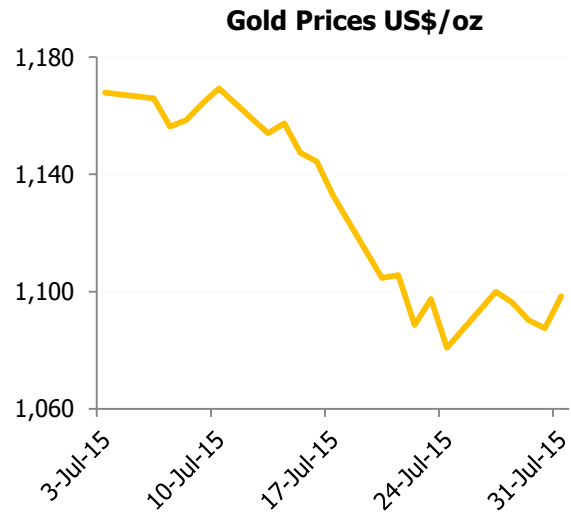


WEEKLY ECONOMIC REVIEW

Commodity 30-Day Price Chart



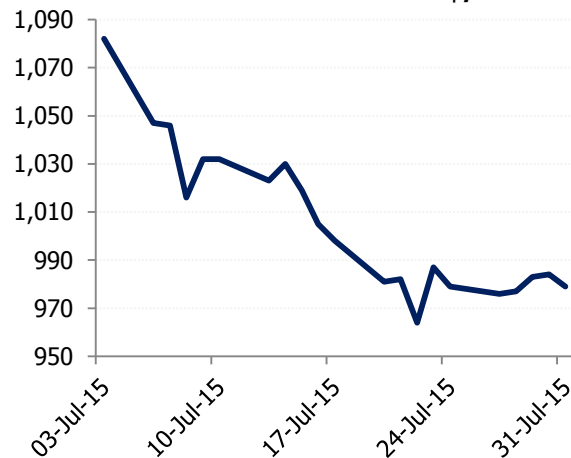
Commodity Prices

Daily	US\$/oz	WoW %Δ
24-Jul-15	1,081	
27-Jul-15	1,100	
28-Jul-15	1,096	
29-Jul-15	1,090	
30-Jul-15	1,088	
31-Jul-15	1,098	
		1.63

Commodity Developments

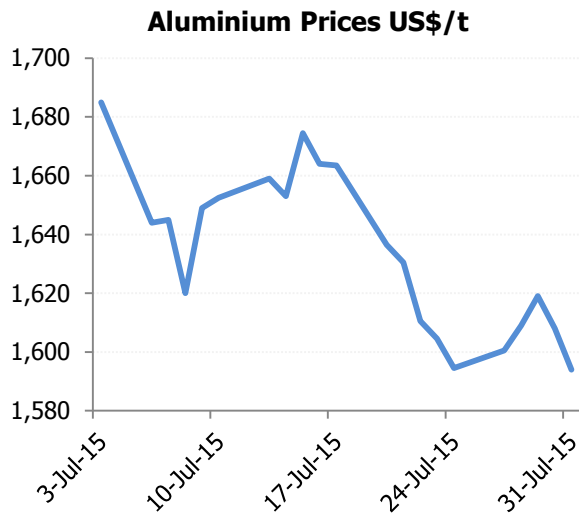
- Gold reversed earlier losses on the 31st of Jul after weaker-than-expected US data, but prices remained generally weak on expectations the Federal Reserve will soon raise interest rates.
- Investor confidence was shaken last week with when bullion prices tumbled to a more than 5-yr-year low on Jul 24. The metal has lost 6% during the month of Jul, its steepest decline since Jun-13.
- As gold prices continue falling, mining companies are turning increasingly to derivatives to lock in future revenues. While miners overall remain wary of hedging, data from Societe Generale and GFMS showed an increase in the global hedge book.
- Hedging allows miners to lock in the price of their output, usually by selling future production forward. This offers protection from falling gold prices, although it means that they can lose out if prices rise sharply.
- Hedging has been heavily out of favour with most miners after they lost out during the 12yr gold rally.
- Platinum is trading at its weakest levels since 2008 and most producers are squeezed between these low prices and soaring costs.
- SA producer, Lonmin is projected to end this financial year with a debt of US\$380m due to low prices and high operational costs.
- Zim's largest platinum producer Zimplats swung to a US\$32.5m loss during the quarter to Jun-15 compared to a US\$6.8m profit in the previous quarter on lower sales and weaker metal prices.
- However, the miner announced that it has the equivalent of 52,000oz of platinum group metals in stock at the end of Jun-15.
- Platinum is the largest mineral export in Zim, and the southern African nation holds the world's 2nd-largest reserves of the metal after SA.

Platinum Prices US\$/oz



Daily	US\$/oz	WoW %
24-Jul-15	979	
27-Jul-15	976	
28-Jul-15	977	
29-Jul-15	983	
30-Jul-15	984	
31-Jul-15	979	
		0.00

Commodity 30-Day Price Chart

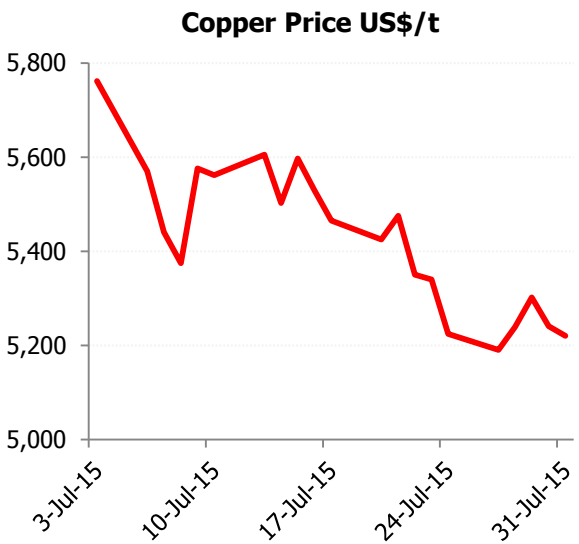


Commodity Prices

Daily	US\$/t	WoW %Δ
24-Jul-15	1,595	
27-Jul-15	1,601	
28-Jul-15	1,609	
29-Jul-15	1,619	
30-Jul-15	1,608	
31-Jul-15	1,594	
		-0.03

Commodity Developments

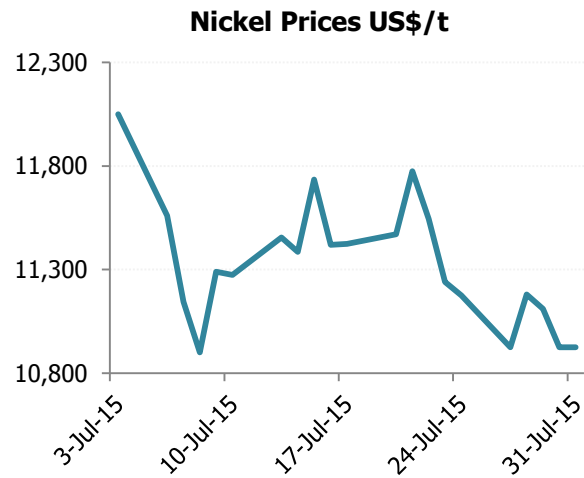
- Aluminium prices fell on persistent worries about demand in top consumer China, but losses were muted after a weak US data prompted a slide in the US dollar.
- The metal ended the week at US\$1,594/t, the weakest in 6yrs, amid oversupply.
- Growth in China's manufacturing sector likely steadied in Jul-15 but remained at a subdued pace fuelling hopes that a slowdown in the world's 2nd-largest economy may be gradually bottoming out, a positive for the base metals.



Daily	US\$/t	WoW %Δ
24-Jul-15	5,225	
27-Jul-15	5,190	
28-Jul-15	5,240	
29-Jul-15	5,302	
30-Jul-15	5,241	
31-Jul-15	5,220	
		-0.09

- Copper prices just like aluminium prices fell on persistent worries about demand in top consumer China, but losses were muted after weak US data prompted a slide in the dollar.
- Volatility hit the market as traders squared their books ahead of the month-end and the Chinese factory data which was due over the weekend.
- The metal was supported by the USD fall, making metals cheaper for buyers in other currencies, after data showed US labour costs in the Q2:15 rose by the least in the history of the index.
- This put a dent in the argument for the US Federal Reserve to raise interest rates in Sep-15.
- In Zambia, Africa's 2nd largest copper producer, power supplier Copperbelt Energy Corp. (CEC) has delayed a plan to reduce electricity to mines after mining firms warned they would have to close processing plants and shed jobs. Zambia just like Zimbabwe and South Africa is struggling with inadequate power supplies.

Commodity 30-Day Price Chart

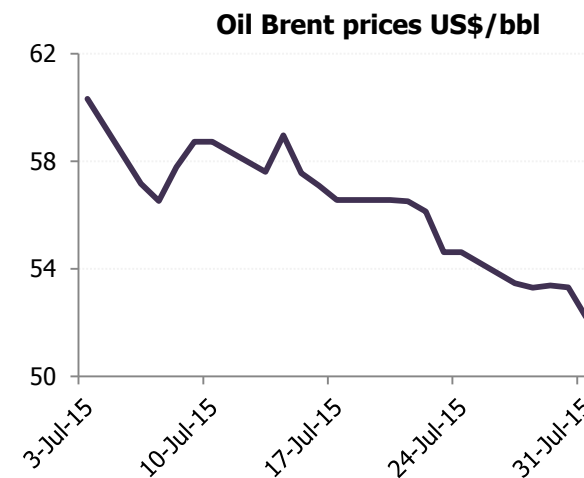


Commodity Prices

Daily	US\$/t	WoW %Δ
24-Jul-15	11,175	
27-Jul-15	10,925	
28-Jul-15	11,180	
29-Jul-15	11,110	
30-Jul-15	10,925	
31-Jul-15	10,925	
		-2.24

Commodity Developments

- Nickel prices have kept on trending downwards despite an Indonesian ban due to adequate supplies particularly from the Philippines and lower demand.
- However, Philippine nickel miners, hit by a slump in prices may have found relief from the El Nino. They are betting the dryness linked to the weather event will let them mine until year end instead of typically shutting due to seasonal rains.
- All-year round production, and as a result exports, would boost earnings for the country's miners, which have been hit by a recent slump in nickel prices to 6-yr lows amid rising world stocks.
- This year Nickel Asia, partly owned by Japan's Sumitomo Metal Mining, expects ore exports to hit a record of over 19m wet metric tonnes (WMT), versus 17.9WMT in 2014.
- At London Metal Exchange, nickel stocks nearly doubled in 18 months to record highs above 470,000t in June, driving prices down 27% this year.



Daily	US\$/bbl	WoW %Δ
24-Jul-15	54.62	
27-Jul-15	53.47	
28-Jul-15	53.30	
29-Jul-15	53.38	
30-Jul-15	53.31	
31-Jul-15	52.21	
		-4.41

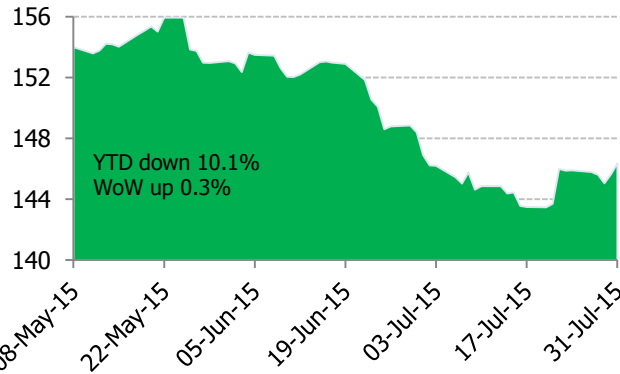
- Brent posted its biggest monthly drop since the 2008 financial crisis on after a string of losses in Jul-15 triggered by China's stock market slump and signs that top Middle East producers were pumping crude at record levels.
- A higher US oil rig count for a 2nd straight week added to the market's downside during the past week despite a weaker dollar, which would normally support commodities.
- Organisation of Petroleum Exporting Countries (OPEC) policymakers seem confident in a sustained recovery of oil prices from this year's as they project a demand improvement and a more balanced market in 2016.
- This also signifies that the group is sticking to its policy of defending market share.

Equities 90-Day Index Charts

Zimbabwe



ZSE Industrial Index

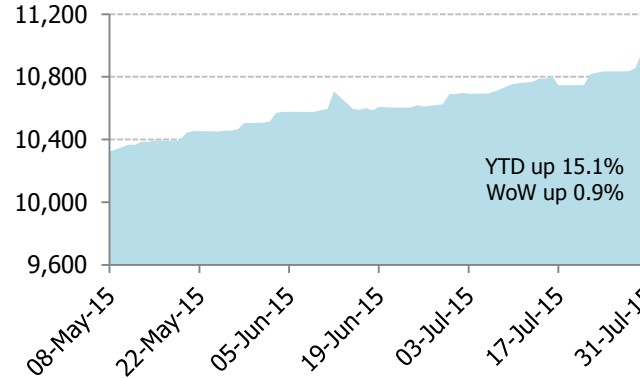


- Private firms have imported 101,716t of maize to augment domestic supply after a poor harvest due to drought

Botswana



BSE DCI

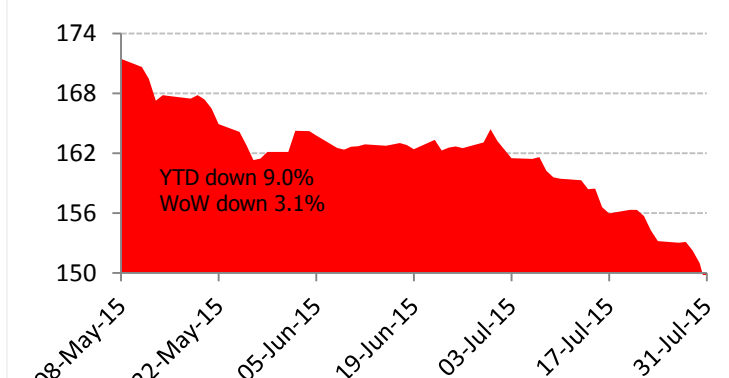


- Cupric Canyon Capital, a private equity firm backed by a unit of Barclays Plc, will spend US\$200m to bring its copper-silver mine to production.

Kenya



NSE All Share Index

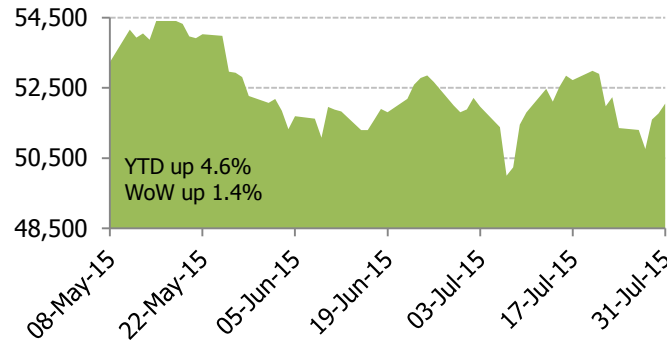


- Loss-making Kenya Airways, which has been hit by a slump in tourism in the African country, may require a US\$500-600m bailout.

South Africa



JSE All Share Index

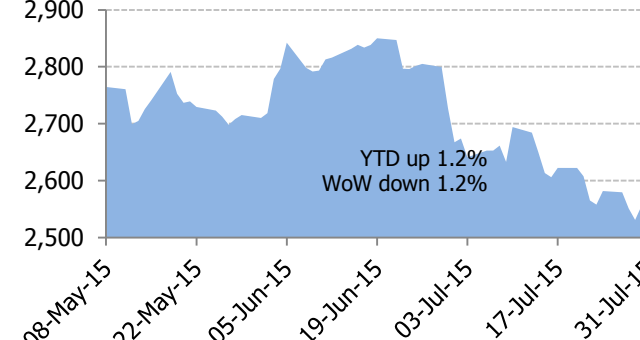


- SA's mining sector is in crisis as it struggles with widespread job losses and lower commodity prices.

Tanzania



DSE Index

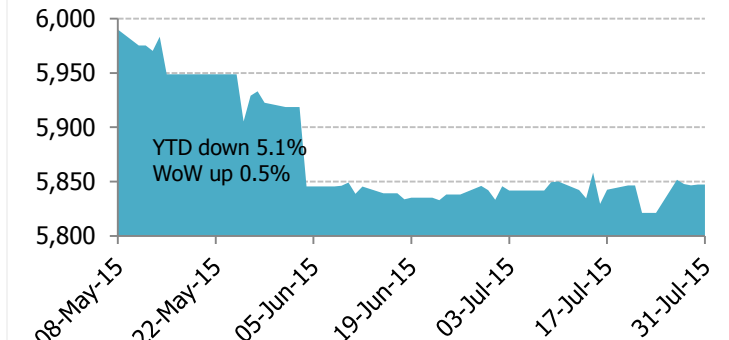


- Four main opposition parties named former Prime Minister Edward Lowassa, once seen as a leading contender for the ruling party nomination, as their joint presidential candidate.

Zambia



LuSE



- Dangote, Nigeria's largest cement maker, plans to double investment in Zambia to around US\$900m by building a second cement plant.

Foreign Exchange Markets

	USD/BWP	USD/MZN	USD/TZS	USD/ZMW	USD/ZAR	EUR/USD	GBP/USD
Wk Ending							
24-Jul-15	10.06	38.22	2,071	7.57	12.50	1.093	1.548
Daily							
27-Jul-15	10.07	38.25	2,084	7.66	12.59	1.109	1.553
28-Jul-15	10.07	38.31	2,098	7.67	12.62	1.106	1.556
29-Jul-15	10.06	38.31	2,084	7.64	12.58	1.106	1.562
30-Jul-15	10.10	38.57	2,097	7.64	12.62	1.097	1.562
31-Jul-15	10.14	38.69	2,115	7.66	12.74	1.094	1.557
WoW %Δ	0.81	1.23	2.12	1.22	1.89	0.07	0.54
YTD %Δ	6.59	22.28	22.14	19.99	9.62	-10.01	0.01

	ZAR/BWP	ZAR/MZN	ZAR/ZMW	ZAR/TZS
Wk Ending				
24-Jul-15	0.803	3.03	0.597	168
Daily				
27-Jul-15	0.801	3.03	0.605	165
28-Jul-15	0.800	3.05	0.611	164
29-Jul-15	0.801	3.05	0.609	166
30-Jul-15	0.801	3.04	0.601	167
31-Jul-15	0.797	3.06	0.606	167
WoW %Δ	-0.78	0.99	1.54	-0.41
YTD %Δ	-3.00	11.27	9.70	13.05

Exchange Rate Developments

- The US dollar depreciated against a basket of currencies, ending a decent month on a sour note as a record-low rise in US employment costs in the Q2:15 dented hopes that the Fed Reserve would raise interest in Sep-15.
- However, a stronger-than-forecast report on US Midwest factory activity took some of the sting out of the employment report.
- The euro turned a bit stronger against many currencies in the wake of encouraging inflation data in the euro zone.
- SA's rand touched a new 14-year low against the dollar on the 31st of Jul despite data showing a surplus in the trade balance for the 2nd month in a row.
- The trade balance data was expected to bolster the rand easing fears about how well SA will cope with US monetary policy normalisation, given the country's large current account deficit.
- All BancABC markets' currencies depreciated against the dollar with the Tanzanian Shilling losing the most, as the country prepares for Oct general elections.
- However, the TZS and BWP appreciated against the ZAR whilst the MZN and ZMW depreciated. Both the MZN and ZMW are being affected by weaker dollar inflows due to low investment and depressed commodity prices.

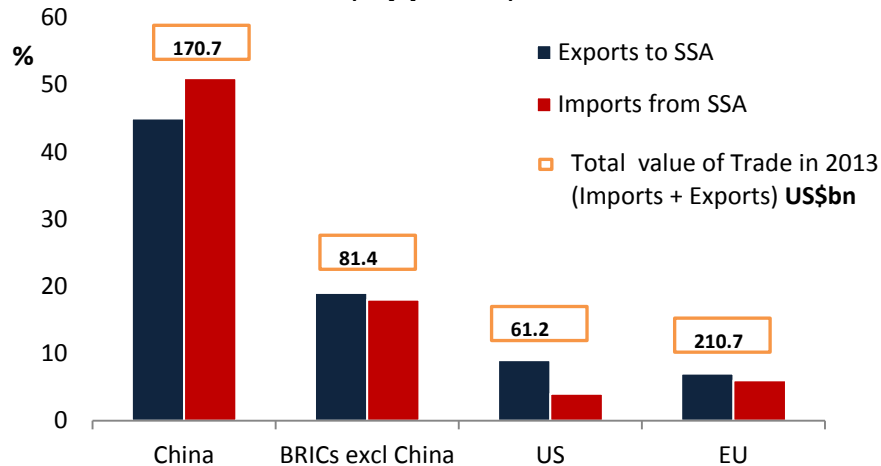
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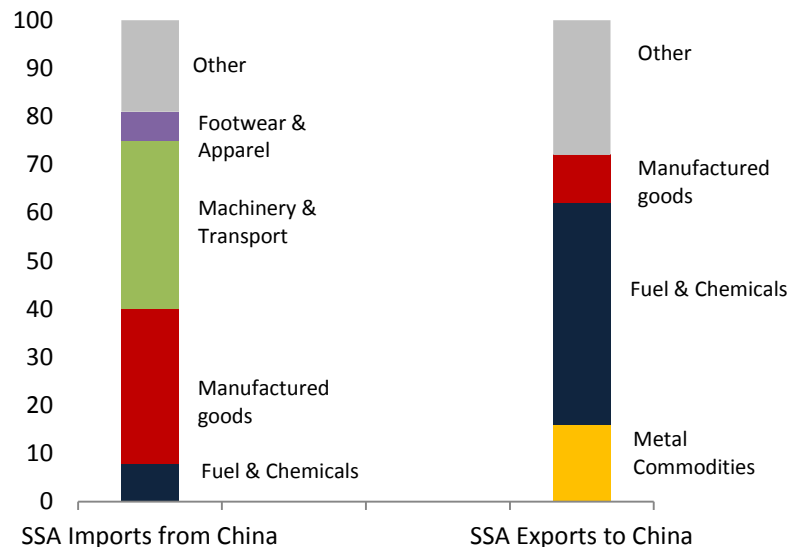
Contact telephone numbers: 369701-16; 752383-5

Appendix: Linkages between China and Sub Saharan Africa (SSA)

Growth in SSA trade flows, by partner, 2000–13



SSA's trade flows with China, 2013 (%)



China Increasing Presence in SSA

- China's economic ties with SSA have expanded greatly over the past decade. Trade increased from negligible levels in 2000 to more than US\$170bn in 2013.
- Chinese direct investment in SSA has grown more than six-fold. China's official development assistance to SSA expanded from US\$0.5bn in 2000 to US\$3.2bn in 2013.
- The relationship is complex, involving multiple and diverse state actors in China, often coordinating with state-owned and private corporations in a range of sectors across countries in SSA.
- Although commodities and associated infrastructure projects have tended to dominate the relationship, Chinese investment in other sectors is also increasing, notably in manufacturing.

Nature of China's involvement in SSA

- China has become a prominent trade and financial partner for SSA. Trade with China is growing much faster than that with the US and the EU.
- China surpassed the US to become the region's largest trading in 2009. In 2013, trade flows with China accounted for 22% of the region's total trade with the rest of the world.

Trade

- SSA's trade with China is dominated by commodities. Oil, gas, and metals account for the bulk of SSA's exports to China, although the region's exports to the US, the EU and major emerging market economies are even more concentrated in commodities
- In contrast, the region's imports from China are diverse. About one third comprise capital goods, including vehicles, generators, telecommunications equipment, and factory machinery.
- Consumer and manufacturing goods account for the remainder and are about three times as large as imports from the US and the European Union.

Investment and Development Finance

- China is the largest developing country foreign investor in Africa. The officially reported stock of Chinese FDI in Africa was estimated at US\$21bn in 2012, having doubled since 2009. The largest share of FDI is directed towards the resource sector, notably in Angola, Chad, Niger, Nigeria, Sudan, and Zambia.
- Africa is the largest recipient of Chinese development financing and its share is increasing. Africa received nearly half of the cumulative US\$54bn provided by China in global foreign aid in 2012.