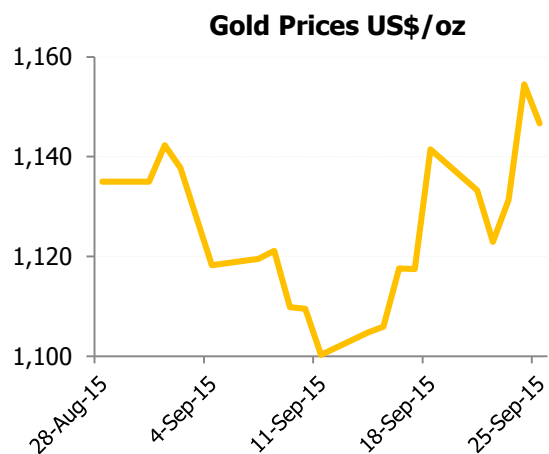


WEEKLY ECONOMIC REVIEW

Commodity 30-Day Price Chart

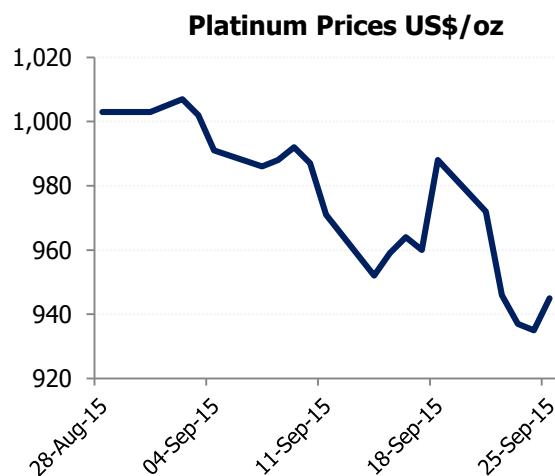


Commodity Prices

| Daily | US\$/oz | WoW %Δ |
|-----------|---------|-------------|
| 18-Sep-15 | 1,142 | |
| 21-Sep-15 | 1,133 | |
| 22-Sep-15 | 1,123 | |
| 23-Sep-15 | 1,131 | |
| 24-Sep-15 | 1,155 | |
| 25-Sep-15 | 1,147 | |
| | | 0.46 |

Commodity Developments

- Gold rallied touching a month high on the 24th of Sep after data showed orders for US durable goods fell 2% in Aug-15. The data prompted short covering and safe-haven buying amid worries about global economic growth, which could delay the tightening of US monetary policy.
- However, the metal price fell on the 25th of Sep after the Federal Reserve Chair Janet Yellen kept the door open to an increase in US interest rates this year. Yellen said in a speech that she expected the US central bank to start raising rates later in 2015, as long as inflation remained stable and the US economy was strong enough to boost employment.
- Expectations for a rise in ultra-low rates, which have cut the opportunity cost of holding gold, have helped push the metal down 5% this year.
- In production, AIM listed Vast Resources announced that it has started production at its 584ha Pickstone-Peerless mine in Zimbabwe. The miner produced its 1st gold smelt of 8.5kg of gold bullion for delivery to the Fidelity Refinery.



| Daily | US\$/oz | WoW % |
|-----------|---------|--------------|
| 18-Sep-15 | 988 | |
| 21-Sep-15 | 972 | |
| 22-Sep-15 | 946 | |
| 23-Sep-15 | 937 | |
| 24-Sep-15 | 935 | |
| 25-Sep-15 | 945 | |
| | | -4.35 |

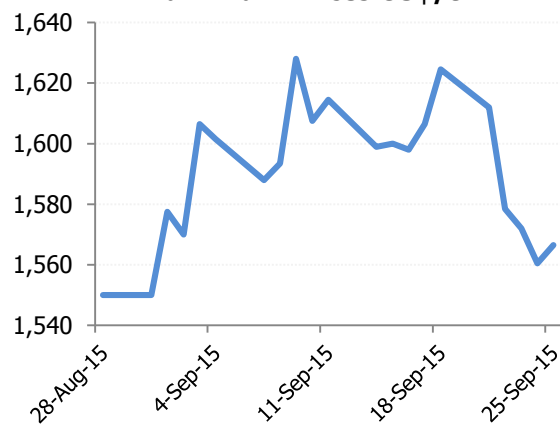
- Platinum prices hit their lowest since Jan-09 on the 24th of Sep as the scandal involving Volkswagen spilled into the precious metals market, reflecting growing fears of a consumer shift away from the diesel engines that account for almost a half of the world's platinum demand.
- There are concerns that the German carmaker's admission to allegations of using software that deceived US regulators measuring toxic emissions in some of its diesel cars could hit diesel engines sales but may spur more platinum usage.
- South African regulators are also investigating Volkswagen's local business to see if cars sold there also rigged carbon emissions data.
- Platinum is used in diesel catalysts to clean up exhaust emissions among others.

Commodity 30-Day Price Chart

Commodity Prices

Commodity Developments

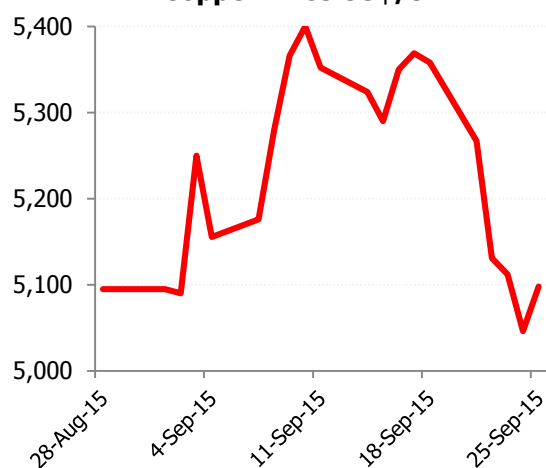
Aluminium Prices US\$/t



| Daily | US\$/t | WoW %Δ |
|-----------|--------|--------------|
| 18-Sep-15 | 1,625 | |
| 21-Sep-15 | 1,612 | |
| 22-Sep-15 | 1,579 | |
| 23-Sep-15 | 1,572 | |
| 24-Sep-15 | 1,561 | |
| 25-Sep-15 | 1,567 | |
| | | -3.57 |

- Aluminium prices have remained weak due to ample supply and weak demand. Diversified miner, Rio Tinto projects demand to 24m tonnes to 78m tonnes annually by 2025.
- Market fundamentals are expected to continue to force further capacity closures forcing the market to return to balance in the next 5yrs.

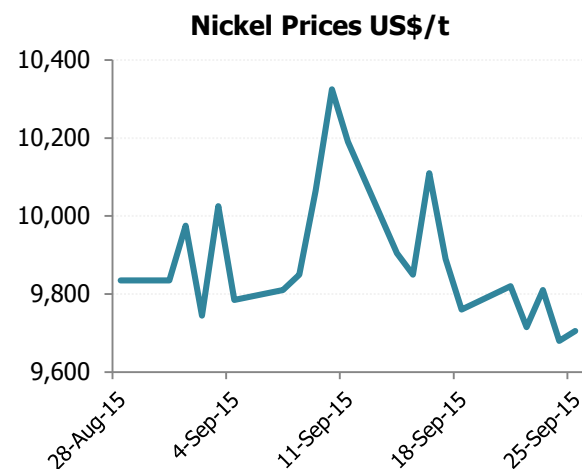
Copper Price US\$/t



| Daily | US\$/t | WoW %Δ |
|-----------|--------|--------------|
| 18-Sep-15 | 5,358 | |
| 21-Sep-15 | 5,267 | |
| 22-Sep-15 | 5,131 | |
| 23-Sep-15 | 5,112 | |
| 24-Sep-15 | 5,046 | |
| 25-Sep-15 | 5,098 | |
| | | -4.85 |

- Copper prices fell touching a 4-week low on persistent concern about demand growth in top consumer China against a backdrop of ample supply.
- In Zambia, Gvt officials are to meet mining companies to discuss problems facing the industry and ways to minimise job losses sweeping the sector. The job cuts in Africa's 2nd-biggest copper producing nation are likely to worsen as companies scale down operations due to electricity shortages and higher production costs.
- Zambian power companies and mining firms agreed in Aug-15 to cut power supply to the mines by 30% due to a power deficit that has risen to 985MW in Sep-15 from 560MW in Mar-15.
- Commodities giant Glencore's Zambian unit, Mopani Copper Mines (MCM), has already indicated plans to lay off more than 3,800 workers due to lower metal prices and high production costs. Earlier in Sep-15, China's CNMC Luanshya Copper Mines put 1,600 staff at its Baluba operation on forced leave and Konkola Copper Mines (KCM), owned by Vedanta Resources Plc did the same with 133 employees.

Commodity 30-Day Price Chart



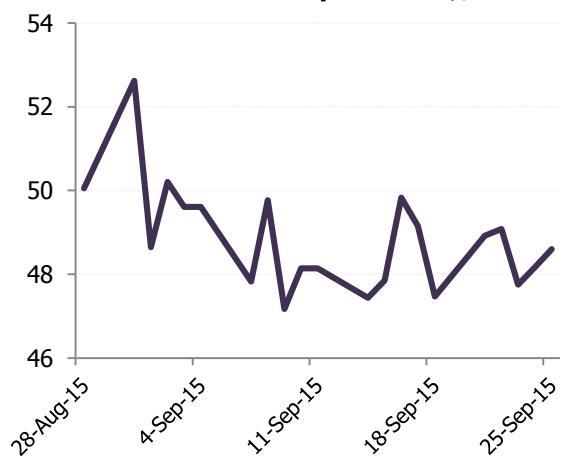
Commodity Prices

| Daily | US\$/t | WoW %Δ |
|-----------|--------|--------------|
| 18-Sep-15 | 9,760 | |
| 21-Sep-15 | 9,820 | |
| 22-Sep-15 | 9,715 | |
| 23-Sep-15 | 9,810 | |
| 24-Sep-15 | 9,680 | |
| 25-Sep-15 | 9,705 | |
| | | -0.56 |

Commodity Developments

- The current nickel prices are a concern to most mining companies as their operations are not sustainable.
- Bindura Nickel Corporation which had cash costs an all in sustaining costs AISC for its 2015 financial year of US\$12,644/t and \$14,428/t respectively might be facing challenges at current prices.
- Diversified miner Glencore disposed its Brazilian nickel assets to Horizonte Minerals as the mining giant dispose all of its non-core assets.
- Another miner, Mirabela announced appointment of administrators to seek discussions with financiers to put in place funding arrangements or restructuring options to alleviate the liquidity challenges currently being faced by the company's Santa Rita mine, in Brazil.
- In Aug-15, Mirabela announced that mining operations at Santa Rita would slow down in order to combat the depressed nickel price environment by reducing operating costs.
- Oil prices rose supported by a rally in equities and a lower US rig count, although the decline in drilling was the smallest in 4 weeks.
- There is doubt on whether oil would continue trading higher in the coming weeks due to mixed outlooks for supply and demand and for the global economy.
- Oil prices have swung widely over the past month, moving as much as 8% in either direction, as signs of record pumping by members of the Organisation of the Petroleum Exporting Countries (OPEC) offset expectations for lower US production.
- A weakening economy in China, the engine of commodities demand for more than a decade, also curbed bullish sentiment from steady US growth. Also adding to trader caution are concerns that US interest rates are set to rise by year-end.

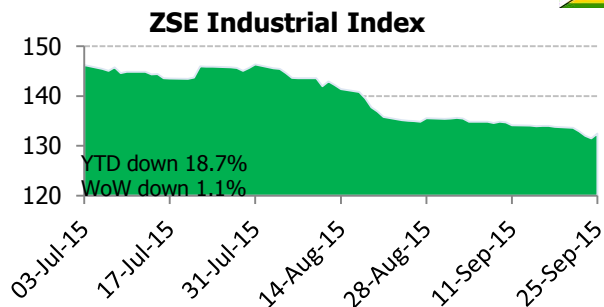
Oil Brent prices US\$/bbl



| Daily | US\$/bbl | WoW %Δ |
|-----------|----------|-------------|
| 18-Sep-15 | 47.47 | |
| 21-Sep-15 | 48.92 | |
| 22-Sep-15 | 49.08 | |
| 23-Sep-15 | 47.75 | |
| 24-Sep-15 | 48.17 | |
| 25-Sep-15 | 48.60 | |
| | | 2.38 |

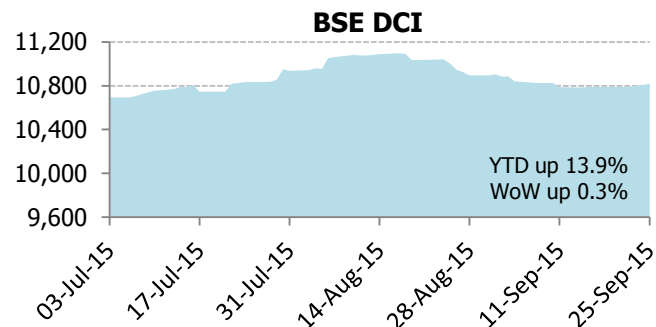
Equities 90-Day Index Charts

Zimbabwe



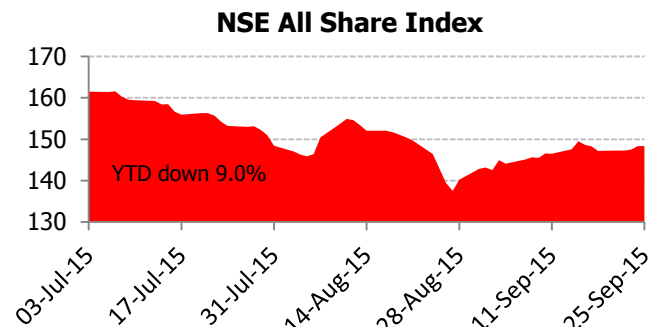
- The IMF might resume financial support to Zim as early as 2016 if foreign creditors accept Zim's plans to clear arrears to international financial institutions and implement economic reforms to boost growth.

Botswana



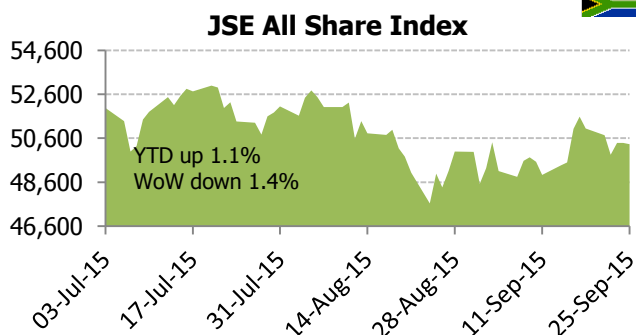
- Botswana's consumer inflation inched slower to 3.0% YoY in Aug from 3.1% in the previous month, data from the statistics office showed.

Kenya



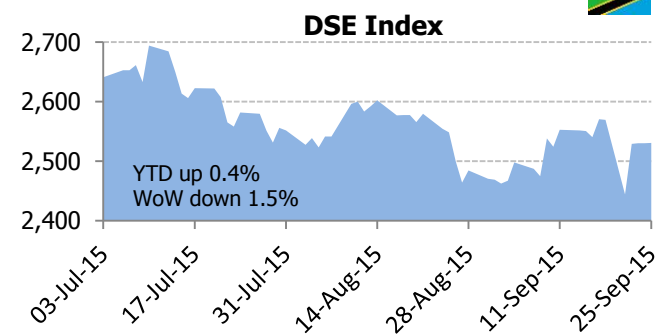
- Kenya's central bank plans to mop up KES13bn (US\$124m) in excess liquidity from the money markets. The bank often uses term auction deposits and repurchase agreements to absorb the liquidity.

South Africa



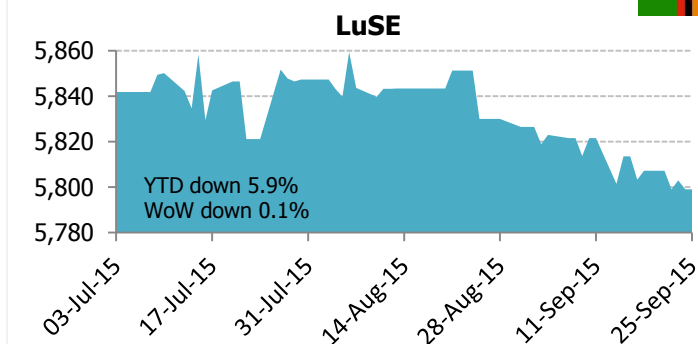
- South African regulators are investigating Volkswagen's local business to see if cars sold there also rigged carbon emissions data.

Tanzania



- Power supplier TANESCO expects to clear arrears to suppliers worth about US\$250m by the end of 2016, helped by cutting reliance on imported oil and switching to cheaper, domestic gas-fired plants.

Zambia



- Zambia's electricity deficit has risen from 560MW in Aug-15 to 985MW in Sep-15. At full capacity, ZESCO can generate a maximum of 2,200MW, against an average national demand of 1,738MW.

Foreign Exchange Markets

| | USD/BWP | USD/MZN | USD/TZS | USD/ZMW | USD/ZAR | EUR/USD | GBP/USD |
|------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Wk Ending | | | | | | | |
| 18-Sep-15 | 10.28 | 40.17 | 2,171 | 9.98 | 13.19 | 1.144 | 1.560 |
| Daily | | | | | | | |
| 21-Sep-15 | 10.34 | 40.07 | 2,171 | 9.99 | 13.36 | 1.132 | 1.555 |
| 22-Sep-15 | 10.40 | 39.86 | 2,162 | 10.05 | 13.53 | 1.118 | 1.547 |
| 23-Sep-15 | 10.52 | 39.95 | 2,163 | 10.40 | 13.69 | 1.111 | 1.535 |
| 24-Sep-15 | 10.55 | 39.95 | 2,163 | 10.55 | 13.69 | 1.117 | 1.523 |
| 25-Sep-15 | 10.56 | 39.96 | 2,163 | 10.71 | 13.74 | 1.114 | 1.523 |
| WoW %Δ | 2.75 | -0.52 | -0.37 | 7.34 | 4.18 | -2.63 | -2.38 |
| YTD %Δ | 10.98 | 26.30 | 24.89 | 67.72 | 18.77 | -8.39 | -2.14 |

Exchange Rate Developments

- The US dollar fell against the euro on the 24th of Sep after the head of the European Central Bank (ECB) announced that the ECB needed more time to assess whether to expand its stimulus program.
- The US dollar gained earlier during the week and on the 25th of Sep on diverging monetary policy between the ECB, which investors expect to deliver more stimulus, and the US Federal Reserve, which is on a path toward tightening policy.
- SA's rand weakened to a record low against the dollar, weighed down by concerns over sluggish domestic growth after downgrade and the impact of slowing growth in China.

| | ZAR/BWP | ZAR/MZN | ZAR/ZMW | ZAR/TZS |
|------------------|--------------|--------------|--------------|--------------|
| Wk Ending | | | | |
| 18-Sep-15 | 0.774 | 3.01 | 0.755 | 162 |
| Daily | | | | |
| 21-Sep-15 | 0.773 | 3.00 | 0.747 | 164 |
| 22-Sep-15 | 0.772 | 2.92 | 0.735 | 162 |
| 23-Sep-15 | 0.765 | 2.93 | 0.761 | 158 |
| 24-Sep-15 | 0.761 | 2.93 | 0.751 | 158 |
| 25-Sep-15 | 0.762 | 2.94 | 0.774 | 158 |
| WoW %Δ | -1.65 | -2.33 | 2.49 | -2.47 |
| YTD %Δ | -7.31 | 6.91 | 40.01 | 6.76 |

- The Kwacha has continued to depreciate as a result of slower foreign currency inflows due to weak copper prices. The Bank of Zambia managed to temporarily halt the slide earlier during the month, after pumping in US\$120m from the latest Eurobond.
- YTD, the ZMW has depreciated by 68% against the USD, the most among 150 currencies tracked by Bloomberg. Credit rating agent, Moody's now expects a slower Zambian economic growth of 3.4% against Gvt projection of 5%.
- All BancABC markets' currencies appreciated against the ZAR except for the ZMW.

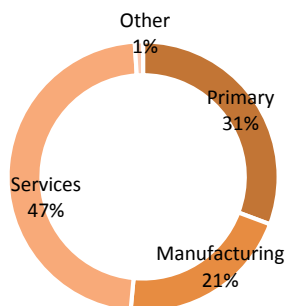
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Contact telephone numbers: 369701-16; 752383-5

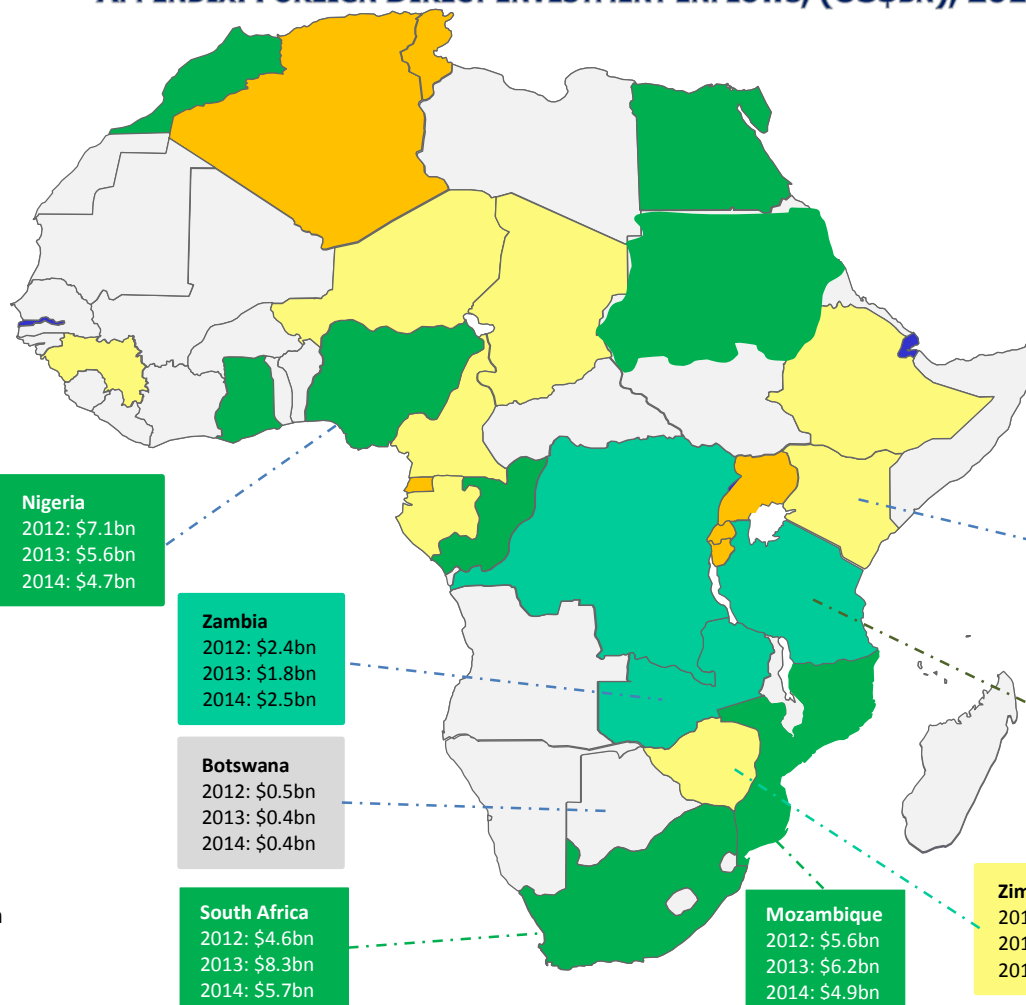
APPENDIX: FOREIGN DIRECT INVESTMENT INFLOWS, (US\$BN), 2012-2014

Inward FDI by Sector



FDI Flows, by range

- Above \$3bn
- \$2bn to \$3bn
- \$1bn to \$1.9bn
- \$0.5bn to \$0.9bn
- Below \$0.5bn



In 2014, FDI inflows to Africa remained flat at \$54bn, decreasing both in North Africa and Southern Africa.

Slow global economic growth usually make the faster growing African economies relatively more attractive, especially to emerging-market investors.

However, future growth prospects in key markets such as Nigeria and Zambia are weakening, as commodity prices fall.

Mozambique saw its flows decline by 21% despite a significant rise in cross border M&As in the oil and gas industry.

Source: UNCTAD