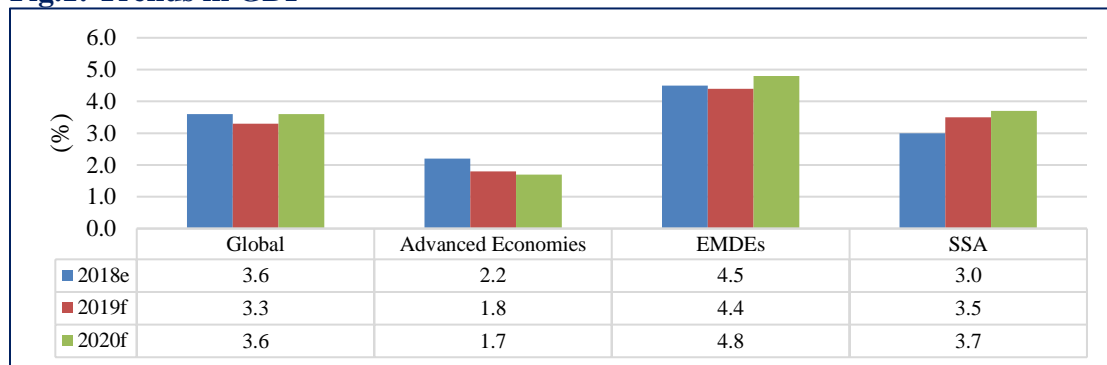


Global Economy – Weakening expansion...

The International Monetary Fund “IMF”, in its April 2019 Global Economic Prospects Report, lowered global growth to 3.3% and 3.6% for 2019 and 2020, respectively, from the initial forecasts of 3.7% apiece. According to the IMF, the downgrades reflect the slowdown in activity witnessed in the second half of 2018 and projected first half of 2019 underpinned by an increase in trade tensions and tariff hikes between US and China, a decline in business confidence, tightening of financial conditions, and higher policy uncertainty across many economies. **Fig.1** below outlines the growth trend across regional groupings.

Fig.1: Trends in GDP



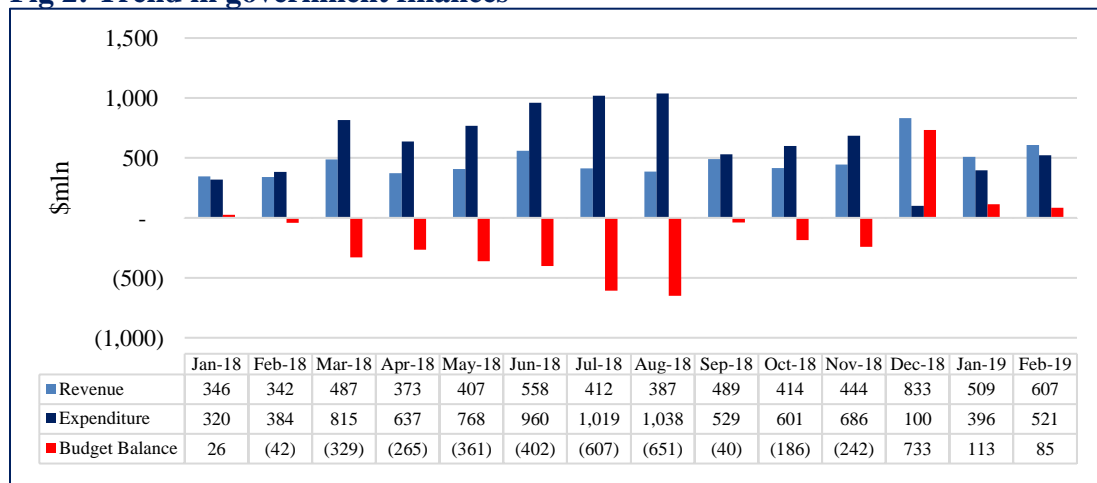
Source: IMF

Going forward, the multilateral lender noted that the balance of risks were tilted downside with possible triggers including a further escalation of trade tensions, a no-deal Brexit withdrawal, prolonged fiscal uncertainty in Italy, climate change and political discord. As a result, it is hoped that policymakers will take actions that boost potential output growth, improve inclusiveness and strengthen resilience.

Zimbabwe–Government registers 3rd consecutive monthly surplus...

According to the Ministry of Finance and Economic Development “MoFED”, government revenues increased by 19.3% to \$607 million in Feb 2019 against \$509 million in Jan 2019. Major contributors were taxes on income, taxes on goods and services as well as the intermediate money transfer tax. On the other hand, government expenditure rose by 31.8% from \$396 million to \$521 million, over the same period. Recurrent and capital expenditure accounted for 85% and 1%, respectively, of the total. Overall, the government recorded a lower surplus of \$85 million in Feb 2019 against \$113 million in Jan 2019. **Fig 2** below outlines the trend in government monthly finances.

Fig 2: Trend in government finances



Source: MoFED

...global economy to grow by 3.3% in 2019 compared to initial forecasts of 3.7%...

...policymakers advised to formulate policies that boost growth, improve inclusiveness and strengthening resilience...

...Gvt registers another surplus in Feb 2019 sustained by improved revenue generation...

Tobacco Marketing Season Update

Cumulative sales for the period to 11 April 2019 show that total volume and value traded declined by 62% and 76% to 11.3 million kgs and US\$19.4 million, respectively, when compared to the 2018 marketing season. **Table 1** below outlines the cumulative tobacco sales statistics as at 11 April 2019 (*latest available data*).

...slow start for the 2018/19 tobacco-marketing season...

Table 1: Tobacco Marketing Statistics as at 11 April 2019 (Day 17)

Seasonal	Total Auction	Total Contract	Total 2019	Total 2018	Change (%)
Mass sold (mln kg)	2.99	8.26	11.25	29.64	-62.0%
Value (US\$m)	4.95	14.46	19.41	81.15	-76.1%
Average Price (US\$/kg)	1.66	1.75	1.73	2.74	-36.9%
Rejected %	13.58%	4.61	7.13%	5.81%	(1.3)
Highest Price (US\$/kg)	4.50	5.10	5.10	6.22	-18.0%
Lowest Price (US\$/kg)	0.20	0.10	0.20	0.10	100.0%
Average bale weight (kg)	70.0	68.00	69.0	77.0	-10.4%

Source: TIMB

Markets Summary

1. Equities

On the Zimbabwe Stock Exchange “ZSE”, the All Share Index advanced by 1.9% to 125.51. Meanwhile, despite the 25.6% decline to RTGS\$22.3 million in weekly turnover, there was renewed foreign demand on most heavyweight counters. Elsewhere, most regional and global markets traded in the negative territory in line with IMF’s global economic growth forecasts. However, US markets registered marginal gains supported by positive Q1 2019 earnings from JP Morgan and Wells Fargo. **Table 2** below outlines the local as well as major regional and global equities markets’ performance as at 12 April 2019.

...All share index advanced by 1.9%...

Table 2: Local, Regional and Global Stock Market Performance

Domestic	05-Apr-19	12-Apr-19	Weekly change (%)	Previous week change (%)	YTD Change (%)
All Share Index	123.16	125.51	1.9%	1.2%	-14.2%
Industrial Index	410.71	418.65	1.9%	1.3%	-14.1%
Mining Index	192.06	119.08	-38.0%	-1.0%	-47.7%
Top 10 Index	116.17	192.23	65.5%	1.4%	32.6%
Mkt cap - US\$m	16.23	16.52	1.8%	0.9%	-14.9%
Turnover - US\$m	29.99	22.31	-25.6%	26.2%	
African					
Botswana	7,872.81	7,864.48	-0.1%	-0.2%	0.1%
Ghana	2,444.43	2,405.83	-1.6%	1.2%	-3.6%
Kenya	159.52	157.91	-1.0%	1.2%	12.4%
Malawi	27,290.96	27,044.70	-0.9%	-0.5%	-6.7%
South Africa	57,776.36	58,405.30	1.1%	2.3%	10.7%
Nigeria	29,616.38	29,565.95	-0.2%	-4.6%	-5.9%
Zambia	5,498.07	5,497.93	0.0%	-1.8%	4.8%
Mauritius	2,178.09	2,169.57	-0.4%	0.6%	-2.2%
Global					
U.S. - Dow	26,424.99	26,412.30	0.0%	1.9%	13.2%
U.S. - S&P500	2,892.74	2,907.41	0.5%	2.1%	16.0%
U.K. - FTSE 100	7,446.87	7,437.06	-0.1%	2.3%	10.5%
Japan - NIKKEI 225	21,784.21	22,169.11	1.8%	1.3%	10.8%
China - Shanghai Index	3,221.46	3,205.13	-0.5%	4.2%	28.5%

Source: Various

2. Commodities

Mixed trades were registered among major commodities. On the upside, oil prices advanced by 1.7% to US\$71.6/b due to supply-constraints in Libya and renewed energy demand. On the other hand, nickel prices fell by 1.1% to US\$12,935/t on concerns over the global economy - **Table 3** below.

Table 3: Commodities Price Performance

Commodities	05-Apr-19	12-Apr-19	Weekly change (%)	Previous Week Change (%)	YTD Change (%)
Metals					
Gold - US\$/oz	1,288.45	1,303.00	1.1%	-0.5%	1.9%
Platinum - US\$/oz	905.00	902.00	-0.3%	6.5%	12.8%
Copper - US\$/t	6,401.00	6,484.00	1.3%	-1.3%	8.7%
Nickel - US\$/t	13,080.00	12,935.00	-1.1%	0.5%	22.1%
Oil - US\$/b	70.34	71.55	1.7%	2.9%	33.0%
Agricultural					
Wheat - US\$/t	171.87	170.68	-0.7%	1.9%	-7.7%
Soybeans - US\$/t	338.77	336.29	-0.7%	0.8%	1.4%
Sugar - US\$/pound	12.76	12.77	0.1%	1.8%	6.2%
Cotton - US\$/pound	78.25	78.11	-0.2%	0.8%	8.2%

Source: Various

Meanwhile, Cabinet approved new producer prices for the 2019/2020 agriculture marketing season as follows; maize and small grains (RTGS\$726/t), wheat (RTGS\$1 089.68), soyabean (RTGS\$918/t) and cotton (RTGS\$1 950/t). The old producer prices were \$390/t, \$630t and \$780/t for maize, wheat and soyabeans, respectively.

3. Currencies

The US dollar traded weaker mainly due to profit taking by investors despite positive US producers' price index and jobless claims. As a result, the US dollar index fell by 0.5% to end the week at 96.92. Elsewhere, the South African rand strengthened by 0.9% to ZAR13.96/US\$ as a softer US dollar boosted investor appetite for emerging market currencies. **Table 4** below outlines currencies performance as at 12 April 2019.

Table 4: Currencies Performance

Currencies	05-Apr-19	12-Apr-19	Weekly change (%)	Previous week change (%)	YTD Change (%)
USD/RTGS\$ (mid-rate)	3.0955	3.1836	2.8%	1.7%	27.3%
USD/ZAR	14.0862	13.9645	-0.9%	-2.9%	-2.9%
USD/BWP	10.4307	10.3772	-0.5%	-1.4%	-1.3%
USD/ZMK	12.0301	12.2588	1.9%	-0.8%	3.0%
USD/NGN	358.5400	358.1790	-0.1%	-0.1%	-1.3%
USD/GBP	0.7657	0.7645	-0.2%	-0.1%	-2.6%
USD/EUR	0.8909	0.8850	-0.7%	0.0%	1.3%
USD/JPY	111.694	111.898	0.2%	0.8%	1.7%
USD/CNY	6.7171	6.7096	-0.1%	0.0%	-2.4%
Dollar Index - DXY	97.38	96.92	-0.5%	0.1%	0.8%

Source: Oanda

...oil prices sustained by renewed energy demand and supply constraints...

...South African rand crosses 14.0 threshold...

Looking Ahead

Date	Event	Period	Forecast	Previous
Local				
15-Apr-19	Zimbabwe CPI Inflation - YoY	Mar-19		59.40%
15-Apr-19	FBCH Analysts Briefing, 2pm, Royal Harare Golf Club			
15-Apr-19	FCB Analyst Briefing, 230pm, Palm Court, Meikles			
16-Apr-19	FMP & FMLH Analyst Briefing, 2pm, Palm Court, Meikles			
Regional and International				
16-Apr-19	UK Unemployment Rate	Feb-19	3.9%	3.9%
16-Apr-19	China GDP - YoY	Q1 2019	6.3%	6.4%
17-Apr-19	South Africa CPI - YoY	Mar-19	4.50%	4.10%
17-Apr-19	UK CPI - YoY	Mar-19	2.00%	1.90%
17-Apr-19	Euro CPI - YoY	Mar-19	1.40%	1.40%

Source: Various

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