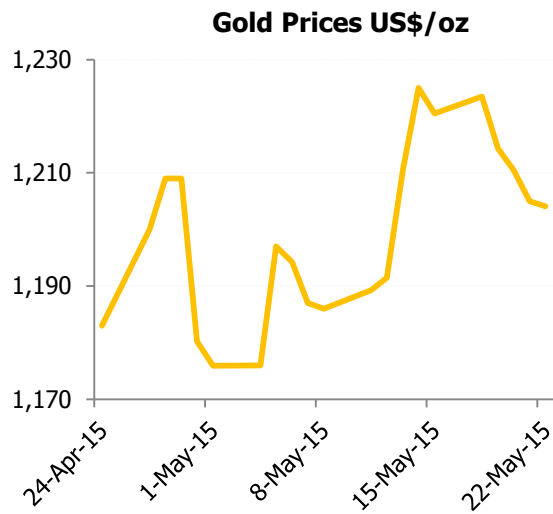


WEEKLY ECONOMIC REVIEW

Commodity 30-Day Price Chart

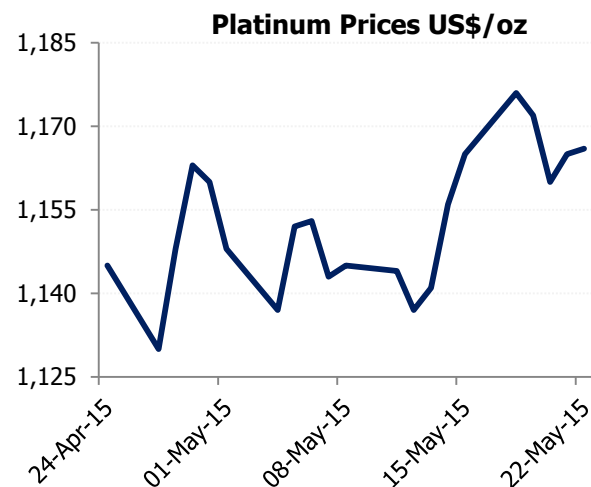


Commodity Prices

Daily	US\$/oz	WoW %Δ
15-May-15	1,221	
18-May-15	1,224	
19-May-15	1,214	
20-May-15	1,211	
21-May-15	1,205	
22-May-15	1,204	
		-1.34

Commodity Developments

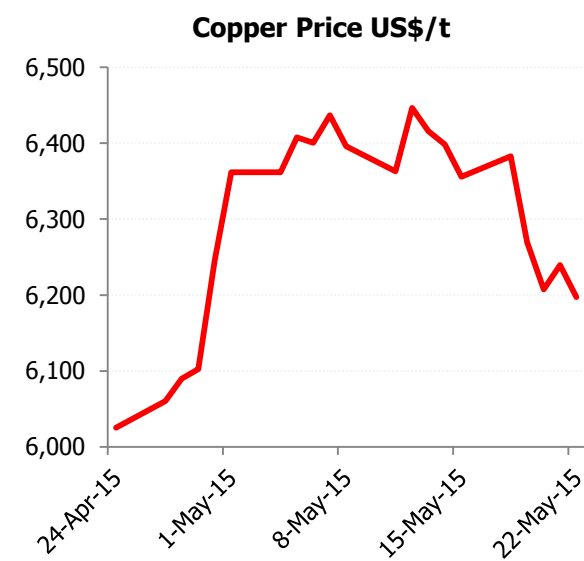
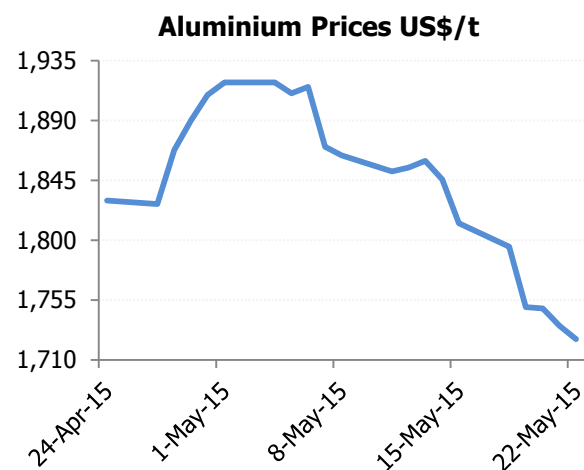
- Gold prices fell and registered their 1st weekly decline in 4 weeks, after US Fed Reserve Chair Janet Yellen announced that she expected an interest rate hike this year. The Fed Reserve is aiming for 2% inflation before it will consider raising rates, but hinted that a significant pickup is not a precondition to raise rates. Higher US interest rates would increase the opportunity cost of holding non-yielding bullion.
- Gold buying was slow in Asia, with the Chinese focusing on surging equities. Demand in India stayed weak and is unlikely to pick up as the wedding season cools.
- In Zim, gold production rose 25% to 4,180kg in Q1:15 after small gold milling companies increased output. The country is projecting gold production for the year as a whole of 16,721kgs, up 8.7% from last year.
- Gold has been Zim's leading foreign currency earner together with tobacco and platinum. Zim's mines are, however, being affected by low international mineral prices, high electricity tariffs as well as power cuts and higher mining fees imposed by the Gvt.



Daily	US\$/oz	WoW %
15-May-15	1,165	
18-May-15	1,176	
19-May-15	1,172	
20-May-15	1,160	
21-May-15	1,165	
22-May-15	1,166	
		0.09

- Platinum prices have remained low on the back of low demand and increased supply.
- SA output of PGMs jumped in the early part of this year as mining companies continued to ramp up production following last year's record 5-month strike. While that is helping their businesses, it is also feeding into a huge platinum price drop, which has been partly offset by Rand weakness.
- Rising costs, labour unrest and weak metal prices is pushing SA's platinum mining companies into radical restructuring, although they are still to unleash what could be their most effective weapon, production cuts.
- Thomson Reuters estimate that at least 500,000oz of SA production may need to be cut to lift prices, from just over 4m ounces in a typical year.
- Without any significant production cuts, prices are likely to test US\$1,000/oz this year. Last year's estimate for all-in mining costs for platinum was US\$1,209 per platinum equivalent ounce.

Commodity 30-Day Price Chart



Commodity Prices

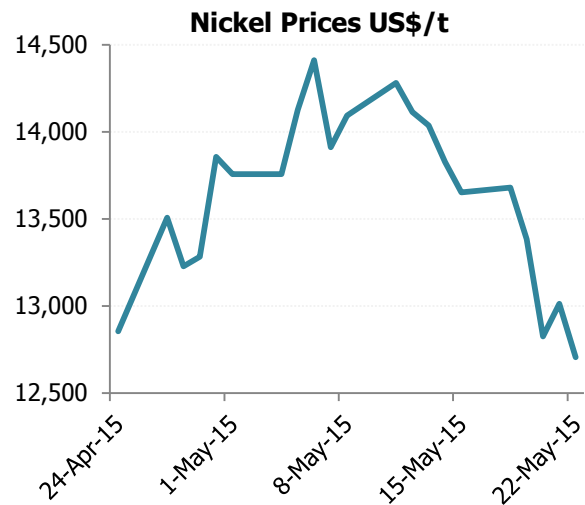
Daily	US\$/t	WoW %Δ
15-May-15	1,813	
18-May-15	1,795	
19-May-15	1,750	
20-May-15	1,749	
21-May-15	1,736	
22-May-15	1,726	
		-4.80

Daily	US\$/t	WoW %Δ
15-May-15	6,356	
18-May-15	6,383	
19-May-15	6,270	
20-May-15	6,208	
21-May-15	6,240	
22-May-15	6,197	
		-2.49

Commodity Developments

- Aluminium edged 4.8% lower to US\$1,726 a tonne. The metal used in transport and packaging has come under pressure from oversupply and fell to its lowest since mid-Apr-15.
- The market is in oversupply with a huge stock overhang, and output has continued to rise this year, with the latest industry figures showing daily average production rising to 68,500t in Apr-15.
- A cut in production is highly unlikely with Norwegian producer Norsk Hydro announcing that it would increase aluminium output by 35,000t per year.
- Given these low prices and weaker fundamentals, base metals are expected to move in a narrow range for much of this year and there seem to be little incentive to investors and fund managers to invest in them.
- A recent surge in Chinese equities may a result of weaker sentiments in the base metals markets.
- Copper prices fell on worries about demand in top consumer China. China's imports of unwrought copper and copper alloy reached 380,000t in April, taking imports in the 1st four months of the year to 1.35m tonnes, down 14.7% from a year ago.
- In Zambia, Africa's 2nd largest producer of the red metal, Mopani Copper Mines (MCM) owned by Glencore announced that it had completed upgrading a copper refinery at cost of US\$74m, 7-months ahead of schedule.
- The completion of the upgrades at the refinery would reduce energy consumption in a country which has cut its power generation by 300 megawatts after water levels in the Kariba dam, a key source of hydro power, dropped following a prolonged drought. Zambia is planning to reduce its hydro-power generation by up to 600MW if water levels continued dropping.
- In Botswana, due to weak global demand, Gvt will defer the payment of a 3% royalty tax to support copper producers and to avoid job losses. Copper producers include AIM-listed African Copper and Discovery Metals.

Commodity 30-Day Price Chart

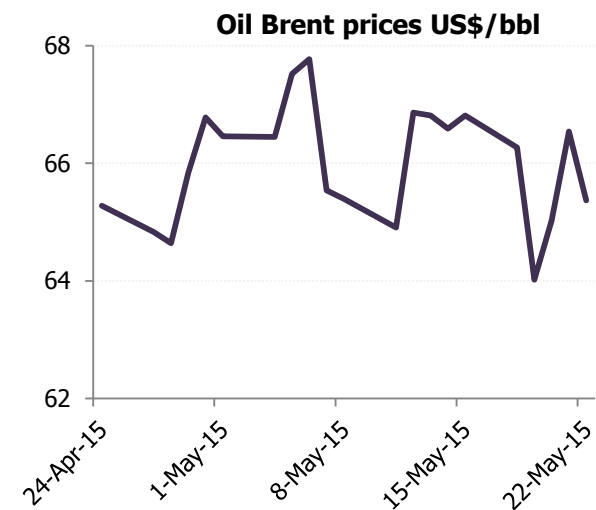


Commodity Prices

Daily	US\$/t	WoW %Δ
15-May-15	13,653	
18-May-15	13,680	
19-May-15	13,385	
20-May-15	12,825	
21-May-15	13,013	
22-May-15	12,705	
		-6.94

Commodity Developments

- Nickel ended the week weaker, to its lowest in nearly a month as London Metal Exchange (LME) stocks hit another record and demand from China's stainless steel sector remained lacklustre.
- LME warehouse stocks of the metal jumped to a record 446,640t, reflecting sluggish global demand while supply has proved resilient to a ban on nickel ore exports from Indonesia, formerly the world's top exporter.
- China's stainless steel demand has been constrained by a dull economy that is forecast to grow at its slowest in 25yrs. The primary use for nickel is in the manufacture of stainless steel.
- Speculators seem to have withdrawn further from the nickel market, hurting prices which peaked above US\$22,000t last year on Indonesian ban.



Daily	US\$/bbl	WoW %Δ
15-May-15	66.81	
18-May-15	66.27	
19-May-15	64.02	
20-May-15	65.03	
21-May-15	66.54	
22-May-15	65.37	
		-2.16

- Brent crude oil prices although ending the week on a back foot had up and down swings during the week due to mixed developments particularly in the Middle East, world's top oil producer.

Key Developments

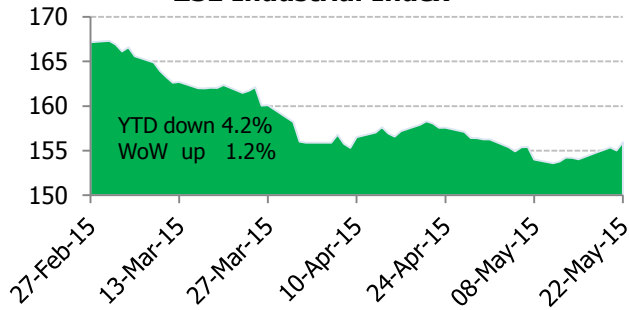
- Islamic State fighters scored twin successes in Syria and Iraq, taking full control of the historic Syrian city of Palmyra and overrunning Iraq Gvt defences east of Ramadi on the 21st of May.
- Moscow is willing to supply weapons to Iraq to fight Islamic State militants, Russian Foreign Minister Sergei Lavrov said on the 21st of May.
- 5 refugees were killed and 10 injured after Saudi shells hit an international aid office in Yemen while fighting across the country put UN-led peace talks in doubt.
- Oil production in strife ridden South Sudan fell to 165,000bpd from around 169,000bpd in Jan due to technical rather than security issues.

Equities 90-Day Index Charts

Zimbabwe



ZSE Industrial Index

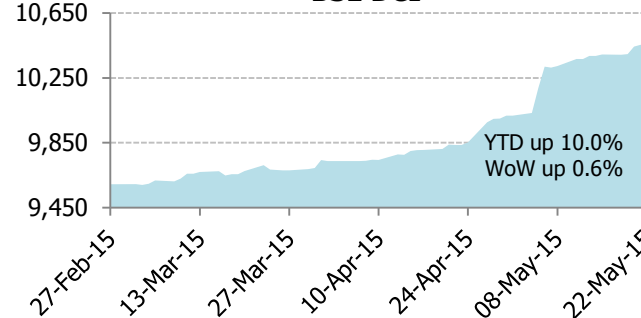


- Econet Wireless, Zim's top mobile operator, said revenue from data and mobile money services surged 56% to US\$164m in the year to Feb-15, helping to offset a decline in voice service income.

Botswana



BSE DCI

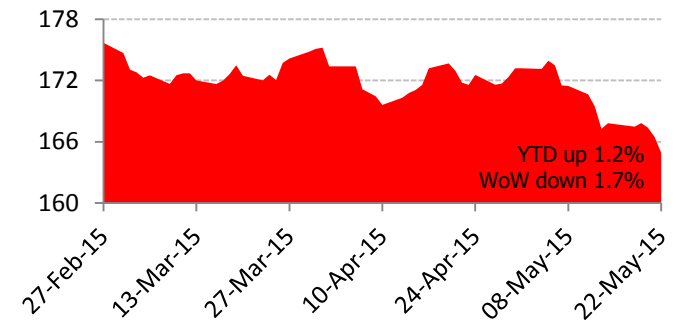


- Botswana's economy received a BWP10bn (US\$1bn) jump in the balance of payments in 2014 from the previous year, which should help maintain annual economic growth above 4%

Kenya



NSE All Share Index

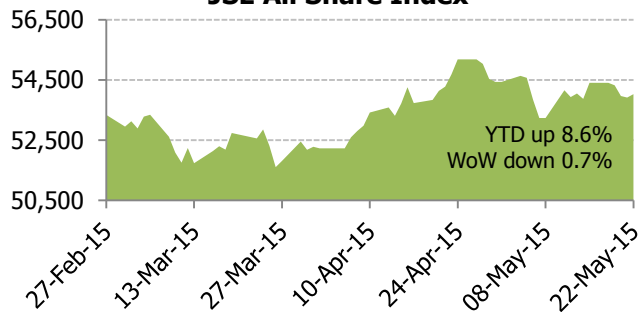


- Kenya reduced the cost of connecting houses to the electricity grid by 57% to double the share of the population with electricity to 70% by 2017.

South Africa



JSE All Share Index

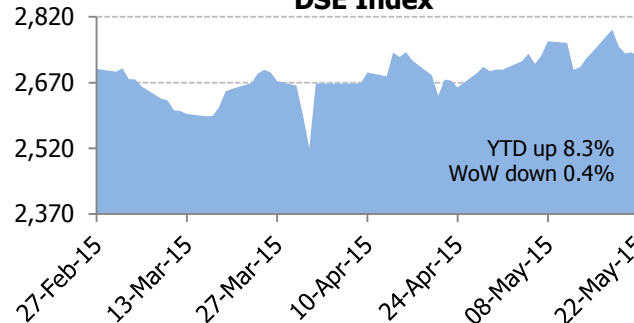


- Capital flows to emerging economies are projected to fall to US\$981bn this year, their lowest level since 2009, from US\$1.05bn in 2014, due to disappointing economic growth, a drag from a potential US interest rate rise and a drop in investment in Russia.

Tanzania



DSE Index

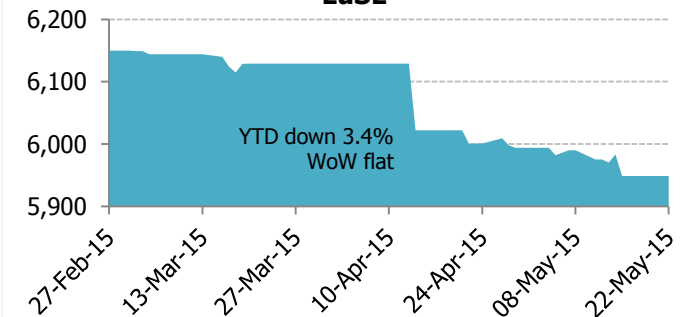


- Gvt signed a US\$70.5m loan with the African Development Bank (AfDB) to finance reforms in the energy sector. AfDB is among a group of donors that withheld nearly US\$500m in budget support last year over corruption allegations.

Zambia



LuSE



- Africa's 2nd-biggest copper producer has cut its power generation by 300MW after water levels in the Kariba dam, a key source of hydro power, dropped following a prolonged drought.

Foreign Exchange Markets

	USD/BWP	USD/MZN	USD/TZS	USD/ZMW	USD/ZAR	EUR/USD	GBP/USD
Wk Ending							
15-May-15	9.70	33.90	1,963	7.57	11.96	1.082	1.484
Daily							
18-May-15	9.69	34.03	1,961	7.23	11.84	1.138	1.566
19-May-15	9.75	34.04	1,963	7.18	11.86	1.118	1.553
20-May-15	9.80	34.17	1,964	7.12	11.95	1.110	1.553
21-May-15	9.77	33.93	1,964	7.06	11.80	1.116	1.564
22-May-15	9.73	34.39	1,972	7.10	11.81	1.116	1.566
WoW %Δ	0.29	1.45	0.46	-6.26	-1.25	3.18	5.54
YTD %Δ	2.24	8.69	13.84	11.13	1.62	-8.16	0.62

	ZAR/BWP	ZAR/MZN	ZAR/ZMW	ZAR/TZS
Wk Ending				
15-May-15	0.820	2.88	0.609	165
Daily				
18-May-15	0.820	2.87	0.610	165
19-May-15	0.81	2.85	0.602	165
20-May-15	0.821	2.88	0.600	164
21-May-15	0.823	2.88	0.600	165
22-May-15	0.824	2.90	0.598	166
WoW %Δ	0.51	0.69	-1.81	0.61
YTD %Δ	0.31	5.45	8.29	12.16

Exchange Rate Developments

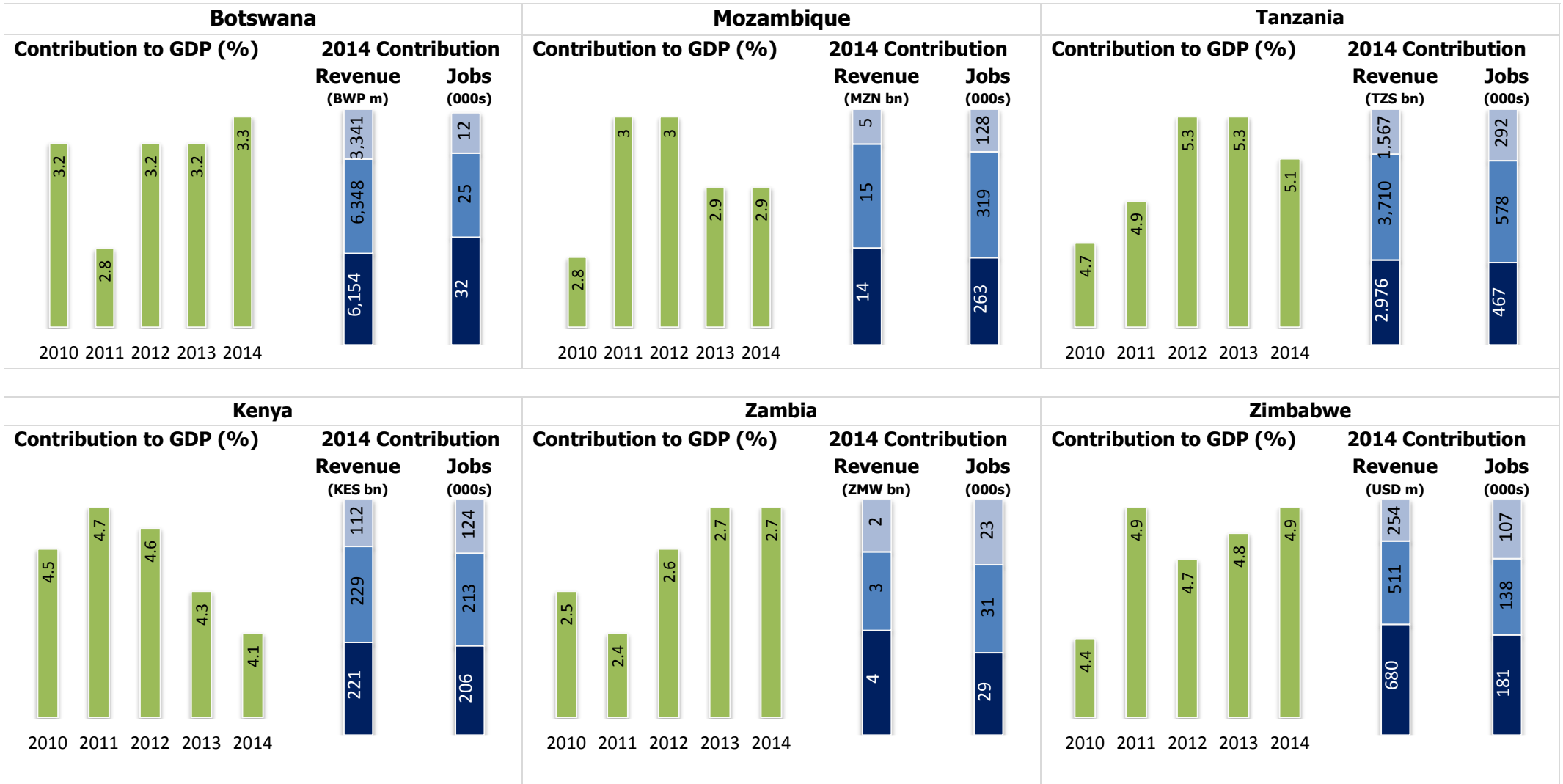
- The USD depreciated against most currencies during the week as series of weaker US economic data dented the currency.
- However, further depreciation was capped after a US inflation report that indicated underlying pressures are building bolstering the case for the US Fed Reserve to raise interest rates later this year.
- Remarks by Fed Chair Janet Yellen later on the 22nd of May that a rate increase was on track this year added support for the greenback.
- The Kwacha registered huge gains against the USD lifted mainly by increased dollar inflows from foreign portfolio investors ahead of its bond auction.
- All BancABC markets currencies depreciated against the ZAR except for the rebounding Kwacha.
- In related developments, according to global transaction services organisation SWIFT, the Chinese Yuan has become the most used currency in Asia Pacific for payments rising from its placed 5th position in 2012.
- Overall, the Yuan remained the 5th most active currency for global payments and accounted for 2.07% of payments worldwide in Apr-15. The IMF recently declared the Yuan no longer undervalued although it urges reforms to have a floating exchange rate.
- Rising usage of the Yuan, advanced plans to set up Asian Bank and the BRICS bank where China would have unquestionable influence, may see the Yuan fighting the US dollar, Euro and the Sterling as a major world currency.

Disclaimer

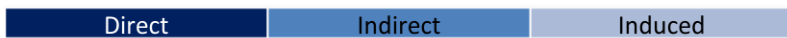
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Appendix: Travel and Tourism in Selected Markets



Key



Travel & Tourism – relates to the activity of travellers on trips outside their usual environment with duration of less than one year.