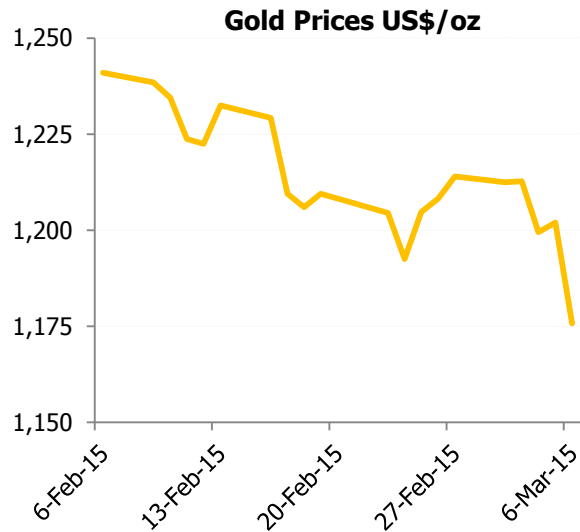


WEEKLY ECONOMIC REVIEW

Commodity 30-Day Price Chart

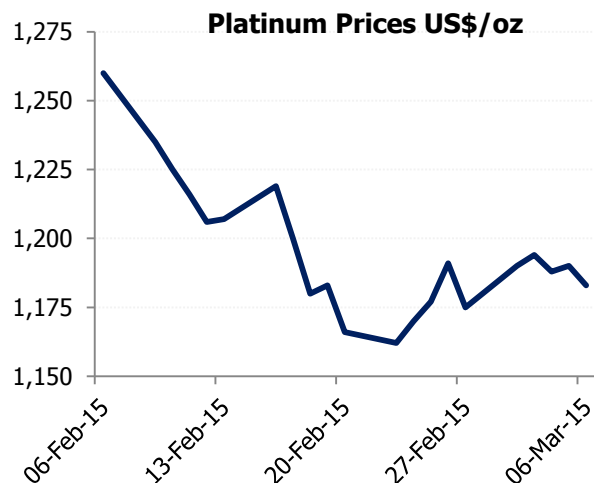


Commodity Prices

Daily	US\$/oz	WoW %Δ
27-Feb-15	1,214	
2-Mar-15	1,213	
3-Mar-15	1,213	
4-Mar-15	1,200	
5-Mar-15	1,202	
6-Mar-15	1,176	
		-3.15

Commodity Developments

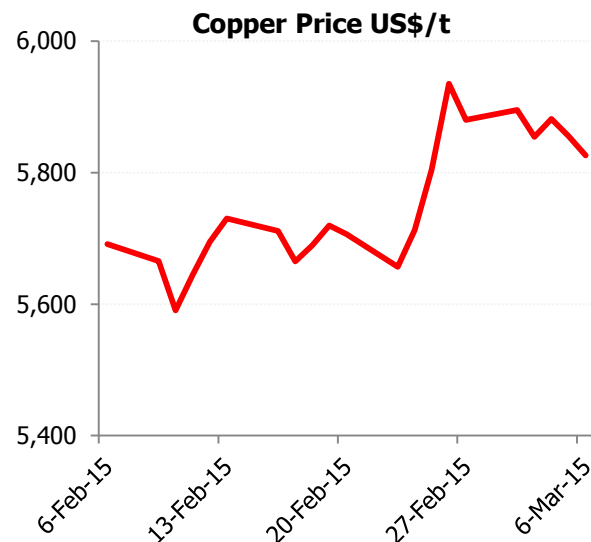
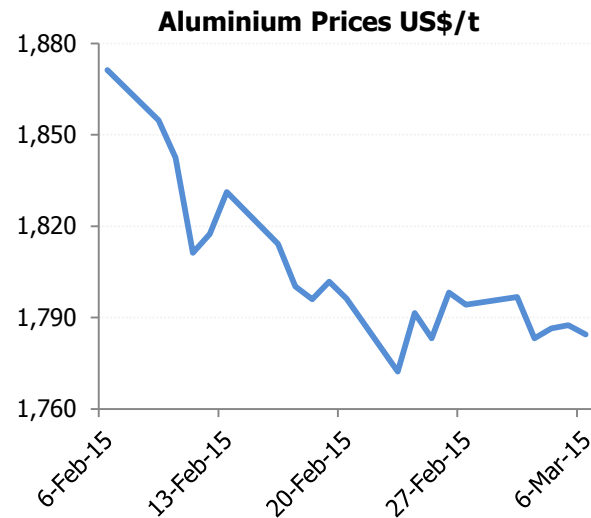
- Gold fell nearly 3% to a 3-month low on the 6th of Mar-15 after stronger-than-expected US non-farm payrolls fuelled expectations the Fed Reserve will raise rates sooner rather than expected.
- US employers stepped up hiring in Feb-15 and the unemployment rate fell to nearly a 7-year low, putting further pressure on the Fed to raise interest rates in Jun-15. A stronger US currency makes dollar-denominated gold more expensive for holders of other currencies, while a rise in yields on US bonds is negative for the metal, whose holders earn no interest.
- On the physical market, physical demand for gold in China, the second biggest bullion consumer, remained at healthy levels as evidenced by higher prices on the Shanghai Gold Exchange.
- In Zim, the Ministry of Mines and Mining Dvt has set up a task force to plug in gaps that have seen the country losing potential revenue through gold leakages. Zimbabwe produced 15,000kg in 2014 compared to peak level production of 27,000kg.



Daily	US\$/oz	WoW %
27-Feb-15	1,175	
2-Mar-15	1,190	
3-Mar-15	1,194	
4-Mar-15	1,188	
5-Mar-15	1,190	
6-Mar-15	1,183	
		0.68

- Data out of the US had little impact on platinum prices which slightly surged over the week.
- SA's platinum producer Lonmin has completed repairs and restarted operations at one of its furnaces and has ramped up production at its second furnace within schedule. The world's third-largest producer of the precious metal was hit by technical problems at both its furnaces late last year which reduced its refined platinum output and sales in the last few months.
- World's 2nd largest producer, Impala announced that it would revamp its Rustenburg mines to boost productivity and is intending to sell its Marula mine in SA and would stop expansion at its Mimosa mine in Zim because of an export tax.

Commodity 30-Day Price Chart



Commodity Prices

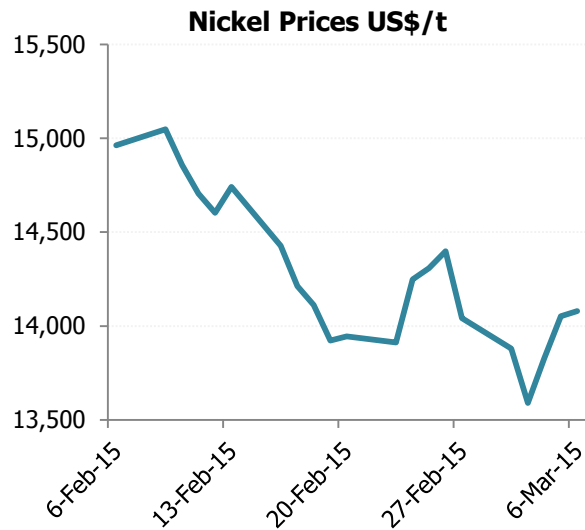
Daily	US\$/t	WoW %Δ
27-Feb-15	1,794	
2-Mar-15	1,797	
3-Mar-15	1,783	
4-Mar-15	1,787	
5-Mar-15	1,788	
6-Mar-15	1,785	
		-0.54

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

Commodity Developments

- China over the years has played the starring role in the commodities market thanks to its stellar contribution to global demand growth for every base metal from aluminium to zinc.
- Over the last couple of years, the country has seen its own output of refined metals surging following years of production capacity growth. In the aluminium market, China imports from the rest of the world are far less significant for prices than what it exports.
- Over the years, Chinese demand for aluminium continued to grow faster than anywhere else. However, its own production has been growing faster still with a conspicuous lack of supply discipline in the face of price weakness.
- Over the past week, aluminium prices fell after Deutsche bank joined other banks in downgrading the metal, cutting its price forecast for this year by 7%. Investors seemed to shrug off potentially bullish news that major producer Alcoa said it was reviewing 500,000t or 14% of its smelting capacity.
- Copper prices fell as the dollar rallied after a strong US jobs report, with investors also worried about lacklustre demand in China.
- In China, the world's top metals consumer, demand was lower as investors digested comments by top officials that highlighted the growth and debt challenges the country faces this year.
- The copper market, just like the aluminium market is suffering from supply surplus. Daily London Metal Exchange (LME) data showed copper inventories rose by 4,675t to 323,050t, their highest level since Jan-14 and a surge of 83% so far this year.
- Generally, falling commodity prices, political upheaval and simmering conflict are exposing the differing fortunes of Africa's economies, undermining the assertion that the continent of 1bn people is on one collective ascent.

Commodity 30-Day Price Chart

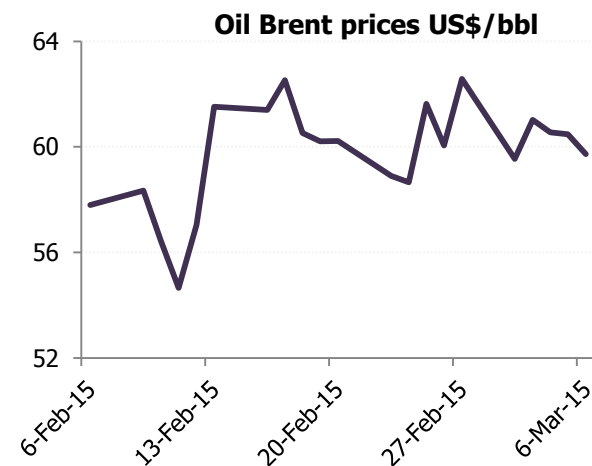


Commodity Prices

Daily	US\$/t	WoW %Δ
27-Feb-15	14,043	
2-Mar-15	13,880	
3-Mar-15	13,590	
4-Mar-15	13,828	
5-Mar-15	14,053	
6-Mar-15	14,080	
		0.27

Commodity Developments

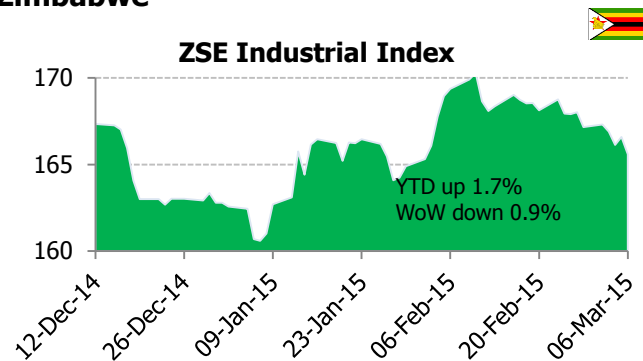
- Nickel rebounded on the 4th of Mar, breaking a string of 4 straight losing sessions, after reports of closures of nickel operations in China, despite a surge in inventories.
- According to reports from China research house Antaike, nickel demand may get a boost from a Chinese Gvt order to close some nickel pig iron (NPI) factories to curb pollution.
- Many investors have been waiting for shortages to kick in since Indonesia banned exports of unprocessed ore last year, but additional supplies from the Philippines filled the gap
- Zim's Bindura Nickel Corporation (BNC) announced that it will restart its smelter by Dec after raising \$20 million from a five-year bond.
- BNC, Africa's only integrated nickel company, with a mine, smelter and refinery, had its smelter and refinery closed for more than 10yrs after nickel prices fell and Zim's economy went into recession, making operations unprofitable.
- Brent prices fell as speculation of a nuclear deal that could lift Iran's sanctions and boost its oil exports brought worries about high supplies back to the market. Rising Libyan crude output and a firmer USD also weighed on Brent.
- A lower oil price should give companies operating in Africa a lift but industry is not banking on it as a long-term development.
- Overall oil usage in Africa is low, with the continent's consumption in 2013 only at 3.6m barrels per day, about 4% of the global total, according to the US Energy Information Administration (EIA). But since 2000, African oil consumption has risen 44%, faster than any region outside of the Middle East, and key sectors such as mining rely heavily on petrol and diesel.
- In SA, the falling oil price has coincided with a power crisis that has seen rolling outages almost daily, cancelling out much of the benefits for growth of cheaper prices.



Daily	US\$/bbl	WoW %Δ
27-Feb-15	62.58	
2-Mar-15	59.54	
3-Mar-15	61.02	
4-Mar-15	60.55	
5-Mar-15	60.48	
6-Mar-15	59.73	
		-4.55

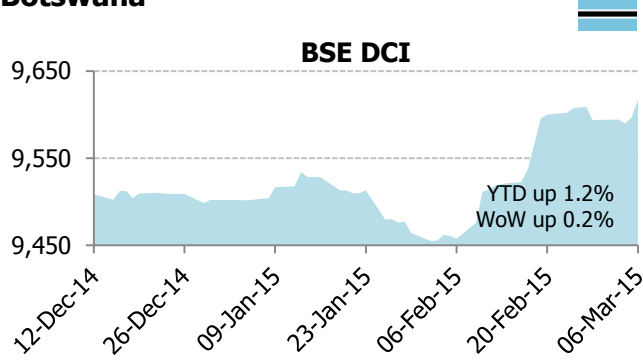
Equities 90-Day Index Charts

Zimbabwe



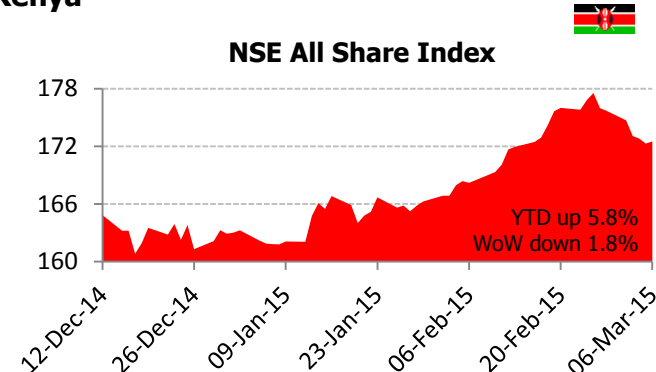
- According to the International Monetary Fund (IMF), economy is expected to weaken further this year after growing by 3.1% in 2014.

Botswana



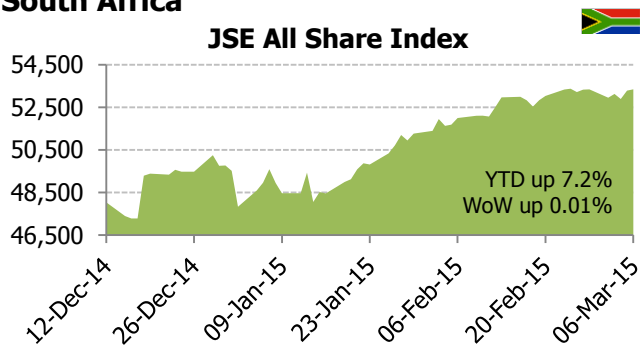
- Modest domestic demand pressures and benign foreign price developments contribute to the positive inflation outlook in the medium term.

Kenya



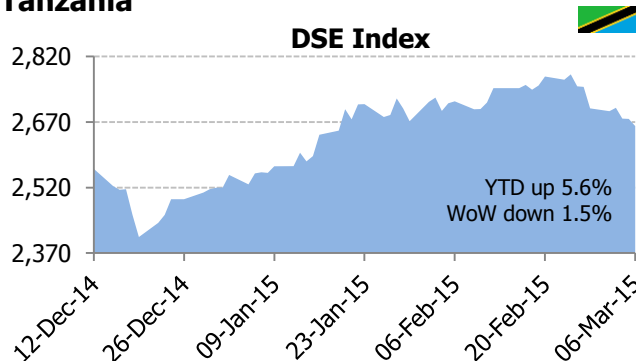
- Gvt has signed deals worth KSH8.14bn (US\$89m) to construct a 313-km high-voltage transmission line to connect geothermal power plants to its western region and help link the grid to neighbouring countries.

South Africa



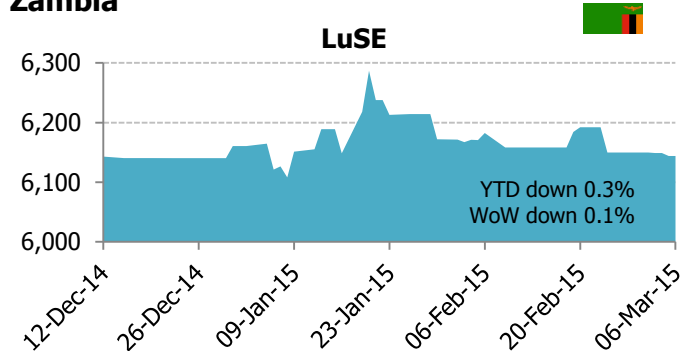
- Net gold and foreign exchange reserves fell to US\$41.923bn in Feb from US\$42.145bn in Jan.

Tanzania



- YoY inflation edged up for the first time in 5 months, with both food and some non-food items contributing to the rise. YoY inflation was 4.2% in Feb up from 4.0% in Jan.

Zambia



- Zambia's former mines minister, Maxwell Mwale, was jailed for corruption on Friday, in a rare case that prompted calls for a wider crackdown on graft among public officials.

Foreign Exchange Markets

	USD/BWP	USD/MZN	USD/TZS	USD/ZMW	USD/ZAR	EUR/USD	GBP/USD
Wk Ending							
27-Feb-15	9.61	32.37	1,724	6.86	11.50	1.121	1.541
Daily							
2-Mar-15	9.68	32.43	1,724	6.89	11.71	1.119	1.539
3-Mar-15	9.69	32.61	1,798	6.96	11.75	1.119	1.537
4-Mar-15	9.72	32.54	1,808	6.96	11.79	1.116	1.536
5-Mar-15	9.77	32.66	1,801	6.97	11.80	1.104	1.525
6-Mar-15	9.77	32.74	1,795	6.99	11.80	1.101	1.523
WoW %	1.66	1.14	4.14	1.88	2.56	-1.78	-1.22
YTD %Δ	2.64	3.48	3.67	9.47	1.51	-9.41	-2.19

	ZAR/BWP	ZAR/MZN	ZAR/ZMW	ZAR/TZS
Wk Ending				
27-Feb-15	0.833	2.79	0.591	156
Daily				
02-Mar-15	0.829	2.77	0.588	154
03-Mar-15	0.827	2.77	0.590	152
04-Mar-15	0.827	2.77	0.590	155
05-Mar-15	0.826	2.78	0.593	153
06-Mar-15	0.826	2.78	0.592	152
WoW %Δ	-0.83	-0.36	0.29	-2.56
YTD %Δ	0.56	1.09	7.18	2.70

Exchange Rate Developments

- A robust US jobs report raised concern in markets that the Federal Reserve may raise interest rates sooner than previously thought sending the USD stronger against all major currencies.
- Emerging markets' currencies sold off with Turkey's lira and South Africa's rand hitting multi-year lows against a stronger green back.
- Many developing markets have meanwhile seen investors grow increasingly cautious as wilting economic prospects have prompted central banks to cut interest rates.
- Since emerging and developing market Gvts and companies rely disproportionately on USD borrowing, greenback appreciation makes repaying their loans more expensive, sometimes sowing seeds of default and contagion.
- In SA, chronic electricity shortages, labour unrest and a gaping current account deficit have cast a cloud on the ZAR.
- The Zambian Kwacha lost closer to 2% against the USD on concerns over President Edgar Lungu's health, low copper prices and generally strengthening dollar. Finance Minister announced that the currency will recover this year as he believes that copper price will rebound as well as central bank's steps to preserve foreign exchange reserves.
- The Tanzanian shilling depreciated the most, by 4% against the USD as slow economic growth and rising inflation take a toll on the East African 2nd largest economy. Tanzania's economy grew 6.8% in Q3:14 compared with 7.4% in the same period a year ago due to a slowdown in agriculture, construction and transport sectors.

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Contact telephone numbers: 369701-16; 752383-5

Appendix: Foreign Direct Investment Flows among African Economies

Distribution of FDI flows among economies, by range 2013

Range	Inflows	Outflows
Above \$3.0bn	South Africa, Mozambique, Nigeria, Egypt, Morocco, Ghana and Sudan	South Africa
\$2.0 to \$2.9bn	DRC, Congo	Angola
\$1.0 to \$1.9bn	Equatorial Guinea, United Republic of Tanzania, Zambia, Algeria, Mauritania, Uganda, Tunisia and Liberia	Nigeria
\$0.5 to \$0.9bn	Ethiopia, Gabon, Madagascar, Libya, Namibia, Niger, Sierra Leone, Cameroon, Chad and Kenya	Sudan and Liberia
\$0.1 to \$0.4bn	Mali, Zimbabwe, Burkina Faso, Côte d'Ivoire, Benin, Senegal, Djibouti, Mauritius, Botswana, Seychelles, Malawi, Rwanda and Somalia	Democratic Republic of the Congo, Morocco, Egypt, Zambia, Libya, Cameroon and Mauritius
Below \$0.1bn	Togo, Swaziland, Lesotho, Eritrea, São Tomé and Príncipe, Gambia, Guinea, Cabo Verde, Guinea-Bissau, Comoros, Burundi, Central African Republic and Angola	Gabon, Burkina Faso, Malawi, Benin, Togo, Côte d'Ivoire, Senegal, Zimbabwe, Tunisia, Lesotho, Rwanda, Mali, Ghana, Seychelles, Kenya, Mauritania, Cabo Verde, Botswana, Mozambique, Uganda, Guinea, Swaziland, Guinea-Bissau, São Tomé and Príncipe, Niger, Namibia and Algeria

FDI flows, Top 5 host and home economies, 2012–2013 (\$bn)

