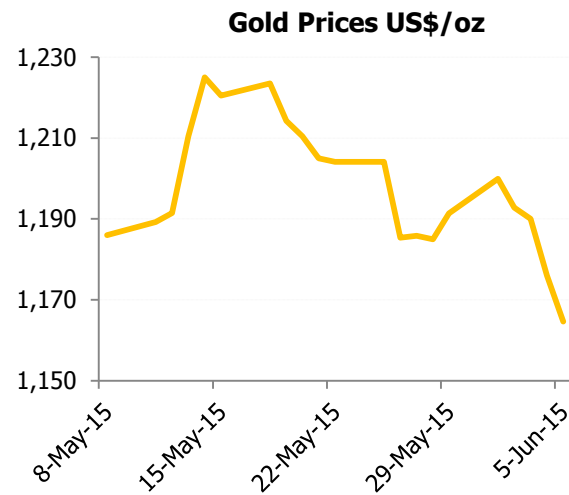


WEEKLY ECONOMIC REVIEW

Commodity 30-Day Price Chart

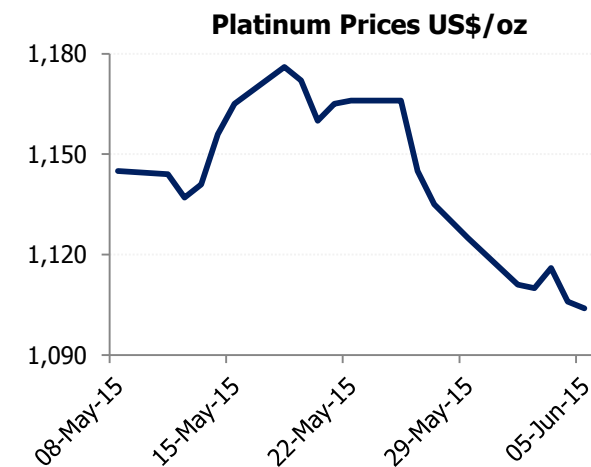


Commodity Prices

Daily	US\$/oz	WoW %Δ
29-May-15	1,191	
1-Jun-15	1,200	
2-Jun-15	1,193	
3-Jun-15	1,190	
4-Jun-15	1,176	
5-Jun-15	1,165	
		-2.25

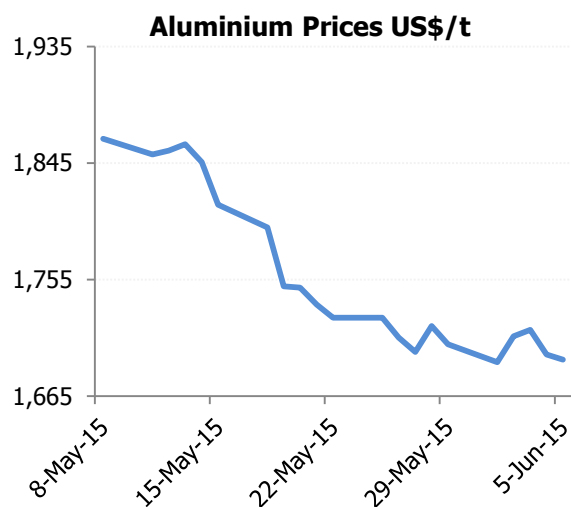
Commodity Developments

- Gold registered a 3rd straight weekly slide hitting a 11-week low on the 5th of Jun, after better-than-expected US employment data bolstered prospects for an interest rate increase this year.
- US economy sluggish growth in Q1:15 had left markets doubting whether the Fed Reserve would raise rates this year but strong data throughout the week could put the Fed back on track to increase rates as soon as Sep-15.
- Investors throughout the last week were closely keeping an eye on Greece which delayed a debt payment to the International Monetary Fund (IMF) which was due on the 5th of Jun.
- In SA, a commission set up to look into taxes has recommended the authorities to review a preferential tax enjoyed by gold producers. The current regime tends to protect gold miners when prices are not favourable.
- SA's gold mining industry's reached its apex in the 1970s when it produced more than a thousand tonnes of gold per year, accounting for more than two-thirds of global production. Its gold production ranked 1st for a century, globally, before losing the spot to China in 2007 and is now ranked 6th.
- Platinum prices fell in line with gold as stronger US dollar and vast supplies weigh on prices.
- The world's biggest auto-catalyst maker, Johnson Matthey, is expecting higher European sales of the exhaust emission control devices to boost its performance in the next financial year.
- Johnson Matthey has been benefitting from stricter EU regulations on vehicle emissions which have boosted sales of its platinum and palladium auto-catalysts, but this has been partially offset by weaker precious metals prices which have hit its metals division.
- Precious metals prices are generally expected to remain subdued throughout the year as investment demand weakens due to stronger US economic growth.



Daily	US\$/oz	WoW %
29-May-15	1,125	
1-Jun-15	1,111	
2-Jun-15	1,110	
3-Jun-15	1,116	
4-Jun-15	1,106	
5-Jun-15	1,104	
		-1.87

Commodity 30-Day Price Chart

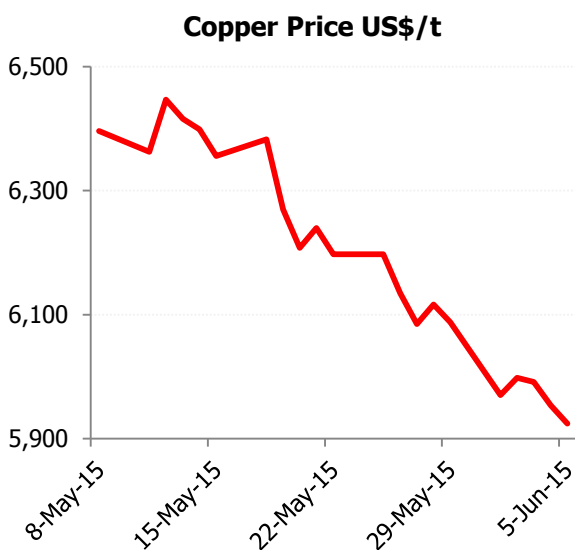


Commodity Prices

Daily	US\$/t	WoW %Δ
29-May-15	1,705	
1-Jun-15	1,691	
2-Jun-15	1,711	
3-Jun-15	1,716	
4-Jun-15	1,697	
5-Jun-15	1,693	
		-0.70

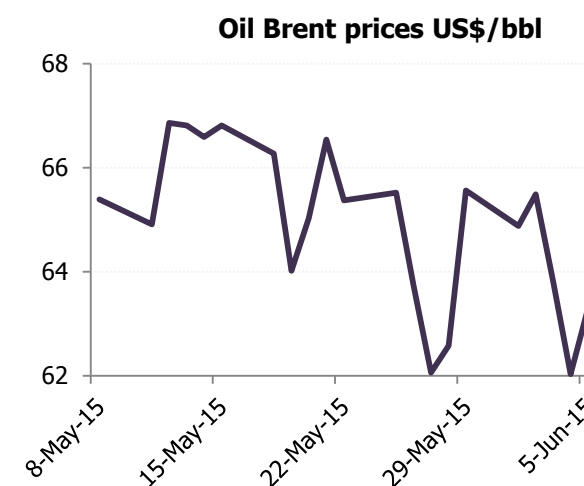
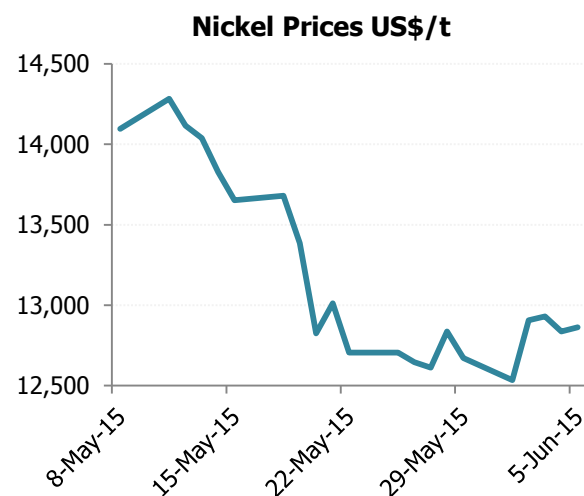
Commodity Developments

- The global aluminium market is struggling with oversupply which is affecting price. The price may have to fall further if supply and demand are to be rebalanced.
- According to the International Aluminium Institute, global production grew faster, at 10.3% in April and at a cumulative 6.8% over the 1st four months of the year.
- In Mozambique, Bahrain's Mical Cables announced that it had spent US\$65m to construct an aluminium factory in the Mozambican capital that will export to other African countries.
- The plant, situated near Mozambique's Mozal aluminium smelter, has an annual output capacity of 50,000 metric tonnes and will produce rods, wires and conductors for countries such as South Africa, Namibia, Zimbabwe, Kenya, Tanzania and Nigeria.



Daily	US\$/t	WoW %Δ
29-May-15	6,088	
1-Jun-15	5,970	
2-Jun-15	5,998	
3-Jun-15	5,992	
4-Jun-15	5,954	
5-Jun-15	5,924	
		-2.69

- Copper prices fell as the impact of a strong US dollar and concerns over an expected seasonal demand slowdown in China pushed prices down to a 6-week low on the 5th of Jun.
- In China, the world's top copper consumer, 2nd quarter is generally the strongest in terms of copper demand. The quarter is coming to an end and factories are eyeing a summer production slowdown, denting the outlook of the metal.
- In Zambia, Gvt will further cut mineral royalties for underground mines to 6% from the current 9% effective on 1-Jul-15.
- The reduced royalty recognises the higher costs associated with Africa's 2nd largest copper producer's deeper mines, especially given the high electricity and water pumping costs.
- Miners operating in Zambia include Vedanta, Glencore, Barrick Gold Corp and First Quantum Minerals.

Commodity 30-Day Price Chart

Commodity Prices

Daily	US\$/t	WoW %Δ
29-May-15	12,673	
1-Jun-15	12,535	
2-Jun-15	12,908	
3-Jun-15	12,930	
4-Jun-15	12,838	
5-Jun-15	12,863	
		1.50

Daily	US\$/bbl	WoW %Δ
29-May-15	65.56	
1-Jun-15	64.88	
2-Jun-15	65.49	
3-Jun-15	63.80	
4-Jun-15	62.03	
5-Jun-15	63.31	
		-3.43

Commodity Developments

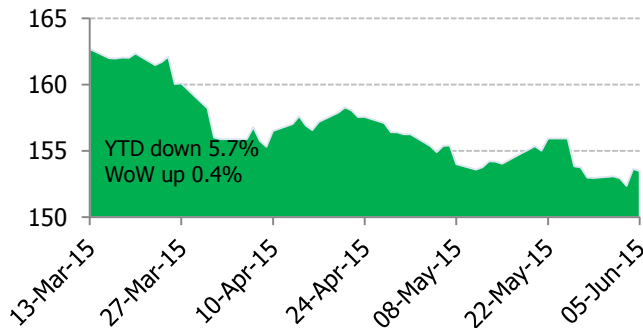
- Nickel prices peaked on the 3rd of Jun supported by a weaker USD but fell I fell after inventories hit a new record high. Nickel inventories jumped to an all-time peak of 470,118t, rising 13% this year.
- The metal however managed to register positive weekly gains on expectations that China will eventually turn to refined nickel as its ore stockpiles drop.
- Generally, the market is not looking good for all base metals. According to PricewaterhouseCoopers' (PwC) annual survey, the world's top 40 mining firms have cut costs by a combined 5% and capital spending by 20% as they struggled with a plunge in prices that drove their market value to a 10-year low.
- The survey which looks at world top 40 miners by market capitalisation showed that the combined equity value of the companies dropped by US\$156bn last year to US\$791bn, a 2nd straight year of decline and left the combined market value about half what it was 4 years ago.
- Oil prices went up on the 5th despite warnings of more oversupply as a result of OPEC's decision to keep pumping crude without restraint. However the rally failed to stage positive weekly gains.
- Crude's biggest producers and shippers in OPEC agreed at a meeting in Vienna to stick to a policy of unconstrained output for another 6 months.
- With oil prices having rebounded by more than a third after hitting a 6-year low of US\$45/bbl in Jan-15, officials meeting in Vienna saw little reason to interfere with a strategy that seems to have resurrected declining growth in world oil consumption and put a curb on the US shale boom.
- However, the US oil industry has been more resilient than many had expected, with falling costs helping sustain the revolution and possibly setting up another downward spiral.

Equities 90-Day Index Charts

Zimbabwe



ZSE Industrial Index

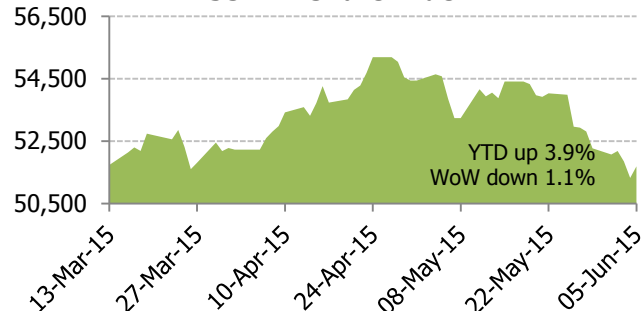


- France will provide financial support to Zim once the country clears its foreign debt, the French deputy secretary of foreign affairs said on the 5th of Jun after holding talks with Harare authorities.

South Africa



JSE All Share Index

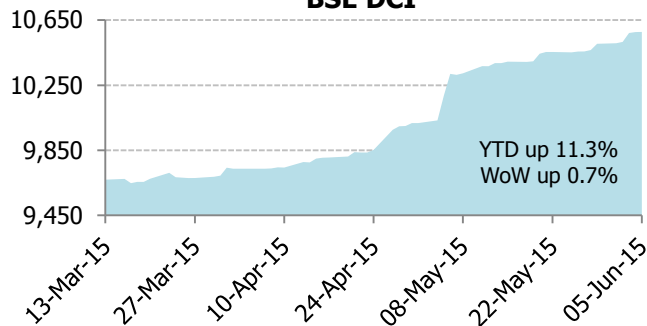


- The US will initially export 65,000t a year of poultry to SA in a new deal ending punitive duties on US chicken imports.

Botswana



BSE DCI

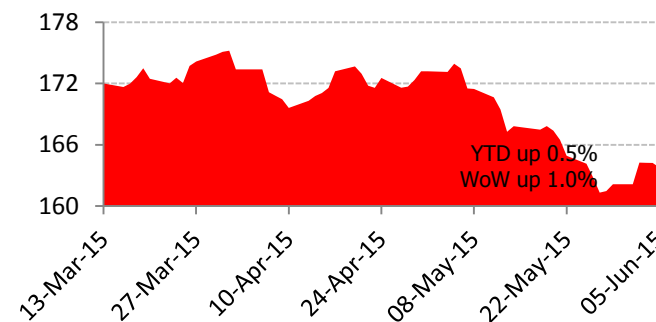


- African retailer Choppies plans to buy 10 stores in Kenya for US\$10m as it expands into a 4th market on the continent.

Kenya



NSE All Share Index

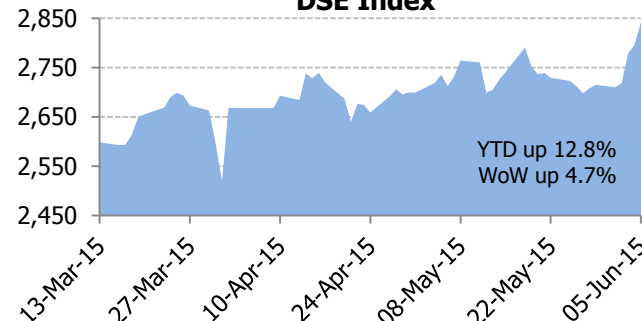


- Kenya's biggest bank by assets, KCB, has signed up 1.8m customers for its mobile phone-based service since it was launched in Mar-15 and is on target for 10m users within a year.

Tanzania



DSE Index

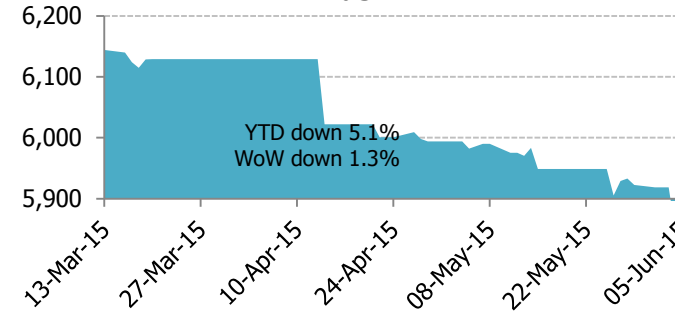


- Tanzania's current natural gas reserves are at about 55 trillion cubic feet (tcf) following new deep sea discoveries off its southern coast.

Zambia



LuSE



- Copperbelt Energy Corp. (CEC) and Old Mutual are in talks over a possible investment by the financial services group in a US\$205m power station. CEC is the largest supplier of power to mines in Zambia.

Foreign Exchange Markets

	USD/BWP	USD/MZN	USD/TZS	USD/ZMW	USD/ZAR	EUR/USD	GBP/USD
Wk Ending							
29-May-15	9.94	34.53	2,007	7.57	11.96	1.082	1.484
Daily							
1-Jun-15	9.96	34.48	2,009	7.24	12.26	1.092	1.525
2-Jun-15	9.92	34.55	2,088	7.20	12.28	1.096	1.522
3-Jun-15	9.97	34.55	2,093	7.20	12.22	1.114	1.528
4-Jun-15	9.98	34.53	2,074	7.21	12.37	1.133	1.537
5-Jun-15	9.93	34.66	2,089	7.24	12.43	1.126	1.533
WoW %Δ	-0.10	0.38	4.10	-4.31	3.93	4.10	3.27
YTD %Δ	4.37	9.54	20.65	13.43	6.96	-7.34	-1.55

	ZAR/BWP	ZAR/MZN	ZAR/ZMW	ZAR/TZS
Wk Ending				
29-May-15	0.816	2.85	0.600	164
Daily				
01-Jun-15	0.814	2.82	0.592	165
02-Jun-15	0.812	2.83	0.588	164
03-Jun-15	0.805	2.83	0.585	165
04-Jun-15	0.805	2.81	0.585	166
05-Jun-15	0.817	2.76	0.575	166
WoW %Δ	0.09	-3.16	-4.23	1.22
YTD %Δ	-0.64	0.36	4.00	12.16

Exchange Rate Developments

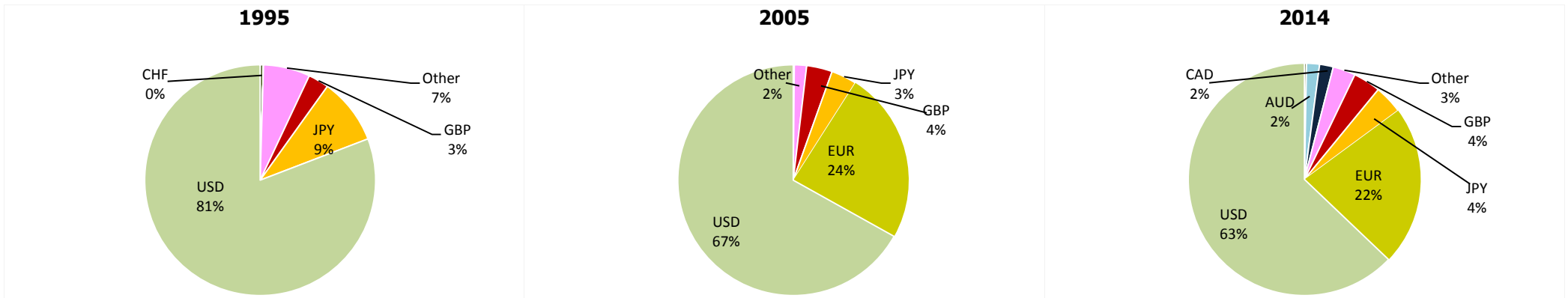
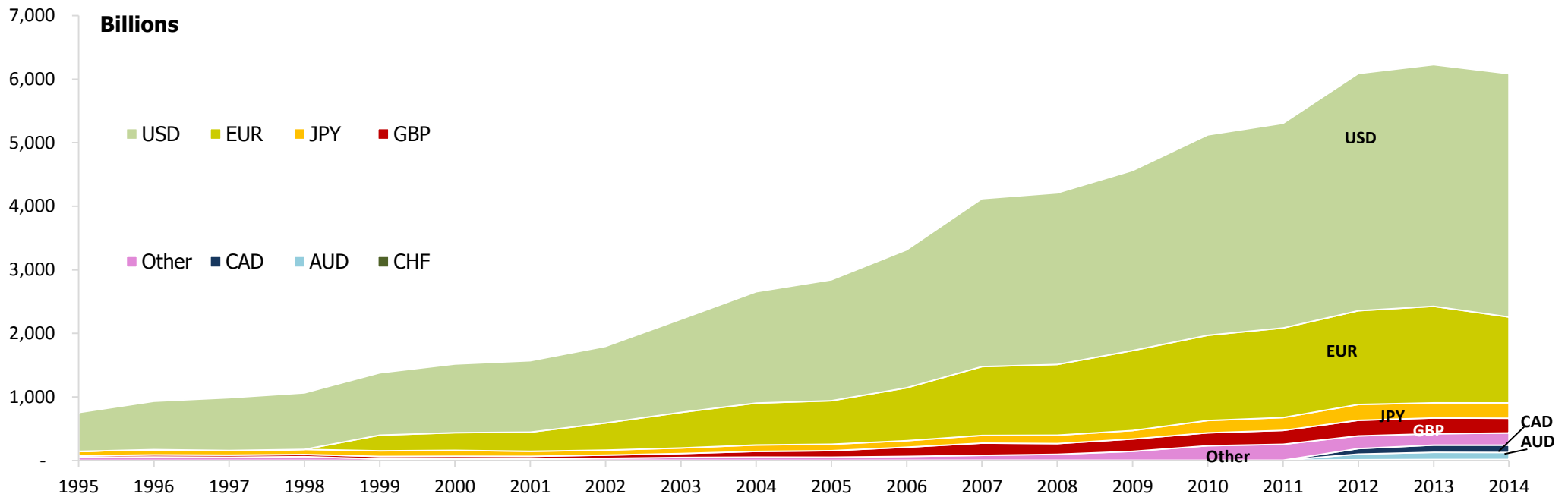
- The USD strengthened against most currencies as above-forecast US jobs data bolstered the prospect of a Fed Reserve interest rate hike in Sep-15.
- Uncertainty over Greece's debt obligations weighed on sentiment in Europe with the EUR and GBP retreating 4.1% and 3.3% respectively against the greenback.
- Africa, most advanced economy currency which moves in line with the EUR lost 3.9% against the dollar. The ZAR has also been under pressure as market participants awaited a Fitch credit rating review on SA.
- Fitch affirmed its BBB rating with a negative outlook for SA, saying an inadequate and unstable electricity supply, had led it to cut economic growth forecasts for this year and 2016.
- The Tanzanian Shilling has been gradually depreciating, declining the most YTD among BancABC markets' currencies against the USD and ZAR.
- The TZS has become the 2nd worst performing currency this year after the Ghanaian Cedi and is at a record low against the dollar. The authorities' restriction of the use of the local currency on foreign exchange swaps and forwards has done little to curb demand for dollars and the depreciation of TZS.
- The ZMW seem to be responding well to policy changes by the Bank of Zambia and is recovering from its earlier losses. However, increasing debt, a fiscal deficit and a current account deficit poses volatility to the currency.

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Contact telephone numbers: 369701-16; 752383-5

Appendix: World Currency Composition of Official Foreign Exchange Reserves



- The USD is still the anchor currency for global foreign exchange reserves which are estimated at US\$6 trillion with a market share of 63%. Over the years, the USD has however, surrendered some of its share to the EUR.
- In terms of foreign exchange reserve holdings, the leading countries include China, Japan, Russia, Saudi Arabia, Taiwan, India, South Korea, Hong Kong, Brazil, Singapore and Germany which cumulatively hold about 60% of total world foreign currency reserves.