



SWITZVIEW
WEALTH MANAGEMENT

MORNING NOTE
20 DECEMBER 2024

Local News

Aussie firm completes government oil/gas sharing agreement (Business Weekly)

Invictus Energy's legal counsel completed an independent review of the Petroleum Product Sharing Agreement (PPSA) with the Zimbabwean Government, ensuring equitable value sharing from the Cabora Bassa Project. Invictus achieved significant exploration success, including the Mukuyu field, which is the second-largest oil/gas discovery in Sub-Saharan Africa. The company plans further exploration and development, including a 3D seismic survey and appraisal drilling at the Mukuyu Gas Field. The project aims to address regional energy demands and support Africa's industrialization with natural gas as a key resource.

ZSE navigates turbulence, VFEX seeks traction (Business Weekly)

The Zimbabwe Stock Exchange (ZSE) experienced a significant decline in turnover, down 35% year-on-year and 77% since 2020. The Victoria Falls Stock Exchange (VFEX) showed growth but couldn't offset the overall decline. The government plans to reduce capital gains withholding tax on marketable securities to 1% starting January 1, 2025, to boost market liquidity and attract investors. Key challenges include currency dynamics, low liquidity, and regulatory hurdles. Proposed solutions involve introducing new financial instruments, streamlining regulations, and offering tax incentives. The introduction of Real Estate Investment Trusts (REITs) and Exchange-Traded Funds (ETFs) as hedge products, along with the potential for more debt products, is seen as a positive development.

RBZ governor charts course for stability in 2025 (Business Weekly)

Zimbabwe's GDP is projected to rebound from 2% in 2024 to 6% in 2025, driven by a favourable agricultural season. The Reserve Bank of Zimbabwe (RBZ) focuses on maintaining price and currency stability, with the ZiG backed by foreign reserves. The RBZ is committed to maintaining positive real interest rates to curb speculative borrowing. The process is gradual, with policies in place to increase demand for the local currency and build public confidence in the ZiG.

Government launches door-to-door crackdown on smugglers (The Herald)

Zimbabwe's government has initiated a door-to-door crackdown to confiscate smuggled goods, especially during the festive season. A taskforce has been deployed to major border posts and key roads to prevent smuggling, with inter-governmental agencies conducting inspections. The crackdown targets a wide range of smuggled products, including food items, clothing, drugs, vehicles, and electrical gadgets. Those found with smuggled goods will face imprisonment without bail, and there will be 24-hour roadblocks to enforce compliance.

Regional News

South Africa, Nigeria emerge top destinations for future investments in SSA (Business Insider)

South Africa and Nigeria are identified as the top destinations for investment in Sub-Saharan Africa over the next few years. Despite challenges like infrastructure issues and political instability, investment flows in SSA have remained resilient. The mining and energy sectors have seen significant investment activity, with mining accounting for three of the top ten transactions in 2023. Investors see mining and oil & gas as the most promising sectors for M&A opportunities in the next two years.

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

59% of alcohol consumed in Kenya is illegal, causing the government to lose over Sh71 billion annually. The consumption of illicit alcohol poses significant public health risks. High taxes on legitimate alcohol products drive the production and consumption of illegal alternatives. Inadequate penalties for offenders contribute to the persistence of the illegal alcohol trade.

International News

Asian shares hit three-month low ahead of US inflation data (Reuters)

Asian shares hit a three-month low as investors await U.S. inflation data. The dollar is at a two-year peak. The Core Personal Consumption Expenditures data is expected, which could influence market expectations for U.S. policy easing. European markets are set for a lower open, and U.S. futures are down. Treasury yields have risen significantly. The yen steadied near a five-month low, while the euro is down for the week. The dollar remains strong against major peers.

US economy eyes strong finish ahead of heightened policy uncertainty in 2025 (Reuters)

Weekly jobless claims fell by 22,000 to 220,000, indicating a gradual labour market slowdown. The third-quarter GDP growth was revised up to 3.1%, driven by robust consumer spending. The Fed cut its benchmark interest rate by 25 basis points and projected only two rate reductions in 2025. Consumer spending grew at a 3.7% pace, the fastest in 1.5 years, contributing significantly to economic growth.

ZSE Market Update (African Xchanges)

At the end of today's trading session on the Zimbabwe Stock Exchange (ZSE), a total of 4,659,800 shares, corresponding to a market value of ZiG 20,679,896.77, were traded. Compared with the previous ZSE trading day (Monday, December 16), today's data shows 60% improvement in volume and 112% improvement in turnover. The current market capitalization of the Zimbabwe Stock Exchange is ZiG 66.5 billion. In the aggregate, 18 ZSE listed equities participated in trading, ending with three gainers and 12 losers. British American Tobacco led the gainers with 6.53% share price appreciation closing at ZiG 77.00 per share, followed by Seed Co (+0.75%) and Hippo Valley Estates (+0.18%). On the losing side, Proplastics came out last with an end-of-day price depreciation of 14.98% at ZiG 1.7420 per share, followed by Amalgamated Regional Trading (-14.97%), Tanganda Tea Company (-14.28%) and TSL (-13.04%). Econet Wireless Zimbabwe recorded the highest volume of 2.18 million traded shares, followed by Delta Corporation (898,000), Willdale Zimbabwe (794,800) and NMBZ Holdings (484,700). Regarding the performance of ZSE market indices, the benchmark ZSE All Share Index (ZSE-ASI) dropped 1.83 (-0.83%) points to close at 219.60, representing a 1-week loss of 6.66%, a 4-week loss of 19.97%, and an overall year-to-date loss of 99.9%. Other remarkable indices that performed were the Zimbabwe National Stock Market Index (-0.22%; -1.1% 1WK; +1.64% YTD), ZSE Top 10 Index (-0.56%; -7.1% 1WK; -99.76% YTD), ZSE Top 15 Index (-0.61%; -7.67% 1WK; -99.83% YTD), ZSE Small Cap Index (+0%; -100% YTD), ZSE Medium Cap Index (+0%; -99.97% YTD), and ZSE Real Estate Index (+0.05%; -0.37% 1WK; -99.73% 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	19-Dec	274.34	-0.21	5.00	28.11	31.90	38.37
BSE Domestic Companies	19-Dec	10,049.11	1.70	4.12	12.54	12.70	30.34
DSE All Share	19-Dec	2,106.80	-4.04	0.10	20.35	21.29	12.09
EGX 30	17-Dec	30,601.64	-2.08	1.47	22.93	23.78	102.10
GSE-Composite	19-Dec	4,809.63	3.35	9.76	53.65	56.70	96.36
JSE All Share	19-Dec	84,465.35	-0.07	0.84	9.85	12.86	15.14
LuSE All Share	19-Dec	15,584.52	-1.78	-2.15	43.93	43.90	112.40
MASI	19-Dec	14,724.00	-1.69	3.80	21.76	20.58	33.07
MSE All Share	19-Dec	169,852.58	9.12	19.03	53.09	56.52	179.69
NGX All Share	18-Dec	100,477.46	2.79	2.29	34.38	38.77	103.74
NSE All Share	19-Dec	121.34	6.97	13.31	31.73	34.84	-5.67
NSX Overall	19-Dec	1,801.18	-0.70	-2.05	10.28	17.37	9.43
RSE All Share	19-Dec	148.6	1.73	2.11	3.41	3.41	0.75
SEM All Share	19-Dec	2,136.48	-0.63	3.63	14.08	13.79	13.55
USE All Share	19-Dec	1,171.54	-1.12	10.61	34.27	33.57	-2.59
ZSE All Share	19-Dec	212.72	-22.48	-18.26	-99.90	-99.89	-98.65

Exchange Rates

Exchange Rates	Yesterday	Today	Change (%)
USD/ZiG	25.7234	25.7639	0.16%
ZiG/ZAR	0.6947	0.715	2.92%
USD/ZAR	18.0734	18.3688	1.63%
EUR/USD	1.0509	1.037	-1.32%
GBP/USD	1.2705	1.2501	-1.61%

Commodity Price Movement Update

Commodity	Opening Price	Closing Price	Change (%)
Gold	2,661.41	2,617.82	-1.64%
Silver	30.8830	29.4770	-4.55%
Copper	4.1338	4.1000	-0.82%
Platinum	945.55	923.00	-2.38%
Brent Oil	73.28	72.63	-0.89%

Daily Power Generation Statistics updated 25 Nov 2024

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

Disclaimer: This document has been issued by SwitzView for information purposes only and may not be used as a basis for investing. SwitzView will not be liable for any losses or gains resulting from investment decisions that are made on the basis of this document. SwitzView has made reference to sources that it deems reliable but has not independently verified. SwitzView makes no guarantee, representation or warranty and accepts no responsibility or liability as to the accuracy or completeness of its content.