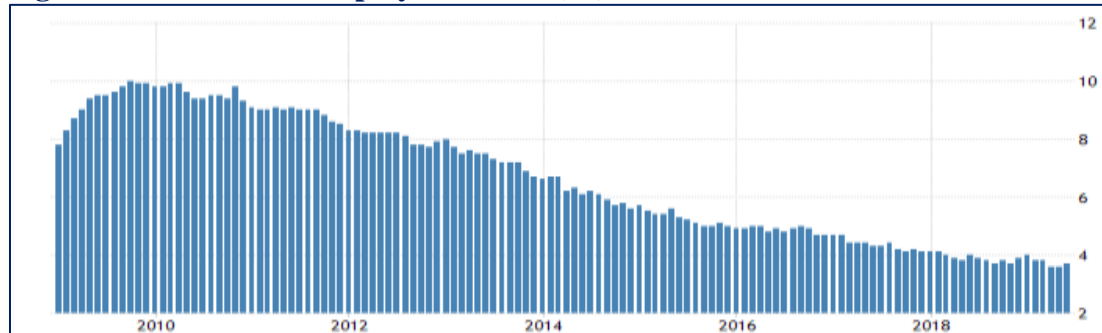


...US employers added 224,000 jobs in June 2019...

America – Strong jobs data in June 2019...

According to the Bureau of Labor Statistics “BLS”, US employers added 224,000 jobs in June 2019, compared to a revised 72,000 in May 2019. BLS noted that jobs gains , above market expectations, were recorded in the professional and business services, health care, transportation and warehousing sectors. Meanwhile, the unemployment rate slightly increased from a 49-year low of 3.6% in May 2019 to 3.7% in June 2019 – Fig 1 below.

Fig. 1: Trend in US unemployment rate (%)



Source: BLS

In the short-term, the rebound in jobs data for June 2019 will most likely allay recession fears thereby lowering expectations of a sharp Federal Reserve interest rate cut.

Africa – Egypt slashes fuel subsidies...

Egypt’s oil ministry increased fuel prices as part of the US\$12 billion IMF bailout reform programme that seeks to reduce government subsidies and easing pressure on public finances. The decision, effective 05 July 2019, raised the price of diesel by 22.7% whereas that of higher-grade 95 and 92-octane gasoline and lower grade 80-octane gasoline by 16%, 18.5% and 22.7%, respectively. The Egyptian government expects a cost saving of c.US\$1 billion and advised “the next step in the fuel subsidy reform plan is an indexation mechanism that links local fuel prices to international ones.” Short-term inflationary pressures are expected to negatively impact on household consumption patterns as they have traditionally relied on subsidies for most basic products.

...Egypt slashes fuel subsidy as part of an ongoing IMF reform plan ...

Zimbabwe - Gvt to control the maize market...

The Government through Statutory Instrument “SI” 145 of 2019 announced new regulations for the maize market whose key features are tabulated below;

Area	Specifics
Sale	<ul style="list-style-type: none"> No person/statutory body/company shall sell or otherwise dispose of any maize except to a contractor or to the Grain Marketing Board “GMB”. No person who is not a producer of maize or who is not a contractor shall sell maize to the GMB.
Acquisition or disposal of maize	<ul style="list-style-type: none"> No person or statutory body or company or entity shall buy or otherwise acquire any maize from any farmer or producer otherwise than through the GMB. A producer of maize or farmer is permitted to transport not more than 5 bags of maize of a capacity not exceeding 50kgs/bag from one area of the country to the other without any authorized person or police officer having to confiscate the maize. No person other than the GMB shall export from Zimbabwe maize of any quantity or any description until such a date that shall be specified by the Minister by way of notice in the Gazette.

...SI145 of 2019 expected to reduce side marketing...

The government’s move to empower GMB in the maize market will in the short-term most likely assist in managing upward price pressures given the anticipated drought-driven maize deficit. However, production for the maize sub-sector might be stifled in the long term as farmers and investors prefer operating in markets with less-government intervention.

Tobacco Marketing Season Update

Cumulative sales for the period to 04 July 2019 show that total volume and value traded declined by 5% and 37% to 214.5 million kgs and US\$415.0 million, respectively, when compared to the 2018 marketing season. The average 2019 price at US\$1.9/kg remained below the 2018 level of US\$2.9/kg. **Table 1** below outlines the cumulative tobacco sales statistics as at 04 July 2019 (*latest available data*).

Table 1: Tobacco Marketing Statistics as at 04 July 2019 (Day 73)

Seasonal	Total Auction	Total Contract	Total 2019	Total 2018	Change (%)
Mass sold (mln kg)	28.62	185.92	214.54	226.70	-5.4%
Value (US\$m)	49.94	365.01	414.95	661.56	-37.3%
Average Price (US\$/kg)	1.75	1.96	1.93	2.92	-33.9%
Rejected %	14.01%	4.65%	6.09%	4.98%	(1.1)
Highest Price (US\$/kg)	4.99	5.97	5.97	6.25	-4.5%
Lowest Price (US\$/kg)	0.10	0.10	0.10	0.10	0.0%
Average bale weight (kg)	75.0	80.00	80.0	78.0	2.6%

Source: TIMB

Markets Summary

1. Equities

On the Zimbabwe Stock Exchange “ZSE”, the All Share Index fell by 7.8% to end the week at 188.7 due to low investor sentiment. Meanwhile, weekly turnover declined by 23.3% to RTGS\$48.4 million dominated by local investors. The trio of Delta, Cassava and Old Mutual accounted for 63% of total turnover. Elsewhere, mixed trades were recorded on regional and global markets. The better-than-expected jobs data sustained US markets. **Table 2** below outlines the local as well as major regional and global equities markets’ performance as at 05 July 2019.

Table 2: Local, Regional and Global Stock Market Performance

Domestic	28-Jun-19	05-Jul-19	Weekly change (%)	Previous week change (%)	YTD Change (%)
All Share Index	204.75	188.70	-7.8%	-8.1%	29.0%
Industrial Index	683.51	629.6	-7.9%	-8.0%	29.2%
Mining Index	255.26	248.5	-2.6%	-9.7%	9.1%
Top 10 Index	197.21	178.57	-9.5%	-9.4%	23.1%
Mkt cap - RTGS\$m	27.02	24.77	-8.3%	-8.7%	27.5%
Turnover - RTGS\$m	63.05	48.38	-23.3%	-5.2%	
African					
Botswana	7,622.52	7,626.06	0.0%	-0.4%	-2.9%
Ghana	2,394.82	2,330.24	-2.7%	0.5%	-6.6%
Kenya	149.61	149.80	0.1%	1.5%	6.7%
Malawi	29,956.00	29,958.16	0.0%	1.0%	3.4%
South Africa	58,590.17	57,589.82	-1.7%	-0.6%	9.2%
Nigeria	29,966.87	29,270.95	-2.3%	0.4%	-6.9%
Zambia	4,564.78	4,530.54	-0.8%	-1.5%	-13.7%
Mauritius	2,135.98	2,140.20	0.2%	1.0%	-3.5%
Global					
U.S. - Dow	26,599.96	26,922.12	1.2%	-0.4%	15.4%
U.S. - S&P500	2,941.76	2,990.41	1.7%	-0.3%	19.3%
U.K. - FTSE 100	7,493.59	7,553.14	0.8%	1.2%	12.3%
Japan - NIKKEI 225	21,729.97	21,506.08	-1.0%	2.1%	7.5%
China - Shanghai Index	2,978.88	3,011.06	1.1%	-0.8%	20.7%

Source: Various

...volume and value still below prior year's level...

...All share index up 29% on a ytd basis...

2. Commodities

Mixed trades were recorded among major commodities. On the upside, platinum prices increased by 2.3% to \$839/oz on anticipated growth in industrial demand from the latest World Platinum Investment Council report. On the other hand, oil prices fell by 3.5% to US\$64/b due to growing concerns over energy demand, whilst gold prices fell by 1.4% to US\$1,389/oz as strong US jobs data lowered the safe-haven demand of the precious metal - **Table 3** below.

Table 3: Commodities Price Performance

Commodities	28-Jun-19	05-Jul-19	Weekly change (%)	Previous Week Change (%)	YTD Change (%)
Metals					
Gold - US\$/oz	1,409.00	1,388.65	-1.4%	0.8%	8.6%
Platinum - US\$/oz	820.00	839.00	2.3%	1.4%	4.9%
Copper - US\$/t	5,993.00	5,902.00	-1.5%	0.4%	-1.1%
Nickel - US\$/t	12,660.00	12,295.00	-2.9%	4.4%	16.1%
Oil - US\$/b	66.55	64.23	-3.5%	2.1%	19.4%
Agricultural					
Wheat - US\$/t	193.64	190.43	-1.7%	0.2%	3.0%
Soybeans - US\$/t	330.60	338.50	2.4%	-0.3%	2.1%
Sugar - US\$/pound	12.32	12.36	0.3%	0.8%	2.7%
Cotton - US\$/pound	63.15	63.44	0.5%	3.2%	-12.1%

Source: Various

Meanwhile, local prices were maize and small grains (RTGS\$1,400/t), wheat (RTGS\$1 089.68), soyabean (RTGS\$918/t) and cotton (RTGS\$1 950/t).

3. Currencies

The US dollar traded near 3-week highs as the strong US jobs data for June 2019 lowered expectations for a sharp Federal Reserve interest rate cut. Thus, the dollar index advanced by 1.2% to end the week at 97.29. Elsewhere, the South Africa rand was largely unchanged at ZAR14.12 as positive domestic data on business confidence and private sector activity for June 2019 managed to offset risk-off sentiment on emerging market currencies. **Table 4** below outlines currencies performance as at 05 July 2019.

Table 4: Currencies Performance

Currencies	28-Jun-19	05-Jul-19	Weekly change (%)	Previous week change(%)	YTD Change (%)
USD/RTGS\$ (mid-rate)	6.88	8.70	26.5%	6.1%	247.9%
USD/ZAR	14.13	14.12	0.0%	-1.5%	-1.8%
USD/BWP	10.49	10.47	-0.3%	-0.4%	-0.5%
USD/ZMK	12.85	12.78	-0.5%	0.1%	7.4%
USD/NGN	358.09	357.44	-0.2%	-0.2%	-1.5%
USD/GBP	0.79	0.80	1.1%	0.1%	1.5%
USD/EUR	0.88	0.89	1.1%	-0.4%	1.7%
USD/JPY	107.74	108.20	0.4%	0.4%	-1.6%
USD/CNY	6.87	6.88	0.2%	0.0%	0.1%
Dollar Index - DXY	96.13	97.29	1.2%	0.0%	1.2%

Source: Oanda

...gold prices fall on subdued safe-haven demand...

...US dollar trades near 3-week highs...

Looking Ahead

Date	Event	Period	Forecast	Previous
Local				
11-Jul-19	Edgars AGM, 9am, 1st Floor, LAPF House, Bulawayo			
15-Jul-19	Zimstat annual Inflation - YoY	Jun-19		97.9%
26-Jul-19	Delta AGM,1230hrs, Northridge Close, Borrowdale			
Regional and International				
09-Jul-19	China CPI - YoY	Jun-19	2.7%	2.7%
10-Jul-19	UK Manufacturing Production - MoM	May-19	2.1%	-3.9%
10-Jul-19	Canada Interest Rate decision		1.8%	1.8%
11-Jul-19	South Africa Mining Production	May-19	-2.5%	-1.5%
11-Jul-19	South Africa Manufacturing Production	May-19	-0.1%	2.8%
11-Jul-19	US CPI - YoY	Jun-19	1.6%	1.8%
12-Jul-19	EU Finance Ministers Meeting - tentative			

Source: Various

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