



SWITZVIEW
WEALTH MANAGEMENT

MORNING NOTE

17 DECEMBER 2024

Local News

Zimbabwe's electricity output rises 4.5% year-on-year (Business Weekly)

Zimbabwe's electricity generation rose by 4.5% year-on-year in the third quarter of 2024, with a quarter-on-quarter increase of 4.2%. Hwange Power Station generated 77.8% of the total electricity, followed by Kariba Power Station with 18.6%. Independent Power Producers (IPPs) contributed 3.6%. Distributed electricity volumes increased by 6.7% compared to the previous quarter, with significant consumption by manufacturing, transport, construction, mining, and domestic sectors. Electricity imports increased by 18.6%, while exports surged by 301.2%. The growth in electricity generation supports Zimbabwe's economic recovery and industrial activity, particularly in the mining sector, which saw a 20.1% year-on-year increase in the Index of Mineral Production.

Zimplot bullish about 2025 prospects (The Herald)

Zimplot is optimistic about recovery in 2025, driven by improved rainfall and a strong order book extending into the first quarter. The company faced significant challenges, including severe drought and currency depreciation, leading to its first operational and after-tax loss since 2019. Zimplot implemented cost reduction strategies, achieving a 20% decrease in the cost of ploughs by streamlining operations. The company faces competition from low-cost products from China and India, impacting various segments of its business. Zimplot secured a distributorship with FAW, enhancing its market reach and operational capabilities. The company remains vigilant about cost management and is preparing for potential future droughts, which could affect farmers' disposable income and revenue potential.

Industrial capacity projected over 55% (The Herald)

The manufacturing sector in Zimbabwe is projected to grow, with capacity utilization expected to increase from 52.1% in 2023 to over 55% by 2025. Key measures driving this growth include a retooling funding facility, a stable macroeconomic climate, business reforms, and an efficient foreign exchange market. Despite the positive outlook, the sector faces challenges such as high production costs, aged equipment, and a restrictive regulatory environment. Improved energy availability, with a 15% increase in electricity output, is a critical enabler for industrial production. The growth in manufacturing is expected to reduce reliance on imports, save foreign currency, and create jobs, contributing significantly to economic growth.

Chinese Lithium miner rolls out development projects (The Herald)

Prospect Lithium Zimbabwe (PLZ) has launched a US\$1.3 million Goromonzi Community Development Programme, starting in 2025 and running for three years. Since 2022, PLZ has invested US\$4 million in various programmes, including corporate social responsibility initiatives focused on infrastructure, agriculture, environmental protection, and public health and education. The new programme includes projects in community health, vocational training, women's empowerment, and energy equity.

Regional News

US regulators fine Ethiopian Airlines for airspace violations (The Herald)

Ethiopian Airlines was fined \$425,000 by the US Department of Transport (USDOT) for operating in restricted airspaces using United Airlines' designator code. Etihad Airways was also fined \$400,000 for similar violations using JetBlue Airways' code. The fines were imposed for operating in airspaces where the Federal Aviation Administration (FAA) had issued flight prohibition orders for US operators due to safety concerns, such as armed conflict and unregulated airspace. In October, the USDOT and the European Union Aviation Agency (EASA) issued restrictions preventing airlines from operating in Iranian airspace following retaliatory air strikes by Iran against Israel.

African countries that have been confirmed to receive petrol from the Dangote refinery (Business Insider Africa)

The Dangote refinery is expanding its market base across Africa, currently in advanced talks with eight African nations for fuel supply agreements. The refinery is already exporting diesel, aviation fuel, and petrol to various African countries, including Ghana, Angola, South Africa, and Cameroon. Despite claims that the refinery can service the entire Nigerian market, it faces challenges such as pricing disagreements and competition with independent oil marketers. The refinery's products meet global standards and are being shipped worldwide, including to European markets.

International News

Global airline industry expects record passenger flows in 2025 (The Herald)

The global airline industry is expected to see a record 5.2 billion passengers in 2025, leading to a net income of \$36.6 billion. Profit margins are projected to increase to 3.6%, up from 3.3% in 2024, driven by lower oil prices and higher demand. Industry revenue is anticipated to exceed \$1 trillion for the first time in 2025. Airlines are facing supply chain disruptions, delaying deliveries of newer, more fuel-efficient aircraft and extending maintenance times for existing planes. North America remains the largest profit contributor, although margins are lower than pre-pandemic levels due to slower aircraft deliveries and higher costs, especially for low-cost carriers.

Bitcoin rallies past \$107,000, hopes grow for strategic reserve (Reuters)

Bitcoin's price surged past \$107,000, driven by President-elect Donald Trump's pro-crypto stance and plans to create a U.S. bitcoin strategic reserve. Investor sentiment was boosted by the inclusion of MicroStrategy in the Nasdaq 100 index, leading to increased inflows for the company. Governments worldwide hold significant amounts of bitcoin, with the U.S. possessing nearly 200,000 bitcoins. The total value of the cryptocurrency market has nearly doubled in 2024, reaching over \$3.8 trillion.

ZSE Market Update (African Xchanges)

At the end of the first weekday of trading on the Zimbabwe Stock Exchange (ZSE), a total of 2,916,000 shares, corresponding to a market value of ZiG 9,775,319.57, were traded. Compared with the previous ZSE trading day (Friday, December 13), today's data shows 89% decline in volume and 63% decline in turnover. The current market capitalization of the Zimbabwe Stock Exchange is ZiG 67.1 billion. In the aggregate, 17 ZSE listed equities participated in trading, ending with five gainers and nine losers. General Beltings Holdings led the gainers with 3.45% share price appreciation closing at ZiG 0.06 per share, followed by Delta Corporation (+0.87%), Star Africa Corporation (+0.36%) and Turnall Holdings (+0.34%). On the losing side, Zimre Holdings came out last with an end-of-day price depreciation of 15% at ZiG 0.2975 per share, followed by Ariston Holdings (-14.81%), Econet Wireless Zimbabwe (-14.28%) and Fidelity Life Assurance (-14.12%). Econet Wireless Zimbabwe recorded the highest volume of 2.32 million traded shares, followed by Delta Corporation (239,900), Fidelity Life Assurance (100,300) and Proplastics (61,900). Regarding the performance of ZSE market indices, the benchmark ZSE All Share Index (ZSE-ASI) declined 3.15 (-1.4%) points to close at 221.43, representing a 1-week loss of 5.88%, a 4-week loss of 18.63%, and an overall year-to-date loss of 99.89%. Other remarkable indices that performed were the Zimbabwe National Stock Market Index (+0.15%; -3.13% 1WK; +1.86% YTD), ZSE Top 10 Index (-1.44%; -6.58% 1WK; -99.76% YTD), ZSE Top 15 Index (-1.29%; -7.1% 1WK; -99.82% YTD), ZSE Small Cap Index (+0%; -100% YTD), ZSE Medium Cap Index (+0%; -99.97% YTD), and ZSE Staples Modified Index (+0.67%; +0.03% 1WK; -94.63% YTD).

Interest Rates	Current %	Previous %
Zimbabwe	35,00	20,00
South Africa	8,00	8,25
Zambia	13,50	12,50
Kenya	12,75	13,00
Rwanda	6,50	7,50
Nigeria	27,25	26,25

African Stock Exchanges

Index	Date	Close	%1M	%3M	%YTD	%1Y	%2Y
BRVM-Composite	16-Dec	275.73	1.21	5.22	28.76	31.39	38.18
BSE Domestic Companies	16-Dec	10,022.59	1.44	4.12	12.24	12.52	30.00
DSE All Share	16-Dec	2,078.36	-5.61	-0.88	18.72	19.66	11.50
EGX 30	16-Dec	30,799.43	-2.11	1.78	23.72	24.58	103.41
GSE-Composite	16-Dec	4,733.62	1.62	5.32	51.22	54.52	93.25
JSE All Share	13-Dec	87,129.63	3.97	6.28	13.31	19.95	14.89
LuSE All Share	16-Dec	15,788.56	-1.23	-0.83	45.81	45.68	115.18
MASI	16-Dec	14,703.51	-1.07	5.03	21.59	21.25	33.07
MSE All Share	16-Dec	166,610.80	8.88	16.22	50.17	51.71	174.39
NGX All Share	16-Dec	99,922.63	2.25	2.53	33.63	38.04	102.62
NSE All Share	16-Dec	119.11	3.56	11.01	29.31	29.47	-7.30
NSX Overall	13-Dec	1,868.23	3.50	4.55	14.38	26.52	11.72
RSE All Share	16-Dec	148.6	1.73	2.15	3.41	3.41	0.75
SEM All Share	16-Dec	2,122.32	-2.35	2.34	13.32	13.12	12.86
USE All Share	16-Dec	1,176.83	-1.33	10.91	34.88	33.18	-2.49
ZSE All Share	16-Dec	221.43	-18.13	-15.50	-99.89	-99.89	-98.56

Exchange Rates

Exchange Rates	Yesterday	Today	Change (%)
USD/ZiG	25.6954	25.7234	0.11%
ZiG/ZAR	0.6934	0.6947	0.19%
USD/ZAR	17.8525	17.8781	0.14%
EUR/USD	1.0515	1.05	-0.14%
GBP/USD	1.2635	1.2669	0.27%

Commodity Price Movement Update

Commodity	Opening Price	Closing Price	Change (%)
Gold	2,671.59	2,666.69	-0.18%
Silver	31.0080	30.8720	-0.44%
Copper	4.1750	4.1692	-0.14%
Platinum	924.15	935.90	1.27%
Brent Oil	74.22	74.10	-0.16%

Daily Power Generation Statistics updated 25 Nov 2024

Power Generation Statistics	
Kariba	215MW
Hwange	879 MW
IPP	0 MW
Total	1094 MW

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