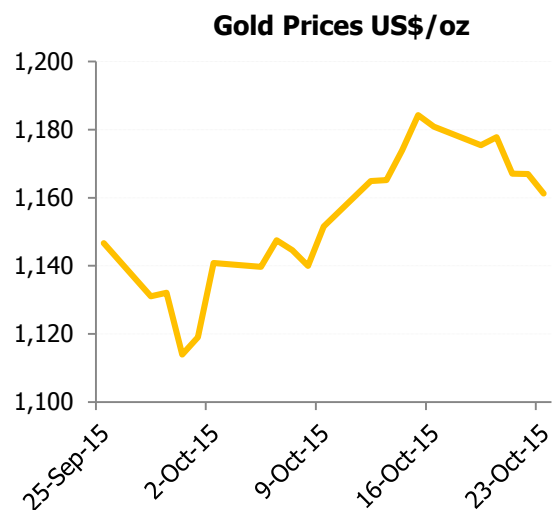


WEEKLY ECONOMIC REVIEW

Commodity 30-Day Price Chart

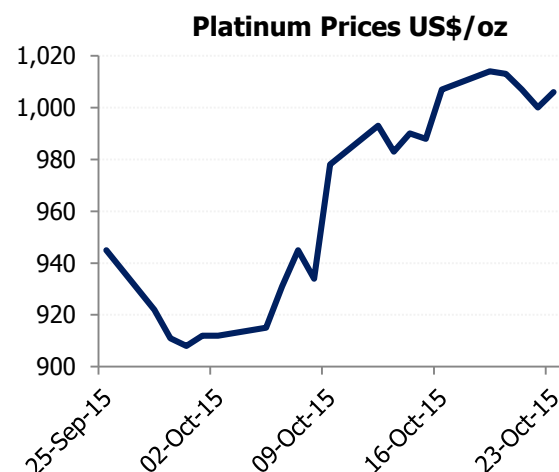


Commodity Prices

Daily	US\$/oz	WoW %Δ
16-Oct-15	1,181	
19-Oct-15	1,175	
20-Oct-15	1,178	
21-Oct-15	1,167	
22-Oct-15	1,167	
23-Oct-15	1,161	
		-1.66

Commodity Developments

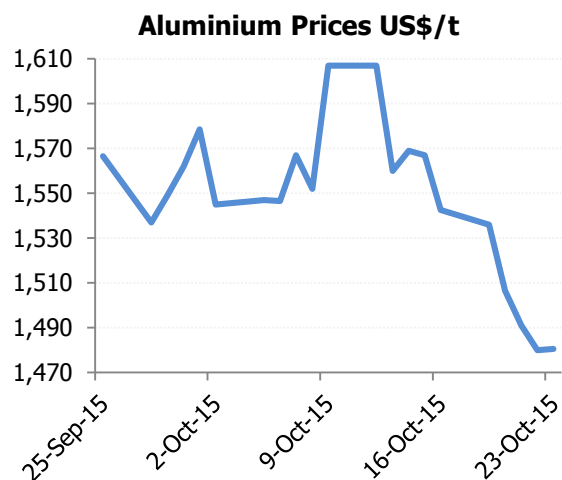
- Gold prices fell as the US dollar soared to its highest level in more than 2 months and equities raced higher after China eased monetary policy for the 6th time in a year, reviving expectations of a US rate hike.
- Gold has languished at 5-yr lows in recent months on expectations the Fed will raise rates this year, potentially lifting the opportunity cost of holding non-yielding bullion.
- Concerns over the health of the global economy have recently pushed back expectations of rate hike into 2016. However, a further stimulus in China and upbeat US data have increased the likelihood of a rate rise in Dec-15.
- In production, East Africa-focused Shanta Gold has delivered record quarterly production of 24,522oz of gold for the 3 months to Sep-15, benefiting from a 33% QoQ lift in gold ore grade efficiencies and a 25% increase in tons milled over the quarter at its Tanzania-based New Luika gold mine.



Daily	US\$/oz	WoW %
16-Oct-15	1,007	
19-Oct-15	1,014	
20-Oct-15	1,013	
21-Oct-15	1,007	
22-Oct-15	1,000	
23-Oct-15	1,006	
		-0.10

- Platinum has remained trading at multiyear low due to significant demand uncertainty in the key markets of auto-catalysts, jewellery and investment.
- In Zimbabwe, platinum miner Mimosa recorded a 15% decline in revenue to US\$53m in the quarter ended Sep-15 weighed down by falling commodity prices.
- In a statement accompanying the results, Mimosa sees no fundamental reason to be optimistic about PGM prices in the short term and therefore plans to continue to implement all possible cost savings measures to preserve cash levels.
- Elsewhere, Anglo American Platinum (Amplats) postponed all major capital investment decisions to at least 2017 due to low prices.

Commodity 30-Day Price Chart

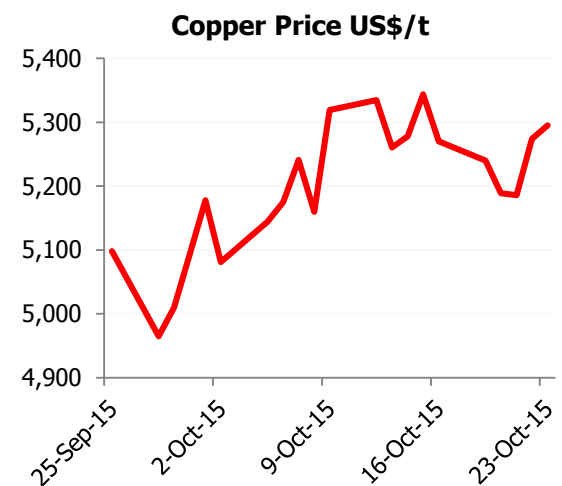


Commodity Prices

Daily	US\$/t	WoW %Δ
16-Oct-15	1,543	
19-Oct-15	1,536	
20-Oct-15	1,507	
21-Oct-15	1,491	
22-Oct-15	1,480	
23-Oct-15	1,481	
		-4.02

Commodity Developments

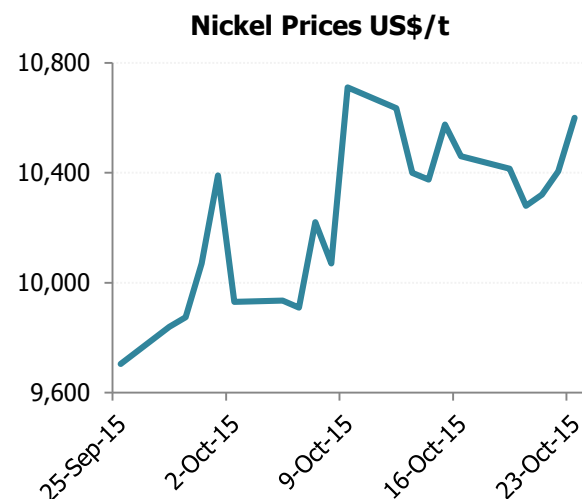
- Aluminium prices dropped to new 5-yr lows and the metal is trading at levels seen during the depths of the Global Financial Crisis when price fell as far as US\$1,279/t in Feb 2009.
- At such depressed price levels, around 90% of China's huge aluminium smelter sector is operating at a loss, according to consultancy AZ China. However, Chinese production is still rising benefiting from Gvt subsidies.
- The World's 2nd biggest economy continues to pump its surplus out to the rest of the world, depressing prices and pushing more smelters elsewhere to the brink of closure.
- Developments in this sector are shaping up to be a battle for survival with increasingly geopolitical overtones as the US aluminium industry leads the fight-back against Chinese exports.



Daily	US\$/t	WoW %Δ
16-Oct-15	5,270	
19-Oct-15	5,240	
20-Oct-15	5,189	
21-Oct-15	5,186	
22-Oct-15	5,274	
23-Oct-15	5,295	
		0.47

- Copper prices surged from growing optimism after top metals consumer China cut interest rates for the 6th time this year to boost its slowing economy.
- However, gains were limited by a strong USD as it makes commodities priced in the US currency more expensive to holders of other currencies.
- In the Democratic Republic of Congo (DRC), Africa's number 1 copper producer, the decision by Glencore to halt some production is estimated to cost the Gvt about 200-bn Congolese francs (US\$216m) in lost revenue next year.
- Losing the revenue will make it harder for DRC to pay for regional and national elections, including a presidential election in Nov-16.
- Glencore announced last month that it would suspend production at its Katanga Mining unit for 18 months as it pursues a US\$880m modernisation project to lower costs. The mine accounts for about 15% of copper production in DRC.

Commodity 30-Day Price Chart

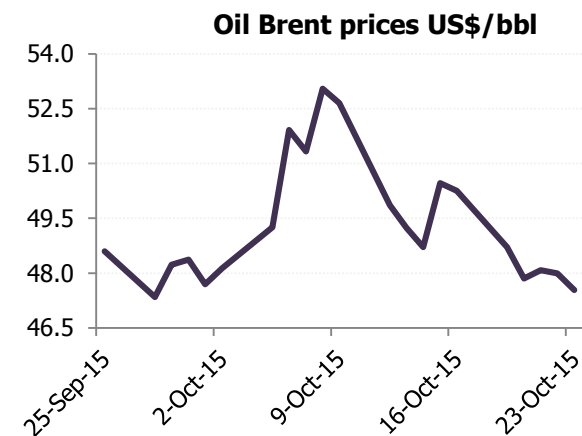


Commodity Prices

Daily	US\$/t	WoW %Δ
16-Oct-15	10,460	
19-Oct-15	10,415	
20-Oct-15	10,280	
21-Oct-15	10,320	
22-Oct-15	10,405	
23-Oct-15	10,600	
		1.34

Commodity Developments

- Nickel mining companies are struggling to stay afloat with some delaying investment programmes due to depressed prices.
- Africa's only integrated nickel mining and smelting company Bindura Nickel Corporation (BNC) is said to have stopped two of its major projects due to funding constraints and weaker prices.
- BNC is alleged to have stopped the Trojan Mine restart programme and re-deep project as the mining company cash flows have dwindled due to a decline in nickel prices.
- Brazilian miner Vale SA posted a net loss of US\$2.1bn in Q3:15 due to low iron ore and nickel prices and a weakening currencies against the USD.



Daily	US\$/bbl	WoW %Δ
16-Oct-15	50.25	
19-Oct-15	48.71	
20-Oct-15	47.85	
21-Oct-15	48.08	
22-Oct-15	47.99	
23-Oct-15	47.54	
		-5.39

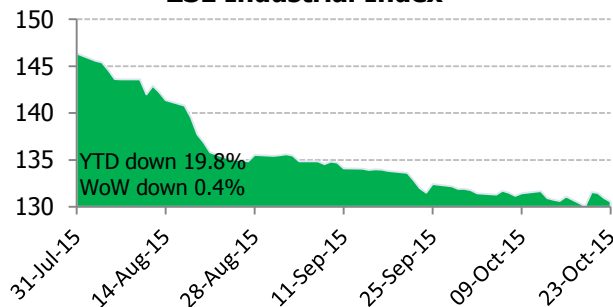
- Oil prices fell to multi-week lows on the persistent global supply glut.
- Iraq's southern oil exports have reached 3.10m barrels so far this month, indicating continued high output from the larger members of the Organization of the Petroleum Exporting Countries (OPEC).
- Crude oil and oil product data expected on the 28th of Oct-15 from the Department of Energy's Energy Information Administration (EIA) is expected to show further stockpiling at a time when the world's largest oil exporters are pumping at record rates to retain market share.

Equities 90-Day Index Charts

Zimbabwe



ZSE Industrial Index

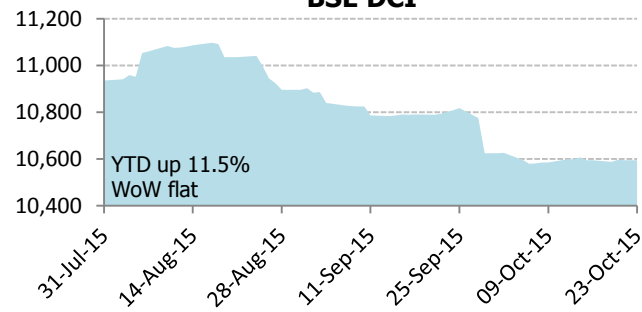


- Zim will seek fresh loans from the World Bank, IMF and African Development Bank (AfDB) as it struggles with slowing growth, subdued commodity prices and high unemployment.

Botswana



BSE DCI

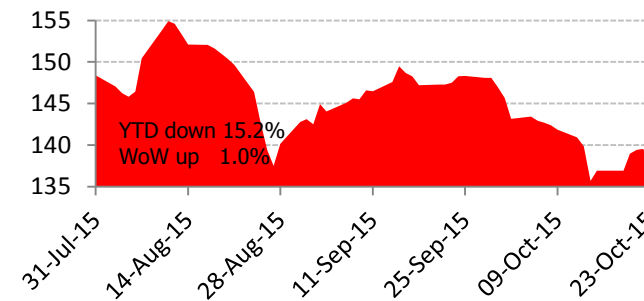


- Funders of a US\$4.2bn coal-to-liquids plant will next year start construction of the project, which aims to tap more than 200bn tonnes of coal resources to reduce reliance on petroleum product imports.

Kenya



NSE All Share Index

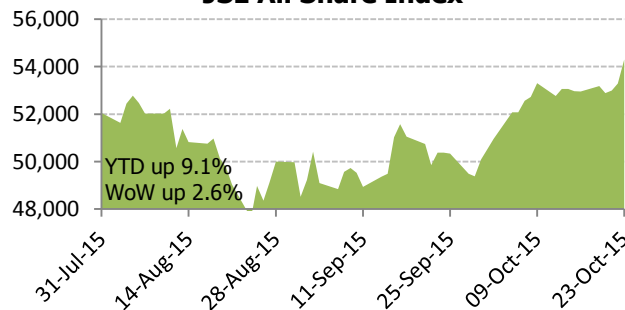


- The value of coffee sold at auctions fell 18% to US\$142.5m in the crop year to Sep-15, hit by lower volumes. Drought conditions early in the year affected the crop especially in the central Kenya growing areas.

South Africa



JSE All Share Index

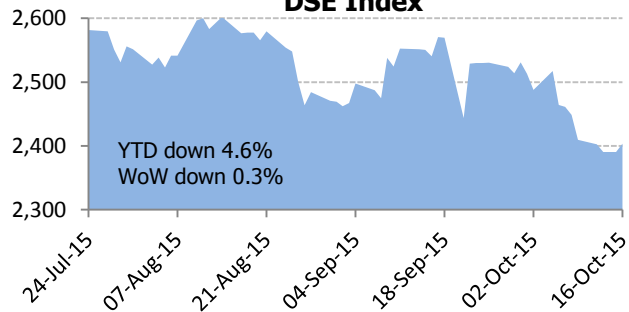


- SA maize farmers intend to plant 2.55m hectares of the staple grain in the 2016 season, its lowest level since 2011 due to expectation of a drought, the country's Crop Estimates Committee (CEC) said.

Tanzania



DSE Index

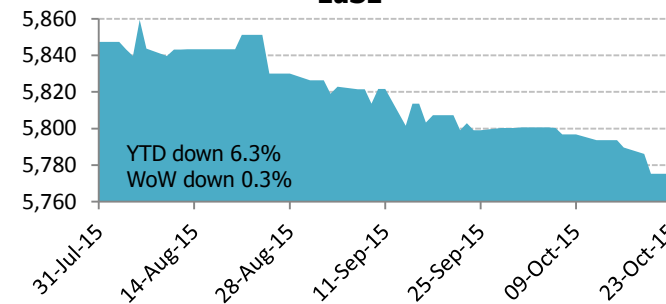


- Tanzania plans to introduce derivatives trading on the DSE over the next few months, the bourse's chief executive said, in a bid to deepen investor interest and modernise the fledgling bourse.

Zambia



LuSE



- Tanzania will pay US\$2.71m to bail out the Tanzania-Zambia Railway Authority (TAZARA), a railway firm that connects DRC and Zambia to Tanzania's Indian Ocean port.

Foreign Exchange Markets

	USD/BWP	USD/MZN	USD/TZS	USD/ZMW	USD/ZAR	EUR/USD	GBP/USD
Wk Ending							
16-Oct-15	10.21	41.43	2,191	11.72	13.16	1.136	1.546
Daily							
19-Oct-15	10.21	41.46	2,196	12.01	13.04	1.136	1.547
20-Oct-15	10.29	41.46	2,212	12.08	13.23	1.136	1.548
21-Oct-15	10.32	41.52	2,216	12.10	13.40	1.137	1.544
22-Oct-15	10.38	41.56	2,181	12.14	13.55	1.131	1.551
23-Oct-15	10.37	41.62	2,162	12.10	13.39	1.113	1.540
WoW %Δ	1.56	0.46	-1.32	3.25	1.76	-2.04	-0.36
YTD %Δ	9.02	31.54	24.82	89.46	15.68	-8.47	-1.04

	ZAR/BWP	ZAR/MZN	ZAR/ZMW	ZAR/TZS
Wk Ending				
16-Oct-15	0.780	3.17	0.891	165
Daily				
19-Oct-15	0.780	3.14	0.908	167
20-Oct-15	0.775	3.14	0.913	166
21-Oct-15	0.774	3.08	0.896	164
22-Oct-15	0.768	3.08	0.898	162
23-Oct-15	0.776	3.08	0.897	161
WoW %Δ	-0.49	-2.84	0.65	-2.42
YTD %Δ	-5.59	12.00	62.27	8.78

Exchange Rate Developments

- The USD appreciated against major currencies supported by strong US data and monetary easing in top commodities consumer China.
- SA's Rand appreciated against the USD on the 23rd of Oct after heavy losses earlier in the week after a downbeat medium term budget, but remains vulnerable to investors' concerns over the struggling economy.
- Investors were also keeping an eye on week-long disturbances by university students protesting against fees hike. Unemployment level also increased from 25% to 25.5% in a sign that Africa's most advanced economy is struggling.
- In Zambia, central bank announced that it will not compromise economic growth as it tries to address inflationary pressures arising from this year's sharp depreciation of the kwacha.
- The kwacha has more than halved in value against the dollar this year as lower copper prices have hit Africa's 2nd biggest producer of the metal. A domestic electricity crunch has added to the problems for the economy, which is now forecast to grow by 4.6% this year, the slowest by comparison to recent years.
- Although there are some jitters in Tanzania as a result of elections, the Shilling has remained fairly stable.
- All BancABC markets' currencies appreciated against the ZAR except for the Zambian kwacha.

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: MAJOR CROSS BORDER AND INTERNATIONAL BANKS IN AFRICA

Name	Number of African Countries	Location of Headquarters	Majority Ownership
Ecobank	32	Togo	SA
United Bank for Africa (UBA)	19	Nigeria	Nigeria
Standard Bank Group (Stanbic)	18	SA	SA
Banque Marocaine du Commerce Extérieur (BMCE)	18	Morocco	Morocco
Société Générale	17	France	France
Citigroup	15	USA	USA
Standard Chartered	15	UK	UK
Barclays	15	UK	UK
Banque Sahélo Saharienne pour l'Investissement et le Commerce (BSIC)	14	Libya	Libya
BNP Paribas	13	France	France
Attijariwafa Bank	12	Morocco	Morocco
Bank of Baroda	9	India	India
Access Holding	5	Germany	Unknown
Albaraka Bank (Group)	5	Bahrain	Bahrain
HBL Pakistan (Habib Bank Ltd.)	5	Pakistan	Tanzania
International Commercial Bank (ICB)	5	Switzerland	Malaysia
Rabobank	5	Netherlands	Netherlands
BancABC part of Atlas Mara	5	SA	UK

- Over the past two decades, the banking systems of Africa have undergone significant structural changes.
- Similarly, the ownership structure of Africa's banks has undergone significant transformation, with foreign banks dominating in many countries.
- Foreign bank ownership in Africa can be grouped into two categories:
 - a) International banks from outside Africa, usually from Europe but also increasingly South-South banks from emerging economies such as India and China;
 - b) African cross-border banks incorporated in African continental jurisdictions where the main players are Kenya, Morocco, Nigeria and SA.
- The rate of growth of African cross-border banks outstripped foreign (non-African) bank ownership in African countries such as Uganda, Burundi and Senegal.
- Algeria, Egypt, Mozambique and Zambia have witnessed the highest rates of growth in foreign (non-African) bank ownership with Mozambique having less than 10% domestic banks.
- Ecobank is Africa's biggest lender by geographic reach whilst Standard Bank is Africa's top lender by assets. Growth of Ecobank and Standard Bank has been driven through consolidation and mergers and acquisitions (M&A) of other banks.
- More recently, major foreign banks and their subsidiaries in Africa have tended to focus on high-margin businesses, such as consulting services on M&A and asset-backed finance; and corporate and trade financing.
- The unbanked, for example, SMEs, and the rural and urban poor, have been largely excluded from recent developments resulting in the need of innovative ways to reach the unbanked.