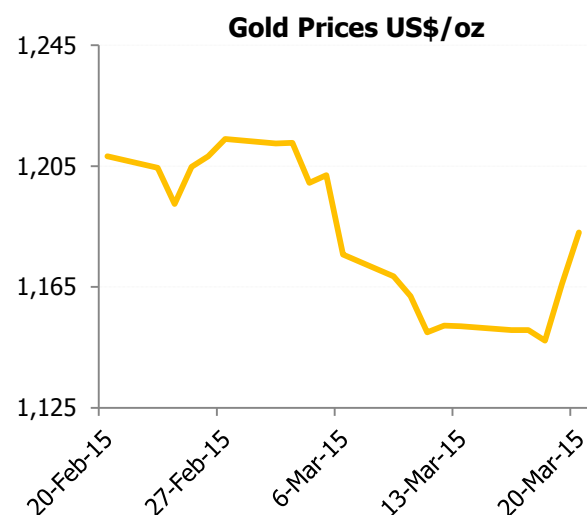


WEEKLY ECONOMIC REVIEW

Commodity 30-Day Price Chart

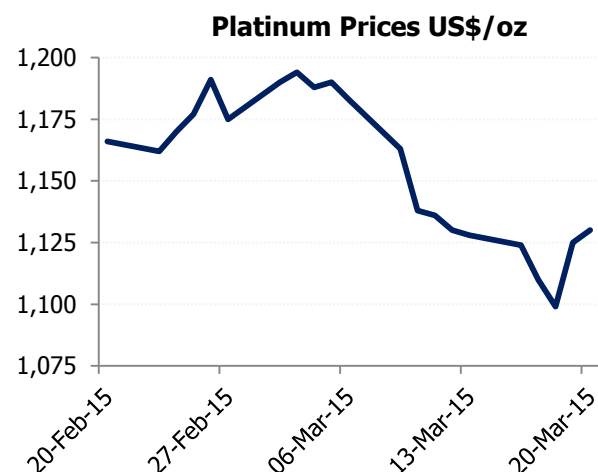


Commodity Prices

Daily	US\$/oz	WoW %Δ
13-Mar-15	1,152	
16-Mar-15	1,151	
17-Mar-15	1,151	
18-Mar-15	1,147	
19-Mar-15	1,166	
20-Mar-15	1,183	
		2.70

Commodity Developments

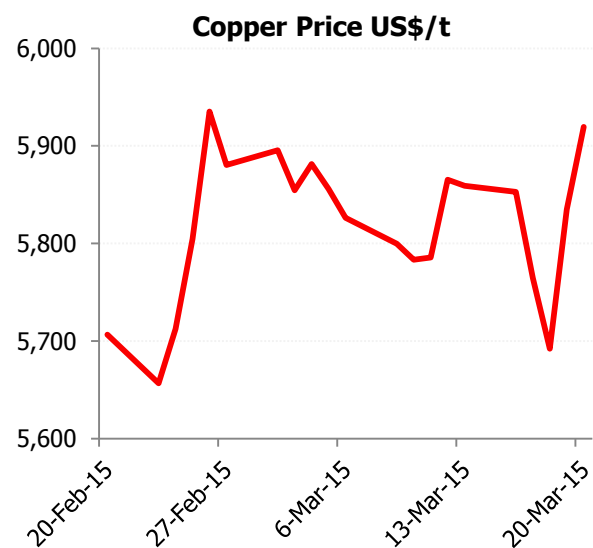
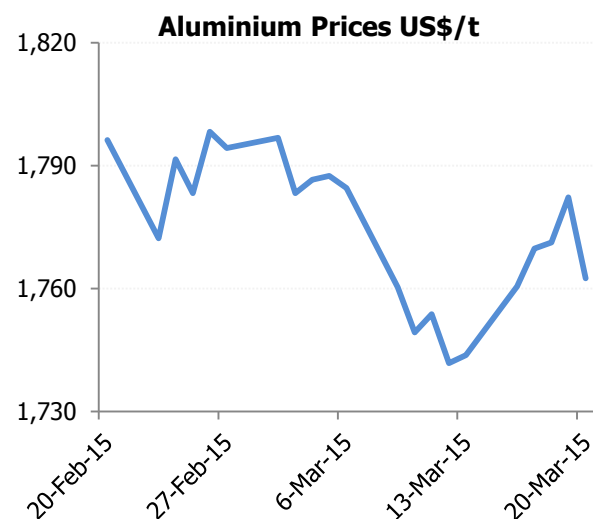
- Gold prices hit 2-week highs on the 20th of Mar and registered their biggest weekly jump since mid-Jan, after the US Fed Reserve's cautious note on interest rates sparked broad-based buying of commodities.
- The Fed downgraded its growth and inflation projections, signalling that it is in no rush to push borrowing costs to more normal levels. US interest rates have been abnormally low due to Fed Reserve's quantitative easing (QE) following the global financial crisis.
- In Zim, fluctuations price of gold have prompted the sole gold buyer Fidelity Printers and Refiners to work on hedging to cover the gold cycle from buying to selling. The company is incurring losses when gold prices fall between buying and selling as it may export at a loss.
- An updated feasibility study into the Wa gold project, in Ghana, has seen an increase in expected production and mine life to 90,000oz/yr over 7yrs from 2012 estimate of 74,000oz/yr over 6yrs. Ghana is Africa's 2nd largest gold producer after South Africa.



Daily	US\$/oz	WoW %
13-Mar-15	1,128	
16-Mar-15	1,124	
17-Mar-15	1,110	
18-Mar-15	1,099	
19-Mar-15	1,125	
20-Mar-15	1,130	
		0.18

- Platinum continued to trade at a roughly US\$50 discount to gold, a factor that is likely to fuel physical demand.
- Anglo American Platinum's (Amplats) Zimbabwe unit Unki Mine said on the 20th of Mar it would take 2yrs to build a new smelter to comply with Gvt's demands for firms to process platinum locally.
- Unki is the smallest of the 3 operating platinum mines in Zim, produced 61,300oz in 2014, which was 4% down on its 2013 output.
- In SA, a group of mine workers protested outside Northam Platinum's Zondereinde mine. The miner could not establish whether the protesters were members of the National Union of Mineworkers (NUM) or rival Association of Mineworkers and Construction Union (AMCU), who are engaged in a violent territorial war in the mining industry.

Commodity 30-Day Price Chart



Commodity Prices

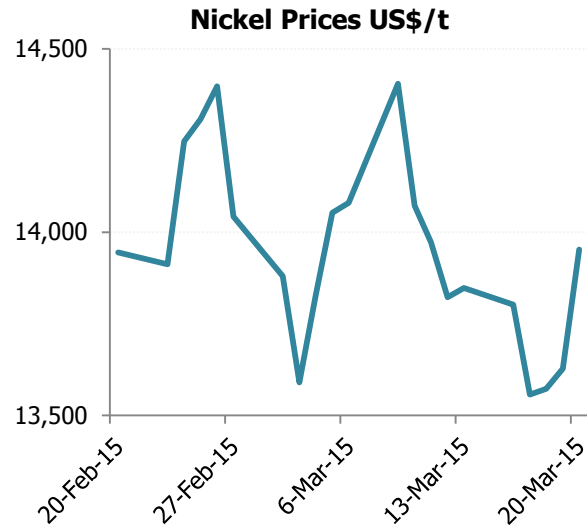
Daily	US\$/t	WoW %Δ
13-Mar-15	1,744	
16-Mar-15	1,761	
17-Mar-15	1,770	
18-Mar-15	1,771	
19-Mar-15	1,782	
20-Mar-15	1,763	
		1.08

Daily	US\$/t	WoW %Δ
13-Mar-15	5,859	
16-Mar-15	5,853	
17-Mar-15	5,765	
18-Mar-15	5,692	
19-Mar-15	5,835	
20-Mar-15	5,920	
		1.03

Commodity Developments

- Aluminium prices have remained relatively low as Chinese are reluctant to book imports due to limited cash and as falling premiums prompt them to postpone purchases.
- While China is the world's top producer of aluminium, some end users import the metal under a rule that allows them to import duty free as long as products made from the cargoes are exported.
- Chinese imports usually pick up after holidays for the Lunar New Year, which this year came in Feb, but buying has been weaker than expected this month.
- Reduced buying will likely pile more pressure on premiums for primary aluminium ingots in Asia. Premiums and the surcharges paid by buyers on top of the London Metal Exchange (LME) cash price have fallen in the global market in Q1:15, with some analysts predicting further drops.
- Copper prices surged after Chinese inventories fell for the 1st time in 2 months, a signal that demand in the top metals consumer is slowly recovering after the Lunar New Year holiday.
- Prices also gained support from supply concerns as a blockade of the Grasberg mine in Indonesia, one of the world's biggest copper mines, marked its 5th day.
- A decline in London Metal Exchange (LME) copper stocks also supported prices, while the wider metals market benefited from a weaker dollar due to indications the Fed Reserve was less likely to raise interest rates aggressively.
- A weaker US currency makes dollar-denominated assets such as metals cheaper for buyers holding other currencies.

Commodity 30-Day Price Chart

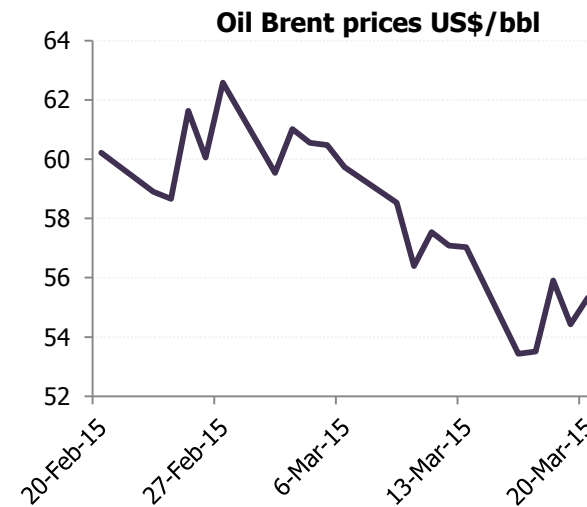


Commodity Prices

Daily	US\$/t	WoW %Δ
13-Mar-15	13,848	
16-Mar-15	13,803	
17-Mar-15	13,558	
18-Mar-15	13,573	
19-Mar-15	13,628	
20-Mar-15	13,953	
		0.76

Commodity Developments

- The global nickel surplus narrowed to 5,200t in Jan from 7,400t a year ago, according to data from the International Nickel Study Group.
- The Jan figure was well below Dec's 17,200t surplus, a positive development to investors and traders who are anticipating a deficit in the market.
- The price of nickel fell to the lowest in more than a year on the 17th of Mar amid ample supplies.
- Investors had 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.



Daily	US\$/bbl	WoW %Δ
13-Mar-15	57.03	
16-Mar-15	53.44	
17-Mar-15	53.51	
18-Mar-15	55.91	
19-Mar-15	54.43	
20-Mar-15	55.32	
		-3.00

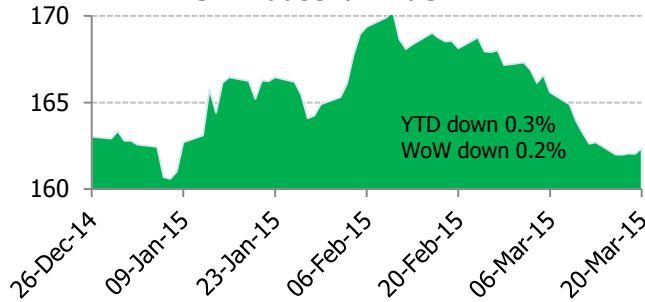
- Oil prices dropped, dragged by slow activity in China and as Saudi Arabia production nears an all-time high.
- The oil refinery sector has benefited from cheap oil, which has improved margins for oil products such as diesel, petrol and jet fuel.
- A sharp decline in crude prices over late 2014 and into Jan-15, followed by an extraordinarily cold Feb in the US and parts of Europe have meant good times for refiners.
- In H2:15, the market is likely to remain oversupplied even as crude prices begin to recover. Refinery margins will adjust downwards.

Equities 90-Day Index Charts

Zimbabwe



ZSE Industrial Index

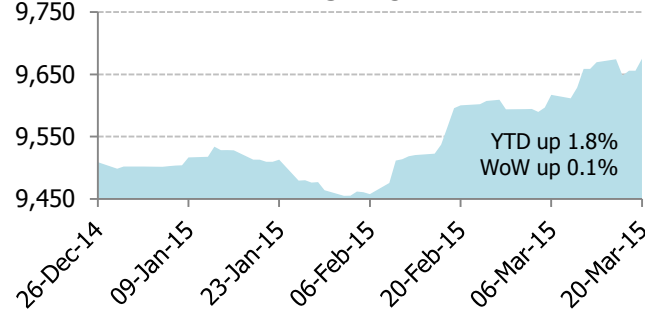


- Govt will export dozens of elephants to raise money for conservation after hunting revenues fell when the US banned the import of ivory from elephants hunted in the southern African nation.

Botswana



BSE DCI

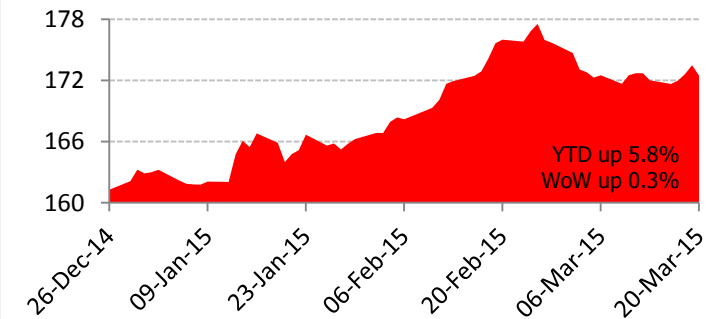


- De Beers predicts that diamond jewellery sales will keep growing but at a more modest pace, blaming a slowdown that started late last year on changing Christmas shopping trends and protest in Hong Kong.

Kenya



NSE All Share Index

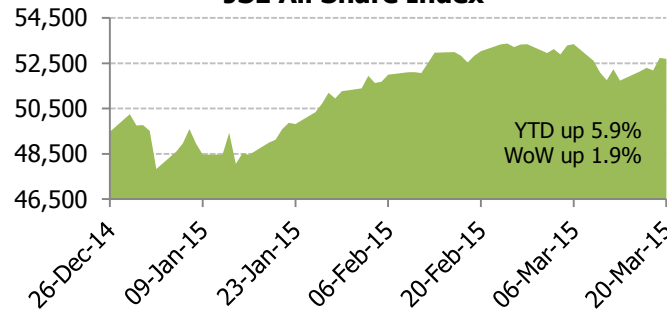


- Investors in Kenyan debt will focus on the sale of a 12-year infrastructure bond worth KES25bn (US\$273m), which is expected to draw interest due to its fairly high yield.

South Africa



JSE All Share Index

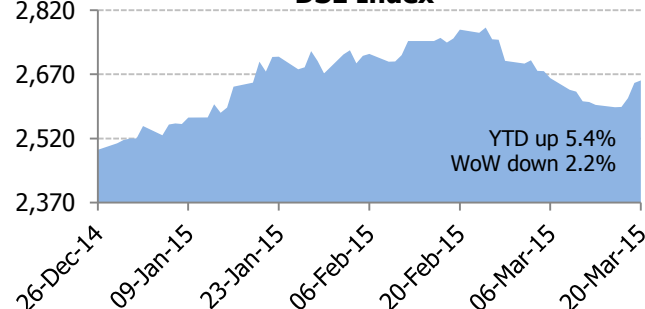


- SA' Reserve Bank is likely to wait until the Q4:15 before raising interest rates, meaning no change at a policy meeting on 26 Mar is expected.

Tanzania



DSE Index

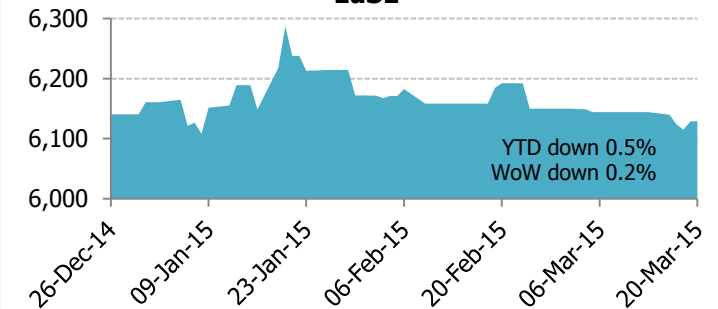


- Current account deficit narrowed by 4.7% in the year to Jan, after exports of manufactured goods and tourism earnings improved.

Zambia



LuSE



- Zambia plans to export 800,000t of white maize to neighbouring countries after producing its biggest ever harvest, leaving the southern African nation with a large surplus.

Foreign Exchange Markets

	USD/BWP	USD/MZN	USD/TZS	USD/ZMW	USD/ZAR	EUR/USD	GBP/USD
Wk Ending							
13-Mar-15	10.05	32.95	1,796	7.31	12.33	1.061	1.487
Daily							
16-Mar-15	10.12	32.95	1,797	7.34	12.42	1.053	1.478
17-Mar-15	10.10	33.37	1,797	7.44	12.39	1.060	1.477
18-Mar-15	10.09	33.88	1,798	7.47	12.37	1.060	1.473
19-Mar-15	9.95	33.88	1,798	7.59	12.22	1.065	1.480
20-Mar-15	10.02	33.88	1,798	7.70	12.26	1.068	1.473
WoW %Δ	-0.30	2.82	0.12	5.33	-0.56	0.64	-0.89
YTD %Δ	5.31	7.08	3.83	20.61	5.52	-12.16	-5.36

	ZAR/BWP	ZAR/MZN	ZAR/ZMW	ZAR/TZS
Wk Ending				
13-Mar-15	0.817	2.65	0.587	147
Daily				
16-Mar-15	0.814	2.65	0.593	144
17-Mar-15	0.814	2.70	0.600	144
18-Mar-15	0.815	2.74	0.604	145
19-Mar-15	0.820	2.74	0.619	145
20-Mar-15	0.817	2.74	0.632	145
WoW %Δ	-0.01	3.40	7.77	-1.36
YTD %Δ	-0.57	-0.36	14.42	-2.03

Exchange Rate Developments

- The USD fell sharply against the EUR and other major currencies except the GBP during the week, helping to drive a rally in Wall Street stocks.
- The EUR appreciated as leaders of Greece and Germany struck an assuaging note over efforts to keep Greece in the euro zone, although Athens was told to adhere to strict aid terms.
- The ZAR and the BWP rode on the EUR gains against the dollar, after the Fed Reserve signalled last week that US rates would rise very gradually.
- A less aggressive than expected policy tightening cycle by the Fed would boost high-yielding emerging currencies such as the ZAR, even as SA's own central bank is expected to keep its key repo rate unchanged on the 26th of Mar.
- The ZMW depreciated further, moving towards the 8 mark against the greenback.
- Slow foreign exchange earnings inflows as a result of the time lag effects in the realization of export earnings, lower copper prices and production, investor sentiment following the tax regime and the VAT impasse have destabilised the Kwacha.
- The Kwacha may further fall this week due to a chronic foreign currency shortage
- The Tanzanian shilling which slightly depreciated against the USD may strengthen this week helped by dollar sales by companies preparing to pay taxes and salaries as we move towards the end of Q1:15.

Disclaimer

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Contact telephone numbers: 369701-16; 752383-5

Appendix: Eurobonds – Rising Africa Debt

Eurobond Issued by African Countries

Issue Date	Proceeds (US\$m)	Issuer	Currency	Yield	Tenor (yrs)	Credit Rating Fitch
22-Apr-10	1,495	Egypt	USD	5.8	30	B
28-Sep-10	1,351	Morocco	EUR	4.5	10	BBB-
21-Jan-11	500	Nigeria	USD	7.1	10	BB-
6-May-11	500	Senegal	USD	8.6	10	B+ (S&P)
27-Oct-11	500	Namibia	USD	5.8	10	BBB-
14-Aug-12	1,000	Angola	USD	7	7	BB-
13-Sep-12	750	Zambia	USD	5.6	10	B
5-Dec-12	1,480	Morocco	USD	4.3	10	BBB-
27-Feb-13	600	Tanzania	USD	6.5	5	-
25-Apr-13	400	Rwanda	USD	6.6	10	-
23-May-13	750	Morocco	USD	5.5	30	BBB-
28-May-13	2,700	Egypt	USD	4.3	1.5	B
1-Jul-13	1,000	Egypt	USD	3.5	3	B
3-Jul-13	500	Nigeria	USD	5.1	5	BB-
3-Jul-13	500	Nigeria	USD	6.4	10	BB-
25-Jul-13	750	Ghana	USD	7.9	10	B+
11-Sep-13	850	Mozambique	USD	6.3	10	B
5-Dec-13	1,500	Gabon	USD	6.4	11	BB-
7-Apr-14	1,000	Zambia	USD	8.5	10	B
13-Jun-14	1,332	Morocco	EUR	3.7	10	BBB-
19-Jun-14	2,000	Kenya	USD	6.9	10	B+
16-Jul-14	750	Cote d'Ivoire	USD	5.4	10	B
17-Jul-14	1,000	South Africa	USD	5.4	30	BBB
23-Jul-14	500	Senegal	USD	6.3	10	B+ (S&P)
11-Sep-14	1,000	Ghana	USD	8.1	12	B

2015 Expected Issuances

Country	Amount (\$m)	Comment
Angola	1,000	Delayed since 2013, could issue this to meet its gross borrowing needs given a slump in oil prices
Kenya	500	The authorities may look to issue a Sukuk or in the Samurai market
Mozambique	500	Could look to issue USD 500mn, market conditions permitting
Nigeria	1,500	Nigeria could revisit the market to fund its deficit given a slump in oil prices and costs associated with elections
Tanzania	500	Tanzania could issue to fund infrastructure projects after getting a credit rating
Egypt	1,000	The conclusion of the recent IMF Article IV review after a 3-year hiatus paves the way for Egypt to issue in the external debt markets
Morocco	1,000	Likely to issue external debt to maintain offshore presence

- African economies are increasingly turning to international markets to borrow, by issuing Eurobonds in the wake of declining levels of foreign aid.
- Against this background, in Oct-14, the IMF warned that the Eurobond borrowing spree could expose most countries to elevated exchange rate risks and problems related to debt servicing.
- In 2006, Seychelles became the first country in sub-Saharan Africa (SSA), other than South Africa, to issue bonds.
- A year later in 2007, Ghana became the first African beneficiary of debt relief to tap international capital markets, issuing a \$750m 10-year Eurobond.
- Since then, previously debt-burdened countries such as Senegal, Nigeria, Zambia, Gabon and Rwanda among others have all issued Eurobonds

N:B A **Eurobond** is an international bond that is denominated in a currency not native to the country where it is issued. Eurobonds are commonly issued by Gvts, corporations and international organisations.