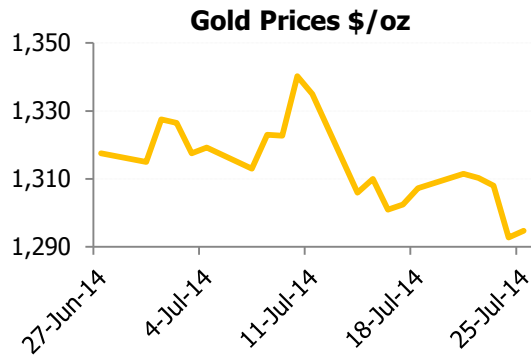


WEEKLY ECONOMIC REVIEW

Commodity 30-Day Price Chart

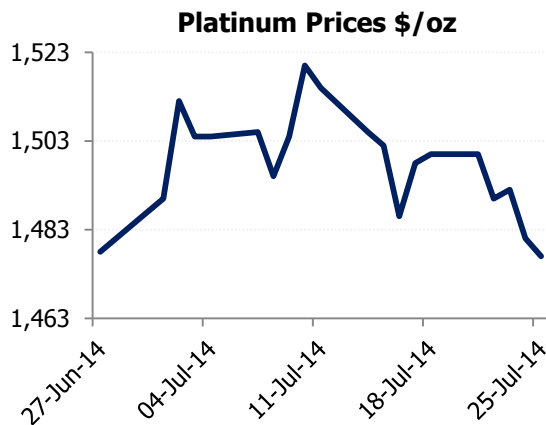


Commodity Prices

Daily	US\$/oz	WoW%Δ
18-Jul-14	1,307	
21-Jul-14	1,312	
22-Jul-14	1,310	
23-Jul-14	1,308	
24-Jul-14	1,293	
25-Jul-14	1,295	
		-0.96

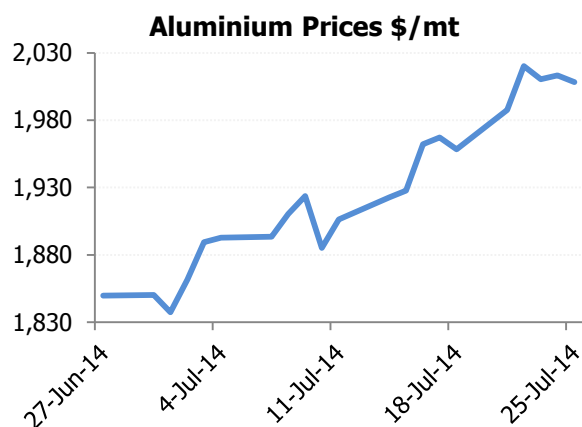
Commodity Developments

- Bullion posted a near 1% drop, its 2nd consecutive weekly decline as encouraging US economic data lessened its safe haven appeal.
- Prices had climbed up earlier during the week supported by news from Russia, Ukraine, Iraq and Gaza. Moscow accused Washington of trying to influence international opinion through unfounded insinuations and anti-Russian rhetoric over the crisis in Ukraine, while Washington said the transfer of rocket systems from Russia to Ukrainian separatists appeared to be imminent.
- With these mixed news in the global markets, Gold prices slightly went up on the 25th as traders sought cover from geopolitical risks going into the weekend.
- In production, African Barrick Gold production surged by 13% in the H1:14 to 346,581oz compared to same period last year, with production amounting to 178,206oz in the Q2:14. The increase is due to new deliveries from its Bulyanhulu carbon-in-leach (CIL) expansion project, in Tanzania. The miner expects full year production in excess of 700,000oz.
- SA platinum producer Lonmin announced that it will lift its production to 80% of normal levels by the end of its financial year in Sept as it recovers from a 5-month strike. The company which produced 751,000oz in 2013 is expecting its production to be around 340,000oz this year as a result of the 5-month strike.
- Other players in SA platinum sector are restructuring, with Amplats selling off some of its most labour-intensive mines after a 5-month strike knocked its revenues and as it follows a long-term pivot to mechanised operations.
- Prices which were supported by SA labour unrests are expected to fall further as supply shocks cool off. General Motors SA announced that it would resume full production this week after a 4-week strike at components suppliers ended.
- In Zim, platinum export earnings will be negatively affected by the collapse of a unit of Zimplats Bimha mine. In the 2014 National Budget, platinum output was projected at 14,000kgs. Attainment of the target now seems more unlikely as most miners do not have the long term capital to boost their production levels and the lost output after the Zimplats mine collapse.



Daily	US\$/oz	WoW %Δ
18-Jul-14	1,500	
21-Jul-14	1,500	
22-Jul-14	1,490	
23-Jul-14	1,492	
24-Jul-14	1,481	
25-Jul-14	1,477	
		-1.53

Commodity 30-Day Price Chart

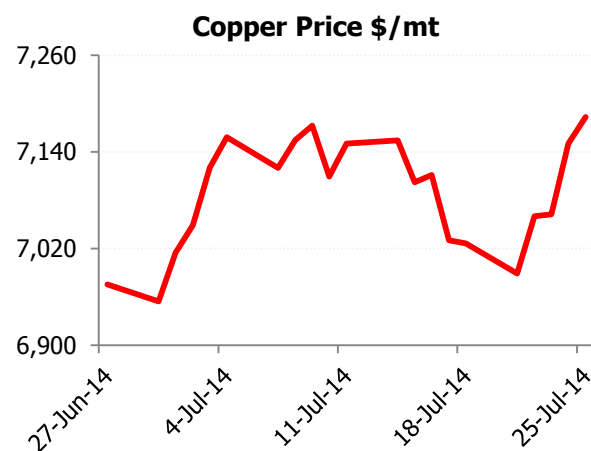


Commodity Prices

Daily	US\$/t	WoW %Δ
18-Jul-14	1,958	
21-Jul-14	1,988	
22-Jul-14	2,020	
23-Jul-14	2,011	
24-Jul-14	2,013	
25-Jul-14	2,008	
		2.55

Commodity Developments

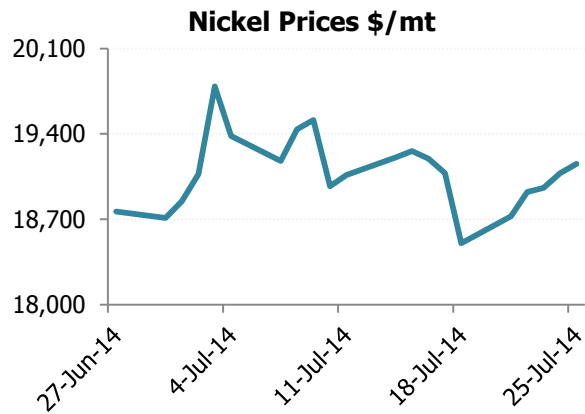
- Aluminium prices are on the rise finding support from increased demand from car manufacturers and speculation that the market will be hit by a deficit after years of surpluses as Chinese smelters restart production that had been closed.
- There is doubt the price surge phenomenon will be sustained, since most of Chinese restarting plants are being backed by Gvt subsidies. Fundamental demand drivers are not backing the current surge in prices and prices may fall as they correct.
- Oversupply is still a concern in the aluminium market, with just under 5 million tonnes sitting in the London Metal Exchange warehouse and output in China rising.



Daily	US\$/t	WoW %Δ
18-Jul-14	7,026	
21-Jul-14	6,989	
22-Jul-14	7,060	
23-Jul-14	7,063	
24-Jul-14	7,151	
25-Jul-14	7,183	
		2.23

- Copper opened the week trending downwards under pressure from the prospect of increased supplies from Indonesia, but further falls were limited by encouraging economic data from top consumer China.
- Last data from China showed that China's factory activity expanded at its fastest in 18 months in July, reinforcing confidence over the demand outlook from the world's top copper consumer.
- In Indonesia, copper miner Freeport-McMoRan Inc and the Gvt reached a deal over a contract dispute that is expected to pave the way for a resumption of copper exports after a 6-month stoppage. Increased production will weigh down on copper prices in a market presumed to be oversupplied.
- DRC which topped Zambia in copper outturn, production is expected to slow due to insufficient energy supply and increased uncertainty over new mining laws. The country's chamber of mines predicted copper output to rise to 922,000t, annual growth of just 0.82% compared to 47% leap last year.

Commodity 30-Day Price Chart

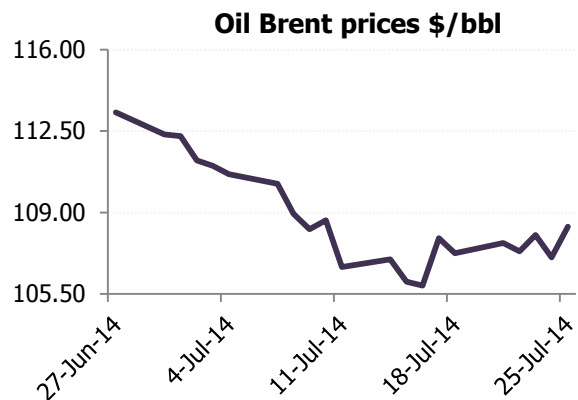


Commodity Prices

Daily	US\$/t	WoW %Δ
18-Jul-14	18,503	
21-Jul-14	18,723	
22-Jul-14	18,923	
23-Jul-14	18,958	
24-Jul-14	19,078	
25-Jul-14	19,155	
		3.53

Commodity Developments

- The election of reformist Joko Jokowi Widodo as Indonesia's new president has spurred hopes of a rapprochement with global miners and the scaling back of some of the nationalistic resource policies.
- End of export ban is unlikely soon given it will take several months for Jokowi's new administration to be in place, and possibly even longer to negotiate a secure coalition in parliament, where the parties backing the new president lack a majority.
- Nickel is the best performing metal commodity so far this year after the Indonesian ban. However prices are down nearly 11% from their 2014 mid-May peak as there is still plenty of nickel available. Some of the 29 nickel-smelting projects in Indonesia may come on stream in time to prevent serious shortages a development that may ease the rally.



Daily	US\$/bbl	WoW %Δ
18-Jul-14	107.24	
21-Jul-14	107.68	
22-Jul-14	107.33	
23-Jul-14	108.03	
24-Jul-14	107.07	
25-Jul-14	108.39	
		1.07

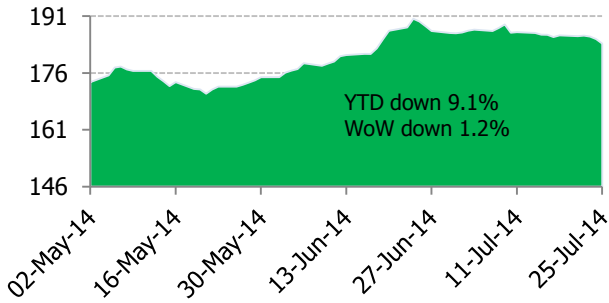
- Oil prices surged as traders feared that Western sanctions on Russia could hit oil exports.
- Prices rose on the 25th after European Council leader Herman van Rompuy wrote to EU leaders saying any restrictions the bloc agrees on Russian access to sensitive technology should only include the oil sector, and exclude gas.
- A sanctions list of individuals and companies close to Russian President Vladimir Putin is expected to be released later this week. There is little risk the measures could curtail immediate oil shipments.
- There are signs of excess supplies of North Sea and West African crude and weak demand in Europe and Asia that may offset fears of escalating tensions in Ukraine and the Middle East.
- In Africa, Oil discoveries in Uganda and Kenya and gas deposits found off Tanzania and Mozambique have turned east and southern Africa into a hot spot for hydrocarbon exploration.

Equities 90-Day Index Charts

Zimbabwe



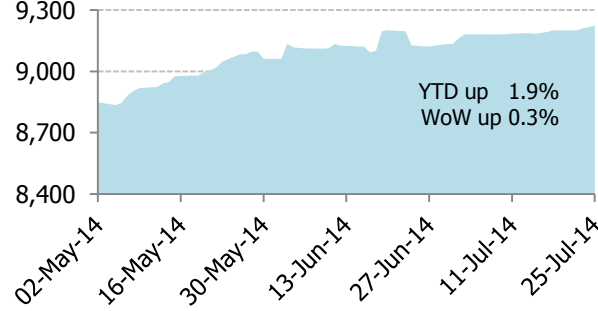
ZSE Industrial Index



Botswana



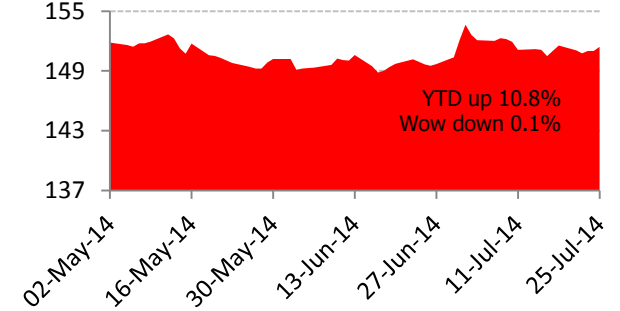
BSE DCI



Kenya



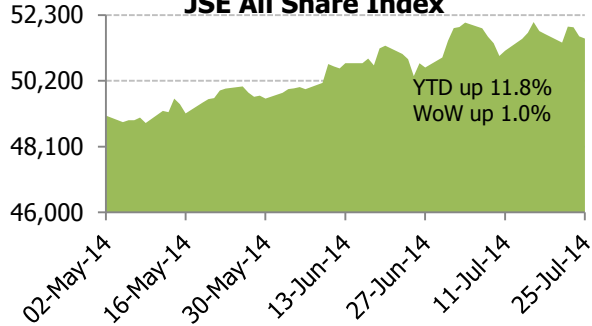
NSE All Share Index



South Africa



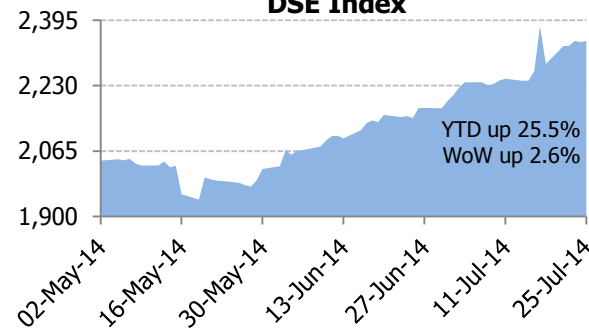
JSE All Share Index



Tanzania



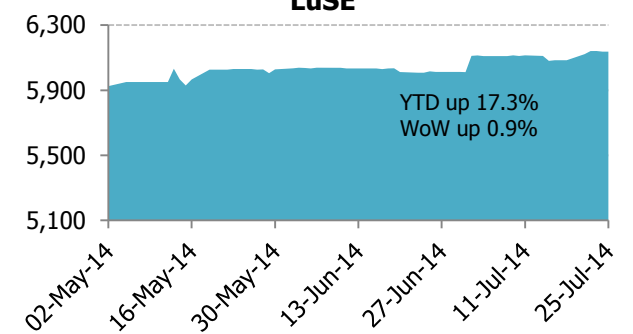
DSE Index



Zambia



LuSE



Foreign Exchange Markets

	USD/BWP	USD/MZN	USD/TZS	USD/ZMW	USD/ZAR	EUR/USD	GBP/USD
Wk Ending							
18-Jul-14	8.86	30.58	1,656	6.13	10.70	1.353	1.711
Daily							
21-Jul-14		30.58	1,656	6.13	10.63	1.353	1.708
22-Jul-14		30.56	1,657	6.12	10.63	1.349	1.706
23-Jul-14	8.80	30.56	1,656	6.12	10.52	1.347	1.708
24-Jul-14	8.79	30.56	1,655	6.12	10.52	1.347	1.702
25-Jul-14	8.78	30.52	1,656	6.13	10.54	1.345	1.699
WoW %Δ	-0.88	-0.20	0.00	0.07	-1.46	-0.63	-0.71
YTD %Δ	0.70	2.31	5.75	11.29	0.70	-2.41	2.82

	ZAR/BWP	ZAR/MZN	ZAR/ZMW	ZAR/TZS
Wk Ending				
18-Jul-14	0.827	2.87	0.575	155
Daily				
21-Jul-14	0.000	2.87	0.577	156
22-Jul-14	0.000	2.87	0.579	156
23-Jul-14	0.833	2.87	0.581	157
24-Jul-14	0.834	2.87	0.583	156
25-Jul-14	0.834	2.87	0.583	157
WoW %Δ	0.91	0.00	1.34	1.29
YTD %Δ	-0.18	0.00	11.61	5.48

Exchange Rate Developments

- European equities tumbled and the USD appreciated against the GBP and EUR as investors slashed their holdings in fear of being caught in the crossfire of Western sanctions on Russia.
- The ZAR appreciated against the USD with investors waiting to see if striking South African metal workers would accept a wage deal from employers that would end a 3-week work stoppage.
- There is concern on whether the ZAR could be overbought, especially if the metalworkers union does not accept a wage deal to end its industrial action.
- The South African Reserve Bank (SARB) is due to hold its Annual General Meeting this week, which may give clues on the economy and interest rates.
- The BWP and the MZN appreciated against the greenback whilst the TZS and ZMW remained stable.
- All BancABC markets' currencies depreciated against the stronger ZAR except for the MZN which remained stable at 2.87.
- Emerging and frontier markets should monitor their currencies as they face high risk of capital flight due to the end of US Quantitative Easing and the consequential US interest rates hikes.

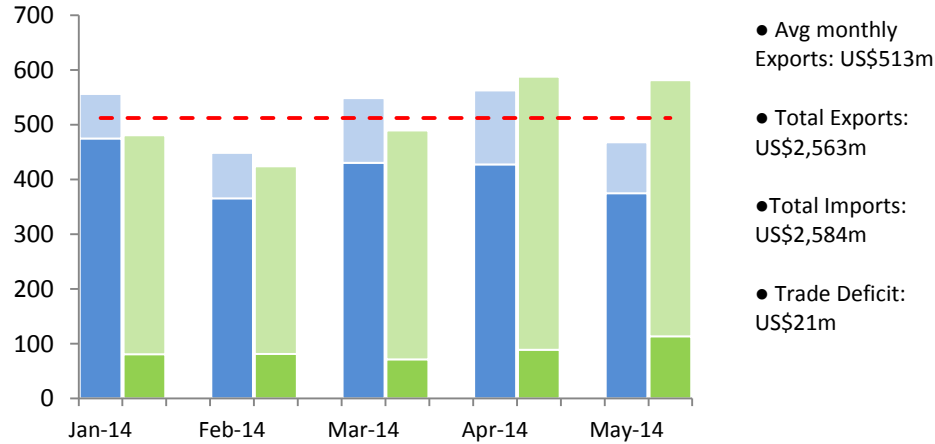
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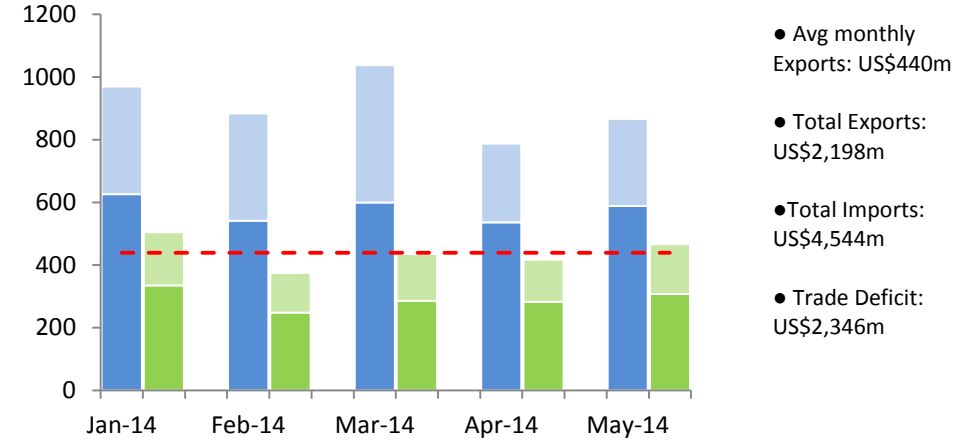
Contact telephone numbers: 369701-16; 752383-5

Appendix: Merchandise Trade Performance in BancABC Markets

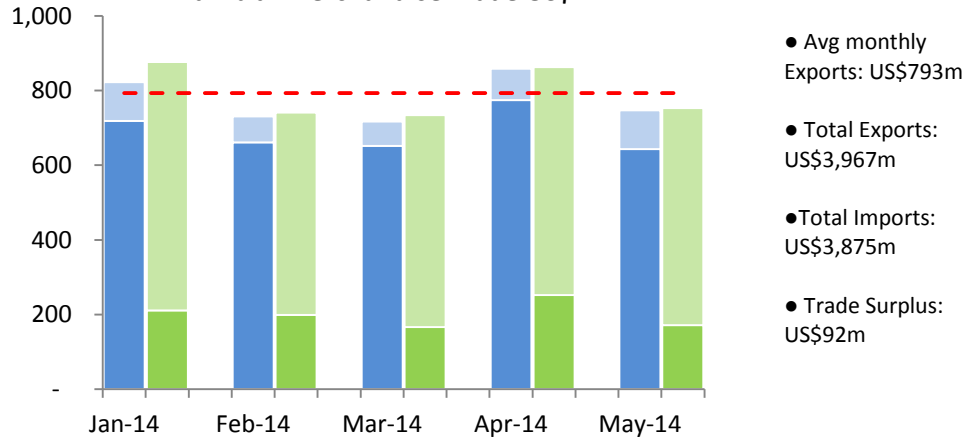
Botswana: Merchandise Trade US\$ m



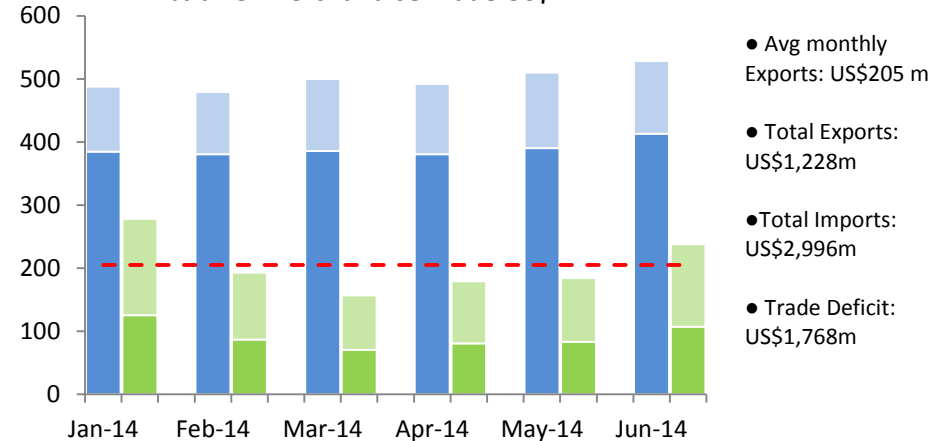
Tanzania: Merchandise Trade US\$ m



Zambia: Merchandise Trade US\$ m



Zimbabwe: Merchandise Trade US\$ m



Other Imports

Fuel Imports

Other Exports

Mineral Exports

Average Exports

