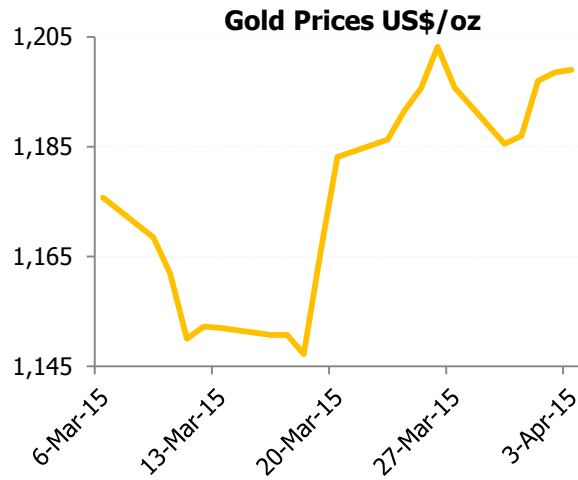


WEEKLY ECONOMIC REVIEW

Commodity 30-Day Price Chart

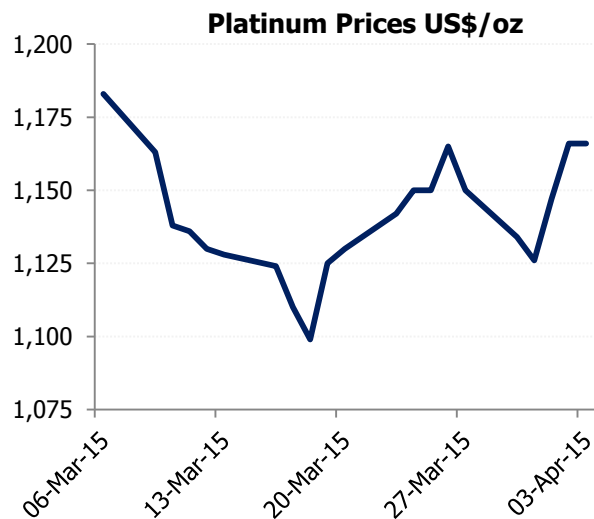


Commodity Prices

Daily	US\$/oz	WoW %Δ
27-Mar-15	1,196	
30-Mar-15	1,186	
31-Mar-15	1,187	
1-Apr-15	1,197	
2-Apr-15	1,199	
3-Apr-15	Holiday	
		0.27

Commodity Developments

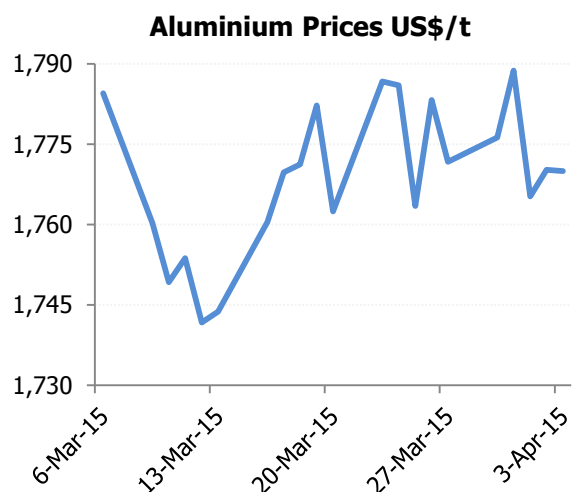
- Gold rallied on the 1st of Apr as the USD retreated after a downbeat US jobs report raised expectations that the Fed Reserve could be more cautious in tightening monetary policy.
- The yellow metal is particularly sensitive to shifts in US interest rates, which also move the USD, in which the metal is priced. Any interest rate hike by the Fed, which has kept it near zero since 2008 to stimulate the economy, could reduce demand for perceived safer assets such as gold.
- In Zim, Blanket Mine will spend about US\$15m on capital projects this year, as initiatives to increase production gather momentum.
- In Tanzania focused mineral exploration and development company, Kibo Mining, continues to work progressively through the feasibility studies that are required to move its Imweru project, in the Lake Victoria goldfields region, into the construction phase and into early production in the near term.



Daily	US\$/oz	WoW %
27-Mar-15	1,150	
30-Mar-15	1,134	
31-Mar-15	1,126	
1-Apr-15	1,147	
2-Apr-15	1,166	
3-Apr-15	Holiday	
		1.39

- Platinum prices followed gold trend although they still remain relatively weak. In SA, the electricity crisis is offering demand-hungry platinum mining companies a major opportunity to stimulate the off take of platinum. State power utility Eskom plans to install platinum fuel cells as they have demonstrated to be efficient and cost effective, a boost to platinum demand.
- Russia a major player in the Platinum Group of Metals (PGMs) production is pursuing state oil and platinum projects in Africa as economic crisis at home looms, hoping to bolster sales for businesses hit by Western sanctions over the conflict in Ukraine.
- According to various sources, Russia's Gvt-owned industrial giant Rostec, is on track to build a US\$4bn oil refinery in Uganda and a US\$3bn platinum project in Zimbabwe.
- Uganda and Zimbabwe are not legally obliged to comply with the sanctions against Russia and both already have strained relations with the West.

Commodity 30-Day Price Chart

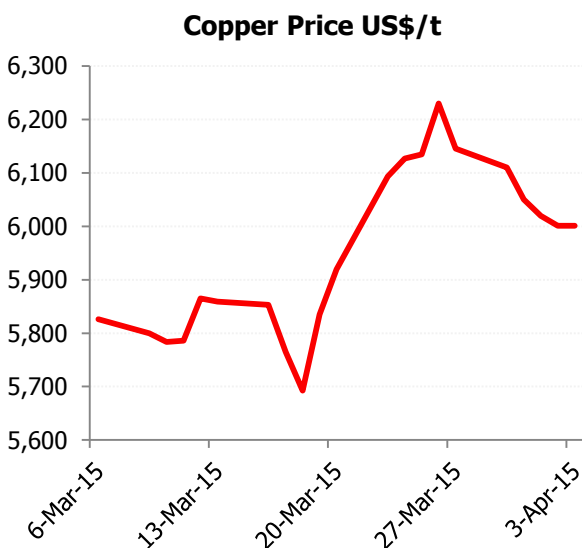


Commodity Prices

Daily	US\$/t	WoW %Δ
27-Mar-15	1,772	
30-Mar-15	1,776	
31-Mar-15	1,789	
1-Apr-15	1,765	
2-Apr-15	1,770	
3-Apr-15	Holiday	
		-0.10

Commodity Developments

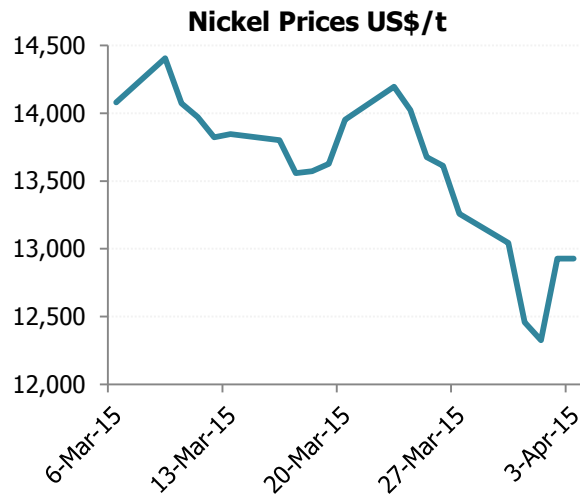
- Aluminium prices remain depressed due to weak demand and oversupply. Plans by the Chinese Gvt to institute measures to cut power prices is also denting prices as they would lower the production costs of China's aluminium. China is a major exporter of aluminium and aluminium products.
- Over the past years, Chinese-based manufacturers of semi-fabricated aluminium products have ramped up exports to global markets, easing a shortage and putting pressure on aluminium prices and premiums. Alcoa Inc raised its surplus forecast to 326,000t in 2015 due to these exports.
- Chinese exports flooded the market as exporters sought to capitalise on high regional premiums, resulting in abundant supplies. This has in turn pressured premiums, which could have reduced the incentive for Chinese exporters to ship semi-fabricated aluminium.



Daily	US\$/t	WoW %Δ
27-Mar-15	6,146	
30-Mar-15	6,110	
31-Mar-15	6,050	
1-Apr-15	6,019	
2-Apr-15	6,001	
3-Apr-15	Holiday	
		-2.35

- Weaker than expected Chinese demand has dragged down international copper prices, although they have risen more than 10% from the multi-year lows hit in Jan-15.
- Seasonal demand for copper in China is likely to be moderate in the Q2:15 compared with previous years, with end users holding limited cash as the economy slows. End users in China, the world's top consumer and producer of refined copper, typically increase purchases around the second quarter to support higher production as the summer approaches.
- However, potential buyers such as cable manufacturers appear to be suffering from cash shortages despite recent measures by Beijing to boost liquidity in the economy. Chinese banks have also reduced lending to metals firms after an alleged metal financing scam at the port of Qingdao came to light in Jun-14.
- The Zambian unit of Canada's First Quantum Minerals laid off more than 300 workers at its Kansanshi mine, drawing a Gvt call for redundancies to be cancelled on the grounds it had not been informed as required by law. The Gvt's stance to protect workers unnerves investors in Africa's 2nd biggest copper producer.

Commodity 30-Day Price Chart



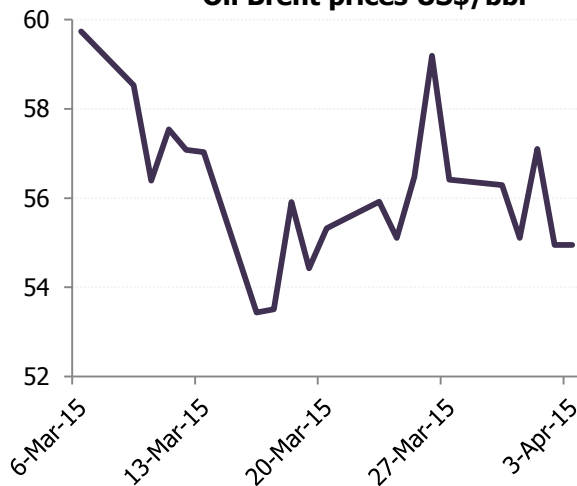
Commodity Prices

Daily	US\$/t	WoW %Δ
27-Mar-15	13,258	
30-Mar-15	13,043	
31-Mar-15	12,458	
1-Apr-15	12,325	
2-Apr-15	12,928	
3-Apr-15	Holiday	
		-2.49

Commodity Developments

- Nickel prices rebounded on the 2nd of Apr as some investors regarded the recent losses as overdone while a slide in the USD ahead of the long Easter weekend helped boost metals.
- Nickel tumbled to its lowest levels in nearly 6yrs on the 1st of Apr, hit by heavy fund selling largely on worries about lacklustre demand in the stainless steel sector.
- Some investors believe the drop in nickel prices to be exaggerated, since it put a large swathe of the important Chinese nickel pig iron (NPI) sector into loss-making territory as production is not sustainable at prices below US\$13,000/t.
- NPI, used in the production of stainless steel and as a cheaper alternative to refined nickel and ferronickel in China, has estimated production costs of US\$14,000-US\$17,000/t.
- Oil prices fell as the market awaits details to be announced by Iran and world powers on talks aimed at curbing Tehran's nuclear program.
- Investors have been monitoring talks held in Lausanne, Switzerland for over a week as Iran tried to agree with 6 world powers on concessions to its nuclear program to remove US-led sanctions that have halved its oil exports.
- Sanctions have cut Iran's oil exports to about 1.1m barrels per day (bpd) from 2.5m bpd in 2012. The OPEC nation is keeping about 30m barrels of crude on a fleet of tankers ready to be shipped when allowed, into a market already flooded with supply.
- Recent report from the Energy Information Administration (EIA) said US oil production growth was slowing even more quickly than it expected a month ago, while demand was higher than earlier forecast. But the agency left its price forecasts unchanged, putting Brent at \$59 this year and \$75 a barrel next year - with downside risks from Iran's return.

Oil Brent prices US\$/bbl



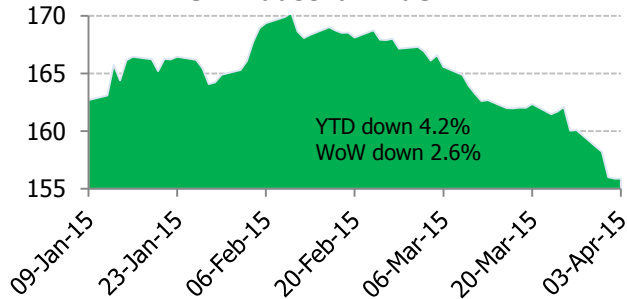
Daily	US\$/bbl	WoW %Δ
27-Mar-15	56.41	
30-Mar-15	56.29	
31-Mar-15	55.11	
1-Apr-15	57.10	
2-Apr-15	54.95	
3-Apr-15	Holiday	
		-2.59

Equities 90-Day Index Charts

Zimbabwe



ZSE Industrial Index

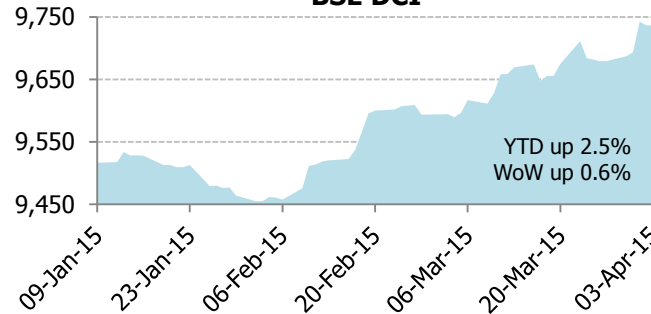


- Zim's President defended the Gvt's drive to control foreign-owned mining companies, saying investors must pay for exploiting Africa's mineral wealth.

Botswana



BSE DCI

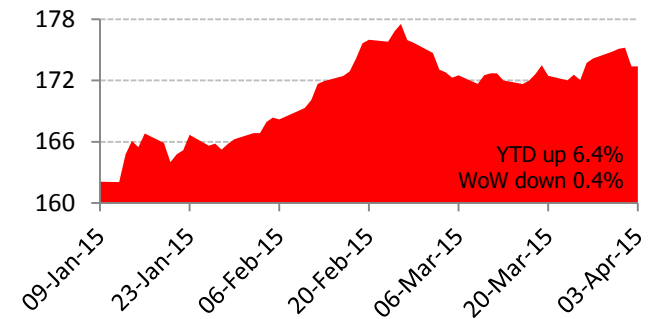


- Economy grew 3.3% quarter-on-quarter in the 3 months ending in Dec-14, from a revised 1.5% in the third quarter.

Kenya



NSE All Share Index

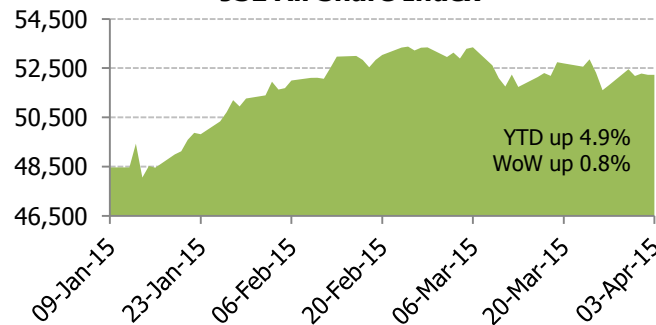


- Central Bank sold KES24.02bn (US\$259.96m) worth of a 12-year infrastructure bond in an extended sale in which it aimed to raise up to KES25bn.

South Africa



JSE All Share Index

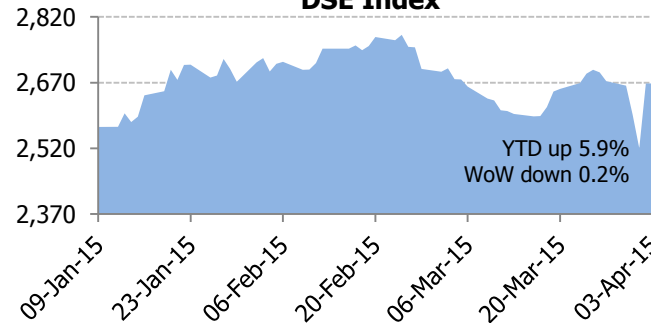


- Net gold and foreign exchange reserves fell to US\$41.275bn in Mar from US\$41.923bn in Feb.

Tanzania



DSE Index

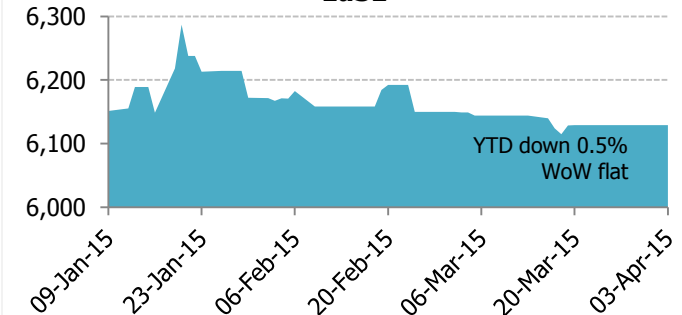


- Inflation edged up for a second straight month to 4.3% year-on-year in Mar from 4.2% in the previous month.

Zambia



LuSE



- Cabinet will table changes to mining royalties on after the finance and mines ministers proposed the amendments.

Foreign Exchange Markets

	USD/BWP	USD/MZN	USD/TZS	USD/ZMW	USD/ZAR	EUR/USD	GBP/USD	
Wk Ending								
27-Mar-15	9.88	34.72	1,798	7.59	12.03	1.082	1.482	
Daily								
30-Mar-15	9.90	34.72	1,797	7.57	12.08	1.085	1.486	
31-Mar-15	9.96	34.60	1,795	7.58	12.20	1.075	1.479	
1-Apr-15	9.92	34.58	1,795	7.61	12.10	1.074	1.483	
2-Apr-15	9.86	34.45	1,794	7.57	11.96	1.082	1.484	
3-Apr-15								
			Easter Holiday					
WoW %Δ	-1.38	2.48	-0.20	-1.50	-1.93	1.32	0.57	
YTD %Δ	3.85	9.73	3.80	18.80	3.48	-11.00	-4.82	

	ZAR/BWP	ZAR/MZN	ZAR/ZMW	ZAR/TZS
Wk Ending				
27-Mar-15	0.823	2.86	0.632	151
Daily				
30-Mar-15	0.821	2.86	0.624	149
31-Mar-15	0.819	2.84	0.622	148
01-Apr-15	0.822	2.88	0.633	147
02-Apr-15	0.826	2.87	0.632	149
03-Apr-15				
			Easter Holiday	
WoW %Δ	0.39	0.35	-0.03	-1.32
YTD %Δ	0.52	4.36	14.37	0.68

Exchange Rate Developments

- The USD depreciated against major currencies after a downbeat US jobs report raised expectations that the Fed Reserve could be more cautious in tightening monetary policy.
- South Africa's rand firmed to a new one-week high against the dollar on the 2nd of Apr-15, as the greenback softened ahead of widely watched US employment data and long Easter weekend.
- Among BancABC markets's currencies, the Zambian Kwacha is the worst performing due to Zambia's domestic weaknesses and receding copper production and prices.
- Accommodative monetary policy stances in Botswana and South Africa have supported their currencies to pare 3.9% and 3.5% respectively against the USD year to date.
- The TZS, over the past week appreciated against both the USD and ZAR. Year to date, the TZS has lost by 4% against the USD. There is little chance of meaningfully reversal of these losses over the short term.
- Just like most Sub-Saharan African currencies, the TZS remains at the mercy of a strong USD. Sentiments towards TZS are likely to be dampened due to a likely tense and uncertain political environment in the next few months ahead of elections scheduled for October this year.
- A galvanised and unified opposition will make for a more politicised and tense pre-election environment than at previous elections, resulting in probable further depreciation of the shilling.

Disclaimer

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Appendix: Credit to Private Sector Growth in BancABC Markets

Credit to GDP ratio

