

... US\$9.8bln fresh funding for the Green Climate Fund...

Global Economy – Fresh Financing for the Global Climate Fund...

According to United Nations, the Global Climate Fund is set to get a fresh funding in excess of US\$9.8b for the period 2020-2023. However, the amount fell short of the fund’s US\$15b target as the United States and Australia, who were major supporters of the initiative, did not contribute in the current round of pledges. Germany, France and Britain, were the major supporters for the 2020-2023 period. The Green fund was set up in 2015 to help developing countries tackle the adverse effects of global warming. In fact, a cumulative US\$5b has been disbursed covering over 120 countries, including investments in renewable energy in Sub-Saharan Africa.

...US\$4b bailout for troubled SA power utility ...

Africa – South Africa Parliament approves Eskom bailout...

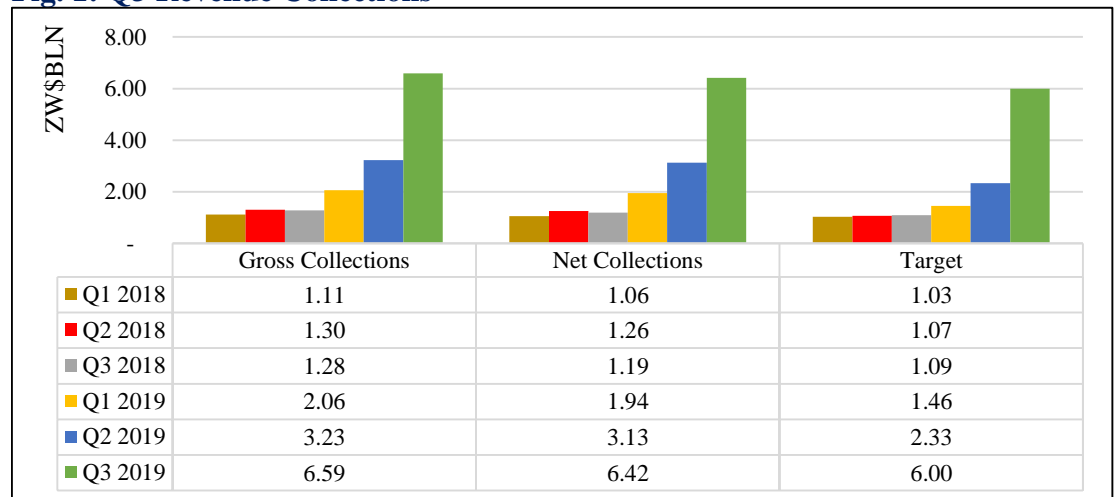
The South African parliament approved a bailout package for Eskom of ZAR 59 billion rand (c.US\$ 4 billion). This move was taken after the troubled power utility company unleashed another round of nationwide blackouts. The financial bailout is expected to help the South African economy avoid another recession as was the case in Q1 2019. Nonetheless, increased infrastructure investment remains critical in stimulating economic activity considering the fact that gross fixed capital formation has been on a downward trend.

Zimbabwe – Q3 revenue collections up...

According to the Zimbabwe Revenue Authority “Zimra”, net revenue collections of \$6.42b surpassed the Q3 2019 target of \$6b resulting in a positive variance of 7%. Meanwhile, Q3 2019 levels also increased by 439% compared to \$1.2b recorded in the same period of 2018. Zimra attributed the performance to both inflation and voluntary compliance and enforcement strategies. With the exception of carbon tax and withholding tax on contracts, all other revenue heads recorded increases ranging from 318% to 513%. **Fig.1** below outlines the trends in gross and net collections since Q1 2018.

.... revenue collections marginally exceeded Q3 2019 target...

Fig. 1: Q3 Revenue Collections



Source: ZIMRA

Going into the fourth quarter, the government is planning to intensify collection efforts through fighting corruption and prosecuting tax evasion offenders as well enforcement of compliance. It also remains critical for policymakers to focus on initiatives targeted at reviving aggregate demand as it subsequently results in the expansion of the country’s tax base.

Markets Summary

1. Equities

All Share Index marginally gained by 0.7% to end the week at 229.80 supported by gains in Innscor, OK Zimbabwe, SeedCo International and Padenga. Meanwhile, weekly turnover declined by 15.7% to ZWL\$35.4m due to reduced investor participation. Offshore investors closed as net sellers at \$0.3m. Elsewhere, with the exception of Ghana, Nigeria and Zambia, most regional and global markets recorded gains. US markets were driven by positive news concerning the US-China trade deal as well as strong quarterly financials. **Table 1** below outlines the local as well as major regional and global equities markets' performance as at 24 Oct 2019.

Table 1: Local, Regional and Global Stock Market Performance

| Domestic | 18-Oct-19 | 24-Oct-19 | Weekly change (%) | Previous week change(%) | YTD Change (%) |
|------------------------|-----------|-----------|-------------------|-------------------------|----------------|
| All Share Index | 228.19 | 229.80 | 0.7% | -1.4% | 57.1% |
| Industrial Index | 760.26 | 765.51 | 0.7% | -1.6% | 57.1% |
| Mining Index | 310.18 | 314.11 | 1.3% | 11.5% | 37.9% |
| Top 10 Index | 208.8 | 210.70 | 0.9% | -3.0% | 45.3% |
| Mkt cap - RTGS\$mln | 29.78 | 30.01 | 0.8% | -1.7% | 54.5% |
| Turnover - RTGS\$mln | 41.97 | 35.38 | -15.7% | 4.3% | |
| African | | | | | |
| Botswana | 7,526.85 | 7526.85 | 0.0% | 0.7% | -4.2% |
| Ghana | 2,161.65 | 2155.46 | -0.3% | -0.6% | -13.6% |
| Kenya | 148.36 | 150.29 | 1.3% | 0.5% | 7.0% |
| Malawi | 29,740.17 | 30342.82 | 2.0% | 0.1% | 4.7% |
| South Africa | 55,669.32 | 55825.14 | 0.3% | 0.7% | 5.9% |
| Nigeria | 26,448.62 | 26348.73 | -0.4% | -0.3% | -16.2% |
| Zambia | 4,355.43 | 4352.11 | -0.1% | -0.4% | -17.1% |
| Mauritius | 2,112.52 | 2125.74 | 0.6% | -1.1% | -4.2% |
| Global | | | | | |
| U.S. - Dow | 26,770.20 | 26958.06 | 0.7% | -0.2% | 15.6% |
| U.S. - S&P500 | 2,986.20 | 3022.55 | 1.2% | 0.5% | 20.6% |
| U.K. - FTSE 100 | 7,166.31 | 7298.75 | 1.8% | -0.8% | 8.5% |
| Japan - NIKKEI 225 | 22,548.90 | 22867.27 | 1.4% | 3.4% | 14.3% |
| China - Shanghai Index | 2,939.62 | 2980.05 | 1.4% | -2.3% | 19.5% |

Source: Various

2. Commodities

With the exception of wheat, soybeans and cotton, most major commodities traded in the positive territory. Gold prices increased by 1.1% to US\$1,503/oz supported by safe-haven buying, whilst positive news over the US-China trade deal lifted oil prices by 4.4% to US\$62.0/b - **Table 2** below.

Table 2: Commodities Price Performance

| Commodities | 18-Oct-19 | 24-Oct-19 | Weekly change (%) | Previous week change (%) | YTD Change (%) |
|---------------------|-----------|-----------|-------------------|--------------------------|----------------|
| Metals | | | | | |
| Gold - US\$/oz | 1,487.20 | 1,503.70 | 1.1% | 0.3% | 17.6% |
| Platinum - US\$/oz | 888.00 | 936.00 | 5.4% | -2.2% | 17.0% |
| Copper - US\$/t | 5,806.00 | 5,925.00 | 2.0% | 0.2% | -0.7% |
| Nickel - US\$/t | 16,450.00 | 16,888.00 | 2.7% | -8.6% | 59.5% |
| Oil - US\$/b | 59.42 | 62.02 | 4.4% | -1.8% | 15.3% |
| Agricultural | | | | | |
| Wheat - US\$/t | 195.02 | 189.87 | -2.6% | 4.0% | 2.7% |
| Soybeans - US\$/t | 355.67 | 350.62 | -1.4% | 0.2% | 5.7% |
| Sugar - US\$/pound | 12.32 | 12.35 | 0.2% | -0.7% | 2.7% |
| Cotton - US\$/pound | 65.16 | 64.90 | -0.4% | 2.0% | -10.1% |

Source: Various

...All share index up 57% on a ytd basis...

...nickel commanding the highest ytd gain of 60%...

3. Currencies

The US dollar traded stronger ahead of a U.S. Federal Reserve forthcoming meeting where policymakers are expected to cut interest rates but emphasize their reluctance to ease policy further. Thus, the dollar index increased marginally by 0.6% to end the week at 97.83. Elsewhere, the South African rand was slightly firmer after the country's cabinet approved the promulgation of its long-delayed plan for electricity generation amid nationwide power cuts by state utility Eskom. **Table 3** below outlines currencies performance as at 24 Oct 2019.

Table 3: Currencies Performance

| Currencies | 18-Oct-19 | 24-Oct-19 | Weekly change (%) | Previous week change (%) | YTD Change (%) |
|-----------------------|-----------|-----------|-------------------|--------------------------|----------------|
| USD/RTGS\$ (mid-rate) | 15.44 | 15.57 | 0.8% | 0.9% | 522.8% |
| USD/ZAR | 14.78 | 14.63 | -1.0% | -0.6% | 1.7% |
| USD/BWP | 10.76 | 10.70 | -0.6% | -1.1% | 1.8% |
| USD/ZMK | 13.17 | 13.21 | 0.3% | 0.4% | 11.0% |
| USD/NGN | 360.41 | 360.28 | 0.0% | 0.2% | -0.8% |
| USD/GBP | 0.78 | 0.78 | 0.5% | -2.6% | -0.8% |
| USD/EUR | 0.90 | 0.90 | 0.4% | -1.0% | 3.1% |
| USD/JPY | 108.52 | 108.64 | 0.1% | 0.3% | -1.2% |
| USD/CNY | 7.08 | 7.07 | -0.2% | -0.2% | 2.8% |
| Dollar Index - DXY | 97.28 | 97.83 | 0.6% | -1.0% | 1.7% |

Source: Oanda

Looking Ahead

| Date | Event | Period | Forecast | Previous |
|-----------------------------------|--|---------|----------|----------|
| Local | | | | |
| 30-Oct-19 | Cassava AGM, 10am, Cresta Lodge, Msasa | | | |
| Regional and International | | | | |
| 29-Oct-19 | South Africa Unemployment | Q3 2019 | 29.1% | 29.0% |
| 30-Oct-19 | Euro Business & Consumer Survey | Oct-19 | 101.10 | 101.70 |
| 30-Oct-19 | US Interest Rate Decision | Oct-19 | 1.8% | 2.0% |
| 30-Oct-19 | Japan Interest Rate Decision | Oct-19 | | -0.1% |
| 01-Nov-19 | US Unemployment Rate | Oct-19 | 3.6% | 3.5% |

Source: Various

...US dollar marginally firmer against trading partners...

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