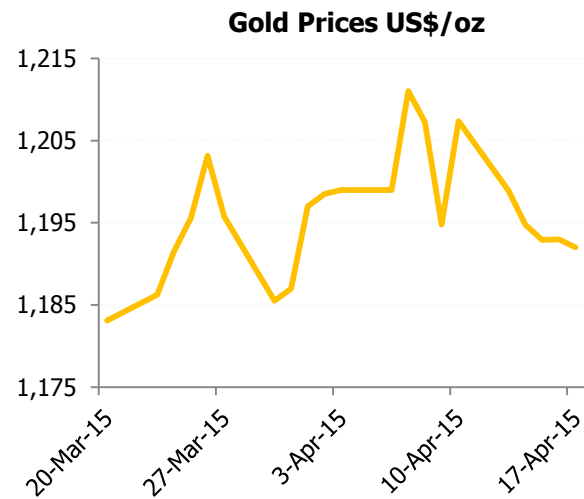


WEEKLY ECONOMIC REVIEW

Commodity 30-Day Price Chart

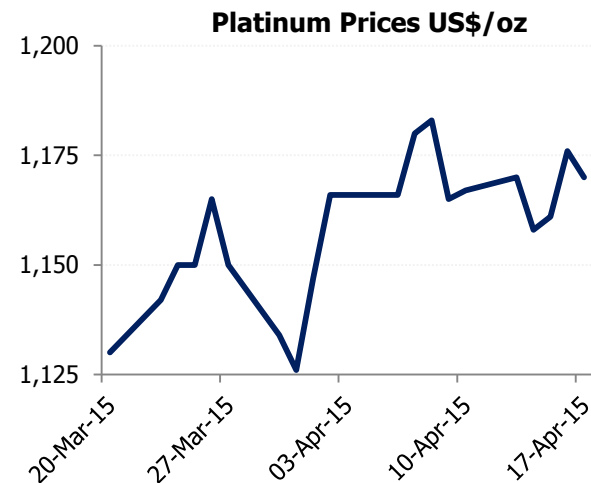


Commodity Prices

Daily	US\$/oz	WoW %Δ
10-Apr-15	1,207	
13-Apr-15	1,199	
14-Apr-15	1,195	
15-Apr-15	1,193	
16-Apr-15	1,193	
17-Apr-15	1,192	
		-1.27

Commodity Developments

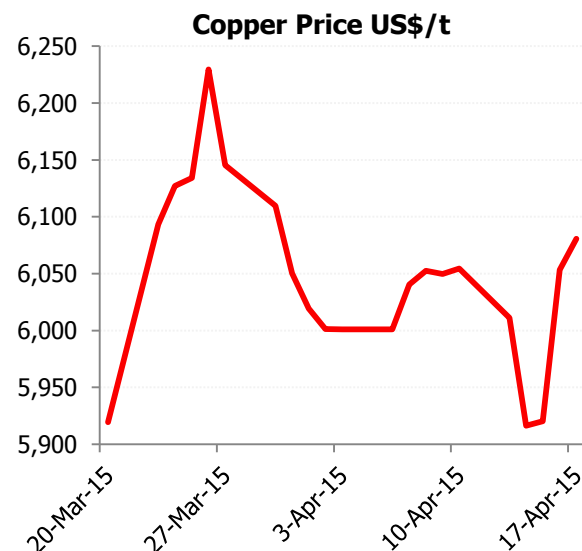
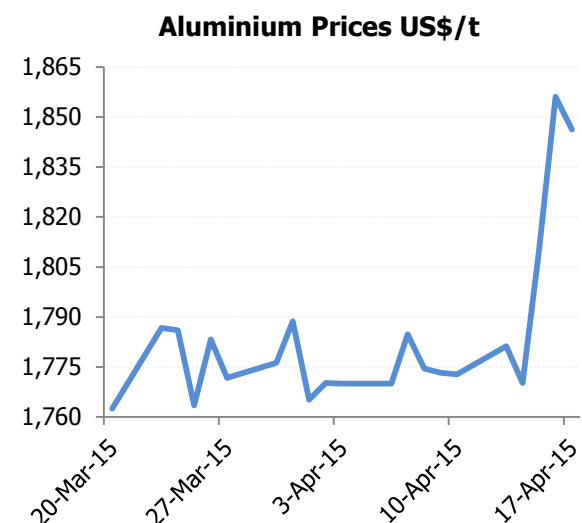
- Gold prices recorded a straight 2nd weekly drop on the back of US data which showed that US consumer prices rose in Mar-15, tempering speculation that the Fed Reserve will delay its 1st interest rate rise in nearly a decade.
- Gold is sensitive to US monetary policy, as rising rates would boost the dollar, in which the metal is priced, while lifting the opportunity cost of holding non-yielding bullion.
- In production and exploration, Mali's gold reserves are estimated at about 600t as of 2015, an equivalent of 12yrs of production at the current rate of some 50t/yr, data from the West African nation's mines ministry showed. Mali is Africa's 3rd biggest gold producer behind SA and Ghana.
- Shanta Gold, which operates the Luika gold mine in south-west Tanzania, revised its gold production guidance for the full year from between 82,000oz and 85,000oz to between 72,000oz and 77,000oz, as output dropped lower than planned in Q1:15.



Daily	US\$/oz	WoW %
10-Apr-15	1,167	
13-Apr-15	1,170	
14-Apr-15	1,158	
15-Apr-15	1,161	
16-Apr-15	1,176	
17-Apr-15	1,170	
		0.26

- All precious metals were under pressure due to prospects of interest hike in the US. Platinum managed positive gains but were marginal.
- Traders are closely monitoring developments in SA, world's number 1 producer of platinum, on whether xenophobic attacks will affect operations of mineral producers.
- In SA, focused project developer Platinum Group Metals (PTM) has confirmed an important new platinum deposit at its Waterberg joint venture (JV) discovery in SA's prolific Bushveld Igneous Complex.

Commodity 30-Day Price Chart



Commodity Prices

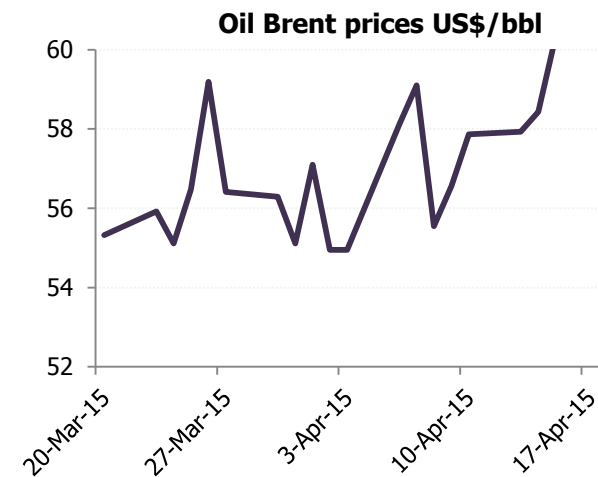
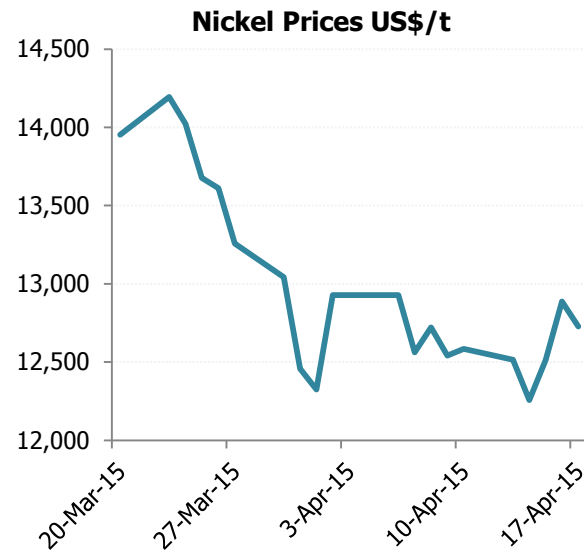
Daily	US\$/t	WoW %Δ
10-Apr-15	1,773	
13-Apr-15	1,781	
14-Apr-15	1,770	
15-Apr-15	1,811	
16-Apr-15	1,856	
17-Apr-15	1,846	
		4.15

Daily	US\$/t	WoW %Δ
10-Apr-15	6,055	
13-Apr-15	6,011	
14-Apr-15	5,916	
15-Apr-15	5,920	
16-Apr-15	6,054	
17-Apr-15	6,081	
		0.43

Commodity Developments

- Aluminium prices surged supported by China Merchants Futures published estimates that China will add 4.3m tonnes of annual aluminium capacity this year, with the bulk in the Q1:15 and Q4:15.
- Meanwhile, production of primary aluminium in China reached a record 2.56m tonnes in Mar-15, up from the previous high of 2.18m tonnes hit in Dec-14. Output rose 8% year-on-year with a record imports.
- In Mozambique, Kenmare Resources has repatriated 62 South Africans working at its mine for their safety after anti-immigrant attacks back home. The miner said in a statement that it was sending the workers back home temporarily for their safety in case of reprisal attacks.
- Mozambique is a major aluminium producer.
- Copper prices surged but remained soft as worries about weak demand from top consumer China soured sentiment. China consumes nearly half of the world's copper.
- Data from the National Bureau of Statistics showed that Chinese production of refined copper rose 9.7% from a year ago in Mar-15 as smelters expanded capacity amid an increase in supply of raw copper. This Record imports of raw material copper concentrate in Mar-15 supported metal production.
- In Zambia, the Gvt has set the royalty tax rate for open cast and underground mining at 9%, rowing back from earlier plans to charge as much as 20%.
- Some of the foreign firms running mines in Africa's 2nd largest copper producer include Glencore, Barrick Gold Corp, Vedanta Resources and Canada's First Quantum Minerals.

Commodity 30-Day Price Chart



Commodity Prices

Daily	US\$/t	WoW %Δ
2-Apr-15	12,928	
6-Apr-15	12,928	
7-Apr-15	12,563	
8-Apr-15	12,723	
9-Apr-15	12,543	
10-Apr-15	12,585	
		-2.65

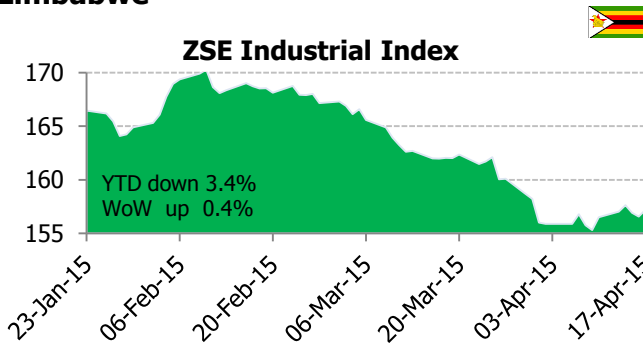
Daily	US\$/bbl	WoW %Δ
10-Apr-15	57.87	
13-Apr-15	57.93	
14-Apr-15	58.43	
15-Apr-15	60.32	
16-Apr-15	63.98	
17-Apr-15	63.45	
		9.64

Commodity Developments

- Nickel prices are trending down despite loss of output from Indonesia. The Philippines' ore exports have increased significantly, following the Indonesian ban on nickel exports in early 2014, on the back of increasing demand from China.
- Following the Indonesian export ban, there was not as much of a spike in nickel prices as was expected, which may be attributed to stockpiling by importing nations, particularly China, noting that stocks of nickel ore at Chinese ports at the end of 2014 totalled 17.8m tonnes.
- Generally, nickel prices faces strong downward pressures as the market seem to be adequately supplied. Typically, in the 1st quarter, monsoon weather in the Pacific region significantly curtails exports, which reduces supply and saves the nickel price from plummeting further.
- Brent's prices registered a weekly and its biggest in more than 5yrs as Middle East turmoil and signs of lower US production lifted prices.
- Yemen's escalating conflict sparked rally with military units protecting the Masila oilfields being withdrawn.
- While Yemen is not a major oil producer, the conflict raises concern about risks to supply from the region's major exporters, especially Saudi Arabia.
- Oil initially pared losses earlier in the week after data showed that US oil drilling rigs fell for a record 19th straight week, although this week's 26-rig drop was lower than the loss of 42 last week.

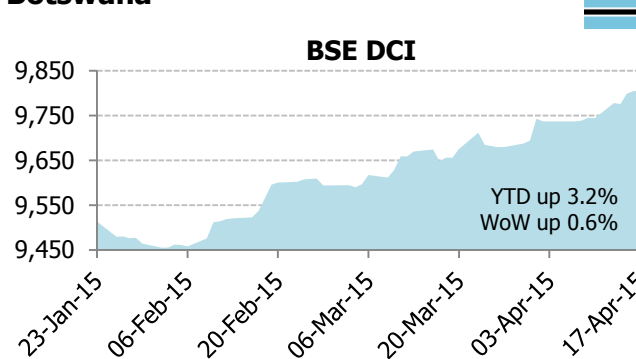
Equities 90-Day Index Charts

Zimbabwe



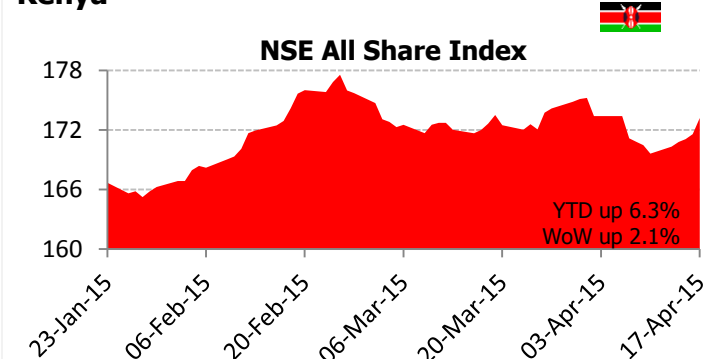
- Zim plans to build new power stations to generate 3,500 megawatts at a cost of US\$5bn in a bid to end chronic power cuts that have damaged the economy.

Botswana



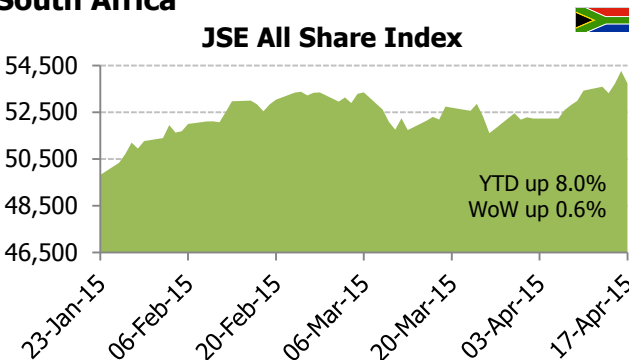
- Debswana Diamond Company, a joint venture between Botswana and diamond giant De Beers, will trim output as it waits for demand for the precious stone to recover.

Kenya



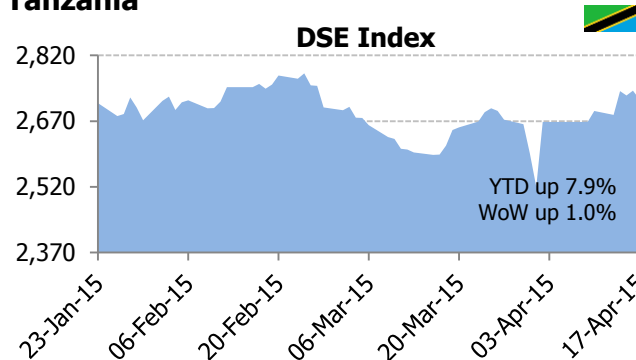
- Gvt spending to rise by 25% to KES2.17tn (US\$23.16bn) in the fiscal year from Jul, with the bulk of the increase going on energy and infrastructure.

South Africa



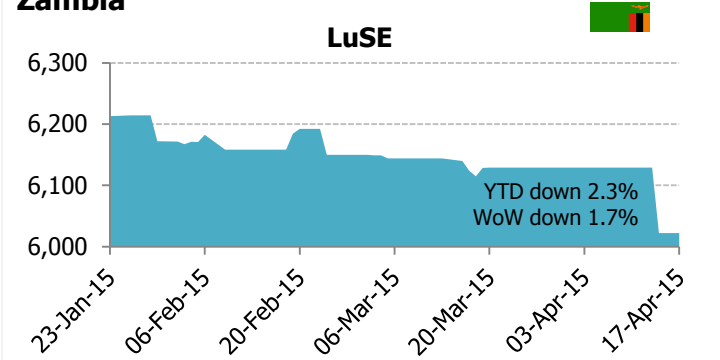
- The central bank's leading business cycle indicator fell 0.3% MoM in Feb-15, triggered by a drop in the number of residential building plans passed and a decline in the dollar-based export commodity price index.

Tanzania



- The number of mobile phone subscribers rose by 16% in 2014 to 31.86m, marking further growth in the communications sector already ranked as the fastest expanding in the economy.

Zambia



- Gvt has proposed to set its mining royalties at 9% for both open-pit and underground mines in an attempt to prevent looming job cuts and mine closures.

Foreign Exchange Markets

	USD/BWP	USD/MZN	USD/TZS	USD/ZMW	USD/ZAR	EUR/USD	GBP/USD
Wk Ending							
10-Apr-15	9.90	34.16	1,798	7.57	11.96	1.082	1.484
Daily							
13-Apr-15	9.97	34.01	1,798	7.22	12.13	1.056	1.459
14-Apr-15	10.00	33.67	1,813	7.20	12.13	1.056	1.464
15-Apr-15	9.92	33.66	1,805	7.31	12.09	1.058	1.473
16-Apr-15	9.92	33.56	1,817	7.43	12.05	1.064	1.482
17-Apr-15	9.87		1,806	7.38	11.95	1.082	1.503
WoW %Δ	-0.30	-1.76	0.48	-2.54	-0.09	-0.04	1.25
YTD %Δ	3.75	6.07	4.29	15.53	2.82	-11.03	-3.47

	ZAR/BWP	ZAR/MZN	ZAR/ZMW	ZAR/TZS
Wk Ending				
10-Apr-15	0.828	2.84	0.610	152
Daily				
13-Apr-15	0.825	2.81	0.596	149
14-Apr-15	0.823	2.80	0.598	148
15-Apr-15	0.826	2.78	0.605	150
16-Apr-15	0.825	2.79	0.618	150
17-Apr-15	0.825		0.617	151
WoW %Δ	-0.31	-1.76	1.23	-0.66
YTD %Δ	0.45	1.45	11.69	2.03

Exchange Rate Developments

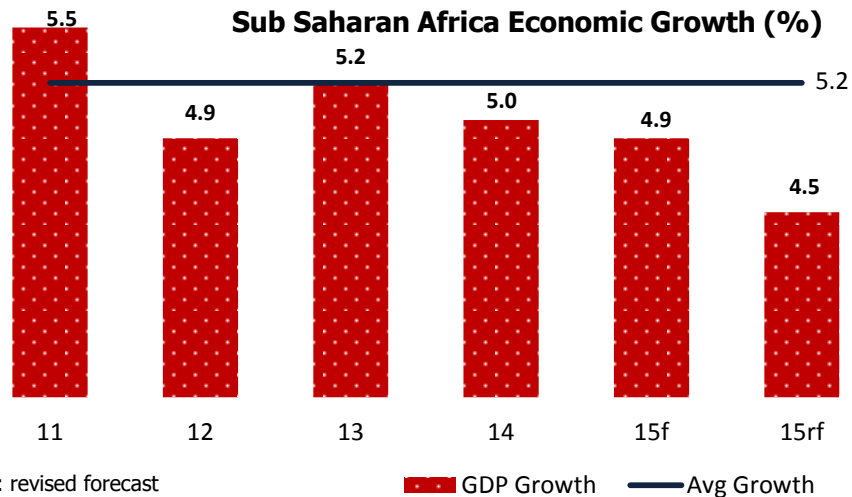
- The USD slightly appreciated against the EUR bolstered by bolstered by US inflation data that raised hopes of a rate hike. However the greenback depreciated against the GBP.
- The ZAR remained weak although it managed to register positive weekly gains as power cuts in SA and anti-immigrant unrest hit sentiment.
- As long as issues in SA remain unresolved, investors are likely to continue to display some caution towards SA and perhaps display some reluctance to embark on any long term investments.
- Zambia's kwacha gained over 2,5% against the USD on as the market applauded new central bank Governor Denny Kalyalya's vow to deal with the volatile currency. The positive sentiments after the Governors statement lifted the Kwacha.
- The BWP which during the week touched the 10 mark reversed its losses to register weekly gains. Strengthening US economy has lifted the USD against most currencies with the BWP depreciating the least, among BancABC markets' currencies.
- Tanzania's shilling fell to a record low against the USD on the 16th of Apr, weighed down by demand for the US currency from energy firms and manufacturers. Inflows of foreign exchange have been modest from agriculture exports and tourism. Generally, tourism experiences low arrivals during this season although it was dented by disturbances in neighbouring Kenya.

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Contact telephone numbers: 369701-16; 752383-5

Appendix: Sub Saharan Africa Economic Growth



*rf: revised forecast
Source: IMF

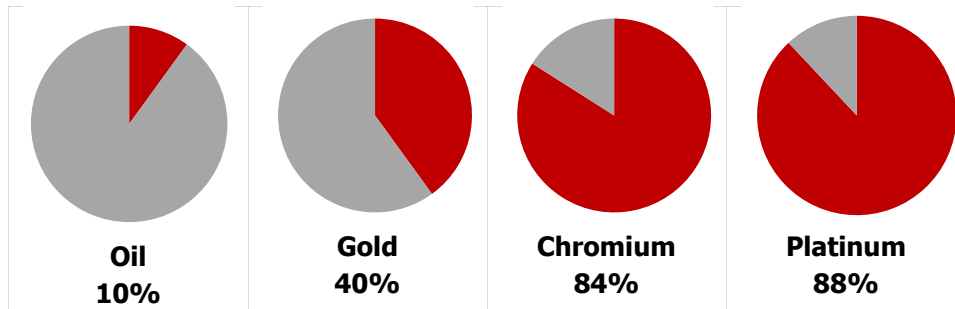
Receding Commodity Prices Weighing Growth

- ❖ SSA's growth will slow in 2015 to 4.5% from 5% in 2014 and the 4.9% initially projected.
- ❖ The 2015 revised forecast is below the 5.2% average annual growth rate of the past 4yrs and well short of Africa's peak growth rates of 6.4% in 2002-08.
- ❖ This downturn largely reflects the fall in the prices of oil and other commodities. SSA is a net exporter of primary commodities. Oil is the most important commodity traded in the region, followed by gold and natural gas.
- ❖ The oil price decline will have a severe impact on the region's oil exporters, including Nigeria with economic growth projected to be slower.
- ❖ In contrast, projected growth in the region's oil importers is broadly unchanged, as the favorable impact of lower oil prices is offset to a large extent by lower prices of commodity exports.
- ❖ On the policy front, there is need for SSA to diversify its economies to withstand negative global economic conditions.

Structural Problems in SSA Mineral Production

- ❖ Africa is endowed with vast mineral reserves, and commands 88% of global platinum, 84% of world's chromium; 40% of world's gold and 10% of world's oil.
- ❖ However, lack of investment in systematic geological mapping and exploration, and inadequate technical data on the mineral endowment prohibits the continent from fully benefiting from its mineral resources. Other challenges include:
- ❖ Weak institutional and policy framework for mineral development and exploitation.
- ❖ Inadequate fiscal and financial regimes for mining development.
- ❖ Poorly developed infrastructural bases, including transportation, communications, and engineering services.
- ❖ Lack of cheap, reliable energy resources for industrial projects.
- ❖ The unusually high cost of capital for mining projects in the region compared with the capital cost of similar mining projects in South East Asia, Australia, and South America.
- ❖ The perception by the international mining community of an unstable "investment climate," political instability, and corruption.

Africa's Share of Mineral Reserves



Source: IMF and World Bank