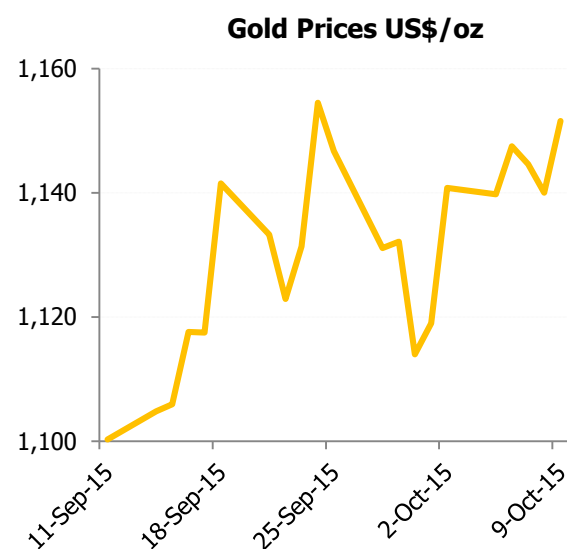


WEEKLY ECONOMIC REVIEW

Commodity 30-Day Price Chart



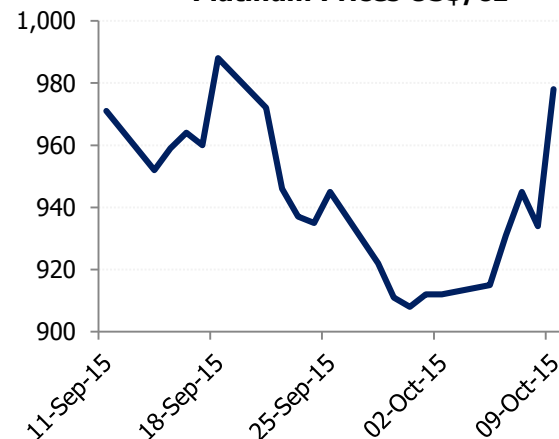
Commodity Prices

Daily	US\$/oz	WoW %Δ
2-Oct-15	1,141	
5-Oct-15	1,140	
6-Oct-15	1,148	
7-Oct-15	1,145	
8-Oct-15	1,140	
9-Oct-15	1,152	
		0.94

Commodity Developments

- Gold price rose on the 9th of Oct, after minutes from the Fed Reserve's last policy meeting revealed that the US central bank is in no hurry to raise interest rates.
- However, the market still remain cautious as the minutes revealed that some Fed policymakers still want to see a 1st rate increase this year.
- Weak US economic data and worries about the global economy have prompted many investors and analysts to push back expectations for an interest rate hike, which has helped gold rise nearly 4% so far this month.
- In Zim, Caledonia Mining's 49%-owned Blanket mine delivered 10,297oz of gold in Q3:15, a 5% QoQ increase and 10.5% YoY improvement. The miner is on track to achieve target production for the year of 42,000oz.
- Total gold output in Zimbabwe is expected to rise this year to 18.4t, the highest level in 11 years due to increased production from small-scale miners. Large gold mines are however, lobbying the Gvt to cut royalties and electricity tariffs by half to prevent the collapse of mines struggling with low bullion prices.

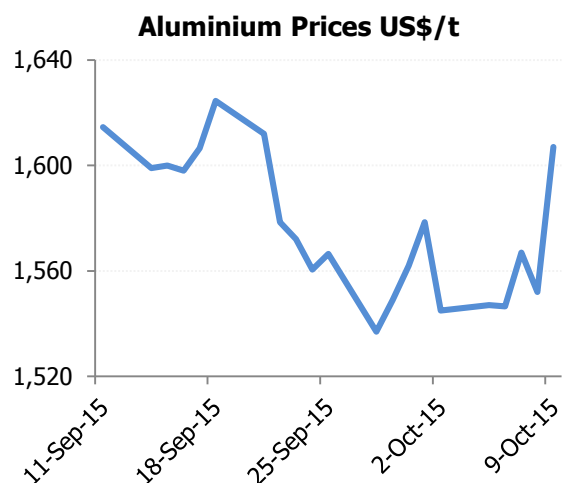
Platinum Prices US\$/oz



Daily	US\$/oz	WoW %
2-Oct-15	912	
5-Oct-15	915	
6-Oct-15	931	
7-Oct-15	945	
8-Oct-15	934	
9-Oct-15	978	
		7.24

- Platinum rallied and notched its strongest weekly gain in 4 years after Glencore's announcement that it will shut its Eland platinum mine in South Africa. SA is the world's biggest platinum producer.
- In Zim, Gvt will ask large mining companies, including units of the world's top 2 platinum producers, to cut power consumption by up to 25% as part of measures to ease crippling power shortages.

Commodity 30-Day Price Chart

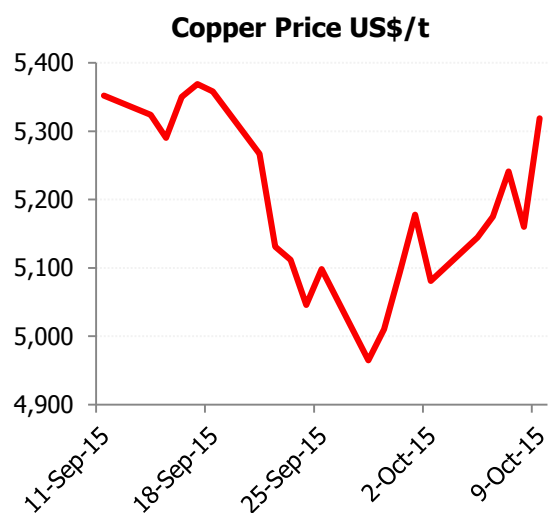


Commodity Prices

Daily	US\$/t	WoW %Δ
2-Oct-15	1,545	
5-Oct-15	1,547	
6-Oct-15	1,547	
7-Oct-15	1,567	
8-Oct-15	1,552	
9-Oct-15	1,607	
		4.01

Commodity Developments

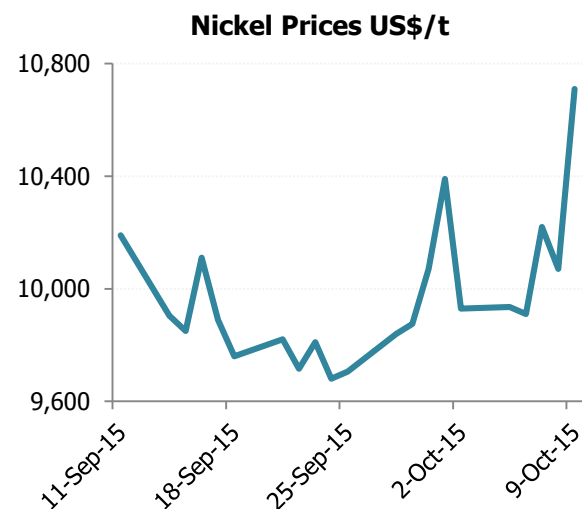
- Most base metals will face tepid demand in 2016 as China, the world's largest consumer of the commodities used in everything from jet engines to cooking utensils experience slowdown in economic growth.
- Slowing growth in the world's number 2 economy has hit commodity markets hard this year despite a steady stream of Gvt stimulus measures to boost consumption.
- Aluminium demand is expected to rise giving hope to the struggling market driven by appetite from the transport sector. Beijing is building more high-speed railways and industry bodies are pushing for usage of the light metal in trains and cars which will increase usage of the metal.
- Aluminium demand is also expected to get an additional lift as consumers switch to cheaper aluminium-based cables and wires from copper-based cables.



Daily	US\$/t	WoW %Δ
2-Oct-15	5,081	
5-Oct-15	5,145	
6-Oct-15	5,175	
7-Oct-15	5,241	
8-Oct-15	5,160	
9-Oct-15	5,319	
		4.68

- Copper prices surged supported by production cuts by Glencore. However, the production cuts may not be enough to offset weak demand growth in China.
- Highlighting persistent weakness in demand in China and abroad, China's combined exports and imports fell 8.1% in the 1st 9-months of the year from the same period in 2014, well below the full-year official target of 6% growth.
- This reinforces expectations that Beijing will cut interest rates again in coming months and announce other measures to avert a sharper economic slowdown.
- In Zambia, 808,000t copper production 2015 target is unlikely to be attained as lower global prices and electricity shortages hit Africa's number 2 producer of the metal.

Commodity 30-Day Price Chart

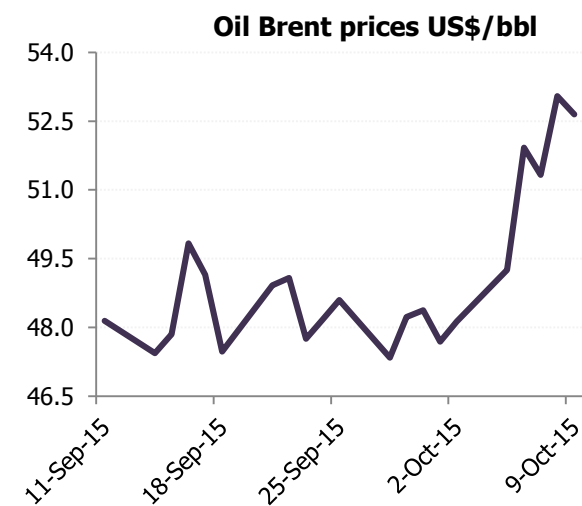


Commodity Prices

Daily	US\$/t	WoW %Δ
2-Oct-15	9,930	
5-Oct-15	9,935	
6-Oct-15	9,910	
7-Oct-15	10,220	
8-Oct-15	10,070	
9-Oct-15	10,710	
		7.85

Commodity Developments

- Nickel prices rebounded after trading around near 7-year for almost a month buoyed by market speculation that heavily indebted miner and trader Glencore Plc could curb output following cuts to its copper and zinc production.
- Glencore is the world's 5th-biggest producer of nickel, with operations in Australia, Canada, Norway, New Caledonia, and Dominican Republic, much of which was acquired in its 2013 takeover of Xstrata.
- However, production cuts have been low with the biggest cuts coming from Canada's Sherritt International Corp. In July it reduced its 2015 nickel production target to 78,000-82,000t from a previous estimate of 80,000t-86,000t.
- UBS analysts estimates that 50% of the world's nickel is being produced at a loss due to depressed prices.
- Generally, appetite for nickel has faltered on plunging markets for stainless steel, which it is often used to produce.



Daily	US\$/bbl	WoW %Δ
2-Oct-15	48.13	
5-Oct-15	49.25	
6-Oct-15	51.92	
7-Oct-15	51.33	
8-Oct-15	53.05	
9-Oct-15	52.65	
		9.39

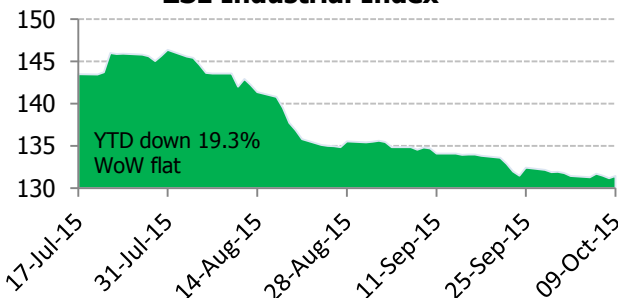
- Brent prices strengthened significantly as fears about another big build up in crude oil stocks eased.
- Sentiments in the oil market seem to have become markedly less bearish as expectations have shifted from bulging stockpiles to the strength of fuel demand and prospective declines in US shale production.
- However, the market still remains oversupplied, according to Goldman, and a continued low price of below US\$50/bbl is required to curb US production in 2016 and bring supply back into line with demand.

Equities 90-Day Index Charts

Zimbabwe



ZSE Industrial Index

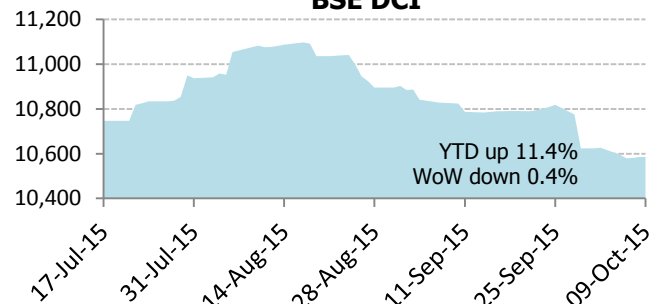


- According to the finance Minister, Zim will clear arrears of US\$1.86bn to international creditors such as the IMF by the end of Apr-16, a major step towards unlocking new funding.

Botswana



BSE DCI

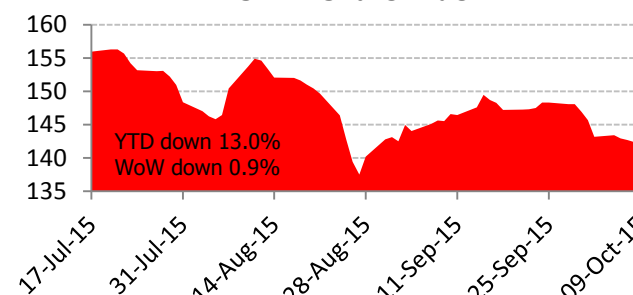


- President Khama announced that Gvt will use part of the US\$8.5bn foreign exchange reserves to stimulate the economy after a drop in diamond hit growth in world's biggest diamond producer.

Kenya



NSE All Share Index

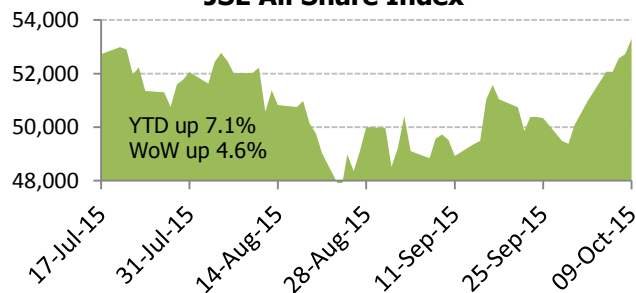


- The IMF indicated that Kenya will cut some non-priority spending this financial year to balance the books after its borrowing costs rose.

South Africa



JSE All Share Index

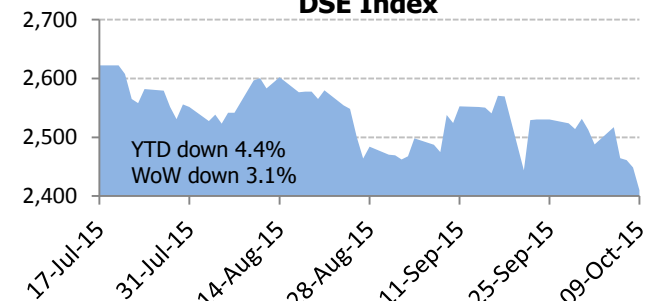


- According to National Treasury, SA's weak economic growth, public-sector wages and financial support for state-owned companies that exceeds their budgets are the 3 main threats to the country's fiscal outlook.

Tanzania



DSE Index

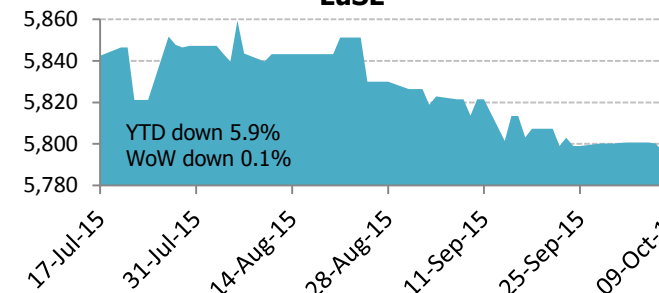


- Tanzania has initiated a US\$1.33bn project to pipe natural gas to its commercial capital, Dar es Salaam, and help relieve chronic power shortages in the city.

Zambia



LuSE



- Fitch expects Zambia's budget deficit to remain elevated due to a rapidly falling currency, an ongoing energy crisis and falling commodity prices.

Foreign Exchange Markets

	USD/BWP	USD/MZN	USD/TZS	USD/ZMW	USD/ZAR	EUR/USD	GBP/USD
Wk Ending							
2-Oct-15	10.58	40.05	2,170	12.07	13.91	1.117	1.516
Daily							
5-Oct-15	10.47	---	2,173	12.25	13.64	1.126	1.521
6-Oct-15	10.46	39.93	2,175	12.19	13.67	1.121	1.516
7-Oct-15	10.38	40.22	2,172	11.93	13.42	1.124	1.531
8-Oct-15	10.40	40.79	2,172	11.87	13.49	1.129	1.534
9-Oct-15	10.32	40.85	2,172	11.79	13.36	1.132	1.535
WoW %Δ	-2.48	2.00	0.09	-2.34	-3.92	1.38	1.29
YTD %Δ	8.46	29.11	25.42	84.60	15.48	-6.87	-1.36

	ZAR/BWP	ZAR/MZN	ZAR/ZMW	ZAR/TZS
Wk Ending				
02-Oct-15	0.760	2.88	0.872	156
Daily				
05-Oct-15	0.766	---	0.896	155
06-Oct-15	0.768	2.93	0.891	159
07-Oct-15	0.772	3.01	0.891	159
08-Oct-15	0.771	3.04	0.881	162
09-Oct-15	0.775	3.08	0.888	161
WoW %Δ	1.99	6.94	1.82	3.21
YTD %Δ	-5.63	12.00	60.64	8.78

Exchange Rate Developments

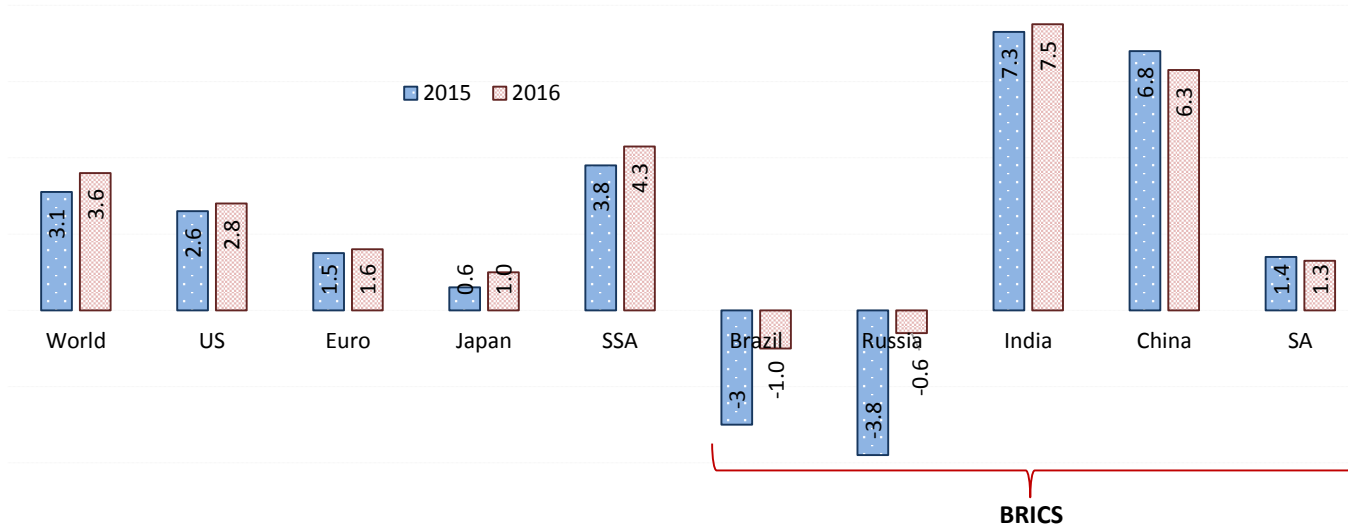
- The USD depreciated against major currencies after the latest Fed minutes increased doubts that the US central bank will raise interest rates this year.
- The renewed risk appetite among investors and a comeback in commodity prices helped lift emerging markets currencies against the USD.
- Enthusiasm over the potential sale of SABMiller to Anheuser-Busch InBev helped boost the ZAR as the deal could inject as much as ZAR7bn into Africa's most advanced economy.
- SA Treasury however announced that it could try to stop the deal if it leads to erosion of the tax base.
- The Kwacha has recovered some lost ground after its 17% plunge to a record low on the 28th of Sep triggered by a sharp slide in copper prices and a ratings downgrade by Moody's.
- The Bank of Zambia (BOZ) introduced a new rule allowing it to trade above its own limit of US\$1m per transaction with commercial banks to enhance stability and announced measures to improve transparency in the foreign exchange market.
- All BancABC markets' currencies depreciated against the ZAR.

Disclaimer

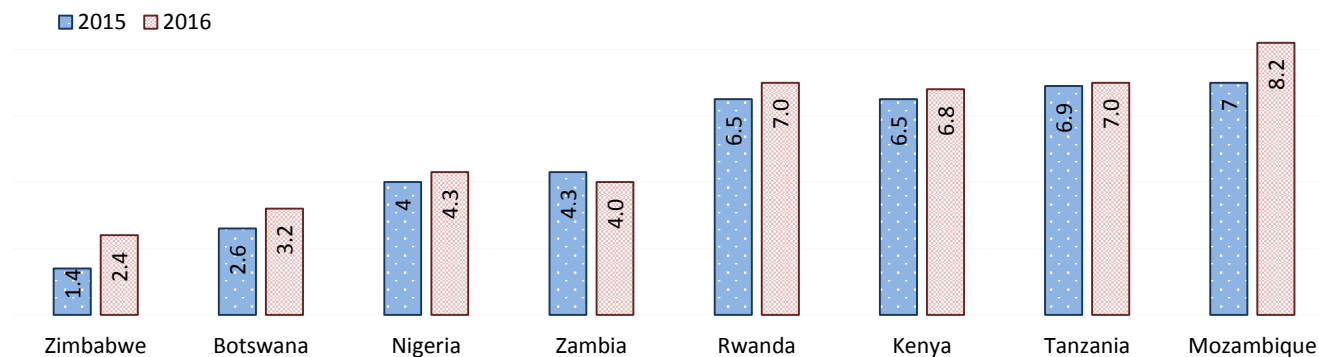
The information contained herein has been prepared by BancABC on behalf of itself and its affiliated companies solely for information purposes for BancABC clients. Whilst reasonable care has been taken in the preparation of the report to ensure that the information contained herein is not untrue or misleading however, BancABC makes no representation as to its accuracy or completeness thereof and accepts no liability whatsoever for any errors or omissions contained therein, or prejudice occasioned from use of the said information.

Contact telephone numbers: 369701-16; 752383-5

APPENDIX: WORLD ECONOMIC PROJECTIONS (%)



Source: IMF



Adjusting to Lower Commodity Prices

- Six years after the world economy emerged from its broadest and deepest post-war recession, a return to robust and synchronized global expansion remains elusive.
- Global growth declined in H1:15, reflecting a further slowdown in emerging markets and a weaker recovery in advanced economies.
- Economic growth is expected to be stronger in advanced economies, compared with the recent past, but weaker in the emerging market and developing economies.
- The US and the UK are leading recovery in Advanced Economies, where monetary policy looks likely to be tighten soon, but is more tentative in the Euro area and Japan.
- Slow growth in China is policy induced as authorities seek to rebalance their formerly export-and-investment driven economy in favour of consumption driven economy.
- In SSA, the sources of slower growth are diverse, ranging from commodity price declines (which are also affecting a few advanced economies adversely), to overhangs from past rapid credit growth, to political turmoil and power shortages, among others.
- In most BancABC markets, economic growth fell short of expectations, affected by declines in commodity prices and domestic economic challenges. In 2016, expected adverse weather conditions will negatively impact on economic growth of these economies.