

The Daily Economic and Business News Update, Monday, 13 May 2019

Foreign Currency, Money, Equities & Commodities Markets Overview

Foreign Currency Markets			International Stock Markets				Year-On-Year Inflation Rates		
Currency	13-05-19	10-05-19	Index	10-05-19	09-05-19	Change	Country	Rate	
USD/RTGS	3.6500	3.3500	Dow Jones	25,828.36	25,828.36	0.00%	Zimbabwe	66.80% ^{Mar}	
USD/ ZAR	14.2783	14.2874	NASDAQ	7,910.59	7,910.59	0.00%	South Africa	4.5% ^{Mar}	
EUR/ USD	1.1230	1.1221	FTSE All Share	3,955.81	3,955.09	+0.02%	Malawi	9.3% ^{Mar}	
GBP/USD	1.3010	1.3000	Nikkei 225	21,344.92	21,371.70	-0.13%	Zambia	7.7% ^{Apr}	
USD /BWP	10.6952	10.7643	DAX	12,103.79	11,973.92	+1.08%	Botswana	3.3% ^{Mar}	
Old Mutual Implied Exchange Rates							Mozambique	3.27% ^{Apr}	
Currency	10-05-19	09-05-19	Dec 2018	Dec 2017	Dec 2016	Dec 2015	Namibia	4.5% ^{Mar}	
GBP/USD	8.3334	8.3624	6.7717	2.3828	1.684563	1.137004	Kenya	6.58% ^{Apr}	
USD/ZAR	44.7193	44.6461	35.4063	14.5289	10.13966	4.907358	Ghana	9.3% ^{Mar}	
Regional Stock Markets			Interest rates			10-05-19		Nigeria	11.25% ^{Mar}
Index	10-05-19	09-05-19	Change	10-05-19		Brazil	4.94% ^{Apr}	China	2.3% ^{Mar}
ZSE Industrial Index	473.2	467.77	+1.20%	SARB Prime Rate		10.25%	Canada	1.9% ^{Mar}	
ZSE Mining Index	189.4	187.09	+1.20%	BOB Prime Rate		5.00%	Germany	2.0% ^{Apr}	
ZSE All Share	141.6	139.99	+1.20%	LIBOR One Month		2.453%	Australia	1.8% ^{Mar}	
JSE All Share	56,780.75	56,496.08	+0.50%	LIBOR Three Month		2.535%	U.K.	1.9% ^{Mar}	
Ghana SE-CI	2,340.78	2,349.11	-0.35%	LIBOR One Year		2.702%	Japan	0.5% ^{Mar}	
Nairobi All Share	153.29	155.38	-1.35%	Federal Discount Rate		1.000%	U.S.A.	2.0% ^{Apr}	
Nigeria All Share	28,847.81	28,896.25	-0.17%	Federal Prime Rate		3.500%			
ZSE Counter	10-05-19 (US\$)	09-05-19 (US\$)	Last Traded (US\$)	Daily Change (US\$)	YTD Change (US\$)	YTD Change (%)	Issued Zimbabwe Shares	Market Cap. (US\$)	
ZB Financial Holdings	0.4105	0.41	0.41	+0.0005	+0.0505	+14.03%	175,190,642	71,915,758.54	
First Capital Bank Limited	0.05	0.05	0.05	0.000	-0.01	-16.67%	2,156,260,176	107,813,008.80	
CBZ Holdings Limited	0.28	0.2496	0.2496	+0.0304	+0.13	+86.67%	687,231,691	192,424,873.48	
Econet Wireless Zimbabwe	1.0998	1.0954	1.0954	+0.0044	+0.1998	+22.20%	2,590,577,000	2,849,116,584.60	
FBC Holdings Limited	0.3911	0.3911	0.3911	0.000	+0.1911	+95.55%	671,949,927	262,799,616.45	
Fidelity Life Assurance	0.11	0.11	0.11	0.000	0.000	0.00%	108,923,291	11,981,562.01	
Get Bucks	0.08	0.08	0.08	0.000	+0.043	+116.2%	1,093,567,251	87,485,380.08	
NMBZ Holdings Limited	0.27	0.27	0.27	0.000	+0.18	+200.0%	392,954,830	106,097,804.10	
Old Mutual Plc	10.4017	10.1168	10.1168	+0.2849	+5.7017	+121.3%	69,081,664	718,566,744.43	
First Mutual Holdings	0.136	0.13	0.13	+0.006	-0.059	-30.26%	690,143,060	93,859,456.16	
Mashonaland Holdings	0.03	0.029	0.029	+0.001	-0.0046	-13.29%	1,859,073,947	55,772,218.41	
ZSE Gainers			ZSE Losers						
Counter	10-05-19 (US\$)	Previous (US\$)	Change (%)	Counter	10-05-19 (US\$)	Previous (US\$)	Change (%)		
Dairibord	0.1909	0.1630	+17.12%	Axia	0.4003	0.4196	-4.51%		
CBZ	0.2800	0.2496	+12.18%	OK Zim	0.2900	0.2918	-0.62%		
Unifreight	0.1100	0.1010	+8.91%	Nampak	0.3000	0.3010	-0.33%		
InnScor	1.9519	1.8645	+4.69%	SeedCo	1.4495	1.4524	-0.20%		
ZSE Market Data			International Commodity Prices						
Index	10-05-19	09-05-19	Commodity	10-05-19	09-05-19	Jan 19	Jan 18		
Turnover Value (\$m)	6.5115	8.3493	Gold (US\$/oz)	1,285.00	1,283.40	1,283.50	1,317.10		
Foreign Buys (\$m)	3.0357	1.8140	Platinum (US\$/oz)	863.00	847.00	792.00	942.00		
Foreign Sales (\$m)	1.2583	3.9173	Silver (US\$/oz)	14.735	14.720	15.470	17.150		
Market Cap (\$m)	18,385.91	18,330.99	Palladium (US\$/oz)	1,333.00	1,281.00	1,252.00	1,086.00		
YTD Change (Market Cap)	-4.19%	-4.47%	Brent Crude Oil (US\$/barrel)	70.62	70.39	53.80	66.55		

Disclaimer: This document may be legally privileged and/or confidential and has been prepared for informative purposes only. No liability whatsoever for any loss howsoever arising from the use of this review or its contents or otherwise arising in connection therewith shall be accepted by ZB Financial Holdings, any of its directors, employees, or associates. Any person who makes use of this document shall be solely responsible for making his or her own TheSundayMail investigation of the issues discussed in this report. ZB Financial Holdings accepts no responsibility whatsoever for the accuracy or completeness of the information contained in this document.

Local Business News

1. The Cotton Company of Zimbabwe intends to start developing own commercial farms, targeting at least 100,000 hectares across the country to anchor production and support cotton value chains, managing director Pious Manamike said. Currently, Cottco is administering government's multi-million dollar inputs programme meant to support vulnerable households. The programme has been running for the past three seasons and has resuscitated the cotton industry after boosting output from a record low of 28 000 tonnes in 2015 the lowest in nearly two decades to 142 000 tonnes last year. Nearly 400 000 households are currently benefiting from the inputs support programme with each farmer getting planting seed, fertilisers and chemicals among others. (Herald)

2. State-controlled Industrial Development Corporation (IDC) has started the process to dispose of its controlling shareholding in struggling automobile firms, Willowvale Motor Industries (WMI) and Deven Engineering, as government's parastatal and State enterprises reform gathers pace. Finance and Economic Development Minister Mthuli Ncube said last year that privatisation of struggling State entities and parastatals will entail listing on the Zimbabwe Stock Exchange (ZSE) and forming joint ventures. Restructuring of State enterprises and parastatals is an integral element of extensive reforms envisaged under Government's two-year economic blueprint, Transitional Stabilisation Programme (TSP) (2018-2020). (Herald)

3. Renowned economist and Africa Economic Development Studies (AEDS) executive director Gift Mugano has predicted a decline in inflation as the year progresses towards mid-year owing to slackening demand due to customers' limited buying power. Basic commodities prices have lately been skyrocketing beyond the reach of many ordinary Zimbabweans but this might soon change as slowing demand has already begun to manifest in the economy with some reputable companies starting to revert back to lower prices. His sentiments come on the back of Zimbabwe's year-on-year inflation rate having spiked to 66.80% for the month of March, 2019.

Disclaimer: This document may be legally privileged and/or confidential and has been prepared for informative purposes only. No liability whatsoever for any loss howsoever arising from the use of this review or its contents or otherwise arising in connection therewith shall be accepted by ZB Financial Holdings, any of its directors, employees, or associates. Any person who makes use of this document shall be solely responsible for making his or her own TheSundayMail investigation of the issues discussed in this report. ZB Financial Holdings accepts no responsibility whatsoever for the accuracy or completeness of the information contained in this document.

Mugano indicated that the country was already witnessing waning demand of commodities as customers can no longer afford to buy excessively priced goods since incomes have remained stagnant. (Herald)

4. International money transfer service, WorldRemit, has seen a 40% surge in customers sending money to Zimbabwe for cash collection through ZB Bank. In a statement, country director of Zimbabwe and head of sub-Saharan Africa at WorldRemit, Pardon Mujakachi said Diaspora contributions are vital to upholding the education of children across Zimbabwe and they will continue working with their trusted partners in the country. "As thousands of children in Zimbabwe go back to school, the contributions of the Diaspora are vital to upholding the education of children across the country. Switching to digital services to send money back home will make this money go even further," he said. "We will continue working with our trusted partners, such as ZB Bank, so that we can guarantee Zimbabweans can collect their money as cash in USD when they need it most." Commenting on the issue, ZB Bank chief executive officer, Ronald Mutandagayi said the group was excited with the progress made by WorldRemit so far. (NewsDay)

5. Zimbabwe will resume power imports after electricity generation plunged due to low water levels at Kariba dam. In March the Zambezi River Authority, which is jointly run by Zambia and Zimbabwe who own the dam, allocated 16 billion cubic metres for power generation from 19 billion cubic meters in 2018. As a result, electricity generation at Kariba Power Station has been cut to 358MW from the planned average of 542MW. Energy Minister Joram Gumbo said he will travel to Mozambique to seek electricity imports. "It is a fact and very well known that the water levels at Kariba have gone very low to the extent that we might not be able to generate power by October if we do not manage our water well," Gumbo said in a post-cabinet briefing on Friday. (NewsDay)

Disclaimer: This document may be legally privileged and/or confidential and has been prepared for informative purposes only. No liability whatsoever for any loss howsoever arising from the use of this review or its contents or otherwise arising in connection therewith shall be accepted by ZB Financial Holdings, any of its directors, employees, or associates. Any person who makes use of this document shall be solely responsible for making his or her own TheSundayMail investigation of the issues discussed in this report. ZB Financial Holdings accepts no responsibility whatsoever for the accuracy or completeness of the information contained in this document.

6. Zuva Petroleum has attained three International Standards Organisation certifications from the British Standards Institution (BSI), making it the only company in Zimbabwe's fuel sector to do so. BSI ISO Certification is considered a symbol of recognition and an endorsement of operating according to globally recognised international standards. Zuva acquired the Quality Management Systems, Environmental Management and Occupational Health and Safety Management. Zuva chief executive Bethwell Gumbo said the company's journey to certification started in 2017. (NewsDay)

7. Fidelity Life Assurance (Fidelity) says it has cut its losses for the year-ended December 31, 2018 by half from the prior comparable period on the back of a 44% increase in its gross premium income. The Zimbabwe Stock Exchange (ZSE) listed life assurance group reported a loss after tax of \$614 542 for the period under review, progressing from a loss of \$1.290 million in the prior period. "The group's drive to focus on its core life assurance business yielded positive results as gross premium income grew by 44% from \$14.2 million in 2017 to \$20.5 million in 2018," Fungayi Ruwende, Fidelity's board chairperson said on Friday in a comment accompanying the group's results. Ruwende said revenue from sale of stands and interest income on stands debtors however decreased by a combined 36%. (DailyNews)

8. Zimre Holdings' profit for the year ended December 31, 2018 of \$3.55 million was 39% lower than \$5.82 million achieved in 2017 largely as a result of reduced contribution from property and subdued investment income. Benjamin Kumalo, the group's chairperson said in a statement accompanying the financials said the profit outturn in 2018 reflects a more sustainable outcome which should be maintained and improved on in the future. "We are confident that in the medium to long-term, the group's regional operations will continue to increase their contribution to the group's over' all performance," he said. He said nonrecurring income and expense items declined from a net income of \$3.31 million in 2017 to \$1.46 million in 2018. Kumalo said during the year under review, total group income declined eight % to \$33.55 million compared to \$36.36 million during the 2017 financial year largely due to low capital bases in the regional

Disclaimer: This document may be legally privileged and/or confidential and has been prepared for informative purposes only. No liability whatsoever for any loss howsoever arising from the use of this review or its contents or otherwise arising in connection therewith shall be accepted by ZB Financial Holdings, any of its directors, employees, or associates. Any person who makes use of this document shall be solely responsible for making his or her own TheSundayMail investigation of the issues discussed in this report. ZB Financial Holdings accepts no responsibility whatsoever for the accuracy or completeness of the information contained in this document.

operations and limited business retention levels. (DailyNews)

9. Government's desire to find strategic partners for State-owned enterprises (SOEs) is gathering pace, with three of the five firms earmarked for immediate reforms having either identified transactional advisors or optimistic of meeting the fourth-quarter deadline to partially privatise. Five companies, namely TelOne, NetOne, Telecel, Zimpost and the Peoples' Own Savings Bank (POSB), have been lined up for immediate reforms. Government believes it can generate up to US\$350 million from the reform process. (SundayMail)

10. Old Mutual Zimbabwe's shareholders have approved a restructuring exercise which will see the Group's operations being consolidated into three units. The consolidation will be based on the major lines of businesses operated by the group namely, insurance, wealth management and banking. At an AGM held on Wednesday, shareholders unanimously voted in favour of the restructuring which was tabled a month ago and was in line with the parent company's strategy to realign the overall group's operations. (SundayMail)

11. Government and the Zimbabwe Congress of Trade Unions (ZCTU) have intensified calls for social dialogue to explore avenues of addressing employee concerns, especially the declining value of salaries. Employees say their earnings have been eroded by inflation, particularly from September last year to date, as the country grapples with foreign currency shortages and a constrained interbank market that is characterised by more buyers than sellers. This has caused some industrialists to seek foreign currency on the parallel market, where exchange rates have shot up, triggering high prices for basic goods and services. (SundayMail)

12. The Minerals Marketing Corporation of Zimbabwe (MMCZ) has assured international

Disclaimer: This document may be legally privileged and/or confidential and has been prepared for informative purposes only. No liability whatsoever for any loss howsoever arising from the use of this review or its contents or otherwise arising in connection therewith shall be accepted by ZB Financial Holdings, any of its directors, employees, or associates. Any person who makes use of this document shall be solely responsible for making his or her own TheSundayMail investigation of the issues discussed in this report. ZB Financial Holdings accepts no responsibility whatsoever for the accuracy or completeness of the information contained in this document.

stakeholders that demand for chrome ore, ferrochrome and other chrome related products remains very high, thus investing in the sector remains lucrative. Presenting at the just- ended 35th International Chrome Development Association (ICDA) conference held in Victoria Falls last week, MMCZ general manager Mr Tongai Muzenda told prospective chrome investors at the oversubscribed conference that investing locally was compelling as demand is high. Mr Muzenda said while prices have taken somewhat of a knock this quarter, pointers on the market are that they will firm in the next quarter, and in future. (SundayMail)

13.Government began consultations last week aimed at reviving tourist arrivals and activity in the resort town of Kariba, which has over the years been slowly losing its lustre. Environment, Tourism and Hospitality Industry Minister Prisca Mupfumira led a Government delegation, which also included officials from the Zimbabwe Tourism Authority (ZTA), into the increasingly sleepy town on a fact- finding mission. Kariba has unique attractions such as game viewing, bird watching and fishing, which are anchored around the world's largest man-made lake, Kariba Dam. (SundayMail)

14.Zimbabwe may soon start seeing huge investments amid heightened foreign investor interest as the allure of the policy reforms driven by Government becomes increasingly attractive, the country's largest financial services group, Old Mutual, has said. Investors, especially from South Africa and Europe (Britain in particular), made several enquiries this year, as they sought clarity on currency reforms implemented in February 2019. In his 2019 Monetary Policy Statement, Reserve Bank of Zimbabwe (RBZ) Governor Dr John Mangudya introduced an interbank market for foreign currency as well as a new national currency, RTGS dollar. (SundayMail)

15.Arrears to local pension funds have soared to more than US\$635 million, a development that is having an adverse effect on economic growth. Globally, pension funds are increasingly utilised

Disclaimer: This document may be legally privileged and/or confidential and has been prepared for informative purposes only. No liability whatsoever for any loss howsoever arising from the use of this review or its contents or otherwise arising in connection therewith shall be accepted by ZB Financial Holdings, any of its directors, employees, or associates. Any person who makes use of this document shall be solely responsible for making his or her own TheSundayMail investigation of the issues discussed in this report. ZB Financial Holdings accepts no responsibility whatsoever for the accuracy or completeness of the information contained in this document.

to promote and protect local industries and develop the country's infrastructure, thus playing a critical role in macro-economic performance. But the rising arrears to various pension funds are increasingly constraining the economic role of pension funds. This is reflected in official statistics, which show that the insurance and pension industry contributed on average 2.5 % of Zimbabwe's gross domestic product (GDP) between 1996 and 2000. However, the sector's share of GDP declined to an average 0.5% during the period of economic downturn and hyper-inflation, between 2001 and 2008. According to executive assistant of the Insurance and Pensions Commission (IPEC), Commissioner Cuthbert Munjoma said. (SundayMail)

Regional News

1. Sudan said on Friday it has delivered fuel supplies to power stations and is working on solutions to a cash crisis, addressing some of the main triggers for mass protests that led to the ouster of President Omar al-Bashir last month. General Ibrahim Jaber, a member of Sudan's ruling Transitional Military Council (TMC) also said that flour supplies were sufficient to cover the needs of the country of 40 million through the end of June. The problems pose challenges to the TMC, set up after generals deposed Bashir and arrested him on April 11. Concern over the shortages increased ahead of the Muslim fasting month of Ramadan, which began last week. Consumption rises during Ramadan, when Muslims fast from dawn to dusk. (Reuters)

2. South Africa's rand strengthened more than 1% on Friday on expectations of political continuity, as the governing African National Congress (ANC) headed for a national election victory. The ANC held a commanding lead with 94% of voting districts counted, according to the electoral commission's website. It had secured 57.7% of the vote, with the main opposition Democratic Alliance (DA) on 20.6% and the leftist Economic Freedom Fighters (EFF) on 10.5%. At 1545 GMT, the rand traded at 14.1900 per dollar, 1.08% firmer than Thursday's New York close. (Reuters)

Disclaimer: This document may be legally privileged and/or confidential and has been prepared for informative purposes only. No liability whatsoever for any loss howsoever arising from the use of this review or its contents or otherwise arising in connection therewith shall be accepted by ZB Financial Holdings, any of its directors, employees, or associates. Any person who makes use of this document shall be solely responsible for making his or her own TheSundayMail investigation of the issues discussed in this report. ZB Financial Holdings accepts no responsibility whatsoever for the accuracy or completeness of the information contained in this document.

3. Nigerian bonds rallied and the naira currency firmed on Friday after central bank governor Godwin Emefiele was nominated for a second term at the helm of the bank, traders said. President Muhammadu Buhari has nominated Emefiele for another term, according to a letter read on the floor of the senate on Thursday. The upper house of parliament is expected to confirm the nomination. "Emefiele's re-appointment has provided support for a rally that started on the bond market this week. Offshore buyers have welcomed the re-appointment," one trader at the Nigerian unit of an international bank said. Bond yields, which move inversely to prices, fell across maturities and extended losses on Friday following Emefiele's nomination. Local asset managers and insurance companies accounted for much of the bond buying, traders said, with foreigners in the mix. (Reuters)

4. Zambia has delayed the receipt of loans totalling \$2.6 billion contracted last year in order to rein in its soaring debt, Finance Minister Margaret Mwanakatwe said on Friday. Zambia's external debt at the end of the first quarter of this year had increased to \$10.178 billion from \$10.05 billion at the end of 2018, Mwanakatwe told business leaders. The debt pile had pierced the \$10 billion level after jumping from \$8.74 billion at the end of 2017. Mwanakatwe said the loans approved last year covered infrastructure, energy, agriculture, health, education and defence. (Reuters)

5. The construction industry can come out of its slump if the provisions of the Procurement Act are adhered to, the chairman of the northern branch of the Namibian Chamber of Commerce and Industry has said. Thomas Indji is of the opinion that if ministries, state agencies and all those procuring goods can use the preference rule in the Procurement Act, the industry will have the ability to spur on economic growth. Indji made the remarks in an interview with The Namibian last week on how the country can stimulate the construction industry to avoid the ongoing

Disclaimer: This document may be legally privileged and/or confidential and has been prepared for informative purposes only. No liability whatsoever for any loss howsoever arising from the use of this review or its contents or otherwise arising in connection therewith shall be accepted by ZB Financial Holdings, any of its directors, employees, or associates. Any person who makes use of this document shall be solely responsible for making his or her own TheSundayMail investigation of the issues discussed in this report. ZB Financial Holdings accepts no responsibility whatsoever for the accuracy or completeness of the information contained in this document.

retrenchment and sluggish performance of the industry. (Namibian)

6. The ministry of trade has collaborated with a German international cooperation agency on a pilot project that has seen the merging of the tourism and small-scale mining sectors, creating a new and unique joint venture model. According to trade minister Tjekero Tweya, the model would bring out other opportunities to diversify the income sources of small miners, and may hopefully improve their standard of living, and formally structure the minerals market. Tweya was speaking at the official launch of the 'Namibia Mine Stones Project on sustainable jewellery production' and the 'Geo-Park Brandberg Project' on Wednesday at the mining expo taking place at the Windhoek showgrounds. The two projects are meant to diversify the livelihoods of small-scale miners in the Brandberg West constituency. (Namibian)

7. Zambia Sugar Operations Manager Graham Rolfe has disclosed that his company intend to start supplying power to ZESCO using renewable energy. Mr. Rolfe says Zambia is currently producing 40 thousand megawatts of electricity enough to power Mazabuka district and the surrounding area. He said Zambia Sugar has the necessary natural resources to produce Biofuel but appealed to Ministry of Energy to provide an enabling environment for companies willing to invest in renewable energies. Mr. Rolfe said this when government representatives and stakeholders toured Zambia Sugar in Mazabuka district to appreciate Biofuel development. (LusakaTimes)

8. Zambia has delayed the receipt of loans totalling \$2.6 billion contracted last year in order to rein in its soaring debt, Finance Minister Margaret Mwanakatwe said on Friday. Zambia's external debt at the end of the first quarter of this year had increased to \$10.178 billion from \$10.05 billion at the end of 2018, Mwanakatwe told business leaders. The debt pile had pierced the \$10 billion level after jumping from \$8.74 billion at the end of 2017. Mwanakatwe said the

Disclaimer: This document may be legally privileged and/or confidential and has been prepared for informative purposes only. No liability whatsoever for any loss howsoever arising from the use of this review or its contents or otherwise arising in connection therewith shall be accepted by ZB Financial Holdings, any of its directors, employees, or associates. Any person who makes use of this document shall be solely responsible for making his or her own TheSundayMail investigation of the issues discussed in this report. ZB Financial Holdings accepts no responsibility whatsoever for the accuracy or completeness of the information contained in this document.

loans approved last year covered infrastructure, energy, agriculture, health, education and defence. The 25 loans had been in the pipeline from 2016 to 2017 but only reached financial closure in the first and second quarters of last year, she said. (LusakaTimes)

9. The Botswana Power Corporation's (BPC) first profits in a decade have been revised upwards to P674 million, the latest Auditor General report shows. Last June, documents shared with BusinessWeek suggest that the power utility had recorded an estimated P200 million profit, the first in 10 years of multi-billion pula losses. BPC's decade of misery was driven by high import costs to cover failure of Morupule B, no-cost reflective tariffs, operational inefficiencies and a spiralling debt book. The Auditor General's report, covering the 2017/18 financial year and released on Tuesday, shows that the BPC met its Masa 2020 objective of turning a profit by 2020. (Mmegi)
10. The arrest of more than 40 Kenya Revenue Authority (KRA) employees over corruption allegations has lifted the lid on deeply entrenched cartels that have for years made a fortune by contributing to the loss of billions of shillings in revenue. The detailed inner workings of the tax cartels include colluding to cheat the automated system, with some workers said to receive as much as Sh500,000 per day in bribes. (AllAfrica)

International News

1. The United States and China appeared at a deadlock over trade negotiations on Sunday as Washington demanded promises of concrete changes to Chinese law and Beijing said it would not swallow any "bitter fruit" that harmed its interests. The trade war between the world's top two economies escalated on Friday, with the United States hiking tariffs on \$200 billion worth of Chinese goods after President Donald Trump said Beijing "broke the deal" by reneging on earlier commitments made during months of negotiations. (Reuters)

Disclaimer: This document may be legally privileged and/or confidential and has been prepared for informative purposes only. No liability whatsoever for any loss howsoever arising from the use of this review or its contents or otherwise arising in connection therewith shall be accepted by ZB Financial Holdings, any of its directors, employees, or associates. Any person who makes use of this document shall be solely responsible for making his or her own TheSundayMail investigation of the issues discussed in this report. ZB Financial Holdings accepts no responsibility whatsoever for the accuracy or completeness of the information contained in this document.

2. U.S. stock futures and Asian shares fell today on growing anxiety over whether the United States and China will be able to salvage a trade deal, after Washington sharply hiked tariffs and Beijing vowed to retaliate. The United States and China appeared at a deadlock over trade negotiations on Sunday as Washington demanded promises of concrete changes to Chinese law and Beijing said it would not swallow any “bitter fruit” that harmed its interests. Investors are bracing for threatened “counter-measures” from China in retaliation for Washington’s tariff increase on Friday on \$200 billion worth of Chinese goods. The move followed accusations by U.S. President Donald Trump that Beijing “broke the deal” by reneging on earlier commitments. (Reuters)

3. Australia’s export earnings are booming as resource prices surge but a statistical quirk means tens of billions of dollars go missing from main measures of growth, making the economy seem weaker than it actually is. The cash is still coursing through the country boosting profits, dividends, share prices and tax receipts. It’s just written off as “inflation” and stripped from the real measures of gross domestic product (GDP) that dominate media coverage. This is standard practice worldwide and usually makes perfect sense. After all, if GDP rose 10% but only because prices rose by 10%, then most people would be no better off. (Reuters)

4. Turkey’s plan to clean up some \$13 billion in bad energy loans, one of the worst hangovers from last year’s currency crisis, is taking shape even as some banks hold out for the government to agree to safeguards and higher electricity prices. According to interviews with more than a dozen bankers, investors, advisers and company executives, Ankara is working with lenders to craft legislation that would protect them from sharp losses as the debt is removed from their books, safely packaged as funds, and sold to foreign investors perhaps after a couple of years. (Reuters)

Disclaimer: This document may be legally privileged and/or confidential and has been prepared for informative purposes only. No liability whatsoever for any loss howsoever arising from the use of this review or its contents or otherwise arising in connection therewith shall be accepted by ZB Financial Holdings, any of its directors, employees, or associates. Any person who makes use of this document shall be solely responsible for making his or her own TheSundayMail investigation of the issues discussed in this report. ZB Financial Holdings accepts no responsibility whatsoever for the accuracy or completeness of the information contained in this document.

5. A prospective deal between SoftBank Group Corp's Vision Fund and UK-based financing group Greensill Capital could be announced as early as Monday, a city source told Reuters. SoftBank Vision Fund is investing \$800 million in Greensill, which provides supply chain funding to companies, Bloomberg reported on Sunday, citing a person familiar with the matter. The investment values Greensill at \$3.5 billion, Bloomberg reported. The company was founded by former banking executive Lex Greensill in 2011. The Vision Fund was set up in 2017 and has become the world's largest technology investment fund. Its investments have included ride-hailing pioneer Uber, chip designer ARM and shared workspace firm WeWork. (Reuters)

6. Pakistan has secured a \$6bn (\$4.6bn) bailout from the International Monetary Fund (IMF) as the country battles to stave off an economic crisis. The funding, which still needs approval from the IMF's management, would be provided over three years. The agreement comes after months of negotiations and marks the latest in a string of bailouts from the fund. Pakistan has faced an economic crisis with short supplies of foreign currency reserves and stagnating growth. In a statement, the IMF said Pakistan faces a "challenging economic environment, with lacklustre growth, elevated inflation, high indebtedness, and a weak external position". (BBC)

7. The UK economy picked up in the first three months of the year after manufacturers' stockpiling ahead of Brexit helped to boost growth. Growth was 0.5% in the quarter, up from 0.2% in the previous three months, the Office for National Statistics said. The manufacturing sector grew at its fastest rate since 1988 in the period. The ONS said this was driven by manufacturers rushing to deliver orders before the original Brexit deadline of 29 March. Pharmaceuticals was one of the sectors most affected, expanding 9.4% between January and March. Previous business surveys had shown manufacturers stockpiling goods for Brexit in case the UK left the EU without a transition deal, which they feared could lead to delays at UK borders. (BBC)

Disclaimer: This document may be legally privileged and/or confidential and has been prepared for informative purposes only. No liability whatsoever for any loss howsoever arising from the use of this review or its contents or otherwise arising in connection therewith shall be accepted by ZB Financial Holdings, any of its directors, employees, or associates. Any person who makes use of this document shall be solely responsible for making his or her own TheSundayMail investigation of the issues discussed in this report. ZB Financial Holdings accepts no responsibility whatsoever for the accuracy or completeness of the information contained in this document.

8. Italy, the eurozone's third largest economy, is looking for partnerships with UAE sovereign wealth funds to jointly invest in Africa and Asia, as it looks to expand trade and investment relations, its Trade Commissioner in the UAE said. "We would like to engage UAE sovereign wealth funds to be partners ... in Africa to joint venture with them and to fund projects, as ... Africa will be the next lion [big market] in economic terms," Gianpaolo Bruno, who oversees trade promotion in the UAE, Oman and Pakistan, told The National in an interview. (NewsNow)
9. China and Singapore have renewed a bilateral currency swap agreement worth 300 billion yuan (\$59.80 billion) for three years, the central banks of the two countries said today. Under the arrangement, the People's Bank of China and the Monetary Authority of Singapore (MAS) can access foreign currency liquidity to support trade and investment financing needs, including projects under the Belt and Road Initiative, and to stabilise financial markets, the MAS said. The agreement could be extended again, China's central bank said, without giving further details. The original arrangement between the two central banks was established in 2010. It was renewed in 2013 and 2016. (BusinessTimes)
10. Sydney, Bitcoin climbed to the highest since September, briefly surpassing US\$7,000, as a rally in cryptocurrencies gathered pace in trading over the weekend. Bitcoin advanced 11% to US\$6,981.45 as of 7:56am Tokyo time, having earlier hit US\$7,585 and surging more than US\$1,000 this weekend, according to Bitstamp pricing. The Bloomberg Galaxy Crypto Index is up 7.6%. The largest cryptocurrency is on a tear after trading closer to US\$5,000 at the start of May and has more than doubled since mid-December. Still, it remains a long way off its 2017 peak that topped US\$19,000. (BusinessTimes)

Disclaimer: This document may be legally privileged and/or confidential and has been prepared for informative purposes only. No liability whatsoever for any loss howsoever arising from the use of this review or its contents or otherwise arising in connection therewith shall be accepted by ZB Financial Holdings, any of its directors, employees, or associates. Any person who makes use of this document shall be solely responsible for making his or her own TheSundayMail investigation of the issues discussed in this report. ZB Financial Holdings accepts no responsibility whatsoever for the accuracy or completeness of the information contained in this document.

11. Three Singapore banks reported first-quarter results that beat analysts' expectations, they will again have to brace for a potential slowdown in capital and investment flows, as well as souring sentiment, as trade tensions between the United States and China escalate once again. To be sure, shares of OCBC and UOB closed stronger on Friday, with OCBC up eight Singapore cents to S\$11.39, and UOB closing 13 cents higher at S\$25.61. But DBS bucked the trend, with its shares closing at S\$26.55, down five Singapore cents. (BusinessTimes)

12. The amount of non-performing loans (NPLs) at China's commercial banks rose to 2.16 trillion yuan (S\$431.44 billion) at the end of March, the highest since the end of 2003, official data showed on Friday, as Beijing steps up efforts to curb financial risks. While NPLs rose 95.7 billion yuan from the start of the year, the industry-wide (NPL) ratio declined slightly to 1.8 per cent at the end of the first quarter, compared with 1.89 per cent at the end of 2018, Liu Zhiqing, deputy head of the statistics department at the China Banking and Insurance Regulatory Commission (CBIRC) told reporters. The dip in the NPL ratio likely stemmed from record bank lending in the quarter. Many analysts believe that the NPL ratio of Chinese banks is significantly higher than reported. (BusinessTimes)

13. Northern Europe and the North Atlantic region's six major banks are joining forces to set up a customer checking centre to crack down on money launderers, part of efforts to recover from a scandal that has shaken confidence in the finance industry. Danske Bank and Swedbank have lost billions from their market value after becoming embroiled in a money laundering scandal involving their businesses in the Baltics. The banks have promised to take steps to rectify shortcomings, such as their planned joint venture with rivals Handelsbanken, Nordea, SEB and DNB to perform common customer checks. Regulators and banks see these so-called "know your customer" (KYC) checks as a safeguard against money laundering as the process of verifying the identity of customers, companies and business associates can help banks to spot

Disclaimer: This document may be legally privileged and/or confidential and has been prepared for informative purposes only. No liability whatsoever for any loss howsoever arising from the use of this review or its contents or otherwise arising in connection therewith shall be accepted by ZB Financial Holdings, any of its directors, employees, or associates. Any person who makes use of this document shall be solely responsible for making his or her own TheSundayMail investigation of the issues discussed in this report. ZB Financial Holdings accepts no responsibility whatsoever for the accuracy or completeness of the information contained in this document.

Group Corporate Strategy
ZB Financial Holdings Limited
1st Floor, 21 Natal
21 Natal Road, Belgravia, Box 3198, Harare
Tel: +263 (0)8677002001



or monitor suspicious clients. (BusinessTimes)



Disclaimer: This document may be legally privileged and/or confidential and has been prepared for informative purposes only. No liability whatsoever for any loss howsoever arising from the use of this review or its contents or otherwise arising in connection therewith shall be accepted by ZB Financial Holdings, any of its directors, employees, or associates. Any person who makes use of this document shall be solely responsible for making his or her own TheSundayMail investigation of the issues discussed in this report. ZB Financial Holdings accepts no responsibility whatsoever for the accuracy or completeness of the information contained in this document.