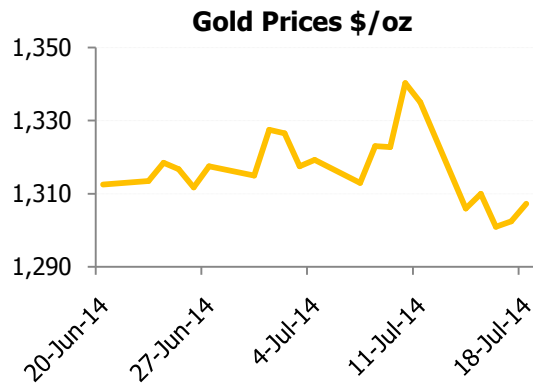


WEEKLY ECONOMIC REVIEW

Commodity 30-Day Price Chart



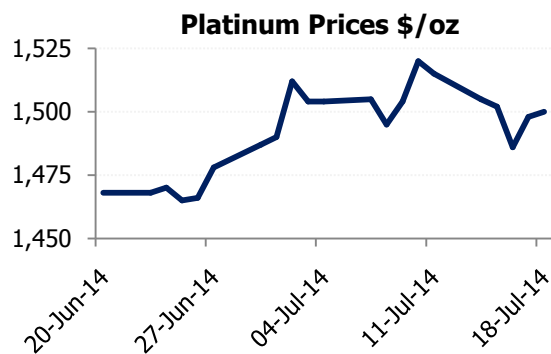
Commodity Prices

Daily	US\$/oz	WoW %Δ
11-Jul-14	1,335	
14-Jul-14	1,306	
15-Jul-14	1,310	
16-Jul-14	1,301	
17-Jul-14	1,303	
18-Jul-14	1,307	
		-2.08

Commodity Developments

- US Fed Reserve plans to end its bond buying stimulus programme by Oct-14 sent gold prices on a free fall.
- The metal however, found support above the \$1,300/oz mark as investors sought shelter from turmoil in equities after a Malaysian airliner was shot down over Ukraine. Bullion prices also benefited from incessant fighting in Gaza.
- In Zim, gold deliveries to Fidelity Printers and Refineries, the country's sole buyer stood at 5.9t in H1:14, with output from major producers as shown below.

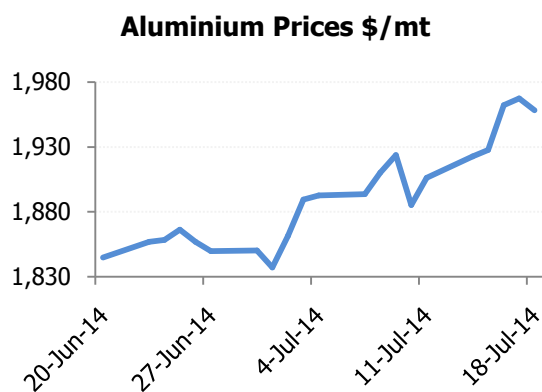
Mine	H1:14 Gold Production (kgs)	Value (US\$ m)
Freda Rebecca	836.3	38.1
Metallon - How Mine	765.1	34.8
Blanket Mine	729.1	33.2
RioZim Renco Mine	316	14.4
Jena Gold Mines	127	5.8
Elvington	13	0.6



Daily	US\$/oz	WoW %Δ
11-Jul-14	1,515	
14-Jul-14	1,505	
15-Jul-14	1,502	
16-Jul-14	1,486	
17-Jul-14	1,498	
18-Jul-14	1,500	
		-0.99

- Washington's move to impose sanctions on some of Russia's biggest companies on the 17th, for failure to curb violence in Ukraine supported Platinum Group of Metals (PGMs) prices which had opened the week trending downwards.
- PGMs are chiefly sourced from Russia, SA, Canada and Zimbabwe. In SA, World number 1 platinum producer Anglo American Platinum is to sell some of its most labour-intensive mines after a 5-month strike shattered its hopes of ever making them profitable. Rustenburg and Union mine which employs 20,000 and 7,000 people, respectively are some of the assets to be disposed.
- In Zim a unit of World number 2 producer Implats - Zimplats, experienced setback in production after an underground collapse at its Bimha mine. Production has been downscaled by 50%, equating to 45,000oz of platinum-in-matte production. Following this setback, it is believed that it will take 15 months to reach full production and 50 months to reconnect to current declines.

Commodity 30-Day Price Chart

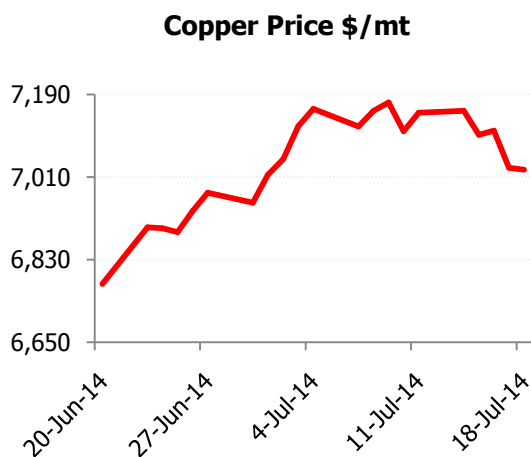


Commodity Prices

Daily	US\$/t	WoW %Δ
11-Jul-14	1,906	
14-Jul-14	1,923	
15-Jul-14	1,928	
16-Jul-14	1,962	
17-Jul-14	1,967	
18-Jul-14	1,958	
		2.73

Commodity Developments

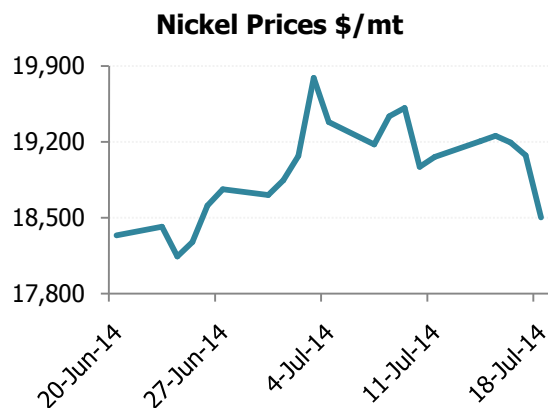
- Aluminium prices surged as investors sought more exposure to commodities with tightening supply-demand balances and were encouraged by falling inventories.
- Investors are slowly returning to base metals attracted by stronger global economic growth and more volatility in some markets.
- With no further shocks from China, a combination of stronger global economic growth and less US monetary stimulus is likely to be a more net positive for base metals than any other assets.
- Long period of aluminium smelter cutbacks due to depressed prices have eroded supply just as global demand recovers, in part due to a revival in the US and European auto sectors.
- However, aluminium stocks are still high in the market and output from China is on the rise, questioning the sustainability of the rally.



Daily	US\$/t	WoW %Δ
11-Jul-14	7,151	
14-Jul-14	7,154	
15-Jul-14	7,102	
16-Jul-14	7,112	
17-Jul-14	7,030	
18-Jul-14	7,026	
		-1.74

- Copper prices fell to a 2-week low on concerns about the Chinese property sector and an increased production outlook.
- An expected copper surplus in the 2nd half of this year also contributed to price concerns. There was evidence of plentiful supplies on the 18th with data showing weekly copper inventories in Shanghai warehouses rising 28.9%
- China's Huatong Road and Bridge Group said that it might not be able to repay a US\$65m debt, possibly becoming the 1st borrower to default in the country's largest bond market adding more concerns the market.
- On the supply side, several companies including Rio Tinto and Anglo American reported higher output in the 1st 6 months of the year. The increase comes despite supply setbacks from Chile, Zambia and Indonesia.
- In China, Collateral financing has become embedded within the copper market, even after the Qingdao port scandal showed the risks lurking in the darker shadows of the trade.

Commodity 30-Day Price Chart



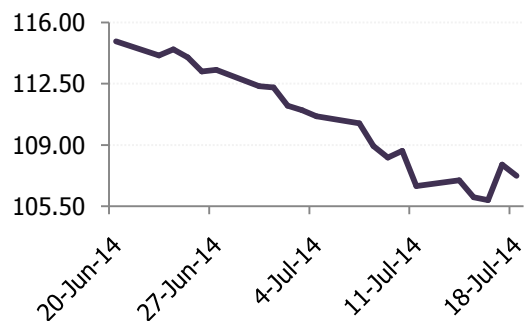
Commodity Prices

Daily	US\$/t	WoW %Δ
11-Jul-14	19,063	
14-Jul-14	19,208	
15-Jul-14	19,258	
16-Jul-14	19,195	
17-Jul-14	19,078	
18-Jul-14	18,503	
		-2.94

Commodity Developments

- Nickel prices dropped weighed down by rising stocks and statement by Indonesian official that the country had resumed exports of metal ore concentrates, ending 6-month stoppage.
- Indonesia was the World's top exporter of nickel concentrate and the main supplier of ore to China's giant nickel pig iron sector.
- Lost supply from Indonesia has been offset by rising ore exports from the Philippines but the quality is known to be lower to the point that some of what is counted as nickel ore is best described as iron ore with nickel content.
- Indonesia's newly elected president Joko Widodo said he wants to sit down with mining companies and other parties in a bid to resolve a row over mining policies that has halted US\$500m of metal exports a month in Southeast Asia's biggest economy. There is rising speculation that the ban may be lifted, a move that will weigh down nickel prices.

Oil Brent prices \$/bbl

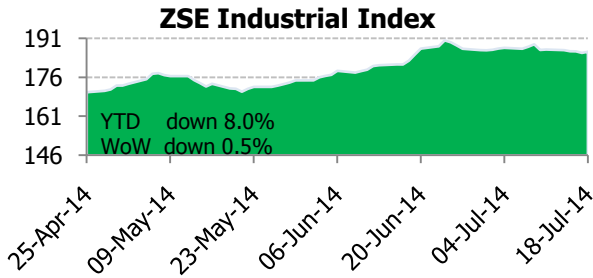


Daily	US\$/bbl	WoW %Δ
11-Jul-14	106.66	
14-Jul-14	106.98	
15-Jul-14	106.02	
16-Jul-14	105.85	
17-Jul-14	107.89	
18-Jul-14	107.24	
		0.54

- Brent prices rose amid amid heightened geopolitical concerns after a Malaysian jetliner was shot down over eastern Ukraine.
- Prices were also supported US sanctions on Russia's biggest firms after Moscow's failure to curb violence in Ukraine and renew geopolitical risks in Libya, Iraq, Iran and Israel.
- Oil prices were also supported by data from the US and China earlier in the week that indicated an improving demand outlook in the world's top two oil consumers.
- In Libya, a protest by oil security guards continued at Brega port, halting oil production at state-run Sirte Oil Co. Th country has sought assistance from the UN Security Council to protect its oil installations, oil export ports and civil airports, warning that without more international assistance the North African oil producer could become a failed state.

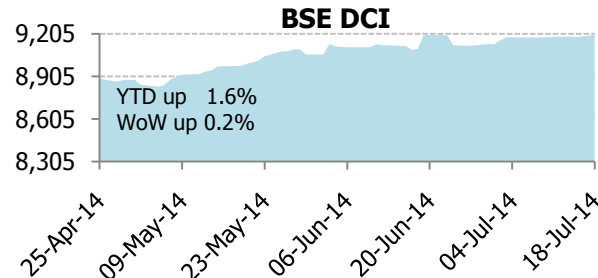
Equities 90-Day Index Charts

Zimbabwe



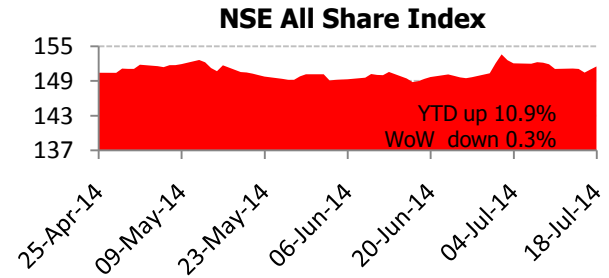
- The ZSE has been transformed into a company from a mutual society, opening the way for a public listing on the bourse it operates. The listing is expected to happen within 3yrs.

Botswana



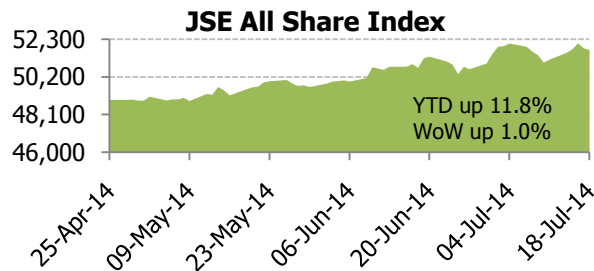
- Lucara Diamond's second exceptional-stone tender from its Karowe mine has generated US\$40.12m. The miner sold 16 diamonds, totalling 1,445 carats for gross revenues of US\$27,755/ct

Kenya



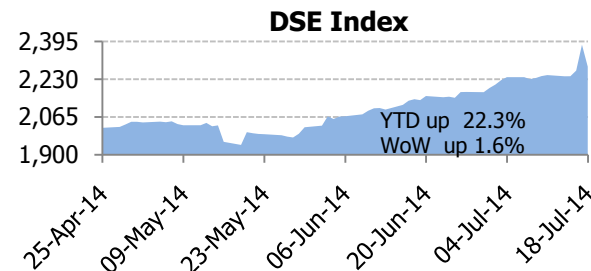
- Raw sugar production jumped 20% in the 1st half of 2014, aided by improved supply of cane and factory capacity. East Africa's economy has an annual sugar deficit of around 200,000t, which is usually filled by imports from other producers in the COMESA.

South Africa



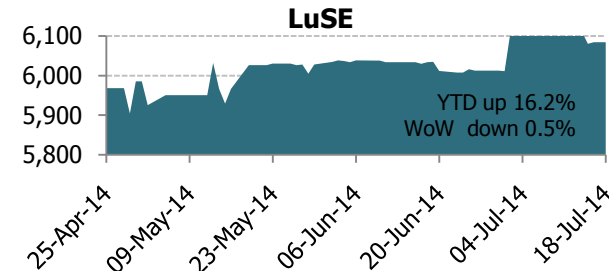
- The central bank's monthly leading business cycle indicator crept up 0.1% in May, largely driven by increased job advertising space and a rise in residential building plans. The indicator collates data such as vehicle sales, job advertisements, business confidence and money supply to gauge the economic outlook.

Tanzania



- Current account deficit widened to US\$4.94bn in the 12 months to May from US\$3.98bn during the same period last year. The widening was due to increase in oil imports and decrease in gold exports.

Zambia



- The Bank of Zambia sold US\$532.5m in foreign exchange market between Jan and May to moderate the volatility of the Kwacha.

Foreign Exchange Markets

	USD/BWP	USD/MZN	USD/TZS	USD/ZMW	USD/ZAR	EUR/USD	GBP/USD
Wk Ending							
11-Jul-14	8.85	30.62	1,657	6.09	10.72	1.362	1.715
Daily							
14-Jul-14	8.87	30.62	1,656	6.12	10.73	1.363	1.714
15-Jul-14	8.85	30.60	1,655	6.13	10.71	1.361	1.714
16-Jul-14	8.86	30.61	1,653	6.13	10.69	1.355	1.712
17-Jul-14	8.84	30.59	1,654	6.13	10.67	1.353	1.712
18-Jul-14	8.86	30.58	1,656	6.13	10.70	1.353	1.711
WoW %Δ	0.09	-0.13	-0.06	0.68	-0.17	-0.66	-0.21
YTD %Δ	1.59	2.51	5.75	11.21	2.19	-1.79	3.55

	ZAR/BWP	ZAR/MZN	ZAR/ZMW	ZAR/TZS
Wk Ending				
11-Jul-14	0.826	2.86	0.568	154
Daily				
14-Jul-14	0.825	2.86	0.572	154
15-Jul-14	0.826	2.87	0.574	154
16-Jul-14	0.826	2.87	0.573	155
17-Jul-14	0.828	2.87	0.572	155
18-Jul-14	0.827	2.87	0.575	155
WoW %Δ	0.12	0.35	1.21	0.65
YTD %Δ	-1.08	0.00	10.13	4.13

Exchange Rate Developments

- The USD appreciated against major European currencies as worries over tougher sanctions on Russia and their potential impact on fragile euro zone growth drove investors away from European currencies.
- This week, the marketing will be focusing on US inflation data as the Fed Reserve continues to taper its bond purchasing exercise.
- The ZAR appreciated against the USD after the South African Reserve Bank (SARB) raised the interest rate at which it lends to commercial banks to 5.75%, citing upward risks to the inflation outlook.
- SARB stressed that while it is concerned about weak economic growth, its primary mandate was to rein in inflation which has breached the top end of a 3-6% target band.
- The ZMW seem to have found stability at ZMW6.13 per USD.
- US\$532m selloff in the foreign exchange market, increase in Bank of Zambia (BoZ) overnight lending rate for commercial banks and widening the scope of statutory reserve requirements for commercial banks during H1:14 have stabilised the ZMW in the short term.
- However, Zambian policy makers should keep an eye on rising interest rates as they may weigh down on economic growth.
- All BancABC markets' currencies depreciated against the ZAR.

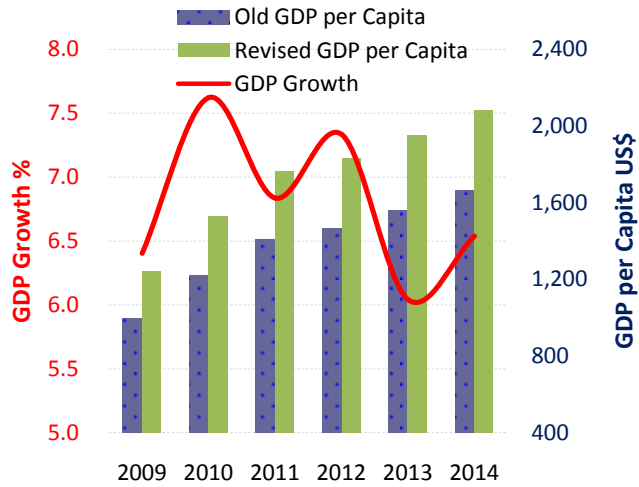
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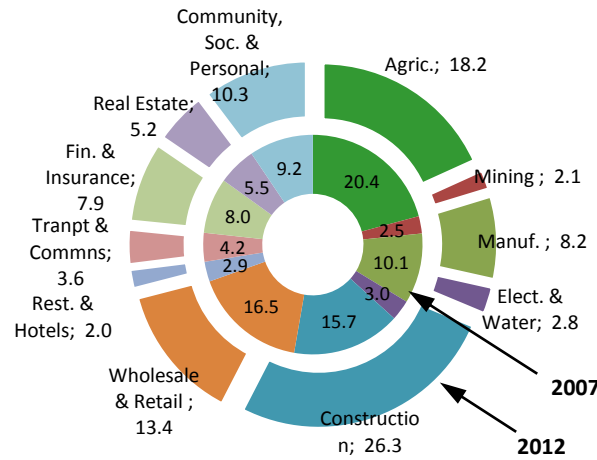
Contact telephone numbers: 369701-16; 752383-5

Focus on Zambia

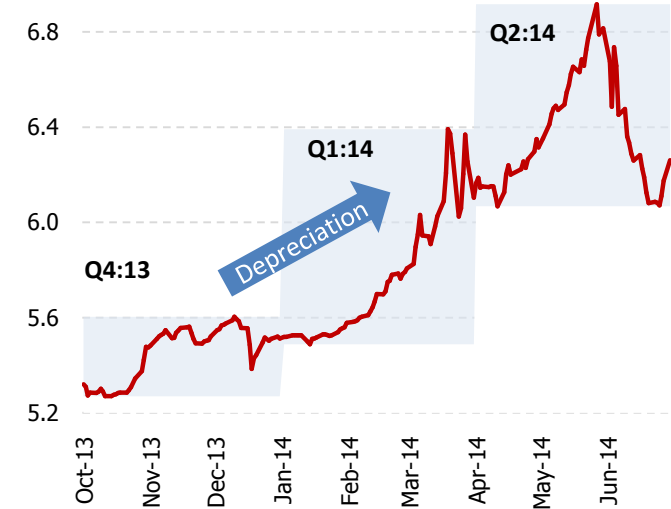
Economic Growth



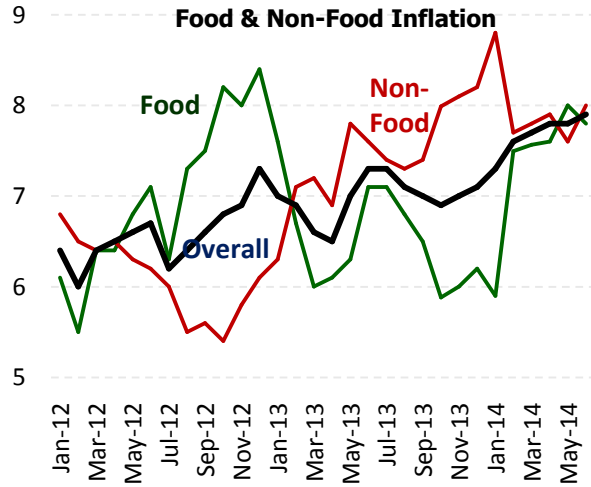
Sector Contribution



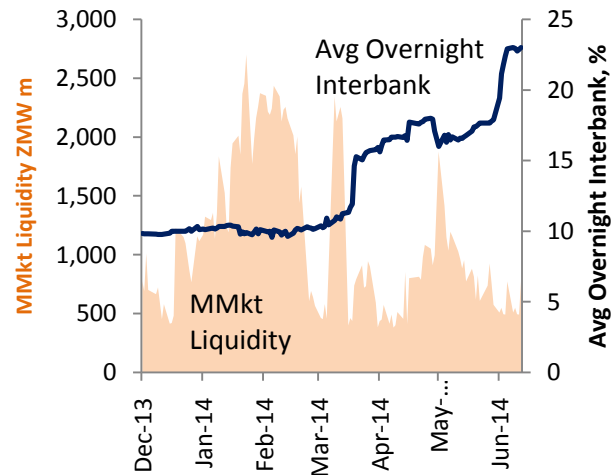
US\$/ZMW



Food & Non-Food Inflation



Money Market Liquidity



Yields on Short-term Treasury Bills

