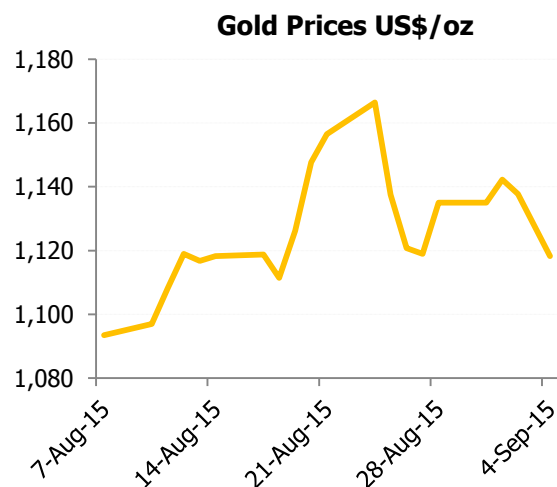


WEEKLY ECONOMIC REVIEW

Commodity 30-Day Price Chart



Commodity Prices

Daily	US\$/oz	WoW %Δ
28-Aug-15	1,135	
31-Aug-15	1,135	
1-Sep-15	1,142	
2-Sep-15	1,138	
3-Sep-15	1,128	
4-Sep-15	1,118	
		-1.48

Commodity Developments

- Gold prices fell after US payrolls data failed to dispel uncertainty over the prospect of a near-term interest rate hike from the Fed Reserve. The absence of Chinese buyers on the 3rd of Sep also weighed on gold, with markets in the major bullion consumer closed for public holidays.
- Due to depressed gold prices, Africa-focused gold miner Acacia Mining is targeting an all-in sustaining cost (AISC) of less than US\$900/oz within the next 5yrs. In the last 2yrs AISC dropped 35% from US\$1,600/oz to US\$1,100/oz as the mining giant lowered number of its expatriate employees and renegotiated supply agreements.
- Acacia focus is on its flagship Bulyanhulu gold project in Tanzania, where AISC have remained high due to capital costs. Acacia was hoping to increase production at Bulyanhulu to between 320,000oz/yr and 360,000oz/yr from the 235,000oz produced in 2014.
- In Zimbabwe, a US\$70m development plan of the Blanket gold mine is progressing well with the miner expecting to produce about 32,000oz this year, 50,000oz next year and up to 80,000oz by 2021.

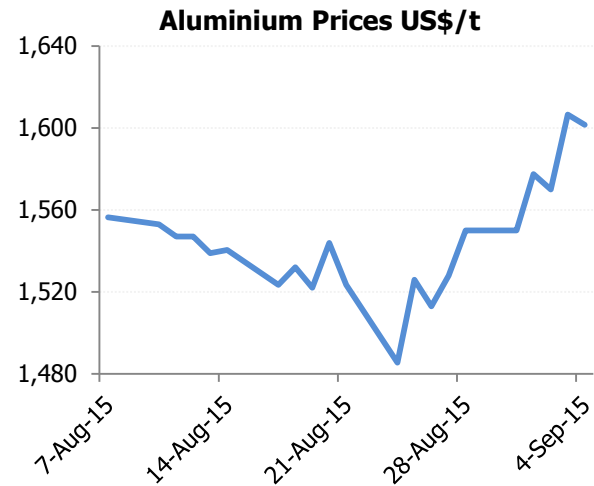
Platinum Prices US\$/oz



Daily	US\$/oz	WoW %
28-Aug-15	1,003	
31-Aug-15	1,003	
1-Sep-15	1,005	
2-Sep-15	1,007	
3-Sep-15	1,002	
4-Sep-15	991	
		-1.20

- South Africa, which has a share of about 70% of global platinum supply wants to boost platinum's sagging fortunes by promoting it as a central bank reserve asset.
- The initiative which is part of a bid to stem job losses in SA's mining sector, aims to have the white metal treated as an official central bank reserve, just like gold and foreign currency holdings.
- While technically central banks can hold anything as reserve assets, there are set out guidelines drafted by global bodies, including the International Monetary Fund (IMF) and central banks. Under those guidelines, gold is a reserve asset, but platinum is not because it is not viewed as a financial asset that can be used to meet balance-of-payments financing needs.
- However, obstacles to this attempt in the global money market are many emanating from the small size of the platinum market and gold's long history as a store of value.

Commodity 30-Day Price Chart



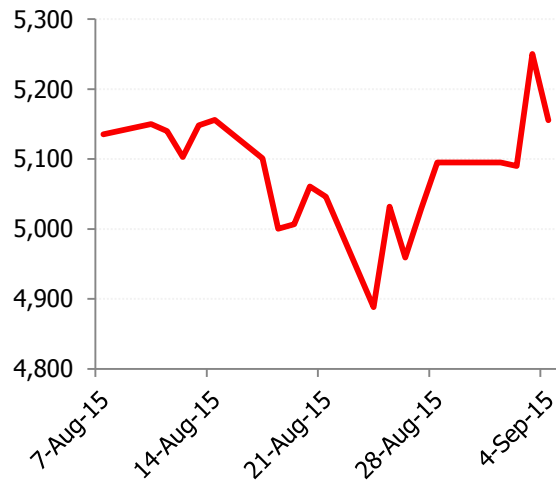
Commodity Prices

Daily	US\$/t	WoW %Δ
28-Aug-15	1,550	
31-Aug-15	1,550	
1-Sep-15	1,578	
2-Sep-15	1,570	
3-Sep-15	1,607	
4-Sep-15	1,602	
		3.32

Commodity Developments

- Aluminium and other base metals surged on the 3rd of Sep amid a stock market recovery, strong US economic data and signals that European monetary stimulus could be extended.
- However, gains seem to be unsustainable as Chinese overcapacity, economic growth slowdown and the export of heavily-subsidised Chinese aluminium products will keep on undercutting prices.
- US producer Century Aluminium warned last week that it would begin closing its smelter from Oct-15 unless the current pricing environment substantially improves.
- Generally, more production cuts are expected given a consensus view among producers that the aluminium market is both in current over-supply and burdened by stocks from past over-supply.

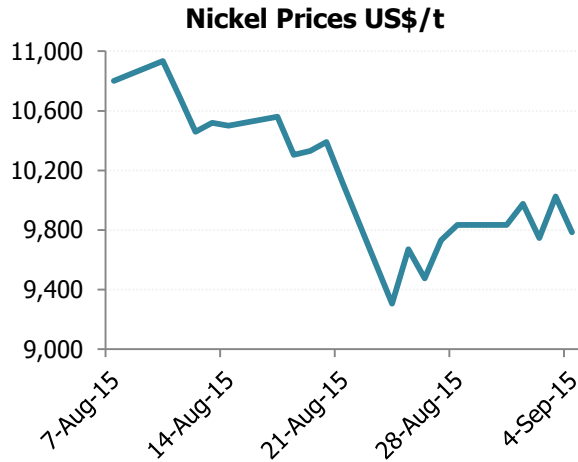
Copper Price US\$/t



Daily	US\$/t	WoW %Δ
28-Aug-15	5,095	
31-Aug-15	5,095	
1-Sep-15	5,095	
2-Sep-15	5,090	
3-Sep-15	5,250	
4-Sep-15	5,156	
		1.19

- Electricity shortages and weaker copper prices have put pressure on Zambia's mining industry, threatening output, jobs and economic growth in Africa's 2nd largest producer of the metal.
- Glencore, Vedanta Resources, China's NFC Africa and CNMC Luanshya Copper Mine announced that they will shut down some operations due to the harsh business environment.
- Zambia is the world's 8th largest copper producer. The closure of mines and smelters is likely to hit its output, which was projected to increase to 916,767t by 2018 from 741,916t in 2015, largely on account of increased output at the Kansanshi mine owned by Canada's First Quantum Minerals.

Commodity 30-Day Price Chart



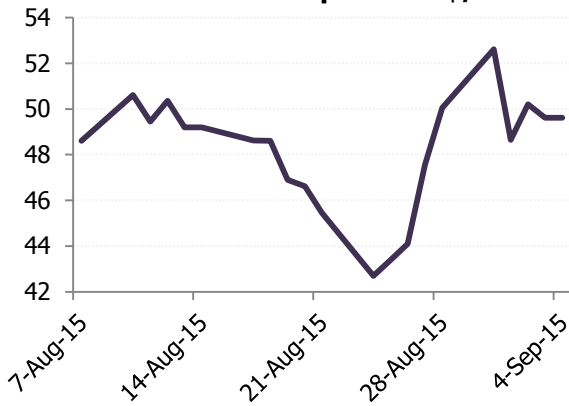
Commodity Prices

Daily	US\$/t	WoW %Δ
28-Aug-15	9,835	
31-Aug-15	9,835	
1-Sep-15	9,975	
2-Sep-15	9,745	
3-Sep-15	10,025	
4-Sep-15	9,785	
		-0.51

Commodity Developments

- Nickel is trading at its lowest since the Global Financial Crisis of 2008-2009. China slowdown which has dented consumption of base metals has really affected the metal which is positively experiencing both a structural tightening of supply and a growing number of price-related supply hits.
- In production, Mwana Africa's subsidiary, Bindura Nickel Corporation's (BNC's), which owns and operates the Shangani and Trojan nickel mines in Zimbabwe, grew its nickel concentrate sales to 7,352t during the 2015 financial year from the 7,129t sold in the prior year.
- However, BNC's cash costs and AISC for 2015 also increased to US\$12,644/t and \$14,428/t, respectively. The company attributed these increased costs to equipment refurbishment at BNC's operation.
- Mwana Africa initiated the work and financing needed to restart the BNC smelter, which is planned for Apr-16. The diversified miner is financing the smelter restart from the proceeds of a fully subscribed US\$20m issued and finalised in the last quarter of the company's financial year.

Oil Brent prices US\$/bbl



Daily	US\$/bbl	WoW %Δ
28-Aug-15	50.05	
31-Aug-15	52.62	
1-Sep-15	48.65	
2-Sep-15	50.21	
3-Sep-15	49.61	
4-Sep-15	49.60	
		-0.88

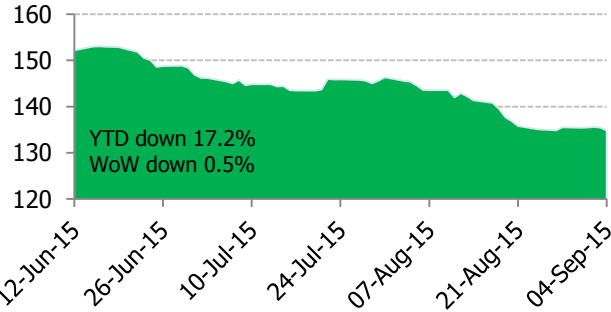
- Oil prices fell as traders turned a blind eye to a drop in the number of US rigs drilling for oil and focused instead on a supply glut and declining stock prices.
- The oil rig count fell by 13 during the week, after consecutive 6 weeks of rises, implying possibly less crude production in the future. However, traders seemed to be more concerned about the immediate glut in supply, particularly after US inventories rose by 4.7m barrels last week.
- The low oil prices are negatively affecting oil producing countries such as Angola and Nigeria whilst benefitting oil importing countries.
- Angola's main source of revenue is oil, as it accounts for 95% of export receipts and approximately 70% of Gvt revenue. The depressed oil prices suggest a potential economic recession in Angola.
- Tanzania's energy regulator lowered the maximum retail prices of petrol, diesel and kerosene citing lower international energy prices and a stable local currency. Fuel price is the biggest driver of inflation in Tanzania after food.

Equities 90-Day Index Charts

Zimbabwe



ZSE Industrial Index

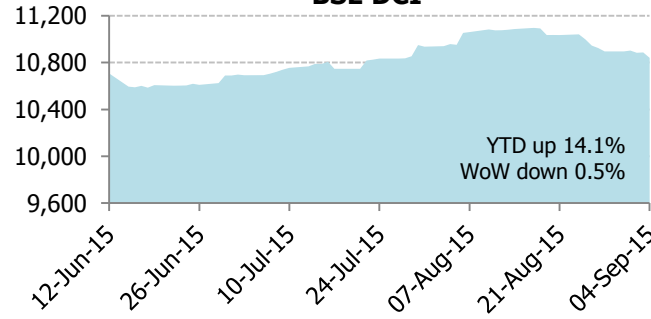


- The International Monetary Fund (IMF) lowered Zimbabwe's growth forecast for this year to 1.5% from 2.8% citing drought and lower commodity exports as major setbacks.

Botswana



BSE DCI

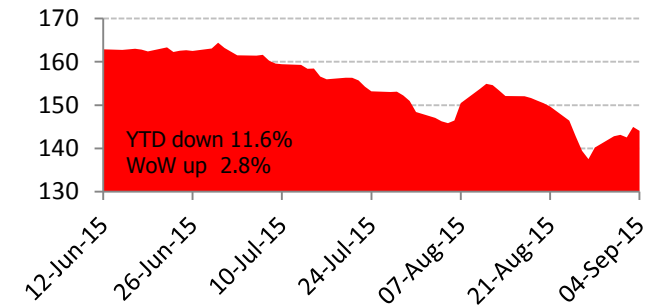


- Profit in Botswana's commercial banks fell 16.7% in 2014 due to low interest rates and a spike in non-performing loans, the 2014 Banking Supervision Annual report showed.

Kenya



NSE All Share Index

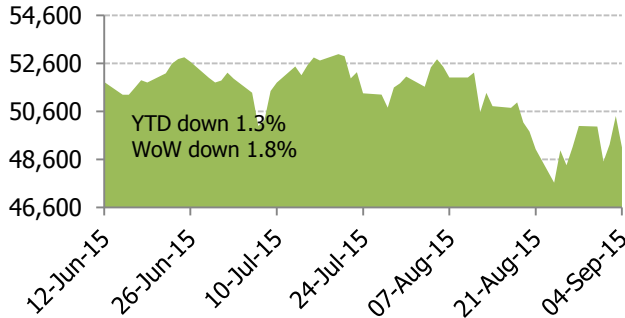


- Tea output fell 22% in H1:15 from a year before, after the country was hit by drought at the start of the year.

South Africa



JSE All Share Index

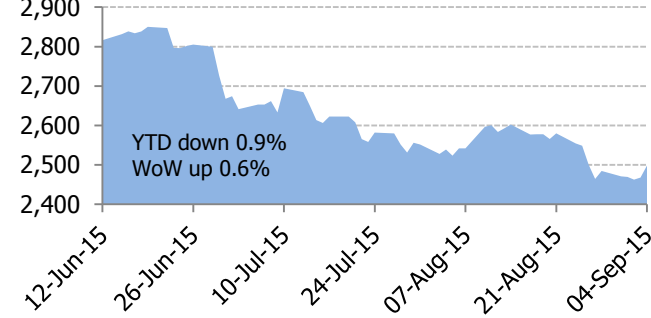


- SA's business confidence index extended losses to its weakest since late 2011 in Q3:15, with sentiment particularly low among retailers and wholesalers, a survey showed.

Tanzania



DSE Index

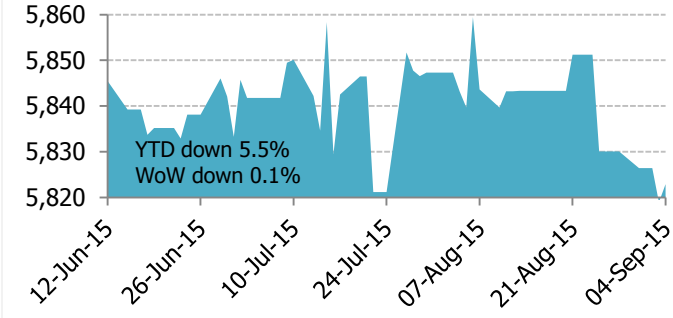


- Inflation was unchanged at 6.4% YoY in Aug compared with the previous month. MoM inflation rose by 0.02% in Aug from 0.41% in Jul.

Zambia



LuSE



- Zambia's Industrial Development Corporation (IDC) plans to issue a US\$500m private bond to invest in the energy sector and other infrastructure.

Foreign Exchange Markets

	USD/BWP	USD/MZN	USD/TZS	USD/ZMW	USD/ZAR	EUR/USD	GBP/USD
Wk Ending							
28-Aug-15	10.26	40.02	2,140	8.58	13.19	1.130	1.542
Daily							
31-Aug-15	10.34	40.12	2,143	8.72	13.34	1.121	1.541
1-Sep-15	10.31	40.16	2,143	8.96	13.30	1.129	1.534
2-Sep-15	10.35	40.22	2,154	9.32	13.48	1.128	1.530
3-Sep-15	10.38	40.24	2,150	9.74	13.49	1.124	1.525
4-Sep-15	10.48	40.44	2,152	9.93	13.64	1.115	1.524
WoW %Δ	2.20	1.05	0.54	15.75	3.38	-1.32	-1.20
YTD %Δ	10.17	27.81	24.26	55.57	17.36	-8.27	-2.13

	ZAR/BWP	ZAR/MZN	ZAR/ZMW	ZAR/TZS
Wk Ending				
28-Aug-15	0.781	3.02	0.646	163
Daily				
31-Aug-15	0.775	3.01	0.654	161
01-Sep-15	0.776	3.01	0.671	160
02-Sep-15	0.773	3.00	0.694	160
03-Sep-15	0.773	2.96	0.716	160
04-Sep-15	0.767	2.96	0.726	157
WoW %Δ	-1.71	-1.99	12.27	-3.68
YTD %Δ	-6.61	7.64	31.31	6.08

Exchange Rate Developments

- All currencies weakened against the USD and stocks tumbled as stronger US jobs data bolstered the case for a rate hike by the Fed Reserve at this month's policy meeting.
- A rise in expectations for the Fed monetary tightening is causing a squeeze in the supply of liquidity, particularly in frontier and emerging markets, which are considered risky.
- This tighter US liquidity is weighing on frontier and emerging markets' currencies which have to fund current account deficits through capital inflows.
- Slowing China, current account deficit and weak economic growth has made SA more vulnerable to volatile capital funding shifts as seen in ZAR movements.
- The power problems and copper price slide have driven the kwacha currency to record lows amid a selloff in commodity-linked currencies.
- The sharp slide has renewed pressure on the southern African country to diversify its economy away from copper, which accounts for 70% of export earnings.
- Bank of Zambia Governor Denny Kalyalya said on the 3rd of Sep that policymakers would not intervene in the foreign exchange market to defend the currency.
- Continued ZMW weaknesses may encourage some entities to use the dollar as the currency of choice for transactions, thereby putting more downward pressure on the ZMW demand side. The kwacha has lost over half of its value year-to-date.

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Contact telephone numbers: 369701-16; 752383-5