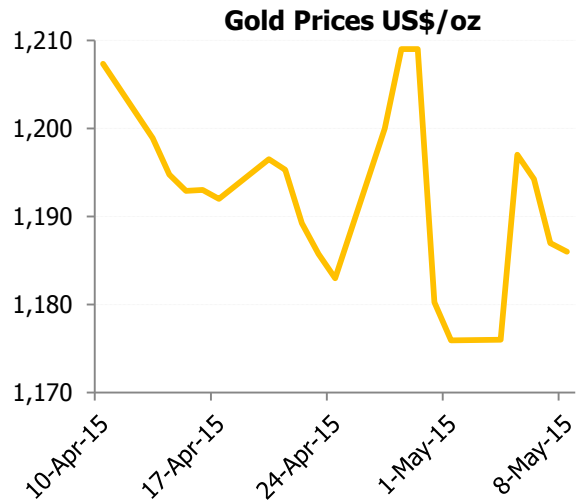


WEEKLY ECONOMIC REVIEW

Commodity 30-Day Price Chart

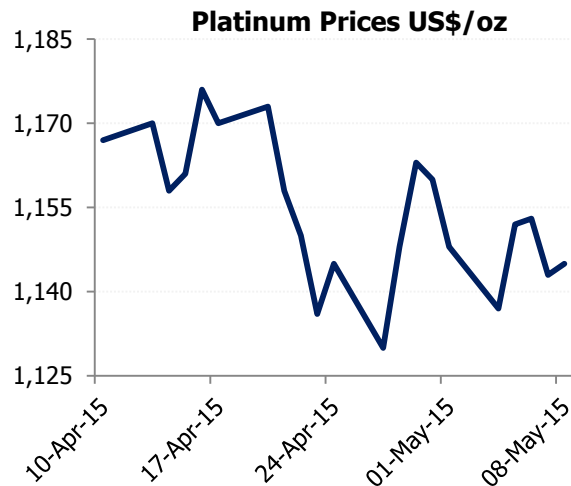


Commodity Prices

Daily	US\$/oz	WoW %Δ
1-May-15	1,176	
4-May-15	1,176	
5-May-15	1,197	
6-May-15	1,194	
7-May-15	1,187	
8-May-15	1,186	
		0.85

Commodity Developments

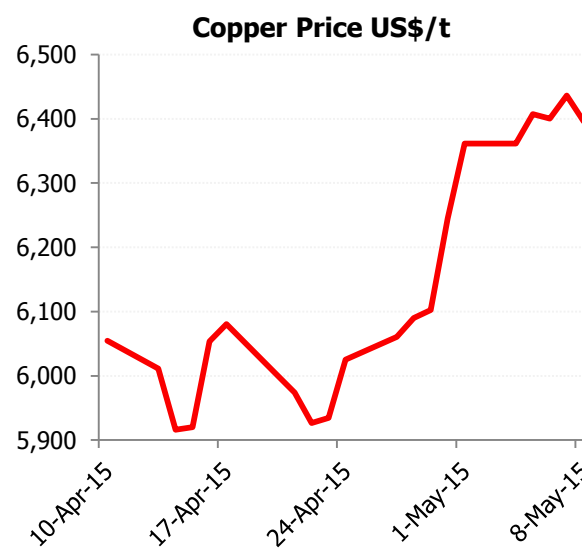
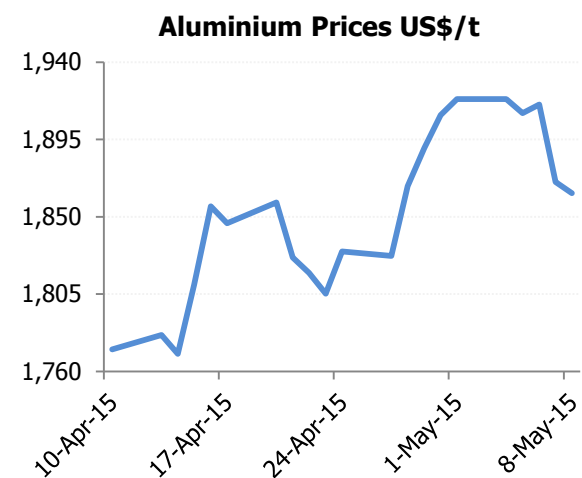
- Gold recorded a weekly gain, as revisions to US payrolls data supported speculation that the Fed Reserve may hold off raising interest rates in the immediate future.
- Mixed US economic data has pushed earlier expectations for the Federal Reserve to announce a rate rise at its Jun-15 policy meeting back to later this year.
- In production, AngloGold Ashanti Ltd, Africa's top bullion producer is concerned by steep wage demands and rising power costs in South Africa which may dent once thriving gold sector. SA is Africa's largest gold producer.
- Africa's most advanced economy is facing its worst electricity crisis since 2008 and Eskom cuts power almost daily in order to prevent its grid from collapsing as the utility battles with breakdowns and a huge maintenance backlog.



Daily	US\$/oz	WoW %
1-May-15	1,148	
4-May-15	1,137	
5-May-15	1,152	
6-May-15	1,153	
7-May-15	1,143	
8-May-15	1,145	
		-0.26

- Platinum prices have remained relatively low threatening survival of most platinum miners.
- In SA, platinum producer Lonmin is in talks with unions and employees to cut 3,500 jobs at its mines, highlighting the distress low prices are causing to SA's platinum industry.
- However, the miner is likely to face strong resistance from employee organisations and if not well controlled, may lead to industrial actions. Like its peers, Lonmin was hit by a bruising 5-month strike last year that cut production and dragged it into the red in the last financial year.
- The World's 3rd largest producer of the white metal has also slowed down on capital spending and delayed the development of the K4 shaft at its Marikana mine as it focuses on conserving cash as a result of low platinum prices.

Commodity 30-Day Price Chart



Commodity Prices

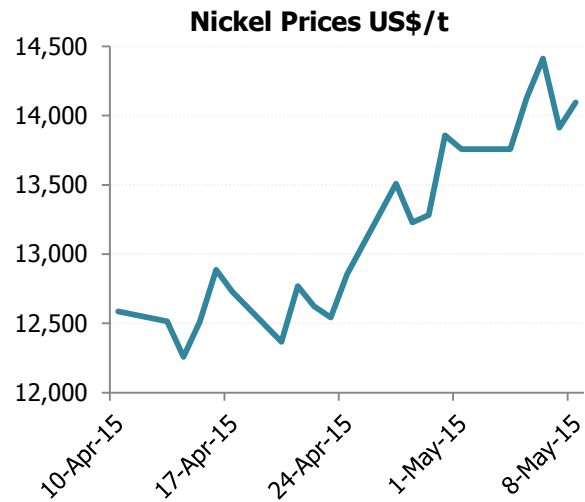
Daily	US\$/t	WoW %Δ
1-May-15	1,919	
4-May-15	1,919	
5-May-15	1,910	
6-May-15	1,915	
7-May-15	1,870	
8-May-15	1,864	
		-2.85

Daily	US\$/t	WoW %Δ
1-May-15	6,362	
4-May-15	6,362	
5-May-15	6,408	
6-May-15	6,400	
7-May-15	6,437	
8-May-15	6,396	
		0.54

Commodity Developments

- Aluminium prices declined during the past week, under pressure from higher China exports. Expectations of higher supplies have widened the discount for the cash contract over the 3-month future to US\$29/t, from a premium in Apr-15 according to data from the London Metal Exchange (LME).
- The discount is likely to widen to the extent that it again encourages renewal of some of the abandoned financing deals, where investors sell aluminium for delivery at a forward date.
- The profitability of these financing deals has recently been severely diminished by the narrowing discount or premium.
- Chinese data on industrial production and investment which is expected this week will give clues on the demand for industrial metals.
- Copper was weaker on the 8th of May, but signs of robust demand from top consumer China helped support prices.
- China's copper imports fell 4.4% YoY in Apr-15. But arrivals of anode, refined copper, copper alloys and semi-finished copper products stood at 430,000t in Apr-15, the highest monthly imports since Apr-14 and up 4.9% from 410,000t in Mar-15.
- Democratic Republic of Congo's (DRC) copper and gold production rose sharply in Q1:15, despite continuing uncertainty about a proposed revision of the mining code.
- DRC, which competes with Zambia to be Africa's leading copper producer, mined 279,573t of the metal during the quarter, according to the central bank's Mar-15 statistical bulletin. That was up 13.7% from 245,868t over the same period in 2014.
- DRC has attracted lots of investment in its gold and copper mining industry. The central African country also has vast reserves of cobalt, diamonds, tin and tantalum, and the mining sector accounts for about 10% of its GDP.

Commodity 30-Day Price Chart

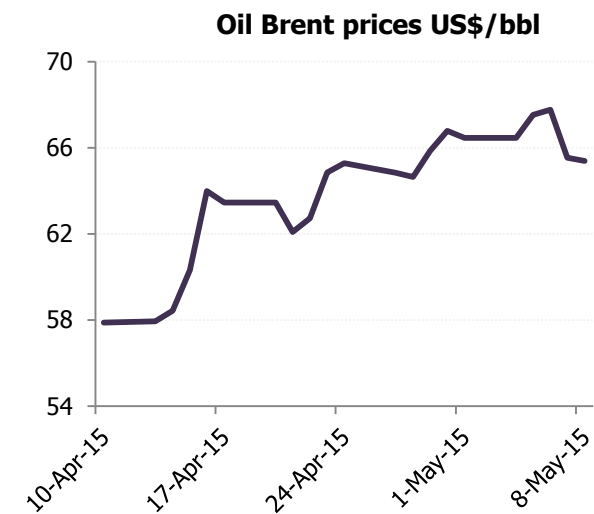


Commodity Prices

Daily	US\$/t	WoW %Δ
1-May-15	13,758	
4-May-15	13,758	
5-May-15	14,128	
6-May-15	14,413	
7-May-15	13,913	
8-May-15	14,095	
		2.45

Commodity Developments

- Indonesian ban on nickel ore exports introduced in Jan-14 seem finally to be starting to impact China's massive nickel pig iron (NPI) sector.
- Chinese actual NPI production is falling, although the scale and pace of decline is difficult to determine in this part of the nickel supply chain. China's imports of nickel are trending higher, particularly those of ferronickel, the most obvious substitute for NPI.
- On the London Metal Exchange (LME) nickel has joined in the metals rally although is still the 2nd -worst performer so far this year next to tin.
- Currently trading around US\$14,000/t, the metal is still where it was when the Indonesian ban was 1st introduced.
- Investors seem to be cautious on nickel as some suffered heavy losses when the metal price rocketed to above US\$21,800/t and only to collapse again within a relatively short period.
- Oil prices are expected to remain low or trend lower as there are many signs in the global market to support price reduction.
- Firstly, the number of Americans filing new claims for unemployment benefits held near a 15-year low last week in a sign that the labour market was strengthening despite moderate economic growth. This supports the USD rebound which helps pressure the oil market.
- Secondly, US supply could weigh on global markets, with Senator Lisa Murkowski saying on the 7th of May that she would unveil a bill next week to reverse the US oil export ban.
- Furthermore, Indonesia's energy minister said on the 7th of May that he is seeking President Joko Widodo's approval for the country to re-join OPEC, 7yrs after leaving the oil exporters' group.
- Net oil importers are likely to benefit from the low price environment while net oil exporters may see their revenues falling.



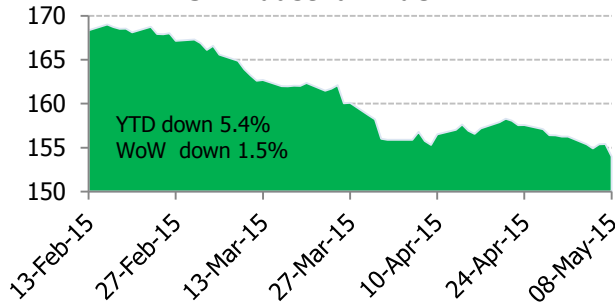
Daily	US\$/bbl	WoW %Δ
1-May-15	66.46	
4-May-15	66.45	
5-May-15	67.52	
6-May-15	67.77	
7-May-15	65.54	
8-May-15	65.39	
		-1.61

Equities 90-Day Index Charts

Zimbabwe



ZSE Industrial Index

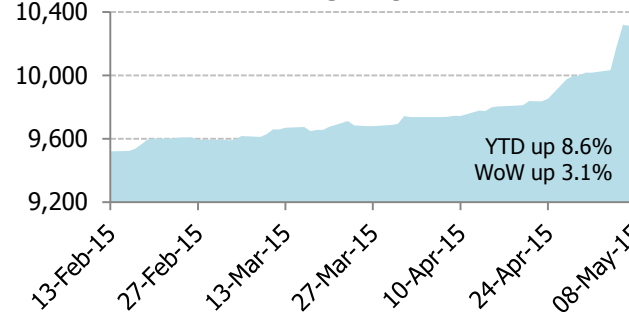


- Zimbabwe plans to import 700,000t of the staple maize grain to plug a deficit after bad weather affected the crop from the current farming season.

Botswana



BSE DCI

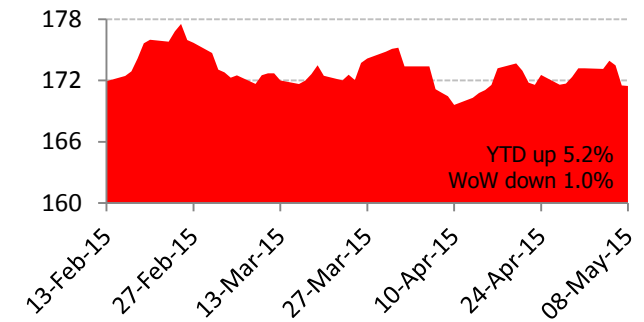


- The S&P affirmed Botswana's long-term and short-term ratings of "A-" and "A-2", respectively. The "stable" economic outlook has also been retained in light of expected resilient economic growth, fiscal surplus & continued institutional strength.

Kenya



NSE All Share Index

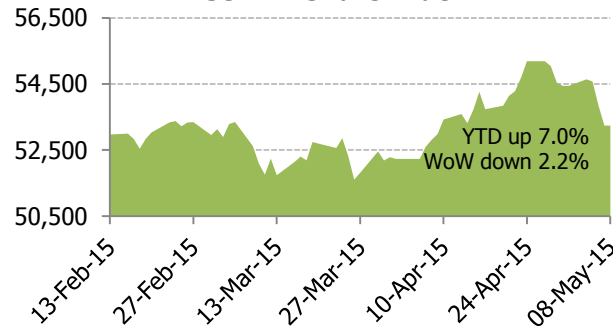


- Kenya is set to import record volumes of oil products in May as industrial expansion and a growing fleet of automobiles in a region that lacks refining capacity have stoked appetite for oil product imports.

South Africa



JSE All Share Index

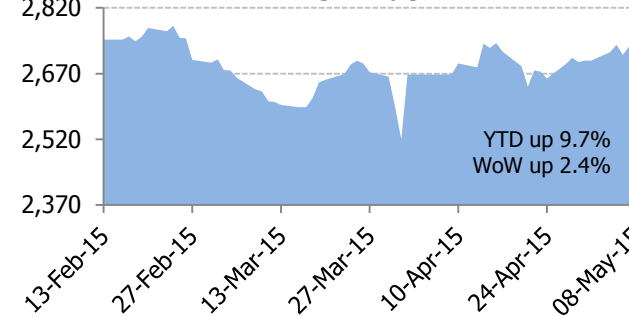


- According to ratings agency, Moody's, SA's credit rating could be downgraded if the Gvt's commitment to fiscal consolidation and stabilising its debt falters.

Tanzania



DSE Index

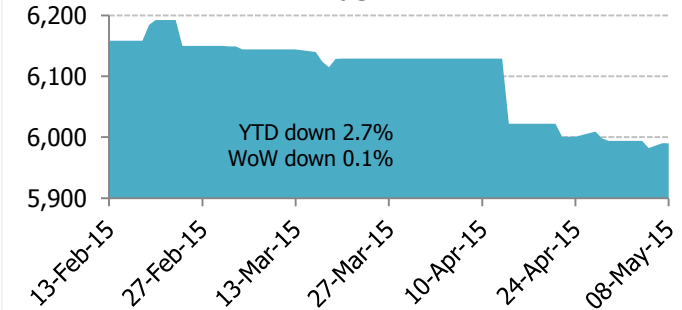


- The World Bank approved a US\$45m loan for Africa's 4th-biggest gold producer, to help improve its mining sector especially among small-scale producers.

Zambia



LuSE



- Fiscal deficit is likely to exceed the targeted 4.6% of GDP in 2015 due to weaker copper prices and the recent changes to the mining tax regime.

Foreign Exchange Markets

	USD/BWP	USD/MZN	USD/TZS	USD/ZMW	USD/ZAR	EUR/USD	GBP/USD
Wk Ending							
1-May-15	9.75	33.44	1,838	7.57	11.96	1.082	1.484
Daily							
4-May-15	9.83	33.46	1,875	7.41	12.03	1.115	1.515
5-May-15	9.85	33.44	1,893	7.39	12.07	1.107	1.509
6-May-15	9.79	33.52	1,911	7.33	12.00	1.124	1.516
7-May-15	9.81	33.57	1,931	7.34	12.09	1.135	1.518
8-May-15	9.82	33.61	1,937	7.36	12.02	1.123	1.547
WoW %Δ	0.79	0.51	5.39	-2.81	0.48	3.81	4.26
YTD %Δ	3.24	6.23	11.86	15.22	3.40	-7.60	-0.60

	ZAR/BWP	ZAR/MZN	ZAR/ZMW	ZAR/TZS
Wk Ending				
01-May-15	0.825	2.82	0.625	154
Daily				
04-May-15	0.817	2.77	0.617	152
05-May-15	0.818	2.79	0.614	155
06-May-15	0.819	2.80	0.612	157
07-May-15	0.814	2.80	0.611	159
08-May-15	0.816	2.81	0.613	160
WoW %Δ	-1.11	-0.35	-1.89	3.90
YTD %Δ	-0.73	2.18	10.88	8.11

Exchange Rate Developments

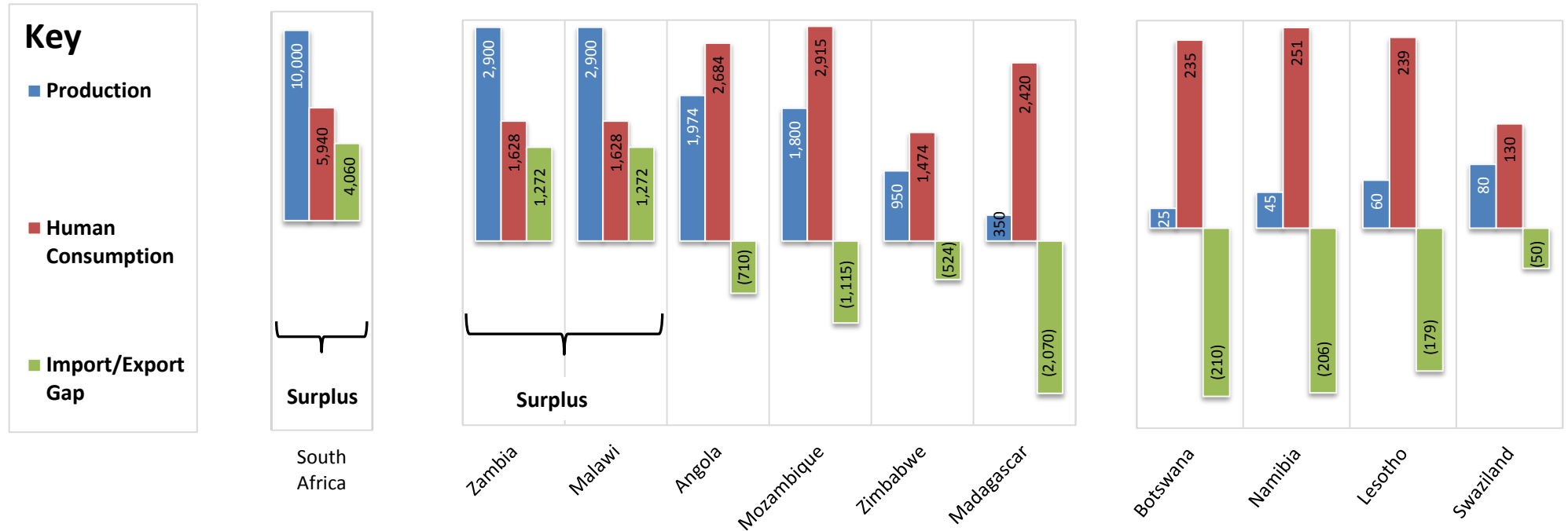
- The USD depreciated against major currencies after a string of weaker-than-expected US data which prompted investors to push back bets on when the Fed Reserve will start hiking interest rates, with some now not expecting rises until next year.
- However, the ZAR depreciated against the USD pushing through the 12 mark. Weak state of SA economy was in investors focus after Finance Minister Nhlanhla Nene told parliament a sluggish global recovery and domestic constraints such as power shortages were holding back growth.
- All BancABC markets' currencies depreciated against the USD except for the ZMW.
- In other developments that may shape the global financial system, India named private banker K.V. Kamath as the 1st head of a new development bank being set up by the BRICS.
- The BRICS, Brazil, Russia, India, China and South Africa, agreed to set up the US\$100bn development bank in Jul-14, in a step toward reshaping the Western-dominated international financial system.
- Another China led Asian Infrastructure Investment Bank (AIIB) is on the pipeline with 57 countries having signed up to become founding members, but so far the US has chosen to remain outside the bank, seen as a rival to the US-dominated World Bank.
- However, the World Bank views the AIIB as an ally rather than a rival and plans to work together with it in order to fight poverty and fund infrastructure projects.

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Appendix: Human Maize Consumption Gap in Southern Africa (000t)



- This year's maize harvest in Southern Africa, which relies on the grain for staple food, is forecasted to shrink by 26% from 2014 because of erratic rains, raising food prices and increasing the need for imports.
- At country level, animal feed requirements will greatly reduce surplus to cater for regional imports. Country imports may have to come from outside the region.
- Madagascar which was hit by 2 cyclones that caused flooding has huge deficit and it is estimated that more than 200,000 people require food assistance urgently. SA may need to import yellow maize which is used for the animal feed industry.

- The carry-over stocks from 2014's bumper maize crop is expected to partly offset the impact of lower domestic production and somewhat contribute to stabilising national supplies in some countries such as Zambia and Malawi.
- Due to deficits across the region, price increases seem imminent and these price increases are expected to mostly affect those countries that rely more on maize imports such as Namibia, Botswana and Lesotho.
- Maize import requirements are likely to cause fiscal problems for Zimbabwe and Mozambique. However, for Mozambique, the impact is likely to be muted due to its good relations with the International Donor Community.