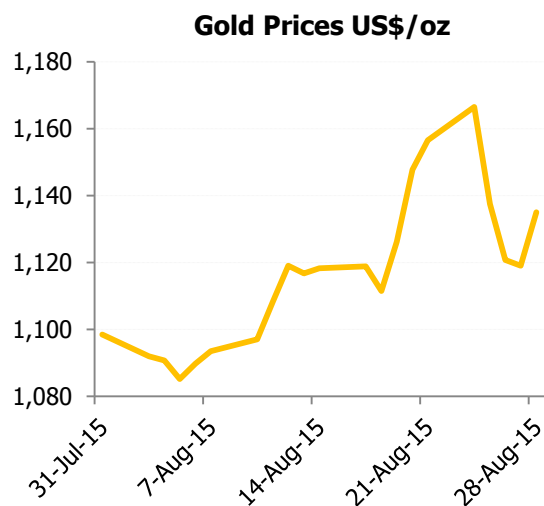


## WEEKLY ECONOMIC REVIEW

### Commodity 30-Day Price Chart



### Commodity Prices

Daily	US\$/oz	WoW %Δ
21-Aug-15	1,157	
24-Aug-15	1,167	
25-Aug-15	1,138	
26-Aug-15	1,121	
27-Aug-15	1,119	
28-Aug-15	1,135	
		<b>-1.86</b>

### Commodity Developments

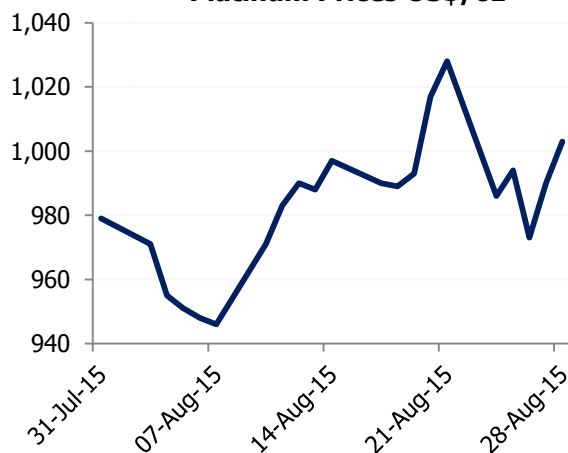
- Gold prices surged on the 28<sup>th</sup> of Aug after US Fed Reserve suggested that the Central Bank may delay tightening monetary policy beyond Sep due to turmoil in financial markets.
- Due to depressed prices, most mines are unprofitable as price have fallen below break-even levels, prompting respective Gvts to review royalties downwards.

Country	Mine	AISC US\$/oz
Tanzania	Bulyanhulu mine	1,133
Tanzania	Shanta Gold	1,157
Zimbabwe	Freda Rebecca	1,093
Zimbabwe	Blanket Mine	1,030
Botswana	Mupane Mine	1,050

*AISC: All in Sustaining Costs*

- Selected mines in Zimbabwe and Botswana have lower costs with AISC below the US\$1,100/oz mark whilst those of Tanzania have relatively higher costs.

### Platinum Prices US\$/oz



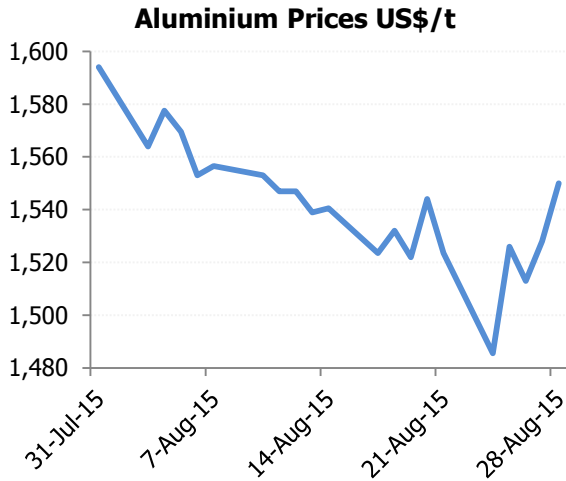
Daily	US\$/oz	WoW %
21-Aug-15	1,028	
24-Aug-15	986	
25-Aug-15	994	
26-Aug-15	973	
27-Aug-15	990	
28-Aug-15	1,003	
		<b>-2.43</b>

- Most miners have shelved their expansion projects due to low global platinum prices which are near 6½-yr lows, below \$1,000/oz.

Country	Mine	AISC US\$/oz
Zimbabwe	Mimosa	1,713
Zimbabwe	Zimplats	1,291
South Africa	Two Rivers	1,103
South Africa	Marula	1,915

- Zimplats, the biggest platinum producer in Zimbabwe recorded a US\$74m loss for full-yr to Jun-15 compared to a US\$97m profit during same period in 2014.
- The Zimplats loss arose after being hit by a hefty one-off tax repayment and falling global sales of the metal. Having first recorded a loss in 2009, this is the second time Zimplats has recorded an annual loss.
- Zimbabwe ships its platinum matte for further processing at refineries in South Africa although efforts to have a local processing plant are underway. Consequently, Zimplats said it had started upgrading its delayed base metals refinery to process platinum locally.

**Commodity 30-Day Price Chart**



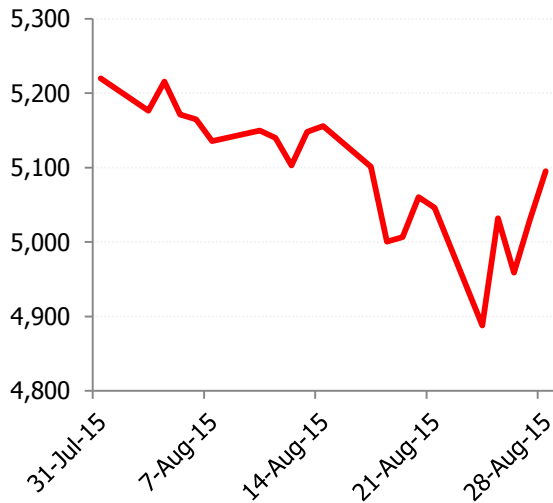
**Commodity Prices**

Daily	US\$/t	WoW %Δ
21-Aug-15	1,524	
24-Aug-15	1,486	
25-Aug-15	1,526	
26-Aug-15	1,513	
27-Aug-15	1,528	
28-Aug-15	1,550	
		<b>1.74</b>

**Commodity Developments**

- Aluminium prices surged but remained weak after hitting multi-year lows on concerns of a glut of exports from China.
- Major producer Rusal predicted global surplus of 277,000t in 2015, which is less bearish than its US rival Alcoa's forecast for a surplus of 760,000t this year.
- Rio Tinto recently announced that sliding London Metal Exchange (LME) prices and shrinking premiums or surcharges paid on top of LME prices for metal delivered, had driven 40% of the industry's smelters back into the red.
- That has led producers to consider cutting smelter capacity again, adding to reductions over the past 2 years. Glencore's Century Aluminum Co last week said it would idle a plant in Kentucky.
- Rusal expects to decide later this year on plans to cut 200,000t per year of capacity. However, the company is still on track to start its new Boguchansk smelter in Russia by the end of 2015.
- The metal had touched 6-yr lows of US\$4,888 earlier during the week on fears of a "hard landing" in China, which intensified after it devalued the Yuan earlier in August.

**Copper Price US\$/t**



Daily	US\$/t	WoW %Δ
21-Aug-15	5,046	
24-Aug-15	4,888	
25-Aug-15	5,032	
26-Aug-15	4,959	
27-Aug-15	5,029	
28-Aug-15	5,095	
		<b>0.97</b>

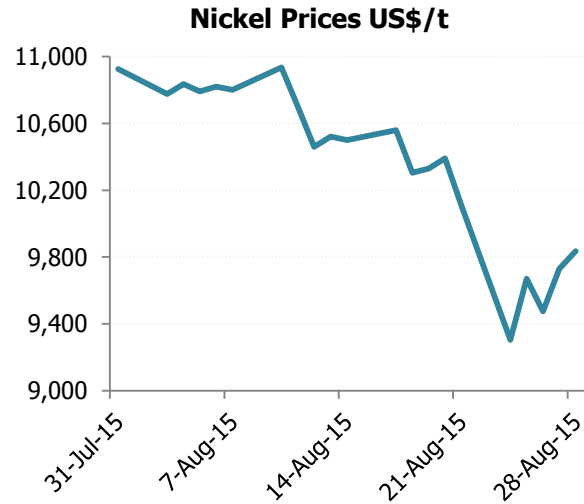
- China's central bank lowered interest rates and the amount of reserves banks must hold for the 2<sup>nd</sup> time in 2 months during the week in a bid to boost its stuttering economy.

Country	Mine	AISC US\$/t
Finland	Kevista Copper	4,260
Zambia	Kansanshi Mine	5,160
Zambia	Lumwana Copper	5,520
DRC	Tengwe Fungurume	*2,360

*\* Operating Cash Costs*

- China consumes 40% of world's copper. The metal which is viewed as a proxy to industrial activity is also used as collateral by companies and investors in China for credit.
- All over the world, the current prices are threatening viability of most copper mines. This together, with Zambia crippling power shortages have also forced some mining companies to scale down production and embark on a cost cutting programs.
- Weakening copper prices have triggered significant kwacha weakness which recently depreciated to record levels against the US dollar.

**Commodity 30-Day Price Chart**



**Commodity Prices**

Daily	US\$/t	WoW %Δ
21-Aug-15	10,110	
24-Aug-15	9,305	
25-Aug-15	9,670	
26-Aug-15	9,475	
27-Aug-15	9,730	
28-Aug-15	9,835	
		<b>-2.72</b>

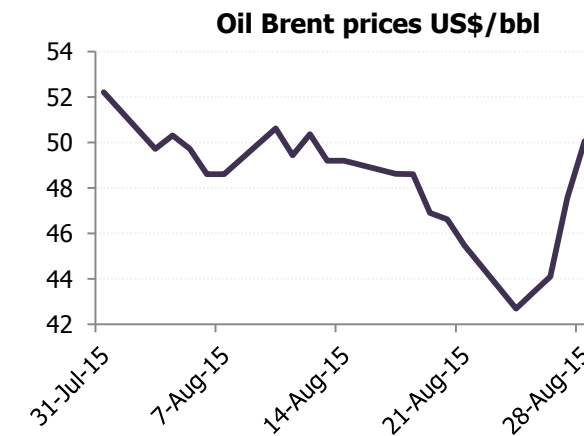
**Commodity Developments**

- Nickel, which is used in stainless steel production has been hit by slowdown in industrial activity in top metals consumer, China.
- Chinese production of stainless fell by 1.4% YoY in Q1:15. The sector's output had been growing at double-digit rates over the preceding 5 years.
- The last quarter in which the country's output actually fell was back at the start of 2009, when global manufacturing was still spiralling downwards in the wake of the global financial crisis.

Country	Mine	AISC US\$/t
Australia	Raventhorpe Nickel	12,380
Finland	Kevista Nickel	12,780
Zimbabwe	BNC	9,736

- Over the years, China's share of global stainless production had grown steadily from 29% at the end of 2008 to 55% at the end of 2014.

- The low prices are affecting most miners as prices have fallen below their cost curves. Analysts at Goldman Sachs argue that Chinese demand for commodities had not just slowed earlier this year but had actually contracted. The steady downtrend in the Caixin/Markit Manufacturing PMI seems to support the notion.



Daily	US\$/bbl	WoW %Δ
21-Aug-15	45.46	
24-Aug-15	42.69	
25-Aug-15	43.40	
26-Aug-15	44.10	
27-Aug-15	47.56	
28-Aug-15	50.05	
		<b>10.10</b>

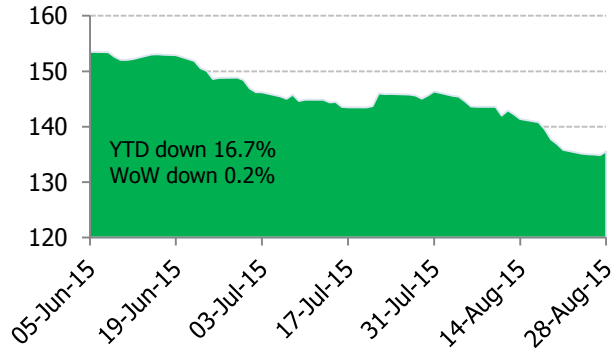
- World oil prices rocketed back to US\$50/bbl as violence in Yemen, a storm in the Gulf and refinery outages prompted speculative buying.
- Oil had tumbled in tandem with stocks over much of the past week, hitting 6yr lows as Chinese financial turmoil stoked fears of slowing growth.
- A number of emerging risks supported oil's gains. Warplanes from a Saudi-led coalition killed 10 people in air raids over Yemen, Tropical Storm Erika moved closer to Florida, prompting worries about oil supply and refinery infrastructure.
- A global glut of fuel and sluggish demand has cut oil prices in half from a year ago. Worries over China's economy have also weighed on the market in recent weeks.

**Equities 90-Day Index Charts**

**Zimbabwe**



**ZSE Industrial Index**

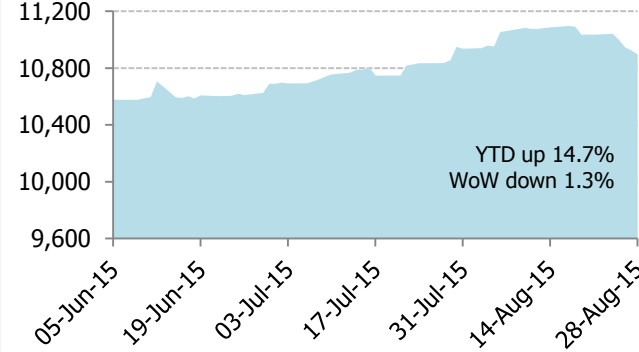


- Biggest platinum producer Zimplats reported a record US\$74m loss for the full year after being hit by a hefty once-off tax repayment and falling global sales of the metal.

**Botswana**



**BSE DCI**

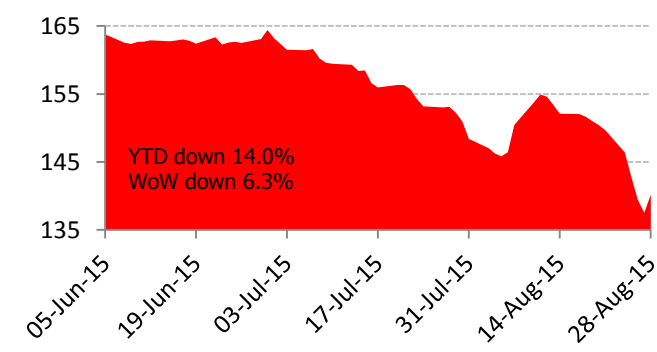


- Botswana's projected 2.6% budget deficit for the 2015/16 financial year could turn out to be much wider due to the downturn in the diamond market, according to rating agency Moody's

**Kenya**



**NSE All Share Index**

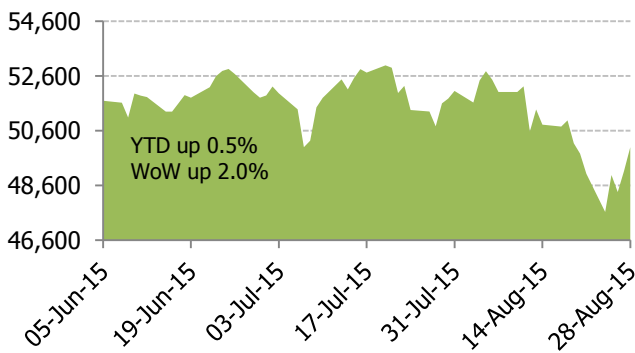


- Kenya's national assembly has rejected a proposal by the finance ministry to increase the minimum core capital for banks to KES5bn (US\$48.17m) from KES1bn, saying it would stifle the sector's growth.

**South Africa**



**JSE All Share Index**

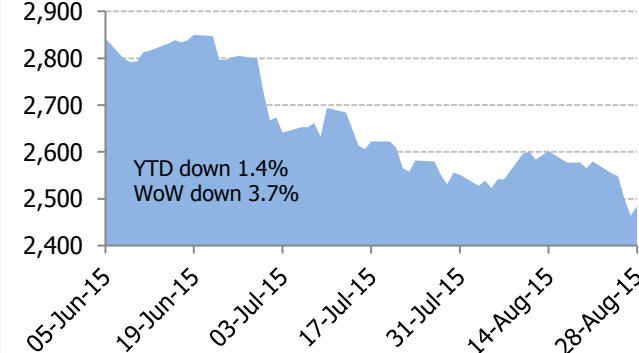


- SA recorded a trade deficit of ZAR0.4bn (US\$30m) in Jul-15 from a revised surplus of ZAR5.5bn in Jun-15, the national revenue agency said.

**Tanzania**



**DSE Index**

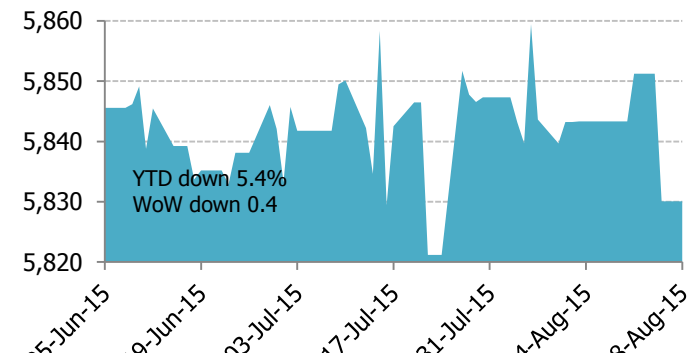


- Tanzania will invest TZS800bn (US\$380m) over the next 8yrs in a new state-run agriculture bank to boost growth in the sector, which has long been stifled by low productivity and a lack of financing.

**Zambia**



**LuSE**



- Zambia expects slower economic growth and a bigger fiscal deficit this year as weak global demand for copper hits exports

## Foreign Exchange Markets

	USD/BWP	USD/MZN	USD/TZS	USD/ZMW	USD/ZAR	EUR/USD	GBP/USD
<b>Wk Ending</b>							
21-Aug-15	10.18	39.73	2,140	7.57	12.90	1.125	1.572
<b>Daily</b>							
24-Aug-15	10.27	39.73	2,130	8.46	13.21	1.148	1.569
25-Aug-15	10.21	39.86	2,139	8.48	13.09	1.154	1.579
26-Aug-15	10.19	39.93	2,147	8.47	13.14	1.149	1.568
27-Aug-15	10.21	40.00	2,165	8.46	13.03	1.130	1.549
28-Aug-15	10.26	40.02	2,140	8.58	13.19	1.130	1.542
<b>WoW %Δ</b>	<b>0.72</b>	<b>0.73</b>	<b>0.02</b>	<b>13.37</b>	<b>2.27</b>	<b>0.41</b>	<b>-1.90</b>
<b>YTD %Δ</b>	<b>7.79</b>	<b>26.49</b>	<b>23.59</b>	<b>34.40</b>	<b>13.52</b>	<b>-7.05</b>	<b>-0.94</b>

	ZAR/BWP	ZAR/MZN	ZAR/ZMW	ZAR/TZS
<b>Wk Ending</b>				
21-Aug-15	0.785	3.08	0.632	164
<b>Daily</b>				
24-Aug-15	0.774	3.08	0.639	164
25-Aug-15	0.774	3.06	0.651	161
26-Aug-15	0.778	3.05	0.647	163
27-Aug-15	0.781	3.05	0.644	162
28-Aug-15	0.781	3.02	0.646	163
<b>WoW %Δ</b>	<b>-0.53</b>	<b>-1.95</b>	<b>2.25</b>	<b>-0.61</b>
<b>YTD %Δ</b>	<b>-4.99</b>	<b>9.82</b>	<b>16.96</b>	<b>10.14</b>

## Exchange Rate Developments









- The USD appreciated against most currencies after a string of solid data from the US, reigniting bets of an interest rate hike this year.
- Zambia's kwacha fell nearly 14% to an all-time low against the USD, weighed down by continued concerns over growth in China, a major export destination for Africa's number 2 copper producer.
- Copper export earnings dropped 29.9% in the 6 months to Jun, compared to H1:14. The copper rich country is also battling severe power shortages after drought depleted water levels at hydro-electric plants, forcing power companies to cut electricity supply to mining firms earlier this month.
- Generally, Zambia is expected to register slower economic growth and a wider fiscal deficit in 2015 due to weak global demand for copper.
- The SA rand which is vulnerable to external shocks due to perennial SA current account and fiscus deficit depreciated against the USD along with other emerging markets currencies.
- BancABC markets' currencies, the BWP, MZN and TZS slightly depreciated against the USD. However, they all appreciated against the weaker and vulnerable ZAR.

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Contact telephone numbers: 369701-16; 752383-5

## APPENDIX: ATLAS MARA FOOTPRINTS

	 <b>Nigeria</b>	 <b>Rwanda</b>	 <b>Tanzania</b>	 <b>Mozambique</b>	 <b>Botswana</b>	 <b>Zambia</b>	 <b>Zimbabwe</b>	 <b>South Africa</b>
2014 GDP Size (US\$m)	573,652	7,890	47,804	16,110	15,810	26,890	13,894	350,082
2014 GDP growth (%)	6.3	7.0	7.0	7.4	4.4	6.0	3.2	1.5
Avg GDP growth (2010-2014 %)	6.2	6.9	6.7	7.2	6.6	7.2	8.1	2.4
<b>Population Dynamics</b>								
Ppn Size (million)	178.5	12.1	47.4	26.5	2.1	15.0	13.4	54.0
Adult Ppn (million)	87.9	4.5	24.2	10.8	1.3	8.1	7.0	36.5
Urban Ppn (% of Total)	29.0	28.2	33.8	32.1	68.0	45.2	32.0	64.0
<b>Financial Dynamics</b>								
Financially Included Ppn (%)	60.3	71.8	58.0	22.0	68.0	59.3	78.7	86.0
Banked Ppn (% of adult Ppn)	32.5	23.0	14.0	12.0	50.0	24.8	30.0	75.0
Mobile Money Uptake (% of adults)	0.5	5.0	≈51.6		22.0	14.0	45.0	24.0
2014 Loans (US\$m)	67,912	1,275	7,167	6,158	4,753	3,503	3,796	242,582
2014 Deposits (US\$m)	83,698	1,532	8,875	7,504	5,692	4,826	4,403	214,554
<b>Key Ratios</b>								
LDR	81.1%	83.2%	80.8%	82.1%	83.5%	72.6%	86.2%	113.1%
Credit to GDP	11.8%	16.2%	15.0%	38.2%	30.1%	13.0%	27.3%	69.3%
Deposits to GDP	14.6%	19.4%	18.6%	46.6%	36.0%	17.9%	31.7%	61.3%
CA balance to GDP	2.2%	-17.0%	-9.5%	-34.7%	5.7%	-1.7%	-22.2%	-4.8%
External Debt to GDP	1.7%	23.6%	30.2%	48.4%		18.2%	52.5%	46.0%
Major Exports	Oil, natural gas	Minerals, Coltan, Tea, Coffee	Gold, Tobacco, Coffee, Cashew Nuts	Coal, Aluminium, Fish	Diamond, Copper-Nickel	Copper, Maize	Tobacco, PGMS, Gold	Gold, Platinum, Iron & Steel, Manu. gds