,710.00	12,455.00	6.4%	0.9%	17.6%
Oil - US\$/b	61.64	61.89	0.4%	-1.7%	15.0%
Agricultural					
Wheat - US\$/t	188.13	192.72	2.4%	-1.1%	4.3%
Soybeans - US\$/t	343.92	345.29	0.4%	0.4%	4.1%
Sugar - US\$/pound	12.44	12.60	1.3%	-4.5%	4.7%
Cotton - US\$/pound	74.13	73.64	-0.7%	0.3%	2.0%

Source: Various

...oil price recovery due to production cuts...

...US dollar weaker as the Fed maintains policy rate and lowers chances of rate hikes in 2019...

3. Currencies – markets battle uncertainty...

The US dollar weakened for the second consecutive week after the US Federal Reserve maintained the policy rate at a range of 2.25-2.5% and hinted that it may slow the monetary tightening pace. Therefore, the US dollar index marginally fell by 0.2% to end the week at 95.60. Elsewhere, the South Africa rand strengthened by 2.6% to ZAR13.3/US\$ due to a pickup in risk-taking by investors towards emerging market currencies. **Table 3** below outlines currencies performance as at 01 February 2019.

Table 3: Currencies Performance

Currencies	25-Jan-19	01-Feb-19	Weekly change (%)	Previous week change(%)	YTD Change (%)
USD/ZAR	13.6600	13.2983	-2.6%	-0.9%	-7.5%
USD/BWP	10.2863	10.1227	-1.6%	0.0%	-3.7%
USD/ZMK	11.9301	11.8983	-0.3%	0.5%	0.0%
USD/NGN	361.2310	361.0730	0.0%	-0.2%	-0.5%
USD/GBP	0.7613	0.7641	0.4%	-1.5%	-2.7%
USD/EUR	0.8804	0.8728	-0.9%	0.2%	-0.1%
USD/JPY	109.717	109.122	-0.5%	0.2%	-0.8%
USD/CNY	6.7585	6.7328	-0.4%	-0.2%	-2.1%
Dollar Index - DXY	95.78	95.60	-0.2%	-0.6%	-0.6%

Source: Oanda

Looking Ahead

Date	Event	Period	Forecast	Previous
Local				
TBA	2019 Monetary Policy Statement			
06-Feb-19	Nampak Zimbabwe AGM, 68 Birmingham Road, Southerton, Harare			
Regional and International				
05-Feb-19	Euro Markit Composite PMI	Jan-19	50.7	50.7
05-Feb-19	US Markit Composite PMI	Jan-19	54.5	54.5
07-Feb-19	Bank of England Interest Rate Decision		0.75%	0.75%
08-Feb-19	Brazil CPI - YoY	Jan-19	3.70%	3.75%

Source: Various

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.