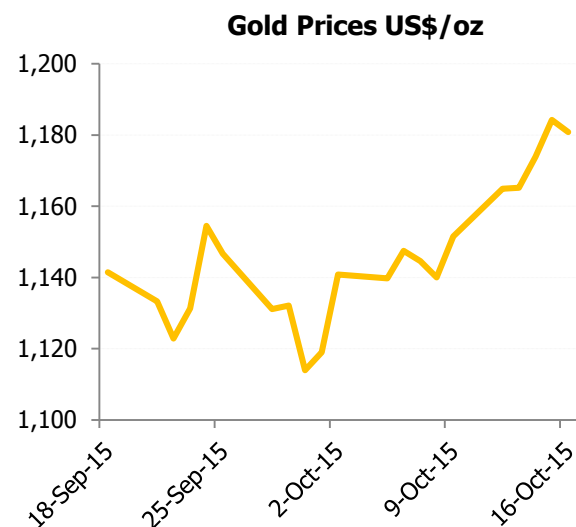


WEEKLY ECONOMIC REVIEW

Commodity 30-Day Price Chart

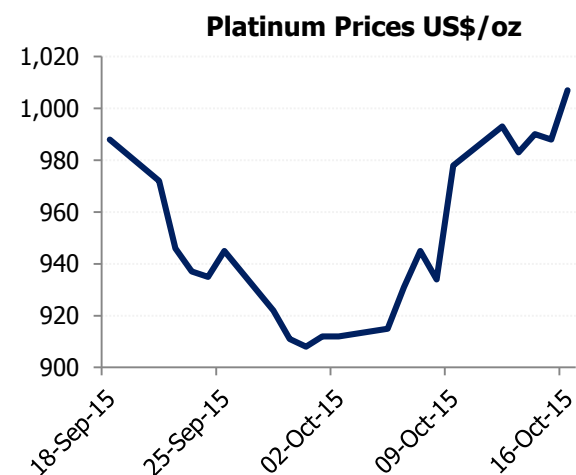


Commodity Prices

Daily	US\$/oz	WoW %Δ
9-Oct-15	1,152	
12-Oct-15	1,165	
13-Oct-15	1,165	
14-Oct-15	1,174	
15-Oct-15	1,184	
16-Oct-15	1,181	
		2.54

Commodity Developments

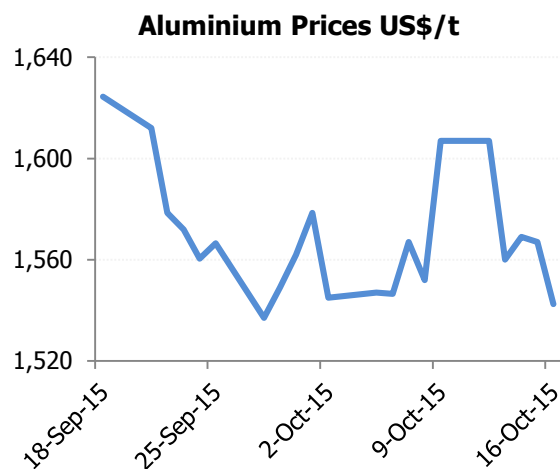
- Gold prices slipped on the 16th of Oct as a recovering USD pulled bullion prices off a 3-and-half month high, but the metal still notched a weekly rise after gaining in previous days on bets against a US interest rate hike.
- There is high uncertainty in the market about when the Fed will raise rates with some expecting it next year whilst some bets that a rate hike is still possible by Dec-15. The yellow metal is expected to remain under pressure until there is rate rise or at least an announcement.
- In Zim, gold output is expected to rise this year to 18.4t, the highest level in 11yrs, due to higher production from small-scale miners. On Jul 30, the Gvt cut royalties levied on small-scale gold producers to 1% from 3% but retained the levy on large mines. However, large gold miners have asked the Gvt to cut royalties and electricity tariffs by half to prevent the collapse of mines struggling with low bullion prices.
- In DRC Kibali mine is on track to beat its 600,000oz production guidance for this year. The DRC possesses enormous mineral resources and has the potential to become one of Africa's wealthiest countries.



Daily	US\$/oz	WoW %
9-Oct-15	978	
12-Oct-15	993	
13-Oct-15	983	
14-Oct-15	990	
15-Oct-15	988	
16-Oct-15	1,007	
		2.97

- Platinum price surged to its highest since the 3rd of Sep-15, buoyed by data showing strong auto sales. Platinum is used as a catalyst in auto engines.
- In SA, the statistics office reviewed that growth in mining output slowed to 3.8% YoY in Aug-15, compared with the 4% YoY increase recorded in Jul-15. Highest positive growth rates were recorded for platinum-group metals (PGMs), which made the biggest positive contributions of 7.6 percentage points.
- However, the biggest jump in PGMs may be as a result of last year's low base from the 5-month platinum mining strike. Excluding PGMs production from the statistics figures, the numbers reveal that production would, in fact, have contracted 3.8% YoY. SA is the world's number 1 producer of PGMs.
- In Zim, the Gvt announced that it could re-impose a 15% tax on raw platinum ore exports if mining companies do not deliver on pledges to build smelters and refineries to help boost the local economy.
- The export tax was introduced in Jan-15 but suspended in Jul-15 after mining companies, including Anglo American Platinum, Impala and Aquarius, agreed to support local metal processing.

Commodity 30-Day Price Chart



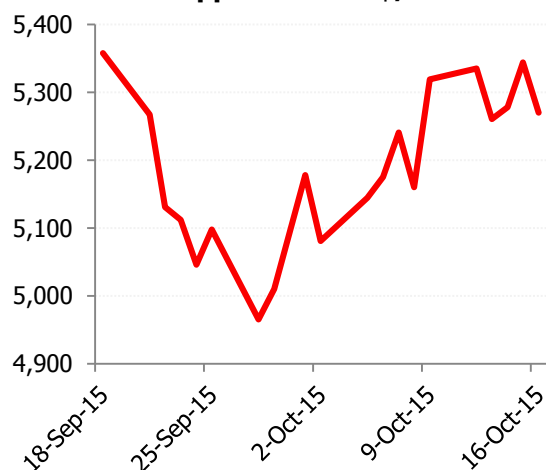
Commodity Prices

Daily	US\$/t	WoW %Δ
9-Oct-15	1,607	
12-Oct-15	1,607	
13-Oct-15	1,560	
14-Oct-15	1,569	
15-Oct-15	1,567	
16-Oct-15	1,543	
		-4.01

Commodity Developments

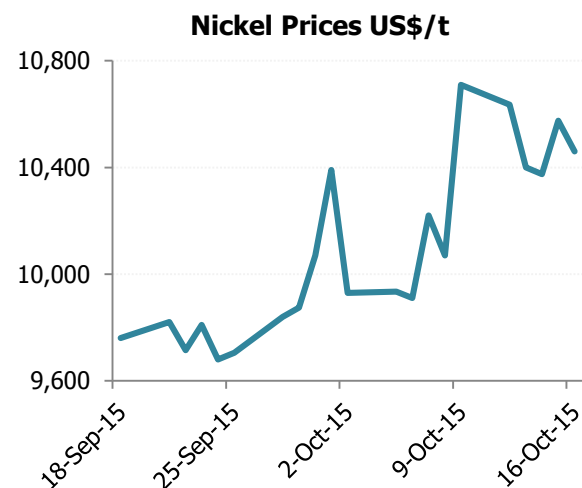
- Aluminium Corp of China (Chinalco), the country's top producer of the metal, plans to shut down its biggest smelter which accounts for about an eighth of its total capacity due to low prices.
- The shutdown reflects mounting pressure on even state-owned companies in the face of slower Chinese economic growth and the resultant depressed commodity prices.
- An expected El Nino weather pattern that is to be the strongest in nearly 20yrs looks set to boost production of bauxite, nickel ore and tin in 2016. The weather pattern is associated with low rainfalls in Australia and South Asia, major mining regions of bauxite used to produce aluminium, nickel and tin.
- A shorter monsoon in Indonesia the Philippines and Malaysia can help miners produce more tin, nickel and bauxite as dry weather conditions are good for mining activities.
- Copper slid from near a one-month high on the 16th of Oct-15 as a stronger USD weighed on the market and planned output cuts failed to ease concerns over ample supplies.
- Recent weak Chinese data had fuelled expectations for further economic stimulus measures, including a boost to infrastructure spending that could help copper demand in the short term.
- The Democratic Republic of Congo (DRC), Africa's top copper producer is expected to produce about 1m tonnes of the metal for the 2nd consecutive year in 2015. However, production might drop to just below 1m tonnes due to Glencore's suspension of operations at its Katanga Mining unit, one of Congo's largest copper mines.
- CNMC Luanshya Copper Mines Plc in Zambia sent home 39 expatriates, of whom most are reportedly from China. The expatriates worked at Baluba Mine, which was placed under care and maintenance last month. The mine has also sent over 1,640 workers on forced leave.

Copper Price US\$/t



Daily	US\$/t	WoW %Δ
9-Oct-15	5,319	
12-Oct-15	5,335	
13-Oct-15	5,261	
14-Oct-15	5,278	
15-Oct-15	5,344	
16-Oct-15	5,270	
		-0.92

Commodity 30-Day Price Chart

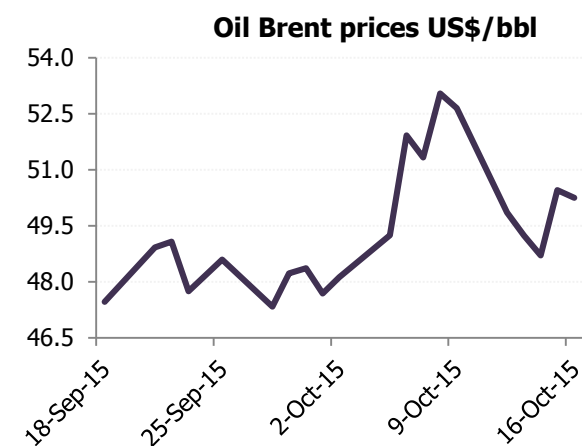


Commodity Prices

Daily	US\$/t	WoW %Δ
9-Oct-15	10,710	
12-Oct-15	10,635	
13-Oct-15	10,400	
14-Oct-15	10,375	
15-Oct-15	10,575	
16-Oct-15	10,460	
		-2.33

Commodity Developments

- Global nickel prices may have hit bottom and production cuts could hasten a recovery in the metal that has lost nearly a 3rd of its value this year, according to Nickel Asia Corp, Philippines top nickel ore miner.
- The Philippines became the biggest supplier of nickel ore to China after Indonesia banned shipments in Jan-14. Nickel ore is used to make nickel pig iron (NPI), a cheaper substitute for refined metal in producing stainless steel.
- However, a unit of China steel producer Tsingshan Group is set to triple its capacity to produce nickel pig iron in Indonesia as soon as May-16. This means that increased Indonesian nickel pig iron output will tamper any remaining hopes for international nickel prices to climb off 6-yr lows.
- The firm is developing 3 smelters at the site, which once completed will have a combined annual output capacity of 1.2m tonnes of nickel pig iron, containing 120,000t of nickel. The group expects all three smelters to be completed by June 2017. Indonesia is a nickel major producer.



Daily	US\$/bbl	WoW %Δ
9-Oct-15	52.65	
12-Oct-15	49.86	
13-Oct-15	49.24	
14-Oct-15	48.71	
15-Oct-15	50.46	
16-Oct-15	50.25	
		-4.56

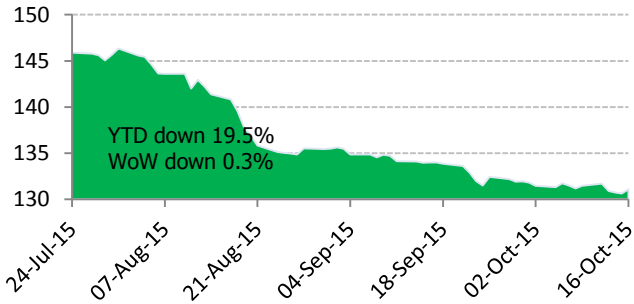
- Oil prices ended the week lower after the US reported a larger-than-expected crude stockpile build.
- The slide began on the 12th of Oct despite a bit of recovery on the 15th of Oct on worries about record OPEC production.
- Relentless OPEC supply and worries about rising US stockpiles have weighed on crude prices again during the week, after a sharp market rebound in the 1st week of Oct.

Equities 90-Day Index Charts

Zimbabwe



ZSE Industrial Index

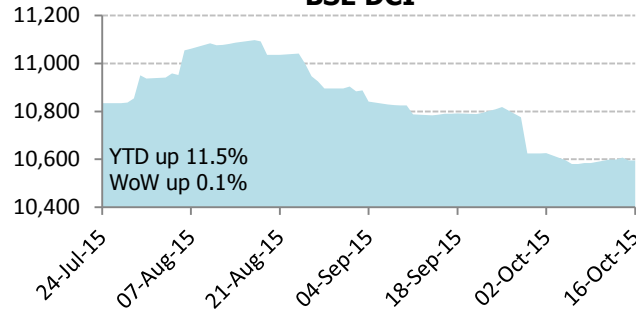


- Zimbabwe will seek fresh loans from the World Bank, IMF and African Development Bank (AFDB) as it struggles with slowing growth, subdued commodity prices and high unemployment.

Botswana



BSE DCI

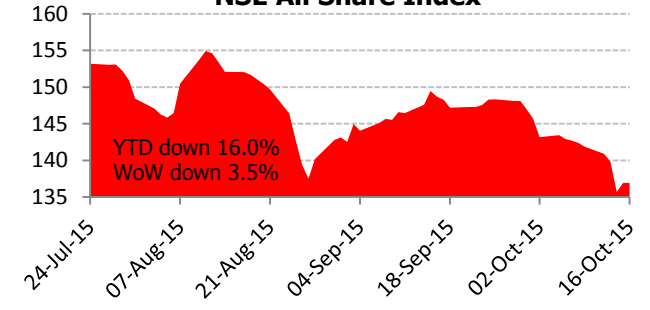


- Botswana's mining production index fell to 98.5 in Q2:15, a YoY contraction of 7.6%, triggered by a slowdown in the diamond and copper mining sectors.

Kenya



NSE All Share Index

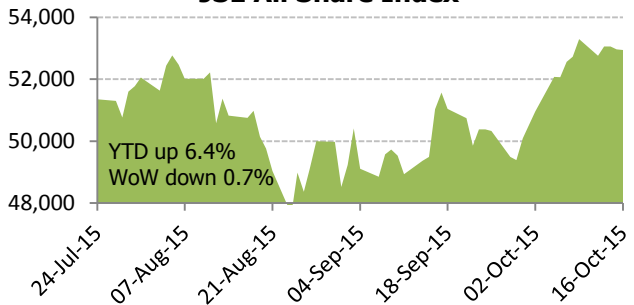


- The World Bank trimmed Kenya's growth forecast for this year and 2016, saying east Africa's biggest economy was facing headwinds from currency volatility and tighter monetary policy.

South Africa



JSE All Share Index

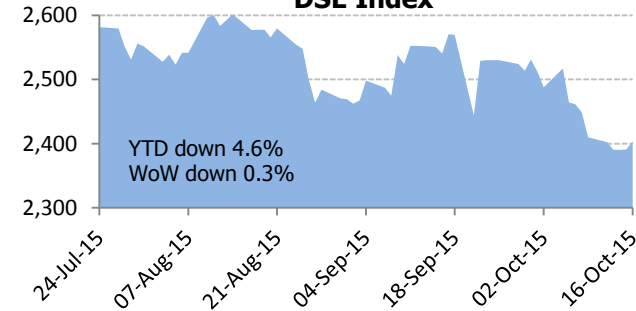


- SA's grocer Shoprite Holdings reported slowing Q3:15 sales, hit by weaker economic growth and lacklustre demand from its core customers.

Tanzania



DSE Index

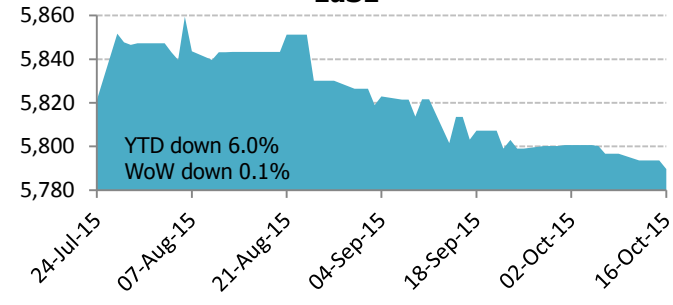


- Tanzania started construction work on a US\$10bn port and special economic zone project, backed by China and Oman, which aims to transform the East African country into a regional trade and transport hub.

Zambia



LuSE



- Zambians took part in a national day of prayer on the 18th of Oct seeking divine help for the country's economic woes following a collapse in global copper prices.

Foreign Exchange Markets

	USD/BWP	USD/MZN	USD/TZS	USD/ZMW	USD/ZAR	EUR/USD	GBP/USD
Wk Ending							
9-Oct-15	10.32	40.85	2,172	11.79	13.36	1.132	1.535
Daily							
12-Oct-15	10.31	---	2,176	11.74	13.29	1.138	1.536
13-Oct-15	10.32	41.04	2,180	11.68	13.45	1.140	1.526
14-Oct-15	10.37	41.14	---	11.68	13.44	1.141	1.529
15-Oct-15	10.24	41.29	2,185	11.66	13.16	1.144	1.548
16-Oct-15	10.21	41.43	2,191	11.72	13.16	1.136	1.546
WoW %Δ	-1.02	1.42	0.86	-0.59	-1.56	0.33	0.68
YTD %Δ	7.35	30.94	26.50	83.51	13.68	-6.57	-0.69

	ZAR/BWP	ZAR/MZN	ZAR/ZMW	ZAR/TZS
Wk Ending				
09-Oct-15	0.775	3.08	0.888	161
Daily				
12-Oct-15	0.774	---	0.884	163
13-Oct-15	0.773	3.05	0.867	163
14-Oct-15	0.769	3.10	0.874	---
15-Oct-15	0.776	3.13	0.886	161
16-Oct-15	0.780	3.17	0.891	165
WoW %Δ	0.54	2.92	0.36	2.48
YTD %Δ	-5.12	15.27	61.22	11.49

Exchange Rate Developments

- The USD appreciated against major currencies on the 16th of Oct after strong US economic data kept alive bets the Fed Reserve would raise interest rates this year.
- Mozambique's Central Bank, Banco de Mocambique (BM), has raised its key lending rates by 25 base points to 7.75% up from 7.5% since Nov-14 to help stabilise the currency and control inflation.
- Bank of Zambia (BoZ), raised the foreign exchange (FX) transaction limits for companies and individuals holding accounts with commercial banks from US\$5,000 to US\$100,000/day.
- The move by BoZ is aimed at encouraging foreign currency deposits (FCAs), boost confidence in FX market and help ease pressure on the Kwacha.
- The ZAR, BWP and ZMW all appreciated against the USD whilst the MZN and TZS depreciated.
- With intensified preparations for elections scheduled for the 25th of Oct in Tanzania, the TZS is likely to remain under pressure.
- All BancABC markets' currencies depreciated against the ZAR.

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Contact telephone numbers: 369701-16; 752383-5

APPENDIX: WORLD ECONOMIC DEVELOPMENTS AND PROJECTIONS

2003-2007

The Great Bubble

- Advanced economies powered global economic growth.
- Emerging markets also grew rapidly, especially China and India.
- Oil and metals prices hit new highs. Prices were supported by tight spare capacity in global markets against the background of buoyant GDP growth.
- Low-income countries also maintained an impressive growth performance, helped by strong commodity prices.
- Growth was also fuelled partly by massive asset bubble in the US and parts of Europe.
- Major central banks tightened their monetary policy, and with rising inflation, led to some weaknesses in advanced economies' equity markets.
- Global imbalances between creditor and indebted nations grew to unsustainable levels.
- The excesses and imbalances of "The Great Bubble" led to the Global Financial Crisis of 2008-2009.

2008-2013

Global Crisis & a rise in Emerging Markets

- Global economy enters into a major financial crisis in 2008-09.
- The economic slowdown was greatest in the advanced economies, particularly in the US where the housing market correction exacerbated financial stress.
- Emerging markets decoupled and continued to grow without support from advanced economies.
- Growth was driven in part by unsustainable fiscal stimulus in China and elsewhere, and by US monetary easing.
- Emerging markets drove the global economy as advanced economies shrank or stagnated.
- Commodities which plummeted Q4-2008 began to recover in 2009 despite slowing global activity, driven by strong demand from emerging economies, particularly China and India.
- Interest rates fell to near zero in advanced economies.

2014-2020

Growth Divergence

- Economic growth rates varying across markets although converging at lower levels.
- In all economies, growth will be tied increasingly to proactive structural reforms that unlock underlying growth potential.
- This marks a return to reality and normalcy in which fundamentals and policy choices decides macro-economic growth trends.
- Across Emerging Markets, growth through 2020 will be lower and more divergent than during 2008-13 period. The slowdown is primarily driven by economic slowdown in China.
- Chinese authorities face difficult trade-offs in their objectives of achieving a transition to more consumption-driven growth without activity slowing too much, while also reducing financial vulnerabilities and implementing reforms to strengthen the role of market forces in the economy.
- As such, commodity prices are expected to remain lower although there is bias towards upward risks.