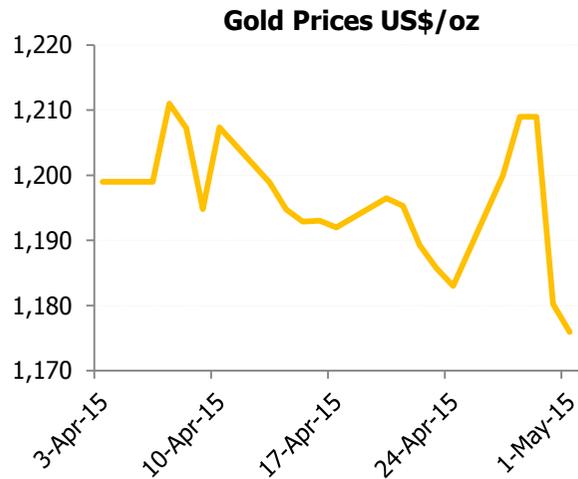


WEEKLY ECONOMIC REVIEW

Commodity 30-Day Price Chart

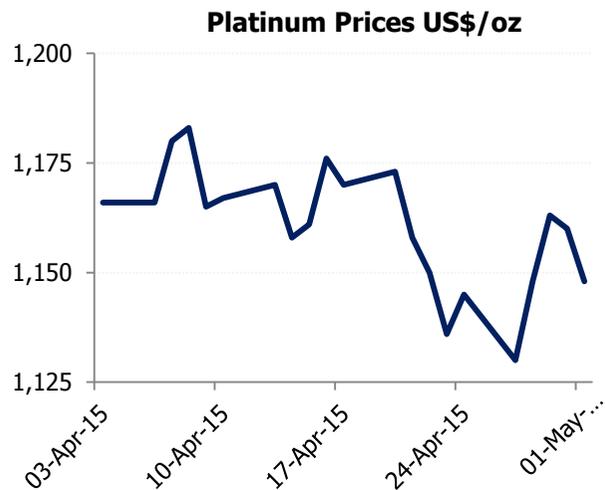


Commodity Prices

Daily	US\$/oz	WoW %Δ
24-Apr-15	1,183	
27-Apr-15	1,200	
28-Apr-15	1,209	
29-Apr-15	1,209	
30-Apr-15	1,180	
1-May-15	1,176	
		-0.60

Commodity Developments

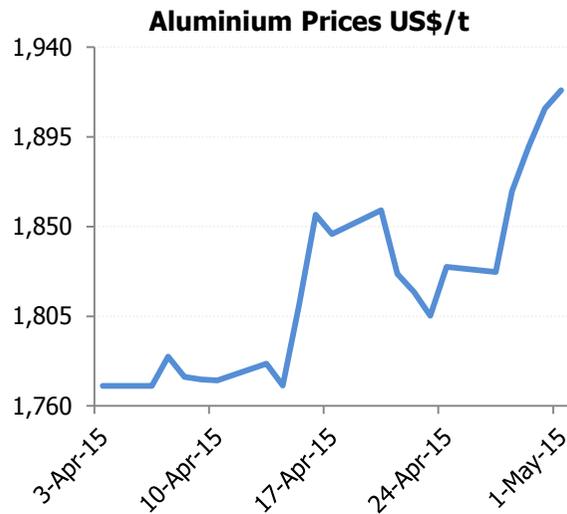
- Gold fell to a 6-week low on strong US economic data and investor sentiment was undermined by longer-term expectations for a US interest rate rise.
- The yellow metal hit its highest since early Apr-15 at US\$1,209 earlier during the week but failed to hold on to that level after the Fed Reserve signalled on its 2-day meeting that it views the recent slowdown in the US economy as transitory and was not ruling out an interest rate rise this year.
- Gold is highly sensitive to expectations for rate increases, which would lift the opportunity cost of holding non-yielding bullion while boosting the USD.
- In Zim, largest producer Metallon Gold missed its Q1:15 target of 28,654oz by 15% due to equipment breakdowns but was on course to produce 150,000oz this year. Zim's gold mines are however struggling with power shortages, weak prices and high borrowing costs.



Daily	US\$/oz	WoW %
24-Apr-15	1,145	
27-Apr-15	1,130	
28-Apr-15	1,148	
29-Apr-15	1,163	
30-Apr-15	1,160	
1-May-15	1,148	
		0.26

- Platinum prices remained weak and traded at a discount to gold due to lacklustre demand and strengthening US dollar. A strong USD makes the metal expensive to holders of other currencies.
- In SA, Anglo American Platinum favours a listing of some its platinum mines as the most likely route to divesting those assets. Platinum has been a problem for this global major producer for some time, due to recurrent strikes and obstinately weak prices.
- SA's precious metals mining firms Sibanye Gold and Northam Platinum as well as community-owned firm Baroka Platinum are among the parties which have shown interest in buying some of Amplats's assets.
- In other related precious metals, Zim temporarily suspended a 15% tax on diamond sales, citing a drop in production and low international gem prices. Zim is one of the world's top diamond-producing countries and is believed to hold 25% of the world's reserves of opencast extractable diamonds.

Commodity 30-Day Price Chart

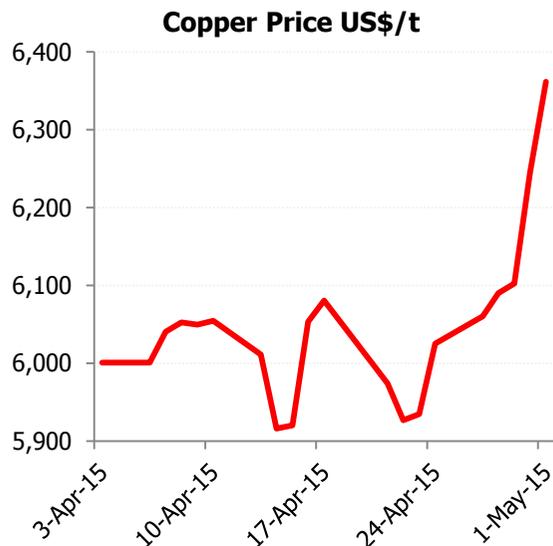


Commodity Prices

Daily	US\$/t	WoW %Δ
24-Apr-15	1,830	
27-Apr-15	1,827	
28-Apr-15	1,868	
29-Apr-15	1,890	
30-Apr-15	1,909	
1-May-15	1,919	
		4.85

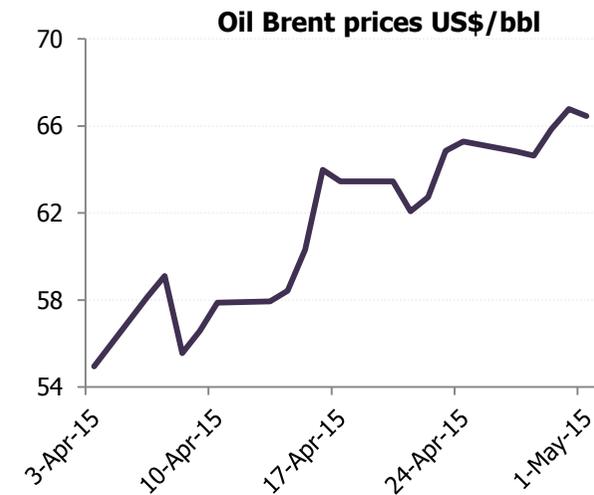
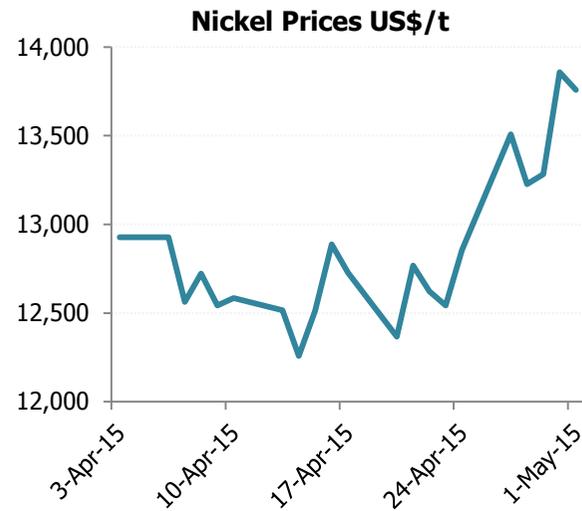
Commodity Developments

- Aluminium prices surged, pushed up by speculative buying after Chinese authorities pledged to implement more stimulus measures.
- The risk of high Chinese primary exports and signs of on-going softness in the Western physical market are the two factors that suggest that the rally could be short-lived.
- However, the deputy chief executive of United Company Rusal, the world's top aluminium producer, said worries about Chinese aluminium flooding the global market were not justified.
- Generally, the low aluminium prices seem not to be demand induced as aluminium's usage profile is still among the strongest of any of the industrial metals. The market is struggling with year of oversupply.
- Global aluminium output grew by 5.6% in Q1:15, according to the International Aluminium Institute (IAI) and most of that increase were from China. Generally, prices are expected to remain weak and speculation driven.
- Copper prices rose sharply to its highest since Dec-14 on seasonally strong demand and expectations of further economic stimulus measures from top consumer China.
- China's factories struggled in Apr-14, reinforcing expectations that Beijing will roll out more stimulus measures. Generally, copper demand is strong at this time of the year and London Metal Exchange (LME) stocks seem to be dipping.
- However, the copper market seem to remain in underlying surplus and stocks are likely to be seen increasing in Q3:15 again.
- In Zambia, Africa's 2nd largest copper producer, Konkola Copper Mines (KCM) is likely to remain in lossmaking position although the tax regime has been changed. The Gvt of Zambia reverted to a semi-profit-based tax regime, including mineral royalty of 9%, corporate income tax of 30% and variable profit tax of 15% on profits higher than 8% of copper sales (overall income) after mining companies rejected the new regime due to a slump in prices.



Daily	US\$/t	WoW %Δ
24-Apr-15	6,025	
27-Apr-15	6,061	
28-Apr-15	6,090	
29-Apr-15	6,103	
30-Apr-15	6,245	
1-May-15	6,362	
		5.58

Commodity 30-Day Price Chart



Commodity Prices

Daily	US\$/t	WoW %Δ
24-Apr-15	12,855	
27-Apr-15	13,508	
28-Apr-15	13,228	
29-Apr-15	13,283	
30-Apr-15	13,858	
1-May-15	13,758	
		7.02

Daily	US\$/bbl	WoW %Δ
24-Apr-15	65.28	
27-Apr-15	64.83	
28-Apr-15	64.64	
29-Apr-15	65.84	
30-Apr-15	66.78	
1-May-15	66.46	
		1.81

Commodity Developments

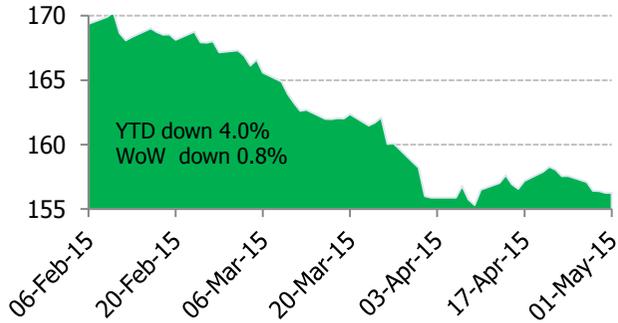
- Nickel surged to a one-month high after BHP Billiton declared force majeure at a plant in Colombia, adding to supply concerns.
- BHP Billiton, the world's largest mining company was forced to declare force majeure with some customers after union blockades at its Cerro Matoso nickel operation in Colombia.
- Expectations of a more balanced nickel market rose last week after the International Nickel Study Group (INSG) said the global surplus would shrink to about 20,000t this year as an export ban on nickel ore by top producer Indonesia further crimps production in China.
- LME nickel stocks have more than trebled to record highs of around 445,000t since mid-2012, easing fears the market could slip into a deficit this year. Chinese data had not been very supportive for base metals and the market is eager for more.
- Brent prices are expected to remain relatively low for a long time. Prices collapsed to a low just above US\$45 in Jan-15 from a high above US\$115/bbl, and have recovered gradually over the last three months to trade US\$66.46/bbl.
- The price crash has forced some exploration companies to stop drilling for oil and the number of rigs operating in the US has fallen for 20 weeks in a row to its lowest since 2010. However, global inventories remain high with US crude oil stockpiles at an all-time record.
- The market is expected to remain in surplus as there is a chance of extra Iranian volumes hitting the market if sanctions are lifted mid-year, keeping prices under pressure.

Equities 90-Day Index Charts

Zimbabwe



ZSE Industrial Index

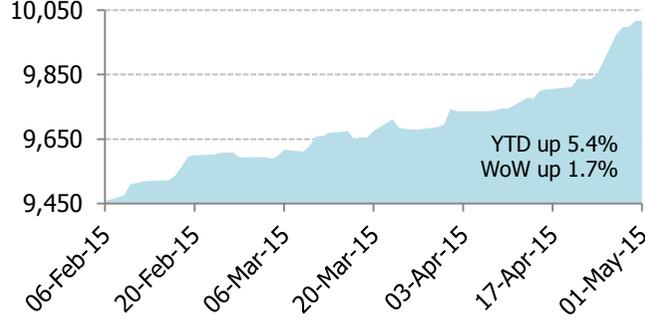


- Telecoms regulator cancelled the licence of mobile phone network operator Telecel, a subsidiary of Amsterdam-based international telecoms group Vimpelcom, and given it a month to cease operations.

Botswana



BSE DCI

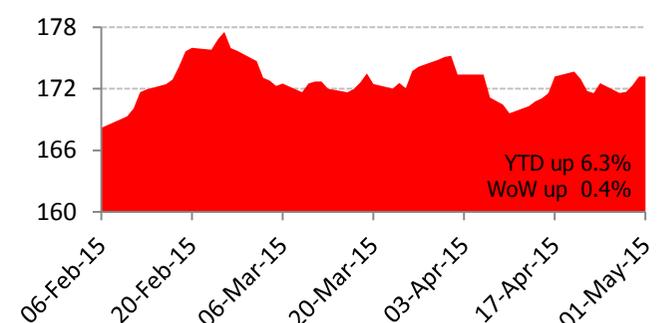


- Atlas Mara is in talks to invest US\$22.5m in Banque Populaire du Rwanda (BPR) and merge it with its existing Rwandan bank. The merger would create Rwanda's largest bank by branch locations and second largest bank by assets.

Kenya



NSE All Share Index

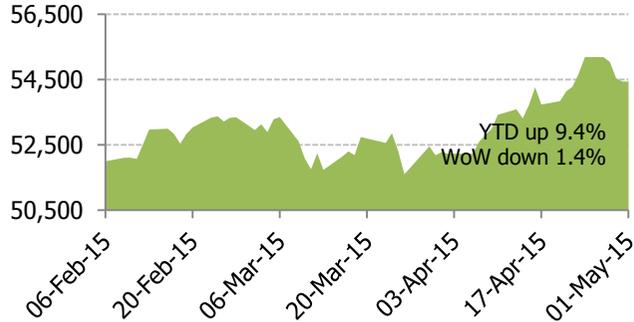


- A spike in Kenyan food prices due to dry weather conditions helped lift inflation to above the consensus expectation to 7.08% in the year to Apr-15 from 6.31% last month.

South Africa



JSE All Share Index

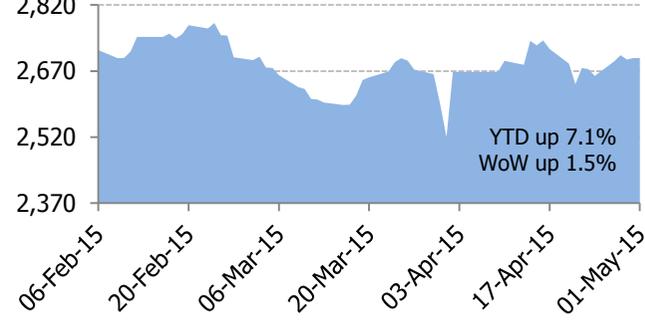


- Tourism industry is likely to take a hit following a wave of xenophobic attack, a setback for the country which has worked hard to clean up its image as a hub for violent crimes. Some countries issued travel warnings.

Tanzania



DSE Index

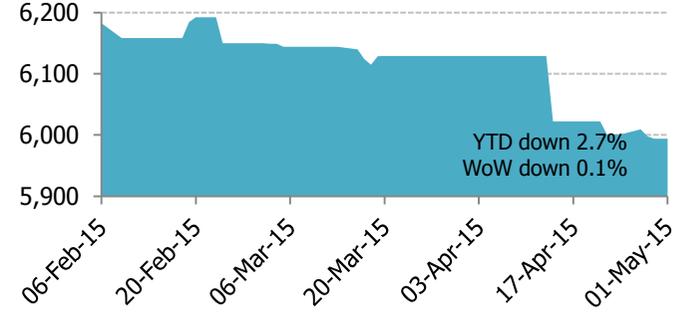


- Current account deficit shrank by 11.4% in the year to Feb-15, abetted by lower oil prices and an improved performance by the tourism and manufacturing sectors.

Zambia



LuSE



- Barrick Gold Corp, the world's biggest gold producer, will not suspend operations at its Lumwana open-pit copper mine as the country's Gvt has reduced mining royalties.

Foreign Exchange Markets

	USD/BWP	USD/MZN	USD/TZS	USD/ZMW	USD/ZAR	EUR/USD	GBP/USD
Wk Ending							
24-Apr-15	9.93	33.47	1,834	7.57	11.96	1.082	1.484
Daily							
27-Apr-15	9.91	33.48	1,840	7.43	12.13	1.088	1.523
28-Apr-15	9.87	33.48	1,843	7.43	12.01	1.087	1.523
29-Apr-15	9.78	33.37	1,838	7.41	11.84	1.100	1.540
30-Apr-15	9.75	33.44	1,838	7.43	11.79	1.123	1.547
1-May-15							
WoW %Δ	-1.85	-0.09	0.25	-1.85	-1.43	3.77	4.25
YTD %Δ	2.44	5.69	6.14	16.35	1.44	-7.64	-0.62

	ZAR/BWP	ZAR/MZN	ZAR/ZMW	ZAR/TZS
Wk Ending				
24-Apr-15	0.818	2.76	0.610	148
Daily				
27-Apr-15	0.818	2.77	0.596	148
28-Apr-15	0.821	2.81	0.598	150
29-Apr-15	0.825	2.82	0.605	153
30-Apr-15	0.825	2.82	0.618	154
01-May-15				
WoW %Δ	0.88	2.17	1.23	4.05
YTD %Δ	0.39	2.55	11.69	4.05

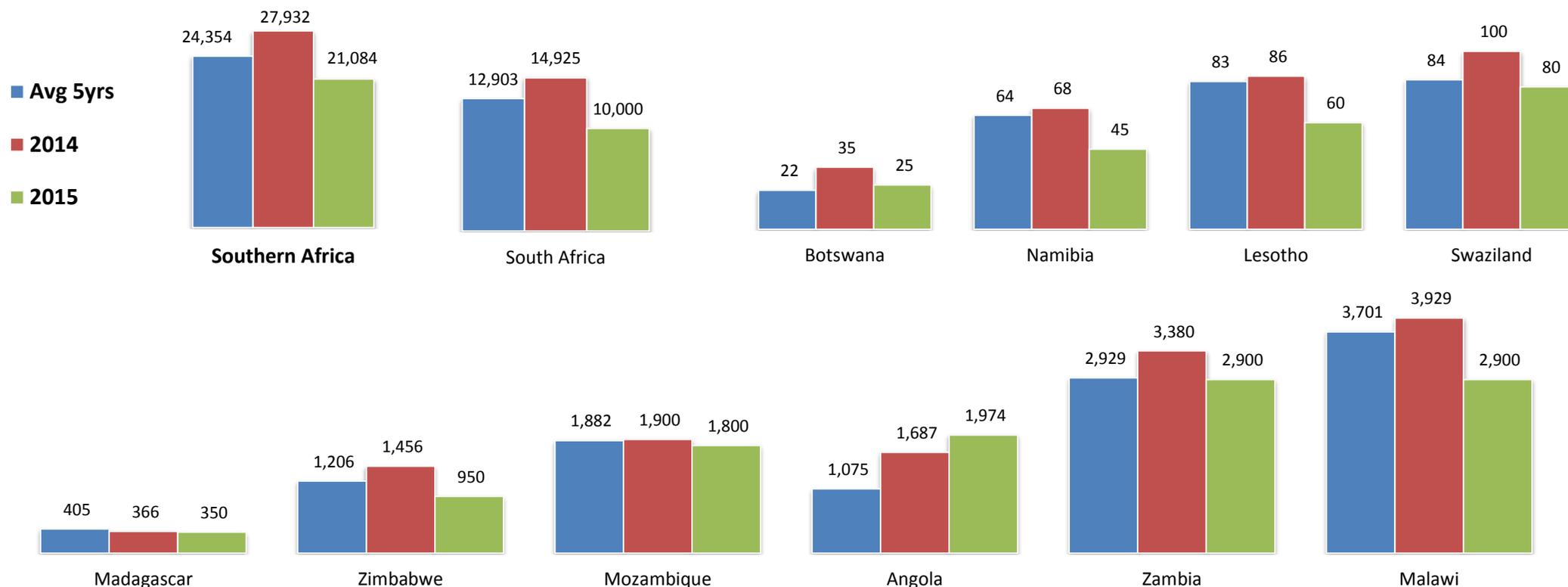
Exchange Rate Developments

- The dollar depreciated against major currencies during the week. However, losses were limited after US data showed signs of a stabilising labour market and an economy gathering momentum, putting the Fed Reserve on track to raise interest rates at least once this year.
- The ZAR strengthened against the USD supported by data showing SA's trade balance swung into a surplus of R482.5m in Mar-15 from a deficit of R8.7bn in Feb-15.
- However, gains were capped by upbeat US data which boosted the greenback and ratings agency Fitch warning about SA's reliance on offshore portfolio inflows. Fitch listed SA among emerging markets vulnerable to eventual US monetary tightening, given its reliance on portfolio inflows to plug a persistently high current account deficit.
- The Kwacha appreciated against the dollar, boosted by the changes to the copper producer's mining royalty regime and resulting effects of Apr-15 monetary policy tightening by the Bank of Zambia.
- The Tanzanian Shilling which has depreciated 6% against the USD year to date is likely to appreciate as the Gvt is finalising plans to receive at least US\$500m from commercial loans before the end of the current fiscal budget.
- Foreign grants and loans are a major source of hard currency in Tanzania, Africa's 4th-largest gold producer, whose economy also relies on tourism earnings and agriculture.
- The shilling will also get a seasonal boost in June-July when the economy traditionally receives substantial US dollar inflows from tourism and agriculture sectors.

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Appendix: Maize Production in Southern Africa (000t)



- Maize is a staple crop in most Southern African countries.
- Total maize production in Southern Africa in 2015 is expected to decline significantly from the bumper output of 2014.
- The bulk of the decline is mainly due to the significant drop in South Africa and Malawi the 1st and 2nd region's largest producers and exporters of maize.
- The decline is largely on account of erratic weather conditions, characterized by a late start of seasonal rains in Nov/Dec, flooding in some

parts in early 2015 and a severe dry spell during Feb-15 and early Mar-15, a critical period for crop growth.

- Consequently, the sub regional maize import requirements are forecast to increase sharply in 2015/16.
- Botswana and Namibia, due to their general dry weather conditions, are net importers of maize.
- Mozambique, Angola and Zambia have made significant progress in maize production.