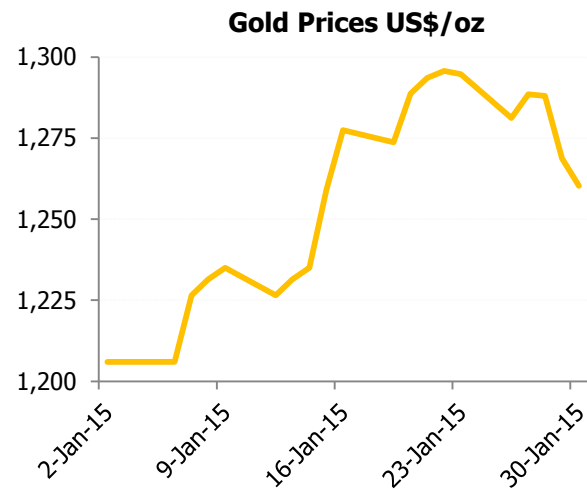


WEEKLY ECONOMIC REVIEW

Commodity 30-Day Price Chart

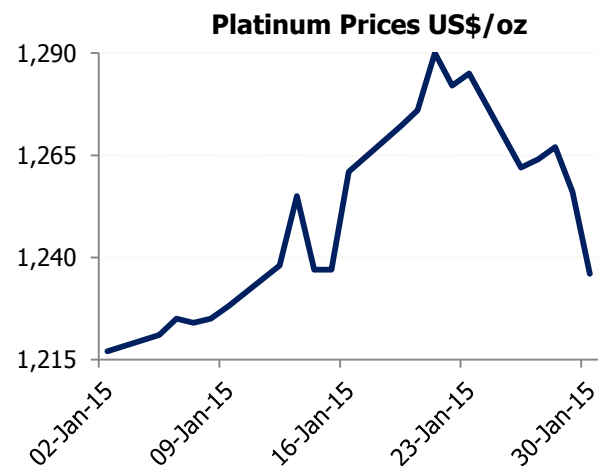


Commodity Prices

Daily	US\$/oz	WoW %Δ
23-Jan-15	1,295	
26-Jan-15	1,281	
27-Jan-15	1,289	
28-Jan-15	1,288	
29-Jan-15	1,269	
30-Jan-15	1,260	
		-2.66

Commodity Developments

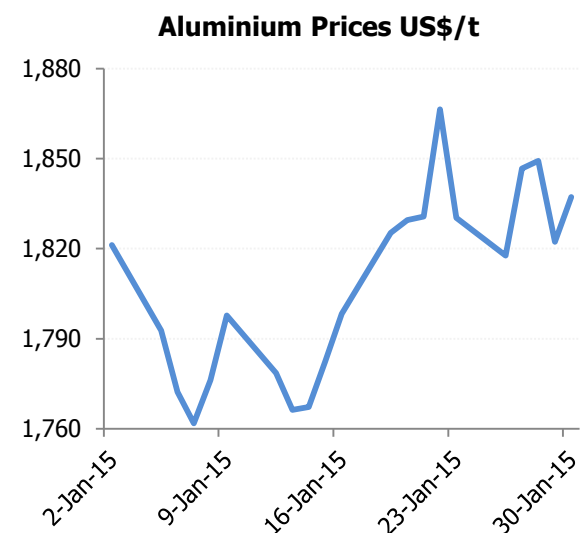
- Gold prices tumbled by more than 2% to a 2-week low after the Fed Reserve signalled that it was still on track to lift US interest rates this year.
- Importantly, the Fed Reserve promised to take "financial and international developments" into account when determining when to raise rates, referencing global markets for the 1st time since Jan 2013.
- In SA, AngloGold Ashanti plans to reduce its workforce by 6,000, Harmony by about 3,400 and Sibanye by about 2,500 in a bid to cut operational costs.
- In Zim, the slump in global prices threw the country's gold mining sector, beset by high production costs that have hit profitability, into turmoil. Royalties, mining fees and other charges have remained high compared to regional rates, even after the Gvt took steps in the 2014 mid-term fiscal policy statement to implement reforms.
- Gold prices tumbled by a massive 30% during 2014, closing at an average US\$1,140/oz, from US\$1 671/oz in Jan-13.



Daily	US\$/oz	WoW %Δ
23-Jan-15	1,285	
26-Jan-15	1,262	
27-Jan-15	1,264	
28-Jan-15	1,267	
29-Jan-15	1,256	
30-Jan-15	1,236	
		-3.81

- Platinum and Palladium prices were also hit by Fed Reserve sentiments to close the week at a 2-week low. Economic problems in Europe and Japan, (major auto manufacturers) have dented the metals used as catalyst.
- In SA, world's 3rd largest producer, Lonmin's overall platinum group metal (PGM) output slumped by 31.1% in the 3 months to Dec-31 due to smelter shutdowns. The London and Johannesburg listed platinum major is however maintaining its forecast of 730,000oz for the year.
- In Zim, Miners Aquarius and Impala who have assets in Mimosa and Zimplats are seeking clarity from the Gvt over a proposed 15% export tax on unrefined platinum announced on the 9th of Jan-15 which, if enforced, would slash their margins. The Gvt proposed the duty in an effort to push mining companies to process the metal domestically. With platinum prices already depressed, the tax would eat into the profits of the mining companies.

Commodity 30-Day Price Chart

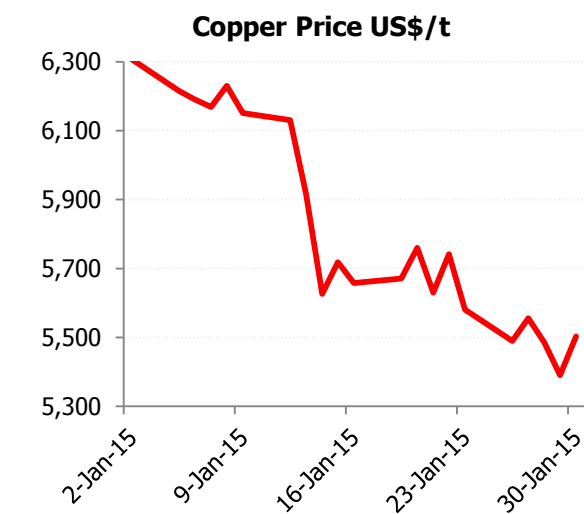


Commodity Prices

Daily	US\$/t	WoW %Δ
23-Jan-15	1,830	
26-Jan-15	1,818	
27-Jan-15	1,847	
28-Jan-15	1,849	
29-Jan-15	1,822	
30-Jan-15	1,837	
		0.38

Commodity Developments

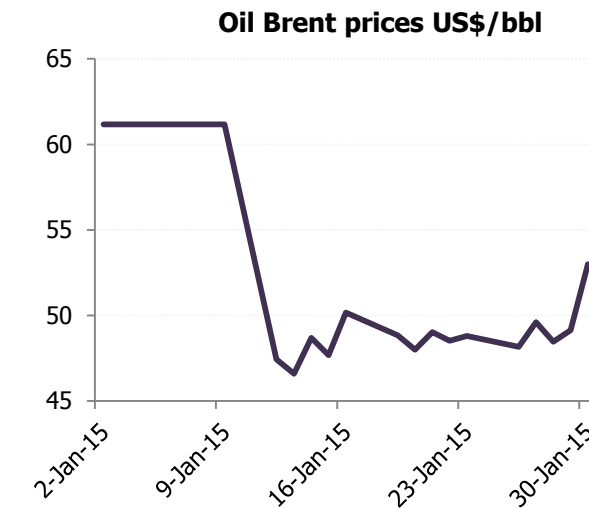
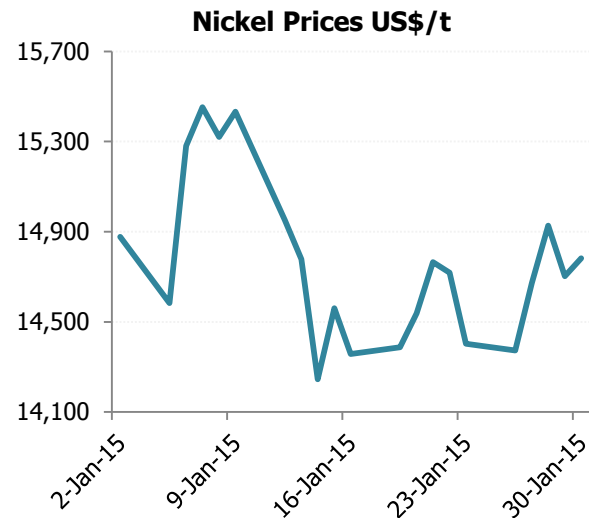
- Aluminium prices surged on the 30th of Jan following upbeat European retail sales data. German retail sales posted their biggest yearly rise in two and half years in Dec-14, while sales in Spain and consumer spending in France were also stronger than expected.
- Major producer, UC Rusal expects annual aluminium production in 2015 to be flat year-on-year at 3.6 million tonnes, with no plans to restart idled capacity.
- The miner produced 915,000 tonnes of aluminium in the last quarter of 2014, a marginal 1.2% rise compared to the same period last year.
- In other developments, the International Aluminium Institute (IAI) has announced that it will no longer publish its monthly producer inventory figures. The organisation has been struggling to obtain correct data and the problem has been so acute that the continued reporting of this incomplete information could be misleading.



Daily	US\$/t	WoW %Δ
23-Jan-15	5,581	
26-Jan-15	5,490	
27-Jan-15	5,556	
28-Jan-15	5,485	
29-Jan-15	5,390	
30-Jan-15	5,503	
		-1.40

- Copper prices fell on worries of excess supply and after US central bank authorities gave more signals of a looming rate hike. The red metal suffered a 7th consecutive weekly loss, the longest losing streak since Jul 2008.
- Adding to concerns for some investors, Greece's finance minister said the Gvt would not cooperate with the European Union (EU) and International Monetary Fund (IMF) mission bankrolling the country and would not seek an extension to the bailout program.
- Physical buying activity out of China remains low and is expected to quicken after the lunar New Year.
- In Zambia, Vedanta Resources, hit by weaker commodity prices plans hundreds of millions of dollars in capital spending cuts and deferrals, while looking at a deep restructuring of its struggling copper business. The mining giant joins other mining and energy companies in scrambling to cut costs, review operations and manage debt as prices of commodities weaken.

Commodity 30-Day Price Chart



Commodity Prices

Daily	US\$/t	WoW %Δ
23-Jan-15	14,403	
26-Jan-15	14,373	
27-Jan-15	14,673	
28-Jan-15	14,928	
29-Jan-15	14,703	
30-Jan-15	14,783	
		2.64

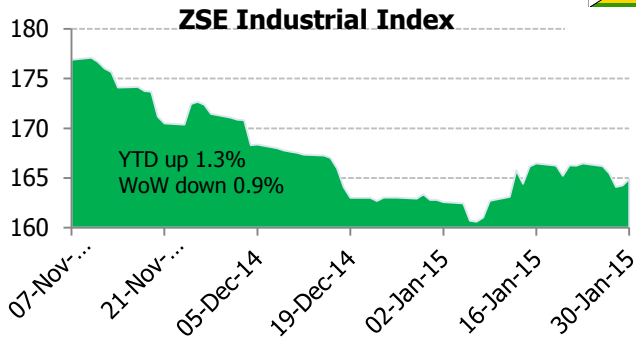
Daily	US\$/bbl	WoW %Δ
23-Jan-15	48.79	
26-Jan-15	48.16	
27-Jan-15	49.60	
28-Jan-15	48.47	
29-Jan-15	49.13	
30-Jan-15	52.99	
		8.61

Commodity Developments

- Nickel prices gained following upbeat European retail sales data, but data from London Metal Exchange showing rising inventories limited gains.
- Weaker demand from China has dented most metals. China's detailed commodity trade figures for 2014 show that higher import volumes depend on lower commodity prices, although there are a few notable exceptions.
- Major commodities such as nickel, crude oil, iron ore and copper all showed increased imports on the back of falling prices, illustrating the changed dynamic in commodity markets whereby supply became the dominant driver of prices.
- In Russia, slump in Rouble and a resulting rising inflation is posing a stark of challenges to world's largest producer of nickel, Norilsk. The company is one of Russia's few big sources of hard currency outside the oil and gas sector, and as energy prices plummet its value to the overall economy grows.
- Oil prices rallied on the 30th following the sharpest weekly drop in US oil rig counts in nearly 30 years. Sparking the rally was data that showed drillers were cutting back on shale activity.
- Due to the fall in oil prices, Russia's Central Bank said the nation would lose US\$160bn over a year if oil prices averaged US\$45/bbl. The oil producing country surprised markets by cutting interest rates as fears of a Russian recession mount, following a plunge in global oil prices and Western sanctions over the Ukraine crisis.
- In SA, the retail price of 95-grade petrol will drop by 8.3% from the 4th of Feb while wholesale diesel will decrease by 9.9%. Petrol will now cost ZAR10.31 (nearly US\$1) a litre while the new wholesale diesel price will be ZAR9.26.

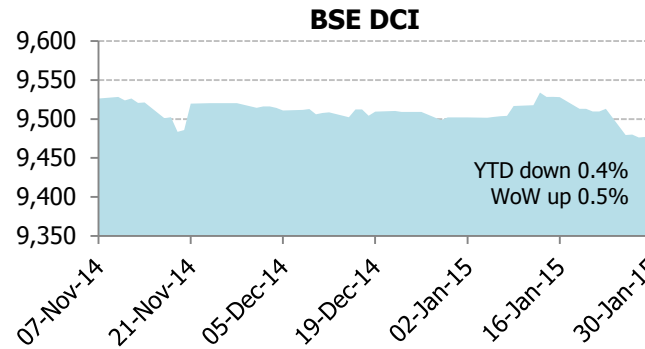
Equities 90-Day Index Charts

Zimbabwe



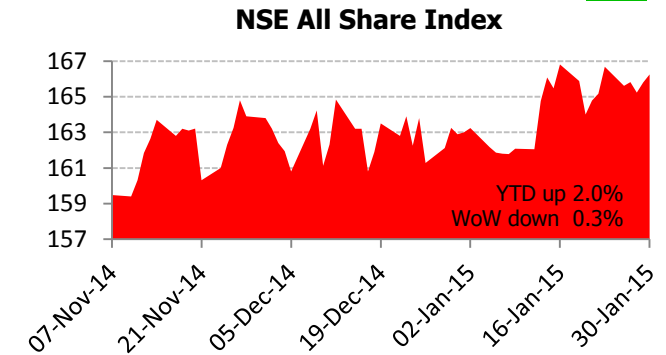
- Gvt will keep a 15% export tax on unrefined platinum exports as mines have failed to provide a roadmap on how they plan to set up a local refinery.

Botswana



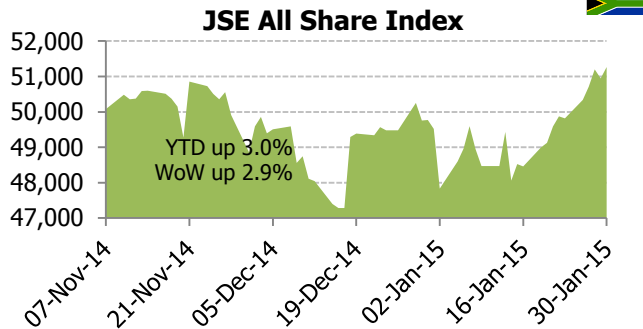
- Gvt expects slightly lower economic growth in 2015 compared to the previous year, but the domestic outlook to remain positive despite an uncertain global environment.

Kenya



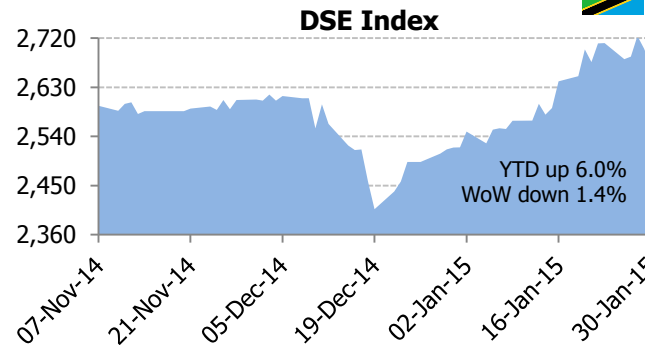
- The IMF signed off on a US\$688m, one-year loan program, which is meant to support the Gvt's economic reforms and help it weather possible external shocks.

South Africa



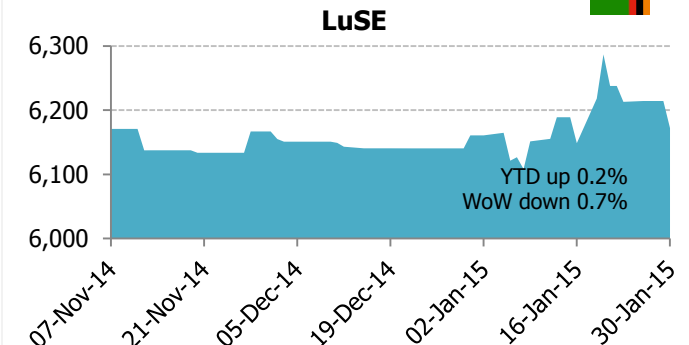
- According to the mines minister, the economy lost ZAR23bn (US\$2bn) in coal export revenues last year due to a drop in prices of the commodity

Tanzania



- Tanzania needs urgently to deal with its growing fiscal deficit to boost economic growth, which is expected to reach 7% this year, said the World Bank.

Zambia



- President Edgar Lungu has directed the Gvt to promptly resolve a row with mining companies over new royalties and VAT refunds.

Foreign Exchange Markets

	USD/BWP	USD/MZN	USD/TZS	USD/ZMW	USD/ZAR	EUR/USD	GBP/USD
Wk Ending							
23-Jan-15	9.56	31.96	1,787	6.38	11.40	1.135	1.499
Daily							
26-Jan-15	9.58	32.05	1,764	6.38	11.44	1.123	1.502
27-Jan-15	9.59	32.07	1,792	6.43	11.47	1.129	1.509
28-Jan-15	9.62	32.15	1,779	6.48	11.52	1.134	1.517
29-Jan-15	9.64	32.25	1,770	6.48	11.61	1.128	1.512
30-Jan-15	9.60	32.38	1,754	6.48	11.55	1.134	1.509
WoW %Δ	0.38	1.31	-1.81	1.63	1.36	-0.05	0.63
YTD %Δ	0.86	2.34	1.30	1.50	-0.60	-6.71	-3.07

	ZAR/BWP	ZAR/MZN	ZAR/ZMW	ZAR/TZS
Wk Ending				
23-Jan-15	0.838	2.79	0.559	155
Daily				
26-Jan-15	0.839	2.78	0.558	155
27-Jan-15	0.837	2.77	0.556	155
28-Jan-15	0.830	2.78	0.562	155
29-Jan-15	0.830	2.79	0.557	154
30-Jan-15	0.833	2.79	0.559	153
WoW %Δ	-0.57	0.00	-0.02	-1.29
YTD %Δ	1.35	1.45	1.19	3.38

Exchange Rate Developments

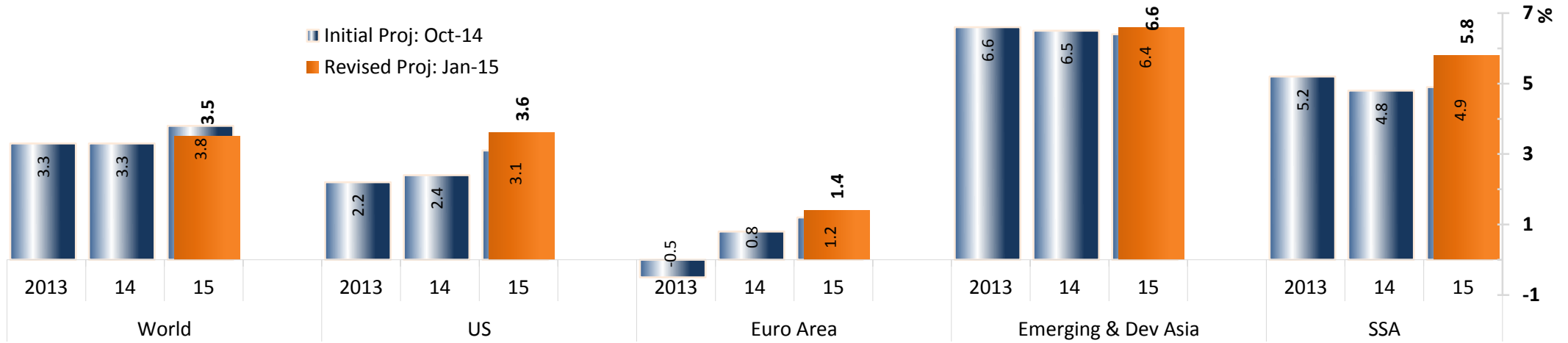
- The USD appreciated against most major currencies bolstered by expectations the Fed Reserve will be the first major central bank to raise interest rates.
- The ZAR weakened against the stronger USD, as a larger than expected trade surplus for Dec-14 failed to offset the selling pressure on emerging markets currencies as investors brace for policy tightening in the US.
- Africa's most advanced economy currency surrendered gains made earlier in the week after SA's central bank kept domestic rates unchanged and moved to dampen market expectations of a rate cut this year prompted by a sharp drop in oil prices.
- All BancABC markets currencies depreciated against the USD except for the TZS.
- Ghana's cedi and Zambia's kwacha were the worst performing African currencies, as falling commodity prices take a toll on the continent's economies.
- The cedi lost about 27% in 2014, one sign of a fiscal crisis in an economy that grew strongly in previous years on gold, cocoa and oil exports.
- Zambia's kwacha ended the year on the back foot amid tax rows with mining houses, a lower growth forecast and a looming election.
- Over the past week, the MZN and ZMW remained stable against the ZAR whilst the BWP and TZS appreciated against the ZAR.

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Appendix: Global Economic Growth



Top 15 Economies in SSA by GDP Size (2014) in \$ bn

